

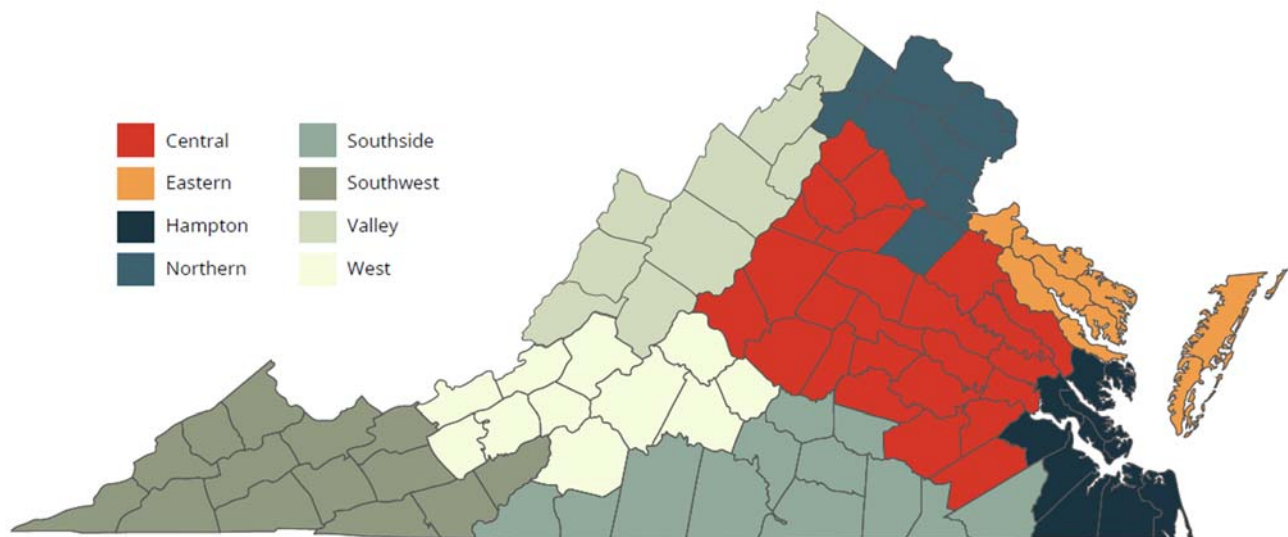
Virginia

HOME SALES REPORT

Q2 2017

The Virginia REALTORS® association publishes monthly and quarterly home sales reports to provide our members, the media, and real estate-related industries with current data. The report data comes from a variety of sources and is analyzed by the Virginia REALTORS®. All data may be used with citation to the proprietary owner, the Virginia REALTORS®.

The data presented is based on specific economic regions comprised of counties and independent cities in Virginia, as detailed in the map below. It should be noted that these regions do not necessarily align with the counties and cities that comprise the 28 local REALTOR® associations in Virginia. For example, the economic region defined as Northern Virginia encompasses more counties and cities than those within the bounds of the Northern Virginia Association of REALTORS® (NVAR). Please take this into consideration when referencing regions.



Central	Albemarle, Amelia, Buckingham, Caroline, Charles City, Chesterfield, Culpeper, Cumberland, Dinwiddie, Fluvanna, Goochland, Greene, Hanover, Henrico, King & Queen, King William, Louisa, Madison, Nelson, New Kent, Orange, Powhatan, Prince George, Rappahannock, Sussex; Charlottesville, Colonial Heights, Hopewell, Petersburg, Richmond
Eastern	Accomack, Essex, King George, Lancaster, Middlesex, Northampton, Northumberland, Richmond, Westmoreland
Hampton Roads	Gloucester, Isle of Wight, James City, Mathews, Surry, York; Chesapeake, Franklin, Hampton, Newport News, Norfolk, Poquoson, Portsmouth, Suffolk, Virginia Beach, Williamsburg
Northern	Arlington, Clarke, Fairfax, Fauquier, Loudoun, Prince William, Spotsylvania, Stafford, Warren; Alexandria, Fairfax, Falls Church, Fredericksburg, Manassas, Manassas Park
Southside	Brunswick, Charlotte, Greenville, Halifax, Henry, Lunenburg, Mecklenburg, Nottoway, Patrick, Pittsylvania, Prince Edward, Southampton; Danville, Emporia, Martinsville
Southwest	Bland, Buchanan, Carroll, Dickenson, Floyd, Grayson, Lee, Russell, Scott, Smyth, Tazewell, Washington, Wise, Wythe; Bristol, Galax, Norton
Valley	Alleghany, Augusta, Bath, Frederick, Highland, Page, Rockbridge, Rockingham, Shenandoah; Buena Vista, Covington, Harrisonburg, Lexington, Staunton, Waynesboro, Winchester
West Central	Amherst, Appomattox, Bedford, Botetourt, Campbell, Craig, Franklin, Giles, Montgomery, Pulaski, Roanoke; Lynchburg, Radford, Roanoke, Salem

Second Quarter Summary

The second quarter of 2017 illustrates that Virginia's residential real estate market continues to gain strength. Second quarter metrics outpaced each prior year benchmark.

Quarterly transactions rose by 5.3 percent year-over-year (from 35,317 to 37,201). Likewise, second quarter volume jumped by 9.2 percent year-over-year, from \$11.986 billion in 2016 to \$13.091 billion in 2017. The boost in volume was the result of a significant rise in pace, or the number of sales, amplified by rising prices. Statewide, median price for the second quarter rose by 3.2 percent from 2016 to 2017, from \$279,000 to \$288,000.

Annualized sales, the sum of all sales for the preceding twelve months, offered a clear illustration of market strength, rising for the eleventh consecutive quarter to 120,622 sales. The average quarterly increase in annualized sales over the last eleven quarters has been 1.9 percent.

