

HRAR HARRISONBURG-ROCKINGHAM HOME SALES REPORT



CUSTOM REPORT PREPARED BY
VIRGINIA REALTORS®

HRAR Home Sales Report

Fourth Quarter 2023

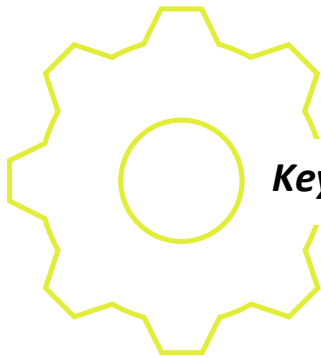
Harrisonburg-Rockingham Association of REALTORS® Market Report Key Takeaways

Economic Conditions

- Virginia's job market continues to be resilient. There was an influx of 7,900 jobs in the Commonwealth between October and November 2023.
- The statewide unemployment rate in Virginia was 2.9% in November 2023 (not seasonally adjusted), which is down from 3% a year ago. In the HRAR region, the unemployment rate was 2.8% in November, unchanged from a year ago.
- After approaching 8% at the end of October 2023, mortgage rates have been trending down 10 of the last 12 weeks. In the third week of January 2024, the average rate on a 30-year fixed mortgage was 6.6%, which is down from 6.66% the week prior, but up from 6.15% a year ago.

Housing Market Conditions

- Sales activity continues to cool in the HRAR region. There were 243 sales in the HRAR housing market during the fourth quarter, 79 fewer sales than last year, which is a 25% decline.
- Upward pressure on home prices continues to be a key factor in the HRAR area. The median sales price in the HRAR footprint during the fourth quarter was \$317,883, climbing a solid 6% from this time last year.
- The supply of active listings in the HRAR region continues to build up. There were 241 active listings on the market at the end of the fourth quarter regionwide, up 66% from a year ago.



Key Trends Dashboard, HRAR

Economy

- **2.8%** Is the Nov-2023 **unemployment rate** in the HRAR footprint, which is unchanged from Nov-2022
- ▲ **6.6%** Is the **30-year fixed-rate mortgage rate** during the third week of January 2024, which is up from 6.15% a year ago

Housing Market

- ▼ **-79** Fewer **home sales** in the HRAR footprint in Q4-2023 compared to last year
- ▲ **6%** Percent change in **median sales price** in the HRAR region in Q4-2023 compared to a year ago
- ▼ **-\$19.1** Million dollars less in total **sold volume** in the HRAR footprint in Q4-2023 compared to last year
- ▲ **66%** Percent change in **active listings** at the end of Q4-2023 in the HRAR market compared to a year ago
- ▲ **2.6** **Months of supply** in the HRAR footprint in Q4-2023, which is up from a year ago

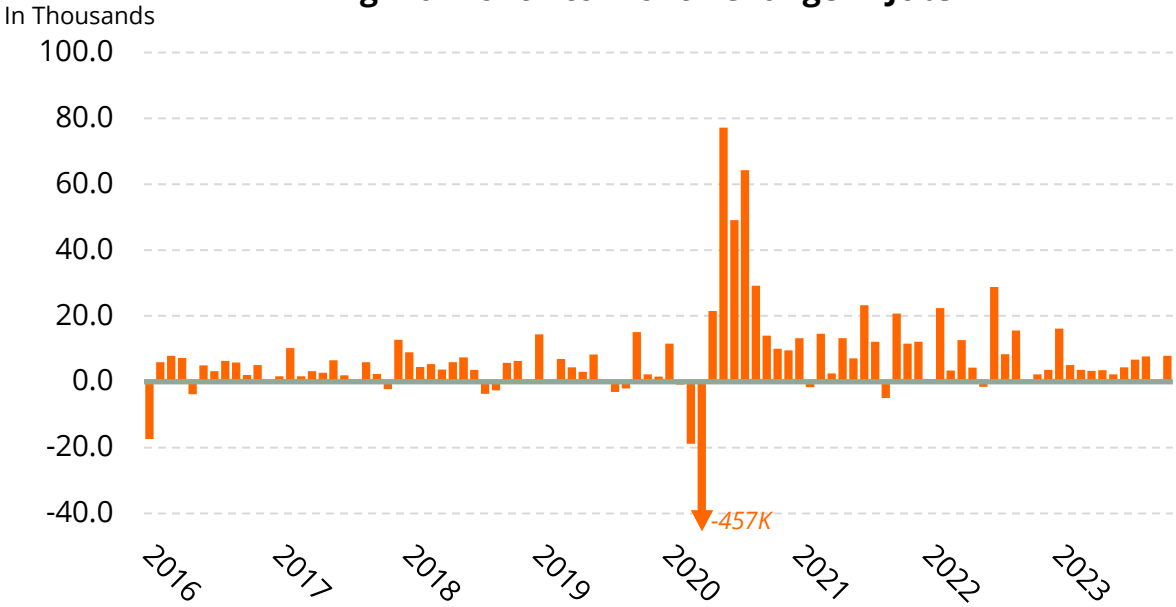
Economic Overview

Job growth exceeded expectations recently, and the labor market continues to be tight, but unemployment has edged upward in Virginia for several months. Mortgage rates have been falling since October, and inflation continues to retreat. The prospects of a “soft-landing” for the U.S. economy are improving, though there is still uncertainty about how much and when the full effects of the Fed’s rate hikes will be felt, as the economy slows down heading into 2024.

