

SWVAR SOUTHWEST HOME SALES REPORT

CUSTOM REPORT PREPARED BY
VIRGINIA REALTORS®

SWVAR Home Sales Report

4th Quarter 2019

Southwest Virginia Association of REALTORS®

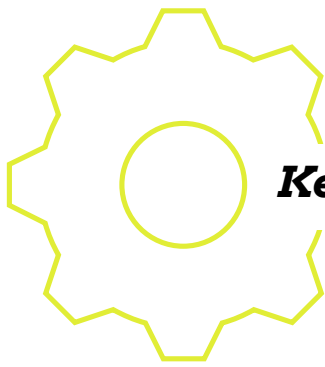
Market Report Key Takeaways

Economic Conditions

- The Southwest Virginia regional economy continues to struggle, with persistent job losses in key sectors of the economy.
- Consumer confidence remains strong, though there are some indications of growing uncertainty about future economic conditions.
- Interest rates have remained relatively unchanged for the past few weeks and are expected to remain low into 2020.

Housing Market Conditions

- There was a surge in sales activity in the SWVAR housing market in the 4th quarter of 2019. Washington County had 24 more sales than a year ago, the largest gain since the Summer of 2018.
- The median sales price in the SWVAR region climbed \$11,000 from a year ago, a 9% gain.
- Despite the increased market activity, homes continue to take longer, on average, to sell in the SWVAR area. The average days on market jumped up by 2 weeks (+14 days) compared to last year.



Key Trends Dashboard, SWVAR

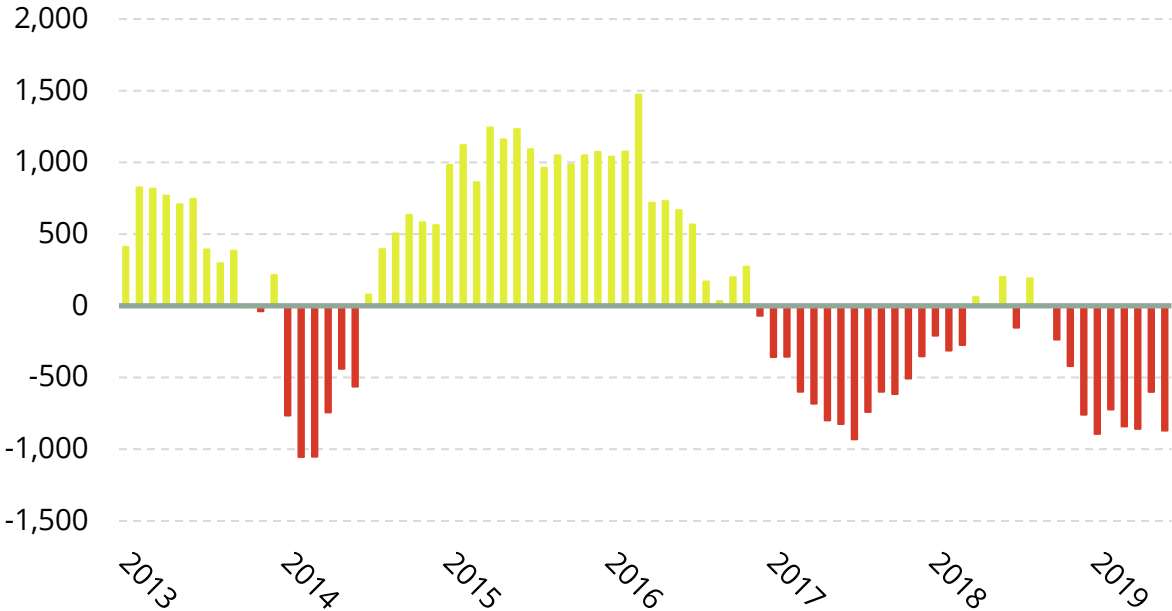
▼	-870	Fewer jobs in the SWVAR footprint between Jun-2018 and Jun-2019
-	3.1%	Is the unemployment rate in the SWVAR area in Nov-2019, which is unchanged from Oct-2019
▲	174.4	Is the present situation consumer confidence index level for the South Atlantic region economy in Dec-2019, which is up from one year prior
▼	102.9	Is the consumer expectations index level for the South Atlantic region economy in Dec-2019, which is down from one year prior
▲	22	More home sales in the SWVAR footprint in Q4-2019 compared to last year
▲	\$11,000	Increase in median sales price in the SWVAR area in Q4-2019 compared to a year ago
▲	\$5	Million more in total sold dollar volume in the SWVAR footprint in Q4-2019 compared to last year
▲	14	Days higher average days on market for the SWVAR area in Q4-2019 compared to a year ago
▼	25.9	Months of supply in the SWVAR area housing market in Q4-2019, which is down from a year ago

Economic Overview

The Southwest Virginia region continues to struggle economically, posting 10 consecutive months of job losses in the area. Between June 2018 and June 2019 (the most recent data available), the region saw the number of jobs drop by 870.

The bright spots in the economy were the Education Services and Administrative Support sectors, which gained 122 jobs and 316 jobs, respectively, between June 2018 and June 2019. However, there were losses in the Manufacturing (-280 jobs), Health Care & Social Assistance (-133 jobs), Retail Trade (-104 jobs), and Accommodation & Food Services (-187 jobs) sectors.