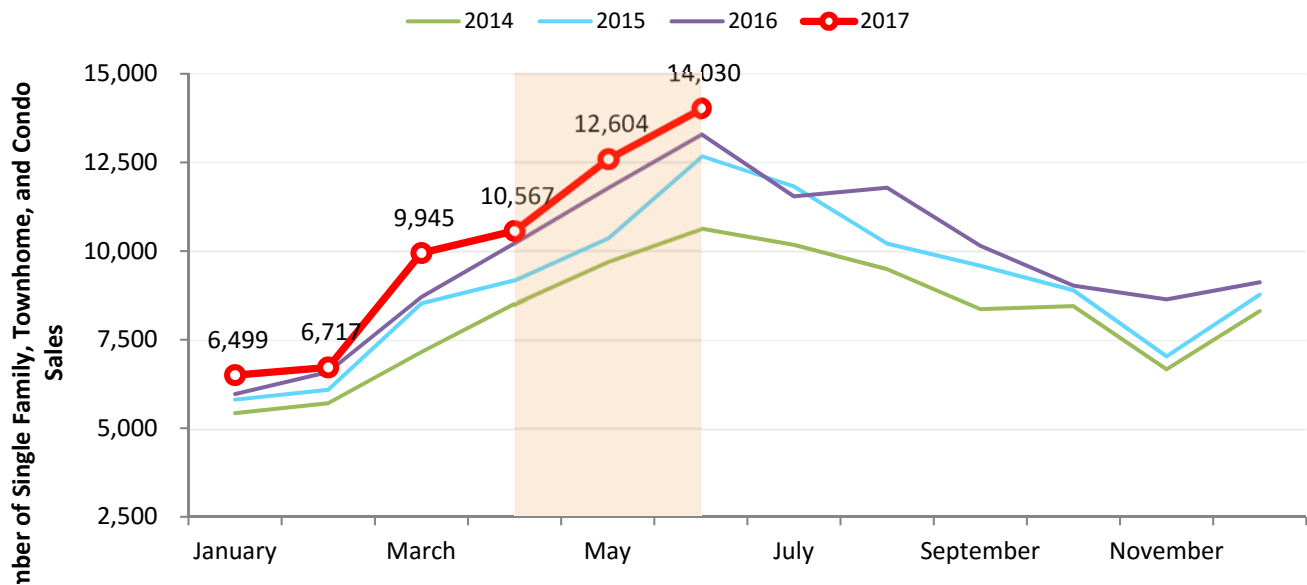
Year-over-year, second quarter home sales increased in all price bands except the lowest (\$0 to \$200,000), where limited inventory typically restricts market activity. The increases were significant in every category over the \$400K range. Luxury sales, above \$750,000, increased by the greatest percentages.

Year-over-year, sales increased in every region of the state in the second quarter, with the exception of the Southside region where a smaller number of transactions affects the comparison of performance over time. The dense Central and Northern regions exhibited strong gains over their prior year performance.

Average fixed mortgage interest rates for 30-year and 15-year loans fell slightly from the first quarter to the second (to 3.99 percent and 3.24 percent, respectively). Despite the anticipation of rate increases, the cost of financing remains historically low and continues to ease market entry for eager buyers.

Month-to-Month Sales Trends

Single Family Homes, Townhomes, Condos

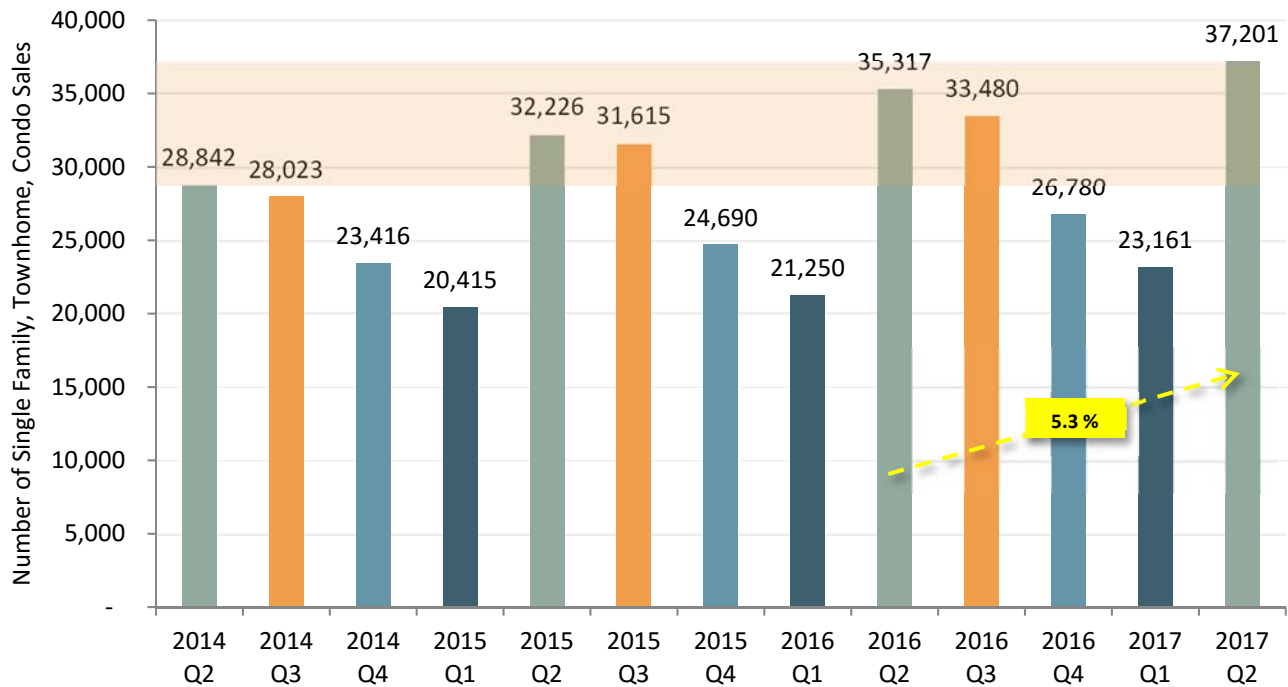


	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec
2014	5,427	5,705	7,150	8,507	9,701	10,633	10,176	9,486	8,360	8,448	6,662	8,306
2015	5,807	6,087	8,521	9,171	10,370	12,684	11,824	10,205	9,567	8,872	7,020	8,745
2016	5,946	6,577	8,690	10,209	11,786	13,300	11,536	11,779	10,143	9,026	8,636	9,118
2017	6,499	6,717	9,945	10,567	12,604	14,030						

Continuing a growth trend since the beginning of the year, each month of the second quarter in 2017 had higher sales than in the corresponding months of the previous year. Pace typically rises each month from the beginning of the calendar year through June, as summertime sales reach a pinnacle. Year-over-year, June sales (14,030) rose by 5.4 percent (from 13,300). June 2017 sales rose 11.3 percent from May's (12,604) and were 32.8 percent higher than April's (10,567).

