



Headline News

Highest February Home Sales Since 2007

In February, Maryland home sales reached the highest February level since 2007. Furthermore, home sales rose 16.3 percent above last year, posting the seventh consecutive year-over-year growth. Compared to February 2014, pending home sales, active inventory, Maryland housing affordability indices for the repeat- and first-time buyers were all up, while median home sales price and the months' supply of homes available for sales declined. Compared to February 2015, pending home sales was up; median home sales price remained unchanged, while inventory of homes available for sale declined.

The volume of foreclosure activity in Maryland increased in February due to increases in notices of default and lender purchases of foreclosed properties. Compared to last year, Maryland foreclosure activity declined due to decreases in notices of default. In fact, notices of default has been declining for four consecutive months, establishing a trend not seen since December 2011. Nationally, foreclosure events declined in February due to decrease in notices of foreclosure sales.

In February, foreclosure activity declined in 23 states, increased in 27 states and also in the District of Columbia. Compared to February 2014, foreclosure events declined in 26 states and increased in the remaining 24 states and also in the District of Columbia. Among the neighboring states, Delaware's foreclosure ranking improved from the 45th lowest (5th highest in the nation) in February to the 43rd lowest (7th highest) in February, Pennsylvania's ranking deteriorated from the 31st lowest (19th highest) in February to the 36th lowest (14th highest) in February, Virginia's ranking improved from the 22nd lowest (28th highest) in February to the 13th lowest (37th highest) in February.

* Housing market observations contained in this report reflect statistical data as of February 2015.

Key Events

PRINCE GEORGE'S COUNTY PARTNERSHIP



DHCD Deputy Director Bill Ariano, Jr. greets Michael Graziano, government affairs director of the Prince George's County Association of Realtors at a training session for the MMP Triple Play Initiative in Prince George's County.

MARYLAND HOUSING DAY



Secretary Holt tells members of the Affordable Housing Coalition of Maryland that the Hogan administration will find innovative ways to meet the affordable housing needs of Maryland families, senior citizens and individuals with special needs.

LEGISLATIVE BRIEFING



Secretary Holt greets Prince George's County Delegate Michael Vaughn during a briefing session at the start of the 2015 General Assembly.

Key February Statistics

- ✓ Existing home sales increased by 1.1 percent to 3,911 units in February. Sales were up 16.3 percent above last year, posting the seventh consecutive year-over-year growth.
- ✓ The median home sales price was unchanged at 232,283 in February. On an annual basis however, median home sales price declined for the fifth consecutive month below last year by 3.7 percent.
- ✓ Inventory of homes available for sale declined for the fifth consecutive month by 1.8 percent in February to 25,050 units. Declining inventory of homes available for sale represents tightening housing market, as demand for home purchases (given by home sales) outpaces supply consequently leading to rising home prices. Compared to February 2014, inventory was up 7.9 percent, recording the 18th consecutive month of year-over-year increases.
- ✓ The seasonally adjusted months' supply of homes for sale increased by 9.3 percent to 4.7 percent, in February. The month's supply declined by last year by 7.8 percent.
- ✓ Time on the market decreased by one day, or 1.1 percent, in February to 88 days. Days on the market increased by four days or 4.8 percent above the last year's mark.
- ✓ The volume of foreclosure activity in Maryland increased 10.1 percent in February to 4,231 events. On an annual basis, total foreclosure activities declined by 0.9 percent (Chart 3).
- ✓ Maryland Notices of default increased 19.8 percent to 1,650 filings in February. Compared to last year, default notices were down 25.3 percent, marking the fourth consecutive months of declines.
- ✓ Notices of foreclosure sales in Maryland decreased 8.6 percent to 1,520 filings. Foreclosure sales were up 5.9 percent over last year.
- ✓ Lender purchases increased by 32.1 percent to 803 properties in February but were down 19.8 percent below last year.

