

Virginia

HOME SALES
REPORT

APRIL 2019

Virginia Home Sales Report

April 2019

Summary

Economic Conditions

- Virginia's economy continues to be strong. New employers are locating and expanding in all parts of the Commonwealth, which is an indication of how attractive the state is for business.
- The unemployment rate in Virginia continues to fall. One constraint on future business growth in the state could be the availability of qualified workers.
- Mortgage rates continue to push down this spring, with no signs of increases in the near term.

Housing Market Conditions

- Homes sales activity continues to moderate in several parts of the state compared to last year, potentially providing evidence of changing market conditions and possible shifts in consumer confidence in some areas.
- While sales have flattened and declined in some markets, home prices are rising in nearly all regional markets in Virginia, reflecting the tight supply of active listings.
- The inventory of homes active on the market continues to fall in the state. The inventory has been shrinking every month so far this year after rising for much of 2018. If the trend holds, it will likely continue to push up price points and drive down the average days on market in many of the state's regional markets.

Virginia REALTORS® Market Report Key Takeaways

Economic growth continues in the state, which is key for a healthy housing market.

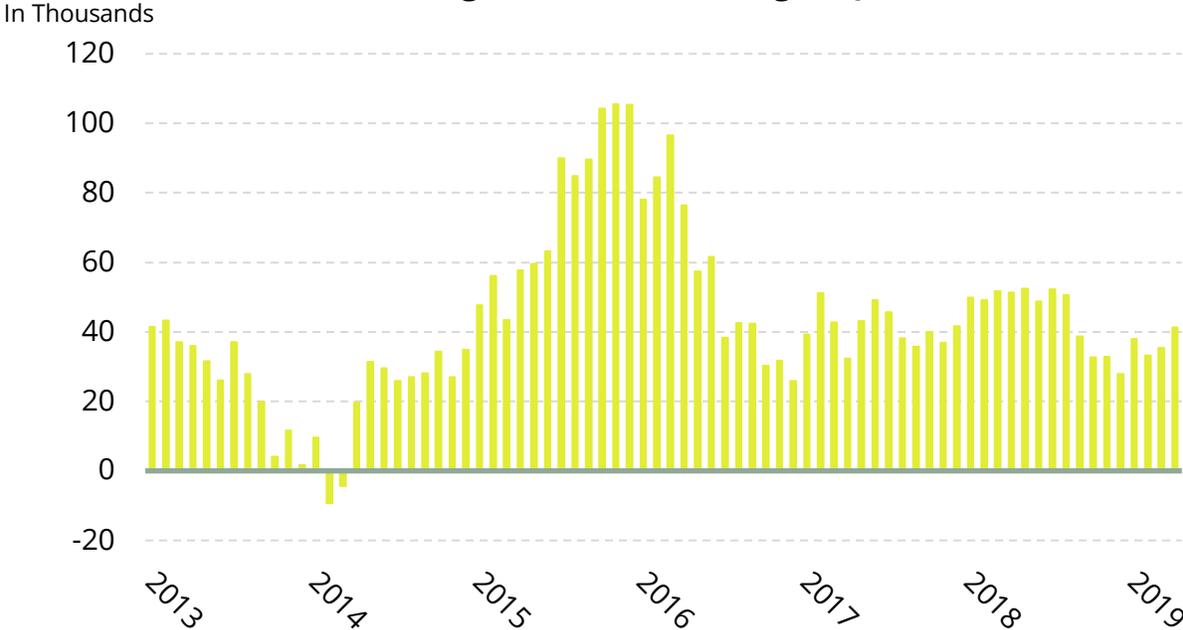
There are some indicators that some regions may be experiencing a shift in market conditions, as sales activity continues to slow in some places.

Low inventory continues to be the main constraint on most local markets.

Economic Overview

Virginia’s economy continues to be strong, which is a good sign for the state’s housing market. Between April 2018 and April 2019, the Commonwealth added 41,200 new jobs, continuing five years of healthy job growth. New major employers locating in or expanding throughout the state—from Northern Virginia, to Richmond, to Danville—are indicators of how attractive the state continues to be to businesses.

