

**NVAR/GMU 2024 Residential
Real Estate Market Forecast**



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The Northern Virginia Association of Realtors® (NVAR), in conjunction with the Center for Regional Analysis at George Mason University (GMU-CRA), issues a consensus forecast for the NVAR region's housing market. The association convenes a panel of key experts from differing sectors of the real estate industry to review preliminary forecasts developed by GMU-CRA economists and offer their insights into current and near-future market conditions. The following represents the forecast team's outlook for 2024.

The real estate market, residential and commercial, has not reached a post-pandemic "new" normal. Just released inflation numbers are encouraging and the immediate market response to this good news was a lowering of interest rates on 10-year Treasury notes. We are especially encouraged and hopeful that recent spikes in mortgage rates will moderate and stabilize. The economy is still creating jobs, but the signs of a downturn are building:

- Consumer debt is rising and retailer market outlooks are declining,
- An increasing number of companies are announcing hiring freezes or layoffs,
- Inflation has moderated down to 3.2% in the latest reading, but households are stressed by the run up in prices over the past few years,
- Because the Federal Reserve Rate is sticking to its target inflation rate of 2% to 2.5%, "higher-for-longer" is our outlook for interest rates – getting that last 100-basis points of inflation out of the system will prove problematic.
- On the heels of the new inflation numbers and a job market that remains resilient, there are an increasing number of market analysts pulling the word "recession" out of their 2024 forecasts. We are not convinced, yet. The rise in interest rates and overall tightening of monetary policy for the past 18+ months are only now being seen in economic performance. Our 2024 forecast for the U.S. economy still calls for a short and shallow recession within the next 12 months. We think the DC regional economy will slow through the first half of 2024 and may see job losses in the second half of the year, but the correction may not be deep or long enough to qualify as a regional recession.

Despite rising mortgage rates, home values continue to appreciate, due primarily to one key factor – LOW INVENTORIES. The inventory of for-sale homes continues to surprise forecasters to the downside. Though Congress appears to have avoided a November government shutdown, budget decisions have been subdivided and kicked down the road. Continuing Resolutions seems to be the order of the day in a historically dis-functional House of Representatives. Continuing Resolutions keep government lights on but do little to provide contractors and government workers with the near term confidence needed for a healthy regional economy.

While the economic outlook calls for increasing levels of weakness and uncertainty, and overall sales activity will decline across 2024, there are hopeful signs:

- Demand compared to housing supply is driving price stability.
- Local governments are coming to understand that having a supply of for-sale homes at prices affordable to young professional families is a necessary condition for economic success. They're just not sure how to achieve that goal, yet.

- Hybrid work is being normalized, which means that the effective geographic scope of the Northern Virginia labor/housing market is getting larger.
- Intra-regional migration patterns show that Northern Virginia is attracting regional workers.

Intra-regional migration patterns, especially during the pandemic, demonstrate that the effective labor shed for employers located in core jurisdictions (inside the beltway) of the region keeps expanding to more distant suburbs. As a result, more Northern Virginia Realtors® are expanding their business and transacting real estate in Loudoun, Prince William, and Stafford counties. Therefore, we have expanded the regional housing market forecast to include these jurisdictions.

Forecast by Jurisdiction

Fairfax County (view charts)

The market for single family homes in the region's largest jurisdiction will be up slightly in 2024 with a 3.5% price gain in December 2024 versus December of 2023. Total unit sales will drop 9.9% for the year as inventories tighten even more than 2023.

The inventory challenge will also affect total townhome sales in Fairfax County, mostly related to existing owners staying put with their 3% mortgages. However, demand for relatively affordable townhomes, the best entry point option for single family property buyers, will boost prices for this housing type by 4.4% in 2024.

Prices for Fairfax condominiums look to be relatively flat for 2024. This trend is likely caused by older units coming on the market and rising monthly association fees impacting effective total monthly costs of condo ownership. Inventories of condo units will decline with a commiserate drop in unit sales.

Arlington County (view charts)

Single family home prices have been aggressively rising over the several years, but overall affordability and mortgage rates continue to soften the rate of price gains in Arlington. December 2024 median prices for Arlington single family homes will be 0.9% higher compared to 2023. Unit sales will decrease by about 10% and inventories will continue their multi-year drop. The average number of units for sale will decrease by 12.5% in 2024. New and existing residents will continue to be hard pressed to find options for single family homes in Arlington.

Prices for Arlington townhomes will be up 3.4% for 2024 inventories drop nearly 26%. Unit sales will drop 9.2% over the year.

The Arlington condo market saw a dramatic increase in inventories during the pandemic compared to the Amazon HQ2 influenced market of 2018 and 2019. However, now that remote and on-site work situations have stabilized, so have condo prices and inventories. Average month-end units for sale will be down 4.6% in 2024, but the population of condo buyers in Arlington remains sensitive to mortgage rates. Therefore, prices will be flat seeing only 0.7% increase at year end 2024, and unit sales will be down 24.4%.

Alexandria City (view charts)

Referring to the chart for median prices of Alexandria single family homes is more about the moderation in the magnitude of sales price swings. Alexandria is a relatively small market with few singly family units for sale in any given month. This means that prices can swing dramatically based on which particular houses (location, condition) sell within the month. We forecast that the wide variance in home prices seen in the past few years will moderate in 2024. Inventories will continue their downward trend causing a 12% drop in total unit sales for 2024.

Alexandria townhome inventories could be down 26% in 2024 with sales activity dropping 9.5% on average for the year. Prices will rise, though not at the level of the price spike seen in late spring of 2023. Prices will increase 3.9%.

Like Arlington, the condo market in Alexandria will see more normal levels of activity compared to pandemic influenced selling over the past two years. Average month-end inventories will decline by almost 8.7%, but total sales trends show an increase of 3.1% for the year. Prices will rise moderately in 2024 at 3.1% but will remain substantially elevated compared to long term trends. The days of affordable deals on Alexandria condos appear to be over.

Prince William County (view charts)

Prince William County continues to gain strength as an alternative for families seeking comparatively affordable single family housing options that are simply not available in Arlington, Alexandria, and increasingly in Fairfax. However, inventories of single family homes have dropped dramatically in recent years, with a notable exception in the last half of 2022, which is pushing up prices and depressing unit sales. For 2024, we expect prices of single family homes to increase 5.9%, but a notable drop in inventory of 32% as mortgage rates keep existing homeowners in place, which will cause total unit sales to decline by 14% compared to 2023.

Price appreciation of townhomes in Prince William County will be 7.9% showing a continuation of a multi-year trend of families seeking this more affordable, but family-sized housing option. The only bad news for this market segment is declining inventory, an expected drop of 28%, that will constrain total unit sales, down 13%. This suggests that days-on-market will be even tighter in 2024.

Condominium sales in Prince William County, though not a large market, will stay pretty much the same as 2023 with a drop on only 1% on somewhat better inventory conditions (just down 17%), but with price appreciation at 7.9%.

Loudoun County (view charts)

Loudoun County's single family home market had an interesting 2022 that broke a multi-year trend of rapidly rising prices. In 2023, prices for single family homes went back to price appreciation form and this will continue through 2024 with annual gains of 5.5%. Inventories and total unit sales will decline 26% and 12%, respectively reflecting regional housing market conditions.

Townhome prices in Loudoun County will rise about 6% in 2024 but unit sales will remain much below historical averages and will decrease 5% compared to 2023's dramatic drop in sales activity. Inventory percentage change is forecast to drop 24%. We see the uptick in inventory in the 3rd quarter of 2023 to be transitory.

The inventory of condominiums for sale in Loudoun County is a bright spot with anticipated drop of only 10%, which is really only a handful of units. The inventory chart for Loudoun condominiums is remarkably stable over the past several years – not showing a long run decline. Still, the comparatively small drop in condo inventories will hold down total unit sales (-8%). Prices for Loudoun condo units will rise 5.8% in 2024.

Stafford County (view charts)

Stafford County saw a huge drop in single family inventories that started months before the pandemic but “re-set” that part of the housing market at what now seems to be a persistent lower level. In our rookie effort here to forecast Stafford County housing conditions, we are calling for the usual seasonal surge in summer housing inventories to not emerge and that overall inventories of single family units will decline 21% for 2024, with an attendant drop in sales of 12%. Prices will rise, but at a more modest 2.9% compared to other Northern Virginia jurisdictions. Marine Base Quantico and Fort Belvoir have an outsized influence on Stafford County's housing market. Base reassignments (transfers) may drive more housing market activity than we show in this initial forecasting effort. The NVAR/CRA Mid-Year Market Update will re-examine our current market assumptions.

