

Virginia

HOME SALES
REPORT

SEPTEMBER 2019

Virginia Home Sales Report

September 2019

Summary

Economic Conditions

- There were 25,600 net new jobs added to the Virginia economy between September 2018 and September 2019.
- The state's unemployment rate was 2.5% in September, down from 2.7% in August.
- In the 3rd week of October, the 30-year fixed rate mortgage rate was 3.69%, rising slightly over the past few weeks, but still more than a percentage point lower than a year ago.

Housing Market Conditions

- There were 10,070 home sales across Virginia in September, an 11% increase from a year ago, and the largest increase in sales in two and a half years.
- Home prices continue to rise across the State. At \$292,745, the September median sales price in Virginia was up 6% compared to last year.
- Homes sold in an average of 48 days, which is 6 days fewer than a year ago.
- There were 36,882 active listings on the market at the end of September, which represents a 16% reduction over last year.

Virginia REALTORS® Market Report Key Takeaways

The Virginia economy continues to grow, supporting a healthy housing market in Virginia.

Interest rates remain very low and could go even lower before the end of the year.

A drop in consumer confidence could make potential buyers and sellers more cautious in the months to come.

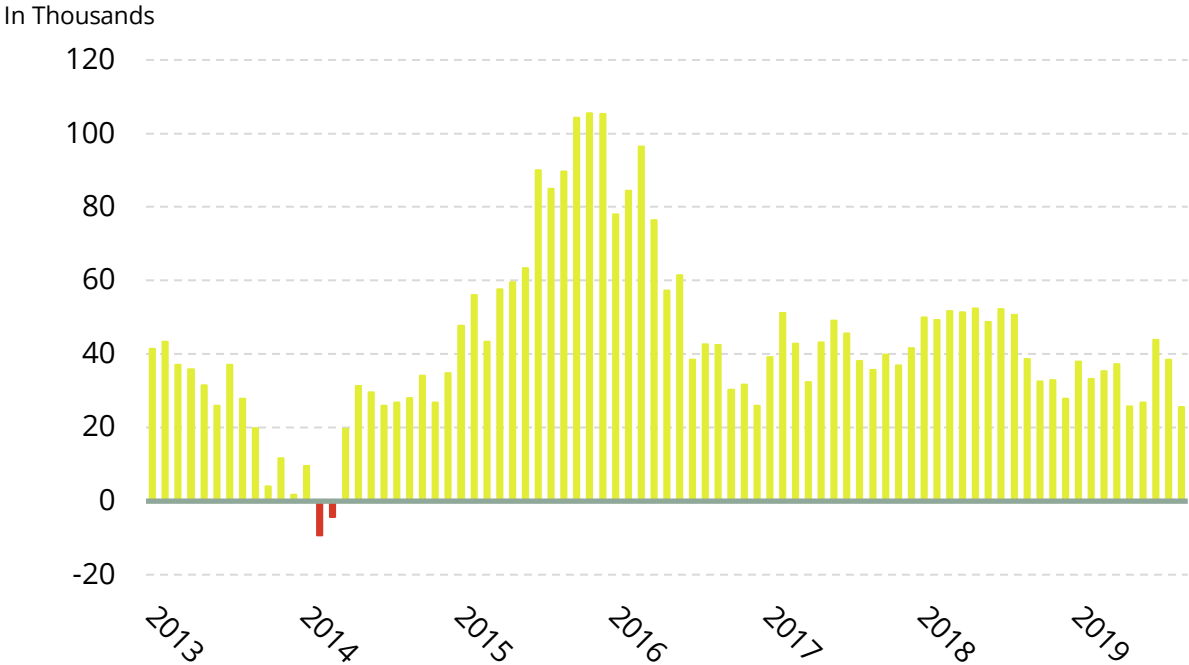
The pace of home sales activity picked up in the State's largest markets—Northern Virginia, Central Virginia and Hampton Roads—after declining last month.

Home prices rose steadily in nearly every market across the State, with no signs of diminishing price appreciation.

Economic Overview

Between September 2018 and September 2019, Virginia added 25,600 net new jobs. Virginia’s economy remains healthy despite national concerns about an impending recession. Steady job growth in much of the Commonwealth has been a key driver of the state’s strong housing market.

