

GPR GREATER PIEDMONT HOME SALES REPORT

Madison County

CUSTOM REPORT PREPARED BY
VIRGINIA REALTORS®

Madison County Housing Market + Regional Trends Analysis

1st Quarter 2020 Report

The Greater Piedmont regional housing market had a relatively good start to the year. There were more homes sold in the 1st quarter than a year ago, and prices continue to climb in many local markets. These factors led to a large increase in total sold dollar volume in the GPR footprint this quarter (+\$44 million) compared to last year. It took slightly longer to sell homes, on average; however, the inventory of active listings declined rapidly.

Like the rest of the country and Virginia, the Greater Piedmont Region is feeling the economic impact of COVID-19. The 1st quarter 2020 housing market data do not reflect the current economic situation. Since February, more than 22 million Americans, including more than 400,000 Virginians, have applied for unemployment benefits. Housing market activity will slow in the Greater Piedmont area in the 2nd quarter of 2020, though strong underlying fundamentals going into the COVID-19 pandemic will help the region's market rebound. Key highlights from the housing and economic data this month include the following:

- There were 478 sales throughout the GPR footprint in the 1st quarter, 23% more sales than a year ago.
- At \$356,000, the 1st quarter median sales price in the GPR housing market rose 3% from last year, a gain of \$12,000.
- There were 547 active listings on the market in the GPR area at the end of the 1st quarter, a 37% drop from this time last year.

Key Market Indicators: 1st Quarter 2020, Madison County

Change from 1Q-2019	▲ 17.9%	Units Sold: 33
	▼ -26.9%	Average Sales Price: \$319,197
	▼ -2.2%	Median Sales Price: \$259,000
	▼ -10	Average Days on Market: 122
	▼ -0.6%	Average Sales Price to Original List Price Ratio: 95.8%
	▼ -8	Active Listings: 52



Sales: After 2 sluggish quarters in a row, sales growth resumed in the Madison County housing market in the 1st quarter of 2020. There were 33 sales in the County during the 1st quarter, 5 more sales than last year, representing an 18% increase.

Home Prices: At \$259,000, the 1st quarter median sales price in Madison County declined by 2% from last year, a \$5,750 decrease. This is the 1st drop in the median price in the County since a modest 1% dip in the Summer of 2018.

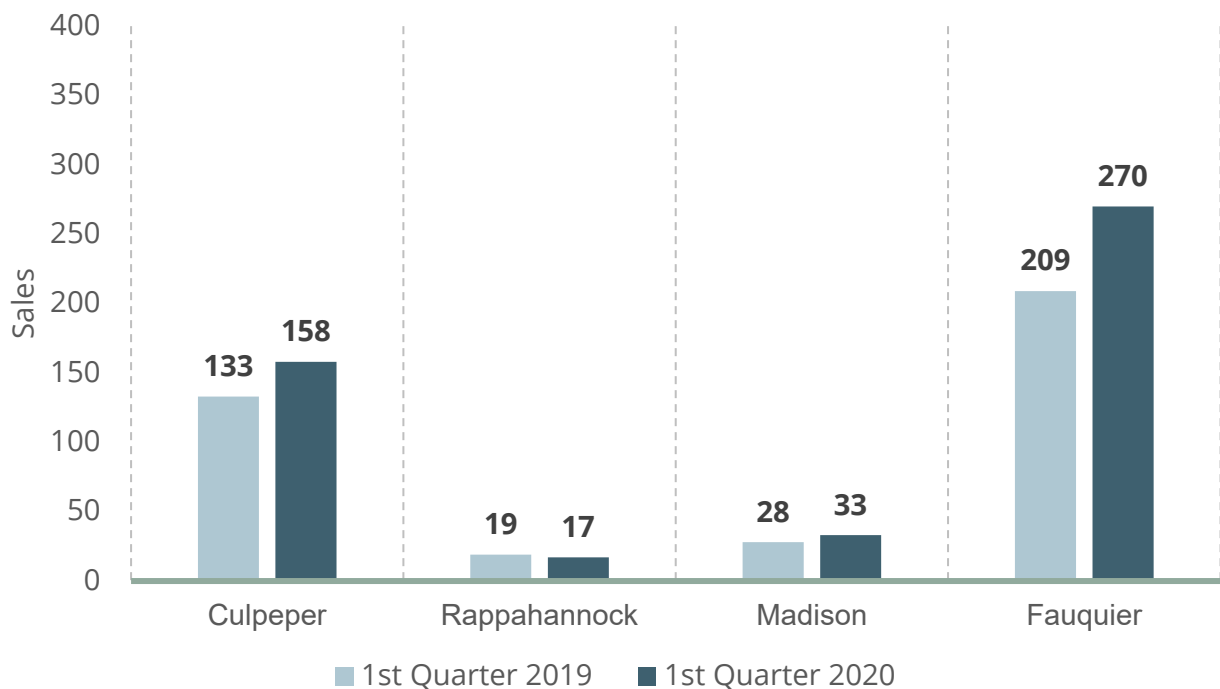
Active Listings: The inventory continues to shrink in the Madison County housing market. There were 52 active listings on the market at the end of the 1st quarter, 8 fewer listings than a year ago, a 13% decline.

