

DAAR LOUDOUN

HOME SALES REPORT

CUSTOM REPORT PREPARED BY
VIRGINIA REALTORS®

DAAR Home Sales Report

Fourth Quarter 2021

Dulles Area Association of REALTORS®

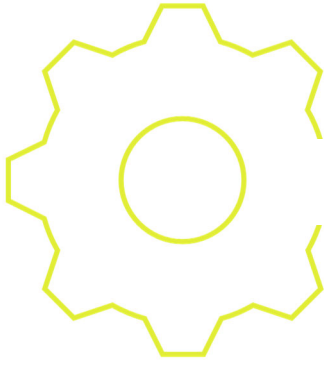
Market Report Key Takeaways

Economic Conditions

- Economic conditions in Virginia continued to improve in the fourth quarter, with broad-based job gains and another drop in the unemployment rate. The employment picture also improved in the Dulles area. The Loudoun County unemployment rate fell again and reached pre-pandemic levels.
- Despite steady economic progress, consumer confidence remains weak, as individuals and families face rising prices and a surge in COVID-19 cases. The measure of expectations of future economic conditions fell to a 16-month low in December 2021.
- Mortgage rates began to tick up at the end of 2021. Persistently high inflation will prompt the Federal Reserve to raise the federal funds rate in 2022, which will push mortgage rates even higher in the months to come.

Housing Market Conditions

- There were 1,833 sales in the Loudoun County housing market during the fourth quarter. Sales were down 13% from a year ago, a decline of 285 sales.
- Home prices continued to rise quickly throughout the county. The fourth quarter median sales price was \$611,250, which is 11% higher than a year ago, a gain of more than \$61,000.
- Inventory is historically low in Loudoun County. There were just 196 active listings at the end of the fourth quarter, a decline of 8%, or 16 fewer listings.



Economy



2.1%

Is the Nov-2021 **unemployment rate** in Loudoun County, which is down from Oct-2021



3.45%

Is the **30-year fixed-rate mortgage rate** during the second week of January 2022, which is up 0.66 percentage points from a year ago

Housing Market



-285

Fewer **home sales** in Loudoun County in Q4-2021 compared to last year.



11%

Percent change in **median sales price** in the Loudoun County housing market in Q4-2021 compared to a year ago.



-\$52.0

Million dollars less in total **sold volume** in the Loudoun County housing market in Q4-2021 compared to last year.



-8%

Percent change in **active listings** at the end of Q4-2021 in Loudoun County compared to a year ago



0.3

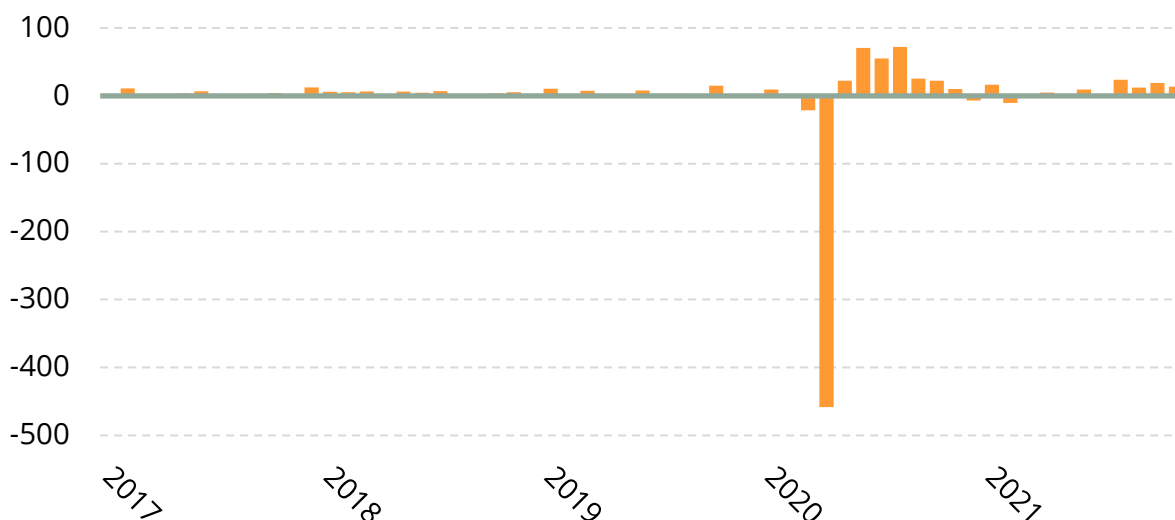
Months of supply in the Loudoun County housing market in Q4-2021, which is unchanged from a year ago

Economic Overview

Virginia's economy continued to improve steadily through the end of 2021. Despite concerns that the new COVID variants would stall progress, the economy has been demonstrating resiliency driven by strong consumer demand, rising vaccination rates, and pandemic fatigue. There have been six months of steady job growth in the state, with widespread economic improvements across Virginia's metro areas. The state's unemployment rate continues to fall and remains lower than the national rate. There are some risks to the state's economic recovery, including rising inflation and interest rates, but, in general, strong underlying fundamentals suggest ongoing economic growth. Positive economic trends will support a strong housing market in Virginia in 2022.

In November 2021, there were 3.97 million jobs in Virginia, which is an increase of 82,600 compared to a year ago and a gain of 13,600 jobs between October and November. While the number of jobs in the commonwealth is still 3% below where it was in early 2020, it is expected that by the end of 2022, the state's economy will be on solid footing and will have regained all of the jobs lost during the pandemic.

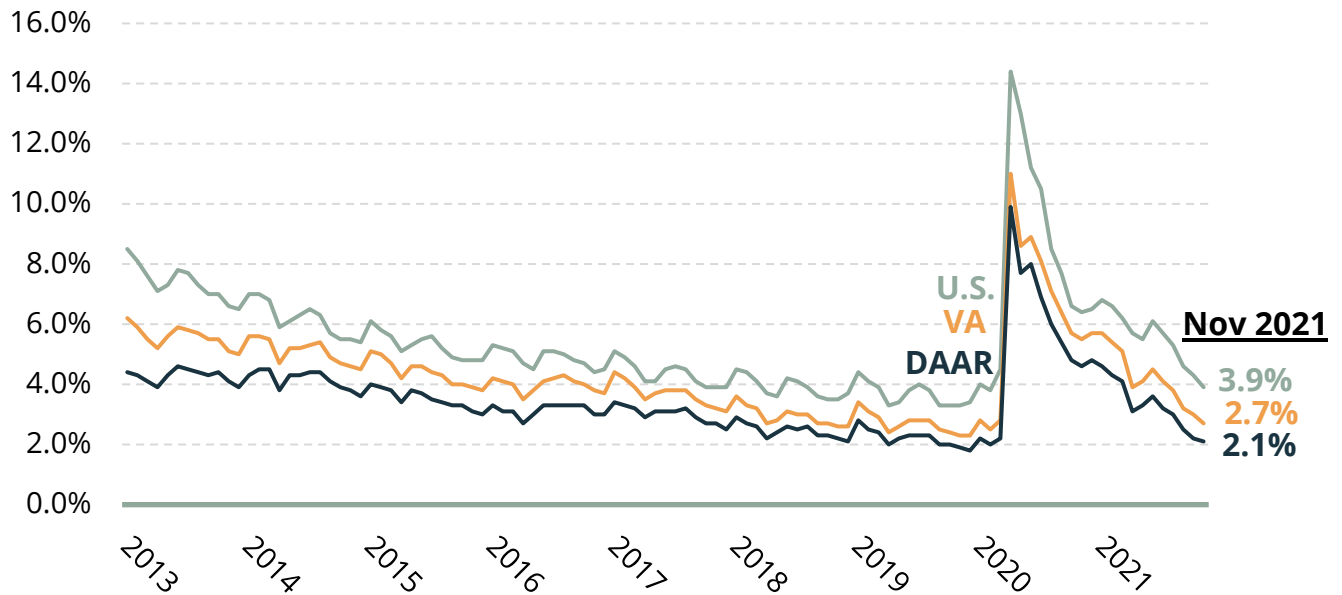
Figure 1
Virginia Month-to-Month Change in Jobs



