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Fredericksburg Area Real Estate – Q2 2015 Market Trends Report Highest Pending Contracts since 2005 – Total Dollar Volume Up 23%

Strong Second Quarter Sales Figures

Fredericksburg, VA – (July 21, 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).*

Overview

Buyers rode the wave of a continued strong spring market in the Fredericksburg area with numbers during the second quarter showing an 11.4% increase in new contracts over last year. The 1,862 contracts ratified during the second quarter was the highest level *for any quarter since the second quarter of 2005*. The number of sellers entering the market increased during the second quarter, well ahead of seasonal expectations, increasing by 38.9% from the first quarter. This quarter-over-quarter growth in new inventory exceeded both the five-year (23.0%) and the ten-year (15.1%) average rates of increase. This also represented a 6.1% increase over the second quarter of 2014.

At \$269,950, the median sales price in the second quarter increased 6.7% from its year ago level (\$253,000) and also increased 8.0% from the previous quarter's level of \$250,000. The 1,510 total units sold in the second quarter increased 16.6% from their year ago levels (1,295 sales). At \$437,292,166, the total sold dollar volume was the highest second quarter level since 2006, representing a strong 22.8% increase over the 2014 second quarter level of \$356,022,911.

The median Days on Market (DOM), the number of days from when a listing enters the market until it obtains a ratified purchase contract, decreased from 32 days in the second quarter of 2014 to 30 days in second quarter of 2015. This 6.3% decrease is lower than the ten-year average of 47 days and lower than the five-year average second quarter level of 34 days. Looking ahead to the third quarter, days on market likely will increase slightly in accordance with established seasonal patterns. In addition, the increased market activity associated with the spring market will have passed and the pace of sales activity will ease.

