



2Q-2016

Metro Boston | Survey of Residential Sales

-Back Bay, Beacon Hill, Fenway, Midtown, North End, Seaport, South End, Waterfront, West End-

2Q Boston Condo Market at a Glance*

year-over-year

PRICES

Average Sales Price **8.7%**

Median Sales Price **6.5%**

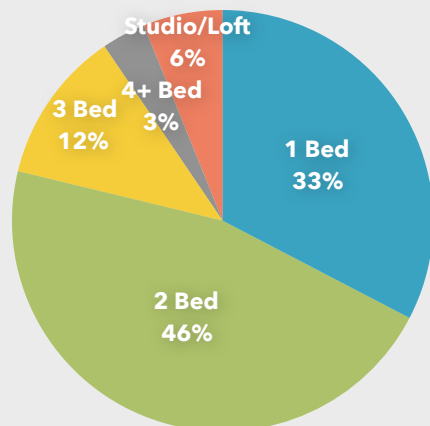
Avg. Price / Sq.Ft. **5.7%**

SALES

Closed Sales **6.4%**

Days on Market **43 days**

Sales by Bed Type



*Includes Back Bay, Beacon Hill, Fenway, Midtown, North End, Seaport, South End, Waterfront, West End

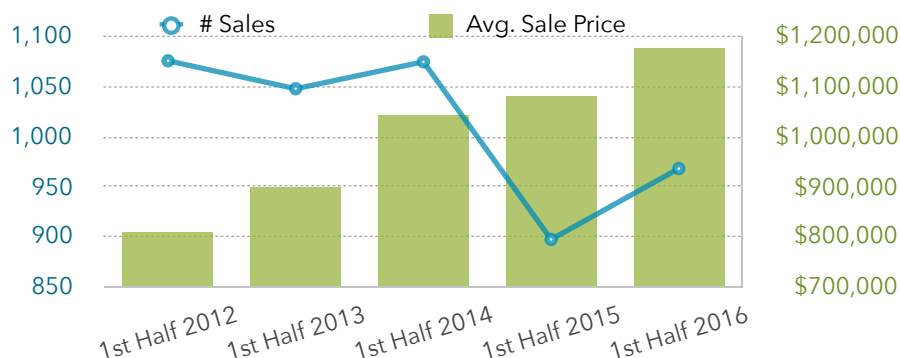
Metro Boston - Condos	2Q-2016	1Q-2016	2Q-2015
Avg. Sale Price	\$1,179,515	\$1,167,563	\$1,085,476
Median Sale Price	\$825,000	\$793,500	\$775,000
Avg. Price per Sq.Ft.	\$965	\$936	\$913
Number of Sales	618	350	581
Days on Market	43	50	43
Absorption Rate (mos)	1.47	N/A	N/A

Source: LINK/MLS; may include some affordable units

Half way through 2016...

Boston's downtown housing market continued its upward trajectory. Median sales price this quarter rose 6.5% above its year ago level to reach its second highest in history (now at \$825,000, second only to 4Q 2015's median sale price of \$915,000). This was the sixth consecutive year-over-year quarterly increase. Average sales price showed a similar pattern, increasing 8.7% to \$1,179,515, also marking six years without a decline (note that prices remained constant between 2011 and 2012). Average price per square foot followed suit, increasing 5.7% over last year, and 3.1% over this year's first quarter. Two of the neighborhoods included in this study, Seaport and Fenway, did experience slight decreases in average price per square foot since the beginning of the year. In the Seaport, averages are now correcting after the initial closings at Twenty Two Liberty during 4Q 2015 and 1Q 2016 that approximately doubled average price per square foot in the neighborhood. In Fenway, the modest decrease from \$763/sf to \$745/sf can be explained by a small sample size and one in which a handful of \$900/sf-plus sales had a greater impact on first quarter sales. Once units begin to close at Fenway's brand new Pierce Boston in 2018—where sales are now underway—

Q1+Q2 Condo Overview - Metro Boston



Includes: Back Bay, Beacon Hill, Fenway, Midtown, North End, Seaport, South End, Waterfront, West End



Condo Price/Sq.Ft. by Neighborhood

excludes units believed to be affordable

	\$/SF	\$Δ (QTR)
Back Bay	\$1,148	+10.1%
Beacon Hill	\$974	+2.9%
Fenway	\$745	-2.4%
Midtown	\$1,013	+8.5%
North End	\$844	+20.2%
Seaport	\$1,174	-7.1%
South End	\$919	+6.5%
Waterfront	\$929	+3.3%
West End	\$660	+9.8%

Half way through 2016...

