

DAAR LOUDOUN

HOME SALES REPORT

CUSTOM REPORT PREPARED BY
VIRGINIA REALTORS®

DAAR Home Sales Report

Fourth Quarter 2022

Dulles Area Association of REALTORS®

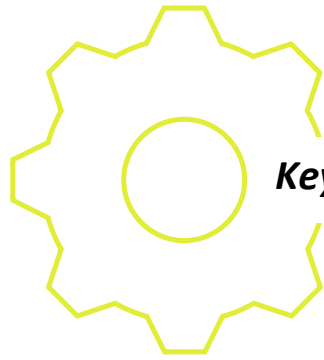
Market Report Key Takeaways

Economic Conditions

- Virginia's job market slowed down recently. The state had about 2,200 fewer jobs in November, compared to October. Despite this dip, the overall job base in the state is now about 4,500 jobs above pre-pandemic levels, reflecting a robust job recovery over the last couple years.
- The statewide unemployment rate remains very low but inched up for the first time in nearly two years. In November, the unemployment rate was 3% in Virginia, and in the Loudoun County the unemployment rate was 2.5%. Both are up from a year ago.
- Mortgage rates have started to stabilize and trend downward. In the third week of January 2023, the average rate on a 30-year fixed mortgage was 6.15%, which is down from around 7% a few months ago.

Housing Market Conditions

- There were 1,075 homes sold in Loudoun County in the fourth quarter of 2022, which is a 41% reduction in sales from this time last year, or 758 fewer sales. The market has been slowing down in the county for the entirety of 2022.
- Home prices continue to rise through much of the county, though the rate has moderated. At \$644,518, the fourth quarter median sales price in the Loudoun County market climbed 5% from the fourth quarter last year, a gain of about \$33,000.
- The supply of active listings is growing rapidly across most of the county. There were 353 active listings on the market at the end of the fourth quarter, 157 more listings than a year ago, an 80% jump.



Key Trends Dashboard, DAAR

Economy



2.5%

Is the Nov-2022 **unemployment rate** in Loudoun County, which is down from Nov-2021



6.15%

Is the **30-year fixed-rate mortgage rate** during the third week of January 2023, which is up 2.59 percentage points from a year ago

Housing Market



-758

Fewer **home sales** in Loudoun County in Q4-2022 compared to last year



5%

Percent change in **median sales price** in the Loudoun County housing market in Q4-2022 compared to a year ago



-\$456.3

Million dollars less in total **sold volume** in the Loudoun County housing market in Q4-2022 compared to last year



80%

Percent change in **active listings** at the end of Q4-2022 in Loudoun County compared to a year ago



0.7

Months of supply in the Loudoun County housing market in Q4-2022, which is up from a year ago

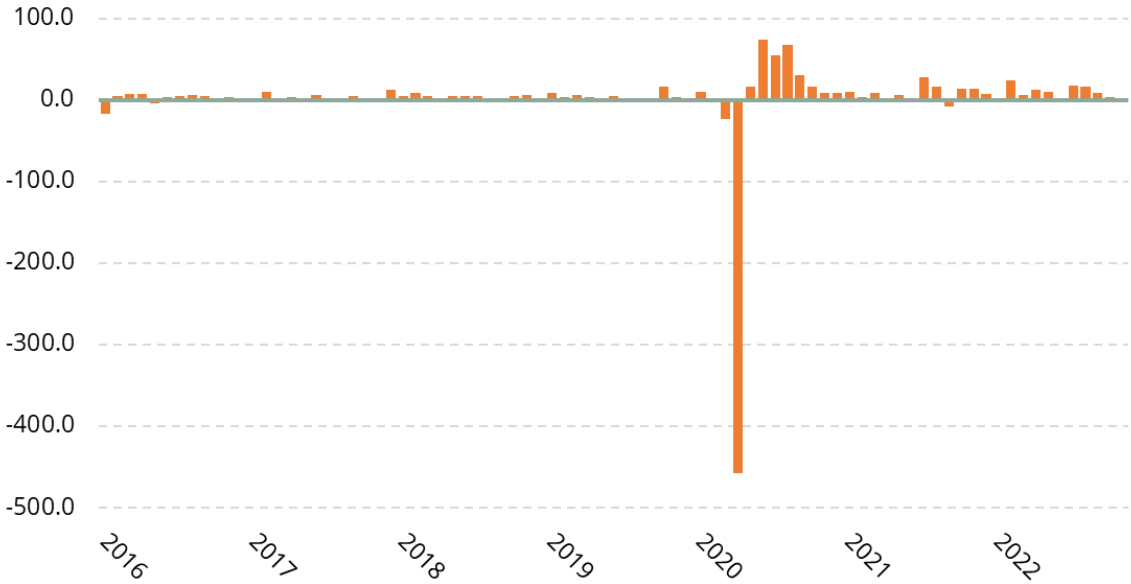
Economic Overview

Inflation remains elevated but appears to be easing, trending down for several months. Despite the economic headwinds, the job base is growing and unemployment remains very low across Virginia. Mortgage rates have been relatively stable and trending downward over the last couple of months.

Jobs

There were 4.10 million jobs throughout Virginia in November 2022, a decrease of about 2,200 jobs from October 2022. Virginia's economy is now back to pre-pandemic jobs levels. There are now about 4,500 more jobs statewide than there were in January 2020. The strongest growth sector continues to be Leisure & Hospitality. There were about 28,400 additional Leisure & Hospitality jobs than November of last year. Most of these additional hospitality jobs were in Accommodation & Food Services (+19,000 jobs). There were 24,500 more Health & Social Assistance jobs compared to a year ago, and about 8,800 more education jobs in the state's economy. The only sectors that lost jobs this month compared to November of last year were Finance & Insurance (-4,500 jobs), Retail Trade (-1,700 jobs), and Real Estate (-200 jobs).

