

CAAR CHARLOTTESVILLE AREA HOME SALES REPORT

CUSTOM REPORT PREPARED BY
VIRGINIA REALTORS®

CAAR Home Sales Report

2nd Quarter 2019

Charlottesville Area Association of Realtors®

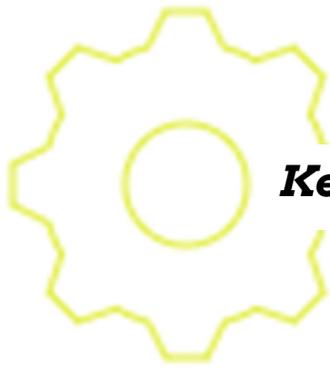
Market Report Key Takeaways

Economic Conditions

- Job growth has slowed in the Charlottesville area; however, the region's Educational Services sector continues to boom. An extremely low unemployment rate suggests that local businesses are having a hard time finding qualified workers in the region.
- New residential construction activity remains steady with little evidence of acceleration to meet pent-up demand.
- Interest rates are even lower now than they were at the beginning of the year, and there is no indication of significant increases in the months to come.

Housing Market Conditions

- Sales activity continues to be down slightly from last year in the overall CAAR region, and remained essentially flat in Albemarle County.
- After declining at the start of the year, the median sales price trended up in the 2nd quarter, rising \$13,650 compared to a year ago. The fastest price growth is occurring in the City of Charlottesville, with prices up nearly \$27,000 from this time last year.
- Homes continue to stay on the market longer on average. The average days on market in the 2nd quarter rose 3 days from last year to 54 days.



Key Trends Dashboard, CAAR

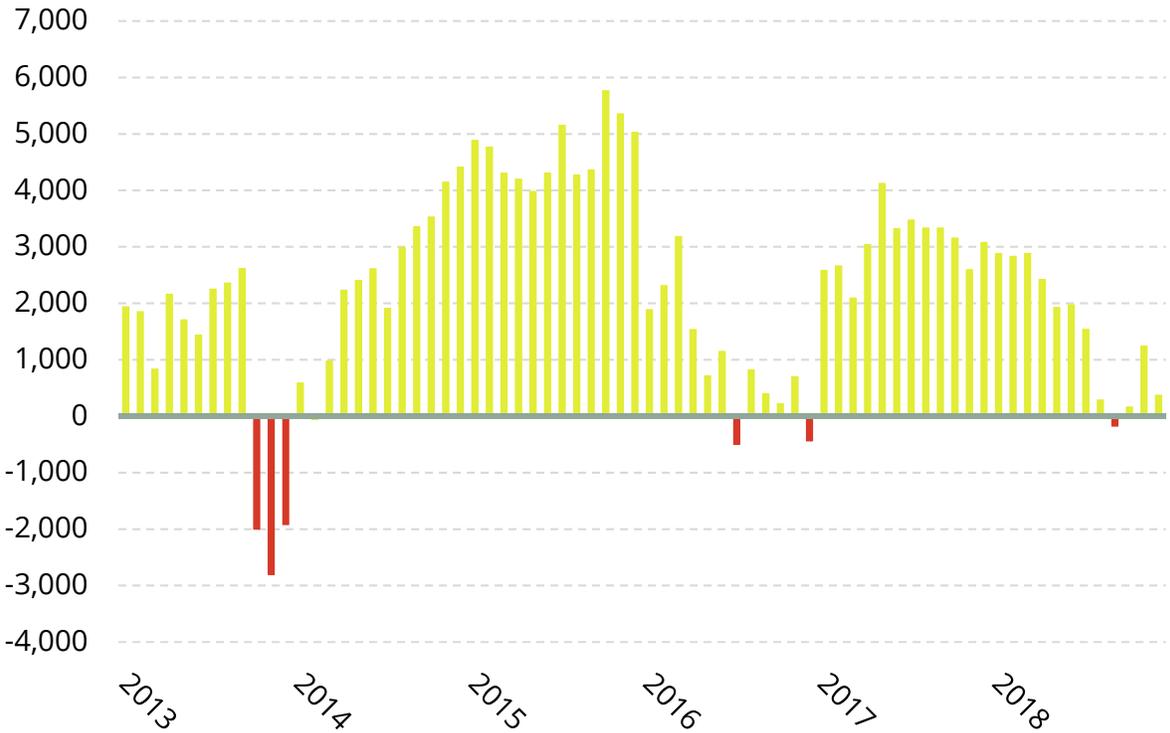
▲	370	More jobs in the CAAR footprint between Dec-2017 and Dec-2018.
▲	2.7%	Is the May-2019 unemployment rate in the CAAR footprint, which is up from Apr-2019.
▲	183.2	Is the present situation consumer confidence index level for the South Atlantic region economy in May-2019, which is up from one year prior.
▲	123.7	Is the consumer expectations index level for the South Atlantic region economy in May-2019, which is up from one year prior.
▼	-41	Fewer home sales in the CAAR footprint in Q2-2019 compared to last year.
▲	\$13,635	Increase in median sales price in the CAAR region in Q2-2019 compared to a year ago.
▼	\$500	Thousand less in total sold dollar volume in the CAAR footprint in Q2-2019 relative to last year.
▲	3	Days higher average days on market for the CAAR footprint in Q2-2019 compared to a year ago.
-	5.1	Months of supply in the CAAR footprint in Q2-2019, which is unchanged from a year ago.

Economic Overview

Job growth in the 2nd half of 2018 slowed in the Charlottesville region, after a year and a half of very strong growth. Between December 2017 and December 2018 (the latest data available), the Charlottesville region added 370 net new jobs. By comparison, the region added nearly 2,500 jobs in the 1st half of 2018 compared to a year earlier.

The Charlottesville area did experience a surge in the number of jobs in the Educational Services sector at the end of last year; however, there were job losses in the Professional & Technical Services, Retail Trade and Construction sectors.

