

Fall Season Starts as Strong Sellers' Market

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Total inventory of Single Family Homes (SFH) for sale as of September 12 is down about 10% from a year ago and by 30% compared with two years' ago.

The number of Condos for sale has dropped by over 20% from a year ago and by one-third from two years' ago.

This article will compare the inventory, by price, for the last three years, for Essex County overall for both Single Family Homes (SFH) and Condos. It will also look more closely at Marblehead, Swampscott, Salem and Beverly.

MONTHS OF SUPPLY

A market is generally regarded as being in equilibrium when there is enough supply to accommodate 6 months of sales. When there is less than 6 months of supply it is called a sellers' market – i.e. the market favors sellers rather than buyers.

Here is the current situation based upon sales Year to Date (YTD). Clearly, we are in a strong sellers' market.

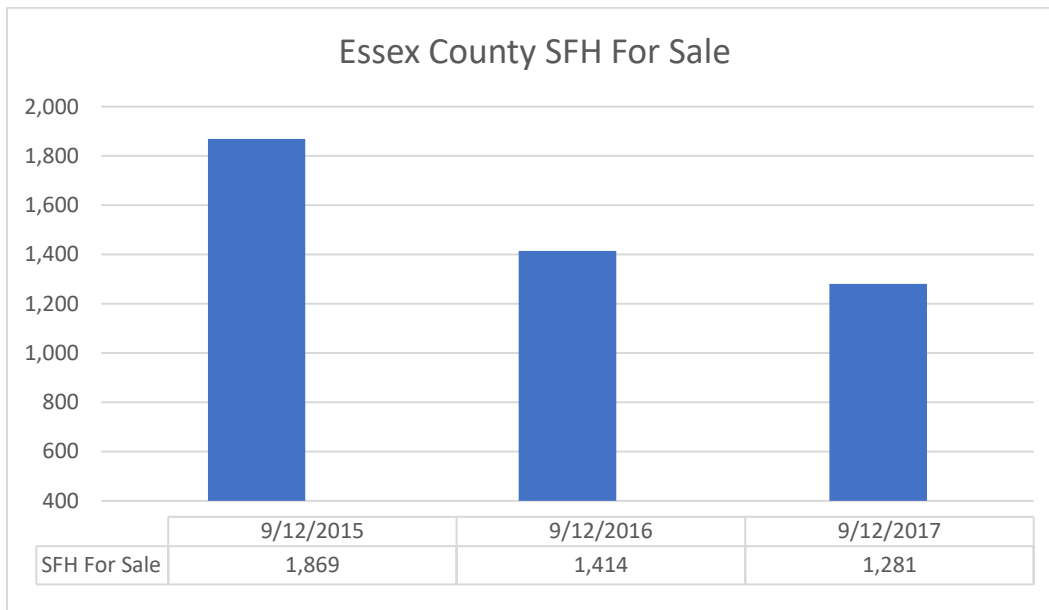
<u>SFH Supply</u>	<u>Months</u>
Essex County	2.6
Marblehead	3.2
Swampscott	3.1
Salem	2.0
Beverly	2.0

<u>Condo Supply</u>	<u>Months</u>
Essex County	1.7
Marblehead	3.1
Swampscott	1.7
Salem	1.1
Beverly	1.0

ESSEX COUNTY

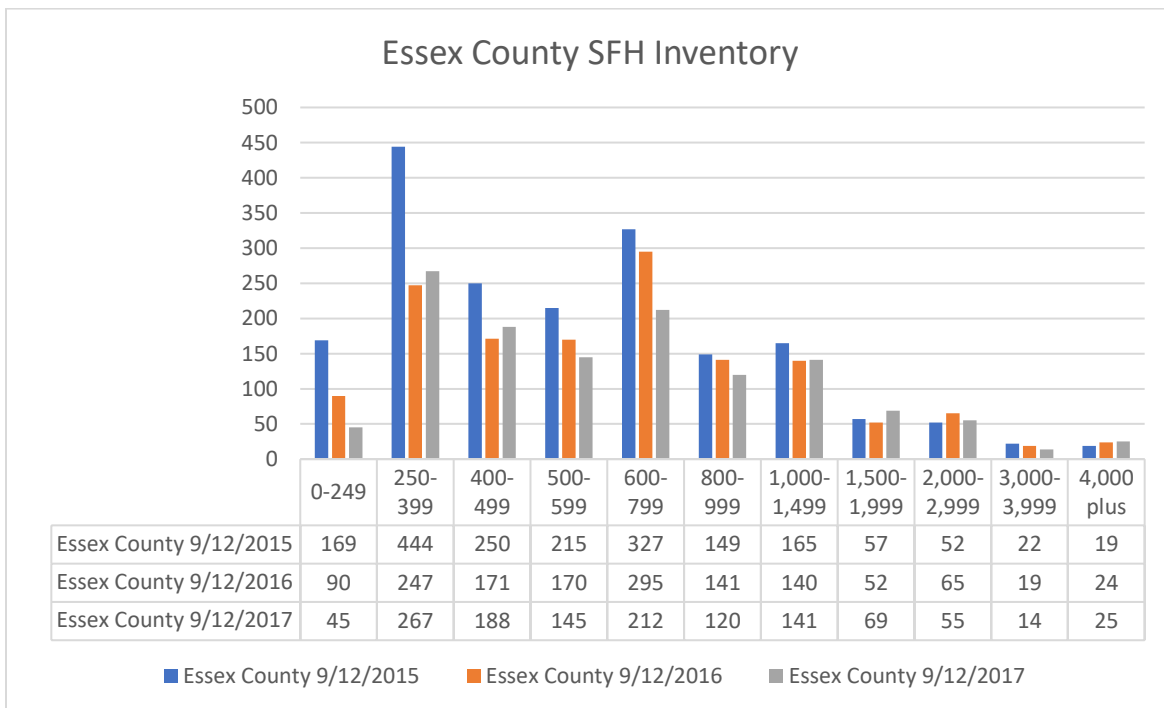
SFH Inventory

This is the total inventory.



SFH Inventory by price

The biggest declines from 2016 are under \$250,000 and between \$600-800,000. Over \$1 million, inventory has been flat for the last three years.

