



Salem, Mass

MARKET REPORT

2021

Quarter I

January - March

Sagan
Harborside

Sotheby's
INTERNATIONAL REALTY

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SALEM

OVERALL TRENDS

1. The median price of Single Family Homes (SFH) sold in Q1 2021 increased 14.4% to \$527,410, only the second time a Quarterly price has exceeded \$500,000.
2. The median price of the Condos sold increased 11.7% to \$405,000, breaking \$400,000 for the first time, although the median price in the second half of 2020 was close - \$395,000.
3. Sales of SFH were sharply lower at 30 vs 42 and compared with a 5-year average of 37. Condo sales increased to 74 from 68, slightly above the 5-year average of 70.
4. 70% of both SFHs and Condos sold in Q1 2021 received an accepted offer in 15 days or less.
5. Despite the huge decline in inventory, sales in Essex County in Q1 2021 were quite steady, an indication of how quickly homes were selling. See slide 13.
6. Every one of the 34 cities and towns in Essex County saw Year-on-Year (YOY) increases in the median selling price; only 6 of the 34 cities and towns recorded a median SFH price under \$500,000.
7. The national average cost of a 30-year Fixed-Rate Mortgage (FRM) ended 2020 at 2.67%. Since early January, the yield on US Treasuries has risen sharply, and this in turn has moved the FRM to 3.13% - still extremely low by historical comparisons. See slide 14.

ABBREVIATIONS & NOTES

SFH = Single Family Home

Q1 = January – March; Q2 April- June; Q3 July-September; Q4 October – December

YTD Q3 = Year to Date January- September

Median prices exclude **distressed sales** – foreclosures and short sales – because these are not normally arms-length transactions. **“Sales”** include everything.

The **median price** is the **price** in the very middle of a data set, with exactly half of the houses priced for less and half priced for more. **It is not the average price.**

Look at this list of numbers: 5,6,7,8,9,10,11,12,13,14,15,100,100. The median price – the middle one – is 11. The average is 24. **Median price removes the impact of outliers** – whether high or low.

If 50% of sales take place above \$100,000 and 50% below then the median will be \$100,000. When the percentage increases to 60% below \$100,000, that means that more sales are occurring at lower prices and so the median price declines.

DTO – Days to Offer: The number of days a property is listed before an accepted offer is received. A more reliable guide to activity than **DOM – Days on Market** – as a number of matters can affect the timing for the latter.

Months of Supply: If 60 properties have sold in the last 6 months that is a rate of 10 per month. If there are currently 20 properties for sale the supply is 20 divided by 10 = 2 months. Because properties sell more quickly in summer months, we use Year to Date numbers to even out those fluctuations.





30

SINGLE FAMILY HOMES SOLD IN Q1 2021

74

CONDO AND TOWNHOMES SOLD IN Q1 2021



MARKET ACTIVITY

AT A GLANCE

SINGLE FAMILY HOMES

CONDO AND TOWNHOMES

Q1 2021 vs. Q1 2020

Q1 2021 vs. Q1 2020



+14.4%

MEDIAN SALES PRICE

The median price of the SFHs sold in Q1 2021 increased 14.4% from \$461,000 to \$527,410, only the second time a Quarterly price has exceeded \$500,000



-28.6%

UNITS SOLD

30 SFHs sold in Q1 2021, down from 42 in Q1 2020, and compared with the 5-year average of 37



+11.7%

MEDIAN SALES PRICE

The median price increased from \$362,500 to \$405,000, the first time a Quarterly price has exceeded \$400,000



+8.8%

UNITS SOLD

Sales increased from 68 in Q1 2020 to 74, compared with the 5-year average of 70

SINGLE FAMILY HOMES

BY THE NUMBERS

| | Q1 2019 | Q1 2020 | Q1 2021 | % Change 2021 VS. 2020 |
|------------------------------|----------------|----------------|----------------|---------------------------|
| Median Price | \$444,500 | \$461,000 | \$527,410 | +14.4% |
| Median Price per Square Foot | \$252 | \$262 | \$299 | |
| Median Days on Market (DOM) | 37 | 21 | 20.5 | |
| Median Days to Offer (DTO) | 16.5 | 8 | 7 | |
| Highest Price | \$800,000 | \$895,000 | \$920,000 | |
| Lowest Price | \$265,000 | \$266,000 | \$375,000 | |
| Number of Properties Sold | 36 | 42 | 30 | -28.6% |
| % Sold Price to List Price | 100% | 102% | 106% | |
| Total Dollar Volume | \$16.4 million | \$20.6 million | \$16.6 million | |



