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Fredericksburg Area Real Estate – Market Trends Report Contracts Up 10.3% and Total Sold Dollar Volume Up 22%

Inventory Increases Give Buyers More Options

Fredericksburg, VA – (April 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 entered the Fredericksburg area market in very strong numbers during the first quarter of 2015 striking a 10.3% increase in new contracts over last year. The 1,475 contracts ratified during the first quarter was the highest first quarter level since 2012. The number of sellers entering the market picked up in the first quarter, in line with the seasonal pattern adding 1,969 new listings, a 7.3% increase over the same period last year.

At \$250,000, the median sale price in the first quarter increased 4.2% from its year ago level but dropped 2.2% from the previous quarter's level of \$255,750. The 949 total units sold in the first quarter increased 14.9% from their year ago levels of 826 sales. Total sold dollar volume of \$262,273,419 was the highest first quarter level since 2007, representing a 21.9% increase over the first quarter 2014 level of \$215,229,851.

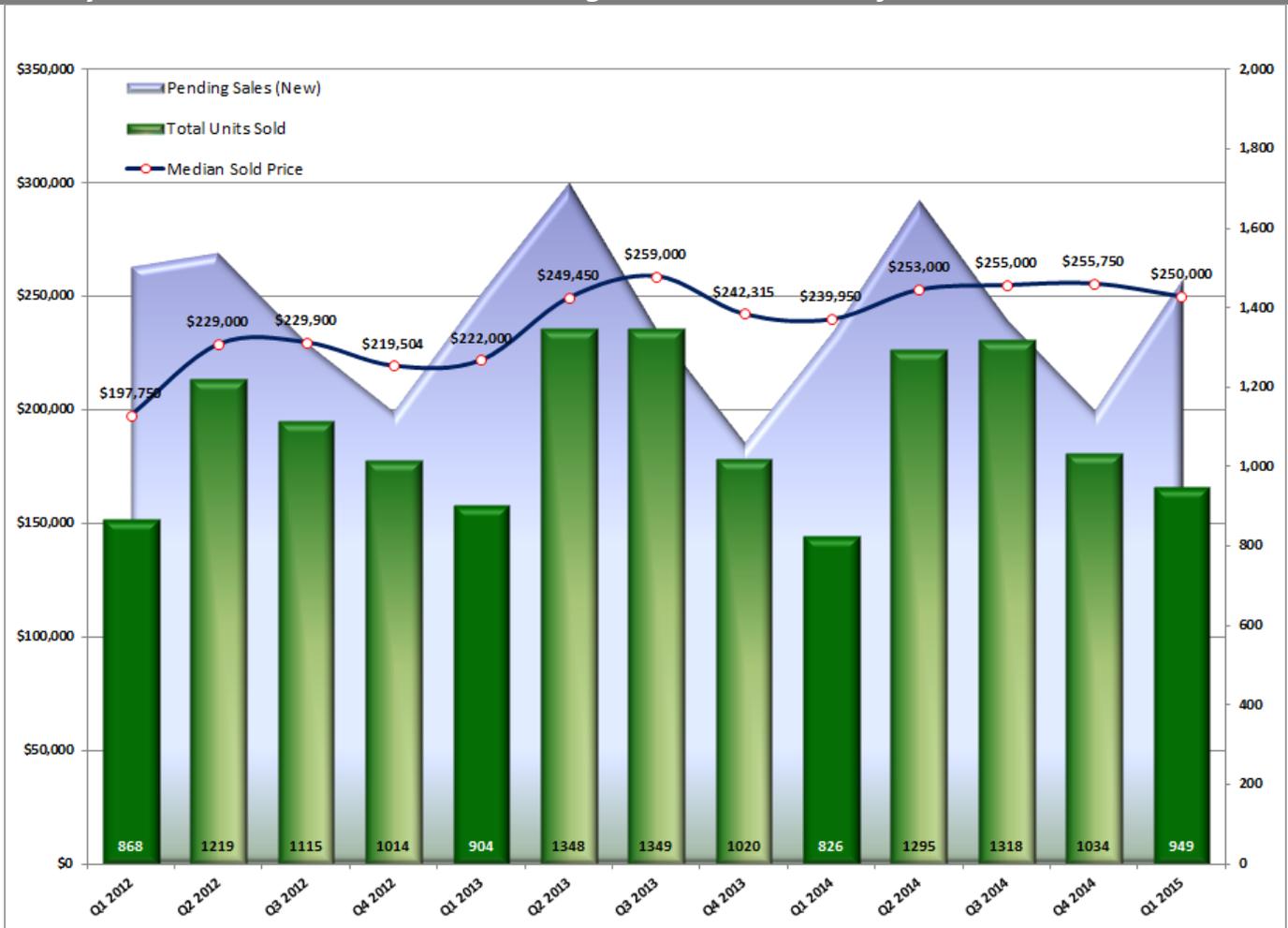
The median Days on Market (DOM), the number of days from when a listing enters the market until it obtains a ratified purchase contract, increased from 59 days in the first quarter of 2014 to 65 days in the first quarter of 2015. This 10.2% increase is still lower than the ten-year average of 67 days but was higher than the five-year average first quarter level of 54 days. In the second quarter, local realtors® expect days on market will decline in accordance with established seasonal patterns and the increased market activity associated with the spring and traditionally higher sales volumes.

