

DAAR LOUDOUN

HOME SALES REPORT

CUSTOM REPORT PREPARED BY
VIRGINIA REALTORS®

DAAR Home Sales Report

Second Quarter 2023

Dulles Area Association of REALTORS®

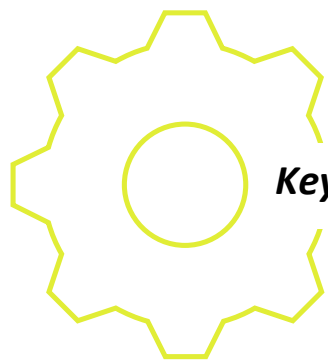
Market Report Key Takeaways

Economic Conditions

- Virginia's job base continues to expand, which generates demand for housing. There were approximately 6,900 jobs added to Virginia's economy between April and May 2023.
- The statewide unemployment rate in Virginia was 2.7% in May 2023 (not seasonally adjusted), which is down from 2.9% a year ago. In Loudoun County, the unemployment rate was 2.4% in May, down from 2.5% a year ago.
- Mortgage rates continue to fluctuate widely. In the third week of July 2023, the average rate on a 30-year fixed mortgage was 6.78%, which is down from 6.96% the week prior.

Housing Market Conditions

- Sales activity continues to trend slower than last year in the Loudoun County housing market. There were 1,479 homes sold across the county in the second quarter, down 28% from last year.
- The median sales price inched down 1% in Loudoun County in the second quarter to \$700,000, a \$5,000 drop. While the countywide median price dipped, prices in the local markets continued to climb this quarter.
- There were 396 active listings on the market in Loudoun County at the end of the second quarter, 259 fewer listings than a year ago, which is a 40% drop. This is the first time that active listings have declined in the county since the fall of 2021.



Key Trends Dashboard, DAAR

Economy



2.4%

Is the May-2023 **unemployment rate** in Loudoun County, which is down from May-2022



6.78%

Is the **30-year fixed-rate mortgage rate** during the third week of July 2023, which is up from 5.54% a year ago

Housing Market



-588

Fewer **home sales** in Loudoun County in Q2-2023 compared to last year



-1%

Percent change in **median sales price** in the Loudoun County housing market in Q2-2023 compared to a year ago



-\$455.3

Million dollars less in total **sold volume** in the Loudoun County housing market in Q2-2023 compared to last year



-40%

Percent change in **active listings** at the end of Q2-2023 in Loudoun County compared to a year ago



0.9

Months of supply in the Loudoun County housing market in Q2-2023, which is down from a year ago

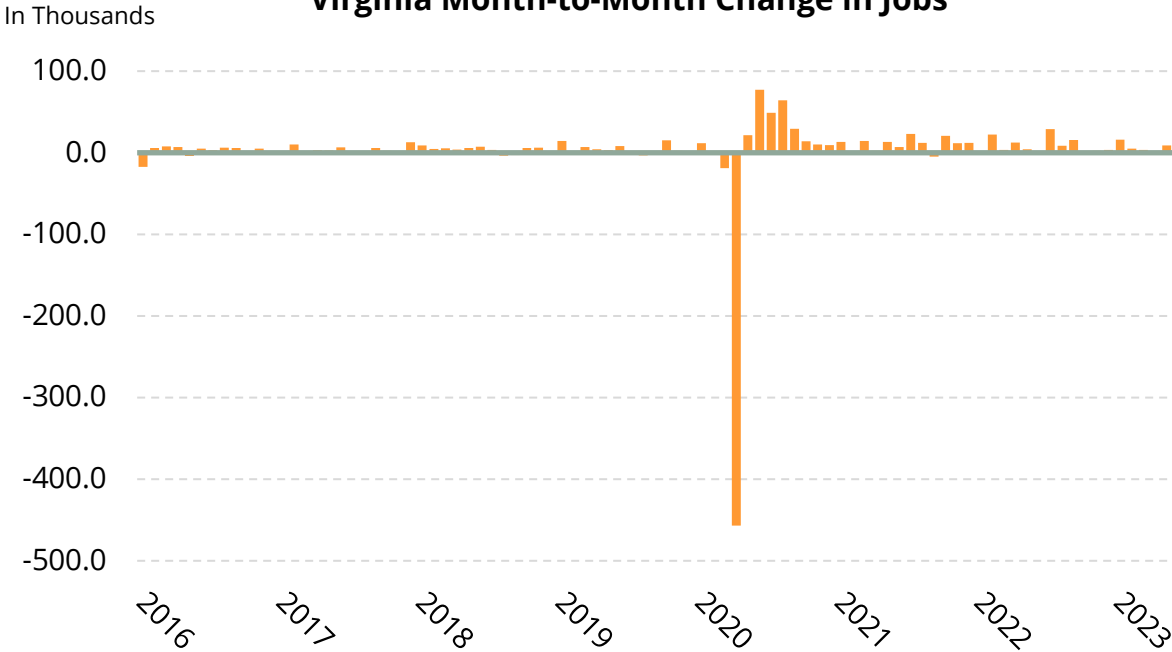
Economic Overview

Inflation continues to march downward but is still hovering above target levels. The Federal Reserve hiked rates again at its July 2023 meeting to continue combating inflation. This could slow the economy further and soften what has been a very resilient job market.

Jobs

In May 2023, there were approximately 4.15 million jobs in Virginia, which is about 6,900 more jobs than the revised April 2023 total. The job market in Virginia and in many parts of the country has been resilient even as economic headwinds mount. Virginia’s job base has been expanding steadily over the last few years, faster than some of our neighbors to the north (MD, DC) and west (WV), but slower than places to the south (NC, TN). Most of the jobs added between April and May 2023 in Virginia were Professional and Technical Services jobs (+3,300), Construction jobs (+2,600), and Health Care and Social Assistance jobs (+1,600). The Other Services sector shed the most jobs over the past month (-1,700). This sector includes a wide range of service-related jobs such as personal care services, pet care services, and housekeeping, among others.