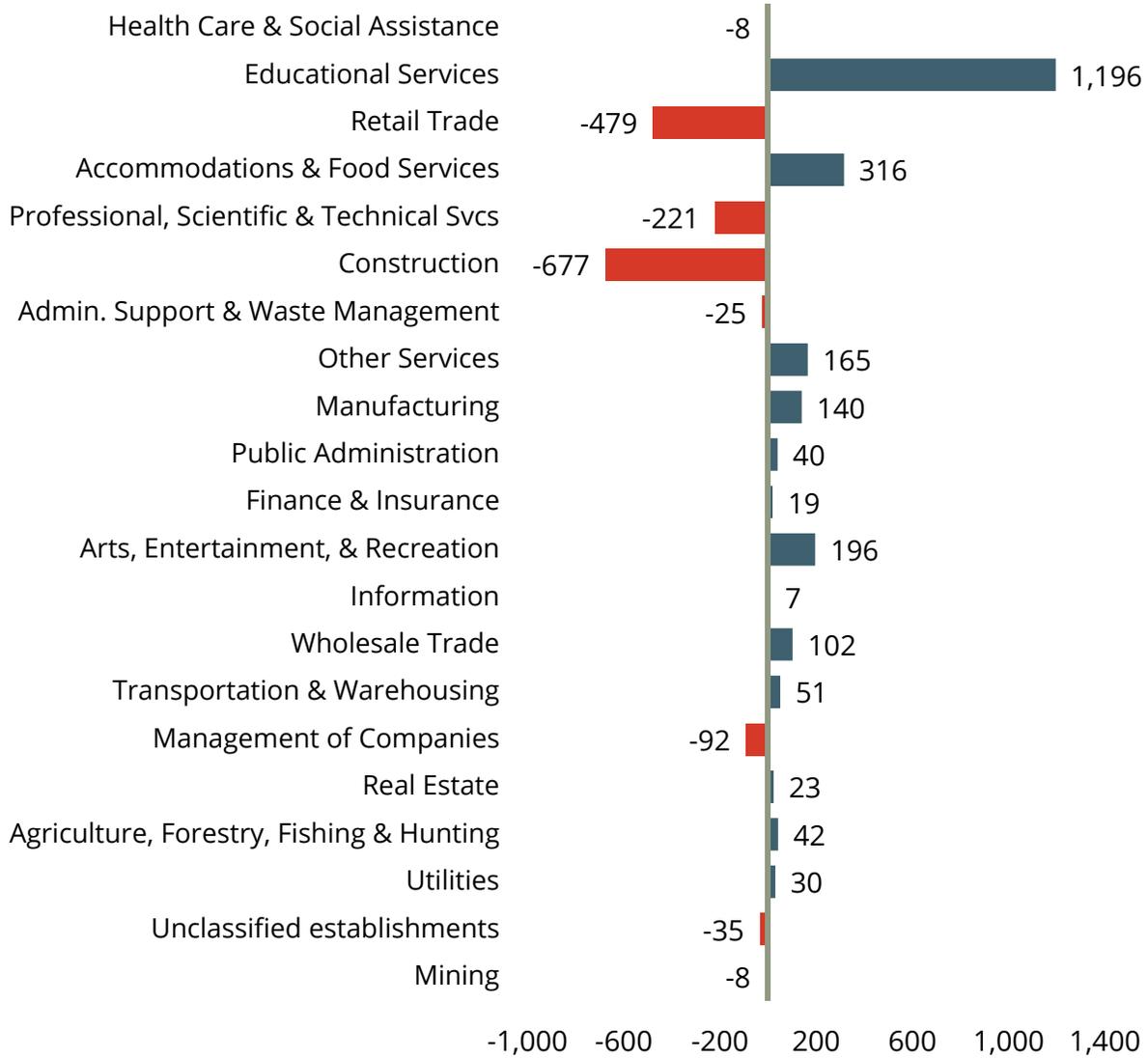
Figure 1
Annual Change in Jobs, CAAR



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

Figure 2
Job Change by Industry
CAAR
Dec-2017 to Dec-2018

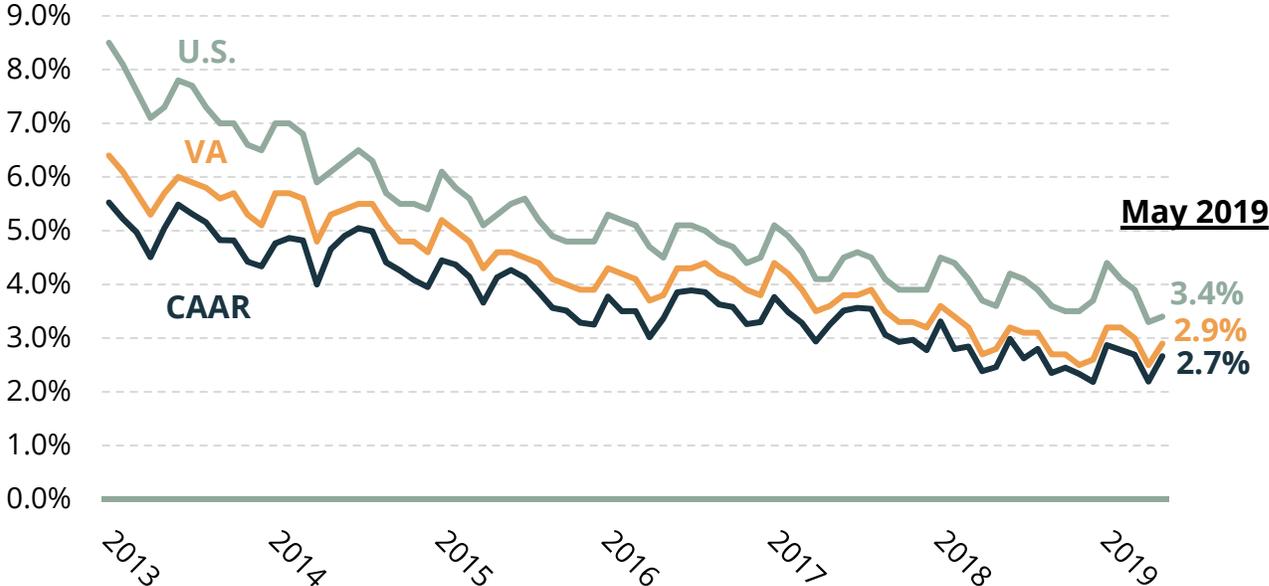
Ranked by Size



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

The unemployment rate in the Charlottesville region was 2.7% in May 2019, slightly lower than the statewide unemployment rate of 2.9%. The very low unemployment rate could be a constraint on the local economy, indicating that local businesses and organizations are increasingly having a hard time attracting and retaining skilled workers.

**Figure 3
Unemployment Rate**

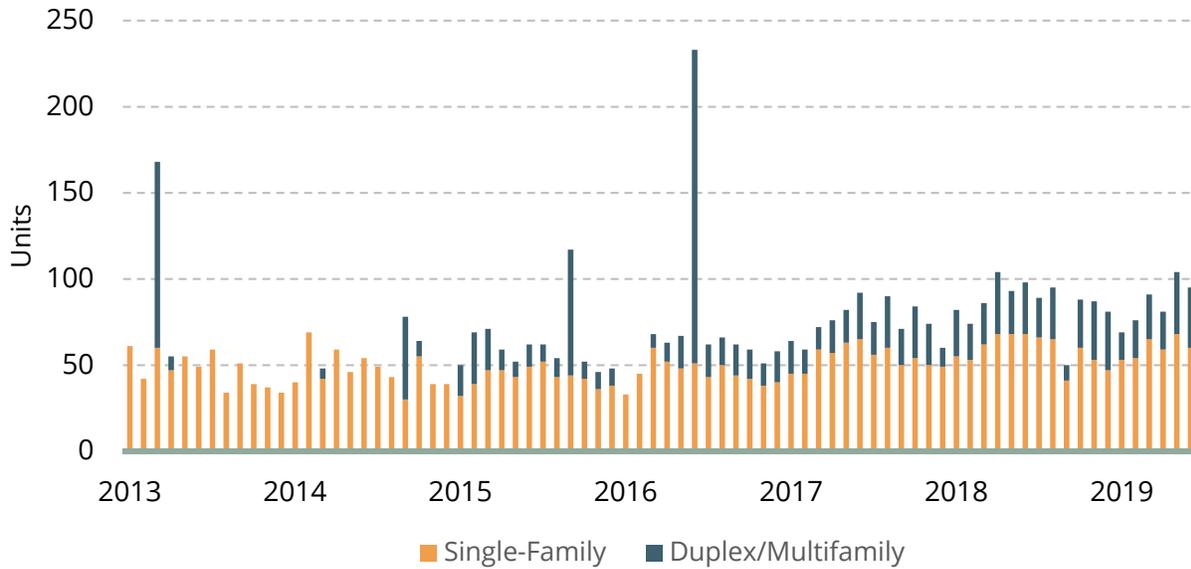


Source: U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics

New residential construction activity in the Charlottesville Metropolitan Statistical Area (MSA) has remained fairly steady. In the 1st 6 months of 2019, there have been 516 permits issued for new residential units, slightly lower than the 537 permits issued in the 1st half of 2018. Despite significant pent-up demand for housing in the Charlottesville region, new construction has not accelerated to keep up with that demand.

About 30% of the permits issued in 2019 for new construction were for units in multifamily buildings (both rental and condominium), while 70% were for single-family homes. The share of single-family homes is slightly higher in 2019 than it was during 2018.