Figure 1
Virginia Annual Change in Jobs



Source: U.S. Bureau of Labor Statistics

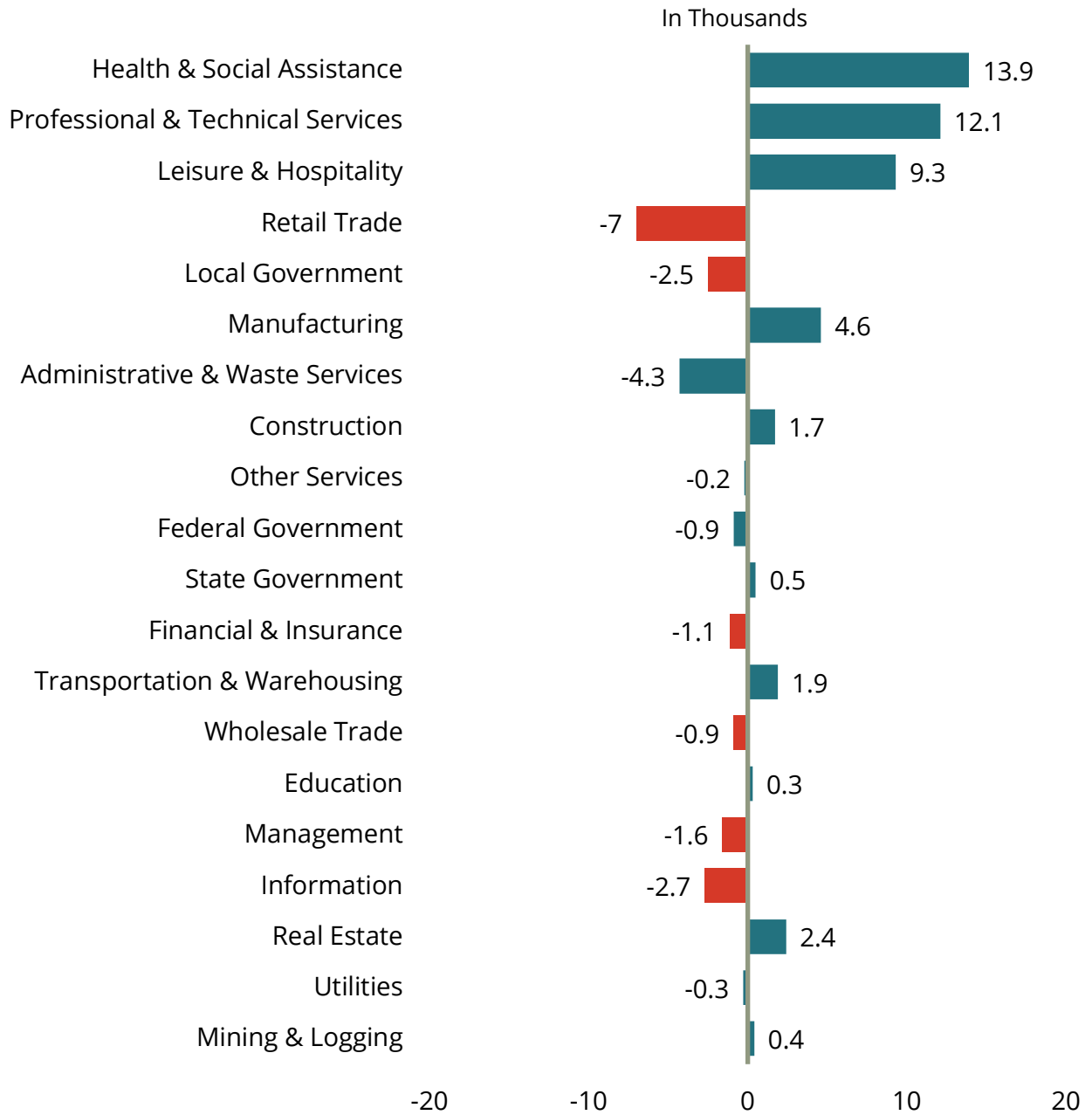
The state continues to add jobs broadly across many industries, including its three biggest economic sectors. In September, Virginia added jobs in the Health Care & Social Assistance (+13,900 jobs), Professional & Technical Services (12,100 jobs), and Leisure & Hospitality (+9,300 jobs). The state also continued to add manufacturing jobs, even as the Manufacturing sector has been taking a hit in other parts of the country.

The state continued to experience losses in the Retail Trade sector, which has been a long-term trend both in Virginia and in most of the country. Between September 2018 and September 2019, there were also modest job losses in the Administration & Waste Services, Construction, and Financial & Insurance sectors, along with declines in local and federal government employment statewide.

Figure 2
Job Change by Industry
September 2018 - September 2019

Total = +25.6

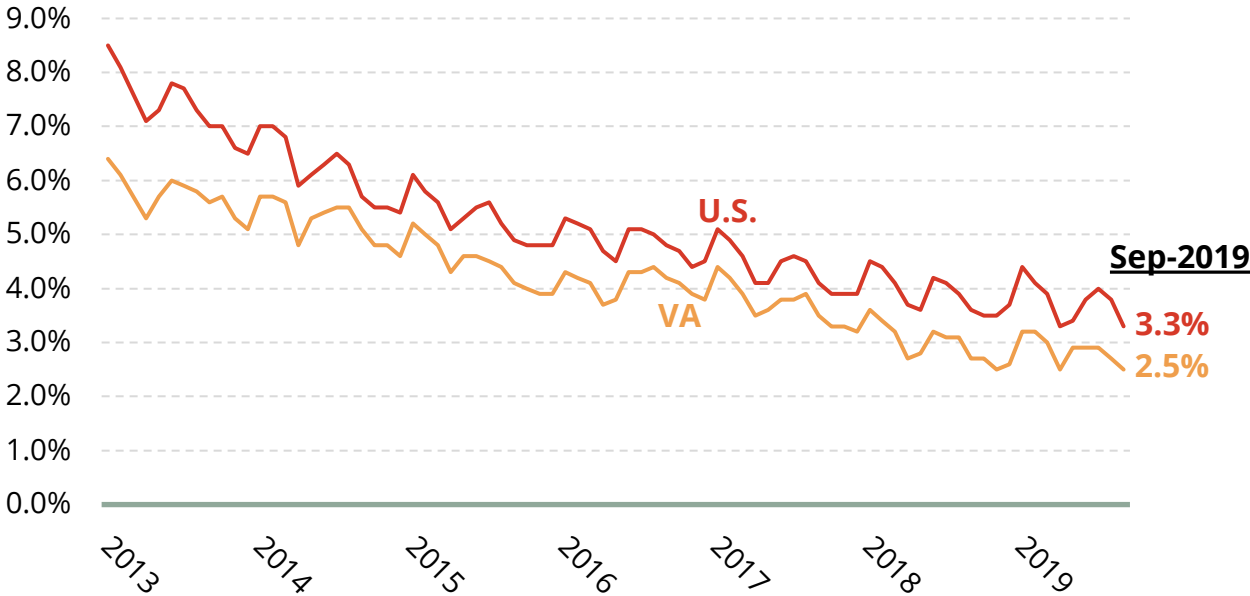
Ranked by Size



U.S. Bureau of Labor Statistics

The state's unemployment rate fell to 2.5% in September, continuing more than five years of steady declines. The state's unemployment rate remains lower than the U.S. unemployment rate, which was 3.3% in September. Extremely low unemployment likely means that Virginia businesses are having a hard time finding workers to fill vacant positions.

