

CAAR CHARLOTTESVILLE AREA HOME SALES REPORT

CUSTOM REPORT PREPARED BY
VIRGINIA REALTORS®

CAAR Home Sales Report

Fourth Quarter 2021

Charlottesville Area Association of REALTORS®

Market Report Key Takeaways

Economic Conditions

- Economic conditions in Virginia continued to improve in the fourth quarter, with broad-based job gains and another drop in the unemployment rate. The employment picture also improved in the Charlottesville region, with the unemployment rate falling back to pre-pandemic levels.
- Despite steady economic progress, consumer confidence remains weak, as individuals and families face rising prices and a surge in COVID-19 cases. The measure of expectations of future economic conditions fell to a 16-month low in December 2021.
- Mortgage rates began to tick up at the end of 2021. Persistently high inflation will prompt the Federal Reserve to raise the federal funds rate in 2022, which will push mortgage rates even higher in the months to come.

Housing Market Conditions

- There were 1,228 homes sold in the CAAR region during the fourth quarter. Sales were down 5% compared to last year at this time, a decline of 59 sales. This is the second quarter in a row of year-over-year sales declines in the region.
- Home prices continued to rise in the CAAR area, though at a slower pace. In the third quarter, the median sales price was \$369,900, which is up 6% over a year ago, a gain of nearly \$22,000.
- Inventory continued to fall in the CAAR region. There were 436 active listings across the CAAR footprint at the end of the fourth quarter, which is 33% fewer listings than this time last year.



Key Trends Dashboard, CAAR

Economy



2.3%

Is the Nov-2021 **unemployment rate** in the CAAR footprint, which is down from Oct-2021



3.45%

Is the **30-year fixed-rate mortgage rate** during the second week of January 2022, which is up 0.66 percentage points from a year ago

Housing Market



-59

Fewer **home sales** in the CAAR footprint in Q4-2021 compared to last year



6%

Percent change in **median sales price** in the CAAR region in Q4-2021 compared to a year ago



-\$9.8

Million dollars less in total **sold volume** in the CAAR footprint in Q4-2021 compared to last year



-33%

Percent change in **active listings** at the end of Q4-2021 in the CAAR market compared to a year ago



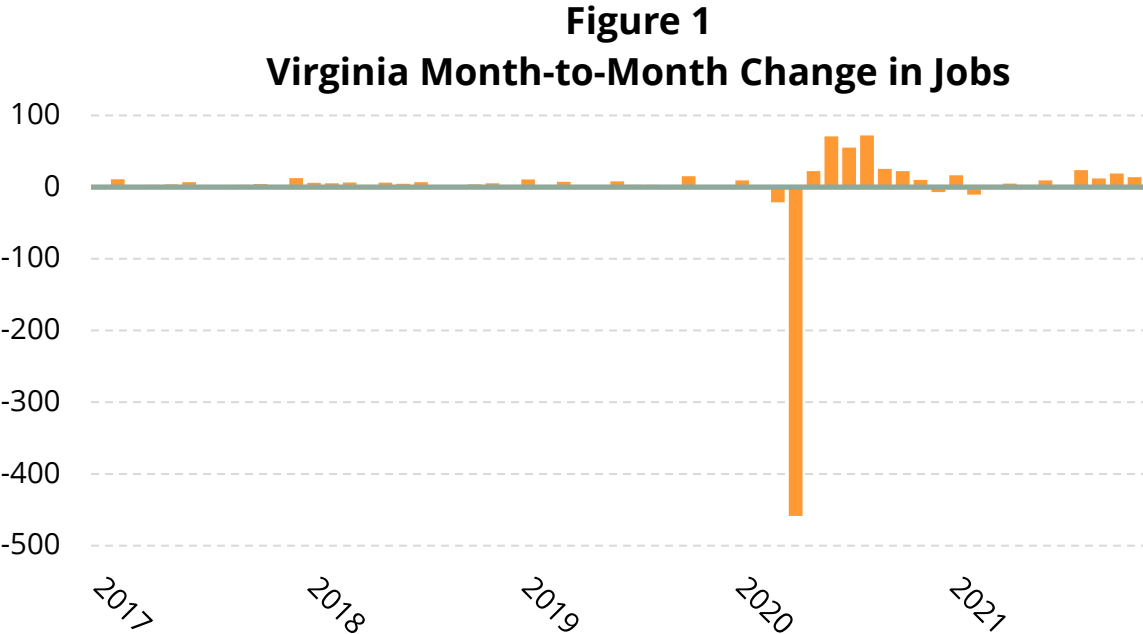
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Month of supply in the CAAR footprint in Q4-2021, which is down from a year ago

Economic Overview

Virginia’s economy continued to improve steadily through the end of 2021. Despite concerns that the new COVID variants would stall progress, the economy has been demonstrating resiliency driven by strong consumer demand, rising vaccination rates, and pandemic fatigue. There have been six months of steady job growth in the state, with widespread economic improvements across Virginia’s metro areas. The state’s unemployment rate continues to fall and remains lower than the national rate. There are some risks to the state’s economic recovery, including rising inflation and interest rates, but, in general, strong underlying fundamentals suggest ongoing economic growth. Positive economic trends will support a strong housing market in Virginia in 2022.

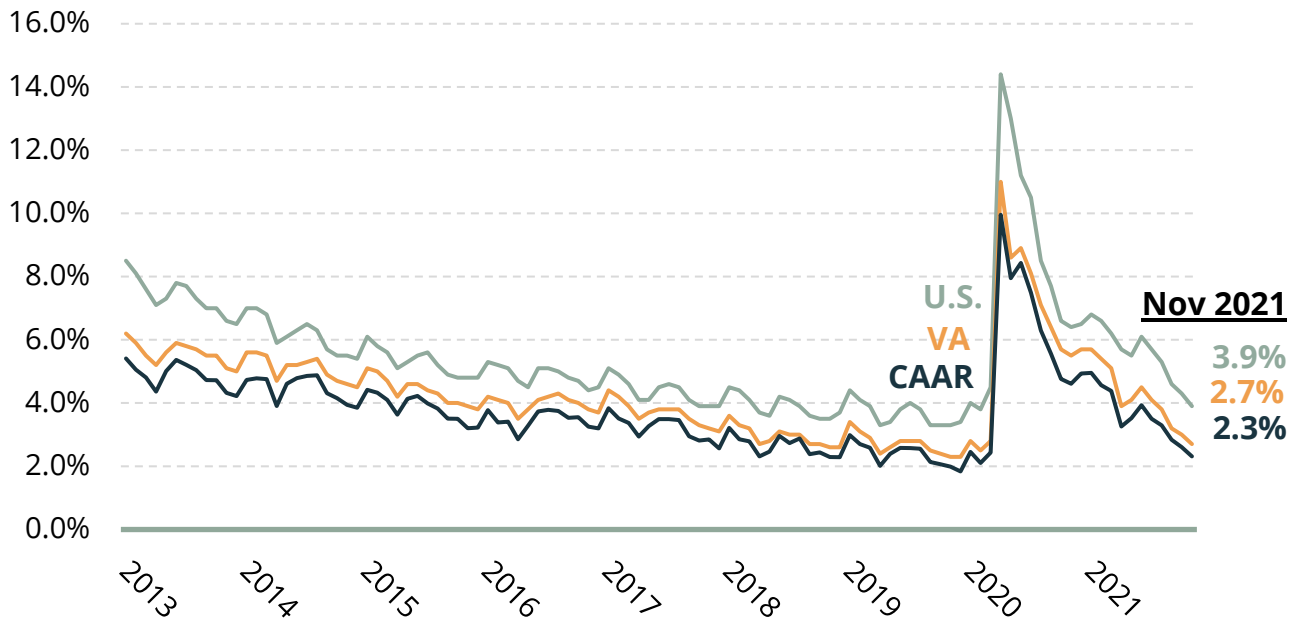
In November 2021, there were 3.97 million jobs in Virginia, which is an increase of 82,600 compared to a year ago and a gain of 13,600 jobs between October and November. While the number of jobs in the commonwealth is still 3% below where it was in early 2020, it is expected that by the end of 2022, the state’s economy will be on solid footing and will have regained all of the jobs lost during the pandemic.



Source: U.S. Bureau of Labor Statistics, Seasonally Adjusted

The statewide unemployment rate was 2.7% (not seasonally adjusted) in November and has been steadily declining since the beginning of 2021. In the Charlottesville region, the unemployment rate fell to 2.3% in November, which is very similar to pre-pandemic levels.

