

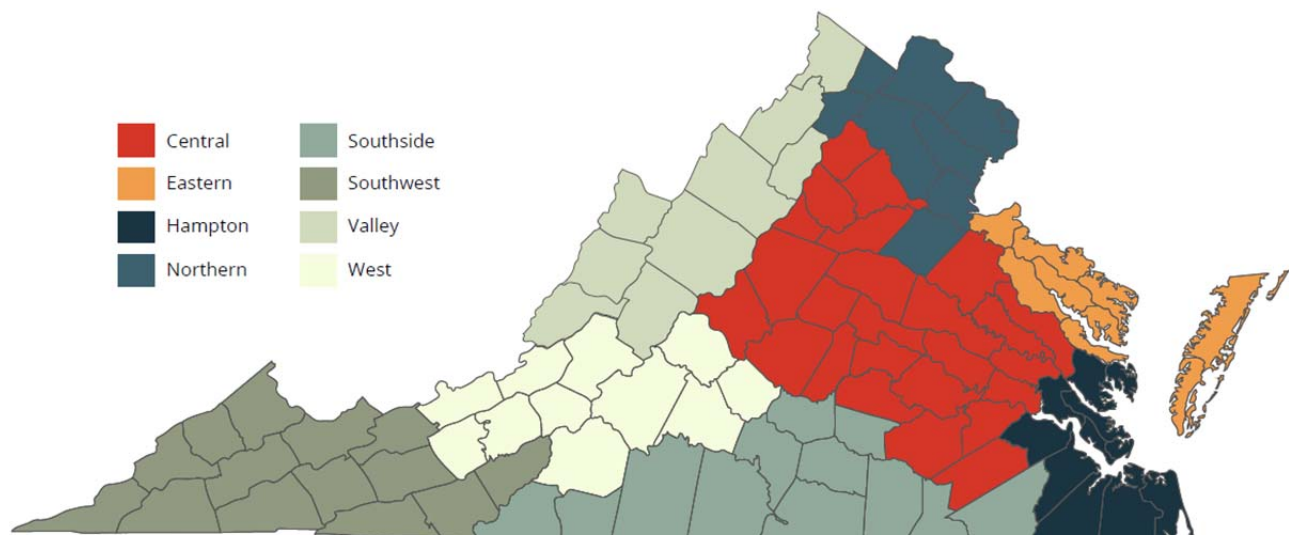
Virginia

HOME SALES REPORT

Q1 2017

The Virginia REALTORS® association publishes monthly and quarterly home sales reports to provide our members, the media, and real estate-related industries with current data. The report data comes from a variety of sources and is analyzed by the Virginia REALTORS®. All data may be used with citation to the proprietary owner, the Virginia REALTORS®.

The data presented is based on specific economic regions comprised of counties and independent cities in Virginia, as detailed in the map below. It should be noted that these regions do not necessarily align with the counties and cities that comprise the 28 local REALTOR® associations in Virginia. For example, the economic region defined as Northern Virginia encompasses more counties and cities than those within the bounds of the Northern Virginia Association of REALTORS® (NVAR). Please take this into consideration when referencing regions.



Central	Albemarle, Amelia, Buckingham, Caroline, Charles City, Chesterfield, Culpeper, Cumberland, Dinwiddie, Fluvanna, Goochland, Greene, Hanover, Henrico, King & Queen, King William, Louisa, Madison, Nelson, New Kent, Orange, Powhatan, Prince George, Rappahannock, Sussex; Charlottesville, Colonial Heights, Hopewell, Petersburg, Richmond
Eastern	Accomack, Essex, King George, Lancaster, Middlesex, Northampton, Northumberland, Richmond, Westmoreland
Hampton Roads	Gloucester, Isle of Wight, James City, Mathews, Surry, York; Chesapeake, Franklin, Hampton, Newport News, Norfolk, Poquoson, Portsmouth, Suffolk, Virginia Beach, Williamsburg
Northern	Arlington, Clarke, Fairfax, Fauquier, Loudoun, Prince William, Spotsylvania, Stafford, Warren; Alexandria, Fairfax, Falls Church, Fredericksburg, Manassas, Manassas Park
Southside	Brunswick, Charlotte, Greenville, Halifax, Henry, Lunenburg, Mecklenburg, Nottoway, Patrick, Pittsylvania, Prince Edward, Southampton; Danville, Emporia, Martinsville
Southwest	Bland, Buchanan, Carroll, Dickenson, Floyd, Grayson, Lee, Russell, Scott, Smyth, Tazewell, Washington, Wise, Wythe; Bristol, Galax, Norton
Valley	Alleghany, Augusta, Bath, Frederick, Highland, Page, Rockbridge, Rockingham, Shenandoah; Buena Vista, Covington, Harrisonburg, Lexington, Staunton, Waynesboro, Winchester
West Central	Amherst, Appomattox, Bedford, Botetourt, Campbell, Craig, Franklin, Giles, Montgomery, Pulaski, Roanoke; Lynchburg, Radford, Roanoke, Salem

First Quarter Summary

The first quarter of 2017 indicates a year of continued growth in Virginia's residential real estate market. With particularly strong sales in March and prices rising consistently on high buyer motivation, performance in the first quarter of 2017 rose notably from the same period in 2016.

Quarterly transactions rose by 7.8 percent year-over-year (from 21,213 to 22,859). Likewise, first quarter volume jumped by 12.2 percent year-over-year, from \$6.492 billion in 2016 to \$7.287 billion in 2017. The significant increase in volume was the result of notable outperformance in pace, or number of sales, multiplied by rising prices. Statewide, median price for the first quarter rose by 4 percent from 2016 to 2017, from \$249,900 to \$260,000.

Annualized sales, the sum of all sales for the preceding twelve months, offered a clear illustration of market strength, rising for the tenth consecutive quarter. The average quarterly increase in annualized sales over that time has been 1.9 percent, suggesting that if the trend continues, the annualized figure at the end of 2017's second quarter could exceed 121,000 sales.

