

WAAR WILLIAMSBURG HOME SALES REPORT

CUSTOM REPORT PREPARED BY
VIRGINIA REALTORS®

WAAR Home Sales Report

3rd Quarter 2020

Williamsburg Area Association of REALTORS®

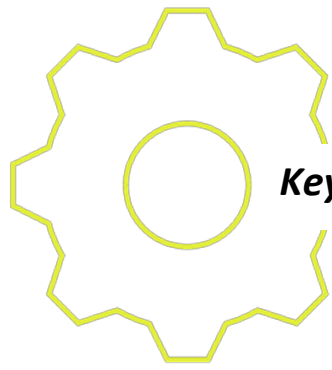
Market Report Key Takeaways

Economic Conditions

- In the Williamsburg region, economic conditions improved in the 3rd quarter, with the regional unemployment rate falling steadily.
- Consumer confidence in the economy plummeted in August but rebounded again in September.
- Mortgage rates remained at historically low levels throughout the 3rd quarter; rates will likely remain low well into 2021.

Housing Market Conditions

- Market activity picked back up this quarter in the WAAR region following a slow spring. There were 1,330 sales in the 3rd quarter, a 17% jump from last year, a gain of 192 sales.
- Home prices in the WAAR footprint continue to rise. At \$321,898, the 3rd quarter median sales price rose 7% from this time last year.
- Inventory remains low in the WAAR housing market and continues to shrink. There were 947 active listings on the market at the end of the 3rd quarter, which is 23% fewer listings than a year ago.



Key Trends Dashboard, WAAR

Economy



6.1%

Is the Aug-2020 **unemployment rate** in the WAAR footprint, which is down from Jul-2020



2.81%

Is the **30-year fixed-rate mortgage rate** during the 2nd week of October 2020, which is down 0.88 percentage points from a year ago

Housing Market



192

More **home sales** in the WAAR footprint in Q3-2020 compared to last year



7%

Percent change in **median sales price** in the WAAR region in Q3-2020 compared to a year ago



\$89.6

Million dollars more in total **sold volume** in the WAAR footprint in Q3-2020 compared to last year



-23%

Percent change in **active listings** at the end of Q3-2020 in the WAAR market compared to a year ago



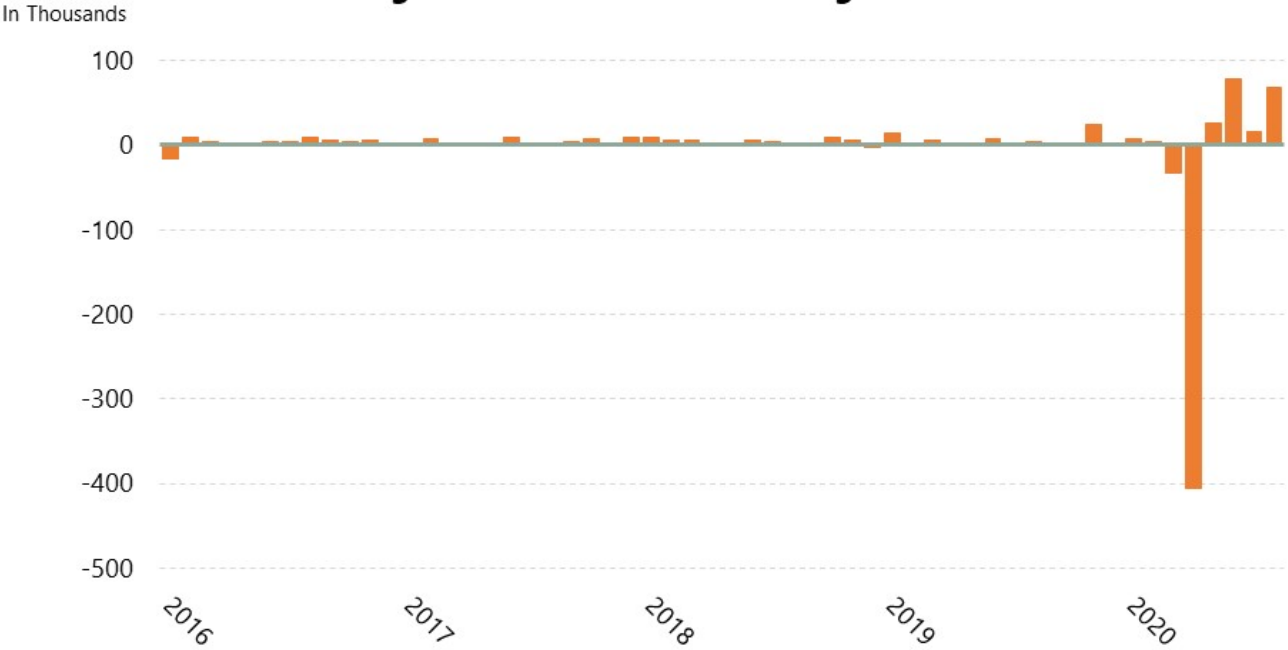
2.8

Months of supply in the WAAR footprint in Q3-2020, which is down from a year ago

Economic Overview

The national economy improved in the 3rd quarter of 2020, though there are some signs of uncertainty in the recovery. The U.S. economy gained jobs for five consecutive months and the national unemployment rate fell to 7.9% in September. Economic conditions in Virginia are somewhat better than they are nationally. The Commonwealth has added jobs consistently for four consecutive months, with 68,000 jobs gained in August. Even with these gains, there are still about 212,000 fewer jobs in Virginia this year compared to a year ago. Full recovery of the jobs lost this spring is still a long way off.

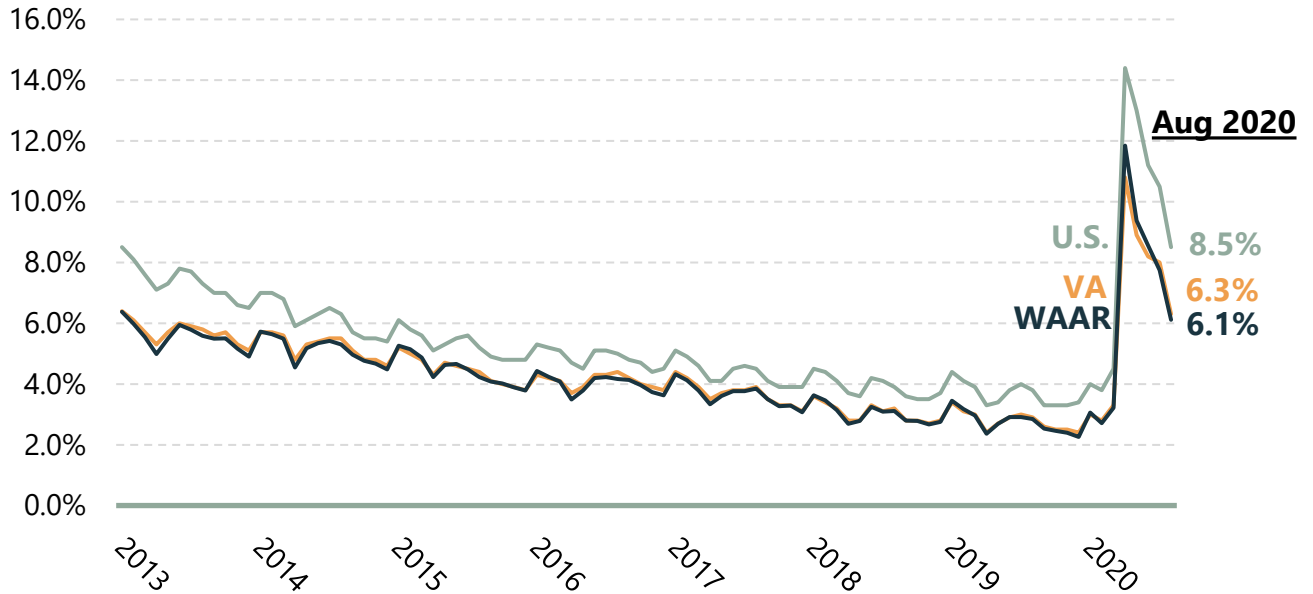
Figure 1
Virginia Month-to-Month Change in Jobs



