DATA AS OF May 6, 2023

April 2023 Market Report
Del/Mar Coastal

Del/Mar Coastal Market Key Findings

Shifting Market in the Del/Mar Coastal Region
Spring brings rising inventory and stable prices

The housing market continues to adjust after the frenzied pace of 2021 and 2022. Elevated mortgage rates, economic uncertainty, and a pullback in second home purchases have led to slower market activity.

Sales in the region continue to track below last year's pace. The number of new pending sales fell between March and April, which is a fairly typical seasonal pattern. May tends to be the busiest month of sales activity in the Del/Mar Coastal market.

For the past few years, home prices have been rising rapidly in the region. Price growth has slowed in recent months. In April, the median sales price rose by 2.4%, the smallest year-over-year price gain in the region since May 2020. Prices have come down from peak levels, but the median price is still more than 50% higher than it was before the pandemic.

The number of active listings in the region continues to rise, though inventory is still low by historic standards. Supply is just a third of what it was before the pandemic.

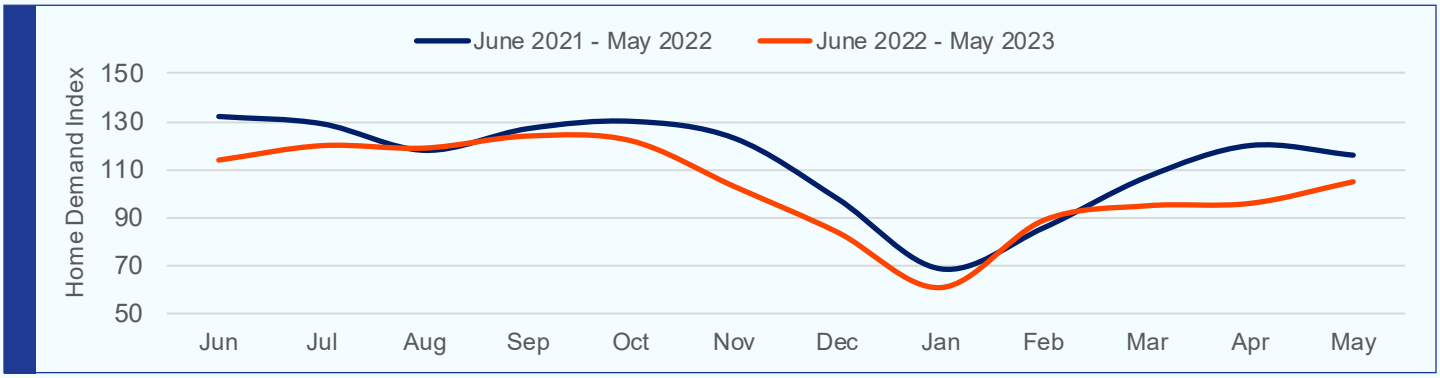
	April 2023		vs. April 2022
Closed sales	710	▼	-23.8%
Median sales price	$390,000	▲	+2.4%
Median days on market	19	▲	+12 days
New pending sales	840	▼	-13.9%
New listings	858	▼	-21.2%
Active listings	1,737	▲	+37.3%
Months of supply	2.28	▲	+81.7%
Showings	11,942	▼	-8.2%

Bright MLS T3 Home Demand Index

According to the Bright MLS T3 Home Demand Index (HDI), market activity rose to 105 in May 2023 for the Del/Mar Coastal area. At this level it indicates Steady market conditions, making a three-month streak at this level.

The index for Del/Mar Coastal is down from 116 a year ago, when demand was Moderate.

