



Third Quarter 2008 Ashland Housing Sales - Still Up; But.....

By John Ellsworth, The Homes Connection of Metrowest, Inc.

In July, we reported that the single family (SF) housing market continued to rebound over the same quarters of 2007. That continues to be true. But while still true, it is just barely true.

Thus, the number of Sales of SF family Ashland houses is up 7% over the second quarter of last year, 2007; but, prices are

Qtr/Yr	Town	Single Fam. Houses			Condos		
		# Sls	Price	DOM	# Sls	Price	DOM
3Q08	Ashland	48	384	107	34	298	85
3Q07	Ashland	45	443	93	37	325	88

down 13%. For condos, sales and prices are both off; about 8% for each number.

The big news, though, is what has happened beginning in the last two weeks of September and continuing to today—**the credit crunch**. It is a serious concern.

While businesses may have problems getting money right now, people buying houses have it easier, as long as they are buyers with good credit and have a reasonable down payment. FHA mortgages are back in vogue and are replacing “No down, No document mortgages” (happily for everyone). And while the most important Real Estate number—Price— may be weak, sales are relatively strong. People have continued to buy; if you list well, it will sell.

The most important local news is about Framingham. Numbers of Sales have picked up there, although average prices continue to trend down. Framingham is the bellwether town for our area. If sales are weak there, all area towns are negatively impacted. Thus, increased numbers of Sales in Framingham is good news.

If you are thinking about listing, inventories for the moment are fairly low; that means that prices should steady or trend upward. If you are buying, you should be thinking about prices, and value. And, after the last few weeks events, risk, of course.

The risk to which I just referred is not price appreciation or loss. As with the stock market, housing prices eventually appreciate. We remain convinced even in the midst of this “adjustment” that real estate is a great investment for those who are able to carry reasonable mortgage pay-

Third Quarter 2008 Housing Sales Details—A Mixed Bag

The number of Sales were flat in Ashland and Holliston, off in Hopkinton, and up significantly in Framingham. Average Prices were off 12% to 14% for Single Family houses in all towns; for Condos, off 8% in Ashland, and down by half in Framingham (Holliston and Hopkinton numbers are not significant).

Framingham had been the area town most heavily impacted by the real estate slow down. It seems to be recovering and its numbers of Sales are up dramatically, which should begin to clear

Third Quarter 2008 Area Town Housing Details—A Mixed Bag

out the inventory of houses unsold.

The Holliston story is “slow and easy”. Like Ashland, numbers are off and average price is down. Time on the Market has fallen a little but is in the expected range for the times. Holliston condos sales are so few that they are just not an important part of the local market.

Qtr/Yr	Town	Single Fam. Houses			Condos		
		# Sls	Price	DOM	# Sls	Price	DOM
3Q08	Ashland	48	384	107	34	298	85
3Q07	Ashland	45	443	93	37	325	88
		106.7%	86.7%	115.1%	91.9%	91.7%	96.6%
3Q08	Holliston	45	408	108	6	169	205
3Q07	Holliston	49	473	111	4	221	180
		91.8%	86.3%	97.3%	150.0%	76.5%	113.9%
3Q08	Hopkinton	49	533	116	16	350	133
3Q07	Hopkinton	64	622	114	12	336	126
		76.6%	85.7%	101.8%	133.3%	104.2%	105.6%
3Q08	Framin'm	201	353	115	87	116	134
3Q07	Framin'm	141	399	89	36	218	107
	Total	142.6%	88.5%	129.2%	241.7%	53.2%	125.2%

Hopkinton numbers are much less positive. Prices, and Number of Sales fell sharply against last year, while Time on the Market was flat. Like Holliston, the number of condos for sale in Hopkinton are so small as not to be significant from an area-trends standpoint.

What continues to be happening in all four towns is that sales of lower-priced houses now dominates the market. The pent up demand seen in the first quarter has lessened and, as ever, well maintained, well priced, well located houses sell quickly. Houses that remain in inventory too long are not selling and usually won't sell without price adjustments.

But, the credit squeeze now dominates Real Estate because it dominates our economy. Stay tuned. We'll have an early report on its effects.

Second Quarter 2008 Area Town Housing Sales—Summary

1—Number of Sales of SF homes are flat in all towns, except Framingham where it is up dramatically .

2—SF home Prices in all four towns are off roughly 12% to 14% over the same time last year..

3—The number of Sales for Ashland Condos is flat and prices are off about 8%.

4—While the number of Sales of Condos in Framingham is up dramatically, Prices have dropped even more dramatically, and Time on the Market has stretched out as well.

5—Mortgage interest rates continue low. Money is available if you have good credit. Larger deposits may be needed (20%), but money is available, and at good rates; about 5.75% to 6.25 for 30 years, as of today's date—October 21, 2008

6—Well priced, well maintained homes sell; over-priced homes sit, and sit, and sit.