

# **GPR** GREATER PIEDMONT HOME SALES REPORT

Rappahannock County

CUSTOM REPORT PREPARED BY  
**VIRGINIA REALTORS®**



# Rappahannock County Housing Market + Regional Trends Analysis

## 4<sup>th</sup> Quarter 2019 Report

The Greater Piedmont Region had a stronger year, overall, in 2019 compared to 2018. There were more sales transactions in the region, and sales prices continue to climb in all local markets. From a quarterly perspective, the 4th quarter was one of the strongest of the year; sales surged up in Culpeper and Fauquier counties, the median sales price climbed in all 4 jurisdictions in the region, and homes sold faster, on average, in many areas. While market indicators were mostly positive, it's important to note that the market activity in the 4th quarter of 2018 was likely negatively impacted by the Federal Government shutdown that began in December 2018 and continued through most of January 2019, which could overstate the year-over-year growth occurring now in the 4th quarter of 2019. Many Federal workers live in the Greater Piedmont footprint, so the uncertainty created by the shutdown could have been a major factor in homebuying decisions at the end of 2018.

The region's economy has shown some signs of slowing down, with job losses occurring mid-way through 2019. However, unemployment continues to be very low, below the state and national levels. This provides stability and confidence for buyers who are active in the local market. In addition, the Federal Reserve signaled at the end of January that interest rates would remain steady in the coming months, which should provide attractive financing options for those active in the housing market. Key highlights from the housing and economic data this quarter include:

- The median sales price increased in all 4 counties in the region. The median sales price for the region jumped up \$28,000 in the 4th quarter compared to a year ago.
- Strong sales growth in Culpeper and Fauquier counties and the price gains across the region led to a surge in sold volume. In total, there was \$209 million in sold volume in the region in the 4th quarter, \$54 million more than last year.
- The inventory of active listings is declining rapidly in the Greater Piedmont footprint. There were 28% fewer active listings at the end of the 4th quarter of 2019 compared to 2018.

### Key Market Indicators: 4<sup>th</sup> Quarter 2019, Rappahannock County

Change from 4Q-2018	▼ -4.5%	Units Sold: <b>21</b>
	▲ 8.2%	Average Sales Price: <b>\$476,500</b>
	▲ 16.9%	Median Sales Price: <b>\$415,000</b>
	▲ 61	Average Days on Market: <b>148</b>
	▲ 1.4%	Average Sales Price to Original List Price Ratio: <b>94.5%</b>
	▼ -14	Active Listings: <b>47</b>



## *Local Market Snapshot*

### *Rappahannock County*

**Sales:** There were 21 sales in Rappahannock County in the 4<sup>th</sup> quarter, 1 fewer sale than last year, a 5% decline. Prior to this modest decrease, sales activity had been increasing for several quarters.

**Home Prices:** Sales prices continue to climb in Rappahannock County for the 2<sup>nd</sup> quarter in a row. At \$415,000, the 4<sup>th</sup> quarter median sales price surged up 17% from last year, a gain of \$60,000.

**Active Listings:** There were 47 active listings in Rappahannock County at the end of the 4<sup>th</sup> quarter, 14 fewer listings than the year prior, a 23% decline. This is the 1<sup>st</sup> inventory decline in the County in a year.

**Days on Market:** At 148 days, the average days on market in Rappahannock County increased by about 2 months (+61 days) in the 4<sup>th</sup> quarter compared to last year. This is the 1<sup>st</sup> increase since the Spring of 2018.

## Greater Piedmont Region Housing Market Trends

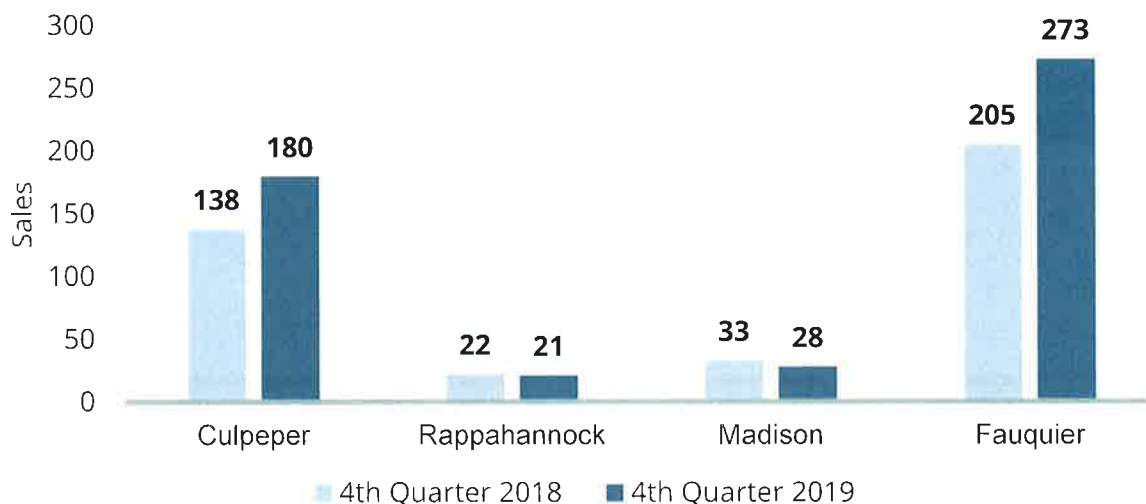
**Sales:** 2019 was a strong year for sales in the Greater Piedmont Region housing market overall. There were 2,222 sales across the region in 2019, 262 more sales than in 2018, representing a 13.4% increase. This is a notably strong increase given that total sales had declined in 2018 compared to 2017. At the region level, sales grew all 4 quarters this year, and most local markets had upward trends in sales activity. From a quarterly perspective, the 4th quarter was the strongest of the year in terms of sales growth. There were 502 sales in the Greater Piedmont footprint, 104 more sales than the 4th quarter last year, a 26% surge. All of the sales growth occurred in Fauquier County and Culpeper County this quarter, where the numbers of sales increased by 68 and 42, respectively. Both Madison County and Rappahannock County had slightly lower sales than a year ago, with 5 fewer sales and 1 fewer sale, respectively, in the 4th quarter.

