

CAAR CHARLOTTESVILLE AREA HOME SALES REPORT

CUSTOM REPORT PREPARED BY
VIRGINIA REALTORS®

CAAR Home Sales Report

Third Quarter 2021

Charlottesville Area Association of REALTORS®

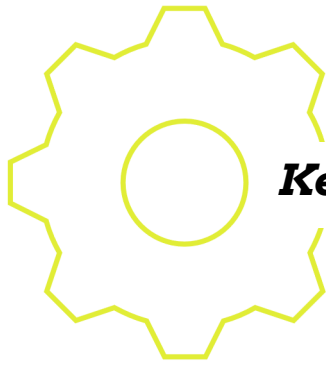
Market Report Key Takeaways

Economic Conditions

- In the third quarter of 2021, while economic conditions remained positive, there was a slowdown in job growth in Virginia. The unemployment picture continued to improve in the Charlottesville region, and economic conditions should become more certain over the next few months.
- Consumer confidence has fallen amidst renewed uncertainties about the Delta variant. Individuals, families, and businesses have been rethinking plans that seemed more certain earlier this year.
- Mortgage rates remain at historically low levels, but an improving economy will lead to moderate increases in the average 30-year fixed-rate mortgage rate.

Housing Market Conditions

- There were 1,393 homes sold in the CAAR region during the third quarter. Sales were down 4% compared to last year at this time, a decline of 54 sales regionwide.
- Home prices continued to rise in the CAAR area. In the third quarter, the median sales price was \$365,000, which is up 12% over a year ago, a gain of more than \$38,000.
- Inventory continued to be very limited in the CAAR region. There were 643 active listings across the CAAR footprint at the end of the third quarter, 30% fewer listings than this time last year.



Key Trends Dashboard, CAAR

Economy



3.3%

Is the Aug-2021 **unemployment rate** in the CAAR footprint, which is down from Jul-2021



3.01%

Is the **30-year fixed-rate mortgage rate** during the last week of September 2021, which is up from a year ago

Housing Market



-54

Fewer **home sales** in the CAAR footprint in Q3-2021 compared to last year



12%

Percent change in **median sales price** in the CAAR region in Q3-2021 compared to a year ago



\$19.2

Million dollars more in total **sold volume** in the CAAR footprint in Q3-2021 compared to last year



-30%

Percent change in **active listings** at the end of Q3-2021 in the CAAR market compared to a year ago



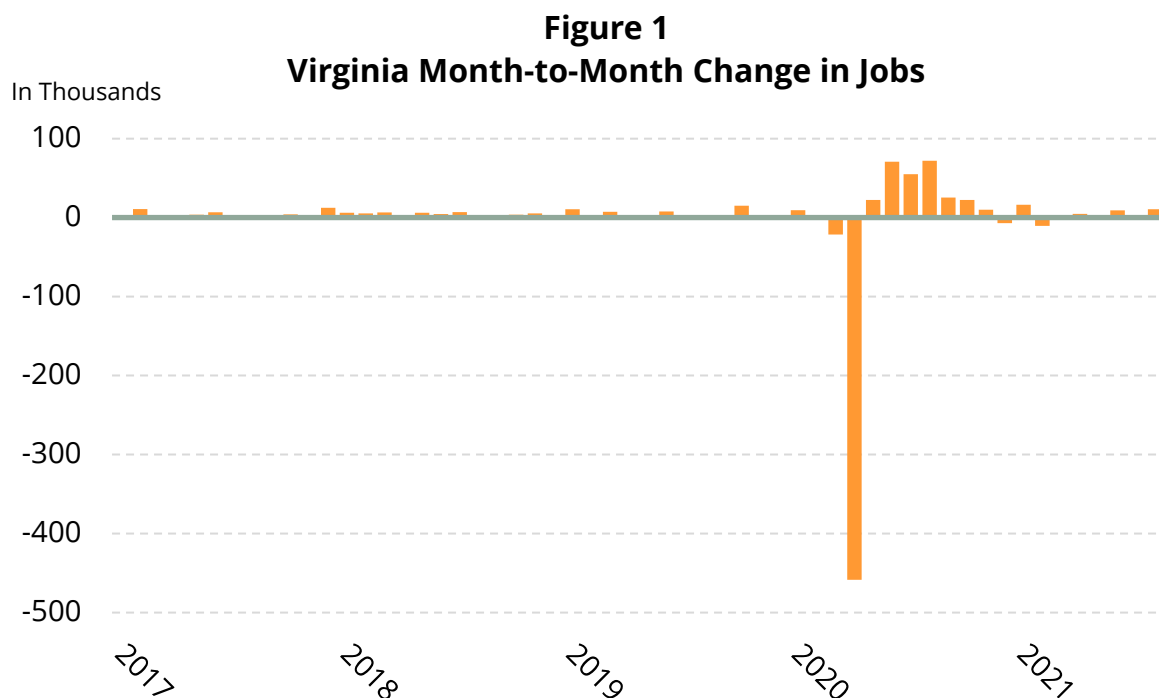
1.5

Months of supply in the CAAR footprint in Q3-2021, which is down from a year ago

Economic Overview

Virginia's economy continues to improve, though the Delta variant has taken the wind out of its sails. The growing uncertainty over the summer and into the fall has eroded consumer confidence and has made businesses rethink opening decisions. Despite the uncertainty, it is expected that the state's economy will continue to expand throughout the rest of 2021 and growth will accelerate in 2022.

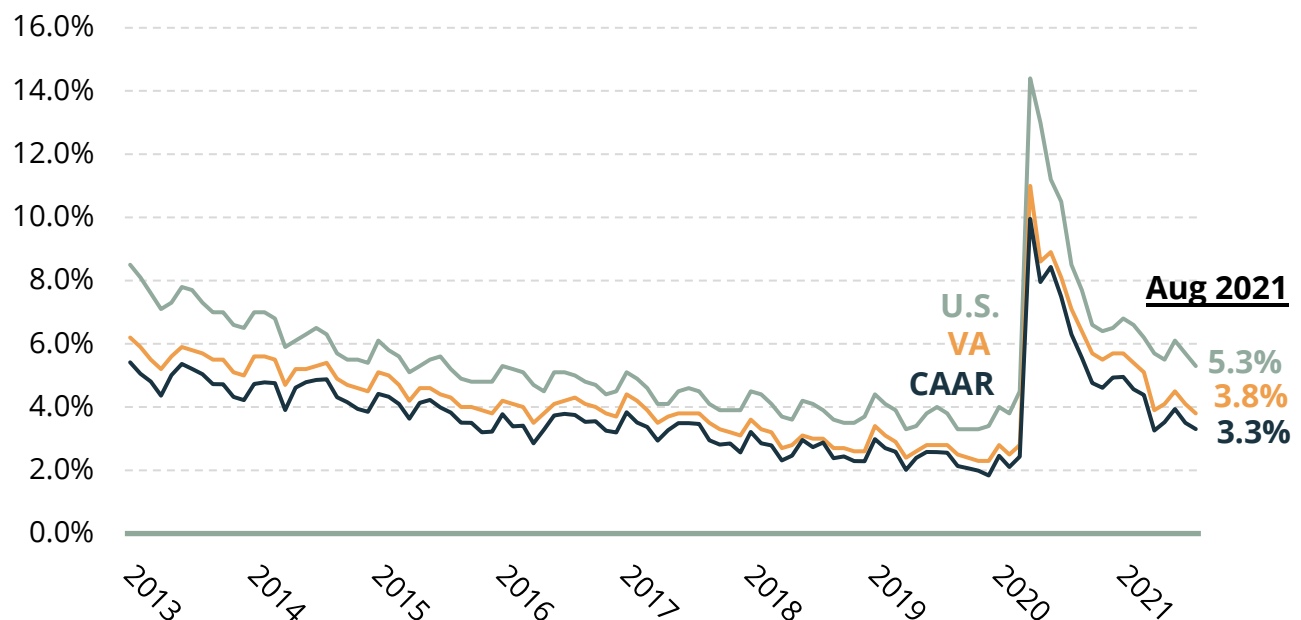
In August 2021, there was a total of 3.91 million jobs in Virginia, which is up 82,500 jobs from a year ago. Job growth has been steady, but the pace of the economic recovery has slowed. There are still about 175,000 fewer jobs in Virginia than there were before the pandemic. It is projected that the state will not regain all of the jobs lost during the pandemic and the recession until at least the end of 2022.



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

The statewide unemployment rate was 3.8% in August 2021. The statewide unemployment rate has been falling steadily for the past 18 months. The unemployment rate in the Charlottesville region fell to 3.3% in August 2021. Like the rest of the state, the region's economy has been impacted by the rise of the Delta variant, but economic conditions should improve in the weeks and months to come.

