




## Loudoun County Housing Market Analysis

As of June 30, 2010

Prepared by Rosemary deButts   
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## Median Homes Price March Upward

**June 2010**  
**For immediate release**

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Despite fears of a second existing home market crash following the expiration on April 30th of the First Time Home Buyer's credit, Loudoun real estate continues to make slow and steady progress. The biggest news in June was the seven percent increase in the median sales price to \$390,000, the highest monthly median since December 2007. Average close prices for detached units exceeded \$530,000 for the first time since October 2008. Townhouses also posted an average above \$315,000 for the first time since June 2008.

The percentage of total sales that were distressed (short sales or foreclosures) is another factor affecting prices. For the second consecutive month, the percentage of distressed sales was below the corresponding figure last year. The share of distressed sales increased slightly compared to May but at 31.5 percent, it remains well below the 43.5 percent at the same time last year. A shrinking share of distressed sales has a positive effect on prices.

In a comparison of the share of total sales by price range in 2010 to 2009, there is a smaller percentage of sales with prices below \$300,000 this year. However, there is a larger percentage of sales this year than last among units priced \$300,000-\$899,999. The increase compared to 2009 in price ranges over \$400,000 was a new phenomenon in June.

Total sales increased six percent in June compared to revised May results but the 2010 monthly average lags the 2009 average by about 10 percent. A lack of inventory continues to plague the Loudoun market which affects both sales and prices, but in different ways. The 2010 monthly average of active listings is running roughly 50 percent below the 2009 level. This explains why sales are somewhat behind 2009. However, prices continue to increase - probably due, at least in part, to supply constraints.

Another indicator affected by low inventory levels is the month's supply of inventory. It fell to 3.2 months in June, the lowest level in over four years. Three areas in the county continue to be severely undersupplied; Ashburn, Chantilly and Sterling had supply figures below three months in June. The days on market indicator is showing remarkable stability with the third consecutive month with an average of roughly 44 days. The average reached a high in January 2007 of 135 days and its lowest point (since 2006) occurred in April 2010 (43 days).

The close price to original list price ratio increased in June to 96.3 percent. This is an indicator of a combination of two things, the willingness of sellers to negotiate price and the accuracy with which sellers price their homes to match prevailing market trends. The ratio has exceeded 95 percent for ten of the last twelve months.

Loudoun's housing market is healthy and every month continues to improve. The biggest obstacle at this point is a reluctance among sellers to enter the market. The strong increase in median prices over recent months will surely change these dynamics, but it may take time. ###

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## Loudoun County Housing Market Analysis

### Notes concerning the data in this analysis

1. The data used in this report is collected from MRIS, a dynamic database of real estate activity. This report reflects MRIS data at one time, it is a "snapshot" of activity for the previous month that can and regularly does change as REALTORS enter listings, sales and contract information on an ongoing basis. Preliminary sales results are collected on the eight of the month for the previous month and revised with final results thirty days later.
2. Zip codes are combined in some cases to conserve space. Zip code 20184 (Upperville) is included in 20117 (Middleburg); 20134 and 20160 (Lincoln) are included in 20132 (Purcellville); 20135 (Bluemont) is included in 20141 (Round Hill); 20129 (Paeonian Springs) is included in 20197 (Waterford); and 22066 (Great Falls) is included in 20165 (Sterling).
3. Unless otherwise noted, "list price" refers to "original list price".
4. House types excluded from this analysis include "bed & breakfast", "mobile", "other", "garage/park space", "house of worship", "dwelling w/rental", "double wide", "rooming house", "vacation home", or "vacation rental".
5. Active listings refers to those with "active" status as of the eighth of the current month and are considered a "snapshot" of activity in the previous month. Listings exclude "expired", "withdrawn" and "temporarily withdrawn" statuses. Preliminary results are not revised.
6. **SFD** refers to detached units  
**SFA** refers to townhouse, attached/row house, patio, duplex, back to back, triplex, quad, over storefront, and semi-detached units  
**CON** refers to garden style, mid-rise, hi-rise, penthouse, and multi-family units
7. Pending sales refers to listings marked "Contingency/KO", "Contingency/No KO" or "Contract" as of the tenth of the current month ("new pendings") and are considered a "snapshot" of activity in the previous month. Pending sales may or may not close in the future. Data used for historical comparisons before January 1, 2010 includes the house types listed in Note #4. Preliminary results are not revised.
8. In April 2009, MRIS added forced fields for short sales and foreclosures thereby significantly increasing the results of these indicators thereafter.
9. All sales, pending sales and active listings include new construction. All sales, pending sales and active listings are classified as "for sale".
10. The data in this document was prepared and analyzed by Rosemary deButts (MIRM), REALTOR® and Housing Analyst.  
For questions about this report, please call or email Rosemary 540/338.2212 [rdebutts@1757realestate.com](mailto:rdebutts@1757realestate.com)  
For more information on the Loudoun County housing market, please visit [www.housinganalyst.net](http://www.housinganalyst.net)

## Loudoun County Housing Market Analysis

The table to the right and the graph below clearly show the increases in sales and median sales prices during Loudoun's housing boom between 2001 and 2005. Sales volume began a three-year decline in 2005. Sales rebounded in 2008 and revised figures show that 2009 finished the year with only 48 fewer sales than in 2008. An especially harsh winter dampened sales in the first quarter of 2010 although the monthly increase in March 2010 was 67 percent. The median sales price increased throughout the first half of the decade and was flat in 2006. After three years of declines, the median so far in 2010 now exceeds the median from the previous year, by a continually increasing margin.

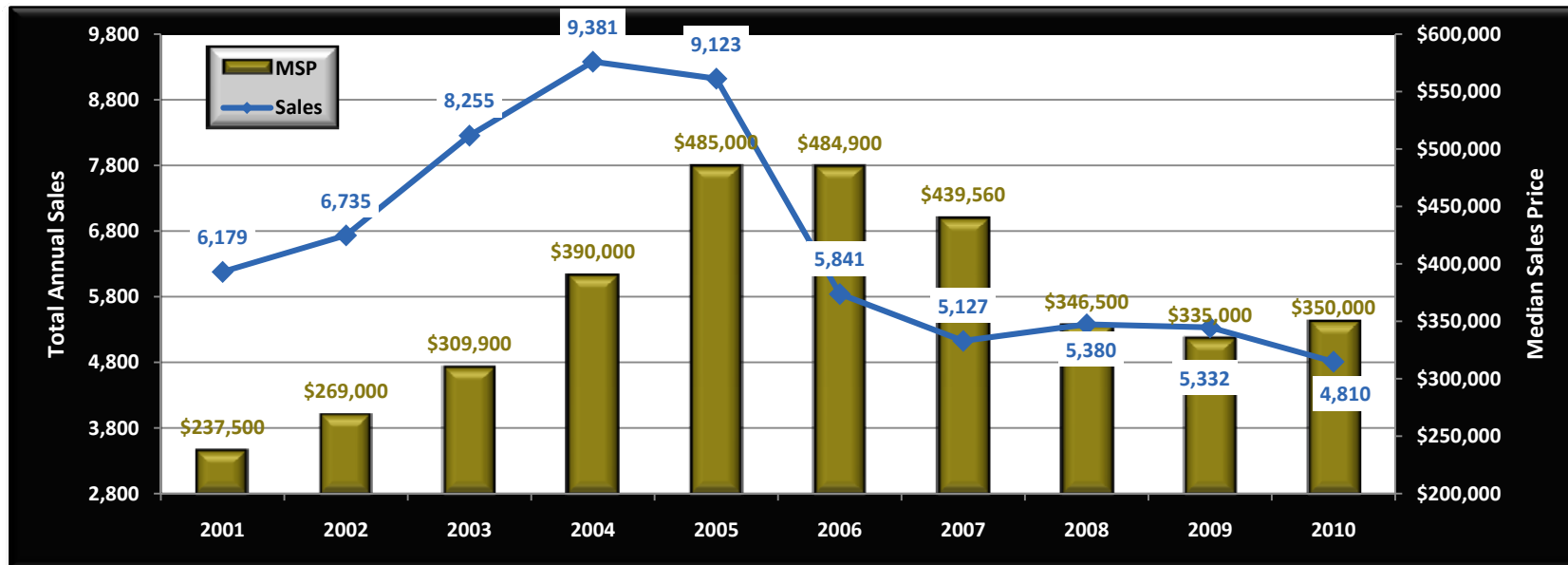
**Loudoun County Existing Home Sales/Median Sales Prices  
2001/2010**

