

# **GPR** GREATER PIEDMONT HOME SALES REPORT

Rappahannock County

CUSTOM REPORT PREPARED BY  
**VIRGINIA REALTORS®**

# Rappahannock 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 2<sup>nd</sup> 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 continues to expand in Rappahannock County, rising both quarters this year. Prior to this upward trend, sales had been declining for most of last year.
- The supply of active listings continues to shrink in Rappahannock County; however the declines have moderate in recent quarters.

### Key Market Indicators: 2<sup>nd</sup> Quarter 2019, Rappahannock County

Change from 2Q-18	▲ 14%	Units Sold: <b>25</b>
	▼ -20%	Average Sales Price: <b>\$365,942</b>
	▼ -21%	Median Sales Price: <b>\$315,000</b>
	▼ -3	Average Days on Market: <b>126</b>
	▲ 4.1%	Average Sales Price to Original List Price Ratio: <b>97.3%</b>
	▼ -2	Active Listings: <b>83</b>



## *Local Market Snapshot*

### *Rappahannock County*

**Sales:** Thus far, 2019 has been a growth year for the Rappahannock County housing market with sales activity expanding both quarters. There were 25 sales in the 2<sup>nd</sup> quarter, which is 14% higher than last year, a gain of 3 sales. Prior to this trend, sales had been declining for about a year.

**Home Prices:** At \$315,000, the median sales price in Rappahannock County fell sharply in the 2<sup>nd</sup> quarter compared to last year, down \$85,000, a 21% reduction. The median price can often fluctuate in the County because it is a relatively smaller market.

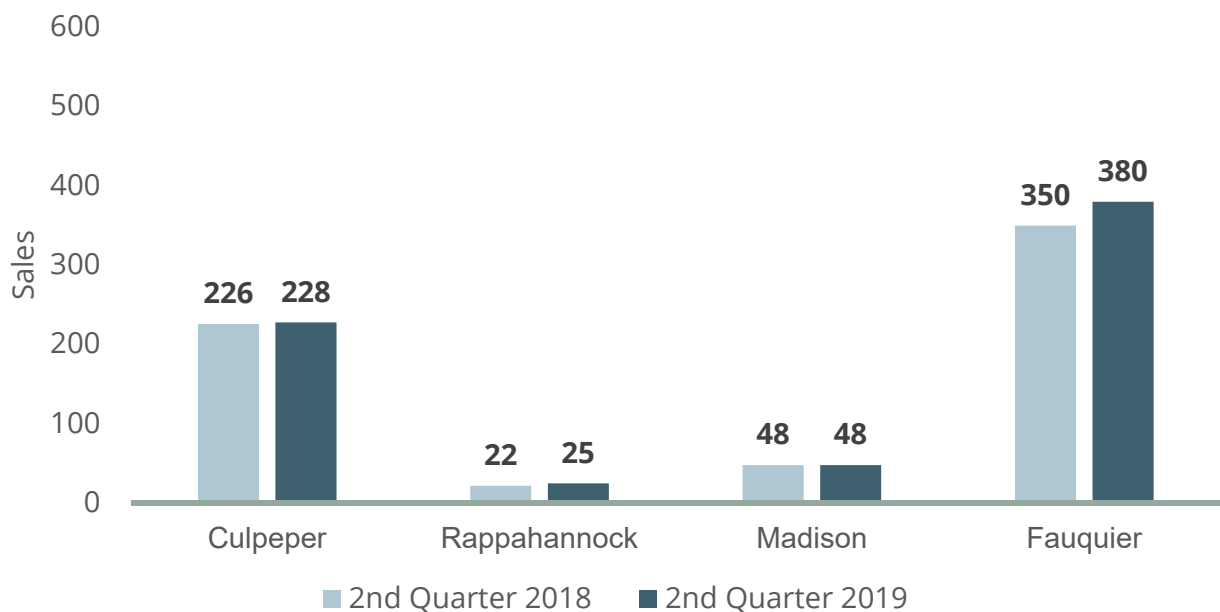
**Active Listings:** The supply of active listings continues to shrink in the County, albeit slightly. There were 83 active listings on the market at the end of the 2<sup>nd</sup> quarter in Rappahannock County, inching down 2% from the inventory level last year, a drop of 2 listings.

