

Market in a Minute

A SUMMARY OF MARKET CONDITIONS FOR JANUARY 2024

CONTRACTS



Contract activity in January 2024 was **down 9.3%** from January 2023 and was down for four price categories. The average number of days on the market for homes receiving contracts was **36 days** in January 2024, down significantly from 47 days last January.

URGENCY INDEX



The Urgency Index, simply the percentage of homes going under contract that were on the market 30 days or less, was up in January compared to last January. During the past 20 years, the Index has been as high as 94.4% (April 2004) and as low as 22.9% (November 2006). In January 2024, the Urgency Index was **71.0%**, up significantly from 58.0% in January 2023. **In fact, that 71% number is the highest January Urgency Index we have seen.**

INVENTORY



The number of homes on the market at the end of January (807) was **down 22.5%** compared to the end of January 2023 and was down for five out of six price categories. The number of new listings coming on the market **decreased just 1.0%** compared to January 2023. The decrease in contract activity was offset by a bigger decrease in inventory, lowering overall supply to **0.8 months** from 0.9 months at the end of January 2023. To provide some context, during the "Great Recession" in January 2008, supply was **6.4 months**, the average days on market was **111**, and there were more than **8,000** homes on the market, **10 times as many as today.**

INTEREST RATES



30-year fixed mortgage interest rates at the end of January stood at 6.63% up slightly from 6.61% at the end of December. The good news is that the Federal Reserve has signaled they're through raising rates – probably – but that doesn't mean they're going to come down soon. Inflation remains higher than the Fed's target rate, so don't be surprised if rates stay close to where they are right now for much of this year.

AFFORDABILITY



The payment on a no-money-down, 30-year fixed mortgage for a median-priced home is **94% higher** than it was a decade ago in January 2014, and the median price is up **50%**. The payment is also **13% higher** than last January because of higher interest rates and higher prices. The mortgage payment for a median priced home (\$4,164) was much **higher** in January than the median rented price (\$2,800).

DIRECTION OF THE MARKET



The Northern Virginia real estate market is great for (most) sellers and challenging for (most) buyers. It's great for sellers because there aren't enough of them. Inventory remains very low, and it's stunning that there is less than a one-month supply of homes on the market. Despite buyer activity that continues to be sluggish because of relatively high mortgage interest rates, sellers are in the catbird's seat. The urgency index hit the highest January mark ever, and absorption rates are solidly in the "sellers' market" range for almost every price range and property type. About the only mistake sellers can make is to price their property wrong – and some clearly make that gaffe. About 40% of homes selling in January sold at or above their original list price and in an average of just 16 days. At the other end of the spectrum are those homes that are still on the market and have yet to ratify a contract – the average number of days those homes have been on the market is over 100. When buyers are chasing limited inventory, homes that aren't receiving offers simply aren't priced right. The challenges for buyers are the obvious flip side of the situation – those mortgage rates combined with higher prices make it tough going right now, and that's especially true for first-time homebuyers or those who require financing contingencies. Together, that's the majority of buyers. But those with plenty of money to put down and are able – and willing – to waive financing and home inspection contingencies have a good shot at success. Almost 25% of all sales in Northern Virginia in January were all-cash transactions. That's remarkable. Frustrated buyers should be taking a second look at homes that have been on the market for a long time because that may be where they can find some leverage.

MONTHLY SUMMARY JANUARY 2023 vs. JANUARY 2024

NORTHERN VIRGINIA	January 2023	January 2024	% Change
Number of Sales	773	766	-0.9%
Fully Available Inventory on 1/31	1,041	807	-22.5%
Number of New Listings	1,120	1,109	-1.0%
Number of New Contracts	1,139	1,033	-9.3%
Days on Market - New Contracts	47	36	-23.4%
Average Sales Price	\$719,850	\$759,721	5.5%
Average Seller Subsidy	\$3,964	\$2,928	-26.1%
Urgency Index	58.0%	71.0%	22.4%
Months' Supply	0.9	0.8	-14.5%

LOUDOUN COUNTY

Number of Sales	192	221	15.1%
Fully Available Inventory on 1/31	321	331	3.1%
Number of New Listings	356	369	3.7%
Number of New Contracts	310	298	-3.9%
Days on Market - New Contracts	42	36	-14.3%
Average Sales Price	\$721,766	\$757,908	5.0%
Average Seller Subsidy	\$4,565	\$3,629	-20.5%
Urgency Index	60.3%	71.5%	18.6%
Months' Supply	1.0	1.1	7.3%

WASHINGTON, DC

Number of Sales	348	344	-1.1%
Fully Available Inventory on 1/31	1,480	1,584	7.0%
Number of New Listings	921	894	-2.9%
Number of New Contracts	572	475	-17.0%
Days on Market - New Contracts	72	62	-13.9%
Average Sales Price	\$799,719	\$833,798	4.3%
Average Seller Subsidy	\$3,858	\$3,498	-9.3%
Urgency Index	40.6%	46.9%	15.5%
Months' Supply	2.6	3.3	28.9%

MONTGOMERY COUNTY

Number of Sales	455	452	-0.7%
Fully Available Inventory on 1/31	608	543	-10.7%
Number of New Listings	629	601	-4.5%
Number of New Contracts	677	552	-18.5%
Days on Market - New Contracts	47	37	-21.3%
Average Sales Price	\$647,848	\$704,095	8.7%
Average Seller Subsidy	\$3,686	\$2,829	-23.3%
Urgency Index	58.1%	67.9%	16.9%
Months' Supply	0.9	1.0	9.5%