Quarterly Residential Sales

Single Family Homes, Townhomes, Condos

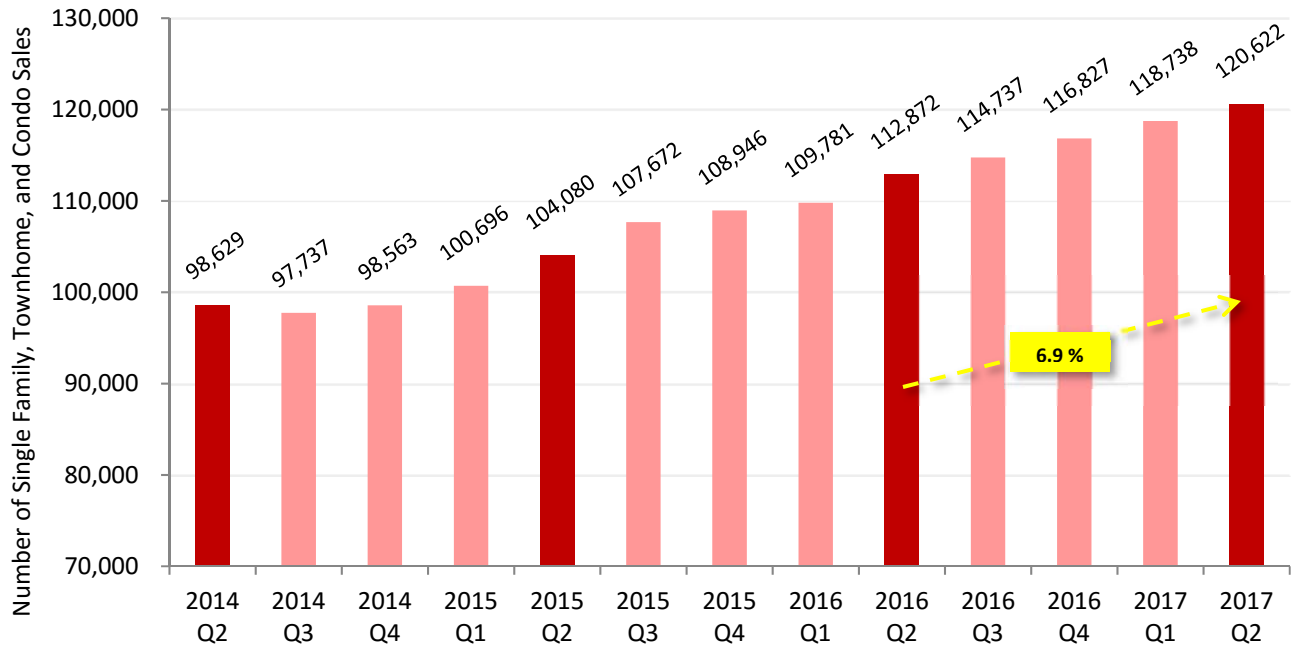


Sales in the second quarter of 2017 grew by 5.3 percent year-over-year, from a total of 35,317 in 2016 Q2 to 37,201. Relative to the second quarter of 2015, sales for the second quarter of 2017 rose 15.4 percent (from 32,226 transactions). Further indicated through the annualized sales trend (page 5), year-over-year improvements in quarterly performance indicate sustained market expansion.

Note: the horizontal bar in the graph indicates the variance in second quarter sales from 2014 through 2017, beginning with 28,842 sales in 2014 and rising eventually to 37,201 sales in 2017, with graduated increases for each year in between. 2017 second quarter sales were 29 percent higher than their 2014 benchmark.

Annualized Residential Sales

Single Family Homes, Townhomes, Condos

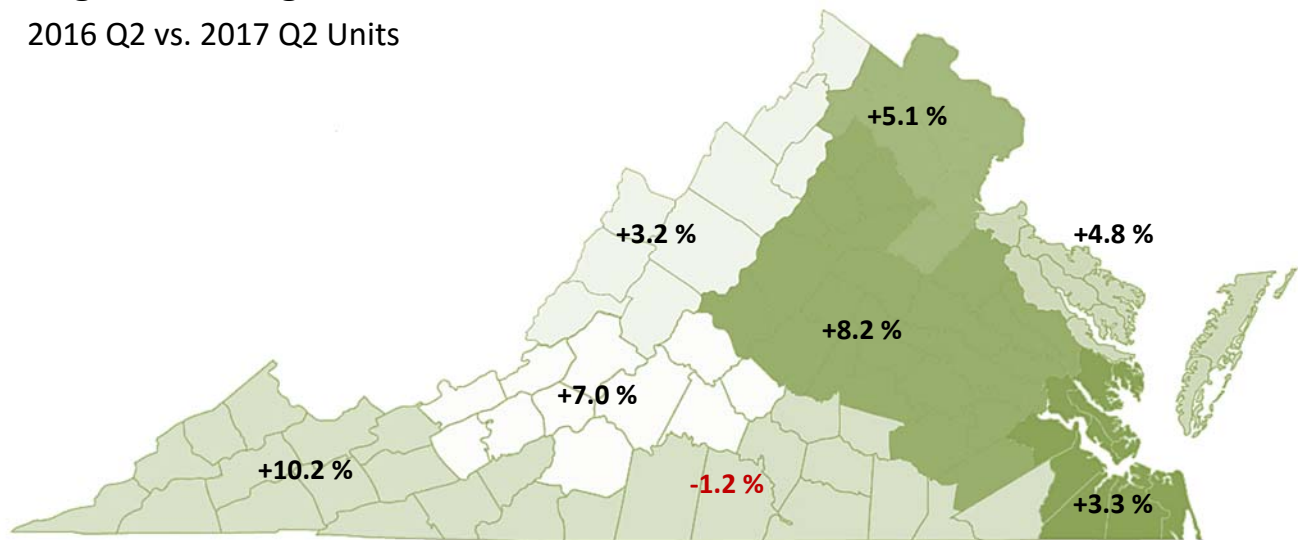


Each data point on the graph above represents twelve months of home sales data ending in the quarter shown. For example, the 2017 Q2 figure (120,622 sales) includes home sales from July 2016 through June 2017, and the 2017 Q1 figure (118,738 sales) includes home sales from April 2016 through March 2017. This rolling sum of home sales reduces seasonal effect, providing a clearer indicator of long-term trends in Virginia's housing market. The trend of continued improvement in this measure illustrates how Virginia's residential real estate market has grown consistently over the long-term. Annualized sales ending in the second quarter of 2017 grew 1.6 percent from the previous quarter. Year-over-year, the measure grew 6.9 percent.

