



BROKERPLUS

VIRTUAL UPDATE

APRIL 8, 2021

2021 Housing Trends:

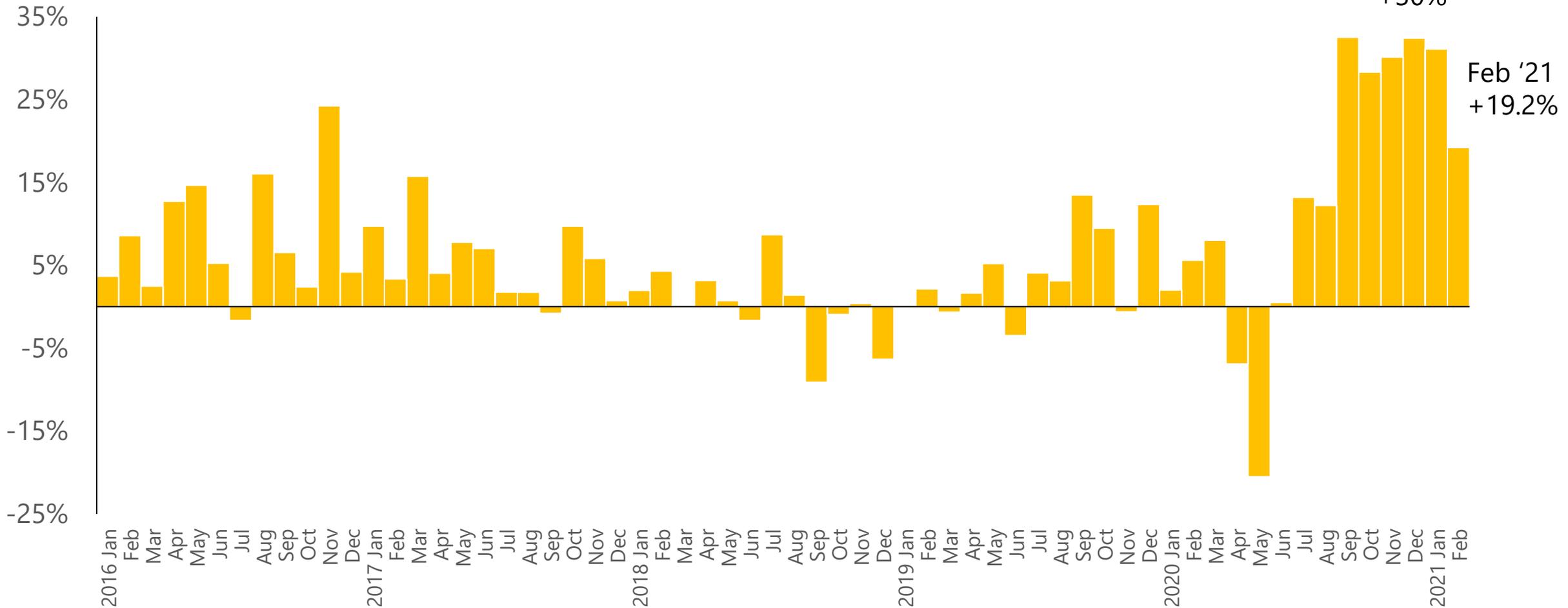
Helping Your Agents Navigate An Evolving Market

Lisa Sturtevant, PhD

Chief Economist, Virginia
REALTORS®

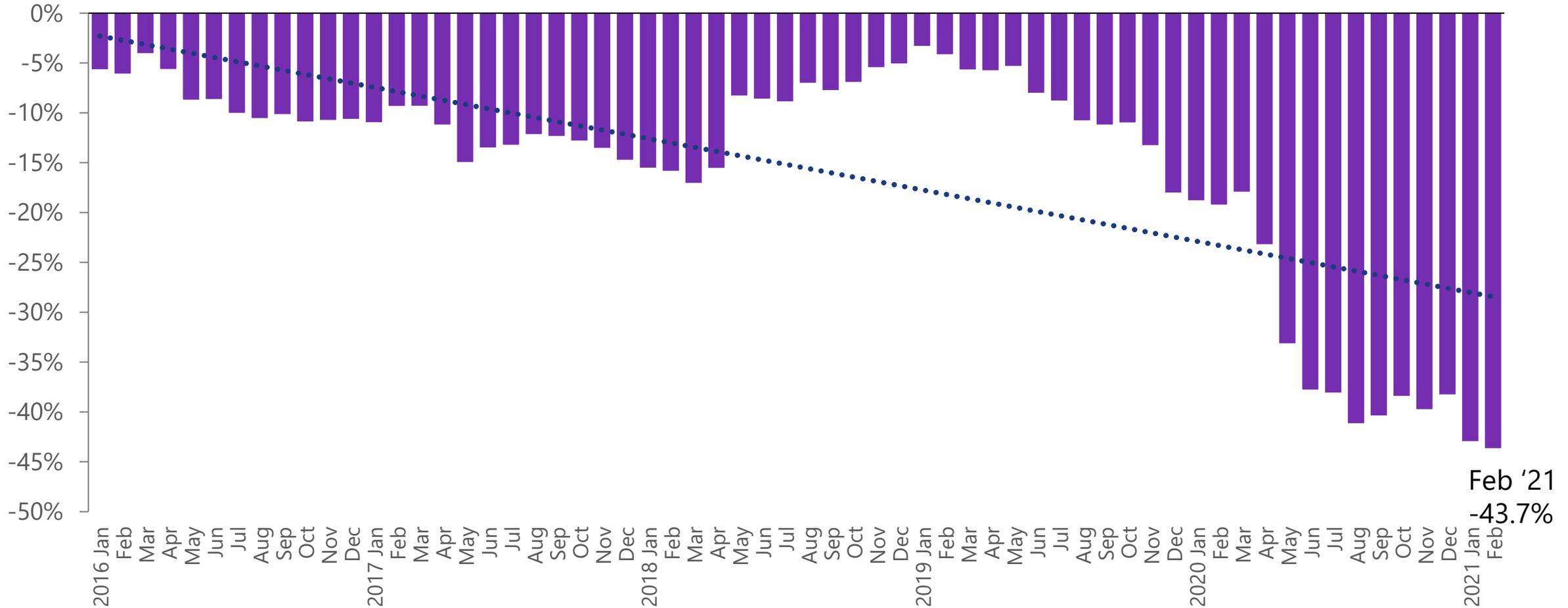
Virginia Home Sales

Virginia Y-o-Y Change in Monthly Home Sales



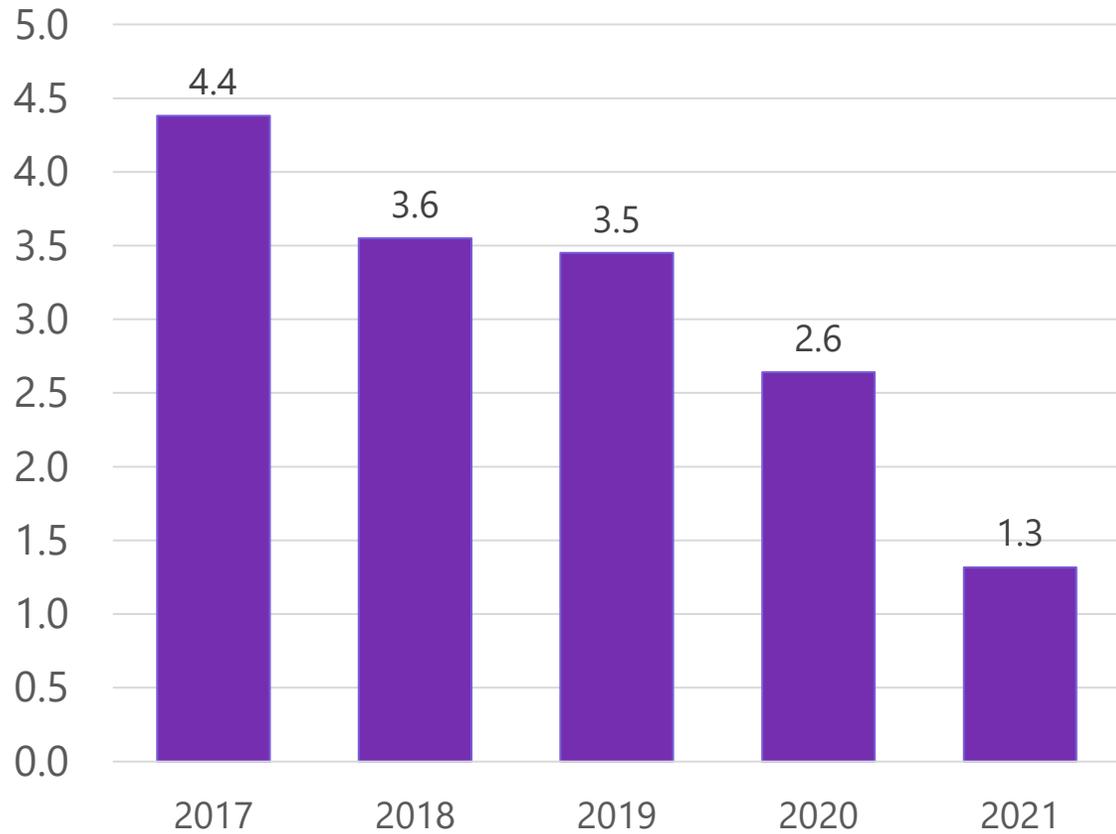
Virginia Inventory

Virginia Y-o-Y Change in Monthly Active Listings

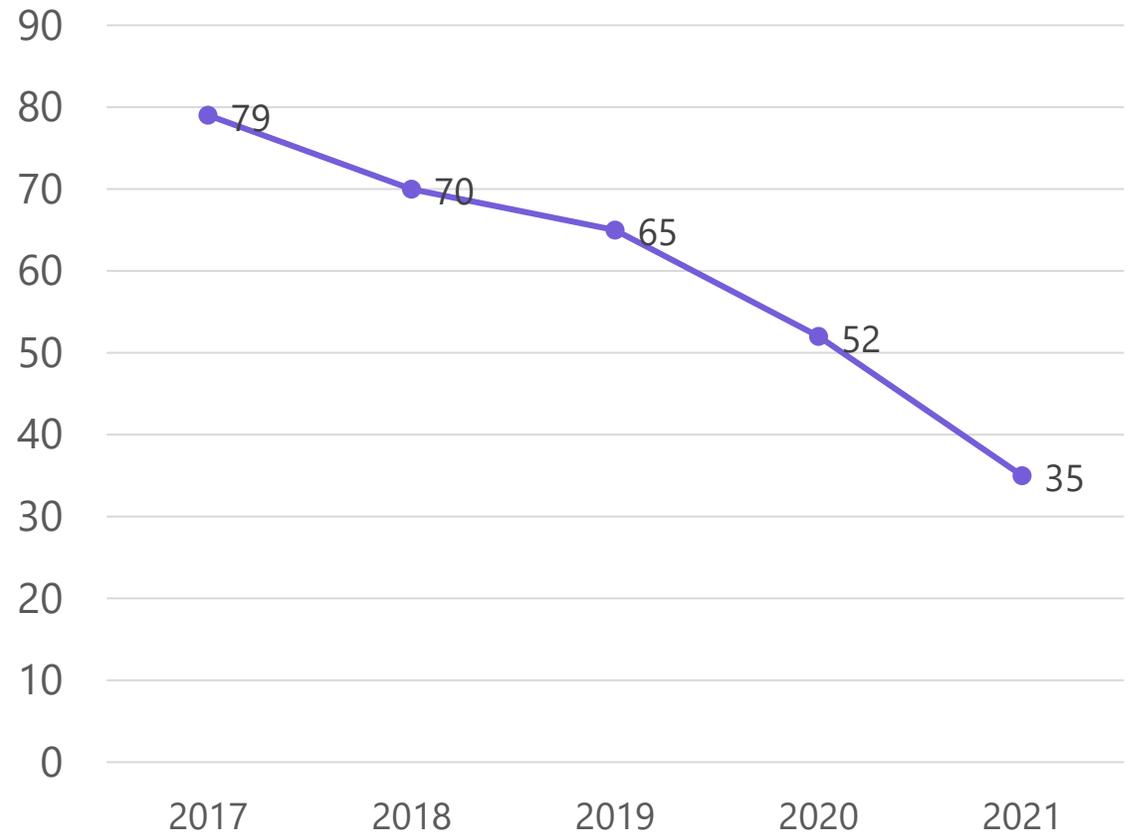


Virginia Inventory

Months of Supply, February

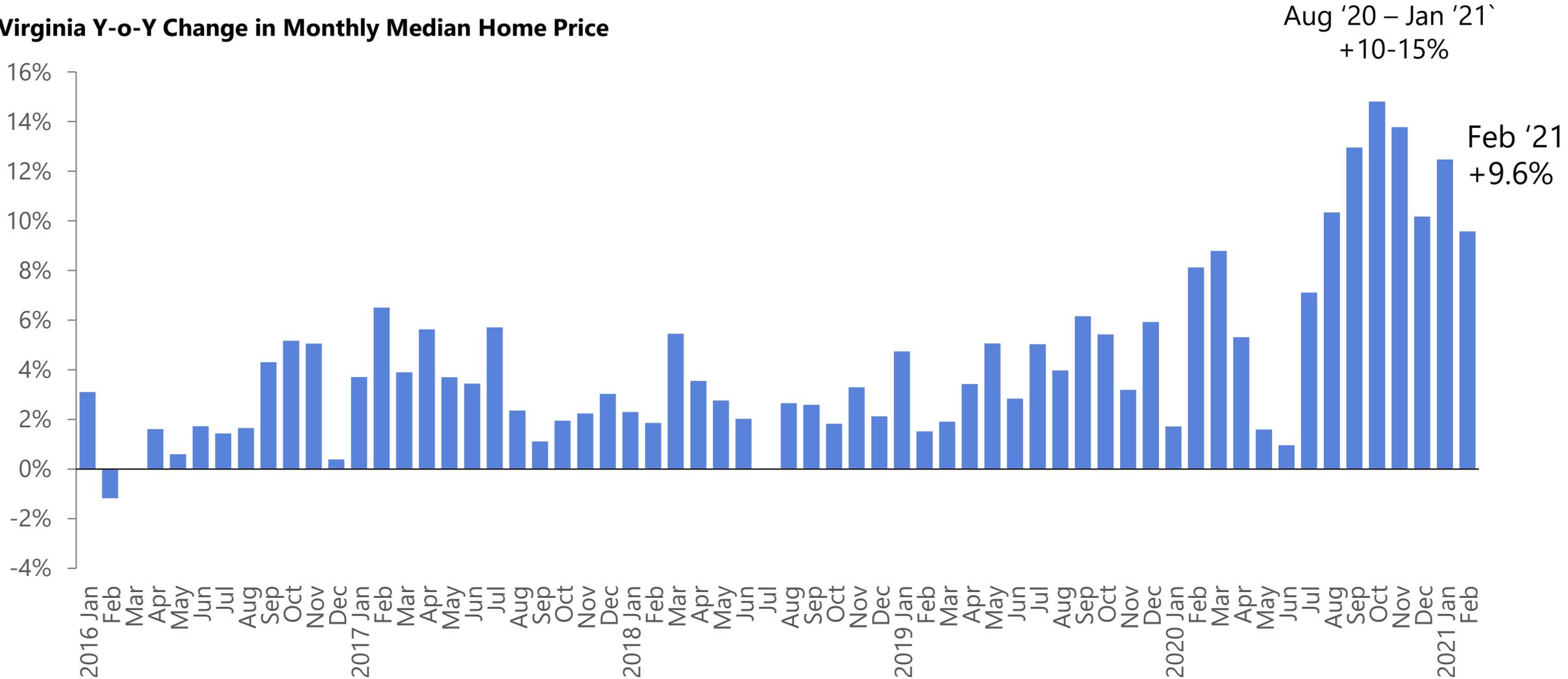


Average Days on Market, February



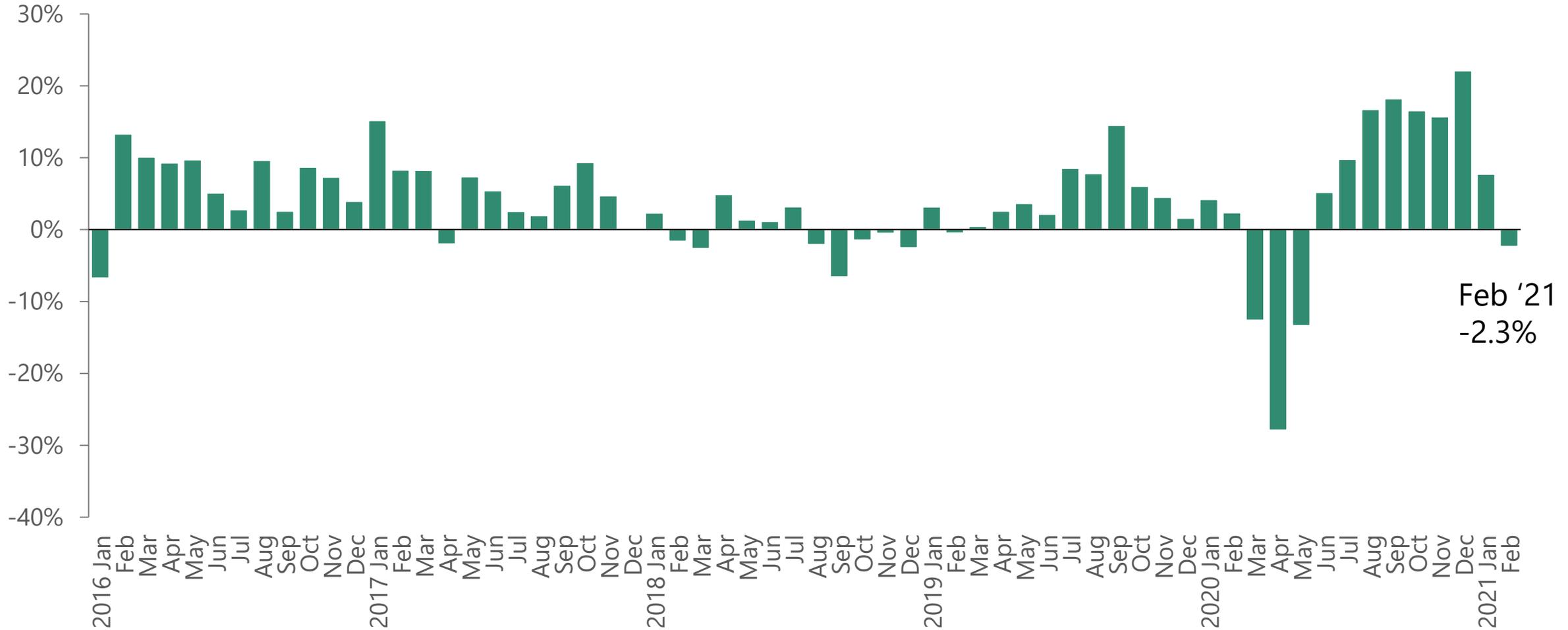
Virginia Home Prices

Virginia Y-o-Y Change in Monthly Median Home Price



Virginia Pending Sales

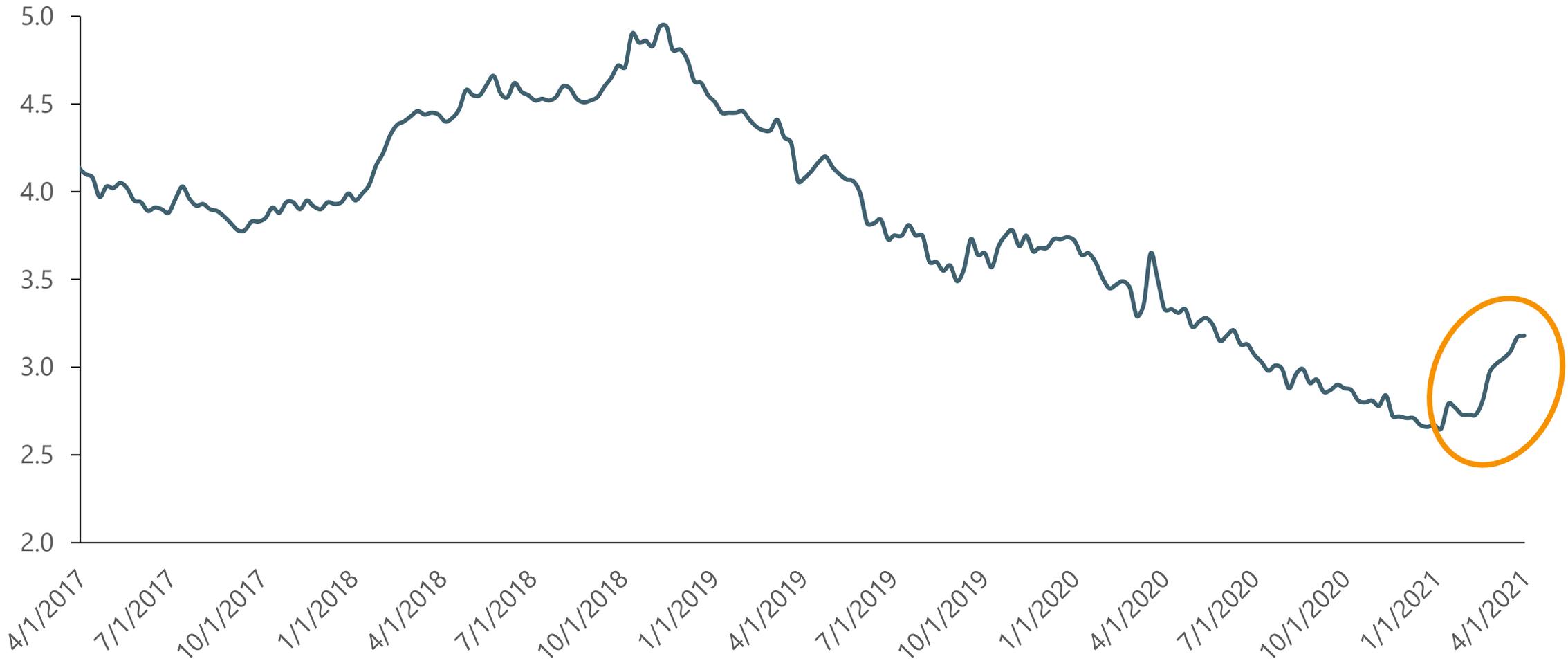
Virginia Y-o-Y Change in Month-End Pending Sales



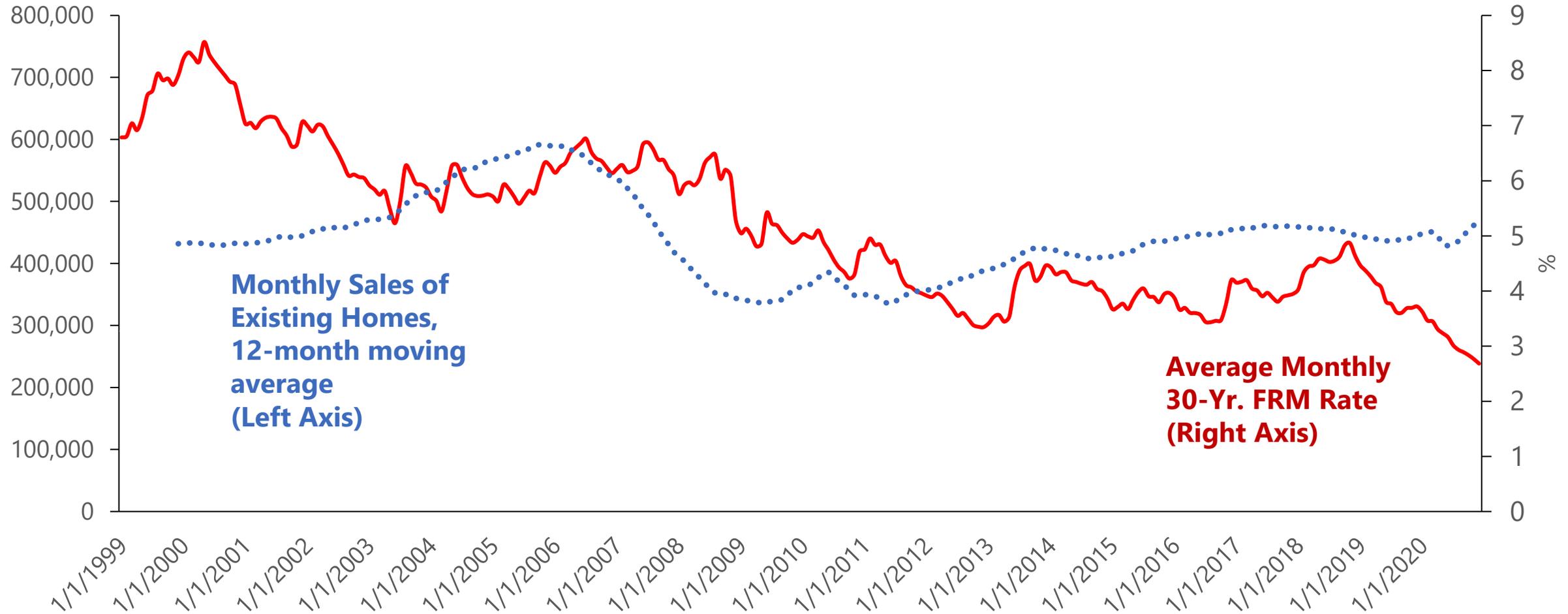
How COVID-19 Has Changed the Housing Market

Mortgage Rates

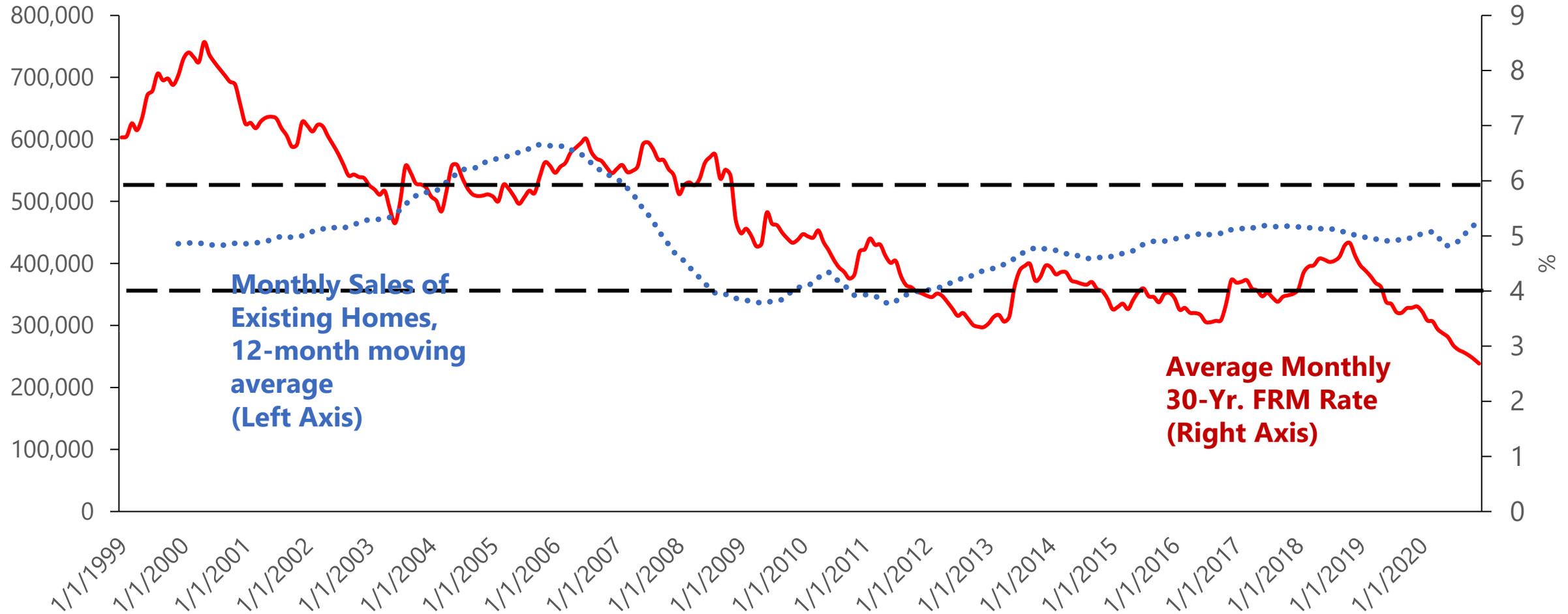
Weekly Average 30-Year Fixed-Rate Mortgage Interest Rate (%), Not Seasonally Adjusted



Mortgage Rates and Home Sales Activity (National)



Mortgage Rates and Home Sales Activity (National)

