

January 2023 Market Report

Washington Metro

Washington Metro Market Key Findings

January 2023 vs. January 2022

Turnaround in the Washington, DC, Metro Area Market More Deliberate Homebuyers Lead to Longer Transaction Times

The Washington metro area housing market had ground to a halt at the end of 2022, but in January, there was an increase in both buyer and seller activity that suggests that the market has bottomed out.

Both pending sales and showing activity in the Washington, DC, metro area increased significantly in January compared to December. Buyers who had been sitting out the market in November and December took advantage of declining mortgage rates in January to get back into the market.

Even though supply is still constrained, buyers appear to be more measured in the homebuying process. The median days on market surged in January, with the typical home taking 30 days to go under contract. This is the longest median days on market measure since January 2019.

The median sales price was flat compared to a year ago, following a price decline in December. There was price appreciation in the region's suburban markets, but the median price in Washington, DC, fell in January.

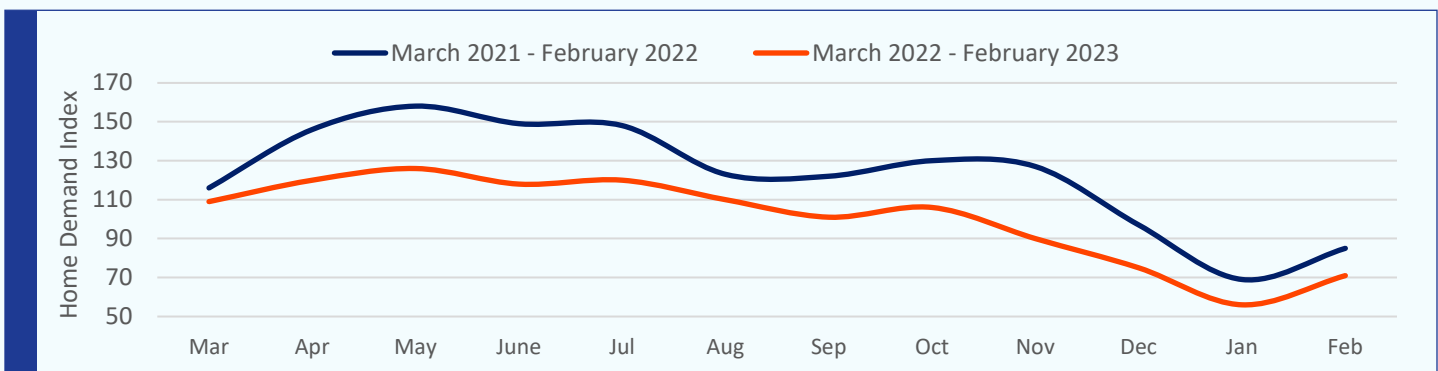
Closed sales	2,465	▼	-36.1%
Median sales price	\$500,000	▲	+0.2%
Median days on market	30	▲	+17 days
New pending sales	3,736	▼	-19.2%
New listings	4,384	▼	-12.5%
Active listings	5,177	▲	+42.4%
Months of supply	1.02	▲	+88.9%
Showings	97,497	▼	-32.9%

Bright MLS T3 Home Demand Index

According to the Bright MLS T3 Home Demand Index (HDI), market activity rose from last month. The February HDI for the Washington metro area was 71, up 56 from last month, indicating returning seasonality in the market.

The HDI is still down from 85 a year ago and indicates relatively slow market conditions.

