

GPR GREATER PIEDMONT HOME SALES REPORT

Rappahannock County

CUSTOM REPORT PREPARED BY
VIRGINIA REALTORS®

Rappahannock County Housing Market + Regional Trends Analysis

2nd Quarter 2020 Report

The impact of COVID-19 on housing markets around Virginia continues to be monitored. While spring sales numbers in the Greater Piedmont regional housing market reflect a slowdown, there was evidence towards the end of the quarter that activity is starting to pick back up in some local areas. The dip in sales activity this quarter in the region lowered the total sold dollar volume by about \$2.7 million compared to the 2nd quarter last year. The inventory of active listings has been shrinking for much of the past 5 years in the region, but the current pandemic has accelerated this trend, and active listings fell sharply this quarter. The tight supply of homes available for sale continues to put upward pressure on home prices in the area; the median sales price surged up this quarter in the GPR region.

Like the rest of the Commonwealth, the Greater Piedmont region experienced job losses during the spring. However, there is evidence that the regional economy is improving as we head into summer. Consumer confidence in the economy rebounded after plummeting in March and April. Expectations about future economic conditions have been improving over the past two months. Record low mortgage rates have driven a refinance boom and have helped sustain the for-sale market during the COVID-19 pandemic and economic downturn. Low rates will continue throughout 2020 and into 2021. Key highlights from the housing data this month include:

- There were 590 sales throughout the GPR footprint during the 2nd quarter, 14% fewer sales than a year ago.
- At \$394,750, the 2nd quarter median sales price in the GPR housing market jumped up 10% from last year, a gain of \$35,750.
- There were 436 active listings on the market across the GPR footprint at the end of the 2nd quarter, a 54% plunge from a year ago, which is 514 fewer active listings.

Key Market Indicators: 2nd Quarter 2020, Rappahannock County

Change from 2Q-2019	▲ 12.0%	Units Sold: 28
	▲ 21.7%	Average Sales Price: \$445,421
	▼ -1.6%	Median Sales Price: \$310,000
	▼ -44	Average Days on Market: 68
	▼ -0.3%	Average Sales Price to Original List Price Ratio: 97.0%
	▼ -34	Active Listings: 50



Local Market Snapshot

Rappahannock County

Sales: After declining at the start of the year, sales activity expanded in the Rappahannock County housing market in the spring. There were 28 sales in the 2nd quarter in the County, 3 more sales than a year ago, which is a 12% gain. All of the sales growth this quarter in the County occurred in June.

Home Prices: The 2nd quarter median sales price in Rappahannock County was \$310,000, a 2% decline from last year, a drop of \$5,000. This is the 2nd straight quarter of declining sales prices in the County's housing market.

