

DAAR LOUDOUN

HOME SALES REPORT

CUSTOM REPORT PREPARED BY
VIRGINIA REALTORS®

DAAR Home Sales Report

3rd Quarter 2020

Dulles Area Association of REALTORS®

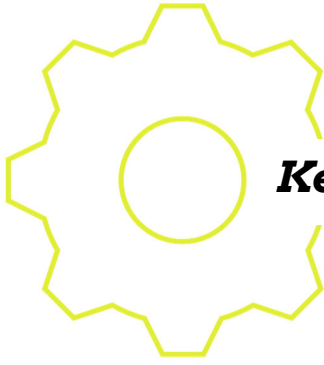
Market Report Key Takeaways

Economic Conditions

- In Loudoun County, economic conditions improved in the 3rd quarter, with the regional unemployment rate falling steadily.
- Consumer confidence in the economy plummeted in August but rebounded again in September.
- Mortgage rates remained at historically low levels throughout the 3rd quarter; rates will likely remain low well into 2021.

Housing Market Conditions

- Sales activity bounced back in the Loudoun County housing market during the summer following a slow spring. There were 2,456 sales in the County in the 3rd quarter, surging up 19% from a year ago.
- Home prices are rising throughout the County. At \$556,000, the 3rd quarter median sales price in Loudoun County climbed 8% from last year, a \$41,000 gain.
- The inventory of homes for sale in Loudoun County remains persistently low and continues to shrink rapidly. There were 464 active listings at the end of the 3rd quarter, down 55% from a year ago.



Key Trends Dashboard, DAAR

Economy



5.4%

Is the Aug-2020 **unemployment rate** in Loudoun County, which is down from Jul-2020



2.81%

Is the **30-year fixed-rate mortgage rate** during the 2nd week of October 2020, which is down 0.88 percentage points from a year ago

Housing Market



392

More **home sales** in Loudoun County in Q3-2020 compared to last year



8%

Percent change in **median sales price** in the Loudoun County housing market in Q3-2020 compared to a year ago



\$354.0

Million dollars more in total **sold volume** in the Loudoun County housing market in Q3-2020 compared to last year



-55%

Percent change in **active listings** at the end of Q3-2020 in Loudoun County compared to a year ago



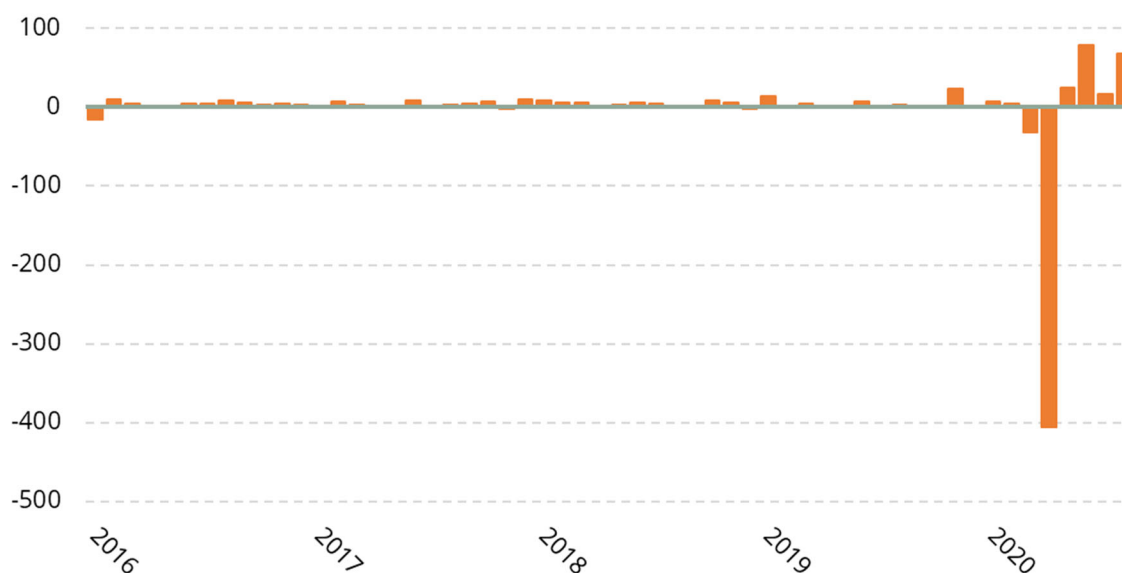
0.8

Months of supply in the Loudoun County housing market in Q3-2020, which is down from a year ago

Economic Overview

The national economy improved in the 3rd quarter of 2020, though there are some signs of uncertainty in the recovery. The U.S. economy gained jobs for five consecutive months and the national unemployment rate fell to 7.9% in September. Economic conditions in Virginia are somewhat better than they are nationally. The Commonwealth has added jobs consistently for four consecutive months, with 68,000 jobs gained in August. Even with these gains, there are still about 212,000 fewer jobs in Virginia this year compared to a year ago. Full recovery of the jobs lost this spring is still a long way off.

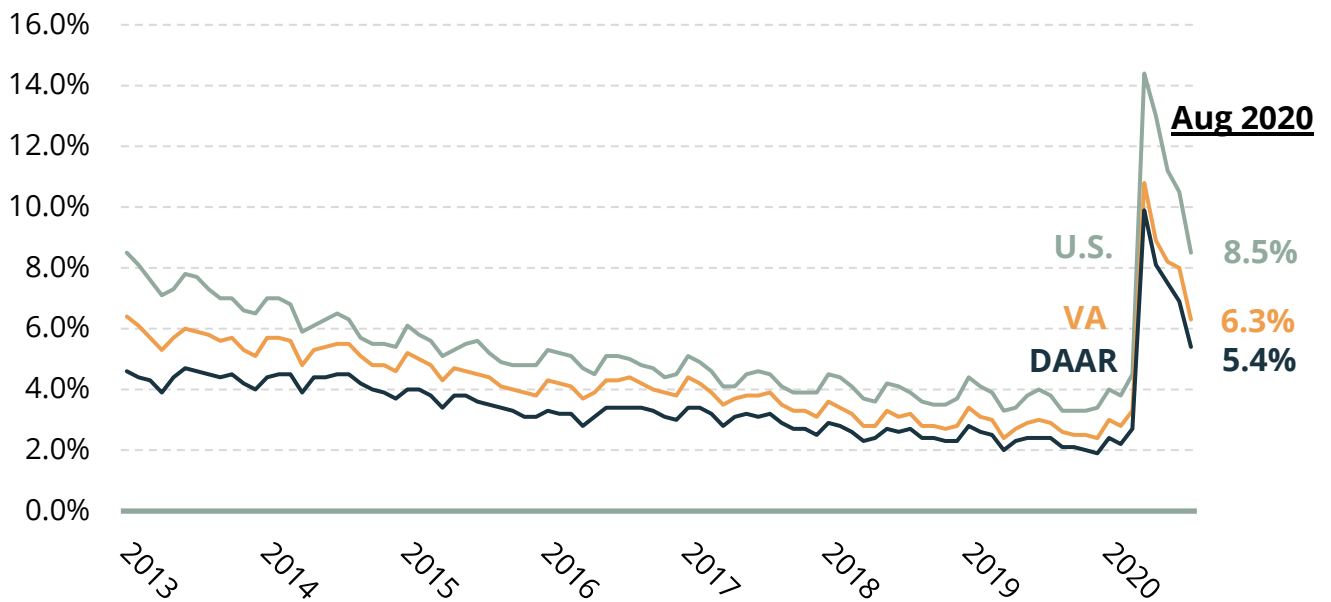
Figure 1
Virginia Month-to-Month Change in Jobs



