

AS BUYER DEMAND EASES, SALES DECLINE AND PRICES MODERATE ACROSS

GREATER BOSTON HOUSING MARKET IN OCTOBER

Boston, MA. – The Boston area housing market saw further softening in homebuying demand last month, as sales of single-family homes declined on an annual basis for a third consecutive month in October while condominium sales fell year-over-year for the first time in 14 months. In addition, median selling prices for single-family homes and condos slipped or remained flat for a fourth straight month, data from the Greater Boston Association of REALTORS® (GBAR) shows.

Last month, single-family home sales decreased on an annual basis by 27.6 percent, declining from a monthly record high of 1,452 homes sold last October to 1,051 in October 2021. While it's the largest percentage decline in single-family home sales since May 2020 when sales dropped 32.8 percent from the same month one year earlier, last month's sales volume mirrored the 1,047 homes sold in October 2019 and ranks as the eighth best for any October on record in Greater Boston. Single-family home sales also fell on a month-to-month basis by 15.7 percent, from 1,247 homes sold in September.

Separately, condominium sales declined for the first time since August 2020, decreasing a modest 2.3 percent on a year-over-year basis, from a monthly record high of 971 units sold in October 2020 to 949 this October. On a month-to-month basis, condo sales were down more significantly, sliding 21.0 percent from 1,201 condos sold in September.

“After a year-and-a-half of ups and downs, it's starting to feel like a more normal market,” stated GBAR President Dino Confalone, an agent with Gibson Sotheby's International Realty in Cambridge. “Even though sales are off from a year ago, the number of closings in October was pretty typical of the month in our market over the past decade. We are seeing more hesitation on the part of buyers, however, and even a retreat from the market in the past few weeks by those who have been priced out or grown tired and frustrated over missing out on several properties in multiple offer situations,” he added.

As buyer demand has softened, so too have prices. In the single-family home market, the median selling price was flat over the past year, increasing just 0.1 percent from \$699,000 last October to \$700,000 in October 2021, and on a month-to-month basis the median sales price declined 6.7 percent from \$750,000 in September. Meanwhile, the condominium median sales price rose modestly on an annual basis, climbing 6.0 percent from \$575,000 in October 2020 to \$609,500 this October, but dropped 1.7 percent from the previous month when the median price stood at \$620,000 for September. Notably, this marks the twenty-fourth consecutive month the single-family monthly median home price has risen on an

annual basis, and the seventh consecutive month the median sales price for condominiums has appreciated from the same month one year earlier. However, October also represents the fourth consecutive month in which median selling prices for single-family homes and condos have either decreased or remained essentially unchanged from the prior month.

“The pool of buyers has been shrinking for a couple of months now and that’s made for a little less competitive market,” said Confalone. “Anyone out house-hunting now is in a better bargaining position today than they were just three to six months ago. Bidding wars are fewer and farther between. Buyers now have days instead of hours to consider making an offer. And properties that are overpriced are sitting longer, so there is less upward pressure on prices,” he observed.

In fact, the single-family home median sales price has declined 13.7 percent from the record high monthly median of \$812,000 this past June, while the median sales price for condominiums last month is down 4.7 percent from its peak of \$640,000, which also occurred in June 2021.

Still, it remains an opportune time to put a home on the market according to Confalone, as the number of homes and condos listed for sale remains well below levels needed to meet current demand. In fact, active listings of single-family homes have declined 26.6 percent over the prior 12 months, from 2,047 last October to 1,502 in October 2021, and are also down on a month-to-month basis 16.6 percent from 1,802 homes for sale in September. Additionally, active listings for condominiums have decreased 32.6 percent over the past year, from 3,465 units for sale in October 2020 to 2,336 this October and have fallen 10.4 percent from one month earlier when there were 2,604 condos listed for sale in September.

“Inventory levels remain near historic lows,” Confalone observed. “Currently, we only have about 1 ½ to 2 ½ months of supply to sell, so most properties are being bought close to or above their asking price. Sellers still hold the upper hand in today’s market, but just a little less so than they did earlier in the year,” he added.

To that end, the short-term forecast for sales activity looks healthy, as pending sales improved steadily from September to October and remain strong in comparison to year ago levels as well. Specifically, pending sales of single-family homes increased on a month-to-month basis by 25.8 percent last month, from 1,128 homes put under agreement in September to 1,419 in October, while pending sales for condos rose 14.4 percent, climbing from 1,002 in September to 1,146 in October. Meanwhile, on an annual basis, pending sales of condos improved 5.6 percent from 1,085 last October, while in the single-family home market pending sales slipped 3.9 percent from 1,476 homes placed under agreement in October 2020.