

Research & Technology Center
Montgomery County Planning Department

Housing Market Update

Montgomery County, Maryland

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Overview

The Research & Technology Center of the Montgomery County Planning Department monitors, analyzes and publishes reports on a variety of housing market trends and statistics. This information is used widely to:

- develop forecasts of future jobs, population and housing growth;
- shape County policies on affordable housing, growth, transportation and land use planning;
- assess the health of the local housing and construction sectors and of the County's economy in general;
- prepare County revenue estimates; and
- respond to a wide range of data requests from County leaders, staff and the general public.

Recent instability in the nation's housing market has intensified interest in the condition of Montgomery County's housing market. In response, the Research & Technology Center presents this Housing Market Update report, giving decision-makers and residents timely access to key housing market indicators, including:

- Time on the Market
- Median Home Sales Prices
- Home Sales Volume
- Household Income
- Emerging Housing Market Trends

Additional housing market information is available in the following Research & Technology Center reports and in our online data centers, available at www.mcfacts.org.

- Economic Forces that Shape Montgomery County
- Senior Housing Report
- Montgomery County At-A-Glance
- MD355/I-270 Technology Corridor Report

Time on the Market

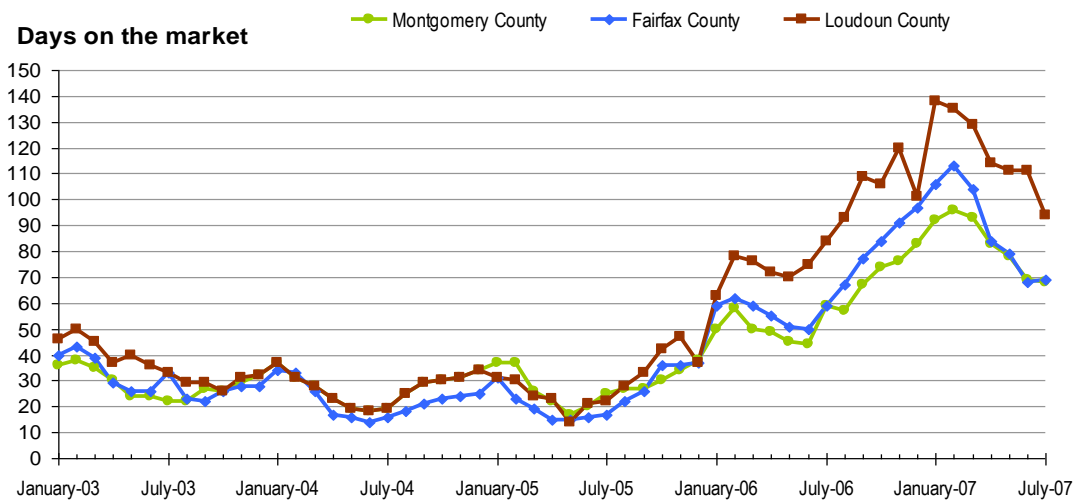
Summer months typically provide the shortest times on the market.

The average number of days that homes are staying on the market continues to shorten from last winter's peak of 96 days to 68 days in July. This was just 9 days longer than the 59-day average in July of 2006.

Time on the market averaged 25 days in July of 2004 and 2005, and 22 days in July of 2003.



Time-on-the-market peaked in February 2007.



Source: MRIS

Median Sales Prices

The median sales price of a new single-family detached home jumped sharply in the first quarter of 2007, topping \$1.1 million for the first time. The median sales price for all types of housing in Montgomery County’s increased 8 percent overall in July while home prices were flat for the rest of the Washington, D.C. metro region. At \$490,000, Montgomery County’s median sales price was the region’s highest. (*Washington Business Journal*, August 10, 2007)

During the first quarter of 2007, prices for existing townhomes increased slightly. Over the same period, prices for existing single-family detached homes and new townhomes decreased slightly from their all-time highs in 2006, but remained well above historic levels.

