

October 2022 Market Report Washington D.C. Metro

Washington Metro Market Key Findings

Washington Area Housing Market Hits the Brakes

Both buyers and sellers have hit pause in the Washington metro area, as high mortgage rates and economic uncertainty stall housing market activity. In October, the number of new pending sales in the region was down by more than 40% compared to a year ago. This is the steepest drop-off in sales activity since December 2007.

Inventory in the region is beginning to expand as homes remain on the market longer. However, overall supply is still relatively low, as the number of new listings coming onto the market has been limited.

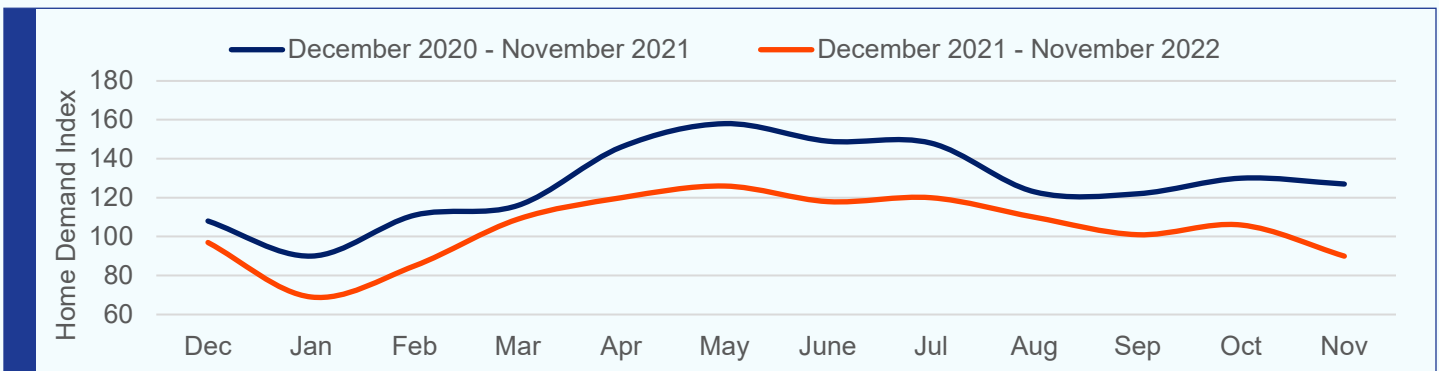
Despite the about-face in the market, home prices continue to rise in most parts of the Washington metro area. The median price rose 2.8% year-over-year, with higher gains in some of the region's suburban markets. But some local markets saw year-over-year price declines in October, including Washington, DC; Arlington County, VA; and Montgomery County, MD.

	October 2022		vs. October 2021
Closed sales	4,069	▼	-35.6%
Median sales price	\$550,000	▲	+2.8%
Median days on market	15	▲	+6 days
New pending sales	4,131	▼	-40.7%
New listings	5,596	▼	-27.6%
Active listings	7,976	▲	+3.9%
Months of supply	1.42	▲	+23.5%
Showings	91,811	▼	-42.7%

Bright MLS T3 Home Demand Index

According to the Bright MLS T3 Home Demand Index (HDI), buyer demand tumbled in October, suggesting that home sales activity will continue to be sluggish through the end of the year. The November HDI for the Washington metro area was 90, down from 127 a year ago and 106 last month.

