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Massachusetts Realtor Market Index and Price Index hit all-time highs in April

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According to the Massachusetts Association of Realtors (MAR), increased activity over the past several months has pushed both the Realtor Market Index (RMI) and the Realtor Price Index (RPI) to all-time highs in April. The majority of Realtors who responded to the survey reported that low appraisals are not having an impact on transactions that have competitive or multiple bid offers.

"The Index highs really resonate to a sense of improving confidence among the Realtor-membership across Massachusetts," said 2012 MAR president Trisha McCarthy, broker at Keller Williams Realty.

"The spring has been very active and signs point to more positive results in the months ahead, with pending sales numbers in the summer giving us the best indication of where we are in the recovery."

In April 2012, the Realtor Market Index was 56.31, which was up 86% from the April 2011 score of 30.28. This is the highest point the Index has reached since the association has been tracking the data. In addition, this is only the second time that the Index has gone over the 50-point mark. On a month-to-month basis, the April RMI was up 13.7% from the 49.54 score in March 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 59.86 in April, which was up 23.1% from the April 2011 RPI of 48.64. This is the highest point reached on the RPI scale since the data has been tracked. This is also the first time there has been three straight months over the 50-point mark since February, March and April 2010, the final three months of the home buyer tax credit. On a month-to-month basis, the RPI was up 3.7% from the April 2012 RPI of 57.73.

Realtor members were asked in April how low appraisals were impacting the closings of homes that received competitive and multiple-bid offers in this improving market. Thirty-nine% answered this was happening "no more than normal," while 11% answered "infrequently" and seven% answered "never." Of those members who reported experiencing low appraisals impacting closings 39% answered "often" and six% answered "very often."

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