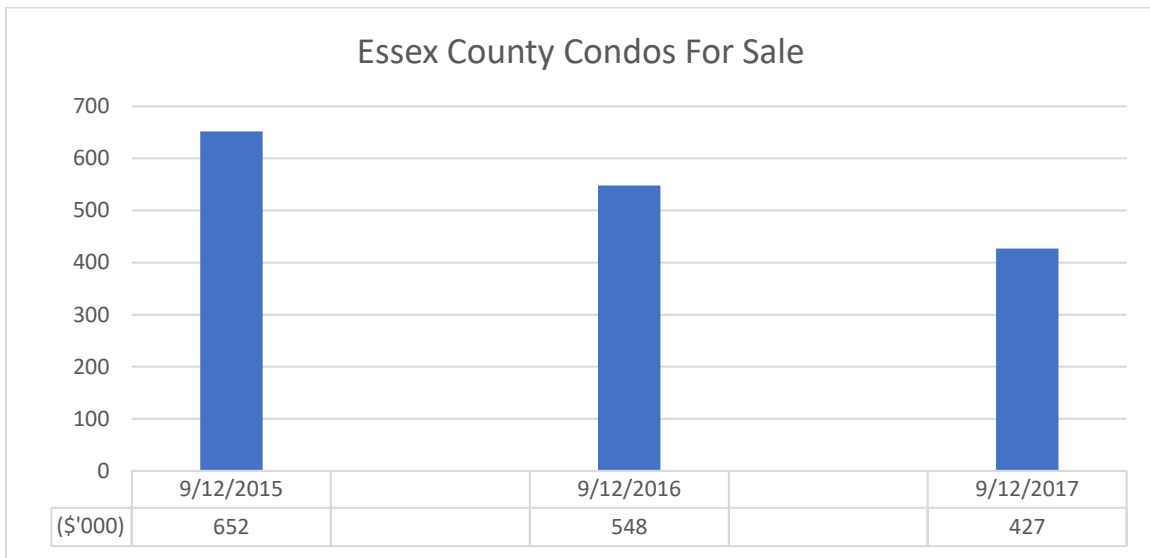


SFH Median Price

The median price of a SFH sold in Essex County Year to Date (YTD) is \$440,000, up 7.5% from the full year 2016 figure of \$409,000, the first time the median price reached \$400,000.

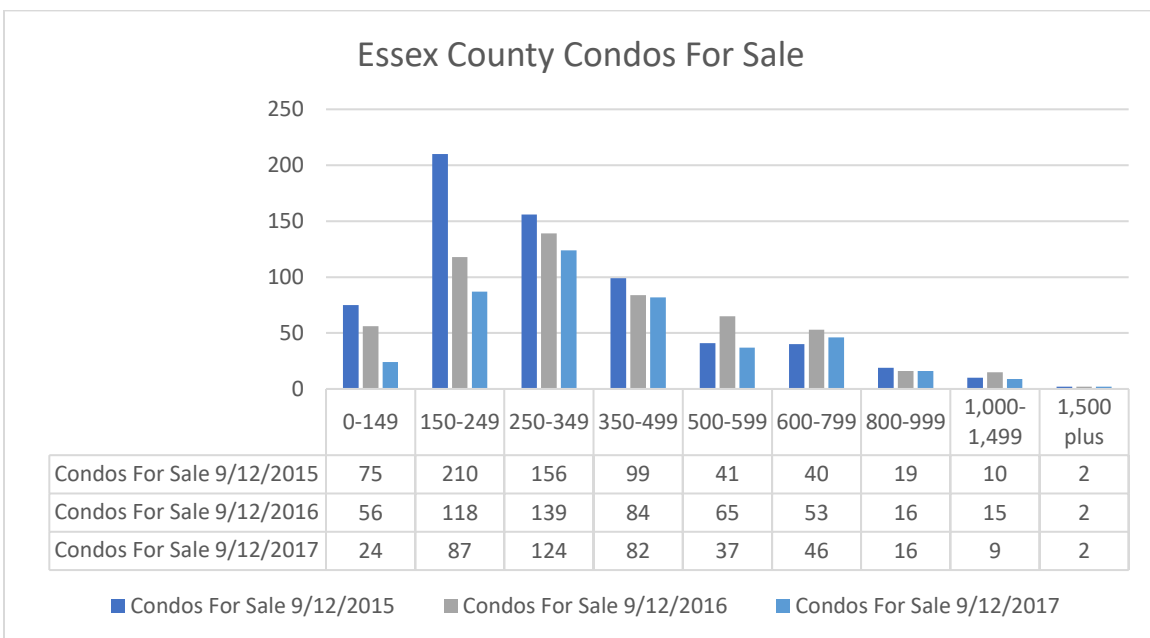
Condo Inventory

This is the total inventory, showing the sharp drop.



Condo Inventory by price

Not surprisingly, the biggest declines are at lower price levels.



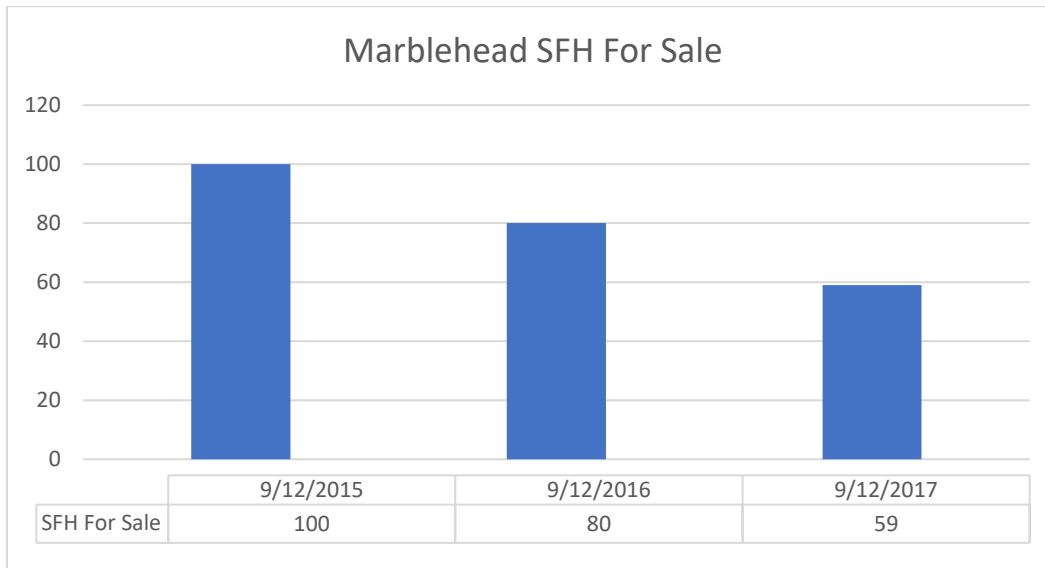
Condo Median Price

The median price of a condo sold in Essex County YTD is \$285,000, up 9% from the full year 2016 figure of \$262,000, which was a record.

