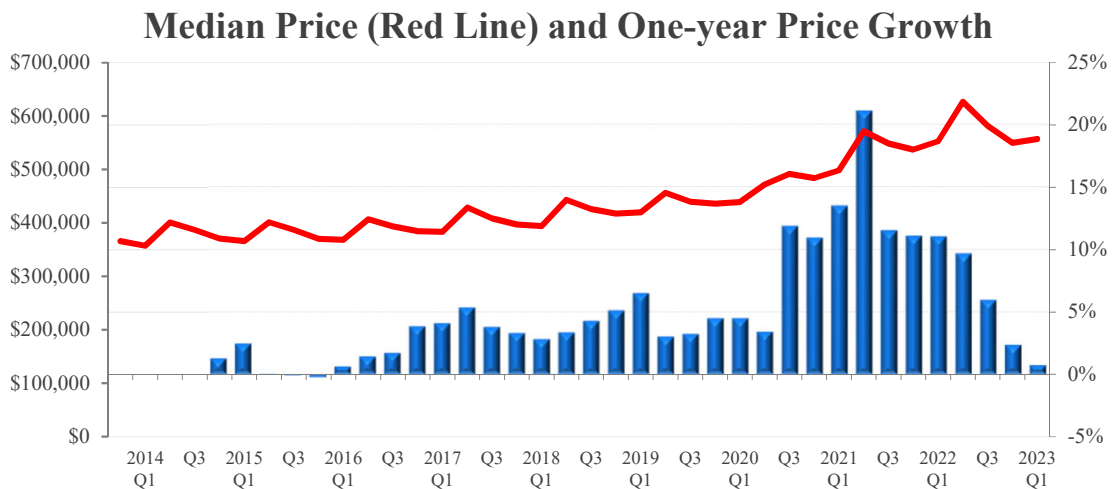


Washington-Arlington-Alexandria Area

Local Market Report, First Quarter 2023

Today's Market...



Local Price Trends			
Price Activity	Washington, DC	U.S.	Local Trend
Current Median Home Price (2023 Q1)	\$557,200	\$366,733	Prices are up from a year ago, but price growth is slowing
1-year (4-quarter) Appreciation (2023 Q1)	0.8%	0.3%	
3-year (12-quarter) Appreciation (2023 Q1)	27.0%	34.6%	
3-year (12-quarter) Housing Equity Gain*	\$118,300	\$94,267	Gains in the last 3 years have extended the trend of positive price growth after the recession
7-year (28 quarters) Housing Equity Gain*	\$188,800	\$151,000	
9-year (36 quarters) Housing Equity Gain*	\$200,000	\$175,733	

*Note: Equity gain reflects price appreciation only

	Washington, DC	U.S.	
Conforming Loan Limit**	\$1,089,300	\$1,089,300	Most buyers in this market have access to government-backed financing
FHA Loan Limit	\$1,089,300	\$1,089,300	
Local Median to Conforming Limit Ratio	51%	not comparable	

Note: limits are current and include the changes made on January 1st 2023.

Local NAR Leadership

The Washington-Arlington-Alexandria market is part of region 3 in the NAR governance system, which includes all of Delaware, Maryland, District of Columbia, Virginia, and West Virginia. The 2023 NAR Regional Vice President representing region 3 is Gail Renulfi.

Benefits of Ownership: Total Equity Appreciation

Total Equity Accrued to Owner by Year and Quarter of Purchase



Total Equity Gained** through 2023 Q1 from quarter in which home was of purchased

Price Activity	Washington	U.S.	Local Trend
1-year (4-quarter)	\$13,385	\$7,042	Price appreciation and principle payments in the last 3 years have boosted total equity growth since the recession
3-year (12-quarter)*	\$142,019	\$108,992	
5-year (20-quarter)*	\$195,756	\$143,305	
7-year (28 quarters)*	\$237,174	\$179,328	
9-year (36 quarters)*	\$257,977	\$206,734	

*Note: Equity gain reflects price and principle payments since purchase, prevailing 30-year fixed rate mortgage at time of purchase and a 10% downpayment. Downpayment is not included in total equity

Drivers of Local Supply and Demand...