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

Like the rest of the Commonwealth, the Williamsburg region has seen economic conditions improve in the 3rd quarter. The regional unemployment rate was 6.1% in August, falling from 8.6% and 7.7% in June and July, respectively. While unemployment remains elevated in the Williamsburg area, the decline in the region’s unemployment rate is a positive sign.

Figure 2
Unemployment Rate

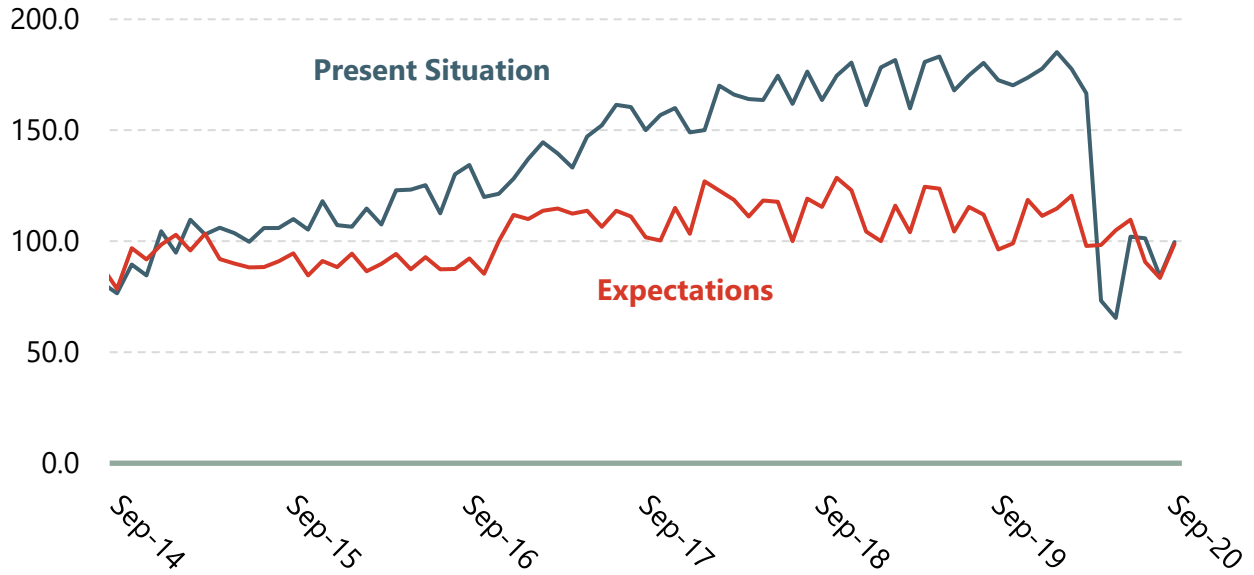


Source: U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics

Measures of consumer confidence reflect the ongoing uncertainty in the economic recovery. The consumer confidence indices for the South Atlantic region (which includes Virginia) plummeted in August before rebounding in September. The measure of confidence in the present economic situation was 99.6 and the future consumer confidence index was 98.8 in September. A consumer confidence index of 100 or more indicates individuals feel optimistic about economic conditions.

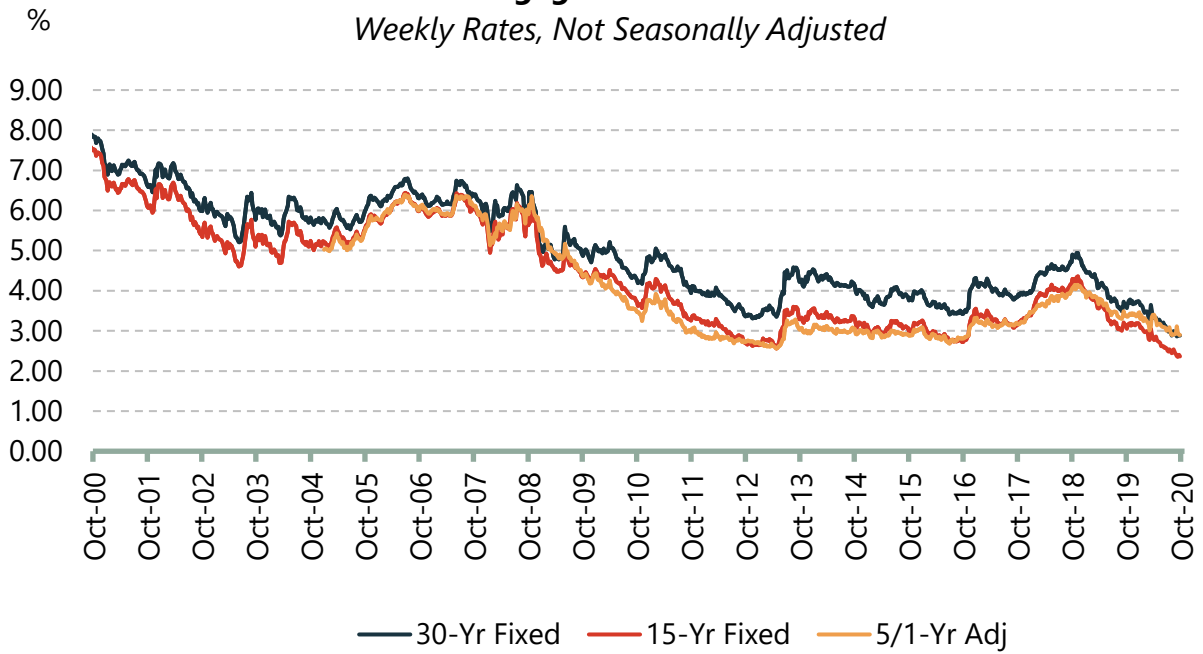
During the 3rd quarter, historically low mortgage rates have continued to spur refinance and purchase activity and sustain confidence in the for-sale housing market. The average 30-year fixed-rate mortgage rate has been below 3% throughout August and September. The pace of mortgage applications slowed slightly at the end of the summer, likely due to a lack of inventory.

