



MAY 2013

# Harrisonburg & Rockingham County Real Estate Market Report



*An analysis of real estate activity through April 30, 2013  
provided courtesy of Scott P. Rogers, Funkhouser Real Estate Group*



Immaculate Barrington Home with Open Floor Plan ..... [3291BarringtonDrive.com](http://3291BarringtonDrive.com)

## 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: April

100 homes sold in April 2013, showing a 37% increase over April 2012 when 73 homes sold -- and a 28% increase over April 2011 when 78 homes sold.

### Home Values: April

Median sales prices declined 12% and average sales prices declined 5% when comparing April 2013 to April 2012.

### Days on Market: April

The median time it took for a home to sell was 116 days in April 2013, a 6% decline from 124 days in April 2012 and a 28% decline from the 161 day median in April 2011.

### Foreclosures

61 trustee deeds were recorded thus far in 2013 compared to 280 total home sales reported through the HRAR MLS during the same timeframe.

### Inventory

Inventory levels increased during April 2013 to 628 residential properties currently for sale, up 29 homes from one month ago, and down 105 homes from one year ago.

### Pace of Home Sales: Year To Date

280 homes sold in the first four months of 2013. This marks a 25% increase from the first four months of 2012 when only 224 homes had sold.

### Home Values: Year To Date

Median sales prices declined 1% and average sales prices did not change for 2013 year-to-date as compared to 2012 year-to-date.

### Days on Market: Year To Date

The median length of time on the market for homes selling during the first four months of 2013 was 150 days, an 8% decline as compared to the first four months of 2012.

### Supply

All price ranges still show an excess of housing supply, with 7 months under \$200k, 9 months between \$200k and \$300k, 10 months between 300k and \$400k, and 32 months above \$400k.

### Price Per Square Foot

Median price per square foot of single family homes has increased to \$102/sf in the second quarter of 2013, as compared to \$98/sf in the 1st quarter of 2013.

### Buyer Activity

116 buyers committed to buy in April 2013, compared to only 96 in April 2012 -- which marks a 21% increase.

### Single Family Home Sales

218 single family homes sold thus far in 2013, compared to a total of 641 in 2012. The median sales price has declined to \$180,000.

### Townhouse Sales

62 townhouses sold thus far in 2013, compared to a 2012 total of 223 townhomes. The median townhome sales price has decreased to \$130,250 from \$134,995 in 2012.

### Lot Sales

There have been 22 lot sales of less than an acre in 2013, compared to 61 in all of 2012. Median sales prices have declined to \$46,450 thus far in 2013 as compared to \$56,875 in 2012.

### Land Sales

14 parcels of land greater than an acre sold thus far in 2013 compared to 47 land sales during all of 2012. The median price per acre has increased to \$15,804 in 2013.

**Editorial Note:** In November 2012, a single buyer purchased 22 University Place condominiums for \$33K/condo from a single seller. These 22 sales were entered into the HRAR MLS as 22 separate transactions instead of as one multi-family or commercial transaction. While entering this single transaction as 22 separate sales is misleading, and skews our understanding of trends in the Harrisonburg and Rockingham County residential real estate market, these 22 sales are included in the analysis in this housing market report as of this issue.

# HOME SALES REPORT

Harrisonburg &amp; Rockingham County

May 13, 2013

# Home Sales	2010	2011	2012	2013	% Change ('12 - '13)
April	83	78	73	100	36.99%
<b>2013 YTD (Jan-Apr)</b>	<b>230</b>	<b>217</b>	<b>224</b>	<b>280</b>	<b>25.00%</b>

Median Sales Price	2010	2011	2012	2013	% Change ('12 - '13)
April	\$188,800	\$158,863	\$179,000	\$157,750	-11.87%
<b>2013 YTD (Jan-Apr)</b>	<b>\$183,950</b>	<b>\$162,000</b>	<b>\$168,628</b>	<b>\$166,500</b>	<b>-1.26%</b>

Average Sales Price	2010	2011	2012	2013	% Change ('12 - '13)
April	\$215,569	\$192,265	\$192,215	\$182,682	-4.96%
<b>2013 YTD (Jan-Apr)</b>	<b>\$212,699</b>	<b>\$186,540</b>	<b>\$188,329</b>	<b>\$187,988</b>	<b>-0.18%</b>

Median Days on Market	2010	2011	2012	2013	% Change ('12 - '13)
April	139	161	124	116	-6.45%
<b>2013 YTD (Jan-Apr)</b>	<b>139</b>	<b>160</b>	<b>163</b>	<b>150</b>	<b>-7.98%</b>

**Home Sales Soar, Prices Decline (Slightly).** Home sales soared during April 2013, with closings taking place on 100 residential properties in Harrisonburg and Rockingham County. This spike in home sales represented a 37% increase over last April, and contributed to the 25% year-to-date increase in home sales. Despite these high

sales activity levels, prices declined slightly in April 2013, with a moderate 1.26% decline in median sales prices when comparing the first four months of 2013 with the first four months of 2012. Median Days on Market continues to decline, with the year-to-date figure (150 days) declining 8% since 2012 (163 days).

# HOME SALES REPORT :: BY AREA

# Home Sales	City of Harrisonburg			Rockingham County		
	2012	2013	% Change	2012	2013	% Change
April	21	50	138.10%	52	50	-3.85%
Year-To-Date	77	106	37.66%	147	174	18.37%

Median Sales Price	City of Harrisonburg			Rockingham County		
	2012	2013	% Change	2012	2013	% Change
April	\$168,355	\$149,000	-11.50%	\$190,000	\$173,625	-8.62%
Year-To-Date	\$158,000	\$150,500	-4.75%	\$179,000	\$178,950	-0.03%

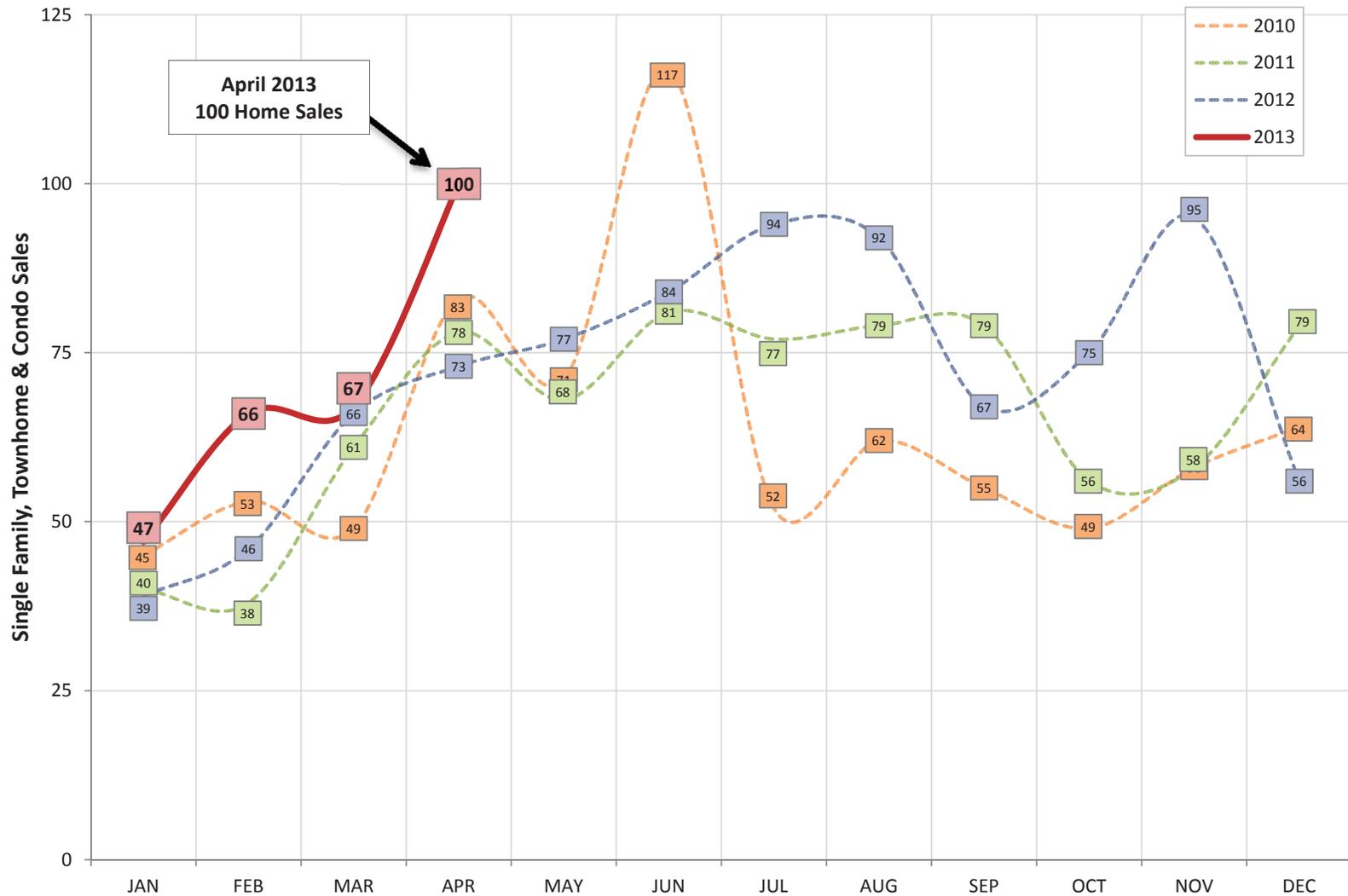
  

Median Days on Market	City of Harrisonburg			Rockingham County		
	2012	2013	% Change	2012	2013	% Change
April	148	156	5.41%	121	107	-11.57%
Year-To-Date	166	133	-19.88%	163	154	-5.52%

**Sales stronger in the City, Prices stronger in the County.** The data tables above explores overall sales trends of properties in the City of Harrisonburg as compared to Rockingham County. Don't mind the drastic swings when only comparing one month of data, as the sample size is quite small -- pay more attention to the Year-

To-Date indicators noted above. You will note that the City has seen a 38% increase in YTD sales as compared to only an 18% increase in the County. When it comes to prices, however, the County has seen no change YTD (-0.03%) while the City has seen a 4.75% decline.

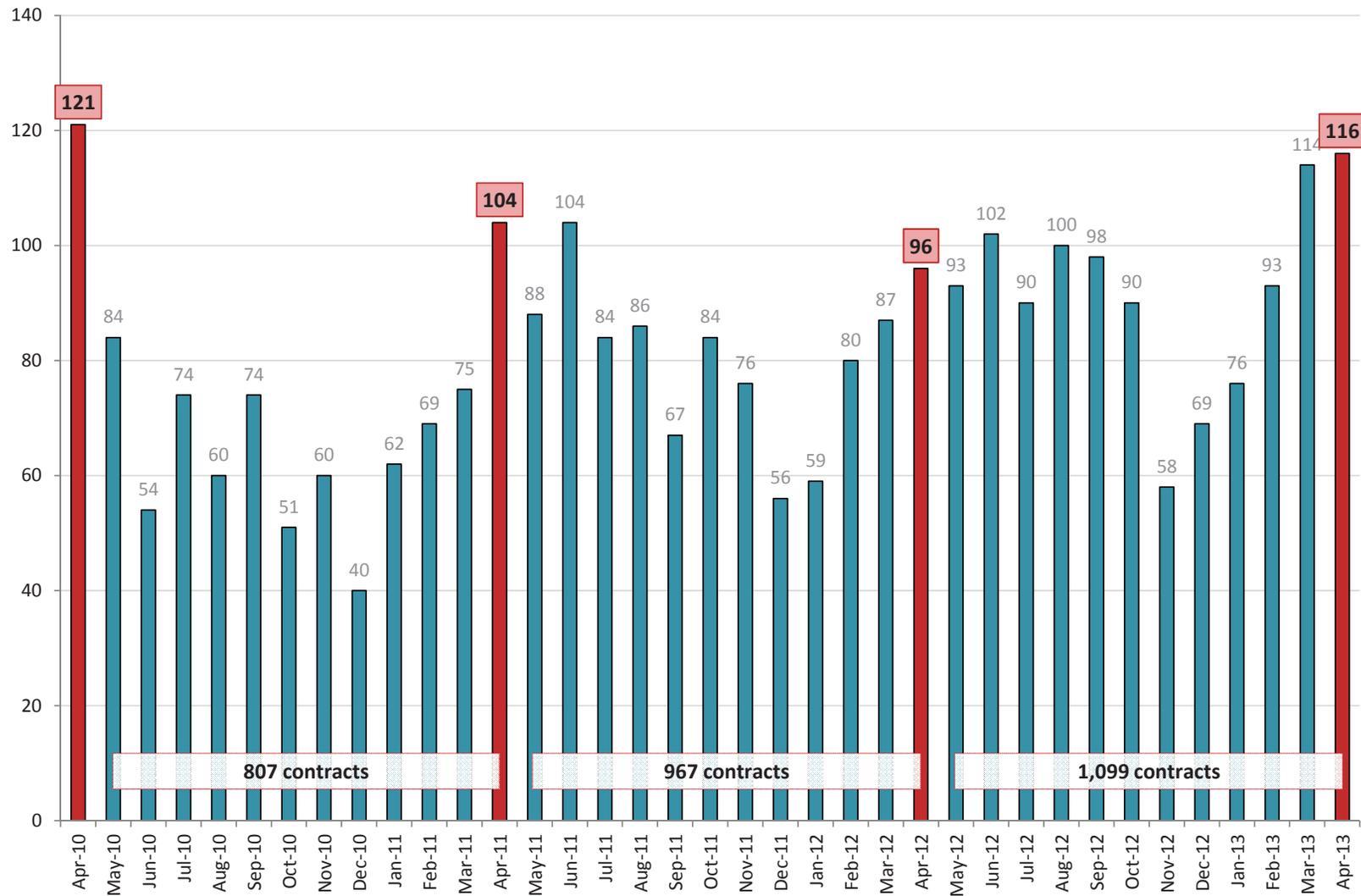
### Harrisonburg & Rockingham County Month-By-Month Home Sales History



**April 2013 sales skyrocket.** My prediction last month was that we would see 90 home sales in April 2013, but apparently I was a bit too conservative as we saw 100 home sales last month. This is the first month of triple digit home sales since June 2010, which was the month that the federal home buyer tax credit expired. If the

spike in June 2010 was largely due to a tax credit, it might be important to note that April 2013 home sales could at least partly be due to the tremendously low 30 year fixed mortgage interest rates. Regardless of the reason, we have seen a very active year of home sales thus far in 2013.

