

Virginia

HOME SALES
REPORT

MARCH 2019

Virginia Home Sales Report

March 2019

Summary

Economic Conditions

- A healthy national economy and strong statewide job growth are positive for the Commonwealth's housing market.
- The statewide unemployment rate remains very low. The labor market is very tight in most regions across the state.
- Given the healthy first-quarter national economic data, it is unlikely that the Federal Reserve will be taking action on rates in the near future.

Housing Market Conditions

- The pace of sales activity continues to decline at the state-level and in several regional markets compared to last year. The total number of sales in Virginia fell 3% in March compared to last year.
- While sales have slowed, prices continue to climb in many regional housing markets in the state. The state-level median sales price inched up \$1,700, to \$280,700 in March.
- The inventory of active listings continues to shrink in the state and in some regional markets. There were 4,500 fewer active listings on the market at the end of March compared to last year in Virginia. This is having an impact on prices and also the average days on market, which declined to 61 days—3 days faster than a year ago.

Virginia Realtors® Market Report Key Takeaways

Virginia's economy continues to show signs of strength and resiliency.

The slowdown in home sales activity has broadened to more markets across the state and could signal softening demand in some markets.

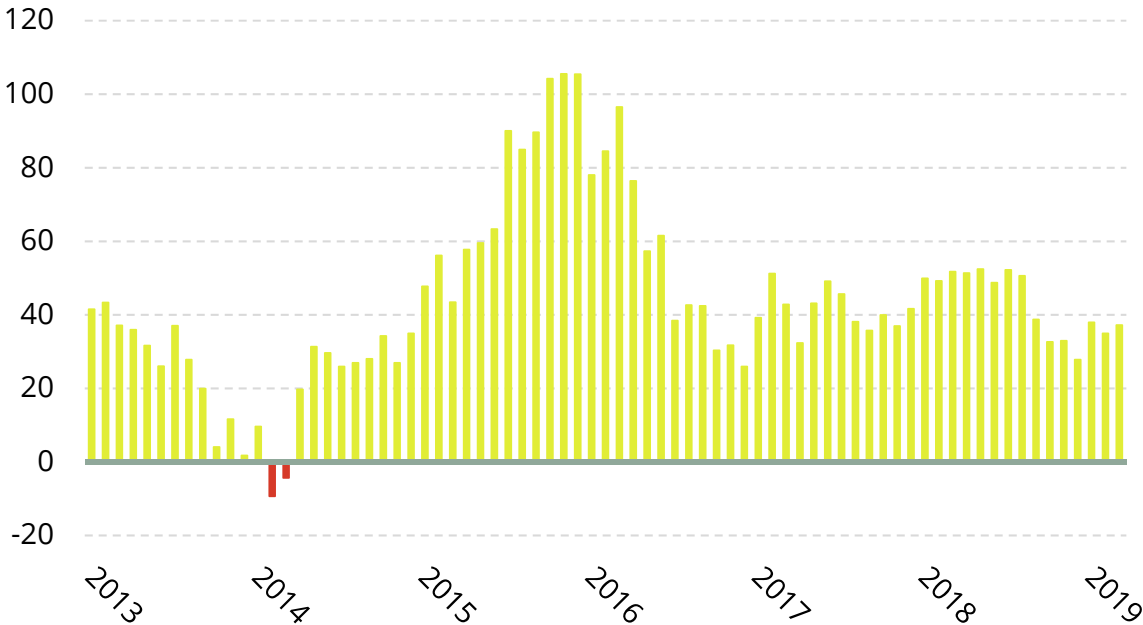
A lack of available inventory continues to be a constraint to the number of transactions statewide.

Mortgage rates should continue to remain low throughout the spring and into the summer.

Economic Overview

Strong national economic performance and steady job growth remain a positive in Virginia. Between March 2018 and March 2019, the Commonwealth added 37,200 jobs, reflecting 5 years of steady job growth in Virginia. Even with the economic certainties the Federal government shutdown brought at the end of last year and the beginning of this year, Virginia’s economy continues to show signs of strength and resiliency.