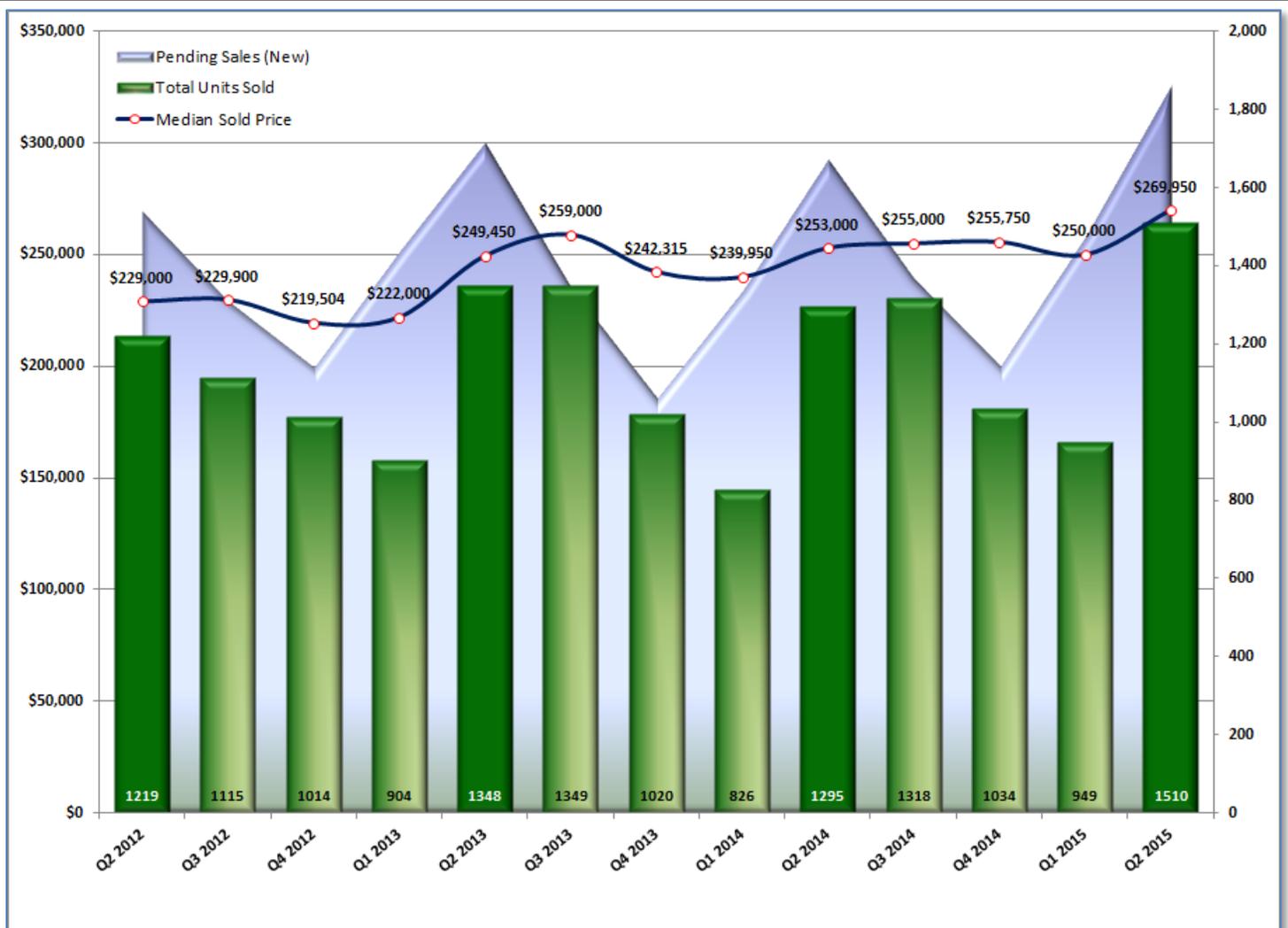
Key Trends – 2nd Quarter 2015

- **Pricing.** The median sale price for all residential property types in Q2 2015 was \$269,950 which represented an 8.0% increase from the first quarter's level of \$250,000 and a 6.7% increase from last year's Q2 level of \$253,000. Two of the three housing segments demonstrated median sale price gains. With a Q2 2015 median sale price of \$284,900 for the largest housing segment, detached homes secured a 5.9% price increase over the Q2 2014 level and had 1,324 sales, a 17.9% increase over Q2 2014. The attached/townhouse segment median sale price of \$213,950 was a 19.5% increase over Q1 2015 with 164 sales, a 13.9% increase in total townhouse sales. The smallest housing segment with 22 sales, the condo/coops segment bucked the positive price trend of the other two housing segments and

registered a 25.4 decrease from last year to a median sale price of \$179,000 in Q2 2015. This amount still reflected a 7.8% increase over Q2 2014. The 22 units sold was 21.4% less than the number sold in Q2 2014 (28 units).

- Sales and Inventory.** Total sales in the second quarter increased 16.6% from their year ago levels. The 1,510 properties sold in Q2 2015 represented a 59.1% increase from the Q1 2015 level of 949 sales. Total sales in the second quarter exceeded both their five-year and ten-year averages of 1,323 and 1,313 respectively. The 2,734 new listings added during Q2 2015 represented a 6.1% increase from their year-ago level of 2,576, and exceeded the five-year average of 2,251, and the ten-year average new listings level of 2,499. New contracts totaled 1,862 in the second quarter, an 11.4% increase over their year ago level and the highest Q2 level since 2005.
- Sold to List Price Ratio.** In Q2 2015, the average sold price to average original list price ratio was 96.1%, or a 3.9% seller discount. This was a slight increase over the Q2 2014 level of 95.9% and was an increase from the Q1 2015 level of 94.9%. It exceeded both the five-year and ten-year average Q2 ratios of 95.2% and 94.4% respectively. Even with the strong increase in inventory, this did not keep pace with buyer demand. In light of this, sellers were able to gain some negotiating strength in the second quarter due to inadequate inventory and stronger offers from more competitive buyers wanting to secure ratified contracts.
- Time on Market.** In the second quarter, sold properties were listed an average of 73 days prior to contract, representing a 23.2% decrease from the first quarter and a slight 1.4% increase over last year's Q2 level. The 73 day value is on par with the five-year Q2 average level of 74 days, but is substantially lower than the ten-year Q2 average level of 87 days on market.

