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Massachusetts home sales up in March for the ninth straight month

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The Massachusetts Association of Realtors (MAR) reported that March 2012 home sales were up again compared to the same time last year for the ninth straight month. Condominium sales were also up from March 2012. While median prices were down for single-family homes, prices were up for condominiums.

"Another month of improved home sales is another month closer to a stable housing market here in Massachusetts," said 2012 MAR President Trisha McCarthy, broker at Keller Williams Realty in Newburyport. "Confidence continues to build for good reason, but unlike the run-up to the 'bubble', there is a healthy element of realism in what buyers can afford and what homes are worth." There were 3,152 detached single-family homes sold this March, a 19.1% increase from the 2,646 homes sold the same time last year.

This is the ninth straight month of year-over-year increases. On a month-to-month basis, home sales were up 35.3% from 2,329 homes sold this past February. A significant February-to-March increase in the number of homes sold is typical.

The median selling price for single-family homes in March was \$267,500, a decrease of 2.2% compared to \$273,500 in March 2011. This is the sixth straight year-over-year decrease. On a month-to-month basis, the March median selling price was up 5.3% from \$254,000 in February 2012.

The March condominium market was up 6.0% compared to the same time last year (from 1,091 units sold in 2011 to 1,156 units sold in 2012). On a month-to-month basis, condominium sales were up 35.2% compared to the 855 units sold this past February.

Condominium median selling prices in March were up 7.2% from the March 2011 median price (from \$231,300 to \$248,000). On a month-to-month basis, the median selling price of a condominium was up 10.7% from a February 2012 median of \$224,000.

Fannie Mae and Freddie Mac Short Sale Guidance:

"Realtors in Massachusetts follow the National Association of Realtors in applauding the Federal Housing Finance Agency and its acting director Edward DeMarco for issuing new guidance requiring servicers of Fannie Mae and Freddie Mac loans to speed responses to short sales," said McCarthy.

Similar to legislation filed by Massachusetts US Senator Scott Brown, the guidance issued by the Federal Housing Finance Agency (FHFA) would put specific time limits on how long a loan servicer can take prior to making a decision on the short sale for a loan owned by Fannie Mae or Freddie Mac. In this case, the guidelines would require servicers to acknowledge receipt of short sale purchase offers within three business days; respond to short sale requests within 30 days (with a possible 30-day extension); and make a final decision within 60 days of receiving purchase offers. Currently the short sale process can take several months to over a year in some cases.

"Short sales are way to help minimize the negative impact on sellers who can no longer stay in their home," said McCarthy. "Unfortunately, because of the amount of time it takes to complete a short sale, homes often go into foreclosure and as a result neighborhood values go down."

Inventory and Days on Market:

The inventory of single-family homes as of March 2012 decreased 6.2% from March 2011 (29,141 listings in 2011 to 27,334 listings in 2012) which translates into 8.1 months of supply in March 2012. This is down from 8.8 months of supply last year and up slightly from 7.8 months in February 2012. This was the seventh straight month of inventory decreases.

The inventory of condominiums on the market in March was down 18% compared to the year before (11,701 listings in 2011 to 9,593 listings in 2012), which translates into 7.5 months of supply, which is down from 9 months in March 2011 and up from 7.1 months this past February.

Detached single-family homes stayed on the market an average of 131 days in March 2012, which was up from 127 days in March 2011. Condos stayed on the market an average of 123 days, down from an average of 134 days in March 2011. On a month-to-month basis, days on market for single-family homes were up from 130 days in February while condos were down from 124 days.

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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