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Northern Virginia Housing Market Continues to Balance

Sales Ease, Inventory Grows, and Prices Hold Steady Amid Changing Conditions

FAIRFAX, Va. **(June 10, 2025)** The Northern Virginia housing market in May 2025 continued its transition toward more balanced conditions, with increased inventory and longer time on market giving buyers some needed breathing room, according to the [Northern Virginia Association of Realtors® \(NVAR\)](#). While the pace of sales has slowed slightly, home values remain strong — signaling that demand, though moderated, is still present in the region.

A total of 1,764 homes were sold in May, marking a 4.2% decrease compared to May 2024. Total sold dollar volume reached approximately \$1.56 billion, down 1.0% year-over-year. Despite the dip in sales activity, the median sold price rose 3.9% to \$789,500, reflecting continued competition for well-priced homes.

“We’re seeing a market that’s finding its footing,” said NVAR CEO Ryan McLaughlin. “Transaction volume has cooled modestly, which isn’t unexpected given broader economic headwinds and buyer sensitivity to interest rates. At the same time, price appreciation and rising inventory are signs that the market remains fundamentally sound — just adjusting to a new rhythm.”

Homes spent an average of 15 days on the market in May — a 40% increase from this time last year. Meanwhile, active listings surged to 2,636 units, up 50% from May 2024. The months of supply rose accordingly to 1.96, a 48.4% increase year-over-year.

“A growing number of listings means buyers now have more choices — and time to make them,” McLaughlin added. “But this isn’t necessarily a return to a buyer’s market. Sellers who price competitively are still seeing strong results, especially in Northern Virginia’s most desirable neighborhoods.”

As the Northern Virginia real estate market continues to evolve, industry professionals are taking note of the shifting dynamics that are redefining the path to homeownership and sales. With rising interest rates, ongoing affordability concerns, and a cooling pace compared to the frenzied highs of previous years, both buyers and sellers are finding themselves in a more strategic playing field.

NVAR Board Member Christina Rice, Pearson Smith Realty, observed that while the market is more measured, it’s also more complex. “This is a more nuanced environment, which can be both challenging and empowering,” said Rice. “Buyers may have more leverage, but affordability remains a concern for many. Sellers are still in a good position but may need to adjust expectations on timing and pricing. It’s not an easy market — it’s a smarter one. The key is working with experienced professionals who understand how to navigate it.”

As buyers and sellers navigate this more nuanced and strategic market, NVAR continues to advocate for policy solutions that support long-term housing stability and attainability. NVAR leadership spent a full week in Washington, DC, attending the REALTORS® Legislative Meetings from May 31 to June 5,

advocating for policies aimed at improving housing attainability and expanding access to homeownership. Key priorities included increasing housing supply, raising the cap on the State and Local Tax (SALT) deduction, and doubling the capital gains exclusion on the sale of a principal residence. While in DC, NVAR members met directly with policymakers, including Virginia Senator Mark Warner, to advance these critical issues. “Our time in Washington was focused on championing solutions that help more Virginians achieve the dream of homeownership,” said Josh Veverka, NVAR Vice President of Government Affairs. “By pushing for smart, forward-looking policies, we’re working to address the supply shortage and affordability barriers that impact our region every day.”

Looking ahead, with underlying demand remaining strong and supply gradually improving, Northern Virginia is positioned to move forward with a sense of steady momentum and cautious optimism — even as national and global economic factors continue to influence local trends.

BACKGROUND

The Northern Virginia Association of Realtors® reports on home sales activity for Fairfax and Arlington counties, the cities of Alexandria, Fairfax, and Falls Church and the towns of Vienna, Herndon, and Clifton. Below is May 2025 regional home sales compared to May 2024 for Northern Virginia, with data derived from Bright MLS as of June 9, 2025 (total sales and listings may not include garage/parking spaces):

- The number of closed sales in May 2025 was 1,764 units. This was a 4.2% decrease compared to May 2024.
- The volume sold in May 2025 was \$1,561,028,936. This was a 1.0% decrease compared to May 2024.
- The average sold price was \$891,185 in May 2025. This was up 1.3% compared to May 2024.
- The number of new pending sales in May 2025 was 1,897 units. This was up 9.5% compared to May 2024.
- The number of active listings in May 2025 was 2,636 units. This number was up 50.0% compared to May 2024.
- The number of new listings in May 2025 was 1,884 units. This number was up 1.5% compared to May 2024.

Read more about the NVAR regional housing market at nvar.com/Marketstats.

NVAR Charts, Graphs, Social Media for May 2025 NVAR Housing Stats

May Housing Data: [Click here.](#)

Regional Jurisdiction Infographic: [Click here.](#)

NVAR Region Infographic: [Click here.](#)

NVAR 2023 Housing Economic Impact Report: [Click here.](#)

NVAR 2025 Housing Forecast Update: [Click here.](#)

These links are accessible from the Market Stats page here: [Click here.](#)

About NVAR

The [Northern Virginia Association of Realtors® \(NVAR\)](#) serves as the voice of real estate in the Greater Northern Virginia Region. NVAR is dedicated to enhancing Realtor® success by delivering exceptional value, driving innovation, and impacting the industry. Headquartered in Fairfax, Virginia, NVAR supports its 12,000 members with essential resources, including industry education, advocacy, networking, and professional development opportunities. The Association is committed to promoting ethical practices and excellence in real estate. It advocates on behalf of homebuyers, sellers, renters,

and commercial tenants who are directly affected by local, state, and federal policy decisions impacting affordability, property rights, and quality of life. NVAR strives to elevate the standards of the real estate industry and to contribute to the overall growth and prosperity of the Washington DC Metropolitan Area and beyond. nvar.com.

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