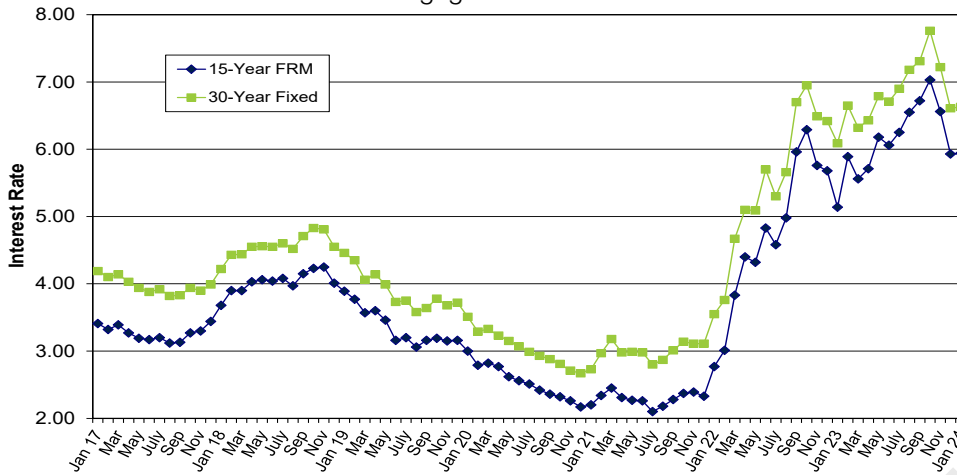
PRINCE GEORGE'S COUNTY

Number of Sales	498	507	1.8%
Fully Available Inventory on 1/31	925	853	-7.8%
Number of New Listings	778	799	2.7%
Number of New Contracts	765	748	-2.2%
Days on Market - New Contracts	50	45	-10.0%
Average Sales Price	\$408,083	\$420,445	3.0%
Average Seller Subsidy	\$6,988	\$6,794	-2.8%
Urgency Index	47.7%	55.7%	16.8%
Months' Supply	1.2	1.1	-5.7%

* Note: Percentages depicted in red indicate a negative market trend; black indicates a positive market trend

30-YEAR FIXED AND 15-YEAR FIXED RATES

Month-End Mortgage Rates – 2017-Current

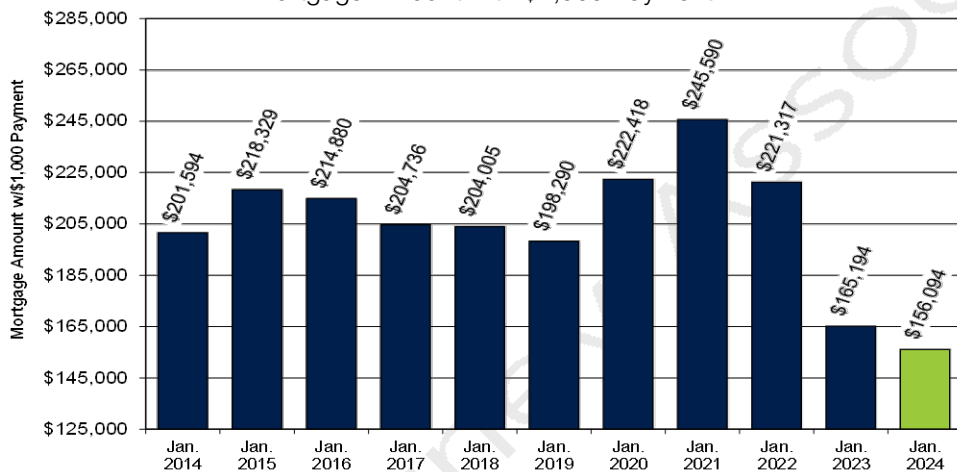


MORTGAGE RATES

- 30-year fixed interest rates at the end of January averaged **6.63%**, compared to 6.09% at the end of January 2023.
- 15-year fixed-rate mortgages were 5.94% at the end of January 2024, which is up from 5.14% at the end of January 2023.

BUYING POWER

Mortgage Amount with \$1,000 Payment

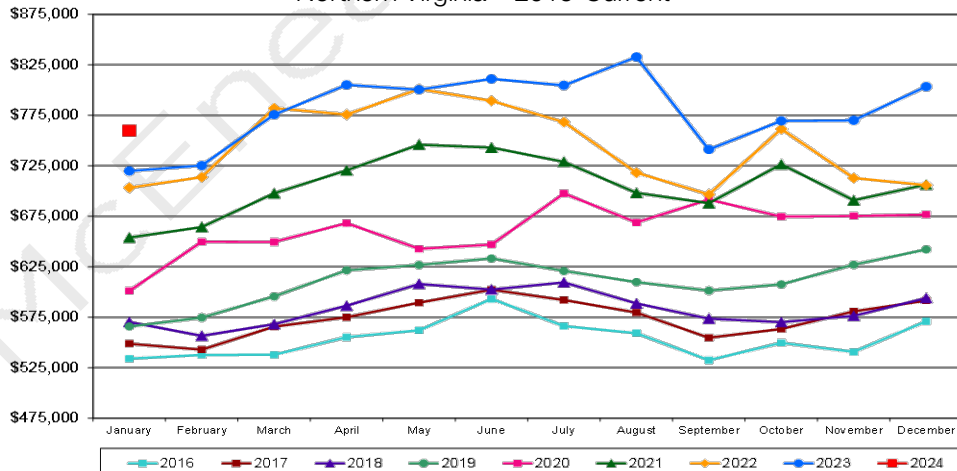


BUYING POWER

- A \$1,000 principal and interest payment supported a loan of \$156,094 at the end of January, which is **\$9,100 less** than a year ago in January 2023.