Figure 1
Virginia Month-to-Month Change in Jobs

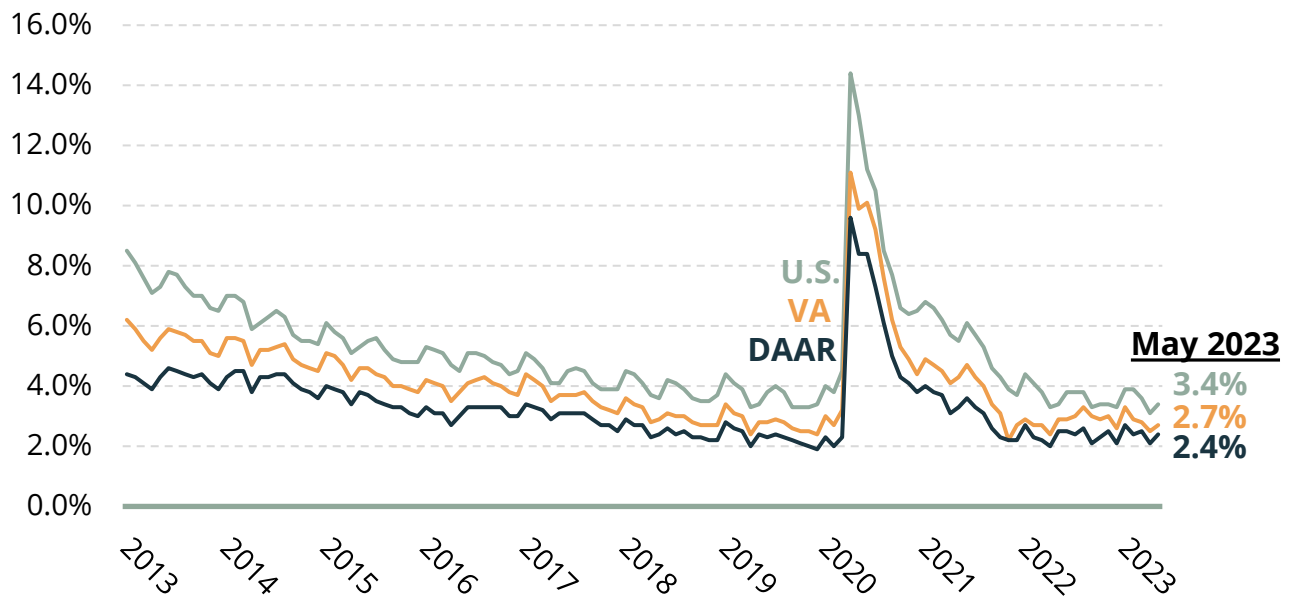


Source: U.S. Bureau of Labor Statistics, Seasonally Adjusted

Unemployment

The labor market in Virginia continues to be tight as unemployment lingers below 3%. The May unemployment rate in Virginia was 2.7% (not seasonally adjusted), which is down from 2.9% in May of last year. In Loudoun County, the May unemployment rate was 2.4%, which is down from 2.5% a year ago.

Figure 2
Unemployment Rate



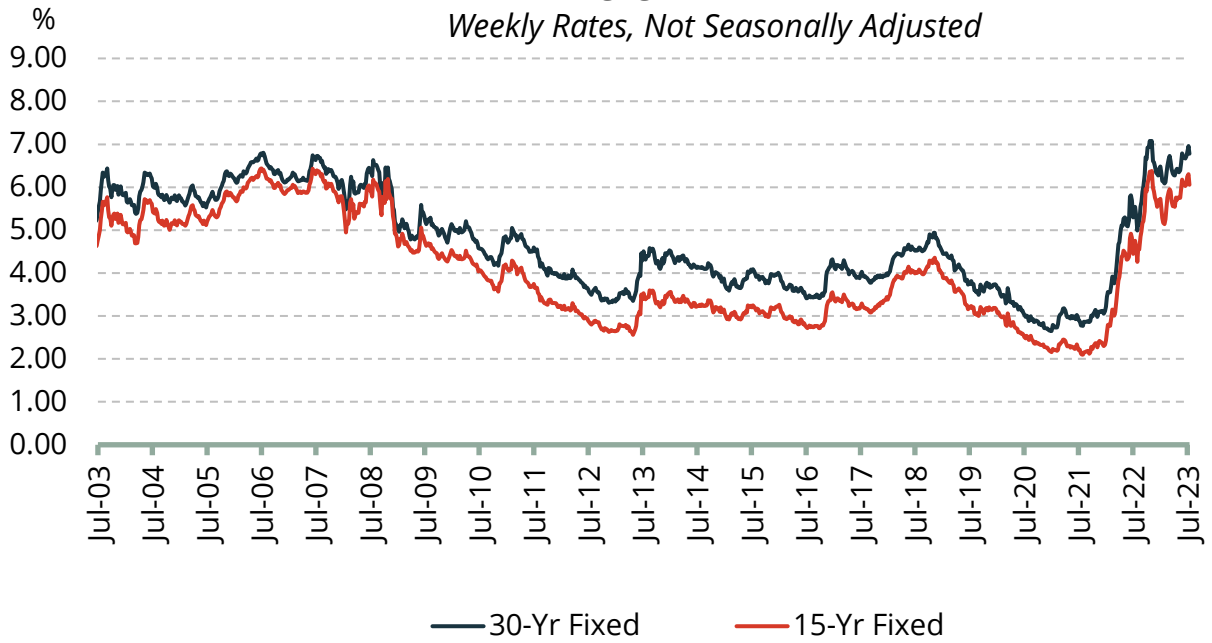
Source: U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics

Mortgage Rates

Mortgage rates continue to be volatile. The average rate for a 30-year fixed mortgage in the United States as of July 20 was 6.78%. This is down from 6.96% the previous week but is up from 6.67% this time last month. The rate volatility will likely remain a factor in the coming months, though many expect rates will trend downward over time.

