



# SEPTEMBER 2019

## Harrisonburg & Rockingham County Real Estate Market Report



*An analysis of real estate activity through August 31, 2019  
provided courtesy of Scott P. Rogers, Funkhouser Real Estate Group*



Spacious Colonial in Barrington with Finished, Walk Out Basement, Lots of Storage . . . . . [2980BrookshireDrive.com](http://2980BrookshireDrive.com)

# HOME SALES REPORT

Harrisonburg & Rockingham County

September 2019

All Residential Sales	2016	2017	2018	2019	% Change ('18 - '19)
August	158	120	116	120	3.45%
Year-To-Date (Jan - Aug)	879	856	901	906	0.55%
Last 12 Months (Sep - Aug)	1,244	1,290	1,307	1,311	0.31%

Median Sales Price	2016	2017	2018	2019	% Change ('18 - '19)
August	\$185,750	\$203,200	\$207,250	\$224,750	8.44%
Year-To-Date (Jan - Aug)	\$190,000	\$196,500	\$214,900	\$219,000	1.91%
Last 12 Months (Sep - Aug)	\$186,000	\$196,350	\$210,000	\$214,900	2.33%

Median Days on Market	2016	2017	2018	2019	% Change ('18 - '19)
Year-To-Date (Jan - Aug)	51	32	21	18	-14.29%
Last 12 Months (Sep - Aug)	51	42	26	21	-19.23%

We saw 120 home sales in Harrisonburg and Rockingham County during August 2019 - on par with August 2017 and 2018, though slower than the unexpectedly stellar month of home sales seen in August 2016. This typical month of August brought year-to-date sales up to 906 home sales, the highest year-to-date figure

in recent years. The median sales price thus far in 2019 is \$219,000 which is 1.91% higher than it was a year ago -- and homes are selling 14.25% faster this year with a median days on market of 18 days compared to 21 days last year.

# HOME SALES REPORT

Harrisonburg & Rockingham County

September 2019

Detached Homes	2016	2017	2018	2019	% Change ('18 - '19)
Year-To-Date (Jan - Aug)	649	600	651	655	0.61%
Last 12 Months (Sep - Aug)	910	931	942	948	0.64%

Median Sales Price	2016	2017	2018	2019	% Change ('18 - '19)
Year-To-Date (Jan - Aug)	\$210,000	\$223,250	\$230,000	\$235,500	2.39%
Last 12 Months (Sep - Aug)	\$205,737	\$221,000	\$229,900	\$230,000	0.04%

Attached Homes	2016	2017	2018	2019	% Change ('18 - '19)
Year-To-Date (Jan - Aug)	230	256	250	251	0.40%
Last 12 Months (Sep - Aug)	334	359	365	363	-0.55%

Median Sales Price	2016	2017	2018	2019	% Change ('18 - '19)
Year-To-Date (Jan - Aug)	\$152,000	\$159,000	\$167,250	\$174,900	4.57%
Last 12 Months (Sep - Aug)	\$153,000	\$155,500	\$165,000	\$173,000	4.85%

The green charts above shows trends in detached home sales -- as compared to the orange charts which show attached home sales, comprised of duplexes, townhouses and condominiums. Over the past year, we have seen just about the same number of detached home sales (948) as we saw the prior year (942) and likewise for attached

home sales during the past year (363) as compared to the prior year (365). The median sales price of detached homes (\$230,000) is virtually unchanged compared to a year ago (\$229,900) while the median sales price of attached homes (\$173,000) is 4.85% higher than it was a year ago (\$165,000).

# HOME SALES REPORT :: BY AREA

# Home Sales	City of Harrisonburg			Rockingham County		
	2018	2019	% Change	2018	2019	% Change
August	321	287	-10.59%	580	619	6.72%
Last 12 Months (Sep - Aug)	448	425	-5.13%	859	886	3.14%

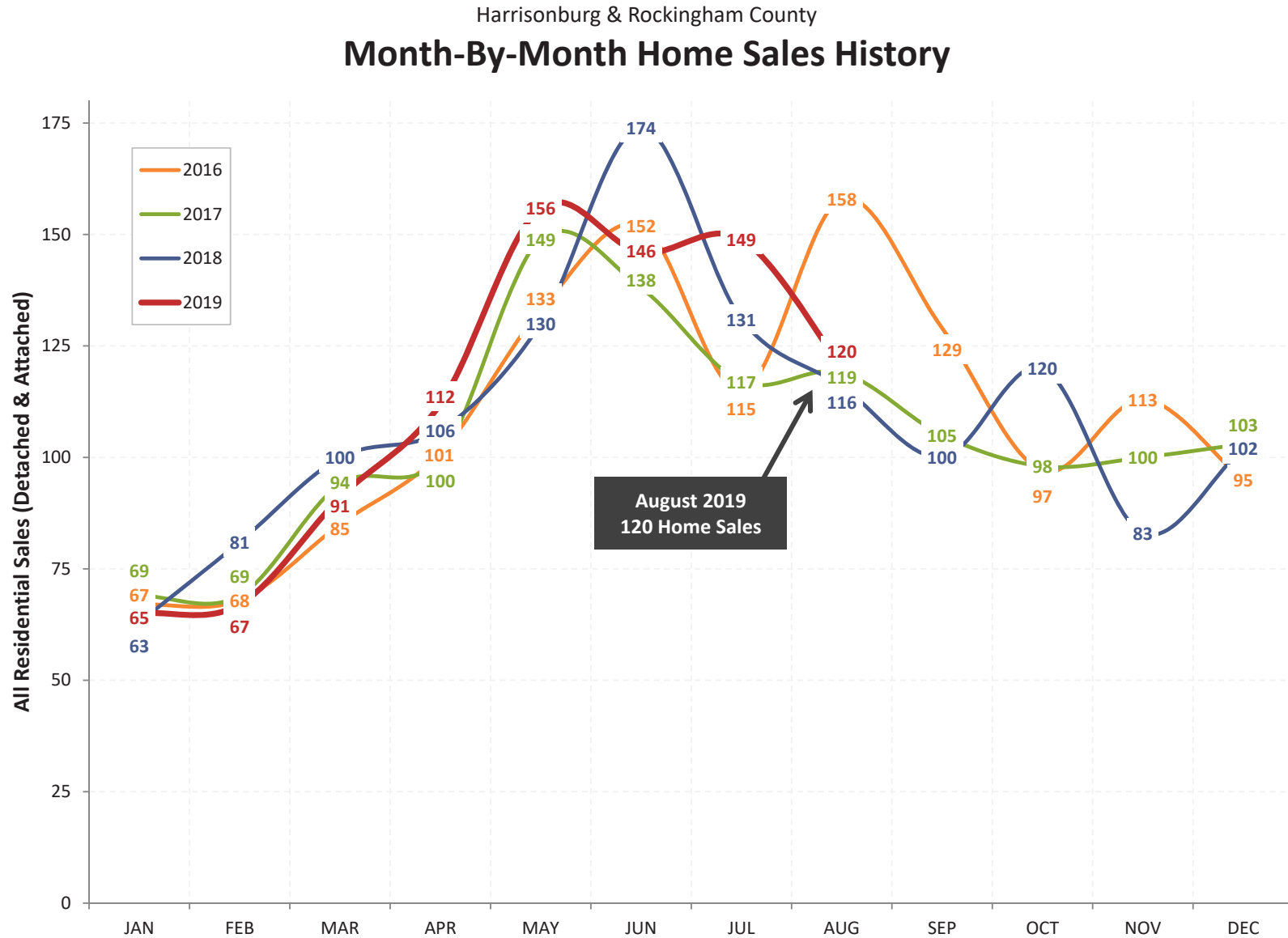
Median Sales Price	City of Harrisonburg			Rockingham County		
	2018	2019	% Change	2018	2019	% Change
August	\$198,000	\$192,000	-3.03%	\$225,000	\$231,500	2.89%
Last 12 Months (Sep - Aug)	\$192,710	\$189,900	-1.46%	\$220,000	\$226,450	2.93%

Median Days on Market	City of Harrisonburg			Rockingham County		
	2018	2019	% Change	2018	2019	% Change
August	10	10	0.00%	31	21	-32.26%
Last 12 Months (Sep - Aug)	13	14	7.69%	35	25	-28.57%

It continues to hold true that each year almost twice as many homes sell in Rockingham County as compared to the City of Harrisonburg. Over the past 12 months, that trend continued - though we have seen a 5% drop in the pace of City home sales and a 3% increase in the pace of County sales. The median sales price

has declined slightly (-1.46%) in the City over the past year while it has increased 2.93% in the County. The median sales price continues to be a good bit higher in the County (\$226K) than in the City (\$190K). The lower City median sales price is likely a result of the majority of our area's attached homes being located in the City.

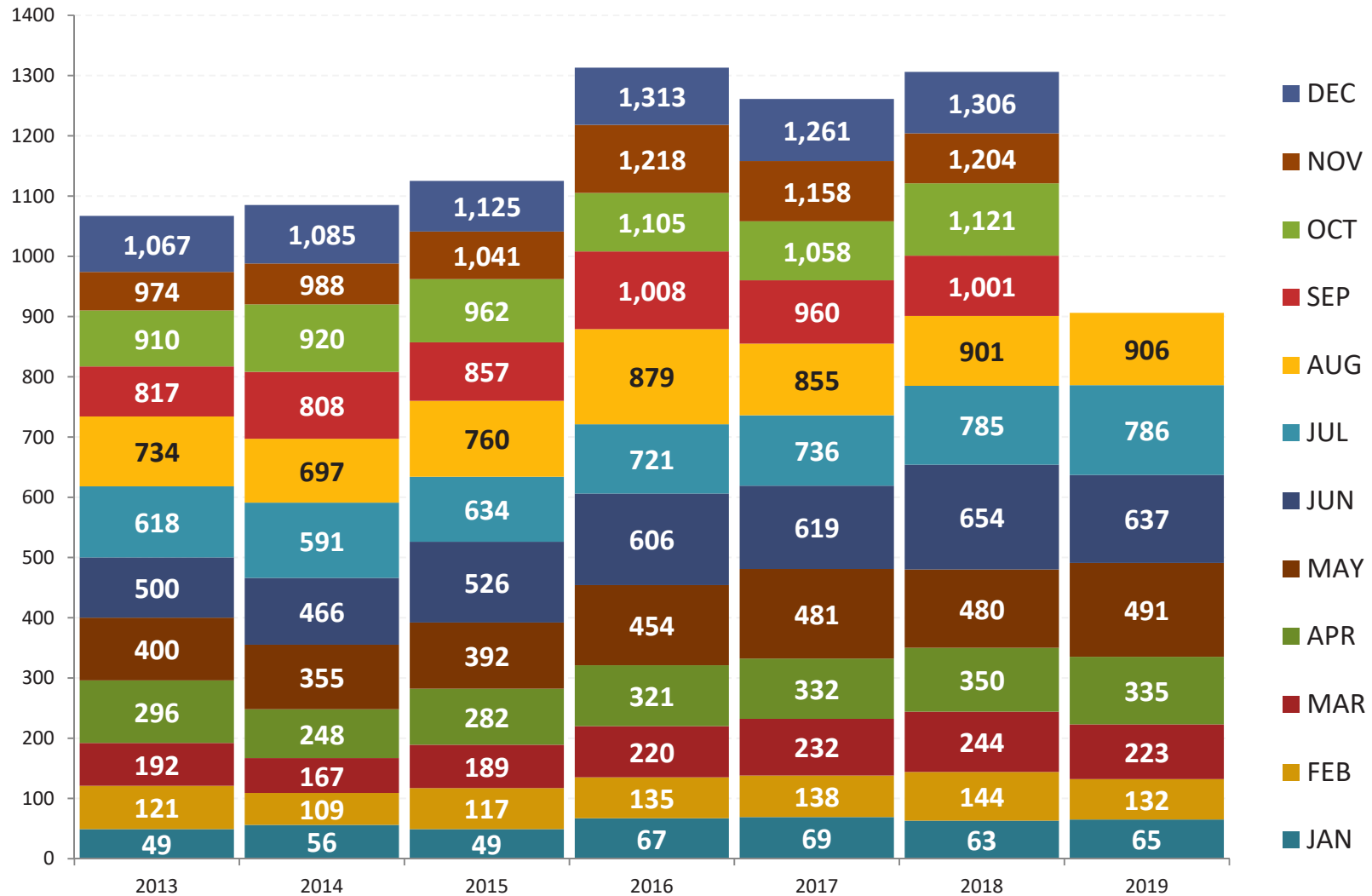


August 2019  
120 Home Sales

This has certainly been a year of highs and lows -- which you can follow by tracking the red (2019) line in the graph above. You'll note that in April, May and July we have seen the highest number of monthly home sales in recent history for those respective months - though the pace of sales in nearly every other month were

unremarkable within the context of prior years. Looking ahead to September, I expect we'll see somewhere around 110 home sales -- slightly higher than the past two years, but well below the record levels seen during September 2016.