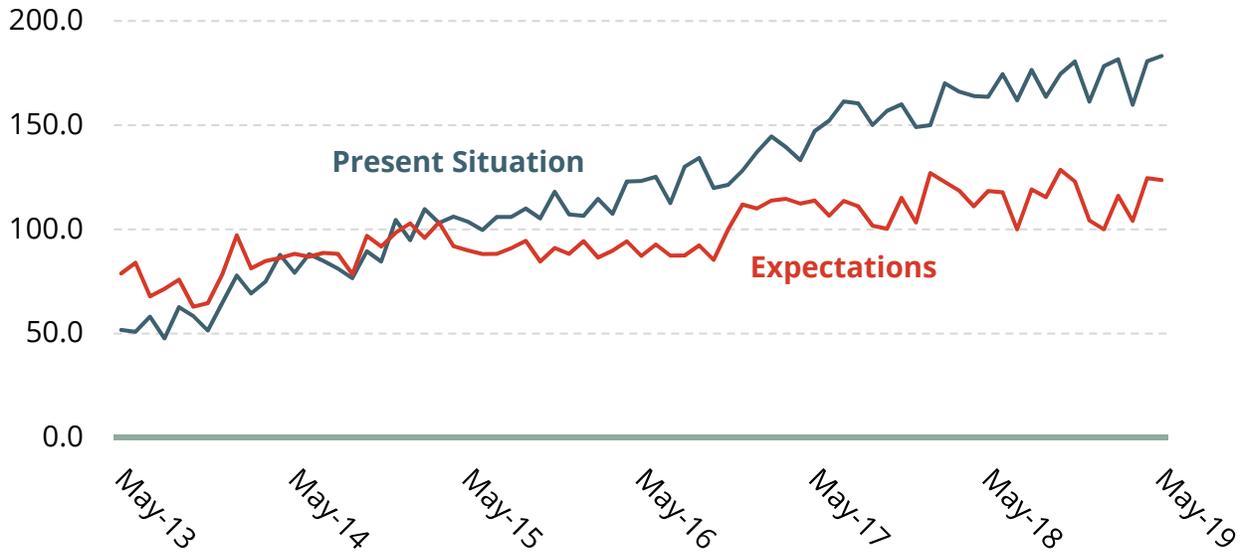
Figure 4
Monthly Permits for New Residential Construction
*Charlottesville MSA**



Source: U.S. Census Bureau

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

Figure 5
Consumer Confidence
South Atlantic Region

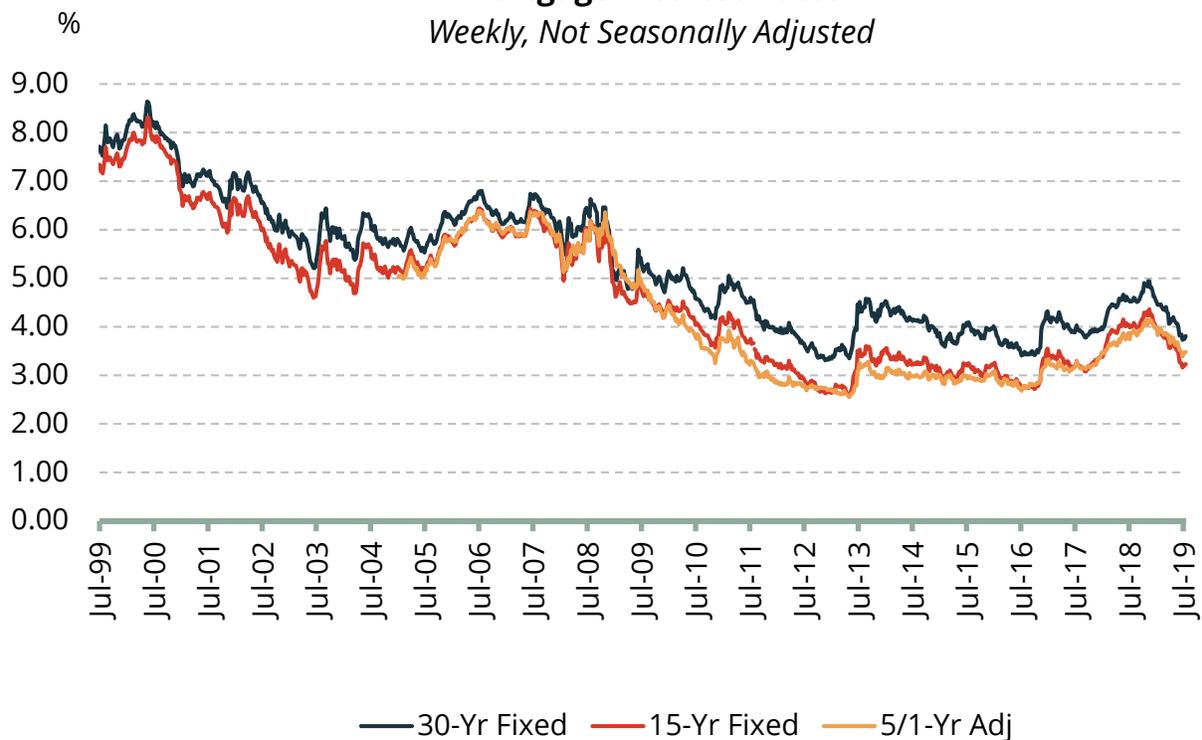


Source: The Conference Board

Consumer confidence in the South Atlantic region remains positive. The measure of confidence in consumers' present situations edged up to 183.2 in June, while the index of expectations remained at about 124. When these measures are above 100, it indicates that consumers remain optimistic about their economic prospects.

Interest rates remain very low. In the 3rd week of July, the 30-year fixed-rate mortgage rate was 3.81%, down slightly from a month ago. All signs point to continued low interest rates throughout the summer and fall.

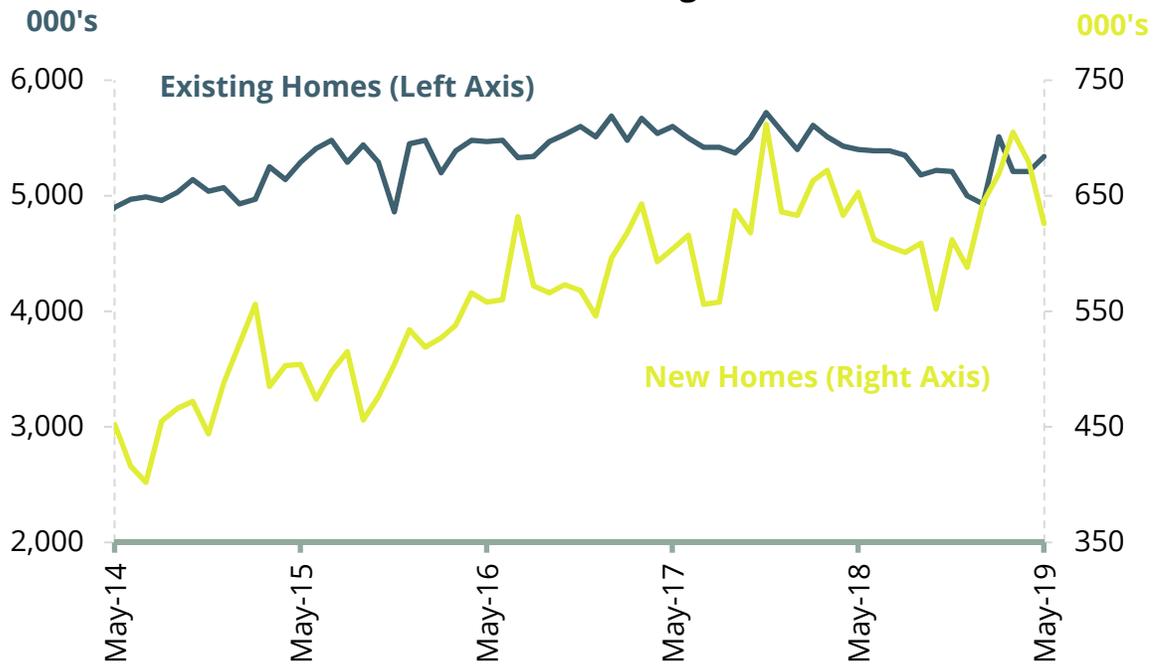
Figure 6
Mortgage Interest Rates
Weekly, Not Seasonally Adjusted



Source: Federal Reserve Bank of St. Louis

The national housing market continues to perform fairly well. Price increases continue to outpace increases in income, indicating a growing affordability issue in some markets. Existing home sales have been above the 5 million level since 2013 and have been relatively level over that 6-year period. New home sales have been more volatile, with a long slow trend upward, although dropping from a peak annual rate of 705,000 in March to 626,000 in May.