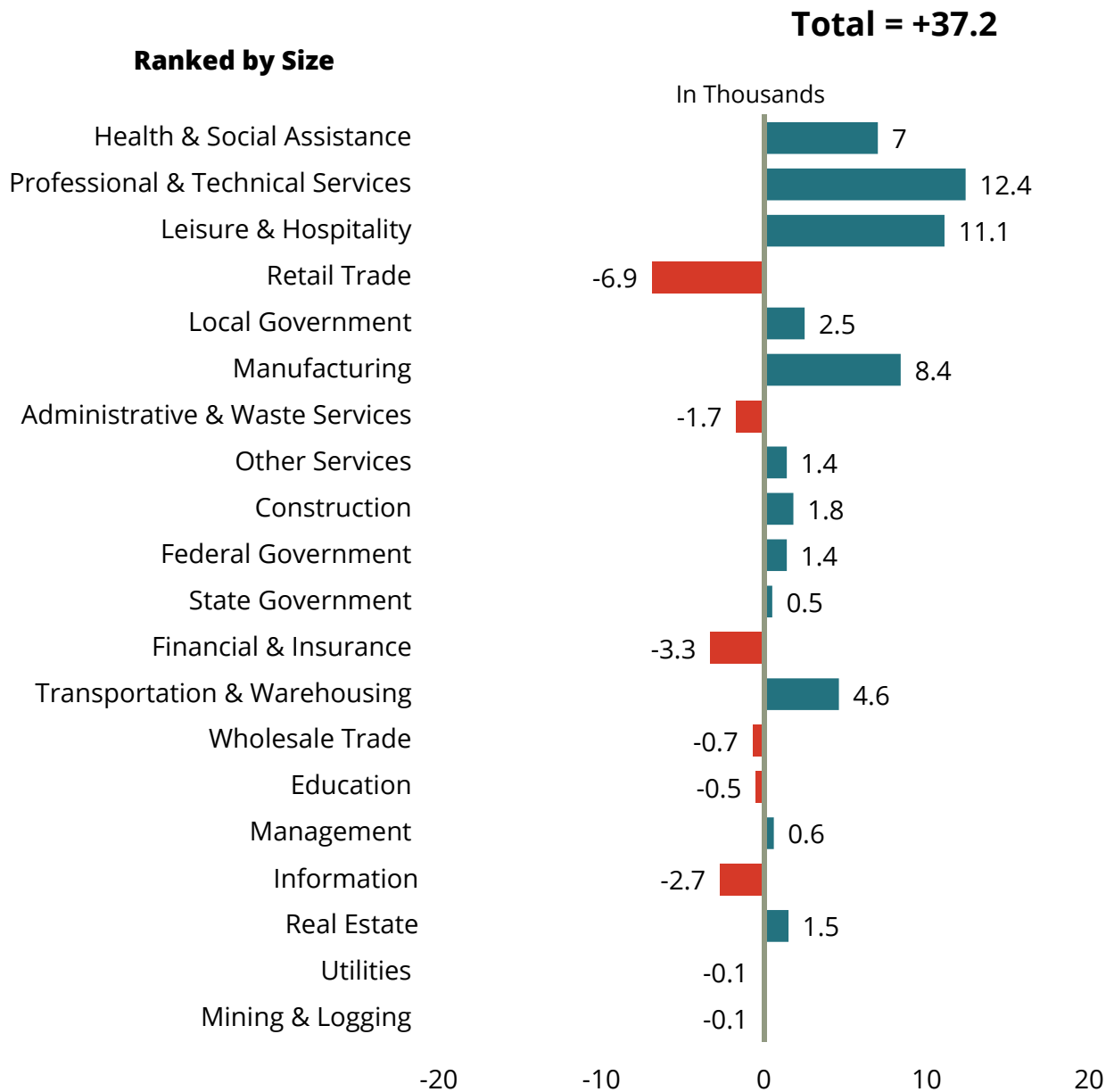
Figure 1
Virginia Annual Change in Jobs



Source: U.S. Bureau of Labor Statistics

There was solid job growth across most sectors of the economy in Virginia, including the relatively high-wage Professional & Technical Services sector and the expanding Health & Social Assistance sector. Between March 2018 and March 2019, the state added 12,400 new Professional & Technical Services sector jobs, continuing an expansion in this important sector of the economy. The state also added 7,000 jobs in the Health & Social Assistance sector. In addition, there were gains in the Leisure & Hospitality sector (+11,100 jobs) and the Manufacturing sector (+8,400 jobs). In Virginia, like in most states across the country, retail jobs continue to decline, with a loss of 6,900 jobs over the past year.

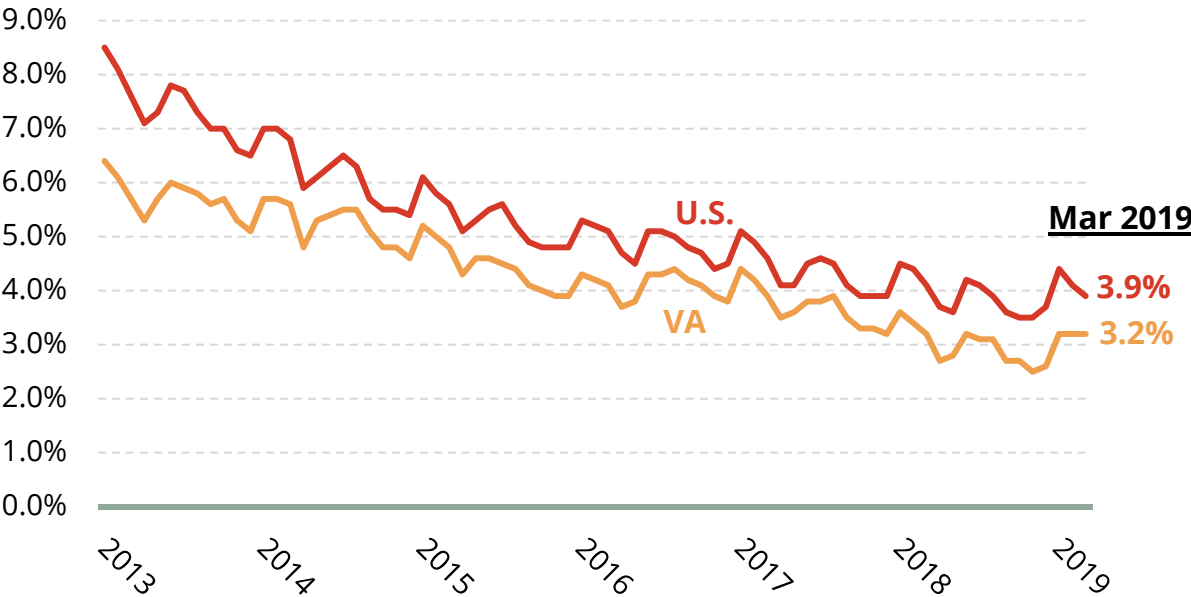
Figure 2
Job Change by Industry
March 2018 - March 2019



Source: U.S. Bureau of Labor Statistics

Labor market conditions are tight in the state. The statewide unemployment held steady at 3.2% in March and remains below the U.S. rate. A challenge in finding qualified workers has become a constraint to economic growth in some parts of Virginia.