Figure 2
Unemployment Rate



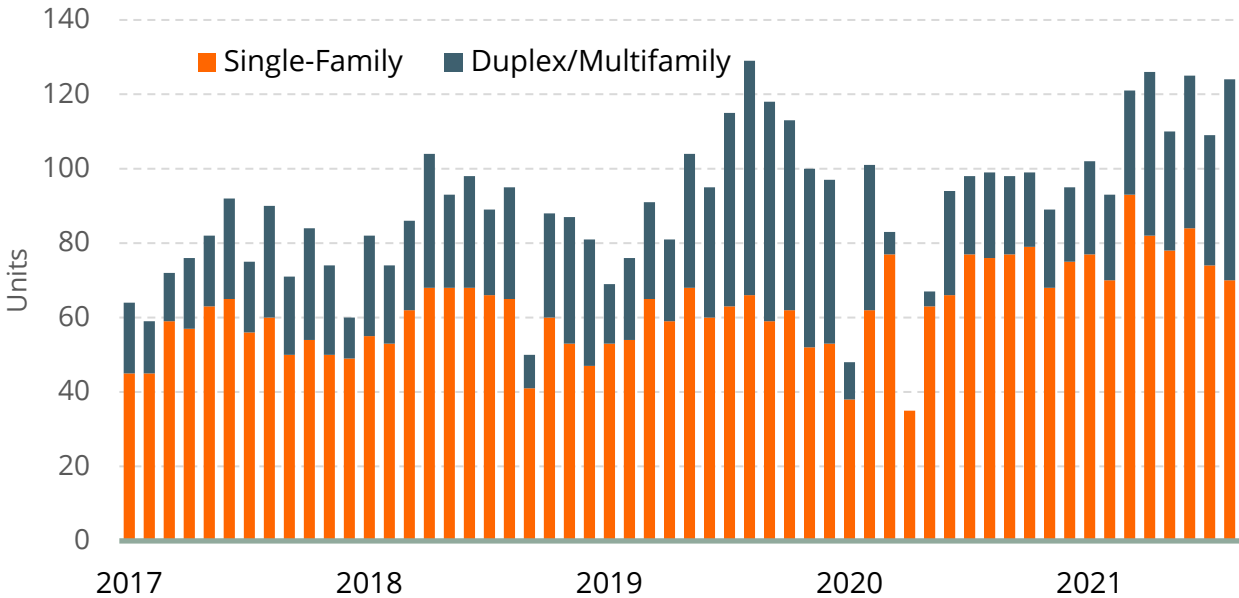
Source: U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics

New Construction

New residential construction activity slowed in the fourth quarter of 2021, consistent with seasonal patterns. Overall, however, there were significantly more permits issued for new housing construction in 2021 than there were in either 2020 or 2019. During January through November 2021, there was a total of 1,217 permits issued for the construction of new homes in the region, including 824 single-family homes and 393 housing units in multifamily buildings (including duplexes, townhomes, and apartments). Compared to the first 11 months of 2020, housing construction in the region is up 34%, with an additional 306 housing units permitted for construction.

Single-family homes accounted for about two-thirds of all permitting activity in 2021. However, there was a surge in the construction of new multifamily buildings in the Charlottesville region. Between 2020 and 2021, the number of permits for new single-family homes increased by 15%, while the number of permits for multifamily units more than doubled.

Figure 3
Monthly Permits for New Residential Construction
Charlottesville Metropolitan Area



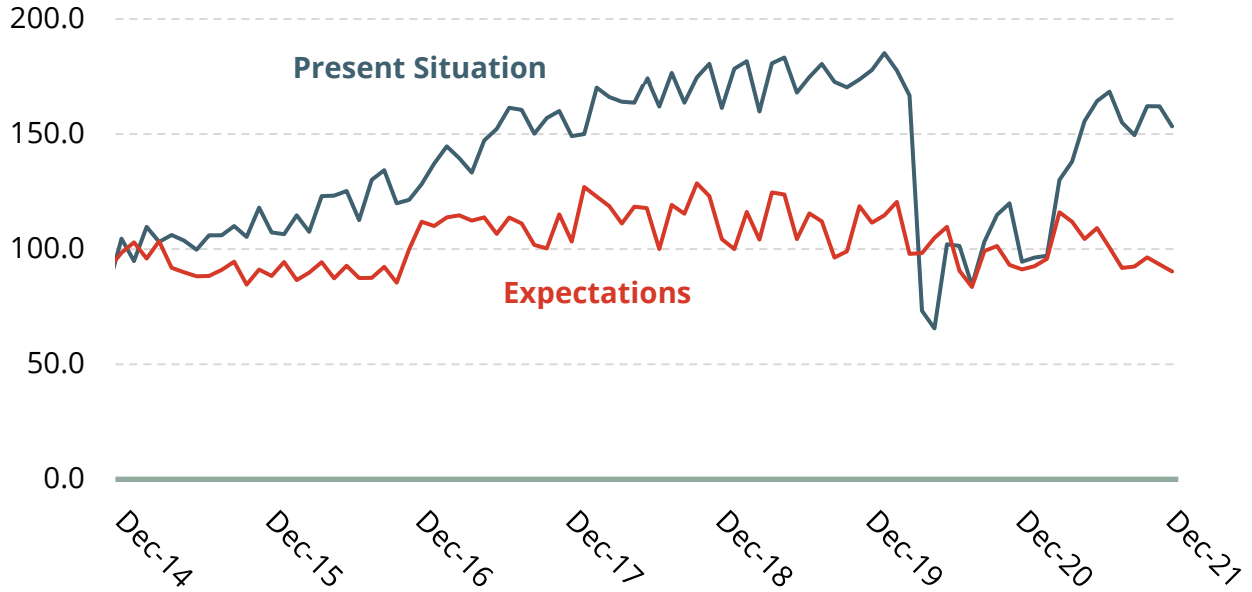
Source: U.S. Census Bureau

*Charlottesville Metropolitan Area includes Charlottesville City, Albemarle County, Buckingham County, Fluvanna County, Greene County, and Nelson County

Consumer Confidence

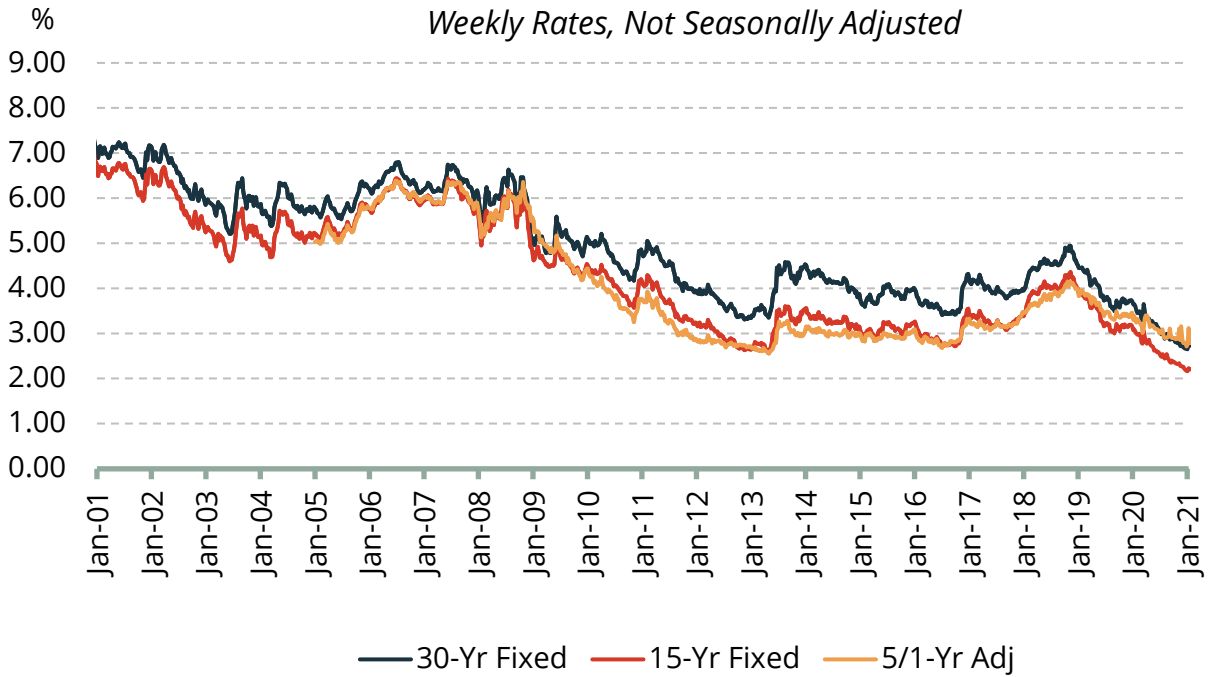
Despite improvements in the job market, individuals and families are still cautious as they deal with high inflation and the COVID-19 omicron variant. In December 2021, consumers' confidence in the present economic situation dipped slightly, falling to 153.3 from 162 in November. The future outlook remained pessimistic in December, with the measure of expected future economic conditions at 90.3, down from 93.3 a month earlier. (A consumer confidence index above 100 indicates people are feeling more optimistic about economic conditions.) Consumer confidence about future economic conditions is the lowest it has been since August 2020.

Figure 4
Consumer Confidence
South Atlantic Region



Source: The Conference Board

Figure 5
Mortgage Interest Rates
Weekly Rates, Not Seasonally Adjusted



Source: Federal Reserve Bank of St. Louis

Mortgage Rates

As 2021 ended, mortgage rates began to tick up slightly. At the end of December, the average rate on a 30-year fixed-rate mortgage hit 3.11%. The Federal Reserve has announced they anticipate raising the federal funds rate three times in 2022, which will lead to a further rise in mortgage rates over the coming year. Mortgage rates will stay low by historic standards, however, and will likely remain below 4% through the end of 2022.

