

CAAR CHARLOTTESVILLE AREA HOME SALES REPORT

CUSTOM REPORT PREPARED BY
VIRGINIA REALTORS®

CAAR Home Sales Report

3rd Quarter 2019

Charlottesville Area Association of REALTORS®

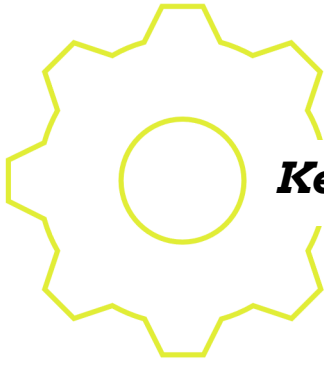
Market Report Key Takeaways

Economic Conditions

- Job growth in the Charlottesville region was strong in the first part of 2019, a turnaround from slower economic growth at the end of last year.
- Very low unemployment suggests that businesses in the Charlottesville are continuing to find it challenging to attract and retain skilled workers.
- Interest rates remain very low, and it is likely that mortgage rates will either stabilize or head even lower before the end of the year.

Housing Market Conditions

- There were more home sales in the CAAR region in the 3rd quarter compared to last year. This is the first increase in sales for the region since the end of 2018. Fluvanna County had the largest gains, with 33 additional sales this quarter compared to a year ago.
- Home prices are climbing throughout the CAAR region. The 3rd quarter median sales price is up by \$6,700 for the region. All jurisdictions in the CAAR footprint had both median sales price growth and sales transaction growth this quarter, the first time this has occurred since the spring of 2017.
- Homes are selling faster in the CAAR region. The average days on market in the 3rd quarter is down by 1 week (-7 days) from a year ago, a reflection of the tight supply of active listings on the market.



Key Trends Dashboard, CAAR

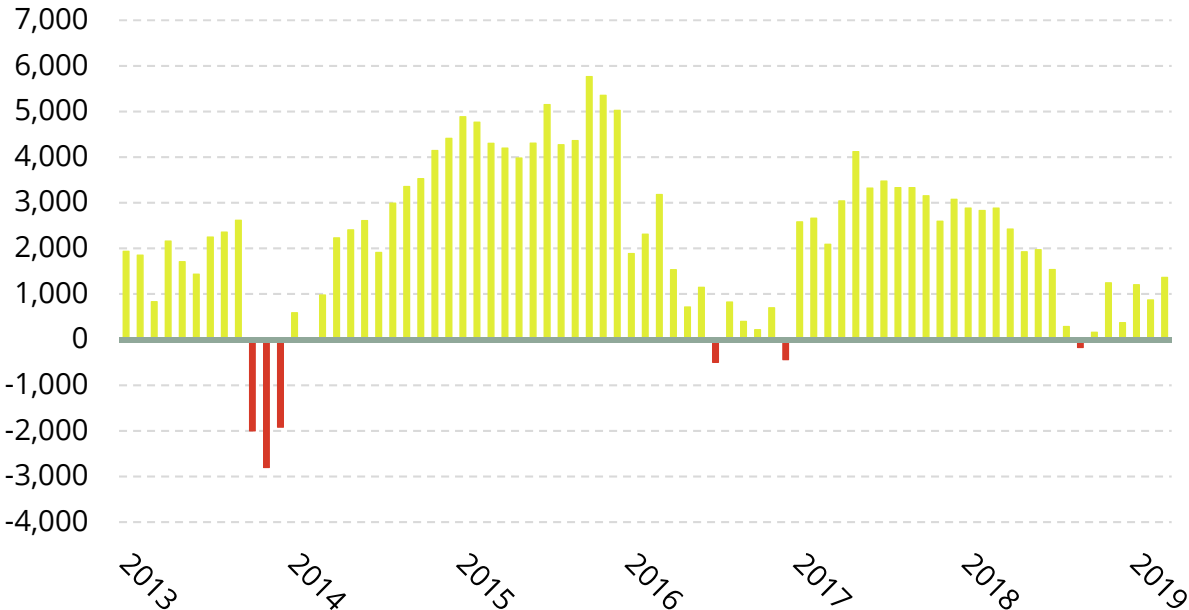
▲	1,362	More jobs in the CAAR footprint between Mar-2018 and Mar-2019
▼	2.6%	Is the Aug-2019 unemployment rate in the CAAR footprint, which is down from July-2019
▲	183.1	Is the present situation consumer confidence index level for the South Atlantic region economy in Aug-2019, which is up from one year prior
▼	113.6	Is the consumer expectations index level for the South Atlantic region economy in Aug-2019, which is down from one year prior
▲	99	More home sales in the CAAR footprint in Q3-2019 compared to last year
▲	\$6,768	Increase in median sales price in the CAAR region in Q3-2019 compared to a year ago
▲	\$31	Million dollars more in total sold volume in the CAAR footprint in Q3-2019 compared to last year
▼	-7	Days faster average days on market for the CAAR footprint in Q3-2019 compared to a year ago
▼	4.7	Months of supply in the CAAR footprint in Q3-2019, which is down from a year ago

Economic Overview

In the 1st quarter of 2019, job growth was fairly steady in the Charlottesville region. (For this report, the Charlottesville region includes the City of Charlottesville, and the counties of Albemarle, Fluvanna, Greene, Nelson, and Louisa.) Between March 2018 and March 2019 (the latest data available), the Charlottesville region added 1,362 net new jobs. While this reflects slower job growth than what the region experienced in 2017 and early 2018, it represents a turnaround from relatively slower growth at the end of last year.

Between March 2018 and March 2019, there was job growth broadly across many sectors in the Charlottesville area economy, including the Health Care & Social Assistance (+919 jobs), Educational Services (+798 jobs), and Accommodation & Food Services (+384 jobs) sectors. The Professional & Technical Services sector grew slowly in the region (+68 jobs). There were job losses in the Retail Trade sector (-253 jobs), which reflects statewide trends, as well as the Construction sector (-861 jobs).