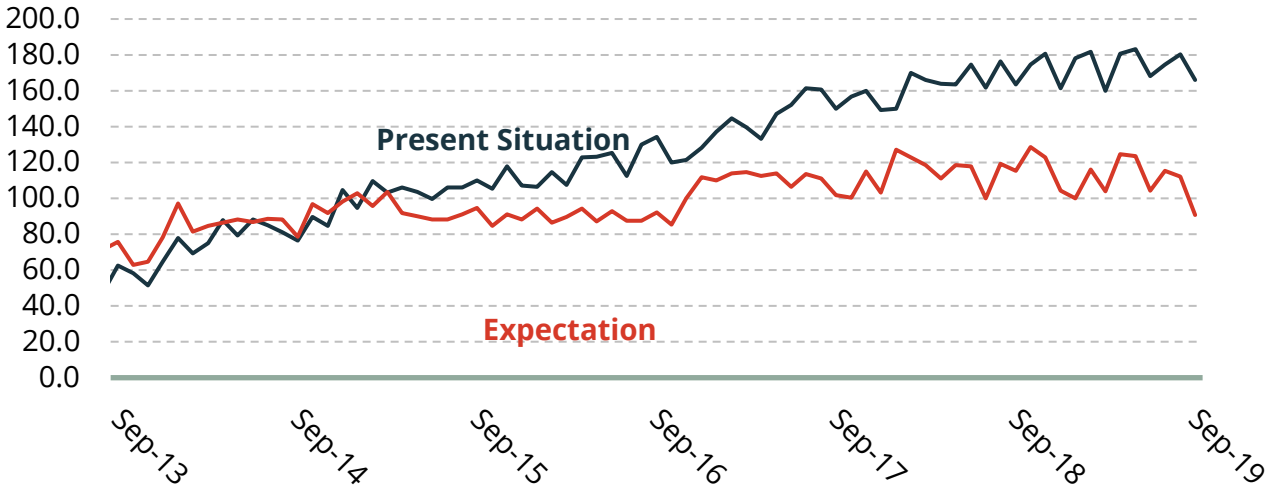
Figure 3
Unemployment Rate



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

A measure of consumer confidence took a turn in September, perhaps indicating that people are beginning to feel more uncertain about the future economic outlook. In a measure of consumer confidence in the South Atlantic region, the measure of confidence in households' present economic situations was 166.1 in September, well above the 100 threshold that indicates optimism about the current economy. However, the measure of consumers' confidence in future economic conditions plummeted in September, falling below 100 for the first time since October 2016. This is a metric that will continue to be monitored.

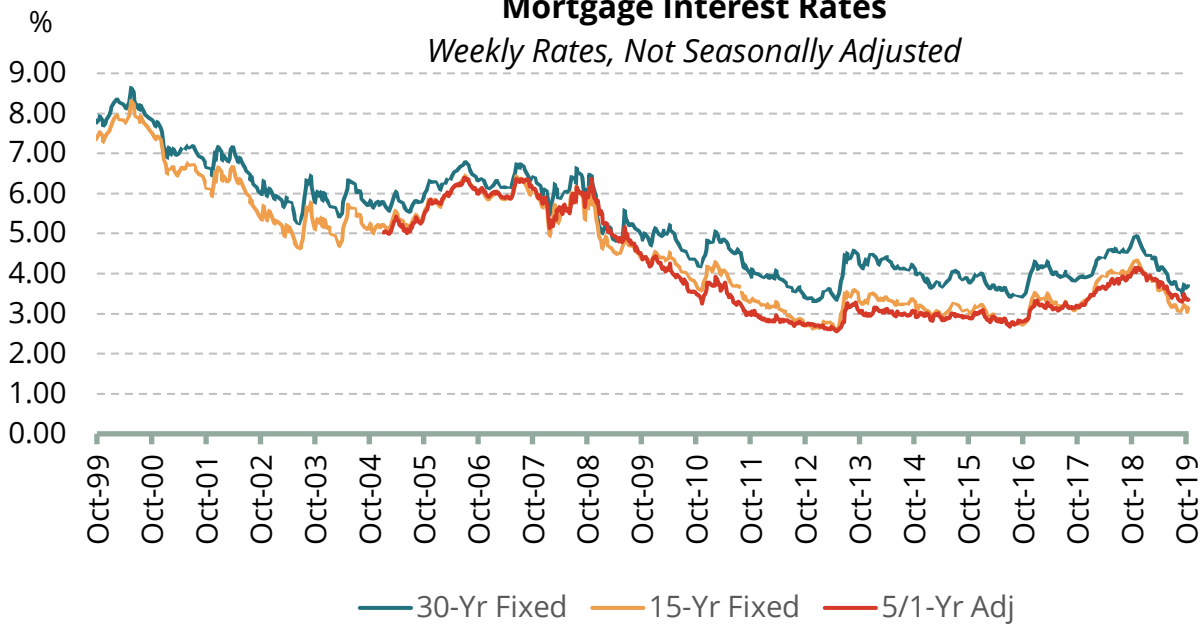
Figure 4
Consumer Confidence
South Atlantic Region



Source: The Conference Board

In the 3rd week of October, the 30-year fixed rate mortgage rate was 3.69%, rising slightly over the past few weeks, but still more than a percentage point lower than a year ago. With rate cuts anticipated by the Fed in the weeks to come, it is likely that mortgage rates will stabilize or go even lower before the end of the year.

