

DAAR LOUDOUN

HOME SALES REPORT

CUSTOM REPORT PREPARED BY
VIRGINIA REALTORS®

DAAR Home Sales Report

2nd Quarter 2020

Dulles Area Association of REALTORS®

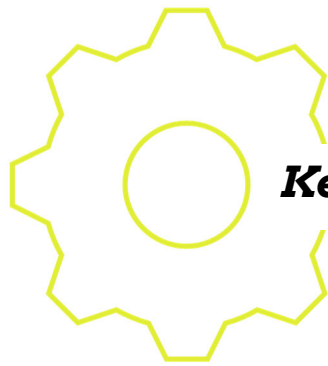
Market Report Key Takeaways

Economic Conditions

- Like the rest of the Commonwealth, Loudoun County and the greater Northern Virginia region experienced job losses during the spring. However, there is evidence that the regional economy is improving as we head into summer.
- Consumer confidence in the economy rebounded after plummeting in March and April. Expectations about future economic conditions have been improving over the past two months.
- Record low mortgage rates have driven a refinance boom and have helped sustain the for-sale market during the COVID-19 pandemic and economic downturn. Low rates will continue throughout 2020 and into 2021.

Housing Market Conditions

- Sales activity slowed in the Loudoun County housing market this quarter as COVID-19 uncertainty continued through the spring months. There were 1,866 sales in the County during the 2nd quarter, which is 334 fewer sales than a year ago, a 15% drop.
- While there were fewer sales transactions, home prices continue to rise in the County. At \$530,000, the 2nd quarter median sales price in Loudoun County rose 5% from last year.
- The shrinking inventory trends have accelerated in the Loudoun County housing market amid the ongoing pandemic. Similar trends are occurring throughout the State. There were 576 active listings at the end of the 2nd quarter in Loudoun County, about half the number of listings as a year ago.



Key Trends Dashboard, DAAR

Economy



8.4%

Is the May-2020 **unemployment rate** in Loudoun County, which is down from Apr-2020



3.07%

Is the **30-year fixed-rate mortgage rate** during the 1st week of July 2020, which is down 0.45 percentage points from a year ago

Housing Market



-334

Fewer **home sales** in Loudoun County in Q2-2020 compared to last year



5%

Percent change in **median sales price** in the Loudoun County housing market in Q2-2020 compared to a year ago



-\$114.4

Million dollars less in total **sold volume** in the Loudoun County housing market in Q2-2020 compared to last year



-49%

Percent change in **active listings** at the end of Q2-2020 in Loudoun County compared to a year ago

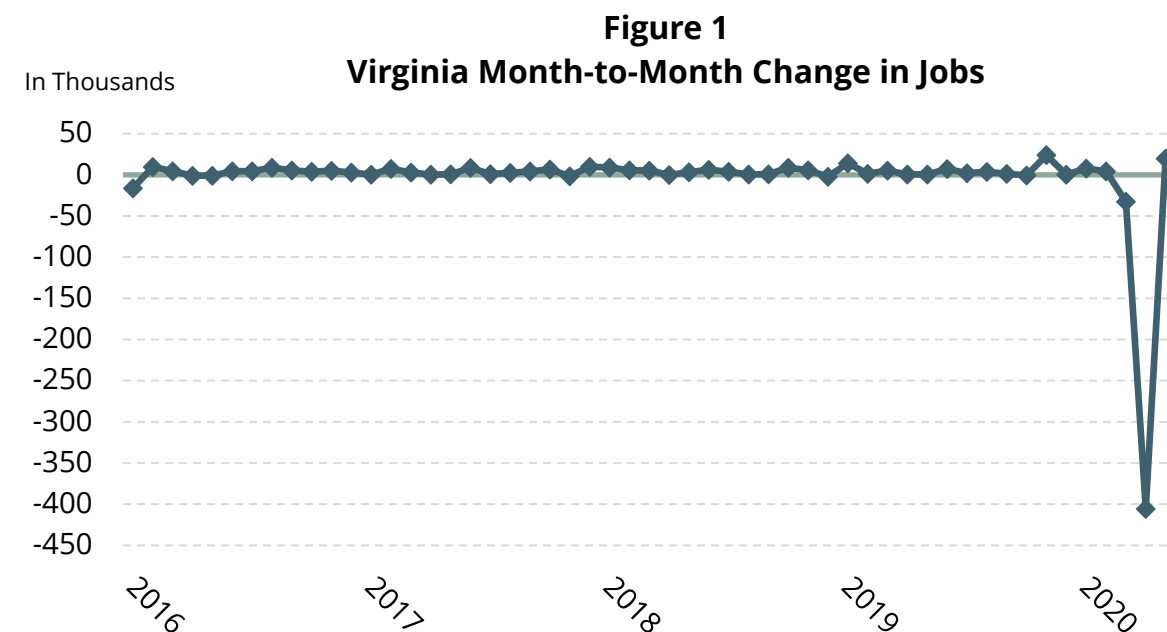


1.0

Months of supply in the Loudoun County housing market in Q2-2020, which is down from a year ago

Economic Overview

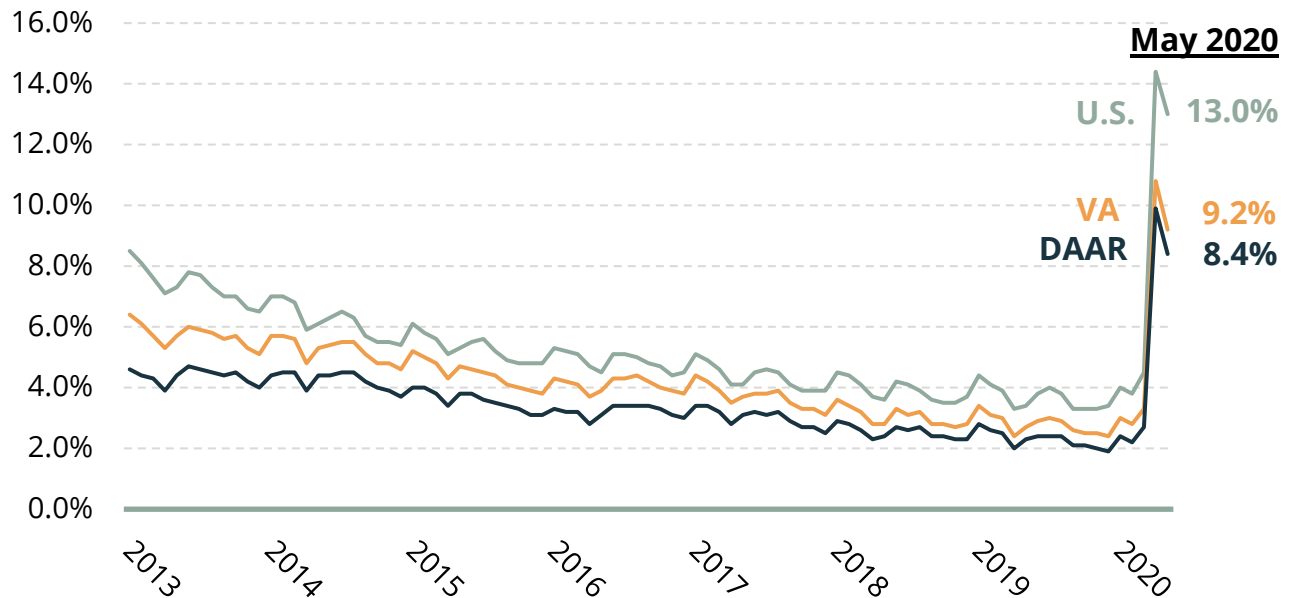
The COVID-19 outbreak led to an unprecedented economic downturn in both the U.S. and in Virginia. However, there is evidence that the economy has reached a turning point, and conditions should be improving over time. Nationally, the economy lost 22 million jobs in March and April. In May and June, however, the U.S. economy added 7.5 million jobs. Virginia also shed hundreds of thousands of jobs in March and April. However, in May, the State added 19,800 jobs.