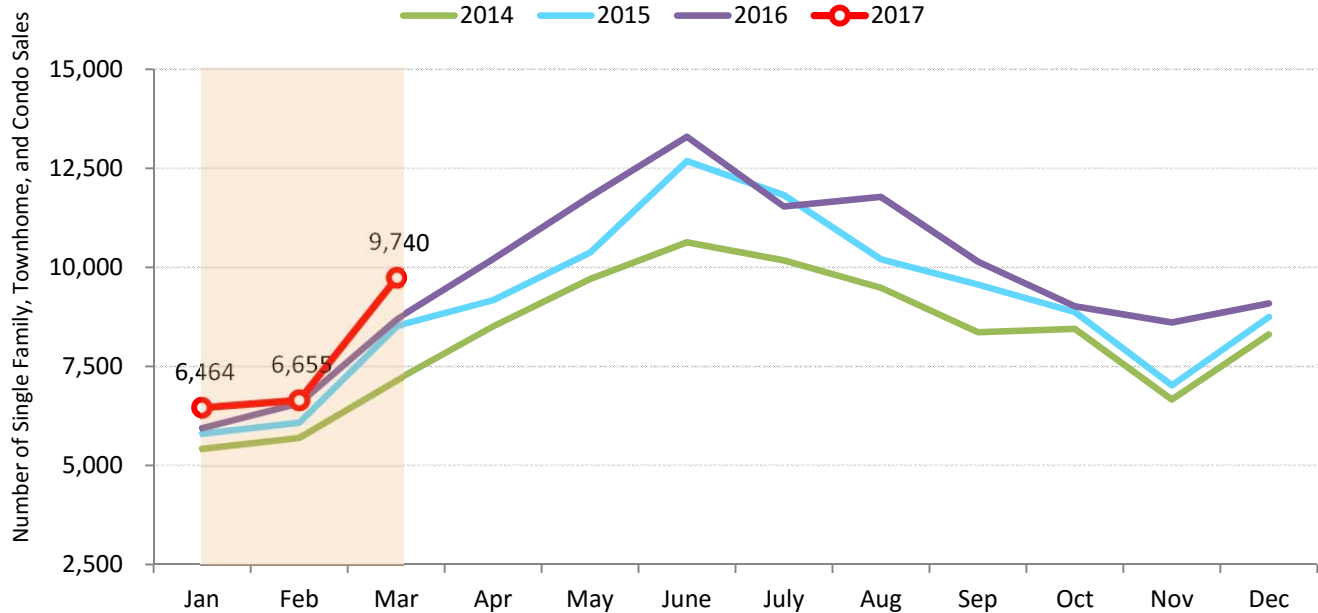
Year-over-year, first quarter home sales increased in all price bands except the lowest (\$0 to \$100,000), where limited inventory typically restricts market activity. The increases were significant in every category except the \$100,000 to \$200,000 range. Luxury sales, above \$750,000, increased by the greatest percentages, but because that range represents relatively few sales, the greatest indicator of overall market performance is in middle price bands.

Year-over-year, sales and median price increased in every region of the state in the first quarter. The Eastern and Southwest regions exhibited particular gains over their prior year performance.

Though 30-year and 15-year fixed mortgage interest rates remain at enticing lows, they each jumped notably from the two preceding quarters. Responding to the Federal Reserve Bank's decision to raise the key rate in March, in quick succession to its December hike, average rates for 30-year and 15-year fixed mortgage interest rates in the first quarter rose to 4.17 percent and 3.39 percent, respectively. The anticipation of continuing rate increases contributes to buyer motivation and should spur activity, particularly as greater inventory comes available for buyers to absorb while rates remain relatively low.

Month-to-Month Sales Trends

Single Family Homes, Townhomes, Condos

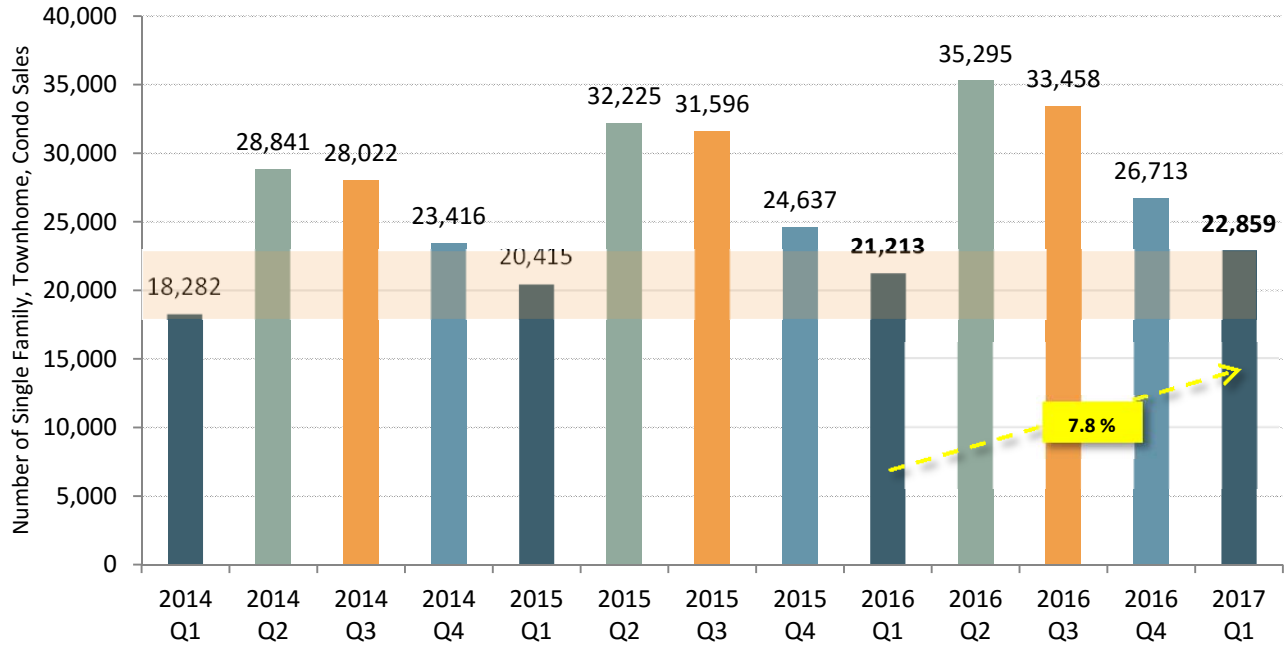


	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec
2014	5,427	5,705	7,150	8,507	9,701	10,633	10,176	9,486	8,360	8,448	6,662	8,306
2015	5,807	6,087	8,521	9,171	10,370	12,684	11,824	10,205	9,567	8,872	7,020	8,745
2016	5,946	6,577	8,690	10,209	11,786	13,300	11,536	11,779	10,143	9,017	8,607	9,089
2017	6,464	6,655	9,740									

Each month of the first quarter in 2017 had higher sales than in the corresponding months of the previous year. In particular, March sales (9,740) were markedly higher than their prior year benchmark, increasing 12.1 percent from March 2016 (8,690). Pace typically rises each month following January, leading into peak summertime sales. The dramatic month-to-month jump at the end of the 2017 first quarter reflects loosened inventory in March following prolonged constraints. For the previous three years, the February to March increase averaged 32.5 percent; for 2017, it was 46.4 percent.