Year	Total Sales		Median Sales Price	
	Units	% Change	\$	% Change
2001	6,179	23.1%	\$237,500	13.6%
2002	6,735	9.0%	\$269,000	13.3%
2003	8,255	22.6%	\$309,900	15.2%
2004	9,381	13.6%	\$390,000	25.8%
2005	9,123	-2.8%	\$485,000	24.4%
2006	5,841	-36.0%	\$484,900	0.0%
2007	5,127	-12.2%	\$439,560	-9.4%
2008	5,380	4.9%	\$346,500	-21.2%
2009	5,332	-0.9%	\$335,000	-3.3%
2010	4,810	-9.8%	\$350,000	4.5%

Source: MRIS

2010 Sales figures are annualized

**Loudoun County Existing Home Sales and Median Sales Prices: 2001 - 2010**

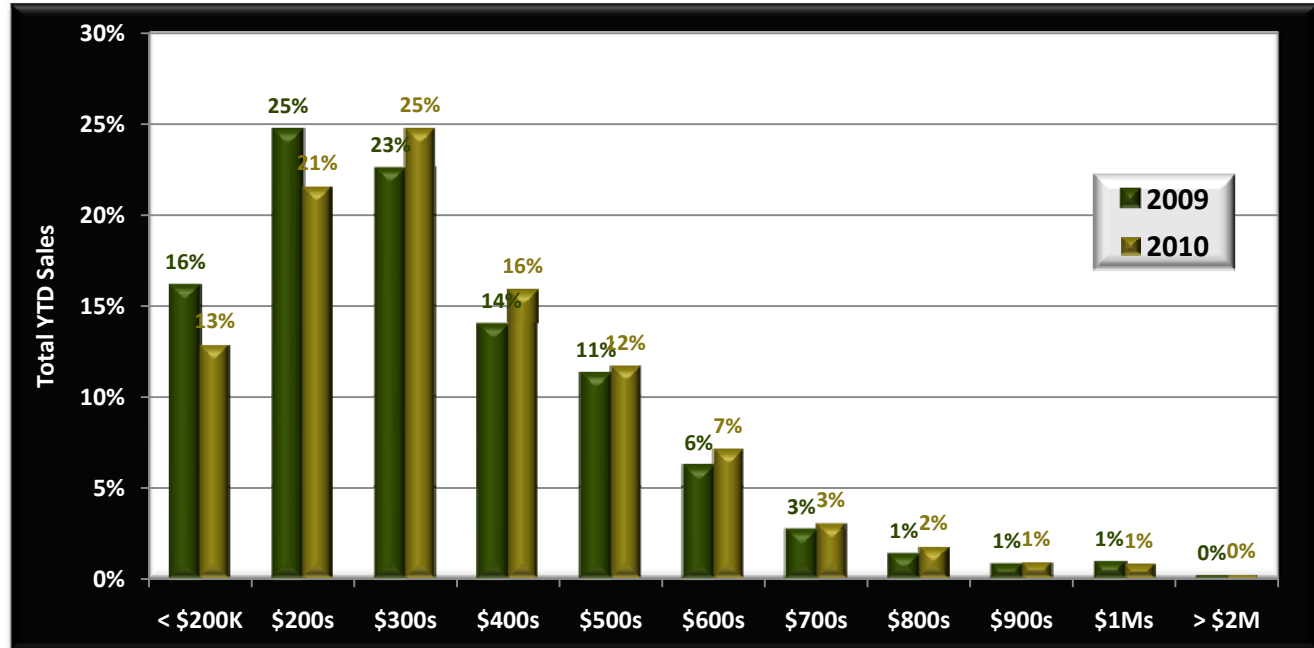


### YTD Existing Home Sales Price Stratification

Percentage of Total Sales

Close Price	2009	2010
< \$200K	16.1%	12.8%
\$200s	24.6%	21.5%
\$300s	22.5%	24.7%
\$400s	13.9%	15.8%
\$500s	11.2%	11.6%
\$600s	6.1%	7.1%
\$700s	2.6%	3.0%
\$800s	1.3%	1.7%
\$900s	0.7%	0.8%
\$1Ms	0.8%	0.7%
> \$2M	0.1%	0.2%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>

2010 through June 30



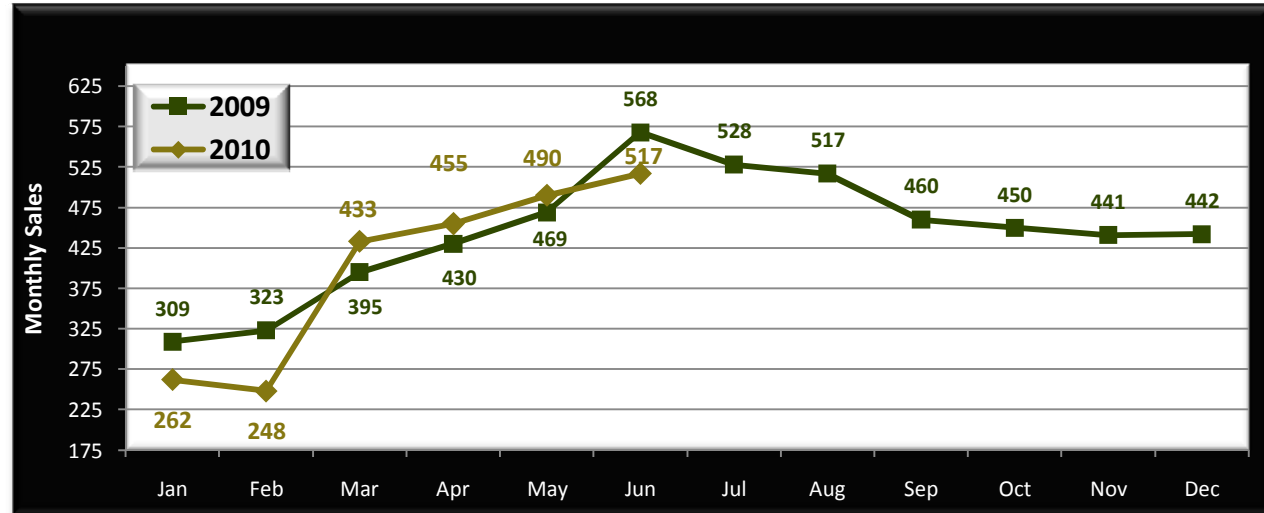
Source: MRIS

The percentage of total sales was higher in 2009 for units priced under \$300,000 than for units sold so far in 2010. The percentage of total sales in 2010 priced between \$300,000 and \$899,999 exceeds the percentage total in 2009.

