



# APRIL 2015 Harrisonburg & Rockingham County Real Estate Market Report



*An analysis of real estate activity through March 31, 2015  
provided courtesy of Scott P. Rogers, Funkhouser Real Estate Group*



Spacious, Four Bedroom City Colonial with Two Car Garage in Reherd Acres . . . . . [1344MeadowlarkDrive.com](http://1344MeadowlarkDrive.com)

# HOME SALES REPORT

Harrisonburg & Rockingham County

April 8, 2015

| # Home Sales                  | 2012       | 2013       | 2014       | 2015       | % Change ('14 - '15) |
|-------------------------------|------------|------------|------------|------------|----------------------|
| March                         | 66         | 67         | 55         | 71         | 29.09%               |
| <b>Year-To-Date (Jan-Mar)</b> | <b>151</b> | <b>181</b> | <b>158</b> | <b>186</b> | <b>17.72%</b>        |

| Median Sales Price            | 2012             | 2013             | 2014             | 2015             | % Change ('14 - '15) |
|-------------------------------|------------------|------------------|------------------|------------------|----------------------|
| March                         | \$157,250        | \$177,500        | \$194,000        | \$177,500        | -8.51%               |
| <b>Year-To-Date (Jan-Mar)</b> | <b>\$165,000</b> | <b>\$175,000</b> | <b>\$171,500</b> | <b>\$177,125</b> | <b>3.28%</b>         |

| Average Sales Price           | 2012             | 2013             | 2014             | 2015             | % Change ('14 - '15) |
|-------------------------------|------------------|------------------|------------------|------------------|----------------------|
| March                         | \$169,944        | \$198,982        | \$203,887        | \$207,885        | 1.96%                |
| <b>Year-To-Date (Jan-Mar)</b> | <b>\$186,450</b> | <b>\$190,888</b> | <b>\$183,984</b> | <b>\$203,756</b> | <b>10.75%</b>        |

| Median Days on Market         | 2012       | 2013       | 2014       | 2015       | % Change ('14 - '15) |
|-------------------------------|------------|------------|------------|------------|----------------------|
| March                         | 165        | 120        | 163        | 155        | -4.91%               |
| <b>Year-To-Date (Jan-Mar)</b> | <b>182</b> | <b>158</b> | <b>163</b> | <b>144</b> | <b>-11.66%</b>       |

With 71 closed sales in March 2015, this has been the strongest March in recent history. This strong month of sales piled onto an already strong January and February to put the first quarter of 2015 well ahead (+18%) of last year's first quarter home sales market. Furthermore, both the median and average sales price in 2015-Q1

have improved (+3%, +11%) over the same timeframe last year. Homes are also selling more quickly in 2015, with a 12% decline in the median days on the market when comparing 2015-Q1 to 2014-Q1.

# HOME SALES REPORT :: BY AREA

| # Home Sales | City of Harrisonburg |      |          | Rockingham County |      |          |
|--------------|----------------------|------|----------|-------------------|------|----------|
|              | 2014                 | 2015 | % Change | 2014              | 2015 | % Change |
| March        | 20                   | 20   | 0.00%    | 35                | 51   | 45.71%   |
| Year-To-Date | 58                   | 60   | 3.45%    | 100               | 126  | 26.00%   |

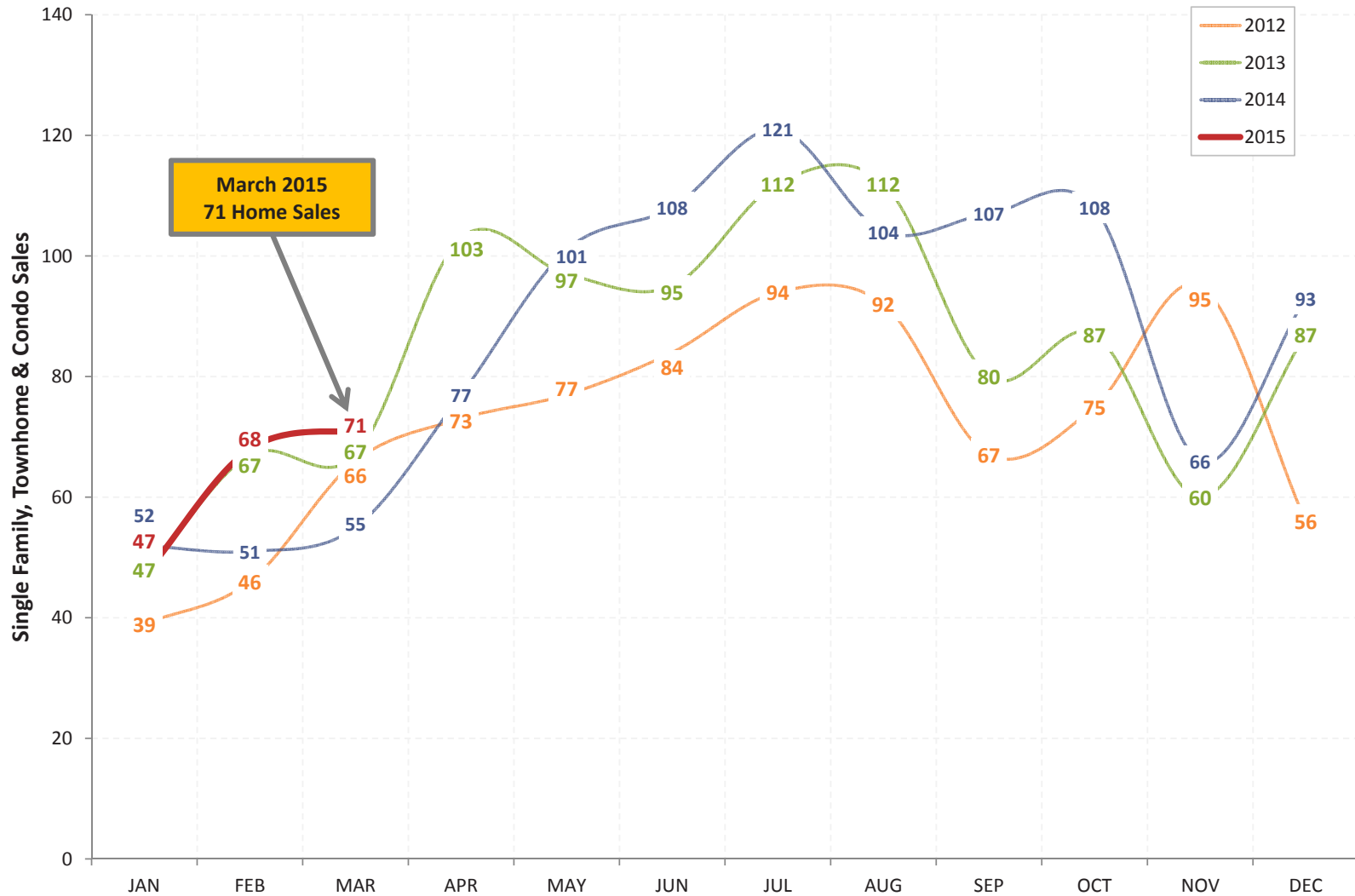
| Median Sales Price | City of Harrisonburg |           |          | Rockingham County |           |          |
|--------------------|----------------------|-----------|----------|-------------------|-----------|----------|
|                    | 2014                 | 2015      | % Change | 2014              | 2015      | % Change |
| March              | \$185,250            | \$148,000 | -20.11%  | \$196,000         | \$188,000 | -4.08%   |
| Year-To-Date       | \$166,250            | \$155,500 | -6.47%   | \$173,000         | \$188,500 | 8.96%    |

| Median Days on Market | City of Harrisonburg |      |          | Rockingham County |      |          |
|-----------------------|----------------------|------|----------|-------------------|------|----------|
|                       | 2014                 | 2015 | % Change | 2014              | 2015 | % Change |
| March                 | 153                  | 129  | -15.69%  | 168               | 158  | -5.95%   |
| Year-To-Date          | 148                  | 137  | -7.43%   | 171               | 145  | -15.20%  |

If we dig a bit deeper into the sales data, looking at how the City and County are performing individually, the first thing we notice is that the increase in home sales has been much more notable in the County (+26%) as compared to the City (+3%). That trend goes hand in hand with the increase in median sales price in the County

(+9%) as compared to the decrease in the median sales price in the City (-7%). Homes are taking about the same amount of time to sell in the City (median of 137 days) as in the County (median of 145 days) thus far in 2015.

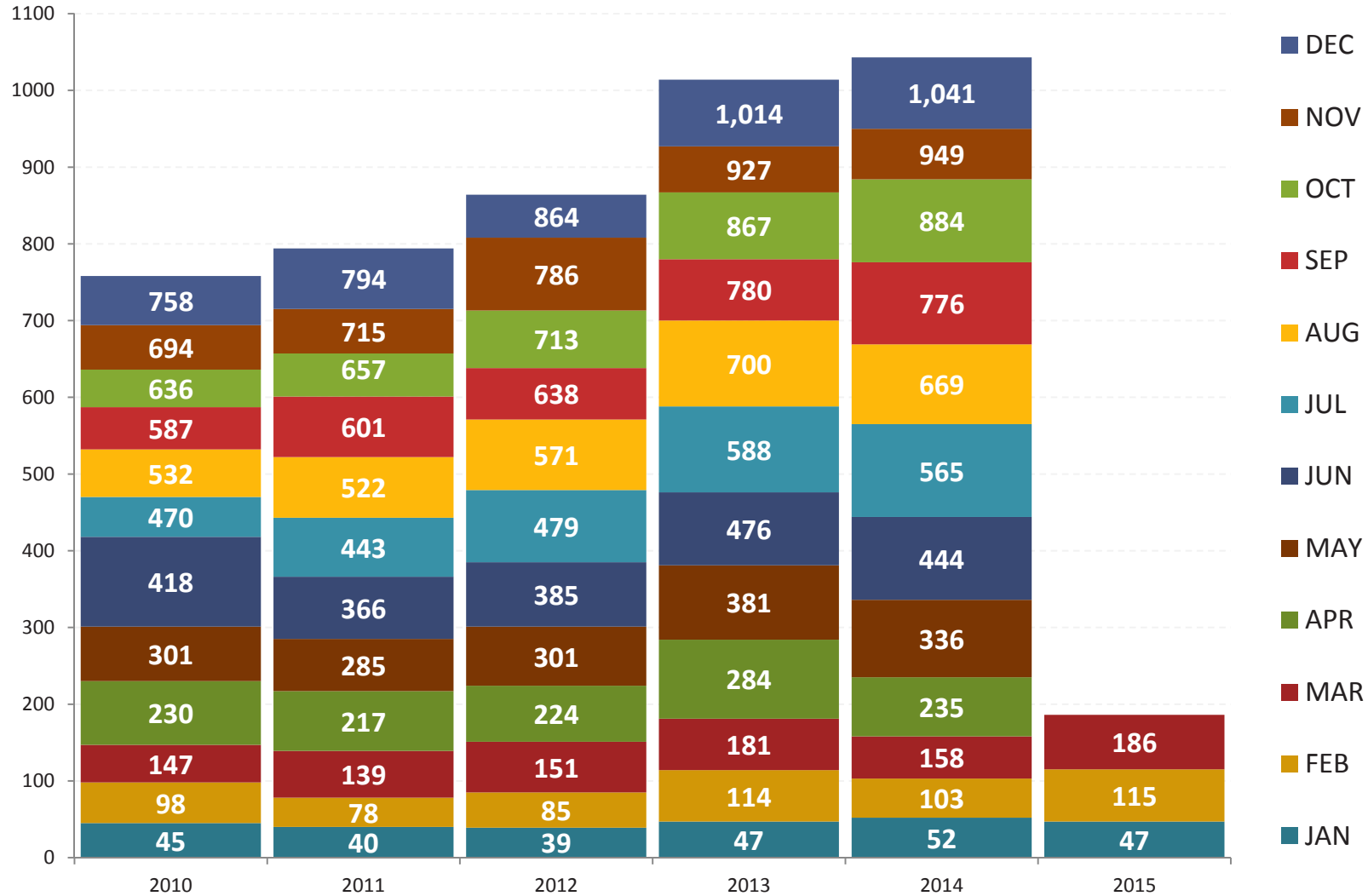
Harrisonburg & Rockingham County  
**Month-By-Month Home Sales History**