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

Like the rest of the Commonwealth, Loudoun County has seen economic conditions improve in the 3rd quarter. The regional unemployment rate was 5.4% in August, falling from 7.5% and 6.9% in June and July, respectively. While unemployment remains elevated in Loudoun County, the decline in the region's unemployment rate is a positive sign.

Figure 2
Unemployment Rate

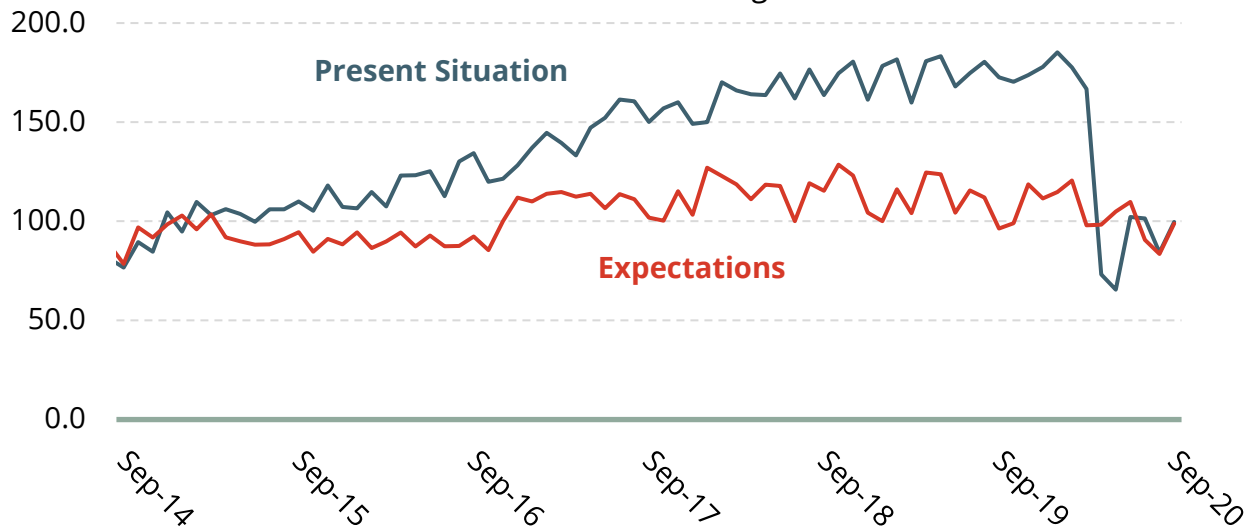


Source: U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics

Measures of consumer confidence reflect the ongoing uncertainty in the economic recovery. The consumer confidence indices for the South Atlantic region (which includes Virginia) plummeted in August before rebounding in September. The measure of confidence in the present economic situation was 99.6 and the future consumer confidence index was 98.8 in September. A consumer confidence index of 100 or more indicates individuals feel optimistic about economic conditions.

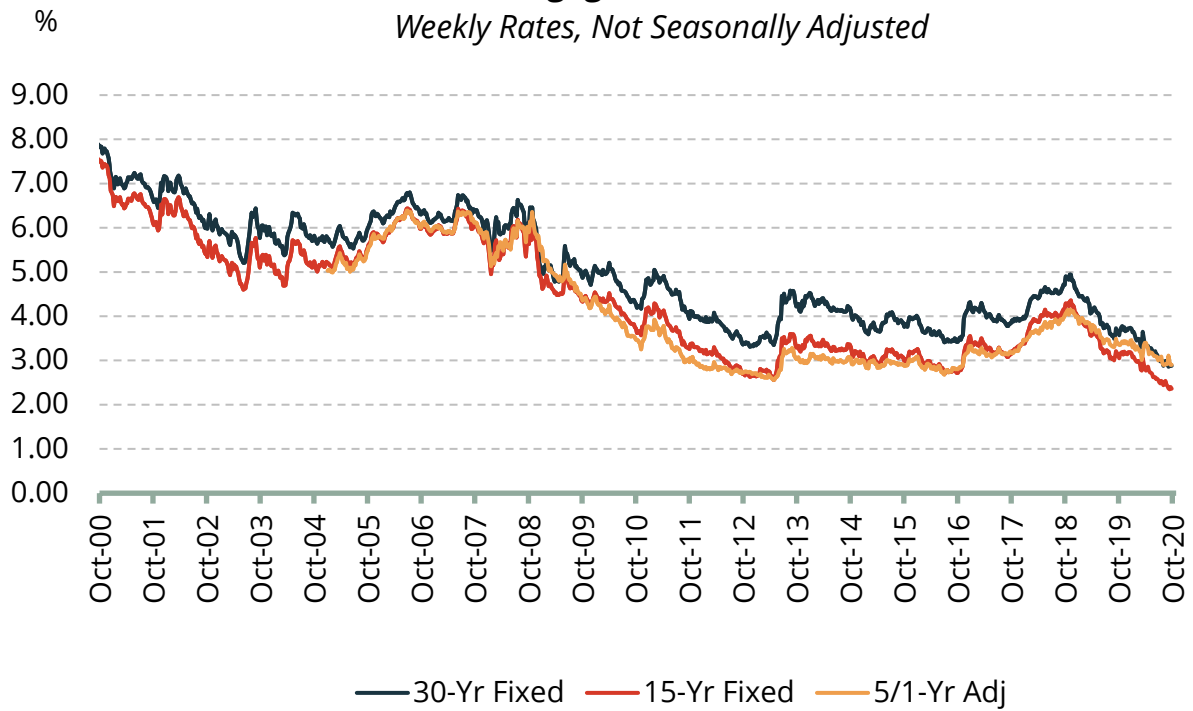
During the 3rd quarter, historically low mortgage rates have continued to spur refinance and purchase activity and sustain confidence in the for-sale housing market. The average 30-year fixed-rate mortgage rate has been below 3% throughout August and September. The pace of mortgage applications slowed slightly at the end of the summer, likely due to a lack of inventory.

