

FAAR FREDERICKSBURG HOME SALES REPORT

CUSTOM REPORT PREPARED BY
VIRGINIA REALTORS®

FAAR Home Sales Report

Third Quarter 2021

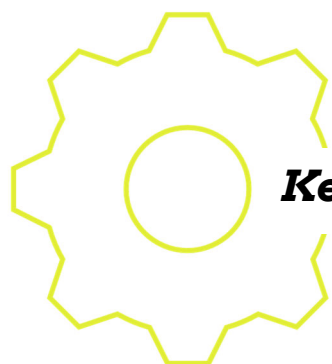
Fredericksburg Area Association of REALTORS® Market Report Key Takeaways

Economic Conditions

- In the third quarter of 2021, while economic conditions remained positive, there was a slowdown in job growth in Virginia. Unemployment in the Fredericksburg region continued to fall. Local economic conditions should improve further over the next few months.
- Consumer confidence has fallen amidst renewed uncertainties about the Delta variant. Individuals, families, and businesses have been rethinking plans that seemed more certain earlier this year.
- Mortgage rates remain at historically low levels, but an improving economy will lead to moderate increases in the average 30-year fixed-rate mortgage rate.

Housing Market Conditions

- There were 2,798 homes sold in the FAAR region during the third quarter. Home sales were up 7% compared to last year at this time, when market activity was surging.
- Home prices continued to rise quickly in the FAAR area. The third quarter median sales price was \$377,000, which is 13% higher than a year ago, a gain of \$42,000.
- Inventory rose in the FAAR region for the first time in nearly two years. There were 999 active listings in the region at the end of the third quarter, 28% more listings than a year ago.



Key Trends Dashboard, FAAR

Economy



3.7%

Is the Aug-2021 **unemployment rate** in the FAAR footprint, which is down from Jul-2021



3.01%

Is the **30-year fixed-rate mortgage rate** during the last week of September 2021, which is up from a year ago

Housing Market



187

More **home sales** in the FAAR footprint in Q3-2021 compared to last year



13%

Percent change in **median sales price** in the FAAR region in Q3-2021 compared to a year ago



\$208.7

Million dollars more in total **sold volume** in the FAAR footprint in Q3-2021 compared to last year.



28%

Percent change in **active listings** at the end of Q3-2021 in the FAAR market compared to a year ago



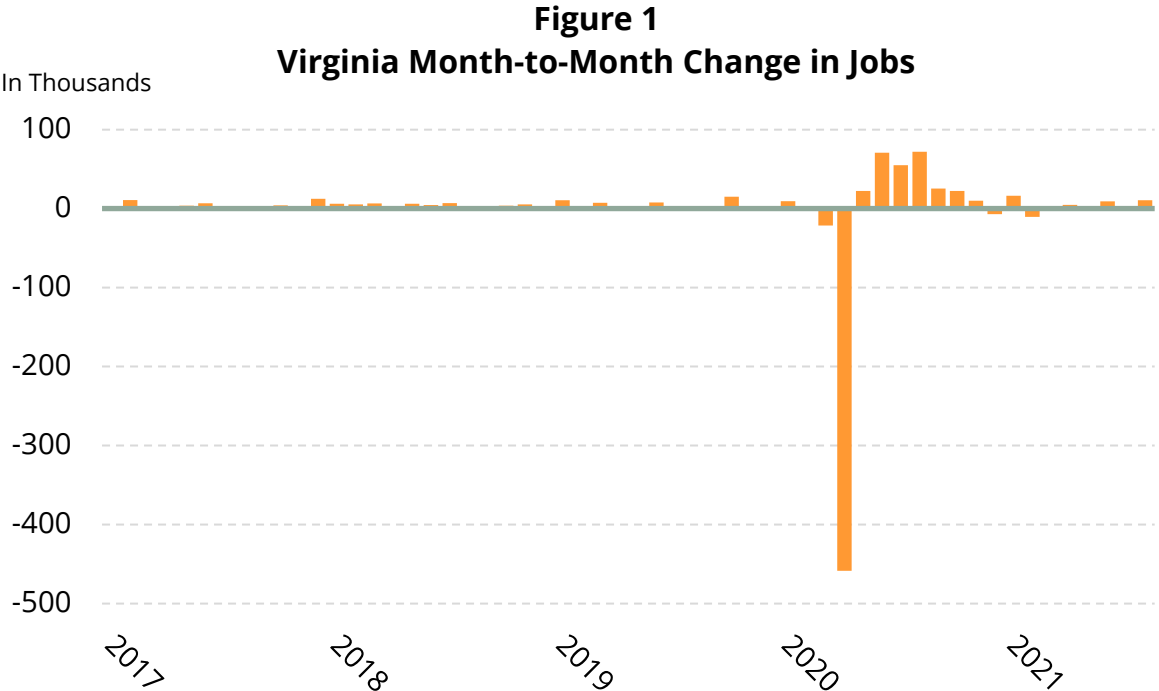
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Months of supply in the FAAR footprint in Q3-2021, which is up from a year ago

Economic Overview

Virginia’s economy continues to improve, though the Delta variant has taken the wind out of its sails. The growing uncertainty over the summer and into the fall has eroded consumer confidence and has made businesses rethink opening decisions. Despite the uncertainty, it is expected that the state’s economy will continue to expand throughout the rest of 2021 and growth will accelerate in 2022.

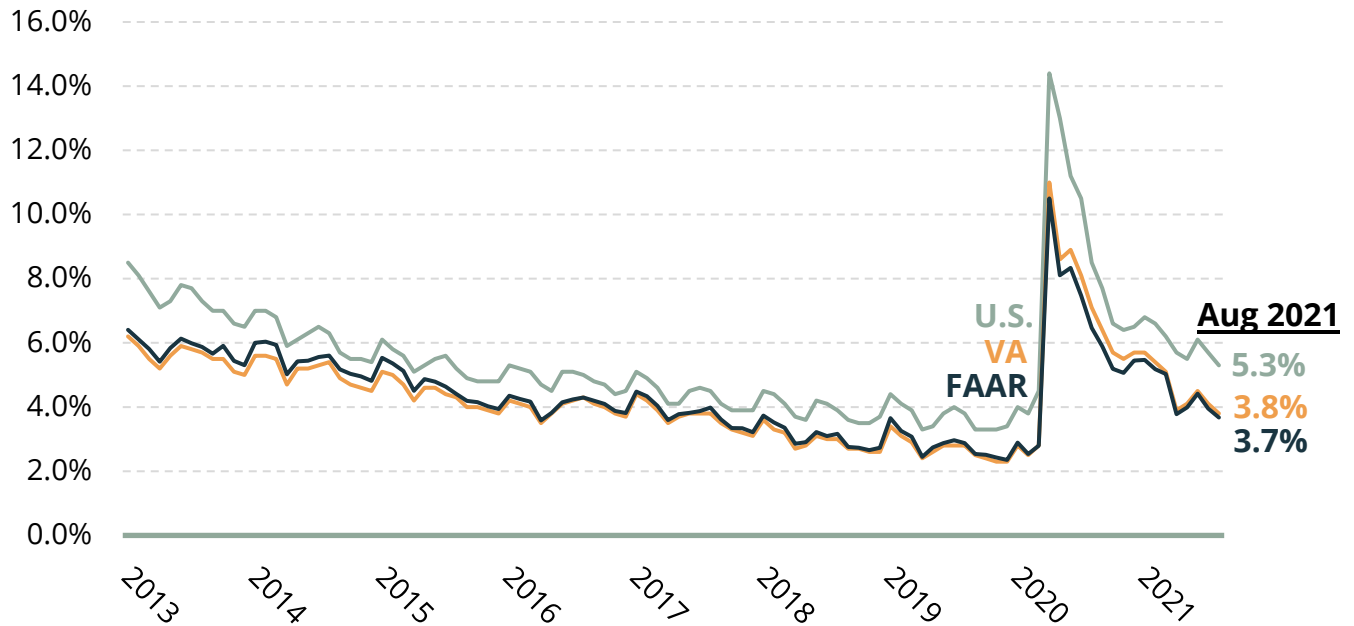
In August 2021, there was a total of 3.91 million jobs in Virginia, which is up 82,500 jobs from a year ago. Job growth has been steady, but the pace of the economic recovery has slowed. There are still about 175,000 fewer jobs in Virginia than there were before the pandemic. It is projected that the state will not regain all of the jobs lost during the pandemic and the recession until at least the end of 2022.