Figure 3
Consumer Confidence
South Atlantic Region



Source: The Conference Board

Figure 4
Mortgage Interest Rates
Weekly Rates, Not Seasonally Adjusted



Source: Federal Reserve Bank of St. Louis

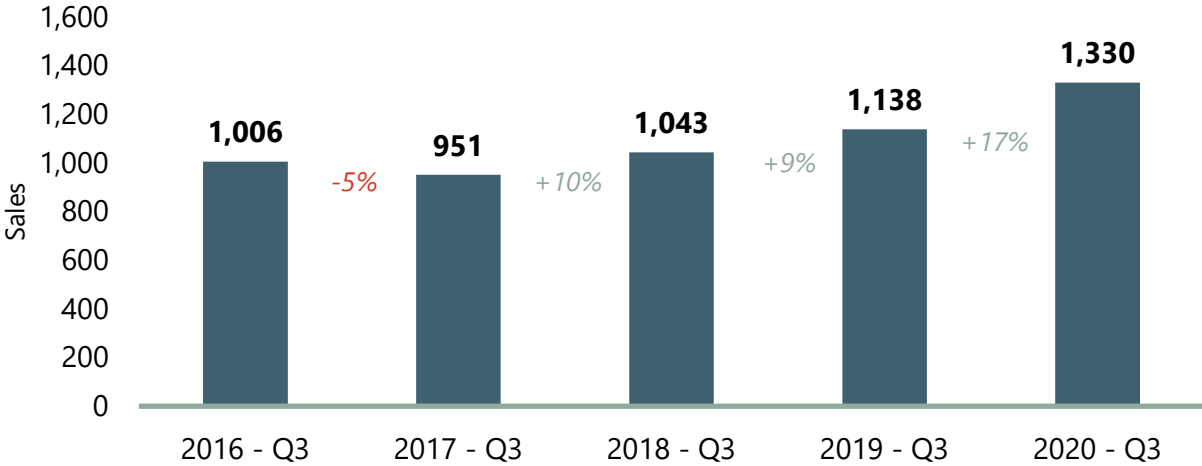
Housing Market Overview

The WAAR regional housing market picked up steam over the summer, following a slow spring market. Sales activity increased in many local markets during the 3rd quarter, which covers the months of July, August, and September. In addition to more sales transactions, home prices continue to climb in the region and homes are selling faster, on average. All of these market indicators are being influenced by the shrinking supply of active listings available in the WAAR footprint. The persistent supply shortage continues to be a major factor in the health of the overall market, as many eager buyers could be unable to find a home in their price range. While the supply remains low and prices are climbing, very attractive interest rates will help to keep financing costs down.

Sales

Sales activity in the WAAR housing market rebounded over the summer following a sluggish spring. There were 1,330 sales across the region in the 3rd quarter, a 17% spike from a year ago, which is 192 more sales. There were more sales in all 3 months of the quarter (July, August, and September). The strong growth in sales activity this summer likely reflects some buyers who have resumed their home searches following a pause in the early months of the ongoing pandemic. The total number of sales statewide jumped up 17% in the 3rd quarter compared to last year, which reflects a widespread rebound in housing markets around the Commonwealth.

Figure 5
3rd Quarter Home Sales, WAAR
2016-2020



Source: Virginia REALTORS®, data accessed October 15, 2020



Local Snapshot – *Total Home Sales*

Charles City County: There were 12 sales in Charles City County during the 3rd quarter, 4 fewer sales than a year ago, representing a 25% drop.

James City County: Following a slow spring, the James City County housing market rebounded strongly in the summer. There were 662 sales in the 3rd quarter, a 22% surge from last year, an increase of 118 sales. This is the largest influx of sales in the County since the spring of 2016.

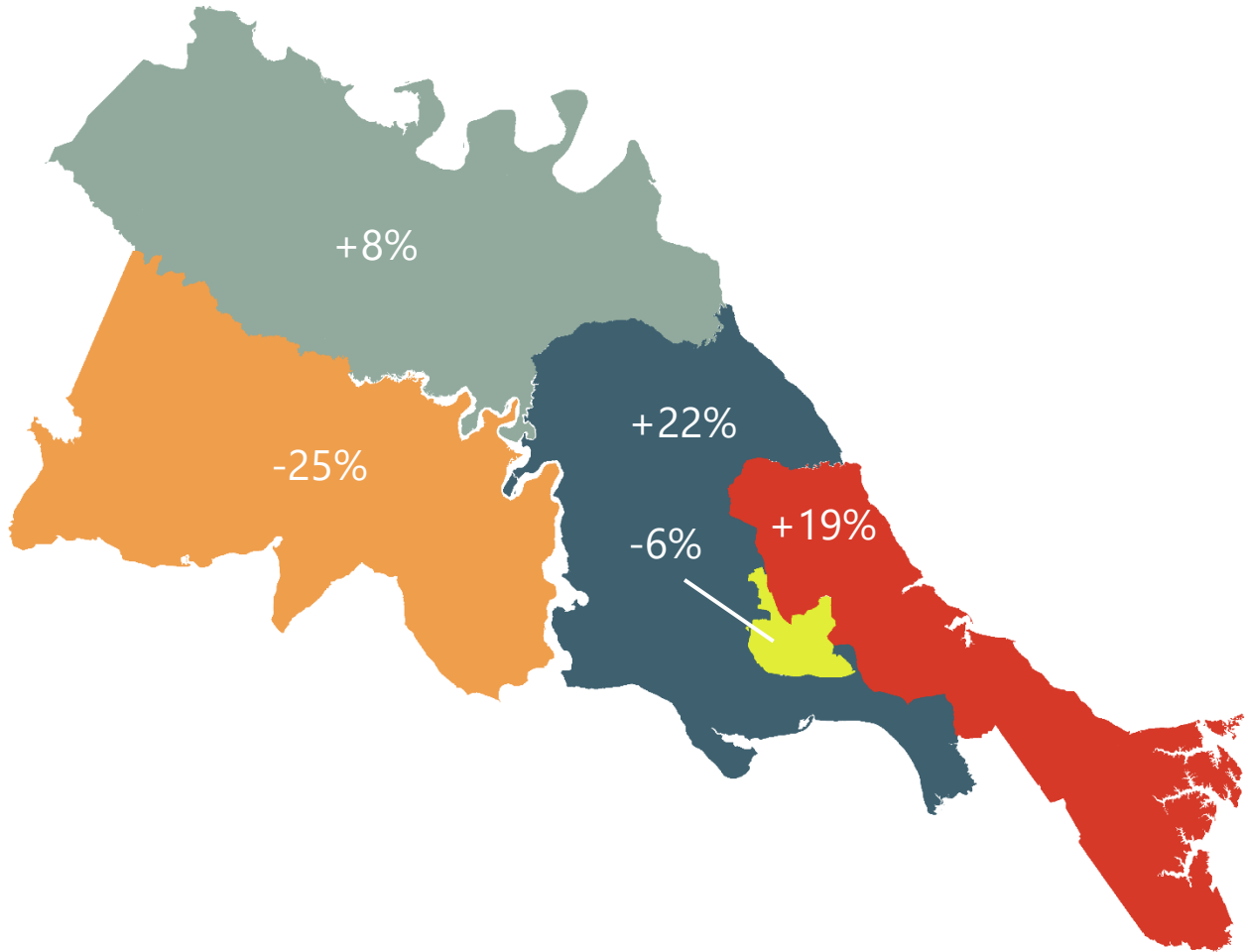
New Kent County: The New Kent County housing market is back on the rise after a slow spring. There were 152 sales in the County during the 3rd quarter, 11 more sales than last year, which is an 8% increase.

