



Bright MLS 2023 Housing Market in Review

By Bright Research



What Is a “Normal” Housing Market?

By Bright Research

2023 was the year that defied expectations. While there were fewer home sales than in 2022, it was not because of a lack of interested prospective homebuyers. Demand was strong even though mortgage rates hit a 23-year high during the fall. Instead, too few homes on the market continued to be the primary constraint on the Mid-Atlantic housing market. The low inventory led to strong and persistent price growth in 2023 throughout most of the Bright MLS region.

The housing market is still in a transition following the disruption caused by the COVID-19 pandemic and associated government policy responses. Last year was definitely not a “normal” year for the region's housing market by most traditional measures. But it may be time to rethink how a “normal” market is defined in the post-pandemic era. What we've learned in 2023 is that the long-term impacts of the pandemic response and shifting demographics will mean that a normal housing market will be one with fewer new listings, lower inventory, and a faster pace of sales than before the pandemic.

What will the “new normal” housing market look like?

Fewer new listings, lower inventory, and a faster pace of sales than the pre-pandemic era.

How Different Was 2023 from a “Normal” Year?

It can be hard to choose a year that represents a “normal” year for the housing market. For this analysis, we’ve chosen 2018 as the last year the housing market felt more normal—that is, with more typical sales activity and home price growth.

The numbers show just how different 2023 was from the more typical market of 2018:

- Compared to 2018, there were 52,000 fewer sales in 2023, even with a larger population and more people in the prime first-time homebuying age group.
- But the biggest difference was on the listing side. In 2023, there were 124,000 fewer new listings coming onto the market than there were in 2018.
- There was just 1.52 months of supply at the end of 2023, well below the four to six months of supply that has been typically used to characterize a balanced market.
- 2023 price growth was comparable to 2018, but escalating prices in 2021 and 2022 means that the median home price in the Bright MLS service area in 2023 was \$110,000 higher than it was five years ago.
- Mortgage rates averaged 6.8% during 2023, but in 2018, the average mortgage rate was more than 2 percentage points lower.

How Did 2023 Measure Up?

2023 vs. 2018: Housing Market Activity in the Bright MLS Service Area

Year	2023	2018
Closed Sales	217,844	270,083
Sold Volume	\$102.4 billion	\$91.3 billion
Median Sale Price	\$385,000	\$275,000
Change in Median Price (year-over-year)	3.4%	3.8%
Avg. Sold Price to OLP	99.5%	96.6%
New Listings	247,155	371,017
Active Listings (end of the year)	27,592	68,159
Months of Supply	1.52	3.03
Avg. Days on Market	27	61
% Cash Sales	23.4%	19.4%
Avg. Mortgage Rate (30-yr FRM)	6.8%	4.5%

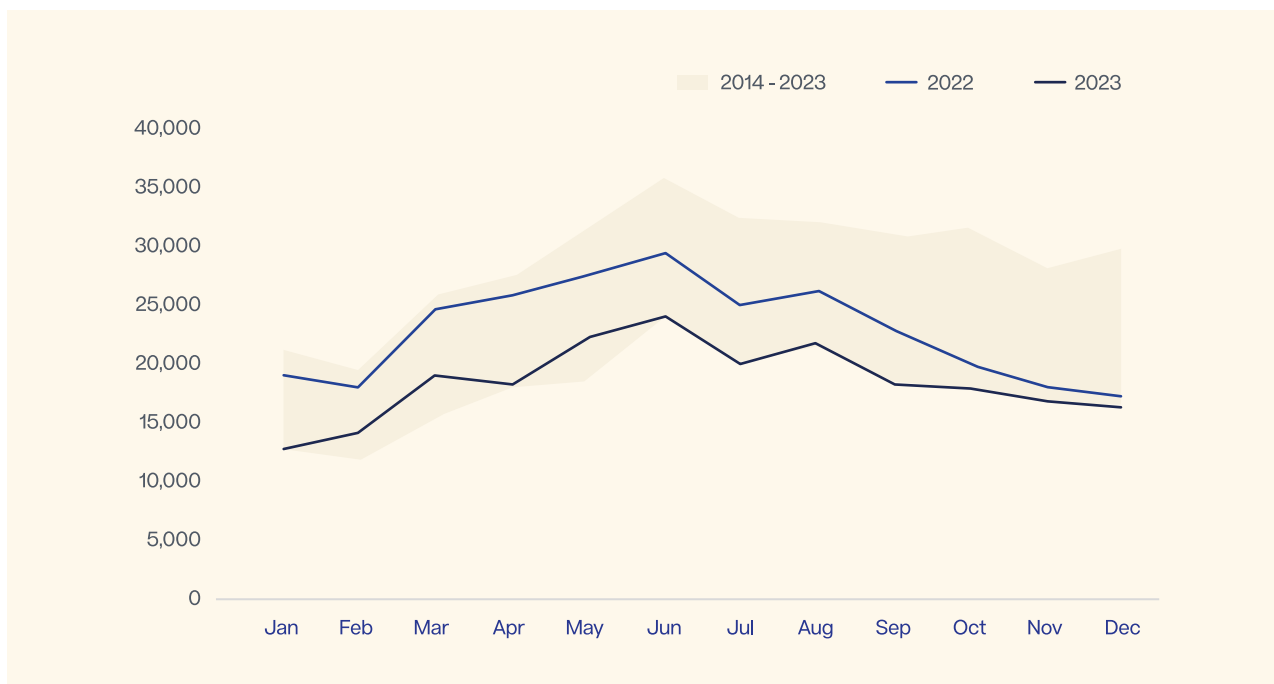
Home Sales Hit Lowest Level in a Decade

Overall, there were 217,844 closed sales in 2023 across the Bright MLS service area. During the first half of 2023, monthly home sales trailed significantly behind 2022 levels. Mortgage rates rose quickly in the second half of 2022, which led to a slowdown in sales activity. Although mortgage rates were even higher in 2023, homebuyers had adjusted their expectations, and the rate increase was not as sudden. As a result, monthly sales activity in 2023 tracked much more closely to 2022 in the second half of the year.