AVERAGE SALES PRICE

Northern Virginia – 2016-Current

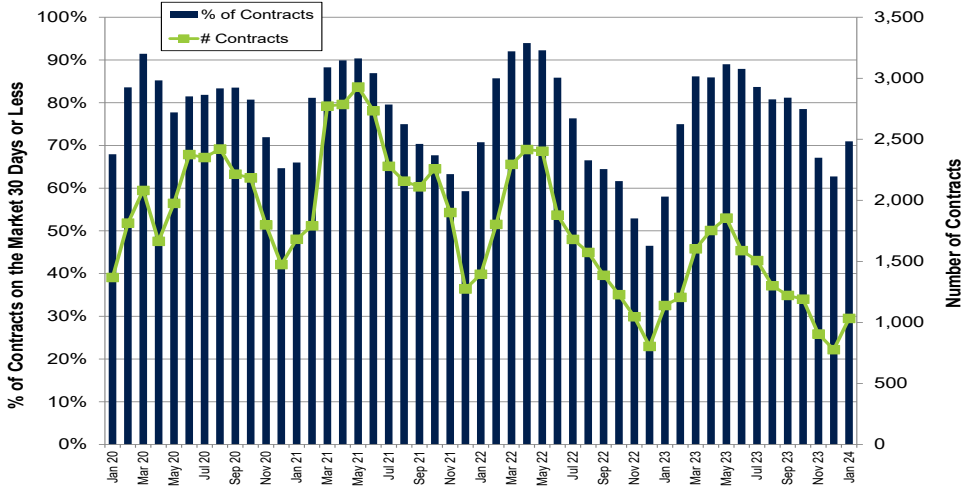


AVERAGE PRICES

- The average sales price in January 2024 was **\$759,721**, up 5.5% from the January 2023 average price of \$719,850.
- The median sales price was **\$650,000** in January 2024, up from \$610,000 in January 2023.
- Remember that these indicators are arithmetic computations only, and don't apply to individual properties.

URGENCY INDEX

% of Contracts on the Market for 30 Days or Less
Northern Virginia – 2020-Current

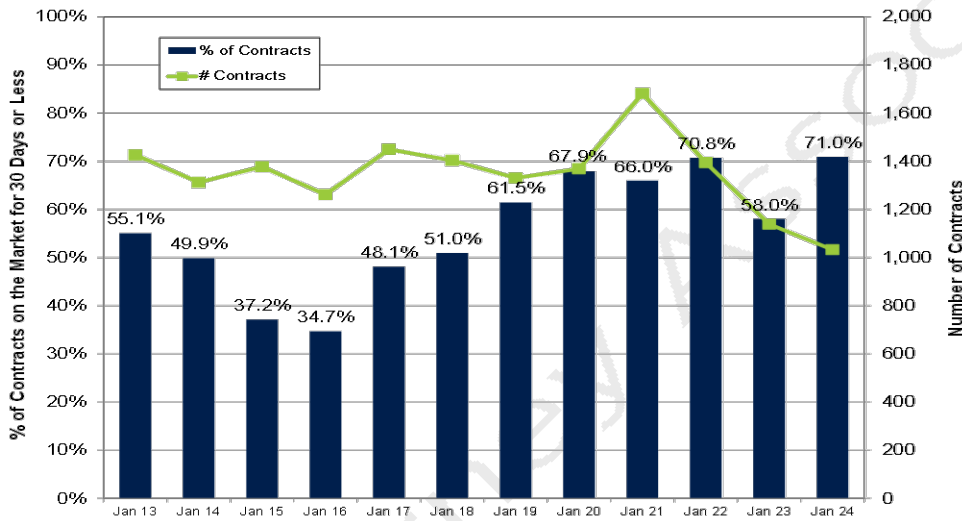


URGENCY INDEX – 2020-Current

- This chart compares the number of contracts (green line) to the percent that were on the market 30 days or less (blue bars). At first glance, it might appear that the lower contract activity also means a lower percentage of homes that sell quickly – but that's not always true.