**Days on Market:** At 126 days, the average days on market in the County is 3 days faster than it was in the 2<sup>nd</sup> quarter of last year. While this decrease is relatively modest, the average days on market has been trending down sharply in Rappahannock County since the summer of 2018.

## 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, a 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



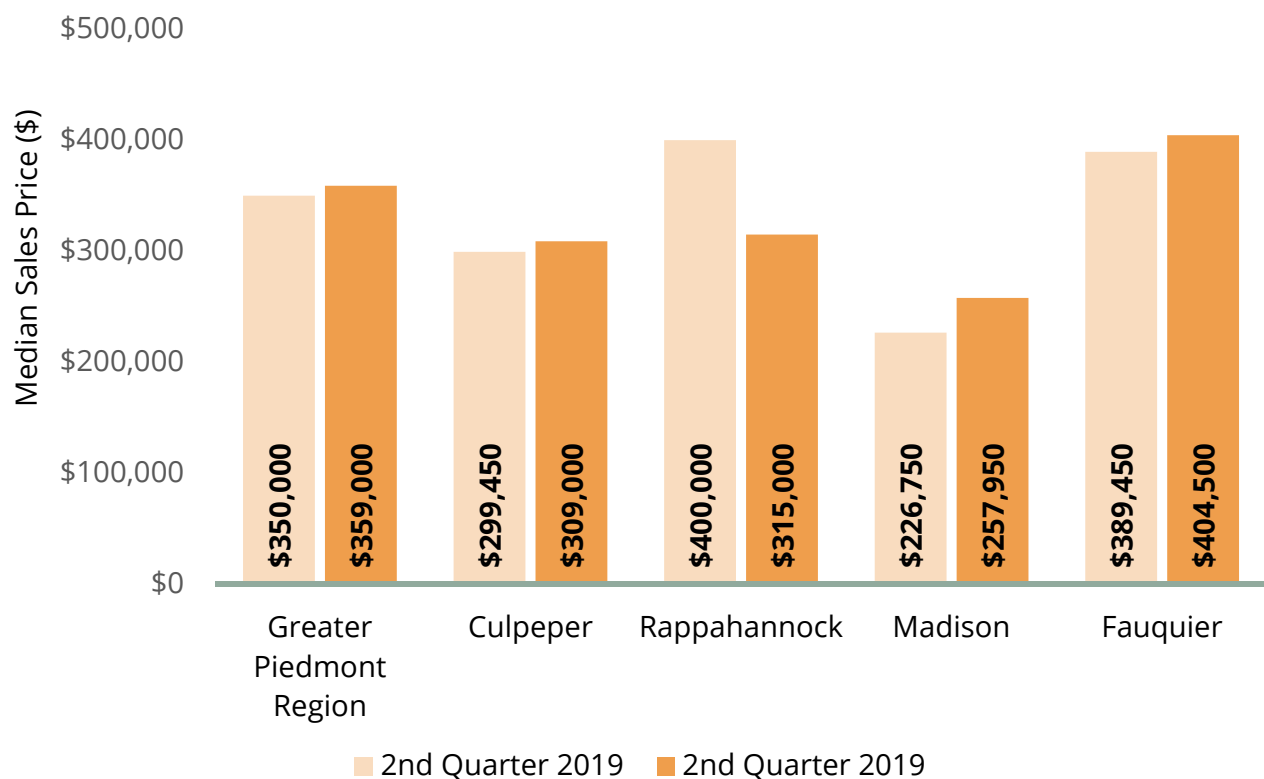
Source: Virginia REALTORS®, data accessed July 17, 2019

**Home Prices:** Price levels continue to rise in the GPR region, a trend that has been consistent for several years. At \$359,000 the 2<sup>nd</sup> 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 2<sup>nd</sup> quarter 2015 and 2<sup>nd</sup> 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 2<sup>nd</sup> quarter, a 14% increase. Both Fauquier County and Culpeper County had more steady growth, up 4% and 3% respectively. At \$404,500 the 2<sup>nd</sup> 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