MARBLEHEAD

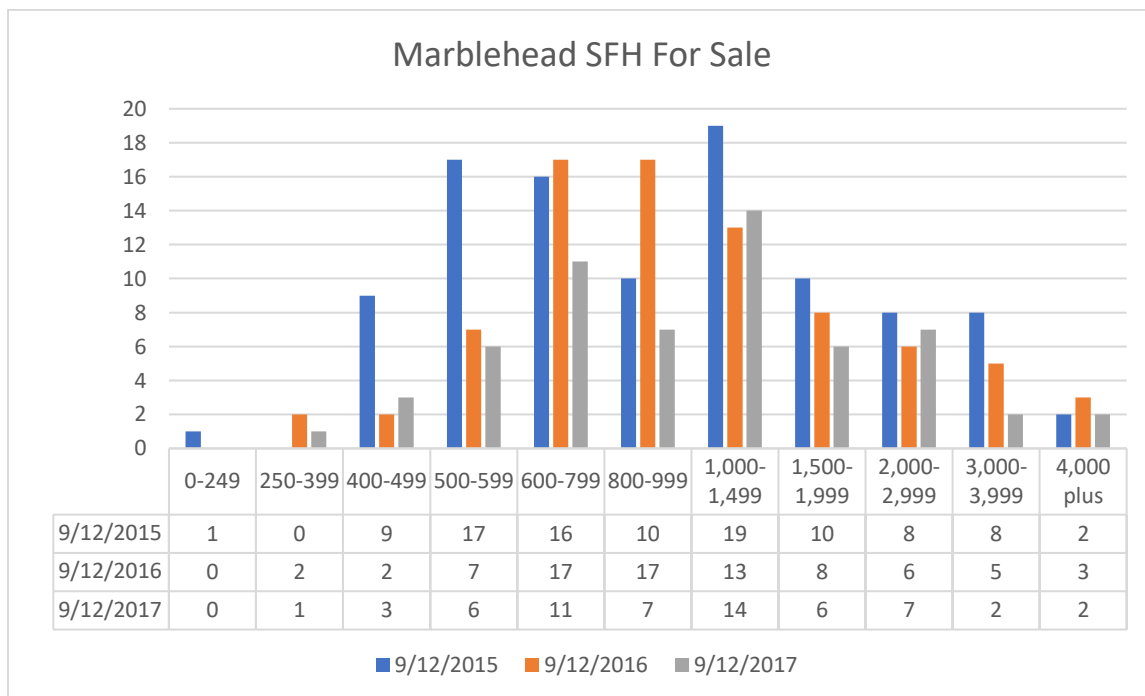
SFH Inventory

The number of SFHs for sale has dropped sharply: by over 25% from 2016 and by 40% from 2015.



SFH Inventory by price

There are currently just 10 houses for sale in Marblehead under \$600,000, and 28 under \$1 million. These numbers compare with 61 sales under \$600,000 and 130 under \$1 million. That means that current supply at these price points is under 2 months, compared with 3.2 months for the overall Marblehead market.

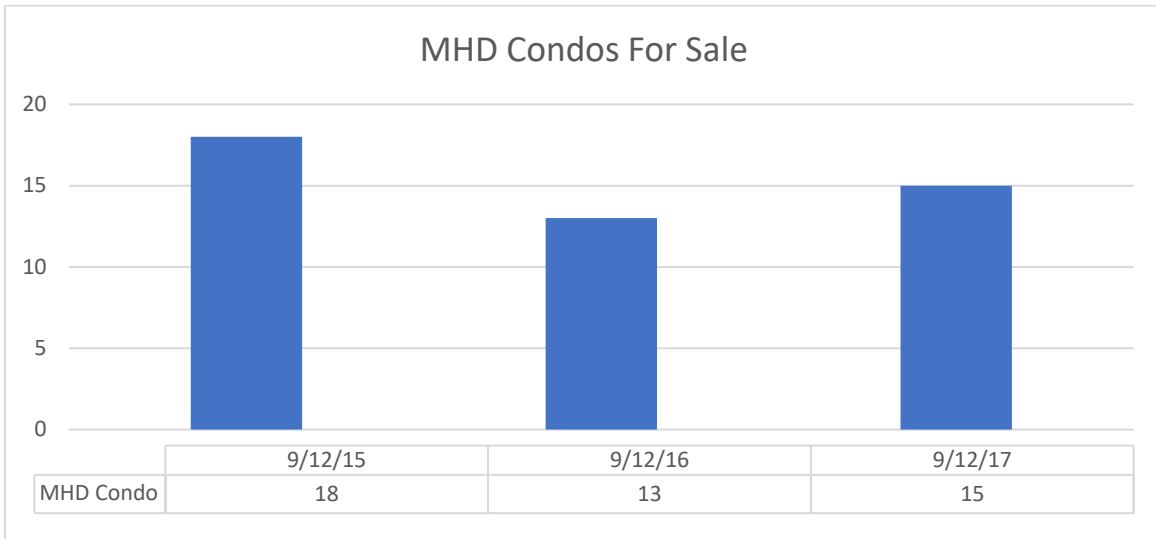


SFH Median Price

YTD the median price of the 162 SFHs which have sold is \$654,500, an increase of just over 5% from the full year 2016 record figure of \$620,000.

