MASSACHUSETTS ASSOCIATION OF REALTORS®

Detached Single-family Home Sales

June '05	June '06	% Change
6,115	5,101	- 16.6%

May '06	June '06	% Change
4,055	5,101	+ 25.8%

Condominium Sales

June '05	June '06	% Change
2,781	2,382	- 14.3%

May '06	June '06	% Change
2,113	2,382	+ 12.7%

Detached Single-family Home Median Selling Price

June '05	June '06	% Change
$373,750	$370,000	- 1.0%

May '06	June '06	% Change
$352,700	$370,000	+ 4.9

Condominium Median Selling Price

June '05	June '06	% Change
$286,750	$283,500	- 1.1%

May '06	June '06	% Change
$286,000	$283,500	- 0.9%

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

Talking Points

Detached Single-family Home Sales:

• Detached single-family home sales fell for a third consecutive month in June from the same month a year ago, declining 16.6 percent to 5,101 homes sold in June 2006. While sales have decreased for eight of the last nine months compared to the same period a year earlier, housing demand remains historically strong, with this past June's sales total the sixth highest on record for the month of June in state history. In addition, even though sales fell sharply last month, the drop is magnified by the fact a record 6,115 homes were sold in June 2005 – the most of any month ever in Massachusetts. The current sales pace reflects a return to a more normal market, following strong sales in 2004-05 triggered by record low mortgage rates.

• Home sales last declined by more than 16.6 percent in January 2006, when sales fell 21 percent from January 2005.

• The more moderate sales pace reflects a more cautious approach to home buying on the part of consumers brought on by rising mortgage rates – which have increased a full point over the past year – rising energy prices, and a more plentiful supply of homes for sale, which has enabled buyers to take a more relaxed approach to the home search process than in prior months when inventory levels were tighter. With mortgage rates at roughly 7 percent and homes prices down only slightly in the past year, entry-level buyers (most notably) have experienced a loss in purchasing power which has caused them to suspend their home search or turn instead to the rental market, and that's led to some softening in demand.

• The supply of single-family homes for sale rose for a 16th consecutive month in June, climbing 23.3 percent over the past year from 35,820 listings in June 2005 to 44,175 this June. Inventory, as stated in months of supply, also rose steadily from 5.9 months last June to 8.7 months of supply in June 2006. As the spring market winds down, some sellers have removed their homes from the market recently, leading a 4 percent drop in listings from May when 46,019 homes were for sale. In Massachusetts, the market is at equilibrium for buyers and sellers when 7.5-8.5 months of housing supply exists.

• As listings have increased so has time on the market as buyers exhaustively search for the right home and refuse to spend beyond their budget. This June, homes were on the market an average of 111 days before being sold, an increase of nearly a month from June 2005 when homes were listed for an average of 84 days before going under agreement.

• Mortgage interest rates rose for a sixth consecutive month in June, increasing from an average rate of 6.8 percent in May to 6.91 percent in June for a 30-year fixed-rate mortgage in Massachusetts. Compared to a year ago, rates are up just over a full percentage point from June 2005, when the average rate was 5.79 percent for a 30-year fixed rate home loan in the Bay State. The average rate on a 30-year mortgage is now at its highest level since May 2002 when it was 6.94 percent.

Condo Sales:

• Sales of condominiums declined for a third consecutive month in June from year ago levels, but remain near a record high for the month. While sales fell 14.3 percent in the past year, the 2,382 condos sold last month are the second most on record for the month of June in state history, topped only by the all-time monthly record of 2,781 units sold in June 2005.

• The last time condo sales decreased for three consecutive months on an annual basis was July-September 2002. Also, the last drop in condo sales greater than 14.3 percent occurred in September 2001, when sales fell 14.8 percent from Sept. 2000.

• The number of condominiums for sale has increased 37.7 percent in the past year, from 15,362 units last June to 21,150 in June 2006. Inventory, as stated in months of supply, also has risen in the past year, climbing to 8.9 months of supply this past June from 5.5 months of supply in June 2005. Compared to one month earlier, however, the number of condos for sales has declined 6.2 percent from May when there were 22,555 units available for sale (10.7 months of supply).

• Similar to the detached home market, condo units are not selling as quickly as they did a year ago. The average listing time for condos has risen by nearly four weeks over the past year from 66 days in June 2005 to 98 days last month.

