



# NOVEMBER 2014 Harrisonburg & Rockingham County Real Estate Market Report



*An analysis of real estate activity through October 31, 2014  
provided courtesy of Scott P. Rogers, Funkhouser Real Estate Group*



## Executive Summary

The summary below is based on residential sales in Harrisonburg and Rockingham County as reflected in the HRAR MLS.

### Pace of Home Sales: October

107 homes sold in October 2014, marking a 23% increase compared to October 2013 when 87 homes sold -- and a 43% increase compared to October 2012.

### Home Values: October

Median sales prices increased (+19%) and average sales prices increased (+18%) when comparing October 2014 to October 2013.

### Days on Market: October

The median time it took for a home to sell was 124 days in October 2014, a 15% increase from 108 days in October 2013 but a 13% decline from 142 days in October 2012.

### Foreclosures

149 trustee deeds have been recorded in 2014 compared to 882 total home sales reported through the HRAR MLS during the same timeframe.

### Inventory

Inventory levels decreased in October 2014 to 636 residential properties currently for sale, marking no significant change from one year ago when 635 properties were for sale.

### Pace of Home Sales: Year To Date

882 homes sold thus far in 2014. This marks a 2% increase from the same time period in 2013 when 866 homes had sold, and a 24% increase over 2012 when only 714 homes sold.

### Home Values: Year To Date

Median sales prices and average sales prices both increased slightly (+1.45%, +1.31%) when comparing 2014 YTD to 2013 YTD.

### Days on Market: Year To Date

The median length of time on the market for homes selling thus far in 2014 is 117 days, a 3% decline compared to 2013 and a 20% decline from 2012.

### Supply

The under \$200k price ranges is balanced (six months of supply) but all other price ranges still show an excess (9 - 21 months) of housing supply.

### Price Per Square Foot

Median price per square foot of single family homes has risen to \$108/sf in 2014, up from \$105/sf in 2013.

### Buyer Activity

94 buyers committed to buy in October 2014, compared to 70 in October 2013 -- marking a 34% increase in buyer activity over the past year, and a 4% increase over 2012.

### Single Family Home Sales

656 single family homes have sold thus far in 2014, compared to a total of 766 in 2013. The median sales price has declined to \$194,250.

### Townhouse Sales

226 townhouses, duplexes and condos have sold thus far in 2014, compared to a 2013 total of 247 townhomes. The median sales price has increased to \$151,000 thus far in 2014.

### Lot Sales

There have been 68 lot sales of less than an acre thus far in 2014, compared to 79 in all of 2013. Median sales prices have declined to \$52,450 thus far in 2014.

### Land Sales

48 parcels of land greater than an acre have sold thus far in 2014 compared to 68 land sales during all of 2013. The median price per acre has declined to \$10,462.

# HOME SALES REPORT

Harrisonburg &amp; Rockingham County

November 7, 2014

# Home Sales	2011	2012	2013	2014	% Change ('13 - '14)
October	56	75	87	107	22.99%
Year-To-Date (Jan-Oct)	657	714	866	882	1.85%

Median Sales Price	2011	2012	2013	2014	% Change ('13 - '14)
October	\$182,000	\$172,000	\$160,000	\$189,900	18.69%
Year-To-Date (Jan-Oct)	\$174,000	\$175,000	\$176,450	\$179,000	1.45%

Average Sales Price	2011	2012	2013	2014	% Change ('13 - '14)
October	\$185,106	\$201,555	\$176,011	\$208,316	18.35%
Year-To-Date (Jan-Oct)	\$195,878	\$198,884	\$199,830	\$202,454	1.31%

Median Days on Market	2011	2012	2013	2014	% Change ('13 - '14)
October	130	142	108	124	14.81%
Year-To-Date (Jan-Oct)	149	146	121	117	-3.31%

Home sales in October 2014 were the highest in any recent October, marking a 23% year over year increase in monthly home sales - and contributing to the now 1.85% year-to-date increase in home sales during 2014. The pace of home sales in 2014 has lagged behind 2013 all year long - until now. Prices also seem to be recovering,

slowly and steadily, with a 1.45% year-to-date increase in our market's median sales price and a 1.31% year-to-date increase in the average sales price. Finally, homes are selling a bit (3%) more quickly than they were last year based on year-to-date data.



# HOME SALES REPORT :: BY AREA

	City of Harrisonburg			Rockingham County		
# Home Sales	2013	2014	% Change	2013	2014	% Change
October	41	38	-7.32%	46	69	50.00%
Year-To-Date	324	301	-7.10%	542	581	7.20%

	City of Harrisonburg			Rockingham County		
Median Sales Price	2013	2014	% Change	2013	2014	% Change
October	\$133,500	\$170,000	27.34%	\$175,100	\$204,000	16.50%
Year-To-Date	\$163,950	\$170,000	3.69%	\$189,950	\$189,000	-0.50%

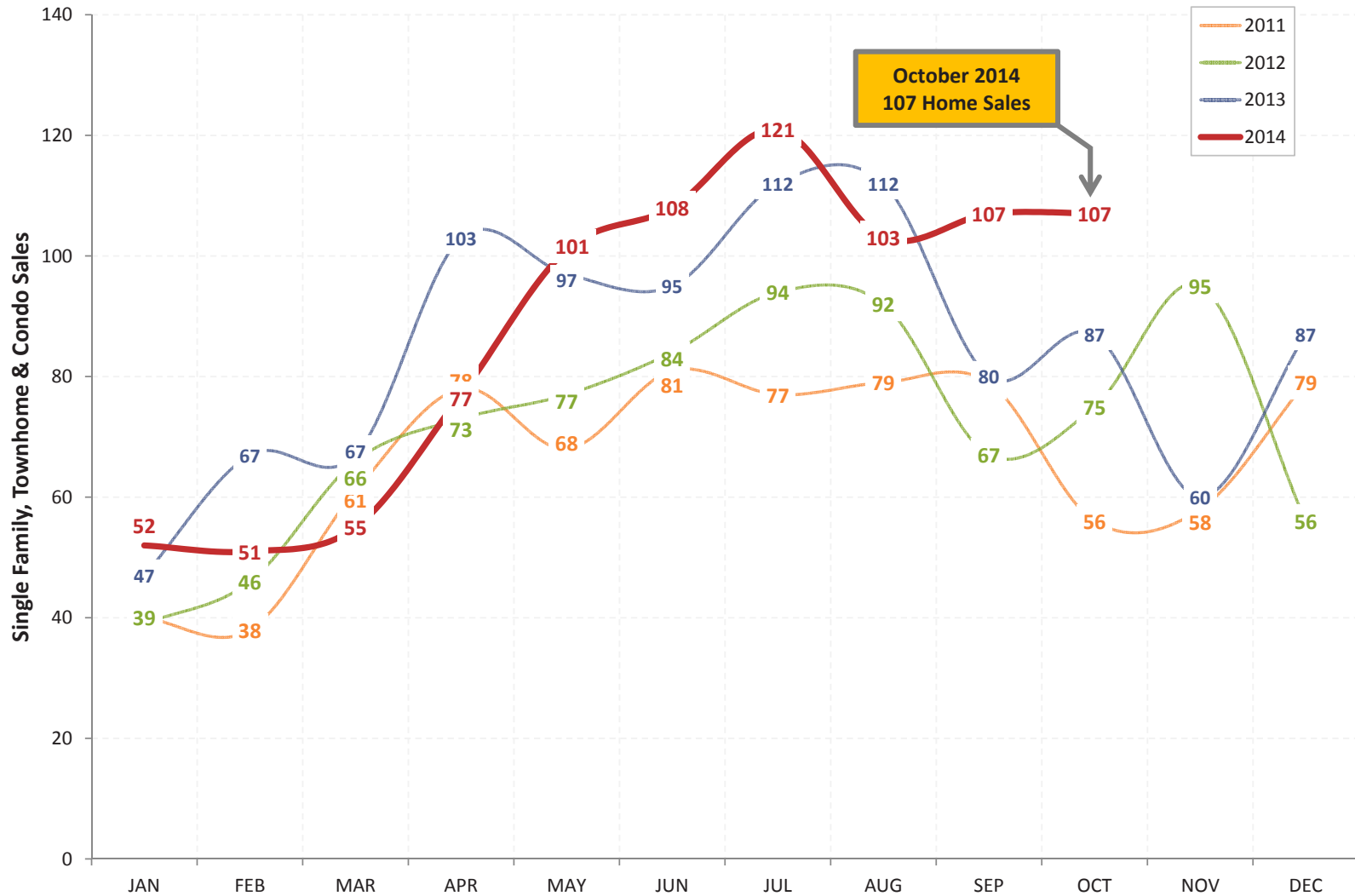
  

	City of Harrisonburg			Rockingham County		
Median Days on Market	2013	2014	% Change	2013	2014	% Change
October	108	106	-1.85%	106	132	24.53%
Year-To-Date	114	106	-7.02%	124	125	0.81%

If we dig a bit deeper into the sales data, looking at how the City and County are performing individually, the first thing we notice is that there has certainly been a decline in (YTD) sales pace in the City (-7.1%) that was not seen in the County (+7.2%). Of interest, however, is that the median sales price is increasing (+4%)

in the City, but has not increased (-0.50%) in the County. These price trends are observed when comparing January through October sales data for 2013 and 2014. Similarly, homes in the City are now selling more quickly both in the City (median of 106 days) as compared to in the County (125 days).

### Harrisonburg & Rockingham County Month-By-Month Home Sales History



January kicked off the year with strong home sales (the best January in recent memory) but then the pace of home sales lagged significantly in February, March and April, hovering well below previous years. After breaking the cold snap, we did finally see strong home sales in May, June and July -- pulling us within 4% of the

YTD pace of home sales in 2013. The home sales market did not perform as well in August, however, dropping down to 101 home sales, as compared to 112 last August. September and October, however, have been a wonderful surprise, with home sales well above their levels in the same month in previous years.

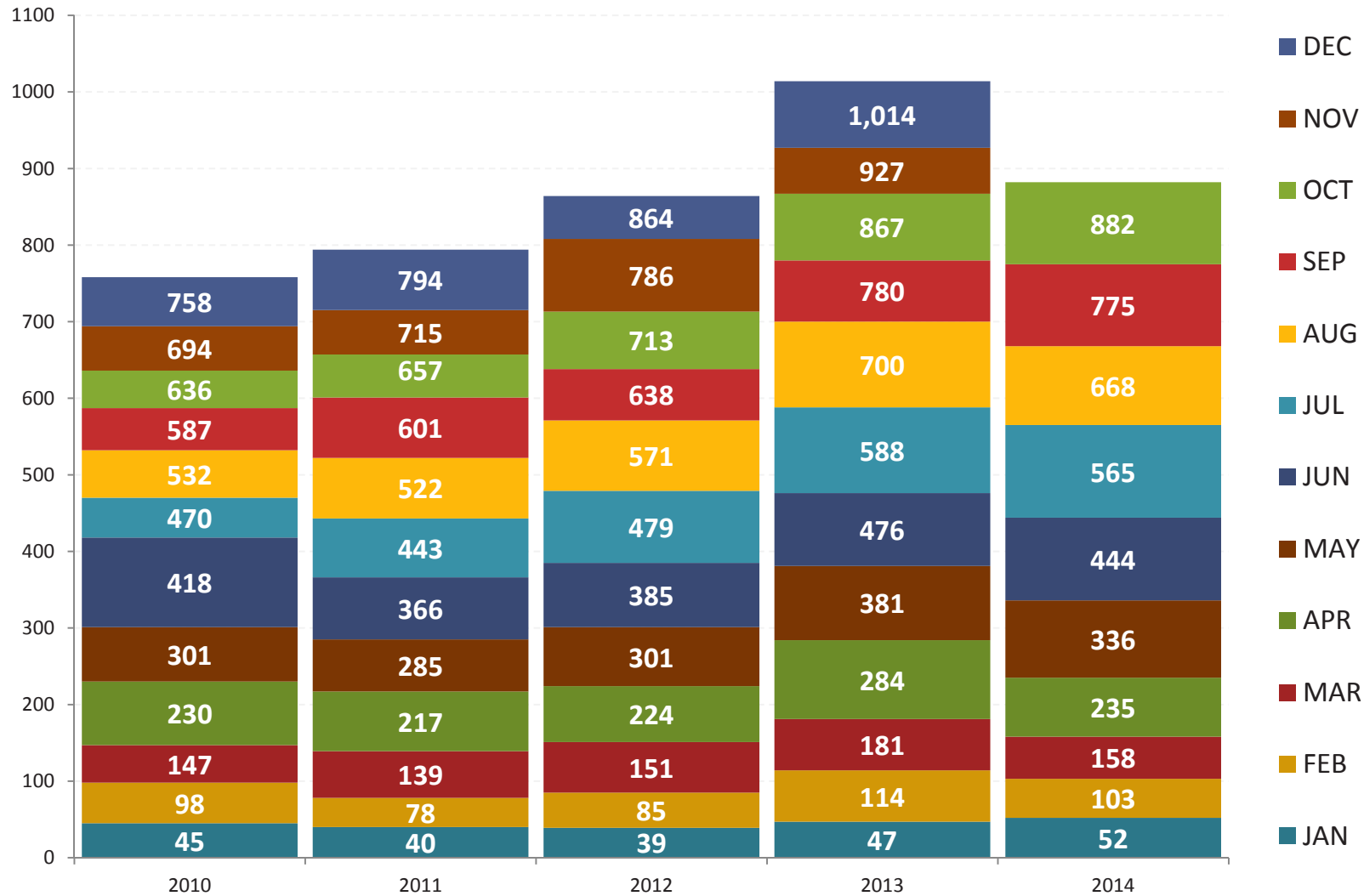
Harrisonburg & Rockingham County  
**Buyers Per Month Committing to Buy Properties**



The pace at which buyers are signing contracts to buy real estate is often an excellent indicator of the future sales performance of our local market. It is encouraging to see month by month increases in contract activity since January of this year, and the year-over-year comparison for June (+51%), July (+5%), August (+19%), September

(+6%) and October (+34%) is an exciting trend as we close out 2014. When looking at the annual pace of contracts being signed, we should note that 1,199 buyers have committed to purchase homes in the past year, a slight tick above the previous 12 months.

