MASSACHUSETTS ASSOCIATION OF REALTORS®

Detached Single-family Home Sales

April '05	April '06	% Change
3,628	3,268	- 9.9%

March '06	April '06	% Change
3,440	3,268	- 5.0%

Condominium Sales

April '05	April '06	% Change
1,880	1,686	- 10.3%

March '06	April '06	% Change
1,731	1,686	- 2.7%

Detached Single-family Home Median Selling Price

April '05	April '06	% Change
$352,900	$354,000	+ 0.3%

March '06	April '06	% Change
$344,000	$354,000	+ 2.9%

Condominium Median Selling Price

April '05	April '06	% Change
$275,000	$268,000	- 2.5%

March '06	April '06	% Change
$270,900	$268,000	- 1.1%

NOTE: Figures reflect data from 5 of 5 REALTOR®-affiliated Multiple Listing Services in Massachusetts as of May 15, 2006.

Talking Points

Detached Single-family Home Sales:

• After posting a modest 2 percent gain in March, sales of detached single-family homes fell in April for the sixth time in the last seven months compared to the same period one year earlier. The 3,268 homes sold last month is the lowest April sales total in five years, dating back to April 2001 when 3,217 detached homes were sold. Historically, however, April 2006 ranks as the tenth busiest on record for home sales during the month of April, an indication that sales activity has merely returned to more normal levels, following several years of strong buyer demand fueled by record low mortgage rates.

• The more moderate sales pace reflects a more cautious approach to home buying on the part of consumers brought on by higher mortgage rates – which have increased two-thirds of a point over year ago levels – rising energy prices, and a sharp increase in inventory levels, which has enabled buyers to take a more relaxed approach to the home search process than in prior months when supply levels were tighter. Talk of a housing "bubble" in the local market also prompted some buyers to stop house-hunting all together until just a few weeks ago, and that's led to some softening in demand. Gradually, however, those buyers are returning to the market as it becomes more evident sharp price declines are unlikely to occur.

• The 5 percent decline in home sales between March and April is unexpected and is further evidence of today's strong buyer's market, in which buyers are exhaustively searching the market for the right property and refusing to spend beyond their budget. Indeed, homes sold in April 2006 were on the market an average of 127 days, up from 104 days last April. The last time sales fell from March to April in Massachusetts was more than a decade ago, in 1995, when sales declined 23.3 percent from March to April, following the implementation of strict, new Title 5 septic regulations.

• The supply of detached single-family homes on the market rose for a 14th consecutive month in April, climbing 30.4 percent over the past year from 32,710 homes for sale in April 2005 to 42,667 this March. Inventory, as stated in months of supply, also rose steadily from 9 months last April to 13.1 months of supply in April 2006. With the spring market now in full bloom, listings are up from March as well, when there were 39,824 listings and 11.6 months of supply. In Massachusetts, the market is at equilibrium for buyers and sellers when 7.5-8.5 months of housing supply exists, thus a strong buyers market has been in place for the last four months due to surging supply levels and more moderate demand.

• Mortgage interest rates rose for a fourth consecutive month in April, increasing from an average rate of 6.51 percent in March to 6.68 percent in April for a 30-year fixed-rate mortgage in Massachusetts. Compared to a year ago, the rates are up two-thirds of a point from April 2005, when the average rate was 6.03 percent for a 30-year fixed rate home loan in Massachusetts. The average rate on a 30-year mortgage is now at its highest level in 46 months (June 2002 – 6.79%). While still low by historic standards, the bump in mortgage rates to 6 2/3 percent since last summer has reduced the purchasing power of some entry-level buyers, forcing them to suspend their home search temporarily or to buy a condo.

Condo Sales:

• Sales of condominiums declined in April for the second time in four months compared to year ago levels, but remained strong by historic standards. While sales fell 10.3 percent over the past 12 months, the 1,686 condos sold last month are the second most on record for the month of April in state history, surpassed only by the 1,880 units sold in April 2005.

• The last time condo sales declined over 10 percent on a year-to-year basis was August 2002, when sales fell 14.7 percent from the prior August. The last time condo sales fell from March to April was April 1995 when sales dropped 6.7 percent.

• The number of condos for sale has increased 57.2 percent in the past year, from 14,356 units last April to 22,565 in April 2006. Inventory, as stated in months of supply, also has risen in the past year, climbing to 13.4 months of supply this past April from 7.6 months of supply in April 2005. In addition, condo listings have increased 9.8 percent from March when there were 20,549 condo units on the market and 11.9 months of supply.

• The average listing time for condos has risen over the past year from 89 days in April 2005 to 117 days this past April.

Detached Single-Family Home Selling Prices:

• After slipping 1.7 percent in March, the statewide median selling price for detached homes rose a modest 0.3 percent over the past year to $354,000 last month from $352,900 in April 2005. While this marks the fourth consecutive month that the median price has been flat or decreased slightly from the same month one year earlier, it's clear that as the market cools from its record sales pace of 2004-2005, price stability, rather than a major price correction is the likely scenario. At present, the median price is 5.6 percent below the record high median price of $375,000 set in July and August 2005.