Source: U.S. Bureau of Labor Statistics, Seasonally Adjusted

The statewide unemployment rate was 3.8% in August 2021 and has been falling steadily for the past 18 months. The unemployment rate in the Fredericksburg region was 3.7% in August 2021, down from 4% a month earlier. Like the rest of the state, the region’s economy has been impacted by the rise of the Delta variant, but economic conditions should improve in the weeks and months to come.

Figure 2
Unemployment Rate

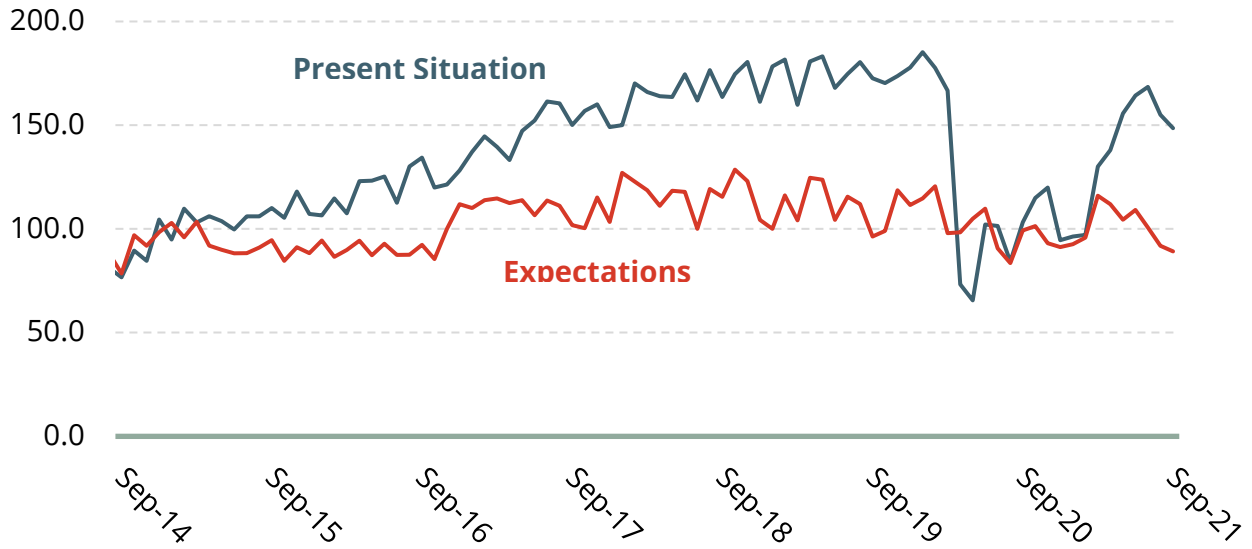


Source: U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics

The Delta variant has also impacted consumer confidence, as individuals and families are feeling more uncertain. In September 2021, the measure of confidence in the present economic situation was 148.5, down from nearly 170 earlier this summer. The measure of consumers' confidence in future economic conditions fell to 89.1 in September, after rising steadily throughout the late spring and early summer. A consumer confidence index above 100 indicates people are feeling more optimistic about economic conditions.

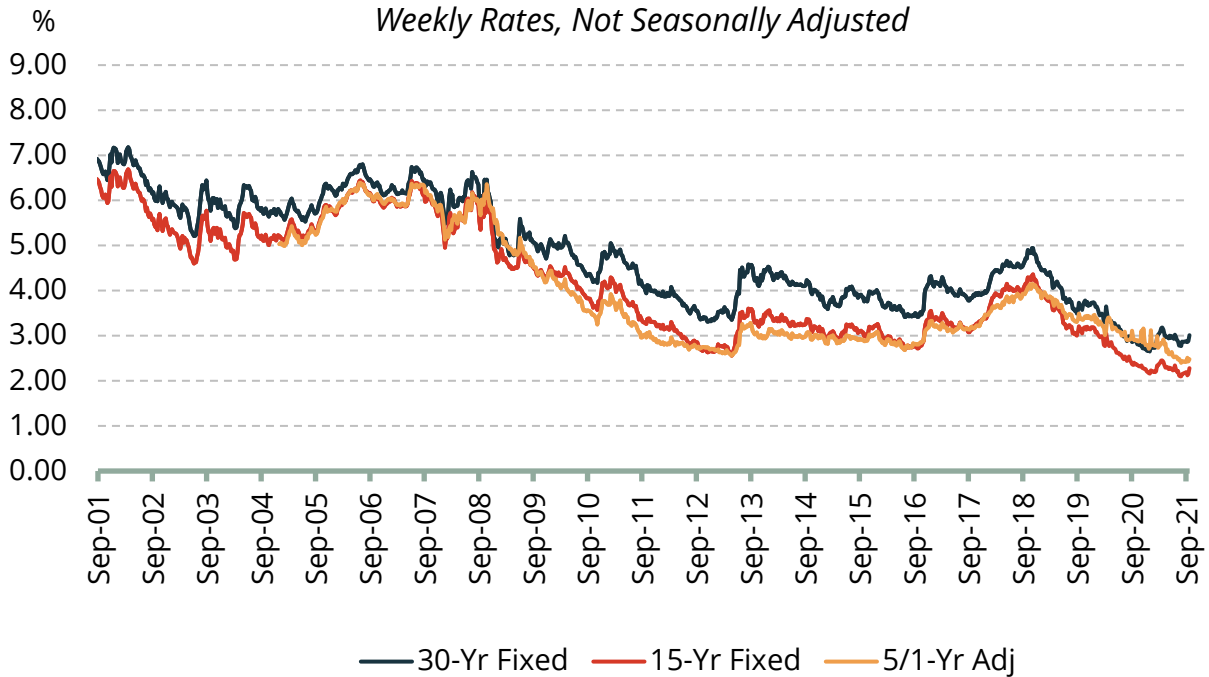
The average rate on a 30-year fixed-rate mortgage has consistently been below 3% for most of the past year. With an improving economy, mortgage rates have been rising slightly, though they still remain at historically low levels. At the end of September, the average 30-year fixed-rate mortgage rate had edged up to just above 3%. Rates are expected to rise modestly over the next few months but should remain below 3.5% throughout the end of the year.