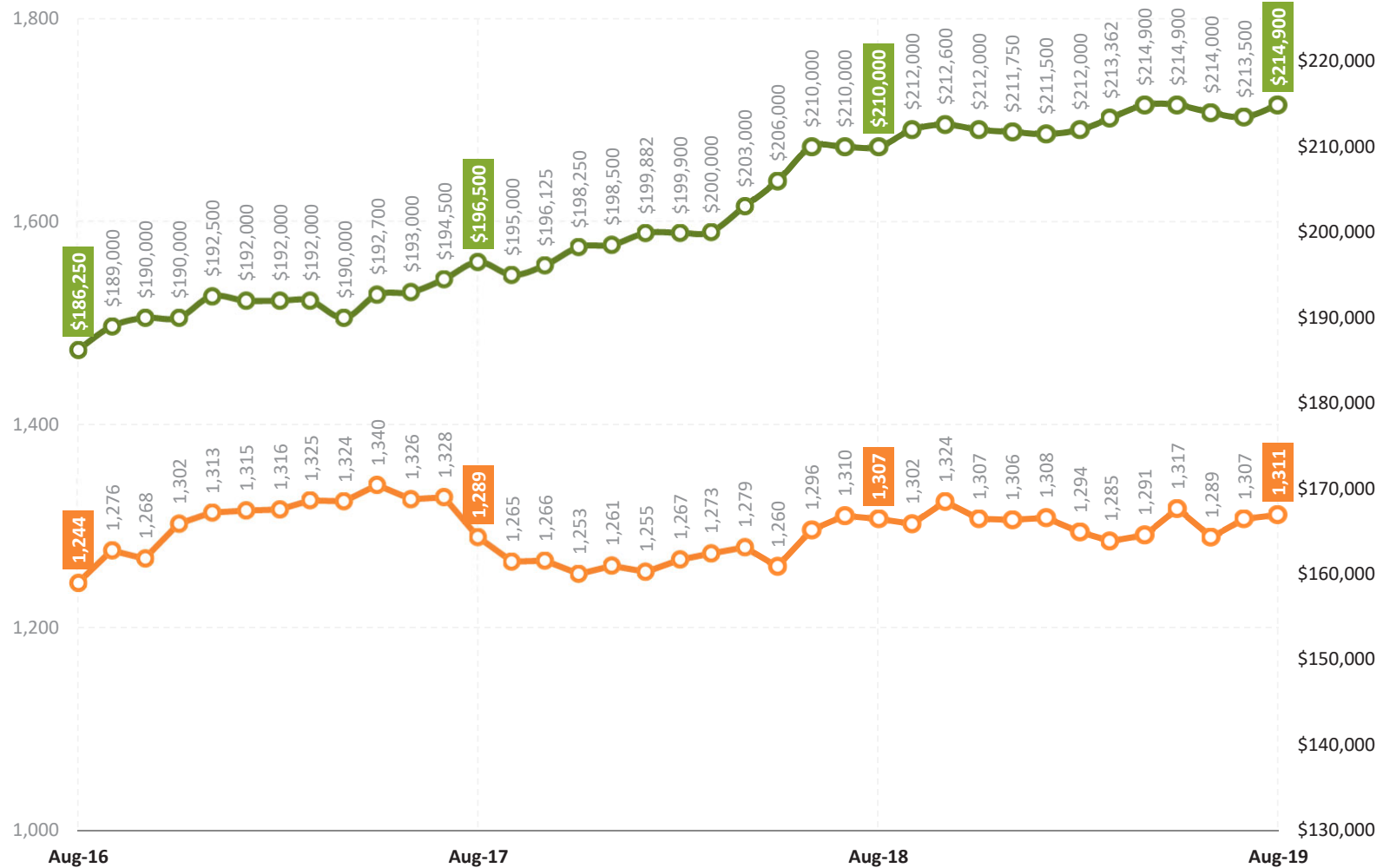
Harrisonburg & Rockingham County  
**Monthly Cumulative Residential Sales**



This colorful graph offers another way to look at the overall sales trends for the past few years in the Harrisonburg and Rockingham County housing market. As shown above, our local housing market experienced small incremental growth between 2013 and 2015 before seeing a sharp uptick in home sales in 2016. Home sales then

remained steadily above 1,250 sales per year between 2016 and 2018. Thus far, we are tracking true to the past three years and we seem likely to see another year with over 1,200 home sales - and possibly as many as 1,300 home sales given that our 906 YTD sales is higher than any other year in the past six years.

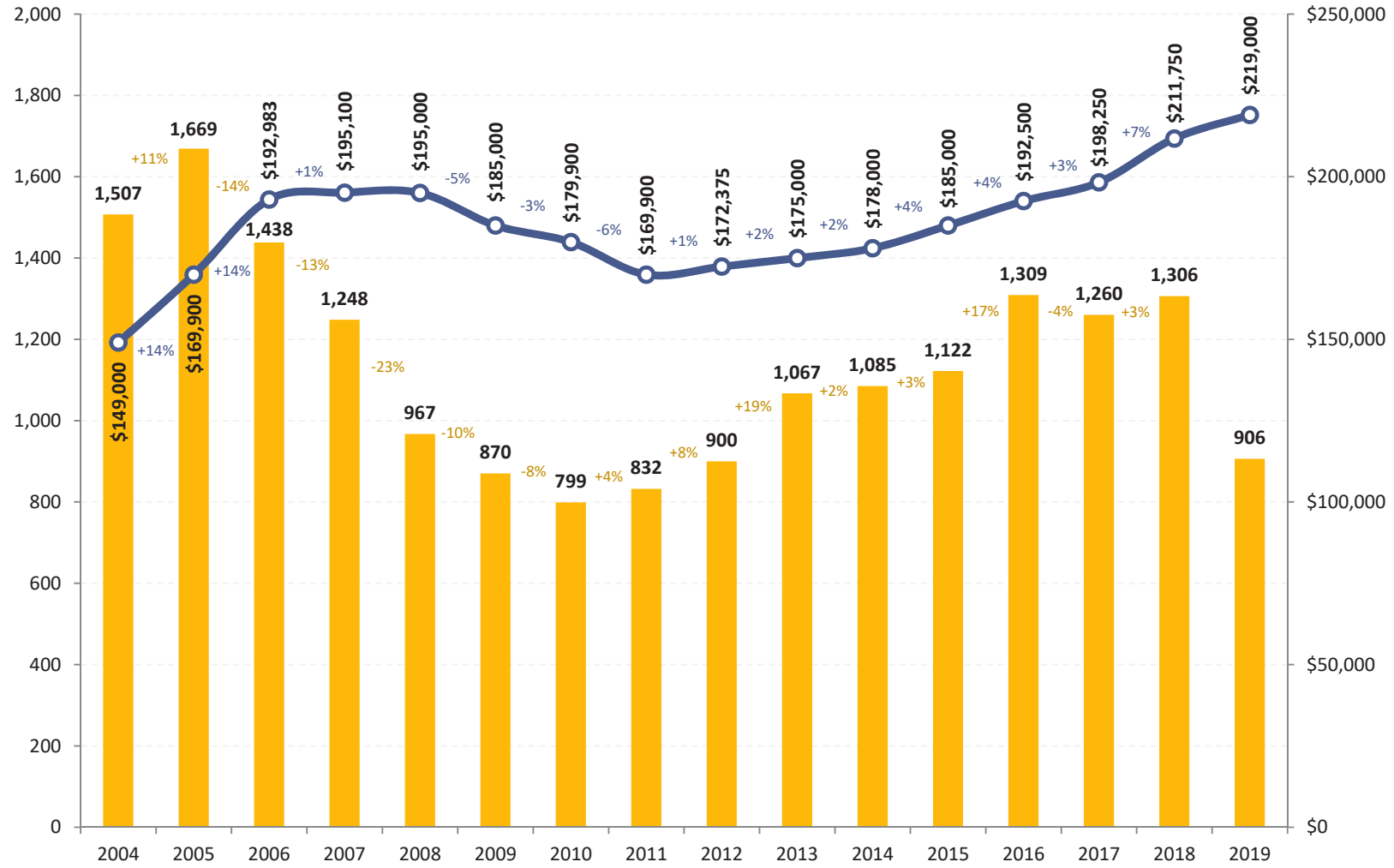
Harrisonburg & Rockingham County  
**Time-Adjusted Home Sales Trends :: All Residential Properties**  
 # Home Sales, Median Sales Price in each 12 Month Period



This graph shows a rolling 12 month trend line of the number of homes sold 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. The annual pace of home sales peaked in May 2017 at 1,340 home sales, then declined for a year and has been fluctuating around 1300 sales/year over the past 12 months -- but the median sales price has continued to (mostly) steadily increase over the past three years.

Harrisonburg & Rockingham County  
**Home Sales & Price Trends**  
 All Residential Sales (Attached & Detached)

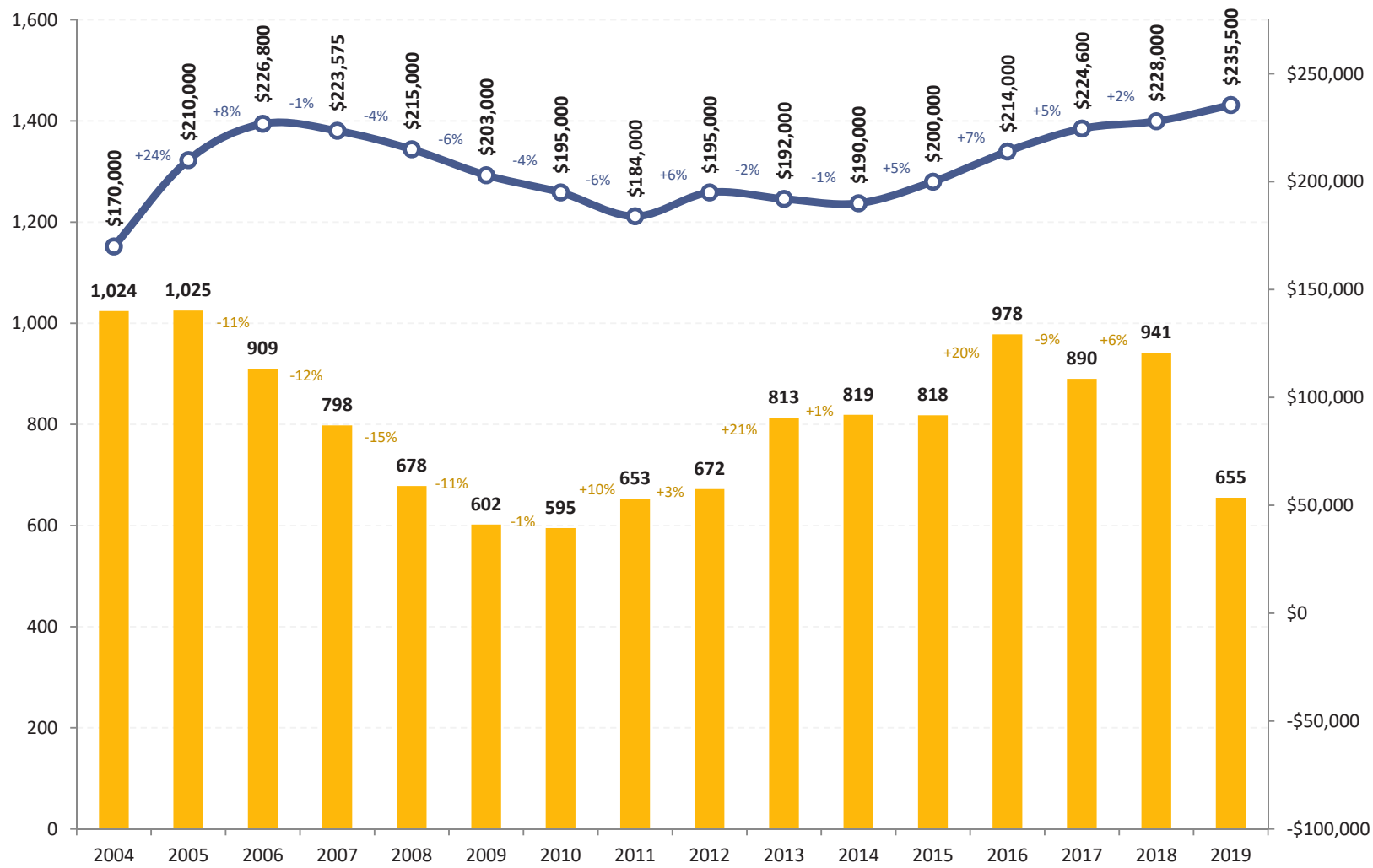


This graph provides an overall indicator of the state of our housing market, showing both the number of homes being sold each year since 2003 (yellow bars) as well as changes in the median sales price during the same time period (blue line). After six years in a row (2011-2016) of an increasing pace of home sales, we then saw a 4%

decline in the pace of home sales in 2017. This trend reversed itself in 2018 with a 3% increase in the pace of sales. We have now also completed our seventh year in a row of seeing an increase in the median sales price in our area. The median sales price of all residential sales was \$211,750 in 2018 -- up 7% from last year.