Bright MLS T3 Home Demand Index



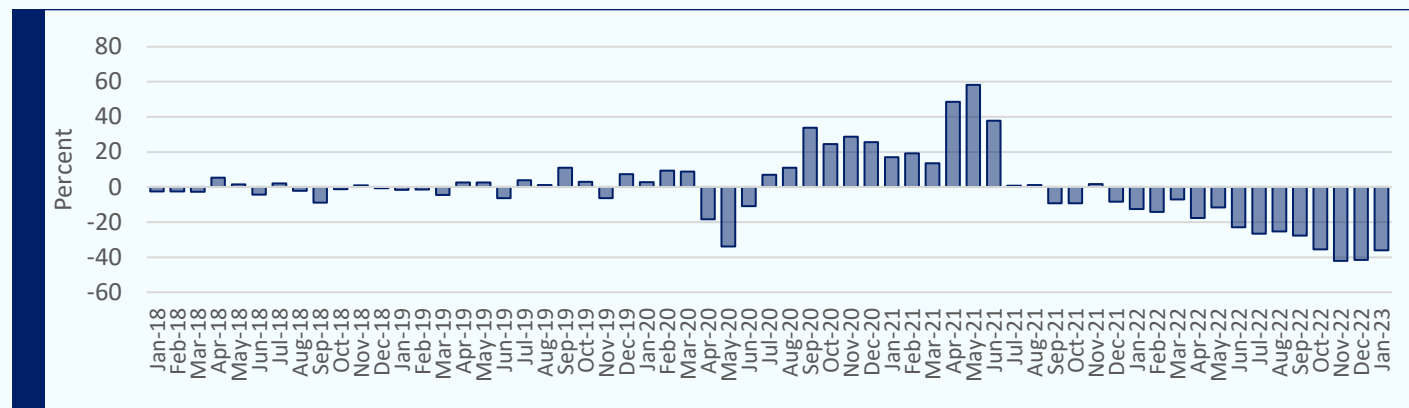
Market Outlook

There was a sharp downturn in the Washington, DC, metro area housing market at the end of 2022, but that slump was brief. Buyers were eager to return to the market, taking advantage of falling mortgage rates. Home prices held steady; however, without more inventory, it is likely prices will push higher through the spring.

The market rebound reflects growing acceptance of the "new normal," which includes higher mortgage rates and longer transaction times. Supply should increase in the weeks to come, though buyers will still find inventory relatively limited. Expect faster recovery in the region's suburban markets, although the city's market will also be resilient.

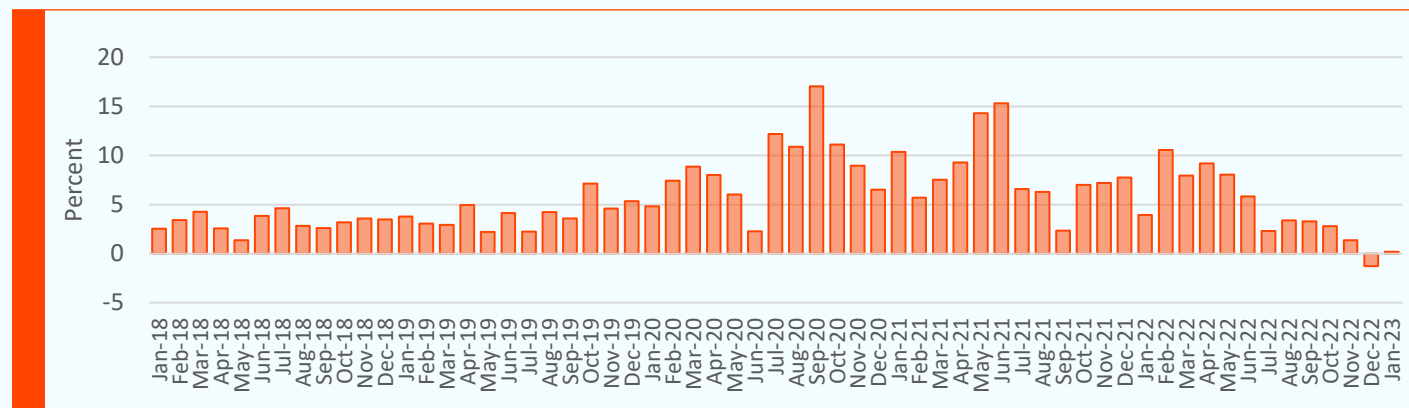
Closed Sales Year-Over-Year Change

In January, there were 2,465 home sales in the Washington metro area, which was down 36.1% from a year ago. All property types saw around a 35.0% decline in sales led by single-family detached and condominiums, which both fell by 36.6% from January of 2022.



