

September 2022 Market Report

Washington Metro

Washington Metro Market Key Findings

Rising rates impact the Washington area housing market

As mortgage rates rise and prices remain high, the Washington area housing market is feeling the effects of a pullback in buyer activity. Regionally, both closed sales and new pending sales were at their lowest September levels in eight years. Homes are remaining on the market longer. In September, the median days on market in the Washington metro area was 15 days, which is the highest level since January 2020.

As homes remain on the market longer, inventory has started to increase. While the total number of active listings at the end of September in the Washington area was down 4.6% compared to a year ago, inventory grew by 12.1% between August and September.

Sellers had been staying on the sidelines, but more sellers jumped in during the month of September. The number of new listings was below last year's September total, but new listings surged by 20.7% between August and September.

Prices are still rising across most of the Washington metro area, but slower market activity has led to a decline in price growth. In September, the regionwide median price was up 3.3% compared to a year ago.

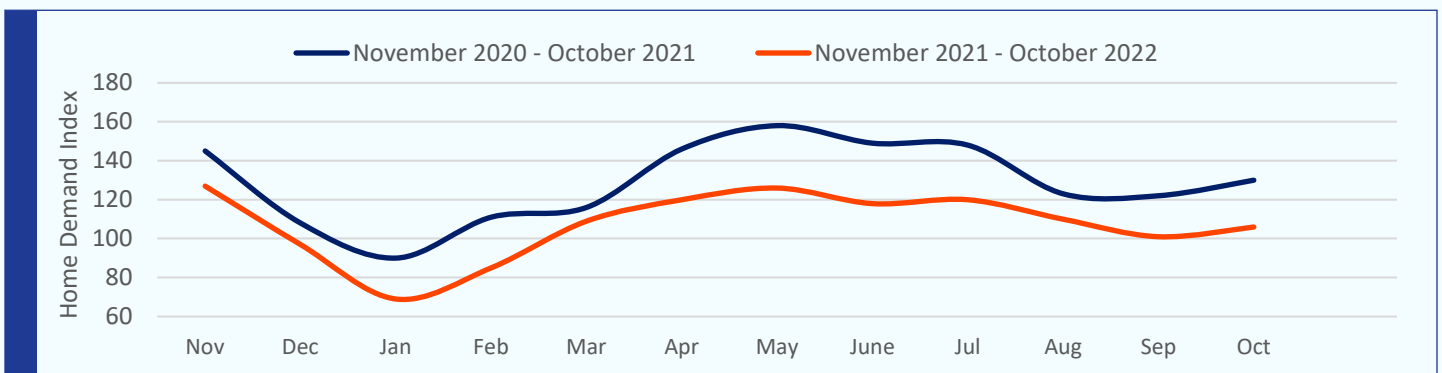
Bright MLS T3 Home Demand Index

	September 2022		vs. September 2021
Closed sales	4,596	▼	-27.6%
Median sales price	\$532,000	▲	+3.3%
Median days on market	15	▲	+5 days
New pending sales	4,487	▼	-32.7%
New listings	7,129	▼	-22.5%
Active listings	8,164	▼	-4.6%
Months of supply	1.40	▲	+10.3%
Showings	104,907	▼	-29.2%

Bright MLS T3 Home Demand Index

According to the Bright MLS T3 Home Demand Index (HDI), buyer demand continues to track lower than last year. The September HDI for the Washington metro area was 106, down from 130 a year ago but up from 101 a month ago.

There was a seasonal uptick in buyer demand for higher-priced single-family homes, townhomes, and condominiums.