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

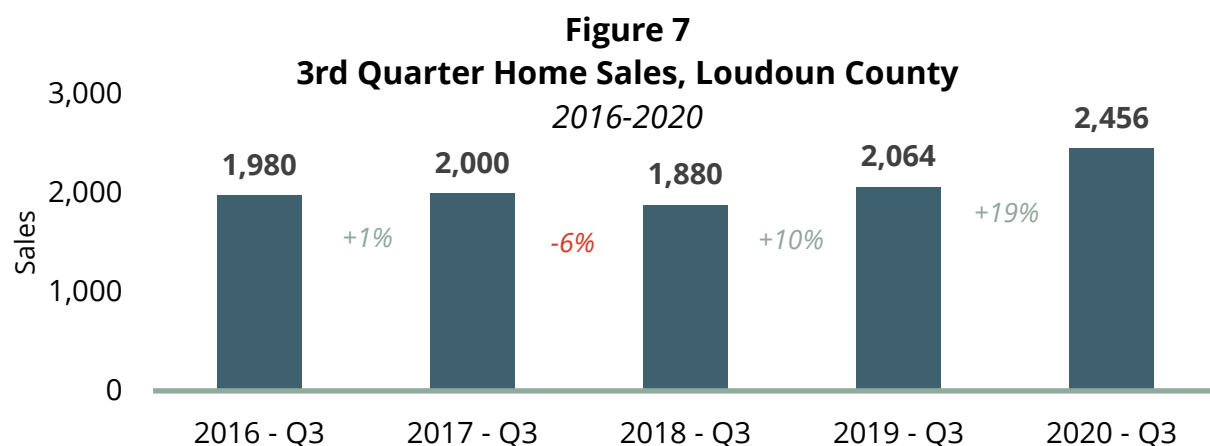
Housing Market Overview

Following a slow and somewhat unpredictable spring, the summer housing market in Loudoun County bounced back in a big way. Sales activity surged throughout the County and prices rose in nearly all local markets. The jump in market activity this quarter likely reflects some buyers who paused their home searches during the early months of the ongoing pandemic and who decided to resume the buying process over the summer. As demand picked up, the inventory of active listings shrank considerably. The supply shortage continues to be a major factor in the health of the overall market, as many eager buyers could be unable to find a home in their price range. While the supply remains low and prices are climbing, very attractive interest rates will help to keep financing costs down.

Sales

Home sales surged in Loudoun County this summer, rebounding from a slow spring market. There were 2,456 sales in the County during the 3rd quarter, a 19% increase from last year, an influx of 392 sales. This represents the largest increase in home sales the County has had in any quarter in more than 5 years. Sales activity increased in all 3 months of the quarter (July, August, and September). September was by far the busiest month of the quarter, which suggests there is momentum heading into the fall market. Total sales Statewide jumped up 17% in the 3rd quarter compared to last year, which reflects a widespread rebound in housing markets around the Commonwealth.

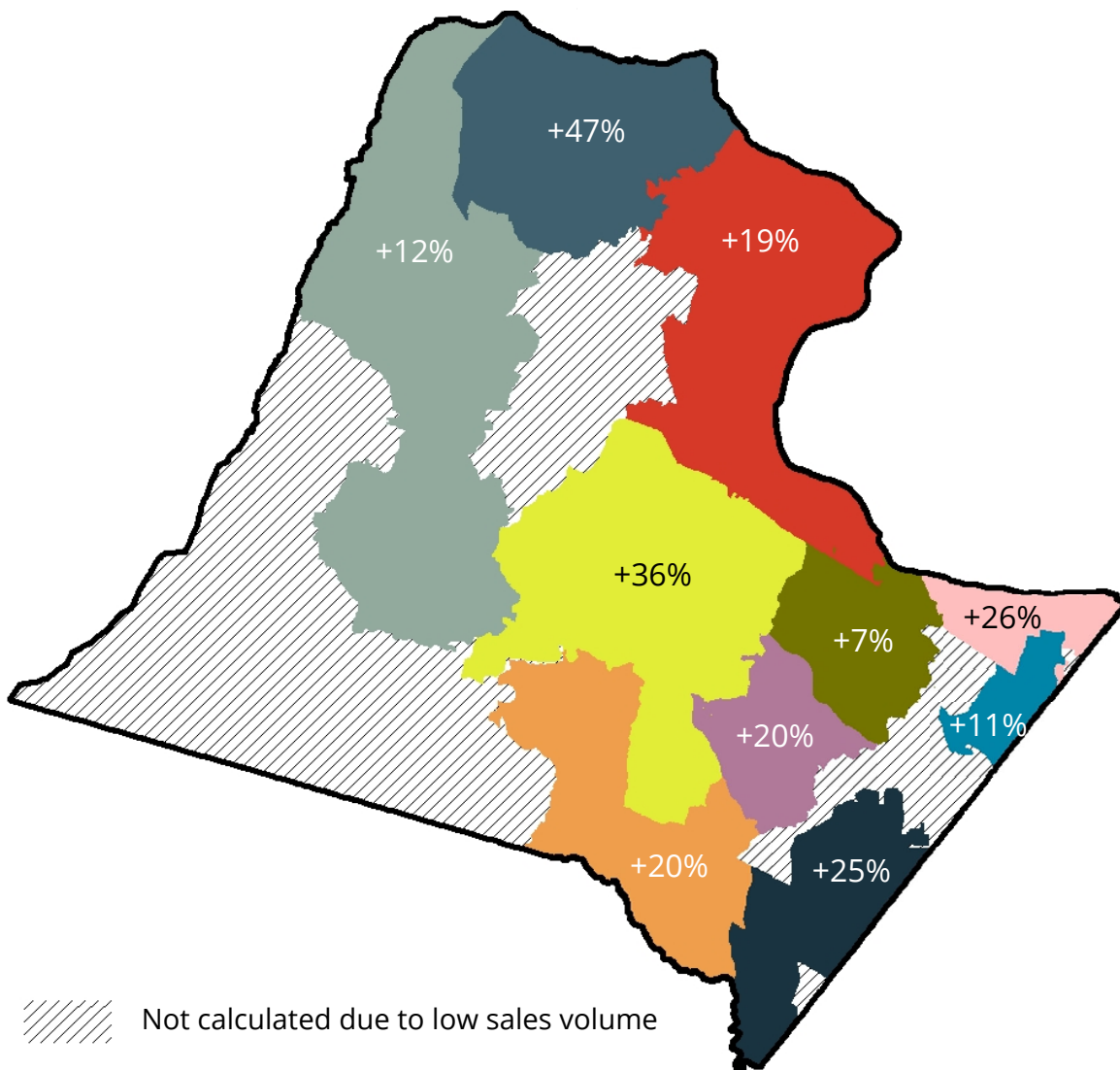
At the local level, Leesburg (zip code 20175) and Ashburn (zip code 20148) had the largest increases in home sales, with an additional 64 sales and 62 sales, respectively, in the 3rd quarter compared to last year. Sales growth was also strong in Chantilly (zip code 20152, +44 sales) and Aldie (zip code 20105, +41 sales).



