

September 2023 Market Report

Washington, D.C. Metro

Washington, D.C. Market Key Findings

Closed Sales Slow While Prices Grow Inventory still at a deficit compared to 2022

There were 3,723 closed sales in the Washington metro in September 2023. Sales are 19.0% lower than last year, as buyers contend with the highest mortgage rates in two decades and face still-rising prices.

The median price in the Washington metro was \$550,000 in September 2023. After several months when the region's median price declined or was flat earlier in the year, prices have been increasing in recent months. The median price in the region is 3.4% higher than last year.

New listings are coming to the market at a much slower pace than 2022. In September 2023, there were 4,780 new listings, which is 32.9% lower than September 2022. However, the number of new listings coming onto the market is outpacing the number of new pending sales.

The number of active listings is still very low. The Washington metro had only 6,646 active listings at the end of September 2023. This was a decrease of 18.6% from last year and roughly half (54%) of the homes on the market in September 2019.

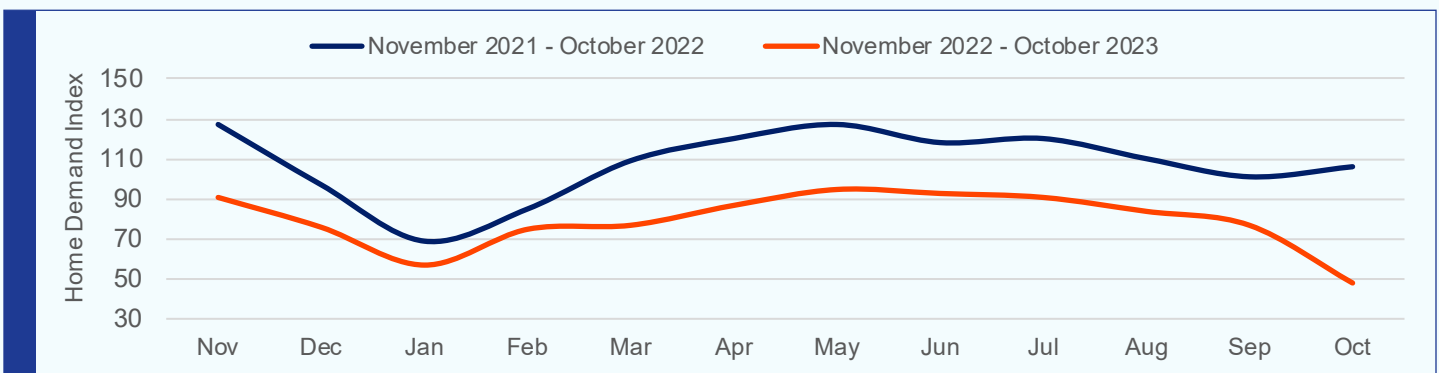
	September 2023		vs. September 2022
Closed sales	3,723	▼	-19.0%
Median sales price	\$550,000	▲	+3.4%
Median days on market	9	▼	-6 days
New pending sales	3,888	▼	-13.3%
New listings	4,780	▼	-32.9%
Active listings	6,646	▼	-18.6%
Months of supply	1.59	▲	+13.6%
Showings	86,170	▼	-17.9%

Bright MLS T3 Home Demand Index

According to the Bright MLS T3 Home Demand Index (HDI), demand in the Washington metro is labeled as Limited in October 2023. The HDI of 48 is much lower than last month's 77, still Slow demand. The sharp decline in the HDI signals cooler market conditions ahead.

Market conditions in the Washington metro were Moderate (106) in October 2022.