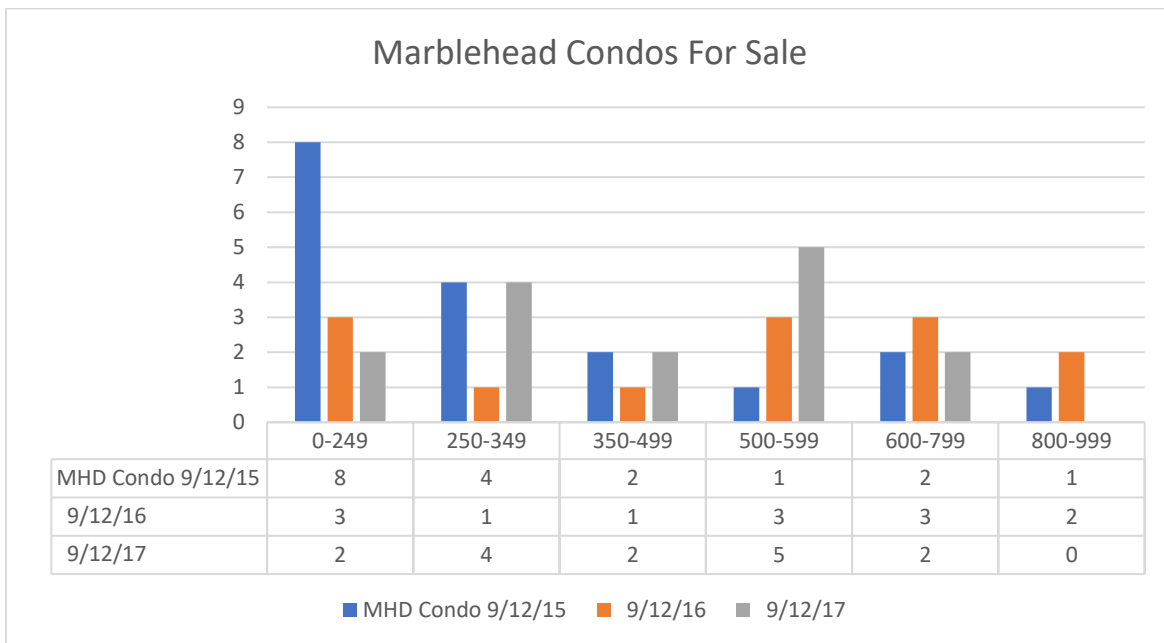
Condo Inventory

The number of Condos for sale in Marblehead has been consistently at a low level.



Condo Inventory by price

Currently there are just 8 condos for sale under \$500,000. While that is up from 5 in 2016, it is also down from 14 in 2015.



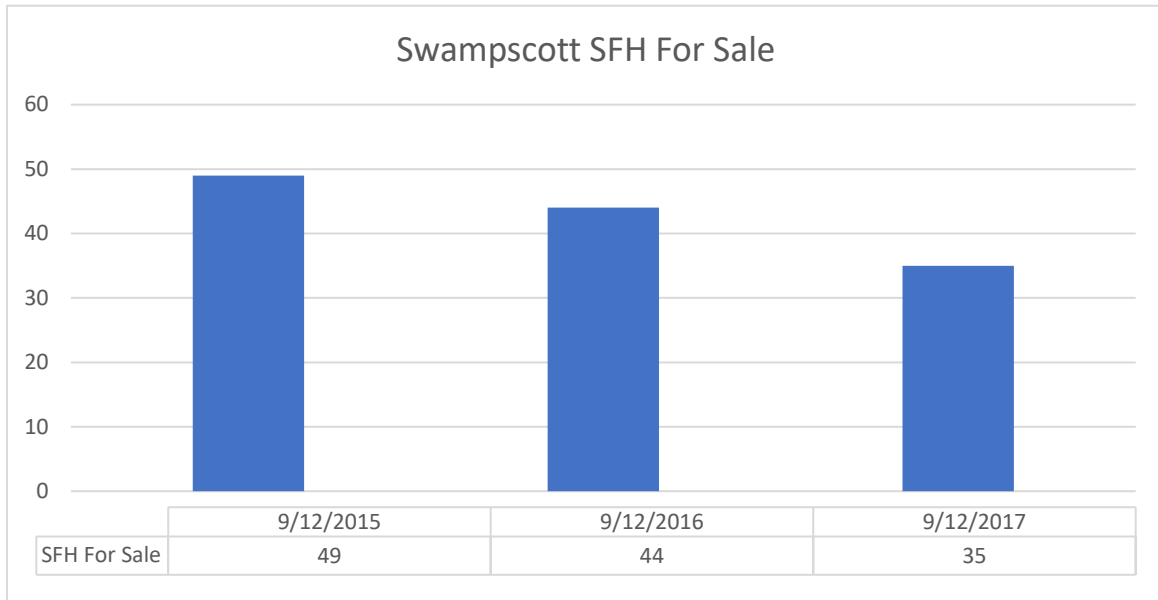
Condo Median Price

39 Condos have sold YTD with a median price of \$345,000. In a small market like Marblehead, where condos vary from the conversion of old buildings to purpose-built harborfront units, the median price can and does fluctuate widely, but 2017 seems likely to be the fifth successive year with a median price in excess of \$300,000.

