

SWVAR SOUTHWEST HOME SALES REPORT



CUSTOM REPORT PREPARED BY
VIRGINIA REALTORS®

SWVAR Home Sales Report

3rd Quarter 2020

Southwest Virginia Association of REALTORS[®]

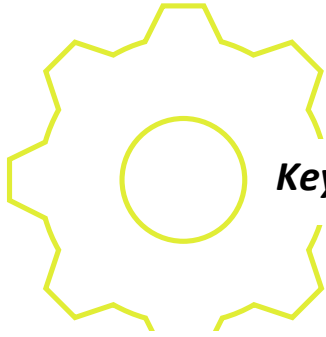
Market Report Key Takeaways

Economic Conditions

- In the Southwest Virginia region, economic conditions improved in the 3rd quarter, with the regional unemployment rate falling steadily.
- Consumer confidence in the economy plummeted in August but rebounded again in September.
- Mortgage rates remained at historically low levels throughout the 3rd quarter; rates will likely remain low well into 2021.

Housing Market Conditions

- After a flat spring, the summer market surged in the SWVAR area. There were 243 sales overall in the 3rd quarter, 38 more than last year, representing a 19% jump.
- Home prices are trending up in the region. At \$164,000, the 3rd quarter median sales price in the SWVAR footprint rose 13% from last year, a gain of \$19,000.
- There were 1,071 active listings on the market in Russell, Smyth, and Washington counties at the end of the 3rd quarter, 211 fewer listings than a year ago, a 16% decline.



Key Trends Dashboard, SWVAR

Economy



5.7%

Is the Aug-2020 **unemployment rate** in the SWVAR footprint, which is down from Jul-2020



2.81%

Is the **30-year fixed-rate mortgage rate** during the 2nd week of October 2020, which is down 0.88 percentage points from a year ago

Housing Market



38

More **home sales** in the SWVAR footprint in Q3-2020 compared to last year



13%

Percent change in **median sales price** in the SWVAR region in Q3-2020 compared to a year ago



\$15.2

Million dollars more in total **sold volume** in the SWVAR footprint in Q3-2020 compared to last year



-16%

Percent change in **active listings** at the end of Q3-2020 in the SWVAR market compared to a year ago



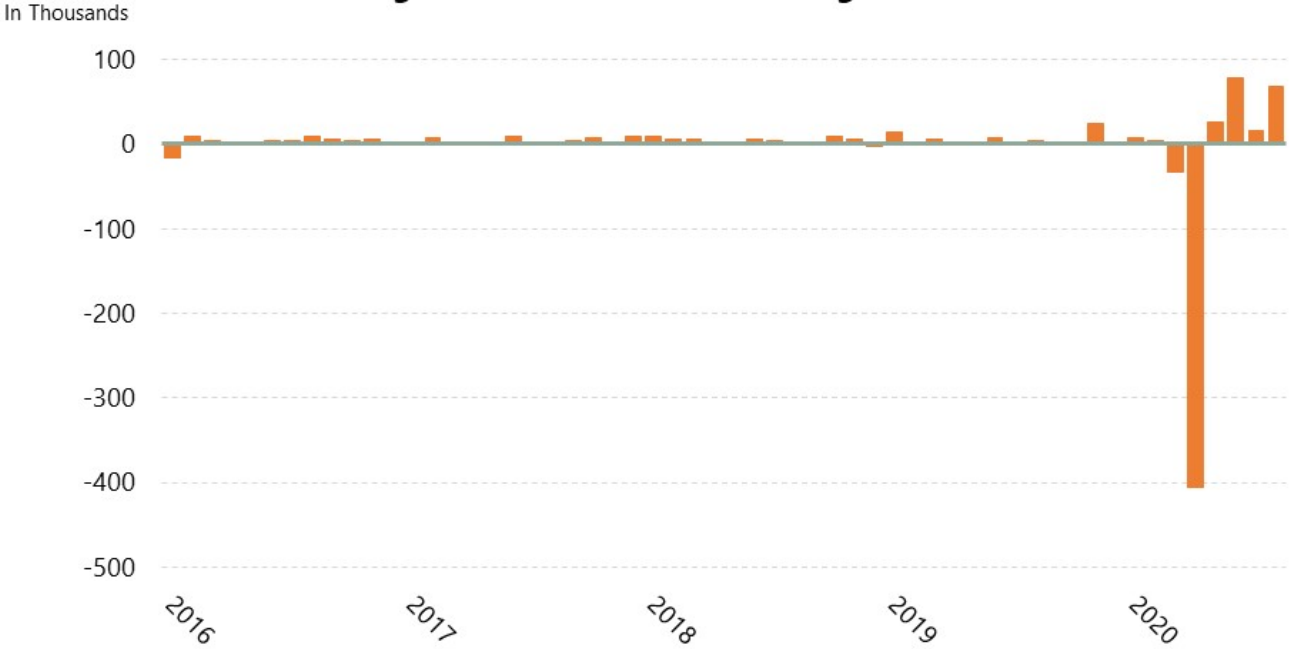
16.8

Months of supply in the SWVAR footprint in Q3-2020, which is down from a year ago

Economic Overview

The national economy improved in the 3rd quarter of 2020, though there are some signs of uncertainty in the recovery. The U.S. economy gained jobs for five consecutive months and the national unemployment rate fell to 7.9% in September. Economic conditions in Virginia are somewhat better than they are nationally. The Commonwealth has added jobs consistently for four consecutive months, with 68,000 jobs gained in August. Even with these gains, there are still about 212,000 fewer jobs in Virginia this year compared to a year ago. Full recovery of the jobs lost this spring is still a long way off.

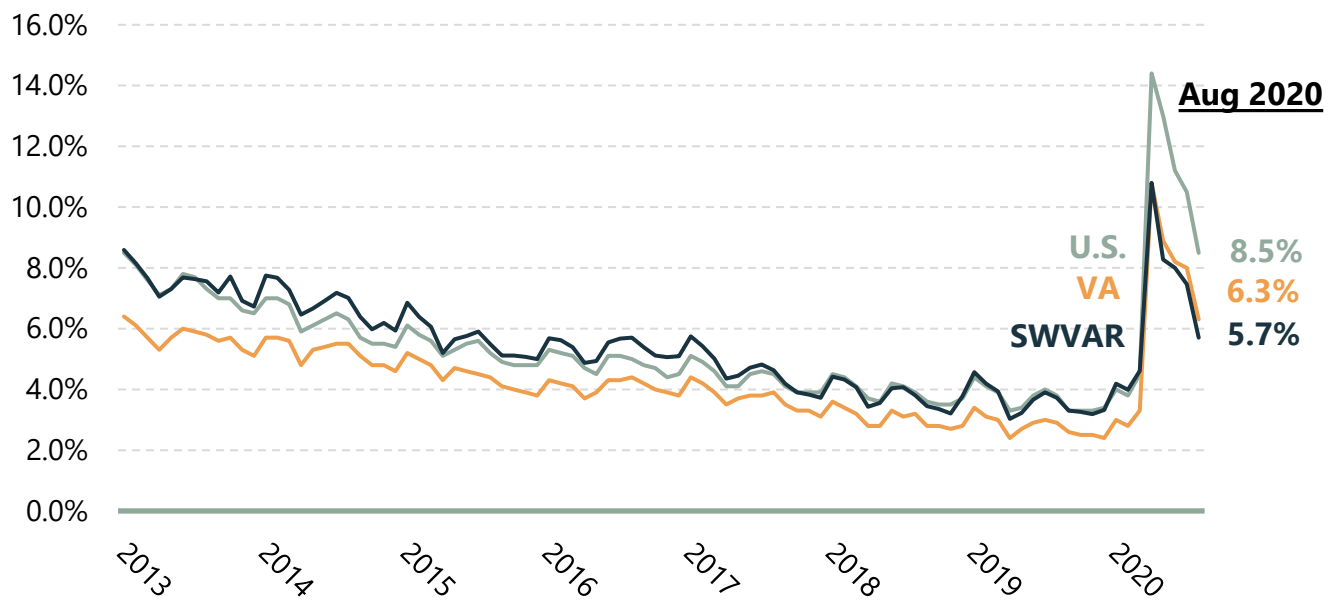
Figure 1
Virginia Month-to-Month Change in Jobs



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

Like the rest of the Commonwealth, the Southwest Virginia region has seen economic conditions improve in the 3rd quarter. The regional unemployment rate was 5.7% in August, falling from 8.0% and 7.5% in June and July, respectively. While unemployment remains elevated in the Southwest Virginia area, the decline in the region's unemployment rate is a positive sign.

Figure 2
Unemployment Rate

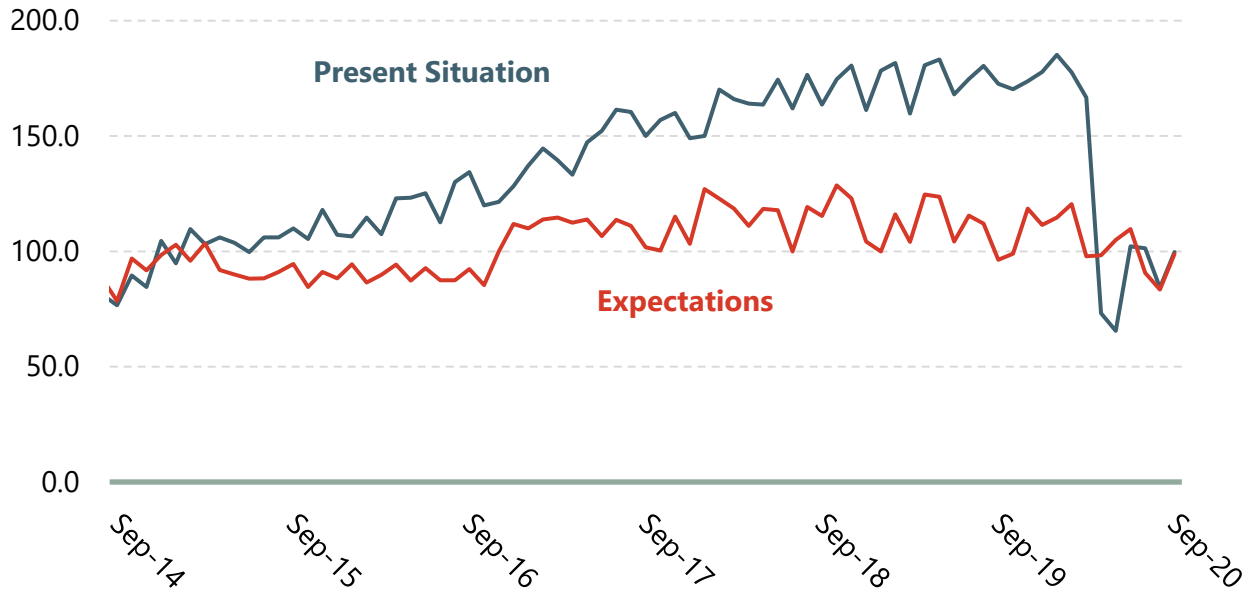


Source: U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics

Measures of consumer confidence reflect the ongoing uncertainty in the economic recovery. The consumer confidence indices for the South Atlantic region (which includes Virginia) plummeted in August before rebounding in September. The measure of confidence in the present economic situation was 99.6 and the future consumer confidence index was 98.8 in September. A consumer confidence index of 100 or more indicates individuals feel optimistic about economic conditions.

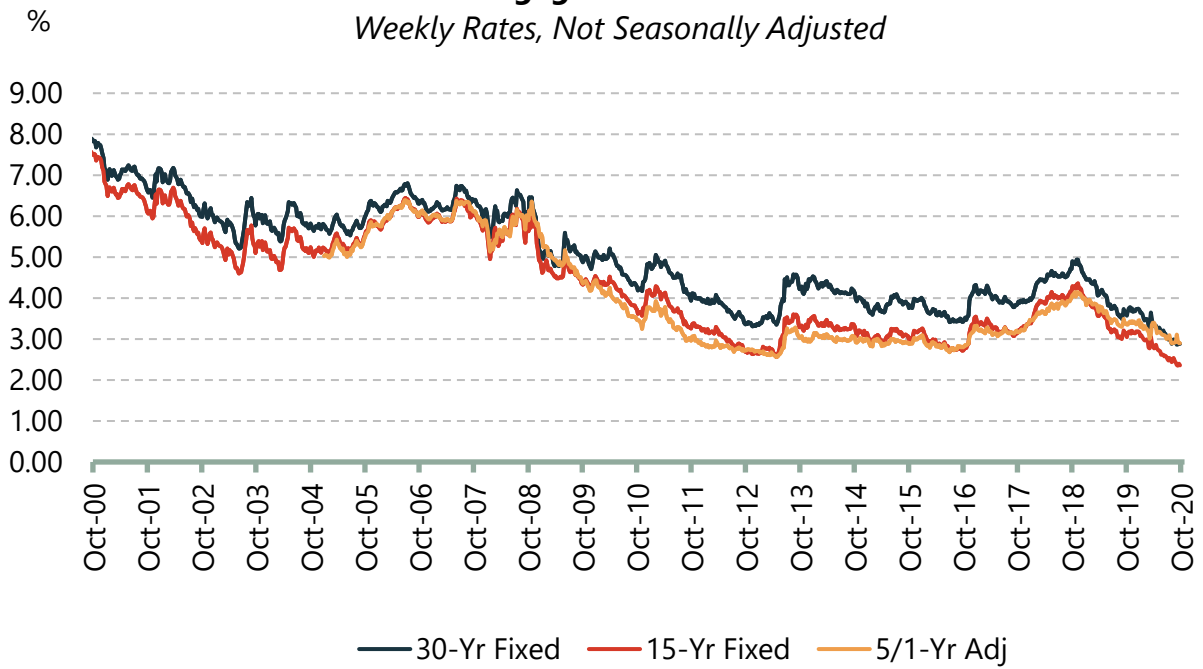
During the 3rd quarter, historically low mortgage rates have continued to spur refinance and purchase activity and sustain confidence in the for-sale housing market. The average 30-year fixed-rate mortgage rate has been below 3% throughout August and September. The pace of mortgage applications slowed slightly at the end of the summer, likely due to a lack of inventory.

Figure 3
Consumer Confidence
South Atlantic Region



Source: The Conference Board

Figure 4
Mortgage Interest Rates
Weekly Rates, Not Seasonally Adjusted



Source: Federal Reserve Bank of St. Louis

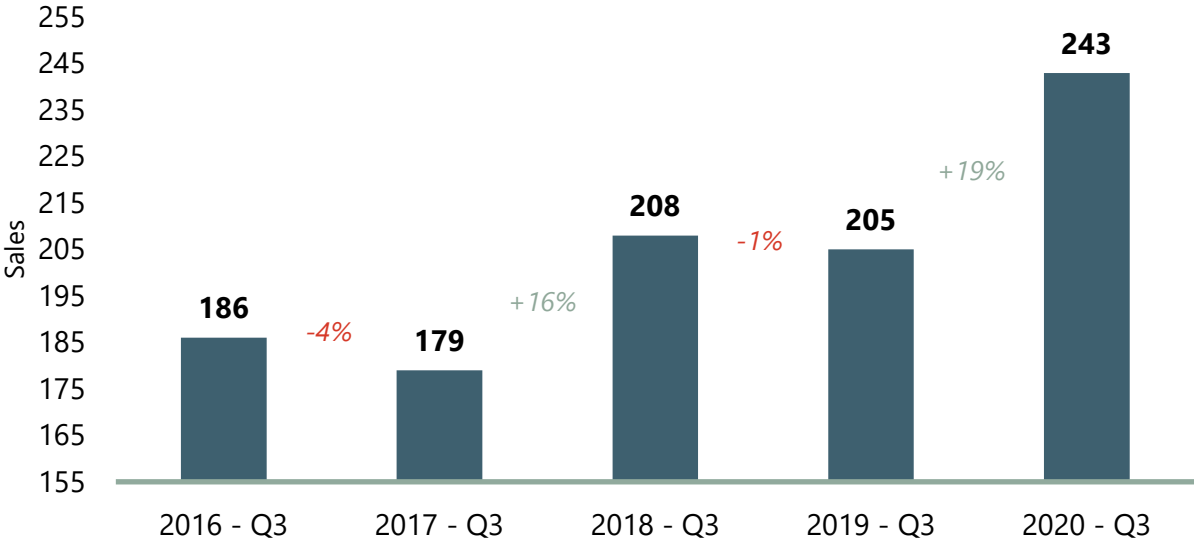
Housing Market Overview

The SWVAR housing market had a busy summer. Both sales activity and home prices surged in the 3rd quarter. This led to the largest sold dollar volume gain the area has had in more than 5 years. Homes sold about 2 weeks faster, on average, in the SWVAR footprint in the 3rd quarter. The inventory of active listings continues to shrink, though there is still a large supply of options for buyers that are active in the market.

Sales

Sales activity surged during the summer in the SWVAR housing market. There were 243 sales in Russell, Smyth, and Washington counties in the 3rd quarter, a 19% spike from a year ago, an influx of 38 sales. The SWVAR market is one of few in the State that did not slow down in the spring during the early months of the ongoing pandemic. The summer sales growth represents the largest increase in quarterly sales in more than 5 years. The total number of sales Statewide jumped up 17% in the 3rd quarter compared to last year, which reflects a widespread rebound in housing markets around the Commonwealth.

Figure 5
3rd Quarter Home Sales, SWVAR
2016-2020



Source: Virginia REALTORS®, data accessed October 15, 2020



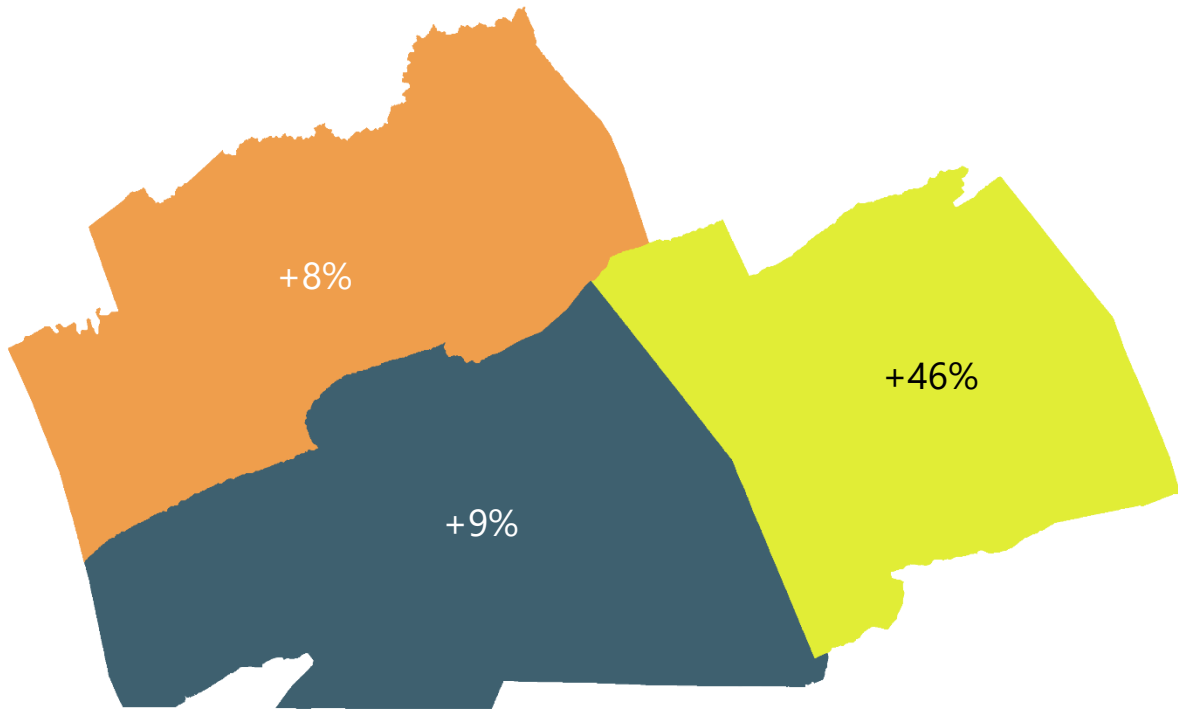
Local Snapshot – *Total Home Sales*

Russell County: Sales activity continues to expand in Russell County. There were 27 sales in the County during the 3rd quarter, 2 more sales than last year, a gain of 8%. This is the 2nd straight quarter of sales growth in the County.

Smyth County: The Smyth County housing market is surging. There were 76 sales in the County during the 3rd quarter, 24 additional sales compared to a year ago, which is a 46% spike in sales.

Washington County: The summer market rebounded in Washington County following a slow spring. There were 140 sales in the County during the 3rd quarter, 12 more sales than last year, representing a 9% increase.

Figure 6
Change in Sales by Jurisdiction
SWVAR
3rd Quarter 2019 to 3rd Quarter 2020



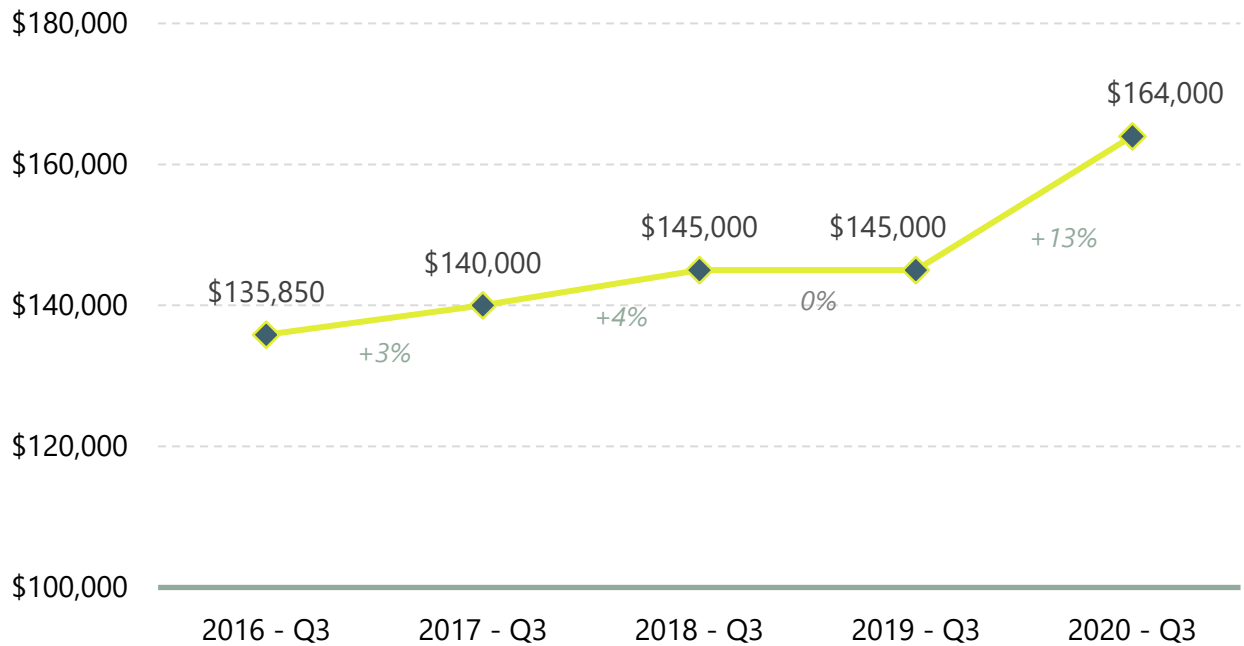
<i>Jurisdiction</i>	<i>2019 - Q3</i>	<i>2020 - Q3</i>	<i>% Change</i>
Russell County	25	27	8%
Smyth County	52	76	46%
Washington County	128	140	9%

Source: Virginia REALTORS®, data accessed October 15, 2020

Sales Prices

After falling last quarter, home prices are back on the rise in the SWVAR region. The 3rd quarter median sales price in the area was \$164,000, which is \$19,000 higher than last year, reflecting a 13% price gain. While there have been some quarters with lower or flat sales, for the most part, prices have been trending up in the Southwest Virginia housing market for the past several years. At the State level, the median sales price in Virginia climbed 10% in the 3rd quarter compared to last year.

