

December 2022 Market Report

Washington Metro

Washington Metro Market Key Findings

Median Price Falls Year-Over-Year for the First Time Since 2016, Down 15% From Peak

Home sales activity continued to slow in the Washington DC metro area in December. The median sales price was \$550,000, which was down 1.3% compared to last December's median price. **This is the first time since September 2016 that home prices have declined year-over-year in the region.** Home prices peaked in May 2022 and the median price is now 15% below peak level.

Elevated mortgage rates and high home prices have slowed buyer traffic which has led to price declines in the Washington region. December pending sales were down 35.8%, tracking at the lowest level since 2008. Homes are remaining on the market longer. The median days on market in December was 22, which was 10 days longer than a year ago.

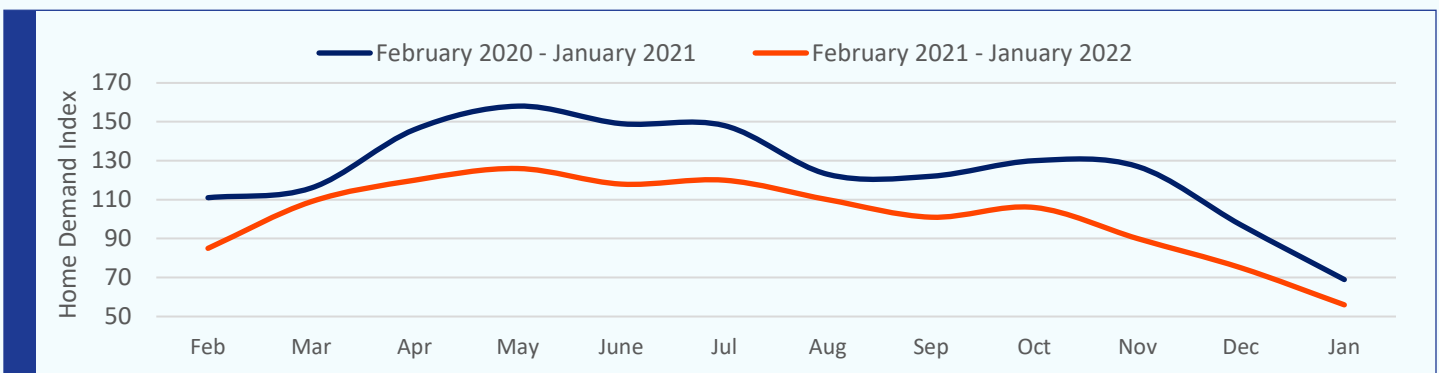
There have also been pullbacks on the supply slide. While the number of month-end active listings was up 30.8% compared to last year, that increase is being driven by slower sales activity, not as a result of new listings coming onto the market. In December, there were 2,787 new listings that came onto the market in the Washington region, the lowest level in more than two decades.

| | December 2022 | | vs. December 2021 |
|-----------------------|---------------|---|-------------------|
| Closed sales | 3,564 | ▼ | -41.5% |
| Median sales price | \$513,315 | ▼ | -1.3% |
| Median days on market | 22 | ▲ | +10 days |
| New pending sales | 2,708 | ▼ | -35.8% |
| New listings | 2,787 | ▼ | -30.9% |
| Active listings | 5,412 | ▲ | +30.8% |
| Months of supply | 1.04 | ▲ | +67.7% |
| Showings | 62,457 | ▼ | -38.8% |

Bright MLS T3 Home Demand Index

According to the Bright MLS T3 Home Demand Index (HDI), market activity continued to drop. The January HDI for the Washington metro area was 56, indicating slow market conditions. The index is down from 69 a year ago and fell from 75 last month.

