




Loudoun County Housing Market Analysis

As of July 31, 2010

Prepared by Rosemary deButts 
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Summer Doldrums Hit Loudoun's Housing Market

July 2010

For immediate release

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Perhaps it was the unprecedented heat wave that stifled home purchases in Loudoun County during July. In any case, total existing home sales (384 units) declined 30 percent compared to revised figures from last month and 27 percent compared to last July. It appears to be a regional phenomenon though; according to the Metropolitan Regional Information System (MRIS), the Northern Virginia Association of Realtors reported a 23 percent decline in sales from June and a 19 percent decline since last July. Likewise, total sales in the Prince William Association of Realtors declined by 24 percent last month and 25 percent vs. July 2009. Annualized year-to-date total sales are lagging behind 2009 totals by 9 percent here in Loudoun County. Pending sales also declined; the total as of August 10th was 9 percent lower than the unrevised June total and 34 percent below the July 2009 total.

For the second consecutive month, the total share of homes sold so far this year is higher than it was in 2009 for homes priced between \$300,000 and \$899,999. For several months, only those homes priced below \$600,000 accounted for a larger share of the total sales than in 2009. As sales for higher priced properties increase, the median sales price also advances. The year-to-date median sales price (\$355,000) is now 6 percent higher than the 2009 median. Further, the monthly median (\$380,000 in July) has exceeded the median in the corresponding month in 2009 for seven consecutive months.

Another indicator of price escalation is the average close price for detached units indicator. In July it reached the highest level since May 2008 at \$552,225. Also, a remarkable eleven homes sold during July with prices that exceeded \$1M. The closest we've come to that kind of sales activity for luxury homes and properties in one month was in June of 2009 with 7 total sales in this price range.

Every month this year the days on market indicator has been below the comparable month in 2009. July was no different although the average increased from a revised 45 days in June to 57 days in July. With a sharp decline in monthly sales, the month's supply of inventory naturally increased. In July, available inventory was at 4.4 months after four consecutive months in the 3-month range and recorded the highest level since February 2010. However, the Loudoun market is generally considered to be in equilibrium (there is enough supply to satisfy demand) when the MSI is between four and five months.

Finally, the share of distressed (short sales and foreclosures) to total sales declined for six of the last seven months. And in July, the percentage of distressed sales (28 percent) was less than 30 percent for the second time this year. The distressed percentage was highest in May 2009 (47 percent). ###

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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 tenth 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 tenth 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
For more information on the Loudoun County housing market, please visit 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 from March to May 2010, monthly sales exceeded the same month in 2009. Sales declined compared to the same time last year in June and July to set an annualized sales pace of 9 percent behind 2009. 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.

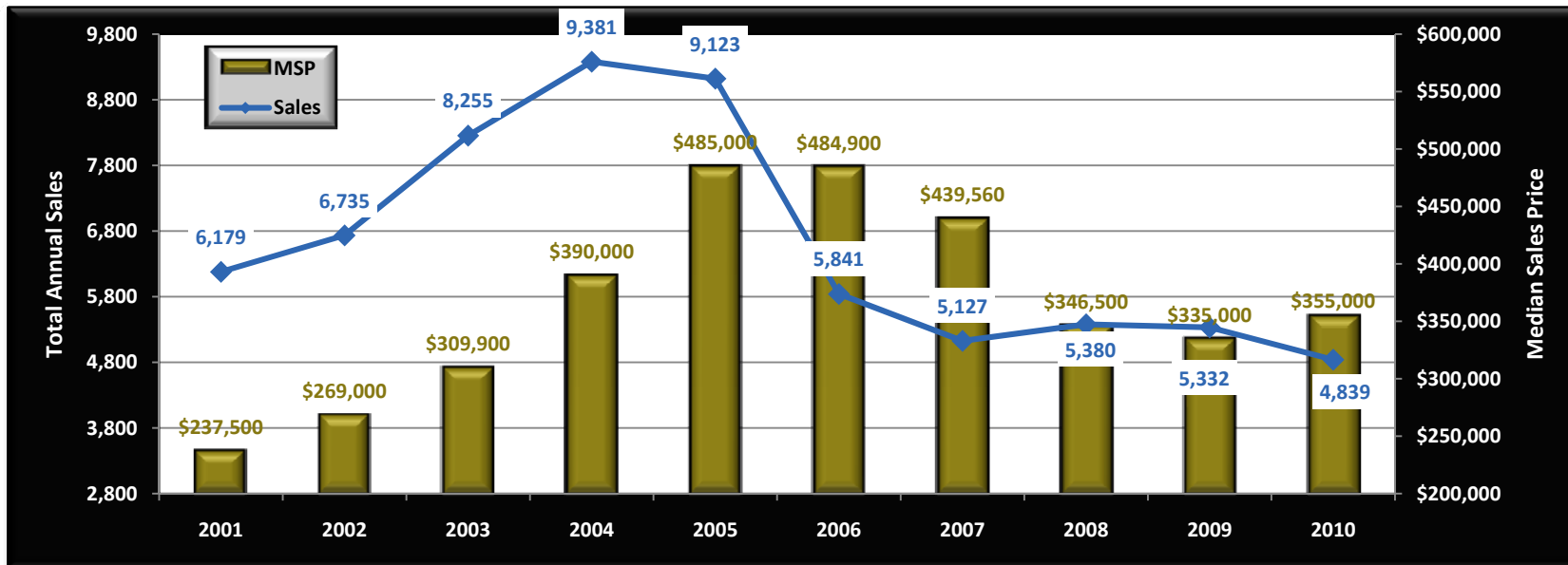
**Loudoun County Existing Home Sales/Median Sales Prices
2001/2010**

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	4,839	-9.2%	\$355,000	6.0%

Source: MRIS

2010 Sales figures are annualized

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

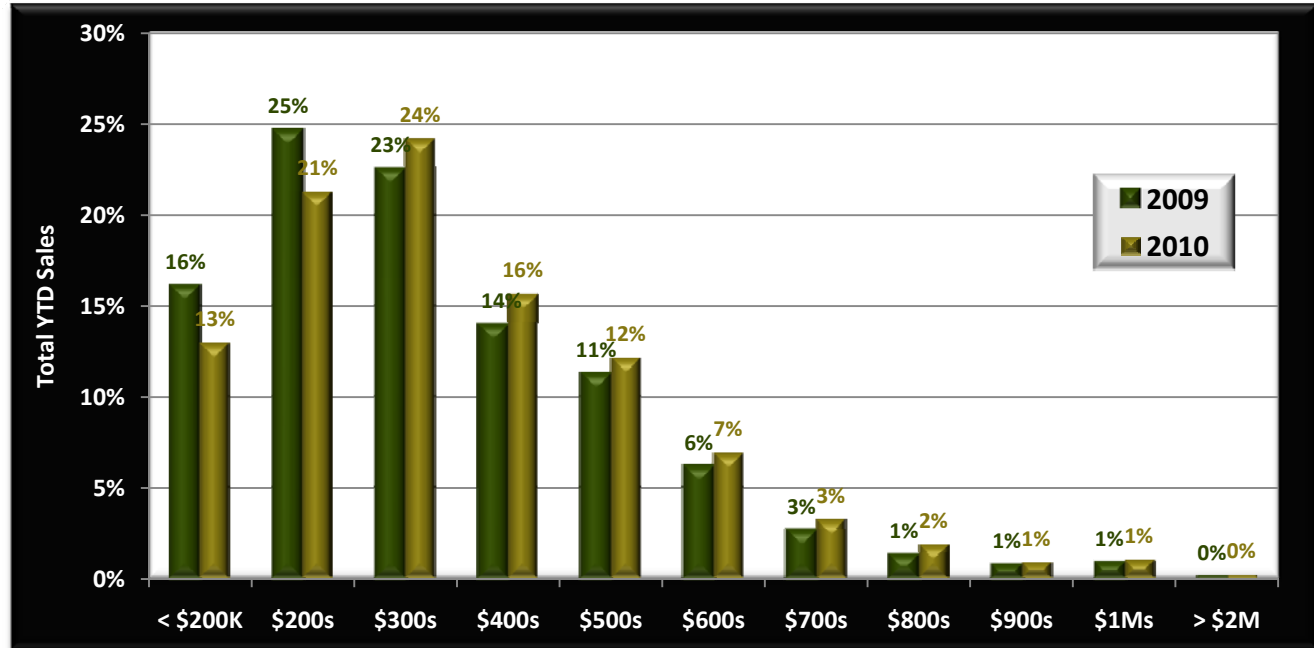


YTD Existing Home Sales Price Stratification

Percentage of Total Sales

Close Price	2009	2010
< \$200K	16.1%	12.9%
\$200s	24.6%	21.2%
\$300s	22.5%	24.2%
\$400s	13.9%	15.6%
\$500s	11.2%	12.1%
\$600s	6.1%	6.9%
\$700s	2.6%	3.2%
\$800s	1.3%	1.8%
\$900s	0.7%	0.9%
\$1Ms	0.8%	1.0%
> \$2M	0.1%	0.2%
Total	100.0%	100.0%

2010 through July 31



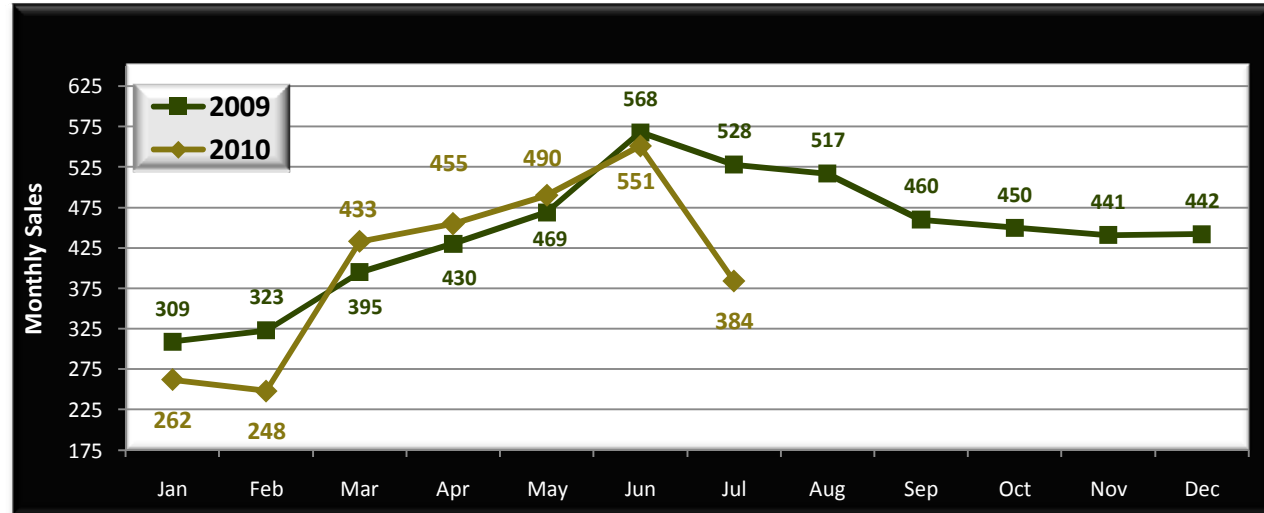
Source: MRIS

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

Jul '10 vs. Jun '10	-30.3%
Jul '10 vs. Jul '09	-27.3%
2010 Average	403
2009 Average	444
2008 Average	448
2007 Average	427

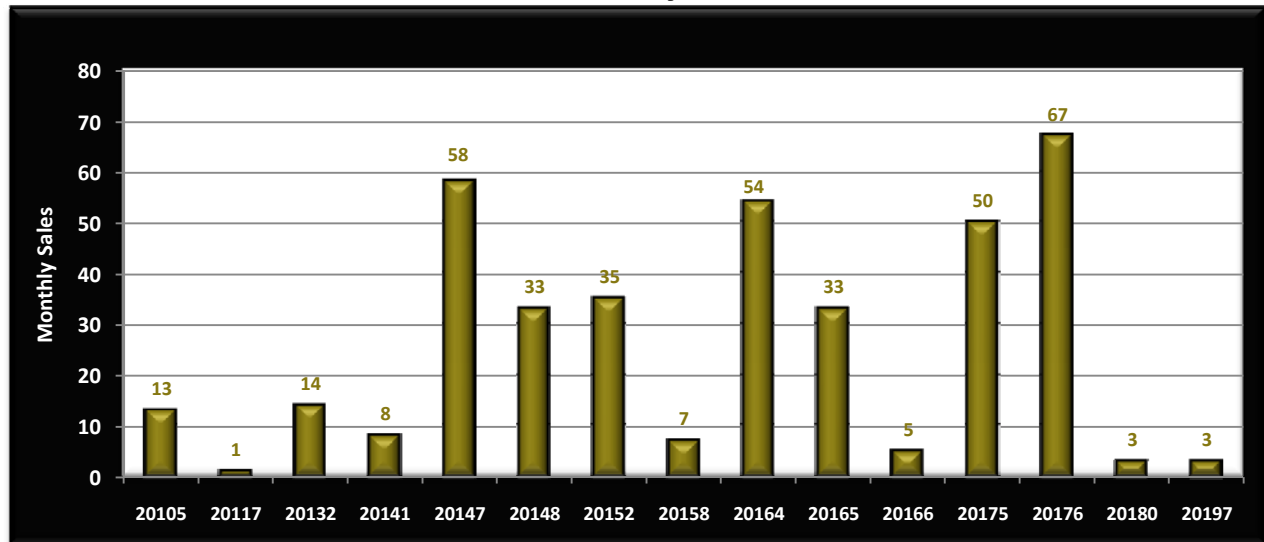
July sales dropped precipitously from last month and also compared to this time last year. The average monthly sales in 2010 is 9.2 percent below the 2009 average.



Sales: July 2010

High Sales: 20176	67
Low Sales: 20117	1

Total sales in Sterling no longer lead the county as they did previously. The total in the 20176 zip code (Leesburg) accounted for 17 percent of all sales in Loudoun County in July.

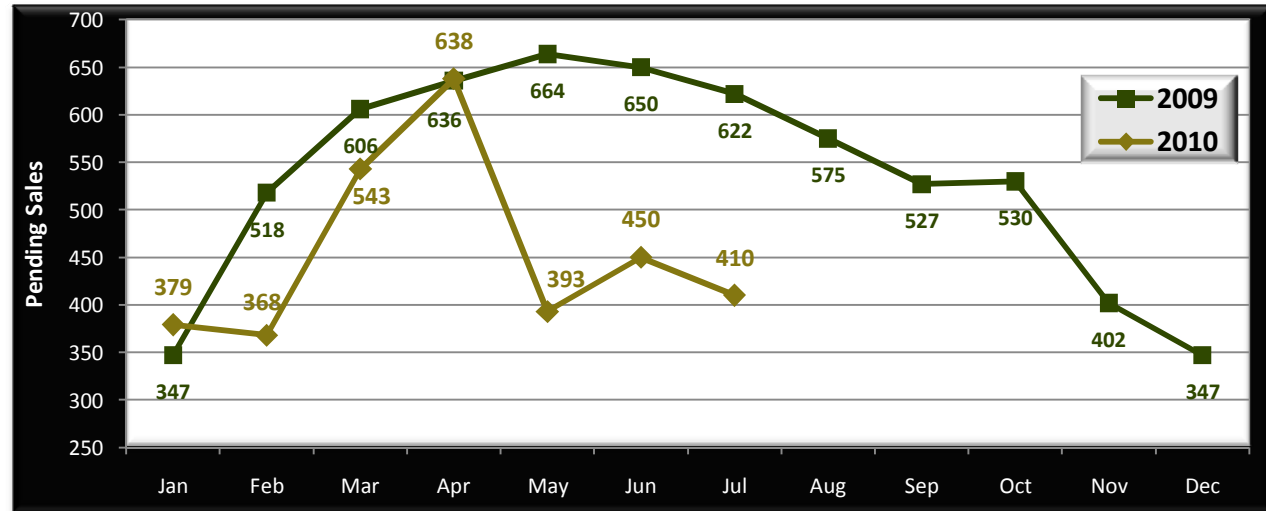


Source: MRIS

Monthly Pending Sales: 2010 vs. 2009

Jul '10 vs. Jun '10	-8.9%
Jul '10 vs. Jul '09	-34.1%
2010 Average	454
2009 Average	535
2008 Average	509

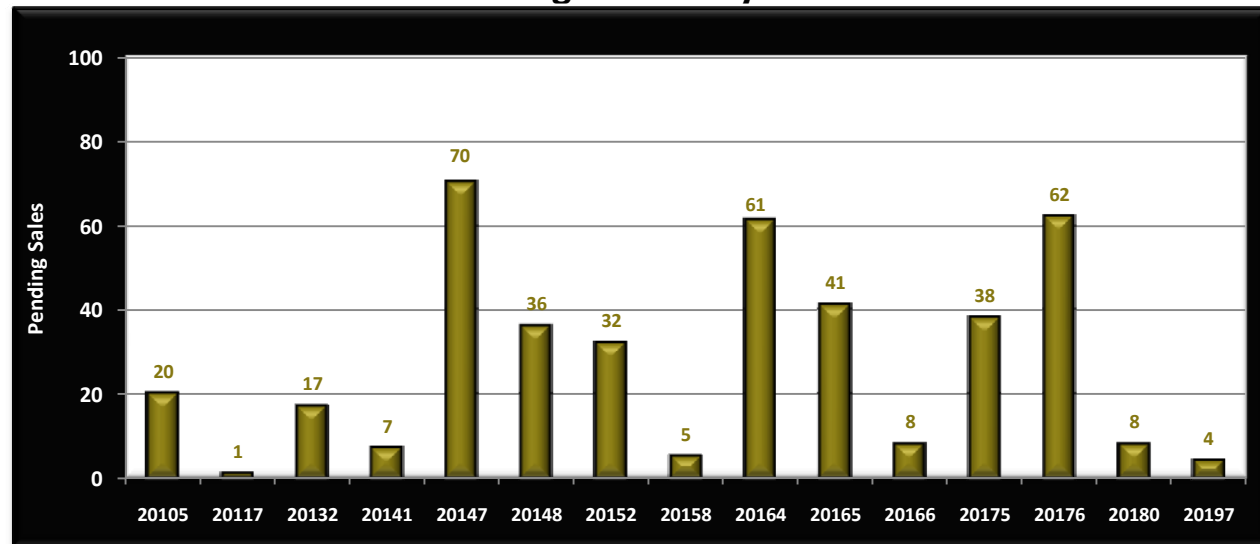
Like total sales, pending sales declined in July, both month-over-month and month-over-year. The monthly average in 2010 is 15 percent below the 2009 average.



Pending Sales: July 2010

High Pending Sales: 20147	70
Low Pending Sales: 20117	1

Ashburn's 70 pending sales represented 17 percent of the county-wide total in July. This was the second month that the 20147 zip code led the county in pending sales and that the 20117 zip code (Middleburg) had the fewest pending sales.

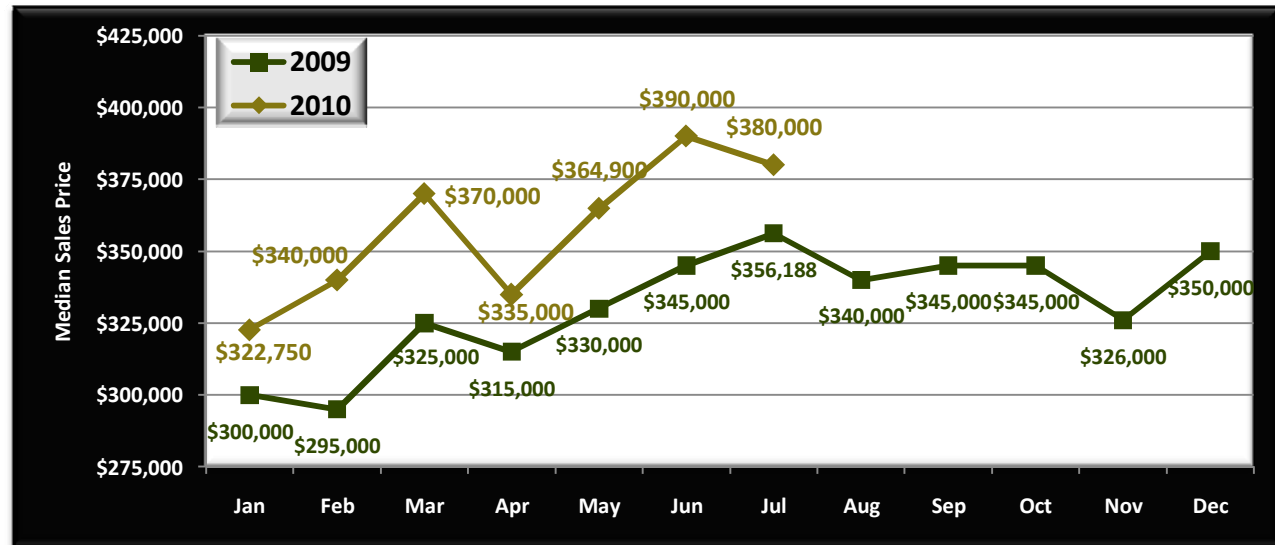


Source: MRIS

Median Sales Price: 2010 vs. 2009

Jul '10 vs. Jun '10	-2.6%
Jul '10 vs. Jul '09	6.7%
2010 YTD Median	\$355,000
2009 Median Sales Price	\$335,000
2008 Median Sales Price	\$346,500

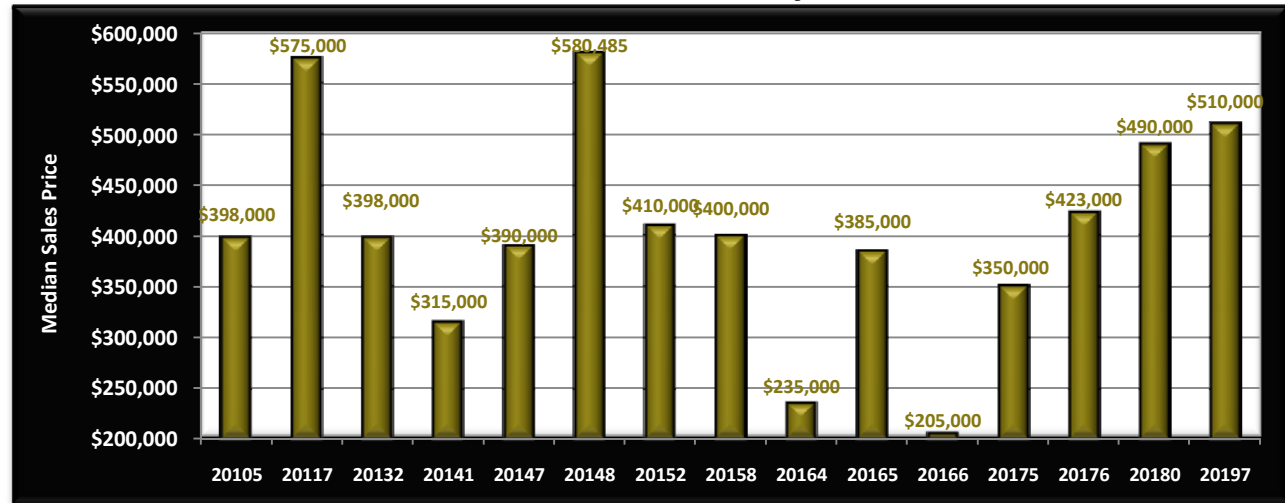
The median sales price declined a bit in July compared to June but was almost 7 percent higher than the median last July. The July median was 13 percent higher than the 2009 median sales price of \$335,000.



Median Sales Price: July 2010

High MSP: 20148	\$580,485
Low MSP: 20166	\$205,000

Six of the fifteen Loudoun zip codes posted a median sales price that exceeded \$400,000 in July (vs. ten in June). Two had medians less than \$300,000 (Sterling, 20164 and 20166). The difference between the median sales price in Ashburn (20148) and Sterling (20166) was 183 percent (\$375,485).

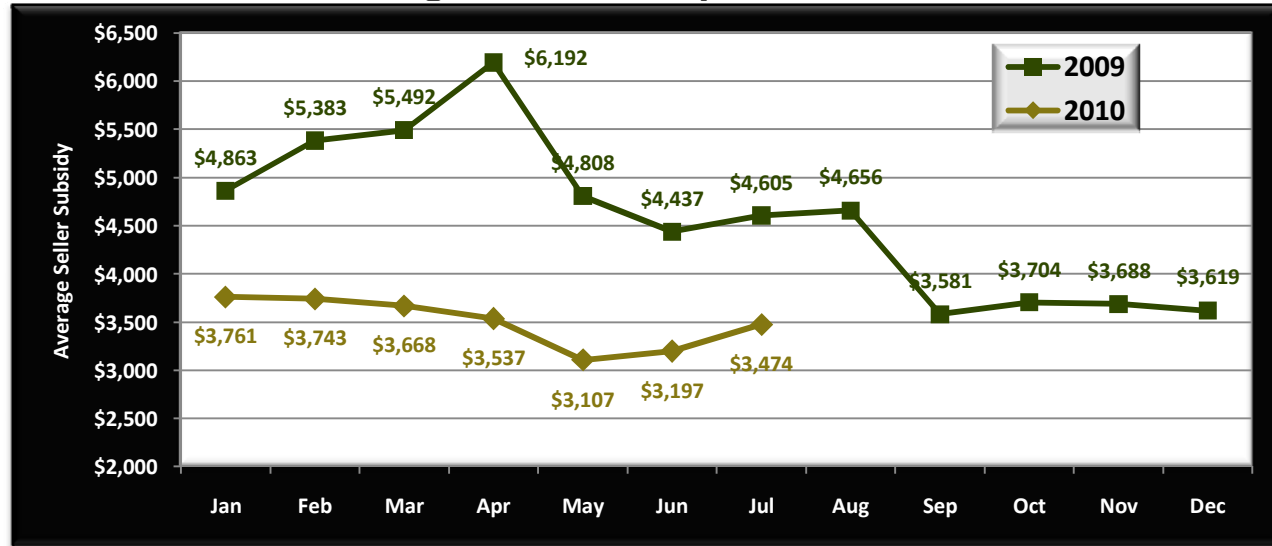


Source: MRIS

Average Seller Subsidy: 2010 vs. 2009

Jul '10 vs. Jun '10	8.7%
Jul '10 vs. Jul '09	-24.6%
2010 Avg Subsidy	\$3,498
2009 Avg Subsidy	\$4,586

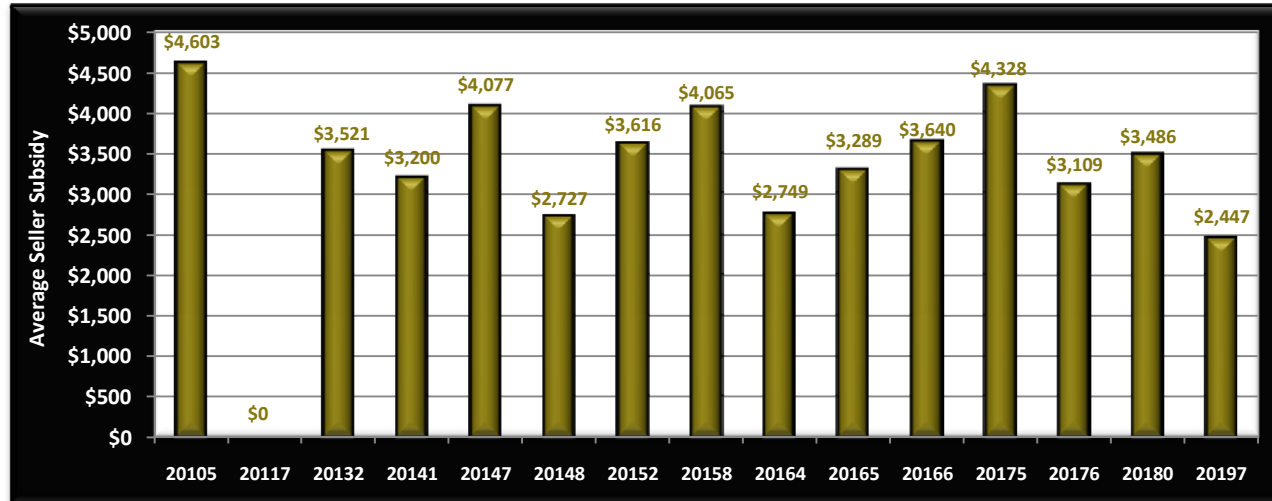
The average seller subsidy increased almost 9 percent in July. However, the average seller subsidy has not exceeded \$4,000 since August 2009.



Average Seller Subsidy: July 2010

High Subsidy: 20105	\$4,603
Low Subsidy: 20117	\$0

Four of the fifteen zip codes had average seller subsidies that exceeded \$4,000 in July while four posted averages less than \$3,000. Middleburg (20117) had only one sale and it had no seller subsidy.

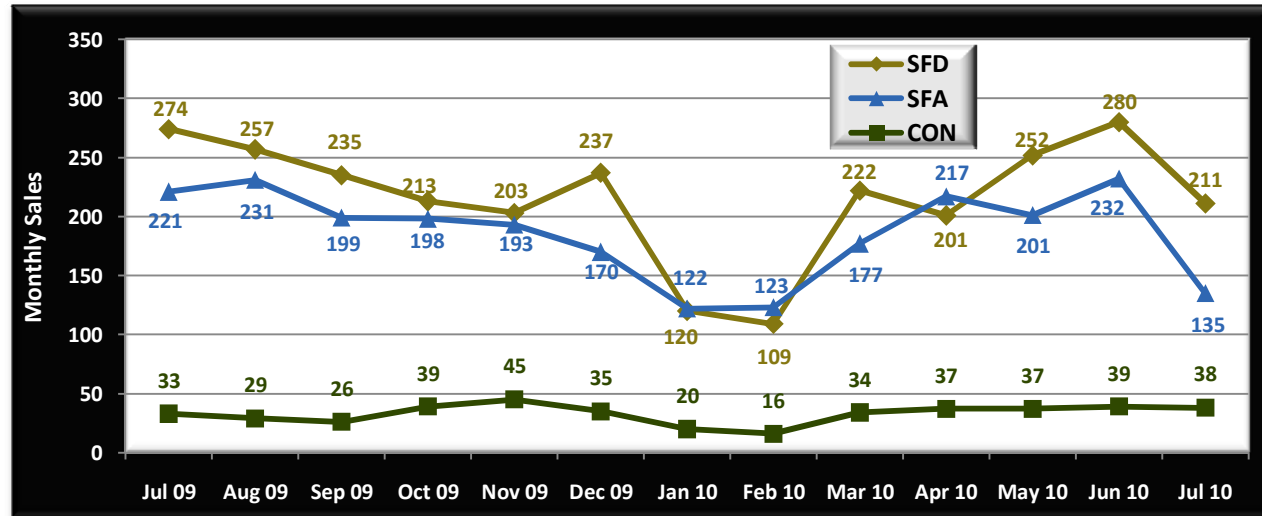


Source: MRIS

Monthly Sales (Last Thirteen Months) by Product Type

2010 SFD Average	199
2009 SFD Average	225
Variance	-11%
2010 SFA Average	172
2009 SFA Average	190
Variance	-9%
2010 CON Average	32
2009 CON Average	29
Variance	9%

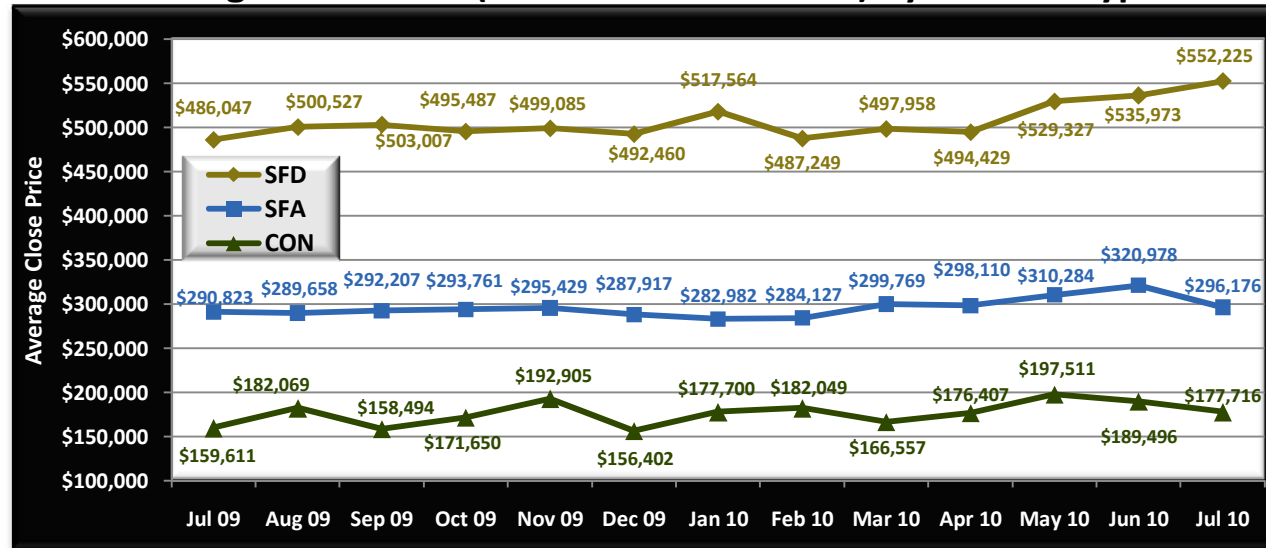
There were 56 percent more sales of detached units than attached units, the highest difference in four years. While detached and attached sales suffered in July, condominium sales remained relatively flat.



