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Mass. Realtor Price Index hits new high in March - up 54.4 % from the March 2011

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According to The Massachusetts Association of Realtors (MAR), the Realtor Price Index (RPI) hit an all-time high in March, while the Realtor Market Index (RMI) hit its second highest point since both data have been tracked. Realtors who responded to the survey are increasingly positive about both sales and price increases, while reporting that the majority of their buyer clients are mildly concerned about job loss in the current economy.

"It has been awhile since Realtors felt this positive about the market and their confidence is encouraging," said 2012 MAR president Trisha McCarthy, broker at Keller Williams Realty in Newburyport. "As long the market conditions remain where they are in terms of relatively lower prices and interest rates, activity should continue to be positive for at least the remainder of the spring buying season."

In March 2012, the Realtor Market Index was 49.54, which was up 54.4 % from the March 2011 score of 32.09. This is the second highest point since the Index has been tracked and the highest point without the presence of the home buyer tax credit. On a month-to-month basis, the March RMI was up 25.5% from the 39.47 score in February 2012. Measured on a 100-point scale, a score of 50 is the midpoint between a "strong" (100 points) and a "weak" (0 points) market condition.

The Realtor Price Index was 57.73 in March, which was up 18.6 from the March 2011 RPI of 48.69. This is the highest point reached on the RPI scale since the data has been tracked. On a month-to-month basis, the RPI was up 5.4 percent from the February 2012 RPI of 54.78

Realtor members were asked in March whether their buyer and seller clients were concerned about job loss. Sixty-one percent responded that they were mildly concerned about job loss. Nine percent had no concern, while 30 percent indicated that their buyer and seller clients had significant concern.

The Massachusetts Realtor Market Index (RMI) and Price Index (RPI) are based on monthly responses from a random sampling of Massachusetts Association of Realtors members on the state of the housing market. More specifically, the survey asks members two basic questions pertaining to the real estate business in their market area in Massachusetts.

1. How would you describe the current housing market?
2. What are your expectations of home prices over the next year?

In addition to these standard questions, the survey each month includes one wildcard question that changes each month and is based on an industry hot topic.

The RMI is calculated in the following way. Respondents indicate whether conditions are, or are expected to be "strong" (100 points), "moderate" (50 points), and "weak" (0 points). The results are

the average score for each question. A score of 50 is the threshold between a "strong" and a "weak" condition. Similarly, the question about home prices over the next year (Realtor Price Index) is calculated using five categories: "Rise 0-5%" (75 points), "Rise 5%+" (100 points), "Level" (50 points), "Fall 0-5%" (25 points), and "Fall >5%" (0 points).

About the Massachusetts Association of Realtors:

Organized in 1924, the Massachusetts Association of Realtors is a professional trade organization with more than 19,000 members. The term Realtor is registered as the exclusive designation of members of the National Association of Realtors who subscribe to a strict code of ethics and enjoy continuing education programs.

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