Source: U.S. Bureau of Labor Statistics, Seasonally Adjusted

The statewide unemployment rate was 2.7% (not seasonally adjusted) in November and has been steadily declining since the beginning of 2021. In Loudoun County, the unemployment rate fell to 2.1% in November, which is back at pre-pandemic levels.

Figure 2
Unemployment Rate

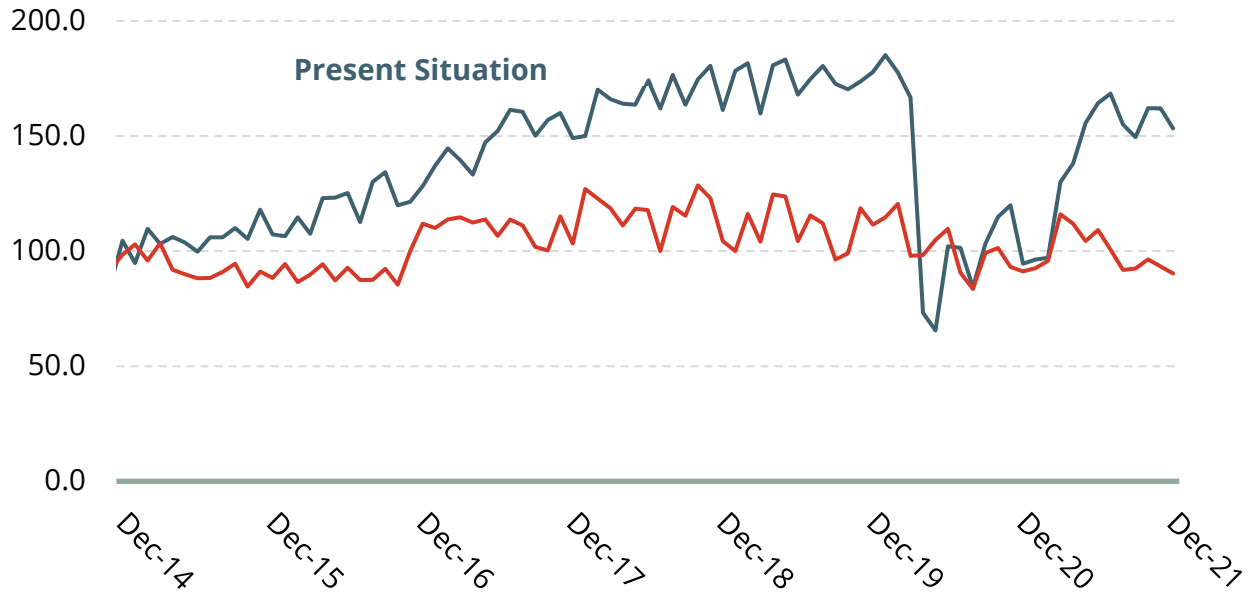


Source: U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics

Despite improvements in the job market, individuals and families are still cautious as they deal with high inflation and the COVID-19 omicron variant. In December 2021, consumers' confidence in the present economic situation dipped slightly, falling to 153.3 from 162 in November. The future outlook remained pessimistic in December, with the measure of expected future economic conditions at 90.3, down from 93.3 a month earlier. (A consumer confidence index above 100 indicates people are feeling more optimistic about economic conditions.) Consumer confidence about future economic conditions is the lowest it has been since August 2020.

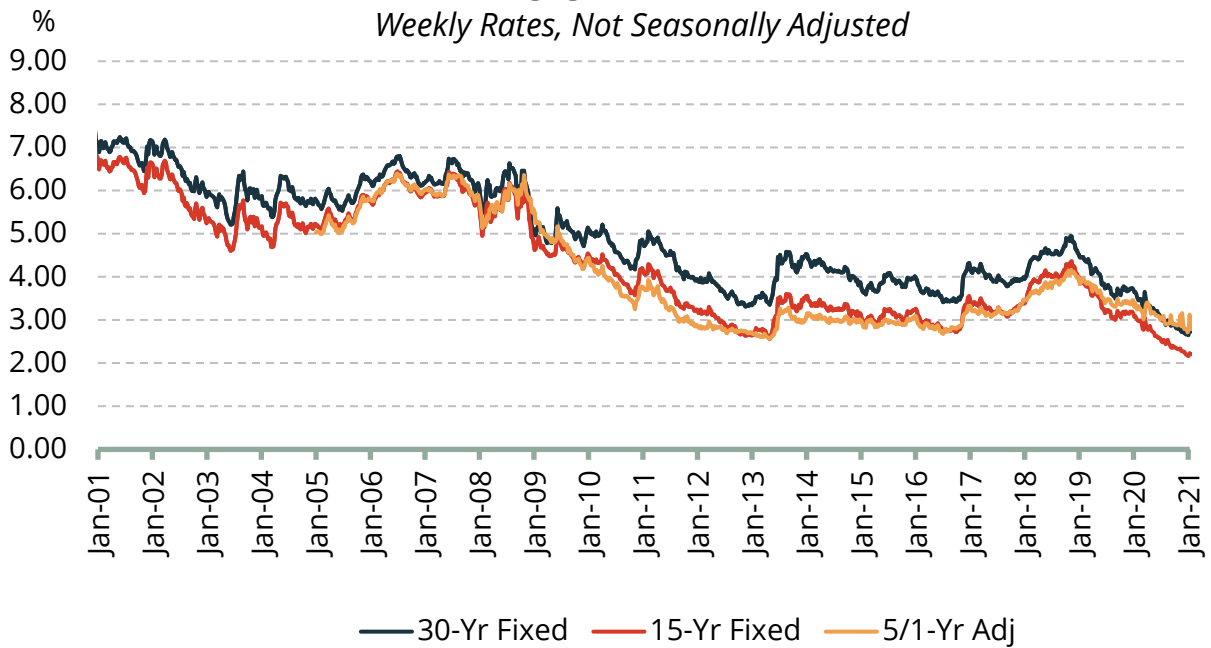
As 2021 ended, mortgage rates began to tick up slightly. At the end of December, the average rate on a 30-year fixed-rate mortgage hit 3.11%. The Federal Reserve has announced they anticipate raising the federal funds rate three times in 2022, which will lead to a further rise in mortgage rates over the coming year. Mortgage rates will stay low by historic standards, however, and will likely remain below 4% through the end of 2022.