Figure 1
Virginia's Annual Change in Jobs



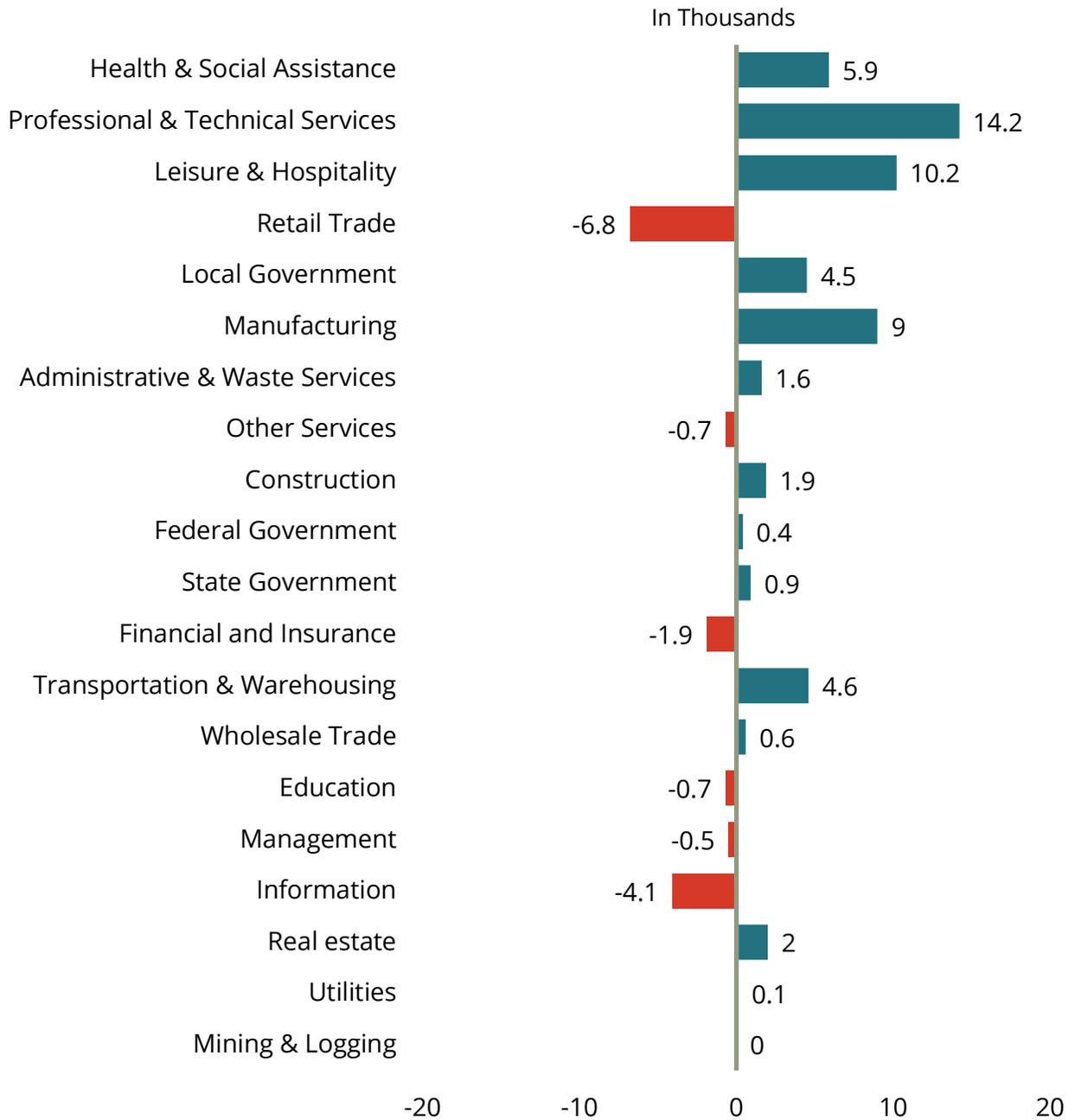
Source: U.S. Bureau of Labor Statistics

The jobs being added in Virginia include those in a range of industries. The biggest gains were in the high-wage Professional & Technical Services sector, which added 14,200 new jobs statewide over the last year. There were also gains in the important Health & Social Assistance sector (+5,900 jobs) and Manufacturing sector (+9,000 jobs). The Leisure & Hospitality sector, which tends to include jobs with somewhat lower wages but is a critical part of the state’s economy, added 10,200 jobs between April 2018 and April 2019. Government employment throughout the state grew modestly, with strongest growth in Local Government (+4,500 jobs). Retail jobs in the state continue to decline, with a loss of 6,800 jobs over the past year.

Figure 2
Job Change by Industry
April 2018 - April 2019

Total = +41.2

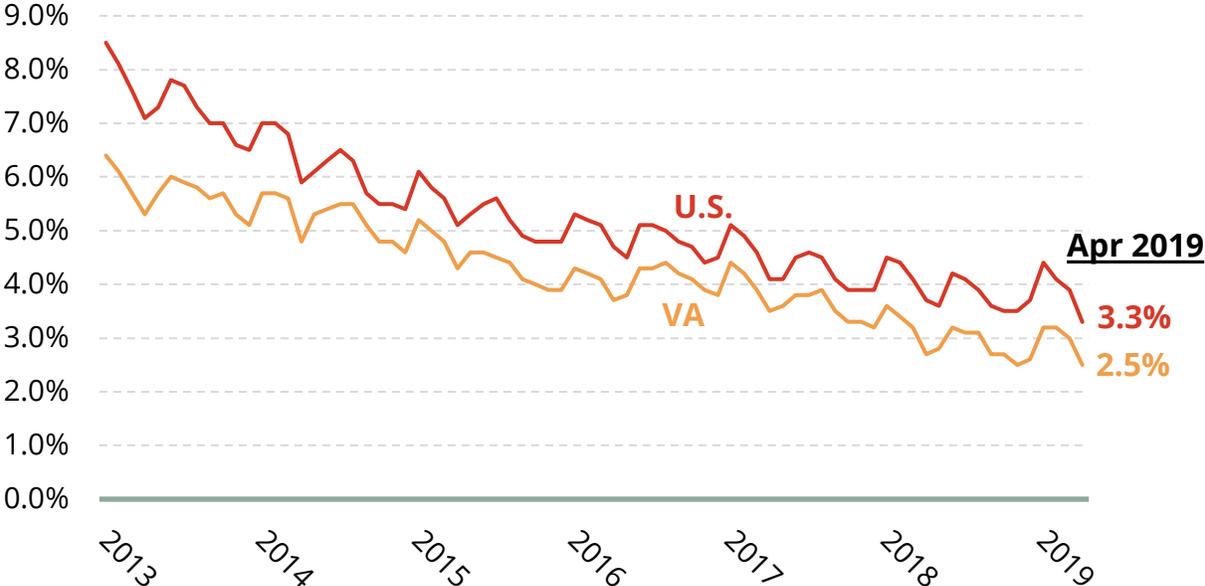
Ranked by Size



Source: U.S. Bureau of Labor Statistics

The number of jobs in the state is growing even as the labor market remains incredibly tight. Statewide unemployment dropped to 2.5% in April and remains below the U.S. rate of 3.3%. Attracting and developing more workers—in addition to businesses—will be key to the state’s continued economic success.

