

July 2023 Market Report

Washington, D.C. Metro

Washington, D.C. Market Key Findings

Active Buyers Drive Strong Price Rebound
Home prices rose at fastest rate in more than a year

The Washington area's hot summer weather typically slows housing market activity but this year home shoppers are still active, competing over ever-shrinking inventory and driving prices higher.

In July, the median sales price in the Washington, D.C. metro area was \$590,000, a 4.8% rise from a year ago and the biggest year-over-year increase since June 2022. Prices are rising faster in the region's suburban markets where housing is slightly more affordable.

While buyers may be active, sellers are still very much on the sidelines. The number of new listings coming onto the market in July hit a more than two-decade low and tracked 34.4% below last year's level. Overall, across the region, there were just 5,731 total active listings at the end of July, down 29.3% from a year ago and less than half of the inventory that was on the market prior to the pandemic.

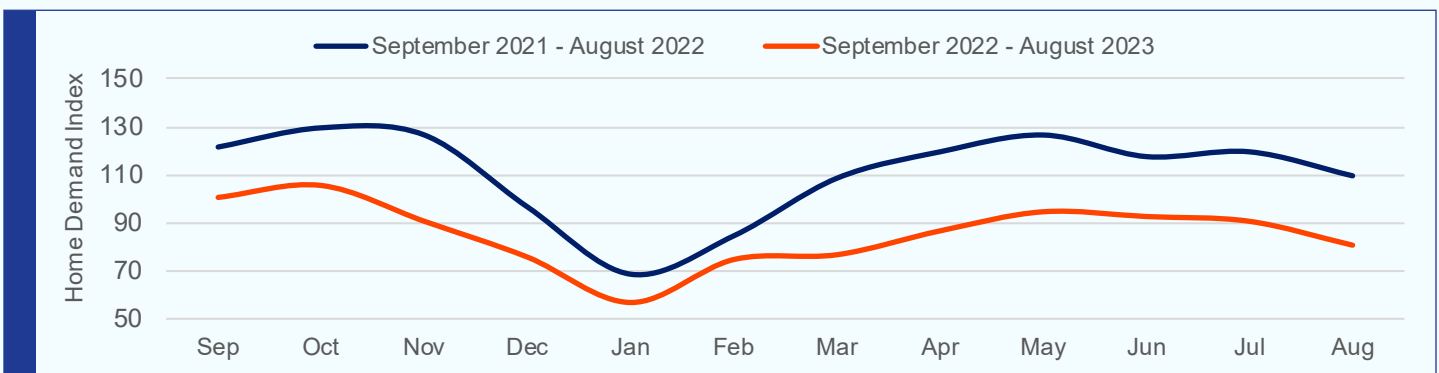
| | July 2023 | | vs. July 2022 |
|-----------------------|-----------|---|---------------|
| Closed sales | 4,360 | ▼ | -20.1% |
| Median sales price | \$590,000 | ▲ | +4.8% |
| Median days on market | 7 | ▼ | -1 day |
| New pending sales | 4,630 | ▼ | -10.3% |
| New listings | 4,881 | ▼ | -34.4% |
| Active listings | 5,731 | ▼ | -29.3% |
| Months of supply | 1.33 | ▲ | +0.8% |
| Showings | 102,411 | ▼ | -8.4% |

Bright MLS T3 Home Demand Index

According to the Bright MLS T3 Home Demand Index (HDI), market activity in the Washington, D.C. metro area has turned to Slow as a result of low inventory. The HDI was 81 in August compared to 91 in July 2023.

The index for the Washington, D.C. metro is down from 110 last August which indicated Steady market conditions.