Figure 1
Virginia Month-to-Month Change in Jobs

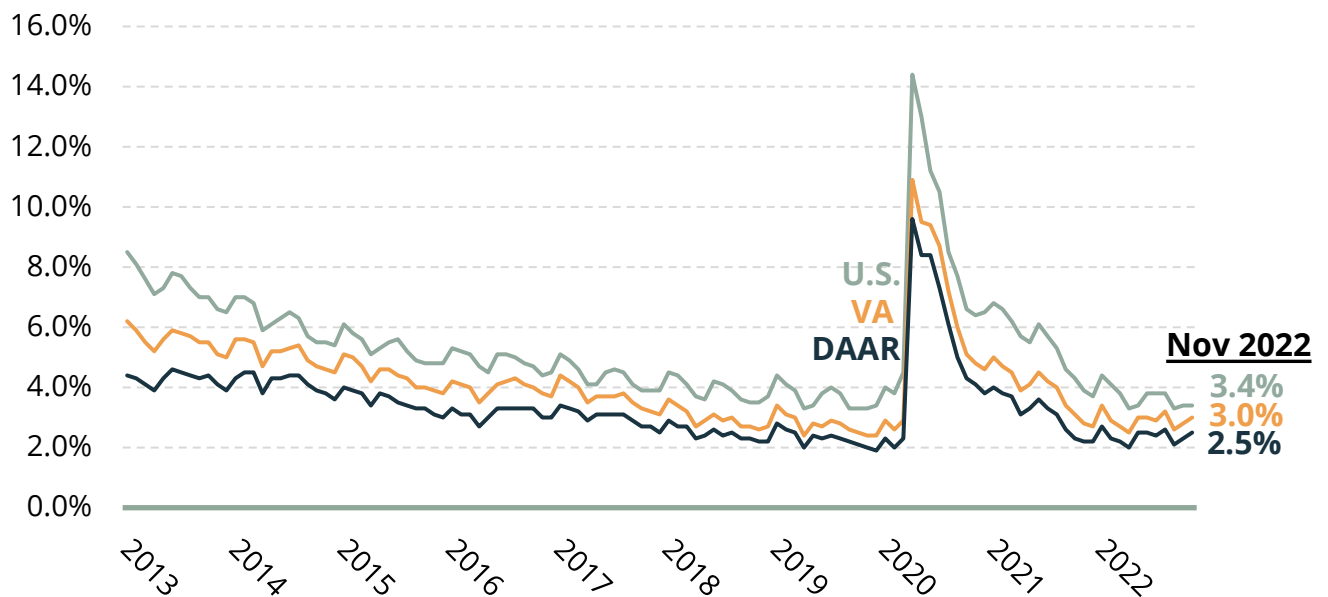


Source: U.S. Bureau of Labor Statistics, Seasonally Adjusted

Unemployment

The unemployment rate in Virginia remains very low, but edged up recently. Statewide, the unemployment rate in November was 3% (not seasonally adjusted), up from 2.8% in November of last year. The unemployment rate in Loudoun County was 2.5% in November 2022, up from 2.2% in November 2021.

Figure 2
Unemployment Rate

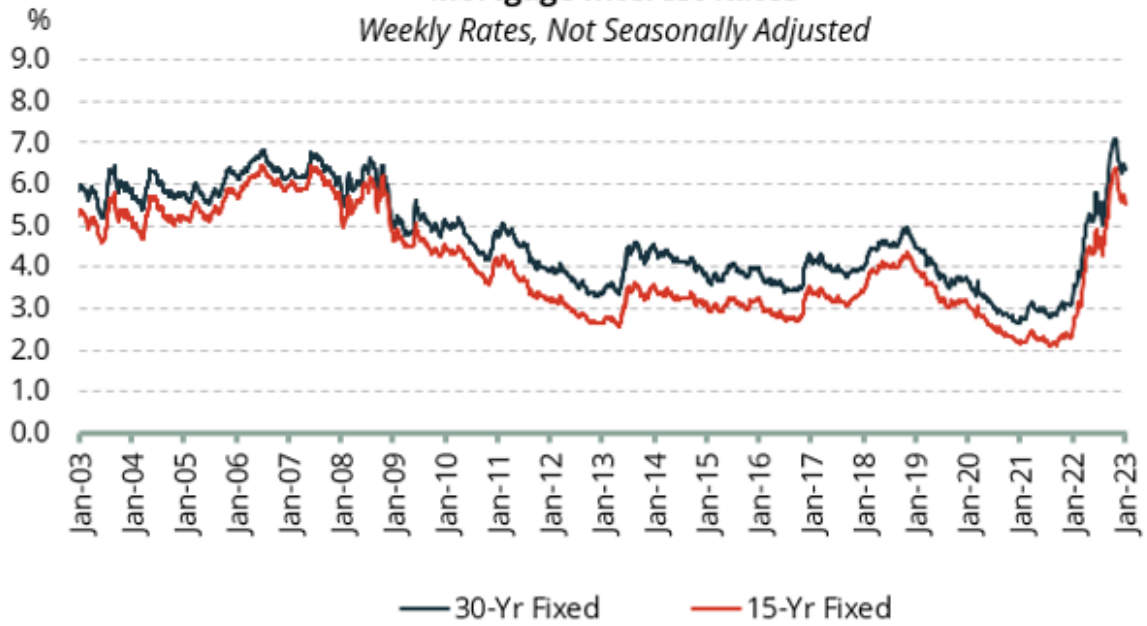


Source: U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics

Mortgage Rates

In the third week of January, the average rate on a 30-year fixed mortgage fell to 6.15%, down from 6.33% in the previous week, and down from above 7% three months ago. Mortgage rates have been trending downward over the last couple months, which has provided some relief and stability in what has otherwise been a volatile year for interest rates.

Figure 3
Mortgage Interest Rates
Weekly Rates, Not Seasonally Adjusted



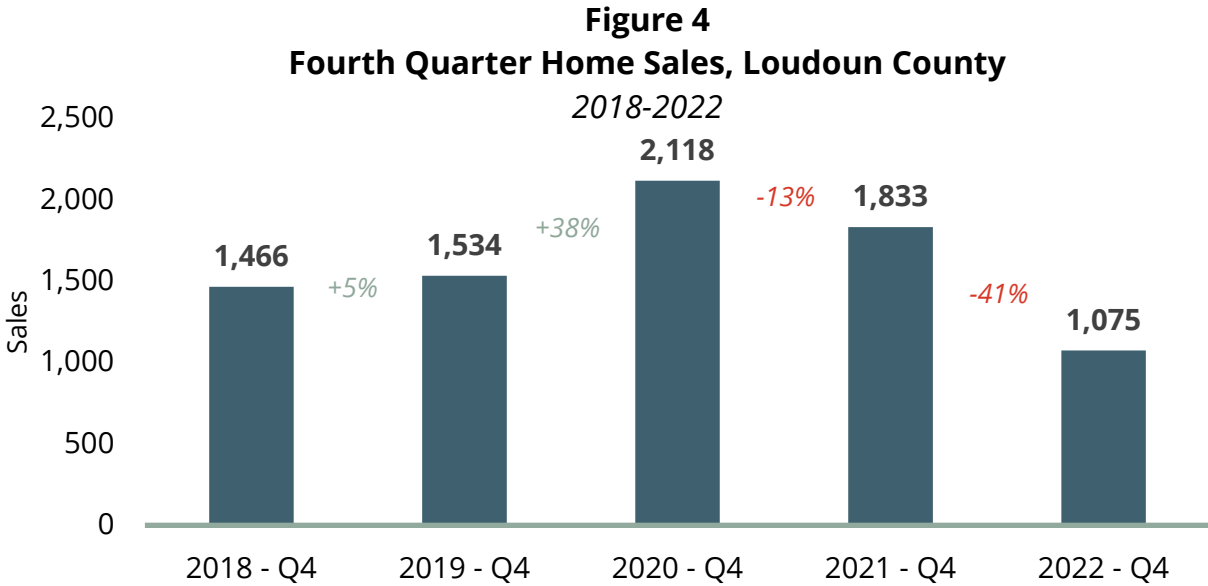
Source: Federal Reserve Bank of St. Louis