Figure 3
Consumer Confidence
South Atlantic Region



Source: The Conference Board

Figure 4
Mortgage Interest Rates
Weekly Rates, Not Seasonally Adjusted



Source: Federal Reserve Bank of St. Louis

Housing Market Overview

Loudoun County's housing market continued to be busy in the fourth quarter, although the number of home sales fell for the second quarter in a row. This drop in sales reflects the very busy fourth quarter of a year ago. Sales were also constrained by a lack of inventory in the county. Strong demand is evident by the consistent double-digit price growth in Loudoun County, as well as the declining average days on market. Inventory is at historically low levels, with the county's market tighter than almost anywhere else in Virginia.

Sales

There were 1,833 sales across Loudoun County in the fourth quarter of 2021, which reflects a decline of 13%, or 285 fewer sales compared to the very busy fourth quarter of 2020. This is the second quarter in a row of year-over-year declines in home sales in the county. Despite this slowdown, sales are still higher than before the pandemic, with fourth quarter 2021 sales up 19% compared to the fourth quarter of 2019. Statewide, the number of home sales in the fourth quarter was down 3% compared to a year ago and was 26% higher than fourth quarter 2019 sales totals.

Sales were down in most local markets in Loudoun County. The sharpest declines occurred in Aldie zip code 20105 (-35%), as well as in Leesburg zip codes 20176 (-26%) and 20175 (-19%). Home sales were up in the fourth quarter in Lovettsville zip code 20180 (+7%) and Ashburn zip code 20147 (+2%).

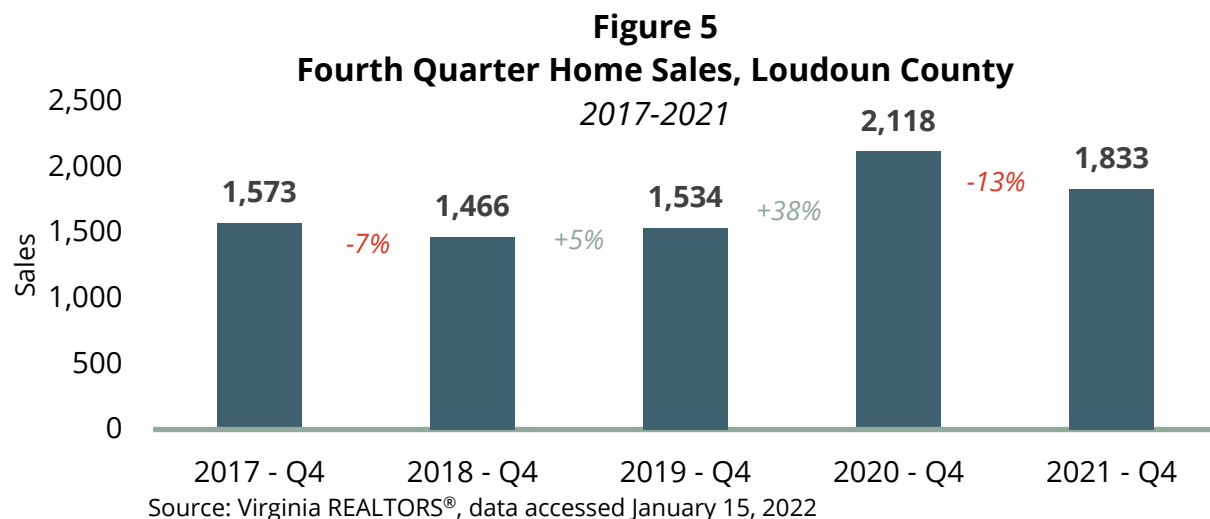
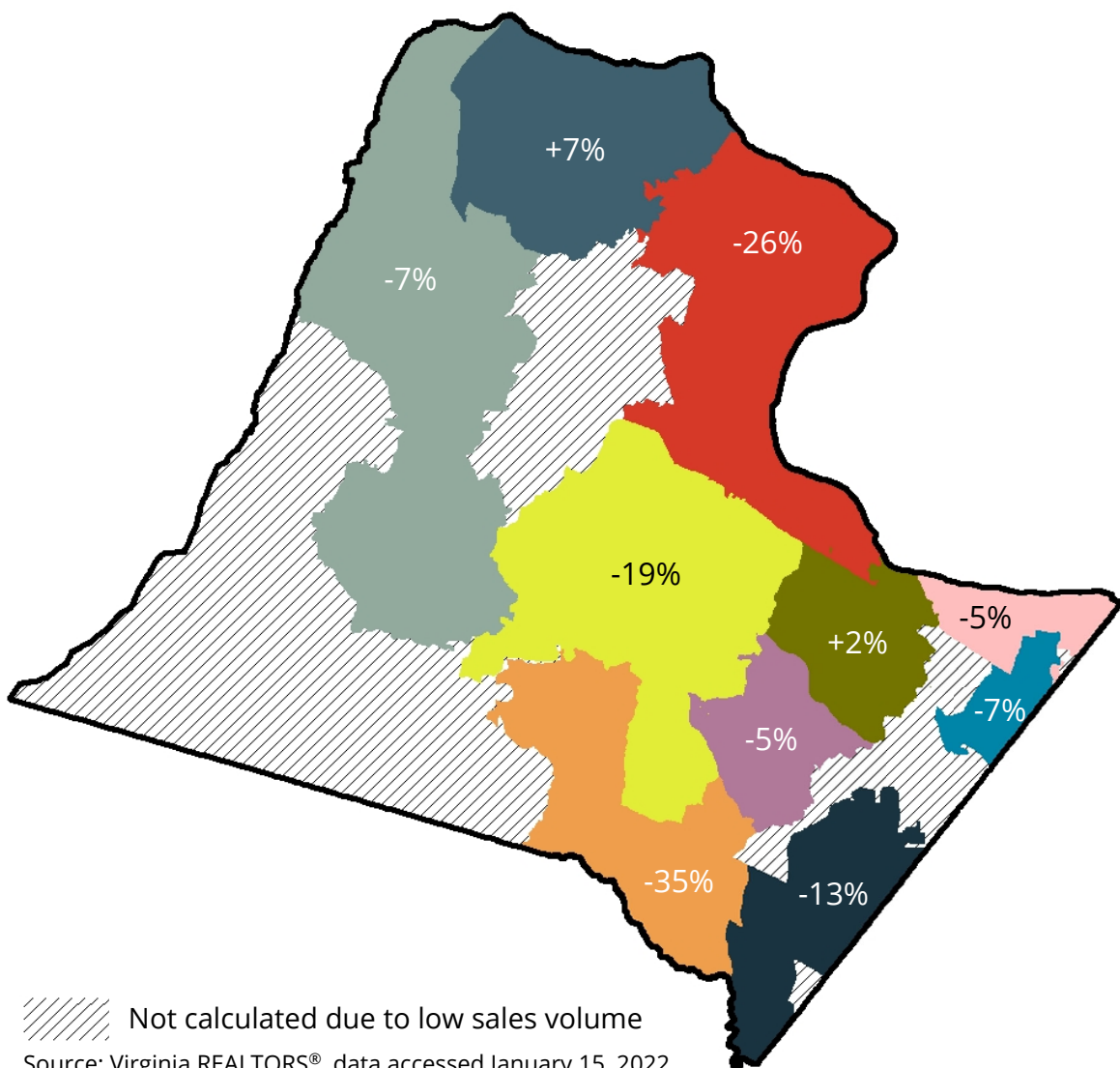


