

CAAR CHARLOTTESVILLE AREA HOME SALES REPORT



CUSTOM REPORT PREPARED BY
VIRGINIA REALTORS®

CAAR Home Sales Report

3rd Quarter 2020

Charlottesville Area Association of REALTORS®

Market Report Key Takeaways

Economic Conditions

- In the Charlottesville region, economic conditions improved in the 3rd quarter, with the regional unemployment rate falling steadily.
- Consumer confidence in the economy plummeted in August but rebounded again in September.
- Mortgage rates remained at historically low levels throughout the 3rd quarter; rates will likely remain low well into 2021.

Housing Market Conditions

- Sales activity in the CAAR regional housing market rebounded in the summer following a slowdown in the spring. There were 1,447 sales across the CAAR region in the 3rd quarter, which is a 10% increase from a year ago, a gain of 133 sales.
- Home prices continue to climb throughout the CAAR footprint. The region's 3rd quarter median sales price was \$326,900, up 7% from last year.
- The inventory of homes for sale in the CAAR market remains persistently low and continues to shrink rapidly. There were 925 active listings at the end of the 3rd quarter, down 47% from a year ago.



Key Trends Dashboard, CAAR

Economy



5.4%

Is the August-2020 **unemployment rate** in the CAAR footprint, which is down from July-2020



2.81%

Is the **30-year fixed-rate mortgage rate** during the 2nd week of October 2020, which is down 0.88 percentage points from a year ago

Housing Market



133

More **home sales** in the CAAR footprint in Q3-2020 compared to last year



7%

Percent change in **median sales price** in the CAAR region in Q3-2020 compared to a year ago



\$112

Million dollars more in total **sold volume** in the CAAR footprint in Q3-2020 compared to last year



-47%

Percent change in **active listings** at the end of Q3-2020 in the CAAR market compared to a year ago



2.5

Months of supply in the CAAR footprint in Q3-2020, which is down from a year ago

Economic Overview

The national economy improved in the 3rd quarter of 2020, though there are some signs of uncertainty in the recovery. The U.S. economy gained jobs for five consecutive months and the national unemployment rate fell to 7.9% in September. Economic conditions in Virginia are somewhat better than they are nationally. The Commonwealth has added jobs consistently for four consecutive months, with 68,000 jobs gained in August. Even with these gains, there are still about 212,000 fewer jobs in Virginia this year compared to a year ago. Full recovery of the jobs lost this spring is still a long way off.

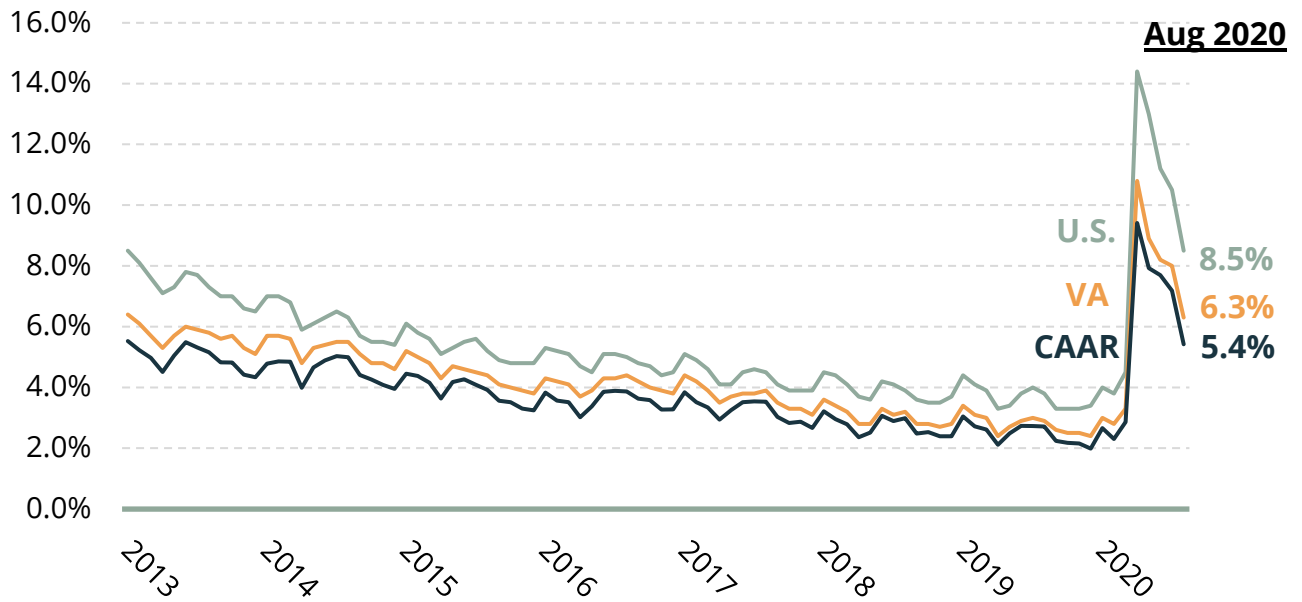
Figure 1
Virginia Month-to-Month Change in Jobs



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

Like the rest of the Commonwealth, the Charlottesville region has seen economic conditions improve in the 3rd quarter. The regional unemployment rate was 5.4% in August, falling from 7.7% and 7.2% in June and July, respectively. While unemployment remains elevated in the Charlottesville area, the decline in the region's unemployment rate is a positive sign.

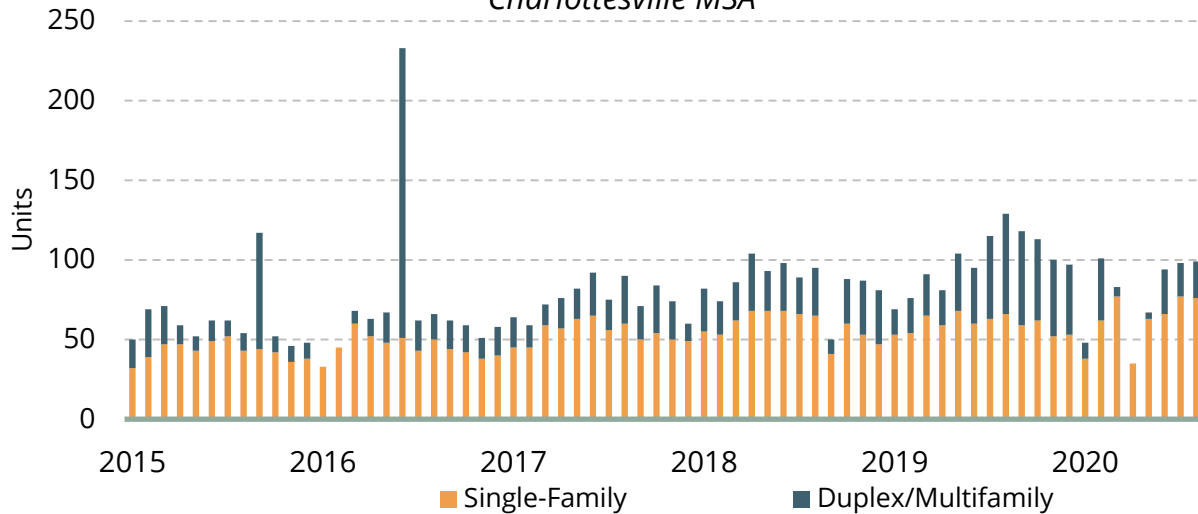
Figure 2
Unemployment Rate



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

New residential construction activity increased during the summer. In August 2020, there were permits issued for 99 residential units, which is down from last August. However, the number of permits issued over the summer increased compared to the spring. In June, July, and August, there was a total of 291 permits issued for new residential construction. More than three-quarters of the new units permitted were single-family homes, with just 72 permits for townhome/multi-family units over those three months.