**Figure 1:** Sales by Jurisdiction in the Greater Piedmont Region, Annual Comparison

	2019 Sales	2018 Sales	Change
<b>Greater Piedmont Region</b>	<b>2,222</b>	<b>1,960</b>	<b>+13.4%</b>
Culpeper	766	688	+11.3%
Rappahannock	100	90	+11.1%
Madison	145	149	-2.7%
Fauquier	1,211	1,033	+17.2%

Source: Virginia REALTORS®, data accessed January 17, 2020

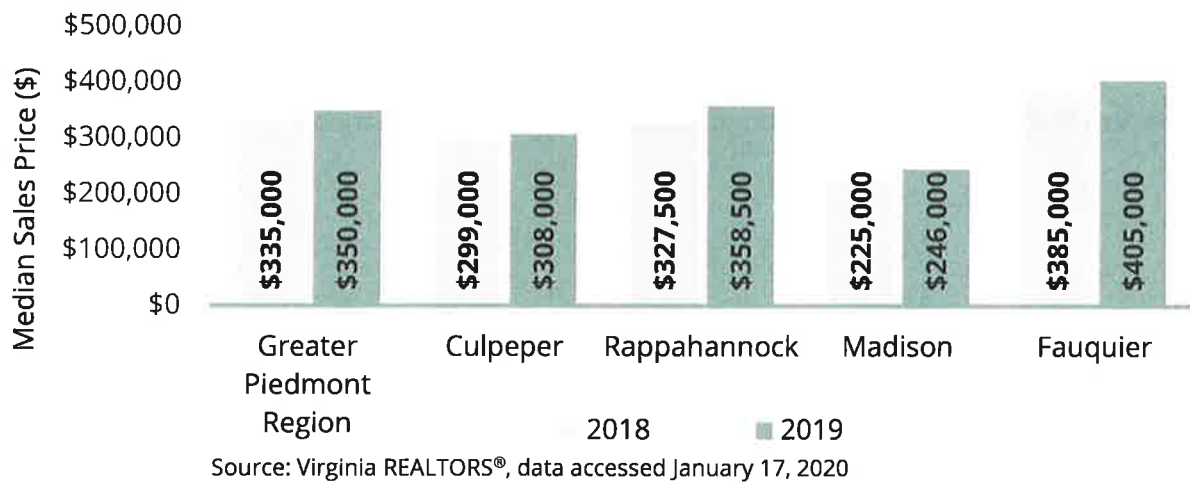
**Figure 2:** Sales by Jurisdiction in the Greater Piedmont Region



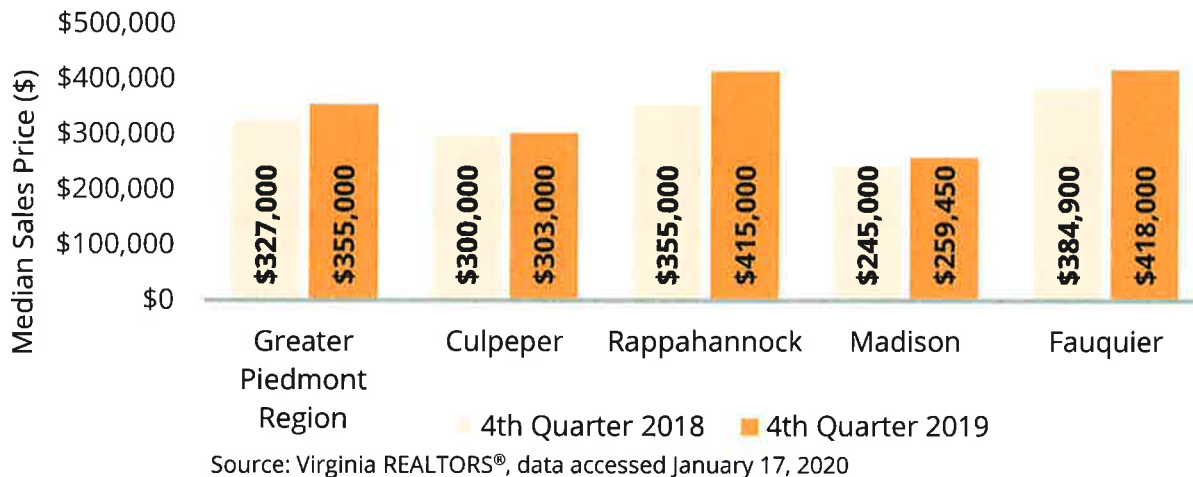
Source: Virginia REALTORS®, data accessed January 17, 2020

