DATA AS OF March 6, 2023

February 2023 Market Report
Washington Metro

Washington Market Key Findings

Slow Buyer Activity in the Region Reflects Higher Mortgage Rates in February

Low Inventory Has Also Constrained Activity and Pushed Prices Up

The lead-up to the spring market is bumpy in the Washington, D.C., metro area, as higher mortgage rates created headwinds in the market. The number of new pending sales in the D.C. region was higher than during January, but the February new pending sales was at its lowest level since 2014.

New listing activity in the Washington, D.C., region hit the lowest point in more than two decades in February. Many existing homeowners are sitting out the market because they do not want to have to give up a rock-bottom mortgage rate. Overall inventory rose from last year, but the number of active listings is still 40% lower than it was in February 2020.

Low inventory is the primary reason prices continue to rise across most of the Washington, D.C., region. The median price in the metro area rose 1.7% compared to a year ago. The region's median price is now nearly 20% higher than it was three years ago.

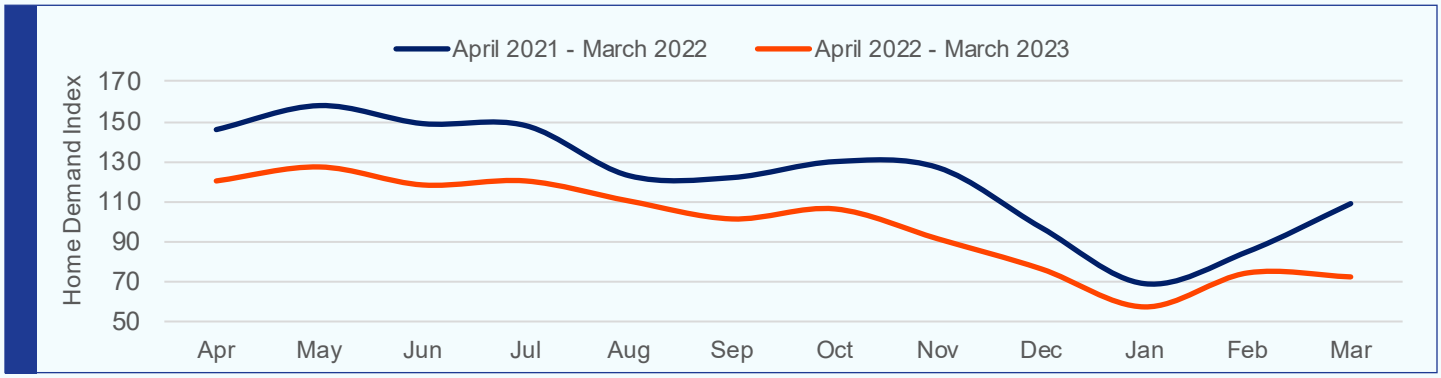
	February 2023	vs. February 2022
Closed sales	3,169	▼ -24.7%
Median sales price	$535,000	▲ +1.7%
Median days on market	20	▲ +13 days
New pending sales	3,922	▼ -28.3%
New listings	3,927	▼ -36.2%
Active listings	5,002	▲ +35.4%
Months of supply	1.00	▲ +78.6%
Showings	103,136	▼ -36.5%

Bright MLS T3 Home Demand Index

According to the Bright MLS T3 Home Demand Index (HDI), market activity in the Washington, D.C., region bumped down slightly from February's reading of 74 to 72 in March. While activity is still slow, the spring buying season typically has stronger interest than the first quarter of the year.

The index for the Washington, D.C., metro area is down from 109 a year ago.