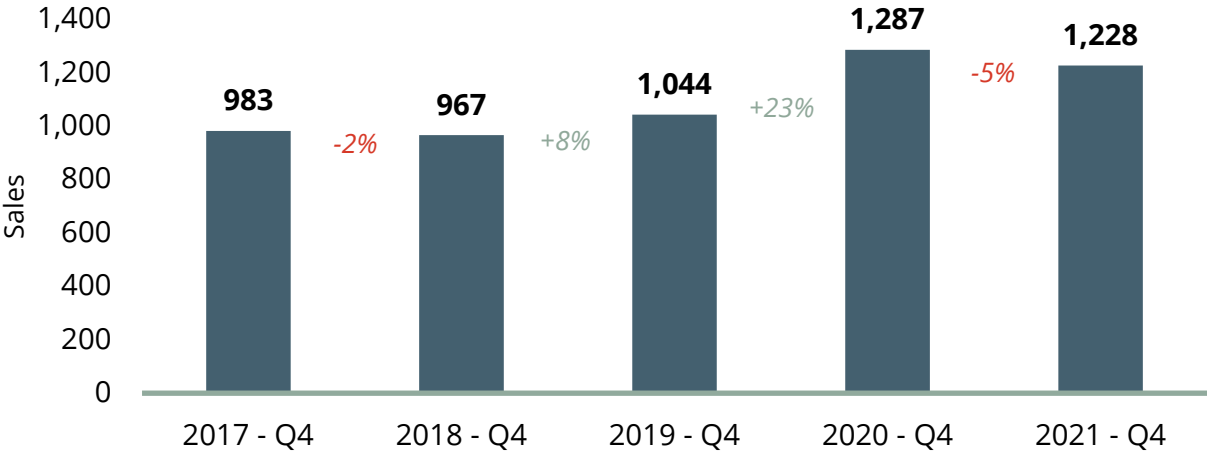
Housing Market Overview

The CAAR housing market continued to cool slightly in the fourth quarter, with slower sales activity driven primarily by rising home prices and a lack of available inventory leaving buyers with few choices. There were slightly fewer sales in the fourth quarter compared to last year at this time. Demand was still strong, however, as home prices continued to rise and the average days on market continued to fall. Inventory continued to shrink in the CAAR region, and is the biggest constraint on the region’s housing market.

Sales

There were 1,228 sales across the CAAR footprint in the fourth quarter of 2021. Home sales were down 5%—or 59 sales—compared to the busy fourth quarter of 2020. However, sales in the fourth quarter of 2021 were up by 18% compared to the fourth quarter of 2019. Sales activity slowed between the third and fourth quarters, which reflects typical seasonality in the housing market. Statewide, the number of home sales in the fourth quarter was down 3% compared to a year ago and was 26% higher than fourth quarter 2019 sales totals.

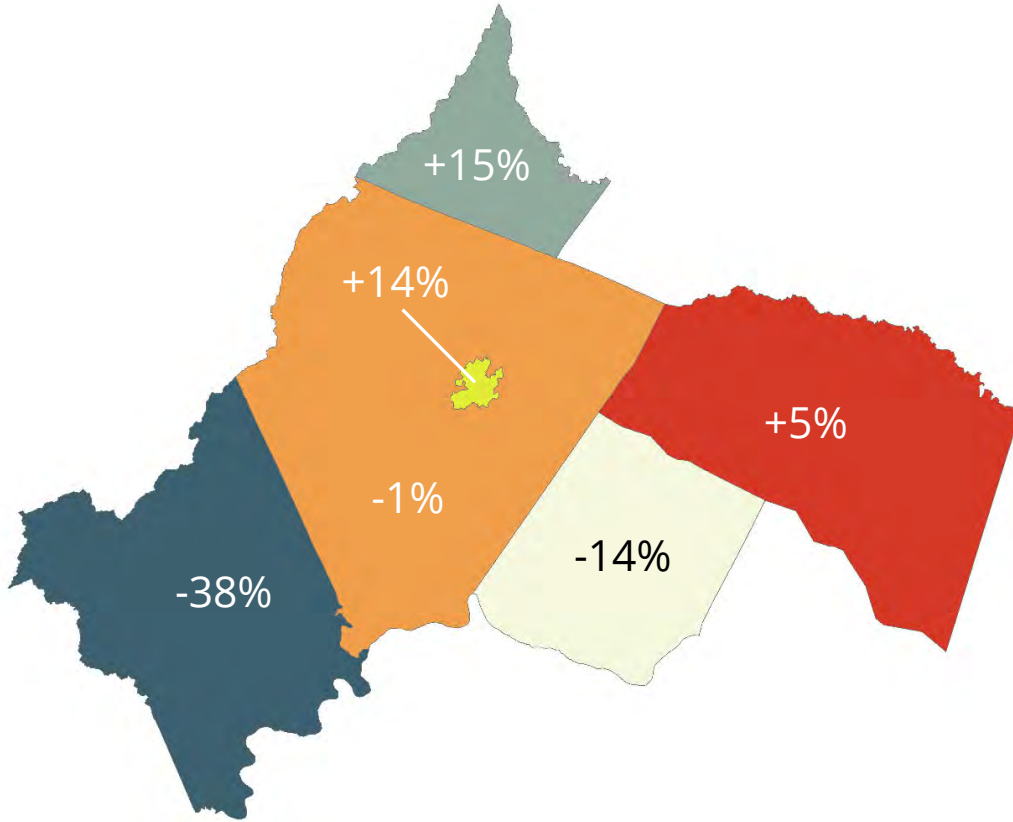
Figure 6
Fourth Quarter Home Sales, CAAR
2017-2021



Source: Virginia REALTORS®, data accessed January 15, 2022

Figure 7
Change in Sales by Jurisdiction
CAAR

Fourth Quarter 2020 to Fourth Quarter 2021



<i>Jurisdiction</i>	<i>2020 - Q4</i>	<i>2021 - Q4</i>	<i>% Change</i>
Albemarle County	509	505	-1%
Charlottesville	126	144	14%
Fluvanna County	161	139	-14%
Greene County	78	90	15%
Louisa County	220	230	5%
Nelson County	193	120	-38%

Source: Virginia REALTORS®, data accessed January 15, 2022

Figure 8
Fourth Quarter New Construction Sales, CAAR
 2017-2021

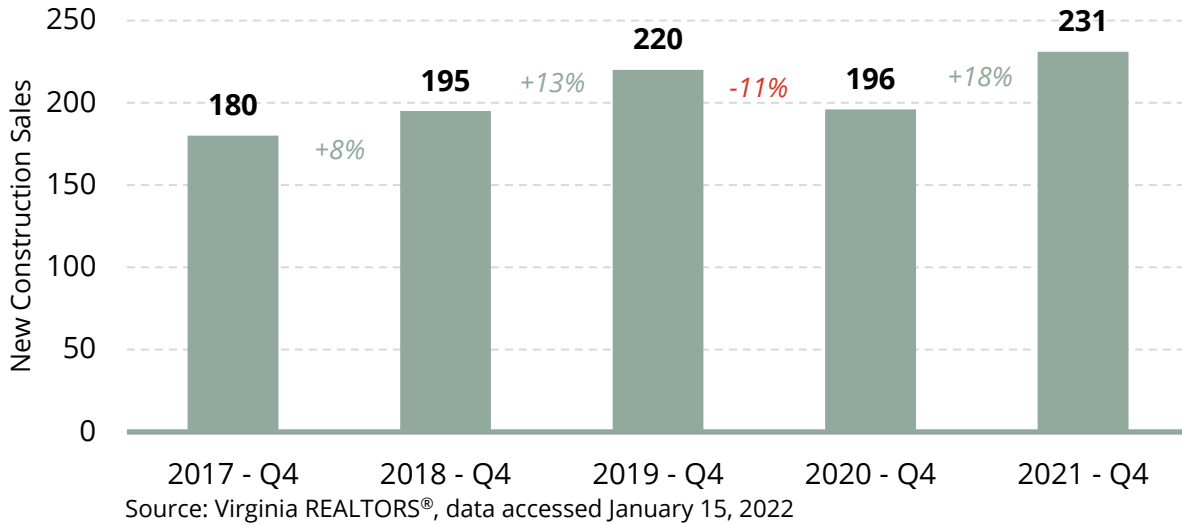
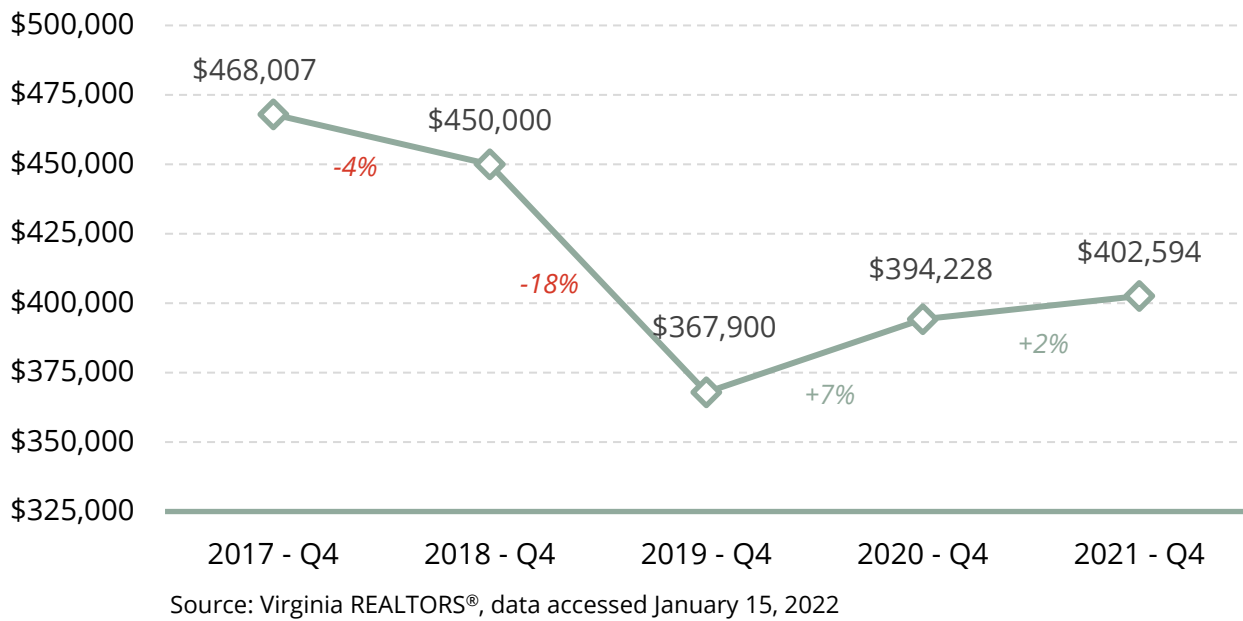


