

# Report: R.I. housing market strong, sets record in 2017

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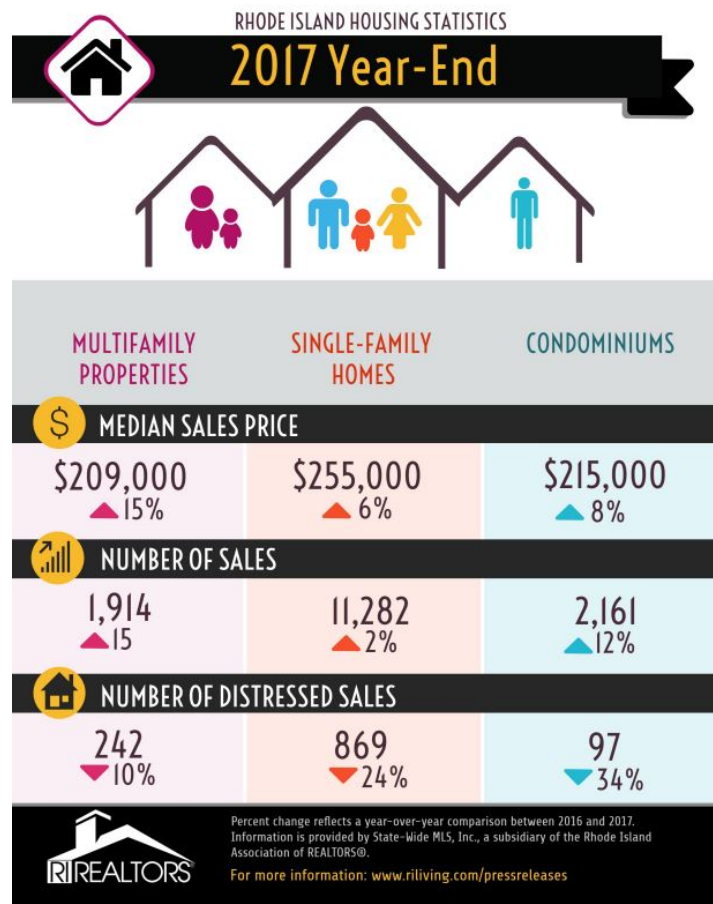
By Chris Bergenheim

PROVIDENCE - By all metrics, the Rhode Island housing market turned in record-shattering performance in 2017. Single-family, multifamily and condominium sales and median prices all increased in 2017 compared to a year prior, according to Thursday's Rhode Island Association of Realtors year-end report, with fourth-quarter numbers being particularly strong.

Single-family home sales increased 2 percent year over year to 11,282 in 2017, marking the fifth consecutive year that sales have increased and a new record for full-year sales. The median price of properties sold also increased year over year, rising 6.3 percent from 2016 to \$255,000. The average number of days a single-family home was on the market also declined in 2017, to 61 from 77 days. Distressed properties sales of single-family homes fell 24.2 percent year over year to 869.

Condominium sales volume increased 12.4 percent from 2016 to 2017, totaling 2,161. The median price of a condo sale in 2017 was \$215,000, a 7.6 percent year-over-year increase. Rhode Island condos averaged 72 days on the market, as opposed to 84 one year before. The number of distressed condo sales declined 34.5 percent to 97.

There were 1,914 multifamily home sales in 2017, a 14.8 percent increase from 2016's total. Multifamily units median price in 2017 was \$209,000, a 14.5 gain over the year. The average number of days on the market for multifamily homes averaged 53 days in 2017,



*SALES FIGURES for single-family and multifamily homes, and condominiums all improved in 2017 compared to 2016 figures.*

a 22.1 percent decline from 2016's 68 days. The number of distressed multifamily property sales declined 9.7 percent to 242 in 2017.

"The housing market was hot last year," said Joseph Luca, president of the Rhode Island Association of Realtors in a statement. "Our biggest problem was lack of inventory, particularly in the starter home market. It seemed like properties were being sold just as soon as they were listed, which made it extremely tough for buyers, particularly in some areas more than others."

Despite the record-setting sales volume for the state and high volume for some municipalities, some towns and cities saw significant declines in sales for the year. Year-over-year double-digit percentage changes in volume occurred in these towns and cities:

- Charlestown, +20.3 percent to 178, median price of \$364,500, +3.8 percent
- Narragansett, +12.4 percent to 263, median price of \$420,000, +0.6 percent
- Glocester, +12.1 percent to 139, median price of \$280,000, +10.9 percent
- Westerly, +12 percent to 308, median price of \$316,950, +9.3 percent
- East Providence, +11.7 percent to 554, median price of \$225,000, +9.8 percent
- Barrington, +11.2 percent to 337, median price of \$427,500, +11 percent
- Hopkinton, +10.7 percent to 114, median price of \$249,950, -2 percent
- Lincoln, +10.6 percent to 209, median price of \$330,000, +10 percent
- New Shoreham, -10 percent to 27, median price of \$965,550, -10.2 percent
- East Side of Providence, -10.7 percent to 209, median price of \$570,000, +15.6 percent
- Warren, -12.8 percent to 82, median price of \$277,950, +9.8 percent
- Cumberland, -13.4 percent to 394, median price of \$280,000, +2.9 percent
- North Kingstown, -14.8 percent to 362, median price of \$330,000, -6.9 percent
- Jamestown, -18.3 percent to 94, median price of \$651,250, +16.3 percent
- West Greenwich, -18.4 percent to 71, median price of \$355,000, +5.2 percent

There were 2,884 single-family sales in the fourth quarter across the state, a 2.7 percent increase year over year, while the median price increased 7.5 percent to \$258,000. Fourth-quarter condo sales totaled 563, a gain of 13.7 percent from the same 2016 period, while the median price increased 2.4 percent to \$215,000. In the fourth quarter, multifamily home sales totaled 531, a 9.7 percent increase, as the median price increased 21.4 percent to \$226,500.

"There's no doubt about it, the market is strong. However, changes to the tax code, rising interest rates and the lack of adequate supply could cause the market to moderate in 2018, which wouldn't be a bad thing. We don't want to get to a point where affordability issues are creating havoc with the market again," said Luca.