### Monthly Sales: 2010 vs. 2009

Jun '10 vs. May '10	5.5%
Jun '10 vs. Jun '09	-9.0%
2010 Average	401
2009 Average	444
2008 Average	448
2007 Average	427

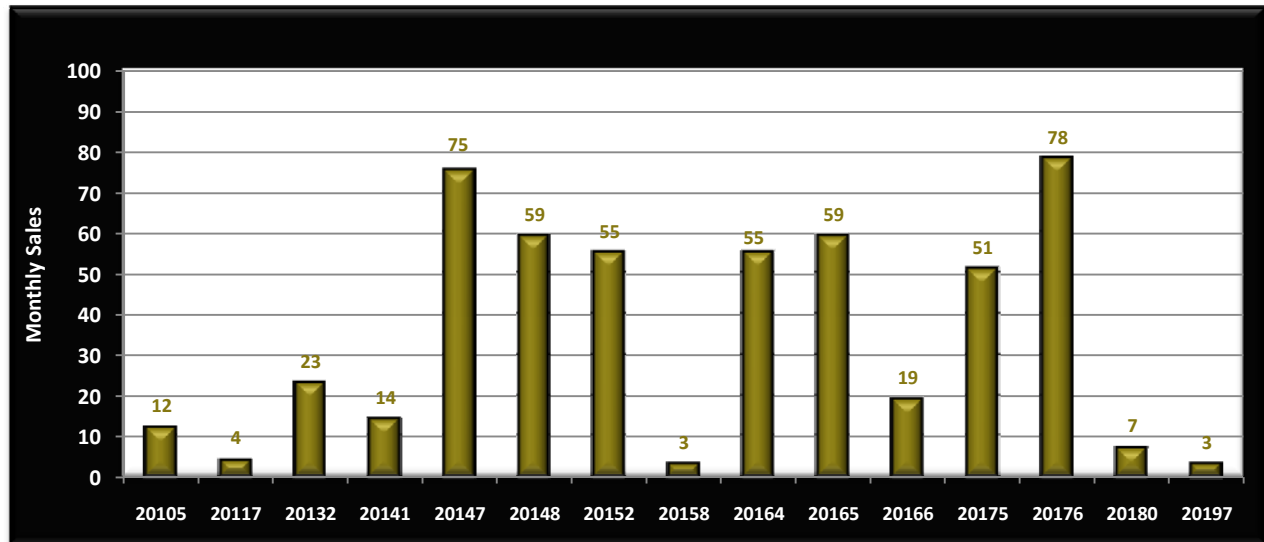
June sales fell 9 percent below the comparable level in June 2009 but increased unexpectedly compared to May. There had been worries that the expiration of the tax credit would severely dampen housing activity. It appears that Loudoun has been spared that fate. June was the fourth consecutive month of increases this year although the 2010 average is almost 10 percent behind last year's average.



### Sales: June 2010

High Sales: 20176	78
Low Sales: 20158/20197	3

Total sales in Sterling no longer lead the county as they did previously. The total in the 20175 zip code (Leesburg) accounted for 15 percent of all sales in Loudoun County in June.

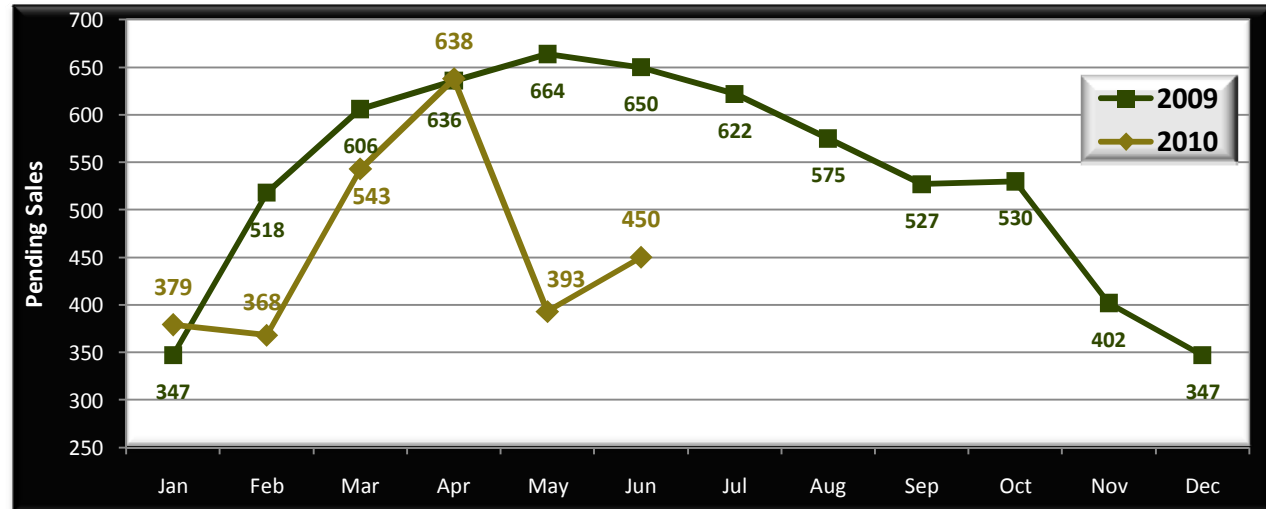


Source: MRIS

### Monthly Pending Sales: 2010 vs. 2009

Jun '10 vs. May '10	14.5%
Jun '10 vs. Jun '09	-30.8%
2010 Average	462
2009 Average	535
2008 Average	509

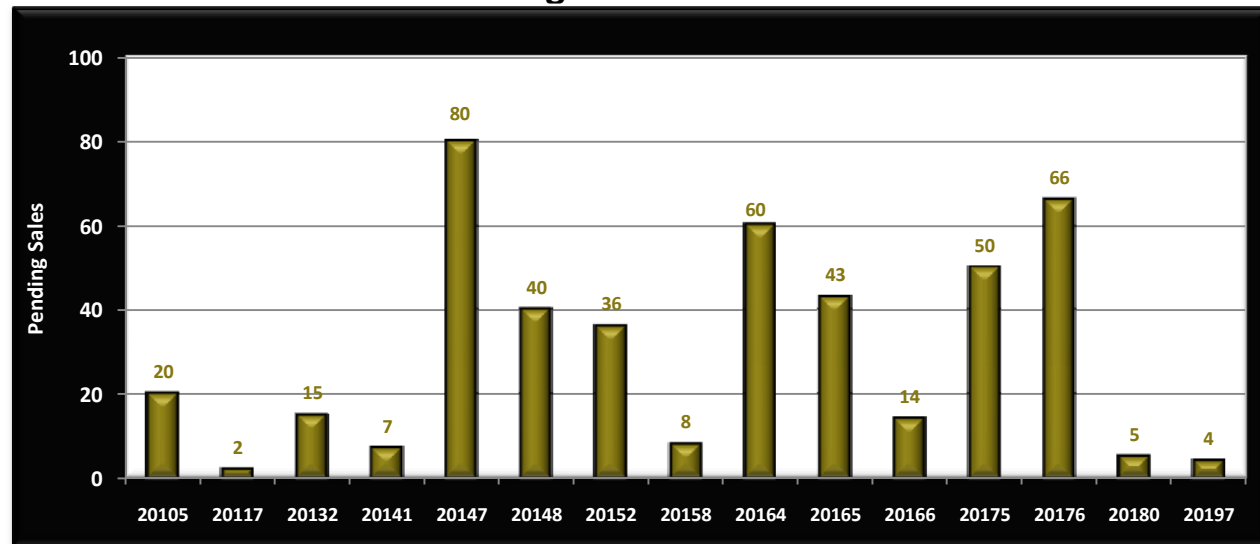
Pending sales rebounded somewhat in June following a shocking decline in May but decreased about 31 percent compared to this time last year. The 2010 monthly average is running fourteen percent below the 2009 monthly average.