After a slightly slow start in January, home sales in both February and March of this year were the highest of any of the previous three years during those same months. Looking further at last year (the blue line) it seems likely that we will continue to see stronger sales in 2015 than we saw in 2014, especially when we take into account

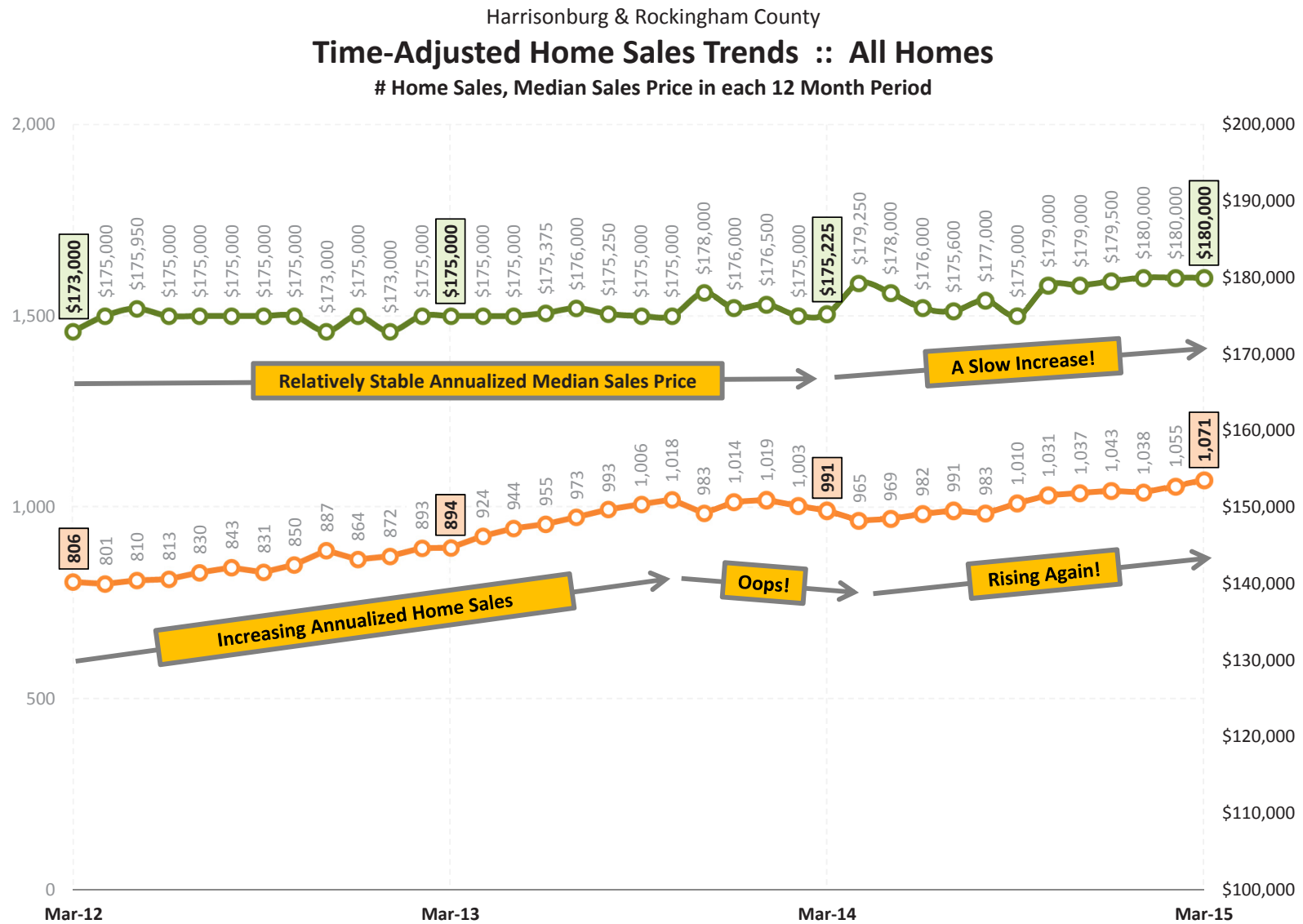
contracts being signed over the past month (see the BUYER ACTIVITY section for details). Looking forward at April, it seems unlikely (though not impossible) that we'll be able to beat the robust sales in April 2013 when there were 103 closed transactions.

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. To compare year-to-date figures at any point during the year, just look at how high the top of the any color segment compares to the same color in different years. As shown at

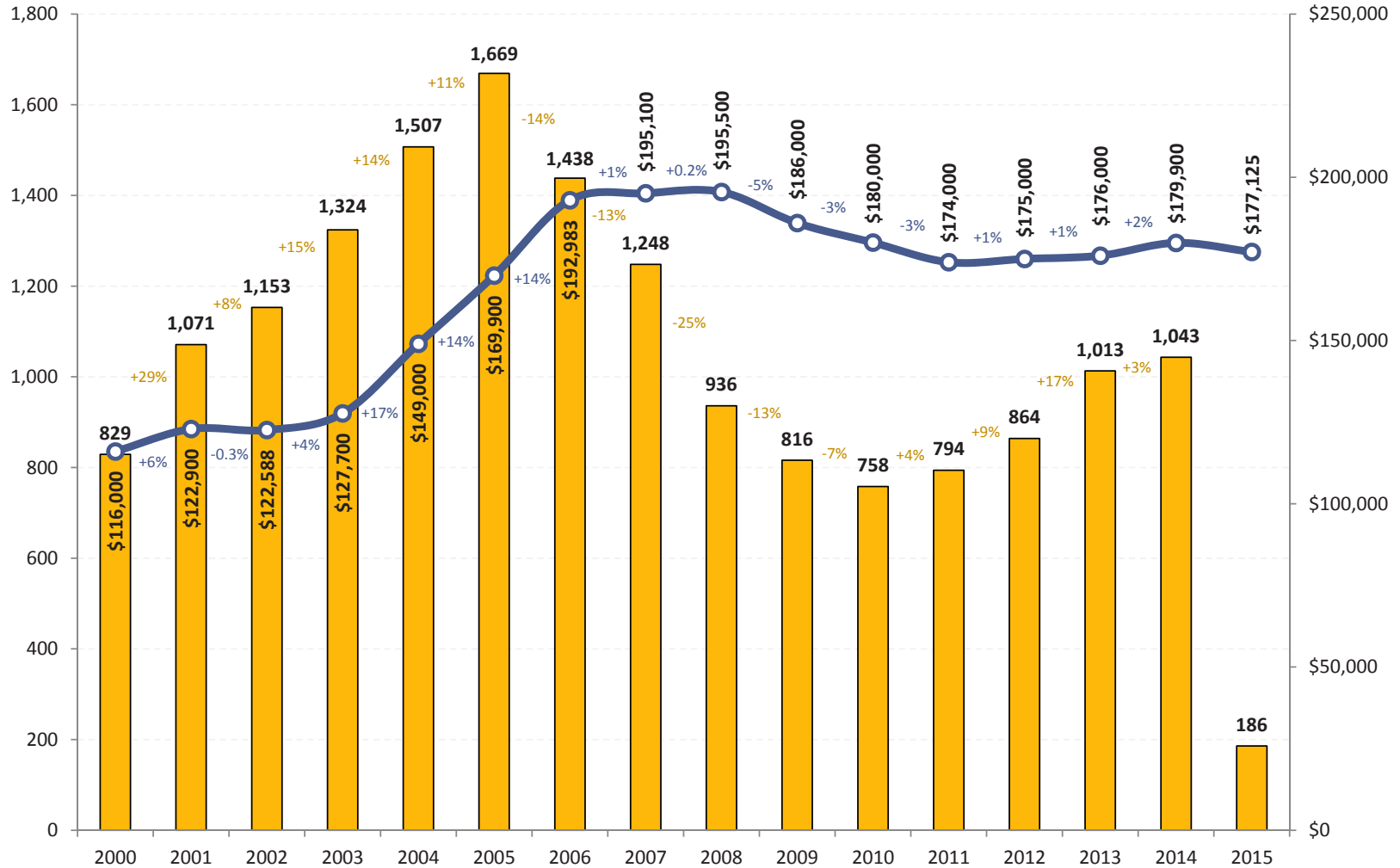
the base of the chart, 2015 took the lead over 2014 in February, and isn't looking back. That year-over-year trend did not take root until October of last year when comparing 2014 and 2013 home sales trajectories.



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

over two years of an increasing pace of home sales (orange line) we saw a market slow down that began sometime in late 2013, which seems to have reversed itself about ten months ago. Median prices have been trending up in recent months and have now hit \$180,000 for the third month in a row!