Sales activity has not been this low in the Bright MLS service area since 2014. Higher mortgage rates worsened affordability, forcing some buyers out of the market. But the main reason sales were so low in 2023—and the story that will continue to characterize the post-pandemic housing market—was the lack of available homes for sale.

Monthly Home Sales

Bright MLS Service Area



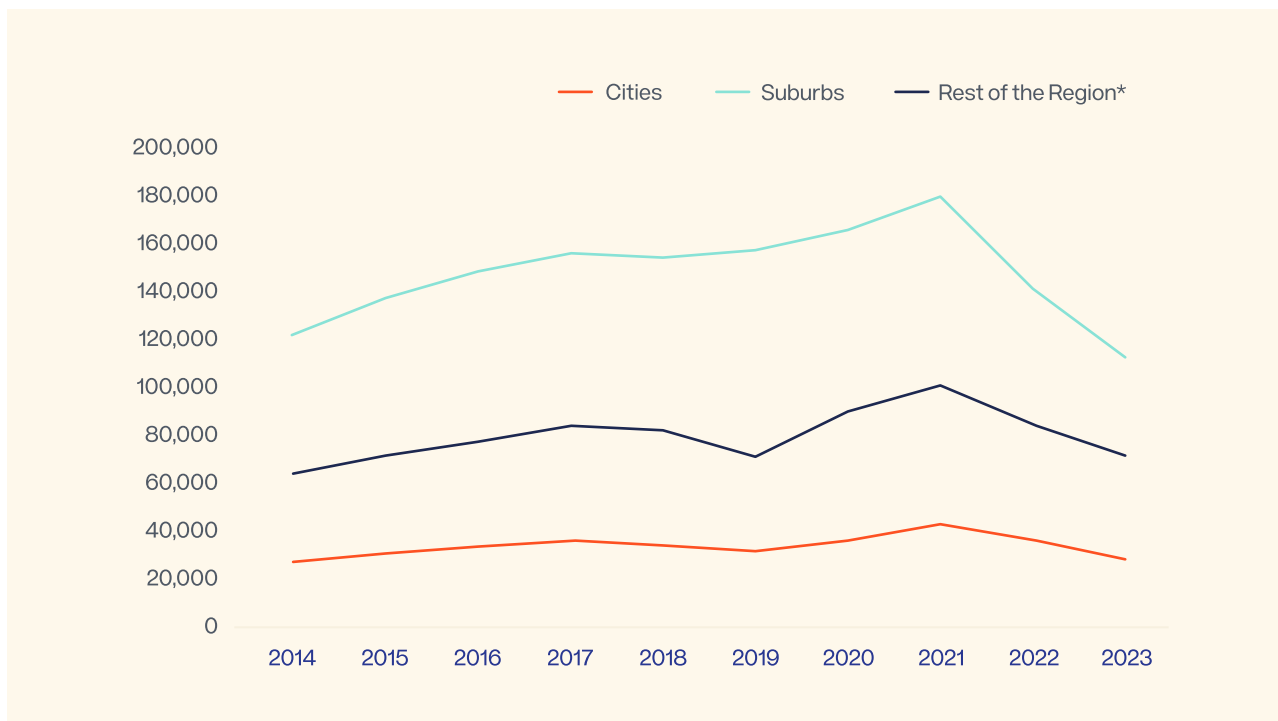
Year-End 2023 Report

There have been shifts in where people are buying homes throughout the Bright MLS service area. The biggest shifts came in 2020 with the onset of the pandemic, with fewer city buyers and more buyers seeking more far-flung locations.

In 2023, while there were fewer sales overall, the cities started to attract more buyer interest. Home sales in the cities of Philadelphia; Baltimore; and Washington, D.C. accounted for 13% of all Bright MLS sales, similar to the pre-pandemic share. Buyer activity in the suburbs, however, continued to decline, with just over half of 2023 transactions taking place in the suburbs of the three major metro areas (down from closer to 60% typically). Buyers were still active in the Mid-Atlantic's smaller regions; more than a third (33.8%) of 2023 sales were outside of the Philadelphia; Baltimore; or Washington, D.C. metro areas.

Annual Home Sales by Location

Bright MLS Service Area



*Rest of the Region includes the following Bright MLS areas: Central Pennsylvania, Maryland-West Virginia Panhandle, Del/Mar Coastal, Southern Maryland, Maryland Eastern Shore, and North Central Virginia.

