

# **GPR** GREATER PIEDMONT HOME SALES REPORT

Madison County

CUSTOM REPORT PREPARED BY  
**VIRGINIA REALTORS®**

# Madison County Housing Market + Regional Trends Analysis

## 3<sup>rd</sup> Quarter 2019 Report

2019 continues to be a strong year for the Greater Piedmont Region housing market overall. Sales activity in the region surged 18% in the 3<sup>rd</sup> quarter compared to last year, the strongest sales growth in more than three years. Three out of the four local jurisdictions in the region had more sales transactions than a year ago, which reflects broad market expansion in the region. Home prices are climbing throughout the GPR footprint, a multi-year trend that is largely being driven by continued buyer demand in the local housing markets and the tight inventory of active listings. The median sales price in the region rose by more than \$10,000 in the 3<sup>rd</sup> quarter compared to last year.

Indicators in the region's economy continue to show signs of growth. While job gains have slowed down in recent months, the region continues to add jobs in a variety of sectors led by Health Care and Social Assistance, which is the area's largest job sector. The unemployment rate in the GPR footprint is very low and continues to trend below the state and national level. Interest rates continue to drop to historically low levels and are projected to remain low or decline even further in the coming months, which should provide good financing options for qualified buyers who are interested in entering the housing market. All of these factors, both the recent housing market trends and regional economic indicators, point to continued moderate growth in the near-term for the GPR housing market. Key highlights from the housing and economic data this month include:

- The largest increase in sales transactions in more than 3 years in the GPR region occurred in the 3<sup>rd</sup> quarter; however, Madison County had a decline in sales.
- The sales growth coupled with rising home prices throughout the GPR footprint led to a \$56 million increase in the total sold volume this quarter, the largest sold volume influx in more than 4 years for the area.
- The inventory of active listings in Madison County continues to shrink, dropping 17% in the 3<sup>rd</sup> quarter compared to last year, a decline of 13 active listings.

### Key Market Indicators: 3<sup>rd</sup> Quarter 2019, Madison County

Change from 3Q-2018	▼	-12.5%	Units Sold: <b>42</b>
	▲	10.1%	Average Sales Price: <b>\$257,707</b>
	▲	3.8%	Median Sales Price: <b>\$238,000</b>
	▼	-3	Average Days on Market: <b>50</b>
	▲	2.6%	Average Sales Price to Original List Price Ratio: <b>98.3%</b>
	▼	-13	Active Listings: <b>65</b>



**Sales:** There were 42 sales in the Madison County housing market in the 3<sup>rd</sup> quarter, which is 6 fewer sales transactions than a year ago, representing a 13% decline. After a strong start to the year, sales activity has been flat and declining for two consecutive quarters in the County.

**Home Prices:** At \$238,000, the 3<sup>rd</sup> quarter median sales price in Madison County climbed nearly \$9,000 from a year ago, a 4% increase. Home prices have been trending up in the County for several years. The 3<sup>rd</sup> quarter median sales price is now \$42,000 higher than it was at this time three years ago.

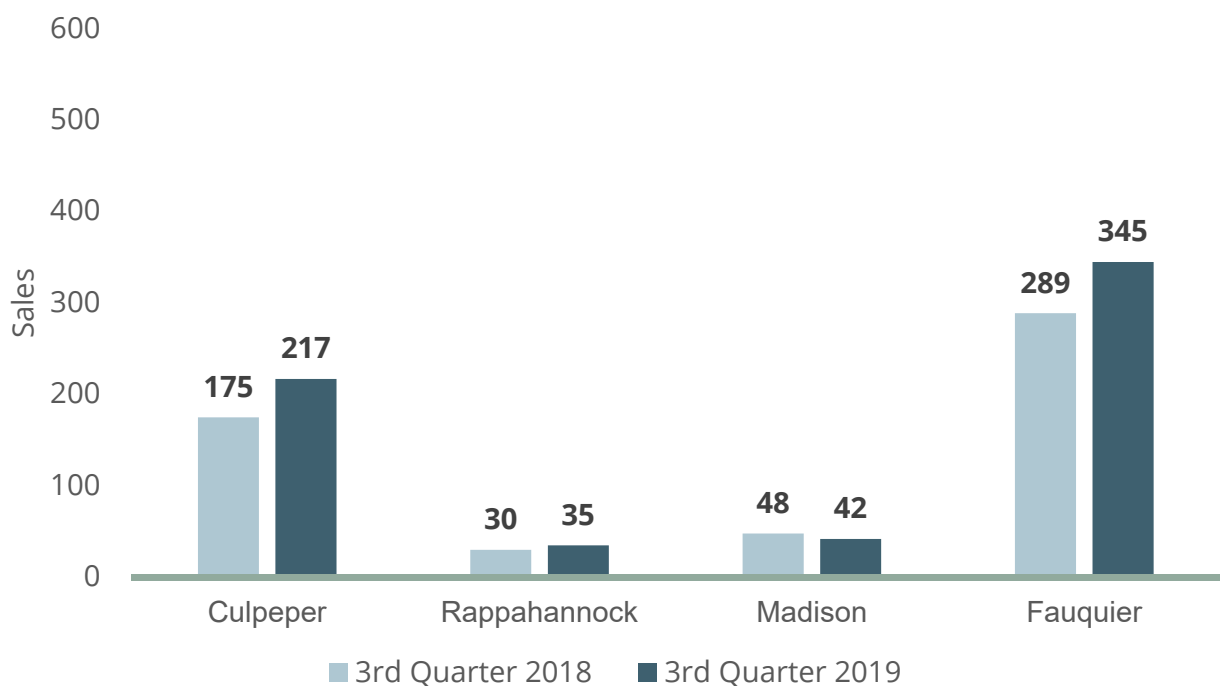
**Active Listings:** There were about 65 active listings on the market in Madison County at the end of the 3<sup>rd</sup> quarter, which is 13 fewer active listings than a year ago, a 17% drop. The supply of active listings in the County's housing market has been declining since 2015.

