

GPR GREATER PIEDMONT HOME SALES REPORT

Rappahannock County

CUSTOM REPORT PREPARED BY
VIRGINIA REALTORS®

Rappahannock County Housing Market + Regional Trends Analysis

3rd 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 3rd 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 3rd 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 3rd quarter.
- 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.
- After expanding for much of the past year, the inventory of active listings in Rappahannock County dropped 9% in the 3rd quarter compared to last year, a decline of 7 active listings.

Key Market Indicators: 3rd Quarter 2019, Rappahannock County

Change from 3Q-2018	▲	16.7%	Units Sold: 35
	▲	11.1%	Average Sales Price: \$409,647
	▲	1.5%	Median Sales Price: \$312,000
	▼	-61	Average Days on Market: 56
	▲	0.5%	Average Sales Price to Original List Price Ratio: 96.7%
	▼	-7	Active Listings: 72



Local Market Snapshot

Rappahannock County

Sales: Sales activity continues to expand in Rappahannock County. There were 35 sales in the County during the 3rd quarter, 5 more sales than last year, representing a 17% increase. Sales have been trending up since the summer of 2017 in the County.

Home Prices: At \$312,000, the median sales price in Rappahannock County inched up 1% from the 3rd quarter of last year, a gain of \$4,500. The median sales price tends to fluctuate each quarter due to the relatively low transaction volume.

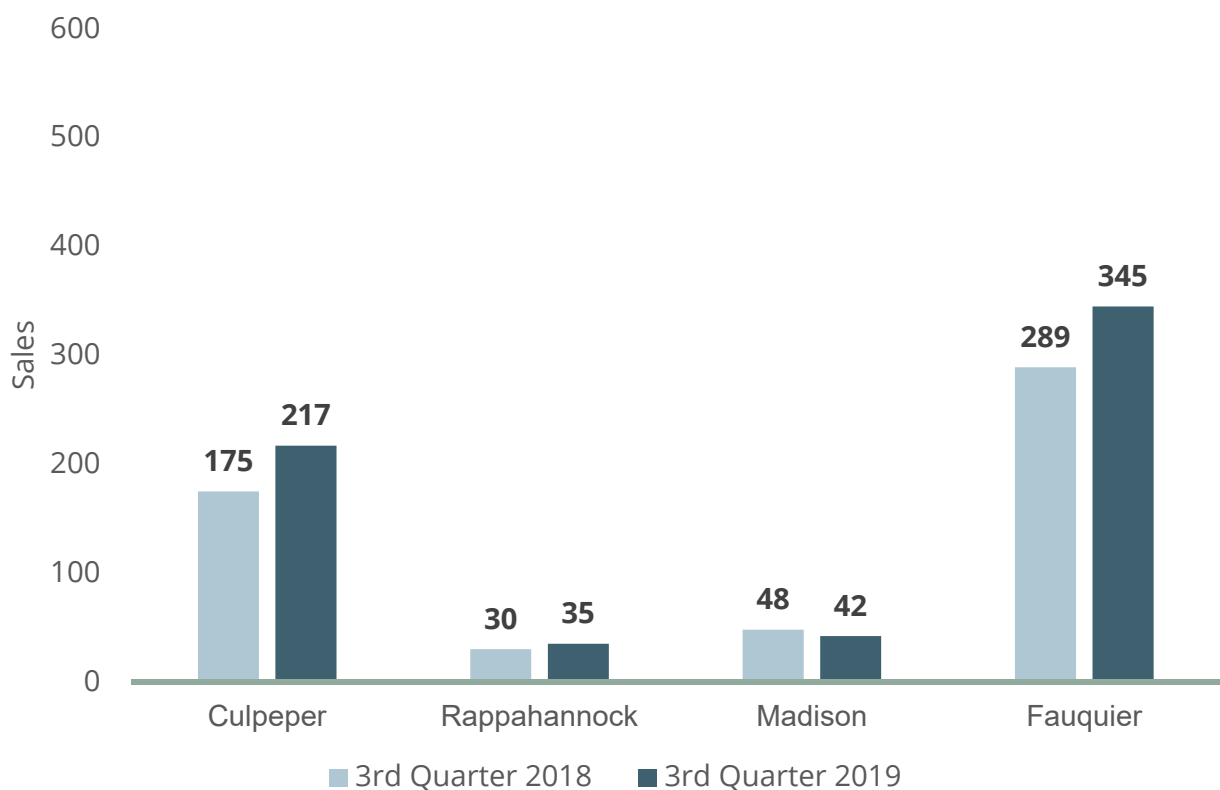
Active Listings: After expanding for the past 2 quarters, the inventory of active listings in Rappahannock County declined this quarter. There were 72 active listings on the market at the end of the 3rd quarter, which is 7 fewer active listings than a year ago, a 9% drop.