Figure 9
Fourth Quarter New Construction Median Sales Price, CAAR
 2017-2021

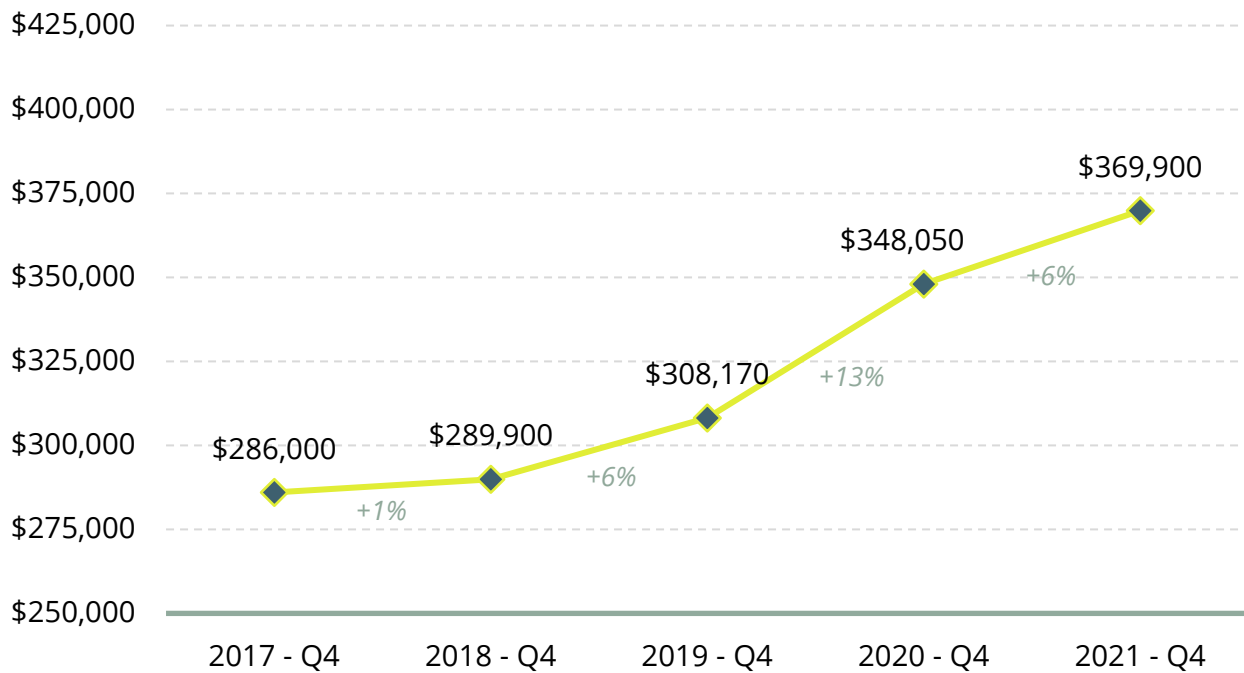


Sales Prices

Despite slower sales activity, prices continued to rise quickly in the CAAR region in the fourth quarter. The median sales price was \$369,900, which is up 6% compared to a year ago, a gain of nearly \$22,000. In the Charlottesville area, the median home price is now more than \$80,000 higher than it was four years ago.

In the fourth quarter of 2021, home prices were up strongly in the region's outlying jurisdictions, while prices grew more modestly—or even dipped slightly—in the City of Charlottesville, Albemarle County, and Louisa County. The fourth quarter median sales price statewide was \$350,000, up 6% compared to a year ago.

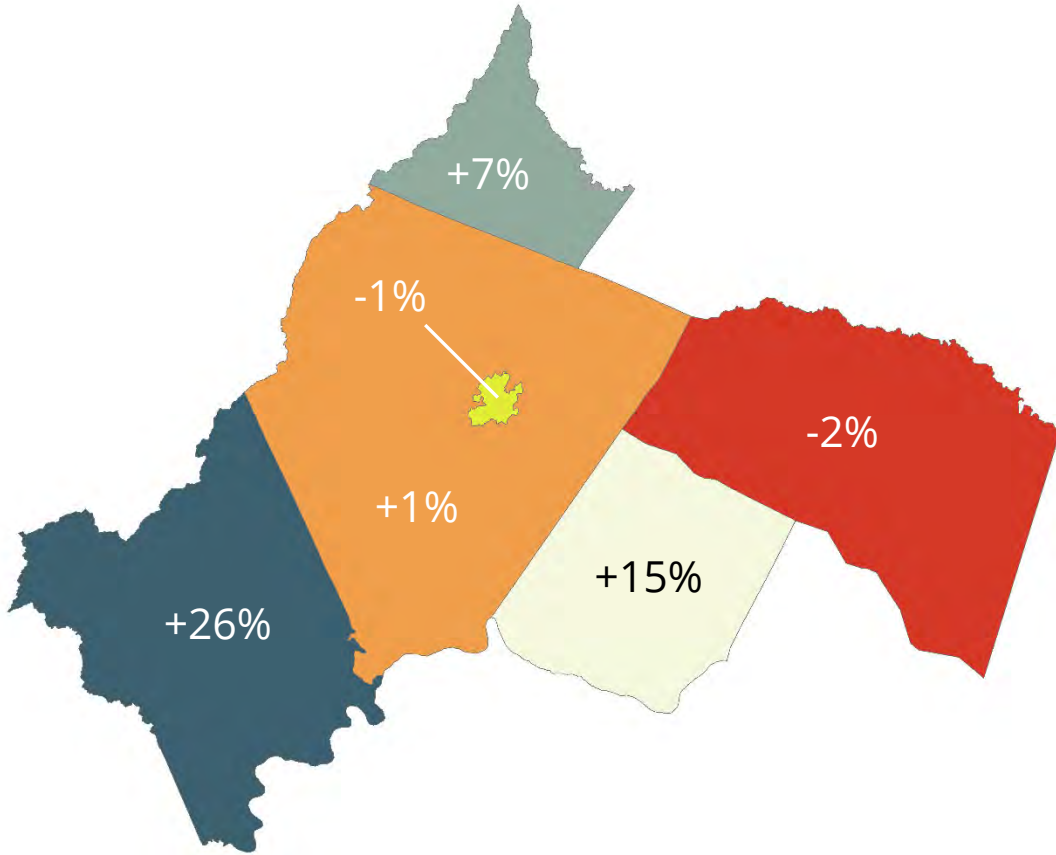
Figure 10
Fourth Quarter Median Sales Price, CAAR
2017-2021