SWAMPSCOTT

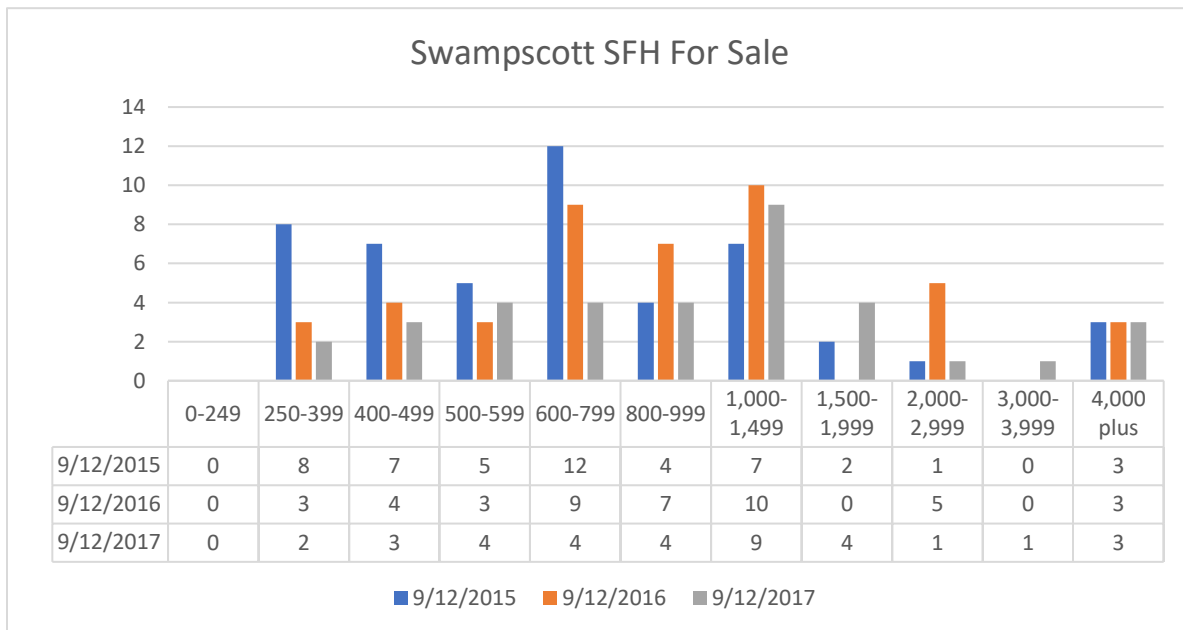
SFH Inventory

The number of SFHs for sale has declined steadily over the last two years.



SFH Inventory by price

The supply declines are most marked at lower prices, but there are also some large declines in higher price brackets.

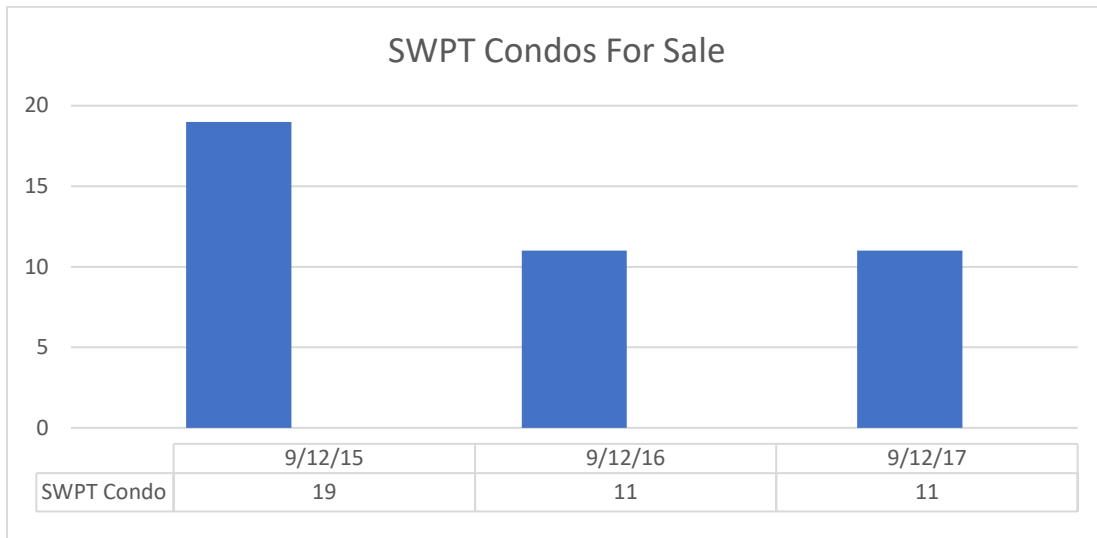


SFH Median Price

YTD the median price of the 99 SFHs which have sold is \$530,000, an increase of nearly 9% from the full year 2016 figure of \$488,000. Swampscott seems to have a good chance of finally topping the record of \$517,300 in 2005, the only year that has seen a median price in excess of \$500,000.

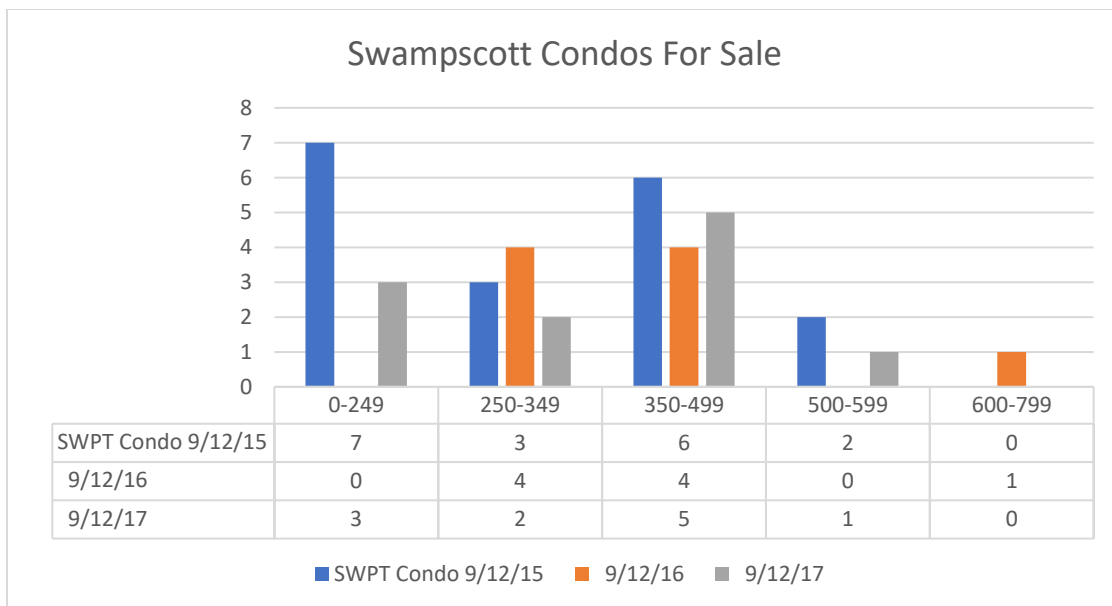
Condo Inventory

Earlier this year the number of condos for sale was running at a mere 2-3. More recently the new development of 42 units at Avery has added to inventory.



Condo Inventory by price

Avery accounts for all the inventory in the \$350-500,000 bracket. It will be interesting to see how these condos sell, bearing in mind the extreme shortage of modern condos in Swampscott.