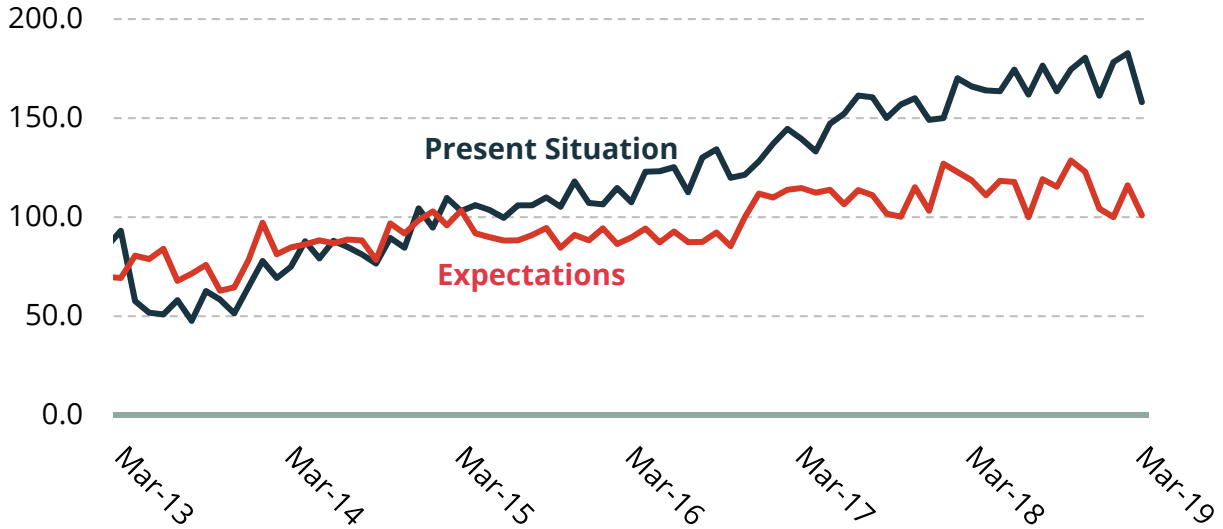
**Figure 3
Unemployment Rate**



Source: U.S. Bureau of Labor Statistics

Consumer confidence dipped slightly in March after rising in February. Consumers in the South Atlantic region (which includes Virginia) continue to feel very confident about their present economic situations; however, there are signs of uncertainties about future economic prospects, as indicated by a decline in the measure of Expectations.

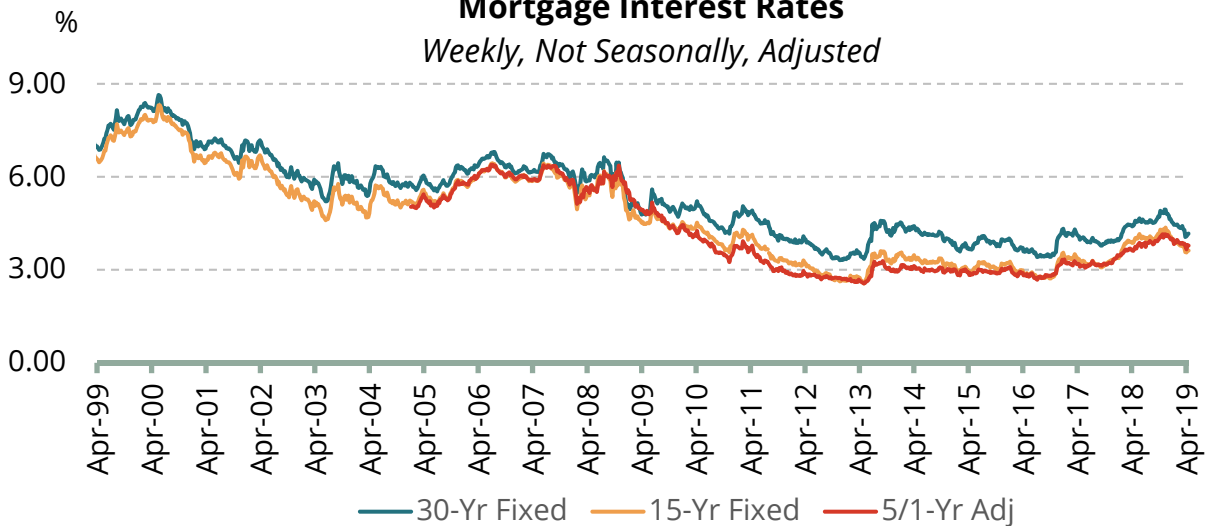
Figure 4
Consumer Confidence
South Atlantic Region



Source: The Conference Board

Mortgage rates inched up very modestly in early April, though they are still quite low by historic standards. In the 3rd week of April, the 30-year fixed-rate mortgage was 4.17%, down from 4.28% a month ago. Given the healthy first-quarter national economic data, it is unlikely that the Federal Reserve will be taking action on rates, and mortgage rates should continue to remain low throughout the spring and into the summer.