Williamsburg: There were 66 sales in the City of Williamsburg in the 3rd quarter, 4 fewer than a year ago, which is a 6% decline. Sluggish sales in September pulled down the quarterly sales totals for the City. Home sales in the City were strong in July and flat in August compared to last year.

York County: After a slowdown last quarter, sales activity in York County is trending back up. There were 438 sales in the 3rd quarter, 71 more sales than a year ago, representing a 19% surge.

Figure 6
Change in Sales by Jurisdiction
WAAR

3rd Quarter 2019 to 3rd Quarter 2020



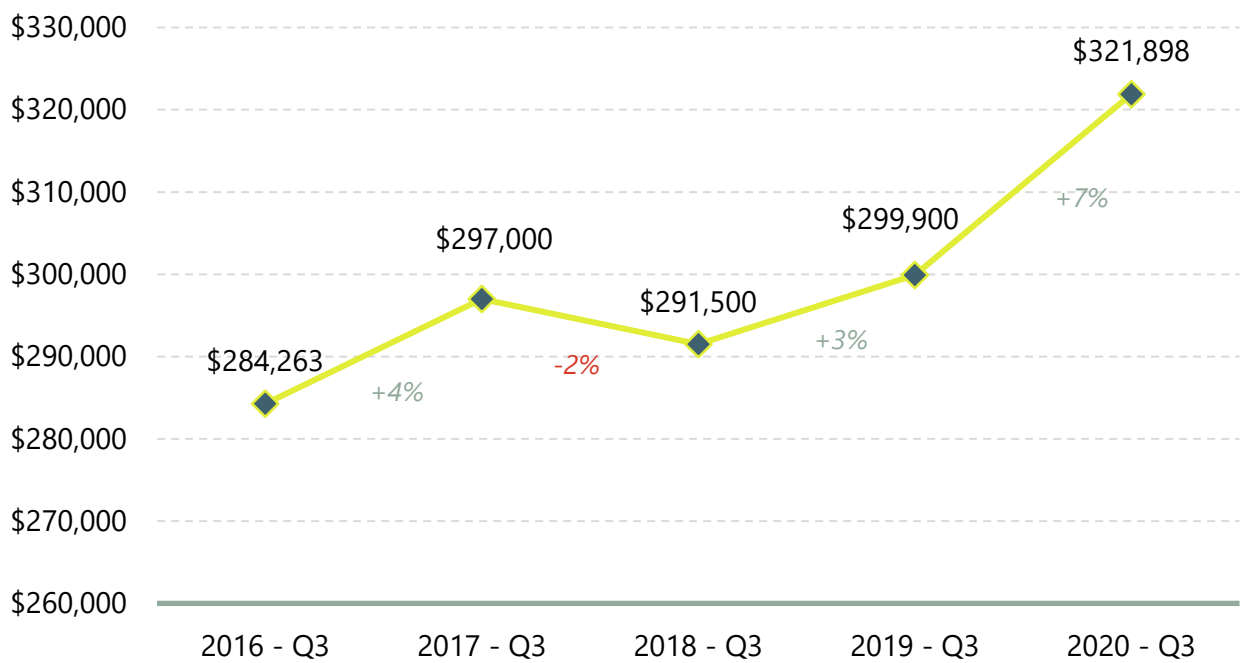
<i>Jurisdiction</i>	<i>2019 - Q3</i>	<i>2020 - Q3</i>	<i>% Change</i>
Charles City County	16	12	-25%
James City County	544	662	22%
New Kent County	141	152	8%
Williamsburg	70	66	-6%
York County	367	438	19%

Source: Virginia REALTORS®, data accessed October 15, 2020

Sales Prices

Sales prices continue to rise in the WAAR area housing market. At \$321,898, the 3rd quarter median sales price rose 7% from last year, a gain of nearly \$22,000. The median sales price has been trending up for several years in the region as demand in the market remains steady and the inventory is historically low. At the State level, the median sales price in Virginia climbed 10% in the 3rd quarter compared to last year.

Figure 7
3rd Quarter Median Sales Price, WAAR
2016-2020



Source: Virginia REALTORS®, data accessed October 15, 2020



Local Snapshot – *Median Sales Price*

Charles City County: At \$222,500, the 3rd quarter median sales price in Charles City County rose 3% from a year ago, a gain of \$6,500. Home prices have been climbing 5 of the past 6 quarters in the County.

James City County: The median sales price in James City County in the 3rd quarter jumped up 10% from last year to \$330,000, a gain of \$30,000. Prices have been trending up in the County's housing market for 3 straight quarters.

