

FOR IMMEDIATE RELEASE Contact: Kim McClellan 540-373-7711

kmcclellan@faarmembers.com

## December Closes Out a Strong 2016 in the Real Estate Market

2016 Saw Modest Price Appreciation and Significant Volume Increases

**Fredericksburg, VA** – (January 12, 2017) – The following analysis of the Fredericksburg, Virginia area housing market has been prepared by the Fredericksburg Area Association of REALTORS® based on analysis of MRIS multiple listing data provided through RealEstate Business Intelligence, LLC (RBI).

The 2016 real estate market posted significant increases in total sold dollar volume and units sold, and a modest increase in median sold price. The year closed out with a total sold dollar volume of \$1,663,945,082 which represents a nearly 13.70% increase over the year end totals for 2015. There was a more than 10% increase in total units sold in 2016, going from 5,145 in 2015 to 5,686 this year. Median price appreciated by 4.72% increasing from \$262,500 to \$274,900 in 2016. Days on market, the time it takes from when a listing enters the market until it receives a ratified contract, fell nearly 9% with houses averaging 78 days on the market in 2015 compared to 71 days in 2016. The vast majority of sales were of 3-and 4-bedroom single family homes with that segment making up nearly 83% of the total units sold.

2017 FAAR President Linda Fosdick remarks, "As we bid farewell to 2016, FAAR Realtors® are encouraged that 'the buyers are back' and many of our agents have expressed gratitude for a better than anticipated sales year." Fosdick continues, "We are now seeing the conversion from a buyer's market to a seller's market spurred by a reduction in available inventory."

December, a traditionally slow month in real estate, ended the year at nearly the exact same level of sales and median price as 2015. "A year ago, many of us worried about the uncertainty that an election year can have on the economy and the real estate market," noted Fosdick. "Our fears were unfounded in our market area. The Dow held strong and consumer confidence surged. The hint of rising interest rates seemed to spur buyers to take action."

The month saw \$126,678,321 in total sold dollar volume, a less than 1% change from 2015. Similarly, median price for December was \$269,950, a mere .2% difference from last year's figure that was just \$550 less than 2016. The most notable difference between December of 2015 and 2016 is days on market. The market experienced a significant 20% decrease in days on market for December of 2016 with houses taking an average of 76 days to sell this December, compared to 95 days in 2015. Buyers continued to purchase at virtually the same level as 2015, but with a reduced inventory causing homes to move more quickly. There were nearly 14% fewer listings in December of 2016 compared to December of 2015.

Fosdick states, "In my local Lake Anna market, we welcomed back the vacant land buyers, who had been shut out of the market over the past few years by the lack of land loans. These buyers are now finding great bargains and are actively pursuing their dreams of building a custom lake home. Existing home sales were also strong, reducing our higher than normal inventory."

Local Realtors® are encouraged about the year ahead and believe that the positive trend will continue. Fosdick remarks, "We are happily ringing in the New Year with anticipation of an even stronger 2017 real estate market."

## About the Fredericksburg Area Association of REALTORS®

Founded in 1957, the Fredericksburg Area Association of REALTORS® is the trade association for more than 1,500 Realtor® and affiliate members serving the areas noted above. Members also work in the surrounding counties of Westmoreland, Louisa, Orange and Prince William and in Northern Virginia. FAAR strongly supports the availability of affordable housing for all market segments and supports government policies designed to enhance homeownership opportunities. For more information about FAAR, visit <a href="www.faarmembers.com">www.faarmembers.com</a> or contact Kim McClellan, Public Policy Director at <a href="kmcclellan@faarmembers.com">kmcclellan@faarmembers.com</a> or 540-373-7711.