Days on Market: Homes sold faster, on average, in Madison County this quarter. The average days on market was 122 days in the 1st quarter, 10 days faster than a year ago.

Greater Piedmont Region Housing Market Trends

Sales: Home sales in the Greater Piedmont regional housing market continue to grow. There were 478 sales in the 1st quarter throughout the GPR footprint, a 23% jump from last year, an increase of 89 sales. Sales have increased for 5 consecutive quarters in the region's housing market, evidence of strong buyer demand. Fauquier County led the region in sales growth, surging up 29% this quarter, a gain of 61 sales. After a slow 2nd half of 2019, sales in Madison County increased this quarter, up 18%, an additional 5 sales. Sales growth in the GPR footprint continues to outpace the State housing market overall, which had a 4% increase in sales this quarter. Relatively stable job growth and very low unemployment for much of the past year have kept buyers active in the Greater Piedmont housing market. This may change in the 2nd quarter of 2020 as the COVID-19 response efforts continue.

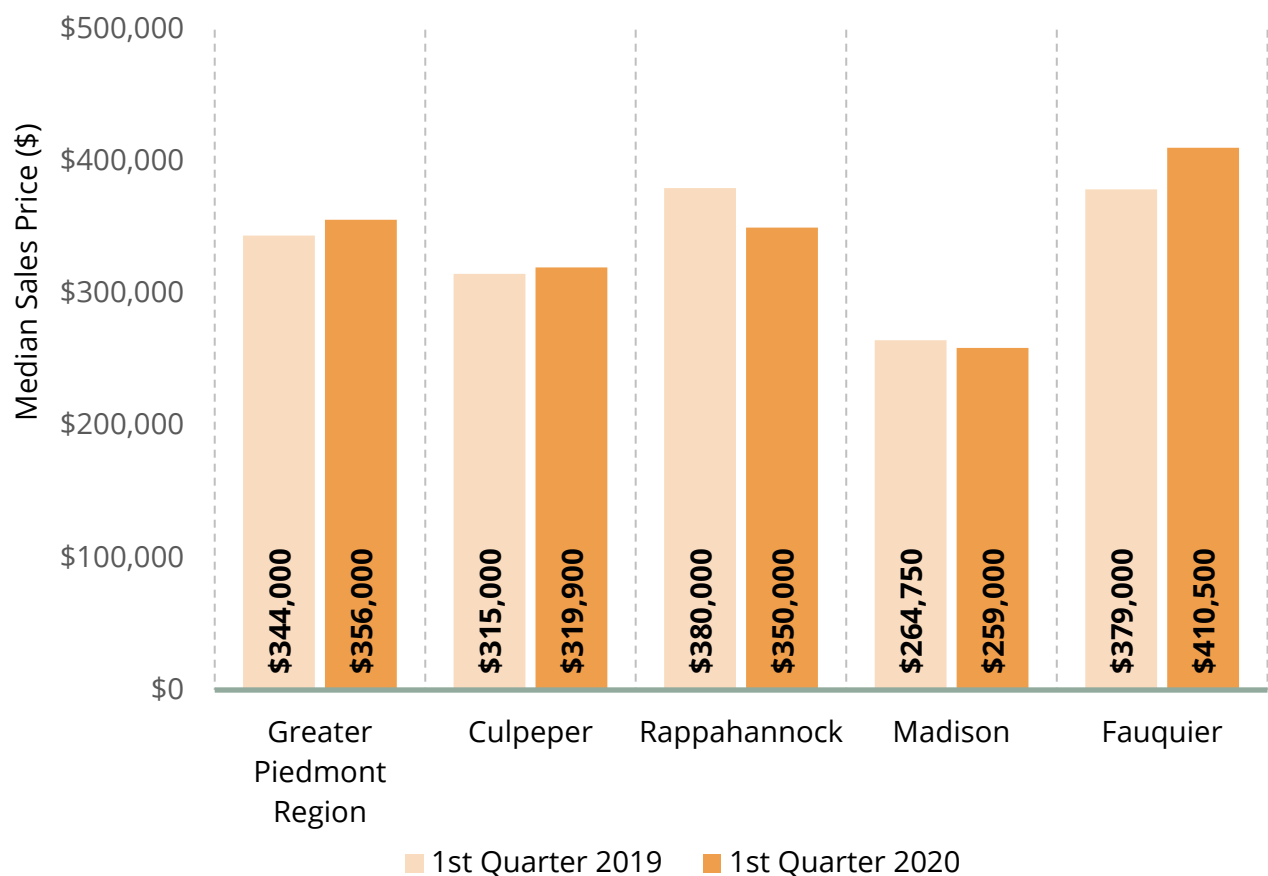
Figure 1: Sales by Jurisdiction in the Greater Piedmont Region



Source: Virginia REALTORS®, data accessed April 16, 2020

Home Prices: Sales prices are climbing in some parts of the GPR footprint, though prices fell in other areas this quarter. Overall, the 1st quarter median sales price in the region rose 3% to \$356,000, a gain of \$12,000 compared to a year ago. The median sales price in the region has been rising consistently for several years, evidence of active buyers and a tight inventory of homes available. Fauquier County and Culpeper County drove the median sales price growth this quarter, rising 8% and 2%, respectively. The median sales price declined 2% in Madison County and fell 8% in Rappahannock County. At \$295,100, the median sales price in Virginia rose 7% in the 1st quarter compared to last year.