### Pending Sales: June 2010

High Pending Sales: 20147	80
Low Pending Sales: 20117	2

Ashburn's 80 pending sales represented 18 percent of the county-wide total.

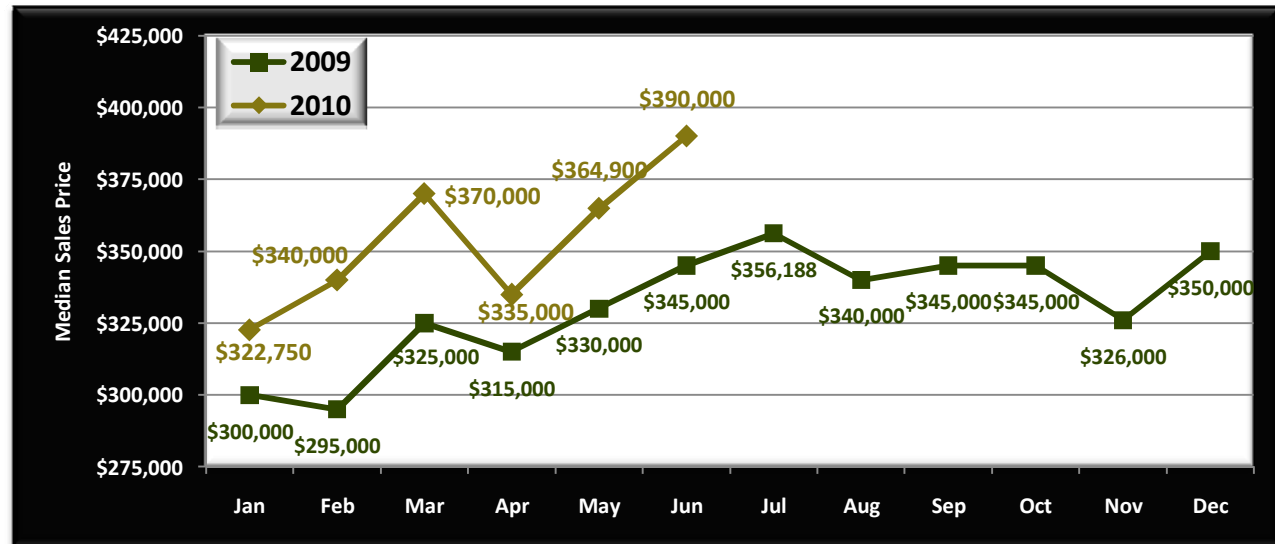


Source: MRIS

### Median Sales Price: 2010 vs. 2009

Jun '10 vs. May '10	6.9%
Jun '10 vs. Jun '09	13.0%
2010 YTD Median	\$350,000
2009 Median Sales Price	\$335,000
2008 Median Sales Price	\$346,500

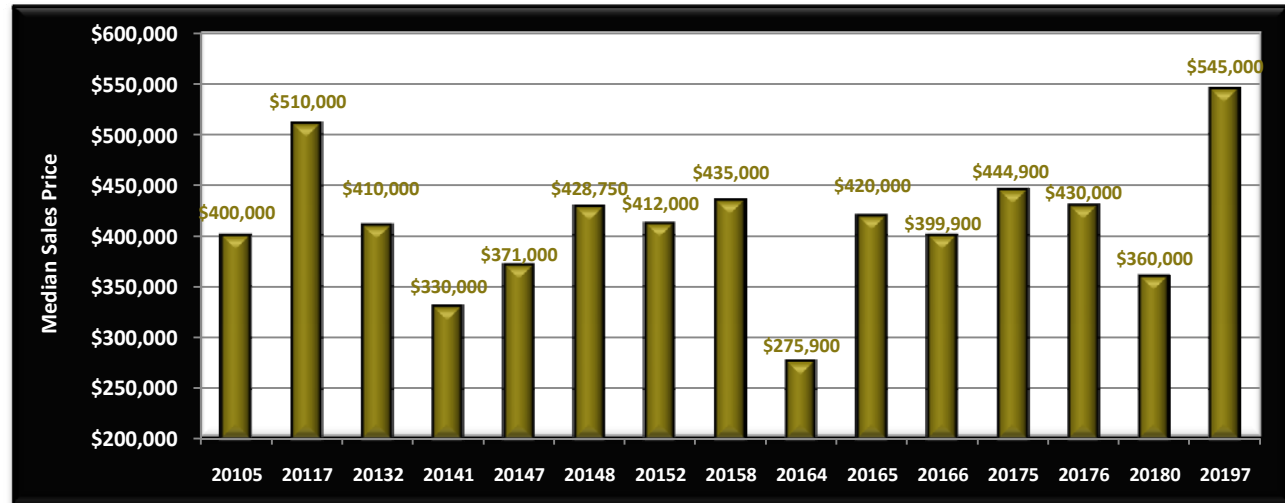
June saw another significant increase in the median sales price, up 7 percent (\$25,100) compared to May and 13 percent (\$45,000) compared to last June. This is the highest monthly median since December 2007 (\$410,000). Further, the year-to-date median sales price of \$350,000 is 4.5 percent higher than the 2009 overall median (\$335,000).



### Median Sales Price: June 2010

High MSP: 20197	\$545,000
Low MSP: 20164	\$275,900

Ten of the fifteen Loudoun zip codes posted a median sales price that exceeded \$400,000 in June. Only one was less than \$300,000 (Sterling, 20164). The difference between the median sales price in Waterford (20197) and Sterling (20164) was 98 percent (\$269,100).