Housing Market Overview

Conditions in the Loudoun County housing market continued to be sluggish as 2022 came to a close. Sales levels are way down from last year, which has led to a big drop in sold dollar volume in the county. As the market has cooled, it's also taking longer to sell homes on average. The slowdown has largely coincided with climbing interest rates, both of which accelerated in the second half of 2022. Even with fewer sales, home prices in many parts of the county continue to climb, evidence of how tight the supply in the market remains. However, some local markets experienced a drop in prices compared to last year. The inventory continues to build up rapidly in Loudoun County as the market has cooled.

Sales

Sales activity continues to cool down across the entire Loudoun County housing market. There were 1,075 homes sold in the fourth quarter of 2022. This is 758 fewer sales than the fourth quarter of 2021, representing a 41% decrease in sales. While this is the sharpest quarterly drop in sales the county has seen in years, it's important to keep it in context, as last year was an unusually busy year in the Loudoun County housing market. The current fourth quarter sales totals are about where they were eight years ago, in the fourth quarter of 2014. Sales slowed down all three months of the quarter, which covers October through December. Within the local markets, the largest drop in sales activity occurred in Lovettsville ZIP code 20180 (-59%), Chantilly ZIP code 20152 (-55%), and Purcellville ZIP code 20132 (-53%). Statewide, total home sales were down 35% from the fourth quarter a year ago.

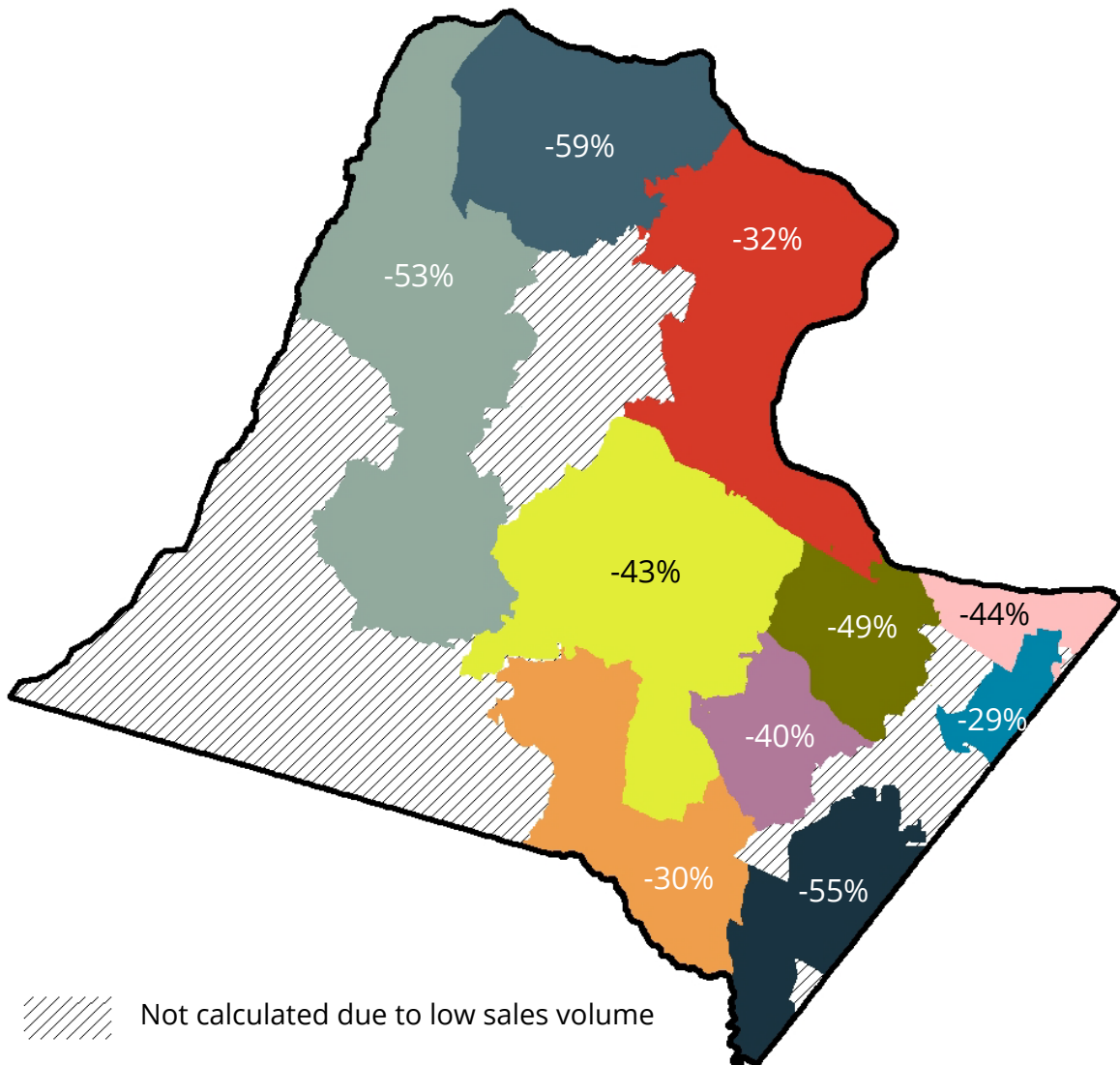


Source: Virginia REALTORS®, data accessed January 15, 2023

Figure 5
Change in Sales by ZIP Code
Loudoun County

Fourth Quarter 2021 to Fourth Quarter 2022

<i>Jurisdiction</i>	<i>2021 - Q4</i>	<i>2022 - Q4</i>	<i>% Change</i>	<i>Jurisdiction</i>	<i>2021 - Q4</i>	<i>2022 - Q4</i>	<i>% Change</i>
20105 Aldie	135	95	-30%	20164 Sterling	157	111	-29%
20132 Purcellville	92	43	-53%	20165 Sterling	149	84	-44%
20147 Ashburn	294	150	-49%	20175 Leesburg	170	97	-43%
20148 Ashburn	278	168	-40%	20176 Leesburg	205	140	-32%
20152 Chantilly	155	69	-55%	20180 Lovettsville	46	19	-59%