Quarterly Residential Sales

Single Family Homes, Townhomes, Condos

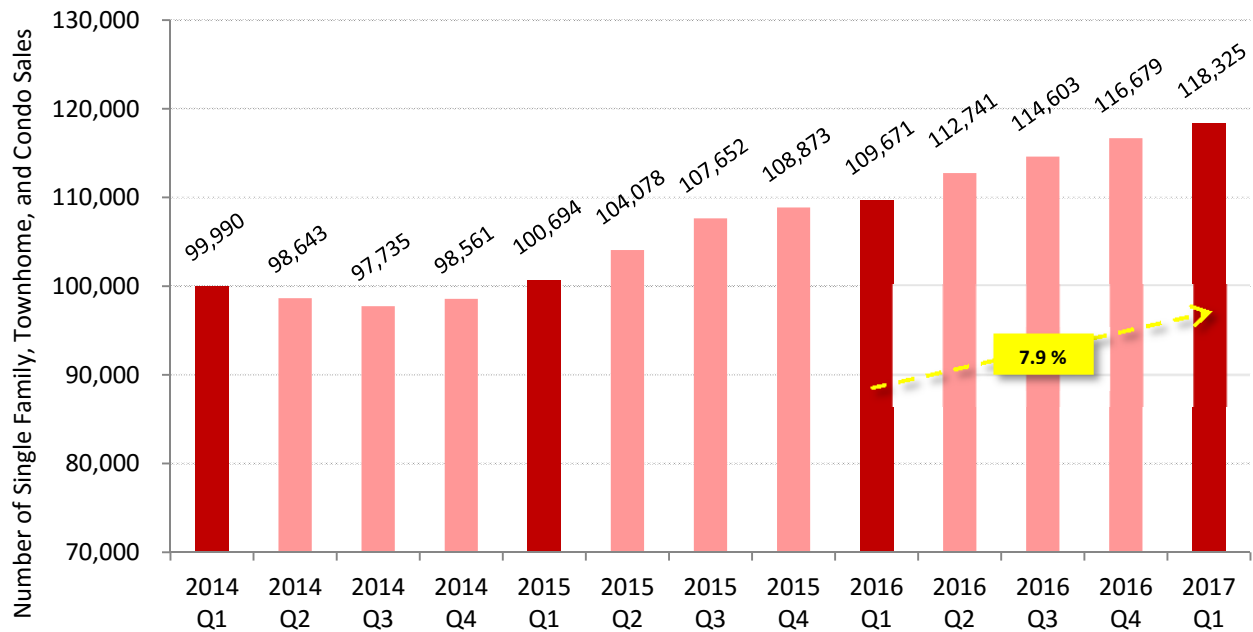


Sales in the first quarter of 2017 grew by 7.8 percent year-over-year, from a total of 21,213 in 2016 Q1 to 22,859. Relative to the first quarter of 2015, sales for the first quarter of 2017 rose 12 percent (from 20,415 transactions). Further indicated through the annualized sales trend (page 5), year-over-year improvements in quarterly performance indicate sustained market expansion.

Note: the horizontal bar in the graph indicates the variance in first quarter sales from 2014 through 2017, beginning with 18,282 sales in 2014 and rising eventually to 22,859 sales in 2017, with graduated increases for each year in between. 2017 first quarter sales were 25 percent higher than their 2014 benchmark.

Annualized Residential Sales

Single Family Homes, Townhomes, Condos

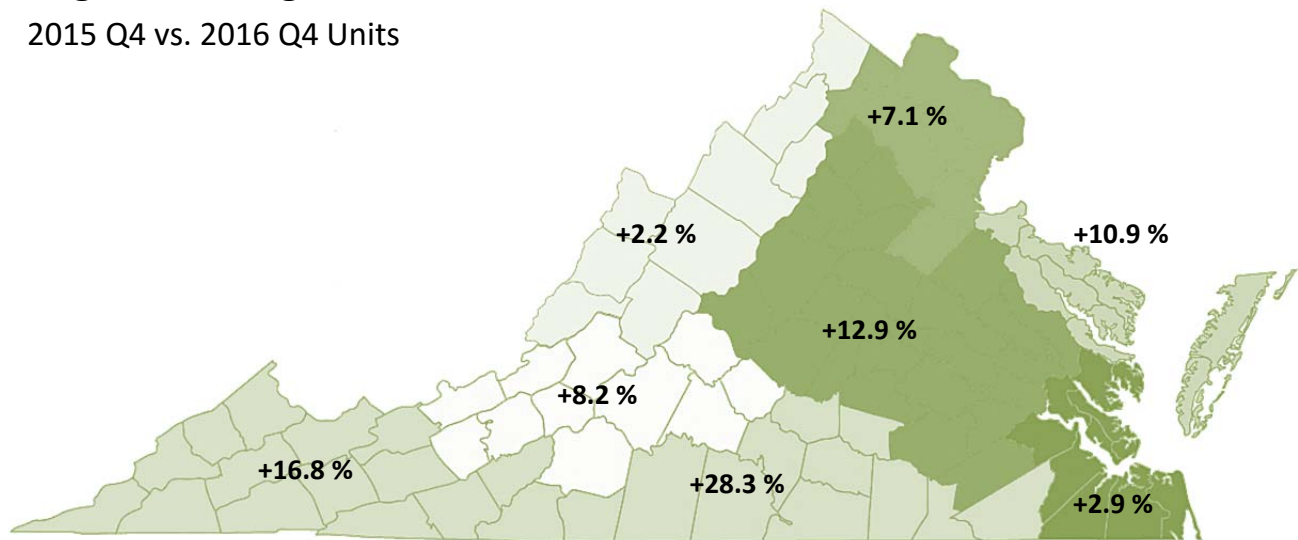


Each data point on the graph above represents twelve months of home sales data ending in the quarter shown. For example, the 2017 Q1 figure (118,325 sales) includes home sales from April 2016 through March 2017, and the 2016 Q4 figure (116,679 sales) includes home sales from January 2016 through December 2016. This rolling sum of home sales reduces seasonal effect, providing a clearer indicator of long-term trends in Virginia's housing market. The trend of continued improvement in this measure illustrates how Virginia's residential real estate market has grown consistently over the long-term. Annualized sales ending in the first quarter of 2017 grew 1.4 percent from the previous quarter. Year-over-year, the measure grew 7.9 percent.