Bright MLS T3 Home Demand Index



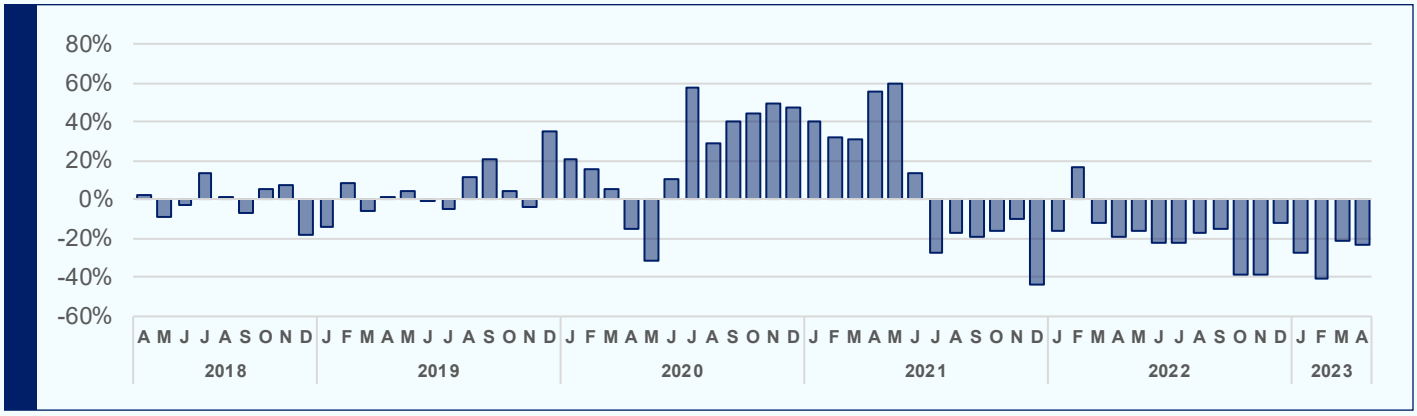
Market Outlook

The Del/May Coastal spring market is considerably cooler than it was in 2021 and 2022. Elevated mortgage rates and fewer second home purchases have led to fewer buyers and slower price growth. Several factors will drive housing market conditions for the rest of 2023. Mortgage rates will likely remain in the 6 to 6.5% range. Home prices will continue to fall from peak levels, but prices will not come down significantly from a year ago. As a result, housing affordability will still be a challenge this year, particularly for first-time homebuyers.

Many discretionary sellers have been sitting on the sidelines as many homeowners have locked in extremely low mortgage rates and they are not enticed to move and take on a higher rate. Inventory could shake out a bit in the second half of the year, as more homeowners are compelled to move, but inventory is still going to be constrained.