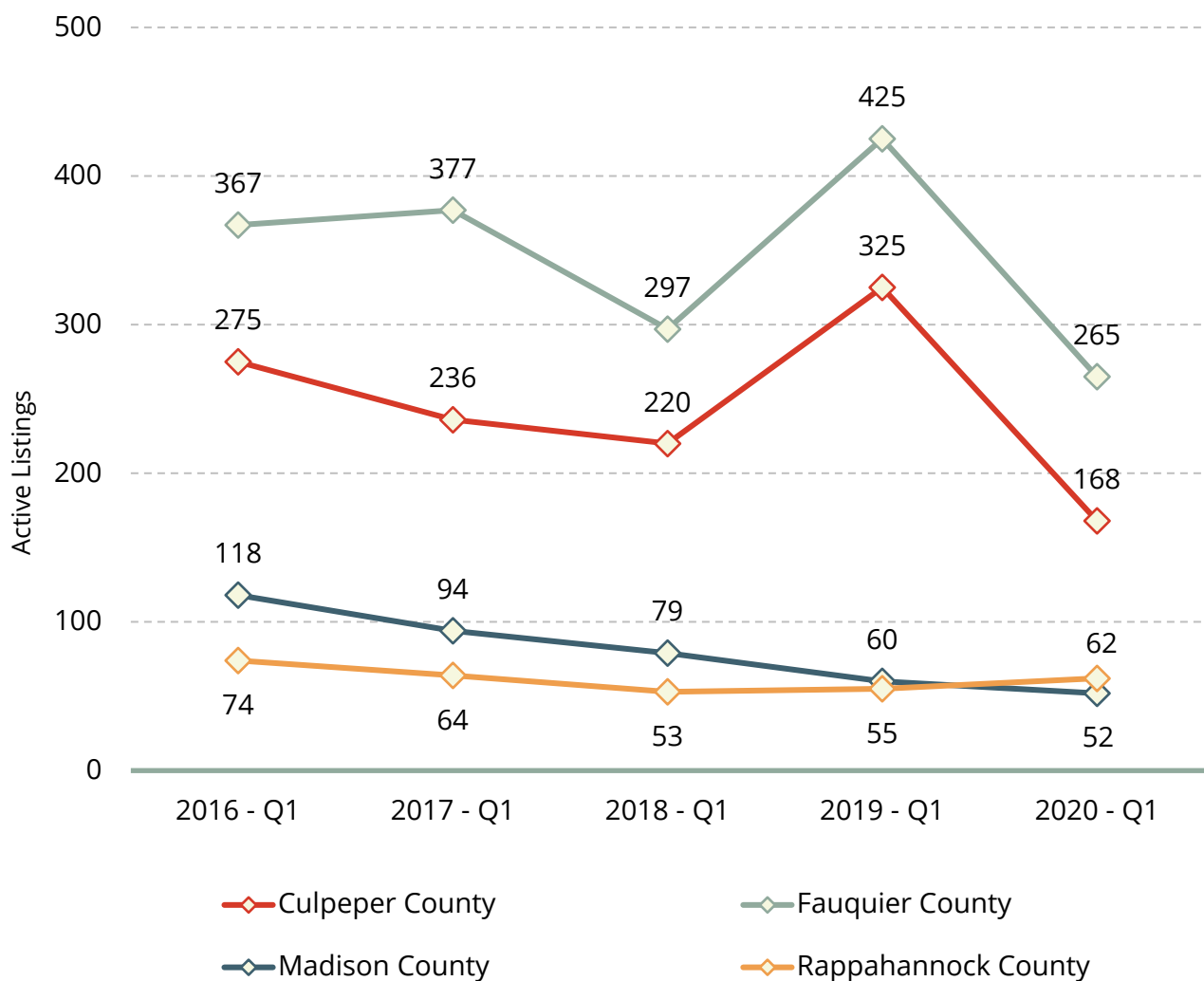
Figure 2: Median Sales Prices in the Greater Piedmont Region



Source: Virginia REALTORS®, data accessed April 16, 2020

Active Listings: The inventory of active listings in the Greater Piedmont region is shrinking rapidly. There were 547 active listings on the market at the end of the 1st quarter, a 37% plunge from last year, which is 318 fewer active listings. This is the largest supply drop in the region's housing market in more than 4 years. Most jurisdictions in the region had fewer active listings this quarter. Culpeper County had the largest percentage drop, with 48% fewer active listings on the market compared to the 1st quarter of last year. Rappahannock County was the only local market to have an uptick in active listings, with 7 additional listings compared to last year, a 13% gain. The shrinking supply continues to put upward pressure on home prices in local markets throughout the GPR area. Similar inventory trends have been occurring in regions around the State. The supply of active listings in Virginia overall declined by 19% in the 1st quarter compared to last year.