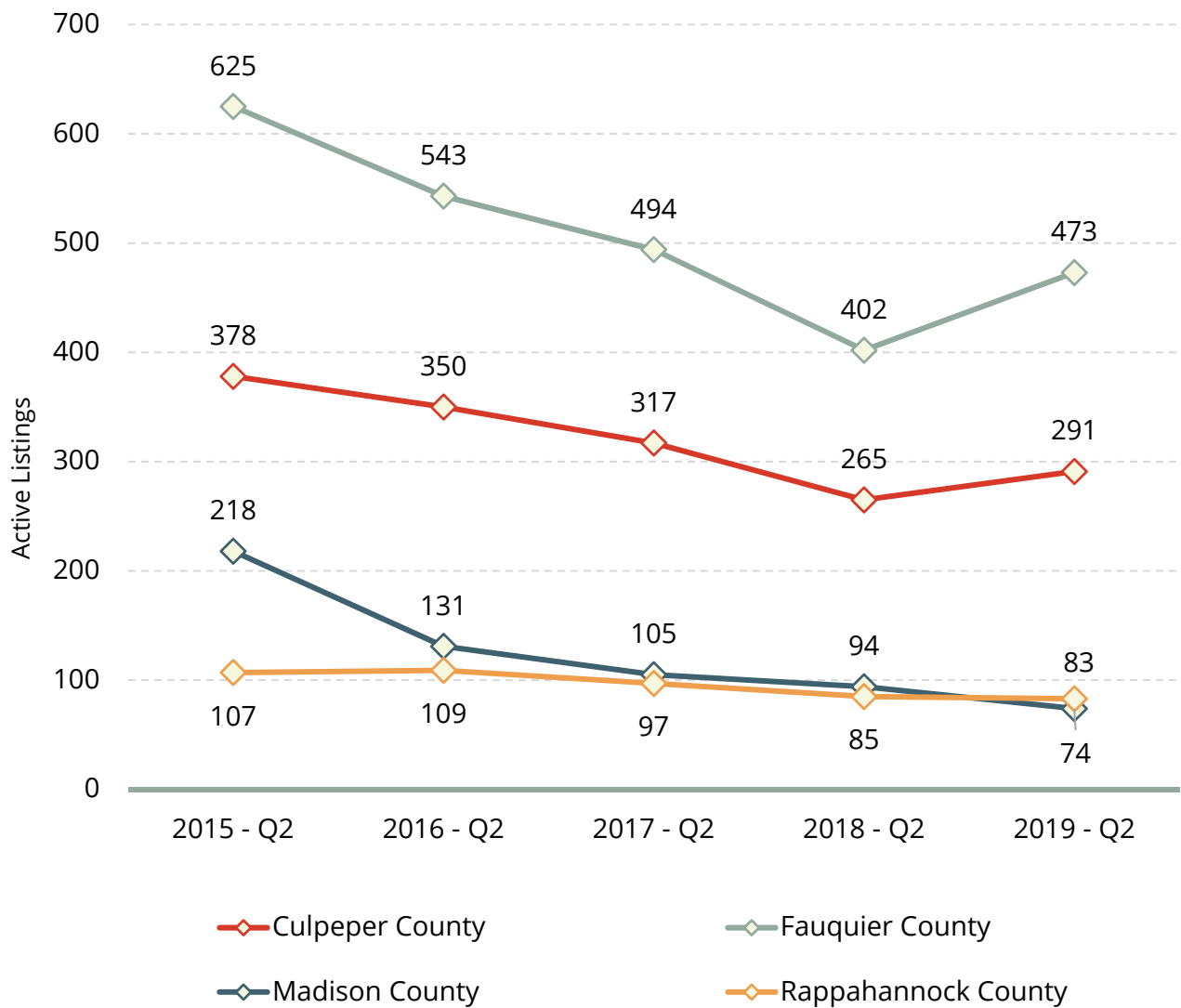


Source: Virginia REALTORS®, data accessed July 17, 2019

**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 2<sup>nd</sup> 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 2<sup>nd</sup> quarter with about 74 active listings on the market, a drop of 20 listings compared to last year.

