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## ***2014 Posts Modest Volume and Sales Price Increases***

**Fredericksburg, VA – (January 20, 2015)** – *The following analysis of the Fredericksburg, Virginia area housing market has been prepared for the Fredericksburg Area Association of REALTORS® based on analysis of MRIS multiple listing data by RealEstate Business Intelligence, LLC (RBI).*

REALTORS® across the Fredericksburg region describe 2014 as a year full of ups and downs, sometimes those ups and downs happened month-to-month, or even week-to-week. Compared to the previous year, 2014 closed out with modest increases in median sale price and sold dollar volume, modest decreases in units sold and the ratio between final sold price and sellers' asking price, and significant increases in days on market. Sold dollar volume increased 1.9%, median sold price increased 2.9%, units sold decreased 1.4%, average sale price to average original list price decreased 1.0%, and days on market increased 15.2%.

Market performance varied by price category, with modestly-priced houses in the \$300,000 and less category experiencing significant competition. Homes in the \$300,000 to \$400,000 price range experienced a neutral market, with supply and demand at normal levels and a fairly even playing field for buyers and sellers. The \$400,000 and up market experienced a "buyer's market" as high supply and low buyer interest led to increased days on market. In this kind of market, homes priced higher than market value will have a very hard time selling, leading to some homes sitting on the market for 90 or more days without any offers. 2015 FAAR President Brooke Miller refers to this phenomenon as "mini-markets." Despite the seeming uncertainty in the market in 2014, no matter what market one is looking to either sell or purchase a home, it's a great time to do so in the Fredericksburg area," Miller states. December 2014 saw 5.3% growth in median home values over December 2013. Real estate is an excellent long-term investment."

As Miller indicated, the Fredericksburg market posted a solid performance in the fourth quarter of 2014. Buyers entered the Fredericksburg area market in very strong numbers during the fourth quarter striking a 7.7% increase in new contracts over last year. The 1,143 contracts ratified during the fourth quarter was the highest level since 2011. The stream of sellers entering the market slowed in the fourth quarter, in line with the seasonal patterns but still managing to add 1,488 new listings, a 0.3% increase over the 2013 level.