Figure 3
Monthly Permits for New Residential Construction
Charlottesville MSA

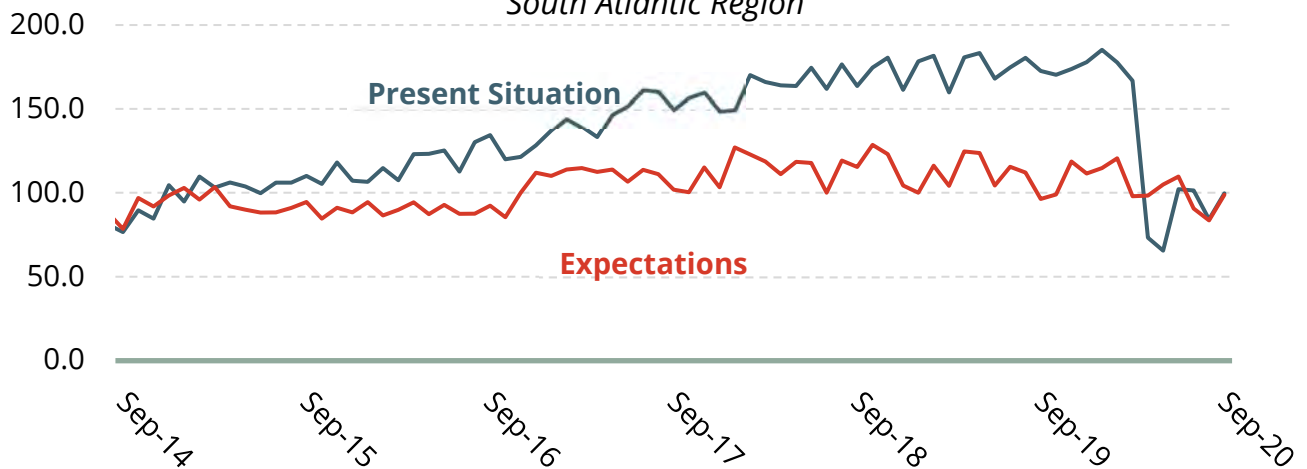


Source: U.S. Census Bureau

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

Measures of consumer confidence reflect the ongoing uncertainty in the economic recovery. The consumer confidence indices for the South Atlantic region (which includes Virginia) plummeted in August before rebounding in September. The measure of confidence in the present economic situation was 99.6 and the future consumer confidence index was 98.8 in September. A consumer confidence index of 100 or more indicates individuals feel optimistic about economic conditions.

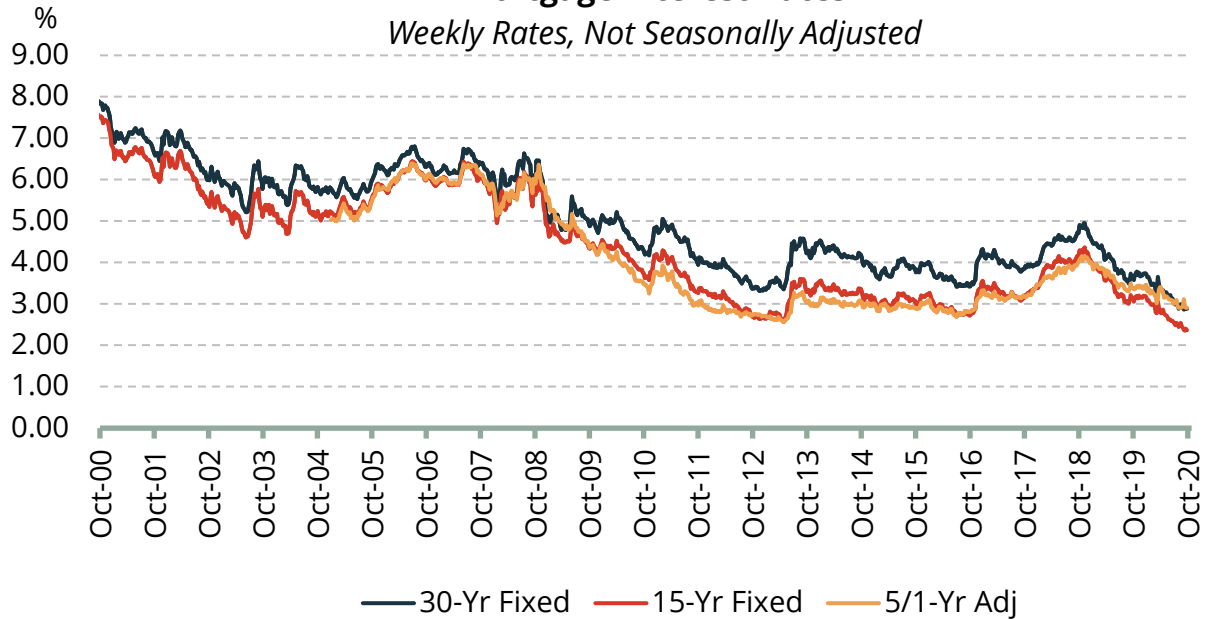
Figure 4
Consumer Confidence
South Atlantic Region



Source: The Conference Board

During the 3rd quarter, historically low mortgage rates have continued to spur refinance and purchase activity and sustain confidence in the for-sale housing market. The average 30-year fixed-rate mortgage rate has been below 3% throughout August and September. The pace of mortgage applications slowed slightly at the end of the summer, likely due to a lack of inventory.