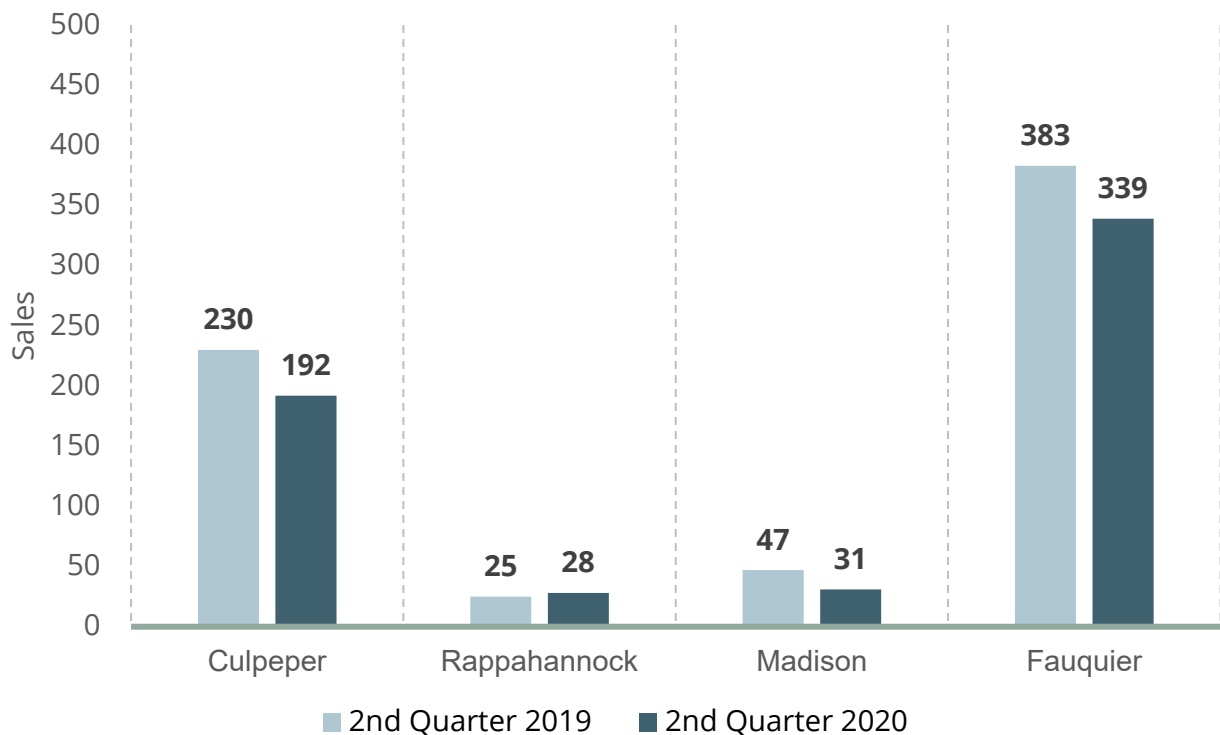
Active Listings: There were 50 active listings on the market in Rappahannock County at the end of the 2nd quarter, which is 34 fewer listings than a year ago, representing a 40% plunge. This is the largest supply drop in the County's housing market in more than 5 years.

Days on Market: The average days on market in Rappahannock County during the 2nd quarter was 68 days, which is 44 days faster than last year. This metric has been trending down in the County's housing market for much of the past 2 years.

Greater Piedmont Region Housing Market Trends

Sales: After strong growth trends for more than a year, the GPR housing market slowed down in this spring. There were 590 sales in the 2nd quarter, down 14% from a year ago, a decrease of 95 sales. The slowdown is reflective of market uncertainty caused by the COVID-19 pandemic and the economic downturn, and similar slowdowns occurred in many parts of Virginia. The overall sales numbers for the State declined 10% in the 2nd quarter compared to last year. While the sales numbers are down for the 2nd quarter overall in the GPR footprint (i.e., April, May, and June), it is important to note that June sales activity in some local markets, such as Fauquier County and Rappahannock County, increased compared to last year. This is a signal that market activity is trending back up in the summer in some local areas.

