



2015 YEAR END MARKET CONDITIONS REPORT

Rental Over-Supply, reverses trend in November vs. December (17% + above average supply)

The Rental and Sales market for 2015 was interesting to say the least. We have seen the supply of rentals go from a high of 20% above average supply to parity by the end of the year. This has been a marvelous reversal of a trend we began to worry about mid-year.

Average Rent Charged Slightly Higher in 2015 (Just ½% higher in 2015)

Despite the average rent charged ending the year above 2014, it was a very bumpy ride. The first half started to move above 2014 but as the over-supply started to affect the market we saw a decline in average rent charged in June which severely effected the days on market as seen on the charts. November was our worst month but it did bounce back in December. 2015 was a break-even year coming in at \$2219.50 which is just \$7.17 more than last year (See chart on page 2 & 3)

Average Day On Market (12% higher than 2014)

The average days on market tells the story best. Due to the excessive supply “the time a listing was on the market” was extended on average 10% over the year. There were several months where the days on market were in excess of 25% more days than the previous year. (See Chart on page 6)

Homes Sold 2015 (9% higher than 2014)

The over supply does not tell the whole story about the softer rental market in 2015. Over the past 5 years, 2015 will be a record year with a total of **14,363** units sold. This represents an increase of **9%** over 2014, **1 ¾%** increase over 2013, **6.8%** increase over 2012, and a **16%** increase over 2011. We do feel the sales are part of the overall picture and some prospective tenants decided to purchase rather than continuing to rent. This may be a symptom of rising rents over the past 15 years. As rents begin to reach a point in which a consumer can purchase for less than rent we will potentially see a decline in rents charged. Despite the rising rents we do feel this will not affect 2016.

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2014 - 2015 Rental Statistics for Fairfax County Virginia. Properties with less than 5000 square feet.

Month	Jan	Feb	March	April	May	June	July	August	Sept	Oct	Nov	Dec	Average 2013
Average Monthly Rent 2014	\$ 2,160.00	\$ 2,135.00	\$ 2,110.00	\$ 2,204.00	\$ 2,230.00	\$ 2,293.00	\$ 2,353.00	\$ 2,321.00	\$ 2,205.00	\$ 2,153.00	\$ 2,203.00	\$ 2,181.00	\$ 2,212.33
Average Days on Market 2014	49	45	46	35	29	27	25	30	33	39	43	50	37.58
Active Rental Units 2014	967	1025	817	857	1112	1248	1280	1318	1452	1512	1505	1334	1202
Units Rented 2014	457	475	589	647	783	883	967	909	670	670	533	492	673
Months Supply	2.115973742	2.157894737	1.387096774	1.324574961	1.420178799	1.413363533	1.323681489	1.449944994	2.167164179	2.256716418	2.823639775	2.711382114	1.88
													2014
Average Monthly Rent 2015	\$ 2,194.00	\$ 2,144.00	\$ 2,151.00	\$ 2,272.00	\$ 2,285.00	\$ 2,297.00	\$ 2,333.00	\$ 2,318.00	\$ 2,188.00	\$ 2,177.00	\$ 2,091.00	\$ 2,184.00	\$ 2,219.50
Average Days on Market 2015	65	52	48	47	33	30	30	34	40	42	51	42.67	
Active Rental Units 2015	1255	1111	985	1194	1493	1479	1770	1627	1808	1701	1589	1389	1450
Units Rented 2015	498	531	638	666	803	893	1004	930	717	699	649	545	714
MONTHS SUPPLY	2.520080321	2.092278719	1.543887147	1.792792793	1.859277709	1.656215006	1.762948207	1.749462366	2.521617852	2.433476395	2.448382126	2.548623853	2.0774

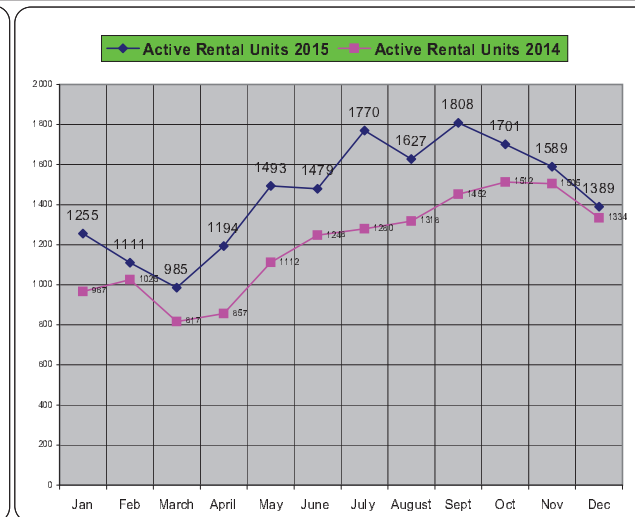
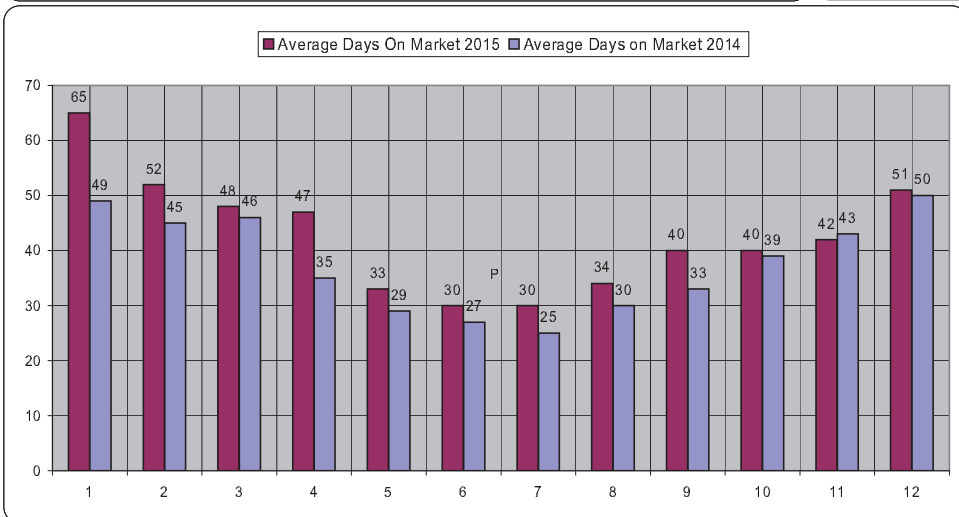
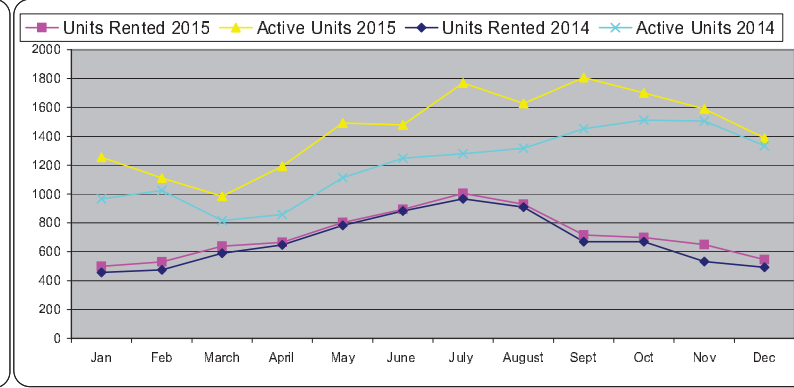
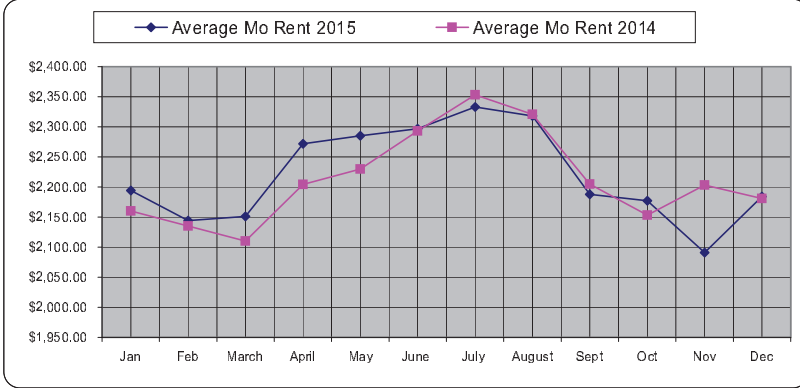


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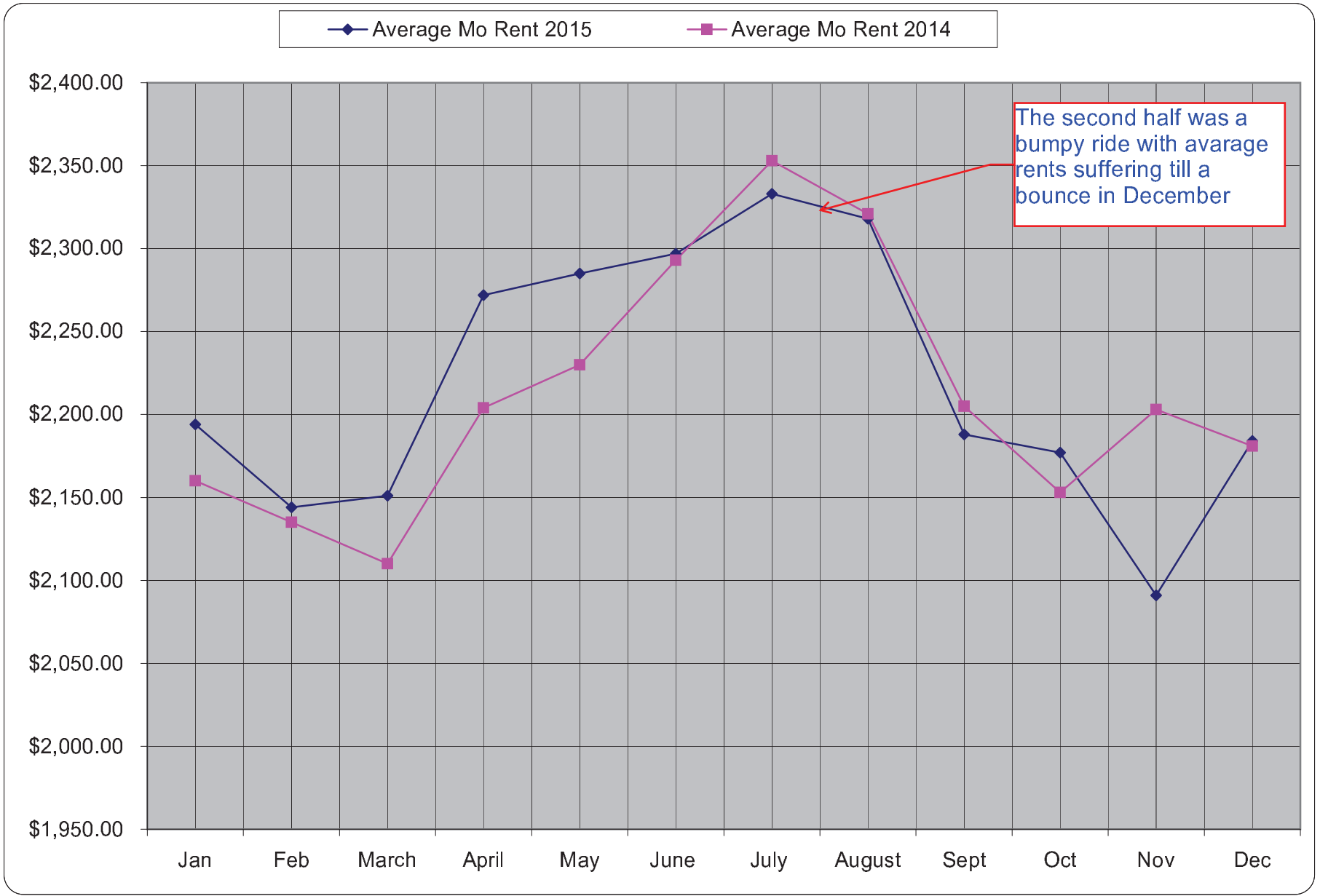
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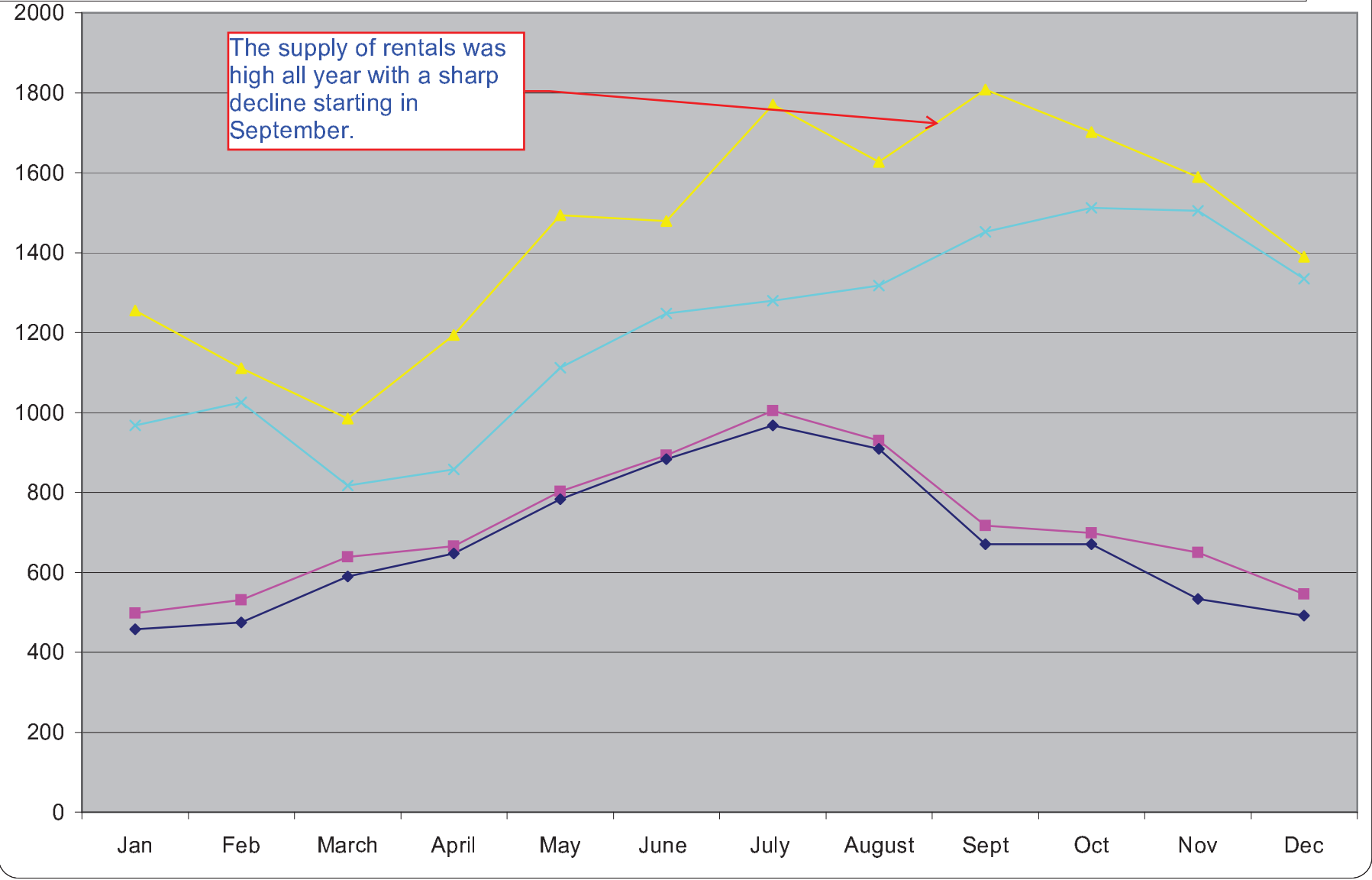


AVAERAGE RENT CHARGED



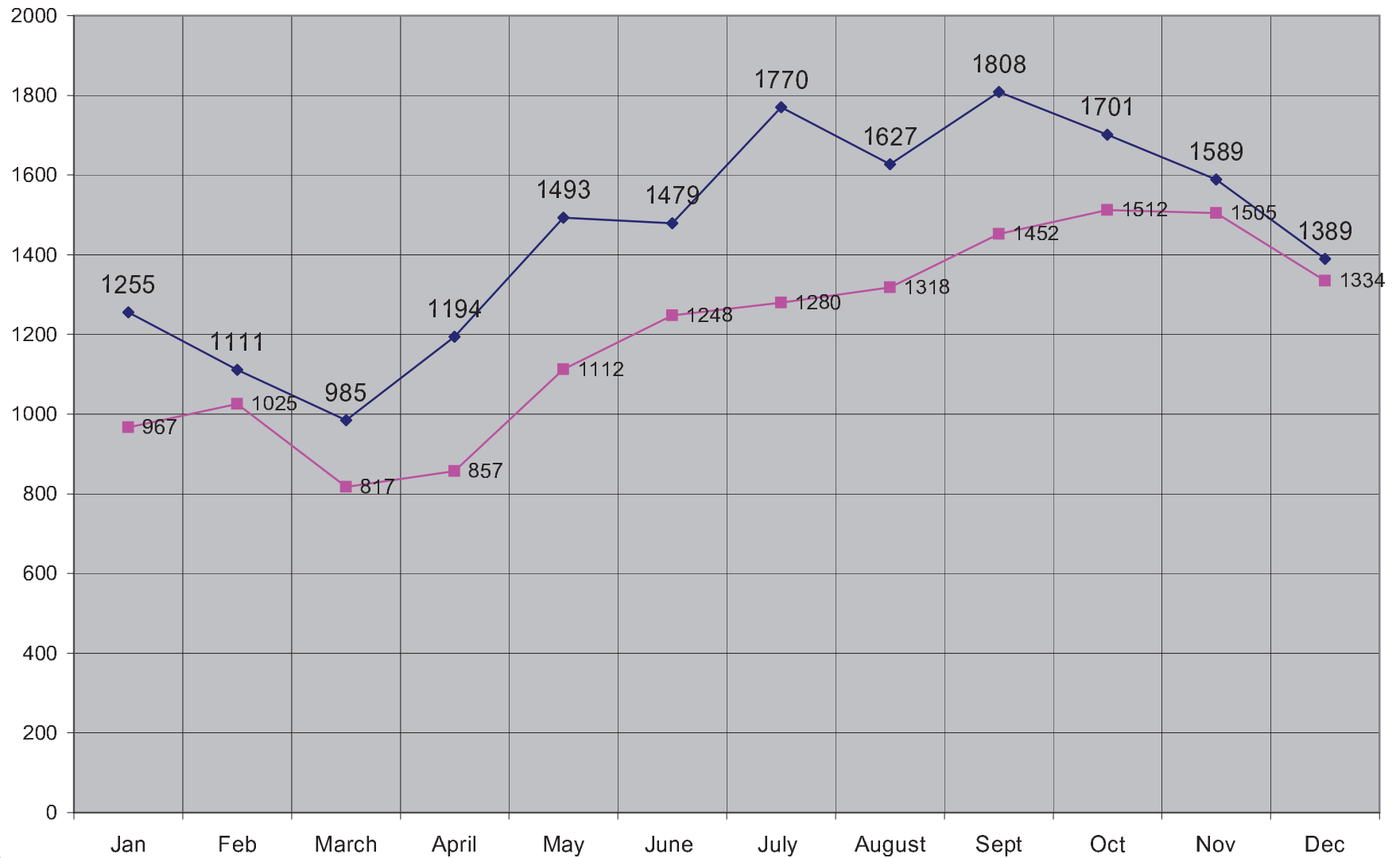
■ Units Rented 2015 ▲ Active Units 2015 ◆ Units Rented 2014 ✕ Active Units 2014

The supply of rentals was high all year with a sharp decline starting in September.