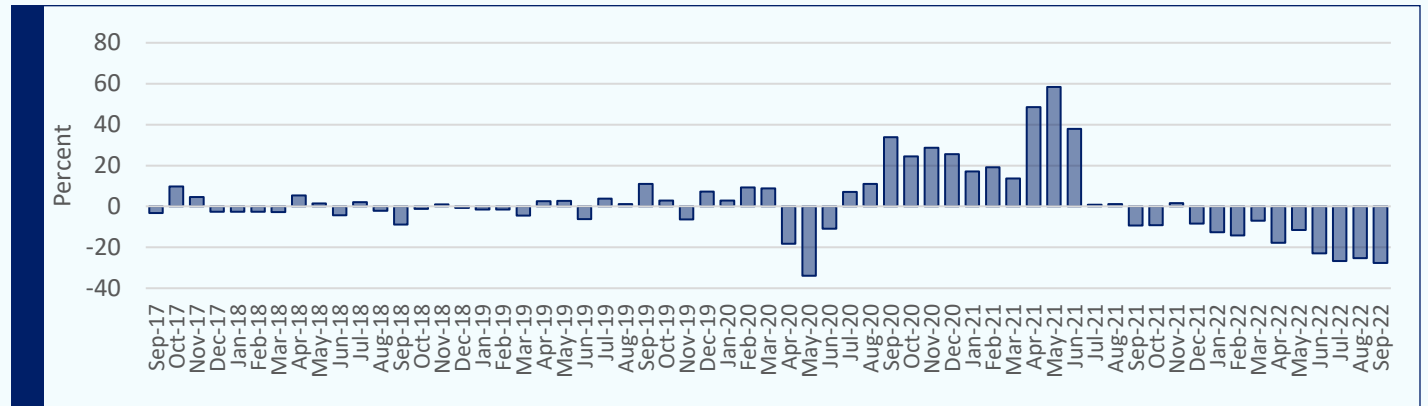


Market Outlook

Higher mortgage rates will continue to cool buyer demand during the fall. While inventory will remain relatively low, buyers who remain in the market will find more choices. They may also have more leverage on price. Many sellers in the Washington metro area are dropping their list prices amidst changing market conditions. Prices in the region likely will fall from their peak but will remain much higher than they were prior to the pandemic.

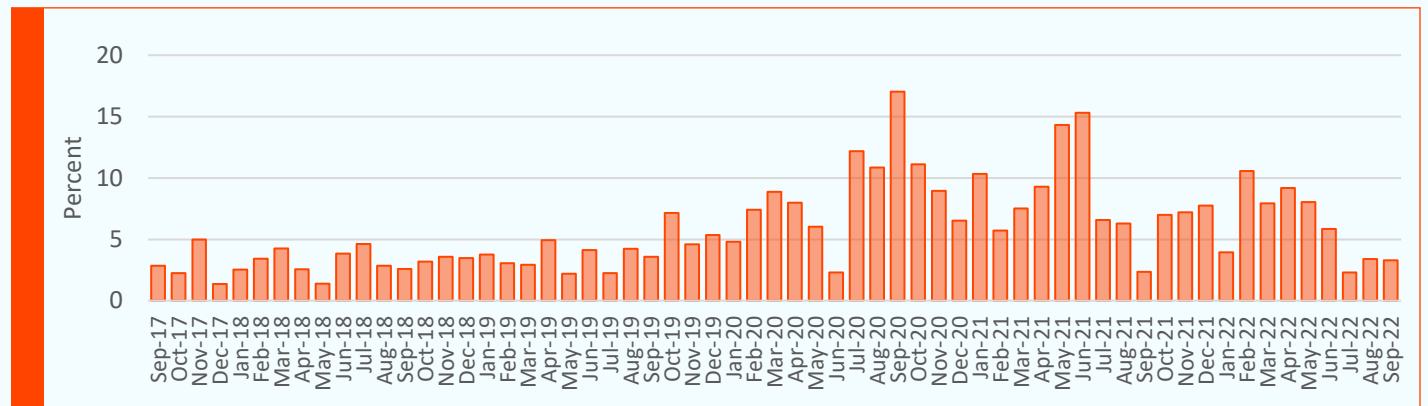
Closed Sales Year-Over-Year Change

Home sales activity continues to slow in the Washington region. In September, there were 4,596 home sales in the Washington metro area, which is a decline of 27.6% compared to last September. Sales fell 13.7% between August and September which is a typical seasonal monthly decline in the region. The biggest drop in sales activity was among townhomes, with sales down 31.3% compared to a year ago.



