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Contact: Carrie Danko

540-373-7711

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

## **February Sees More of the Same in Local Real Estate Market**

*Low inventory, high prices continue to dominate market*

**Fredericksburg, VA – (March 11, 2021)** – *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.*

February of 2021 saw very similar numbers as January, with increases in sold dollar volume, median price, and units sold. The market saw a 10% year-over-year increase in median price, going from \$316,000 in February of 2020 to \$349,950 in February of 2021. Units sold increased more than 13%, finishing out the month at 487 compared to 429 units sold last February. Total sold dollar volume increased more than 26%, coming in at approximately \$181.4 million this year compared to \$143.5 million last February.

FAAR Board Member Randy Walther comments, "The crazy weather of the past month matches the turbulence in the real estate market. February saw more of the same issues that have been in place for the past few months. Record low interest rates and changing housing needs are driving the market at a time when inventory is extremely low. That has caused an increase in prices but that increase is being somewhat offset by the low rates. "If you list it, it will sell" has become the motto in real estate this year. Buyers are laser focused on homes that fit their changing needs whether it's location, space, internet connectivity or size. These issues should stay in place for the foreseeable future as more and more people seek the security of a home that can adapt to a new normal."

The increases were unevenly distributed among the region's localities however, with King George and the City of Fredericksburg seeing slight decreases. The City and King George saw a very slight drop in median price from February 2020, 0.6% and 1.4% respectively, but that is not uncommon in smaller markets like these two localities. King George County also saw a 20% decrease in units sold which could be indicative of continued challenges with finding housing in a very low-supply market. Stafford and Spotsylvania counties posted significant increases in median price, 11% and 15% respectively, pushing their median prices to all-time high levels, a common occurrence in recent months.

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 71% with houses averaging a measly 16 days on the market this February compared to 56 days last year.

Not unexpectedly, inventory across the region remains at historic lows. In February of 2020, there were 1,140 homes on the market. In February of 2021, there were just 360 homes for sale, representing a more than 68% year-over-year decline. New listings were down nearly 23% compared to last year. New pendings were down also, clocking in at 9% less than February 2020, which could be attributed to the lack of available supply to meet the current demand.

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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.