



Greater Piedmont Area Housing Market: Current Trends and a Post-Pandemic Outlook

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Chief Economist, Virginia REALTORS®

GPR Economic Summit
May 20, 2021

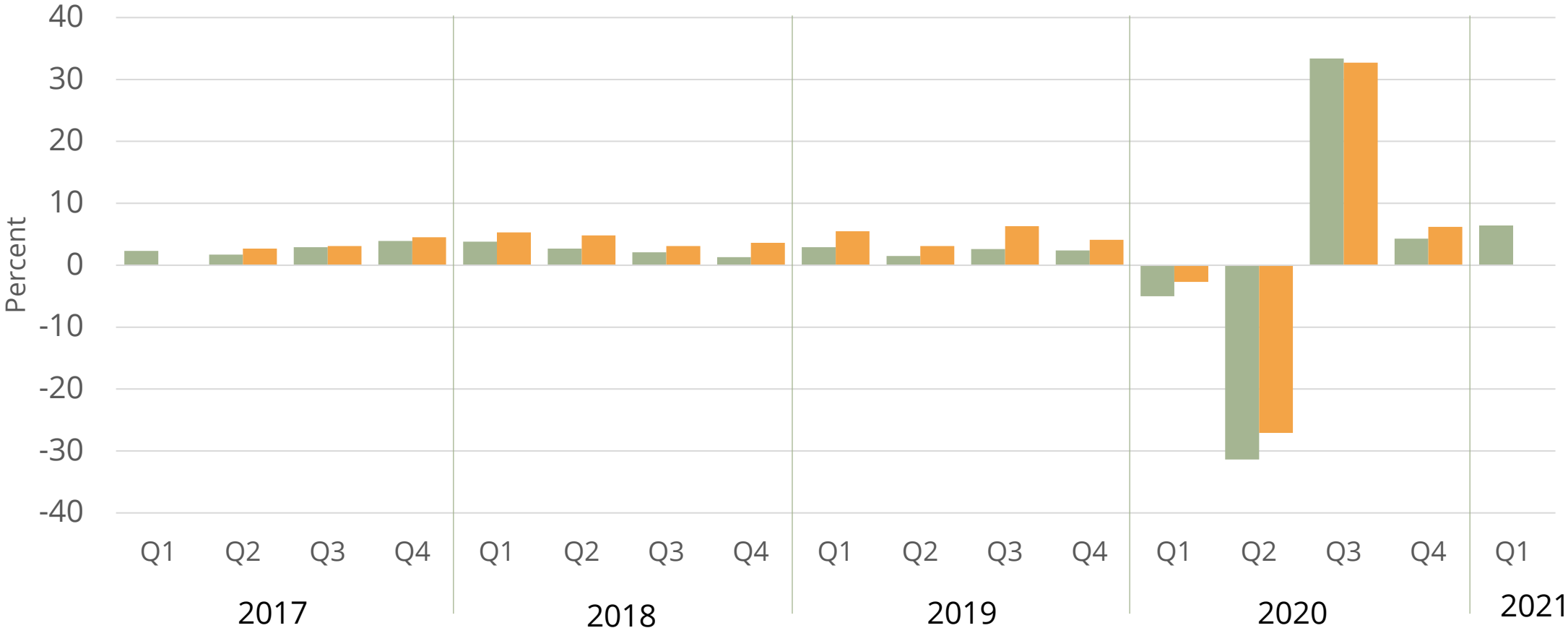
The image features a 3D perspective grid of white lines on a dark gray background. A thick, dark gray jagged line graph with a white outline is superimposed on the grid, showing an overall upward trend with several peaks and valleys. Scattered throughout the grid are various numbers in a light gray font, including integers, decimals, and percentages. The text 'Economic Trends' is centered in a large, white, bold, sans-serif font.

Economic Trends

Gross Domestic Product

Change in GDP (annualized)

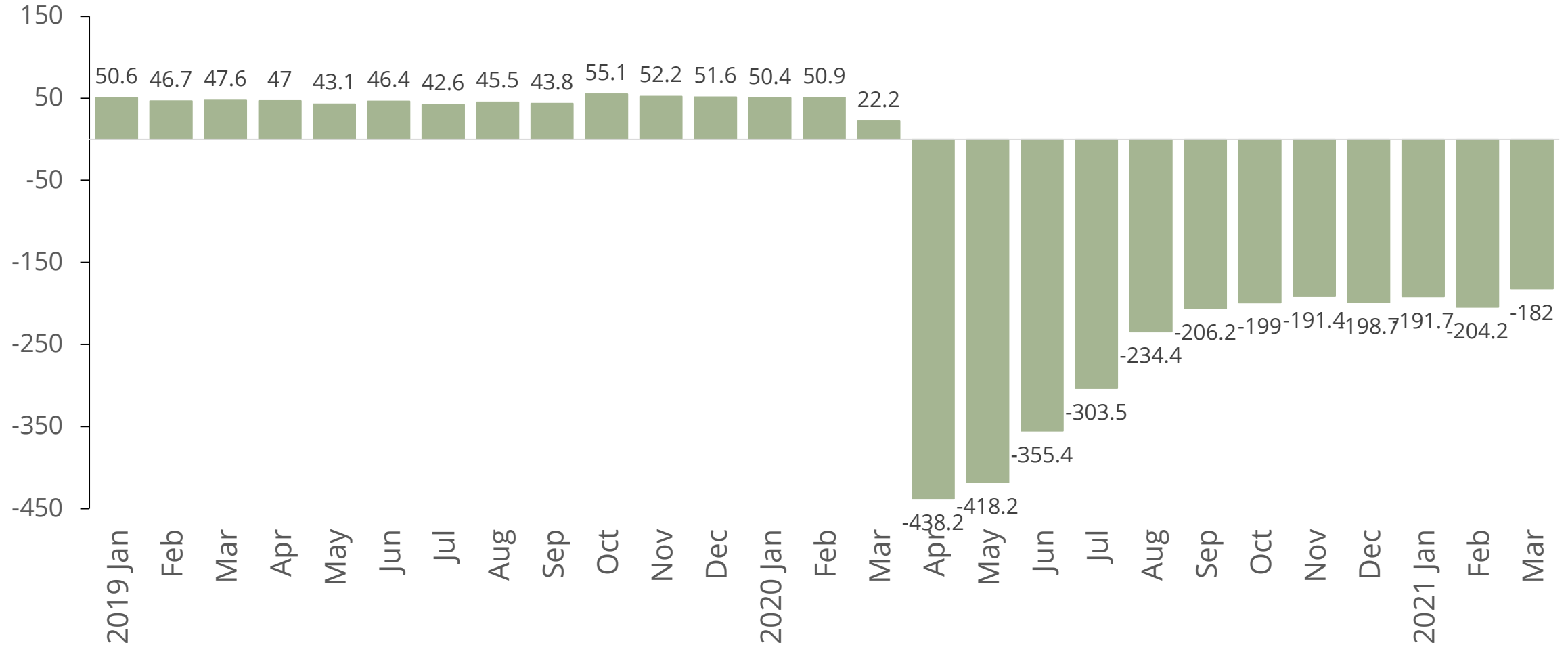
■ U.S. ■ VA



Source: U.S. Bureau of Economic Analysis

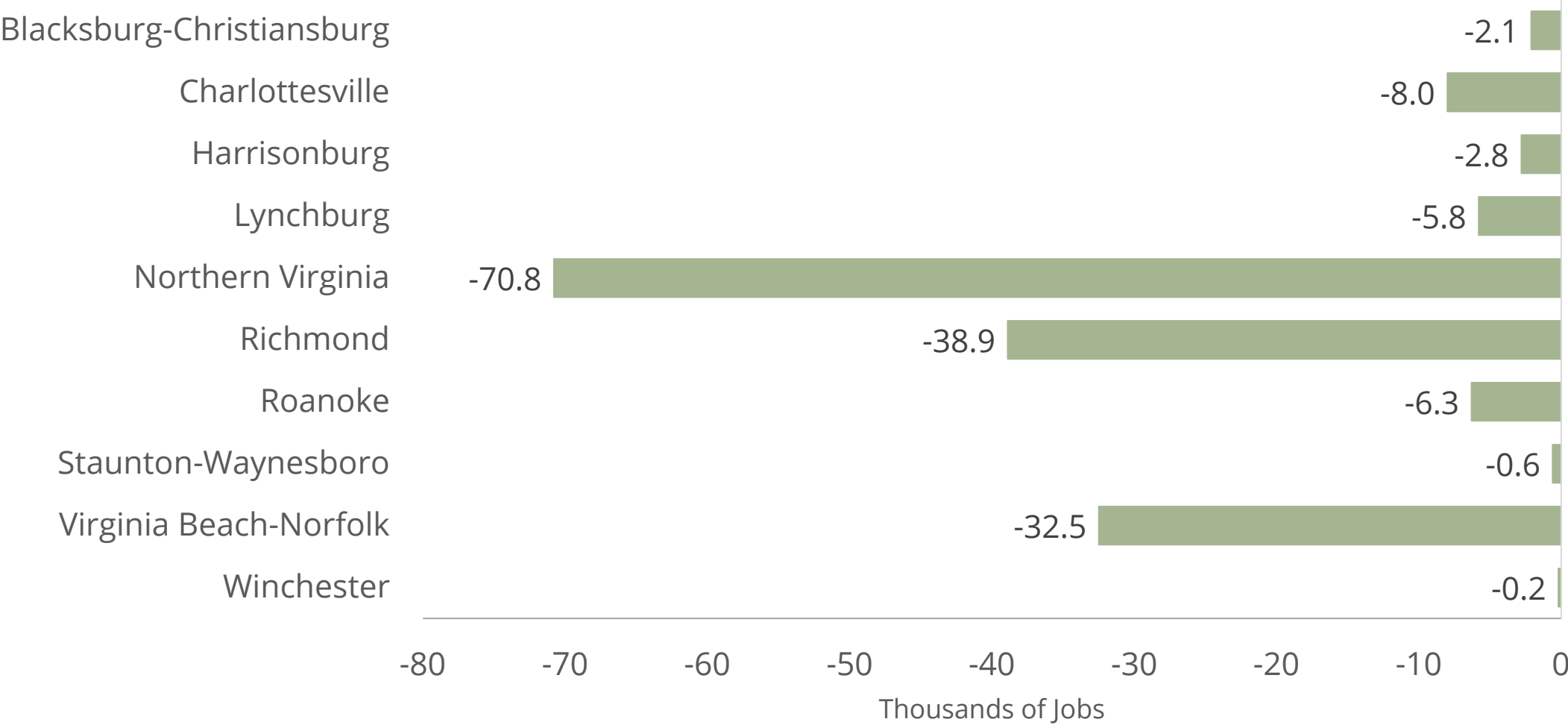
Virginia Employment

Virginia Year-Over-Year Job Change (000s)



Regional Employment

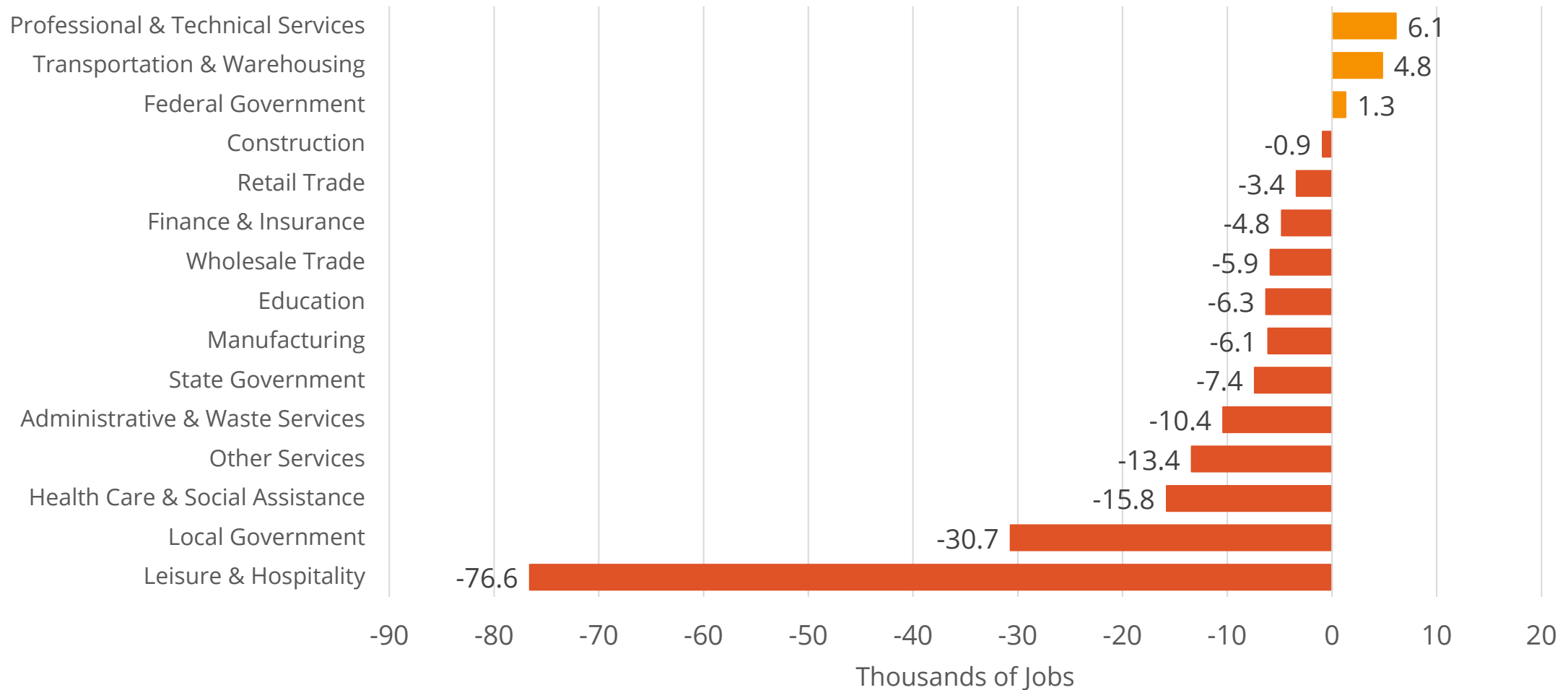
Job Change March 2020 to March 2021 by Metro Area



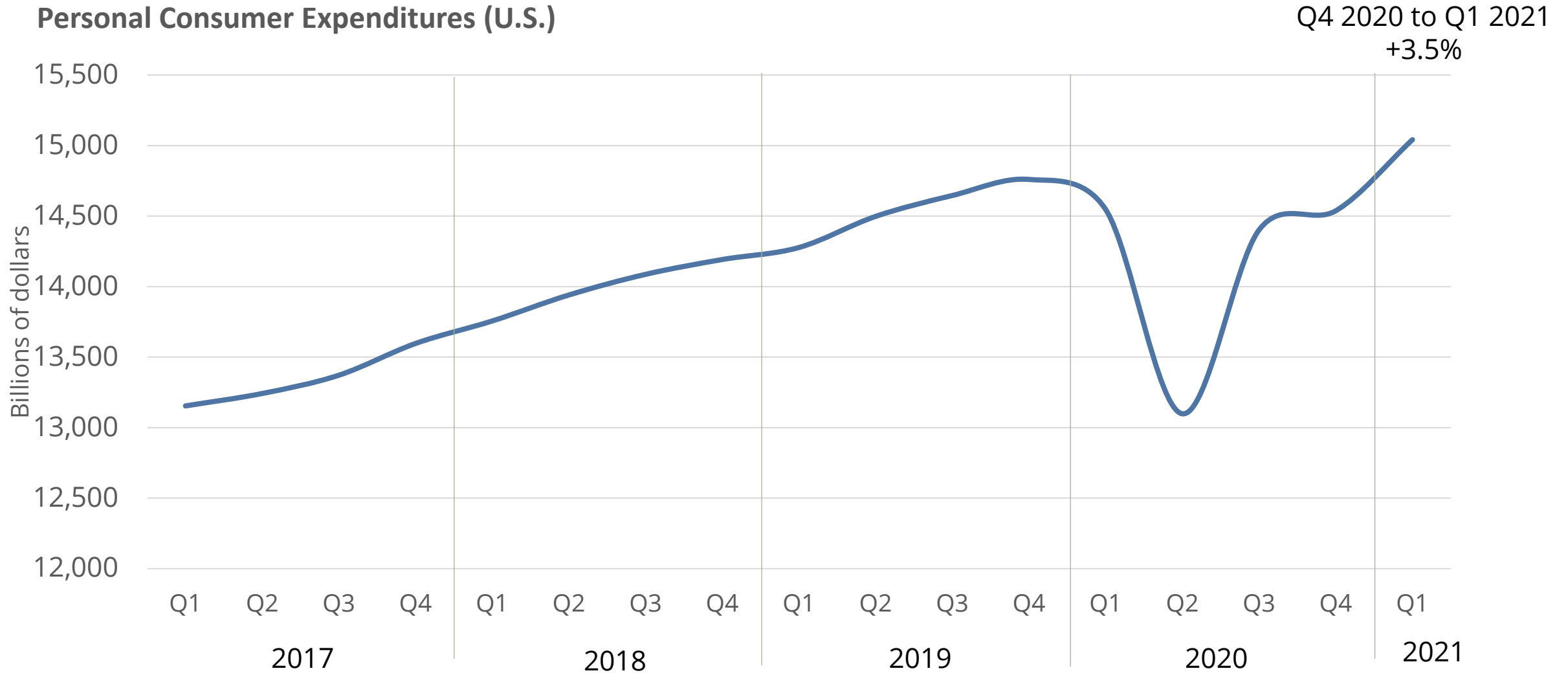
Source: U.S. Bureau of Labor Statistics, seasonally adjusted