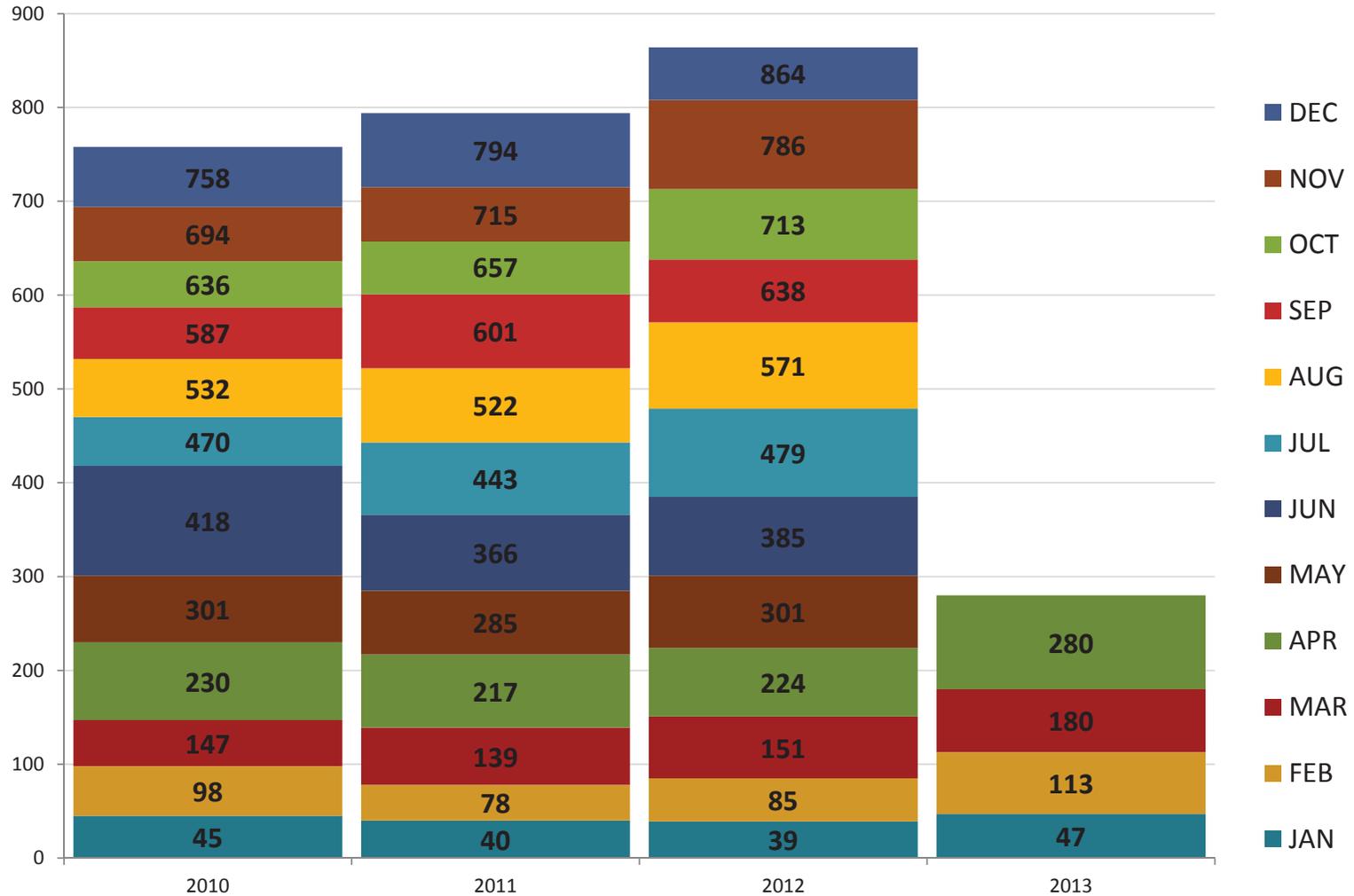
Harrisonburg & Rockingham County  
**Buyers Per Month Committing to Buy Properties**



**Now April 2013 shows fastest pace of contract signing since 2010 tax credit.** Buyer activity has been steadily increasing since the beginning of the year (58-69-76-93-114-116), with April 2013 buyer activity (116 contracts) easily being the strongest

month of April contracts seen in many years, other than in April 2010, in preparation for the June 30, 2010 expiration of the federal home buyer tax credit. These strong contract figures bode well for the home sales that we will see close in May and June.

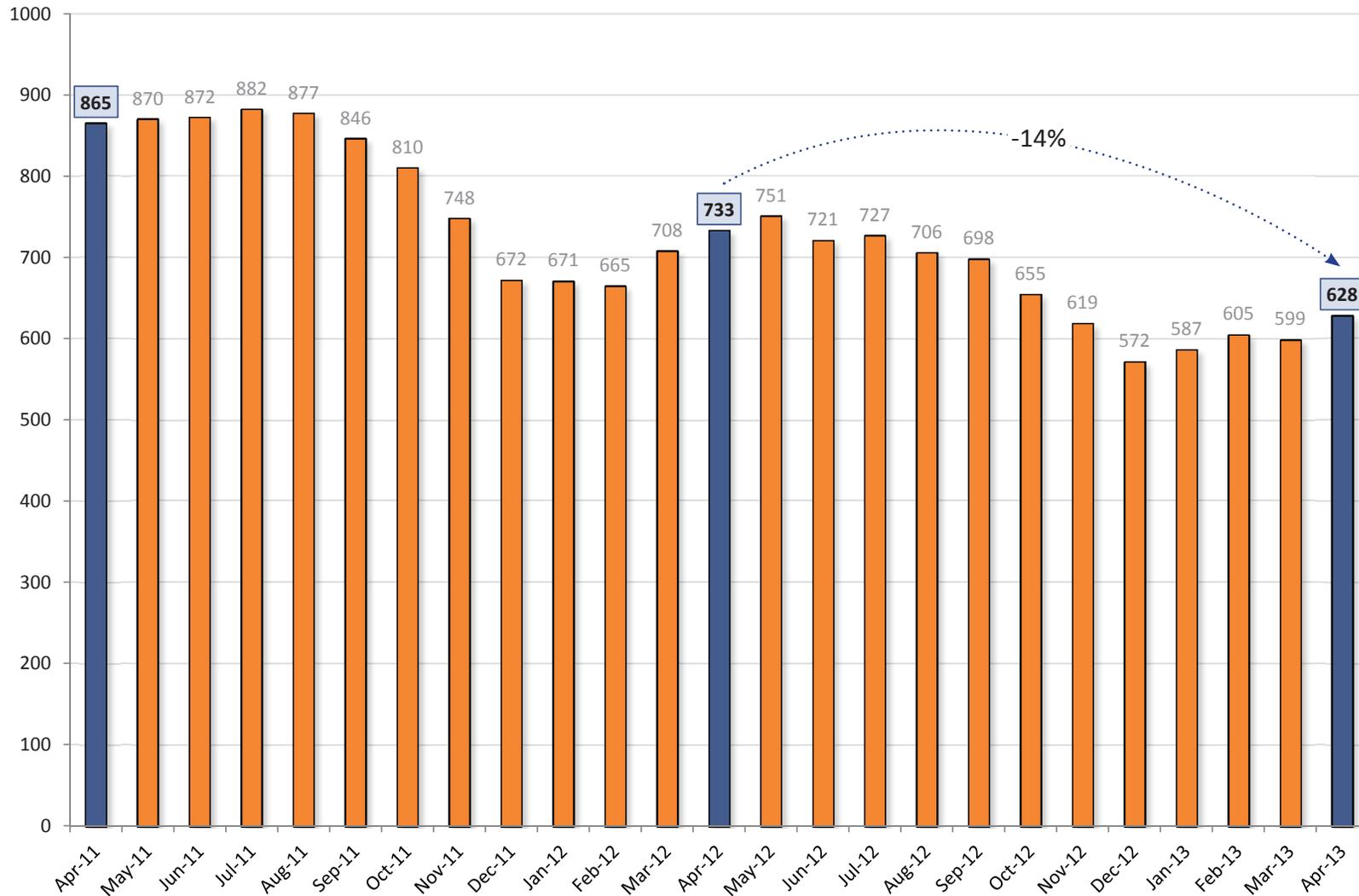
### Harrisonburg & Rockingham County Monthly Cumulative Residential Sales



**2013 starts strong, after solid 2012 sales.** This graph shows the month by month cumulative count of residential sales in Harrisonburg and Rockingham County. Last year's home sales (864) exceeded 2011 home sales (794), and this year, January through April are showing an incredibly strong start (280 sales) as compared to

previous January through April sales. We are likely to see increasing sales as we head into Spring, and at the current pace we should easily surge past 900 home sales this year.

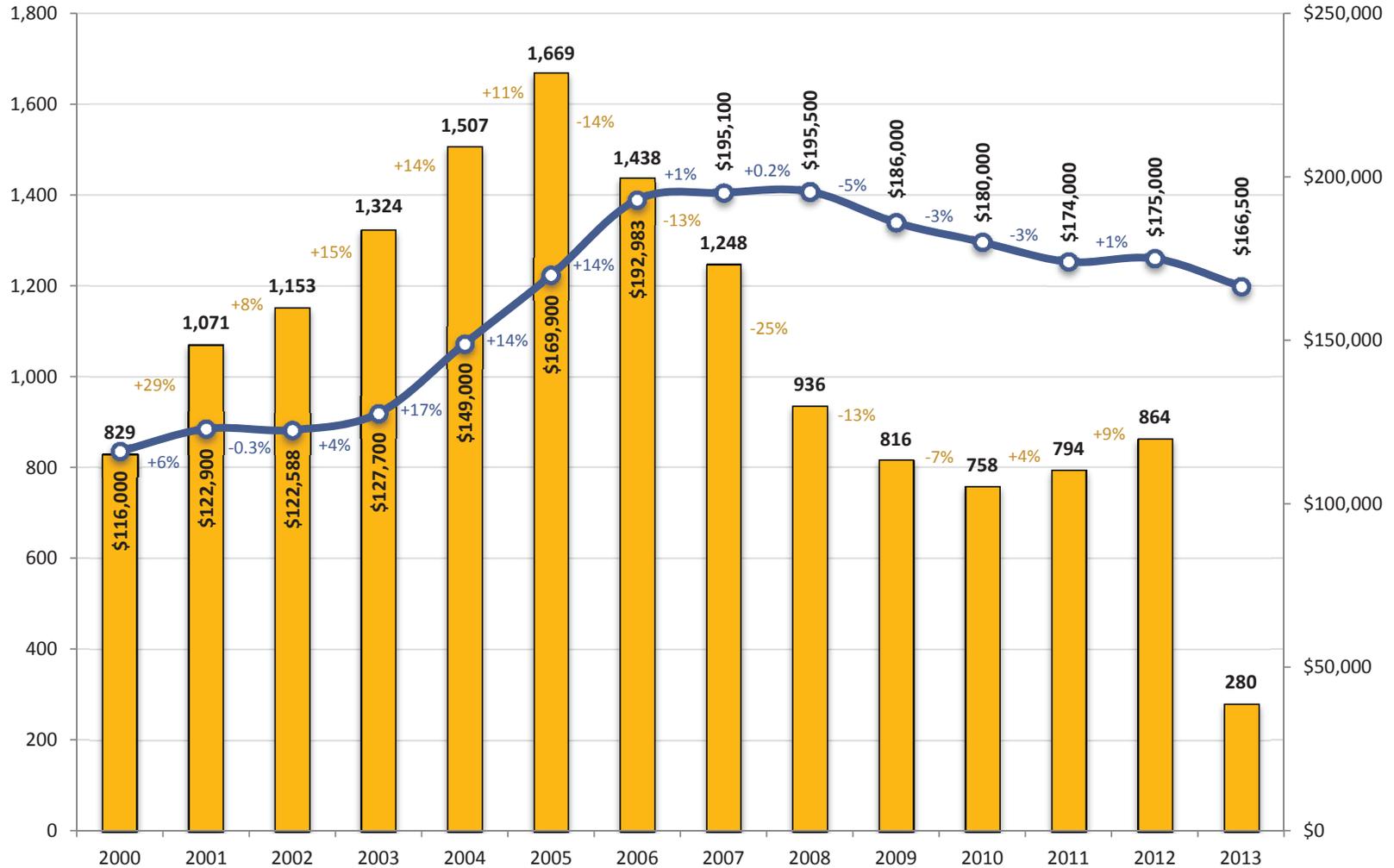
Harrisonburg & Rockingham County  
**Inventory Levels**