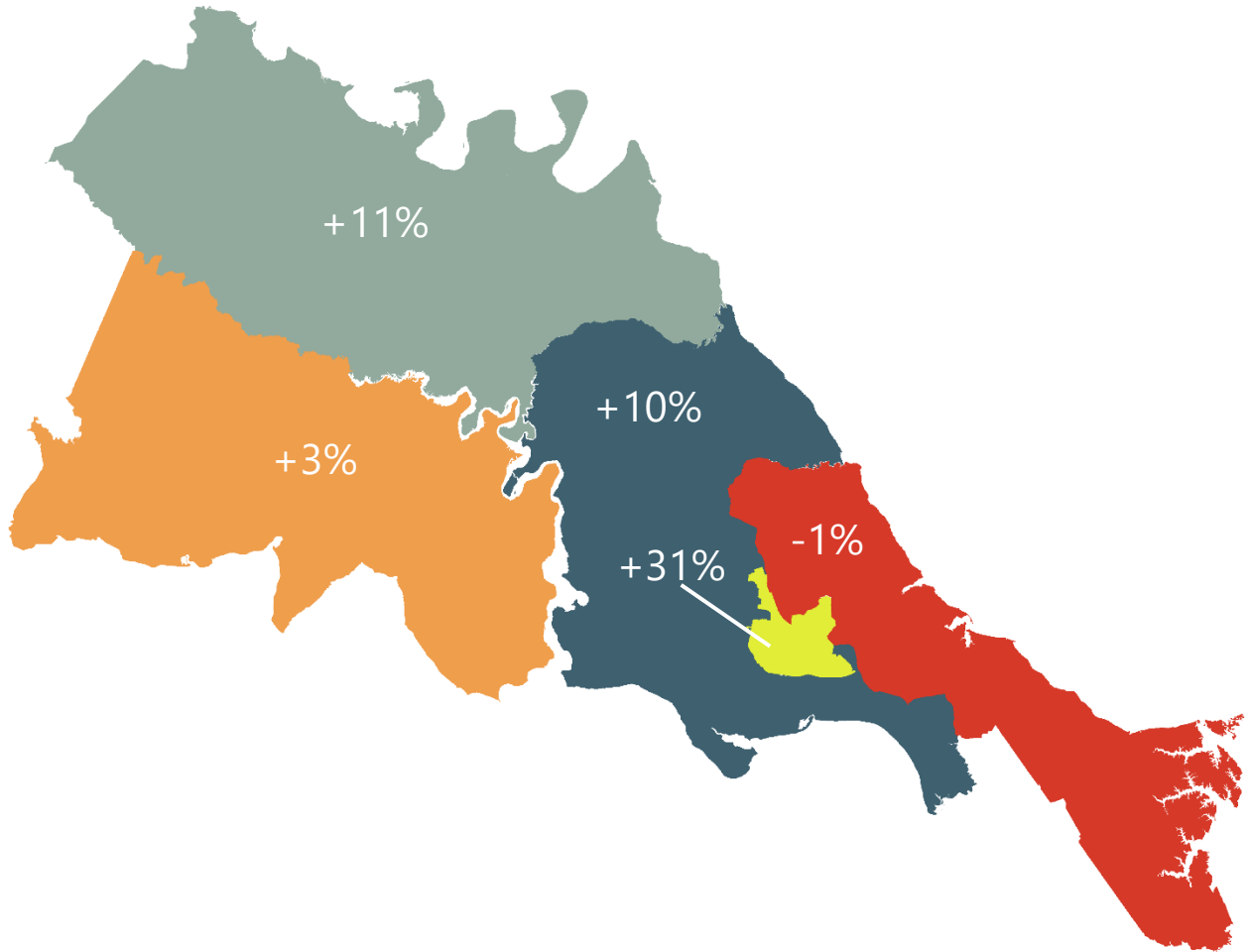
New Kent County: Home prices continue to rise sharply in New Kent County. At \$316,838, the 3rd quarter median sales price jumped up by nearly \$32,000 compared to a year ago, representing an 11% increase. Prices have been trending up 9 of the past 10 quarters in the County.

Williamsburg: After a large decline last quarter, the median home price in Williamsburg surged this quarter. At \$300,250, the 3rd quarter median sales price jumped up 31% from last year, a gain of nearly \$71,000. This is the largest price gain in the City since the fall of 2015.

York County: At \$315,305, the 3rd quarter median sales price in York County inched down 1% from a year ago, a decline of about \$1,700.

Figure 8
Change in Median Sales Price by Jurisdiction
WAAR

3rd Quarter 2019 to 3rd Quarter 2020



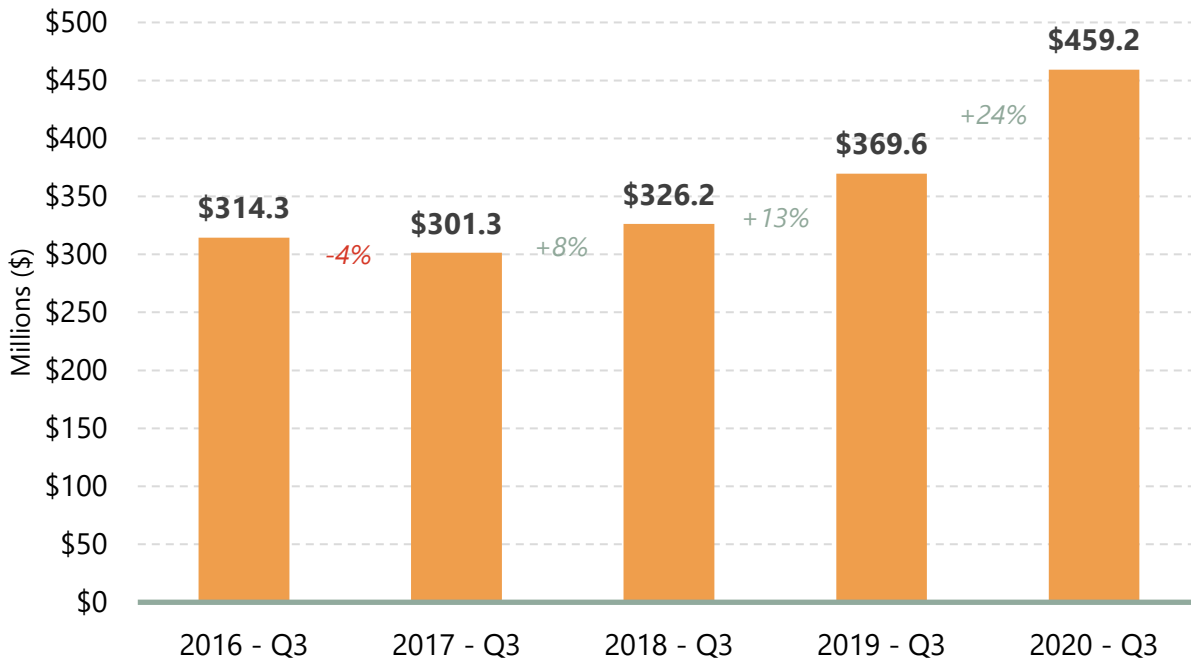
<i>Jurisdiction</i>	<i>2019 - Q3</i>	<i>2020 - Q3</i>	<i>% Change</i>
Charles City County	\$216,000	\$222,500	3%
James City County	\$300,000	\$330,000	10%
New Kent County	\$285,068	\$316,838	11%
Williamsburg	\$229,500	\$300,250	31%
York County	\$317,000	\$315,305	-1%

Source: Virginia REALTORS®, data accessed October 15, 2020

Sold Volume

Strong price growth and a surge in sales led to a significant increase in sold dollar volume this quarter in the WAAR footprint. There was approximately \$459.2 million of sold volume across the region in the 3rd quarter, a 24% increase from a year ago, a gain of \$89.6 million. This represents the largest increase of quarterly sold volume the WAAR market has had during any quarter in more than 5 years. The large increase in sold volume this quarter indicates that some of the pent-up demand from the slow spring has now been absorbed into the market.

Figure 9
3rd Quarter Sold Dollar Volume (Millions), WAAR
2016-2020



Source: Virginia REALTORS®, data accessed October 15, 2020



Local Snapshot – *Sold Dollar Volume*

Charles City County: There was approximately \$3.6 million of sold volume in Charles City County in the 3rd quarter, a 16% decline from last year, which is about \$700,000 less sold volume.