Townhome inventories and related unit sales will mimic broader regional trends with notable declines of 39% and 19%, respectively. Townhome prices will increase 6.1% in 2024.

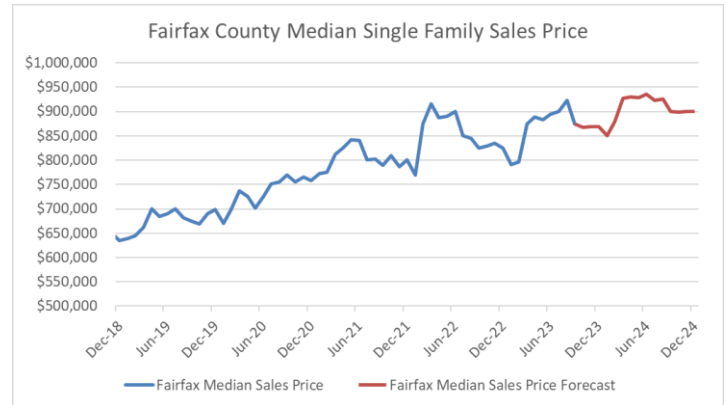
There are very few condo units in Stafford County, compared to other Northern Virginia jurisdictions. For 2024 we expect that average month-end for sale inventory to be about 5 units. For Stafford County, a small change in the number of condo units sold or listed will cause dramatic change in the percentage change statistic. Prices for the few condos on the market will rise about 6.4%. We expect this market segment to grow over time as new units are built and then eventually come onto the resale housing market.

Fairfax County – Single Family 2024

Key Market Statistics

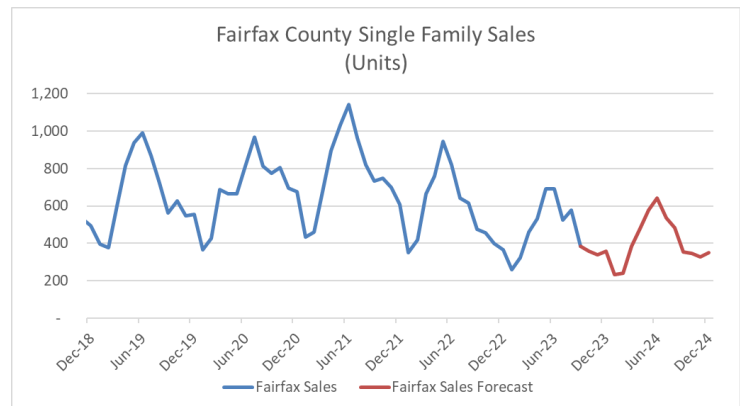
Prices – Single Family

- Housing Prices (Dec 2024): \$899,795
- Median Price in Peak Month: June, \$ \$935,930
- Avg. Year-over-Year Change (Dec – Dec '24): +3.5%



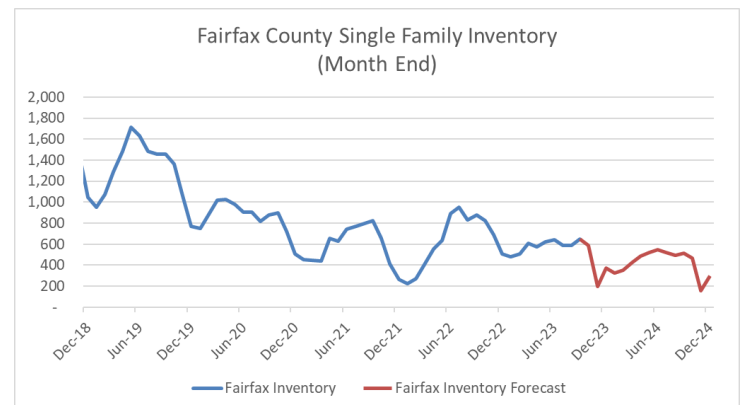
Sales – Single Family

- Unit Sales (2024 annual): 4,949
- Number of Sales in Peak Month: June, 641 units
- Year-over-Year Change (2023 – 2024): -9.9%



Inventory – Single Family

- Units on Market Avg (Month End): 426
- Inventory in Peak Month: June, 549 units
- Avg. Year-over-Year Change: -20.5%

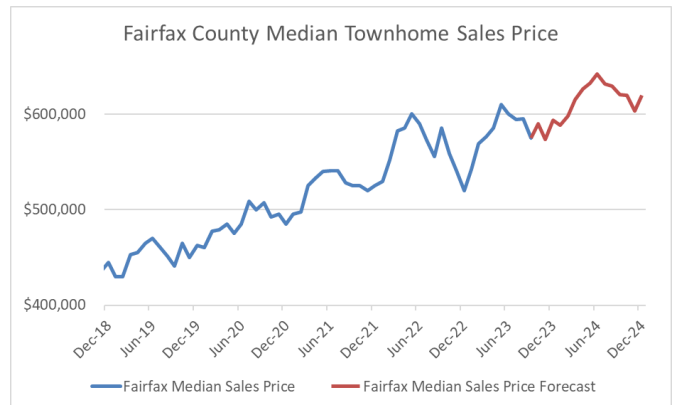


Fairfax County – Townhome 2024

Key Market Statistics

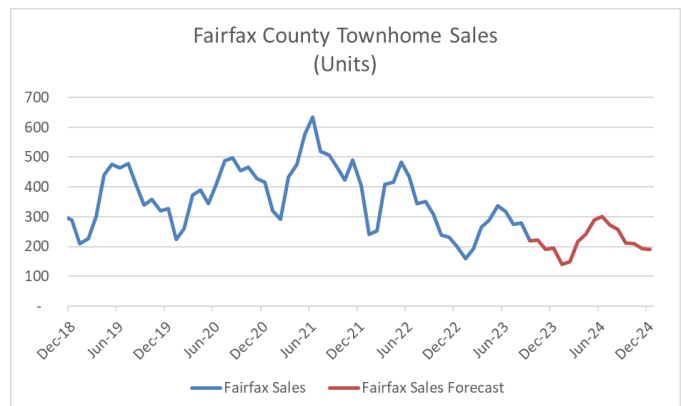
Prices – Townhome

- Housing Prices (Dec 2024): \$619,820
- Median Price in Peak Month: June, \$642,142
- Avg. Year-over-Year Change (Dec – Dec '24): +4.4%



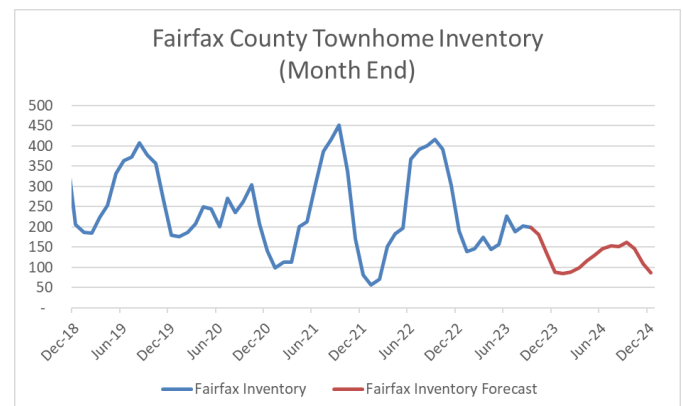
Sales – Townhome

- Unit Sales (2024 Annual): 2,870
- Number of Sales in Peak Month: June, 301 units
- Year-over-Year Change (2023-2024): -2.4%



Inventory – Townhome

- Avg on Market (Month End): 123
- Inventory in Peak Month: Sep, 162 units
- Avg. Year-over-Year Change: -25.5%

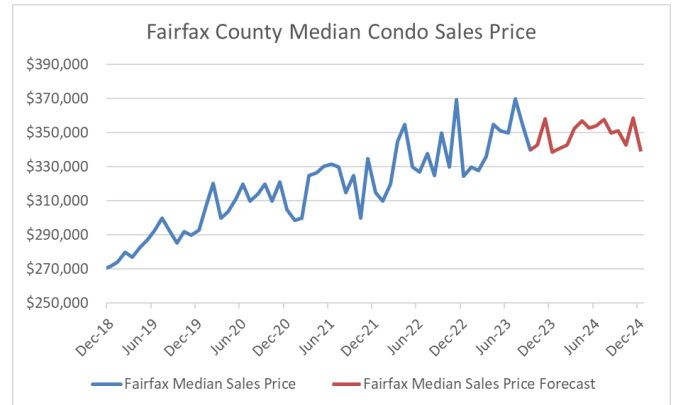


Fairfax County – Condo 2024

Key Market Statistics

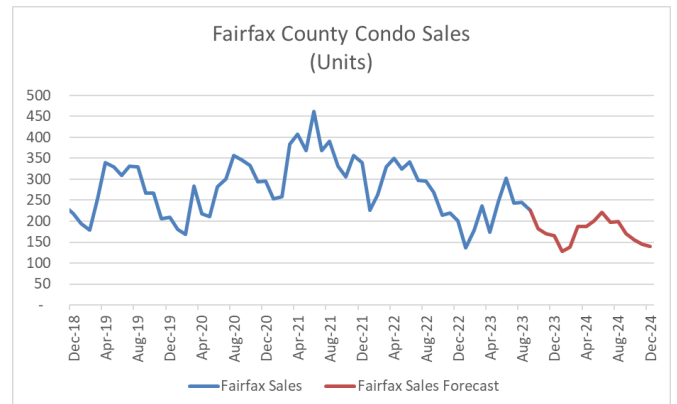
Prices – Condo

- Housing Prices (Dec 2024): \$339,091
- Median Price in Peak Month: Nov, \$358,518
- Avg. Year-over-Year Change (Dec – Dec '24): +0.1%