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

Like the rest of the Commonwealth, Loudoun County experienced job losses this spring. However, there is evidence that the regional economy is improving. In May, the unemployment rate in Loudoun County was 8.4%, significantly higher than the 2019 average, but below the unemployment rate in April and lower than both the U.S. and Virginia unemployment rates.

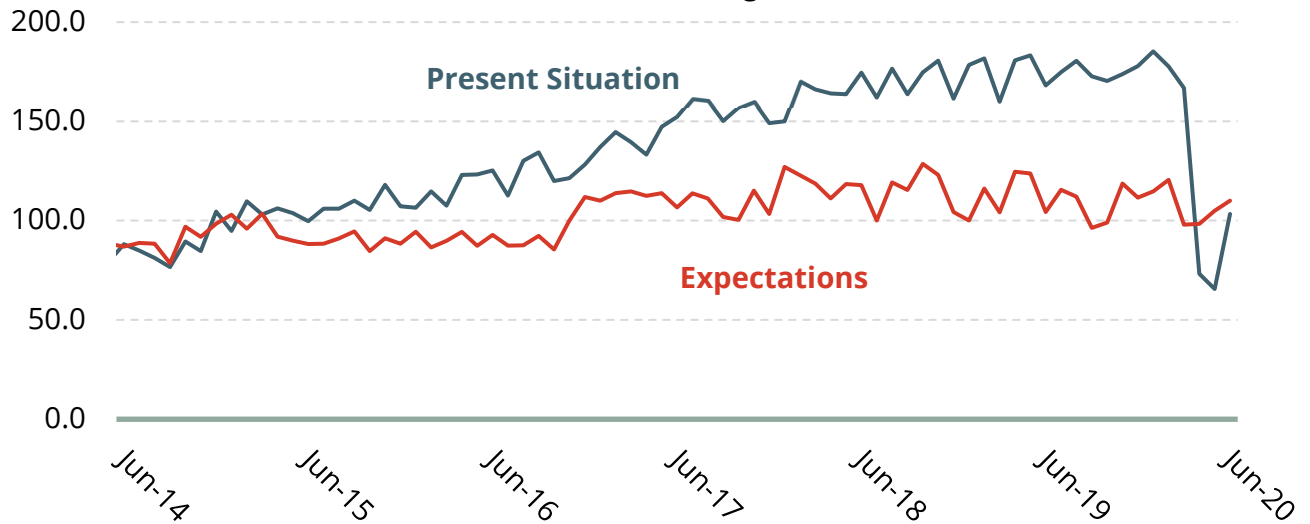
Figure 2
Unemployment Rate



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

Consumer confidence rebounded in June, although individuals and families were still feeling uncertain about economic conditions during most of the 2nd quarter. Among residents of the South Atlantic region of the U.S., which includes Virginia, the measure of confidence in current economic conditions was 103.3 in June, up strongly from April and May, though still significantly lower than the level earlier this year. The measure of consumers' confidence in future economic conditions rose to 110 in June, indicating growing confidence in where the economy is heading. A consumer confidence measure above 100 indicates consumers are feeling more optimistic about economic conditions.

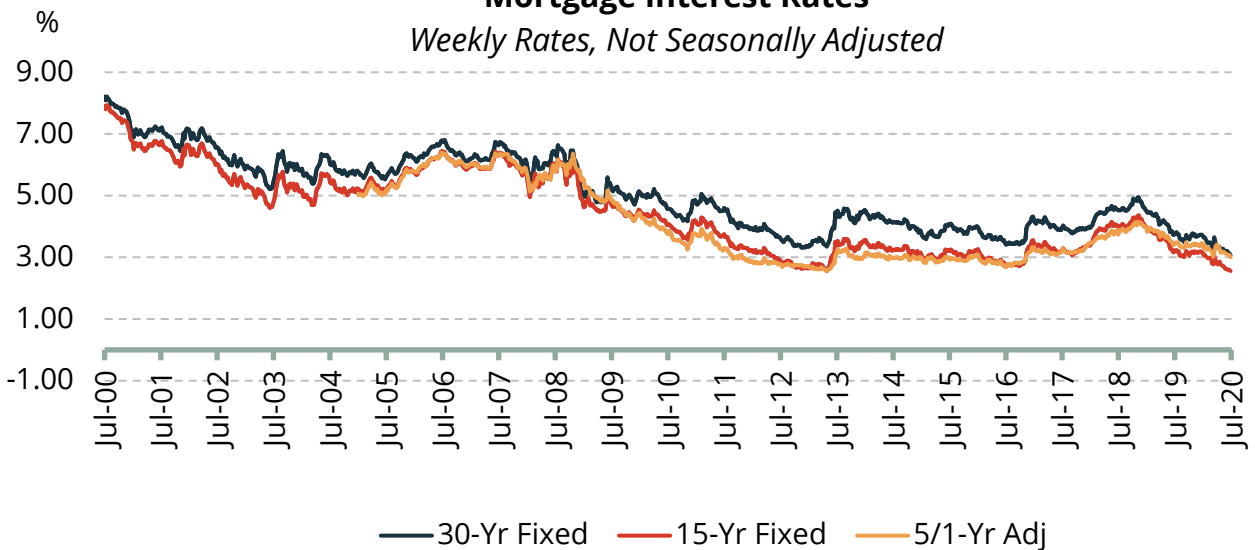
Figure 3
Consumer Confidence
South Atlantic Region



Source: The Conference Board

Throughout the spring and into the summer, mortgage rates have fallen to record lows. In the week ending July 4th, the average 30-year fixed-rate mortgage rate fell to 3.07%, down from 3.18% a month earlier and down from 3.75% a year ago. Record low mortgage rates have driven a refinance boom and have helped sustain the for-sale market. Mortgage rates should remain low throughout 2020 and 2021, which will help support the recovery of the State's housing market.

