

March 2023 Market Report

Washington Metro

Washington Market Key Findings

Conflicting Market Signals in the Washington DC Metro
Prices are down but homes are still selling very quickly

Housing market activity ticked up seasonally in March, though the market is still relatively slow as elevated interest rates, high home prices, and a lack of inventory constrain sales. Home prices are still rising in some local markets in the Washington metro, but the overall regional median home price fell for the 2nd time in 4 months, reflecting the softening market.

Despite a lower median price, other metrics point to a highly competitive environment for buyers. Inventory is roughly half (51%) where it was in March 2019. The number of new listings is still far below what would be seen in a typical housing market. In March 2023, new listings in the Washington metro were down 35.0%.

Another nod toward the intensity of the market is the pace of closed sales. The median days on market was 9 days in March, down from 20 in February and 30 in January. The median days on market is just 3 days longer than it was a year ago. Real estate agents shared that multiple offers are still common throughout many parts of the Mid-Atlantic.

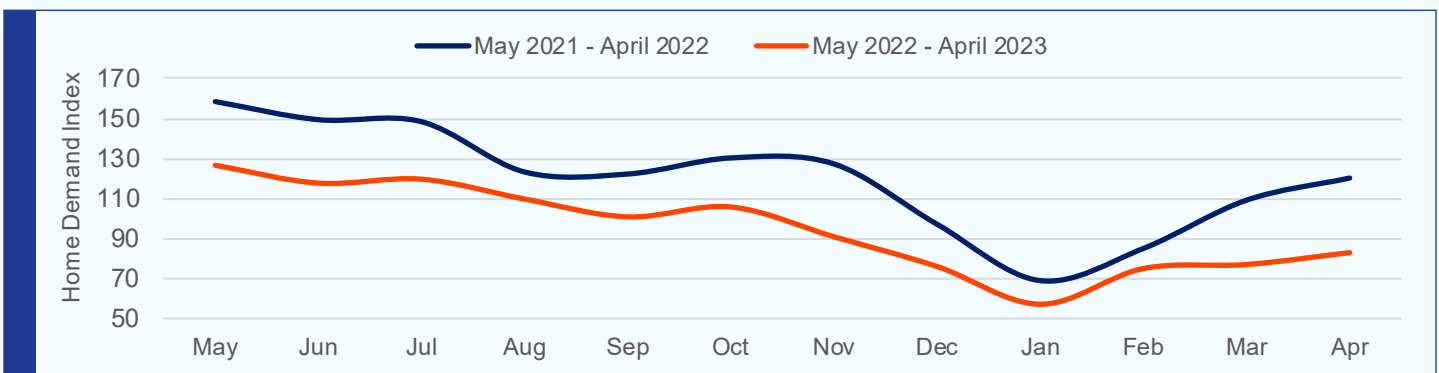
	March 2023		vs. March 2022
Closed sales	4,181	▼	-29.3%
Median sales price	\$545,000	▼	-2.0%
Median days on market	9	▲	+3 days
New pending sales	5,028	▼	-28.2%
New listings	5,610	▼	-35.0%
Active listings	5,392	▲	+19.4%
Months of supply	1.12	▲	+64.2%
Showings	131,285	▼	-27.9%

Bright MLS T3 Home Demand Index

According to the Bright MLS T3 Home Demand Index (HDI), market activity stayed in Slow market conditions in April 2023 for the Washington metro area. The index was 83, continuing its climb from January's reading of 57.

The Washington metro is down from Moderate active a year ago when index was 120.