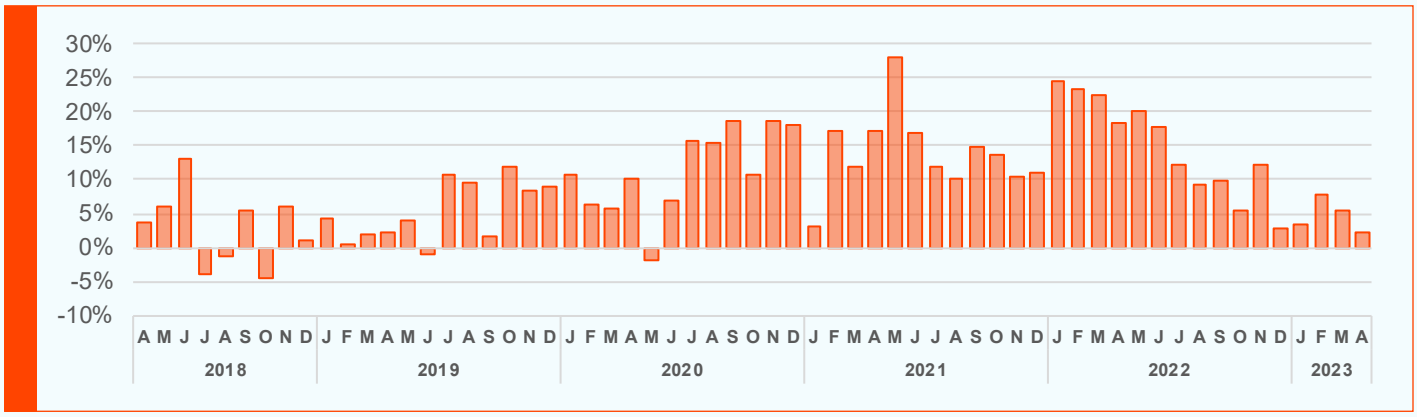
Closed Sales Year-Over-Year Change

Closed sales in the Del/Mar Coastal region lagged 2022, down 23.8% to 710 in April 2023. While the lower activity is expected due to higher mortgage rates limiting the number of buyers willing and able to purchase a home, it was more surprising to see lower closed sales in April compared to March since pending sales had gains in each month in the first quarter.



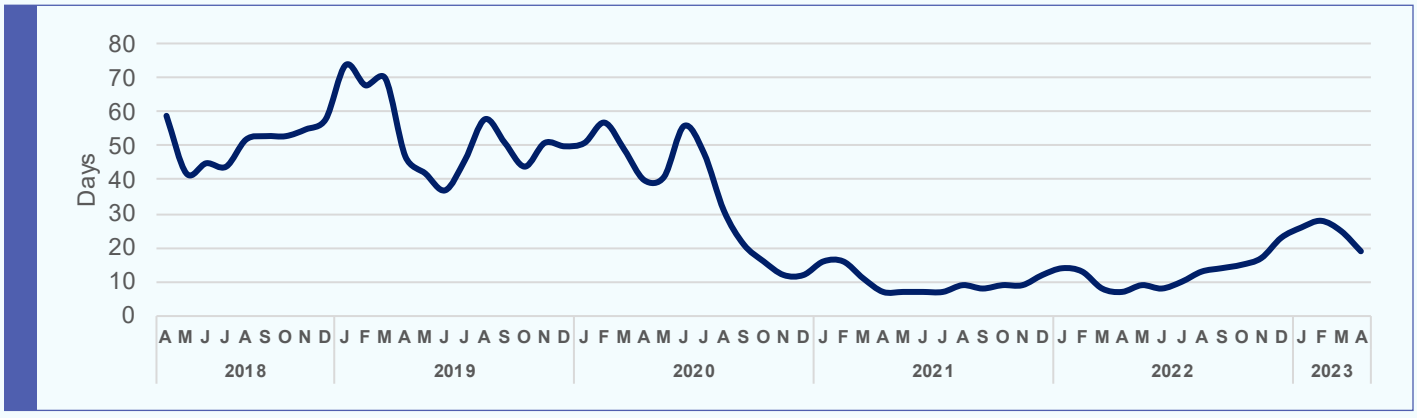
Median Sales Price Year-Over-Year Change

The median sale price in the Del/Mar Coastal region was $390,000 in April 2023, unchanged from March and s 2.4% higher than April 2022. While price growth has moderated, the median price in the region is still 56% higher than it was in April 2019.



