

Macro Market Conditions Update – Baltimore / Washington DC Metro area

March 2021 Housing Market Update: Median sales prices continue to rise in the Washington D.C. and Baltimore Metro areas.

The DC Metro experienced lowest inventory levels for single-family homes as inventory continues to narrow. New listings (1,892) fell 26%, the steepest since the pandemic outbreak during May 2020. The shrinking inventory led to fewer upcoming sales (1,817), down 19.6%, as days on the market for available single-family homes fell back to an all-time low seven days. New listings of condos/co-ops (1,961) rose 24.0% (+379) from last February. However, single-family homes (1,892) declined 26.4% (-677). Overall, the median SP\$ of \$478,100 rose 3.9% vs February 2020.

Buyers stayed active in the Baltimore Metro market heading into the spring. Days on the market held at a February low nine days, tied for the second-lowest ever. New closed sales climbed to a February high, as townhomes (+36.5%) and condos (+20.7%) led the way. Limited supply pushed median sales prices to a February all-time high of \$300K (+9.1%).

Statewide there were 0.8 months of inventory down from 2.4 months in 2020. Average SP\$ was up 13.9% at \$383,743. Current Active Inventory is 6,245 down from 18,179 in 2020 and median days on market dropped from 29 to 8.

County Summaries:

Carroll County's median days on the market decreased by six weeks to a February low of seven days. Overall, the median SP\$ of \$370,000 rose 37.4% vs February 2020.

Frederick County's active inventory versus last year is lower by 512 units or 65%. The total number of active inventory this February was 277 compared to 789 in February 2020.

Howard County's median sales price for attached homes (\$349.9K, +10.2%) saw their second-best month in the last ten years. Howard County saw detached home new listings increase 13.9% (172 new listings) month over month.

Montgomery County townhomes had a decade-high \$400K median sales price, while the number of new to the market detached listings (466) declined -29.0%.

Washington County's February 2021 median SP\$ hit \$225,000 versus five year average of \$192,980. Active listings (174) were almost 62% lower than five year average of 457.

March kicks off the start of the spring buying season in the metro. Sales typical improve 30% from February. New housing starts are spiking across all counties.

The market has continued to be quite strong since our last update December 18, 2020. However, there are some mixed messages. 46% of Americans missed one or more rent/mortgage payments, and that 25% have missed more than one. There is a significant lack of affordable housing supply in the United States, and the problem is worsening. In 2001, a low- and moderate-income household could spend less than 30% of its income to rent the median rental unit in 38 of the largest 50 metro areas. By 2020, this was the case in only 17 metro areas. The shortage of homes for sale is making homebuyer competition intense; 36% of homes sold in February 2021 went for more than their asking price, the largest share on record. This extreme imbalance between supply and demand is the primary factor rapidly driving up home prices. Mortgage rates have appeared to bottom as we have seen multiple weeks of rising rates.