**Days on Market:** Homes sold slightly faster in the 3<sup>rd</sup> quarter in Madison County compared to last year. The average days on market this quarter was 50 days, which is 3 days less than a year ago. This metric has generally been trending down in the County but can fluctuate widely depending on the volume and characteristics of the sales in any given quarter.

## Greater Piedmont Region Housing Market Trends

**Sales:** Sales activity in the Greater Piedmont Region housing market surged this quarter. There were 639 sales transactions throughout the GPR footprint in the 3<sup>rd</sup> quarter, 97 more sales than a year ago, representing an 18% spike in sales. This is the strongest sales growth the region has had since the spring of 2016. Culpeper and Fauquier counties led the region in sales growth, with 42 and 56 additional sales transactions compared to last year. Madison County was the only jurisdiction in the region to have a drop in sales this quarter, declining 13% from the 3<sup>rd</sup> quarter of last year, 6 fewer sales transactions. The region's economy continues to show signs of growth, with more jobs being added and an unemployment rate below the state and national level. The strong economic conditions and historically low interest rates are likely keeping buyers active in the local markets in the region.

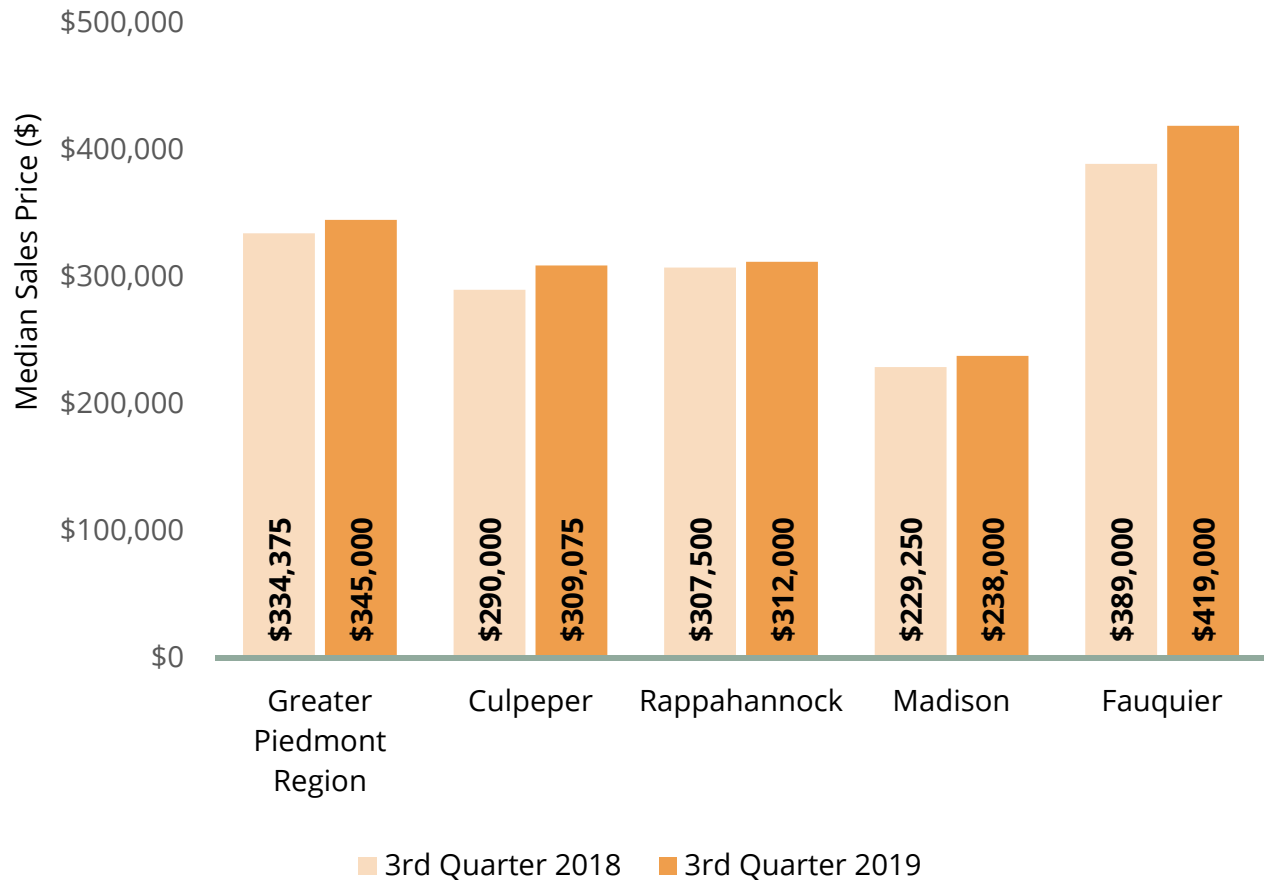
**Figure 1:** Sales by Jurisdiction in the Greater Piedmont Region



