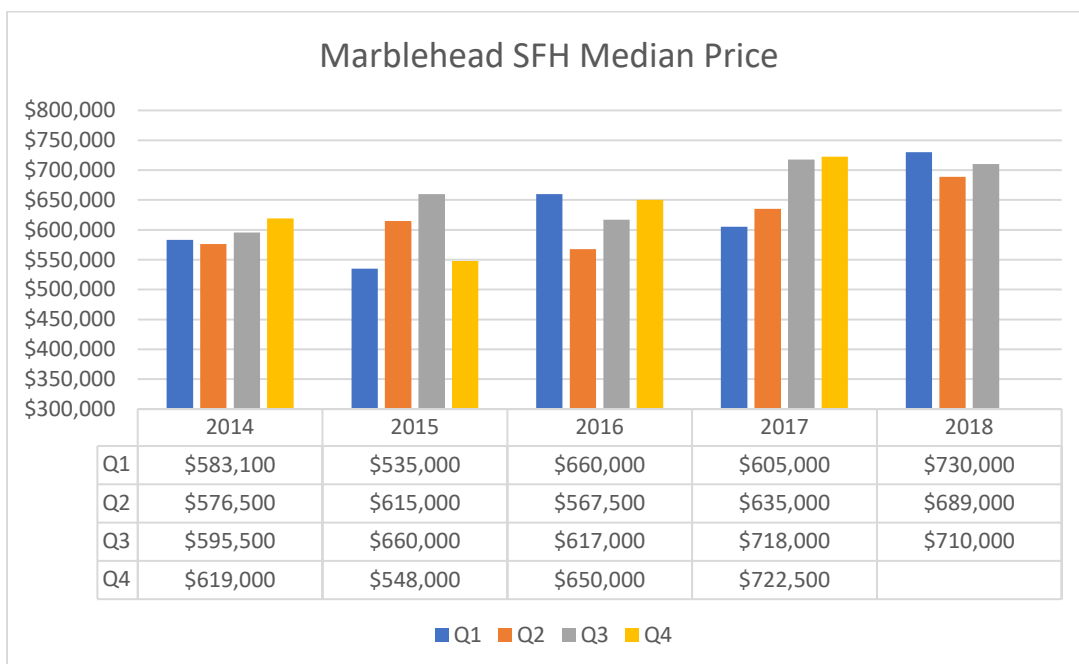
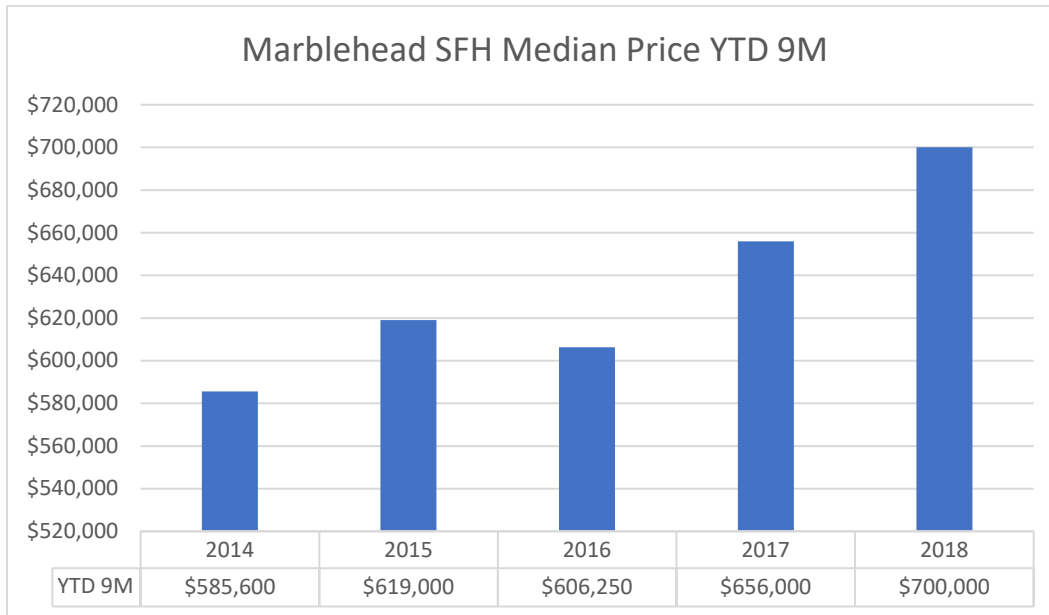


## Marblehead Q3 2018 Report: Median Price reaches \$700,000.

The median price of the Single Family Homes (SFH) sold in the first 9 months of 2018 reached \$700,000, a 7% increase year on year. (Numbers in **bold** represent record levels).

### SFH Median Price

The first chart shows the median price for the first 9 months of the year. The second one shows the quarterly median prices which tend to fluctuate, in part because Marblehead is a seasonal market, with most sales taking place in the second and third quarters of the year. Note that the median price has exceeded \$700,000 for 4 of the last 5 quarters.



## SFH Sales

Lack of inventory has been a constant factor for some time and this is the prime reason that sales YTD are 20% lower than they were in 2016. The impact of rising prices can be seen by the fact that the proportion of sales under \$600,000 dropped from 50% in 2016 to 39% in 2017 and to just 27% in 2018.