Source: Virginia REALTORS®, data accessed October 15, 2020

Figure 6
Change in Sales by Zip Code
Loudoun County
3rd Quarter 2019 to 3rd Quarter 2020

<i>Jurisdiction</i>	<i>2019 - Q3</i>	<i>2020 - Q3</i>	<i>% Change</i>	<i>Jurisdiction</i>	<i>2019 - Q3</i>	<i>2020 - Q3</i>	<i>% Change</i>
20105 Aldie	209	250	20%	20164 Sterling	153	170	11%
20132 Purcellville	102	114	12%	20165 Sterling	156	196	26%
20147 Ashburn	307	327	7%	20175 Leesburg	177	241	36%
20148 Ashburn	305	367	20%	20176 Leesburg	258	308	19%
20152 Chantilly	173	217	25%	20180 Lovettsville	36	53	47%



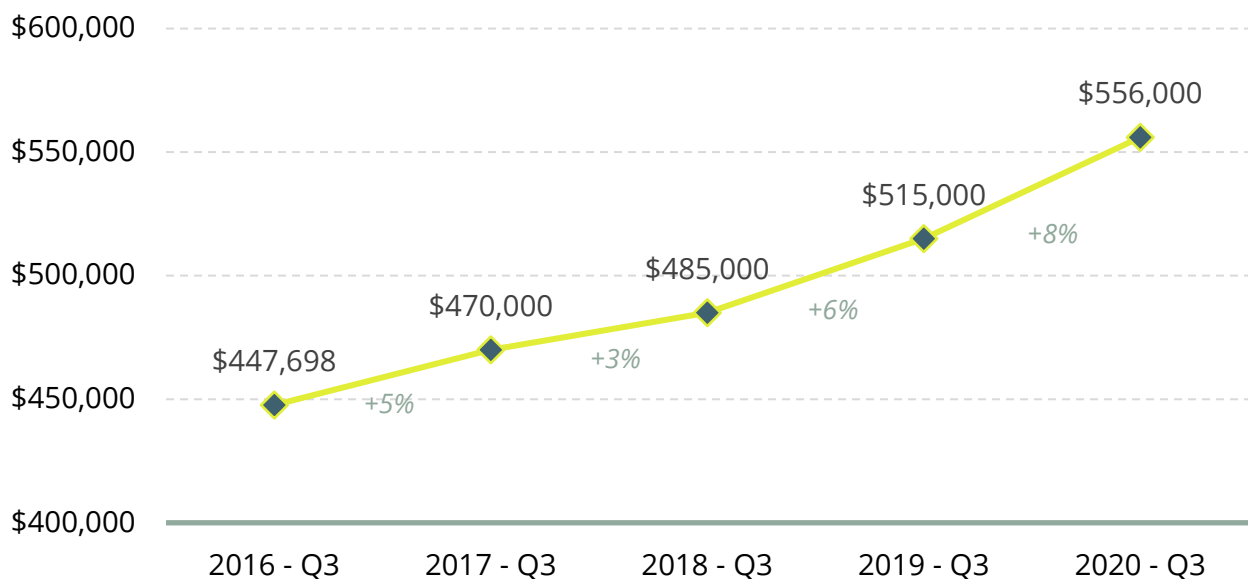
Source: Virginia REALTORS®, data accessed October 15, 2020

Sales Prices

Home prices in the Loudoun County housing market are consistently rising. At \$556,000, the 3rd quarter median sales price in the County is \$41,000 higher than it was a year ago, representing an 8% gain. Prices in Loudoun County have been marching upward for the past 5 years and reflect solid demand from buyers who are faced with increasingly scarce options as the inventory shortage continues. These factors have driven up the median sales price over the years, which is now more than \$120,000 higher than it was in the 3rd quarter 5 years ago. Similar trends are occurring in other parts of the State. The median sales price in Virginia climbed 10% in the 3rd quarter compared to last year.

Most of the local submarkets in the County are experiencing consistent home price growth. The largest median sales price gains in the 3rd quarter occurred in Leesburg (zip code 20176, +20%) and Chantilly (zip code 20152, +12%). Home prices in Aldie (zip code 20105) were essentially flat this quarter compared to last year.