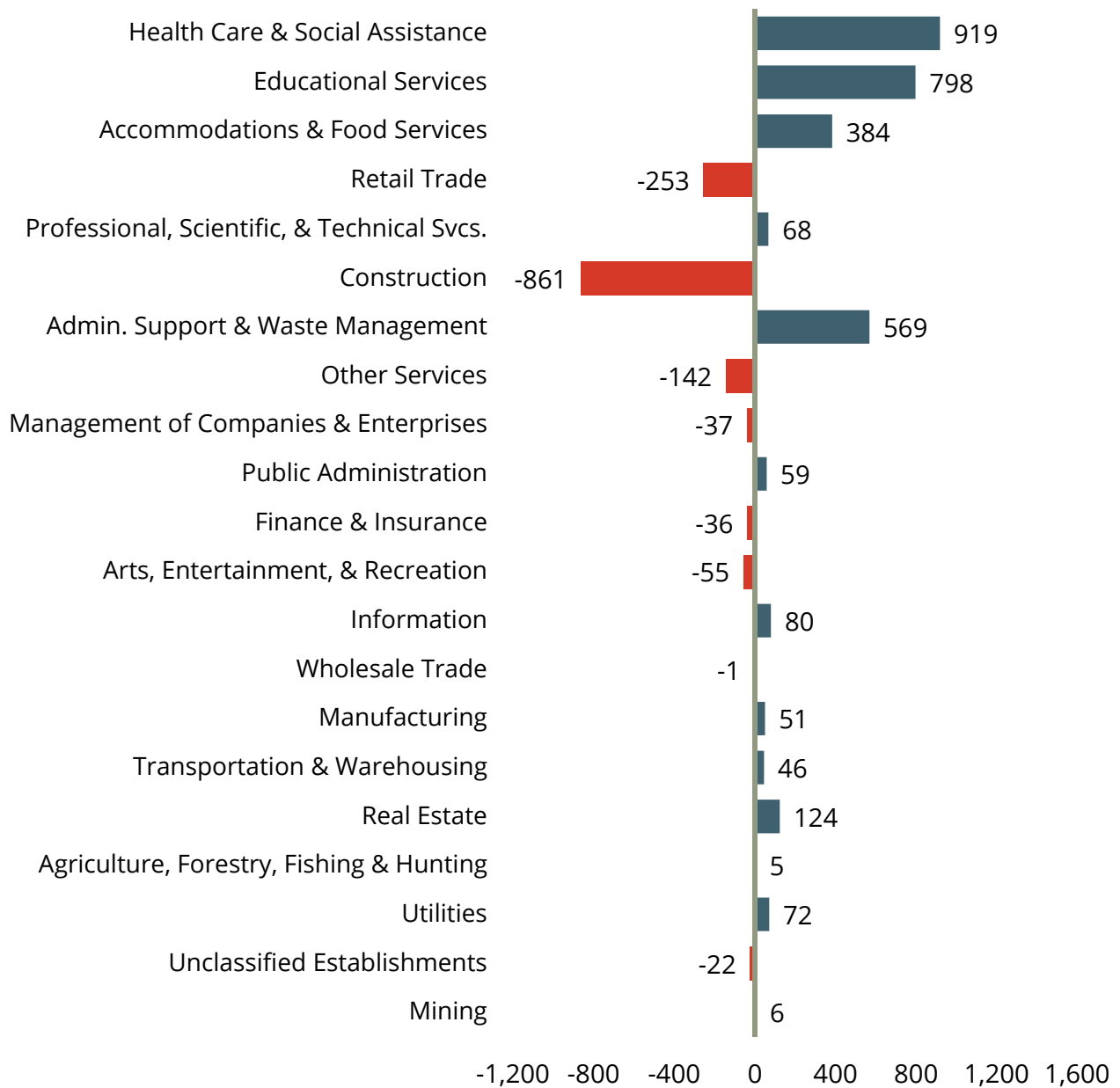
Figure 1
Annual Change in Jobs, CAAR



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

Figure 2
Job Change by Industry
CAAR
Mar-2018 to Mar-2019

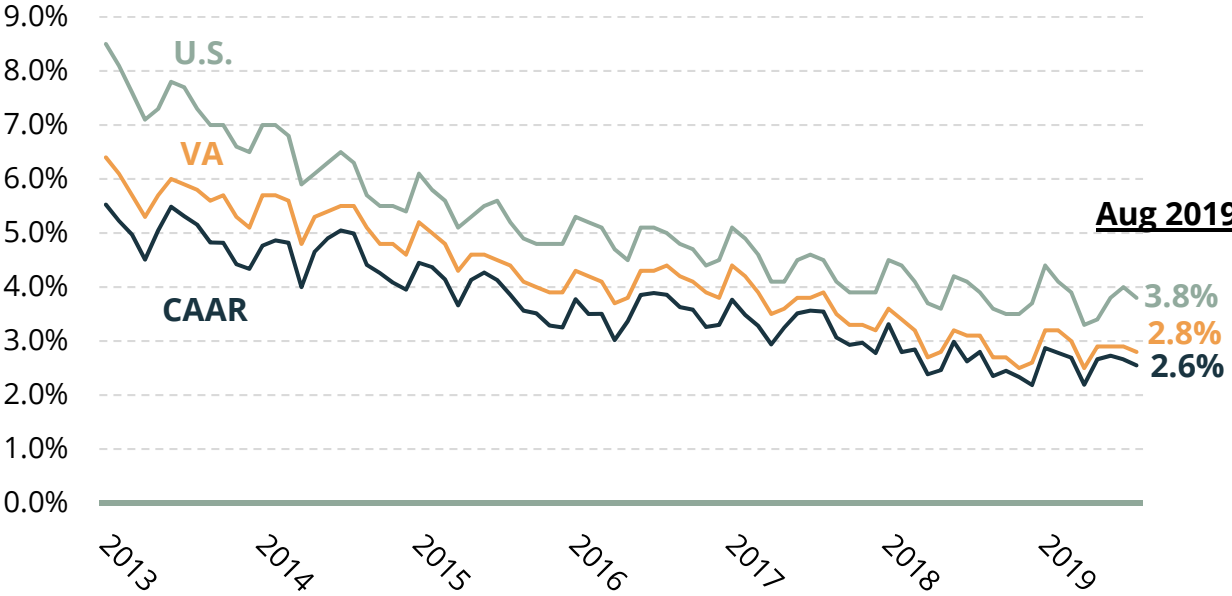
Ranked by Size



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

The unemployment rate in the Charlottesville region was 2.6% in August 2019, slightly lower than the statewide unemployment rate of 2.8%. The very low unemployment suggests that businesses and organizations in the Charlottesville area are continuing to find it challenging to attract and retain skilled workers.

**Figure 3
Unemployment Rate**

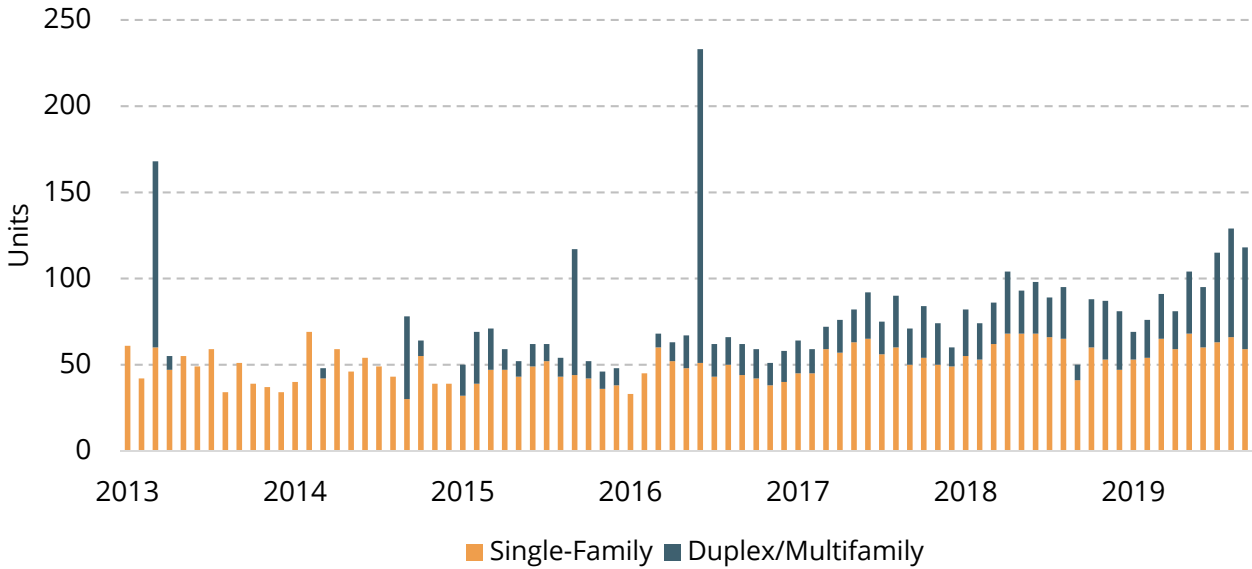


Source: U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics

New residential construction activity in the Charlottesville Metropolitan Statistical Area (MSA) has increased steadily over the course of 2019. In September 2019, there were 118 permits issued for new residential units, which more than double the number issued in September 2018. New construction levels in the Charlottesville area are higher than they have been in more than six years. However, even as construction has picked up, new construction still is not accelerating fast enough to meet demand in the region. This lack of sufficient new supply has contributed to the continued upward pressure on prices in the region.

About 38% of the permits issued so far in 2019 for new construction were for units in multifamily buildings (both rental and condominium) while 62% were for single-family homes.