**Home Prices:** Sales prices in the Greater Piedmont Region footprint rose consistently throughout 2019. The annual median sales price for the region was \$350,000 in 2019, which is \$15,000 higher than the 2018 median sales price, a 4.5% gain. Home prices have been trending up in the region for several years and reflect strong demand in many local areas and a shrinking supply of inventory available in those markets. The 4th quarter of 2019 had the largest price gain of the year for the Greater Piedmont housing market. At \$355,000, the 4th quarter median sales price jumped up \$28,000 from a year ago, reflecting 9% price growth in the market. For the 2<sup>nd</sup> time in a row, all jurisdictions in the Greater Piedmont footprint had higher median sales prices this quarter compared to the prior year.

**Figure 3:** Median Sales Prices in the Greater Piedmont Region, Annual Comparison

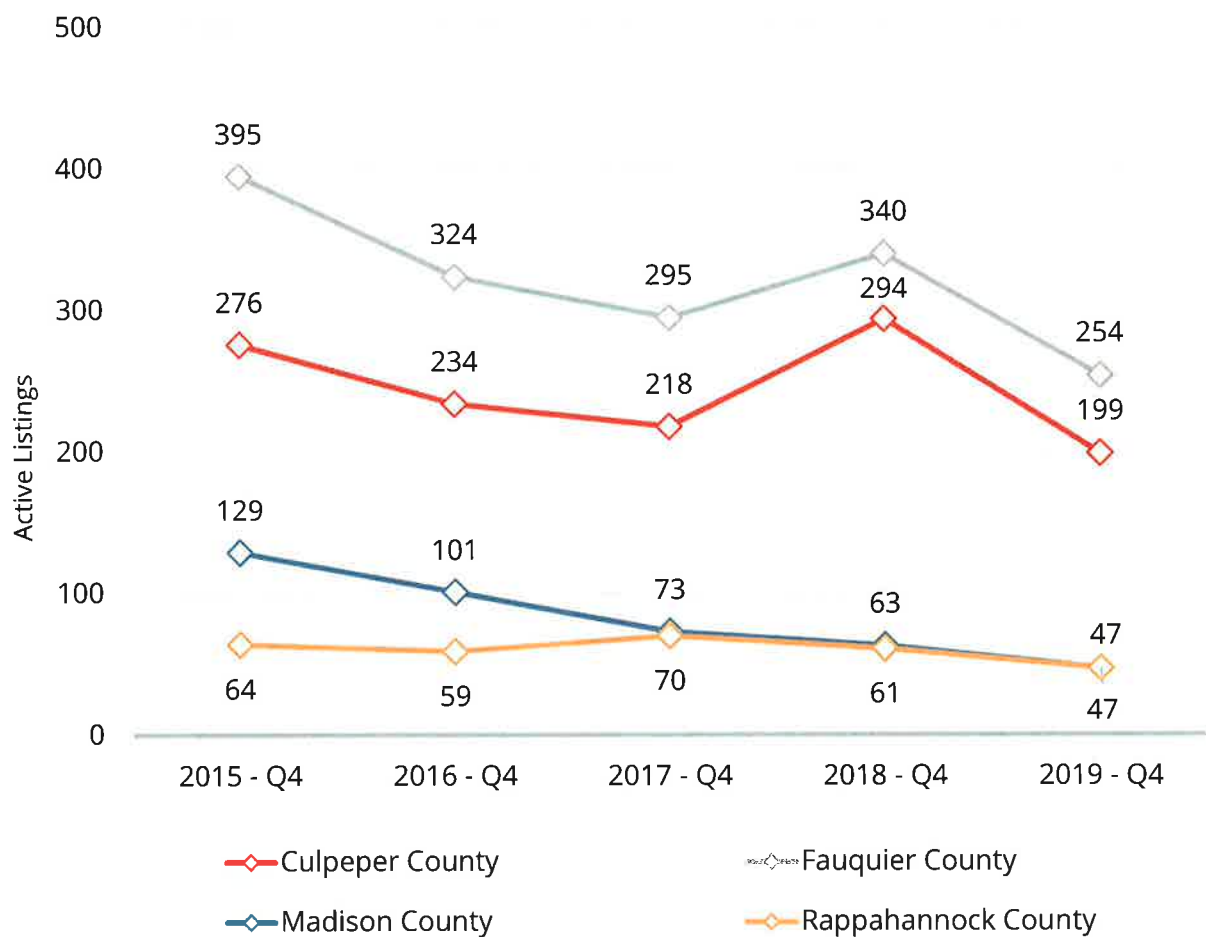


**Figure 4:** Median Sales Prices in the Greater Piedmont Region, 4<sup>th</sup> Quarter Comparison



**Active Listings:** The inventory level in the Greater Piedmont housing market continues to shrink. There were 