Days on Market: Homes continue to sell faster in the Rappahannock County housing market. The average days on market was 56 days in the 3rd quarter, about 2 months faster than last year (-61 days). This metric has been decreasing for 5 consecutive quarters in the County.

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 3rd 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 3rd 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.

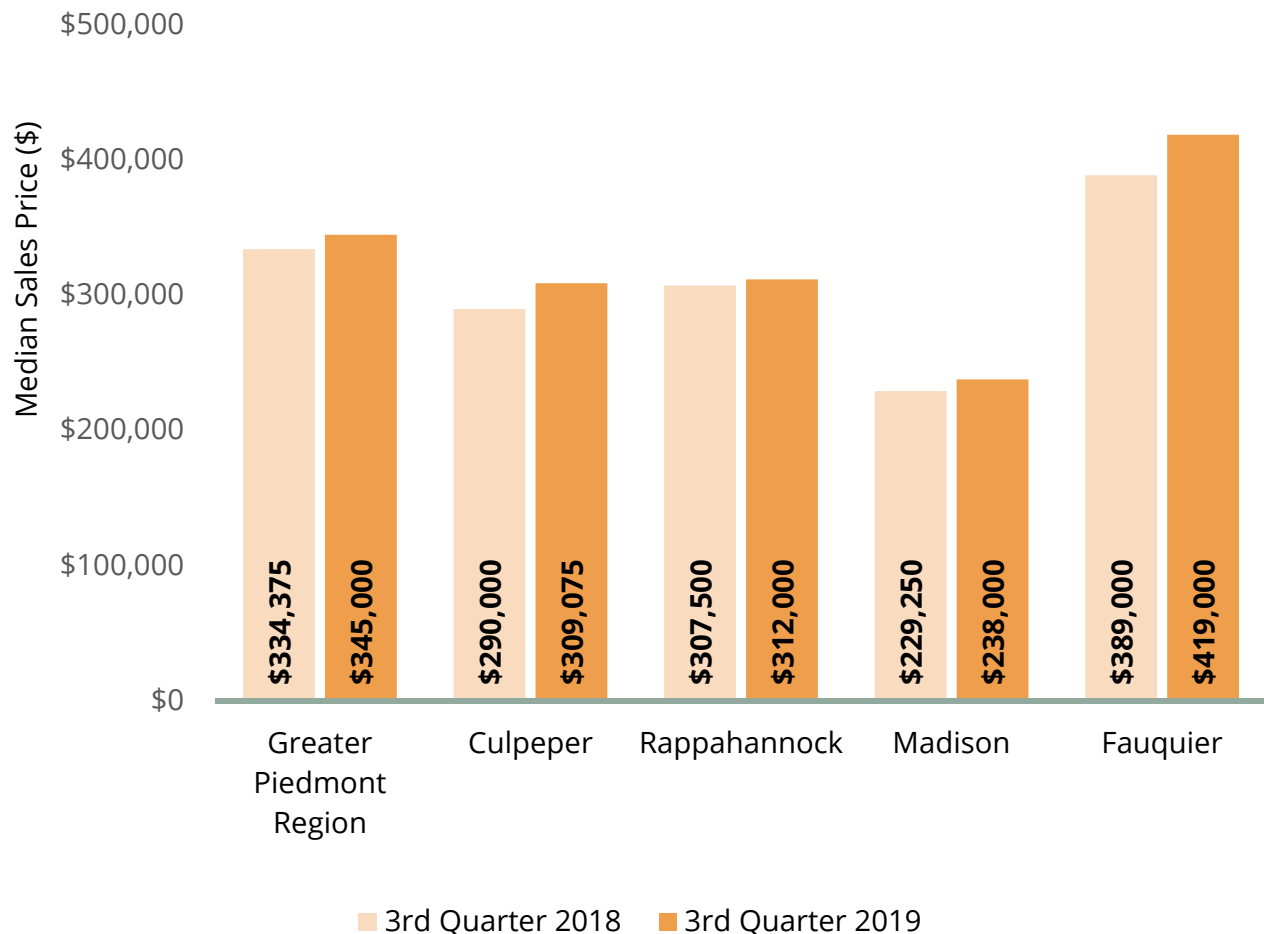
Figure 1: Sales by Jurisdiction in the Greater Piedmont Region



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

Home Prices: Sales prices continue to climb in the GPR housing market. At \$345,000, the 3rd 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 3rd 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.

