

May 2023 Market Report

Washington, D.C. Metro

Washington, D.C. Market Key Findings

Prices Down for the 3rd Month in a Row

Market is still competitive, with very low inventory

Elevated mortgage rates and high home prices continue to constrain market activity in the Washington, D.C. region but buyers are still active and face a surprisingly competitive market.

The median price in the Washington, D.C. region was \$600,000 in May. Prices are down from peak levels but are still about 30% higher than they were before the pandemic.

Limited inventory is a major obstacle to home buyers. With just 1.23 months of supply in the market, inventory is less than half of what it was in 2019 and new listing activity is at a more than two-decade low.

That still-low inventory has meant that homes are selling quickly, with the median days on market at its lowest level in a year.

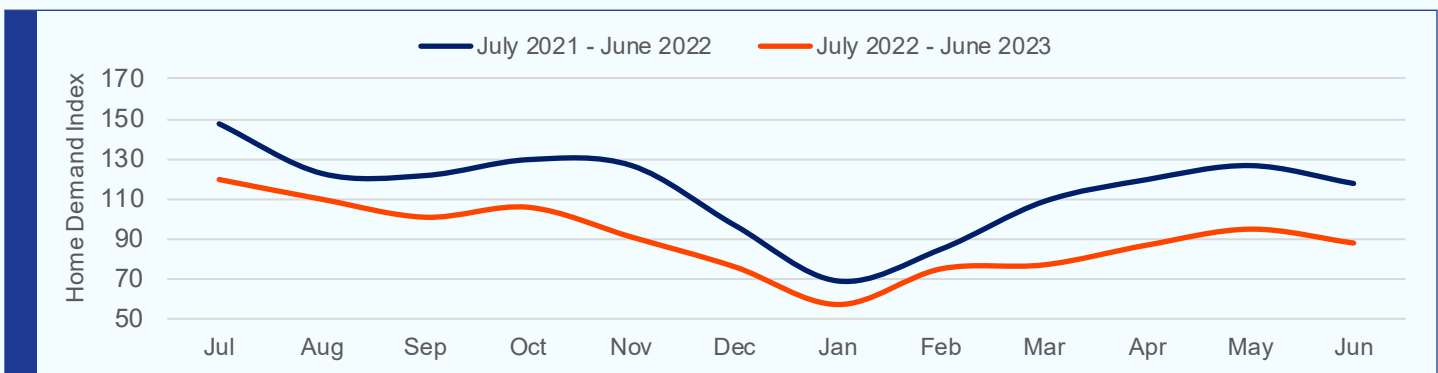
	May 2023		vs. May 2022
Closed sales	5,238	▼	-23.0%
Median sales price	\$600,000	▼	-0.8%
Median days on market	6	=	0 days
New pending sales	5,530	▼	-21.1%
New listings	5,563	▼	-36.3%
Active listings	5,569	▼	-8.8%
Months of supply	1.23	▲	+29.5%
Showings	121,897	▼	-16.6%

Bright MLS T3 Home Demand Index

According to the Bright MLS T3 Home Demand Index (HDI), market activity moved back to Slow in June from its one-month stint in the Steady category in May. The index of 88 for the Washington, D.C. metro is following its typical seasonal pattern.

Last year the index for the Washington, D.C. metro showed Moderate conditions with an HDI of 118.

