



# FEBRUARY 2014 Harrisonburg & Rockingham County Real Estate Market Report

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



Four Bedroom Colonial in Barrington with Walkout Basement, Fenced Yard . . . \$369,000 . . . [3050BaybrookDrive.com](http://3050BaybrookDrive.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: January

51 homes sold in January 2014, marking a 9% increase compared to January 2013 when 47 homes sold -- and a 31% increase over January 2012.

### Home Values: January

Median sales prices declined 1% and average sales prices declined 6% when comparing January 2014 to January 2013.

### Days on Market: January

The median time it took for a home to sell was 158 days in January 2014, a 16% decline from 189 days in January 2013 and virtually no change from January 2012.

### Foreclosures

11 trustee deeds have been recorded in 2014 compared to 51 total home sales reported through the HRAR MLS during the same timeframe.

### Inventory

Inventory levels increased in January 2014 to 555 residential properties currently for sale, up 5% from one month ago, but down 5% from one year ago.

### Pace of Home Sales: Year To Date

51 homes sold thus far in 2014. This marks a 9% increase over 2013 when only 47 homes had sold, and a 31% increase over 2012 when 39 homes had sold.

### Home Values: Year To Date

Median sales prices declined 1% and average sales prices declined 6% 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 158 days, a 16% decline compared to 2013 and no change from the median in 2012.

### Supply

The under \$200k and under \$300K price ranges are balanced (6 months of supply) but all other price ranges still show an excess of housing supply.

### Price Per Square Foot

Median price per square foot of single family homes has stayed steady at \$105/sf in 2014, as compared to \$105/sf in 2013 and \$104/sf in 2012.

### Buyer Activity

68 buyers committed to buy in January 2014, compared to 76 in 2013 -- marking a 11% decline in buyer activity over the past year, compared to a 15% increase since 2012.

### Single Family Home Sales

36 single family homes have sold thus far in 2014, compared to a total of 766 in 2013. The median sales price has declined to \$171,500.

### Townhouse Sales

15 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 \$155,000 thus far in 2014.

### Lot Sales

There have been 13 lot sales of less than an acre thus far in 2014, compared to 79 in all of 2013. Median sales prices have declined to \$43,500 thus far in 2014.

### Land Sales

6 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 increased (temporarily) to \$26,417.

# HOME SALES REPORT

Harrisonburg &amp; Rockingham County

February 11, 2014

# Home Sales	2011	2012	2013	2014	% Change ('12 - '13)
January	40	39	47	51	8.51%
<b>Year-To-Date (Jan)</b>	40	<b>39</b>	<b>47</b>	<b>51</b>	<b>8.51%</b>

Median Sales Price	2011	2012	2013	2014	% Change ('12 - '13)
January	\$165,500	\$195,000	\$159,500	\$157,750	-1.10%
<b>Year-To-Date (Jan)</b>	\$165,500	<b>\$195,000</b>	<b>\$159,500</b>	<b>\$157,750</b>	<b>-1.10%</b>

Average Sales Price	2011	2012	2013	2014	% Change ('12 - '13)
January	\$203,895	\$201,361	\$179,597	\$169,259	-5.76%
<b>Year-To-Date (Jan)</b>	\$203,895	<b>\$201,361</b>	<b>\$179,597</b>	<b>\$169,259</b>	<b>-5.76%</b>

Median Days on Market	2011	2012	2013	2014	% Change ('12 - '13)
January	160	159	189	158	-16.40%
<b>Year-To-Date (Jan)</b>	<b>160</b>	<b>159</b>	<b>189</b>	<b>158</b>	<b>-16.40%</b>

**Home Sales Increase 9% in January, Median Sales Slips Slightly.** We can't start to draw too many conclusions from this data, as we are only working with one month of home sales --- but thus far, there has been a 8.5% increase in the pace of home sales in 2014. This has, though, been accompanied by a 1% decline in median sales

price and a 6% decline in average sales price. Given recent increases in both of these metrics, I suspect these declines in sales prices during January is related to a small data set, and that as we have February and March data mixed in, we will see continued growth in sales prices.

# HOME SALES REPORT :: BY AREA

# Home Sales	City of Harrisonburg			Rockingham County		
	2013	2014	% Change	2013	2014	% Change
January	13	17	30.77%	34	34	0.00%
<b>Year-To-Date</b>	<b>13</b>	<b>17</b>	<b>30.77%</b>	<b>34</b>	<b>34</b>	<b>0.00%</b>

Median Sales Price	City of Harrisonburg			Rockingham County		
	2013	2014	% Change	2013	2014	% Change
January	\$175,000	\$155,000	-11.43%	\$157,251	\$159,200	1.24%
<b>Year-To-Date</b>	<b>\$175,000</b>	<b>\$155,000</b>	<b>-11.43%</b>	<b>\$157,251</b>	<b>\$159,200</b>	<b>1.24%</b>

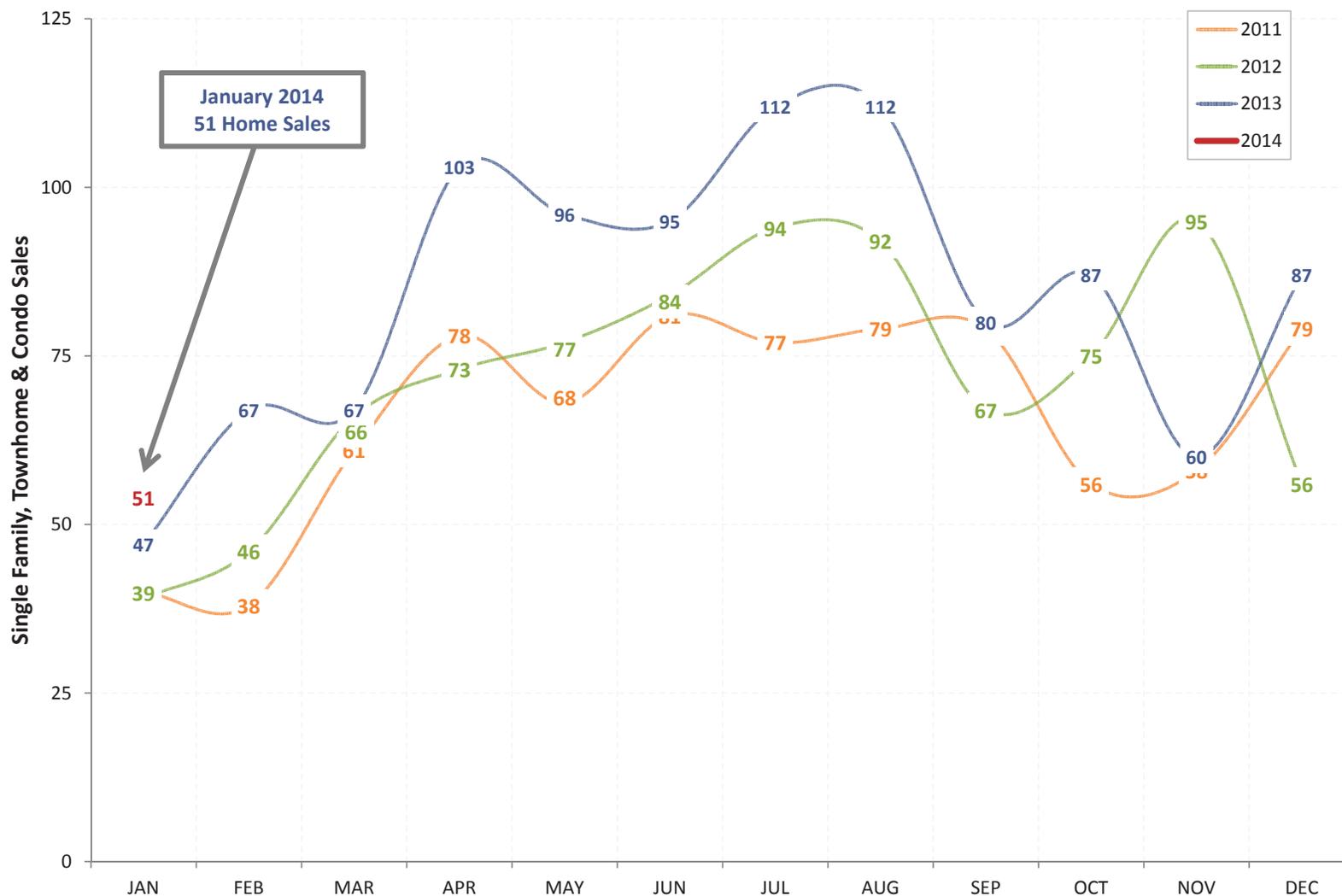
  

Median Days on Market	City of Harrisonburg			Rockingham County		
	2013	2014	% Change	2013	2014	% Change
January	150	120	-20.00%	203	169	-16.75%
<b>Year-To-Date</b>	<b>150</b>	<b>120</b>	<b>-20.00%</b>	<b>203</b>	<b>169</b>	<b>-16.75%</b>

**Sales pace increasing in County, but prices increasing in the City.** The data tables above explores overall sales trends of properties in the City of Harrisonburg as compared to Rockingham County. We again only have one month of data to work with, so some of these metrics are likely not indicative of overall market trends. That

said, City home sales were stronger (+31%) this January as compared to last January --- while County sales stayed consistent from year to year. In contrast, home prices stayed steady (+1%) in the County, while they declined (-11%) in the City.

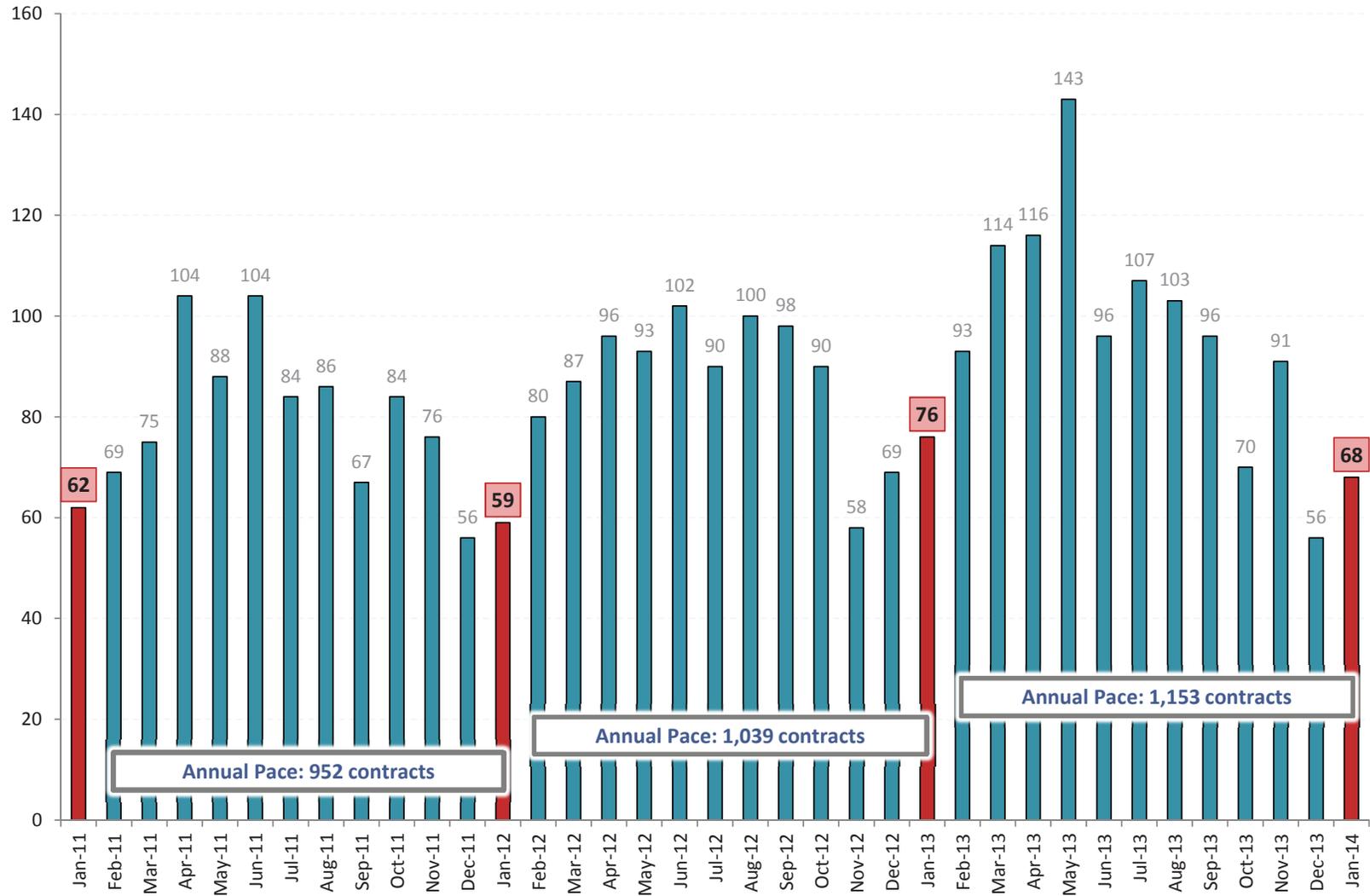
### Harrisonburg & Rockingham County Month-By-Month Home Sales History



**January Shows Strong Start to 2014.** Last year was a great year for home sales in Harrisonburg and Rockingham County --- with nearly every month being stronger than the same month during the previous year. January has started out 2014 well --- with 51 home sales --- more than we have seen in any of the previous three

Januaries. If last February is any indication, we should see a strong month of home sales next month --- that said, there was an incredible amount of snow, ice and cold weather in January, which may have resulted in fewer buyers than normal contracting on properties.

