

DAAR LOUDOUN

HOME SALES REPORT

CUSTOM REPORT PREPARED BY
VIRGINIA REALTORS®

DAAR Home Sales Report

1st Quarter 2020

Dulles Area Association of REALTORS®

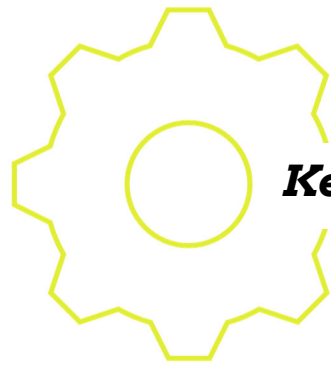
Market Report Key Takeaways

Economic Conditions

- The Dulles area's economy is strong, with broad-based job growth supporting strong demand for housing.
- Like the rest of Virginia and the nation, Loudoun County will be experiencing the economic impacts of COVID-19 this spring.
- Consumers' confidence in the economy has been declining somewhat for several months. Expectations about future economic conditions have become pessimistic in the early spring.
- Mortgage rates are still low, but there has been substantial volatility and growing uncertainty in the mortgage market.

Housing Market Conditions

- Sales activity slowed down modestly in the 1st quarter in Loudoun County. There were 1,222 sales, 6 fewer than a year ago, representing a 0.5% decline.
- Home prices continue to climb in the Loudoun County market. The 1st quarter median sales price rose 7% from last year, to \$512,662.
- The inventory continues to shrink rapidly in Loudoun County. There were 711 active listings at the end of the 1st quarter, a 28% reduction from a year ago.



Key Trends Dashboard, DAAR

Economy



5,743

More jobs in Loudoun County between Sep-2018 and Sep-2019



2.1%

Is the Feb-2020 **unemployment rate** in Loudoun County, which is down from Jan-2020



3.33%

Is the **30-year fixed-rate mortgage rate** during the 1st week of April 2020, which is down 0.75 percentage points from a year ago

Housing Market



-6

Fewer **home sales** in Loudoun County in Q1-2020 compared to last year



7%

Percent change in **median sales price** in the Loudoun County housing market in Q1-2020 compared to a year ago



-\$27

Million dollars less in total **sold volume** in the Loudoun County housing market in Q1-2020 compared to last year



-28%

Percent change in **active listings** at the end of Q1-2020 in Loudoun County compared to a year ago



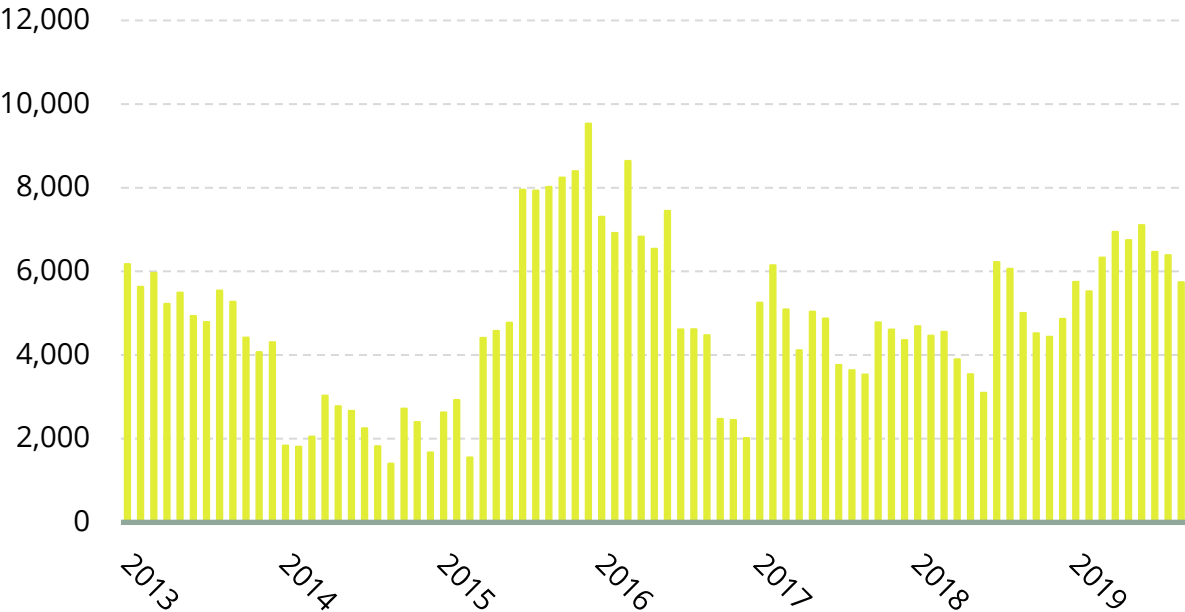
1.2

Months of supply in the Loudoun County housing market in Q1-2020, which is down from a year ago

Economic Overview

As we headed into 2020, Loudoun County and the broader Northern Virginia economy had been performing very well, with fast-paced job growth in 2019. Loudoun County is expected to add more than 6,000 jobs in 2019. Job growth in Loudoun County is broad-based, though the sectors with the fastest growth have included the Professional & Technical Services, Construction, and Educational Services sectors. Strong economic growth had been creating a very tight housing market in the DAAR. These strong fundamentals will help the region withstand the current economic downturn.