Source: Virginia REALTORS®, data accessed January 15, 2022

Figure 11
Change in Median Sales Price by Jurisdiction
CAAR

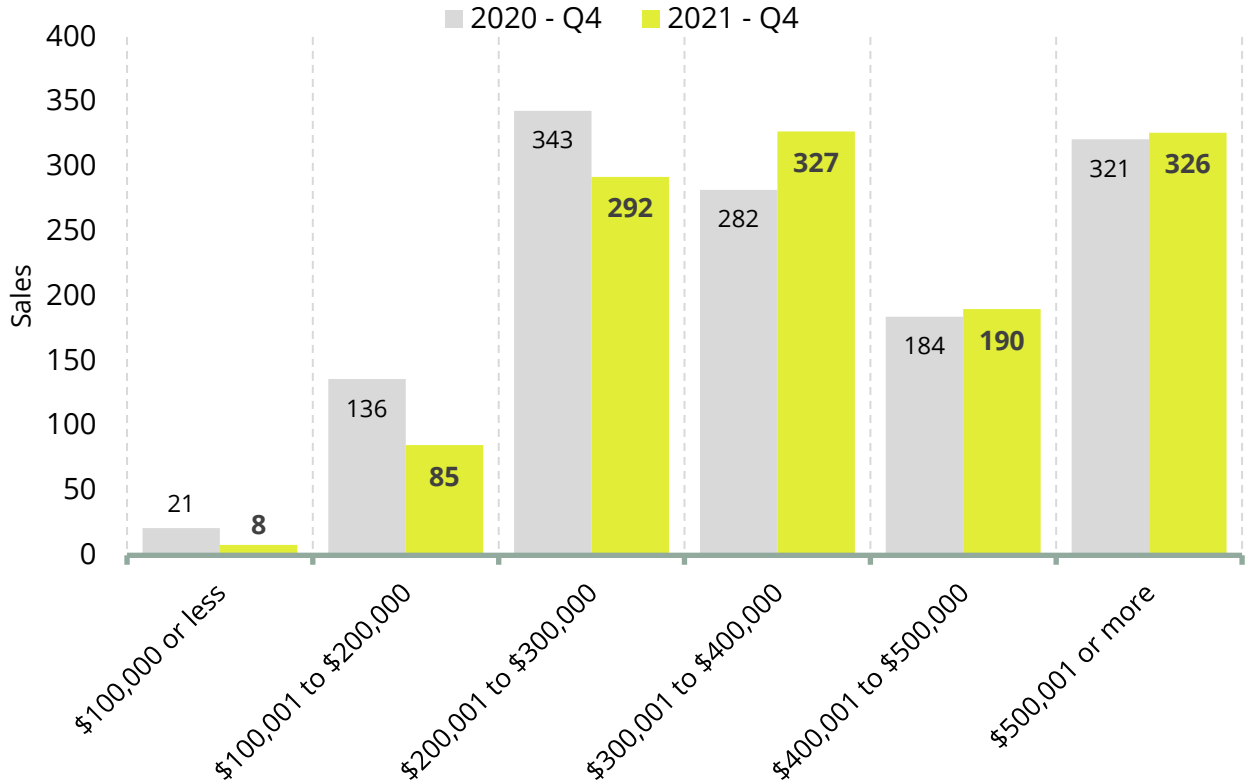
Fourth Quarter 2020 to Fourth Quarter 2021



<i>Jurisdiction</i>	<i>2020 - Q4</i>	<i>2021 - Q4</i>	<i>% Change</i>
Albemarle County	\$420,000	\$425,000	1%
Charlottesville	\$403,750	\$399,000	-1%
Fluvanna County	\$275,000	\$315,000	15%
Greene County	\$304,750	\$325,215	7%
Louisa County	\$315,000	\$310,000	-2%
Nelson County	\$309,000	\$388,750	26%

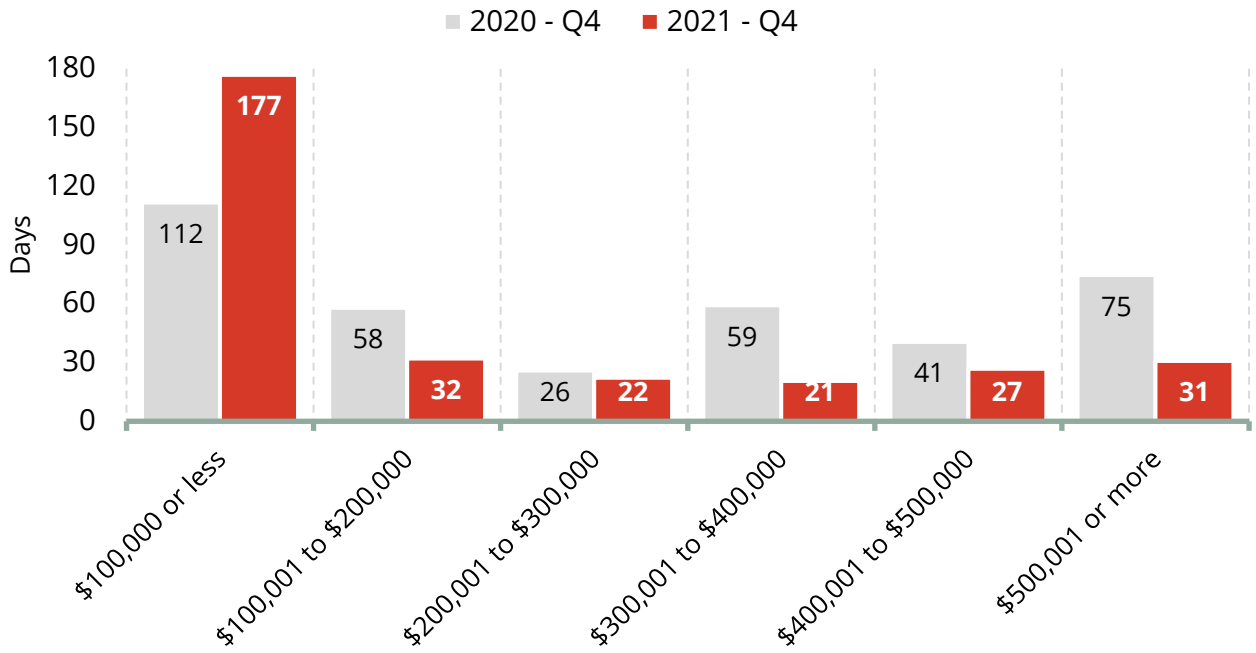
Source: Virginia REALTORS®, data accessed January 15, 2022