Bright MLS T3 Home Demand Index



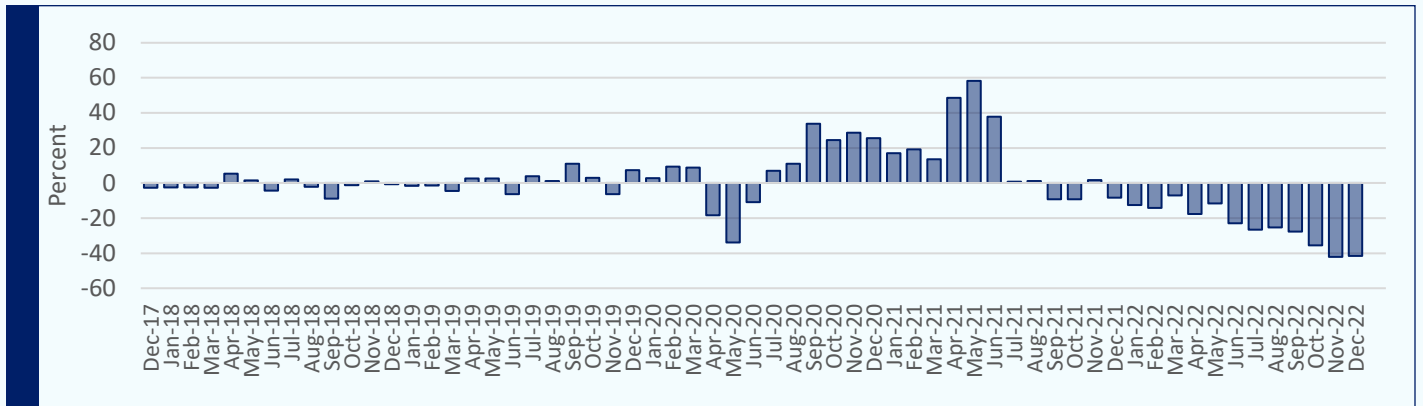
Market Outlook

Higher prices have made the Washington area more susceptible to price drops than some other markets in the Mid-Atlantic. However, there are positive demographic and economic fundamentals underlying the Washington area housing market. Home prices may slide further in the first quarter of 2023, but current forecasts are for the median home price to rise by 1.1% in 2023.

Because many prospective buyers have been sitting on the sidelines, there is pent-up demand in the market. Mortgage rates will stabilize and will start to come down slowly. At the same time, both buyers and sellers will begin to accept the "new normal" of 6% rates, offers under list price, and greater buyer leverage.

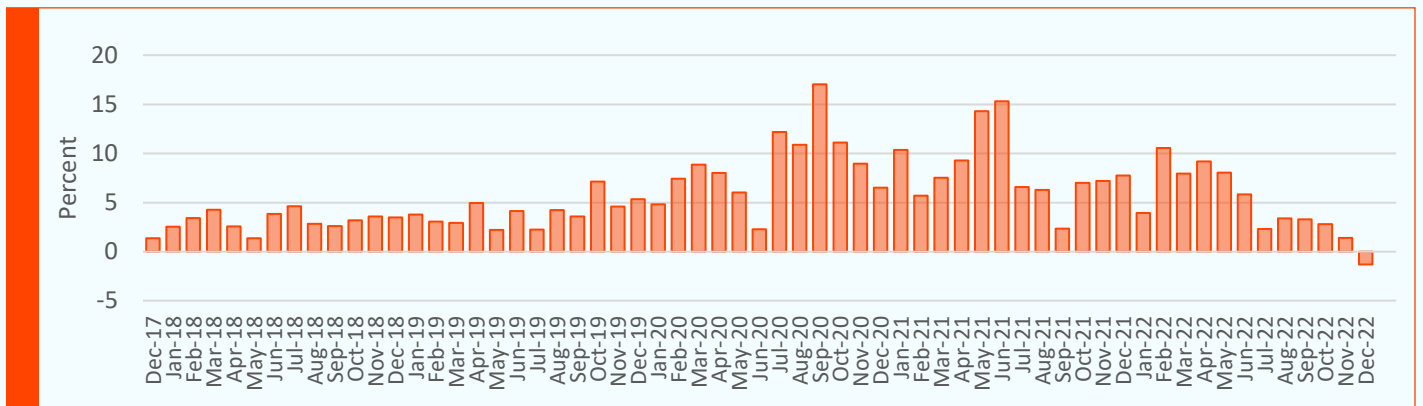
Closed Sales Year-Over-Year Change

In December, there were 3,564 home sales in the Washington metro area, which was down 41.5% from a year ago. All property types saw a nearly 40% or greater decline in sales compared to December of 2021.