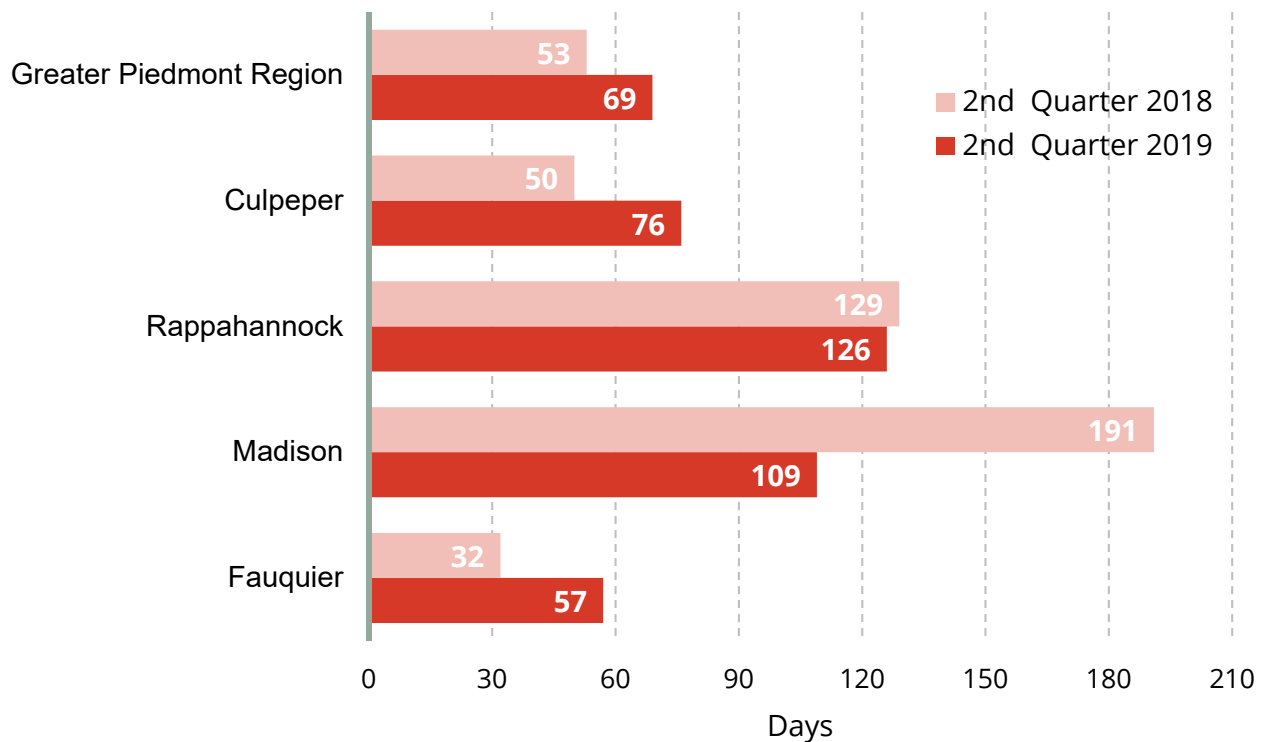
**Figure 3:** 2<sup>nd</sup> Quarter Active Listings in the Greater Piedmont Region



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 2<sup>nd</sup> 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 2<sup>nd</sup> 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:** 2<sup>nd</sup> Quarter Average Days on Market in the Greater Piedmont Region



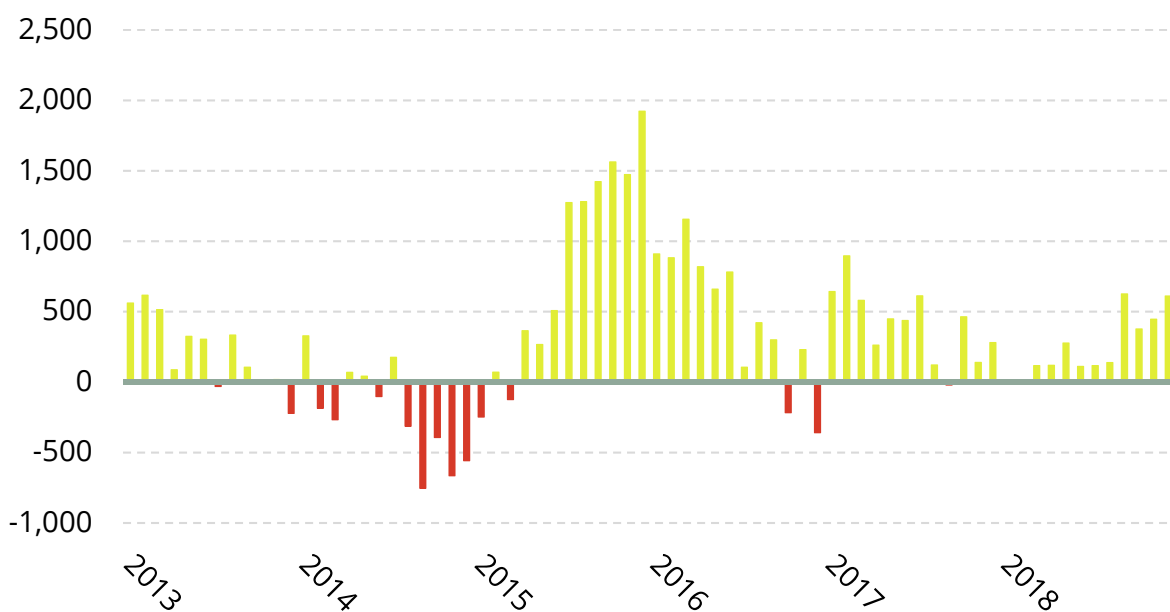
Source: Virginia REALTORS®, data accessed July 17, 2019