Figure 5
Mortgage Interest Rates



Source: Federal Reserve Bank of St. Louis

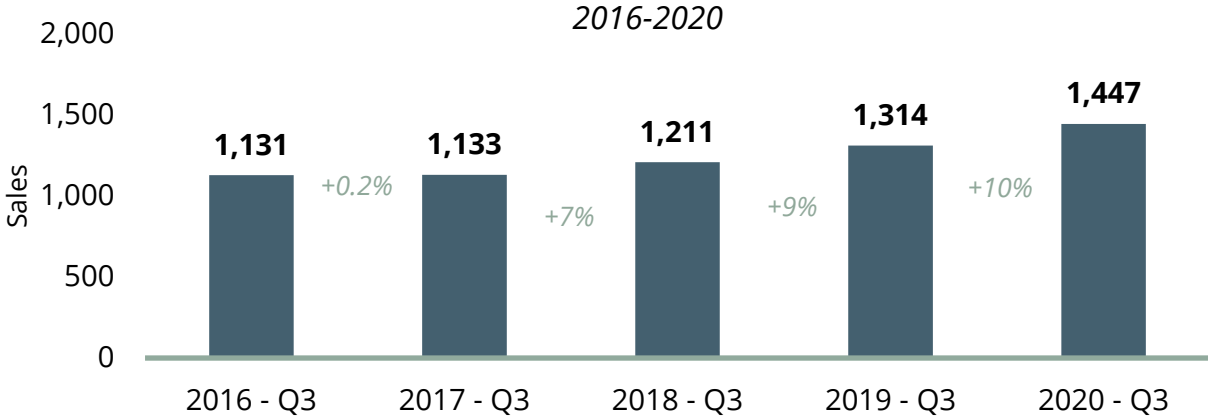
Housing Market Overview

After a sluggish spring, the CAAR regional housing market rebounded during the summer months. Sales activity rose in many local markets in the area in the 3rd quarter, which covers the months of July, August, and September. September was by far the busiest month of the quarter in the CAAR footprint as sales activity surged, a reflection of pent-up demand in the market. Home prices continue to climb throughout the region, driven largely by the low supply of homes that are for sale in the area. This persistent supply shortage continues to be a major factor in the health of the overall market, as many eager buyers could be unable to find a home in their price range. While the supply remains low and prices are climbing, very attractive interest rates will help to keep financing costs down.

Sales

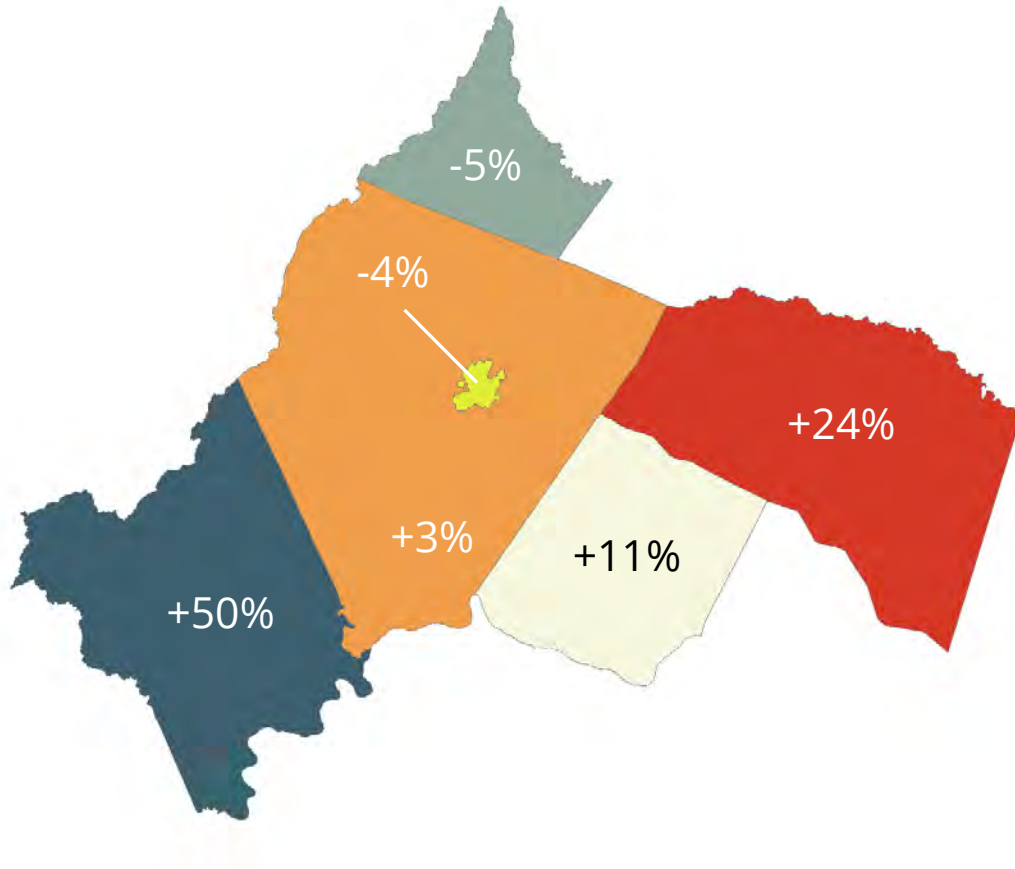
Following a slow spring, sales activity in the CAAR housing market rebounded during the summer. There were 1,447 sales overall in the 3rd quarter throughout the CAAR footprint, 10% more sales than a year ago, which is an increase of 133 sales. The number of sales increased in all 3 months of this quarter (July, August, and September). September, in particular, was a very strong month for sales in the region. The jump in sales this quarter likely reflects some buyers who paused their home searches during the early months of the ongoing pandemic and who decided to resume the buying process over the summer. The total sales statewide jumped up 17% in the 3rd quarter compared to last year, which reflects a widespread rebound in housing markets around the Commonwealth.

Figure 6
3rd Quarter Home Sales, CAAR



Source: Virginia REALTORS®, data accessed October 15, 2020

Figure 7
Change in Sales by Jurisdiction
CAAR
3rd Quarter 2019 to 3rd Quarter 2020



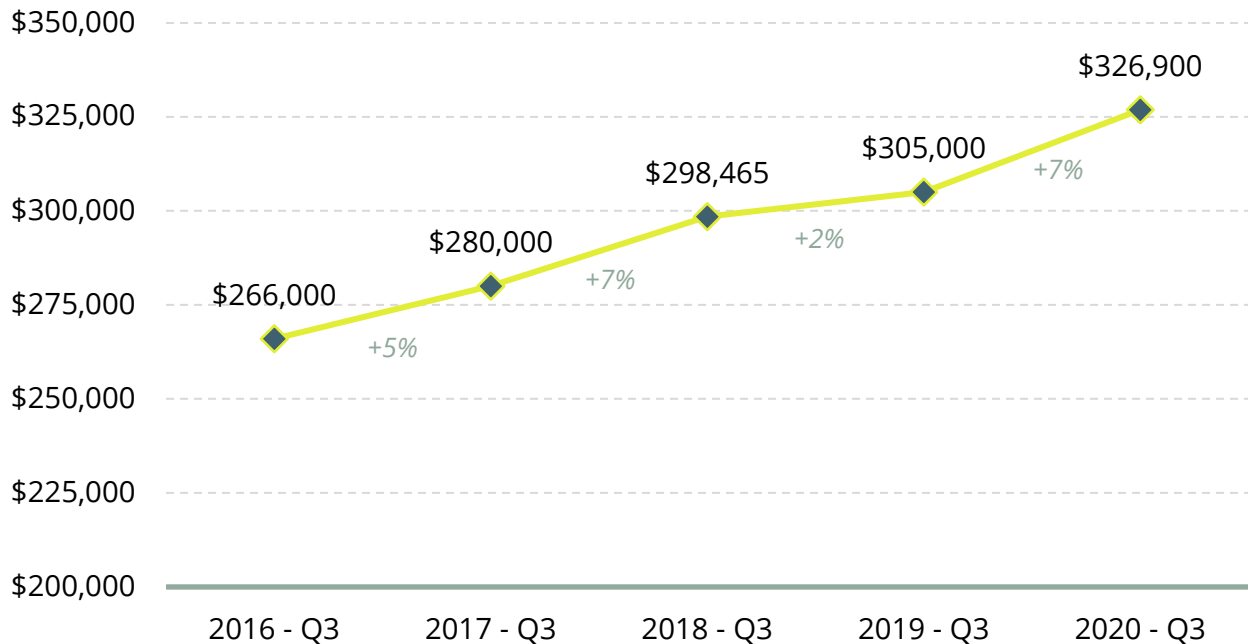
<i>Jurisdiction</i>	<i>2019 - Q3</i>	<i>2020 - Q3</i>	<i>% Change</i>
Albemarle County	565	582	3%
Charlottesville	152	146	-4%
Fluvanna County	163	181	11%
Greene County	101	96	-5%
Louisa County	223	277	24%
Nelson County	110	165	50%

Source: Virginia REALTORS®, data accessed October 15, 2020

Sales Prices

Home prices are rising steadily in the CAAR footprint, a signal of continued demand in the market and a low inventory of homes that are available. At \$326,900, the 3rd quarter median sales price in the CAAR region is 7% higher than it was a year ago, which is a gain of \$21,900. Price growth has been consistent for several years in the CAAR housing market; the median sales price in the region is now about \$67,000 higher than it was in the 3rd quarter 5 years ago. The median sales price in Virginia climbed 10% in the 3rd quarter compared to last year.

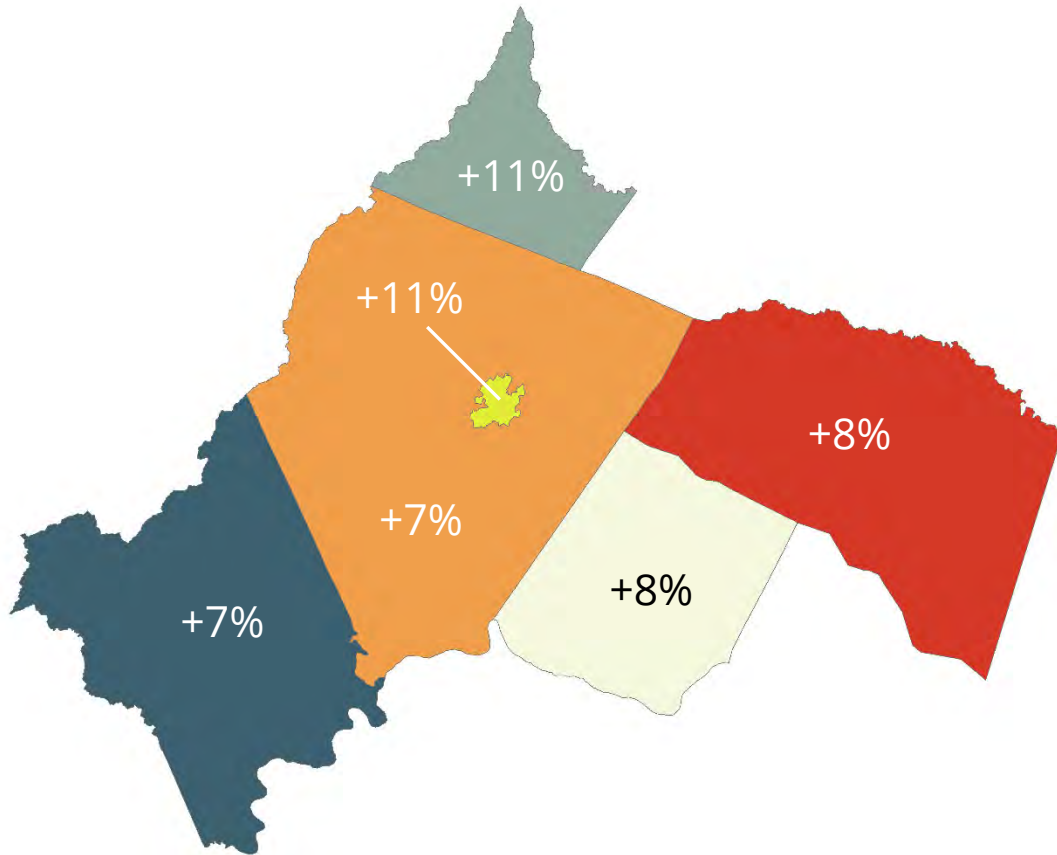
Figure 8
3rd Quarter Median Sales Price, CAAR
2016-2020



Source: Virginia REALTORS®, data accessed October 15, 2020

Figure 9
Change in Median Sales Price by Jurisdiction
CAAR

3rd Quarter 2019 to 3rd Quarter 2020



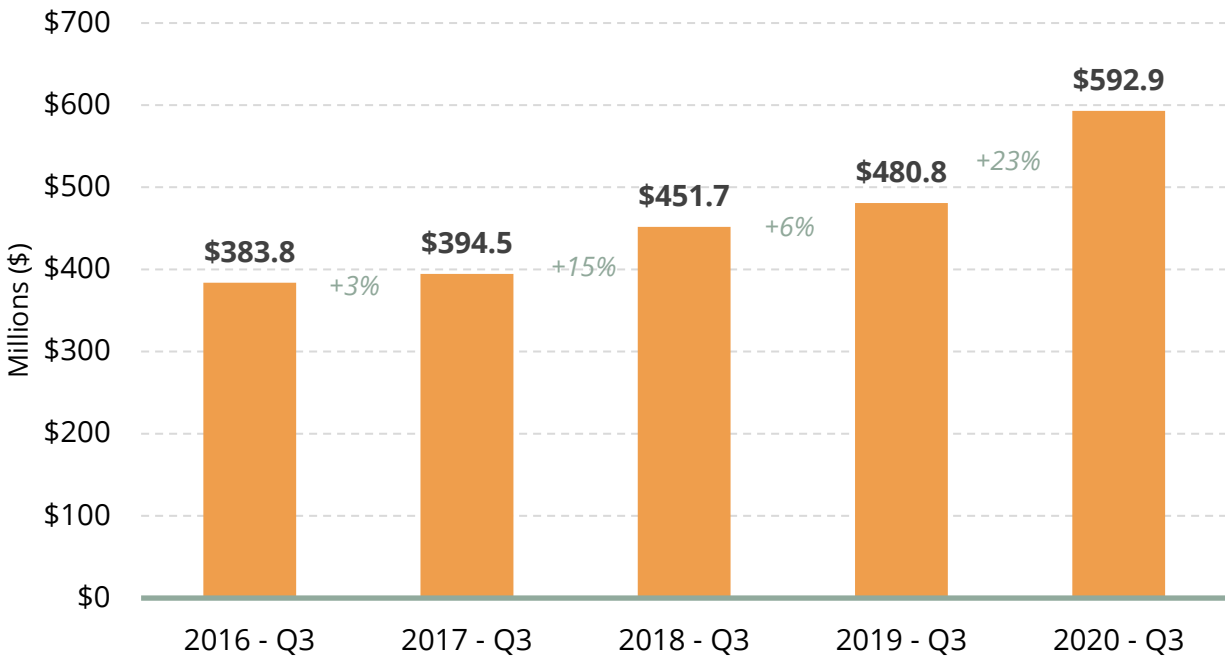
<i>Jurisdiction</i>	<i>2019 - Q3</i>	<i>2020 - Q3</i>	<i>% Change</i>
Albemarle County	\$380,000	\$408,000	7%
Charlottesville	\$352,500	\$392,000	11%
Fluvanna County	\$229,000	\$247,250	8%
Greene County	\$261,155	\$290,000	11%
Louisa County	\$259,900	\$280,000	8%
Nelson County	\$222,000	\$237,000	7%

Source: Virginia REALTORS®, data accessed October 15, 2020

Sold Volume

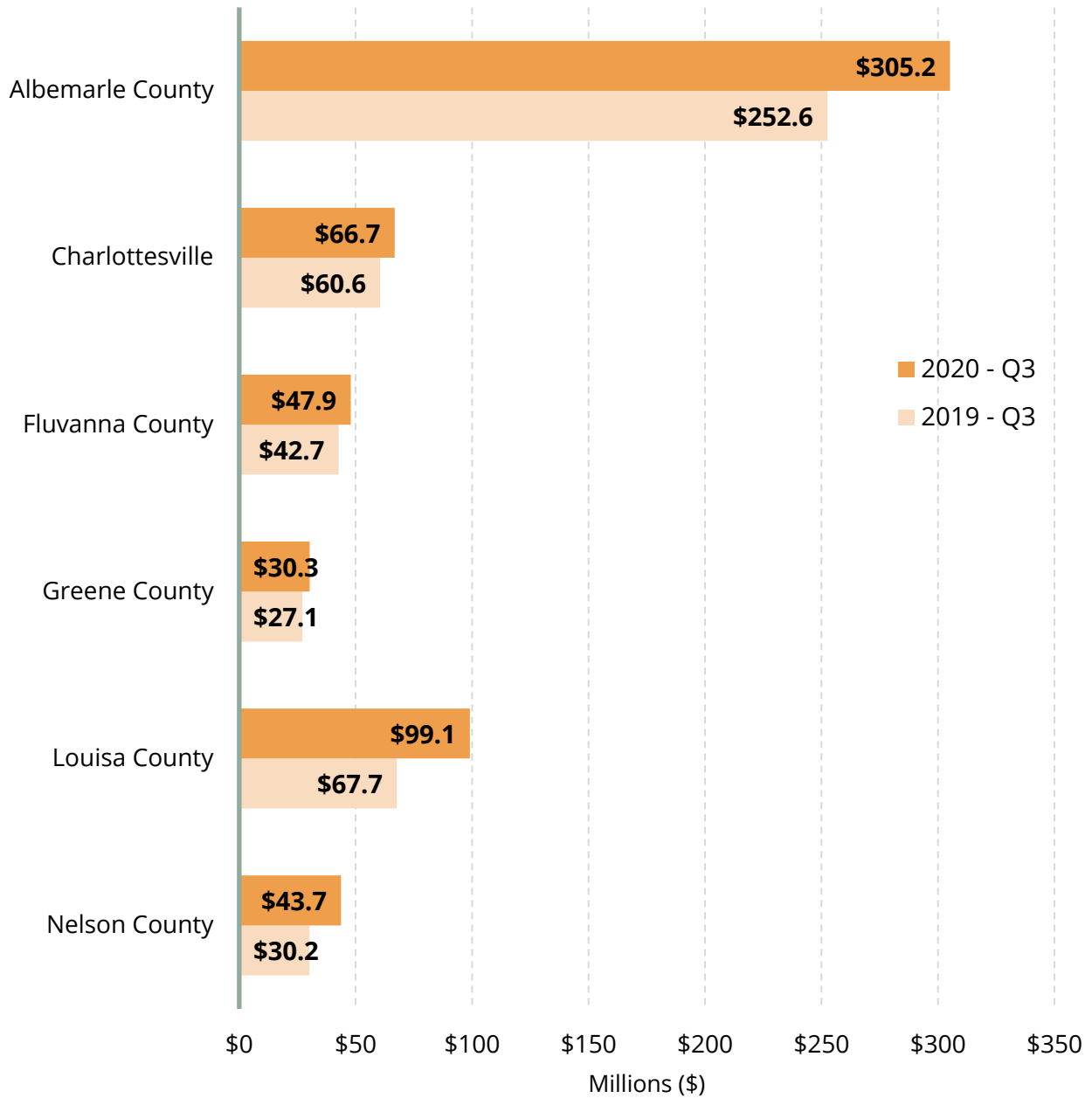
The increased sales activity and rising home prices across the region led to a large gain in total sold dollar volume this quarter in the CAAR housing market. There was approximately \$592.9 million of sold volume across the region in the 3rd quarter, surging up 23% from a year ago, an increase of \$112.1 million. This represents the largest quarterly sold volume gain for the region's housing market of any quarter in more than 5 years. The significant increase of sold volume this quarter indicates that some of the pent-up demand from the slow spring has now been absorbed into the market.

