



HOUSING

First-time buyers fuel robust sales in Rhode Island

15% Increase in R.I. house sales in the second quarter. The median price also jumped 7 percent over last spring.

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By Christine Dunn Journal Staff Writer

PROVIDENCE - Though the momentum slowed in June, a new report shows that house sales in Rhode Island increased by 15 percent in the second quarter of 2016, and the median sales price was \$240,000, a jump of nearly 7 percent compared with April, May and June 2015.

With 2,975 sales statewide in the second quarter, "more single family homes sold ... than in any other quarter since record-keeping began in 1986," the Rhode Island Association of Realtors reported Thursday. There were 1,906 house sales in the first quarter of 2016, which beat a record set in 2005, when there were 1,825 first-quarter sales.

Realtors say most of the sales activity is concentrated at the entry level of the local markets, while houses priced above the medians in their communities are taking longer to sell. Despite a long run of low interest rates, they said, a lack of listings priced affordably for first time buyers is holding back more robust activity.

In its June report, released on Tuesday, the association reported that the number of houses listed for sale in Rhode Island was down 14 percent, and this lack of inventory could affect future sales.

Cash-strapped millennials, shut out of the market for years because of economic conditions after the 2008 housing crash, including a grim job market and daunting college debt, are fueling the "pent-up demand" on display today, according to Guy Glennon, a team leader at Re/Max Professionals' Hill Harbor Group, based in East Greenwich.

Overall, houses in good condition that are priced under \$300,000 are selling briskly, because that is the price point that is most attainable for young couples buying their first homes, Glennon said.

But "once you get over 300, aside from Barrington, the East Side, East Greenwich, Stonington [Connecticut], North Kingstown... it slows down."

Glennon added that most first-time buyers have very little cash to put down, and none left after a purchase to do major repairs, so they avoid fixer-uppers.

"We have tons of [first-time buyers] wandering around, and the inventory just isn't big enough," said Dory Ann Skemp, an agent with Coldwell Banker Residential Brokerage. Skemp said there has been a lot of interest in a bungalow she recently listed for \$199,900 in Warwick, including one buyer who wants to live in Bristol but can't find a suitable home there.

"Buyers absolutely don't want to do any work" on houses they buy, added Timothy O'Keefe, who manages Skemp's office in Barrington. "It's a funny market."

After a lot of activity in April and May, "it has quieted down, but it is an inventory issue, I believe," he said.

In the condominium market, sales were up 16 percent in the second quarter, but the median price fell 7 percent, to \$200,000. Multifamily home sales increased by close to 5 percent, while the median price jumped 9 percent, to \$180,000.

The Realtors' Association also noted that there was a 1.7-percent upturn in distressed single-family house sales in the second quarter, and "though the increase is marginal, it represents the first quarterly rise in distressed sales since the last quarter of 2012."

Association president Arthur Yatsko noted that "programs geared toward removing foreclosure and short sale inventory are having an effect on sales," including a Rhode Island Housing program that "offers up to \$20,000 in down payment assistance for first-time buyers who buy distressed properties in 10 Rhode Island towns."

Second quarter 2016 and 2015 comparison

Community	'16 sales	'15 sales	Chng.	% Change	'16 Median	'15 Median	%Change
Barrington	97	78	19	24.36%	\$400,000	\$417,000	-4.08%
Block Island	4	3	1	33.33%	\$885,000	\$1,025,000	-13.66%
Bristol	58	43	15	34.88%	\$297,500	\$315,500	-5.71%
Burrillville	33	35	-2	-5.71%	\$202,500	\$219,000	-7.53%
Central Falls	2	2	0	0.00%	\$146,500	\$117,050	25.16%
Charlestown	32	37	-5	-13.51%	\$355,450	\$335,000	6.10%
Coventry	140	114	26	22.81%	\$213,250	\$208,000	2.52%
Cranston	258	239	19	7.95%	\$200,000	\$190,000	5.26%
Cumberland	106	91	15	16.48%	\$284,500	\$277,000	2.71%
East Greenwich	73	69	4	5.80%	\$424,900	\$415,000	2.39%
Exeter	23	21	2	9.52%	\$300,000	\$272,400	10.13%
Foster	16	8	8	100.00%	\$251,000	\$249,900	0.44%
Glocester	34	35	-1	-2.86%	\$265,061	\$259,900	1.99%
Hopkinton	33	35	-2	-5.71%	\$265,000	\$225,500	17.52%
Jamestown	34	22	12	54.55%	\$543,750	\$551,138	-1.34%
Johnston	95	75	20	26.67%	\$209,000	\$200,000	4.50%
Lincoln	47	68	-21	-30.88%	\$325,000	\$249,750	30.13%
Little Compton	11	15	-4	-26.67%	\$570,000	\$539,000	5.75%
Middletown	54	41	13	31.71%	\$372,500	\$375,000	-0.67%
Narragansett	59	59	0	0.00%	\$420,000	\$375,000	12.00%
Newport	61	60	1	1.67%	\$439,000	\$400,000	9.75%
North Kingstown	124	88	36	40.91%	\$368,250	\$317,500	15.98%
North Providence	99	81	18	22.22%	\$210,000	\$176,000	19.32%
North Smithfield	35	28	7	25.00%	\$295,000	\$232,500	26.88%
Pawtucket	131	115	16	13.91%	\$169,900	\$159,000	6.86%
Portsmouth	80	59	21	35.59%	\$342,500	\$332,000	3.16%
Providence	141	110	31	28.18%	\$149,900	\$139,250	7.65%
East Side of Prov.	69	57	12	21.05%	\$492,000	\$446,025	10.31%
Richmond	30	36	-6	-16.67%	\$280,000	\$229,000	22.27%
Scituate	21	18	3	16.67%	\$230,500	\$265,000	-13.02%
Smithfield	50	42	8	19.05%	\$267,900	\$272,500	-1.69%
South Kingstown	112	94	18	19.15%	\$329,500	\$307,500	7.15%
Tiverton	61	51	10	19.61%	\$245,000	\$224,000	9.38%
Warren	25	20	5	25.00%	\$253,000	\$232,450	8.84%
Warwick	353	310	43	13.87%	\$197,000	\$175,000	12.57%
West Greenwich	23	20	3	15.00%	\$337,000	\$327,450	2.92%
West Warwick	68	70	-2	-2.86%	\$195,450	\$161,250	21.21%
Westerly	72	58	14	24.14%	\$271,500	\$277,000	-1.99%
Woonsocket	64	59	5	8.47%	\$154,500	\$134,700	14.70%