Indicating that growth has been sustained regardless of seasonal market fluctuations, annualized sales have grown for eleven consecutive quarters. The average growth per quarter over that time period has been 1.9 percent. If the trend continues, annualized sales ending in the third quarter of 2017 could approach 123,000 sales.

Regional Changes in Sales

2016 Q2 vs. 2017 Q2 Units

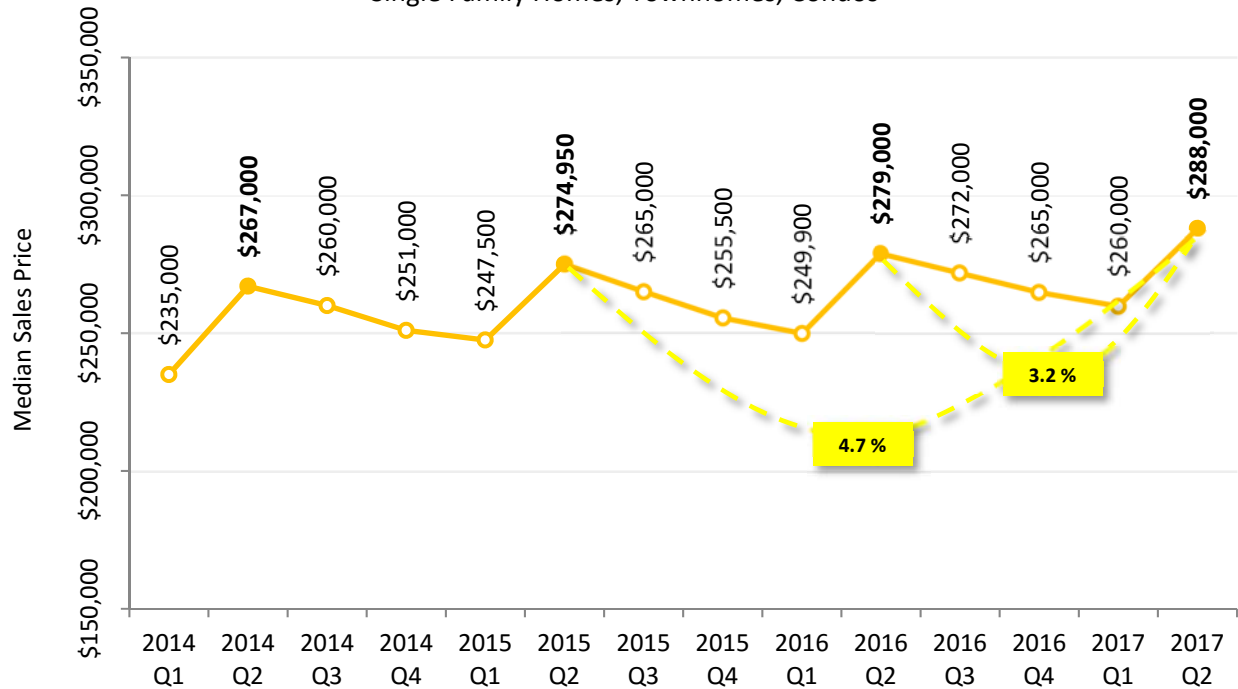


Region	2016 Q2	2017 Q2	
Central	7,493	8,104	8.2%
Eastern	622	652	4.8%
Hampton Roads	7,656	7,906	3.3%
Northern	13,904	14,614	5.1%
Southside	645	637	-1.2%
Southwest	508	560	10.2%
Valley	1,754	1,819	3.2%
West Central	2,713	2,903	7.0%
Other	22	15	-31.8%
ALL of Virginia	35,317	37,201	5.3%

The chart above compares 2016 second quarter sales to 2017 second quarter sales, by region. With the exception of the Southside region, all regions experienced growth from the same period last year, for a statewide aggregate jump of 5.3 percent. The greatest year-over-year percentage increases occurred in the Central and Southwest regions. Performance metrics are relative to the absolute number of sales, so less dense regions with increasing sales may show a relatively higher growth percentage.