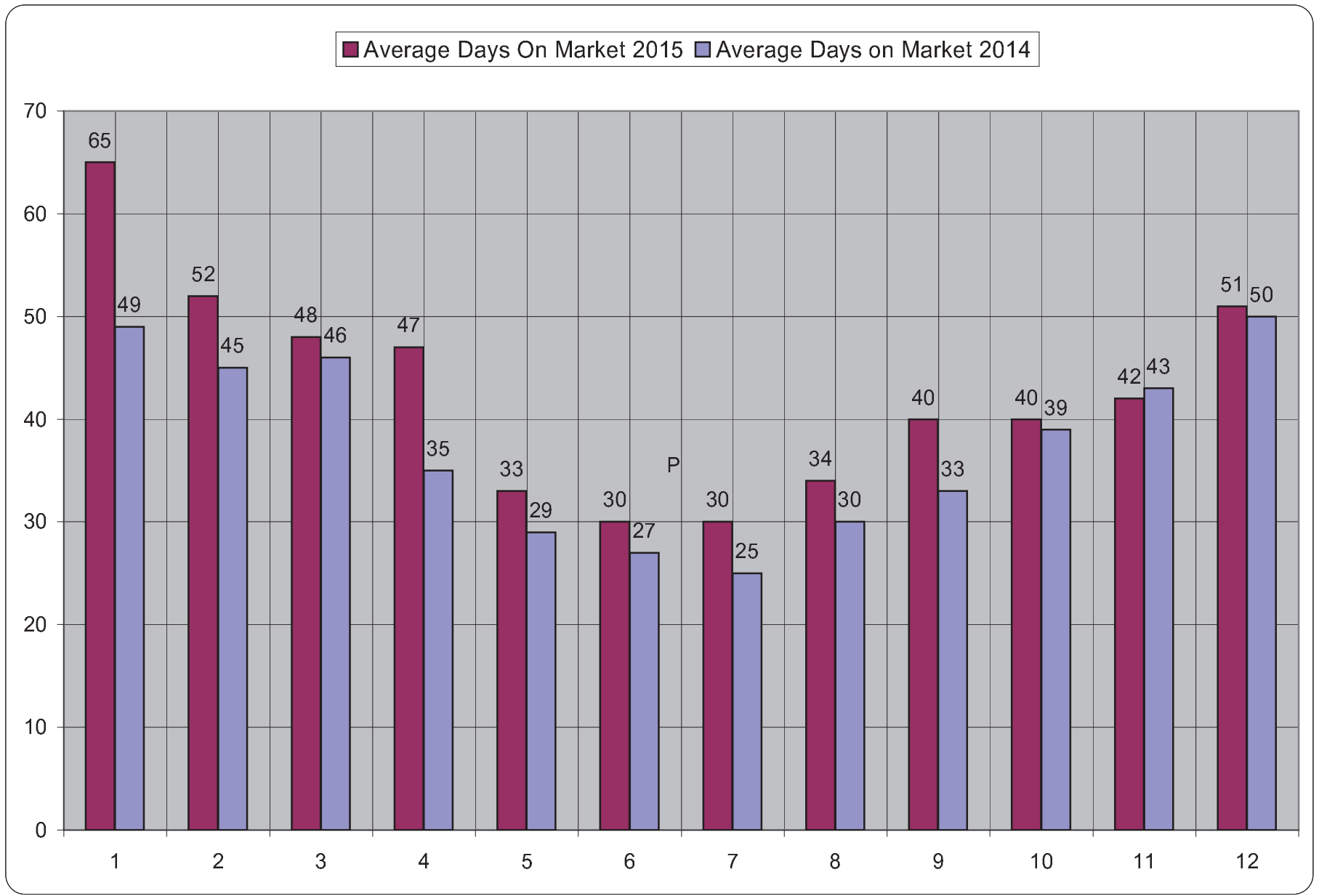


ACTIVE UNITS (SUPPLY)

