

METRO DEEP DIVE

In Washington D.C., competition is slowing but prices aren't

By Patrick Kearns | December 02, 2021

The nation's capital remains in the middle of the pack for both affordability and competition

The pandemic-induced housing market headwinds that sent prices skyrocketing and competition soaring across much of the U.S. brought many of the same conditions to Washington D.C. Nationwide, the last four months of trend data show a rapid change in both affordability and competition across the U.S., but the picture isn't as clear in the nation's capital.

The analysis, using data from the [OJO Labs](#) real estate search site [Movoto by OJO](#), shows that the Washington D.C. area is consistently ranking in the middle of the pack for competition and is one of the nation's more affordable metros.

Affordability

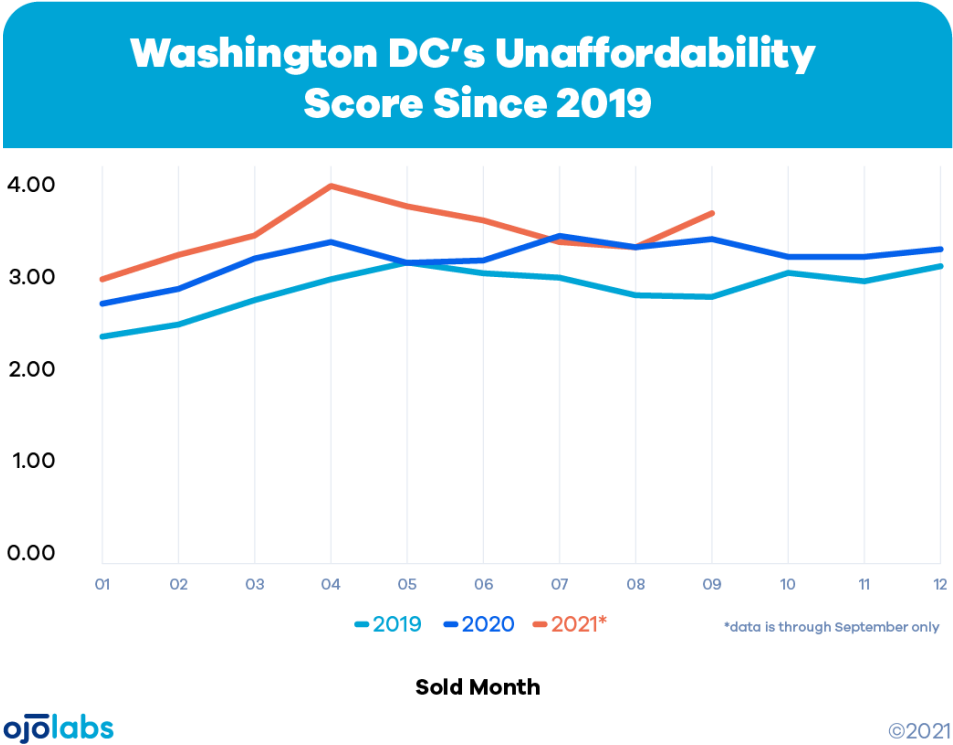
Washington D.C.'s unaffordability score reached 3.52 in October 2021 — which was static from the month prior and up from 3.36 in August. It appeared the unaffordability challenges brought on by the pandemic were slowly evaporating in August, which has seen median home sold price and unaffordability score all drop month over month for five consecutive months.

The median home sold price in Washington D.C. dropped slightly from September to October, reaching \$395,000 in October 2021. It's far ahead of the \$355,000 median home sold price reported in October 2020, but down from the mid-pandemic highs in April 2021 when the median home sold price hit \$445,000.

Seasonal effects have been pushing the unaffordability score down nationwide, but Washington D.C. has mostly avoided the impact that cooling temperatures usually have on prices.

Nationally, the median home sold price hit \$396,243 in October 2021, which was slightly ahead of the aforementioned median home sold price in Washington D.C. The median household income in Washington D.C. being above the national median income pushed the national unaffordability score to 4.8, far ahead of the 3.5 reported in Washington D.C.

Of the 75 metros in which more than 1,000 homes were sold in 2021, Washington D.C. ranked 49th in unaffordability.



Competition

Competition for homes hasn't had a direct correlation on affordability and has actually been on a steady decline since May, when the number of homes selling above list price peaked.