Virginia Employment Change by Sector

March 2020 to March 2021 (thousands)



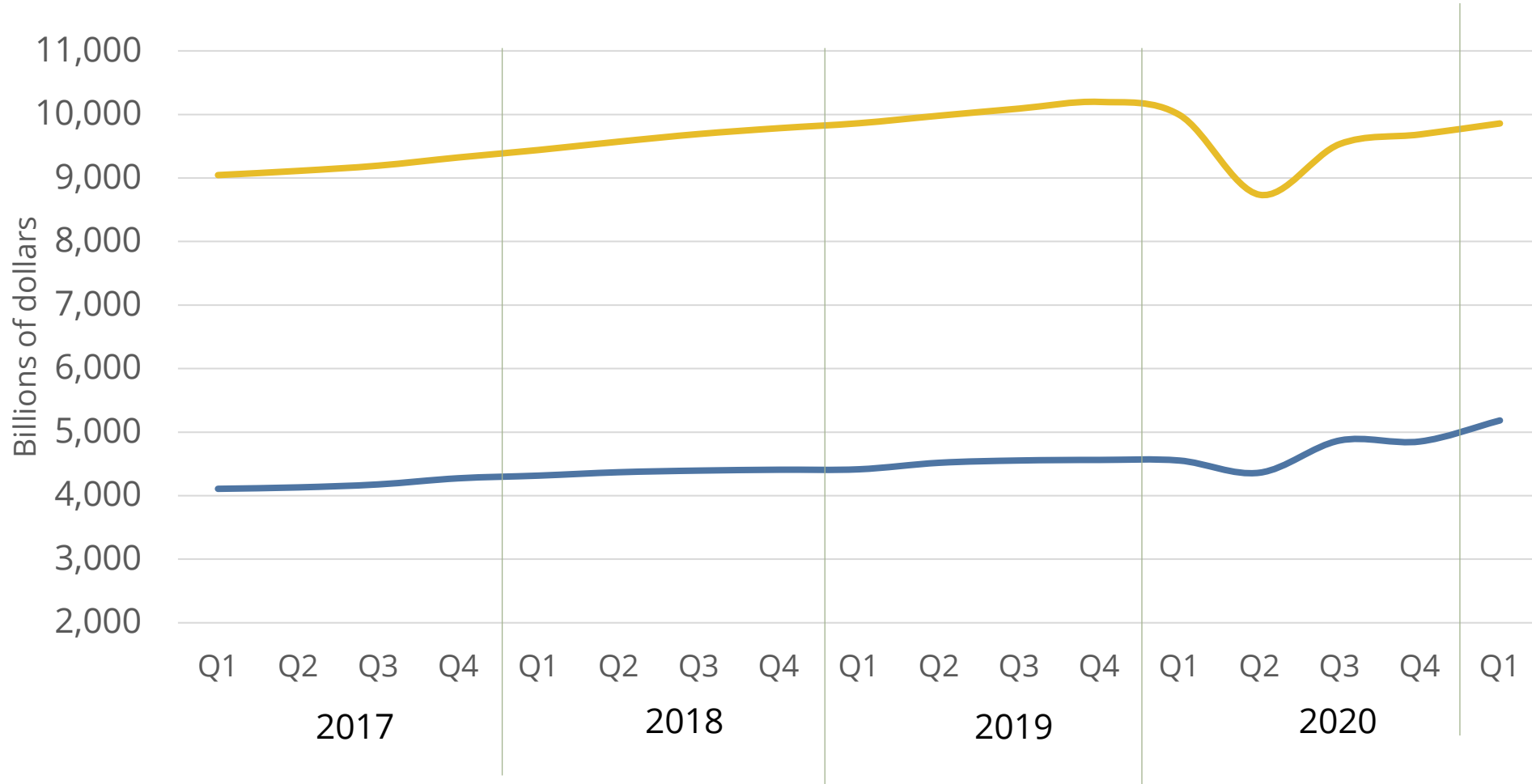
Personal Spending



Personal Spending

Personal Consumer Expenditures (U.S.)

— Goods — Services



Change in Spending Q4 2020 to Q1 2021

Services

Health care	+2.0%
Food/lodging	+6.1%
Recreation	+6.2%
Other services	+1.5%

Goods

Food (off premises)	+3.8%
Motor vehicles	+9.9%
Home furnishings	+10.4%
Gasoline	+22.4%

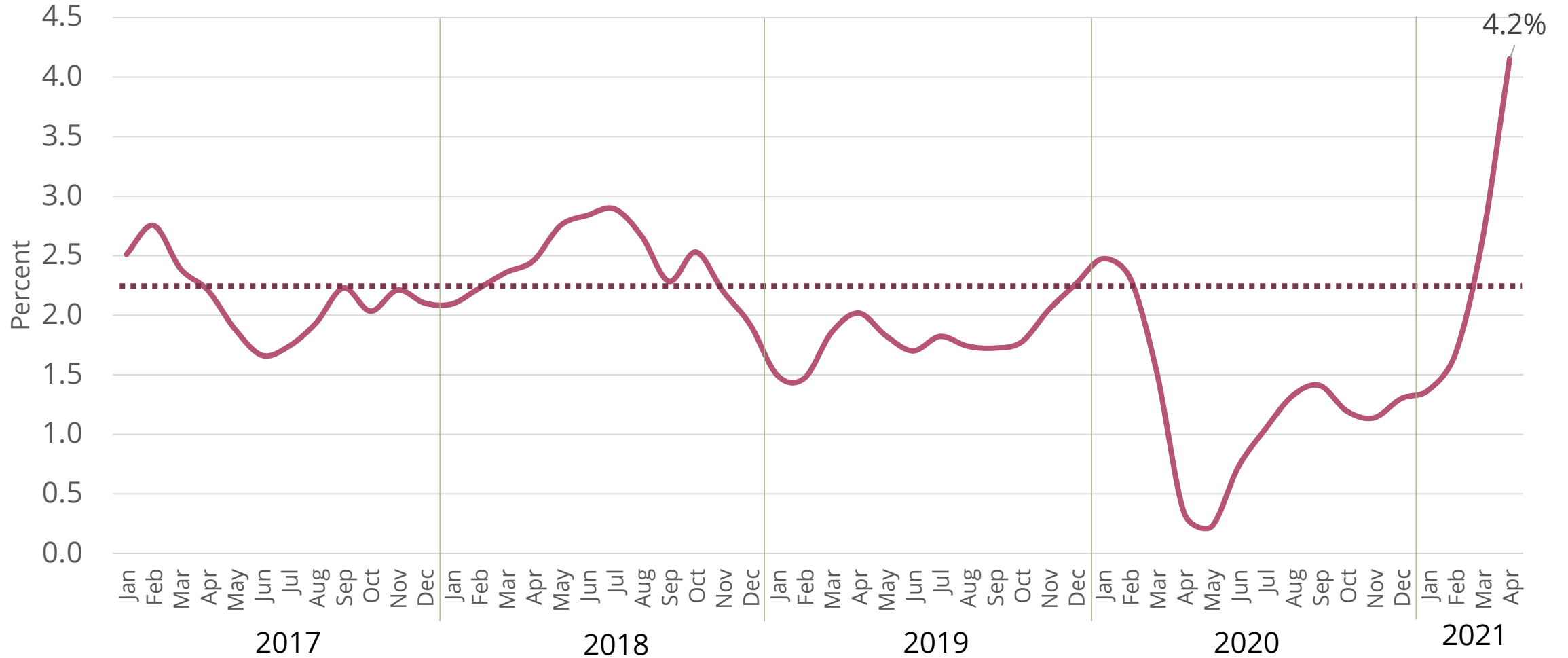
Personal Savings

Personal Saving Rate (U.S.)



Consumer Prices - Inflation

Percent Change from a Year Ago, CPI-U

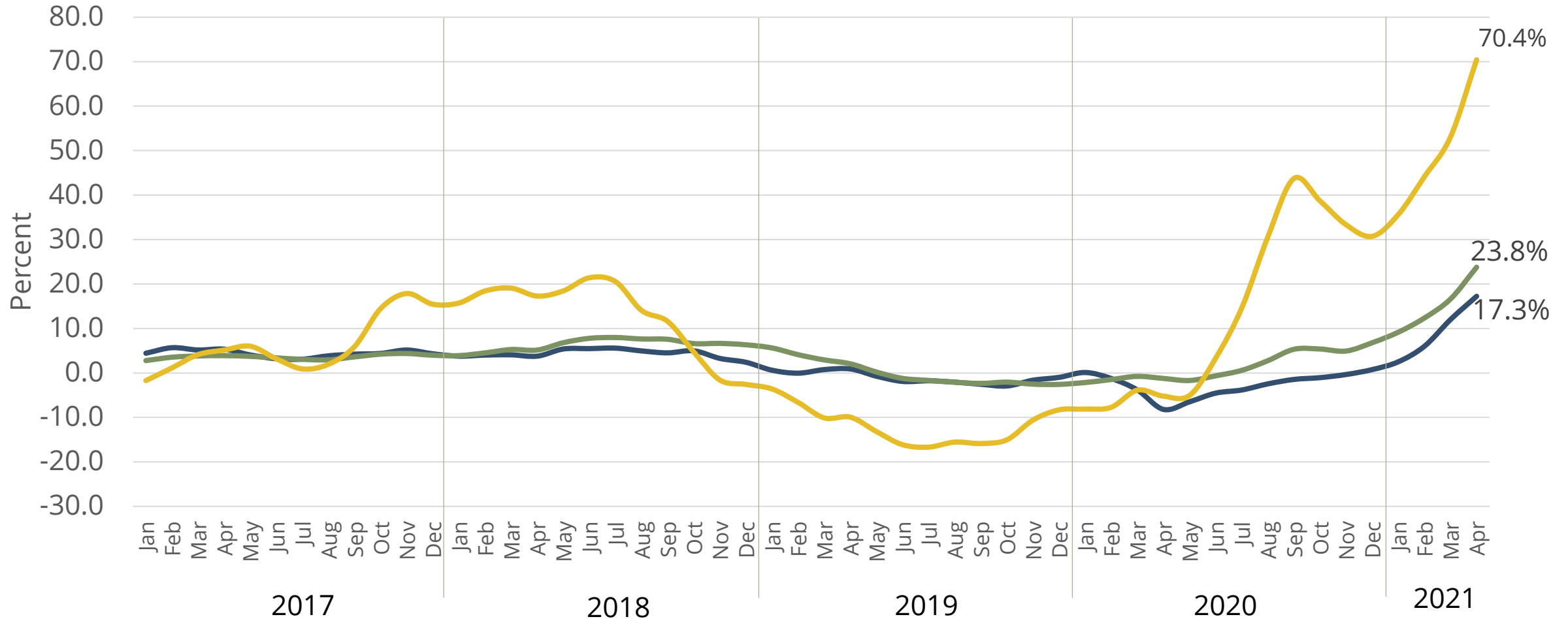


Source: U.S. Bureau of Labor Statistics

Producer Prices - Inflation

Producer Price Index, Percent Change from a Year Ago

— All Commodities — Construction Materials — Plywood

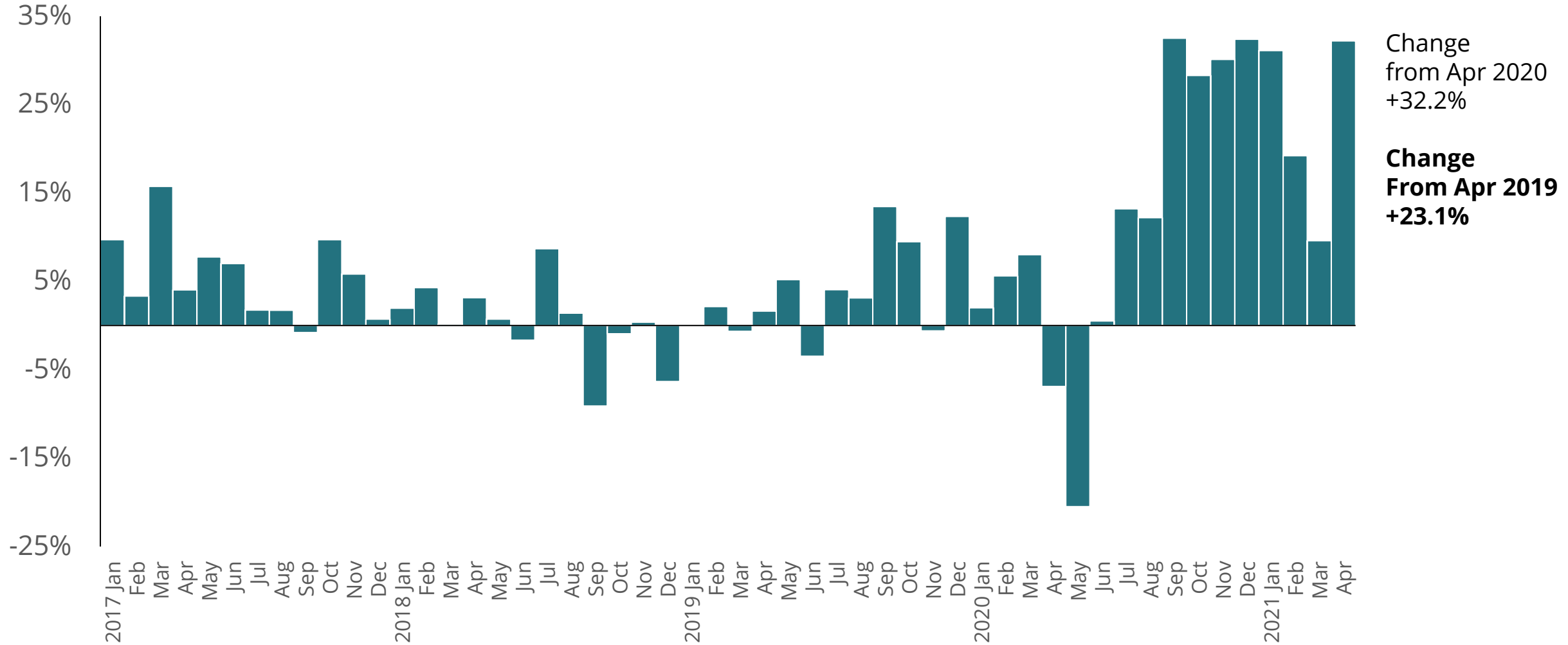


Housing Market Trends



Virginia Home Sales

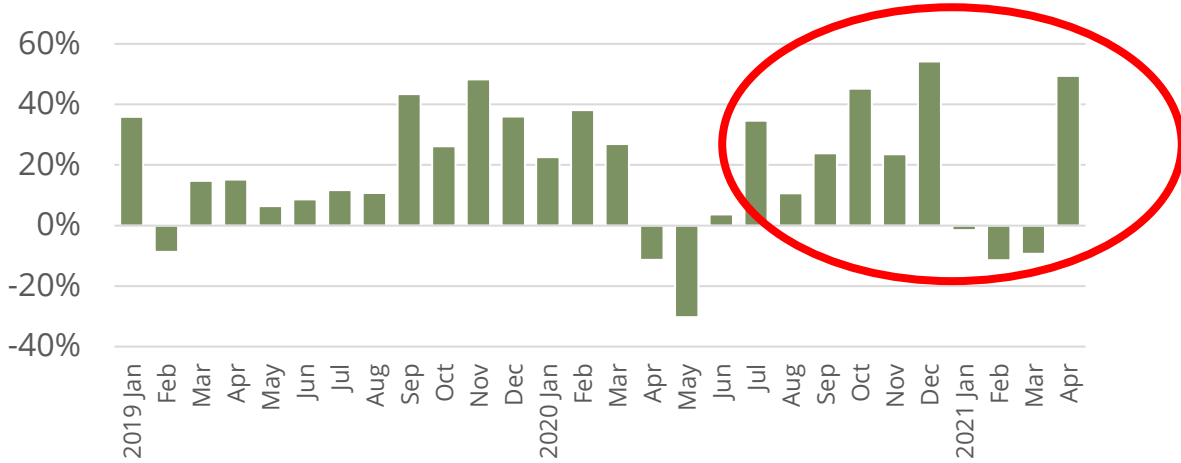
Virginia Y-o-Y Change in Monthly Home Sales