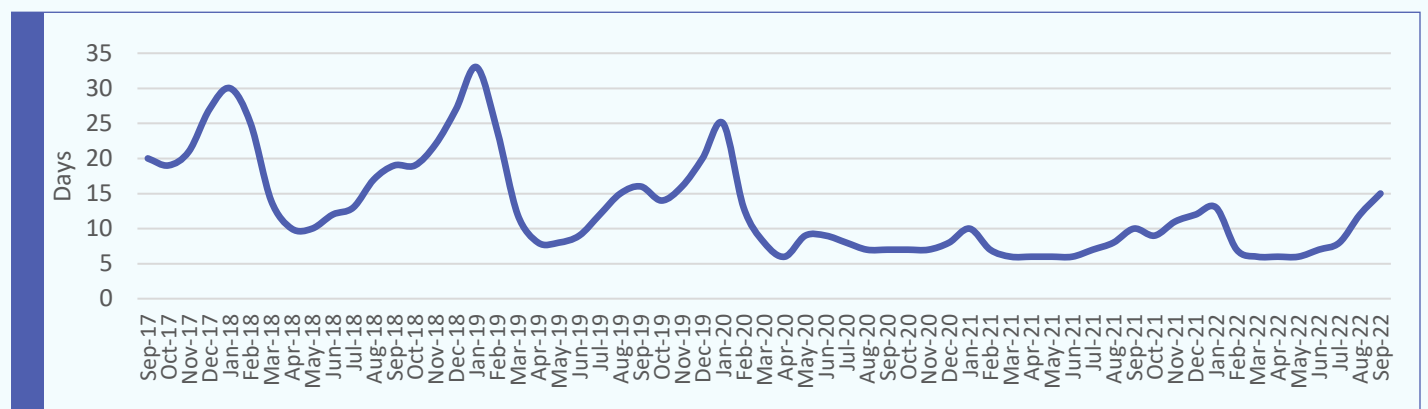
Median Sales Price Year-Over-Year Change

Prices rose modestly in the Washington area. In September, the median sales price was \$532,000, which is up 3.3% compared to a year ago. The median price in the region fell 4.1% between August and September, which is a typical seasonal change. Prices were up across all property types in the region, though annual price growth has slowed considerably.



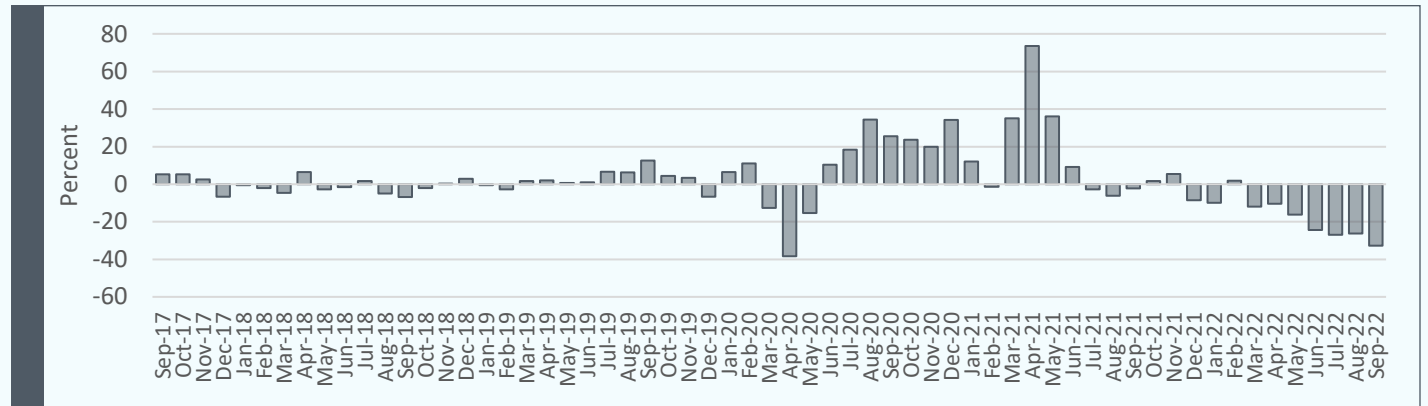
Median Days on Market

Homes are staying on the market longer in the Washington region. The median days on market was 15 in September, which is a 5 day increase from a year ago. This is the highest median days on market for the Washington area since January 2020.