Quarterly Home Sales Index - Fredericksburg Area Association of REALTORS® Q2 - 2015



Detached Housing

- In the Fredericksburg Area Association of REALTORS®, the median sold price for Detached properties for Q2 was \$284,900, representing an increase of 5.5% compared to last quarter and an increase of 5.9% from Q2 2014.
- There was a 17.9% year-over-year increase in sales activity with 1,324 closed sales in Q2.
- There were 1,995 active listings at the end of the quarter, representing a 1.4% increase in supply compared to the same time last year.
- The average days on market for units sold in Q2 was 76 days, 4% below the 5-year Q2 average of 79 days.
- The Average Sold to Original List Price ratio of 95.9% was greater than the 94.5% level of the preceding quarter, indicating a decrease in the negotiating power of the buyer.

Attached Housing - Townhouses

- The median sold price for Attached/Townhouse properties for Q2 was \$213,950, representing an increase of 19.5% compared to last quarter and an increase of 9.7% from Q2 2014.
- There was a 13.9% year-over-year increase in sales activity with 164 closed sales in Q2.
- There were 106 active listings at the end of the quarter, representing a 23.2% decrease in supply compared to the same time last year.
- The average days on market for units sold in Q2 was 52 days, 38% above the 5-year Q2 average of 38 days.
- The Average Sold to Original List Price ratio of 97.4% was equal to the 97.0% level of the preceding quarter, indicating no change in the negotiating power of the buyer.

Attached Housing - Condo/Coop

- The median sold price for Condo & Coop properties for Q2 was \$179,000, representing a decrease of 25.4% compared to last quarter and an increase of 7.8% from Q2 2014.
- There was a 21.4% year-over-year decrease in sales activity with 22 closed sales in Q2.
- There were 32 active listings at the end of the quarter, representing a 22% decrease in supply compared to the same time last year.
- The average days on market for units sold in Q2 was 64 days, 2% below the 5-year Q2 average of 65 days.
- The Average Sold to Original List Price ratio of 96.8% was less than the 98.4% level of the preceding quarter, indicating an increase in the negotiating power of the buyer.

County	Quarter	Average Sales Price	Median Sales Price	Units Sold	Avg DOM	Listing Discount (Avg)	Ratio Avg SP / Avg OLP	Avg SP / Sq Ft
Fredericksburg City	Q2-15	\$296,524	\$265,000	91	63	3.9%	96.2%	\$164
	Q2-14	\$327,977	\$280,500	68	103	4.2%	95.9%	\$149
	% Y-O-Y	-9.6%	-5.5%	33.8%	-38.8%			10.1%
Stafford	Q2-15	\$320,832	\$310,000	662	65	3.5%	96.5%	\$156
	Q2-14	\$307,163	\$295,000	565	61	3.5%	96.5%	\$155
	% Y-O-Y	4.5%	5.1%	17.2%	6.6%			0.6%
Spotsylvania	Q2-15	\$271,881	\$242,000	560	72	4.6%	95.4%	\$144
	Q2-14	\$252,110	\$230,000	502	69	4.5%	95.5%	\$140
	% Y-O-Y	7.8%	5.2%	11.6%	4.3%			2.9%
Caroline	Q2-15	\$184,093	\$179,900	107	100	4.9%	95.1%	\$125
	Q2-14	\$171,683	\$163,000	89	93	6.0%	94.0%	\$113
	% Y-O-Y	7.2%	10.4%	20.2%	7.5%			10.6%
King George	Q2-15	\$288,510	\$279,950	90	108	5.1%	94.9%	\$135
	Q2-14	\$258,230	\$260,000	71	124	5.0%	95.0%	\$141
	% Y-O-Y	11.7%	7.7%	26.8%	-12.9%			-4.3%

