

## MARKET IN A MINUTE

### A SUMMARY OF MARKET CONDITIONS FOR JANUARY 2018

#### CONTRACTS



Contract activity in January 2018 was **up 20.9%** from January 2017, and there were increases in all four of the price categories with activity. That increase was by far the best in the metro area. The average number of days on the market for homes receiving contracts was 53 days in January 2018, exactly the same as this time last year.

#### URGENCY INDEX



The Urgency Index, simply the percentage of homes going under contract that were on the market 30 days or less, was up slightly in January compared to the year prior. During the past 13 years, the Index has been as high as 90% (May 2005) and as low as 15% (January 2008). January 2018, the Urgency Index was **49.1%**, up from 48.1% in January 2017.

#### INVENTORY



The number of homes on the market at the end of January was **down 5.5%** compared to the end of January 2017. But inventory actually increased in three of the five price categories. The number of new listings coming on the market **decreased 7.5%**, compared to January 2017. The big drop in inventory and big jump in contract activity dropped overall supply to 1.6 months, down from 2.1 months this time last year.

#### INTEREST RATES



The rate for a 30-year fixed mortgage ended January at 4.22%, up about a quarter point from 3.99% at the end of December. It's also slightly higher than it was a year ago at the end of January 2017. While rates remain low from any historical perspective, the days of sub-four-percent fixed rate mortgages are over. We expect rates to climb slowly throughout the year.

#### AFFORDABILITY



The payment on a no-money-down, 30-year fixed mortgage for a median-priced home is **10%** lower than a decade ago in January 2008. However, the payment is 22.9% higher than this time last year because of rising prices and mortgage rates. The mortgage payment for a median priced home (\$1,561) was lower in January than the median rented price (\$1,800).

#### DIRECTION OF THE MARKET



We expect 2018's real estate market in Prince George's County to be among the strongest in the metro area, close to the performance of Washington, DC's market. However, the lack of inventory will continue to present headwinds to overall contract activity, as will rising interest rates. Homes will be a bit less affordable than last year, but the recent tax reform legislation that puts more take-home pay into the pockets of potential homebuyers should help balance that impact. Prince George's has the highest concentration of affordable housing in the region, and that will be a significant factor in the health of the market.

# MONTHLY SUMMARY JANUARY 2017 vs. JANUARY 2018

PRINCE GEORGE'S COUNTY	January 2017	January 2018	% Change
Number of Sales	707	699	-1.1%
Fully Available Inventory on 1/31	1,644	1,553	-5.5%
Number of New Listings	957	885	-7.5%
Number of New Contracts	788	953	20.9%
Days on Market - New Contracts	53	53	0.0%
Average Sales Price	\$272,502	\$278,981	2.4%
Average Seller Subsidy	\$5,552	\$5,809	4.6%
Urgency Index	48.1%	49.1%	2.1%
Months' Supply	2.1	1.6	-21.9%

MONTGOMERY COUNTY	January 2017	January 2018	% Change
Number of Sales	711	674	-5.2%
Fully Available Inventory on 1/31	1,764	1,440	-18.4%
Number of New Listings	998	876	-12.2%
Number of New Contracts	837	757	-9.6%
Days on Market - New Contracts	69	65	-5.8%
Average Sales Price	\$481,221	\$495,611	3.0%
Average Seller Subsidy	\$3,773	\$3,696	-2.0%
Urgency Index	47.3%	49.9%	5.5%
Months' Supply	2.1	1.9	-9.7%

WASHINGTON, DC	January 2017	January 2018	% Change
Number of Sales	554	563	1.6%
Fully Available Inventory on 1/31	1,100	1,002	-8.9%
Number of New Listings	824	807	-2.1%
Number of New Contracts	641	699	9.0%
Days on Market - New Contracts	45	48	6.7%
Average Sales Price	\$670,684	\$629,453	-6.1%
Average Seller Subsidy	\$2,675	\$2,637	-1.4%
Urgency Index	57.3%	55.8%	-2.6%
Months' Supply	1.7	1.4	-16.5%

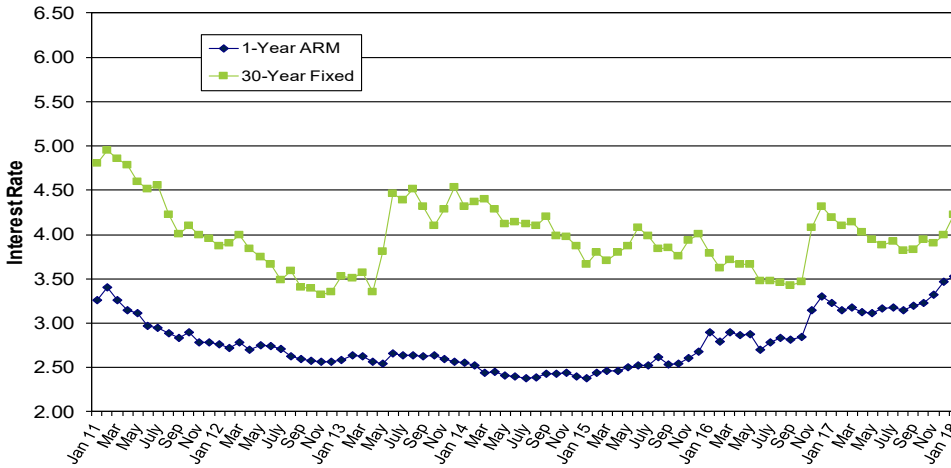
NORTHERN VIRGINIA	January 2017	January 2018	% Change
Number of Sales	1,127	1,106	-1.9%
Fully Available Inventory on 1/31	2,728	2,180	-20.1%
Number of New Listings	1,695	1,606	-5.3%
Number of New Contracts	1,450	1,404	-3.2%
Days on Market - New Contracts	69	61	-11.6%
Average Sales Price	\$548,855	\$570,357	3.9%
Average Seller Subsidy	\$3,509	\$3,379	-3.7%
Urgency Index	48.1%	51.0%	6.0%
Months' Supply	1.9	1.6	-17.5%