Figure 2
Unemployment Rate

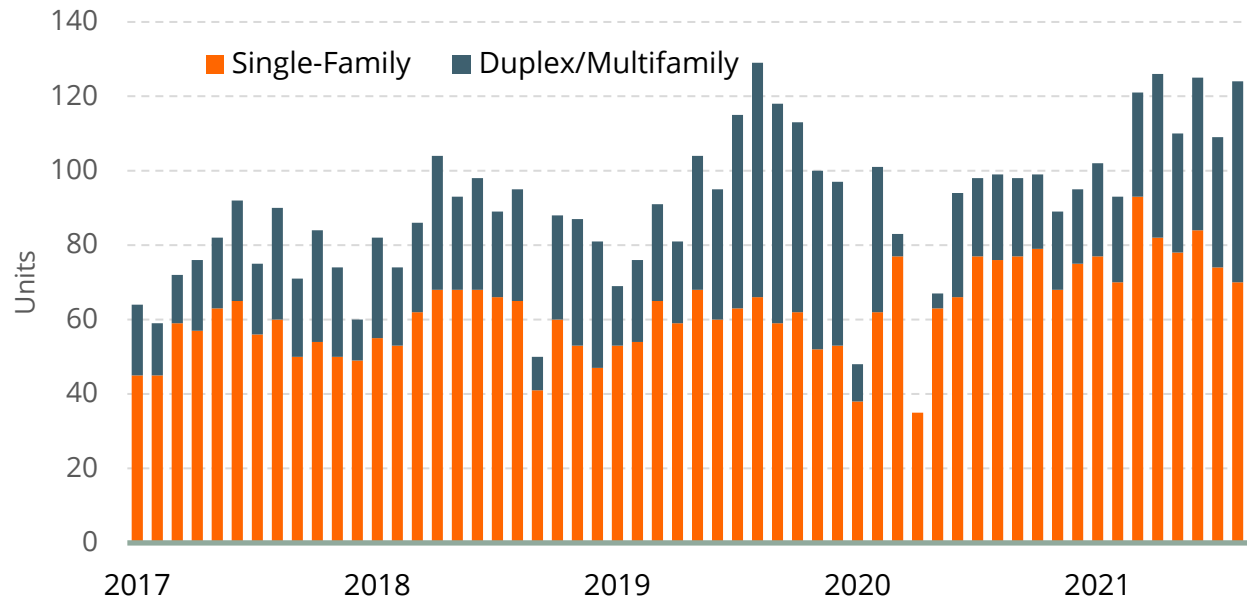


Source: U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics

New residential construction activity continued to outpace last year's activity in the Charlottesville metropolitan area. In the first eight months of 2021, there was a total of 910 permits issued for the construction of new homes in the region, including 628 single-family homes and 282 housing units in multifamily buildings (including duplexes and townhomes). Compared to the first eight months of 2020, housing construction in the region was up 46%, with an increase of 27% in permits for new single-family homes and an increase of 115% in permits for units in multifamily buildings.

While single-family homes dominated the new residential construction activity, accounting for more than two-thirds of all permits issued in 2021, there continued to be a shift towards more development of duplexes, townhomes, and other multifamily buildings. Last year, in the first eight months of 2020, about 21% of new residential construction permits issued were for multifamily units. In 2021, that share has increased to 31%.

Figure 3
Monthly Permits for New Residential Construction
Charlottesville Metropolitan Area

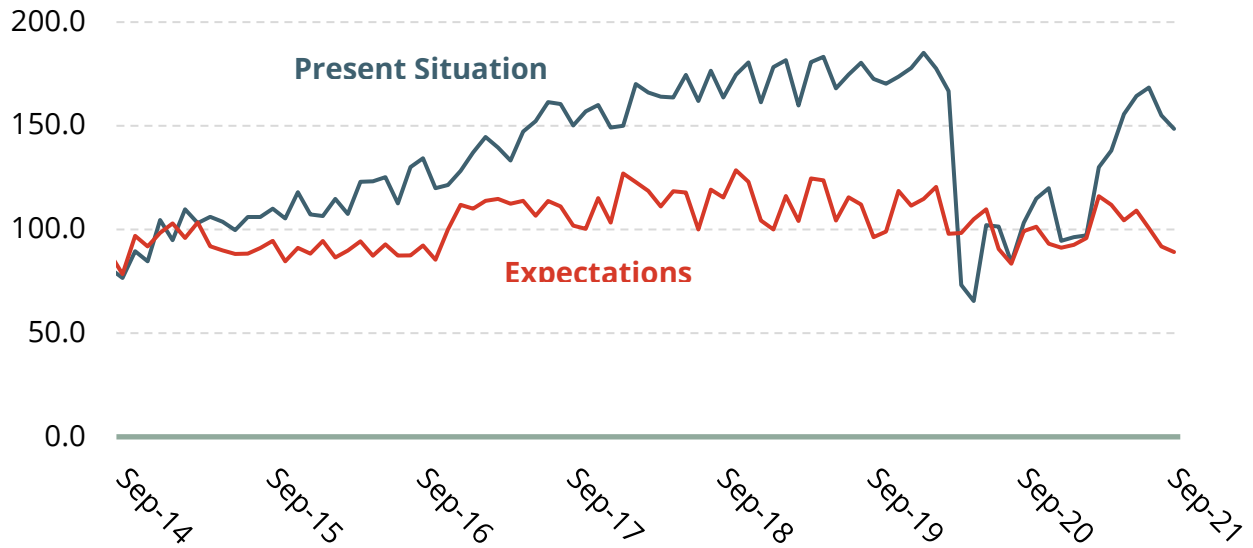


Source: U.S. Census Bureau

The Delta variant has also impacted consumer confidence, as individuals and families are feeling more uncertain. In September 2021, the measure of confidence in the present economic situation was 148.5, down from nearly 170 earlier this summer. The measure of consumers' confidence in future economic conditions fell to 89.1 in September, after rising steadily throughout the late spring and early summer. A consumer confidence index above 100 indicates people are feeling more optimistic about economic conditions.

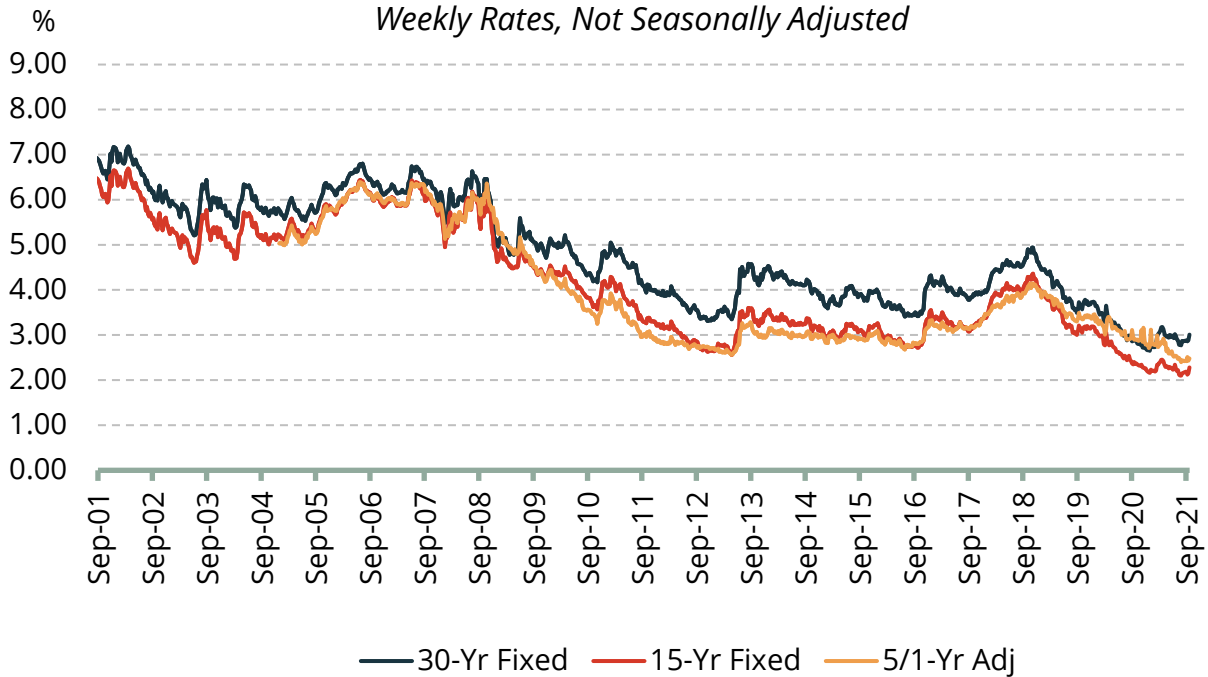
The average rate on a 30-year fixed-rate mortgage has consistently been below 3% for most of the past year. With an improving economy, mortgage rates have been rising slightly, though they still remain at historically low levels. At the end of September, the average 30-year fixed-rate mortgage rate had edged up to just above 3%. Rates are expected to rise modestly over the next few months but should remain below 3.5% throughout the end of the year.