Jobs

There was a jump in the jobs data in Virginia in November after falling flat in October. There were approximately 4.17 million jobs statewide in November, which is 7,900 more than the revised October total. This is the strongest month-to-month increase since the start of 2023. The job sectors with the strongest gains in November were the Professional & Technical Services sector (+5,000 jobs), the Transportation & Warehousing sector (+4,900 jobs), and Wholesale Trade (+2,000 jobs). The Administrative & Waste Management Services sector shed about 5,500 jobs, and there were 1,000 fewer retail jobs in Virginia in November compared to October.

Figure 1
Virginia Month-to-Month Change in Jobs

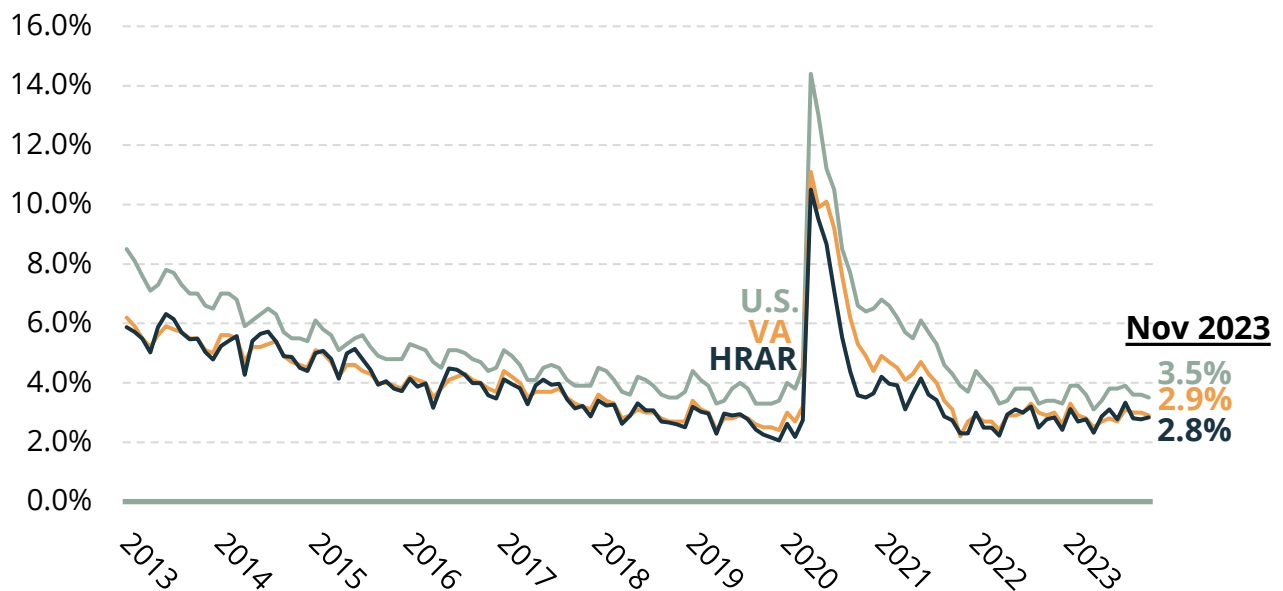


Source: U.S. Bureau of Labor Statistics, Seasonally Adjusted

Unemployment

The statewide unemployment rate in Virginia dipped to 2.9% in November 2023, down from 3% in November 2022 (not seasonally adjusted). In the U.S., the unemployment rate rose to 3.5% in November, up from 3.4% a year ago. The nationwide unemployment rate has been inching up for four consecutive months but remains very low compared to historical averages. In the HRAR footprint the November unemployment rate was 2.8%, which is the same as last year.

