

GPR GREATER PIEDMONT HOME SALES REPORT

Culpeper County

CUSTOM REPORT PREPARED BY
VIRGINIA REALTORS®

Culpeper County Housing Market + Regional Trends Analysis

2nd Quarter 2019 Report

After a relatively flat start to the year, the housing market in the GPR area is picking up pace in the 2nd quarter. There were more sales in the region overall than a year ago, which represents the first sales growth since the fall of 2017. Price levels in the market continue to climb in most local markets, which has been a consistent theme for several years. The inventory of active listings has been expanding over the past three quarters, and during this same time period the average days on market has been trending up. The direction of these two metrics could indicate softening demand in some local markets, as homes are staying on the market longer and the inventory level is building. The region's economy is strong and provide a solid foundation for the housing market overall. The job based continues to expand, and unemployment remains below the state and national levels. These trends keep buyers confident and can lead to increased housing demand over time. In addition, the Federal Reserve announced that it will be lowering interest rates this summer, which will keep interest rates at historically low levels for the coming months. Key highlights housing and economic data this month include:

- The Greater Piedmont region has been experiencing broad-based economic growth in recent months. Very low unemployment suggests potential constraints on businesses looking to hire.
- Interest rates are even lower now than they were at the beginning of the year, and there is no indication of significant increases in the months to come as the rates will be lowered again this summer by the Federal Reserve.
- Sales activity in Culpeper County in the 2nd quarter inched up over last year's level, the first uptick in nearly two years.
- Home prices continue to climb in Culpeper County. The median sales price is about \$10,000 higher than it was a year ago.

Key Market Indicators: 2nd Quarter 2019, Culpeper County

Change from 2Q-18	▲ 1%	Units Sold: 228
	▲ 3%	Average Sales Price: \$328,420
	▲ 3%	Median Sales Price: \$309,000
	▲ 26	Average Days on Market: 76
	▼ -0.2%	Average Sales Price to Original List Price Ratio: 98.5%
	▲ 26	Active Listings: 291



Local Market Snapshot

Culpeper County

Sales: There were 228 sales in the County during the 2nd quarter, inching up about 1% from this time last year, an increase of 2 sales. Prior to this quarter sales activity had been trending down consistently for the past couple years in Culpeper County.

Home Prices: Rising sales prices remains one of the big stories in the Culpeper housing market. Price levels have been on the rise now for more than four years. At \$309,000 the 2nd quarter median sales price is nearly \$10,000 higher than a year ago. The 2nd quarter median sales price is now \$50,000 higher than it was in the 2nd quarter four years ago.

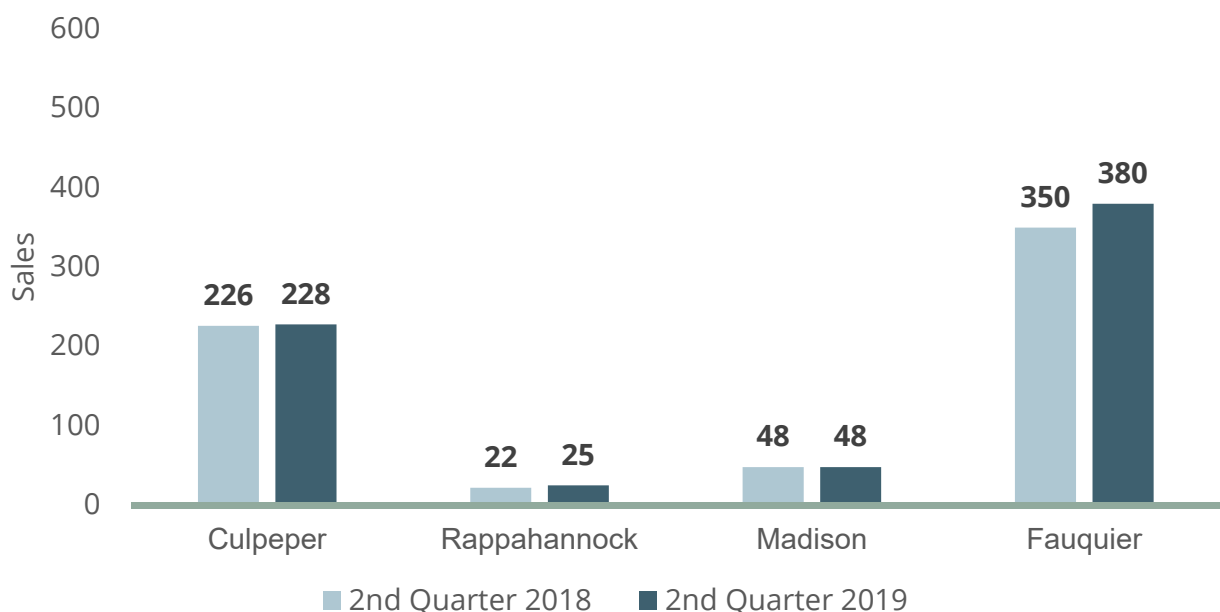
Active Listings: The inventory of homes available on the market continues to expand in the County. This a fairly recent trend that emerged in the summer of 2018, prior to then the supply of active listings had shrinking each quarter for three years. There were 291 active listings on the market at the end of the 2nd quarter in Culpeper County, which is 26 more than last year, representing a 10% gain.