Figure 5
Mortgage Interest Rates
Weekly Rates, Not Seasonally Adjusted



Source: Federal Reserve Bank of St. Louis

Housing Market Overview

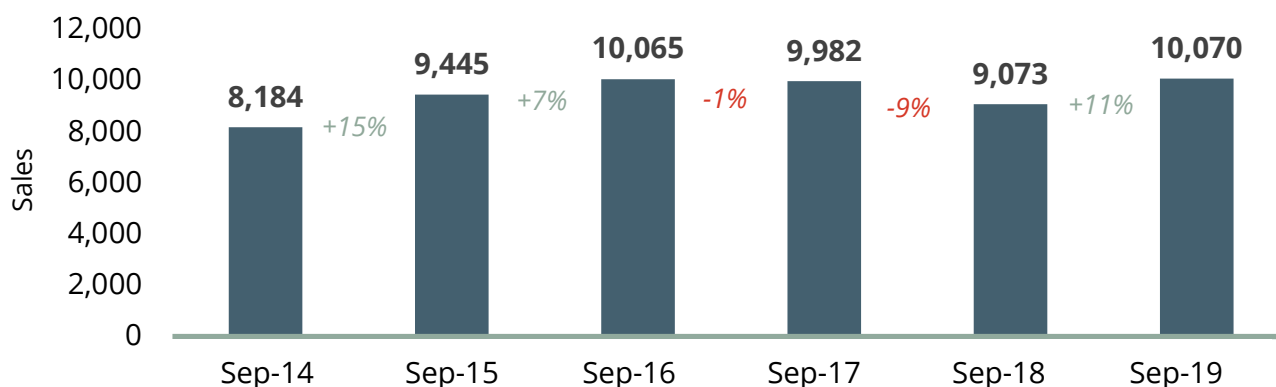
September was by far the strongest month in the Virginia housing market so far this year. Sales activity surged compared to a year ago, driven by the State's three largest regional markets, Northern Virginia, Central Virginia, and Hampton Roads, which each had significant increases in home sales transactions compared to a year ago. The median sales price in Virginia climbed about \$18,000 in September, and home prices rose in most regions across the State. The total sold dollar volume rose more than half a billion dollars from a year ago. Homes were on the market about a week less, on average, and the inventory of active listings continues to decline, which is putting upward pressure on home prices in many local markets.

While signals of a possible recession continue to loom at the national level, the economy in Virginia is growing, which bodes well for the housing market. The job base is expanding, and the unemployment rate is lower than the national level. Interest rates are historically low and may continue to drop in the coming months, which should provide good financing options for qualified buyers who are interested in entering the market.

Sales

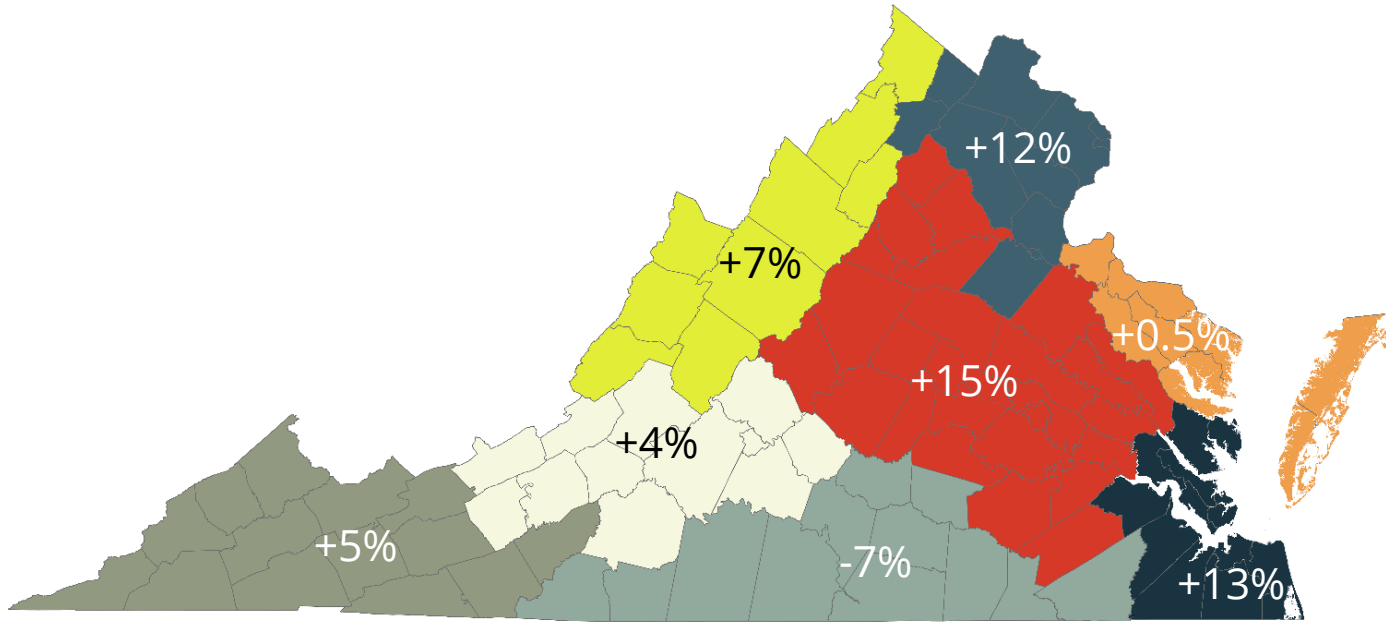
Sales activity increased throughout most of the Commonwealth in September. There were 10,070 sales transactions across the State this month, an 11% increase from a year ago, a gain of 997 sales. This represents the largest monthly growth in sales in two and a half years in Virginia. The strongest sales growth this month occurred in the State's largest housing markets. The Northern Virginia, Hampton Roads, and Central Virginia regional housing markets all had double-digit sales growth in September compared to last year. Collectively, these three regional markets had an additional 936 sales transactions in September compared to last year. The Southside region was the only area in the state to have a drop in sales this month.