Figure 5
Mortgage Interest Rates
Weekly, Not Seasonally, Adjusted



Source: Federal Reserve Bank of St. Louis

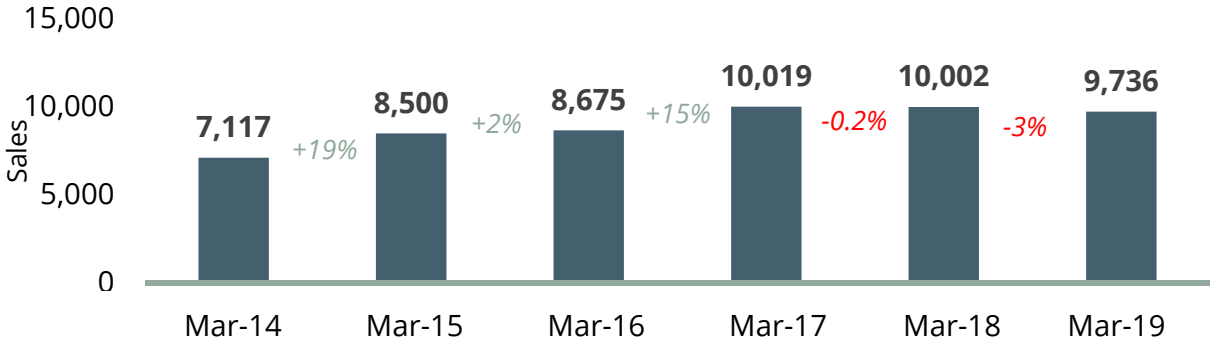
Housing Market Overview

The state-level housing market in Virginia continues to show signs of a slowdown; however, a few regional markets are outpacing last year on some key metrics. There were fewer total home sales across the Commonwealth in March, a trend that has been occurring since the fall of 2018. While the pace of sales activity is trending down, price points remain on an upward trajectory at the state-level and in most regional markets. The continued price growth is likely being driven by the low inventory of active listings available on the market and positive economic conditions in many areas of the state. The supply of homes available in Virginia stabilized for much of last year but has reverted back to a downward trend in 2019. The low inventory is also causing homes to sell faster in many regional markets, with the average days on market falling in most areas.

Sales

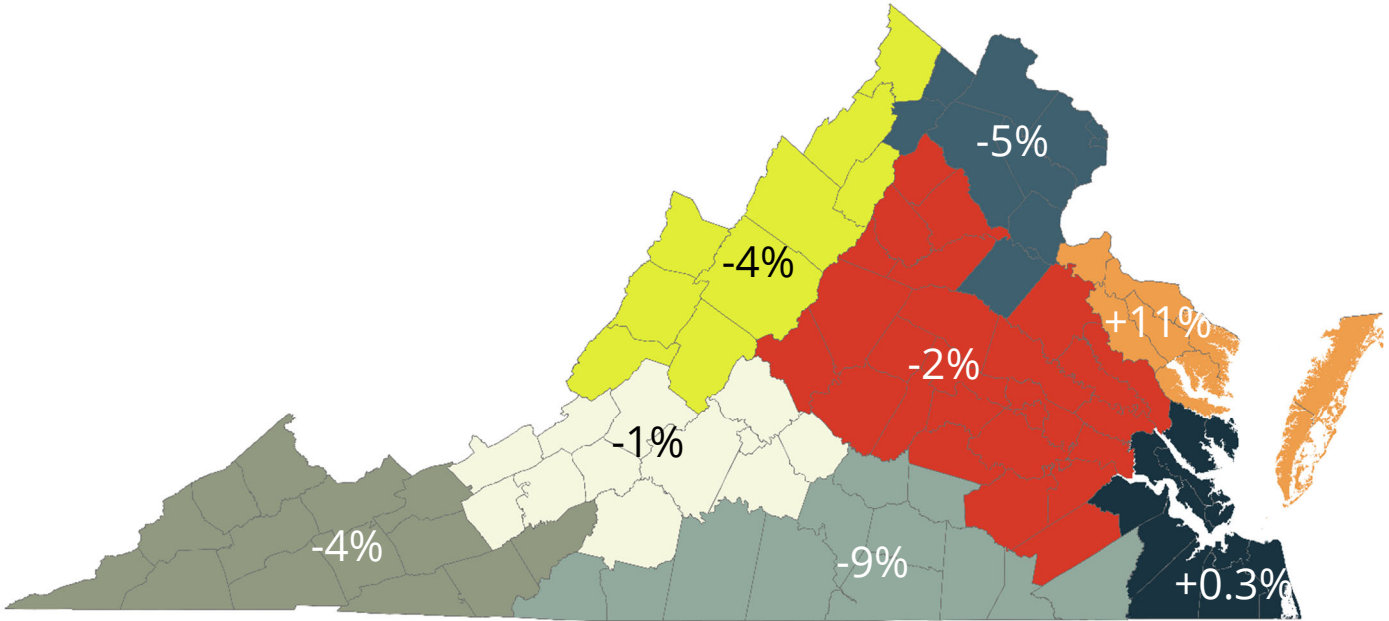
The pace of sales continues to slow down in Virginia compared to last year. There were 9,736 home sales throughout the state in March 2019, which is 3% less than last year, a drop of 266 sales. Except for the Eastern region, all regions in the state had flat or declining sales in March compared to a year ago. Northern Virginia and Central Virginia, 2 of the 3 largest markets in the state, had 5% and 2% fewer sales, respectively, in March 2019 compared to a year ago. Sales activity in the Hampton Roads area, the state's 2nd largest housing market, remained essentially flat from last year. As noted, the Eastern region was the only market to have an uptick in sales in March. There were 185 sales in the Eastern region, up 11% from March 2018, an increase of 19 home sales.