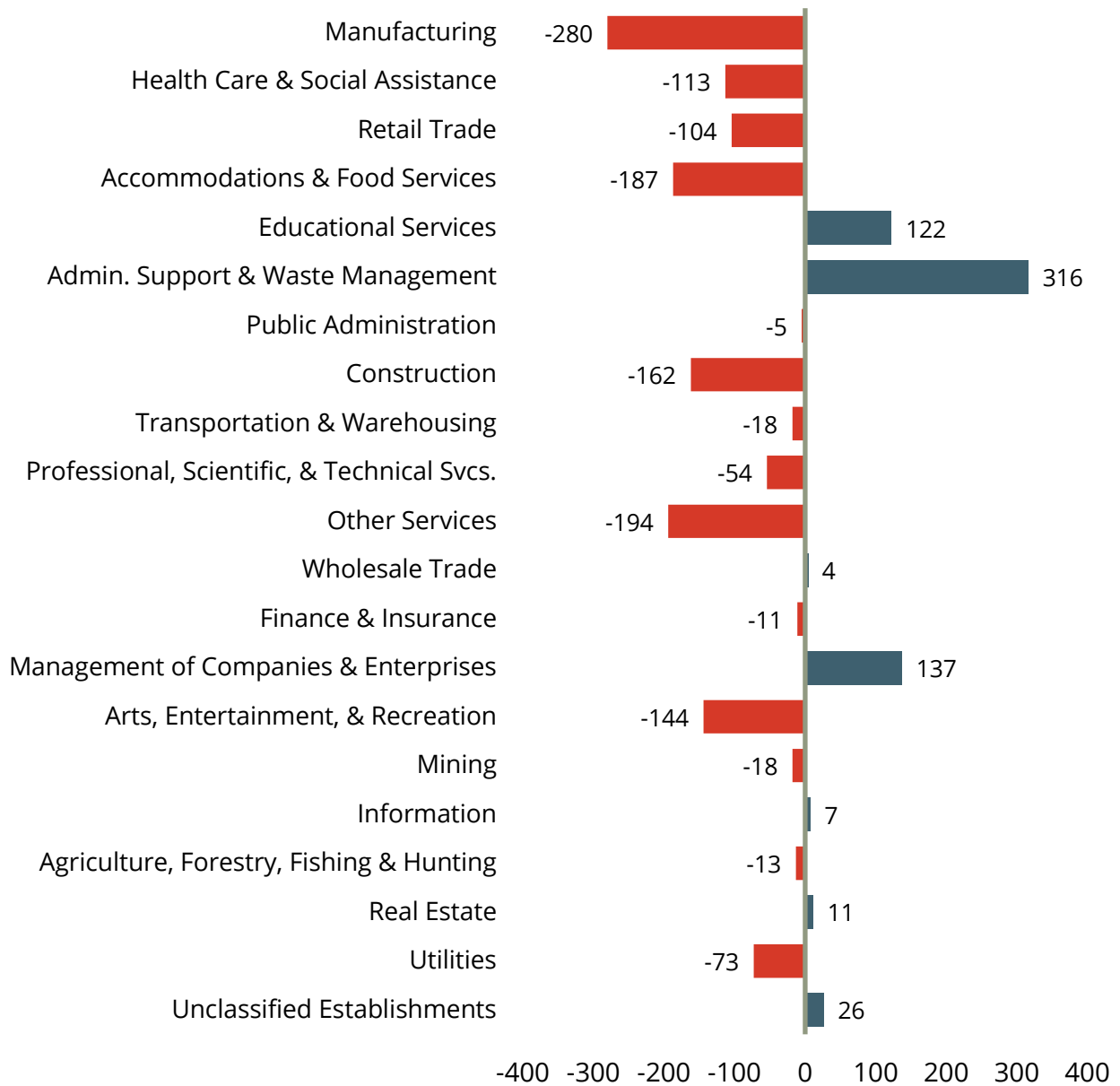
Figure 1
Annual Change in Jobs, SWVAR



Source: Virginia Employment Commission, Quarterly Census of Employment and Wages

Figure 2
Job Change by Industry
SWVAR
Jun-2018 to Jun-2019

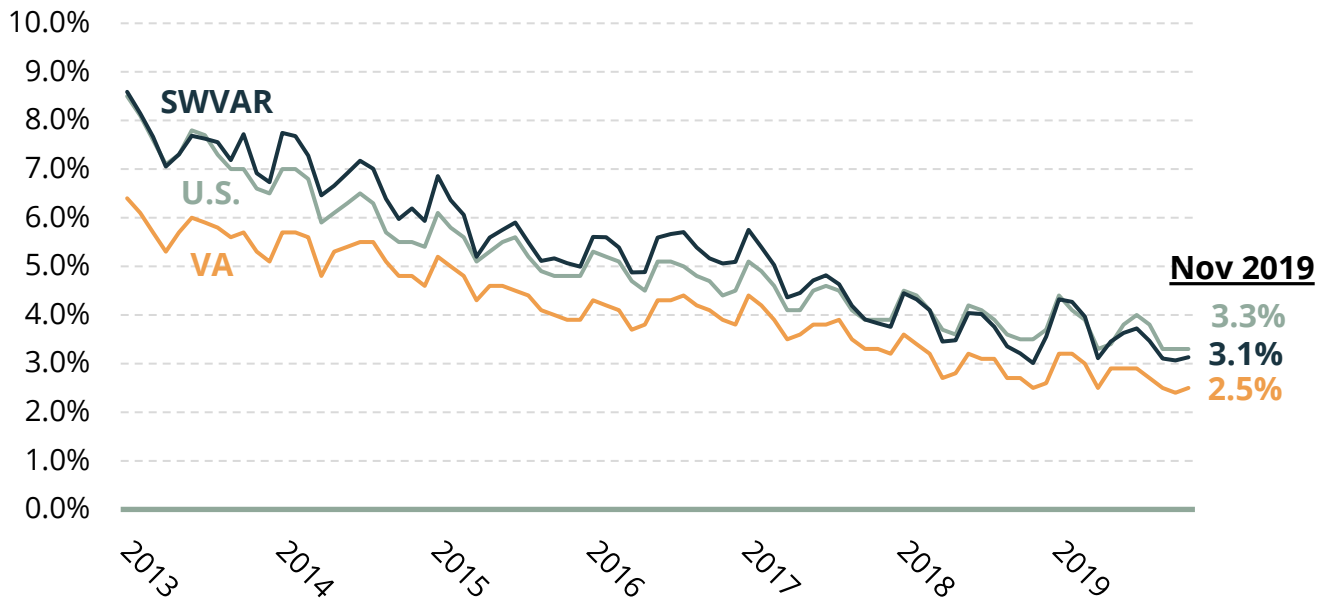
Ranked by Size



Source: Virginia Employment Commission, Quarterly Census of Employment and Wages

The unemployment rate in the Southwest Virginia region has fallen steadily for 6 years and is now lower than the national unemployment rate.

Figure 3
Unemployment Rate

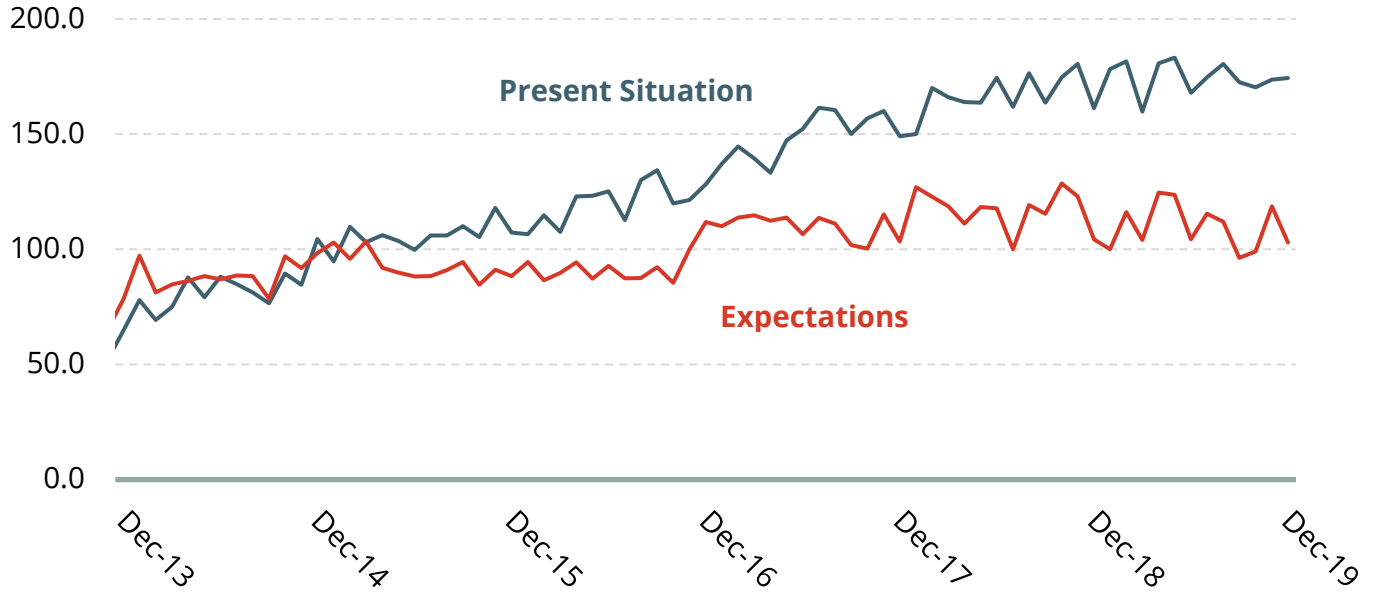


Source: U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics

While consumer confidence remains strong, data suggest some uncertainties about future economic conditions among residents of the South Atlantic region of the U.S., which includes Virginia. The measure of confidence in current economic conditions continues to rise and was 174.4 in December. The measure of consumers' confidence in future economic conditions fell to 102.9 in December. A level above 100 is positive, but this metric has been hovering slightly above and below 100 for the last few months.

