

## Macro Market Conditions Update – Baltimore / Washington DC Metro area

October 2021 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 the frenzied demand of the spring months has given way to a moderately slower pace of activity over the summer. Today's buyers may see less competition for homes and a higher likelihood of winning an offer in some of the micro markets. However, prices continue to rise year over year, albeit at a slower pace

In the DC Metro demand was High for all types of homes except lower-priced single-family and townhouses. Consistent with the past several months, lower-priced single-family homes exhibited the weakest demand. While demand for higher-priced condos decreased significantly, the Index changed little over the month among other types of homes. Inventory levels remained tight ranging from a 1.2 months supply for mid-priced single-family homes to a 3.1 months supply for higher-priced condos.

In the Baltimore Metro demand for higher-priced single-family homes and higher-priced condos was significantly stronger than any other type of home. Overall, buyer demand for each type of home was little changed from the previous month. The month's supply of inventory rose marginally for five of the six types of homes tracked by the Index. In contrast to other segments, the month's supply in the relatively small higher-priced condo segment fell in August. The supply was lowest for mid-priced single-family homes at 1.1 months and greatest for higher-priced condos at 2.4 months.

Within the state of Maryland August 2021 vs 2020 stats, 9740 closed units increased 2.9%, \$435,798 average SP\$ rose 8.4%, there were 10,408 pending units vs. 10,036, there were 10,119 active inventory vs 13,524 equating to 1.1 months of inventory vs 1.8; however, there were 11,506 new listings vs 10,439

### County Summaries:

County	Units Sold Aug 2021	%Chg	Med SP\$ Aug 2021	% Chg	Active Inv 2021	Active Inv 2020	Month Inv 2021	Month Inv 2020	New Listings 2021	New Listings 2020
Carroll	290	2.5	415000	7.8	206	284	0.9	1.3	297	291
Frederick	603	15.3	422825	17.5	437	613	0.8	1.5	670	655
Howard	570	10.7	485495	7.4	362	551	0.8	1.5	569	521
Montgomery	1417	6	556250	15.4	1370	1577	1	1.5	1523	1468
Washington	213	2.9	272000	15.7	232	331	1.2	2.1	263	197

Locally we have seen significant increases in Appraisal demand from Mortgage related transactions. Our observations mirror most of the statistics above. Spikes in new construction prices fuel a significant portion of the market-based increases. We have had concerns in supporting new construction prices with overall market data. There have been significant macro factors that have impacted or may impact our markets including: 44% of US Companies will downsize their office footprint, Renters outnumber owners in majority of top 100 suburban markets, Owning is cheaper than renting in ALL of top 50 MSAs, SFR Rents reach 16 year high, Commercial properties appreciate for five consecutive months, Home flipping profits hit 10 year low, FHFA announces equitable housing plans including new goals for Fannie Mae and Freddie Mac, Tappable home equity rises to record \$9.1 trillion, Townhouse New Construction reaches 14 year high.

Source: Bright MLS and Associated State, Local Real Estate Boards, National Assn of Realtors, Appraisal Institute / News Online October 3, 2021

Provided by:

