

## FOR IMMEDIATE RELEASE

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### **Spiking Interest Rates Slow September Northern Virginia Home Sales, Reports NVAR** *Inventory Improves Slightly from Previous Month*

FAIRFAX, Va. (October 12, 2023) – Mortgage rates that ranged between 7%-7.5% put a damper on Northern Virginia home sales in September, reported the [Northern Virginia Association of Realtors®](#) (NVAR). The high rates were a significant factor in slower market activity as the number of closed sales fell 18.2% compared to September 2022 and 23.1% compared to August of 2023 and was also considerably below the five-year average of 1,685 units.

“It’s a challenging market for borrowers and buyers, especially first-time home buyers. The increase in interest rates is a primary deterrent for buyers and would-be sellers. Current homeowners have no incentive to forgo their lower interest rate unless they are forced to move. That’s why homebuying options are scarce,” said NVAR Board Member Jamie DeSimone, Keller Williams Capital Properties.

The months’ supply of inventory for September 2023 was 1.22 months, down 1% from September 2022 and down from the 5-year average of 1.3 months of inventory. In good news, September’s inventory figures were a bit higher than August, when inventory stood at 1.08 month’s supply of inventory. On average, homes stayed on market for 17 days in September 2023, down 32% from the previous September when the average days on market was 25 days.

The tight supply pushed prices up as the median sold price for a home in September reached \$650,000, up 5% from September 2022 but down 7.1% compared to August of 2023. The five year average for median sold price in September is \$594,028.

“We’ve been experiencing the ‘ouch factor’ as high mortgage rates have chilled the market. With the resulting limited inventory, sellers choosing to list their homes are receiving multiple offers and have leverage over buyers. The market remains competitive, as there are more people who want to buy than there are homes to sell,” explained NVAR CEO Ryan McLaughlin.

In June, NVAR released a mid-year update to its [NVAR Region 2023 Residential Real Estate Market Forecast](#). The forecast noted that a continued lack of housing inventory, pent-up buyers’ demand creating a sellers’ market, and positive economic conditions peppered with mounting risks may be in store for the Northern Virginia housing market for the remainder of 2023. The update was created in cooperation with the Center for Regional Analysis at George Mason University (GMU-CRA).

## 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 is September 2023 regional home sales compared to September

2022 for Northern Virginia with data derived from Bright MLS as of October 11, 2023 (total sales and listings may not include garage/parking spaces):

- The number of closed sales in September 2023 was 1,180 units. This was down 18.2% compared to September 2022 and down 23.1% compared to August of 2023. The five-year average for September closed sales is 1,685.
- The total sold volume in September 2023 was \$868,927,096. This was down 14.4% compared to September 2022 and down 31.6% compared to August 2023.
- The average sold price for a home in September 2023 was \$738,772, an increase of 6% from September 2022 and a decrease of 11.2% from August of 2023.
- The number of active listings in September 2023 was 1,661, down 29.80% compared to September 2022. The number of new listings was down 35.86%, at 1,368 in September of 2023. The five-year average for September active listings is 2,390.
- The total number of new pending sales in September 2023 was 1,220, an 11.98% decrease compared to September of 2022.

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

### **NVAR Charts, Graphs, Social Media for September 2023 NVAR Housing Stats**

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

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

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

NVAR Mid-Year Market Forecast: [Click Here](#)

These links are accessible from the Market Stats page here: [Click here.](#)

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