Indicating that growth has been sustained regardless of seasonal market fluctuations, annualized sales have grown for ten consecutive quarters. The average growth per quarter over that time period has been 1.9 percent. This suggests that, if remaining on trend, the annualized sales figure ending in the second quarter of 2017 may approach 121,000 sales.

Regional Changes in Sales

2015 Q4 vs. 2016 Q4 Units

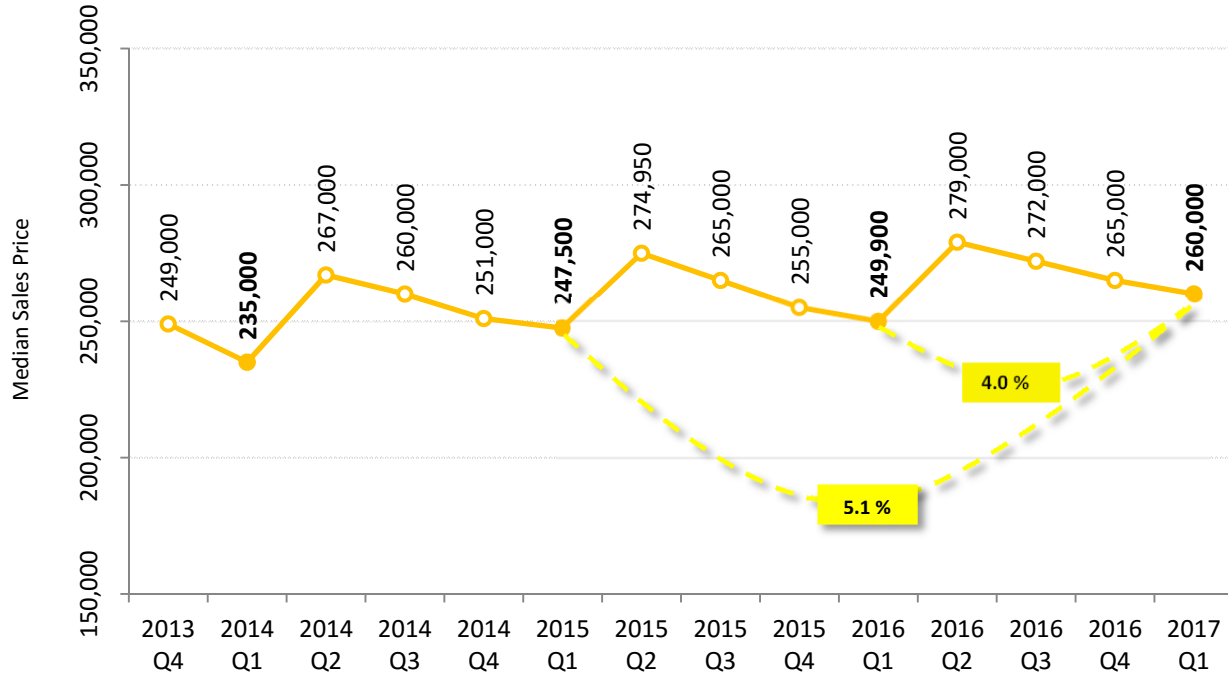


Region	2016 Q1	2017 Q1	
Central	4,343	4,905	12.9%
Eastern	386	428	10.9%
Hampton Roads	5,169	5,320	2.9%
Northern	7,762	8,313	7.1%
Southside	435	558	28.3%
Southwest	316	369	16.8%
Valley	1,078	1,102	2.2%
West Central	1,711	1,851	8.2%
Other	13	13	0%
ALL of Virginia	21,213	22,859	7.8%

The chart above compares 2016 first quarter sales to 2017 first quarter sales, by region. All regions experienced notable growth from the same period last year, for a statewide aggregate jump of 7.8 percent. The greatest year-over-year percentage increases occurred in the Southside and Southwest regions. Performance metrics are relative to the absolute number of sales, so less dense regions with increasing sales may show a relatively higher growth percentage. Two of the densest regions – Northern and Central – gained notably as well.

Median Residential Sales Price

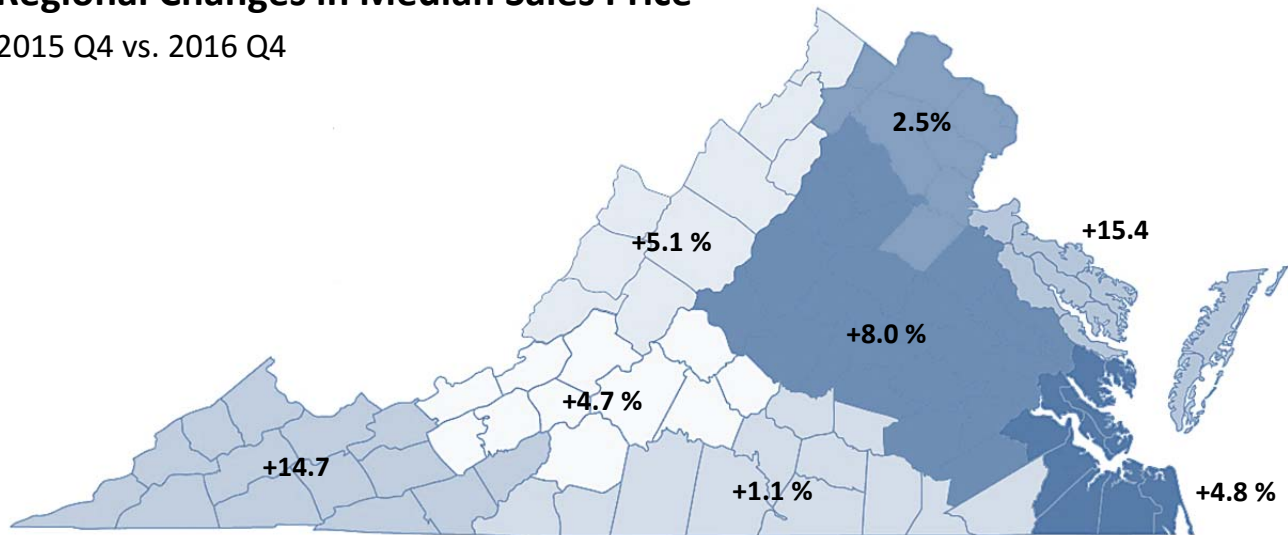
Single Family Homes, Townhomes, Condos



In comparison to the first quarter of 2016, aggregate median price rose by 4 percent for the first quarter of 2017. Relative to the first quarter of 2015, median price rose by 5.1 percent. Price rises have been spurred by increased buyer confidence, with demand consistently exceeding supply. Reflecting typical seasonal trends, median price fell relative to the fourth quarter of 2017 by 1.9 percent, from \$265,000 to \$260,000. A decline in price from the fourth to first quarters is expected as activity is usually slowest in January and February each year.