URGENCY INDEX

Northern Virginia – January 2013-2024

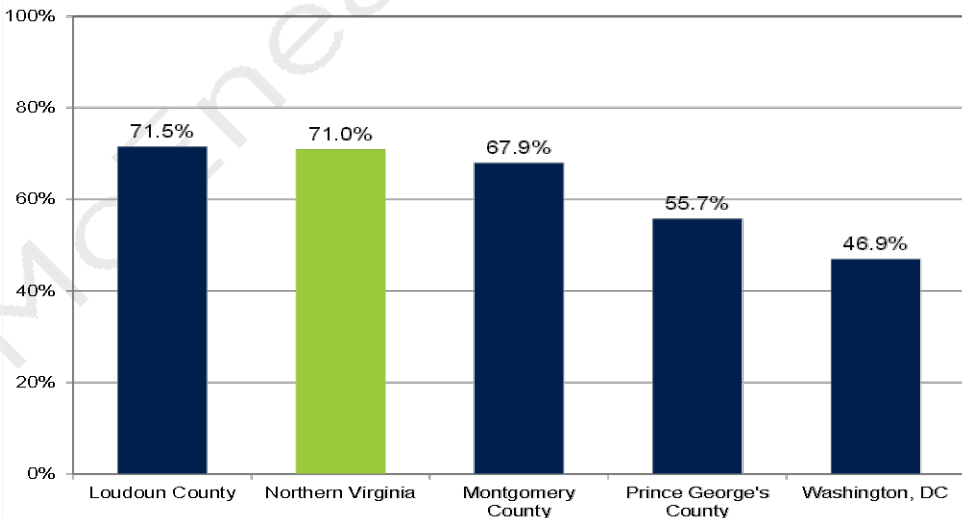


URGENCY INDEX – January

- During the past 12 years, the January Urgency Index has been as high as 71.0% and as low as 34.7%. And we are at that high point now.
- The average January Urgency Index in Northern Virginia during the past 12 years is 55.9% – which is significantly lower than where we are today.
- Contract activity is **down 9.3%** from last January – but the Urgency Index **increased significantly** from 58.0% to 71.0% as buyers chase the limited inventory of homes on the market.

URGENCY INDEX

DC Metro Area by Jurisdiction Comparison – January 2024

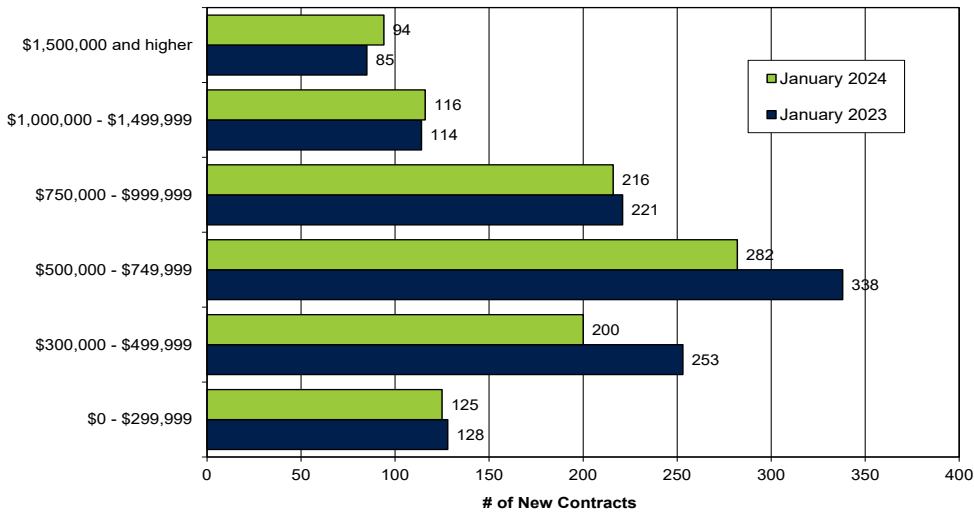


URGENCY INDEX – DC Metro Area

- The average January Urgency Index during the past 12 years for all five of the jurisdictions we track is 54.8% – lower than where we are today, which is 63.1% for all five jurisdictions.
- Of the five jurisdictions, Northern Virginia has the second highest urgency index this month, but it's just 0.5% lower than Loudoun County.

NEW CONTRACT ACTIVITY

Northern Virginia – January 2023 vs. January 2024 by Price Range

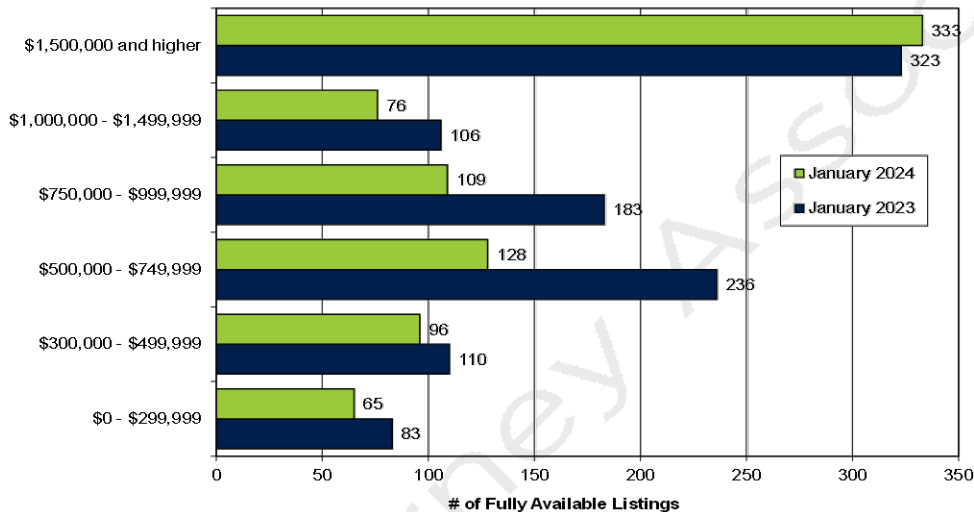


NEW CONTRACT ACTIVITY

- The number of new contracts ratified in January 2024 was **down 9.3%** from the number of contracts ratified in January 2023 and was down for four price categories.
- 15.0%** of all homes going under contract in January 2024 had at least one price reduction before going under contract. Last January it was 26.5%.