Figure 6
September Home Sales, Virginia
2014-2019



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

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



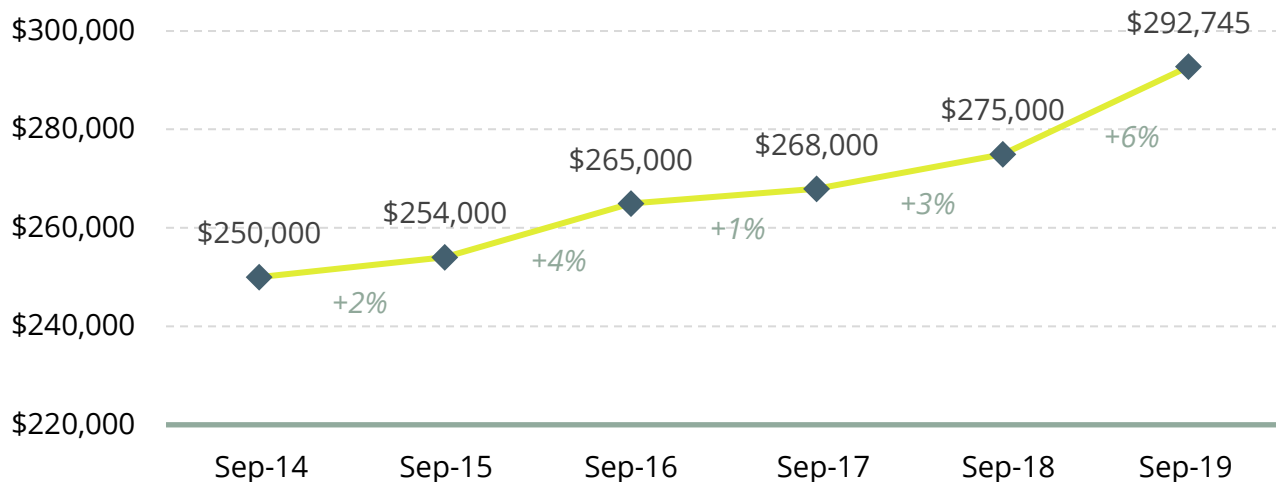
<i>Region</i>	<i>Sep-18</i>	<i>Sep-19</i>	<i>% Change</i>
Central	1,941	2,235	15%
Eastern	211	212	0.5%
Hampton	2,114	2,380	13%
Northern	3,089	3,465	12%
Southside	218	203	-7%
Southwest	183	192	5%
Valley	539	576	7%
West	777	805	4%
All of Virginia	9,073	10,070	11%

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

Sales Prices

Sales prices continue to rise across the State's regional housing markets, evidence of strong buyer demand and a shrinking inventory of active listings in many areas. At \$292,745, the September median sales price in Virginia was 6% higher than last year, a nearly \$18,000 increase. Similar to the sales transaction growth, the median sales price growth in September was the greatest in two and a half years. With the exception of the West region, where prices remained flat, all regions in the State had a higher median sales price in September compared to a year ago. Eastern Virginia led all regions, with a \$29,500 increase to the median sales price this month. Central Virginia also had strong price growth, with the median sales price climbing over \$21,000 from a year ago.

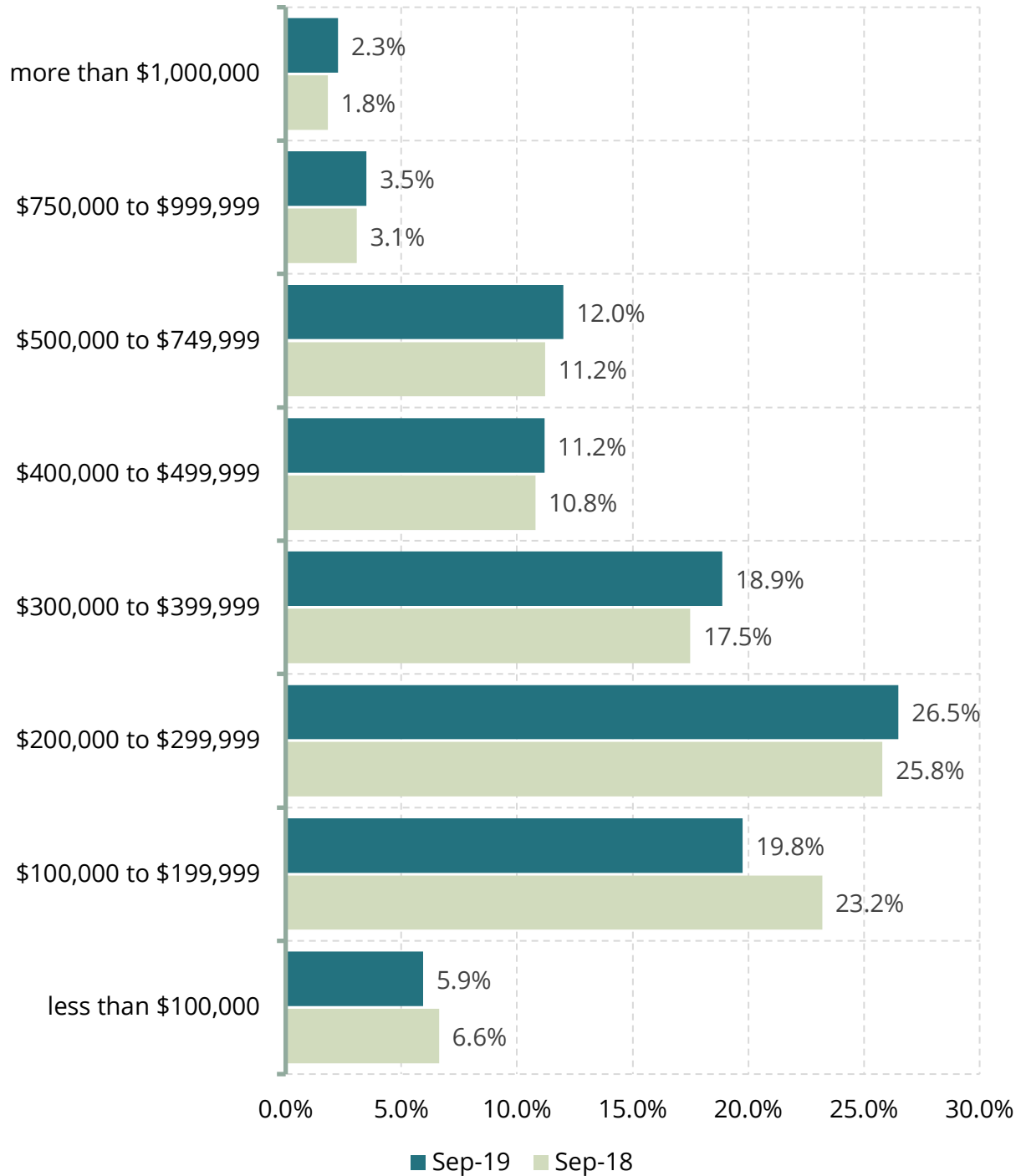
Figure 8
September Median Sales Price, Virginia
2014-2019