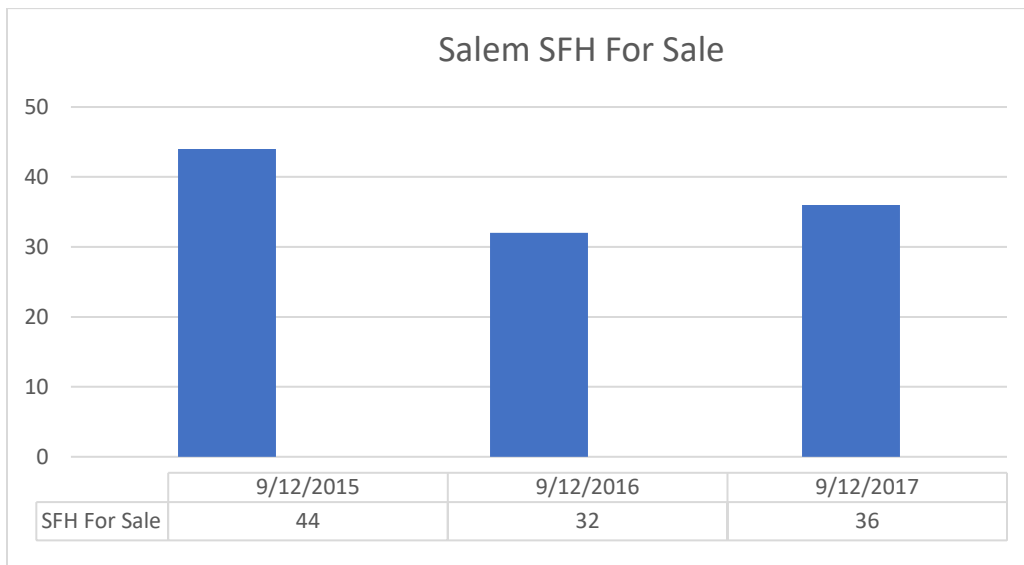
Condo Median Price

52 Condos have sold YTD at a median price of \$295,000. As with the SFH market, 2017 may finally eclipse the 2005 high of \$285,000.

SALEM

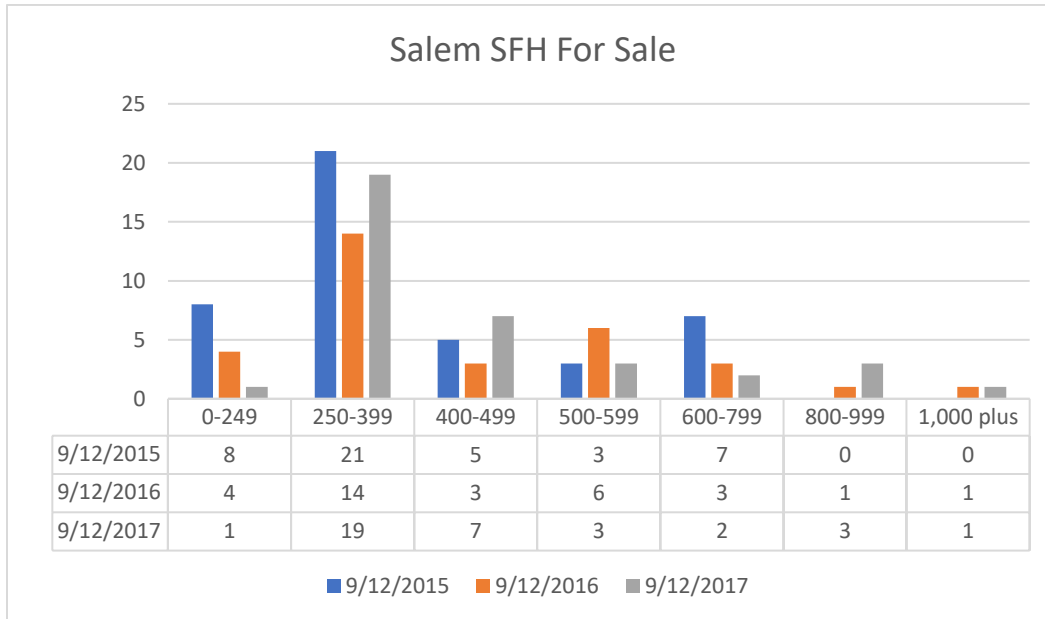
SFH Inventory

Inventory has picked up very recently, but is still very low.



SFH Inventory by price

The numbers are very small, but there has been some increase in supply in the \$250-500,000 range.

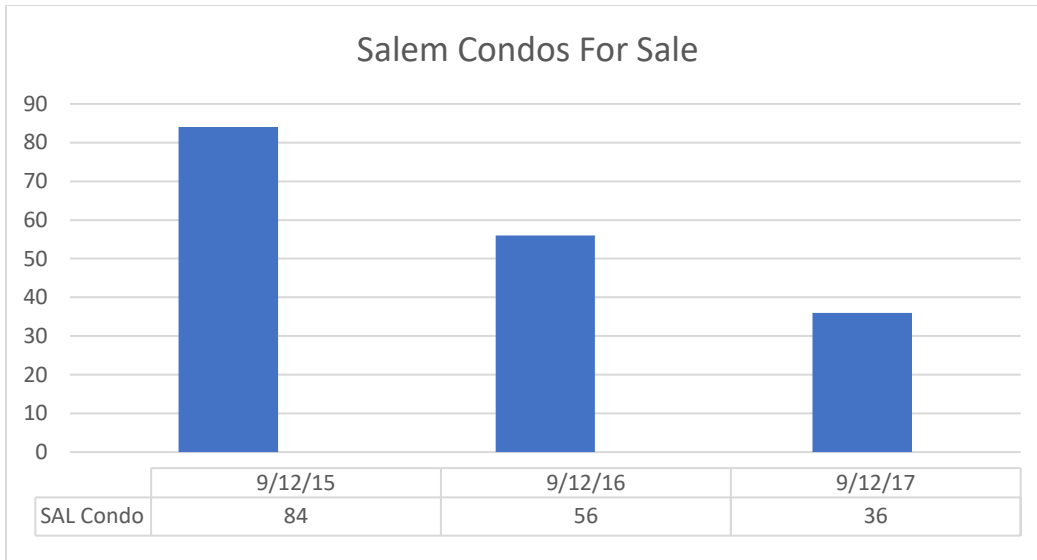


SFH Median Price

YTD the median price of the 144 SFHs which have sold is \$380,000, an increase of just 3% from the full year 2016 record figure of \$370,000.