Figure 6
Change in Sales by Zip Code
Loudoun County
Fourth Quarter 2020 to Fourth Quarter 2021

<i>Jurisdiction</i>	<i>2020 - Q4</i>	<i>2021 - Q4</i>	<i>% Change</i>	<i>Jurisdiction</i>	<i>2020 - Q4</i>	<i>2021 - Q4</i>	<i>% Change</i>
20105 Aldie	209	135	-35%	20164 Sterling	169	157	-7%
20132 Purcellville	99	92	-7%	20165 Sterling	157	149	-5%
20147 Ashburn	288	294	2%	20175 Leesburg	209	170	-19%
20148 Ashburn	294	278	-5%	20176 Leesburg	278	205	-26%
20152 Chantilly	179	155	-13%	20180 Lovettsville	43	46	7%



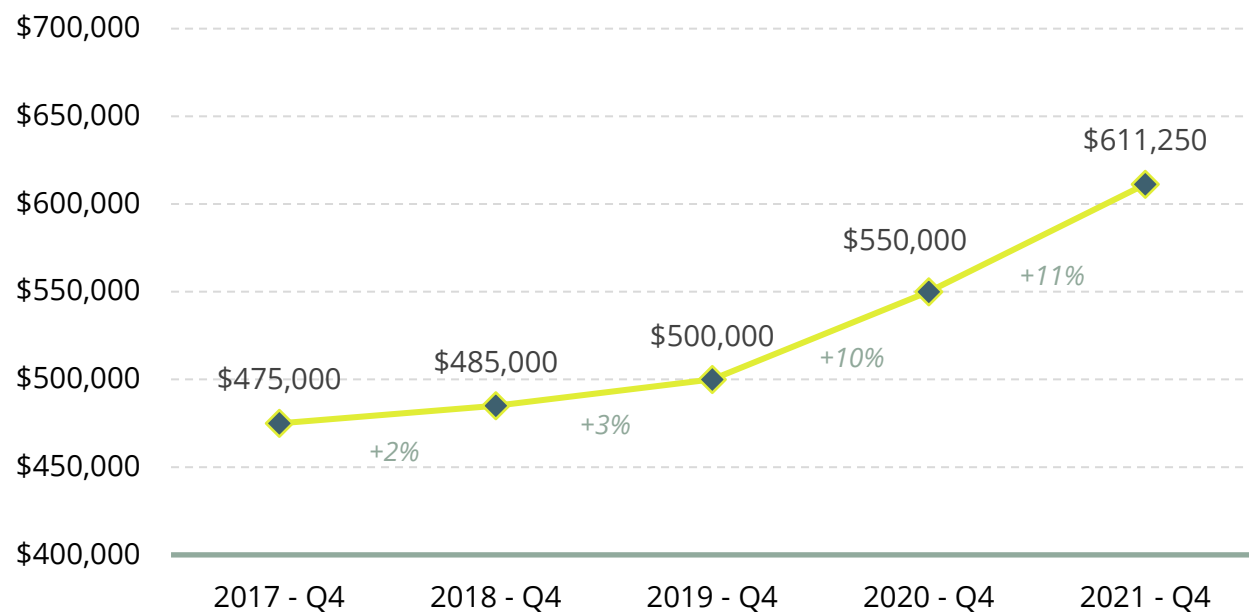
Not calculated due to low sales volume
 Source: Virginia REALTORS®, data accessed January 15, 2022

Sales Prices

Despite slower sales, home prices continued to rise quickly in Loudoun County. In the fourth quarter, the median sales price in the county was \$611,250, which is 11% higher than a year ago, a gain of more than \$61,000. The median price in Loudoun County has risen at a double-digit rate for five consecutive quarters. The current median price is now more than \$130,000 higher than it was four years ago. Statewide, the fourth quarter median sales price was \$350,000, up 6% compared to a year ago.

Prices were up strongly in all local markets in Loudoun County in the fourth quarter, with the exception of Lovettsville zip code 20180. The strongest price growth this quarter was in Aldie zip code 20105, where the median sales price surged up 38%. In Purcellville zip code 20132, the median price rose by 30%, and in Ashburn zip code 20148, the median price was up by 29% in the fourth quarter.