Median Residential Sales Price

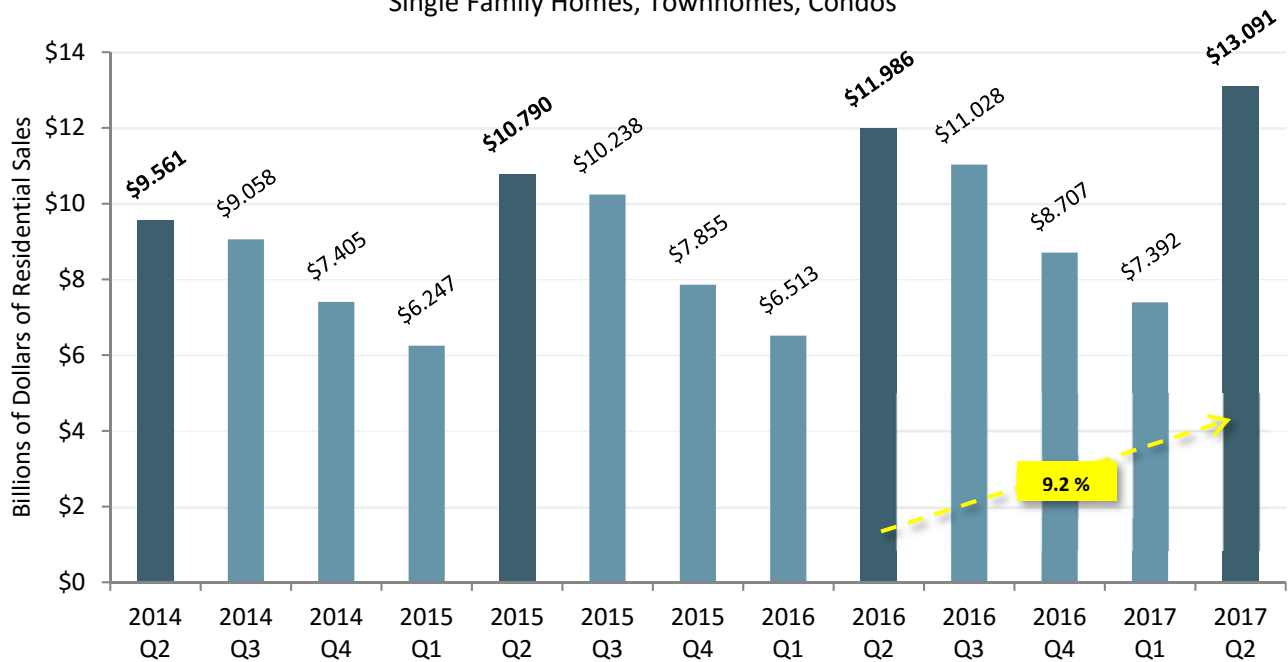
Single Family Homes, Townhomes, Condos



In comparison to the second quarter of 2016, aggregate median price rose by 3.2 percent for the second quarter of 2017 (from \$279,000 to \$288,000). Relative to the second quarter of 2015, median price has risen by 4.7 percent (from \$274,950). Price rises have been spurred by intense buyer urgency and consistently limited supply. Typical of industry seasonality, median price rose steeply relative to the first quarter of 2017 by 10.8 percent (from \$260,000). A rise in price from the first quarter to the second is characteristic as market activity peaks in summer months.

Quarterly Residential Sales Volume (\$B)

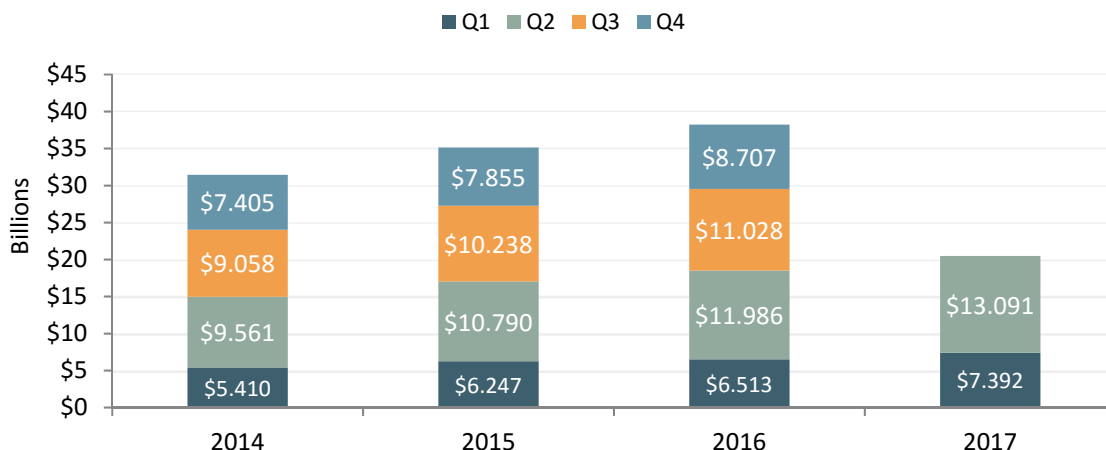
Single Family Homes, Townhomes, Condos



This graph represents the dollar value of residential real estate sold (in billions) during each quarter for the last three years. The volume of real estate sold in the second quarter of 2017 rose by 9.2 percent year-over-year, from \$11.986 billion to \$13.091 billion. Volume is amplified year-over-year by increases in both price and the number of transactions. Year-to-date volume totals \$20.483 billion, an increase of 10.7 percent from the cumulative volume in the first six months of 2016 (\$18.499 billion).