Figure 4
Consumer Confidence
South Atlantic Region



Source: The Conference Board

Figure 5
Mortgage Interest Rates
Weekly Rates, Not Seasonally Adjusted



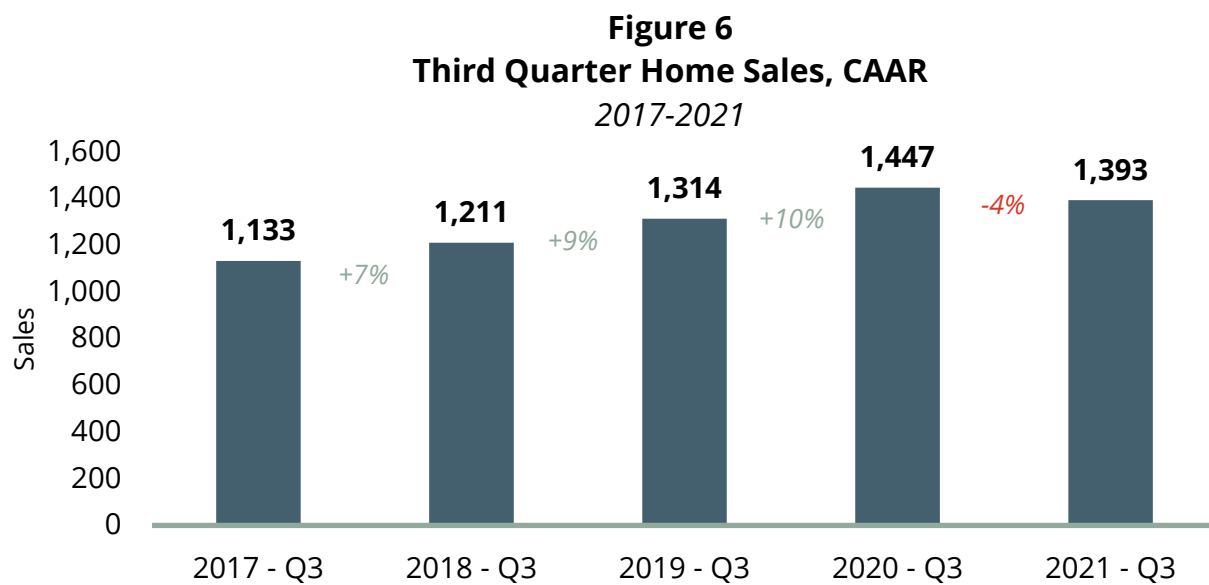
Source: Federal Reserve Bank of St. Louis

Housing Market Overview

It was a busy housing market in the third quarter in the CAAR region, though market activity was slower than it had been during the very hot third quarter of 2020. While there were slightly fewer sales in the third quarter compared to last year at this time, home prices continued to surge at double-digit rates and the average days on market continued to fall. Inventory remained very limited in the CAAR region, with the available supply at less than a third of what it was five years ago. The demand could cool somewhat at the end of 2021 and into 2022, as limited supply frustrates some buyers and rising prices puts homeownership out of reach for others.

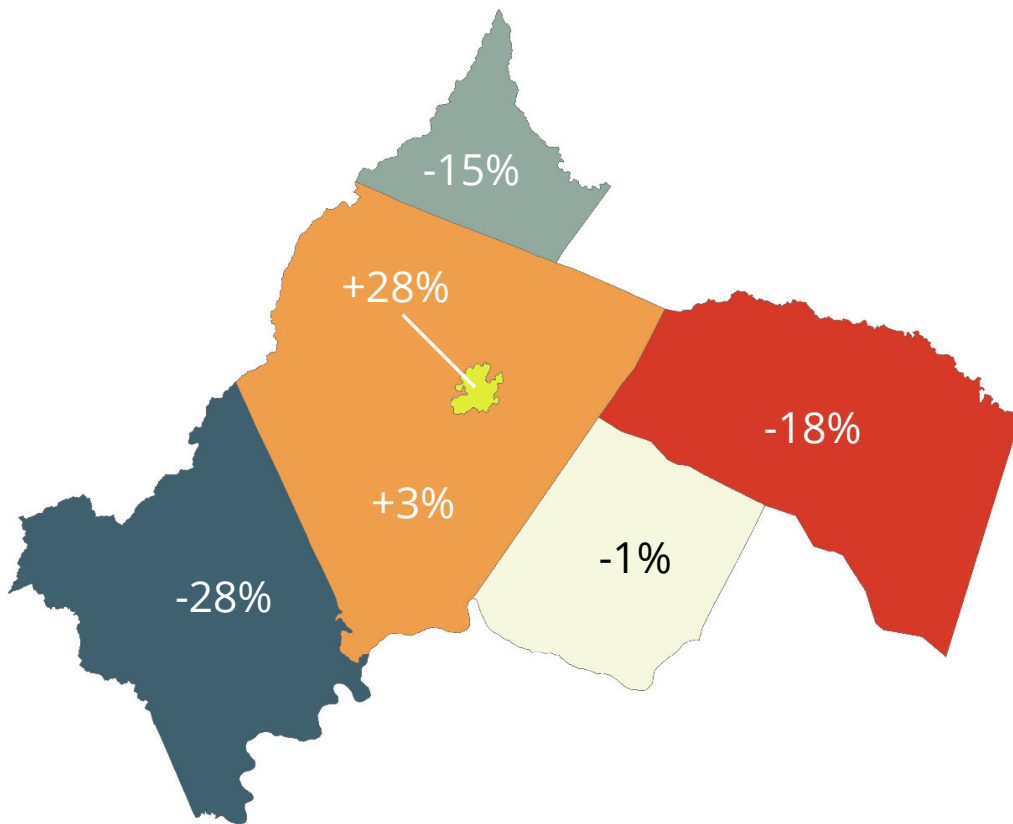
Sales

There were 1,393 sales across the CAAR footprint in the third quarter of 2021. Home sales were down 4% compared to the third quarter of 2020, reflecting a drop of 54 sales. It is not surprising that sales this quarter were lower than last year's third quarter totals, since many spring sales were pushed into the summer. Home sales were 6% higher than they were in the third quarter of 2019. Statewide, the number of home sales in the third quarter was up 2% compared to last year and was 19% higher than third quarter 2019 sales totals.



Source: Virginia REALTORS®, data accessed October 15, 2021

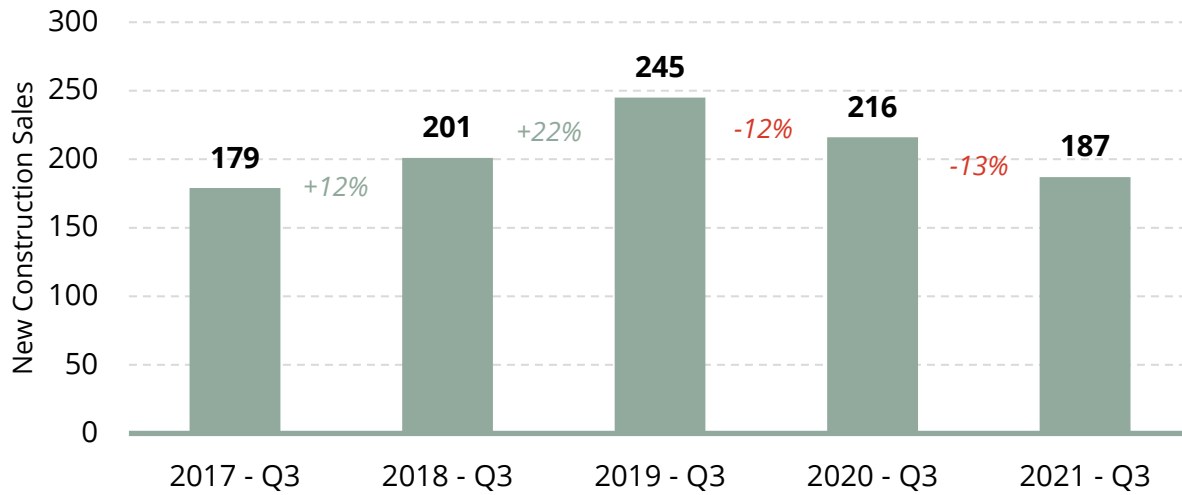
Figure 7
Change in Sales by Jurisdiction
CAAR
Third Quarter 2020 to Third Quarter 2021



<i>Jurisdiction</i>	<i>2020 - Q3</i>	<i>2021 - Q3</i>	<i>% Change</i>
Albemarle County	582	598	3%
Charlottesville	146	187	28%
Fluvanna County	181	180	-1%
Greene County	96	82	-15%
Louisa County	277	227	-18%
Nelson County	165	119	-28%