Regional Changes in Median Sales Price

2015 Q4 vs. 2016 Q4

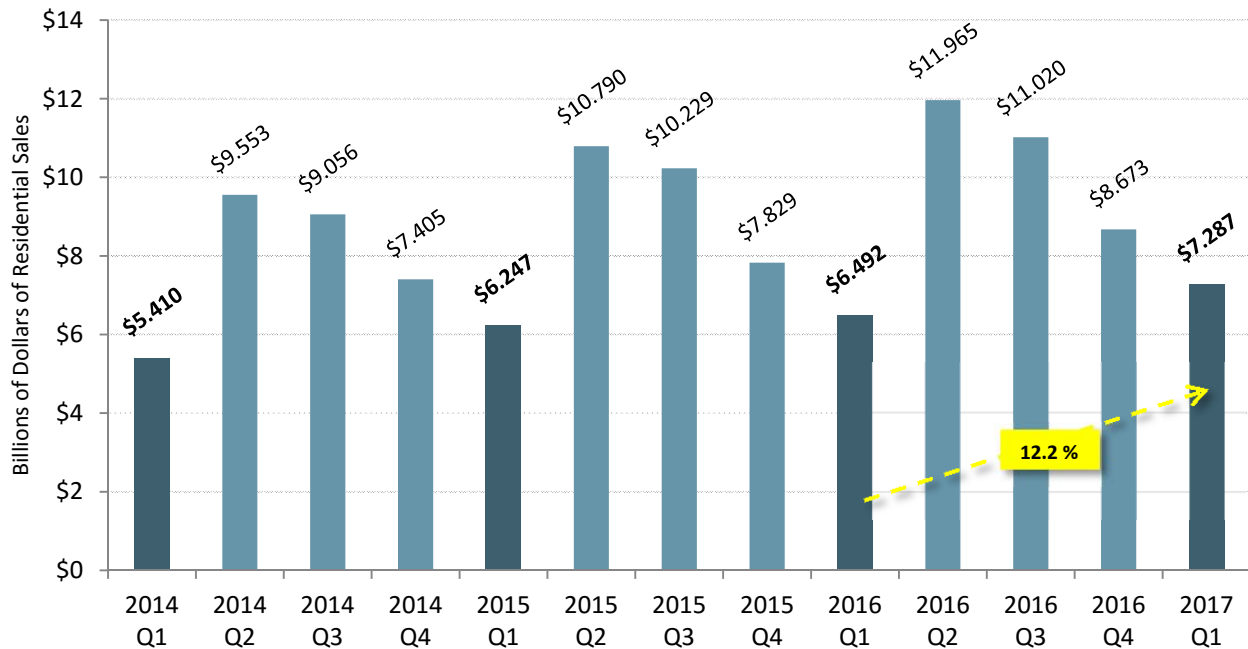


Region	2016 Q1	2017 Q1	
Central	\$212,000	\$228,950	8.0%
Eastern	\$171,150	\$197,450	15.4%
Hampton Roads	\$210,000	\$220,000	4.8%
Northern	\$390,000	\$399,900	2.5%
Southside	\$89,000	\$90,000	1.1%
Southwest	\$100,250	\$115,000	14.7%
Valley	\$179,900	\$189,000	5.1%
West Central	\$154,800	\$162,000	4.7%
Other	\$110,000	\$74,000	-32.7%
ALL of Virginia	\$249,900	\$260,000	4.0%

Median sales price increased year-over-year in every region, with particularly strong performance in the Eastern and Southwest regions. Because 'Other' sales represent so few transactions, there is greater variance in price movement for each reporting period.

Quarterly Residential Sales Volume (\$B)