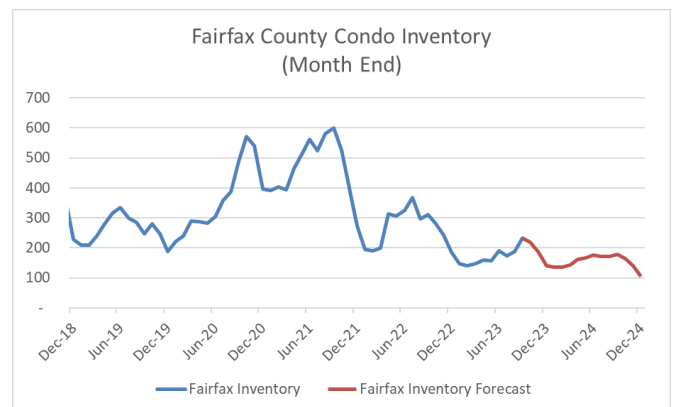
Sales – Condo

- Unit Sales (2024): 2,231
- Number of Sales in Peak Month: June, 221 units
- Year-over-Year Change (2023-2024): -10.9%



Inventory – Condo

- Avg Units on Market (Month End): 154
- Inventory in Peak Month: Sep, 178 units
- Avg. Year-over-Year Change: -11.2%

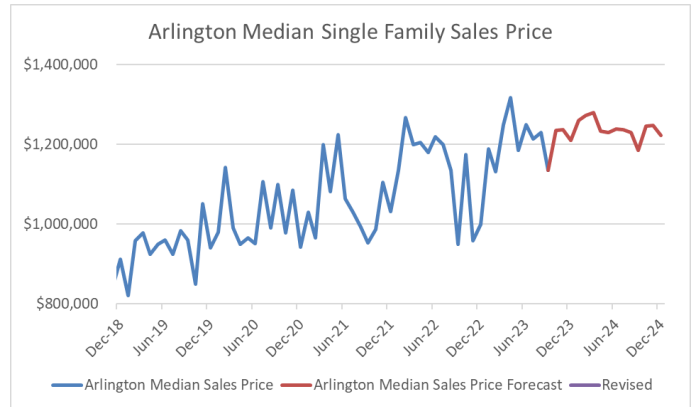


Arlington County – Single Family 2024

Key Market Statistics

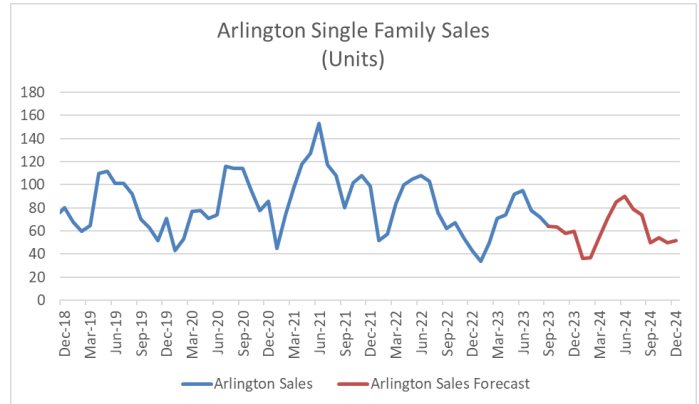
Prices – Single Family

- Housing Prices (Dec 2024): \$1,221,813
- Median Price in Peak Month: April, \$1,278,845
- Avg. Year-over-Year Change (Dec – Dec '24): +0.9%



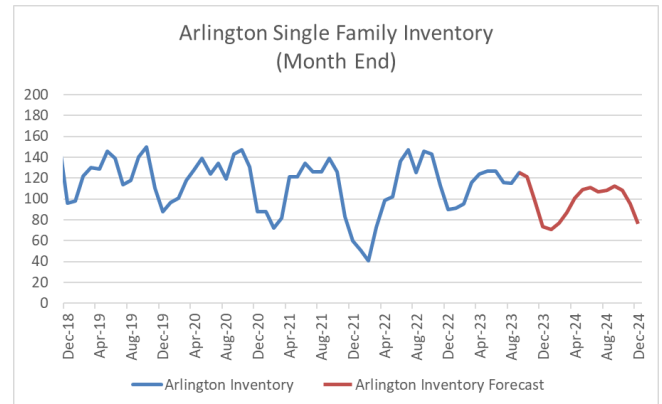
Sales – Single Family

- Unit Sales (2024): 732
- Number of Sales in Peak Month: June, 90 units
- Year-over-Year Change (2023-2024): -9.8%



Inventory – Single Family

- Avg Units on Market (Month End): 97
- Inventory in Peak Month: June, 90 units
- Avg. Year-over-Year Change: -12.5%

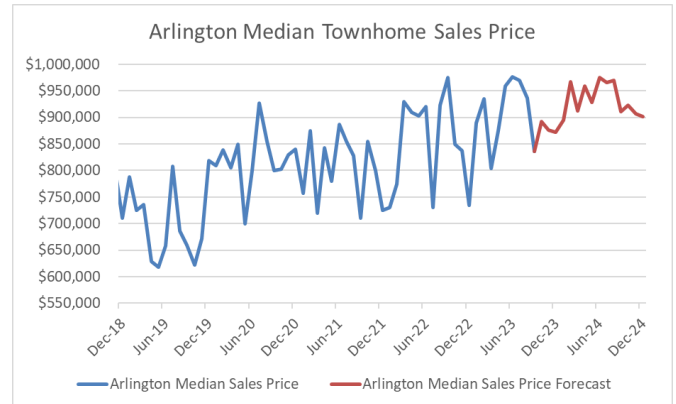


Arlington County – Townhome 2024

Key Market Statistics

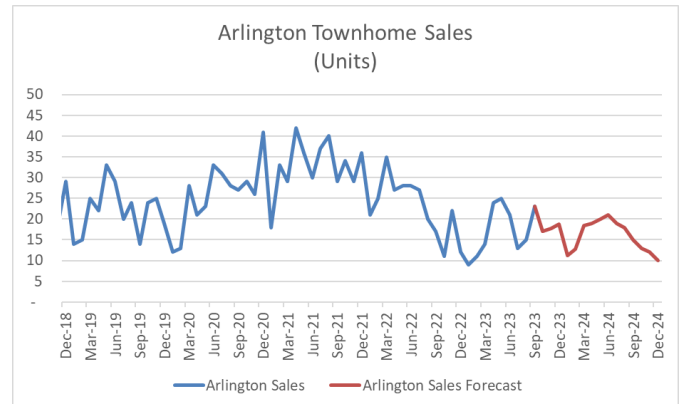
Prices – Townhome

- Housing Prices (Dec 2024): \$901,779
- Median Price in Peak Month: June, \$975,053
- Avg. Year-over-Year Change (Dec – Dec '24): +3.4%



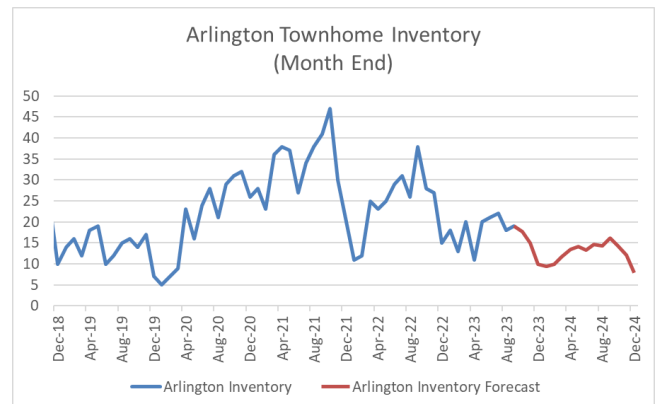
Sales – Townhome

- Unit Sales (2024): 190
- Number of Sales in Peak Month: June, 21 units
- Year-over-Year Change (2023-2024): -9.2%