Bright MLS T3 Home Demand Index



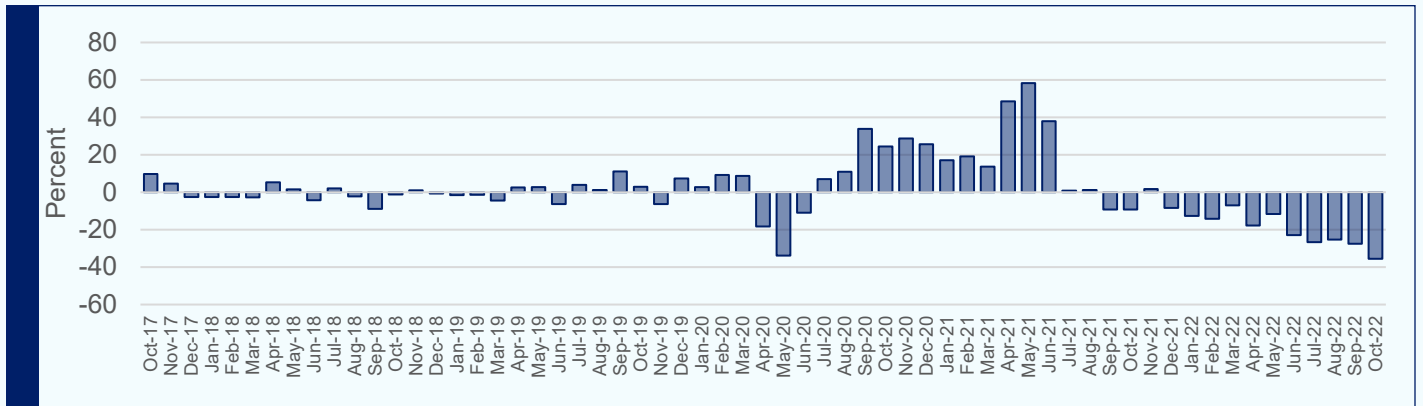
Market Outlook

During the last two months of the year, homes sales activity will continue to hit new lows in the Washington area. Mortgage rates likely will stay around 7%, with the potential for them to move higher if the Federal Reserve moves aggressively on interest rates again at their December meeting. Overall, prospective buyers and sellers in the Washington area housing market are in "wait-and-see" mode, putting off any discretionary moves and holding out hope that interest rates will come down after the first of the year.

Home prices will fall from their peak levels, but because prices ran up so much during the pandemic, values will still be higher than they were 3 years ago. The encouraging news for the market, however, is that the underlying economic and demographic fundamentals in the Washington area are strong, and the region's housing market should fare better than others if the national economy goes into a recession in 2023.

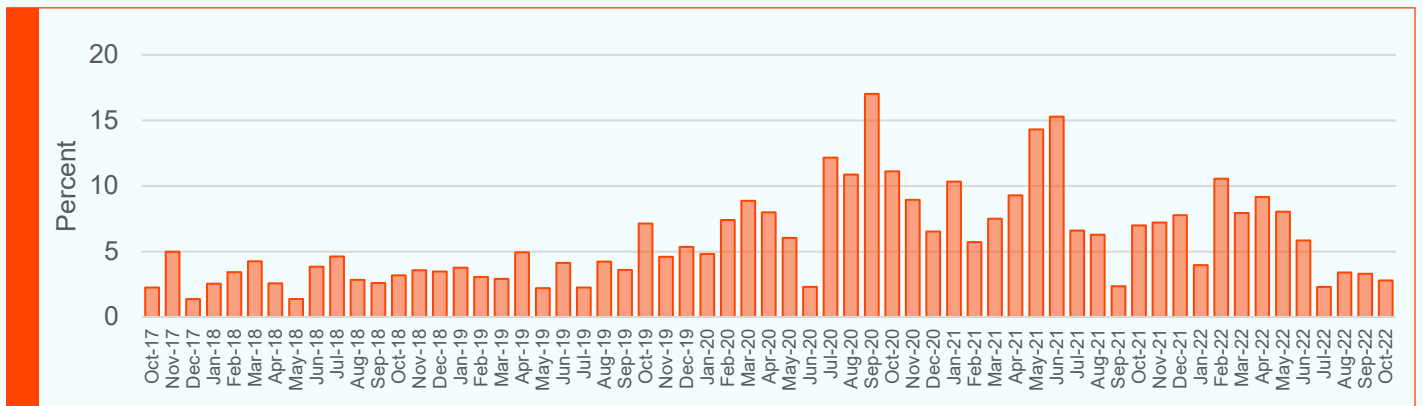
Closed Sales Year-Over-Year Change

In October, there were 4,069 home sales in the Washington metro area, which was down 35.6% from a year ago and is the lowest monthly sales total in the region since January 2020. Home sales activity has been very sluggish at the end of the summer as high prices, rising mortgage rates, and low inventory have sidelined buyers.