Source: Virginia REALTORS®, data accessed October 16, 2019

**Home Prices:** Sales prices continue to climb in the GPR housing market. At \$345,000, the 3<sup>rd</sup> quarter median sales price is up 3% from last year, a gain of over \$10,000. The region's median sales price has now increased every quarter for three consecutive years. All jurisdictions in the region had sales price gains this quarter. The largest growth occurred in Fauquier County, where the median sales price jumped up \$30,000 from the 3<sup>rd</sup> quarter of last year to \$419,000. The median sales price in Madison County rose nearly \$9,000 from this time last year to \$238,000, a 4% gain. The upward trend in sales activity and the shrinking supply of active listings on the market in the GPR footprint over the past few years have been pushing up sales prices in the local markets. These trends are also occurring in many other markets in Virginia more broadly and reflect the robust economic expansion that has occurred in the region and the state over the past several years.

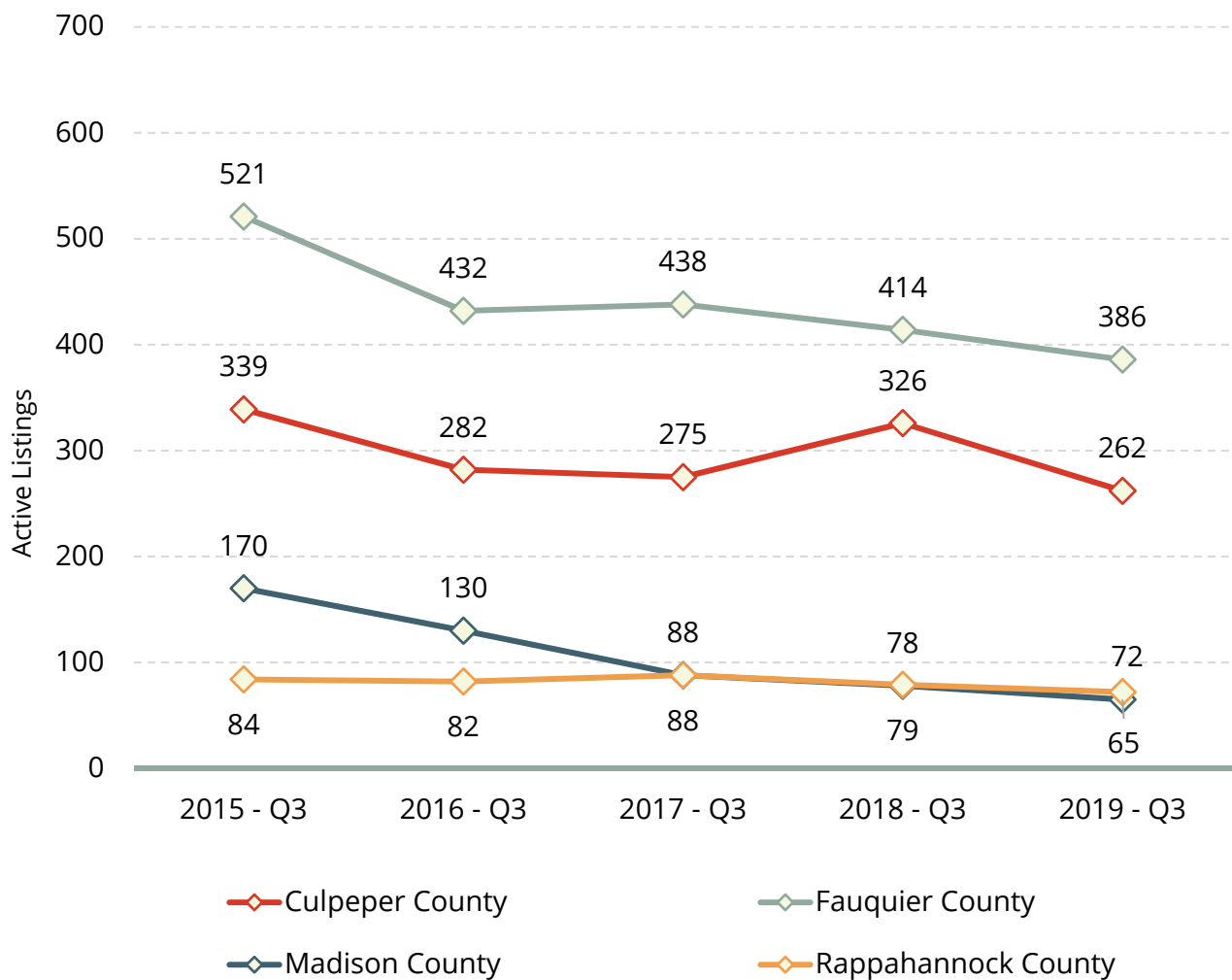
**Figure 2:** Median Sales Prices in the Greater Piedmont Region