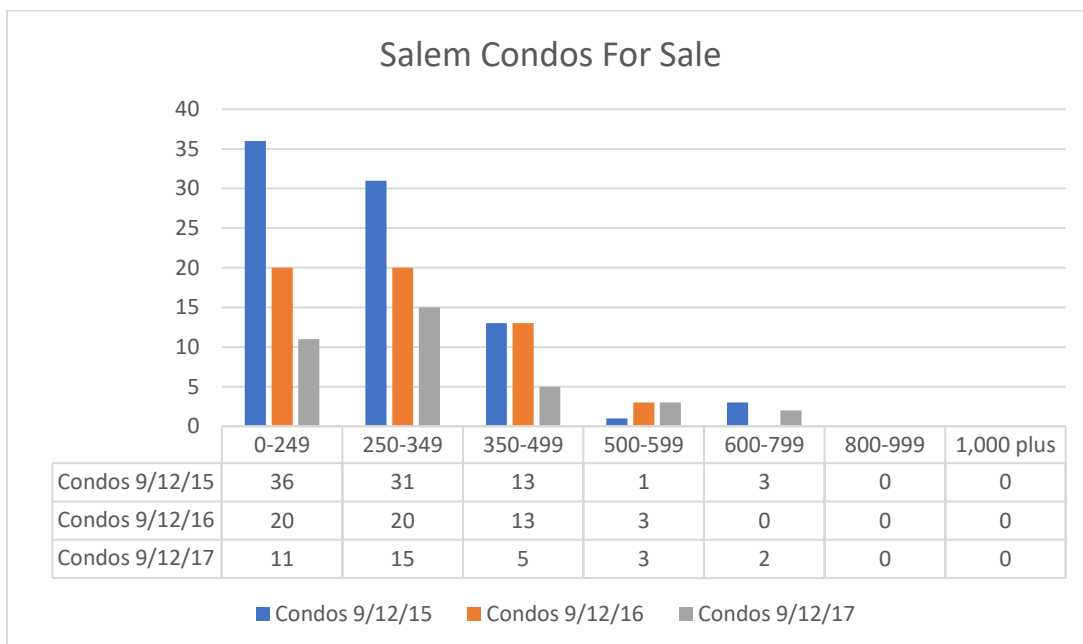
Condo Inventory

There has been a huge decline in the number of condos for sale over the last two years.



Condo Inventory by price

The biggest declines have been seen under \$350,000, but in the last year there has also been a slump in availability in the \$350-500,000 bracket.



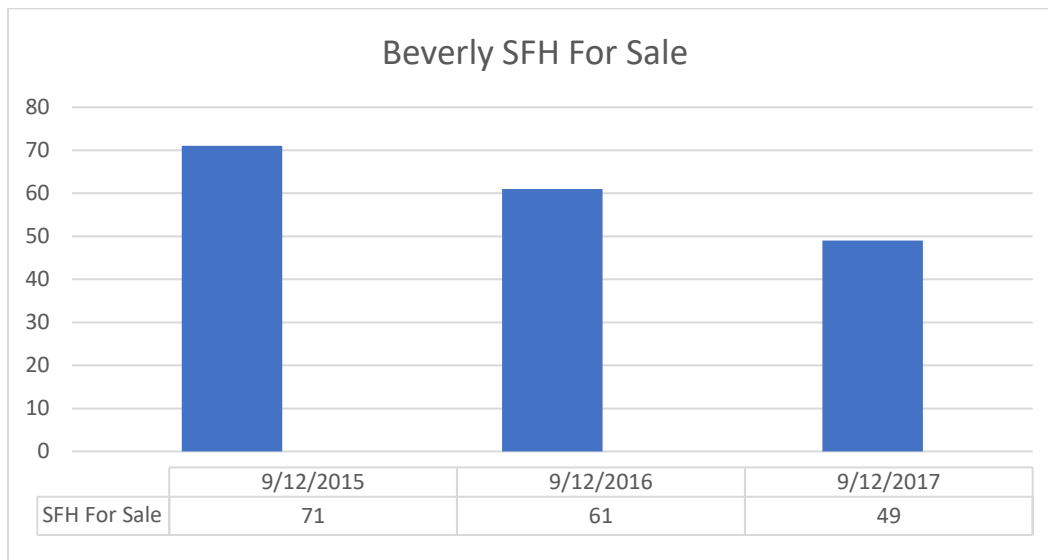
Condo Median Price

YTD 266 condos have sold at a median price of \$305,000. 2017 may well be the first year to see the median price reach \$300,000, topping the 2005 record of \$279,000.