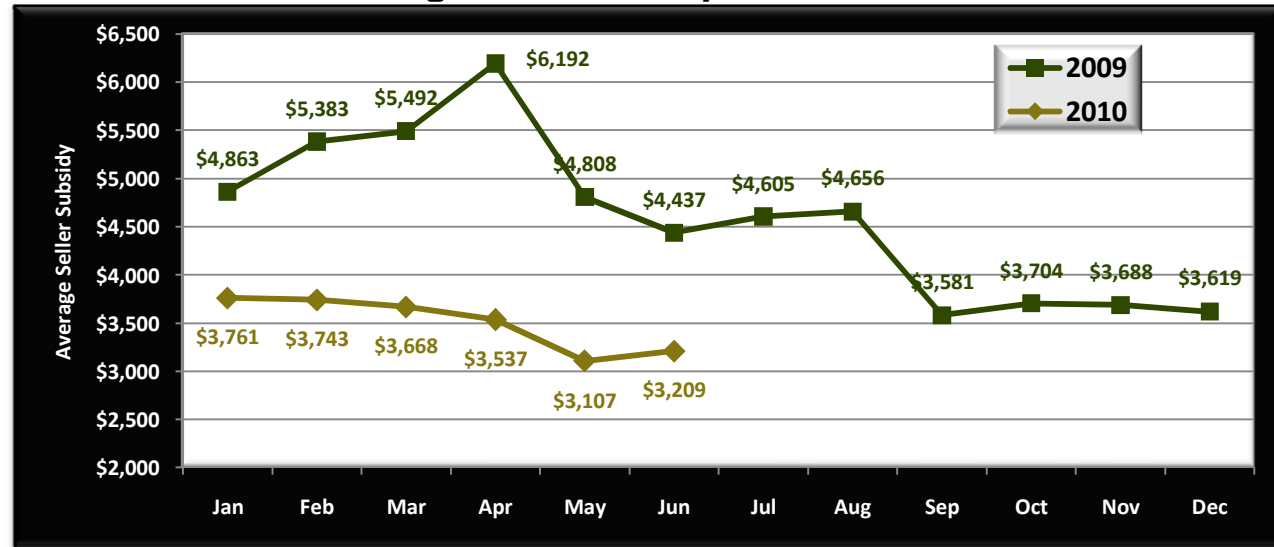


Source: MRIS

**Average Seller Subsidy: 2010 vs. 2009**

Jun '10 vs. May '10	3.3%
Jun '10 vs. Jun '09	-27.7%
2010 Avg Subsidy	\$3,504
2009 Avg Subsidy	\$4,586

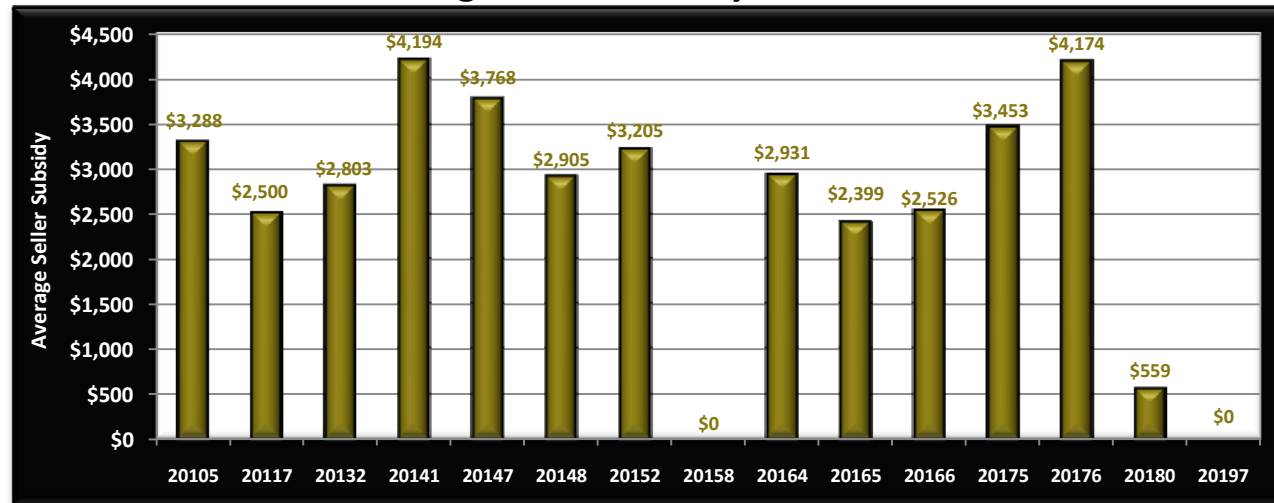
The average seller subsidy increased slightly in June following four consecutive months of declines. The average seller subsidy has not exceeded \$4,000 since August 2009.



**Average Seller Subsidy: June 2010**

High Subsidy: 20141	\$4,194
Low Subsidy: 20158/20197	\$0

The average seller subsidies in Round Hill (20141) and Leesburg (20176) were roughly 31 percent higher than the county-wide average in June.

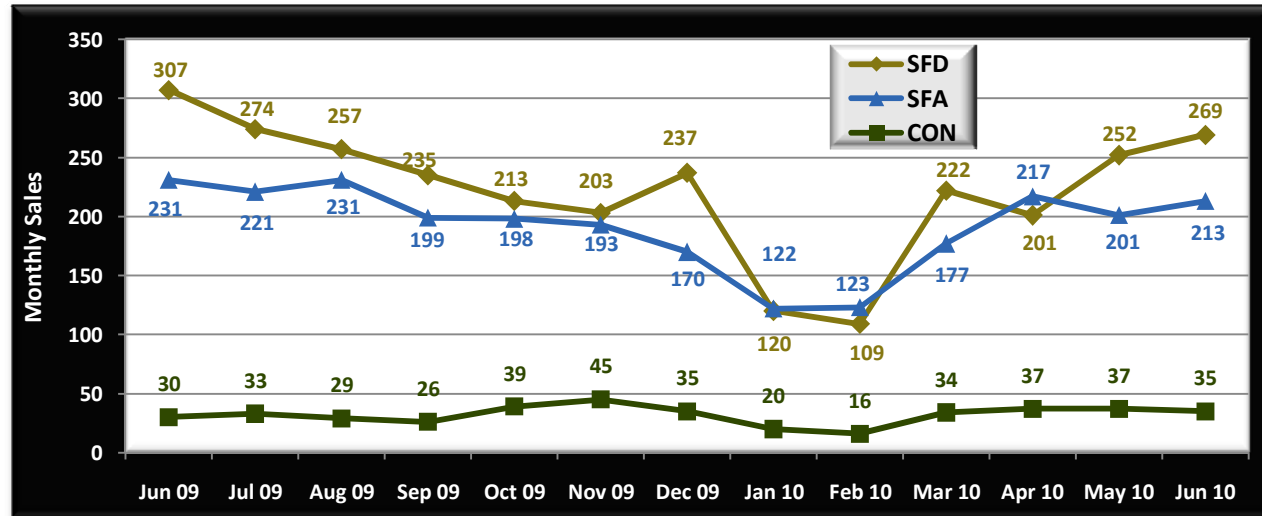


Source: MRIS

### Monthly Sales (Last Thirteen Months) by Product Type

2010 SFD Average	196
2009 SFD Average	225
Variance	-13%
2010 SFA Average	176
2009 SFA Average	190
Variance	-8%
2010 CON Average	30
2009 CON Average	29
Variance	3%

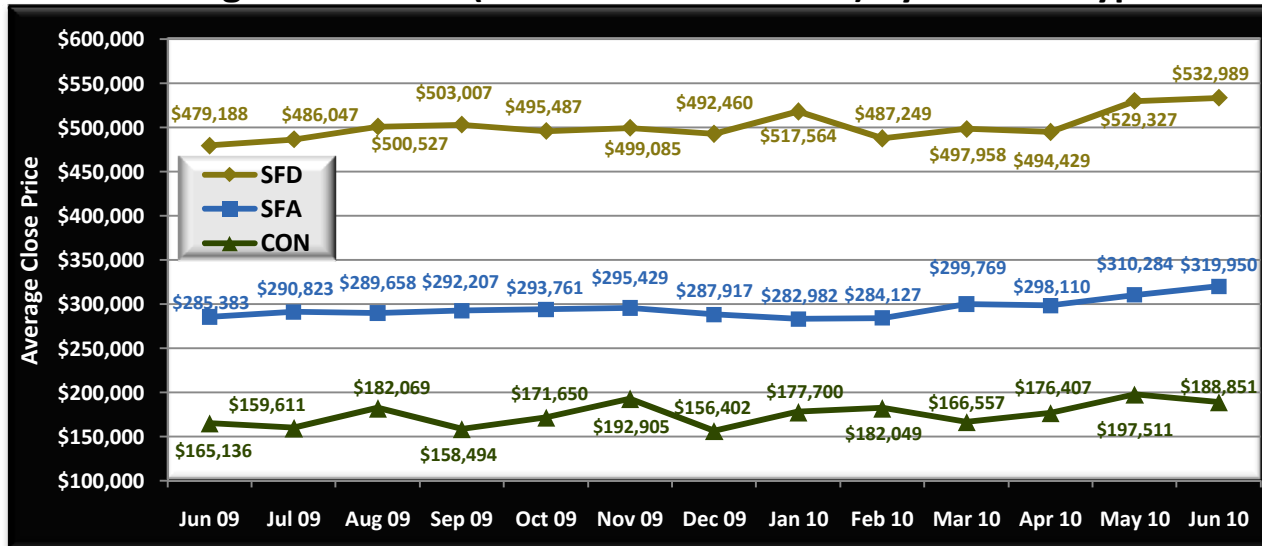
Detached unit sales remained strong in June although the 2010 average sales are 13 percent below those in 2009. Attached sales are down 8 percent but the 2010 average number of condominium sales is only one less than the 2009 monthly average.



