

April 2023 Market Report

Washington, D.C. Metro

Washington, D.C. Market Key Findings

Missing Seasonality in the Washington D.C. Metro Market

Home prices fall for the 2nd month in a row

Typically, April in the Washington D.C. metro area brings out cherry blossoms and home shoppers. While flowers are blooming, elevated mortgage rates, high home prices, and economic uncertainty have led to a cooler spring market in the Washington D.C. metro area.

Sales activity continues to track below last year's pace, and the April bump in closed and new pending sales was much lower than a typical March-to-April increase.

The median home price in the metro area fell modestly in April, the 2nd month in a row of falling prices. Prices have come down from peak levels, but the median price is still nearly 30% higher than it was before the pandemic.

For months, inventory in the Washington D.C. region had been rising, but the number of active listings fell in April, down 4.1% compared to a year ago. Supply in the region is less than half of what it was before the pandemic.

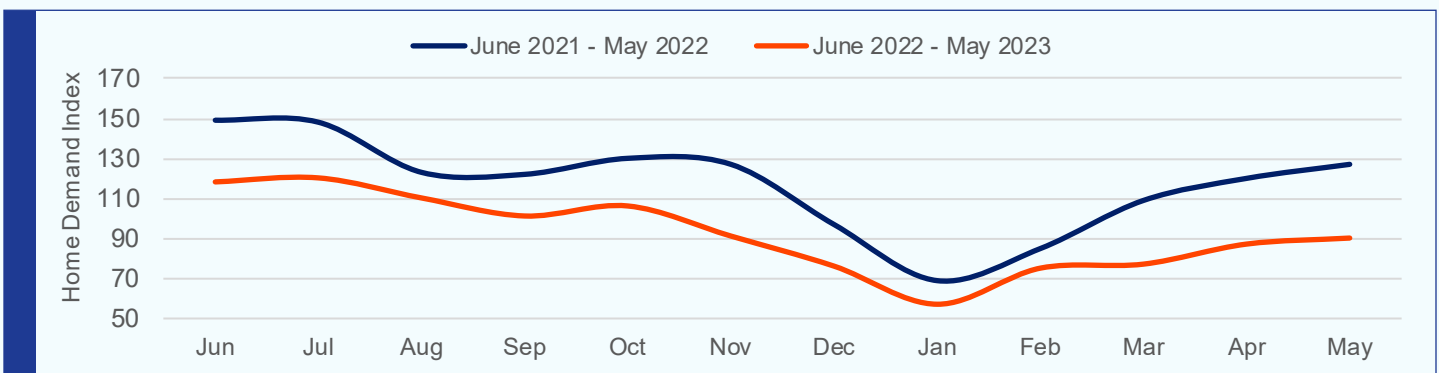
| | April 2023 | | vs. April 2022 |
|-----------------------|------------|---|----------------|
| Closed sales | 4,207 | ▼ | -32.9% |
| Median sales price | \$586,000 | ▼ | -1.5% |
| Median days on market | 7 | ▲ | +1 day |
| New pending sales | 5,179 | ▼ | -26.4% |
| New listings | 5,028 | ▼ | -44.1% |
| Active listings | 5,393 | ▼ | -4.1% |
| Months of supply | 1.16 | ▲ | +34.9% |
| Showings | 131,850 | ▼ | -23.6% |

Bright MLS T3 Home Demand Index

According to the Bright MLS T3 Home Demand Index (HDI), market activity increased slightly from April to May. The index for the Washington, D.C. metro area was 90, just edging into Steady market conditions, and up from 87 last month.

The index for the Washington, D.C. metro is down from 127, indicating Moderate conditions, a year ago.