Figure 7
U.S. New and Existing Home Sales



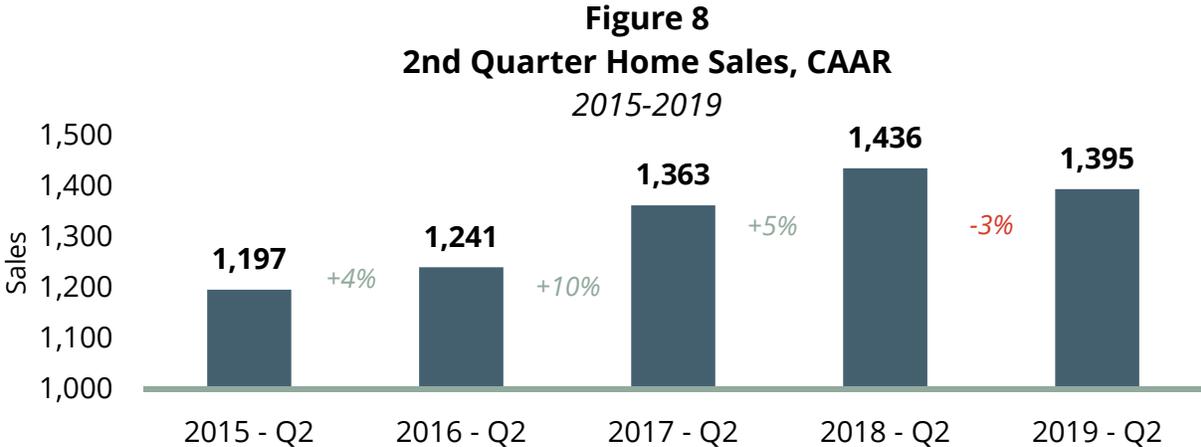
Source: U.S Census Bureau, National Association of Realtors

Housing Market Overview

Sales activity overall in the CAAR region continued to be slower than last year, though some local markets had an increase in sales. Despite fewer sales, the median sales price in the region increased by over \$13,500, evidence of continued buyer demand in the market with fewer active listings to choose from. The job base continues to grow, consumer confidence is positive, and interest rates and unemployment remain historically low. Inventory levels continue to be tight in the CAAR footprint; however, some local markets have seen a supply increase in recent quarters. The City of Charlottesville, for example, has had an expanding inventory for a year and a half. For the 2nd quarter in a row, homes are selling more slowly in the CAAR region; this trend has largely been driven by Albemarle County, where the average days on market increased by 8 days from last year.

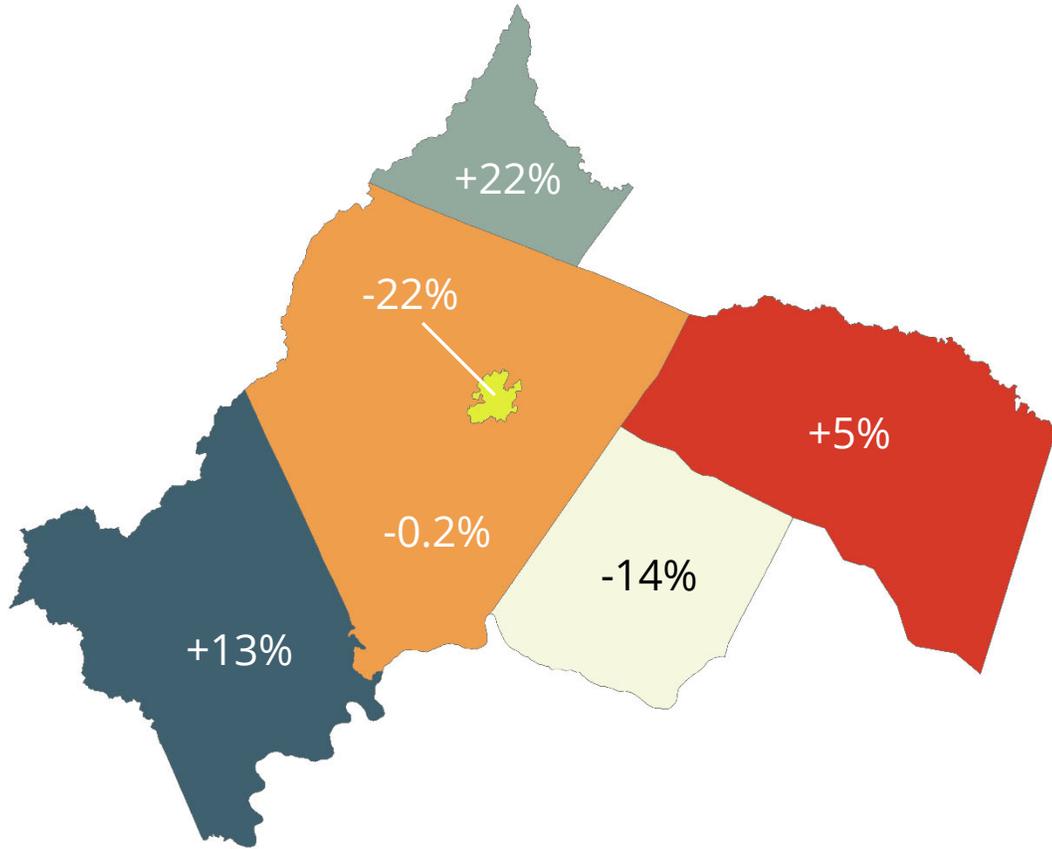
Sales

Sales activity continues to be slower than last year in the CAAR footprint. There were 1,395 sales in the 2nd quarter of 2019, 41 fewer sales than a year ago, representing a 3% decline. The pace of sales has been trending down in the CAAR area since the end of 2018 after several years of consistent growth. Housing markets in other areas of Virginia are also showing signs of cooling sales activity in recent quarters. While sales are down from last year, the 2nd quarter 2019 sales total in the CAAR region is approximately 17% higher than it was 4 years prior in the 2nd quarter of 2015.



Source: Virginia REALTORS®, data accessed July 17, 2019

Figure 9
Change in Sales by Jurisdiction
CAAR
2nd Quarter 2018 to 2nd Quarter 2019



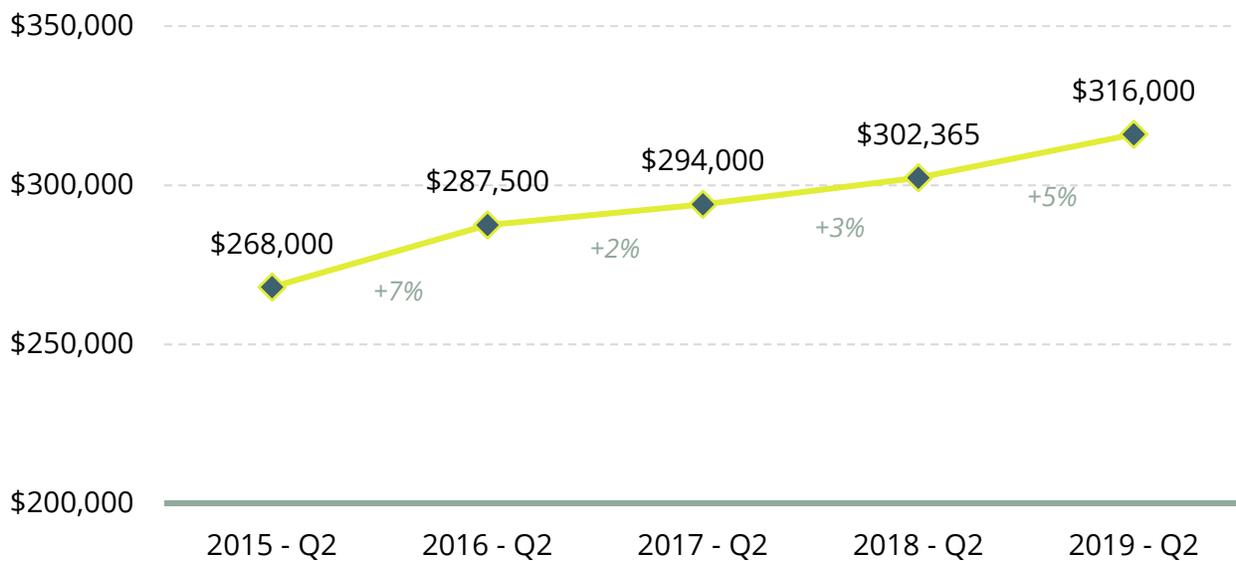
<i>Jurisdiction</i>	<i>2018 - Q2</i>	<i>2019 - Q2</i>	<i>% Change</i>
Albemarle County	653	652	-0.2%
Charlottesville	249	193	-22%
Fluvanna County	170	147	-14%
Greene County	92	112	22%
Louisa County	200	210	5%
Nelson County	72	81	13%