Bright MLS T3 Home Demand Index



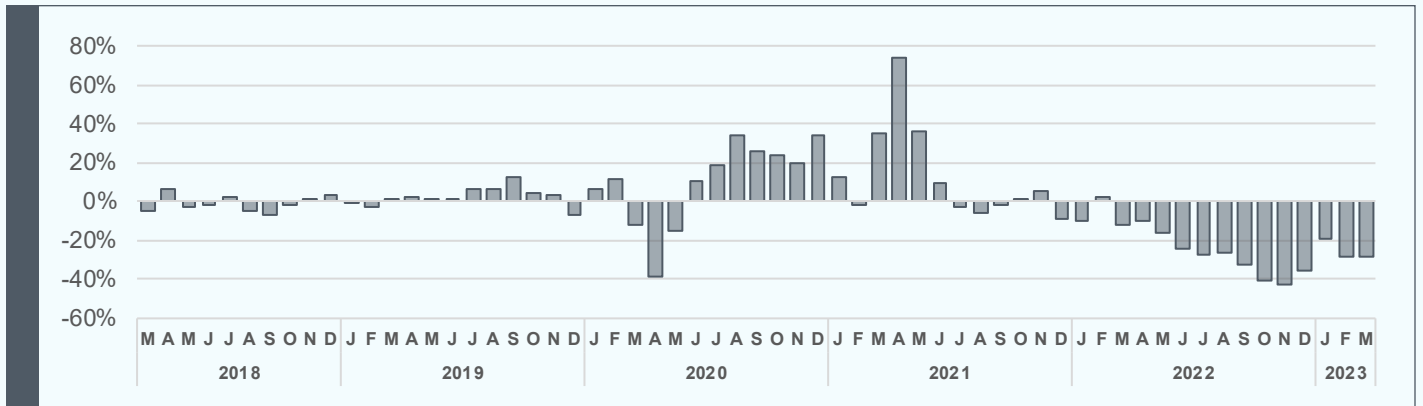
Market Outlook

The seasonal spring uptick in sales occurred for the Washington metro despite market obstacles like elevated interest rates, high prices, and limited inventory. Housing market activity will likely remain subdued in the weeks ahead.

As demand has cooled, sellers have also paused. Lower new listings in 2023 are countering lower buyer activity and keeping the market competitive for those who are trying to buy in the Washington area. However, high home prices and rising affordability challenges could be putting a ceiling on home sales transactions this spring. Prices may fall further in the region, but the very limited inventory will keep any declines modest.

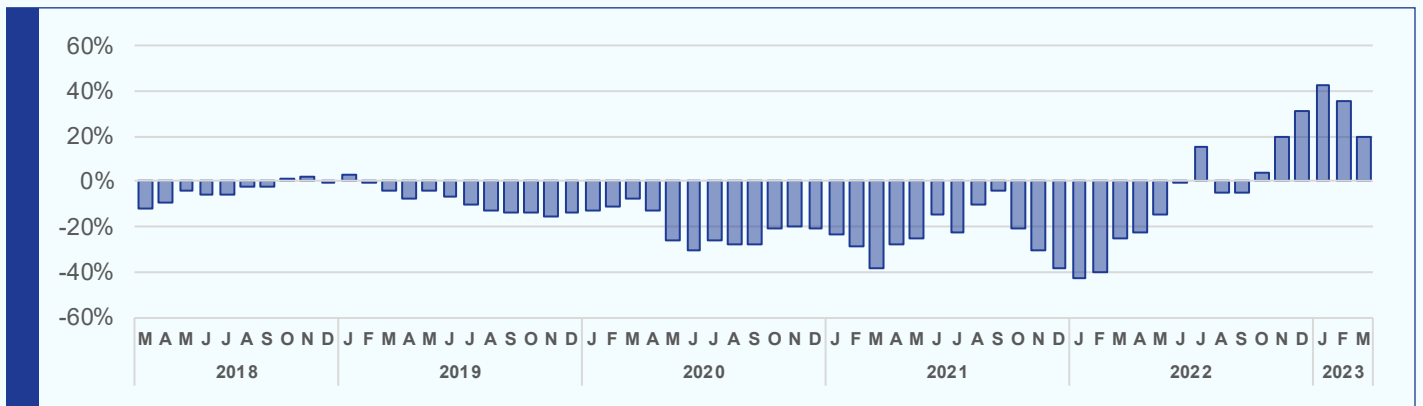
New Pending Sales Year-Over-Year Change

New pending sales in the Washington metro area continue to show signs of a tough market for buyers. Higher interest rates and low supply constrain potential buying activity. There were 5,028 new pending sales in March 2023, which is down not only from a year ago, but is also significantly lower than during March 2019.



