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**Northern Virginia Housing Market Added Nearly \$38B in 2023, Making It a Driving Factor and One of the Region's Largest Economic Sectors, Reports NVAR**

*NEW 2023 "Economic Contributions of the Northern VA Housing Industry" Report Covers Whole Region*

FAIRFAX, Va. (May 9, 2024) – The residential real estate industry is a major driver of economic activity on a scale that is comparable to federal contracting and government employment, according to a NEW economic impact [report](#) released today by the [Northern Virginia Association of REALTORS®](#) (NVAR) in cooperation with the [George Mason University Center for Regional Analysis](#).

For all Northern Virginia in 2023, the residential real estate industry contributed **\$38.7B in economic activity which boosted the area's gross regional product by \$22.4B, increased labor income by \$12.8B, and supported more than 187,000 jobs** in the region. Local jurisdictions received \$791M in revenues related to this economic activity.

"Residential real estate is among the region's largest and most important economic sectors," said Ryan McLaughlin, CEO, NVAR. "The housing market underpins regional economic performance, and the expansion of this industry is a necessary condition for regional economic competitiveness as we move forward, he added."

One key aspect of the 2023 *Economic Contributions of the Northern Virginia Housing Industry* report that differs from previous reports is the expansion of the Northern Virginia housing region. Due to more flexibility in work-from-home arrangements, many residents chose to move further out. Therefore, in addition to including NVAR's core areas of Alexandria, Arlington, Falls Church, Fairfax County and the City of Fairfax, this report also included Loudoun County, Prince William County, Stafford County, and the cities of Manassas and Manassas Park.

Focusing on NVAR's core areas, the residential real estate market boosted total regional activity by **\$17B, which increased gross area product by \$10.7B and supported 88,400 jobs that paid \$6.47B in salaries, wages, and benefits**. The local jurisdictions served by NVAR enjoyed \$313 million in revenue associated with business activities in residential real estate, a bright spot given that commercial property values have not fared as well.

It is also worth noting that since available housing plays a role in attracting talented workers to an area, companies are following workers to jurisdictions with the right mix of housing type at entry prices achievable by young workers, especially young families. Additionally, hybrid work allows homebuyers to choose more distant suburbs to live.

"While quality of life, pleasant climate, and recreational amenities all play a part in attracting and retaining working households, the crucial factor affecting the marketplace is housing dynamics — the availability, quality, type, and cost of housing, especially for young family households," said Terry Clower, PhD, Director, Center for Regional Analysis, Schar School of Policy and Government, George Mason University.

Although Northern Virginia's housing market remains characterized by low inventories, high prices, and challenging regulatory and cost conditions for development, the residential real estate market is one of the region's largest economic sectors.

"Even with the rapid increase in interest rates, especially mortgage rates, the residential real estate sector continued to grow in magnitude and importance as a contributor to regional jobs and economic activity," said NVAR's McLaughlin. "Housing increasingly is a factor of regional economic competitiveness."

#### *Methodology*

The report analyses are based on industry employment data from the Lightcast database, MarketStats by ShowingTime, IBIS World and IMPLAN. The economic contributions of housing industry activity are estimated using the IMPLAN economic input-output model. For a copy of the full report, click [here](#).

For more information about NVAR, visit [www.nvar.com](http://www.nvar.com).

*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. Headquartered in Fairfax, 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](http://www.nvar.com).*

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