Figure 4
Monthly Permits for New Residential Construction
*Charlottesville MSA**

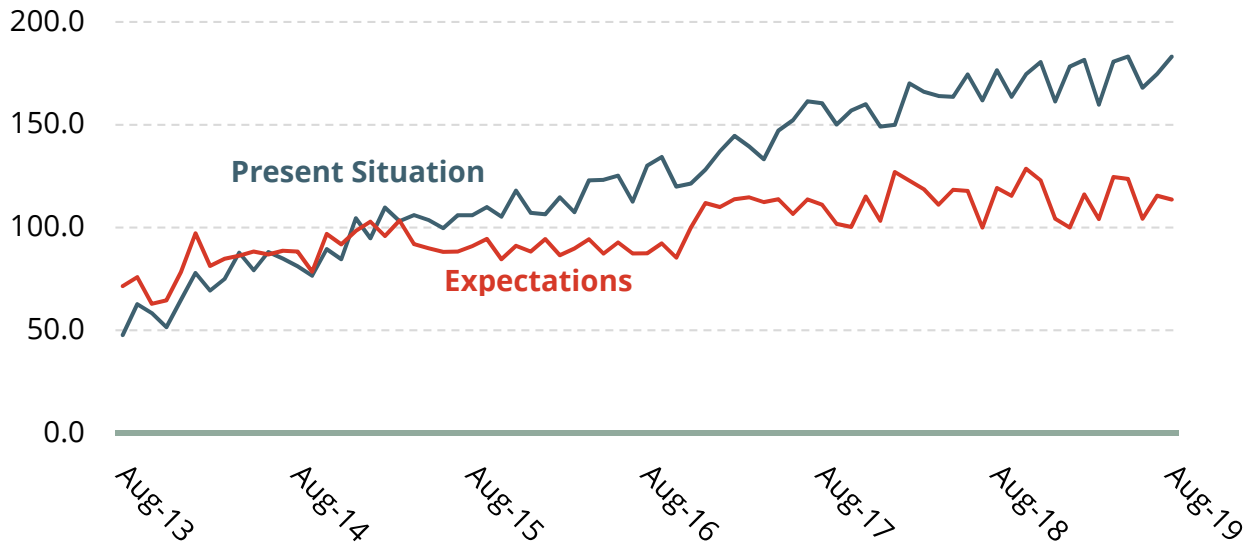


Source: U.S. Census Bureau

*Charlottesville MSA includes Charlottesville City, Albemarle County, Buckingham County, Fluvanna County, Greene County, and Nelson County

Consumer confidence in the South Atlantic region remains positive, though there may be signs of anxiety about future economic conditions. The measure of confidence in consumers' present situations was 183.1 in August. The index of expectations was at 113.6, after being as low as 104.3 in June. When these measures fall below 100, consumers have begun to feel more pessimistic about the economy.

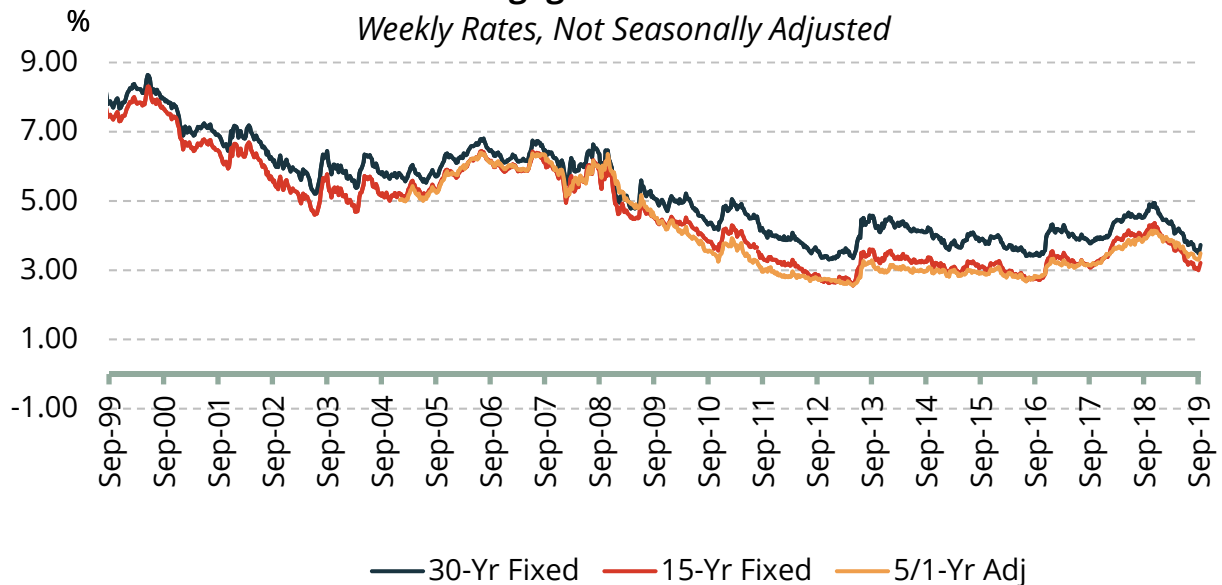
Figure 5
Consumer Confidence
South Atlantic Region



Source: The Conference Board

Interest rates remain very low. In the 3rd week of September, the 30-year fixed-rate mortgage rate was 3.49%, which is about a half percentage point lower than a year ago. It is likely that the Fed will cut rates again before the end of the year, which will either stabilize mortgage rates or send them even lower before the end of the year.

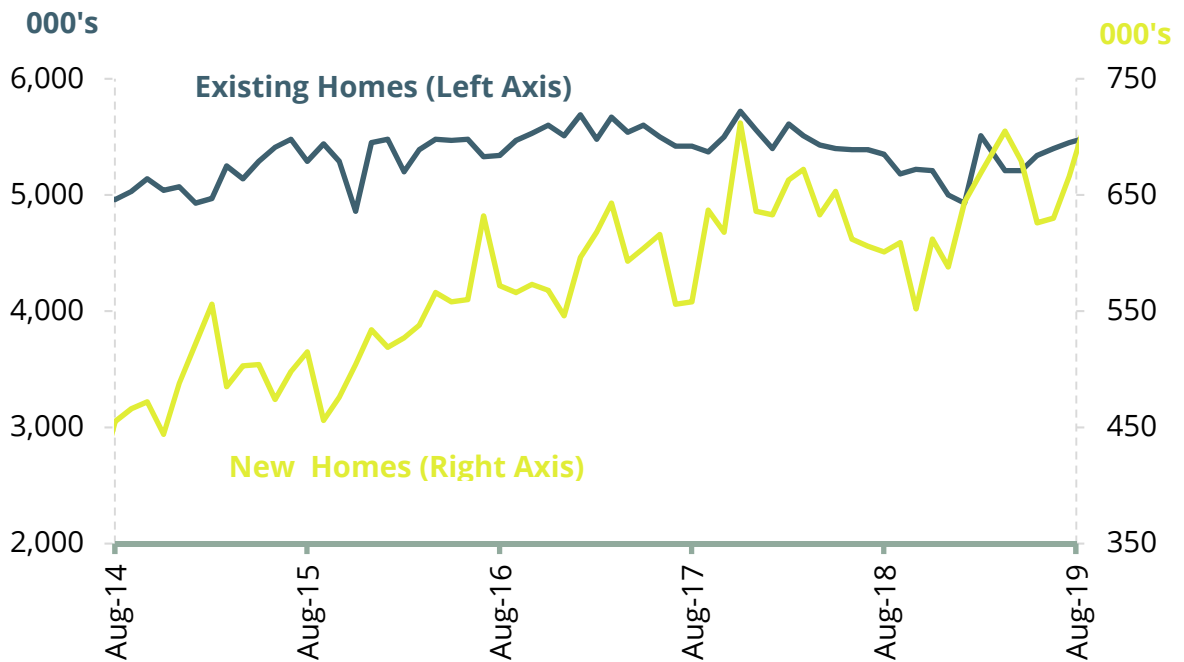
Figure 6
Mortgage Interest Rates
Weekly Rates, Not Seasonally Adjusted



Source: Federal Reserve Bank of St. Louis

The national housing market continues to perform fairly well, aided by the lower mortgage rates. Existing home sales nationally were up in August for the 2nd consecutive month, posting the strongest sales activity in almost a year and a half. Prices of existing homes continue to rise and there has been a slight decline in inventory at the national level. New home sales have been up, and at 713,000 units in August, sales were at their highest since 2007, before the recession.