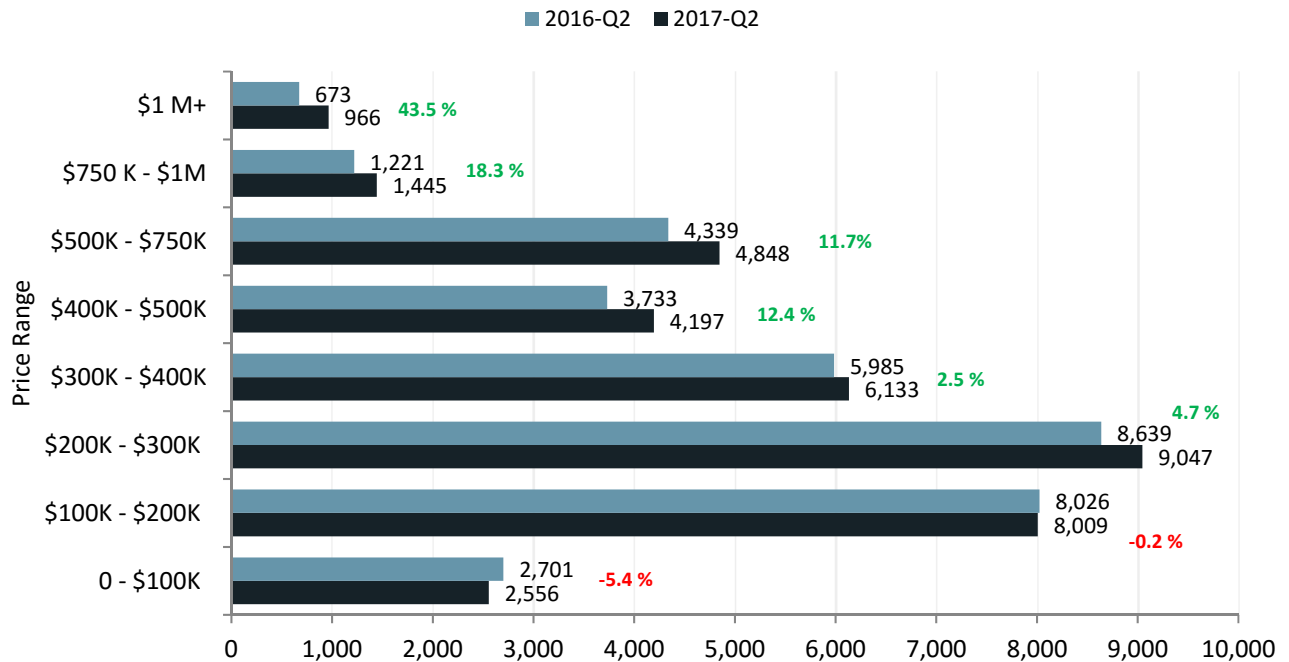
Annual Sales Volume by Quarter

Single Family Homes, Townhomes, Condos



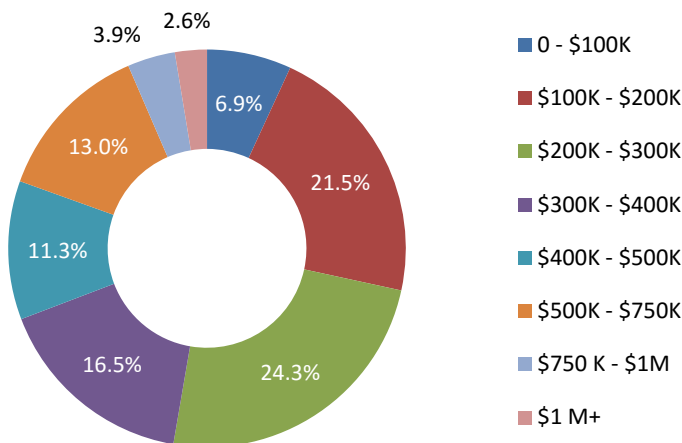
Price Distribution of Residential Home Sales

Single Family Homes, Townhomes, Condos



Year-over-year home sales increased in every price category except the lowest ranges (\$0 to \$100K and \$100K to \$200K). Restricted inventory typically limits the number of sales possible in the low bands. Growth was particularly strong in the highest ranges, with pace increasing especially in bands \$400K and higher.

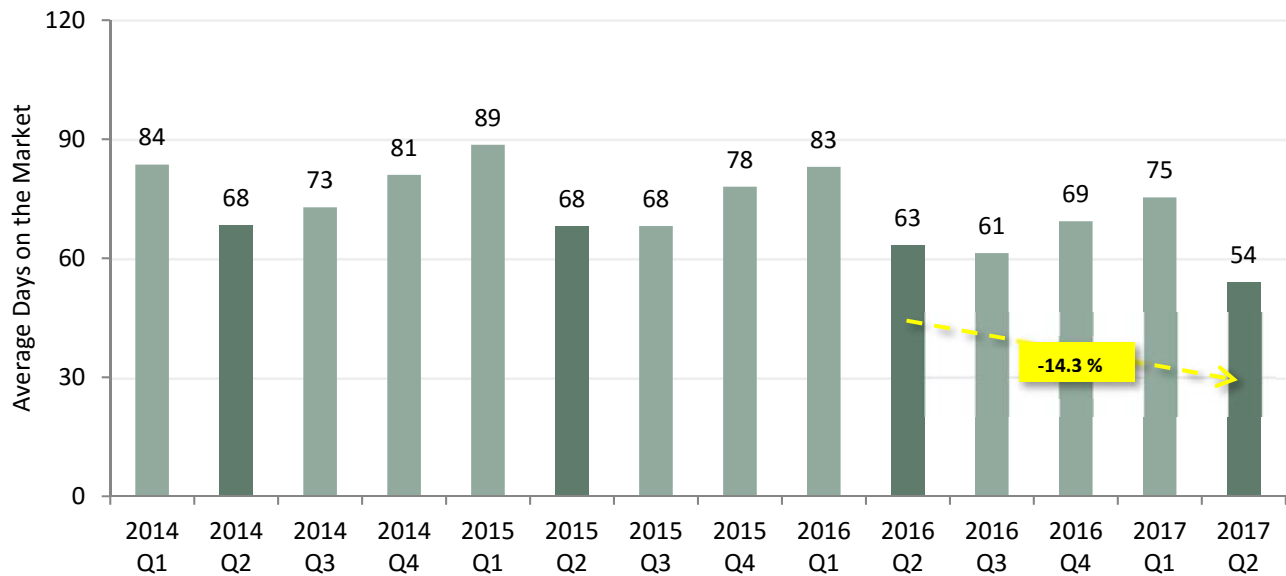
Market Share for Price Bands



Because sales in ranges below \$750,000 represent the vast majority of transactions in Virginia, they are the clearest indicator of market performance. The highest number of transactions by price band in 2017 Q2 happened in the \$200k to \$300k range.

