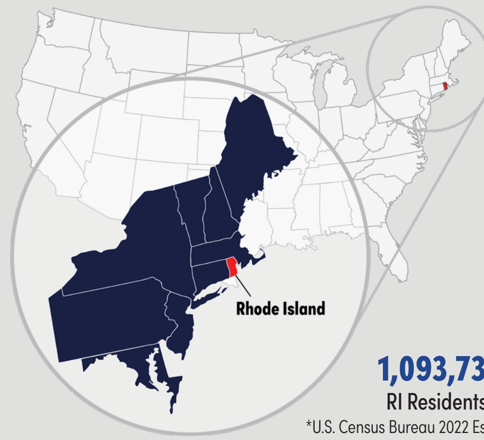
Rhode Island
Real Estate Review

APRIL 2023

Overview of the Region

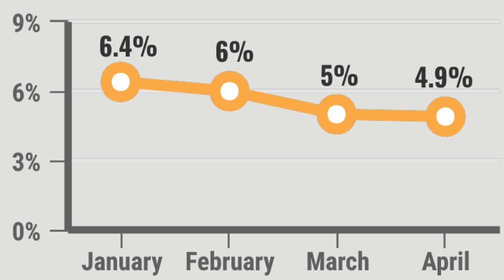


1,093,734
RI Residents*
*U.S. Census Bureau 2022 Estimate

Following a hectic two years, the spring home selling season of 2023 was off to a slow start thanks to diminished inventory and rising costs. Despite increased home equity, the historically low interest rates of the past few years have kept homeowners in their homes rather than contemplating a move. This factor, topped off by general inflationary increases and rate hikes, have de-escalated the market significantly.

On the positive side, the government's focus on housing is incentivizing development and providing resources for prospective homebuyers. Rhode Island has several bills pending in the legislature to remove barriers to home building and provide resources to increase access to affordable and workforce housing. For example, the state offers $17,500 in downpayment assistance for eligible buyers.

U.S. Inflation Rates - 2023



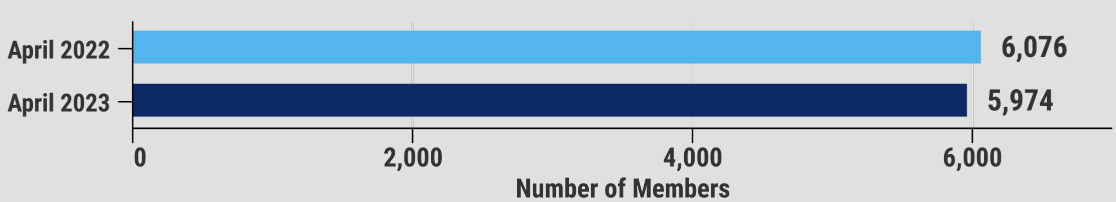
Demographics should also help to increase housing availability. As a state with a large percentage of elderly, migration should ease inventory constraints in the years ahead, as retirees move to retirement destinations.

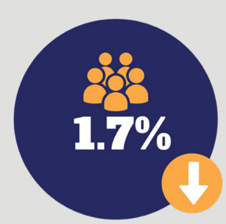
Inflation is beginning to stabilize as well. According to the U.S. Labor Department, the monthly inflation rate has fallen each month this year and remains significantly below 2022's inflation rate of 8.3%.

Membership Remains Steady

REALTORS® had been working at a frenetic pace since the beginning of the pandemic, when the opportunity to work remotely coupled with low interest rates to create unprecedented demand for Rhode Island homes. Though the market has slowed considerably, membership in the Rhode Island Association of Realtors has remained relatively stable, falling only 1.7%. Membership numbers will be watched closely in the coming months in advance of the preparation of the 2024 budget.

RHODE ISLAND ASSOCIATION OF REALTORS®





Current RI Housing Market a Glance

2023: 1st Quarter Home Sales

Rising home prices and mortgage rates continue to hamper the Rhode Island housing market. In the first quarter of 2023, single-family home sales fell 32% from 12 months prior while the median sales price rose 4% year-over-year to $390,000.

The condominium and multifamily home markets saw similar trends. Condominium transactions fell by 38.8% and the median sales price increased 6.3% to $319,900. Multifamily homes saw a 38.3% year-over-year drop in sales along with an 11.4% hike in the median sales price.

Though the frenzied pace of sales that led to multiple bids well over asking price has diminished, sales prices are still averaging 100% of asking price. Year-over-year price appreciation is diminishing though a significant drop in prices is unlikely due to low inventory

SINGLE-FAMILY

MEDIAN SALES PRICE

$390,000 ↑4%

NUMBER OF SALES

1,425 ↓32%

MULTIFAMILY

MEDIAN SALES PRICE

$445,500 ↑11.4%

NUMBER OF SALES

314 ↓38.3%

CONDOMINIUM

MEDIAN SALES PRICE

$319,900 ↑6.3%

NUMBER OF SALES

304 ↓38.8%

Percent change reflects a year-over-year comparison between 2022 and 2023. Information is provided by State-Wide MLS, Inc., a subsidiary of the Rhode Island Association of REALTORS®. Information deemed reliable but not guaranteed.