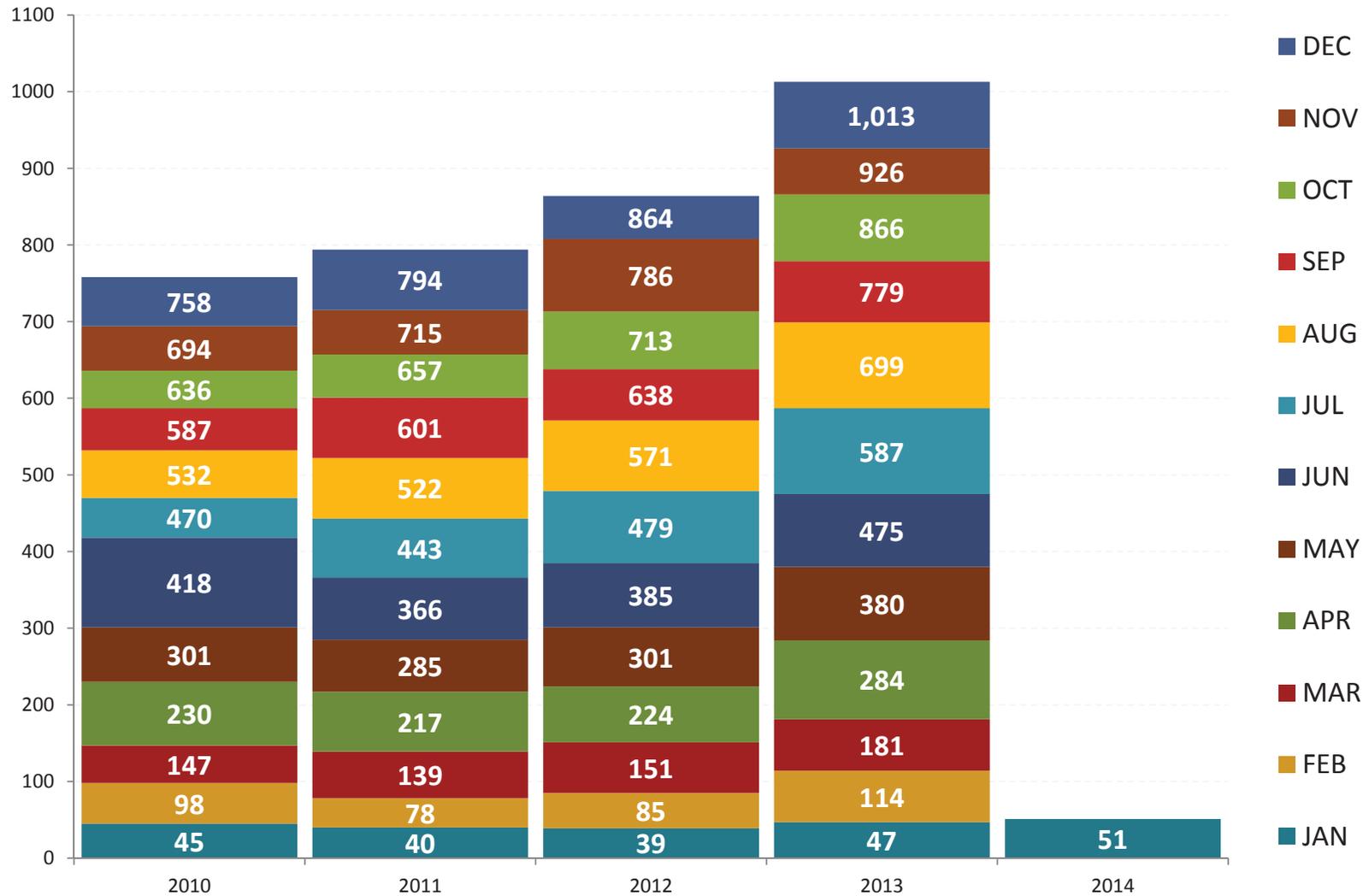
Harrisonburg & Rockingham County  
**Buyers Per Month Committing to Buy Properties**



**Buyer activity drops off a bit in January.** Year over year contract writing is still on the rise -- with 1,153 contracts in the past 12 months as compared to 1,039 contracts in the previous 12 months. That said, buyer activity waned a bit in January 2014, with only 68 contracts signed by buyers (and sellers) as compared to 76 the

previous January. The weather, however, likely played a role in that decline, as we had lots of snow, ice, frigid weather and school closings during January that may have limited buyers from getting out to view homes.

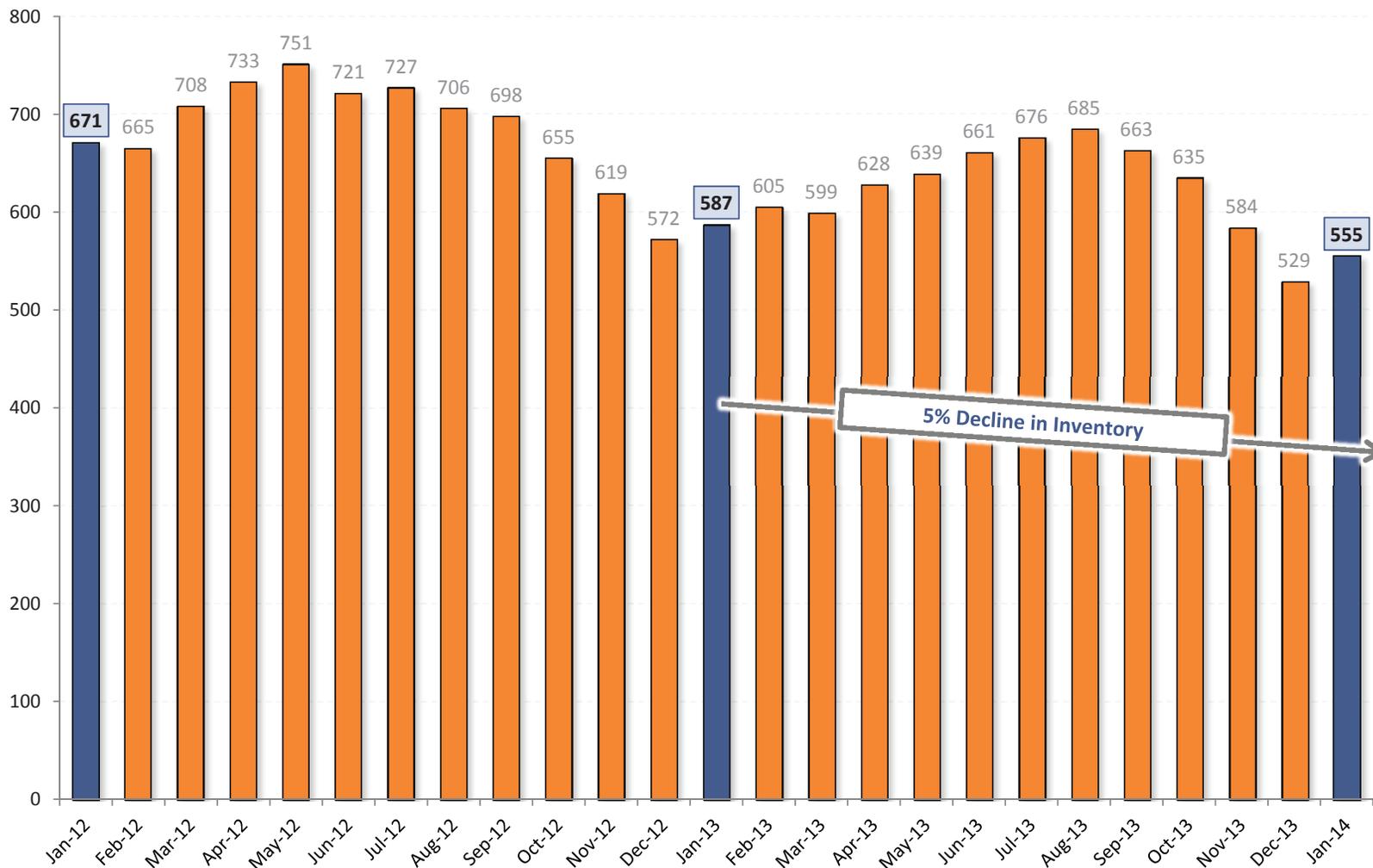
### Harrisonburg & Rockingham County Monthly Cumulative Residential Sales



**An encouraging multi-year growth pattern.** This graph shows the month by month cumulative count of residential sales in Harrisonburg and Rockingham County. Last year's home sales (1,013) exceeded 2012 home sales (864), and this year is starting off well with 51 home sales in January. As we can see above, this is the strongest

January of home sales that we have seen in our local market since at least 2010. We are likely to see somewhat of an increase in home sales during February, though it may be weaker than expected due to weather events in January that limited buyers from going to view homes.

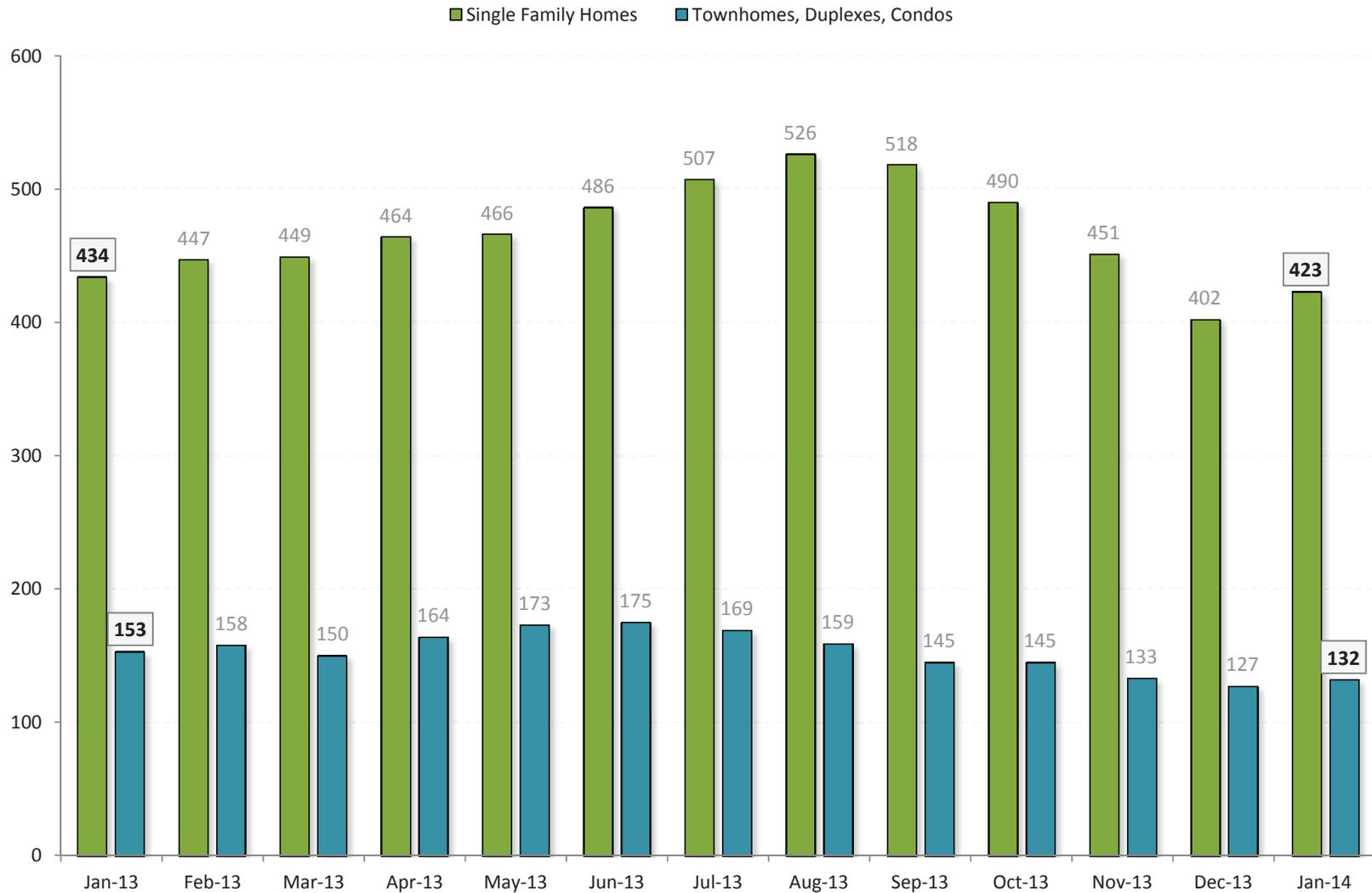
Harrisonburg & Rockingham County  
**Inventory Levels**  
 (end of month)



**Inventory starts to increase again in January.** As is typical, we are starting to see inventory levels increase as we enter into 2014. We saw a net gain of 26 homes for sale in January 2014, though we have still seen a 5% year-over-year increase when comparing January 2014 (555 homes for sale) to January 2013 (587 homes for

sale). It is even more striking to look back two years, where we will see that buyers had 671 homes to choose from -- and each seller had 670 homes to compete with. Overall declines in inventory will likely frustrate buyers this Spring, but also help home prices to start to recover.

