

REAL ESTATE

Amazon's HQ2 decision boosted luxury market in Arlington

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Home sales in Arlington, VA have been up since Amazon's HQ2 announcement. Image credit: Realtor.com

By STAFF REPORTS

Ecommerce giant Amazon's choice of Arlington, VA for its second headquarters has increased sales of million-dollar homes in the city by 34.8 percent.

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Last fall, Amazon had decided to move into both Arlington and New York's Queens borough, providing a boost in home sales of 50 percent year-over-year in each market, according to data from Realtor.com. However, after Amazon pulled out of New York, the two cities' real estate deals have diverged, with Manhattan sales cooling off.

"With a household name as big as Amazon moving into Arlington's backyard, we expected that home prices were going to increase, but because the number of homes for sale is not keeping up with demand, the price growth we've witnessed so far in both the mid-market and luxury sector has been dramatic," said Danielle Hale, chief economist of Realtor.com, in a statement. "Meanwhile, Manhattan's housing market, which boomed in November following the announcement, has cooled off after Amazon decided to pull out of the city."

Amazon effect

With ecommerce giant Amazon officially announcing its plans to open new headquarters in New York and Northern Virginia, the surrounding real estate markets braced for major changes.

Affluents working in the tech sector have already pushed home prices upwards in the Bay Area and Seattle, where Amazon was established. Research has also shown that the nation's top earning ZIP codes are already dominated by the city of New York and areas outside of Washington, D.C. ([see story](#)).

Following the November announcement, the real estate markets in both New York and Arlington lifted. However, in February Amazon decided not to build a headquarters in New York after facing political pressure.

Since November, Arlington's median list price is up 17 percent to \$750,000. The city's inventory has also declined 40 percent due to demand.



Condo in Arlington, VA. Image credit: Realtor.com

The top 5 percent of homes in Arlington saw their asking prices rise 22.1 percent to \$2.4 million.

Homes in the broader northern Virginia area are also moving quickly, with an average 34 days on the market. Sales of million-dollar homes rose 45.7 percent, while properties in the top 5 percent saw their asking prices grow 10.5 percent.

While Amazon's other headquarters was set to be in Queens' Long Island City neighborhood, the impact of the decision was also felt in Manhattan. Sales grew 52.1 percent year-over-year there following the announcement.

However, in February, sales only grew 11 percent year-over-year, and the median list price has only increased 2.4 percent since November.

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