Figure 4
Mortgage Interest Rates
Weekly Rates, Not Seasonally Adjusted



Source: Federal Reserve Bank of St. Louis

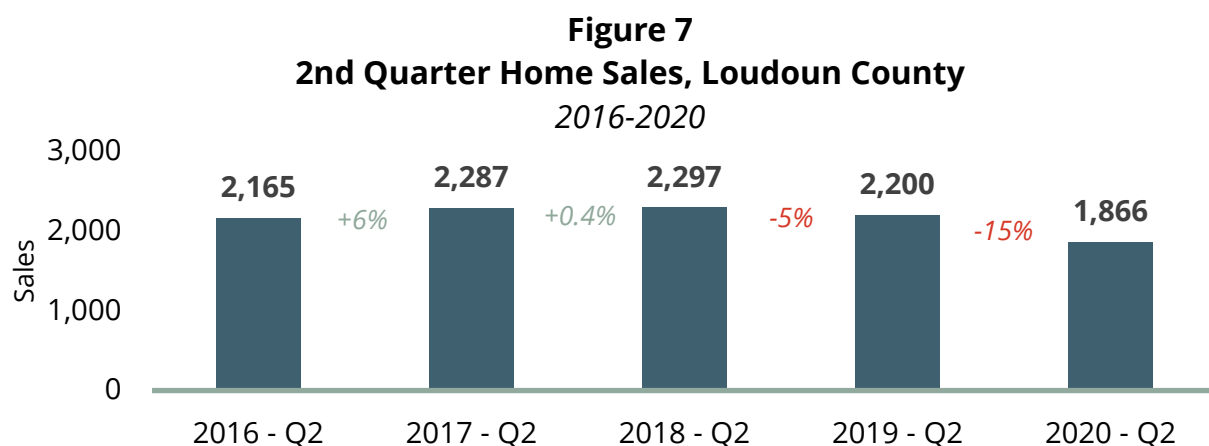
Housing Market Overview

The typically busy spring market in Loudoun County was slower this quarter compared to prior years. Market uncertainty from COVID-19 is keeping many would-be sellers from listing their homes, which is limiting the options available for buyers who are still active in the market. Some buyers could also be waiting to see if economic conditions improve, though historically low interest rates will help to keep financing attractive. While sales in the County's housing market declined in all 3 months of the quarter (i.e., April, May, and June) compared to the prior year, the rate of decline moderated somewhat in June, a signal market activity could be picking back up in the summer in some local areas. The inventory of active listings has been shrinking consistently over the past 5 years in Loudoun County, but the current pandemic has accelerated this trend, and active listings fell sharply this quarter. The tight supply of homes continues to put upward pressure on prices in many local markets.

Sales

Sales activity in the Loudoun County housing market slowed considerably this quarter. There were 1,866 sales in the County in the 2nd quarter, which is 334 fewer sales than a year ago, a 15% drop. This is by far the largest quarterly sales decline in more than 5 years in the County and reflects the uncertainty in the market from COVID-19. Similar trends are occurring in other parts of the State. The overall sales numbers for Virginia declined 10% in the 2nd quarter compared to last year.

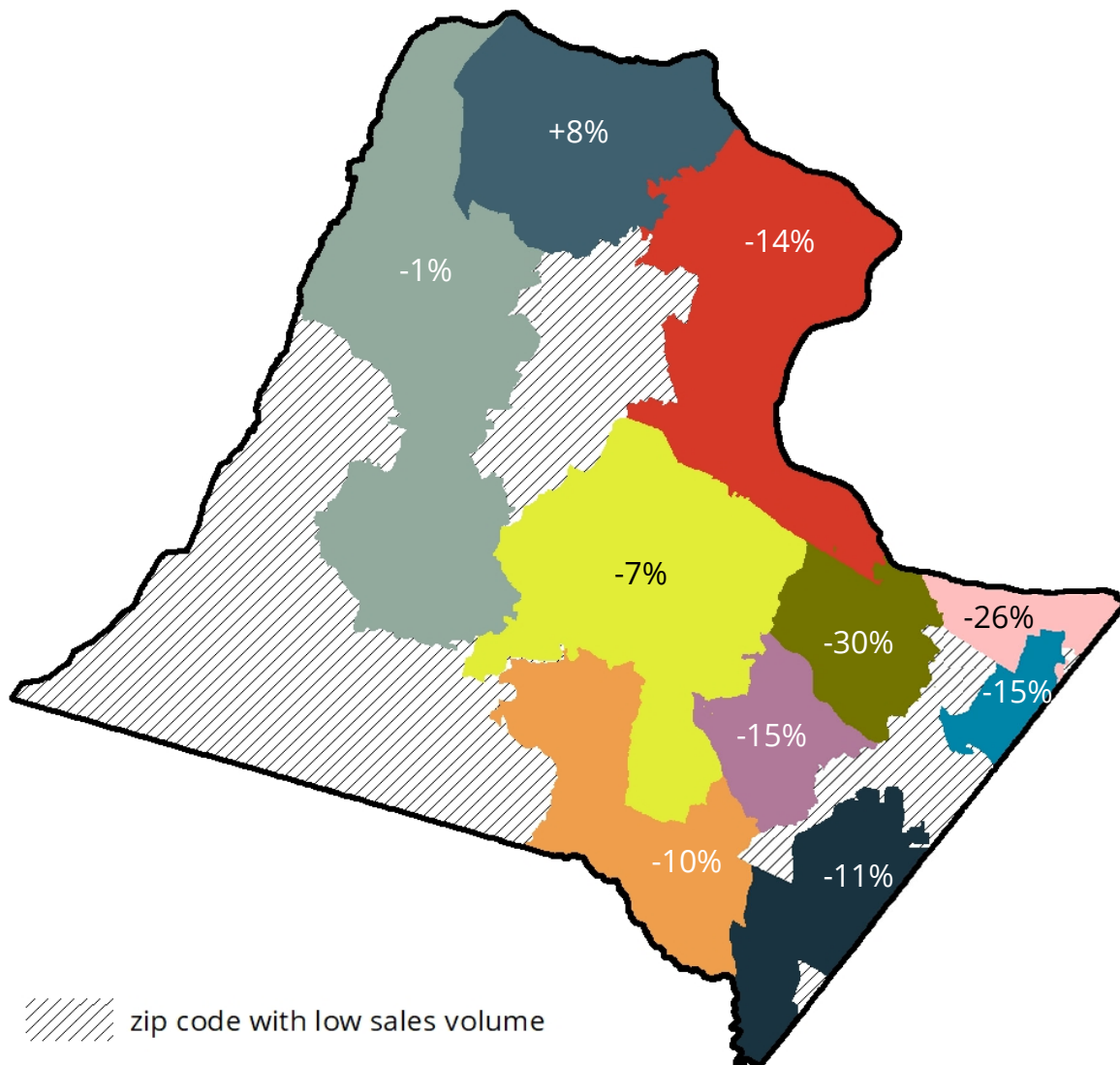
Within the local Loudoun County markets, Ashburn (zip code 20147) and Sterling (zip code 20165) had the largest declines in sales activity, with 30% and 26% fewer sales, respectively, compared to the 2nd quarter of last year. The only area to have an uptick in sales this quarter was Lovettsville (zip code 20180), where there were 4 more sales than a year ago.