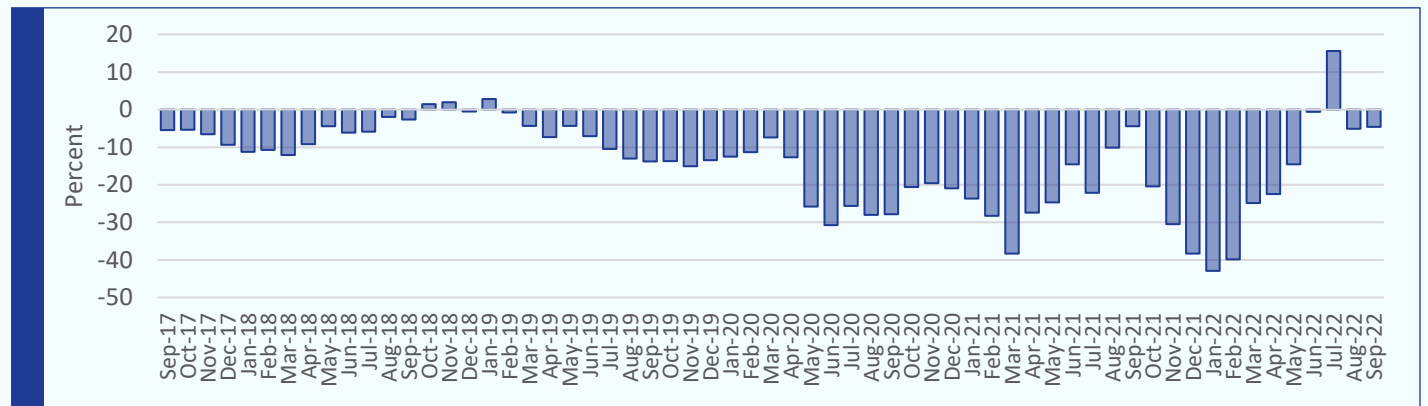
New Pending Sales Year-Over-Year Change

New pending sales declined by 32.7% in September, which is a bigger year-over-year drop in pending sales activity than in the other major metro areas in the Mid-Atlantic. Pending sales of single-family detached homes fell by 34.5% while townhome pending sales plummeted by 37.0% compared to last year at this time. The number of pending condo sales was off by 24.2% compared to a year ago.



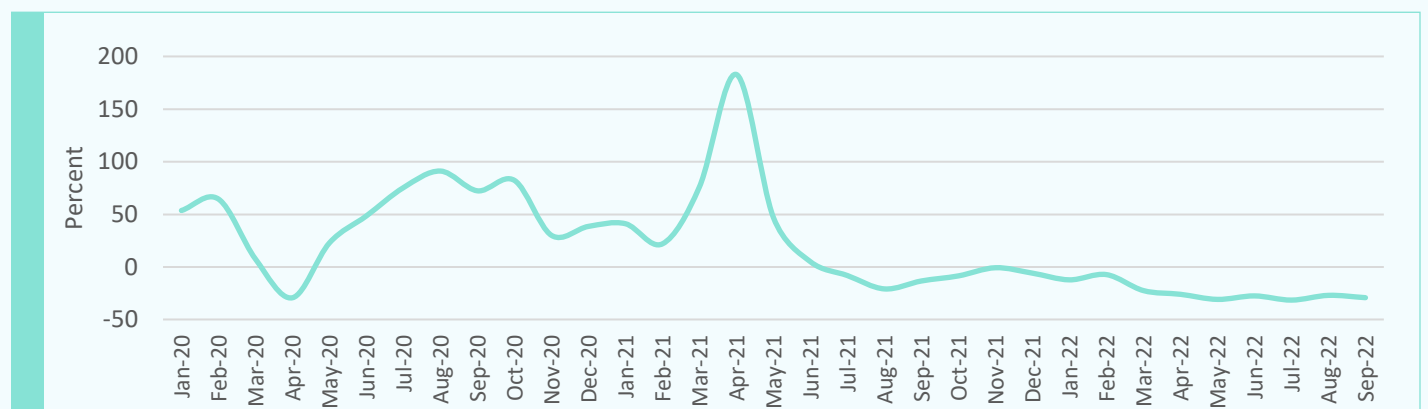
Active Listings Year-Over-Year Change

The number of active listings at the end of September declined by 4.6% compared to a year ago. The inventory decline was driven by a sharp decline in the number of condominiums listed for sale. Inventories of both single-family detached homes and townhomes increased over last year's levels.



Showings Year-Over-Year Change

Showing activity continued to fall in the Washington area. In September, there were 104,907 showings regionwide, which is down 29.2% compared to a year ago. The Washington metro area saw the largest year-over-year decline in showings among the three major metro areas.



Local Markets

Home sales in the Washington region have declined sharply with the biggest slowdowns in the region's suburban markets. Compared to last year, September home sales were down more than 30% in Loudoun County, Fairfax County, and Alexandria City. New pending sales activity is also down significantly, suggesting a broad-based deceleration in buyer activity across the region.

Despite fewer sales, prices continue to rise in most parts of the region. The exceptions were the close-in suburbs of Alexandria and Arlington, where the median prices in September were down 9.5% and 13.6%, respectively.

Rising mortgage rates and high home prices have forced some buyers out of the market. The buyers that remain in the market are taking their time, and homes are remaining on the market longer. In Washington DC, the median days on market was 26, the highest level since January 2020. In other local markets, the median days on market is also approaching pre-pandemic levels.