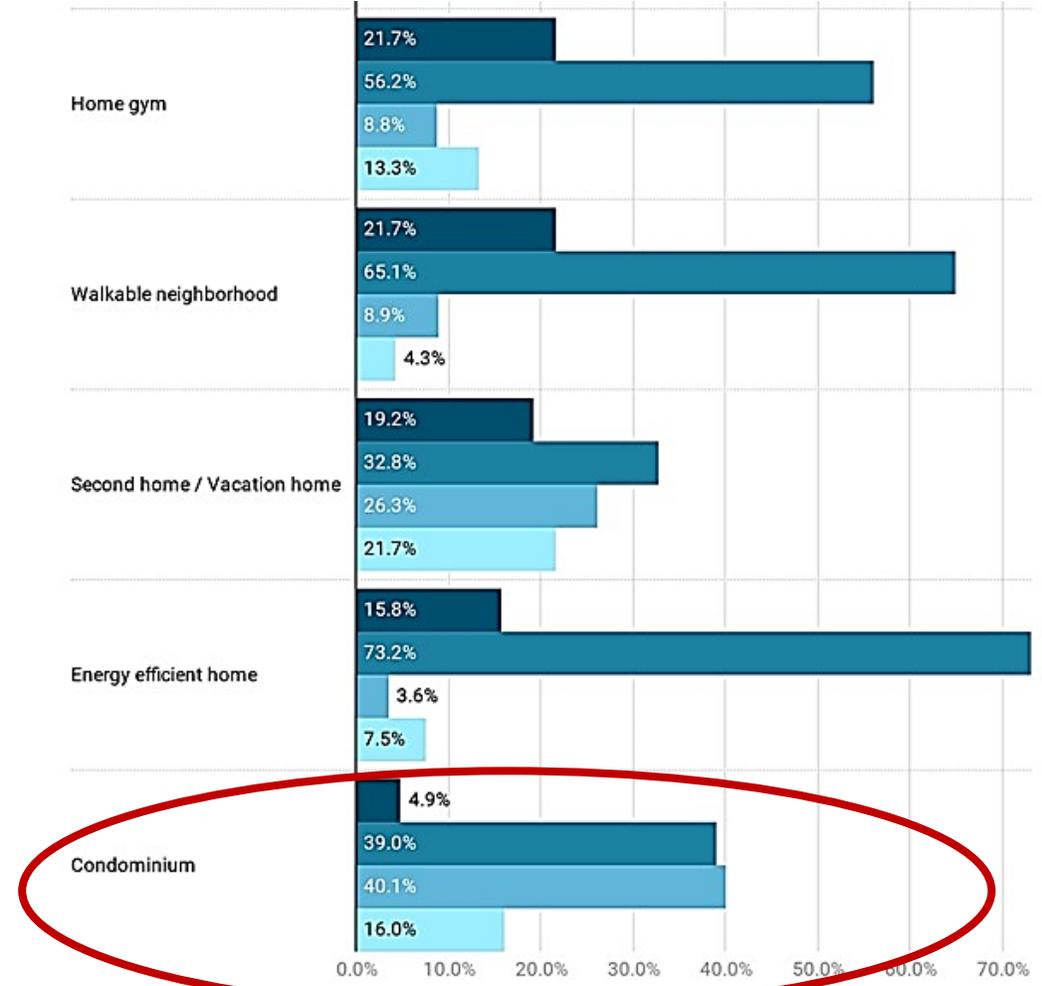
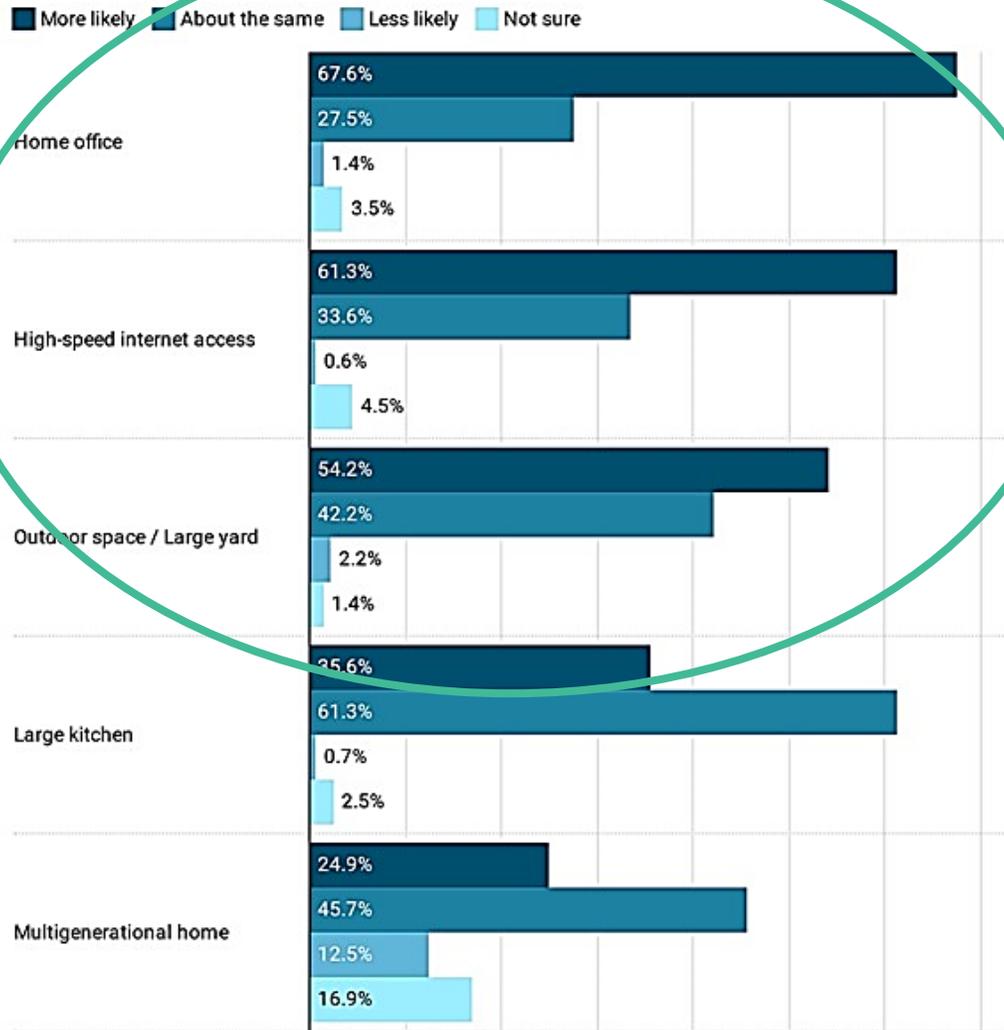


Home Buyers Are Re-Evaluating Preferences

An aerial photograph of a suburban neighborhood. The scene is dominated by lush green fields and numerous trees. A central road runs vertically through the middle of the frame, with several smaller roads branching off. Houses of various colors and styles are scattered throughout the area, interspersed with greenery. In the upper left, there is a small pond or lake. The overall atmosphere is peaceful and rural.

What Buyers are Looking for in 2021?

Compared to this same time last year (i.e. January 2020), which home features are your buyer(s) more or less likely to be looking for?



Source: Virginia REALTORS® Flash Survey January 21-24, 2021

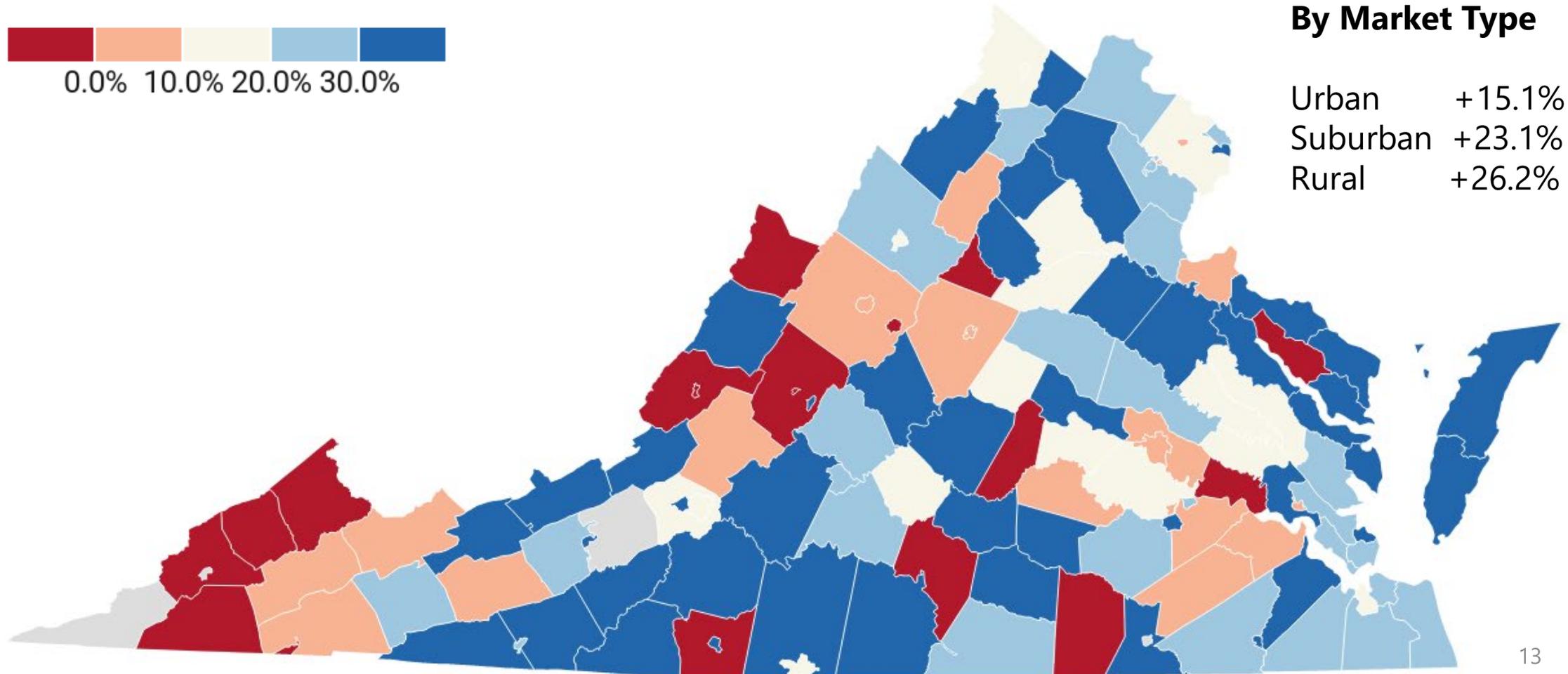
Increase in Home Sales in Some Rural Markets, But Demand Was Widespread Across the State