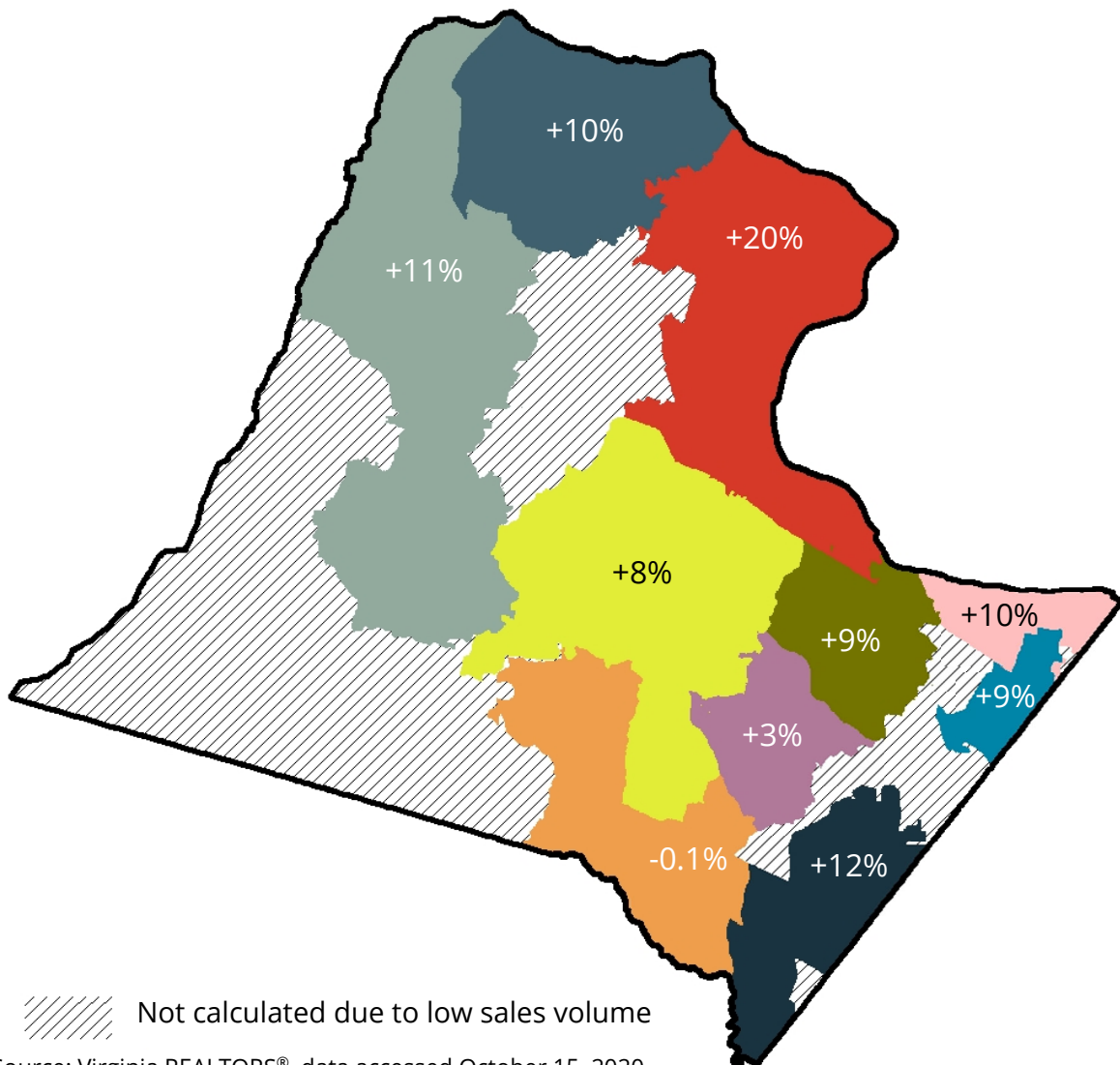
Figure 7
3rd Quarter Median Sales Price, Loudoun County
2016-2020



Source: Virginia REALTORS®, data accessed October 15, 2020

Figure 8
Change in Median Sales Price by Zip Code
Loudoun County
3rd Quarter 2019 to 3rd Quarter 2020

<i>Zip Code</i>	<i>2019 - Q3</i>	<i>2020 - Q3</i>	<i>% Change</i>	<i>Zip Code</i>	<i>2019 - Q3</i>	<i>2020 - Q3</i>	<i>% Change</i>
20105 Aldie	\$646,250	\$645,500	-0.1%	20164 Sterling	\$390,000	\$425,000	9%
20132 Purcellville	\$540,950	\$601,500	11%	20165 Sterling	\$480,000	\$530,000	10%
20147 Ashburn	\$490,000	\$535,000	9%	20175 Leesburg	\$475,000	\$515,013	8%
20148 Ashburn	\$579,250	\$595,000	3%	20176 Leesburg	\$506,250	\$605,000	20%
20152 Chantilly	\$516,000	\$576,845	12%	20180 Lovettsville	\$528,263	\$580,000	10%



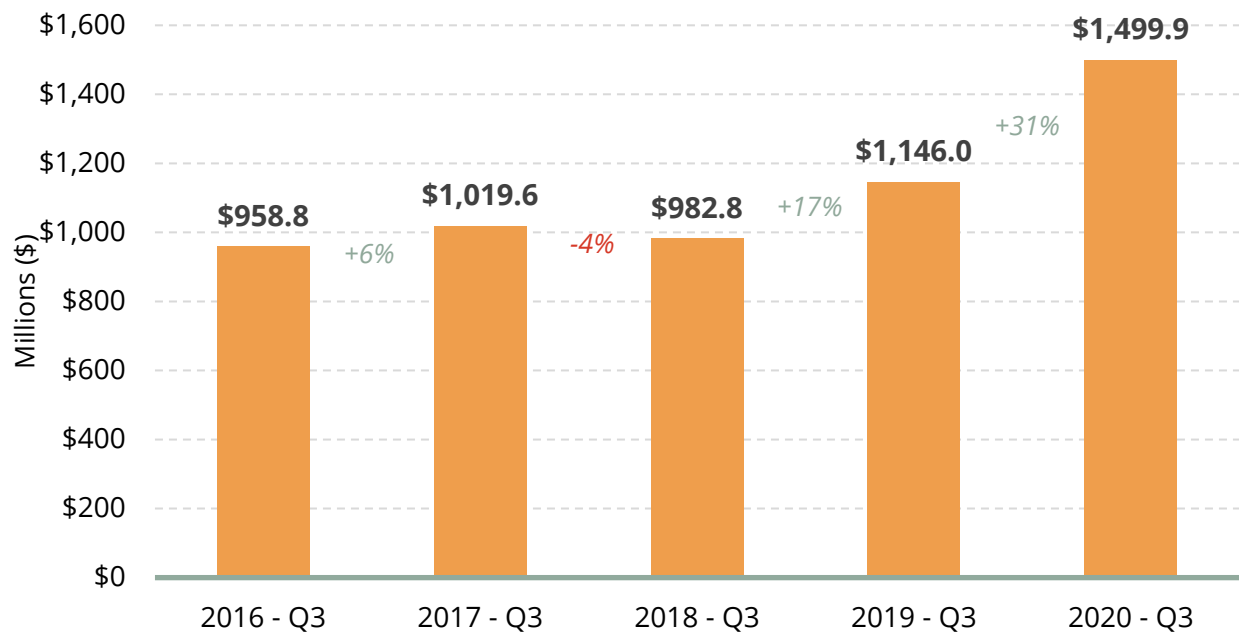
Not calculated due to low sales volume
Source: Virginia REALTORS®, data accessed October 15, 2020

Sold Volume

The surge in sales activity and rising home prices this quarter led to a massive increase in sold dollar volume in the Loudoun County housing market. There was approximately \$1.5 billion of sold volume in the County in the 3rd quarter, which is about \$354 million more than this time last year, a 31% spike. This surge in volume is the largest the County has seen during any quarter in more than 5 years. The significant increase in the volume of sales activity this quarter indicates that some of the pent-up demand from the slow spring has now been absorbed into the market.