Bright MLS T3 Home Demand Index



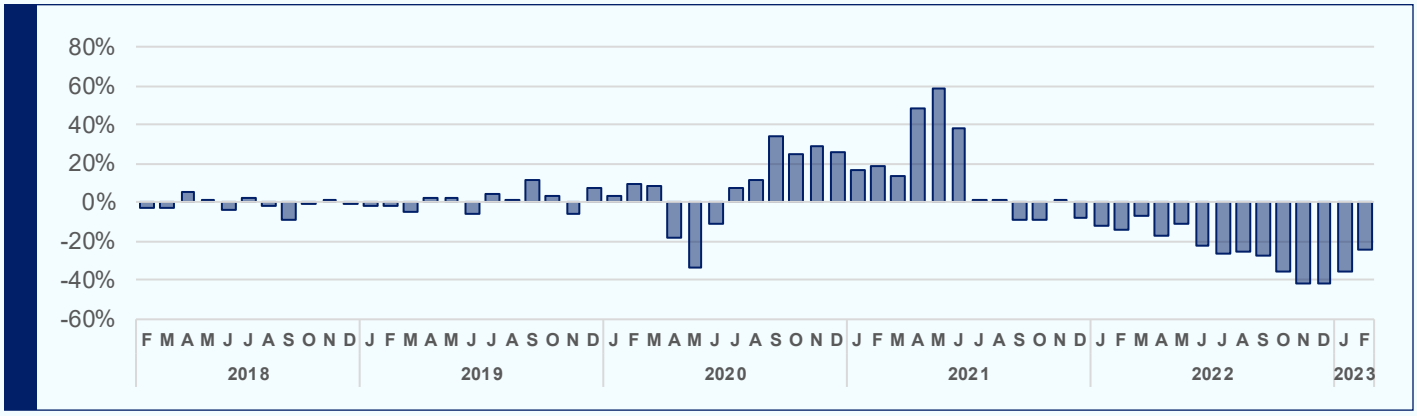
Market Outlook

In February, buyers and sellers geared up for the spring market. However, higher mortgage rates and economic uncertainty have muted housing market activity this year. Mortgage rates had begun to fall at the beginning of the year, but rates moved upward in February, and economic data suggests they may move higher in the weeks ahead.

While the road may be bumpy, expect housing market activity to pick up in March and April. Fewer buyers will be in the market, but there will also be fewer sellers. As a result, home prices in the Washington, D.C., area should be stable or continue to increase.

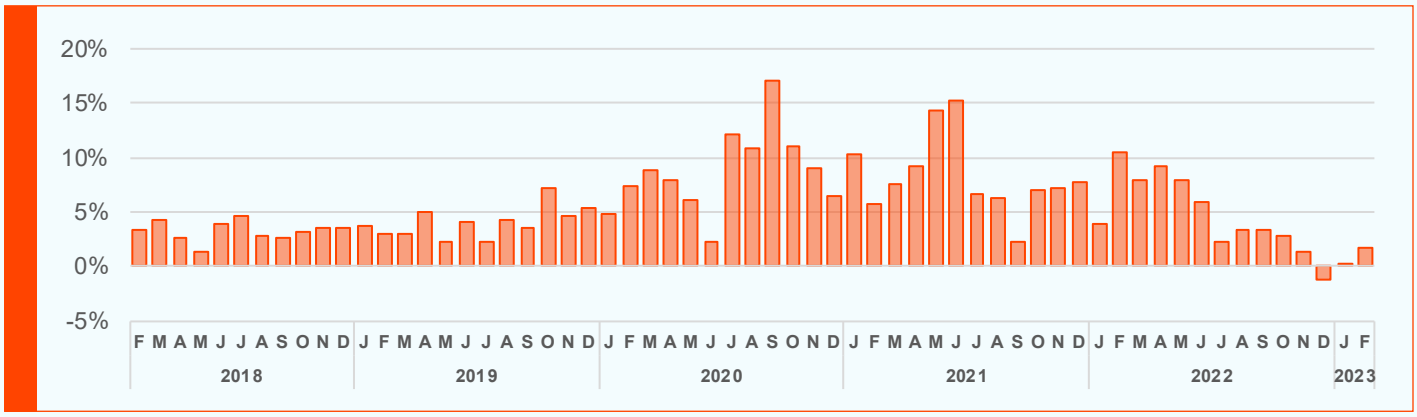
Closed Sales Year-Over-Year Change

Closed sales in the Washington, D.C., region improved from January to February. There were 3,169 closed sales in February 2023. Closed sales typically improve as the weather gets warmer.