Bright MLS T3 Home Demand Index



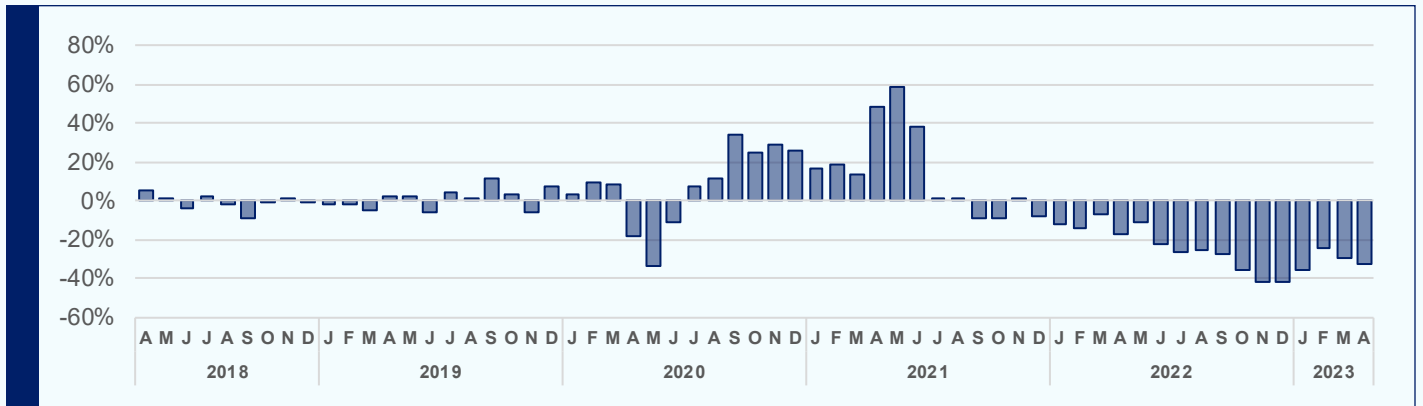
Market Outlook

The Washington D.C. metro area's spring market is slower than typical, though low inventory still makes the market feel competitive to buyers. 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 has tightened this spring but could loosen in the second half of the year, as more homeowners are compelled to move, but inventory is still going to be constrained.

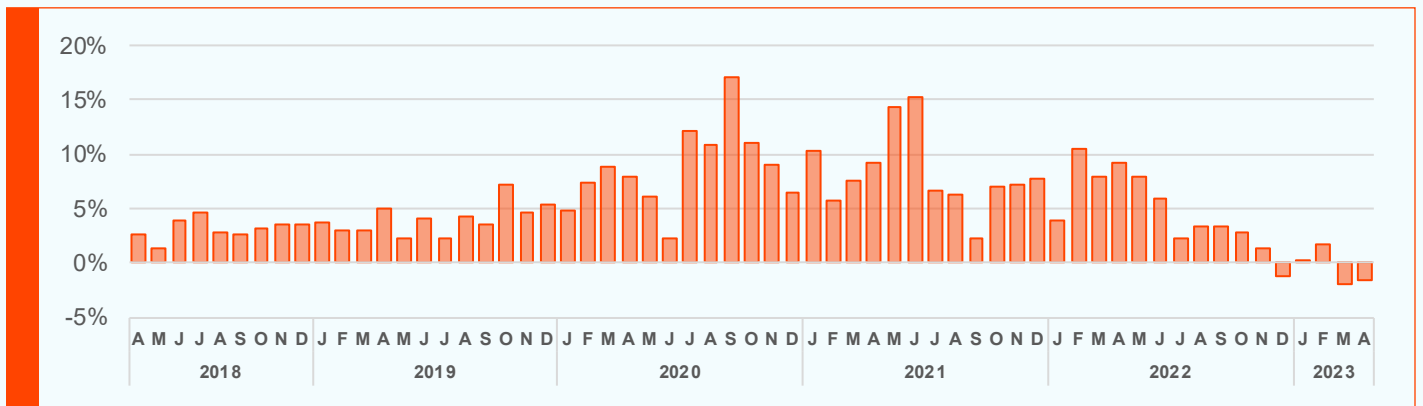
Closed Sales Year-Over-Year Change

In April, closed sales in the Washington, D.C. metro continued to track far below last year's levels and were relatively flat, up 0.6% in compared to last month. There were bigger monthly gains among single-family homes, though the pace of condo sales was down significantly from typical spring sales activity.