LOUDOUN COUNTY	January 2017	January 2018	% Change
Number of Sales	358	325	-9.2%
Fully Available Inventory on 1/31	976	868	-11.1%
Number of New Listings	512	577	12.7%
Number of New Contracts	440	431	-2.0%
Days on Market - New Contracts	62	56	-9.7%
Average Sales Price	\$484,629	\$516,552	6.6%
Average Seller Subsidy	\$4,306	\$3,978	-7.6%
Urgency Index	55.9%	58.9%	5.4%
Months' Supply	2.2	2.0	-9.2%

\* Note: Percentages depicted in red indicate a negative market trend; black indicates a positive market trend

## 30-YEAR FIXED AND 1-YEAR ADJUSTABLE RATES

Month-End Mortgage Rates - 2010-Current

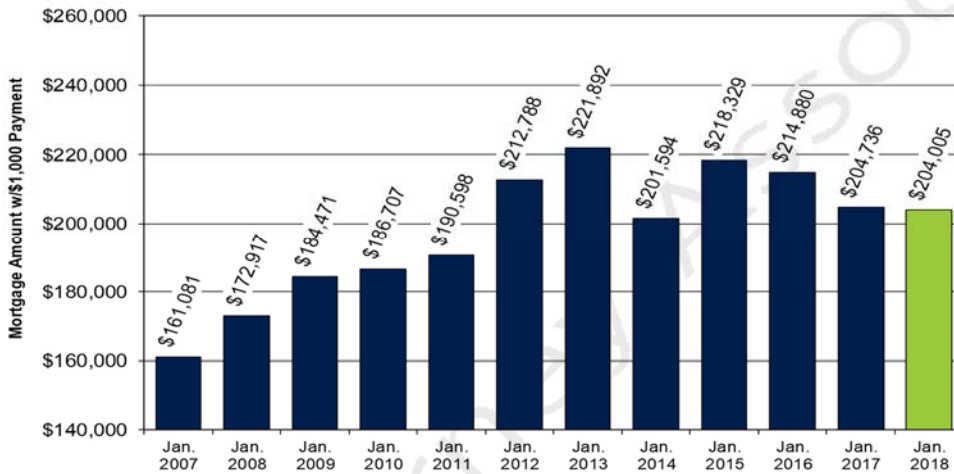


## MORTGAGE RATES

- 30-year fixed interest rates at the end of January averaged **4.22%**, compared to 4.19% at the end of January 2017.
- One-year adjustable rate mortgages were 3.53% at the end of January 2018, which is up from 3.23% at the end of January 2017.

## BUYING POWER

Mortgage Amount with \$1,000 Payment

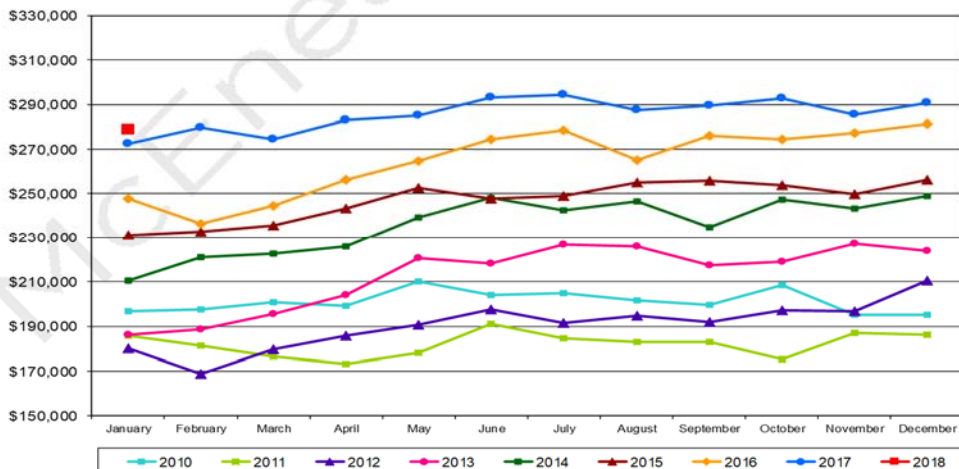


## BUYING POWER

- A \$1,000 principal and interest payment supported a loan of \$204,005 at the end of January, which is **\$731 less** than January 2017 but \$42,924 more than January 2007.
- In January 2008, it would have taken a monthly PI payment of \$1,735 to purchase a median-priced home. Today it takes a payment of \$1,561 to buy a median-priced home. **That's 10% lower.** However, that payment is 22% higher than this time last year.