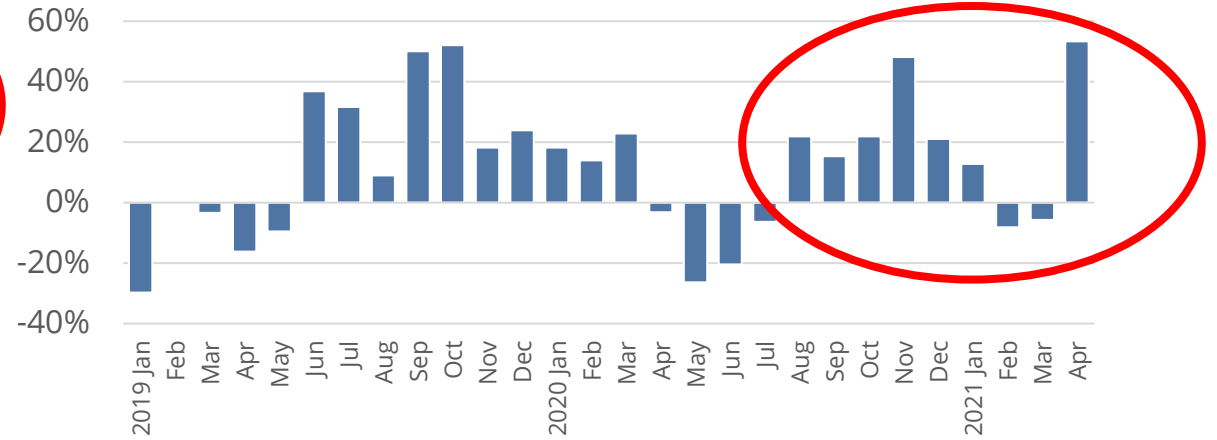
Local Homes Sales

Year-over-year change

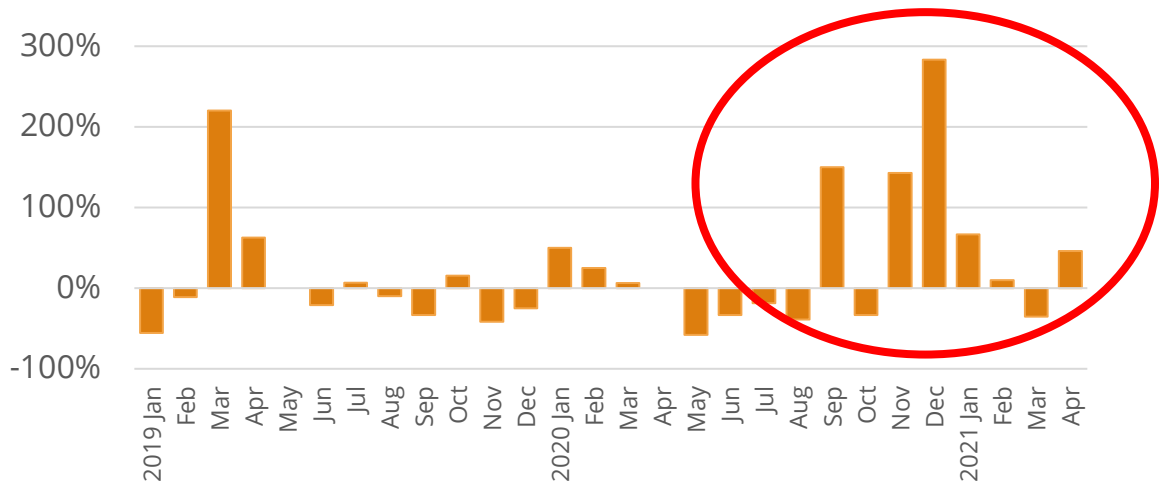
Fauquier County



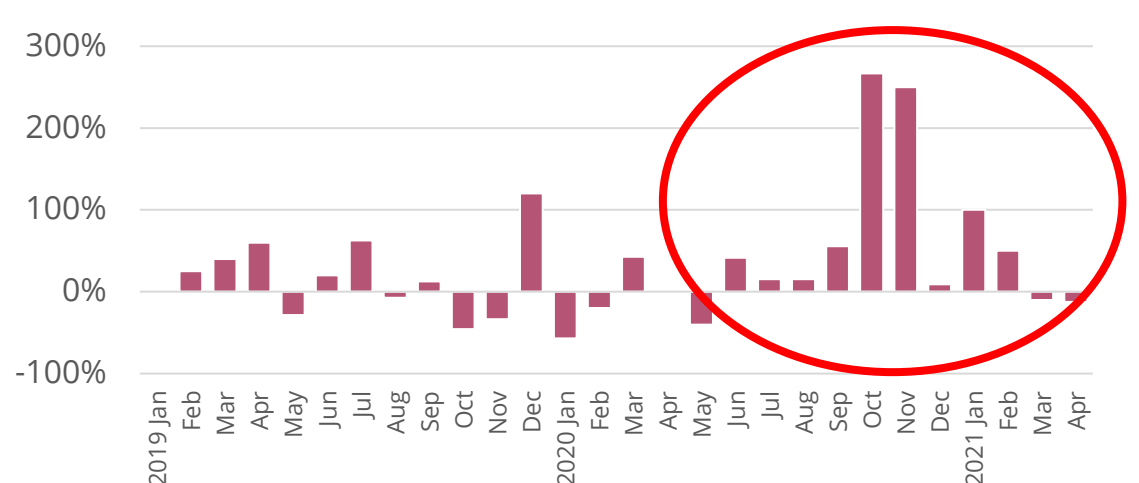
Culpeper County



Madison County

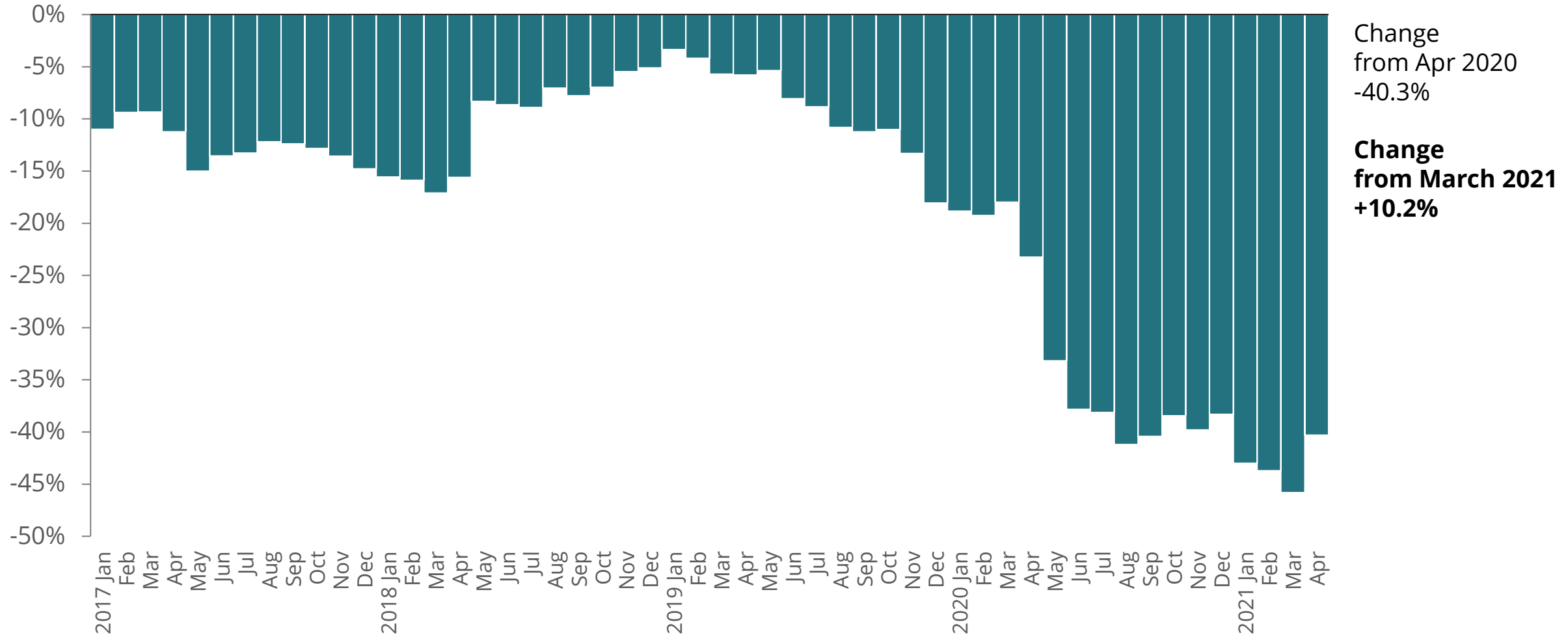


Rappahannock County



Virginia Inventory

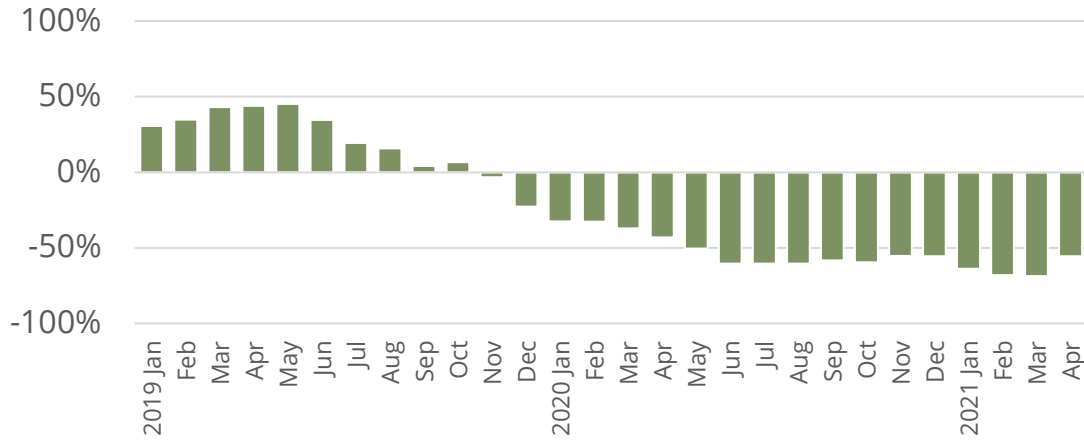
Virginia Y-o-Y Change in Monthly Active Listings



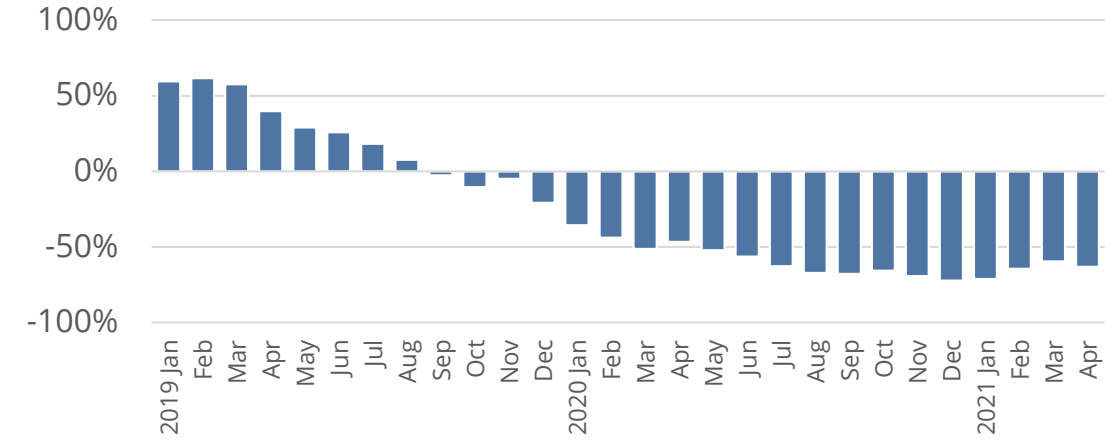
Local Inventory (end-of-the-month active listings)