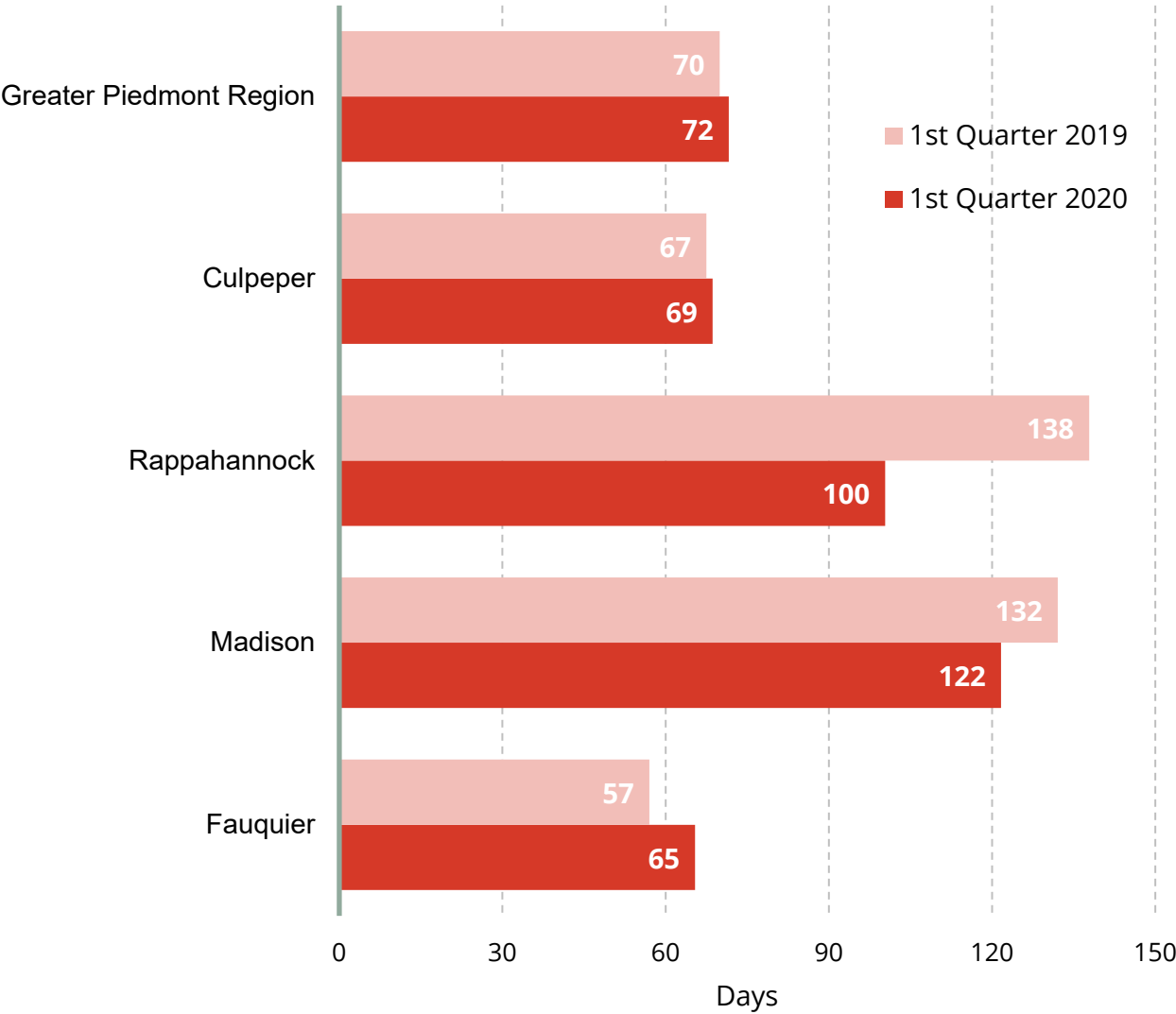
Figure 3: Active Listings in the Greater Piedmont Region



Source: Virginia REALTORS®, data accessed April 16, 2020

Days on Market: It took slightly longer, on average, to sell homes in the Greater Piedmont area in the 1st quarter compared to a year ago. The average days on market in the region was 72 days, 2 days longer than the 1st quarter of 2019. At the local level, Fauquier County had the largest increase in average days on market; homes were on the market about a week longer, on average, in the County (+8 days). Homes that sold in Rappahannock County this quarter were on the market more than a month less, on average, compared to last year (-37 days). At the State level, homes sold in 49 days, on average, during the 1st quarter, which is 11 days faster than a year ago.

