

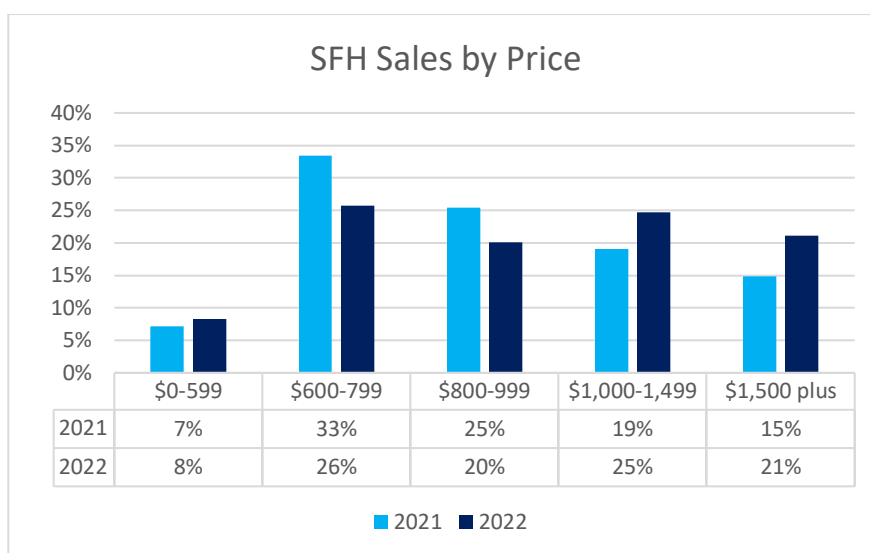
Marblehead 2022 Housing Market Summary

Single Family Homes (SFH)

The median price of Single Family Homes (SFH) sold in 2022 increased 10.4% to \$938,000, and reached exactly \$1 million in the second half of the year. Sales, reflecting reduced inventory and a doubling of mortgage rates, dropped below 200 for the first time since 2011.

SFH	2019	2020	2021	2022	Change
Q1	\$602,500	\$692,500	\$765,000	\$875,000	14.4%
Q2	\$738,500	\$668,500	\$837,500	\$868,000	3.6%
Q3	\$715,000	\$846,000	\$894,925	\$1,000,500	11.8%
Q4	\$720,000	\$837,450	\$855,000	\$985,000	15.2%
Year	\$717,500	\$775,000	\$850,000	\$938,000	10.4%
Year Sales	236	225	234	194	-17.1%

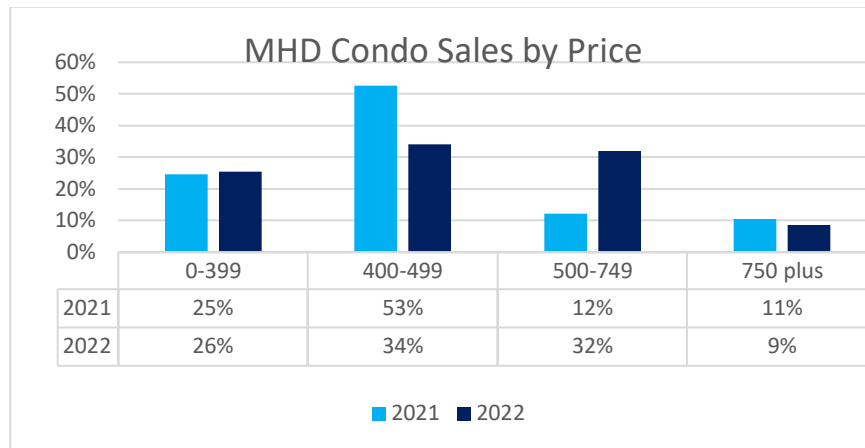
The share of sales over \$1 million increased from 34% in 2021 to 46% in 2022, driving the median price for the year to over \$900,000.



Condos

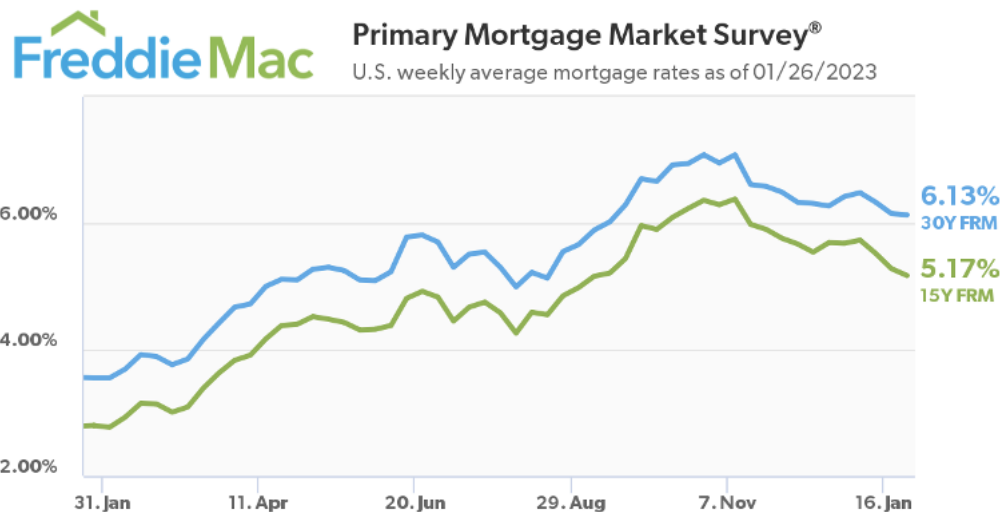
Condo sales dropped below 50 for the first time since 2014. The median price fluctuated Quarter to Quarter. – which can happen when the number of sales is small and the price range of sales wide. Overall for the year, the median price increased 5.8% to \$550,000, reflecting the big jump in market share of sales in the \$500-750,000 range.

Condos	2019	2020	2021	2022	Change
Q1	\$352,000	\$392,170	\$440,000	\$472,000	7.3%
Q2	\$409,500	\$454,900	\$525,000	\$555,000	5.7%
Q3	\$409,400	\$384,750	\$599,000	\$625,000	4.3%
Q4	\$398,900	\$407,500	\$525,000	\$449,000	-14.5%
Year	\$398,900	\$407,500	\$520,000	\$550,000	5.8%
Year Sales	57	66	57	47	-17.5%



Mortgage rates

The big feature of 2022 was the huge jump in mortgage rates. The 30-year Fixed Rate Mortgage (FRM) ended 2021 at 3.1%, rose to 4.7% at the end of Q1, to 5.7% at the end of Q2, to 6.7% at the end of Q3, and peaked at just over 7%, before easing to 6.1%, still a 14- year high.



The Federal Reserve increased the Fed Funds rate – FFR) used for setting interest rates on credit cards and auto loans rapidly during 2022

The 30-year Fixed Rate Mortgage (FRM) is determined by market forces – not the Federal Reserve - and, in particular, is priced at a premium – or spread – over the yield on the 10-year Treasury (10T). The yield on 10T started the year at 1.6% (when the FRM was 3.2%), rose to 3.5%, dropped to 2.6%, rebounded to 4.2% and closed the year at 3.9%, before dropping again in January. No wonder the FRM oscillated but was mostly in an upward trend in 2022.

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