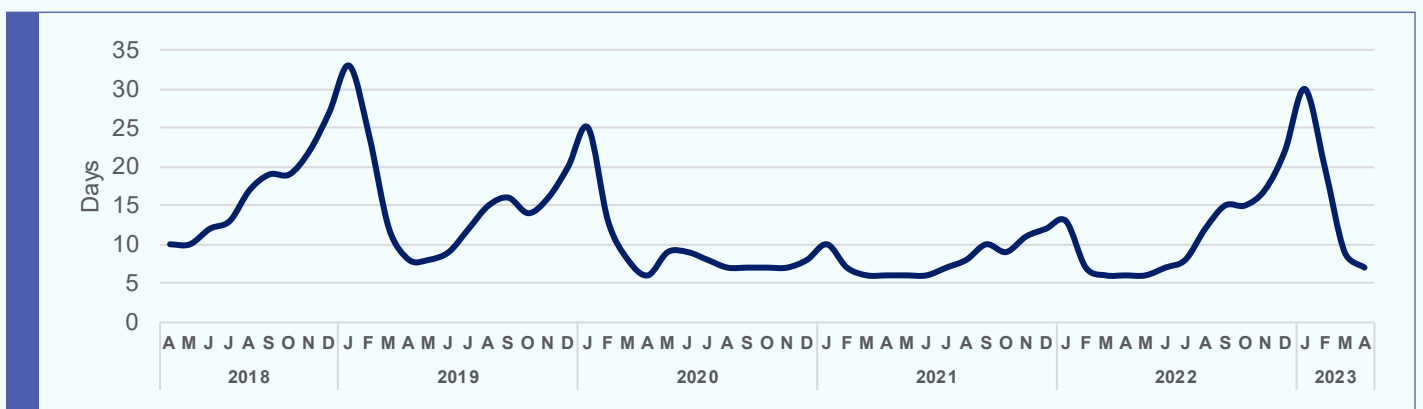
Median Sales Price Year-Over-Year Change

The median price in the Washington, D.C. metro declined year-over-year for the 2nd month in a row. Detached single-family, attached townhomes and condos all had lower median sale prices in April 2023 than a year ago. Prices are moving up seasonally, with April prices above those from March. The mix of homes sold will continue to impact the overall median price in the region.



