CAAR CHARLOTTESVILLE AREA HOME SALES REPORT

CUSTOM REPORT PREPARED BY VIRGINIA REALTORS®
Market Report Key Takeaways

Economic Conditions

- Like the rest of the Commonwealth, the Charlottesville region was hit hard by job losses during the spring. However, there is evidence that the regional economy is improving as we head into summer.

- Consumer confidence in the economy rebounded, after plummeting in March and April. Expectations about future economic conditions have been improving over the past two months.

- Record low mortgage rates have driven a refinance boom and have helped sustain the for-sale market during the COVID-19 pandemic and economic downturn. Low rates will continue throughout 2020 and into 2021.

Housing Market Conditions

- Sales activity slowed in the CAAR housing market this quarter as COVID-19 uncertainty continued through the spring months. There were 1,181 sales throughout the CAAR footprint in the 2nd quarter, which is 217 fewer sales than a year ago, a 16% drop.

- Despite the slowdown in sales, home prices continue to climb in the region. At $331,500, the 2nd quarter median sales price in the CAAR housing market rose 4% from last year.

- The shrinking inventory trends have accelerated in the CAAR footprint amid the on-going pandemic. Similar trends are occurring throughout the State. There were 1,198 active listings at the end of the 2nd quarter in the CAAR market, 592 fewer active listings than last year, a 33% plunge.
Key Trends Dashboard, CAAR

Economy

- 8.2% 
  Is the May-2020 unemployment rate in the CAAR footprint, which is down from Apr-2020

- 3.07% 
  Is the 30-year fixed-rate mortgage rate during the 1st week of July 2020, which is down 0.45 percentage points from a year ago

Housing Market

- -217 
  Fewer home sales in the CAAR footprint in Q2-2020 compared to last year

- 4% 
  Percent change in median sales price in the CAAR region in Q2-2020 compared to a year ago

- -$62 
  Million dollars less in total sold volume in the CAAR footprint in Q2-2020 compared to last year

- -33% 
  Percent change in active listings at the end of Q2-2020 in the CAAR market compared to a year ago

- 3.3 
  Months of supply in the CAAR footprint in Q2-2020, which is down from a year ago
Economic Overview

The COVID-19 outbreak led to an unprecedented economic downturn in both the U.S. and in Virginia. However, there is evidence that the economy has reached a turning point, and conditions should be improving over time. Nationally, the economy lost 22 million jobs in March and April. In May and June, however, the U.S. economy added 7.5 million jobs. Virginia also shed hundreds of thousands of jobs in March and April. However, in May, the State added 19,800 jobs.

![Graph: Virginia Month-to-Month Change in Jobs](image)


Like the rest of the Commonwealth, the Charlottesville region was hit hard by job losses during the spring. However, there is evidence that the regional economy is improving. In May, the unemployment rate in the Charlottesville area was 8.2%, higher than the 2019 average, but below the unemployment rate in April and lower than both the U.S. and Virginia unemployment rates.
New residential construction activity slowed in the 1st part of 2020 as economic conditions weakened. In May 2020, there were 67 permits issued for new residential housing units in the Charlottesville metropolitan area, which is down 36% from May 2019. Over the 1st 5 months of 2020, there were 344 permits issued for new residential units, a pace that is off by about 21% compared to 2019. More than 80% of these new residential permits were for single-family homes, and less than 20% were for townhomes and units in multifamily buildings (both rental and condominium).

*Charlottesville MSA includes Charlottesville City, Albemarle County, Buckingham County, Fluvanna County, Greene County, and Nelson County
Consumer confidence rebounded in June, although individuals and families were still feeling uncertain about economic conditions during most of the 2nd quarter. Among residents of the South Atlantic region of the U.S., which includes Virginia, the measure of confidence in current economic conditions was 103.3 in June, up strongly from April and May, though still significantly lower than the level earlier this year. The measure of consumers’ confidence in future economic conditions rose to 110 in June, indicating growing confidence in where the economy is heading. A consumer confidence measure above 100 indicates consumers are feeling more optimistic about economic conditions.

Throughout the spring and into the summer, mortgage rates have fallen to record lows. In the week ending July 4th, the average 30-year fixed-rate mortgage rate fell to 3.07%, down from 3.18% a month earlier and down from 3.75% a year ago. Record low mortgage rates have driven a refinance boom and have helped sustain the for-sale market. Mortgage rates should remain low throughout 2020 and 2021, which will help support the recovery of the State’s housing market.
Figure 5
Mortgage Interest Rates
Weekly Rates, Not Seasonally Adjusted

Source: Federal Reserve Bank of St. Louis
The typically busy spring market in the CAAR footprint was slower this quarter compared to prior years. Market uncertainty associated with COVID-19 is keeping many would-be sellers from listing their homes, which is limiting the options available for buyers who are still active in the market. Some buyers could also be waiting to see if economic conditions improve, though historically low interest rates will help to keep financing attractive.