**Inventory rises in April, but still shows long term declines.** Inventory levels rose in April 2013 to 628 homes on the market, up from only 599 homes last month. The long term trends, however, still show a 14% decline over the past year and a 27% decline over the past two years. These lower inventory levels are certainly helping

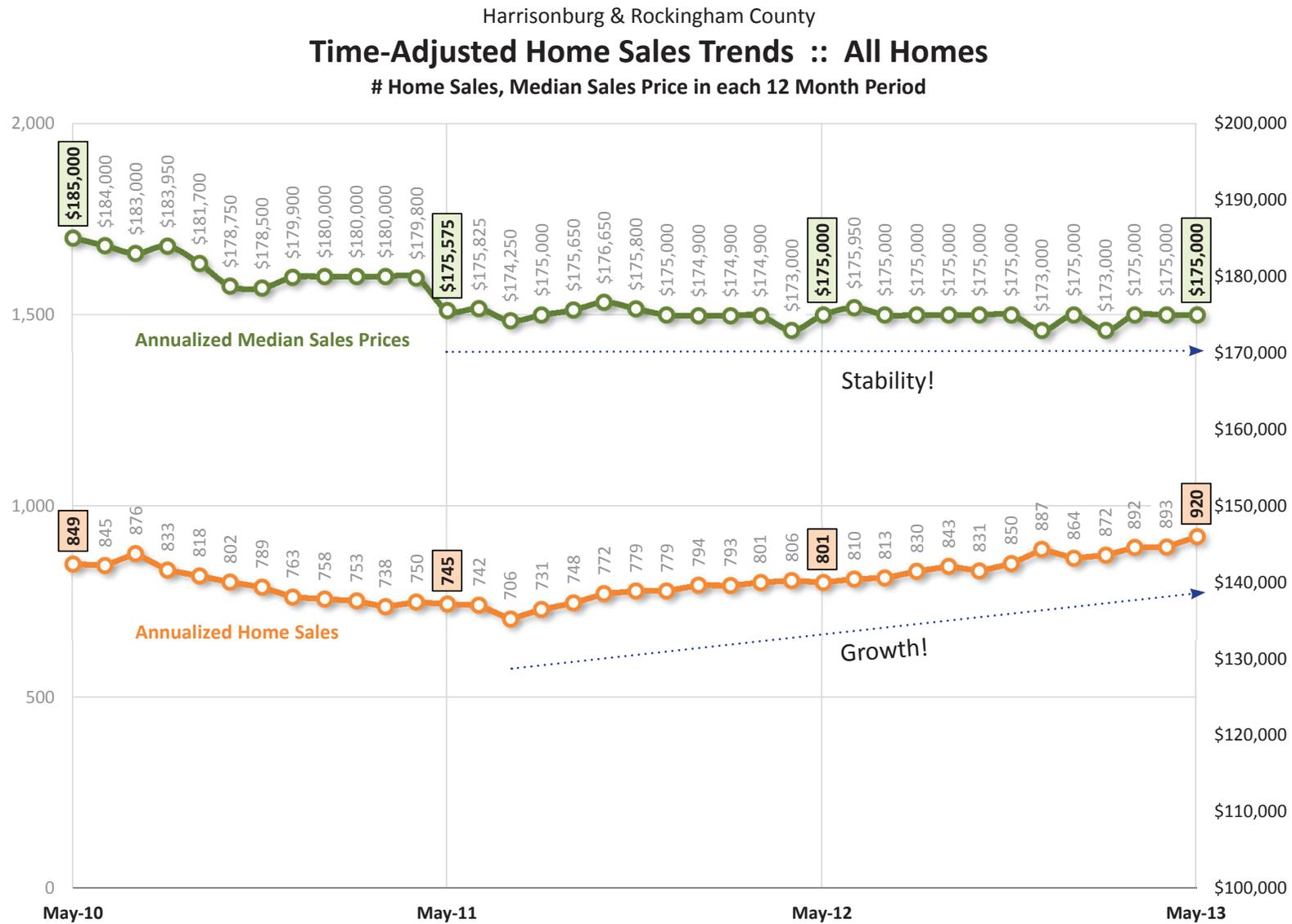
to balance out the market. We should likely see slight increases in inventory over the next few months before inventory levels start declining again in September or October.

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



**Buyer activity increasing; home prices declining?** 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). After five years of declines in home

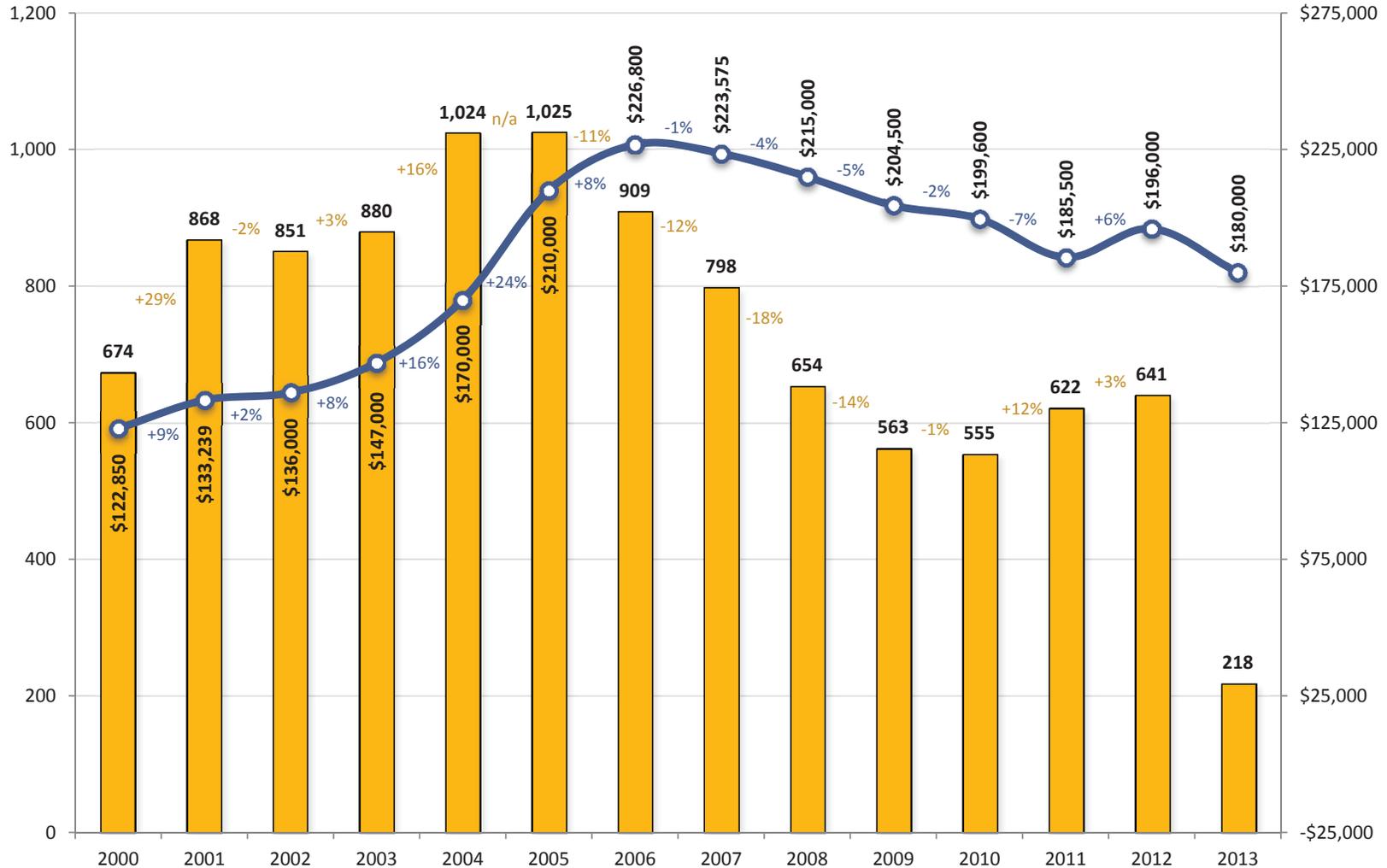
sales (2005-2010) the pace finally picked up in 2011 (+4%) and 2012 (+9%). Home values (as measured by median price) increased (slightly) last year to \$175,000, up from the 2011 median price of \$174,000. Year-to-date median prices have fallen thus far in 2013 to \$166,500, but take a look at next graph for further context.



**Increasing sales pace; stable sales prices.** 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. The annualized pace of home sales continues to climb (up to 920 now from 706 just 22 months ago) to its highest point in the past three years and median sales prices continue to stay steadily around \$175,000 --- where they have been for almost two years now.

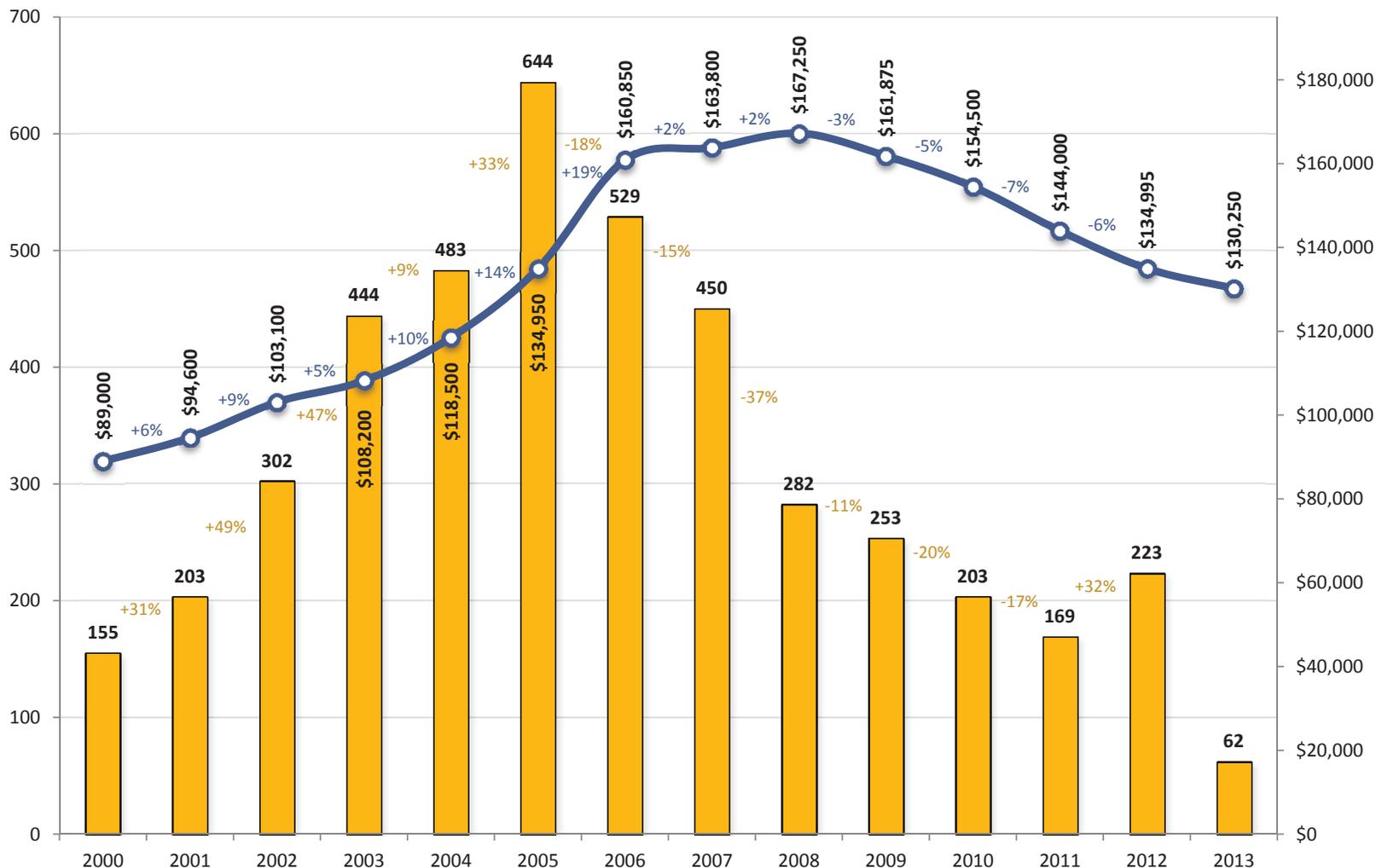
Harrisonburg & Rockingham County  
**Home Sales & Price Trends**  
 Single Family Homes



**Prices of single family homes increase.** The single family home market in Harrisonburg and the Rockingham County seems to be recovering quite nicely (in most ways) compared to the overall market. In 2011, the pace of home sales in the single family home market increased by 12% -- nearing 2008 sales levels with

622 sales -- and with 641 single family home sales last year (2012), we have seen an additional 3% increase in buyer activity. Median prices of single family homes also increased in 2012, up 6% to \$196,000. The median price has declined thus far during 2013, but the remaining eight months of sales data may bring it back up.