Harrisonburg & Rockingham County  
**Home Sales & Price Trends**  
 Detached Homes

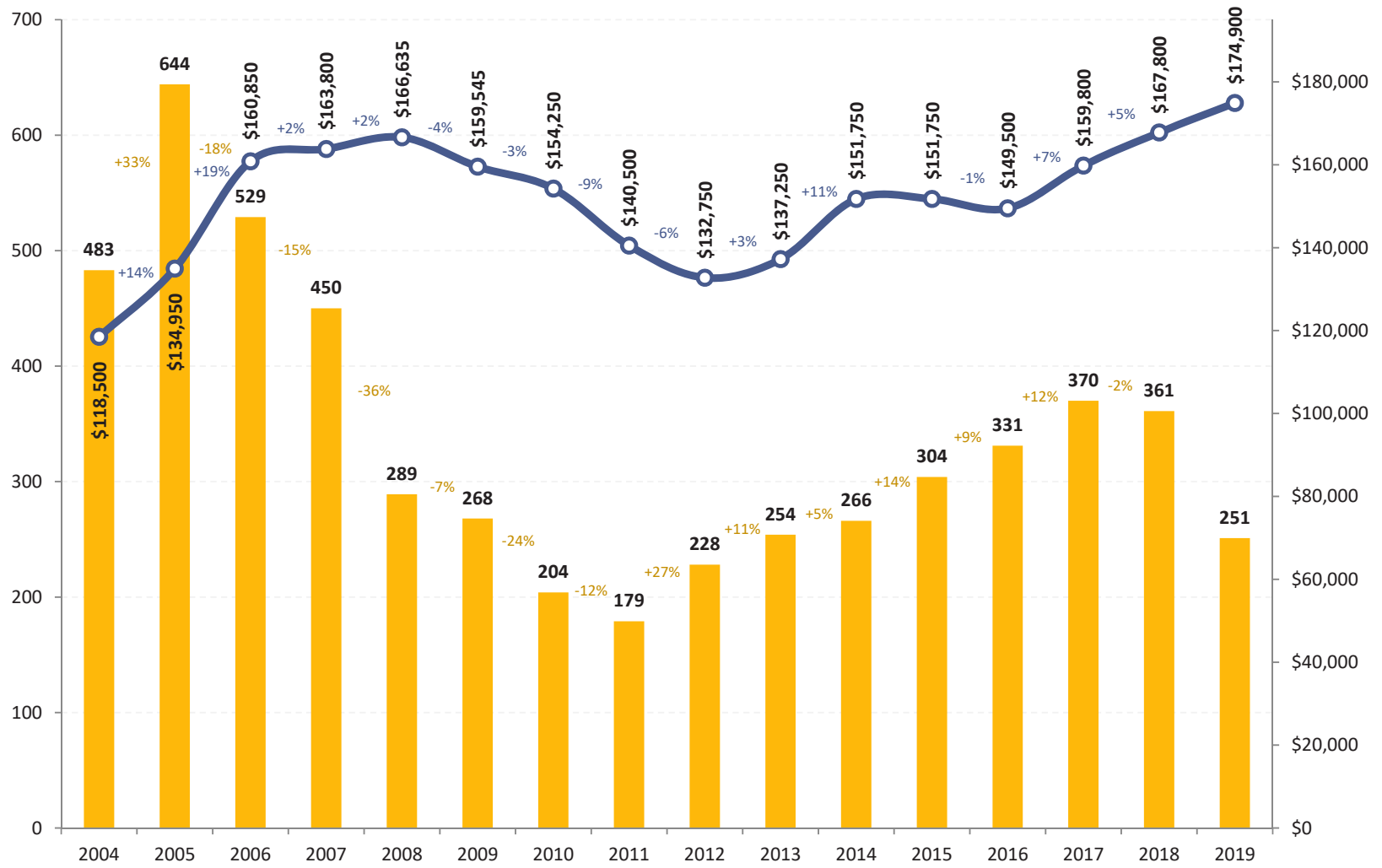


The single family home market in Harrisonburg and Rockingham County improved significantly between 2015 and 2016 with a 20% increase in the number of homes sold but then took a step backwards in 2017 with a 9% decline. In 2018, sales started charging forward again with a 6% increase in the pace of sales. Median sales

prices of single family homes has increased for each of the past four years -- though the pace of those increases slowed in 2018 to only 2%. The median sales price of single family homes last year was \$228,000 -- the highest median sales price on record for Harrisonburg and Rockingham County.

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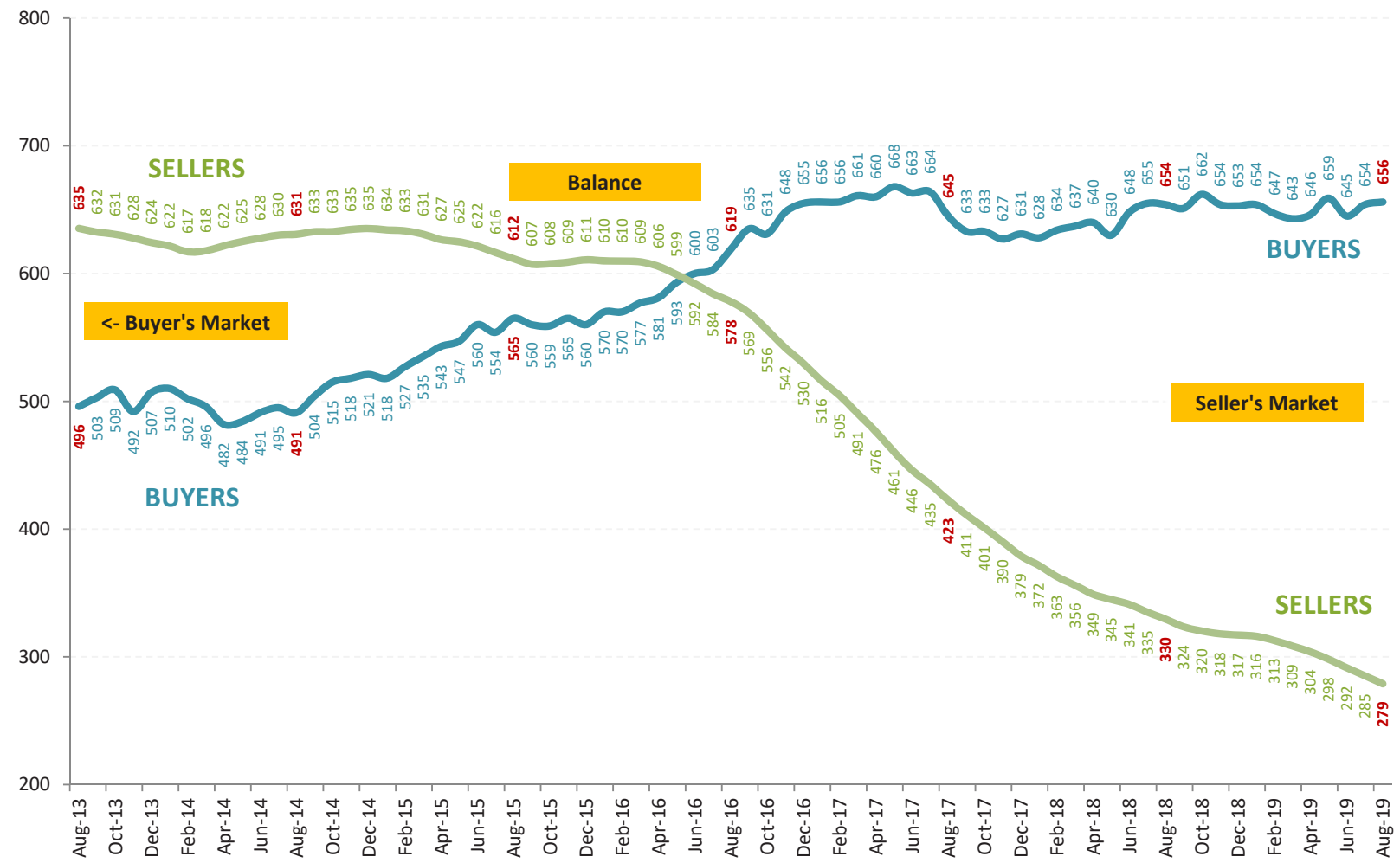
Harrisonburg & Rockingham County  
**Home Sales & Price Trends**  
 Attached Homes (Duplexes, Townhomes & Condos)



Townhouse (and duplexes and condo) sales took a small step backwards last year after six years of steady increases in the pace of sales. At year-end, 2% fewer attached dwellings (361) had sold in 2018 as compared to in 2017 when 370 sold. Despite a slight slow down in the pace of sales -- possibly caused by very low inventory absent

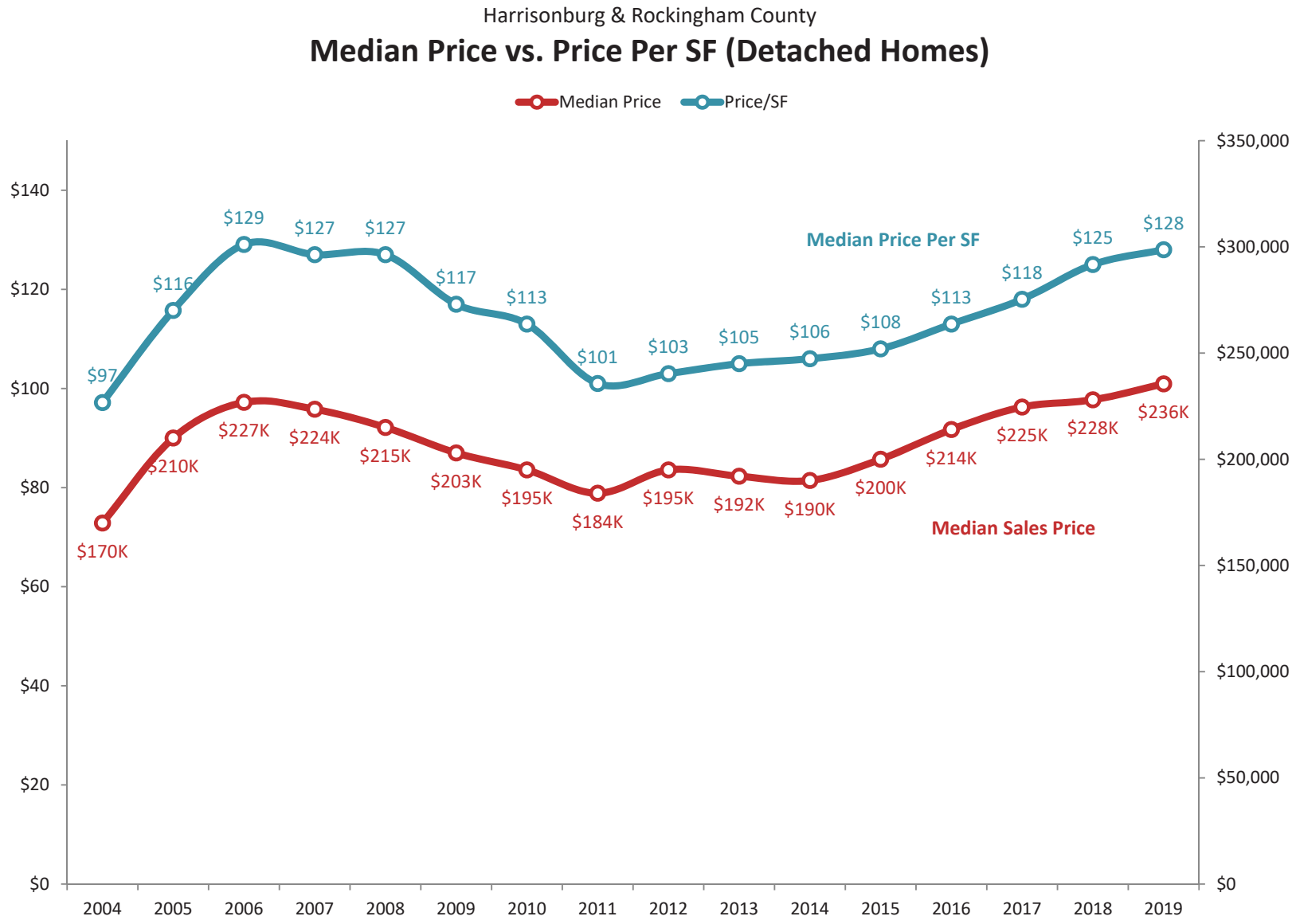
much new construction -- the median sales price continues to climb, now up to \$167,800. Here is yet another record broken -- the median sales price of \$167,800 (in 2018) was the highest ever seen in Harrisonburg and Rockingham County. It is now climbing even higher in 2019 - eclipsing \$170K and approaching \$175K.