Figure 6
March Home Sales, Virginia
2014-2019



Source: REdatum

Figure 7
Change in Sales by Region
March 2018 to March 2019



<i>Region</i>	<i>Mar-18</i>	<i>Mar-19</i>	<i>% Change</i>
Central	2,213	2,166	-2%
Eastern	166	185	11%
Hampton	2,323	2,329	0.3%
Northern	3,633	3,447	-5%
Southside	240	218	-9%
Southwest	158	151	-4%
Valley	474	456	-4%
West	795	784	-1%
All of Virginia	10,002	9,736	-3%

Source: REdatum

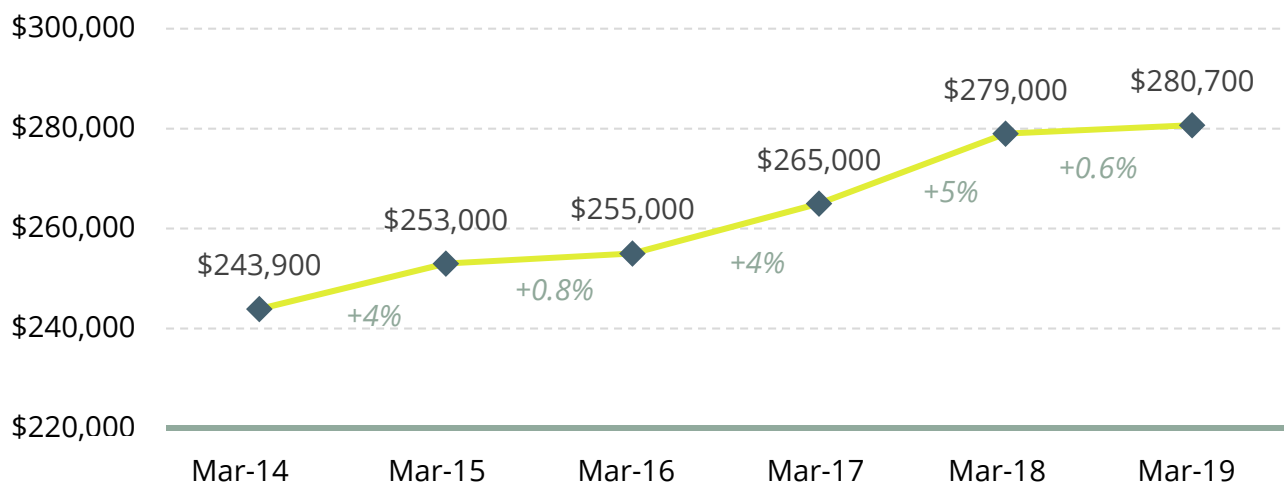
Sales Prices

Home prices continue to rise across much of the Commonwealth even with the slower pace of sales in recent months; however, the rate of the price increases have moderated. This trend likely reflects the low inventory of active listings available in some local markets and the relatively stable economic conditions in many regions of the state. At \$280,700, the March median sales price in Virginia inched up from last year, rising \$1,700, a 0.6% increase. The statewide March median sales price has now climbed more than \$25,000 in the past 3 years. However, there may be signs that price growth is slowing in some local markets.

Most of the regional housing markets in the state had higher median sales prices in March compared to a year ago. The Eastern region had the fastest growth, climbing 13% to \$226,000, a \$26,000 price gain in that area. At \$439,900, the median sales price in Northern Virginia rose nearly \$12,000 from a year ago, reflecting a 3% gain. The Hampton Roads and Southside regions were the only areas to have price declines in March, falling 2% and 6%, respectively.