Figure 7
3rd Quarter Median Sales Price, SWVAR
2016-2020



Source: Virginia REALTORS®, data accessed October 15, 2020



Local Snapshot – *Median Sales Price*

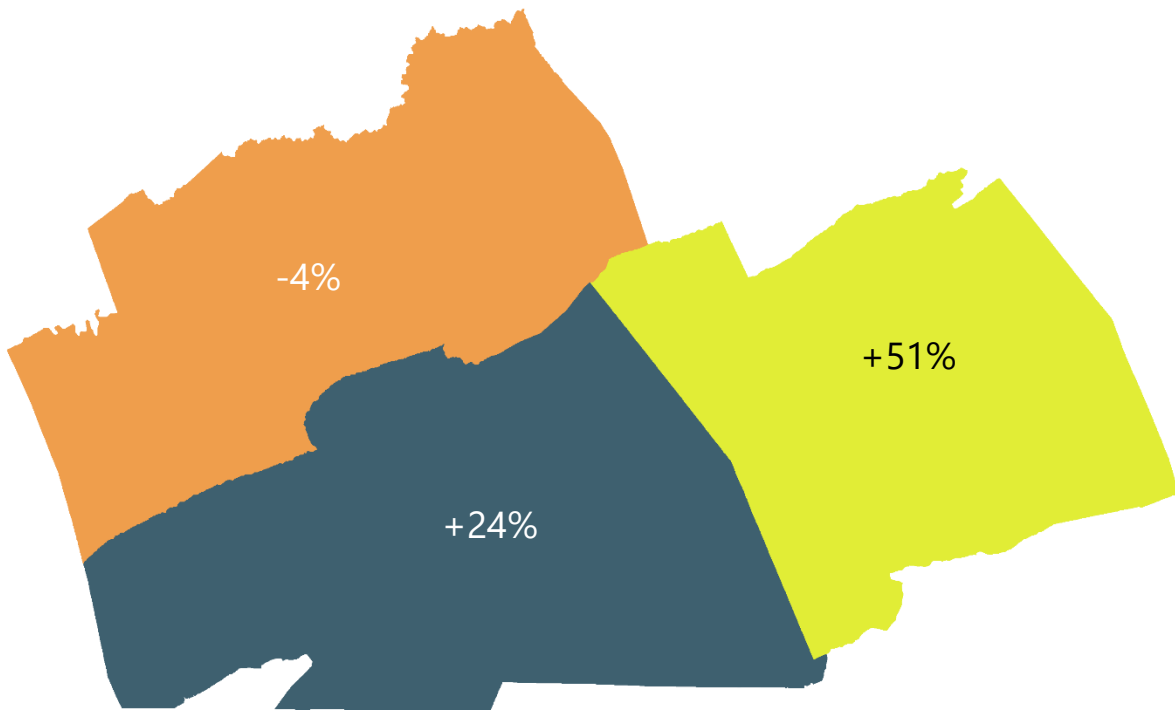
Russell County: At \$120,000, the 3rd quarter median sales price in Russell County fell 4% from a year ago, a decrease of \$5,000. Other than a large increase last quarter, home prices have been trending down in the County for much of the past 2 years.

Smyth County: Sales prices are climbing rapidly in the Smyth County housing market. At \$121,630, the 3rd quarter median sales price jumped up 51%, an increase of nearly \$41,000. Home prices have risen for 4 consecutive quarters in the County.

Washington County: After a dip in the spring, home prices in Washington County are back on the rise. The 3rd quarter median sales price in the County was \$221,000, a \$42,500 increase from a year ago, which is a spike of 24%.

Figure 8
Change in Median Sales Price by Jurisdiction
SWVAR

3rd Quarter 2019 to 3rd Quarter 2020



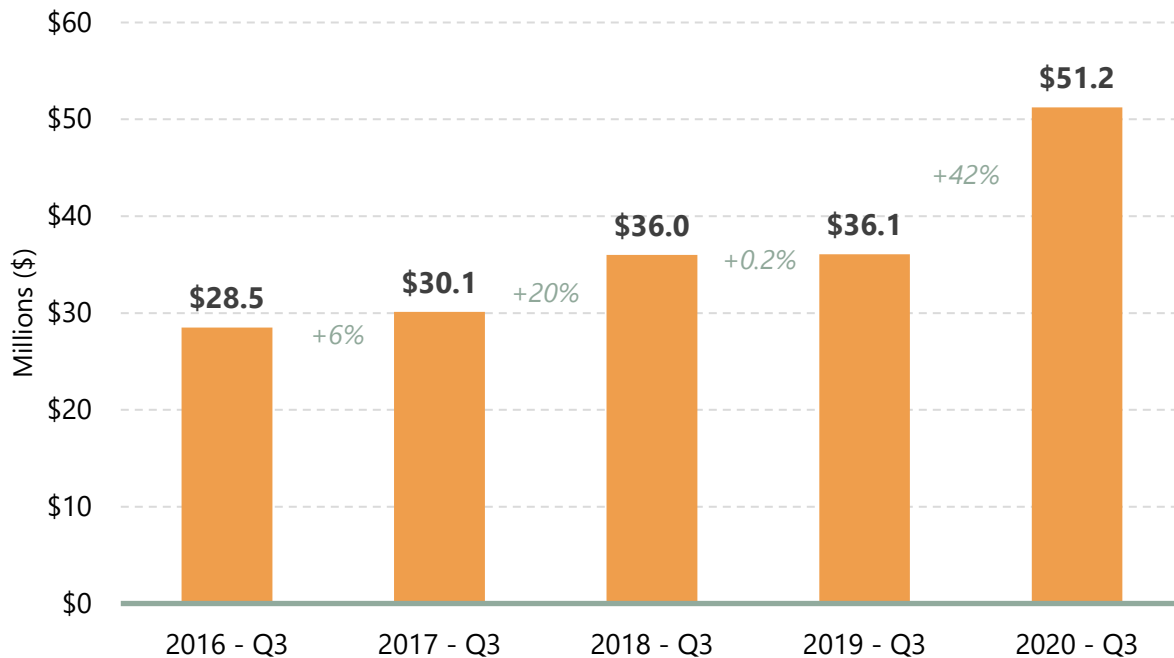
<i>Jurisdiction</i>	<i>2019 - Q3</i>	<i>2020 - Q3</i>	<i>% Change</i>
Russell County	\$125,000	\$120,000	-4%
Smyth County	\$80,700	\$121,630	51%
Washington County	\$178,500	\$221,000	24%

Source: Virginia REALTORS®, data accessed October 15, 2020

Sold Volume

Strong price growth and a surge in sales led to a significant increase in sold dollar volume this quarter in the SWVAR housing market. There was approximately \$51.2 million of sold volume in the 3rd quarter in the region, 42% more than last year, a gain of \$15.1 million. This is by far the largest increase of quarterly sold volume the SWVAR market has had in more than 5 years.