Source: Virginia REALTORS®, data accessed July 17, 2019

Sales Prices

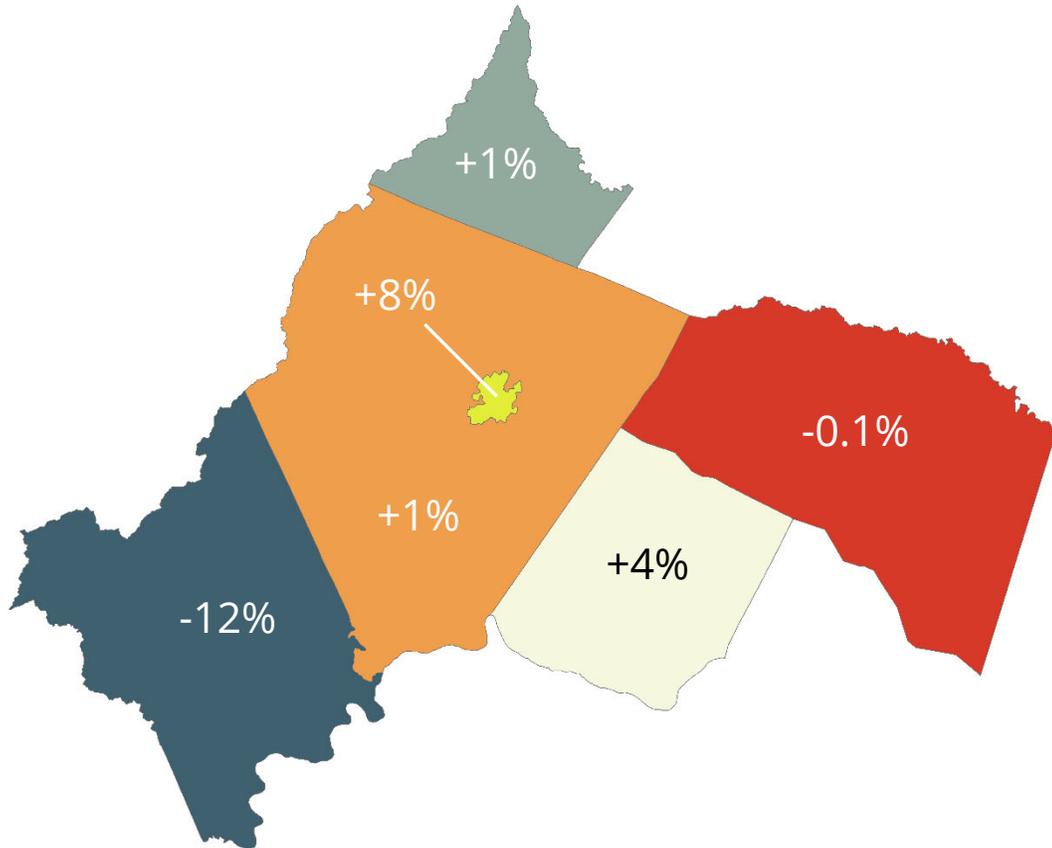
Despite the slower sales activity, prices in the CAAR housing market continue to rise. The median sales price in the 2nd quarter was \$316,000, which is 5% higher than this time last year, a gain of \$13,650. The median sales price has been consistently climbing in the CAAR region for several years. There has been some fluctuation at the local level, but the general trend has been higher sales prices. The recent slow down in sales activity and persistent growth in sales prices indicates that the low supply of homes available is playing a significant role in pricing in the market, and that there is more than enough buyer demand to absorb the available supply.

Figure 10
2nd Quarter Median Sales Price, CAAR
2015-2019



Source: Virginia REALTORS®, data accessed July 17, 2019

Figure 11
Change in Median Sales Price by Jurisdiction
CAAR
2nd Quarter 2018 to 2nd Quarter 2019



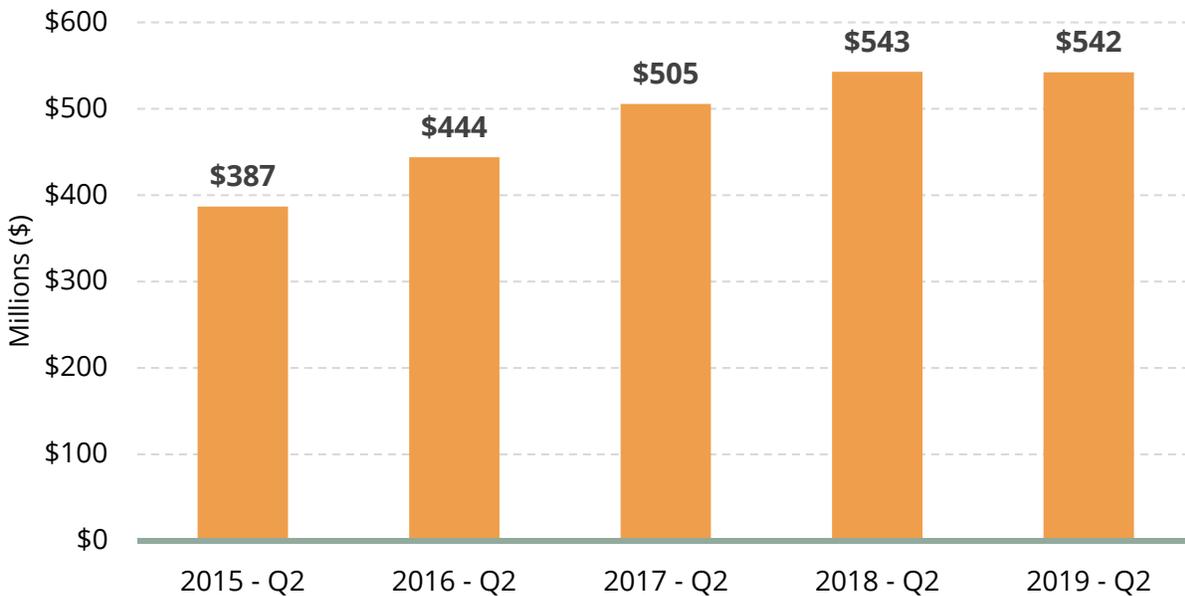
<i>Jurisdiction</i>	<i>2018 - Q2</i>	<i>2019 - Q2</i>	<i>% Change</i>
Albemarle County	\$379,366	\$385,000	1%
Charlottesville	\$322,500	\$349,200	8%
Fluvanna County	\$222,000	\$230,000	4%
Greene County	\$259,000	\$260,570	1%
Louisa County	\$235,350	\$235,000	-0.1%
Nelson County	\$255,000	\$225,000	-12%