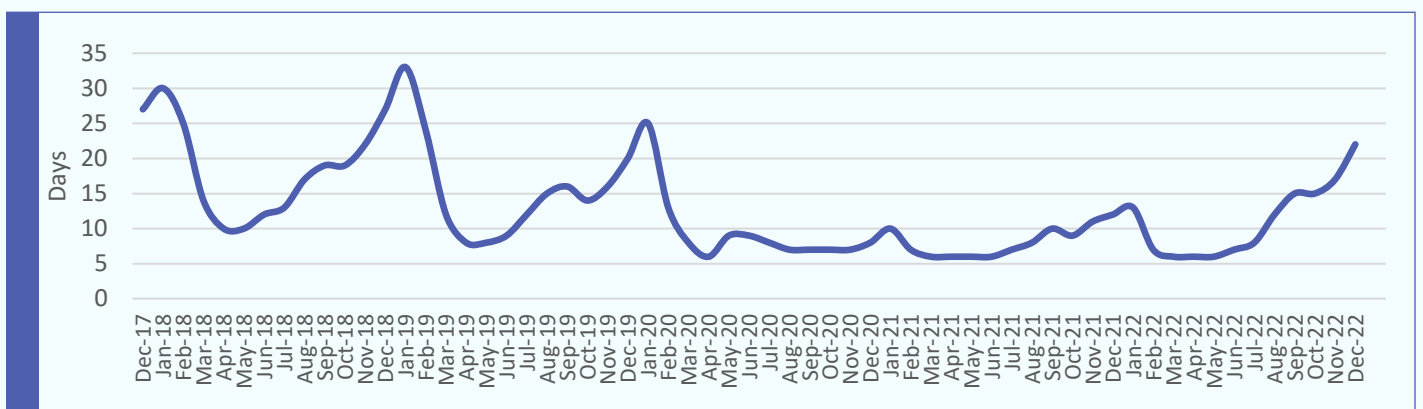
Median Sales Price Year-Over-Year Change

The median sales price was \$513,315 in December, a 1.3% decrease over a year ago. Prices also declined month-over-month for the second consecutive month, falling 4.7% from November. Single-family detached homes saw a 3.1% price increase from last year, while condominium and townhome prices declined compared to December 2021.