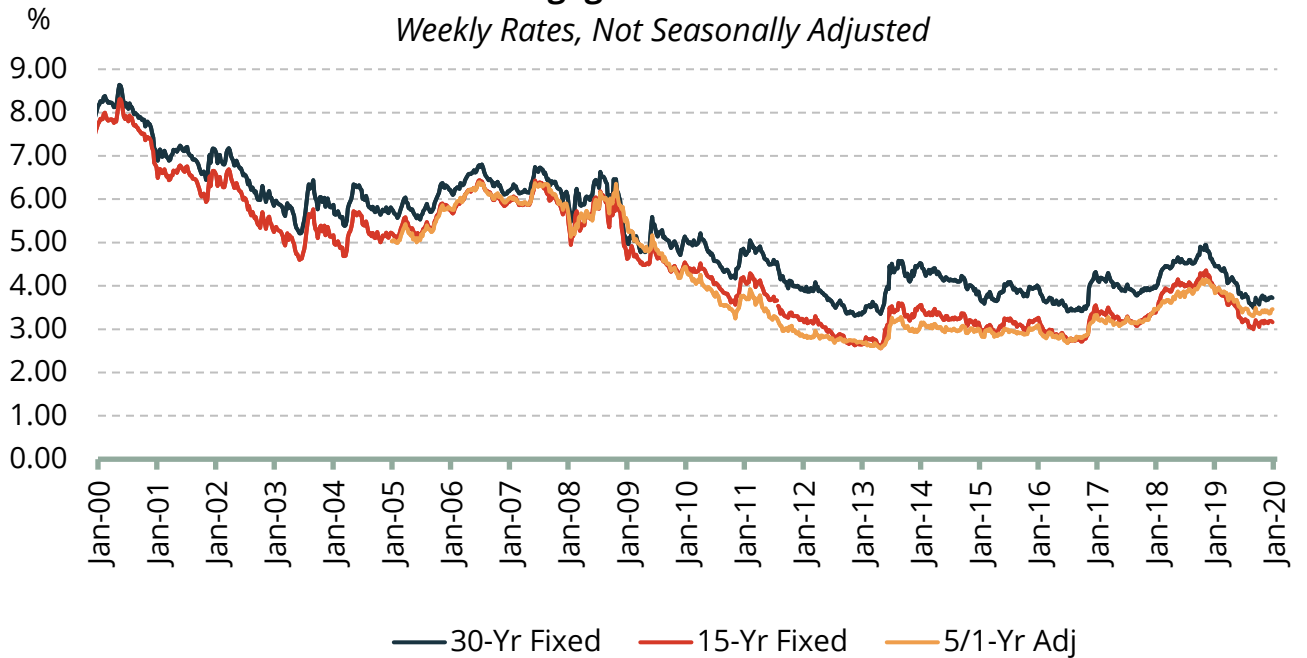
In the 1st week of January 2020, the 30-year fixed-rate interest rate was 3.72, virtually unchanged from a month ago and three-quarters of a point lower than last January. This long period of low interest rates will likely continue into 2020, which helps create favorable housing market conditions.

Figure 4
Consumer Confidence
South Atlantic Region



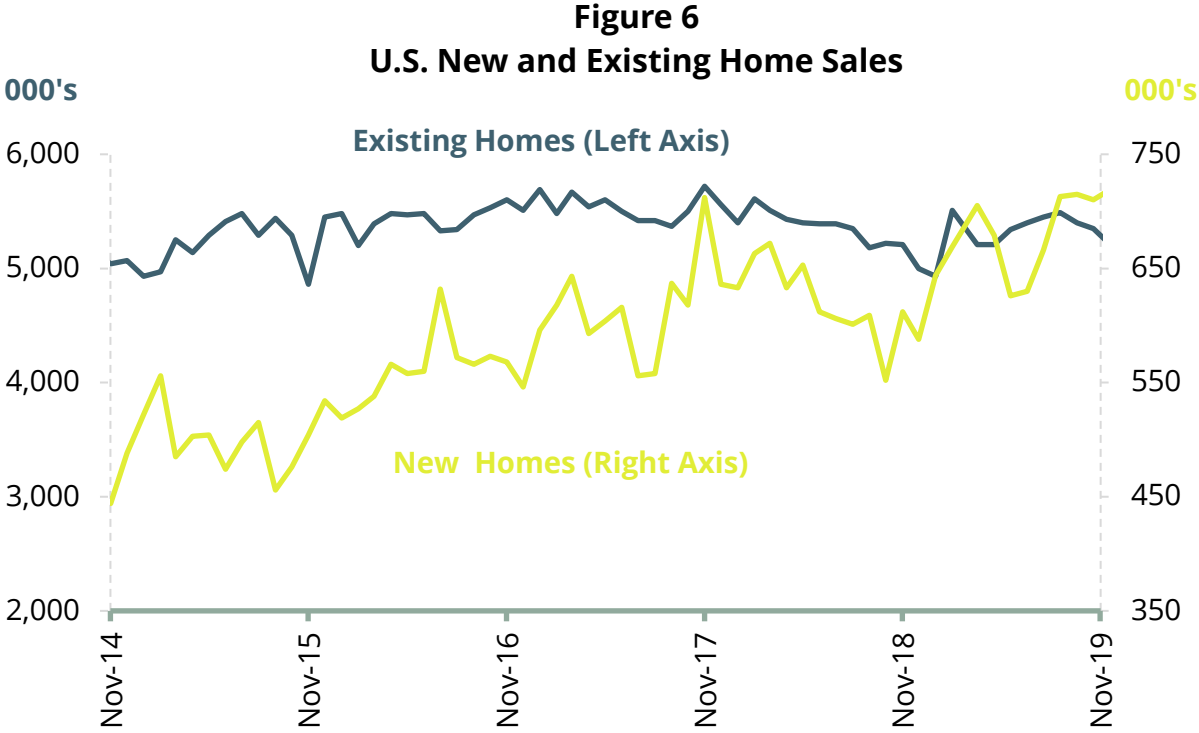
Source: The Conference Board

Figure 5
Mortgage Interest Rates
Weekly Rates, Not Seasonally Adjusted



Source: Federal Reserve Bank of St. Louis

The national housing market continues to perform fairly well. Growth in wages and continued low mortgage rates have been factors in the market performance. Existing home sales have generally been on a slow upward trend since the spring of 2019. New home sales declined slightly through the spring and summer but rebounded in the last quarter of 2019.