Figure 12
Fourth Quarter Sales Price Range Distribution - CAAR



Source: Virginia REALTORS®, data accessed January 15, 2022

Figure 13
Fourth Quarter Average DOM by Sales Price Range - CAAR

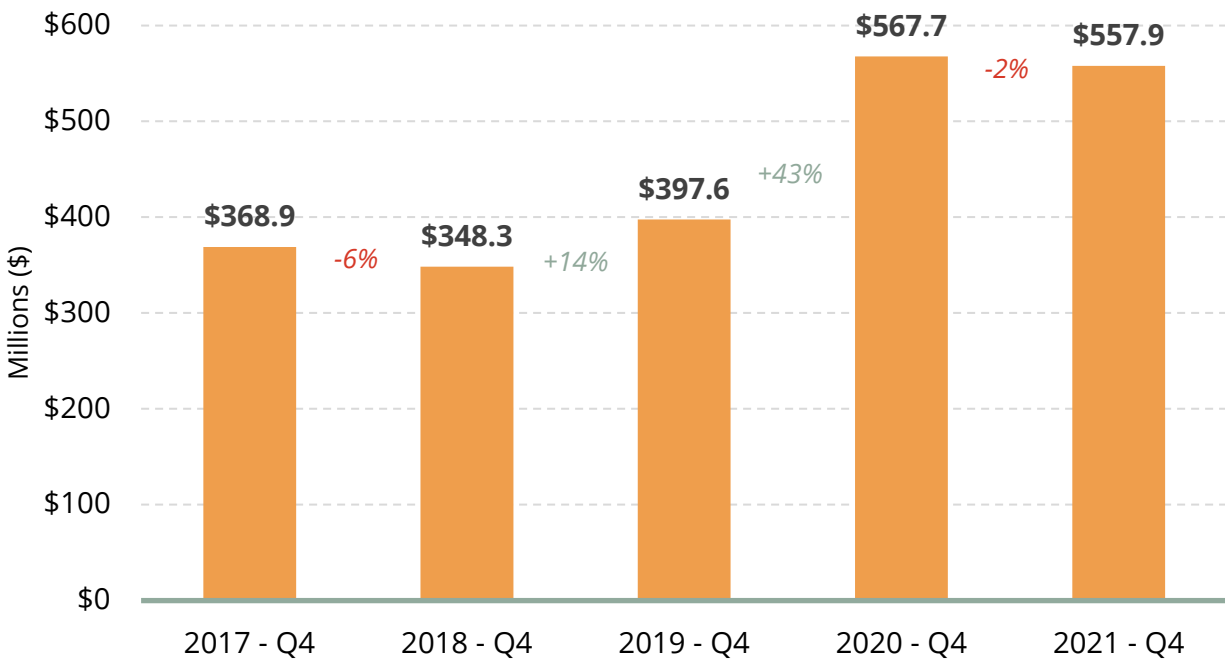


Source: Virginia REALTORS®, data accessed January 15, 2022

Sold Volume

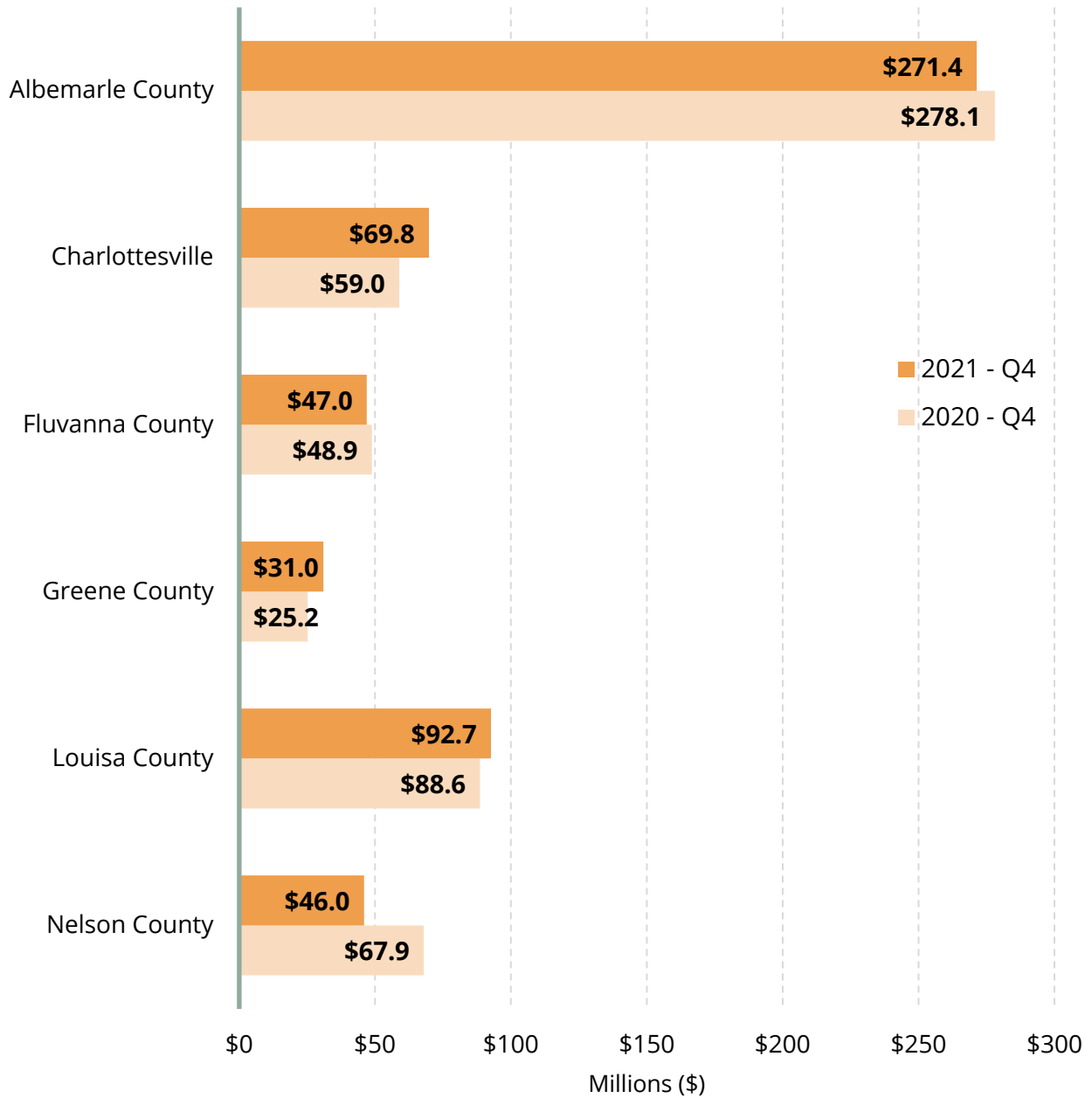
With slower sales activity, total sold dollar volume in the CAAR region declined slightly in the fourth quarter. Regionwide, there was a total of approximately \$557.9 million of sold volume during the fourth quarter. Sold volume was down 2% compared to a year ago; however, total sold dollar volume was up more than \$160 million, or a gain of 40%, compared to the fourth quarter of 2019.