Bright MLS T3 Home Demand Index



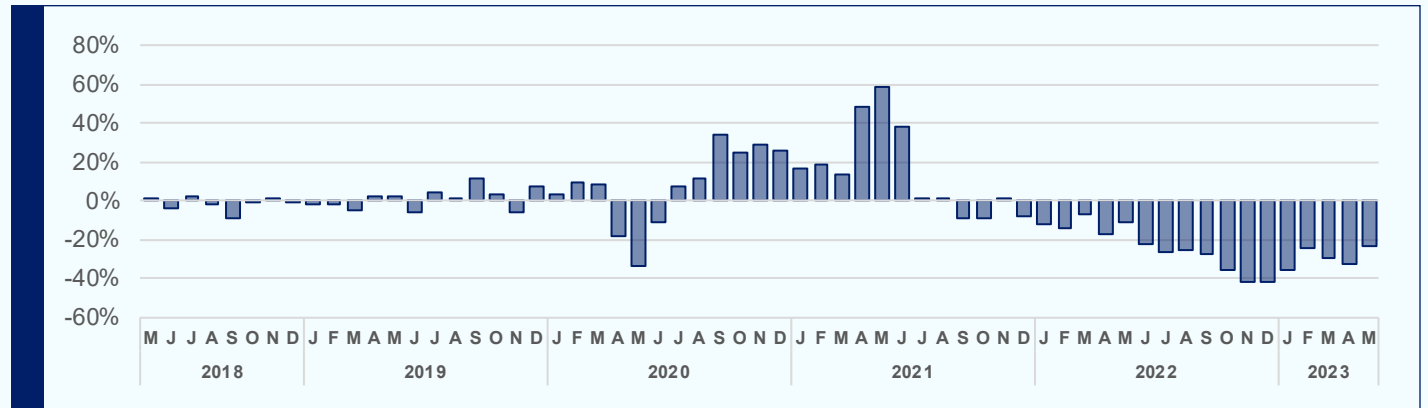
Market Outlook

Typically, the housing market slows slightly in the summer months, as many buyers and sellers are more focused on pool time and vacations. This summer could be different, however. There is potentially a group of "shadow" buyers who are waiting in the wings, watching for mortgage rates to come down. We are not going to see rates back down to pandemic levels, but they should come down some this summer. When rates do fall, these opportunistic buyers are not going to wait if they find a home they love.

Lower mortgage rates this summer could also entice some homeowners to sell, which would bring much needed inventory to the market. However, it is likely going to continue to be a seller's market throughout the rest of 2023, with prices remaining firm and buyers facing competition.

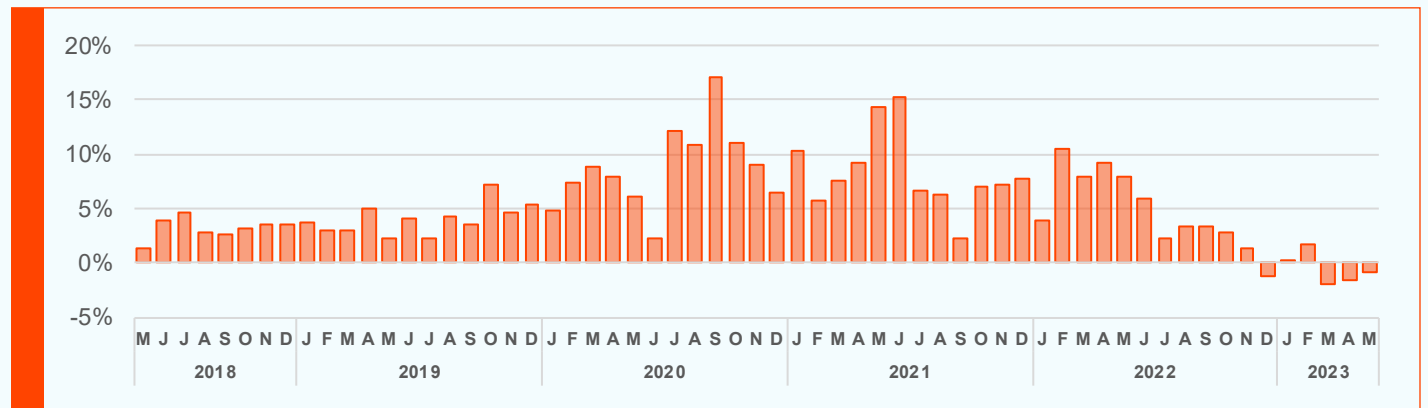
Closed Sales Year-Over-Year Change

There were 5,238 closed sales in the Washington, D.C. metro area in May 2023. Closed sales, along with other market activity, continue to lag behind 2022. In positive news, however, the sales were up between April and May and all property types had strong month-over-month gains in closed sales.