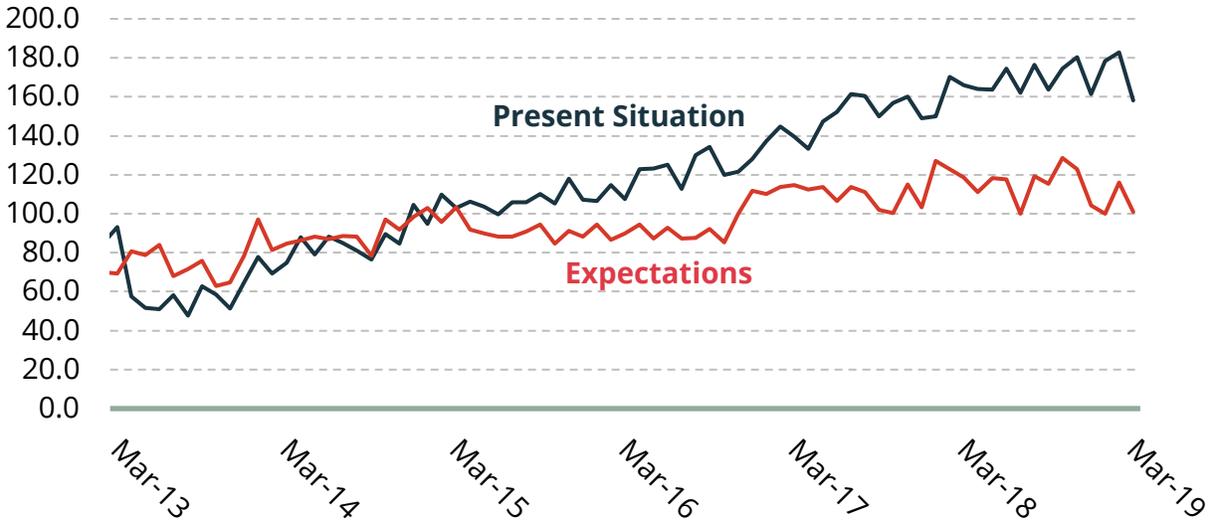
Figure 3
Unemployment Rate



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

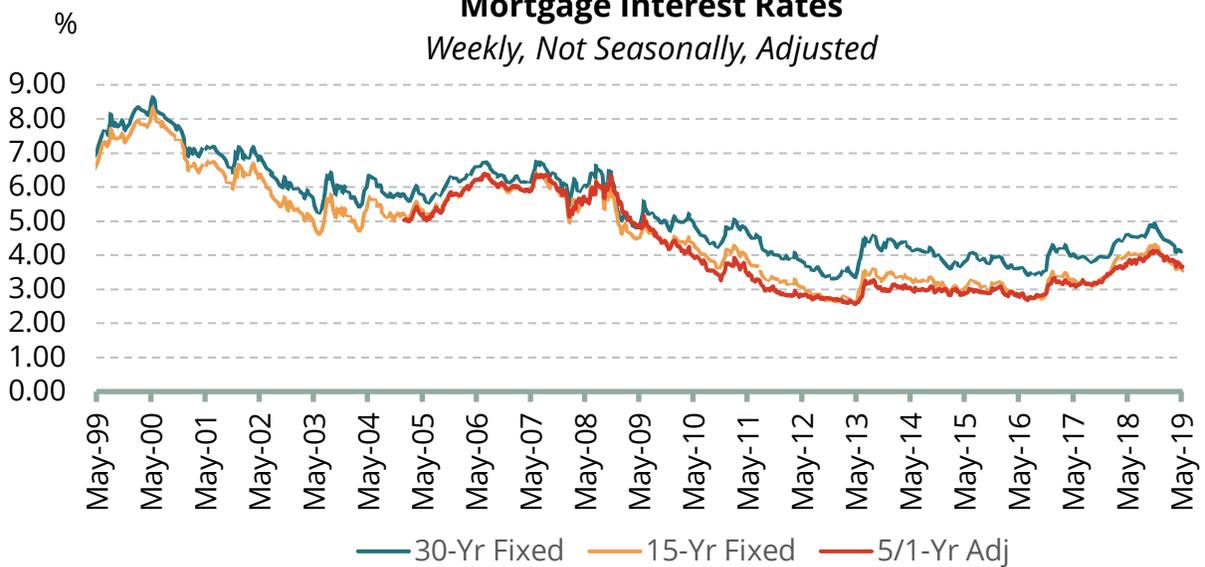
Figure 4
Consumer Confidence
South Atlantic Region



Source: The Conference Board

Mortgage rates reached new lows for the year. In the 3rd week of April, the 30-year fixed-rate mortgage was 4.07%, down a tenth of a point from a month ago. The continued low interest rates provide a benefit to the local market, and it is likely that rates will remain low throughout the year.