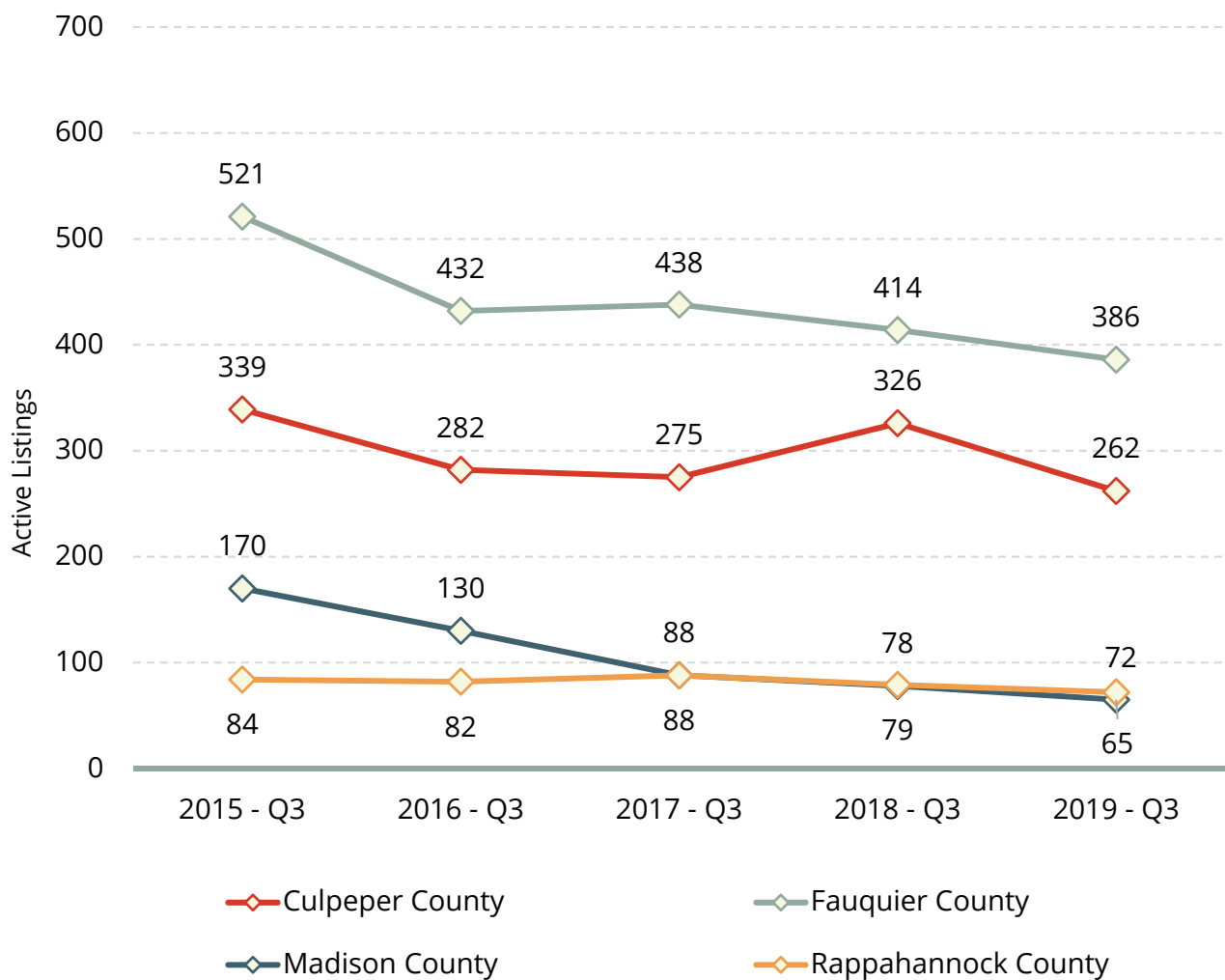
Figure 2: Median Sales Prices in the Greater Piedmont Region



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 3rd 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 3rd quarter, 13 fewer than a year ago. Overall, the 3rd quarter supply of active listings in the GPR region is now 30% less than it was four years ago.