Figure 7
U.S. New and Existing Home Sales



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

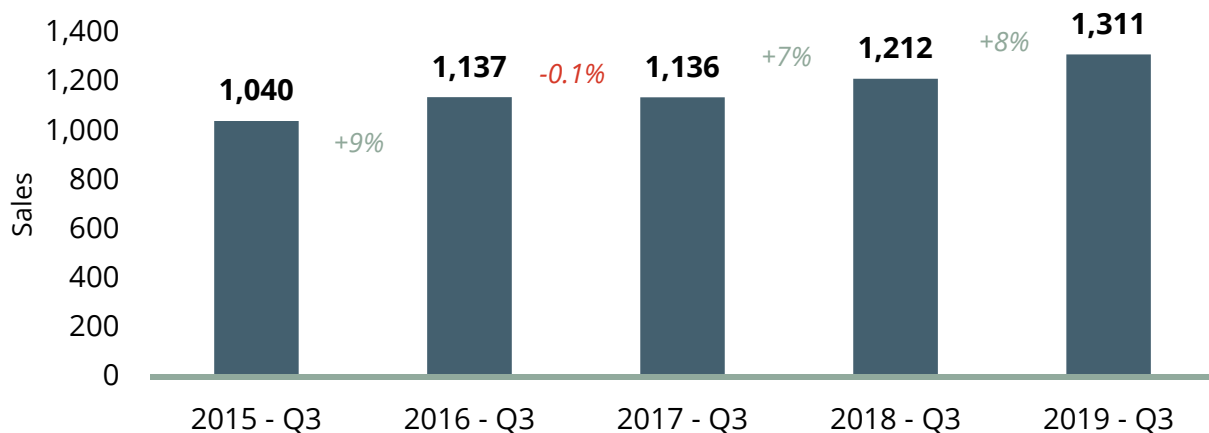
Housing Market Overview

Sales growth resumed in the CAAR region in the 3rd quarter, after three consecutive quarters of sluggish sales. In addition, homes prices climbed throughout the region, with the 3rd quarter median sales price up \$6,700 from a year ago. All jurisdictions in the CAAR footprint had both sales and median price growth in the 3rd quarter compared to last year; the first time this has occurred since spring 2017. The healthy market conditions are being driven by strong economic growth in the region. While signals of a possible recession continue to loom at the national level, the region's economy continues to show positive indicators. The job base in the region is expanding, and the unemployment rate remains below the state and national levels. Interest rates also remain historically low. These metrics point to continued confidence for buyers in the region's housing market in the near-term.

Sales

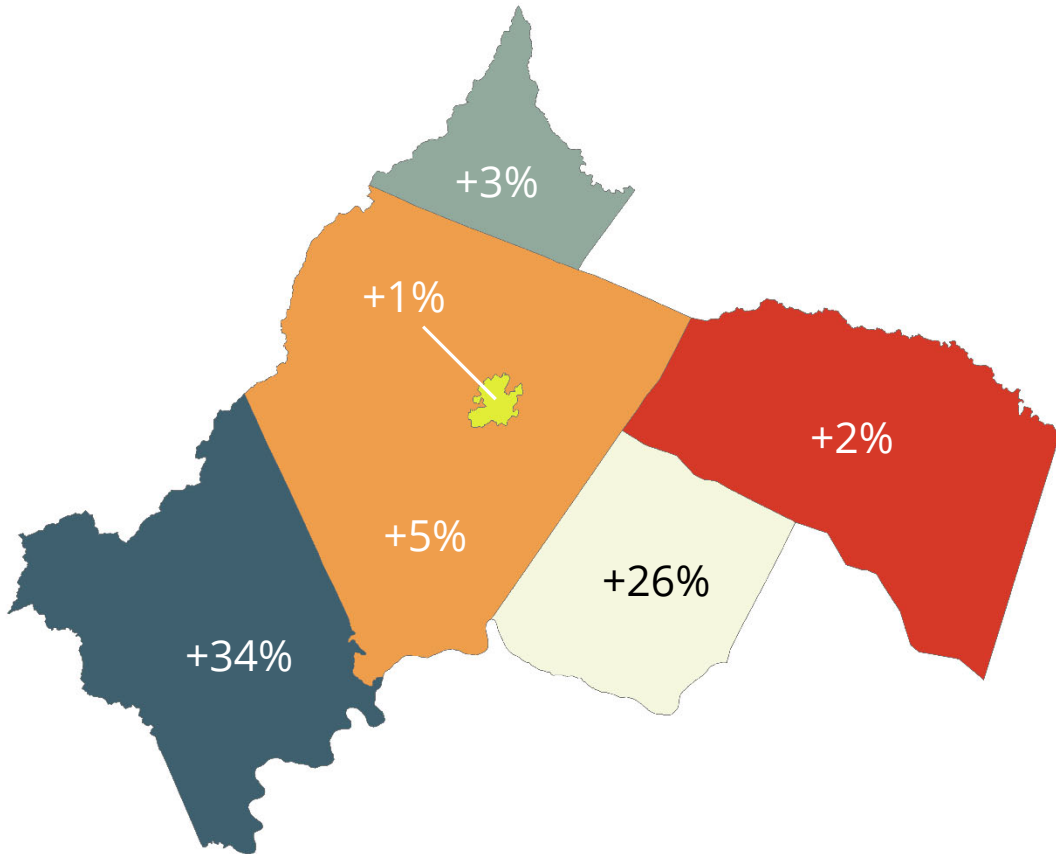
After a slow first half of the year, sales activity has increased in the CAAR footprint in the 3rd quarter. There were 1,311 sales in the 3rd quarter, which is 99 more sales than a year ago, an 8% increase. This is the first sales gain at the region level since the summer of 2018, and the largest gain since the 1st quarter of 2018. Led by Nelson and Fluvanna counties, all jurisdictions in the CAAR footprint had more sales in the 3rd quarter compared to a year ago. The last time all CAAR jurisdictions had sales growth in the same quarter was the 1st quarter of 2018.

Figure 8
3rd Quarter Home Sales, CAAR
2015-2019



Source: Virginia REALTORS®, data accessed October 16, 2019

Figure 9
Change in Sales by Jurisdiction
CAAR
3rd Quarter 2018 to 3rd Quarter 2019



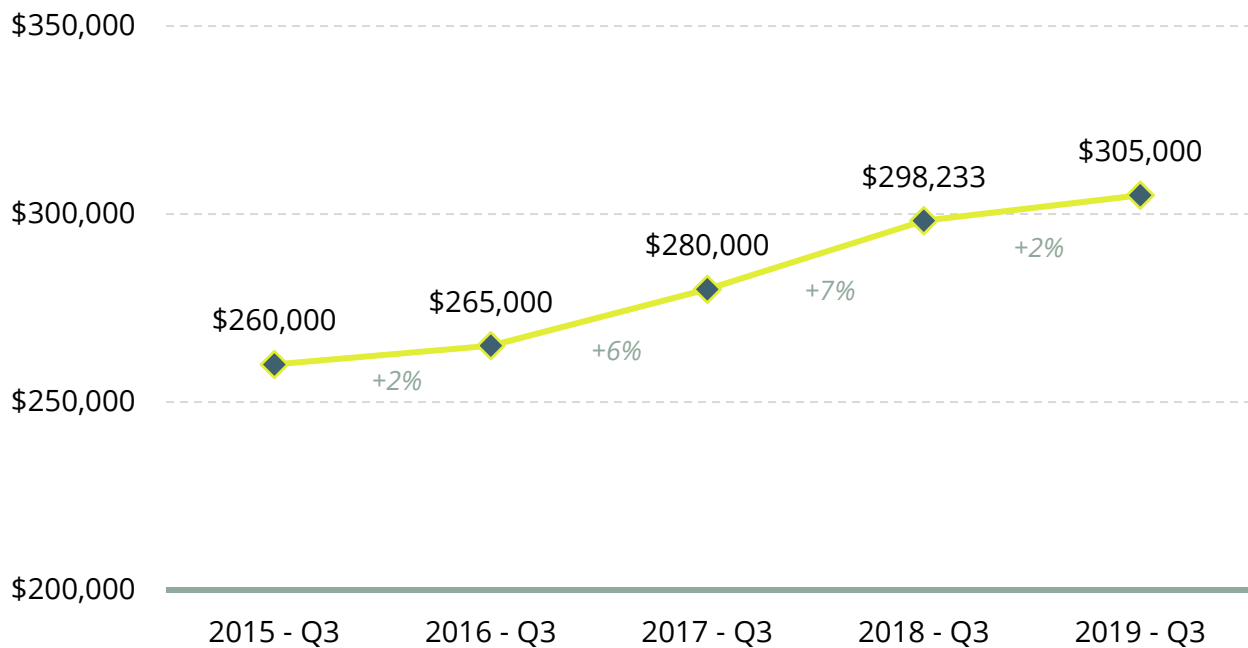
<i>Jurisdiction</i>	<i>2018 - Q3</i>	<i>2019 - Q3</i>	<i>% Change</i>
Albemarle County	535	563	5%
Charlottesville	149	151	1%
Fluvanna County	128	161	26%
Greene County	98	101	3%
Louisa County	220	225	2%
Nelson County	82	110	34%

Source: Virginia REALTORS®, data accessed October 16, 2019

Sales Prices

Home prices in the CAAR regional market continue to climb at a steady pace. At \$305,000, the 3rd quarter median sales price was 2% higher than a year ago, a gain of over \$6,700. This increase was slightly below the price growth in prior years, largely driven by the modest 1% gains in Albemarle County. However, with the exception of a median price drop in the 1st quarter of 2019, the region's median sales price has risen each quarter since the 2nd quarter of 2016. There has been some variability across the local markets, but the general upward trend for home prices has been fairly consistent in the CAAR area. The tight inventory and strong economic conditions in the region are playing a role in the upward pressure on home prices.

