# Boston's Housing Market Sees Record Surge in Prices, Approaching $1 Million for Single-Family Homes



In recent months, Boston's housing market has seen a dramatic surge in prices, with the average cost of a single-family home nearly reaching $1 million. In April alone, the median sale price for such homes hit a record $950,000, reflecting a 16% increase from the previous year. Experts predict it will surpass the $1 million mark by summer.

Several factors contribute to these rising prices. Construction costs have escalated, compounding a long-standing supply shortage exacerbated by restrictive zoning laws. Additionally, the average 30-year fixed mortgage rate climbed to 7%, a 23-year high, deterring existing homeowners from selling due to higher borrowing costs for new mortgages. This has led to fierce competition among buyers, many of whom are paying in cash.

Efforts to increase housing inventory have fallen short. Despite a brief surge in new listings, new home construction has not kept pace with demand, partly due to high building costs. Consequently, even with more homes entering the market, prices remain high, pushing homeownership further out of reach for many.

This housing crisis is not confined to Boston. Other cities like Detroit, Miami, Baltimore, and Irvine have also seen home prices double within a few years. The overall value of U.S. housing stock has risen by $2 trillion in the past year.

Economic experts, including Professor Adam Guren of Boston University, emphasize that until significant new inventory becomes available, prices are unlikely to stabilize. The current trends are leading to a demographic shift, as younger and lower-income families leave in search of more affordable living, potentially hollowing out local communities.

Local and federal initiatives aim to address the crisis, with the White House proposing grants for first-generation homebuyers. However, significant and swift legislative action is deemed necessary to alleviate these pressures and stabilize the housing market.