## 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).

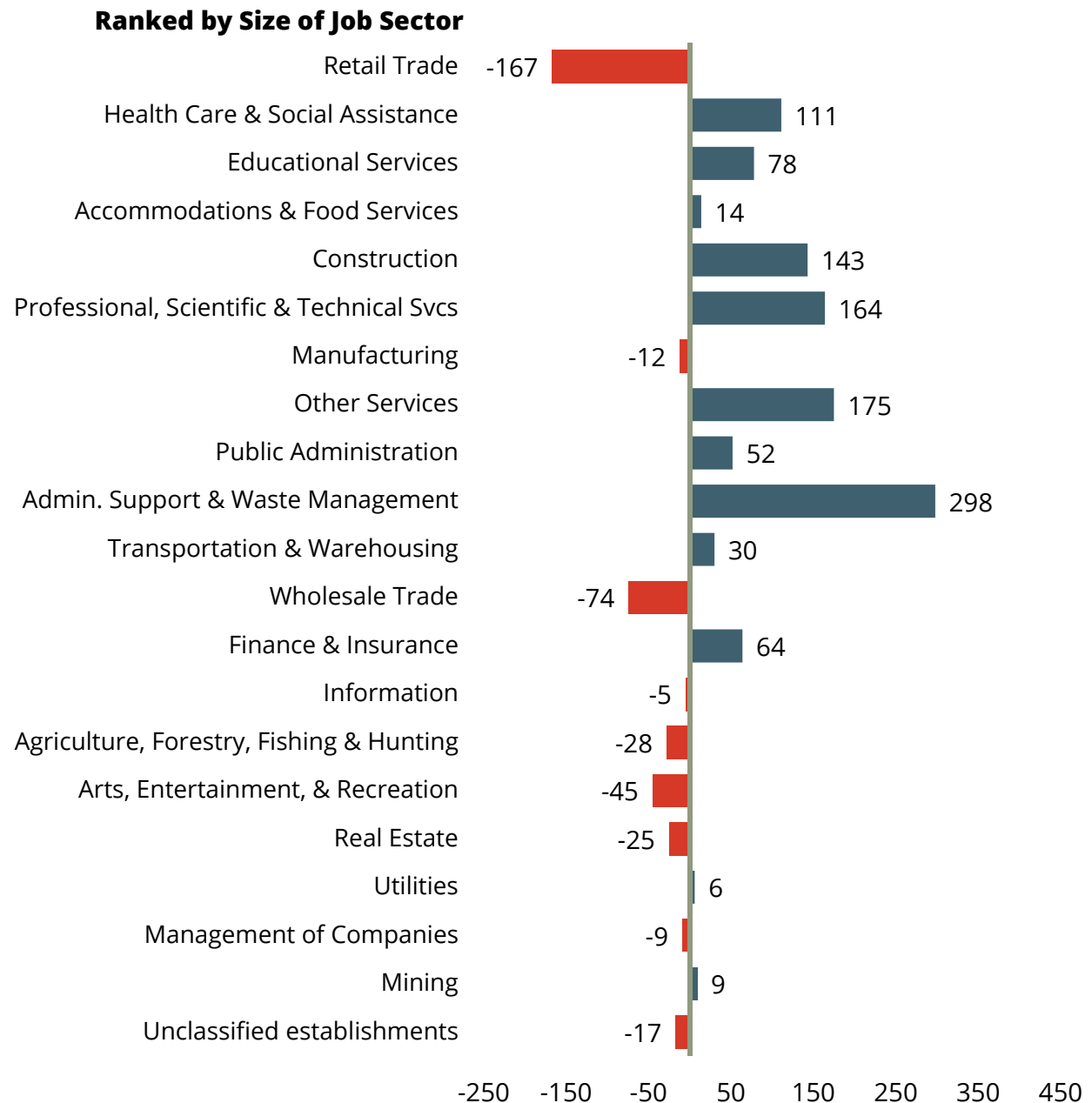
**Figure 5:** Annual Change in Jobs, GPR