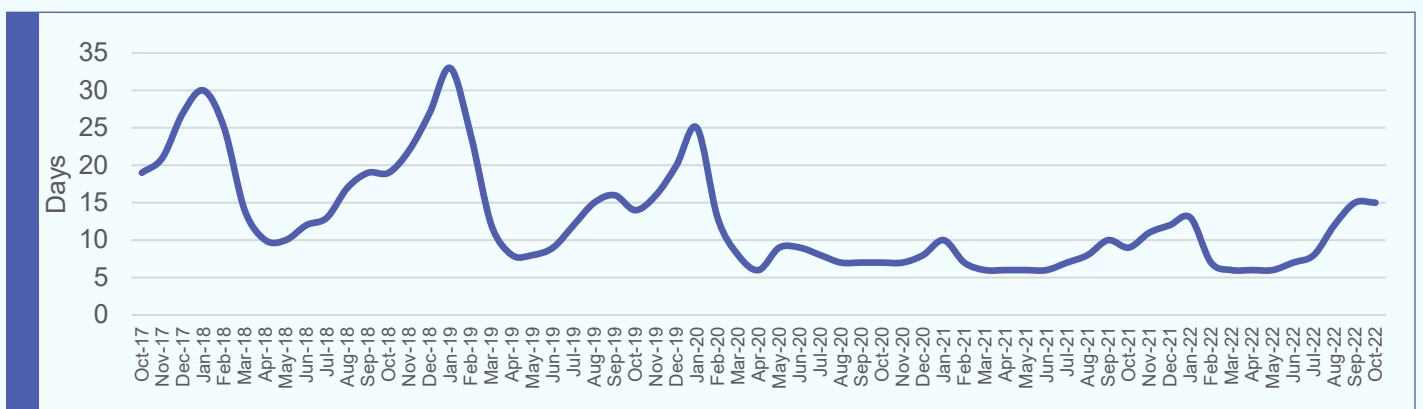
Median Sales Price Year-Over-Year Change

The median sales price was \$550,000 in October, a 2.8% increase over a year ago. Price growth continues to decelerate across the region, though home prices are still more than 20% higher than they were before the pandemic. In the Washington region, condo prices were up the most, rising by 8.2% in October.



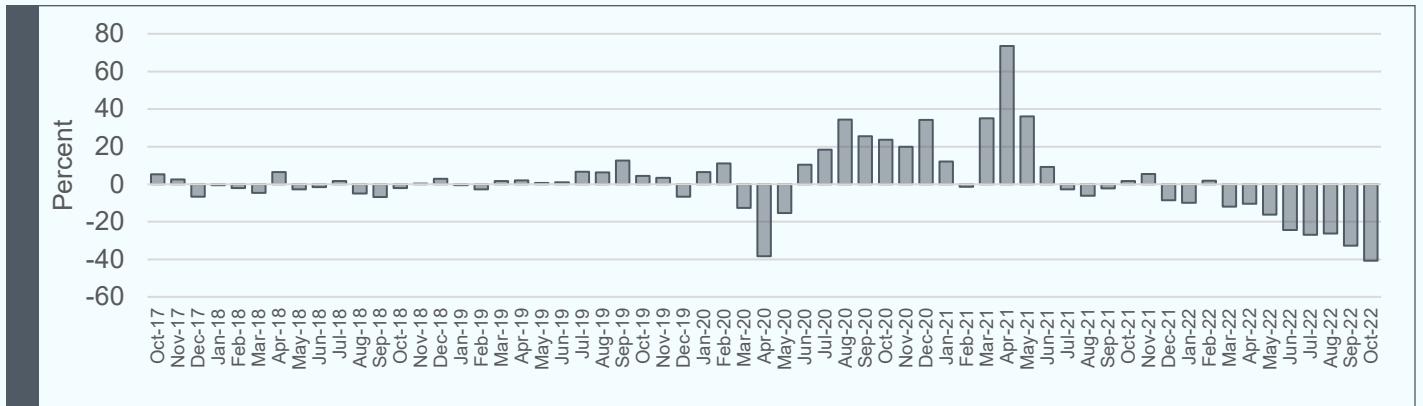
Median Days on Market

Compared to last year at this time, homes are taking almost a week longer to sell in the Washington metro area. In October, the median days on market was 15, unchanged from last month but 6 days longer than a year ago.