CONDO AND TOWNHOMES

BY THE NUMBERS

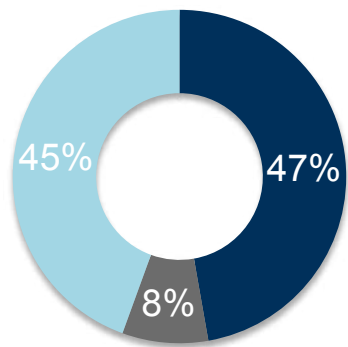
| | Q1 2019 | Q1 2020 | Q1 2021 | % Change 2021 vs. 2020 |
|------------------------------|----------------|----------------|----------------|---------------------------|
| Median Price | \$317,500 | \$362,500 | \$405,000 | +11.7% |
| Median Price per Square Foot | \$298 | \$319 | \$348 | |
| Median Days on Market (DOM) | 23 | 28.5 | 20 | |
| Median Days To Offer (DTO) | 11 | 13.5 | 6 | |
| Highest Price | \$595,000 | \$535,000 | \$725,000 | |
| Lowest Price | \$197,724 | \$176,000 | \$209,000 | |
| Number of Properties Sold | 57 | 68 | 74 | +8.8% |
| % Sold Price to List Price | 100% | 101% | 102% | |
| Total Dollar Volume | \$19.5 million | \$24.7 million | \$30.1 million | |



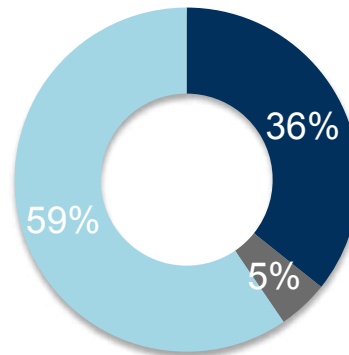
LIST PRICE VS. SALES PRICE

SINGLE FAMILY HOMES

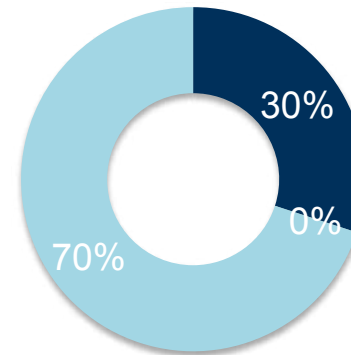
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Q1 2019



Q1 2020



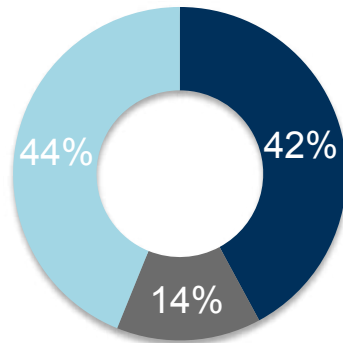
Q1 2021

The percentage of SFH sales above list price has increased year by year

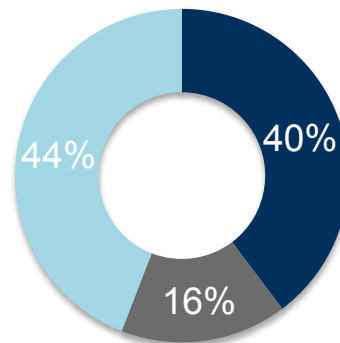
LIST PRICE VS. SALES PRICE

CONDO AND TOWNHOMES

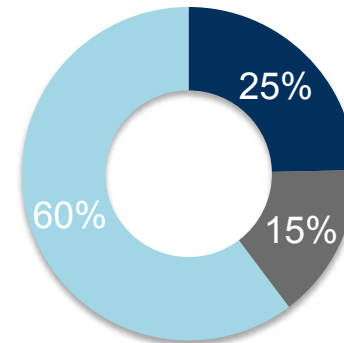
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Q1 2019