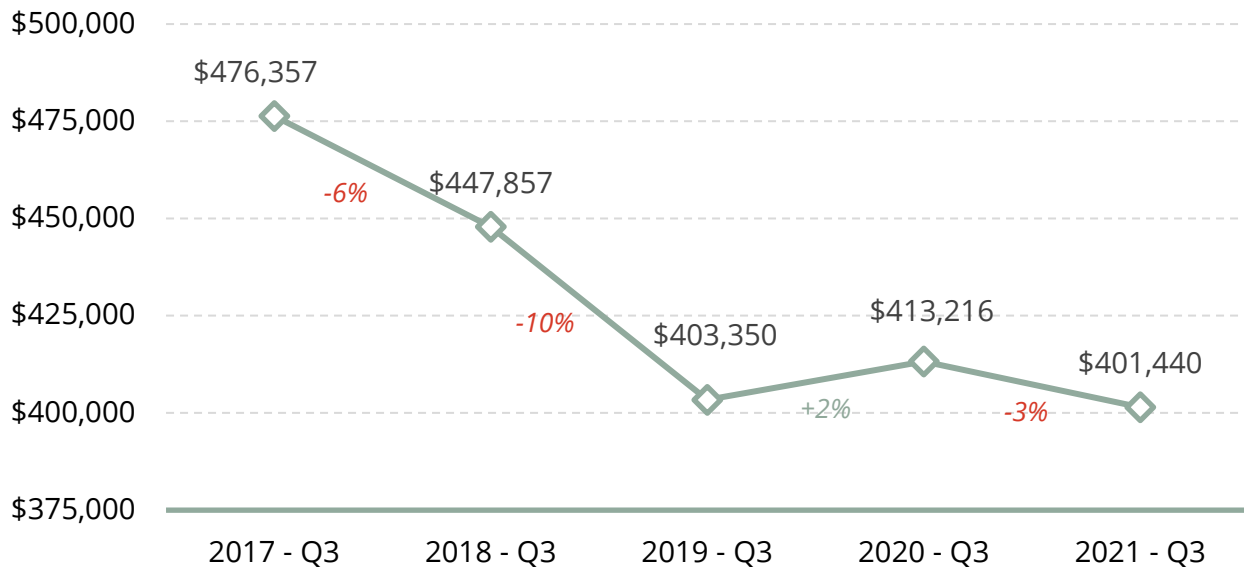
Source: Virginia REALTORS®, data accessed October 15, 2021

Figure 8
Third Quarter New Construction Sales, CAAR
2017-2021



Source: Virginia REALTORS®, data accessed October 15, 2021

Figure 9
Third Quarter New Construction Median Sales Price, CAAR
2017-2021

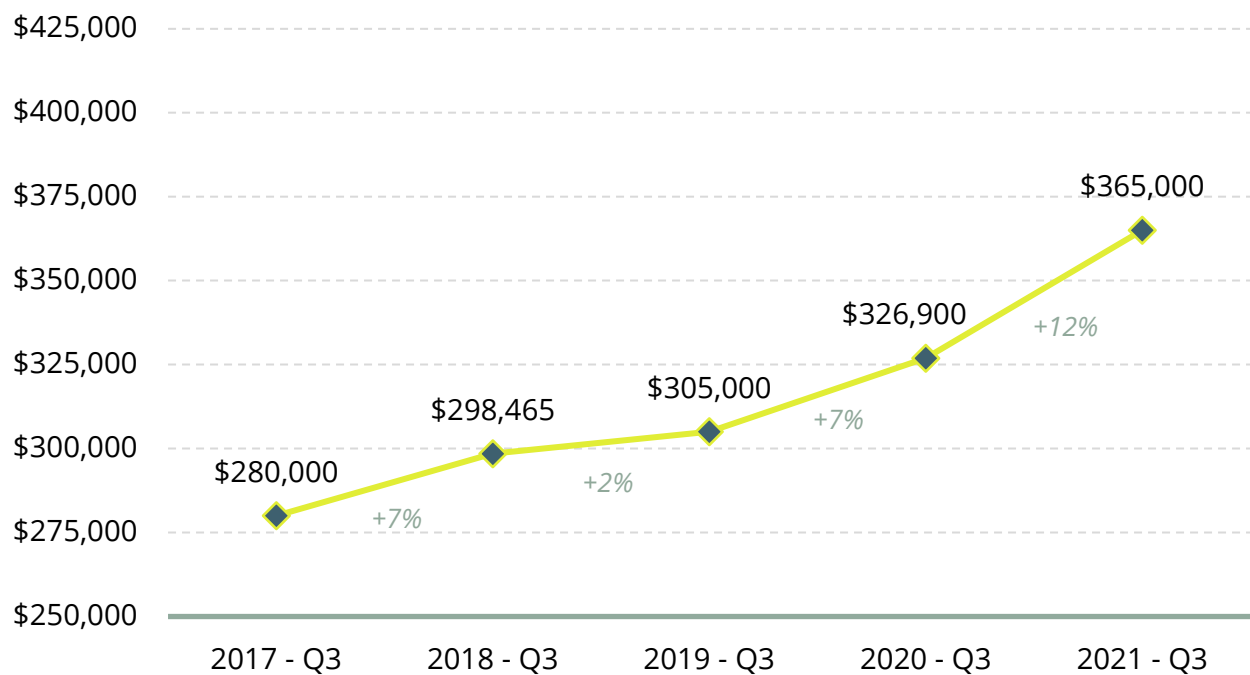


Source: Virginia REALTORS®, data accessed October 15, 2021

Sales Prices

Prices continued to rise quickly in the CAAR region. The third quarter median sales price in the area was \$365,000, which is 12% higher than last year, a gain of more than \$38,000. Home prices were up in the third quarter in all local markets in the CAAR region, with the exception of the City of Charlottesville. Upward pressure on prices continues to be driven by low inventory and active buyers in the market. The median sales price statewide was \$355,000, up 8% compared to a year ago.

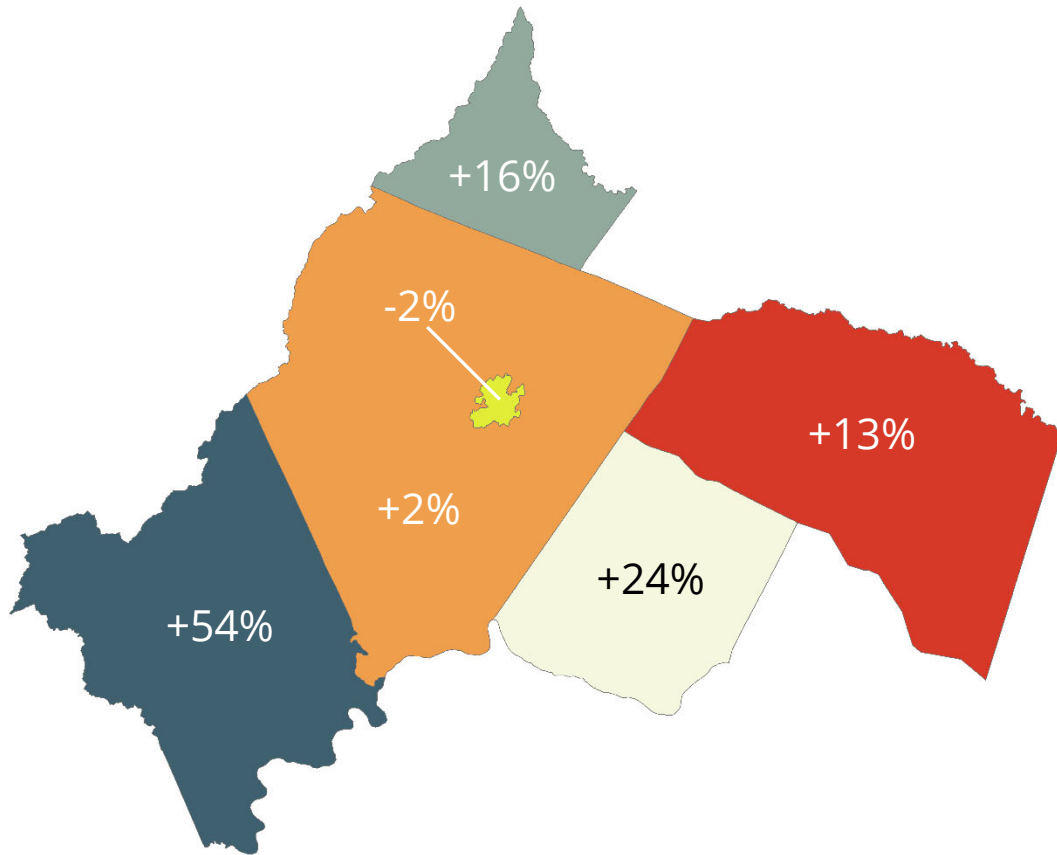
Figure 10
Third Quarter Median Sales Price, CAAR
2017-2021



