

A primer on home buying and selling in this soft market

Greater Boston's limited housing supply, even in a softer market, means people can't necessarily afford to wait around for better borrowing conditions.

By **Cameron Sperance** Globe Correspondent, Updated April 12, 2023, 5:00 a.m.



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High mortgage rates, a regional bank crisis, and broader economic uncertainty have

thrown cold water on a housing market that hit record prices in 2022.

The median sales price of a single-family home in Greater Boston dropped nearly 8 percent year over year to \$700,000 in February, according to data from the Greater Boston Association of Realtors. Softer demand stems from higher mortgage rates, but there are also fears the turmoil affecting regional banks — often seen as a source of more favorable loan terms than larger financial institutions — may further disrupt the housing market.

It's not as wild a seller's market as it was in February 2022, which saw the record high for median single-family home prices in Greater Boston. Buyers and sellers are both adjusting to this new normal.

It is more expensive to borrow money to buy a home these days, which means buyers who rely on mortgages can't afford as much as they would have under more favorable interest rates. It also means sellers are once again dealing with mortgage and inspection contingencies, two items frequently waived during a hot housing market.

Still, that doesn't mean buyers and sellers should necessarily wait things out.

“What are you waiting for? Are you waiting for interest rates to go down? Because of the limited supply, it's not like prices have plummeted,” said [Elaine Bannigan](#), a Wellesley-based broker at Douglas Elliman Real Estate. “As much as people would like to report that there's a price correction, there'll be a price correction when supply rises significantly. We'll be waiting a long time for that.”