

Marblehead Q1 2022 Housing Market Summary

Single Family Homes (SFH)

The median price of Single Family Homes (SFH) sold in Q1 2022 increased 14.4% to \$875,000, while sales, reflecting the sharply reduced inventory, dropped by a third.

SFH	2019	2020	2021	2022	Change
Q1	\$602,500	\$692,500	\$765,000	\$875,000	14.4%
Q2	\$738,500	\$668,500	\$837,500		
Q3	\$715,000	\$846,000	\$894,925		
Q4	\$720,000	\$837,450	\$855,000		
H1	\$705,000	\$678,500	\$810,000		
H2	\$720,000	\$839,900	\$882,000		
Year	\$717,500	\$775,000	\$850,000		
Q1 Sales	38	31	32	21	-34.4%

Condos

There were just 6 condo sales in Q1 2022, down from 10 in 2021. Sales ranged from \$237,500 to \$649,000.

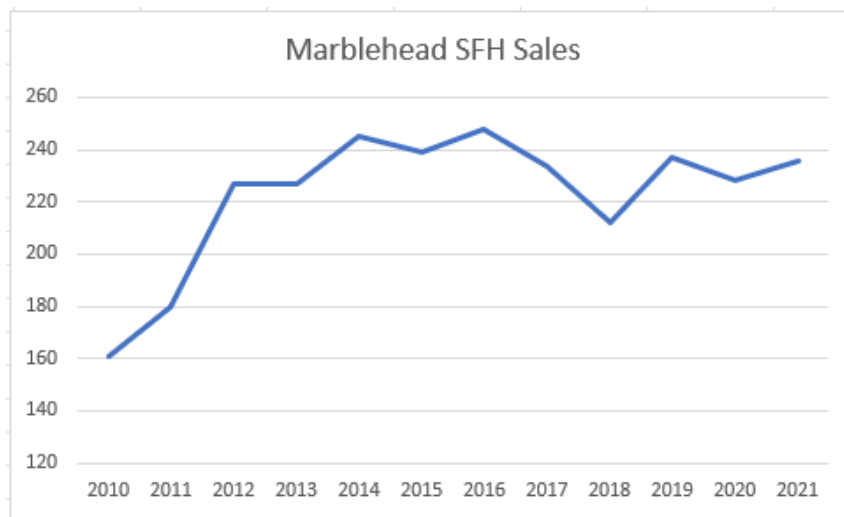
Condos	2019	2020	2021	2022	Change
Q1	\$352,000	\$392,170	\$440,000	\$472,000	7.3%
Q2	\$409,500	\$454,900	\$525,000		
Q3	\$409,400	\$384,750	\$599,000		
Q4	\$398,900	\$407,500	\$525,000		
H1	\$383,250	\$452,950	\$485,100		
H2	\$399,000	\$404,009	\$550,000		
Year	\$398,900	\$407,500	\$520,000		
Q1 Sales	5	9	10	6	-40.0%

Inventory

For the last few years one of the main topics in discussions about real estate has been the decline in inventory. In fact, as the next chart demonstrates, in Marblehead the decline has been consistent over the last decade.



Nevertheless, sales have been steady in recent years, suggesting that 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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