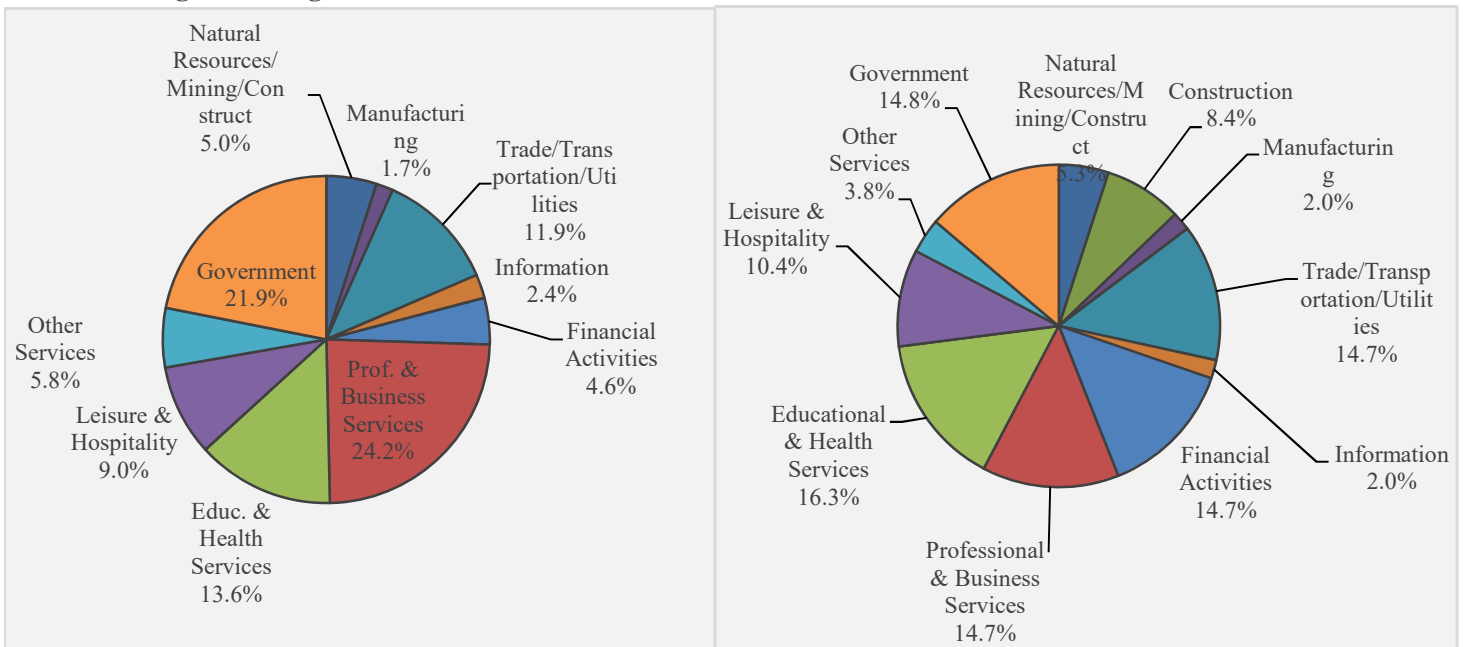


Local Economic Outlook	Washington, DC	U.S.	
12-month Job Change (Mar)	73,800	Not Comparable	Employment has held up and is on an upward trend
12-month Job Change (Feb)	62,900	Not Comparable	
36-month Job Change (Mar)	4,400	Not Comparable	Unemployment in Washington, DC is better than the national average and improving
Current Unemployment Rate (Mar)	2.7%	3.5%	
Year-ago Unemployment Rate	3.1%	3.6%	Local employment growth is poor and needs to improve
1-year (12 month) Job Growth Rate	2.3%	3.8%	

Share of Total Employment by Industry

Washington-Arlington-Alexandria Area

U.S.



