MASSACHUSETTS ASSOCIATION OF REALTORS®

Detached Single-family Home Sales

March '05	March '06	% Change
3,373	3,440	+ 2.0%

February '06	March '06	% Change
2,265	3,440	+ 51.9%

Condominium Sales

March '05	March '06	% Change
1,691	1,731	+ 2.4%

February '06	March '06	% Change
1,168	1,731	+ 48.2%

Detached Single-family Home Median Selling Price

March '05	March '06	% Change
$350,000	$344,000	- 1.7%

February '06	March '06	% Change
$339,000	$344,000	+ 1.5%

Condominium Median Selling Price

March '05	March '06	% Change
$265,000	$270,900	+ 2.2%

February '06	March '06	% Change
$275,000	$270,900	- 1.5%

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

Talking Points

Detached Single-family Home Sales:

• Activity in the state's detached single-family home market rose for the first time in six months on a year-to-year basis in March, as sales increased 2 percent from 3,373 homes sold in March 2005 to 3,440 this past March. The improved sales activity reflects milder than normal winter weather, which enticed large numbers of buyers into the market earlier than last year; a steady gain in consumer confidence levels since last fall; and more realistic pricing on the part of sellers. In addition, rising mortgage rates may have prompted some buyers to get off the fence, while others who delayed home purchases in the second half of 2005 for fear that a housing bubble existed, have re-entered the market since the first of year now that it's become clear that major price corrections are unlikely to occur in the local housing market.

• As evidence that buyer demand remains historically strong, last month's sales volume of 3,440 homes sold is the second highest on record for the month of March in state history. The record for most homes sold in one March is 3,507, which occurred in March 1999.

• While the 51.9 percent sales gain from February to March is substantial, it is due mainly to seasonal changes in the local housing market as the transition from the winter to spring selling season begins. In fact, sales of detached homes also rose an equally impressive 46.8 percent from February and March each of the past two years. The last time detached home sales rose by a larger margin on a month-to-month basis was February to March 2000, when sales rose 56.4 percent.

• The supply of detached single-family homes on the market rose for a 13th consecutive month in March, climbing 33.4 percent over the past year from 29,859 homes for sale in March 2005 to 39,824 this March. Inventory, as stated in months of supply, also rose steadily from 8.9 months last March to 11.6 months of supply in March 2006. With the spring market now in full swing, listings are up from February as well, when there were 35,907 listings and 15.9 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 three months due to surging supply levels and more moderate demand.

• Mortgage interest rates rose for a third consecutive month in March, increasing from an average rate of 6.46 percent in February to 6.51 percent in March for a 30-year fixed-rate mortgage in Massachusetts. Compared to a year ago, the rates are up nearly a half a point from March 2005, when the average rate was 6.04 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 31 months (August 2003 – 6.55%). While still low by historic standards, the bump in mortgage rates to 6 ½ 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:

• First-time buyers and empty-nesters looking to downsize and purchase second homes continue to boost condo sales to record levels. The 1,731 units sold in March set a new state record for the month, topping the prior record of 1,691 condos sold in March 2005. Condo sales have now improved for 24 of the past 25 months over the same period a year earlier.

• The number of condos for sale has increased 52.8 percent in the past year, from 13,445 units last March to 20,549 in March 2006. Inventory, as stated in months of supply, also has risen in the past year, climbing to 11.9 months of supply this past March from 8 months of supply in March 2005. Similar to the detached home market, condo listings have increased 10 percent from February when there were 18,613 condo units on the market and 15.9 months of supply.

Detached Single-Family Home Selling Prices:

• The statewide median selling price for detached homes declined a modest 1.7 percent over the past year to $344,000 from $350,000 in March 2005. This follows flat appreciation in February – when the median price slipped 0.3 percent from the previous February – and marks the first measurable decline in the selling price of detached homes in 11 years, dating back to April 1995 when the statewide average selling price fell 1.5 percent on an annual basis from April 1994.

• Predictions of steep price declines in home values made last fall remain largely unfounded. While the current median price is 8.3 percent below the record high monthly median of $375,000 set in July and August 2005, today's prices largely reflect healthier inventory levels, which has eased upward pressure on prices. Today's higher mortgage rates also have reduced buyers' purchasing power, and that tends to result in fewer sales at the high-end of the market which drags down the median as buyers opt to purchase smaller, less expensive homes than they would if mortgage rates were lower.