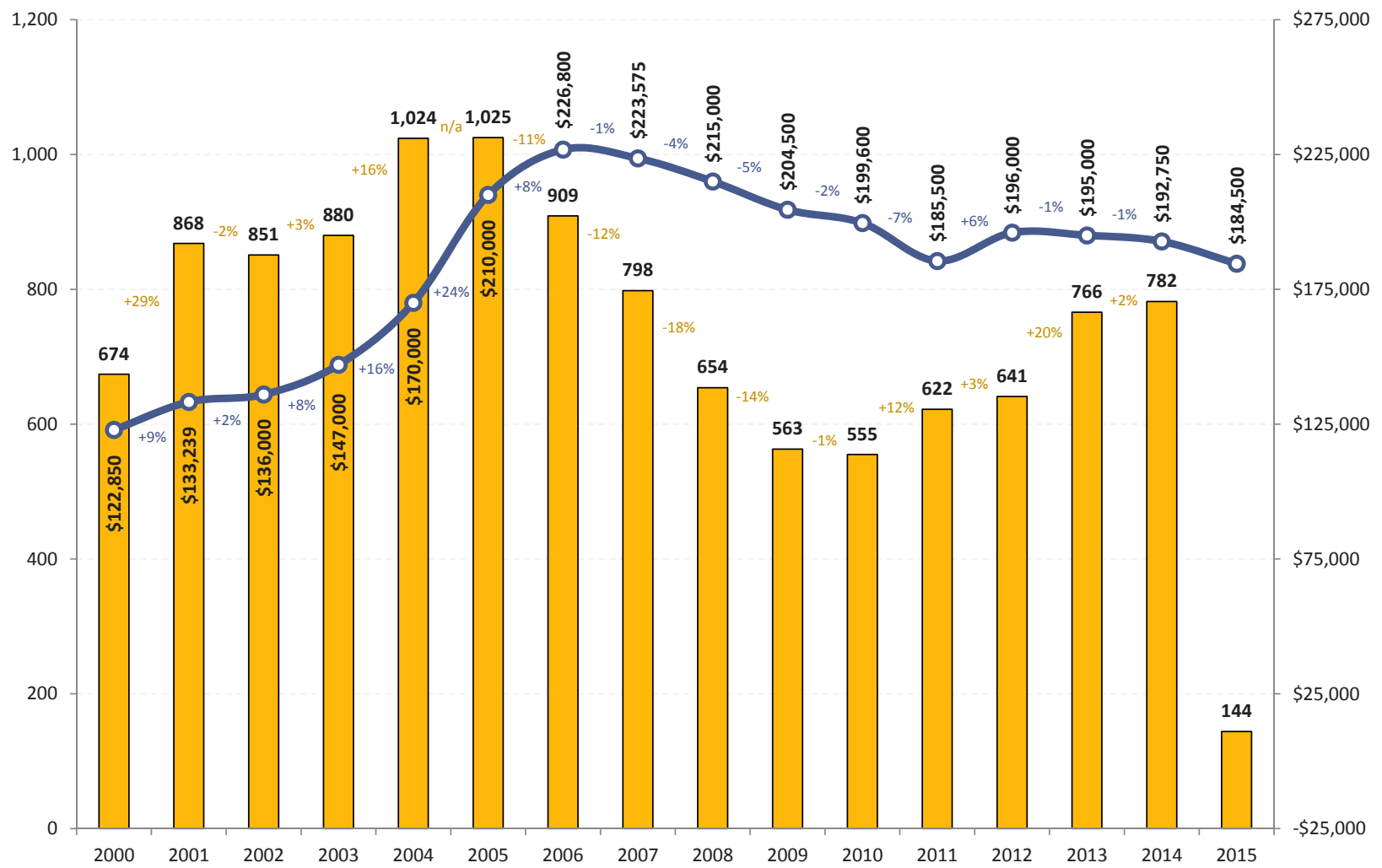
Harrisonburg & Rockingham County  
**Home Sales & Price Trends**  
 Single Family Homes & Townhomes



This graph provides an overall indicator of the state of our housing market, showing both the number of homes being sold each year since 2000 (yellow bars) as well as changes in the median sales price during the same time period (blue line). This past year (2014) marks the fourth (!) year in a row when we have seen an increase

(+3%) in the pace of sales in our local market, which was also accompanied by a 2% increase in the median sales price. We have now seen increases in the median sales price for three years in a row, though they have been small (+1%, +1%, +2%) increases thus far.

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

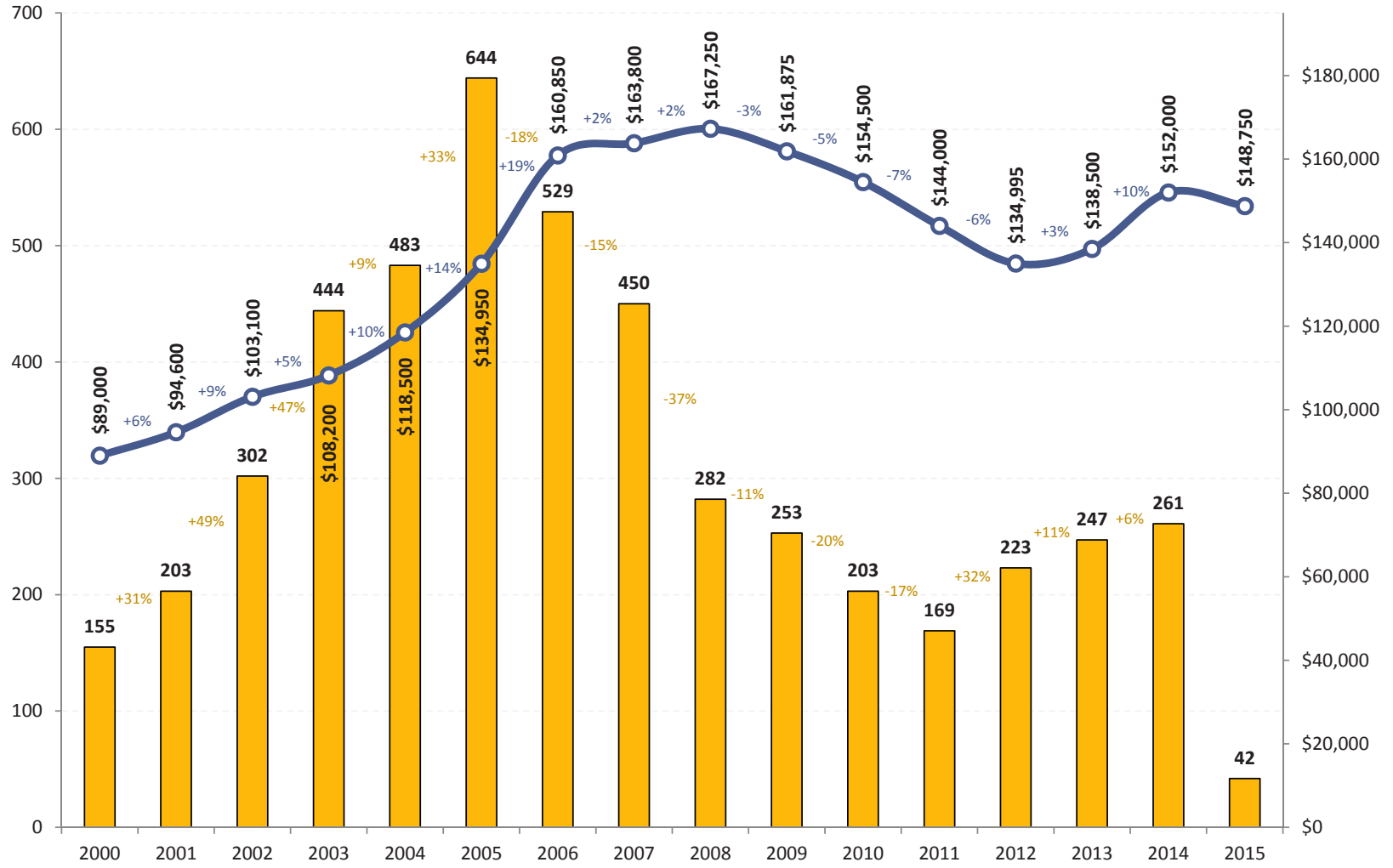


The single family home market in Harrisonburg and the Rockingham County is still telling two different stories, depending on whether we are considering the price or pace of home sales. This past year (2014) marked the fourth year of an increasing pace of home sales with a 2% year-over-year increase to a pace of 782 home sales

during the year. Over the past year, however, the median sales price of single family homes dropped an additional 1% to \$192,250 -- which follows last year's 1% decline as compared to 2012 levels.

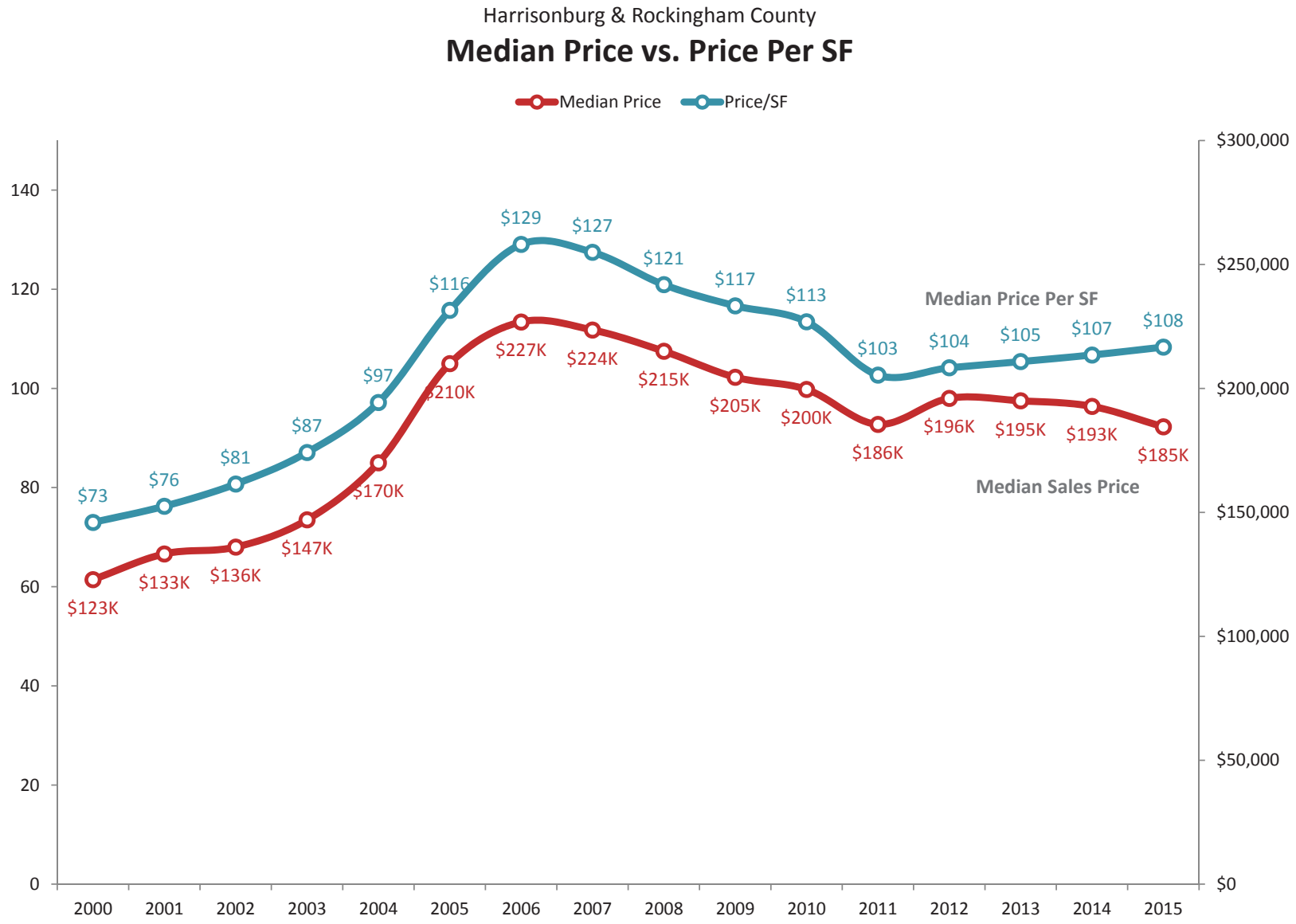


Harrisonburg & Rockingham County  
**Home Sales & Price Trends**  
 Duplexes, Townhomes & Condos