Harrisonburg & Rockingham County  
**Market Balance between Buyers and Sellers**  
 Assuming Six Months of Housing Supply is a Balanced Market



Most housing market analysts consider six months of inventory (active listings) to be an indicator of a balanced market (between buyers and sellers). The "BUYERS" trend line above is illustrating how many buyers are buying in a six month period. The "SELLERS" trend line above is illustrating how many sellers are in the market

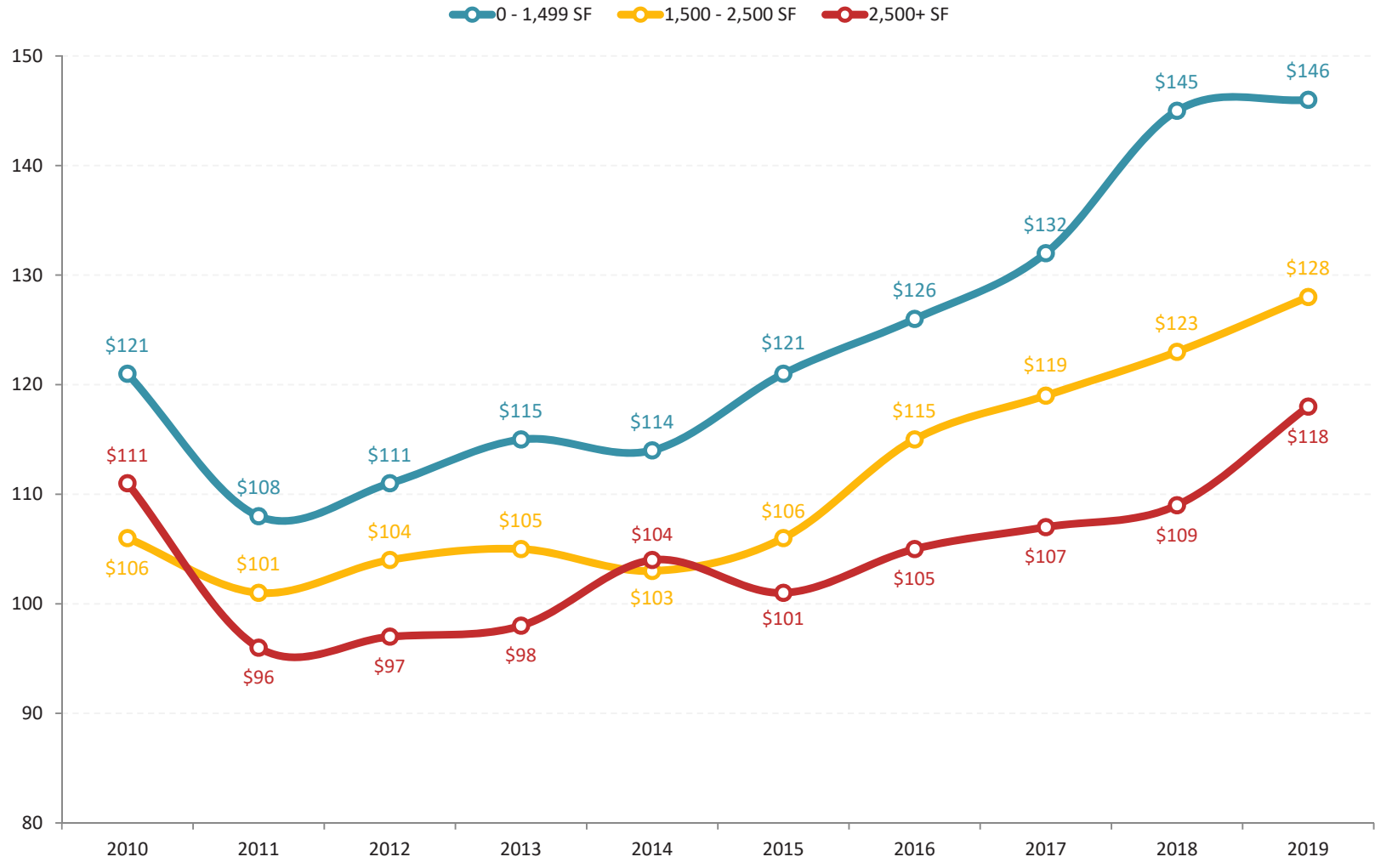
(active listings) at any given time. Over the past several years we have seen a steady increase in buyers and a declining number of sellers. In June 2016, these two trajectories crossed, and there are now many more buyers buying in a six month period than there are homes for sale -- though the buying pace has leveled off.



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 15 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. Over the past several years (2015 through 2018) we have seen increases in the median sales price as well as the median price per square foot of single family homes.

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

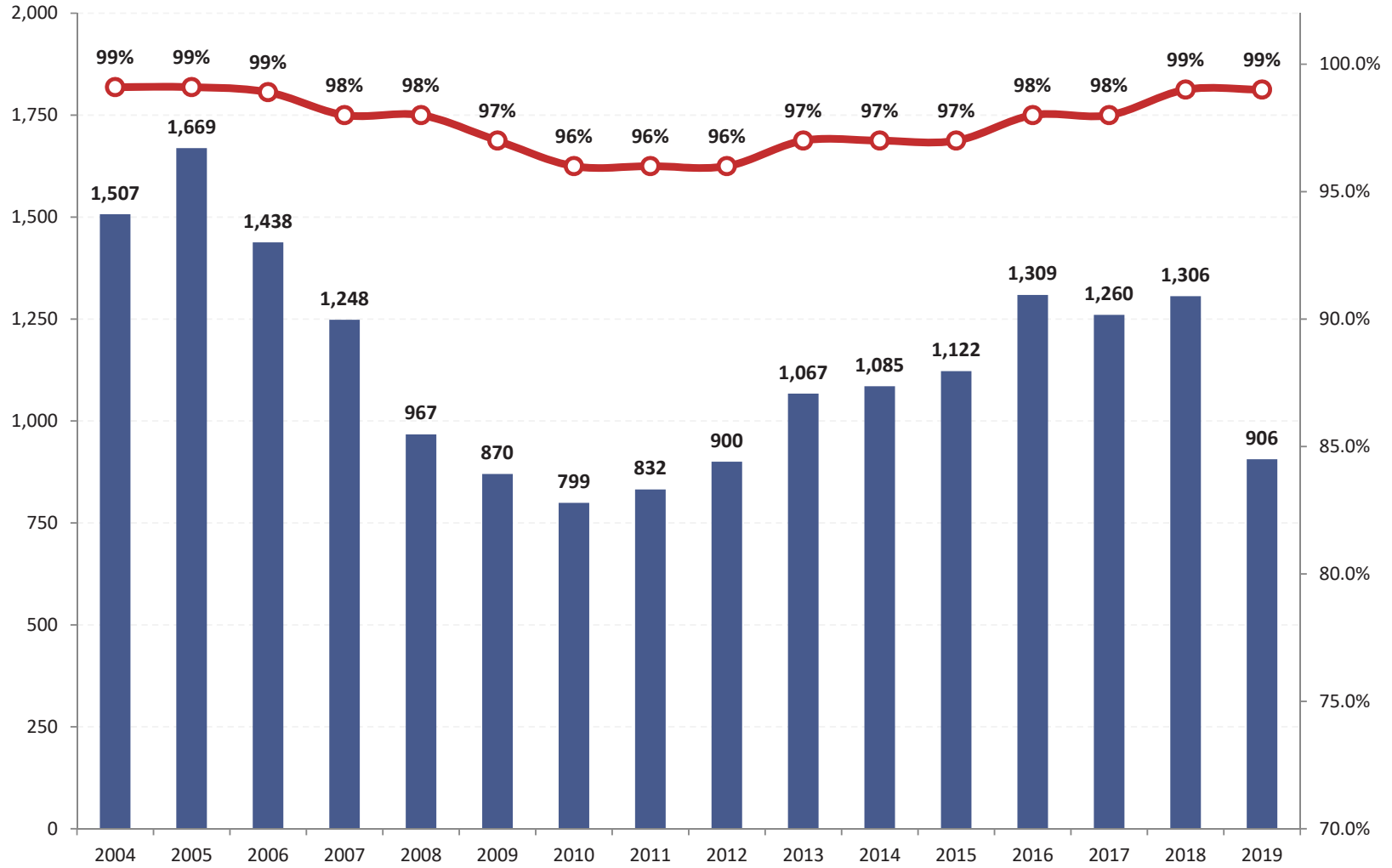


Price per square foot of single family homes certainly varies for many reasons, including the age, location, lot size and structural characteristics of each home sold. However, there are some similarities in homes of similar sizes. Looking at 2019 figures, this graph illustrates that the median price per square foot of larger homes

(2500+ SF) is a good bit lower (\$118/SF) than that of homes with less than 1500 SF (\$146/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.

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

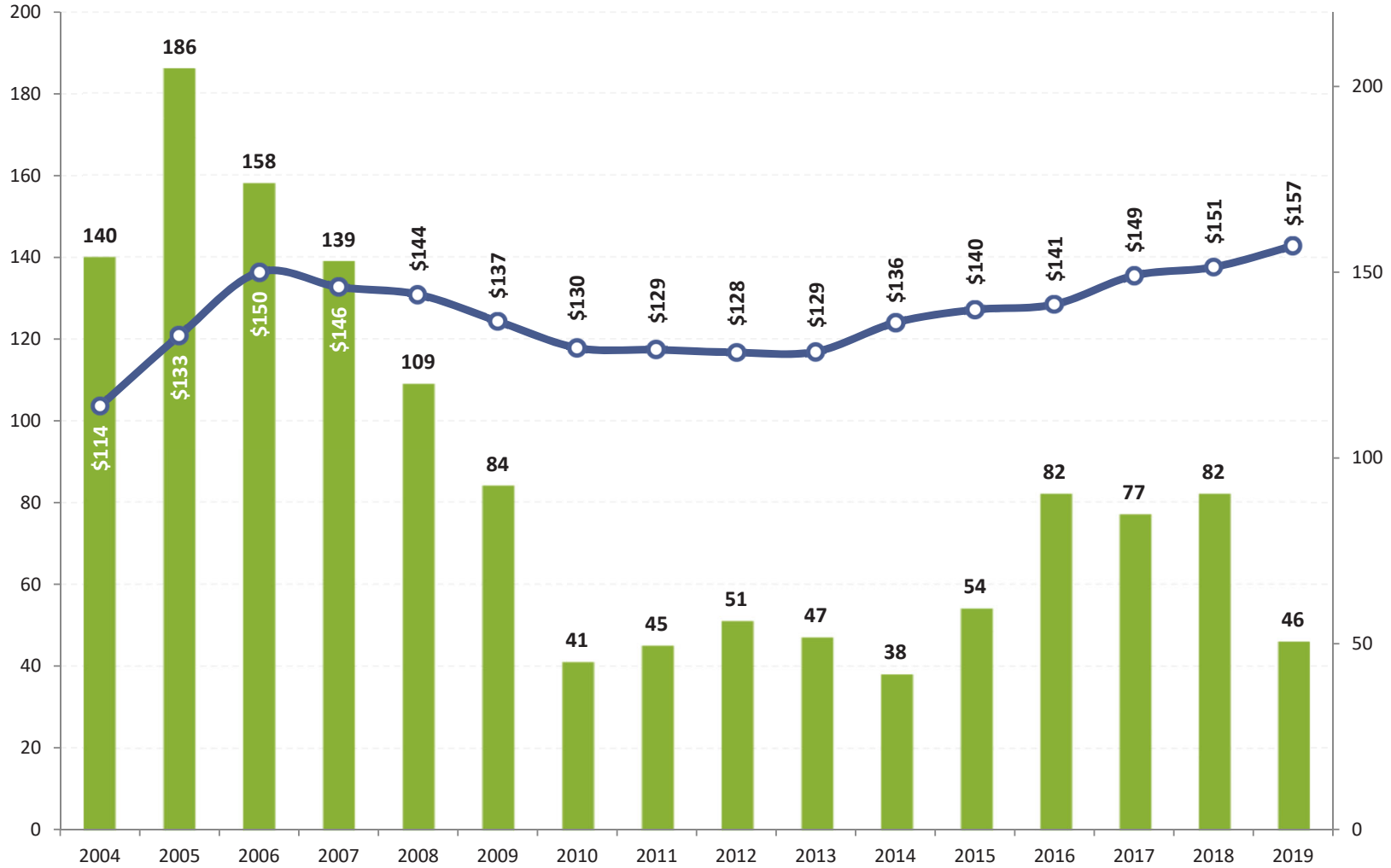


This graph shows the average list price to sales price ratio (red line) over the past 15 years as compared to the overall pace of home sales. At the peak of the housing boom (2004-2006) sellers were able to obtain a median of 99% of their asking price --- up from a median of 98% in 2001 before the pace of home sales started

escalating. Then, when the pace of home sales slowed (through 2010) this metric dropped to 96%, where it stayed for three years. Sellers started selling for slightly more in 2013-2015 when they could obtain 97% of their list price. This increased to 98% in 2016 (remained there in 2017), and has been holding at 99% since 2018.

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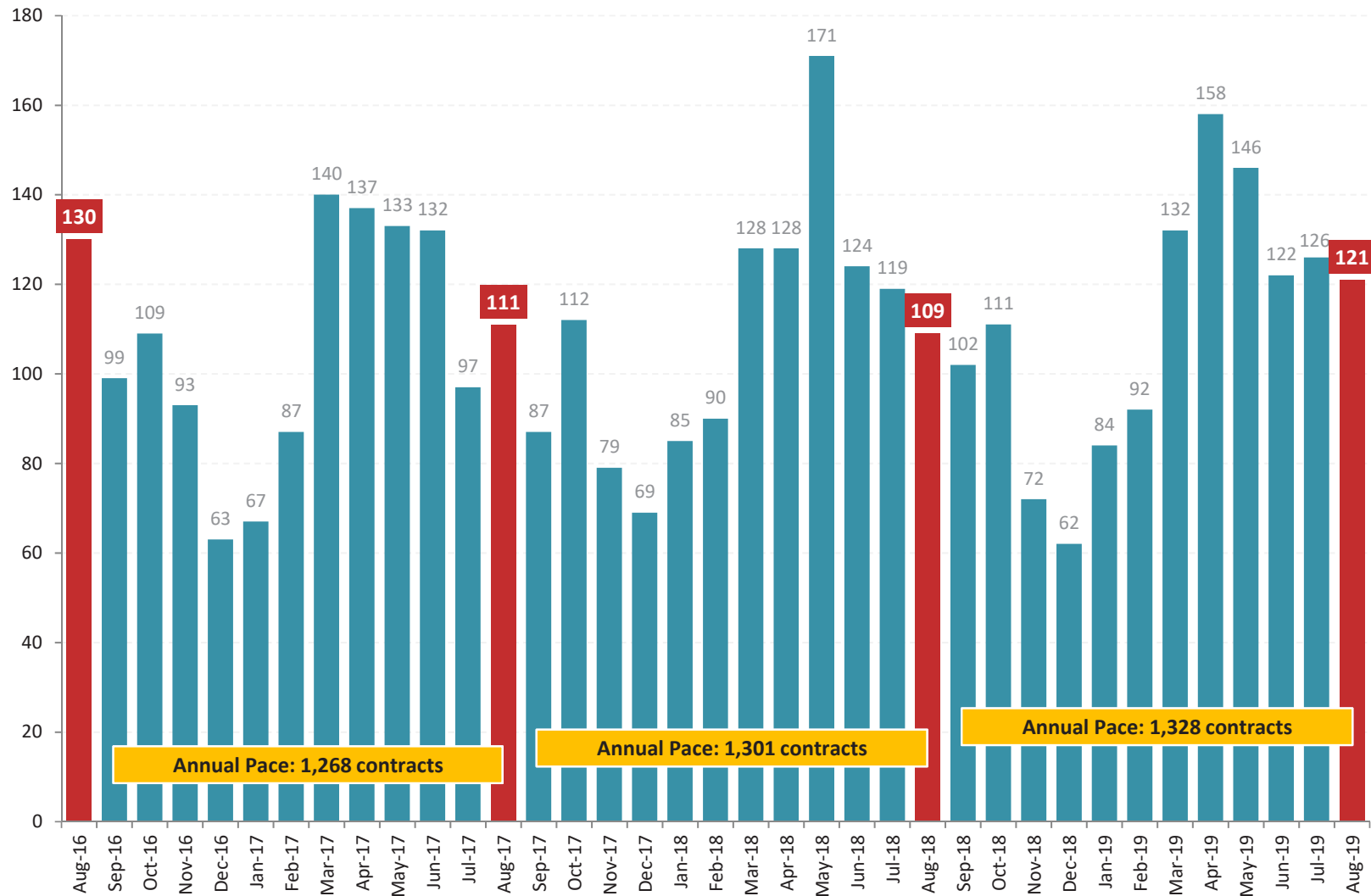
Harrisonburg & Rockingham County  
**New Construction Detached Home Sales Trends**  
 Number of Sales, Median Price Per Square Foot



New home builders experienced a steady decline in new home sales between 2005 and 2010 -- dropping 78% from a peak of 186 to 41 sales in a year. Even if we use a starting point of 2001 (not shown above; before the housing boom) we still find a 70% drop between 2001 and 2010. The number of new home sales per year has

not crept up much since that time -- staying between 38 and 54 new home sales per year. The past three years, however, were QUITE different. There were a total of 82 new home sales in 2016, 77 in 2017, and 82 again in 2018. This was a welcome sign for new home builders -- and buyers -- though may be cooling in 2019.