Q1 2020

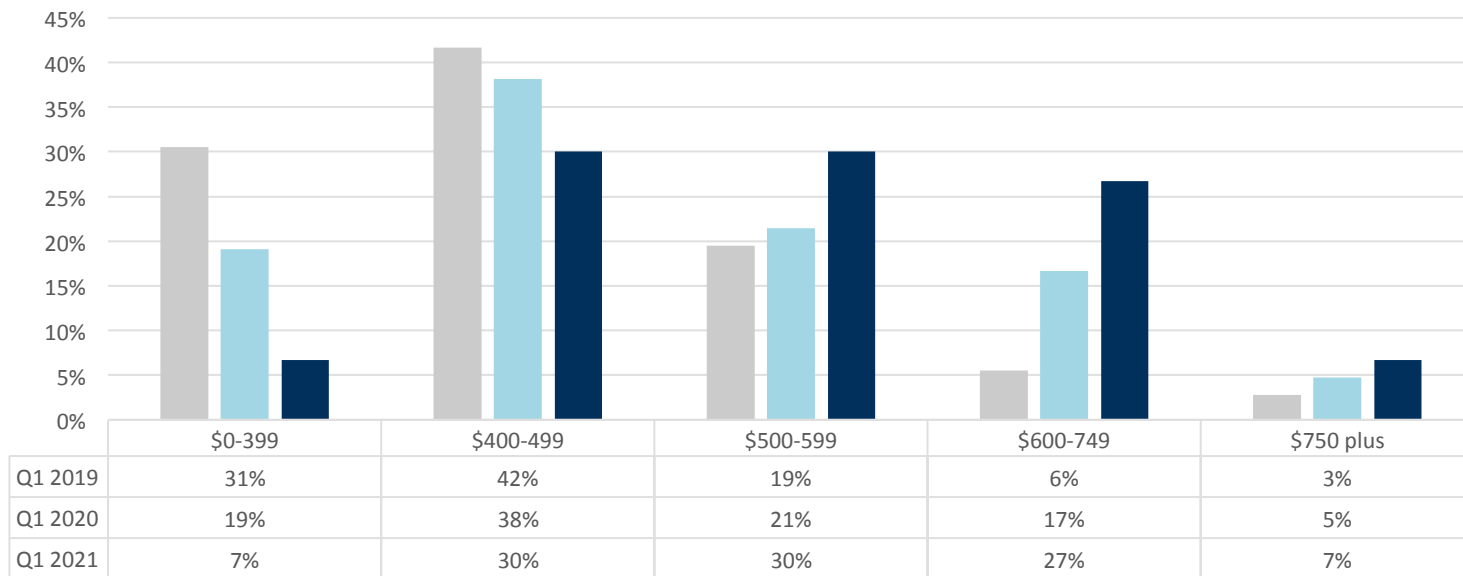


Q1 2021

2021 saw an increase in the percentage of Condos sold above list price

MARKET SHARE BY PRICE BRACKET

SINGLE FAMILY HOMES



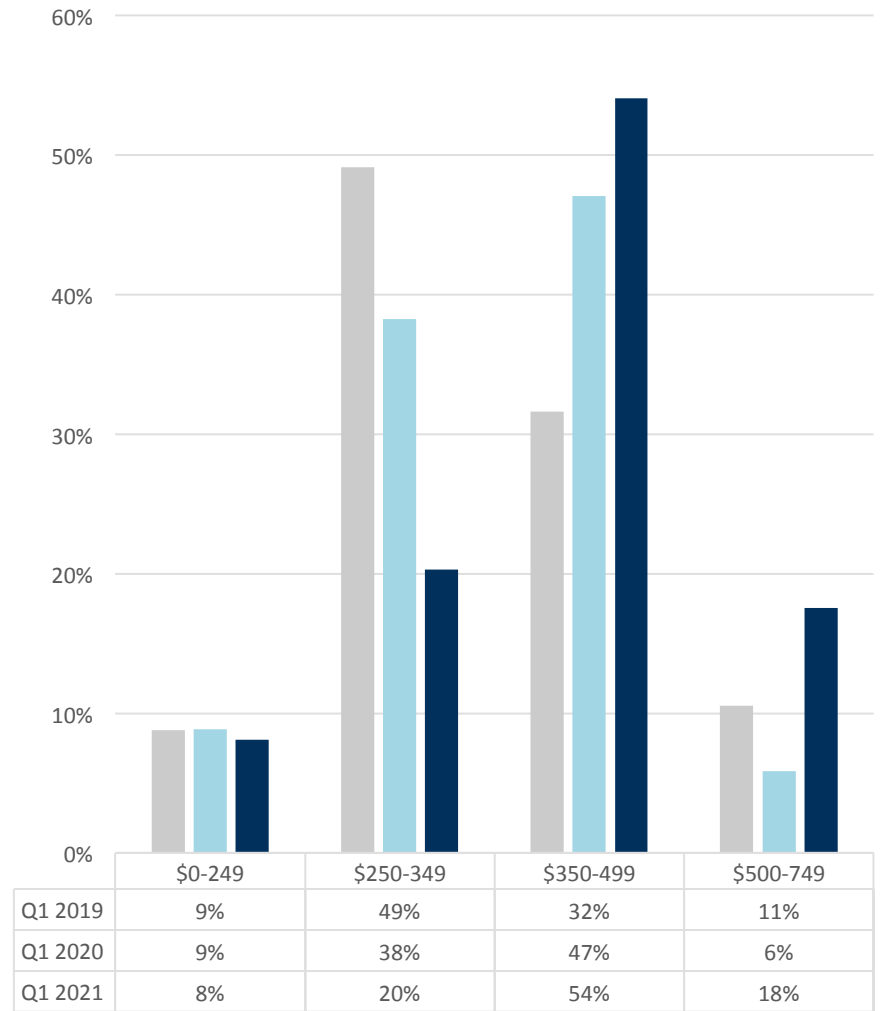
| | Q1 2019 | Q1 2020 | Q1 2021 |
|--------------|-----------|-----------|-----------|
