



FOR IMMEDIATE RELEASE

Contact: Deb Ellis

540-373-7711

news@faarmembers.com

High Prices, Continued Low Supply Close Out the 2021 Housing Market

Recent trends of decreased supply and increasing prices continue throughout year

Fredericksburg, VA – (January 14, 2022) – *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.*

While many Realtors® have experienced moderating of the real estate market in recent months, 2021 as a whole was a more frenetic market than its record-setting predecessor of 2020. "2021 saw the trend continue of extremely low inventory coupled with very strong buyer demand, leading to a chaotic and often disappointing market for many local homebuyers," states 2022 FAAR President Deb Ellis. The first half of the year was marked by intense bidding wars with home inspections falling by the wayside, buyers bringing serious cash to the table when homes didn't appraise, and multiple offers as the norm. These dynamics all conspired to make 2021 another record-breaking year in the real estate market.

The year closed out with a total sold dollar volume of nearly \$4 billion which represents a more than 26% increase over the year-end totals for already red-hot 2020. The market saw a nearly 13% year-over-year increase in median price, going from \$339,520 in 2020 to \$382,000 in 2021. Units sold increased over 11%, finishing out the year at 9,266 units compared to 8,310 units sold in 2020. Stafford County led the pack with a 2021 median price of \$445,000, a staggering \$135,000 increase from just five years ago. Rural localities also saw significant increases with Orange County seeing a nearly 40% increase in units sold in 2021, with 990 sales. That represents a more than 45% increase from just 2 years ago when Orange closed out the year with 677 closed sales.

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 48% with houses averaging a mere 15 days on the market in 2021 compared to 29 days in 2020. More than 68% of homes sold in just 10 days or less. The vast majority of sales were of 3 or more-bedroom single family homes, with that segment making up nearly 82% of the total units sold.

"The super-charged real estate market of 2021 resulted in many disappointed buyers as there were not enough homes to go around.," continues Ellis. "Many buyers temporarily exited the market to wait for calmer times. However, we saw some moderation in the market in late 2021 and while the market remains very competitive, we did see a slowdown more in line with seasonal trends."

December saw sold dollar volume and median price increase, but units sold was flat with 6 less houses selling in December of 2020 versus December of 2021. The month closed out with over \$294 million in total sold volume, representing a 13% increase from last year. Median price climbed to \$385,500, an 11% increase from the \$347,222 price point of December 2020. Units sold clocked in at 689 compared to 695 sold in 2020. However, December is a historically weaker home sales month and December of 2020 was up over 44% from 2019, so 2021 held strong compared to historical averages.

While December of 2021 ended the year with 13% more listings than 2020, it wasn't enough to change the narrative of consistent constrained supply. December of 2020 saw the lowest level of listings for any December in recent years with just 511 homes to choose from. In December of 2019, a time when some would say the market was already having supply issues, there were over 1,200 homes for sale. December of 2021 closed with 579 homes available for purchase. Pending sales also continued to be strong with a 7% increase over last year.

Ellis points out that the highly competitive home sales market also drives up prices in the rental market as sellers cash in for big bucks and then elect to rent until they find their next place. Many renters are also staying put waiting for the market to settle down before buying a home, which leads to greater competition in rental rates. As a result, prices increase which squeezes out renters seeking more moderately-priced options. With rumored Federal Reserve rate hikes and the hope for a functional end to the pandemic, 2022 remains a very cloudy crystal ball. "Now more than ever, it is vital to work with a Realtor® who is an expert in our local market and can serve as a beacon of calm while navigating this turbulent market," adds Ellis.

###

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.