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

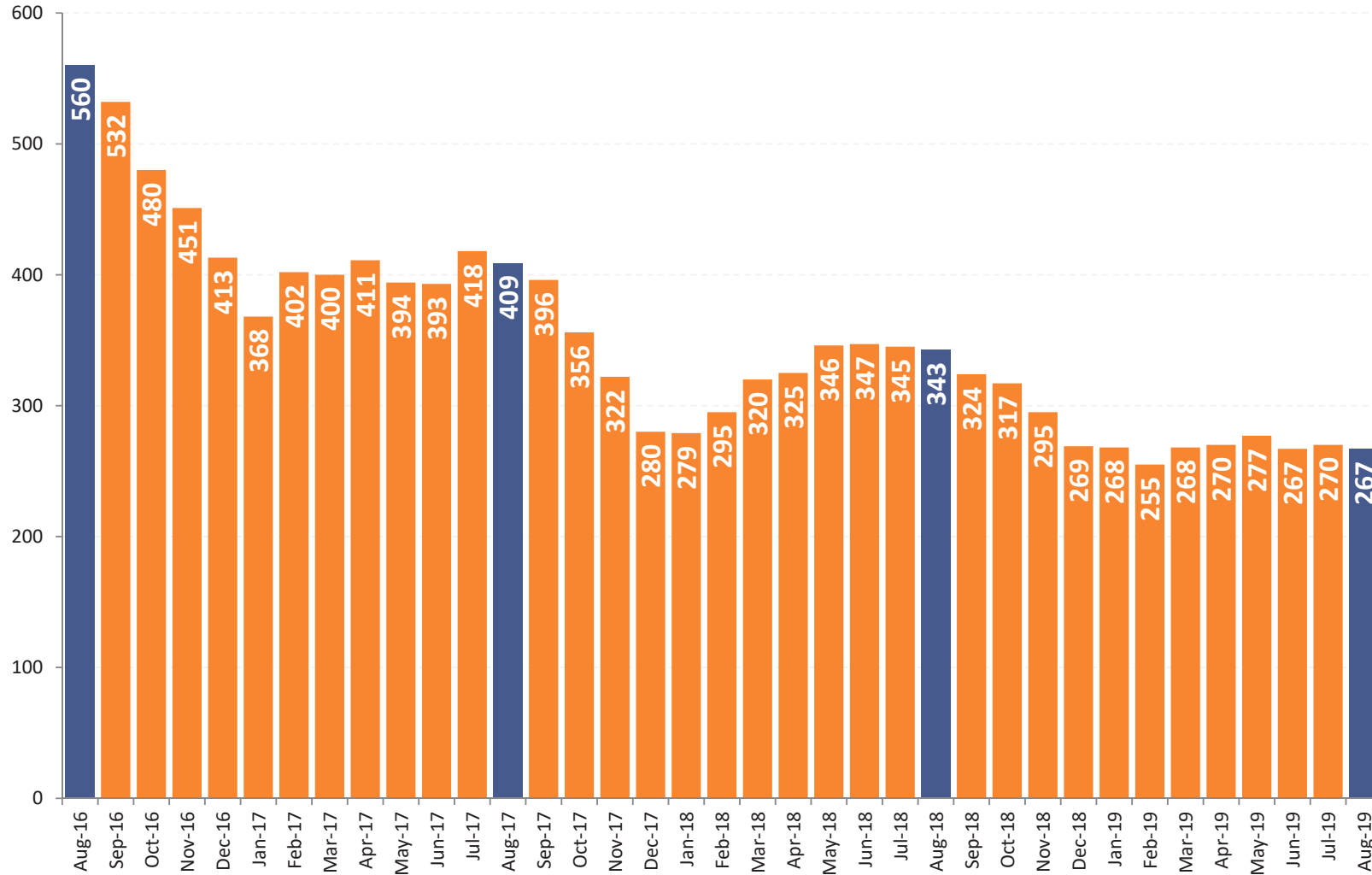


August 2019 was another strong month of contract activity in Harrisonburg and Rockingham County - with 121 buyers (and sellers) signing contracts - a busier month of August as compared to the past two years. This has closed out a very active six months (March - August) of buyer activity during 2019. If last year is

any indicator, we may well see two more strong months of contract activity - in September and October - before contract activity cools between November and February. The annual pace of signed contracts is now up to 1,328 contracts - which is 2% higher than where we were a year ago with 1,301 contracts.



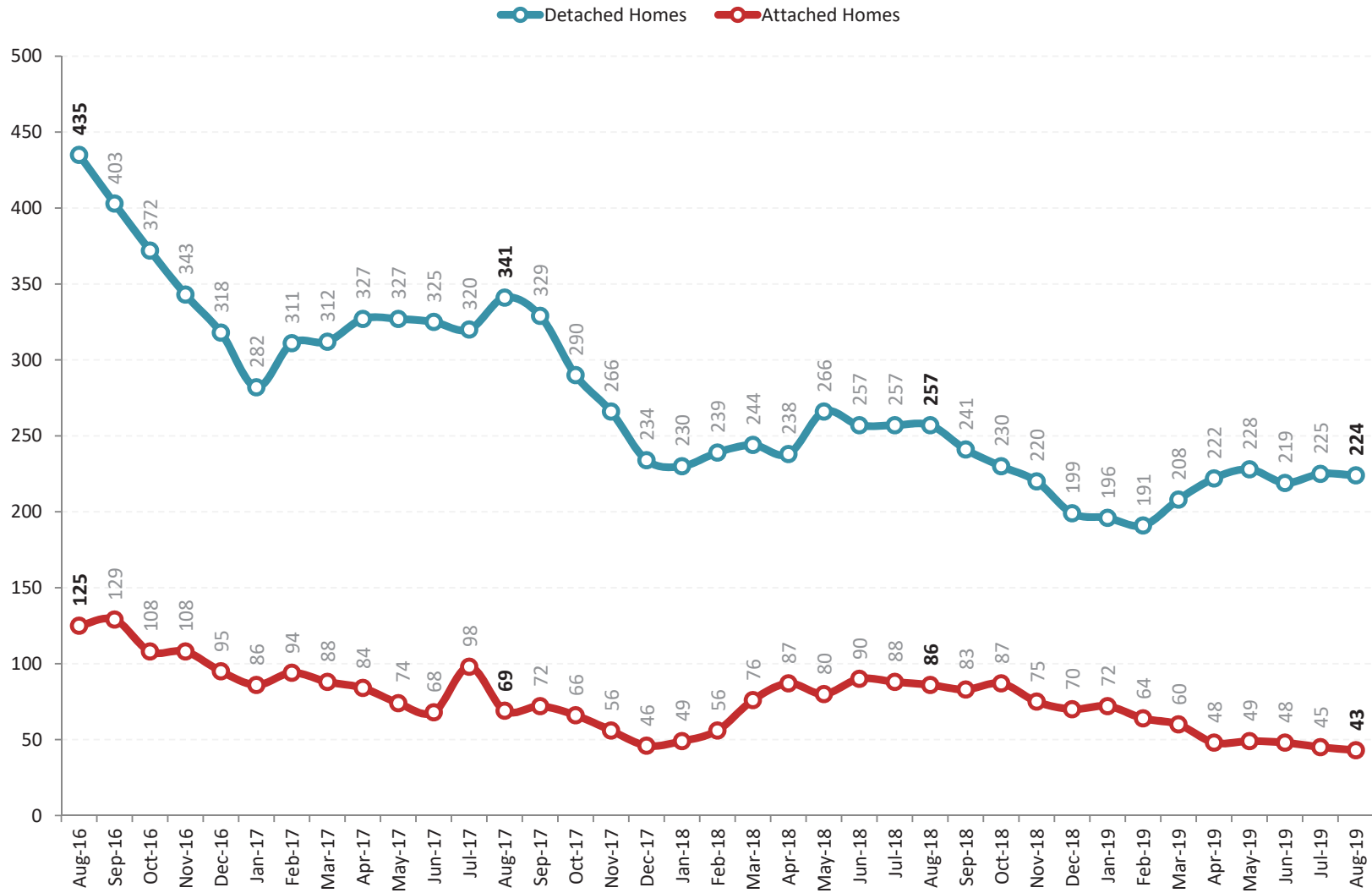
Harrisonburg & Rockingham County  
**Inventory Levels**  
 (end of month)



Over the past several years, inventory levels have dipped lower and lower and lower. This has not, though, been accompanied by a decline in the pace of home sales. So -- if just as many (or more) buyers are buying, how are they doing it if inventory levels are so low? They're doing it with speed. The pace of home sales

can increase, with inventory levels declining if the median "days on market" is also declining, which is definitely the case in our local market. So, plenty (maybe, maybe not) homes are being listed for sale, but they are then going under contract quickly, which keeps inventory levels low but the pace of home sales high.

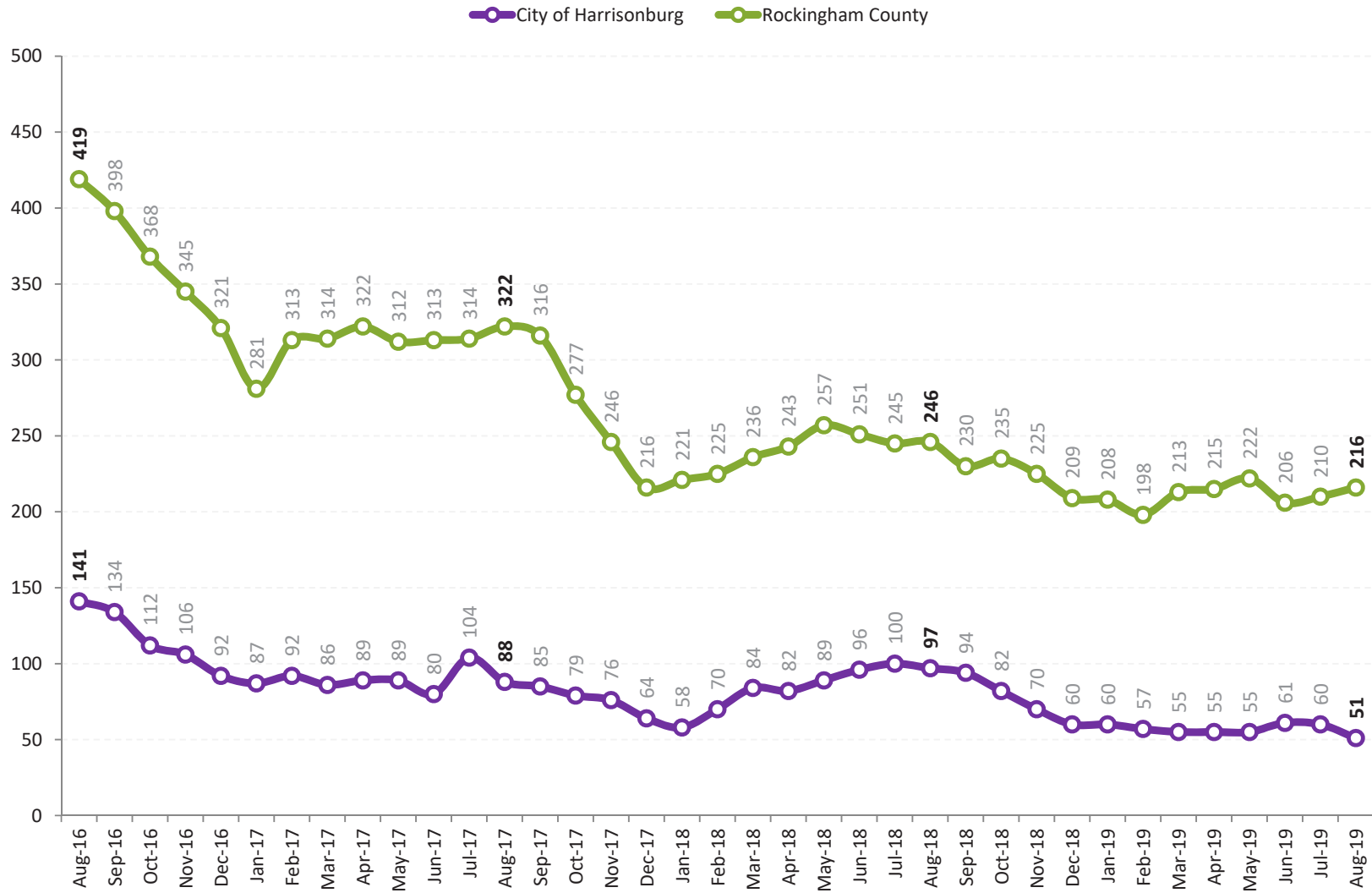
Harrisonburg & Rockingham County  
Inventory Levels by Property Type



This graph examines the differences in inventory levels over time when examining only single family homes as compared to attached dwellings (townhouses, duplexes, condos). The number of detached homes for sale has decreased by 13% over the past year, while the number of attached homes (townhouses, duplexes and condos)

for sale has decreased by 50% over the past year. Last year inventory levels peaked at the end of May and we seem to be seeing a somewhat similar trend this year as inventory levels started to decline during June.