### Average Close Price (Last Thirteen Months) by Product Type

2010 SFD Average	\$509,919
2009 SFD Average	\$476,336
Variance	7%
2010 SFA Average	\$299,204
2009 SFA Average	\$275,753
Variance	9%
2010 CON Average	\$181,513
2009 CON Average	\$159,990
Variance	13%

The June close price for detached units exceeded \$530,000 for the first time since October 2008 (\$537,842) and all product types have 2010 average close prices that exceed the 2009 average.

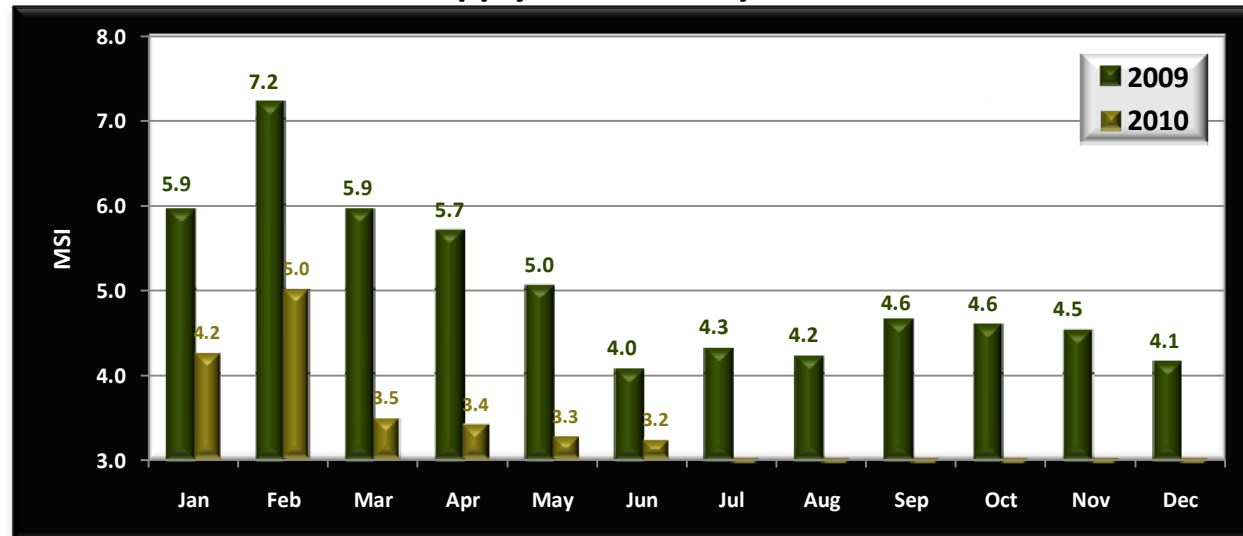


Source: MRIS

### Month's Supply of Inventory: 2010 vs. 2009

Jun '10 vs. May '10	-1.3%
Jun '10 vs. Jun '09	-20.5%
2010 Average	3.8
2009 Average	4.1
2008 Average	5.3
2007 Average	8.6

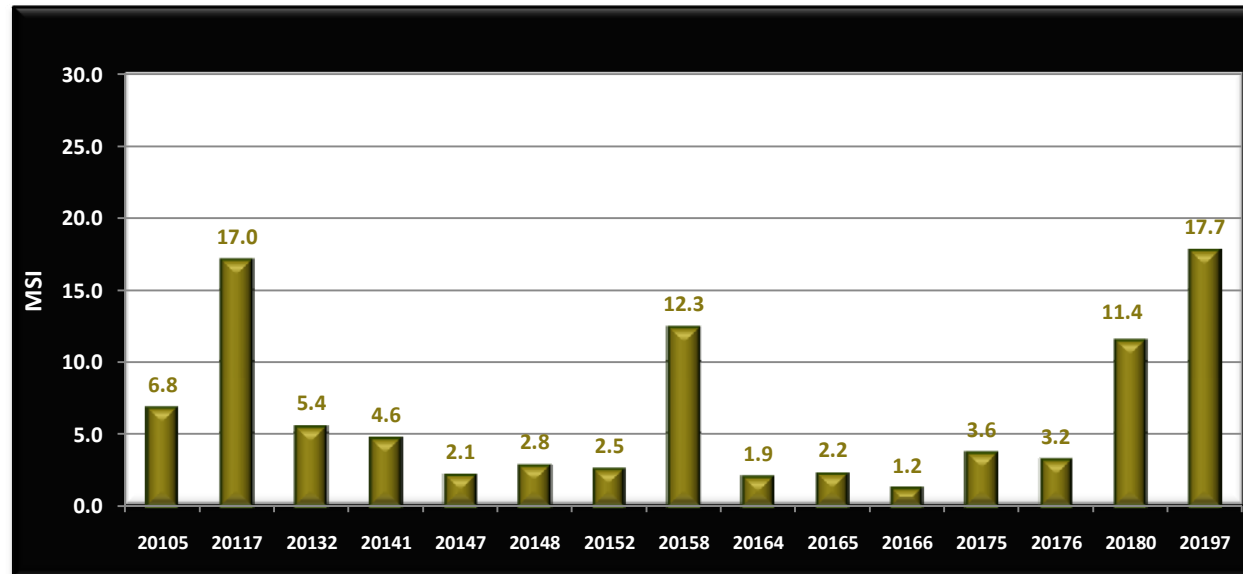
For the fourth consecutive month, the month's supply of inventory was below the threshold for market equilibrium (4 months). This indicates that the market is undersupplied. A lack of available inventory (low number of listings) restricts sales but has the benefit of putting upward pressure on prices. Eventually, prices will reach the level that will attract more sellers to the market.



### Month's Supply of Inventory: June 2010

High MSI: 20197	17.7
Low MSI: 20166	1.2

The market is considered to be in equilibrium, i.e., there is enough supply to satisfy demand, when the MSI is between four and five months. Per that benchmark, the Ashburn (20147 and 20148), Chantilly (20152) and Sterling (20164, 20165 and 20166) zip codes were severely undersupplied again in June. It is not unusual for the upper-end markets, such as Middleburg (20117) and Waterford (20197), to have the highest MSI figures in any given month.