Year-over-year change

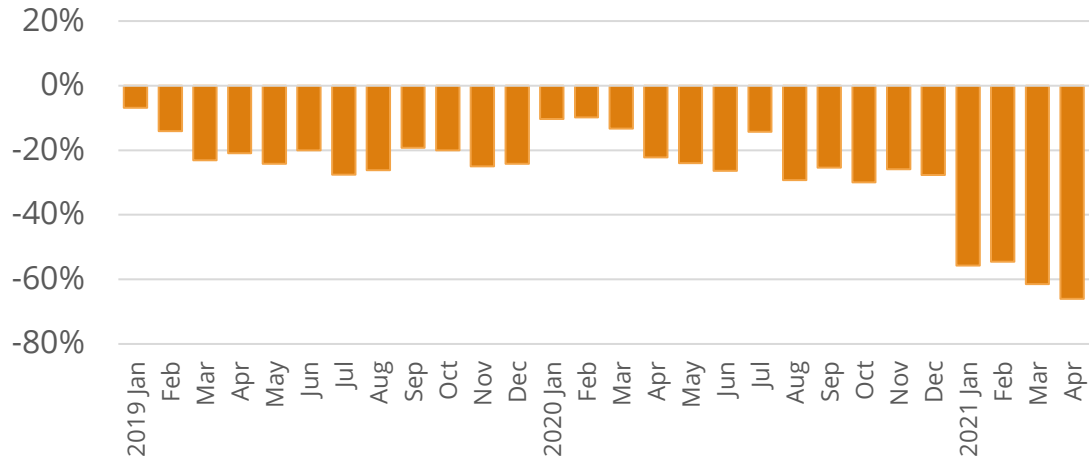
Fauquier County



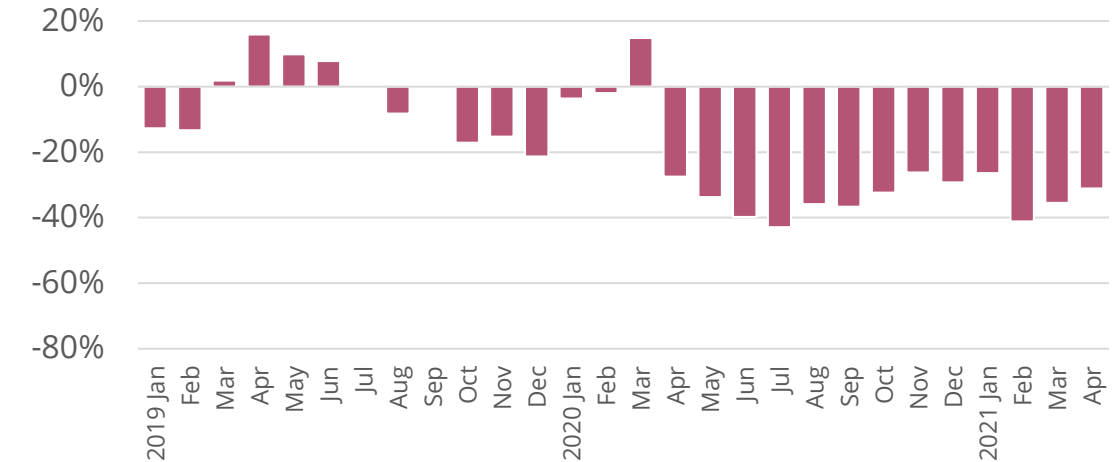
Culpeper County



Madison County

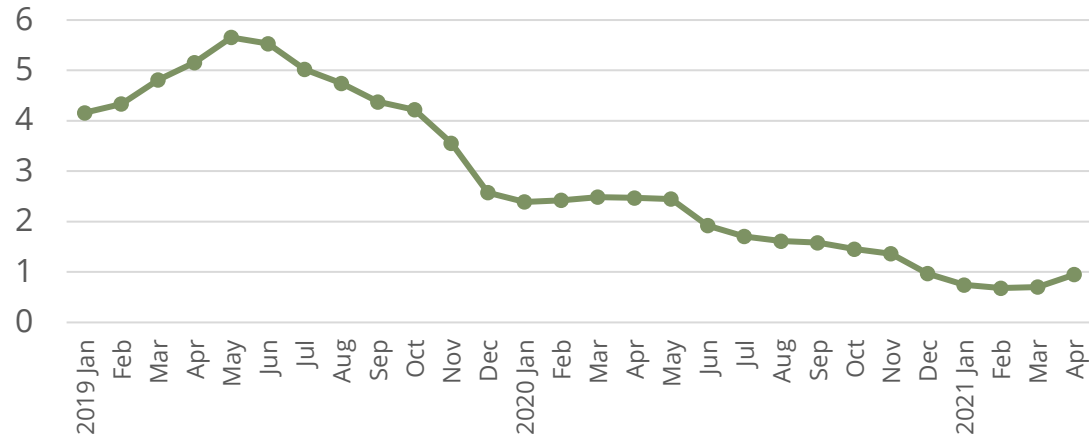


Rappahannock County

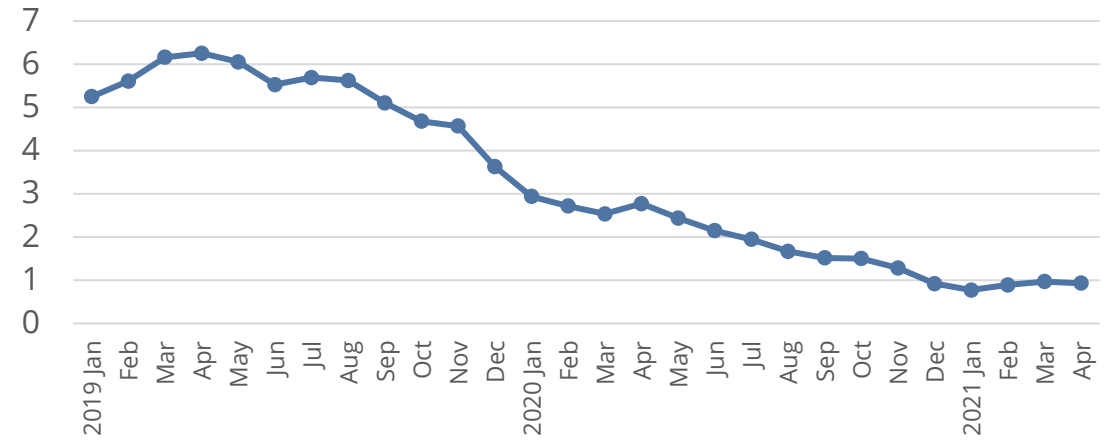


Local Inventory (months of supply)

