



For Immediate Release

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Virginia's Residential Sales Volume Grows 8.5 Percent from 2016, surpassing \$41 billion

RICHMOND, Va. (January 25, 2018) – The Virginia residential real estate market eclipsed prior year performance and exceeded \$41 billion in sales, according to the Fourth Quarter 2017 Home Sales Report released by the Virginia REALTORS® association. Key measures, including the total number of sales, value of all transactions, and median sales price, rose notably from their 2016 benchmarks.

The fourth quarter of 2017 saw 27,880 residential transactions closed, a 4.2 percent increase relative to the 26,744 units sold in the last three months of 2016. The value of those transactions was amplified by a higher median price, and totaled \$9.322 billion, an increase of 7.1 percent from 2016's fourth quarter volume of \$8.705 billion. Annual volume - the sum of all transactions for 2017 - exceeded \$41.476 billion, 8.5 percent higher than in 2016 (\$38.215 billion). Volume for 2017 was 17.9 percent higher than the total value of transactions in 2015 (\$35.184 billion).

"Virginia's housing market ended 2017 with exceptional strength," according to 2018 Virginia REALTORS® President Jay Mitchell. "The year was characterized by intense demand and inventory constraints that have driven prices up – trends that are apparent not just in Virginia, but nationwide. Even though prices are continuing to go up, buyers are desperate to get into the market, soaking up listings at record speed."

Looking ahead to 2018 performance, Mitchell added, "As the first quarter unfolds, we expect continued market growth. As a result of growing consumer and employment confidence, demand will remain high. This year creates even greater opportunity for sellers to list at premiums and capitalize on buyer urgency."

Annualized residential sales, a rolling sum of the home sales closed in the preceding twelve months, rose 4.7 percent from 2016, increasing from 116,621 to 122,051. Relative to the previous quarter, annualized sales rose 0.9 percent (from 120,915). The annualized sales measure has averaged an increase of 1.8 percent per quarter for the last eleven quarters. Serial improvement in annualized sales illustrates sustained strengthening in the market.

The rise in fourth quarter 2017 sales pace was propelled especially by a surge in October and November sales. Loosened inventory and swelling consumer confidence combined with favorable financing rates to escalate year-end sales. Each quarter of 2017 outperformed its prior year benchmark, just as each quarter of 2016 outperformed those of 2015.

Aggregate median sales price for the fourth quarter was \$270,699, an increase of 2.2 percent from the fourth quarter of 2016 (\$265,000). Year-over-year median sales price increased in all regions, with the exception of the Eastern region, where price declined moderately. Compared to the fourth quarter of last year, 2017 fourth 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 premium range above \$800,000. Increasing sales in high price bands indicate buyers' tolerance for rising prices and their eagerness to enter the market.

The average number of days on the market dropped from prior year benchmarks to an average of 62 for the 2017 fourth quarter, 11.4 percent lower than last year's fourth quarter average (70 days) and more than 20 percent lower than the average at the end of 2015 (79 days). Expected with industry seasonality, the average length of time on the market increased from the third quarter to the fourth. The significant year-over-year decrease in days on the market reflects strong buyer motivation, compelled by limited inventory and desire to take advantage of relatively low-cost financing.

Virginia's unemployment rate stayed at 3.7 percent, tracking well below the national rate (4.1 percent). Despite upticks in interest rates in the fourth quarter, the cost of borrowing remains historically low, aiding market accessibility for buyers in all price brackets. Both 30-year and 15-year fixed mortgage interest rates rose in the fourth quarter of 2017, ending the year at 3.92 percent and 3.29 percent, respectively. Increasing but accessible rates, with the certainty of further hikes to the key rate by the Federal Reserve Bank, should create greater urgency and contribute to a strongly motivated buyer population in 2018.

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

The Virginia REALTORS® association (previously known as the Virginia Association of REALTORS®) is the largest professional trade association in the Virginia, representing approximately 33,000 REALTORS® engaged in the residential and commercial real estate business. The Virginia REALTORS® association 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 or follow Virginia REALTORS® on [Facebook](#), [Twitter](#), and [LinkedIn](#).

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