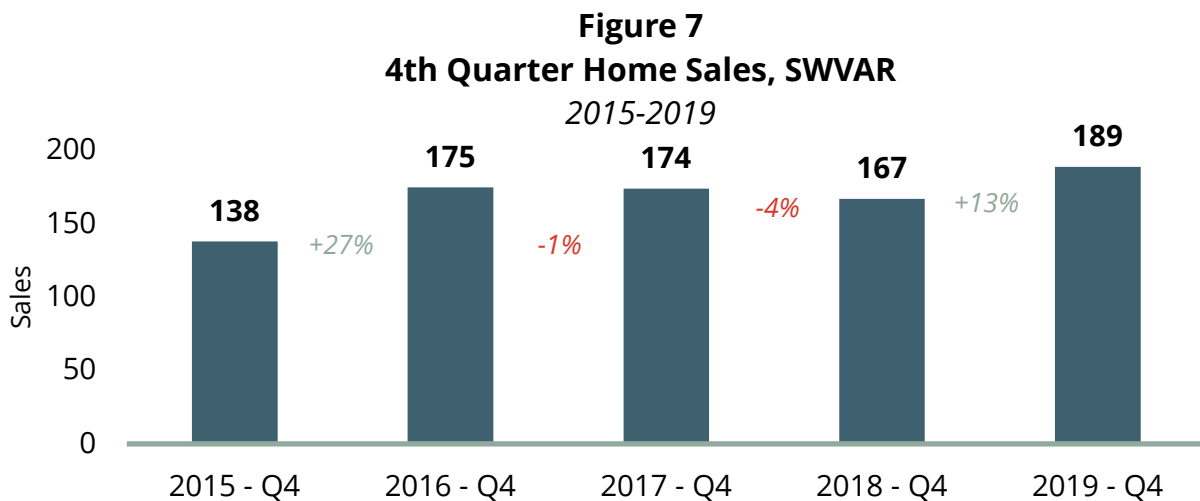
Source: U.S Census Bureau, National Association of REALTORS®.

Housing Market Overview

After a year of downward trends, market activity in the SWVAR footprint is up in the 4th quarter. There were more sales transactions, median prices rose, and the sold dollar volume jumped up by \$5 million compared to last year. Market growth was largely driven by a surge in sales in Washington County. Smyth County also had an uptick in sales; however, market activity in Russell County continued to trend downward compared to last year. Even with the increase in sales and prices, the average days on market increased by 2 weeks in the region, and the inventory of active listings remains high relative to the volume of sales. The job base in the region declined in the first half of 2019, which could have an impact on demand in some local housing markets. Interest rates are very low and are expected to remain steady in the coming months, which will provide attractive financing options for buyers that are active in the market.

Sales

Quarterly sales activity increased in the SWVAR housing market for the first time in over a year. There were 189 sales in the region in the 4th quarter of 2019, 22 more transactions than a year ago, representing a 13% increase. A surge in sales in Washington County drove the growth for the SWVAR region. There were 24 additional sales in Washington County compared to last year. Sales activity in Smyth County also increased, climbing 6% from last year, an increase of 3 sales.



Source: Virginia REALTORS®, data accessed January 17, 2020



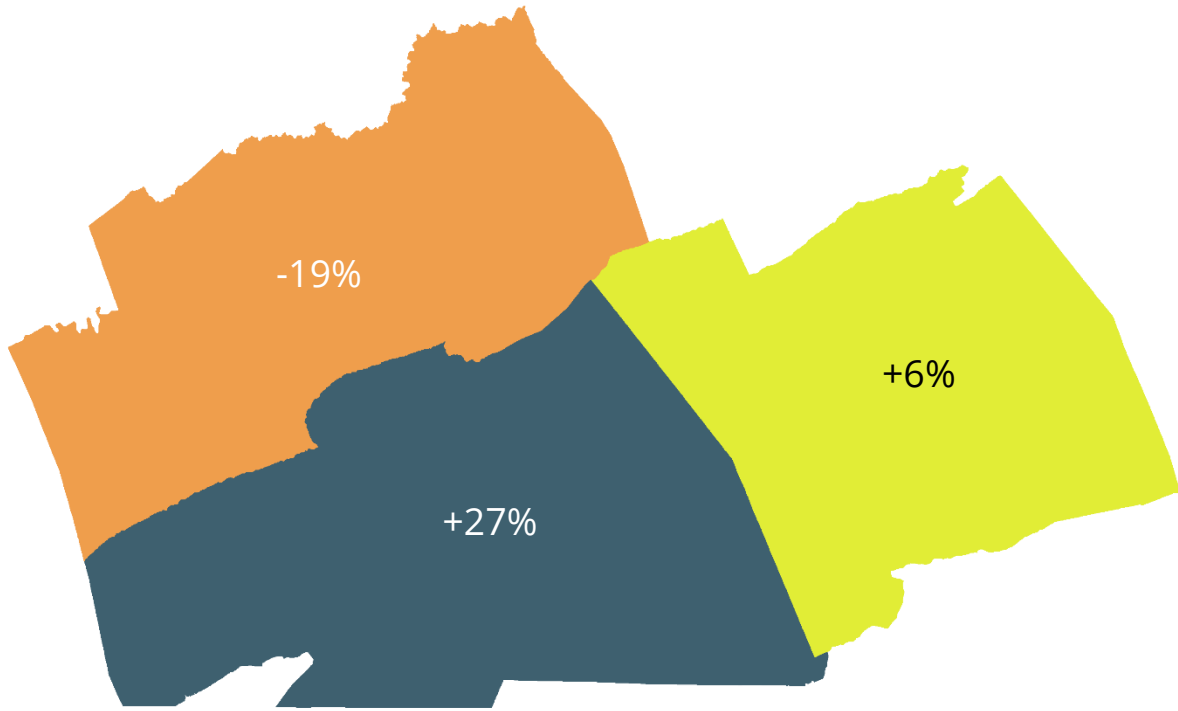
Local Snapshot – *Total Home Sales*

Russell County: Sales activity declined every quarter in 2019 in Russell County. There were 22 sales in the County in the 4th quarter, 5 fewer than last year, representing a 19% drop.

Smyth County: Sales activity continues to trend up in Smyth County. There were 53 sales in the County during the 4th quarter, 3 more sales than a year ago, a 6% gain.

Washington County: After sluggish sales for 4 consecutive quarters, there was a notable surge in sales activity this quarter in Washington County. There were 114 sales in the County during the 4th quarter, a 27% jump from last year, an increase of 24 sales.

Figure 8
Change in Sales by Jurisdiction
SWVAR
4th Quarter 2018 to 4th Quarter 2019



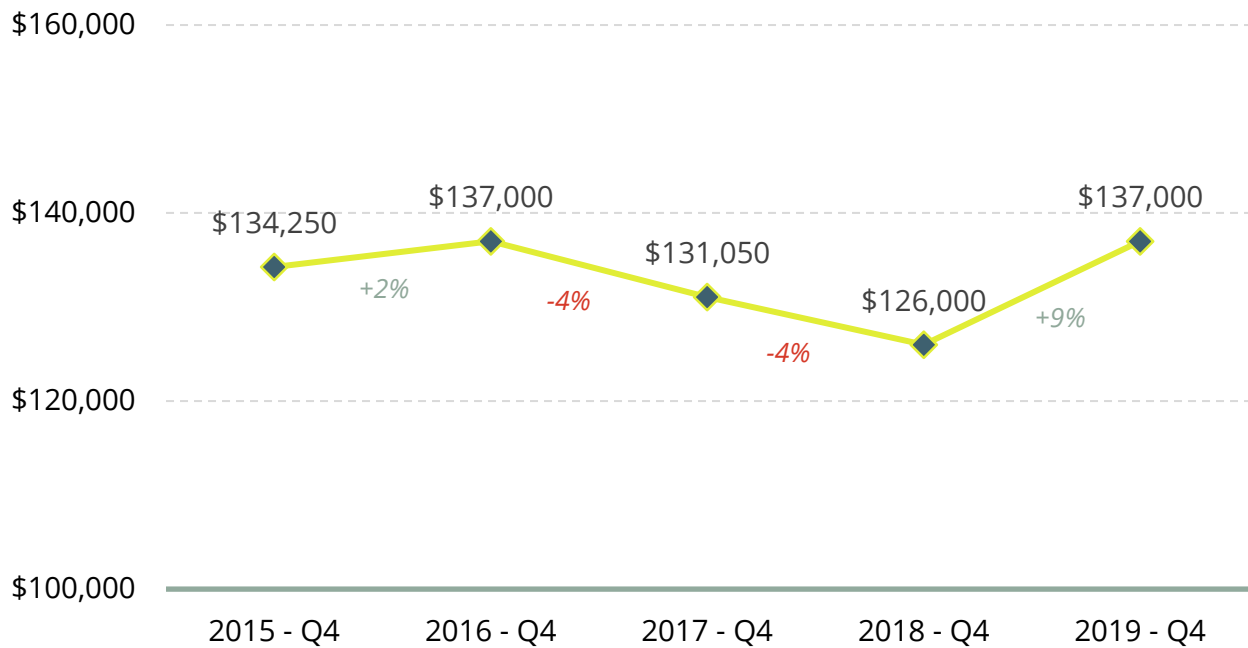
<i>Jurisdiction</i>	<i>2018 - Q4</i>	<i>2019 - Q4</i>	<i>% Change</i>
Russell County	27	22	-19%
Smyth County	50	53	6%
Washington County	90	114	27%