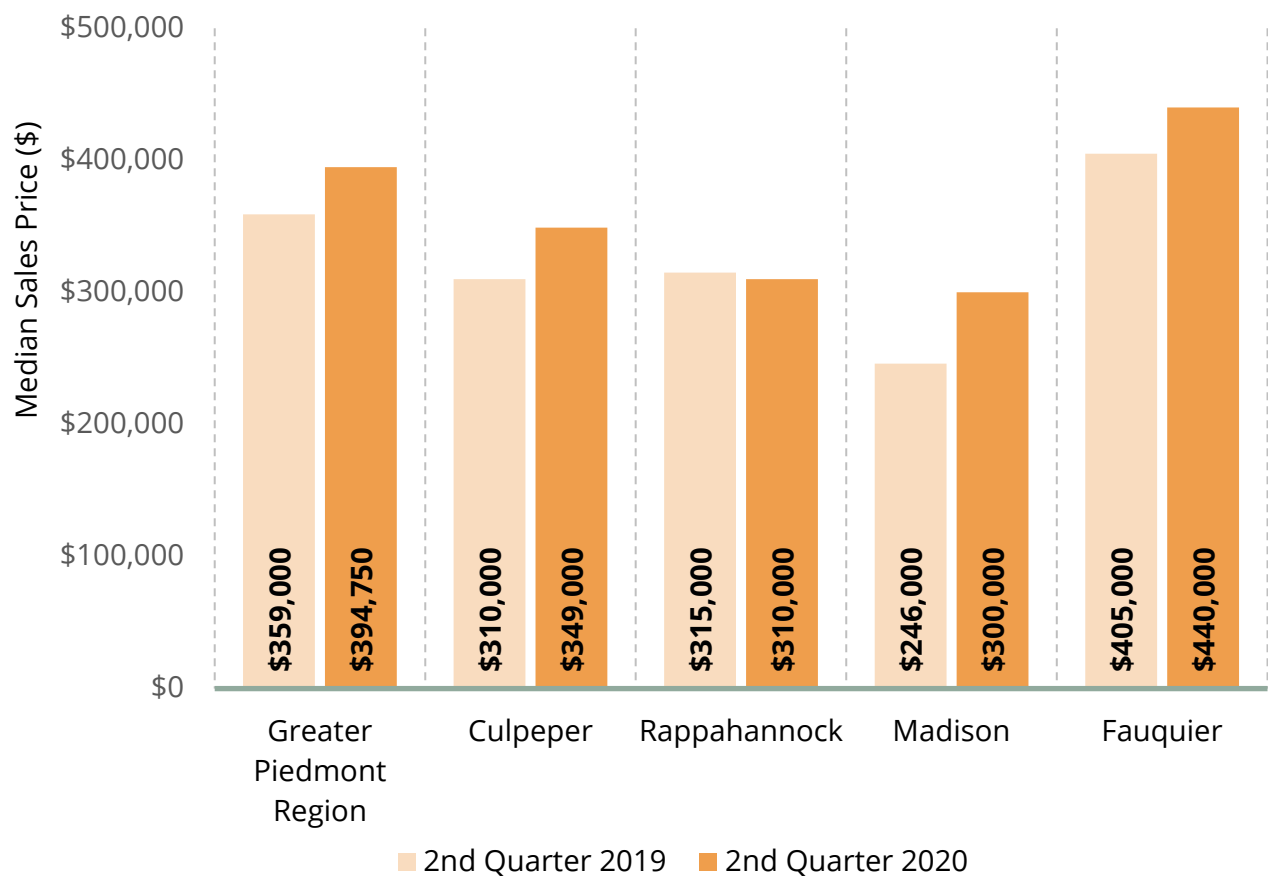
Figure 1: Sales by Jurisdiction in the Greater Piedmont Region



Source: Virginia REALTORS®, data accessed July 17, 2020

Home Prices: Even with a slowdown in sales this quarter, home prices in the GPR market continue to climb, a reflection of the tight inventory available. At \$394,750, the 2nd quarter median sales price rose 10% from a year ago, a gain of \$35,750. The median sales price in the GPR region overall has been rising steadily since the fall of 2016. The strongest price growth this quarter was in Madison County, where the median sales price surged \$54,000, a 22% jump from a year ago. Culpeper County also had a large median sales price gain this quarter, up \$39,000 from last year. Price gains are occurring in many parts of the State as the inventory continues to be historically low. The median sales price in Virginia rose 2% in the 2nd quarter compared to last year.