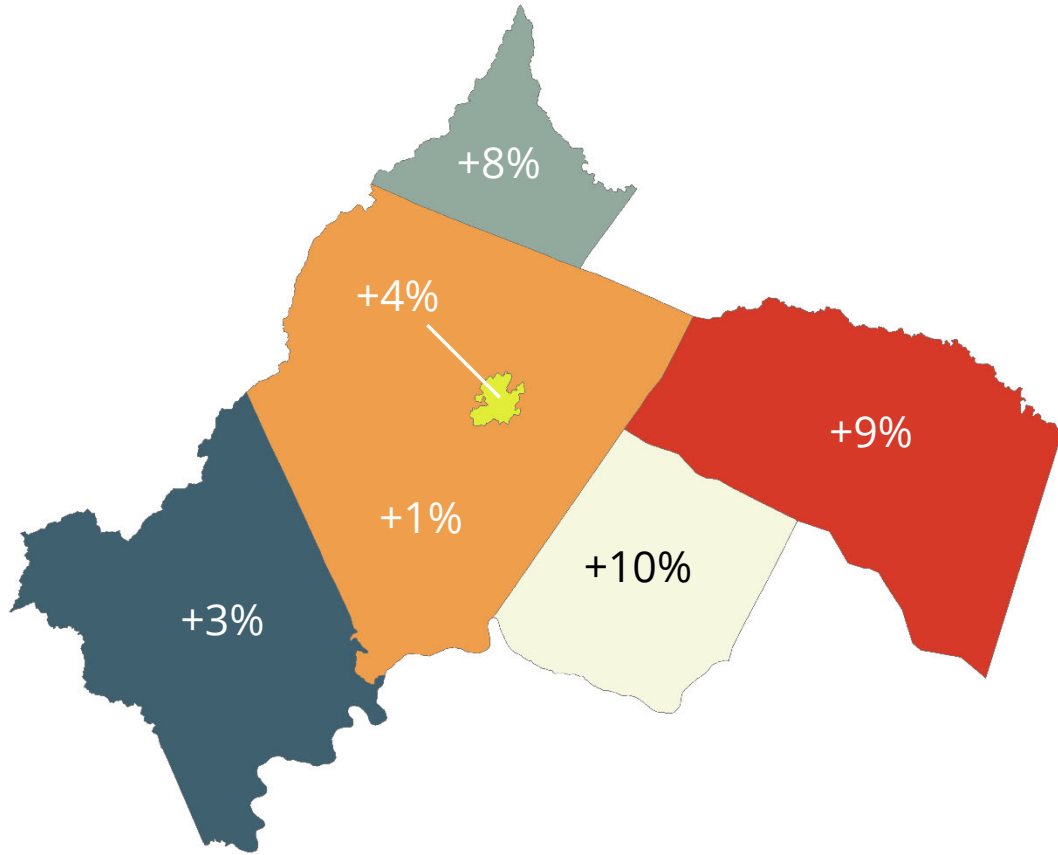
Figure 10
3rd Quarter Median Sales Price, CAAR
2015-2019



Source: Virginia REALTORS®, data accessed October 16, 2019

Figure 11
Change in Median Sales Price by Jurisdiction
CAAR

3rd Quarter 2018 to 3rd Quarter 2019



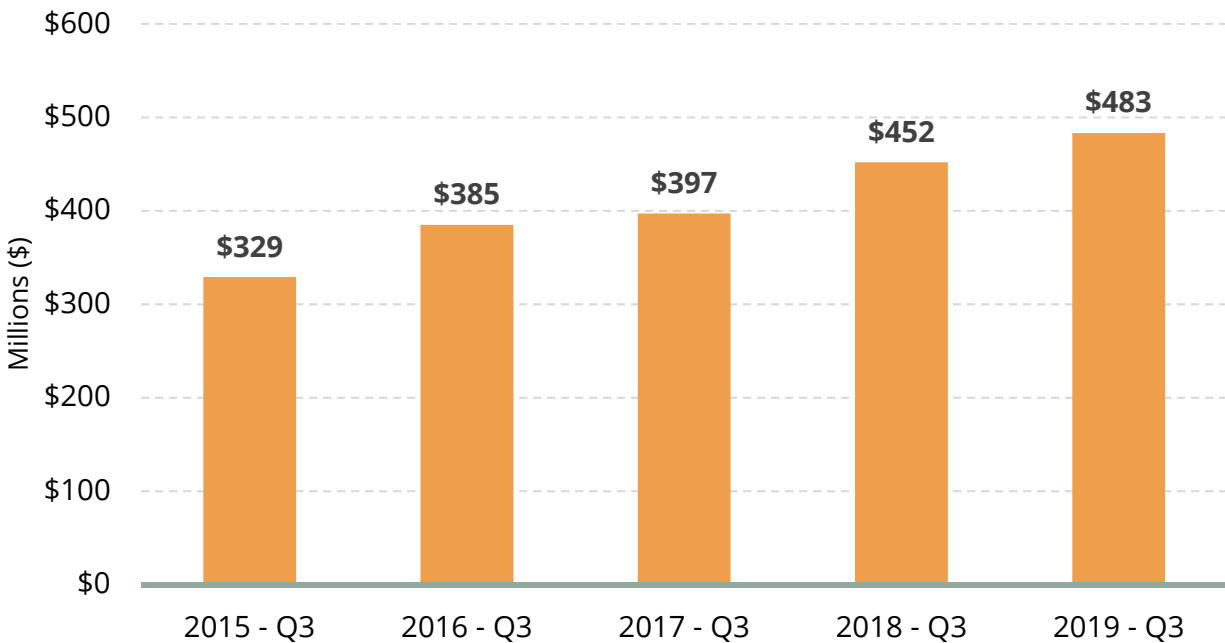
<i>Jurisdiction</i>	<i>2018 - Q3</i>	<i>2019 - Q3</i>	<i>% Change</i>
Albemarle County	\$377,012	\$380,000	1%
Charlottesville	\$339,900	\$355,000	4%
Fluvanna County	\$210,000	\$231,000	10%
Greene County	\$246,000	\$265,000	8%
Louisa County	\$239,225	\$259,900	9%
Nelson County	\$214,500	\$222,000	3%