Source: Virginia REALTORS®, data accessed October 15, 2021

Figure 11
Change in Median Sales Price by Jurisdiction
CAAR

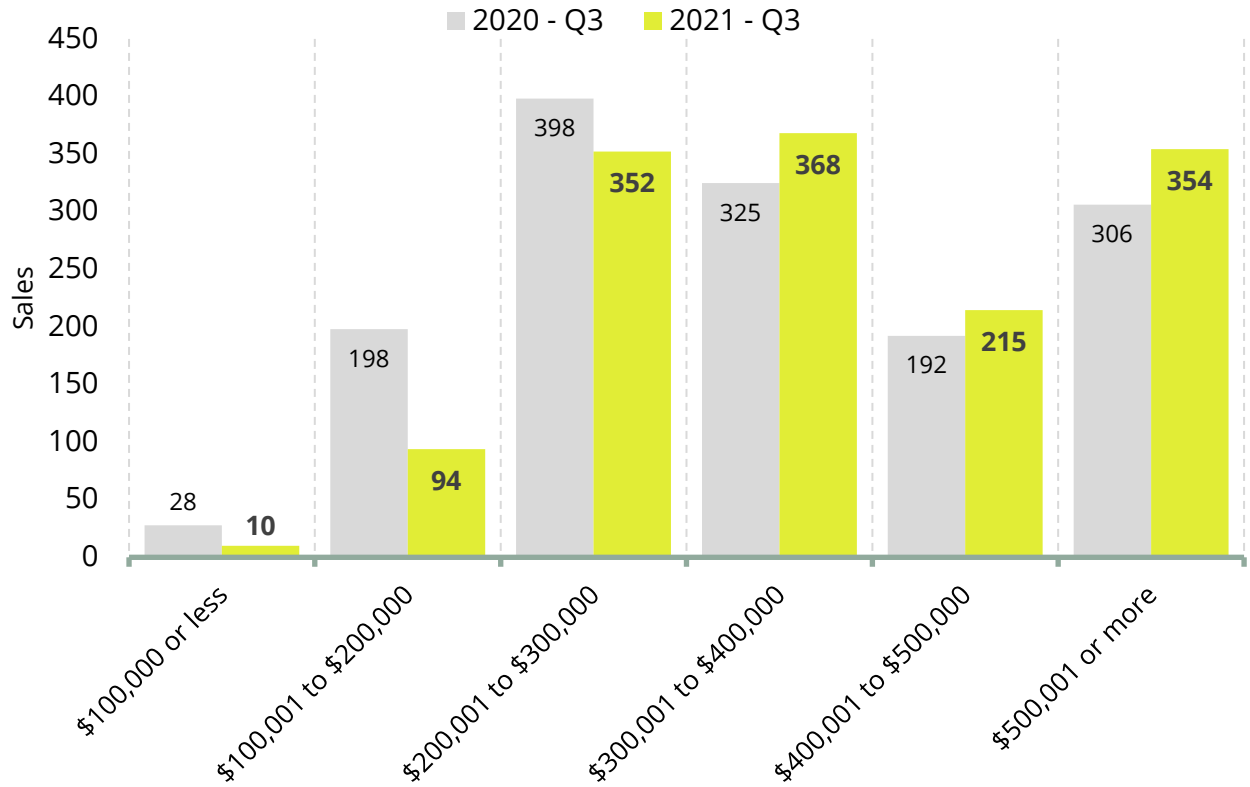
Third Quarter 2020 to Third Quarter 2021



<i>Jurisdiction</i>	<i>2020 - Q3</i>	<i>2021 - Q3</i>	<i>% Change</i>
Albemarle County	\$408,000	\$416,852	2%
Charlottesville	\$392,000	\$385,618	-2%
Fluvanna County	\$247,250	\$305,500	24%
Greene County	\$290,000	\$335,000	16%
Louisa County	\$280,000	\$316,150	13%
Nelson County	\$237,000	\$365,000	54%

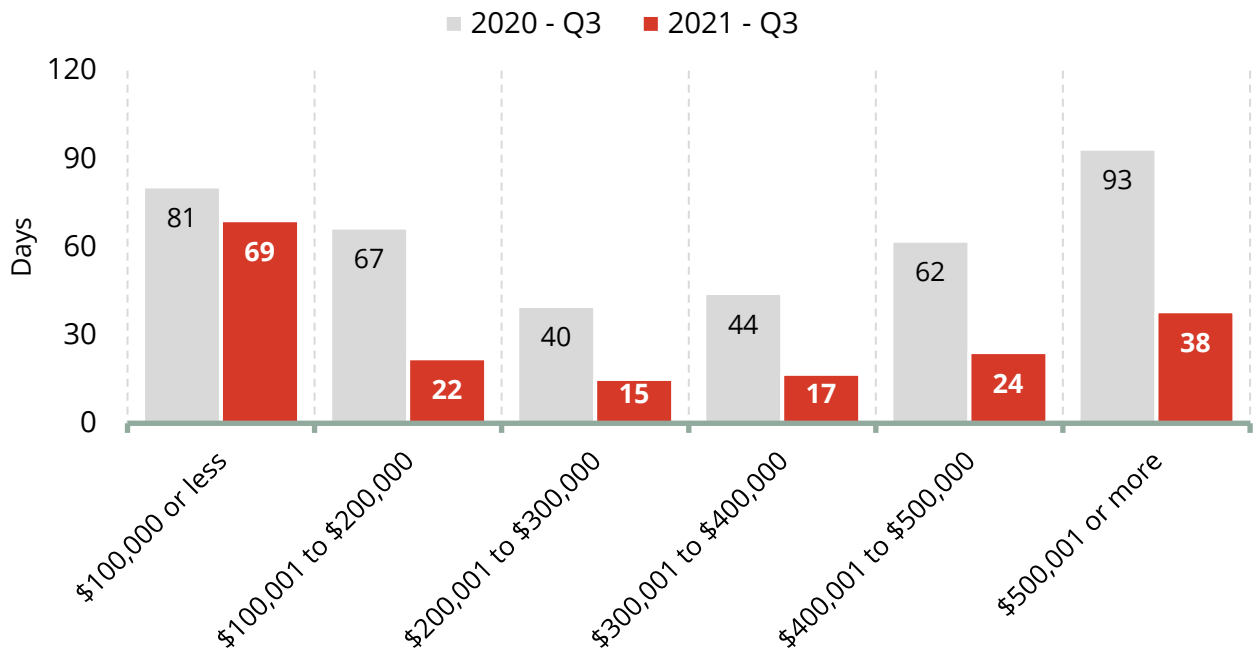
Source: Virginia REALTORS®, data accessed October 15, 2021