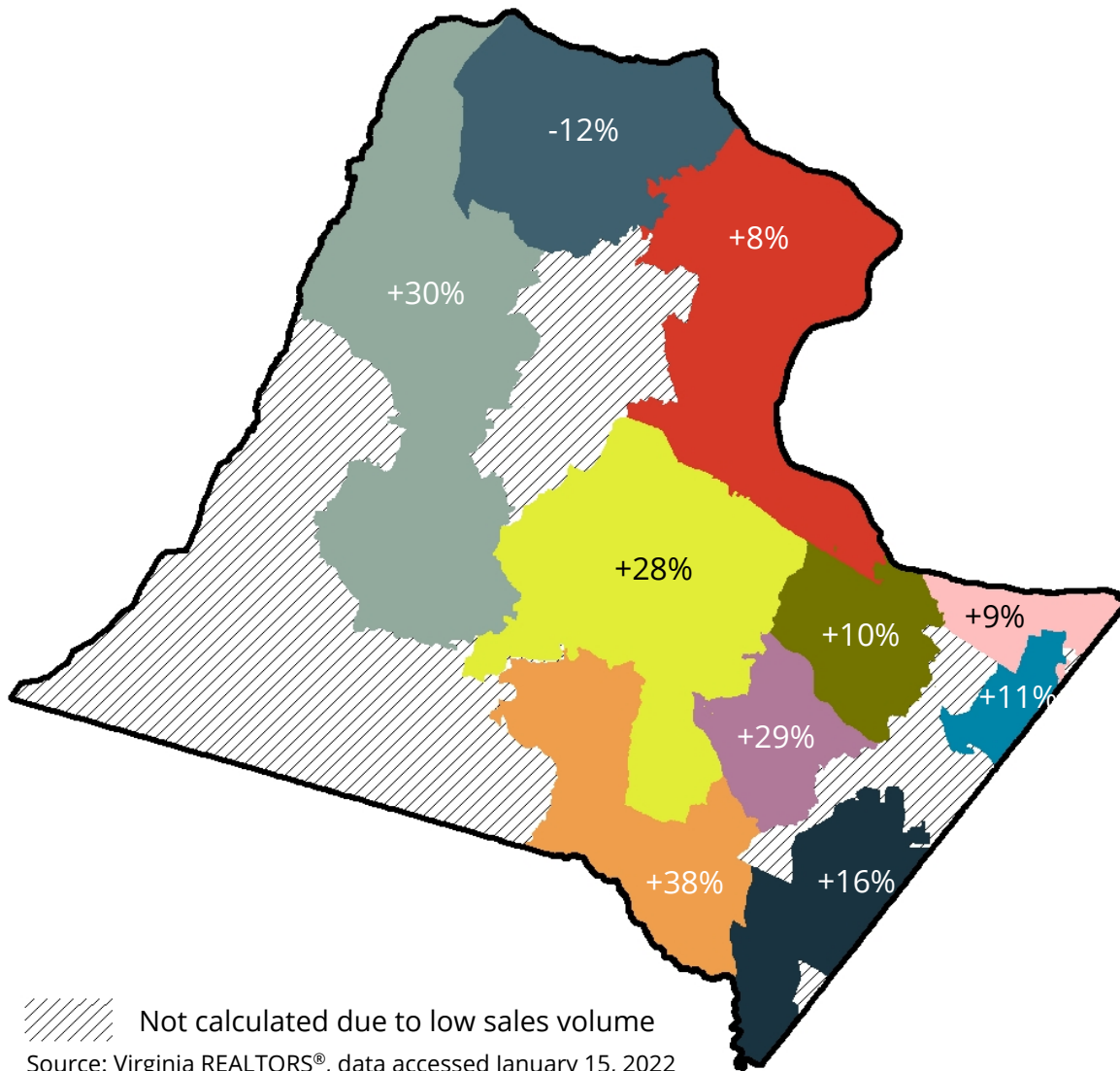
Figure 7
Fourth Quarter Median Sales Price, Loudoun County
2017-2021



Source: Virginia REALTORS®, data accessed January 15, 2022

Figure 8
Change in Median Sales Price by Zip Code
Loudoun County
Fourth Quarter 2020 to Fourth Quarter 2021

Zip Code	2020 - Q4	2021 - Q4	% Change	Zip Code	2020 - Q4	2021 - Q4	% Change
20105 Aldie	\$694,995	\$961,000	38%	20164 Sterling	\$435,000	\$481,550	11%
20132 Purcellville	\$625,000	\$813,480	30%	20165 Sterling	\$520,000	\$567,500	9%
20147 Ashburn	\$515,000	\$565,000	10%	20175 Leesburg	\$513,750	\$660,000	28%
20148 Ashburn	\$591,300	\$765,000	29%	20176 Leesburg	\$612,500	\$664,500	8%
20152 Chantilly	\$564,990	\$655,000	16%	20180 Lovettsville	\$625,000	\$552,500	-12%

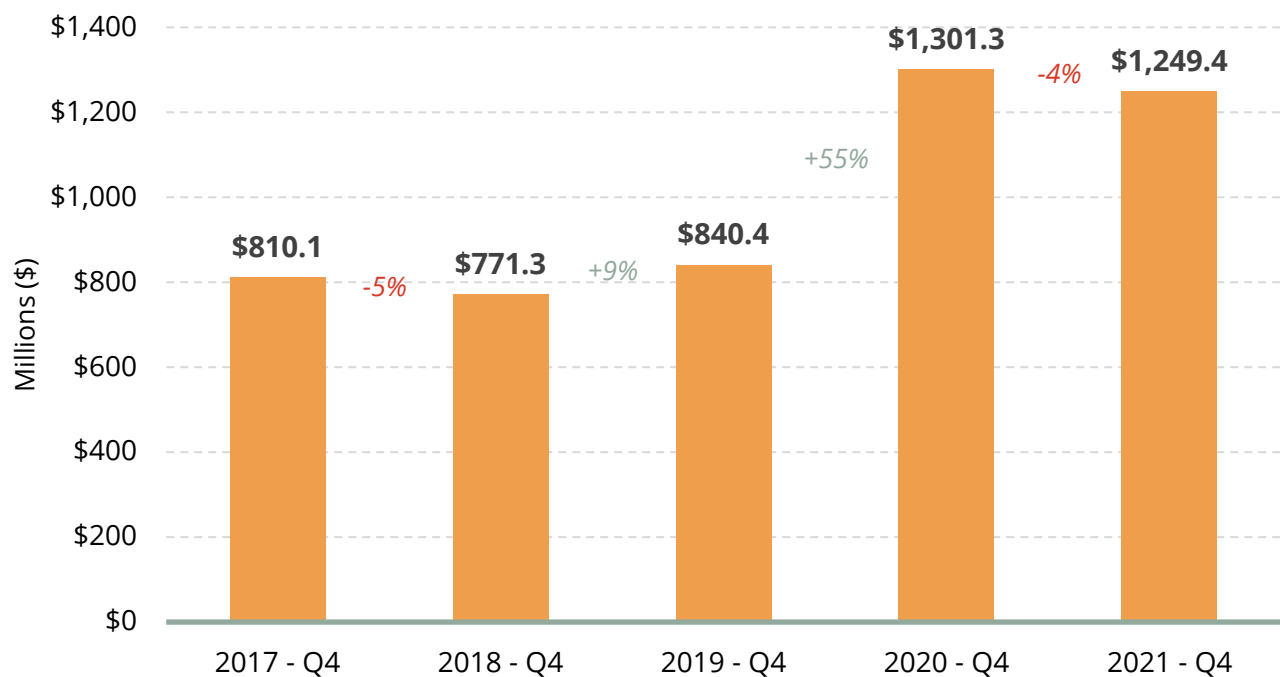


Sold Volume

Slower sales activity led to a year-over-year decline in total sold volume in Loudoun County. In the fourth quarter, there was approximately \$1.2 billion of sold volume in the county, which is 4% lower than a year ago, or a decline of about \$52 million. This is the first decline in sold volume in the county since the second quarter of 2020.