Days on Market: It took nearly a month longer to sell homes on average in Culpeper County than a year ago. The average days on market in the 2nd quarter was 76 days, which is 26 days higher than the level last year, a 52% jump. The average days on market has been trending up for three consecutive quarters in the County, after declining for several years.

Greater Piedmont Region Housing Market Trends

Sales: After trending down for over a year, sales activity grew in the GPR footprint in the 2nd quarter compared to last year. There were 681 sales in the region, which is 35 more sales than a year ago, representing a 5% gain. The increase in sales occurred in most local markets in the region, led by Fauquier County with 30 more sales than last year, up 9%. Other parts of the region had a small uptick in sales in the 2nd quarter or remained flat. Sales in Culpeper County inched up 1% from last year, 2 additional sales. Madison County also had flat sales this quarter, with a total of 48 sales transactions, unchanged from last year. The strong job growth in the GPR region, and low unemployment are likely keeping buyers active in the market, which is fueling some of the sales growth that occurred this quarter.

Figure 1: Sales by Jurisdiction in the Greater Piedmont Region



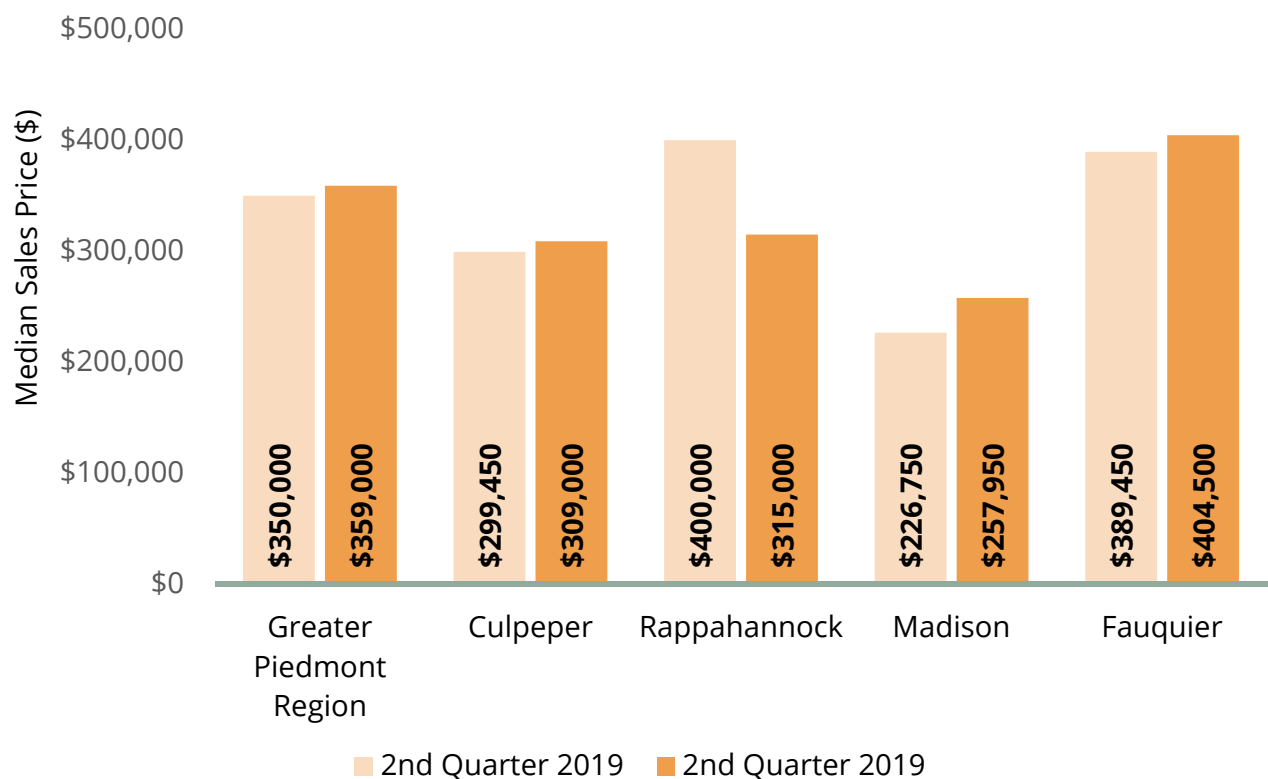
Source: Virginia REALTORS®, data accessed July 17, 2019

Home Prices: Price levels continue to rise in the GPR region, a trend that has been consistent for several years. At \$359,000 the 2nd quarter median sales price in the GPR area climbed 3% from last year, a gain of \$9,000. After prices fell in the latter part of 2018, the region's median sales price has risen both quarters in 2019. This upward trend for home prices in the regional housing market reflects a lower supply of active listings over time, all while sales transaction levels have expanded. Over the past four years (between 2nd quarter 2015 and 2nd quarter 2019), the level of sales transactions rose 20%, while the inventory of listings declined 31%,

which has been part of the driver in the median sales price climbing 22% during this same time period.