| Median Price | \$444,500 | \$461,000 | \$527,410 |

As sales under \$500,000 moved from 73% of the total in Q1 2019 to 57% in 2020 and to just 37% in 2021, so the median price rose from under \$500,000 to well over \$500,000

MARKET SHARE BY PRICE BRACKET

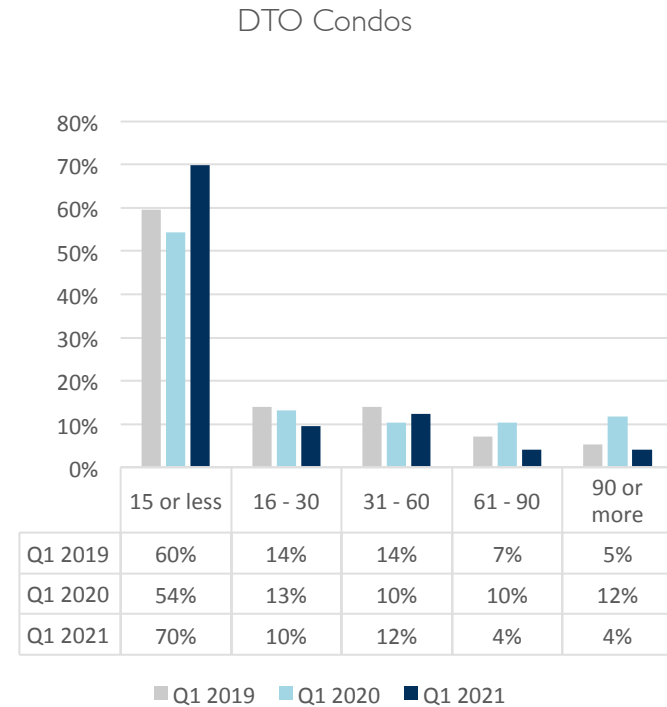
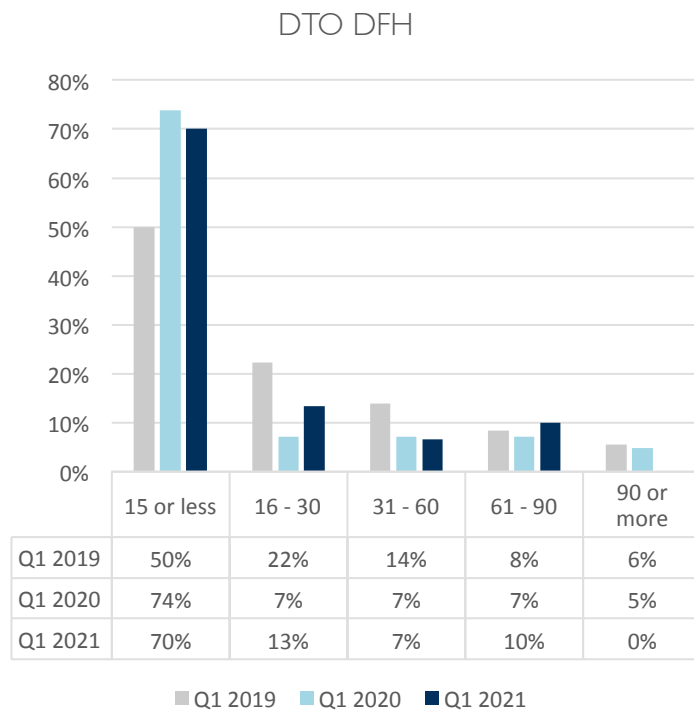
CONDOS