Figure 2
Unemployment Rate

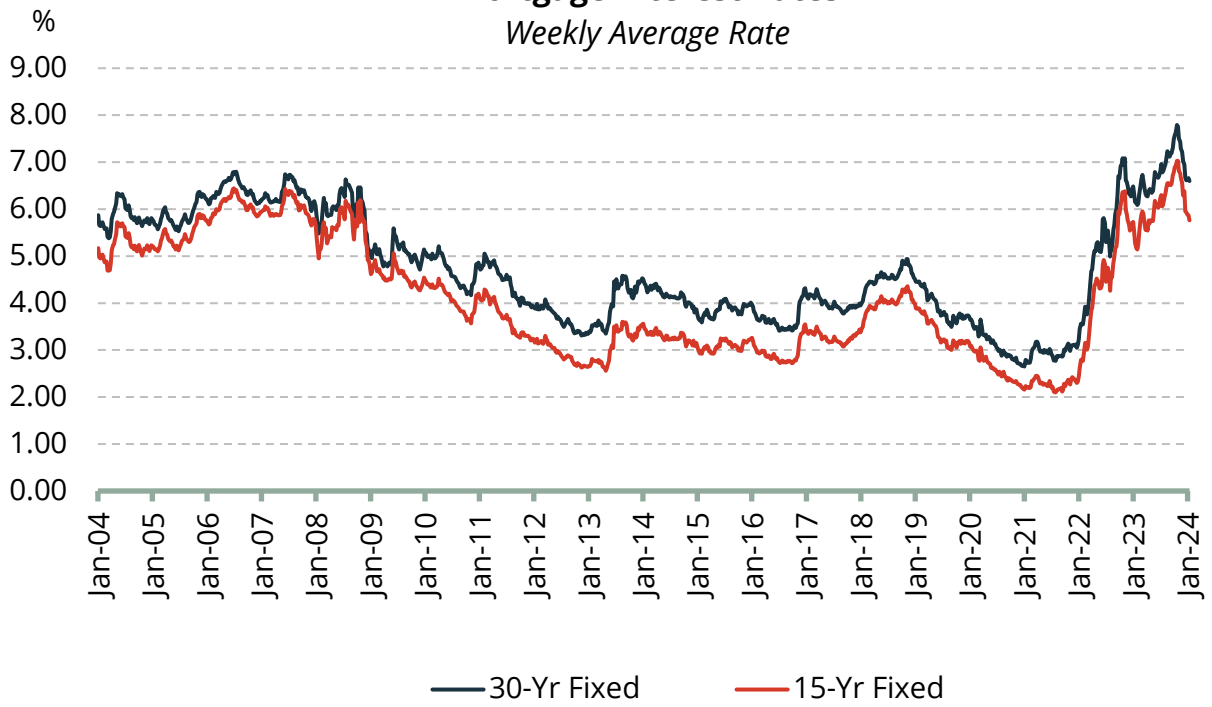


Source: U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics

Mortgage Rates

After peaking near 8% in October 2023, the average interest rate for a 30-year fixed mortgage is now 6.6% as of January 18, 2024. Rates have been trending down steadily 10 of the last 12 weeks, which has ushered in renewed optimism from both buyers and sellers alike. The Federal Reserve has indicated that it plans to implement a series of fed funds rate cuts in 2024, which will continue to put downward pressure on interest rates. This will boost activity in the housing market and loosen up the “lock-in effect” for some homeowners that have pent-up demand to buy another house.

Figure 3
Mortgage Interest Rates
Weekly Average Rate



Source: Freddie Mac

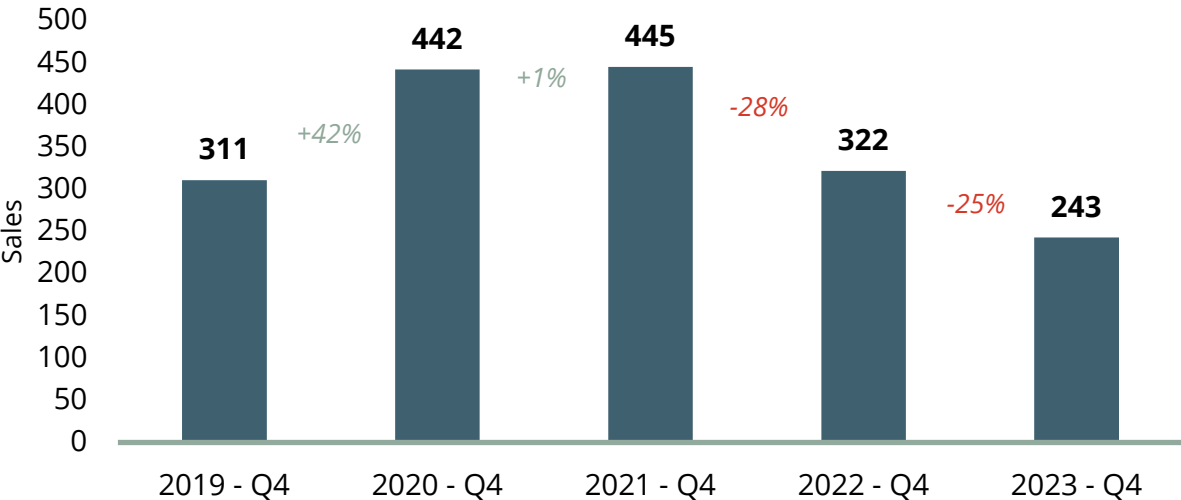
Housing Market Overview

The HRAR housing market ended 2023 similarly to how it began, with cooling sales activity and rising home prices. These dynamics are largely being driven by three factors — the low supply of homes for sale, the pent-up demand in the market, and the volatility of mortgage rates this year.

Sales

It was a slow fourth quarter in the HRAR housing market. There were 243 sales throughout the footprint in the fourth quarter of 2023. This is 79 fewer sales than the fourth quarter a year ago, a 25% decline. This is by far the slowest fourth quarter the HRAR market has seen in more than a decade. Mortgage rates hit a more than two-decade high in October 2023, which likely deterred some market activity this quarter. Within the quarter, which covers October, November, and December, sales activity cooled all three months. Statewide, sales activity declined 10% in the fourth quarter of 2023 compared to last year.