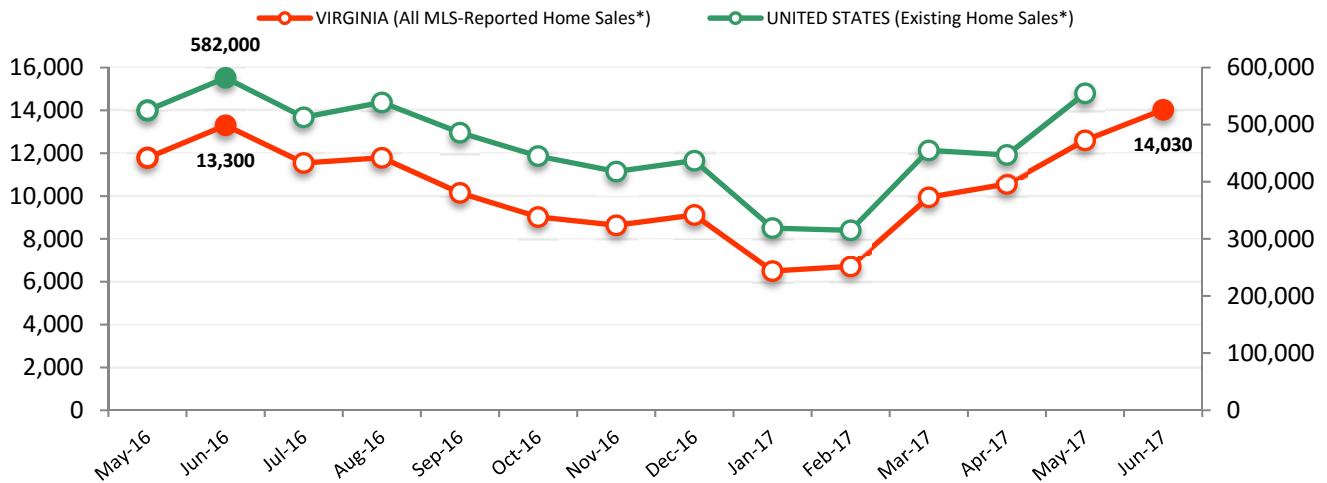
Average Days on the Market

Single Family Homes, Townhomes, Condos



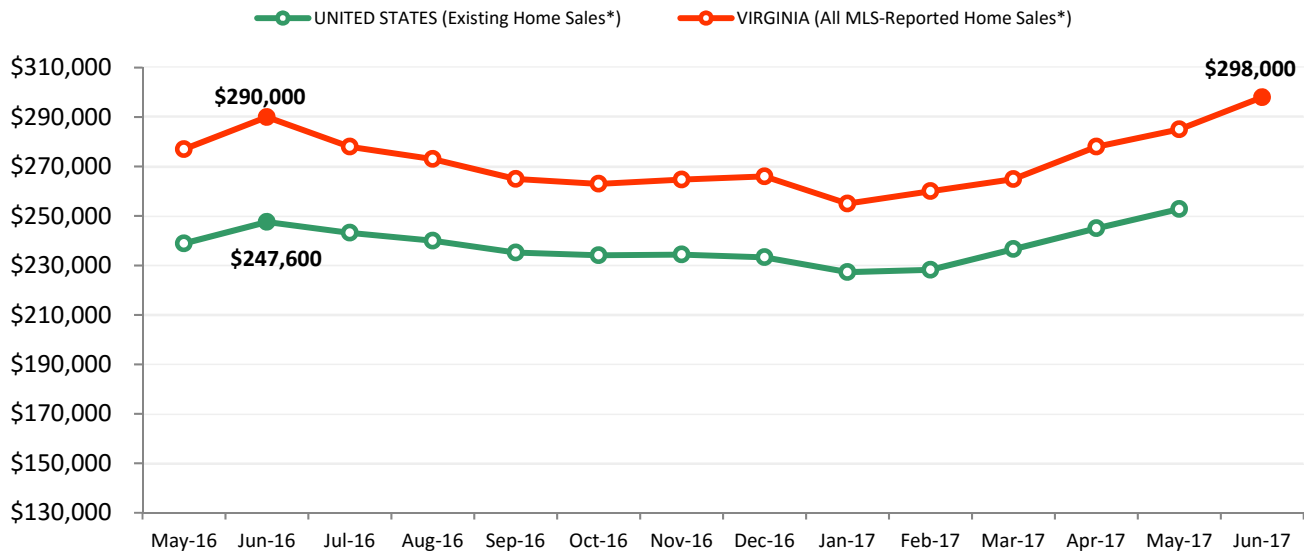
The average number of days on the market in the second quarter of 2017 decreased from the same quarter last year by 14.3 percent from 63 days to 54. Declining days on the market reflect high demand and sustained buyer urgency. Typical of industry seasonality, average time on the market decreased markedly between the first and second quarters as activity intensifies through the June peak.

Monthly Residential Sales



The changes in the pace of Virginia home sales in the second quarter have tracked the changes in the pace of sales in the United States as a whole.

Monthly Residential Median Sales Price

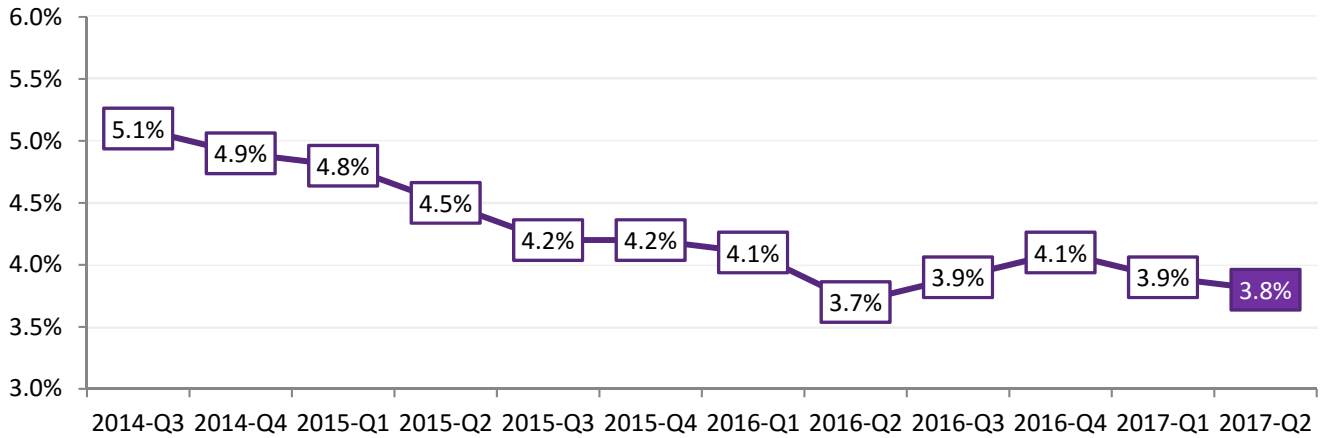


Virginia median price changes were similar to the changes in the median of existing-home sales prices nationally for the second quarter of 2017. Both Virginia and the United States as a whole showed year-over-year increases in median price. National median price and pace are scheduled for release by the National Association of REALTORS® on July 24.

*Virginia sales reported in the graphs above include all single family, townhouse, and condo sales. U.S. sales are existing single family sales as reported by the National Association of REALTORS®. Existing sales do not include newly constructed homes sold for the first time.