Figure 10
3rd Quarter Sold Dollar Volume (Millions), CAAR
2016-2020



Source: Virginia REALTORS®, data accessed October 15, 2020

Figure 11
3rd Quarter Sold Dollar Volume, CAAR Jurisdictions
2019 and 2020

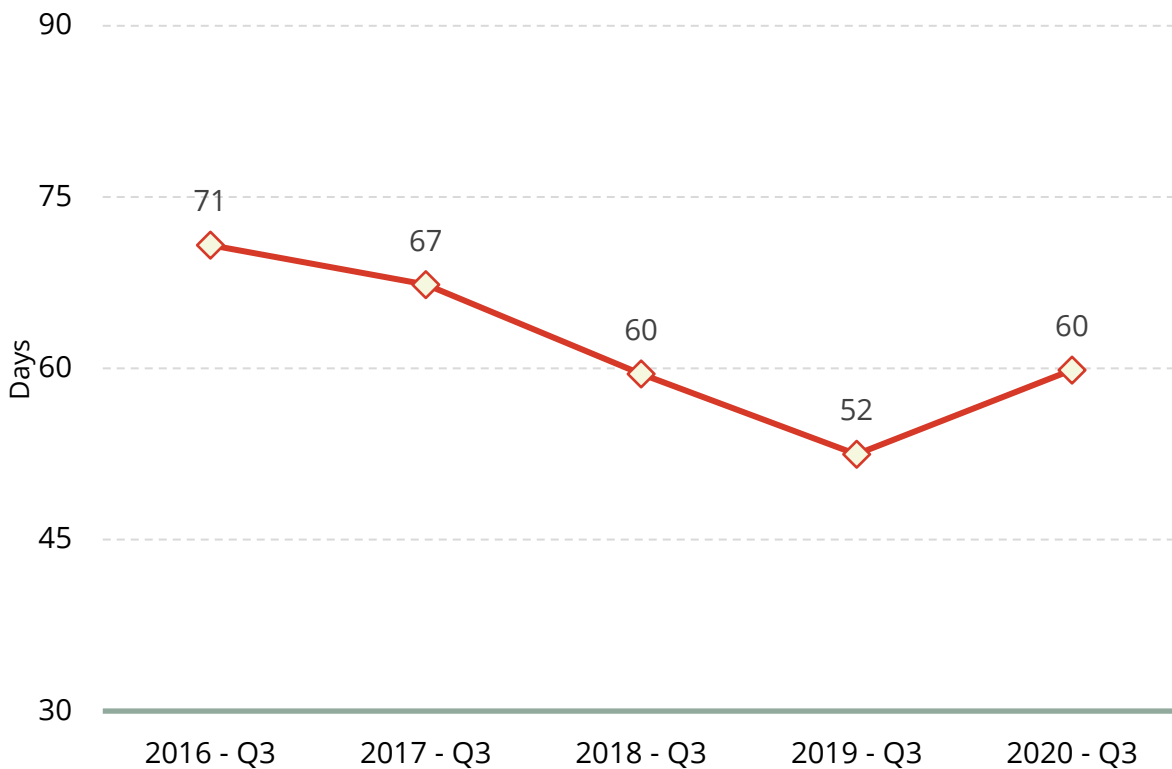


Source: Virginia REALTORS®, data accessed October 15, 2020

Days on Market

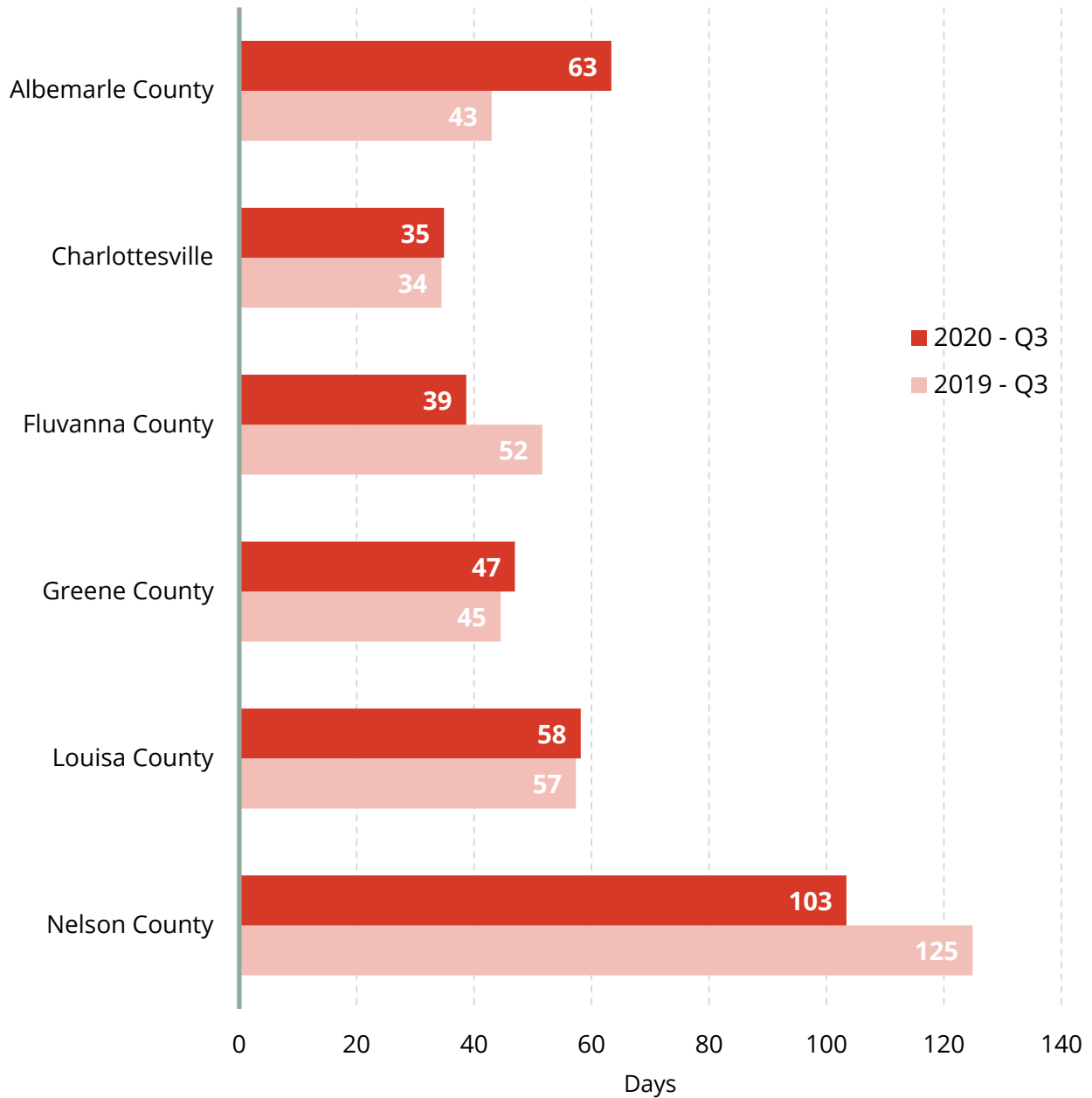
Homes that sold in the CAAR footprint during the 3rd quarter were on the market an average of 2 months (60 days), which is about a week longer (+8 days) than at this time last year. This is the 2nd straight quarter with an increase in this metric; however, overall, the average days on market has been trending downward for several years in the region. Statewide, homes sold in 39 days, on average, during the 3rd quarter, which is 5 days faster than last year.