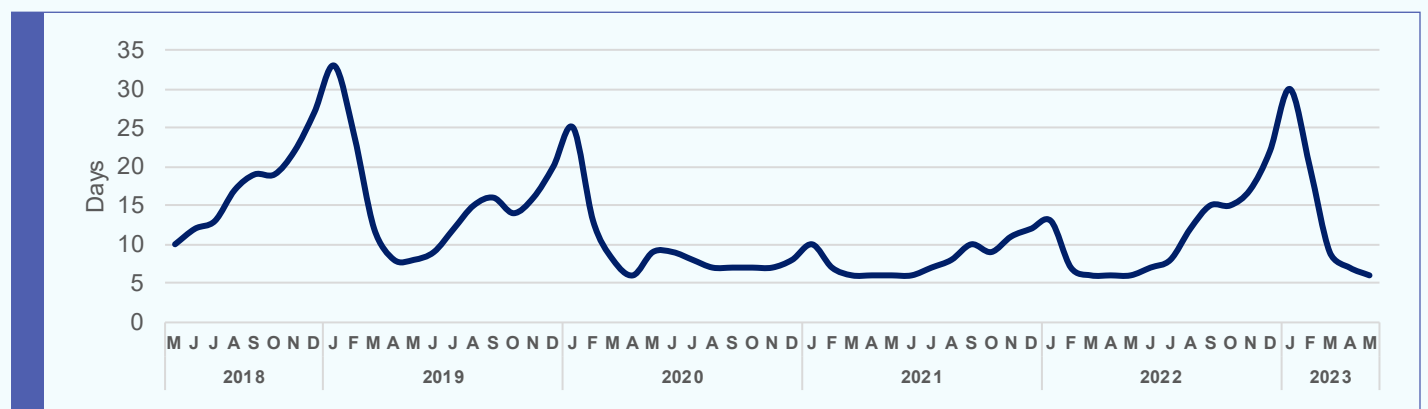
Median Sales Price Year-Over-Year Change

At \$600,000, the median price was relatively flat in May, down 0.8% compared to a year ago. This is third consecutive month of median price declines for the Washington, D.C. metro. Attached home and condo prices were higher year-over-year while single-family home prices were down 1.4%. Even with pricing inching down, the median price is still 30% higher than it was in 2019.



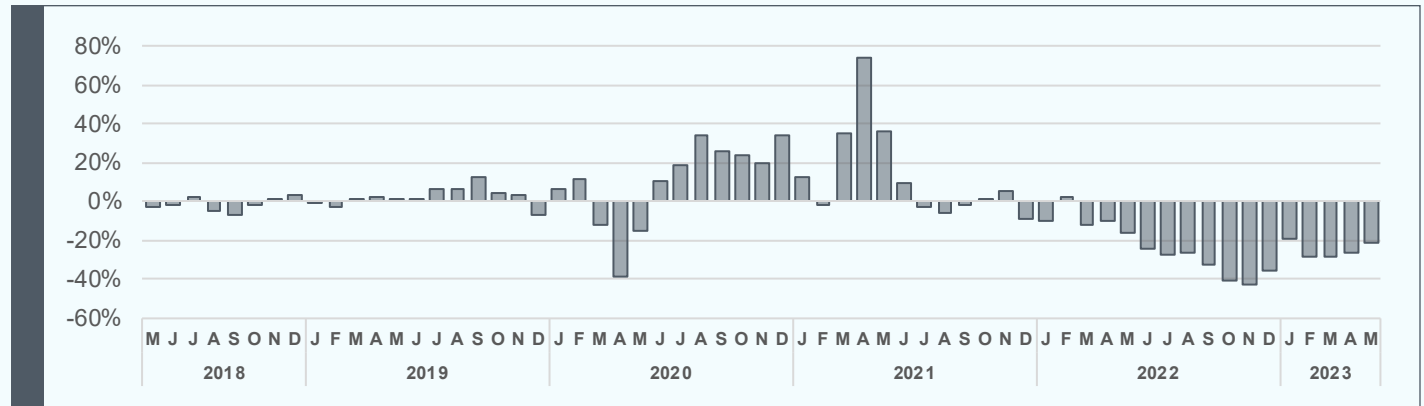
Median Days on Market

Buyers navigating the Washington, D.C. metro must prepare for quick offers. The median days on market in May 2023 was only 6 days. Heading into the summer, typically timing eases. However, limited inventory could keep the market fast-paced for the foreseeable future even with lower demand.