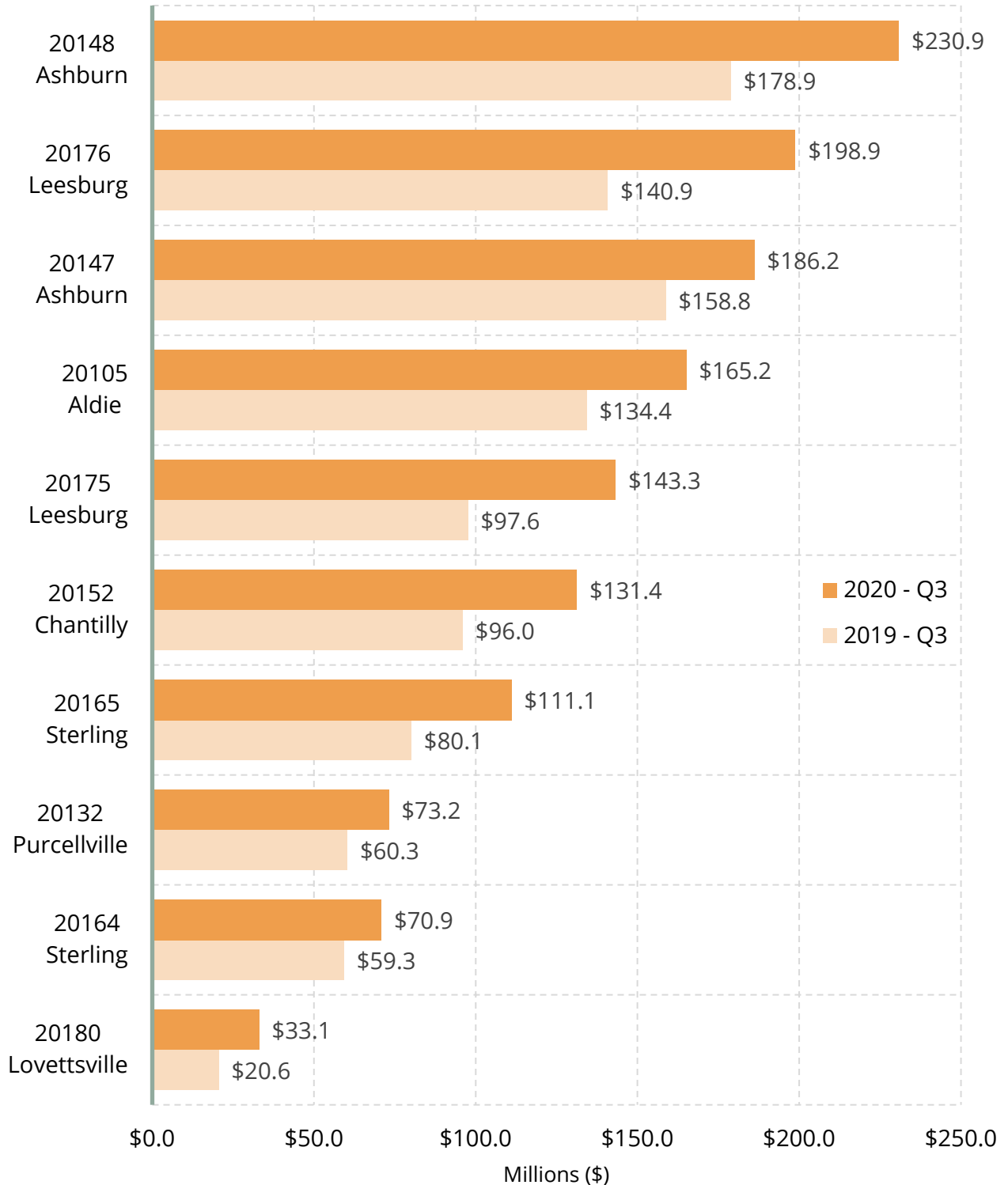
Sold volume growth occurred throughout the County this quarter. Lovettsville (zip code 20180) had the largest percentage growth in sold volume, up 61% from last year, a gain of \$12.5 million. Both local Leesburg markets (zip codes 20175 and 20176) also had very large volume gains, up 47% (+\$45.7 million), and 41% (+\$58.0 million), respectively.

Figure 9
3rd Quarter Sold Dollar Volume (Millions), Loudoun County
2016-2020



Source: Virginia REALTORS®, data accessed October 15, 2020

Figure 10
3rd Quarter Sold Dollar Volume, Loudoun County Zip Codes
2019 and 2020



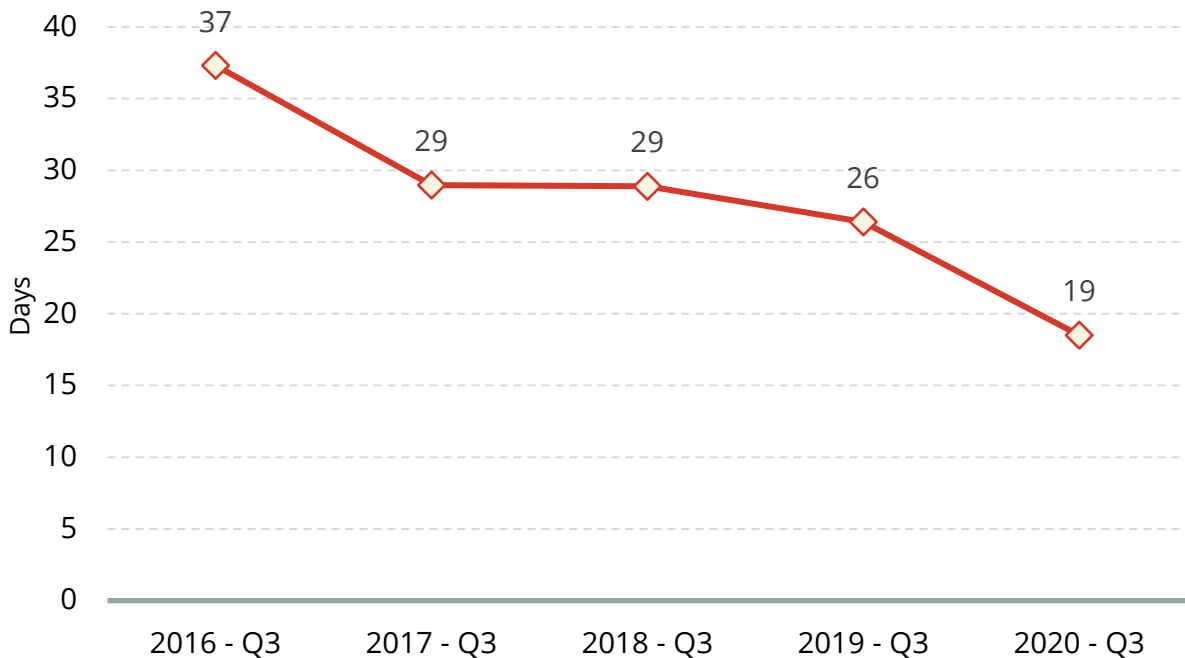
Source: Virginia REALTORS®, data accessed October 15, 2020