Like Trying to Find a Needle in a Haystack

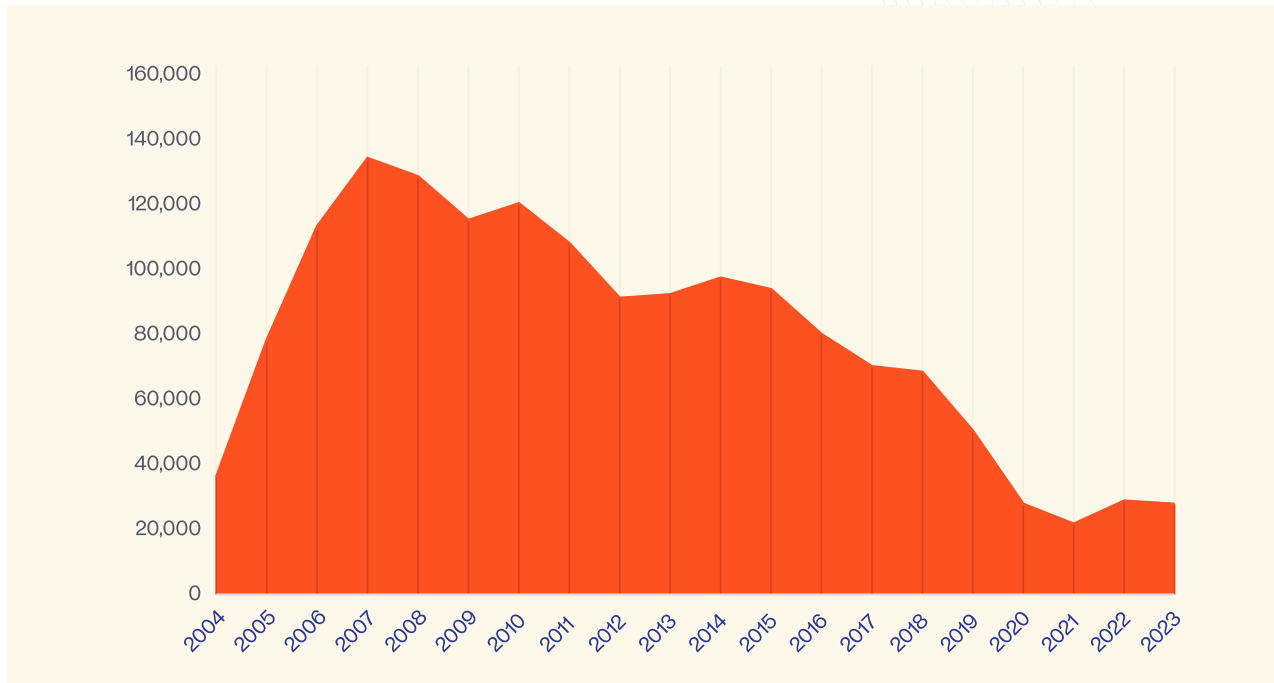
In 2023, inventory increased from the historic lows during the pandemic, but supply was still nowhere near normal by typical standards. There were 27,592 active listings on the market at the end of 2023, which is about 1,000 fewer listings than the end of 2022.

Inventory in the Bright MLS service area has been declining dramatically over the past 15 years. Inventory declined as investors snapped up properties in 2009 and 2010, and supply dropped further as homeowners stayed in their homes longer and new construction activity stalled. The steep drop-off in supply during the pandemic was dramatic, but the supply challenge had been a characteristic of the Mid-Atlantic housing market for some time.

The number of homes available for sale at the end of 2023 was less than half of what it was in 2018.

Active Listings (End of the Year)