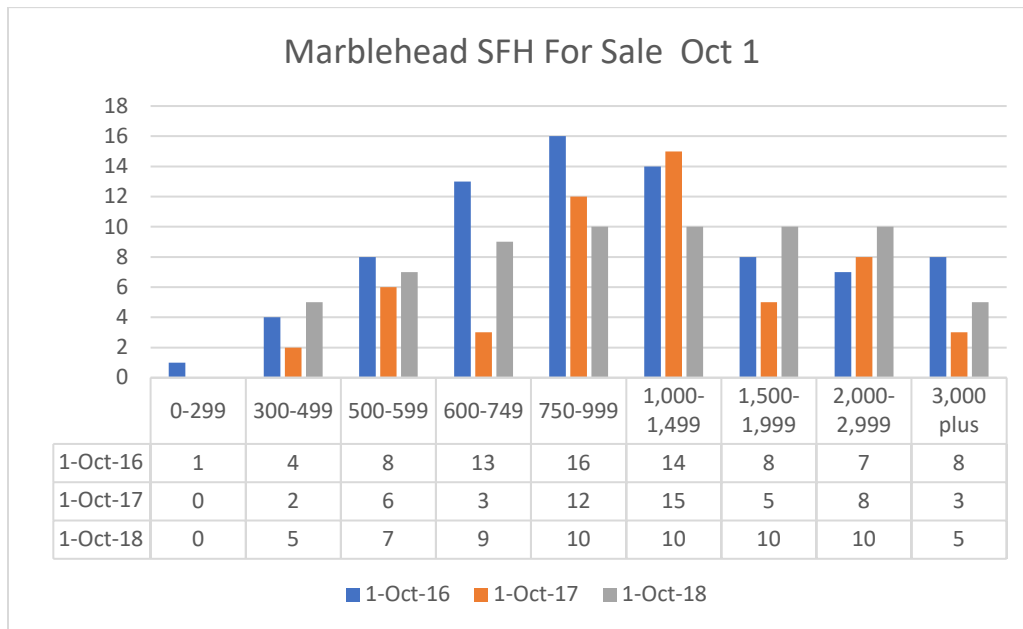
<u>MHD SFH</u>						
<u>(\$'000)</u>	<u>9M 2016</u>	<u>%</u>	<u>9M 2017</u>	<u>%</u>	<u>9M 2018</u>	<u>%</u>
0-299	2	1%	3	2%	0	0%
300-499	54	29%	30	2%	14	9%
500-599	38	20%	36	17%	28	18%
600-749	36	19%	49	20%	43	28%
750-999	28	15%	30	28%	34	22%
1,000-1,499	16	8%	19	11%	19	12%
1,500-1,999	6	3%	4	2%	9	6%
2,000-2,999	6	3%	3	2%	3	2%
3,000-3,999	2	1%	2	1%	2	1%
4,000 plus	<u>1</u>	<u>1%</u>	<u>2</u>	<u>1%</u>	<u>1</u>	<u>1%</u>
	<b>189</b>	<b>100%</b>	<b>178</b>	<b>85%</b>	<b>153</b>	<b>100%</b>
<u>Median Price</u>	<u>\$612,500</u>		<u>\$656,000</u>		<u>\$700,000</u>	
0-599	94	50%	69	39%	42	27%
600 plus	<u>95</u>	<u>50%</u>	<u>109</u>	<u>61%</u>	<u>111</u>	<u>73%</u>
	189		178		153	

The combination of strong demand and low supply meant that about one-third of sales YTD took place at or above list price. This phenomenon was not limited to houses at the lower end. A house on Gregory Street sold for \$260,000 more than its \$1.9 million list price.

<u>SFH</u>	<u>At List</u>	<u>Over List</u>	<u>All Sales</u>	<u>%</u>
Q1	2	5	26	27%
Q2	5	20	59	42%
Q3	7	16	68	34%
YTD	14	41	153	36%

## Current inventory

This chart shows the inventory as of October 1st for the last three years. While overall inventory is lower than it was in 2016, there has been an increase since 2017, and current inventory is the highest during 2018. Compared with 2016 there are fewer houses for sale between \$600,000 and \$1.5 million, and more between \$1.5 million and \$3 million. For those who like symmetry, note the repetition of the number 10 in current inventory.



## Condos

The condo market in Marblehead is quite small and varies widely from purpose built harborside condos to the conversion of former 2 and 3 family buildings. The combination of a varied market and a small number of sales can lead to fluctuations in the median price, but overall the condo market in Marblehead has been quite consistent in the last two years.

Note, however, that as a reflection of demand, almost 4 in 10 of YTD sales took place at or over list price:

Condos	At List	Over List	All Sales	%
Q1	1	1	11	18%
Q2	2	5	17	41%
Q3	2	4	12	50%
YTD	5	10	40	38%

## Condo Sales YTD

<u>MHD Condos</u>						
<u>(\$'000)</u>	<u>9M 2016</u>	<u>%</u>	<u>9M 2017</u>	<u>%</u>	<u>9M 2018</u>	<u>%</u>
0-249	11	29%	11	26%	8	20%
250-349	6	16%	10	24%	12	30%
350-499	10	26%	15	36%	9	23%
500-599	3	8%	4	10%	8	20%
600-799	5	13%	2	5%	3	8%
800-999	2	5%	0	0%	0	0%
1,000 plus	<u>1</u>	3%	<u>0</u>	0%	<u>0</u>	0%
	<b>38</b>		<b>42</b>		<b>40</b>	
0-349	17	45%	21	50%	20	50%
350 plus	<u>21</u>	55%	<u>21</u>	50%	<u>20</u>	50%
	38		<u>42</u>		\$40	
Median Price	<b>\$372,500</b>		<b>\$354,500</b>		<b>\$348,000</b>	

### Comment

The numbers confirm that the median price of the SFHs sold in Marblehead in recent years has shown steady, but not outrageous, increases. As the year has progressed, supply has increased, as have mortgage rates. These two factors may help to bring supply and demand into better balance in 2019.



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