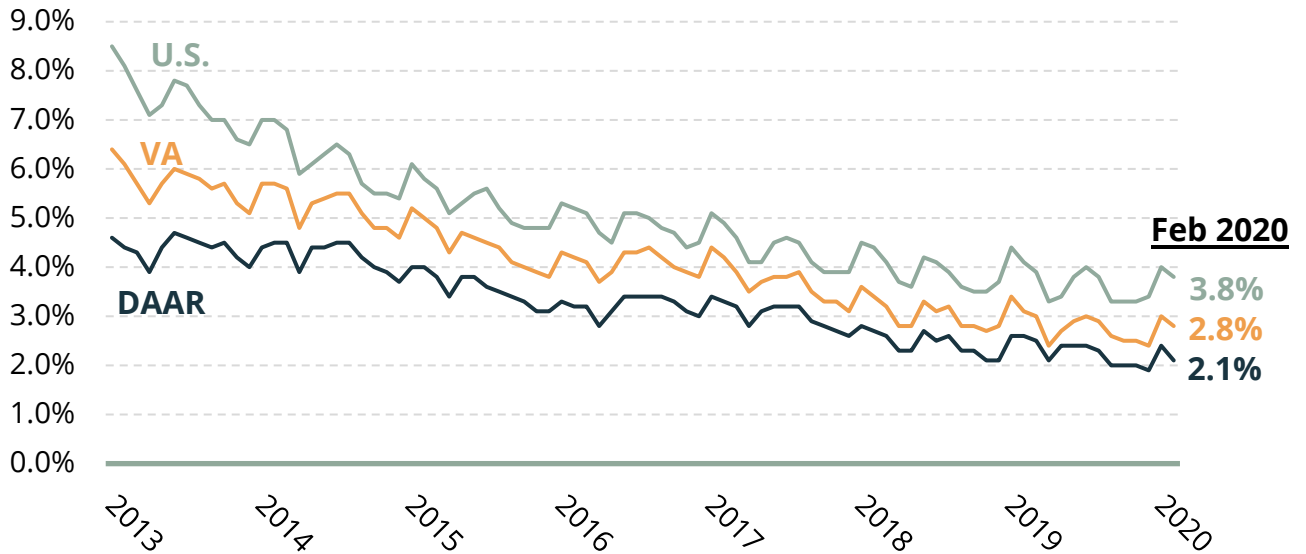
Figure 1
Annual Change in Jobs, DAAR



Source: Virginia Employment Commission, Quarterly Census of Employment and Wages

Unemployment in Loudoun County has been extremely low, indicating a very tight labor market. In February 2020, the County's unemployment rate was 2.1%, significantly lower than both the statewide and national unemployment rates.

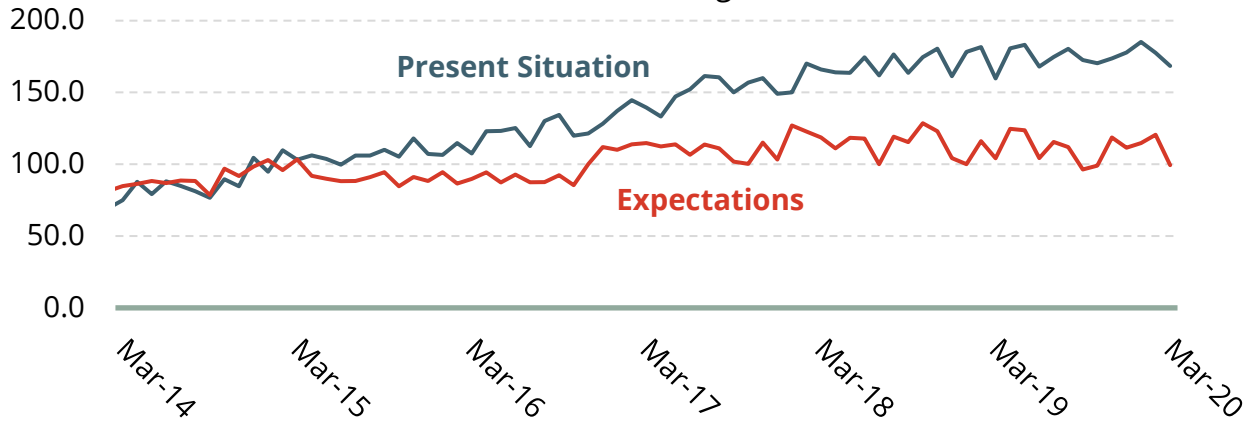
Figure 2
Unemployment Rate



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

Consumer confidence took a dip in March, though confidence in the present economic situation remains strong so far. Among residents of the South Atlantic region of the U.S., which includes Virginia, the measure of confidence in current economic conditions was 168.4 in March, down slightly from February, but still in positive territory. The measure of consumers' confidence in future economic conditions fell to 99.4 in March. The future expectations metric had been trending down beginning at the end of 2019. A level below 100 indicates consumers are feeling more pessimistic about future economic conditions.

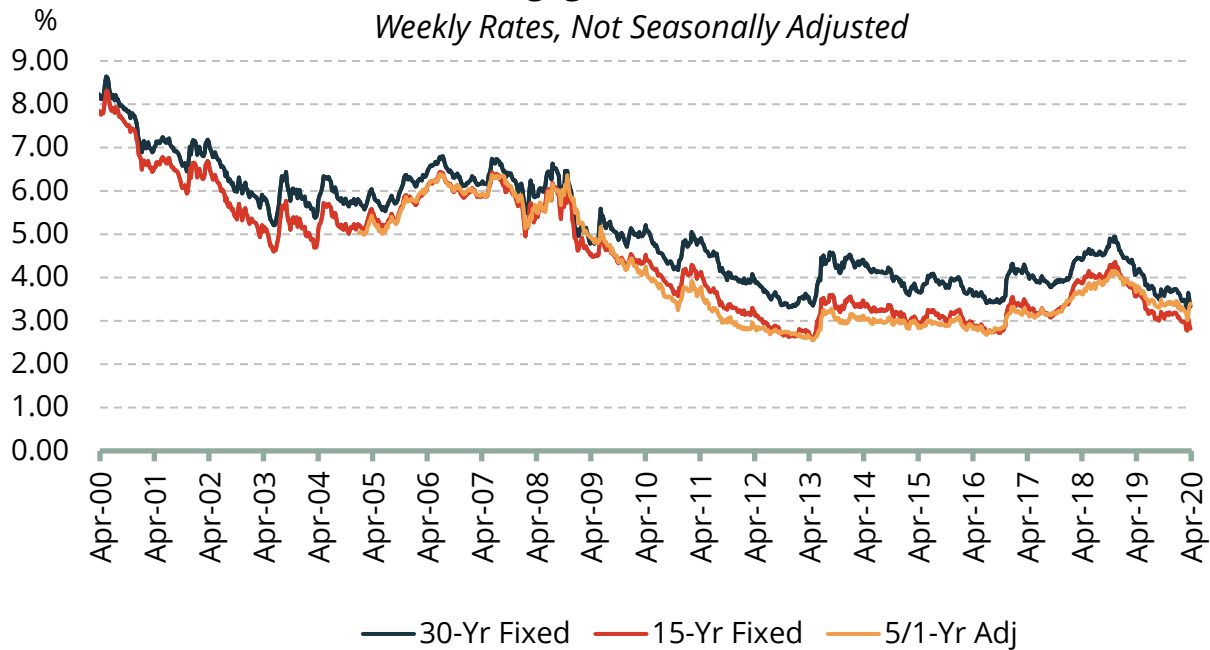
Figure 3
Consumer Confidence
South Atlantic Region



Source: The Conference Board

In the 2nd week of April, the 30-year fixed-rate interest rate was 3.33%, virtually unchanged from a month ago. However, there has been a tremendous amount of volatility in the mortgage market, with mortgage rates bouncing around on a daily basis. In addition, there are growing concerns about a lack of liquidity in the mortgage market which has led to higher-than-expected rates, as well as more stringent lending requirements. Stabilization in the mortgage market and more predictable interest rates that link back to fundamentals will be an important signal of a return to normalcy in the housing market.