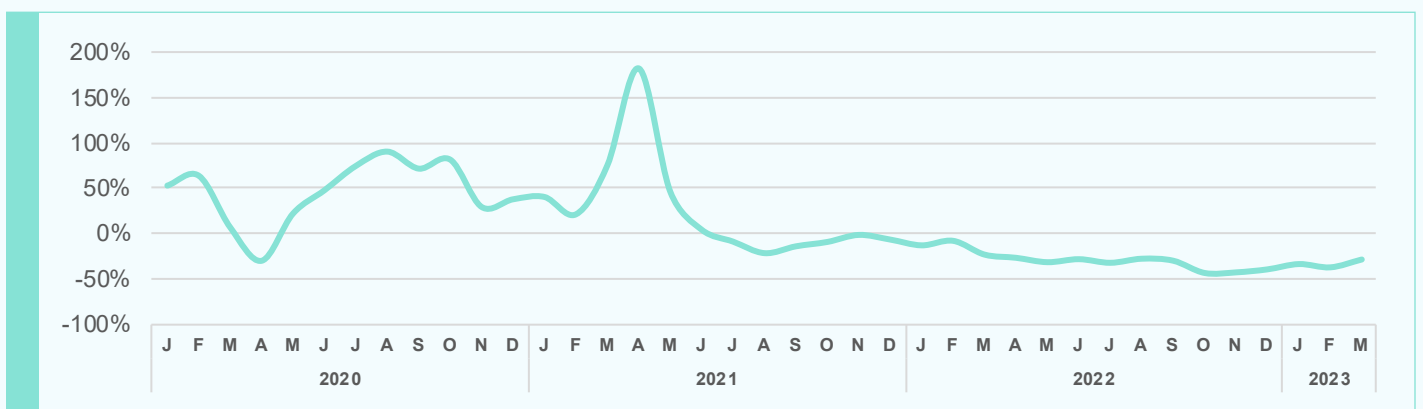
Active Listings Year-Over-Year Change

Active listings increased for the 6th consecutive month. Unfortunately, that does not mean that inventory is plentiful in the Washington metro area. At the end of March 2023, there were 5,392 active listings on the market, which is just about half of the inventory in March 2019. Condo active listings, which grew throughout 2020, were down compared to last year.



Showings

Showing activity has improved throughout 2023 in advance of the spring buying season. The Washington metro area had 131,285 showings in March 2023, a gain month-over-month, but showing activity is still far below what it was a year ago. Buyers are still interested and will be watching interest rate movements this spring.



Local Markets

While the overall median home price fell in March, the change in the mix of homes sold can influence the median price for the metro. Areas with higher prices, including Alexandria City, Arlington County, Fairfax County, Loudoun County, and Washington, DC, saw the biggest year-over-year declines in home sales.

Some buyers have been sidelined due to rising interest rates and high home prices, pushing the monthly mortgage payment beyond their budget.

Despite slower buyer activity, competition is still stiff. Most submarkets reported single-digit median days on market indicating buyers who succeed understand that they still need to make quick decisions. In many local markets, there is still less than one month of supply.



CLOSED SALES

	March 2023	vs. March 2022
Alexandria City, VA	193	-35.0%
Arlington County, VA	197	-32.1%
Fairfax City, VA	17	-50.0%
Fairfax County, VA	960	-31.7%
Falls Church City, VA	14	+55.6%
Frederick County, MD	306	-21.5%
Loudoun County, VA	365	-36.5%
Montgomery County, MD	758	-26.6%
Prince George's County, MD	751	-23.3%
Washington, DC	620	-31.3%
Washington DC Metro	4,181	-29.3%

MEDIAN SALES PRICE

	March 2023	vs. March 2022
Alexandria City, VA	\$665,000	+26.7%
Arlington County, VA	\$650,000	+0.7%
Fairfax City, VA	\$615,000	-0.8%
Fairfax County, VA	\$662,000	+0.3%
Falls Church City, VA	\$1,060,250	-4.9%
Frederick County, MD	\$429,200	-3.3%
Loudoun County, VA	\$720,000	+5.9%
Montgomery County, MD	\$535,277	-0.6%
Prince George's County, MD	\$415,000	+2.5%
Washington, DC	\$640,500	-3.0%
Washington DC Metro	\$545,000	-2.0%