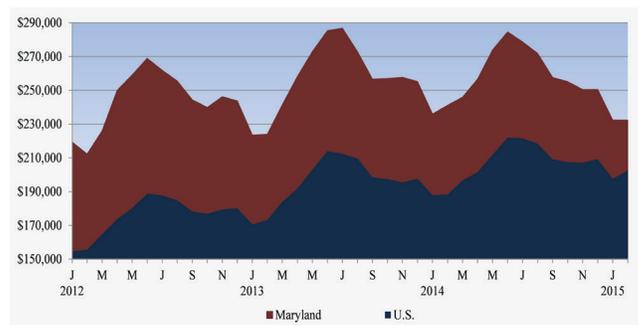
Home Prices

Median Home Sales Price Unchanged in February

In February state-wide median home sales price remained unchanged at \$232,283. However, median home sales price declined, for the fifth consecutive month of year-over-year, by 3.7 percent below last year. The national median home sales price was \$202,600 in February, up 2.5 percent above last month, and was up 7.5 percent over last year, posting the 36th consecutive month of year-over-year price appreciation.

Median Home Sales Price in Maryland and the U.S.

Maryland Median Home Sales Price Remained Unchanged in February

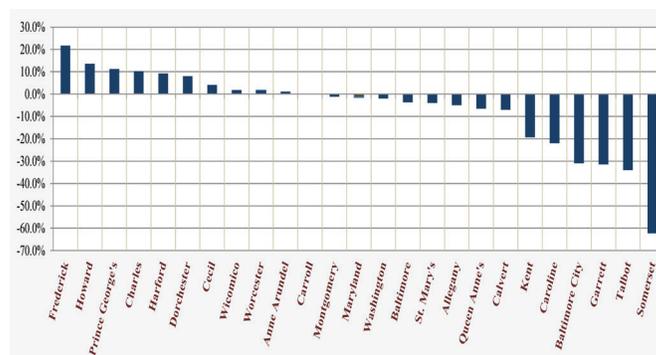


Sources: National Association of Realtors and Maryland Association of Realtors

Compared to last year, median home sales price increased in 10 Maryland jurisdictions, and decreased in the remaining 14. Frederick, Howard, Prince George's, and Charles counties posted double-digit price appreciation rates, while median home sales prices declined by the largest annual rate in Somerset County (62.3 percent), Talbot County (34.0 percent), Garrett County (31.5 percent), and in Baltimore City (31.0 percent).

Year-Over-Year Changes in Median Home Sales Price

February Home Prices Remained Weak in Majority of Maryland Jurisdictions



Sources: Maryland Association of Realtors

Home Sales

Home Sales Up in February

Existing home sales increased by 1.1 percent across Maryland to 3,911 units in February. Home sales increased by 16.3 percent above last year's volume, posting the seventh consecutive month of year-over-year increases. National home sales increased 4.6 percent to 294,000 units in February and were up 4.3 percent above year ago levels.

Maryland Existing Home Sales: Volume and Annual Growth

Home Sales Declined in February

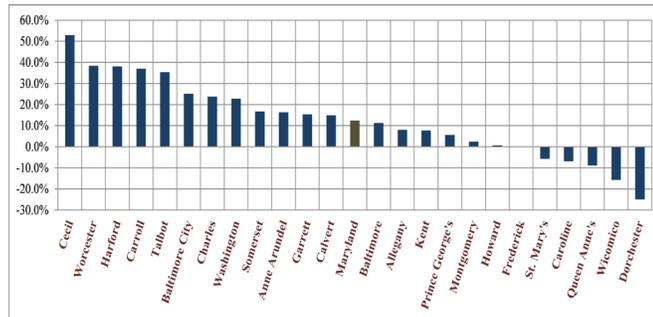


Source: Maryland Association of Realtors and National Association of Realtors

Compared to year ago, home sales increased in 18 Maryland jurisdictions in February, declined in five, and remained unchanged in Frederick County.

Year-Over-Year Change in Home Sales

Home Sales Up in 18 Maryland Jurisdictions



Sources: Maryland Association of Realtors

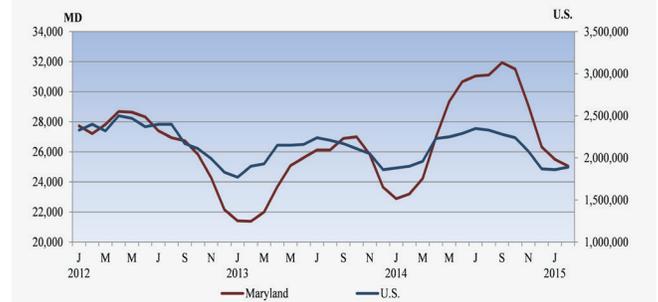
Housing Inventory

Housing Inventory further Declined in February

Inventory of homes available for sales declined for the fifth consecutive month by 1.8 percent to 25,050 units in February. However, the inventory was up 7.9 percent above last year's volume, recording the 18th consecutive month of year-over-year increases. National housing inventory increased by 1.6 percent to 1,890,000 units in February, but was down 0.5 percent below year ago levels.