Figure 4
Mortgage Interest Rates



Source: Federal Reserve Bank of St. Louis

Like the rest of the country and Virginia, Loudoun County and the rest of the Northern Virginia region are feeling the economic impact of COVID-19. The first quarter 2020 housing market data do not reflect the current economic situation. Since February, more than 22 million Americans, including more than 400,000 Virginians, have applied for unemployment benefits. Housing market activity likely will slow in Loudoun County in the 2nd quarter of 2020, though strong underlying fundamentals going into the COVID-19 pandemic will help the region's market rebound.

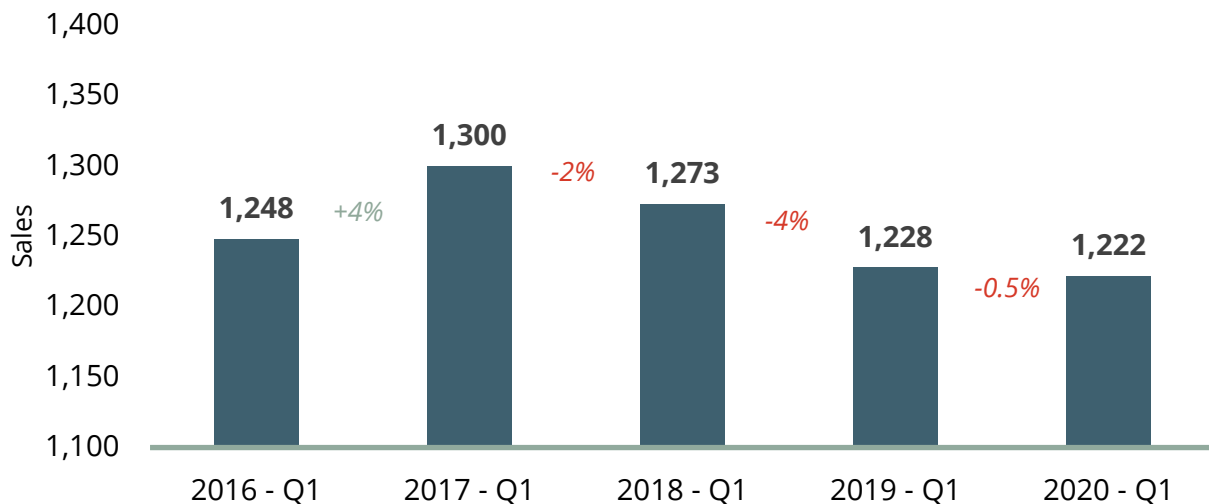
Housing Market Overview

The Loudoun County housing market showed signs of slowing slightly in the 1st quarter of 2020. There were fewer sales than a year ago, which also lowered the total sold dollar volume in the 1st quarter. The inventory has continued to shrink, which is putting upward pressure on home prices; the median sales price rose 7% in the 1st quarter. Homes sold about a week faster, on average, in the 1st quarter compared to last year.

Sales

Sales activity moderated slightly in Loudoun County this quarter. There were 1,222 sales in the County in the 1st quarter, 6 fewer sales than a year ago, a 0.5% decline. Sales activity has been slowing down somewhat for the past couple years, declining in 7 of the past 10 quarters when compared to the prior year. At the local level, Purcellville (zip code 20132) and Lovettsville (zip code 20180) had strong sales growth, with 26 and 12 additional sales, respectively, compared to last year. Ashburn (zip code 20147) had the sharpest drop in sales, down 10% from the 1st quarter of last year, with 19 fewer sales. Sales in Leesburg (zip code 20176) and Chantilly (zip code 20152) remained flat in the 1st quarter compared to last year. Sales activity in the State housing market overall expanded this quarter, up 4% from the 1st quarter of last year.

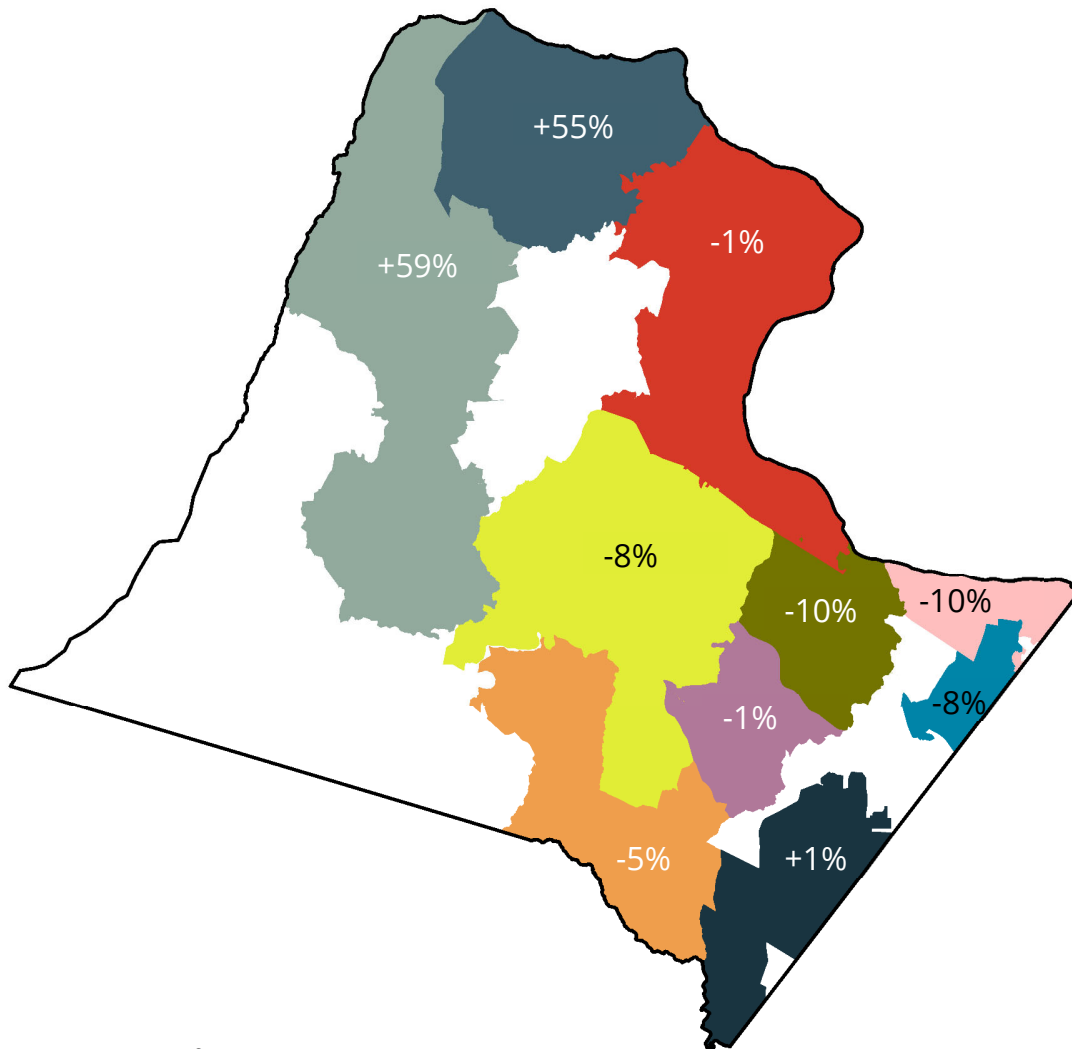
Figure 7
1st Quarter Home Sales, Loudoun County
2016-2020