Source: Virginia REALTORS®, data accessed July 17, 2020

Figure 6
Change in Sales by Zip Code
Loudoun County
2nd Quarter 2019 to 2nd Quarter 2020

<i>Jurisdiction</i>	<i>2019 - Q2</i>	<i>2020 - Q2</i>	<i>% Change</i>	<i>Jurisdiction</i>	<i>2019 - Q2</i>	<i>2020 - Q2</i>	<i>% Change</i>
20105 Aldie	209	188	-10%	20164 Sterling	171	145	-15%
20132 Purcellville	93	92	-1%	20165 Sterling	188	140	-26%
20147 Ashburn	353	248	-30%	20175 Leesburg	182	169	-7%
20148 Ashburn	329	280	-15%	20176 Leesburg	259	224	-14%
20152 Chantilly	189	168	-11%	20180 Lovettsville	51	55	8%



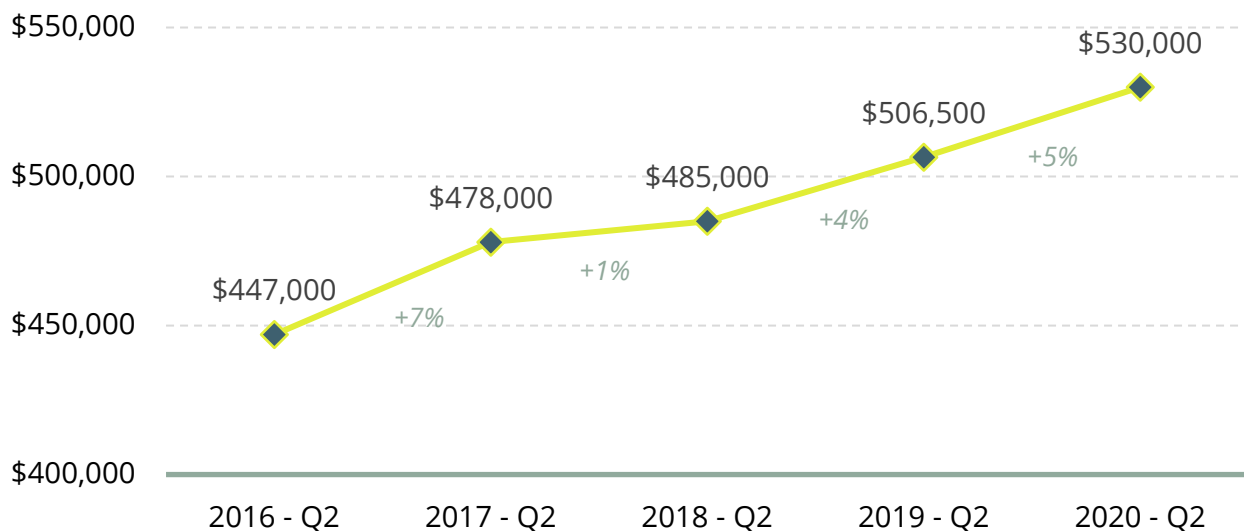
Source: Virginia REALTORS®, data accessed July 17, 2020

Sales Prices

Even in the middle of a pandemic, home prices in the Loudoun County market continue to climb higher. At \$530,000, the 2nd quarter median sales price in the County rose by \$23,500 from a year ago, representing a 5% increase. The median sales price in the County has increased every quarter since the fall of 2015 and reflects the tight inventory of active listings. Similar upward price trends are occurring in other parts of the State. The median sales price in Virginia rose 2% in the 2nd quarter compared to last year.

The 2nd quarter price gains in the County occurred in most local sub-markets. Lovettsville (zip code 20180) and Sterling (zip code 20165) had the largest median sales price gains, jumping up \$80,000 and \$46,500, respectively. Leesburg (zip code 20176) also had strong price growth this quarter with a median sales price nearly \$48,000 higher than a year ago. Ashburn (zip code 20148) was the only local market in the County to have a drop in the median sales price this quarter, dipping 4% from a year ago, a \$21,000 decline.