Average Close Price (Last Thirteen Months) by Product Type

2010 SFD Average	\$516,389
2009 SFD Average	\$476,336
Variance	8%
2010 SFA Average	\$298,918
2009 SFA Average	\$275,753
Variance	8%
2010 CON Average	\$181,062
2009 CON Average	\$159,990
Variance	13%

With 11 sales in July with sales prices in excess of \$1M, the average close price for detached units advanced 3 percent compared to June and the year-to-date average exceeds 2009 by 8 percent. Although attached unit prices fell this month, they are still 8 percent above last year as well.

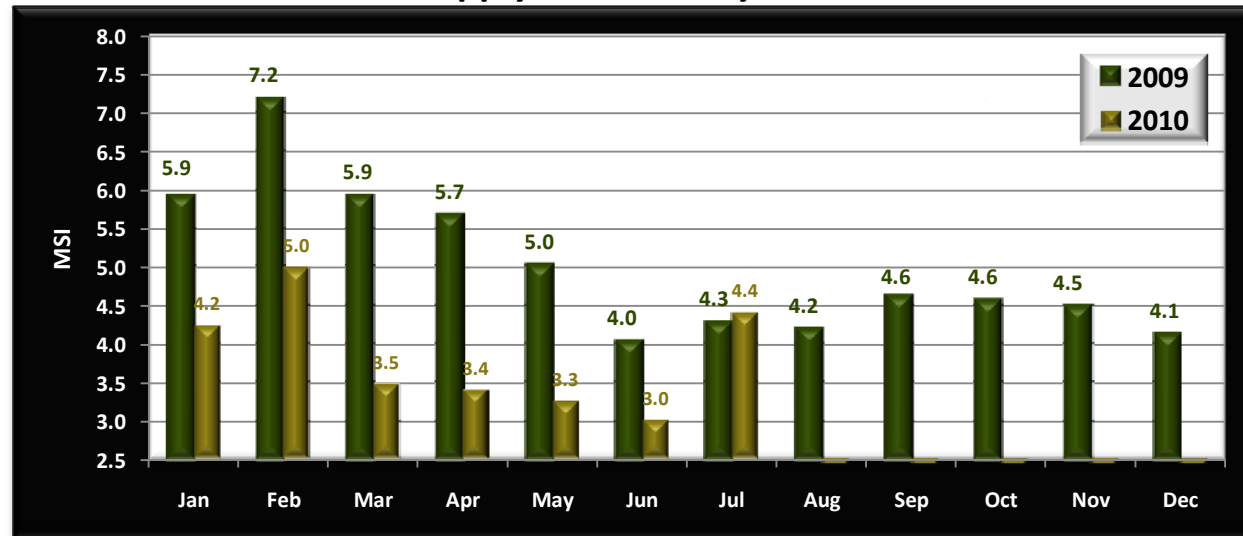


Source: MRIS

Month's Supply of Inventory: 2010 vs. 2009

Jul '10 vs. Jun '10	46.1%
Jul '10 vs. Jul '09	2.8%
2010 Average	3.8
2009 Average	4.1
2008 Average	5.3
2007 Average	8.6

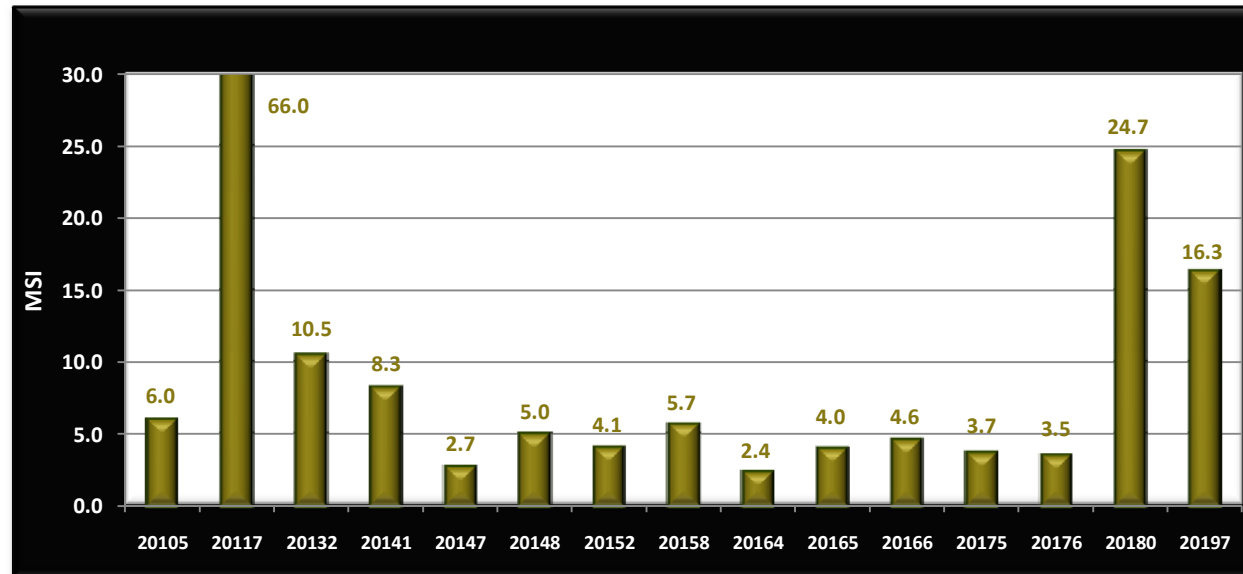
For the first time since February, the month's supply of inventory exceeded four months in July. However, the 2010 monthly average is 8 percent below the 2009 monthly average.



Month's Supply of Inventory: July 2010

High MSI: 20117	66.0
Low MSI: 20164	2.4

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), Sterling (20164) and Leesburg (20175 and 20176) zip codes were severely undersupplied in July. 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 and not rare for Lovettsville's (20180) MSI to exceed ten months.

