

MASSACHUSETTS ASSOCIATION OF REALTORS

Detached Single-family Home Sales

<u>December '01</u>	<u>December '02</u>	<u>% Change</u>
3,426	3,784	+ 10.5%
<u>November '02</u>	<u>December '02</u>	<u>% Change</u>
3,545	3,784	+ 6.7%

Condominium Sales

<u>December '01</u>	<u>December '02</u>	<u>% Change</u>
861	1,161	+ 34.8%
<u>November '02</u>	<u>December '02</u>	<u>% Change</u>
1,025	1,161	+ 13.3%

Detached Single-family Home Average Selling Price

<u>December '01</u>	<u>December '02</u>	<u>% Change</u>
\$298,273	\$344,795	+ 15.6%
<u>November '02</u>	<u>December '02</u>	<u>% Change</u>
\$335,813	\$344,795	+ 2.7%

Condominium Average Selling Price

<u>December '01</u>	<u>December '02</u>	<u>% Change</u>
\$213,290	\$250,242	+ 17.3%
<u>November '02</u>	<u>December '02</u>	<u>% Change</u>
\$252,964	\$250,242	- 1.1%

NOTE: Figures reflect data from 5 of 5 REALTOR-affiliated Multiple Listing Services in Massachusetts as of January 20, 2003.

## Talking Points

### **Detached Single-family Home Sales:**

- This past December was the most active December for detached single-family home sales since December 1998 when 4,192 units were sold. The steady gain in December sales activity from a year ago can be attributed in part to the fact that December 2001 was very quiet in the housing market due to the effects of the September 11<sup>th</sup> terrorist attacks.
- December's sales gain marks the third time in four months that sales of detached single-family homes have risen in Massachusetts.
- The 10.5 percent increase in detached single-family home sales over Dec. 2001 is the largest year-to-year monthly gain in detached single-family home sales for the December time period since December 1997, when sales rose 24.3 percent over December 1996.

### **Condo Sales:**

- The 1,161 condo units sold in December 2002 is the most every recorded for a December in state history. The previous high for condo sales in December was 1,017 in December 1998.
- This is the fourth consecutive month in which condo sales have increased in Massachusetts dating back to September.

### **Detached Single-Family Home Average Selling Price:**

- This is the ninth time in the 12 months of 2002 that the statewide average selling price for detached single-family homes increased by double-digits from the same month one year earlier. Expectations are that the appreciation rate in home values and selling prices will moderate in the year ahead, most likely declining back to single digit levels of 4-8 percent.
- The increase of more than \$45,000 in the stateside average selling price last month suggests not only that housing demand remains healthy, but that inventory levels of lower-end, entry-level housing are limited or depleted in many communities. As a result, what's available and selling compared to a year ago is more mid-level and higher-end housing, and that too is lifting the monthly average selling price across the state. Clearly there needs to be more construction of smaller starter homes geared to first-time buyer housing in many communities.
- The \$344,795 statewide average selling price for December is up steadily from the \$335,813 selling price in November, but down more than \$20,000 from the year's previously monthly high selling price of \$367,704, recorded in August 2002. Remember, these are all average selling prices, many homes sell for less than the average price, and, of course, homes sell for more than this price as well.

### **Condominium Average Selling Price:**

- The statewide average selling price for condominiums has increased at double-digits rates during all 12 months of the past year, compared to the comparable month for 2001. Again, expectations are that appreciation rates will ease in 2003, but price pressures remain in this market due to heavy demand from first-time buyers and empty-nesters looking to downsize who are both in search of smaller, more moderately priced homes.
- The \$250,242 statewide average selling price for December is down from a monthly high of \$263,605 recorded in August 2002.

### **YEAR-END STATISTICS:**

- Fourth quarter and year-end 2002 data will be released to the media on February 12, 2003. As background, preliminary projections show that detached single-family homes sales will be up roughly 3 1/2 percent in 2002 over 2001, while condo sales will be up about 10 percent over 2001. This should make 2002 the third most active year for residential home sales in state history, trailing only 1998 and 1999. The statewide average selling price for detached single-family homes will be up nearly 12 percent to nearly \$345,000 and the statewide average selling price for condos will be up approximately 16 percent to about \$244,000. These figures could change so exercise caution in sharing any of the year-end estimates with members of the press.