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January Posts Big Gains in Local Real Estate Market

Lowest available supply in over 10 years

Fredericksburg, VA – (February 11, 2020) – *The following analysis of the Fredericksburg, Virginia area housing market has been prepared by the Fredericksburg Area Association of REALTORS® based on analysis of brightMLS multiple listing data.*

January kicked 2020 off to a swift start in the local real estate market echoing sentiments heard from Realtors® across the region that the spring market is starting earlier and earlier in recent years. Sold dollar volume was up 38% year-over-year, going from approximately \$89 million in January of 2019 to over \$122.7 million in January of 2020. The increase was fueled by a nearly 31% jump in units sold with 385 properties changing hands this January compared to 295 last year. Median sold price saw modest appreciation with a 5% year-over-year increase, going from \$289,990 last year to \$305,000 this January.

"Over the past few years, our spring market has started earlier and earlier," states FAAR Board Member Clay Murray. "This year is no different with our sellers lining up listing appointments around the holidays and our buyers ready to explore listings starting on New Year's Day. We're confident more homes will be coming to market as we experience this trend of an earlier spring market."

Days on market, the time it takes from when a listing enters the market until it receives a ratified contract and is removed from active status on the multiple listing service, fell 14% with houses averaging 56 days on the market in January 2019 compared to just 48 days in January of 2020.

The available supply of homes was a big story in January, falling to a historic low of just 1.96 months of supply, with 1,149 active listings. Months of supply calculates how long it would take for all the current homes on the market to sell, given the pace of sales in the market. A balanced market will usually see a 4 to 6-month supply of homes, under 2 shows a very competitive market and a potential lack of options for buyers. Ten years ago, the available supply of homes exceeded 5 months. To take a trip even farther back down memory lane, in January of 2000, there were 200 homes sold with a median sales price of \$141,939 and average days on market exceeding 70 days.

Caroline, Spotsylvania, and Stafford saw significant jumps in real estate activity. Caroline County led the pack with a more than 115% increase in volume of sales fueled by a 72% increase in homes sold. Spotsylvania County saw a nearly 50% increase in both volume of sales and units sold. Stafford County rounded out the top three in the region with a nearly 30% increase in volume sold and a 23% increase in units sold.

Continues Murray, "I'm not sure if we can pinpoint the cause of the earlier buyer activity to a new year, new home mentality or changes in the local school calendars, or simply less inclement weather, but it's a definite trend we're seeing and guiding clients through accordingly."

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About the Fredericksburg Area Association of REALTORS®

Founded in 1957, the Fredericksburg Area Association of REALTORS® (FAAR) is the trade association for more than 1,600 Realtor® and affiliate members serving the City of Fredericksburg, the Counties of Caroline, King George, Orange, Spotsylvania, and Stafford, along with the Colonial Beach area of Westmoreland County. Members also work in the surrounding counties of Westmoreland, Louisa, and Prince William and in Northern Virginia. For more information about FAAR, visit www.faarmembers.com or contact Kim McClellan, Public Policy Director at kmcclellan@faarmembers.com or 540-373-7711.