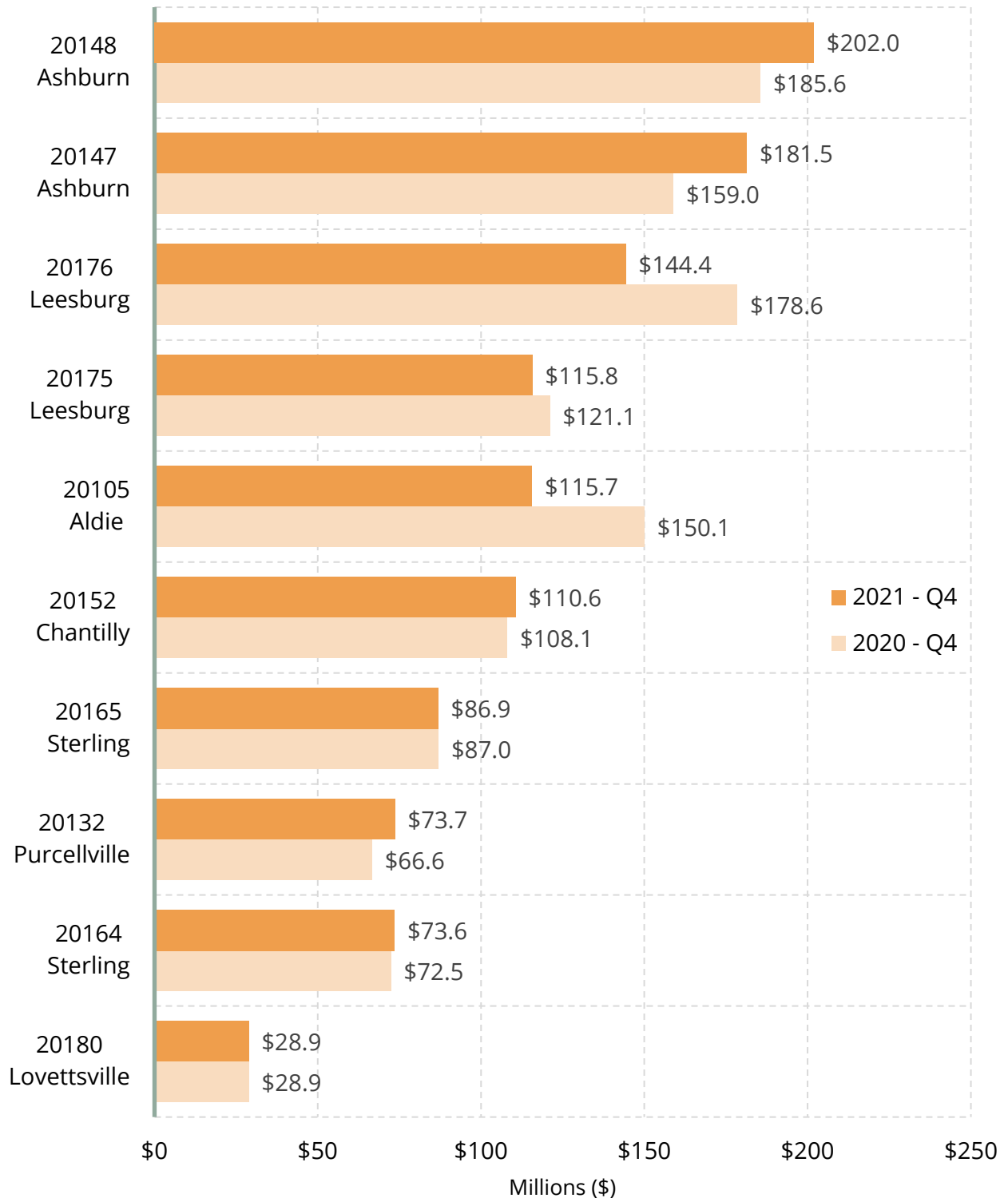
The biggest drop in sold volume was in Aldie zip code 20105 (-23%), which is the second consecutive quarter of a decline in sold volume. Sold volume was also down in Leesburg zip code 20176 (-19%) and zip code 20175 (-4%). Total sold volume remained relatively flat in other local markets in Loudoun County.

Figure 9
Fourth Quarter Sold Dollar Volume (Millions), Loudoun County
2017-2021



Source: Virginia REALTORS®, data accessed January 15, 2022

Figure 10
Fourth Quarter Sold Dollar Volume, Loudoun County Zip Codes
2020 and 2021



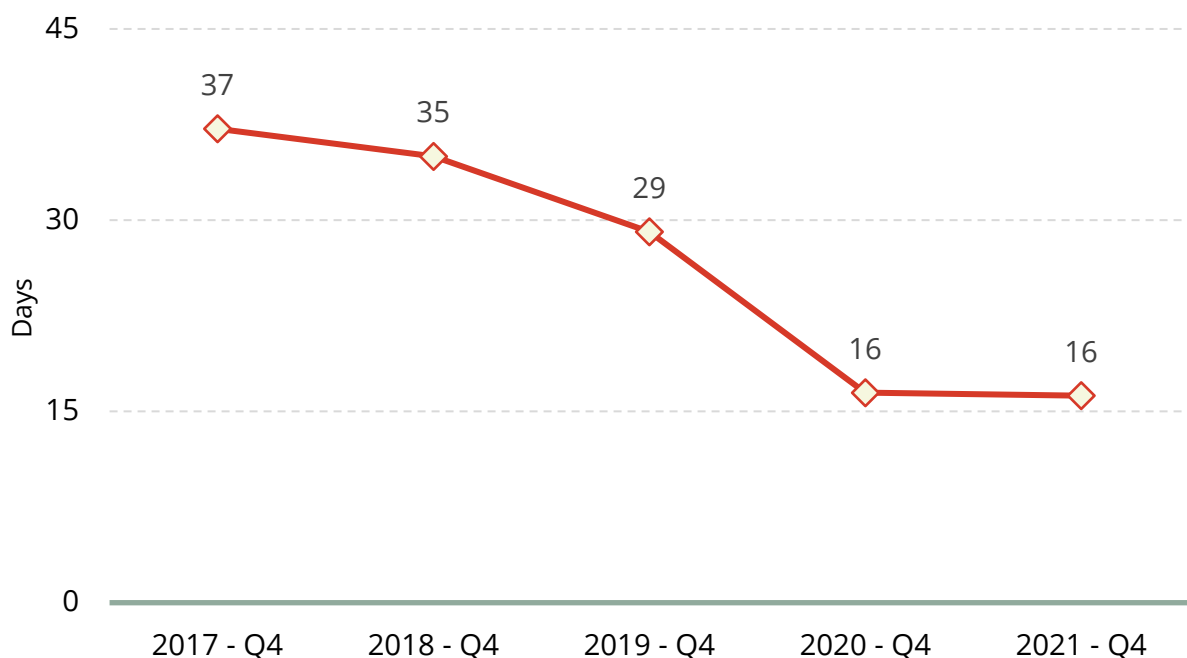
Source: Virginia REALTORS®, data accessed January 15, 2022

Days on Market

Homes in the Loudoun County market continued to sell very quickly; however, there are some local markets where homes took longer to sell during the fourth quarter. The average days on market in the fourth quarter was 16, which is the same amount of time it took a year ago. It took four days longer to sell the typical home in the fourth quarter than in the third quarter, which is typical of seasonal patterns. Statewide, homes sold in an average of 26 days in the fourth quarter, down from 34 days a year ago.