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



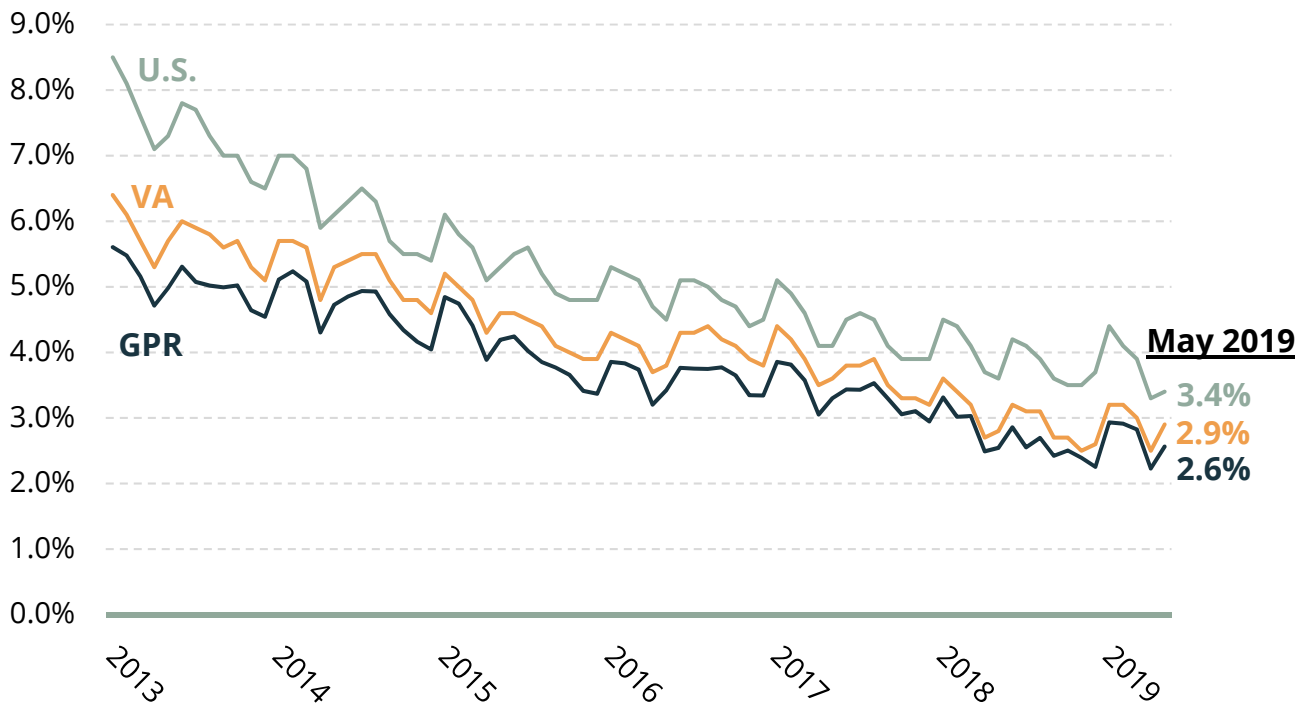
**Figure 6:** Job Change by Industry, GPR, Sep-2017 to Sep-2018



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.