Key Trends – 1st Quarter 2015

- **Pricing.** The median sale price for all residential property types in Q1 2015 was \$250,000 which represented a 2.3% decrease from the fourth quarter's level of \$255,750 but a 4.2% increase from the year ago level of \$239,950. All three housing segments demonstrated median sale price gains. With a Q1 2015 median sale price of \$269,950 for the largest housing segment, detached homes secured an 8.0% price increase over the Q1 2014 level and had 814 sales, also a 16.0% increase over Q1 2014. The attached/townhouse median sale price of \$179,000 was a 0.7% increase over Q1 2014 with 108 sales, a 1.8% decline in total townhouse sales. The smallest housing segment with 27 sales, condo/coops continued the positive price trend and registered a 4.9% increase from last year to a median sale price of \$239,900 in Q1 2015. The 27 units sold was almost double the number sold during Q1 2014 (14 units). This price is reflective of newer condo sales during the quarter which commanded higher prices at communities such as Colonial Forge, Rappahannock Landing and the Villas at Falls Run.

- Sales and Inventory.** Total sales in the first quarter increased 14.9% from their year ago levels. The 949 properties sold in Q1 2015 represented an 8.2% decrease from Q4 2014. However, total sales in the first quarter exceeded both their five-year and ten-year averages of 889 and 912 respectively. The 1,969 new listings added during Q1 2015 represented a 32.3% increase from their year-ago level of 1,488, exceeded the five-year average of 1,823, but failed to reach the ten-year average new listings level of 2,178. Over the past ten years, the seasonal growth in inventory from the fourth to the first quarter has been 30.1% as early-bird sellers traditionally get a head start on the spring market. New contracts totaled 1,475 in the first quarter, a 10.3% increase over their year ago level and the highest Q1 level since 2012. This amount of increase is almost double the average five-year Q1 rate (5.7%) and bodes well for increases in new contracts volume heading into the second quarter.
- Sold to List Price Ratio.** In Q1 2015, the average sold price to average original list price ratio was 94.9%, or a 5.1% seller discount. This was equal to the Q1 2014 level but was an increase from the Q4 2014 level of 94.0% and it exceeded both the five-year and ten-year average Q1 ratios of 93.9% and 93.3% respectively. The average seller discount for 2014 was 5.0%. Sellers in the first quarter lost some negotiating strength due to increases in listing inventory, growing buyer demand for seller concessions and sellers became more competitive in order to sell their properties.
- Time on Market.** In the first quarter, sold properties were listed an average of 95 days prior to contract, 15.9% higher than the Q1 2014 level, indicating buyers are taking more time to examine the options offered by increased inventory before committing to a contract. The 95 day value is exactly on par with the ten-year Q1 average level, another indicator that the market is becoming more aligned with historic trends in the area.

Quarterly Home Sales Index - Fredericksburg Area Association of REALTORS® Q1 - 2015



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Detached Housing

- In Fredericksburg Area Association of REALTORS®, the median sold price for Detached properties for Q1 was \$269,950, representing a decrease of 0.9% compared to last quarter and an increase of 8% from Q1 2014.
- There was a 16% year-over-year increase in sales activity with 814 closed sales in Q1.
- There were 1,640 active listings at the end of the quarter, representing a 4.5% increase in supply compared to the same time last year.
- The average days on market for units sold in Q1 was 98 days, 12% above the 5-year Q1 average of 88 days.
- The Average Sold to Original List Price ratio of 94.5% was an increase over the 93.7% level of the preceding quarter, indicating an increase in the negotiating power of the seller.

Attached Housing - Townhouses

- The median sold price for Attached/Townhouse properties for Q1 was \$179,000, representing a decrease of 12.3% compared to last quarter and an increase of 0.7% from Q1 2014.
- There was a 1.8% year-over-year decrease in sales activity with 108 closed sales in Q1.
- There were 106 active listings at the end of the quarter, representing a 7.1% increase in supply compared to the same time last year.
- The average days on market for units sold in Q1 was 69 days, 47% above the 5-year Q1 average of 47 days.
- The Average Sold to Original List Price ratio of 97.0% was an increase over the 96.2% level of the preceding quarter, indicating a slight decrease in the negotiating power of the buyer.