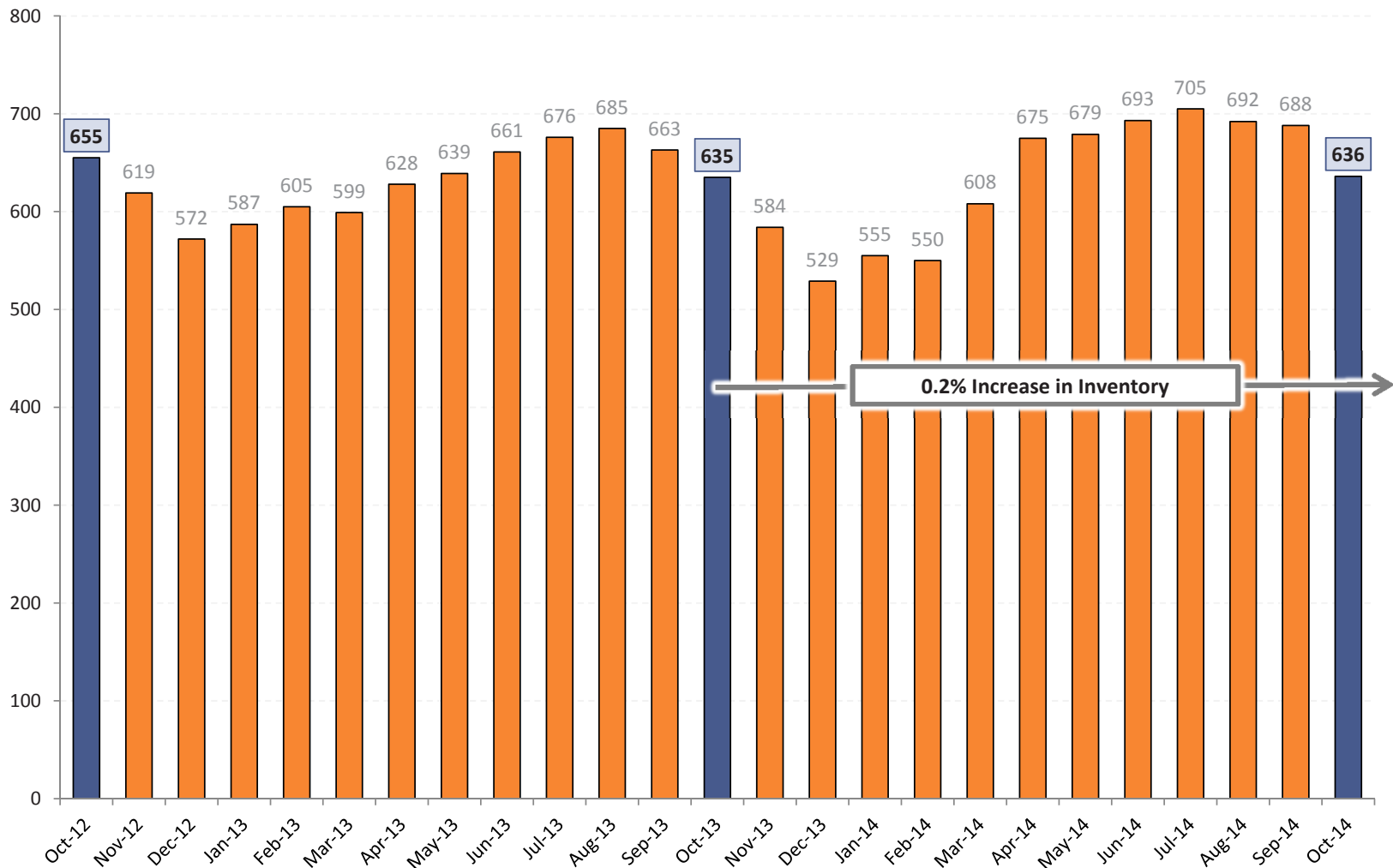
### Harrisonburg & Rockingham County Monthly Cumulative Residential Sales



This pretty graph offers another way to look at the overall sales trends for the past few years in the Harrisonburg and Rockingham County housing market. To compare year-to-date figures, just look at how high the top of the light green segment of the bar chart extends. You'll note that this year's pace of home sales (882) is higher

than every year over the past four years (2010, 2011, 2012, 2013). We are likely to see 2014 home sales continue to increase beyond the 2013 pace over the next few months based on strong contract activity.

Harrisonburg & Rockingham County  
**Inventory Levels**  
 (end of month)

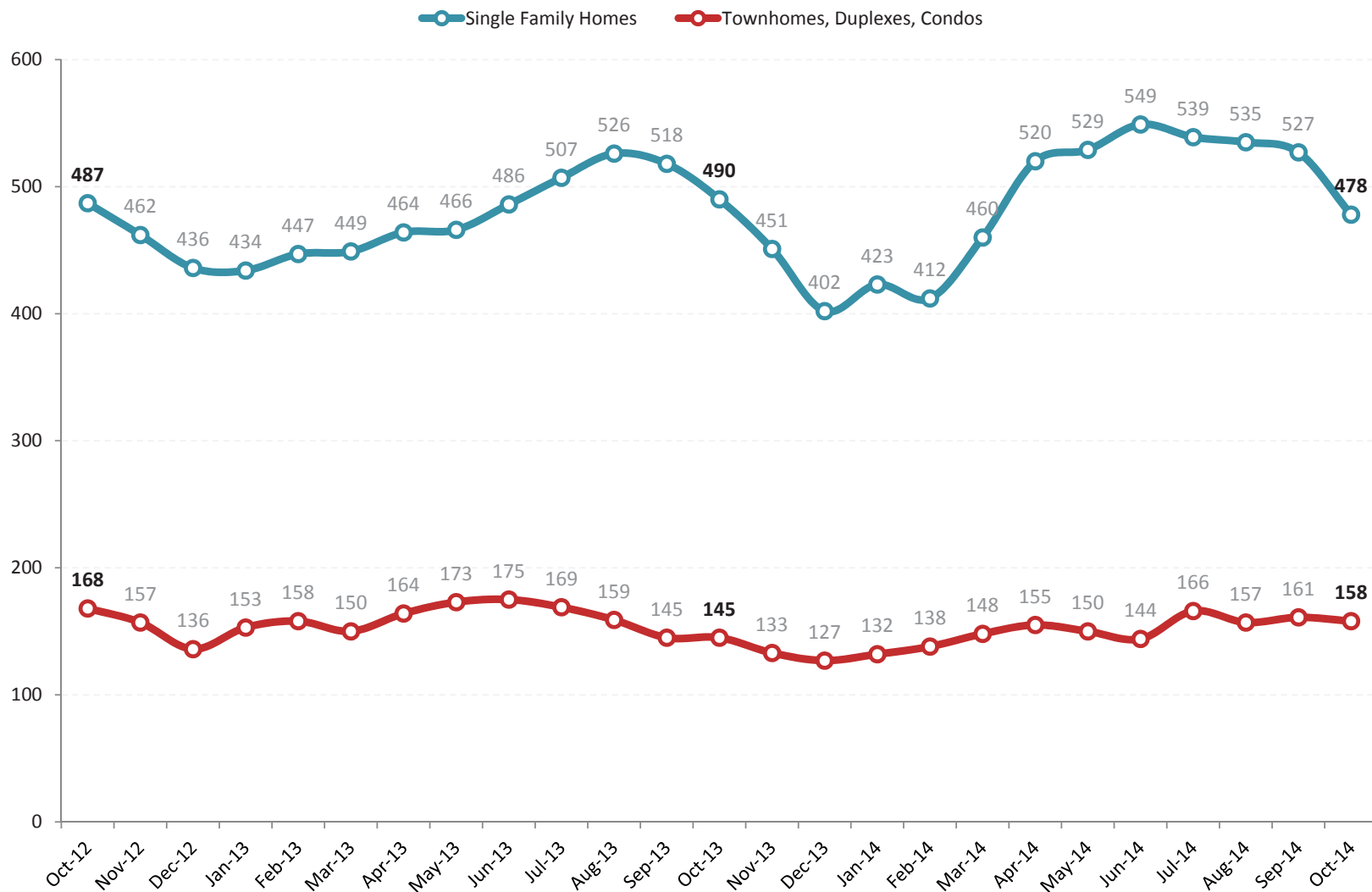


Overall sales activity is the combined effect of many would-be home buyers deciding to make an offer on a particular home -- and those decisions are not typically taken lightly. In contrast, changes in inventory levels are the combined effect of many homeowners deciding to list their home for sale -- which be a big, significant,

weighty decision, but it is not always so. Some homes that are on the market have been listed for sale by sellers who are "testing the market" and as a result, inventory levels can shift more quickly than home sales trends. Inventory levels are quite stable (+1 house) over the past year.



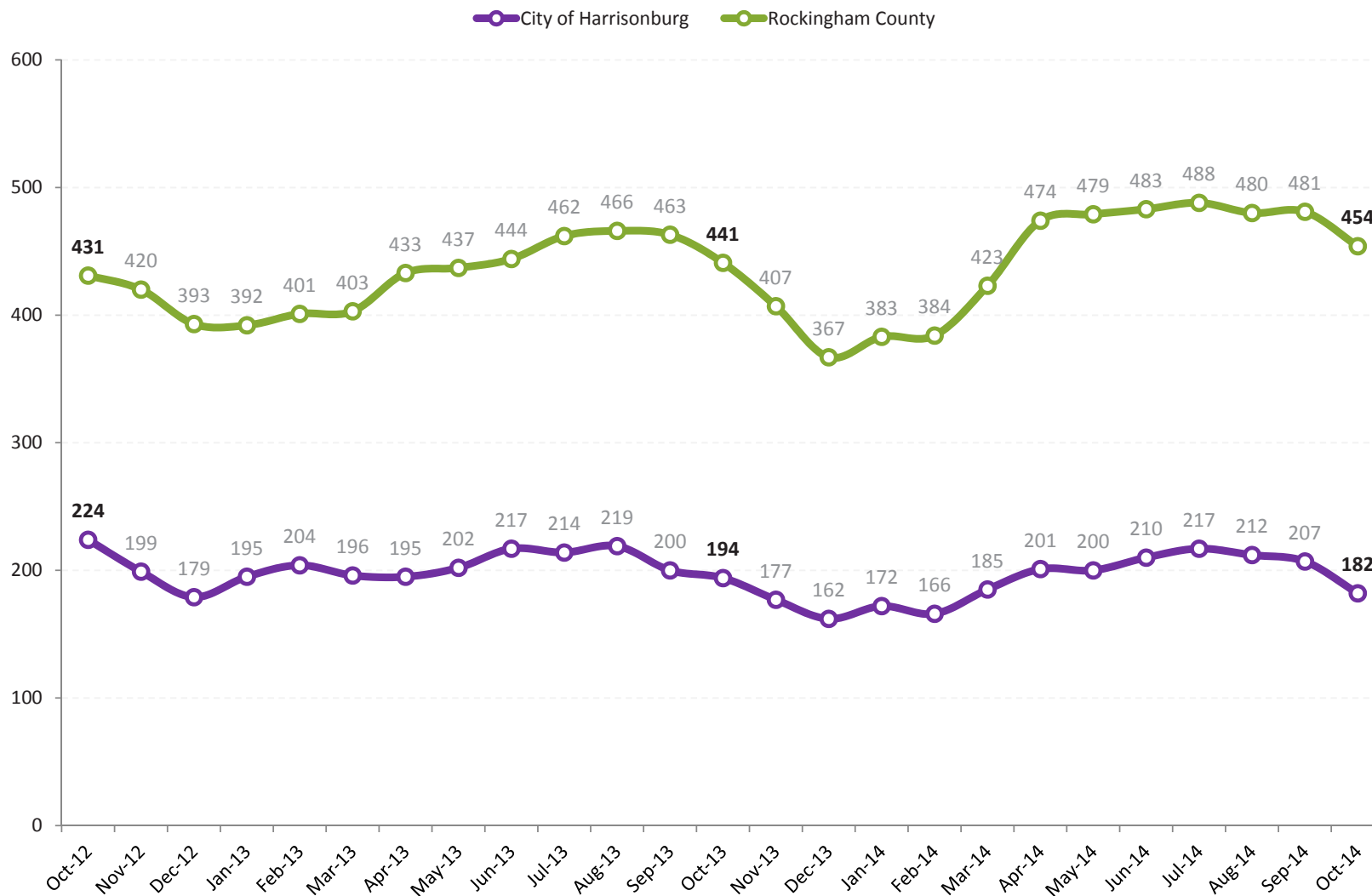
### Harrisonburg & Rockingham County Inventory Levels by Property Type



Two things can be noted from the graph above -- first, inventory levels have not significantly changed in the past year, and second, there is much more variability in single family home inventory as compared to duplex / townhouse / condominium inventory. As shown above, there are currently 478 single family homes listed for

sale, as compared to 490 a year ago (-2%), and 487 two years ago. The inventory levels for attached dwellings (duplex, townhouse, condo) have also stayed rather stable, with 158 active listings, compared to 145 one year ago (+9%) and 168 two years ago.