Figure 12
Third Quarter Sales Price Range Distribution - CAAR



Source: Virginia REALTORS®, data accessed October 15, 2021

Figure 13
Third Quarter Average DOM by Sales Price Range - CAAR

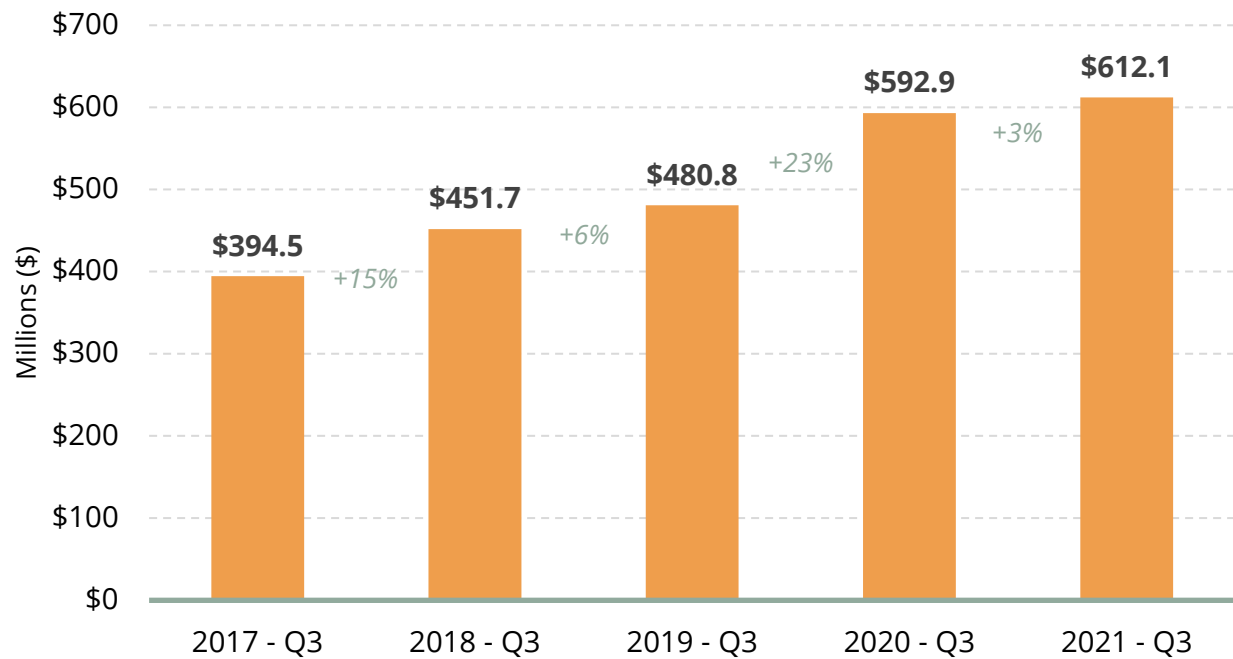


Source: Virginia REALTORS®, data accessed October 15, 2021

Sold Volume

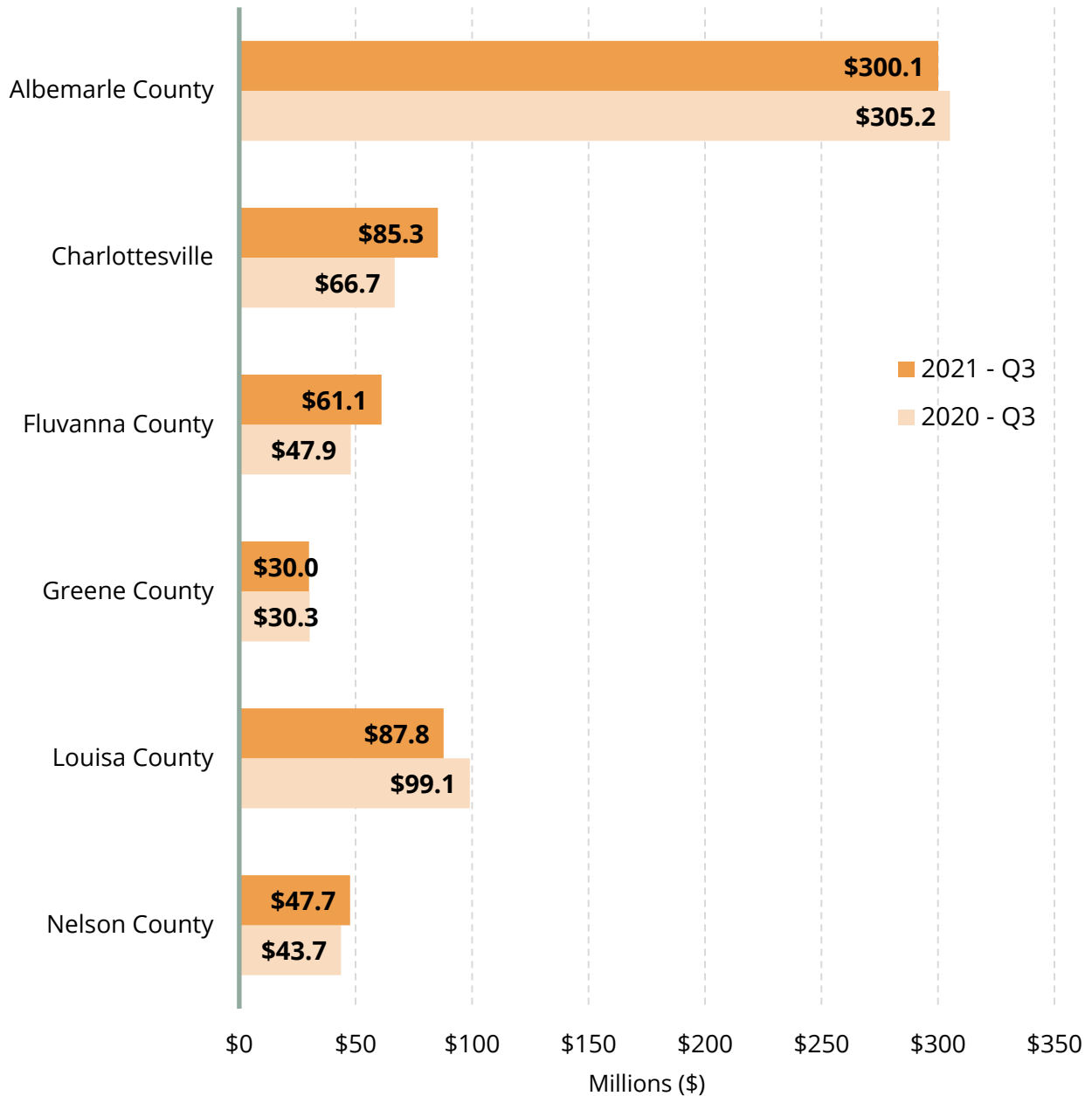
Total sold dollar volume expanded in the third quarter, although the rate of volume growth has slowed considerably. An increase in sold volume was driven by strong price growth, even as total regional sales slowed year-over-year. There was approximately \$612.1 million of sold volume in the CAAR housing market during the third quarter. Sold volume is up 3% compared to a year ago, a gain of about \$19.2 million. Sold volume is up more than 27% compared to the third quarter of 2019.