Figure 4
Fourth Quarter Home Sales, HRAR
2019-2023



Source: Virginia REALTORS®, data accessed January 15, 2024



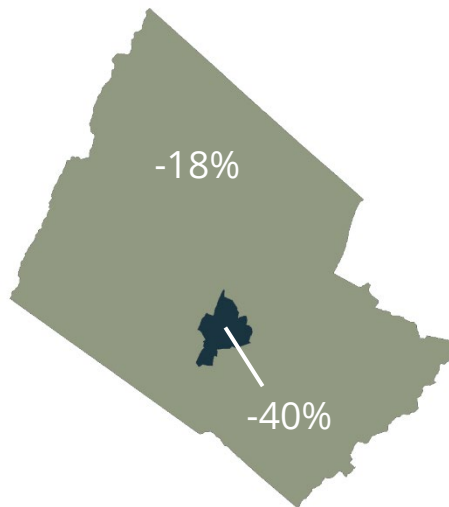
Local Snapshot – *Total Home Sales*

Harrisonburg: There were 55 closed sales in Harrisonburg in the fourth quarter, 37 fewer than last year, a 40% decline. Sales activity has slowed down each quarter for the past two years.

Rockingham County: At 188, there were 42 fewer sales in Rockingham County in the fourth quarter compared to the previous year, an 18% decline.

Figure 5
Change in Sales by Jurisdiction
HRAR

Fourth Quarter 2022 to Fourth Quarter 2023



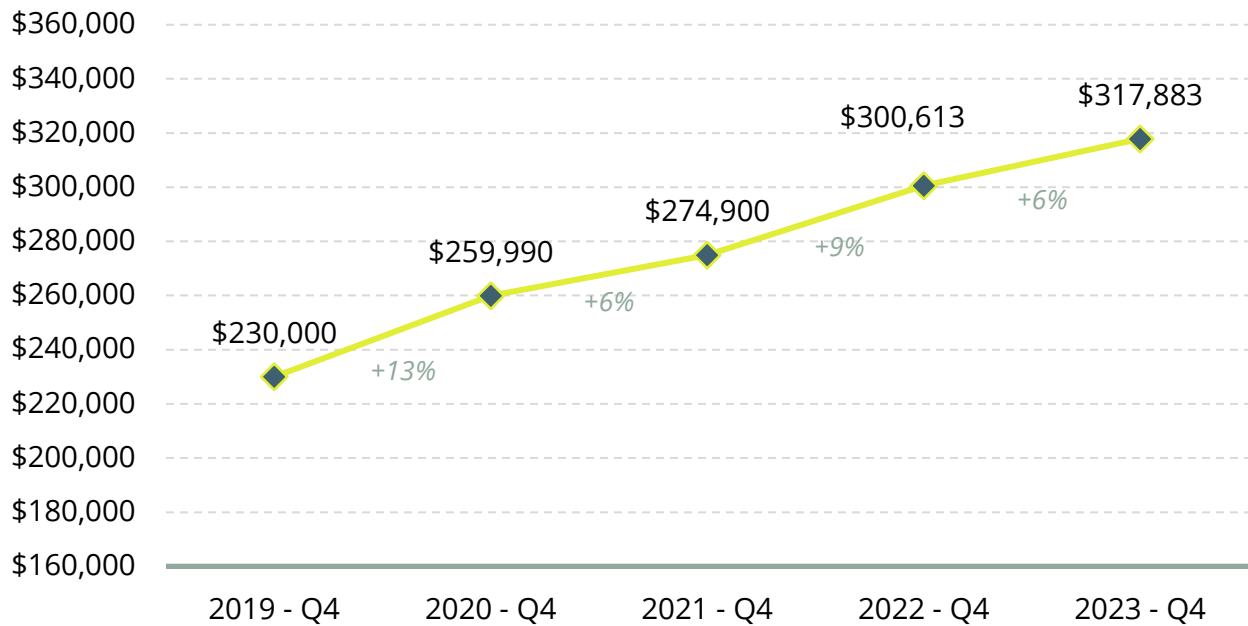
<i>Jurisdiction</i>	<i>2022 - Q4</i>	<i>2023 - Q4</i>	<i>% Change</i>
Harrisonburg	92	55	-40%
Rockingham County	230	188	-18%

Source: Virginia REALTORS®, data accessed January 15, 2024

Sales Prices

Home prices are climbing throughout the HRAR region as the tight inventory continues to put upward pressure on home prices. The fourth quarter regionwide median sales price was \$317,883, which is more than \$17,000 higher than it was a year ago, a 6% gain. Both local markets in the HRAR footprint had a higher median sales price to close out 2023. At the state level, the median sales price in Virginia during the fourth quarter was \$387,000, climbing 7% from last year.

