



115A Airport Road, P.O. Box 550, Concord, NH 03302-0550; T 603-225-5549; F 603-228-0385; www.nhar.org

Contact: Dave Cummings, Director of Communications
New Hampshire Association of REALTORS®
Phone: 225-5549, ext. 309; E-mail: dave@nhar.com

FOR IMMEDIATE RELEASE

New Hampshire residential real estate market sees first-quarter decline

The New Hampshire Association of Realtors is pointing to a harsh winter coupled with a lack of consumer confidence and an increase in foreclosure sales in their assessment of a real estate market that saw a 7.8 percent decline in median sale prices for the first quarter of 2008 compared to the same period last year.

Despite the one-year drop, NHAR pointed to the fact that in terms of long-term value, real estate remains a sound investment, citing the strong run-up in prices between 1998 and 2006 as evidence that the most recent trend is no reason to panic.

“The market moves in cycles, and we’re just experiencing the down-side of the most recent cycle,” said 2008 NHAR President Jim Lyons. “We look at traditional homeownership as a long-term proposition, and as such we’re still comfortable with how the housing market has performed in the last 10 years.”

Lyons pointed out that in the first quarter of 1998, the median sales price for residential homes in New Hampshire was \$125,000, and has since that time increased by 88 percent to its current first-quarter median price of \$235,000. That’s an average increase of 8.8 percent per year, or 6.5 percent per year compounded annually.

“That’s a significant gain, even with the correction of the past two years or so,” Lyons said. “If you’re going to look at real estate year over year, you’re always going to be subject to short-term market forces, but we view it as an investment for years or even decades, not months.”

The trends within that 10-year period included robust gains from 1998 to 2006, to a first-quarter peak of \$260,000, before the modest decline of 2007 (to \$255,000) and the most recent drop in 2008. Meanwhile, sales volume was down as well over the past year, from 2,396 residential sales in the first quarter of 2007 to 1,752 during the same period in 2008.

“It’s all a matter of perspective,” Lyons said. “In an extended period where there are above-average gains, there are going to be above-average declines as well. But if you look at the data over the entire spectrum, the numbers support that the real estate market remains a healthy place to invest long-term.”

Locally, while five of New Hampshire’s 10 counties experienced double-digit percentage drops in first-quarter median prices, others fared better, including Coos County, which actually saw a 30 percent increase, from \$96,000 in 2007 to \$125,000 in 2008. Grafton County saw a slight

increase, from \$200,500 to \$202,500, while Belknap County dropped 2.3 percent (\$210,000 to \$205,250), Rockingham County fell 6.2 percent (\$273,000 to \$256,000) and Hillsborough County decreased by 7.4 percent (\$269,900 to \$250,000).

Lyons stressed that regardless of what regional data is showing, those who are considering homeownership should look at their own situation specifically, rather than being beholden to national or even state statistics.

“Every market is unique,” he said, “which is why we encourage everyone, with the help of a local Realtor, to look at his or her own circumstance before determining whether this is an appropriate time to act. Our business is not to blindly sell homes, but to give a proper, honest assessment to each individual client as to what is in his or her best interest.”