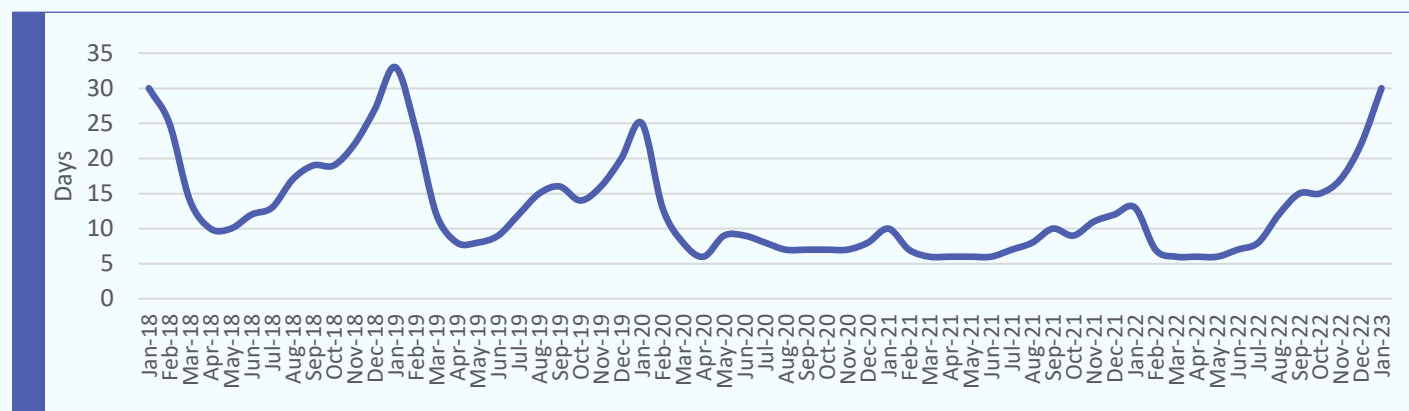
Median Sales Price Year-Over-Year Change

The median sales price was \$500,000 in January, a 0.2% increase over a year ago. Prices continued to fall month-over-month and are now at their lowest level since last January. However, condominiums saw a noteworthy increase in median sales price, rising 6.4% year-over-year.



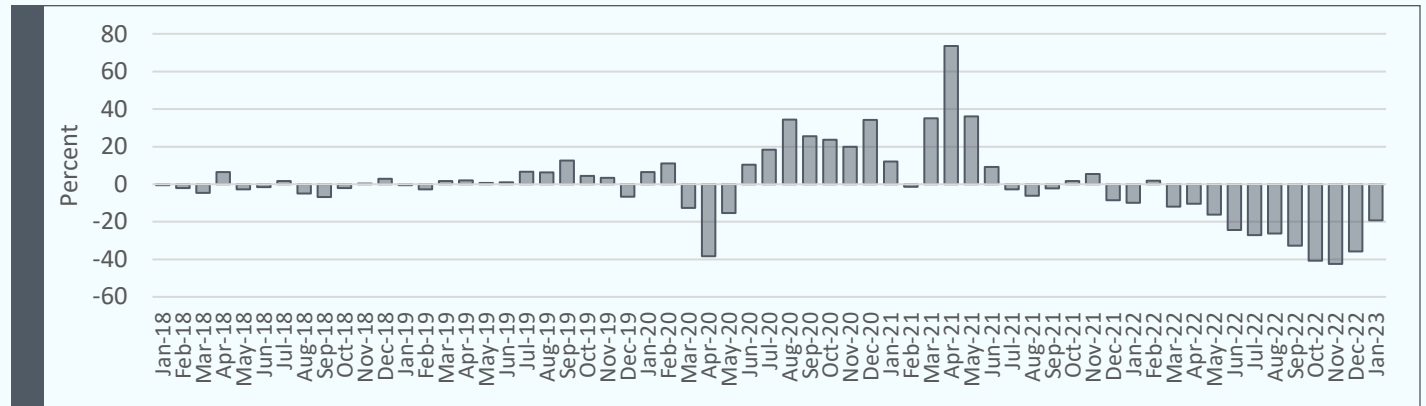
Median Days on Market

In January, homes are taking significantly longer than last year to sell in the Washington metro area. The median days on market was 30, an increase of 17 days from last year and eight days longer than December. Median days on market is at the highest level since January of 2019.