## AVERAGES SALE PRICE

Prince George's County - 2010-Current

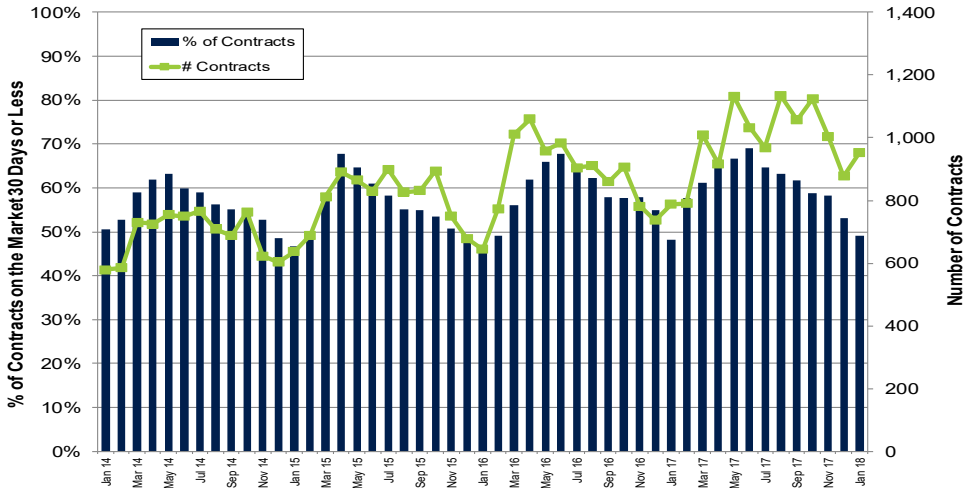


## AVERAGE PRICES

- The average sales price in January 2018 was **\$278,981**, an **increase of 2.4%** from the January 2017 average price of \$272,502.
- Remember that the change in the average sales price - up or down - doesn't mean that individual home prices are impacted the same way.

### URGENCY INDEX

% of Contracts on the Market for 30 Days or Less  
Prince George's County - 2014-Current

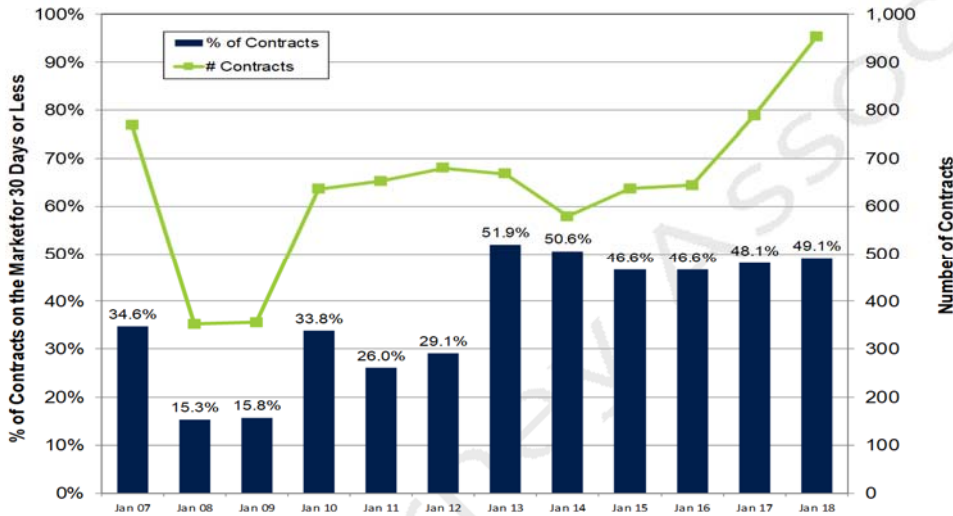


### URGENCY INDEX - 2014-Current

- This chart compares the number of contracts (green line) to the percent that were on the market 30 days or less (blue bars). At first glance, it may appear that the lower contract activity also means a lower percentage of homes that sell quickly - but that's not always true.
- As an example, December is always the month with the lowest number of contracts. December 2011 (not on this chart) had an index near 30% range, but that jumped above 50% in 2012, an early indicator that the market was picking up heading into 2013.