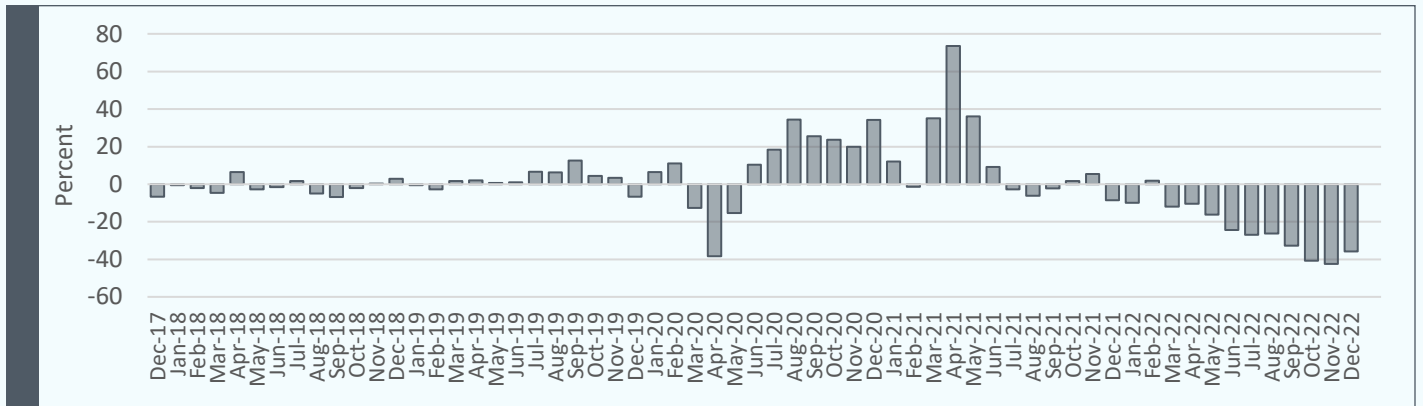
Median Days on Market

In December, homes are taking longer to sell. The median days on market was 22, an increase of 10 days from last year and five days longer than November.



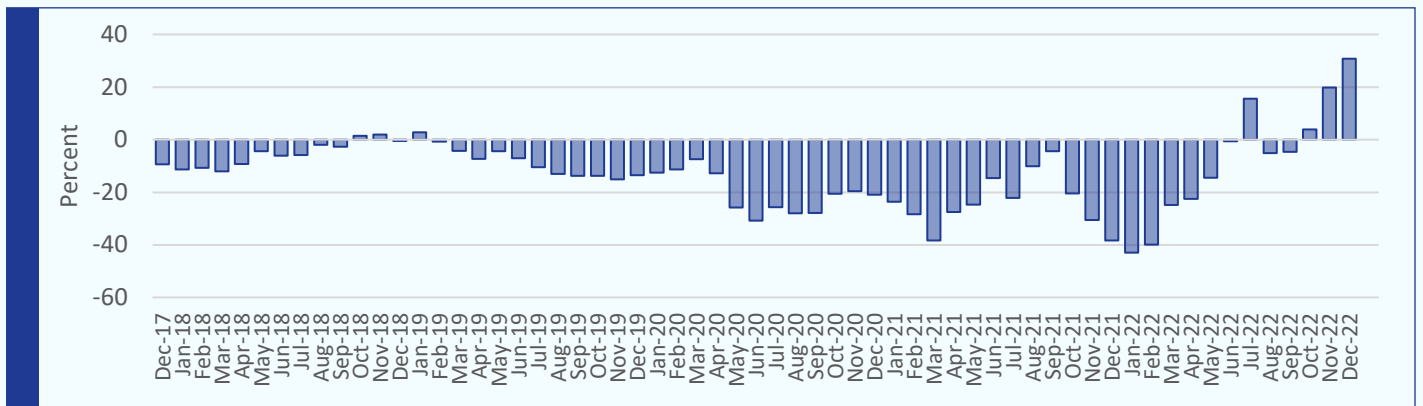
New Pending Sales Year-Over-Year Change

The number of new pending sales was down 35.8% in December. Across the Washington metro area, there were just 2,708 new pending sales. Across all property types in the metro area, new pending sales were down by 30% or more compared to December 2021.