Source: Virginia REALTORS®, data accessed July 17, 2019

Sold Volume

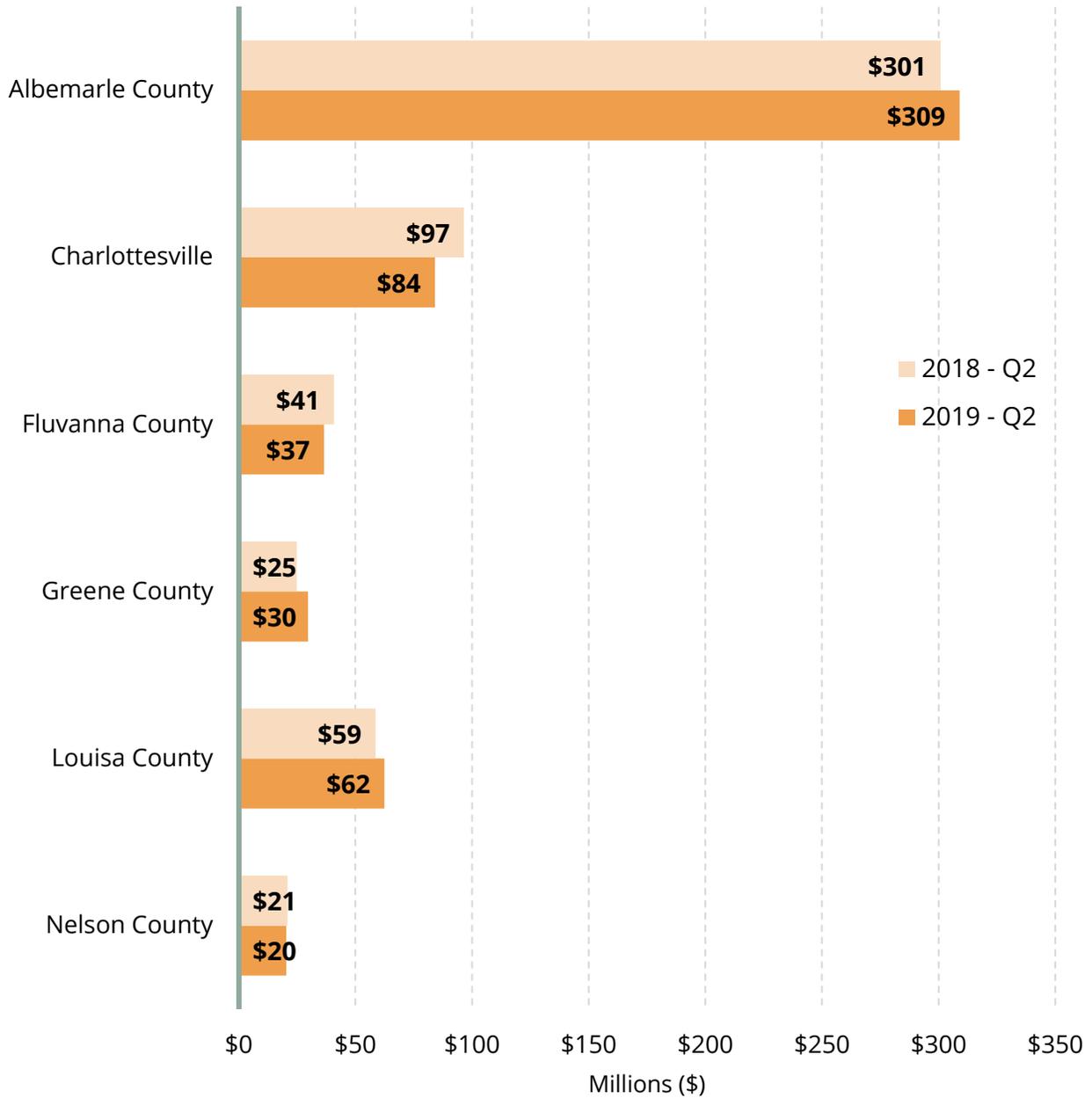
The drop in sales led to a decline in total sold dollar volume in the CAAR footprint for the 3rd consecutive quarter compared to last year, albeit slightly. There was approximately \$542 million in sold volume during the 2nd quarter of 2019, about a half million dollars less than last year. The volume decline was likely moderated by the increasing sales prices in most of the CAAR region. The drop in sold volume in the City of Charlottesville (-\$12 million) was the largest in the region and likely pulled down the CAAR volume overall despite a volume increase in Albemarle County this quarter (+8 million). While the sold dollar volume has been trending down in the CAAR footprint in recent quarters, it remains nearly \$100 million higher than the 2nd quarter 3 years ago.

Figure 12
2nd Quarter Sold Dollar Volume (Millions), CAAR
2015-2019



Source: Virginia REALTORS®, data accessed July 17, 2019

Figure 13
2nd Quarter Sold Dollar Volume, CAAR Jurisdictions
2018 and 2019

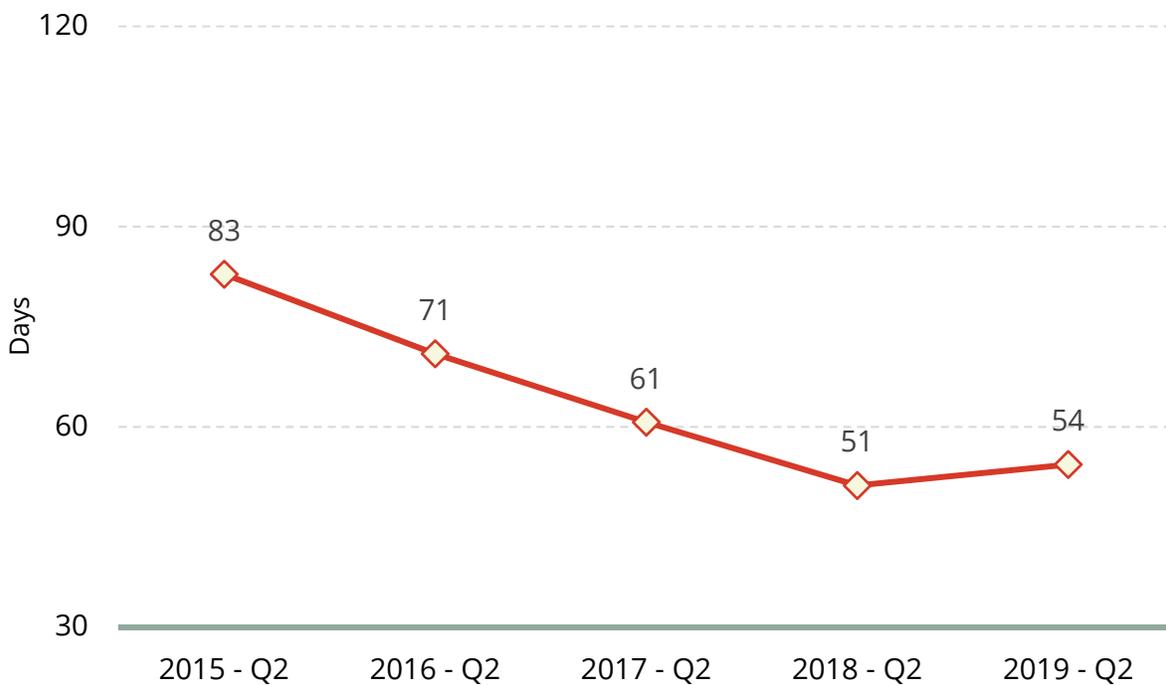


Source: Virginia REALTORS®, data accessed July 17, 2019

Days on Market

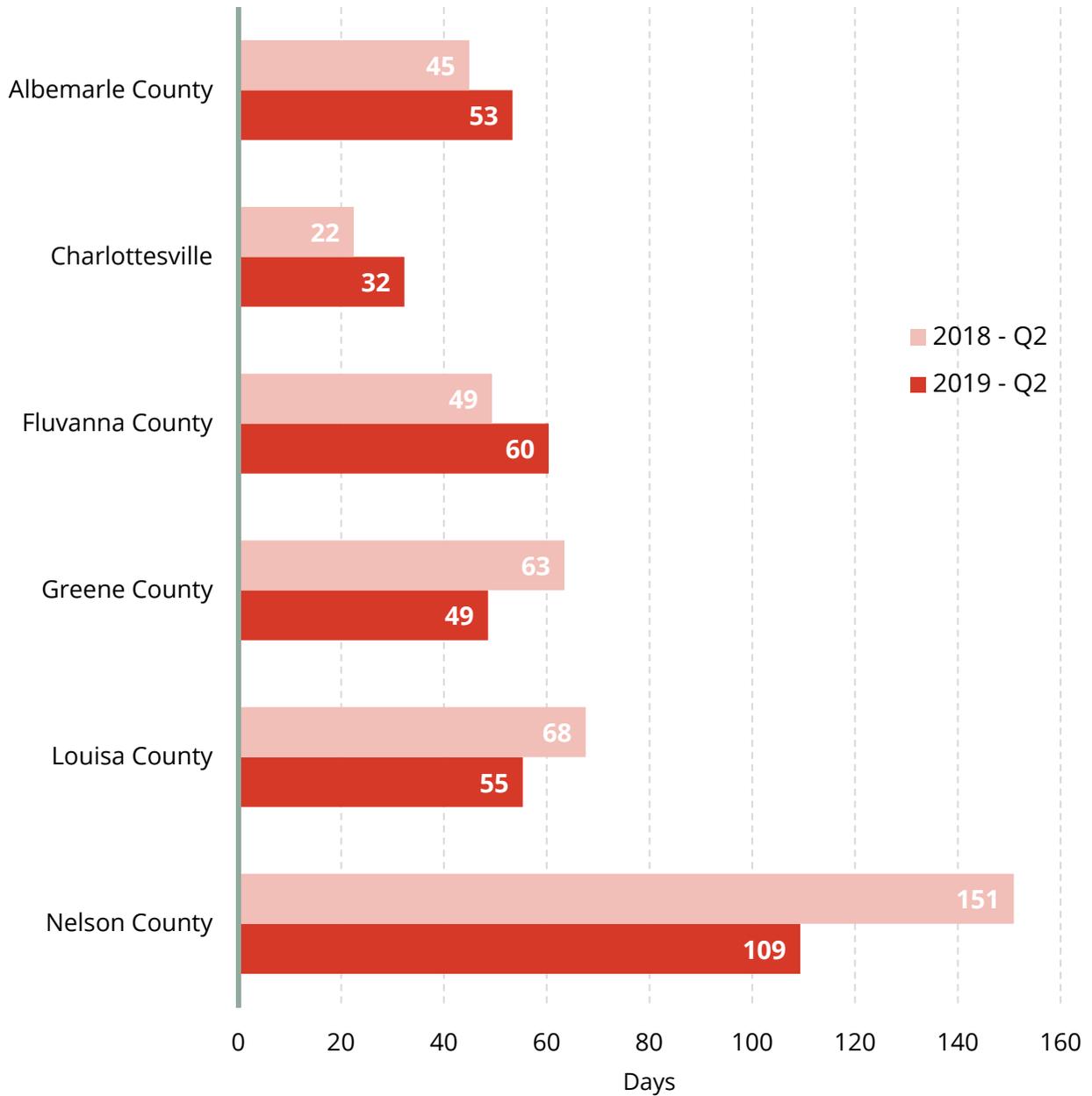
It is taking longer on average for homes to sell in the CAAR market compared to last year. The average days on market in the CAAR footprint was 54 days in the 2nd quarter, which is 3 days higher than a year ago. This represents the 2nd consecutive increase for this metric in the region after several years of consistent declines. This trend change could either reflect changing market conditions or indicate a mismatch in the types of homes listed for sale and the types of homes sought by buyers that are currently active in the market. The sharpest increase in the average days on market occurred in Fluvanna County, which was up 11 days in the 2nd quarter compared to last year.