CLOSED SALES

	September 2022	vs. September 2021
Alexandria City, VA	148	-35.4%
Arlington County, VA	208	-14.0%
Fairfax City, VA	24	-35.1%
Fairfax County, VA	1,051	-31.4%
Falls Church City, VA	11	-45.0%
Frederick County, MD	427	-23.3%
Loudoun County, VA	462	-35.2%
Montgomery County, MD	935	-26.6%
Prince George's County, MD	784	-27.1%
Washington, DC	546	-18.8%
Washington Metro	4,596	-27.6%

MEDIAN SALES PRICE

	September 2022	vs. September 2021
Alexandria City, VA	\$493,500	-9.5%
Arlington County, VA	\$557,500	-13.6%
Fairfax City, VA	\$664,500	+14.6%
Fairfax County, VA	\$630,000	+5.2%
Falls Church City, VA	\$960,000	+19.6%
Frederick County, MD	\$460,000	+8.2%
Loudoun County, VA	\$639,900	+6.7%
Montgomery County, MD	\$525,000	+2.9%
Prince George's County, MD	\$400,000	+1.3%
Washington, DC	\$619,500	+1.1%
Washington Metro	\$532,000	+3.3%

Local Markets Continued

NEW PENDINGS

NEW LISTINGS

MEDIAN DAYS ON MARKET

	September 2022	vs. September 2021	September 2022	vs. September 2021	September 2022	vs. September 2021
Alexandria City, VA	151	-40.6%	269	-29.2%	15	+1
Arlington County, VA	204	-31.3%	368	-15.2%	26	+8
Fairfax City, VA	26	-13.3%	30	-16.7%	18	+7
Fairfax County, VA	993	-34.5%	1,446	-27.2%	15	+5
Falls Church City, VA	12	-29.4%	20	+5.3%	5	-17
Frederick County, MD	340	-36.6%	493	-23.9%	8	+2
Loudoun County, VA	410	-36.2%	578	-24.7%	16	+9
Montgomery County, MD	866	-34.5%	1,223	-28.1%	14	+4
Prince George's County, MD	832	-29.4%	1,126	-17.8%	14	+4
Washington, DC	653	-25.6%	1,576	-14.9%	26	+11
Washington Metro	4,487	-32.7%	7,129	-22.5%	15	+5

ACTIVE LISTINGS

MONTHS OF SUPPLY

	September 2022	vs. September 2021	September 2022	vs. September 2021
Alexandria City, VA	274	-24.9%	1.14	-16.6%
Arlington County, VA	439	-18.7%	1.66	-12.1%
Fairfax City, VA	34	-15.0%	1.06	-4.6%
Fairfax County, VA	1,603	-14.4%	1.18	+1.8%
Falls Church City, VA	16	-15.8%	1.23	-2.9%
Frederick County, MD	434	+1.6%	0.95	+15.9%
Loudoun County, VA	653	+23.4%	1.15	+58.3%
Montgomery County, MD	1,259	-16.7%	1.11	-4.0%
Prince George's County, MD	1,347	+23.8%	1.43	+38.1%
Washington, DC	2,105	-2.9%	2.62	+10.0%
Washington Metro	8,164	-4.6%	1.40	+10.3%

Are Prices Going to Fall?

Despite higher mortgage rates and slower buyer demand, the median home price in the Washington region continues to rise, albeit at a slower pace. As market conditions continue to be cooler than last year, it is likely that prices will fall from their peak in many local markets.

Even if prices do fall, however, they will remain much higher than they were before the pandemic. For example, if the metro area's median price declined by 10%, it would still be 11% higher than it was three years ago.

Local Markets Continued

	SHOWINGS		HOME DEMAND INDEX	
	September 2022	vs. September 2021	October 2022	vs. October 2021
Alexandria City, VA	3,110	-26.2%	155	-24.0%
Arlington County, VA	4,565	-15.9%	198	-15.0%
Fairfax City, VA	327	-61.4%	77	-36.4%
Fairfax County, VA	23,749	-32.3%	117	-23.0%
Falls Church City, VA	295	+7.3%	166	+6.4%
Frederick County, MD	5,789	-35.3%	68	-24.4%
Loudoun County, VA	9,040	-31.5%	110	-12.0%
Montgomery County, MD	22,962	-28.8%	93	-21.2%
Prince George's County, MD	20,575	-31.6%	100	-15.3%
Washington, DC	14,495	-18.6%	112	-11.1%
Washington DC Metro	104,907	-29.2%	106	-18.5%

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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