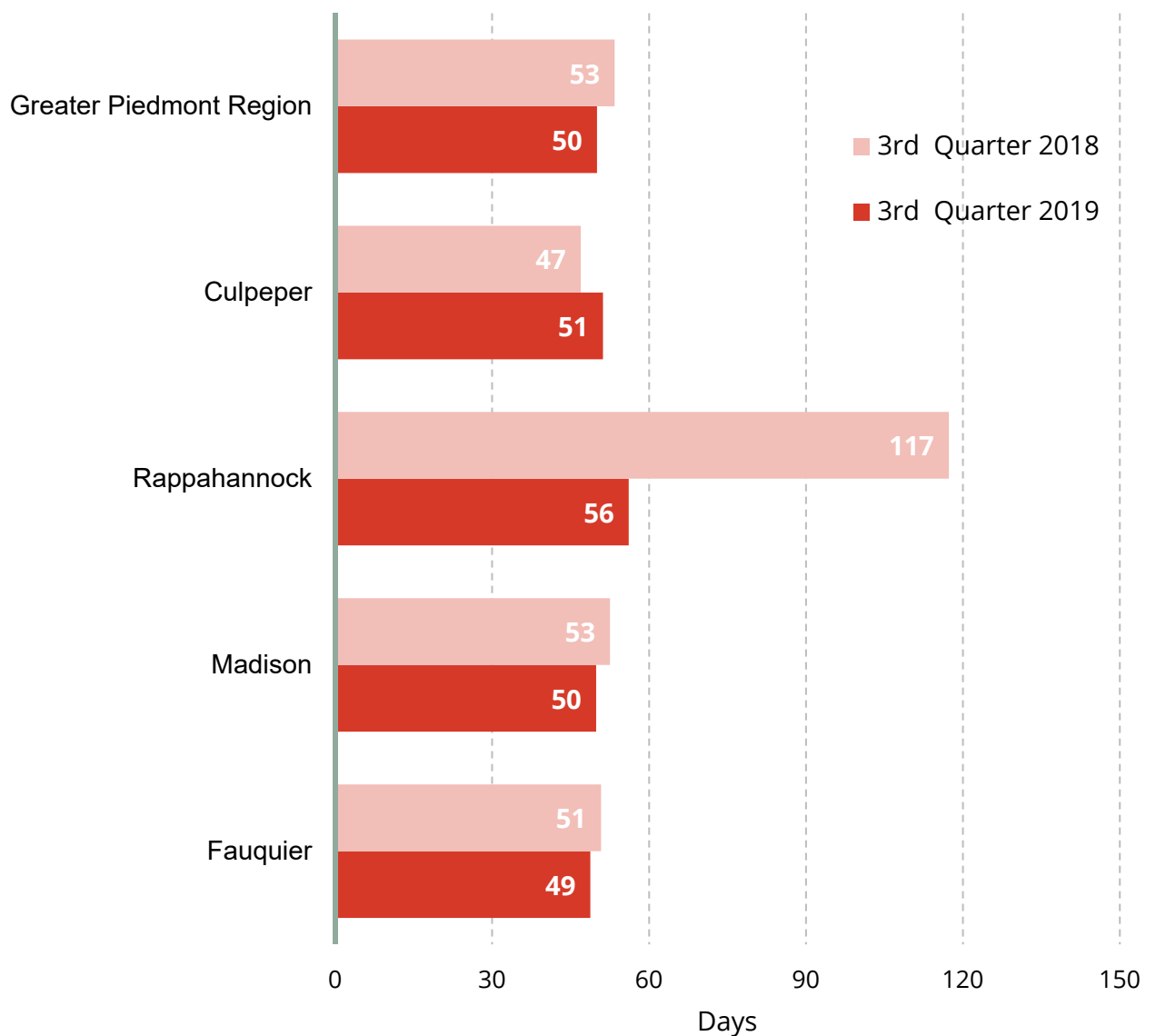
Figure 3: 3rd Quarter Active Listings in the Greater Piedmont Region



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

Days on Market: Homes that sold in the GPR region during the 3rd 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 3rd 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 3rd quarter 4 years ago.