Figure 3
Mortgage Interest Rates

Weekly Rates, Not Seasonally Adjusted



Source: Freddie Mac

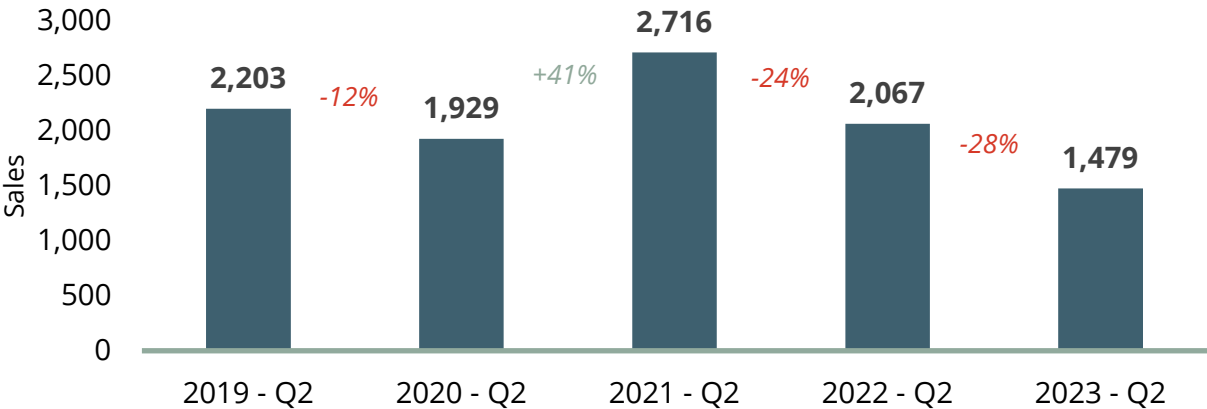
Housing Market Overview

The Loudoun housing market continues to be slower than last year but is still just as competitive. Sales activity was down, as was sold volume. However, home prices are still rising in the local markets as supply conditions remain tight, which is putting upward pressure on price levels. Homes in the county are taking longer to sell than last year but continue to sell relatively fast compared to historical spring market averages.

Sales

It was a sluggish spring in the Loudoun County housing market. There were 1,479 homes sold across the county during the second quarter of 2023. This is 588 fewer sales than a year ago, representing a 28% drop, and the slowest spring market the county has had in more than a decade. Within the second quarter, which includes April through June, sales activity slowed down all three months compared to the same time last year. Nearly all local markets in the county continue to have far fewer sales than last year. The largest decrease this quarter was in Chantilly ZIP code 20152 (-42%), Purcellville ZIP code 20132 (-36%), and Leesburg ZIP code 20176 (-30%). Lovettsville ZIP code 20180 had an influx of 13 sales compared to the second quarter last year (+48). The sharp slowdown in market activity is being driven by a combination of factors including tight inventory conditions and climbing mortgage rates. The rise in mortgage rates over the last year and a half has also created a “lock-in effect” in which would-be sellers have little incentive to sell their homes and lose the ultra-low mortgage rates that many locked into during the 2020 and 2021 refinance boom. Statewide, sales activity fell 23% in the second quarter of 2023 compared to a year ago.

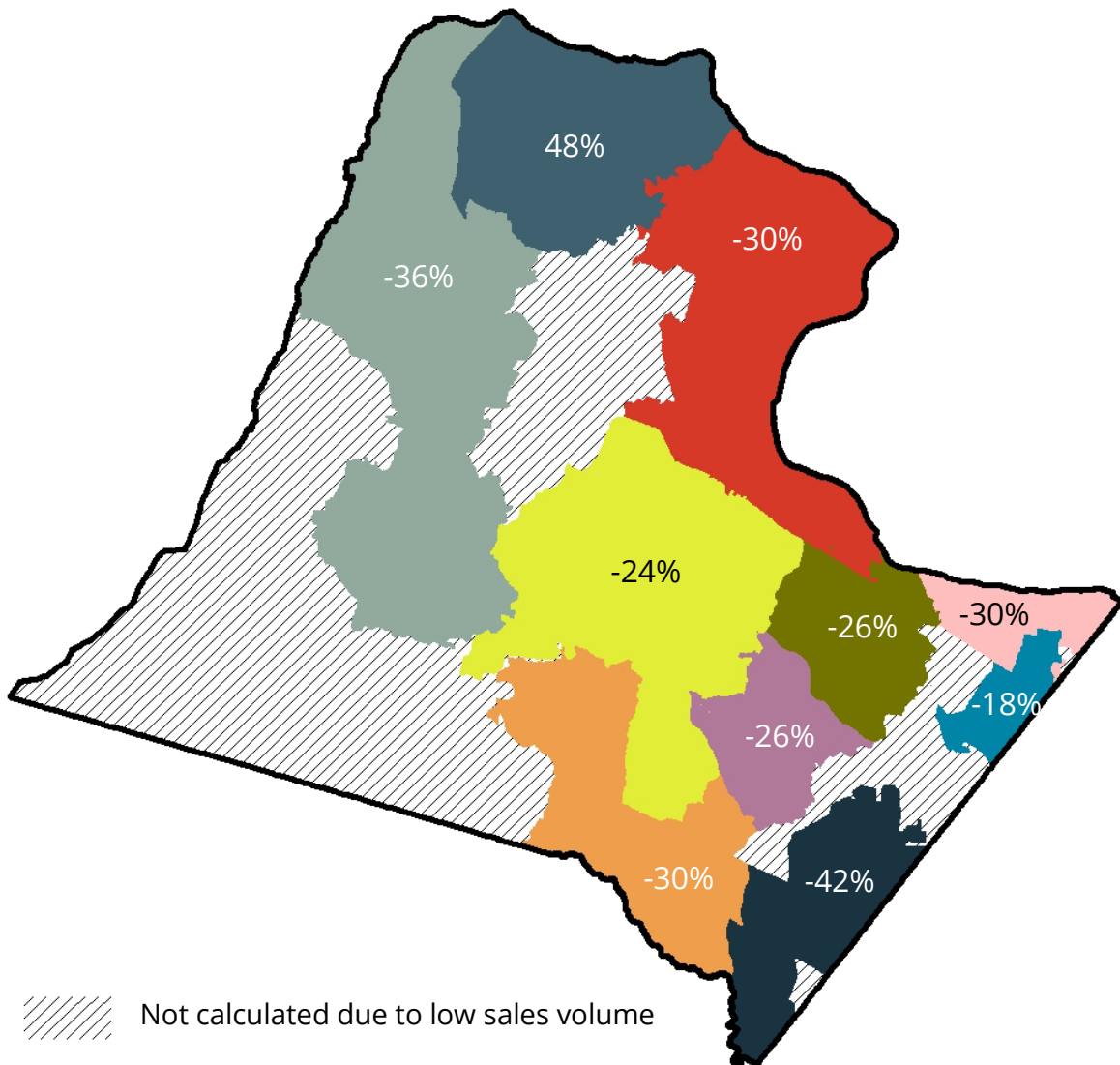
Figure 4
Second Quarter Home Sales, Loudoun County
2019-2023