Figure 5
Mortgage Interest Rates
Weekly, Not Seasonally, Adjusted



Source: Federal Reserve Bank of St. Louis

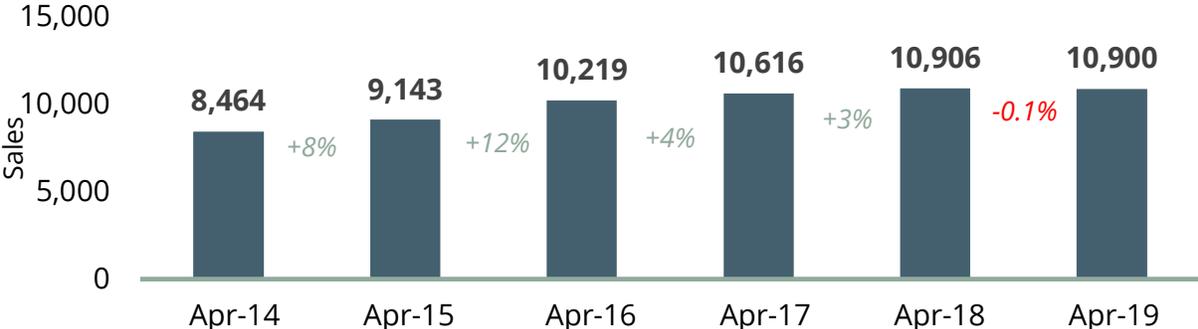
Housing Market Overview

Trends in the Virginia housing market have been relatively consistent thus far in 2019. Sales activity is moderating compared to last year, prices continue to climb, homes are selling faster, and the inventory of active listings continues to shrink. The metrics vary by region; however, the overall state-level trends have continued in a similar pattern through April. The strong economic conditions in the state are good for the housing market and will likely continue to keep both buyers and sellers active in the market. Job growth has been consistent, and unemployment remains historically low. The Federal Reserve has indicated interest rate hikes are on hold for now, which will keep the rates at low levels through at least the spring and summer markets.

Sales

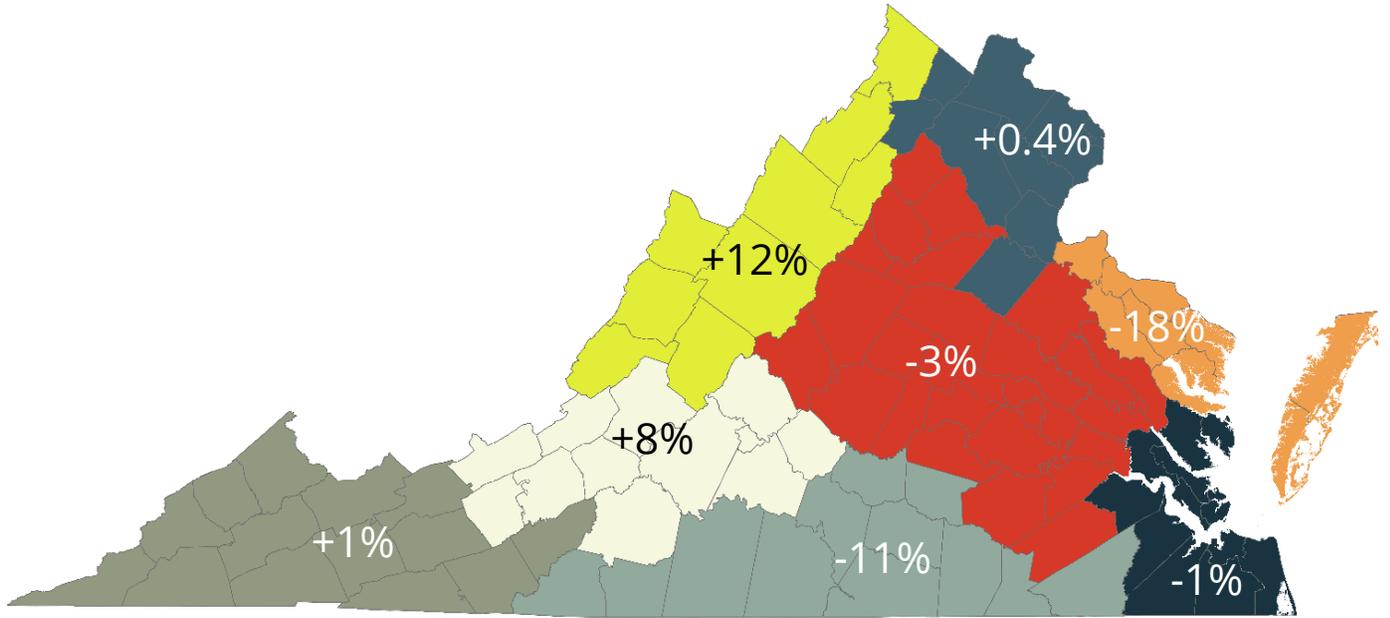
Sales activity continues to be slower in Virginia compared to a year ago. There were 10,900 sales throughout the state housing markets in April, which is essentially flat from last year, a drop of six sales. The pace of sales activity at the state-level has been declining or flat each month since the fall of 2018. While several of the regional housing markets have experienced increasing numbers of sales, the larger markets in the state have had slower sales activity and have played a big role in the state-level moderating sales trends. Hampton Roads (-1%), Central Virginia (-3%), and Northern Virginia (+0.4%) once again all had flat or declining sales in April compared to last year. The Valley Region led the state's submarkets in sales percentage growth in April, rising 12% from a year ago, a gain of 62 sales. This is the sharpest increase in sales activity in the Valley Region in over a year. The Eastern Region had the largest percentage drop in sales, falling 18% in April compared to last year, a decline of 35 sales.