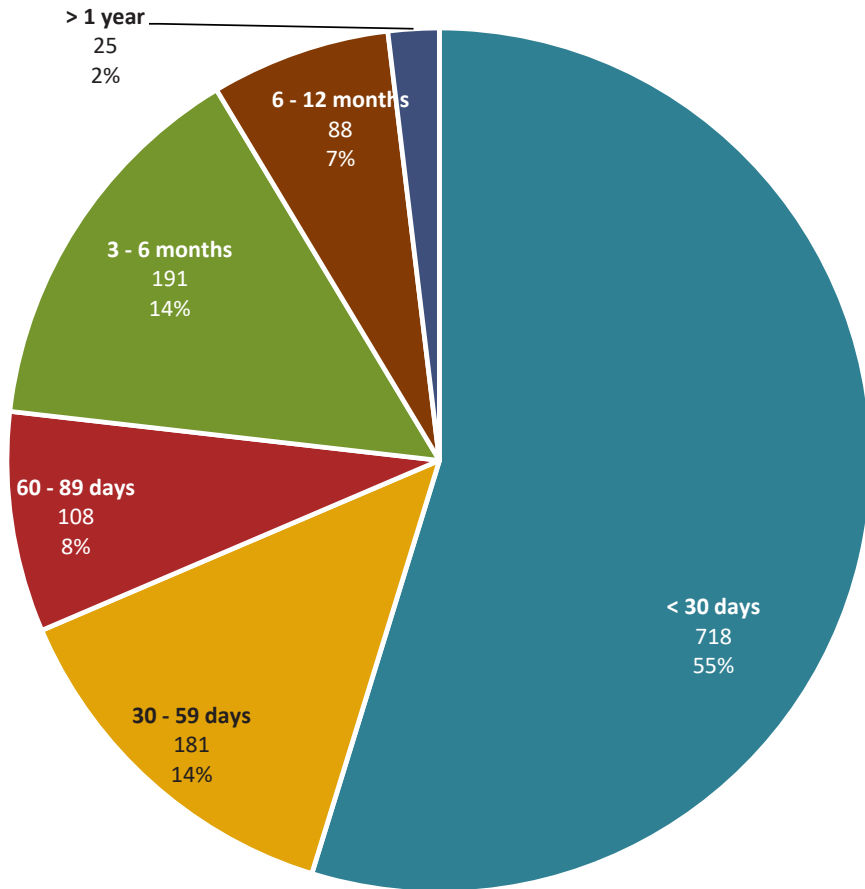
Harrisonburg & Rockingham County  
Inventory Levels by Property Location



Inventory levels have fallen 12% in Rockingham County over the past year and have fallen an even more drastic 47% in the City of Harrisonburg during the same timeframe. Of note -- while there are approximately twice as many home sales in the County than in the City -- there are more than three times as many homes for

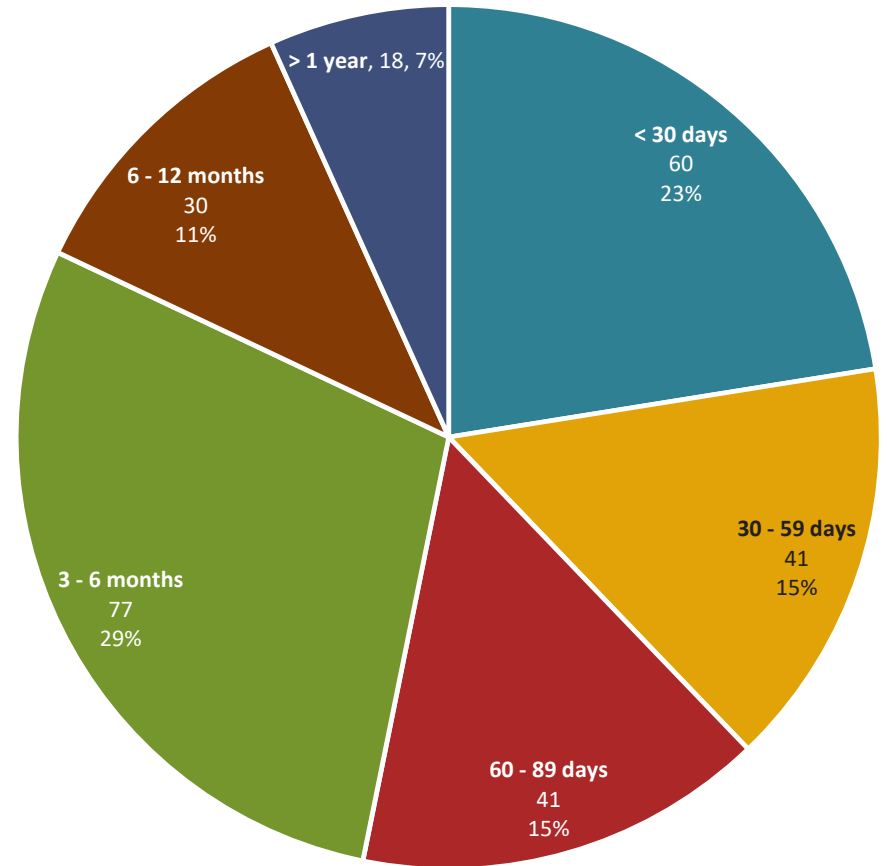
sale in the County than in the City. As such, the low inventory levels are much more of an issue in the City right now if we look at both sellers (supply) and buyers (demand). This is likely leading to the faster increases in median sales price in the City, and the lower median days on market in the City.

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



**Median Days On Market: 21**

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

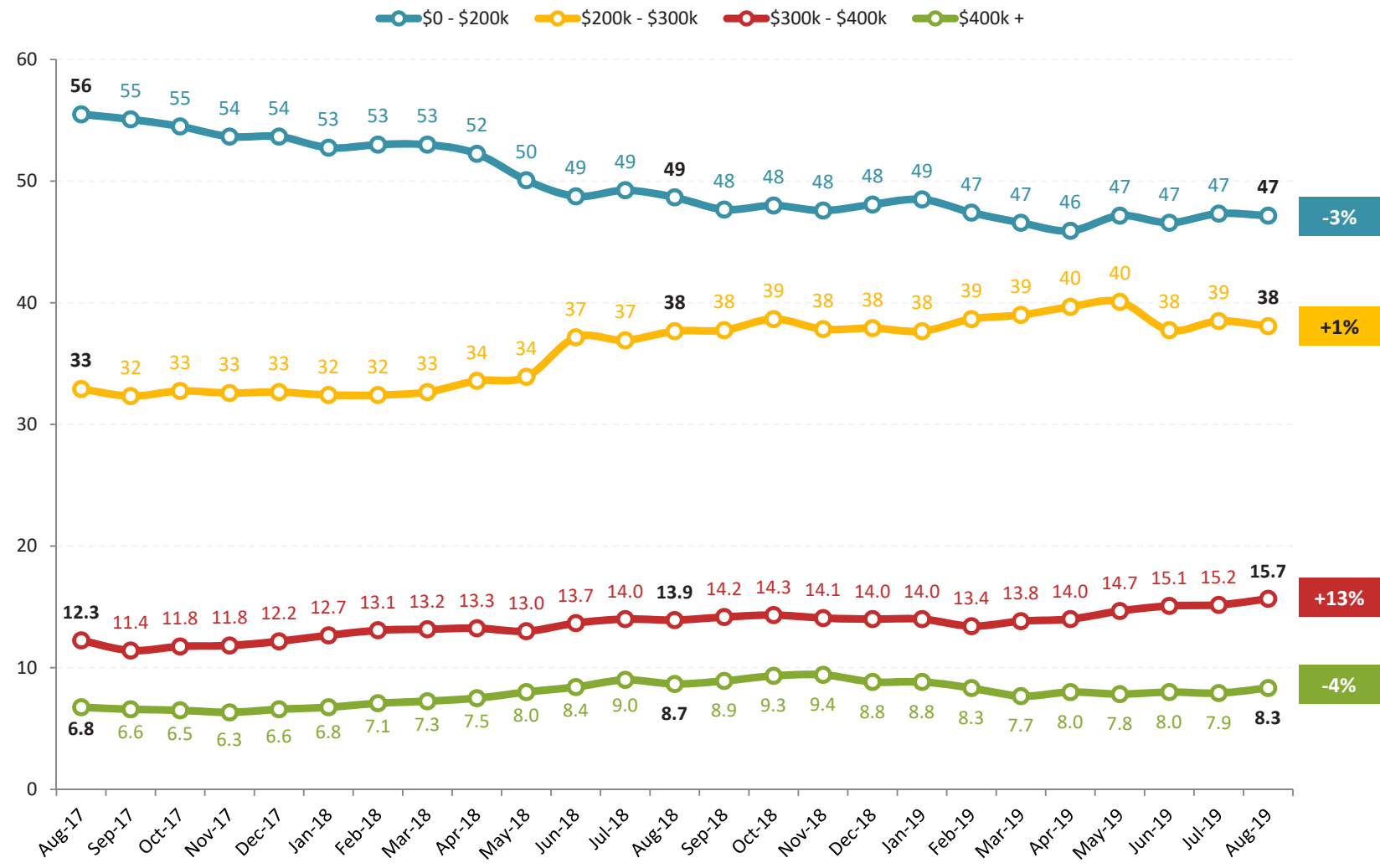


**Median Days On Market: 78**

Declining inventory levels are contributing to an overall decline in the time it takes to sell a home in Harrisonburg and Rockingham County. The current median “Days on Market” is 21 days for homes that have sold in the past year. Remarkably, 55% of homes that have sold in the past year have gone under contract within 30 days

of having hit the market. Combine that with those that went under contract during the second month on the market, and you’ll find that 69% of homes that sell go under contract within 60 days. The graph to the right, above, shows the length of time that each active listing has been on the market for sale.

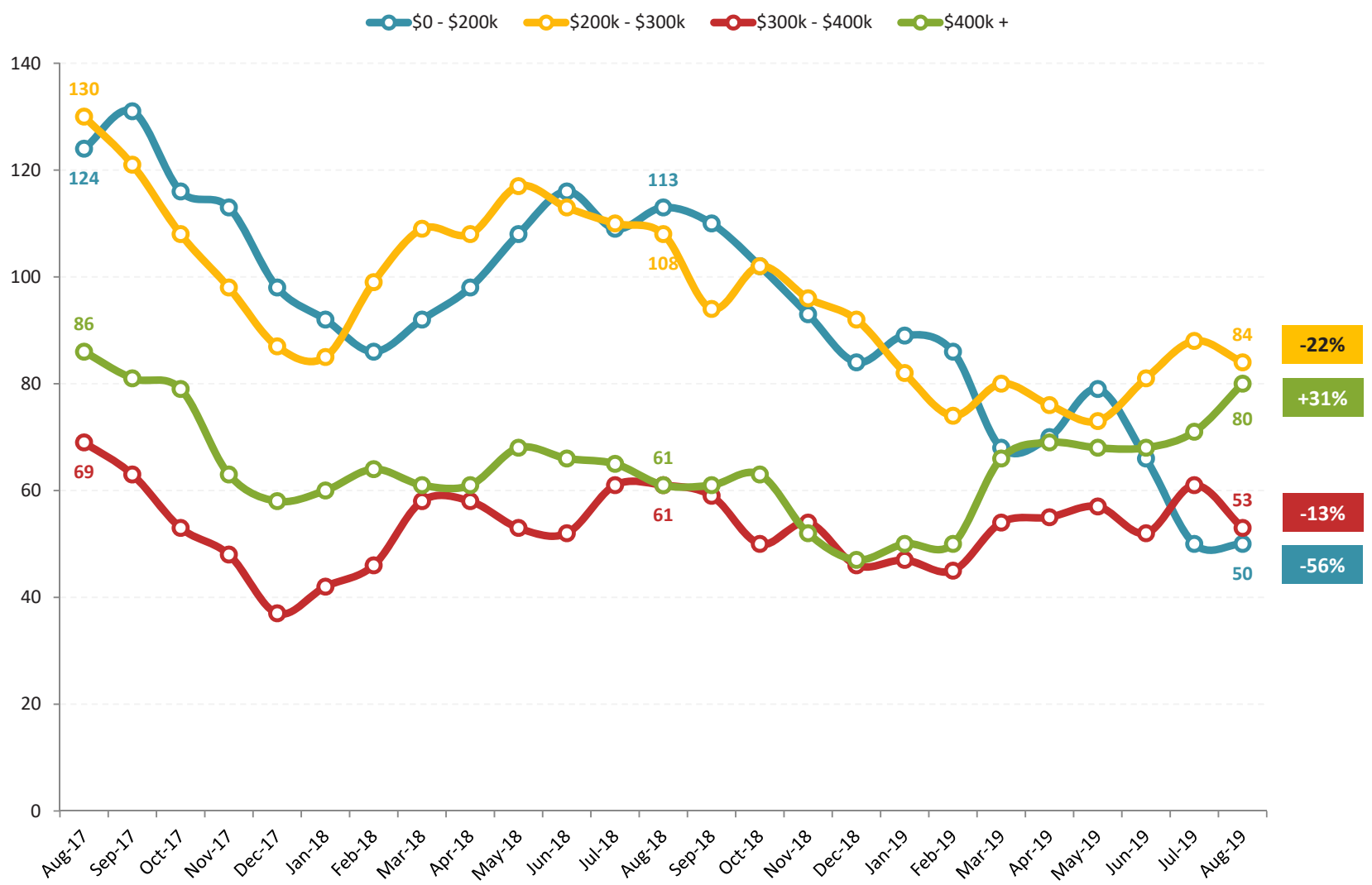
### Harrisonburg & Rockingham County Home Sales by Price Range (Average of Past 12 Months)



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 been declining over the past several years in the “under

“\$200K” category -- though likely because of limited inventory, and fewer properties existing in this range based on increasing home values. We have seen year-over-year increases in the middle two price ranges (\$200K-\$300K, \$300K-\$400K) and a year over year decline in sales over \$400K.