Except for Rappahannock County, all jurisdictions in the GPR footprint had price gains this quarter. Madison County had the largest price jump, climbing over \$31,000 from last year, with a median sales price of \$257,950 in the 2nd quarter, a 14% increase. Both Fauquier County and Culpeper County had more steady growth, up 4% and 3% respectively. At \$404,500 the 2nd quarter median sales price in Fauquier County is the highest it has been of all quarters over the past four years.

Figure 2: Median Sales Prices in the Greater Piedmont Region

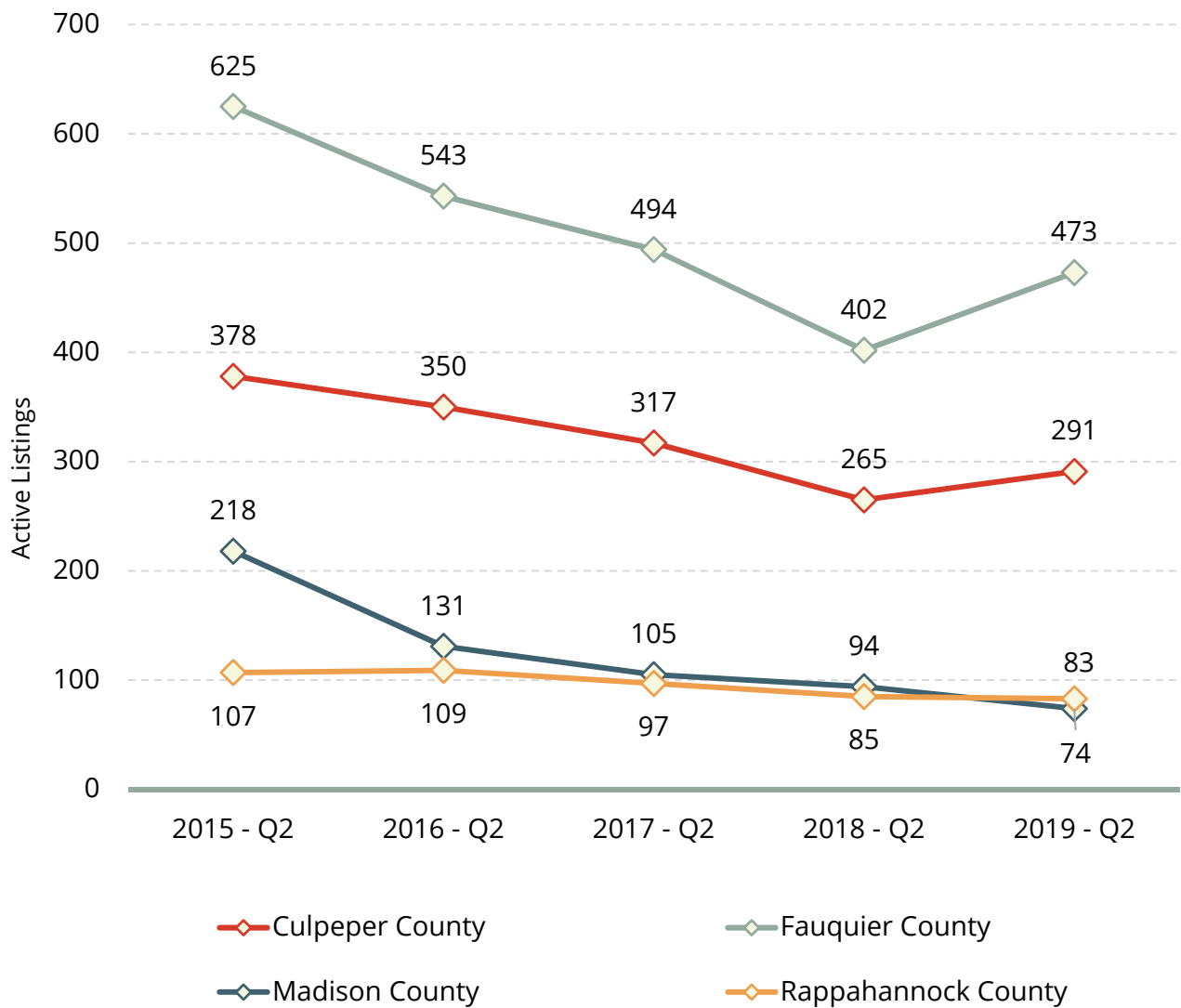


Source: Virginia REALTORS®, data accessed July 17, 2019

Active Listings: After shrinking for several years, the inventory of active listings continues to trend up in the GPR region as a whole and in some local markets. There were 921 active listings on the market at the end of the 2nd quarter, which is 75 more listings than last year, a 9% gain. This is the third consecutive quarter of inventory expansion and could signal a changing pattern in some areas. Fauquier County had the most inventory growth with 71 additional active listings than last year, up 18%, to an inventory level of 473 active listings.