Figure 6
April Home Sales, Virginia
2014-2019



Source: REdatum

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



<i>Region</i>	<i>Apr-18</i>	<i>Apr-19</i>	<i>% Change</i>
Central	2,311	2,241	-3%
Eastern	199	164	-18%
Hampton	2,495	2,478	-1%
Northern	4,190	4,205	0.4%
Southside	214	191	-11%
Southwest	178	179	1%
Valley	531	593	12%
West	787	848	8%
All of Virginia	10,906	10,900	-0.1%

Source: REdatum

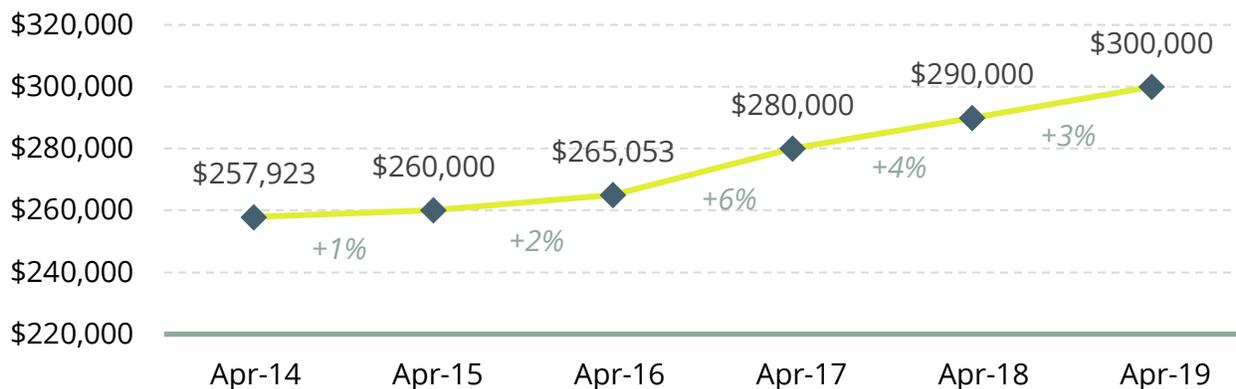
Sales Prices

While sales activity has been trending flat, home prices continue to rise in many of the state's housing markets. The statewide median sale price in April was \$300,000, which is 3% higher than this time last year, a gain of \$10,000. This is the highest median sales price for the state since June of last year. The tight supply of active listings continues to put upward pressure on home prices. Historically low unemployment, stable job growth, and low interest rates provide conditions for buyer demand, which is driving up prices in many of the state's housing markets.

Except for the Eastern Region, all regional housing markets in Virginia had higher median sales prices in April compared to last year. Steady price growth continued in the Central Virginia (+4%) and Northern Virginia (+3%) markets. After declining in March, the median sales price rose 6% in Hampton Roads in April, a gain of over \$13,000 from last year. The Southside Region had the sharpest percentage growth of the median sales price; up 19% from April of last year, a gain of \$18,500. As noted, the Eastern Region was the only submarket to see a drop in the median sales price in April. At \$216,250, the median sales price in the Eastern Region fell 6% from a year ago, a decline of more than \$13,000.