Source: Virginia REALTORS®, data accessed January 17, 2020

Sales Prices

After flat price growth in the 3rd quarter, sales prices are back on the rise in the SWVAR housing market. At \$137,000, the 4th quarter median sales price is \$11,000 higher than last year, a 9% gain. The median sales price in the region has increased 3 out of the past 4 quarters. The price growth this quarter was driven by sales in Smyth and Washington counties. The median sales price increased by about \$11,000 in Washington County and by \$7,250 in Smyth County compared to the 4th quarter of 2018. Prices in Russell County continue to trend down, falling by 17% in the 4th quarter, a drop of \$26,500 from a year ago.

Figure 9
4th Quarter Median Sales Price, SWVAR
2015-2019



Source: Virginia REALTORS®, data accessed January 17, 2020



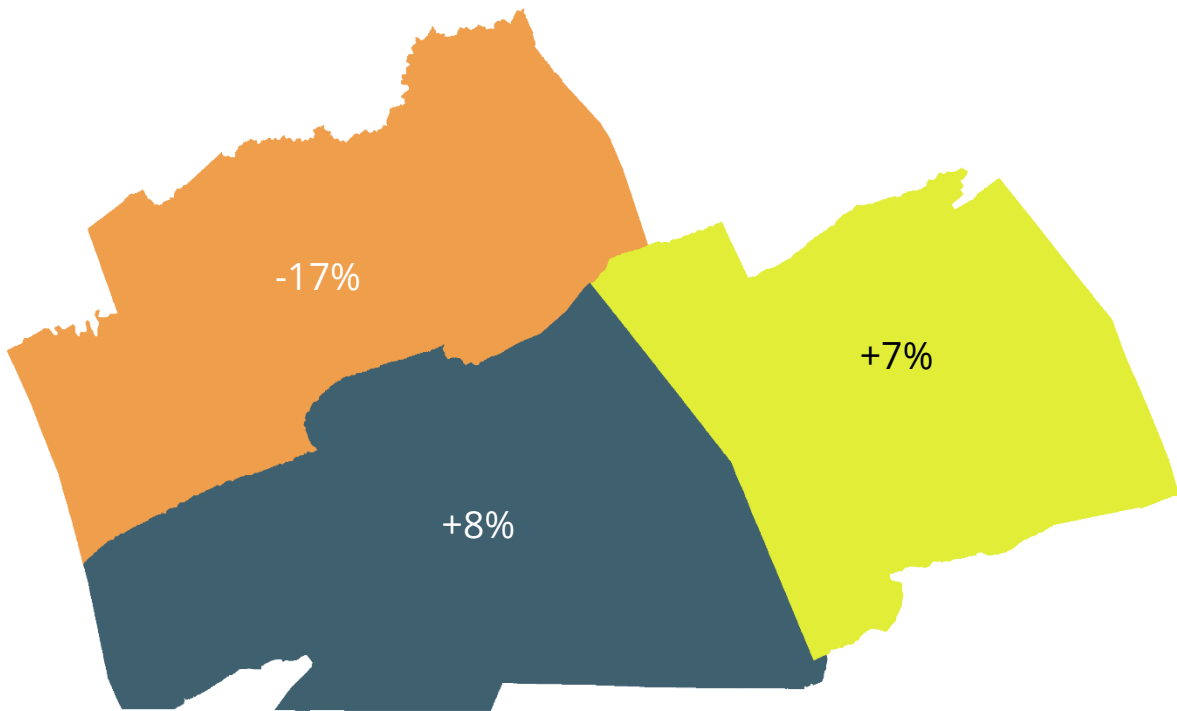
Local Snapshot – *Median Sales Price*

Russell County: Home prices in Russell County declined every quarter in 2019 compared to the prior year. At \$128,500, the 4th quarter median sales price in the County fell 17% from 2018, a \$26,500 decline. This is the largest decrease in the County's housing market since the Spring of 2017.

Smyth County: After trending down in the Spring and Summer of 2019, home prices are back on the rise in Smyth County. At \$108,000, the 4th quarter median sales price rose 7% from last year, a gain of \$7,250.

Washington County: Home prices continue to trend up in Washington County. At \$158,000, the 4th quarter median sales price is up 8% from a year ago, a gain of over \$11,000. The median sales price has increased in the County for 5 consecutive quarters compared to the prior year.

Figure 10
Change in Median Sales Price by Jurisdiction
SWVAR
4th Quarter 2018 to 4th Quarter 2019



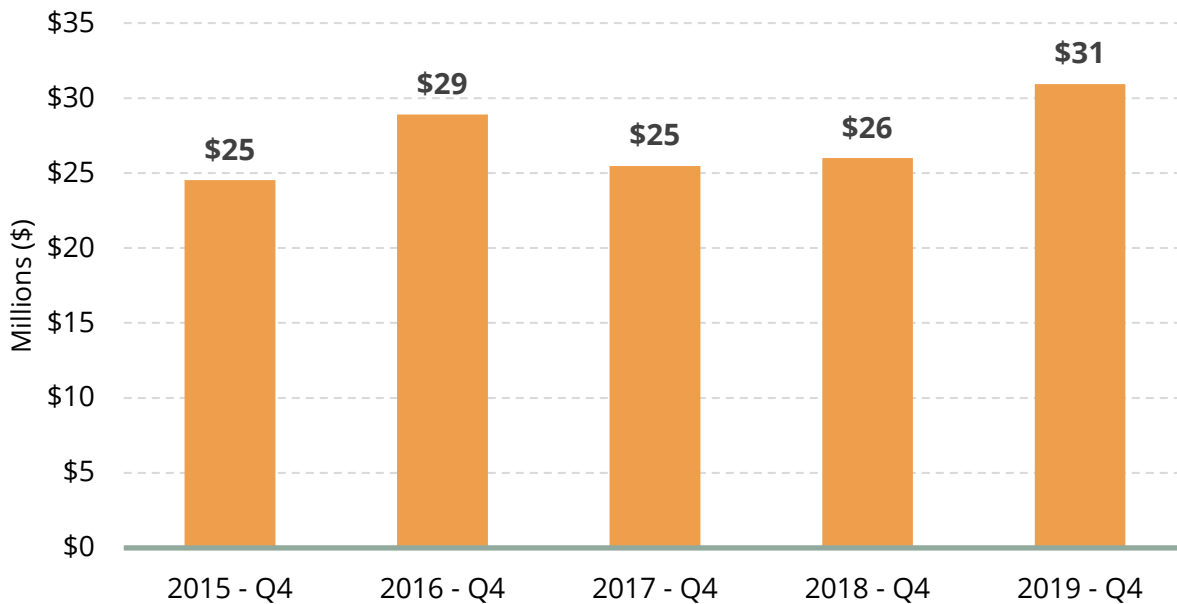
<i>Jurisdiction</i>	<i>2018 - Q4</i>	<i>2019 - Q4</i>	<i>% Change</i>
Russell County	\$155,000	\$128,500	-17%
Smyth County	\$100,750	\$108,000	7%
Washington County	\$146,955	\$158,000	8%