Bright MLS Service Area

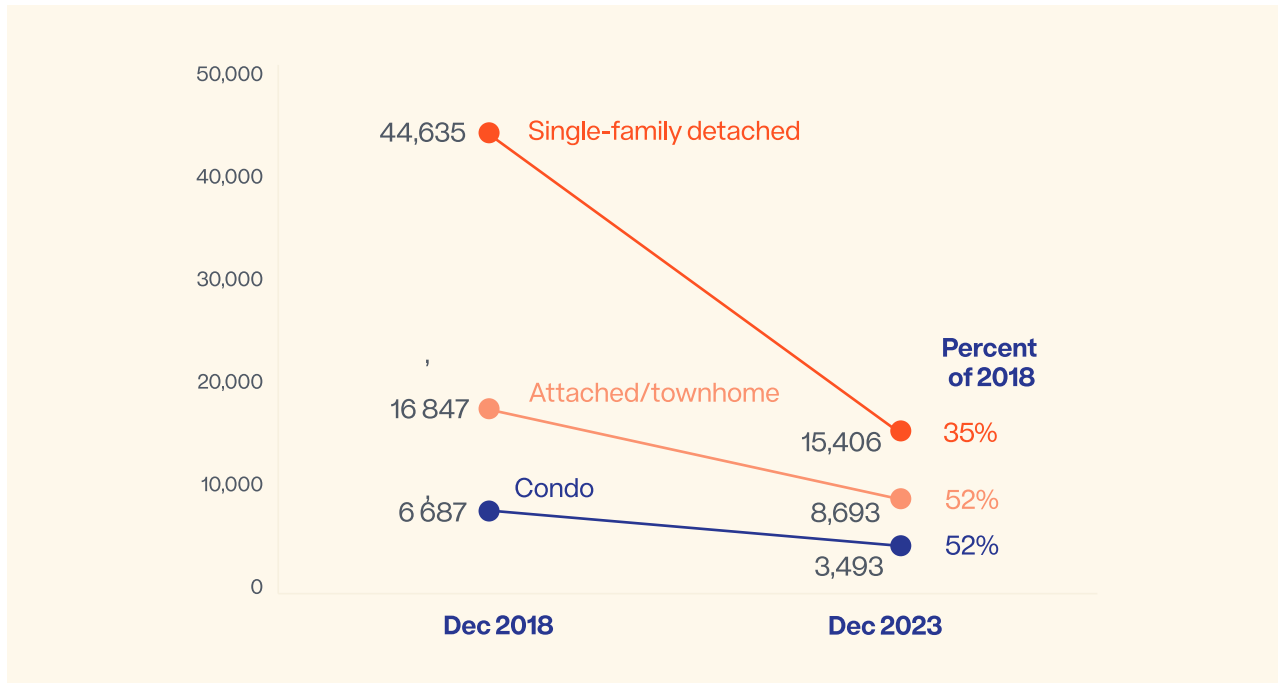


As of the end of December 2023, the number of active listings was roughly 40% of the amount on the market at the end of 2018. There is just 1.52 months of supply overall in the Bright MLS service area. (The months of supply is calculated by dividing month- end active listings by average sales over the prior 12 months.)

In 2023, while inventory remained tight across housing types, buyers in the market for a single-family detached home were most challenged. At the end of 2023, the number of single-family detached homes on the market is only about a third (35%) what it was in 2018. Inventory of both attached/townhomes and condominiums is about half of what it was five years ago.

Active Listings by Housing Type

Bright MLS Service Area



The inventory of single-family detached homes is likely to stay very low in the new normal, post-pandemic housing market. There was a surge in demand for homes with more space during the pandemic. Many of these single-family buyers locked in sub-3% mortgage rates and are going to be unwilling to move if it means taking on a much higher rate.

³ Portions of New Jersey, Pennsylvania, and Virginia, along with the entire states of Delaware and Maryland, and the District of Columbia were included in this analysis. See bright.cmls.com/XXXXX for Bright's coverage area. Counties in West Virginia were excluded from this analysis due to a lack of public records data.

Low Inventory Means High Home Prices

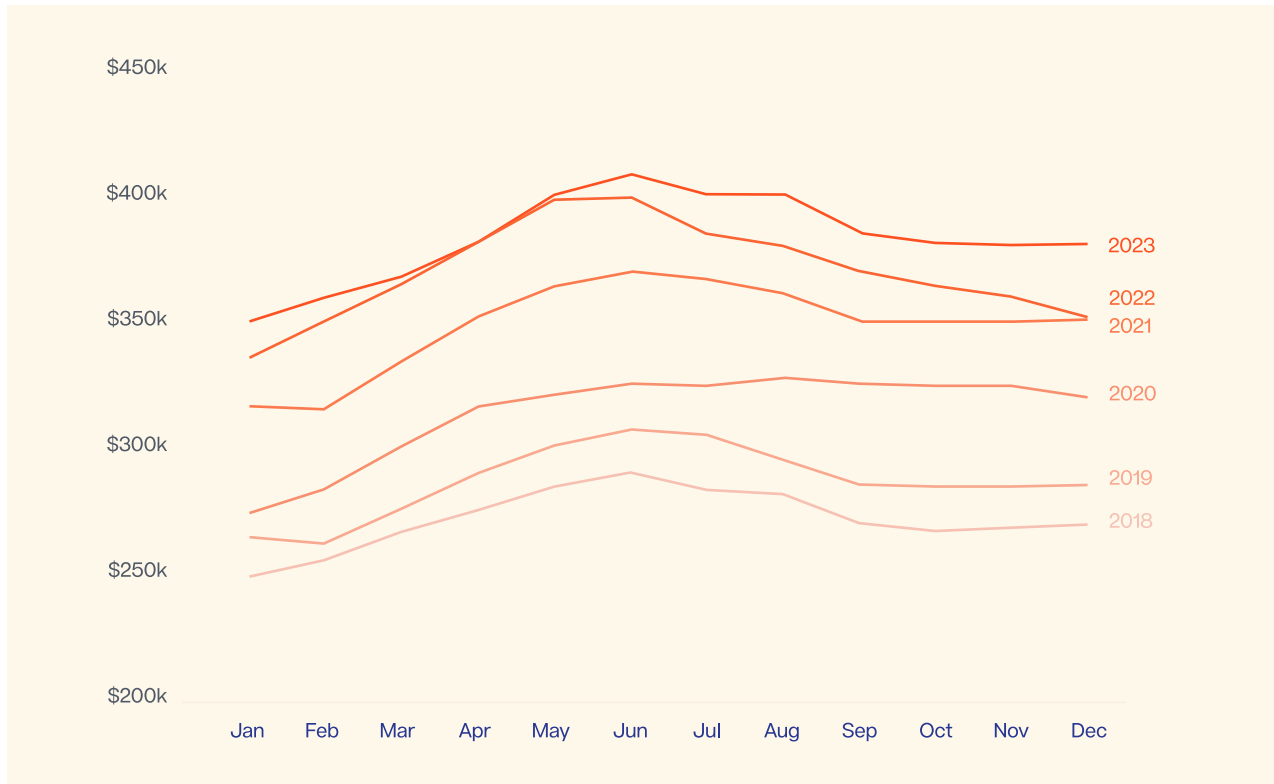
Despite higher mortgage rates, home prices were up in 2023, a result of strong demand and low supply.

The median home price in the Bright MLS service area in 2023 was \$385,00, which was up 3.4% compared to 2022. During the first half of the year, median home prices were tracking very close to 2022. Prices peaked in June, as they do in most years, and in the second half of the year, home prices declined seasonally. Year-over-year price growth increased, however, since prices declined relatively more steeply in the second half of 2022.