Inventory of Existing Homes for Sale: Maryland & the U.S.

Inventory of Homes for Sales Declined in February

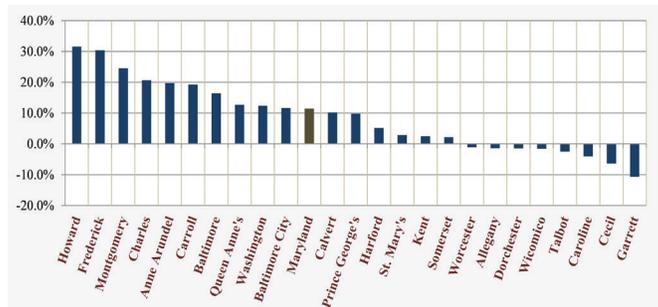


Sources: National Association of Realtors and Maryland Association of Realtors

On a year-over-year basis, inventory of homes for sales increased in 16 Maryland jurisdictions and declined in the remaining eight. Inventory of homes available for sale grew by the largest annual rate in Howard County (31.6 percent), Frederick County (30.4 percent), and in Montgomery County (24.5 percent).

Year-Over-Year Change in Housing Inventory

Inventory Increased in 16 Maryland Jurisdictions



Sources: Maryland Association of Realtors

Pending Sales Index

February Pending Sales Index Points to Strong Home Sales

Maryland Pending Home Sales Index (PHSI), a leading indicator of home sales activity during the next two months based on contract signings, rose 7.7 percent to 84.5 in February. On an annual basis, Maryland PHSI increased 21.7 percent, posting the 10th consecutive month of year-over-year increases. The U.S. PHSI up 3.1 percent to 106.9 in February and was up 12.0 percent above last year.

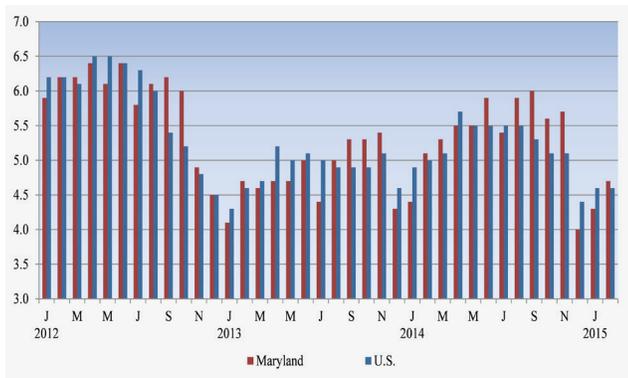
Months' Supply of Homes

February Supply of Homes Increased

The seasonally adjusted months' supply of homes for sale representing the depletion rate of the current inventory, increased by 9.3 percent to 4.7 percent in February, below the standard six months required for a balanced housing market. The depletion rate which also reflects the tightness of the housing market is 70.4 percent below its sluggish peak of 15.9 months reached in November 2008. The month's supply was down 7.8 percent below last year. Nationally, the supply of homes was unchanged in February at 4.6 months, but was down 6.1 percent below last year.

Months' Supply of Existing Homes for Sale: Maryland and the U.S.

February Supply of Homes Up in February

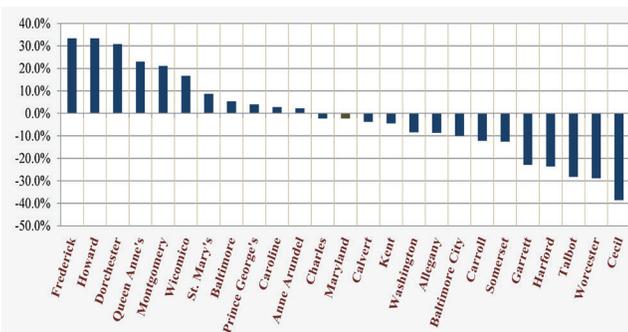


Sources: Maryland Association of Realtors, National Association of Realtors and DHCD, Office of Policy, Planning and Research

On a year-over-year basis, months' supply declined in 13 Maryland jurisdictions, and increased in the remaining 11. Months' supply declined by the largest annual rate in Cecil County (38.6 percent), Worcester County (28.9 percent), Talbot County (28.3 percent), and in Harford County (23.6 percent).