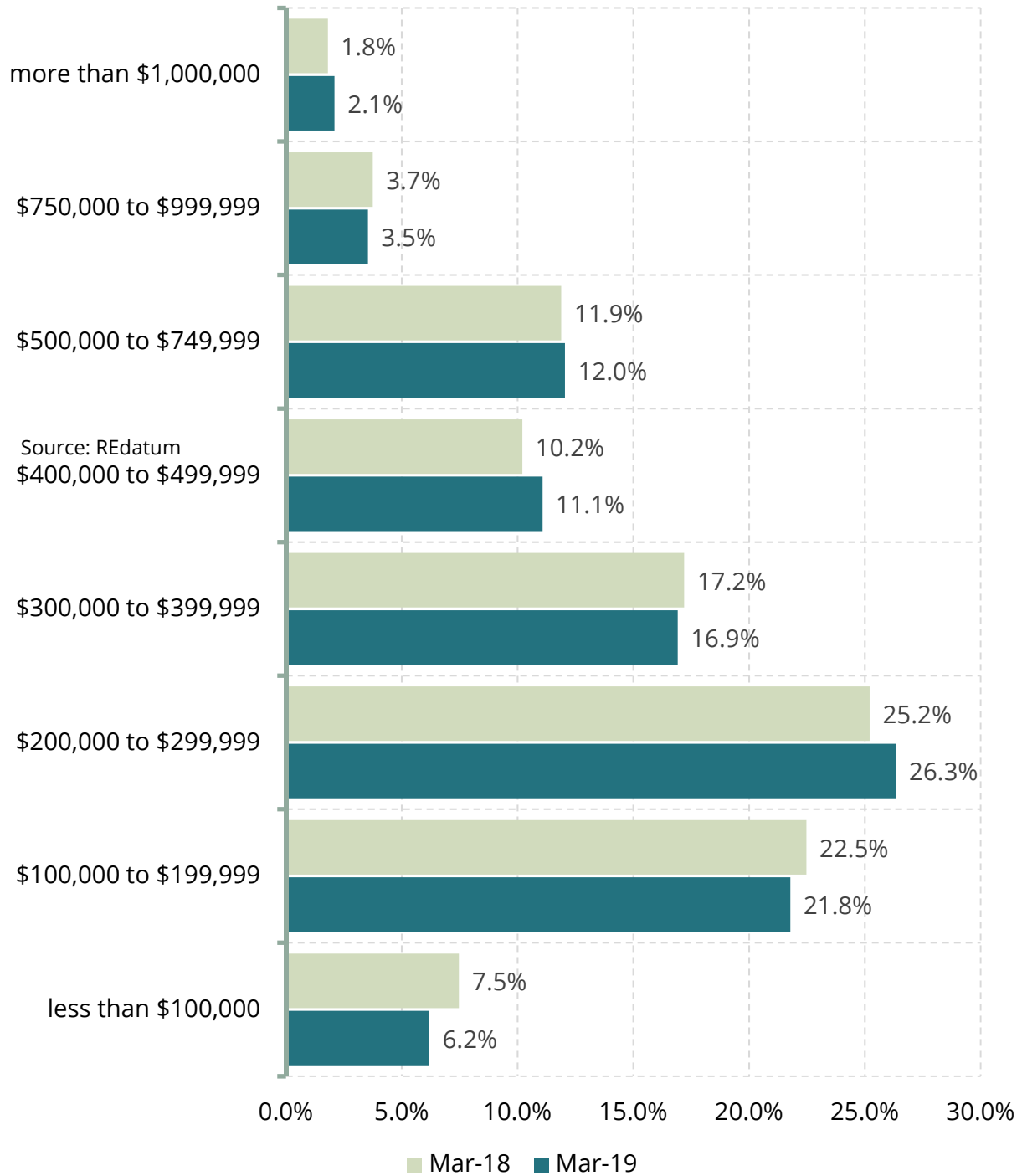
More than a quarter (26.3%) of all home sales statewide in March were in the \$200,000 to \$299,999 price range, while about another quarter (28.0%) were priced below \$200,000. Homes selling above \$1 million accounted for 2.1% of all sales in March, which is up from 1.8% at this time last year.