Culpeper County also had double-digit growth in supply, with 10% more active listings on the market compared to last year, Madison County continues to have steady declines in the inventory, falling 21% in the 2nd quarter with about 74 active listings on the market, a drop of 20 listings compared to last year.

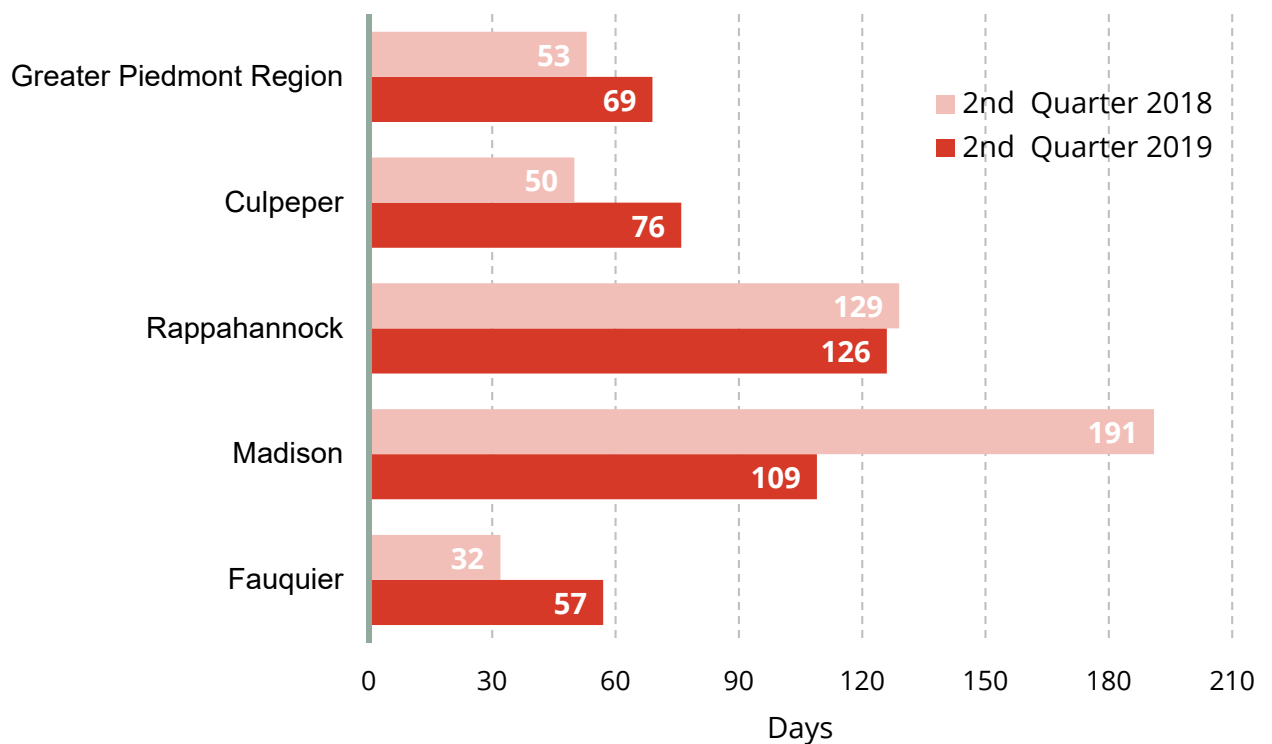
Figure 3: 2nd Quarter Active Listings in the Greater Piedmont Region



Source: Virginia REALTORS®, data accessed July 17, 2019

Days on Market: At 69 days, the average days on market in the GPR region during the 2nd quarter is up more than 2 weeks (+16 days) from a year ago, the largest increase in several years. This is the third consecutive quarter with an increase for this metric which could indicate softening demand in some local markets in the region. Homes that sold in the 2nd quarter in both Culpeper County and Fauquier County were on the market nearly a month longer on average than this time last year, a jump of 26 days and 25 days respectively.