Figure 14
Third Quarter Sold Dollar Volume (Millions), CAAR
2017-2021



Source: Virginia REALTORS®, data accessed October 15, 2021

Figure 15
Third Quarter Sold Dollar Volume, CAAR Jurisdictions
2020 and 2021

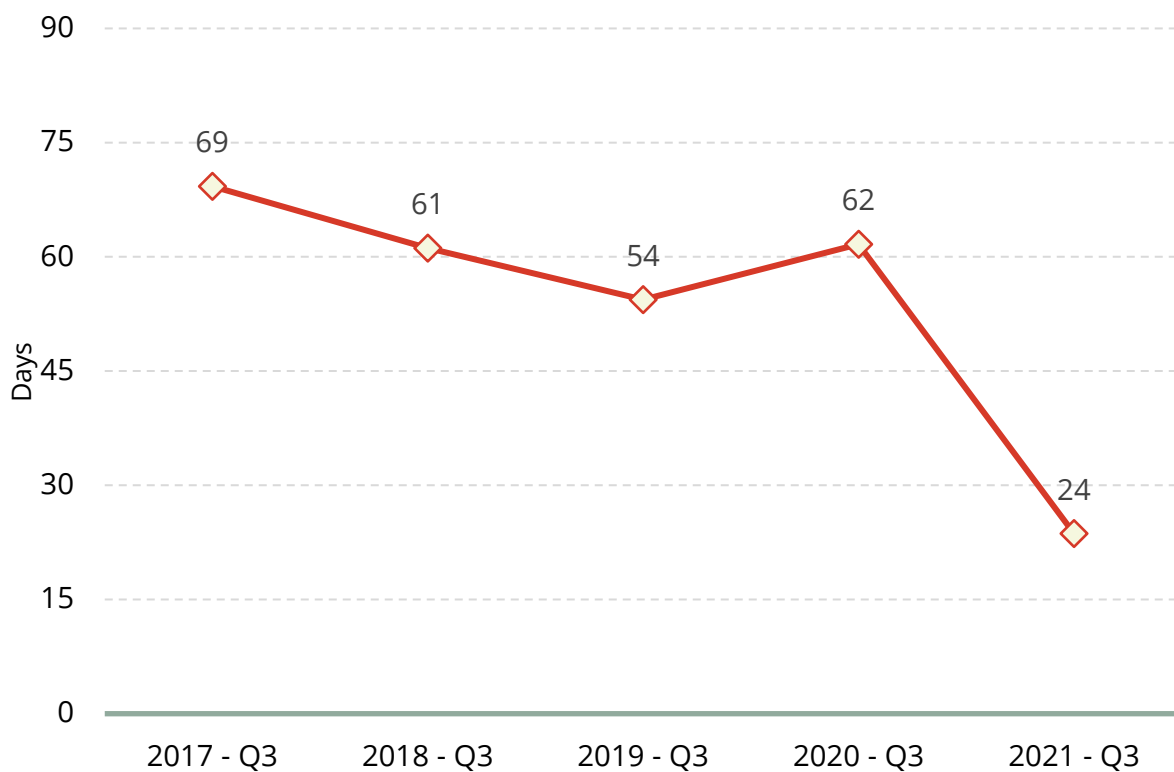


Source: Virginia REALTORS®, data accessed October 15, 2021

Days on Market

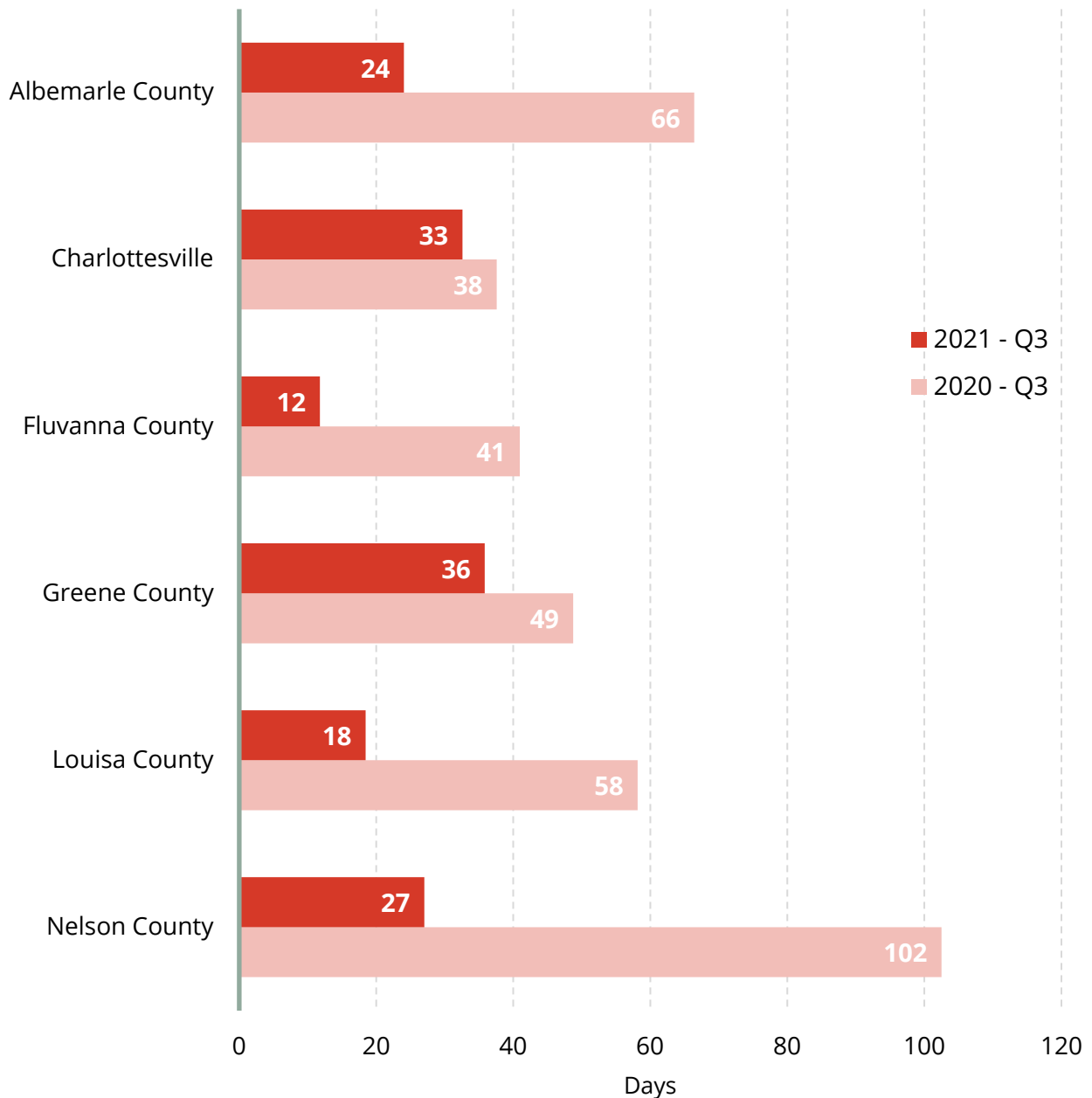
Homes in the CAAR market continued to sell quickly. Homes that sold in the third quarter in the region were on the market about a month on average, or 24 days, which is 38 days faster than a year ago. The average days on market in the CAAR region has been declining for five consecutive quarters and reflects tight market conditions. Statewide, homes sold in an average of 21 days in the third quarter, down from 39 days a year ago.

Figure 16
Third Quarter Average Days on Market, CAAR
2017-2021



Source: Virginia REALTORS®, data accessed October 15, 2021

Figure 17
Third Quarter Average Days on Market, CAAR Jurisdictions
2020 and 2021



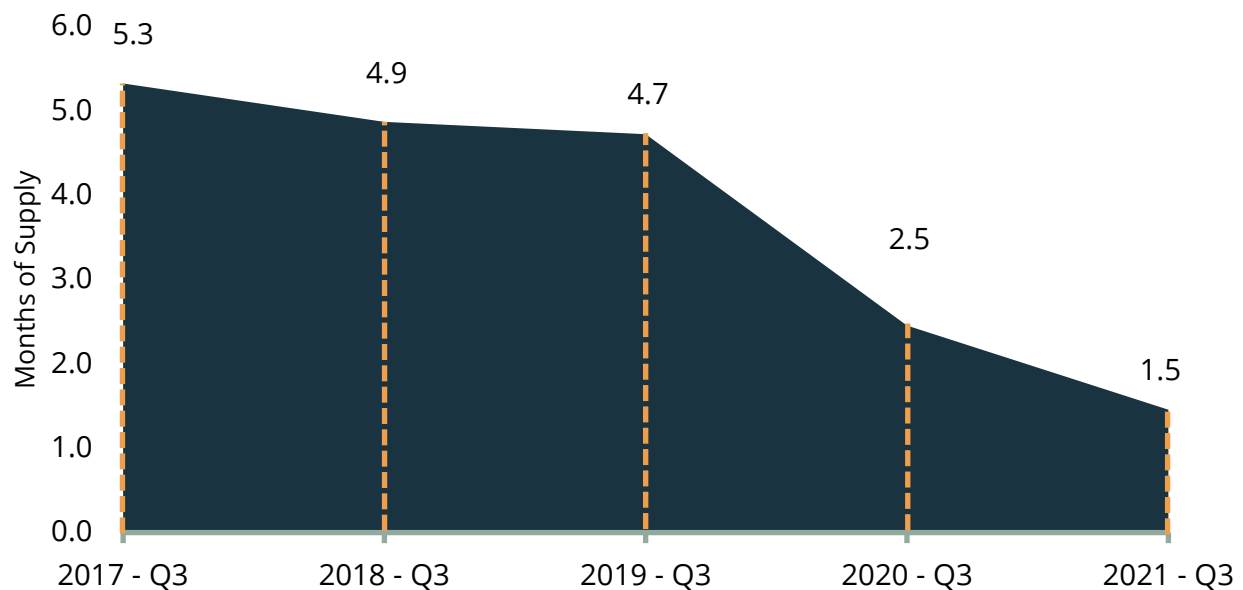
Source: Virginia REALTORS®, data accessed October 15, 2021

Inventory

While inventory is expanding in some markets in Virginia, the supply of homes available for sale continued to shrink in the CAAR footprint. There were 643 active listings in the region at the end of the third quarter. There were 282 fewer active listings on the market than there were last year at this time, a decline of 30%. While inventory in the CAAR region continued to decline, the rate of year-over-year decline has started to slow. Nevertheless, supply is incredibly limited in the CAAR markets, which has created challenging conditions for prospective buyers. At the state level, inventory fell in the third quarter. Statewide, there was a total of 20,726 active listings, which is about 1,800 fewer active listings than a year ago, an 8% drop.

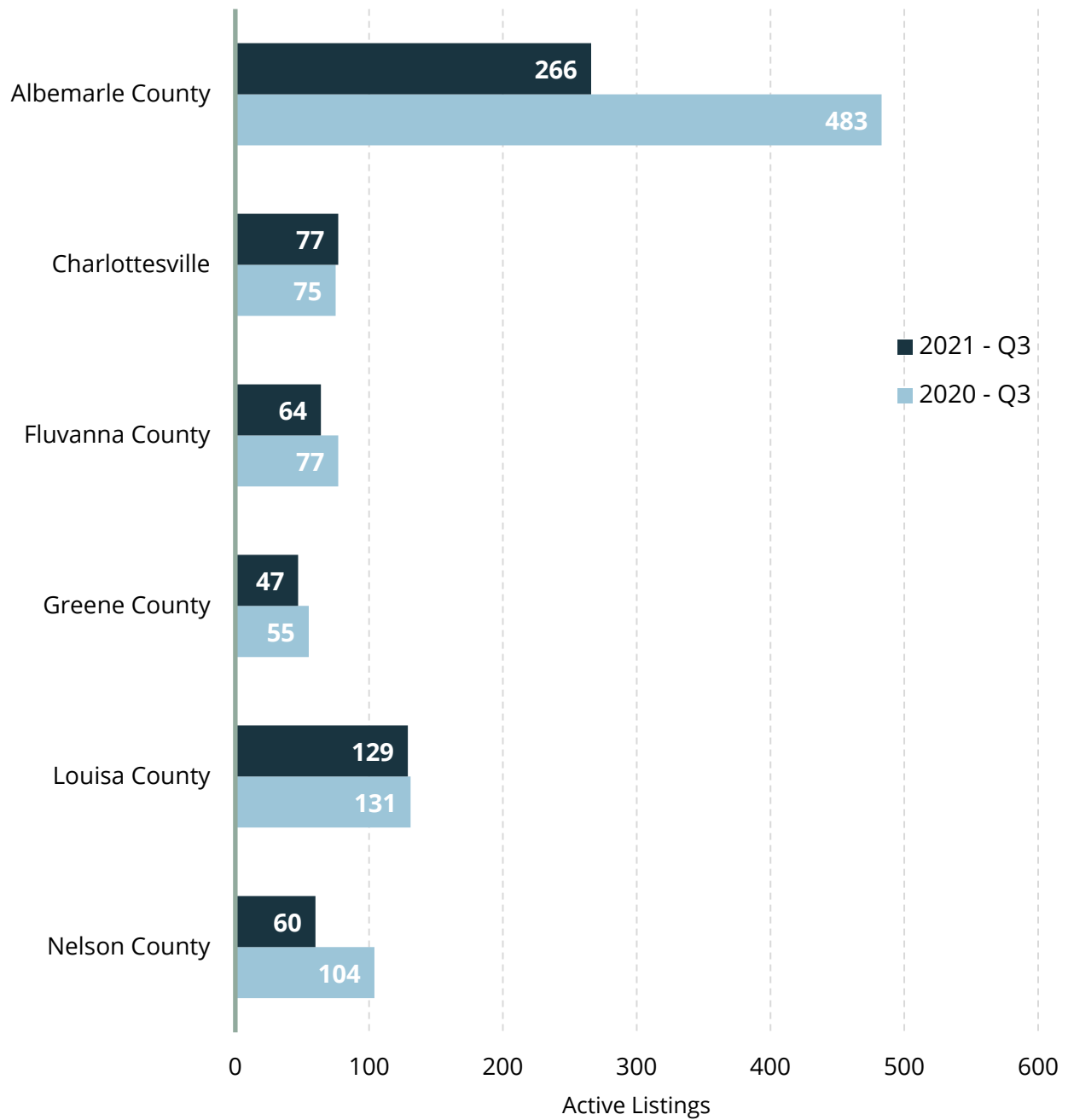
There was about 1.5 months of supply at the end of the third quarter in the CAAR footprint, down from 2.5 months a year ago. The months of supply metric is calculated by taking the average monthly sales over the preceding 12-month period and dividing it by the inventory of active listings.