Bright MLS T3 Home Demand Index



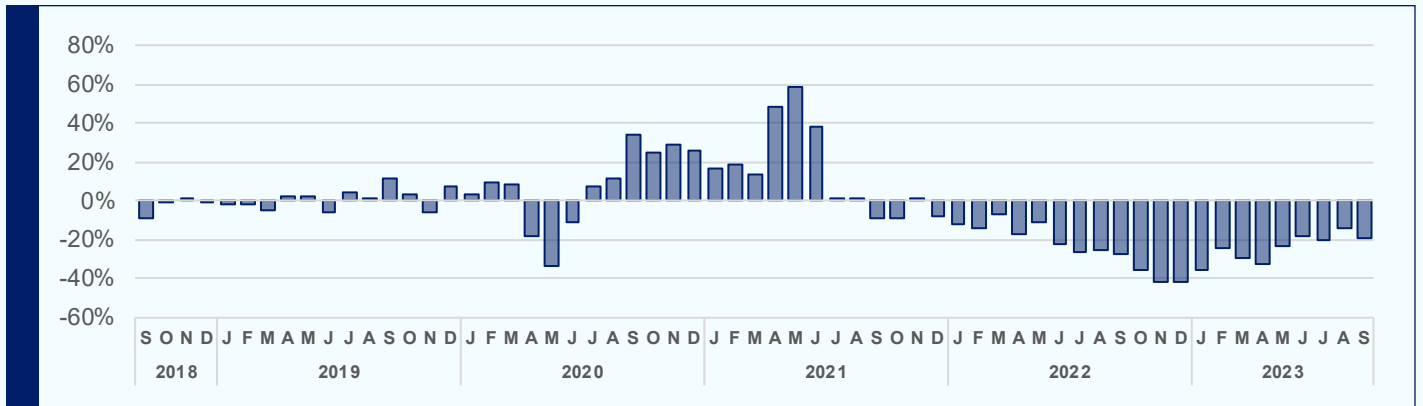
Market Outlook

Looking ahead, it seems more likely that mortgage rates may reach 8% rather than return to 6% in 2023. Elevated mortgage rates will limit future new listings as potential sellers cling to their homes and locked-in rates that are half of what we are seeing today.

Demand will be held back as well since fewer buyers may qualify or willingly adjust their budget to a smaller or lower-priced home. Additionally, the decreases in rental rates in many parts of the region may persuade buyers to pause their pursuit of homeownership—at least temporarily. Lower demand could increase supply, though the gradual additions won't change the inventory situation enough to lead to a major price correction. And when mortgage rates start to drop, the pressure on prices will only grow as buyers return to the market.

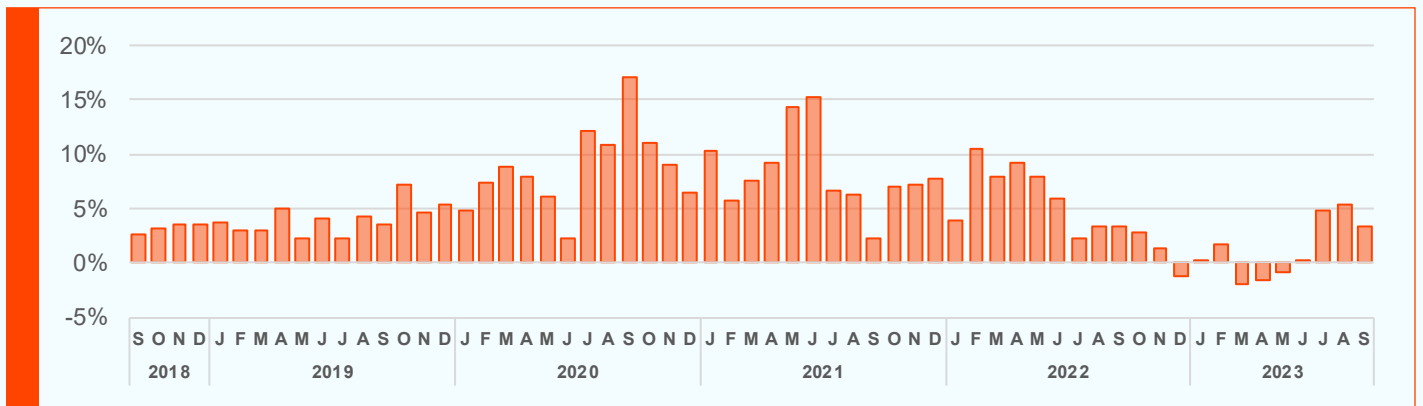
Closed Sales Year-Over-Year Change

There were 3,723 closed sales in September in the Washington, D.C. metro. Sales are down 19.0% from last year at this time and fell sharply (-18.8%) from a month ago. The slowdown in activity reflects higher mortgage rates, low supply, and a typical fall season cooldown.