FULLY AVAILABLE LISTINGS

Northern Virginia – January 31, 2023 vs. January 31, 2024

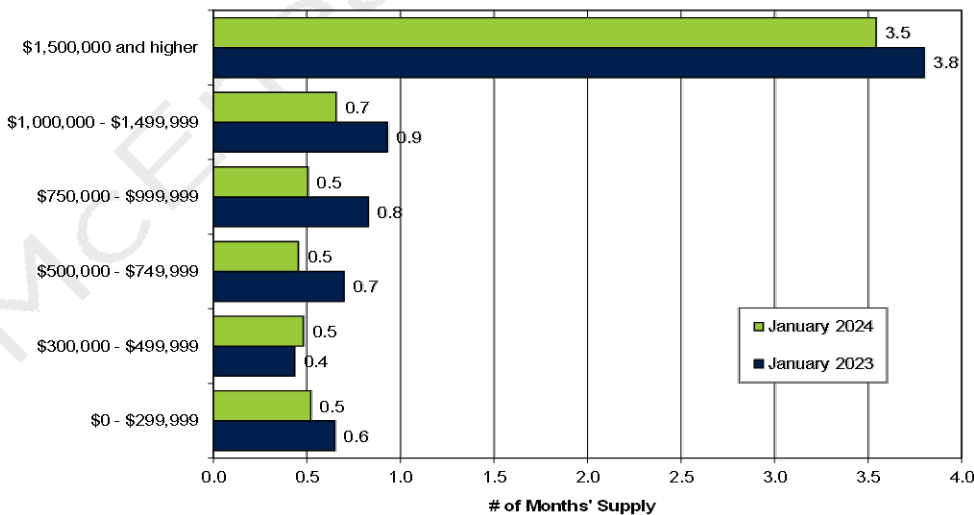


FULLY AVAILABLE LISTINGS

- As noted on page 2, the month-end inventory **decreased 22.5%** for January 2024 compared to January 2023 – and the number of homes coming on the market **decreased 1.0%**.
- Inventory is down for five price categories.
- 25.3%** of all homes on the market have had at least one price reduction since coming on the market. Last January 29.9% of all homes on the market had at least one price reduction.

MONTHS' SUPPLY

Northern Virginia – End of January 2023 vs. End of January 2024

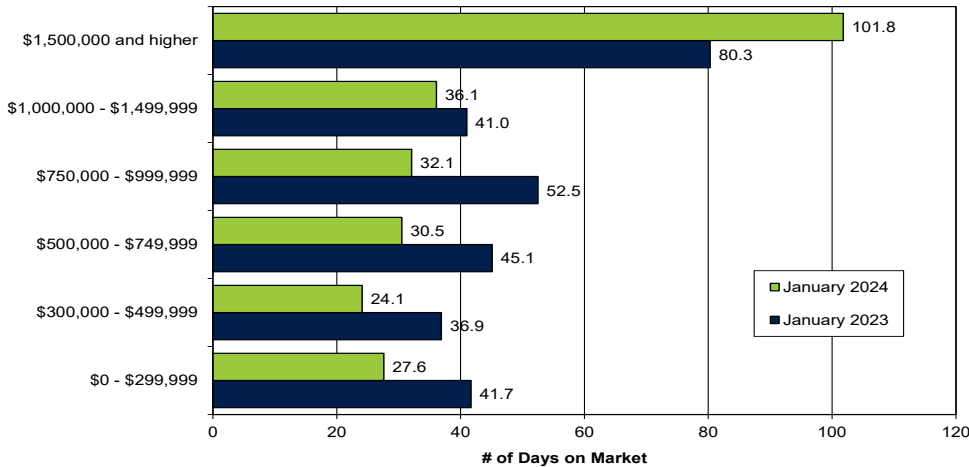


MONTHS' SUPPLY

- The overall supply of homes on the market at the end of January was **0.8 months**, down from 0.9 months at the end of January 2023.
- Supply was lower for five price categories.
- Price category supply ranges from a low of 0.5 months for homes priced less than \$1 million, and a high of 3.5 months for homes priced \$1,500,000 and higher.