Figure 14
Fourth Quarter Sold Dollar Volume (Millions), CAAR
2017-2021



Source: Virginia REALTORS®, data accessed January 15, 2022

Figure 15
Fourth Quarter Sold Dollar Volume, CAAR Jurisdictions
2020 and 2021

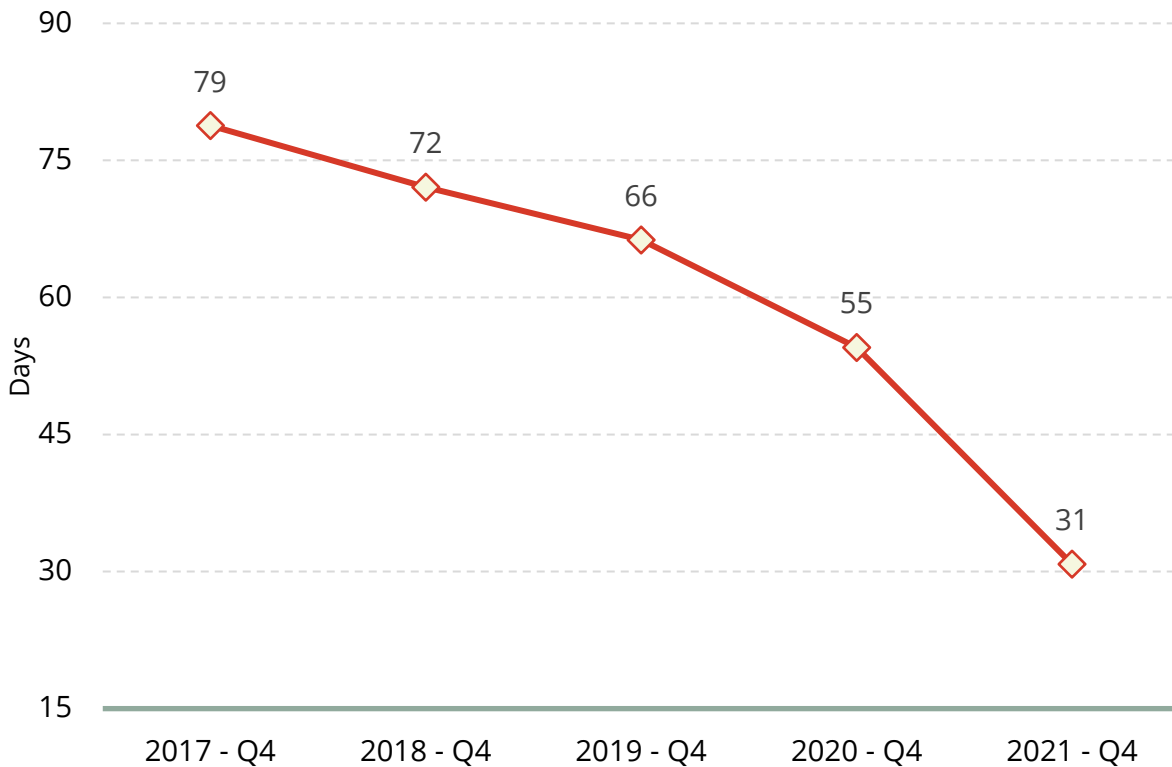


Source: Virginia REALTORS®, data accessed January 15, 2022

Days on Market

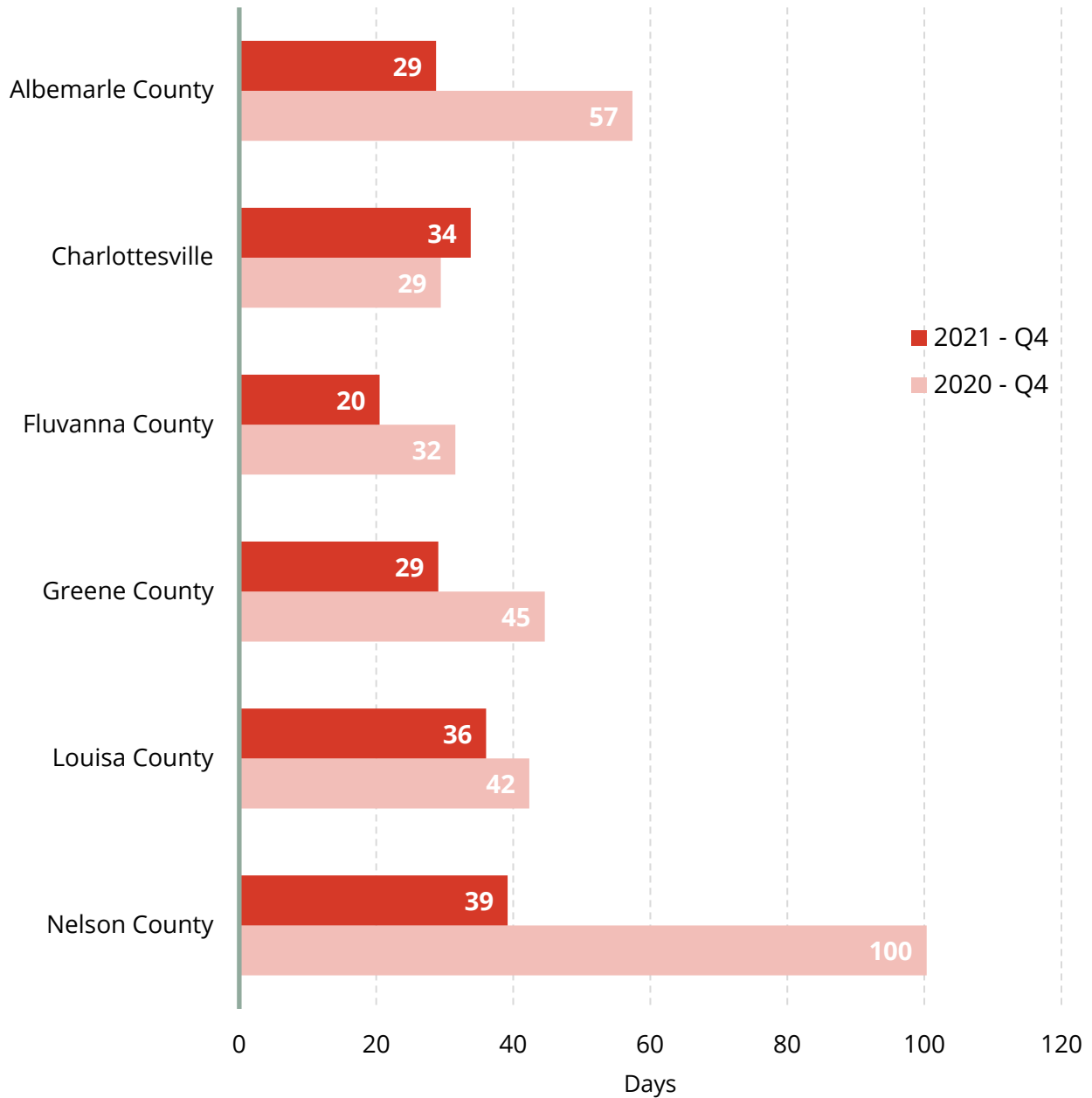
While sales activity decelerated somewhat during the fourth quarter, demand remained strong, and homes continued to sell very quickly. Homes that sold in the fourth quarter in the CAAR region were on the market about a month on average, or 31 days, which is 24 days faster than a year ago. The average days on market in the CAAR region has been declining for five consecutive quarters and reflects tight market conditions. Statewide, homes sold in an average of 26 days in the fourth quarter, down from 34 days a year ago.

Figure 16
Fourth Quarter Average Days on Market, CAAR
2017-2021



Source: Virginia REALTORS®, data accessed January 15, 2022

Figure 17
Fourth Quarter Average Days on Market, CAAR Jurisdictions
2020 and 2021



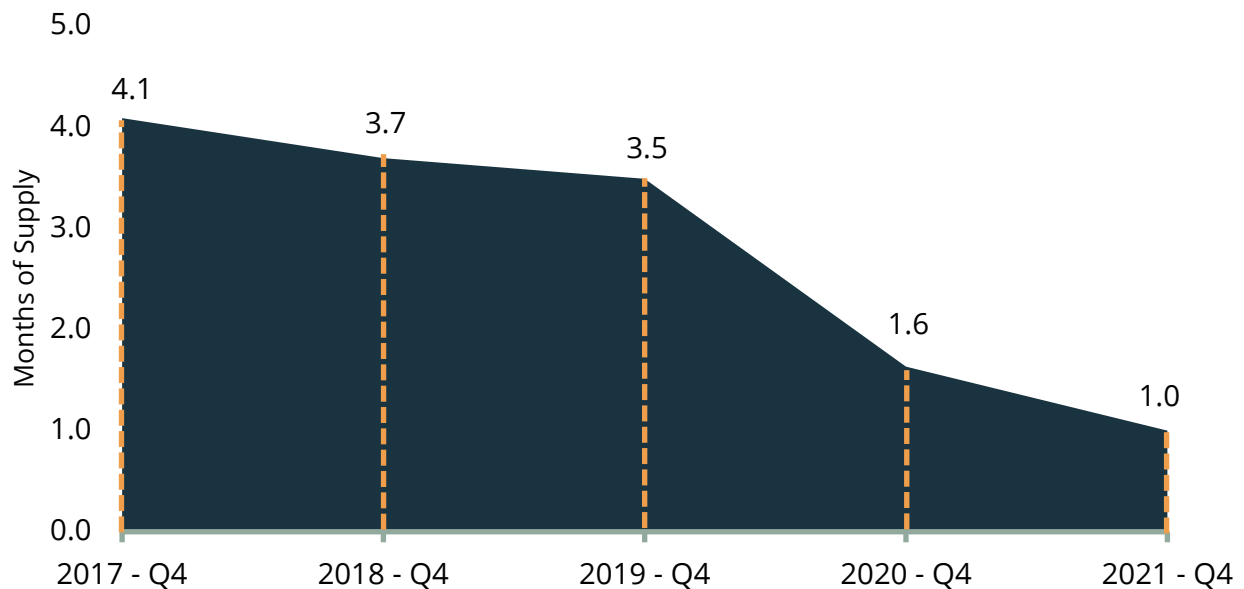
Source: Virginia REALTORS®, data accessed January 15, 2022

Inventory

A lack of inventory is a primary driver of the slowdown in sales activity, with buyers facing an ever-shrinking supply. In the CAAR footprint, there were 436 active listings in the region at the end of the fourth quarter, which is 213 fewer active listings than a year ago, a decline of 33%. The Charlottesville region remains one of the tightest housing markets in the state. Inventory is now just a third of what it was four years ago. At the state level, inventory also fell in the fourth quarter. Statewide, there was a total of 13,469 active listings at the end of the fourth quarter, which is about 4,300 fewer active listings than a year ago, a 24% drop.

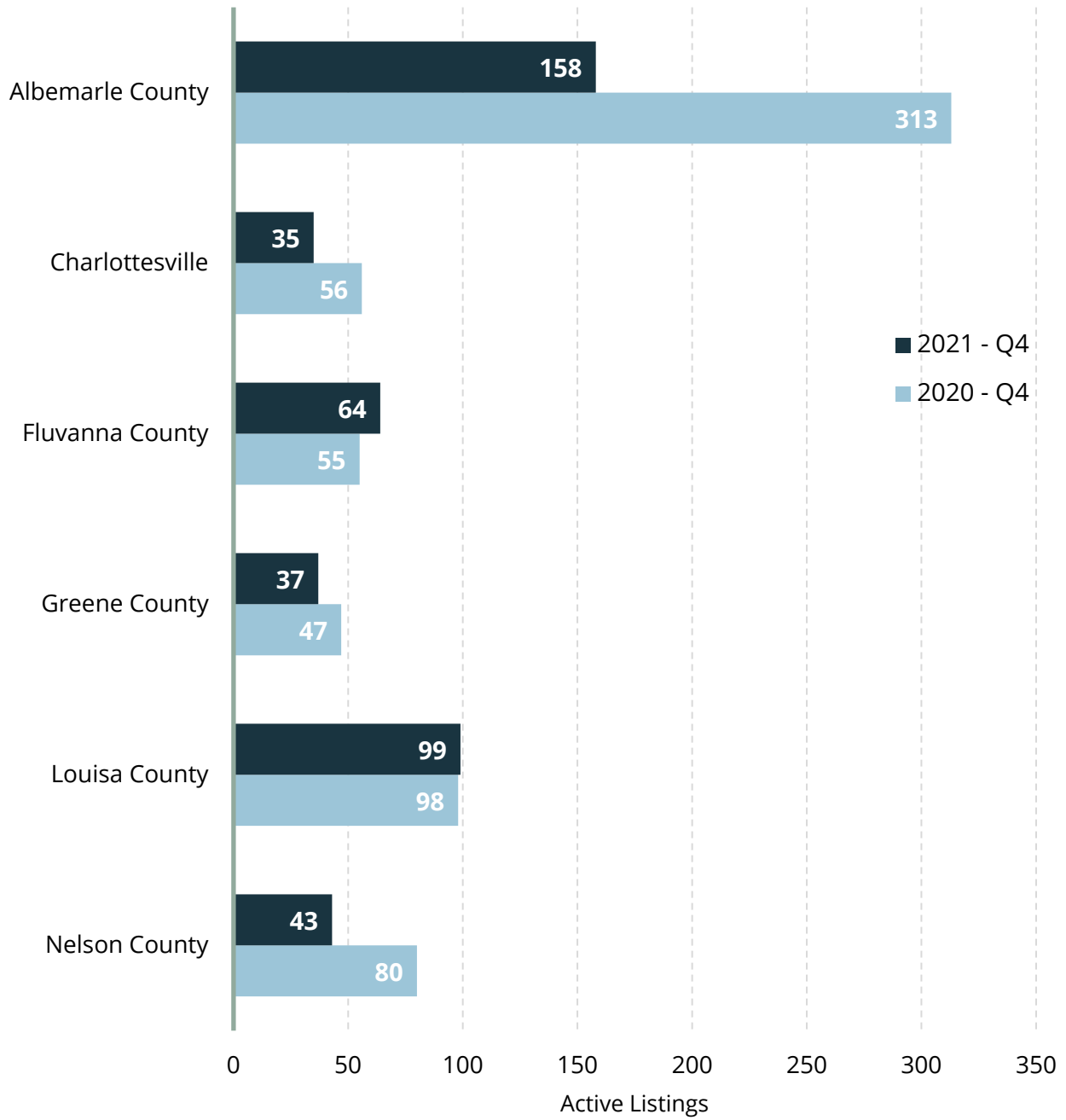
There was just one month of supply at the end of the fourth quarter in the CAAR footprint, down from 1.6 months a year ago. The months of supply metric is calculated by taking the average monthly sales over the preceding 12-month period and dividing it by the inventory of active listings.

