

Mid-Atlantic Real Estate Market Report

October 2021 Mid-Atlantic Overview

Rockville, MD – (November 11, 2021) – The following analysis of the Washington, DC, Philadelphia and Baltimore Metro Area housing markets is prepared by Bright MLS, in partnership with Bright MLS Economic Advisory Council members Dr. Elliot Eisenberg, Dr. Kevin Gillen and Dr. Lisa Sturtevant.

While the market remains solid, there is growing tension between several key market metrics: supply, prices and sales. Supply remains drastically low, and is still dropping. Months of supply is down an average of 31.4% from a year ago in the three major metro markets, with just over 1 month of supply (and even less than a month in some local markets). While this has been exerting significant upward pressure on house prices, it also appears that buyers are not only becoming less willing to pay a premium for their less-than-ideal house, but that affordability is also becoming an issue since price growth has been outpacing income growth. This is reflected in both moderating prices and declining sales: the median house price in the three metros is up a respectable 6.9% from a year ago, but this is a significant deceleration from the previous year's appreciation of 13.8%. And, sales activity across all three metros is down 10.5% on the year, while in the previous 12 months sales grew by 30.3%. Current leading indicators further support evidence of "buyer fatigue": current showings are down 11.6% from a year ago.

Whether home sales activity will continue to decelerate depends significantly on buyers' confidence. The wild card is overall inflation in the macroeconomy. Housing affordability is already a challenge, and if the costs of consumer goods continue to rise faster than incomes, buyers will defer major purchases, including buying a home. Inflation could also push up house prices—especially new ones—due to rising costs of building materials.

Philadelphia Market Key Findings

bright [®] MLS T ₃ Home Demand Index 111	Oct 2021	vs. Oct 2020	vs. Sept 2021
 Closed Sales	7,834	▼ -12.8%	▼ -5.9%
 Median Sales Price	\$304.0K	▲ +9%	▼ -1.9%
 New Pending Sales	8,581	▼ -0.7%	▲ +3.4%
 New Listings	9,092	▼ -12.9%	▼ -5.5%
 Median Days on Market	11	▲ +1 day	▲ +1 day
 Showings	202,953	▼ -15.2%	▲ +6.5%

Baltimore Market Key Findings

bright [®] MLS T ₃ Home Demand Index 119	Oct 2021	vs. Oct 2020	vs. Sept 2021
 Closed Sales	3,943	▼ -9.6%	▼ -7.3%
 Median Sales Price	\$335.0K	▲ +4.7%	▼ -1.5%
 New Pending Sales	4,411	▼ -6.0%	▲ +0.8%
 New Listings	4,572	▼ -13.5%	▼ -9.1%
 Median Days on Market	9 days	▲ +1 day	▲ +1 day
 Showings	86,903	▼ -10.8%	▲ +3.8%

Washington, DC Market Key Findings

bright [®] MLS T ₃ Home Demand Index 127	Oct 2021	vs. Oct 2020	vs. Sept 2021
 Closed Sales	6,316	▲ +16.0%	▼ -0.6%
 Median Sales Price	\$535.0K	▲ +7.0%	▲ +3.9%
 New Pending Sales	6,969	▲ +1.7%	▲ +4.5%
 New Listings	7,730	▼ -16%	▼ -15.9%
 Median Days on Market	9	▲ +2 days	▼ -1 day
 Showings	159,785	▼ -8.8%	▲ +7.8%

Data provided by MarketStats by ShowingTime, based on listing activity from Bright MLS.

For more insights, visit BrightMLS.com/MarketInsights and homedemandindex.com

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