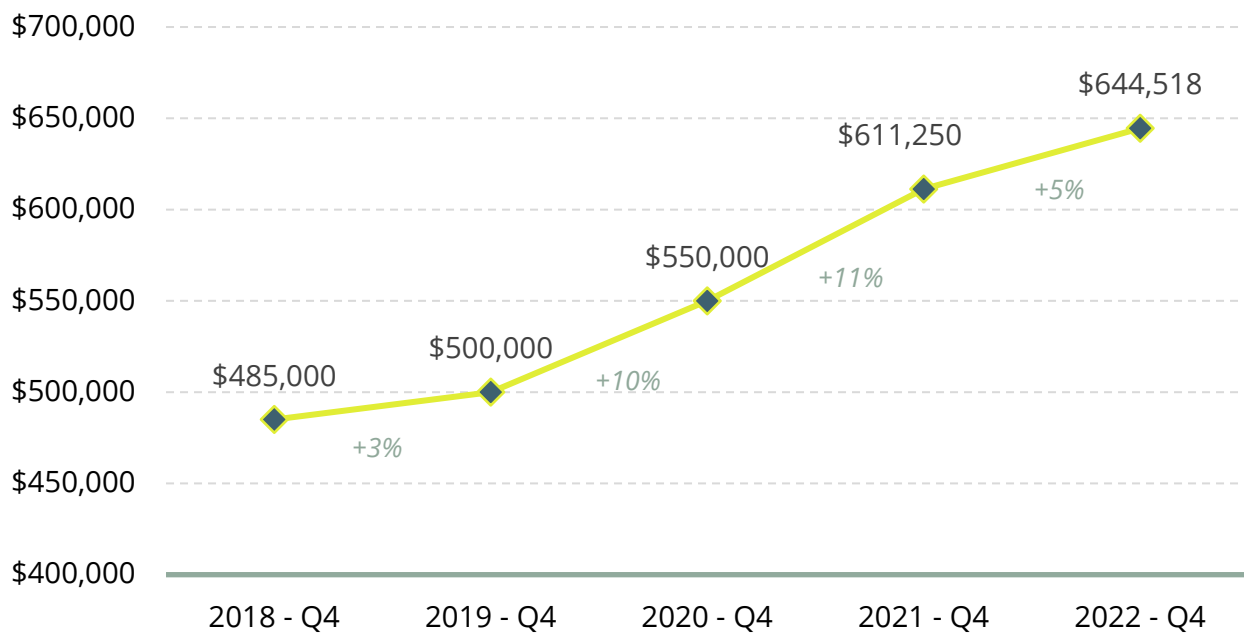


Source: Virginia REALTORS®, data accessed January 15, 2023

Sales Prices

Home prices across most of the Loudoun County footprint are trending higher compared to last year despite the fact that far fewer homes have sold this year. This dynamic is being driven by the tight inventory situation in the county. The fourth quarter median sales price in the Loudoun County market was \$644,518, which rose 5% from this time last year, a gain of about \$33,000. Most local markets in the county had higher median prices to close out the year than a year ago. However, the pace of growth has moderated from earlier quarters this year. The strongest price growth this quarter was in Lovettsville ZIP code 20180 (+20%), Chantilly ZIP code 20152 (+9%), and Sterling ZIP code 20165 (+7%). Several local markets had a drop in median price this quarter including, Purcellville ZIP code 20132 (-16%), Ashburn ZIP code 20148 (-12%), and Aldie ZIP code 20105 (-6%). Rising home prices in tandem with climbing interest rates through much of 2022 has cooled the market significantly and has deterred many potential buyers from entering the market and left many potential sellers hesitant to list their homes. Statewide, the fourth quarter median sales price was \$362,500, climbing 3.6% from the fourth quarter last year.

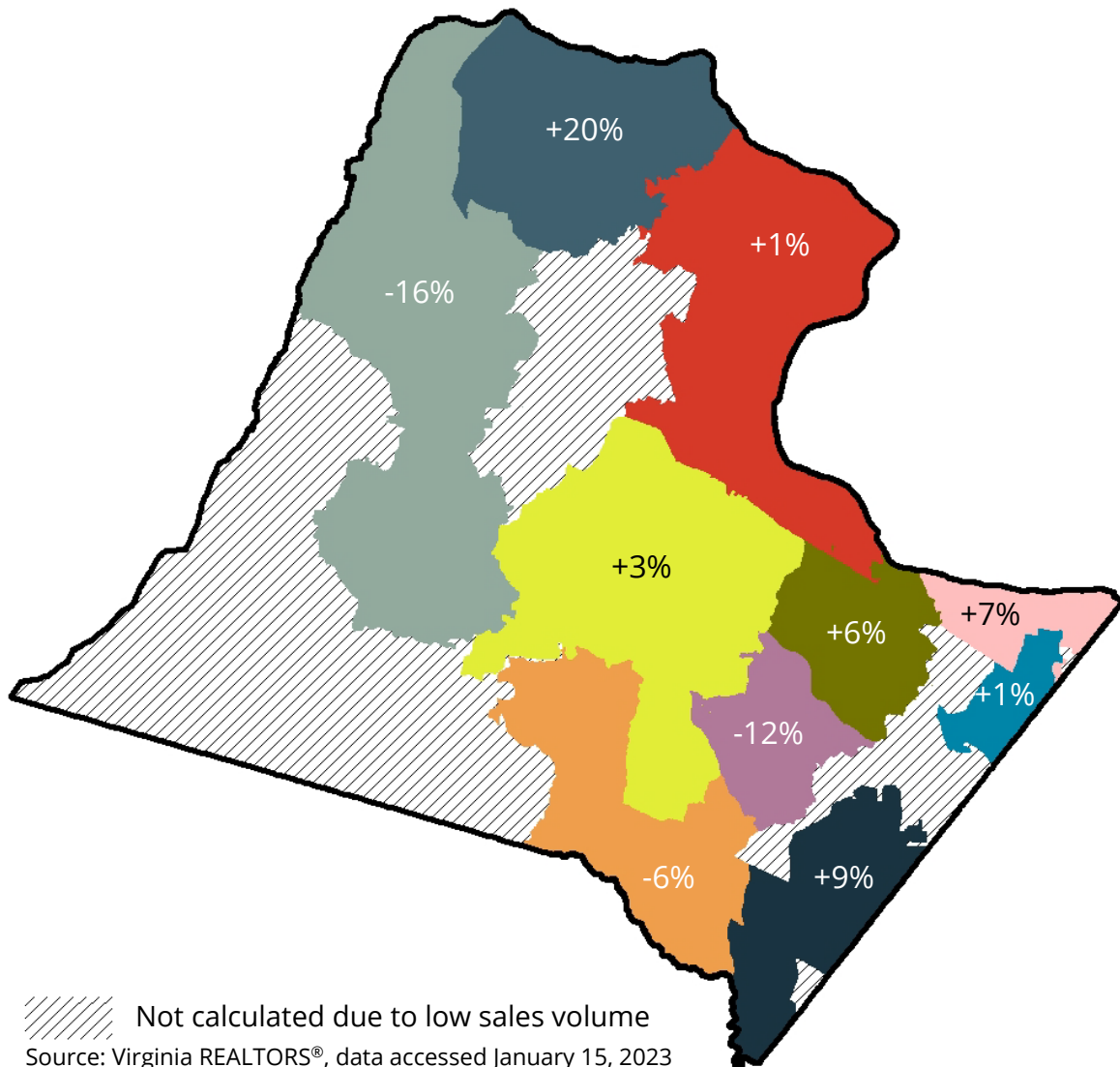
Figure 6
Fourth Quarter Median Sales Price, Loudoun County
2018-2022