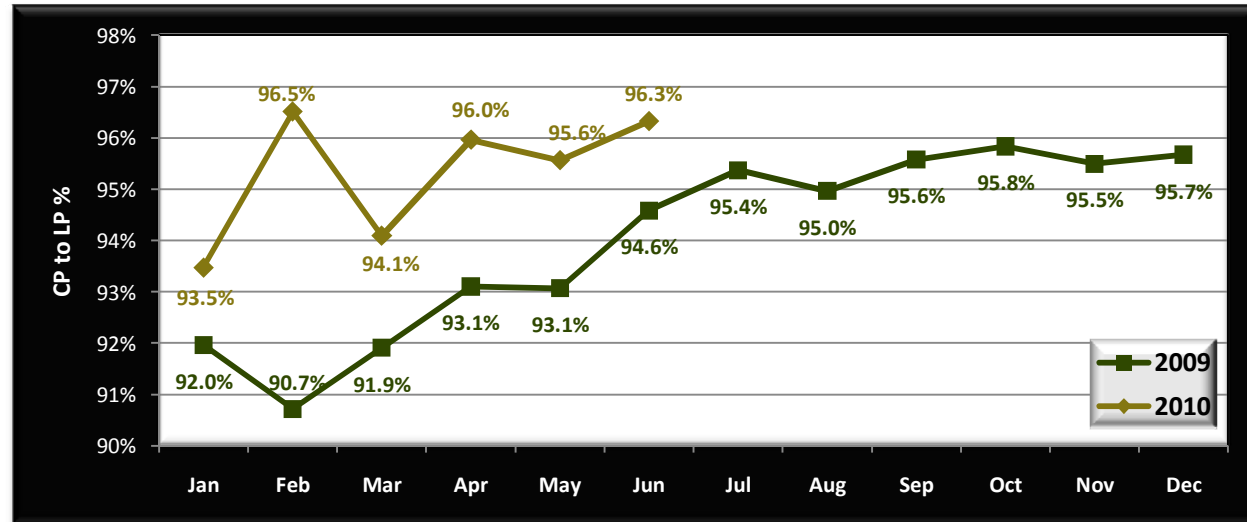


Source: MRIS

**Average Close Price to Average Original List Price Ratio: 2010 vs. 2009**

Jun '10 vs. May '10	0.8%
Jun '10 vs. Jun '09	1.8%
2010 Average	95.3%
2009 Average	94.0%
2008 Average	91.8%
2007 Average	92.9%

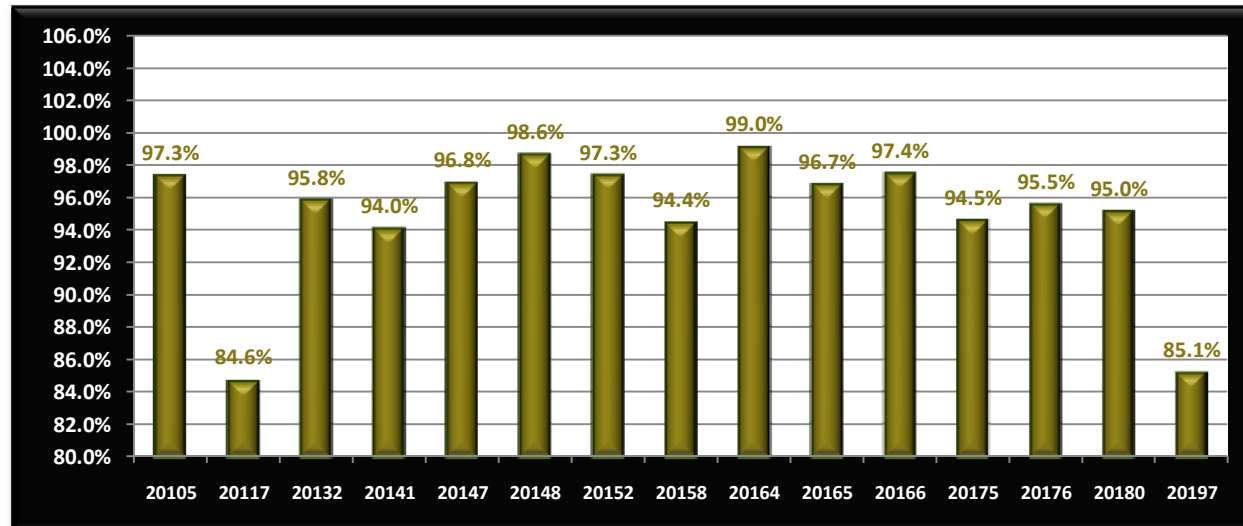
The average close price to original list price ratio has exceeded the corresponding month in 2009 in every month so far this year. This suggests that sellers are either pricing their homes to match market demands and/or they are less willing to negotiate price.



**Average Close Price to Average Original List Price Ratio: June 2010**

High CP/LP %: 20164	99.0%
Low CP/LP %: 20117	84.6%

Ten of the fifteen Loudoun zip codes had ratios in excess of 95 percent during June. Only two, Middleburg (20117) and Waterford (20197) had a ratio below 94 percent.

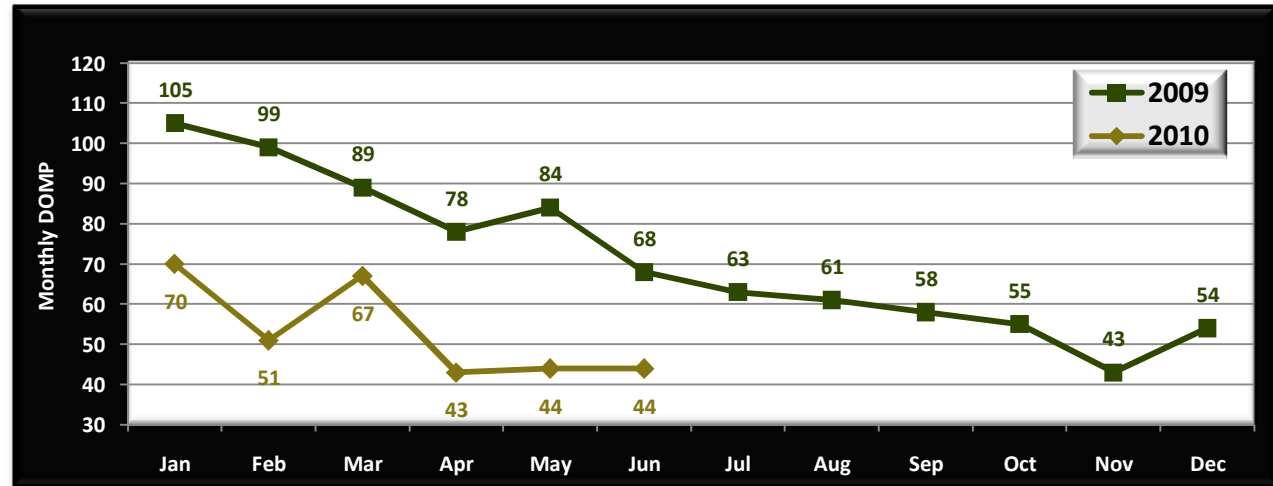


Source: MRIS

### Average Days on Market: 2010 vs. 2009

Jun '10 vs. May '10	0.0%
Jun '10 vs. Jun '09	-35.3%
2010 Average	53
2009 Average	71
2008 Average	101
2007 Average	104