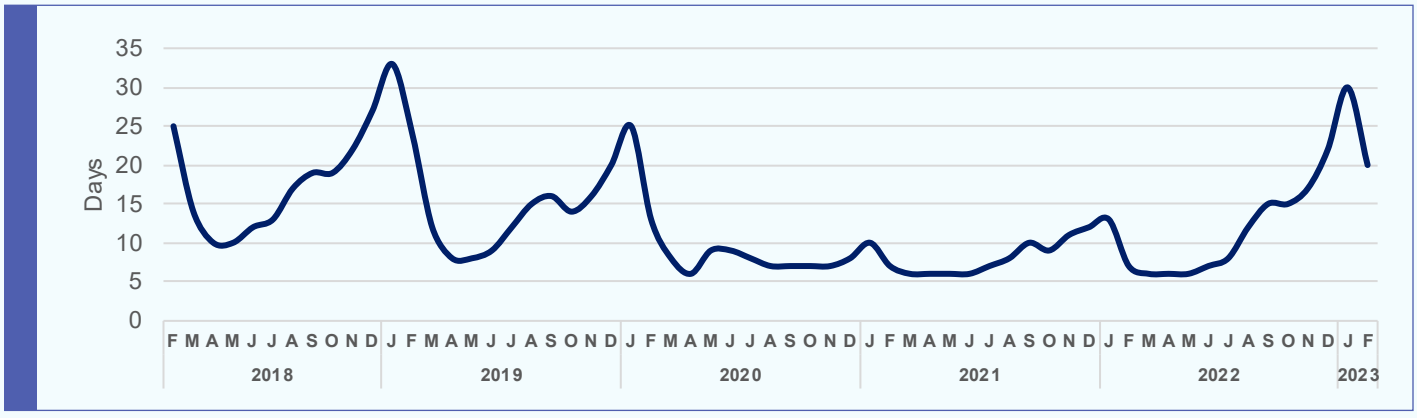
Median Sales Price Year-Over-Year Change

After seeing a slight decrease in December, the median sales price in the Washington, D.C., metro continued to increase year-over-year. In February 2023, the median price of $535,000 was 1.7%. The median price for detached single-family homes saw its first year-over-year decline since September 2016. Attached properties and condos showed year-over-year price gains in February.



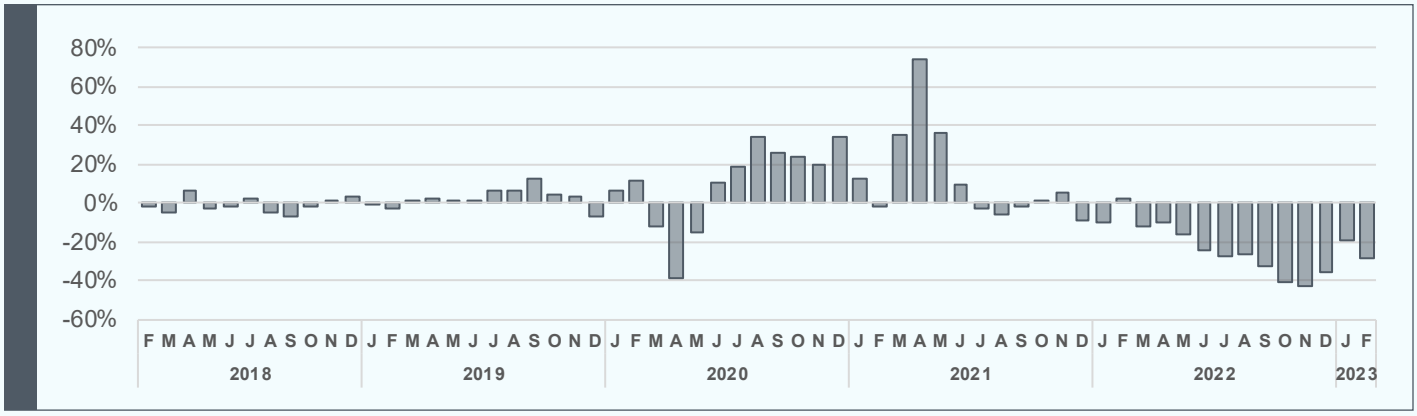
Median Days on Market

The median time on market dropped from about one month in January to 20 days in February. The time on market is higher than last year for all property types. The next few months will reveal whether the trend of higher days on market as the calendar turns followed by lower days in the spring returns as the norm in 2023.