### URGENCY INDEX

Prince George's County - January 2007-2018

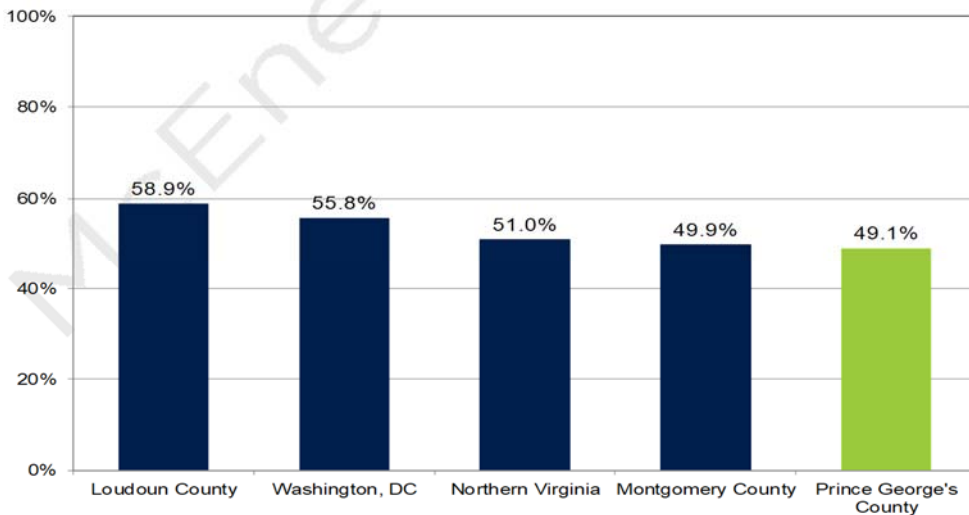


### URGENCY INDEX - January

- In the past 12 years, the January Urgency Index has been as high as 51.9% and as low as 15.3%.
- The average January Urgency Index during the past 12 years is 37.3% - which is significantly lower than where it is now.
- There was a 20.9% increase in the number of new contracts for January 2018 compared to 2017 - and the Urgency Index increased slightly from 48.1% to 49.1%.

### URGENCY INDEX

DC Metro Area by Jurisdiction Comparison - January 2018

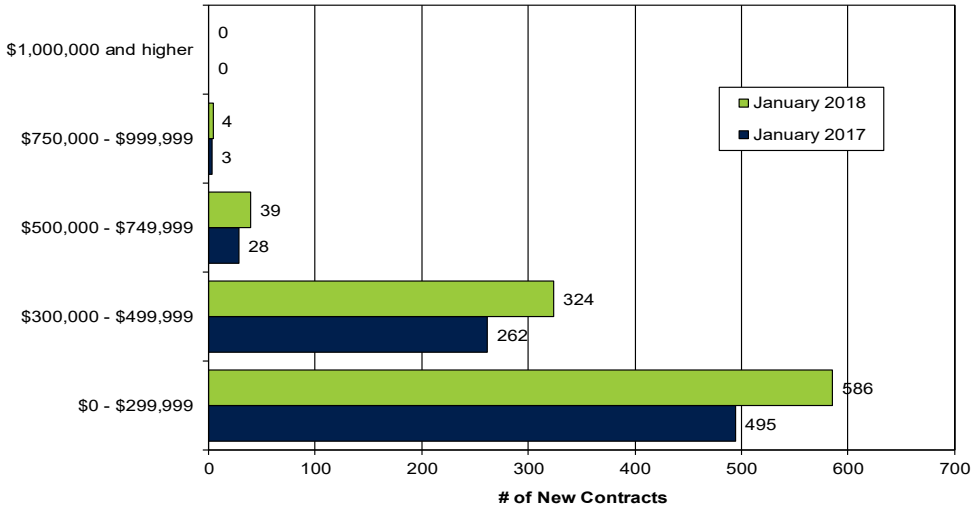


### URGENCY INDEX - DC Metro Area

- The average January Urgency Index during the past 12 years for all five of the jurisdictions we track is 40.7% - lower than where we are today.
- Prince George's County is in fifth place this month. As noted above, the urgency index is significantly higher than its 12-year average.