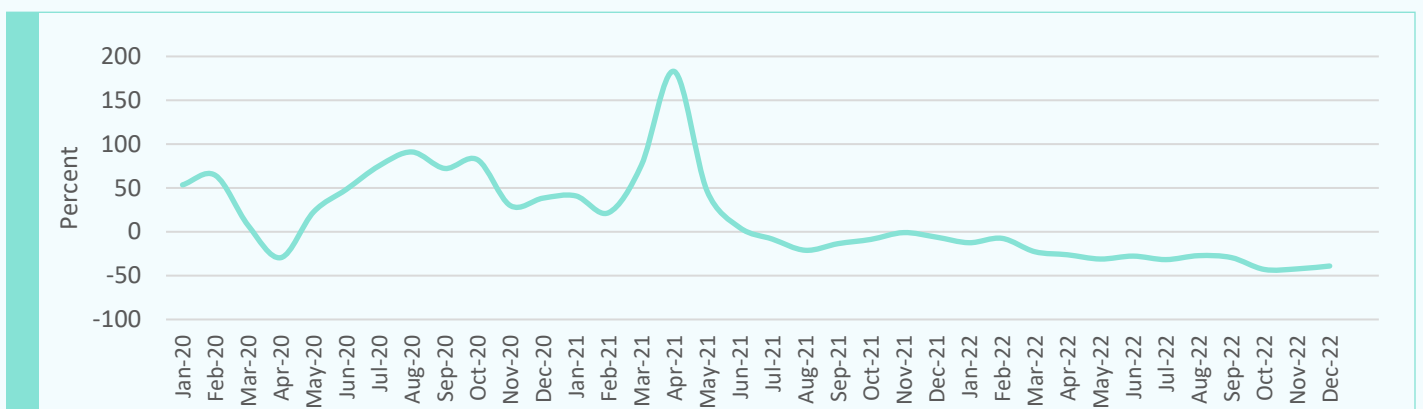
Active Listings Year-Over-Year Change

At the end of December, there was a total of 5,412 active listings across the Washington metro area. Inventory is up by 30.8% compared to a year ago, led an increase in the number of single-family detached homes on the market (+72.4%).



Showings Year-Over-Year Change

Showing activity plunged in December, with the number of showings falling to 62,457. The total number of showings was off by 38.8% compared to last December and down 15.4% from November.



Local Markets

Home sales activity is at its lowest level in 15 years in the Washington metro area. New pending sales were down significantly across all local markets in the region.

On the supply side, inventory has risen fastest in Fairfax City (+116.7%) and Loudoun County (+84.0%). Inventory is still below 2019 levels across the Washington metro area, with the exception of the close-in urban jurisdictions—Alexandria City, VA; Arlington County, VA; and Washington D.C.

Home prices are below peak levels in all jurisdictions, but some places are still seeing year-over-year increases, including Alexandria City, VA (+8.7%), Prince George’s County, MD (+3.6%), Fairfax County, VA (+2.5%), and Montgomery County, MD (+2.1%).



CLOSED SALES

| | December 2022 | vs. December 2021 |
|----------------------------|---------------|-------------------|
| Alexandria City, VA | 131 | -45.9% |
| Arlington County, VA | 140 | -51.9% |
| Fairfax City, VA | 27 | -34.1% |
| Fairfax County, VA | 765 | -43.2% |
| Falls Church City, VA | 5 | -54.5% |
| Frederick County, MD | 339 | -26.6% |
| Loudoun County, VA | 325 | -39.1% |
| Montgomery County, MD | 669 | -46.5% |
| Prince George’s County, MD | 731 | -31.4% |
| Washington, DC | 432 | -49.0% |
| Washington Metro | 3,564 | -41.5% |

MEDIAN SALES PRICE

| | December 2022 | vs. December 2021 |
|----------------------------|------------------|-------------------|
| Alexandria City, VA | \$560,000 | +8.7% |
| Arlington County, VA | \$525,625 | -21.3% |
| Fairfax City, VA | \$531,750 | -16.9% |
| Fairfax County, VA | \$615,000 | +2.5% |
| Falls Church City, VA | \$800,000 | +23.3% |
| Frederick County, MD | \$426,790 | -2.4% |
| Loudoun County, VA | \$616,500 | -1.0% |
| Montgomery County, MD | \$530,000 | +2.1% |
| Prince George’s County, MD | \$405,000 | +3.6% |
| Washington, DC | \$625,000 | -6.0% |
| Washington Metro | \$513,315 | -1.3% |