While sales at the regional level declined in all 3 months of the quarter (April, May, and June) compared to the prior year, the rate of decline moderated somewhat in June, and some local markets, such as Fluvanna and Louisa counties, had sales growth in June, a signal that market activity will be trending back up in the summer in some local areas. The inventory of active listings has been shrinking consistently over the past 5 years in the CAAR region, but the current pandemic has accelerated this trend, and active listings fell sharply this quarter. The tight supply of homes continues to put upward pressure on home prices in the region.

Sales

Sales activity in the CAAR housing market slowed down considerably in the 2nd quarter. There were 1,181 sales across the CAAR footprint in April, May, and June, which is 217 fewer transactions than a year ago, a 16% drop. This is by far the sharpest decline in sales activity in the region in more than 4 years and reflects the uncertainty in the market from COVID-19. Similar trends are occurring in other parts of the state. The overall sales numbers for Virginia declined 10% in the 2nd quarter compared to last year.

Figure 6
2nd Quarter Home Sales, CAAR
2016-2020

Source: Virginia REALTORS®, data accessed July 17, 2020
Figure 7
Change in Sales by Jurisdiction
CAAR
2nd Quarter 2019 to 2nd Quarter 2020

<table>
<thead>
<tr>
<th>Jurisdiction</th>
<th>2019 - Q2</th>
<th>2020 - Q2</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Albemarle County</td>
<td>652</td>
<td>500</td>
<td>-23%</td>
</tr>
<tr>
<td>Charlottesville</td>
<td>197</td>
<td>163</td>
<td>-17%</td>
</tr>
<tr>
<td>Fluvanna County</td>
<td>148</td>
<td>138</td>
<td>-7%</td>
</tr>
<tr>
<td>Greene County</td>
<td>111</td>
<td>93</td>
<td>-16%</td>
</tr>
<tr>
<td>Louisa County</td>
<td>208</td>
<td>215</td>
<td>3%</td>
</tr>
<tr>
<td>Nelson County</td>
<td>82</td>
<td>72</td>
<td>-12%</td>
</tr>
</tbody>
</table>

Source: Virginia REALTORS®, data accessed July 17, 2020
Sales Prices

Despite the slowdown in sales activity, home prices continue to climb in the CAAR region. At $331,500, the 2\textsuperscript{nd} quarter median sales price rose 4% from last year, a gain of $13,500. The median sales price in the region has increased for 5 consecutive quarters. The rising prices reflect the shrinking inventory of active listings that are available to buyers in the local markets. Similar upward price trends are occurring throughout the State. The median sales price in Virginia rose 2% in the 2\textsuperscript{nd} quarter compared to last year.

Figure 8
2nd Quarter Median Sales Price, CAAR
2016-2020

Source: Virginia REALTORS®, data accessed July 17, 2020
Figure 9
Change in Median Sales Price by Jurisdiction
CAAR
2nd Quarter 2019 to 2nd Quarter 2020

<table>
<thead>
<tr>
<th>Jurisdiction</th>
<th>2019 - Q2</th>
<th>2020 - Q2</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Albemarle County</td>
<td>$385,000</td>
<td>$397,750</td>
<td>3%</td>
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<tr>
<td>Charlottesville</td>
<td>$349,900</td>
<td>$369,000</td>
<td>5%</td>
</tr>
<tr>
<td>Fluvanna County</td>
<td>$231,000</td>
<td>$257,500</td>
<td>11%</td>
</tr>
<tr>
<td>Greene County</td>
<td>$260,000</td>
<td>$301,500</td>
<td>16%</td>
</tr>
<tr>
<td>Louisa County</td>
<td>$235,000</td>
<td>$260,000</td>
<td>11%</td>
</tr>
<tr>
<td>Nelson County</td>
<td>$222,500</td>
<td>$260,000</td>
<td>17%</td>
</tr>
</tbody>
</table>

Source: Virginia REALTORS®, data accessed July 17, 2020
Sold Volume

Even with rising home prices, the slowdown in sales led to a lower sold dollar volume in the CAAR housing market this quarter. There was approximately $481 million in sold volume in the region during the 2nd quarter, down by about $62 million compared to a year ago, representing an 11% drop. This is the 1st decrease in sold volume in the CAAR housing market since the winter of 2019, and the largest volume decline in more than 5 years.