Year-Over-Year Change in Months' Supply

February Supply of Homes Declined in 13 Maryland Jurisdictions



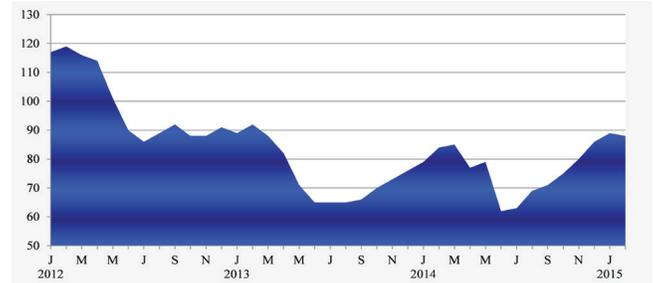
Sources: Maryland Association of Realtors, DHCD, Office of Policy, Planning and Research

Days on the Market

Time on Market Declined in February

Time on the market decreased 1.1 percent in February to 88 days, down one day below the January. On an annual basis, days on market were up by 4.8 percent, recording the seventh consecutive months of year-over-year increases. Nationally, days on the market decreased by seven days in February to 62 days, and remained unchanged from last year.

Days on Market Decreased in Maryland in February



Sources: Maryland Association of Realtors and DHCD, Office of Policy, Planning and Research

Mortgage Rates

Mortgage Rates Increased in February

Freddie Mac's national average 30-year fixed effective mortgage rate increased four basis points to 3.76 percent in February. The national effective rate, which accounts for variations in points, was down 60 basis points below last year. Maryland's average 30-year fixed effective mortgage rate declined by seven basis points to 3.88 percent in February, and was down 67 basis points below last year. The Maryland effective rate exceeded the national average rate by 12 basis points. The effective, 30-year fixed mortgage rate of Community Development Administration (CDA) increased 19 basis points to 4.0 percent in February, but was down 33 basis points below last year. The CDA rate was 13 basis points above average effective mortgage rate in Maryland.

30-Year Fixed Average Effective Mortgage Rates

Mortgage Rates Increased in February



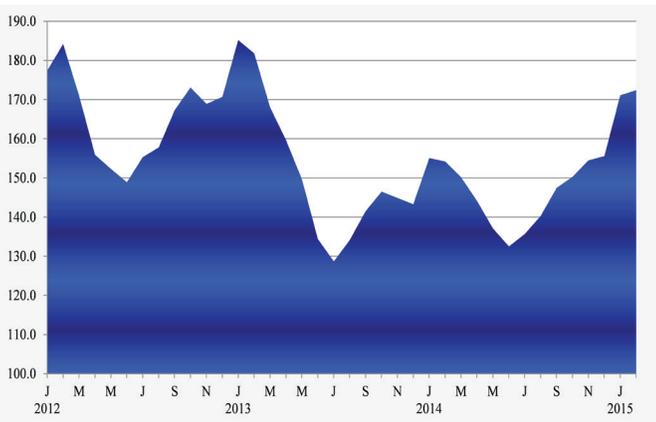
Sources: Freddie Mac and DHCD, Office of Policy, Planning and Research

Housing Affordability

Indices of Housing Affordability Increased in February

Maryland indices of housing affordability for both repeat and first-time homebuyers increased for the seven consecutive months in February. The February indices for repeat home buyers rose 0.8 percent to 172.4 and first-time home buyers by 0.7 percent to 110.3, respectively. Similarly, the affordability indices were up 11.8 percent and 11.5 percent above last year's mark, posting the 8th consecutive month of year-over-year increases. A repeat buyer index with a value of 100 portrays an average household with the exact median income to qualify for a mortgage on a median priced home. By comparison, an index with a value above 100 signifies a household with more than enough income to qualify for a mortgage loan on a median priced home.