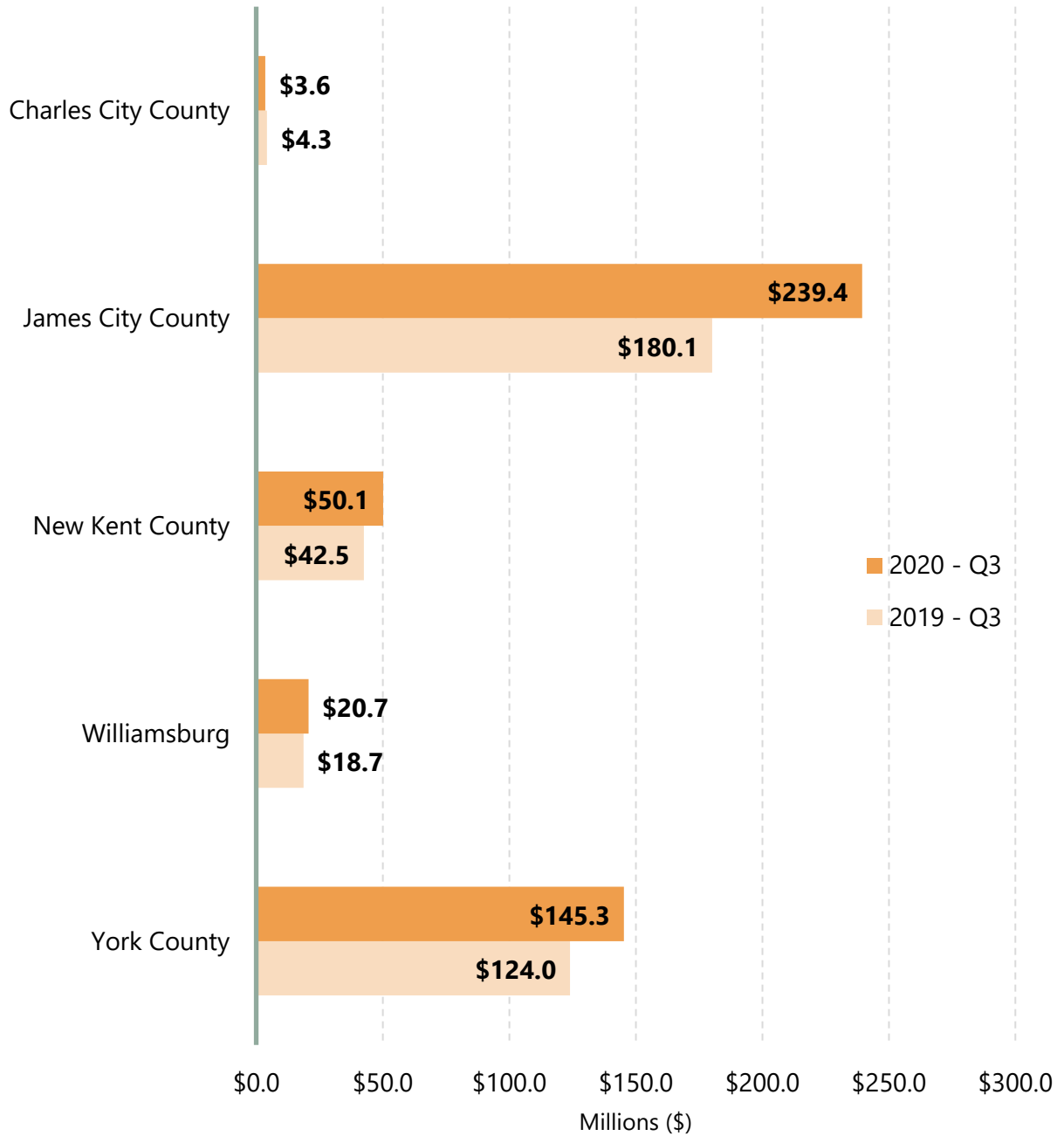
James City County: The surge in sales activity and strong price growth led to the largest quarterly increase in sold dollar volume in more than 5 years in James City County. There was about \$239.4 million of sold volume in the County during the 3rd quarter, \$59.3 million more than a year ago, representing a 33% jump in volume.

New Kent County: There was about \$50.1 million of sold volume in New Kent County in the 3rd quarter, an 18% increase from last year, which is about \$7.6 million of additional volume. This volume gain was largely driven by strong price growth this quarter.

Williamsburg: While there were fewer sales overall this quarter, very strong price growth in the City of Williamsburg led to an increase in the total sold dollar volume. There was approximately \$20.7 million of sold volume in the City during the 3rd quarter, an 11% increase from last year, which is about \$2 million more of sold volume.

York County: The influx of sales transactions led to a strong quarter for sold dollar volume in York County. There was approximately \$145.3 million of sold volume in the County during the 3rd quarter, a 17% jump from last year, a gain of about \$21.3 million.

Figure 10
3rd Quarter Sold Dollar Volume, WAAR Jurisdictions
2019 and 2020

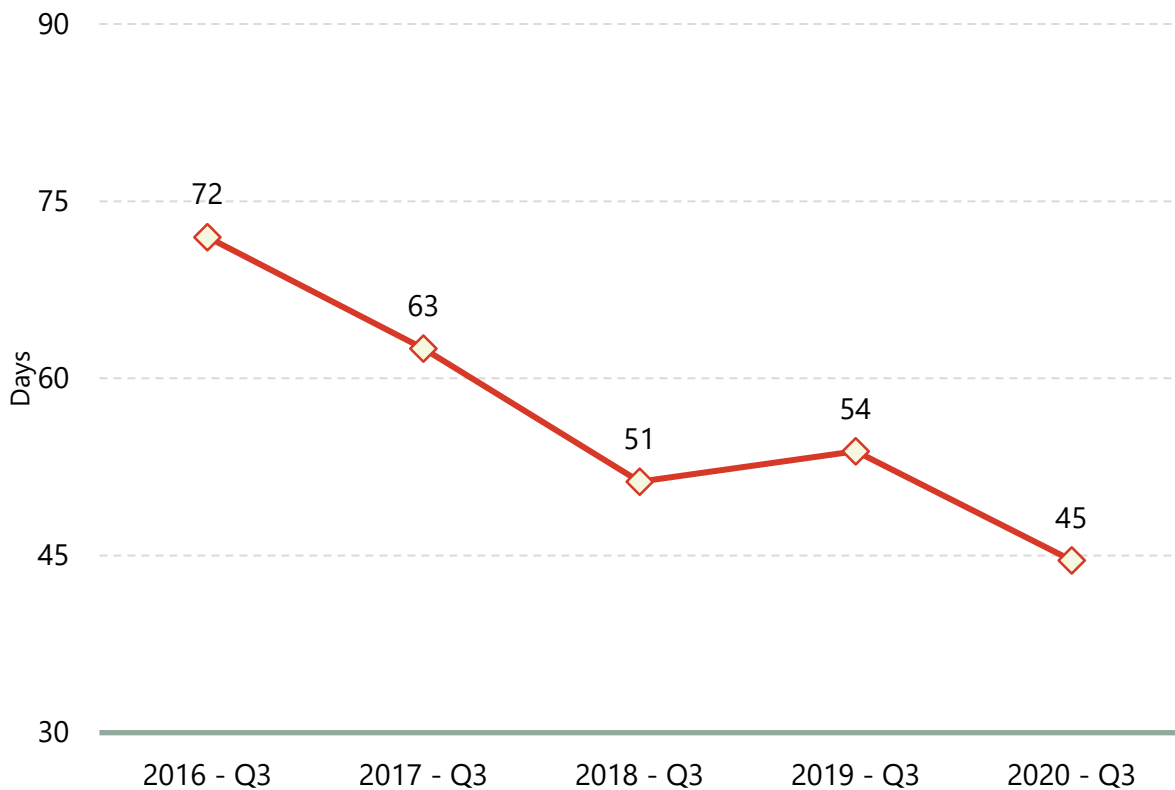


Source: Virginia REALTORS®, data accessed October 15, 2020

Days on Market

Homes continue to sell faster in the WAAR area market. Regionwide, the average days on market during the 3rd quarter was 45 days, which is 9 days faster than last year. Homes have been selling faster consistently in the region for about 5 years. These trends are occurring in most local markets in the WAAR footprint and are largely driven by the low level of active listings that are available. Statewide, homes sold in 39 days, on average, during the 3rd quarter, which is 5 days faster than last year.