Inventory – Townhome

- Avg Units on Market (Month End): 13
- Inventory in Peak Month: Sep, 16 units
- Avg. Year-over-Year Change: -25.9%

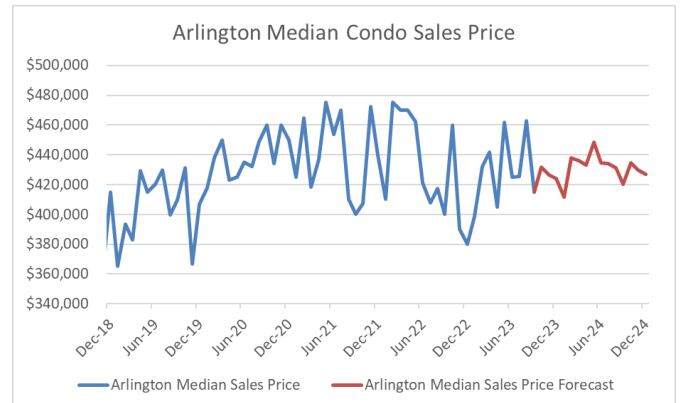


Arlington County – Condo 2024

Key Market Statistics

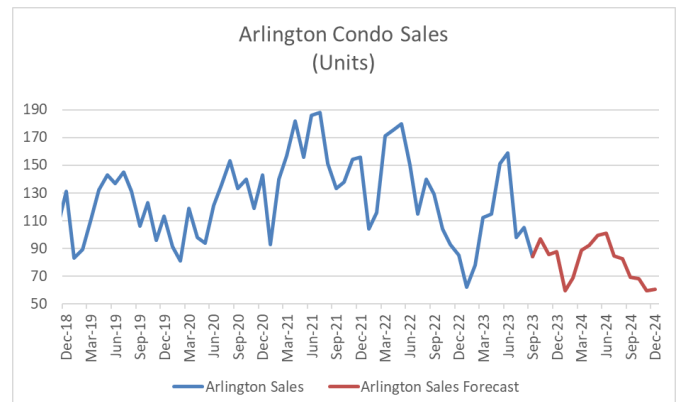
Prices – Condo

- Housing Prices (Dec 2024): \$427,007
- Median Price in Peak Month: May, \$448,239
- Avg. Year-over-Year Change (Dec – Dec '24): +0.7%



Sales – Condo

- Unit Sales (2024): 933
- Number of Sales in Peak Month: June, 101 units
- Year-over-Year Change (2023 – 2024): -24.4%



Inventory – Condo

- Avg Units on Market (Month End): 144
- Inventory in Peak Month: June, 165 units
- Avg. Year-over-Year Change: -4.6%

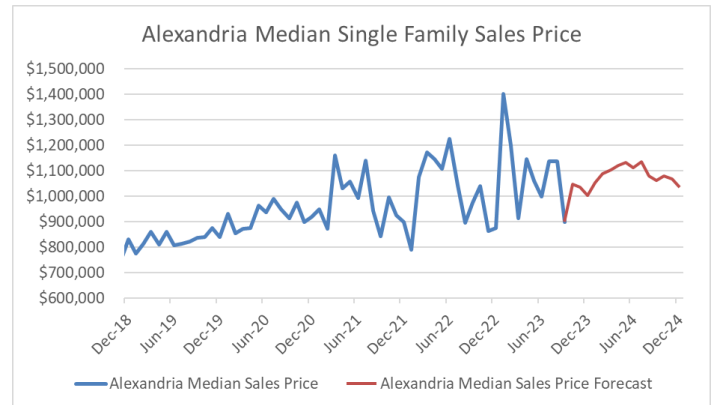


Alexandria – Single Family 2024

Key Market Statistics

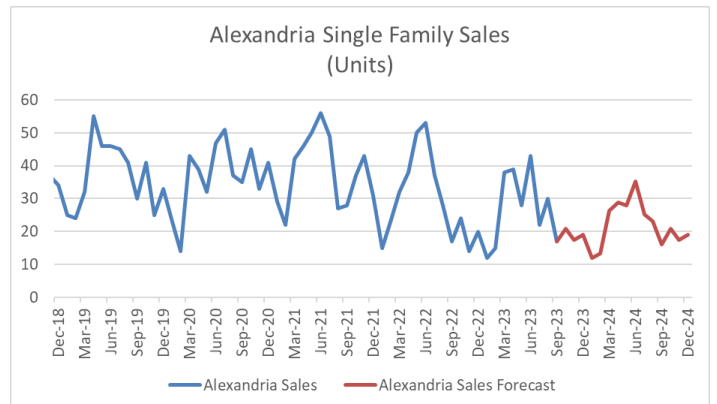
Prices – Single Family

- Housing Prices (Dec 2024): \$1,034,361
- Median Price in Peak Month: July, \$1,136,852
- Avg. Year-over-Year Change (Dec – Dec '24): +3.1%



Sales – Single Family

- Unit Sales (2024): 265
- Number of Sales in Peak Month: June, 35 units
- Year-over-Year Change (2023-2024): -12.1%



Inventory – Single Family

- Avg Units on Market (Month End): 27
- Inventory in Peak Month: May, 31 units
- Avg. Year-over-Year Change: -18.8%



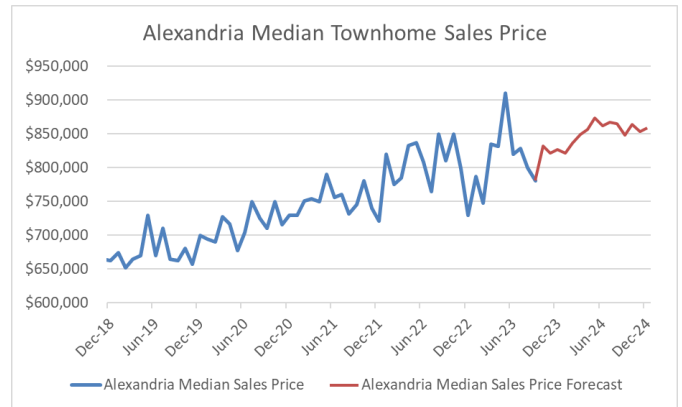
Alexandria – Townhome

2024

Key Market Statistics

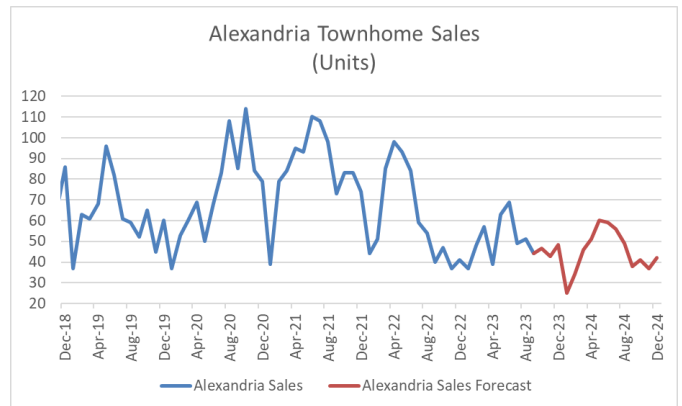
Prices – Townhome

- Housing Prices (Dec 2024): \$858,207
- Median Price in Peak Month: May, \$873,366
- Avg. Year-over-Year Change (Dec – Dec '24): +3.9%



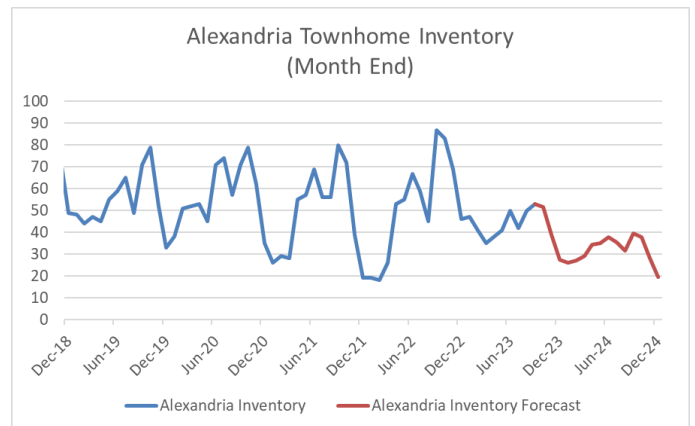
Sales – Townhome

- Unit Sales (2024): 538
- Number of Sales in Peak Month(s): May, 60 units
- Year-over-Year Change (2023-2024): -9.5%