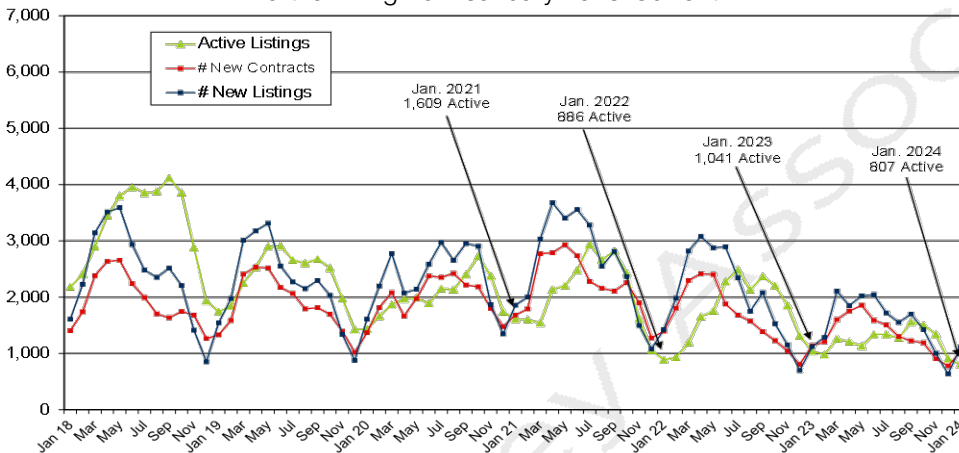
AVERAGE NUMBER OF DAYS ON MARKET

Northern Virginia – January 2023 vs. January 2024 – New Contracts



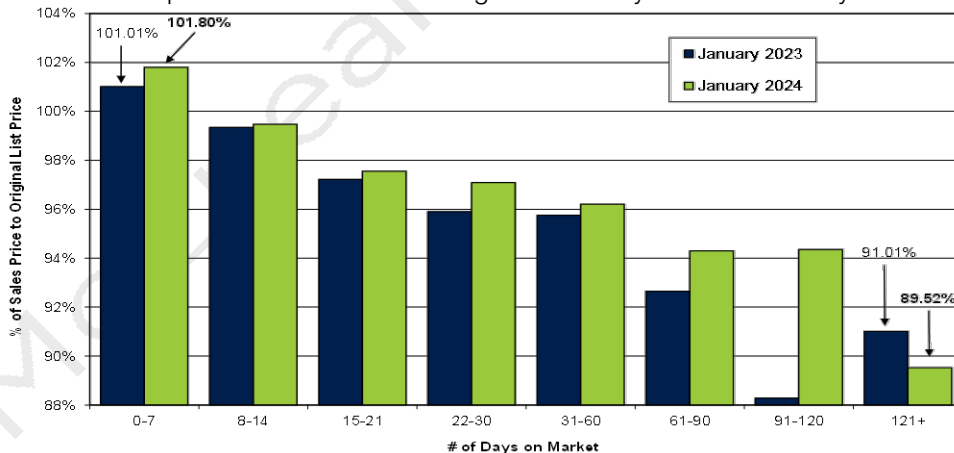
NUMBER OF NEW LISTINGS AND CONTRACTS; ACTIVE LISTINGS

Northern Virginia – January 2018-Current



RELATIONSHIP OF SALES PRICE TO ORIGINAL LIST PRICE vs. DAYS ON MARKET

Resale Properties Sold in Northern Virginia – January 2023 vs. January 2024



AVERAGE NUMBER OF DAYS ON THE MARKET – NEW CONTRACTS

- The average number of days on the market for homes receiving contracts in January was down for five price categories.
- Overall, the average number of days on the market for homes receiving contracts in January 2024 was **36 days**, down **23.4%** from 47 days in January 2023.

NUMBER OF NEW LISTINGS, CONTRACTS AND ACTIVE LISTINGS

- There were 1,109 new listings that came on the market in January 2024, **down 1.0%** from the 1,120 in January 2023.
- The lines representing active listings (green), new listings (blue) and new contracts (red) narrowed since the beginning of the COVID rebound more than three years ago.

RELATIONSHIP OF SALES PRICE TO ORIGINAL PRICE vs. DAYS ON MARKET

- As we have noted in this space for **years**, initial pricing strategy is critical to sellers' success.
- Homes settling in January 2024 that received contracts their first week on the market sold, on average, **1.80% above original list price**. Those that took 4 months or longer to sell sold for **10.48% below original list price**.

SOME DEFINITIONS AND EXPLANATIONS TO AID YOUR UNDERSTANDING OF THE DATA

- All data describing "Northern Virginia" include the counties of Arlington and Fairfax, the cities of Alexandria, Fairfax and Falls Church, and the towns of Vienna, Herndon & Clifton.
- The data shown here are collected, in whole or in part, from Bright MLS and are believed to be reliable but are not guaranteed.
- "Sales" are transactions that settled during the statistical period; "Under Contracts" are contracts negotiated during the statistical period, but not yet settled.
- "Available Listings" reflects single-family homes, town homes, new homes and condos on the market at the end of the period in question.
- "Months' Supply" is simply the number of "Fully Available Listings" on the market at the end of the month divided by the number of "Contracts" ratified that month.

Analysis by Property Type – Condo/Co-op

LISTINGS

Condo/Co-op	New This Month			Total Active		
Listings	2023	2024	% Change	2023	2024	% Change
\$299,999 and under	98	107	9.2%	83	65	-21.7%
\$300,000 - \$499,999	149	165	10.7%	94	89	-5.3%
\$500,000 - \$749,999	57	103	80.7%	74	75	1.4%
\$750,000 - \$999,999	25	23	-8.0%	35	29	-17.1%
\$1,000,000 - \$1,499,999	9	15	66.7%	25	11	-56.0%
\$1,500,000 & higher	16	7	-56.3%	27	16	-40.7%
Grand Total:	354	420	18.6%	338	285	-15.7%

CONDO/CO-OP – LISTINGS

- The number of **new** listings for condos and co-ops coming on the market was **up 18.6%** compared to January 2023.
- The fully available inventory of condos as of January 31, 2024 was **15.7% less** than the same time in 2023.

