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**Despite Strong Price Growth, No Signs of a “Housing Bubble” in Virginia**

*High demand and low inventory drive up home prices across the Commonwealth*

Richmond, VA – (February 24, 2020) – According to the January 2020 [Home Sales Report](https://www.virginiarealtors.org/market-reports/) released by Virginia REALTORS®, the strong economic fundamentals and low inventory across the Commonwealth are the cause of the steady rise in home sale prices statewide.

Despite recent headlines speculating on the probability of another housing bubble, Virginia’s robust demand and limited supply—fundamentals indicative of a healthy economy—are the driving forces behind the rising prices.

In January 2020, the statewide median home sales price was $280,000, an increase of nearly 2% over January 2019. At the state level, home prices have been increasing steadily since 2012, reflecting strong demand and declining inventories.

“While home prices have reached the peak levels seen during the height of the housing boom, there is no evidence of a bubble because price appreciation now is much more modest,” says Virginia REALTORS® Chief Economist Lisa Sturtevant, PhD. “Recently, Virginia has been experiencing modest and steady annual price growth of 2 to 4%. Back in 2004 to 2006, we were seeing 16 to 20% annual price growth. During the housing market boom of the middle of the last decade, the double-digit price growth was driven by other factors–particularly loose lending requirements–which are not present now.”

The growing lack of available homes has created a challenging market for buyers. Virginia’s inventory of homes for sale has shrunk considerably over the past five years. At the end of January 2020, there was a total of 28,538 active listings across the Commonwealth, more than 10,000 fewer than a year ago, a decline of 26.4%. The available inventory at the end of January is just about 60% of the level available four years ago, at the end of January 2016.

The fastest price growth between January 2019 and January 2020 was in the Southwest (+11.6%) and West Central (+10.7%) regions. There was also robust price growth in the Hampton Roads region, where the median sales price increased by 7.9%.

With Virginia experiencing steady job growth and strong economic fundamentals, Sturtevant says, “I don’t think we would be seeing so much speculation about a housing bubble in this current market if we were not still reflecting back on what happened 15 years ago. But this is a very different market now.”

The Virginia Home Sales Report is published by the Virginia REALTORS®. [Click here](https://www.virginiarealtors.org/market-reports/) to view the full January 2020 Home Sales Report. Current and past reports are available to members, media, and real estate related-industries through the organization’s website.

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**About Virginia REALTORS®**

Virginia REALTORS® (previously known as the Virginia Association of REALTORS®) is one of the largest professional trade associations in Virginia, representing 35,000 REALTORS® engaged in the residential and commercial real estate business. Virginia REALTORS® serves as an advocate for homeownership and homeowners and represents the interests of property owners in the Commonwealth of Virginia. For more information, visit [www.virginiarealtors.org](http://www.virginiarealtors.org) or follow Virginia REALTORS® on [Facebook](https://www.facebook.com/REALTORSVirginia/), [Twitter](https://twitter.com/REALTORS_VA), and [LinkedIn](https://www.linkedin.com/groups/31801).

**Virginia REALTORS® is celebrating its 100-year anniversary in 2020. The association’s centennial celebration will occur as part of the annual convention, September 22-24, 2020, held this year at the Richmond Marriott.**

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