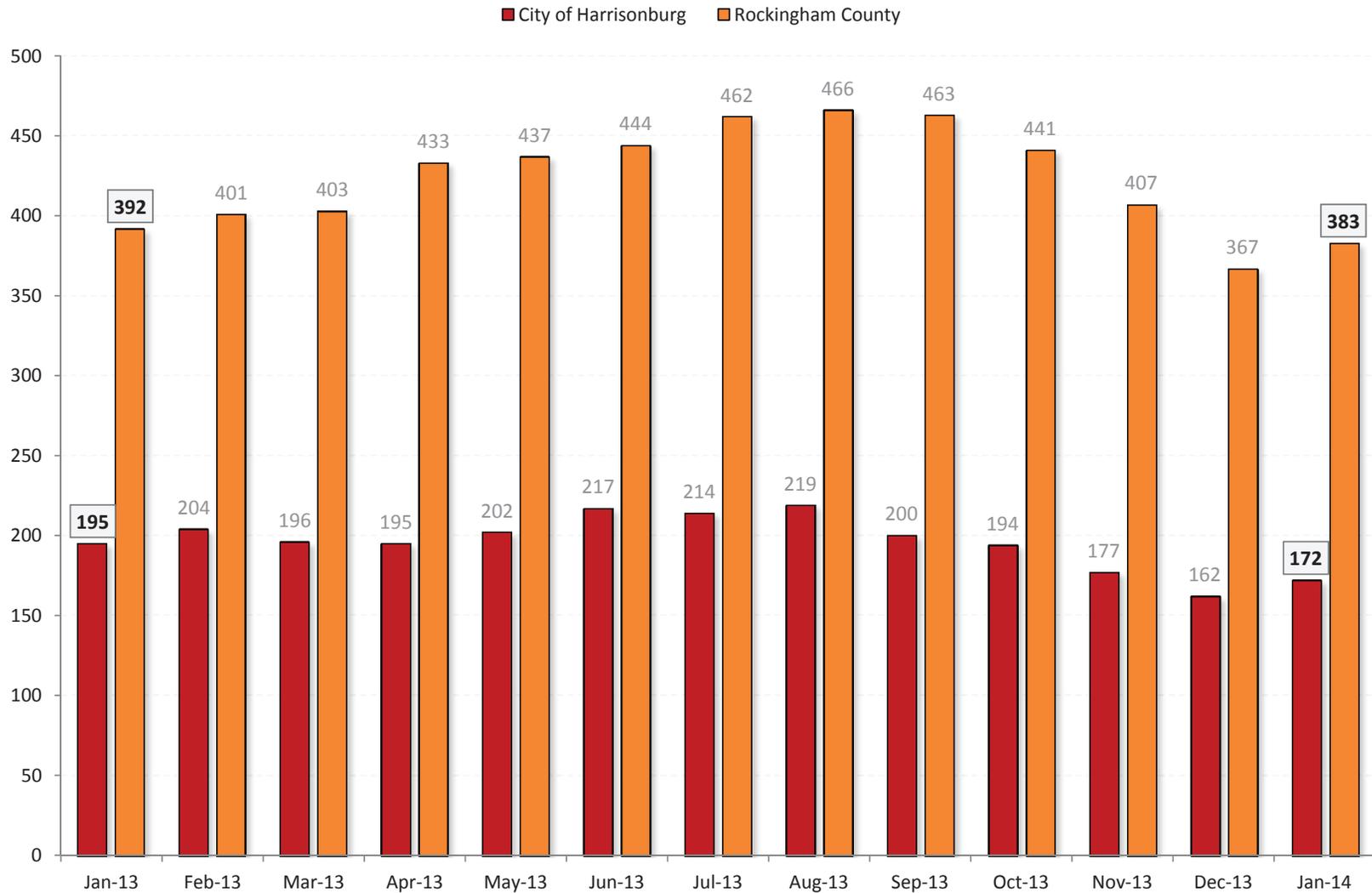
### Harrisonburg & Rockingham County Inventory Levels by Property Type



**Single family home inventory levels increasing first this year.** There has not been a significant difference in changes in inventory levels of detached (single family) versus attached (duplex, townhouse condos) homes over the past year. That said, the increase in inventory in January 2014 was mostly comprised of single family

homes, as opposed to townhouses, duplexes and condos. When looking back a full year, to the end of last January, we see that there were very similar numbers of each property type on the market for buyers to consider.

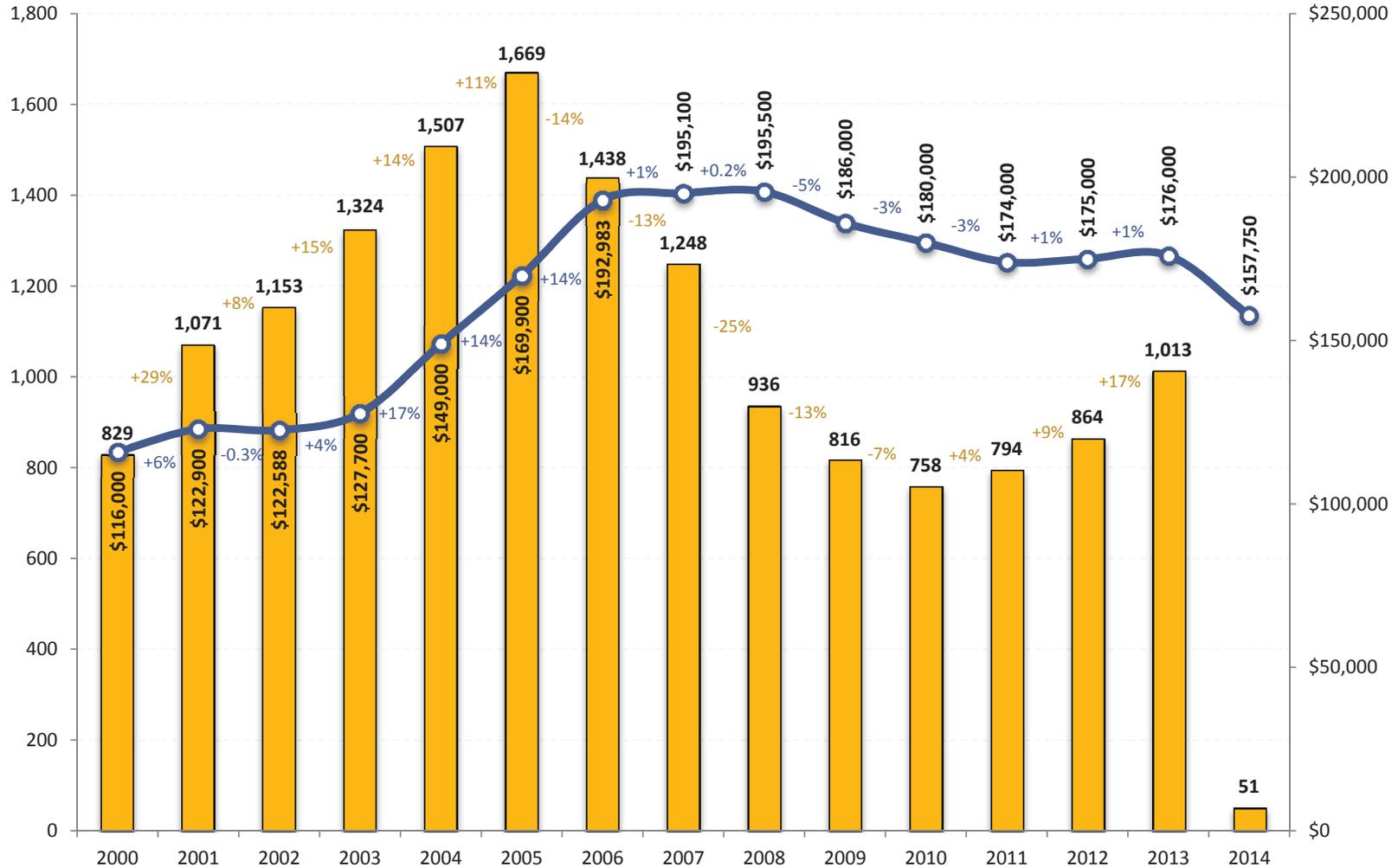
### Harrisonburg & Rockingham County Inventory Levels by Property Location



**Changes in inventory levels similar in City, County.** Inventory levels have declined in both the City and County over the past year, with a 2% decline in County listing inventory from 392 homes to 383 homes, and a 12% decline in City listing inventory from 195 homes to 172 homes. Inventory levels in the City and County both peaked

in August of this past year, with relatively rapid declines in inventory levels after that point. We are likely to continue to see inventory increase in both the City and County over the coming months as we enter the busier Spring real estate market.

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

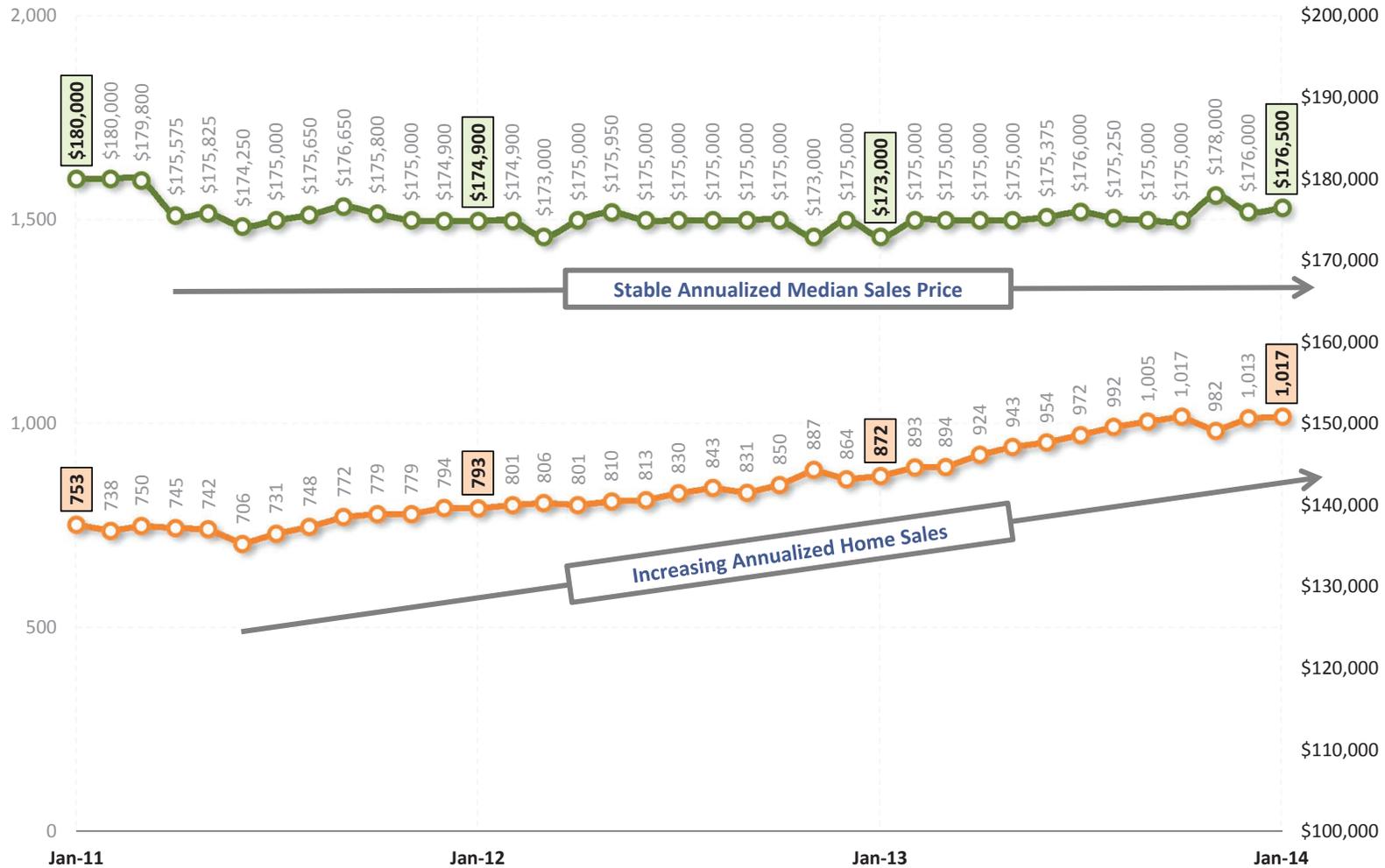


**Buyer activity increasing; home prices likely still improving.** This graph provides an overall indicator of the state of our housing market, showing both the number of homes being sold each year since 2000 (yellow bars) as well as changes in the median sales price during the same time period (blue 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. Home values also have crept up a bit more, showing a 1% improvement over the past year, which followed a 1% improvement from the prior year.