Over the past 10 years, the median price in the Bright MLS area has increased by nearly 60%. The biggest price gains over the past decade were in 2020 and 2021, when the housing market was fueled by pandemic-era savings and historically low mortgage rates.

Median Home Sale Price

Bright MLS Service Area

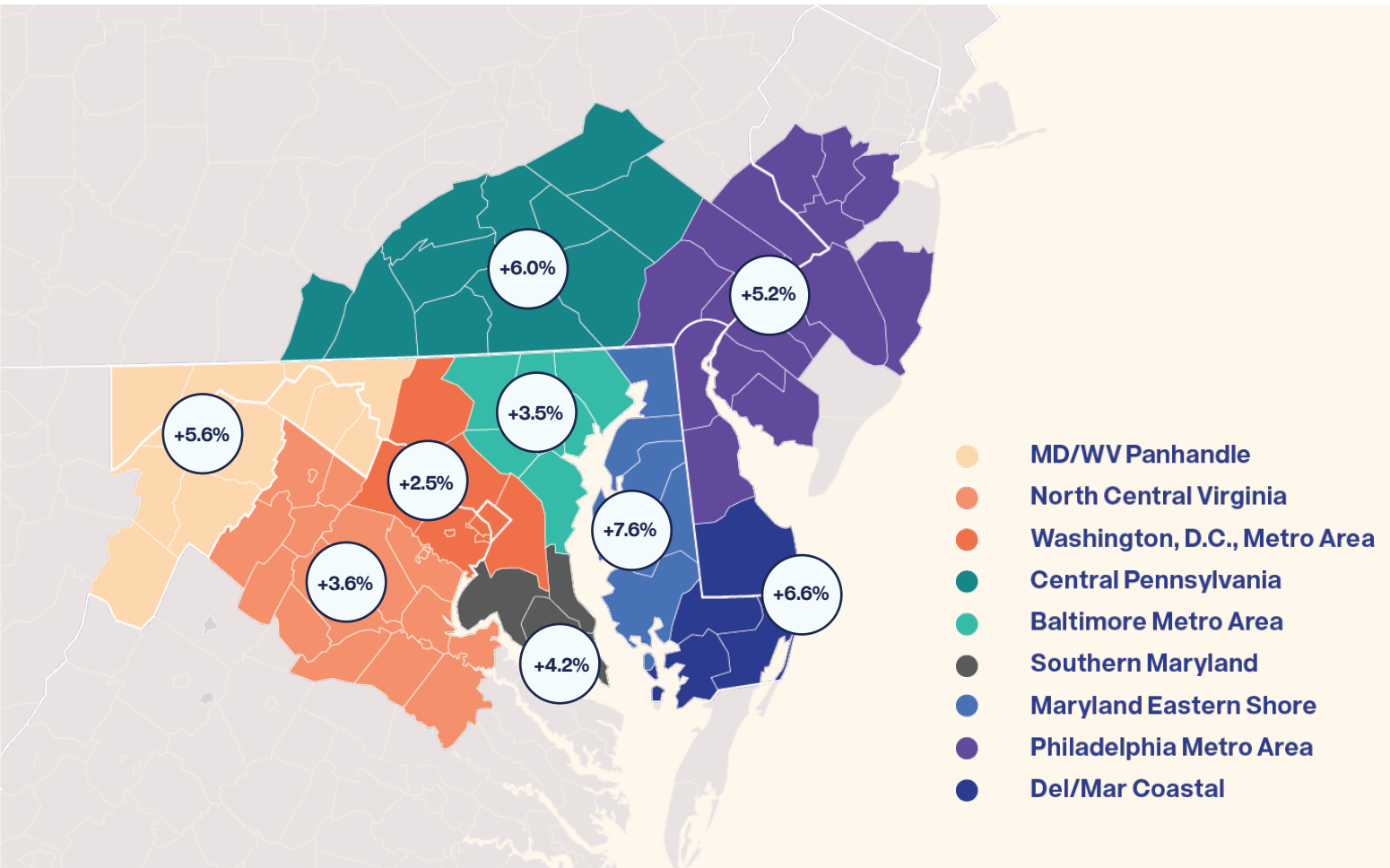


Historically, home prices in the Bright MLS service area have risen by between 3 and 4% annually. When mortgage rates are higher, price growth tends to moderate, but 2023 was an exception. There was strong upward pressure on prices at the end of 2023, even as mortgage rates hit 23-year highs. Repeat homebuyers, with record levels of equity, drove housing demand and pushed prices up. Cash buyers, who accounted for about a quarter of home sales in 2023, also fueled the sustained price growth in the low-inventory market.

Even though higher rates did not quell home price appreciation, affordability was definitely a factor in 2023. Last year, across the Bright MLS service area, home prices rose fastest in more affordable markets, outside of the region's major metros. The "affordability factor" is going to be a key trait of the "new normal" post-pandemic housing market.

Median Home Price Growth

2022-2023



Housing market conditions in the Bright MLS service area have been anything but “normal” since 2020, but changing economic and demographic conditions mean that we might have to change what we think a “normal” market looks like. In addition, this year, it is more important than ever to understand local housing market conditions rather than rely on reports detailing what is going on in other parts of the country.

Bright MLS provides you with the most accurate local market statistics so you can be a valuable resource for your clients.