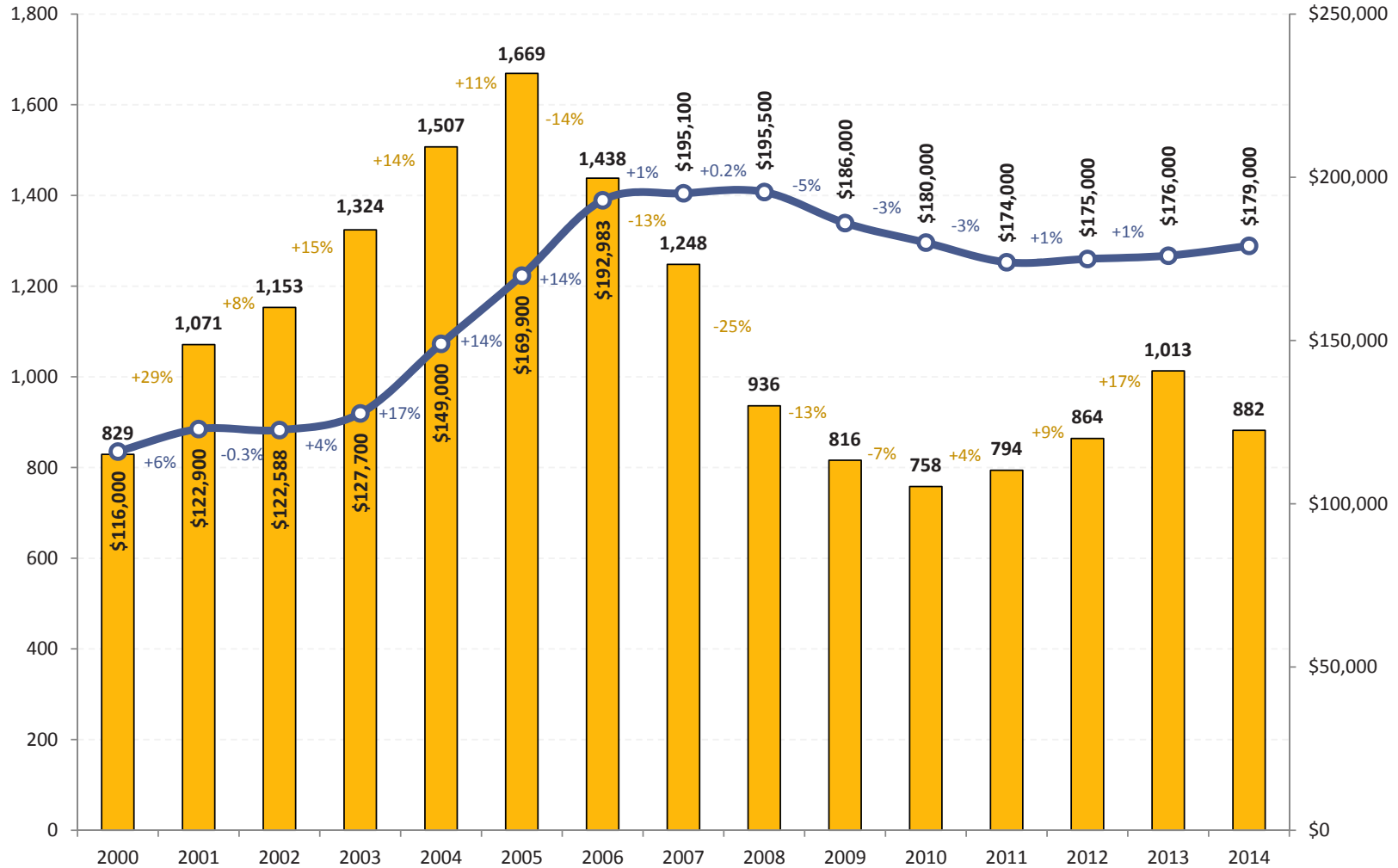
### Harrisonburg & Rockingham County Inventory Levels by Property Location



Trends in inventory level currently seem to transcend the City / County divide. When looking only at inventory levels in the City, we see that there has been a small decline (-6.2%) in the number of properties for sale. In the County, however, there has been slight increase(+2.9%) in the number of homes for sale. Despite relatively

small changes in inventory levels in the City of Harrisonburg and Rockingham County over the past year, inventory levels in the County seem much more turbulent than in the City.

### Harrisonburg & Rockingham County Home Sales & Price Trends Single Family Homes & Townhomes

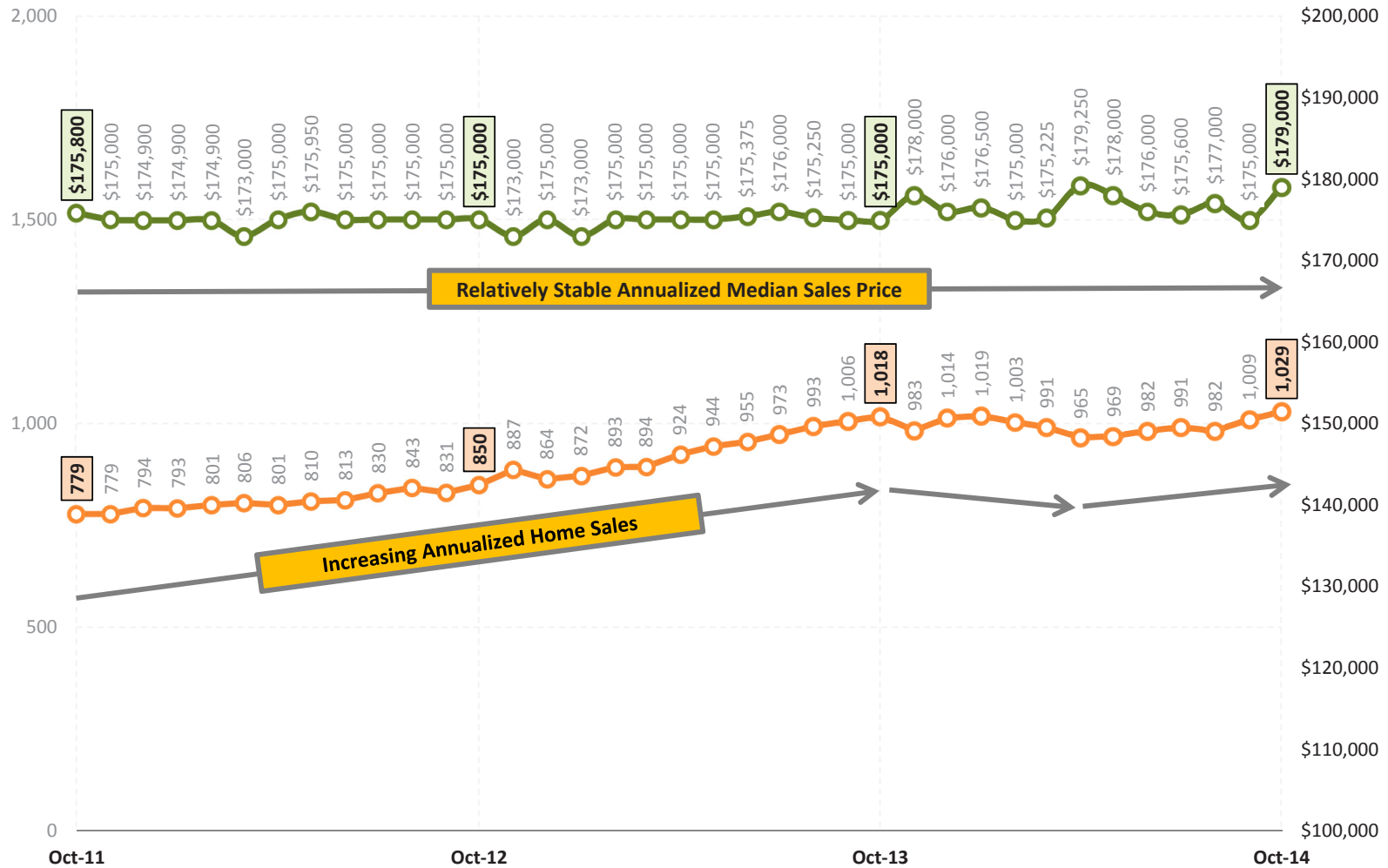


This graph provides an overall indicator of the state of our housing market, showing both the number of homes being sold each year since 2000 (yellow bars) as well as changes in the median sales price during the same time period (blue line). This past year (2013) marked the third year in a row with an increased pace of home sales --

showing 17% growth as compared to 4% and 9% in the previous years. As we know (page 3) the strong pace of home sales seen last year is likely to continue to increase this year, and we are seeing a small increase in median sales prices thus far in 2014.

### Harrisonburg & Rockingham County Time-Adjusted Home Sales Trends :: All Homes

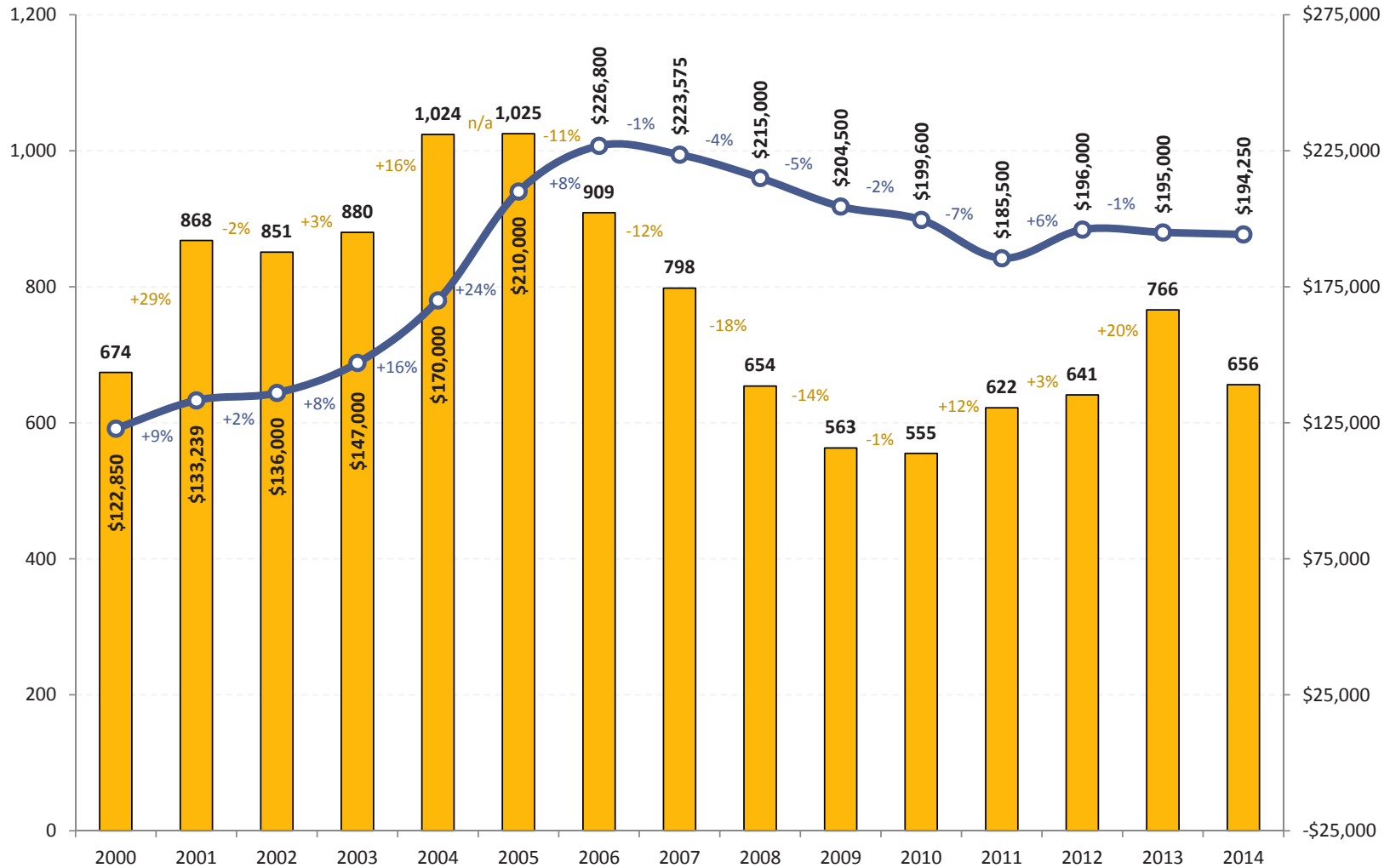
# Home Sales, Median Sales Price in each 12 Month Period



This graph shows a rolling 12 months of the number of home sales in the Harrisonburg and Rockingham County area, as well as the median price of the homes that sold during these time frames. Each data point shows one year's worth of home sales, which eliminates the volatility of evaluating sales figures on a monthly basis. After

over two years of an increasing pace of home sales (orange line) we saw a market slow down that began sometime in late 2013, which seems to have reversed itself about six months ago. Median prices continue to stay predictably between \$173,000 and \$176,000 - with only a few exceptions, such as \$179,000 last month.

### Harrisonburg & Rockingham County Home Sales & Price Trends Single Family Homes

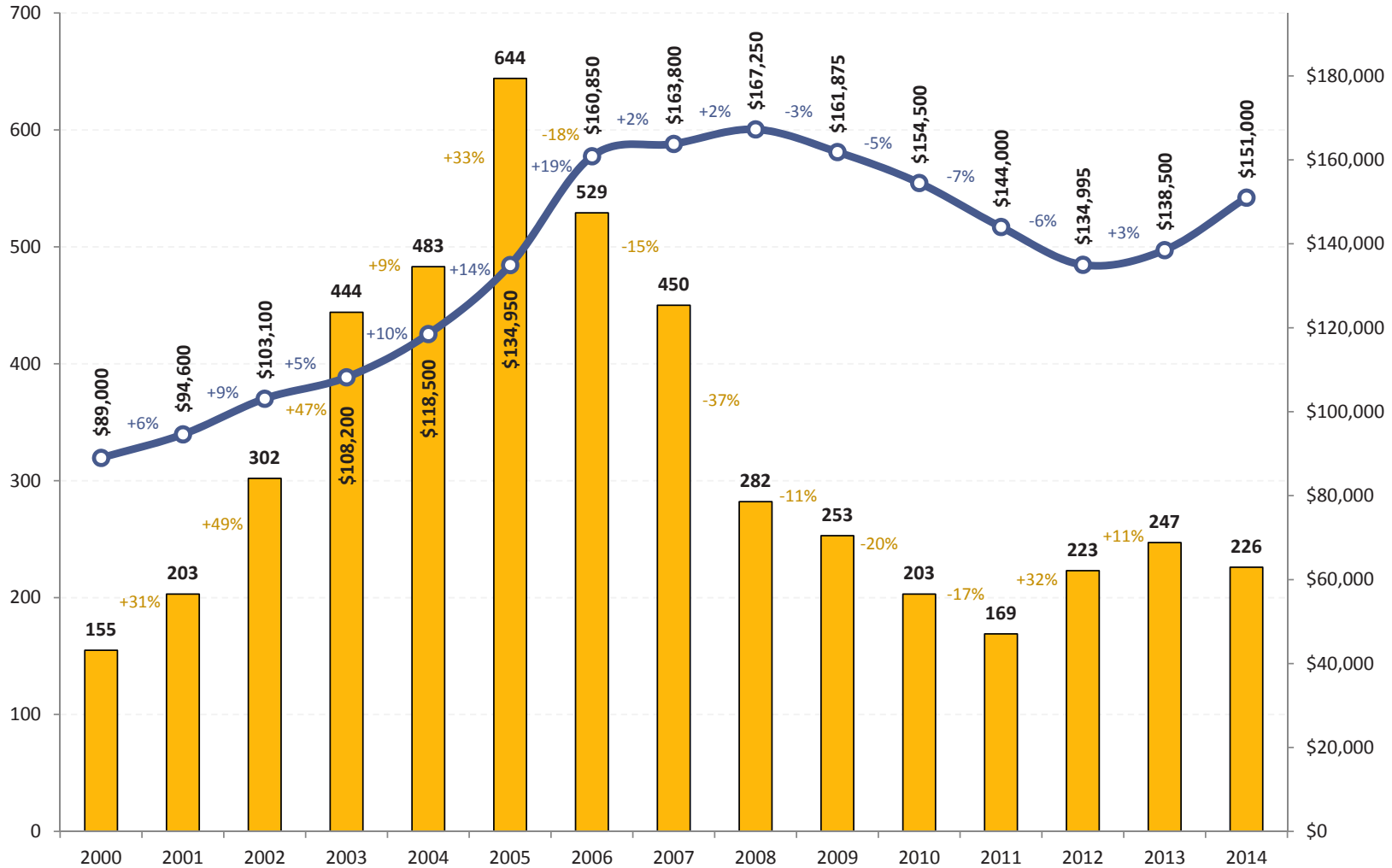


The single family home market in Harrisonburg and the Rockingham County is recovering quite nicely (in most ways) compared to the overall market. Looking at all of 2013, there was a 20% increase in single family home sales as compared to 2012 sales levels. During this time, however, median sales prices actually declined