Inventory – Townhome

- Avg Units on Market: 32
- Inventory in Peak Month: Sep, 39 units
- Avg. Year-over-Year Change: -25.9%



Alexandria – Condo 2024

Key Market Statistics

Prices – Condo

- Housing Prices (Dec 2024): \$405,097
- Median Price in Peak Month: May, \$421,745
- Avg. Year-over-Year Change (Dec – Dec '24): +3.1%



Sales – Condo

- Unit Sales (2024): 1,216
- Number of Sales in Peak Month: June, 128 units
- Year-over-Year Change: +3.1%



Inventory – Condo

- Avg Units on Market (Month End): 85
- Inventory in Peak Month: Oct, 100 units
- Avg. Year-over-Year Change: -8.7%



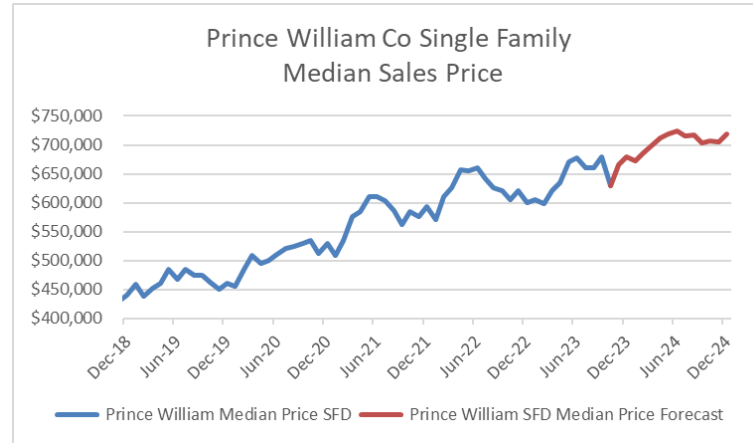
Prince William County – Single Family

2024

Key Market Statistics

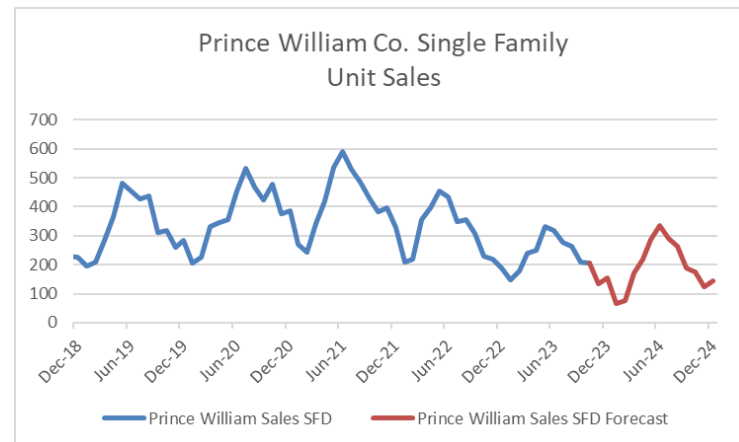
Prices – Single Family

- Housing Prices (Dec 2024): \$719,734
- Median Price in Peak Month: June, \$724,344
- Avg. Year-over-Year Change (Dec – Dec '24): +5.9%



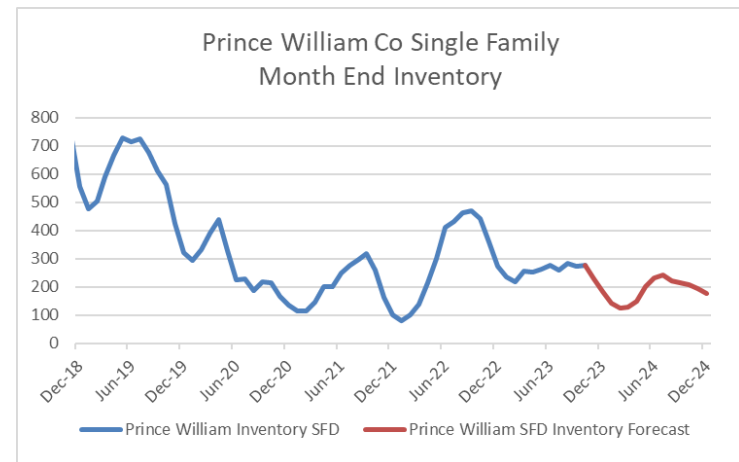
Sales – Single Family

- Unit Sales (2024 annual): 2,339
- Number of Sales in Peak Month: June, 333 units
- Year-over-Year Change (2023 – 2024): -14%



Inventory – Single Family

- Units on Market Avg (Month End): 186
- Inventory in Peak Month: July 241 units
- Avg. Year-over-Year Change: -32%

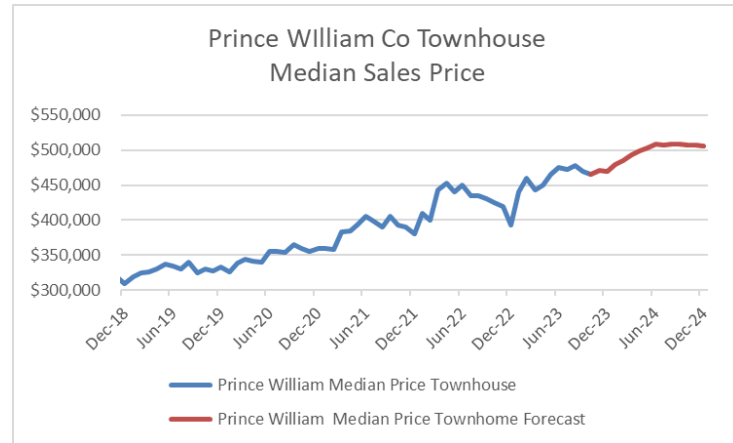


Prince William County – Townhouse 2024

Key Market Statistics

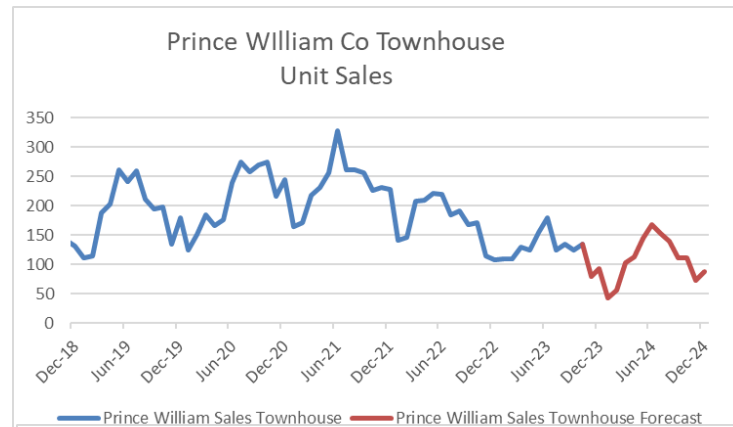
Prices – Townhouse

- Housing Prices (Dec 2024): \$505,893
- Median Price in Peak Month: June, \$508,749
- Avg. Year-over-Year Change (Dec – Dec '24): +7.9%



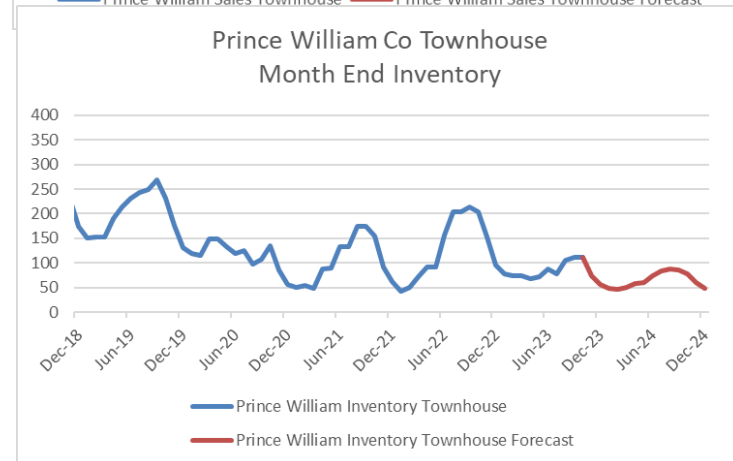
Sales – Townhouse

- Unit Sales (2024 annual): 1,307
- Number of Sales in Peak Month: June, 168 units
- Year-over-Year Change (2023 – 2024): -13%



Inventory – Townhouse

- Units on Market Avg (Month End): 65
- Inventory in Peak Month: Aug, 88 units
- Avg. Year-over-Year Change: -28%