The percentage of sales under \$350,000 dropped from 58% in 2019 to 47% in 2020 and to just 28% in 2021, driving the median price well over \$350,000.



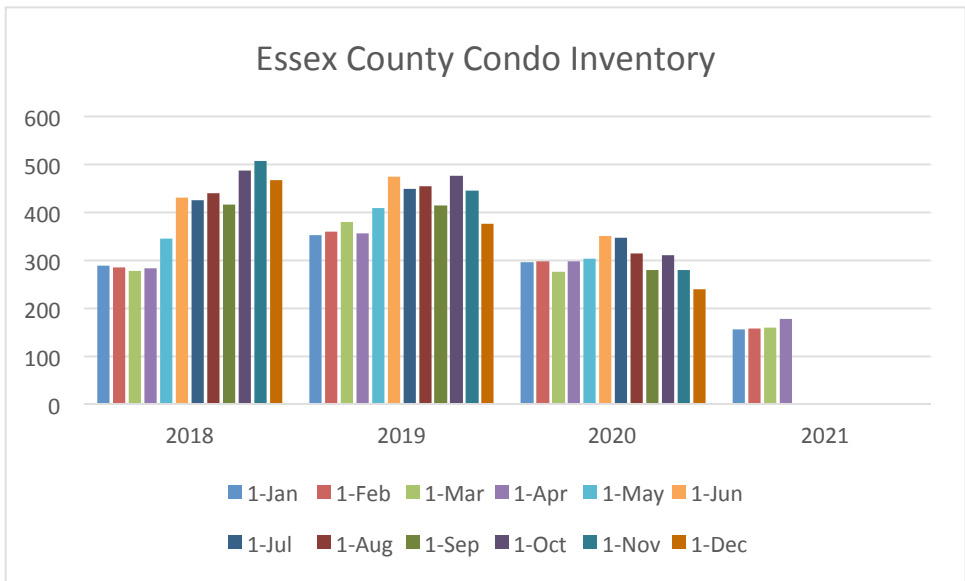
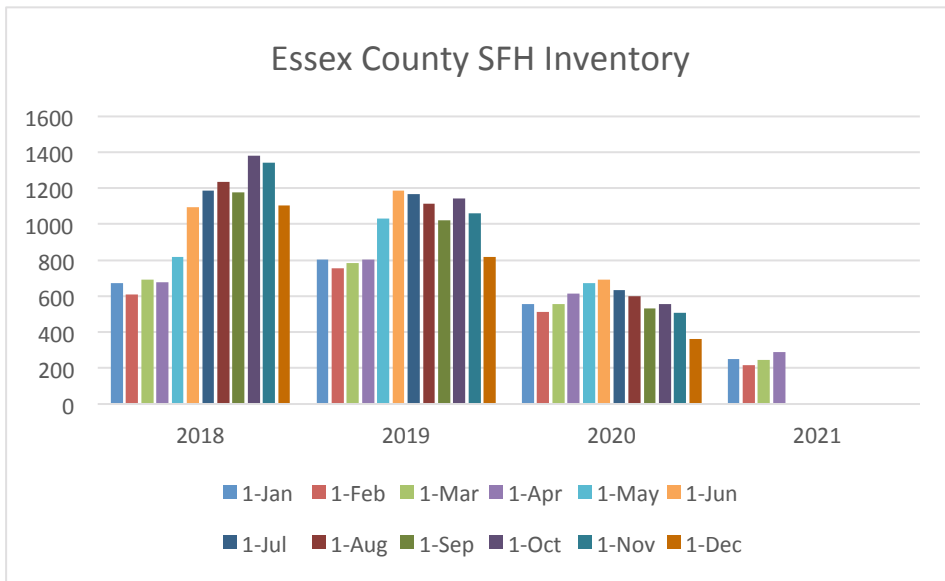
| | Q1 2019 | Q1 2020 | Q1 2021 |
|--------------|-----------|-----------|-----------|
| Median Price | \$317,500 | \$365,000 | \$405,000 |

