

HOME SALES, PRICES CLIMB STEADILY IN APRIL ACROSS GREATER BOSTON

Boston, MA. — After two years of declining sales, there is increasing evidence a rebirth in the Boston area housing market has begun as sales of single-family homes and condominiums each rose steadily on a year-over-year basis for the second time in three months in April. The sales gains come even as the median sales price for single-family homes hit a new record high last month and mortgage rates remain near a 22-year peak, signs that suggest buyers are feeling more confident in the market and pent-up demand remains strong, a new report from the Greater Boston Association of Realtors® (GBAR) shows.

In April, sales of single-family homes improved 12.3 percent from the prior year, increasing from 682 homes sold in April 2023 to 766 homes sold last month. This marks the third time in the first four months of 2024 that home sales have risen on a year-over-year basis. It's also the largest percentage increase in monthly home sales since June 2021 when sales rose 59.2 percent over the prior June, though last month's sales volume remains below historic standards as it's the fifth lowest April sales total in the last 20 years. Similarly, in the condominium market, sales increased on an annual basis by 7.3 percent in April, climbing from 711 units sold last April to 763 in April 2024. While modest, it's the largest annual percentage gain in condo sales since November 2021 when sales improved 10.3 percent from the same month one year earlier. However, last month's sales total for condominiums is the eighth lowest of any April over the past 20 years.

"It's been slow going for the last of couple of years, but we've started to see signs of a modest market rebound in the early part of this year," stated GBAR President Jared Wilk, a broker with Compass in Wellesley. "The softening in mortgage rates that occurred in the first two months of the year has helped to boost buyer optimism and spur activity, making it feel like a more normal spring market. On top of that, listings for single-family homes and condos are at their highest level in six months, which is providing buyers more choice and room for negotiation when entering the market," he observed.

The increase in buyer interest and activity has been particularly strong for detached single-family properties, and that's led to steady price growth in recent months. In fact, the monthly median selling price for single-family homes reached a new record high in April, appreciating 16.2 percent in the last 12 months from a median of \$817,250 in April 2023 to \$950,000 last month. That figure tops the previous monthly record high price of \$910,000 for single-family homes set in July 2023. Notably, the median selling price also increased 5.5 percent on a month-to-month basis from \$900,500 in March.

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Meanwhile, it was a slightly different story in the condo market, which experienced some price moderation last month. On an annual basis, the median sales price for condominiums slipped 1.4 percent in April from a median price of \$710,000 last April to \$700,000 in April 2024, and declined 5.4 percent from March when the median selling price was \$740,000.

“Even though inventory is at its highest level since last October, we still don’t have nearly the number of listings needed to meet buyer demand, and that’s allowed prices to remain at or near record highs,” said Wilk. “Inventory is especially tight in the single-family home market, where the supply of listings is about 25 percent less than that for condos, which is why prices for these properties have been appreciating more rapidly over the first four months of the year,” he added.

Indeed, with more homebuyers entering the market this spring the competition for properties has become more heated of late. “Homes that are priced right and well-maintained continue to attract multiple offers, bids above asking price, and even the waiver of some contingencies which just adds to our already high housing costs. In today’s competitive market, sellers also are being more aggressive on their pricing, which is putting even more upward pressure on home prices,” Wilk noted.

Despite this fact, most properties that sold in April went at or above full asking price, with the typical single-family home selling for 103.4 percent of its original list price, and the typical condo receiving 100.6 percent of its initial sales price.

“Sellers are taking advantage of the imbalance between supply and demand to ask for top dollar, and many are getting it. However, properties that are overpriced are staying on the market longer and often require a price adjustment, as most buyers are unable or unwilling to overextend themselves financially at today’s higher rates and prices,” cautioned Wilk, noting many are well-versed on the market, can recognize properties that are overvalued, and will balk at making an offer.

As of the end of April, active listings for single-family homes were flat from one year ago, increasing just 0.6 percent from 1,259 homes for sale last April to 1,266 in April 2024. However, the number of homes for sale did climb 30 percent from one month earlier when 972 were listed on the market in March, and new listings rose 29.6 percent from 1,174 in April 2023 to 1,521 last month. Separately, in the condominium market 1,689 units were listed for sale this April, a drop of 3.3 percent from 1,747 units posted for sale in April 2023, but an increase of 11.3 percent 1,517 units for sale in March. In addition, new condo listings grew 17.9 percent over the past year from 1,238 units in April 2023 to 1,459 units put up for sale this April.

“Many homeowners have been resistant to selling in today’s higher interest rate environment, which has not only contributed to slower sales, but significant pent-up demand in the market,” Wilk said. “We appear to be getting closer to a rate cut by the Fed though, and that should lead to more listings, improved purchasing power, and additional gains in homebuying activity over the remainder the spring and summer,” he suggested.