

# Essex County Q1 2023 Housing Market Report

## Single Family Homes (SFH)

The median price of Single Family Homes (SFH) sold in Q1 2023 increased 4.8% from last year's seasonally low Q1. Sales dropped to the lowest level this millennium.

SFH	2019	2020	2021	2022	2023	Change
Q1	\$445,000	\$495,000	\$550,000	\$582,000	<b>\$610,000</b>	4.8%
Q2	\$480,000	\$520,000	\$635,000	<b>\$665,000</b>		
Q3	\$494,000	\$565,000	\$611,000	<b>\$674,500</b>		
Q4	\$470,000	\$541,250	\$608,950	<b>\$625,000</b>		
Year	\$475,000	\$536,000	\$608,000	<b>\$640,000</b>		
Q1 Sales	1,026	987	939	828	648	-21.7%

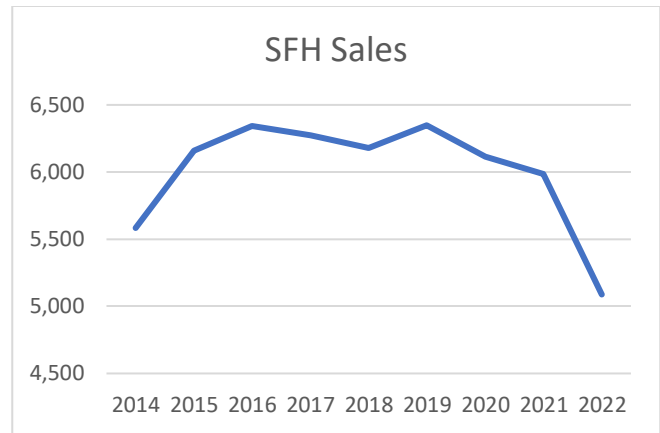
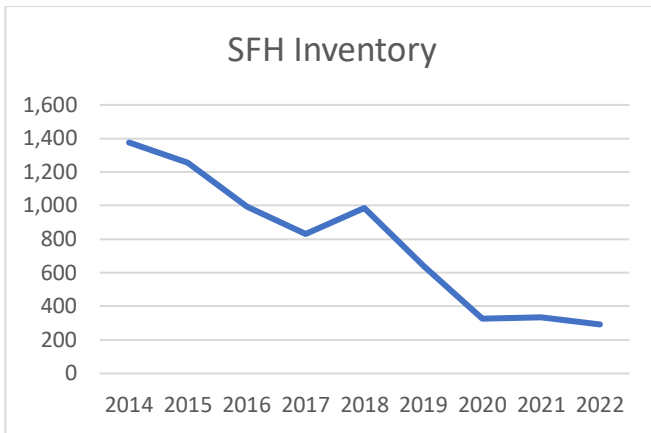
## Condos

The median price increased by 8.3%, also from 2022's seasonally low Q1. Sales declined, but only to 2015 levels.

Condos	2019	2020	2021	2022	2023	Change
Q1	\$305,000	\$333,000	\$365,000	\$387,750	<b>\$420,000</b>	8.3%
Q2	\$315,000	\$340,000	\$385,000	<b>\$440,000</b>		
Q3	\$320,000	\$360,000	\$393,750	<b>\$430,000</b>		
Q4	\$330,000	\$350,000	\$395,000	<b>\$448,000</b>		
Year	\$320,000	\$349,900	\$387,250	<b>\$429,900</b>		
Q1 Sales	498	500	546	484	418	-13.6%

## 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 Essex County the decline has been dramatic over the last decade, albeit levelling off in recent years. Sales held up well – until 2022.



### **Mortgage rates**

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.

The Federal Reserve finally started to increase its interest rate (Fed Funds rate – FFR) rapidly during 2022 and 2023. The FFR affects banks’ prime rates, used for setting interest rates on credit cards and auto loans. The 30-year Fixed Rate Mortgage (FRM) is determined by market forces and, in particular, is priced at a premium – or spread – over the yield on the 10-year Treasury (10T).

The Fed’s determination to bring inflation under control, even at the cost of higher unemployment and causing a recession, led to a repricing of risks in 2022, with the FRM rate more than doubling during the year. In the first 4 months of 2023 the FRM has averaged 6.4%.

**Andrew Oliver**

Market Analyst | Team Harborside | [teamharborside.com](http://teamharborside.com)

REALTOR®

m. 617.834.8205

[www.OliverReportsMA.com](http://www.OliverReportsMA.com)  
[www.AndrewOliverRealtor.com](http://www.AndrewOliverRealtor.com)

In Florida

[www.OliverReportsFL.com](http://www.OliverReportsFL.com)  
[www.TheFeinsGroup.com](http://www.TheFeinsGroup.com)