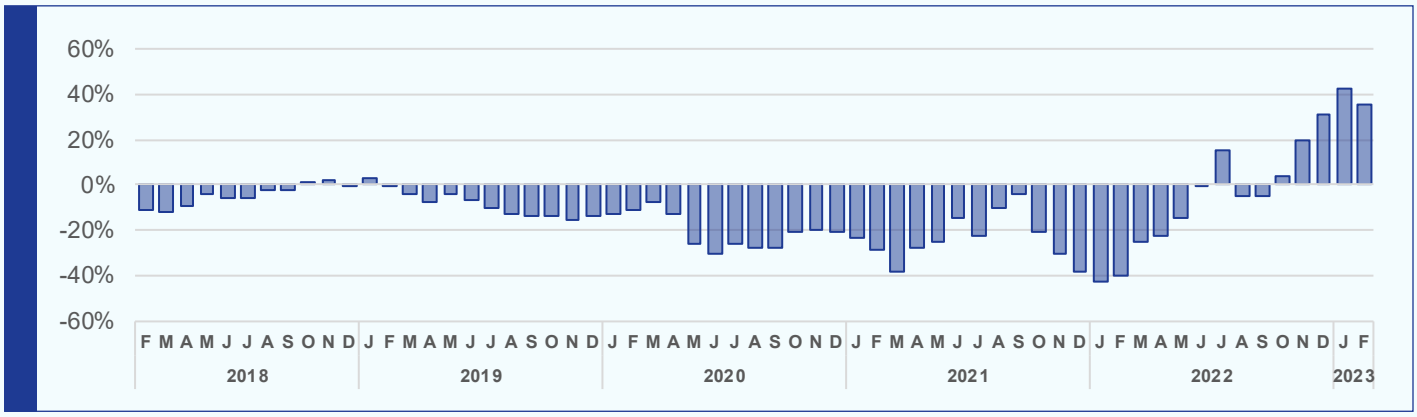
New Pending Sales Year-Over-Year Change

New pending sales increased from January to February. The 3,922 pending sales for the Washington, D.C., region are 28.3% lower than February 2022. All property types saw a year-over-year drop in pending sales but had a higher number for the first two months of 2023.



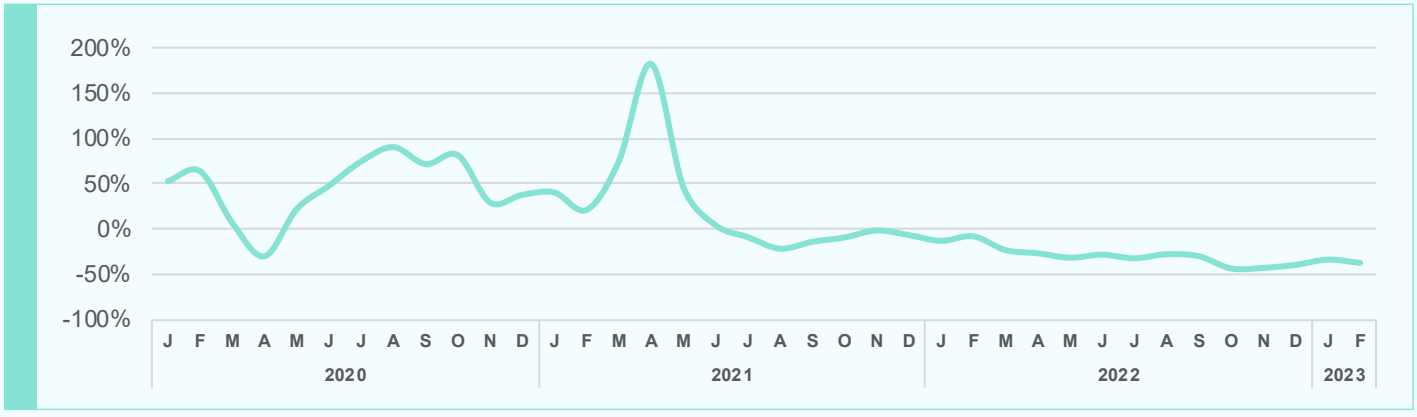
Active Listings Year-Over-Year Change

Inventory remains tight for the Washington, D.C., metro. At 5,002 in February 2023, the amount is still significantly below the 8,562 of February 2020. Inventory has improved year-over-year starting in October 2022. The cautiousness of both buyers and sellers will determine the direction of active listings as the spring buying season begins.