Figure 4: 3rd Quarter Average Days on Market in the Greater Piedmont Region



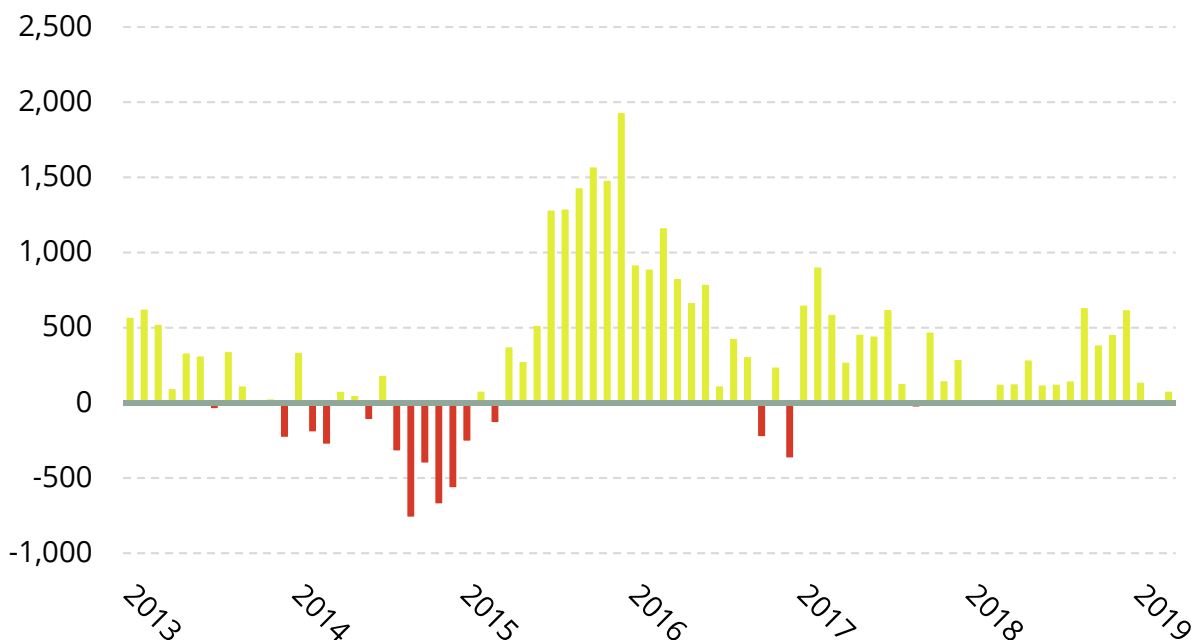
Source: Virginia REALTORS®, data accessed October 16, 2019

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.