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

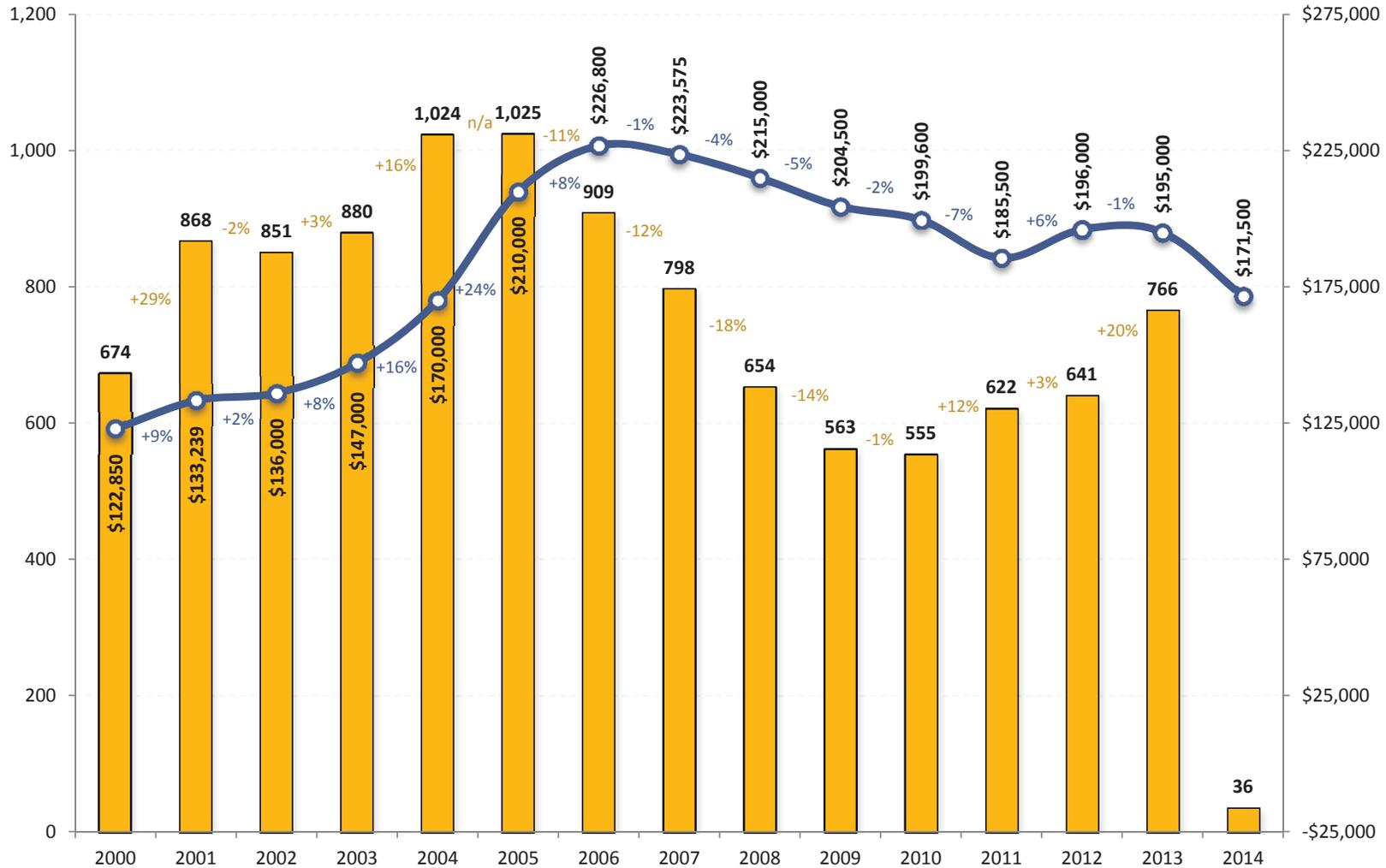
# Home Sales, Median Sales Price in each 12 Month Period



**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 remain strong, at 1,017 sales in the past 12 months, the highest level seen in the past three years, and median sales prices continue to stay in the \$173K - \$178K range, though currently resting at \$176,500.

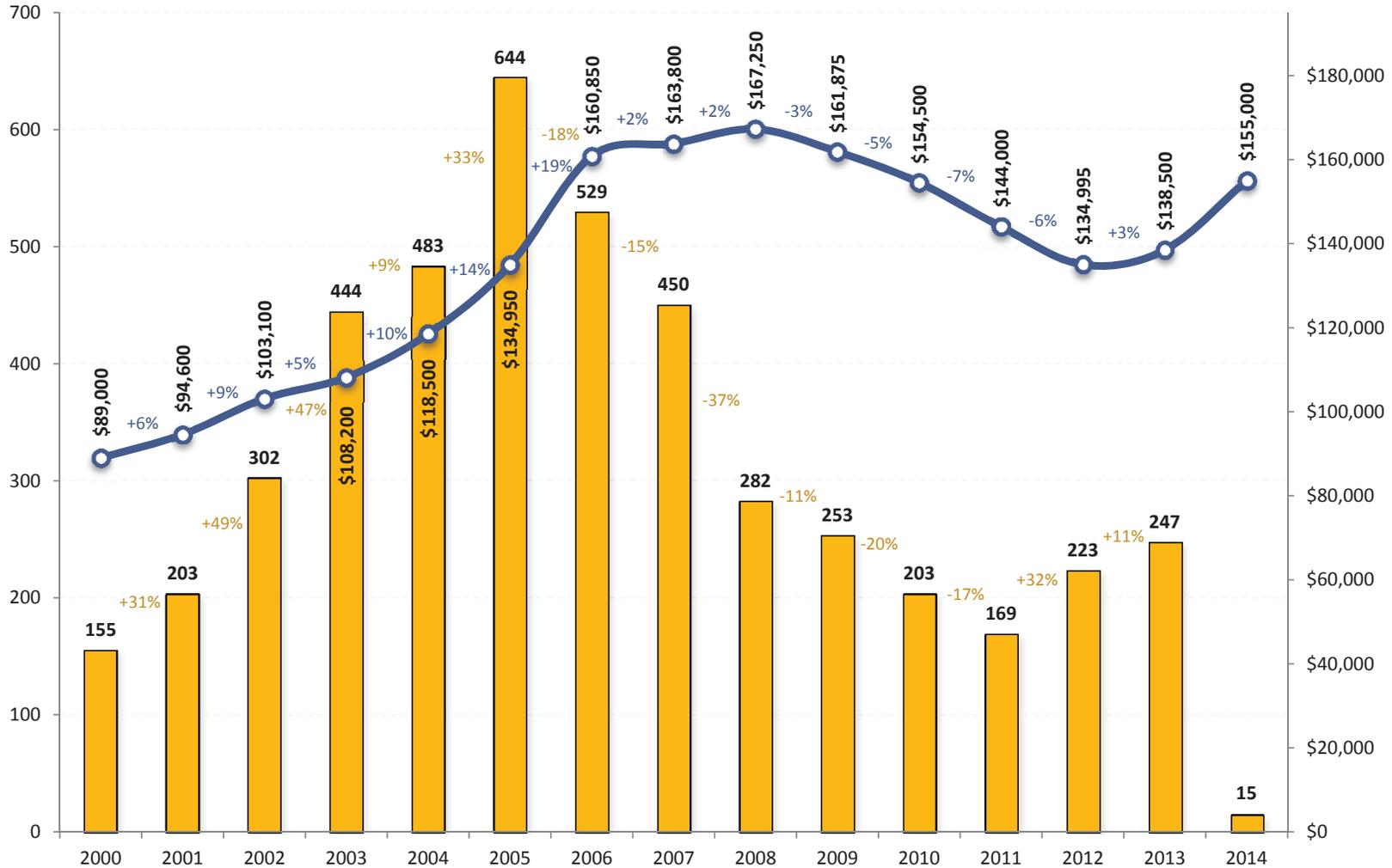
### Harrisonburg & Rockingham County Home Sales & Price Trends Single Family Homes



**Single family home sales surge past 2012 levels.** 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. This is the third year of improvement in the pace of single family homes, and hopefully an indication that we will see continued growth in this metric in 2014.

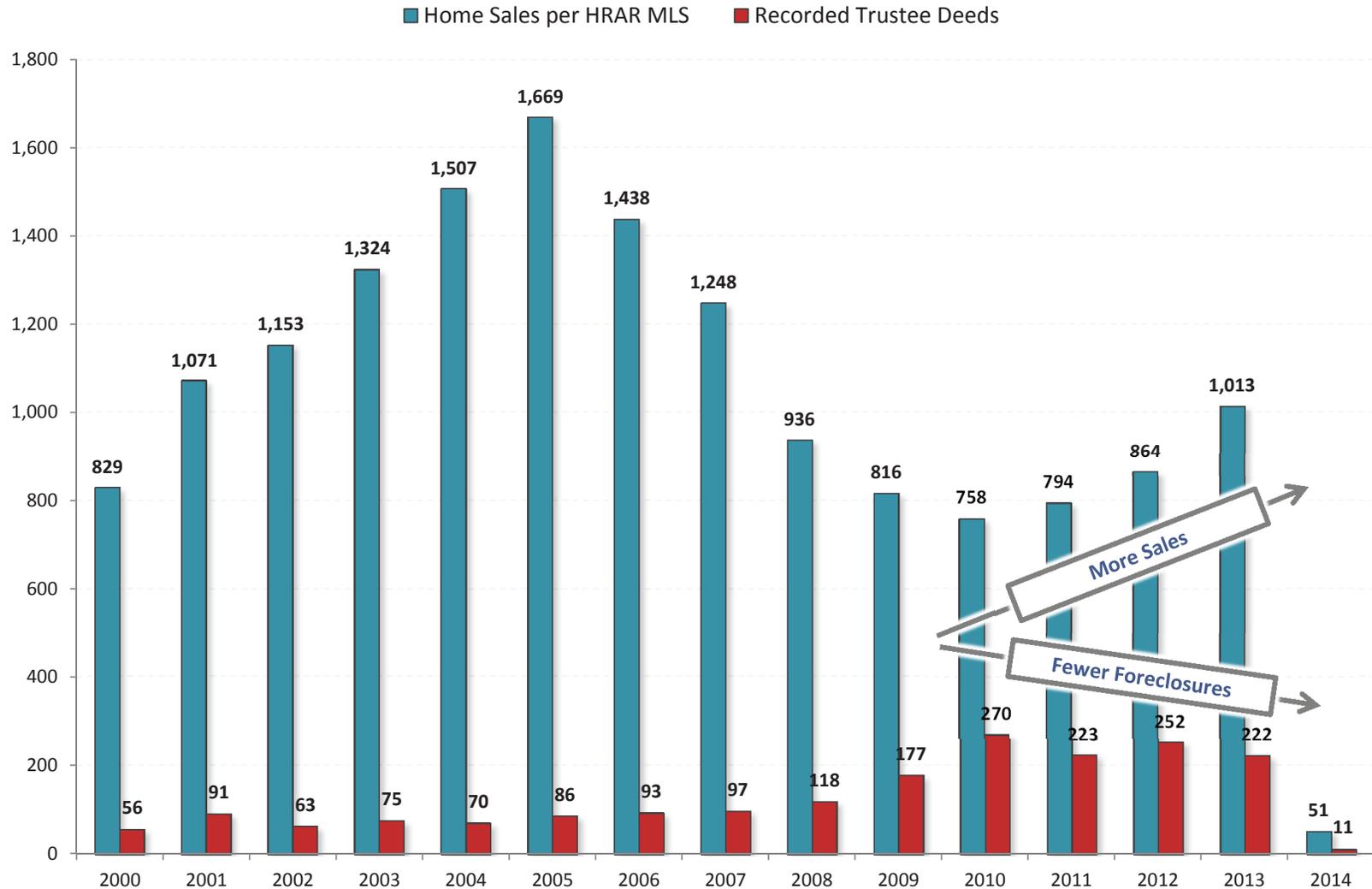
### Harrisonburg & Rockingham County Home Sales & Price Trends Duplexes, Townhomes & Condos



**Townhouse sales picking up pace.** 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 this segment of our local market has recovered nicely over the past 12 months and is poised for further growth in 2014.

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

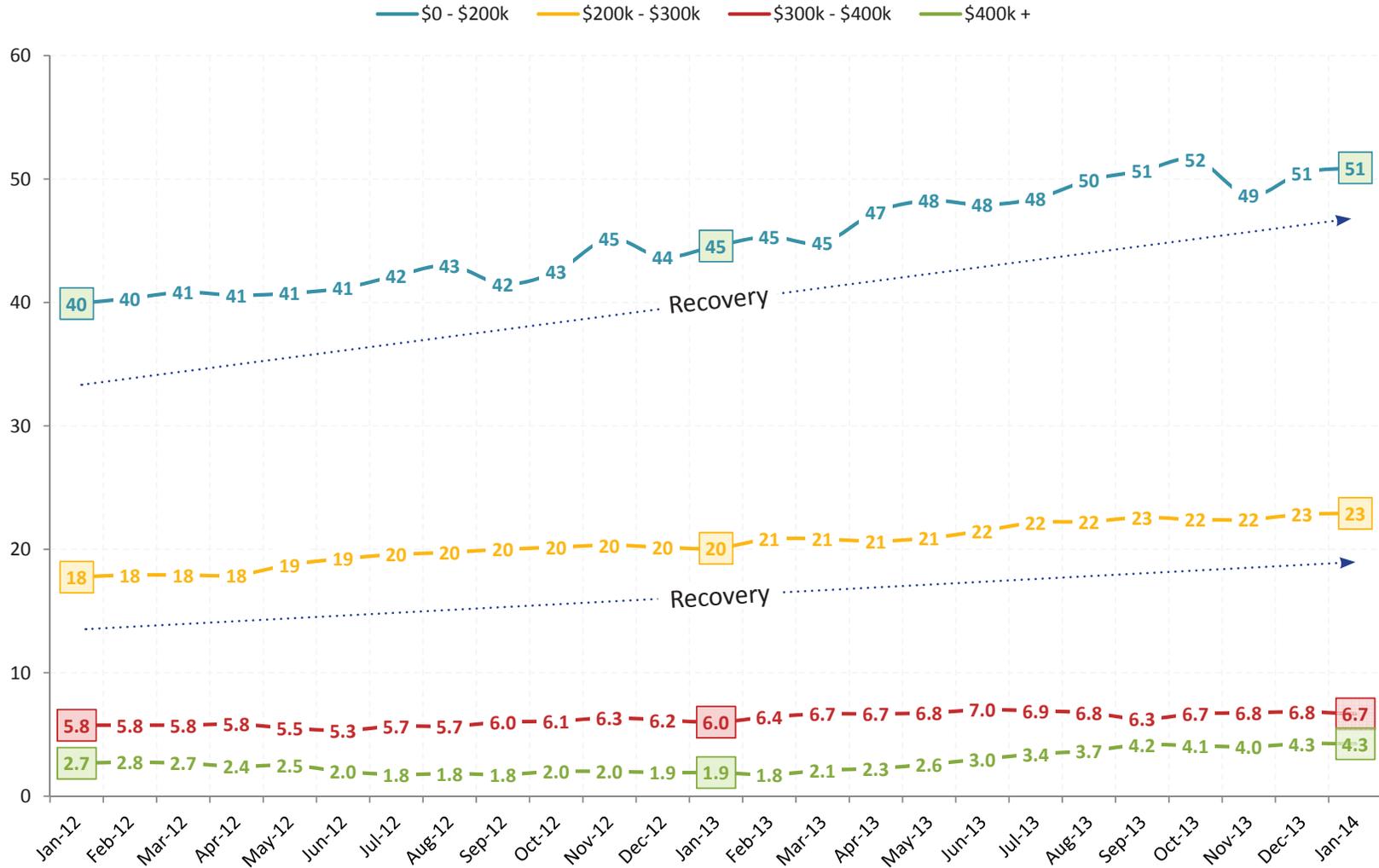


**Foreclosures decline in 2013.** The graph above is a comparison of two imprecise measures -- but the comparison can still be helpful. The blue bars show the number of home sales recorded in the HRAR MLS -- this does not include private sales (without a Realtor), nor new home sales directly from a builder.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