Source: Virginia REALTORS®, data accessed October 16, 2019

**Active Listings:** The number of active listings on the market in the GPR region declined this quarter. The supply of active listings had been stabilizing and expanding for 4 consecutive quarters prior this drop. There were 785 active listings at the end of the 3<sup>rd</sup> quarter throughout the GPR footprint, a 12% decrease from this time last year, 112 fewer active listings. Within the local markets, most of the reduction occurred in Culpeper County, where there were 64 fewer active listings than last year, a 20% drop. There were 28 fewer active listings in Fauquier this quarter following 3 consecutive quarters of double-digit growth in active listings in the County. The inventory in Madison County continues to shrink as well; there were 65 active listings at the end of the 3<sup>rd</sup> quarter, 13 fewer than a year ago. Overall, the 3<sup>rd</sup> quarter supply of active listings in the GPR region is now 30% less than it was four years ago.

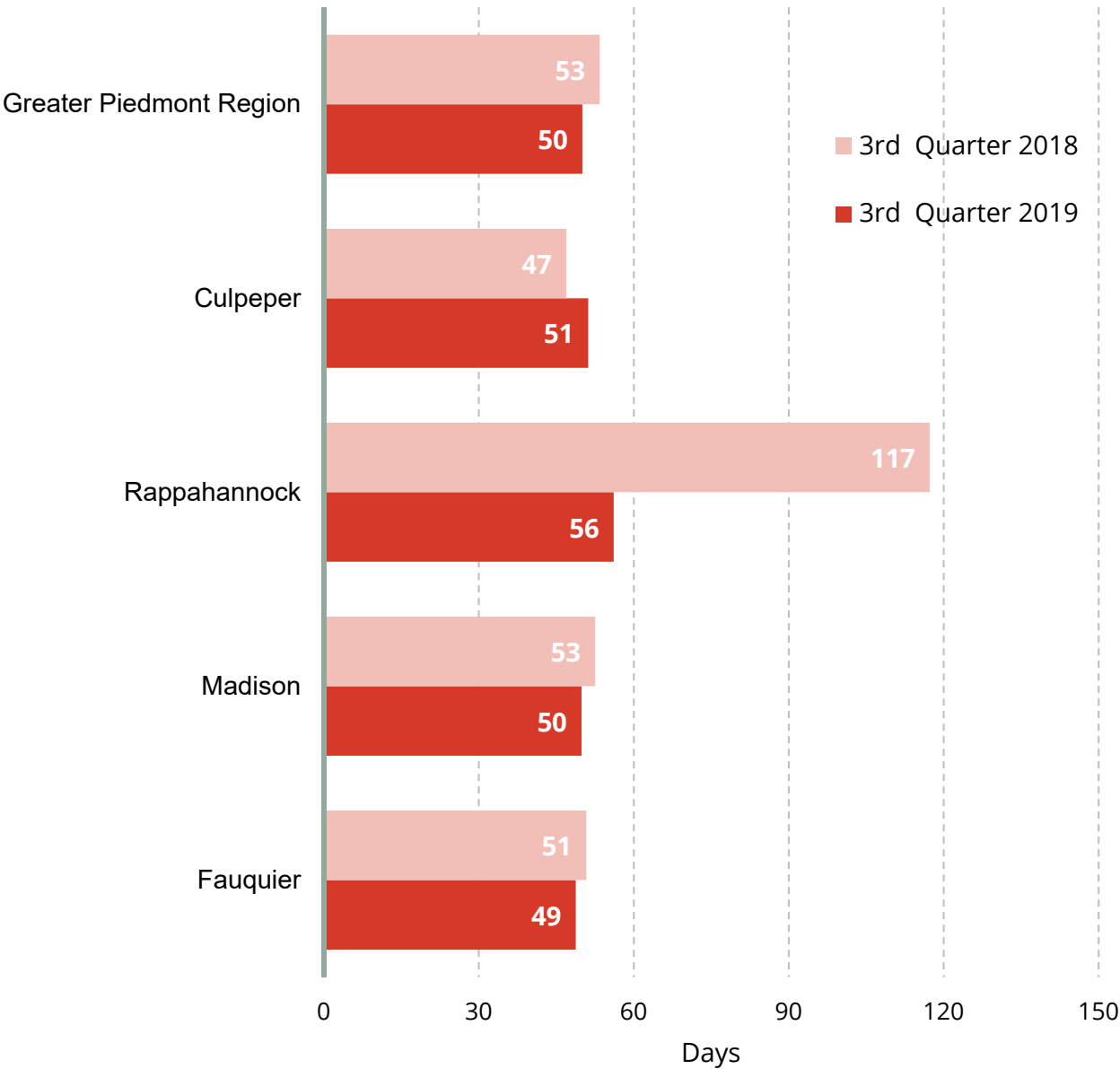
**Figure 3:** 3<sup>rd</sup> Quarter Active Listings in the Greater Piedmont Region