Figure 10
2nd Quarter Sold Dollar Volume (Millions), CAAR
2016-2020

Source: Virginia REALTORS®, data accessed July 17, 2020
Figure 11
2nd Quarter Sold Dollar Volume, CAAR Jurisdictions
2019 and 2020

Source: Virginia REALTORS®, data accessed July 17, 2020
Days on Market

It took slightly longer to sell homes, on average, in the CAAR housing market this quarter. The average days on market in the 2nd quarter was 56 days, 2 days longer than a year ago. Prior to this uptick, homes had been selling faster, on average, in the region for 3 straight quarters. At the State level, homes sold in 40 days, on average, during the 2nd quarter, which is 3 days faster than a year ago.

Figure 12
2nd Quarter Average Days on Market, CAAR
2016-2020

Source: Virginia REALTORS®, data accessed July 17, 2020
Figure 13
2nd Quarter Average Days on Market, CAAR Jurisdictions
2019 and 2020

Source: Virginia REALTORS®, data accessed July 17, 2020
**Inventory**

While the full impact of COVID-19 on the local housing market continues to be monitored, the direct impact on the inventory is already quite evident. Housing markets throughout the Commonwealth experienced dramatic declines in active listings over the past several months as more would-be sellers continue to wait to see how the market responds to the pandemic. At the end of the 2nd quarter, there were an estimated 1,198 active listings on the market in the CAAR footprint, which is 592 fewer active listings than there was at the same time last year, a 33% drop. The supply in the CAAR housing market had already been shrinking steadily for the past several years, but COVID-19 has accelerated the inventory decline. The tight market supply is likely constraining sales activity in some local areas and continues to put upward pressure on home prices in the region. The supply declines accelerated in many parts of the State, as well. The overall inventory of active listings in Virginia at the end of the 2nd quarter was 39% lower than it was a year ago.

There was approximately 3.3 months of supply at the end of the 2nd quarter in the CAAR area, down from 4.9 months last year. This is the largest supply drop in the CAAR footprint in nearly 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](image_url)

**Figure 14**

*End of 2nd Quarter Months Supply, CAAR*

*2016-2020*

Source: Virginia REALTORS®, data accessed July 17, 2020
Figure 15
End of 2nd Quarter Active Listings, CAAR Jurisdictions
2019 and 2020

Source: Virginia REALTORS®, data accessed July 17, 2020
Local Snapshot – Albemarle County

**Sales:** There were 500 sales in Albemarle County in the 2nd quarter, a 23% plunge from this time last year, a decline of 152 sales. Prior to this COVID-19-related slowdown, sales activity had been trending up for the past year in the County.

**Median Sales Price:** Home prices continue to climb in the Albemarle County housing market. At $397,750, the 2nd quarter median sales price in the County rose 3% from a year ago, a gain of nearly $13,000.

**Sold Volume:** The large drop in sales transactions this quarter led to a big drop in sold dollar volume in Albemarle County. There was approximately $243 million in sold volume in the 2nd quarter in the County, down more than $66 million, a 21% decrease from last year.

**Days on Market:** At 53 days, the 2nd quarter average days on market in Albemarle County was unchanged from last year.

**Inventory:** The supply of active listings remains tight in Albemarle County. There were 582 active listings on the market at the end of the 2nd quarter, a 22% reduction from a year ago, which is 165 fewer active listings.
Sales: Home sales slowed down this quarter in the City of Charlottesville due to the uncertainty from COVID-19. There were 163 sales in the City during the 2nd quarter, which is 34 fewer sales than last year, representing a 17% decline.

Median Sales Price: After declining last quarter, the median sales price rose in the 2nd quarter in Charlottesville. At $369,000, the 2nd quarter median sales price is more than $19,000 higher than it was last year, a 5% increase.

Sold Volume: Despite the rising home prices, the slowdown in sales led to a lower sold dollar volume this quarter in Charlottesville. There was approximately $81 million of sold volume in the City during the 2nd quarter, down 6% from a year ago, a decrease of nearly $5 million.

Days on Market: At 35 days, the average days on market in Charlottesville increased by 3 days compared to the 2nd quarter of last year.