Figure 2: Median Sales Prices in the Greater Piedmont Region

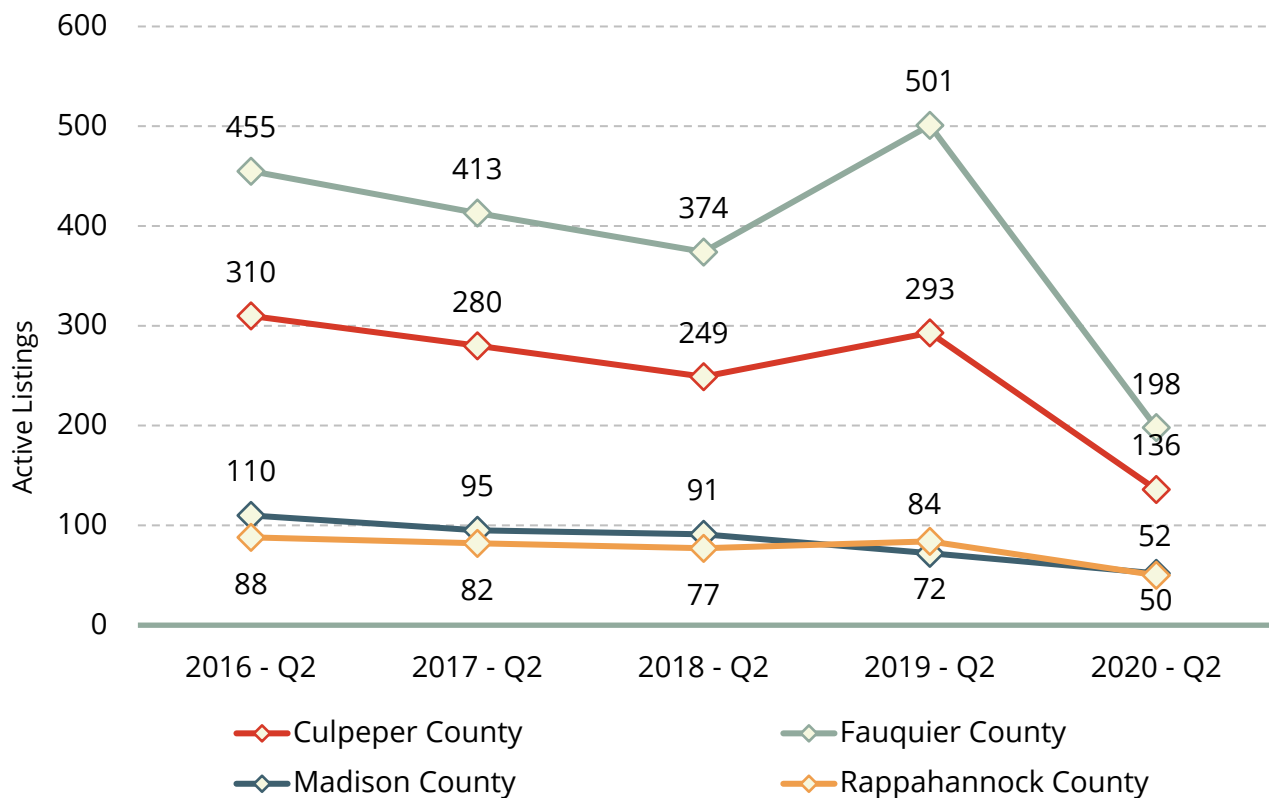


Source: Virginia REALTORS®, data accessed July 17, 2020

Active Listings:

While the full impact of COVID-19 on the local housing market continues to be monitored, the direct impact on inventory is already quite evident. Housing markets throughout the Commonwealth experienced dramatic declines in active listings over the past several months as more would-be sellers continue to wait to see how the market responds to the pandemic. At the end of the 2nd quarter, there were an estimated 436 active listings on the market in the GPR footprint, which is less than half the inventory level of a year ago (-54%), a reduction of 514 active listings. This is the largest drop in inventory in the GPR housing market in over 5 years. All counties within the GPR footprint had significant inventory declines this spring, with the largest occurring in Fauquier County and Culpeper County, where the number of active listings plummeted 60% and 54%, respectively. The tight market supply is constraining sales activity in some local areas and continues to put upward pressure on home prices in the region. The overall inventory of active listings in Virginia at the end of the 2nd quarter was 39% lower than it was a year ago.