Local Markets Continued

NEW PENDINGS

NEW LISTINGS

MEDIAN DAYS ON MARKET

| | December 2022 | vs. December 2021 | December 2022 | vs. December 2021 | December 2022 | vs. December 2021 |
|----------------------------|---------------|-------------------|---------------|-------------------|---------------|-------------------|
| Alexandria City, VA | 105 | -39.0% | 86 | -16.8% | 24 | +8 |
| Arlington County, VA | 104 | -45.5% | 83 | -25.0% | 40 | +16 |
| Fairfax City, VA | 11 | -62.1% | 18 | -16.7% | 7 | -1 |
| Fairfax County, VA | 570 | -34.5% | 520 | -23.8% | 24 | +11 |
| Falls Church City, VA | 7 | -22.2% | 6 | -40.0% | 16 | -17 |
| Frederick County, MD | 231 | -31.0% | 281 | -26.5% | 17 | +10 |
| Loudoun County, VA | 217 | -30.9% | 217 | -14.0% | 23 | +16 |
| Montgomery County, MD | 493 | -38.8% | 466 | -24.3% | 18 | +7 |
| Prince George's County, MD | 568 | -34.9% | 591 | -22.1% | 20 | +8 |
| Washington, DC | 402 | -35.0% | 519 | -19.3% | 37 | +15 |
| Washington Metro | 2,708 | -35.8% | 2,787 | -22.0% | 22 | +10 |

ACTIVE LISTINGS

MONTHS OF SUPPLY

| | December 2022 | vs. December 2021 | December 2022 | vs. December 2021 |
|----------------------------|---------------|-------------------|---------------|-------------------|
| Alexandria City, VA | 169 | +17.4% | 0.79 | +46.3% |
| Arlington County, VA | 246 | -7.2% | 1.05 | +16.7% |
| Fairfax City, VA | 26 | +116.7% | 0.90 | +172.7% |
| Fairfax County, VA | 880 | +42.6% | 0.73 | +92.1% |
| Falls Church City, VA | 4 | -33.3% | 0.33 | -13.2% |
| Frederick County, MD | 368 | +41.0% | 0.89 | +78.0% |
| Loudoun County, VA | 357 | +84.0% | 0.71 | +163.0% |
| Montgomery County, MD | 763 | +29.3% | 0.76 | +68.9% |
| Prince George's County, MD | 1,085 | +50.1% | 1.28 | +85.5% |
| Washington, DC | 1,514 | +14.2% | 2.10 | +42.9% |
| Washington Metro | 5,412 | +30.8% | 1.04 | +67.7% |

Balanced Market?

Typically, a market with between four and five months of supply indicates a balanced housing market. Currently, there is just 1.04 months of supply in the Washington metro area, higher than a year ago but still very low. Does this mean it is still a strong seller's market?

Not really. The months-of-supply metric is based on average sales activity over the past 12 months. In a changing housing market, this measure can overstate how fast inventory is being absorbed. In general, the market is moving towards more of a balanced market, with buyers having more leverage.

Local Markets Continued

| | SHOWINGS | | HOME DEMAND INDEX | |
|----------------------------|---------------|-------------------|-------------------|------------------|
| | December 2022 | vs. December 2021 | January 2022 | vs. January 2021 |
| Alexandria City, VA | 2,127 | -33.4% | 82 | -26.1% |
| Arlington County, VA | 2,416 | -38.9% | 85 | -28.6% |
| Fairfax City, VA | 333 | -47.3% | 49 | -36.4% |
| Fairfax County, VA | 13,772 | -40.1% | 57 | -19.7% |
| Falls Church City, VA | 90 | -34.8% | 46 | -30.3% |
| Frederick County, MD | 3,911 | -29.1% | 44 | -2.2% |
| Loudoun County, VA | 4,140 | -49.1% | 43 | -18.9% |
| Montgomery County, MD | 12,901 | -37.9% | 49 | -19.7% |
| Prince George's County, MD | 14,102 | -40.0% | 69 | -14.8% |
| Washington, DC | 8,665 | -34.1% | 54 | -19.4% |
| Washington DC Metro | 62,457 | -38.8% | 56 | -29.1% |

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](https://www.brightmls.com/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 2021, Bright subscribers facilitated \$141B in real estate transactions through the company's platform. Learn more at [Bright MLS.com](https://www.brightmls.com).

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