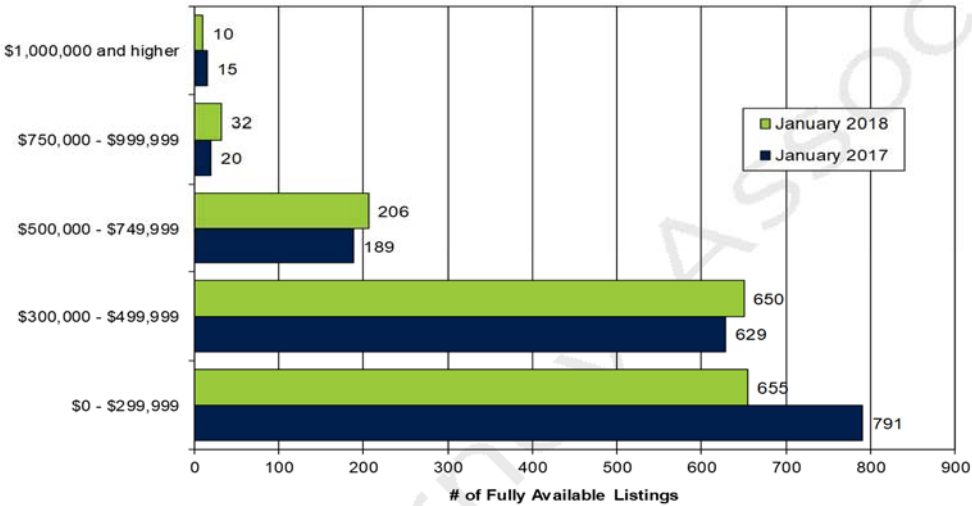
### NEW CONTRACT ACTIVITY

Prince George's County - January 2017 vs. January 2018 by Price Range



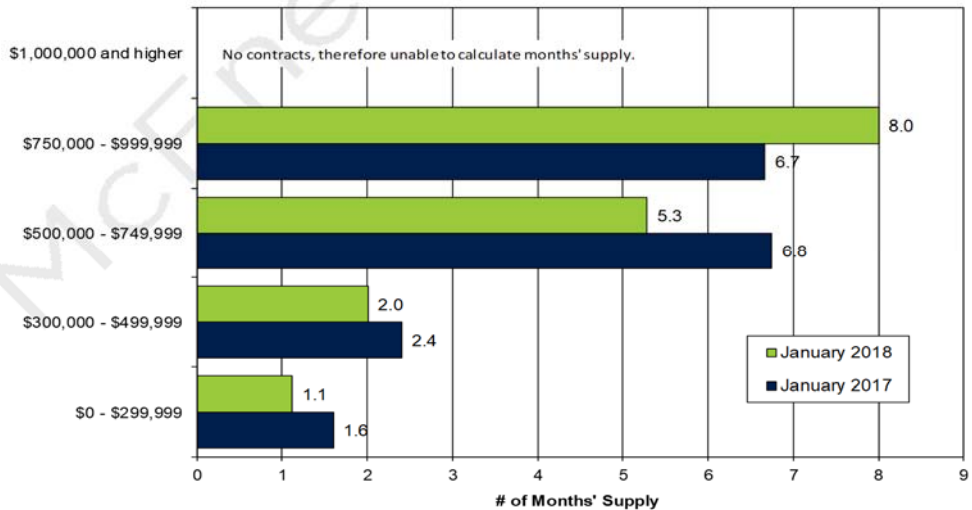
### FULLY AVAILABLE LISTINGS

Prince George's County - January 31, 2017 vs. January 31, 2018



### MONTHS' SUPPLY

Prince George's County - End of January 2017 vs. End of January 2018



### NEW CONTRACT ACTIVITY

- As noted on page 2, the number of new contracts ratified in January 2018 was **up 20.9%** from January 2017, and there were increases for four price categories.
- Only **34.6%** of all homes going under contract in January had at least one price reduction.

### FULLY AVAILABLE LISTINGS

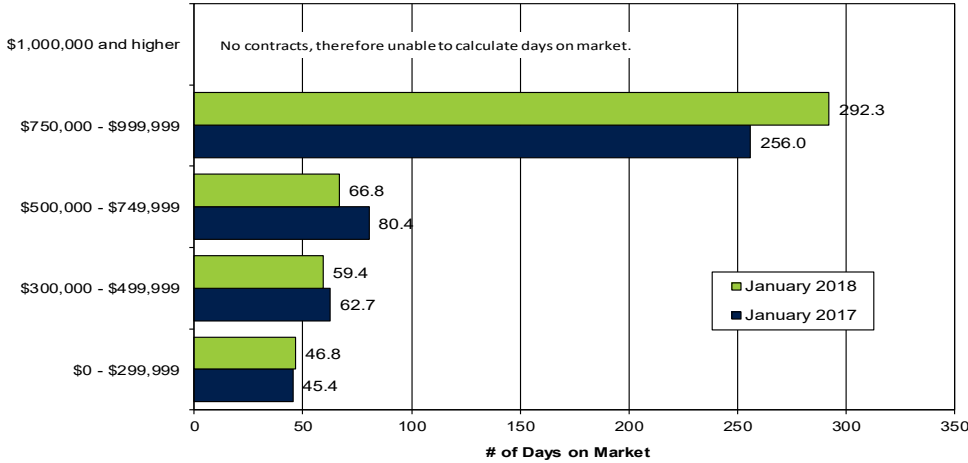
- As noted on page 2, the available inventory for January 2018 was **down 5.5%** from January 2017. Inventory decreased for homes priced less than \$300,000 and homes priced more than \$1 million.
- 35.4%** of all homes on the market have had at least one price reduction since coming on the market.

### MONTHS' SUPPLY

- The overall supply of homes on the market at the end of January 2018 was **1.6 months**, down 21.9% from 2.1 months as at the end of January 2017.
- Supply is lower for homes priced less than \$750,000.

### AVERAGE NUMBER OF DAYS ON MARKET

Prince George's County - January 2017 vs. January 2018 - New Contracts

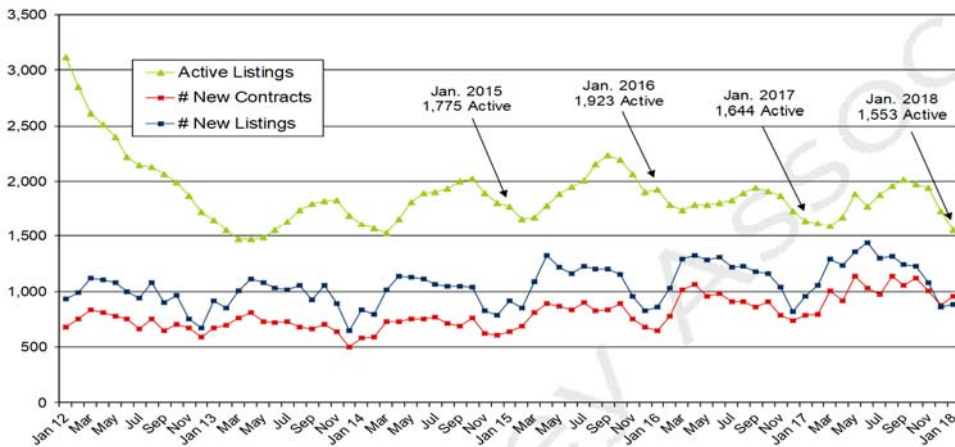


### AVERAGE NUMBER OF DAYS ON THE MARKET - NEW CONTRACTS

- The average number of days on the market for all homes receiving contracts in January 2018 was **53 days**, which remained the same from last January.