Figure 9
3rd Quarter Sold Dollar Volume (Millions), SWVAR
2016-2020



Source: Virginia REALTORS®, data accessed October 15, 2020



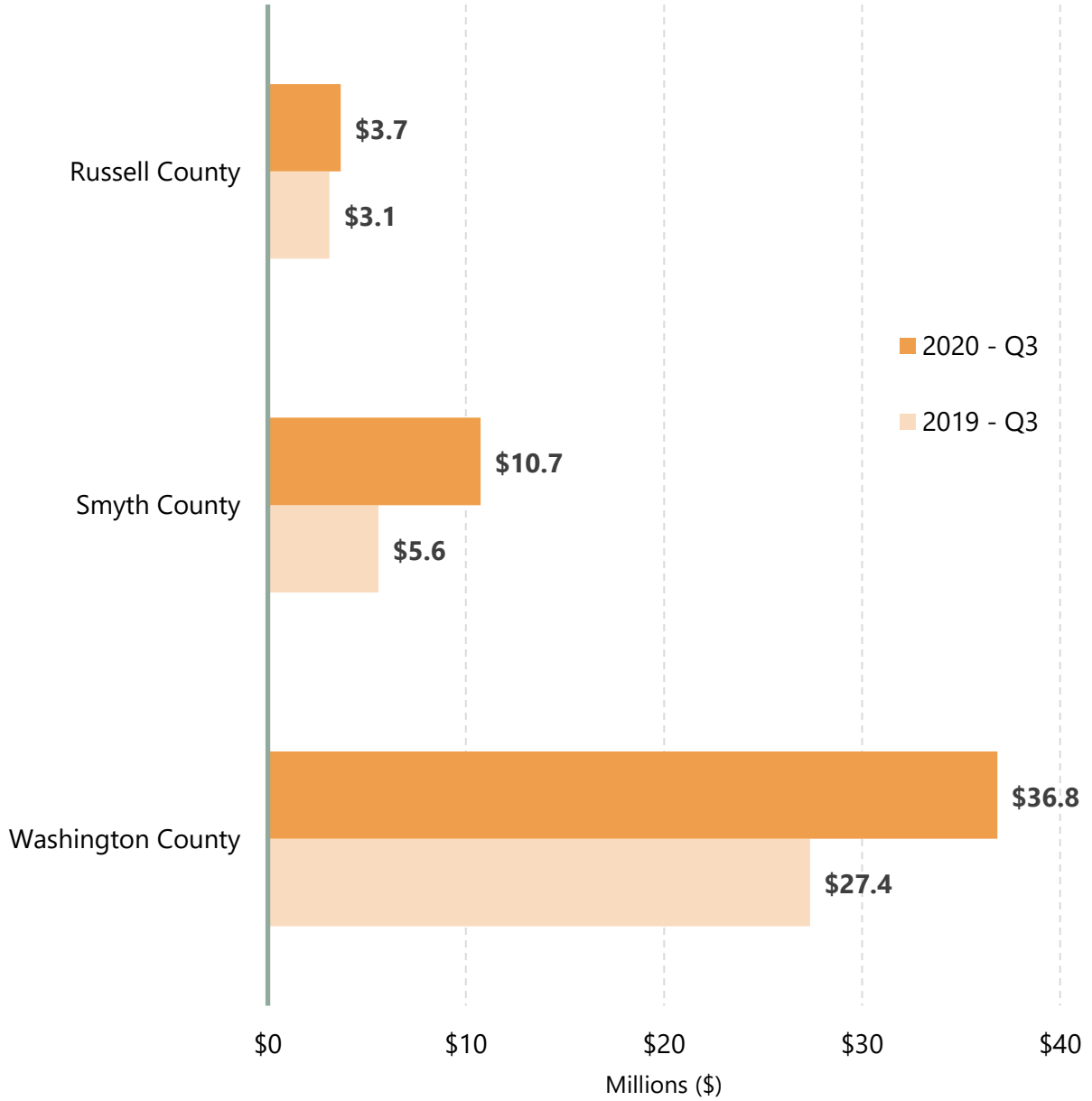
Local Snapshot – *Sold Dollar Volume*

Russell County: While prices fell, the additional sales this summer provided a boost to the County's total sold dollar volume. There was about \$3.7 million of sold volume in the County during the 3rd quarter, an 18% increase from a year ago, which is about \$600,000 more sold volume.

Smyth County: Driven by a surge in sales activity and rising home prices, the sold dollar volume in Smyth County nearly doubled this summer compared to last year. There was approximately \$10.7 million of sold volume in the County in the 3rd quarter, a 92% jump from last year, a gain of about \$5.1 million.

Washington County: Rising home prices and an increase in sales activity pushed up the sold dollar volume this quarter in Washington County. There was about \$36.8 million of sold volume in the 3rd quarter in the County, a 35% gain from a year ago, which is an additional \$9.4 million.

Figure 10
3rd Quarter Sold Dollar Volume, SWVAR Jurisdictions
2019 and 2020

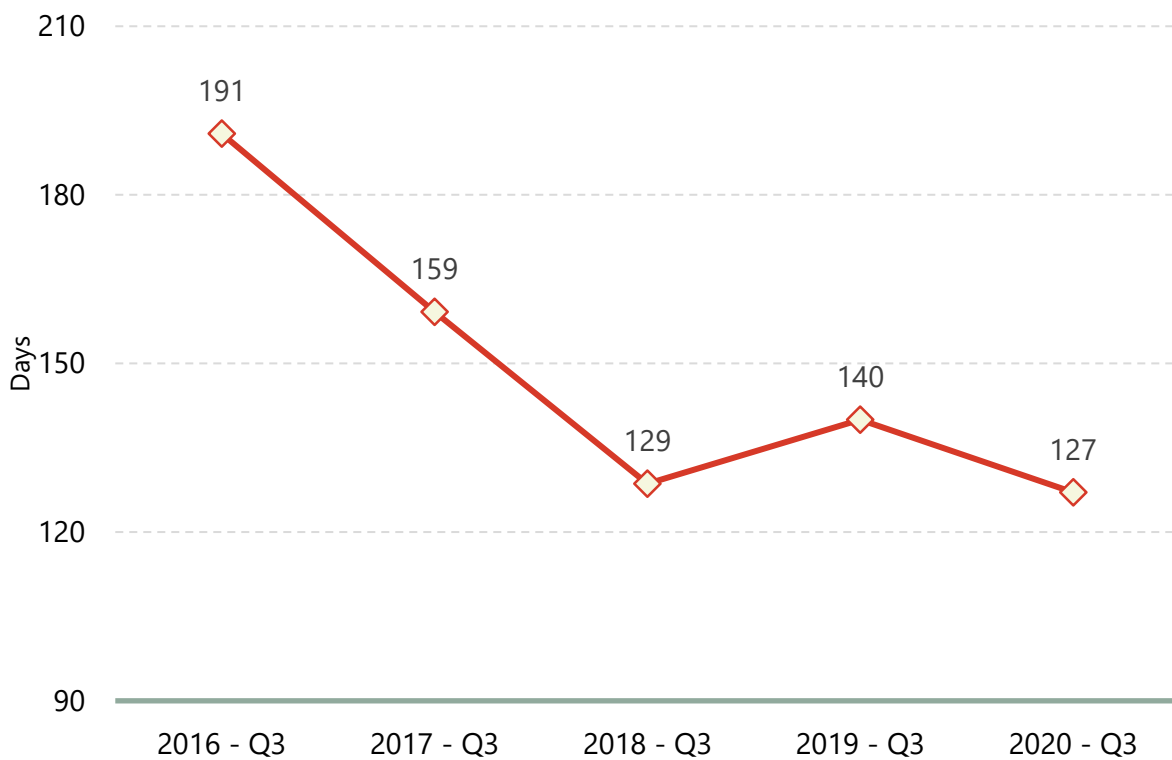


Source: Virginia REALTORS®, data accessed October 15, 2020

Days on Market

At 127 days, the 3rd quarter average days on market in the SWVAR area was about 2 weeks faster (-13 days) than at this time last year. This metric has been fluctuating in recent quarters in the region, following a steady downward trend for about 2 years. Statewide, homes sold in 39 days, on average, during the 3rd quarter, which is 5 days faster than last year.