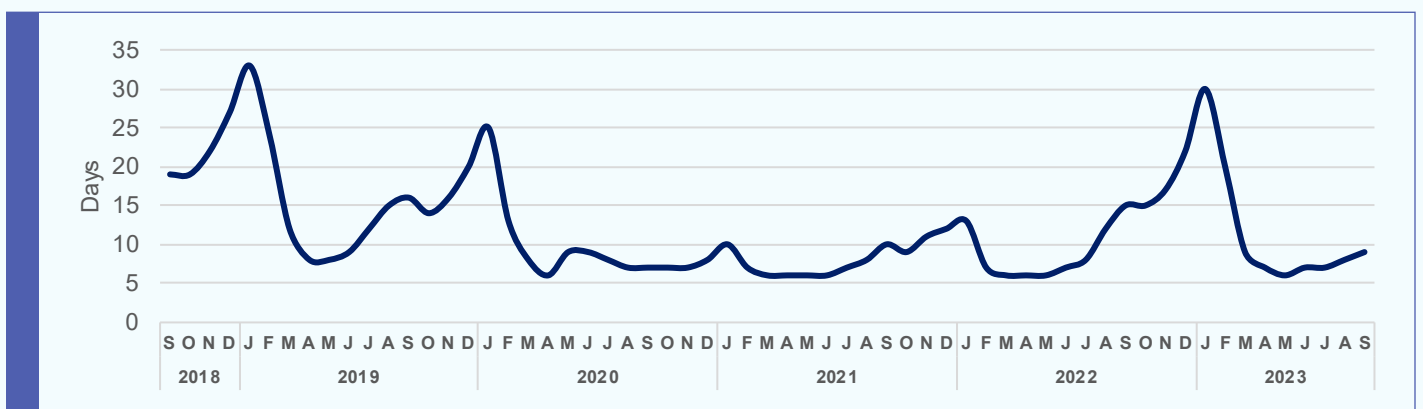
Median Sale Price Year-Over-Year Change

The median sale price in DC landed at \$550,000 for the month of September, a 3.4% increase from this time last year and the fourth month in a row with a year-over-year increase. From last month, however, the median sales price dropped 6.0%, with detached homes having the sharpest month-to-month decrease (-7.3%).



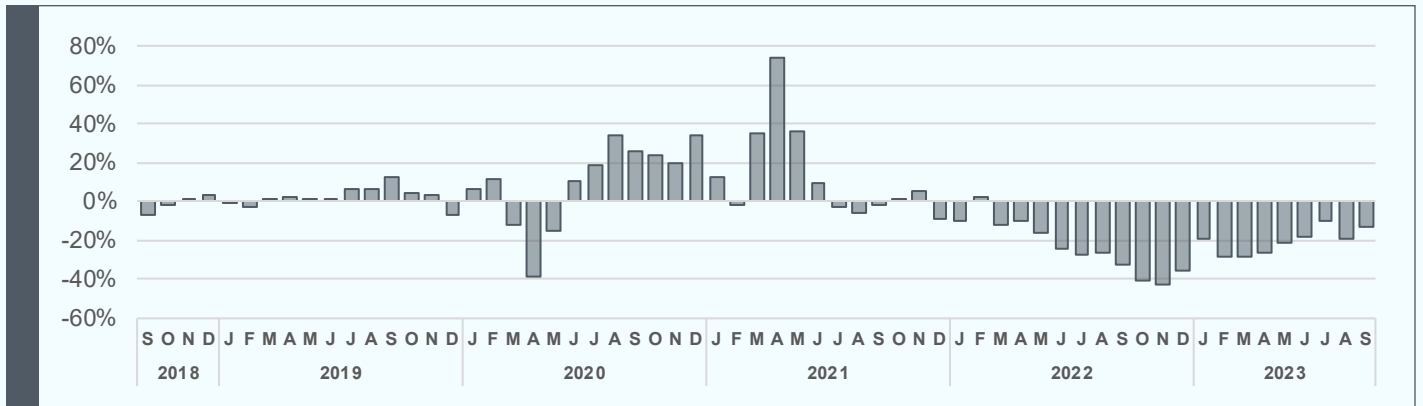
Median Days on Market

The median days on market is down sharply from last year at this time, declining by six days. Compared to last month, the median days on market ticked up one day. Since June, days on market has been steadily slowing, most likely an indicator of the seasonal, fall cooldown.