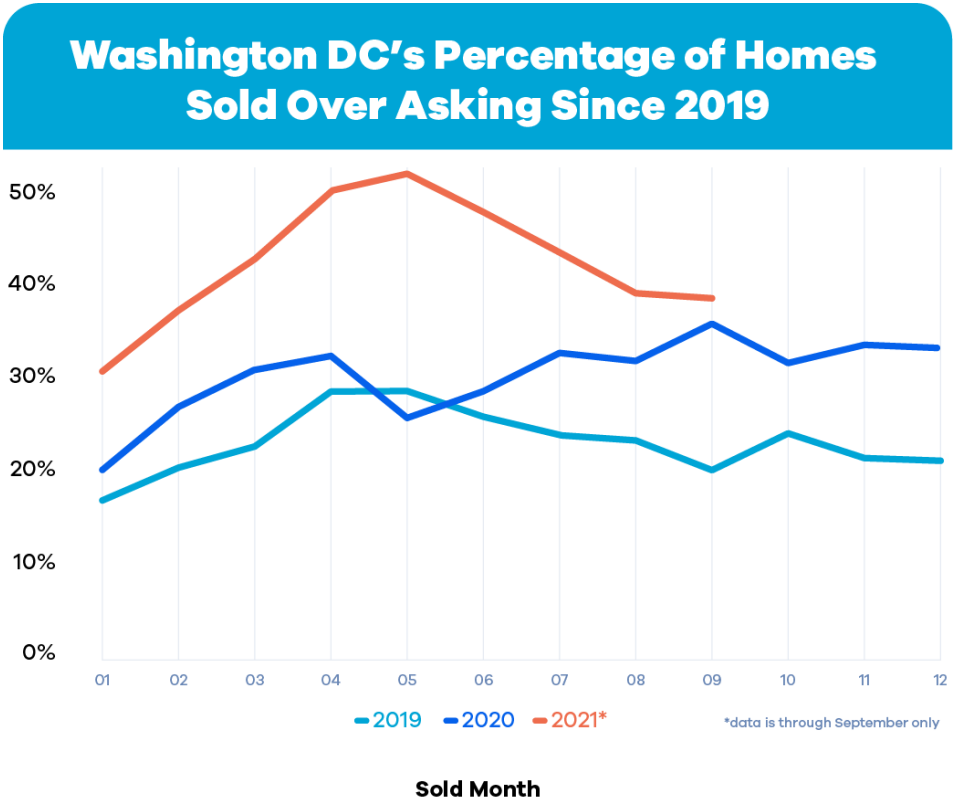
In October 2021, 36% of homes sold above initial asking price, down from 38.7% the month prior and the May 2021 high of 52.3%. April and May 2021 were the only months in the last two years in which more than half of homes sold above list prices.

In dollar amount, homes were essentially selling exactly at list price in October 2021. The

data showed that homes sold, on average, at \$212 above list price. From April to June homes were settling for an average of more than \$10,000 above list price, with the peak coming in April when homes were selling for an average of \$13,782 above list price.

In October 2020, 31.6% of homes were selling for more than initial list price, so the amount of competition appears to be rapidly approaching last year's pitch. At this time last year, homes were selling, on average, for \$1,702 below initial list price. It was even less competitive two years ago, when 23.5% of homes were selling below list price.

Nationally, 40.9% of homes sold for more than list price in October 2021, with the average home selling for \$1,780 above initial asking price, meaning that Washington D.C. was less competitive than the national average. Of the 78 metro areas tracked, Washington D.C. was the 46th most competitive for homes in terms of percentage of sales above list price.



ojolabs

©2021

Median home price data is drawn from local multiple listing service sold data on residential search site Movoto by OJO, and median household income is derived from 2016-19 census data. Unaffordability score is a ratio that's derived from monthly median housing prices and median household income. The higher the score, the more unaffordable a metro area is for a household making the median income.

Want OJO to conduct a deep dive in your market? Contact pkearns@ojolabs.com.



Patrick Kearns is the Director of Storytelling at OJO Labs. Prior to joining OJO Labs, Patrick worked as a journalist for more than a decade, most recently covering housing and real estate at Inman News. He's also written for The Guardian, The Washington Post, Sports Illustrated, Vice, and others.



OJO is a real estate platform that provides support and guidance to match each moment of the home journey, so everyone feels ready, equipped, and inspired to take the next step. [Learn more.](#)