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

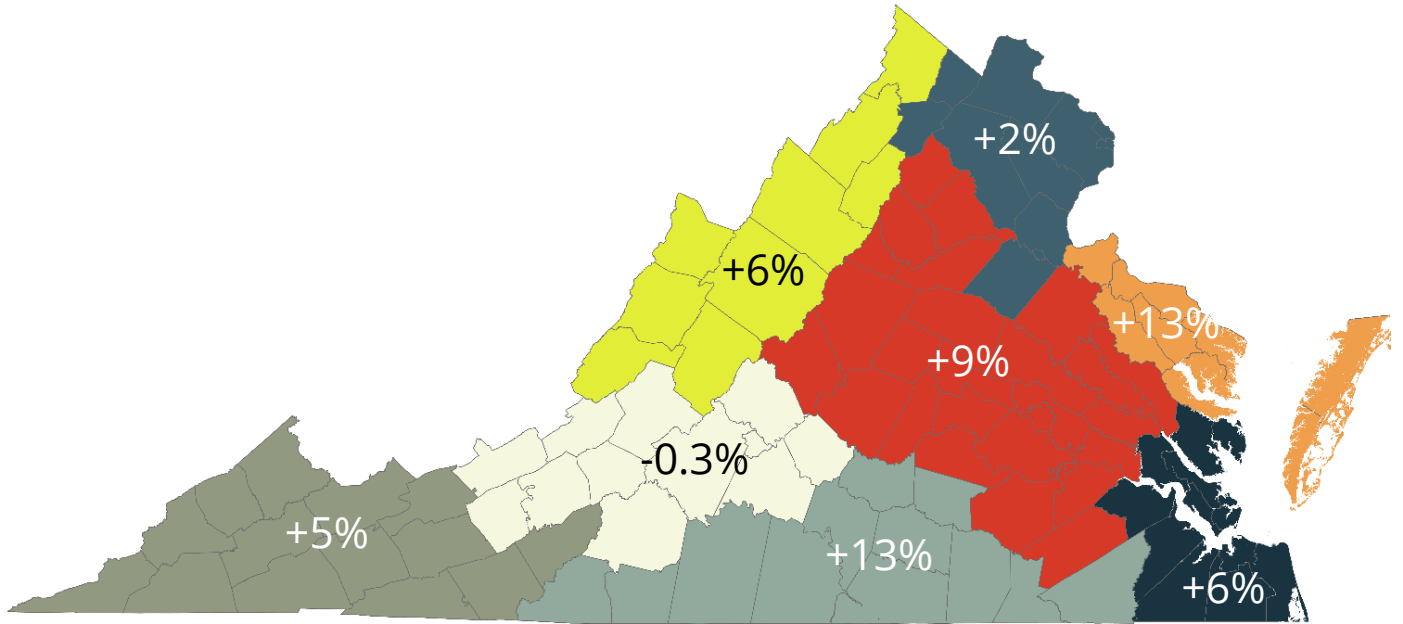
The biggest share of the homes sold in Virginia in September had a sales price between \$200,000 and \$299,999, which was also the case last year. Notably, however, there was an increase in the number of homes selling for \$300,000 or more, while the number priced below \$200,000 declined from a year ago. Home sales priced between \$300,000 and \$399,999 had the largest gain, going from 17.5% of all sales in September of 2018 to 18.9% of all sales this September. The biggest declines occurred in the \$100,000 to \$199,999 price range. Sales in this range went from about one out of every four sales last September (23.2%) to less than one out of every five sales this September (19.8%).