Source: Virginia REALTORS®, data accessed April 16, 2020

Figure 6
Change in Sales by Zip Code
Loudoun County
1st Quarter 2019 to 1st Quarter 2020

<i>Zip Code</i>	<i>2019 - Q1</i>	<i>2020 - Q1</i>	<i>% Chg</i>	<i>Zip Code</i>	<i>2019 - Q1</i>	<i>2020 - Q1</i>	<i>% Chg</i>
20105 Aldie	118	112	-5%	20164 Sterling	111	102	-8%
20132 Purcellville	44	70	59%	20165 Sterling	97	87	-10%
20147 Ashburn	189	170	-10%	20175 Leesburg	119	109	-8%
20148 Ashburn	171	170	-1%	20176 Leesburg	174	173	-1%
20152 Chantilly	73	74	1%	20180 Lovettsville	22	34	55%

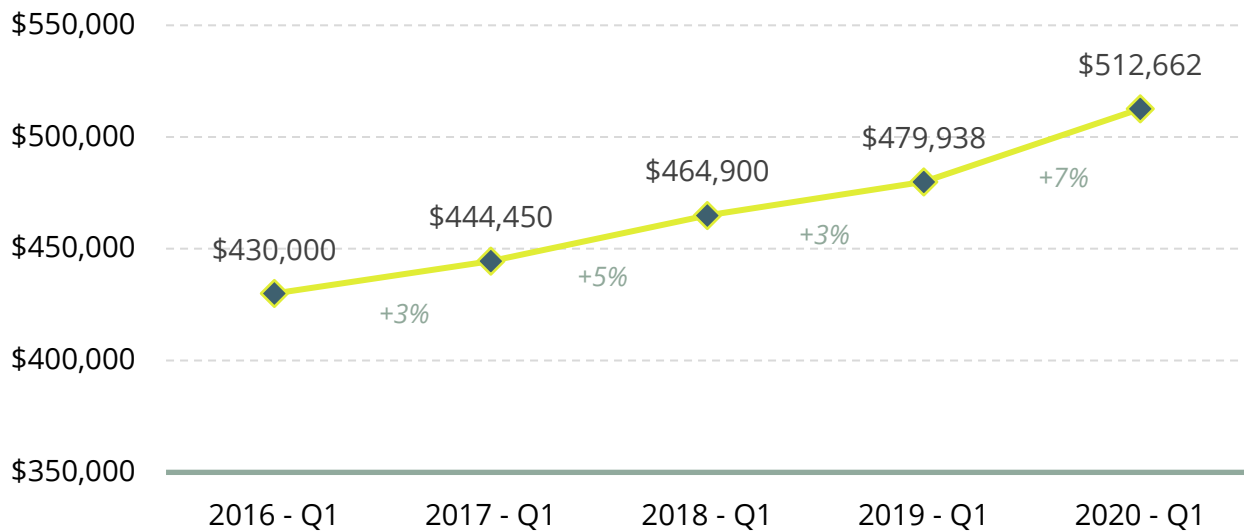


Source: Virginia REALTORS®, data accessed April 16, 2020

Sales Prices

Home prices continue to climb in the Loudoun County housing market. At \$512,662, the 1st quarter median sales price in the County rose by more than \$32,000 compared to last year, a 7% increase. While prices have been rising consistently in the County, this is the largest gain in several years, reflecting the shrinking supply of homes for sale on the market. At the local level, Chantilly (20152) had the largest median price gain, surging up nearly \$94,000 from the 1st quarter of last year to \$533,995, a 21% jump in price. Ashburn (20147) and Leesburg (20175) also had strong price growth in the 1st quarter, rising 14% and 13%, respectively, from a year ago. Sterling (20165) was the only local market this quarter to have a modest decline in price. The median sales price in Sterling was \$457,000 in the 1st quarter, down \$1,500 from last year. Overall, the median sales price in Virginia climbed 7% in the 1st quarter compared to last year, to \$295,100.