Figure 3
Consumer Confidence
South Atlantic Region



Source: The Conference Board

Figure 4
Mortgage Interest Rates
Weekly Rates, Not Seasonally Adjusted



Source: Federal Reserve Bank of St. Louis

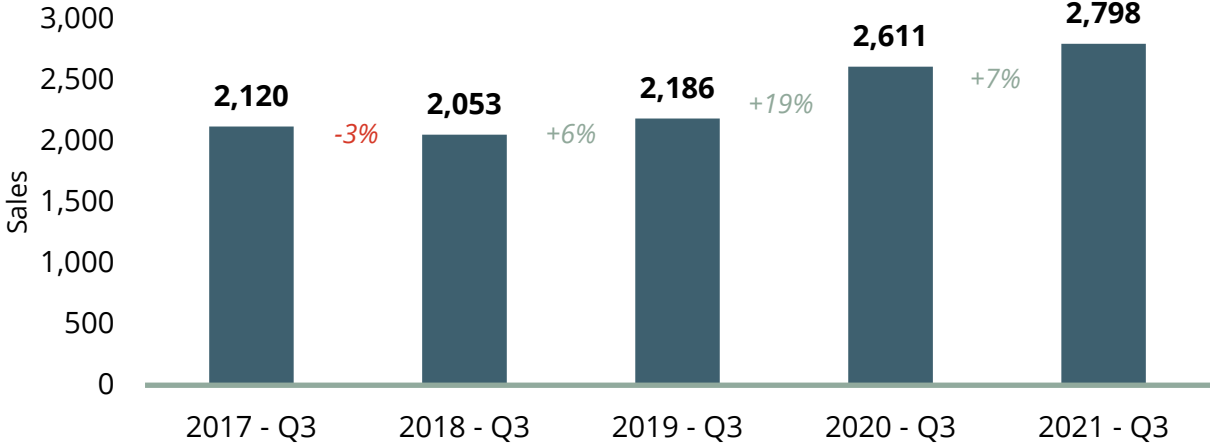
Housing Market Overview

While demand continued to be strong in the FAAR regional housing market, there were signs that market conditions could be easing. The number of home sales was up in the third quarter, even in comparison to the very busy third quarter of 2020. Home prices continued to rise at double-digit rates throughout the region, and homes sold faster than ever. The biggest shift in the market has been on the supply side, where the number of active listings in the FAAR region increased for the first time in nearly two years.

Sales

While home sales have been surging in the FAAR region in 2021, third quarter sales are up only slightly compared to the busy third quarter of 2020. There were 2,798 homes sold in the FAAR region during the third quarter. Home sales were up 7% compared to a year ago, an increase of 187 sales. The number of sales exceeded last year's sales in most local markets throughout the FAAR region. In addition, home sales in the FAAR market ran well above pre-pandemic levels, with third quarter sales 28% higher than sales in the third quarter of 2019. Statewide, the number of home sales in the third quarter was up 2% compared to last year and was 19% higher than third quarter 2019 sales totals.

Figure 5
Third Quarter Home Sales, FAAR
2017-2021



Source: Virginia REALTORS®, data accessed October 15, 2021



Local Snapshot – *Total Home Sales*

Caroline County: Home sales activity continued to be higher than it was last year in Caroline County. In the third quarter, there were 218 sales in the county, 17% more sales than a year ago, which is 31 additional sales. Home sales have increased in Caroline County for five consecutive quarters.

Fredericksburg: Sales activity remained strong in Fredericksburg. There were 123 sales in the city in the third quarter. Sales were up 8% compared to a year ago, an increase of nine sales. Sales activity in the city's housing market has been expanding for six straight quarters.

King George County: There were 139 sales in King George County in the third quarter. Sales activity was virtually unchanged compared to last year, with one fewer sale, a decline of 1%.

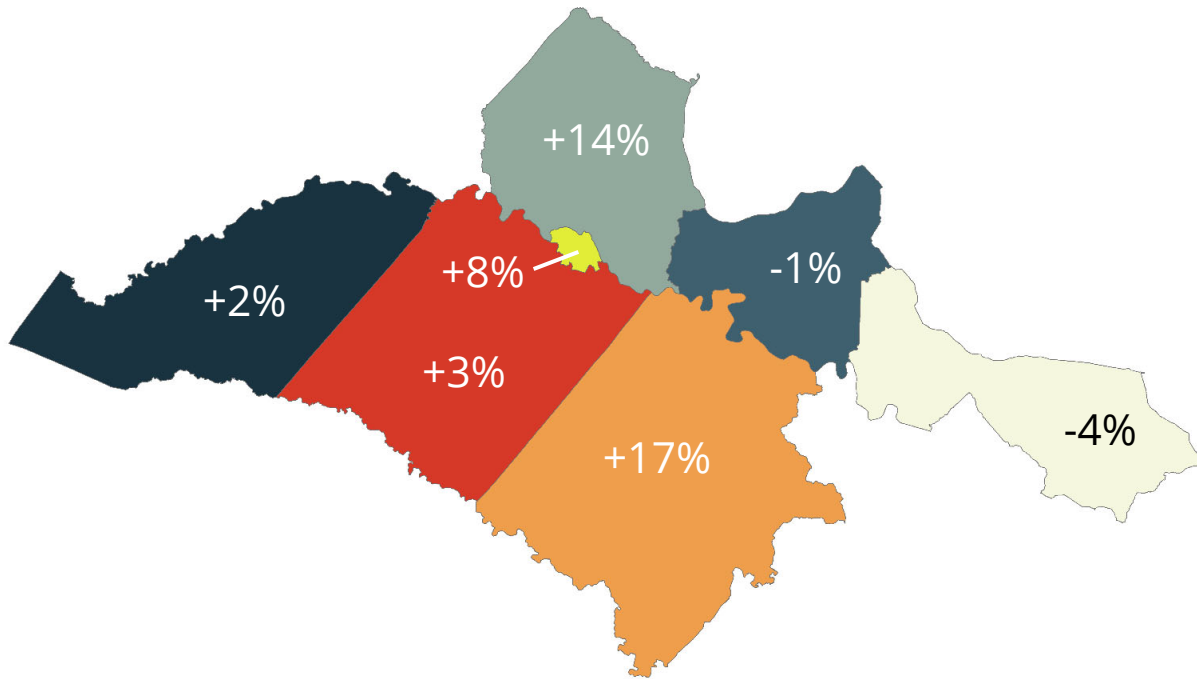
Orange County: In Orange County, the number of sales increased slightly from a year ago, after four quarters of significant sales increases. There were 261 sales in the county during the third quarter, six more sales than last year, a 2% increase.