Source: Virginia REALTORS®, data accessed October 16, 2019

**Days on Market:** Homes that sold in the GPR region during the 3<sup>rd</sup> quarter were on the market an average of 50 days, which is 3 days faster than a year ago. Most of the local markets in the region had drop in this metric in the 3<sup>rd</sup> quarter. Culpeper County was the only jurisdiction to have an uptick in average days on market, rising 4 days from last year to 51 days. On average, homes are selling more than 2 weeks faster (-17 days) than the 3<sup>rd</sup> quarter 4 years ago.

**Figure 4:** 3<sup>rd</sup> Quarter Average Days on Market in the Greater Piedmont Region



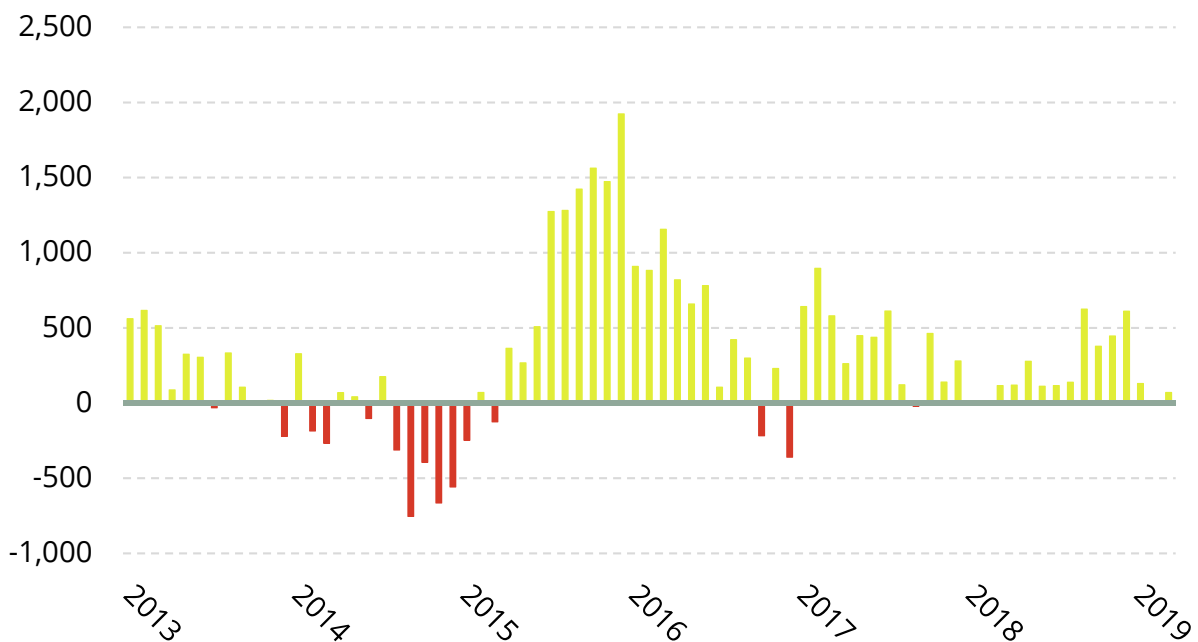
Source: Virginia REALTORS®, data accessed October 16, 2019

## Economic Overview

Job growth in the Greater Piedmont region (defined as Fauquier, Culpeper, Madison, and Rappahannock counties) slowed slightly in the beginning of 2019 after a strong 2018. Between March 2018 and March 2019 (the latest data available), the region added just 70 net new jobs. By comparison, the region had been only adding about 240 jobs month-over-the-year throughout 2018.

The biggest job gains in the Greater Piedmont region were in the Health Care & Social Assistance (+184 jobs) and Administrative & Waste Management (+125 jobs) sectors. Between March 2018 and March 2019, there were also gains in the Educational Services (+25 jobs), Construction (+33 jobs), and Manufacturing (+47 jobs) sectors. There were some job losses in the Retail Trade (-33 jobs) and Accommodation & Food Services (-114 jobs) sectors in March, along with the Professional & Technical Services, Public Administration, and Other Services sectors.