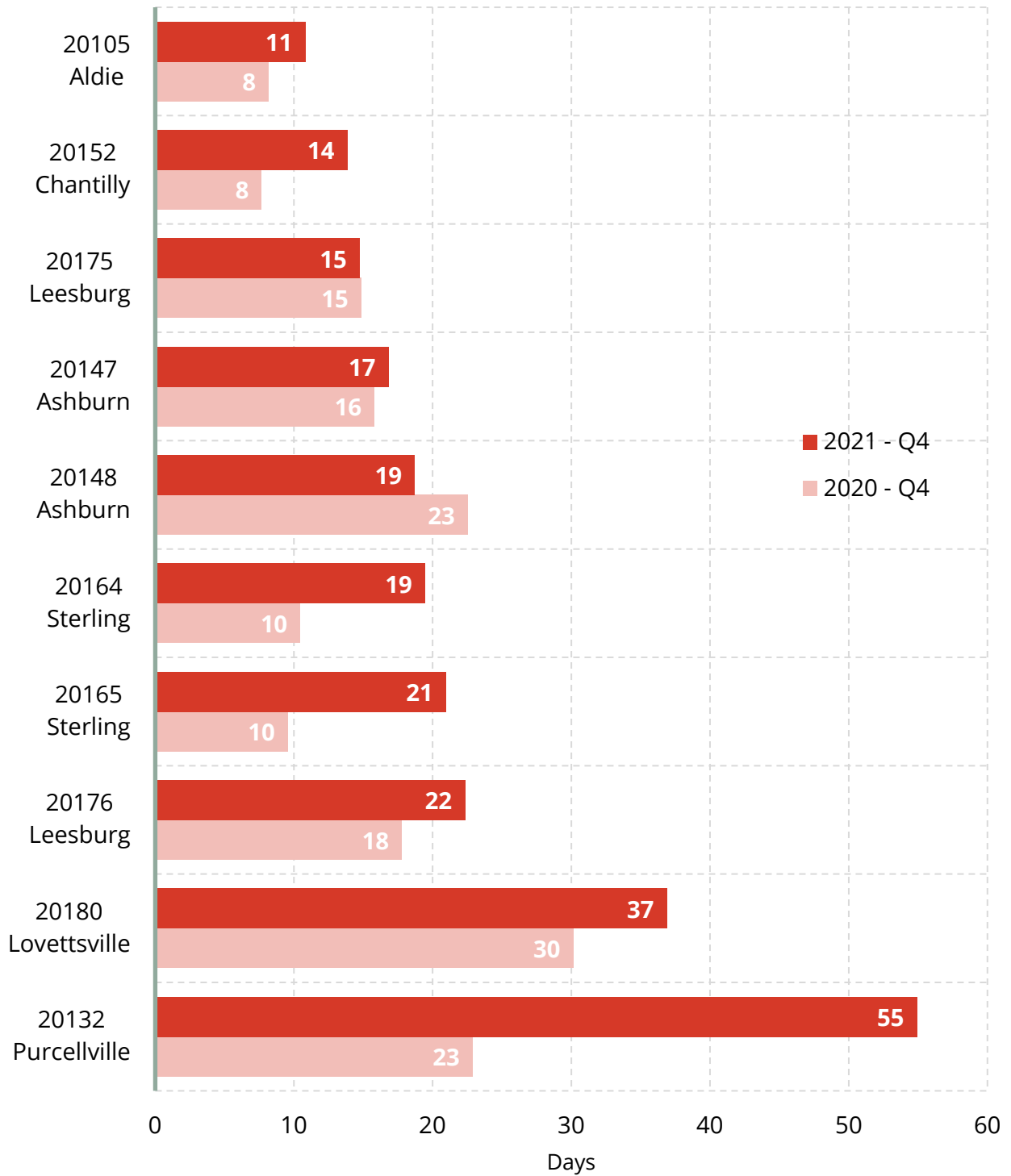
In several markets in Loudoun County, average days on market rose in the fourth quarter. In Purcellville zip code 20132, the average days on market was 55, which is more than a month longer than a year ago (+32 days). Average days on market was also up in every other local market in the county, with the exception of Ashburn zip code 20148, where the average days on market fell by four days. In Leesburg zip code 20175, the average days on market was unchanged from a year earlier.

Figure 11
Fourth Quarter Average Days on Market, Loudoun County
2017-2021



Source: Virginia REALTORS®, data accessed January 15, 2022

Figure 12
Fourth Quarter Average Days on Market, Loudoun County Zip Codes
2020 and 2021