Maryland Housing Affordability Index for Repeat Homebuyers Housing Affordability Indexes Strengthened in February

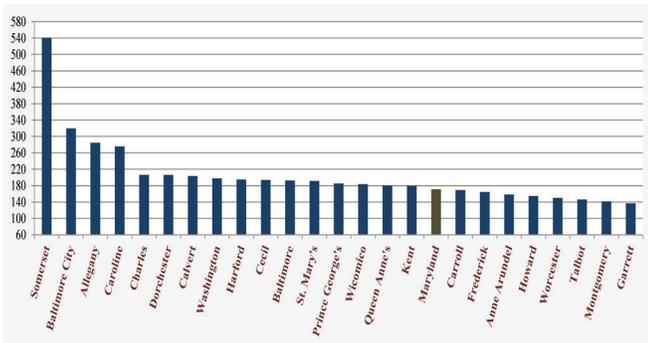


Sources: DHCD, Office of Policy, Planning and Research

The February index of housing affordability exceeded 100 in all Maryland jurisdictions. Somerset County with the index of 540.9, due to a decline of 69.0 percent in median home sales price as reported by Maryland Association of Realtors, was the most affordable jurisdiction in Maryland.

February Housing Affordability Index by Jurisdiction

Affordability Indices Exceeded 100 in All Maryland Jurisdictions



Source: DHCD, Office of Policy, Planning and Research

Residential Construction

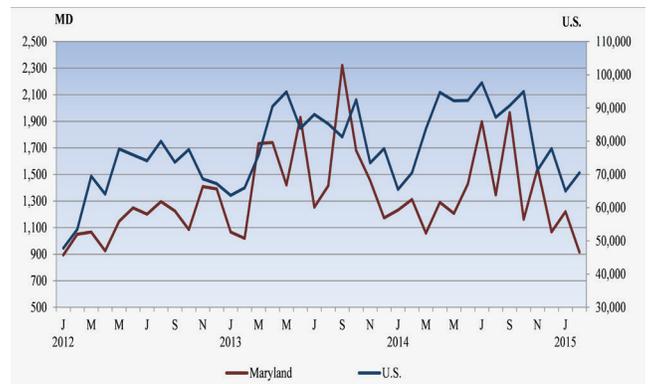
Residential Building Permits Increased in February

Total residential building permits issued in Maryland, a leading indicator of construction activity, increased 14.2 percent in February to 1,220 units. Building permits declined 1.1 percent below last year. Multifamily building permits increased by 37.7 percent to 493 units, and were up 11.8 percent above last year. Single family permits were up 2.4 percent to 727 units, but were down 8.2 percent below last year.

February building permits issued in the U.S. decreased 16.5 percent to 65,000 units, and were down 0.8 percent below last year. The nation's single family building permits increased 2.2 percent to 41,100 units and were up 1.5 percent above last year. Multifamily building permits decreased 36.4 percent from last month to 23,900 units and were down 4.4 percent below the year ago levels.

Monthly Volume of Residential Building Permits Issued in Maryland and the U.S.

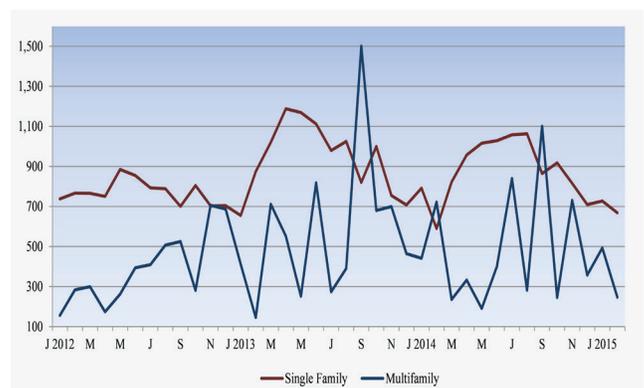
Maryland Residential Permits Increased in February



Source: U.S. Bureau of the Census

Monthly Volume of Single Family and Multifamily Building Permits Issued in Maryland