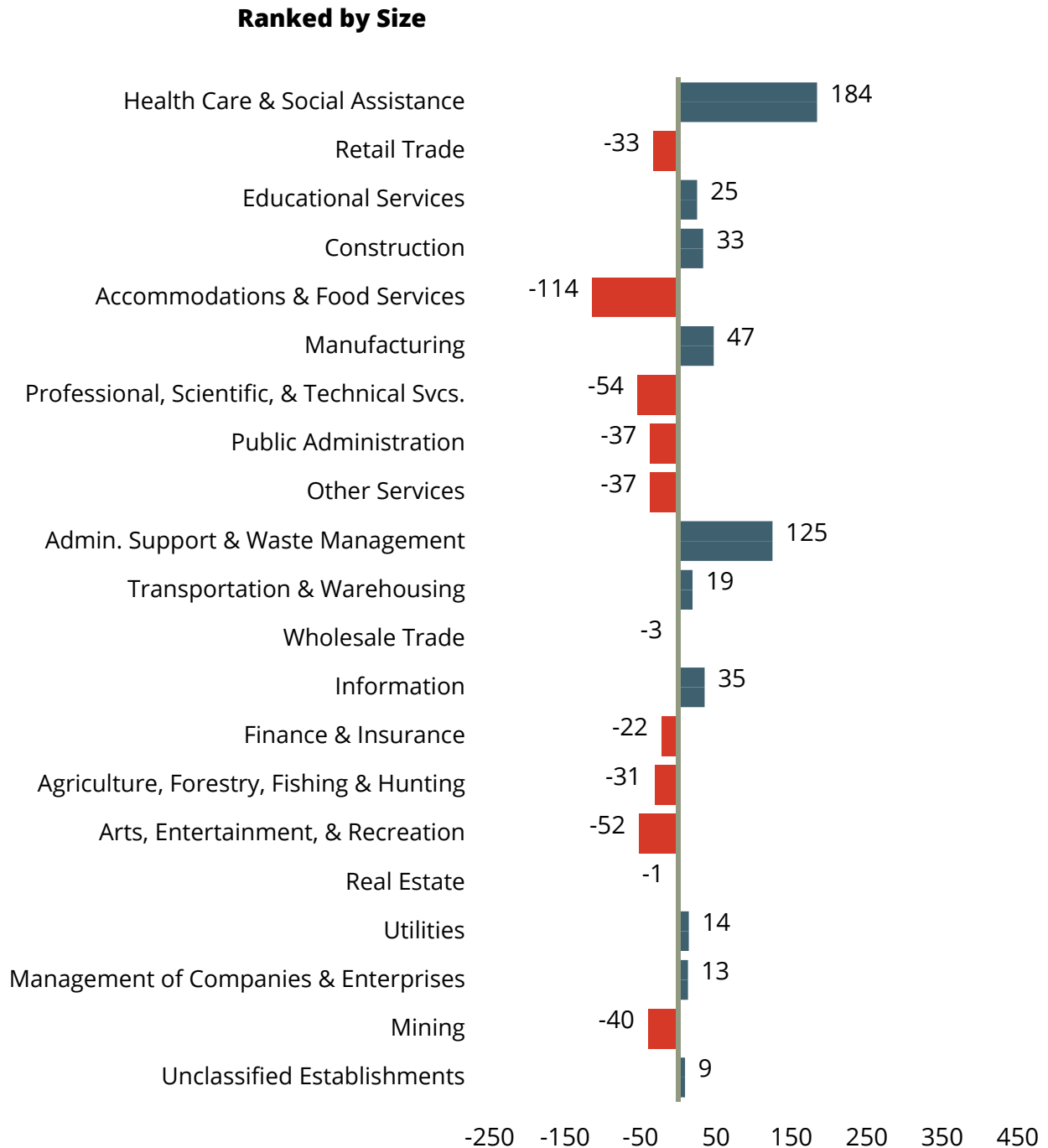
**Figure 5:** Annual Change in Jobs, GPR



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



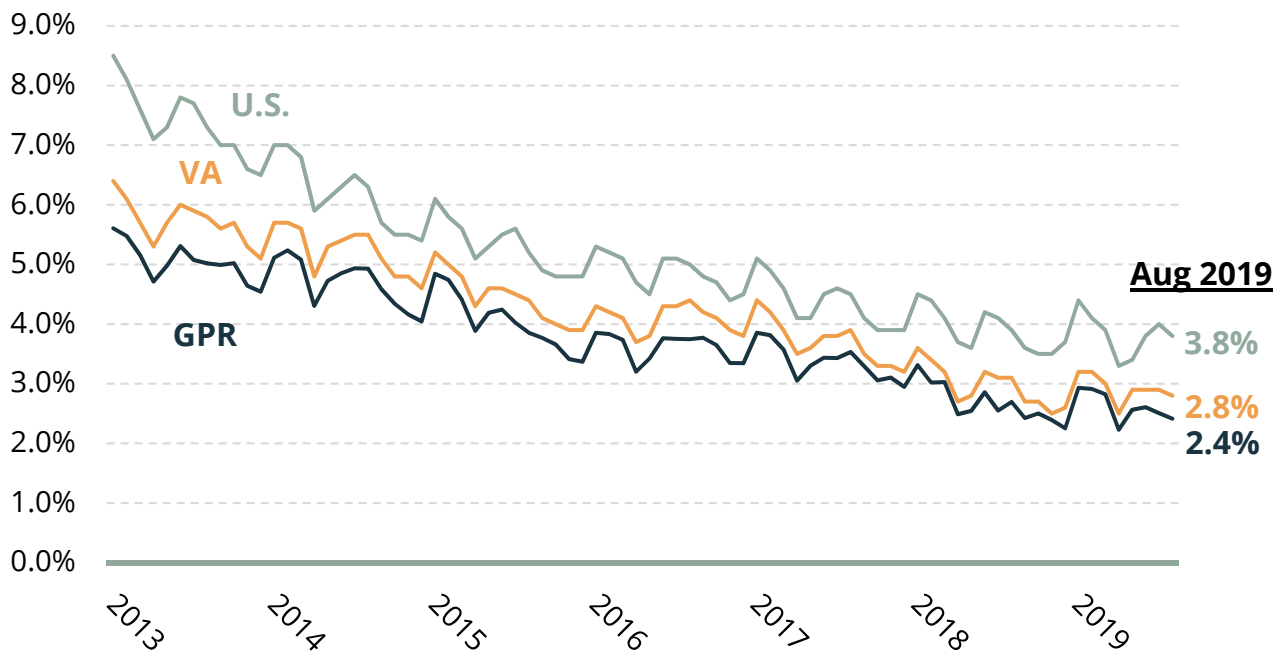
**Figure 6:** Job Change by Industry, GPR, Mar-2018 to Mar-2019