Attached Housing - Condo/Coop

- The median sold price for Condo & Coop properties for Q1 was \$239,900, representing an increase of 12.4% compared to last quarter and an increase of 4.9% from Q1 2014.
- There was a 92.9% year-over-year increase in sales activity with 27 closed sales in Q1. The five-year average level is 15 sales during the first quarter.
- There were 23 active listings at the end of the quarter, representing a 41% decrease in supply compared to the same time last year.
- The average days on market for units sold in Q1 was 86 days, 35% above the 5-year Q1 average of 64 days.
- The Average Sold to Original List Price ratio of 98.4% was equal to the 98.3% level of the preceding quarter, indicating no change 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	Q1-15	\$343,324	\$322,450	50	109	5.5%	94.5%	\$164
	Q1-14	\$291,643	\$246,200	40	80	9.7%	90.3%	\$148
	% Y-O-Y	17.7%	31.0%	25.0%	36.3%			\$0
Stafford	Q1-15	\$305,415	\$290,500	403	91	4.8%	95.2%	\$151
	Q1-14	\$291,430	\$279,950	350	80	4.3%	95.7%	\$150
	% Y-O-Y	4.8%	3.8%	15.1%	13.8%			\$0
Spotsylvania	Q1-15	\$264,954	\$232,000	345	97	5.2%	94.8%	\$140
	Q1-14	\$246,598	\$217,000	325	80	6.2%	93.8%	\$138
	% Y-O-Y	7.4%	6.9%	6.2%	21.3%			\$0
Caroline	Q1-15	\$168,853	\$159,800	82	99	5.7%	94.3%	\$113
	Q1-14	\$163,636	\$161,750	62	88	6.5%	93.5%	\$108
	% Y-O-Y	3.2%	-1.2%	32.3%	12.5%			\$0
King George	Q1-15	\$243,040	\$238,000	69	88	5.8%	94.2%	\$122
	Q1-14	\$230,080	\$214,300	49	110	6.2%	93.8%	\$108
	% Y-O-Y	5.6%	11.1%	40.8%	-20.0%			\$0

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Quarterly Housing Metrics – Fredericksburg Area Association of REALTORS® Q1 - 2015

	Q1-15	% Q-O-Q	Q4-14	% Y-O-Y	Q1-14	% Y-O-2Y	Q1-13	% Y-O-3Y	Q1-12
All Residential									
Avg Sales Price (Closed)	\$276,368	0.4%	\$275,387	6.1%	\$260,569	13.8%	\$242,773	27.0%	\$217,676
Med Sales Price (Closed)	\$250,000	-2.2%	\$255,750	4.2%	\$239,950	12.6%	\$222,000	26.4%	\$197,750
Units Sold (Closed)	949	-8.2%	1,034	14.9%	826	5.0%	904	9.3%	868
Pending Sales (New)	1,475	29.0%	1,143	10.3%	1,337	2.6%	1,437	-1.7%	1,501
Avg DOM (Closed)	95	10.5%	86	15.9%	82	41.8%	67	14.5%	83
Listing Discount (Avg)	5.1%		6.0%		5.2%		4.7%		6.5%
Ratio Avg SP/Avg OLP	94.9%		94.0%		94.9%		95.3%		93.5%
Avg SP/Sq Ft	\$142	0.0%	\$142	1.4%	\$140	10.1%	\$129	22.4%	\$116
Detached									
Avg Sales Price (Closed)	\$289,219	0.8%	\$286,899	5.6%	\$273,805	13.2%	\$255,451	27.7%	\$226,490
Med Sales Price (Closed)	\$269,950	-0.9%	\$272,500	8.0%	\$250,000	12.5%	\$240,000	29.2%	\$208,950
Units Sold (Closed)	814	-8.4%	889	16.0%	702	5.3%	773	6.5%	764
Pending Sales (New)	1,287	33.4%	965	10.9%	1,161	2.3%	1,258	-1.9%	1,312
Avg DOM (Closed)	98	6.5%	92	10.1%	89	32.4%	74	12.6%	87
Listing Discount (Avg)	5.5%		6.3%		5.4%		5.4%		6.6%
Ratio Avg SP/Avg OLP	94.5%		93.7%		94.6%		94.6%		93.4%
Avg SP/Sq Ft	\$145	1.4%	\$143	2.1%	\$142	9.0%	\$133	21.8%	\$119
Attached									
Avg Sales Price (Closed)	\$198,885	-2.9%	\$204,809	7.1%	\$185,634	18.4%	\$167,965	30.1%	\$152,923
Med Sales Price (Closed)	\$189,900	-7.0%	\$204,156	5.2%	\$180,500	20.6%	\$157,500	26.6%	\$150,000
Units Sold (Closed)	135	-6.9%	145	8.9%	124	3.1%	131	29.8%	104
Pending Sales (New)	188	5.6%	178	6.8%	176	5.0%	179	-0.5%	189
Avg DOM (Closed)	72	56.5%	46	63.6%	44	176.9%	26	38.5%	52
Listing Discount (Avg)	2.7%		3.6%		3.9%		0.3%		5.4%
Ratio Avg SP/Avg OLP	97.3%		96.4%		96.1%		99.7%		94.6%
Avg SP/Sq Ft	\$119	-11.9%	\$135	-4.8%	\$125	6.3%	\$112	21.4%	\$98

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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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