1%, after having shown a 6% improvement between 2011 and 2012. Year-to-date in 2014, we have seen a tiny (0.4%) continued decline in median sales prices. Hopefully that trend will reverse itself as we close out the year.



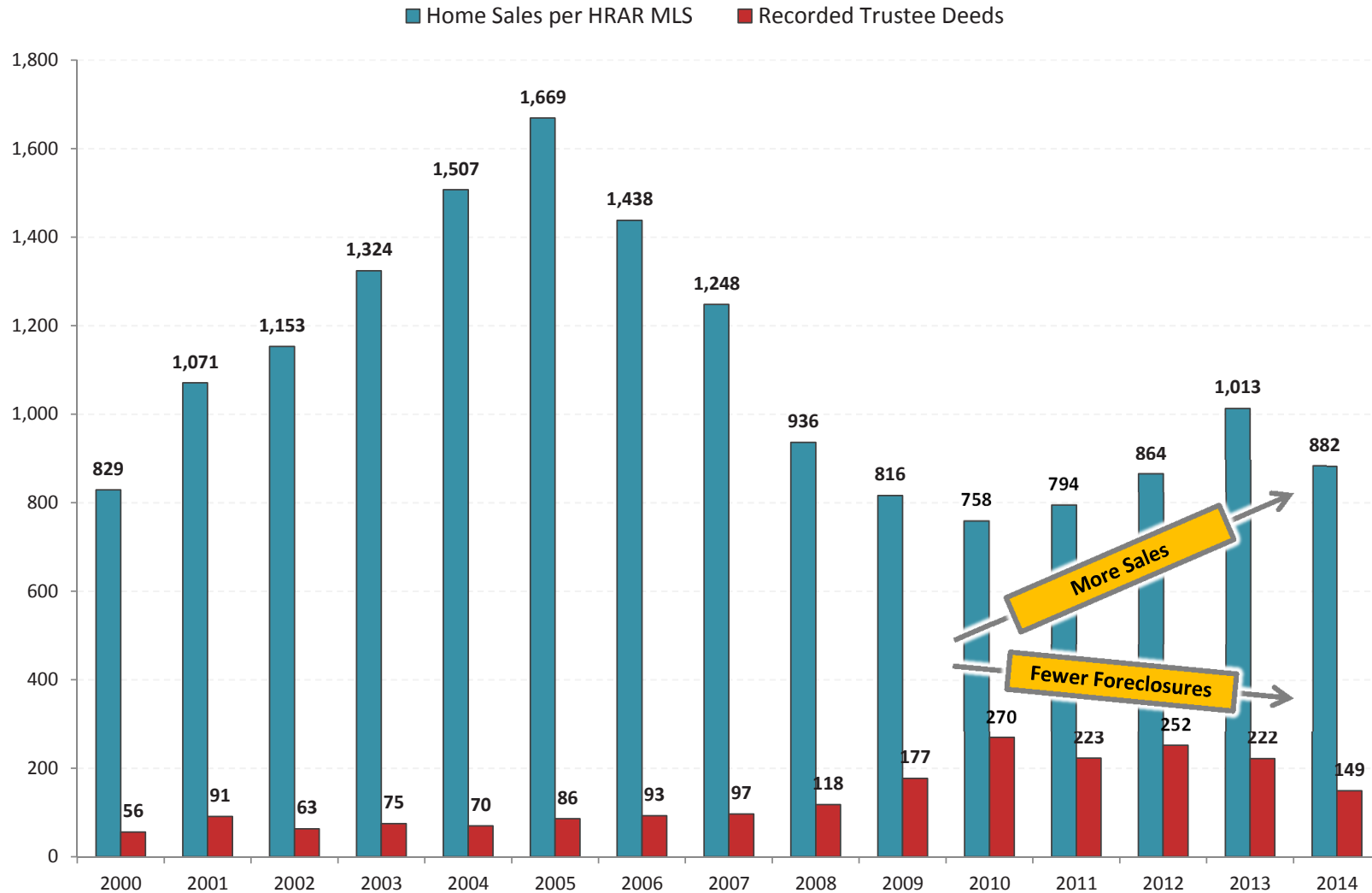
### Harrisonburg & Rockingham County Home Sales & Price Trends Duplexes, Townhomes & Condos



After six years of rapid declines in the pace of townhouse sales in Harrisonburg and Rockingham County, the pace of sales finally rebounded in 2012 with a 32% increase in the pace of sales. This increase continued in 2013, with an 11% increase in the pace of sales, which was accompanied by a 3% increase in the median sales price

of these properties. This analysis shows the compilation of duplex, townhouse and condominiums sales, and it seems that in 2014 we will see an even larger increase in median sales price. These property values fell further than single family homes so this would be a welcome price recovery for such homeowners and sellers.

### Harrisonburg & Rockingham County Home Sales vs. Trustee Sales

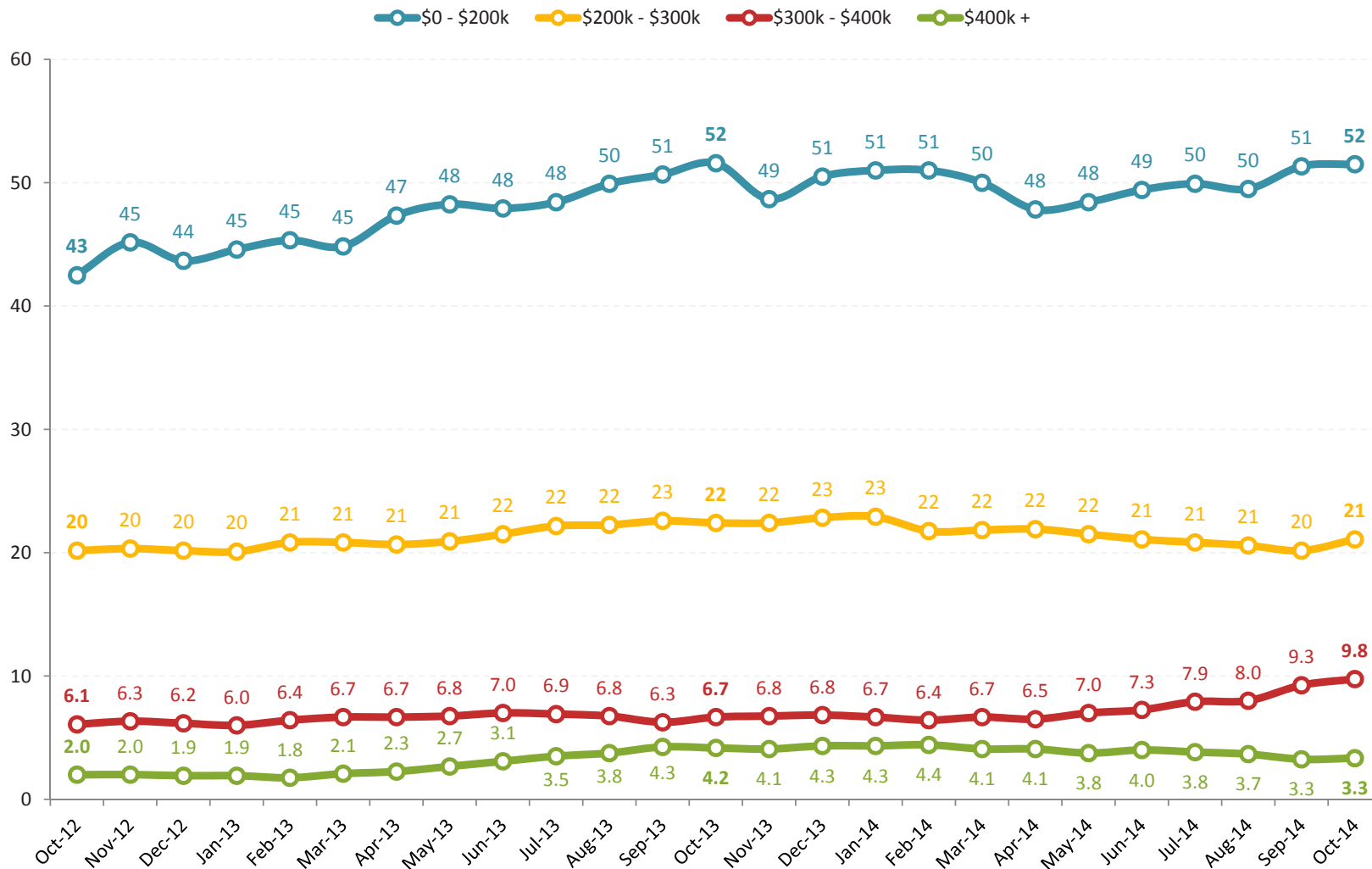


The graph above is a comparison of two imprecise measures -- but the comparison can still be helpful. The blue bars show the number of home sales recorded in the HRAR MLS -- this does not include private sales (without a Realtor), nor new home sales directly from a builder. The red bars show the number of Trustee Deeds. Some

foreclosed properties then show up again as REO properties. The foreclosure rate in 2013 is definitely lower as it was in 2012, as there were 3.4 times as many home sales as foreclosures during 2012, 4.6 times as many home sales as foreclosures in 2013, and now 5.9 times as many sales as foreclosures in 2014.

### Harrisonburg & Rockingham County Home Sales by Price Range

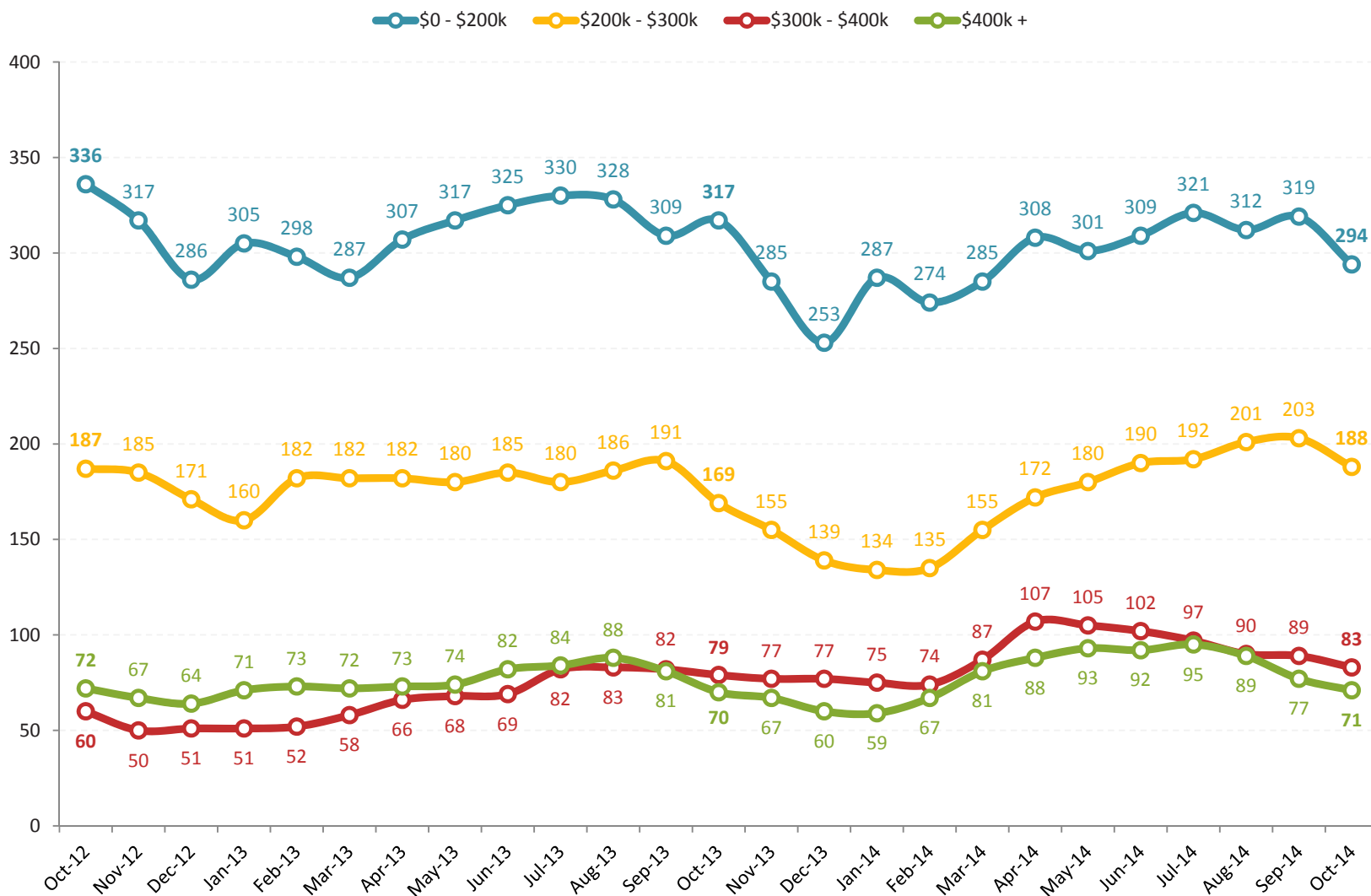
(Average of Past 12 Months)



The pace of home sales in Harrisonburg and Rockingham County varies significantly based on price range. The graph above shows the average number of home sales per month (given a 12-month average) as we have passed through the past two years. Home sales have increased in all price ranges over the past two years, though

some price ranges have shown more significant growth than others. The fastest recovery seen over the past 24 months has been in \$300K - \$400K and \$400K+ homes.