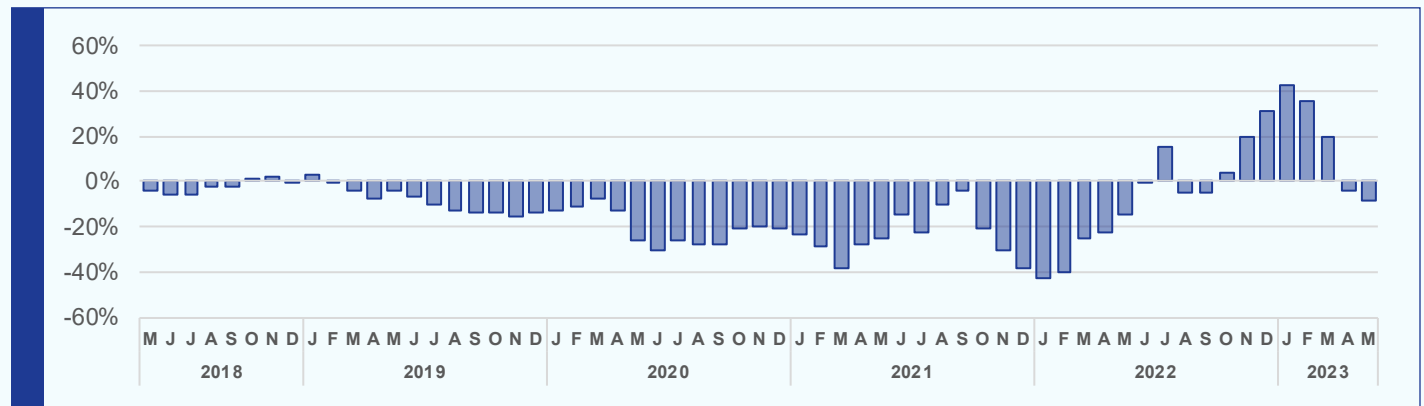
New Pending Sales Year-Over-Year Change

There were 5,530 new pending sales in the Washington, D.C. region, down 21.1% compared to a year ago. Pending sales in the region did increase from April to May. Pending sales trends in May are consistent across property types—all show year-over-year declines but month-over-month gains.



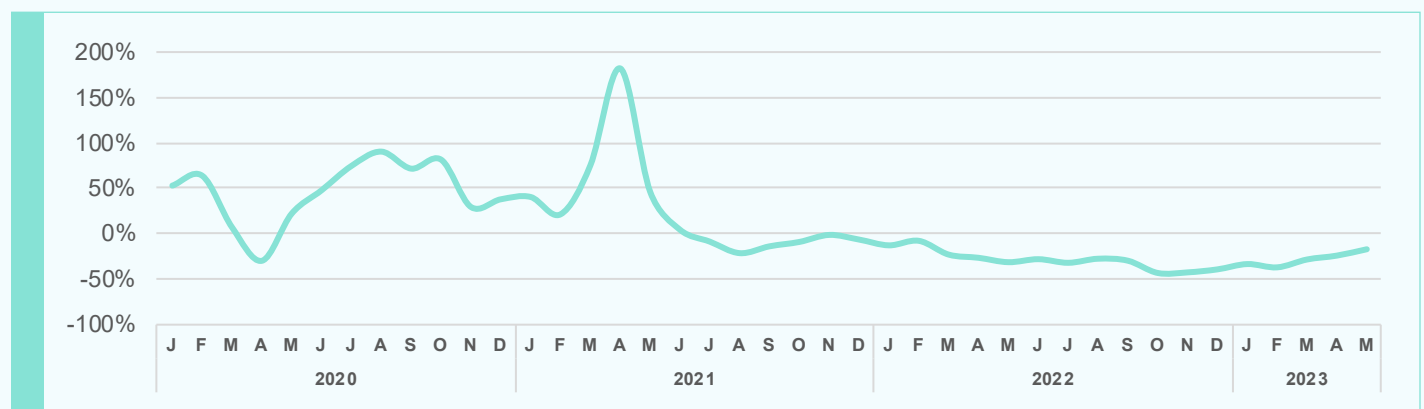
Active Listings Year-Over-Year Change

Inventory in the Washington, D.C. metro declined for the 2nd month in a row after climbing earlier this year. The 5,569 homes on the market at the end of May 2023 were slightly higher than April; however, active listings remain significantly different from 2019. Single-family home inventory today is only one-third of May 2019, and attached townhouse and condos are 50% and 69% of 2019 levels.



Showings

Showing activity was lower than a year ago and was also down compared to April, with 121,897 showings in the Washington, D.C. metro. Homebuyer interest tends to slow as the market moves from spring homebuying into summer. While May 2023 showings are down compared to May 2022 and April 2023, the year-over-year difference is decreasing.



Local Markets

The overall median price in the Washington, D.C. metro declined slightly, but there was variation across local markets due to varying demand and supply, as well as to changes in the mix of homes sold. After 7 months in a row of price declines, the median price in Washington D.C. was up 1.5% in May.

While high home prices and elevated mortgage rates have constrained demand, limited inventory has been the biggest obstacle for prospective home buyers. Inventory was lower than it was a year ago in all local markets except Falls Church City and Washington D.C. Regionwide, supply is just 44% of what it was in 2019, but there is a lot of variation across local markets. There are more active listings on the market now than there was in 2019 in Arlington County, VA and Washington D.C. while Frederick County, MD inventory is less than a third of what it was 4 years ago.



