

HOME SALES, PRICES REMAIN ON THE RISE IN GREATER BOSTON DURING NOVEMBER

Boston, MA, -- Sales of single-family homes and condominiums rose on an annual basis for a third consecutive month in November and median selling prices continued to appreciate across metro Boston last month, as low mortgage rates, an improving job market, and pandemic-induced increase in desire for more living space has fueled strong buyer demand late into the year, data from the Greater Boston Association of REALTORS® (GBAR) shows. In the single-family home market, sales increased on an annual basis by 15.6 percent, from 1,055 homes sold in November 2019 to 1,220 this November. Condominium sales also rose over the past 12 months, but more modestly so, improving 5.1 percent from 844 units sold last November to 887 in November 2020. This November's sales totals are the second highest on record for the month for each market, only surpassed by the 1,234 single-family homes sold in November 2018 and the 979 condos sold in November 2017.

“This has been one of the most active fall housing markets we’ve ever seen locally,” said GBAR President Jason Gell, an agent with RE/MAX Unlimited in Brookline. “With the economy on the rebound, mortgage rates still very attractive, and strong demand from both millennial first-time buyers as well as those looking to trade-up for more living space or a home in the suburbs due to the pandemic, we’ve seen more buyer traffic than normal between Labor Day and the beginning of the holiday season and that’s led to near record sales levels,” he explained. On a month-to-month basis sales volume did ease, but that’s typical during the colder weather months. Single-family home sales declined 15.6 percent in November from 1,446 homes sold in October, while condo sales fell 8.4 percent from 968 units sold the prior month. However, that did little to slow the rise in home values over the past year.

Among single-family homes the median selling price rose on an annual basis for a thirteenth consecutive month in November, climbing 16.9 percent over the past year from a median price of \$599,000 in November 2019 to a new record high price for November of \$700,000 last month. Meanwhile, in the condominium market the median selling price increased for a fifth consecutive month, appreciating 2.5 percent over the prior 12 months from a median price of \$565,000 last November to a new November record high of \$579,000 in November 2020.

“There’s a lot upward pressure on prices right now,” Gell stated. “Especially in the suburban starter and trade-up home markets where listings are at a premium, many homes are selling at or above asking price because buyers are competing with multiple offers and paying top dollar to get the property. When you factor in an increased propensity for larger homes among today’s buyers and the fact that lower mortgage rates provide the opportunity to buy more home, there’s good reason for the steady appreciation in selling prices were seeing in much of the market,” he noted.

Across the Greater Boston market, the supply of single-family homes for sale declined on an annual basis for a thirteenth consecutive month in November, declining 30.9 percent from 2,179 homes on the market in November 2019 to 1,506 last month. Active listings also decreased on a month-to-month basis by 27 percent, from 2,064 homes for sale in October. However, in the condo market inventory rose on an annual basis for a fifth consecutive month, climbing 42.4 percent on an annual basis from 2,020 units for sale last November to 2,877 in November 2020, but dropped 16.5 percent from one month earlier when there were 3,446 condos on the market in October.

Much of the increase in condominium inventory has taken place in Boston’s condo market and the urban core, where listings are up by two-thirds, or 67 percent, from the previous November, according to the GBAR data.

“The downtown Boston and Cambridge condo markets, as well as the immediate suburbs offer some of the best home buying opportunities at the moment, as prices have stabilized and even declined in some communities as inventory has risen sharply over the past year,” Gell observed. “In much of the market, sellers continue to hold the upper hand, but a property’s location alone no longer guarantees it will sell or command the highest dollar. Homes need to be priced right, in good condition, and have a desirable location to attract the most interest from today’s buyers,” he added.

The good news for those thinking of selling is that there appears to be no shortage of serious buyers, even with winter weather settling in. In fact, pending sales saw healthy gains in both markets last month with the number of single-family homes placed under agreement improving 21.1 percent on a year-over-year basis, from 1,043 in November 2019 to 1,263 this November. Additionally, in the condo market, pending sales increased 16.2 percent to 962 in November 2020 from 828 condominiums put under agreement in the same month last year.