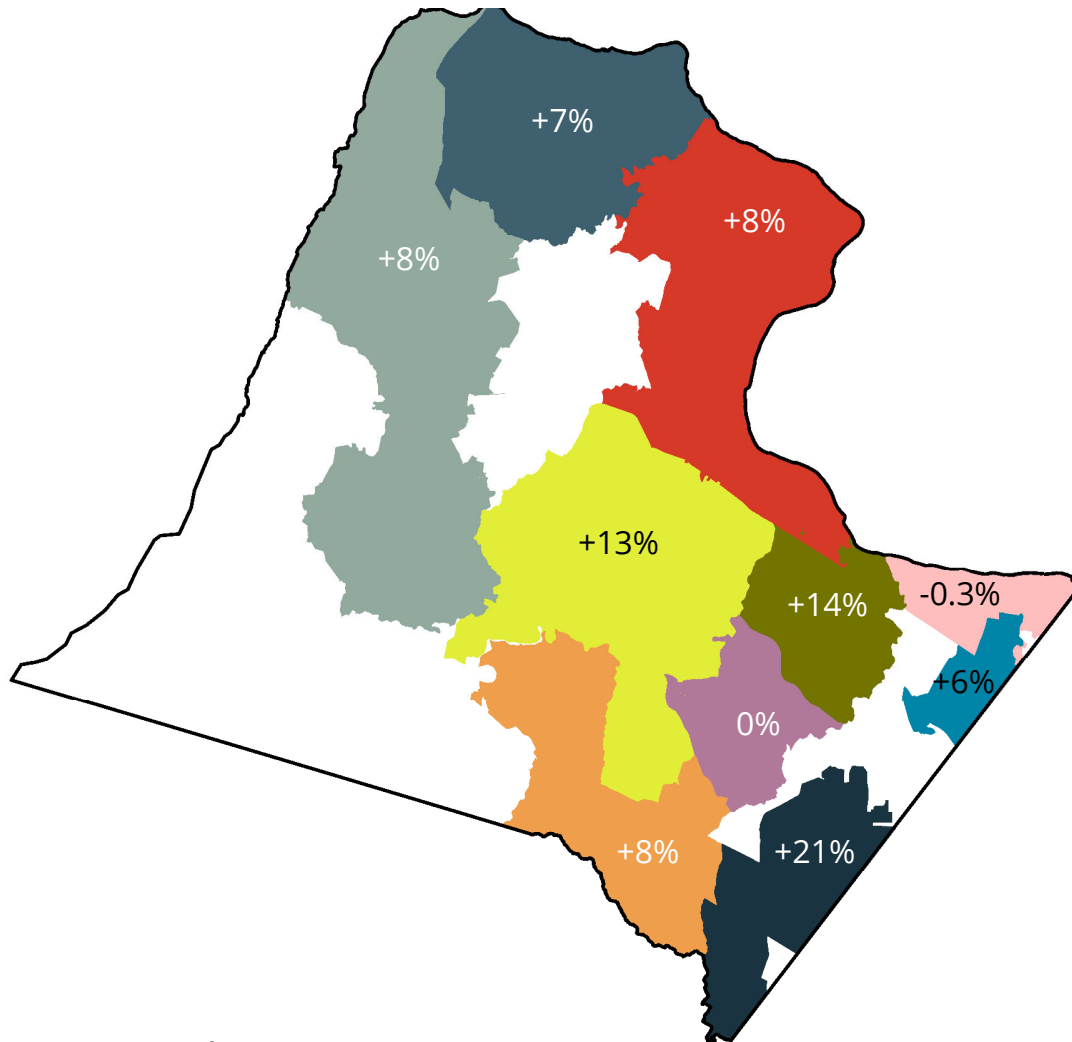
Figure 7
1st Quarter Median Sales Price, Loudoun County
2016-2020



Source: Virginia REALTORS®, data accessed April 16, 2020

Figure 8
Change in Median Sales Price by Zip Code
Loudoun County
1st Quarter 2019 to 1st Quarter 2020

<i>Zip Code</i>	<i>2019 - Q1</i>	<i>2020 - Q1</i>	<i>% Chg</i>	<i>Zip Code</i>	<i>2019 - Q1</i>	<i>2020 - Q1</i>	<i>% Chg</i>
20105 Aldie	\$599,999	\$647,500	8%	20164 Sterling	\$400,000	\$425,000	6%
20132 Purcellville	\$532,500	\$577,500	8%	20165 Sterling	\$458,500	\$457,000	-0.3%
20147 Ashburn	\$449,000	\$512,000	14%	20175 Leesburg	\$465,000	\$525,000	13%
20148 Ashburn	\$580,040	\$580,000	0%	20176 Leesburg	\$499,995	\$538,000	8%
20152 Chantilly	\$440,000	\$533,885	21%	20180 Lovettsville	\$424,495	\$452,500	7%