Source: Virginia REALTORS®, data accessed January 17, 2020

Sold Volume

Strong price growth and the increase in sales activity led to a large increase in the sold dollar volume this quarter in the SWVAR housing market. There was approximately \$31 million in sold volume throughout the region in the 4th quarter, a \$5 million gain over a year ago, representing a 19% increase. The surge in sales in Washington County led to an additional \$5.1 million in sold volume in the County in the 4th quarter, the highest gain in over a year. There was nearly \$1 million more sold volume in Smyth County, while the sold volume in Russell County declined by \$1.2 million from the 4th quarter of 2018.

Figure 11
4th Quarter Sold Dollar Volume (Millions), SWVAR
2015-2019



Source: Virginia REALTORS®, data accessed January 17, 2020



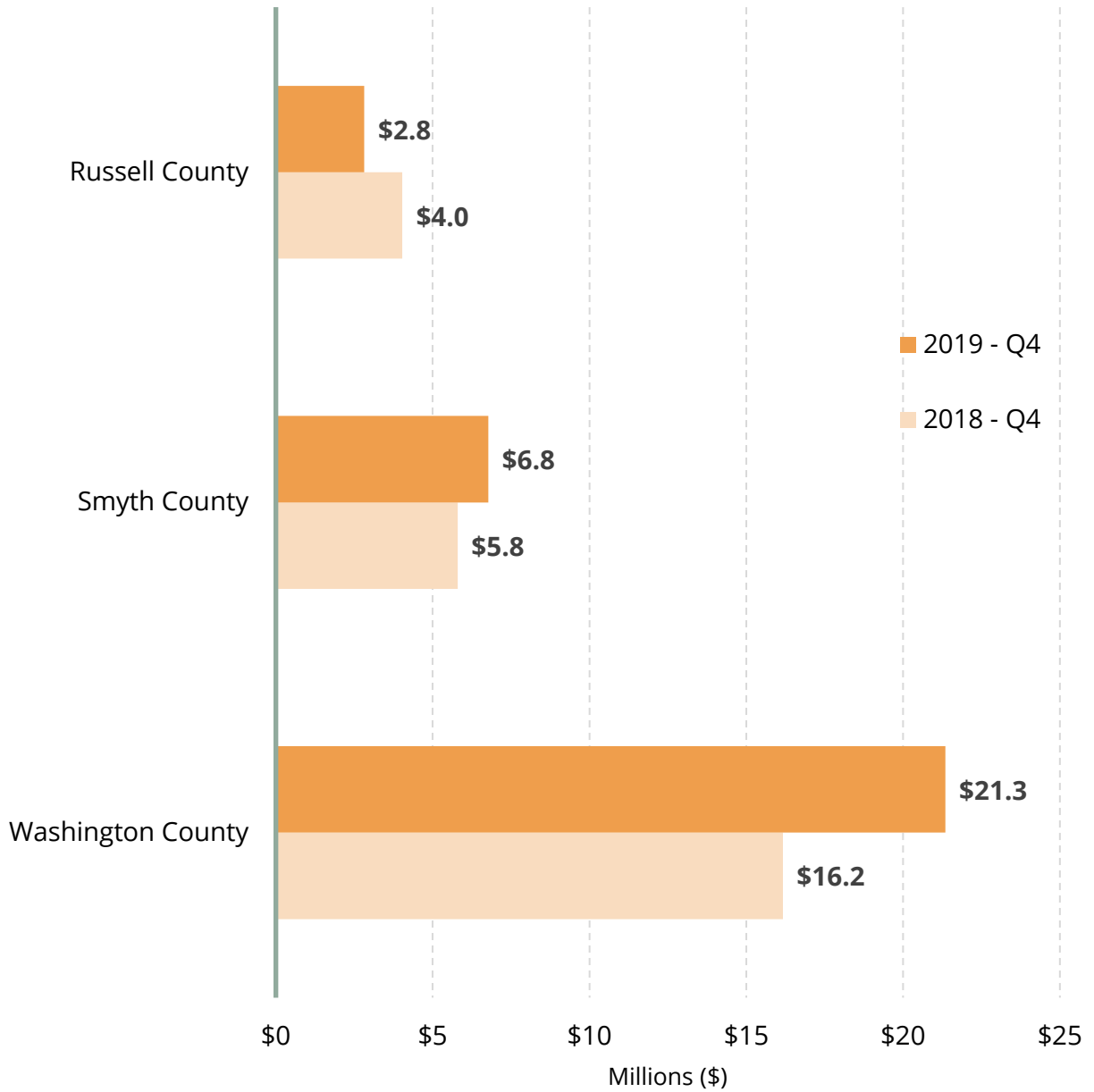
Local Snapshot – *Sold Dollar Volume*

Russell County: The decline in sales transactions and lower median sales price this quarter lowered the sold dollar volume in Russell County compared to a year ago. There was about \$2.8 million in sold volume in the 4th quarter in the County, \$1.2 million less than last year, a 30% reduction. This is the 4th volume decline in a row for the County.

Smyth County: The sold volume in Smyth County continues to climb. There was approximately \$6.8 million in sold volume in the County during the 4th quarter, about \$1.0 million more than last year, a 17% gain. The sold volume has risen for 5 consecutive quarters in the County.

Washington County: There was approximately \$21.3 million in sold volume in Washington County in the 4th quarter, \$5.1 million more than a year ago, a 32% surge.