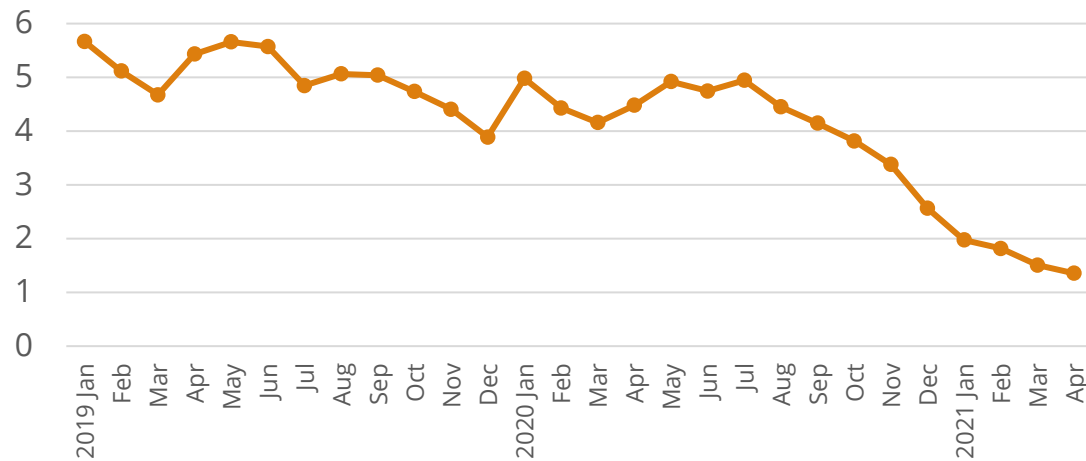
Fauquier County



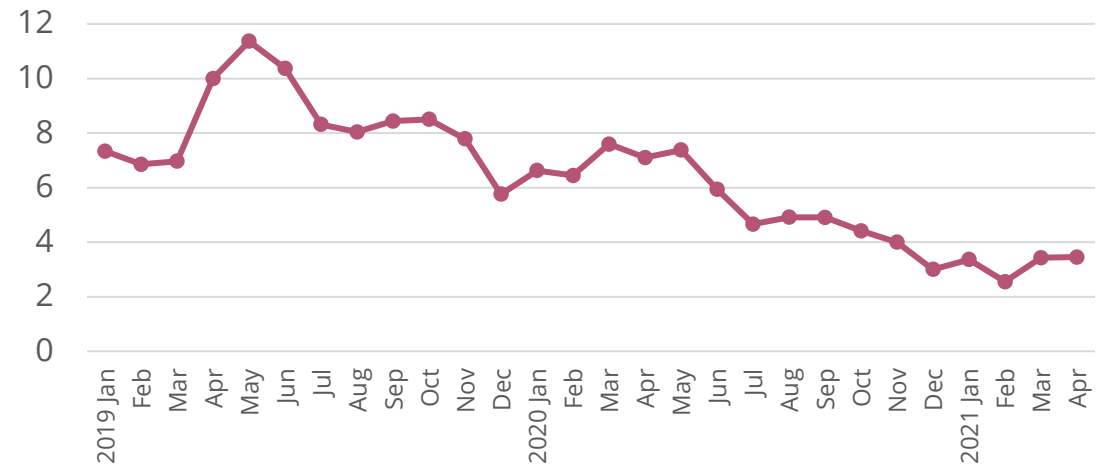
Culpeper County



Madison County

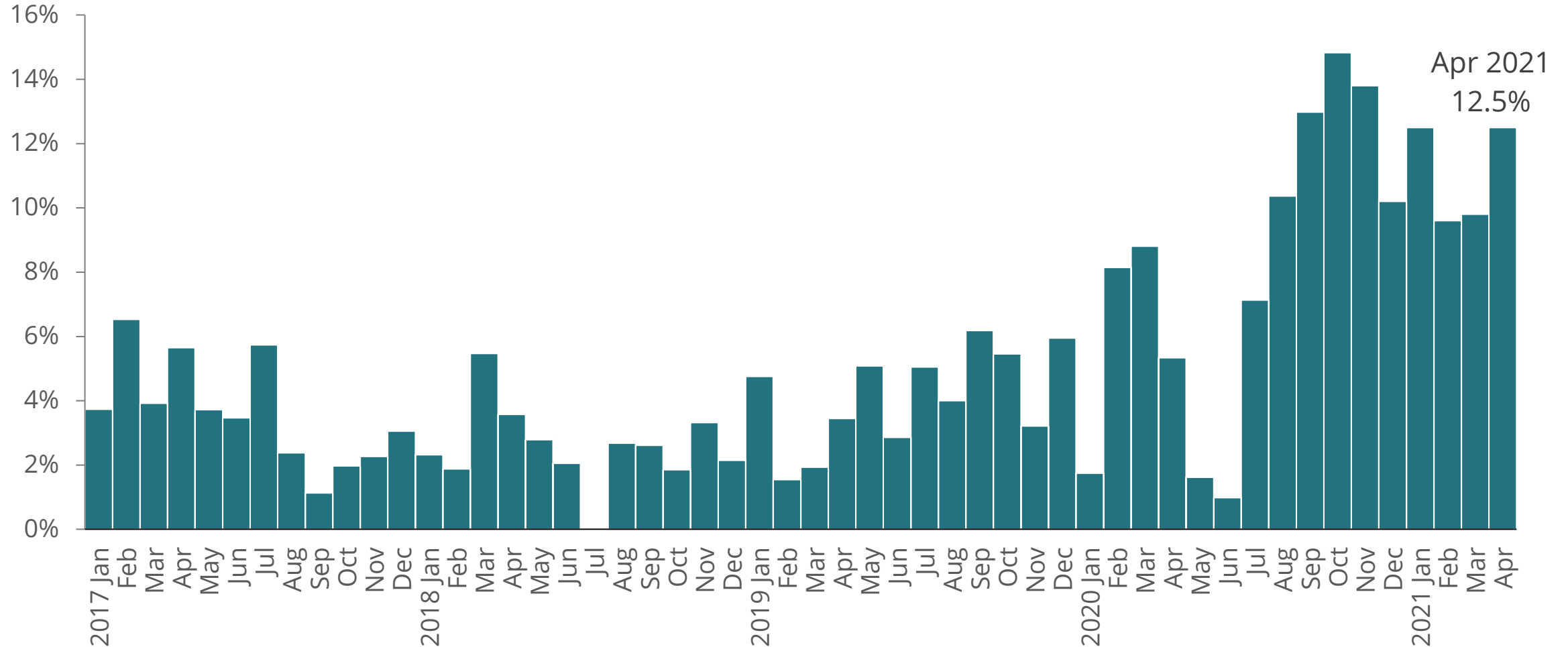


Rappahannock County



Virginia Home Prices

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

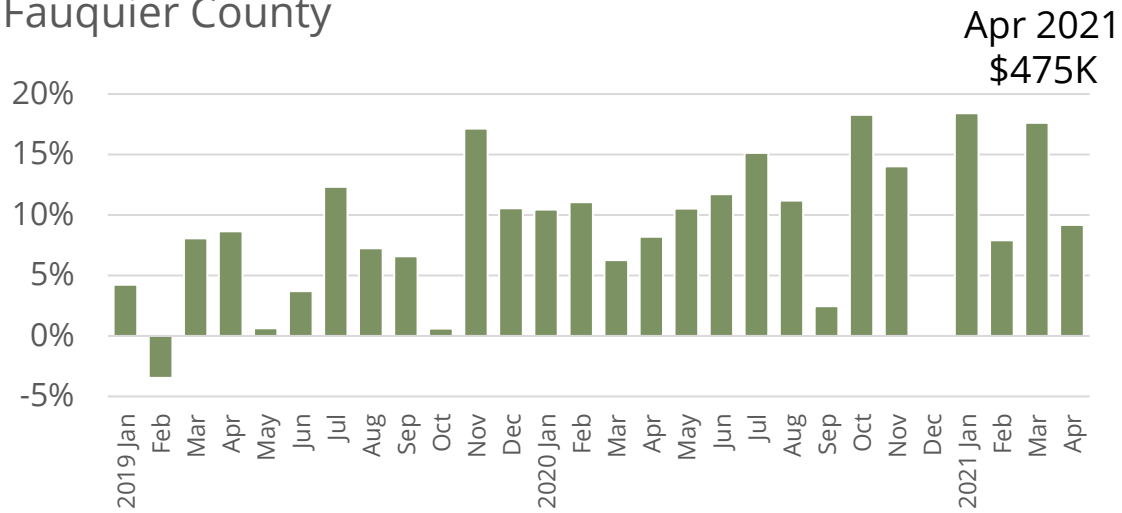


Local Home Prices

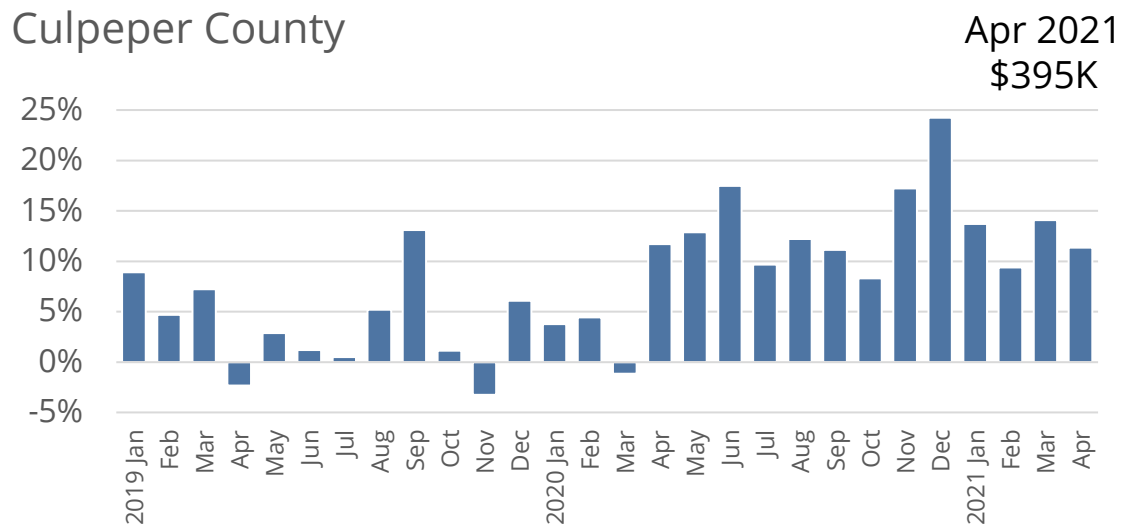
Year-over-year change



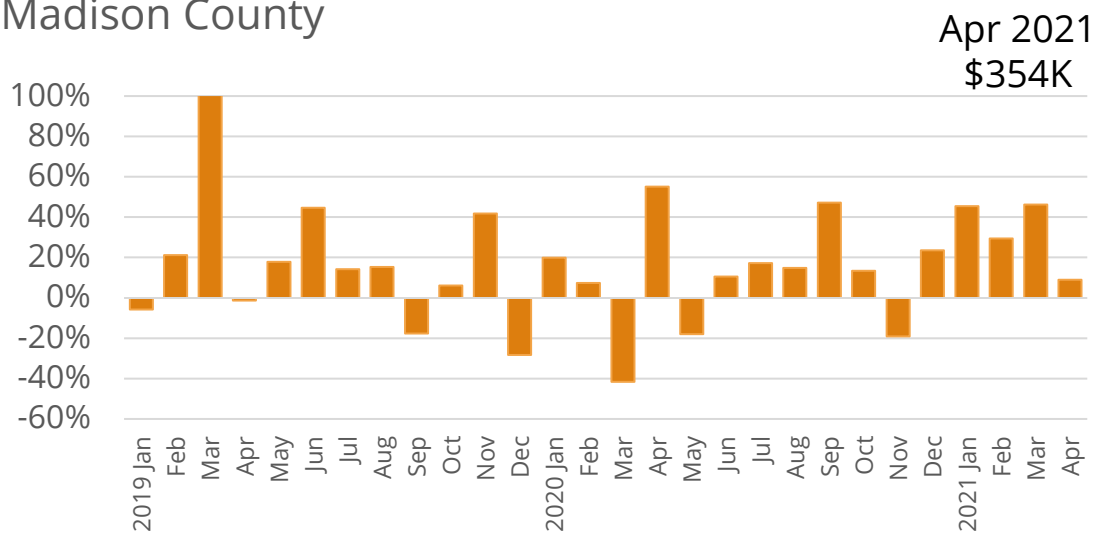
Fauquier County



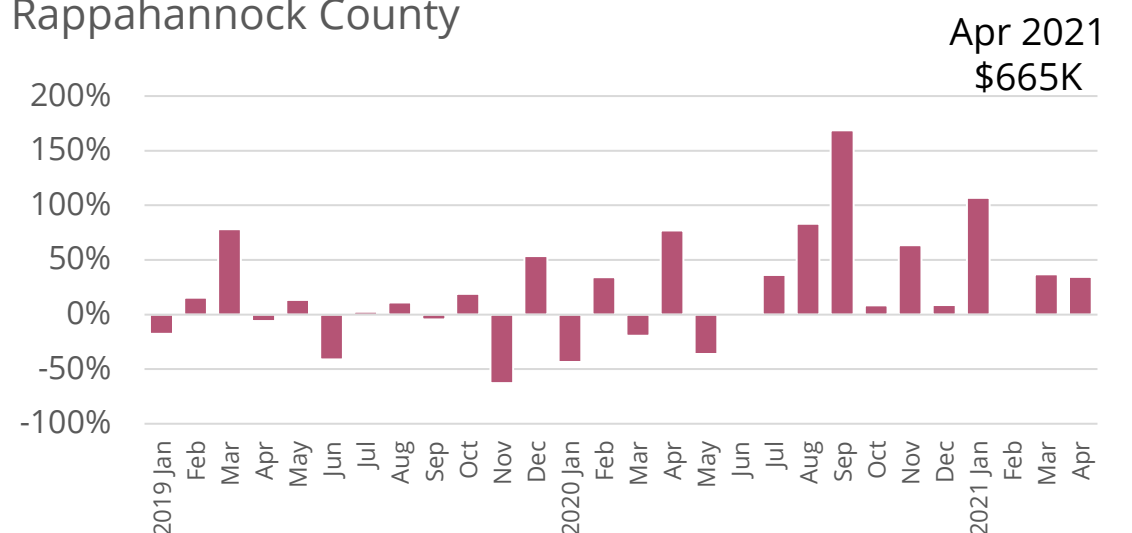
Culpeper County



Madison County

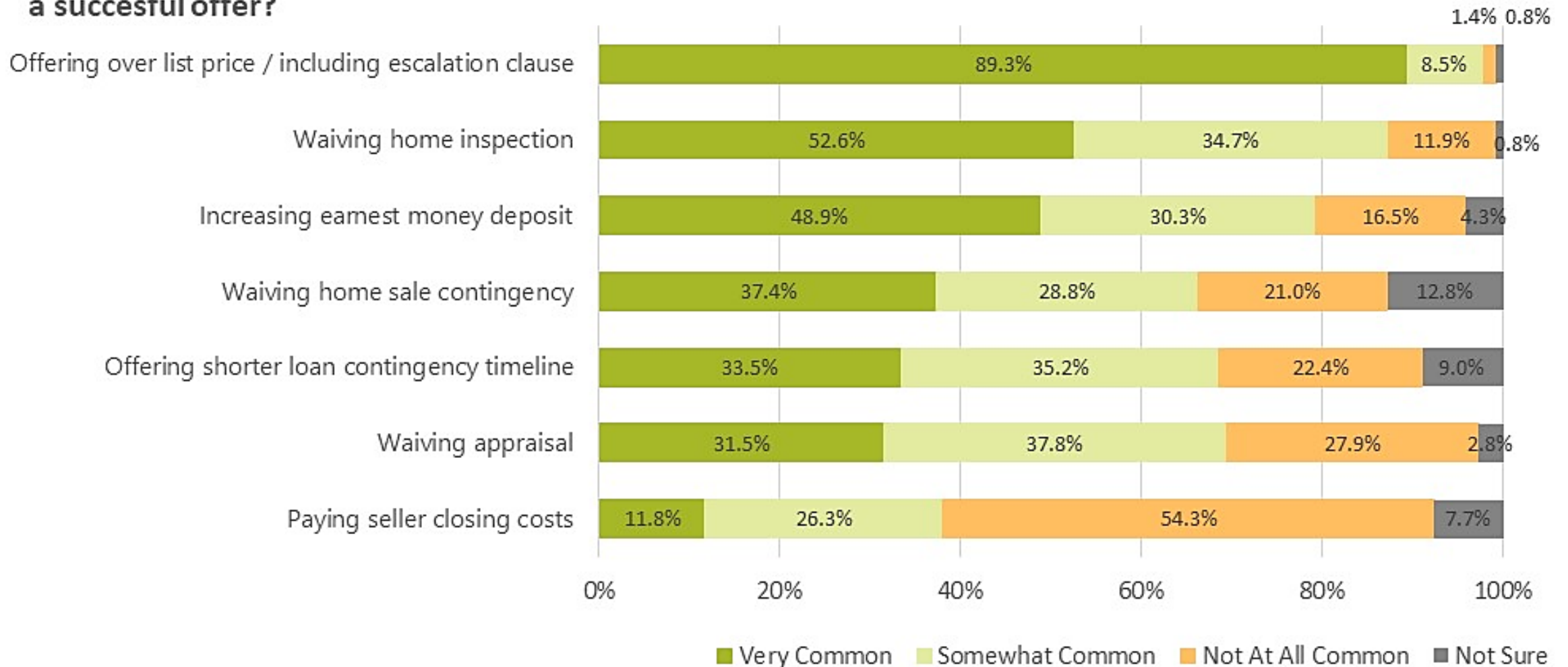


Rappahannock County



Home Buyer Compromises and Concessions

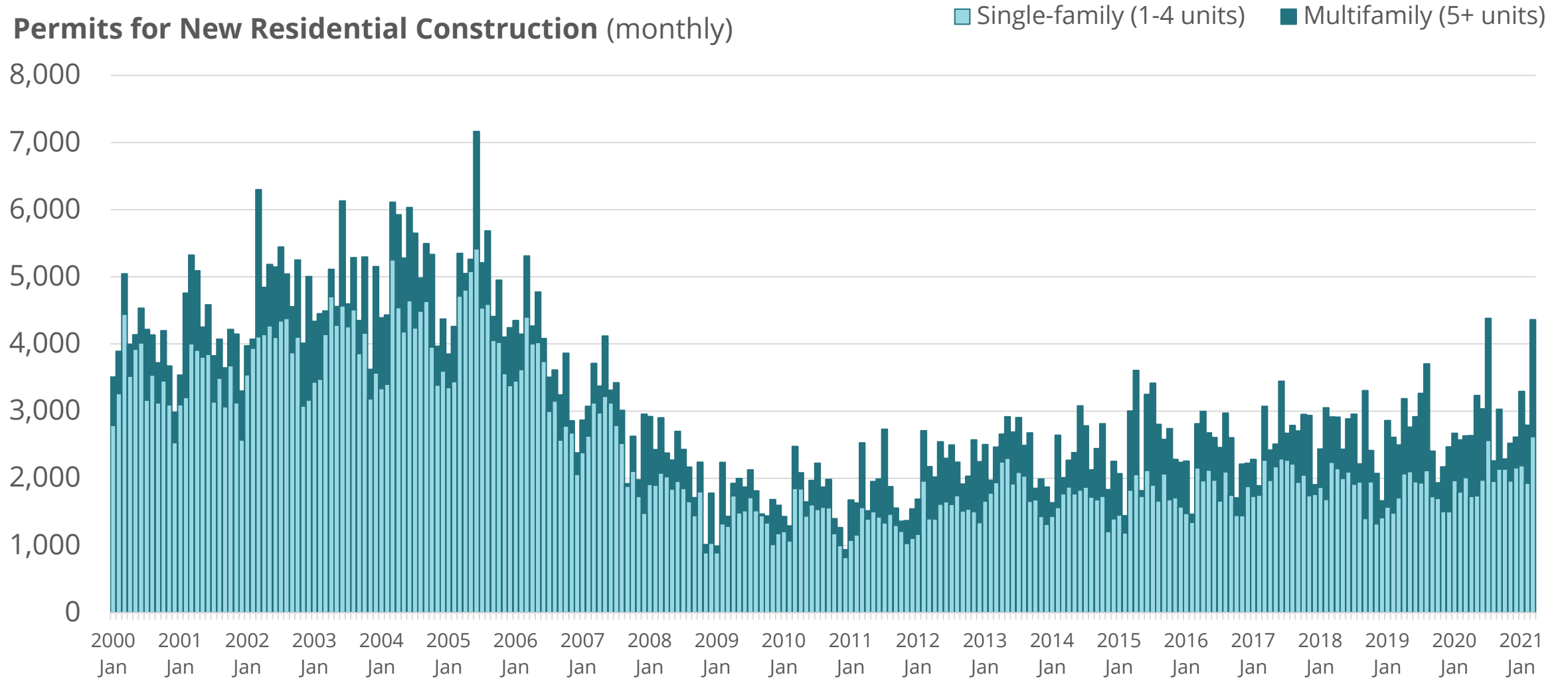
What are the most common concessions buyers are making to improve their chances of a successful offer?



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

New Construction

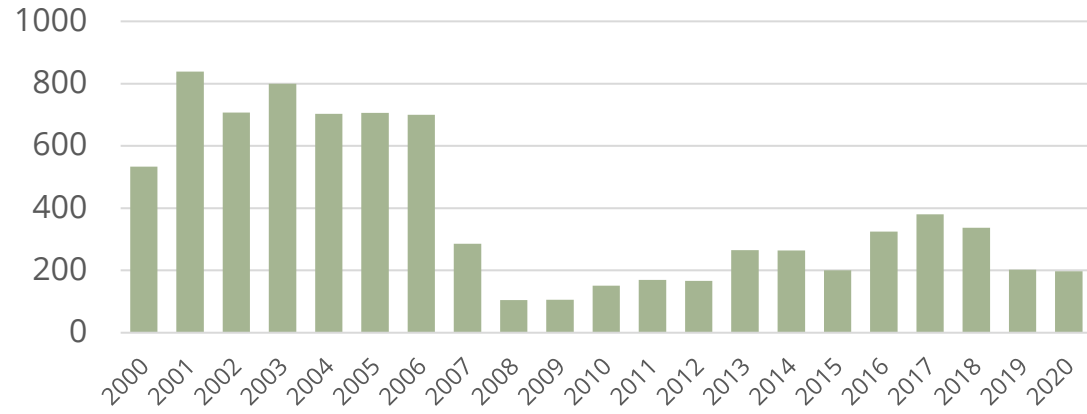
Permits for New Residential Construction (monthly)



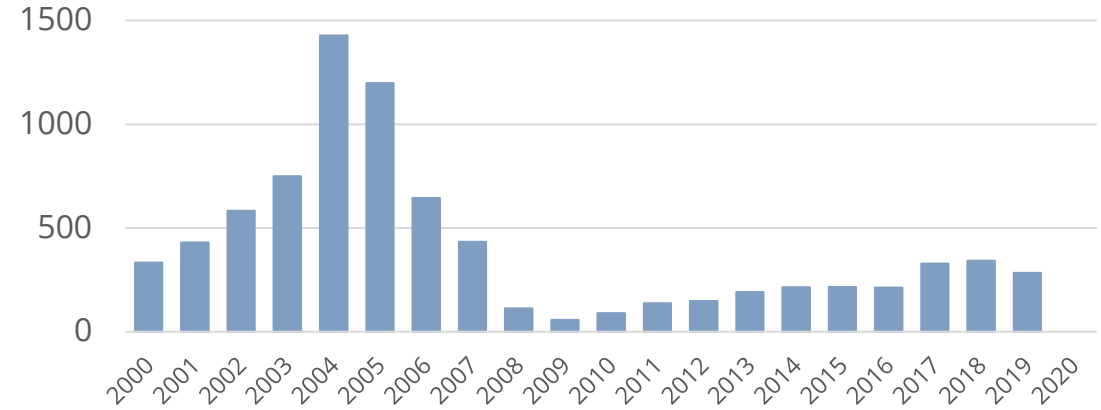
Source: U.S. Census Bureau

Permits for New Residential Construction (annual)

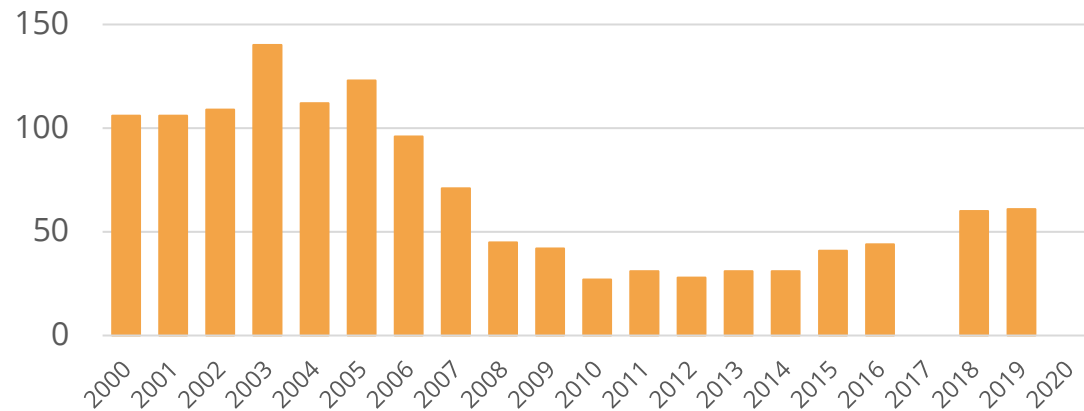
Fauquier County



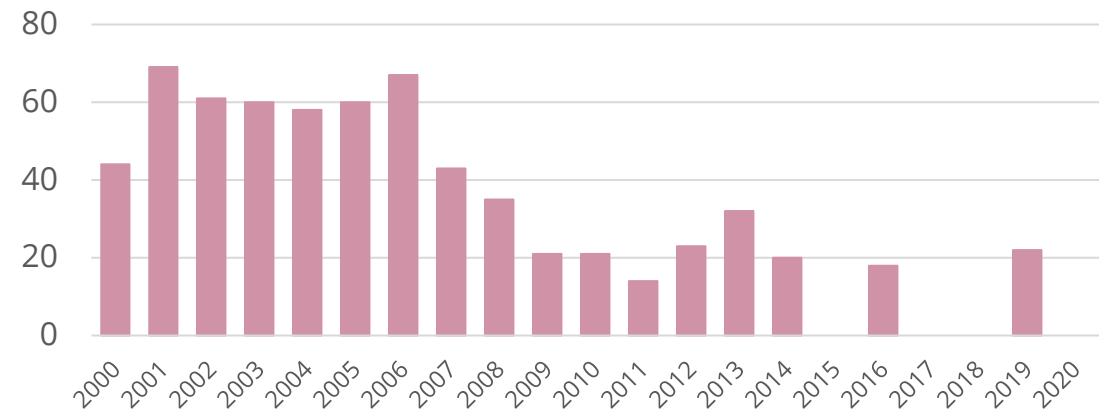
Culpeper County



Madison County

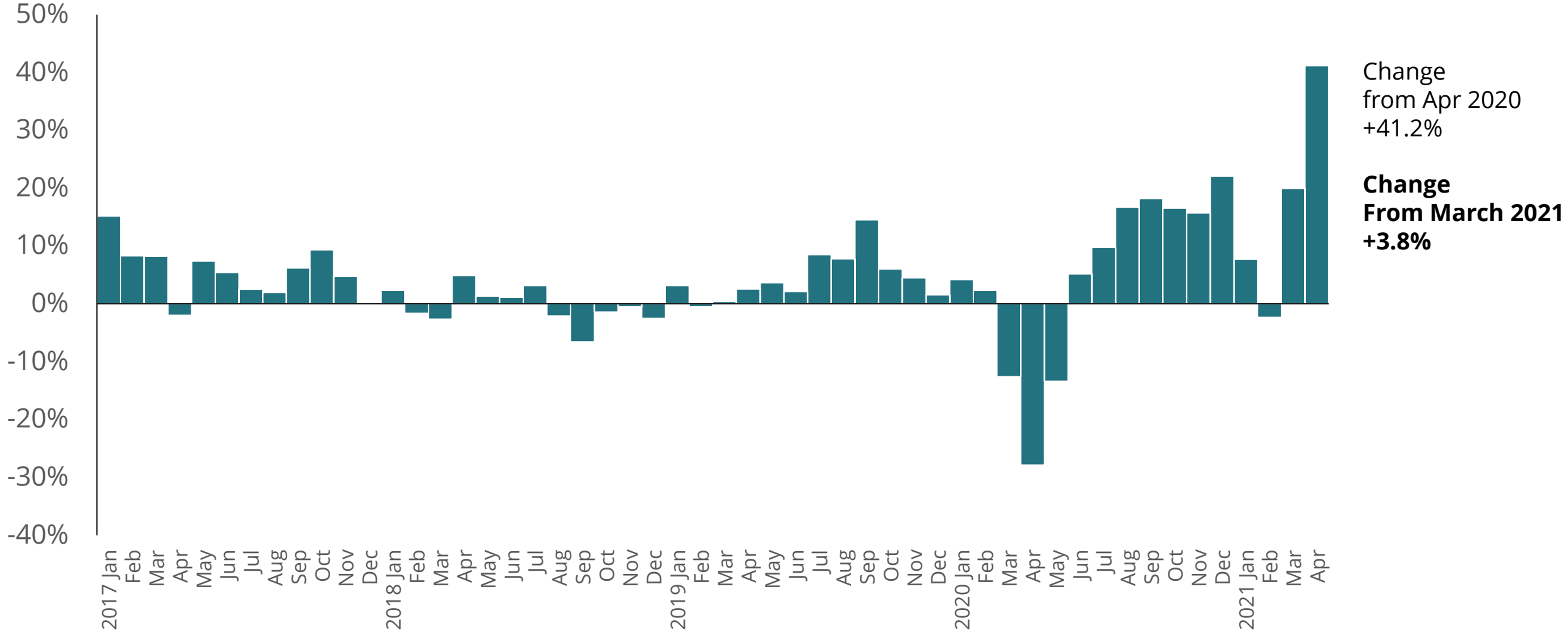


Rappahannock County



Virginia Pending Sales (under contract)