Figure 14
2nd Quarter Average Days on Market, CAAR
2015-2019



Source: Virginia REALTORS®, data accessed July 17, 2019

Figure 15
2nd Quarter Average Days on Market, CAAR Jurisdictions
2018 and 2019

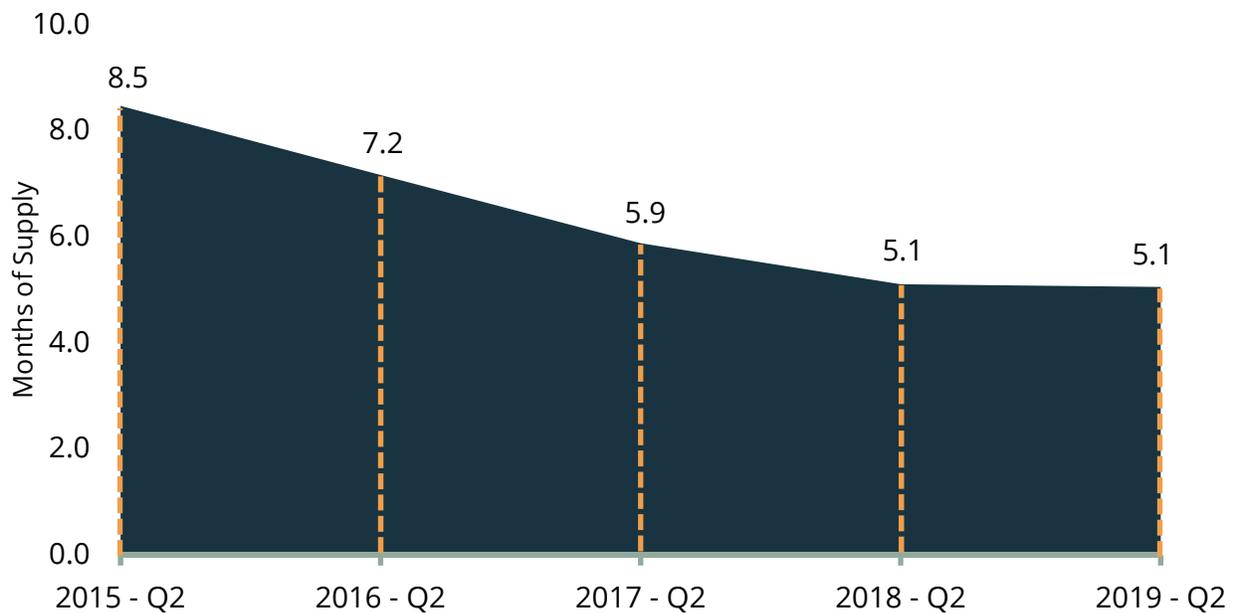


Source: Virginia REALTORS®, data accessed July 17, 2019

Inventory

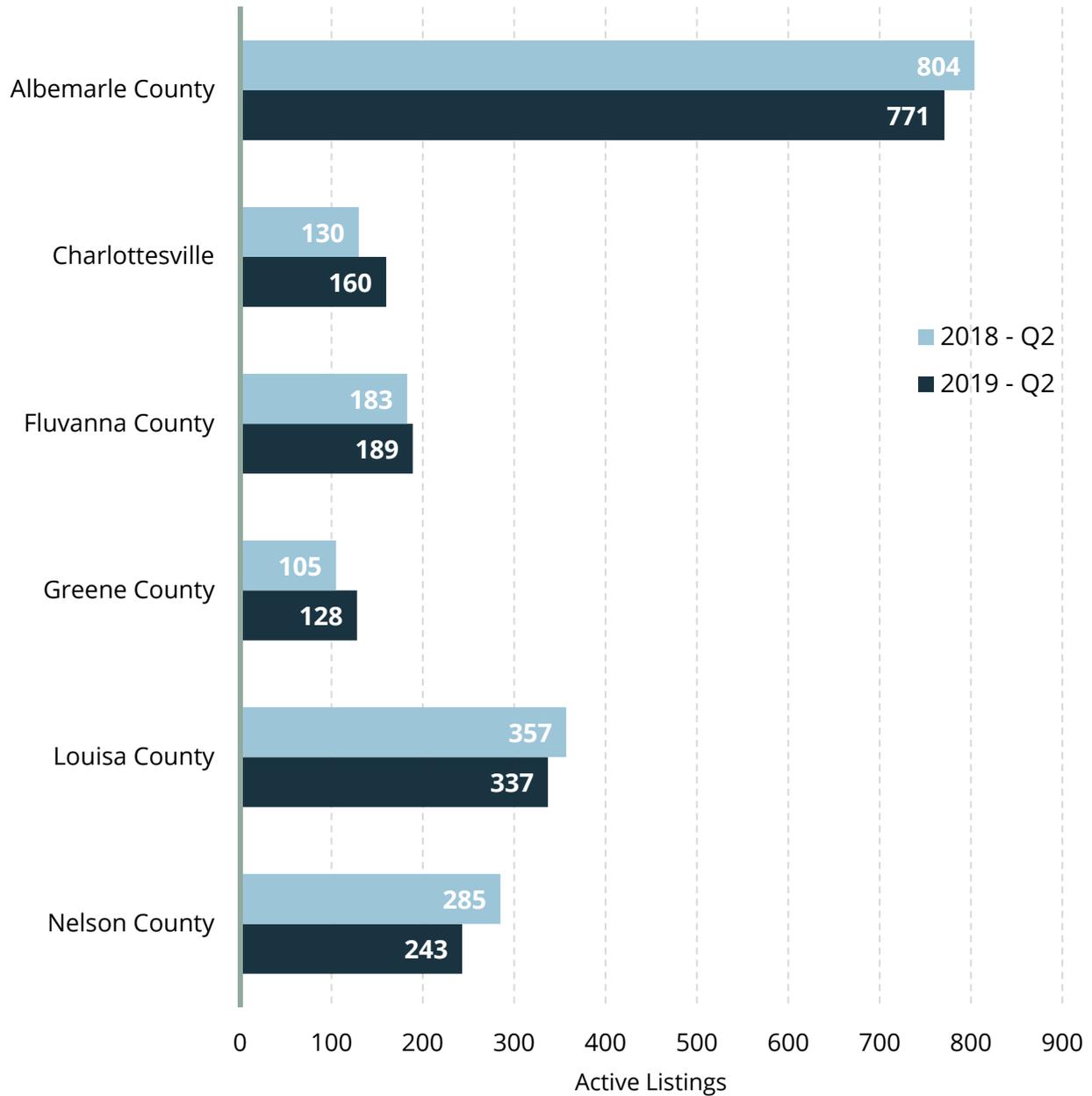
There were approximately 1,828 active listings at the end of the 2nd quarter in the CAAR area, down 2% from a year ago, a decline of 36 active listings. The supply of active listings has been shrinking in the region, and the state more broadly, for several years, which is putting upward pressure on prices in many areas. While the supply of homes for sale has been decreasing in the CAAR area, the rate of decline has moderated in recent quarters. This is largely being driven by an uptick in active listings in some local markets. Greene County, for example, has had an increase in active listings for 3 of the last 4 quarters. Charlottesville's inventory has been trending up since the start of 2018. The months of supply at the end of June was 5.1 in the CAAR footprint, unchanged from this time last year.