Figure 4: 2nd Quarter Average Days on Market in the Greater Piedmont Region



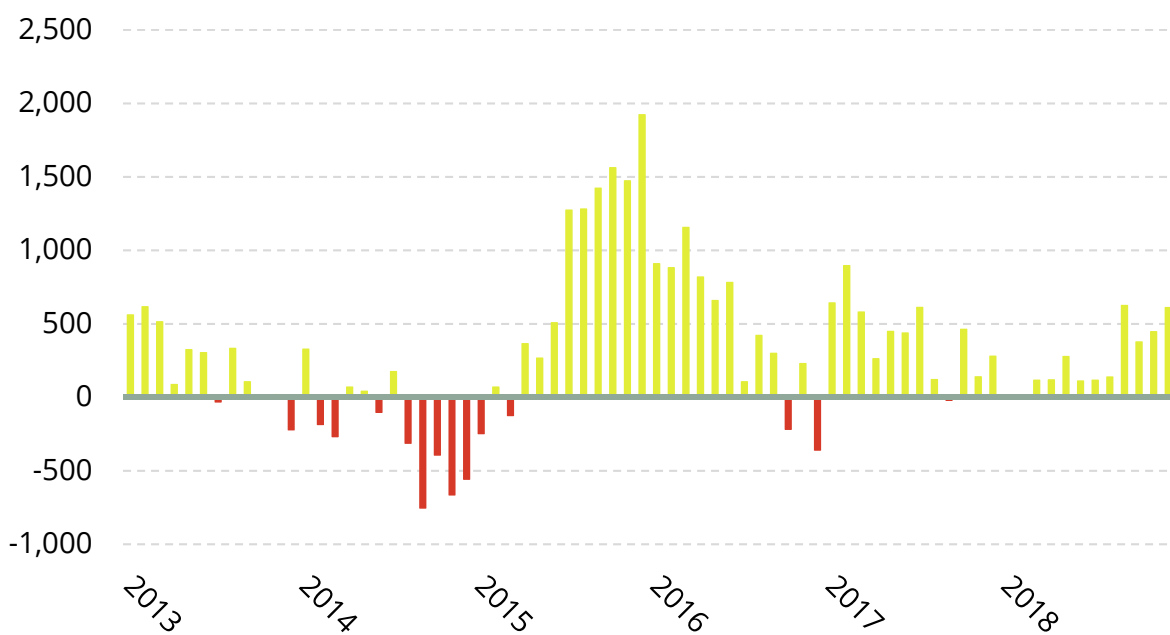
Source: Virginia REALTORS®, data accessed July 17, 2019

Economic Overview

Job growth in the Greater Piedmont region (defined as Fauquier, Culpeper, Madison, and Rappahannock counties) accelerated at the end of 2018. Between December 2017 and December 2018 (the latest data available), the region added 611 new jobs. By comparison, the region had been only adding about 100 jobs month-over-the-year in the first half of 2018.

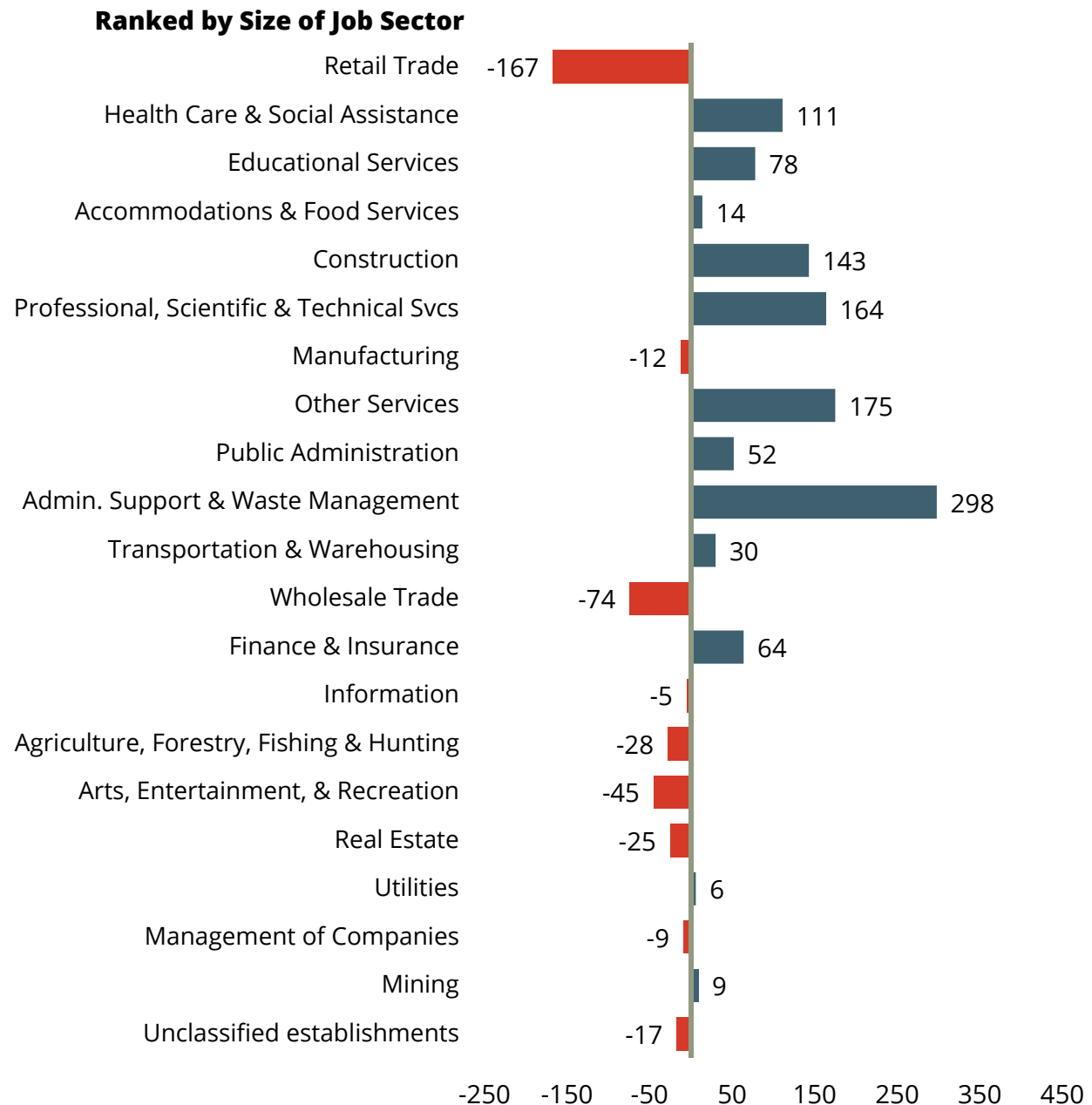
The region has been experiencing broad-based economic growth, with job gains across most sectors of the economy. The one exception was the Retail Trade sector, where there was a loss of 167 jobs between December 2017 and December 2018. However, there were gains in the Health Care (+111 jobs), Education (+78 jobs) and Professional and Technical Services (+164 jobs) sectors, which are all key sectors in the Greater Piedmont economy. The Administration and Building Services sector also posted strong gains in December (+298 jobs).