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

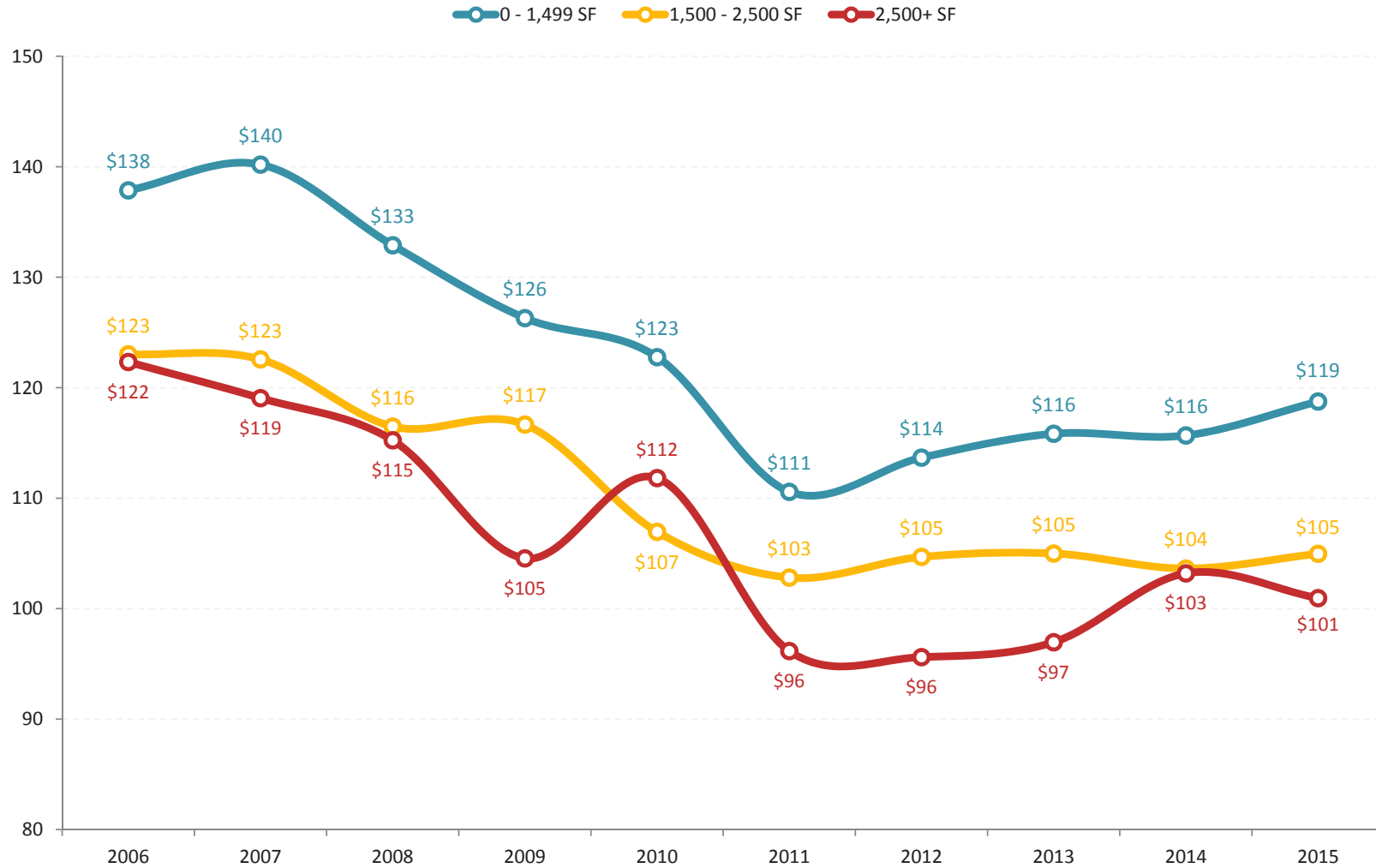
of these properties. This past year (2014) marked an additional increase (+6%) in the pace of these sales (duplexes, townhomes, condos) and an even larger increase (+10%) in the median price of these sales. Thus far in 2015, the median sales price of duplexes, townhomes and condos has edged down a bit.



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

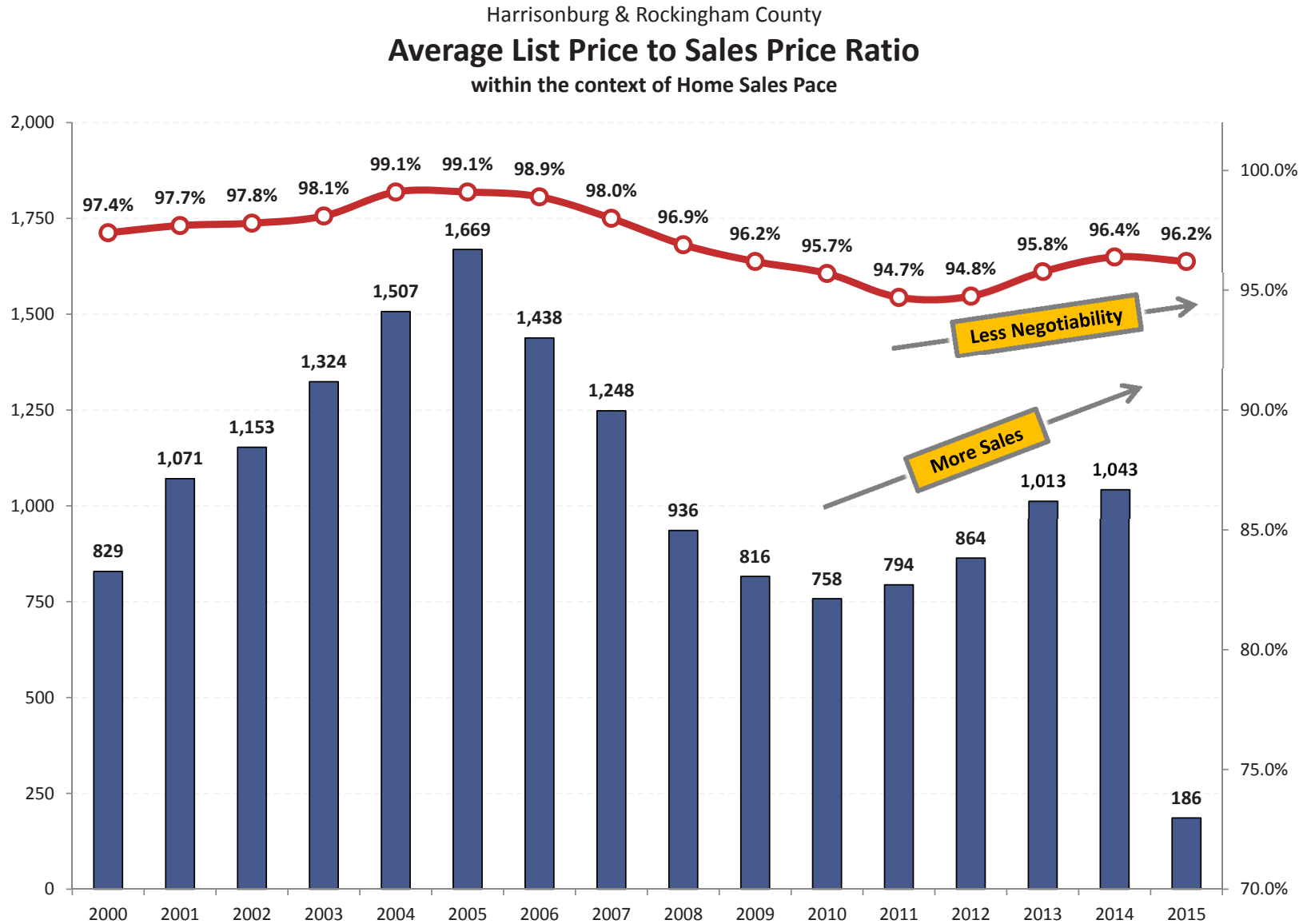
similar to the trend shown in the single family home median sales price during the same time, which validates that assumed set of changes in home values. When focusing in on 2013 and 2014 data, we can see that the median sales price has started to shift downward, though the price per square foot is increasing.