CONTRACTS

Condo/Co-op	New This Month			Year-To-Date		
Contracts	2023	2024	% Change	2023	2024	% Change
\$299,999 and under	128	125	-2.3%	128	125	-2.3%
\$300,000 - \$499,999	173	165	-4.6%	173	165	-4.6%
\$500,000 - \$749,999	44	85	93.2%	44	85	93.2%
\$750,000 - \$999,999	16	13	-18.8%	16	13	-18.8%
\$1,000,000 - \$1,499,999	4	9	125.0%	4	9	125.0%
\$1,500,000 & higher	5	6	20.0%	5	6	20.0%
Grand Total:	370	403	8.9%	370	403	8.9%

CONDO/CO-OP – CONTRACTS

- The number of condos and co-ops receiving ratified contracts **increased 8.9%** in January 2024 compared to January 2023.

SETTLEMENTS

Condo/Co-op	New This Month			Year-To-Date		
Settlements	2023	2024	% Change	2023	2024	% Change
\$299,999 and under	83	98	18.1%	83	98	18.1%
\$300,000 - \$499,999	123	129	4.9%	123	129	4.9%
\$500,000 - \$749,999	36	47	30.6%	36	47	30.6%
\$750,000 - \$999,999	9	13	44.4%	9	13	44.4%
\$1,000,000 - \$1,499,999	7	6	-14.3%	7	6	-14.3%
\$1,500,000 & higher	1	1	0.0%	1	1	0.0%
Grand Total:	259	294	13.5%	259	294	13.5%

CONDO/CO-OP – SETTLEMENTS AND AVERAGE PRICE

- The number of condos and co-ops settling in January 2024 **increased 13.5%** compared to January 2023.
- The average price was **up just 0.4%** compared to January 2023.

Average Sales Price:	Jan 2023	Jan 2024	% Change	YTD 2023	YTD 2024	% Change
Condo/Co-op	\$408,919	\$410,668	0.4%	\$408,919	\$410,668	0.4%

Analysis by Property Type – Fee Simple Attached

LISTINGS

Fee Simple Attached	New This Month			Total Active		
Listings	2023	2024	% Change	2023	2024	% Change
\$299,999 and under	0	0	-	0	0	-
\$300,000 - \$499,999	56	29	-48.2%	15	6	-60.0%
\$500,000 - \$749,999	129	116	-10.1%	83	29	-65.1%
\$750,000 - \$999,999	61	62	1.6%	54	35	-35.2%
\$1,000,000 - \$1,499,999	20	18	-10.0%	16	11	-31.3%
\$1,500,000 & higher	8	8	0.0%	8	7	-12.5%
Grand Total:	274	233	-15.0%	176	88	-50.0%

ATTACHED HOMES – LISTINGS

- The number of new listings coming on the market in January 2024 for fee simple attached homes **decreased 15.0%** from January 2023.
- Fully active inventory at the end of January was **down 50.0%** compared to the available inventory at the end of January 2023.

CONTRACTS

Fee Simple Attached	New This Month			Year-To-Date		
Contracts	2023	2024	% Change	2023	2024	% Change
\$299,999 and under	0	0	-	0	0	-
\$300,000 - \$499,999	70	30	-57.1%	70	30	-57.1%
\$500,000 - \$749,999	145	122	-15.9%	145	122	-15.9%
\$750,000 - \$999,999	58	68	17.2%	58	68	17.2%
\$1,000,000 - \$1,499,999	14	16	14.3%	14	16	14.3%
\$1,500,000 & higher	6	5	-16.7%	6	5	-16.7%
Grand Total:	293	241	-17.7%	293	241	-17.7%

ATTACHED HOMES – CONTRACTS

- Contract activity for attached homes **decreased 17.7%** in January 2024 compared to January 2023.

SETTLEMENTS

Fee Simple Attached	New This Month			Year-To-Date		
Settlements	2023	2024	% Change	2023	2024	% Change
\$299,999 and under	0	1	-	0	1	-
\$300,000 - \$499,999	55	24	-56.4%	55	24	-56.4%
\$500,000 - \$749,999	92	94	2.2%	92	94	2.2%
\$750,000 - \$999,999	50	50	0.0%	50	50	0.0%
\$1,000,000 - \$1,499,999	5	10	100.0%	5	10	100.0%
\$1,500,000 & higher	3	3	0.0%	3	3	0.0%
Grand Total:	205	182	-11.2%	205	182	-11.2%

ATTACHED HOMES – SETTLEMENTS AND AVERAGE PRICE

- The number of settlements **decreased 11.2%** in January 2024 compared to January 2023.
- The average sales price **increased 8.4%** in January 2024 compared to January 2023.

Average Sales Price:	Jan 2023	Jan 2024	% Change	YTD 2023	YTD 2024	% Change
Fee Simple Attached	\$654,098	\$708,722	8.4%	\$654,098	\$708,722	8.4%

Analysis by Property Type – Fee Simple Detached

LISTINGS

Fee Simple Detached	New This Month			Total Active		
Listings	2023	2024	% Change	2023	2024	% Change
\$299,999 and under	0	0	-	0	0	-
\$300,000 - \$499,999	10	4	-60.0%	1	1	0.0%
\$500,000 - \$749,999	120	72	-40.0%	79	24	-69.6%
\$750,000 - \$999,999	129	144	11.6%	94	45	-52.1%
\$1,000,000 - \$1,499,999	99	100	1.0%	65	54	-16.9%
\$1,500,000 & higher	134	136	1.5%	288	310	7.6%
Grand Total:	492	456	-7.3%	527	434	-17.6%

DETACHED HOMES – LISTINGS

- The number of new listings for fee simple detached homes **decreased 7.3%** in January 2024 compared to January 2023.
- There is no inventory for would-be purchasers looking to buy for less than \$300,000.
- The number of detached homes on the market on January 31, 2024 was **down 17.6%** compared to January 31, 2023.