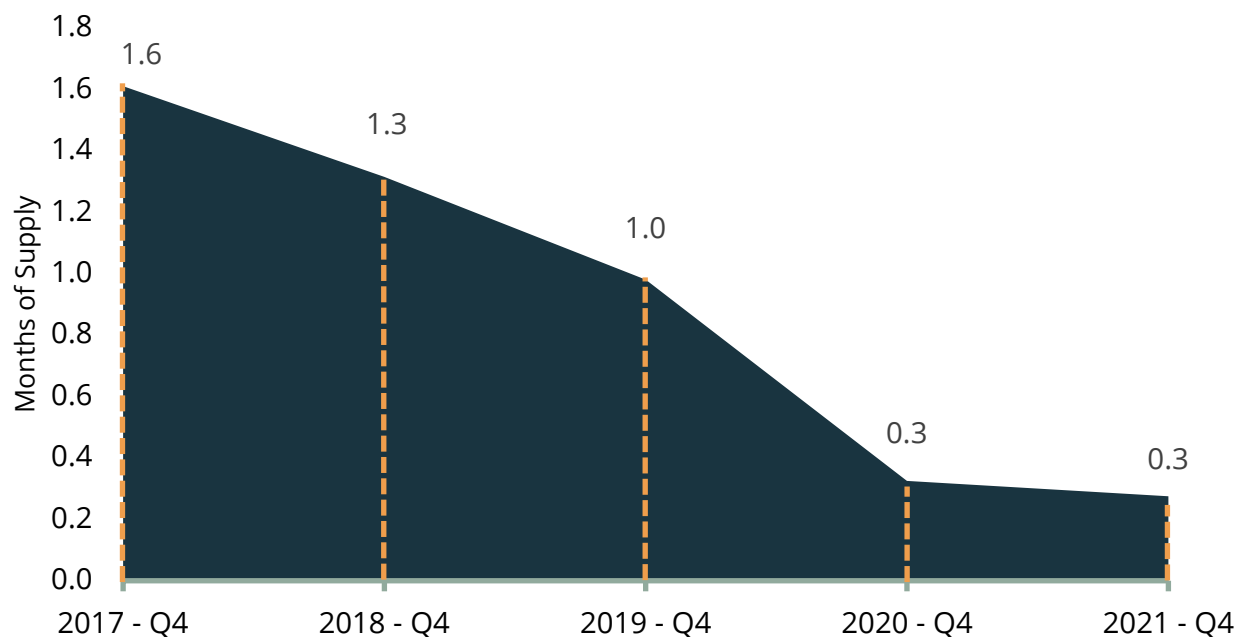


Inventory

After rising briefly in the third quarter, the number of active listings in Loudoun County fell again in the fourth quarter of 2021. There were just 196 active listings in the county at the end of the year, which is 16 fewer listings than a year ago, a decline of 8%. Inventory has been declining in the county for years. Inventory levels are now just one-fifth of what they were four years ago. Statewide, there was a total of 13,469 active listings at the end of the fourth quarter, which is about 4,300 fewer active listings than a year ago, a 24% drop.

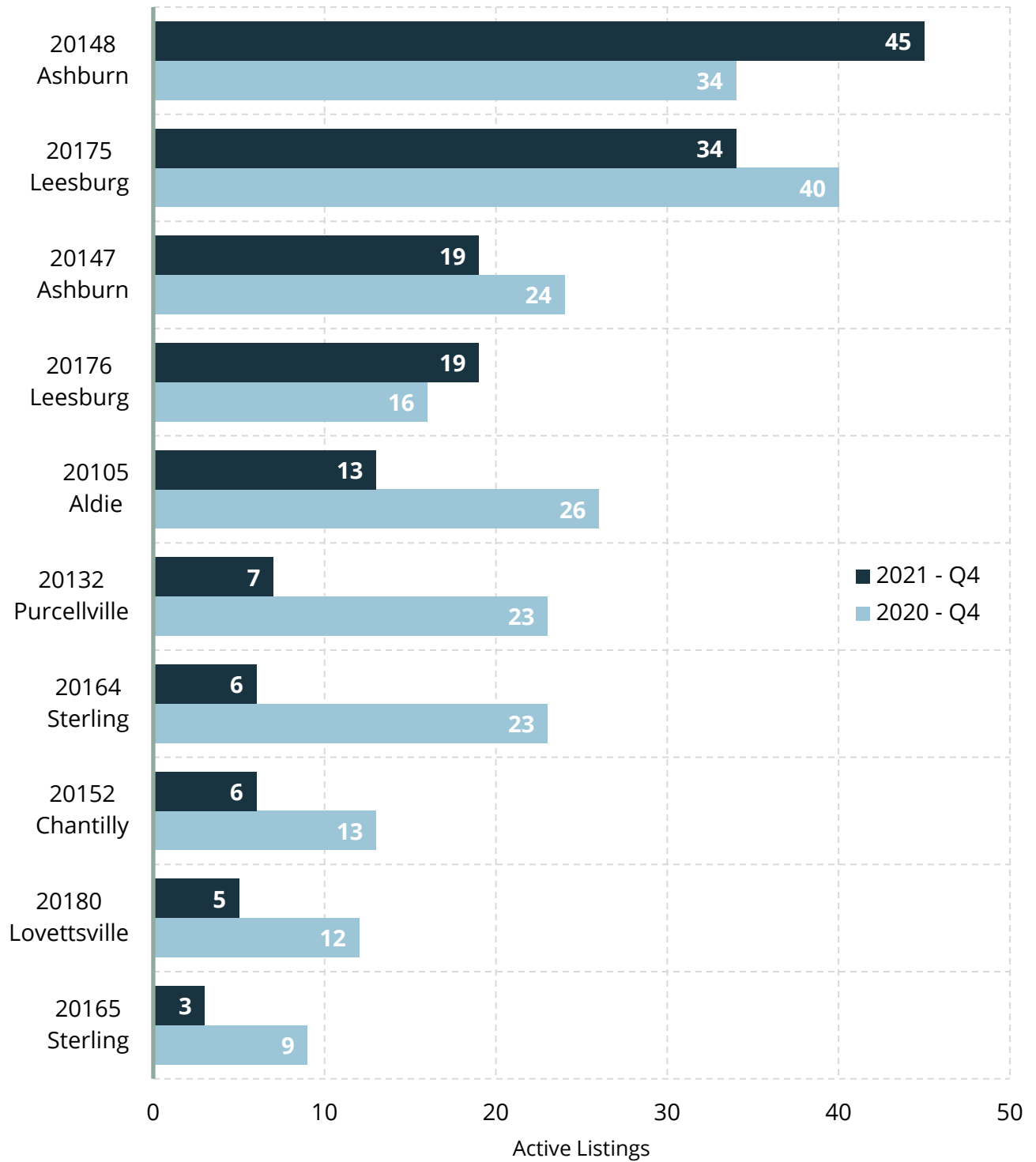
Inventory fell in most local markets in Loudoun County in the fourth quarter, but even in markets where inventory expanded, supply is incredibly tight across the county. There was less than a half month of supply at the end of the third quarter in Loudoun County, which is about the same as a year earlier. Some local markets had an even more extreme shortage. For example, there was less than 0.1 months of supply—or approximately two days of supply—in Sterling zip code 20165. Inventory amounted to just three days of supply in Chantilly zip code 20152 and Sterling zip code 20164. The months of supply metric is calculated by taking the average monthly sales over the preceding 12-month period and dividing it by the inventory of active listings.

Figure 13
End of Fourth Quarter Months Supply, Loudoun County
2017-2021



Source: Virginia REALTORS®, data accessed January 15, 2022

Figure 14
End of Fourth Quarter Active Listings, Loudoun County Zip Codes
2020 and 2021



Source: Virginia REALTORS®, data accessed January 15, 2022



The Virginia REALTORS® association is one of the largest professional trade associations in Virginia, representing 35,000 REALTORS® engaged in the residential and commercial real estate business. The Virginia REALTORS® association serves as the advocate for homeownership and private property rights and represents the interests of real estate professionals and property owners in the Commonwealth of Virginia.

NOTE: The term REALTOR® is a registered collective membership mark that identifies a real estate professional who is a member of the National Association of REALTORS® and subscribes to its strict code of ethics.

All inquiries regarding this report may be directed to:

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Data and analysis provided by Virginia REALTORS® Chief Economist, Lisa Sturtevant, PhD.

The numbers reported here are preliminary and based on current entries into multiple listing services. Over time, data may be adjusted slightly to reflect increased reporting. Information is sourced from multiple listing services across Virginia and is deemed reliable, but not guaranteed.