Single Family Permits and Multifamily Permits Declined in February



Source: U.S. Bureau of the Census

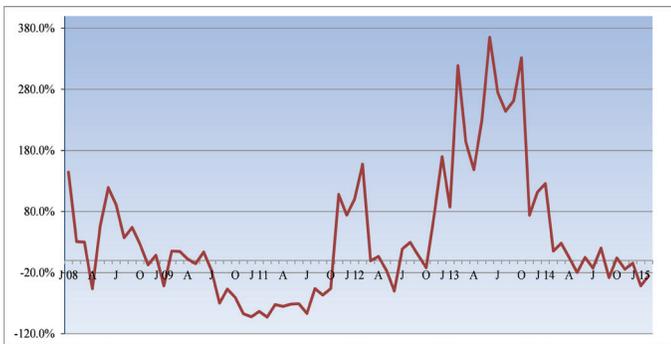
Property Foreclosure Filings

Maryland Property Foreclosure Events

Increased in February

The volume of foreclosure activity in Maryland increased by 10.1 percent in February to 4,231 events, due to increases in notices of default and lender purchases of foreclosed properties. Compared to last year, Maryland foreclosure activity declined due to decreases in notices of default. In fact, notices of default has been declining for four consecutive months, establishing a trend not seen since December 2011. On an annual basis, total foreclosure activities declined by 0.9 percent. Maryland Notices of default increased 19.8 percent to 1,650 filings in February. Compared to last year, default notices were down 25.3 percent, marking the fourth consecutive months of declines. Notices of foreclosure sales in Maryland decreased 8.6 percent to 1,520 filings. Foreclosure sales were up 5.9 percent over last year. Lender purchases increased by 32.1 percent to 803 properties in February but were down 19.8 percent below last year.

Notices of Default, % Change from Last Year



Property Foreclosure Events in Maryland

New Foreclosure Filings Decreased in February



Source: RealtyTrac

Total foreclosure events in the U.S. decreased by 4.3 percent in February to 101,938 events, due to decline in notices of foreclosure sales. On an annual basis, total foreclosure activities declined by 9.4 percent. Nationally, notices of default increased by 1.5 percent in February to 31,753 but new filings were down by 7.9 percent below the previous year. Nationwide, notices of foreclosure sales decreased 13.4 percent in February to 45,880 filings and were down 3.5 percent below last year. Lender purchases across U.S. increased by 9.2 percent to 24,305 properties, but were down 19.8 percent below last year.

Property Foreclosure Events in Maryland and the U.S.

Maryland Foreclosure Events Increased in February

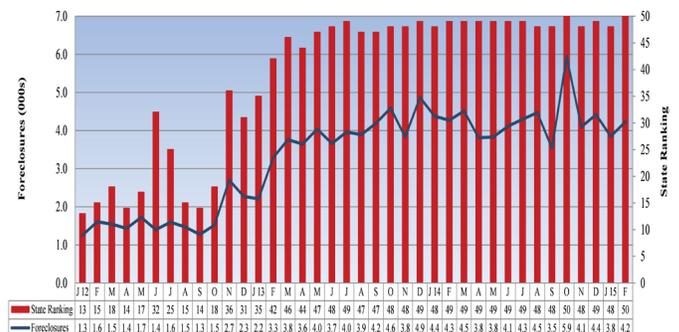


Source: RealtyTrac

Compared to January 2015, foreclosure activity declined in 23 states, and increased in 27 states and also in the District of Columbia. Compared to February 2014, foreclosure events declined in 26 states and increased in the remaining 24 states and also in the District of Columbia. Maryland's foreclosure rate increased from 16.4 foreclosures per 10,000 households in January to 17.7 in February 2015, causing Maryland foreclosure rate ranking to deteriorate to the highest in the U.S. Maryland's foreclosure rate in February exceeded the national average foreclosure rate of 7.7 by 130.0 percent. Among the neighboring states, Delaware's foreclosure ranking improved from the 45th lowest (5th highest in the nation) in January to the 43rd lowest (7th highest) in February, Pennsylvania's ranking deteriorated from the 31st lowest (19th highest) in January to the 36th lowest (14th highest) in February, Virginia's ranking improved from the 22nd lowest (28th highest) in January to the 13th lowest (37th highest) in February.