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



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

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



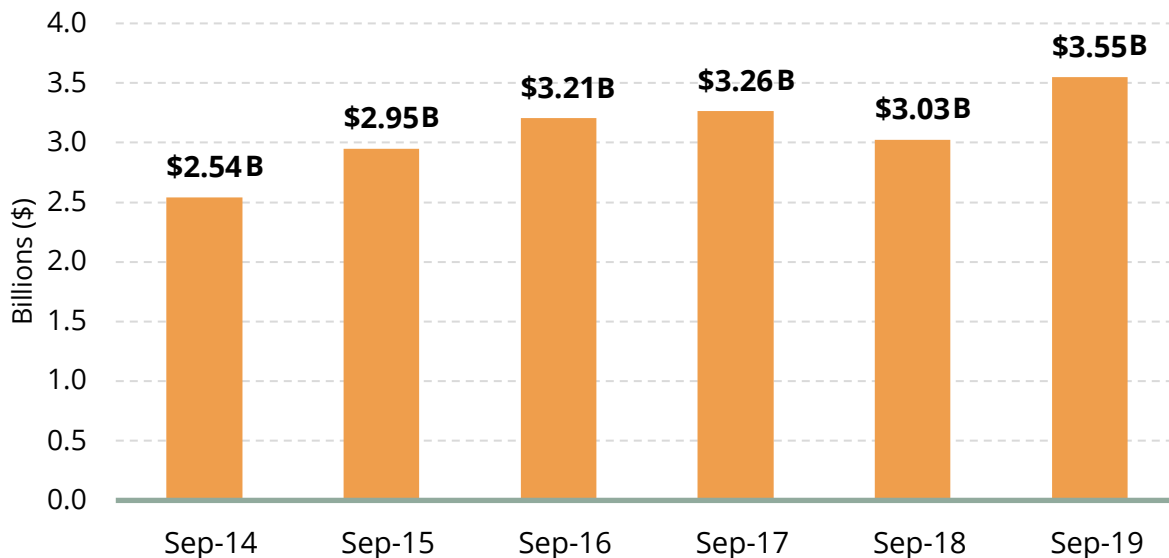
<i>Region</i>	<i>Sep-18</i>	<i>Sep-19</i>	<i>% Change</i>
Central	\$245,000	\$266,130	9%
Eastern	\$220,000	\$249,500	13%
Hampton	\$235,118	\$248,905	6%
Northern	\$425,000	\$432,000	2%
Southside	\$105,950	\$120,000	13%
Southwest	\$129,000	\$135,000	5%
Valley	\$215,000	\$228,000	6%
West	\$184,500	\$184,000	-0.3%
All of Virginia	\$275,000	\$292,745	6%

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

Sold Volume

There was about \$3.55 billion in sold volume in September across the State, a 17% jump from last year, an increase of \$524 million. The sold volume gain was driven by the strong sales growth and rising prices throughout the state. Northern Virginia had the largest sold volume gain, with an additional \$260 million compared to last year. The Central Virginia region had a \$130 million sold volume gain. The September sold dollar volume in Virginia is \$1 billion higher than five years ago, which reflects the overall growth and expansion that has occurred in many of the State's regional housing markets over the past several years.

Figure 11
September Sold Dollar Volume, Virginia
2014-2019

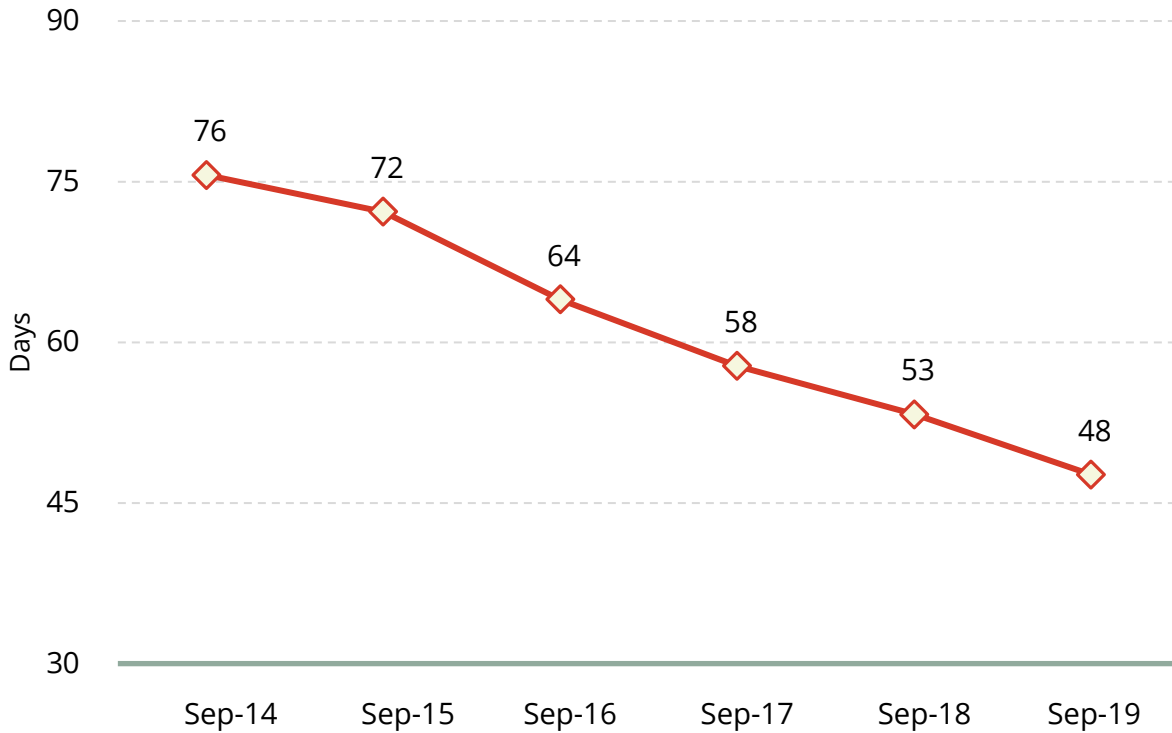


Source: Virginia REALTORS®, data accessed October 16, 2019

Days on Market

At 48 days, the average days on market in the Commonwealth in September was nearly a week lower than it was last year (-6 days). The shrinking inventory of active listings in many parts of the state and continued buyer demand is pushing this metric down. Homes are selling faster, on average, in nearly all regional markets. The largest drop occurred in Southwest Virginia where homes were on the market nearly a month less than a year ago (-26 days). The Central and Southside regions were the only areas to have an increase in this metric this month, rising 1 day and 27 days, respectively.