Source: Virginia REALTORS®, data accessed October 16, 2019

Sold Volume

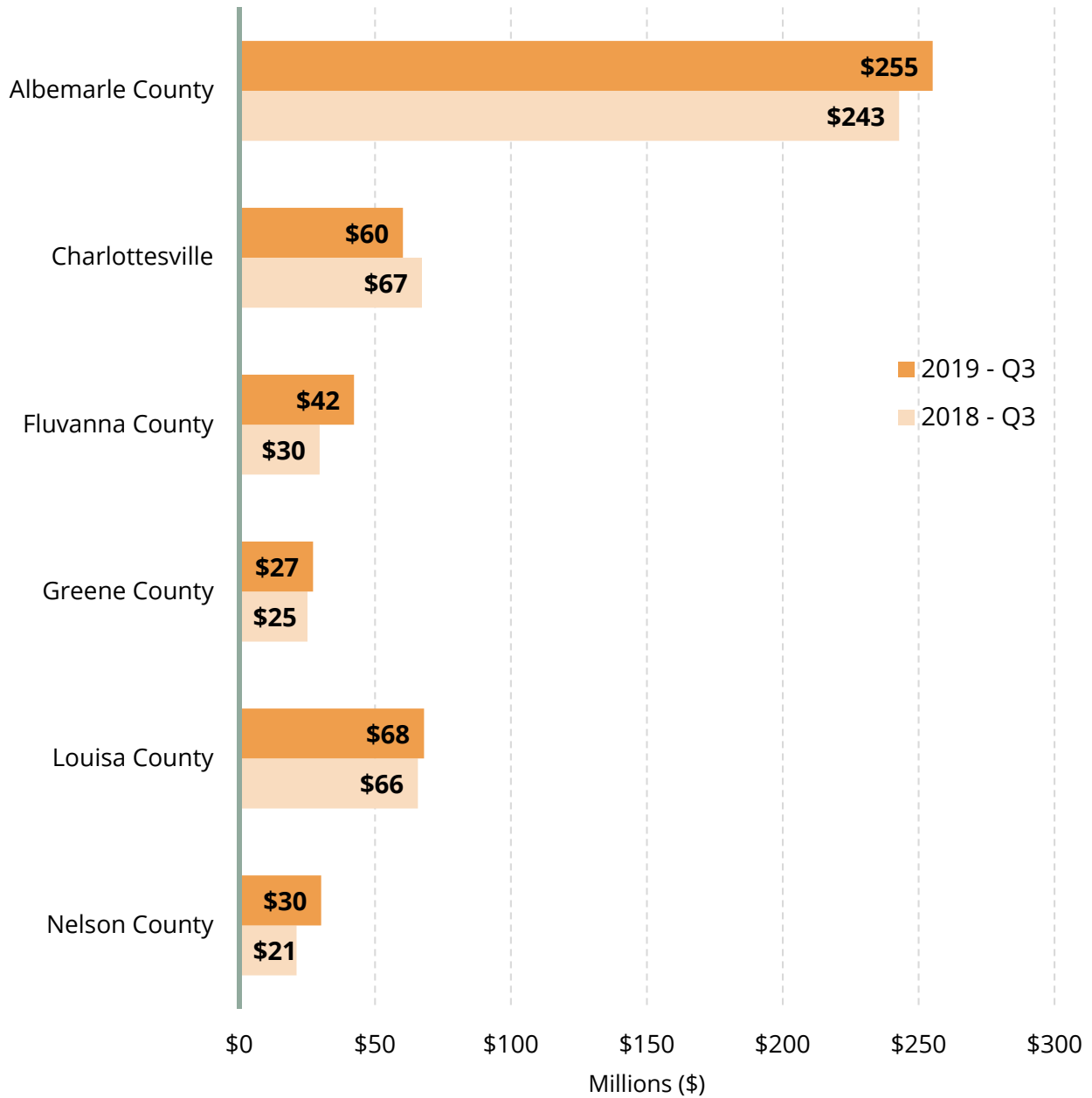
The sold dollar volume in the CAAR area rose in the 3rd quarter compared to last year, driven by the increases in sales transactions and median sales prices this quarter. There was approximately \$483 million in sold volume in the 3rd quarter throughout the CAAR footprint, which is about \$31 million more than a year ago, representing a 7% gain. Most of the sold volume growth occurred in Albemarle and Fluvanna counties, each with more than \$12 million additional sold volume compared to a year ago. Charlottesville was the only jurisdiction to have a drop in the sold dollar volume, with \$7 million less than last year. The sold dollar volume for the region is nearly \$100 million higher than it was in the 3rd quarter of 2016, evidence of the market expansion that has occurred in the region over the past several years.

Figure 12
3rd Quarter Sold Dollar Volume (Millions), CAAR
2015-2019



Source: Virginia REALTORS®, data accessed October 16, 2019

Figure 13
3rd Quarter Sold Dollar Volume, CAAR Jurisdictions
2018 and 2019

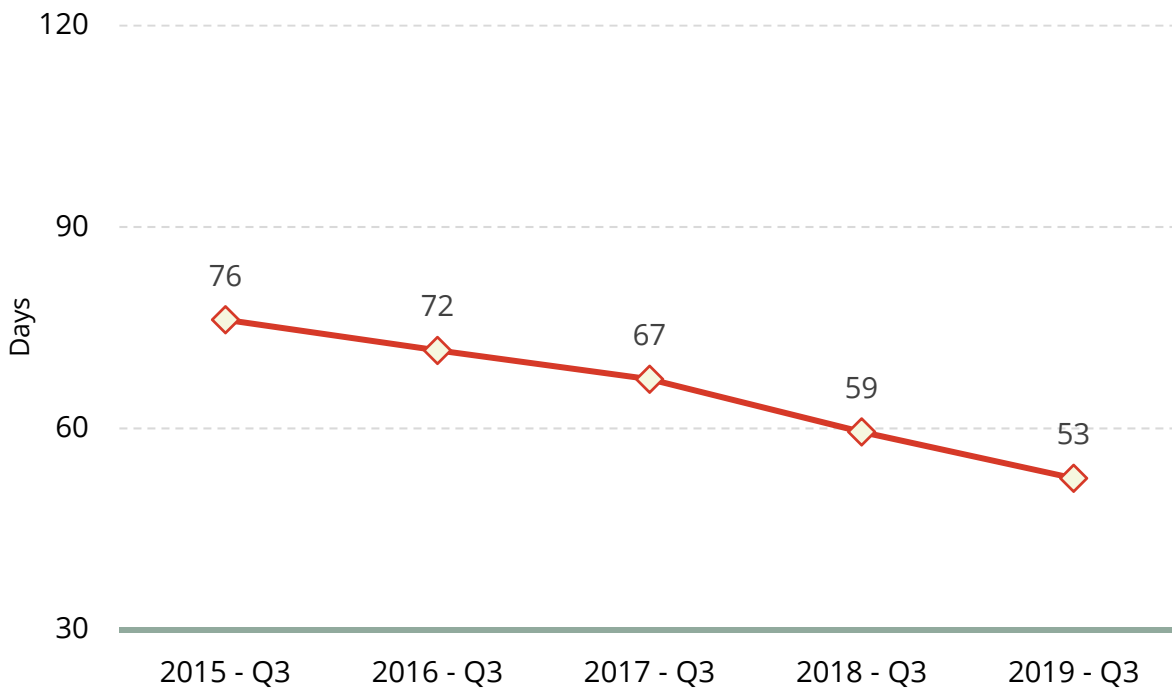


Source: Virginia REALTORS®, data accessed October 16, 2019

Days on Market

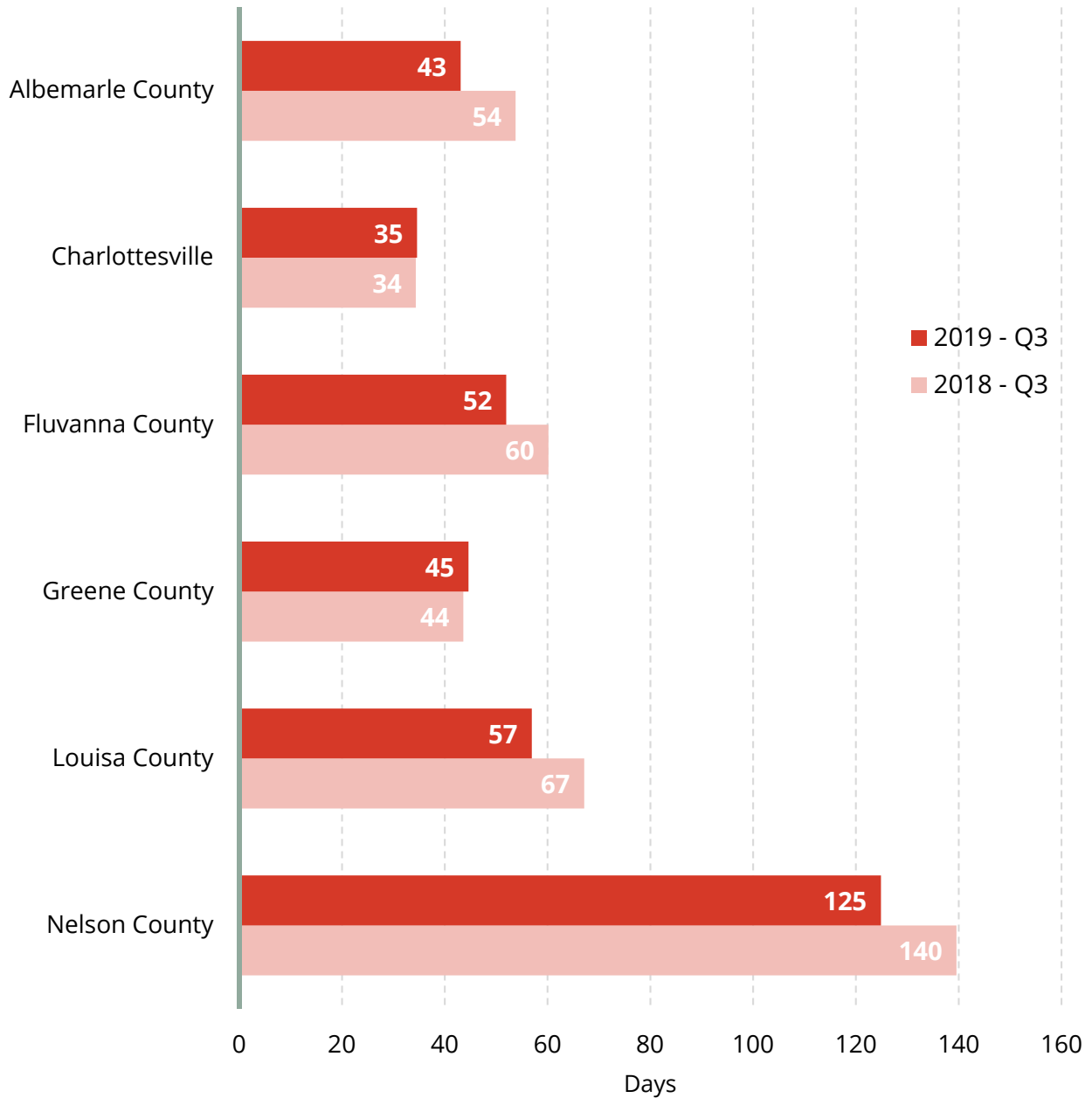
Homes sold faster, on average, this quarter in the CAAR region. The 3rd quarter average days on market was 53, which is a week faster (-6.9 days) than last year. This is the sharpest drop for this metric in the CAAR area since the fall of 2018, and the low supply of active listings is driving this trend. As fewer homes are available on the market, buyers are submitting offers in less time for properties that are available in their price range. The largest drop in the 3rd quarter days on market occurred in Nelson County, where homes sold more than two weeks faster on average (-14.7 days) compared to last year.

