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New Hampshire home sales see slight June increase; additional trends increase optimism

New Hampshire home sales saw a small uptick in June transactions, marking the second such increase in the last four months and giving Realtors reason to be optimistic that the market is continuing to slowly shift in a positive direction.

June sales numbers recently released by the New Hampshire Association of REALTORS® (NHAR) showed that the number of residential unit sales in June 2009 was up 0.5 percent over June 2008 sales – from 1,145 in 2008 to 1,151 in 2009.

Though not a dramatic increase, NHAR President Paul Sargeant pointed out that it is one piece of recent good news, including a trend of declining statewide residential housing inventory, a 22-percent decrease in statewide foreclosures from June 2008 to June 2009, and a positive trend nationally in pending home sales.

“There’s no one piece of data that we’re looking at as evidence that the recovery is underway, but there are certainly more signs pointing in that direction than there have been in some time,” said Sargeant, a 20-year veteran of the real estate business and a broker with Better Homes and Gardens Real Estate The Masiello Group in Bedford.

“And more than just the data, I continue to get a feeling of increasing optimism based on conversations with other Realtors who feel as though things are changing for the better.”

In addition to the June-only number, Sargeant pointed out that the number of New Hampshire residential home sales in the past four months is nearly equal to the number of sales in the same period last year, down only 1 percent from 3,551 in 2008 to 3,506 in 2009.

“We had a difficult January and February in terms of sales numbers, but since then we’ve pretty much been on pace with last year,” he said, citing in particular the 9 percent increase in March sales.

Meanwhile, 2009 prices statewide continued to lag behind the prices of last year, with June 2009 median price down 12 percent to \$225,000, from the \$255,000 median price of June 2008.

Sargeant said those deflated prices continue to be a result, in part, to a correction following the huge increases of the late 1990s and early 2000s, during which median prices spiked by 112 percent from 1998 to 2005.

He said that an increase in sales will be the first sign of movement toward improving home prices, as a continuing trend toward less inventory will drive the conditions from the current buyers’ market back toward a sellers’ market.



As of the June sales number, the absorption rate for New Hampshire residential, condominium and mobile/manufactured properties was 10.8 months supply, the lowest rate since August 2007. Six or seven months supply of inventory is typically considered a balanced market, with a higher rate indicative of a buyers' market and a lower rate indicative of a sellers' market.

For now, however, Sargeant reiterated that a lower median price is a positive thing insofar as it increases the opportunity for residents to achieve the American dream of homeownership.

"We'll be happy to report when the median price starts climbing again," he said, "but affordability has its upside, too."

Nationally, the pending home sales index, a forward-looking indicator based on signed contracts, showed its fourth consecutive monthly gain in May, according to the National Association of REALTORS®. The last time there were four consecutive monthly gains was in October 2004.

With interest rates continuing to be favorable and the incentive of the \$8,000 tax credit for those who are purchasing a home for the first time in at least three years, Sargeant said he remains hopeful that the recovery in New Hampshire will become even more evident as the year progresses.

"We're no longer seeing a sales decline each and every month, which had been the trend for several years," he said. "I would call this a settling market, and that's a good sign."