Figure 5: Annual Change in Jobs, GPR



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

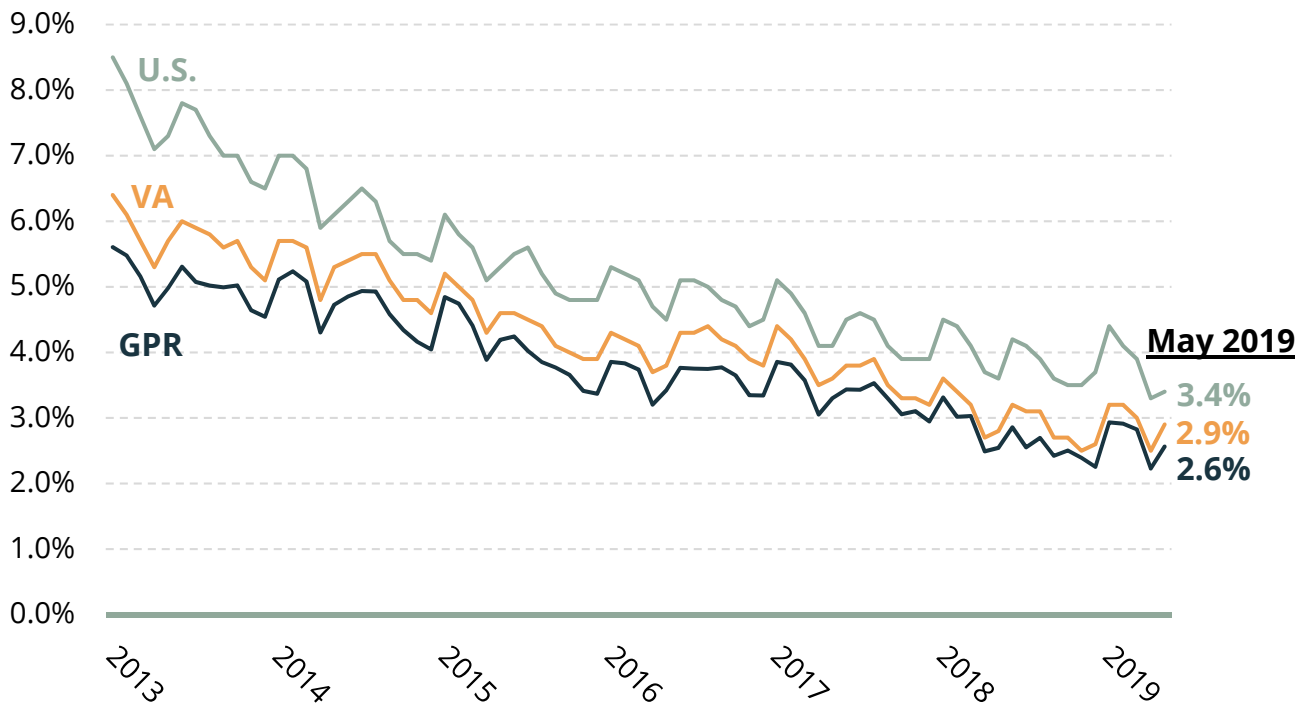
Figure 6: Job Change by Industry, GPR, Sep-2017 to Sep-2018



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

The labor market in the Greater Piedmont region remains quite tight with an unemployment rate of 2.6% in May 2019. Statewide, the May unemployment rate was higher, at 2.9%. Low unemployment suggests challenges for businesses to find workers, making it more difficult to growth their businesses.