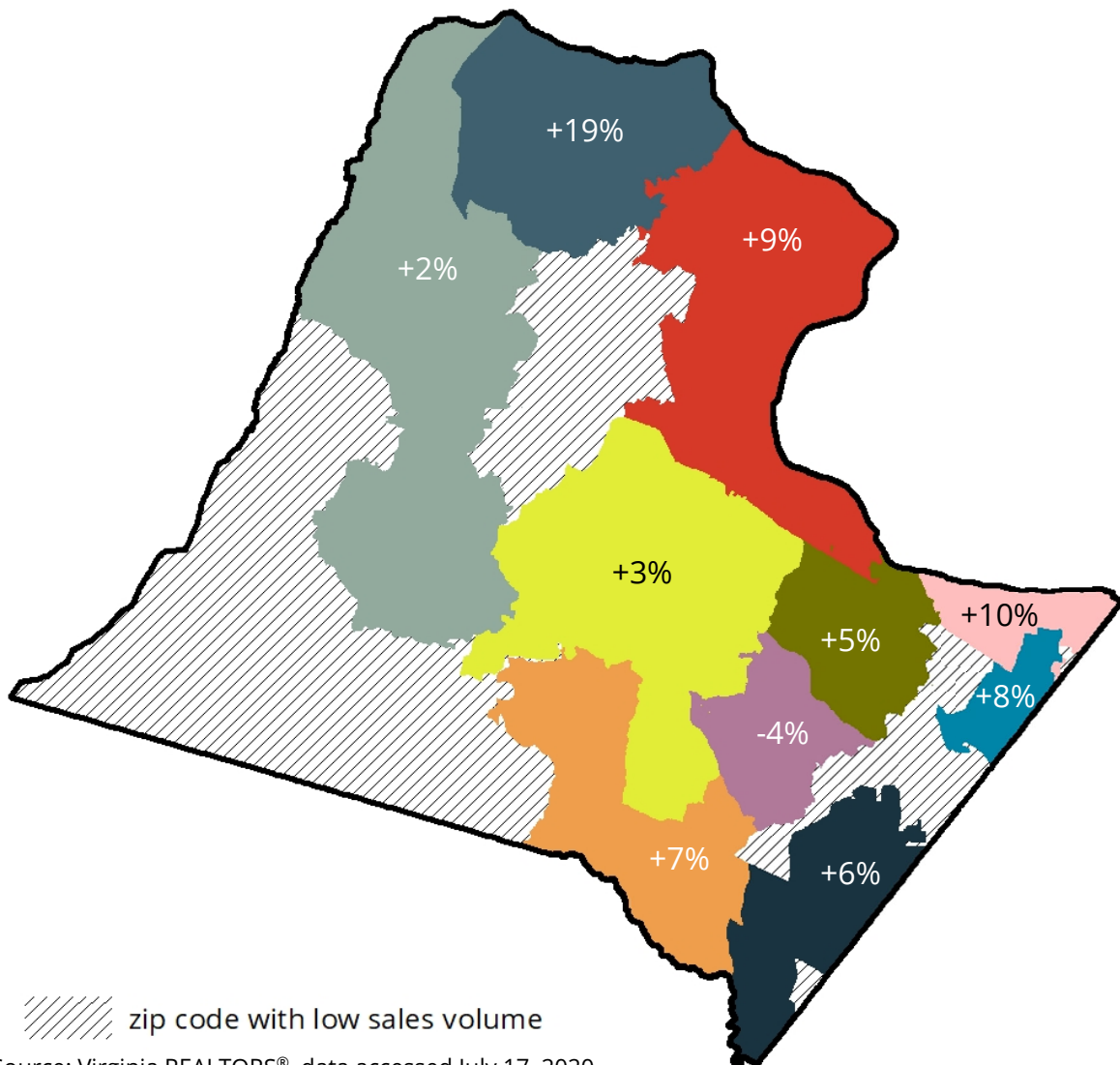
Figure 7
2nd Quarter Median Sales Price, Loudoun County
2016-2020



Source: Virginia REALTORS®, data accessed July 17, 2020

Figure 8
Change in Median Sales Price by Zip Code
Loudoun County
2nd Quarter 2019 to 2nd Quarter 2020

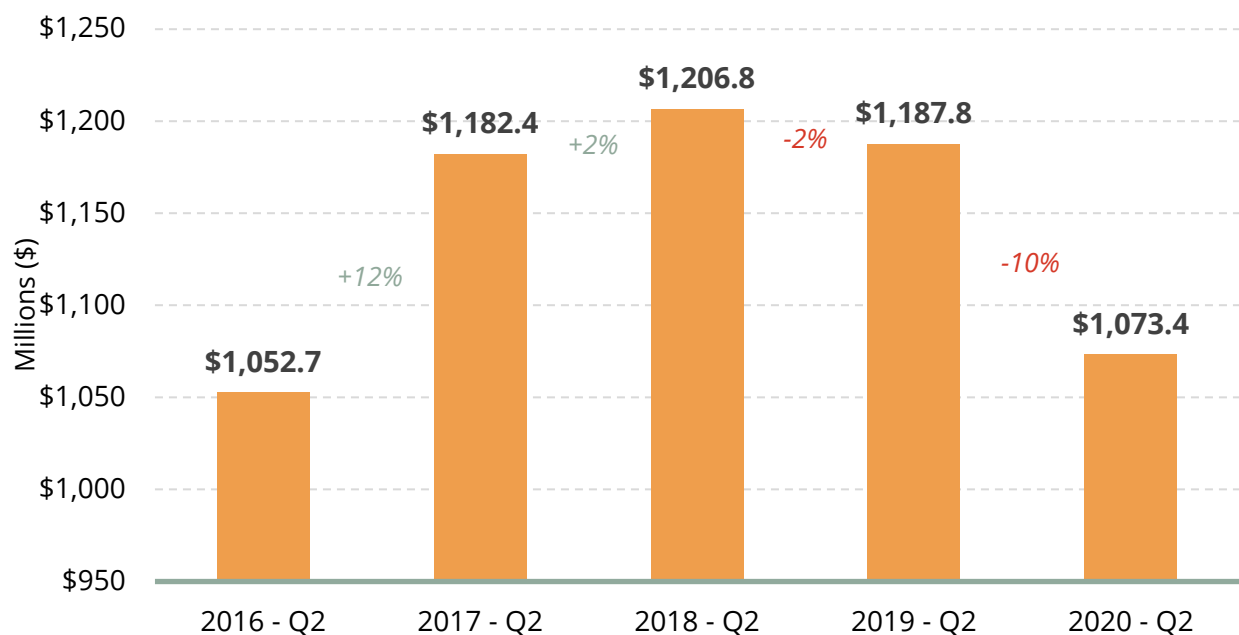
Zip Code	2019 - Q2	2020 - Q2	% Change	Zip Code	2019 - Q2	2020 - Q2	% Change
20105 Aldie	\$605,250	\$650,000	7%	20164 Sterling	\$400,000	\$430,200	8%
20132 Purcellville	\$550,000	\$562,500	2%	20165 Sterling	\$462,500	\$509,000	10%
20147 Ashburn	\$489,999	\$515,000	5%	20175 Leesburg	\$491,250	\$507,500	3%
20148 Ashburn	\$590,000	\$569,000	-4%	20176 Leesburg	\$549,679	\$597,645	9%
20152 Chantilly	\$535,000	\$566,100	6%	20180 Lovettsville	\$430,000	\$510,000	19%