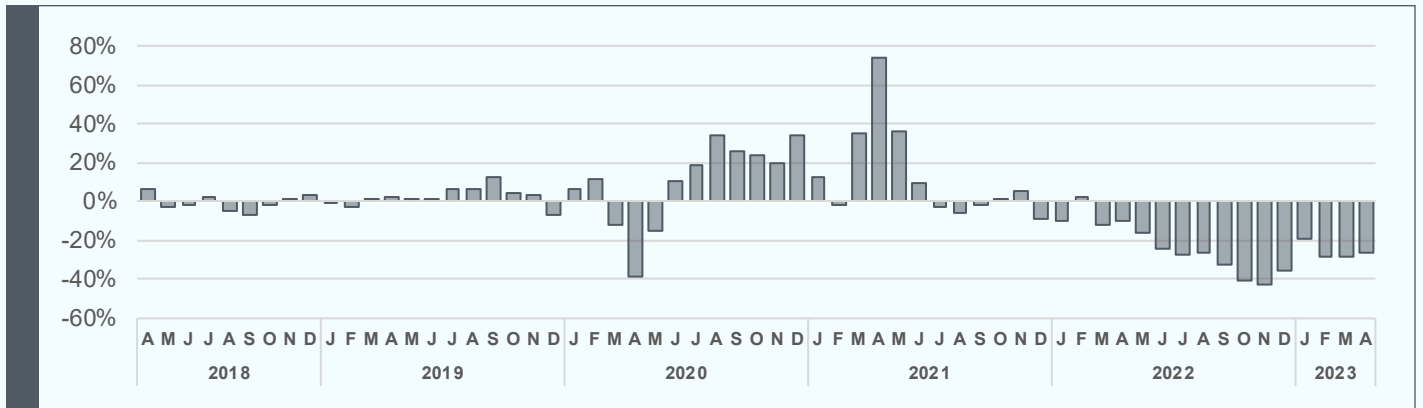
Median Days on Market

At only 1 week, the median days on market in the Washington, D.C. metro reflects the how competitiveness the market still is for the individual buyer. Overall housing market is lower, but the pace is still quick as buyers clamor for the limited inventory available in the area.



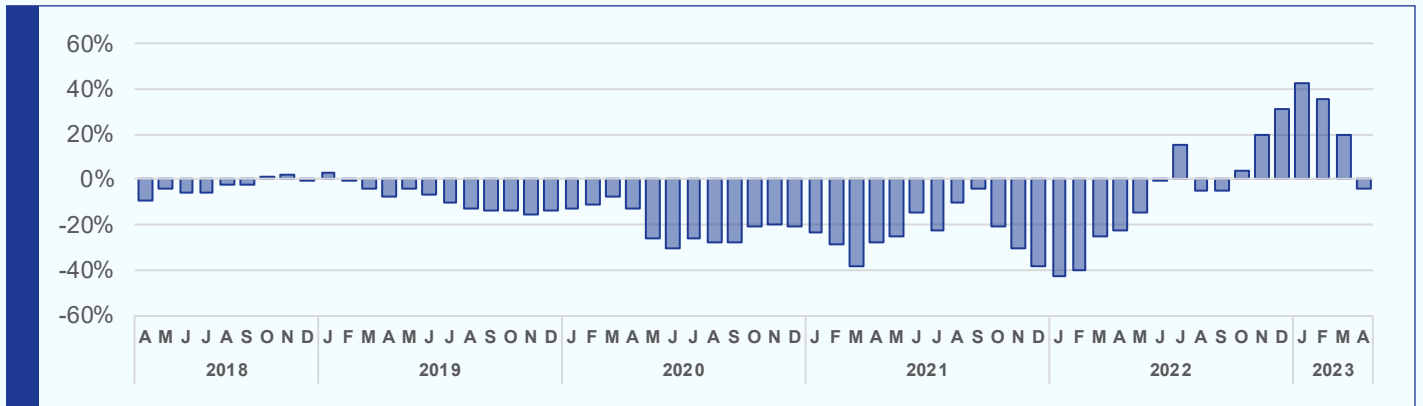
New Pending Sales Year-Over-Year Change

New pending sales remain below 2022, down 26.4% in the Washington, D.C. metro in April 2023. The number of new pending sales has grown consistently month-over-month this, though April was only 3.0% above March, a much lower spring uptick, and carried by detached single-family homes, the only property type with month-to-month growth, up 7.4%.