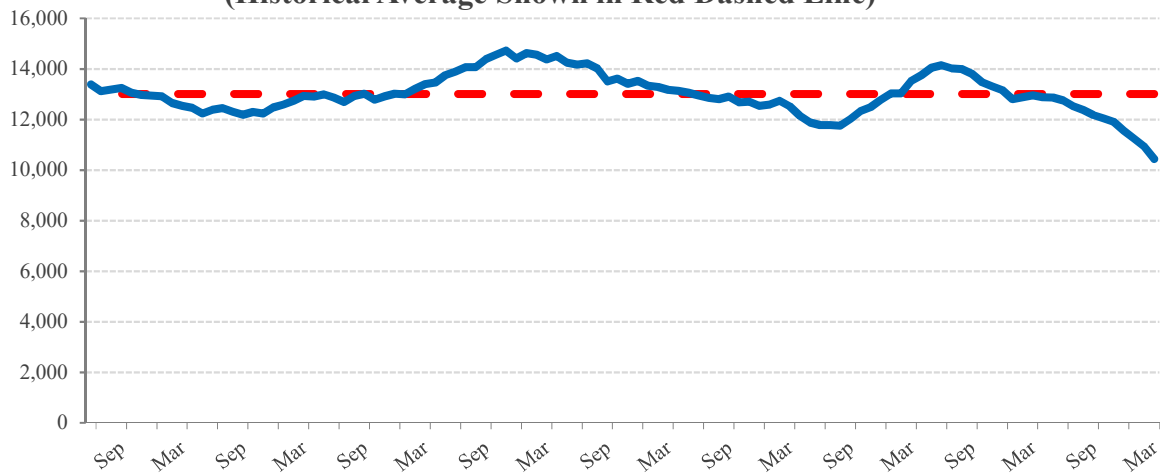
12-month Employment Change by Industry (Mar - 2023)

Goods Producing	NA	Information	-1,400
Natural Resources/Mining/Construction	3,100	Financial Activities	-1,800
Natural Resources and Mining	NA	Prof. & Business Services	7,800
Construction	NA	Educ. & Health Services	16,300
Manufacturing	400	Leisure & Hospitality	24,600
Service Providing Excluding Government	NA	Other Services	3,300
Trade/Transportation/Utilities	-400	Government	11,000

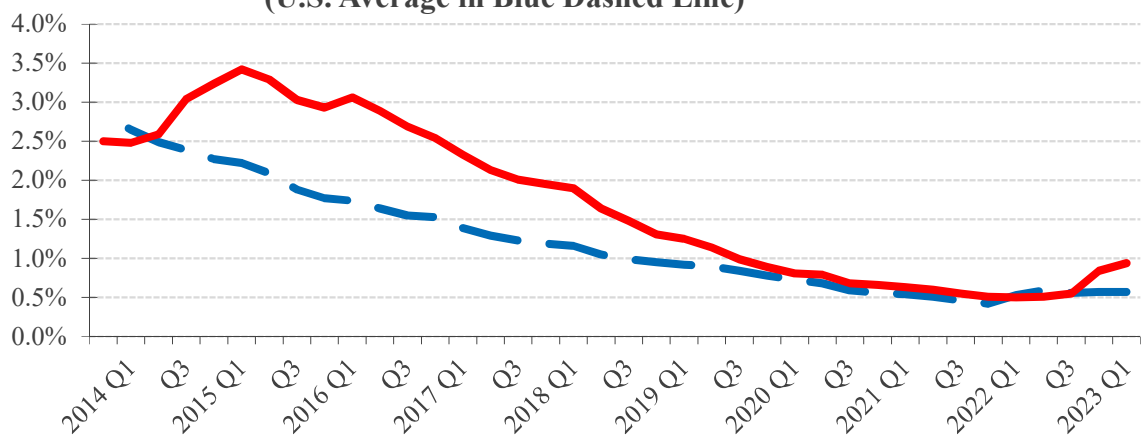
State Economic Activity Index	D.C.	U.S.	
12-month change (2023 - Mar)	NA	3.8%	NA
36-month change (2023 - Mar)	NA	6.7%	

New Housing Construction			
Local Fundamentals	Washington, DC	U.S.	
12-month Sum of 1-unit Building Permits through Mar	10,439	not comparable	The current level of construction is 19.8% below the long-term average
8-year average for 12-month Sum of 1-Unit Building Permits	13,012	not comparable	Reduced construction will limit new supply to the market, allowing demand to catch up with inventory more quickly
Single-Family Housing Permits (Mar) 12-month sum vs. a year ago	-19.4%	-21.2%	Construction continues to decline from last year