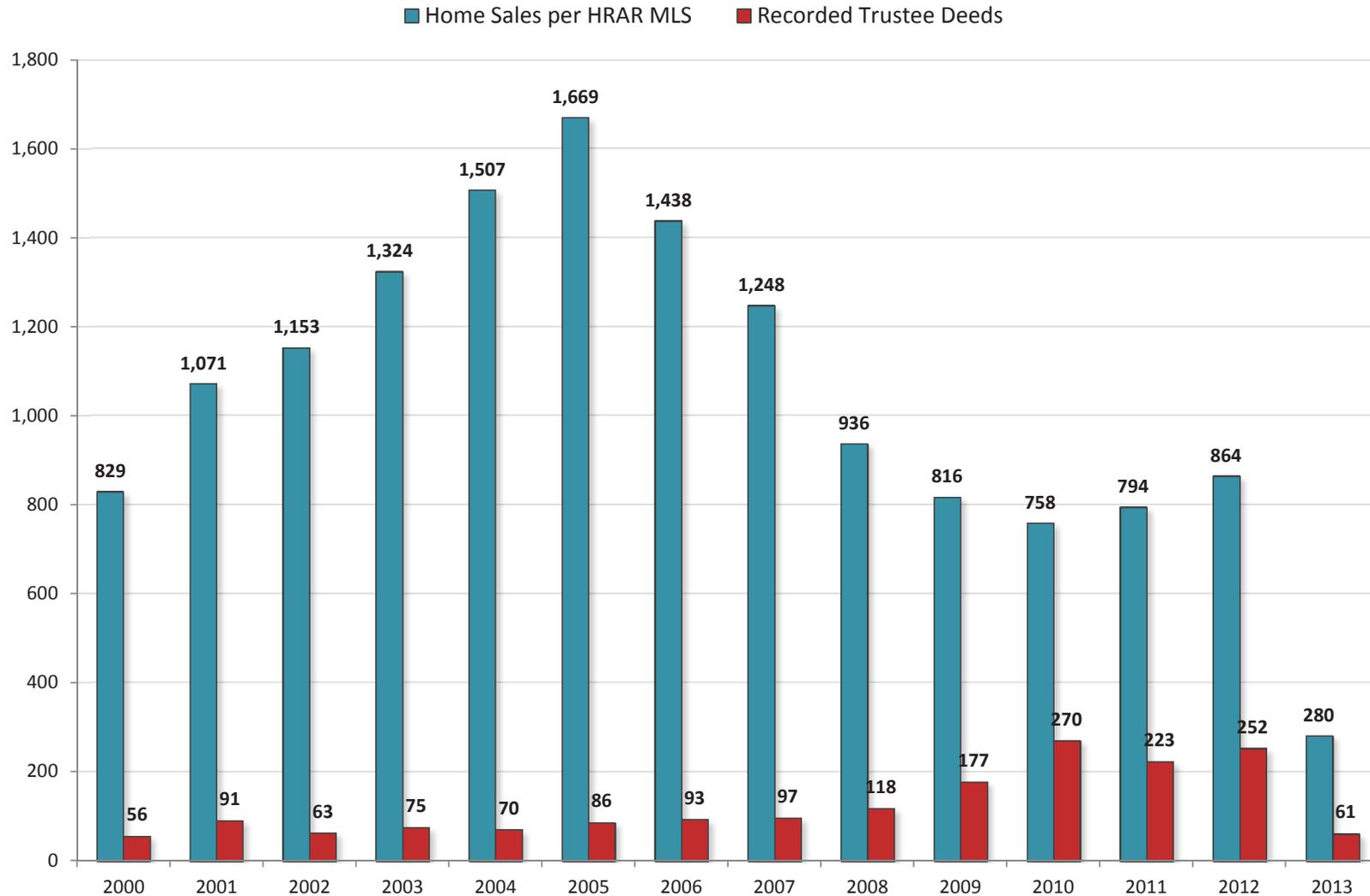
### Harrisonburg & Rockingham County Home Sales & Price Trends Duplexes, Townhomes & Condos



**Townhouse sales picking up pace (but will it last?).** 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. There was a sharp increase (+32%) in townhouse sales in 2012, which also includes duplexes and condos. This was, of course, with

a significant trade off on prices, which continued to decline in 2012 --- down 6% to \$134,995. Hopefully with more buyers in the market (some of whom are investors) we will see townhouse prices starting to stabilize this year -- though with four months of data in thus far, prices are not yet showing signs of stabilization.

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

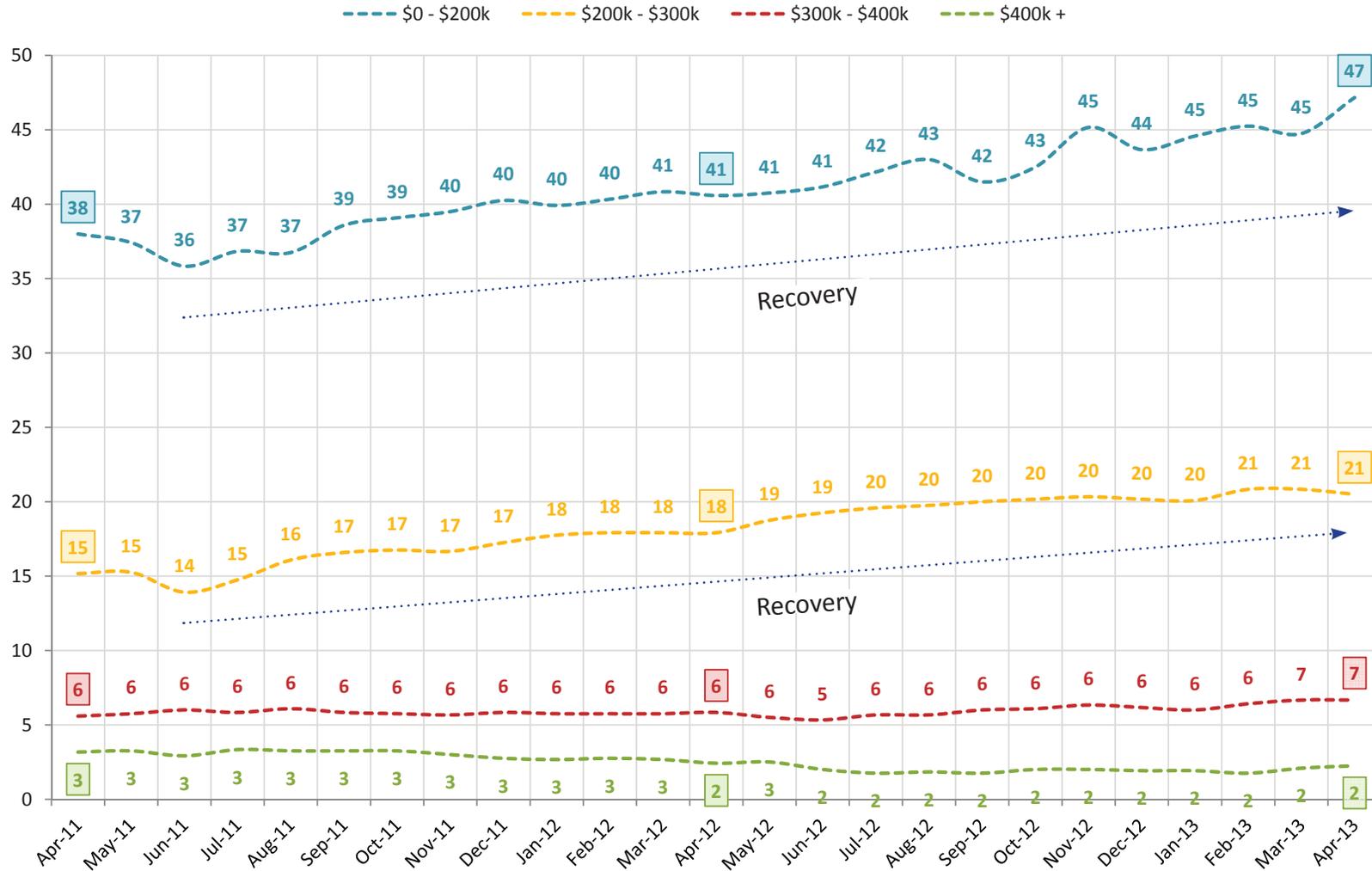


**Foreclosures down in 2013.** The graph above is a comparison of two imprecise measures -- but the comparison can still be helpful. The blue bars show the number of home sales recorded in the HRAR MLS -- this does not include private sales (without a Realtor), nor new home sales directly from a builder. 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 and 4.6 times as many home sales as foreclosures in 2013.

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

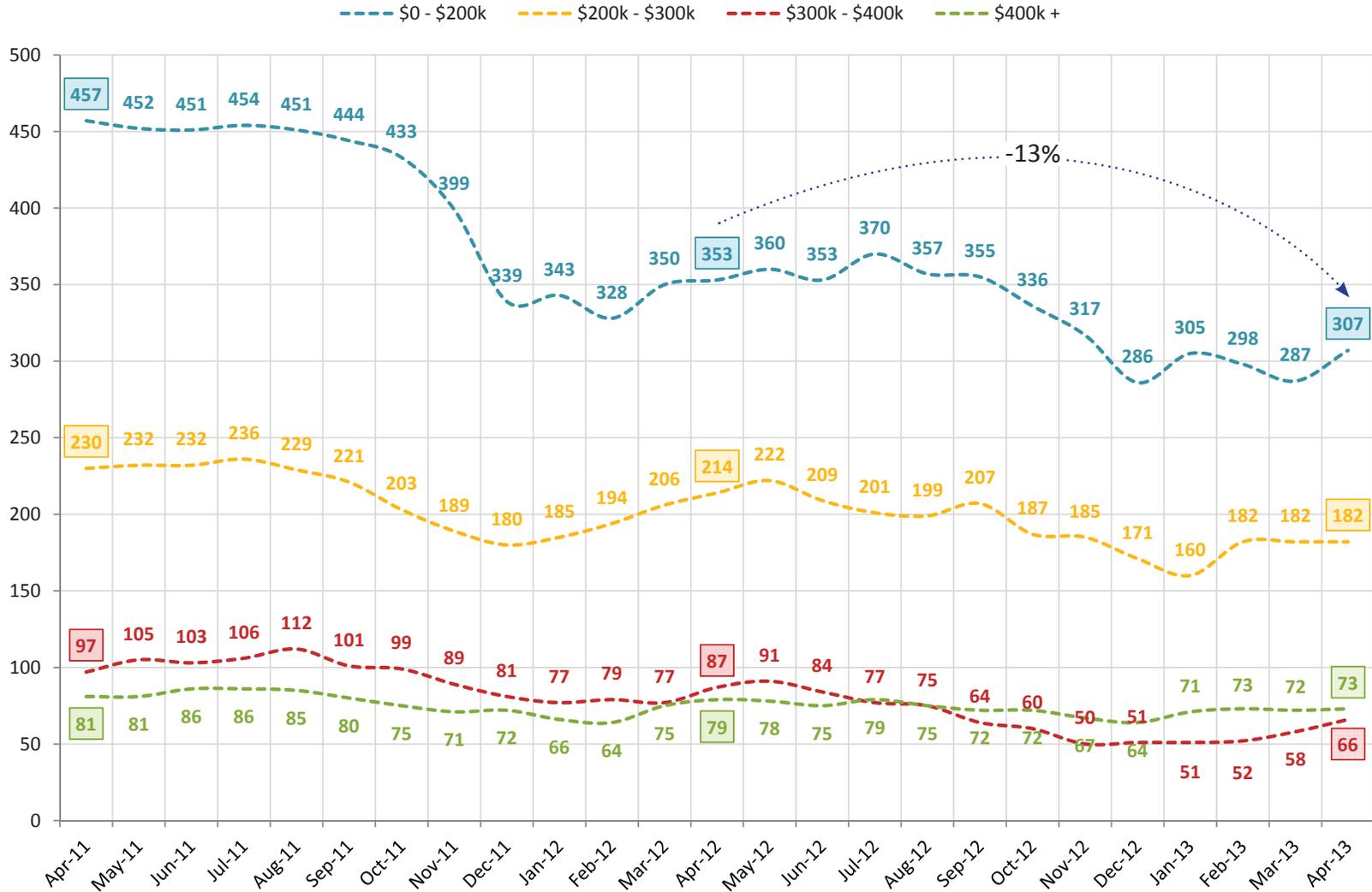
(Average of Past 12 Months)



**Recovery more evident in lower price ranges.** 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 under \$200,000 have increased for the past year (almost two years now), as have sales between \$200,000 and \$300,000. The pace of home sales between \$300,000 and \$400,000 has been relatively steady, and the highest price range (\$400,000 and up) has seen slower sales over the past two years.