Days on Market

Homes continue to sell faster in the Loudoun County market. The average days on market during the 3rd quarter was 19 days, a week faster than last year (-7 days). This metric has been trending down in Loudoun County consistently since 2016 and reflects a tight supply of active listings and steady demand from buyers. Similar trends have been playing out in housing markets throughout the State. Overall, in Virginia, homes sold in 39 days, on average, during the 3rd quarter, which is 5 days faster than last year.

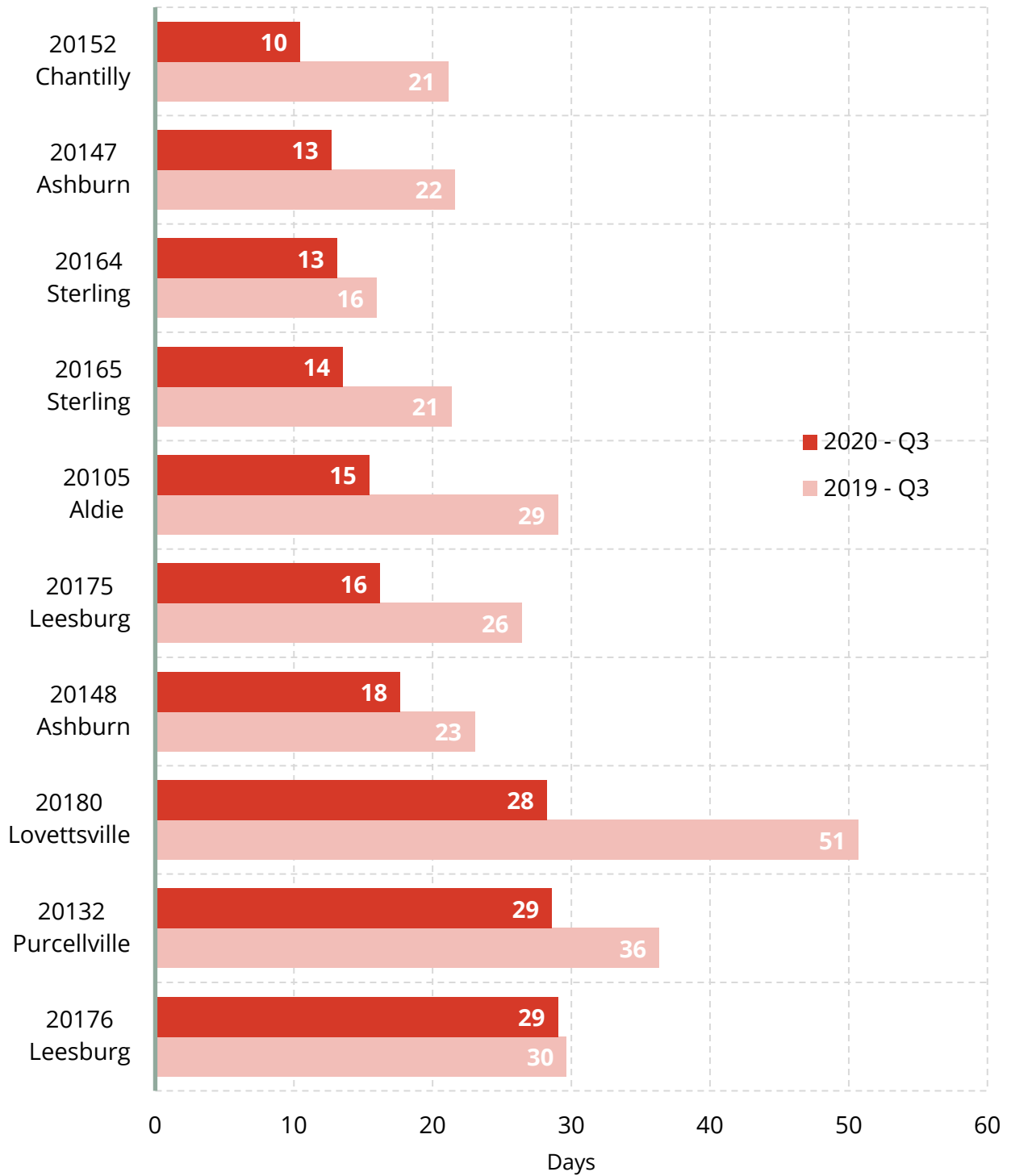
At the local level, homes sold about 3 weeks faster (-23 days), on average, in Lovettsville (zip code 20180), which was the largest drop in the County. Homes sold about a week faster on average (-7 days) in both Purcellville (zip code 20132) and Sterling (zip code 20165). The average days on market in Aldie (zip code 20105) was 2 weeks faster (-14 days) than the 3rd quarter of last year.

Figure 11
3rd Quarter Average Days on Market, Loudoun County
2016-2020



Source: Virginia REALTORS®, data accessed October 15, 2020

Figure 12
3rd Quarter Average Days on Market, Loudoun County Zip Codes
2019 and 2020