Source: Virginia REALTORS®, data accessed January 15, 2023

Figure 7
Change in Median Sales Price by ZIP Code
Loudoun County
Fourth Quarter 2021 to Fourth Quarter 2022

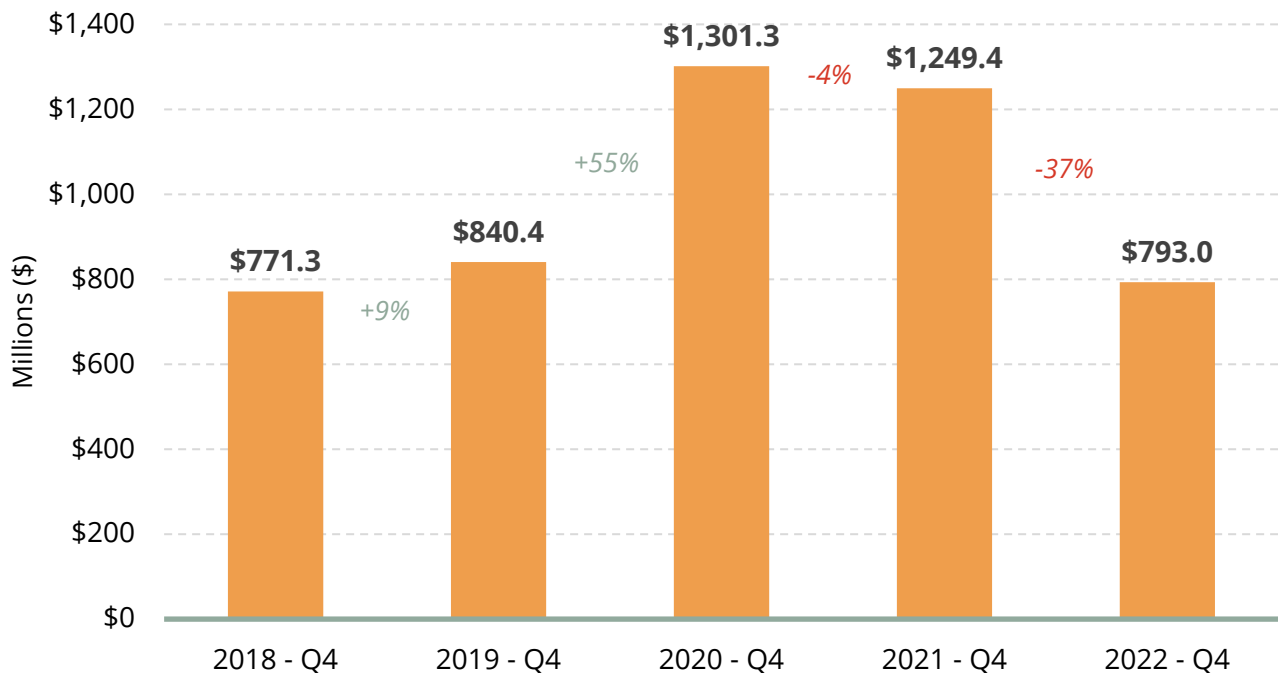
Zip Code	2021 - Q4	2022 - Q4	% Change	Zip Code	2021 - Q4	2022 - Q4	% Change
20105 Aldie	\$961,000	\$900,000	-6%	20164 Sterling	\$481,550	\$485,000	1%
20132 Purcellville	\$813,480	\$685,000	-16%	20165 Sterling	\$567,500	\$610,000	7%
20147 Ashburn	\$565,000	\$596,245	6%	20175 Leesburg	\$660,000	\$680,000	3%
20148 Ashburn	\$765,000	\$670,000	-12%	20176 Leesburg	\$664,500	\$670,000	1%
20152 Chantilly	\$655,000	\$715,000	9%	20180 Lovettsville	\$552,500	\$665,000	20%