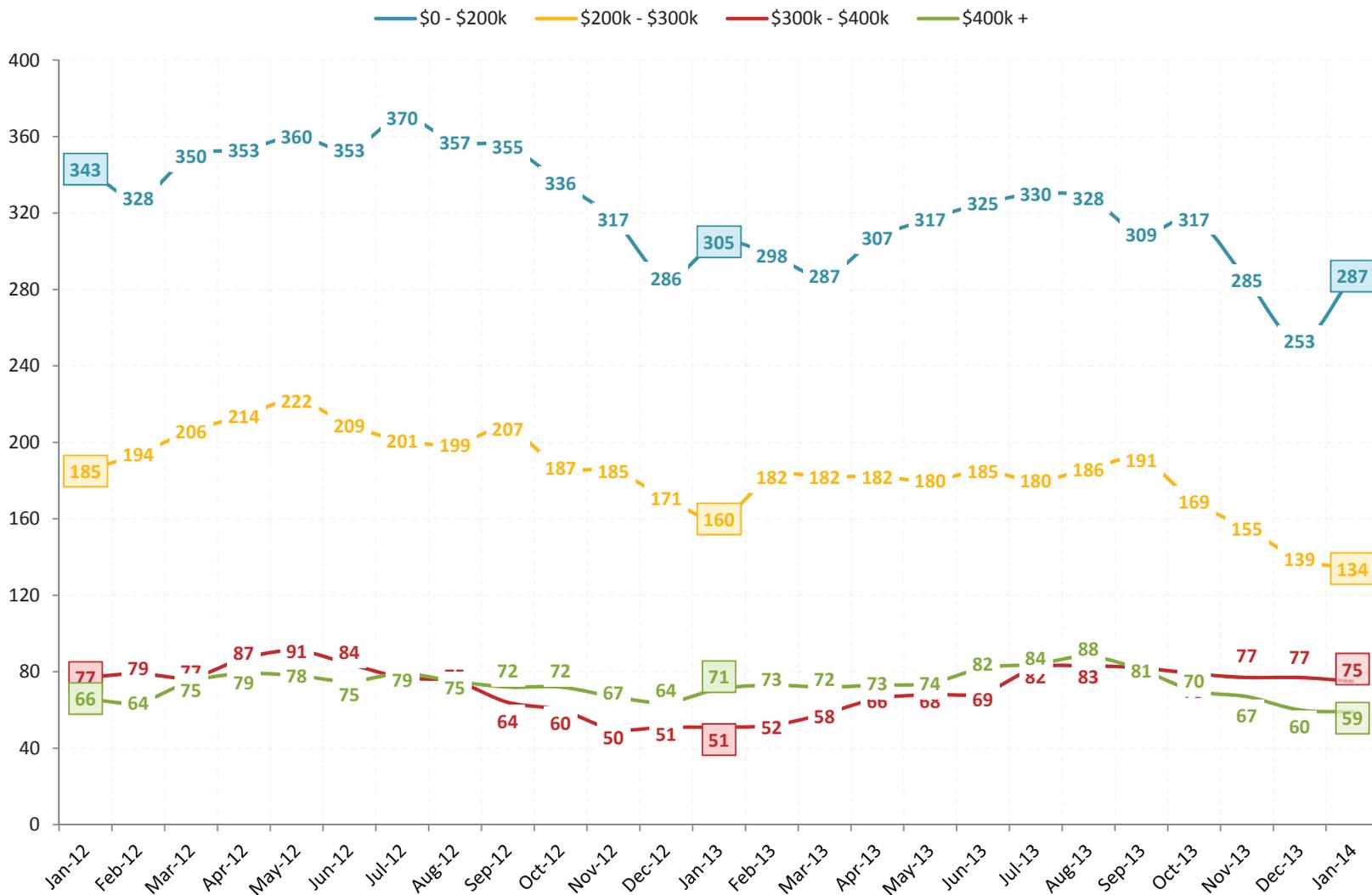
(Average of Past 12 Months)



**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 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 12 months has been in \$400K+ homes, which have shown a 159% improvement in the pace of sales.

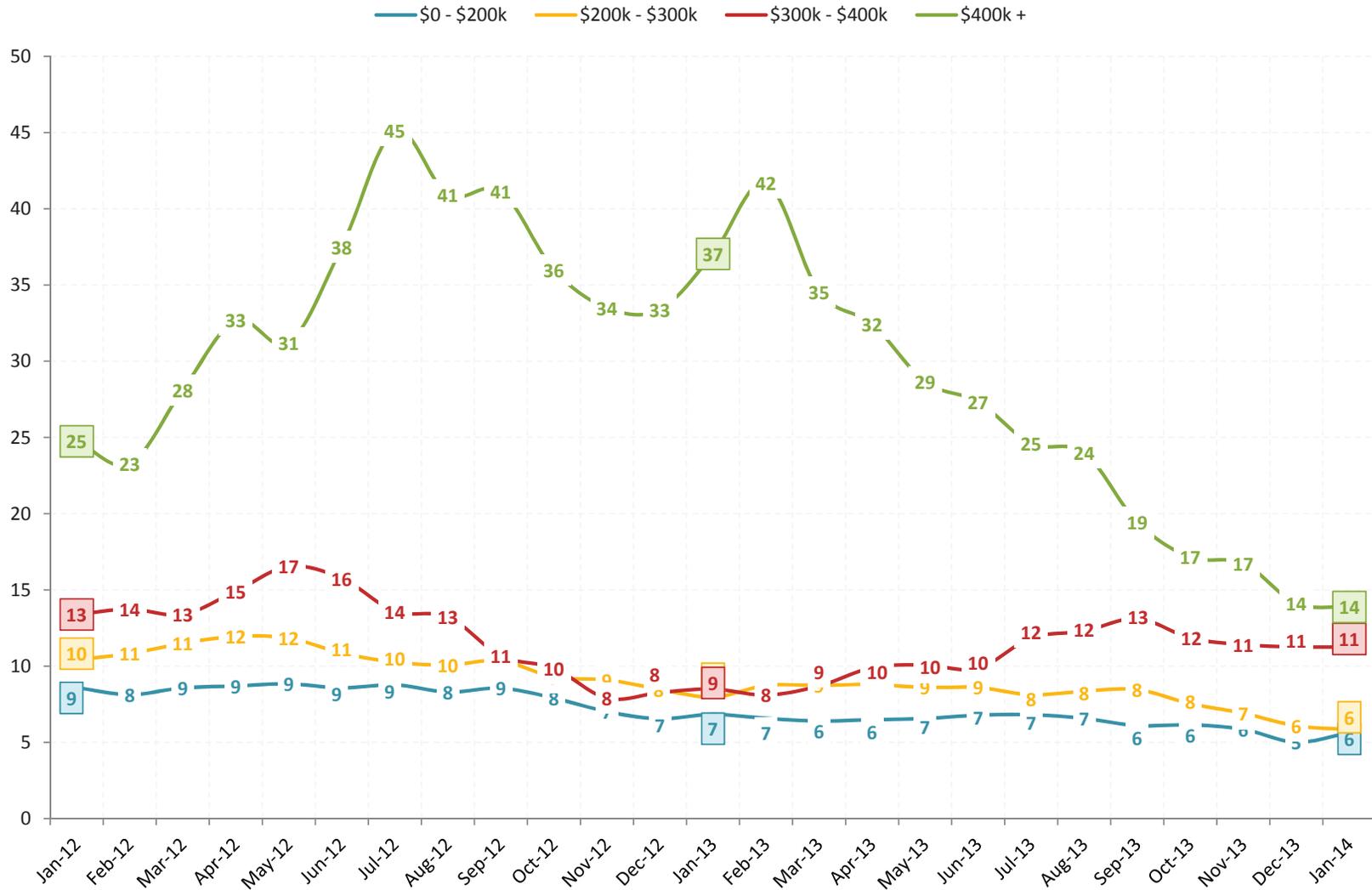
### Harrisonburg & Rockingham County Inventory Levels by Price Range



**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 16% in the under \$200K price range and 28% in the \$200K-\$300K price range over the past two years.

The \$300K - \$400K price range has seen a decline in inventory levels over the past two years, but an increase of 47% over the past 12 months, and the \$400K and up price range has shown relatively steady inventory levels over the past two years.

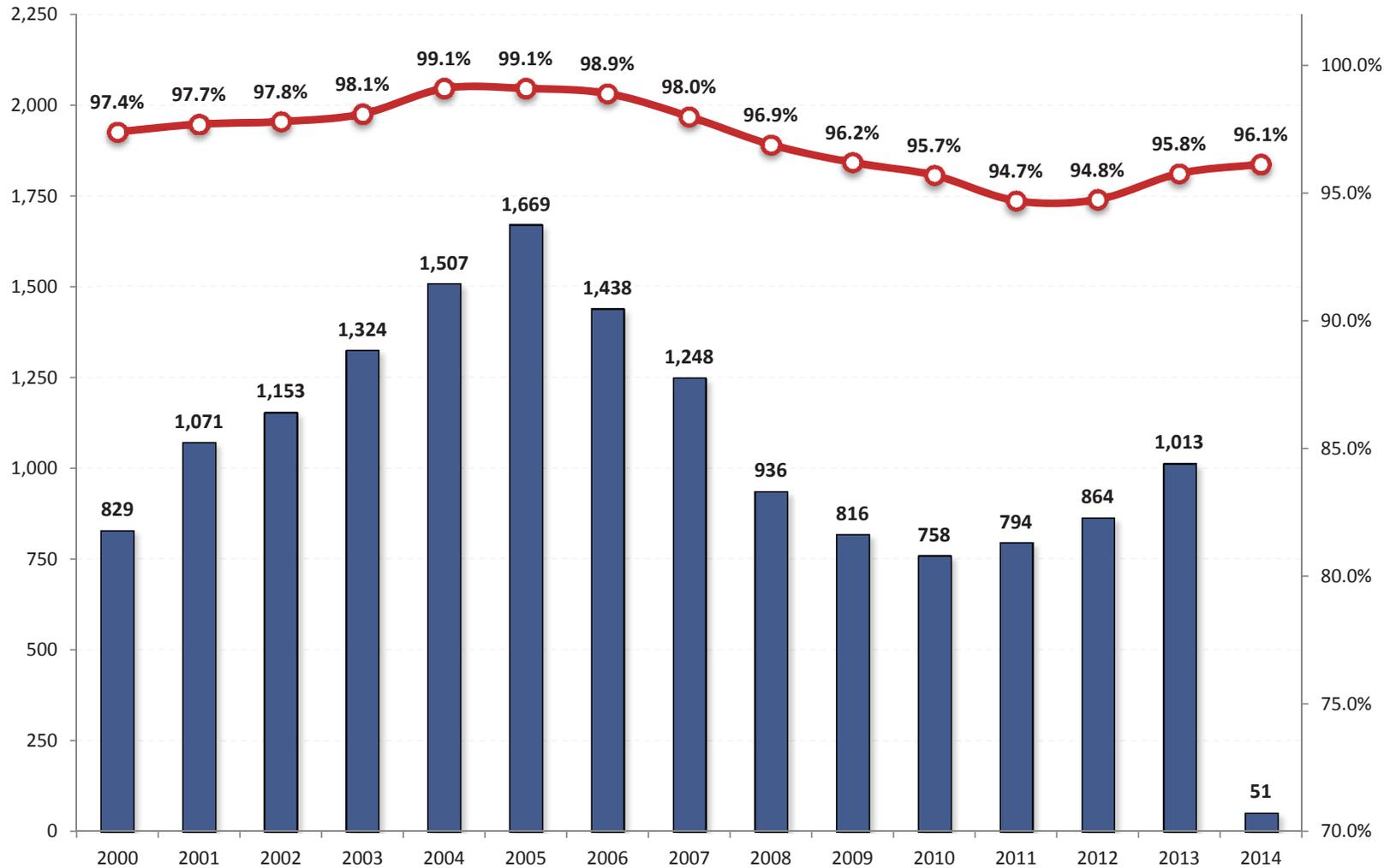
### Harrisonburg & Rockingham County Months of Housing Supply by Price Range



**Housing supply more stable in lower 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 most price ranges our local real estate market. The graph above illustrates that it would take 14 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 we have finally reached that balance (at least for now) in the under \$200K, and \$200K - \$300K price range.

