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Fall home buying season off to good start with pending sales up September

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The Massachusetts Association of Realtors (MAR) reported that the fall housing market got off to a good start with another strong month as the number of single-family homes and condominiums put under agreement were up again in September. This is the 17th straight month that the number of single-family homes and condominiums put under agreement increased from the previous year. Pending figures are a leading indicator of actual housing sales in Massachusetts for the following 2-3 months.

"September's strong activity increases the likelihood that there will be several more months of positive sales growth heading into the New Year," said 2012 MAR president Trisha McCarthy, broker at Keller Williams Realty in Newburyport. "While the numbers decreased on a month-to-month basis, the year-over-year increases over last ten months continue to be at least 25 percent or higher. This is further evidence of a healthier market."

The number of single-family homes put under agreement in September was up 26.07% compared to the same time last year (3,245 homes in 2011 to 4,091 homes in 2012). This is the 17th straight month of year-over-year increases. This is the ninth straight month of double-digit year-over-year increases. On a month-to-month basis, single-family homes put under agreement went down 13.27% from 4,717 homes in August. This is the second time in the last three months to experience a decrease.

The number of condos put under agreement in September was up 48.39% compared to September 2011 (1,058 units in 2011 to 1,570 units in 2012). This is the 10th straight month of double-digit year-over-year increases. On a month-to-month basis, condos put under agreement went down 10.85% from 1,761 units in August. This is also the second time in the last three months to experience a decrease.

MAR also reported that August marks the 14th straight month that single-family home sales have gone up compared to the same month the year before. Homes sold top 5,000-mark for only second time since June 2010 and the end of the homebuyer tax credit. Condominium sales were also up from August 2011. Single-family median prices were essentially flat, while condominium median prices were up compared to last year.

"Closing activity picked up in August as buyers, who were able to take advantage of the favorable market, wanted to get into their homes prior to the start of the school year," said McCarthy. "Prices continue to reflect a leveling out with single-family home prices essentially flat from the year before."

There were 5,077 detached single-family homes sold this August, a 22.8% increase from the 4,136 homes sold the same time last year. This is the 14th straight month of year-over-year increases.

This is also the second time in three months that closed sales went over 5,000 homes. The last two times prior to this happening were the final month of the home buyer tax credit in June 2010 and then in June 2007. On a month-to-month basis, home sales were UP 6.5% from 4,767 homes sold this past July.

The median selling price for single-family homes in August was \$317,750 which was essentially flat from \$317,500 in August 2011. On a month-to-month basis, the August median selling price was down 2.2% from \$325,000 in July 2012. This is the second straight month-to-month decline.

The August condominium market was up 25.2% compared to the same time last year (from 1,650 units sold in 2011 to 2,066 units sold in 2012). This is the 13th month of the last 14 that condominium sales have been up. This is the second of the last three months that the number of units sold topped 2,000 units. The last time this happened was June 2010, the final month to close on a home to take advantage of the tax credit. On a month-to-month basis, condominium sales were up 11.9% compared to the 1,846 units sold this past July.

Condominium median selling prices in August were up less than one percent (0.7%) from the August 2011 median price (from \$290,000 to \$292,000). This is the sixth straight month that monthly median prices have been up. On a month-to-month basis, the median selling price of a condominium was down 2.7 percent from a July 2012 median of \$300,000. This is the second straight month-to-month price decrease.

Organized in 1924, MAR is a professional trade organization with more than 18,000 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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