Figure 11
3rd Quarter Average Days on Market, WAAR
2016-2020



Source: Virginia REALTORS®, data accessed October 15, 2020



Local Snapshot – *Average Days on Market*

Charles City County: The average days on market in the 3rd quarter in Charles City County was 36 days, 2 days shorter than a year ago.

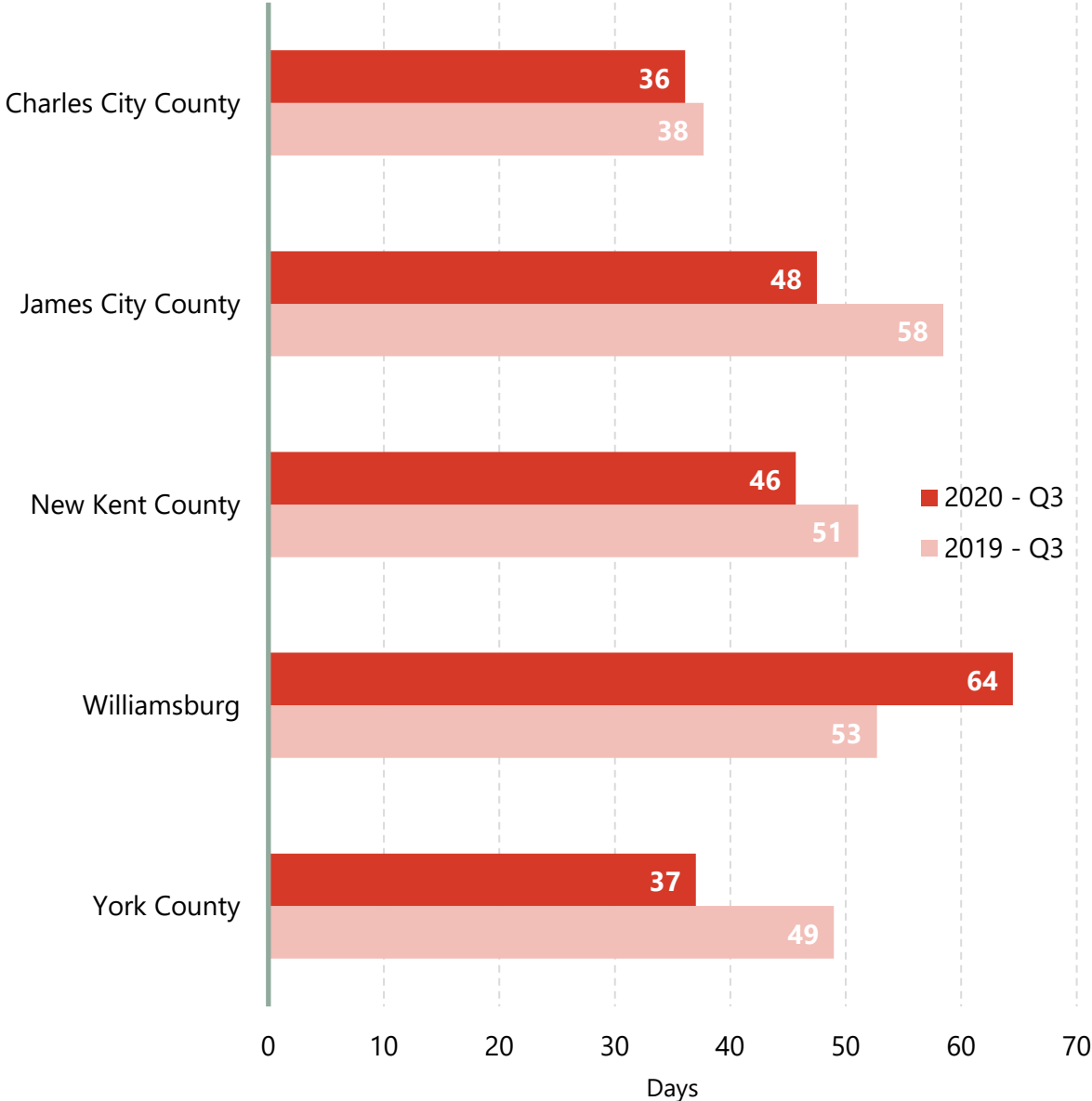
James City County: At 48 days, the average days on market in James City County in the 3rd quarter is 10 days faster than last year. Homes have been selling faster for 3 consecutive quarters in the County.

New Kent County: Homes that sold in the 3rd quarter in New Kent County were on the market an average of 46 days, which is 5 days faster than a year ago.

Williamsburg: After trending down for a year, it took longer, on average, for homes to sell in Williamsburg this quarter. The average days on market in the City during the 3rd quarter was 64 days, which is 11 days longer than last year.

York County: At 37 days, the average days on market in York County in the 3rd quarter was 12 days faster than a year ago. Homes have been selling faster in the County consistently for several years.

Figure 12
3rd Quarter Average Days on Market, WAAR Jurisdictions
2019 and 2020



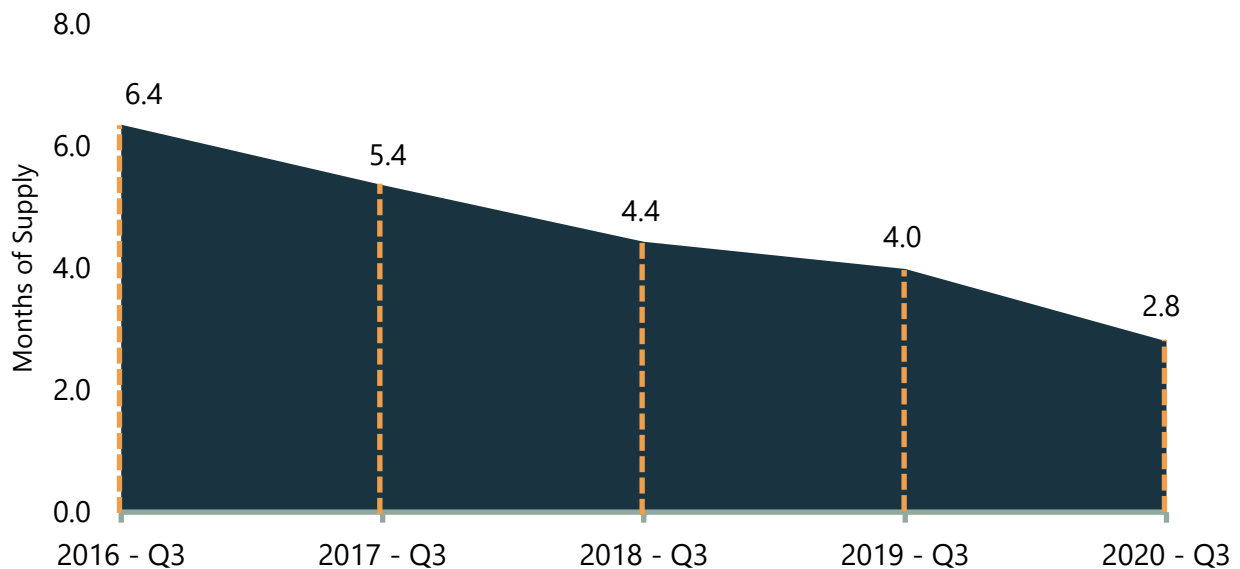
Source: Virginia REALTORS®, data accessed October 15, 2020