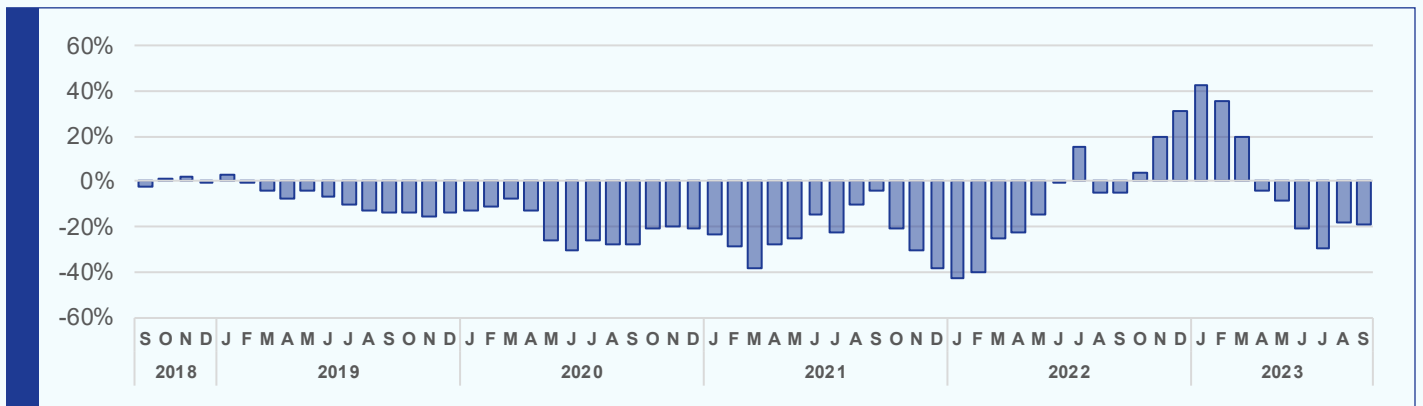
New Pending Sales Year-Over-Year Change

There were 3,888 pending sales in September 2023, which is 13.3% below this time last year and 6.0% lower than last month. This is the fourth month in a row of month-over-month decreases.



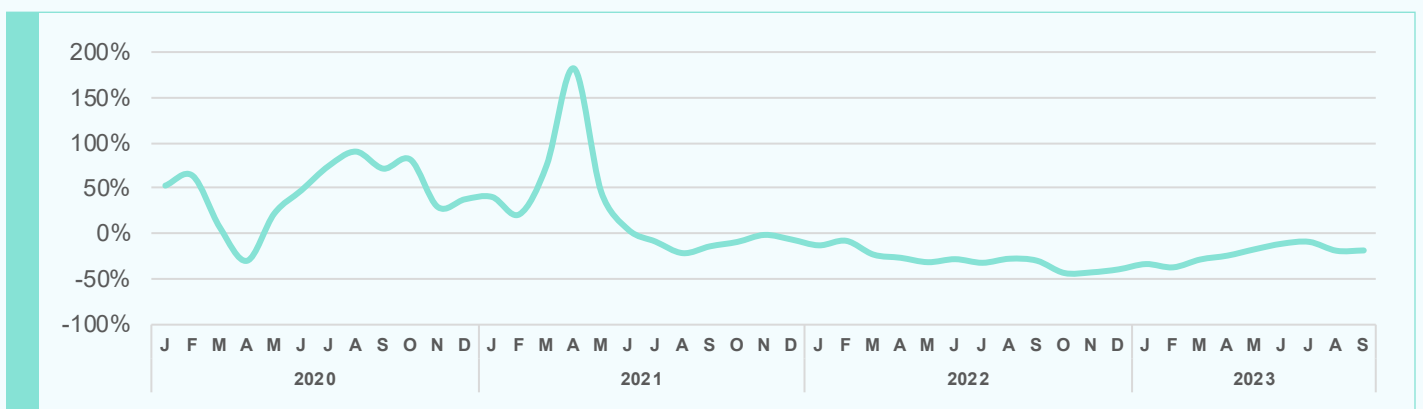
Active Listings Year-Over-Year Change

There were 6,646 active listings at the end of September, which is 18.6% lower than levels last year at this time. There was an 11.4% jump in inventory from last month, but levels are still only 54% of what they were at the end of September 2019.



Showings

There were 86,170 showings in September across the Washington, DC metro area. This is 17.9% lower than the number of showings this time last year. Showings were only 1.6% below last month.



Local Markets

Transactions have been lower overall in the Washington metro in 2023, with the exception of Alexandria City, which had higher new pending sales (+11.3%) and closed sales (+5.4%) compared to last year..

Supply continues to be an obstacle for buyers in the Washington metro. The small market of Falls Church City (+6.3%) had more active listings in September 2023 than in September 2022. Inventory fell in all other local jurisdictions. In Fairfax County, inventory dropped by a third compared to last year. Of the largest jurisdictions in the metro, Washington, D.C.'s active listings are the closest to what was available in September 2022, down just 1.7%.

New listings haven't kept pace with 2022 levels but in recent months, new listings coming onto the market in the region have been higher than new pending sales. Still, competition remains fierce, and half of homes sold in the region were off market in a week or less.