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

Figure 5
Change in Sales by ZIP Code
Loudoun County
July Quarter 2022 to July Quarter 2023

<i>Jurisdiction</i>	<i>2022 - Q2</i>	<i>2023 - Q2</i>	<i>% Change</i>	<i>Jurisdiction</i>	<i>2022 - Q2</i>	<i>2023 - Q2</i>	<i>% Change</i>
20105 Aldie	175	122	-30%	20164 Sterling	167	137	-18%
20132 Purcellville	109	70	-36%	20165 Sterling	171	119	-30%
20147 Ashburn	316	234	-26%	20175 Leesburg	176	134	-24%
20148 Ashburn	338	250	-26%	20176 Leesburg	241	169	-30%
20152 Chantilly	173	101	-42%	20180 Lovettsville	27	40	48%

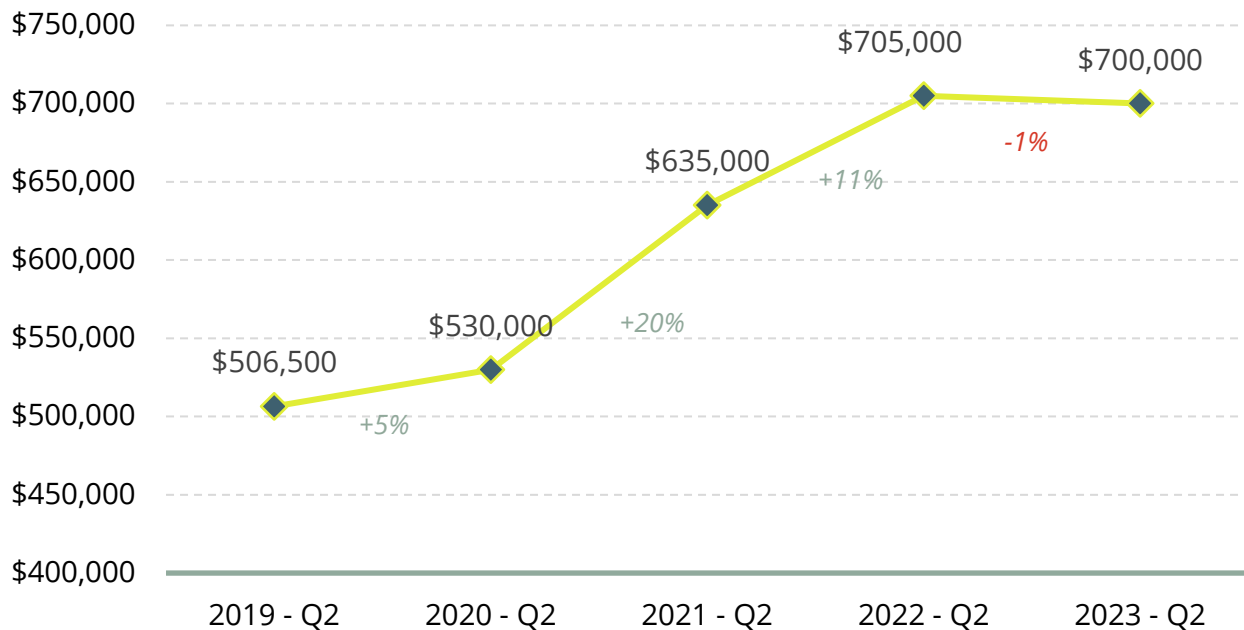


Source: Virginia REALTORS®, data accessed July 15, 2023

Sales Prices

While market activity remains sluggish, it has not put a damper on home prices in most local markets. At \$700,000, the countywide median sales price was relatively flat compared to the second quarter last year, inching down less than one percent. Within the local markets, some of the sharpest price gains this quarter were in Leesburg ZIP code 20175 (+25%), Ashburn ZIP code 20147 (+11%), and Chantilly ZIP code 20152 (+9%). The chronically low inventory coupled with a robust pipeline of buyers has continued to put upward pressure on home prices despite the slowdown. Statewide, median sales price in the second quarter of 2023 was \$388,825, which is up 2% from a year ago.

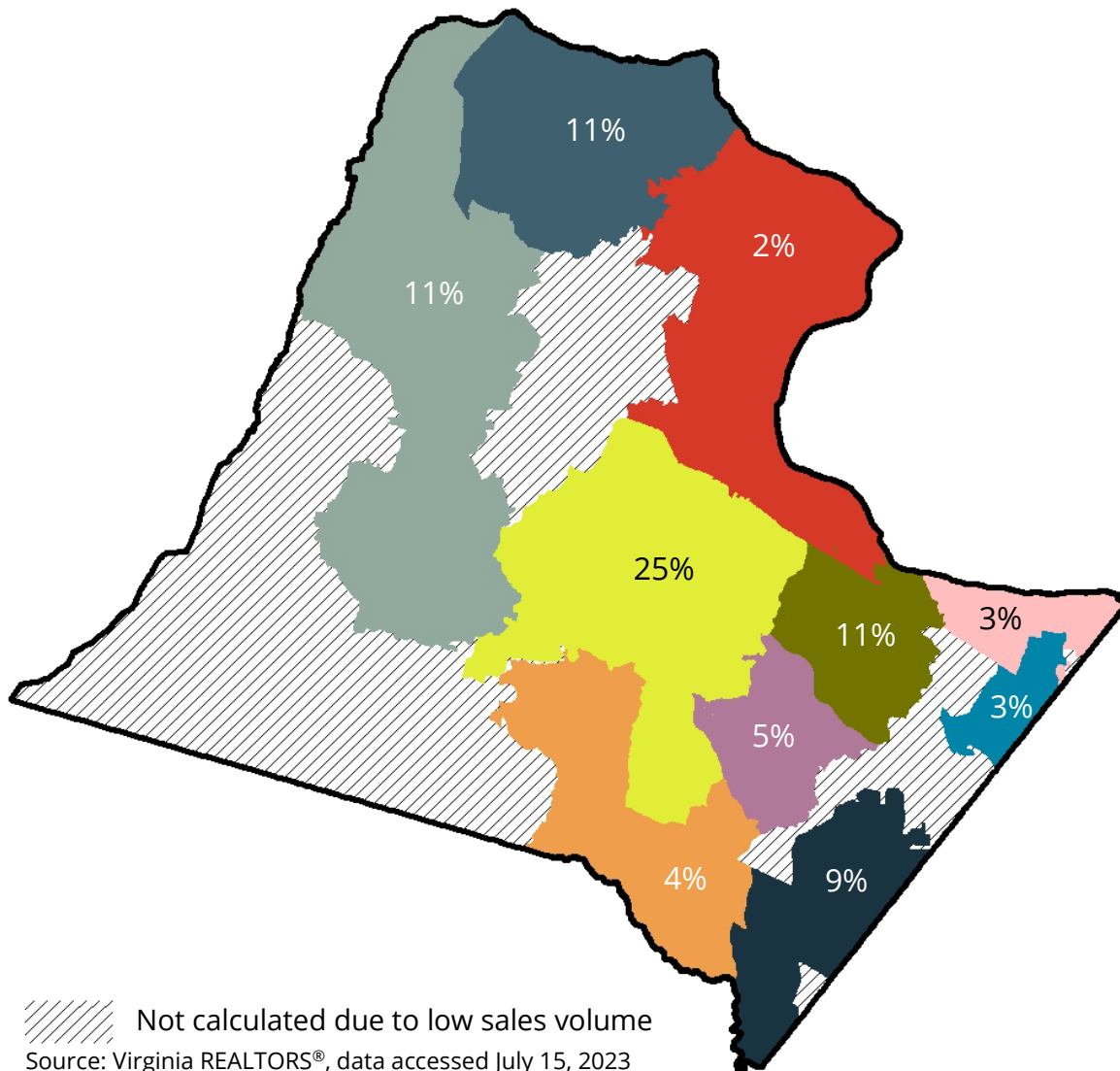
Figure 6
Second Quarter Median Sales Price, Loudoun County
2019-2023