Bright MLS T3 Home Demand Index

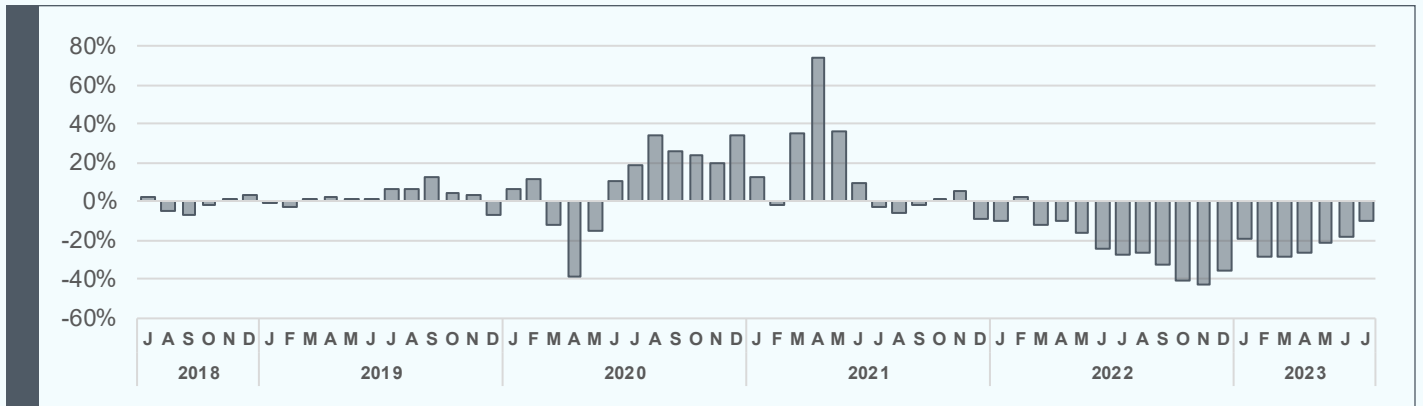


Market Outlook

The housing market this fall will be characterized by low inventory and growing affordability challenges in the Washington, D.C. area market. Mortgage rates will begin to come down but likely will remain around 6.5% into the fall. With the market remaining competitive and affordability a bigger concern, prospective home buyers will have to look at neighborhoods further out or compromise on the type or characteristics of the home in order to be successful. Sellers will still have the upper hand in the market, but many homeowners are still locked in the "golden handcuffs" of a low mortgage rate that will continue to inhibit new listing activity.

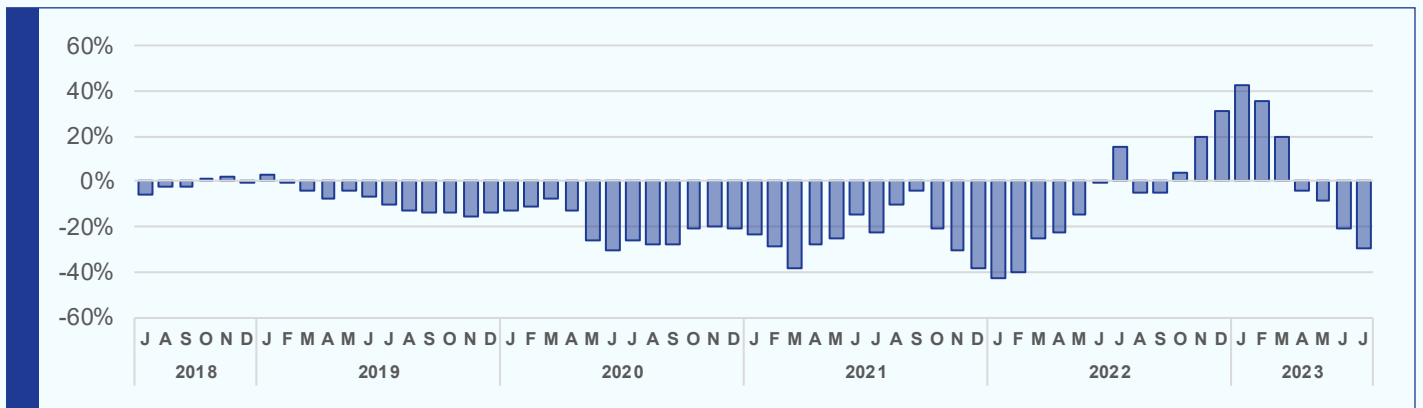
New Pending Sales Year-Over-Year Change

The number of new pending sales is down 10.3% overall compared to a year ago, with detached homes seeing the greatest decrease over other home types at 13.1%. At 4,630 new pending sales, this is only 75% of the level of pending sales in 2019.