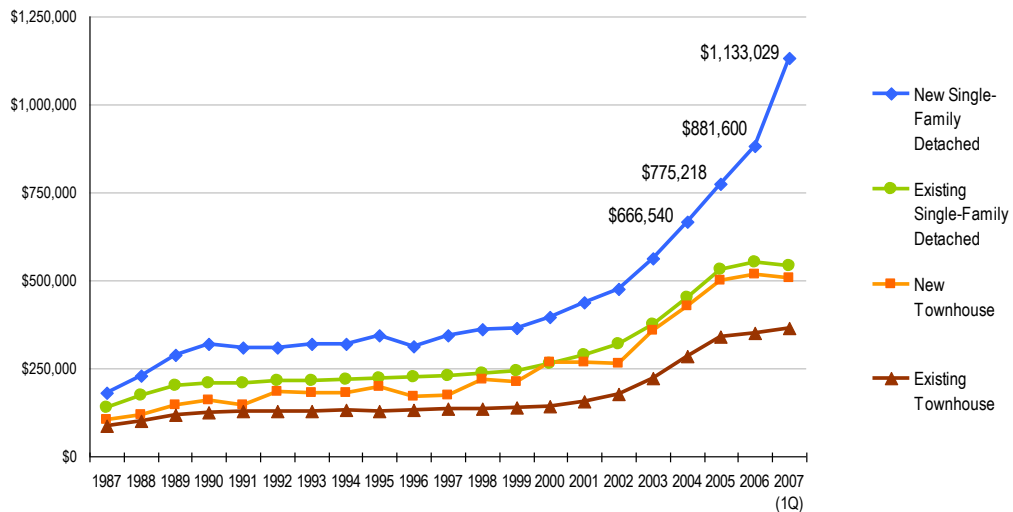
Median Home Sales Price

Unit Type	2002	2003	2004	2005	2006	2007 (1Q)
Single-Family Detached (New)	\$475,700	\$563,810	\$666,540	\$775,218	\$881,600	\$1,133,029
Single-Family Detached (Existing)	\$320,000	\$376,000	\$450,000	\$530,000	\$552,500	\$540,000
Townhouse (New)	\$265,135	\$358,553	\$427,501	\$499,375	\$518,510	\$505,462
Townhouse (Existing)	\$177,900	\$223,000	\$283,500	\$340,000	\$350,000	\$364,000

Source: M-NCPPC, Research & Technology Center, STAR Report

M-NCPPC Research & Technology Center

Median price of a new single-family detached home tops \$1.1 million.



Source: STAR

Sales Volume (First Quarter)

First quarter 2007 home sales volumes were below levels from the same period in previous years. Most in demand in first quarter 2007 were used single-family detached units, followed by used condominiums and used single-family attached units.

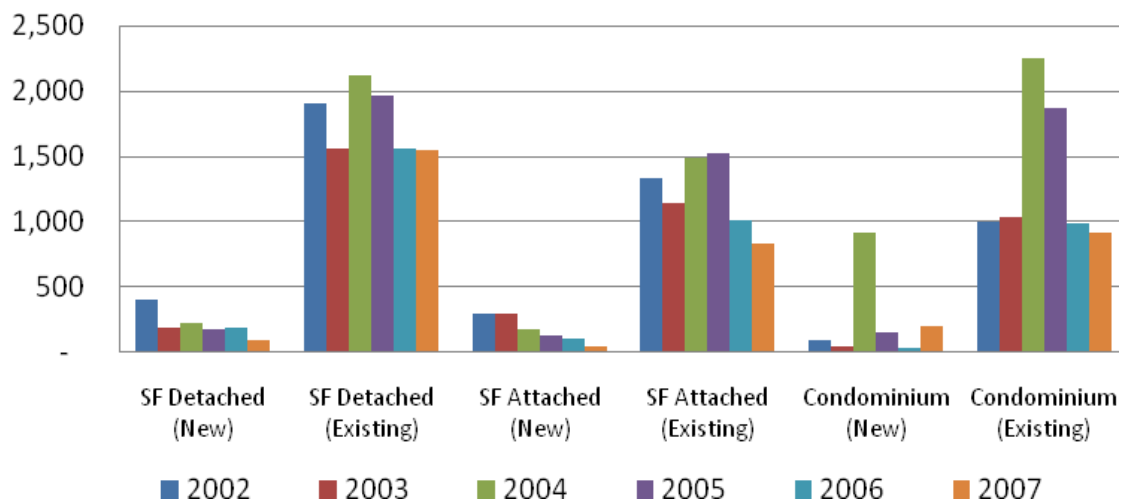
According to the Office of Federal Housing Enterprise Oversight (OFHEO), home price appreciation in the Washington, D.C. region is ahead of the national average. Maryland posted the strongest gain in the region. (*Washington Business Journal*, May 31, 2007)

First Quarter Sales Volume

Unit Type	2002	2003	2004	2005	2006	2007
Single-Family Detached (New)	408	195	225	182	195	98
Single-Family Detached (Existing)	1,909	1,563	2,121	1,967	1,562	1,553
Single-Family Attached (New)	301	300	176	132	113	53
Single-Family Attached (Existing)	1,332	1,142	1,491	1,527	1,016	834
Condominium (New)	92	44	916	156	38	200
Condominium (Existing)	1,005	1,034	2,250	1,872	987	911

Source: M-NCPPC, Research & Technology Center, STAR Report

Note: Median prices are based on market priced housing and exclude bulk transfers of property, transfers made among relatives, and transfers made without transactions.



Household Income

Census figures released last week show that, compared with other affluent major metropolitan areas, the Washington metro area “ranks first in median income among blacks and non-Hispanic whites, and the regions’ Hispanics and Asians rank second. (*Washington Post*, September 2, 2007)

A Trend To Watch Closely:

Rapid depletion of affordable rental stock as investors snap up old & new multifamily properties.

The condo market is cooler now than it was a couple of years ago, and there is demand for apartment buildings. Alexandria-based Delta Associates has reported that investors “spent \$1.6 billion on Class A and B apartments in the metro area during the first half” of 2007, compared to about \$890 million a year ago. This uptick is significant and heralds a real investment demand for our multifamily properties. (*Washington Business Journal*, July 16, 2007)

Apartment buildings are selling as fast as condo units were in 2005. According to Delta Associates, it is now the “deep pocketed equity funds and investment banks that are lined up to buy them...(and this has) prompted new and existing (multi-family) property owners to pound in ‘for sale’ signs as they look to cash out and get top dollar for properties.” (*Washington Business Journal*, July 16, 2007)