Detached Single-Family Home Selling Prices:

• The statewide median selling price for detached homes declined a modest 1 percent over the past year to $370,000, from $373,750 in June 2005. Although this marks the fifth consecutive month that the median price has been flat or decreased modestly (less than 2 percent) from the same month one year earlier, there is little evidence to suggest that significant price declines will occur in the Bay State housing market. Instead, as the market cools from the record sales pace of 2004-2005, prices, for the most part, have stabilized across the state after several years of strong price appreciation. At present, the median price is just 1.3 percent below the record high median price of $375,000 set in July and August 2005.

Condominium Selling Prices:

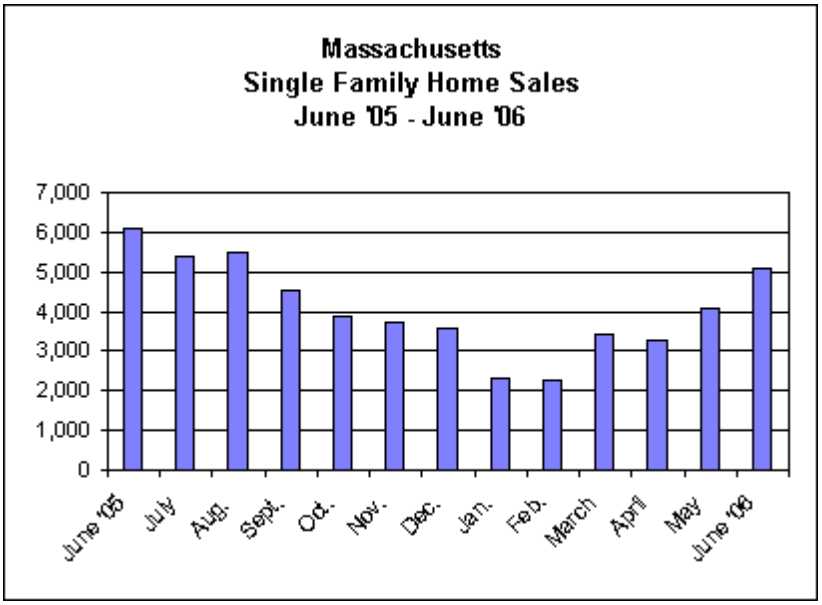
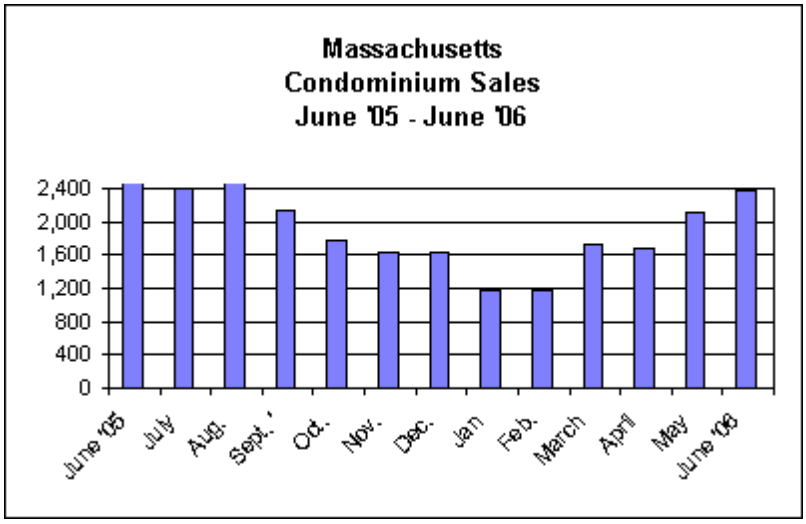
• The statewide median selling price for condos declined for the second time in the last three months during June, but only modestly so, slipping 1.1 percent to $283,500 from $286,750 in June 2005. Notably, prior to this April, when the median price fell a more substantial 2.5 percent, selling prices in the condo market had risen for 87 consecutive months.

•The median price of $283,500 is just 1.5 percent below the record high median selling price of $287,900 set in July 2005.

Historical Monthly Sales of
Single Family Homes and Condominiums

June Sales		
Year	***S-F***	***Condos***
Jun-06	5,101	2,382
Jun-05	6,115	2,781
Jun-04	6,051	2,329
Jun-03	4,851	1,612
Jun-02	4,886	1,519
Jun-01	5,082	1,400
Jun-00	5,374	1,373
Jun-99	6,026	1,551
Jun-98	5,627	1,317
Jun-97	4,905	1,094
Jun-96	4,570	854
Jun-95	4,029	773
Jun-94	4,455	881
Jun-93	3,972	685
Jun-92	3,678	540
Jun-91	3,210	397

June '05	6,115
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	3,281
May	4,055
June '06	5,101



June '05	2,781
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	1,691
May	2,113
June '06	2,382