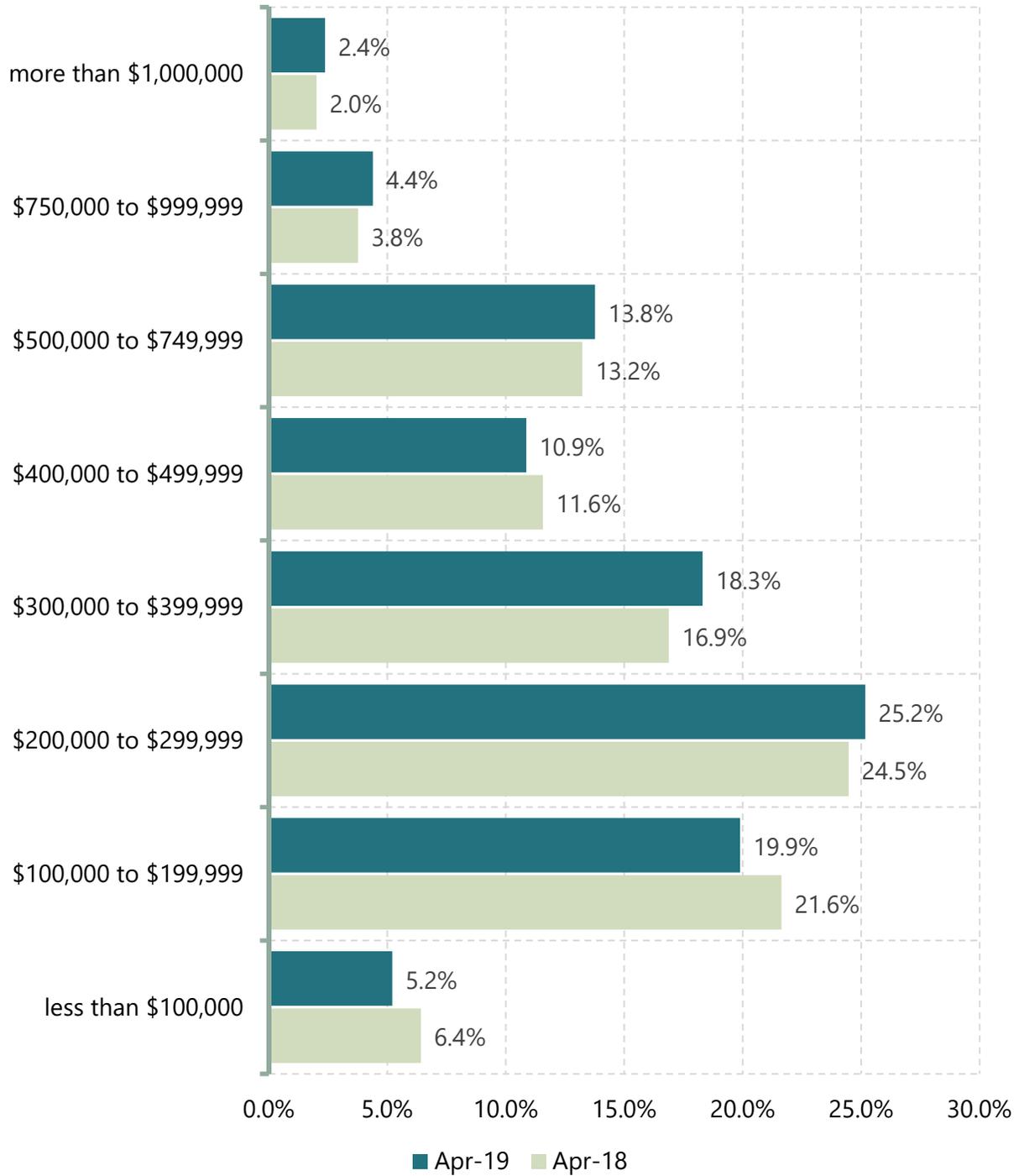
A closer look at the price ranges reveals that prices continue to shift higher in Virginia. More than a quarter (25.2%) of all homes sold in the state closed between \$200,000 and \$299,999, making it the largest price segment, up from 24.5% last year. The \$300,000 to \$399,999 price range had the largest proportional growth of all price segments, accounting for 18.3% of all sales in the state in April, up from 16.9% a year ago. Homes selling for less than \$200,000 accounted for 25.1% of all sales in April, down from 28.1% last year. Price points exceeding \$1 million accounted for 2.4% of all sales in the state, up from 2.0% a year ago.