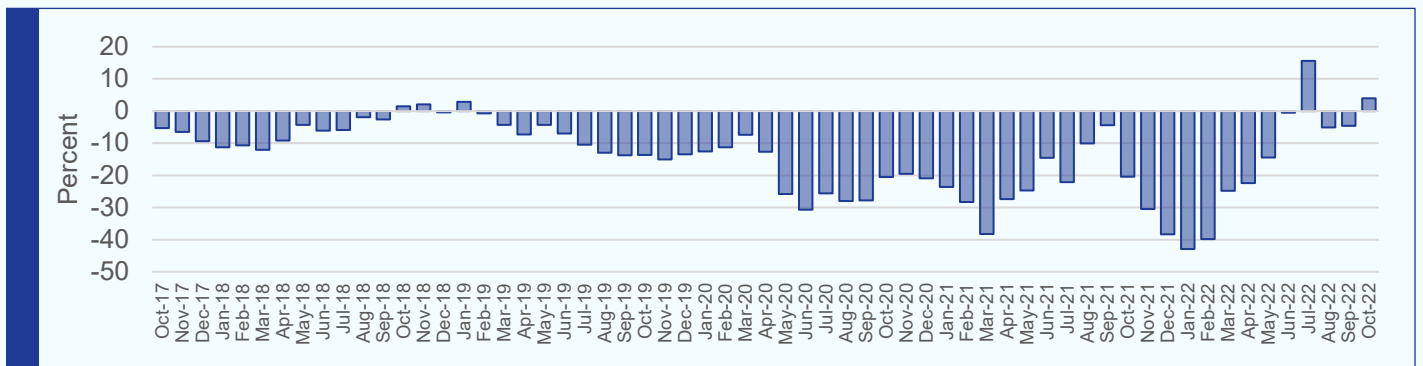
New Pending Sales Year-Over-Year Change

The number of new pending sales was down a staggering 40.7% in October. Across the Washington metro area, there were just 4,131 new pending sales, which is the lowest monthly total since December 2019. The year-over-year decline in pending sales is the steepest since December 2007.



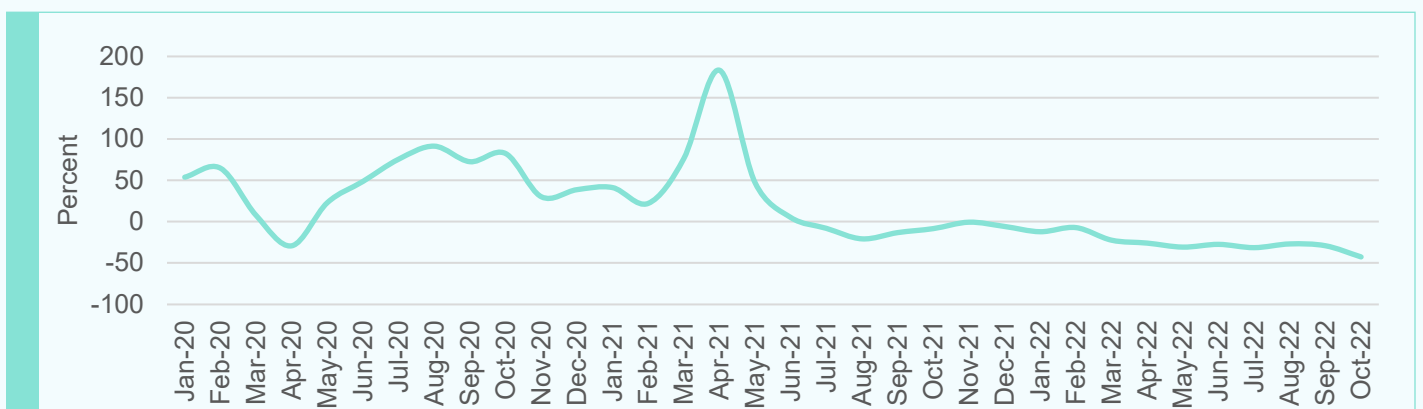
Active Listings Year-Over-Year Change

At the end of October, there was a total of 7,976 active listings across the Washington metro area. Inventory is up by 3.9% compared to a year ago, led by a surge in the number of single-family detached homes on the market (+25.9%). The supply increases are being driven by a pullback in buyer activity, not an increase in new listings. Despite the recent uptick, inventory is still 35% lower than it was 3 years ago.



Showings Year-Over-Year Change

Showing activity plummeted in October, with the number of showings falling below 100,000 for the first time since the spring of 2020. The total number of showings was off by 42.7% compared to last October.



Local Markets

New pending sales dropped significantly in the Washington metro area in October, with some of the biggest year-over-year declines in Fairfax County, VA (-47.3%), and Loudoun County, VA (-47.0%). Rising mortgage rates and high prices have forced many buyers out of the market. Others are taking a “wait-and-see” approach with the hope that rates will fall after the first of the year.

Inventory is still low; however, some local markets have seen a dramatic increase in the number of active listings, including Loudoun County, VA (+50.6% year-over-year), and Prince George’s County, MD (+40.1%). Supply fell in Arlington and Alexandria, VA, as well as in Montgomery County, MD.

Because supply is still low, prices are still rising in most of the region, though the pace of price growth has slowed considerably and prices have fallen in some local markets, including Arlington County, VA; Montgomery County, MD; and Washington, DC.