Figure 12
4th Quarter Sold Dollar Volume, SWVAR Jurisdictions
2018 and 2019

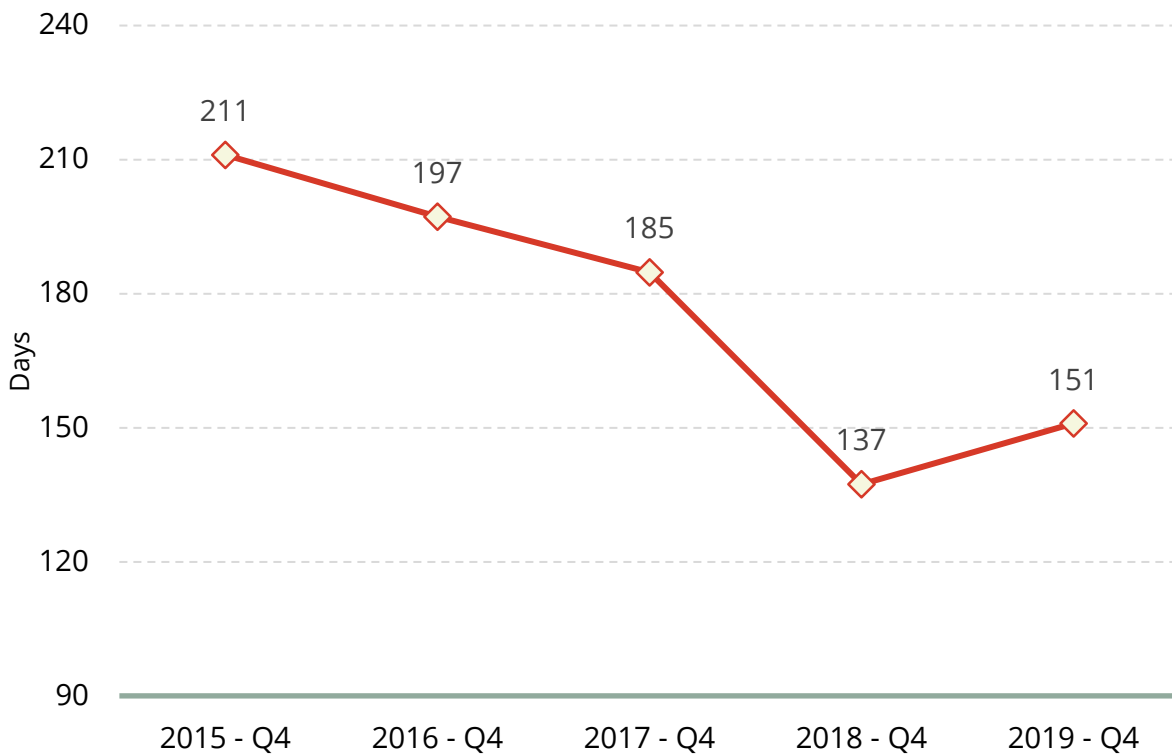


Source: Virginia REALTORS®, data accessed January 17, 2020

Days on Market

Homes continue to take longer to sell, on average, in the SWVAR housing market. At 151 days, the 4th quarter average days on market increased by 2 weeks (+14 days) compared to a year ago, the 2nd quarterly increase in a row after trending down for 2 years. Smyth County led all jurisdictions, with over a month higher (+36 days) average days on market in the 4th quarter. The average days on market in Washington County also increased, up by more than 3 weeks from a year ago (+24 days). Meanwhile, homes sold more than 7 weeks faster, on average, in Russell County in the 4th quarter (-43 days).

Figure 13
4th Quarter Average Days on Market, SWVAR
2015-2019



Source: Virginia REALTORS®, data accessed January 17, 2020



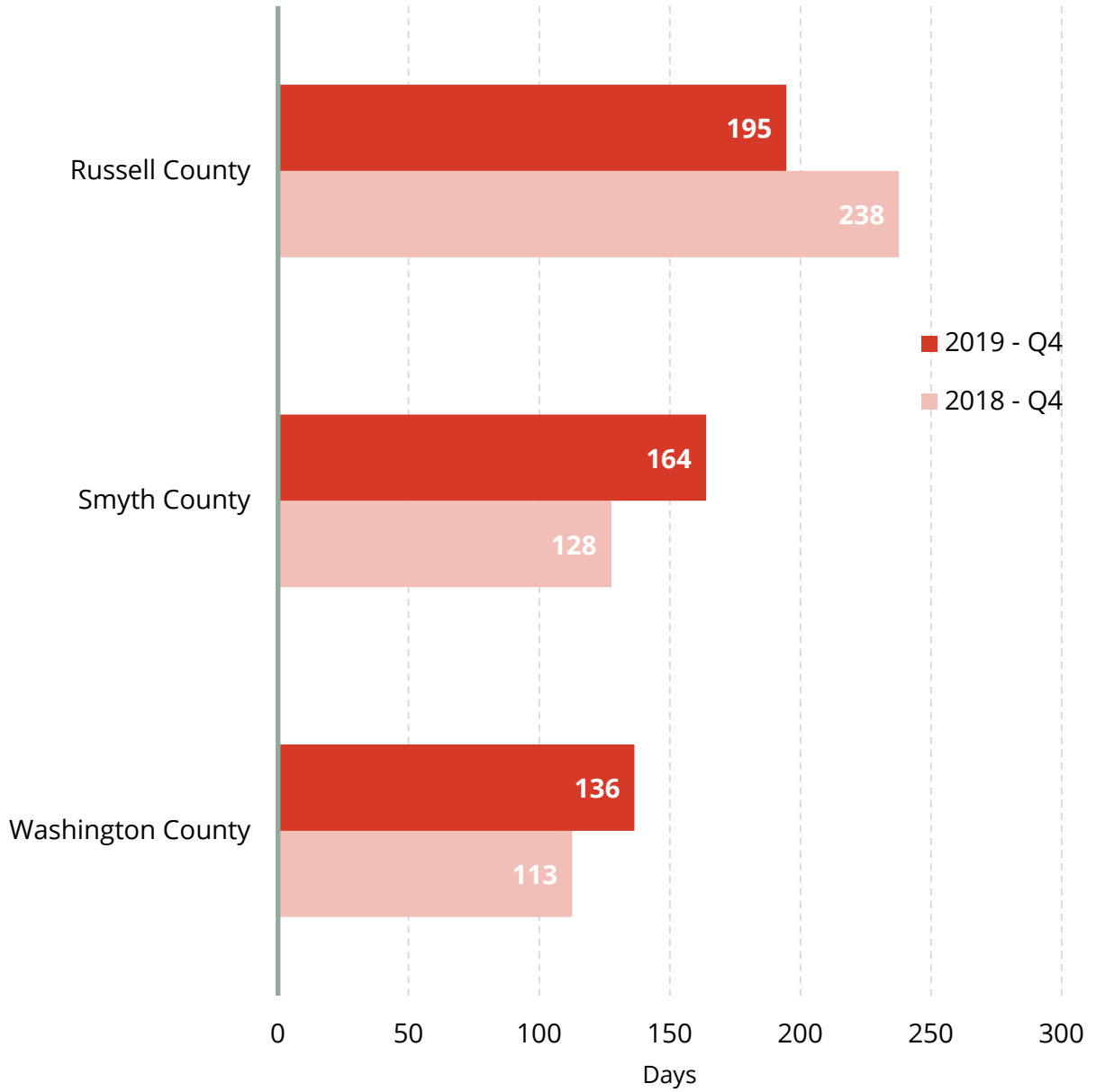
Local Snapshot – *Average Days on Market*

Russell County: At 195 days, the average days on market in the 4th quarter in Russell County is 43 days less than last year. This metric has declined in the County 3 of the last 4 quarters.

Smyth County: Homes are taking longer to sell, on average, in Smyth County. The 4th quarter average days on market in the County was 164 days, which is 36 days more than a year ago, the 2nd quarterly increase in a row for the County.

Washington County: For the 3rd consecutive quarter, homes were on the market longer, on average, in Washington County compared to the prior year. At 136 days, the 4th quarter average days on market is 24 days higher than last year.