547 active listings on the market at the end of the 4th quarter across the 4 jurisdictions, which is 211 fewer active listings than a year ago, a 28% reduction. Similar inventory trends are occurring in other housing markets around Virginia. A wide range of factors could be leading to lower inventories, including retirees opting to remain in their homes instead of downsizing and families who recently refinanced with attractive rates deciding to renovate their existing homes instead of moving. As the number of sales transactions continues to increase, the inventory of active listings is not being replaced at the same rate, which is causing the available inventory to shrink over time. At the local level, all counties in the Greater Piedmont footprint had a drop in active listings this quarter. Culpeper County had the sharpest reduction, down 32% from a year ago, 95 fewer active listings on the market. Both Fauquier County and Madison County had a 25% decrease in inventory, down 86 and 16 active listings, respectively.

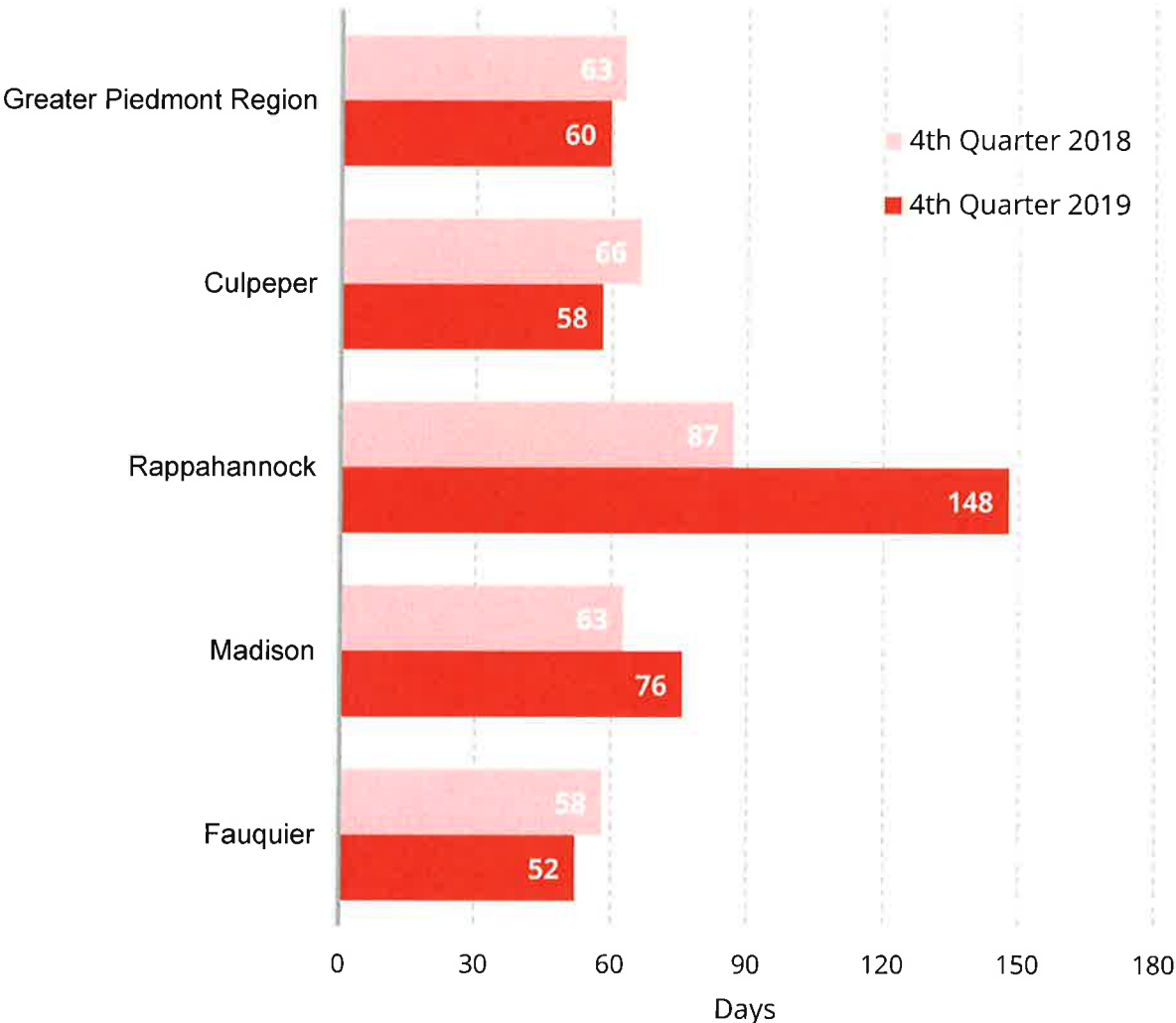
**Figure 5:** 4<sup>th</sup> Quarter Active Listings in the Greater Piedmont Region