Over the next three to five years, expect the Mid-Atlantic housing market to be characterized by:

- Demand outpacing supply, with inventory remaining tight
- Three months of supply a better definition of a balanced market
- Steady price appreciation, more in line with historic trends
- Homes selling quickly, as buyers compete for relatively few options
- Fewer cash sales, returning to pre-pandemic levels
- An opportunity for agents and brokers to demonstrate value to consumers

2023 Year-End Summary

Primary counties in the Bright MLS service area

Closed Sales

Location	2023	2022	% Change
Bright MLS Service Area	217,844	269,036	-19.0%
Adams County, PA	1,083	1,200	-9.8%
Alexandria City, VA	2,064	2,588	-20.3%
Allegany County, MD	680	785	-13.4%
Anne Arundel County, MD	6,970	9,139	-23.7%
Arlington County, VA	2,242	2,823	-20.6%
Baltimore City, MD	8,181	9,889	-17.3%
Baltimore County, MD	8,470	10,471	-19.1%
Berkeley County, WV	2,341	2,670	-12.3%
Berks County, PA	4,058	4,832	-16.0%
Bucks County, PA	5,904	7,203	-18.0%
Burlington County, NJ	5,517	6,985	-21.0%
Calvert County, MD	1,149	1,537	-25.2%
Camden County, NJ	5,318	6,711	-20.8%
Caroline County, MD	308	425	-27.5%
Caroline County, VA	480	520	-7.7%
Carroll County, MD	1,737	2,292	-24.2%

Cecil County, MD	1,070	1,468	-27.1%
Centre County, PA	1,177	1,411	-16.6%
Charles County, MD	2,470	2,934	-15.8%
Chester County, PA	5,242	6,475	-19.0%
Clarke County, VA	188	224	-16.1%
Culpeper County, VA	581	661	-12.1%
Cumberland County, NJ	1,342	1,585	-15.3%
Cumberland County, PA	2,773	3,493	-20.6%
Dauphin County, PA	3,025	3,755	-19.4%
Delaware County, PA	5,563	6,983	-20.3%
Dorchester County, MD	539	595	-9.4%
Fairfax City, VA	291	359	-18.9%
Fairfax County, VA	11,218	14,484	-22.6%
Falls Church City, VA	143	144	-0.7%
Fauquier County, VA	853	1,005	-15.1%
Franklin County, PA	1,579	1,858	-15.0%
Frederick County, MD	3,703	4,966	-25.4%
Frederick County, VA	1,295	1,517	-14.6%
Fredericksburg City, VA	277	378	-26.7%
Fulton County, PA	73	102	-28.4%
Garrett County, MD	465	532	-12.6%
Gloucester County, NJ	3,376	4,043	-16.5%
Grant County, WV	50	65	-23.1%
Hampshire County, WV	250	275	-9.1%
Hardy County, WV	123	154	-20.1%
Harford County, MD	2,750	3,602	-23.7%

Closed Sales

Howard County, MD	3,370	4,231	-20.4%
Hunterdon County, NJ	185	235	-21.3%
Jefferson County, WV	1,027	1,107	-7.2%
Juniata County, PA	118	136	-13.2%
Kent County, DE	2,300	2,758	-16.6%
Kent County, MD	308	318	-3.1%
King George County, VA	356	404	-11.9%
Lancaster County, PA	4,726	5,467	-13.6%
Lebanon County, PA	1,404	1,621	-13.4%
Loudoun County, VA	4,659	6,056	-23.1%
Madison County, VA	122	143	-14.7%
Manassas City, VA	500	554	-9.8%
Manassas Park City, VA	176	220	-20.0%
Mercer County, NJ	3,180	4,047	-21.4%
Mid-Atlantic Region	217,844	269,036	-19.0%
Mineral County, WV	214	220	-2.7%
Montgomery County, MD	9,253	12,076	-23.4%
Montgomery County, PA	8,095	10,615	-23.7%
Morgan County, WV	299	361	-17.2%
New Castle County, DE	5,443	6,939	-21.6%
Ocean County, NJ	2,226	2,686	-17.1%
Orange County, VA	655	764	-14.3%
Page County, VA	249	278	-10.4%
Pendleton County, WV	39	44	-11.4%
Perry County, PA	354	396	-10.6%
Philadelphia County, PA	14,120	17,274	-18.3%

Closed Sales

Prince George's County, MD	8,510	10,209	-16.6%
Prince William County, VA	5,125	6,833	-25.0%
Queen Anne's County, MD	805	875	-8.0%
Rappahannock County, VA	82	86	-4.7%
Saint Mary's County, MD	1,385	1,735	-20.2%
Salem County, NJ	797	991	-19.6%
Schuylkill County, PA	1,289	1,463	-11.9%
Shenandoah County, VA	584	778	-24.9%
Somerset County, MD	254	336	-24.4%
Somerset County, NJ	271	345	-21.5%
Spotsylvania County, VA	1,737	2,430	-28.5%
Stafford County, VA	2,026	2,788	-27.3%
Sussex County, DE	5,413	6,035	-10.3%
Talbot County, MD	506	646	-21.7%
Warren County, VA	569	721	-21.1%
Washington County, MD	1,695	2,035	-16.7%
Washington D.C.	6,867	8,651	-20.6%
Wicomico County, MD	1,051	1,297	-19.0%
Winchester City, VA	295	316	-6.7%
Worcester County, MD	1,943	2,275	-14.6%
York County, PA	5,475	6,553	-16.5%