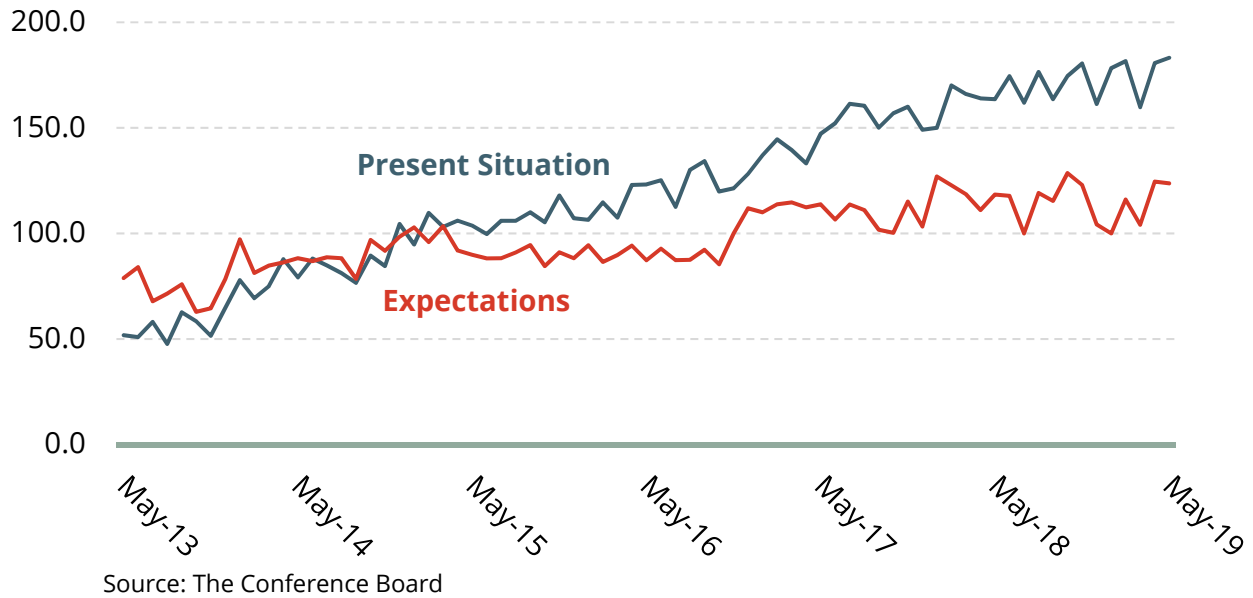
Figure 7: Unemployment Rate



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

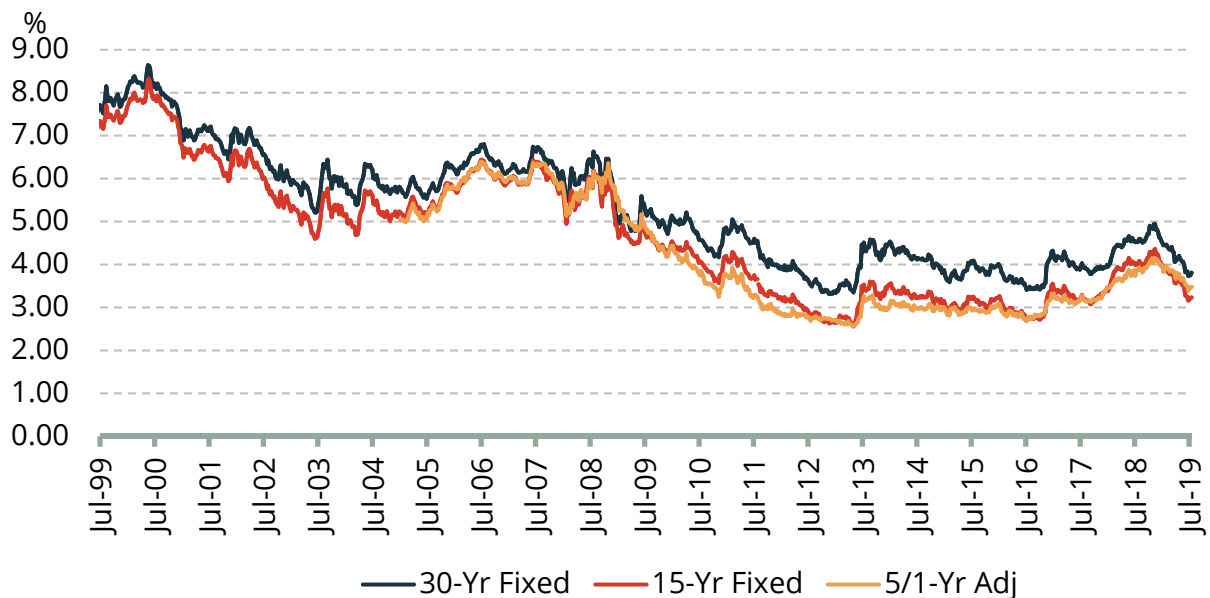
Consumer confidence in the South Atlantic region remains positive. The measure of confidence in consumers' present situations edged up to 183.2 in June, while the index of expectations remained at about 124. When these measures are above 100, it indicates that consumers remain optimistic about their economic prospects.