Sold Volume

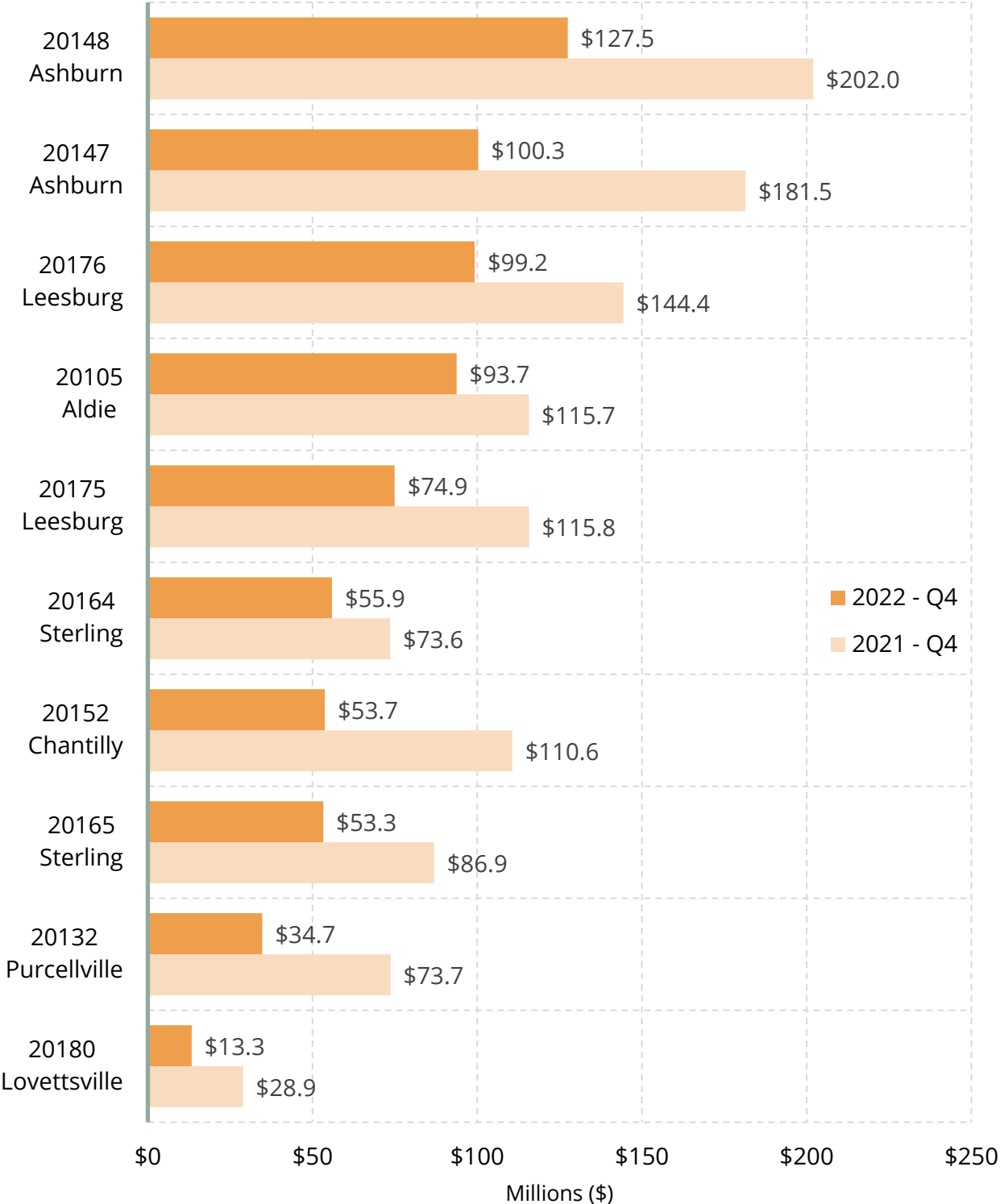
Even though home prices continue to trend higher in parts of the county, the dramatic slowdown in sales activity led to a much lower sold dollar volume in the market this quarter. There was about \$793 million of sold volume across Loudoun County in the fourth quarter of 2022, which is \$456.4 million less volume than there was in the fourth quarter of 2021. This is a 37% reduction in sold dollar volume. Within the local markets, Leesburg ZIP code 20175 had 35% less sold volume, and Ashburn ZIP code 20148 had 37% less volume compared to the fourth quarter last year. Volume plummeted 51% in Chantilly ZIP code 20152, and 53% in Purcellville ZIP code 20132.

Figure 8
Fourth Quarter Sold Dollar Volume (Millions), Loudoun County
2018-2022



Source: Virginia REALTORS®, data accessed January 15, 2023

Figure 9
Fourth Quarter Sold Dollar Volume, Loudoun County ZIP Codes
2021 and 2022