Home Sales - 2nd Half of the Year
Percent change, 2019 to 2020



**Avg. Percent Change
In Home Sales
By Market Type**

Urban	+15.1%
Suburban	+23.1%
Rural	+26.2%



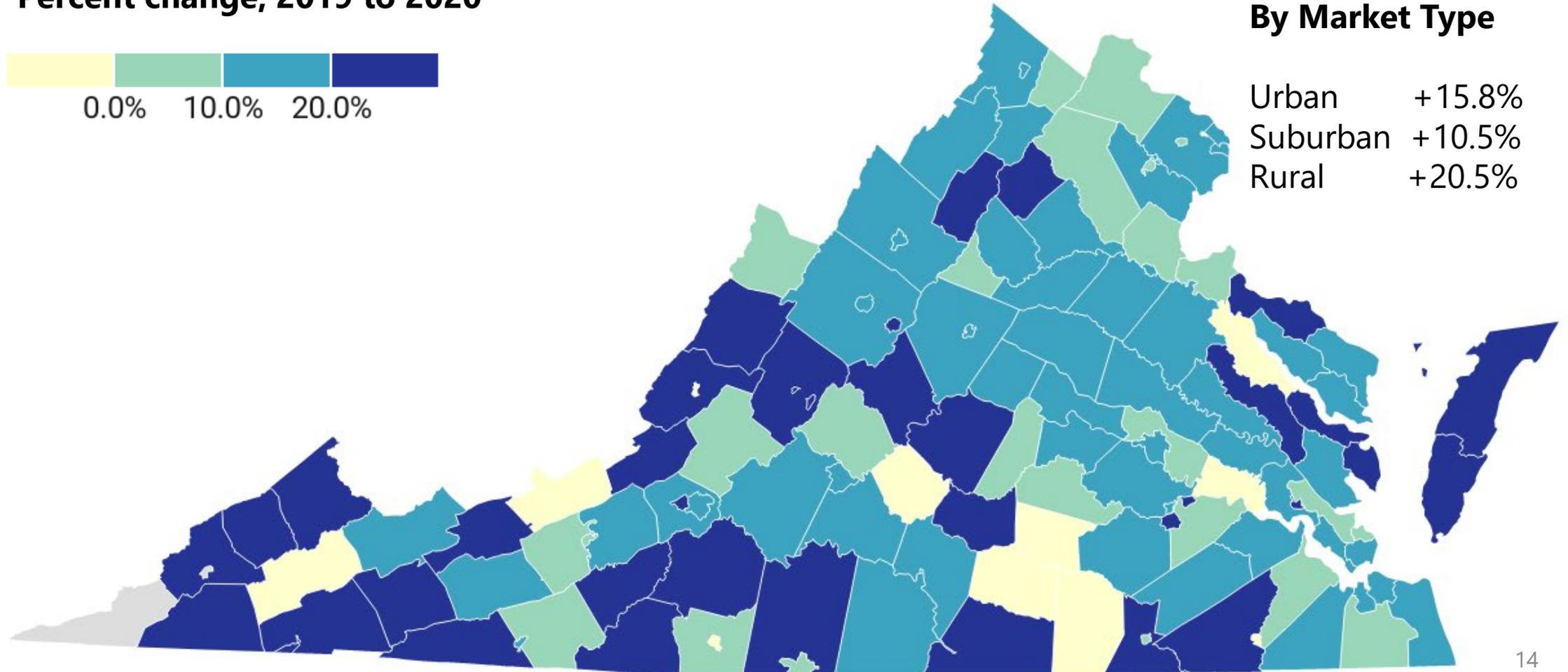
Median Home Prices Rising Faster in Rural Markets