Figure 11
3rd Quarter Average Days on Market, SWVAR
2016-2020



Source: Virginia REALTORS®, data accessed October 15, 2020



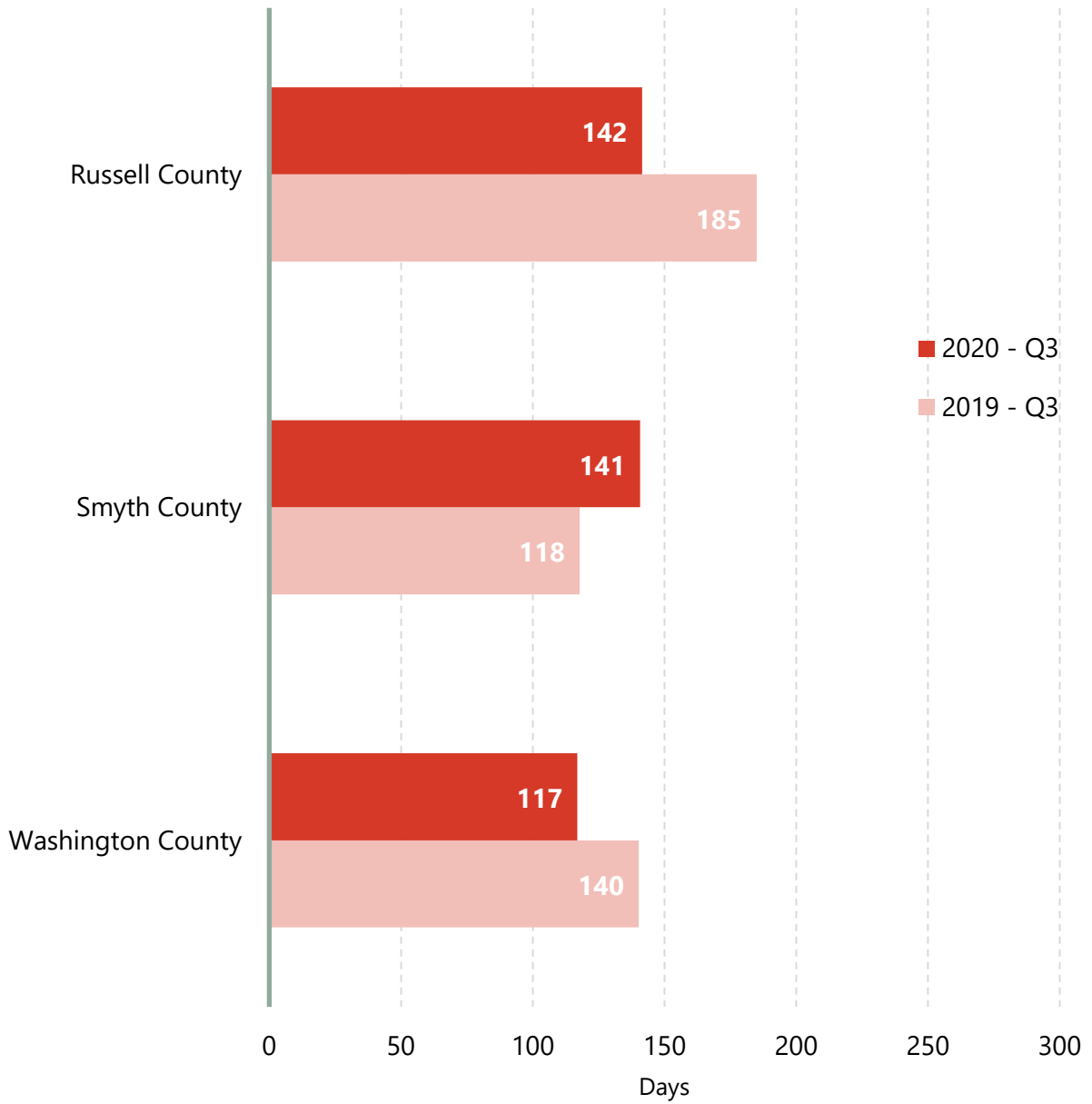
Local Snapshot – *Average Days on Market*

Russell County: Homes that sold in Russell County in the 3rd quarter were on the market an average of 142 days, which is 43 days faster than a year ago. Homes have been selling faster in the County 6 of the past 8 quarters.

Smyth County: At 141 days, the average days on market in Smyth County was about 3 weeks longer (+23 days) than last year. This metric has been trending up in the County for much of the past year.

Washington County: Homes sold faster, on average, in Washington County this summer compared to last year. At 117 days, the average days on market in the County during the 3rd quarter was 23 days faster than a year ago.

Figure 12
3rd Quarter Average Days on Market, SWVAR Jurisdictions
2019 and 2020



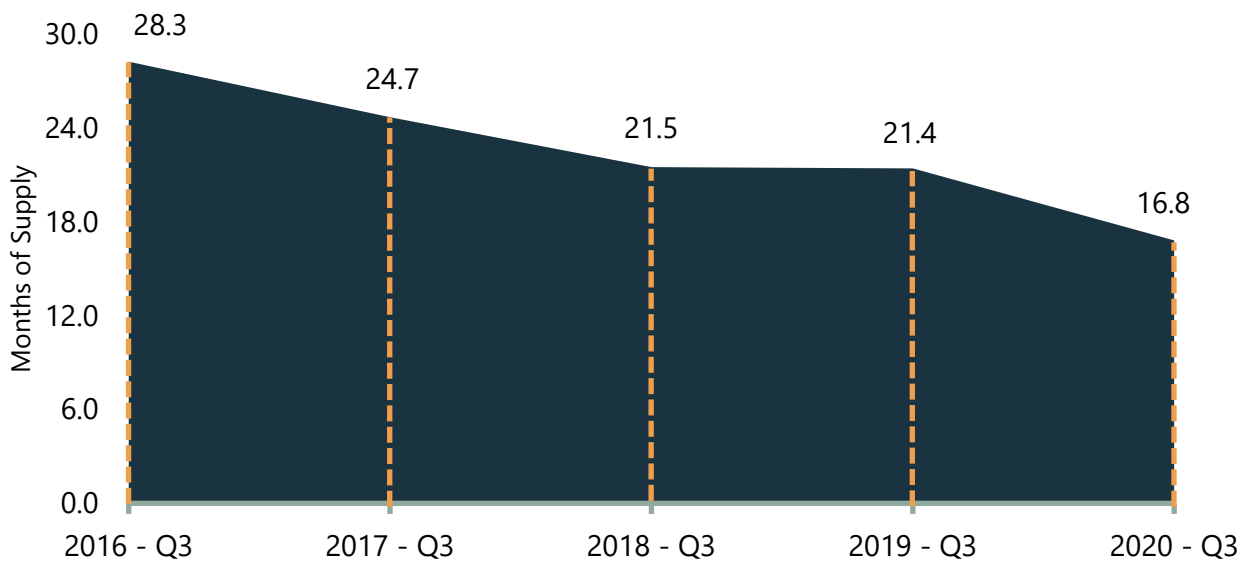
Source: Virginia REALTORS®, data accessed October 15, 2020