Figure 14
3rd Quarter Average Days on Market, CAAR
2015-2019



Source: Virginia REALTORS®, data accessed October 16, 2019

Figure 15
3rd Quarter Average Days on Market, CAAR Jurisdictions
2018 and 2019

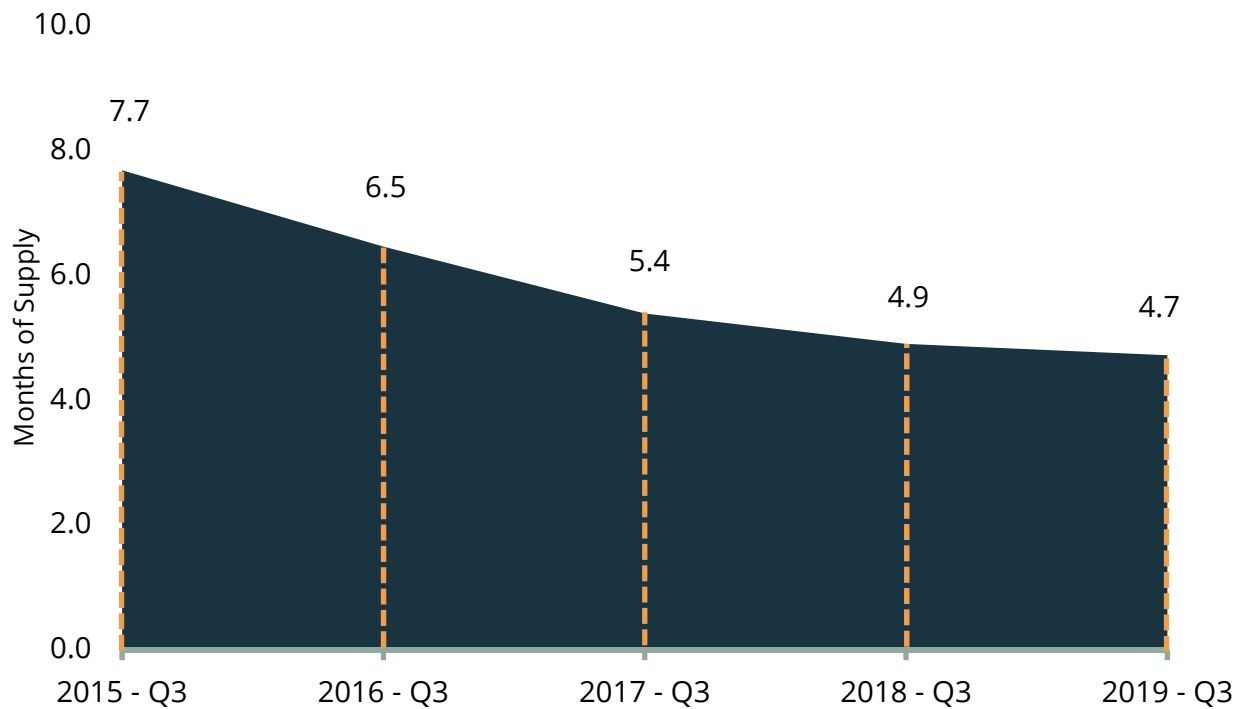


Source: Virginia REALTORS®, data accessed October 16, 2019

Inventory

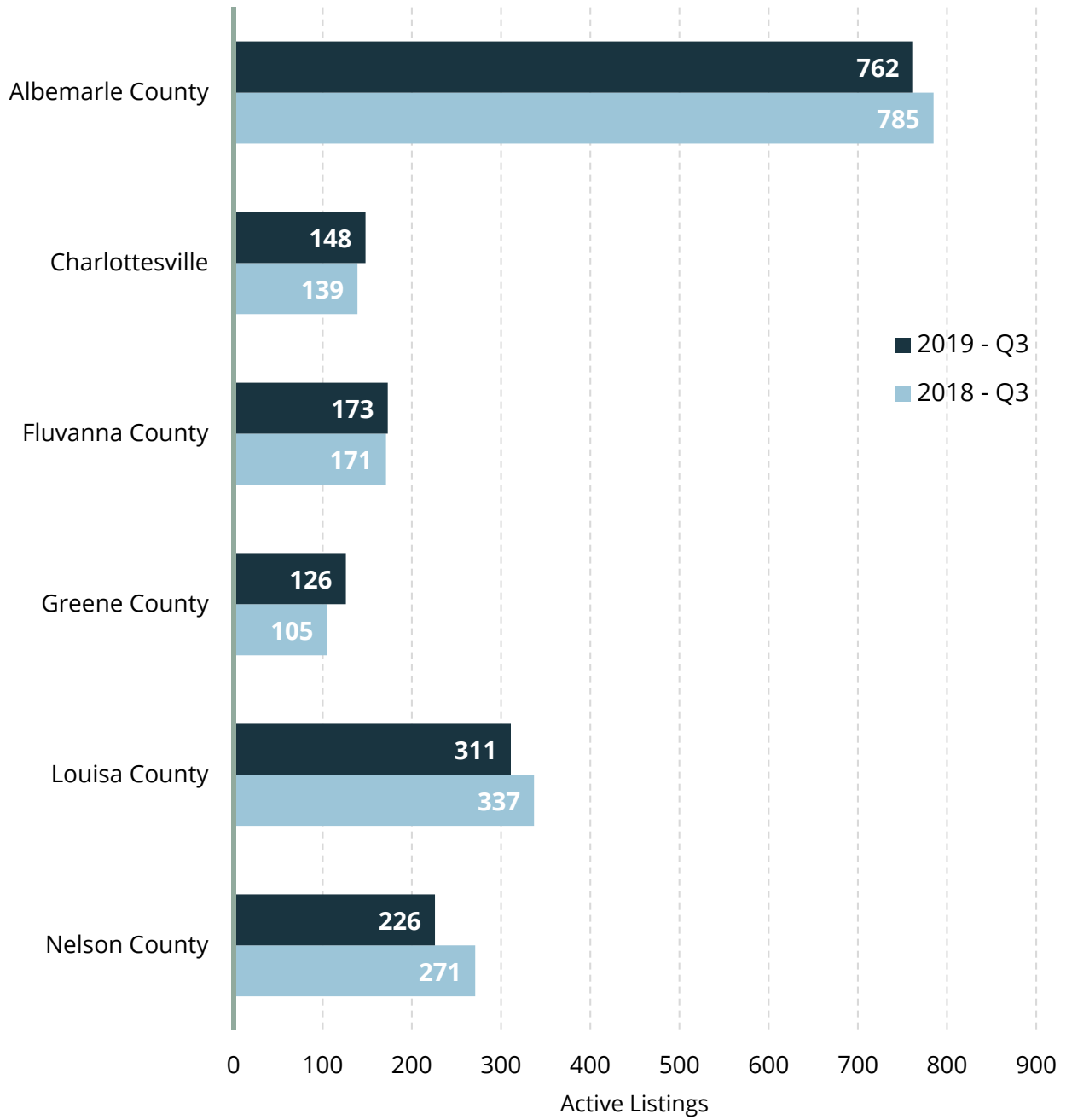
The supply of active listings in the CAAR region continues to shrink; however, the rate of decline has been moderating for over a year. There were 1,746 active listings on the market at the end of the 3rd quarter in the CAAR footprint, a 3% decline from a year ago, 62 fewer active listings. Nelson County had the largest inventory reduction, with 45 fewer active listings than a year ago. With 21 additional active listings, Greene County had the largest supply expansion in the region this quarter. The low inventory is putting upward pressure on prices within the local markets, a trend that continues in other regions across Virginia. There was approximately 4.7 months of supply at the end of the 3rd quarter in the CAAR region, down from 4.9 months a year ago.