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



Price per square foot of single family homes certainly varies for many reasons, including the age, location, lot size and structural characteristics of each home sold. However, there are some similarities in homes of a similar size. In looking at 2014 figures, this graph illustrates that the median price per square foot of larger homes

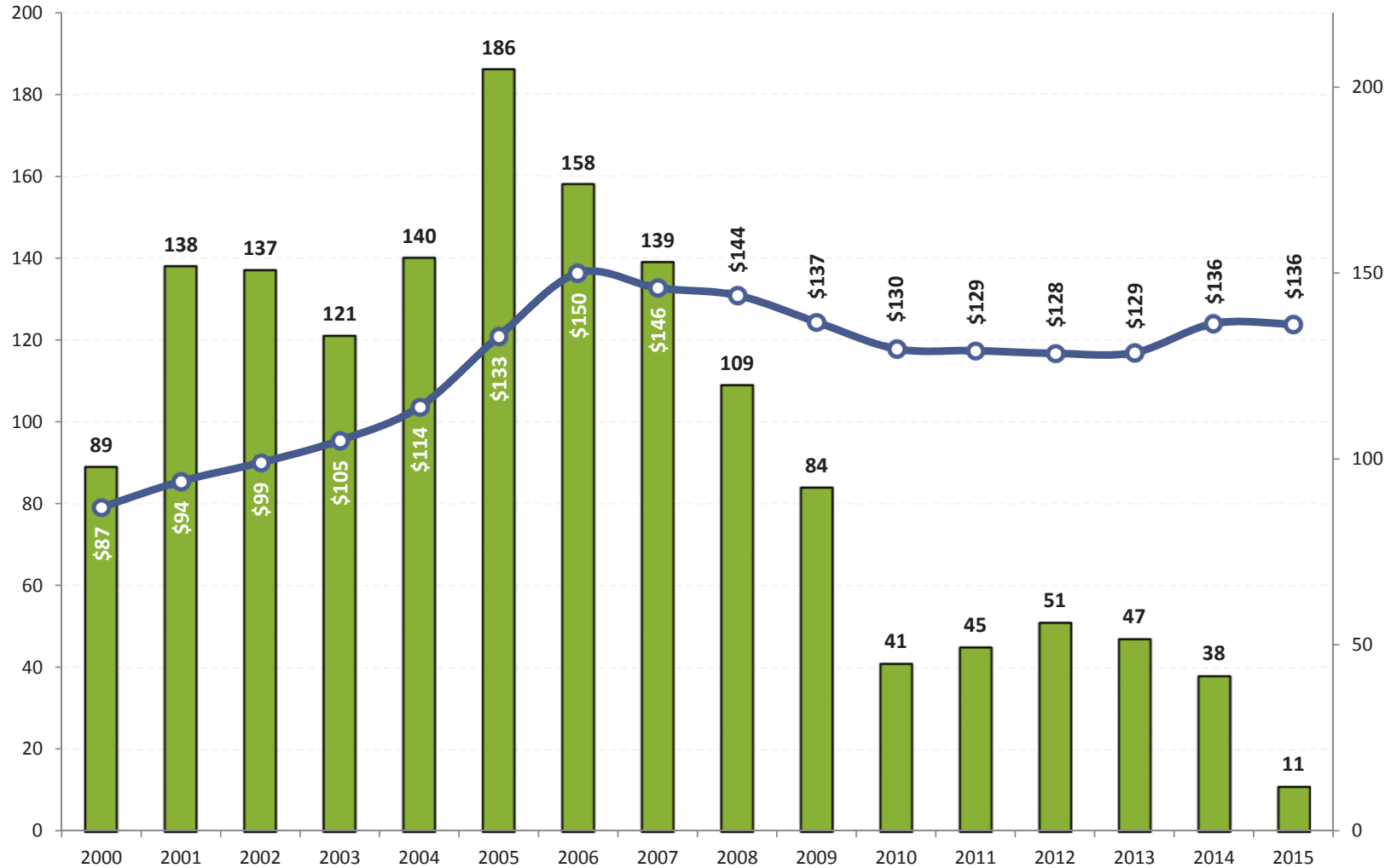
(2500+ SF) is a good bit lower (\$103/SF) than homes with less than 1500 SF (\$116/SF). These values cannot be used as an absolute standard against which the value of any home can be measured, but they can provide some helpful guidance when trying to determine the value of a home.



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

Of note, last year we almost returned to that pre-boom level -- given the 96.4% average during 2014 compared to the 97% - 98% average in 2000 - 2002. As the market continues to recover, we may see this ratio increase a bit more.

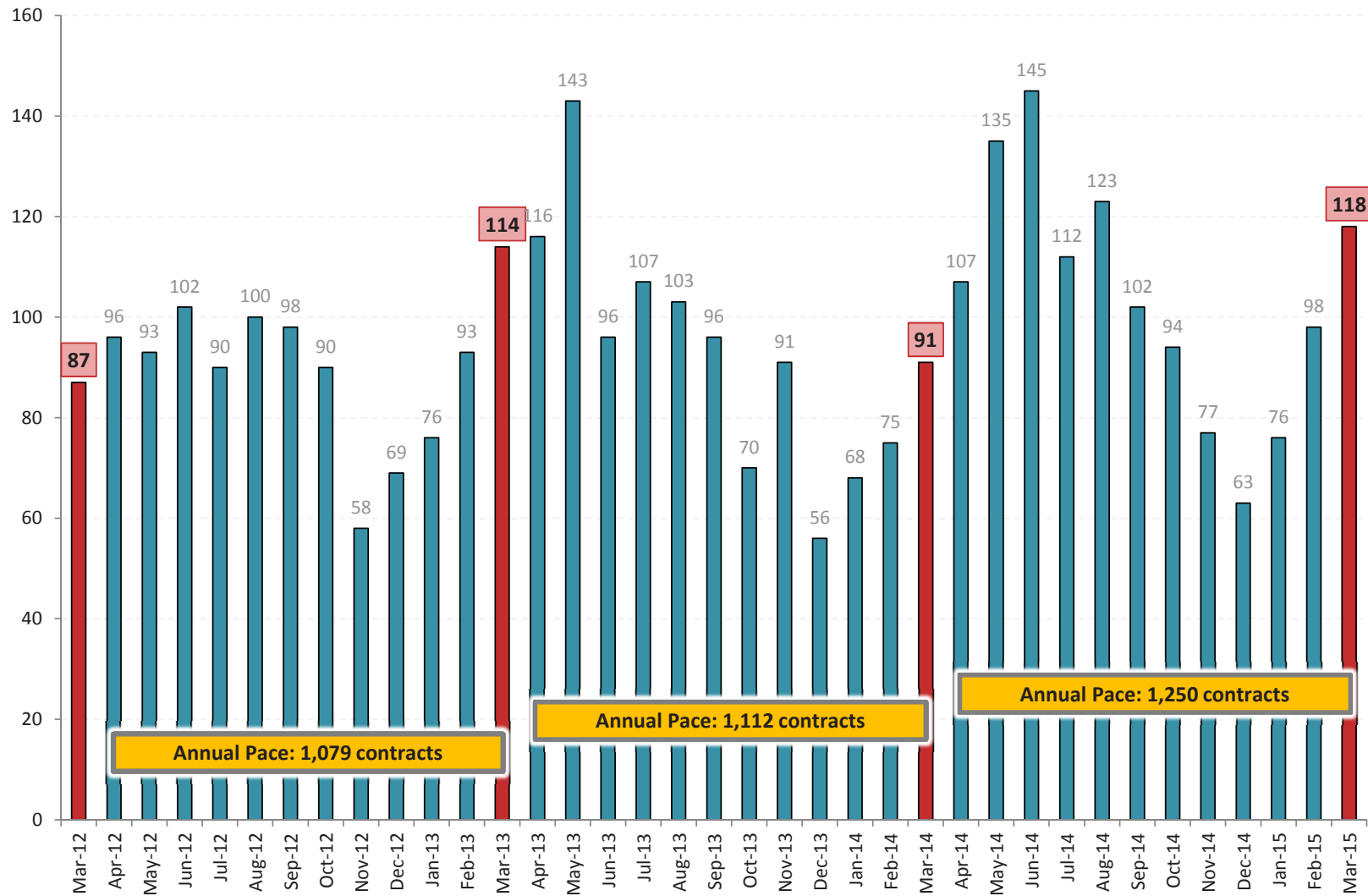
Harrisonburg & Rockingham County  
**New Construction Single Family Home Sales Trends**  
 Number of Sales, Median Price Per Square Foot



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

declined again in 2014 to 38 sales. The median price per square foot, however, now seems to have stabilized around \$130/SF in 2013, increased in 2014 to \$136/SF, and may be headed even higher in 2015.

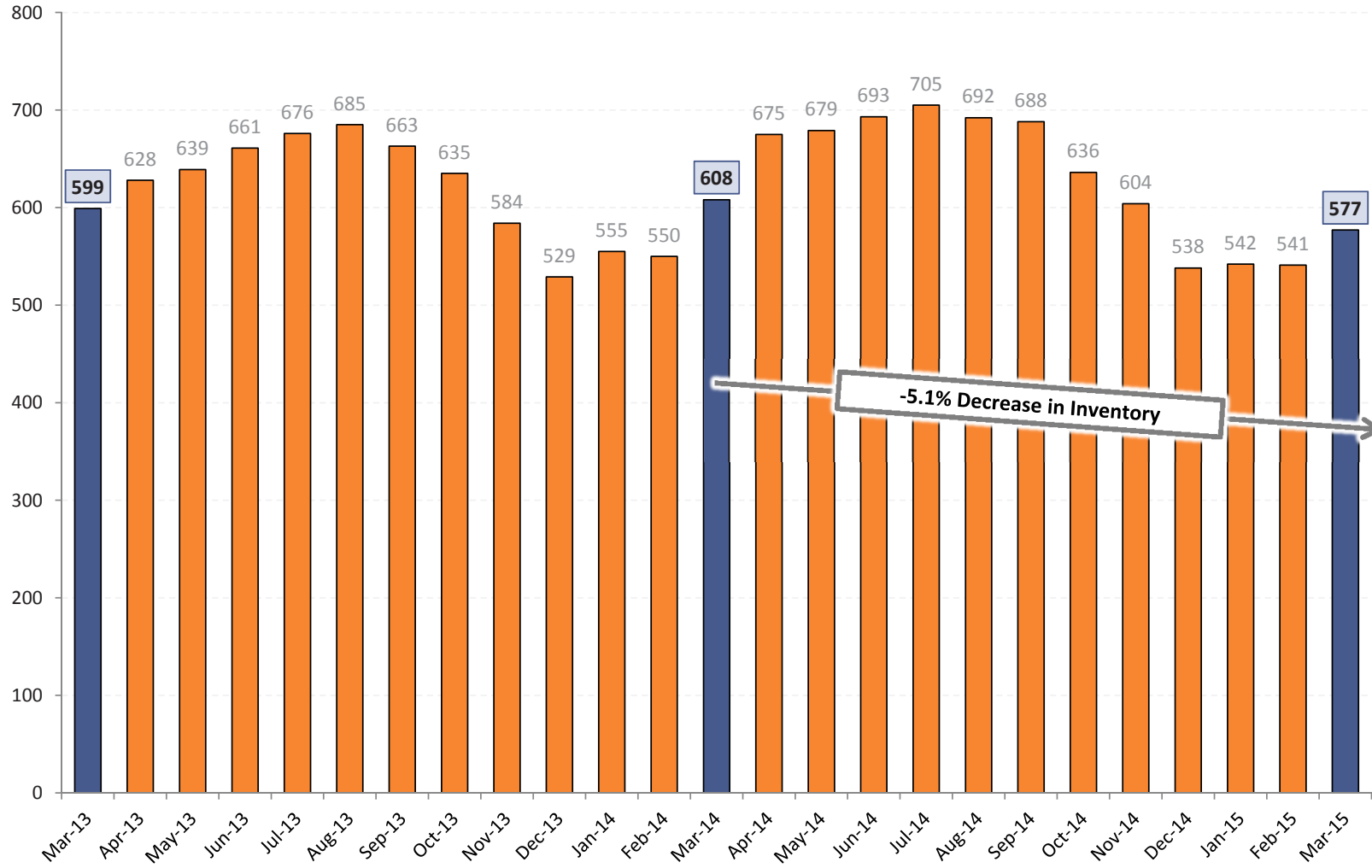
Harrisonburg & Rockingham County  
**Buyers Per Month Committing to Buy Properties**