Median Sales Price - 2nd Half of the Year
Percent change, 2019 to 2020



**Avg. Percent Change
 Median Home Price
 By Market Type**

Urban	+15.8%
Suburban	+10.5%
Rural	+20.5%

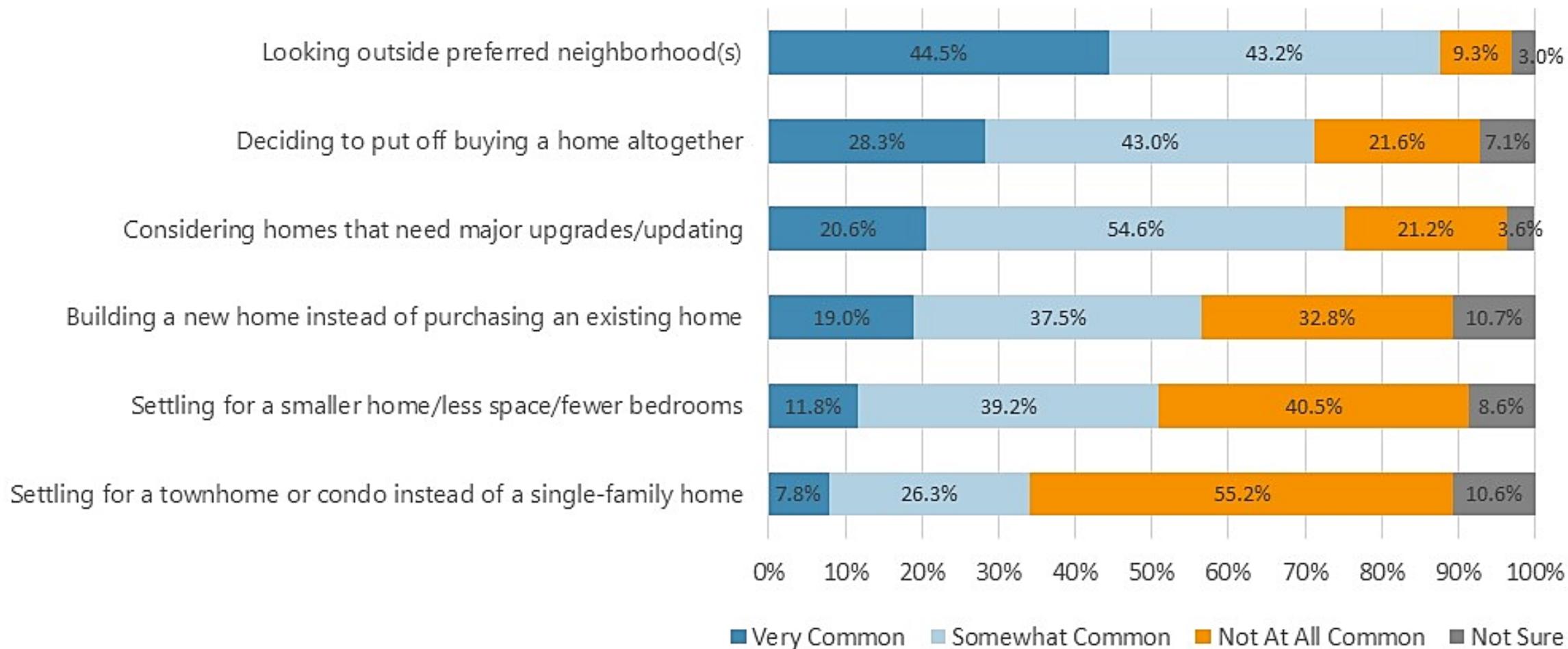




Buyers Are Making Extraordinary Concessions

Home Buyer Compromises and Concessions

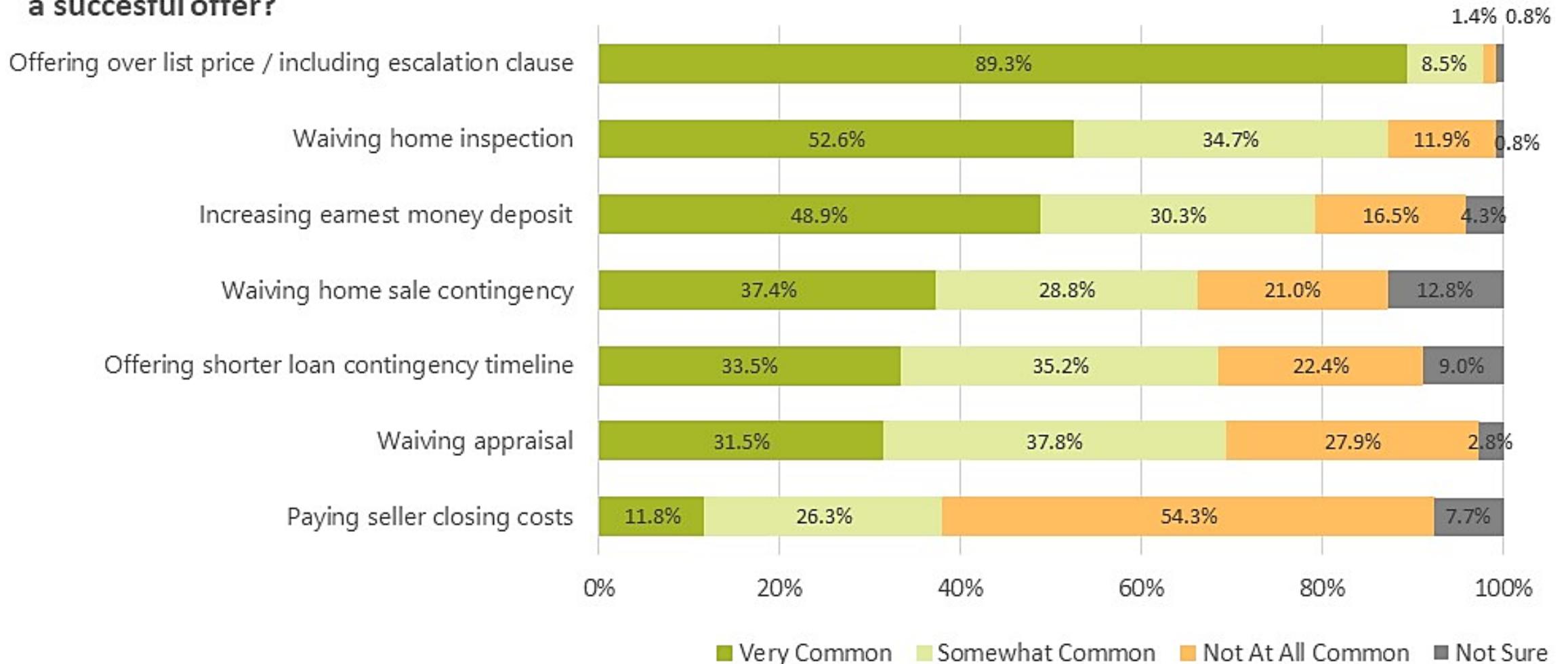
What are the most common compromises buyers are making in their home search?



Source: Virginia REALTORS® Flash Survey, March 25-28 2021

Home Buyer Compromises and Concessions

What are the most common concessions buyers are making to improve their chances of a successful offer?



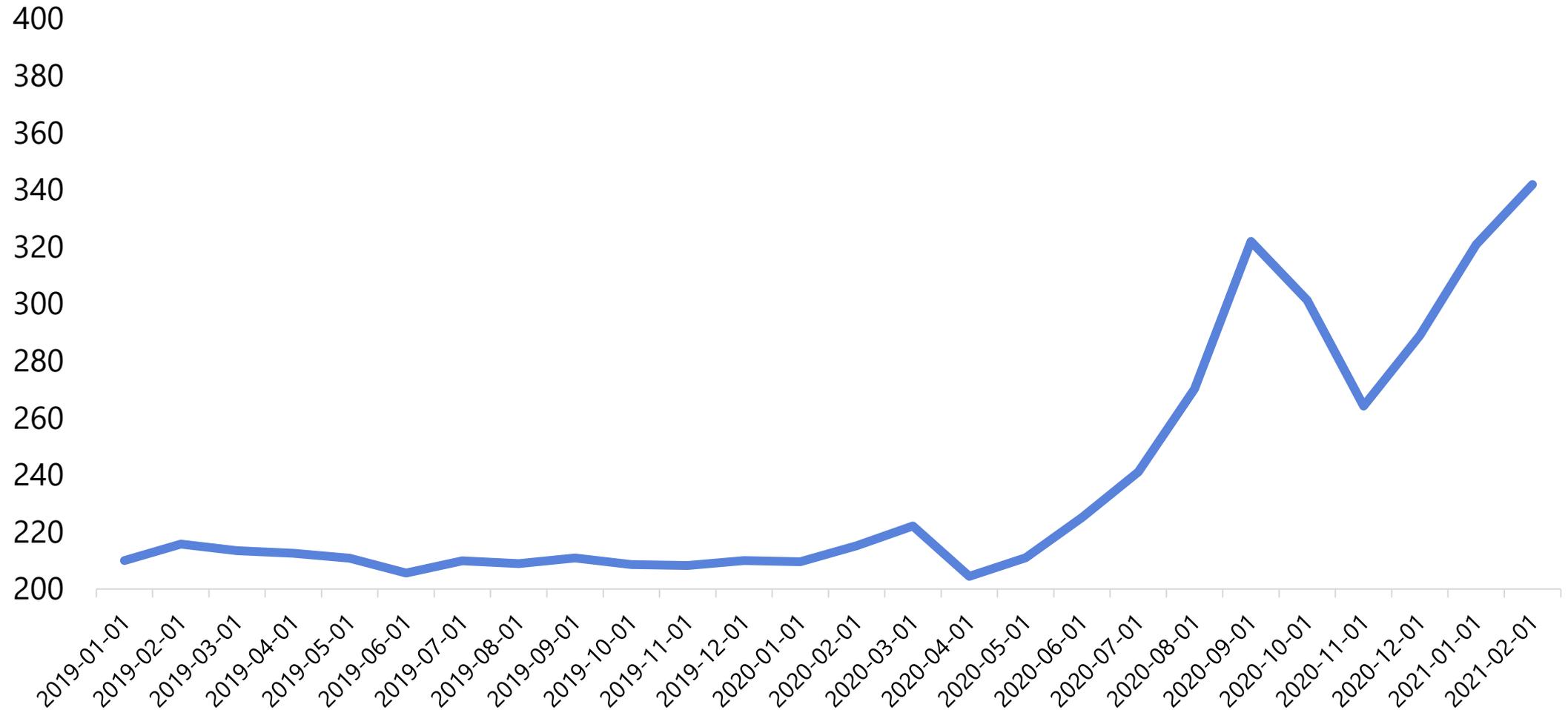
Source: Virginia REALTORS® Flash Survey, March 25-28 2021