Figure 18
End of Third Quarter Months Supply, CAAR
2017-2021



Source: Virginia REALTORS®, data accessed October 15, 2021

Figure 19
End of Third Quarter Active Listings, CAAR Jurisdictions
2020 and 2021



Source: Virginia REALTORS®, data accessed October 15, 2021



Local Snapshot – *Albemarle County*

Sales: Home sales continued to outpace last year's levels in Albemarle County. There were 598 home sales in the third quarter, 16 more sales than last year, which is an increase of 3%. The number of sales in the county fell between the second and third quarters, which reflects typical seasonality in the market.

Median Sales Price: While prices were still rising, the rate of home price growth has slowed. At \$416,852, the third quarter median sales price in Albemarle County was nearly \$9,000 higher than this time last year, representing a 2% gain. Home prices had been rising at double digit rates at the end of 2020 and in the first half of 2021.

Sold Volume: There was approximately \$300.1 million of sold volume in Albemarle County during the third quarter. Total volume declined by 2% compared to last year, a drop of \$5 million. This modest decline was due to the mix of homes sold in the quarter compared to last year.

Days on Market: Homes sold more quickly in Albemarle County. It took 24 days on average for a home to sell in the county in the third quarter. A year ago, it took homes an average of 66 days to sell in Albemarle County.

Inventory: Supply continued to shrink in Albemarle County. There were 266 active listings at the end of the third quarter in the county, which is a 45% drop from last year at this time, or 217 fewer listings. Inventory is now just a third of what it was five years ago.



Local Snapshot – *Charlottesville*

Sales: Home sales were brisk in Charlottesville in the third quarter. There were 187 sales in the city, which is 28% more sales than last year, an increase of 41 sales. Sales fell off between the second and third quarters in Charlottesville, which reflects market seasonality.

Median Sales Price: The median home price in Charlottesville in the third quarter was \$385,618. The median price fell 2% compared to a year ago, a drop of about \$6,400. Home prices have been surging for the past year in the city. The third quarter drop likely reflects both a slowdown in upward pressure on prices and a change in the mix of homes sold in the city.

Sold Volume: There was about \$85.3 million of sold volume in Charlottesville during the third quarter. Total sold volume was up 28% compared to last year, an increase of about \$18.6 million.

Days on Market: The average days on market in Charlottesville in the third quarter was 33 days. While the average days on market increased between the second and third quarters, homes sold five days faster than a year ago.

Inventory: Inventory expanded in Charlottesville for the first time in two years. There were 77 active listings in Charlottesville at the end of the third quarter, which is up 3%, or two additional listings compared to a year ago.



Local Snapshot – *Fluvanna County*

Sales: Home sales were relatively flat compared to last year's strong third quarter. There were 180 sales in Fluvanna County in the third quarter, which is one less sale than a year ago, representing a 1% decline. This is the first dip in home sales activity since the beginning of the pandemic in the spring of 2020.

Median Sales Price: Home prices continued to rise in Fluvanna County. At \$305,500, the third quarter median sales price was up 24% compared to last year, a gain of more than \$58,000. Prices have been rising at double-digit rates for six of the last seven quarters.

Sold Volume: There was approximately \$61.1 million of sold volume in Fluvanna County in the third quarter. Total sold volume rose 27% compared to last year at this time, a gain of about \$13.2 million.

Days on Market: Homes sold very quickly in the third quarter in Fluvanna County. The average days on market in the third quarter was 12 days, which is nearly a month (-29 days) faster than last year at this time.

Inventory: Inventory remained very limited in Fluvanna County. There were 64 active listings in the county at the end of the third quarter, 13 fewer listings than a year ago, which is a 17% decline.



Local Snapshot – *Greene County*

Sales: Home sales activity has been slowing in Greene County for much of 2021. There were 82 sales in the county in the third quarter, 14 fewer sales than a year ago, which is a decline of 15%. Home sales in Greene County are below pre-pandemic levels; total sales in the third quarter are 19% lower than during the third quarter of 2019.

Median Sales Price: Despite slower sales, home prices rose in Greene County. At \$335,000, the third quarter median sales price was 16% higher than a year ago, which is a gain of \$45,000. The median sales price has risen at a double-digit rate for five of the past six quarters.

Sold Volume: Slower sales led to a slight decline in total sold volume in Greene County. There was about \$30 million of sold volume in the county in the third quarter, which is down 1% compared to a year ago, a drop of about \$263,000.

Days on Market: Homes that sold in Greene County during the third quarter were on the market an average of 36 days, which is about two weeks faster than last year (-13 days).

Inventory: Supply remained limited in Greene County. At the end of the third quarter, there were 47 homes listed for sale in the county. Inventory was down 15% compared to last year, which is eight fewer listings.



Local Snapshot – *Louisa County*

Sales: Home sales in Louisa County were down compared to the very strong third quarter of last year. There were 227 sales in the county during the third quarter, an 18% drop from a year ago, which is 50 fewer sales. Quarterly sales had been up year-over-year in Louisa County since the end of 2019.

Median Sales Price: Home prices continued to climb quickly. The third quarter median sales price in Louisa County was \$316,150, which is up 13% compared to a year ago, an increase of more than \$36,000. The median sales price in Louisa County has increased by more than 10% for six of the past seven quarters.

Sold Volume: Slower sales led to lower sold volume compared to a year ago. There was about \$87.8 million of sold volume in Louisa County in the third quarter, which is a decline of 11% compared to this time last year, a drop of about \$11.3 million.

Days on Market: Homes continued to sell quickly in Louisa County. At 18 days, the average days on market in the county during the third quarter was 40 days faster than last year. The average days on market has been declining rapidly in Louisa County since early 2018.

Inventory: Inventory stabilized in the third quarter, though supply remains tight. At the end of the third quarter, there were 129 active listings on the market in Louisa County, which is down just 2% compared to last year, or two fewer listings.



Local Snapshot – *Nelson County*

Sales: Compared to last year, there were fewer home sales in Nelson County in the third quarter. There were 119 sales in the county, which is down 28% compared to a year ago or 46 fewer sales. The slowdown is not surprising, given the fast-paced market in 2020. Sales activity in Nelson County is still above pre-pandemic levels, with third quarter sales up 8% compared to the third quarter of 2019.

Median Sales Price: The median sales price in Nelson County shot up 54% compared to last year. In the third quarter, the median sales price in the county was \$365,000, which was \$128,000 higher than last year at this time. The wide swing in prices likely is due to the mix of homes sold during the quarter. However, home prices have been rising at over double-digit rates since the beginning of 2020.

Sold Volume: There was approximately \$47.7 million of sold volume in Nelson County during the third quarter. Total sold volume was 9% higher than last year at this time, increasing by about \$4 million.

Days on Market: It took about 27 days on average to sell a home in Nelson County during the third quarter, which is 75 days faster than last year. Homes have been selling increasingly fast in the county since early 2020.

Inventory: Supply is limited in Nelson County. There were just 60 active listings in the county at the end of the third quarter, 44 fewer listings than last year at this time, which is a 42% supply reduction.



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.