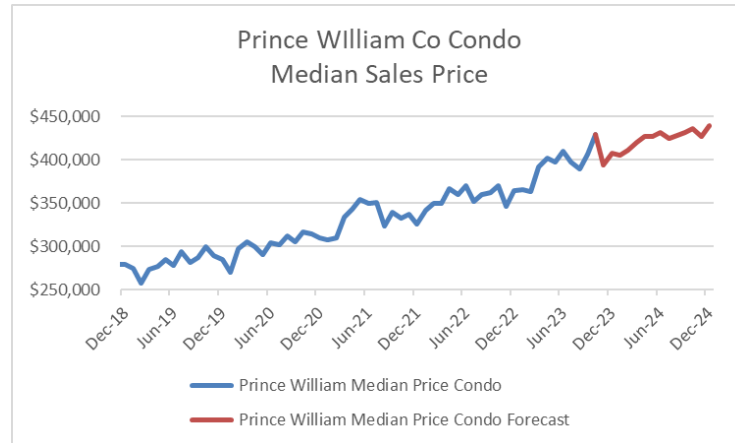


Prince William County – Condo 2024

Key Market Statistics

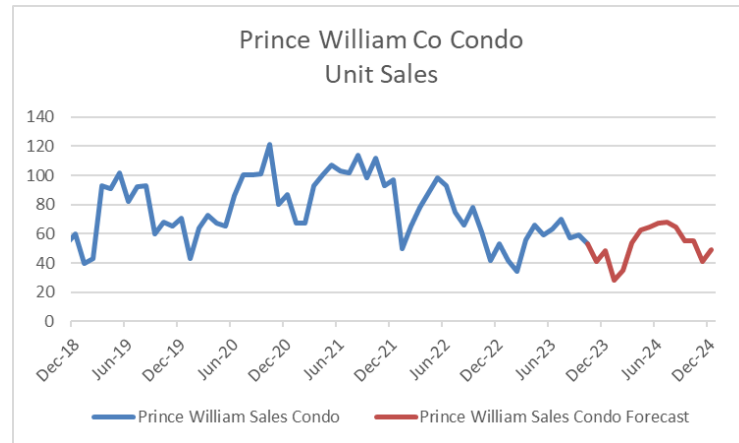
Prices – Condo

- Housing Prices (Dec 2024): \$439,305
- Median Price in Peak Month: Dec, \$439,305
- Avg. Year-over-Year Change (Dec – Dec '24): +7.9%



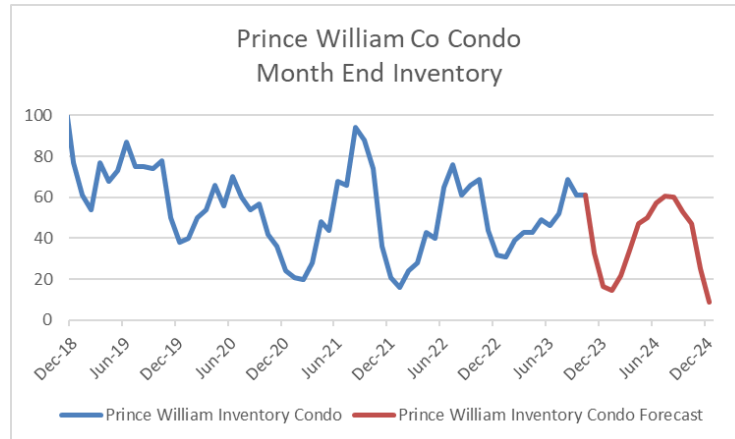
Sales – Condo

- Unit Sales (2024): 645
- Number of Sales in Peak Month: July, 68 units
- Year-over-Year Change (2023-2024): -1%



Inventory – Condo

- Avg Units on Market (Month End): 40
- Inventory in Peak Month: July, 61 units
- Avg. Year-over-Year Change: -17%

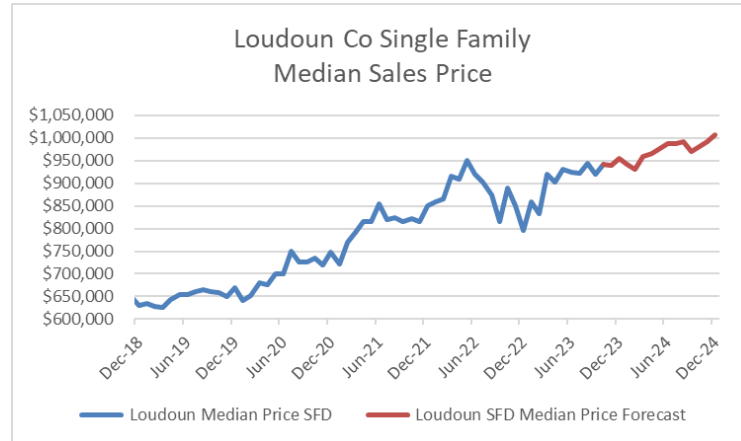


Loudoun County – Single Family 2024

Key Market Statistics

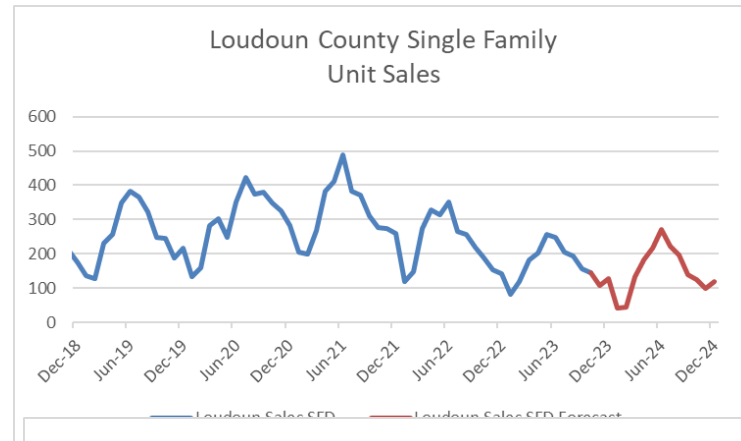
Prices – Single Family

- Housing Prices (Dec 2024): \$1,007,248
- Median Price in Peak Month: Dec, \$1,007,248
- Avg. Year-over-Year Change (Dec – Dec '24): +5.5%



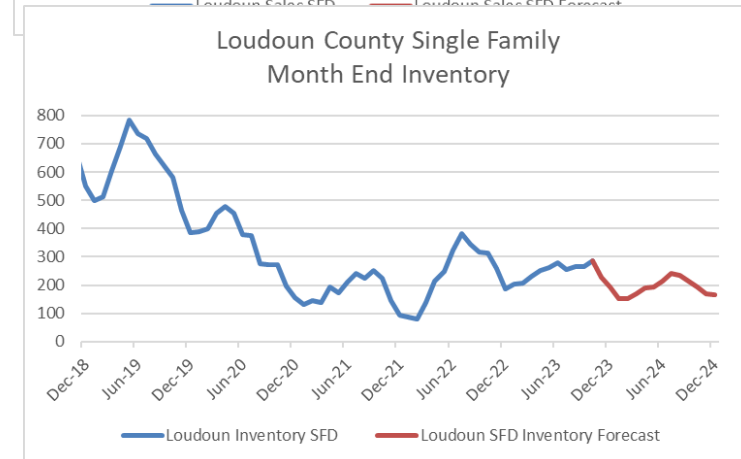
Sales – Single Family

- Unit Sales (2024 annual): 1,787
- Number of Sales in Peak Month: June, 271 units
- Year-over-Year Change (2023 – 2024): -12%



Inventory – Single Family

- Units on Market Avg (Month End): 191
- Inventory in Peak Month: July, 241 units
- Avg. Year-over-Year Change: -26%