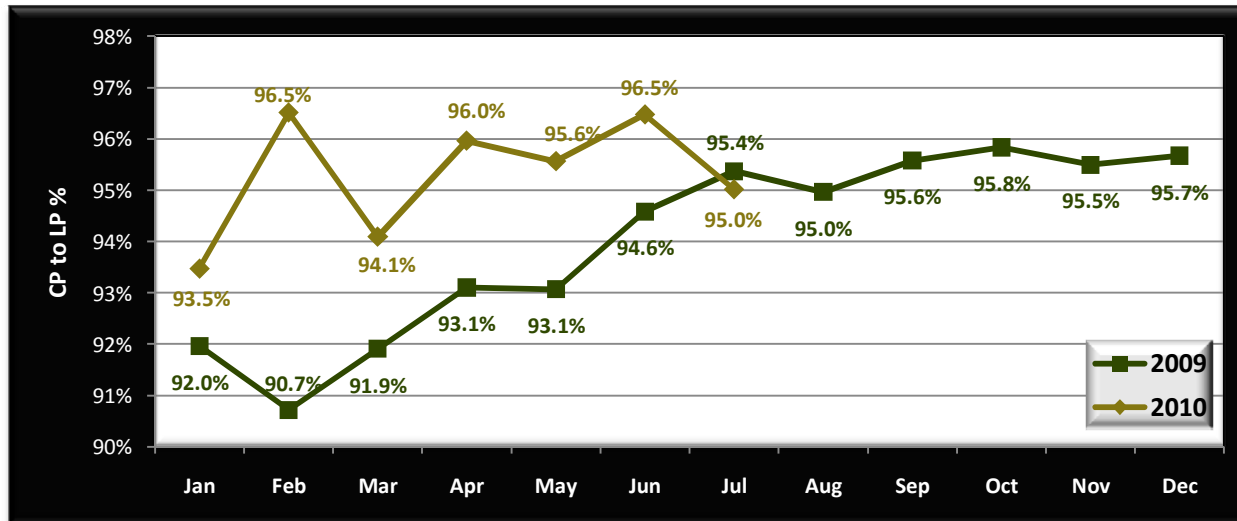


Source: MRIS

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

Jul '10 vs. Jun '10	-1.5%
Jul '10 vs. Jul '09	-0.4%
2010 Average	95.3%
2009 Average	94.0%
2008 Average	91.8%
2007 Average	92.9%

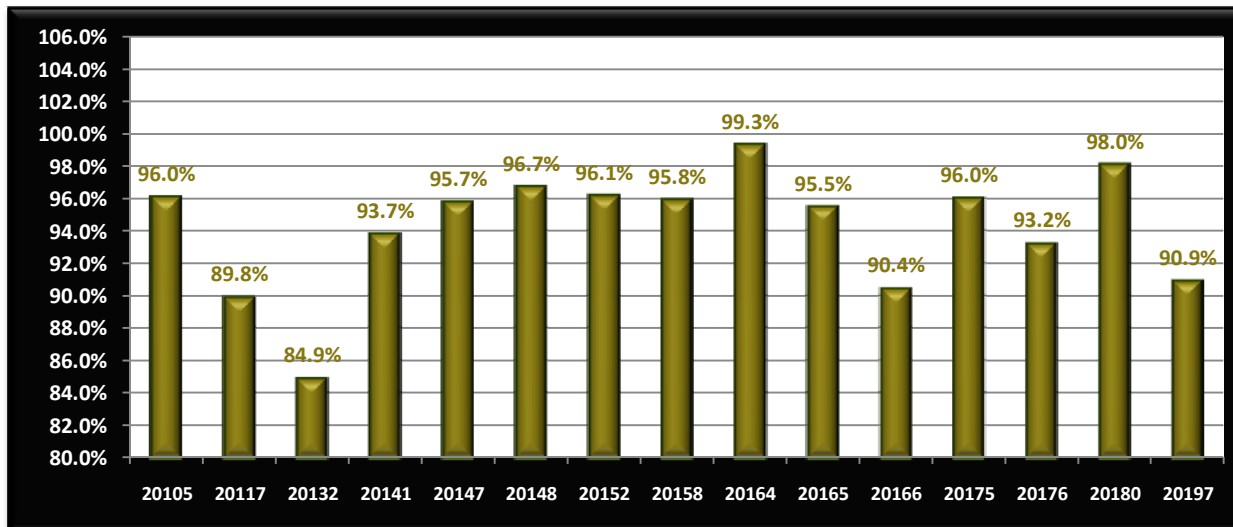
For the first time this year, the average close price to list price ratio fell below the corresponding month in 2009. However, the ratio has exceeded the 2009 average of 94 percent for thirteen of the last fourteen months. The ratio for the 11 sales with close prices that exceeded \$1M was only 87 percent.



Average Close Price to Average Original List Price Ratio: July 2010

High CP/LP %: 20164	99.3%
Low CP/LP %: 20132	84.9%

Even with a decreased overall average, all but two zip codes had ratios in excess of 90 percent during July and nine of the fifteen had ratios in excess of 95 percent. Only two, Middleburg (20117) and Purcellville (20132) had a ratio below 90 percent.

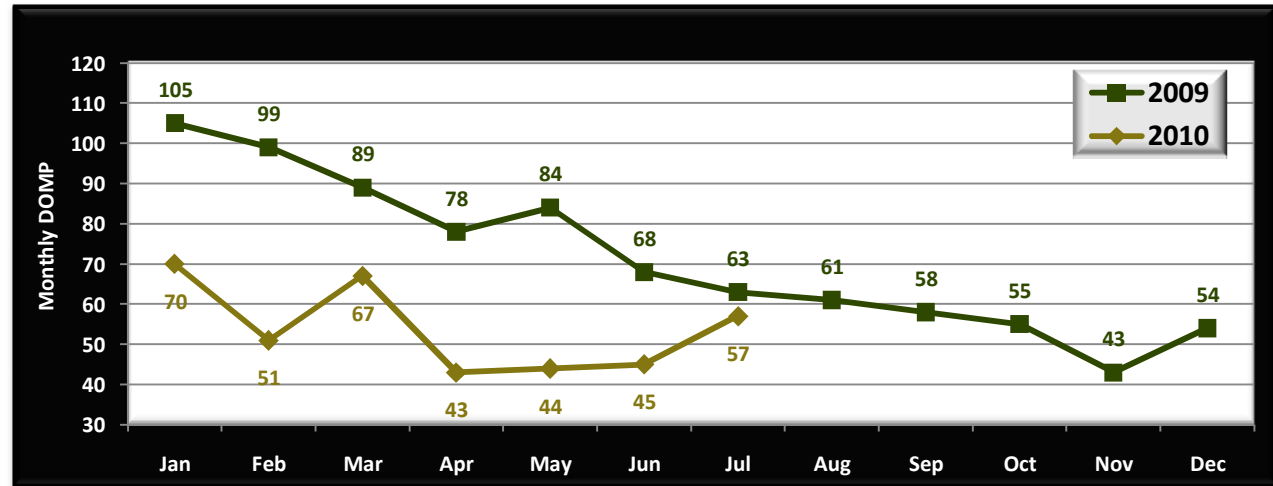


Source: MRIS

Average Days on Market: 2010 vs. 2009

Jul '10 vs. Jun '10	26.7%
Jul '10 vs. Jul '09	-9.5%
2010 Average	54
2009 Average	71
2008 Average	101
2007 Average	104