Figure 8
April Median Sales Price, Virginia
2014-2019



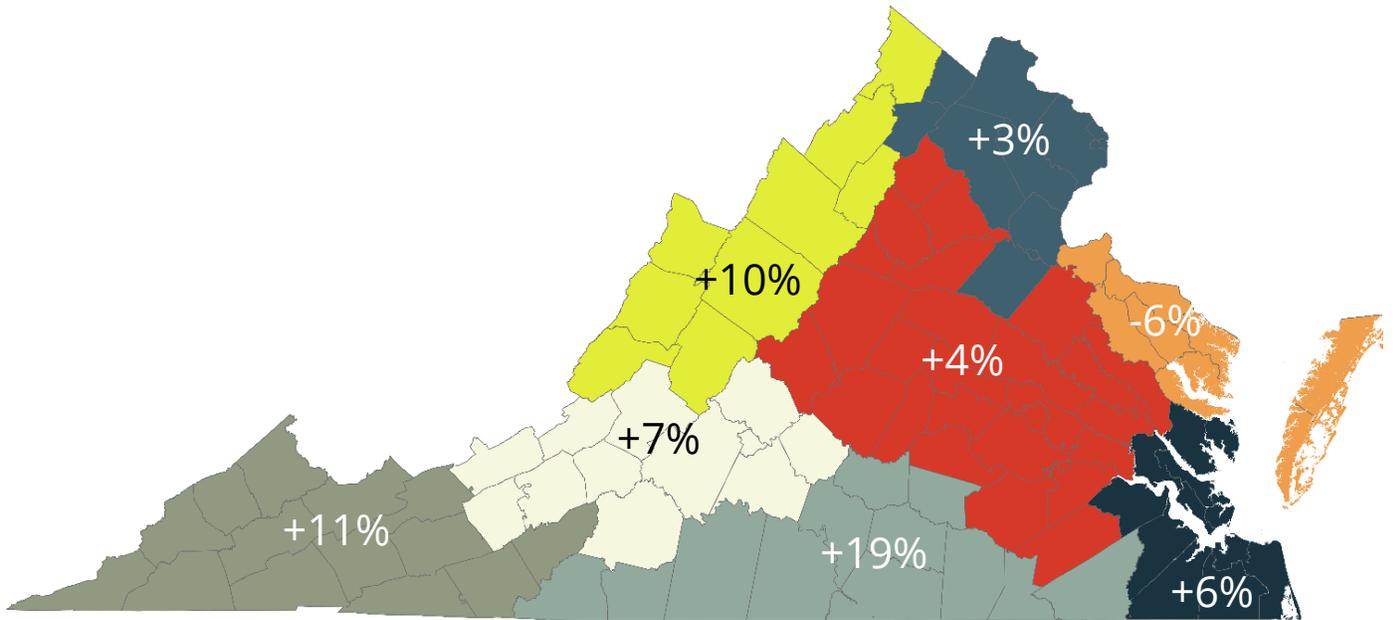
Source: REdatum

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



Source: REdatum

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



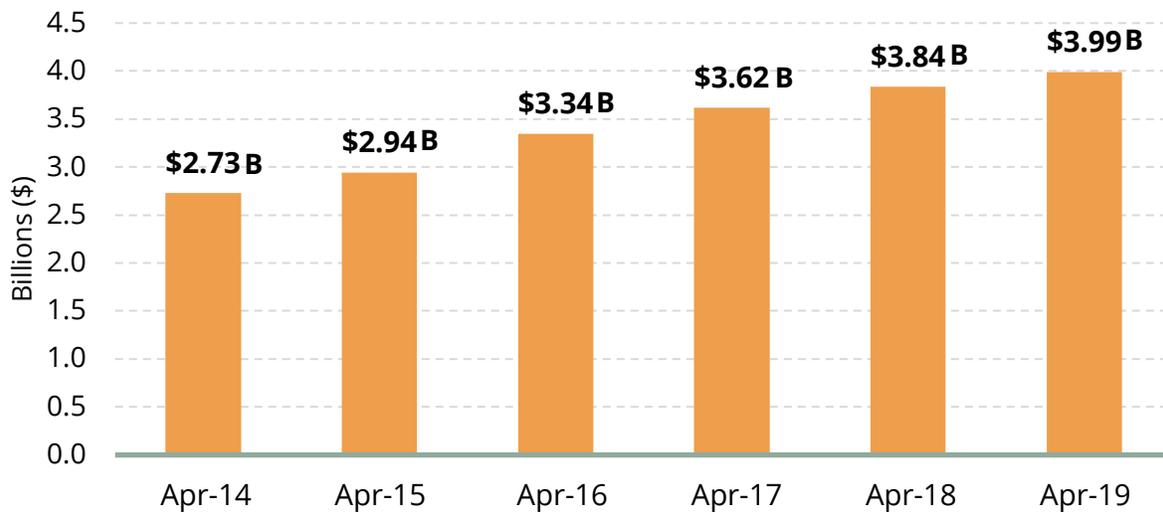
<i>Region</i>	<i>Apr-18</i>	<i>Apr-19</i>	<i>% Change</i>
Central	253,000	262,000	4%
Eastern	229,500	216,250	-6%
Hampton	231,478	244,900	6%
Northern	440,000	455,000	3%
Southside	96,500	115,000	19%
Southwest	115,898	129,000	11%
Valley	199,500	219,900	10%
West	177,500	189,900	7%
All of Virginia	290,000	300,000	3%

Source: REdatum

Sold Volume

While the total number of sales transactions remained flat in April, the rising home prices boosted the total sold dollar volume in the state. There was approximately \$3.99 billion in state-wide sold volume in April, which is up more than \$153 million from this time a year ago, representing a 4% gain. The April sold dollar volume in Virginia has increased more than \$1 billion in 4 years.

Figure 11
April Sold Dollar Volume, Virginia
2014-2019

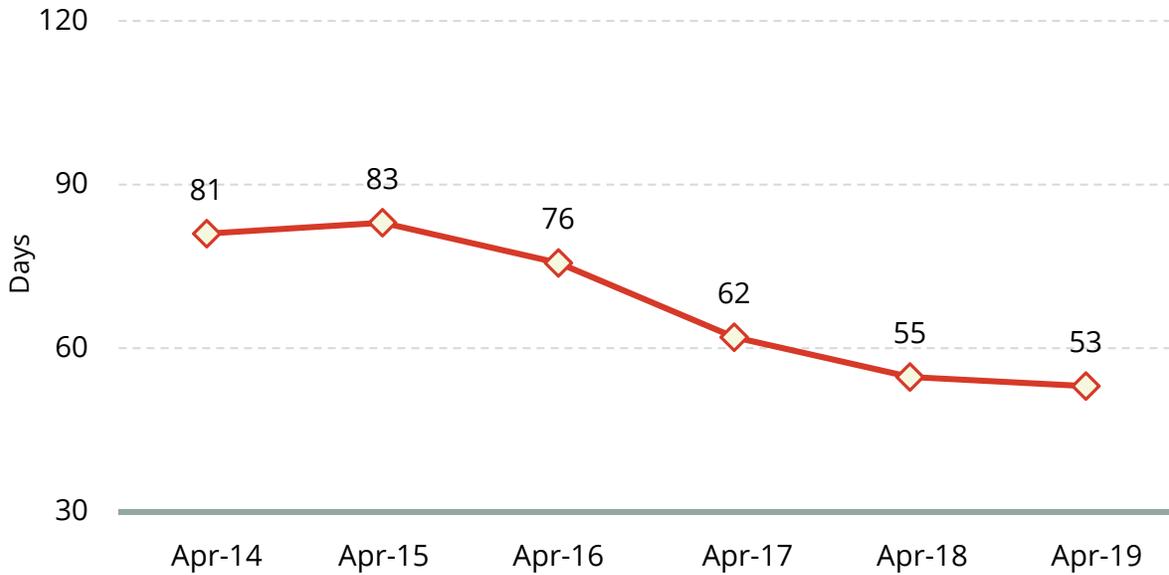


Source: REdatum

Days on Market

Homes are selling faster on average in many of the state's housing markets. The average days on market in April was 53 days state-wide, which is two days faster than April of 2018. The tight supply of active listings has been driving this metric downward over the past several years. Some areas of the state, such as Northern Virginia, have started to see a changing pattern after several years of a downward trend. Homes sold six days slower in April in Northern Virginia compared to last year, which is the fifth consecutive monthly increase. On average, homes sold five days faster in Hampton Roads, and two days faster in Central Virginia in April compared to last year. The Southwest Region had the largest drop in this metric, with homes selling 23 days faster on average than April 2018.