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

Figure 7
Change in Median Sales Price by ZIP Code
Loudoun County
Second Quarter 2022 to Second Quarter 2023

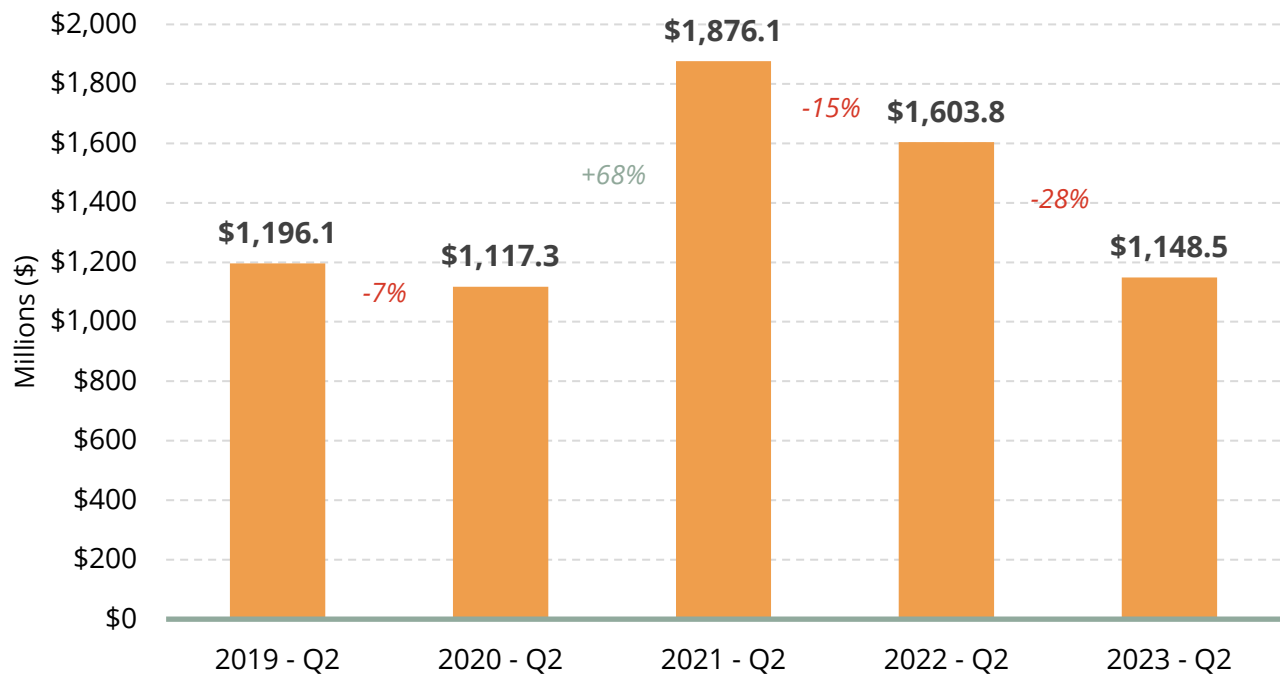
Zip Code	2022 - Q2	2023 - Q2	% Change	Zip Code	2022 - Q2	2023 - Q2	% Change
20105 Aldie	\$905,000	\$940,438	4%	20164 Sterling	\$525,005	\$541,992	3%
20132 Purcellville	\$755,000	\$840,649	11%	20165 Sterling	\$645,000	\$666,157	3%
20147 Ashburn	\$660,000	\$734,057	11%	20175 Leesburg	\$676,000	\$844,684	25%
20148 Ashburn	\$805,000	\$843,126	5%	20176 Leesburg	\$746,312	\$763,478	2%
20152 Chantilly	\$700,000	\$760,984	9%	20180 Lovettsville	\$721,000	\$802,437	11%