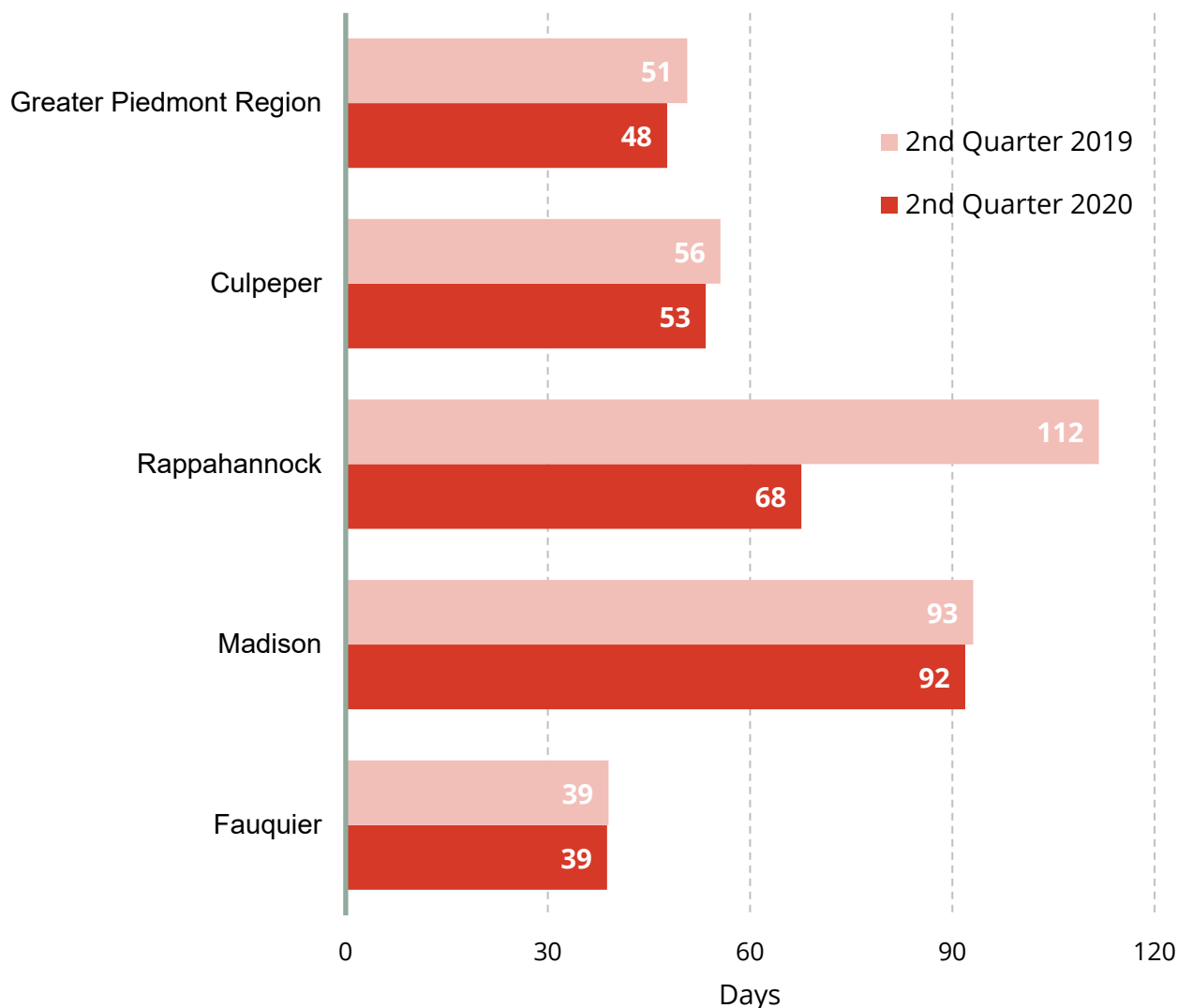
Figure 3: Active Listings in the Greater Piedmont Region



Source: Virginia REALTORS®, data accessed July 17, 2020

Days on Market: At 48 days, the average days on market in the 2nd quarter in the GPR footprint is 3 days faster than this time last year. The average days on market has been trending down in the area for much of the past several years as inventory levels have continued to shrink. At the local level, Rappahannock County was the only jurisdiction to have a large drop in the average days on market, down 44 days from the 2nd quarter of last year. In the other 3 counties in the footprint, homes sold at a similar pace as last year, on average. At the State level, homes sold in 40 days, on average, during the 2nd quarter, which is 3 days faster than a year ago.