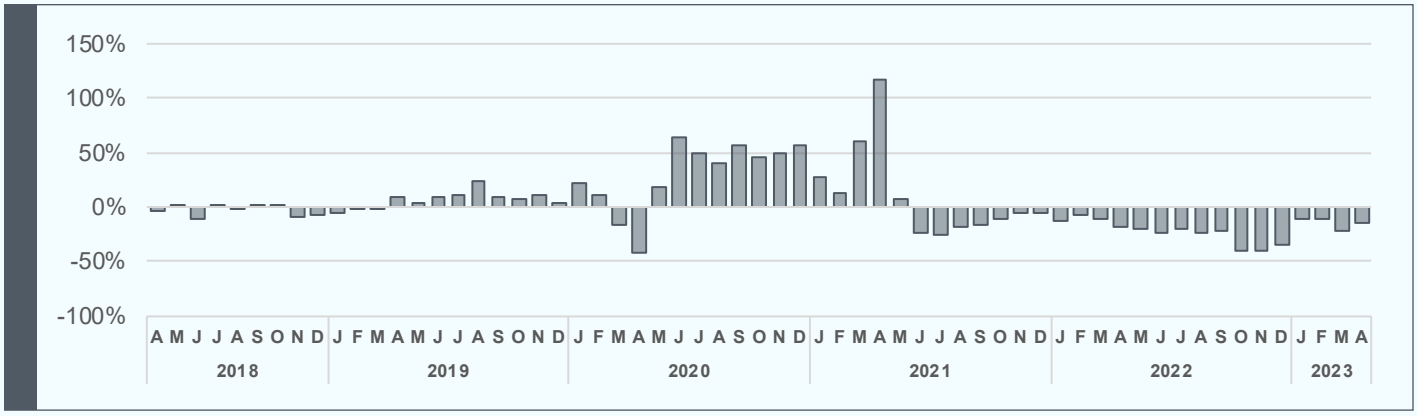
Median Days on Market

While not as tight as other regions in the Mid-Atlantic region, the median days on market in the Del/Mar Coastal region shows that market competition remains for buyers who have stuck it out in the higher interest rate environment. At 19 days in April 2023, that means that more than half of successful buyers had an offer accepted in under 3 weeks.



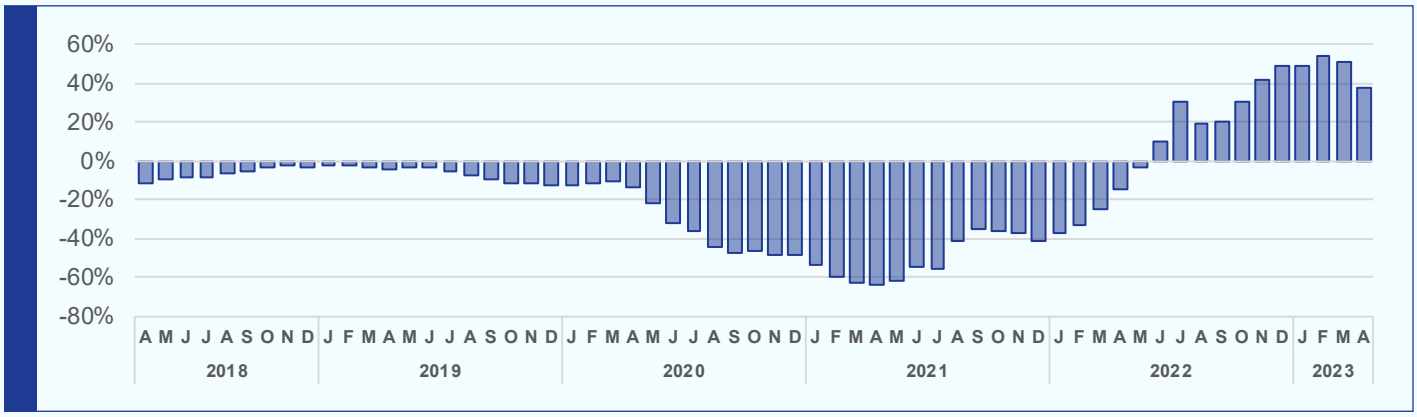
New Pending Sales Year-Over-Year Change

In the Del/Mar Coastal region, there were 840 pending sales in April 2023, which is 13.9% lower than last year. New pending sales are also 2.3% lower than last month, which reflects fairly typical seasonality in the market.