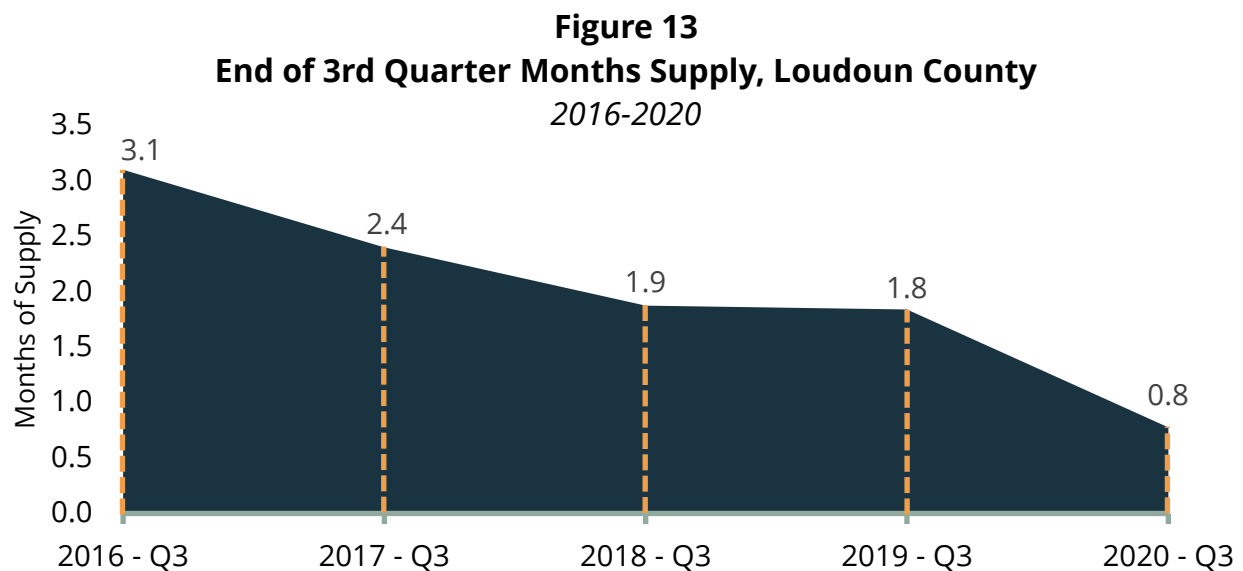
Source: Virginia REALTORS®, data accessed October 15, 2020

Inventory

The supply shortage continues to be a major factor in the Loudoun County housing market. There were just 464 active listings on the market at the end of the 3rd quarter, a 55% drop from a year ago, which is 558 fewer active listings. Inventory has been shrinking rapidly and consistently for several years in the County. The number of active listings is now less than 1/3 of the level it was 4 years ago. Similar inventory trends are prevalent in housing markets around the Commonwealth. The overall supply of active listings in Virginia at the end of the 3rd quarter was 39% lower than a year ago.

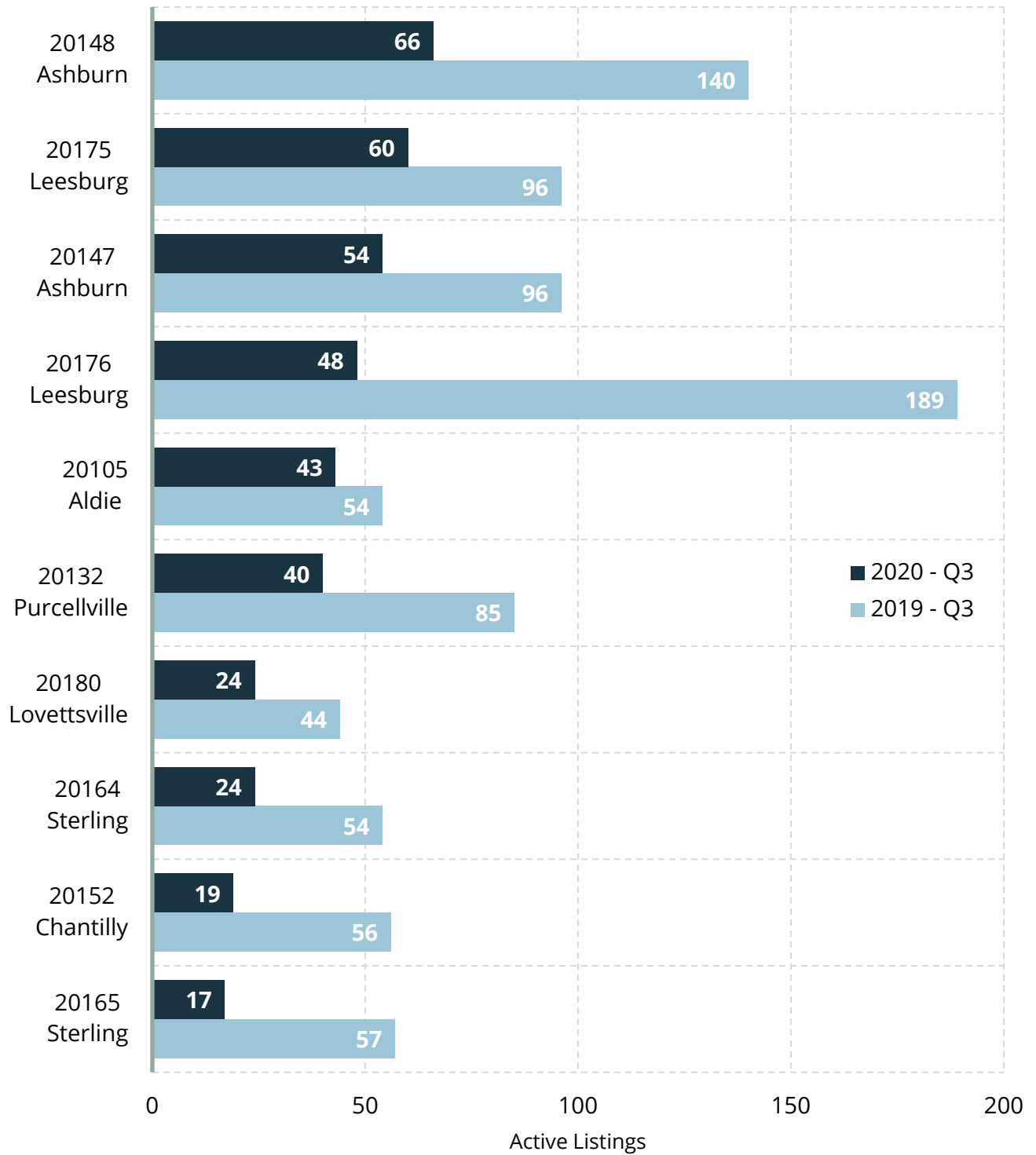
There continues to be strong demand in the Loudoun County market as evidenced by growing sales activity. However, the persistent shortage of active listings could be dampening sales totals in some local areas if buyers in those markets are unable to find homes in their price range or homes that fit their needs. Within the local markets, inventory remains tight. The most dramatic reduction of active listings this quarter occurred in Leesburg (zip code 20176) and Sterling (zip code 20165), which had an astonishing 75% and 70% fewer active listings on the market at the end of the 3rd quarter compared to last year. The inventory in Purcellville (zip code 20132) was less than half the level it was at the end of the 3rd quarter a year ago, declining 53%.

At the end of the 3rd quarter, there was less than 1 month of supply in the Loudoun County housing market, down from 1.8 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 October 15, 2020

Figure 14
End of 3rd Quarter Active Listings, Loudoun County Zip Codes
2018 and 2019



Source: Virginia REALTORS®, data accessed October 15, 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.