

GREATER BOSTON HOUSING MARKET SEES RECORD SALES, STEADY PRICE GAINS IN OCTOBER

Boston, MA, -- Sales of single-family homes and condominiums rose to new record highs in October as low mortgage rates, an uptick in new listings, and unfulfilled demand from an interrupted spring market kept the local housing market busier than normal, data issued by the Greater Boston Association of REALTORS® (GBAR) shows.

In the single-family home market, sales rose on an annual basis by 36.9 percent last month, climbing from 1,047 homes sold in October 2019 to 1,433 this October. Last month's sales volume sets a new record for the month, eclipsing the previous high of 1,137 homes sold in October 2003. Meanwhile, the last time single-family home sales improved at a greater rate was May 2010 when sales increased 45.2 percent from the same month one year earlier. Condominium sales also climbed steadily to new levels last month as the number of condo units sold rose 9.3 percent over the prior year, increasing from 868 units sold last October to 949 in October 2020 to break the previous record high for the month of 873 condominiums sold in October 2014.

“The level of sales activity we've seen this fall is unseasonably strong and a pleasant surprise given the uncertainty of the times,” said GBAR President Jason Gell, an agent with RE/MAX Unlimited in Brookline. “We're having a tough time keeping up with buyer demand, especially in suburban single-family market where homes are going under contract from one to three weeks faster than a year ago and the inventory of properties for sale is becoming depleted,” he noted.

Instead of prompting a retreat from the housing market, the pandemic has actually sparked greater interest in home buying, Gell observed. “With so many now working from home, the desire for more living space and the ability to commute less frequently to the office has motivated a new wave of buyers to enter the market. When you factor in those who delayed their home search last spring due to restrictions caused by the pandemic, and those first-time buyers now looking to take advantage of today's low interest rates, it adds up to unprecedented demand and a highly competitive market,” he stated.

The intense buyer competition combined with a shrinking supply of homes for sale continued to put upward pressure on home prices in October. Among single-family homes, the median selling price rose sharply by 18 percent on an annual basis, climbing from \$593,000 in October 2019 to a new all-time high price for October of \$700,000 last month. It's the largest percentage gain since February 2017 when the single-family median selling price improved 24.4 percent from the same month one year earlier.

-more-

Within the condominium market the median sale price also increased, but more modestly so, appreciating 4.6 percent over the past 12 months from \$549,700 last October to \$575,000 in October 2020.

“With inventory levels tight, multiple offers are not uncommon today. Additionally, with the purchase of larger homes on the rise, and lower mortgage rates enabling buyers to afford more home, we are seeing steady appreciation in home values across much of the market,” Gell explained.

Across the Greater Boston market, the supply of single-family homes for sale fell for a twelfth consecutive month in October, declining 30.7 percent from 2,972 homes on market in October 2019 to 2,061 last month. Active listings also decreased on a month-to-month basis by 5 percent, from 2,170 homes available for sale in September. However, in the condo market, inventory rose on an annual basis for a fourth consecutive month, climbing 32.5 percent on an annual basis from 2,602 units for sale last October to 3,448 in October 2020, and also rose by 1.4 percent from one month earlier when there were 3,402 condos on the market in September.

Much of the increase in condo inventory has occurred in Boston’s luxury downtown market, with listings citywide up 51 percent from the previous October, according to Gell. “It’s a strong seller’s market everywhere except the downtown Boston condo market, where listings are up over 50 percent from a year ago and the price per square foot has dropped by nearly \$50. In fact, we may be looking at one of the best buying opportunities in Boston since the last recession,” he said.

For this reason the GBAR president cautioned sellers about becoming overconfident. “It’s no longer location, location, location that generates top dollar, but rather the property’s price, condition, and location that are all factors for today’s buyers,” Gell said

As the end of the year nears, the good news for those thinking of selling is that there appears to be no shortage of serious buyers even with the holidays approaching. In fact, pending sales saw healthy gains in both markets last month with the number of single-family homes placed under agreement improving 21.5 percent on a year-over-year basis, from 1,258 in October 2019 to 1,529 this October. Additionally, in the condo market, pending sales increased 8.6 percent to 1,107 in October 2020 from 1,019 condominiums put under agreement in the same month last year.