Showings

Showing activity rose again in February. From 62,457 in December to 97,497 in January to 103,136 in February for the Washington, D.C., region, it appears the typical gain in interest at the beginning of the year happened in 2023. Showings remain below their levels from last year but are above the February 2019 activity of 87,267.



Local Markets

In February, home prices grew more slowly in the Washington, D.C., region than in other areas of the Mid-Atlantic. Higher home prices create bigger affordability challenges for buyers, particularly as mortgage rates trended upward during the month. Prices rose strongly in Montgomery County, MD, where the median price rose 9.1% compared to last year, and prices were also up in Alexandria City and Loudoun County, VA, and Prince George's County, MD. However, home prices fell year-over-year in other jurisdictions, including some suburban markets and Washington, D.C.

Homes are taking longer to sell, but there is a lot of variation across the metro area. In Washington, D.C., the median days on market in February was 45, which is nearly a month (29 days) longer than a year ago. By contrast, the median days on market was just nine in Montgomery County, MD.

Inventory remains limited across the metro area, with less than one month of supply in most local markets.



CLOSED SALES

	February 2023	vs. February 2022
Alexandria City, VA	138	-26.6%
Arlington County, VA	139	-29.8%
Fairfax City, VA	19	-26.9%
Fairfax County, VA	694	-25.6%
Falls Church City, VA	8	-20.0%
Frederick County, MD	273	-17.5%
Loudoun County, VA	274	-23.9%
Montgomery County, MD	574	-21.6%
Prince George's County, MD	534	-25.7%
Washington, DC	516	-27.6%
Washington DC Metro	**3,169**	**-24.7%**

MEDIAN SALES PRICE

	February 2023	vs. February 2022
Alexandria City, VA	$557,000	+2.0%
Arlington County, VA	$639,000	-2.4%
Fairfax City, VA	$585,000	+1.7%
Fairfax County, VA	$620,000	+0.8%
Falls Church City, VA	$661,750	-6.7%
Frederick County, MD	$445,000	-7.9%
Loudoun County, VA	$630,000	+0.8%
Montgomery County, MD	$547,500	+11.6%
Prince George's County, MD	$400,000	+2.6%
Washington, DC	$613,500	-7.0%
Washington DC Metro	**$535,000**	**+1.7%**

Local Markets Continued

	NEW PENDINGS		NEW LISTINGS		MEDIAN DAYS ON MARKET	
	February 2023	vs. February 2022	February 2023	vs. February 2022	February 2023	vs. February 2022
Alexandria City, VA	183	-23.8%	159	-35.4%	12	+4 days
Arlington County, VA	159	-38.1%	173	-39.5%	17	+5 days
Fairfax City, VA	12	-64.7%	27	-28.9%	28	+23 days
Fairfax County, VA	835	-34.1%	831	-41.1%	12	+6 days
Falls Church City, VA	12	+71.4%	9	+0.0%	5	-25 days
Frederick County, MD	295	-24.7%	280	-41.1%	25	+20 days
Loudoun County, VA	337	-33.4%	349	-39.0%	15	+10 days
Montgomery County, MD	682	-26.7%	641	-37.5%	13	+6 days
Prince George's County, MD	762	-23.0%	642	-35.5%	27	+16 days
Washington, DC	645	-23.9%	816	-25.8%	45	+29 days
Washington DC Metro	**3,922**	**-28.3%**	**3,927**	**-36.2%**	**20**	**+13 days**