Inventory

The inventory shortage continues to be a significant factor in the WAAR area housing market. There were 947 active listings on the market at the end of the 3rd quarter, down 23% from last year, a decline of 279 active listings. Similar inventory trends continue to occur in other regional housing markets across the Commonwealth. There is buyer demand in the WAAR market as evidenced by growing sales activity; however, the persistent shortage of active listings could be dampening sales totals in some local areas if buyers in those markets are unable to find homes in their price range or homes that fit their needs. The overall supply of active listings in Virginia at the end of the 3rd quarter was 39% lower than it was last year.

There was approximately 2.8 months of supply at the end of the 3rd quarter in the WAAR footprint, down from 4.0 months a year ago. The months of supply is calculated by taking the average monthly sales over the preceding 12-month period and dividing it by the inventory of active listings. In most housing markets, a supply below 6 months tends to favor sellers rather than buyers.

Figure 13
End of 3rd Quarter Months Supply, WAAR
2016-2020



Source: Virginia REALTORS®, data accessed October 15, 2020



Local Snapshot – *Active Listings*

Charles City County: There were 13 active listings on the market at the end of the 3rd quarter in Charles City County, a 38% drop from a year ago, which is 8 fewer listings.

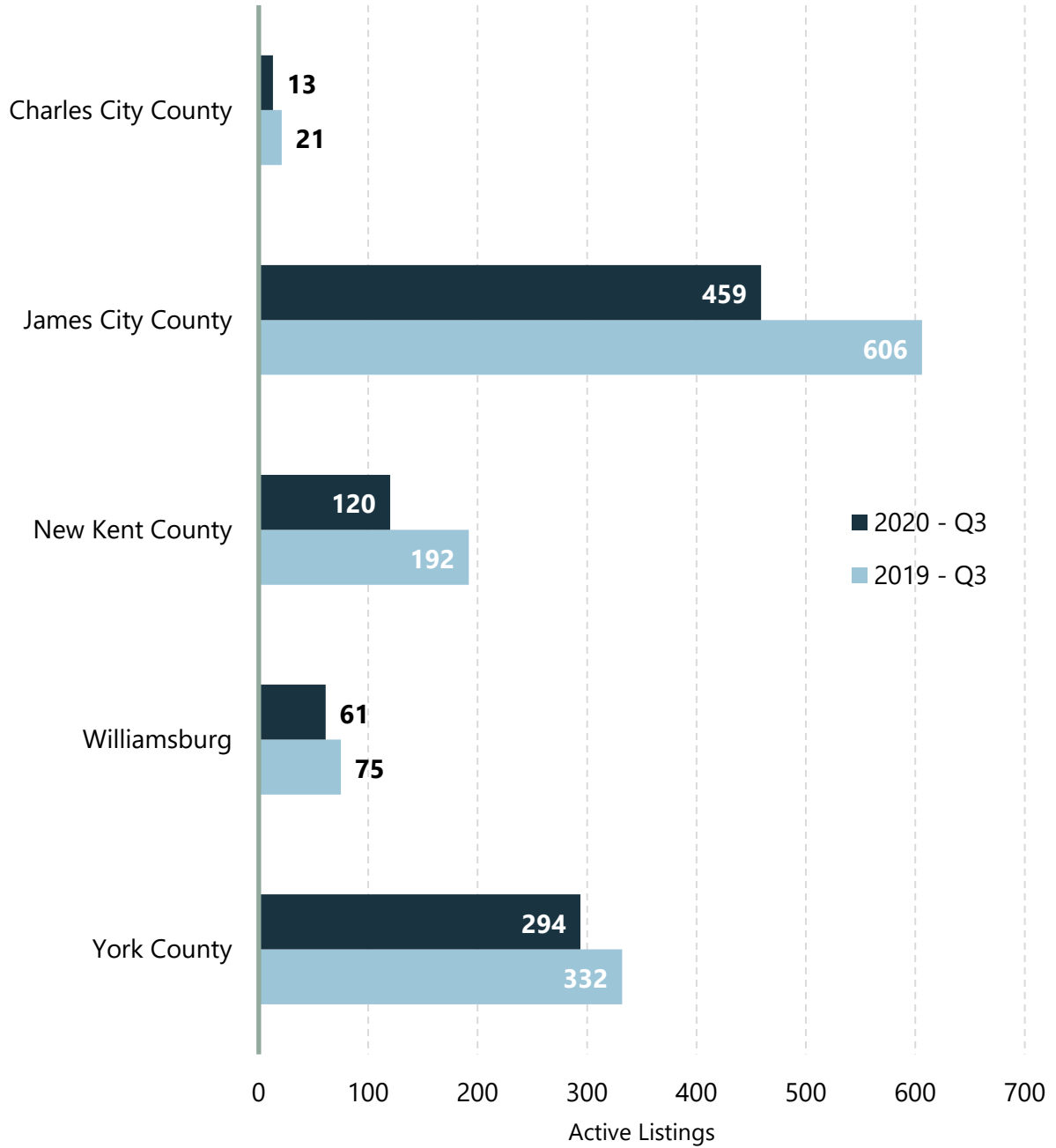
James City County: The supply of active listings in James City County continues to shrink. There were 459 active listings in the County at the end of the 3rd quarter, a 24% drop from last year, a decline of 147 active listings.

New Kent County: There were 120 active listings in New Kent County at the end of the 3rd quarter, a 38% drop from last year, a decrease of 72 active listings. The inventory in the County's housing market is now less than half the level it was in the 3rd quarter 5 years ago.

Williamsburg: The inventory in the Williamsburg housing market continues to decline. There were 61 active listings in the City at the end of the 3rd quarter, a 19% reduction from last year, which is 14 fewer listings.

York County: There were 294 active listings in York County at the end of the 3rd quarter, 38 fewer listings than a year ago, representing an 11% drop. The supply of homes for sale in the County has declined 10 of the past 12 quarters.

Figure 14
End of 3rd Quarter Active Listings, WAAR Jurisdictions
2019 and 2020



Source: Virginia REALTORS®, data accessed October 15, 2020



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.

All inquiries regarding this report may be directed to:

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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.