...sales up slightly as inventory levels surpass those of 2015.

...properties sold between \$1M & \$2M are trading for 99.6% of list price.

...South End has highest transaction volume, followed by Back Bay & Midtown.

...the overwhelming draw in the market now is toward newer buildings offering one-floor living, elevator access & garage parking.

prepared by

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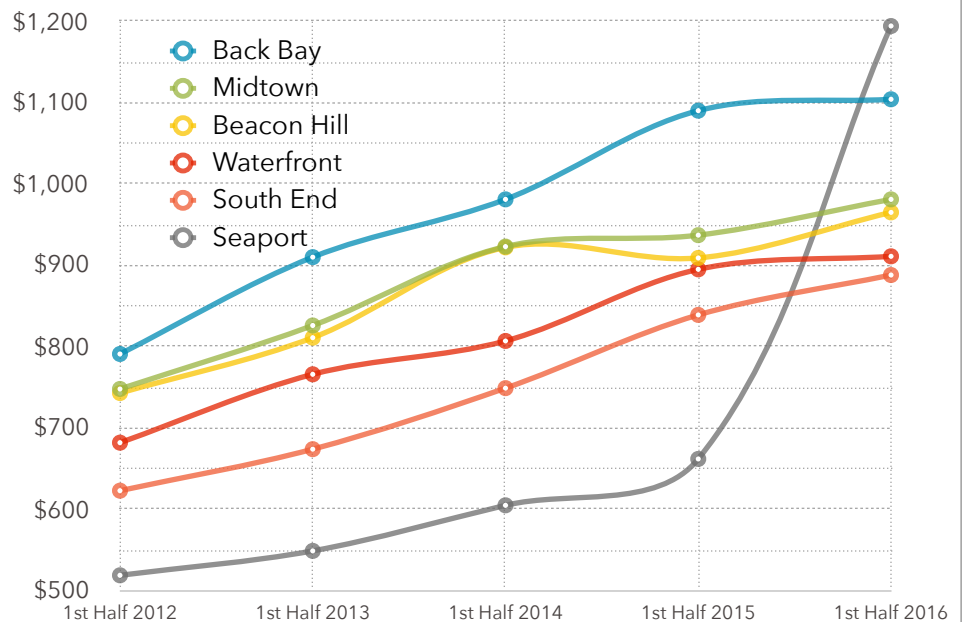
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neighborhood price indicators will likely mimic the substantial increases followed by gradual correction that Seaport has been seeing with Twenty Two Liberty closings.

Tight inventory has also been contributing factor to downtown Boston's competitive environment. The absorption rate based on the second quarter—the number of months to sell all listing inventory at the current rate of sales—is at just 1.5 months. Inventory was even more limited in 2015, making bidding wars, especially in the \$1M to \$2M price point, common occurrences of this market. In fact, 36% of MLS-listed properties sold in this range so far this year went for over-asking. The completion of select new luxury condominiums will help alleviate inventory constraints, however they will also set new pricing premiums in the city. At Millennium Tower, sales of its 440+ units began closings in early 3Q. An early sampling of approximately 20% of the building shows an average price per square foot of over \$1,400, about 40% above the average for Midtown as a whole.

Condo \$/SF by Neighborhood -1Q & 2Q (2012-2016)



What to expect going forward

Much of Campion and Company's confidence in the market and its continued upward trajectory stems from pending transactions. At this time, our firm has over seventy luxury properties under agreement. With the city's top luxury market share, we can attest to high buyer confidence due to stock market improvements and low unemployment rates, as well as the draw of Boston for its strong local economy supported by technology and life sciences (as demonstrated by the relocation of General Electric's global headquarters to Boston), top-notch educational and healthcare facilities, and over 50 nonstop international flights.

SOURCES: LISTING INFORMATION NETWORK (LINK); MLS THRU 7/12/16.

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Luxury Condo Market (\$3M+) through the 2nd Quarter...

Back Bay has the highest luxury transaction volume, followed by Seaport & Midtown.

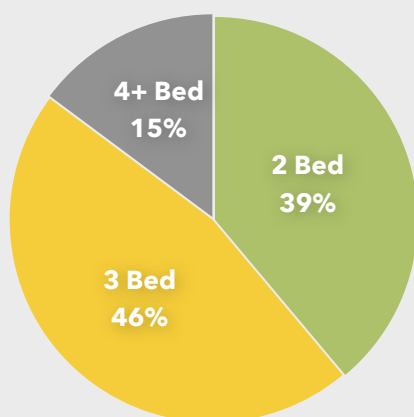
On average, properties sold above \$3M trade for 93% of list price.