### NUMBER OF NEW LISTINGS, NEW CONTRACTS, AND ACTIVE LISTINGS

Prince George's County - January 2012-Current

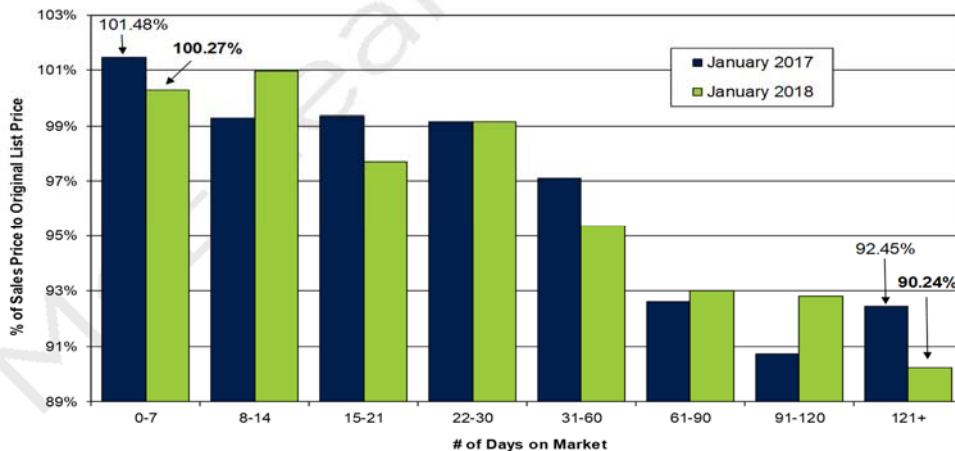


### NUMBER OF NEW LISTINGS, CONTRACTS AND ACTIVE LISTINGS

- There were 885 new listings that came on the market in January 2018, a **7.5% decrease** from the 957 in January 2017.
- The wide gap between available listings and new contract activity that characterized the first couple of years of the decade has steadily narrowed during the past three years.

### RELATIONSHIP OF SALES PRICE TO ORIGINAL LIST PRICE vs. DAYS ON MARKET

Resale Properties Sold in Prince George's County - Jan. 2017 vs. Jan. 2018



### RELATIONSHIP OF SALES PRICE TO ORIGINAL LIST PRICE vs. DAYS ON MARKET

- Initial pricing strategy is critical to the listing process, regardless of market conditions. The longer a home sits on the market, the deeper the discount to its original list price will likely be.
- Homes settling in January 2018 that received contracts their first week on the market sold, on average, **0.27% above** list. Those that took 4 months or longer to sell sold for **9.76% below** the original price.

#### SOME DEFINITIONS AND EXPLANATIONS TO AID YOUR UNDERSTANDING OF THE DATA

- The data shown here are collected, in whole or in part, from the Metropolitan Regional Information System, Inc. and are believed to be reliable but are not guaranteed
- "Sales" are transactions that settled during the statistical period; "Under Contracts" are contracts negotiated during the statistical period, but not yet settled
- "Available Listings" reflects single-family homes, town homes, new homes and condos on the market at the end of the period in question.
- "Months' Supply" is simply the number of "Fully Available Listings" on the market at the end of the month divided by the number of "Contracts" ratified that month.

## Analysis by Property Type - Condo/Co-op

### LISTINGS

Condo/Co-op	New This Month			Total Active		
	2017	2018	% Change	2017	2018	% Change
<b>Listings</b>						
\$299,999 and under	109	115	5.5%	171	106	-38.0%
\$300,000 - \$499,999	11	7	-36.4%	31	37	19.4%
\$500,000 - \$749,999	2	6	200.0%	15	11	-26.7%
\$750,000 - \$999,999	0	0	-	2	0	-100.0%
\$1,000,000 & higher	0	0	-	1	1	0.0%
<b>Grand Total:</b>	<b>122</b>	<b>128</b>	<b>4.9%</b>	<b>220</b>	<b>155</b>	<b>-29.5%</b>

### CONDO/CO-OP - LISTINGS

- The number of **new** listings for condos and co-ops coming on the market **increased 4.9%** compared to January 2017.
- The fully available inventory of condos as of January 31, 2018 is **29.5% less** than the same time in 2017.

### CONTRACTS

Condo/Co-op	New This Month			Year-To-Date		
	2017	2018	% Change	2017	2018	% Change
<b>Contracts</b>						
\$299,999 and under	93	113	21.5%	93	113	21.5%
\$300,000 - \$499,999	2	6	200.0%	2	6	200.0%
\$500,000 - \$749,999	0	2	-	0	2	-
\$750,000 - \$999,999	0	1	-	0	1	-
\$1,000,000 & higher	0	0	-	0	0	-
<b>Grand Total:</b>	<b>95</b>	<b>122</b>	<b>28.4%</b>	<b>95</b>	<b>122</b>	<b>28.4%</b>

### CONDO/CO-OP - CONTRACTS

- The number of condos and co-ops receiving ratified contracts **increased 28.4%** in January 2018 compared to January 2017.