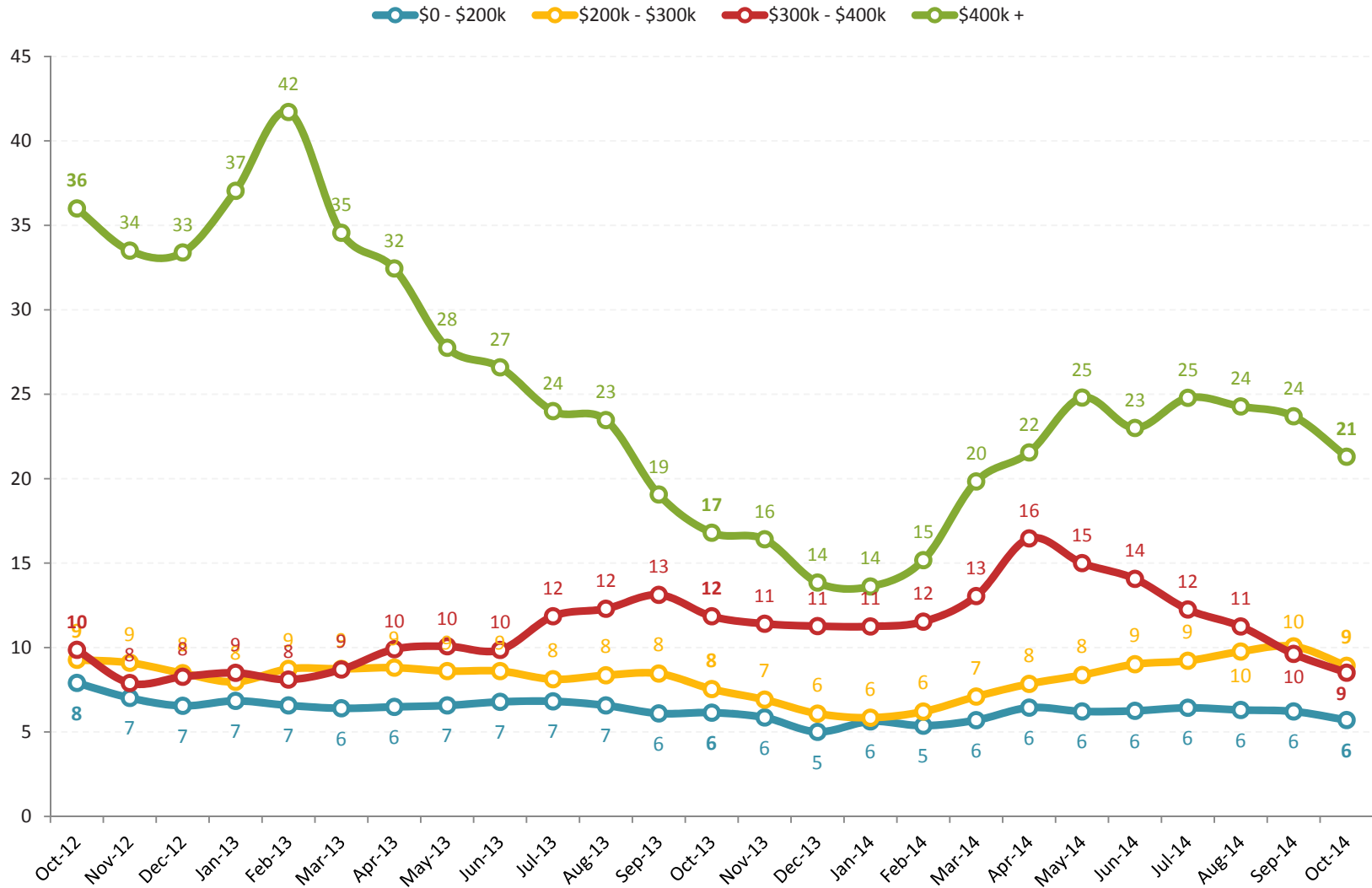
### Harrisonburg & Rockingham County Inventory Levels by Price Range



Inventory levels have remained relatively stable in most price ranges over the past year. The two exceptions have been the under \$200K segment of the market, which has seen a 7% decline in inventory levels. We are likely to see inventory levels fall even further over the next few months as we continue through the Fall market and

into the Winter market. When looking at a two year window, the most significant changes in inventory levels have been in the under \$200K price range (-12.5%) and the \$300K - \$400K price range (+38%).

### Harrisonburg & Rockingham County Months of Housing Supply by Price Range

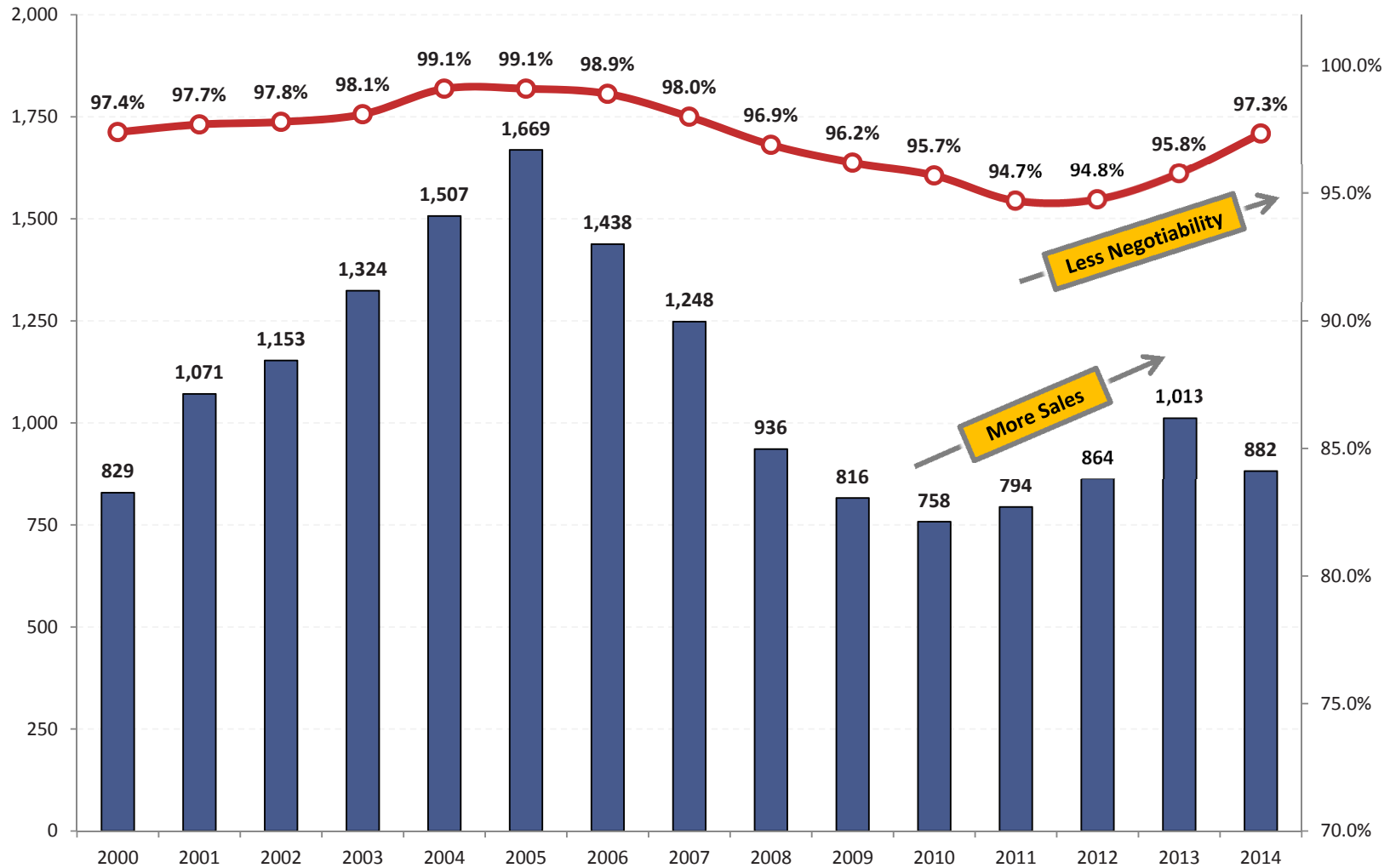


With so many homes on the market (lots of sellers) and so few home sales (not so many buyers), there are very high levels of supply in most price ranges our local real estate market. The graph above illustrates that it would take 21 months to sell all of the homes currently for sale over \$400K if the same number of buyers bought each

month as have been buying (on average) over the past 12 months. Many experts consider a six month supply to be a balance between buyers and sellers, and this year we have only consistently seen that balance in the under \$200K price range.



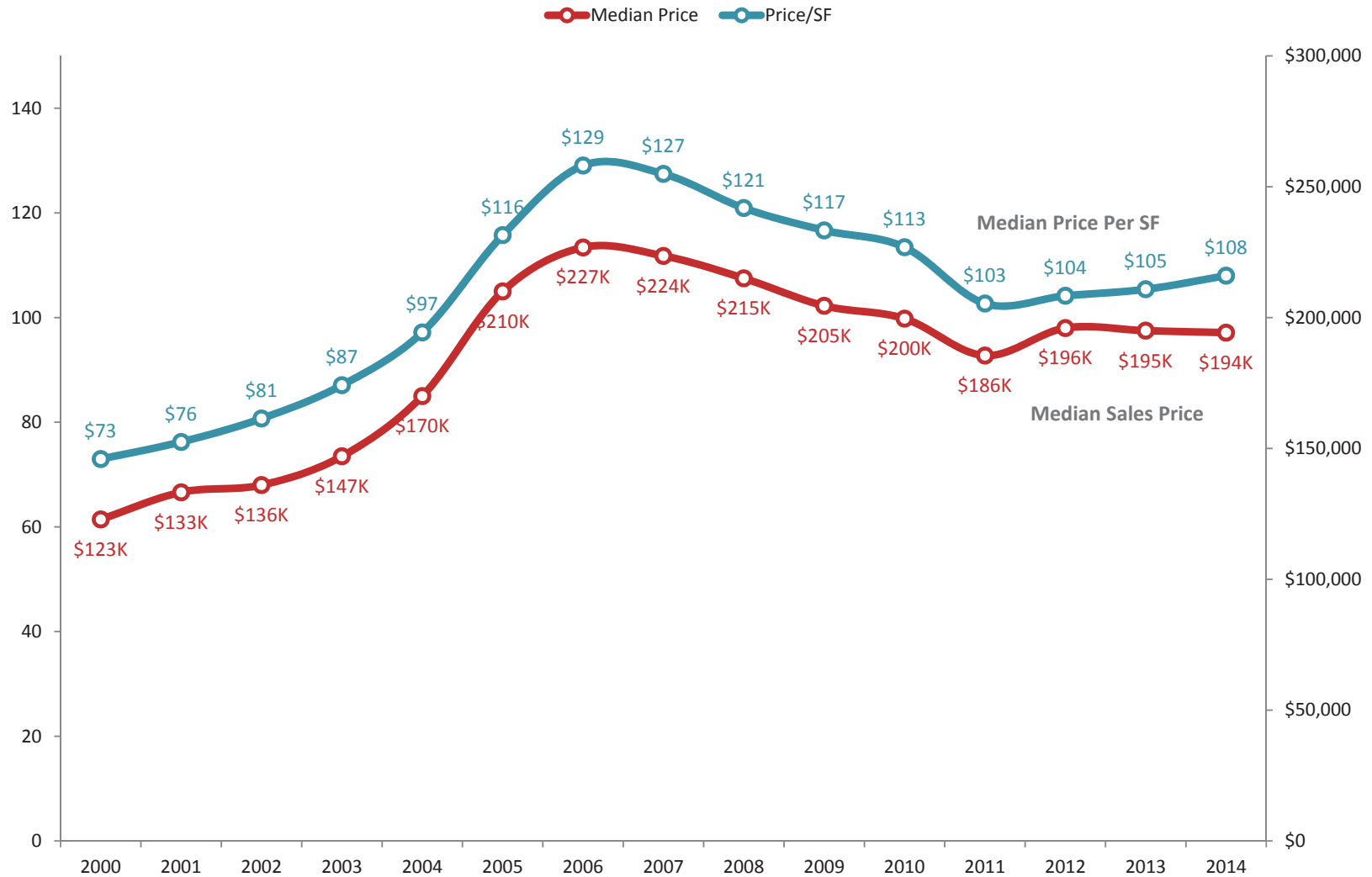
### Harrisonburg & Rockingham County List Price to Sales Price Ratio within the context of Home Sales Pace



This graph shows the average list price to sales price ratio (red line) over the past 12+ years as compared to the overall pace of home sales. At the peak of the housing boom (2004-2006) sellers were able to obtain an average of 99% of their asking price --- up from an average of 97.4% in 2000 before home sales started escalating.

Of note, we have now essentially returned (in 2014) to that pre-boom level -- given the 97.3% average during the first ten months of 2014. As the market continues to recover, we may see this ratio increase even further.