Sold Volume

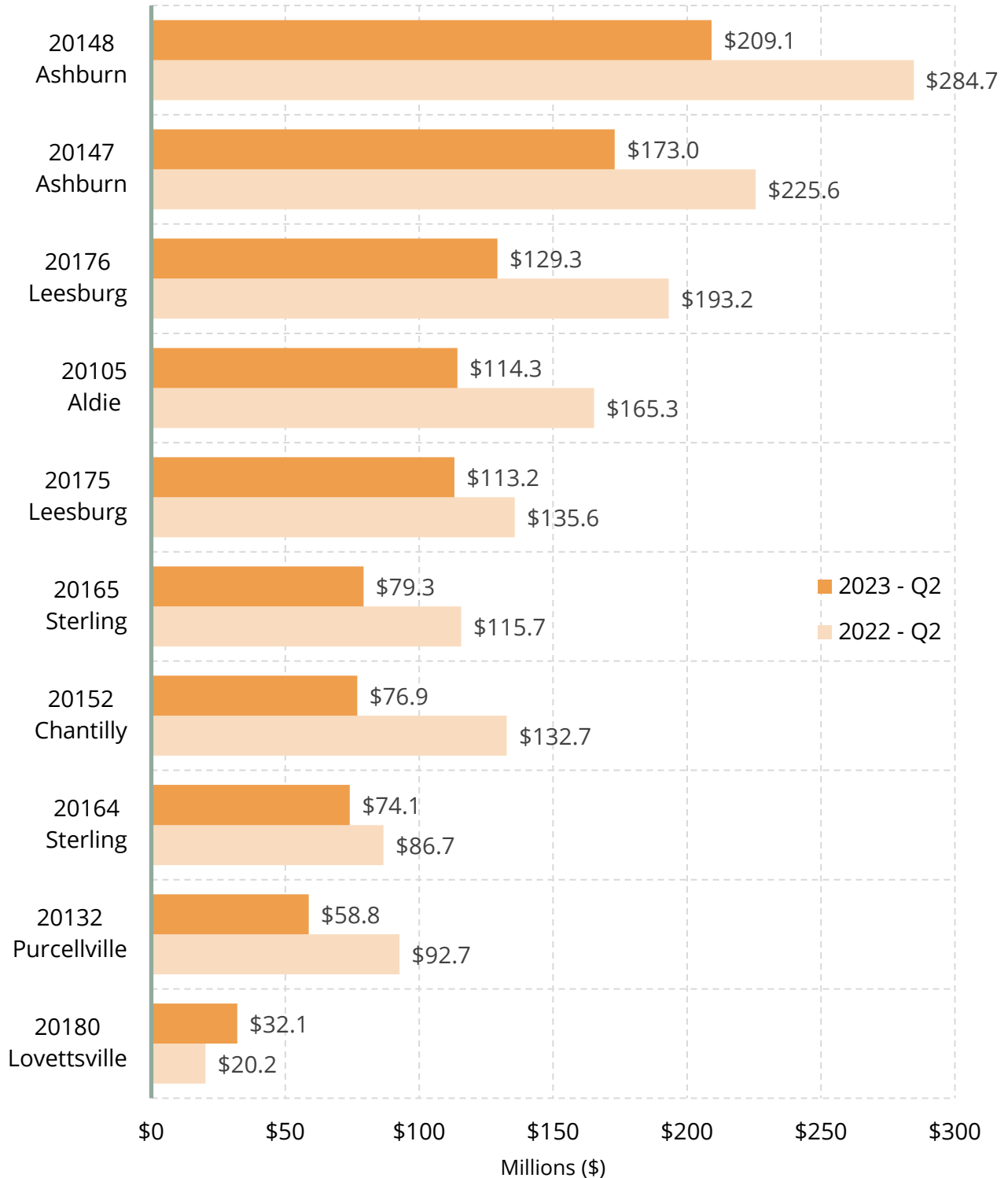
While price levels are still rising across much of the county, the slowdown in sales activity continues to bring down the sold dollar volume in the Loudoun County housing market. There was about \$1 billion of sold volume in the county during the second quarter, a decrease of \$455.3 million from a year ago. This represents a 28% reduction in sold volume in the Loudoun County market, the fifth straight quarter of a double-digit decline in volume. At the local level, the largest drop in volume this quarter occurred in Chantilly ZIP code 20152 (-42%), Purcellville ZIP code 20132 (-37%), and Sterling ZIP code 20165 (-31%).

Figure 8
Second Quarter Sold Dollar Volume (Millions), Loudoun County
2019-2023



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

Figure 9
Second Quarter Sold Dollar Volume, Loudoun County ZIP Codes
2022 and 2023