Source: Virginia REALTORS®, data accessed January 20, 2020

**Days on Market:** Homes are selling faster, on average, in the Greater Piedmont Region. It took about 2 months (60 days), on average, for a home to sell during the 4th quarter of 2019, which is 3 days faster than last year. The average days on market in the region has been trending down over the past 4 years, declining 13 of the past 16 quarters. At the local level, homes sold about a week faster, on average, in both Culpeper County (-8 days) and Fauquier County (-6 days). Homes that sold in Madison County in the 4th quarter were on the market about 2 weeks longer than last year (+13 days). The average days on market in Rappahannock County surged up by 2 months (+61 days) in the 4th quarter, though this metric tends to fluctuate widely in the County due to the relatively low transaction volume each quarter.

**Figure 6:** 4<sup>th</sup> Quarter Average Days on Market in the Greater Piedmont Region



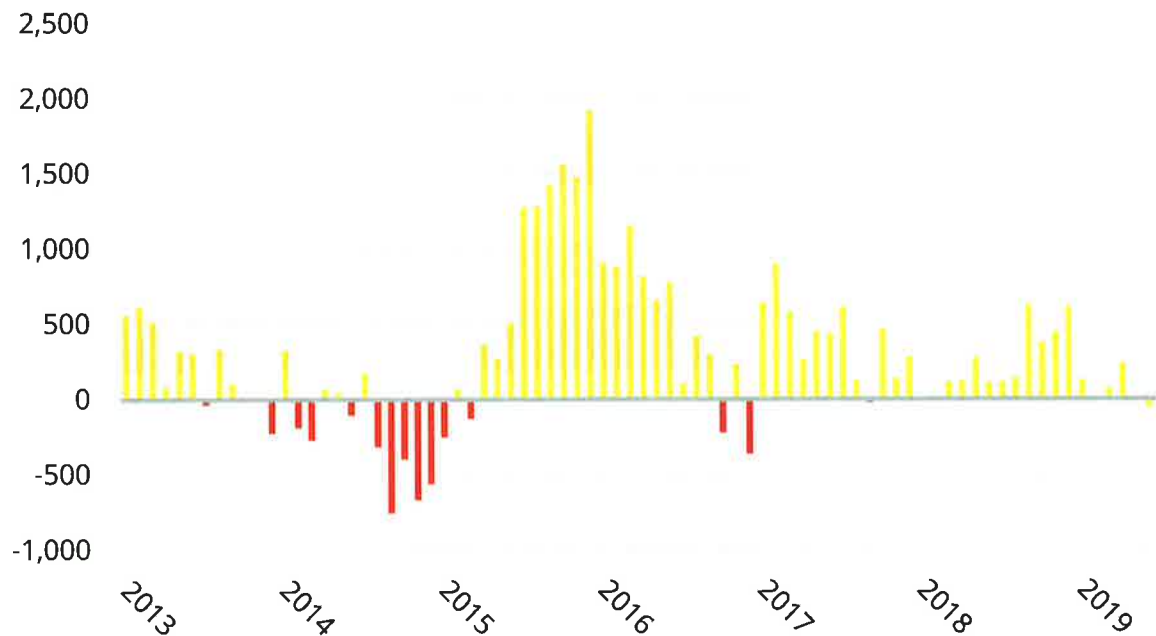
Source: Virginia REALTORS®, data accessed January 17, 2020

## Economic Overview

Through the first half of 2019 (the latest data available), job growth was fairly steady in the Greater Piedmont Region. However, between June 2018 and June 2019, the region saw a slight decline in jobs. By comparison, the region had added an average of 84 net new jobs in the first 5 months of 2019. The somewhat slower job growth is likely due to constraints in the labor force and not a signal of weakness in the local economy.

The biggest job gains in the Greater Piedmont Region continued to be in the Health Care & Social Assistance (+115 jobs) and Administrative & Waste Management (+242 jobs) sectors. Between June 2018 and June 2019, there were also gains in the Construction sector, with 78 net new jobs.