Figure 8
March Median Sales Price, Virginia
2014-2019



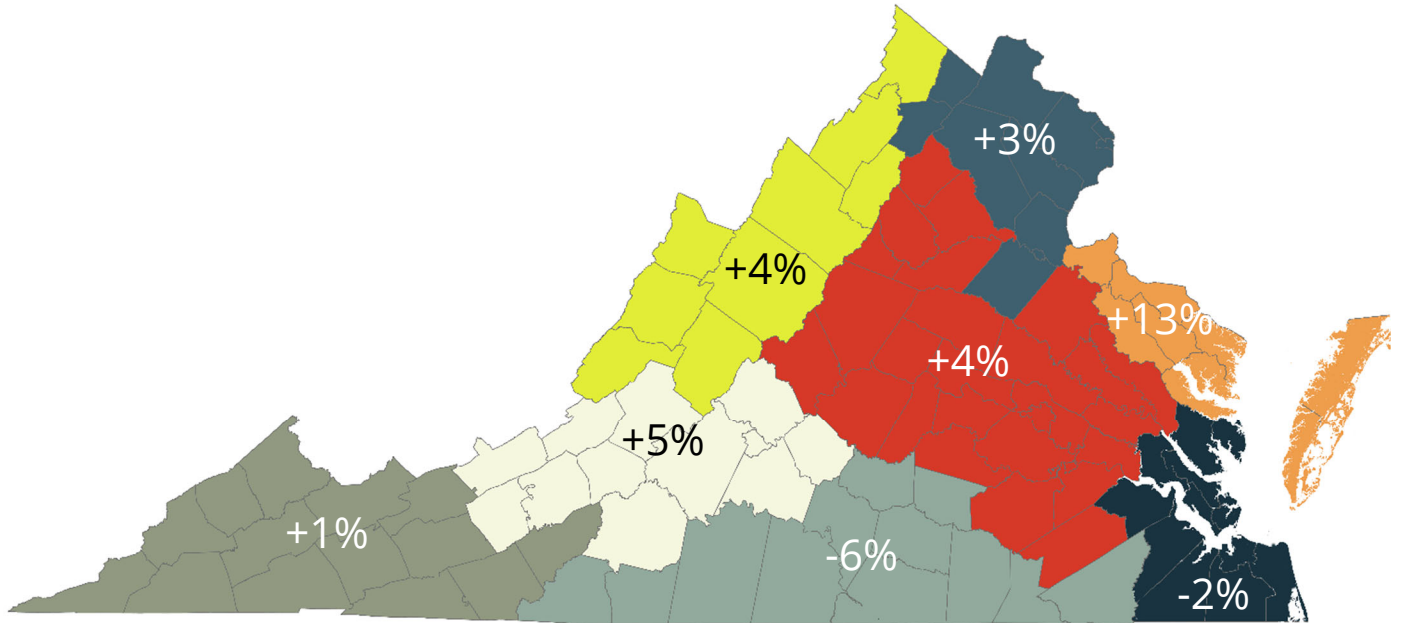
Source: REdatum

Figure 9
Proportion of Sales by Price Range, Virginia
March 2018 and March 2019



Source: REdatum

Figure 10
Change in Median Sales Price by Region
March 2018 to March 2019



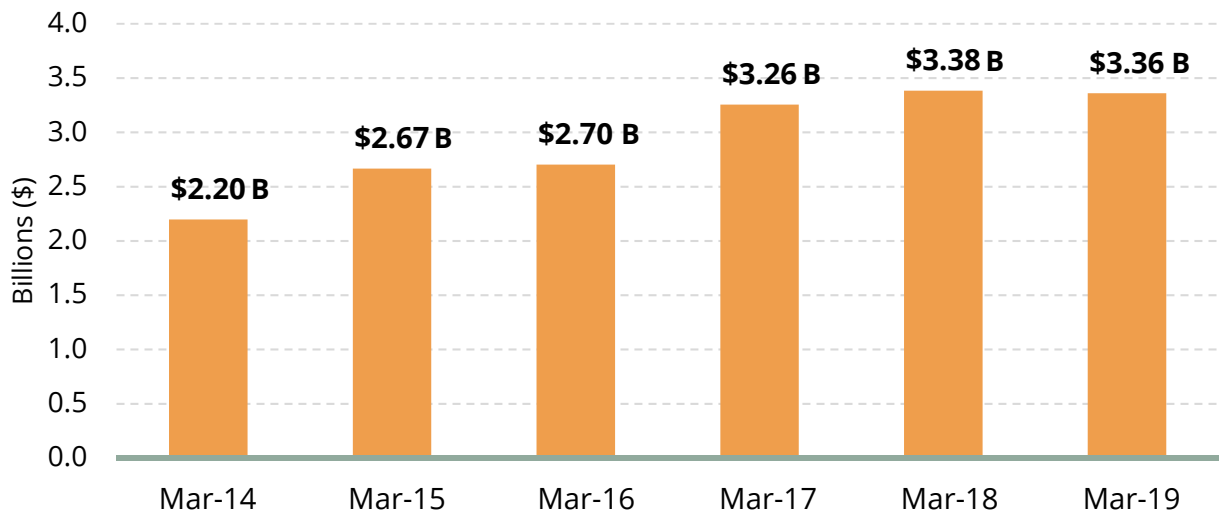
<i>Region</i>	<i>Mar-18</i>	<i>Mar-19</i>	<i>% Change</i>
Central	250,000	259,000	4%
Eastern	199,950	226,000	13%
Hampton	235,000	230,000	-2%
Northern	428,000	439,900	3%
Southside	108,900	101,850	-6%
Southwest	118,250	120,000	1%
Valley	205,250	214,450	4%
West	172,000	180,625	5%
All of Virginia	279,000	280,700	0.6%

Source: REdatum

Sold Volume

Despite rising home prices in many regions, the drop in total state-wide sales led to a modest decline in the total sold dollar volume in March. There was approximately \$3.36 billion in sold volume in March throughout Virginia, which is down a little less than 1% from a year ago, a decline of \$24 million in volume. The climbing sales prices in some of the state's higher-cost regions likely lessened the impact to this metric from the drop in sales activity.

Figure 11
March Sold Dollar Volume, Virginia
2014-2019

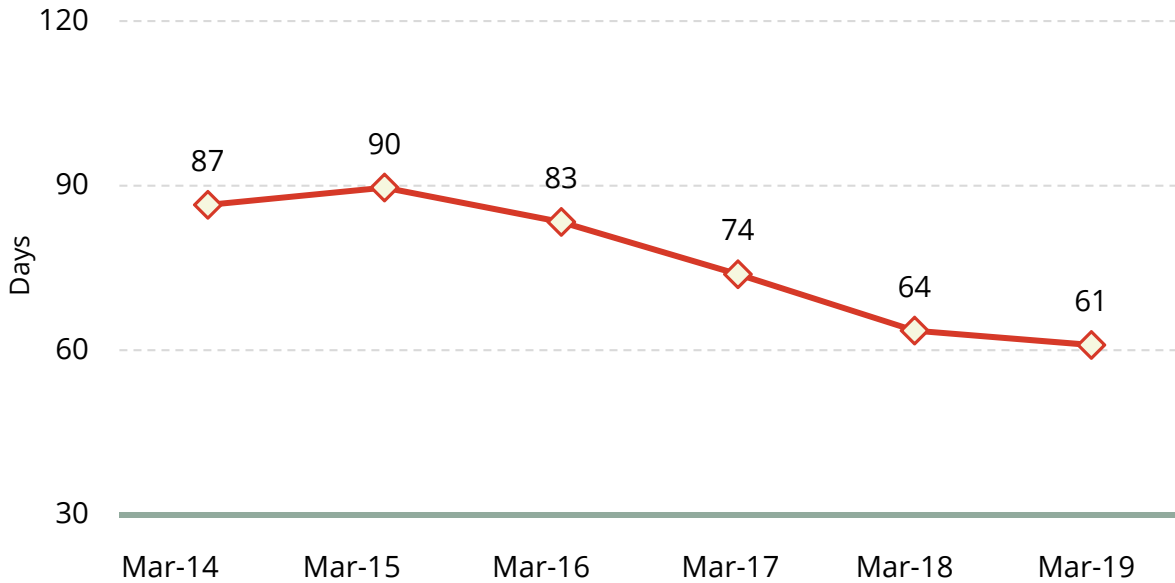


Source: REdatum

Days on Market

After rising briefly last month, the average days on market in Virginia resumed a downward trend in March. Home sold in March were on the market for an average of 61 days, which is 3 days faster than this time a year ago. The Central and Northern Virginia regions had a small increase in this metric in March, while the remaining regions had homes selling faster on average. The Eastern and Southwest regions had the sharpest declines in average days on market, with homes selling about a month faster, on average, compared to a year ago.

