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Rhode Island single-family home sales rose 15% in May

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Rhode Island single-family home sales rose 15% in May compared with the same period last year, according to the Rhode Island Association of Realtors.

There were 691 houses sold during the month, up from 601 last May. It is the 11th consecutive month of year-over-year sales increases. May pending sales, agreements that have yet to close, rose 22% year over year.

Despite the increased volume, the median single-family sale price dropped 7% from last May to \$195,000, marking 12 straight months of year-over-year declines.

The median price in May did rise 11% from April and is up from a low mark of \$170,000 in February. The 175 distressed sales in May, which include short sales and foreclosures, represented 25% of all sales, down from 27% in May 2011. The median sale price excluding distressed sales dropped 1% year over year to \$234,500.

The supply of single-family homes on the market dropped from a 10-month supply last May to an eight-month supply.

"I think we're finally seeing the last push of foreclosure and short sales moving through the market," said Rhode Island Realtors President Jamie Moore. "Once they are cleared out of the system, we'll see prices start to rise."

Moore, an appraiser, added that low appraisals are now becoming a barrier to further acceleration of the market.

"The problem we're seeing now is getting appraisals to reflect what's happening in the market," Moore said. "Since appraisal estimates are based on past history, low appraisals are sometimes hindering full price sales. I think we would be seeing even more robust sales, if this weren't the case."

In other areas of the market, May multi-family home sales dropped 13 percent compared with last May.

The median multi-family home price dropped four percent to \$115,100, down from \$120,000 last May. Distressed sales made up 50 percent of the sales, down from 53 percent last May.

The condominium market rebounded in May, rising 26 percent compared with May 2011.

The median condominium sale price fell 5 percent year over year to \$171,000.

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