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More of the Same in the Fredericksburg-area Real Estate Market

Houses are flying off the market, prices continue to rise

Fredericksburg, VA – (October 13, 2020) – *The following analysis of the Fredericksburg, Virginia area housing market has been prepared by the Fredericksburg Area Association of REALTORS® based on analysis of brightMLS multiple listing data.*

The local real estate market continues to experience high transaction volume, low inventory, and rising prices. As summer faded into early fall, inventory shrunk to just under one month of supply. A healthy, balanced market is generally considered to have a 6-month supply of homes. Total sold dollar volume was up nearly 49% from last year, coming in at approximately \$275.9 million this September compared to \$185.4 million last September. The region's median price increased for the 18th straight month, soaring nearly 10% year-over-year going from \$305,000 in September of 2019 to \$335,000 in September of this year. Units sold also increased significantly, rising nearly 35% with 755 homes sold this September compared to 560 last year.

Days on market, the time it takes from when a listing enters the market until it receives a ratified contract and is removed from active status on the multiple listing service, fell over 55% with houses averaging just 22 days on the market in September 2020 compared to 49 days in September 2019.

"The market is challenging right now in that it's such a seller's market and we desperately need more listings to help with the inventory shortage," states FAAR Board Member Carol Sondrini. "Interest rates remain historically low which is encouraging for buyers as they have more purchasing power, but since the market is moving so rapidly, it often takes buyers a few offers on different properties to get a ratified contract."

The region's supply issues continue to frustrate buyers as the market saw another huge drop in active listings compared to last year at the same time. The region closed out September with just 609 homes on the market, a whopping 63% decrease from last September. New listings provided a glimmer of hope with an 8% increase in new listings over the same time last year. In September of 2019, 755 homes came onto the market, while 817 new listings came on this September. New pending transactions were strong again this month with a more than 34% increase, indicating that things are not slowing down.

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About the Fredericksburg Area Association of REALTORS®

Founded in 1957, the Fredericksburg Area Association of REALTORS® (FAAR) is the trade association for more than 1,700 Realtor® and affiliate members serving the City of Fredericksburg, the Counties of Caroline, King George, Orange, Spotsylvania, and Stafford, along with the Colonial Beach area of Westmoreland County. Members also work in the surrounding counties of Westmoreland, Louisa, and Prince William and in Northern Virginia. For more information about FAAR, visit www.faarmembers.com or contact Kim McClellan, Public Policy Director at kmcclellan@faarmembers.com or 540-373-7711.