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One Year into the Pandemic and Real Estate is Still Flying High

Market shows no signs of slowing down

Fredericksburg, VA – (April 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.*

Despite a dip in pending sales in February, March proved another very strong month in the local real estate market. The month closed out with a more than 25% increase in total sold dollar volume, going from approximately \$204.5 million in March of 2020, to more than \$256.6 million in March of 2021. Median sold price was up over 15% year-over-year, clocking in at an all-time high of \$364,950 in March of 2021 compared to \$316,000 in 2020. These increases were fueled by a more than 8% increase in units sold with 601 properties changing hands in March of 2020 compared to 650 in March of this year.

"The spring market kicks off with extremely low home inventory leaving buyers and their agents distraught and frustrated jockeying for accepted offers, and elated sellers as home prices have dramatically increased," comments FAAR Board of Director Lauren Tate. "My agents are taking this opportunity to connect with homeowners to understand their five-year homeownership goals as now may be a great time to cash out. Overall, residential real estate continues to be a key driver of the economy."

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 more than 63% with houses averaging a measly 15 days on the market this March compared to 41 days last year. In practice, many homes are coming onto the market with sight-unseen offers already made so it is possible that days on market could appear artificially high without controlling for that phenomenon.

Not unexpectedly, inventory across the region remains at historic lows. In March of 2020, there were 1,191 homes on the market. In March of 2021, there were just 383 homes for sale, representing a nearly 68% year-over-year decline. New listings were down 5% compared to last year, which was a much lower decline than February. New pendings while down in February possibly indicating a softening of demand due inventory issues, increased again in March with 14% more new pending sales compared to last March and nearly 10% more pending homes sales overall. Scant inventory is certainly hampering many home searches, but the demand for residential real estate remains high despite those challenges.

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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.