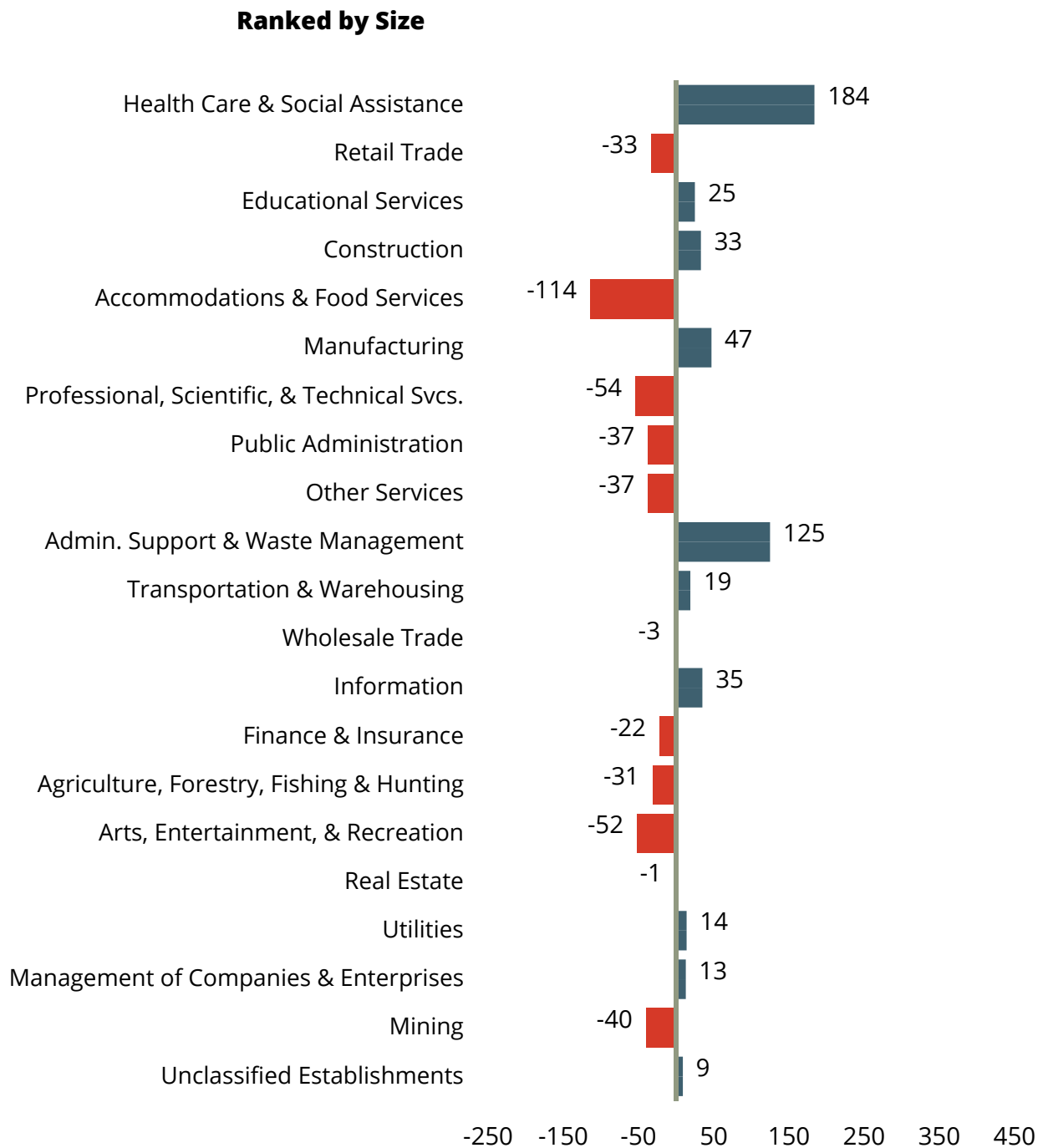
The biggest job gains in the Greater Piedmont region were in the Health Care & Social Assistance (+184 jobs) and Administrative & Waste Management (+125 jobs) sectors. Between March 2018 and March 2019, there were also gains in the Educational Services (+25 jobs), Construction (+33 jobs), and Manufacturing (+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

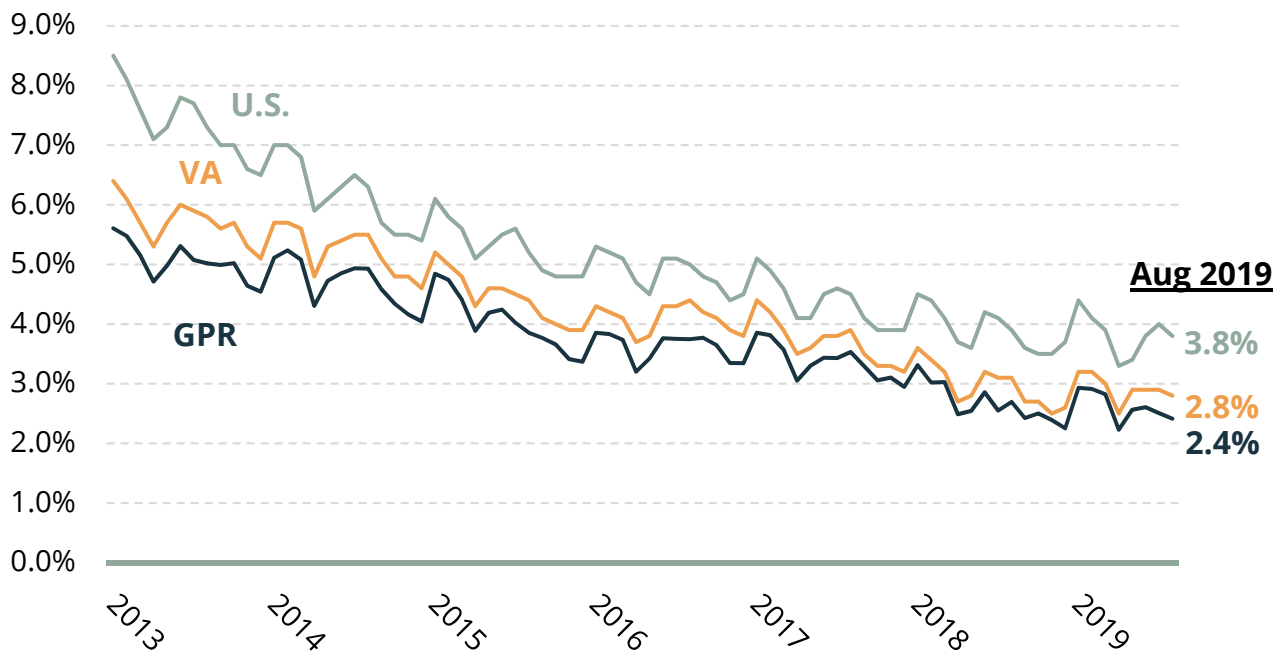
Figure 6: Job Change by Industry, GPR, Mar-2018 to Mar-2019