Virginia Y-o-Y Change in Pending Sales

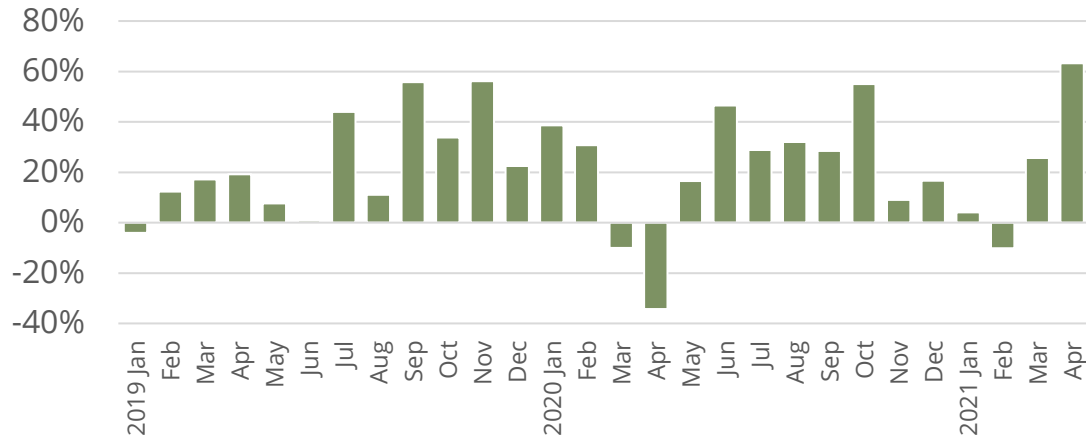


Local Pending Sales

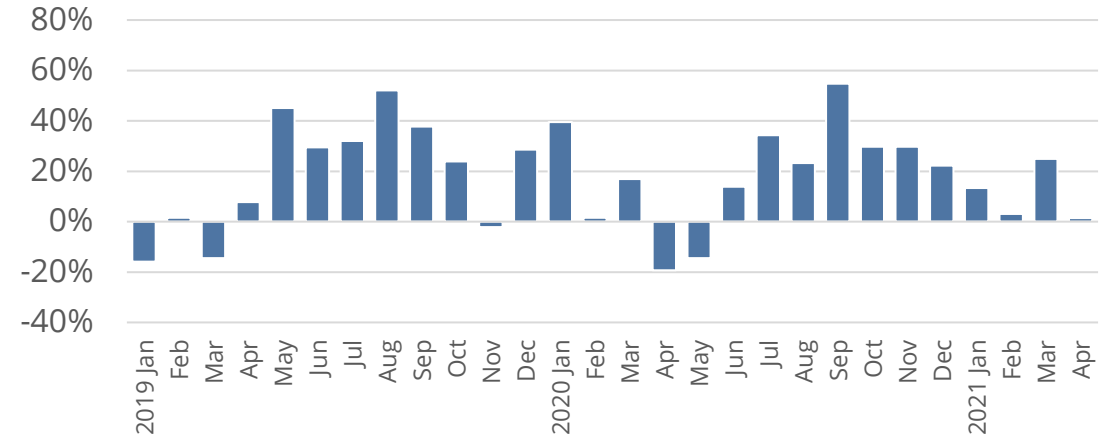
Year-over-year change



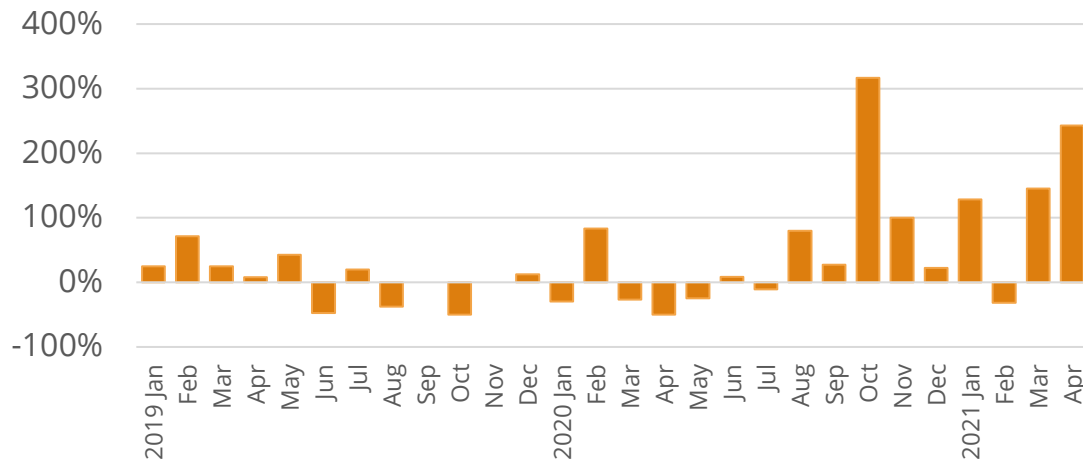
Fauquier County



Culpeper County



Madison County



Rappahannock County



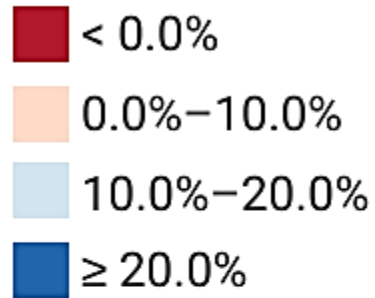
Outlook

The Post-Pandemic Housing Market in Virginia

Hybrid Work Transition

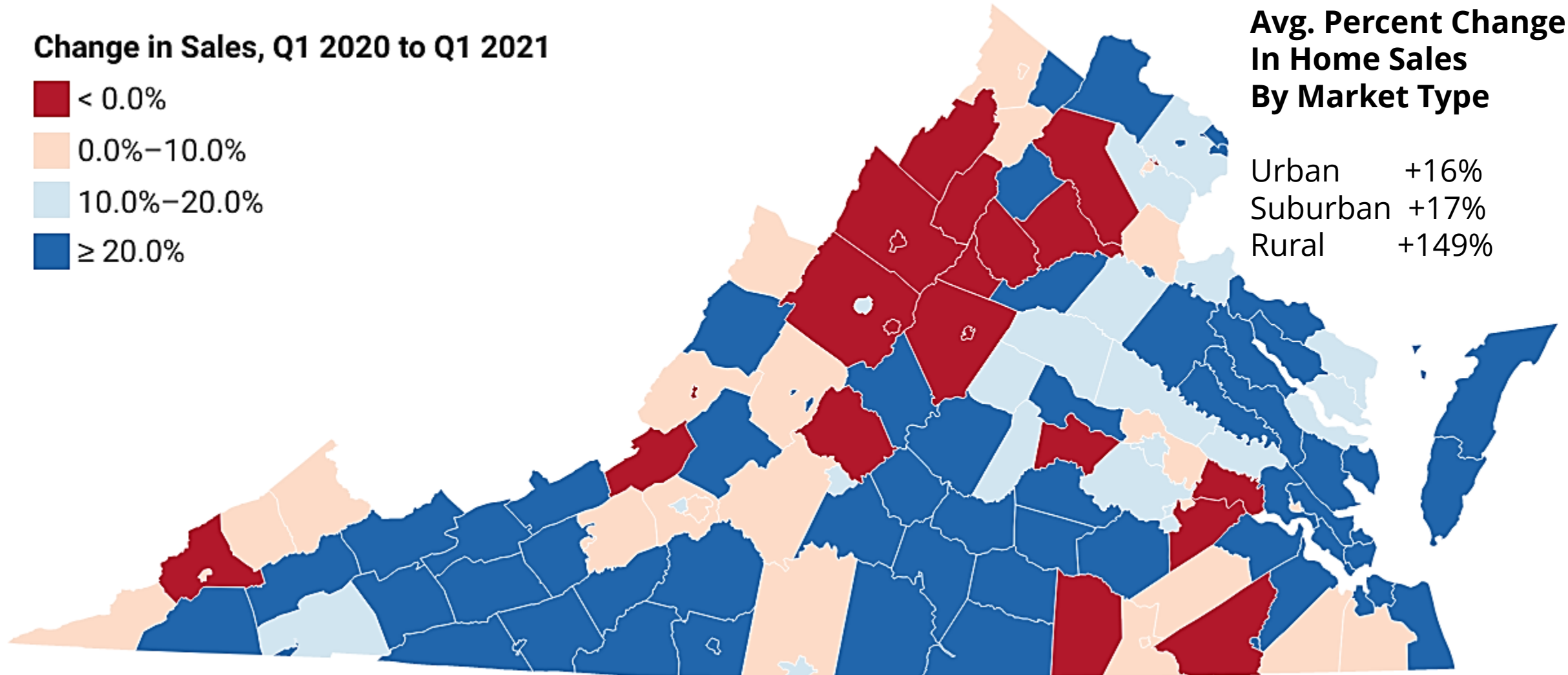
Some rural areas have had a major increase in sales activity

Change in Sales, Q1 2020 to Q1 2021



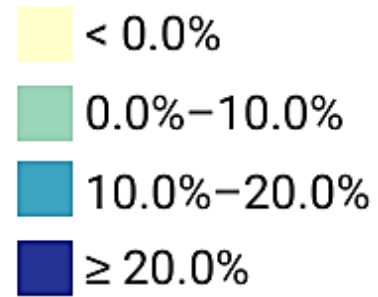
Avg. Percent Change In Home Sales By Market Type

Urban	+16%
Suburban	+17%
Rural	+149%



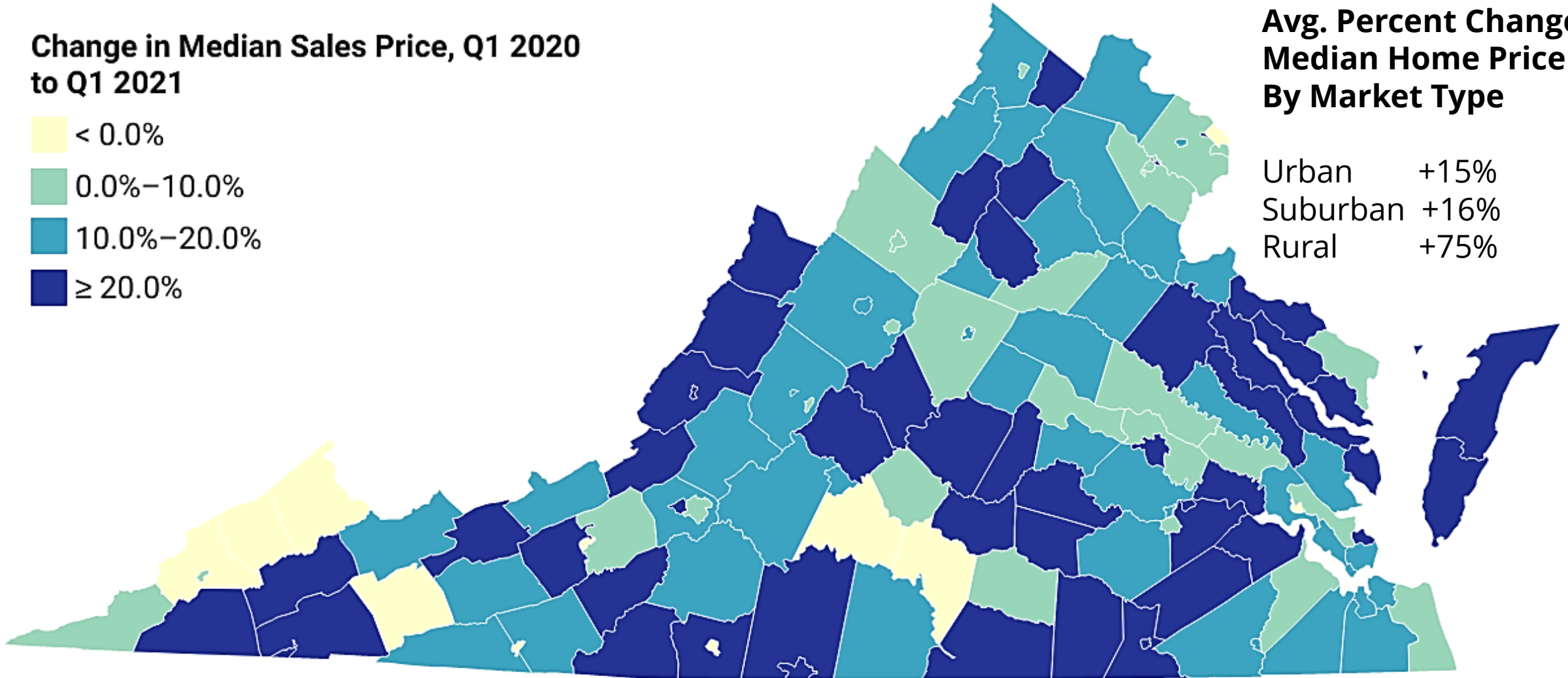
Rural communities have seen faster price growth