Figure 6
Fourth Quarter Median Sales Price, HRAR
2019-2023



Source: Virginia REALTORS®, data accessed January 15, 2024

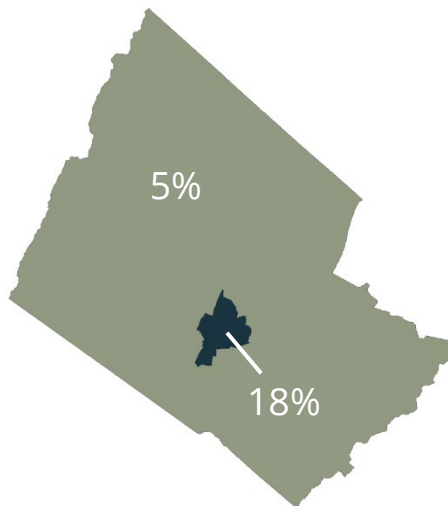


Local Snapshot – Median Sales Price

Harrisonburg City: In Harrisonburg, the median sales price was \$295,000 in the fourth quarter, 18% higher than last year, reflecting a \$44,750 jump.

Rockingham County: Rockingham County's median sales price was \$329,950 in the fourth quarter, \$15,040 higher compared to last year, marking a 5% increase.

Figure 7
Change in Median Sales Price by Jurisdiction
HRAR
Fourth Quarter 2022 to Fourth Quarter 2023



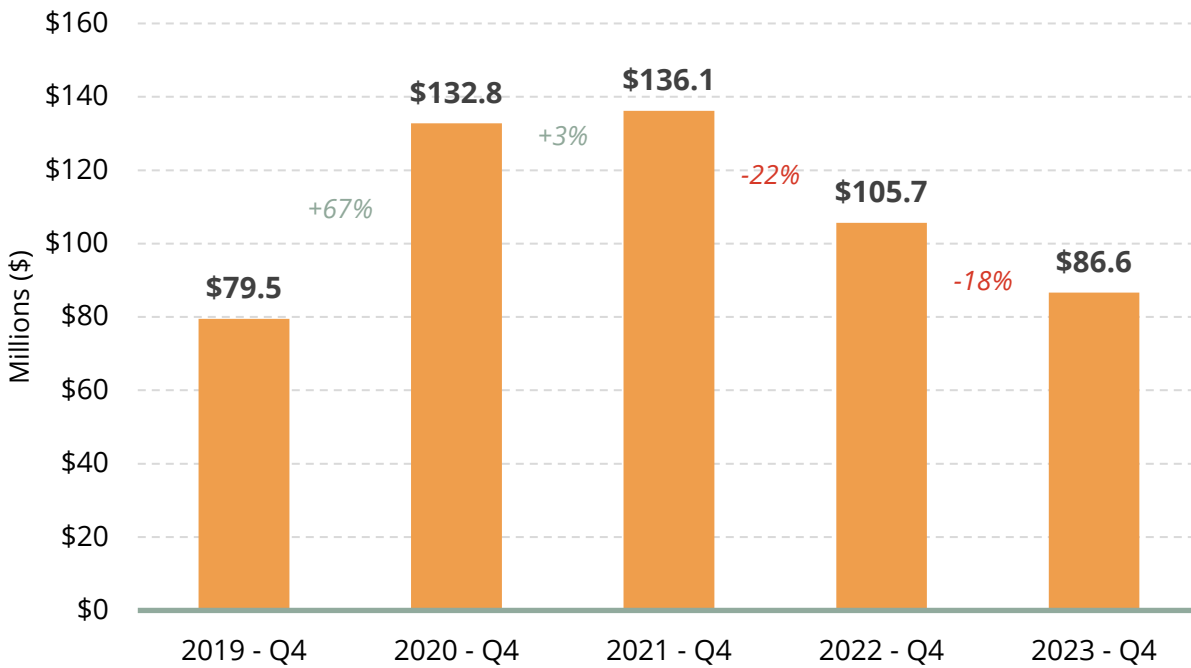
<i>Jurisdiction</i>	<i>2022 - Q4</i>	<i>2023 - Q4</i>	<i>% Change</i>
Harrisonburg	\$250,250	\$295,000	18%
Rockingham County	\$314,910	\$329,950	5%

Source: Virginia REALTORS®, data accessed January 15, 2024

Sold Volume

While prices are rising across the region, the slowdown in sales activity is pulling down the total sold dollar volume in the HRAR market. There was about \$86.6 million of sold volume in the area in the fourth quarter. This is \$19.1 million less volume than this time last year, an 18% drop. The sold volume has been trending down for the last year and a half in the region as the market has slowed.