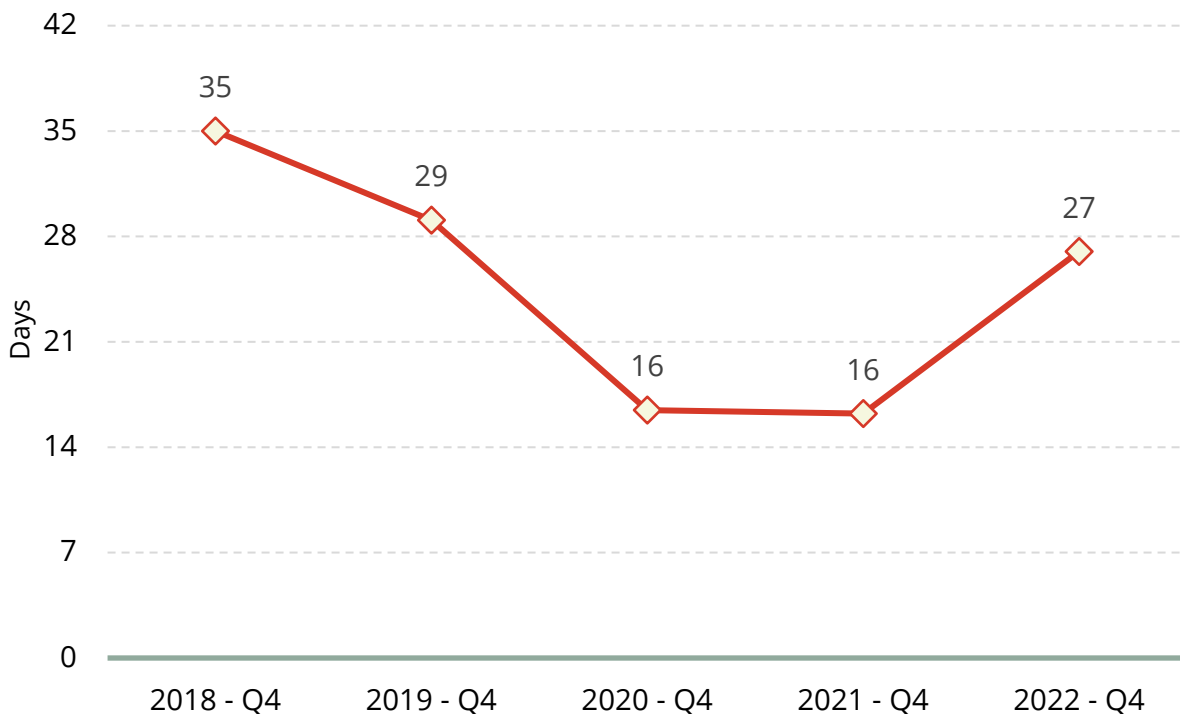


Source: Virginia REALTORS®, data accessed January 15, 2023

Days on Market

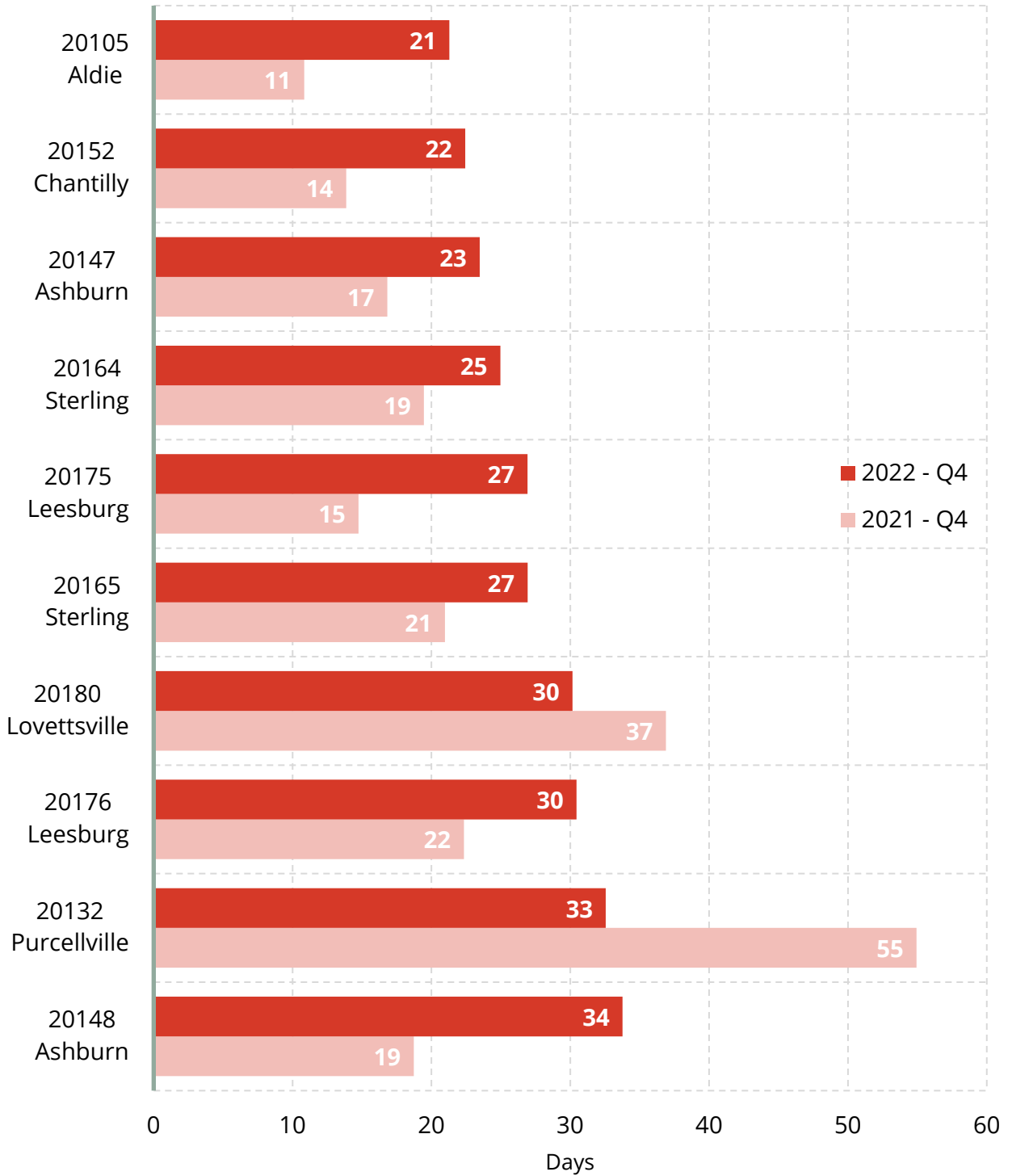
As the market has cooled, it's taking longer on average to sell homes in Loudoun County. Homes that sold in the county during the fourth quarter were on the market 27 days, which is 11 days longer than a year ago. This reflects the second straight quarter that homes are staying on the market longer than the prior year, evidence that there is less competition as many buyers are staying on the sidelines. Statewide, the average days on market in the fourth quarter was 31 days, up from 27 days this time last year. Homes were on the market 12 days longer on average in Leesburg ZIP code 20175, and 10 days longer in Aldie ZIP code 20105 compared to the fourth quarter last year. Within Ashburn, the fourth quarter average days on market was 15 days longer in ZIP code 20148, and seven days longer in ZIP code 20147. Statewide, the average days on market in the fourth quarter was 31 days, up from 27 days this time last year.

Figure 10
Fourth Quarter Average Days on Market, Loudoun County
2018-2022



Source: Virginia REALTORS®, data accessed January 15, 2023

Figure 11
Fourth Quarter Average Days on Market, Loudoun County ZIP Codes
2021 and 2022



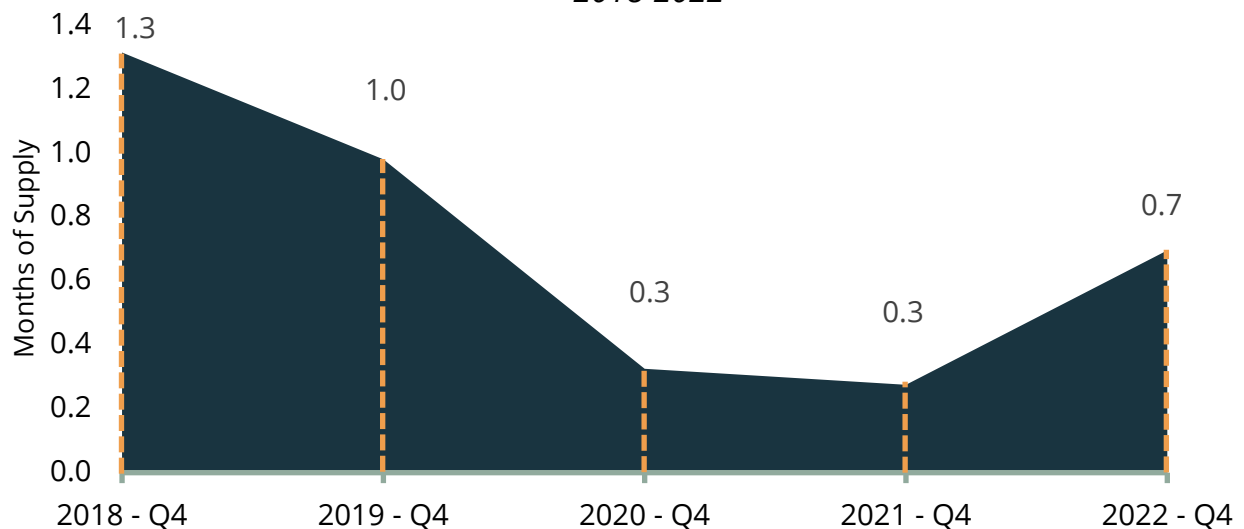
Source: Virginia REALTORS®, data accessed January 15, 2023