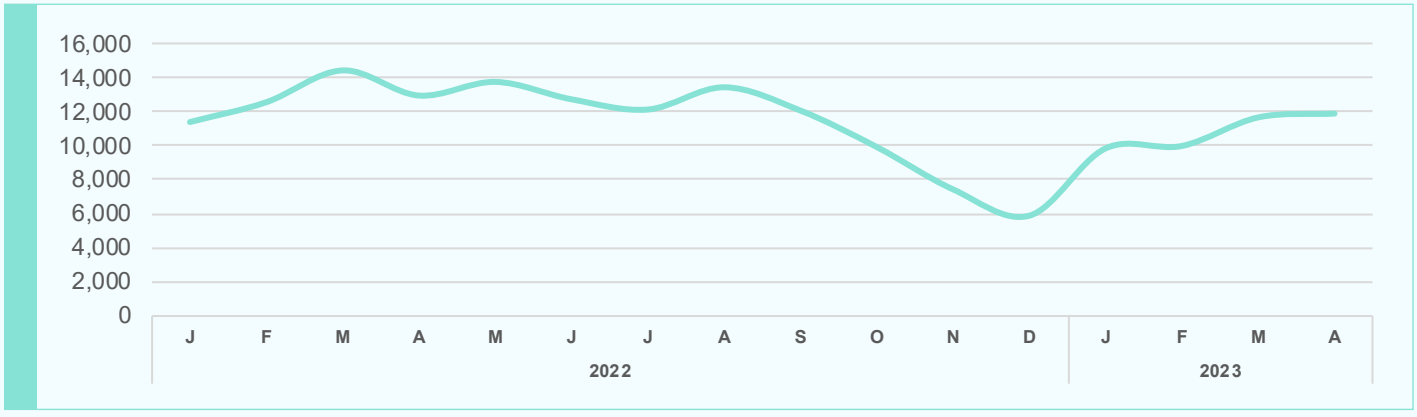
Active Listings Year-Over-Year Change

Inventory in the Del/Mar Coastal region continues to increase, with the number of active listings up 37.3% in April 2023 to 1,737 active listings. Though the strong year-over-year gains are a welcome sign, inventory is still very depleted and amounts to only 36% of the number of homes on the market in April 2019.



Showings

Showing activity has improved each month in 2023 in the Del/Mar Coastal area, reflecting seasonal patterns. Showings are down 8.2% in April 2023 compared to a year ago which is the smallest year-over-year among the regions across the Mid-Atlantic region.



Local Markets

All counties in the Del/Mar Coastal region are seeing lower activity compared to a year ago. Both pending sales and closed sales are down compared to April 2022, as result of elevated mortgage rates and fewer second home purchases.

As buyer activity has cooled, inventory continues to expand. Only Wicomico County (-6.2%) had fewer active listings in April 2023 than a year ago. Somerset (+24.6%), Sussex (+43.9%), and Worcester (+40.0%) counties on the other hand reported increases to active listings. Yet even with increases, there is still far less inventory than there was in 2019.

The median price in the region rose in April, driven by price gains in Somerset County, MD (+4.8%) and Sussex County, DE (+5.9%). Variation in price trends depend a lot on the mix of homes sold in each local market.

The level of new listing activity is not an encouraging sign, particularly in Somerset County, where new listing activity has nearly ground to a halt.



CLOSED SALES

	April 2023	vs. April 2022
Somerset County, MD	26	-23.5%
Sussex County, DE	430	-24.7%
Wicomico County, MD	91	-29.5%
Worcester, MD	163	-26.9%
Del/Mar Coastal	**710**	**-23.8%**

MEDIAN SALES PRICE

	April 2023	vs. April 2022
Somerset County, MD	$220,000	+4.8%
Sussex County, DE	$450,000	+5.9%
Wicomico County, MD	$254,990	-5.5%
Worcester, MD	$398,000	-0.5%
Del/Mar Coastal	**$390,000**	**+2.4%**