Condominium Selling Prices:

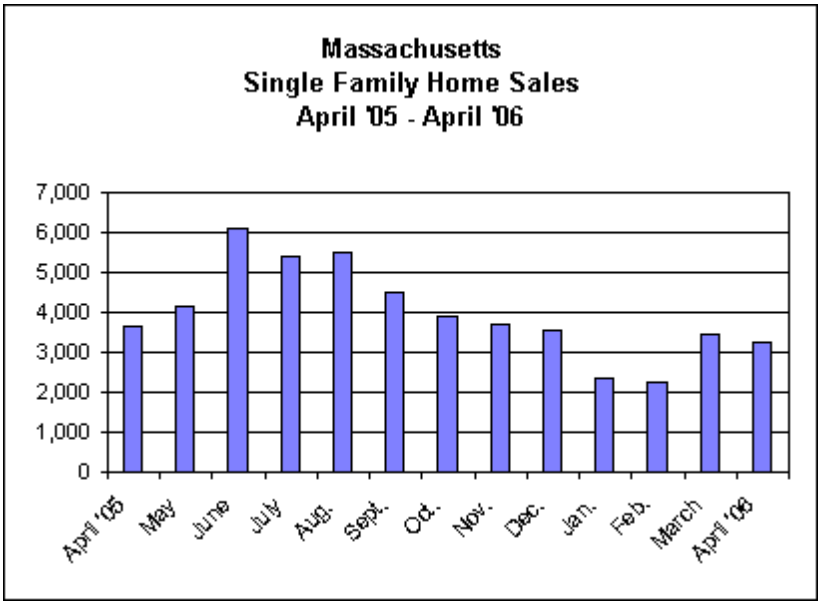
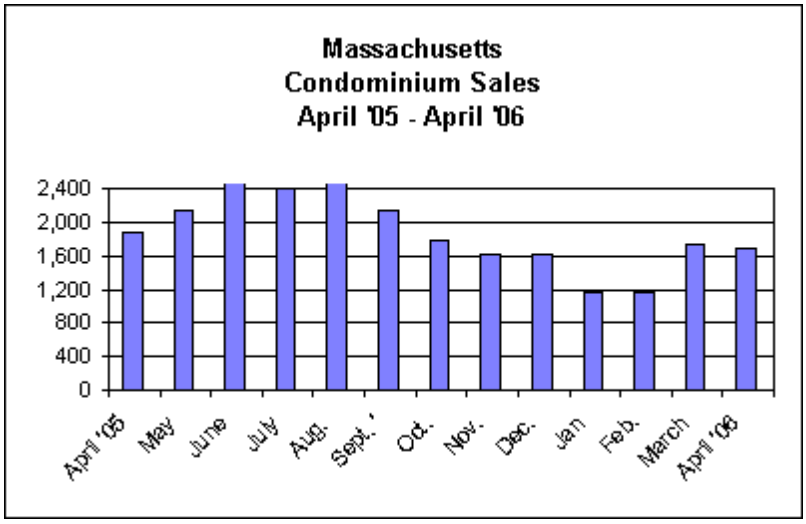
• With demand for condos easing last month, the statewide median selling price for condominiums declined for the first time 88 months in April, sliding 2.5 percent to $268,000 from $275,000 in April 2005. The last decrease in condo prices on a year-to-year basis was in December 1998, when the selling price for condos fell 6 percent from the prior December.

•The median price of $268,000 is down 6.9 percent from the record high median selling price of $287,900 set in July 2005.

Monthly Sales By Year for
Single Family Homes and Condominiums

April Sales		
Year	***S-F***	***Condos***
Apr-06	3,268	1,686
Apr-05	3,628	1,880
Apr-04	4,046	1,663
Apr-03	3,318	1,189
Apr-02	3,609	1,231
Apr-01	3,217	1,024
Apr-00	3,421	1,051
Apr-99	4,216	1,120
Apr-98	4,139	905
Apr-97	3,521	802
Apr-96	3,385	681
Apr-95	1,931	388
Apr-94	3,180	554
Apr-93	2,675	463
Apr-92	2,885	440
Apr-91	2,107	282

April '05	3,628
May	4,142
June	6,084
July	5,401
Aug.	5,482
Sept.	4,516
Oct.	3,880
Nov.	3,713
Dec.	3,574
Jan.	2,340
Feb.	2,265
March	3,440
April '06	3,268



April '05	1,880
May	2,141
June	2,775
July	2,405
Aug.	2,596
Sept. '	2,140
Oct.	1,779
Nov.	1,622
Dec.	1,627
Jan	1,171
Feb.	1,168
March	1,731
April '06	1,686