	ACTIVE LISTINGS		MONTHS OF SUPPLY	
	February 2023	vs. February 2022	February 2023	vs. February 2022
Alexandria City, VA	150	+19.0%	0.72	+50.0%
Arlington County, VA	247	+12.8%	1.11	+50.0%
Fairfax City, VA	29	+93.3%	1.04	+147.6%
Fairfax County, VA	799	+50.5%	0.69	+109.1%
Falls Church City, VA	9	+80.0%	0.75	+141.9%
Frederick County, MD	305	+45.2%	0.77	+87.8%
Loudoun County, VA	374	+120.0%	0.76	+216.7%
Montgomery County, MD	682	+28.4%	0.71	+73.2%
Prince George's County, MD	895	+55.4%	1.10	+100.0%
Washington, DC	1,512	+15.4%	2.21	+51.4%
Washington DC Metro	**5,002**	**+35.4%**	**1.00**	**+78.6%**

Why Aren't Prices Falling?

In December, home prices fell in the Washington, D.C., metro area, but prices have been up year-over-year for the past two months. Despite fewer buyers, rising mortgage rates, and high home prices, home prices are still rising in most local markets in the region. Buyers who remain in the market are still finding relatively few options, and therefore prices continue to be pushed upward. Although higher mortgage rates have made it more difficult for some buyers, many are bringing significant equity—or cash—to the transaction.

A key exception to sustained price growth is Washington, D.C., where prices have fallen for five consecutive months.

Local Markets Continued

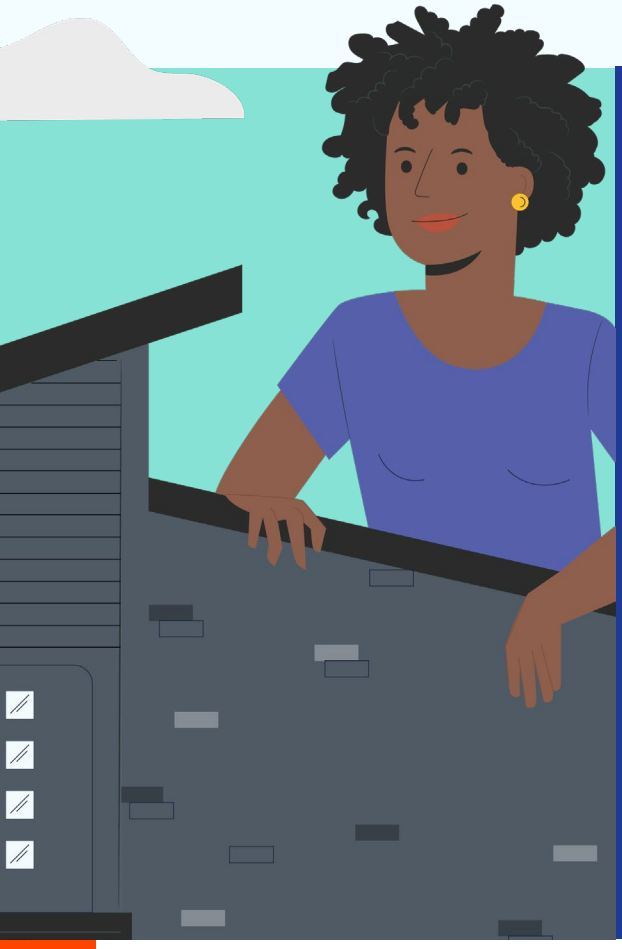
	SHOWINGS		HOME DEMAND INDEX	
	February 2023	vs. February 2022	March 2023	vs. March 2022
Alexandria City, VA	3,532	-26.3%	117	-30.4%
Arlington County, VA	4,362	-19.9%	125	-29.0%
Fairfax City, VA	462	-51.4%	54	-55.0%
Fairfax County, VA	24,844	-41.0%	77	-38.4%
Falls Church City, VA	232	+186.4%	75	+56.3%
Frederick County, MD	6,070	-36.1%	50	-31.5%
Loudoun County, VA	8,620	-49.7%	63	-40.0%
Montgomery County, MD	20,928	-37.3%	62	-34.0%
Prince George's County, MD	20,564	-35.2%	76	-30.9%
Washington, DC	13,522	-22.2%	75	-29.2%
Washington DC Metro	**103,136**	**-36.5%**	**72**	**-33.9%**

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 at 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 Bright MLS.com.

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