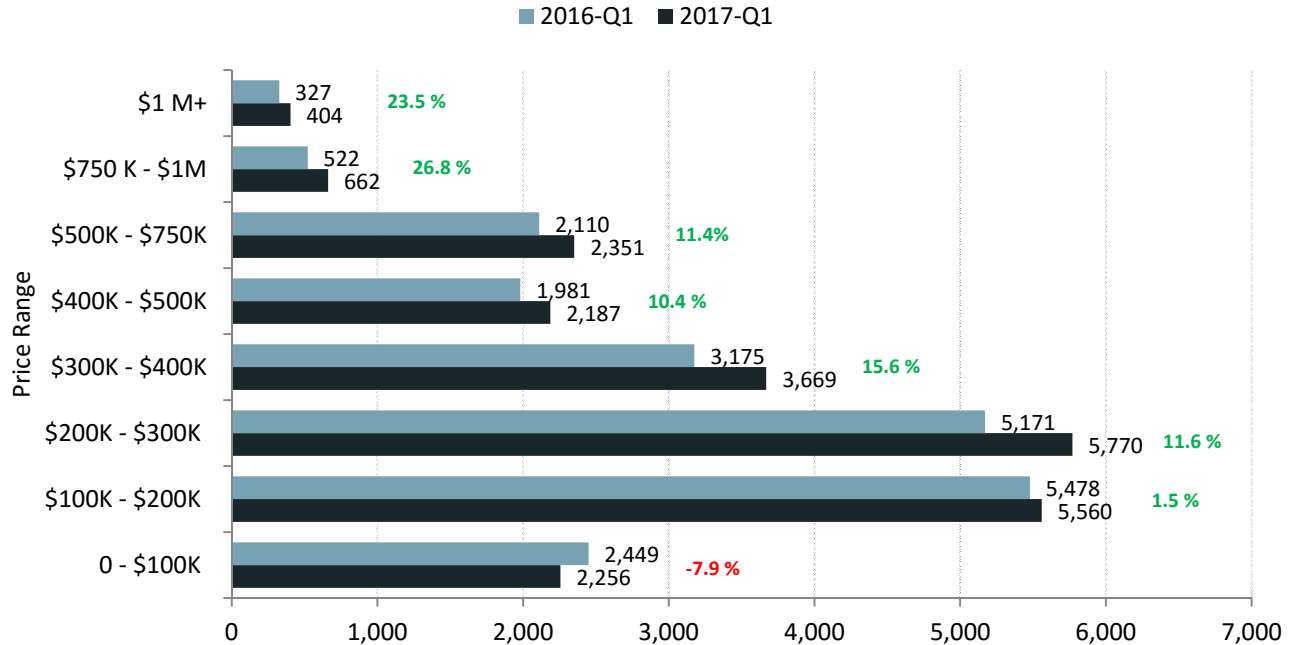
Single Family Homes, Townhomes, Condos



This graph represents the dollar value of residential real estate sold (in billions) during each quarter for the last three years. The volume of real estate sold in the first quarter of 2017 rose by 12.2 percent year-over-year, from \$6.492 billion to \$7.287 billion. Volume is amplified year-over-year by increases in both price and the number of transactions. Because the first quarter of 2017 saw a significant increase in pace alongside steadily rising median price, volume rose significantly on the strength of both contributing factors.

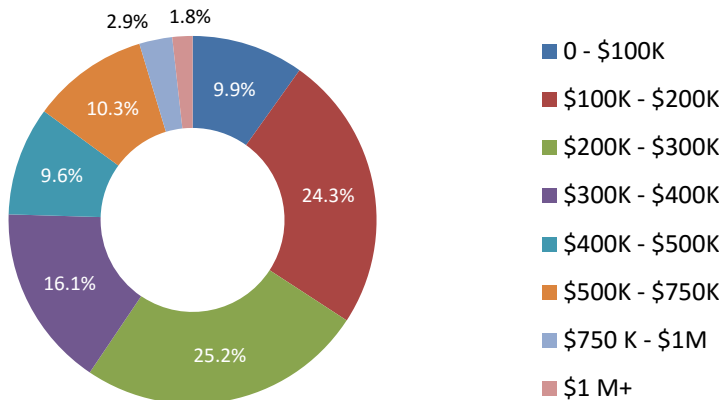
Price Distribution of Residential Home Sales

Single Family Homes, Townhomes, Condos



Year-over-year home sales increased in every price category except the lowest (\$0 to \$100K), where restricted inventory limits the number of sales possible. Growth was particularly strong in the ranges from \$200k to \$400k.

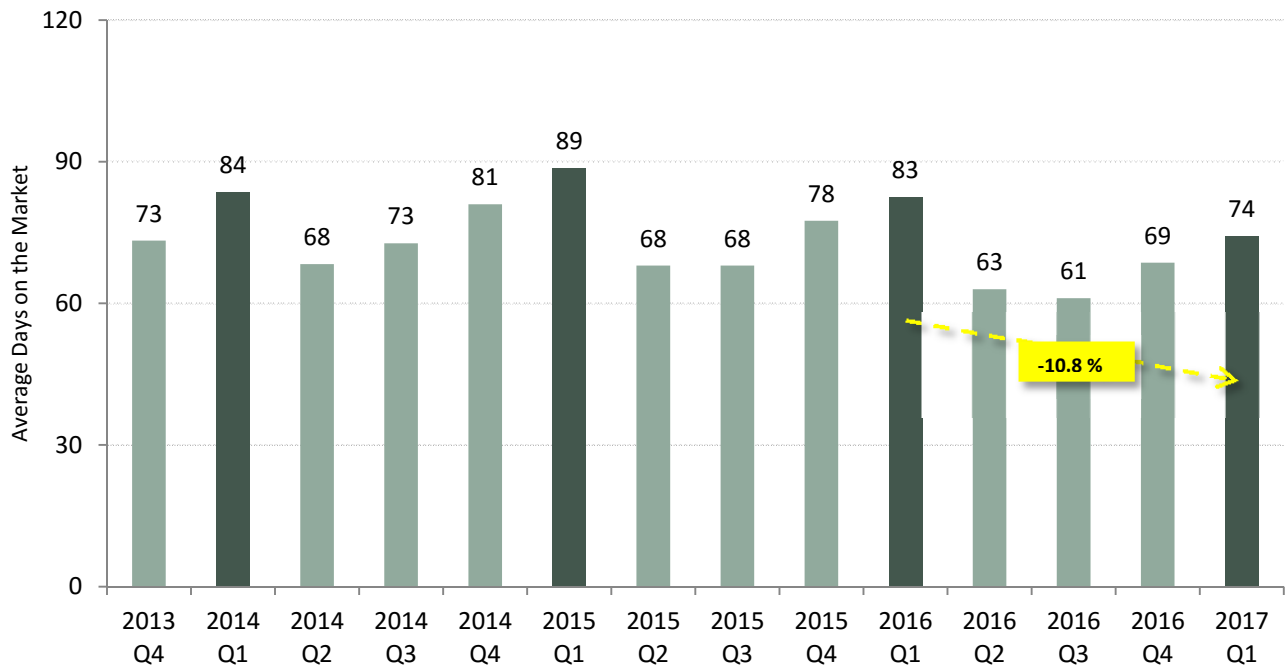
Market Share for Price Bands



Because sales in ranges below \$750,000 represent the vast majority of transactions in Virginia, they are the clearest indicator of market performance. The highest number of transactions by price band in 2017 Q1 happened in the \$200k to \$300k range.