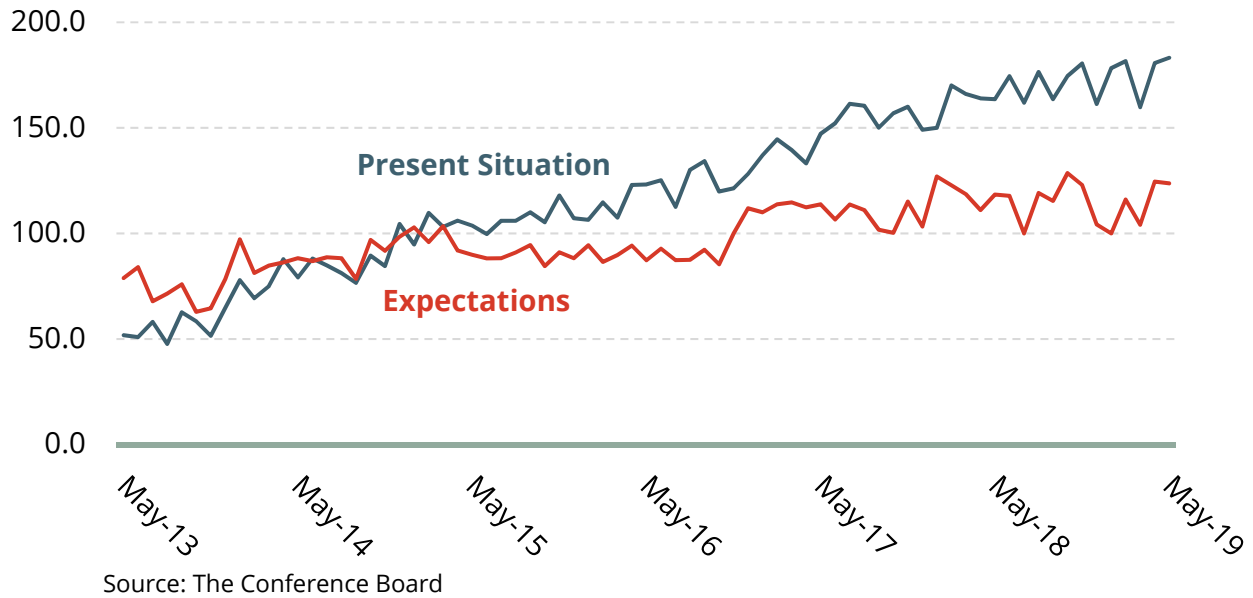
**Figure 7: Unemployment Rate**



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

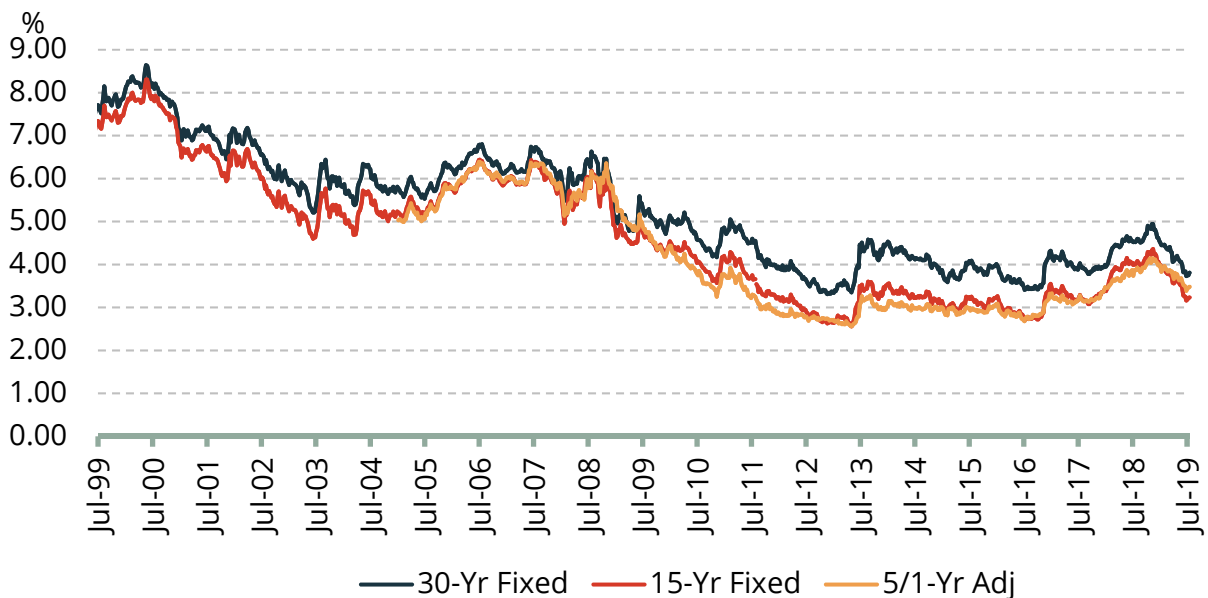
Consumer confidence in the South Atlantic region remains positive. The measure of confidence in consumers' present situations edged up to 183.2 in June, while the index of expectations remained at about 124. When these measures are above 100, it indicates that consumers remain optimistic about their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