New Construction Costs Have Skyrocketed



Construction Costs (National)

Lumber and Wood Products, Producer Price Index



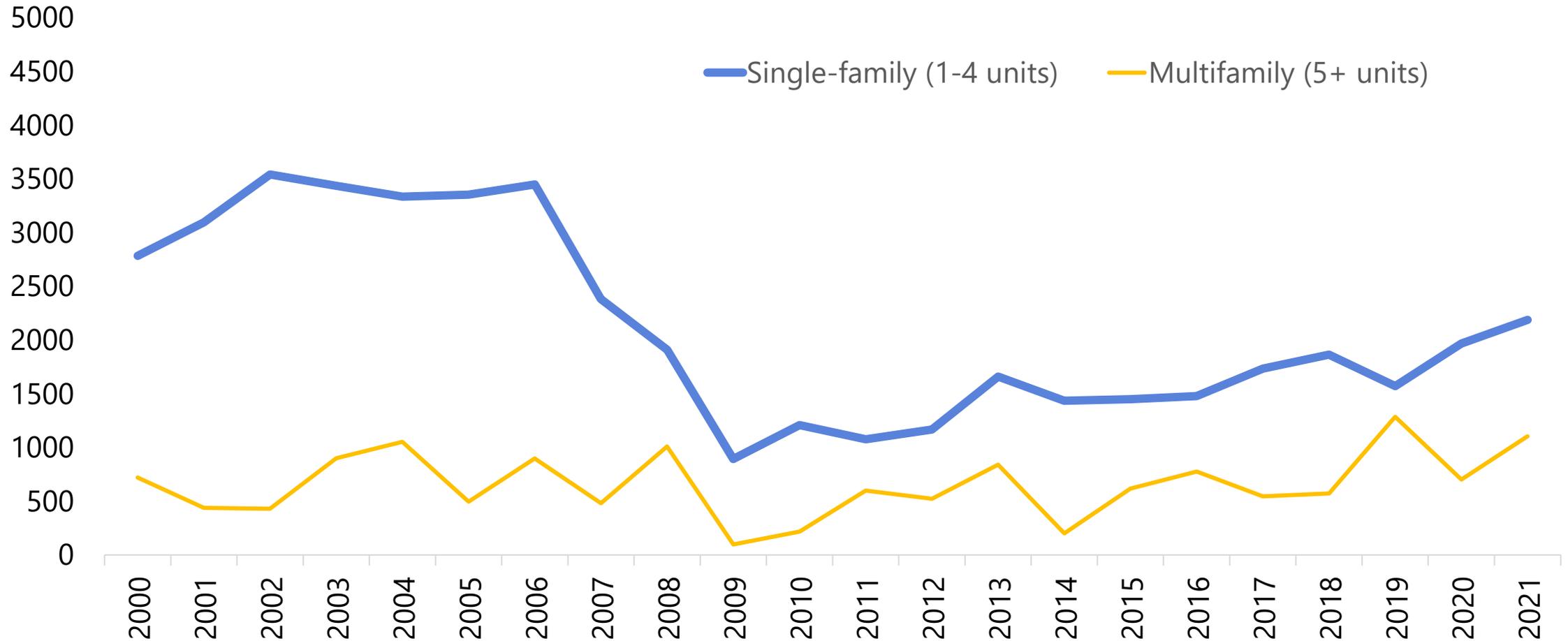
New Homes Sales (National)

New Home Sales by Price Range



Permits for New Residential Construction (Virginia)

Monthly Residential Building Permits



The Five "L's" of Home Building

- Labor
- Lots/land
- Lending
- Lumber
- Laws

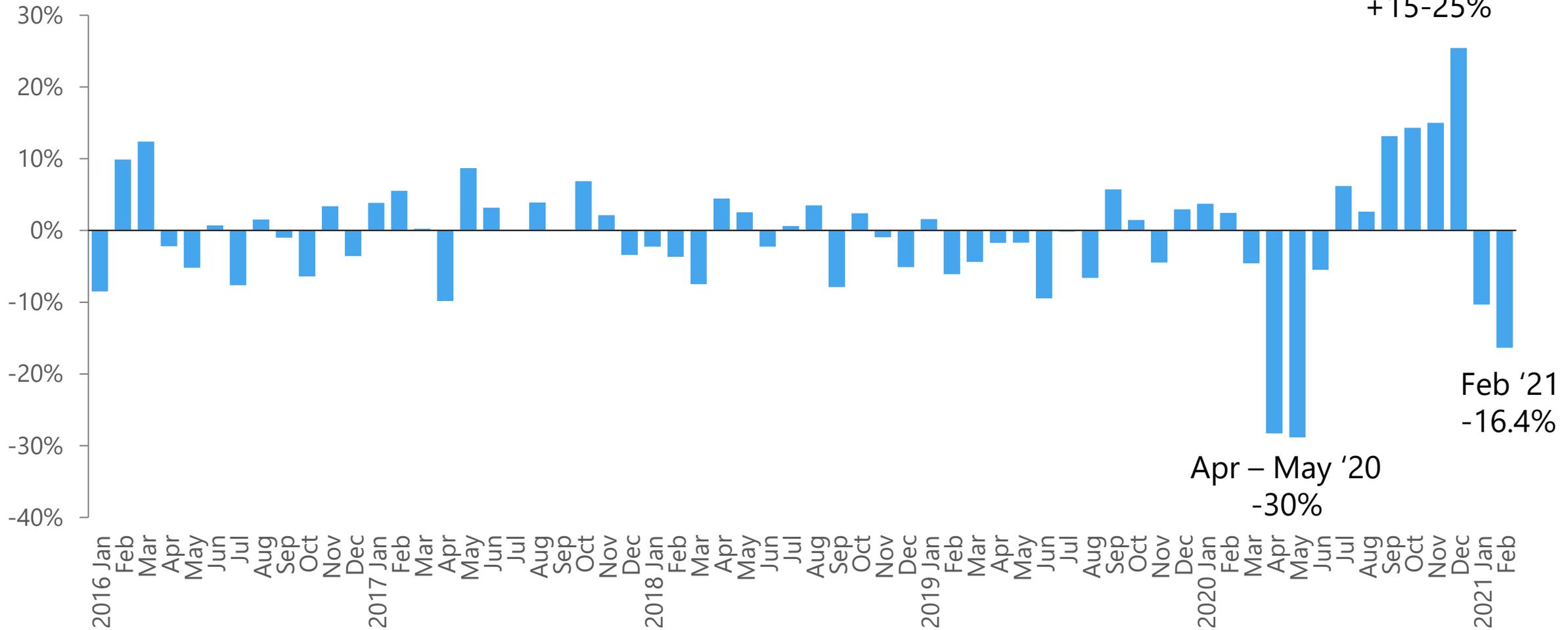


A photograph of an older man and a woman sitting on yoga mats in a meditative pose. The man, on the left, has grey hair and a beard, wearing a white long-sleeved shirt and dark pants. The woman, on the right, has blonde hair and is wearing a red t-shirt over a black long-sleeved shirt and grey leggings. Both have their hands pressed together in a prayer position (Anjali Mudra) and their eyes are closed. They are in a lotus-like position on a light-colored wooden floor. The background is a plain, light-colored wall.

New Listings Slowed

Virginia New Listings

Virginia Y-o-Y Change in Monthly New Listings



Why Homeowners Are Not Selling

- Baby Boomers aging into their 60s and staying in their homes longer, sometimes living in homes that are “too big”
 - Room for adult children to move back home
 - Space for home office as people work longer
- Nowhere to move if they sell
 - New construction has not rebounded sufficiently
 - Prices are high
- Refinancing is very attractive
 - Refinancing into a sub-3% loan
 - Renovate/add on instead of move

Have Questions or Need More Info?

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