The Luxury Condominium Absorption Rate based on 1st and 2nd quarter sales is 8.02 months.

Popular luxury features include new or renovated interiors, garage parking, private outdoor space, one-floor living with direct elevator access, ceiling heights upwards of ten feet, views & amenity packages.

To date, three full-service condos have sold above \$3,000/SF in Back Bay.

**\$3M+ Sales by Bed Type
(1Q+2Q 2016)**



Includes: Back Bay, Beacon Hill, Fenway, Midtown, North End, Seaport, South End, Waterfront, West End

Luxury Condo Market Share

Campion and Company

#1 Office Market Share in all of Massachusetts

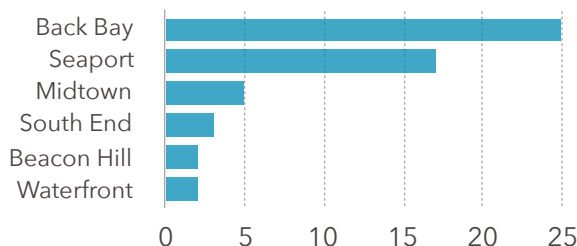
Tracy Campion

#1 Agent Market Share in all of Massachusetts

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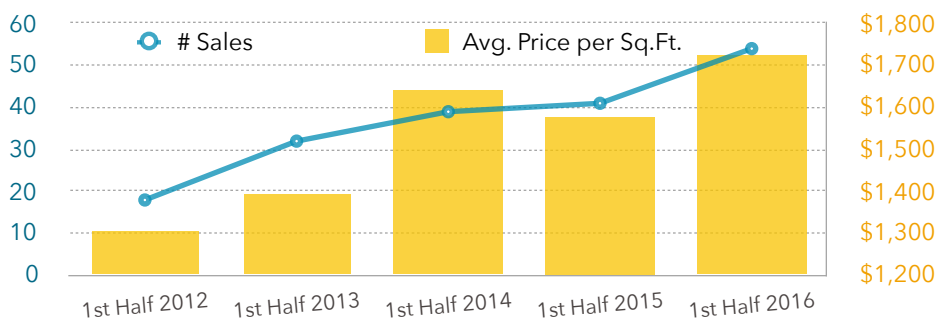
Boston's luxury market in recent years has been characterized by significant price appreciation and growing buyer demand for high-end and ultra-high-end product. Three property types in particular are driving this growth: new large scale developments (such as the recently completed Twenty Two Liberty in Seaport and nearly-finished Millennium Tower in Midtown); existing full-service buildings with garage parking (especially those in Back Bay and directly surrounding the Public Garden); and newly developed or renovated brownstone condos (also primarily in Back Bay, as well as Beacon Hill).

**\$3M+ Sales by Neighborhood
(1Q+Q2 2016)**



Comparing Metro Boston's \$3M+ sold data through the second quarter of the past five years, there has been a 33% increase in average price per square foot, with sales over \$2,000/SF now a common occurrence in select full-service and new-construction properties. Luxury condos first broke the \$2000/sf threshold in 2014. That year saw four sales above \$2,000/SF, all of which were located in Back Bay (Carlton House; Four Seasons; Mandarin Oriental; 96 Beacon St.). 2015's five sales above \$2,000/SF were also all located in Back Bay, adding the Clarendon to the list of buildings with the distinction. Half way through this year, thirteen properties traded over \$2,000/SF in Back Bay and at Seaport's Twenty Two Liberty. So far in the third quarter, a sampling of Millennium Tower's \$3M+ sales have also exceeded \$2,000/SF.

Luxury Condo Overview (\$3M+) - Metro Boston



Includes: Back Bay, Beacon Hill, Fenway, Midtown, North End, Seaport, South End, Waterfront, West End

The luxury absorption rate for the first half of the year—the number of months to sell all \$3M+ listing inventory at the YTD rate of sales—is at approximately 8 months. Luxury absorption time is more than four times that of the market as a whole, not surprising given the limited quantity of qualified buyers in this price point, as well as the increased inventory of new boutique and large-scale developments now being offered. For the 71 properties currently available (MLS) in this price point throughout Metro Boston, DOM is an average of 150 days.

*"LUXURY" CONDOS DEFINED AS \$3M+ FOR THE PURPOSE OF THIS STUDY. SOURCES: LISTING INFORMATION NETWORK (LINK); MLS THRU 7/14/16.