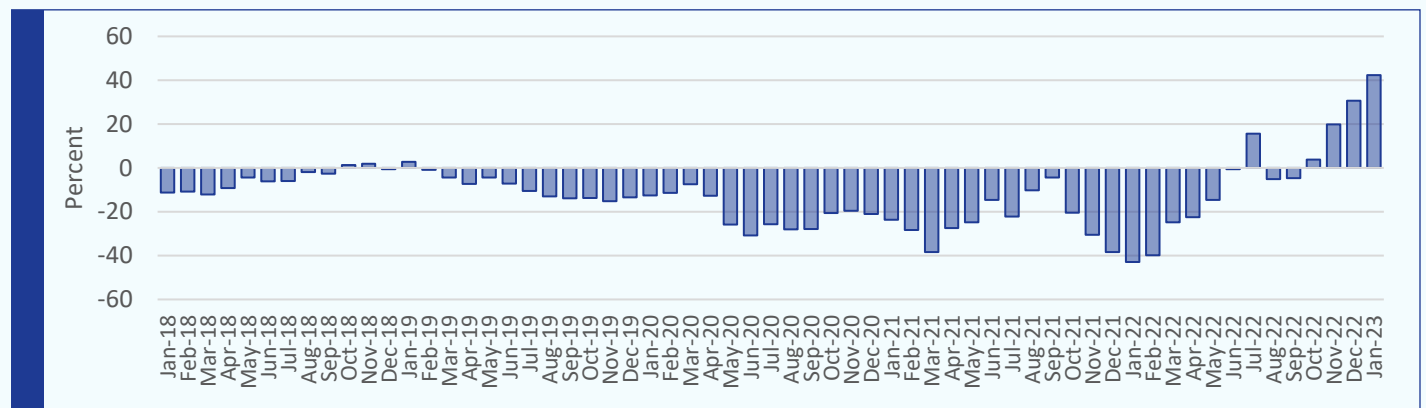
New Pending Sales Year-Over-Year Change

The number of new pending sales was down 19.2% in January. Across the Washington metro area, there were 3,736 new pending sales. However, new pending sales activity increased considerably from December. Across all property types, new pending sales were at their highest levels since October of 2021.



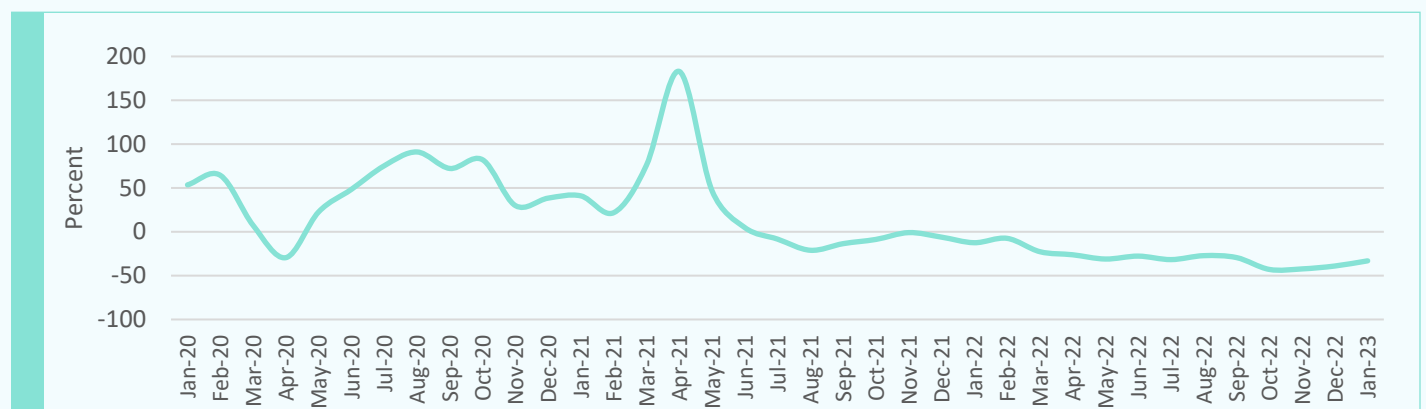
Active Listings Year-Over-Year Change

At the end of January, there was a total of 5,177 active listings across the Washington metro area. Inventory is up by 42.4% compared to a year ago, led regionally by significant increases among single-family detached homes and townhomes.



Showings Year-Over-Year Change

Compared to other metro areas in the Bright footprint, showing activity rose more in the Washington metro area between December and January. The number of showings came in at 97,497, which was still off by 32.9% compared to last January.



Local Markets

Home sales activity is rebounding across the Washington, DC, metro area, with some of the biggest changes in the region's close-in suburbs. In January, showing activity was up significantly in Alexandria City, VA, and Arlington County, VA, compared to December. An increase in supply, along with lower mortgage rates, may be drawing buyers back into the market.

Regionwide, supply is still just 60% of what it was prior to the pandemic. However, active listings have surpassed early 2020 levels in Alexandria City, VA; Arlington County, VA; and Washington, DC.

Median prices increased in most local markets, with the exceptions of Washington, DC (-15.4% year-over-year) and Frederick County, MD (-3.5%). The median price also fell in Falls Church City, VA, but there were very few transactions.