DAYS TO ACCEPTED OFFER (DTO)



70% of both SFH and Condos sold in Q1 2021 received offers in 15 days or less

HOUSING INVENTORY DECLINE ACCELERATES IN ESSEX COUNTY BUT SALES HOLD QUITE STEADY



| Essex County Sales | | | | | | | |
|--------------------|------|------|-----|---------------|------|-----|----|
| | 2020 | 2021 | | 2020 | 2021 | | |
| SFH | | | | Condos | | | |
| Jan | 348 | 349 | | Jan | 154 | 190 | |
| Feb | 271 | 281 | | Feb | 154 | 159 | |
| Mar | 363 | 304 | | Mar | 192 | 194 | |
| | 982 | 934 | -5% | | 500 | 543 | 9% |

MORTGAGE RATES HAVE INCREASED IN 2021 - STILL EXCEPTIONALLY LOW BY HISTORIC STANDARDS

U.S. weekly averages as of 04/08/2021

30-Yr FRM
3.13% | $\downarrow 0.05$ 1-Wk
 $\downarrow 0.20$ 1-Yr
0.7 Fees/Points

15-Yr FRM
2.42% | $\downarrow 0.03$ 1-Wk
 $\downarrow 0.35$ 1-Yr
0.6 Fees/Points

5/1-Yr ARM
2.92% | $\uparrow 0.08$ 1-Wk
 $\downarrow 0.48$ 1-Yr
0.1 Fees/Points

Zoom 1Y 3Y 5Y **10Y** All

04/08/2011 - 04/08/2021



Source: Freddie Mac

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ABOUT TEAM HARBORSIDE

Team Harborside is your go-to resource for North Shore real estate. With decades of combined experience, Matt Dolan and Dick McKinley have developed a client-focused approach. It starts with the client's objectives--not the goals of the agent or the temperature of the market. From there, the entire team works deliberately to plan out a strategy that will meet those objectives.

Paired with unmatched expertise in the North Shore market, Matt and Dick's philosophy allows them to position properties for maximum value within the region.

Team Harborside works with buyers and sellers in a variety of scenarios across all areas of residential real estate, including condo conversions, new home construction, investment strategies and investor property acquisition.



All data within this document is derived from MLSPIN. This report was published for the exclusive use of Team Harborside in partnership with OliverReports.com.



For those who seek an exceptional life

New Listing | Meticulously built in 2016, this distinctive home in Swampscott, MA offers ocean views and a pristine interior. Each living space artfully blends elegant design with modern functionality and boasts soaring ceilings, chef's kitchen, a luxurious first floor master suite, and full elevator access. Sited in a desirable neighborhood, the exterior provides wonderful gardens, stone patios, and a lush lawn.

4 Beds | 4F, 1H Baths | 4,691 SQ. FT.

Offered at \$2,599,000

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