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Quarterly Housing Metrics – Fredericksburg Area Association of REALTORS® Q2 - 2015

All Residential	Q2-15	% Q-O-Q	Q1-15	% Y-O-Y	Q2-14	% Y-O-2Y	Q2-13	% Y-O-3Y	Q2-12
Avg Sales Price (Closed)	\$289,597	4.8%	\$276,368	5.3%	\$274,921	9.8%	\$263,659	18.2%	\$245,093
Med Sales Price (Closed)	\$269,950	8.0%	\$250,000	6.7%	\$253,000	8.2%	\$249,450	17.9%	\$229,000
Units Sold (Closed)	1,510	59.1%	949	16.6%	1,295	12.0%	1,348	23.9%	1,219
Pending Sales (New)	1,862	26.2%	1,475	11.4%	1,672	8.6%	1,714	21.0%	1,539
Avg DOM (Closed)	73	-23.2%	95	1.4%	72	15.9%	63	0.0%	73
Listing Discount (Avg)	3.9%		5.1%		4.1%		3.3%		4.7%
Ratio Avg SP/Avg OLP	96.1%		94.9%		95.9%		96.7%		95.3%
Avg SP/Sq Ft	\$148	4.2%	\$142	1.4%	\$146	7.2%	\$138	17.5%	\$126
Detached	Q2-15	% Q-O-Q	Q1-15	% Y-O-Y	Q2-14	% Y-O-2Y	Q2-13	% Y-O-3Y	Q2-12
Avg Sales Price (Closed)	\$301,250	4.2%	\$289,219	5.7%	\$284,950	9.9%	\$274,050	17.0%	\$257,580
Med Sales Price (Closed)	\$284,900	5.5%	\$269,950	5.9%	\$269,000	9.6%	\$260,000	18.7%	\$240,000
Units Sold (Closed)	1,324	62.7%	814	17.9%	1,123	10.8%	1,195	22.6%	1,080
Pending Sales (New)	1,634	27.0%	1,287	12.6%	1,451	8.4%	1,508	20.1%	1,360
Avg DOM (Closed)	76	-22.4%	98	0.0%	76	11.8%	68	-2.6%	78
Listing Discount (Avg)	4.1%		5.5%		4.4%		3.5%		5.4%
Ratio Avg SP/Avg OLP	95.9%		94.5%		95.6%		96.5%		94.6%
Avg SP/Sq Ft	\$150	3.4%	\$145	2.0%	\$147	6.4%	\$141	15.4%	\$130
Attached	Q2-15	% Q-O-Q	Q1-15	% Y-O-Y	Q2-14	% Y-O-2Y	Q2-13	% Y-O-3Y	Q2-12
Avg Sales Price (Closed)	\$206,652	3.9%	\$198,885	-1.3%	\$209,440	13.2%	\$182,502	39.6%	\$148,064
Med Sales Price (Closed)	\$210,000	10.6%	\$189,900	9.4%	\$192,000	19.2%	\$176,175	40.0%	\$150,000
Units Sold (Closed)	186	37.8%	135	8.1%	172	21.6%	153	33.8%	139
Pending Sales (New)	228	21.3%	188	3.2%	221	10.7%	206	27.4%	179
Avg DOM (Closed)	53	-26.4%	72	17.8%	45	89.3%	28	65.6%	32
Listing Discount (Avg)	2.7%		2.7%		2.1%		1.8%		-0.2%
Ratio Avg SP/Avg OLP	97.3%		97.3%		97.9%		98.2%		100.2%
Avg SP/Sq Ft	\$133	11.8%	\$119	-0.7%	\$134	13.7%	\$117	30.4%	\$102

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About the Fredericksburg Area Association of REALTORS®

Founded in 1963, the Fredericksburg Area Association of REALTORS® is the trade association for more than 1,300 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 or contact Kim McClellan, Government Affairs Director at kmcclellan@faarmembers.com or 540-373-7711.

About RBI

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