Closed Sales

Median Home Sale Price

Location	2023	2022	% Change
Bright MLS Service Area	\$385,000	\$372,500	3.4%
Adams County, PA	\$279,900	\$270,000	3.7%
Alexandria City, VA	\$639,450	\$582,250	9.8%
Allegany County, MD	\$130,000	\$125,050	4.0%
Anne Arundel County, MD	\$470,000	\$440,000	6.8%
Arlington County, VA	\$685,000	\$650,000	5.4%
Baltimore City, MD	\$215,000	\$225,000	-4.4%
Baltimore County, MD	\$332,000	\$320,000	3.8%
Berkeley County, WV	\$282,000	\$274,434	2.8%
Berks County, PA	\$255,000	\$235,000	8.5%
Bucks County, PA	\$447,500	\$430,000	4.1%
Burlington County, NJ	\$350,000	\$320,000	9.4%
Calvert County, MD	\$425,000	\$420,000	1.2%
Camden County, NJ	\$298,000	\$275,000	8.4%
Caroline County, MD	\$297,000	\$285,000	4.2%
Caroline County, VA	\$340,375	\$322,450	5.6%
Carroll County, MD	\$430,000	\$415,000	3.6%
Cecil County, MD	\$337,000	\$305,174	10.4%
Centre County, PA	\$350,000	\$330,000	6.1%
Charles County, MD	\$428,895	\$415,000	3.4%
Chester County, PA	\$495,320	\$465,000	6.5%
Clarke County, VA	\$510,000	\$508,995	0.2%
Culpeper County, VA	\$470,000	\$410,000	14.6%
Cumberland County, NJ	\$221,500	\$214,000	3.5%

Year-End 2023 Report

Cumberland County, PA	\$300,000	\$285,950	4.9%
Dauphin County, PA	\$230,000	\$225,000	2.2%
Delaware County, PA	\$315,000	\$300,000	5.0%
Dorchester County, MD	\$260,000	\$254,000	2.4%
Fairfax City, VA	\$680,000	\$657,000	3.5%
Fairfax County, VA	\$680,000	\$655,000	3.8%
Falls Church City, VA	\$865,000	\$925,000	-6.5%
Fauquier County, VA	\$555,700	\$530,000	4.9%
Franklin County, PA	\$257,000	\$239,900	7.1%
Frederick County, MD	\$457,000	\$454,287	0.6%
Frederick County, VA	\$400,000	\$378,500	5.7%
Fredericksburg City, VA	\$450,000	\$423,607	6.2%
Fulton County, PA	\$225,000	\$208,250	8.0%
Garrett County, MD	\$425,000	\$405,000	4.9%
Gloucester County, NJ	\$315,000	\$285,000	10.5%
Grant County, WV	\$221,000	\$184,900	19.5%
Hampshire County, WV	\$223,225	\$216,500	3.1%
Hardy County, WV	\$252,500	\$242,500	4.1%
Harford County, MD	\$365,000	\$345,000	5.8%
Howard County, MD	\$555,000	\$520,000	6.7%
Hunterdon County, NJ	\$575,000	\$532,500	8.0%
Jefferson County, WV	\$365,000	\$365,990	-0.3%
Juniata County, PA	\$179,000	\$192,000	-6.8%
Kent County, DE	\$315,000	\$305,000	3.3%
Kent County, MD	\$309,990	\$307,000	1.0%
King George County, VA	\$440,000	\$425,000	3.5%

Median Home Sale Price

Lancaster County, PA	\$315,000	\$295,000	6.8%
Lebanon County, PA	\$250,000	\$240,000	4.2%
Loudoun County, VA	\$690,000	\$670,000	3.0%
Madison County, VA	\$375,000	\$349,000	7.5%
Manassas City, VA	\$475,000	\$435,000	9.2%
Manassas Park City, VA	\$440,737	\$387,000	13.9%
Mercer County, NJ	\$385,000	\$350,000	10.0%
Mid-Atlantic Region	\$385,000	\$372,500	3.4%
Mineral County, WV	\$185,250	\$160,000	15.8%
Montgomery County, MD	\$580,000	\$555,000	4.5%
Montgomery County, PA	\$421,000	\$400,000	5.3%
Morgan County, WV	\$280,777	\$249,000	12.8%
New Castle County, DE	\$335,000	\$320,500	4.5%
Ocean County, NJ	\$458,000	\$425,000	7.8%
Orange County, VA	\$387,750	\$355,000	9.2%
Page County, VA	\$260,000	\$262,445	-0.9%
Pendleton County, WV	\$190,000	\$193,500	-1.8%
Perry County, PA	\$238,000	\$215,000	10.7%
Philadelphia County, PA	\$255,000	\$267,500	-4.7%
Prince George's County, MD	\$420,000	\$400,000	5.0%
Prince William County, VA	\$530,000	\$510,000	3.9%
Queen Anne's County, MD	\$500,000	\$450,000	11.1%
Rappahannock County, VA	\$500,000	\$492,500	1.5%
Saint Mary's County, MD	\$389,900	\$375,000	4.0%
Salem County, NJ	\$232,000	\$210,000	10.5%
Schuylkill County, PA	\$130,000	\$125,000	4.0%

