Macro Market Conditions Update – Baltimore / Washington DC Metro area

August 2022 Housing Market Update: The Bright MLS T3 Home Demand Index (HDI), which measures homebuyer demand in the Baltimore and Washington, D.C. MLS market areas shows that demand for homes in the area decreased approximately 20% in June 2022, as reflected in the Bright MLS | T3 Home Demand Index from June 2021, and an approximate 2% increase from May 2022.

In June, both closed sales and new pending contracts were down more sharply than at any time since the COVID-19 pandemic and in the spring of 2020. In June, showings were down approximately 28% compared to a year ago. This is the 12th consecutive month of year-over-year declines in showings. In DC there were approximately 70 new contracts for every 100 new listings. Inventory appears to have bottomed out.

The Baltimore Metro there were 4,012 home sales, which is down 22% compared to a year ago. This is the 7th month in a row that sales have fallen compared to a year ago. New pending sales in the metro area were down 22.9% from last year. Inventory increased 8.2% with inventory just crossing one month level (1.07). Despite slower sales, prices continue to rise in the Baltimore metro rea. The median sales price was $375,000 in June, which is up 5.6%

Within the state of Maryland June 2022 vs 2021 stats, 8,573 closed units decreased 23.2%, $410,000 median SP$ rose 8.7%, there were 8,308 pending units vs. 10,053, there were 9,376 active inventory vs 11,485 equating to 1.1 months of inventory vs 1.3, and there were 11,079 new listings vs 12,664.

County	Units Sold Jun 2022	%Chg	Med SP$ Jun 2022	% Chg	Active Inv 2022	Active Inv 2021	Month Inv 2022	Month Inv 2021	New Listings 2022	New Listings 2021
Carroll	265	-10.5	440,000	6.0	196	213	0.8	0.9	302	346
Frederick	520	-17.3	480,000	14.8	410	597	0.8	1.1	703	711
Howard	493	-23.6	576,200	15.7	301	411	0.7	0.9	607	624
Montgomery	1,348	-22.5	600,000	7.5	1,177	1,480	1.0	1.1	1670	2000
Washington	191	-21.4	300,000	17.2	241	241	1.2	1.3	246	264

Year-over-year, the OCC found mortgage performance improved – the percentage of mortgage current and performing at 96.9% compared to 94.2% last year. The overall delinquency rate slightly dropped to 2.75% in May. 1.46 million properties were in early-stage delinquencies (1 payment late) and 595,000 properties were considered seriously delinquent (3 payments late). As interest rates have escalated, so have Adjustable-Rate Mortgages. The typical monthly payment for buyers who took out a 5/1 ARM was approximately 11% lower than a 30-year fixed while 20-30% of buyers are considering ARMs. Rates are expected to hit 6% in 2022. The mortgage and real estate sectors have been significantly impacted (as revenue and earnings decline, so follow the layoffs). Mortgage applications are down 15.6% from a year ago and the number of home sales has been falling since February and housing starts dropped 14.4% from April to May. So far, the big winner over the past year: homeowners who either sold at historic highs or refinanced at historic lows. Locally, we have seen a significant decline in refi appraisals while our purchase, home equity, early-stage default and private business work have increased. As stated in our last update in May, impacting facts that hit home and perceived concerns (media fed) will probably weigh on the consumer in 2022. Generally real estate statistics lag the market by approximately 90 days, but the near term appears to have a mix of bulls and bears.

Source: Bright MLS and Associated State, Local Real Estate Boards, National Assn of Realtors, HousingWire,MReport,Redfin,Black Knight. July 30, 2022 **Provided by:** VALCOMD.COM