Figure 8
Fourth Sold Dollar Volume (Millions), HRAR
2019-2023



Source: Virginia REALTORS®, data accessed January 15, 2024

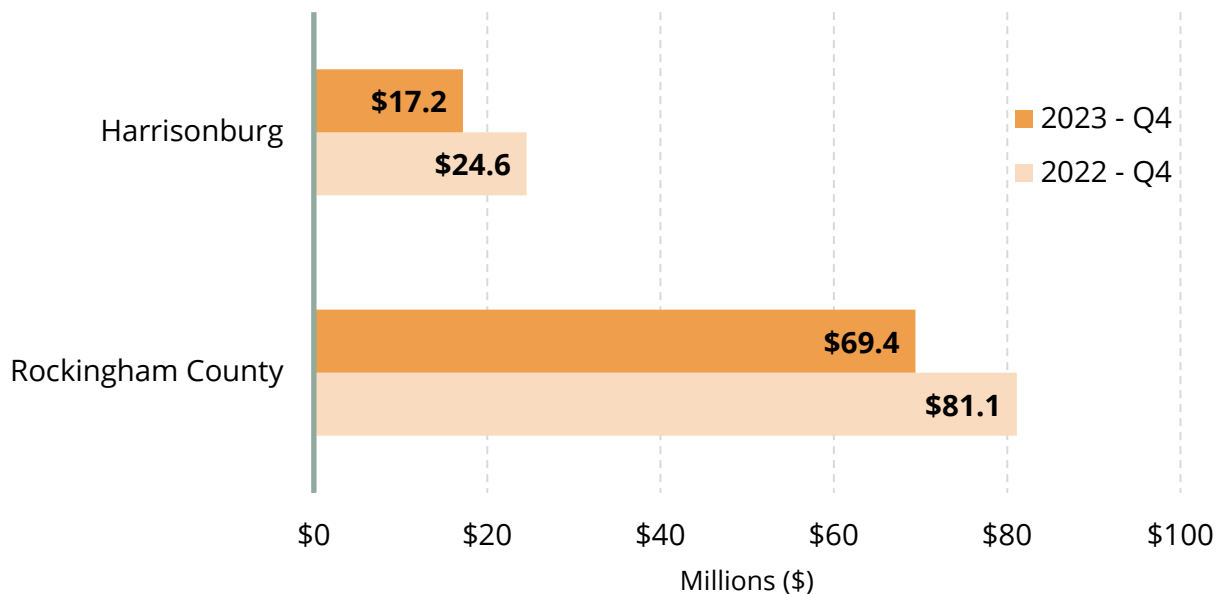


Local Snapshot – Sold Dollar Volume

Harrisonburg: Low sales activity continues to cause sold volume levels to drop in Harrisonburg. There was about \$17.2 million in sold volume in Harrisonburg in the fourth quarter, a 30% decline from last year, reflecting a \$7.4 million decrease.

Rockingham County: Despite strong price growth, a decline in year-over-year sales activity led to a decline in sold volume in Rockingham County. There was about \$69.4 million in sold volume throughout the fourth quarter, a 14% decline from last year, marking an \$11.7 million drop.