Harrisonburg & Rockingham County  
Inventory Levels by Price Range

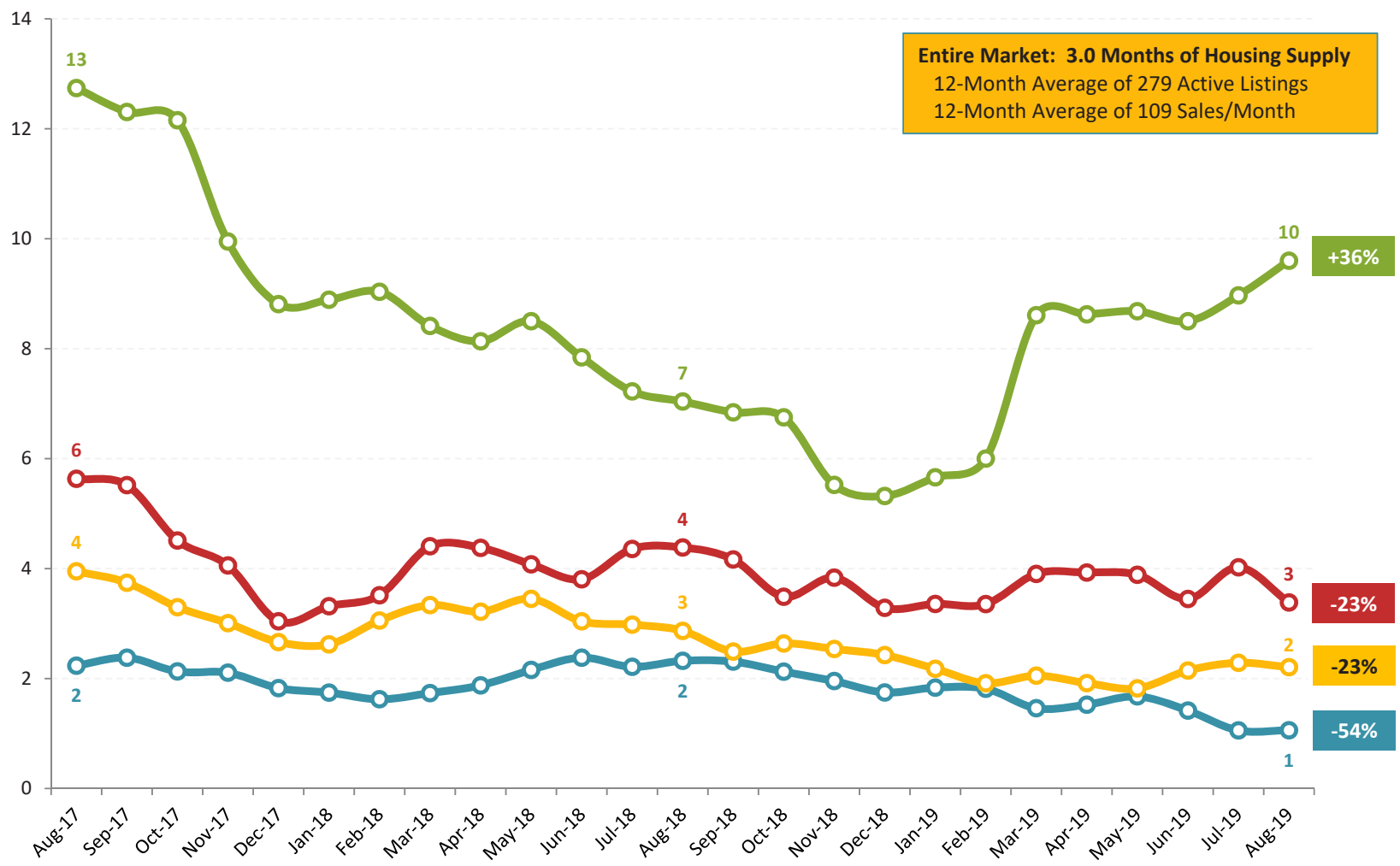


Inventory levels shift up and down seasonally, but we are also seeing differences in year-over-year trajectories in each of the four price ranges outlined above. Inventory levels of homes under \$200K and those between \$200K and \$300K have both fallen dramatically (-56%, -22%) over the past two years. The number of \$400K+ homes

for sale has increased by 31% over the past year -- and the \$300K-\$400K price range has seen a more moderate 13% decline in active listings. We will likely continue to see different fluctuations in each price segment of our local market as we continue through the Fall and Winter.

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Harrisonburg & Rockingham County  
**Months of Housing Supply by Price Range**  
 ● \$0 - \$200k ● \$200k - \$300k ● \$300k - \$400k ● \$400k +

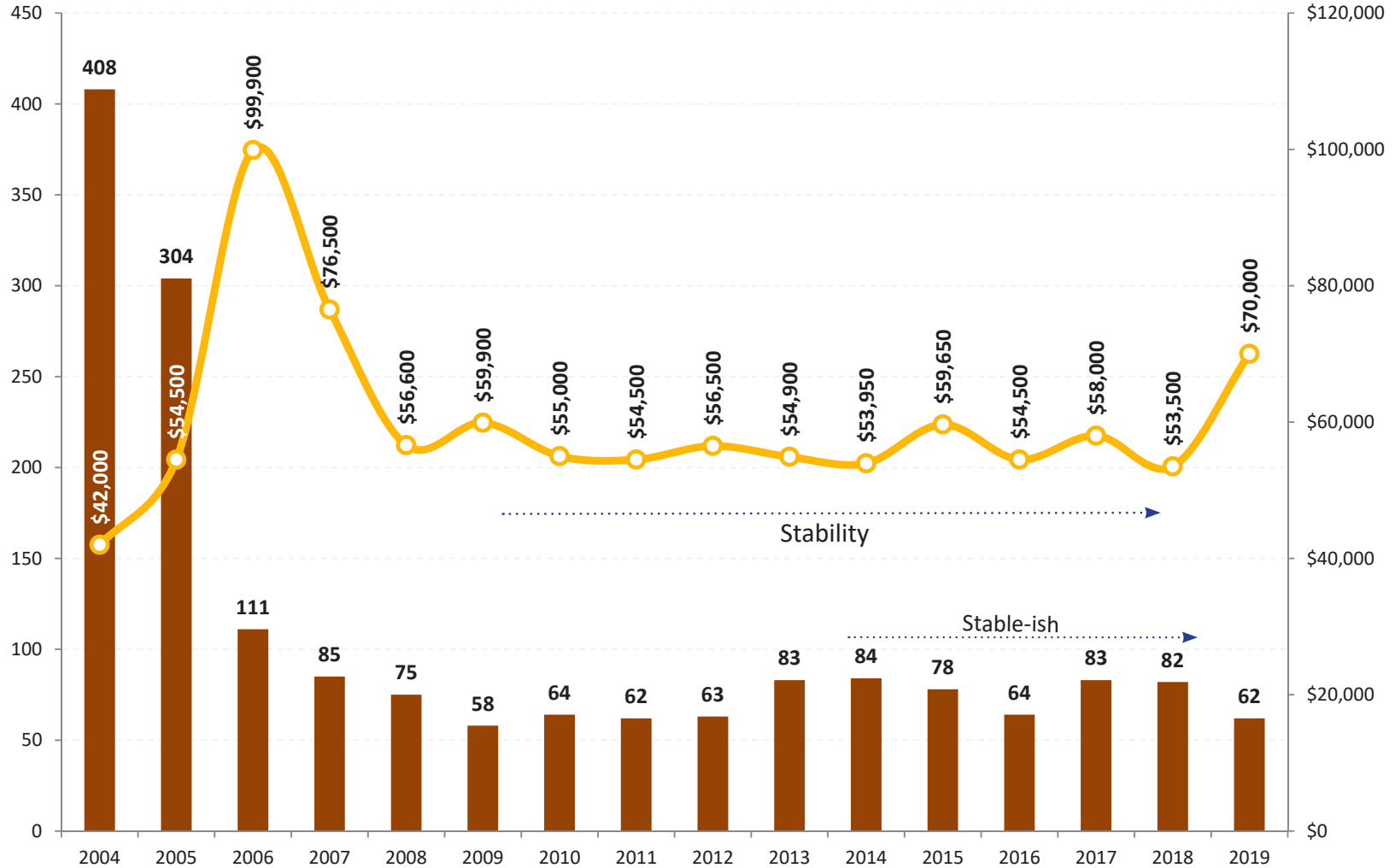


With so many home sales (lots of buyers) and so few homes on the market (not so many sellers), there are low levels of supply in some price ranges in our local real estate market. The graph above illustrates that while it would take 10 months to sell all of the homes currently for sale over \$400K if the same number of buyers

bought each month as have been buying (on average) over the past 12 months and if no new listings came on the market -- but it would only take one month (!! ) to burn through the under \$200K inventory. Many consider a six month supply to be a balance between buyers and sellers.

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

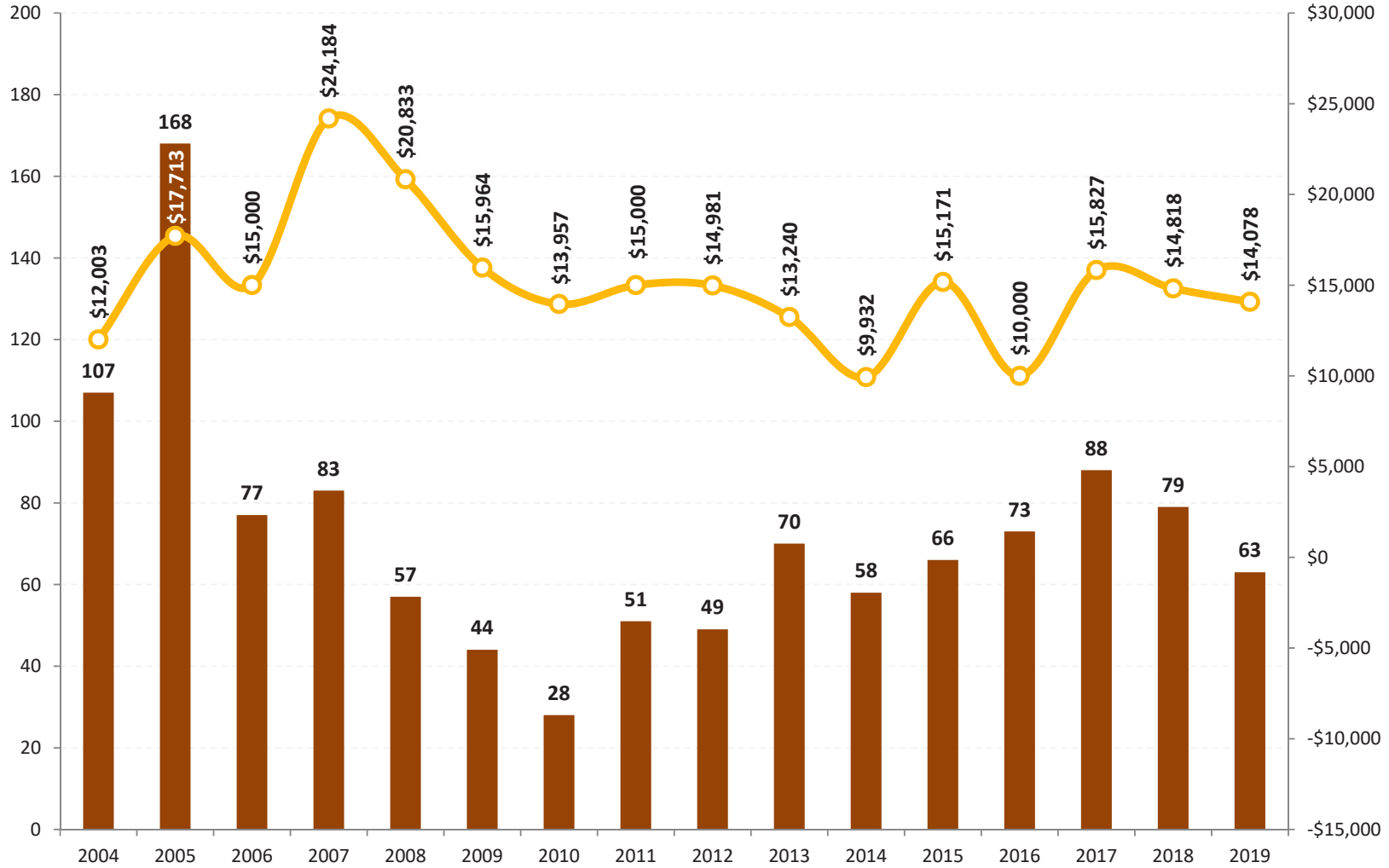


With the exception of 2016, we have seen between 78 and 84 lot sales of less than an acre for each of the past six years. This is a sharp decline from the 260 - 400 lot sales seen in 2002-2005, but it is an improvement over where things were (58-63 sales) between 2009 and 2012. From a value perspective, the sales prices of these

“less than an acre” lots have also been rather stable -- fluctuating no further than between \$53K and \$60K over the past ten years. That is, of course, after a meteoric rise and then fall to/from \$100K. This year, we are seeing somewhat fewer lot sales, but at a much higher median sales price!