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

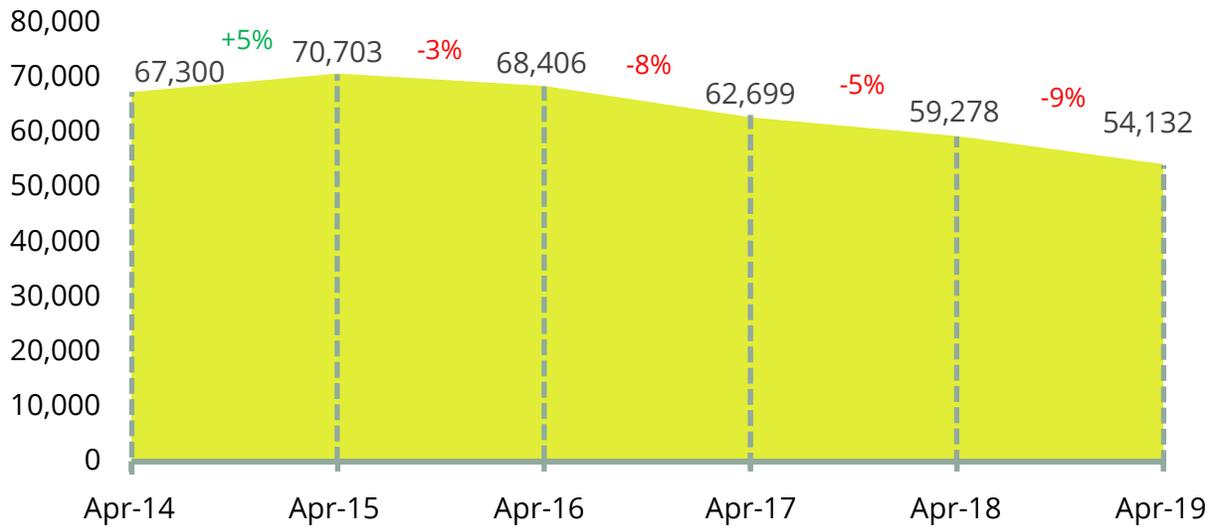


Source: REdatum

Listings

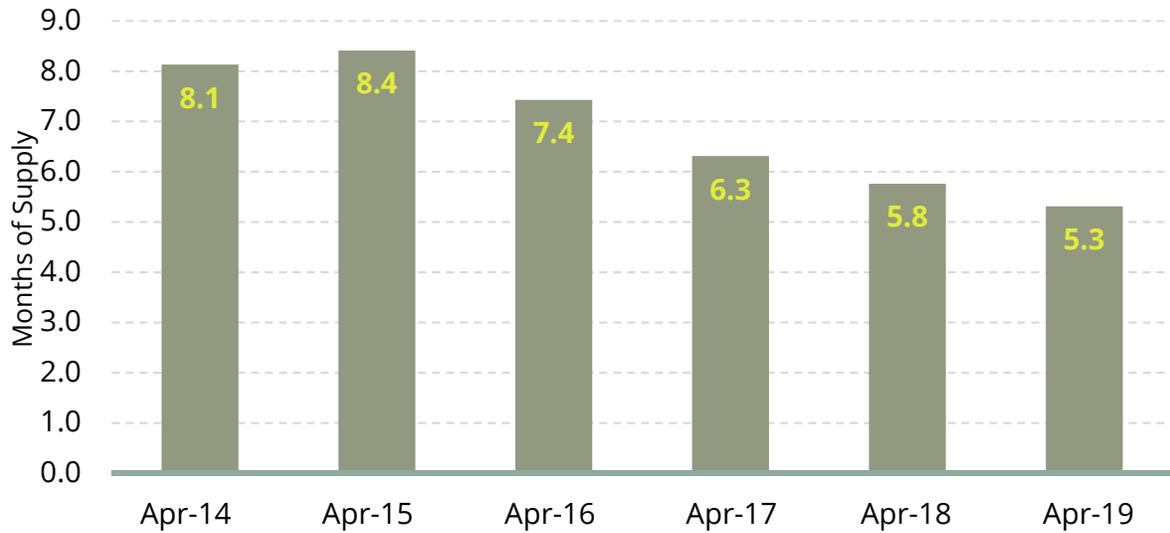
The supply of homes available on the market continues to shrink in Virginia. There were 54,132 active listings at the end of April throughout the state, which is 9% fewer than this time last year, a drop of over 5,100 active listings. The inventory has been declining every month thus far in 2019 compared to last year, after increasing for much of 2018. At the end of April, there were approximately 5.3 months of inventory on the market in Virginia, which is down from 5.8 months last year.

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



Source: REdatum

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



Source: REdatum



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.

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.