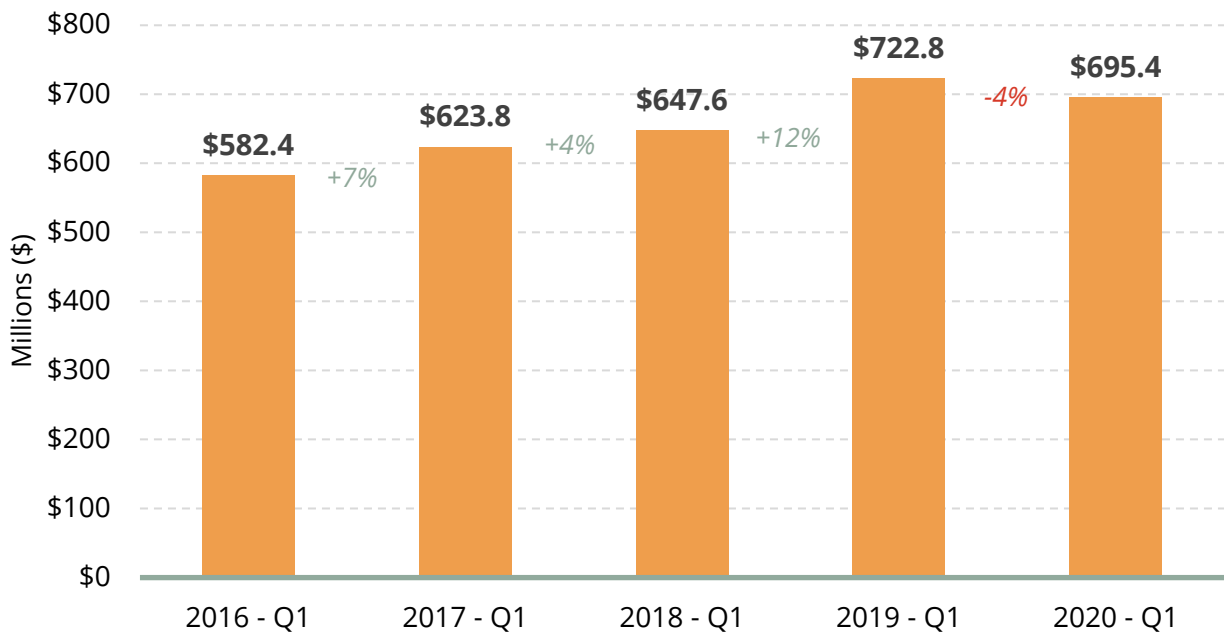


Source: Virginia REALTORS®, data accessed April 16, 2020

Sold Volume

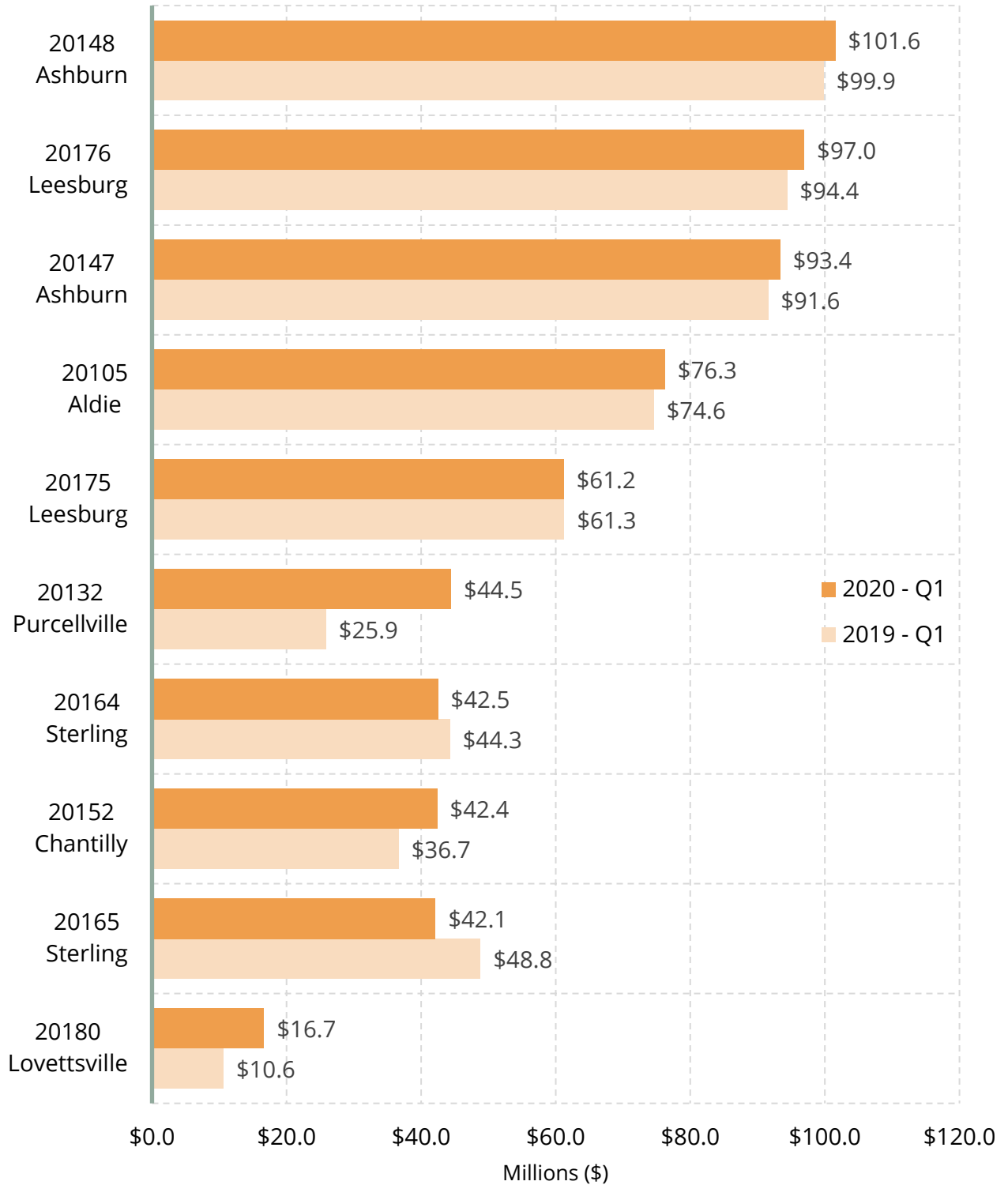
While the median price rose sharply, the slowed sales activity led to a decrease in the total sold dollar volume this quarter in Loudoun County. There was approximately \$695.4 million in sold volume in the 1st quarter in the County, which is about \$27.4 million less than a year ago, a 4% decline. This is the first drop in sold dollar volume since the Spring of 2019. Across the local markets, Purcellville (20132) and Lovettsville (20180) had the largest sold volume percentage growth in the 1st quarter, up 72% and 57%, respectively, compared to last year. Chantilly (20152) also had strong volume growth, up 16% from a year ago. Sterling (20165) had the sharpest decrease in sold volume, falling 14% from the 1st quarter last year.