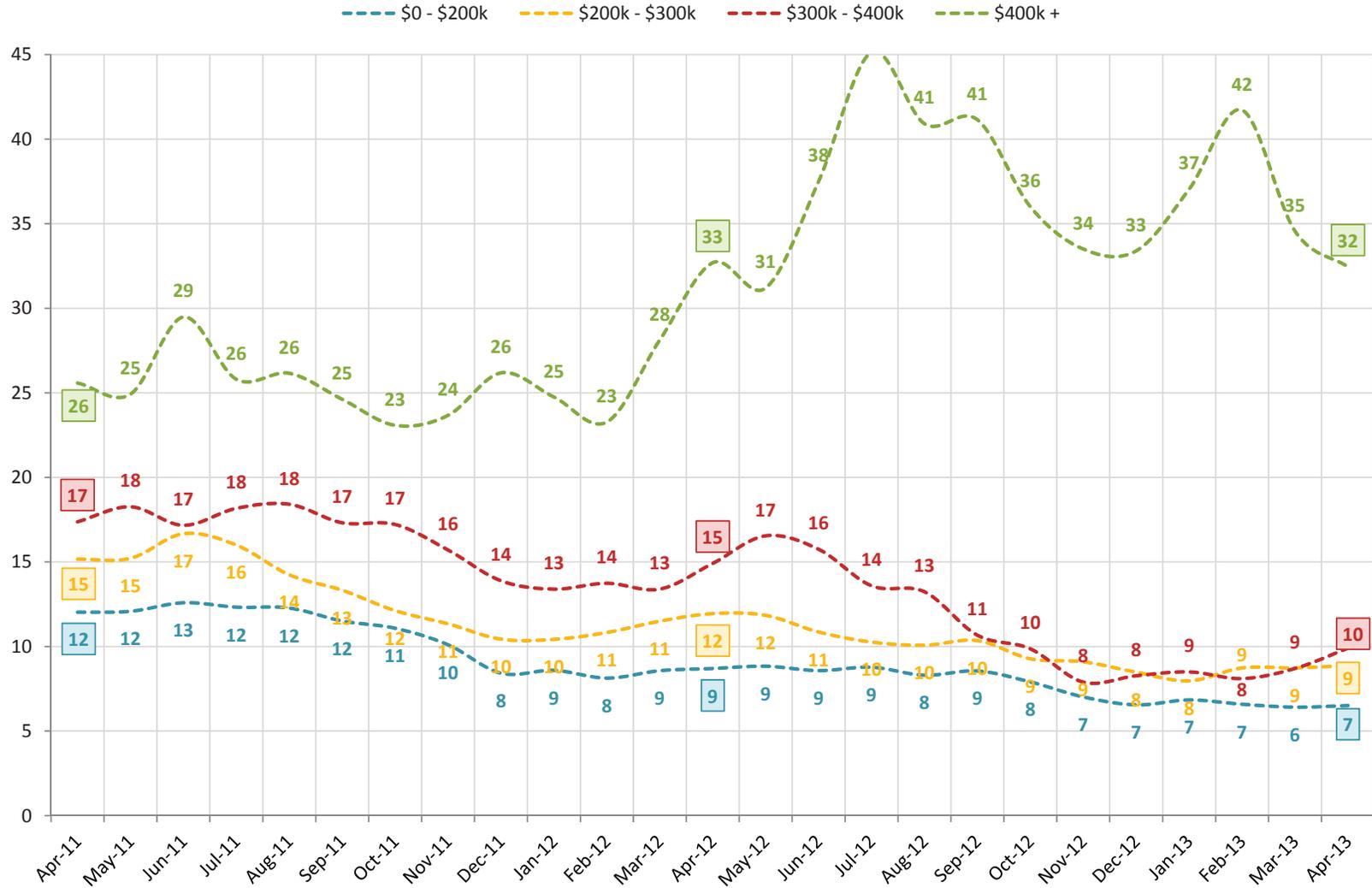
### Harrisonburg & Rockingham County Inventory Levels by Price Range



**Inventory levels drop in most price segments.** Inventory levels have declined in almost all price segments over the past two years, but the changes have been quite different based on list prices. Inventory levels have declined 13% in the under \$200K

price range and 15% in the \$200K-\$300K price range. The \$300K-\$400K price range has seen the largest decline, with a 24% decline over the past 12 months, and the over \$400K price range has only seen a modest 8% decline.

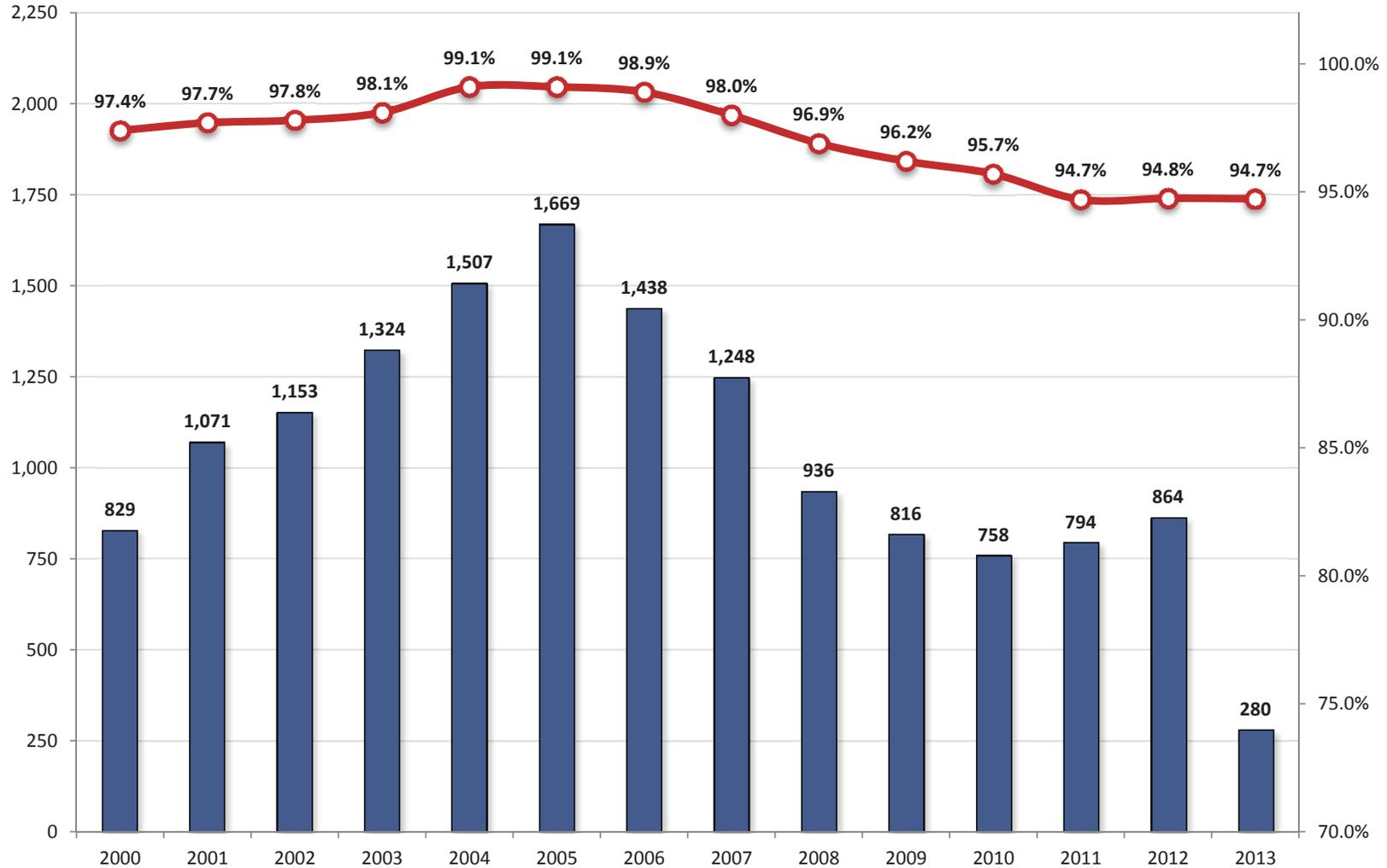
### Harrisonburg & Rockingham County Months of Housing Supply by Price Range



**Housing supply spikes in high price ranges.** 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 our local real estate market. The graph above illustrates that it would take 32 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 months supply of housing to be a balance between buyers and sellers, and we are close to reaching that balance in the under \$200K price range.

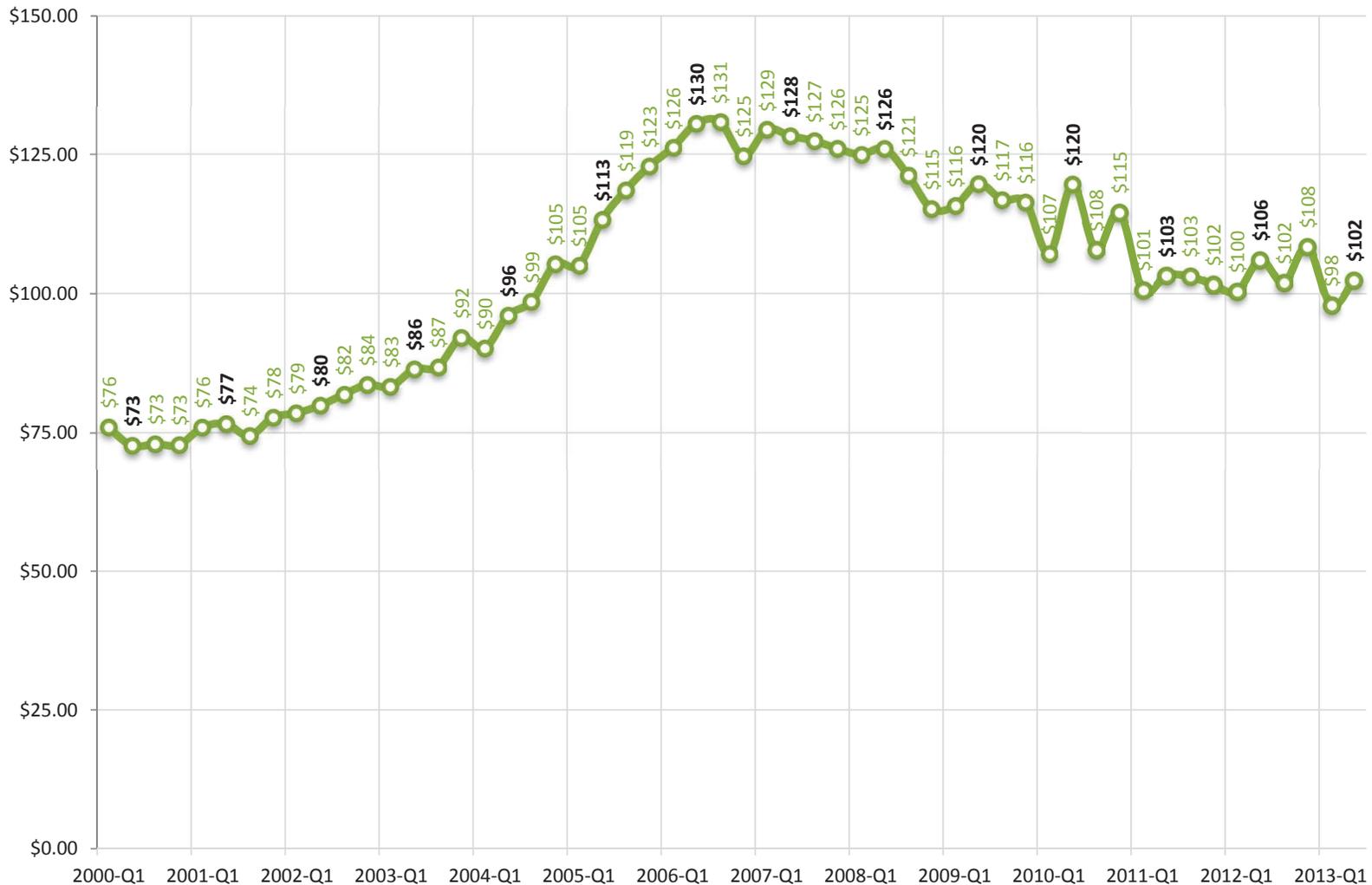
Harrisonburg & Rockingham County  
**List Price to Sales Price Ratio**  
 within the context of Home Sales Pace



**Buyers experiencing the most flexibility in the past 13 years.** 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. Since 2011, buyers have negotiated an average of 5.2% - 5.3% off of the (last) list price of houses for sale. As the market recovers, we will likely see this ratio start to increase again.

