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Fredericksburg-area Real Estate Market Wraps Up a Sizzling Year

Sales and price way up, days on market and supply way down

Fredericksburg, VA – (January 13, 2021) – *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.*

"In a year of uncertainty, one thing was certain: the housing market was hot," states 2021 FAAR President Carrie Danko. "In March, as widespread local shutdowns and quarantines were implemented to curb the pandemic, it seemed that the housing industry should prepare for a tough year," continues Danko. "Instead, we saw buyers and sellers adjusting to COVID precautions and restrictions resulting in one of the best years in real estate in over a decade." The year closed out with a total sold dollar volume of just over \$3 billion which represents a nearly 30% increase over the year-end totals for 2019. The market saw a significant 10% year-over-year increase in median price, going from \$310,000 in 2019 to \$339,520 in 2020. Units sold increased over 19%, finishing out the year at 8,310 compared to 6,978 units sold in 2019.

"The only downside to the 2020 market was low inventory and buyers felt it. Most sellers experienced multiple offers, likely over list price, after only days on market. Many buyers experienced disappointment after disappointment, especially buyers in the most competitive price ranges. Ultimately, 2020 did end with very happy sellers and buyers as evidenced by the over 8,000 transactions that took place in our market," says Danko.

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 a whopping 31% with houses averaging 42 days on the market in 2019 compared to just 29 days in 2020. More than half of homes sold in 2020 went under contract in 10 days or less. The vast majority of sales were of 3 or more-bedroom single family homes, with that segment making up over 83% of the total units sold.

December kept with the trend of the year and posted an impressive 56% increase in sold dollar volume and a nearly 44% increase in units sold. The month saw more than \$259.8 million in total sold dollar volume, compared to \$166.5 million in December of 2019. Median price was up 10%, settling at \$347,222 this December compared to \$314,388 last December. Units sold increased from 483 last year to 695 this year, with significant increases in both attached multifamily and detached single family.

Inventory has been the main challenge facing the local real estate market for a few years now and the events of 2020 exacerbated an already bad situation. December 2020 closed with the lowest number of homes available on the market in over 10 years with just 511 available properties, which represents a less than one month supply of homes. By comparison, we closed the year 2015 with a 3.8-month supply of inventory and 1,574 homes on the market.

While any predictions about 2021 are incredibly uncertain at this point, Realtors® are anticipating a strong year in the market. "My hope for 2021 is that interest rates remain at historic lows, inventory starts coming on the market at higher levels, strong buyer activity continues, and that 2021 finishes even stronger than 2020," Danko concludes.

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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.