Figure 8: Consumer Confidence South Atlantic Region



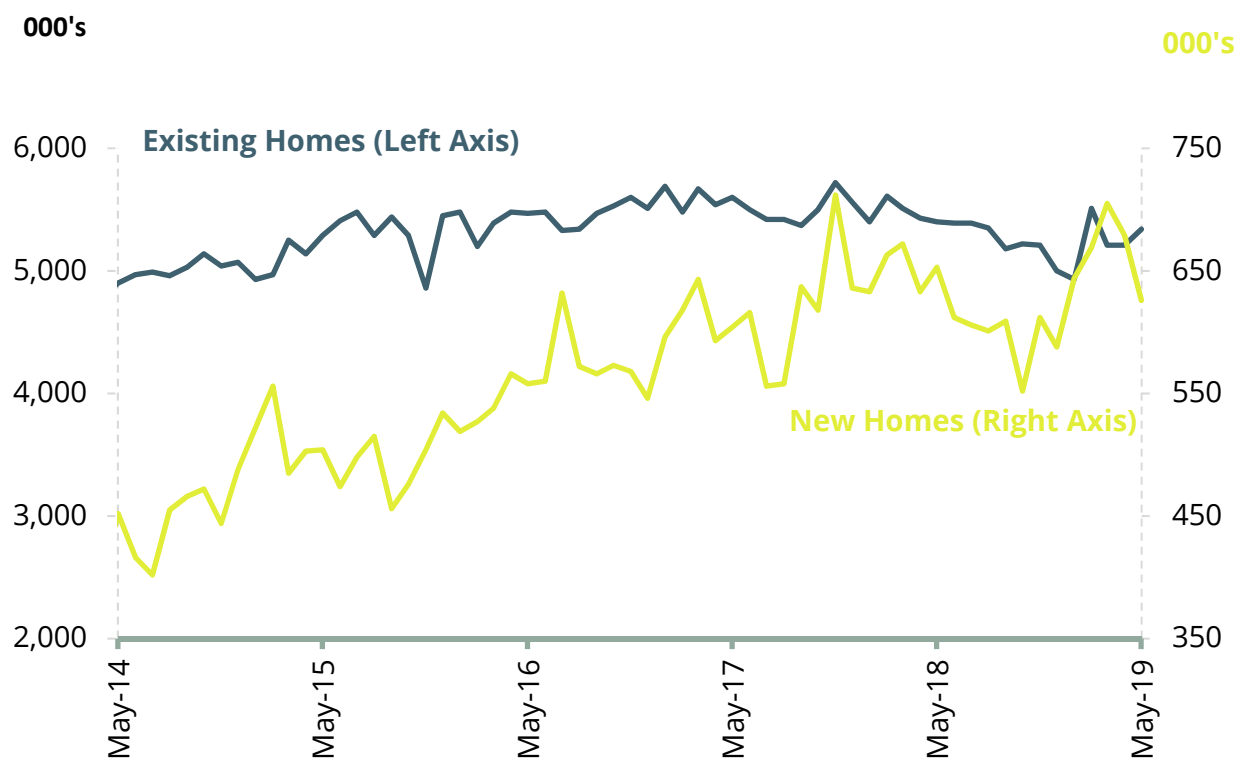
Interest rates remain very low. In the third week of July, the 30-year fixed-rate mortgage rate was 3.81%, down slightly from a month ago. All signs point to continued low interest rates throughout the summer market.

Figure 9: Mortgage Interest Rates (Weekly, Not Seasonally Adjusted)



The national housing market continues to perform fairly well. Price increases continue to outpace increases in income, indicating a growing affordability issue in some markets. Existing home sales have been above the 5 million level since 2013 and have been relatively level over that 6-year period. New home sales have been more volatile, with a long slow trend upward, although dropping from a peak annual rate of 705,000 in March to 626,000 in May.

Figure 10: U.S. New and Existing Home Sales



Source: U.S Census Bureau, National Association of Realtors



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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.