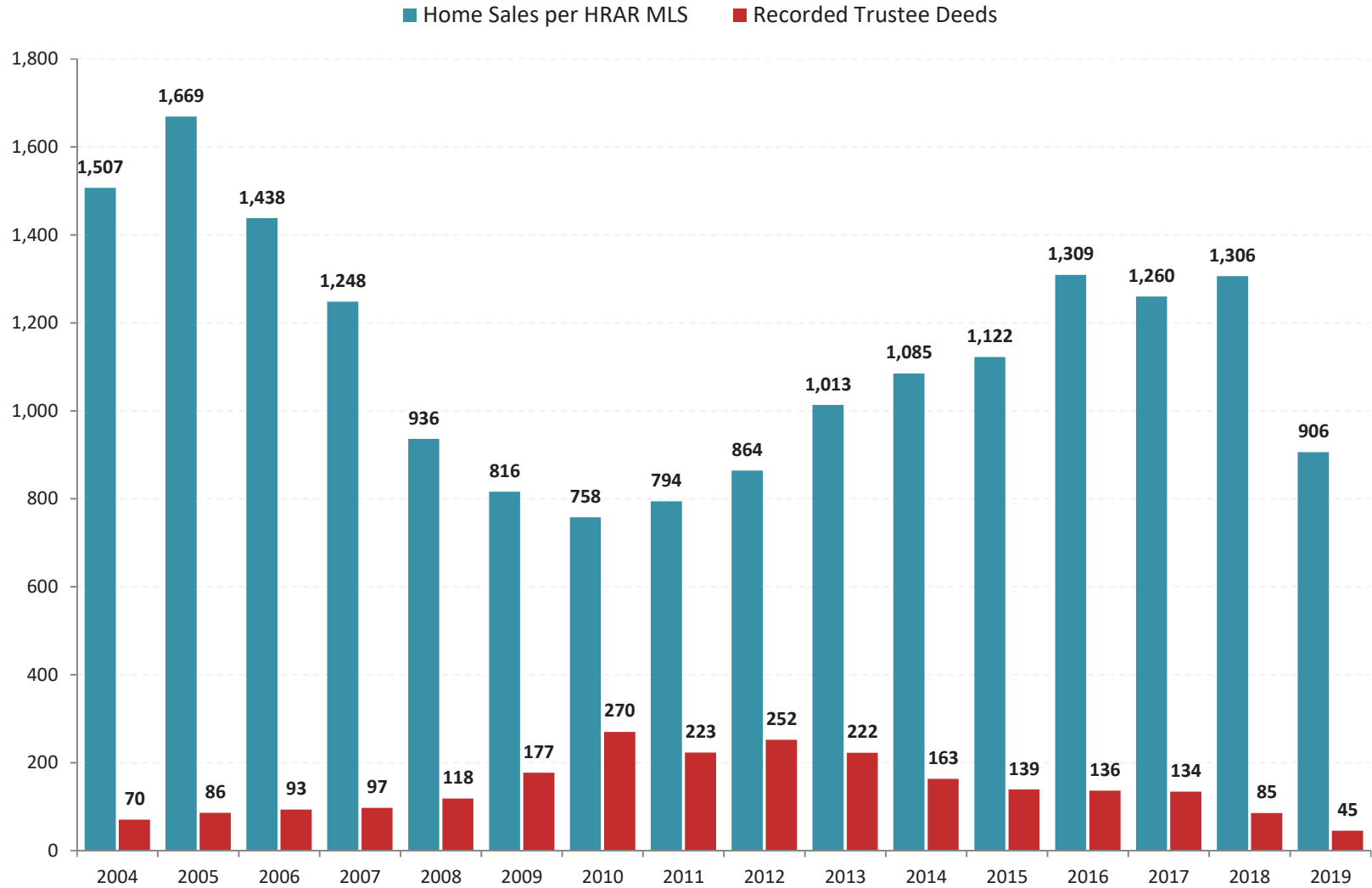
Harrisonburg & Rockingham County  
**Land Sales & Median Price Per Acre**  
 1 acre or more



Parcels of land larger than one acre in Harrisonburg or Rockingham County increased in pace during 2017 to 88 land sales -- marking the highest year of sales since 2005 -- but then declined again in 2018 to 79 lot sales. The median price per acre also declined in 2018 to \$14,818. Of note -- some aspects of this "median price per acre"

calculation are affected by which parcels actually sell in a given year. We saw an increase in buyer demand in 2017, which seems to have led to a further increase in the median price per acre, and then a decline in demand in 2018 accompanied by a decline in prices.

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

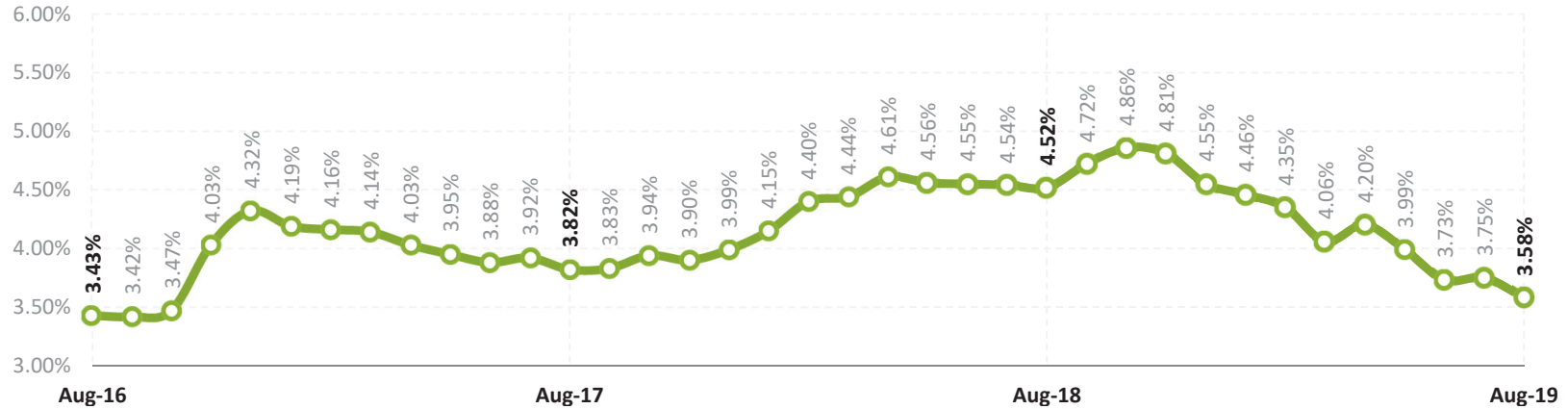


The graph above is a comparison of two imprecise measures -- but the comparison can still be helpful. The blue bars show the number of home sales recorded in the HRAR MLS -- this does not include private sales that did not involve a Realtor, nor new home sales directly from a builder. The red bars show the number of recorded

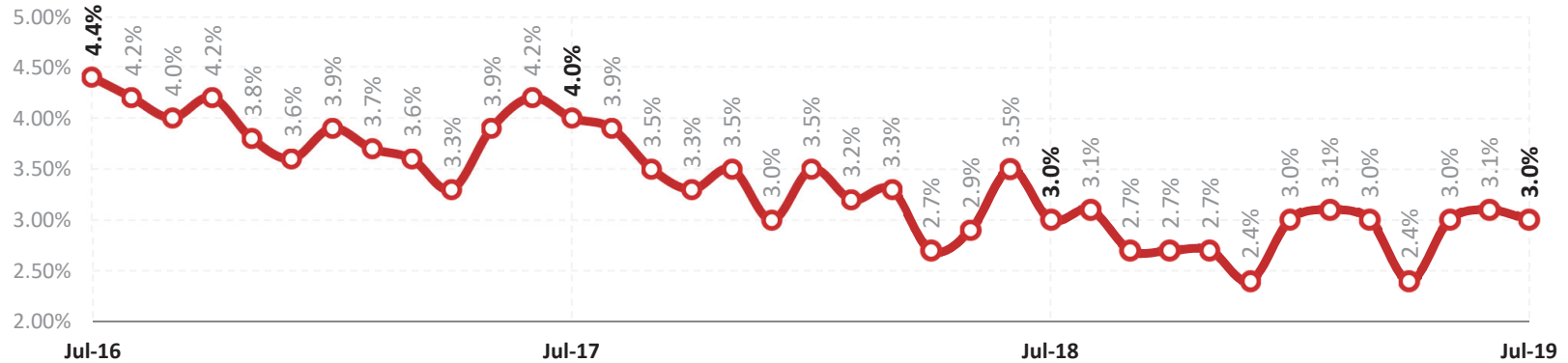
Trustee Deeds. Some foreclosed properties then show up again as REO properties. The foreclosure rate in our local market area has been trending downward -- sharply in 2018 -- and the pace of home sales is increasing much more quickly, despite having slowed slightly in 2017.

### 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, for most of the past three years, home buyers have seen tremendously low interest rates -- almost always under 4% except in late 2016 and during just about all of 2018. Encouragingly, the average mortgage interest rate has decline significantly over the past eight months and is now below

4%. The second graph above illustrates trends in the local unemployment rate -- which has shown a general downward trend over the past several years to a current level of 3%. A low local unemployment rate and relatively low mortgage interest rates help our local housing market remain stable.

## Scott P. Rogers, Associate Broker



Scott P. Rogers, a professional, responsive, knowledgeable, friendly Associate Broker with Funkhouser Real Estate Group, began his real estate career in 2003 and has been working hard ever since to provide exceptional service to his buyer and seller clients in Harrisonburg and Rockingham County. Since 2010, Scott has been recognized each year by the Harrisonburg/Rockingham Association of Realtors as being in the top 1% of all area Realtors.

A native of Montgomery County, Maryland, Scott earned a B.A. (2000) and M.Ed. (2002) 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 utilize high caliber technology and marketing solutions for his clients.

Scott incorporates many innovative tools and technologies to serve his clients including: professional photography equipment, a quadcopter (drone), property websites for each of his listings, 3D Walk Through technology and Virtual Reality. He leads the local market in the adoption of new marketing techniques - for the latest, check out WalkThroughThisHome.com.

In 2007, Scott began providing in-depth analysis and commentary on the local real estate market via his real estate blog, HarrisonburgHousingToday.com. Since that time, he created many other valuable online resources for the local community such as:

HarrisonburgHousingMarket.com, HarrisonburgInvestmentProperties.com, HarrisonburgAssessments.com, HarrisonburgPropertyTransfers.com, HarrisonburgTownhouses.com, BuyingAHomelnHarrisonburg.com, SellingAHomelnHarrisonburg.com and HarrisonburgRealEstateResources.com.

Scott and his wife, Shaena, live in Rockingham County with their two children, Luke and Emily. In his free time, Scott enjoys spending time with his family, traveling, coaching middle school volleyball and operating TakeThemAMEal.com and PerfectPotluck.com.

### Questions? Contact Scott anytime....

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## Local Online Real Estate Resources

**How To Navigate The Home Purchasing Process**  
[BuyingAHomelnHarrisonburg.com](http://BuyingAHomelnHarrisonburg.com)

**The Best Marketing Strategies For Selling Your Home**  
[SellingAHomelnHarrisonburg.com](http://SellingAHomelnHarrisonburg.com)

**Harrisonburg & Rockingham County Property Search**  
[ScottPRogers.com](http://ScottPRogers.com)

**Analysis and Commentary on our Local Real Estate Market**  
[HarrisonburgHousingMarket.com](http://HarrisonburgHousingMarket.com)

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

**Fast Access to All New Listings of Homes For Sale**  
[NewListingsInHarrisonburg.com](http://NewListingsInHarrisonburg.com)

**Historical Record of Area Home Sales**  
[JustSoldInHarrisonburg.com](http://JustSoldInHarrisonburg.com)

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

**Comprehensive Data on Single Family Home Neighborhoods**  
[HarrisonburgNeighborhoods.com](http://HarrisonburgNeighborhoods.com)

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

**Analysis of Real Estate Investment Options in Harrisonburg**  
[HarrisonburgInvestmentProperties.com](http://HarrisonburgInvestmentProperties.com)

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

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

**Listings With Low List Prices Compared to Assessed Values**  
[BestDealsInHarrisonburg.com](http://BestDealsInHarrisonburg.com)

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