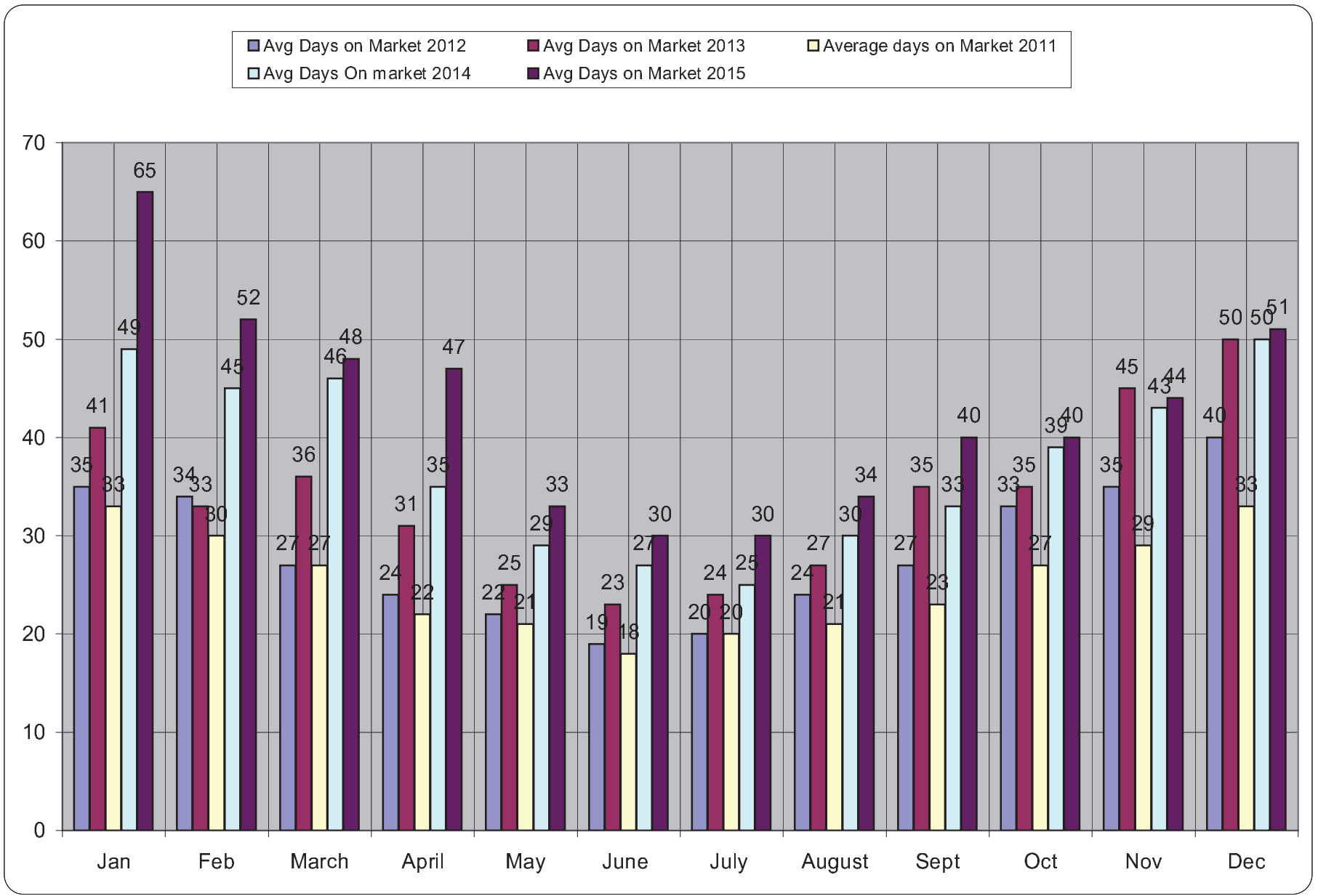
Active Rental Units 2015 Active Rental Units 2014



AVARAGE DAYS ON MARKET



YEAR OVER YEAR ACTIVE DAYS ON MARKET



FIVE YEAR CHART WITH UNITS SOLD