Condominium Selling Prices:

• Condo prices continue to moderate, with the statewide median selling price rising 2.2 percent in March from year-ago levels. That matches the annual rate of appreciation in the median price during February, and represents the eleventh consecutive month of single-digit annual price appreciation in the condo market.

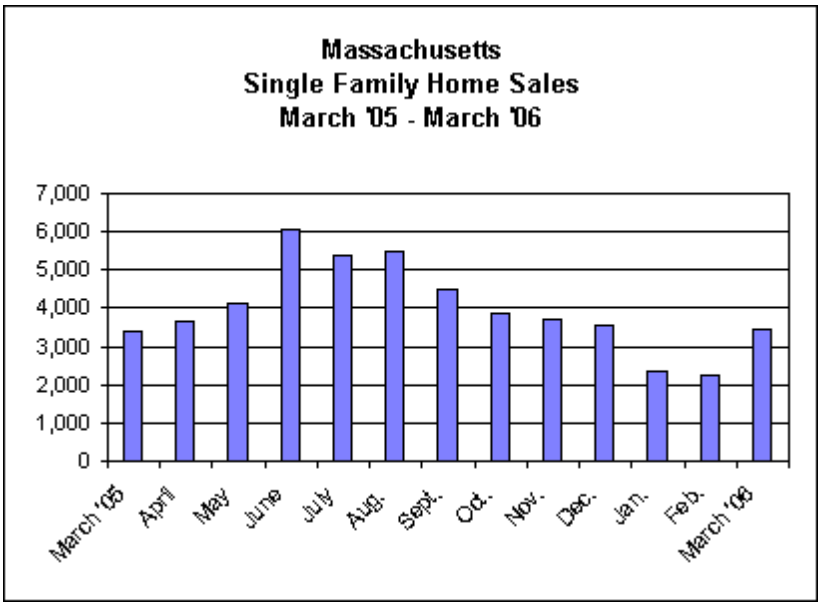
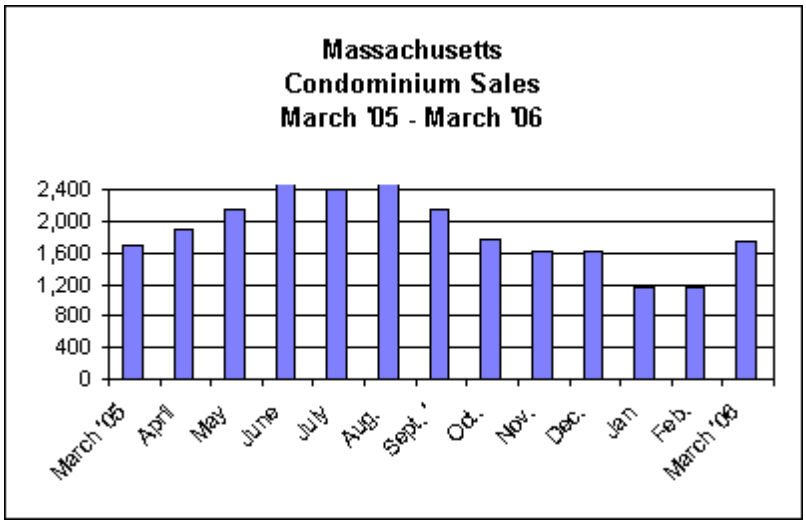
• This is the 87th consecutive month selling prices have risen vs. the same month the prior year (dating back to Dec. 1998).

•The median price of $270,900 is down 5.9 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

March Sales		
Year	***S-F***	***Condos***
Mar-06	3,440	1,731
Mar-05	3,373	1,691
Mar-04	3,342	1,340
Mar-03	2,948	1,043
Mar-02	3,244	1,085
Mar-01	3,103	971
Mar-00	3,333	944
Mar-99	3,507	983
Mar-98	3,168	718
Mar-97	2,744	620
Mar-96	2,471	523
Mar-95	2,519	416
Mar-94	2,703	502
Mar-93	2,397	387
Mar-92	2,252	334
Mar-91	1,704	237

March '05	3,373
April	3,662
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 '06	3,440



March '05	1,691
April	1,883
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 '06	1,731