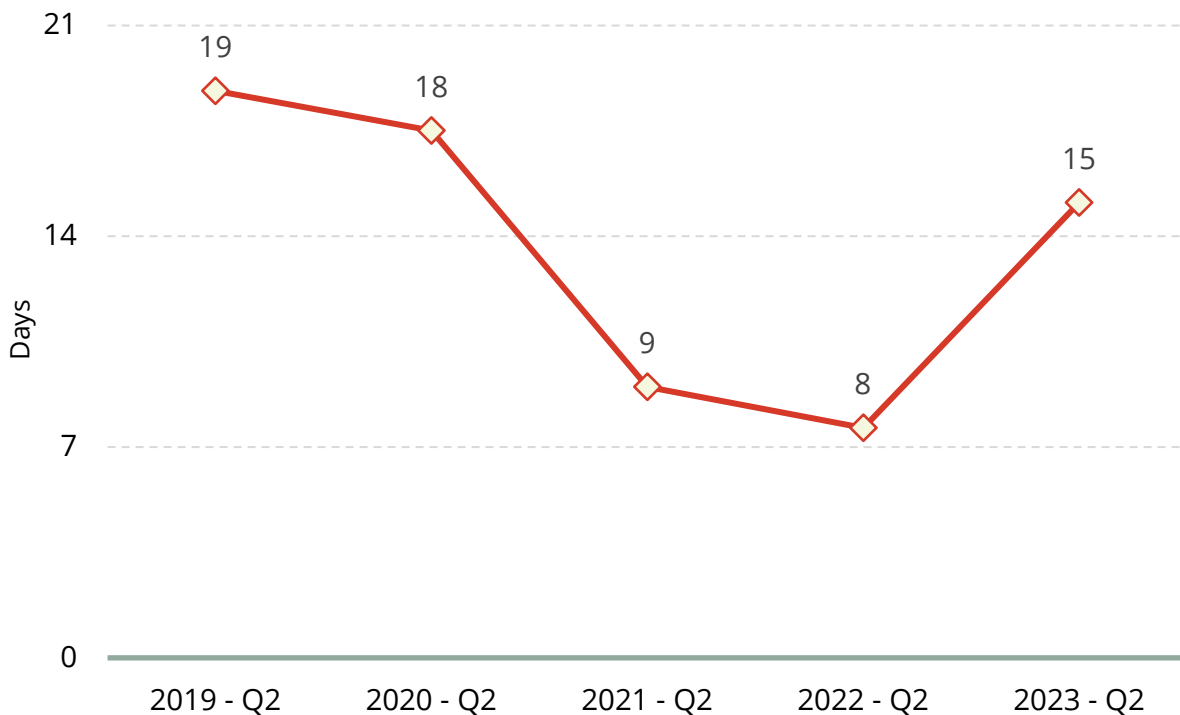


Source: Virginia REALTORS®, data accessed July 15, 2023

Days on Market

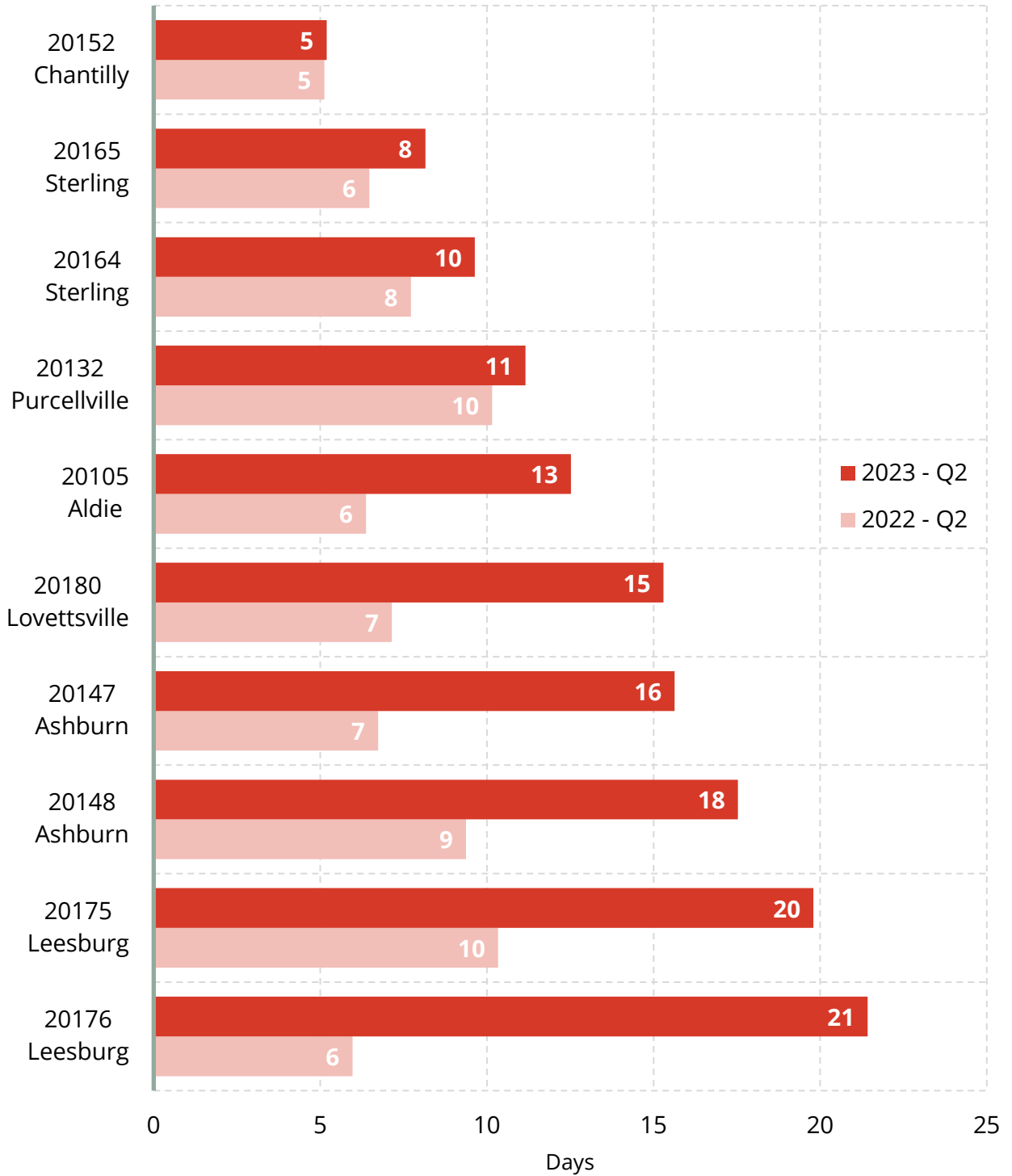
Homes are staying on the market longer than last year but are still selling relatively fast compared to historical averages. Homes that sold in Loudoun County during the second quarter of 2023 were on the market about two weeks on average (15 days), which is a week slower than a year ago (+7 days). While this slowing days on market trend has been consistent for much of the past year, the market remains competitive. Within the county, homes were on the market about two weeks longer in Leesburg ZIP code 20176 (+15 days), a week longer in Aldie ZIP code 20105 (+7 days), and about a week longer in Lovettsville ZIP code 20180 (+8 days). At the state level, the average days on market this quarter was 23 days, which is six days longer than the second quarter of 2022.

Figure 10
Second Quarter Average Days on Market, Loudoun County
2019-2023



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

Figure 11
Second Quarter Average Days on Market, Loudoun County ZIP Codes
2022 and 2023