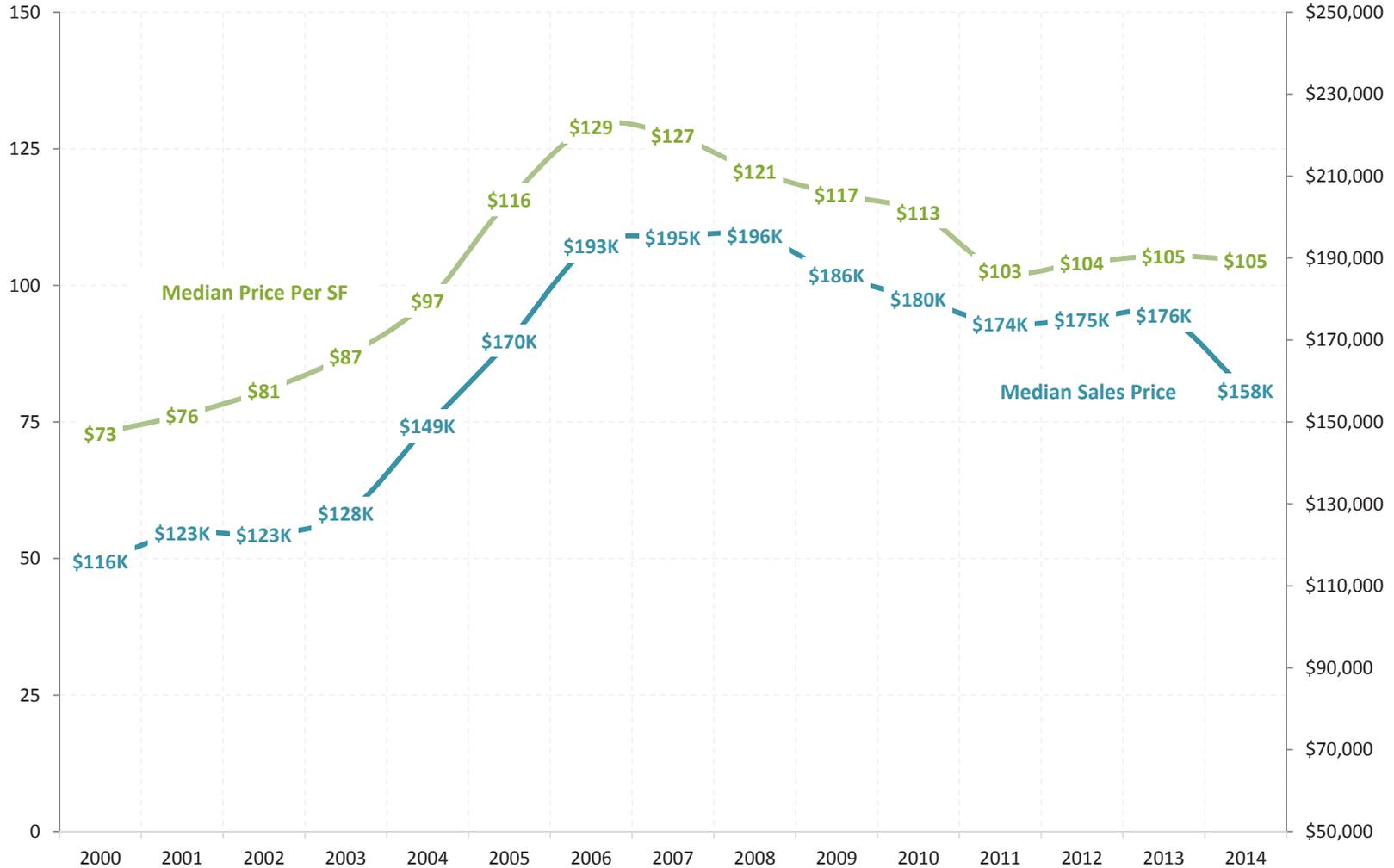
Harrisonburg & Rockingham County  
**List Price to Sales Price Ratio**  
 within the context of Home Sales Pace



**Buyers seeing slightly less negotiating room.** 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 3.9% - 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 as it did in 2013.

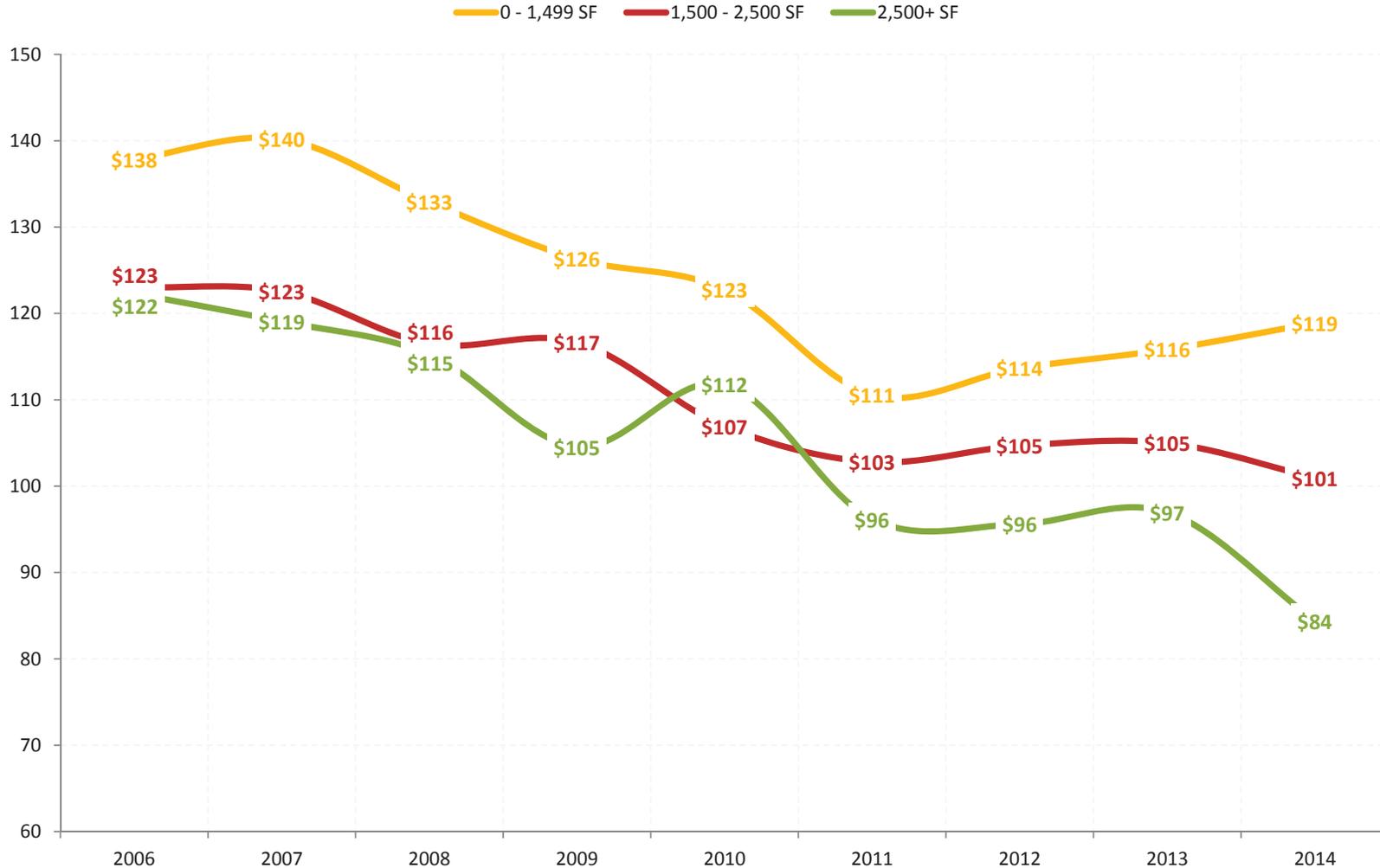
### Harrisonburg & Rockingham County Median Price Per Square Foot Trends Single Family Homes



**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.

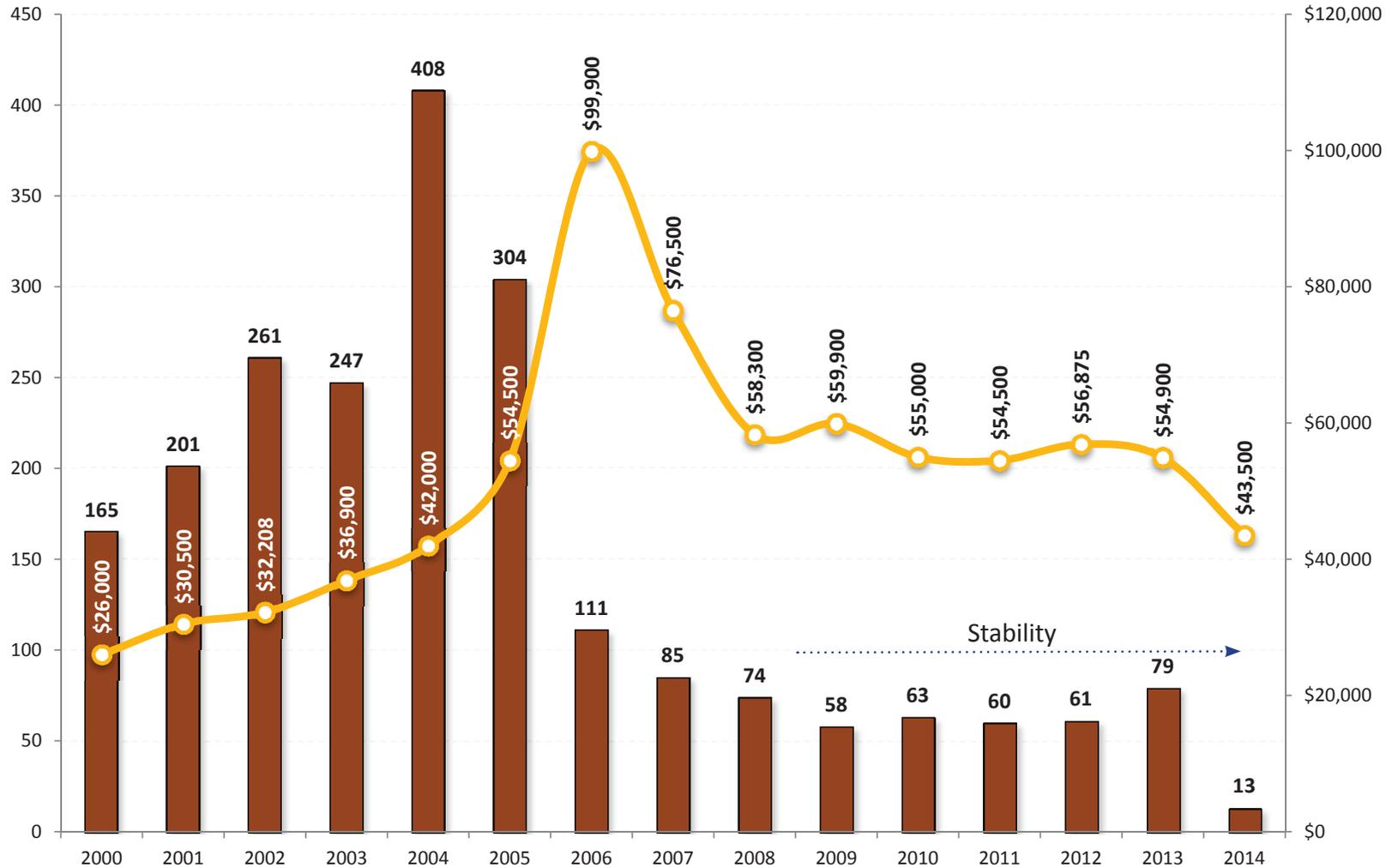
Harrisonburg & Rockingham County  
**Median Price Per Square Foot by Home Size**  
 Single Family Homes



**Prices decline slightly in most 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 (\$84/SF) than homes that offer less than 1500 SF (\$119/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.