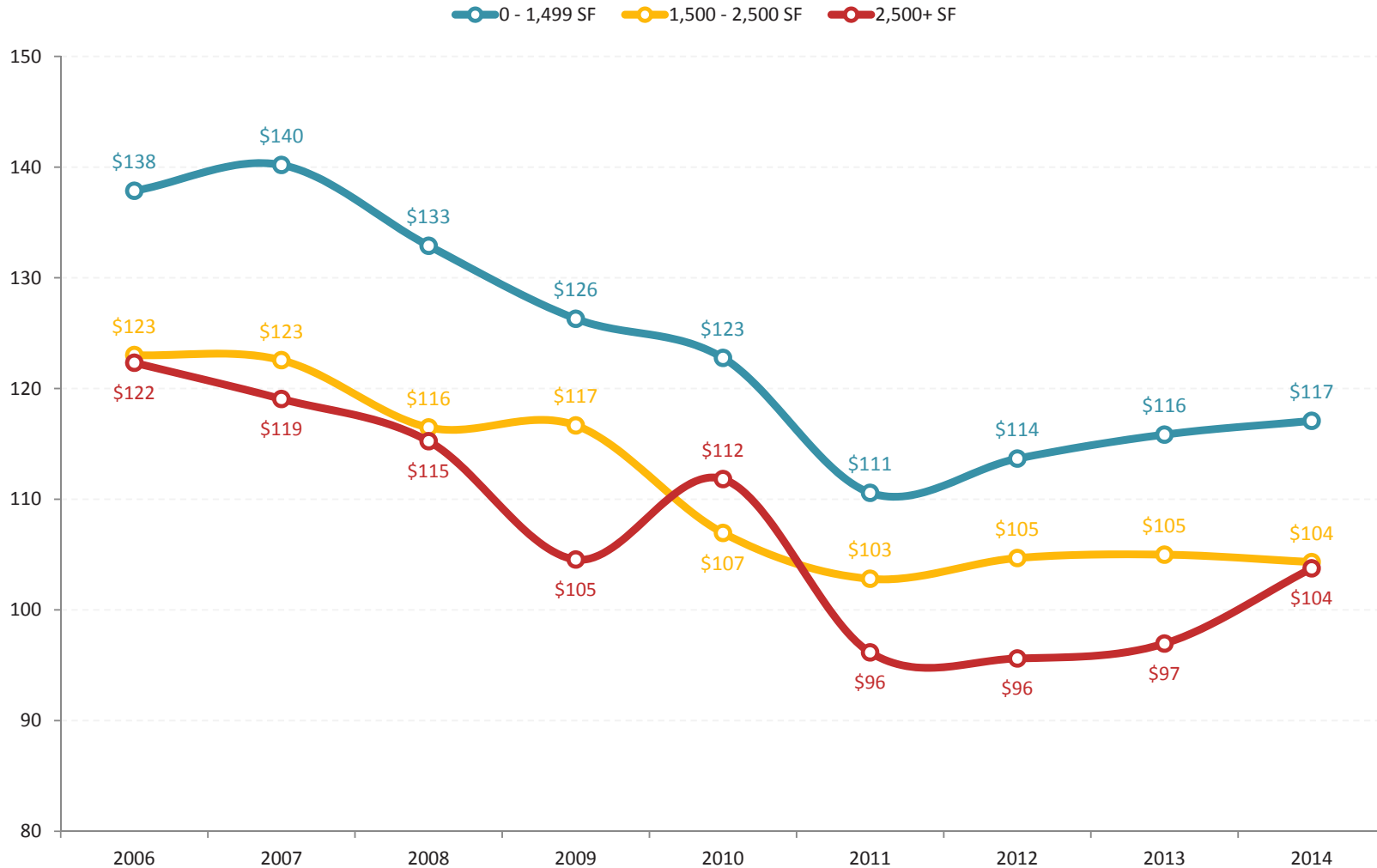
### Harrisonburg & Rockingham County Median Price vs. Price Per SF



In addition to monitoring home values by overall median sales prices in our market, it can be insightful to examine the median price per square foot of homes that are selling. The graph above shows the median price per square foot of all single family homes sold over the past 10+ years. The value trend captured by this graph is quite

similar to the trend shown in the single family home median sales price during the same time, which validates that assumed set of changes in home values. When focusing in on 2013 and 2014 data, we can see that the median sales price has started to shift downward, though the price per square foot is increasing.

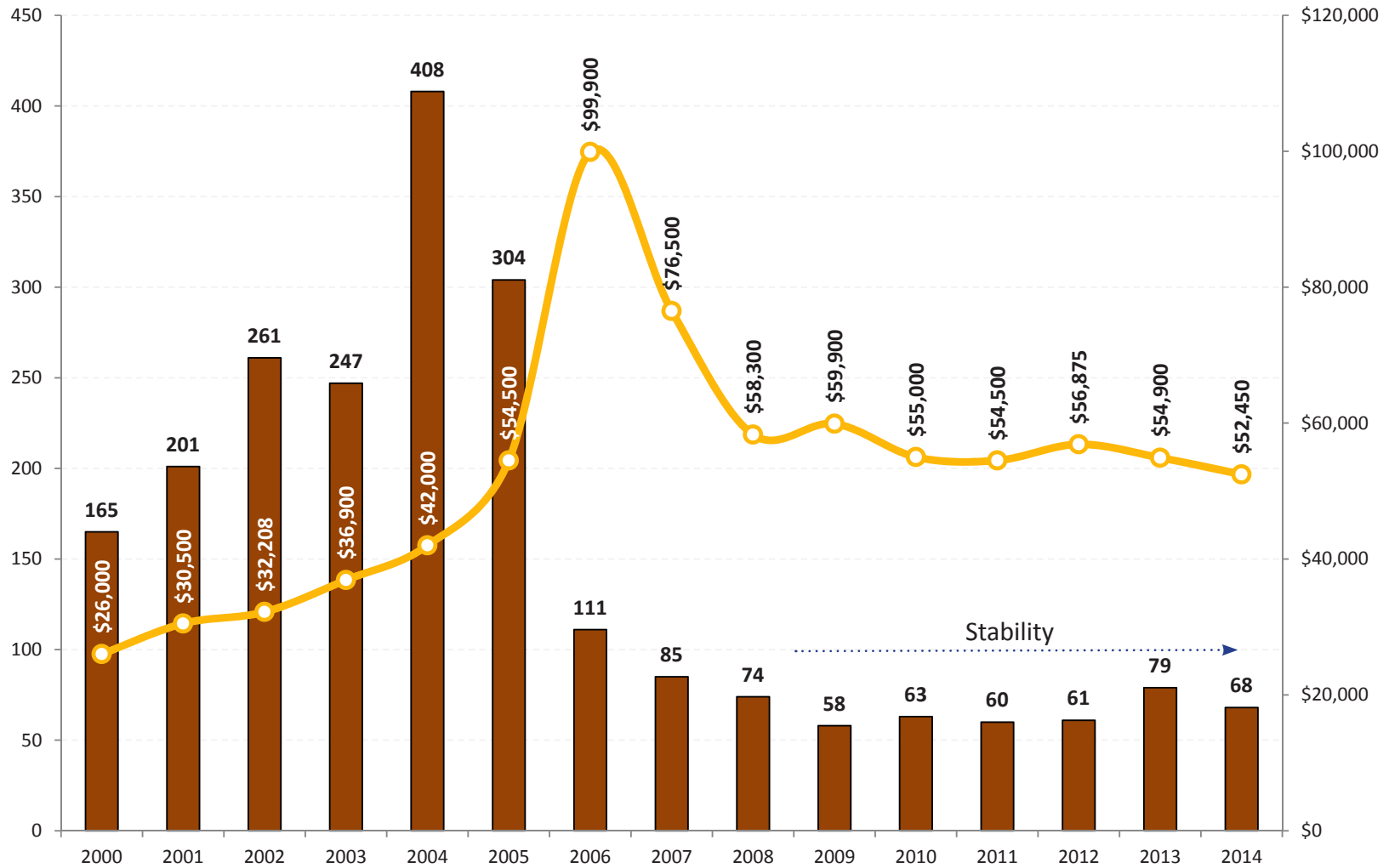
Harrisonburg & Rockingham County  
**Median Price Per Square Foot by Home Size**  
 Single Family Homes



Price per square foot of single family homes certainly varies for many reasons, including the age, location, lot size and structural characteristics of each home sold. However, there are some similarities in homes of a similar size. This graph illustrates that the median price per square foot of larger homes (2500+ SF) is a good bit lower

(\$103/SF) than homes with less than 1500 SF (\$117/SF). These values cannot be used as an absolute standard against which the value of any home can be measured, but they can provide some helpful guidance when trying to determine the value of a home.

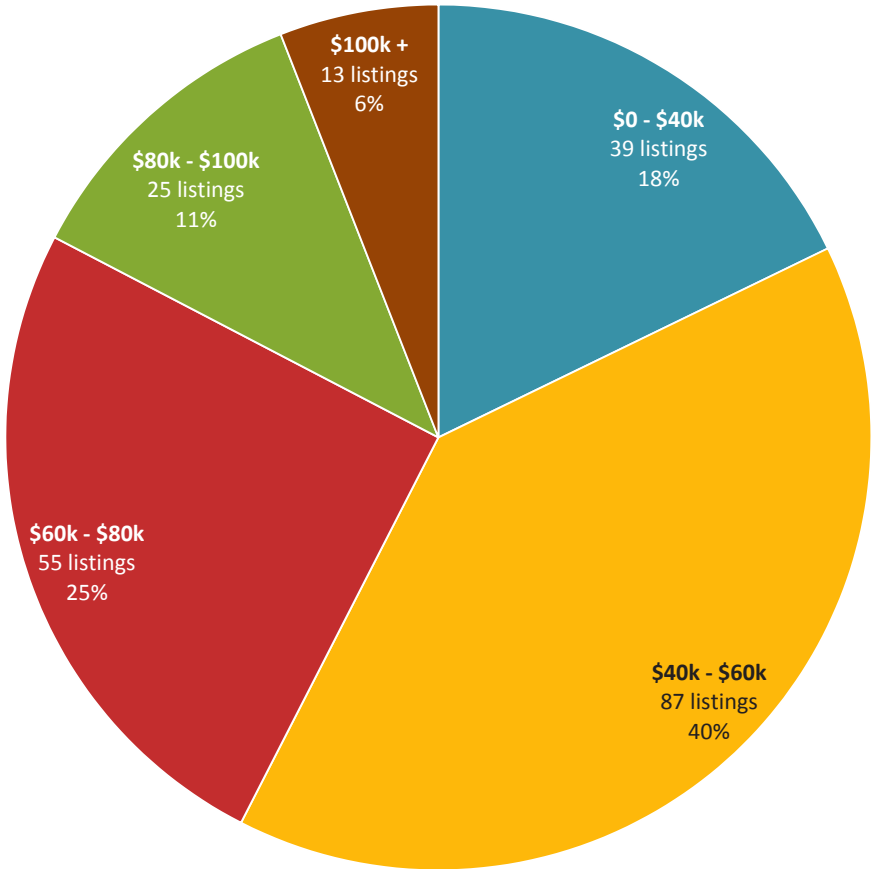
Harrisonburg & Rockingham County  
**Lot Sales & Median Prices**  
 less than 1 acre



While the pace of sales of lots that are smaller than an acre have plummeted since 2004 (-85% between 2004 and 2010), they may have finally stabilized. We now see that there have been between 58 and 79 lot sales (of less than an acre) for each of the past six years (2008-2013). The median sales price of these lots under one

acre also appears to be stabilizing between \$50,000 and \$60,000. Looking only at 2014, it seems likely that we will see between 75 and 100 sales of this type and size of property. Prices being where they are (just above \$50K) is certainly helping this market to stay steady at this point.

Harrisonburg & Rockingham County  
**Price Distribution of Active Lot Inventory**  
less than 1 acre



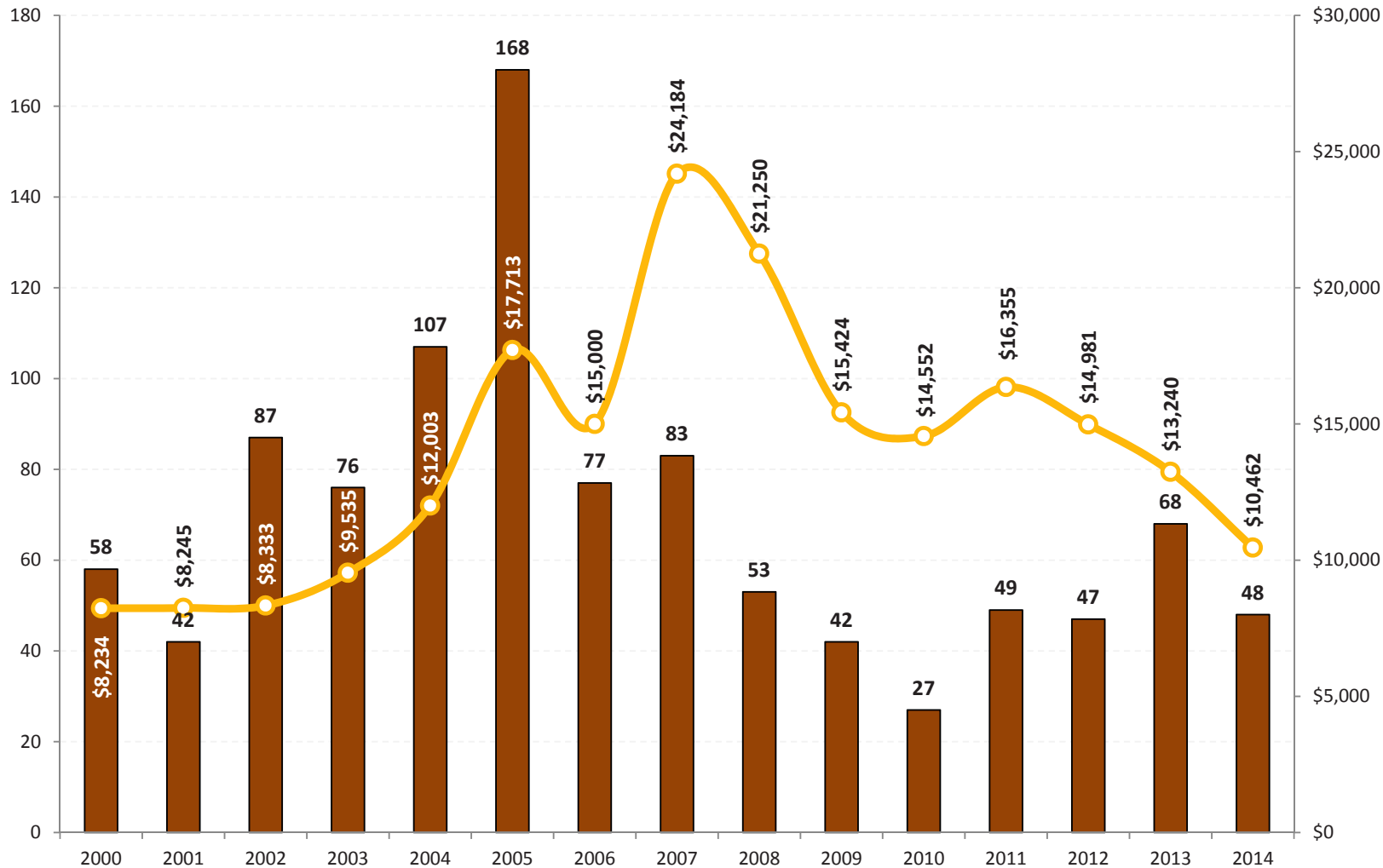
**219 Active Lot Listings; Median List Price: \$56,900**