Sold Volume

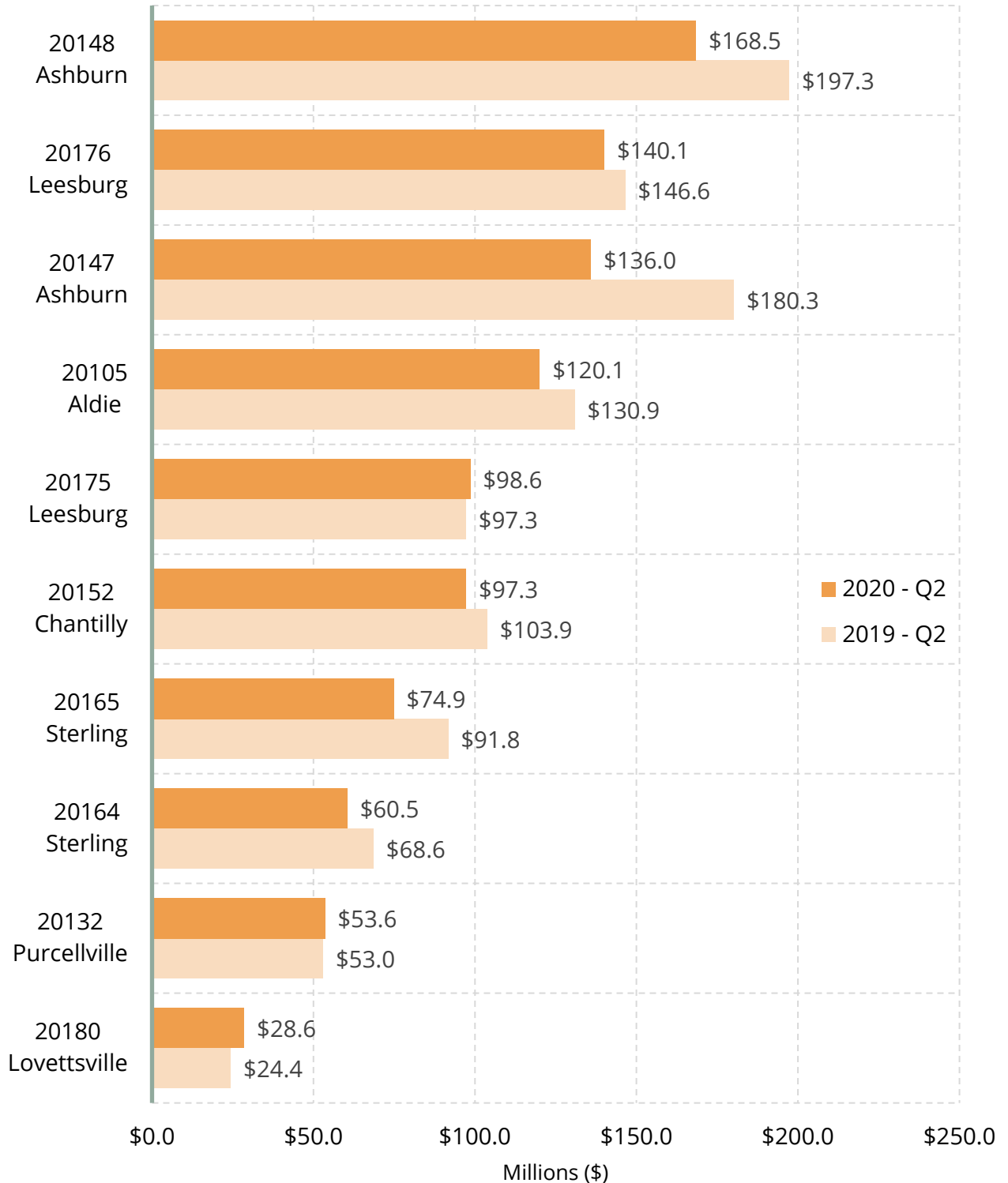
For the 2nd quarter in a row, slower sales activity drove down the total sold dollar volume in the Loudoun County housing market. There was about \$1.07 billion of sold volume in the County during the 2nd quarter, which is 10% below the volume level a year ago, a decrease of about \$114.4 million. This is the largest sold volume drop of any quarter in more than 5 years for the County. Within the local markets in the County, Ashburn (zip code 20147) had the largest sold dollar volume percentage decrease, down 25% compared to the 2nd quarter of last year. Sterling (zip code 20165) also had a sharp decline in sold volume, falling 18% from a year ago. Lovettsville (zip code 20180) had the largest increase in sold dollar volume, rising 17% from the 2nd quarter last year.