Figure 18
End of Fourth Quarter Months Supply, CAAR
2017-2021



Source: Virginia REALTORS®, data accessed January 15, 2022

Figure 19
End of Fourth Quarter Active Listings, CAAR Jurisdictions
2020 and 2021



Source: Virginia REALTORS®, data accessed January 15, 2022



Local Snapshot – *Albemarle County*

Sales: Home sales activity has been very brisk in Albemarle County over the past two years. In the fourth quarter, the pace of sales activity cooled slightly. There were 505 home sales in the fourth quarter, four fewer sales than last year, a decline of less than 1%. Sales slowed between the third and fourth quarters, which reflects typical seasonal patterns.

Median Sales Price: Price growth has moderated in the Albemarle County market. In the fourth quarter, the median sales price was \$425,000, which is up just 1% from a year ago. Home prices had been rising at double-digit rates earlier in 2021.

Sold Volume: There was approximately \$271.4 million of sold volume in Albemarle County during the fourth quarter. Total volume declined by 2%, or by about \$6.7 million, compared to last year. The drop reflects slower sales activity in the county.

Days on Market: Homes sold quickly in Albemarle County, which suggests that the slowdown in sales activity was related to a lack of supply and not a softening of demand. In the fourth quarter, homes sold in an average of 29 days, which is a month faster (-29 days) than a year ago.

Inventory: Inventory is at historically low levels in Albemarle County. There were 158 active listings at the end of the fourth quarter, which is a 50% drop from last year at this time, or 155 fewer listings. Inventory is less than a third of what it was four years ago.



Local Snapshot – *Charlottesville*

Sales: Home sales activity was strong in Charlottesville in the fourth quarter. There were 144 sales in the city, which is 14% more sales than last year, an increase of 18 sales. Home sales dipped slightly between the third and fourth quarters, which reflects typical seasonal patterns in the housing market.

Median Sales Price: The median home price in Charlottesville in the fourth quarter was \$399,000, which was a modest 1% lower than a year ago, a drop of about \$4,800. Flat home prices in Charlottesville in the fourth quarter reflect both a slowdown in home price growth as well as a change in the mix of homes sold in the city.

Sold Volume: Strong sales pushed the total sold volume up in Charlottesville. There was about \$69.8 million of sold volume during the fourth quarter. Total sold volume was up 18% compared to last year, an increase of about \$10.9 million.

Days on Market: For the first time in five quarters, the average days on market in Charlottesville increased. In the fourth quarter, the average home took 34 days to sell, which is up four days from a year ago.

Inventory: After expanding in the third quarter, inventory was down again in the fourth quarter. There were just 35 active listings in Charlottesville, which is down 38%, or 21 listings, compared to a year ago.



Local Snapshot – *Fluvanna County*

Sales: Home sales fell sharply in the fourth quarter compared to a year ago. There were 139 sales in Fluvanna County in the fourth quarter, which is 14% fewer than a year ago, a decline of 22 sales. This is the second quarter in a row of year-over-year declines in home sales in the county.

Median Sales Price: Home prices continued to rise quickly in Fluvanna County. At \$315,000, the fourth quarter median sales price was up 15% compared to last year, a gain of \$40,000. Prices have been rising at double-digit rates for seven of the last eight quarters.

Sold Volume: Sold volume dipped in the fourth quarter as a result of slower sales. There was approximately \$47 million of sold volume in Fluvanna County in the fourth quarter. Total sold volume fell by 4% compared to last year at this time, a drop of about \$1.9 million.

Days on Market: Homes continued to sell quickly in the fourth quarter in Fluvanna County. The average days on market was 20 days, which is 11 days faster than last year at this time.

Inventory: For the first time since the fourth quarter of 2019, inventory expanded in Fluvanna County. There were 64 active listings in the county at the end of the fourth quarter, nine more listings than a year ago, which is a 16% increase.



Local Snapshot – *Greene County*

Sales: Home sales activity increased in the fourth quarter in Greene County after slowing for much of 2021. There were 90 sales in the county in the fourth quarter, 12 more sales than a year ago, which is an increase of 15%. Home sales ticked up between the third and fourth quarters in Greene County.

Median Sales Price: Home prices continued to rise in Greene County. At \$325,215, the fourth quarter median sales price was 7% higher than a year ago, which is a gain of about \$20,500. Home price appreciation slowed slightly in the fourth quarter, following three consecutive quarters of double-digit price growth.

Sold Volume: There was about \$31 million of sold volume in the county in the fourth quarter. An increase in sales pushed total sold volume up 23% compared to a year ago, a gain of about \$5.8 million.

Days on Market: Homes that sold in Greene County during the fourth quarter were on the market an average of 29 days, which is 16 days faster than a year ago.

Inventory: Supply shrunk further in the fourth quarter in Greene County. At the end of the fourth quarter, there were 37 homes listed for sale in the county, which is down 21%, or 10 fewer listings, compared to a year ago.



Local Snapshot – *Louisa County*

Sales: Home sales in Louisa County were up compared to a year ago. There were 230 sales in the county during the fourth quarter, a 5% gain from the fourth quarter of 2020, or 10 additional sales. The number of sales increased in the county between the third and fourth quarters.

Median Sales Price: For the first time since late 2019, year-over-year home prices declined slightly in Louisa County. The fourth quarter median sales price in Louisa County was \$310,000, which is down 2% compared to a year ago, a decline of \$5,000. Home prices had been rising at double-digit rates for four consecutive quarters prior to this decline.

Sold Volume: Despite a drop in the median sales price, in the fourth quarter there was about \$92.7 million of sold volume in Louisa County, which is an increase of 5% compared to a year ago, a gain of about \$4 million.

Days on Market: Homes continued to sell quickly in Louisa County. In the fourth quarter, homes were on the market an average of 36 days, which is six days faster than a year ago.

Inventory: For the first time since 2015, inventory expanded year-over-year in Louisa County, although the increase was very modest. At the end of the fourth quarter, there were 99 active listings on the market in Louisa County, which is up 1% compared to last year or 1 additional listing.



Local Snapshot – *Nelson County*

Sales: For the second quarter in a row, home sales were down compared to a year ago in Nelson County. There were 120 sales in the county in the fourth quarter, which is down 38% compared to a year ago or 73 fewer sales. Sales activity was higher than the fourth quarter of 2019, and sales were steady between the third and fourth quarters.

Median Sales Price: Home prices continued to rise quickly in Nelson County. The median sales price in the fourth quarter was \$388,750, up a dramatic 26% compared to a year ago, a gain of nearly \$80,000. Home prices have been rising at double-digit rates since the beginning of 2020.

Sold Volume: Despite strong price growth, total sold dollar volume fell as a result of slower sales activity. There was approximately \$46 million of sold volume in Nelson County during the fourth quarter. Total sold volume was 32% lower than last year at this time, declining by about \$22 million.

Days on Market: It took about 39 days on average to sell a home in Nelson County during the fourth quarter, which is 61 days faster than last year.

Inventory: Supply got even more limited in the fourth quarter in Nelson County. There were just 43 active listings in the county at the end of the fourth quarter, 37 fewer listings than last year at this time, which is a 46% decline in inventory.



The Virginia REALTORS® association is one of the largest professional trade associations in Virginia, representing 35,000 REALTORS® engaged in the residential and commercial real estate business. The Virginia REALTORS® association serves as the advocate for homeownership and private property rights and represents the interests of real estate professionals and property owners in the Commonwealth of Virginia.

NOTE: The term REALTOR® is a registered collective membership mark that identifies a real estate professional who is a member of the National Association of REALTORS® and subscribes to its strict code of ethics.

All inquiries regarding this report may be directed to:

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Data and analysis provided by Virginia REALTORS® Chief Economist, Lisa Sturtevant, PhD.

The numbers reported here are preliminary and based on current entries into multiple listing services. Over time, data may be adjusted slightly to reflect increased reporting. Information is sourced from multiple listing services across Virginia and is deemed reliable, but not guaranteed.