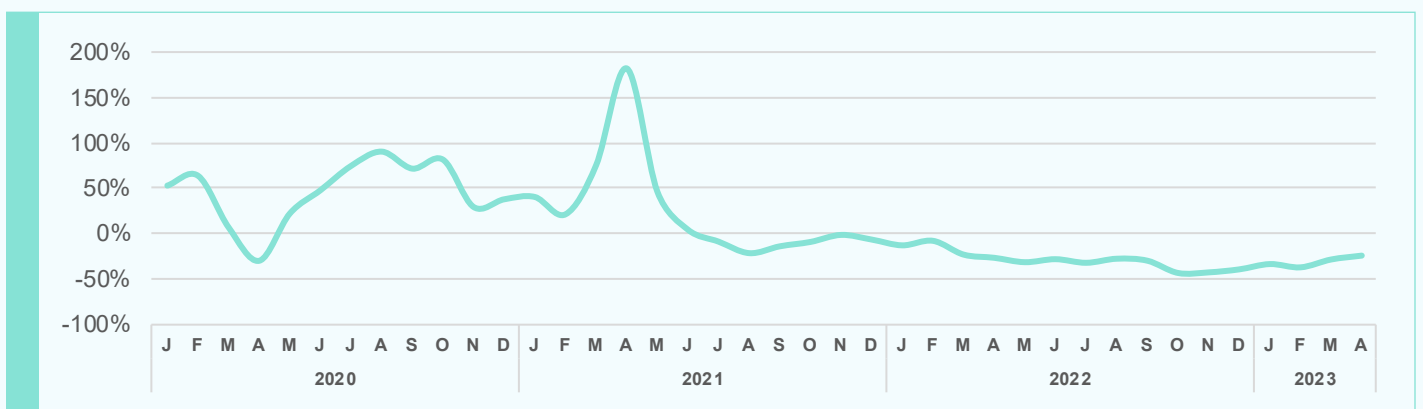
Active Listings Year-Over-Year Change

Total active listings across the Washington, D.C. metro are lower in April 2023 than they were last year, the first year-over-year decline in inventory in 6 months. While supply of detached single-family homes increased, inventory is still only 35% of 2019 levels. Inventory of attached townhomes and condos were at 56% and 75% of 2019 levels, respectively.



Showings

Showings were flat from month-to-month, up just 0.4% from March to 131,850 showings in April 2023 in the Washington, D.C. metro. The gap between showings recently and a year ago has been closing but showing activity is still 23.6% lower than a year ago.



Local Markets

Market conditions were relatively slow across the Washington D.C. region, but there was a lot of local market variation.

Overall, the increase in new pending sales between March and April was tepid. New pending sales actually declined in Falls Church City, VA (-18.8%), Montgomery County, MD (-3.1%), and Prince George's County, MD (-2.5%).

The region's median price was lower than a year ago, but the price drop was driven by declines in just a few local markets—Falls Church City, VA (-14.2%), Loudoun County, VA (-2.7%), Frederick County, MD (-2.2%), and Washington, DC (-3.2%).

The regionwide inventory decline was driven by year-over-year supply drops in some close-in suburban communities. Inventory rose compared to a year ago in Loudoun County, VA (+12.7%), Prince George's County, MD (12.5%), and Washington D.C. (+5.7%).



CLOSED SALES

| | April 2023 | vs. April 2022 |
|----------------------------|--------------|----------------|
| Alexandria City, VA | 184 | -33.8% |
| Arlington County, VA | 213 | -29.7% |
| Fairfax City, VA | 26 | -10.3% |
| Fairfax County, VA | 994 | -34.7% |
| Falls Church City, VA | 13 | -35.0% |
| Frederick County, MD | 308 | -27.9% |
| Loudoun County, VA | 426 | -33.4% |
| Montgomery County, MD | 777 | -36.7% |
| Prince George's County, MD | 656 | -27.0% |
| Washington, DC | 610 | -34.1% |
| Washington DC Metro | 4,207 | -32.9% |

MEDIAN SALES PRICE

| | April 2023 | vs. April 2022 |
|----------------------------|------------------|----------------|
| Alexandria City, VA | \$622,500 | +0.8% |
| Arlington County, VA | \$680,000 | +6.1% |
| Fairfax City, VA | \$686,500 | +4.8% |
| Fairfax County, VA | \$700,000 | +0.7% |
| Falls Church City, VA | \$800,000 | -14.2% |
| Frederick County, MD | \$440,081 | -2.2% |
| Loudoun County, VA | \$700,250 | -2.7% |
| Montgomery County, MD | \$600,000 | +2.2% |
| Prince George's County, MD | \$419,950 | +5.0% |
| Washington, DC | \$676,500 | -3.2% |
| Washington DC Metro | \$586,000 | -1.5% |