Figure 9
2nd Quarter Sold Dollar Volume (Millions), Loudoun County
2016-2020



Source: Virginia REALTORS®, data accessed July 17, 2020

Figure 10
2nd Quarter Sold Dollar Volume, Loudoun County Zip Codes
2019 and 2020

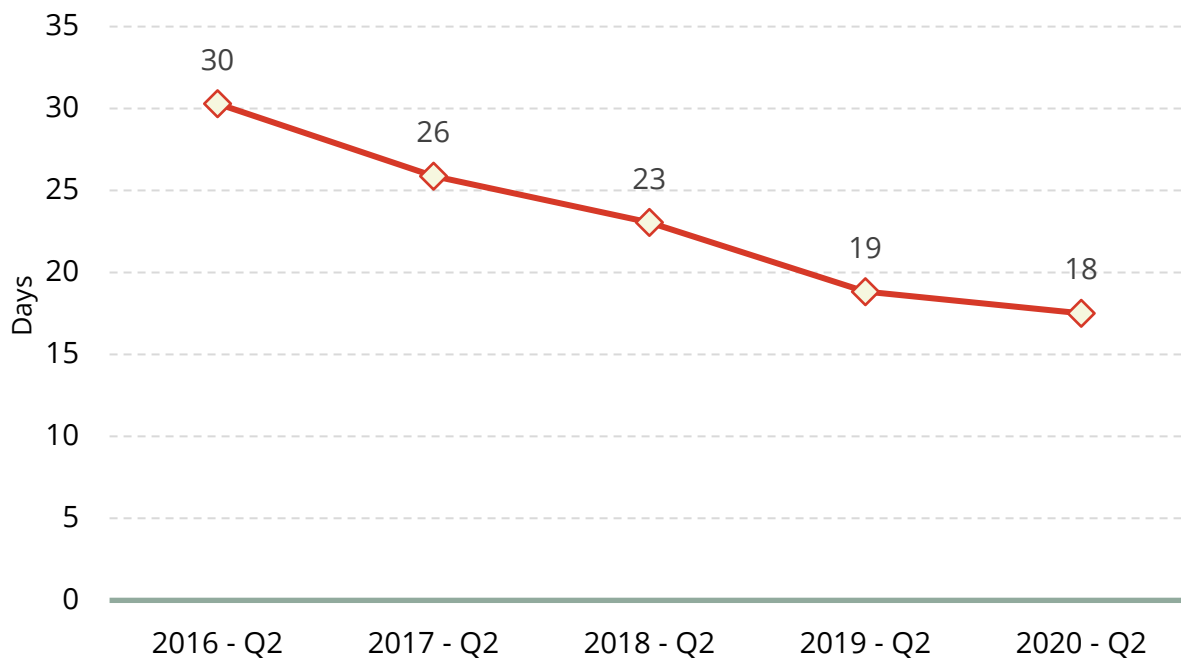


Source: Virginia REALTORS®, data accessed July 17, 2020

Days on Market

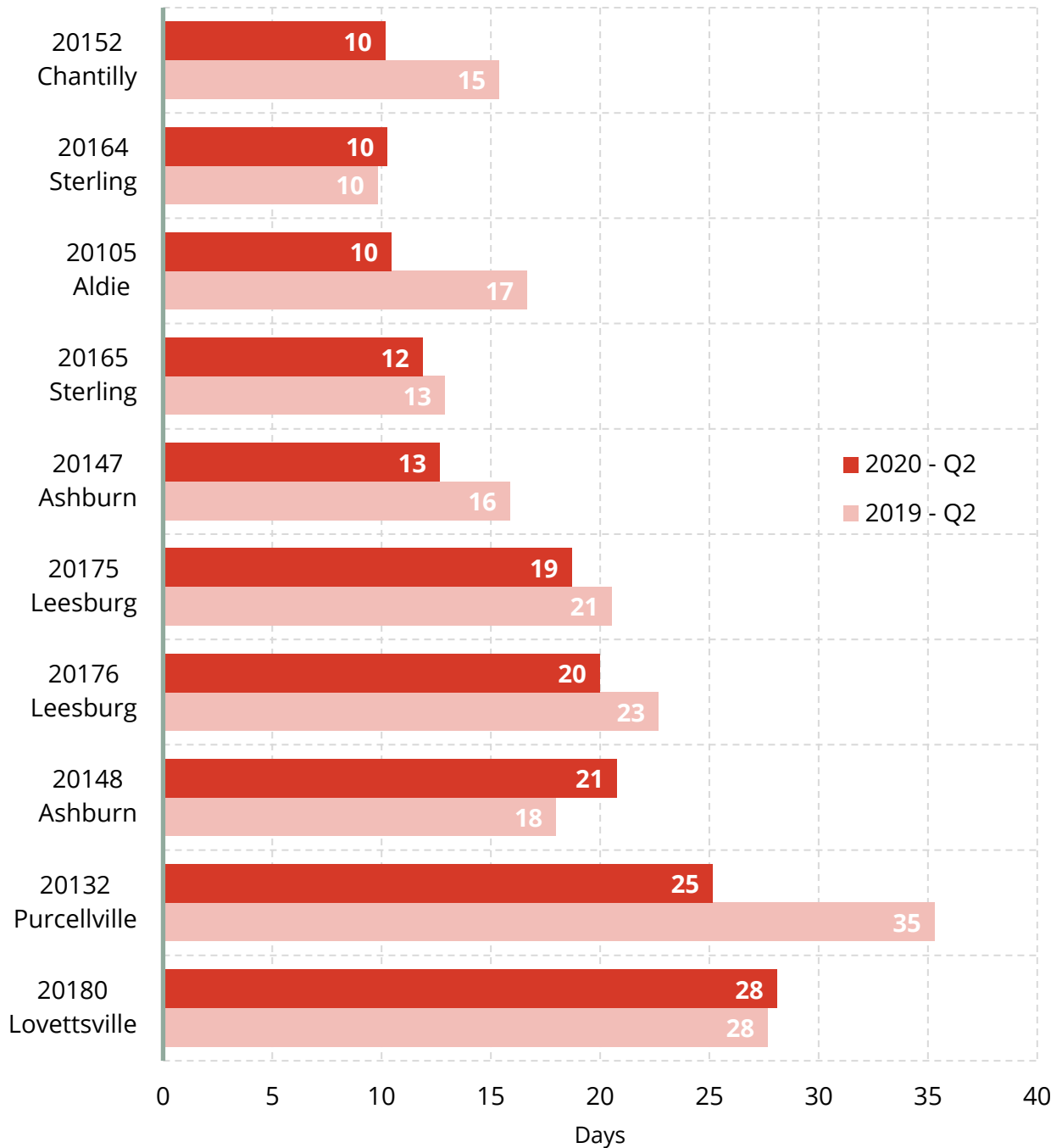
Homes that sold in the 2nd quarter in Loudoun County were on the market an average of 18 days, which is 1 day faster than a year ago. Homes have been selling faster each quarter in the Loudoun County market for more than 4 years, a reflection of the shrinking inventory of active listings that are available to buyers. Homes are also selling faster in most of the local markets within the County. The average days on market in Purcellville (zip code 20132) was 10 days faster than the 2nd quarter of last year. Homes in Aldie (zip code 20105) sold a week faster (-7 days), on average, compared to last year. The only local market to have a small increase in the average days on market this quarter was Ashburn (zip code 20148), where it took about 3 days longer to sell homes, on average, compared to a year ago. At the State level, homes sold in 40 days, on average, during the 2nd quarter, which is 3 days faster than a year ago.

Figure 11
2nd Quarter Average Days on Market, Loudoun County
2016-2020



Source: Virginia REALTORS®, data accessed July 17, 2020

Figure 12
2nd Quarter Average Days on Market, Loudoun County Zip Codes
2019 and 2020