Figure 12
3rd Quarter Average Days on Market, CAAR
2016-2020



Source: Virginia REALTORS®, data accessed October 15, 2020

Figure 13
3rd Quarter Average Days on Market, CAAR Jurisdictions
2019 and 2020



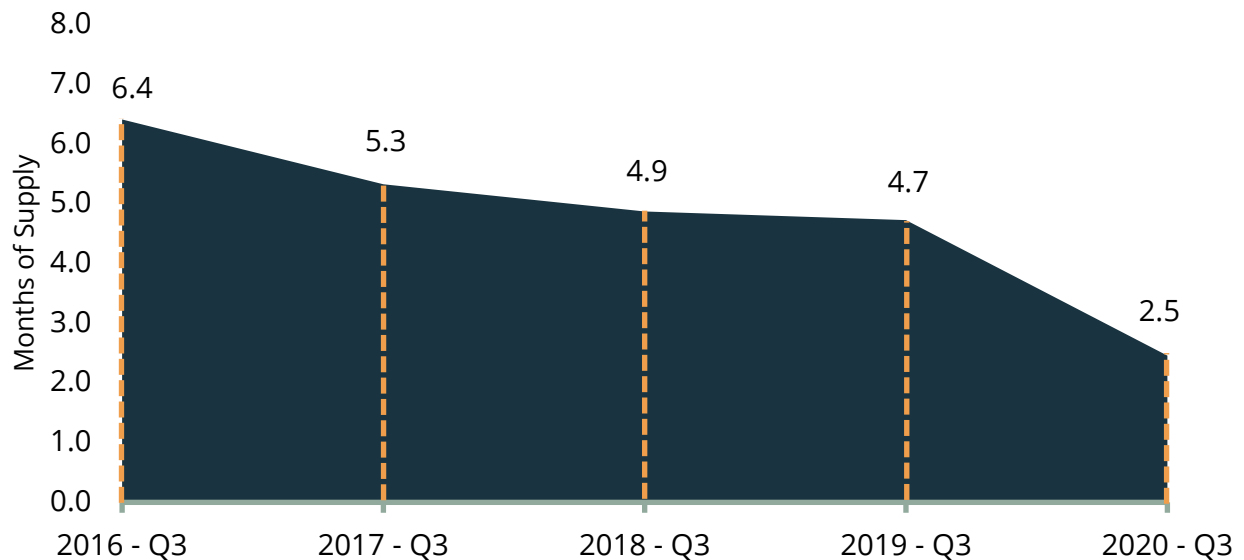
Source: Virginia REALTORS®, data accessed October 15, 2020

Inventory

The supply shortage continues to be a major factor in the CAAR housing market. There were 925 active listings on the market at the end of the 3rd quarter, a 47% drop from a year ago, which is 831 fewer active listings. Similar inventory trends are prevalent in other regional housing markets in the Commonwealth. There continues to be strong demand in the CAAR market as evidenced by growing sales activity. However, the persistent shortage of active listings could be dampening sales totals in some local areas if buyers in those markets are unable to find homes in their price range or homes that fit their needs. The overall supply of active listings in Virginia at the end of the 3rd quarter was 39% lower than a year ago.

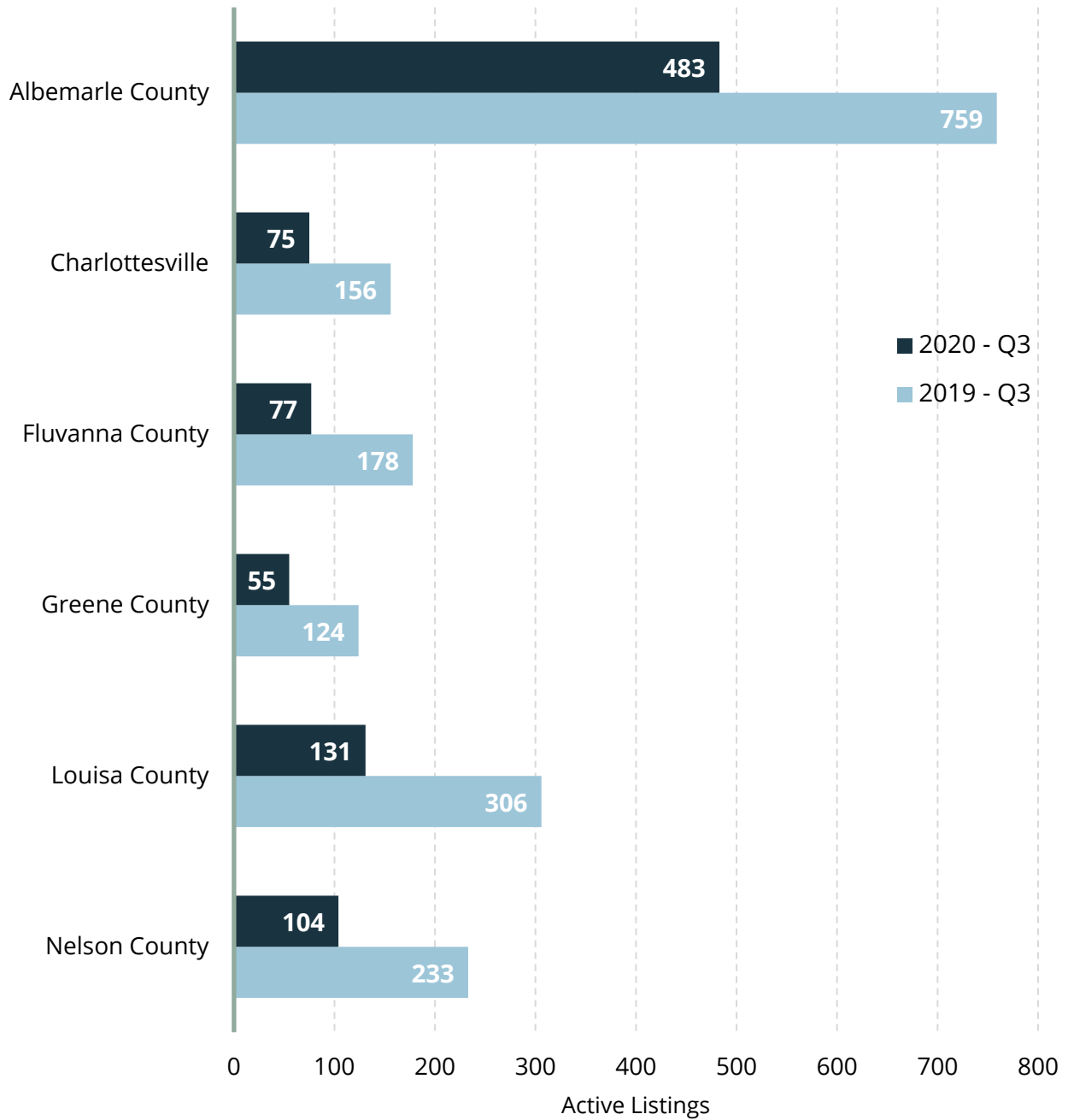
There was about 2.5 months of supply at the end of the 3rd quarter in the CAAR footprint, down from 4.7 months a year ago. This is the largest supply drop in the CAAR footprint in more than 5 years. The months of supply is calculated by taking the average monthly sales over the preceding 12-month period and dividing it by the inventory of active listings. In most housing markets, a supply below 6 months tends to favor sellers rather than buyers.