Virginia Unemployment Rate

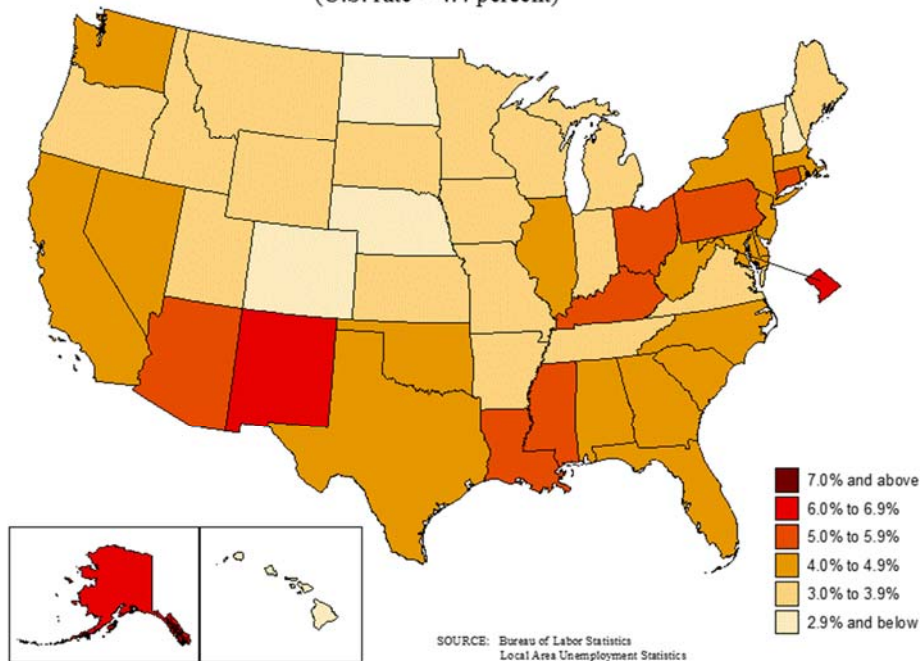
Source: Bureau of Labor Statistics



The Virginia unemployment rate fell in the second quarter to seasonally-adjusted 3.8 percent. Virginia unemployment continues to track below the national average (4.4 percent). Low unemployment is correlated with bolstered consumer confidence.

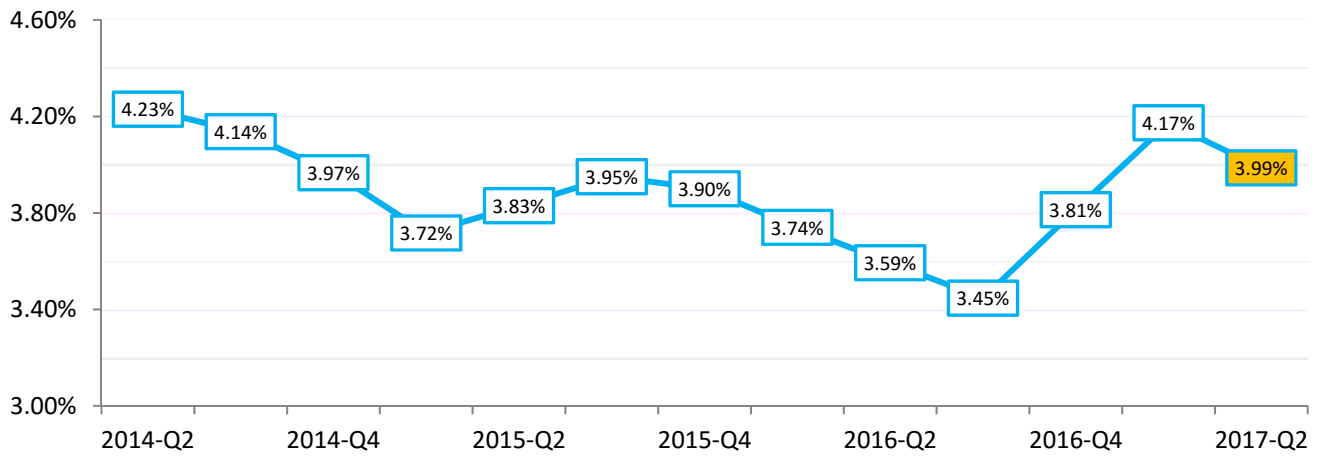
Unemployment rates by state, seasonally adjusted, June 2017

(U.S. rate = 4.4 percent)



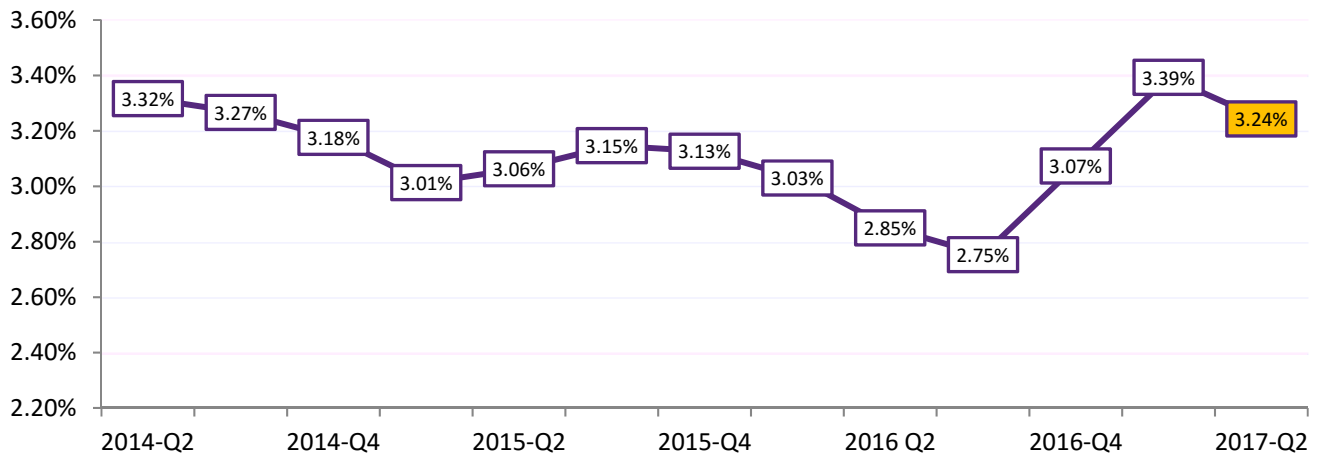
Average 30-Year Mortgage Interest Rates

Source: FreddieMac



Average 15-Year Mortgage Interest Rates

Source: FreddieMac



Average 30-year and 15-year fixed mortgage interest rates fell slightly in the second quarter of 2017 to 3.99 percent and 3.24 percent, respectively. Eager buyers are poised to enter the market on still advantageous interest rates.

The Virginia REALTORS® association is the largest professional trade association in Virginia, representing approximately 33,000 REALTORS® engaged in the residential and commercial real estate business. The Virginia REALTORS® association serves as the advocate for homeownership and private property rights and represents the interests of real estate professionals and property owners in the Commonwealth of Virginia.

NOTE: The term REALTOR® is a registered collective membership mark that identifies a real estate professional who is a member of the National Association of REALTORS® and subscribes to its strict code of ethics.

All inquiries regarding this report may be directed to:

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The numbers reported here are preliminary and based on current entries into multiple listing services. Over time, data may be adjusted slightly to reflect increased reporting. Information is sourced from multiple listing services across Virginia and is deemed reliable, but not guaranteed.