

Salem 2020 Housing Market Review

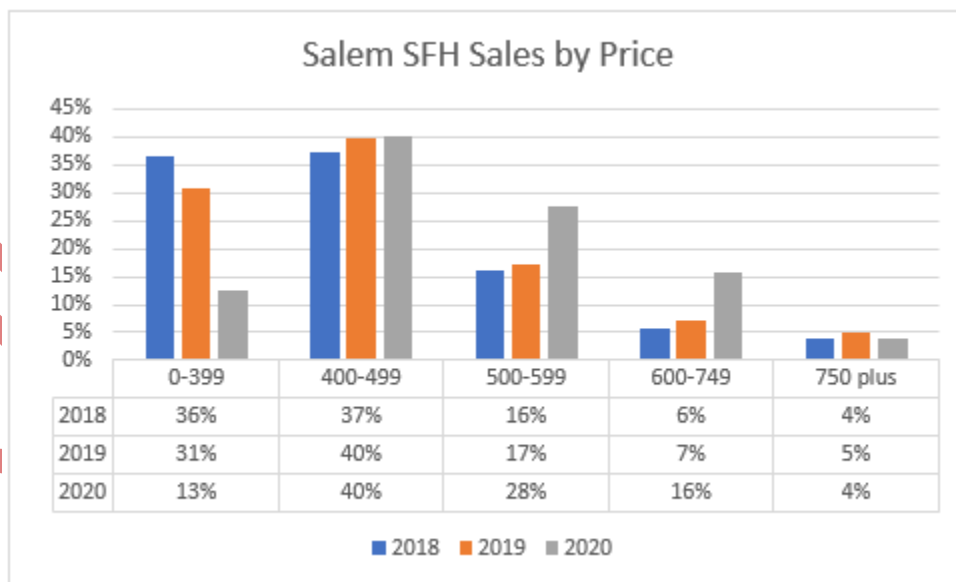
Single Family Homes (SFH)

The median price of the SFHs sold in Salem 2020 jumped 13.6% to \$490,000. In H2, the SFH median price broke \$500,000 for the first time. A 5.1% drop in sales in the first half (H1) was followed by a 9.2% increase in H2.

<u>SFH</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>Change</u>
Q1	\$340,000	\$429,900	\$445,500	\$461,000	
Q2	\$395,000	\$425,500	\$412,000	\$480,000	
Q3	\$385,000	\$430,000	\$437,500	\$507,000	
Q4	\$407,000	\$424,500	\$425,000	\$495,000	
H1	\$376,000	\$425,500	\$427,000	\$472,850	10.7%
H2	\$394,000	\$427,000	\$435,000	\$503,000	15.6%
Year	\$385,000	\$425,500	\$431,250	\$490,000	13.6%
Sales Year	226	222	239	247	3.3%

As the percentage of sales under \$500,000 dropped from 73% in 2018 to 57% in 2019 and to 53% in 2020, so the median price moved from a little over \$400,000 in 2018 and 2019 to almost \$500,000 in 2020.

The number of sales of \$600,000 or more jumped from 22 in 2018 and 29 in 2019 to 49 in 2020, with 4 sales over \$1 million in 2020.

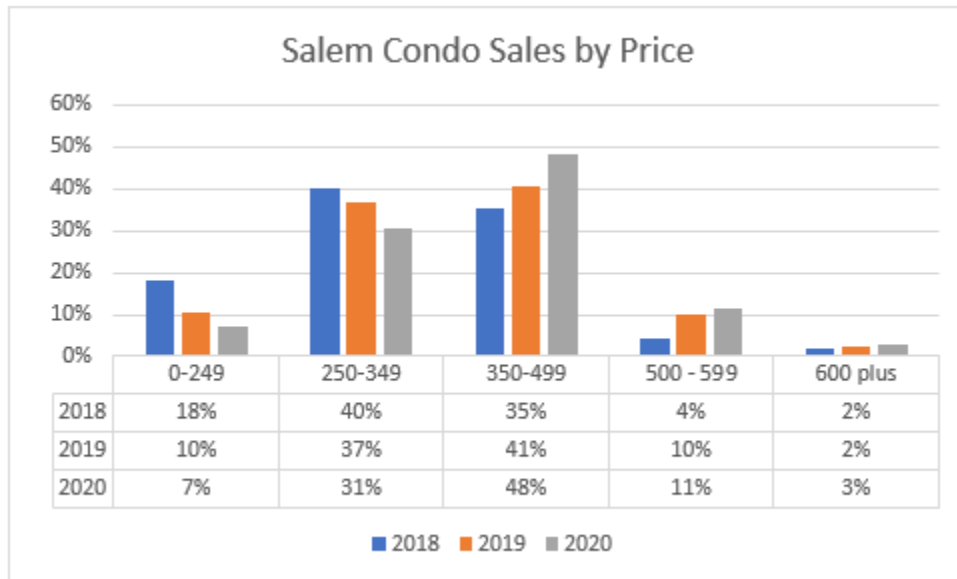


Condos

The median price of the Condos sold in Salem in 2020 rose 8.5% to \$385,000. Sales increased 8.0% from 367 to 418 units, driven by a very strong second half (H2).

The share of sales under \$350,000 dropped from 58% in 2018 to 55% in 2019 and to just 38% in 2020, driving the median price from under \$350,000 in 2018 to well over \$350,000 in 2020.

<u>Condos</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>Change</u>
Q1	\$330,000	\$322,750	\$317,500	\$362,500	
Q2	\$294,500	\$335,000	\$348,250	\$359,000	
Q3	\$323,710	\$337,750	\$357,000	\$392,500	
Q4	\$299,000	\$330,000	\$384,700	\$395,000	
H1	\$305,000	\$335,000	\$340,000	\$360,000	5.9%
H2	\$316,500	\$334,250	\$369,900	\$395,000	6.8%
Year	\$310,000	\$334,250	\$355,000	\$385,000	8.5%
Sales Year	380	385	387	418	8.0%



Comment

The real estate market was hot throughout the second half of 2020 with record prices being set across the board, as the market rebounded strongly after the initial COVID-19 induced pause in March and April.

The desire by many people to move out of Boston and into the surrounding towns threw gasoline on the fire that was already burning as the result of record low inventories and record low mortgage rates.

The national average cost of a 30-year Fixed-Rate Mortgage (FRM) dropped below 3% in early July and fell further to close the year at 2.67%.

Source: MLSPIN, OliverReports.com

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