Median Home Sale Price

Shenandoah County, VA	\$305,000	\$280,000	8.9%
Somerset County, MD	\$176,000	\$191,000	-7.9%
Somerset County, NJ	\$740,000	\$685,000	8.0%
Spotsylvania County, VA	\$430,000	\$410,000	4.9%
Stafford County, VA	\$500,000	\$485,000	3.1%
Sussex County, DE	\$449,000	\$425,000	5.7%
Talbot County, MD	\$472,450	\$419,000	12.8%
Warren County, VA	\$365,000	\$350,000	4.3%
Washington County, MD	\$304,900	\$280,000	8.9%
Washington D.C.	\$627,000	\$655,000	-4.3%
Wicomico County, MD	\$250,500	\$245,000	2.2%
Winchester City, VA	\$344,995	\$318,500	8.3%
Worcester County, MD	\$410,000	\$380,000	7.9%
York County, PA	\$260,000	\$245,000	6.1%

Median Home Sale Price

Active Listings (End of the Year)

Location	2023	2022	% Change
Bright MLS Service Area	27,592	28,412	-2.0%
Adams County, PA	147	140	5.0%
Alexandria City, VA	93	169	-45.0%
Allegany County, MD	155	120	29.2%
Anne Arundel County, MD	590	606	-2.6%
Arlington County, VA	210	246	-14.6%
Baltimore City, MD	1,698	1,648	3.0%
Baltimore County, MD	775	836	-7.3%
Berkeley County, WV	330	366	-9.8%
Berks County, PA	331	319	3.8%
Bucks County, PA	476	544	-12.5%
Burlington County, NJ	471	632	-25.5%
Calvert County, MD	126	158	-20.3%
Camden County, NJ	565	562	0.5%
Caroline County, MD	57	69	-17.4%
Caroline County, VA	64	110	-41.8%
Carroll County, MD	163	178	-8.4%
Cecil County, MD	199	150	32.7%
Centre County, PA	161	131	22.9%
Charles County, MD	315	306	2.9%
Chester County, PA	476	477	-0.2%
Clarke County, VA	21	24	-12.5%
Culpeper County, VA	101	100	1.0%
Cumberland County, NJ	250	252	-0.8%

Cumberland County, PA	352	293	20.1%
Dauphin County, PA	299	306	-2.3%
Delaware County, PA	512	532	-3.8%
Dorchester County, MD	157	134	17.2%
Fairfax City, VA	18	26	-30.8%
Fairfax County, VA	654	880	-25.7%
Falls Church City, VA	11	4	175.0%
Fauquier County, VA	134	143	-6.3%
Franklin County, PA	200	224	-10.7%
Frederick County, MD	307	368	-16.6%
Frederick County, VA	198	202	-2.0%
Fredericksburg City, VA	40	33	21.2%
Fulton County, PA	15	19	-21.1%
Garrett County, MD	126	147	-14.3%
Gloucester County, NJ	408	394	3.6%
Grant County, WV	16	19	-15.8%
Hampshire County, WV	47	57	-17.5%
Hardy County, WV	25	21	19.1%
Harford County, MD	260	191	36.1%
Howard County, MD	204	206	-1.0%
Hunterdon County, NJ	39	50	-22.0%
Jefferson County, WV	170	161	5.6%
Juniata County, PA	15	23	-34.8%
Kent County, DE	419	360	16.4%
Kent County, MD	51	51	0.0%
King George County, VA	54	66	-18.2%

Active Listings (End of the Year)

Year-End 2023 Report

Lancaster County, PA	430	390	10.3%
Lebanon County, PA	202	130	55.4%
Loudoun County, VA	377	357	5.6%
Madison County, VA	23	42	-45.2%
Manassas City, VA	19	29	-34.5%
Manassas Park City, VA	17	12	41.7%
Mercer County, NJ	285	369	-22.8%
Mineral County, WV	38	40	-5.0%
Montgomery County, MD	631	763	-17.3%
Montgomery County, PA	764	722	5.8%
Morgan County, WV	55	64	-14.1%
New Castle County, DE	561	515	8.9%
Ocean County, NJ	360	446	-19.3%
Orange County, VA	115	152	-24.3%
Page County, VA	65	38	71.1%
Pendleton County, WV	13	15	-13.3%
Perry County, PA	47	63	-25.4%
Philadelphia County, PA	3,785	4,148	-8.8%
Prince George's County, MD	955	1,085	-12.0%
Prince William County, VA	287	399	-28.1%
Queen Anne's County, MD	135	133	1.5%
Rappahannock County, VA	21	23	-8.7%
Saint Mary's County, MD	162	181	-10.5%
Salem County, NJ	160	170	-5.9%
Schuylkill County, PA	190	186	2.2%
Shenandoah County, VA	78	71	9.9%

Somerset County, MD	80	65	23.1%
Somerset County, NJ	13	15	-13.3%
Spotsylvania County, VA	243	234	3.9%
Stafford County, VA	144	224	-35.7%
Sussex County, DE	1,379	1,213	13.7%
Talbot County, MD	94	87	8.1%
Warren County, VA	74	113	-34.5%
Washington County, MD	214	227	-5.7%
Washington D.C.	1,476	1,514	-2.5%
Wicomico County, MD	168	158	6.3%
Winchester City, VA	47	42	11.9%
Worcester County, MD	452	305	48.2%
York County, PA	730	579	26.1%

Active Listings (End of the Year)

About Bright MLS

Bright MLS was founded in 2016 as a collaboration between 43 visionary associations and two of the nation's most prominent MLSs to transform what an MLS is and what it does, so real estate pros and the people they serve can thrive today and into our data-driven future through an open, clear and competitive housing market for all. 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—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.

[Learn more at BrightMLS.com.](https://www.brightmls.com)



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