Figure 9
Fourth Quarter Sold Dollar Volume, HRAR Jurisdictions
2022 and 2023

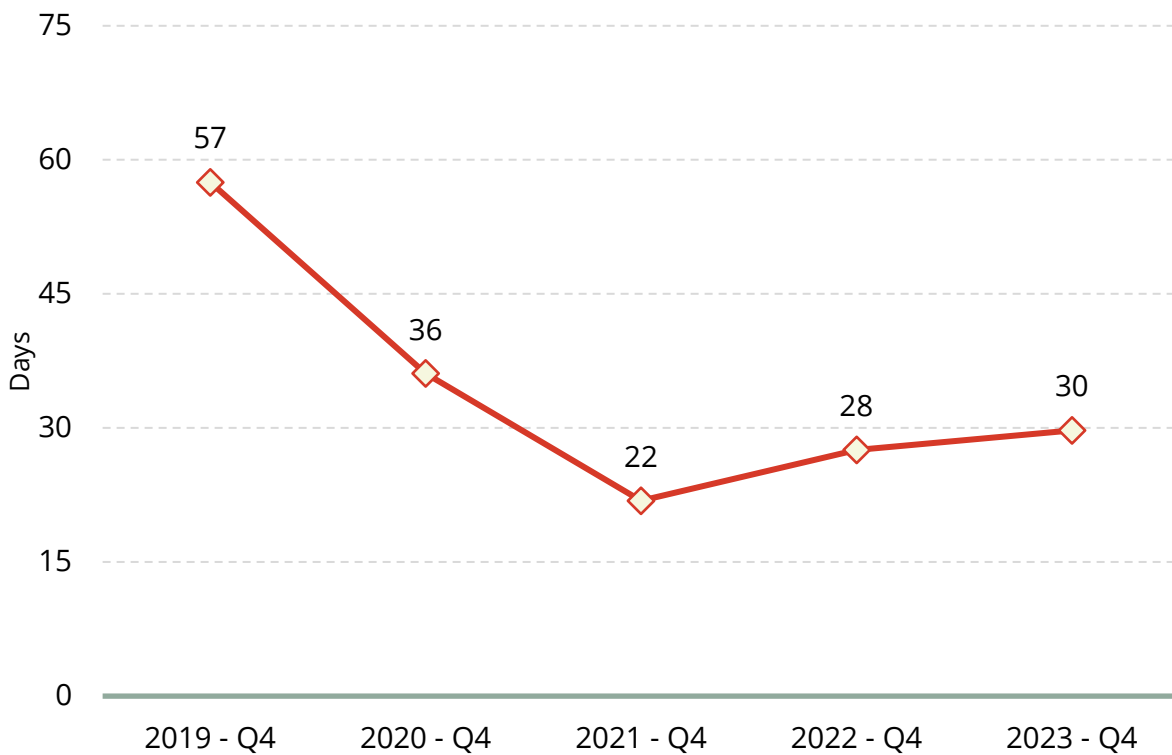


Source: Virginia REALTORS®, data accessed January 15, 2024

Days on Market

It took a couple days longer than last year on average to sell a home in the HRAR housing market during the fourth quarter. The fourth quarter average days on market across the footprint was 30 days, up from 28 days a year ago. The average days on market has been trending up in the HRAR market for seven consecutive quarters. Statewide, homes were on the market 31 days on average in the fourth quarter, unchanged from last year.

Figure 10
Fourth Quarter Average Days on Market, HRAR
2019-2023



Source: Virginia REALTORS®, data accessed January 15, 2024

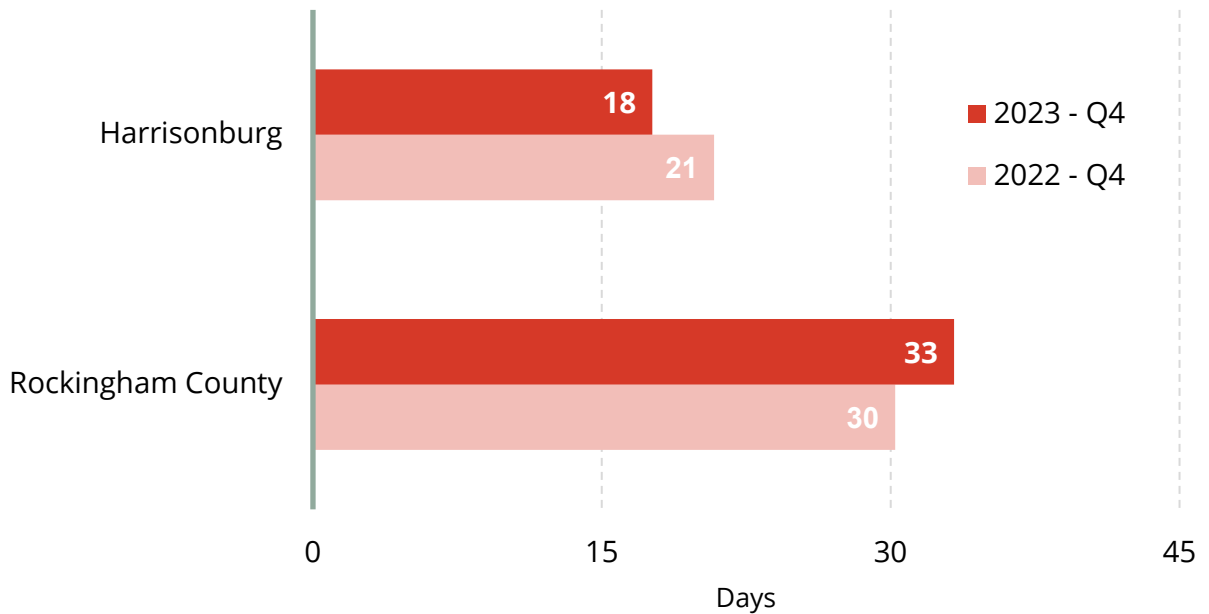


Local Snapshot – Average Days on Market

Harrisonburg: On average, homes in Harrisonburg were on the market for 18 days in the fourth quarter, three days faster than the previous year.

Rockingham County: In the fourth quarter, it took homes 33 days on average to sell in the Rockingham County market, which is three days longer than last year.

Figure 11
Fourth Quarter Average Days on Market, HRAR Jurisdictions
2022 and 2023