Figure 9
1st Quarter Sold Dollar Volume (Millions), Loudoun County
2016-2020



Source: Virginia REALTORS®, data accessed April 16, 2020

Figure 10
1st Quarter Sold Dollar Volume, Loudoun County Zip Codes
2019 and 2020

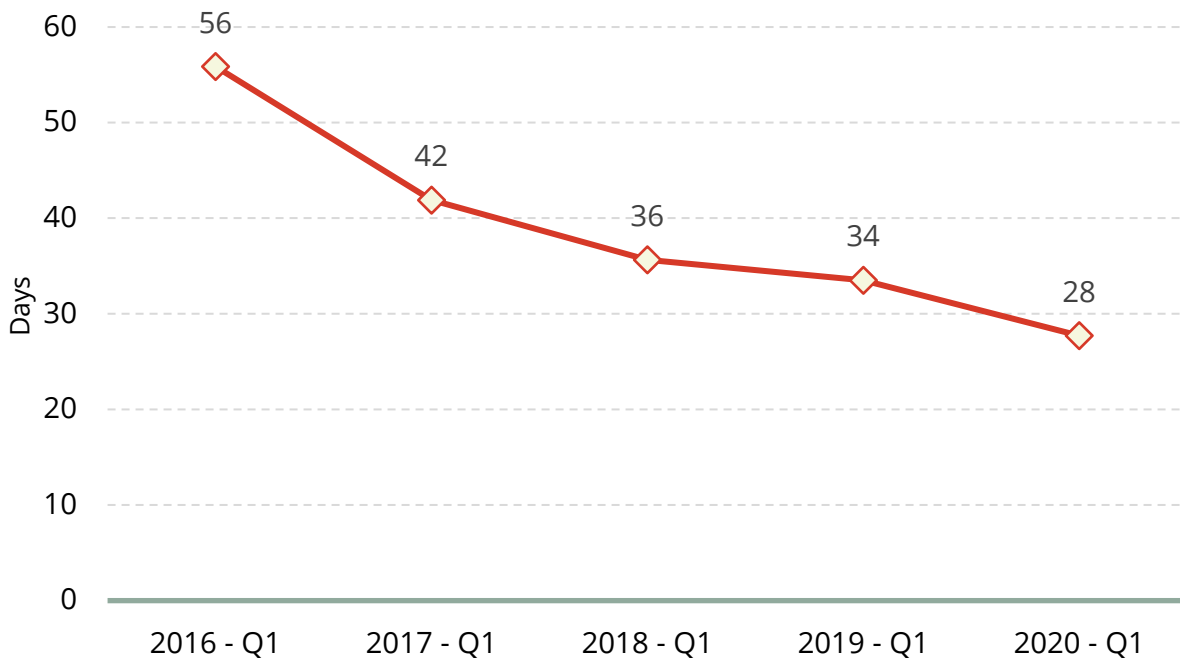


Source: Virginia REALTORS®, data accessed April 16, 2020

Days on Market

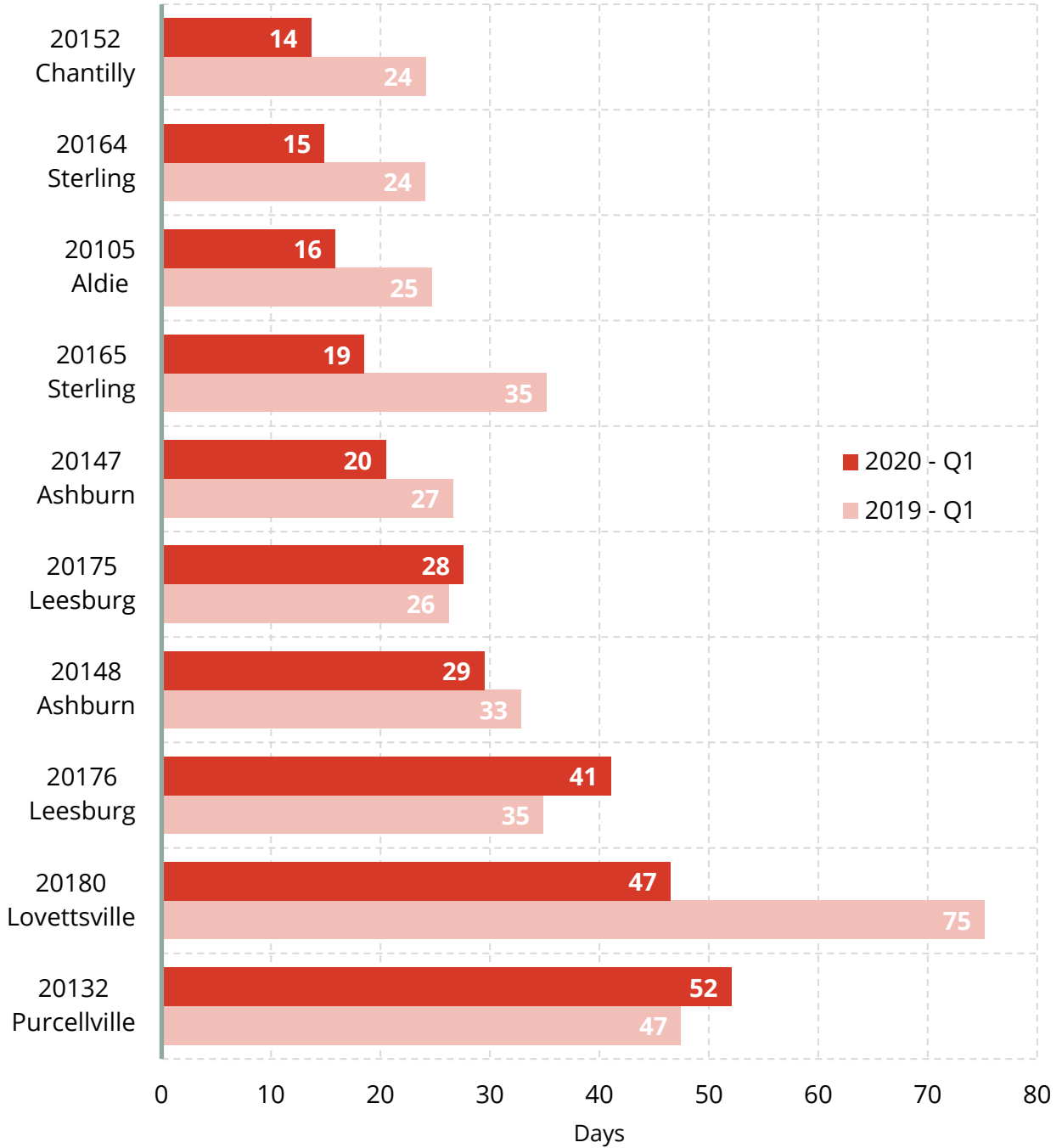
Homes continue to sell faster in Loudoun County, a trend that has been consistent for several years and reflects both the strong regional demand and the shrinking inventory of active listings available in the market. At 28 days, the 1st quarter average days on market is about a week lower (-6 days) than a year ago. Homes sold faster in most local markets in the County in the 1st quarter compared to last year. The average days on market in Sterling (20165) was 19 days, down from 35 days a year ago. Homes in Lovettsville (20180) sold about a month faster, on average, compared to the 1st quarter of last year (-29 days). The average days on market in Leesburg (20176) and Purcellville increased this quarter, up 6 days and 5 days, respectively, from the 1st quarter last year. At the State level, homes sold in 49 days, on average, during the 1st quarter, which is 11 days faster than a year ago.

Figure 11
1st Quarter Average Days on Market, Loudoun County
2016-2020



Source: Virginia REALTORS®, data accessed April 16, 2020

Figure 12
1st Quarter Average Days on Market, Loudoun County Zip Codes
2019 and 2020



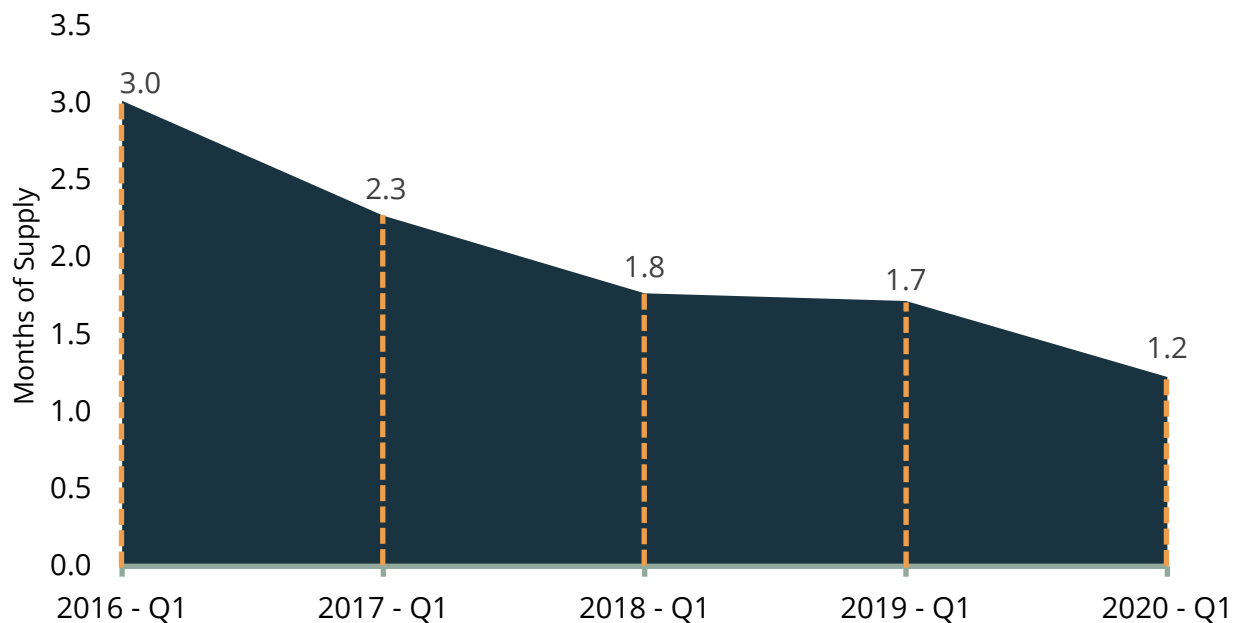
Source: Virginia REALTORS®, data accessed April 16, 2020

