Beverly Q1 2022 Housing Market Summary

Single Family Homes (SFH)

The median price of Single Family Homes (SFH) sold in Q1 2022 eased to $550,000, while sales were the highest for 4 years.

SFH	2019	2020	2021	2022	Change
Q1	$525,000	$501,000	**$575,500**	$555,000	-3.6%
Q2	$500,000	$550,000	**$675,000**		
Q3	$525,000	$570,000	**$600,000**		
Q4	$475,000	$575,500	**$592,000**		
H1	$520,000	$546,000	**$630,000**		
H2	$515,000	$575,000	**$595,000**		
Year	$515,000	$560,000	**$610,000**		
Q1 Sales	37	41	44	47	6.8%

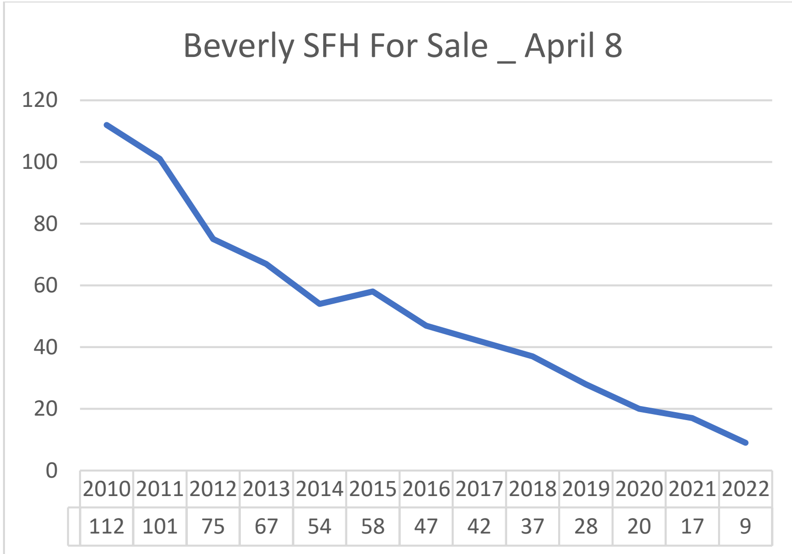
Condos

Condo sales in Q1 2022 were down sharply from 2021, but down less from 2019/20. The median price increased by almost 10%.

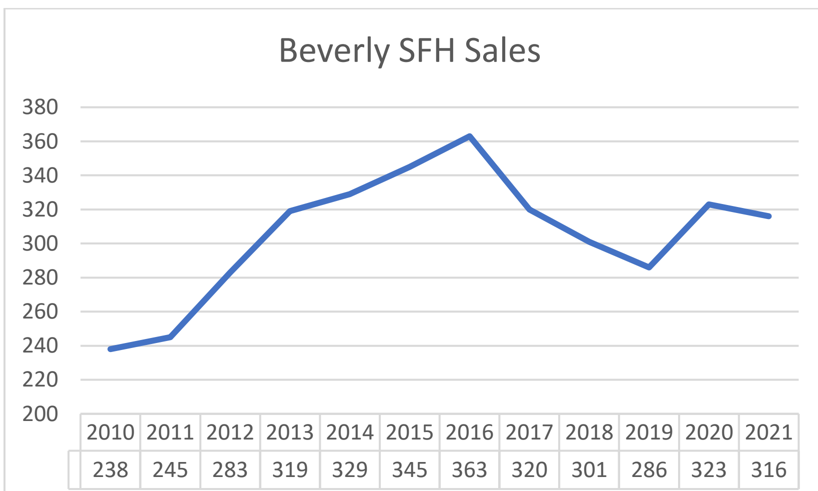
Condos	2019	2020	2021	2022	Change
Q1	$372,450	$365,000	$355,000	$390,000	9.9%
Q2	$325,000	**$417,000**	$380,000		
Q3	$327,450	$349,000	**$415,000**		
Q4	$308,500	$349,900	**$395,000**		
H1	$345,000	**$378,500**	$368,000		
H2	$315,000	$349,900	**$410,000**		
Year	$325,000	$355,000	**$388,750**		
Q1 Sales	24	23	35	18	-48.6%

Inventory

One of the main topics in discussions about real estate has been the decline in inventory. In fact, as the next chart demonstrates, in Beverly the decline has been dramatic over the last decade.



While sales have declined a little in recent years, the drop has been insignificant in relation to the fall in inventory, suggesting that nearly as many houses are being sold – but much more quickly, meaning there are fewer available for sale at any time. But with inventory so low, will this change in 2022?



Mortgage rates

While I have been writing since March 2021 about the risk that the Federal Reserve's continued pumping of massive amounts of cash into a rapidly recovering economy would trigger renewed inflation, for a long time markets believed that the Fed would not significantly change its policy.

That belief changed dramatically at the end of 2021 when the Fed acknowledged that it needed to raise interest rates significantly. Markets reacted and the yield on the 10-year Treasury – the benchmark used in calculating mortgage rates – soared from around 1.5% in late 2021 to nearly 3% currently, driving the 30-year Fixed Rate Mortgage to 5%, the highest in a decade.

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