



For Immediate Release: October 16, 2009

Contact: Dave Cummings
NHAR Director of Communications
603-225-5549, dave@nhar.com

New Hampshire home sales show third-quarter increase

For the first time since 2004, New Hampshire has experienced a quarterly increase in home sales.

Sales data released recently by the New Hampshire Association of REALTORS® (NHAR) showed that the number of residential unit sales for the third quarter 2009 was ahead by 3 percent over sales from the third quarter 2008 – from 3,164 in 2008 to 3,273 in 2009 – following 16 consecutive quarterly declines dating back to the fourth quarter 2004.

The third quarter increase comes despite a slightly lagging September, which showed a monthly decline of 3 percent compared to September 2008, following three consecutive monthly gains in June, July and August.

“As we’ve said before, this seems to be a market that’s continuing to figure itself out,” said NHAR President Paul Sargeant, a 20-year veteran of the real estate business and a broker with Better Homes and Gardens The Masiello Group in Bedford. “There’s a long way to go, but we seem to be taking small steps toward the turnaround that we’re hoping for. A positive third quarter is another one of those small steps.”

The good news held up in most local markets as well, as seven of New Hampshire’s 10 counties saw increased sales from the third quarter 2008 to the third quarter 2009, including double-digit gains in Carroll (16 percent), Strafford (14 percent), Coos (11 percent) and Sullivan (10 percent) counties.

[OPTIONAL ADD OF LOCAL UNIT SALES NUMBERS: SEE DATA SHEETS]

As a result of the positive statewide sales numbers, inventory continued to stay relatively low, having dropped from 22 month’s supply at the end of January to below 12 month’s supply at the end of September. Month’s supply is calculated by dividing the existing inventory by the number of sales in the previous month. A balanced market is considered to be roughly 7-8 month’s supply, with anything over that a “buyers’ market” and below a “sellers’ market.”

And there was another positive sign nationally, as the National Association of REALTORS® pending home sales index – a forward-looking indicator based on signed contracts – showed a seventh consecutive month of gains in August, a pattern not seen since the index began in 2001.

Meanwhile, 2009 prices statewide continued to lag behind the prices of last year, with the third quarter 2009 median price down 8 percent – to \$220,000 – from the \$238,490 median price of third quarter 2008. Year to date, the median price is down 11 percent, from \$240,000 in 2008 to \$214,000 this year.

[OPTIONAL ADD OF LOCAL MEDIAN PRICE NUMBERS: SEE DATA SHEETS]

Sargeant continued to stress his belief that the current trend of increased sales, and decreased inventory, is the first sign of a price recovery as the principles of supply and demand play out.

He reiterated that a lower median price is a positive thing insofar as that affordability, along with low interest rates and the \$8,000 tax credit for those purchasing a home for the first time in at least three years, increases the opportunity for families to own a home.

And Peter Francese of Exeter, the Director of Demographic Forecasting for the New England Economic Partnership and a columnist for NHAR, believes that in addition to those buyer incentives, other positive factors include a low home price-to-income ratio and the fact that young, first-time home buyers are increasing for the first time in many years.

“The glass is cloudy, but more than half full,” Francese said. “With its diverse economy, New Hampshire is better positioned to survive this period and recover sooner from this recession than other New England states, or most of the other states in the nation.”

Sargeant said he remains hopeful that evidence of the New Hampshire housing market recovery will become even more clear as the year progresses.

“With each passing month, the positive signs seem less like a fluke and more like a trend,” he said. “They may be baby steps, but we’re moving in the right direction.”