Figure 14
4th Quarter Average Days on Market, SWVAR Jurisdictions
2018 and 2019



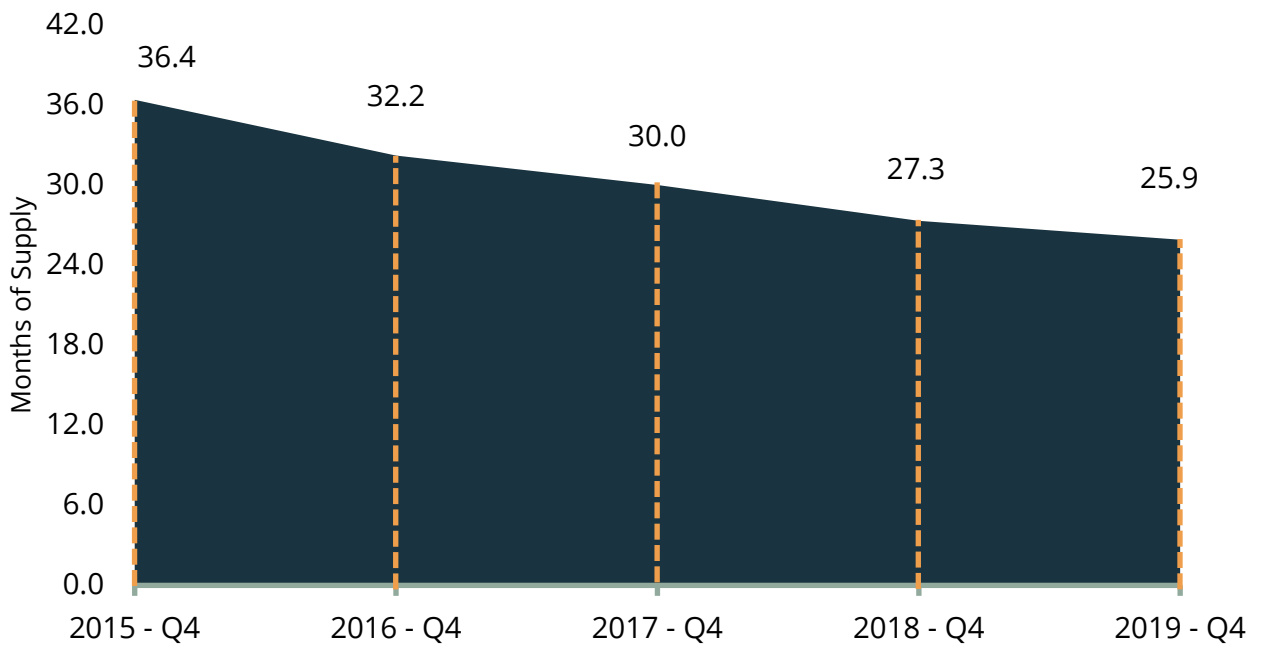
Source: Virginia REALTORS®, data accessed January 17, 2020

Inventory

The supply of active listings in the SWVAR housing market has been consistently shrinking for the past 4 years, but still remains high compared to other regions in the State. There were 1,591 active listings at the end of the 4th quarter, 76 fewer listings than the 4th quarter of 2018, a 5% decline. All jurisdictions in the SWVAR are had a drop in inventory, led by Washington County with 31 fewer active listings.

There was an estimated 25.9 months of supply in the SWVAR housing market at the end of the 4th quarter, down from 27.3 months of supply last year. The months of supply is calculated by taking the average monthly sales over the preceding 12-month period and dividing it by inventory of active listings. In most housing markets, a supply above 6 months tends to favor buyers rather than sellers.

Figure 15
End of 4th Quarter Months Supply, SWVAR
2015-2019



Source: Virginia REALTORS®, data accessed January 20, 2020



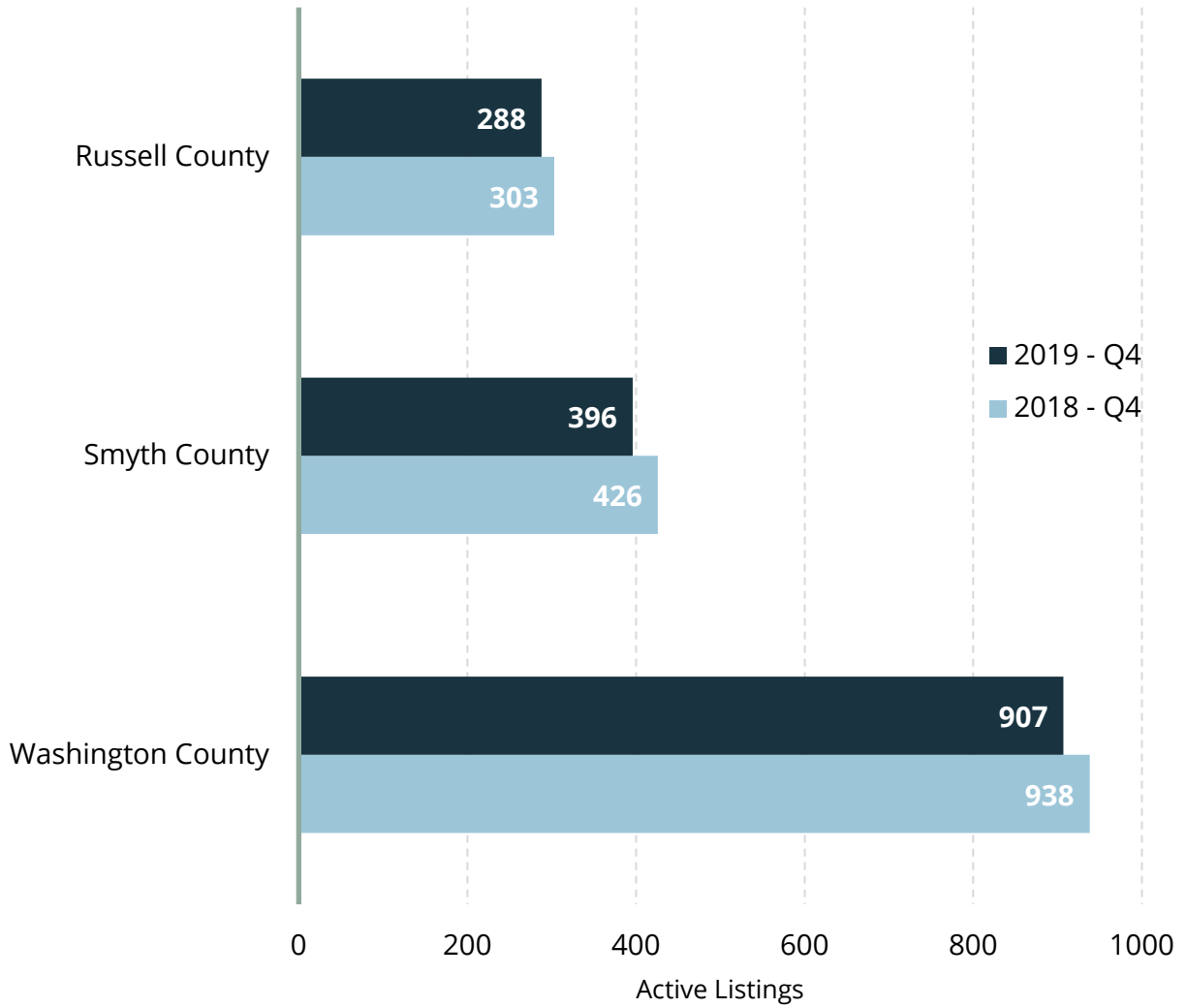
Local Snapshot – *Active Listings*

Russell County: There were 288 active listings in Russell County at the end of the 4th quarter, 15 fewer listings than a year ago, representing a 5% decline. The inventory in the County has been shrinking steadily for 11 consecutive quarters.

Smyth County: There were 396 active listings in Smyth County at the end of the 4th quarter, down 7% from last year, a decline of 30 active listings. The supply in Smyth County has been trending down for much of the past 3 years.

Washington County: The inventory in Washington County has been declining every quarter since the Spring of 2016. There were 907 active listings at the end of the 4th quarter, down 31 listings from a year ago, a 3% drop.

Figure 16
End of 4th Quarter Active Listings, SWVAR Jurisdictions
2018 and 2019



Source: Virginia REALTORS®, data accessed January 20, 2020



The Virginia REALTORS® association is the largest professional trade association 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.

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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.