Inventory

The inventory of active listings in Loudoun County rose sharply at the end of 2022 compared to the end of 2021. There were 353 active listings on the market at the end of the fourth quarter countywide, 157 more listings than a year ago, which is an 80% jump in active listings. Overall inventory levels have been building up for four straight quarters, and this quarter is by far the strongest growth the county has seen in years. The growth in supply levels do not necessarily reflect that more new listings are coming on the market. Rather, as interest rates rose over the course of 2022, sales activity slowed down, which is allowing existing active listings to stay on the market longer, which is building up the inventory. Nearly all local markets in the county had more active listings than at the end of the fourth quarter last year. The sharpest increase was in Sterling ZIP code 20164 (+35 listings), Leesburg ZIP code 20176 (+32 listings), and Aldie ZIP code 20105 (+27 listings). There were 16,115 active listings throughout the Commonwealth at the end of the fourth quarter, a 19.6% increase from a year ago, which is an additional 2,646 listings.

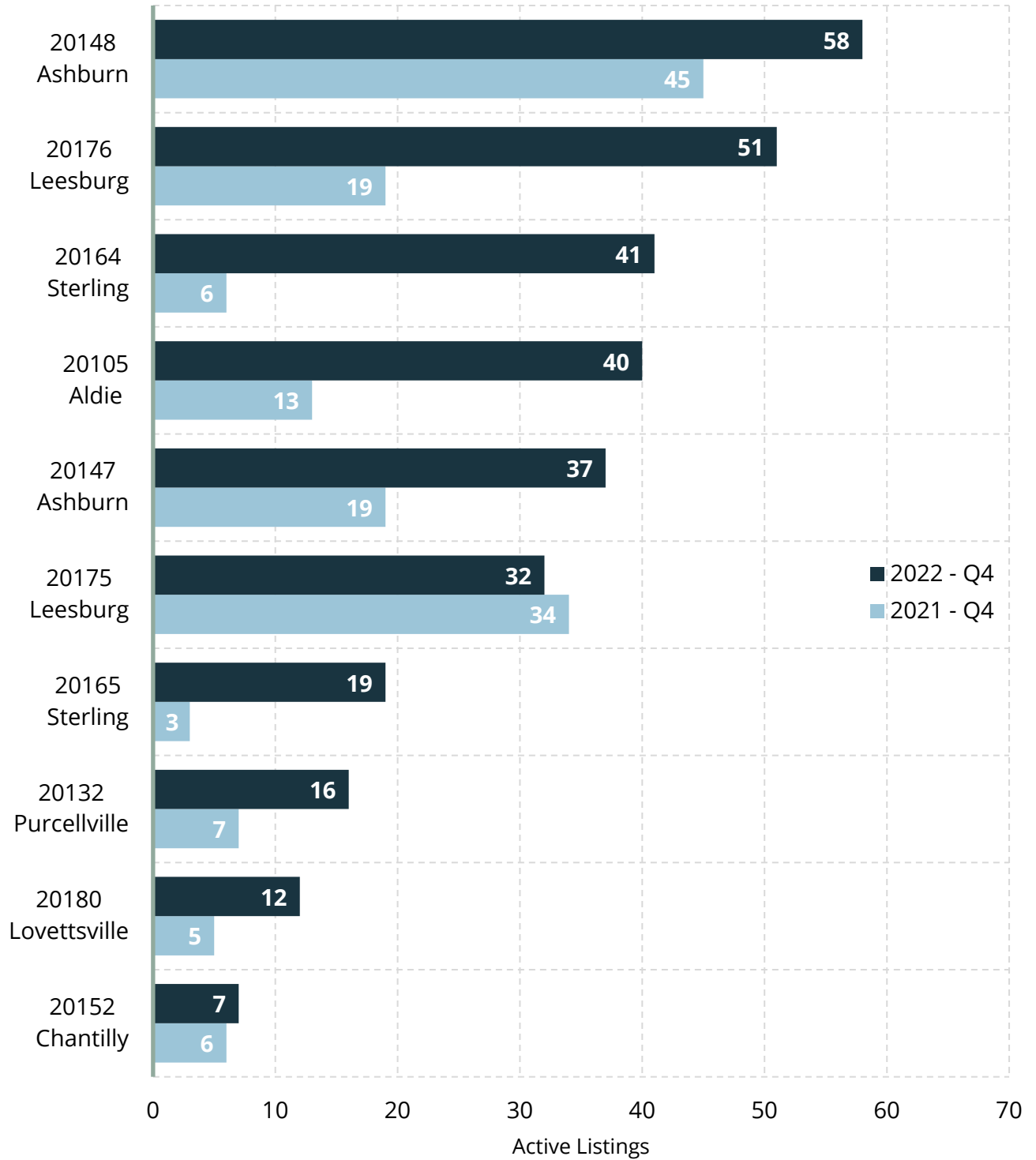
There was about 0.7 month of supply at the end of the fourth quarter in Loudoun County, which is up from 0.3 month of supply a year ago. The months of supply metric is calculated by taking the average monthly sales over the preceding 12-month period and dividing it by the inventory of active listings. Statewide, there was 1.5 months of supply at the end of the fourth quarter.

Figure 12
End of Fourth Quarter Months Supply, Loudoun County
2018-2022



Source: Virginia REALTORS®, data accessed January 15, 2023

Figure 13
End of Fourth Quarter Active Listings, Loudoun County ZIP Codes
2021 and 2022



Source: Virginia REALTORS®, data accessed January 15, 2023



The Virginia REALTORS® association is the largest professional trade association 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:

Robin Spensieri
Virginia REALTORS® Vice President of Communications and Media Relations
rspensieri@virginiarealtors.org
804-622-7954

Data and analysis provided by the Virginia REALTORS® Research Team:

Ryan Price
Virginia REALTORS® Chief Economist
rprice@virginiarealtors.org

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.