### SETTLEMENTS

Condo/Co-op	New This Month			Year-To-Date		
	2017	2018	% Change	2017	2018	% Change
<b>Settlements</b>						
\$299,999 and under	75	85	13.3%	75	85	13.3%
\$300,000 - \$499,999	2	5	150.0%	2	5	150.0%
\$500,000 - \$749,999	0	0	-	0	0	-
\$750,000 - \$999,999	1	0	-100.0%	1	0	-100.0%
\$1,000,000 & higher	0	0	-	0	0	-
<b>Grand Total:</b>	<b>78</b>	<b>90</b>	<b>15.4%</b>	<b>78</b>	<b>90</b>	<b>15.4%</b>

### CONDO/CO-OP - SETTLEMENTS AND AVERAGE PRICE

- The number of condos and co-ops settling in January 2018 **increased 15.4%** compared to January 2017.
- The average price was **up 5.8%** compared to January 2017.

Average Sales Price:	Jan 2017	Jan 2018	% Change	YTD 2017	YTD 2018	% Change
Condo/Co-op	\$128,867	\$136,321	5.8%	\$128,867	\$136,321	5.8%

## Analysis by Property Type - Fee Simple Attached

### LISTINGS

Fee Simple Attached	New This Month			Total Active		
	2017	2018	% Change	2017	2018	% Change
<b>Listings</b>						
\$299,999 and under	157	148	-5.7%	175	188	7.4%
\$300,000 - \$499,999	53	72	35.8%	122	144	18.0%
\$500,000 - \$749,999	0	3	-	2	11	450.0%
\$750,000 - \$999,999	0	0	-	0	0	-
\$1,000,000 & higher	0	0	-	0	0	-
<b>Grand Total:</b>	<b>210</b>	<b>223</b>	<b>6.2%</b>	<b>299</b>	<b>343</b>	<b>14.7%</b>

### ATTACHED HOMES - LISTINGS

- The number of new listings coming on the market in January 2018 for fee simple attached homes **increased 6.2%** compared to January 2017.
- The fully active inventory at the end of January **increased 14.7%** compared to the available inventory at the end of January 2017.

### CONTRACTS

Fee Simple Attached	New This Month			Year-To-Date		
	2017	2018	% Change	2017	2018	% Change
<b>Contracts</b>						
\$299,999 and under	120	172	43.3%	120	172	43.3%
\$300,000 - \$499,999	44	46	4.5%	44	46	4.5%
\$500,000 - \$749,999	0	0	-	0	0	-
\$750,000 - \$999,999	0	0	-	0	0	-
\$1,000,000 & higher	0	0	-	0	0	-
<b>Grand Total:</b>	<b>164</b>	<b>218</b>	<b>32.9%</b>	<b>164</b>	<b>218</b>	<b>32.9%</b>

### ATTACHED HOMES - CONTRACTS

- Contract activity for attached homes **increased 32.9%** in January 2018 compared to January 2017.

### SETTLEMENTS

Fee Simple Attached	New This Month			Year-To-Date		
	2017	2018	% Change	2017	2018	% Change
<b>Settlements</b>						
\$299,999 and under	118	116	-1.7%	118	116	-1.7%
\$300,000 - \$499,999	27	40	48.1%	27	40	48.1%
\$500,000 - \$749,999	1	0	-100.0%	1	0	-100.0%
\$750,000 - \$999,999	0	0	-	0	0	-
\$1,000,000 & higher	0	0	-	0	0	-
<b>Grand Total:</b>	<b>146</b>	<b>156</b>	<b>6.8%</b>	<b>146</b>	<b>156</b>	<b>6.8%</b>

### ATTACHED HOMES - SETTLEMENTS AND AVERAGE PRICE

- The number of settlements **increased 6.8%** in January 2018 compared to January 2017.
- The average sales price was **up 8.2%** in January 2018 compared to January 2017.

Average Sales Price:	Jan 2017	Jan 2018	% Change	YTD 2017	YTD 2018	% Change
Fee Simple Attached	\$242,723	\$262,695	8.2%	\$242,723	\$262,695	8.2%



## Analysis by Property Type - Fee Simple Detached

### LISTINGS

Fee Simple Detached	New This Month			Total Active		
	2017	2018	% Change	2017	2018	% Change
<b>Listings</b>						
\$299,999 and under	338	248	-26.6%	445	361	-18.9%
\$300,000 - \$499,999	231	227	-1.7%	476	469	-1.5%
\$500,000 - \$749,999	49	56	14.3%	172	184	7.0%
\$750,000 - \$999,999	5	2	-60.0%	18	32	77.8%
\$1,000,000 & higher	2	1	-50.0%	14	9	-35.7%
<b>Grand Total:</b>	<b>625</b>	<b>534</b>	<b>-14.6%</b>	<b>1125</b>	<b>1055</b>	<b>-6.2%</b>

### DETACHED HOMES - LISTINGS

- The number of new listings for fee simple detached homes **decreased 14.6%** in January 2018 compared to January 2017.
- The number of detached homes on the market on January 31, 2018 was **down 6.2%** compared to January 31, 2017.