BEVERLY

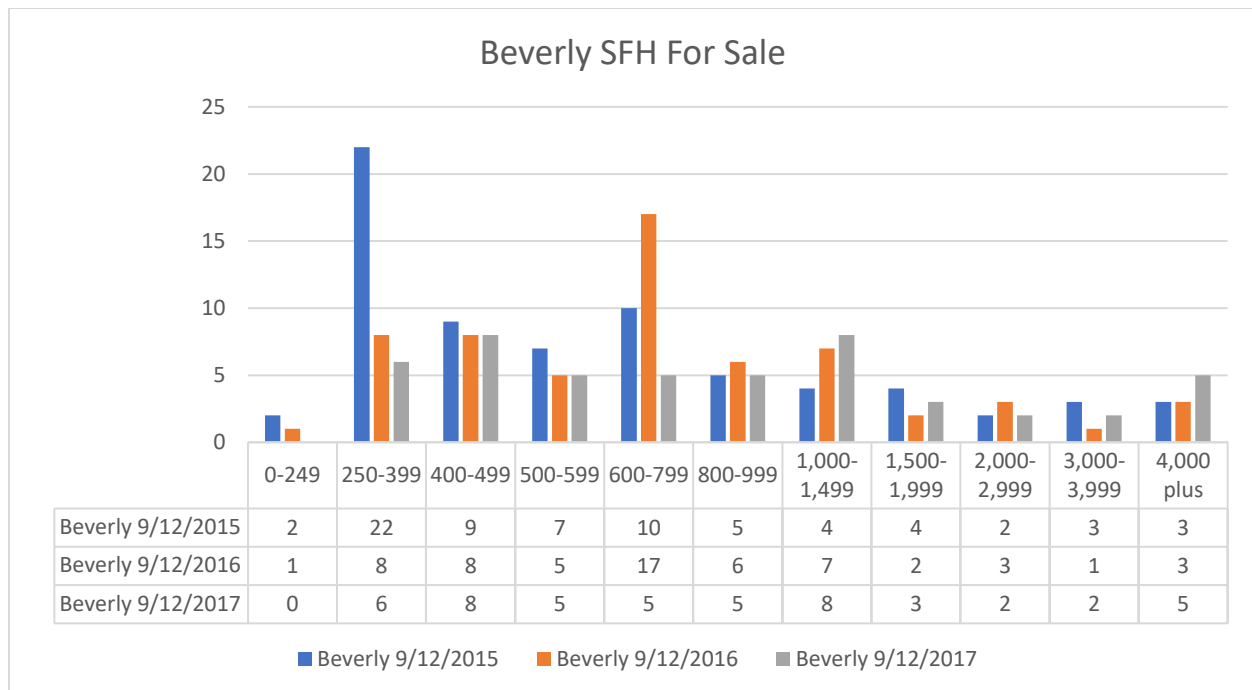
SFH Inventory

There has been a 30% drop in supply over the last two years.



SFH Inventory by price

Beverly has seen a sharp decline in availability under \$400,000.

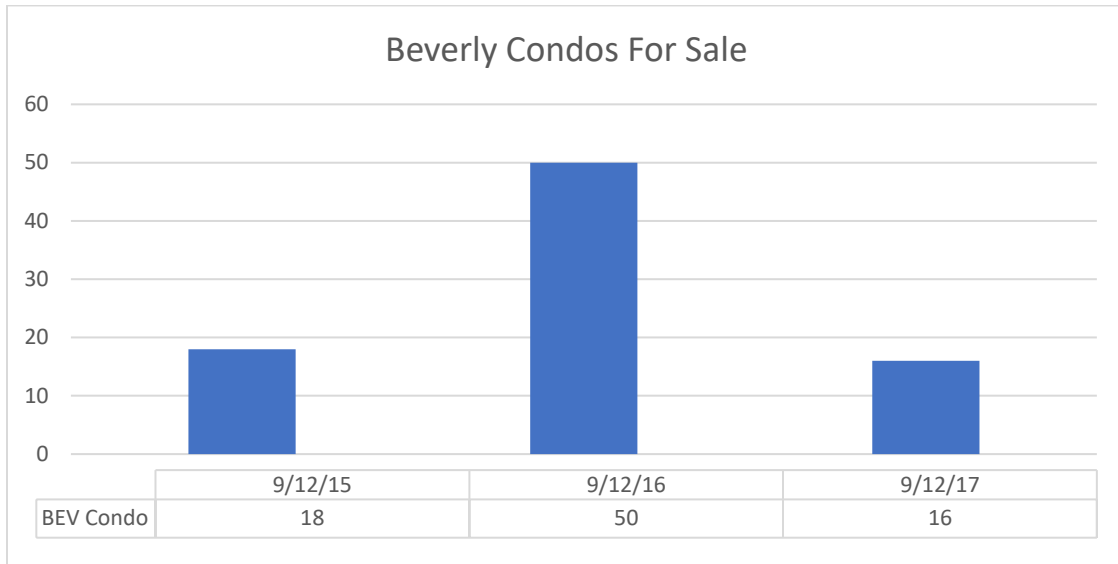


SFH Median Price

YTD 200 SFHs have sold at a median price of \$472,500, some 7.5% above the record full year 2016 level of \$439,500.

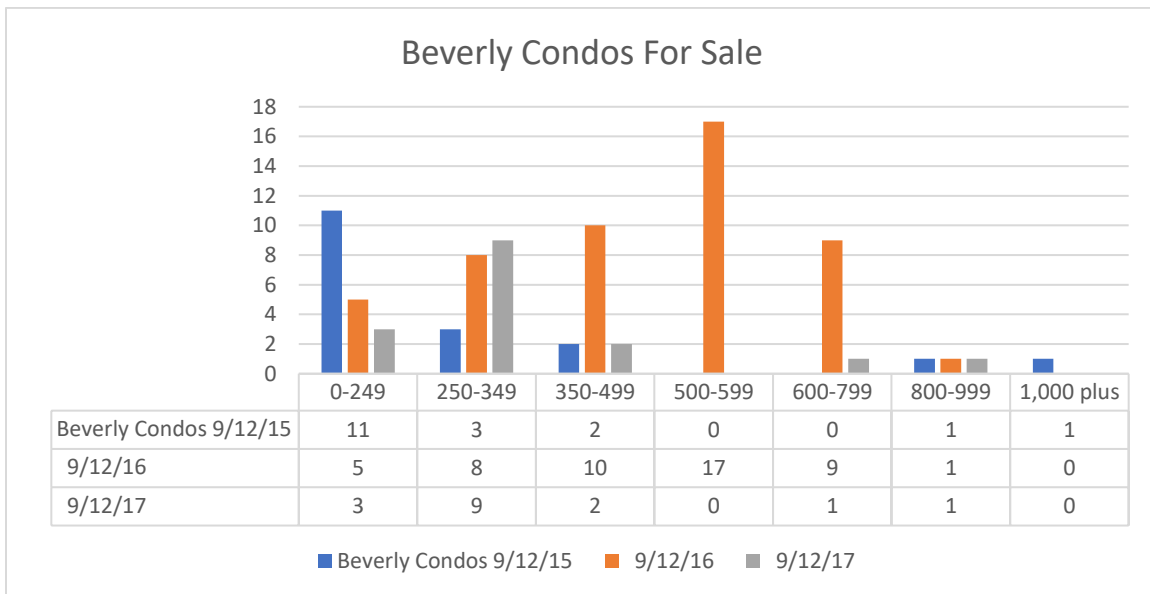
Condo Inventory

The spike in 2016 reflected the Elliott Landing development, which added 73 condos to the market.



Condo Inventory by price

Elliott Landing accounted for nearly all the 2016 condos in the \$350-600,000 range.



Condo Median Price

YTD 128 condos have sold at a median price of \$342,000. In 2016 the median price in the first half of the year was \$242,750 and in the second half \$320,000. In large part, this increase was the result of the new development of Elliot Landing.

COMMENT

Strong demand, low mortgage rates and low supply continue to drive prices upwards. Unless and until the supply position changes, and while the economy continues to grow steadily, there is no reason to expect a change in the formula which is driving prices higher.