Inventory: There were 100 active listing on the market in Charlottesville at the end of the 2nd quarter, which is 65 fewer listings than a year ago, representing a 39% drop. This is the sharpest inventory drop in the City in 5 years and reflects the hesitancy some would-be sellers are having due to the ongoing pandemic.
**Local Snapshot – Fluvanna County**

**Sales:** Sales activity slowed down in Fluvanna County this quarter. There were 138 sales in the County during the 2nd quarter, which is 10 fewer sales than a year ago, a 7% decline. Prior to this COVID-19-related slowdown, home sales had been increasing for 3 straight quarters in the County.

**Median Sales Price:** Even with a market slowdown, home prices continue to trend upward in Fluvanna County. At $257,500, the 2nd quarter median sales price in the County rose by 11% from last year, a gain of $26,500.

**Sold Volume:** While there was a dip in sales activity this quarter, rising home prices led to an increase in the sold dollar volume in Fluvanna County. There was approximately $38 million of sold volume in the County during the 2nd quarter, about $1 million more than last year, a 3% increase.

**Days on Market:** Homes continue to sell faster in the Fluvanna County market. The average days on market in the 2nd quarter was 46 days, which is 2 weeks faster than a year ago (-14 days).

**Inventory:** There were 91 active listings in Fluvanna County in the 2nd quarter, a 50% plunge from the inventory level a year ago, a reduction of 91 active listings. The large drop reflects hesitancy in the seller market due to COVID-19.
Sales: There were 93 home sales in Greene County in the 2nd quarter, down 16% from last year, a decrease of 18 sales. Prior to this decline, sales activity had been trending up for much of the past 2 years in the County.

Median Sales Price: At $301,500, the 2nd quarter median sales price in Greene County rose 16% in the 2nd quarter, a gain of $41,500. This is the largest median price increase in the County in 3 ½ years.

Sold Volume: Amid slower sales activity, the strong price gains in Greene County led to a small increase in sold dollar volume this quarter. There was approximately $30 million of sold volume in the 2nd quarter, a modest 1% increase from last year, a gain of less than $1 million.

Days on Market: At 47 days, the average days on market in Greene County during the 2nd quarter was slightly lower than at this time last year (-1 day).

Inventory: There were 78 active listings on the market in Greene County at the end of the 2nd quarter, a 35% decline from last year, a reduction of 42 active listings.
Local Snapshot – Louisa County

**Sales:** There were 215 sales in Louisa County during the 2nd quarter, which is 7 more sales than last year, representing a 3% gain. Louisa County is the only jurisdiction in the CAAR footprint to have more sales this quarter than a year ago.

**Median Sales Price:** Home prices continue to climb in Louisa County. At $260,000, the 2nd quarter median sales price rose 11% from a year ago, a gain of $25,000. The 2nd quarter median sales price is now $60,000 higher than it was 5 years ago in the County.

**Sold Volume:** More sales and higher prices led to a strong gain in sold dollar volume in Louisa County this quarter. There was approximately $68 million of sold volume in the County, a 10% increase from a year ago, a gain of more than $6 million.

**Days on Market:** Homes that sold in the 2nd quarter in Louisa County were on the market an average of 60 days, which is about a week longer than this time last year (+6 days). Prior to this uptick, homes had been selling faster in the County for 8 consecutive quarters.

**Inventory:** There were 183 active listings on the market at the end of the 2nd quarter in Louisa County, a 44% drop from the inventory level last year, which is 141 fewer active listings. Similar inventory declines occurred throughout the CAAR region and the State.
Local Snapshot – *Nelson County*

**Sales:** There were 72 sales in Nelson County in the 2nd quarter, 10 fewer sales than last year, representing a 12% decline. Prior to this COVID-19-related decrease, home sales had been trending up for 4 consecutive quarters in the County.

**Median Sales Price:** Home prices continue to rise in Nelson County. At $260,000, the 2nd quarter median sales price in the County is up 17% from last year, a gain of $37,500. The 2nd quarter median sales price in the County is now nearly $100,000 higher than it was in 2015.

**Sold Volume:** Despite a slowdown in sales, strong price growth provided a boost to the sold dollar volume this quarter in Nelson County. There was approximately $22 million of sold volume in the County during the 2nd quarter, up 6% from last year, a gain of around $2 million.

**Days on Market:** The average days on market in Nelson County during the 2nd quarter was 152 days, which is 44 days longer than last year.

**Inventory:** The inventory is shrinking rapidly in the Nelson County housing market. There were 164 active listings on the market at the end of the 2nd quarter, which is 88 fewer active listings than last year, a 35% drop.
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All inquiries regarding this report may be directed to:

Robin Spensieri
Virginia REALTORS® Vice President of Communications and Media Relations
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.