The pace at which buyers are signing contracts to buy real estate is often an excellent indicator of the future sales performance of our local market. This year has been quite promising thus far, with strong increases in year-over-year buyer activity in January, February and March. When comparing February-March data this year to

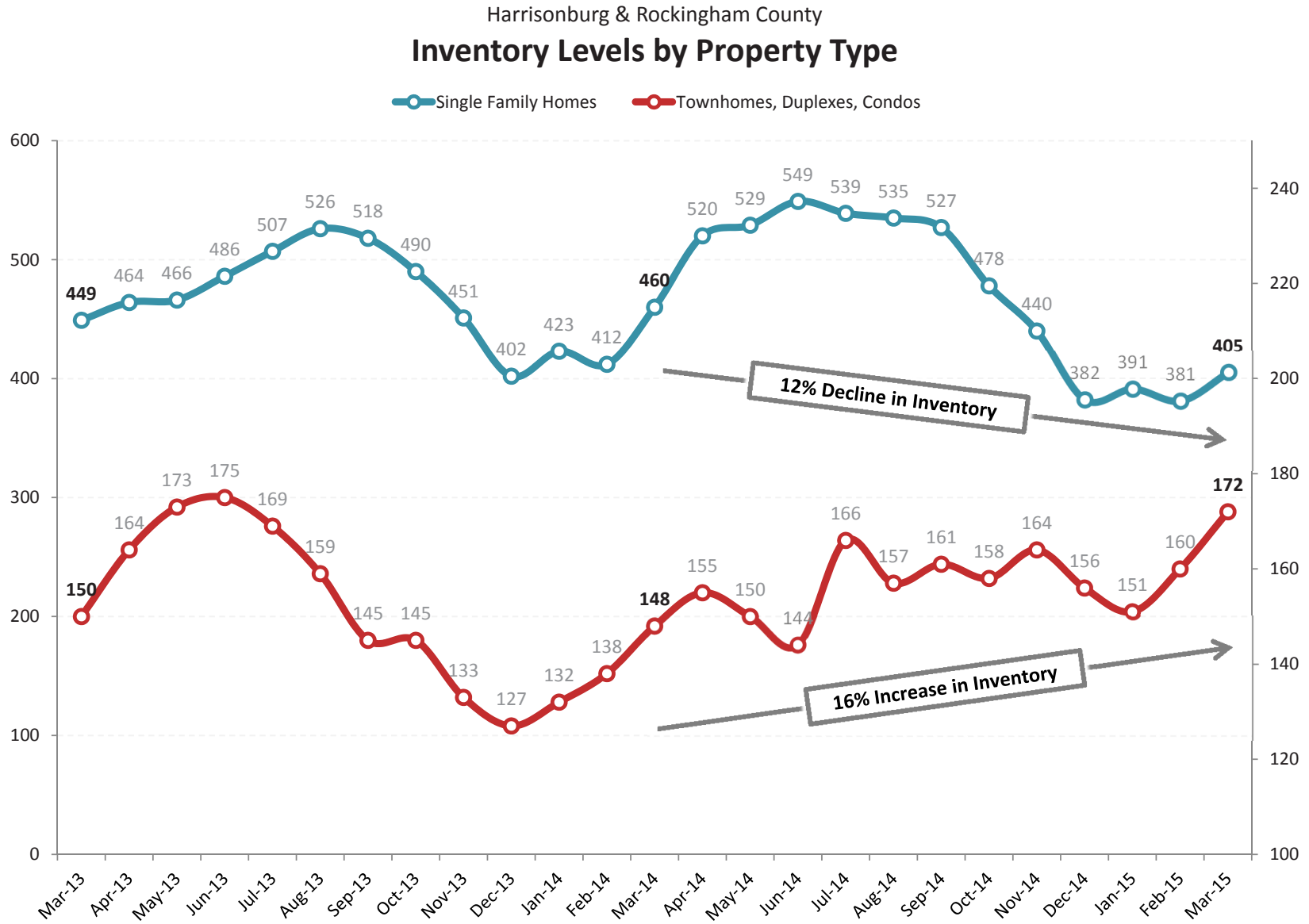
last year we see a 30% increase in buyer activity. This should be an indicator that we will start to see more home sales closing in April and May, likely eclipsing the sales pace seen in those same months last year.

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



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

weighty decision, but it is not always so. Some homes that are on the market have been listed for sale by sellers who are "testing the market" and as a result, inventory levels can shift more quickly than home sales trends. Inventory levels have been relatively stable over the past year, with a 5% year-over-year decline.

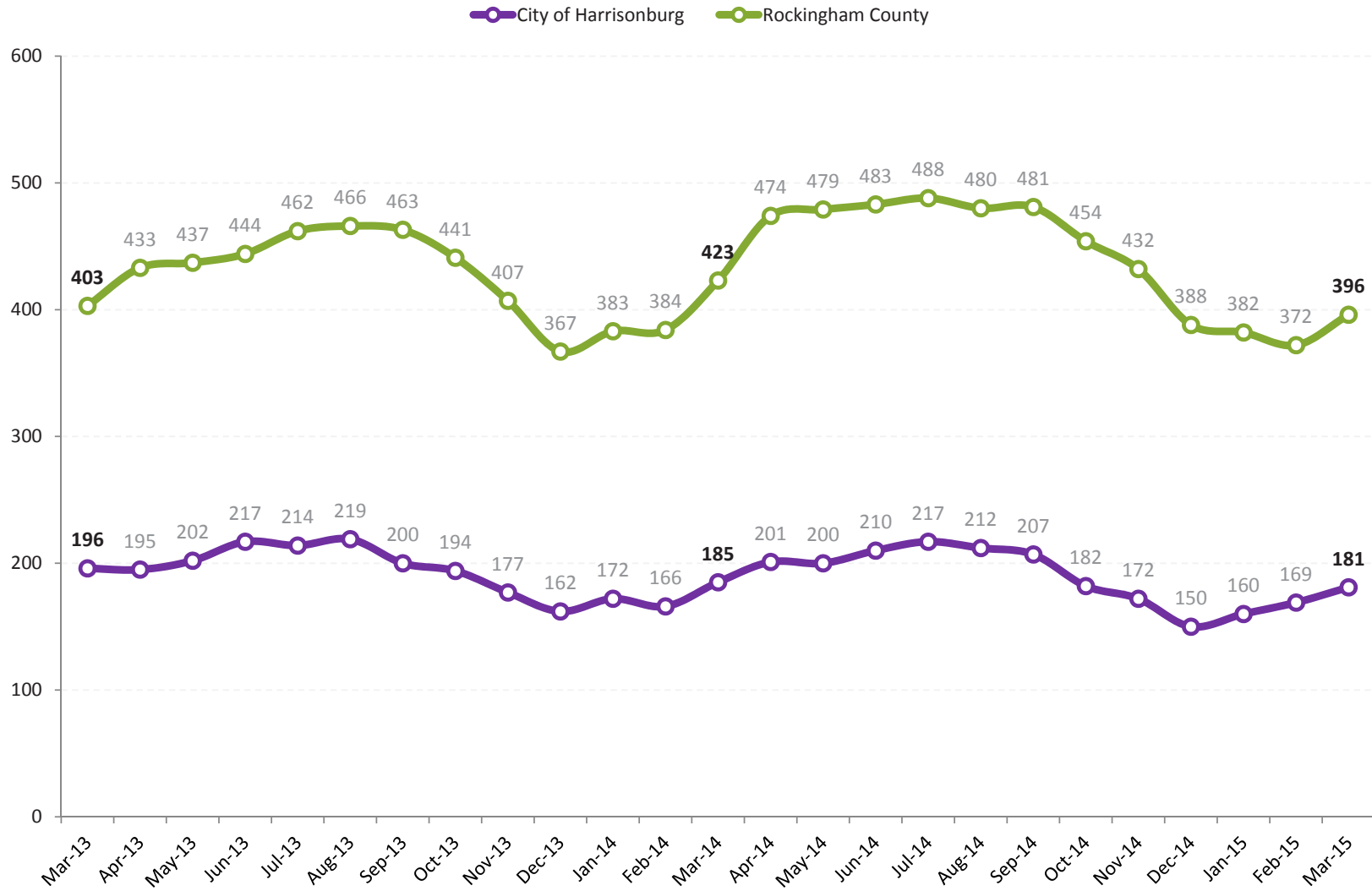


This graph examines the differences in inventory levels over time when examining only single family homes as compared to attached dwellings (townhouses, duplexes, condos). Of interest, the number of single family homes for sale has declined by 12% from this same time of year last year -- while the number of townhouses, duplexes

and condos on the market for sale has increased 16%. As is evident, inventory levels are starting to increase for the Spring and Summer market -- and we will likely see further increases over the next few months, particularly in single family home inventory.