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.

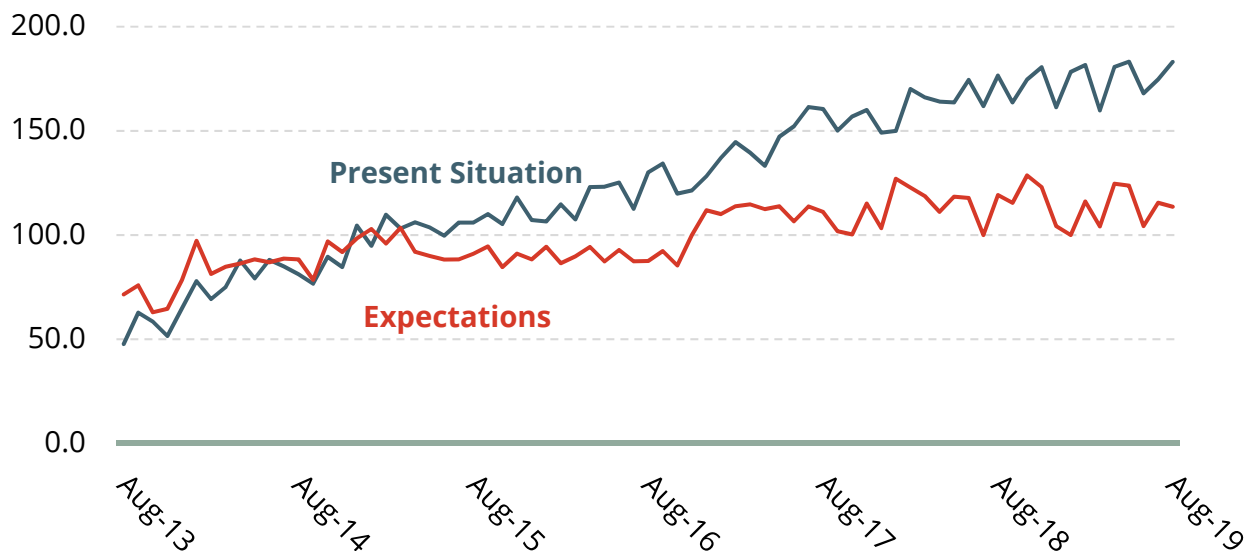
Figure 7: Unemployment Rate



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.