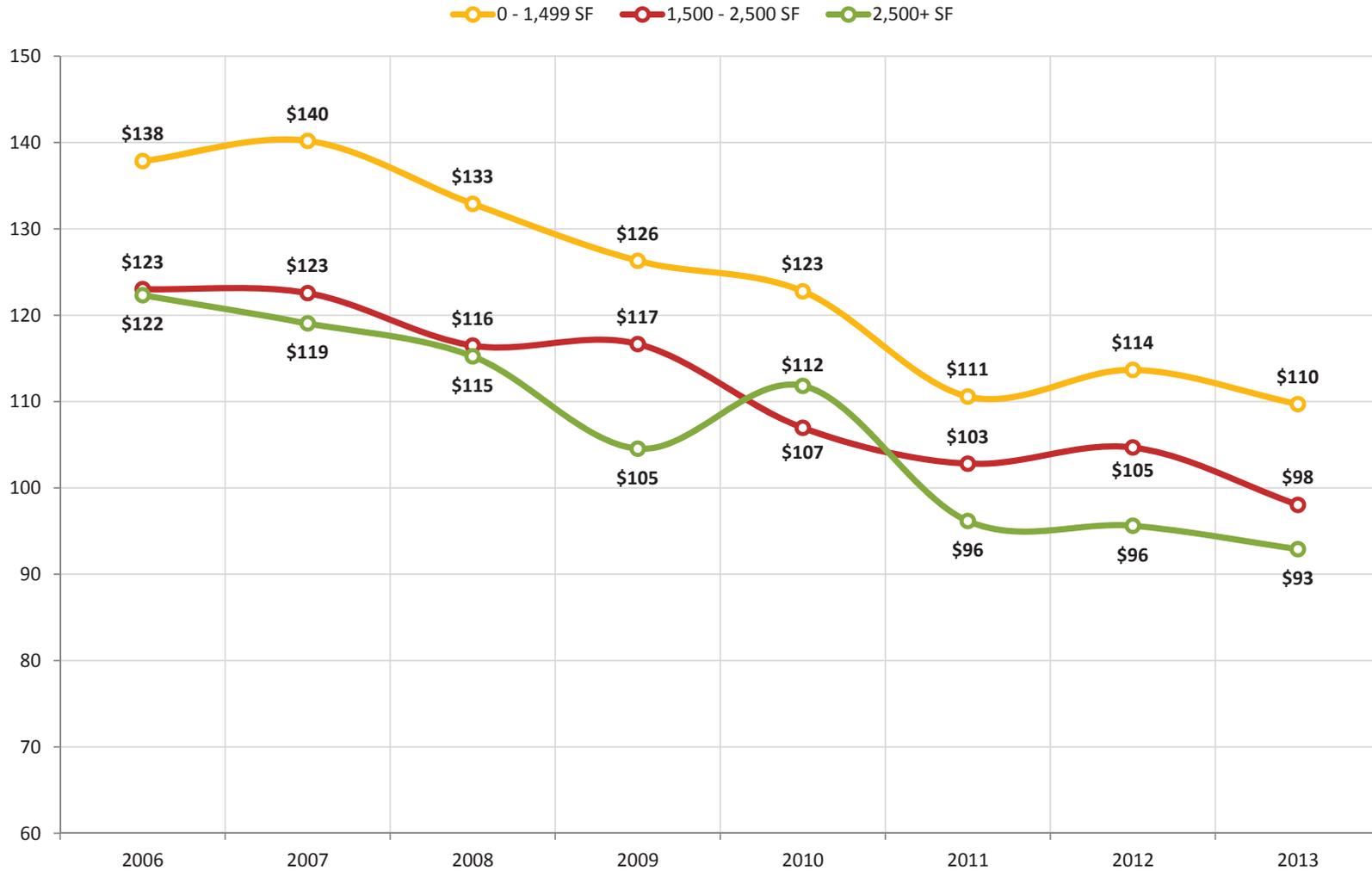
### Harrisonburg & Rockingham County Median Price Per Square Foot Trends Single Family Homes



**Price per square foot showing possible signs of stability.** 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.

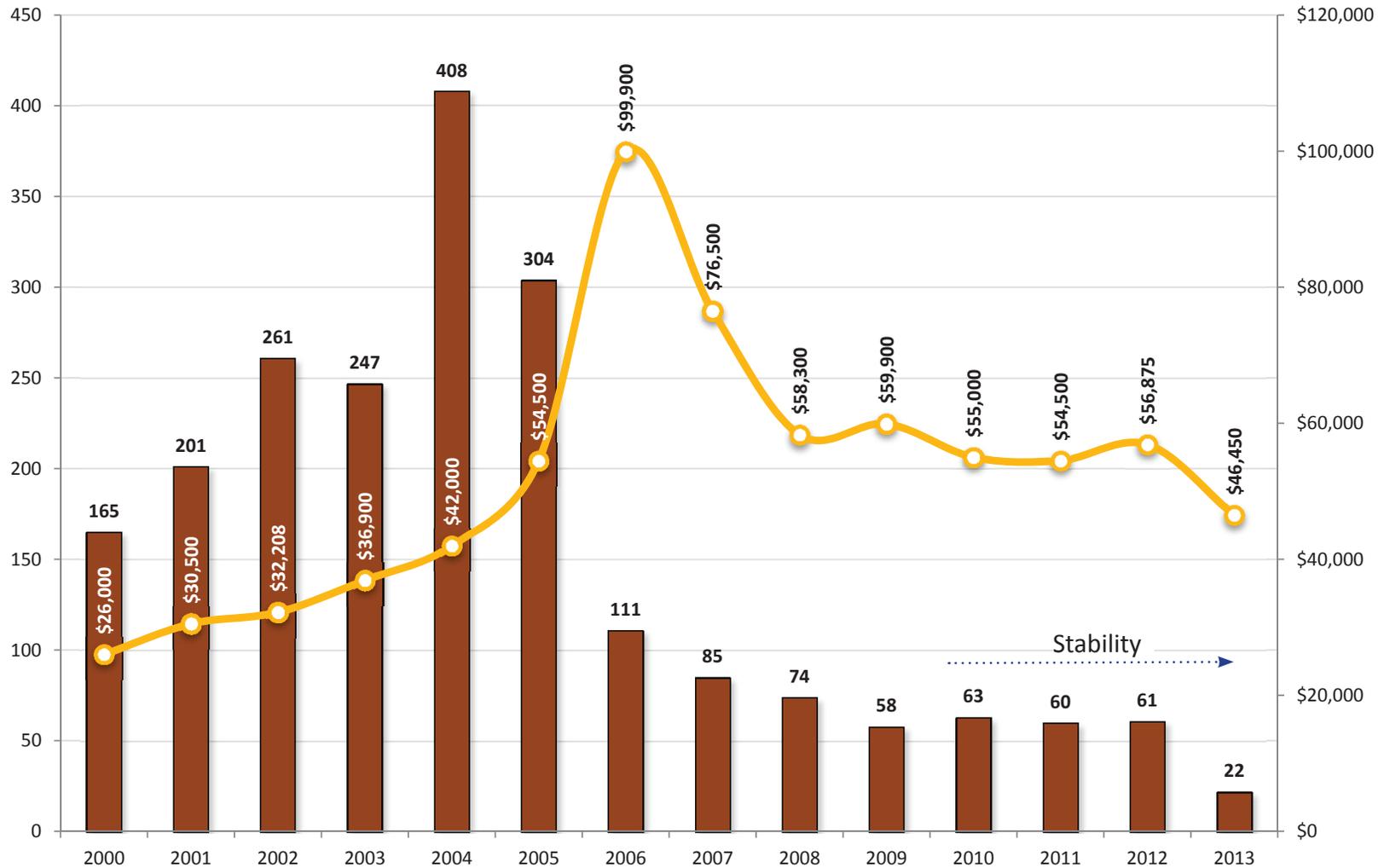
Harrisonburg & Rockingham County  
**Median Price Per Square Foot by Home Size**  
 Single Family Homes



**Prices decline slightly in all price ranges.** 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 (\$93/SF) than homes that offer less than 1500 SF (\$110/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.

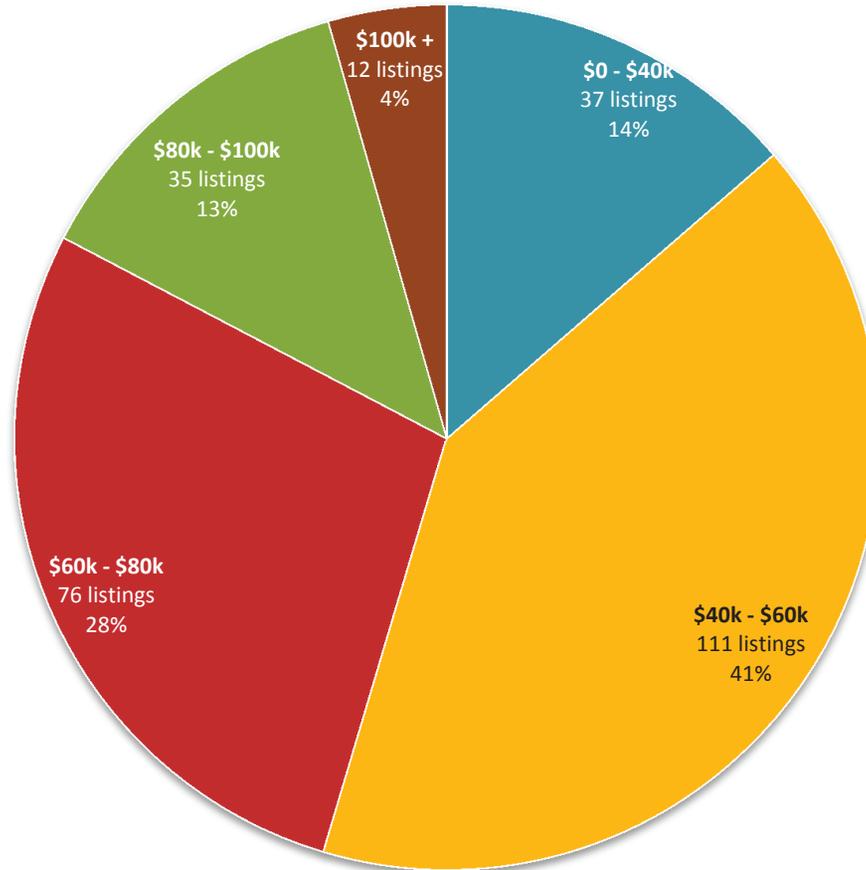
Harrisonburg & Rockingham County  
**Lot Sales & Median Prices**  
 less than 1 acre



**Lot sales (< 1 acre) stabilizing.** 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 63 lot sales

(of less than an acre) for each of the past four years (2009-2012). The median sales price of these lots under one acre also appears to be stabilizing between \$55,000 and \$60,000, aside from the \$46,450 YTD median sales price.