CLOSED SALES

	January 2023	vs. January 2022
Alexandria City, VA	106	-30.7%
Arlington County, VA	105	-40.7%
Fairfax City, VA	9	-57.1%
Fairfax County, VA	552	-32.4%
Falls Church City, VA	6	+50.0%
Frederick County, MD	184	-43.2%
Loudoun County, VA	192	-31.2%
Montgomery County, MD	456	-41.1%
Prince George's County, MD	503	-32.5%
Washington, DC	352	-37.7%
Washington Metro	2,465	-36.1%

MEDIAN SALES PRICE

	January 2023	vs. January 2022
Alexandria City, VA	\$572,450	+15.6%
Arlington County, VA	\$636,500	+2.7%
Fairfax City, VA	\$584,900	0.0%
Fairfax County, VA	\$610,000	+6.1%
Falls Church City, VA	\$757,000	-22.8%
Frederick County, MD	\$415,000	-3.5%
Loudoun County, VA	\$653,456	+11.7%
Montgomery County, MD	\$514,990	+6.0%
Prince George's County, MD	\$400,000	+3.9%
Washington, DC	\$545,500	-15.4%
Washington Metro	\$500,000	+0.2%

Local Markets Continued

NEW PENDINGS

NEW LISTINGS

MEDIAN DAYS ON MARKET

	January 2023	vs. January 2022	January 2023	vs. January 2022	January 2023	vs. January 2022
Alexandria City, VA	156	-17.9%	179	-7.3%	34	+5
Arlington County, VA	167	-18.9%	198	-16.5%	38	+9
Fairfax City, VA	17	-29.2%	18	-40.0%	44	+20
Fairfax County, VA	791	-18.1%	790	-18.4%	28	+14
Falls Church City, VA	8	+14.3%	12	+50.0%	12	-23
Frederick County, MD	282	-26.9%	312	-31.6%	17	+11
Loudoun County, VA	304	-18.9%	381	-10.1%	29	+24
Montgomery County, MD	674	-15.8%	693	-11.3%	22	+11
Prince George's County, MD	765	-12.1%	819	-5.9%	34	+21
Washington, DC	572	-28.4%	982	-5.8%	42	+5
Washington Metro	3,736	-19.2%	4,384	-12.5%	30	+17

ACTIVE LISTINGS

MONTHS OF SUPPLY

	January 2023	vs. January 2022	January 2023	vs. January 2022
Alexandria City, VA	167	+30.5%	0.79	+64.6%
Arlington County, VA	245	+5.6%	1.07	+37.2%
Fairfax City, VA	20	+53.8%	0.71	+97.2%
Fairfax County, VA	768	+60.7%	0.65	+116.7%
Falls Church City, VA	10	+150.0%	0.83	+207.4%
Frederick County, MD	329	+58.9%	0.82	+105.0%
Loudoun County, VA	377	+123.1%	0.76	+216.7%
Montgomery County, MD	695	+39.3%	0.71	+86.8%
Prince George's County, MD	996	+62.0%	1.20	+106.9%
Washington, DC	1,570	+21.7%	2.24	+55.6%
Washington Metro	5,177	+42.4%	1.02	+88.9%

More Choices for Buyers?

Supply is still very low in the Washington, DC, area housing market, but in some local markets, buyers are finding more options than they have had in more than three years.

The biggest change has been in the inventory of condominiums. In some local markets, the condo inventory is more than double what is what prior to the pandemic.

On the other hand, the supply of single-family detached homes in the Washington, DC, area remains very low, at less than half of what was on the market three years ago.

Local Markets Continued

	SHOWINGS		HOME DEMAND INDEX	
	January 2023	vs. January 2022	February 2023	vs. February 2022
Alexandria City, VA	3,749	-15.3%	119	-11.9%
Arlington County, VA	4,298	-27.9%	126	-19.7%
Fairfax City, VA	453	-41.3%	62	-32.6%
Fairfax County, VA	21,879	-36.2%	73	-18.0%
Falls Church City, VA	148	+51.0%	54	0.0%
Frederick County, MD	5,604	-32.0%	51	-10.5%
Loudoun County, VA	7,674	-41.4%	59	-16.9%
Montgomery County, MD	18,937	-35.9%	59	-18.1%
Prince George's County, MD	21,184	-26.5%	83	-9.8%
Washington, DC	13,571	-32.4%	75	-21.1%
Washington Metro	97,497	-32.9%	71	-16.5%

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 2021, Bright subscribers facilitated \$141B in real estate transactions through the company's platform. Learn more at BrightMLS.com.

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