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

The unemployment rate in the Greater Piedmont region dropped to 2.4% in August, remaining lower than the statewide rate of 2.8%. Unemployment has been falling in the region for years, making it increasingly hard for local businesses to find workers to fill vacant positions.

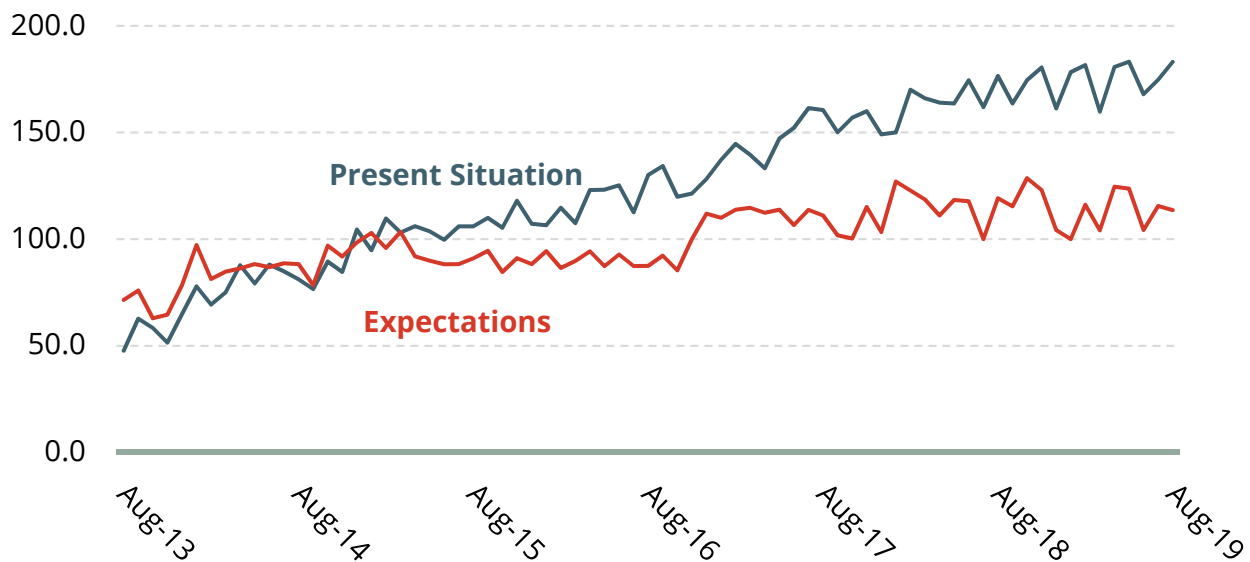
**Figure 7:** Unemployment Rate



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

Consumer confidence in the South Atlantic region remains positive, though there may be signs of anxiety about future economic conditions. The measure of confidence in consumers' present situations was 183.1 in August. The index of expectations was at 113.6, after being as low as 104.3 in June. When these measures fall below 100, consumers have begun to feel more pessimistic about the economy.