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

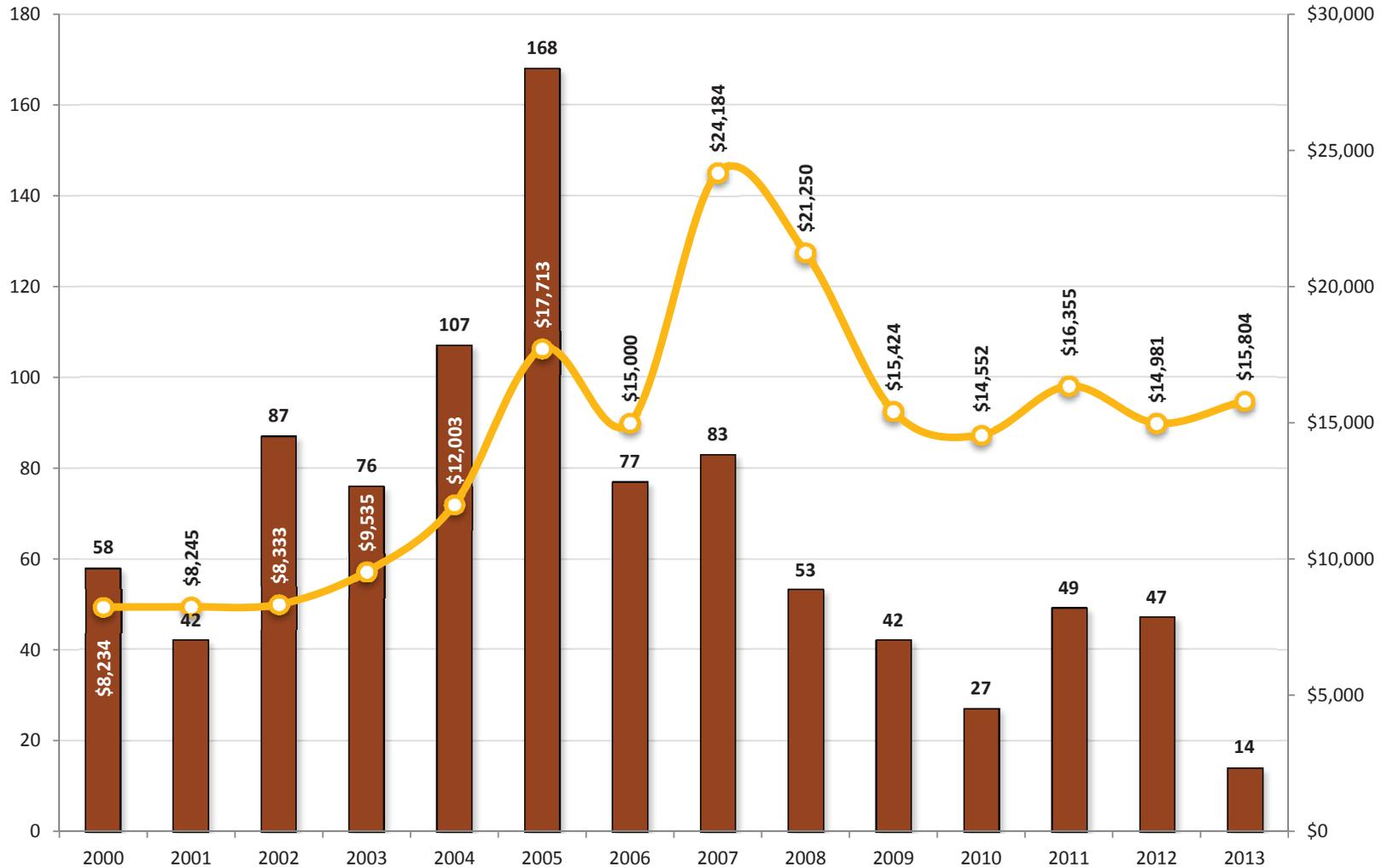


**271 Active Lot Listings; Median List Price: \$59,900**

**Many (many) building lots for sale.** Despite the fact that only 61 lots (of less than an acre) sold in all of 2012, there are a remarkable 271 lots currently for sale. Some sanity exists in this listing market, however, as the median list price of lots for sale (\$59,900) is only slightly higher than the 2012 median sales price of \$56,875. Given

last year's 61 lot sales, if no other lots were listed for sale, it would take 4.4 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) median sales prices.

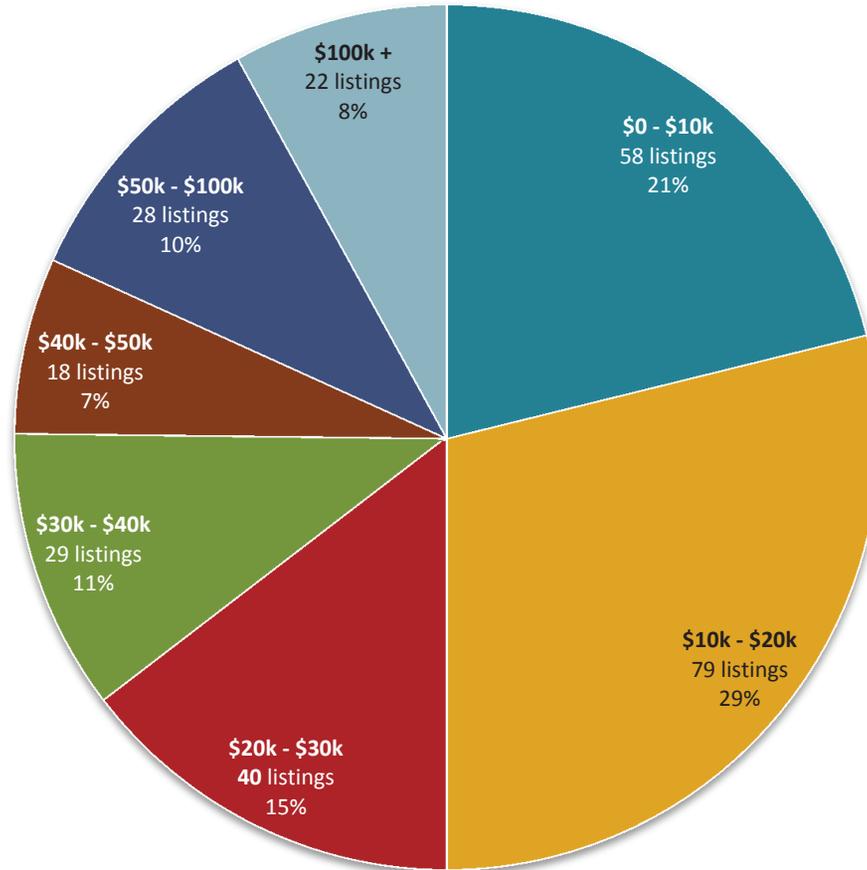
Harrisonburg & Rockingham County  
**Land Sales & Median Price Per Acre**  
 1 acre or more



**Larger lot sales mostly stable between 2008 and 2012.** Parcels of land larger than one acre in Harrisonburg or Rockingham County sold quite quickly in 2011 as compared to both 2010, but perhaps this was just continuing the trend of 42-53

lot sales per year seen between 2008 and 2012 (with the exception of 2010). The median price per acre of lots over 1 acre in size fell slightly over the past year to \$14,981 in 2012, though it has increased thus far in 2013 to \$15,804.

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

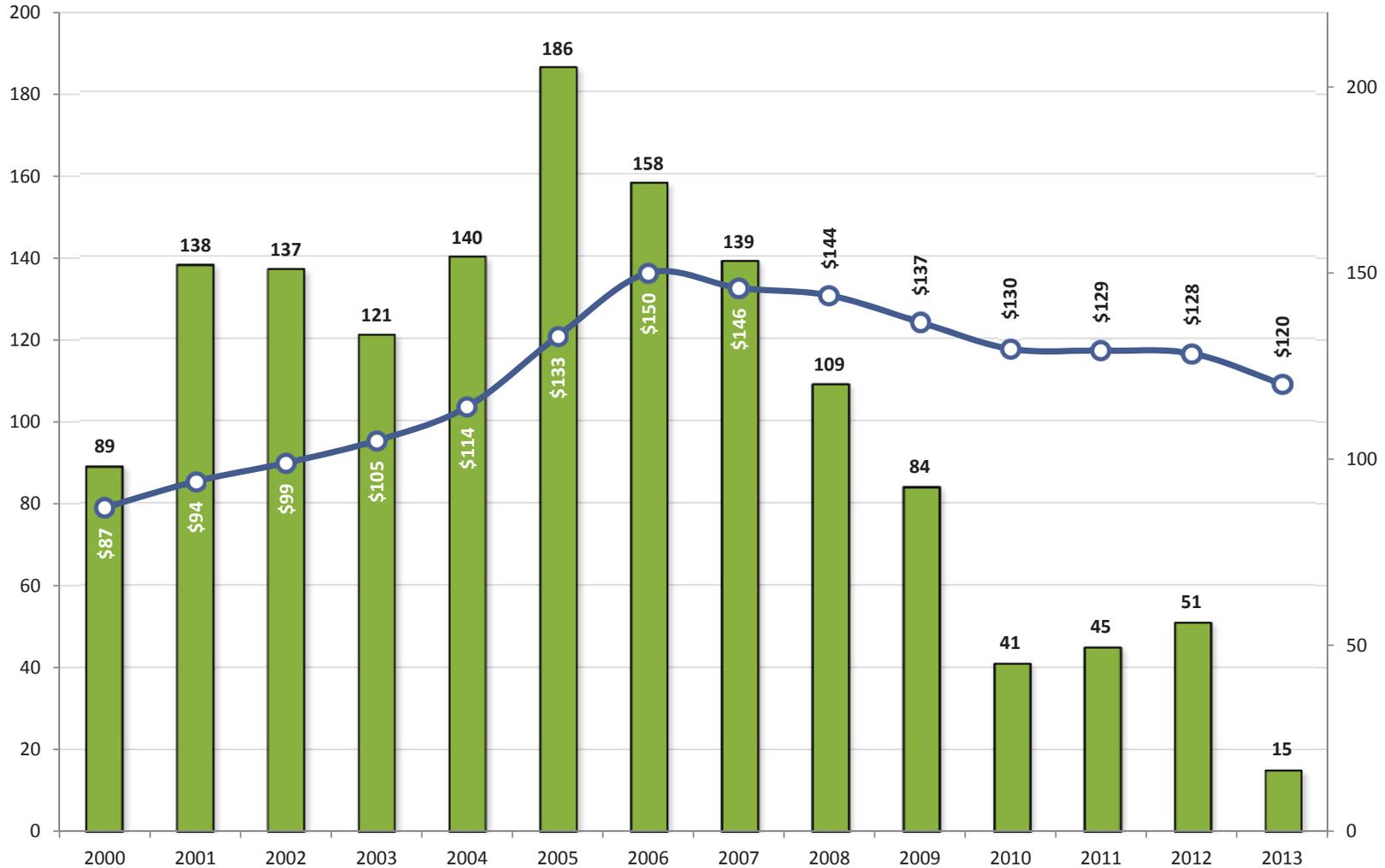


**274 Active Land Listing; Median List Price: \$20,143 / Acre**

**High (really high) levels of lot inventory.** Despite the fact that only 47 parcels of land (of one acre or more) sold in all of 2012, there are a remarkable 274 parcels of land currently for sale. Furthermore, despite the fact that the median sales price of land is hovering around \$15,000 per acre, the median list price of the 255 parcels

for sale is currently \$20,143 per acre. Given last year's 47 land sales, if no other land is listed for sale, it would take 5.8 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.

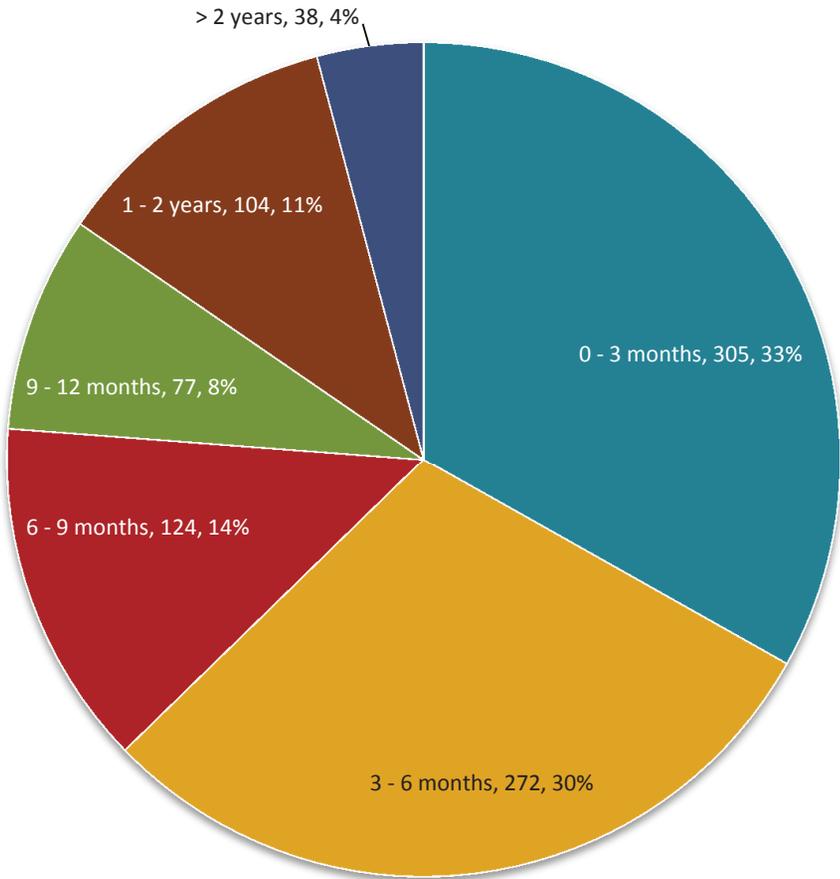
Harrisonburg & Rockingham County  
**New Construction Single Family Home Sales Trends**  
 Number of Sales, Median Price Per Square Foot



**New home sales increasing, prices stable.** New home builders experienced an increase in the pace of new home sales between 2011 and 2012 -- after a steady decline since 2005. These increases (41 to 45 to 51) in sales pace, however, still leave plenty of room for improvement. The median price per square foot also