Figure 14
End of 3rd Quarter Months Supply, CAAR
2016-2020



Source: Virginia REALTORS®, data accessed October 15, 2020

Figure 15
End of 3rd Quarter Active Listings, CAAR Jurisdictions
2019 and 2020



Source: Virginia REALTORS®, data accessed October 15, 2020



Local Snapshot – *Albemarle County*

Sales: Following a slow 2nd quarter, sales activity is back up in Albemarle County. There were 582 sales in the County in the 3rd quarter, a 3% increase from last year, a gain of 17 sales. A surge of sales in September drove the overall quarterly sales growth in the County.

Median Sales Price: At \$408,000, the 3rd quarter median sales price in Albemarle County is 7% higher than this time last year, a gain of \$28,000. Price growth has been consistent in the County's housing market for 3 quarters in a row.

Sold Volume: Rising prices and the surge in sales during September led to a sizeable increase in sold dollar volume this quarter in Albemarle County. There was approximately \$305.2 million of sold volume in the County during the 3rd quarter, jumping up 21% from a year ago, an increase of \$52.6 million.

Days on Market: Homes are taking longer, on average, to sell in Albemarle County. At 63 days, the average days on market is nearly 3 weeks longer (+20 days) than a year ago.

Inventory: There were 483 active listings on the market at the end of the 3rd quarter, which is 276 fewer active listings than a year ago, representing a 36% drop. This is the sharpest drop in inventory the County's housing market has had in more than 5 years.



Local Snapshot – *Charlottesville*

Sales: The Charlottesville housing market continues a slow rebound from the ongoing pandemic. There were 146 sales in the City during the 3rd quarter, 6 fewer sales than last year, a 4% decline. This is the 2nd quarter in a row of lower sales. While sales were slower overall for the quarter, there was a surge in sales in September, a positive sign for the fall market.

Median Sales Price: At \$392,000, the 3rd quarter median sales price in Charlottesville jumped up 11% compared to last year, a gain of \$39,500. Prices have been climbing consistently in the County for much of the past 5 years.

Sold Volume: While there were slightly fewer sales transactions overall this quarter, the sharp rise in home prices led to a strong increase in sold dollar volume in the City. There was about \$66.7 million of sold volume during the 3rd quarter in Charlottesville, a 10% gain from last year, an increase of \$6.1 million.

Days on Market: At 35 days, the average days on market in Charlottesville increased by 1 day compared to the 3rd quarter of last year.

Inventory: The inventory in the Charlottesville housing market is plummeting. There were only 75 active listings at the end of the 3rd quarter, which is less than half (-52%) the level a year ago.



Local Snapshot – *Fluvanna County*

Sales: Sales activity in Fluvanna County has rebounded from the COVID-19-related slowdown last quarter. There were 181 sales in the County during the 3rd quarter, up 11% from last year, a gain of 18 sales.

Median Sales Price: At \$247,250, the 3rd quarter median sales price in Fluvanna County rose 8% from a year ago, a gain of \$18,250. Home prices have been climbing 7 of the past 8 quarters in the County.

Sold Volume: Strong price growth and more sales led to solid growth in sold dollar volume this quarter in Fluvanna County. There was approximately \$47.9 million of sold volume in the 3rd quarter, up 12% from last year, a gain of \$5.2 million.

Days on Market: At 39 days, the average days on market in the 3rd quarter in Fluvanna County is about 2 weeks faster than last year (-13 days).

Inventory: The supply of homes in the Fluvanna County housing market is shrinking rapidly. There were 77 homes listed for sale in the County at the end of the 3rd quarter, a 57% drop from a year ago, 101 fewer active listings.



Local Snapshot – *Greene County*

Sales: Sales activity in the Greene County housing market continues to be sluggish. There were 96 sales in the County during the 3rd quarter, 5 fewer sales than last year a 5% decline. This is the 3rd drop in sales activity in the past 4 quarters.

Median Sales Price: Home prices continue to climb in Greene County. At \$290,000, the 3rd quarter median sales price in the County is 11% higher than it was last year, a gain of nearly \$29,000. Prices have been rising steadily in the County for more than 2 years.

Sold Volume: The strong price growth led to a double-digit gain in sold dollar volume in Greene County this quarter. There was approximately \$30.3 million of sold volume in the County during the 3rd quarter, a 12% increase from a year ago, a \$3.2 million gain.

Days on Market: At 47 days, the average days on market in Greene County during the 3rd quarter was 2 days longer than last year.

Inventory: The inventory of homes continues to be tight in the Greene County housing market. There were 55 active listings at the end of the 3rd quarter in the County, less than half the level at this time last year (-56%), a decrease of 69 listings.



Local Snapshot – *Louisa County*

Sales: There were 277 sales in Louisa County in the 3rd quarter, a 24% surge from last year, a gain of 54 sales. This is the largest influx of sales in the County in more than 5 years. The growth this quarter in the Louisa County market was driven by strong sales in July and September.

Median Sales Price: At \$280,000, the 3rd quarter median sales price in Louisa County is 8% higher than a year ago, a gain of over \$20,000. Median home prices in the County have increased for 5 consecutive quarters.

Sold Volume: Strong price growth and a surge in sales led to a large increase in the sold dollar volume this quarter in Louisa County. There was approximately \$99.1 million of sold volume in the County's housing market in the 3rd quarter, 46% more than last year, a gain of \$31.4 million. This is the largest sold volume increase in more than 5 years in the County.

Days on Market: The average days on market during the 3rd quarter in Louisa County was 58 days, 1 day longer than last year. This metric has increased for 2 straight quarters in the County.

Inventory: There were 131 active listings on the market at the end of the 3rd quarter in Louisa County, a 57% drop from the inventory level last year, which is 175 fewer active listings. The inventory has been shrinking steadily for several years in the County's housing market.



Local Snapshot – *Nelson County*

Sales: Following a sluggish spring, the Nelson County housing market rebounded through the summer. There were 165 sales in the County in the 3rd quarter, 55 more sales than a year ago, a 50% surge. Nelson County had the largest sales percentage growth in the CAAR footprint this quarter.

Median Sales Price: At \$237,000, the 3rd quarter median sales price in Nelson County rose by 7% from last year, a gain of \$15,000. Home prices have been trending up in the County since the spring of 2019.

Sold Volume: The surge in sales and strong price growth led to the largest increase in sold dollar volume in more than 5 years in Nelson County. There was approximately \$43.7 million of sold volume in the County during the 3rd quarter, jumping up 45% from last year, a gain of \$13.5 million.

Days on Market: Homes that sold in the 3rd quarter in Nelson County were on the market an average of 103 days, which is 3 weeks faster (-21 days) than last year.

Inventory: There were 104 active listings on the market in Nelson County at the end of the 3rd quarter, less than half the number of listings available last year (-55%), a decrease of 129 active listings. The inventory in the County's housing market has been shrinking for more than 5 years.



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.

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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.