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

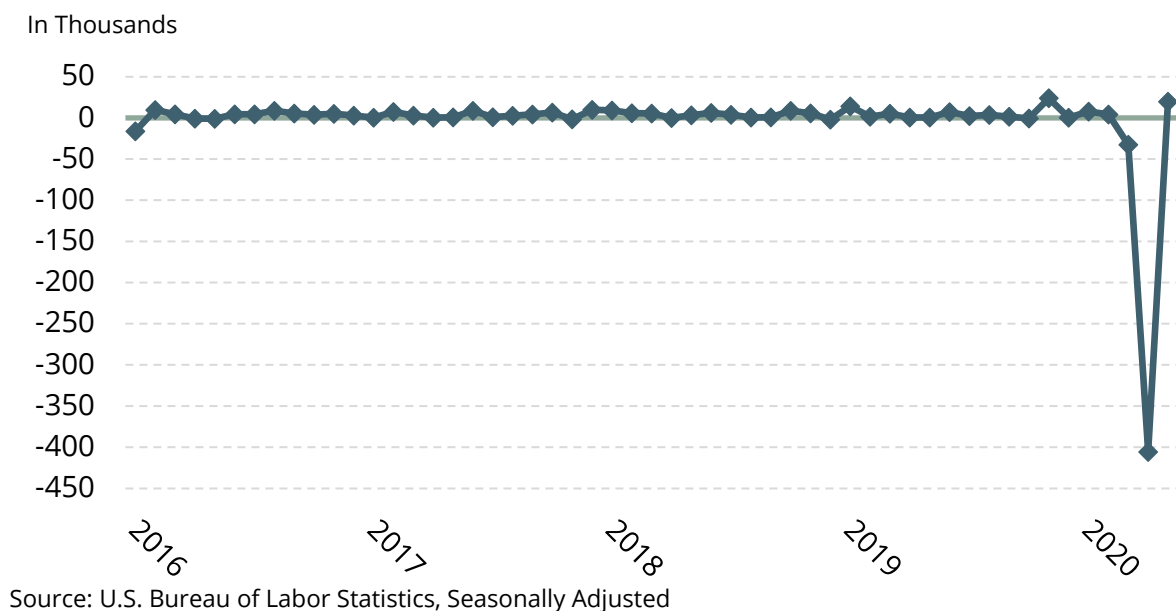


Source: Virginia REALTORS®, data accessed July 17, 2020

Economic Overview

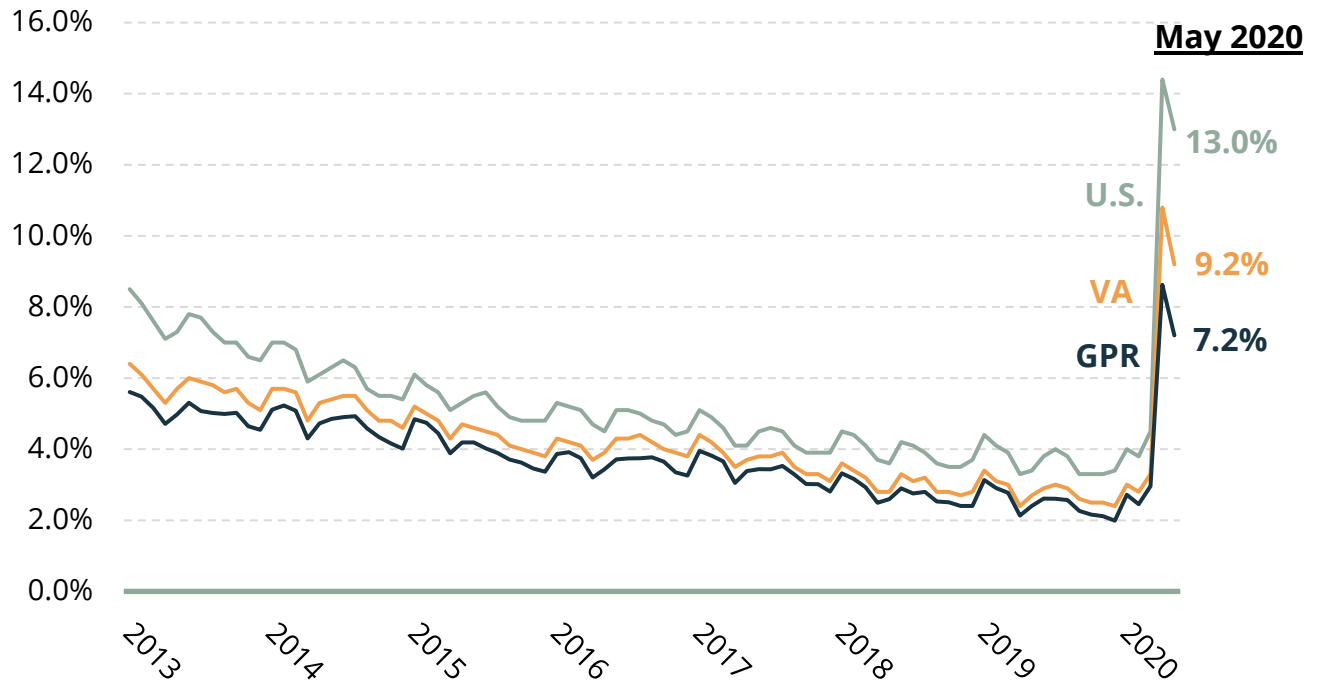
The COVID-19 outbreak led to an unprecedented economic downturn in both the U.S. and in Virginia. However, there is evidence that the economy has reached a turning point, and conditions should be improving over time. Nationally, the economy lost 22 million jobs in March and April. In May and June, however, the U.S. economy added 7.5 million jobs. Virginia also shed hundreds of thousands of jobs in March and April. However, in May, the State added 19,800 jobs.

