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Forecasted Shifts Occur in Northern Virginia Housing Market: May Reflects Declines in Sales and Inventory, Says NVAR

Prices Hold Steady Compared to Previous Year

FAIRFAX, Va. (June 13, 2023) – Northern Virginia home sales were down 24.9% compared to May 2022, as home values remained strong but inventory lacked. Mortgage rates have receded slightly from recent spikes, and sales increased 27.3% in May compared to April 2023, showing expected strength during what is traditionally the busiest time of the year, according to the [Northern Virginia Association of Realtors®](#) (NVAR).

“The environment may be different than a year ago, but we are still selling homes,” said NVAR Board Member Colleen Wright. “The small decrease in mortgage rates has helped, but choices remain limited because many homeowners are wary of giving up the great rates they already enjoy. Buyers continue to have to act fast to get what they want.”

Homes sold quickly in May, averaging 13 days on the market—a significant decrease from April (27.8%). While this represented a 30% increase from May 2022, May 2023’s days on market figure is in line with the 5-year average of 14 days on market. The demand for homes remains strong and the current market is still favorable for sellers.

Demand and limited inventory kept prices high as the median sold price for a home in May 2023 was \$715,000, almost the same as last May (up 0.2%) but was 3.6% higher compared to April of 2023. It was a positive sign that the months’ supply of inventory for May 2023 was .98 months, up 18.5% from May 2022. It was also up compared to April 2023 when the month’s supply was .89 months of inventory.

“The trends we are finding are consistent with our recent mid-year market forecast. Prices will remain stable, with general expectations of modest rises,” explained NVAR CEO Ryan McLaughlin. “Realtors® have the best sense of our local market and are invaluable when navigating buyers and sellers through these changing market dynamics.”

NVAR recently released a mid-year update to its [NVAR Region 2023 Residential Real Estate Market Forecast](#). The forecast noted that a continued lack of housing inventory, pent-up buyers’ demand creating a sellers’ market, and positive economic conditions peppered with mounting risks may be in store for the Northern Virginia housing market for the remainder of 2023. The update was created in cooperation with the Center for Regional Analysis at George Mason University (GMU-CRA).

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 2023 regional home sales compared to May 2022 for Northern Virginia with data derived from Bright MLS as of June 9, 2023 (total sales and listings may not include garage/parking spaces):

- The number of closed sales in May 2023 was 1,821 units. This was down 24.88% compared to May 2022 but up 27.3% compared to April 2023.
- The sold volume in May 2023 was \$1,426,865,369, down 23.2% compared to May 2022 but up 26% compared to April 2023.
- The average sold price for a home in May 2023 was \$800,845, a slight increase of 0.2% from May 2022 and a slight decrease of 0.5% from April of 2023.
- The number of active listings in May 2023 was 1,428, down 19.05% from May 2022, when there were 1,764 listings.
- The total number of pending sales in May 2023 was 1,864, down 24.07% compared to May 2022.

Read more about the NVAR region housing market at [NVAR.com/public](https://www.nvar.com/public).

NVAR Charts, Graphs, Social Media for May 2023 NVAR Housing Stats

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

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

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

NVAR Mid-Year Market Forecast: [Click Here](#)

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

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