Spotsylvania County: Sales in Spotsylvania County outpaced last year's fast-paced activity, although the number of sales was up by only 3%. In the third quarter, there were 859 sales in the county, which is 22 more sales than a year ago.

Stafford County: Sales activity remained brisk in Spotsylvania County. There were 1,032 sales in the county in the third quarter, 127 more sales than this time last year, representing a 14% increase.

Westmoreland County: There were 166 sales in Westmoreland County in the third quarter. The number of sales in the county was down 4% compared to a year ago, a decline of seven sales. Home sales activity had been much faster than a year ago for the prior four quarters.

Figure 6
Change in Sales by Jurisdiction
FAAR
Third Quarter 2020 to Third Quarter 2021



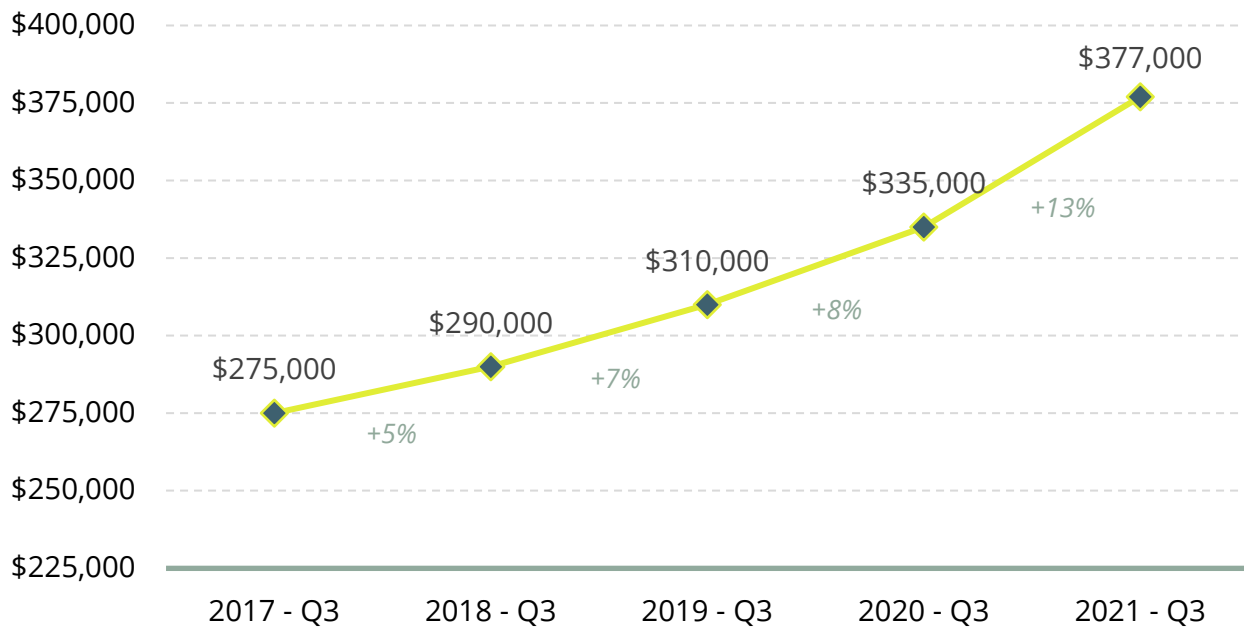
<i>Jurisdiction</i>	<i>2020 - Q3</i>	<i>2021 - Q3</i>	<i>% Change</i>
Caroline County	187	218	17%
Fredericksburg	114	123	8%
King George County	140	139	-1%
Orange County	255	261	2%
Spotsylvania County	837	859	3%
Stafford County	905	1,032	14%
Westmoreland County	173	166	-4%

Source: Virginia REALTORS®, data accessed October 15, 2021

Sales Prices

Home prices in the FAAR region continued to rise quickly. The median sales price in the third quarter was \$377,000, which is up 13% compared to a year ago, reflecting a gain of \$42,000. Prices rose quickly throughout most of the FAAR footprint, reflecting continued strong demand in the market. The third quarter median sales price is now \$108,500 higher than it was at this time five years ago. The median sales price statewide was \$355,000 in the third quarter, up 8% compared to a year ago.

Figure 7
Third Quarter Median Sales Price, FAAR
2017-2021



Source: Virginia REALTORS®, data accessed October 15, 2021



Local Snapshot – *Median Sales Price*

Caroline County: Median home prices have been rising at double-digit rates for five consecutive quarters. The third quarter median sales price in the county was \$294,950, a 23% increase from last year, which is a gain of more than \$55,000.

Fredericksburg: The median sales price in the City of Fredericksburg was relatively flat in the third quarter. At \$378,500, the median sales price in the city was up 1% compared to the third quarter of 2020, a gain of \$4,500.

King George County: After very fast price growth in the first half of 2021, home prices rose more slowly in the third quarter. The median sales price in King George County was \$370,000, rising 6% compared to the third quarter of 2020, a gain of more than \$20,000.

Orange County: Home prices increased sharply in Orange County. The third quarter median sales price in the county was \$340,000, a 17% increase from last year, which is a gain of \$50,000. Median home prices have risen at a double-digit rate for three of the past four quarters.

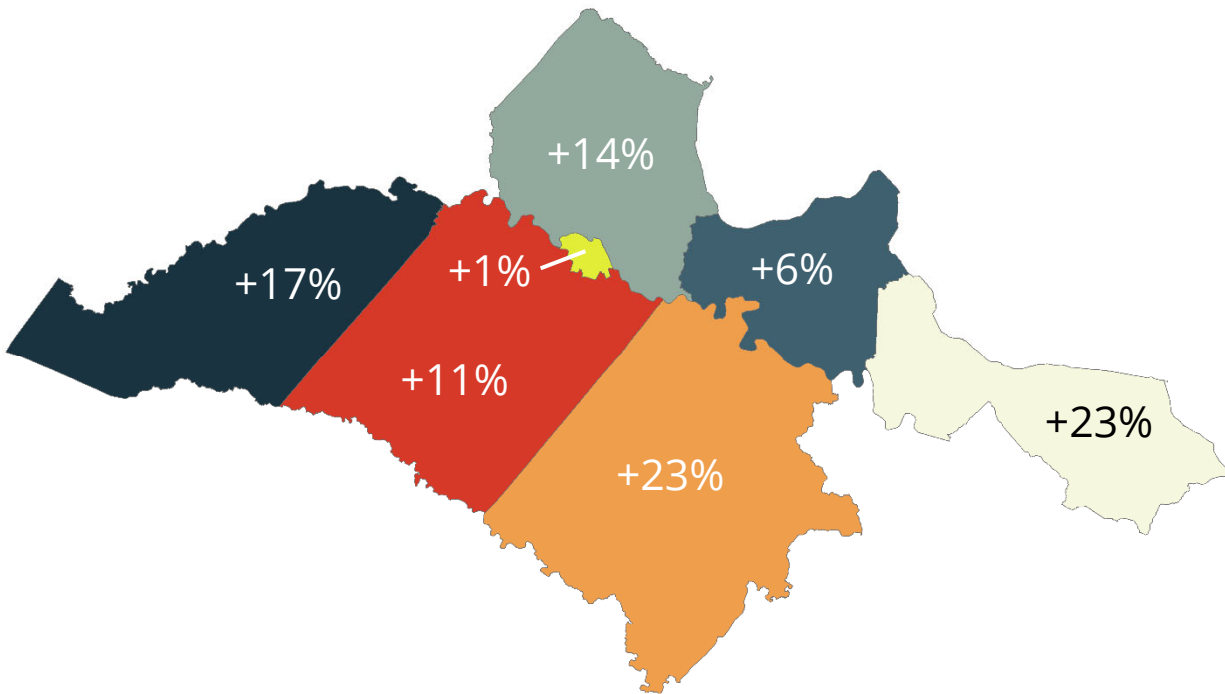
Spotsylvania County: The third quarter median sales price in Spotsylvania County was \$367,000, which was an 11% increase from last year, which is a gain of \$36,000. Prices have been up in the county at double-digit rates for five consecutive quarters.