CONTRACTS

Fee Simple Detached	New This Month			Year-To-Date		
Contracts	2023	2024	% Change	2023	2024	% Change
\$299,999 and under	0	0	-	0	0	-
\$300,000 - \$499,999	10	5	-50.0%	10	5	-50.0%
\$500,000 - \$749,999	149	75	-49.7%	149	75	-49.7%
\$750,000 - \$999,999	147	135	-8.2%	147	135	-8.2%
\$1,000,000 - \$1,499,999	96	91	-5.2%	96	91	-5.2%
\$1,500,000 & higher	74	83	12.2%	74	83	12.2%
Grand Total:	476	389	-18.3%	476	389	-18.3%

DETACHED HOMES – CONTRACTS

- There was a **decrease of 18.3%** in the number of contracts on detached homes in January 2024 compared to January 2023.

SETTLEMENTS

Fee Simple Detached	New This Month			Year-To-Date		
Settlements	2023	2024	% Change	2023	2024	% Change
\$299,999 and under	0	0	-	0	0	-
\$300,000 - \$499,999	10	2	-80.0%	10	2	-80.0%
\$500,000 - \$749,999	110	75	-31.8%	110	75	-31.8%
\$750,000 - \$999,999	88	90	2.3%	88	90	2.3%
\$1,000,000 - \$1,499,999	63	73	15.9%	63	73	15.9%
\$1,500,000 & higher	38	50	31.6%	38	50	31.6%
Grand Total:	309	290	-6.1%	309	290	-6.1%

DETACHED HOMES – SETTLEMENTS AND AVERAGE PRICE

- The number of settlements in January 2024 was **down 6.1%** compared to last January.
- The average sales price for detached homes **increased 11.9%** in January 2024 compared to January 2023.

Average Sales Price:	Jan 2023	Jan 2024	% Change	YTD 2023	YTD 2024	% Change
Fee Simple Detached	\$1,024,090	\$1,145,594	11.9%	\$1,024,090	\$1,145,594	11.9%

Absorption Rate by Property Type

The following tables track absorption rate by property type, comparing the rates in the just-completed month to the rates in the same month of the previous year. The absorption rate is a measure of the health of the market and tracks the percentage of homes that were on the market during the given month and in the given price range that went under contract. [The formula is # Contracts/(# Contracts + # Available).] An example: The absorption rate for detached homes priced \$500,000-\$749,999 in January 2024 was 75.8%. That compares to a rate of 65.4% in January 2023, and the increase means the market was better in 2024 for that type of home. If the absorption rate was less in 2024 than in 2023, we have put the 2024 rate in red. This month there was improvement for thirteen of eighteen price categories.

Condo/Co-op	January 2023			January 2024		
Absorption Rates	Listings	Contracts	Rate	Listings	Contracts	Rate
\$299,999 and under	83	128	60.7%	65	125	65.8%
\$300,000 - \$499,999	94	173	64.8%	89	165	65.0%
\$500,000 - \$749,999	74	44	37.3%	75	85	53.1%
\$750,000 - \$999,999	35	16	31.4%	29	13	31.0%
\$1,000,000 - \$1,499,999	25	4	13.8%	11	9	45.0%
\$1,500,000 & higher	27	5	15.6%	16	6	27.3%
Grand Total:	338	370	52.3%	285	403	58.6%

ABSORPTION RATES – CONDOS AND CO-OPS

- The overall absorption rate for condos and co-ops for January 2024 was 58.6%, an increase from the 52.3% rate in January 2023.

Fee Simple Attached	January 2023			January 2024		
Absorption Rates	Listings	Contracts	Rate	Listings	Contracts	Rate
\$299,999 and under	0	0	-	0	0	-
\$300,000 - \$499,999	15	70	82.4%	6	30	83.3%
\$500,000 - \$749,999	83	145	63.6%	29	122	80.8%
\$750,000 - \$999,999	54	58	51.8%	35	68	66.0%
\$1,000,000 - \$1,499,999	16	14	46.7%	11	16	59.3%
\$1,500,000 & higher	8	6	42.9%	7	5	41.7%
Grand Total:	176	293	62.5%	88	241	73.3%

ABSORPTION RATES – ATTACHED HOMES

- The overall absorption rate for attached homes in January 2024 was 73.3%, a significant increase from the 62.5% rate in January 2023.

Fee Simple Detached	January 2023			January 2024		
Absorption Rates	Listings	Contracts	Rate	Listings	Contracts	Rate
\$299,999 and under	0	0	-	0	0	-
\$300,000 - \$499,999	1	10	90.9%	1	5	83.3%
\$500,000 - \$749,999	79	149	65.4%	24	75	75.8%
\$750,000 - \$999,999	94	147	61.0%	45	135	75.0%
\$1,000,000 - \$1,499,999	65	96	59.6%	54	91	62.8%
\$1,500,000 & higher	288	74	20.4%	310	83	21.1%
Grand Total:	527	476	47.5%	434	389	47.3%

ABSORPTION RATES – DETACHED HOMES

- January 2024's absorption rate for detached homes was 47.3%, a slight decrease from the 47.5% rate in January 2023.
- There were no homes priced less than \$300K on the market at the end of the month.