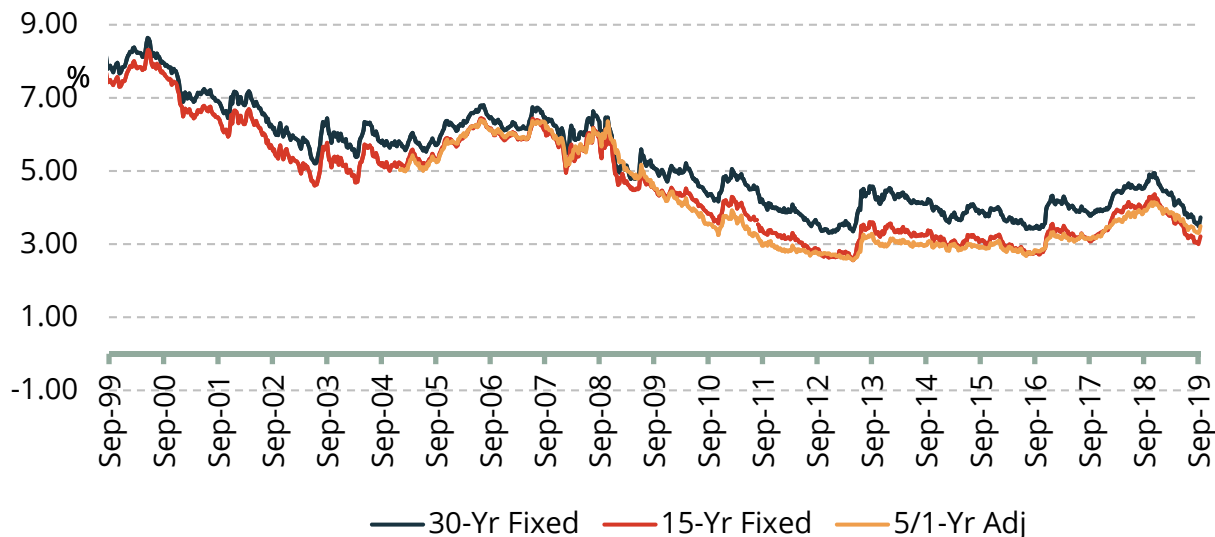
Figure 8: Consumer Confidence South Atlantic Region



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.

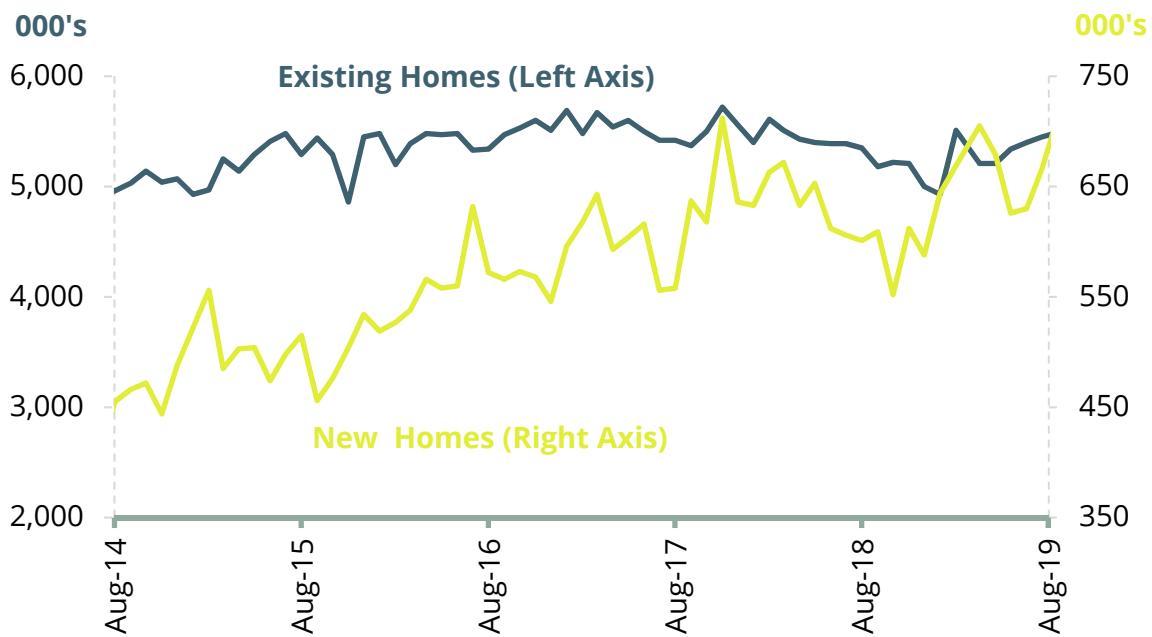
Figure 9: Mortgage Interest Rates (Weekly Rates, Not Seasonally Adjusted)



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®



The Virginia REALTORS® association is the largest professional trade association in Virginia, representing nearly 34,000 REALTORS® engaged in the residential and commercial real estate business. The Virginia REALTORS® association serves as the advocate for homeownership and private property rights and represents the interests of real estate professionals and property owners in the Commonwealth of Virginia.

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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.