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April median home prices in Mass. up for first time in seven months

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The Massachusetts Association of Realtors (MAR) reported that median home prices were up in April for the first time since September 2011. Single-family home sales increased again compared to the same time last year for the tenth straight month. Condominium sales were also up from April 2012. Condominium median prices rose for the second straight month.

"This is the first multiple percentage point jump we've seen in home prices since November 2010, which concluded a run of twelve months of increases due to the home buyer tax credit," said 2012 MAR president Trisha McCarthy, broker at Keller Williams Realty in Newburyport. "The increased activity we've been experiencing over the past several months, which has included multiple-bid situations, is pushing prices up. Hopefully, people who want to sell but have been holding back will decide now is a good time to put their homes on the market."

There were 3,527 detached single-family homes sold this April, an 18.3% increase from the 2,982 homes sold the same time last year. This is the 10th straight month of year-over-year increases. On a month-to-month basis, home sales were up 10.3% from 3,198 homes sold this past March.

The median selling price for single-family homes in April was \$282,450, an increase of 2.7% compared to \$275,000 in April 2011. This the first increase in median home prices since September 2011 (which was less than half of 1%). Prior to that, the most recent increase in prices was November 2010, the original deadline for the first-time home buyer tax credit. On a month-to-month basis, the April median selling price was up 5.8% from \$267,000 in March 2012.

The April condominium market was up 10.2% compared to the same time last year (from 1,213 units sold in 2011 to 1,337 units sold in 2012). On a month-to-month basis, condominium sales were up 13.8% compared to the 1,175 units sold this past March.

Condominium median selling prices in April were up 3.0% from the April 2011 median price (from \$265,000 to \$273,000). On a month-to-month basis, the median selling price of a condominium was up 11.0% from a March 2012 median of \$273,000.

Mortgage Cancellation Relief

While the housing market, especially in Massachusetts, is improving, it has yet to stabilize. With over 20% of all home owners under water in their mortgages, one of the most urgent needs is an extension of the tax relief provided in 2007. This relief assures that individuals in the process of foreclosure, short sales or loan modifications will pay no federal income tax on forgiven mortgage debt. The current extension is set to expire at the end of the year.

"In the case of a foreclosure or a short sale, the home owner is walking away with no equity and a severely damaged credit report," said McCarthy. "If this extension isn't passed, these folks will be required to pay income tax on the forgiven mortgage debt. This scenario could also happen to home owners who received a loan modification to stay in their homes. These struggling families shouldn't

be kicked when they are down."

Realtors from Massachusetts and across the country travelled to Washington D.C. last week to lobby their members of Congress to consider the following bills to extend the tax relief:

- * H.R. 4202, "The Mortgage Cancellation Relief Act of 2012," introduced by representative Charlie Rangel (D-NY), which would extend the mortgage cancellation for two more years.

- * H.R. 4336 a similar bill introduced by representative Tom Reed (R-NY), which would extend the relief for one year.

- * S. 2250 "The Mortgage Relief Act," introduced by senator Debbie Stabenow (D-MI), which would extend the mortgage cancellation for two more years

Inventory and Days on Market

The inventory of single-family homes as of April 2012 decreased 9.7% from April 2011 (32,372 listings in 2011 to 29,228 listings in 2012) which translates into 8.5 months of supply in April 2012. This is down from 10.0 months of supply last year and up slightly from 8.3 months in March 2012. This was the eighth straight month of inventory decreases.

The inventory of condominiums on the market in April was down 21.2% compared to the year before (12,677 listings in 2011 to 9,988 listings in 2012), which translates into 7.7 months of supply, which is down from ten months in April 2011 and the same as this past March.

Detached single-family homes stayed on the market an average of 125 days in April 2012, which was down one day from 126 days in April 2011. Condos stayed on the market an average 115 days, down from an average of 120 days in April 2011. On a month-to-month basis, days on market for single-family homes were down from 131 days in March while condos were down from 124 days.

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.