Stafford County: In Stafford County, the third quarter median sales price was \$445,000, which is an increase of 14% compared to a year ago, or a gain of \$55,000. This is the fourth quarter in a row of double-digit price growth.

Westmoreland County: At \$283,151, the third quarter median sales price in Westmoreland County surged up more than \$53,000 compared to a year ago, a 23% increase. Prices have been rising very quickly in the county since the second quarter of 2020.

Figure 8
Change in Median Sales Price by Jurisdiction
FAAR

Third Quarter 2020 to Third Quarter 2021



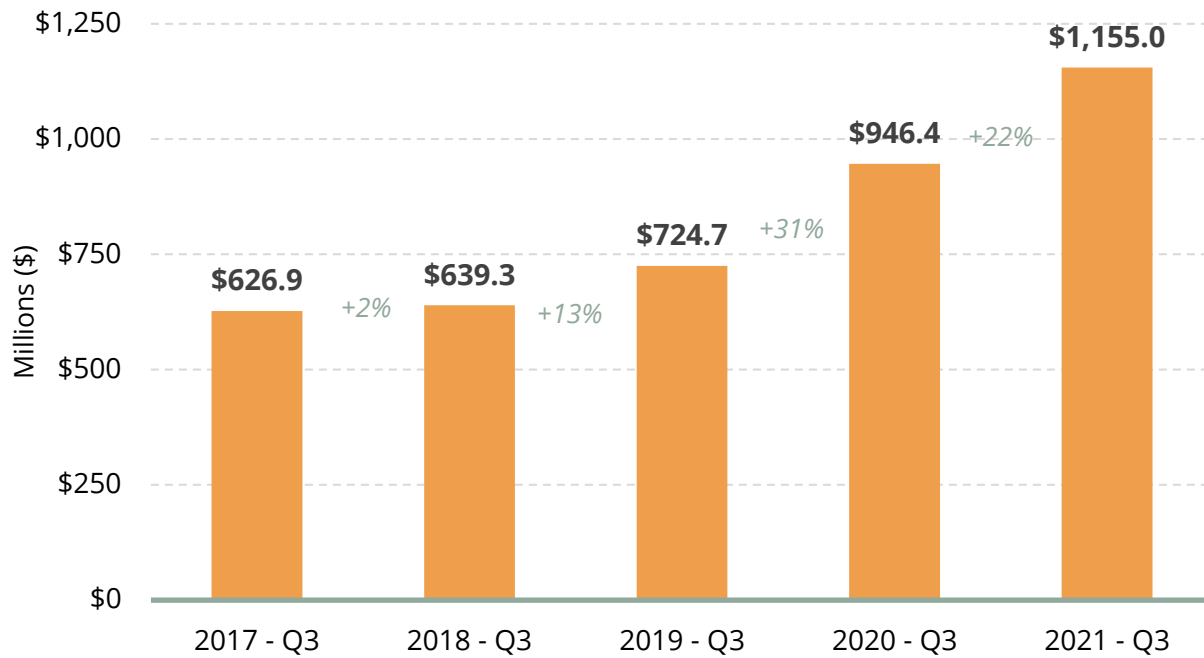
<i>Jurisdiction</i>	<i>2020 - Q3</i>	<i>2021 - Q3</i>	<i>% Change</i>
Caroline County	\$239,900	\$294,950	23%
Fredericksburg	\$374,000	\$378,500	1%
King George County	\$349,900	\$370,000	6%
Orange County	\$290,000	\$340,000	17%
Spotsylvania County	\$331,000	\$367,000	11%
Stafford County	\$390,000	\$445,000	14%
Westmoreland County	\$229,900	\$283,151	23%

Source: Virginia REALTORS®, data accessed October 15, 2021

Sold Volume

With strong price growth and an increase in sales, the sold dollar volume in the FAAR market increased in the third quarter. There was approximately \$1.2 billion of sold volume in the FAAR region, an increase of 22%, or a gain of about \$208.7 million. Total sold volume was up in the third quarter in all local markets across the FAAR footprint. Statewide, total sold volume was up 9% compared to the third quarter of last year.

Figure 9
Third Quarter Sold Dollar Volume (Millions), FAAR
2017-2021



Source: Virginia REALTORS®, data accessed October 15, 2021



Local Snapshot – *Sold Dollar Volume*

Caroline County: Strong price growth and a surge in home prices led to a big increase in total sold volume. There was about \$67.7 million of sold volume in Caroline County in the third quarter, a 42% increase from a year ago, which is a gain of about \$20.1 million.

Fredericksburg: Despite stable prices, a rise in sales led to an increase in sold dollar volume this quarter in Fredericksburg. There was approximately \$52.8 million of sold volume in the city during the third quarter, a 14% increase from last year, which is a gain of over \$6.5 million.

King George County: There was about \$54.6 million of sold volume in King George County in the third quarter, which was an increase of 8%, or \$4 million.