**Construction: 12-month Sum of Local Housing Permits
(Historical Average Shown in Red Dashed Line)**

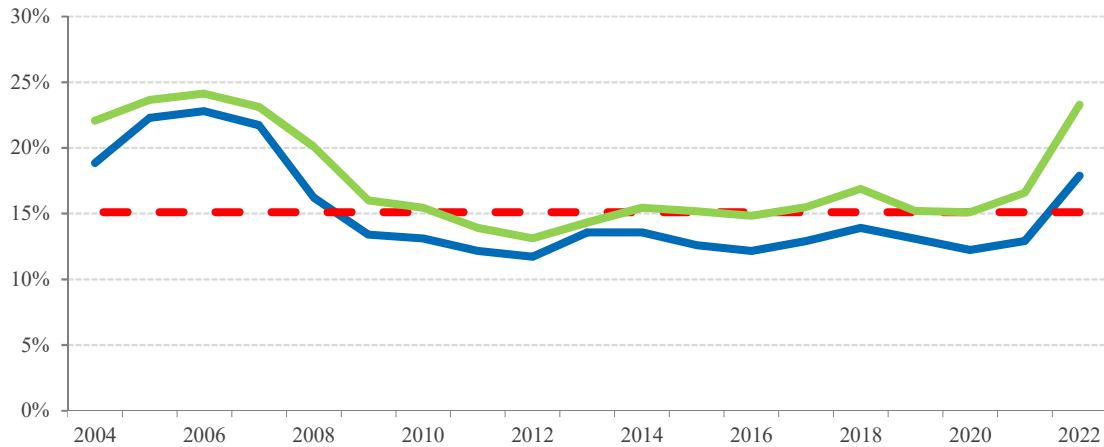


**State Total Foreclosure Rate vs. U.S. Average
(U.S. Average in Blue Dashed Line)**



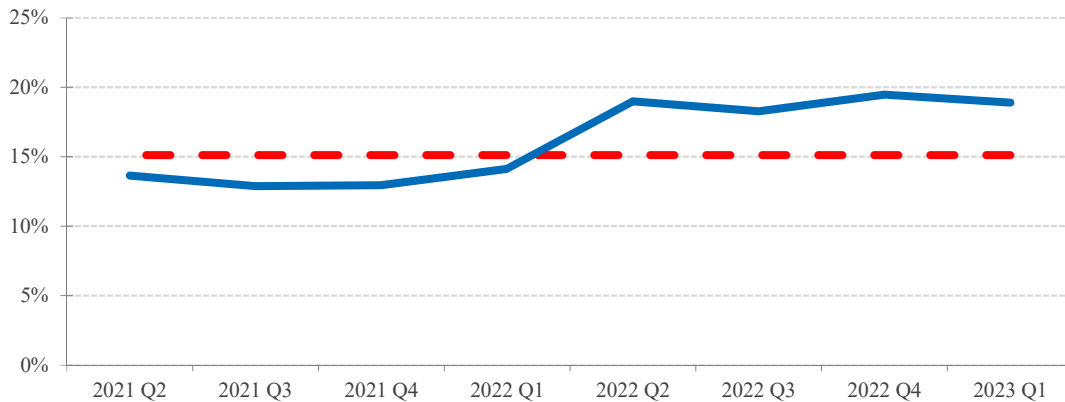
Affordability

Long-Term Trend: Ratio of Local Mortgage Servicing Cost to Income
(Local Historical Average Shown in Red, U.S. Average in Green)