Figure 16
End of 2nd Quarter Months Supply, CAAR
2015-2019



Source: Virginia REALTORS®, data accessed July 17, 2019

Figure 17
End of 2nd Quarter Active Listings, CAAR Jurisdictions
2018 and 2019



Source: Virginia REALTORS®, data accessed July 17, 2019



Local Snapshot – *Albemarle County*

Sales: There were 652 sales in Albemarle County in the 2nd quarter, essentially unchanged (-1 sale) from a year ago. Sales activity has been flat or declining since the 4th quarter of 2018, after rising for more than 3 years.

Median Sales Price: After a decline in the 1st quarter, sales price growth continues to trend up in Albemarle County. At \$385,000, the median sales price in the 2nd quarter is up more than \$5,000 than a year ago, an increase of 1%.

Sold Volume: There was approximately \$309 million in total sold volume in Albemarle County in the 2nd quarter, which is more than \$8 million more than the same period last year, a 3% gain. Prior to this increase, sold volume had been trending down in the County since the 4th quarter of last year.

Days on Market: The average days on market in Albemarle County continues to rise compared to last year. On average, homes sold in 53 days in the County during the 2nd quarter, which is 8 days longer than a year ago.

Inventory: After a bump in active listings to start the year, the shrinking inventory trend continued in the 2nd quarter in Albemarle County. There were 771 active listings at the end of the 2nd quarter, 33 fewer listings than a year ago, representing a 4% decline.



Local Snapshot – *Charlottesville*

Sales: The pace of sales slowed dramatically in Charlottesville during the 2nd quarter compared to last year. There were 193 sales in the City in the 2nd quarter, 56 fewer than a year ago, representing a 22% drop in sales.

Median Sales Price: Home prices continue to climb in Charlottesville faster than any other jurisdiction in the CAAR region. At \$349,200, the median sales price in the City in the 2nd quarter is up nearly \$27,000 from last year, an 8% gain. Prices have been on the rise in the City now for 3 straight years, with most of the growth occurring over the past year.

Sold Volume: Despite the rising sales price in the City, the sharp decline in sales led to a drop in the total sold dollar volume in the 2nd quarter compared to last year. There was approximately \$84 million in sold volume in Charlottesville in the 2nd quarter, down 13% from a year ago, a drop of more than \$12 million.

Days on Market: The average days on market in Charlottesville continues to rise. Homes sold in 32 days, on average, during the 2nd quarter, which is 10 days longer than this time last year. This is the 2nd quarter in a row for an increase in this metric.

Inventory: The supply of active listings continues to expand in Charlottesville, a trend that has been consistent for a year and a half. There were 160 active listings at the end of the 2nd quarter, which is 23% more than last year, a gain of 30 active listings.



Local Snapshot – *Fluvanna County*

Sales: Sluggish sales activity continues in Fluvanna County. There were 147 sales in the County during the 2nd quarter, which is 23 fewer than the 2nd quarter of 2018, a 14% decline. Sales have been trending down in the County since fall of last year.

Median Sales Price: Home prices rose in Fluvanna County in the 2nd quarter, after declining at the beginning of the year. The median sales price in the County in the 2nd quarter was \$230,000, which is \$8,000 higher than this time last year, representing a 4% gain.

Sold Volume: The total sold volume in Fluvanna continues to fall, a trend that has now reached 4 consecutive quarters. There was approximately \$36.5 million in sold volume in the 2nd quarter in the County, down more than \$4 million from last year, an 11% drop.

Days on Market: On average, homes sold in 60 days in Fluvanna County in the 2nd quarter, which is up 11 days from a year ago. This metric has been trending up in the County since the end of 2018 after declining for much of the previous three years.

Inventory: There were 189 active listings in Fluvanna County at the end of the 2nd quarter, up 3% from this time last year, an increase of 6 listings. This is the 2nd consecutive quarter of an increase in inventory in the County after more than 3 years of consistent declines.



Local Snapshot – *Greene County*

Sales: Sales activity continues to accelerate in Greene County. There were 112 sales during the 2nd quarter, which is 22% higher than a year ago, an increase of 20 sales. Greene County has had some of the fastest sales growth in the CAAR footprint over the past 4 quarters.

Median Sales Price: At \$260,570, the median sales price in Greene County in the 2nd quarter rose a modest 1% from a year ago, a gain of about \$1,500. Home prices have been trending up in the County for 4 straight quarters.

Sold Volume: More sales and increasing sales prices continue to push up the total sold dollar volume in Greene County. There was approximately \$30 million in sold volume in the 2nd quarter in the County, about \$4.7 million more than a year ago, a 19% gain, and the fastest percentage growth in the CAAR footprint this quarter.

Days on Market: Homes continue to sell faster in Greene County, on average. The average days on market in the 2nd quarter was 49 days, which is more than two weeks faster (15 days) than the 2nd quarter of last year. The last time this metric increased was the 2nd quarter of 2016.

Inventory: The supply of active listings in Greene County continues to trend up. There were 128 active listings in the County at the end of the 2nd quarter, up 22% from the 2nd quarter last year, an increase of 23 listings.



Local Snapshot – *Louisa County*

Sales: There were 210 sales in Louisa County in the 2nd quarter, 10 more than a year ago, representing an increase of 5%. This is the highest 2nd quarter sales total for the County in more than 4 years.

Median Sales Price: Sales prices in Louisa County continue to be flat relative to last year. At \$235,000, the median sales price in the County during the 2nd quarter was essentially unchanged (-\$350) from a year ago. Prices have been flat or declining in the County for 3 consecutive quarters.

Sold Volume: After falling sharply in the 1st quarter, the sold dollar volume in Louisa County rose to \$62 million in the 2nd quarter, which is about \$3.7 million higher than a year ago. The volume gains were driven by an increase in both sales and median sales price in the County this quarter compared to last year.

Days on Market: Homes continue to sell faster in Louisa County. On average, homes that sold in the 2nd quarter were on the market for 55 days, which is 12 days faster than a year ago. This metric has been trending down in the County, and homes are now selling more than a month faster than they were 4 years ago (i.e., 2nd quarter 2015).

Inventory: There were 337 active listings at the end of the 2nd quarter in Louisa County, 6% fewer than last year, a drop of 20 active listings. The inventory of homes available for sale in the County is more than 200 listings below the supply level 4 years prior.



Local Snapshot – *Nelson County*

Sales: After declining sales during the 1st quarter, sales growth resumed in the 2nd quarter in Nelson County. There were 81 sales in the County in the 2nd quarter, 9 more than a year ago, representing a 13% increase.

Median Sales Price: At \$225,000, the 2nd quarter median sales price in Nelson County fell 12% from the same period last year, a decline of \$30,000. Prices have been trending down in the County for much of the past year and a half, after rising for most of 2017.

Sold Volume: There was approximately \$20.3 million in total sold volume in the County in the 2nd quarter, down 3% from a year ago, a drop of approximately half a million dollars. This is the 2nd quarter in a row of declining sold volume in the County.

Days on Market: The average days on market in the County fell sharply in the 2nd quarter after rising for the previous 2 quarters. On average, homes sold in 109 days during the 2nd quarter, an increase of 42 days.

Inventory: There were 243 active listings in Nelson County at the end of the 2nd quarter, which is 42 fewer than a year ago, representing a 15% decline. This is the sharpest inventory drop of all jurisdictions in the CAAR region



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.

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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.