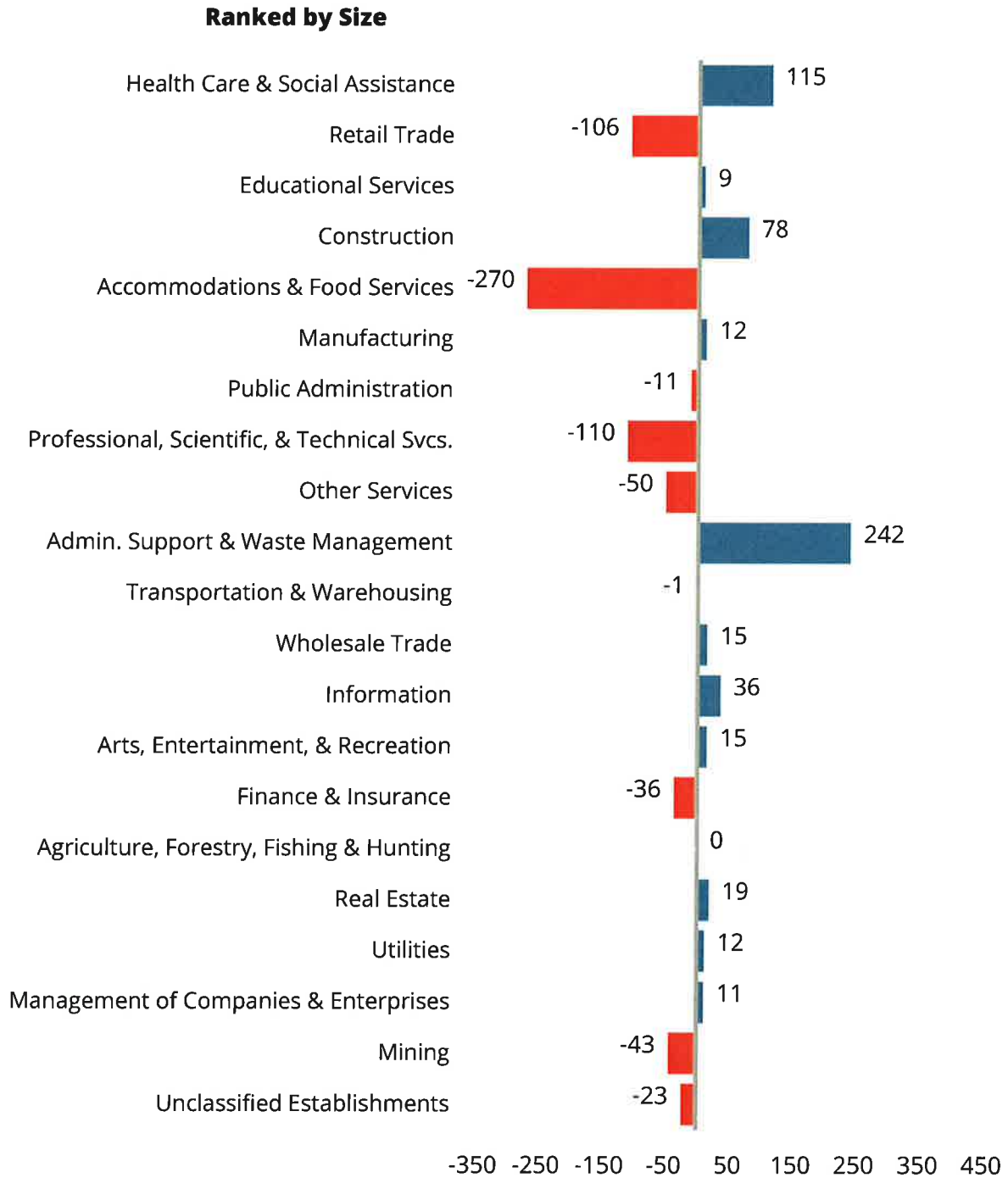
**Figure 7:** Annual Change in Jobs, GPR



Source: Virginia Employment Commission, Quarterly Census of Employment and Wages



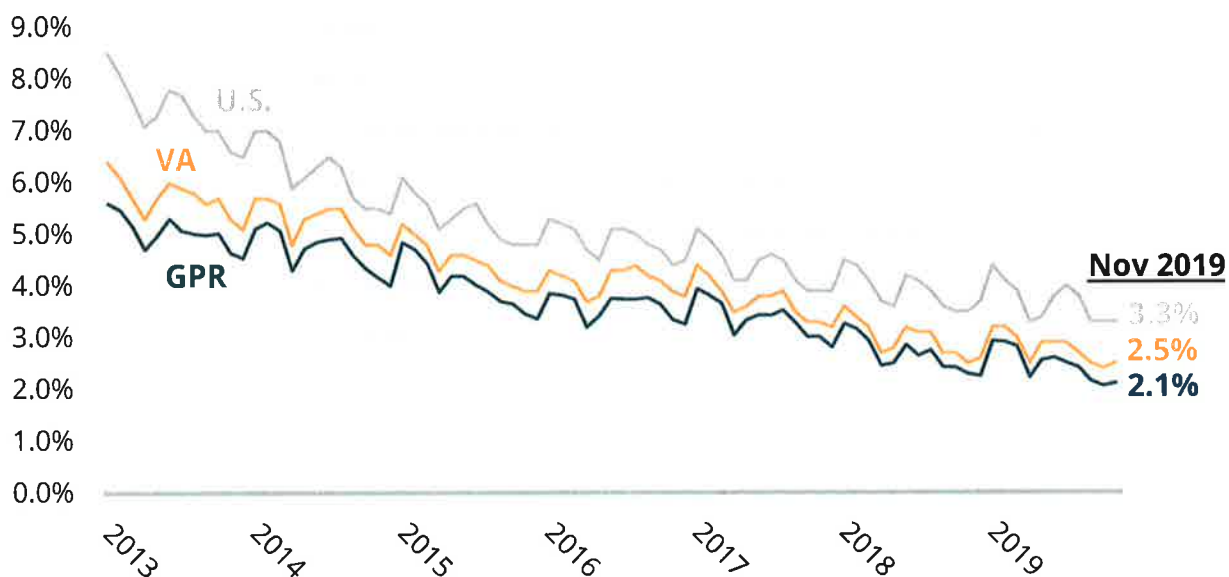
**Figure 8: Job Change by Industry, GPR, Jun-2018 to Jun-2019**