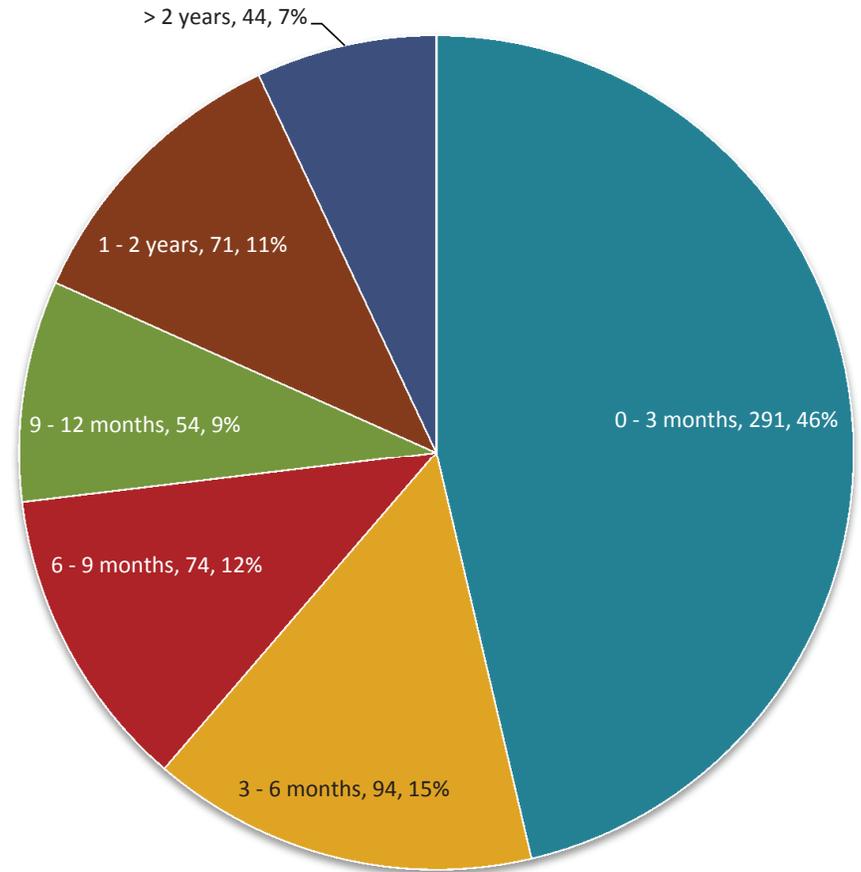
stabilized around \$128/SF last year, down only slightly over the previous two years. As the inventory of re-sale homes slims down, the sales of new homes should continue to increase.

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



**Median Days On Market: 139**

### Harrisonburg & Rockingham County Days on Market Analysis Active Listings

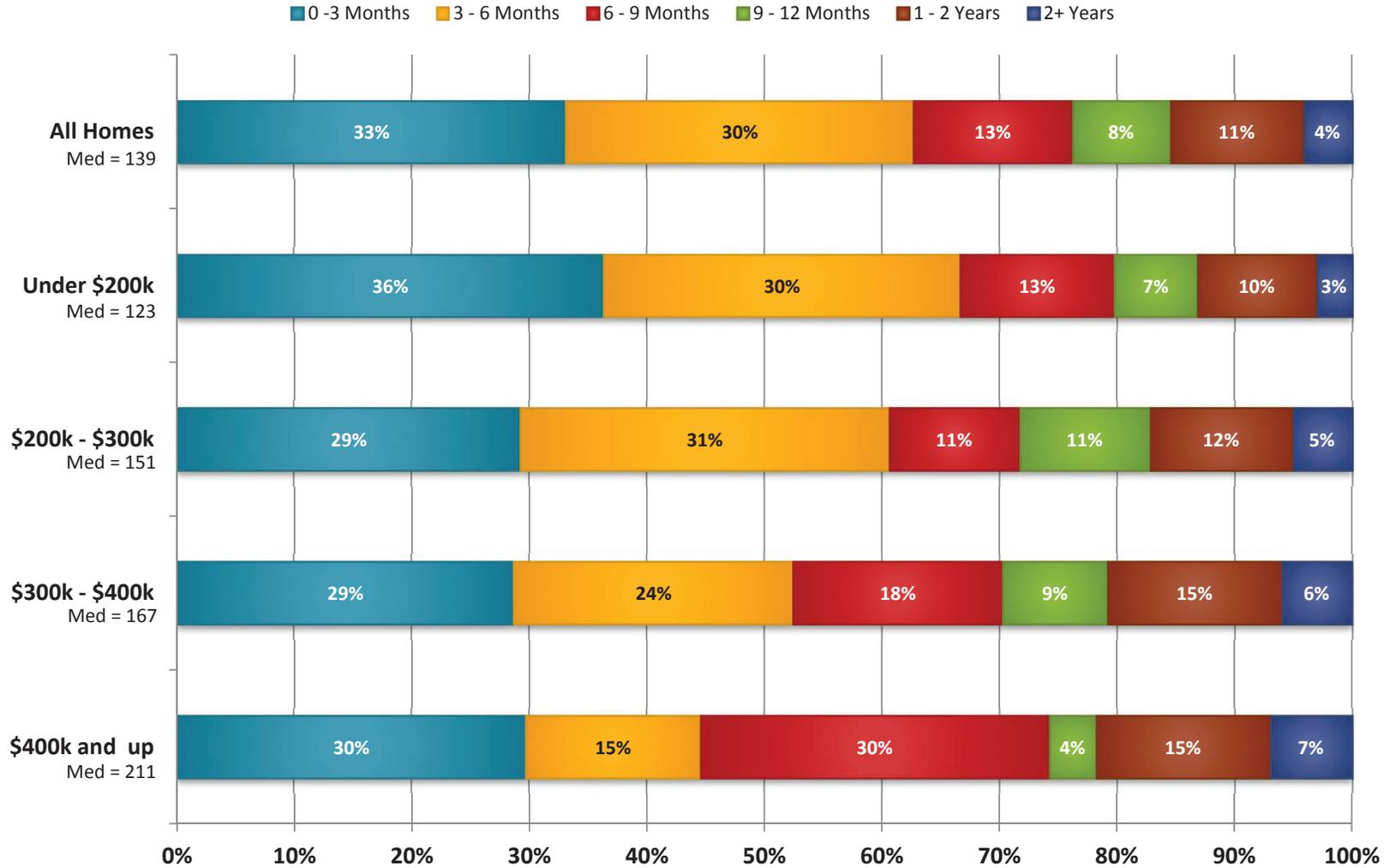


**Median Days On Market: 105**

**Days on market relatively low amongst many homes that actually slow.** Despite high inventory levels, and low numbers of buyers in the market, the homes that are actually selling are selling rather quickly. In fact, nearly 1 out of 3 homes (33%) that sells closes less than 90 days after being listed for sale. Include with that those

that close in the next 90 days and we find that an amazing 63% 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.

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

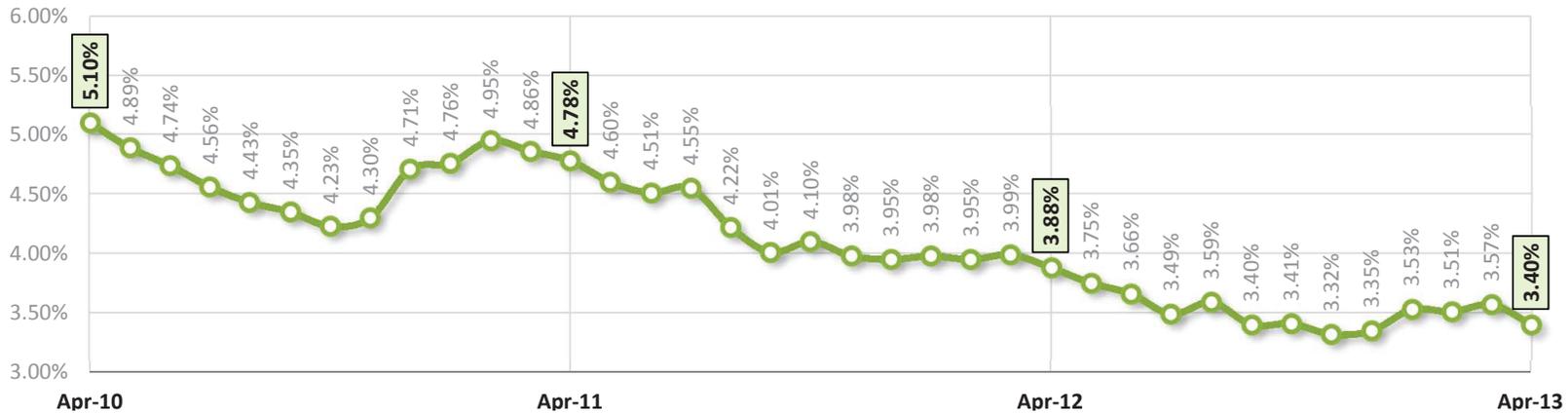


**Sales pace varies by price range.** The time that it takes to sell a home in today's market varies based on the price range of the home in question. For example, 66% of homes that sold under \$200K sold in the first six months of being on the

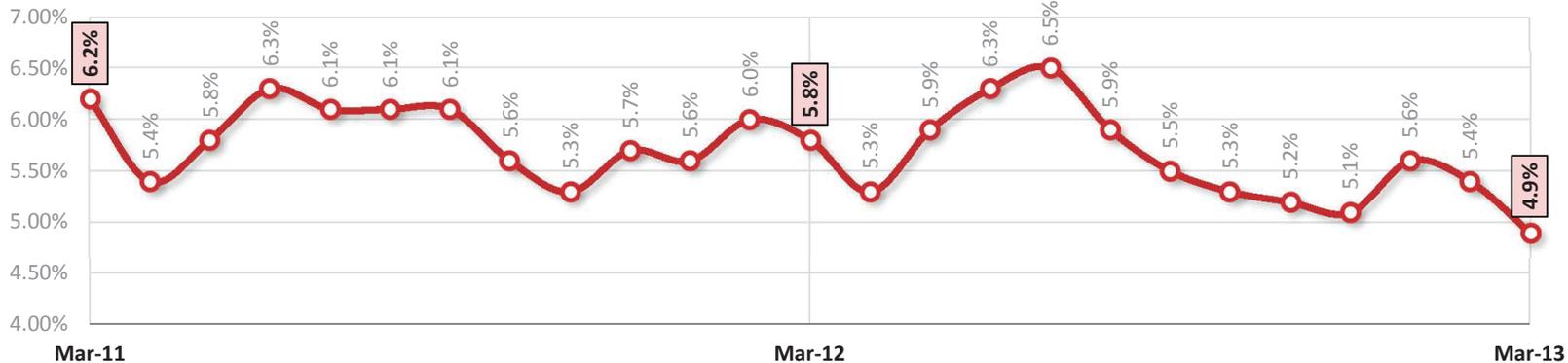
market, while only 45% of homes over \$400,000 were able to sell in that same time period.

### Average 30-Year Fixed Mortgage Interest Rate

Source: Freddie Mac



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



**Mortgage interest rates, unemployment rate down.** As shown in the top graph above, home buyers continue to find amazingly low interest rates on 30-year fixed rate mortgages, with the average rate declining again to 3.4%. The second graph above illustrates trends in the local unemployment rate -- which declined in March

to 4.9%, the lowest rate on record in the past two years. A stable local job market and 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, and 2012 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:

SCOTT P. ROGERS, Associate Broker  
540-578-0102 (mobile)  
[scott@HarrisonburgHousingToday.com](mailto:scott@HarrisonburgHousingToday.com)



*Guiding you through every move*

## Local Online Real Estate Resources . . . .

### Central Shenandoah Valley Property Search

<http://www.ScottPRogers.com>

### Monthly Real Estate Market Reports

<http://www.HarrisonburgHousingMarket.com>

### Ongoing Housing Market Analysis & Commentary

<http://www.HarrisonburgHousingToday.com>

### Comprehensive Data on Harrisonburg Townhouse Communities

<http://www.HarrisonburgTownhouses.com>

### New Construction Homes For Sale

<http://www.HarrisonburgNewHomes.com>

### Half Million (plus) Homes in Harrisonburg, Rockingham County

<http://www.HarrisonburgLuxuryHomes.com>

### Most Recent Listings in Harrisonburg, Rockingham County

<http://www.NewListingsInHarrisonburg.com>

### Trustee Sales in Harrisonburg & Rockingham County

<http://www.HarrisonburgForeclosures.com>

### Bank Owned Properties in Harrisonburg & Rockingham

<http://www.HarrisonburgREO.com>

### Potential Short Sales in Harrisonburg & Rockingham County

<http://www.HarrisonburgShortSales.com>

### Owner Financed Properties in Harrisonburg & Rockingham County

<http://www.HarrisonburgOwnerFinancing.com>

### Lease/Purchase Properties in Harrisonburg & Rockingham County

<http://www.HarrisonburgLeasePurchase.com>

### Property Transfers in Harrisonburg & Rockingham County

<http://www.HarrisonburgPropertyTransfers.com>