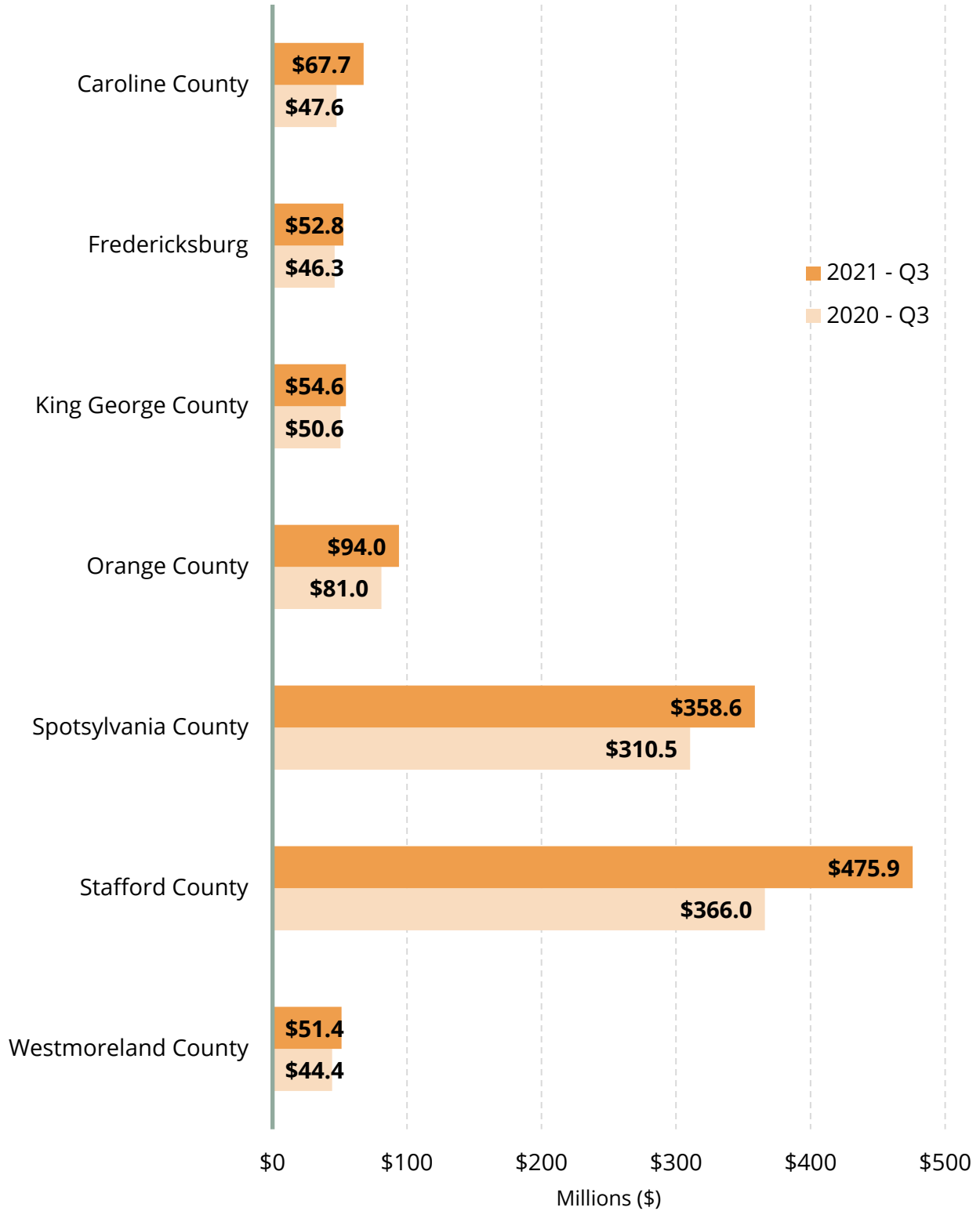
Orange County: Rising prices fueled growth in total sold volume in Orange County. There was about \$94 million of sold volume in the county in the third quarter, a 16% increase compared to a year ago, or a gain of \$13 million.

Spotsylvania County: There was approximately \$358.6 million of sold volume in Stafford County during the third quarter. Total sold volume increased 15% compared to a year ago, an increase of about \$48.1 million.

Stafford County: Sold volume soared in Stafford County in the third quarter. There was about \$475.9 million of sold volume in the county, a 30% increase from a year ago, which is a gain of \$109.8 million.

Westmoreland County There was approximately \$51.4 million of sold volume in Westmoreland County in the third quarter. Total sold volume is up 16% compared to a year ago, an increase of more than \$7 million.

Figure 10
Third Quarter Sold Dollar Volume, FAAR Jurisdictions
2020 and 2021

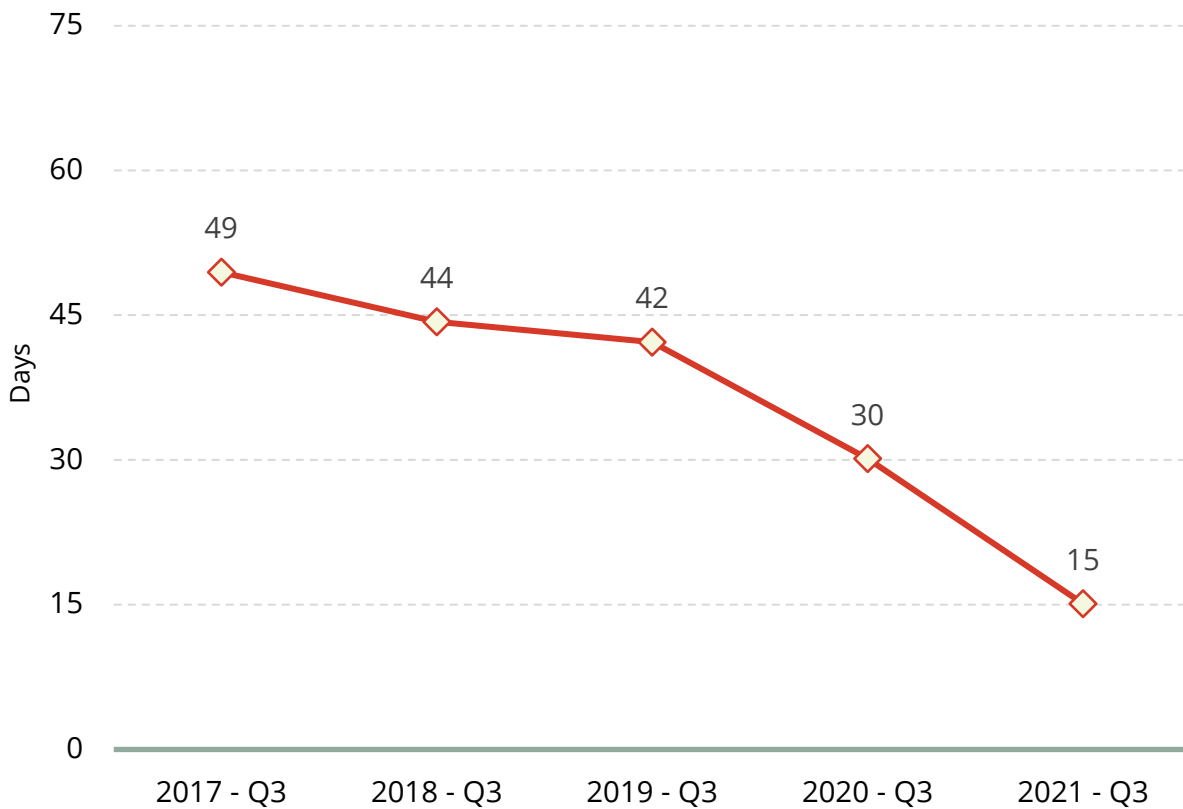


Source: Virginia REALTORS®, data accessed October 15, 2021

Days on Market

Homes have been selling very quickly in the FAAR market. Homes that sold in the third quarter in the region were on the market for 15 days on average, which is about two weeks faster than a year ago (-15 days). The average days on market was down in all local markets across the FAAR region, reflecting strong demand in the market. Statewide, homes sold in an average of 21 days in the third quarter, down from 39 days a year ago.

