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Local housing market continues to moderate

Prices remain high, but sellers often getting below asking

Fredericksburg, VA – (September 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. REALTOR® means member of the National Association of REALTORS®.*

The local real estate continues to moderate from its meteoric rise over the last two years. While prices remain high and inventory remains below historical trends, the market continues to slow with double digit decreases in sold volume and units sold and double digit increases in days on market. Total sold dollar volume was down nearly 14% in August of 2022 going from more than \$362 million last summer to just over \$313.4 million this August. Units sold decreased 21% with nearly 200 hundred less homes sold this August versus last year. There were 876 home sales in August of 2021 compared to 691 in August of this year.

FAAR Board Member Matthew Rathbun comments, "The market is complex and its interpretation can largely differ based on the price-range and type of property that a consumer is seeking to buy or sell. We still suffer from a lack of inventory in the mid-level to affordable housing price ranges. Some sellers are still experiencing multiple offers and favorable terms in the average priced markets. Buyers and Sellers need to speak to an experienced and professional REALTOR® to get an idea of how the market will impact the seller or buyer in their unique position."

Median price remains high, clocking in at \$427,000 versus \$390,000 last August, representing a nearly 10% year-over-year increase. While prices remain high, the market is seeing trends that indicate we could be approaching a point where prices will start to moderate as sellers ask more than buyers are willing to pay. Since early 2020, sellers had been consistently getting 100% if not more than their asking price, however that trend has started to reverse with August seeing sellers receiving on average 98.7% of asking price.

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, increased a staggering 83% this August, coming in at 22 days versus just 12 last year. This increase puts days on market more in line with historical trends for August, which sits at 26 days.

Rathbun continues, "Higher priced homes and the luxury market are seeing extended days on the market as most buyers in that range have elected to remain in place and not move up. Buyers are regaining some control of the buying process as they did prior to 2020 and benefitting from reasonable and competitive negotiation positions, home inspections and housing options. Sellers are still seeing strong offers by well-qualified buyers at or near asking price, when asking for a fair market price."

Active listings continue to increase, jumping 8% over last year with 979 homes on the market at the end of August 2022 versus 901 last year. The market is still seeing about 300 less homes on the market than the 5-year average for August, but supply is coming back to levels that local agents are used to seeing. New listings were down again this month, with 722 new homes coming on the market compared to 941 last August. New pendings remain down with 591 new contracts ratified in August compared to 849 last August, representing a 30% year-over-year decline.

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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.