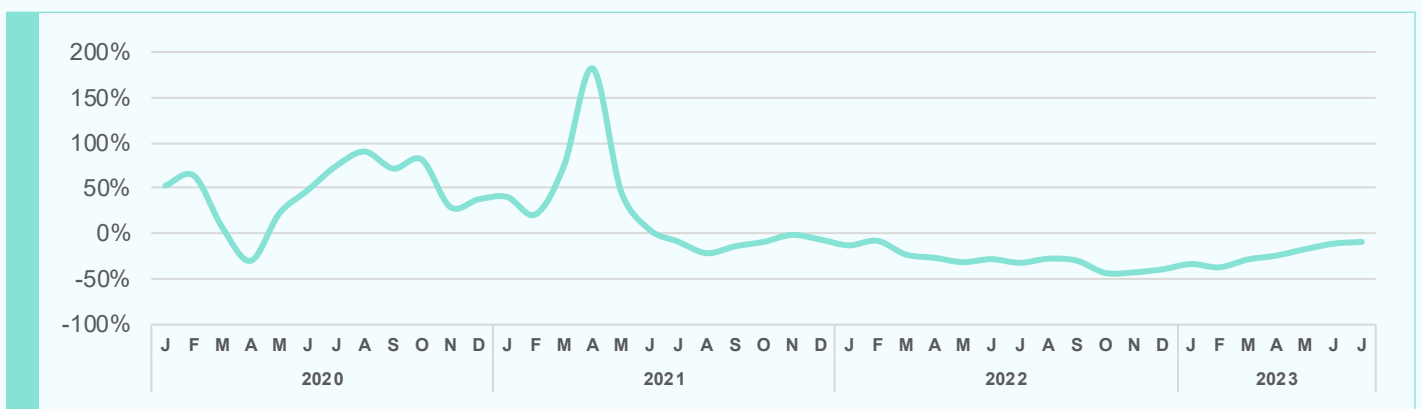
Active Listings Year-Over-Year Change

Another extreme plummet in listings to 5,731 is evident at the end of July with a decrease of 29.3% overall compared to last July. Inventory is less than half of what it was in 2019. Buyers can continue to expect to face strong competition for homes in their price range as the fall season approaches.



Showings Year-Over-Year Change

At 102,411, showings are 8.4% less than they were last year and 8.6% less than they were last month. Despite fewer listings available, showings may approach last year's levels as the fall market approaches, an indication of strong buyer demand.



Local Markets

The median price in the Washington, D.C. metro area increased in July, but there was variation across the region, with the strongest price growth in suburban markets, including Frederick County (+7.8%) and Prince George's County (+7.4%) in Maryland and Fairfax County, VA (+8.0%). Prices in the city and close-in suburbs either fell or experienced modest growth. This pattern reflects both the higher price points and relatively more sales of condos and townhomes, which tend to be lower-priced.

No matter where you are in the region, new listing activity is far below typical levels. The number of new listings coming onto the market in July was more than 40% below last year's levels in Fairfax County and Arlington County, VA and in Montgomery County, MD. There is currently less than a month's supply of inventory in the suburban markets of Frederick County and Montgomery, MD and Fairfax County, VA.



CLOSED SALES

| | July 2023 | vs. July 2022 |
|----------------------------|--------------|---------------|
| Alexandria City, VA | 179 | -21.5% |
| Arlington County, VA | 189 | -22.9% |
| Fairfax City, VA | 25 | -21.9% |
| Fairfax County, VA | 1,041 | -19.0% |
| Falls Church City, VA | 10 | -33.3% |
| Frederick County, MD | 337 | -25.3% |
| Loudoun County, VA | 410 | -24.5% |
| Montgomery County, MD | 856 | -21.9% |
| Prince George's County, MD | 697 | -18.5% |
| Washington, DC | 616 | -12.7% |
| Washington DC Metro | 4,360 | -20.1% |

MEDIAN SALES PRICE

| | July 2023 | vs. July 2022 |
|----------------------------|------------------|---------------|
| Alexandria City, VA | \$545,000 | +1.2% |
| Arlington County, VA | \$716,000 | -3.0% |
| Fairfax City, VA | \$730,000 | +9.1% |
| Fairfax County, VA | \$702,000 | +8.0% |
| Falls Church City, VA | \$792,500 | -14.3% |
| Frederick County, MD | \$485,000 | +7.8% |
| Loudoun County, VA | \$710,000 | +3.6% |
| Montgomery County, MD | \$604,000 | +6.0% |
| Prince George's County, MD | \$435,000 | +7.4% |
| Washington, DC | \$625,000 | -3.3% |
| Washington DC Metro | \$590,000 | +4.8% |