**Figure 8:** Consumer Confidence South Atlantic Region



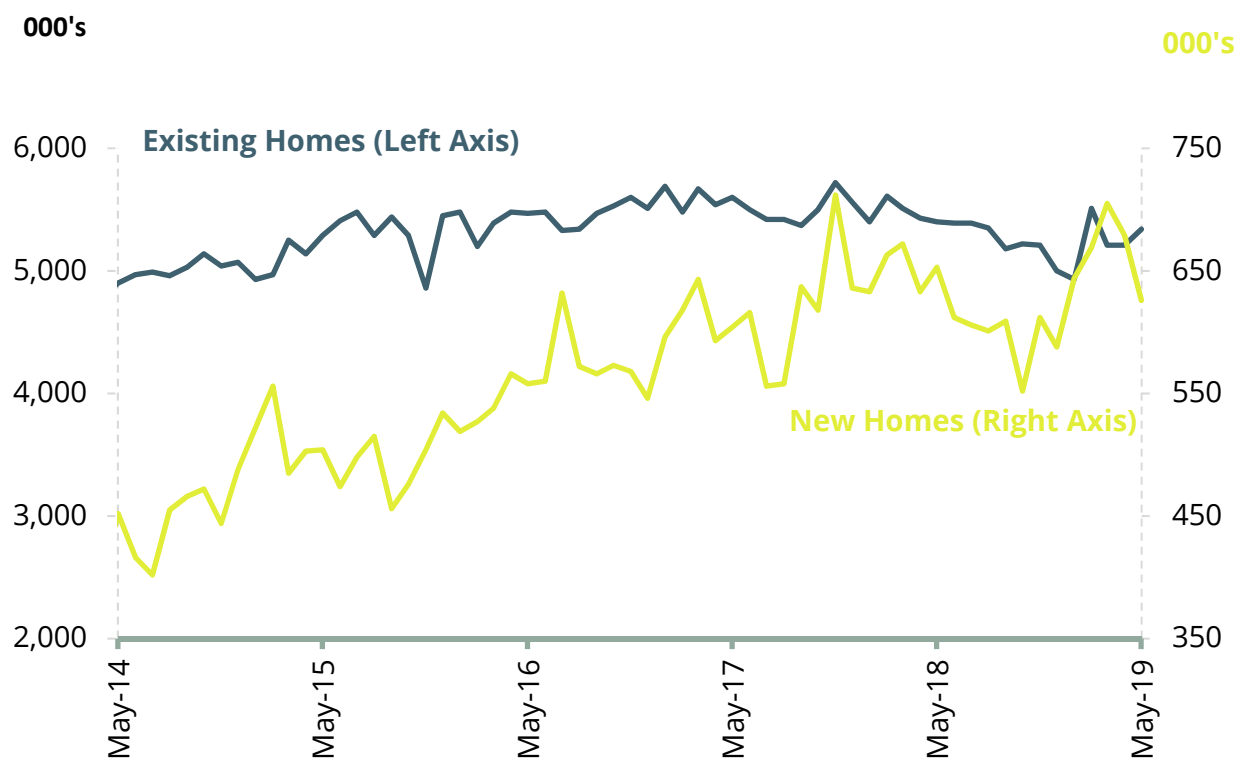
Interest rates remain very low. In the third week of July, the 30-year fixed-rate mortgage rate was 3.81%, down slightly from a month ago. All signs point to continued low interest rates throughout the summer market.

**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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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.