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NVAR Mid-Year Forecast Shows Strong Housing Market to Continue with Normal Seasonal Patterns Returning in Northern Virginia

FAIRFAX, Va. (August 18, 2022) – Despite conflicting economic signals, the ultra-hot Northern Virginia housing market is expected to cool somewhat but remain strong for the rest of the year, according to the [Northern Virginia Association of Realtors®](#) (NVAR) mid-year real estate market forecast. The report is developed in partnership with George Mason University's Center for Regional Analysis.

“Our Northern Virginia housing market will continue to be robust but not at the rapid and unsustainable levels that we've been experiencing. We expect that the number of sales will continue to soften, but it remains a complex market and working with a Realtor® will be important for buyers and sellers to adapt to the shifting market dynamics,” explained NVAR CEO Ryan McLaughlin.

According to the forecast, housing prices will continue to rise, but at a more moderate pace than the past year. Inventories are rising for some submarkets, but this is still very much a sellers' market. Unit sales will decrease compared to last year, but it will still be a good year for most realtors and brokers. It also seems that more normal seasonal patterns are starting to return, but not at the same levels as 2020/2021.

“Mixed messages about the national economy, worries about inflation, and mortgage rate expectations have made this an interesting year for predicting Northern Virginia's residential real estate market. Even though our real estate market is changing, it remains strong,” said Terry Clower, PhD, Director, George Mason University Center for Regional Analysis.

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. Here is the forecast by jurisdiction:

Fairfax County

Single family homes will see good, not overheated, price increases (about 5%). Total unit sales in 2022 will drop 15% compared to 2021, but that still means over 7,800 home sales in 2022. Inventories of single-family homes will stabilize. The expectation for December inventories will be a 19% decline, off an unusually active December 2021.

Inventory gains in townhomes will be notably higher than fall of 2021. Townhome buyers may be more sensitive to the impacts of rising mortgage rates; therefore, total units sold in 2022 will be just under 3,700, about one-third fewer sales than 2021. Condominiums will continue to see price increases, somewhat due to buyers being forced to consider this more affordable housing option. Median prices will show a 10% gain in December 2022 compared to December 2021 supported by declining inventories.

Arlington County

Arlington will see a mediation in home prices because, 1) the rate of price increases observed in 2021 were simply not sustainable, and 2) buyers are more loan-qualification constrained with higher interest rates. Inventories will drop some, down 4%, and unit sales will decline. However, Arlington's housing market remains upbeat with Amazon HQ2 hiring expected to accelerate and Boeing moving their corporate headquarters to the county.

Townhomes, prices are somewhat flattening but will still be pretty strong at year end. Sales activity will drop by about 100 units for 2022 and inventories will remain tight. Condo sales are expected to drop 10% drop for 2022 and inventories may rise slightly.

Alexandria City

Overall, inventories will continue to be tight for Alexandria single family homes and total units sold in 2022 will be about 330, a 27% decrease compared to 2021. Townhome inventories will shrink modestly, unit sales will drop about 25% by about 250 for the year, and these supply constraints will keep prices rising. Condominium inventories will remain below the levels experienced at the height of the pandemic with sales exceeding 1,400 in 2022, below last year but still very strong compared to earlier years. Prices will be 7.3% higher this December compared to last.

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

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The Northern Virginia Association of Realtors® serves as The Voice for Real Estate in Northern Virginia, enhancing the ability and opportunity of its members to conduct their business successfully, promoting professional competency, upholding the principles of fair housing for all, and preserving the right to own, transfer and use real property. With offices located in Fairfax and Herndon, NVAR has grown to more than 13,000 Realtor® and real estate service provider members who carry out a real estate industry in a community of more than 2 million residents. Visit NVAR online at www.nvar.com.

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