Inventory

The supply of homes for sale in the SWVAR region continues to decline each quarter, a trend that has been consistent for more than 5 years. Despite the declines in inventory, the overall number of active listings relative to sales transactions each quarter remains high compared to other parts of Virginia. There were 1,071 active listings on the market at the end of the 3rd quarter across the SWVAR footprint, 211 fewer active listings than last year, representing a 16% decline. The overall supply of active listings in Virginia at the end of the 3rd quarter was 39% lower than it was last year.

At the end of the 3rd quarter, there was an estimated 16.8 months of supply in the SWVAR footprint, which is 4.6 months less than this time last year. The months of supply is calculated by taking the average monthly sales over the preceding 12-month period and dividing it by the inventory of active listings. In most housing markets, a supply above 6 months tends to favor buyers rather than sellers.

Figure 13
End of 3rd Quarter Months Supply, SWVAR
2016-2020



Source: Virginia REALTORS®, data accessed October 15, 2020



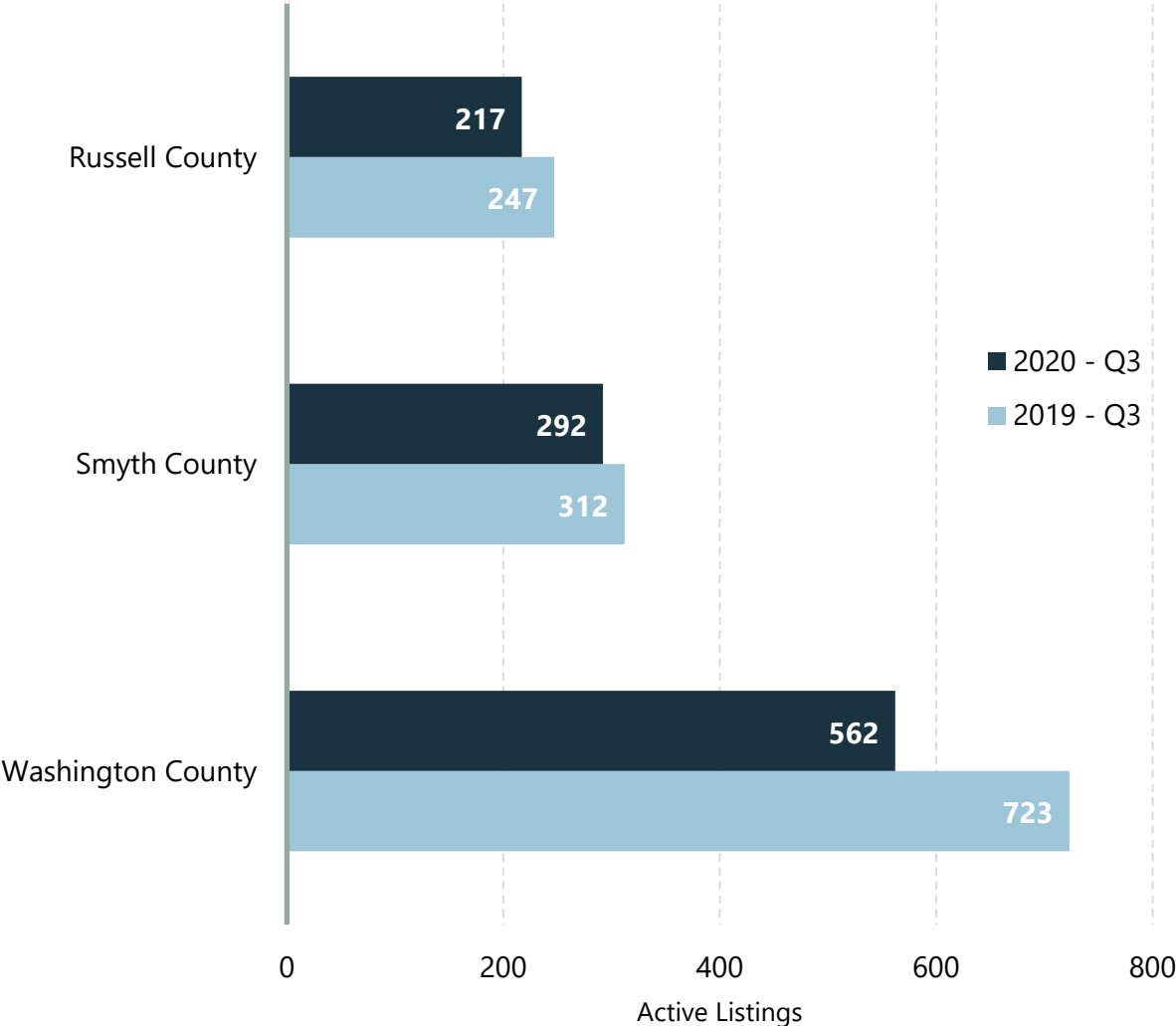
Local Snapshot – *Active Listings*

Russell County: There were 217 active listings in Russell County at the end of the 3rd quarter, 30 fewer listings than last year, a 12% decline. The inventory has been shrinking in the County's housing market for more than 3 years.

Smyth County: At the end of the 3rd quarter, there were 292 active listings on the market in Smyth County, which is 6% fewer than a year ago, a decline of 20 listings.

Washington County: The supply of homes continues to shrink in the Washington County housing market. At the end of the 3rd quarter, there were 562 active listings on the market, 161 fewer than last year, a 22% drop. This is the largest inventory decline the County has had in more than 5 years.

Figure 14
End of 3rd Quarter Active Listings, SWVAR Jurisdictions
2019 and 2020



Source: Virginia REALTORS®, data accessed October 15, 2020



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.

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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.