Despite the fact that only 79 lots (of less than an acre) sold in all of 2013, there are a remarkable 219 lots currently for sale. Some sanity exists in this listing market, however, as the median list price of lots for sale (\$56,900) is very similar to the 2013 median sales price of \$54,900. Given last year's 79 lot sales, if no other lots were

listed for sale, it would take 2.8 years to sell all of the lots currently listed for sale. As you can see above, almost half of the lots currently listed for sale are priced above \$60,000 --- thus many sellers have offering prices higher than recent (2011, 2012, 2013) median sales prices.



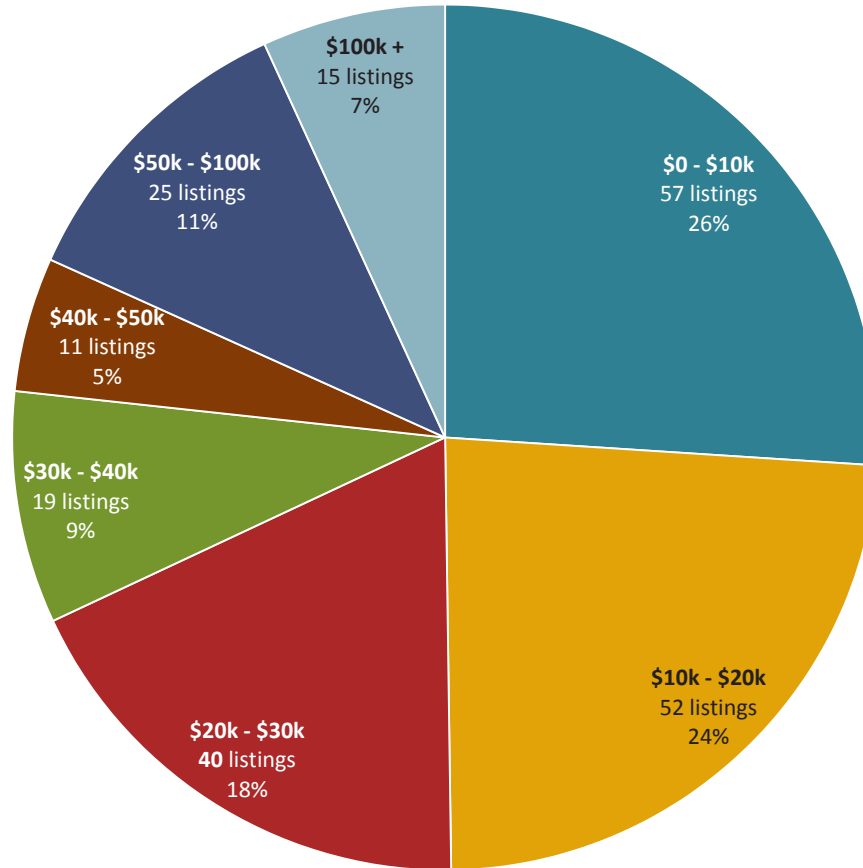
Harrisonburg & Rockingham County  
**Land Sales & Median Price Per Acre**  
 1 acre or more



Parcels of land larger than one acre in Harrisonburg or Rockingham County sold quite quickly in 2013 as compared to the past five years. We are still not approaching the number of land sales that we saw in record breaking years such as 2004 and 2005, but 2013 has been a significant improvement with 68 land sales. The median price

per acre of lots over 1 acre in size has fallen quite a bit over the past two years, from \$16,355 per acre to \$10,462. The lower (\$10,462) median price per acre in 2014 may be a result of only a small number of lots selling thus far.

Harrisonburg & Rockingham County  
**Price/Acre Distribution of Active Land Inventory**  
 1 acre or more

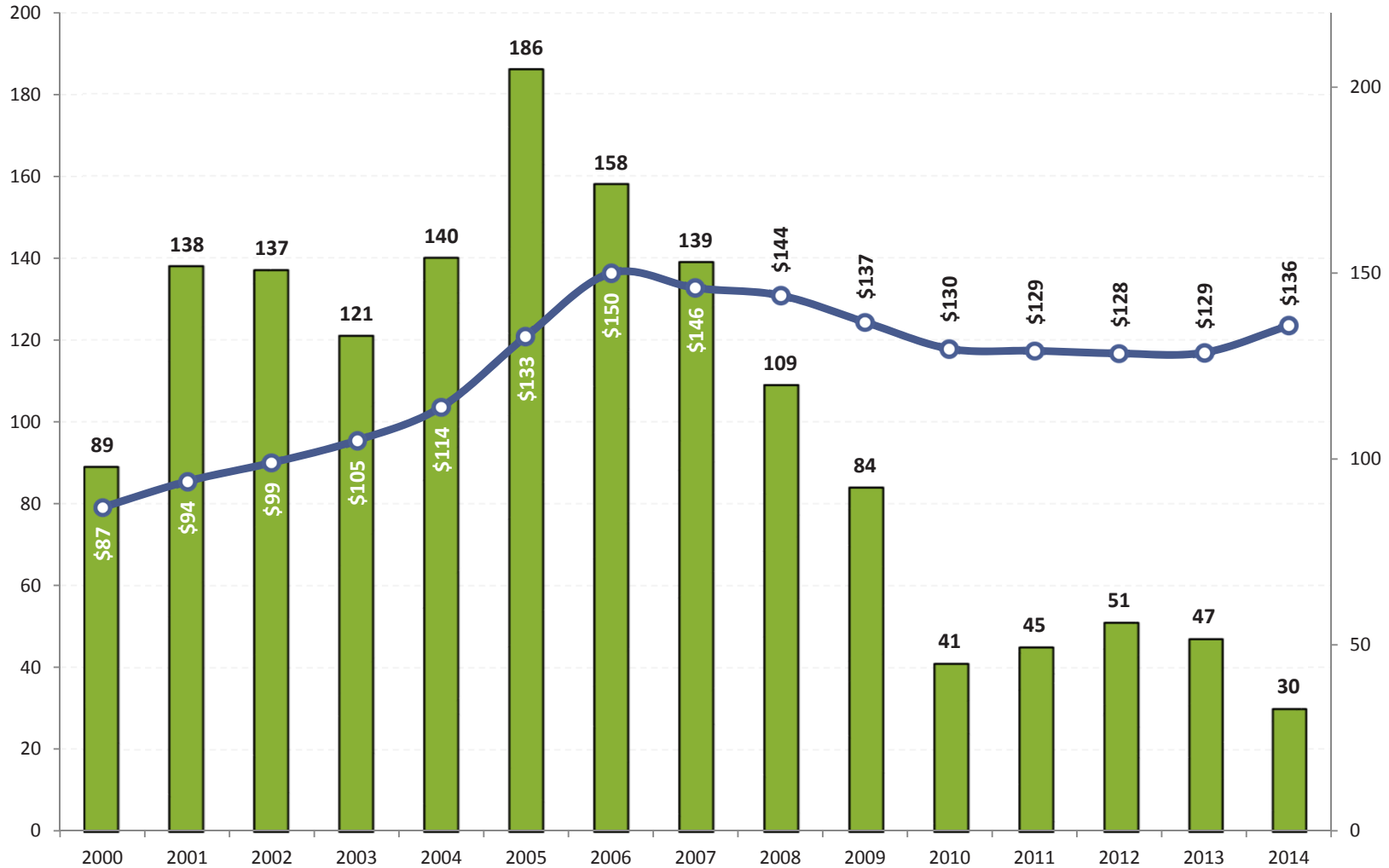


**219 Active Land Listing; Median List Price: \$20,098 / Acre**

Despite the fact that only 68 parcels of land (of one acre or more) sold in all of 2013, there are a remarkable 219 parcels of land currently for sale. Furthermore, despite the fact that the median sales price of land is hovering around \$11,000 per acre, the median list price of the 240 parcels for sale is currently \$20,098 per acre. Given

last year's 68 land sales, if no other land is listed for sale, it would take 3.2 years to sell all of the parcels of land currently listed for sale. As you can see above, the vast majority of land listed for sale is listed at median prices per acre well above the median sales price per acre.

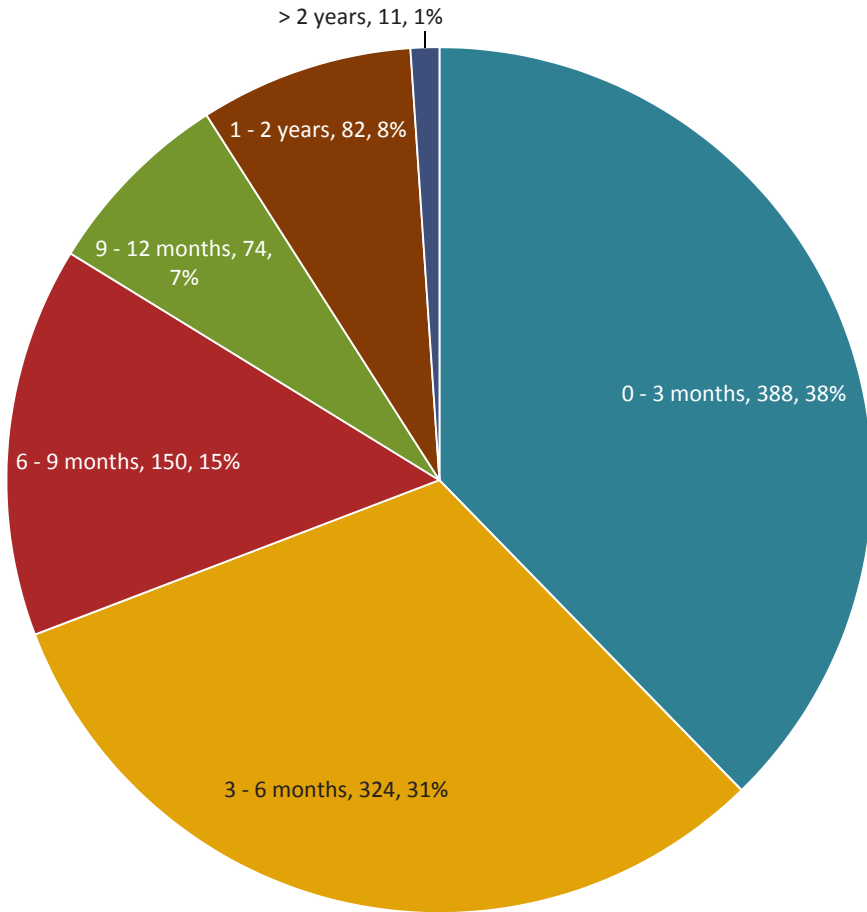
Harrisonburg & Rockingham County  
**New Construction Single Family Home Sales Trends**  
 Number of Sales, Median Price Per Square Foot



New home builders experienced a slight increase in the pace of new home sales between 2010 and 2012 -- after steady declines since 2005. These increases (41 to 45 to 51) in sales pace, however, still leave plenty of room for improvement. The number of new (single family) home sales declined again in 2013 to 47 sales. The

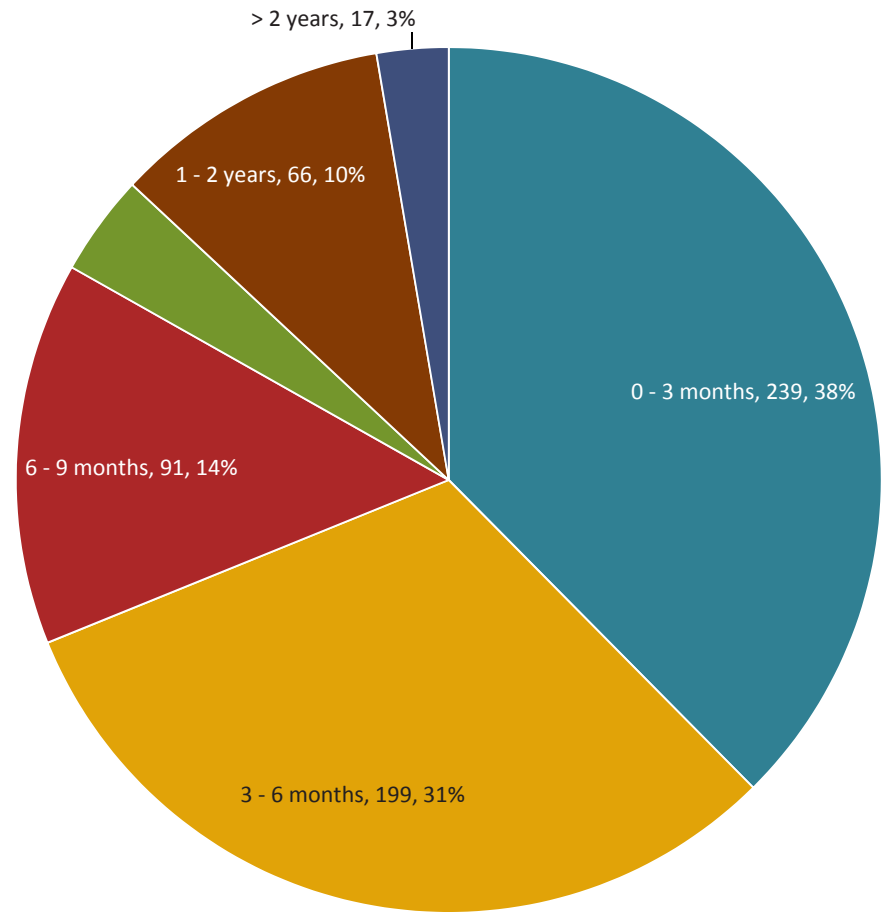
median price per square foot now seems to have stabilized around \$130/SF last year, where it has been for the past four years. As the inventory of re-sale homes slims down, the sales of new homes should slowly start to increase, though we are certainly not seeing that yet in 2014.