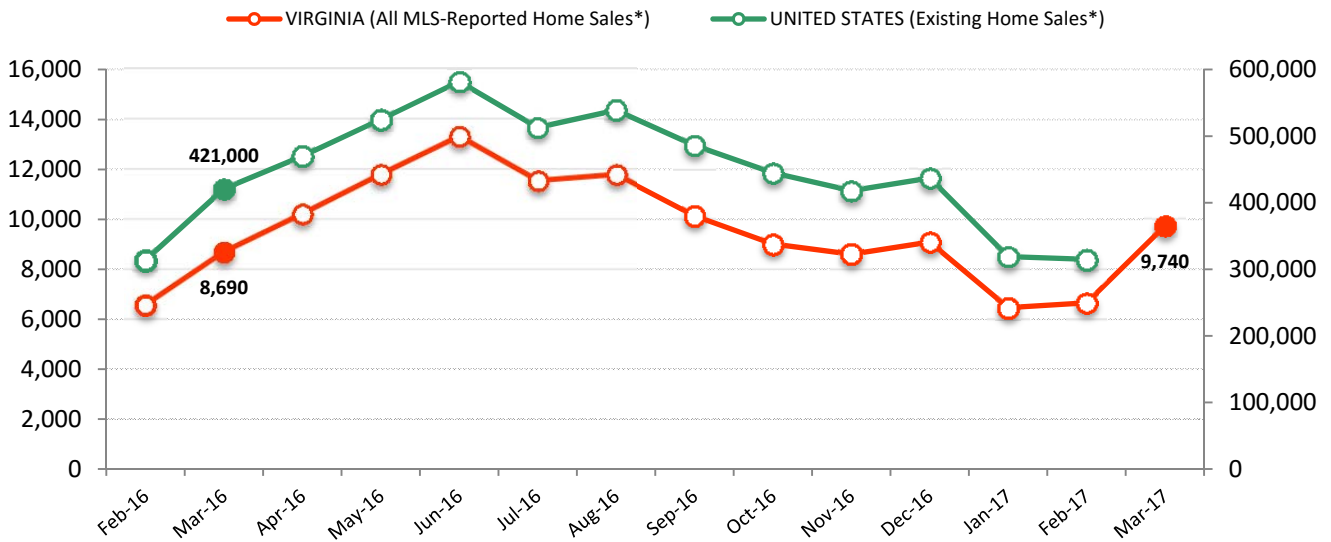
Average Days on the Market

Single Family Homes, Townhomes, Condos



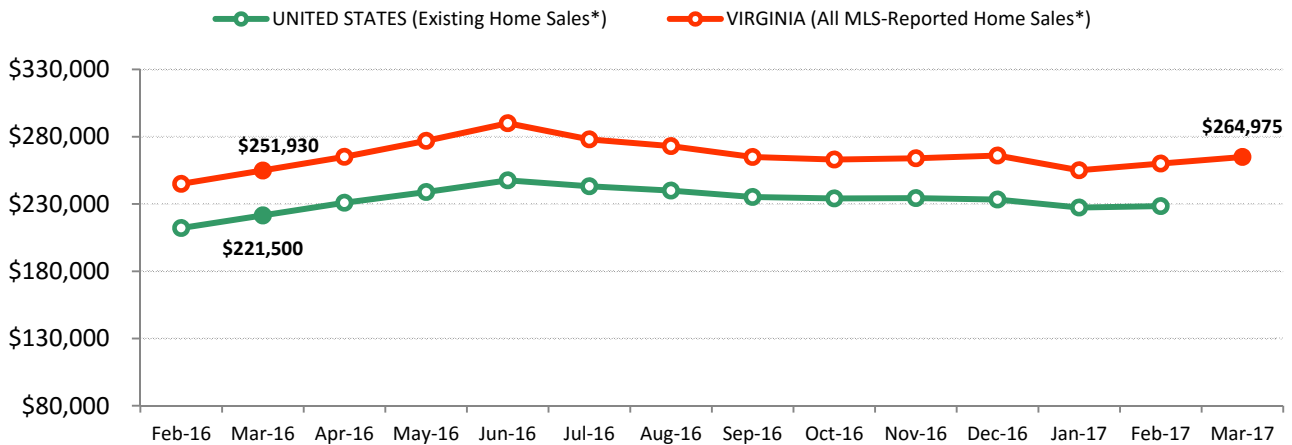
The average number of days on the market in the first quarter of 2017 decreased from the same quarter last year by 10.8 percent. Declining days on the market reflect sustained demand and reaction to the realization of rate increases, as buyers transact with increasing urgency. Typical of industry seasonality, average time on the market lengthened from the fourth quarter to the first, reflecting the slower activity in January and February.

Monthly Residential Sales



The changes in the pace of Virginia home sales in the first quarter have tracked the changes in the pace of sales in the United States as a whole. National existing homes sales figures have not yet been released for March 2017.

Monthly Residential Median Sales Price

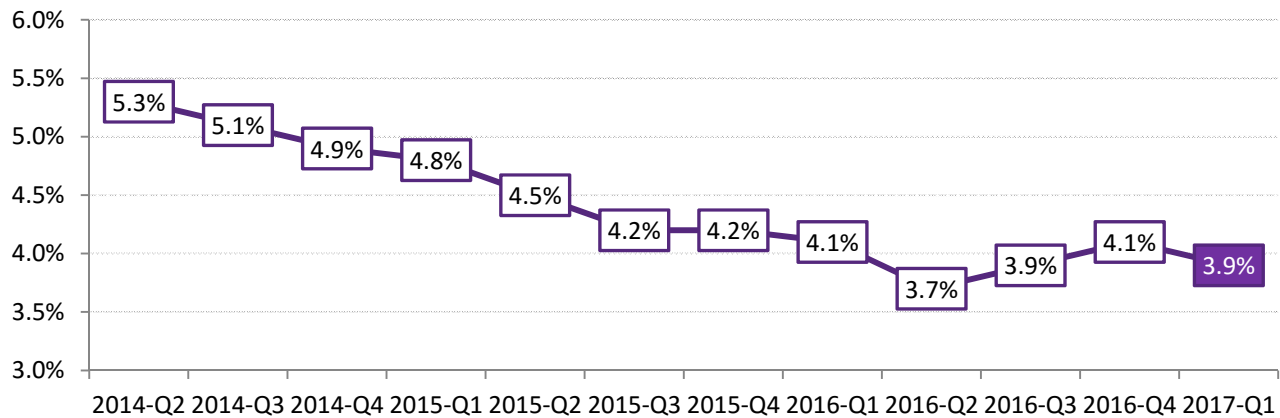


Virginia median price changes were similar to the changes in the median of existing-home sales prices nationally for the first quarter of 2017. Both Virginia and the United States as a whole showed year-over-year increases in median price. National median price has not yet been released for March 2017.

*Virginia sales reported in the graphs above include all single family, townhouse, and condo sales. U.S. sales are existing single family sales as reported by the National Association of REALTORS®. Existing sales do not include newly constructed homes sold for the first time.

