

BANKER & TRADESMAN

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SPRING ON HOLD

THE WAITING IS THE HARDEST PART

LOW INVENTORIES
FRUSTRATE
WILLING BUYERS

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It's quiet out there.
Too quiet.

The calendar will tell you that the vernal equinox, also known as the start of spring, was last week. But the plastered-on, don't-shoot-the-messenger grins of the local weathermen tell a different tale – and every listing agent currently drumming their fingers across their office desk could echo it: Spring, and the spring market, have been delayed.

Despite persistent record low rates and a considerable level of buyer interest, inventory is still being choked off, with little on the market and many buyers simply not finding much of interest. Battered by the tough winter, sellers are still licking their wounds – or at least repairing their roofs – and many are simply not yet ready to take the leap into the market.

“We have a lot of people waiting to list, but there’s this hesitance until it feels like spring is here, and it’s not clear when that will happen.”

— Alex Coon, Boston-area Redfin agent



Statewide Single-Family Home Sales Through February

NUMBER OF SALES:



2015

4,854
\$316,000



2014

4,819
\$300,000



2007

5,581
\$335,000

Source:
The Warren Group

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“I do suspect it’s going to be a really good spring,” said Alex Coon, head of Redfin’s Boston area offices. “Rates are driving that, though I think we’ll see some questionable [sales] numbers for April, due to February. But we’re going to need a continuous week of decent weather, and that will probably bring the listings. We have a lot of people waiting to list, but there’s this hesitation until it feels like spring is here, and it’s not clear when that will happen.”

According to data from MLS PIN, single-family listings are down 12.6 percent from the same time last year, with about 12,000 homes on the market across the state. And last year’s levels were low – in the pre-housing crash year of 2007, a typically robust spring market, there were more than double that number of listings on the market in mid-March. It’s the same story with condominiums – listings are down more than 15 percent from last year, and are only a quarter of typical pre-crash spring market levels.

Hot In Somerville

A peek at one of the hottest markets in the state perhaps tells the tale best: Condo sales this year are down 14 percent so far in Somerville, with median prices dipping 6 percent through the first two months of the year compared to 2014, according to data provided by The Warren Group, publisher of Banker & Tradesman. And a few higher-priced listings are lingering on the market – a Holland Street unit, originally on the market for \$969,000, has been listed for almost eight months and recently cut its price by \$100,000.

But despite some white elephants cluttering up the listing sheets, agents say buyers are still eager for what Somerville has to offer – they’re just waiting for sellers to fire the starter’s pistol on an active spring



A unit on Holland Street in Somerville has been on the market for eight months and recently cut its price by \$100,000.

market. According to MLS PIN data, there are currently only 25 condo listings on the market in the city.

“There’s a property that went under agreement in Somerville this week – I would say in an okay location, not a premium location – that was priced at \$689,000 and ended up with six offers and selling well into the eights. Somerville is just as stimulated as Cambridge,” said Ed Feijo, an agent with Coldwell Banker in Cambridge.

Feijo says there’s plenty of buyers out there flush with cash who are ready and able to spend – Somerville and Cambridge in particular attract a sizeable number of West Coast transplants to work in tech and

bio tech, with mindsets molded by California’s sky-high prices – and he expects that we’ll see an fully active spring market.

“Another big thing is that we have tons of empty nesters, people who think they want to move into the city, and they go look at the South End or Beacon Hill and realize, ‘I have no place to park, I can’t fit my piano,’ and then they come out here, and it’s the perfect alternative. Those people are whacking each other over the head [in bidding wars]. They’re flush with cash after selling their houses in the ’burbs, and they’re the ones really putting pressure on the market, believe it or not,” he said. ■

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