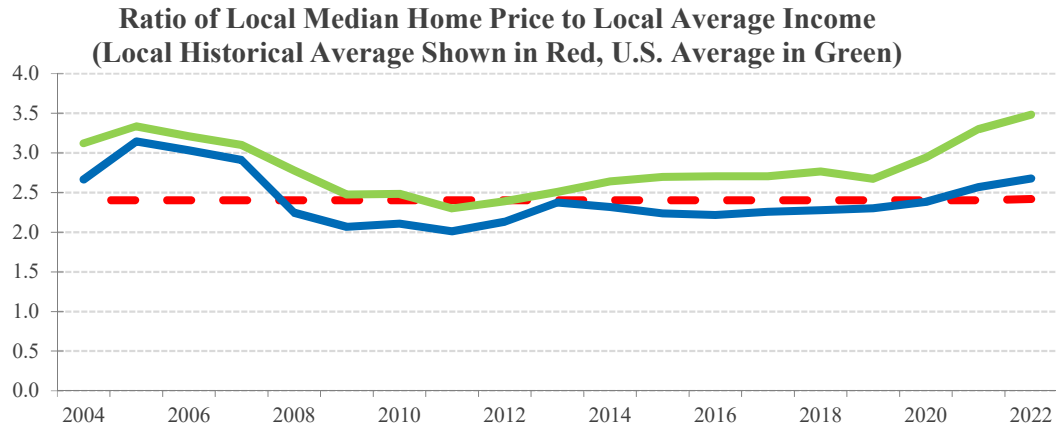


Monthly Mortgage Payment to Income	Washington, DC	U.S.	
Ratio for 2022	17.9%	23.3%	Weak by local standards and could weigh on demand
Ratio for 2023 Q1	18.9%	23.3%	
Historical Average	15.1%	17.8%	More affordable than most markets

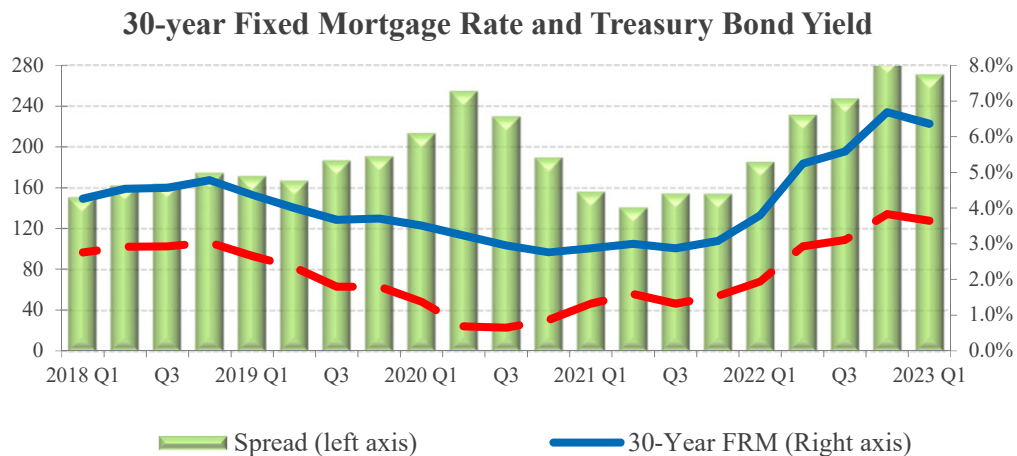
Recent Trend - Local Mortgage Servicing Cost to Income
(Historical Average Shown in Red Dashed Line)



Median Home Price to Income	Washington, DC	U.S.	
Ratio for 2022	2.7	3.5	The price-to-income ratio eased, but could be better
Ratio for 2023 Q1	2.5	3.1	
Historical Average	2.4	2.8	Affordable compared to most markets



The Mortgage Market



After surpassing twice the 7 percent threshold at the end of 2022, mortgage rates fell in the beginning of 2023. According to the mortgage finance provider Freddie Mac, the 30-year fixed mortgage rate dropped to 6.36% in the first quarter of 2023 from 6.69% the previous quarter. Nevertheless, rates continue to be 1.7 times higher than the previous year (3.79%). Although rates will continue to fluctuate in the following months, with inflation easing further and the Federal Reserve expected to pause its rate hikes soon, mortgage rates will stabilize near 6% in the second half of the year. NAR forecasts the 30-year fixed mortgage rate to average 6.3% and 6.1% at the second and third quarter of the year, respectively.

Geographic Coverage for this Report

The Washington, DC area referred to in this report covers the geographic area of the Washington-Arlington-Alexandria metro area as officially defined by the Office of Management and Budget of the U.S. Government. The official coverage area includes the following counties:

Frederick County, MD; Montgomery County, MD; District of Columbia, DC; Calvert County, MD; Charles County, MD; Prince George's County, MD; Arlington County, VA; Clarke County, VA; Culpeper County, VA; Fairfax County, VA; Fauquier County, VA; Loudoun County, VA; Prince William County, VA; Rappahannock County, VA; Spotsylvania County, VA; Stafford County, VA; Warren County, VA; Alexandria city, VA; Fairfax city, VA; Falls Church city, VA; Fredericksburg city, VA; Manassas city, VA; Manassas Park city, VA; Jefferson County, WV

More information on the OMB's geographic definitions can be found at https://obamawhitehouse.archives.gov/omb/bulletins_default/