Source: Virginia REALTORS®, data accessed July 17, 2020

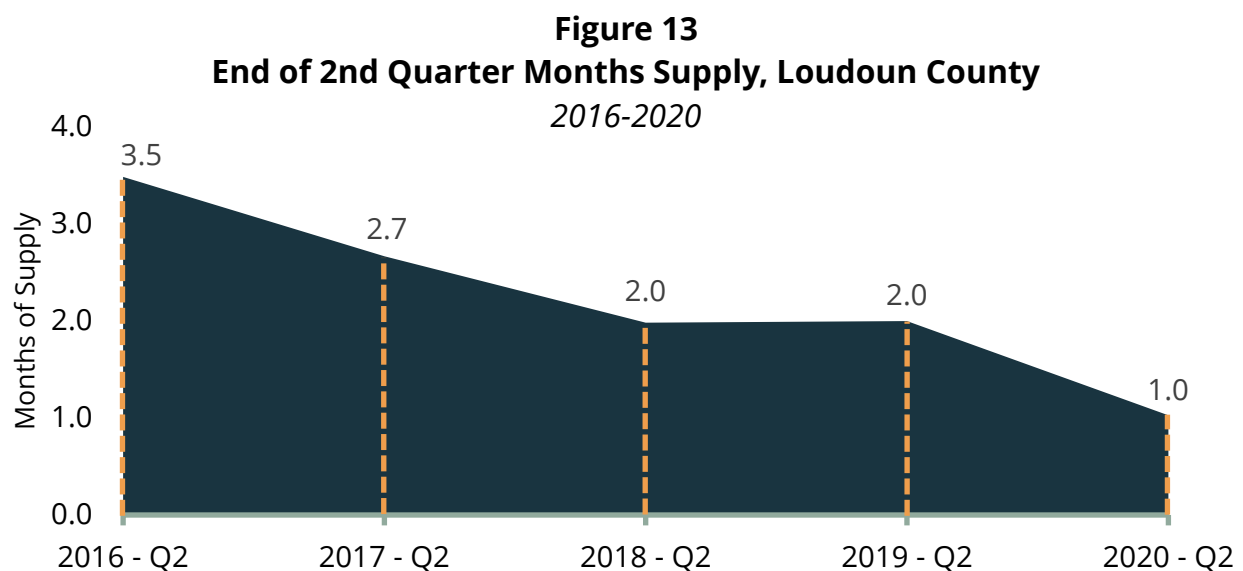
Inventory

While the full impact of COVID-19 on the local housing market continues to be monitored, the direct impact on the inventory is already quite evident. Housing markets throughout the State experienced dramatic declines in active listings over the past several months as more would-be sellers continue to wait to see how the market responds to the pandemic.

At the end of the 2nd quarter, there were 576 active listings on the market in Loudoun County, which is about half (-49%) the inventory level there was a year ago, a decrease of 543 active listings. The supply in the Loudoun County housing market had already been shrinking steadily for much of the past several years, but COVID-19 has accelerated the inventory decline. The tight market supply is likely constraining sales activity in some local areas and continues to put upward pressure on home prices. The supply declines accelerated in many parts of the State, as well. The overall inventory of active listings in Virginia at the end of the 2nd quarter was 39% lower than it was a year ago.

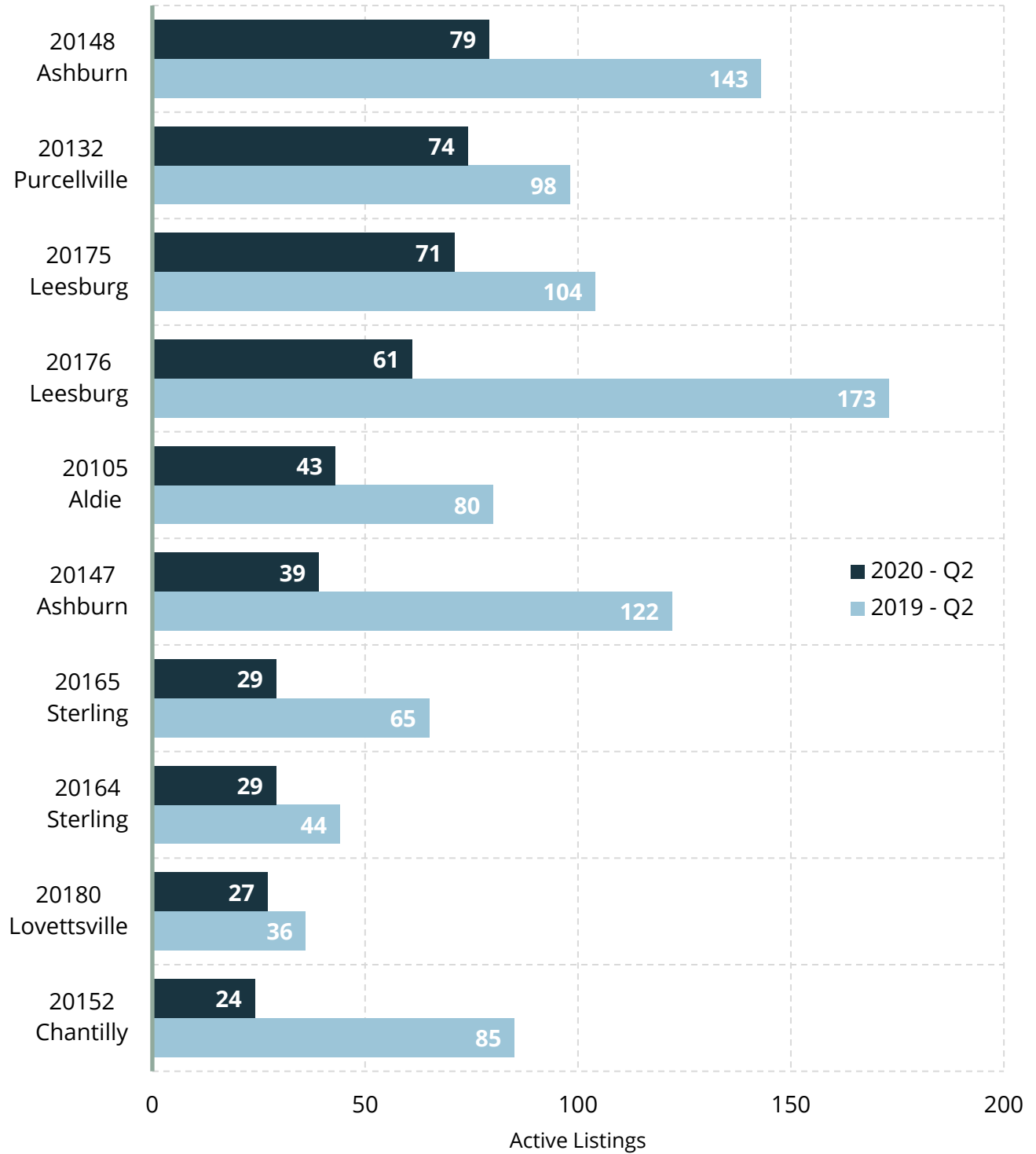
Within the local markets in Loudoun County, Chantilly (zip code 20152) and Ashburn (zip code 20147) had the sharpest inventory reductions, with 72% and 68% fewer active listings than this time 1 year ago. Leesburg (zip code 20176) also had a notable drop in inventory this quarter, down 65% from last year.

There was 1 month of supply at the end of the 2nd quarter in Loudoun County, down from 2 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.



Source: Virginia REALTORS®, data accessed July 17, 2020

Figure 14
End of 2nd Quarter Active Listings, Loudoun County Zip Codes
2018 and 2019



Source: Virginia REALTORS®, data accessed July 17, 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.

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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.