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Contact: Drew Fristoe

540-373-7711

[news@faarmembers.com](mailto:news@faarmembers.com)

## **Real Estate Market Holds Steady in Wake of Continued Pandemic Impact**

*Numbers hold steady, but inventory challenges hamper sales*

**Fredericksburg, VA – (June 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.*

The big story coming out of May real estate numbers is the dire situation the market is facing in terms of seriously constricted supply. At the end of May, there were just 964 homes on the market for buyers to choose from, almost half of what was for sale at the same time last year. That represents a less than 2-month supply of homes on the market at the current buying pace. A healthy, balanced market is generally considered to have a 5-month supply of homes. In May 2014, we had a 5.6-month supply of homes on the market which translates into just over 2,000 homes for sale. This area has been experiencing supply shortages for a long time now as the last time there was a 5-month or more supply of homes on the market was September of 2015. While the COVID-19 crisis did not start the inventory issues, it has certainly exacerbated it as prospective sellers are holding back due to concerns about transmitting and contracting the virus.

“Although the state is using a three-step phased approach to reopen, it appears the real estate market was one phase and BOOM,” comments FAAR Board of Director Kelly Bradshaw Walker. “We had a slight slow period and now we seem to have busted wide open! Inventory is low, making it quite an impressive seller’s market despite the current pandemic. Agents are continuing to use existing and new technologies to market, sell, and keep transactions going with agent and client health in mind.”

The market held steady in May, with some localities reporting slight declines in median price and units sold. Sold dollar volume was down nearly 3% in May, decreasing from approximately \$224.5 million last May to just over \$218 million this year. The decrease is reflected in nearly 7% less homes sold in May of 2020 versus May of 2019, with 661 last year compared to 621 this year. Median sold price was up across the region as a whole to the highest level the region has ever seen, coming in at \$339,000. That represents a year-over-year increase of nearly 7% and was fueled by price increases in Stafford and Spotsylvania counties. The City of Fredericksburg and the counties of King George, Caroline and Orange all saw price declines in May.

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 more than 9% with houses averaging just 29 days on the market in May 2020 compared to 32 days in May 2019. That 29 days has held steady from last month and the market has been experiencing a quick turnaround on well-priced properties for a long time now.

Overall active listings were down a whopping 45% this May compared to last year and new listings coming on to the market were down nearly 29%. New pendings were up over 14% indicating that there are ready and willing buyers in the marketplace.

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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 1,700 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](http://www.faarmembers.com) or contact Kim McClellan, Public Policy Director at [kmcclellan@faarmembers.com](mailto:kmcclellan@faarmembers.com) or 540-373-7711.