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

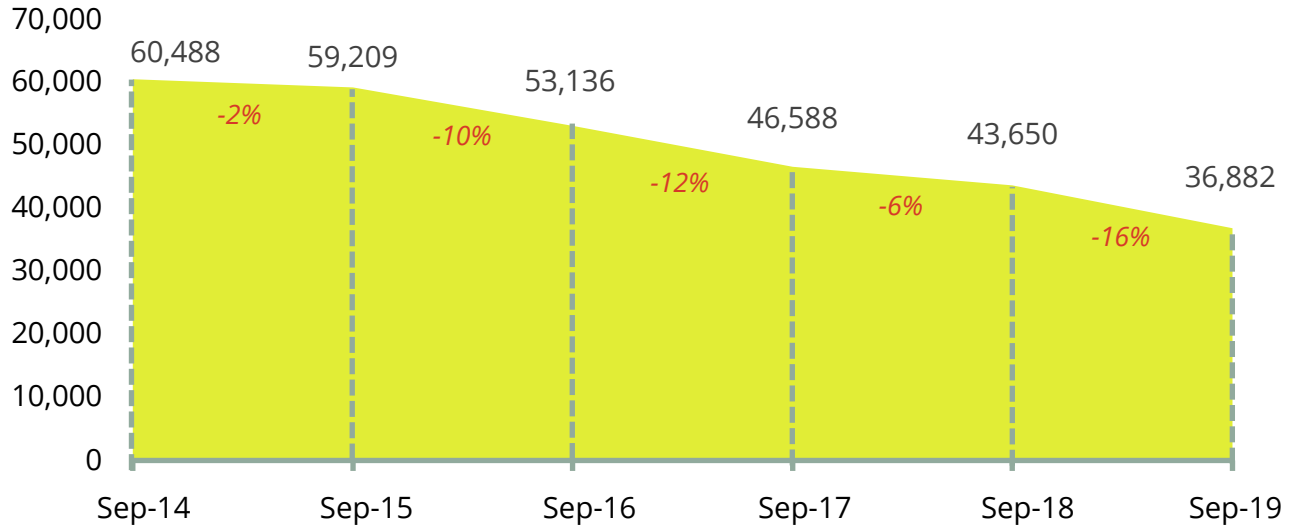


Source: Virginia REALTORS®, data accessed October 16, 2019

Listings

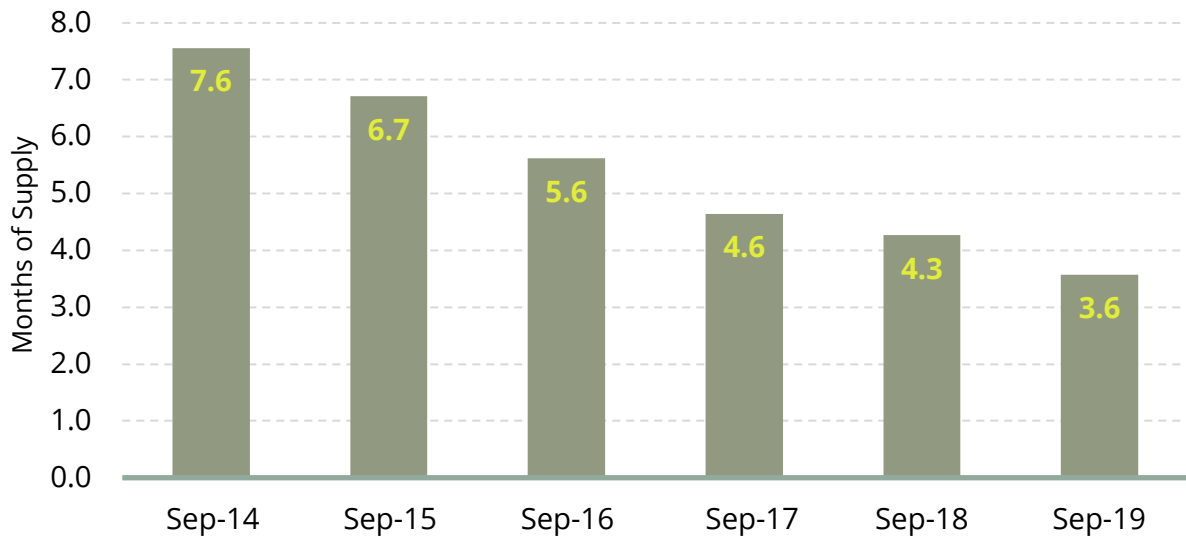
The inventory in the Virginia housing market continues to decline, a multi-year trend that is occurring in most regional markets in the State. There were 36,882 active listings on the market at the end of September throughout the Commonwealth, which is about 6,700 fewer active listings than a year ago, representing a 16% reduction. The number of active listings represents about 3.6 month supply, which is down from 4.3 months at this time last year. The months of supply is calculated by taking the average monthly sales over the preceding 12-month period and dividing it by the inventory of active listings. In most housing markets, a supply below 6 months tends to favor sellers rather than buyers. The low supply of active listings is driving rising prices and lower days on market.

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



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

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



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



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.