



For Immediate Release

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March Surge Contributes to Significant Growth in First Quarter Residential Market

Sales volume up 12.2 percent from prior year

RICHMOND, Va. (April 25, 2017) – The first quarter Virginia residential real estate market jumped notably over prior year performance according to the First Quarter 2017 Home Sales Report released by the Virginia REALTORS® association. With a particularly strong end to the quarter, key metrics outperformed their prior year benchmarks. In particular, the number of sales, value of all transactions, and average length of time on the market illustrated impressive year-over-year gains.

The first quarter of 2017 saw 22,859 residential transactions closed, a 7.8 percent increase over the 21,213 units sold in the first three months of 2016. The value of those transactions was amplified by a higher median price, and totaled \$7.287 billion, an increase of 12.2 percent from 2016's first quarter volume of \$6.492 billion. Relative to the first quarter of 2015, volume rose 16.6 percent (from \$6.247 billion).

According to 2017 Virginia REALTORS® President Claire Forcier-Rowe, "The start of 2017 has underscored the sustained strength of Virginia's housing market and also illustrated the effects of evolving economic factors. Prices have inclined steadily as eager buyers enter the market and, with greater inventory in March, sales surged with their pent up demand."

Annualized residential sales, a rolling sum of the home sales closed in the preceding twelve months, rose for the tenth consecutive period. Relative to the previous quarter, annualized sales rose 1.4 percent (to 118,325 from 116,679). Serial improvement in annualized sales illustrates sustained strengthening in the market.

The rise in first quarter 2017 sales pace was largely attributed to a rise in March activity. As with the November 2016 surge, loosened inventory intersected with rising consumer confidence and a growing sense of urgency regarding interest rate movement to escalate late-quarter sales. Each month of the first quarter outperformed its prior year benchmark.

Aggregate median sales price for the first quarter was \$260,000, an increase of 4 percent from the first quarter of 2016 (\$249,900). Year-over-year median sales price increased in all regions, with the most significant gains in the Southwest and Eastern regions. Compared to the first quarter of last year, 2017 first quarter home sales increased in all price bands except the lowest (\$0 to \$100,000), where low levels of inventory affect the number of sales possible. Sales increased especially in the \$200,000 to

\$400,000 range. Increasing sales across broad price categories illustrate overall market improvement, as buyers enter the market at varied price points.

The average number of days on the market dropped from prior year benchmarks to an average of 74 for the 2017 first quarter, 10.8 percent lower than last year's first quarter average (83 days). Expected with industry seasonality, the average length of time on the market increased from the fourth quarter to the first, where January and February represent the most sluggish time of the year. The year-over-year decrease in days on the market reflects strong buyer motivation, compelled by still limited inventory and increasing urgency to take advantage of relatively low-cost financing.

Virginia's unemployment rate fell from its fourth quarter 2016 mark to 3.9 percent in February 2017. State unemployment continues to outperform the national rate (4.7 percent). Despite continued rises in interest rates in the first quarter, the average cost of borrowing remains low, aiding market accessibility for buyers in all price brackets. Both 30-year and 15-year averages for fixed mortgage interest rates rose in the first quarter, to 4.17 percent and 3.39 percent, respectively. Increasing but still enticing rates should continue to bolster consumer urgency and contribute to a strongly motivated buyer population as 2017 continues.

The Virginia Home Sales Report is published by the Virginia REALTORS® association. [Click here](#) to view the full First Quarter 2017 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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