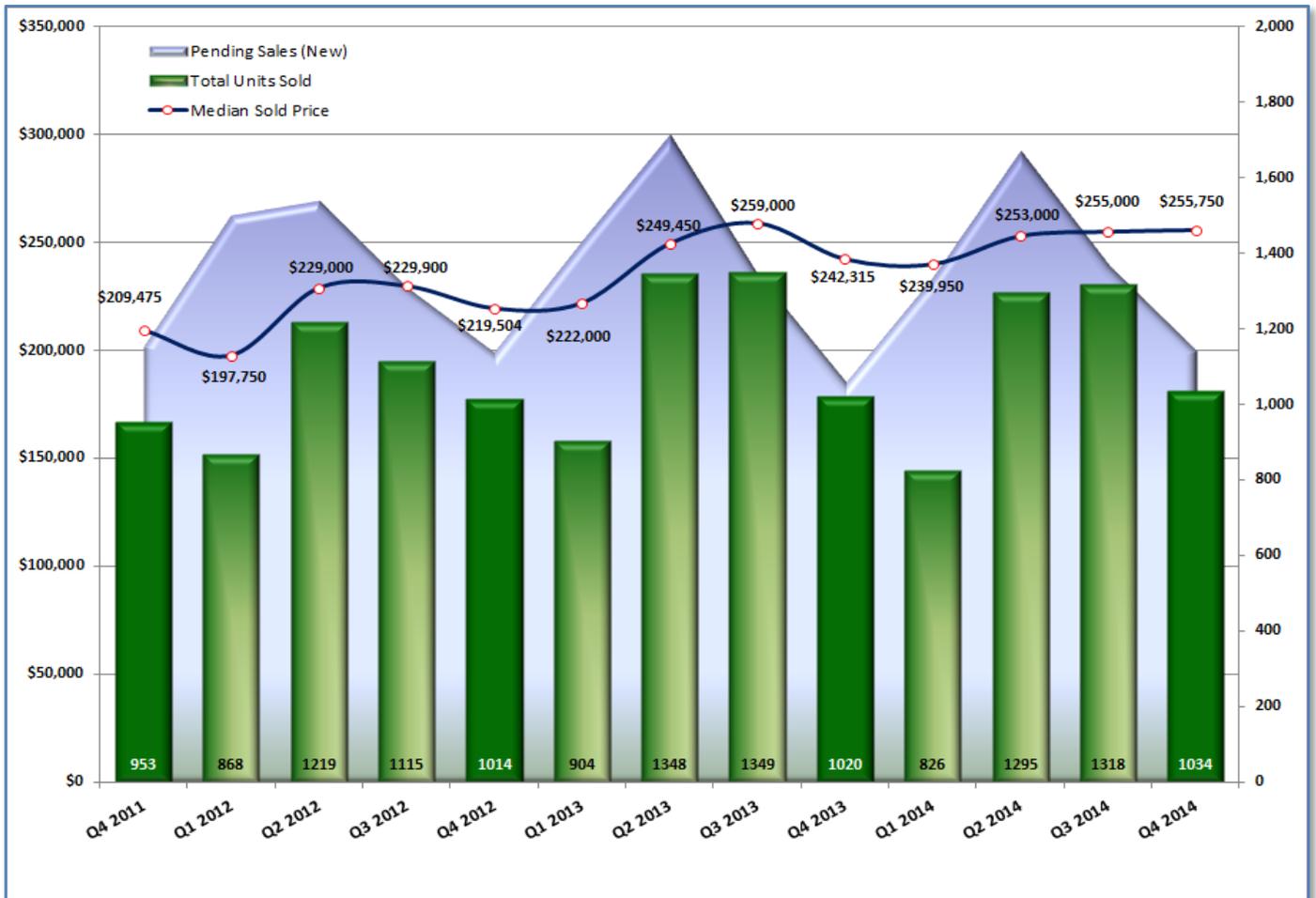
At \$255,750, the median sale price in the fourth quarter increased 5.5% from its year ago level and even gained 0.3% from the previous quarter. The 1,034 total units sold in the fourth quarter increased 1.4% from their year ago levels (1,020 sales). At \$284,750,378, the total sold dollar volume was the highest fourth quarter level since 2006 and represented a 4.1% increase over the 2013 level of \$273,482,858.

The median Days on Market (DOM), the number of days from when a listing enters the market until it obtains a ratified purchase contract, increased from 40 days in the third quarter of 2014 to 54 days in the fourth quarter. This 35.0% increase is higher than the five-year average of 44 days but was equal to the ten-year average level of 54 days. In the next quarter, days on market will likely remain flat, following seasonal patterns and expanded inventory, but decrease as the market approaches the spring and anticipated higher sales volumes.

While many areas have enjoyed a rebound in the housing market over the last couple of years, some locations in the Fredericksburg area continue to struggle. The second home market in places like Lake Anna continues to be soft with high inventory keeping sales prices lower than many sellers would like. Sales activity is strong for the area so REALTORS® at the lake are hopeful that an improving economy and increased consumer confidence will increase sales activity even further in 2015.

"REALTORS® across the region are looking forward to a strong spring and summer. Market fundamentals for real estate remain healthy with increasing prices and sales volume and a continued decrease in distressed properties," states Miller. "As long as employment numbers remain stable, agents are confident that 2015 will prove another year of solid gains."

### Quarterly Home Sales Index - Fredericksburg Area Association of REALTORS® Q4-2014



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### About the Fredericksburg Area Association of REALTORS®

Founded in 1957, the Fredericksburg Area Association of REALTORS® is the trade association for more than 1,400 REALTOR® and affiliate members serving the areas noted above. Members also work in the surrounding counties of Westmoreland, Louisa, Orange and Prince William and in Northern Virginia. FAAR strongly supports the availability of affordable housing for all market segments and supports government policies designed to enhance homeownership opportunities. For more information about FAAR, visit [www.faarmembers.com](http://www.faarmembers.com) or contact Kim McClellan, Government Affairs Director at [kmcclellan@faarmembers.com](mailto:kmcclellan@faarmembers.com) or 540-373-7711.