

February Northern Virginia Market Activity Signals Busy Spring for Home Sales

Fairfax, Va. – “From the city, to the suburbs and exurbs, and out to the traditionally second-home markets in the horse and wine country of Virginia, every area is hot,” says Derrick Swaak, partner and managing broker with TTR Sotheby’s International Realty in McLean, Va. and 2021 president of the Northern Virginia Association of Realtors® (NVAR).

“The only differentiator is the type of home or price point. Single-family homes and townhouses under \$1million in all parts of Northern Virginia had less than one month of inventory at the end of February,” says Swaak. “Competition for well-priced, desirable detached homes was fierce in that price point with many buyers waiving contingencies just to get their offers looked at,” Swaak says.

Homes are selling, on average, above asking price. In February, the average sold price to original list price ratio for homes in the NVAR region was 100.2%.

The pace of home sales picked up in February compared to January. Realtors® in the NVAR region sold homes with a total dollar volume of \$985,594,433, which was 27% higher than last February, and 10% higher than January of this year. This reflects earlier-than-usual spring market conditions, with 25% more closed sales this February than last.

February data from SentiLock, the lockbox vendor that serves NVAR members, shows that Realtors® and their clients are viewing homes at a higher rate in the NVAR region than in the same time period last year.

There were 2,222 contracts pending at the end of February, up 6.5% over last year.

“Home sales activity in our region resulted in a contract ratio of 1.41 pending sales per active listing, 30% higher than the 5-year February average of 36 days, according to data from our region’s multiple listing service, Bright MLS,” says McLaughlin, NVAR CEO. “This higher ratio signifies a relative increase in contract activity compared to supply, and indicates market movement in the seller’s favor, a phenomenon that’s existed for quite some time in our region,” McLaughlin says.

While the month’s supply of available housing fell by almost 25% in February, to 1.05, compared to last year, the data for specific price points may differ.

“Luxury homes across the region (over \$2million) and luxury high-rise condos (over \$1million) were still selling but represented a more healthy, balanced market with inventory from 3 to 17 months,” says Swaak.

In February there were 77 condos listed in the \$1million+ range, compared with 48 in February of 2020.

“Mortgage rates are moving up from the historic lows we experienced at the end of last year, but they still remain at very attractive levels,” says McLaughlin. “We anticipate rates may continue to increase slightly, but don’t anticipate that these relatively small hikes will dampen buyer interest,” McLaughlin says.

Realtors® recognize the impact that limited housing inventory and rising prices have on those wishing to buy a home in Northern Virginia and are working at local, state and national levels to address housing affordability.

“This year NVAR has supported proposals to expand opportunities for homeowners to build and utilize accessory dwelling units on residential properties in the City of Alexandria and Fairfax County,” McLaughlin says. “These units have the potential to incrementally increase the supply of housing by leveraging the existing housing stock on land that’s already developed.”

February 2021 Regional Home Sales Compared to February 2020: Northern Virginia

Data from Bright MLS as of March 4, 2021; total sales and listings may not include garage/parking spaces.

The Northern Virginia Association of Realtors® reports on February 2021 home sales activity for Fairfax and Arlington counties, the cities of Alexandria, Fairfax and Falls Church and the towns of Vienna, Herndon and Clifton.

A total of 1,497 homes sold in February 2021, a 25.5% increase above February 2020 home sales of 1,193.

The number of active listings decreased last month compared with 2020. Listings were 6.84% below last year, with 1,579 active listings in February, compared with 1,695 homes available in February 2020. The average days on market for homes in February 2021 rose by 3.9% to 27 days – compared to 26 days on market for homes in February 2020.

New listings fell by 8.7% in February compared with last year, to 2,029. There were 2,222 new listings in February of 2020.

The average home sale price rose by 2% compared with last February, to \$661,391. The February 2020 average sale price was \$647,681.

The median sold price of homes this February, which was \$570,000, rose by 1.8% compared to the median price of \$560,000 in February 2020.