### CONTRACTS

Fee Simple Detached	New This Month			Year-To-Date		
	2017	2018	% Change	2017	2018	% Change
<b>Contracts</b>						
\$299,999 and under	282	301	6.7%	282	301	6.7%
\$300,000 - \$499,999	217	272	25.3%	217	272	25.3%
\$500,000 - \$749,999	27	37	37.0%	27	37	37.0%
\$750,000 - \$999,999	3	3	0.0%	3	3	0.0%
\$1,000,000 & higher	0	0	-	0	0	-
<b>Grand Total:</b>	<b>529</b>	<b>613</b>	<b>15.9%</b>	<b>529</b>	<b>613</b>	<b>15.9%</b>

### DETACHED HOMES - CONTRACTS

- Contract activity for detached homes **increased 15.9%** in January 2018 compared to January 2017.

### SETTLEMENTS

Fee Simple Detached	New This Month			Year-To-Date		
	2017	2018	% Change	2017	2018	% Change
<b>Settlements</b>						
\$299,999 and under	260	229	-11.9%	260	229	-11.9%
\$300,000 - \$499,999	195	188	-3.6%	195	188	-3.6%
\$500,000 - \$749,999	25	36	44.0%	25	36	44.0%
\$750,000 - \$999,999	3	0	-100.0%	3	0	-100.0%
\$1,000,000 & higher	0	0	-	0	0	-
<b>Grand Total:</b>	<b>483</b>	<b>453</b>	<b>-6.2%</b>	<b>483</b>	<b>453</b>	<b>-6.2%</b>

### DETACHED HOMES - SETTLEMENTS AND AVERAGE PRICE

- The number of settlements **decreased 6.2%** in January 2018 compared to January 2017.
- The average sales price for detached homes **increased 1.9%** in January 2018 compared to January 2017.

Average Sales Price:	Jan 2017	Jan 2018	% Change	YTD 2017	YTD 2018	% Change
Fee Simple Detached	\$304,699	\$310,633	1.9%	\$304,699	\$310,633	1.9%

## Absorption Rate by Property Type

The following tables track absorption rate by property type, comparing the rates in the just-completed month to the rates in the same month of the previous year. The absorption rate is a measure of the health of the market, and tracks the percentage of homes that were on the market during the given month and in the given price range that went under contract. [The formula is # Contracts/(# Contracts + # Available).] An example: The absorption rate for detached homes priced \$300,000-\$499,999 in January 2018 was 36.7%; that compares to a rate of 31.3% in January 2017, and the increase means the market was better in 2018 for that type of home. If the absorption rate was less in 2018 than in 2017, we have put the 2018 rate in **red**. This month there was **improvement for 9 of the 13 individual price categories** with activity, and three remained the same.

Condo/Co-op	January 2017			January 2018		
	Absorption Rates	Listings	Contracts	Rate	Listings	Contracts
\$299,999 and under	171	93	35.2%	106	113	<b>51.6%</b>
\$300,000 - \$499,999	31	2	6.1%	37	6	<b>14.0%</b>
\$500,000 - \$749,999	15	0	0.0%	11	2	<b>15.4%</b>
\$750,000 - \$999,999	2	0	0.0%	0	1	<b>100.0%</b>
\$1,000,000 & higher	1	0	0.0%	1	0	<b>0.0%</b>
<b>Grand Total:</b>	<b>220</b>	<b>95</b>	<b>30.2%</b>	<b>155</b>	<b>122</b>	<b>44.0%</b>

### ABSORPTION RATES - CONDOS AND CO-OPS

- The overall absorption rate for condos and co-ops for January was 44.0%, which is an increase from the 30.2% rate in January 2017.

Fee Simple Attached	January 2017			January 2018		
	Absorption Rates	Listings	Contracts	Rate	Listings	Contracts
\$299,999 and under	175	120	40.7%	188	172	<b>47.8%</b>
\$300,000 - \$499,999	122	44	26.5%	144	46	<b>24.2%</b>
\$500,000 - \$749,999	2	0	0.0%	11	0	<b>0.0%</b>
\$750,000 - \$999,999	0	0	-	0	0	-
\$1,000,000 & higher	0	0	-	0	0	-
<b>Grand Total:</b>	<b>299</b>	<b>164</b>	<b>35.4%</b>	<b>343</b>	<b>218</b>	<b>38.9%</b>

### ABSORPTION RATES - ATTACHED HOMES

- The overall absorption rate for attached homes for January was 38.9%, which is an increase from the 35.4% rate in January 2017.

Fee Simple Detached	January 2017			January 2018		
	Absorption Rates	Listings	Contracts	Rate	Listings	Contracts
\$299,999 and under	445	282	38.8%	361	301	<b>45.5%</b>
\$300,000 - \$499,999	476	217	31.3%	469	272	<b>36.7%</b>
\$500,000 - \$749,999	172	27	13.6%	184	37	<b>16.7%</b>
\$750,000 - \$999,999	18	3	14.3%	32	3	<b>8.6%</b>
\$1,000,000 & higher	14	0	0.0%	9	0	<b>0.0%</b>
<b>Grand Total:</b>	<b>1125</b>	<b>529</b>	<b>32.0%</b>	<b>1055</b>	<b>613</b>	<b>36.8%</b>

### ABSORPTION RATES - DETACHED HOMES

- January 2018's absorption rate for detached homes was 36.8%, an increase from 32.0% in January 2017.