Figure 12
March Average Days on Market, Virginia
2014-2019

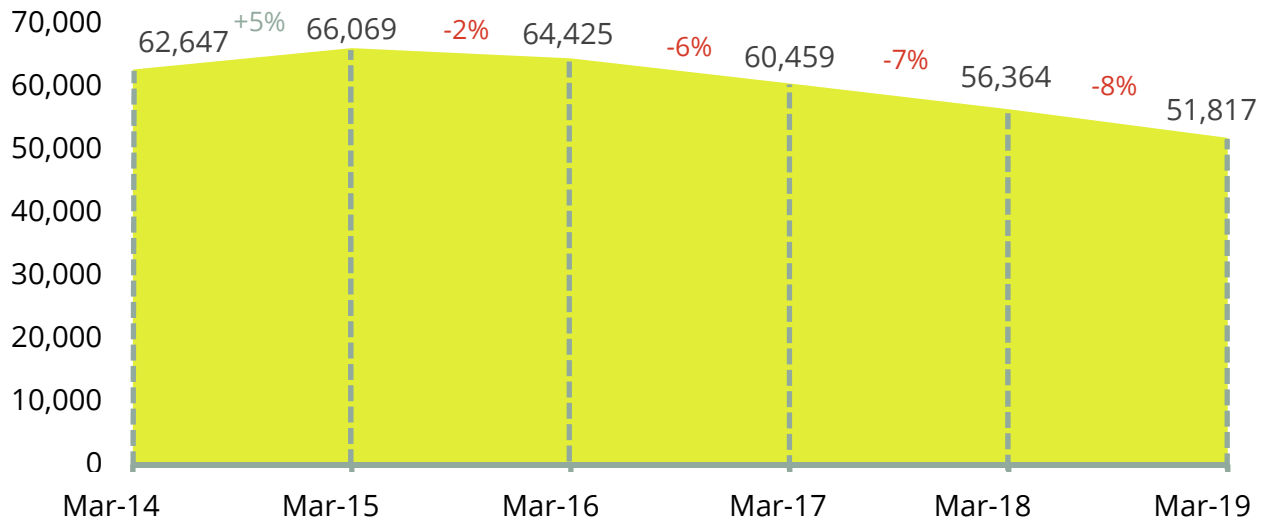


Source: REdatum

Listings

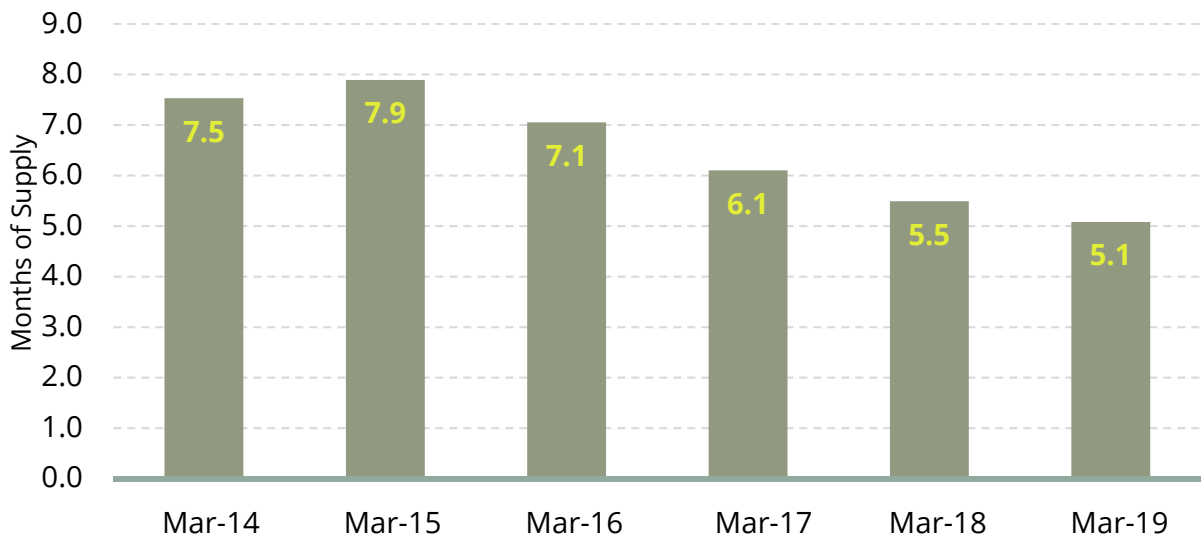
The inventory of active listings in Virginia continues to shrink compared to last year. Statewide, there were 51,817 active listings available on the market at the end of March, which is more than 4,500 fewer than March of last year, an 8% decline. The inventory level had been trending up for much of 2018; however, the trend shifted at the start of this year. At the end of March, there were about 5.1 months of supply active on the market statewide, which is down from 5.5 months a year ago.

Figure 13
End of March Active Listing Inventory, Virginia
 2014-2019



Source: REdatum

Figure 14
Months of Supply (March), Virginia
 2014-2019



Source: REdatum



Virginia REALTORS® is the largest professional trade association in Virginia, representing nearly 34,000 REALTORS® engaged in the residential and commercial real estate business.

Virginia REALTORS® 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.

NOTE: The term REALTOR® is a registered collective membership mark that identifies a real estate professional who is a member of the National Association of REALTORS® and subscribes to its strict code of ethics.

All inquiries regarding this report may be directed to:

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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.