Local Markets Continued

	NEW PENDINGS		NEW LISTINGS		MEDIAN DAYS ON MARKET	
	April 2023	vs. April 2022	April 2023	vs. April 2022	April 2023	vs. April 2022
Somerset County, MD	28	-15.2%	19	-42.4%	15	-7 days
Sussex County, DE	505	-11.9%	555	-16.2%	28	+21 days
Wicomico County, MD	113	-12.4%	94	-27.1%	11	+3 days
Worcester, MD	194	-19.5%	190	-28.3%	10	+3 days
Del/Mar Coastal	**840**	**-13.9%**	**858**	**-21.2%**	**19**	**+12 days**

	ACTIVE LISTINGS		MONTHS OF SUPPLY	
	April 2023	vs. April 2022	April 2023	vs. April 2022
Somerset County, MD	71	+24.6%	3.09	+62.6%
Sussex County, DE	1,271	+43.9%	2.72	+86.1%
Wicomico County, MD	122	-6.2%	1.24	+23.0%
Worcester, MD	273	+40.0%	1.60	+99.4%
Del/Mar Coastal	**1,737**	**+37.3%**	**2.28**	**+81.7%**

Prices Likely to be Stable in 2023

In Del/Mar Coastal, two counties had median price increases and the other two experienced declines. The median price can ebb with market changes, but also with the mix of homes.

There's no denying the market has shifted since the Fed began hiking rates last year. There's a limited pool of buyers since many are shut out by the higher cost of borrowing.

But there's also a tight amount of inventory available to buyers who are still shopping for a home. Prices may continue to drop from peak levels but should not come down significantly in the region.

Local Markets Continued

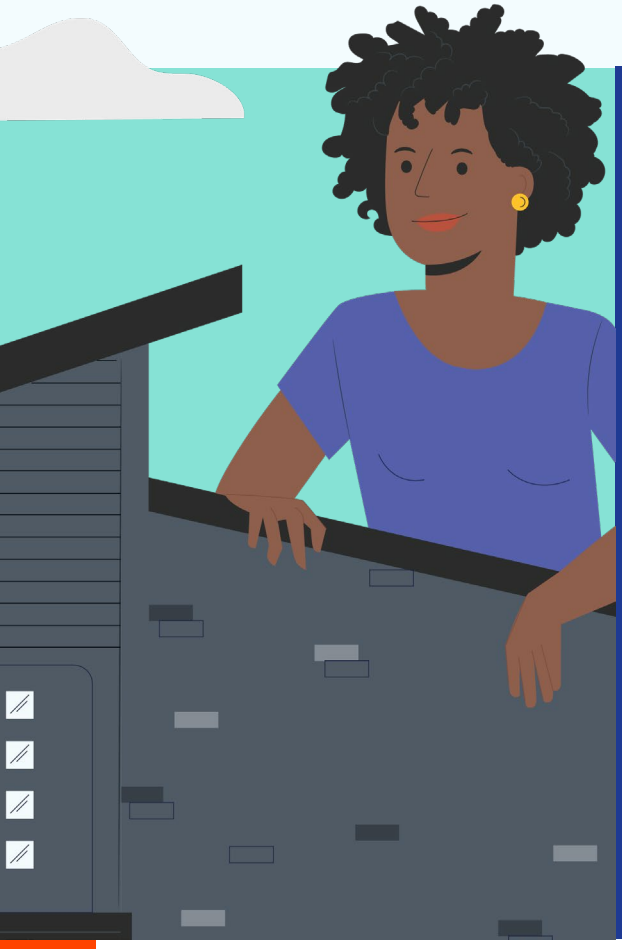
	SHOWINGS		HOME DEMAND INDEX	
	April 2023	vs. April 2022	May 2023	vs. May 2022
Somerset County, MD	454	+53.4%	79	+23.4%
Sussex County, DE	7,183	-8.2%	114	-10.9%
Wicomico County, MD	1,659	-4.1%	113	-5.0%
Worcester, MD	2,646	-16.1%	89	-11.0%
Del/Mar Coastal	**11,942**	**-8.2%**	**105**	**-9.5%**

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 Bright MLS.com.

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