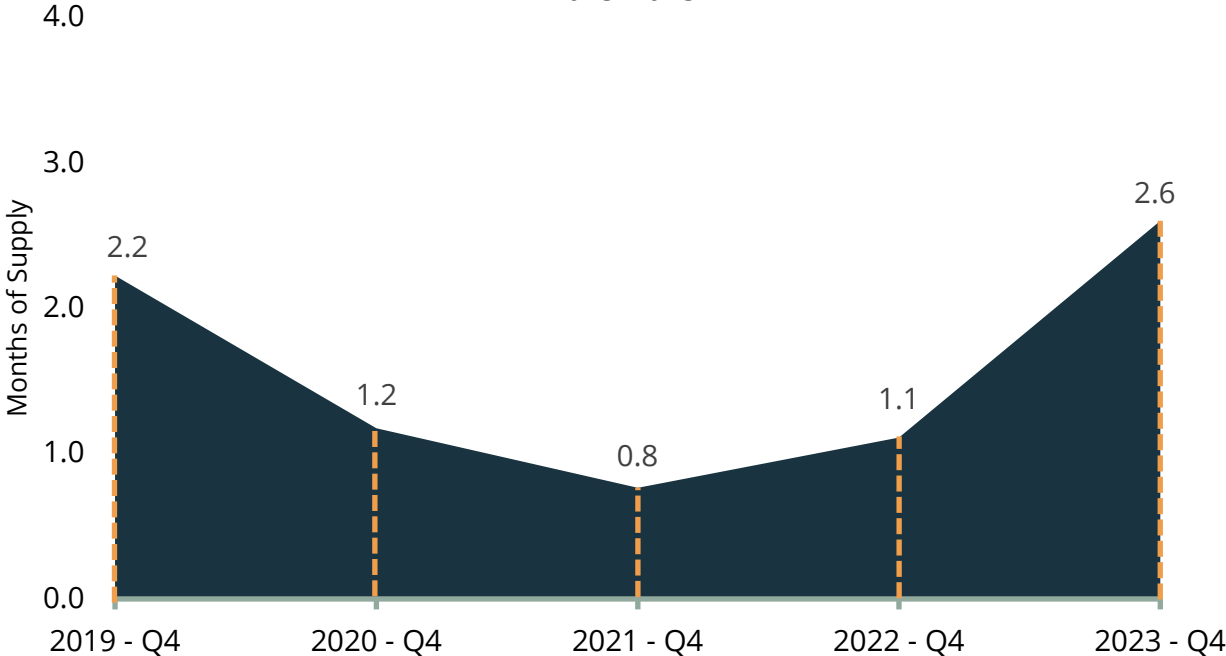
Source: Virginia REALTORS®, data accessed January 15, 2024

The supply of active listings in the HRAR region remains low but more active listings are coming on the market, providing more options for buyers. At the end of the fourth quarter there were 241 active listings throughout the area, 96 more listings than the fourth quarter last year, which is a 66% increase. Inventory has been expanding in the region now for six of the last eight quarters.

Statewide, there were 16,244 active listings on the market at the end of the fourth quarter, 129 more than there were a year ago, inching up 1%.

There was approximately 2.6 months of supply at the end of the fourth quarter in the HRAR footprint, which is up from 1.1 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. Statewide, there was about two months of supply at the end of the fourth quarter.

Figure 12
End of Fourth Quarter Months Supply, HRAR
2019-2023



Source: Virginia REALTORS®, data accessed January 15, 2024

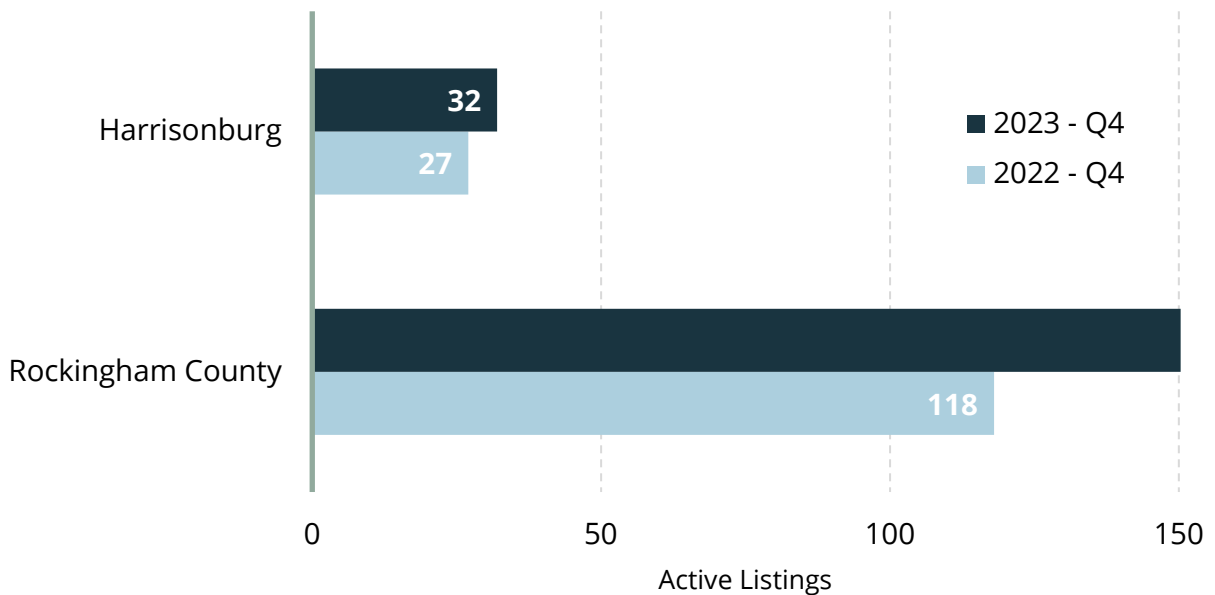


Local Snapshot – *Active Listings*

Harrisonburg: At the end of the fourth quarter, there were 32 active listings in Harrisonburg, five more than last year, a 19% increase.

Rockingham County: There were 209 active listings on the market in Rockingham County at the end of the fourth quarter, an influx of 91 listings compared to this time last year, which is a 77% jump.

Figure 13
End of Fourth Quarter Active Listings, HRAR Jurisdictions
2022 and 2023



Source: Virginia REALTORS®, data accessed January 15, 2024



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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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.