Maryland Foreclosures and State Rankings:

January 2012 - February 2015



Local Housing Market, February 2015

Year-Over-Year Percent Change

JURISDICTION	INVENTORY	HOME SALES	MEDIAN HOME SALES PRICE	MONTHS' SUPPLY	HOUSING AFFORDABILITY INDEX
Allegany	-1.4%	8.0%	-5.1%	-8.7%	14.4%
Anne Arundel	19.7%	16.3%	1.2%	2.2%	7.3%
Baltimore	16.4%	11.3%	-3.7%	5.4%	12.8%
Baltimore City	11.6%	25.1%	-31.0%	-10.0%	57.5%
Calvert	10.2%	14.9%	-7.0%	-3.8%	16.9%
Caroline	-4.1%	-6.9%	-22.0%	2.9%	39.3%
Carroll	19.3%	37.0%	-0.2%	-12.2%	8.9%
Cecil	-6.4%	52.9%	4.1%	-38.6%	4.4%
Charles	20.6%	23.8%	10.2%	-2.3%	-1.4%
Dorchester	-1.4%	-25.0%	8.0%	30.8%	0.6%
Frederick	30.4%	0.0%	21.7%	33.3%	-10.7%
Garrett	-10.7%	15.4%	-31.5%	-22.9%	58.7%
Harford	5.2%	38.0%	9.3%	-23.6%	-0.6%
Howard	31.6%	0.6%	13.6%	33.3%	-4.4%
Kent	2.5%	7.7%	-19.4%	-4.5%	34.8%
Montgomery	24.5%	2.4%	-1.2%	21.1%	9.9%
Prince George's	9.8%	5.6%	11.3%	4.0%	-2.4%
Queen Anne's	12.7%	-8.8%	-6.6%	23.0%	16.4%
Somerset	2.2%	16.7%	-62.3%	-12.6%	188.5%
St. Mary's	2.9%	-5.8%	-4.0%	8.7%	13.1%
Talbot	-2.5%	35.3%	-34.0%	-28.3%	64.7%
Washington	12.4%	22.8%	-2.0%	-8.5%	10.9%
Wicomico	-1.6%	-15.7%	1.8%	16.7%	6.7%
Worcester	-1.1%	38.4%	1.7%	-28.9%	6.8%
MARYLAND	11.5%	12.3%	-1.5%	-2.3%	10.3%

Sources: Maryland Association of Realtors and DHCD, Office of Research, Policy, and Legislative Affairs

February 2015

Maryland Housing Market Fact Sheet

INDICATOR	CURRENT PERIOD ¹	PREVIOUS PERIOD	YEAR AGO	% CHANGE FROM		SOURCE
				LAST MONTH	LAST YEAR	
Mortgage Rates (30-Yr FRM)						
Freddie Mac	3.72%	3.91%	4.49%	-0.19%	-0.77%	Freddie Mac
Maryland Average	3.95%	4.04%	4.57%	-0.09%	-0.62%	DHCD
CDA	3.81%	4.06%	4.46%	-0.25%	-0.65%	DHCD
Home Sales						
Existing	3,869	5,832	3,444	-33.7%	12.3%	MD Association of Realtors
New	664	668	706	-0.6%	-5.9%	First American Core Logic
Pending Units	6,049	5,122	5,179	18.1%	16.8%	MRIS
Pending Home Sales Index	78.4	66.4	67.3	18.1%	16.6%	DHCD
Housing Supply						
Housing Inventory	25,506	26,334	22,885	-3.1%	11.5%	MD Association of Realtors
Months' Supply	4.3	4.0	4.4	7.5%	-2.3%	DHCD
Days on the Market	89	86	79	3.5%	12.7%	MRIS, DHCD
Median Home Sales Price	\$232,348	\$250,482	\$235,919	-7.2%	-1.5%	MD Association of Realtors
Housing Affordability Index						
Repeat Buyer	171.1	155.6	155.1	10.0%	10.3%	DHCD
First-Time Buyer	109.5	99.7	99.5	9.8%	10.1%	DHCD
Construction						
Housing Permits	1,220	1,068	1,233	14.2%	-1.1%	Census
Housing Starts	358	1,441	465	-75.2%	-23.0%	DHCD
Housing Completions	1,499	1,501	1,358	-0.1%	10.4%	DHCD
Property Foreclosures						
Total	3,910	4,420	4,378	-11.5%	-10.7%	RealtyTrac
Notices of Default	1,372	2,571	2,360	-46.6%	-41.9%	RealtyTrac
Notices of Sales	1,517	1,002	1,507	51.4%	0.7%	RealtyTrac
Lender Purchases	1,021	847	511	20.5%	99.8%	RealtyTrac
Mortgage Delinquency/ Foreclosure Rates						
Overall	6.95%	7.17%	8.11%	-0.22%	-1.16%	Mortgage Bankers Association
Short-term	4.14%	4.08%	4.55%	0.06%	-0.41%	Mortgage Bankers Association
30-59 Days	2.97%	2.94%	3.28%	0.03%	-0.31%	Mortgage Bankers Association
60-89 Days	1.17%	1.14%	1.27%	0.03%	-0.10%	Mortgage Bankers Association
Long-term (90+ Days)	2.81%	3.09%	3.56%	-0.28%	-0.75%	Mortgage Bankers Association
Foreclosure Rate	3.09%	3.36%	3.62%	-0.27%	-0.53%	Mortgage Bankers Association
Serious Delinquencies	5.90%	6.45%	7.18%	-0.55%	-1.28%	Mortgage Bankers Association