Figure 16
End of 3rd Quarter Months Supply, CAAR
2015-2019



Source: Virginia REALTORS®, data accessed October 16, 2019

Figure 17
End of 3rd Quarter Active Listings, CAAR Jurisdictions
2018 and 2019



Source: Virginia REALTORS®, data accessed October 16, 2019



Local Snapshot – *Albemarle County*

Sales: There were 563 sales in Albemarle County in the 3rd quarter, which is 28 more sales than a year ago, representing a 5% gain. Prior to this increase, sales activity had been flat or declining in the County for three consecutive quarters compared to the prior year.

Median Sales Price: Home prices continue to inch up in Albemarle County. At \$380,000, the median sales price in the 3rd quarter is up nearly \$3,000 from last year, a modest 1% gain.

Sold Volume: There was approximately \$255 million in sold volume in Albemarle County in the 3rd quarter, which is over \$12 million more than this time last year, representing a 5% increase.

Days on Market: At 43 days, the 3rd quarter average days on market in Albemarle County is down 11 days from a year ago. Prior to this decline, homes had been taking longer, on average, to sell during the first half of 2019.

Inventory: The supply of active listings continues to shrink in Albemarle County. There were approximately 762 active listings at the end of the 3rd quarter, which is 23 fewer than a year ago, a 3% drop. The inventory has been declining each quarter for much of the past four years.



Local Snapshot – *Charlottesville*

Sales: Sales activity in Charlottesville was relatively flat in the 3rd quarter of 2019. There were 151 sales in the 3rd quarter, which is 2 more sales than a year ago, inching up 1%.

Median Sales Price: Home prices in the Charlottesville market continue to have the most consistent growth within the CAAR footprint. At \$355,000, the median sales price in the City during the 3rd quarter was up 4% from a year ago, a gain of over \$15,000. Home prices have been climbing in Charlottesville for 14 consecutive quarters compared to the prior year.

Sold Volume: There was approximately \$60 million in sold volume in Charlottesville in the 3rd quarter, down 10% from last year, a drop of over \$7 million. Despite the solid price growth, sluggish sales activity has kept the sold dollar volume down three out of the last four quarters in the City.

Days on Market: On average, homes sold in 35 days during the 3rd quarter in Charlottesville, which is unchanged from a year ago. This metric has been flat or increasing in the City since the start of 2019.

Inventory: The supply of active listings continues to expand in Charlottesville, a trend that has been consistent since the start of 2018. There were 148 active listings at the end of the 3rd quarter, which is 6% more than last year, an increase of 9 active listings.



Local Snapshot – *Fluvanna County*

Sales: After four consecutive quarters of declines, there was an increase in home sales in Fluvanna County during the 3rd quarter. There were 161 sales in the County, which is a 26% jump over a year ago, an increase of 33 sales.

Median Sales Price: At \$231,000 the median sales price in Fluvanna County rose 10% in the 3rd quarter compared to last year, an increase of \$21,000. This is the sharpest price gain in the County's housing market in a year and a half.

Sold Volume: The increase in sales transactions and higher prices this quarter led to a surge in the sold dollar volume in the County. There was approximately \$42 million in sold volume in the 3rd quarter in Fluvanna County, up \$12.6 million from last year, a 43% jump.

Days on Market: On average, homes sold in 52 days in Fluvanna County in the 3rd quarter, which is 8 days faster than a year ago. Prior to this drop, this metric had been trending up in the County since the 4th quarter of 2018.

Inventory: There were 173 active listings in the County at the end of the 3rd quarter, inching up 1% from last year, an increase of 2 listings. The supply of active listings in the County has been stabilizing for the past three quarters, following several years of sharp declines.



Local Snapshot – *Greene County*

Sales: Sales activity was relatively flat in Greene County this quarter. There were 101 sales in the 3rd quarter, which is 3 more than this time last year, an increase of 3%. Prior to this modest gain, sales activity had been increasing at a double-digit rate each quarter since the summer of 2018.

Median Sales Price: Home prices continue to climb in the Greene County market, a trend that began in the summer of last year. At \$265,000, the median sales price in the 3rd quarter in the County is up 8% from a year ago, a gain of \$19,000.

Sold Volume: There was over \$27 million in sold volume in Greene County in the 3rd quarter, which is \$2 million more than this time a year ago, representing an 8% increase. The sold dollar volume has been rising sharply in the County for 5 consecutive quarters.

Days on Market: Home sold in 45 days, on average, in Greene County during the 3rd quarter, which is 1 day longer than last year. Although it is only a modest rise, this quarter represents the first increase in the average days on market in the County in three years.

Inventory: The inventory of active listings in Greene County continues to expand. There were 126 active listings in the County at the end of the 3rd quarter, an increase of 21 listings. The supply of active listings in the County has been trending up for much of the past year.



Local Snapshot – *Louisa County*

Sales: There were 225 sales in Louisa County in the 3rd quarter, which is 5 more sales than a year ago, a modest 2% gain. With the exception of the 1st quarter of 2019, the number of sales in the Louisa County market has been expanding steadily each quarter since the 1st quarter of 2018.

Median Sales Price: Price growth has resumed in Louisa County this quarter. At \$259,900, the median sales price in the County during the 3rd quarter rose 9% from last year, an increase of nearly \$21,000. Prior to this increase, the median sales price in the County was trending flat or declining since late 2018.

Sold Volume: There was more than \$68 million in sold volume in Louisa County during the 3rd quarter, up 3% from last year, a \$2 million gain.

Days on Market: Homes continue to sell faster in Louisa County. On average, homes that sold in the 3rd quarter were on the market for 57 days, which is 10 days less than a year ago. This metric has been trending down in the County for much of the past three years.

Inventory: The supply of homes for sale on the market continues to shrink in Louisa County, a trend that dates back to the summer of 2015. There were 311 active listings at the end of the 3rd quarter in the County, 26 fewer than a year ago.



Local Snapshot – *Nelson County*

Sales: Home sales in Nelson County surged this quarter. There were 110 sales in the County during the 3rd quarter, jumping 34% from last year, an increase of 28 sales. This is the largest sales transaction percentage increase in the CAAR footprint this quarter.

Median Sales Price: At \$222,000, the median sales price in Nelson County rose 3% in the 3rd quarter compared to a year ago, a gain of \$7,500. This is the first median sales price increase for the County this year.

Sold Volume: There was approximately \$30 million in sold volume in Nelson County during the 3rd quarter, which is more than \$9 million higher than a year ago, representing a 43% surge. The large increase in sold volume was driven by the increase in sales transactions in the County this quarter.

Days on Market: On average, sold homes were on the market for 125 days in Nelson County during the 3rd quarter, which is more than two weeks fewer (-15 days) than a year ago.

Inventory: There were 226 active listings in Nelson County at the end of the 3rd quarter, which is 45 fewer than a year ago. This is the largest inventory drop of all jurisdictions in the CAAR region this quarter. The supply of active listings in the County has been shrinking for more than four years.



The Virginia REALTORS® association is the largest professional trade association in Virginia, representing nearly 34,000 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:

Robin Spensieri
Virginia REALTORS® Communications Director
rspensieri@virginiarealtors.org
804-622-7954

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.