Figure 4: Average Days on Market in the Greater Piedmont Region

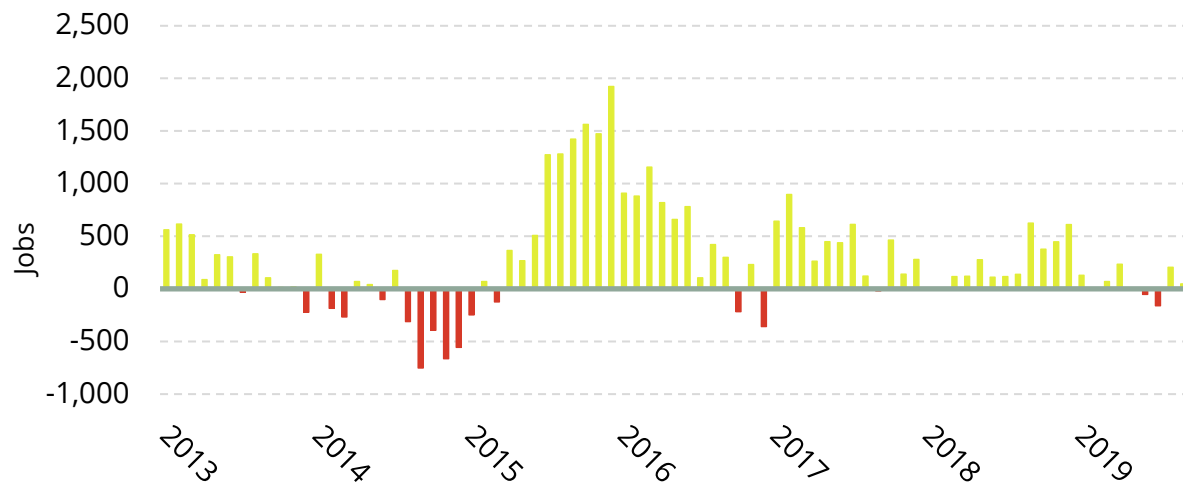


Source: Virginia REALTORS®, data accessed April 16, 2020

Economic Overview

Job growth had slowed slightly in the Greater Piedmont region in 2019, but the region was on course to end 2019 with positive job growth. The strongest job growth in 2019 was in the Health Care & Social Assistance and Administrative & Waste Management sectors. Last fall, the Construction sector also experienced an increase in jobs.

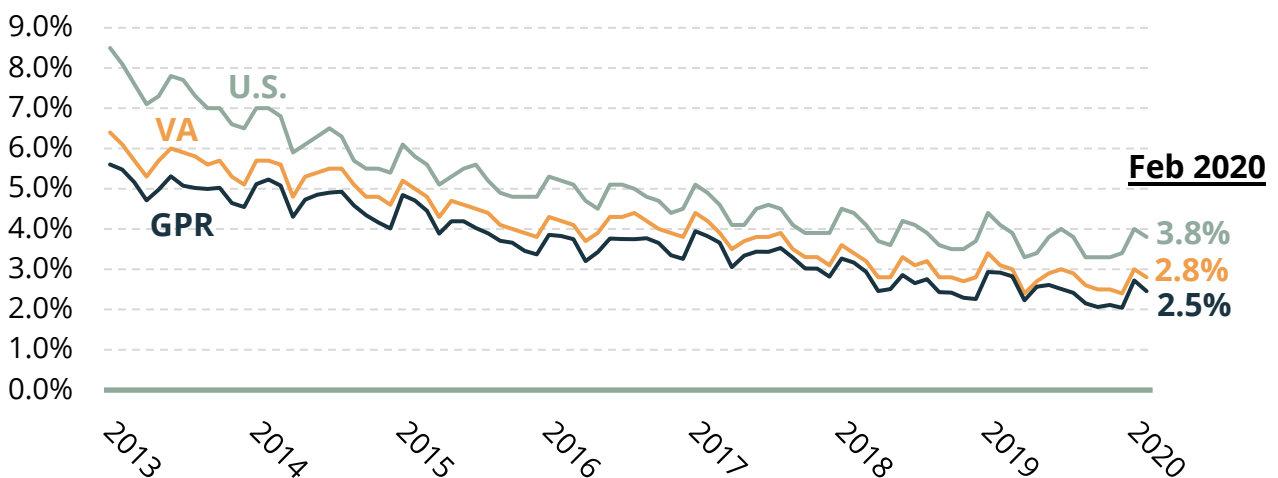
Figure 5: Annual Change in Jobs, Greater Piedmont Region