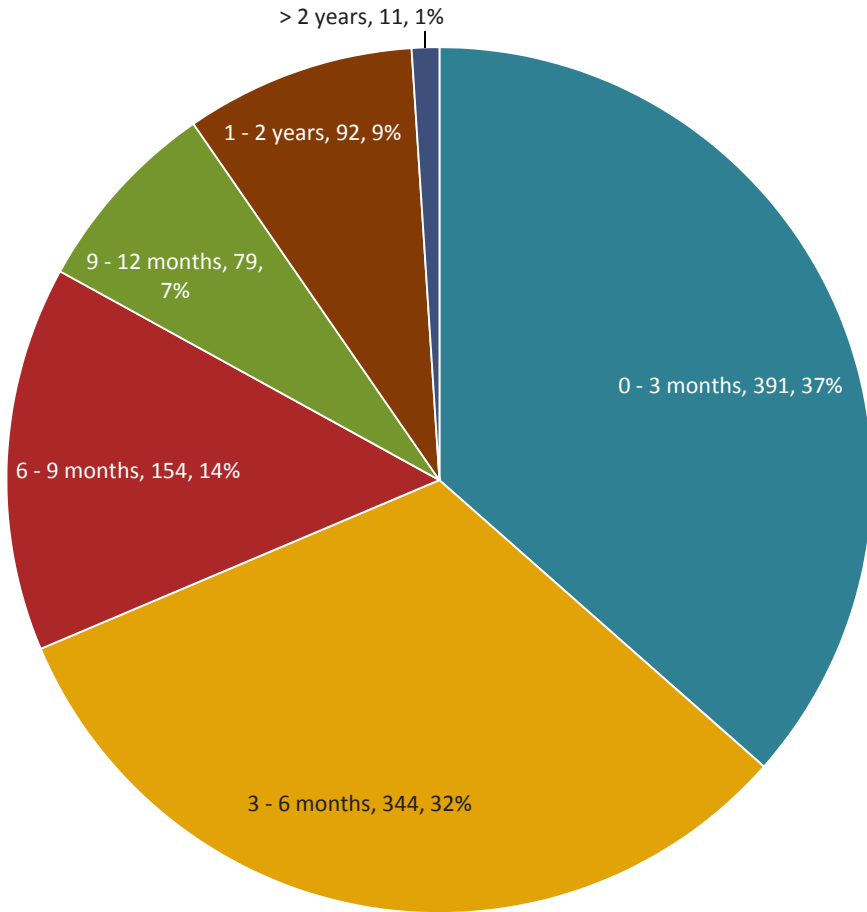
Harrisonburg & Rockingham County  
**Inventory Levels by Property Location**



Trends in inventory level currently seem to, for the most part, transcend the City / County divide. When looking only at inventory levels in the City, we see that there has been a small decline (-2%) over the last year in the number of properties for sale. In the County, there has been a slightly larger decline (-6%) in the number of

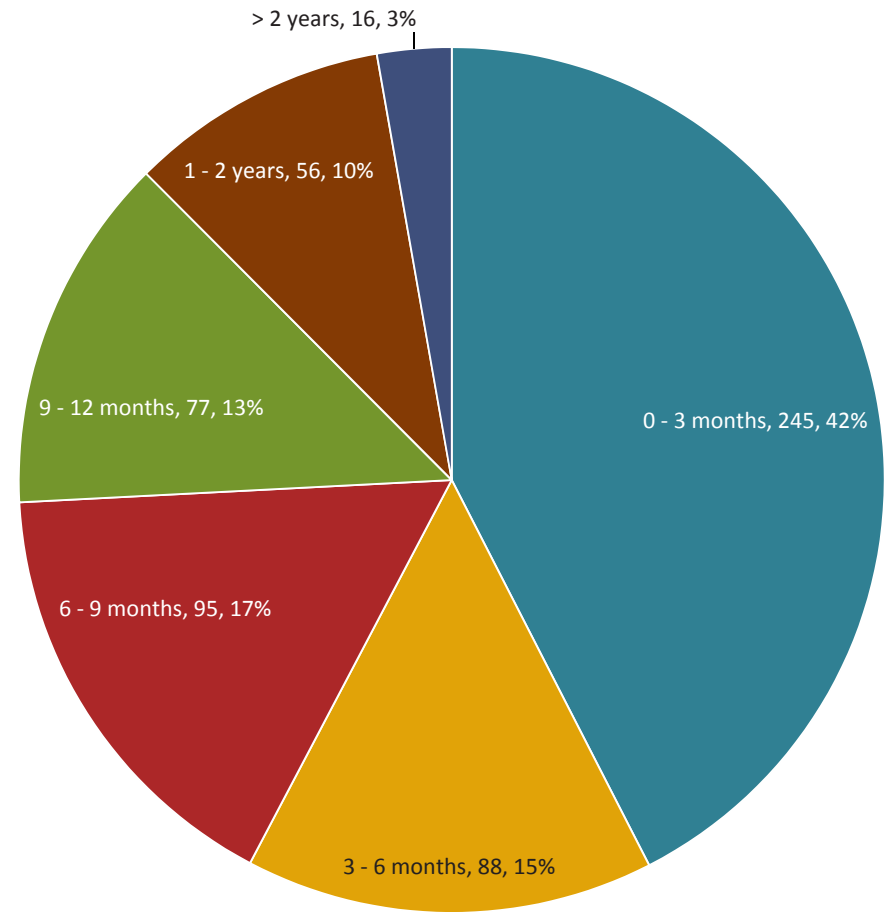
homes for sale. Despite relatively small changes in inventory levels in the City of Harrisonburg and Rockingham County over the past year, inventory levels in the County seem much more turbulent than in the City.

Harrisonburg & Rockingham County  
**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

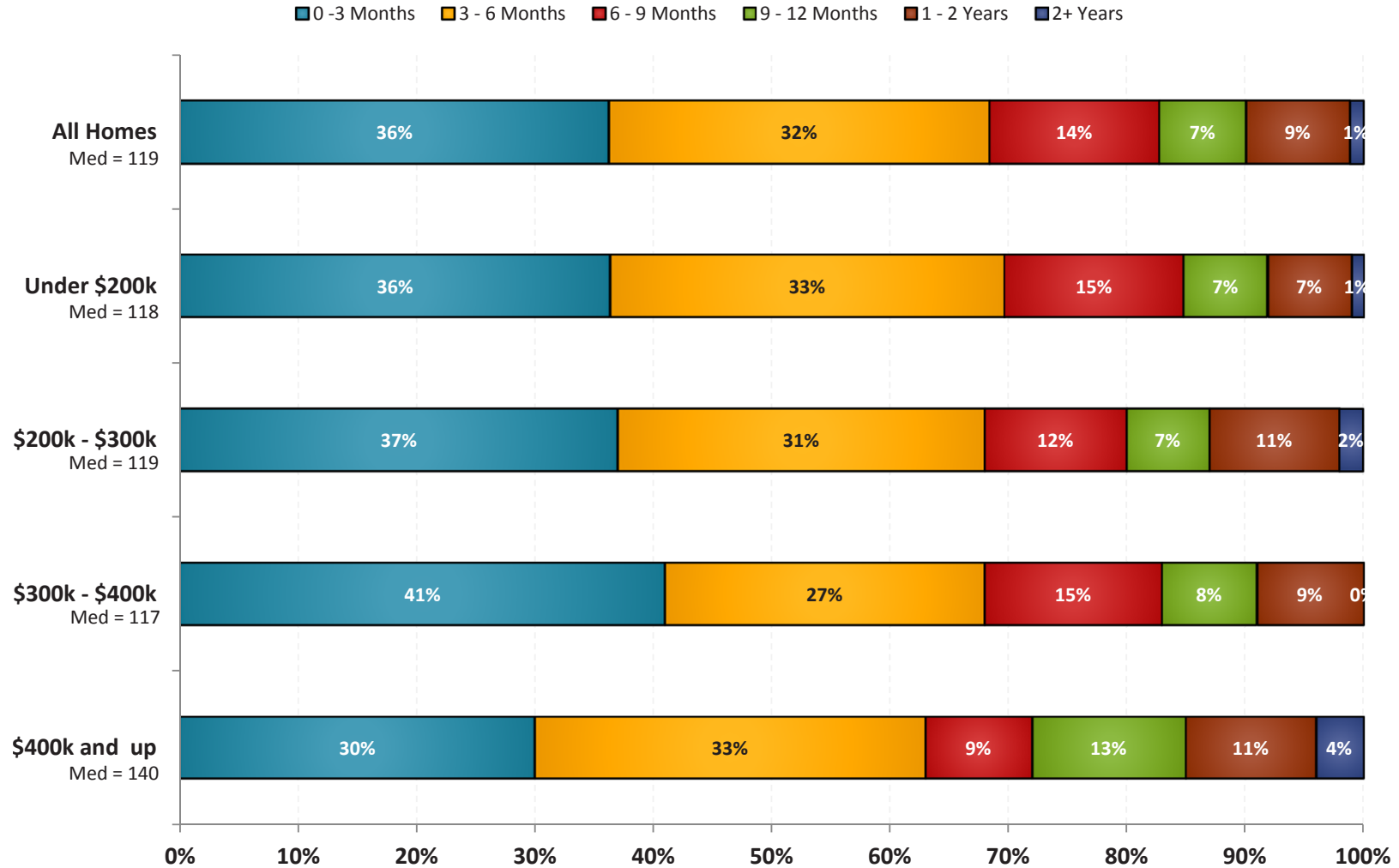


**Median Days On Market: 140**

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 (32%) and we find that an amazing

69% of homes that sell have closed within six months of first coming on the market. This is not, however accounting for the many homes that never sell -- that linger on the market, or are eventually taken off the market. Of interest -- 42% of the homes currently on the market for sale have been listed in the past three months.