Change in Median Sales Price, Q1 2020 to Q1 2021



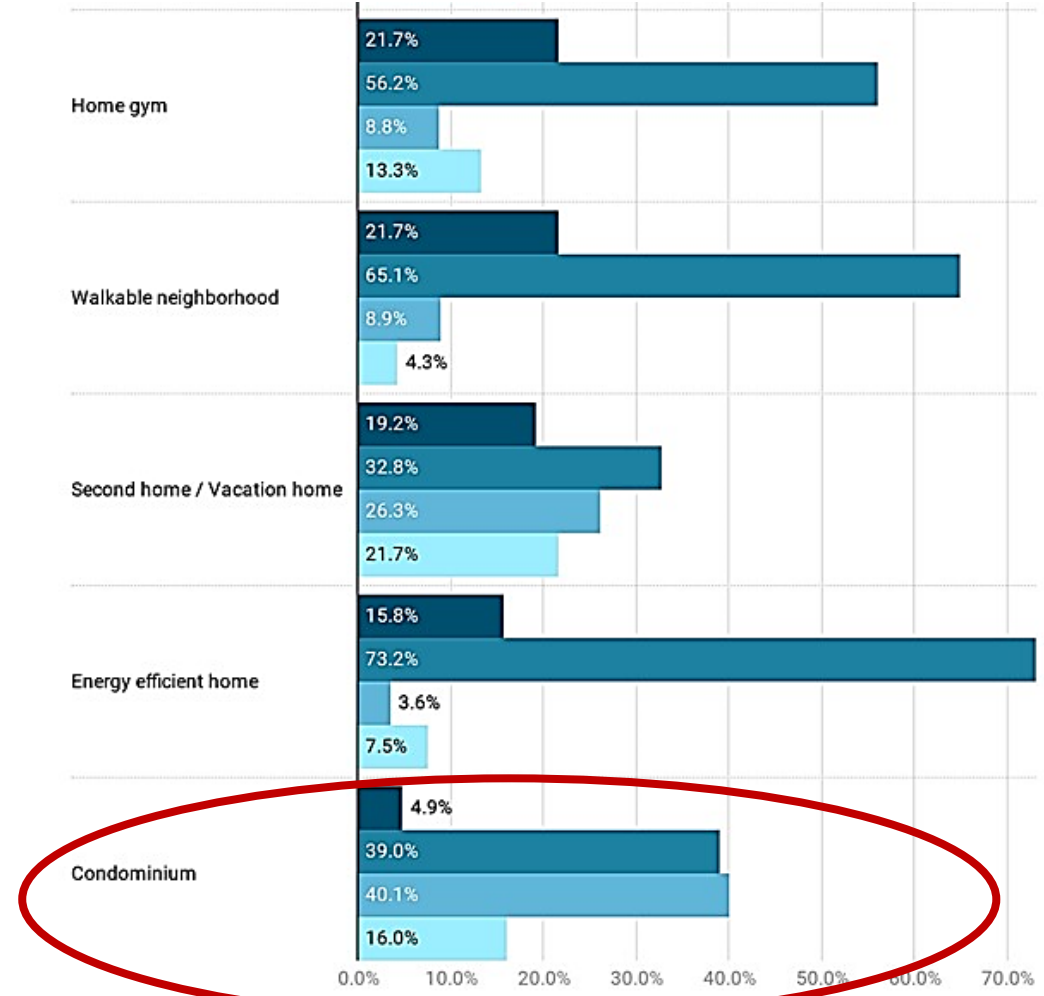
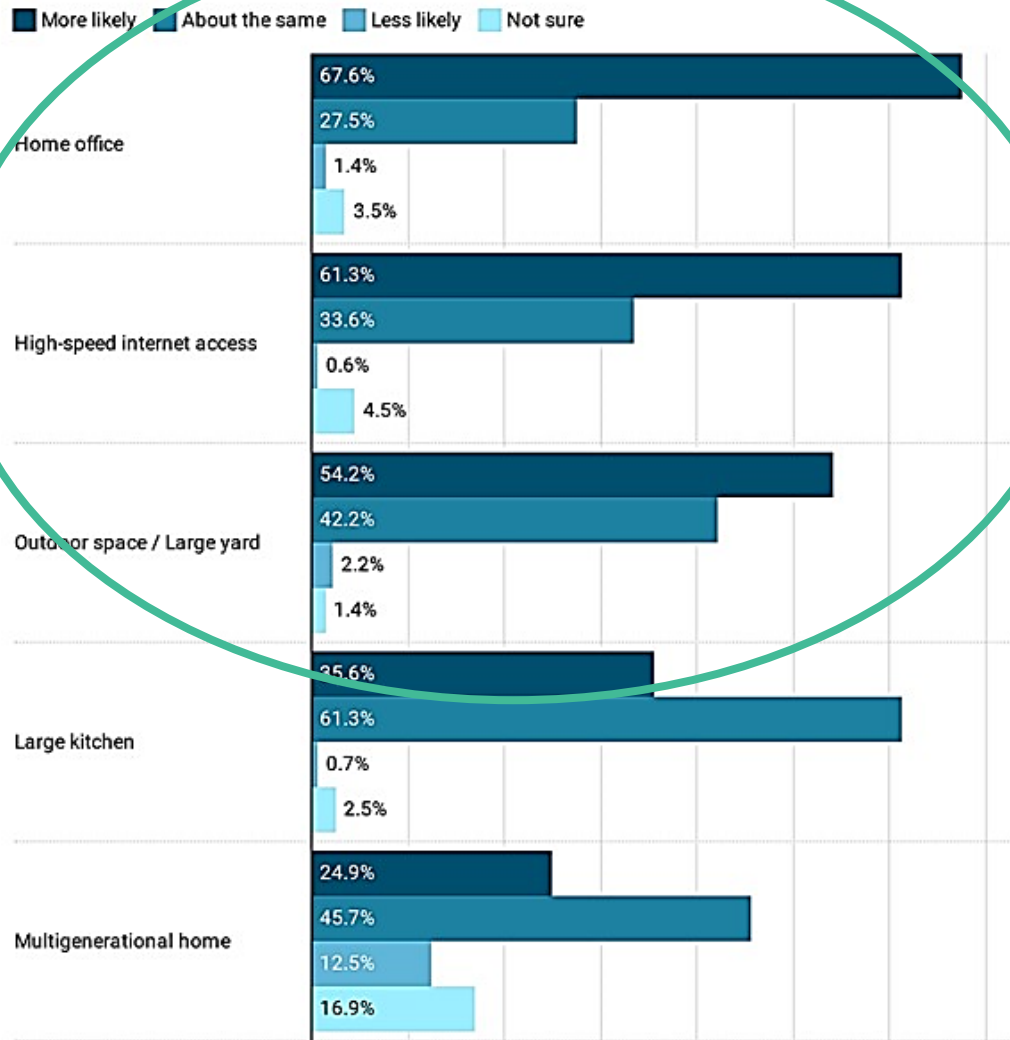
Avg. Percent Change Median Home Price By Market Type

Urban	+15%
Suburban	+16%
Rural	+75%



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?



100% FINANCING

FOR SALE



Heart & Home
REAL ESTATE

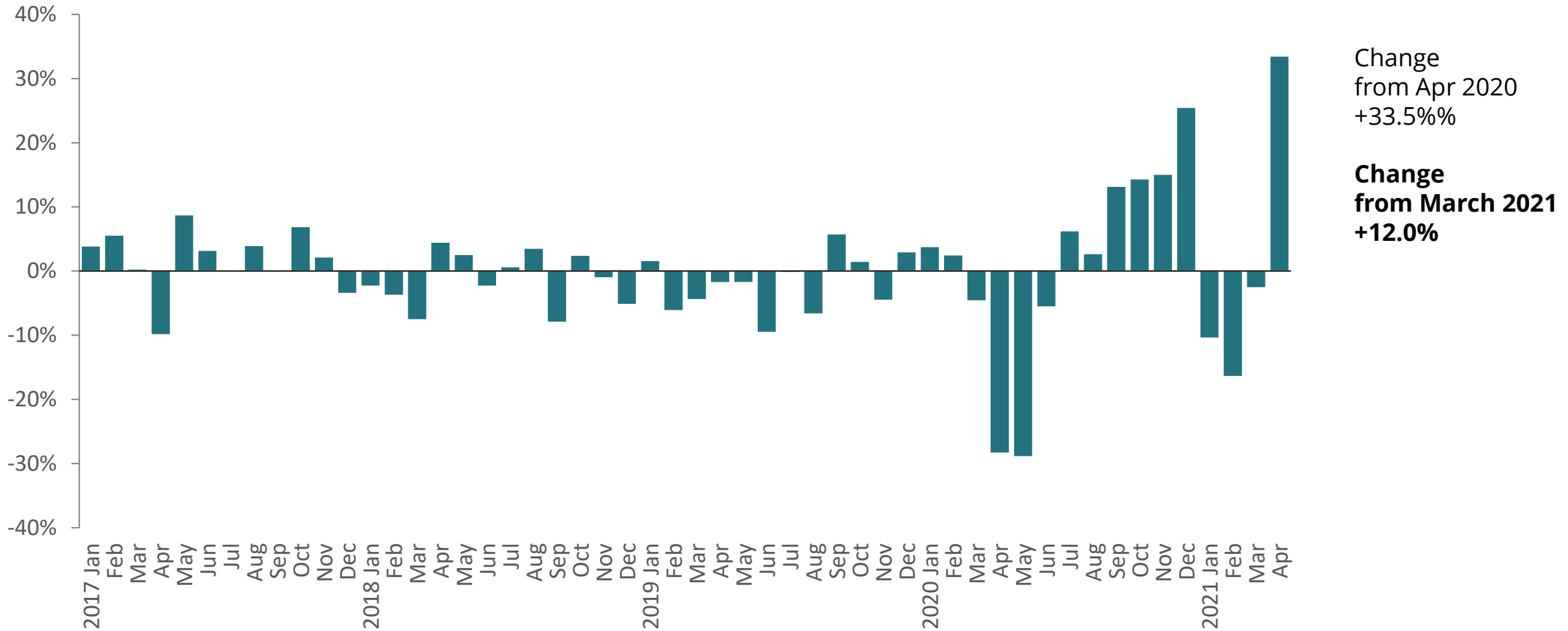
Call or Text:
541-554-7918

www.HRTandHOME.com

Inventory
Remains
Tight

Virginia New Listings

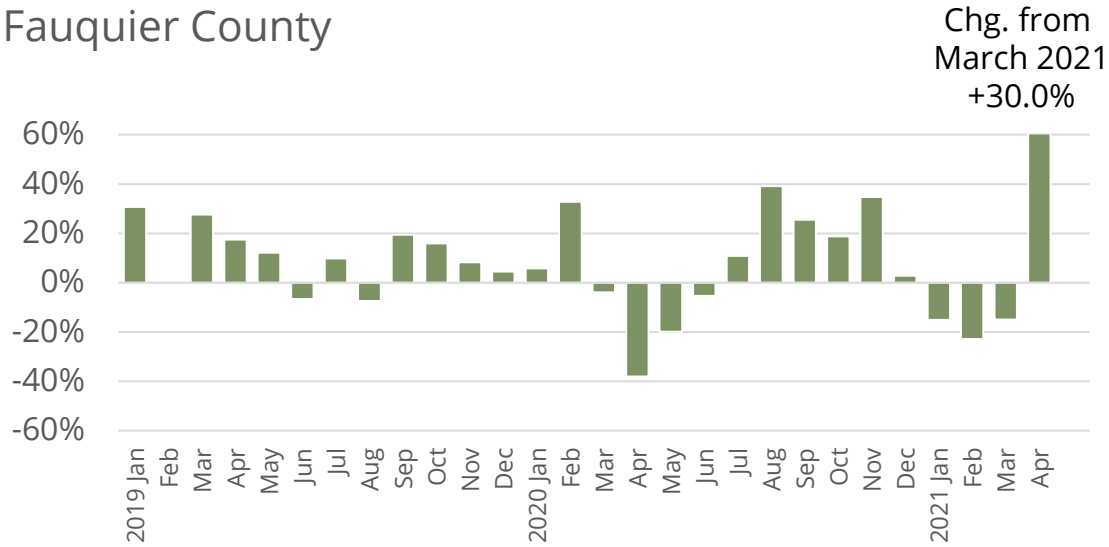
Virginia Y-o-Y Change in Monthly New Listings