Figure 5: Virginia Month-to-Month Change in Jobs



Like the rest of the Commonwealth, the Greater Piedmont region experienced job losses this spring. However, there is evidence that the regional economy is improving. In May, the unemployment rate in the Greater Piedmont region was 7.2%, higher than the 2019 average, but below the unemployment rate in April and lower than both the statewide and U.S. unemployment rates.

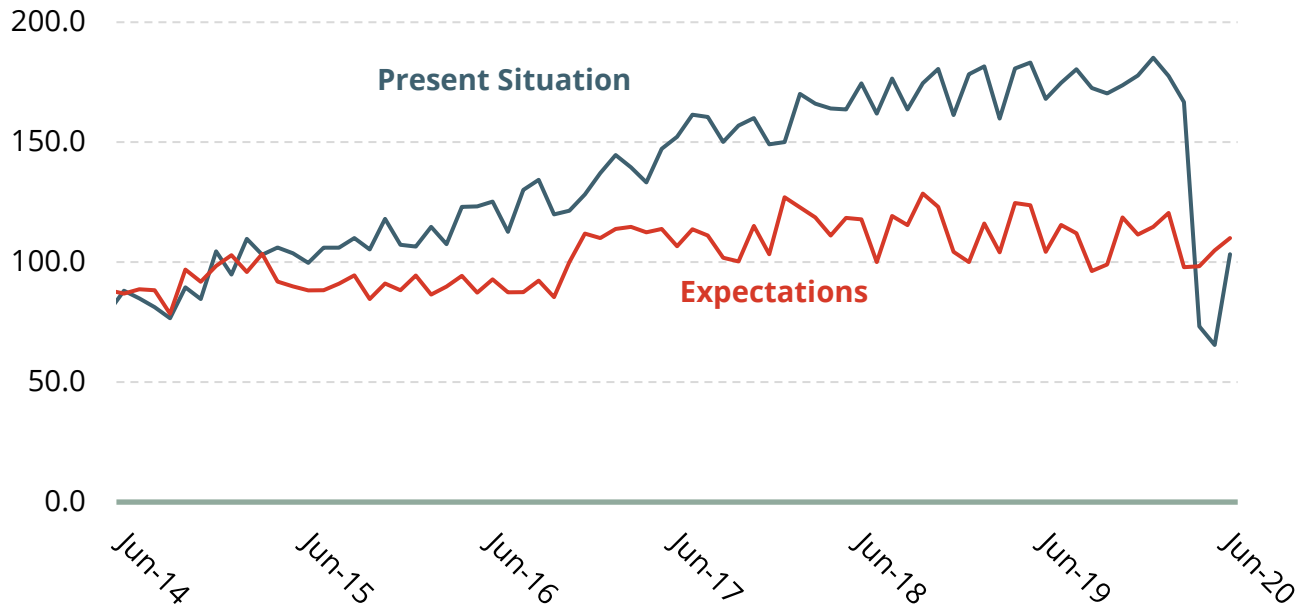
Figure 6: Unemployment Rate



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

Consumer confidence rebounded in June, although individuals and families were still feeling uncertain about economic conditions throughout much of the 2nd quarter. Among residents of the South Atlantic region of the U.S., which includes Virginia, the measure of confidence in current economic conditions was 103.3 in June, up strongly from April and May, though still significantly lower than the level earlier this year. The measure of consumers' confidence in *future* economic conditions rose to 110 in June, indicating growing confidence in where the economy is heading. A consumer confidence measure above 100 indicates consumers are feeling more optimistic about economic conditions.