Harrisonburg & Rockingham County  
**Days on Market Analysis of Sold Properties**  
 Residential Listings Sold in the Past 12 Months



**Median Days On Market: 117**

Harrisonburg & Rockingham County  
**Days on Market Analysis of Active Listings**  
 Active Residential Listings

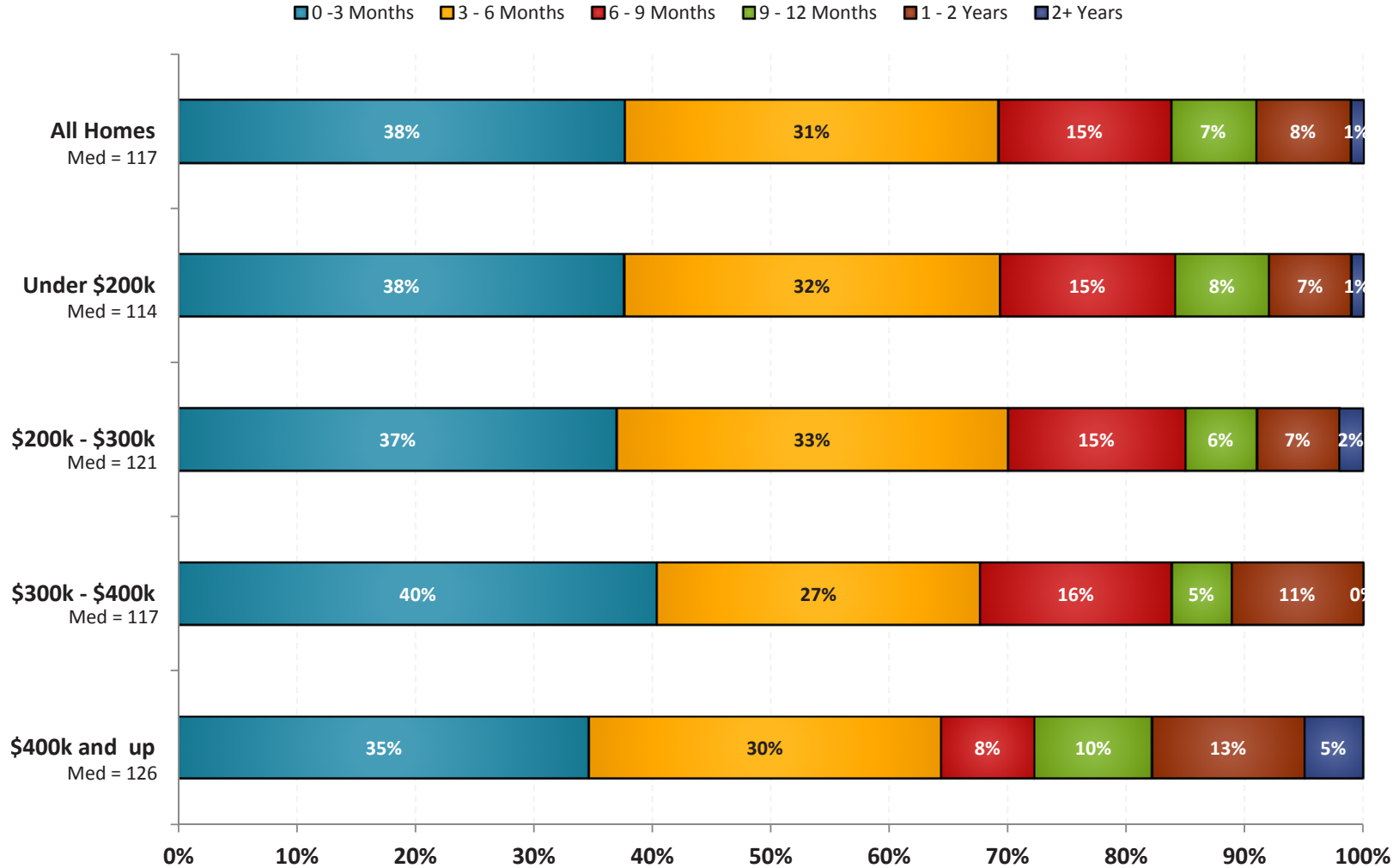


**Median Days On Market: 125**

Despite high inventory levels, and low numbers of buyers in the market, the homes that are actually selling are selling rather quickly. In fact, more than 1 out of 3 homes (38%) that sells closes less than 90 days after being listed for sale. Include with that those that close in the next 90 days (31%) and we find that an amazing

69% of homes that sell have closed within six months of first coming on the market. This is not, however accounting for the many homes that never sell -- that linger on the market, or are eventually taken off the market. Of interest -- 38% of the homes currently on the market for sale have been listed in the past three months.

Harrisonburg & Rockingham County  
**Days on Market Analysis by Price Range**  
 Properties Sold in the Past 12 Months

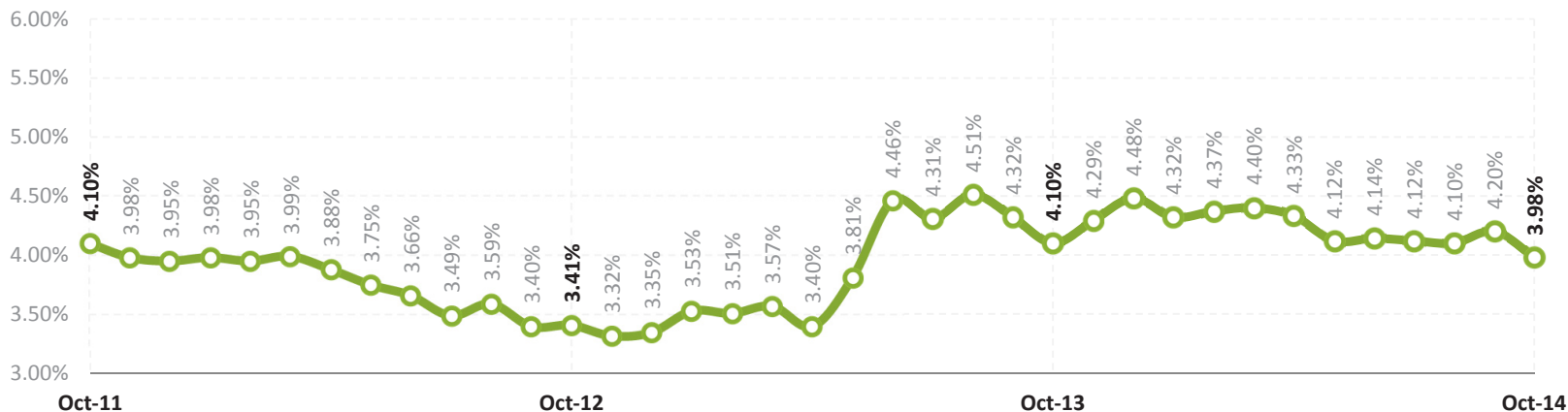


The time that it takes to sell a home in today's market only varies slightly based on the price range of the home in question. For example, the median days on market for homes under \$200K is 114 days -- only a bit lower than the median of 126 days for homes over \$400K. It is important to consider the price range, location, and

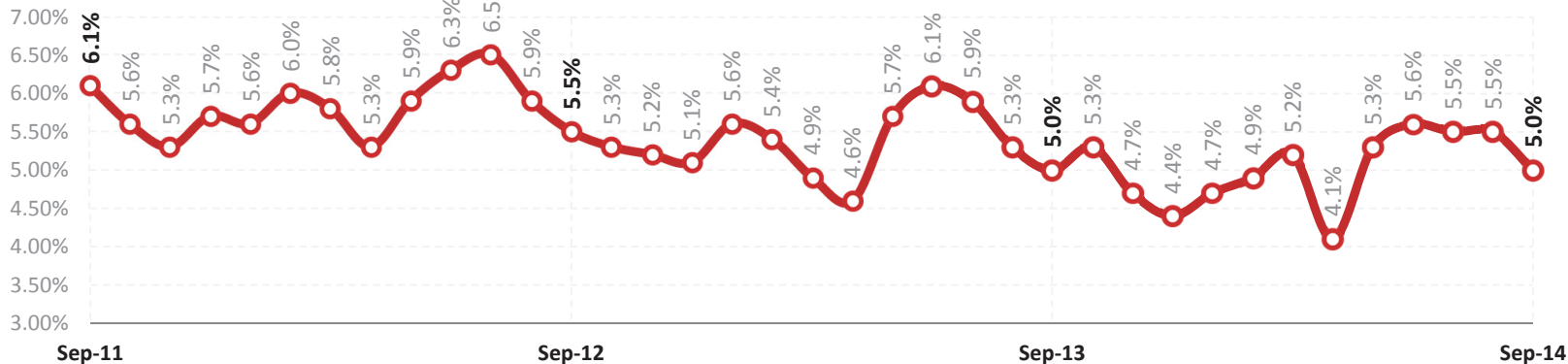
many other factors when trying to understand how long it may take to sell your home, but it seems that the price range alone will not necessarily dictate how long it will take to sell.

### Average 30-Year Fixed Mortgage Interest Rate

Source: Freddie Mac



### Harrisonburg-Rockingham MSA Unemployment Rate Not Seasonally Adjusted



As shown in the top graph above, home buyers have seen relatively stable mortgage interest rates over the past year, but have dipped below 4% during the past month. The second graph above illustrates trends in the local unemployment rate -- which has shown a general downward trend over the past few years, but has been stable

(no change from 5%) over the past 12 months. A relatively stable local job market and extremely low long-term interest rates are certainly helping our local real estate market to stabilize and grow.

## Scott P. Rogers, Associate Broker



Scott P. Rogers, has built a successful real estate career around providing valuable market data, insight and analysis to buyers, sellers, investors and developers. From first time home buyers to condo developers, Scott provides exceptional and comprehensive service before, during and after the real estate transaction.

Scott earned a B.A. and M.Ed. from James Madison University, providing him formal education in graphic design, management and counseling -- all of which he leverages on a daily basis to the benefit of his clients.

Scott's graphic design and web development background allows him to create and leverage high caliber technology and marketing solutions.

In 2007, Scott began providing in depth analysis and insight into the local real estate market via his real estate blog, at [HarrisonburgHousingToday.com](http://HarrisonburgHousingToday.com).

Scott serves on the Board of Directors for the Shenandoah Valley Builders Association, Harrisonburg Children's Museum and the James Madison University Alumni Association. Tambien, Scott habla espanol, y puede ayudar gente y familias quien quisiera utilizar un Realtor bilingue. Si usted necesita servicio en espanol, llamar a Scott. Scott puede ayudarle a comprar o vender casas.

In 2010, 2011, 2012 and 2013 Scott was recognized by the Harrisonburg / Rockingham Association of Realtors as being in the top 1% of all area Realtors.

### For more information, or with questions, contact:

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## Local Online Real Estate Resources

**Central Shenandoah Valley Property Search**  
[ScottPRogers.com](http://ScottPRogers.com)

**Mobile Real Estate Apps**  
[HarrisonburgApps.com](http://HarrisonburgApps.com)

**Monthly Real Estate Market Reports**  
[HarrisonburgHousingMarket.com](http://HarrisonburgHousingMarket.com)

**Ongoing Housing Market Analysis & Commentary**  
[HarrisonburgHousingToday.com](http://HarrisonburgHousingToday.com)

**Comprehensive Data on Harrisonburg Townhouse Communities**  
[HarrisonburgTownhouses.com](http://HarrisonburgTownhouses.com)

**The Most Realistic, Immersive Way to Experience a Home Online**  
[WalkThroughThisHome.com](http://WalkThroughThisHome.com)

**Analysis of Property Assessments**  
[HarrisonburgAssessments.com](http://HarrisonburgAssessments.com)

**New Construction Homes For Sale**  
[HarrisonburgNewHomes.com](http://HarrisonburgNewHomes.com)

**Half Million (plus) Homes in Harrisonburg, Rockingham County**  
[HarrisonburgLuxuryHomes.com](http://HarrisonburgLuxuryHomes.com)

**Most Recent Listings in Harrisonburg, Rockingham County**  
[NewListingsInHarrisonburg.com](http://NewListingsInHarrisonburg.com)

**Trustee Sales in Harrisonburg & Rockingham County**  
[HarrisonburgForeclosures.com](http://HarrisonburgForeclosures.com)

**Bank Owned Properties in Harrisonburg & Rockingham**  
[HarrisonburgREO.com](http://HarrisonburgREO.com)

**Potential Short Sales in Harrisonburg & Rockingham County**  
[HarrisonburgShortSales.com](http://HarrisonburgShortSales.com)

**Owner Financed Properties in Harrisonburg & Rockingham County**  
[HarrisonburgOwnerFinancing.com](http://HarrisonburgOwnerFinancing.com)

**Lease/Purchase Properties in Harrisonburg & Rockingham County**  
[HarrisonburgLeasePurchase.com](http://HarrisonburgLeasePurchase.com)

**Property Transfers in Harrisonburg & Rockingham County**  
[HarrisonburgPropertyTransfers.com](http://HarrisonburgPropertyTransfers.com)