Local Markets Continued

| | NEW PENDINGS | | NEW LISTINGS | | MEDIAN DAYS ON MARKET | |
|----------------------------|--------------|---------------|--------------|---------------|-----------------------|---------------|
| | July 2023 | vs. July 2022 | July 2023 | vs. July 2022 | July 2023 | vs. July 2022 |
| Alexandria City, VA | 197 | +2.1% | 194 | -22.7% | 6 | -2 days |
| Arlington County, VA | 186 | -13.1% | 210 | -40.2% | 9 | +0 days |
| Fairfax City, VA | 27 | -27.0% | 26 | -39.5% | 6 | -2 days |
| Fairfax County, VA | 1,085 | -10.9% | 1,029 | -40.6% | 6 | -1 day |
| Falls Church City, VA | 12 | -14.3% | 15 | -6.3% | 6 | -2 days |
| Frederick County, MD | 357 | -16.4% | 361 | -37.9% | 6 | -1 day |
| Loudoun County, VA | 477 | +3.0% | 444 | -36.6% | 5 | -3 days |
| Montgomery County, MD | 840 | -18.1% | 837 | -40.4% | 7 | -1 day |
| Prince George's County, MD | 795 | -9.2% | 883 | -26.7% | 9 | +0 days |
| Washington, DC | 654 | -6.0% | 882 | -23.5% | 17 | +2 days |
| Washington DC Metro | 4,630 | -10.3% | 4,881 | -34.4% | 7 | -1 day |

| | ACTIVE LISTINGS | | MONTHS OF SUPPLY | |
|----------------------------|-----------------|---------------|------------------|---------------|
| | July 2023 | vs. July 2022 | July 2023 | vs. July 2022 |
| Alexandria City, VA | 174 | -28.4% | 1.01 | +5.2% |
| Arlington County, VA | 282 | -38.8% | 1.43 | -15.4% |
| Fairfax City, VA | 25 | -47.9% | 1.00 | -29.1% |
| Fairfax County, VA | 951 | -44.5% | 0.96 | -19.3% |
| Falls Church City, VA | 13 | +0.0% | 1.18 | +26.9% |
| Frederick County, MD | 302 | -33.2% | 0.88 | -6.4% |
| Loudoun County, VA | 430 | -41.5% | 1.04 | -13.3% |
| Montgomery County, MD | 791 | -40.9% | 0.95 | -15.2% |
| Prince George's County, MD | 1,023 | -17.1% | 1.39 | +11.2% |
| Washington, DC | 1,740 | -6.7% | 2.91 | +29.3% |
| Washington DC Metro | 5,731 | -29.3% | 1.33 | +0.8% |

Mind the Pending Sales Gap

The gap between pending sales in 2023 and 2022 has been narrowing. In the Washington, D.C. metro the difference is at its lowest level for 2023.

Pending sales activity is impacted by demand and supply, both lower than 2022.

Mortgage rates play a large part in the affordability of a home. Buyers in July faced rates at least a percentage or more higher than a year ago.

Recall that in January, rates were more than double what they were in January 2022. As mortgage rates have converged, so has the movement in pending sales. As rates move even closer, pending sales may track closer to last year's levels this fall.

Local Markets Continued

| | SHOWINGS | | HOME DEMAND INDEX | |
|----------------------------|----------------|---------------|-------------------|-----------------|
| | July 2023 | vs. July 2022 | August 2023 | vs. August 2022 |
| Alexandria City, VA | 3,700 | +6.1% | 135 | -10.6% |
| Arlington County, VA | 3,808 | -17.6% | 129 | -34.8% |
| Fairfax City, VA | 683 | -1.6% | 79 | -38.8% |
| Fairfax County, VA | 23,783 | -9.7% | 88 | -32.3% |
| Falls Church City, VA | 202 | +43.3% | 109 | +3.8% |
| Frederick County, MD | 6,035 | -10.6% | 57 | -27.8% |
| Loudoun County, VA | 9,245 | -5.3% | 80 | -36.0% |
| Montgomery County, MD | 20,476 | -19.5% | 70 | -30.7% |
| Prince George's County, MD | 21,632 | +1.7% | 86 | -14.0% |
| Washington, DC | 12,847 | -3.7% | 82 | -12.8% |
| Washington DC Metro | 102,411 | -8.4% | 81 | -26.4% |

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.

Please contact Christy Reap, Media Relations Director with interview or information requests: (202) 309-9362 | christy.reap@brightmls.com

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