Source: Virginia Employment Commission, Quarterly Census of Employment and Wages

Unemployment has been very low throughout 2019 and into early 2020. The unemployment rate in the Greater Piedmont region was 2.5% in February 2020, lower than both the national and statewide unemployment rates.

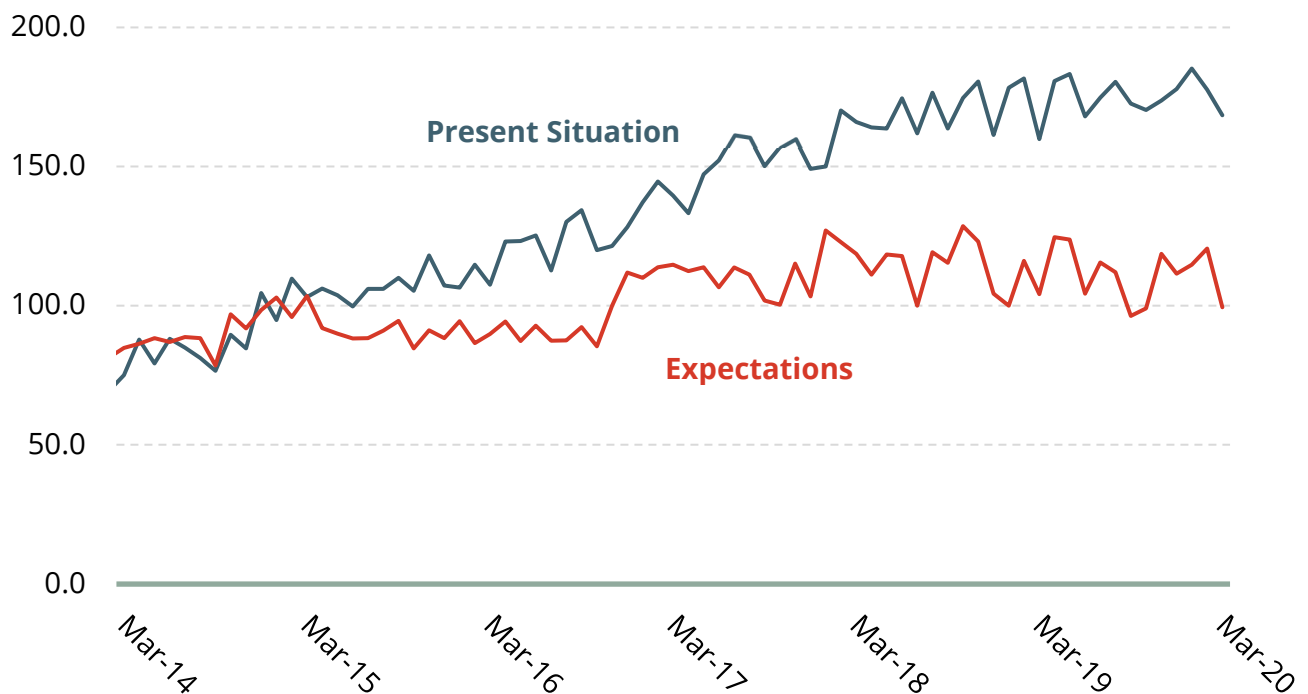
Figure 6: Unemployment Rate



Source: U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics

Consumer confidence took a dip in March, though confidence in the present economic situation remains strong so far. Among residents of the South Atlantic region of the U.S., which includes Virginia, the measure of confidence in current economic conditions was 168.4 in March, down slightly from February, but still in positive territory. The measure of consumers' confidence in future economic conditions fell to 99.4 in March. The future expectations metric had been trending down beginning at the end of 2019. A level below 100 indicates consumers are feeling more pessimistic about future economic conditions.