CLOSED SALES

	May 2023	vs. May 2022
Alexandria City, VA	212	-27.6%
Arlington County, VA	268	-14.4%
Fairfax City, VA	47	-2.1%
Fairfax County, VA	1,275	-27.3%
Falls Church City, VA	19	+18.8%
Frederick County, MD	350	-28.4%
Loudoun County, VA	502	-28.8%
Montgomery County, MD	1,001	-23.7%
Prince George's County, MD	815	-15.2%
Washington, DC	749	-18.2%
Washington DC Metro	5,238	-23.0%

MEDIAN SALES PRICE

	May 2023	vs. May 2022
Alexandria City, VA	\$733,700	+11.2%
Arlington County, VA	\$673,000	-0.5%
Fairfax City, VA	\$735,000	+0.3%
Fairfax County, VA	\$710,000	-0.8%
Falls Church City, VA	\$1,064,000	+2.1%
Frederick County, MD	\$480,000	+4.5%
Loudoun County, VA	\$715,000	+2.3%
Montgomery County, MD	\$610,000	-1.6%
Prince George's County, MD	\$424,000	+2.2%
Washington, DC	\$659,900	+1.5%
Washington DC Metro	\$600,000	-0.8%

Local Markets Continued

	NEW PENDINGS		NEW LISTINGS		MEDIAN DAYS ON MARKET	
	May 2023	vs. May 2022	May 2023	vs. May 2022	May 2023	vs. May 2022
Alexandria City, VA	236	-25.3%	237	-33.2%	5	0 days
Arlington County, VA	259	-13.7%	262	-33.8%	6	0 days
Fairfax City, VA	37	-17.8%	33	-45.9%	5	-1 day
Fairfax County, VA	1,300	-24.8%	1,227	-41.3%	5	0 days
Falls Church City, VA	19	+0.0%	16	-33.3%	5	0 days
Frederick County, MD	406	-21.5%	409	-36.3%	6	+1 day
Loudoun County, VA	519	-27.4%	502	-44.5%	5	0 days
Montgomery County, MD	1,051	-24.1%	996	-36.8%	6	0 days
Prince George's County, MD	898	-17.0%	853	-32.6%	10	+3 days
Washington, DC	805	-10.5%	1,028	-27.7%	15	+5 days
Washington DC Metro	5,530	-21.1%	5,563	-36.3%	6	0 days

	ACTIVE LISTINGS		MONTHS OF SUPPLY	
	May 2023	vs. May 2022	May 2023	vs. May 2022
Alexandria City, VA	174	-22.0%	0.96	+11.6%
Arlington County, VA	274	-22.6%	1.35	+9.8%
Fairfax City, VA	33	-13.2%	1.27	+19.8%
Fairfax County, VA	933	-18.0%	0.90	+21.6%
Falls Church City, VA	14	+27.3%	1.27	+74.0%
Frederick County, MD	300	-12.8%	0.82	+18.8%
Loudoun County, VA	432	-10.0%	0.99	+35.6%
Montgomery County, MD	776	-15.4%	0.89	+21.9%
Prince George's County, MD	822	-2.6%	1.08	+31.7%
Washington, DC	1,811	+3.0%	2.94	+45.5%
Washington DC Metro	5,569	-8.8%	1.23	+29.5%

Why Are Homes Still Selling So Fast?

Half of all homes sold in the Washington, D.C. metro area in May sold in 6 days or less, which is faster than back in 2019. Even in Washington D.C. where market activity has cooled off the most, the typical home sells in about 2 weeks.

Homes are selling so quickly simply because there are just so few listings for buyers to choose from. Buyers need to act quickly, but even when they do, they often face competition.

Local Markets Continued

	SHOWINGS		HOME DEMAND INDEX	
	May 2023	vs. May 2022	June 2023	vs. June 2022
Alexandria City, VA	3,637	-22.4%	133	-31.1%
Arlington County, VA	4,458	-20.2%	142	-31.1%
Fairfax City, VA	792	-12.0%	98	-31.5%
Fairfax County, VA	30,671	-8.4%	98	-27.9%
Falls Church City, VA	347	+19.2%	132	+0.0%
Frederick County, MD	7,163	-26.7%	63	-30.8%
Loudoun County, VA	11,096	-19.3%	86	-34.8%
Montgomery County, MD	24,878	-23.9%	77	-28.7%
Prince George's County, MD	23,194	-15.7%	84	-17.6%
Washington, DC	15,661	-10.1%	92	-15.6%
Washington DC Metro	121,897	-16.6%	88	-25.4%

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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