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 |
| Alexandria City, VA | 196 | -31.2% | 193 | -50.3% | 6 | 0 days |
| Arlington County, VA | 256 | -21.2% | 242 | -40.4% | 7 | 0 days |
| Fairfax City, VA | 38 | -7.3% | 40 | -32.2% | 4 | 0 days |
| Fairfax County, VA | 1,248 | -28.9% | 1,077 | -51.8% | 5 | 0 days |
| Falls Church City, VA | 13 | +18.2% | 13 | -38.1% | 7 | +3 days |
| Frederick County, MD | 367 | -21.2% | 299 | -51.8% | 6 | +1 day |
| Loudoun County, VA | 497 | -32.2% | 487 | -47.7% | 5 | +1 day |
| Montgomery County, MD | 928 | -30.4% | 915 | -44.7% | 6 | 0 days |
| Prince George's County, MD | 868 | -22.6% | 780 | -39.6% | 13 | +6 days |
| Washington, DC | 768 | -20.5% | 982 | -29.5% | 13 | +4 days |
| Washington DC Metro | 5,179 | -26.4% | 5,028 | -44.1% | 7 | +1 day |

| | ACTIVE LISTINGS | | MONTHS OF SUPPLY | |
|----------------------------|-----------------|----------------|------------------|----------------|
| | April 2023 | vs. April 2022 | April 2023 | vs. April 2022 |
| Alexandria City, VA | 154 | -29.0% | 0.81 | -3.6% |
| Arlington County, VA | 275 | -15.4% | 1.33 | +18.8% |
| Fairfax City, VA | 32 | -8.6% | 1.23 | +23.0% |
| Fairfax County, VA | 882 | -16.2% | 0.82 | +22.4% |
| Falls Church City, VA | 10 | +11.1% | 0.91 | +51.7% |
| Frederick County, MD | 273 | -16.0% | 0.72 | +12.5% |
| Loudoun County, VA | 434 | +12.7% | 0.96 | +68.4% |
| Montgomery County, MD | 761 | -14.2% | 0.84 | +20.0% |
| Prince George's County, MD | 810 | +12.5% | 1.05 | +50.0% |
| Washington, DC | 1,762 | +5.7% | 2.79 | +46.8% |
| Washington DC Metro | 5,393 | -4.1% | 1.16 | +34.9% |

Where Will Prices Go In 2023?

There have been modest year-over-year declines in the median price in the Washington D.C. metro area. Despite these drops, there are no expectations of prices falling significantly like they did in 2008.

The key reason prices will remain stable is the very low supply in the market. Overall, there is just 1.16 months of supply in the region.

Buyers who are in the market are still competing for limited homes for sale. There are enough buyers in the market who have not been shut out by higher interest rates. Until there is more supply, prices will not come down in any meaningful way.

Local Markets Continued

| | SHOWINGS | | HOME DEMAND INDEX | |
|----------------------------|----------------|----------------|-------------------|---------------|
| | April 2023 | vs. April 2022 | May 2023 | vs. May 2022 |
| Alexandria City, VA | 3,521 | -29.5% | 119 | -37.4% |
| Arlington County, VA | 5,422 | -20.5% | 161 | -29.1% |
| Fairfax City, VA | 1,167 | +5.6% | 130 | -18.8% |
| Fairfax County, VA | 33,891 | -22.9% | 102 | -32.5% |
| Falls Church City, VA | 339 | +35.6% | 115 | -5.7% |
| Frederick County, MD | 7,186 | -22.1% | 60 | -28.6% |
| Loudoun County, VA | 11,342 | -36.6% | 87 | -38.3% |
| Montgomery County, MD | 27,104 | -26.9% | 78 | -31.6% |
| Prince George's County, MD | 25,104 | -21.6% | 88 | -22.1% |
| Washington, DC | 16,774 | -12.3% | 95 | -16.7% |
| Washington DC Metro | 131,850 | -23.6% | 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



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.

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