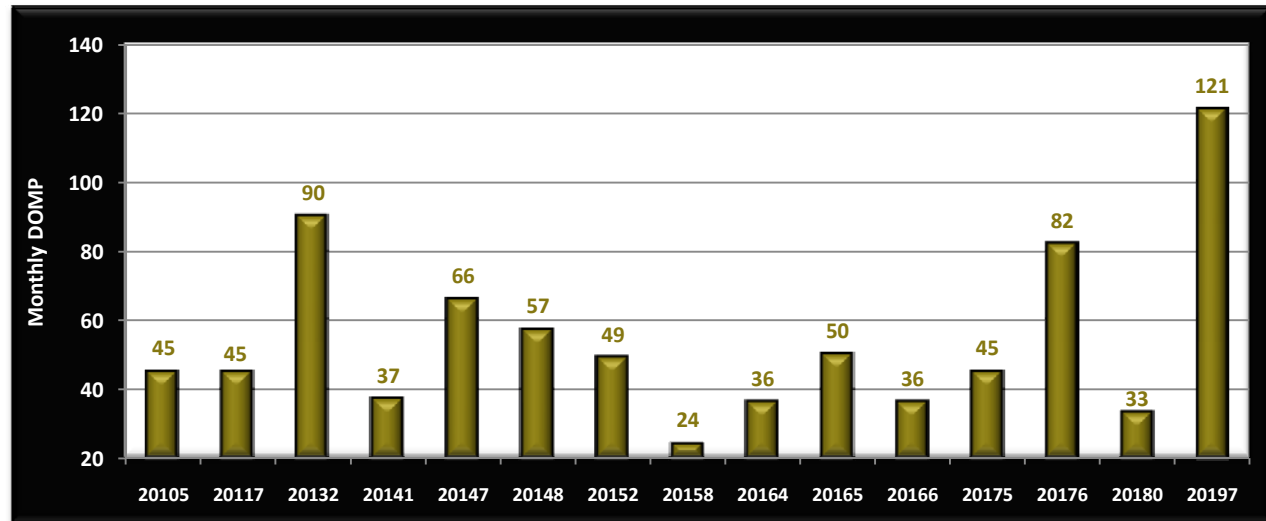
The 2010 YTD average days on market indicator through July was 33 percent below the 2009 average. Between 2006 and 2010, the highest recorded average was 138 in January 2007 and the lowest was 43 in November 2009 and April 2010.



Average Days on Market: July 2010

High DOMP: 20197	121
Low DOMP: 20158	24

Five of the Loudoun zip codes had days on market indicators below 40 days, Round Hill (20141), Hamilton (20158), Sterling (20164 and 20166) and Lovettsville (20180). The average in four zip codes exceeded 60 days.

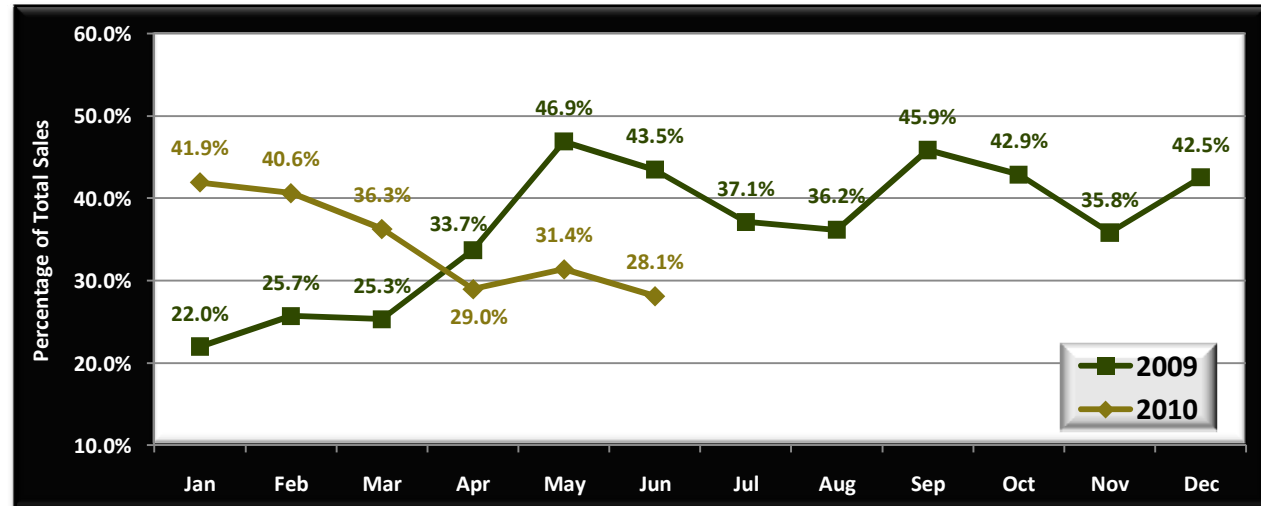


Source: MRIS

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

Jul '10 vs. Jun '10	-10.4%
Jul '10 vs. Jul '09	-24.2%
2010 Average	44.3%
2009 Average	42.5%

For the third month in a row, the share of distressed to total sales fell well below the share at the same time in 2009. July was also the second month this year that the share was below 30 percent.

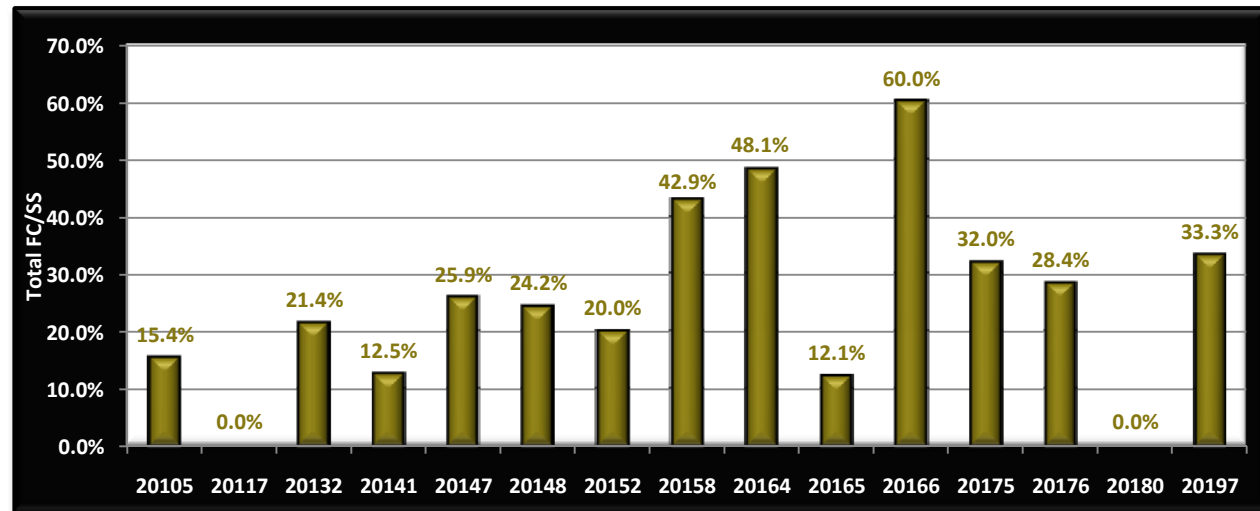


Indicating whether or not a listing was a foreclosure or short sale became mandatory in May 2009.

High % FCSS Sold: 20166	60.0%
Low % FCSS: 20117/20180	0.0%

Only one of Loudoun's zip codes had a distressed sales share of total sales that exceeded 50 percent (Sterling, 20166). Eight of the fifteen zip codes had a distressed sale ratio of less than 25 percent.

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



Source: MRSI