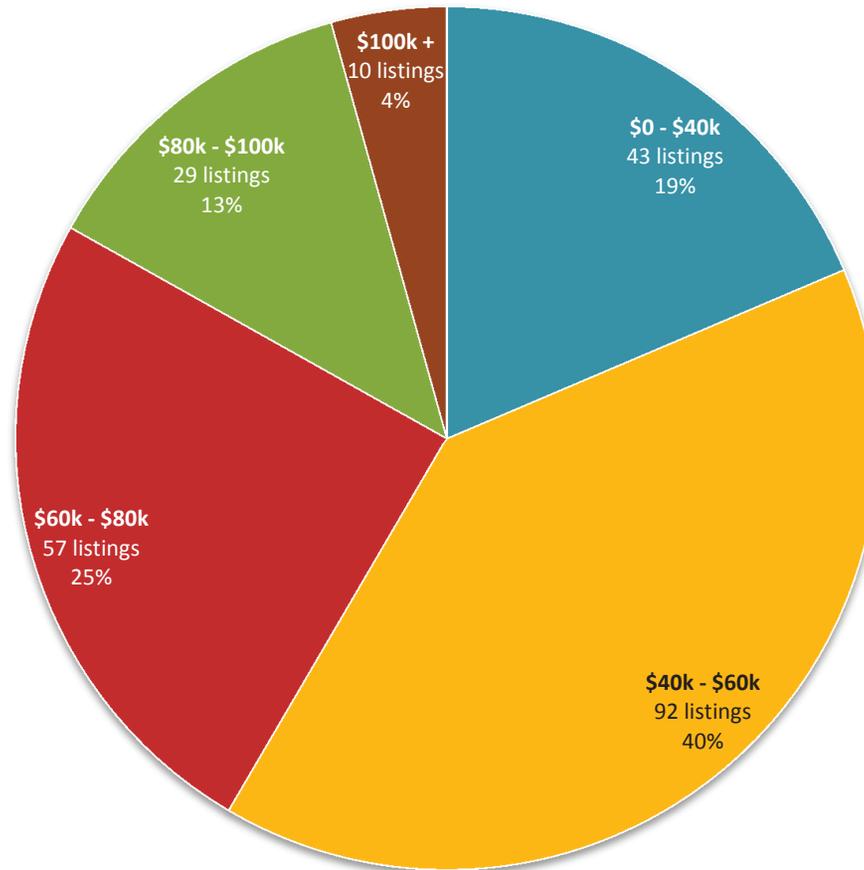
Harrisonburg & Rockingham County  
**Lot Sales & Median Prices**  
 less than 1 acre



**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 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 towards 2014, it seems likely that we will see between 75 and 100 sales of this type and size of property.

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

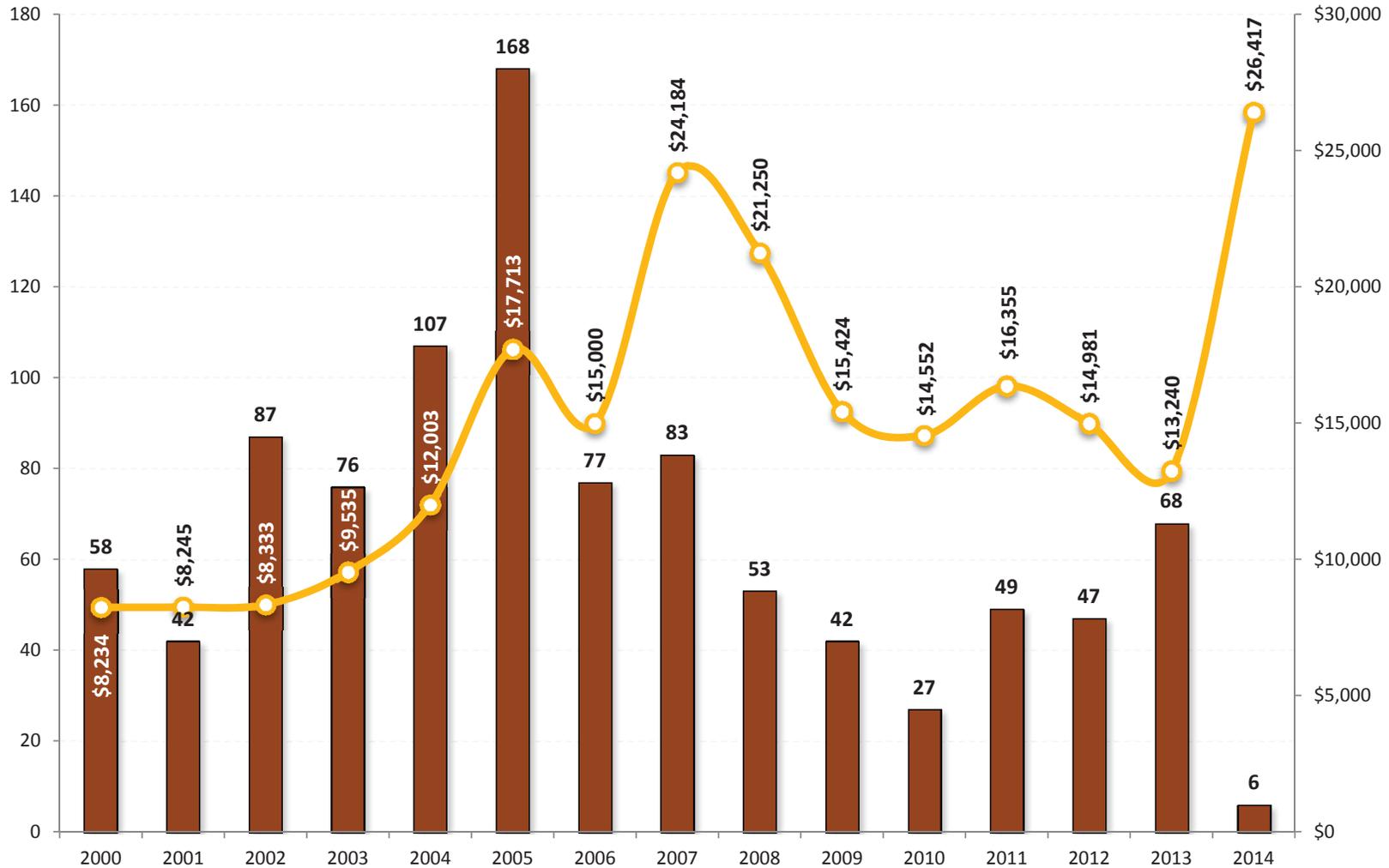


**231 Active Lot Listings; Median List Price: \$55,000**

**Many (many) building lots for sale.** Despite the fact that only 79 lots (of less than an acre) sold in all of 2013, there are a remarkable 231 lots currently for sale. Some sanity exists in this listing market, however, as the median list price of lots for sale (\$55,000) 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 2.9 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.

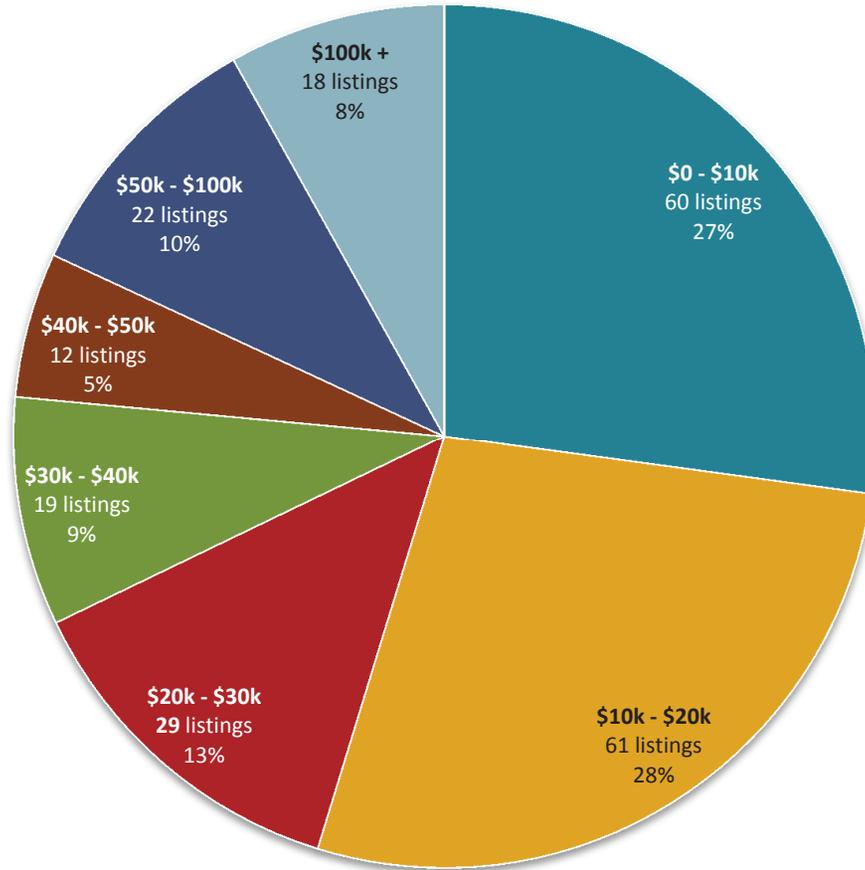
Harrisonburg & Rockingham County  
**Land Sales & Median Price Per Acre**  
 1 acre or more



**Larger lot sales mostly stable between 2008 and 2013.** Parcels of land larger than one acre in Harrisonburg or Rockingham County have 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 \$13,240. Pay no attention to the sky high median price in 2014 that is 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

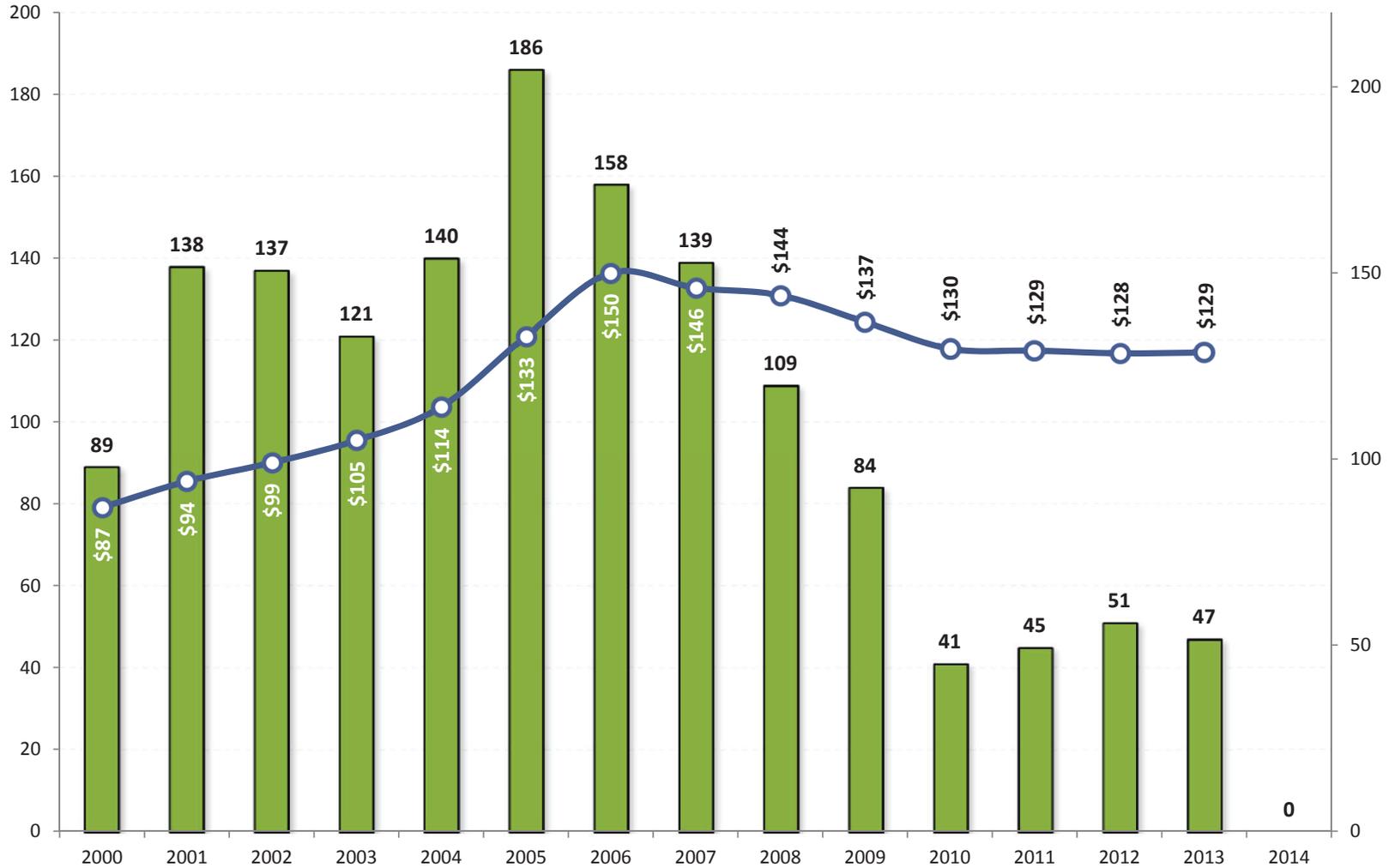


**221 Active Land Listing; Median List Price: \$17,980 / Acre**

**High (really high) levels of lot inventory.** Despite the fact that only 68 parcels of land (of one acre or more) sold in all of 2013, there are a remarkable 221 parcels of land currently for sale. Furthermore, despite the fact that the median sales price of land is hovering around \$13,000 per acre, the median list price of the 221 parcels

for sale is currently \$17,980 per acre. Given last year's 68 land sales, if no other land is listed for sale, it would take 3.25 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.

