

Massachusetts Home Sales in 2022 Down 11% Through August

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Many potential homebuyers are sidelined as rising interest rates make it more expensive to borrow money and the inventory of homes for sale shrinks further, leading real estate market analysts to forecast a continued decline in sales through the end of the year.

The Warren Group reported Tuesday that there were 5,732 single-family homes sold in Massachusetts in August, a 9.9 percent drop from August 2021 and the fewest home sales in any August since 2014. Meanwhile, the median sale price is up 5.6 percent year-over-year to \$565,000, a new all-time high for the month of August.

“Interest rates are rising, and the number of homes for sale is falling, which are two of the biggest factors that contributed to the decline,” Warren Group CEO Tim Warren said of the August sales dip. “Add concerns about inflation, declines in the stock market, and a weak economy and consumer confidence is taking a hit.” He added, “I fully expect to see year-over-year declines in the single-family sales volume throughout the remainder of 2022.”

Through August, 2022 homes sales in Massachusetts totaled 35,636, an 11.3 percent decrease compared to the first eight months of 2021. Over the same period, the year-to-date median single family home price has increased 7.8 percent to \$555,000, The Warren Group said. The 2,298 condominium sales in August 2022 represented an 18 percent decrease from August 2021 while the median sale price has increased 2.1 percent year-over-year to \$480,000, also a new all-time high for the

month. But Warren said that last month was the first time the median condo price fell below \$500,000 in five months. "The pace of increase in median price is slowing dramatically," he said. "This is likely the result of rising interest rates making it much more expensive to borrow money and prospective buyers unwilling to saddle themselves with exorbitant monthly payments."