CLOSED SALES

	September 2023	vs. September 2022
Alexandria City, VA	156	+5.4%
Arlington County, VA	171	-17.8%
Fairfax City, VA	12	-50.0%
Fairfax County, VA	830	-21.0%
Falls Church City, VA	11	+0.0%
Frederick County, MD	297	-30.4%
Loudoun County, VA	347	-24.9%
Montgomery County, MD	757	-19.0%
Prince George's County, MD	693	-11.6%
Washington, DC	449	-17.8%
Washington DC Metro	3,723	-19.0%

MEDIAN SALES PRICE

	September 2023	vs. September 2022
Alexandria City, VA	\$601,950	+22.0%
Arlington County, VA	\$700,000	+25.6%
Fairfax City, VA	\$666,750	+0.3%
Fairfax County, VA	\$650,000	+3.2%
Falls Church City, VA	\$860,000	-10.4%
Frederick County, MD	\$475,000	+3.3%
Loudoun County, VA	\$688,850	+7.6%
Montgomery County, MD	\$555,000	+5.7%
Prince George's County, MD	\$420,000	+5.0%
Washington, DC	\$620,000	+0.1%
Washington DC Metro	\$550,000	+3.4%

Local Markets Continued

	NEW PENDINGS		NEW LISTINGS		MEDIAN DAYS ON MARKET	
	September 2023	vs. September 2022	September 2023	vs. September 2022	September 2023	vs. September 2022
Alexandria City, VA	168	+11.3%	193	-28.3%	10	-5 days
Arlington County, VA	169	-17.2%	225	-38.9%	11	-15 days
Fairfax City, VA	23	-11.5%	20	-33.3%	5	-13 days
Fairfax County, VA	848	-14.6%	916	-36.7%	7	-8 days
Falls Church City, VA	12	+0.0%	14	-30.0%	6	+1 day
Frederick County, MD	266	-21.8%	324	-34.3%	7	-1 day
Loudoun County, VA	346	-15.6%	408	-29.4%	7	-9 days
Montgomery County, MD	753	-13.0%	803	-34.3%	7	-7 days
Prince George's County, MD	708	-14.9%	804	-28.6%	11	-3 days
Washington, DC	595	-8.9%	1,073	-31.9%	24	-2 days
Washington DC Metro	3,888	-13.3%	4,780	-32.9%	9	-6 days

	ACTIVE LISTINGS		MONTHS OF SUPPLY	
	September 2023	vs. September 2022	September 2023	vs. September 2022
Alexandria City, VA	203	-25.9%	1.18	+3.5%
Arlington County, VA	334	-23.9%	1.76	+6.0%
Fairfax City, VA	29	-14.7%	1.21	+14.2%
Fairfax County, VA	1,078	-32.8%	1.13	-4.2%
Falls Church City, VA	17	+6.3%	1.55	+26.0%
Frederick County, MD	354	-18.4%	1.09	+14.7%
Loudoun County, VA	502	-23.1%	1.27	+10.4%
Montgomery County, MD	903	-28.3%	1.13	+1.8%
Prince George's County, MD	1,161	-13.8%	1.61	+12.6%
Washington, DC	2,065	-1.9%	3.54	+35.1%
Washington DC Metro	6,646	-18.6%	1.59	+13.6%

Where is the Price Ceiling?

Despite some ups and downs in the median price in the beginning of the year, the trend over the past several years has been significant price appreciation. The median price in Washington, D.C. is \$550,000, roughly 28% higher than before the pandemic. And 7.5% rates mean the typical monthly payment has nearly doubled.

Some buyers have been able to use pandemic-era savings and accumulated housing equity to remain active in the market. But now, savings rates have fallen, and affordability is at an all-time low. The Washington, D.C. metro may be close to hitting a price ceiling. Yet a major price correction isn't likely as inventory will remain low and keep prices firm.

Local Markets Continued

	SHOWINGS		HOME DEMAND INDEX	
	September 2023	vs. September 2022	October 2023	vs. October 2022
Alexandria City, VA	3,121	+0.4%	76	-50.6%
Arlington County, VA	3,610	-20.9%	90	-54.5%
Fairfax City, VA	495	+51.4%	47	-39.0%
Fairfax County, VA	19,904	-16.2%	48	-59.0%
Falls Church City, VA	201	-31.9%	72	-56.6%
Frederick County, MD	4,185	-27.7%	30	-55.9%
Loudoun County, VA	6,832	-24.4%	42	-62.2%
Montgomery County, MD	18,705	-18.5%	39	-58.1%
Prince George's County, MD	16,771	-18.5%	51	-49.0%
Washington, DC	12,346	-14.8%	62	-44.6%
Washington DC Metro	86,170	-17.9%	48	-54.7%

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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