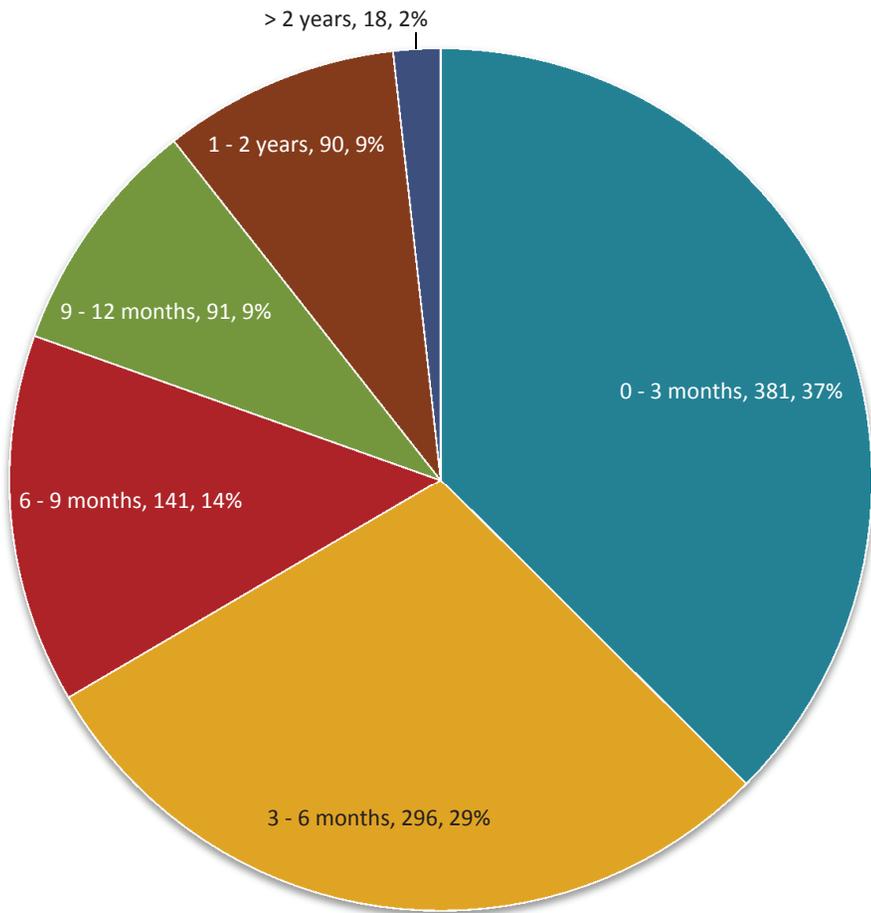
Harrisonburg & Rockingham County  
**New Construction Single Family Home Sales Trends**  
 Number of Sales, Median Price Per Square Foot



**New home sales, prices relatively stable.** New home builders experienced an 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

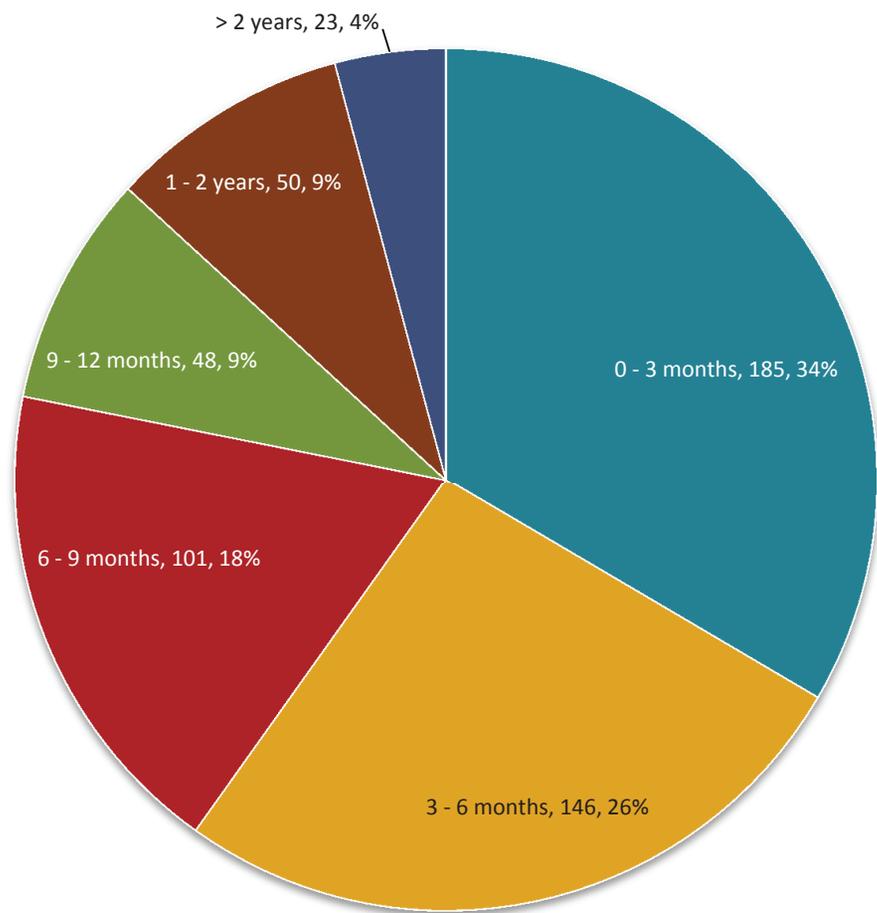
sales declined again in 2013 to 47 sales. The median price per square foot now seems to have stabilized around \$129/SF last year, where it has been for the past four years. As the inventory of re-sale homes slims down, the sales of new homes should slowly start to increase.

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



**Median Days On Market: 119**

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

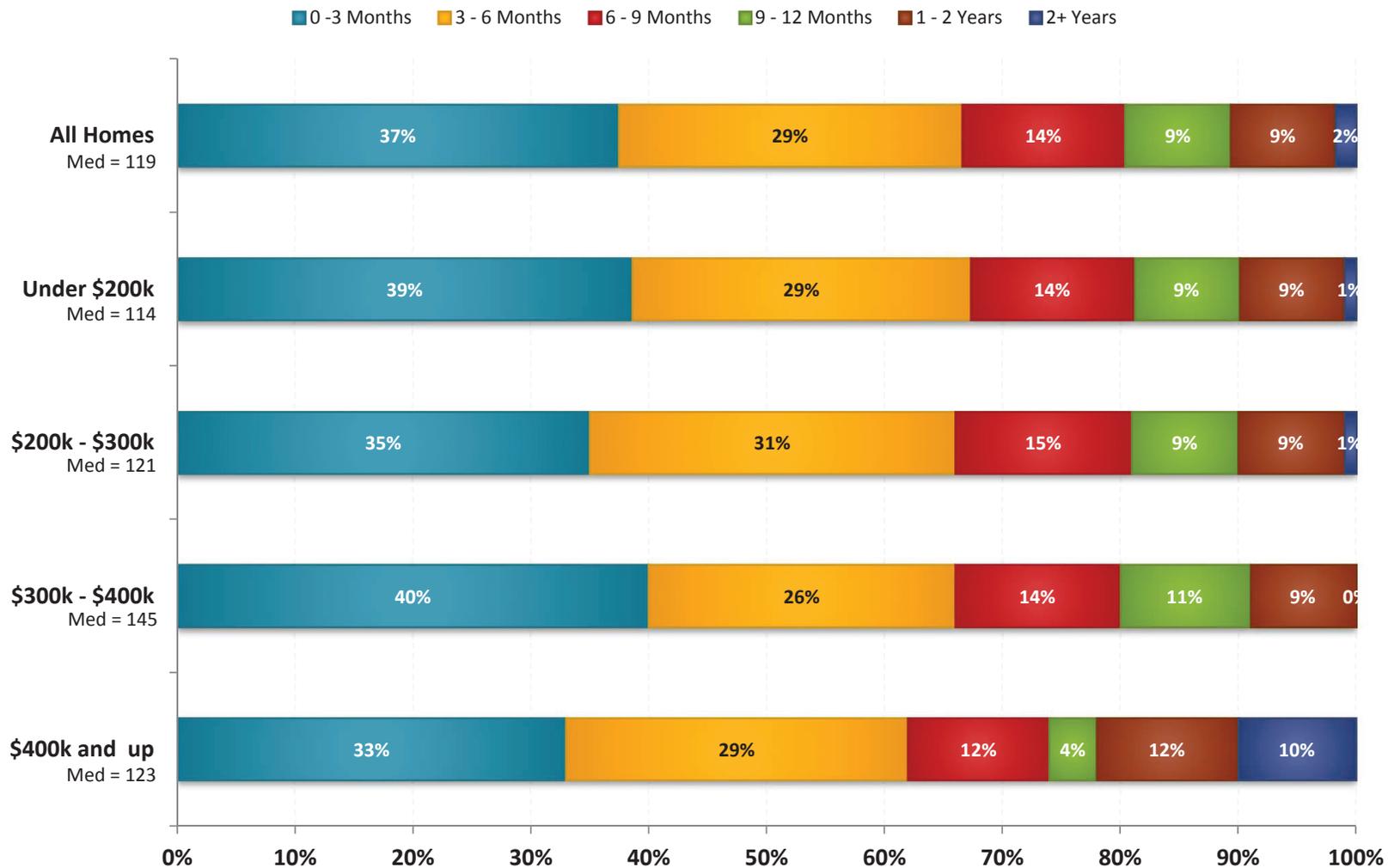


**Median Days On Market: 148**

**Days on market relatively low amongst many homes that actually sold.** 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 (37%) that sells closes less than 90 days after being listed for sale. Include with that those

that close in the next 90 days (29%) and we find that an amazing 66% 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

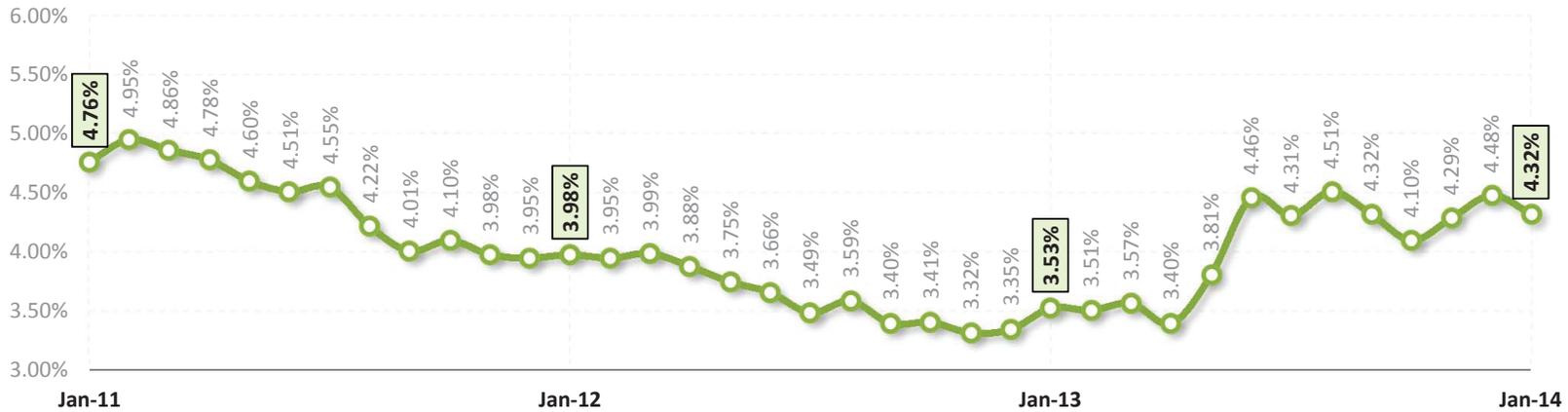


**Sales pace varies by price range.** The time that it takes to sell a home in today's market varies based on the price range of the home in question. For example, the median days on market for homes under \$200K is 114 days -- significantly lower

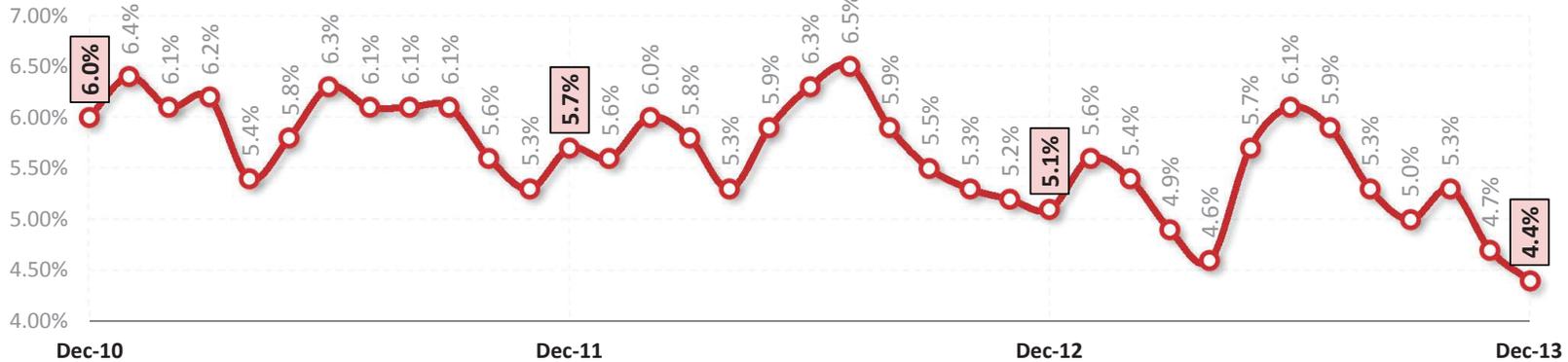
than the median of 145 days for homes between \$300K and \$400K. The difference in median values between price ranges is also indicative of market challenges for higher priced listings.

### Average 30-Year Fixed Mortgage Interest Rate

Source: Freddie Mac



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



**Mortgage interest rates down, unemployment rate down.** As shown in the top graph above, home buyers have seen several increases in interest rates on 30-year fixed rate mortgages over the past six months, but they dipped back down in January to 4.32%. The second graph above illustrates trends in the local unemployment

rate -- which declined again in December 2013 to 4.4%, the lowest level seen in the past four years. A stable local job market and relatively 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:

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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)

### 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)