CLOSED SALES

	October 2022	vs. October 2021
Alexandria City, VA	156	-34.5%
Arlington County, VA	182	-33.6%
Fairfax City, VA	17	-48.5%
Fairfax County, VA	907	-38.6%
Falls Church City, VA	13	-23.5%
Frederick County, MD	312	-41.1%
Loudoun County, VA	406	-36.0%
Montgomery County, MD	820	-36.0%
Prince George’s County, MD	684	-33.5%
Washington, DC	572	-28.9%
Washington Metro	4,069	-35.6%

MEDIAN SALES PRICE

	October 2022	vs. October 2021
Alexandria City, VA	\$699,450	+13.7%
Arlington County, VA	\$650,000	-5.7%
Fairfax City, VA	\$675,000	+8.0%
Fairfax County, VA	\$640,000	+3.2%
Falls Church City, VA	\$925,000	+5.1%
Frederick County, MD	\$450,000	+9.8%
Loudoun County, VA	\$653,950	+7.5%
Montgomery County, MD	\$535,000	-0.9%
Prince George’s County, MD	\$400,000	+2.8%
Washington, DC	\$650,000	-7.8%
Washington Metro	\$550,000	+2.8%

Local Markets Continued

NEW PENDING

NEW LISTINGS

MEDIAN DAYS ON MARKET

	October 2022	vs. October 2021	October 2022	vs. October 2021	October 2022	vs. October 2021
Alexandria City, VA	147	-44.3%	185	-38.1%	12	+1
Arlington County, VA	180	-35.3%	227	-38.8%	19	+3
Fairfax City, VA	10	-67.7%	27	-35.7%	9	0
Fairfax County, VA	882	-47.3%	1,121	-33.3%	15	+4
Falls Church City, VA	11	-15.4%	8	-52.9%	7	-15
Frederick County, MD	327	-38.0%	466	-21.8%	13	+6
Loudoun County, VA	346	-47.0%	460	-28.1%	15	+8
Montgomery County, MD	880	-36.0%	958	-32.6%	12	+3
Prince George's County, MD	760	-37.1%	1,007	-21.3%	16	+6
Washington, DC	588	-37.8%	1,137	-17.8%	15	+3
Washington Metro	4,131	-40.7%	5,596	-27.6%	15	+6

ACTIVE LISTINGS

MONTHS OF SUPPLY

	October 2022	vs. October 2021	October 2022	vs. October 2021
Alexandria City, VA	256	-25.6%	1.09	-16.8%
Arlington County, VA	403	-21.3%	1.56	-12.4%
Fairfax City, VA	36	0.0%	1.16	+12.6%
Fairfax County, VA	1,495	-1.6%	1.14	+20.0%
Falls Church City, VA	10	-50.0%	0.77	-42.1%
Frederick County, MD	462	+13.2%	1.05	+34.6%
Loudoun County, VA	622	+50.6%	1.14	+96.6%
Montgomery County, MD	1,131	-15.2%	1.04	+2.0%
Prince George's County, MD	1,409	+40.1%	1.55	+61.5%
Washington, DC	2,152	+3.1%	2.75	+18.5%
Washington Metro	7,976	+3.9%	1.42	+23.5%

Will Home Prices Fall?

As a result of rising mortgage rates, the buyer pool in the Washington metro area has dwindled. However, supply is also very limited, which is why home prices in most parts of the region are still rising, albeit more slowly.

Home prices will undoubtedly fall from their peaks as higher rates have eroded buyers' purchasing power. However, even if prices fall 10% or even 15% from their peaks, home values in the region will still be higher than they were prior to the pandemic.

Local Markets Continued

	SHOWINGS		HOME DEMAND INDEX	
	October 2022	vs. October 2021	November 2022	vs. November 2021
Alexandria City, VA	2,788	-37.8%	126	-37.3%
Arlington County, VA	3,840	-33.2%	156	-30.0%
Fairfax City, VA	312	-51.9%	64	-43.9%
Fairfax County, VA	20,696	-45.5%	97	-33.3%
Falls Church City, VA	168	-39.8%	85	-46.2%
Frederick County, MD	5,082	-46.9%	65	-26.1%
Loudoun County, VA	6,893	-50.2%	85	-28.0%
Montgomery County, MD	19,633	-42.9%	79	-31.9%
Prince George's County, MD	19,192	-40.9%	92	-21.4%
Washington, DC	13,207	-36.8%	95	-25.2%
Washington DC Metro	91,811	-42.7%	90	-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 BrightMLS.com.

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