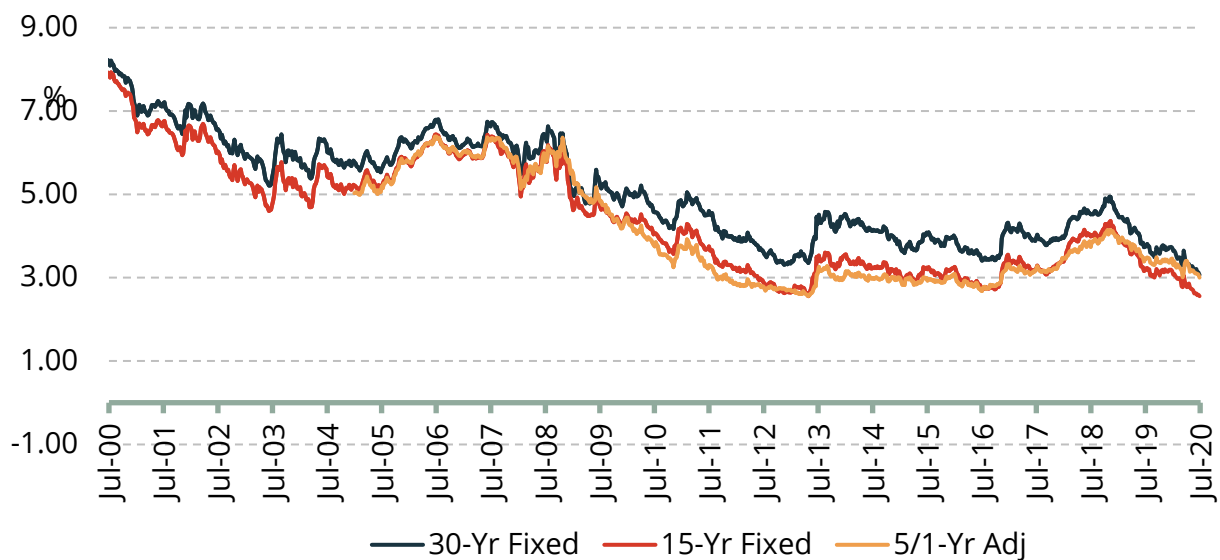
Figure 7: Consumer Confidence, South Atlantic Region



Source: The Conference Board

Throughout the spring and into the summer, mortgage rates have fallen to record lows. In the week ending July 4th, the average 30-year fixed-rate mortgage rate fell to 3.07%, down from 3.18% a month earlier and down from 3.75% from a year ago. Record low mortgage rates have driven a refinance boom and have helped sustain the for-sale market. Mortgage rates should remain low throughout 2020 and 2021, which will help support the recovery of the State's housing market.

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



Source: Federal Reserve Bank of St. Louis



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All inquiries regarding this report may be directed to:

Robin Spensieri
Virginia REALTORS® Vice President of Communications and Media Relations
rspensieri@virginiarealtors.org
804-622-7954

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.