Sources: Maryland Association of Realtors, Realtytrac, Mortgage Bankers Association, U.S. Census Bureau, Moody's Economy.com, CoreLogic, Freddie Mac, and DHCD, Office of Research, Policy, and Legislative Affairs

Note

1. Current data represent February 2015.
2. The Pending Home Sales Index is based on pending sales of existing homes and provides advance information on future home sales activity. A sale is pending when the contract has been signed but the transaction has not closed. Pending home sales typically close within one or two months of signing. An index of 100 is equal to the average level of pending sales in 2000. Therefore, an index of 100 coincides with a high but healthy level of home sales activity in 2000, prior to five consecutive years of record growth in housing demand.
3. Data represent fourth quarter of 2014.
4. Share of residential properties with mortgages that exceed home values. Data represent third quarter of 2014.

February 2015

Local Housing Market Fact Sheet

JURISDICTION	HOME SALES	MEDIAN HOME SALES PRICE	DAYS ON MARKET	MONTHS' SUPPLY	UNITS PENDING	PENDING SALES INDEX	AFFORDABILITY INDEX	PROPERTY FORECLOSURES
Allegany	27	\$75,000	225	12.6	43	59.9	182.2	30
Anne Arundel	363	\$297,500	98	4.6	649	94.7	101.3	249
Baltimore	464	\$187,750	86	3.9	787	86.9	123.2	719
Baltimore City	513	\$69,000	84	4.5	725	73.2	204.7	672
Calvert	85	\$251,000	121	5.1	105	94.9	130.3	92
Caroline	27	\$121,700	124	7.2	28	74.0	176.7	18
Carroll	111	\$272,000	124	4.3	171	94.4	108.4	74
Cecil	78	\$185,250	149	6.2	76	71.1	124.3	69
Charles	125	\$248,000	121	4.3	199	82.4	132.0	143
Dorchester	15	\$125,000	95	15.7	39	100.6	132.1	21
Frederick	159	\$280,000	85	4.4	302	94.2	105.5	131
Garrett	30	\$182,500	285	8.4	33	80.2	87.5	11
Harford	167	\$225,000	105	4.2	254	79.0	124.8	177
Howard	168	\$375,000	81	3.6	294	86.0	99.4	133
Kent	14	\$167,250	194	14.8	19	88.4	114.8	10
Montgomery	592	\$370,500	74	2.3	833	72.3	90.9	352
Prince George's	509	\$217,000	51	2.6	884	77.0	118.7	638
Queen Anne's	31	\$263,200	276	12.3	56	85.9	115.3	33
St. Mary's	65	\$243,000	130	7.5	120	93.8	122.8	16
Somerset	7	\$42,000	n/a	20.9	18	n/a	346.2	68
Talbot	46	\$231,500	166	6.6	41	74.5	93.7	22
Washington	113	\$147,500	130	5.4	143	101.1	126.7	118
Wicomico	59	\$149,374	n/a	6.3	83	n/a	117.8	62
Worcester	101	\$210,000	n/a	9.1	147	n/a	96.0	52
MARYLAND	3,869	\$232,348	89	4.3	6,049	78.4	109.5	3,910

Sources: Maryland Association of Realtors, Realtytrac, and DHCD, Office of Research, Policy, and Legislative Affairs