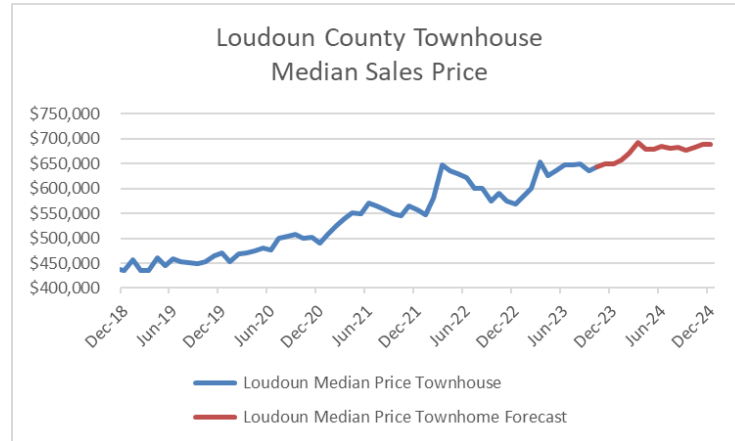


Loudoun County – Townhouse 2024

Key Market Statistics

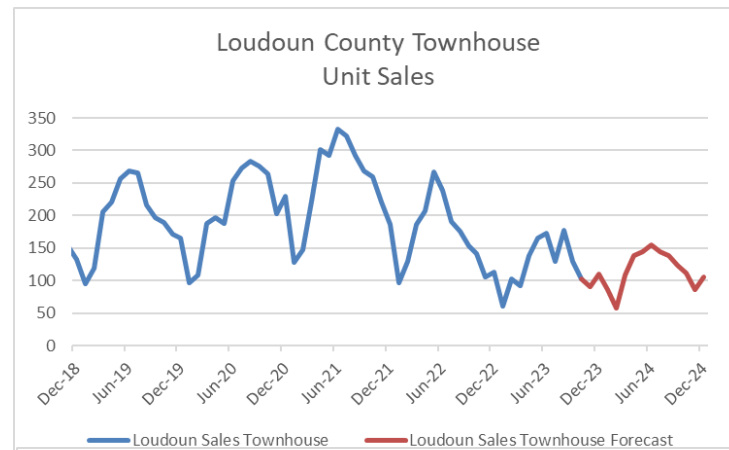
Prices – Townhouse

- Housing Prices (Dec 2024): \$689,120
- Median Price in Peak Month: Mar, \$693,844
- Avg. Year-over-Year Change (Dec – Dec '24): +6%



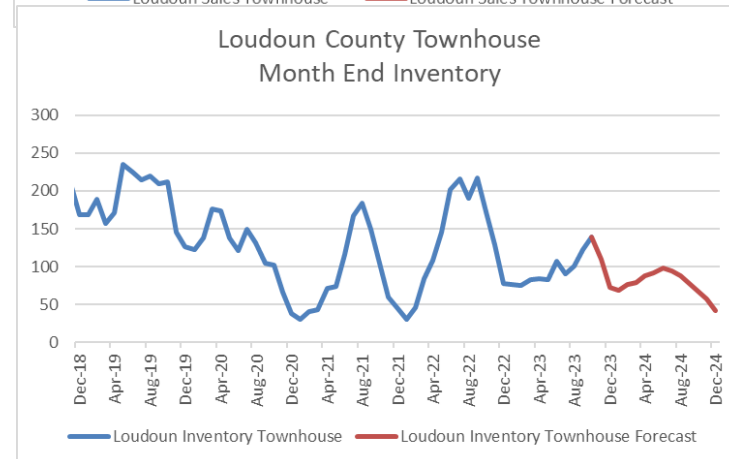
Sales – Townhouse

- Unit Sales (2024 annual): 1465
- Number of Sales in Peak Month: June, 155 units
- Year-over-Year Change (2023 – 2024): -5.0%



Inventory – Townhouse

- Units on Market Avg (Month End): 78
- Inventory in Peak Month: June, 98 units
- Avg. Year-over-Year Change: -24%

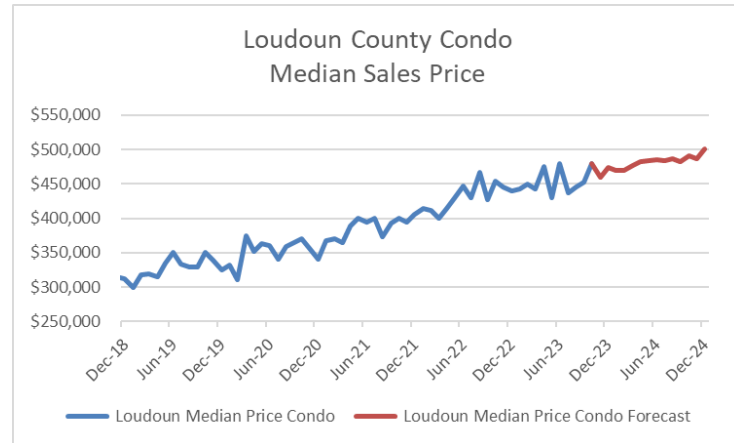


Loudoun County – Condo 2024

Key Market Statistics

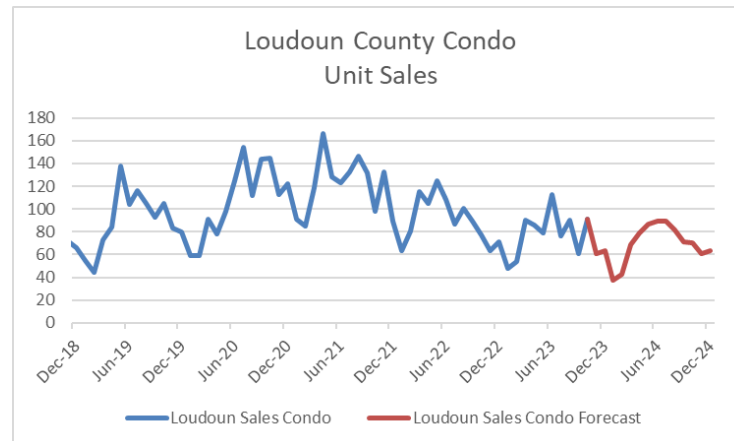
Prices – Condo

- Housing Prices (Dec 2024): \$501,096
- Median Price in Peak Month: Dec, \$501,096
- Avg. Year-over-Year Change (Dec – Dec '24): +5.8%



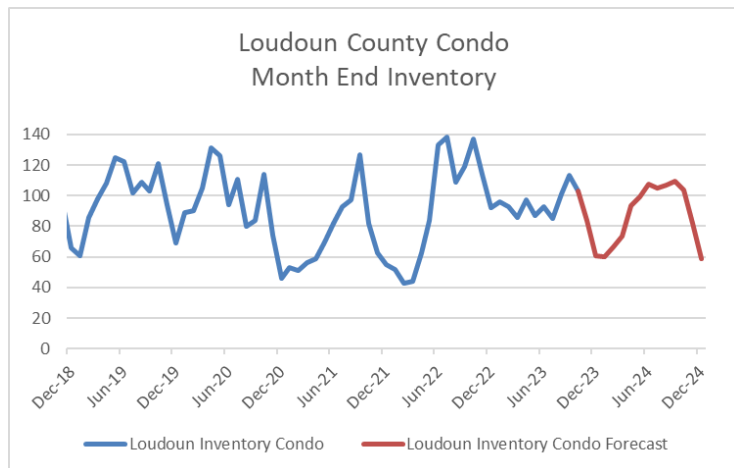
Sales – Condo

- Unit Sales (2024): 840
- Number of Sales in Peak Month: June, 89 units
- Year-over-Year Change (2023-2024): -8%



Inventory – Condo

- Avg Units on Market (Month End): 89
- Inventory in Peak Month: Sep, 109 units
- Avg. Year-over-Year Change: -10%

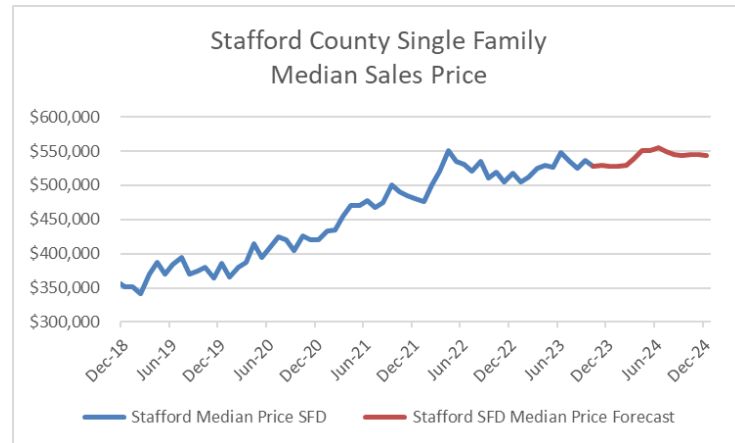


Stafford County – Single Family 2024

Key Market Statistics

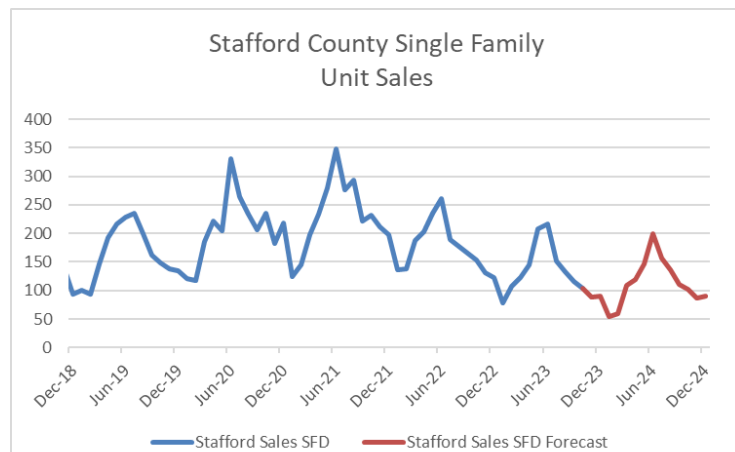
Prices – Single Family

- Housing Prices (Dec 2024): \$543,596
- Median Price in Peak Month: June, \$555,126
- Avg. Year-over-Year Change (Dec – Dec '24): +2.9%