Figure 11
Third Quarter Average Days on Market, FAAR
2017-2021



Source: Virginia REALTORS®, data accessed October 15, 2021



Local Snapshot – *Average Days on Market*

Caroline County: It took less than two weeks on average (13 days) for homes to sell in Caroline County during the third quarter, which is 20 days faster than last year.

Fredericksburg: Homes that sold in Fredericksburg during the third quarter were on the market an average of 19 days, which is nine days faster than last year. The average days on market increased between the second and third quarters in Fredericksburg.

King George County: Strong demand has led to homes selling very quickly in King George County. The average days on market in the county dropped to 12 days during the third quarter, nearly a month (-24 days) faster than a year ago.

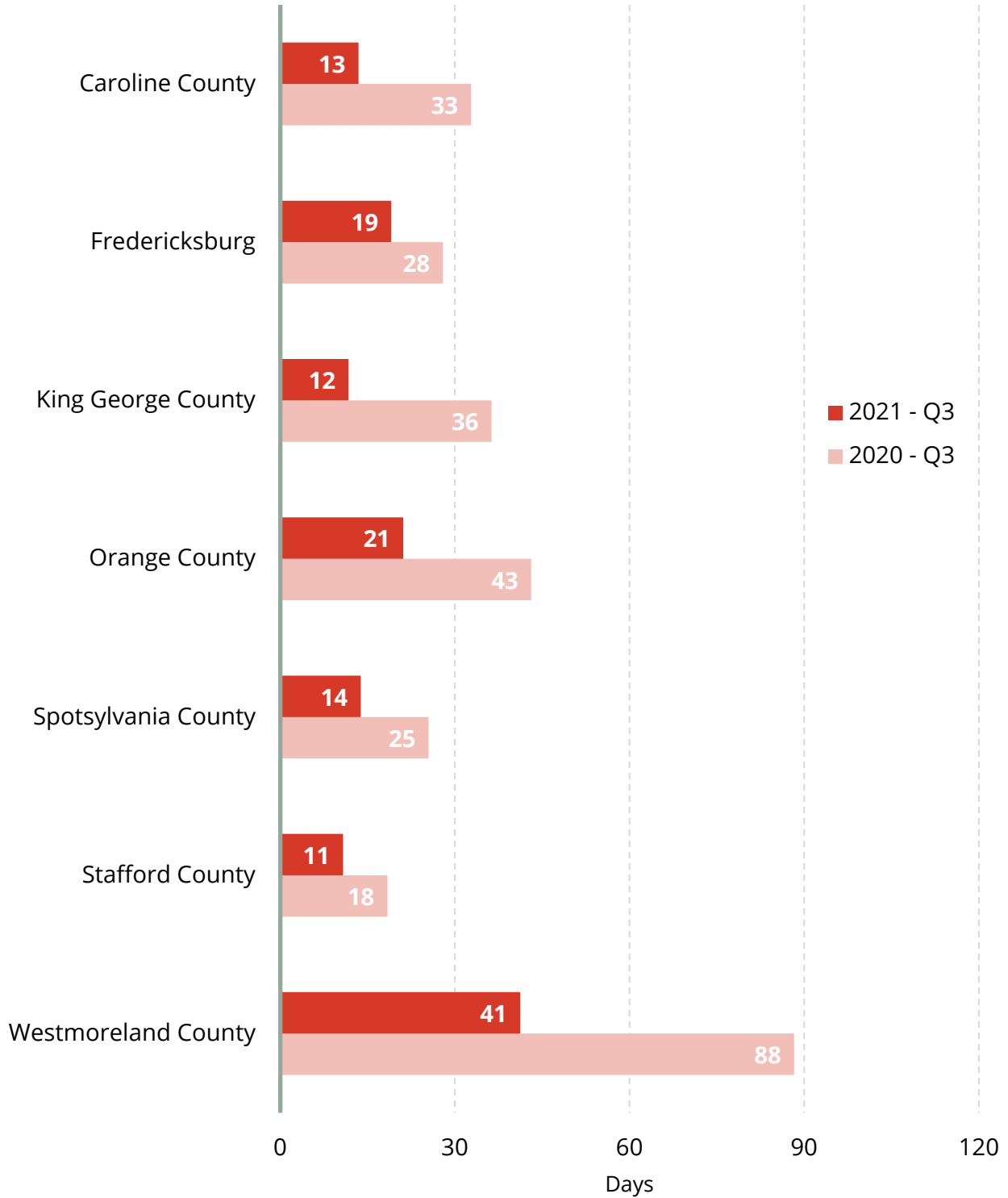
Orange County: In the third quarter, homes sold in an average of 21 days in Orange County. Homes sold in the county were on the market 22 fewer days than they were a year ago.

Spotsylvania County: Homes that sold in the third quarter in Spotsylvania County were on the market an average of 14 days. The average days on market in the county dropped 11 days compared to a year ago.

Stafford County: It took 11 days, on average, to sell a home in Stafford County during the third quarter, which is a week faster than a year ago (-7 days). The average days on market in Stafford County increased slightly between the second and third quarters.

Westmoreland County: Homes that sold in Westmoreland County during the third quarter were on the market an average of 41 days, which is 47 days faster than a year ago.