Inventory

The supply of active listings continues to shrink rapidly in Loudoun County. There were 711 active listings on the market at the end of the 1st quarter, a 28% drop from last year, 273 fewer active listings. This is the 2nd consecutive quarter of double-digit inventory declines. The inventory in the County's housing market is now less than half the level it was in the 1st quarter 4 years ago. Most of the local markets in the County also had fewer active listings this quarter. Both zip codes in Sterling (20165 and 20164) had the largest drops in inventory, down 71% and 42%, respectively. Ashburn (20147) also had a sharp decline, with 41% fewer active listings at the end of the 1st quarter compared to a year ago. Lovettsville (20180) was the only area to have a supply gain this quarter, with 32% more active listings than the 1st quarter of last year. The supply of active listings in Virginia overall is also shrinking and declined by 19% in the 1st quarter compared to last year.

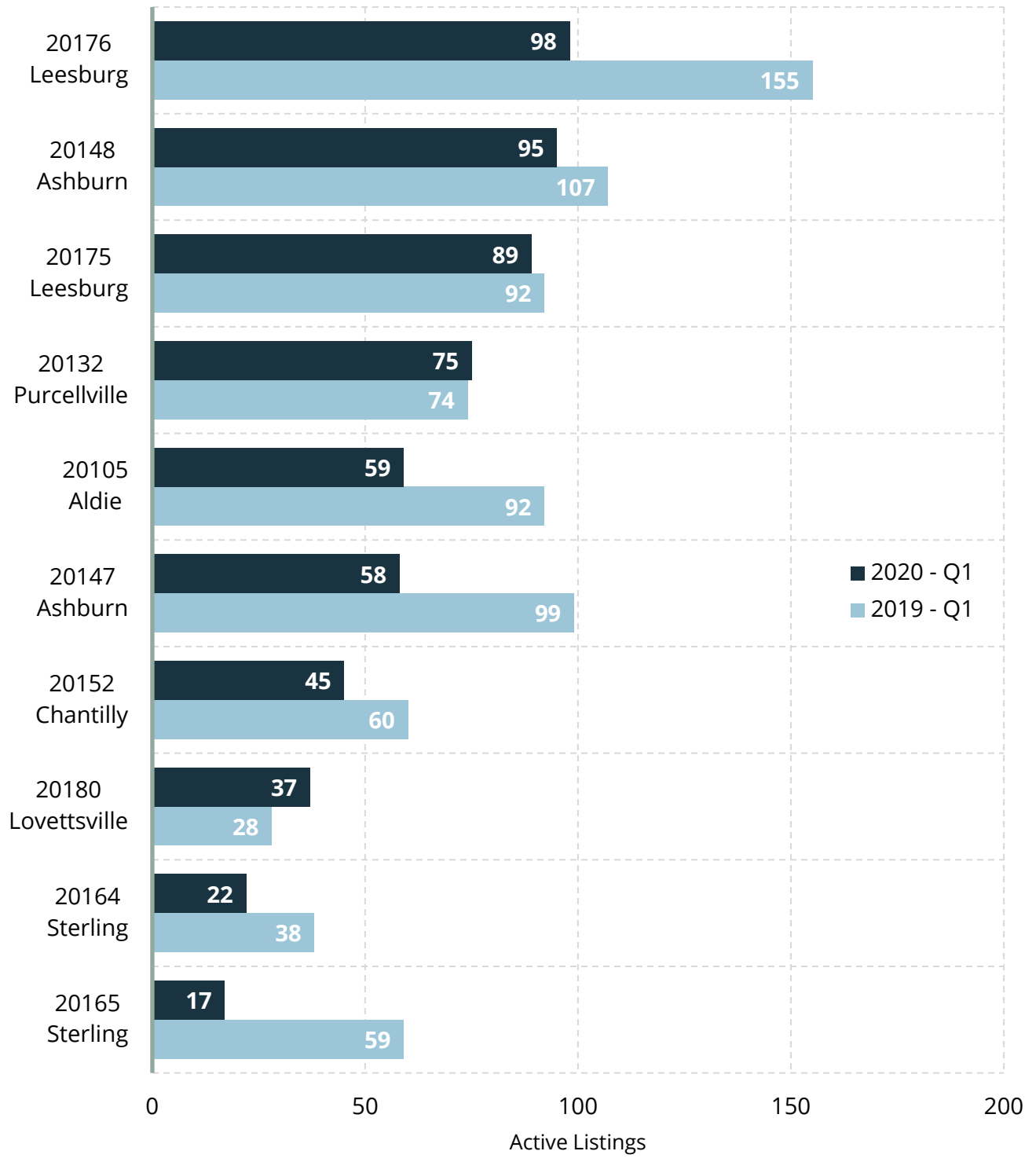
There was approximately 1.2 months of supply at the end of the 1st quarter in Loudoun County, down from 1.7 months last year. The months of supply is calculated by taking the average monthly sales over the preceding 12-month period and dividing it by the inventory of active listings. In most housing markets, a supply below 6 months tends to favor sellers rather than buyers.

Figure 13
End of 1st Quarter Months Supply, Loudoun County
2016-2020



Source: Virginia REALTORS®, data accessed April 16, 2020

Figure 14
End of 1st Quarter Active Listings, Loudoun County Zip Codes
2018 and 2019



Source: Virginia REALTORS®, data accessed April 16, 2020



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.