Virginia Unemployment Rate

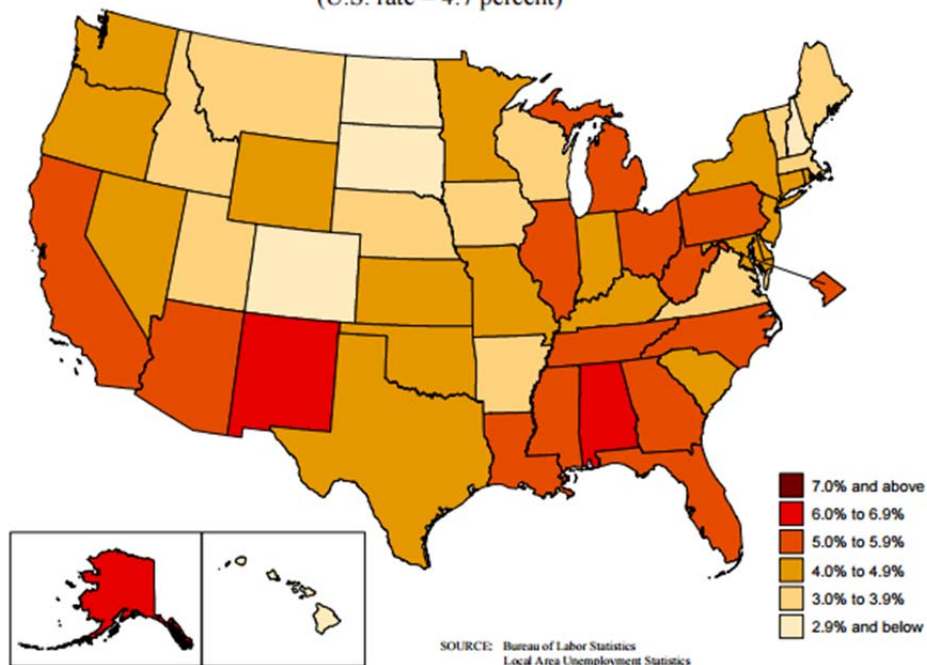
Source: Bureau of Labor Statistics



The Virginia unemployment rate fell in the first quarter to seasonally-adjusted 3.9 percent. Virginia unemployment continues to track below the national average (4.7 percent). Low unemployment is correlated with bolstered consumer confidence. At the national level, a strong first quarter jobs report contributed to the Federal Reserve Bank’s enactment of an increase in the key rate.

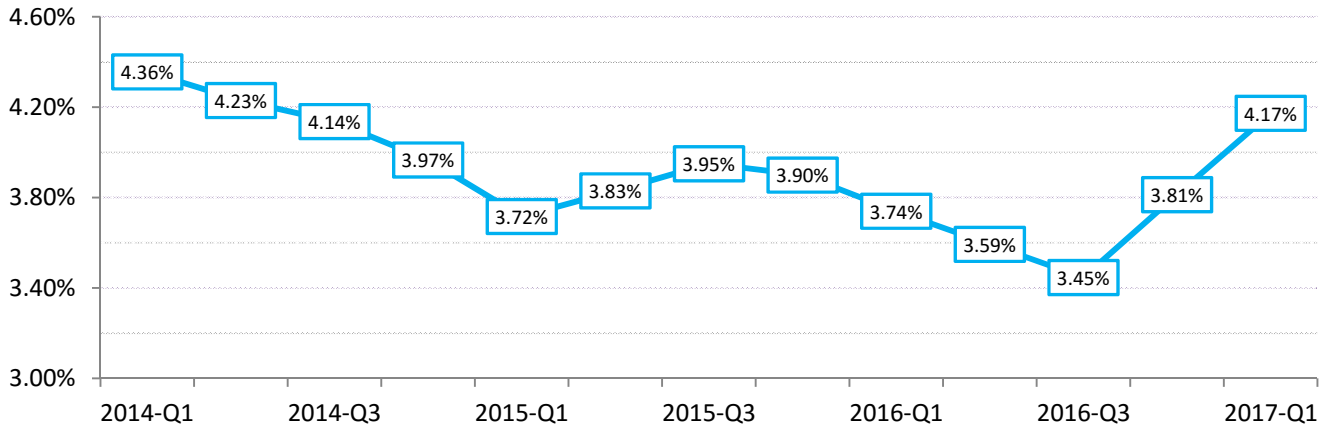
Unemployment rates by state, seasonally adjusted, February 2017

(U.S. rate = 4.7 percent)



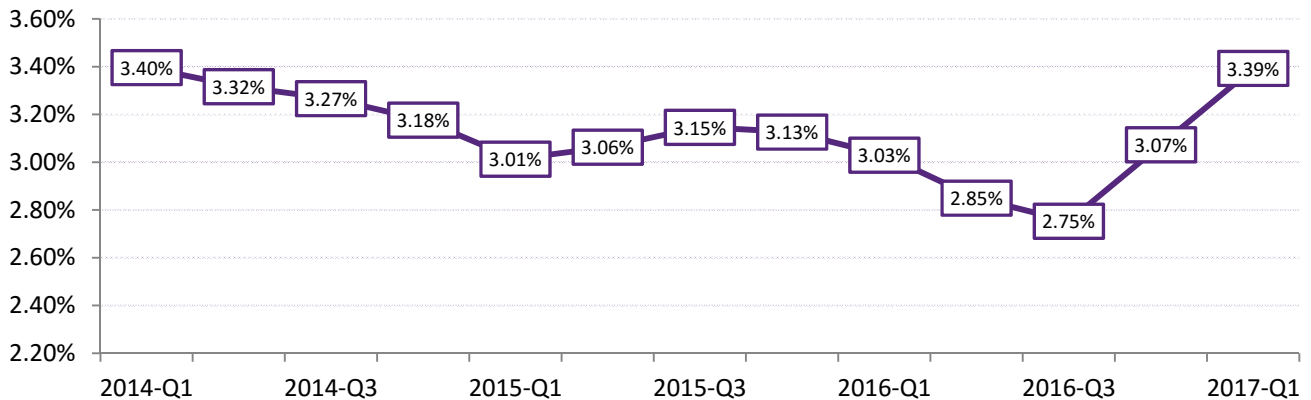
Average 30-Year Mortgage Interest Rates

Source: FreddieMac



Average 15-Year Mortgage Interest Rates

Source: FreddieMac



Though still offering enticing financing opportunity, 30-year and 15-year fixed mortgage interest rates increased notably in the first quarter of 2017. The Federal Reserve Bank announced a widely anticipated rate hike in mid-March, acting on strong labor data. The quarterly average of the 30-year fixed mortgage interest rate reached its highest point since the third quarter of 2014, and the 15-year reached its highest point since the second quarter of 2014.

The Virginia REALTORS® association is the largest professional trade association in Virginia, representing approximately 32,000 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.

All inquiries regarding this report may be directed to:

Jenny Wortham
Virginia REALTORS®
jwortham@viriniarealtors.org
804-262-3755

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.