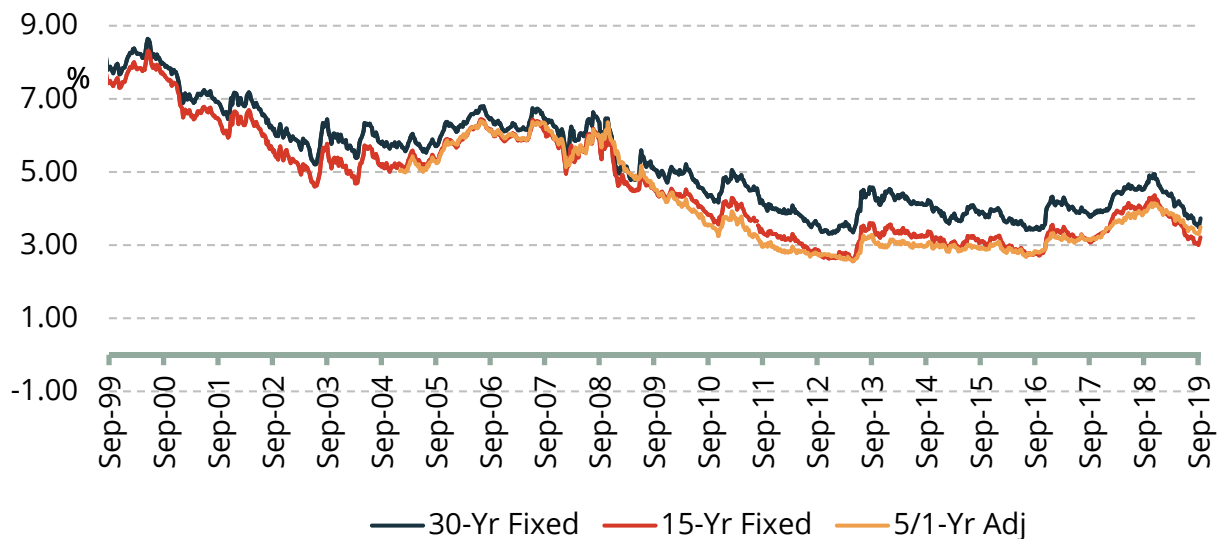
**Figure 8:** Consumer Confidence South Atlantic Region



Source: The Conference Board

Interest rates remain very low. In the 3rd week of September, the 30-year fixed-rate mortgage rate was 3.49%, which is about a half percentage point lower than a year ago. It is likely that the Fed will cut rates again before the end of the year, which will either stabilize mortgage rates or send them even lower before the end of the year.

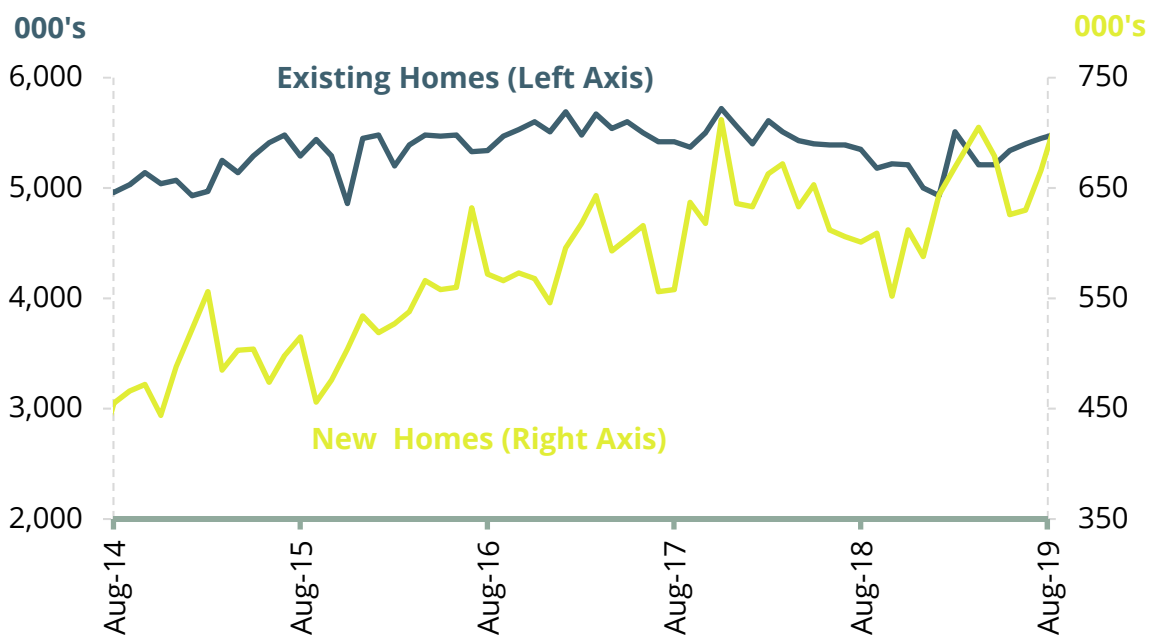
**Figure 9:** Mortgage Interest Rates (Weekly Rates, Not Seasonally Adjusted)



Source: Federal Reserve Bank of St. Louis

The national housing market continues to perform fairly well, aided by the lower mortgage rates. Nationally, existing home sales were up in August for the 2nd consecutive month, posting the strongest sales activity in almost a year and a half. Prices of existing homes continue to rise, and there has been a slight decline in inventory at the national level. New home sales have been up, and, at 713,000 units in August, sales were at their highest since 2007, before the recession.

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



Source: U.S Census Bureau, National Association of REALTORS®



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All inquiries regarding this report may be directed to:

Robin Spensieri  
Virginia REALTORS® Communications Director  
[rspensieri@virginiarealtors.org](mailto: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.