Source: Virginia Employment Commission, Quarterly Census of Employment and Wages

The unemployment rate in the Greater Piedmont Region fell to 2.1% in November 2019, lower than it has ever been in the region. A tight labor market makes it difficult for businesses to hire and expand in the region, slowing overall regional job growth.

**Figure 9:** Unemployment Rate

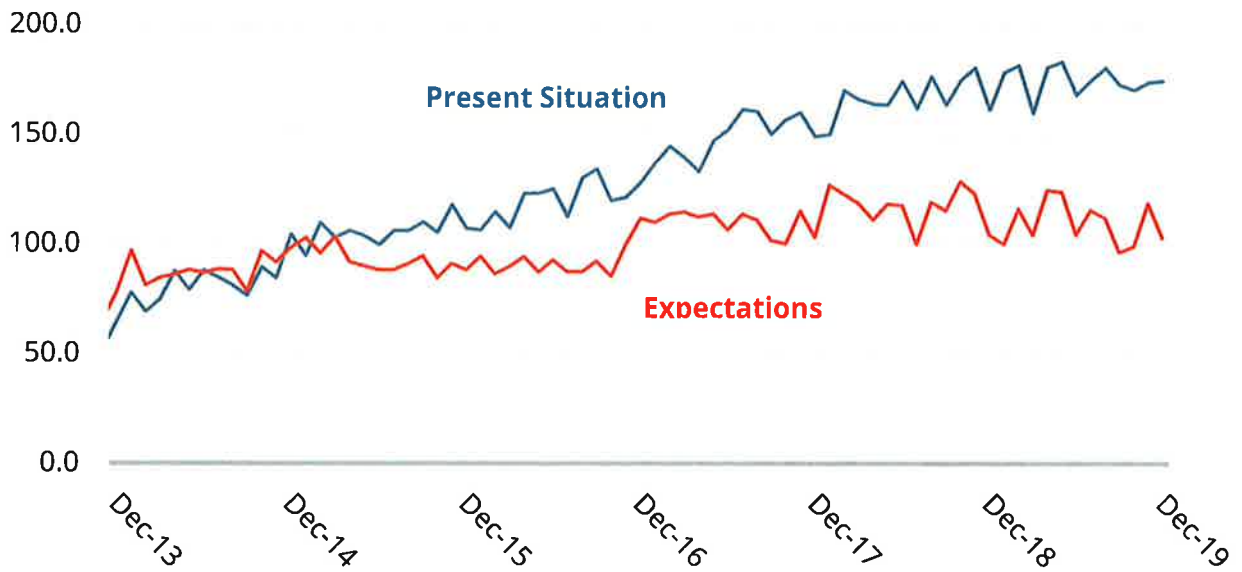


Source: U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics

While consumer confidence remains strong, data suggest some uncertainties about future economic conditions among residents of the South Atlantic region of the U.S., which includes Virginia. The measure of confidence in current economic conditions continues to rise and was 174.4 in December. The measure of consumers' confidence in future economic conditions fell to 102.9 in December. A level above 100 is positive, but this metric has been hovering slightly above and below 100 for the last few months.