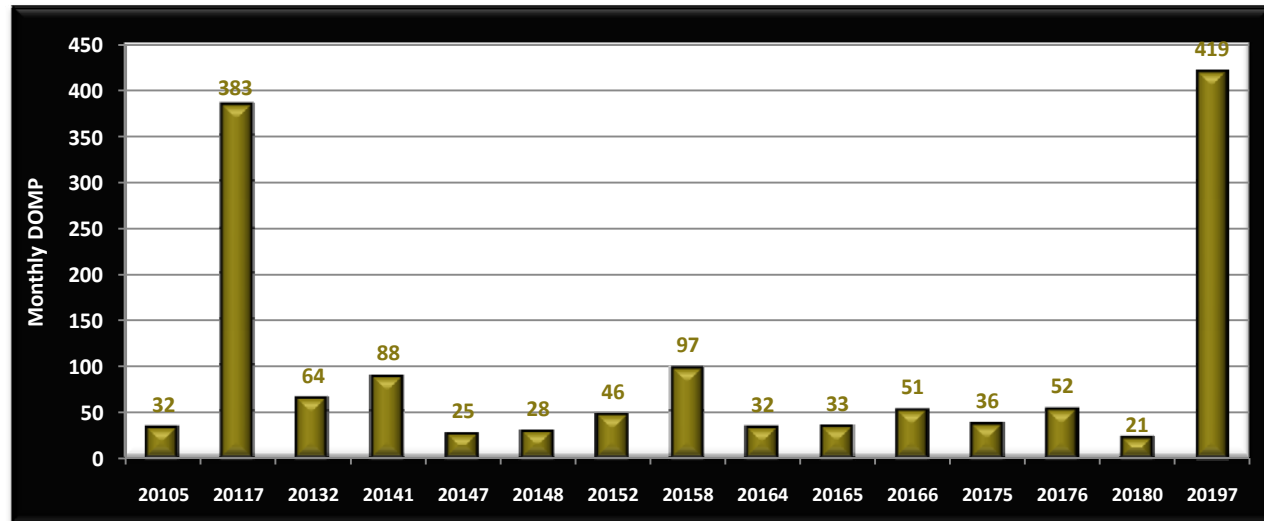
The 2010 YTD average days on market indicator through June was 34 percent below the 2009 average. This indicator is showing considerable stability with three straight months at about 44 days.



### Average Days on Market: June 2010

High DOMP: 20197	419
Low DOMP: 20180	21

Three of the Loudoun zip codes had days on market indicators below 30 days, Ashburn (20147 and 20148) and Lovettsville (20180). The average in five zip codes exceeded 60 days.

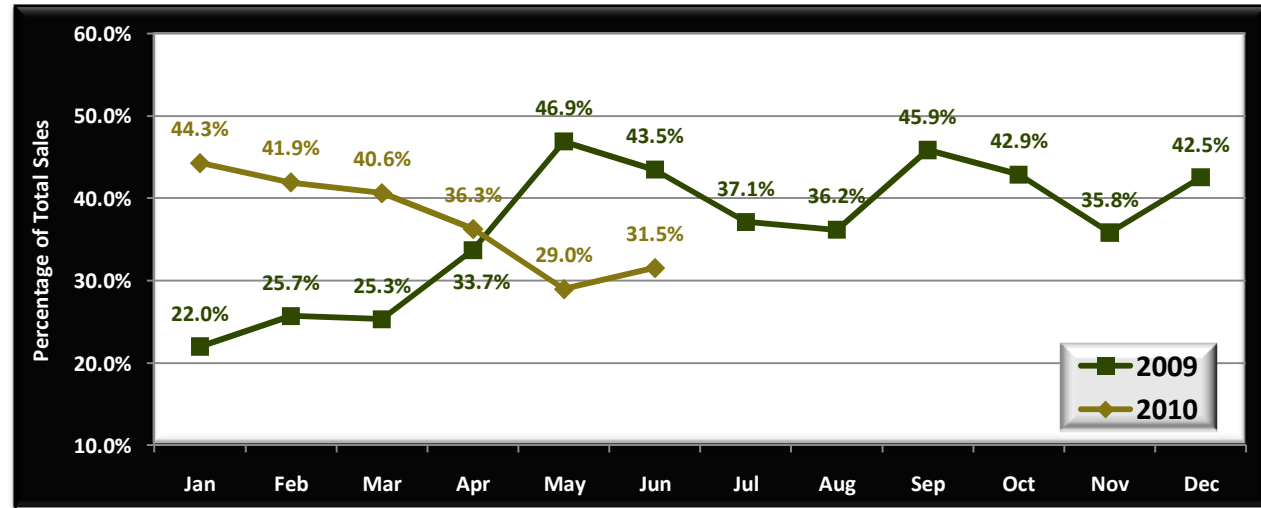


Source: MRIS

### Distressed Sales as a Percentage of Total Sales: 2010 vs. 2009

Jun '10 vs. May '10	8.8%
Jun '10 vs. Jun '09	-27.5%
2010 Average	44.3%
2009 Average	42.5%

Although the percentage of sales in June that were distressed increased by 9 percent following four months of declines, the percentage was 12 points below the comparable figure in June 2009.

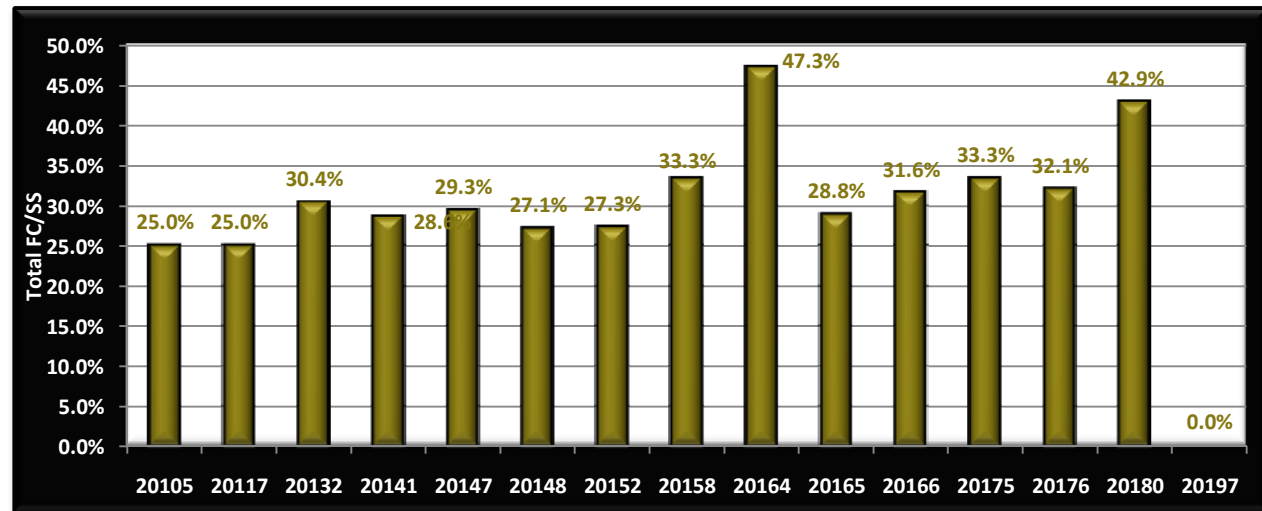


Indicating whether or not a listing was a foreclosure or short sale became mandatory in May 2009.

High % FCSS Sold: 20164	47.3%
Low % FCSS Sold: 20197	0.0%

None of the fifteen zip codes had a share of distressed sales representing more than 50 percent of the sales total in any of Loudoun's fifteen zip codes - for the first time since April 2009. As shown above, the trend is definitely heading down.

### Distressed Sales by Zip Code as a % of Total Zip Code Sales: June 2010



Source: MRIS