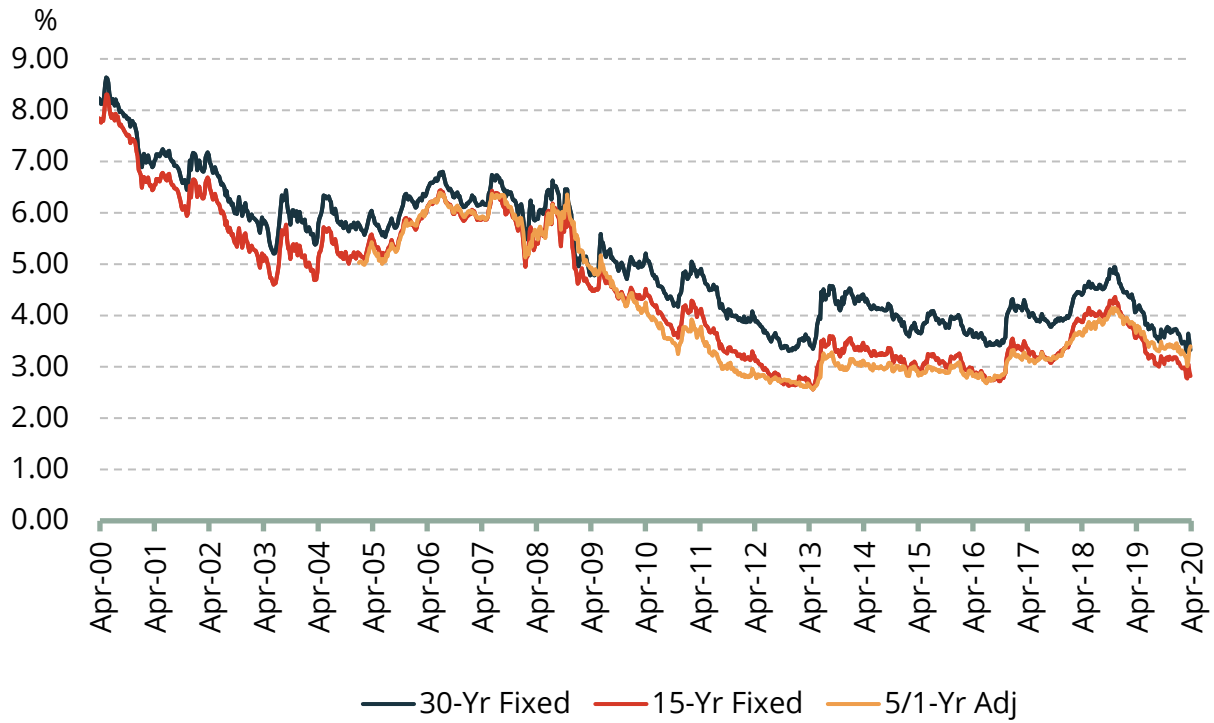
Figure 7: Consumer Confidence, South Atlantic Region



Source: The Conference Board

In the 2nd week of April, the 30-year fixed-rate interest rate was 3.33%, virtually unchanged from a month ago. However, there has been a tremendous amount of volatility in the mortgage market, with mortgage rates bouncing around on a daily basis. In addition, there are growing concerns about a lack of liquidity in the mortgage market which has led to higher-than-expected rates, as well as more stringent lending requirements. Stabilization in the mortgage market and more predictable interest rates that link back to fundamentals will be an important signal of a return to normalcy in the housing market.

Figure 8: Mortgage Interest Rates (Weekly Rates, Not Seasonally Adjusted)



Source: Federal Reserve Bank of St. Louis



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Data and analysis provided by Virginia REALTORS® Chief Economist, Lisa Sturtevant, PhD.

The numbers reported here are preliminary and based on current entries into multiple listing services. Over time, data may be adjusted slightly to reflect increased reporting. Information is sourced from multiple listing services across Virginia and is deemed reliable, but not guaranteed.