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

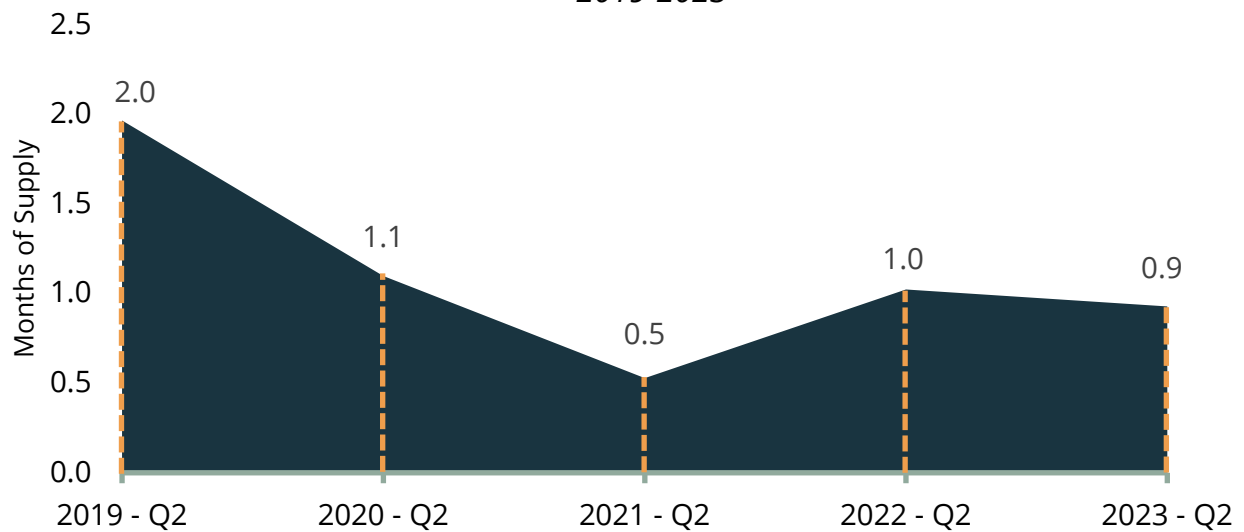
Inventory

After building up for more than a year, the inventory of active listings fell sharply this quarter in the Loudoun County housing market. There were 396 active listings on the market at the end of the second quarter across the county, down 40% from a year ago, which is a reduction of 259 listings. The tightening supply reflects lower activity by sellers amid higher interest rates, and fewer moving options. The supply drop occurred in nearly all local markets this quarter. The sharpest inventory at the local level was in Aldie ZIP code 20105 (-56%), Sterling ZIP code 20165 (-54%), and Chantilly ZIP code 20152 (-48%).

There were just 16,246 active listings across Virginia at the end of the second quarter. This is 3,129 fewer listings than a year ago, representing a 16.1% decrease.

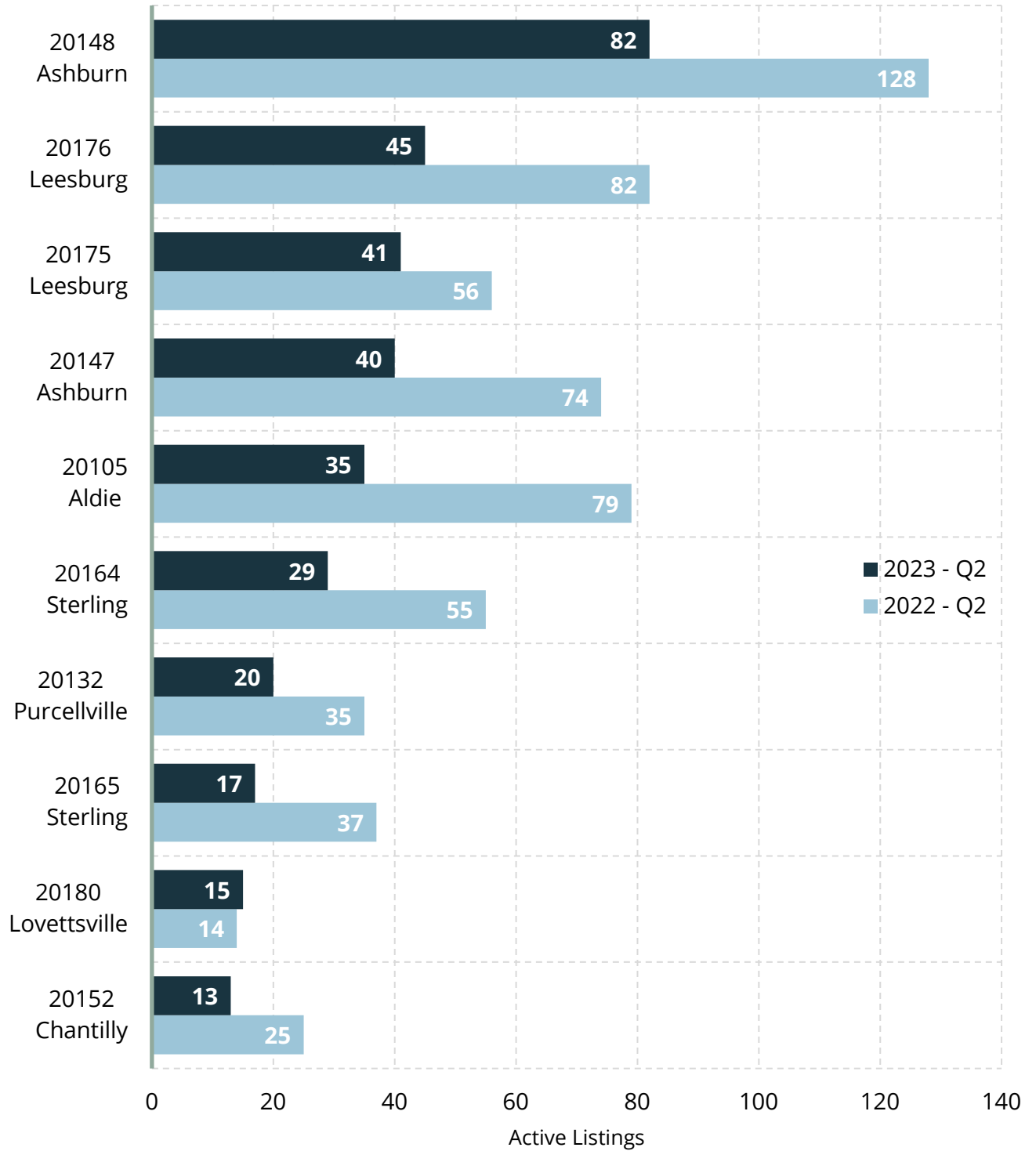
There was just 0.9 of a month of supply at the end of the second quarter in Loudoun County, which is down from one month a year ago. The months of supply metric is calculated by taking the average monthly sales over the preceding 12-month period and dividing it by the inventory of active listings. Statewide, there was about 1.8 months of supply at the end of the second quarter.

Figure 12
End of Second Quarter Months Supply, Loudoun County
2019-2023



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

Figure 13
End of Second Quarter Active Listings, Loudoun County ZIP Codes
2022 and 2023



Source: Virginia REALTORS®, data accessed July 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.

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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.