Figure 12
Third Quarter Average Days on Market, FAAR Jurisdictions
2020 and 2021



Source: Virginia REALTORS®, data accessed October 15, 2021

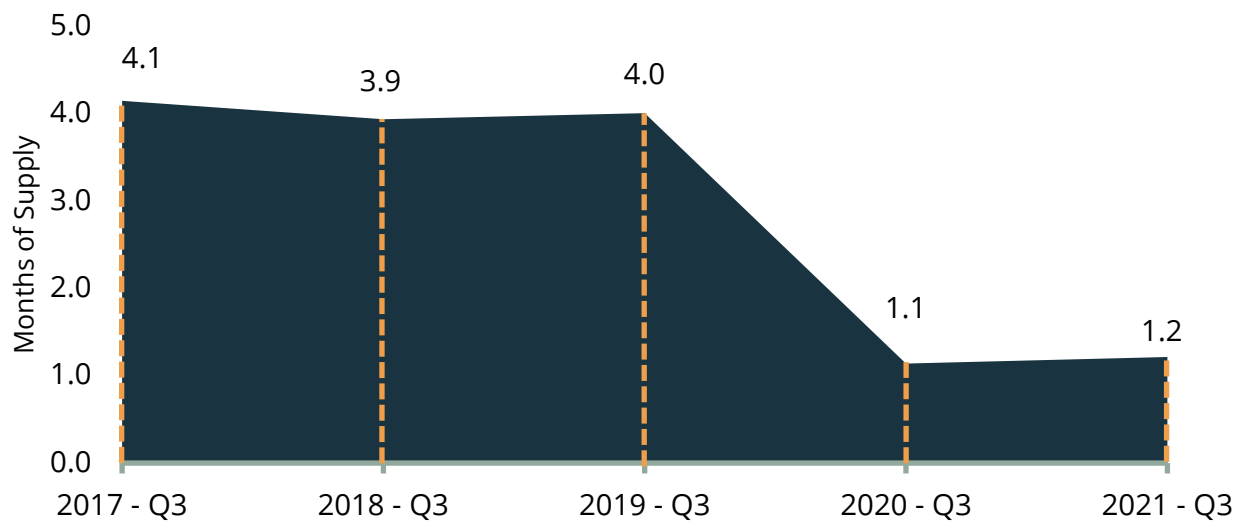
Inventory

During the third quarter, inventory expanded in the FAAR market for the first time in nearly two years. At the end of the third quarter, there was a total of 999 active listings on the market in the FAAR footprint, 28% more listings than were available a year ago, which is an increase of 216 listings. Inventory had been declining dramatically throughout 2020 and 2021, so the third quarter increase marks a notable change. Inventory was up in all local markets across the FAAR region, with the exception of Westmoreland County. Despite the inventory gains, the number of active listings still remains low by historic measures. At the end of the third quarter, there were 1,500 fewer active listings than there were five years ago.

At the state level, inventory fell in the third quarter. Statewide, there was a total of 20,726 active listings, which is about 1,800 fewer active listings than a year ago, an 8% drop.

There was about 1.2 months of supply at the end of the third quarter in the FAAR area, up from 1.1 months of supply a year ago. The months of supply metric is calculated by taking the average monthly sales over the preceding 12-month period and dividing it by the inventory of active listings.

Figure 14
End of Third Quarter Months Supply, FAAR
2017-2021



Source: Virginia REALTORS®, data accessed October 15, 2021



Local Snapshot – *Active Listings*

Caroline County: At the end of the third quarter, there were 91 active listings in Caroline County. The number of active listings on the market increased by 20%, a gain of 15 listings, compared to a year ago.

Fredericksburg: Inventory was up in the Fredericksburg market. There were 53 active listings on the market in the city at the end of the third quarter, 13% more listings than a year ago, which is an additional six listings.

King George County: With 64 active listings at the end of the third quarter, inventory increased by 31% in King George County. Compared to a year ago, there were 15 more listings on the market at the end of the quarter.

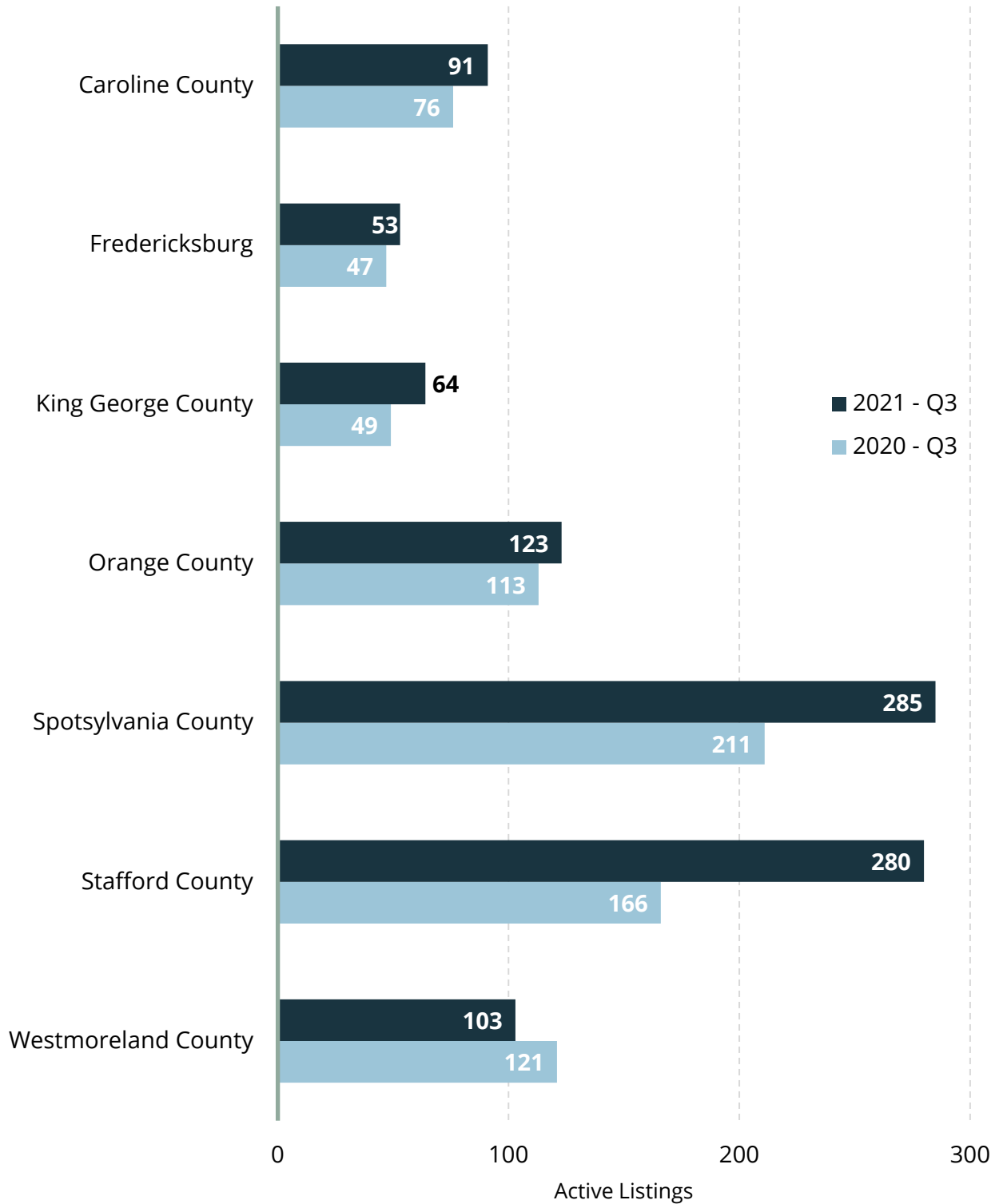
Orange County: At the end of the third quarter, there were 123 active listings on the market in Orange County, which is 10 more listings than last year at this time, an increase of 9%.

Spotsylvania County: There were 285 homes listed for sale in Spotsylvania County at the end of the third quarter. Inventory was up by 35% compared to a year ago, with 74 more listings.

Stafford County: The biggest inventory increase in the FAAR region was in Stafford County. At the end of the third quarter, there were 280 active listings in the county, which is a 69% increase compared to a year ago, or 114 more listings.

Westmoreland County: Westmoreland County was the only local market where inventory declined in the third quarter. There was a total of 103 active listings in the county, which is 18 fewer than a year ago, a drop of 15%.

Figure 14
End of Third Quarter Active Listings, FAAR Jurisdictions
2020 and 2021



Source: Virginia REALTORS®, data accessed October 15, 2021



The Virginia REALTORS® association is one of the largest professional trade associations in Virginia, representing 35,000 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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Data and analysis provided by Virginia REALTORS® Chief Economist, Lisa Sturtevant, PhD.

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.