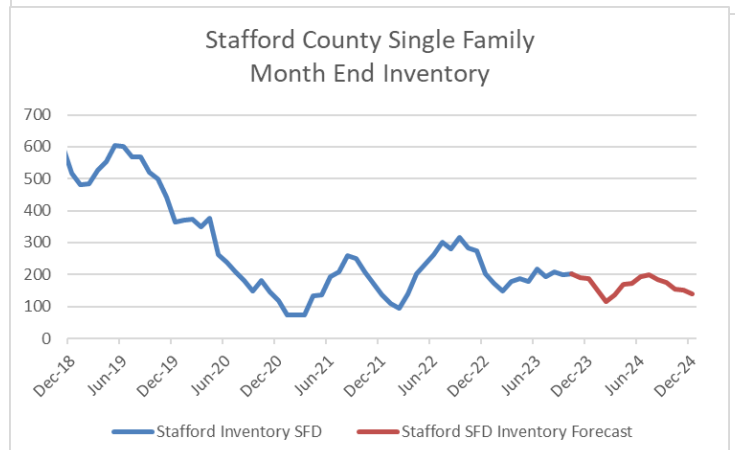
Sales – Single Family

- Unit Sales (2024 annual): 1371
- Number of Sales in Peak Month: June, 199 units
- Year-over-Year Change (2023 – 2024): -12%



Inventory – Single Family

- Units on Market Avg (Month End): 162
- Inventory in Peak Month: July, 198 units
- Avg. Year-over-Year Change: -21%

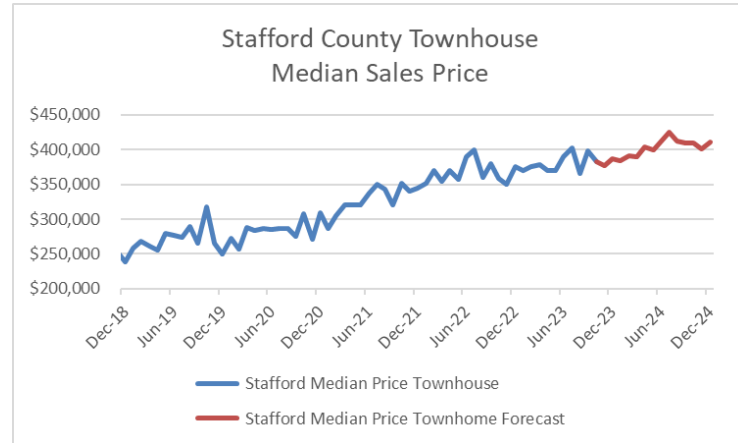


Stafford County – Townhouse 2024

Key Market Statistics

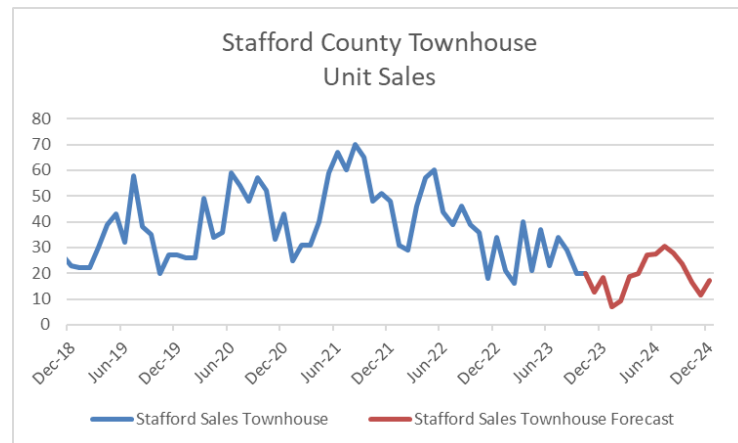
Prices – Townhouse

- Housing Prices (Dec 2024): \$410,500
- Median Price in Peak Month: July, \$425,000
- Avg. Year-over-Year Change (Dec – Dec '24): +6.1%



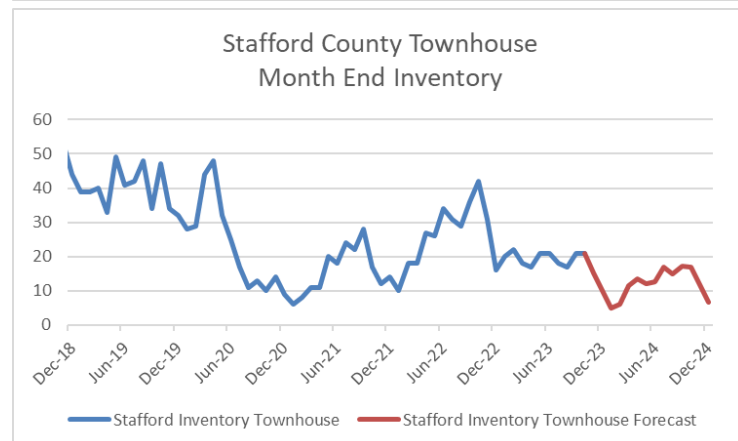
Sales – Townhouse

- Unit Sales (2024 annual): 237
- Number of Sales in Peak Month: July, 31 units
- Year-over-Year Change (2023 – 2024): -19%



Inventory – Townhouse

- Units on Market Avg (Month End): 12
- Inventory in Peak Month: July, Sep, Oct, 17 units
- Avg. Year-over-Year Change: -39%

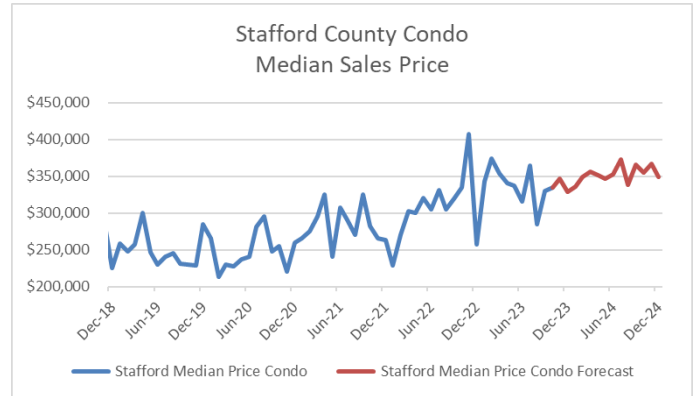


Stafford County – Condo 2024

Key Market Statistics

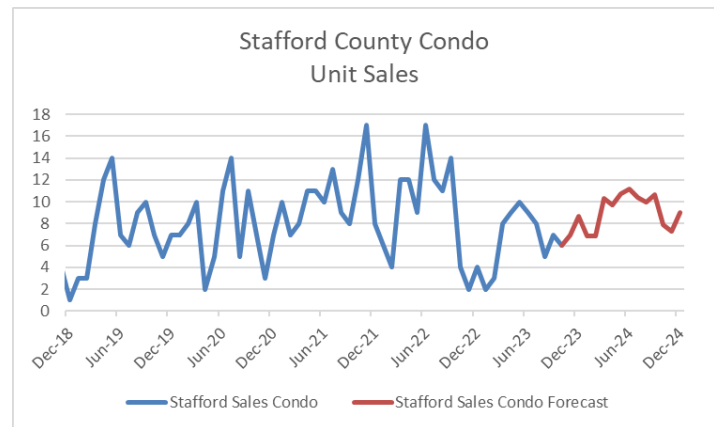
Prices – Condo

- Housing Prices (Dec 2024): \$349,076
- Median Price in Peak Month: July, \$372,834
- Avg. Year-over-Year Change (Dec – Dec '24): +6.4%



Sales – Condo

- Unit Sales (2024): 111
- Number of Sales in Peak Month: May, June, Sep, 11 units
- Year-over-Year Change (2023-2024): 34%



Inventory – Condo

- Avg Units on Market (Month End): 5
- Inventory in Peak Month: July, 8 units
- Avg. Year-over-Year Change: -31%