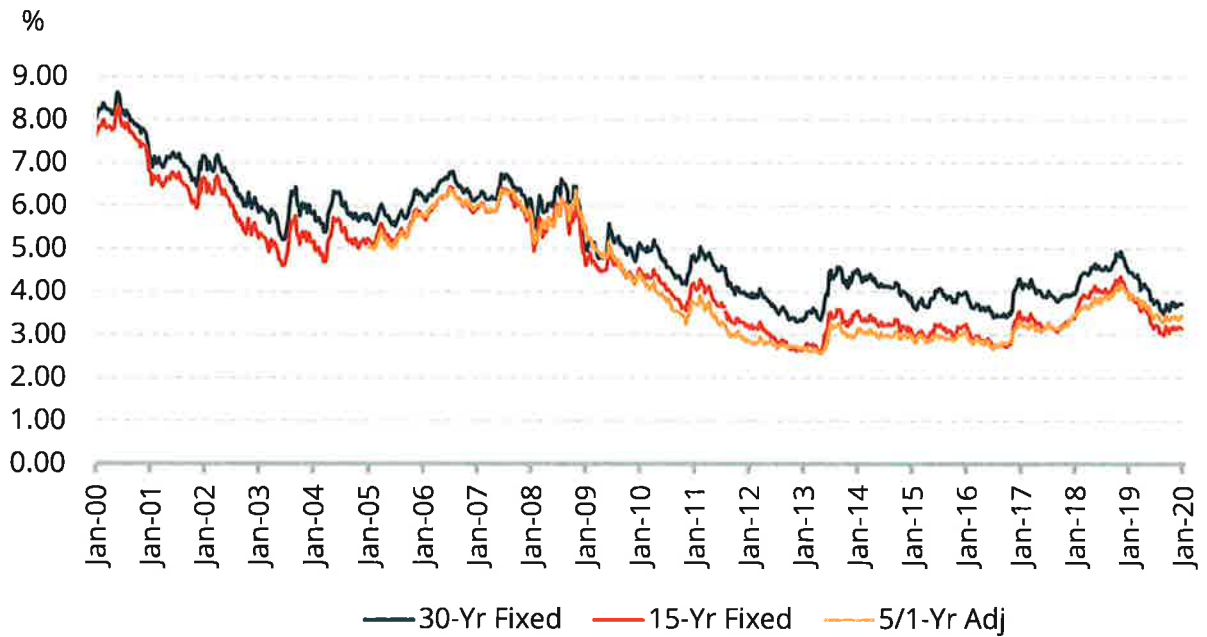
In the 1<sup>st</sup> week of January 2020, the 30-year fixed-rate interest rate was 3.72, virtually unchanged from a month ago and three-quarters of a point lower than last January. This long period of low interest rates will likely continue into 2020, which helps create favorable housing market conditions.

**Figure 10: Consumer Confidence South Atlantic Region**



Source: The Conference Board

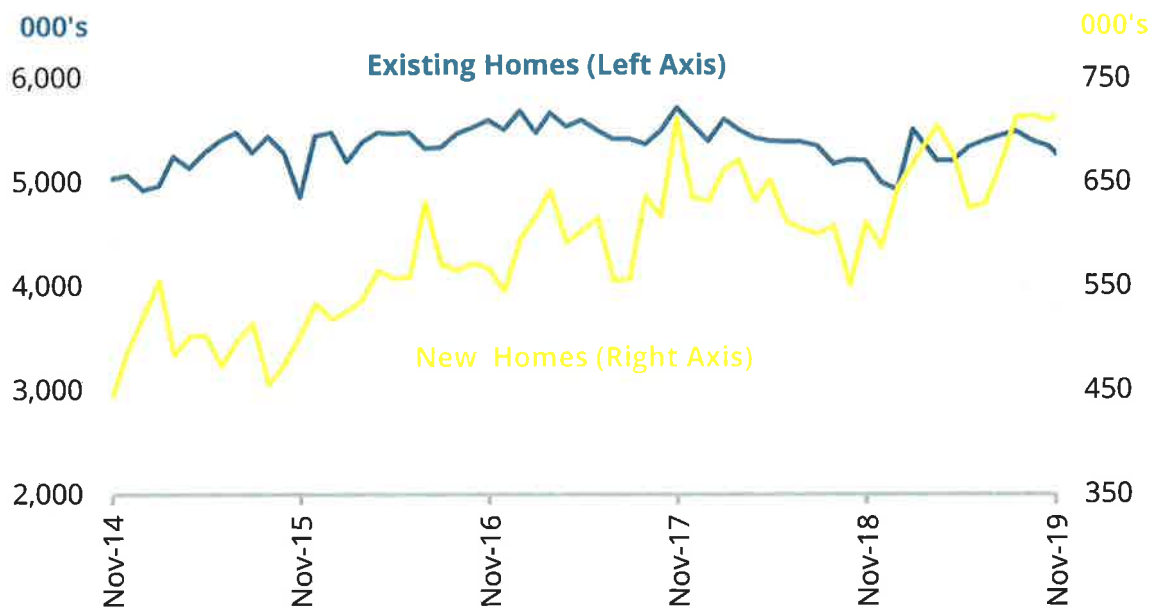
**Figure 11: Mortgage Interest Rates (Weekly Rates, Not Seasonally Adjusted)**



Source: Federal Reserve Bank of St. Louis

The national housing market continues to perform fairly well. Growth in wages and continued low mortgage rates have been factors in the market performance. Existing home sales have generally been on a slow upward trend since the spring of 2019. New home sales declined slightly through the spring and summer but rebounded in the last quarter of 2019.

**Figure 12:** U.S. New and Existing Home Sales



Source: U.S Census Bureau, National Association of REALTORS®