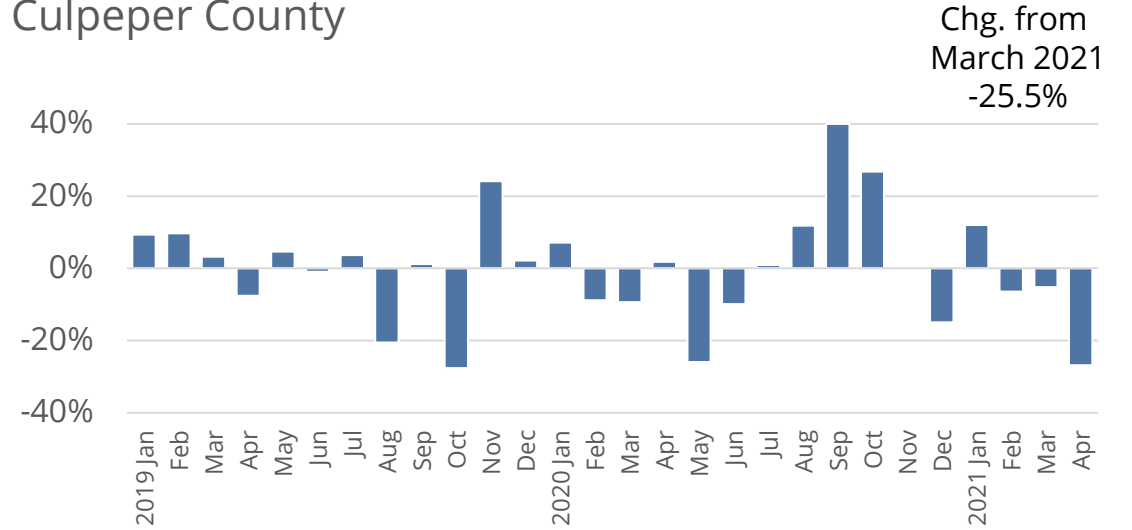
Local New Monthly Listings

Year-over-year change

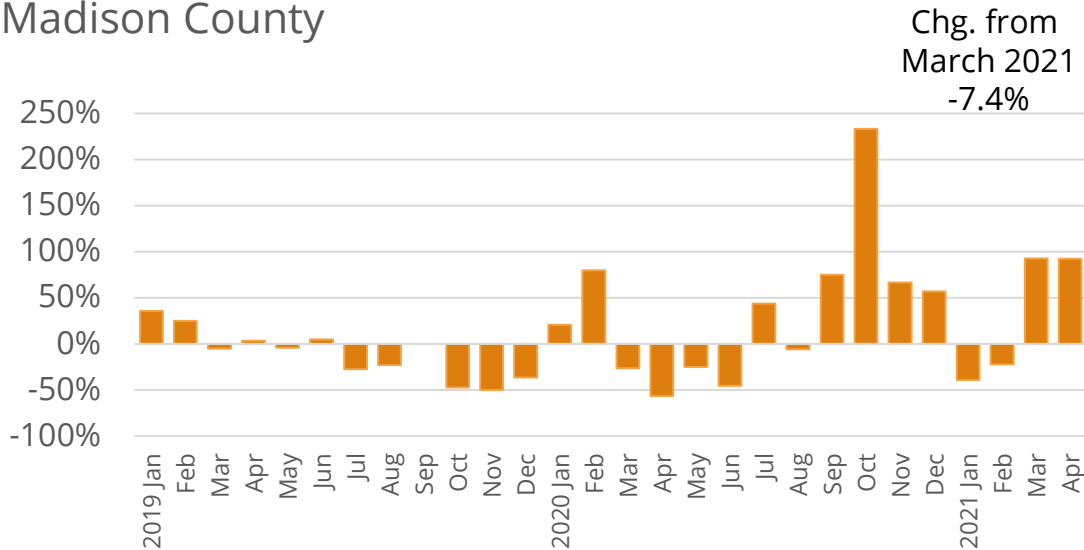
Fauquier County



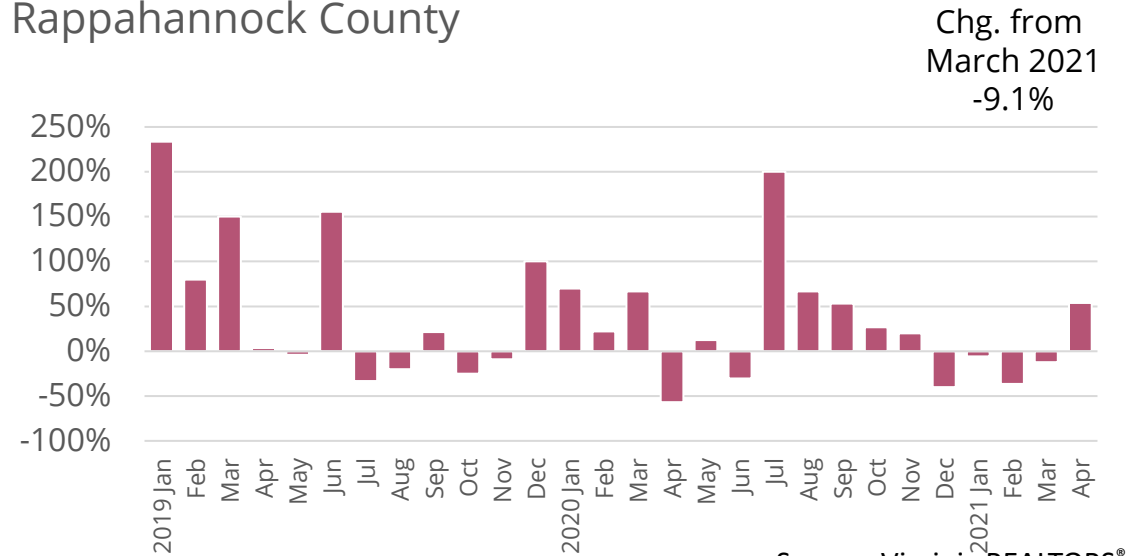
Culpeper County



Madison County



Rappahannock County



Why Homeowners Are Not Selling



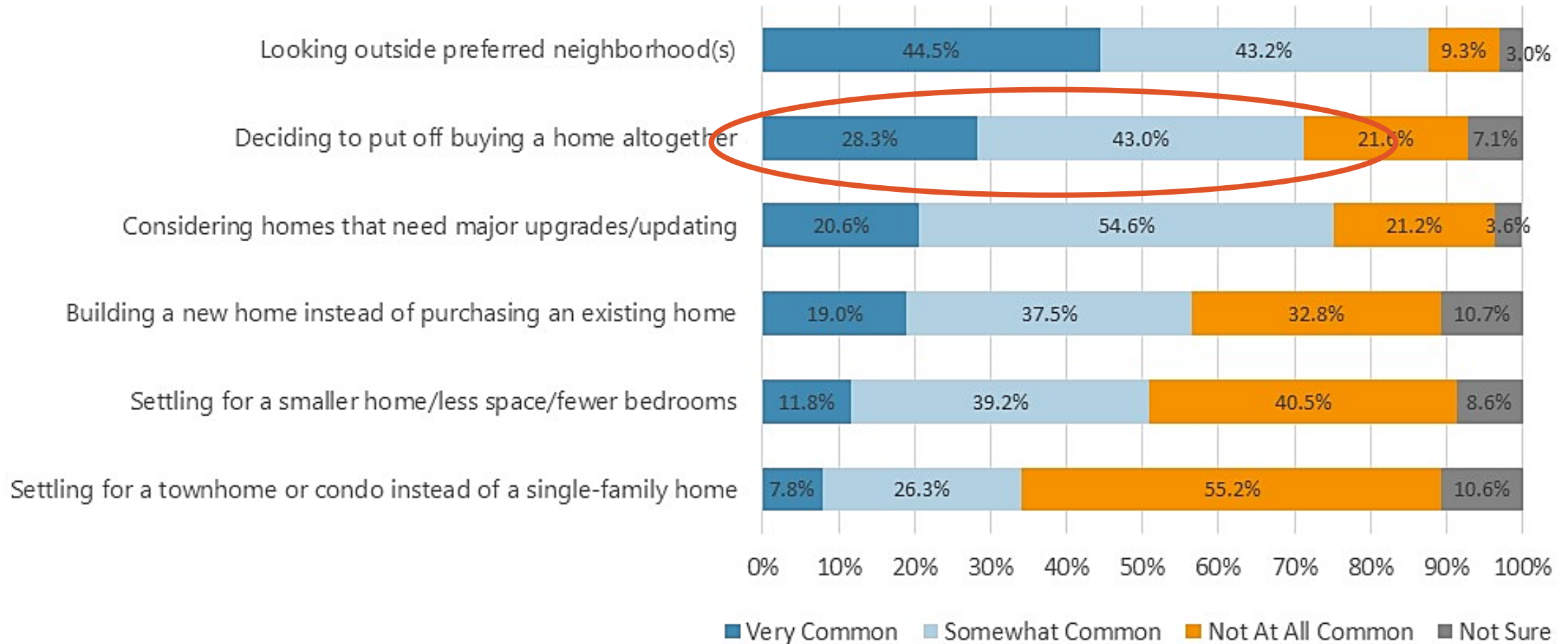
- Baby Boomers aging into their 60s and staying in their homes longer, sometimes living in homes that are “too big”
 - Room for adult children to move back home
 - Space for home office as people work longer
- Nowhere to move if they sell
 - New construction has not rebounded sufficiently
 - Prices are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

A man and a woman are sitting on a couch, looking at a smartphone together. The woman is holding the phone and has a frustrated expression, with her hand raised as if gesturing. The man is leaning in, looking at the phone with a similar expression of frustration. The background is a simple, light-colored wall with a plant visible on the right side.

Frustrated Buyers Leaving the Market

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

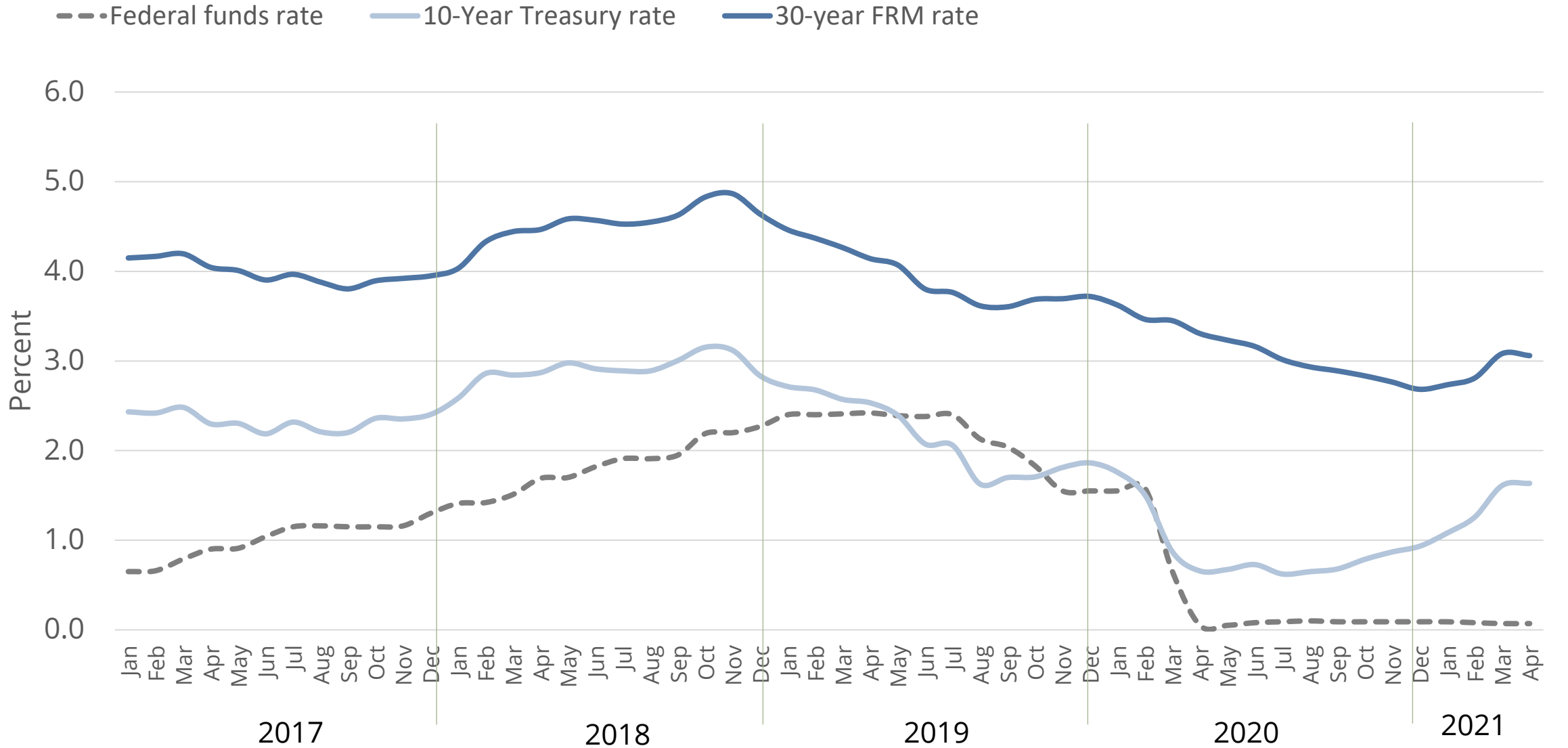
Affordability

County	Q1 2020 (3.52% avg mortgage rate)	Q1 2021 (2.88% avg mortgage rate)
Fauquier Median price % of VA hhs that can afford Affordability rank	\$410,000 51.3% 125	\$472,100 50.5% 123
Culpeper Median price % of VA hhs that can afford Affordability rank	\$322,750 61.3% 117	\$359,900 61.5% 108
Madison Median price % of VA hhs that can afford Affordability rank	\$259,000 69.3% 94	\$333,500 64.8% 102
Rappahannock Median price % of VA hhs that can afford Affordability rank	\$350,000 58.1% 120	\$515,000 46.8% 124

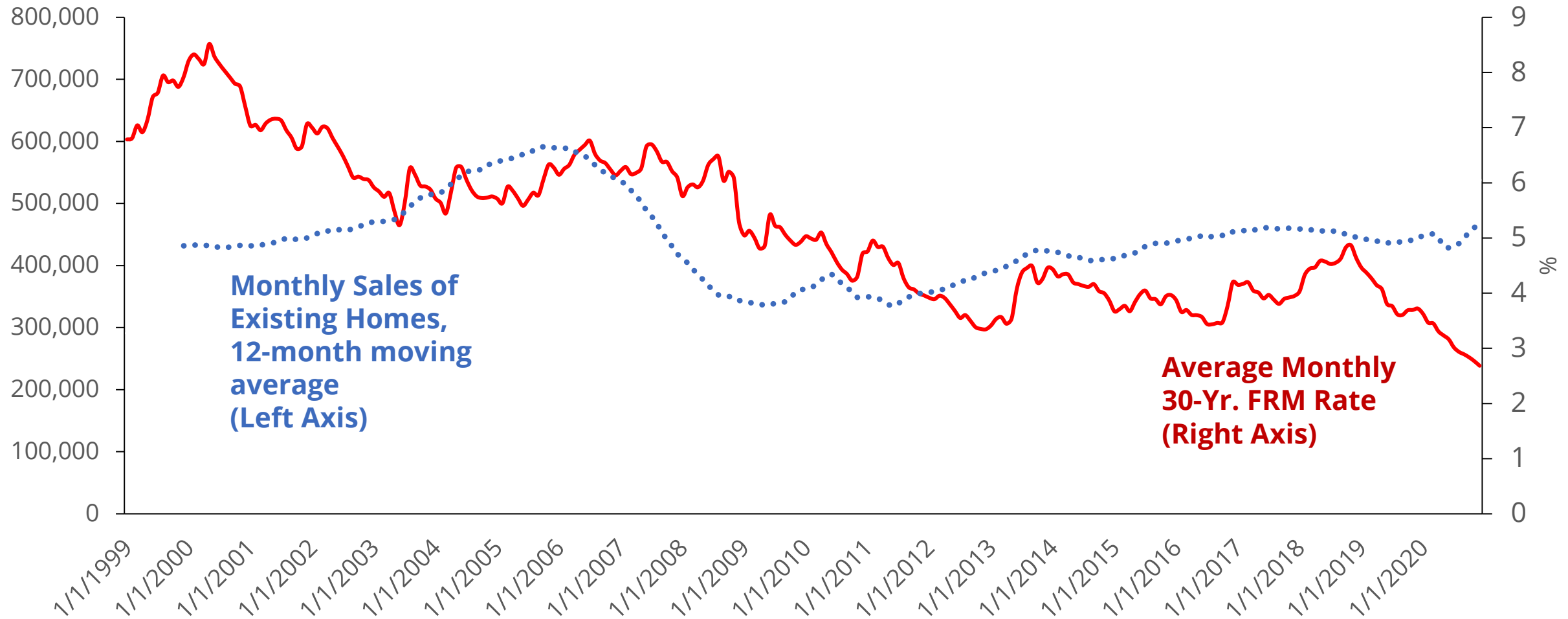
Mortgage Rates

Mortgage Rates
Will Remain Low

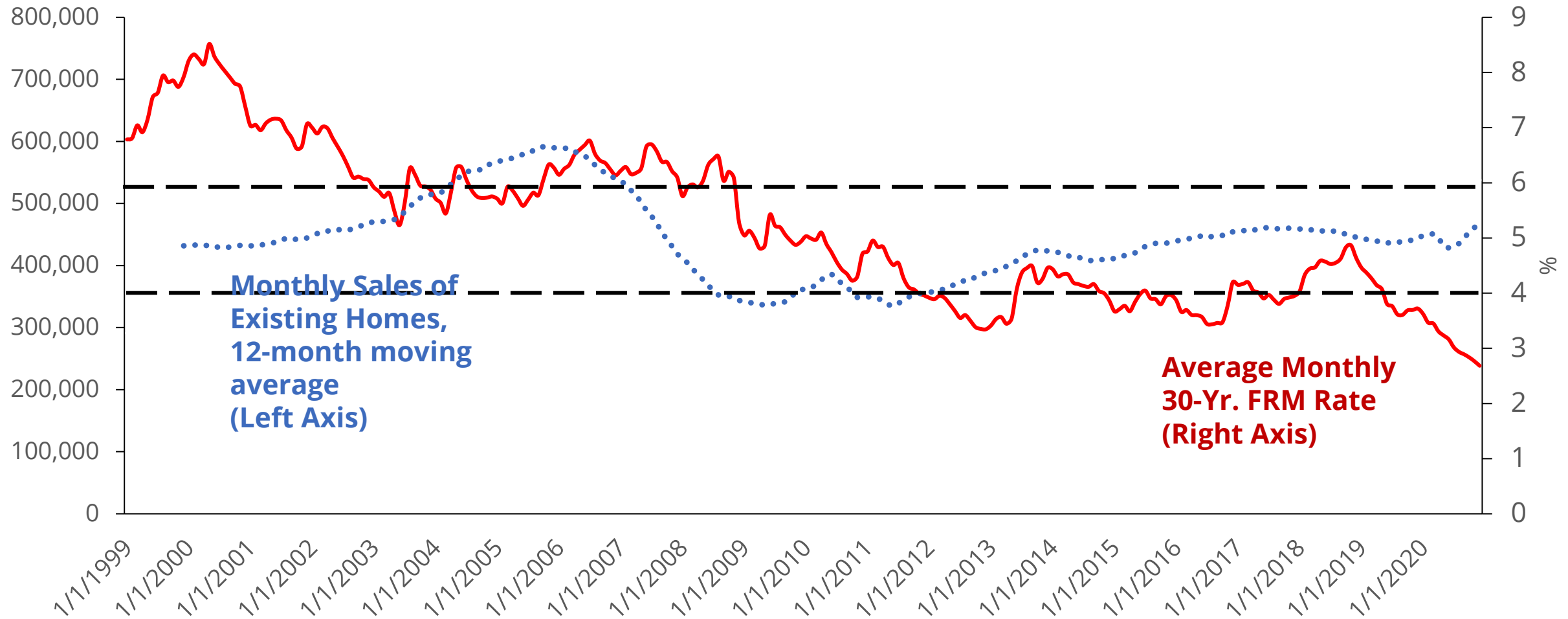
Interest Rates



Mortgage Rates and Home Sales Activity (National)



Mortgage Rates and Home Sales Activity (National)



Have Questions or Need More Info?

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@Lisa_Sturtevant

virginiarealtors.org/research

Upcoming Events

Facebook Live – **May 20 3:00pm**

By the Numbers webinar – **May 27 3:00 pm**

Apply to serve on the Economic Advisory Board – **June 30**

<https://virginiarealtors.org/committee-application/>