Local Markets Continued

	NEW PENDINGS		NEW LISTINGS		MEDIAN DAYS ON MARKET	
	March 2023	vs. March 2022	March 2023	vs. March 2022	March 2023	vs. March 2022
Alexandria City, VA	192	-39.0%	206	-45.5%	8	+2 days
Arlington County, VA	242	-26.0%	280	-39.8%	9	+3 days
Fairfax City, VA	30	-21.1%	36	-25.0%	5	0 days
Fairfax County, VA	1,120	-30.1%	1,212	-38.1%	6	+1 day
Falls Church City, VA	16	-11.1%	10	-37.5%	9	+6 days
Frederick County, MD	358	-23.7%	362	-38.4%	9	+4 days
Loudoun County, VA	463	-29.4%	498	-39.8%	6	+2 days
Montgomery County, MD	958	-28.6%	954	-38.3%	8	+2 days
Prince George's County, MD	890	-23.7%	860	-31.8%	19	+11 days
Washington, DC	759	-29.3%	1,192	-22.7%	23	+14 days
Washington DC Metro	5,028	-28.2%	5,610	-35.0%	9	+3 days

	ACTIVE LISTINGS		MONTHS OF SUPPLY	
	March 2023	vs. March 2022	March 2023	vs. March 2022
Alexandria City, VA	153	+4.1%	0.77	+37.5%
Arlington County, VA	296	-2.6%	1.38	+34.0%
Fairfax City, VA	30	+42.9%	1.11	+91.4%
Fairfax County, VA	932	+22.5%	0.83	+72.9%
Falls Church City, VA	6	+200.0%	0.50	+284.6%
Frederick County, MD	295	+20.9%	0.76	+58.3%
Loudoun County, VA	401	+50.8%	0.85	+123.7%
Montgomery County, MD	703	+7.8%	0.75	+47.1%
Prince George's County, MD	882	+40.0%	1.11	+85.0%
Washington, DC	1,694	+13.8%	2.56	+53.3%
Washington DC Metro	5,392	+19.4%	1.12	+64.2%

Buyers' Market? Sellers' Market?

Active listings have grown since 2022. On the other hand, supply is very low compared to historical levels.

The months of supply metric tends to indicate if a market favors buyers or sellers. All submarkets have less than 2 months of supply, with the exception of Washington, DC, and many local markets have less than 1 month. Generally, readings this low indicate an extremely strong sellers' market.

Buyers gained power back as the market shifted. Prices aren't rising across the board, but quick sales and multiple offers show that sellers still tend to be favored.

Local Markets Continued

	SHOWINGS		HOME DEMAND INDEX	
	March 2023	vs. March 2022	April 2023	vs. April 2022
Alexandria City, VA	4,211	-21.9%	128	-30.8%
Arlington County, VA	5,122	-29.1%	144	-37.4%
Fairfax City, VA	732	-19.2%	86	-30.1%
Fairfax County, VA	34,114	-24.4%	94	-28.8%
Falls Church City, VA	352	+0.3%	94	-26.6%
Frederick County, MD	6,473	-36.2%	49	-38.8%
Loudoun County, VA	11,135	-39.8%	74	-38.3%
Montgomery County, MD	27,858	-29.3%	72	-33.9%
Prince George's County, MD	24,871	-28.2%	81	-29.6%
Washington, DC	16,417	-19.2%	90	-24.4%
Washington DC Metro	131,285	-27.9%	83	-30.8%

Bright MLS T3 Home Demand Index

The Home Demand Index (HDI) captures buyer signals including showing requests, listing views and more to let you know what buyers are doing right now, before they buy. The HDI is forward-looking, providing a picture of what market activity will be this month.

The Home Demand Index was created as part of our strategy to create a nimbler and more innovative MLS platform that drives your business forward.

Read More about the HDI
homedemandindex.com



About Bright MLS

Bright is proud to be the source of truth for comprehensive real estate data in the Mid-Atlantic, with market intelligence currently covering six states (Delaware, Maryland, New Jersey, Pennsylvania, Virginia, West Virginia) and the District of Columbia. Bright MLS's innovative tool library—both created and curated—provides services and award-winning support to well over 100k real estate professionals, enabling their delivery on the promise of home to over half a million home buyers and sellers monthly. In 2022, Bright subscribers facilitated \$121B in real estate transactions through the company's platform. Learn more at BrightMLS.com.

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