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Northern Virginia Housing Market Cools Slightly as Inventory Grows

Sales volume and prices remain steady, but longer market times and rising supply reflect a more cautious buyer landscape

FAIRFAX, Va. **(August 12, 2025)** The Northern Virginia housing market in July 2025 showed signs of moderation compared to the same period last year, according to the [Northern Virginia Association of Realtors® \(NVAR\)](#). While total sold dollar volume and median home prices saw modest increases year-over-year, growing inventory and extended days on market suggest shifting dynamics in how buyers and sellers are approaching today's real estate environment.

Total sold dollar volume reached just over \$1.41 billion in July, up 2.6% from July 2024, and the number of units sold stood at 1,612 — a 1.6% decrease from the previous year. The region's median sold price rose 3.4% year-over-year to \$760,073, reflecting steady buyer interest — but at a more measured level than what was seen during the peak pandemic-era housing market.

"We're seeing a market that is recalibrating," said NVAR CEO Ryan McLaughlin. "Buyers are still active, and the market remains strong, but at a more measured intensity than in recent years. This shift is influencing both prices and expectations for buyers and sellers alike."

The number of active listings rose sharply to 2,530 in July of this year, a 43.4% increase compared to July 2024. Months of supply also increased to 1.9, up 39.4% year-over-year, signaling a loosening of the inventory constraints that have defined much of the past few years. Meanwhile, the average days on market climbed to 20 days, a 25% increase, indicating that homes are sitting longer as buyers weigh their options.

"After several years of tight inventory and rapid sales, what we're seeing now is a more balanced environment," McLaughlin added. "Demand remains strong, and today's market rewards sellers who price strategically and stay attuned to buyer expectations."

The July data paints a picture of a market in transition. While the fundamentals remain relatively strong, with prices and overall volume holding steady, the increase in supply and shift in buyer behavior suggest a more tempered real estate climate heading into the fall.

"This shift is a sign that the market is normalizing," said NVAR President Casey Menish, Pearson Smith Realty. "Buyers are approaching their decisions more carefully, and sellers are adjusting to longer timelines and increased competition. We're moving away from extremes, and that's a healthy development for long-term market stability, she said.

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 are July 2025 regional home sales compared to July 2024 for Northern Virginia, with data derived from Bright MLS as of August 8, 2025 (total sales and listings may not include garage/parking spaces):

- The number of closed sales in July 2025 was 1,612 units. This was down 1.6% compared to July 2024.
- The volume sold in July 2025 reached \$1.41B, marking a 2.6% increase over July 2024.
- The average sold price was \$872,753, up 2.9% from July 2024.
- The number of new pending sales in July 2025 increased to 1,459 units — a 2.8% increase compared to July 2024.
- The number of active listings in July 2025 surged to 2,530 units — a 43.4% increase, the largest year-over-year jump in the dataset.
- Average days on market increased to 20 days — a 25% increase over the previous year.
- The months of supply of inventory in July 2025 was 1.9. This was up 39.4% compared to July 2024.

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

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

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

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

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

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

NVAR 2025 Mid-Year 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.

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