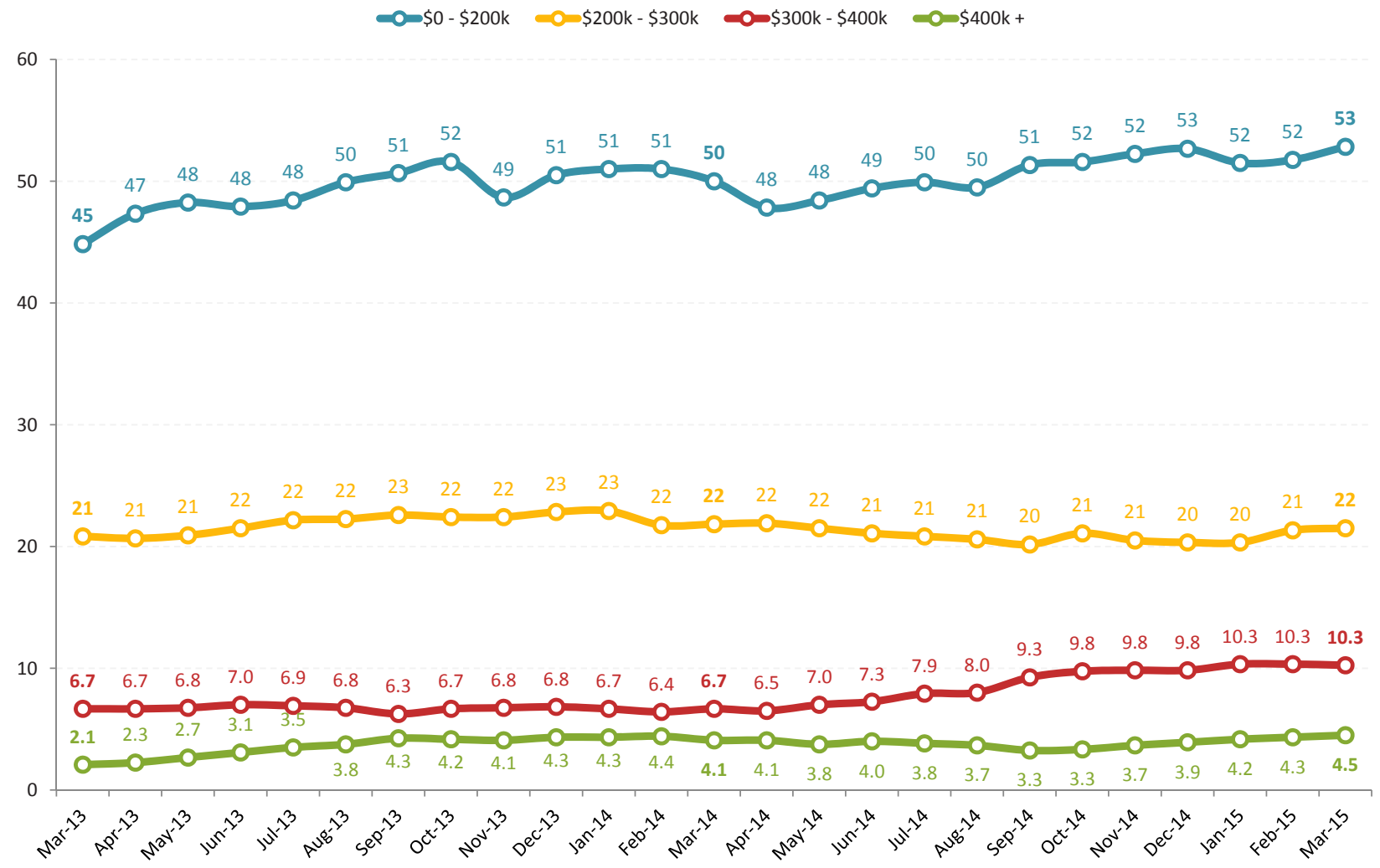
Harrisonburg & Rockingham County  
**Days on Market Analysis by Price Range**  
 Properties Sold in the Past 12 Months



The time that it takes to sell a home in today's market only varies slightly based on the price range of the home in question. All price ranges under \$400K have a similar median days on market (117, 118, 119) right now, with the only exception in our market being the over \$400K price segment where there is a median of 140 days.

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

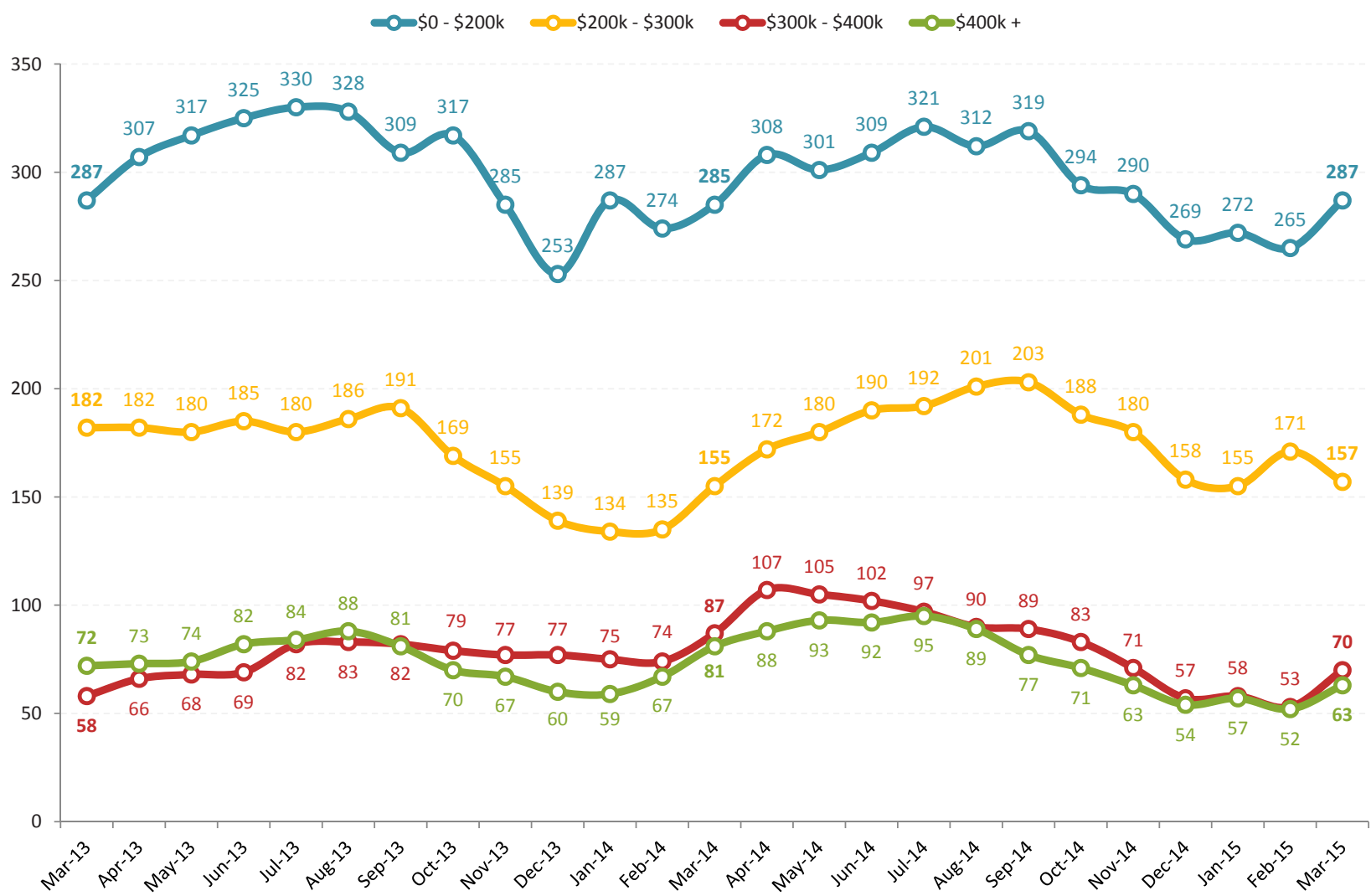
Harrisonburg & Rockingham County  
**Home Sales by Price Range**  
 (Average of Past 12 Months)



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

prices ranges have shown more significant growth than others. The most significant increase seen over the past 12 months has been in the \$300K - \$400K price range, where there has been a 54% increase in the annual pace of sales.

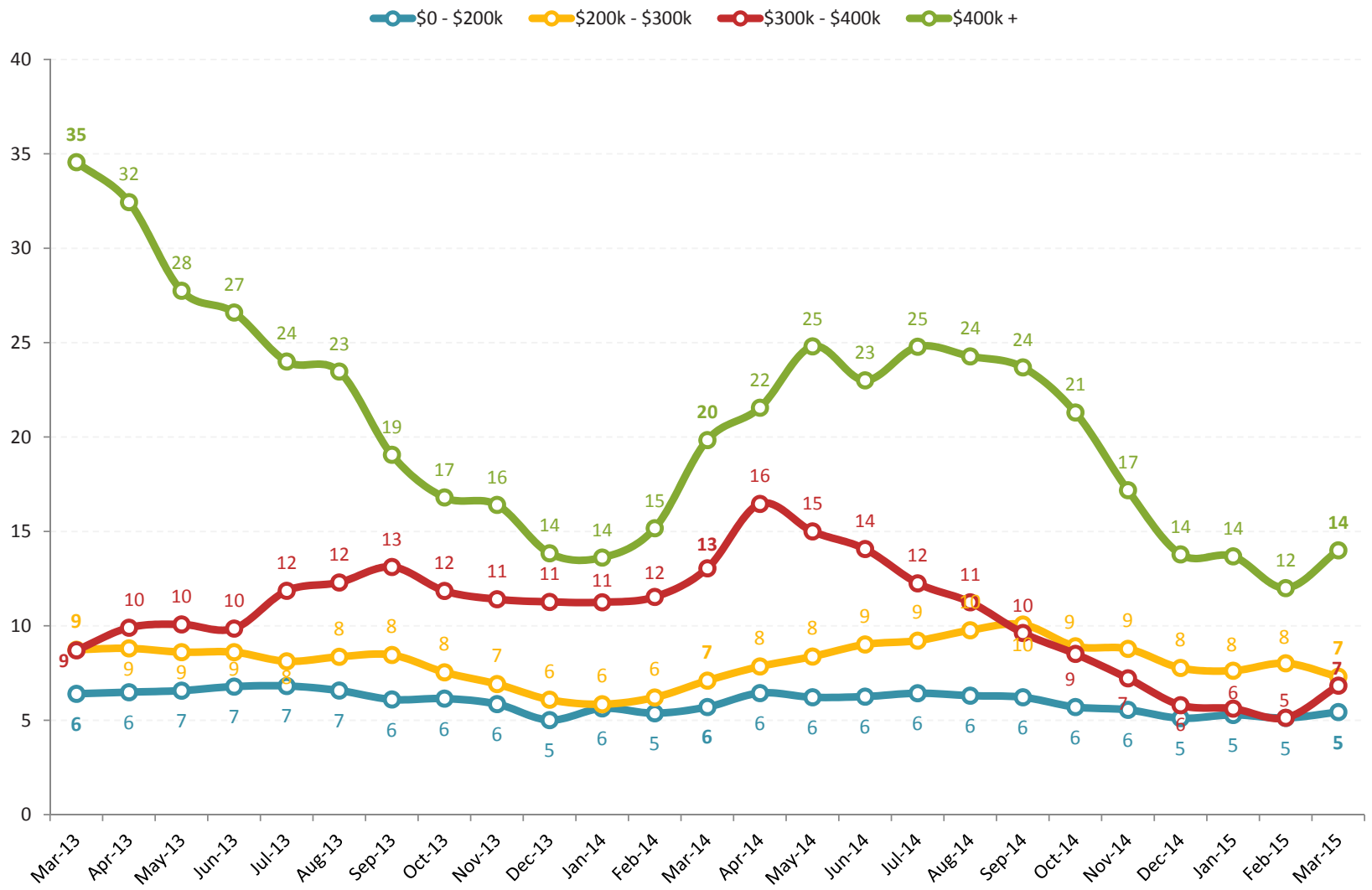
Harrisonburg & Rockingham County  
Inventory Levels by Price Range



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. The lower price ranges (Under \$200K, \$200K-\$300K) are seeing very similar inventory levels as compared to last year at this time, while the higher price ranges (\$300K-\$400K,

\$400K+) are seeing declines in the number of homes for sale. All four price ranges are likely to see inventory levels rise over the next few months as we move through the Spring and then Summer market.

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

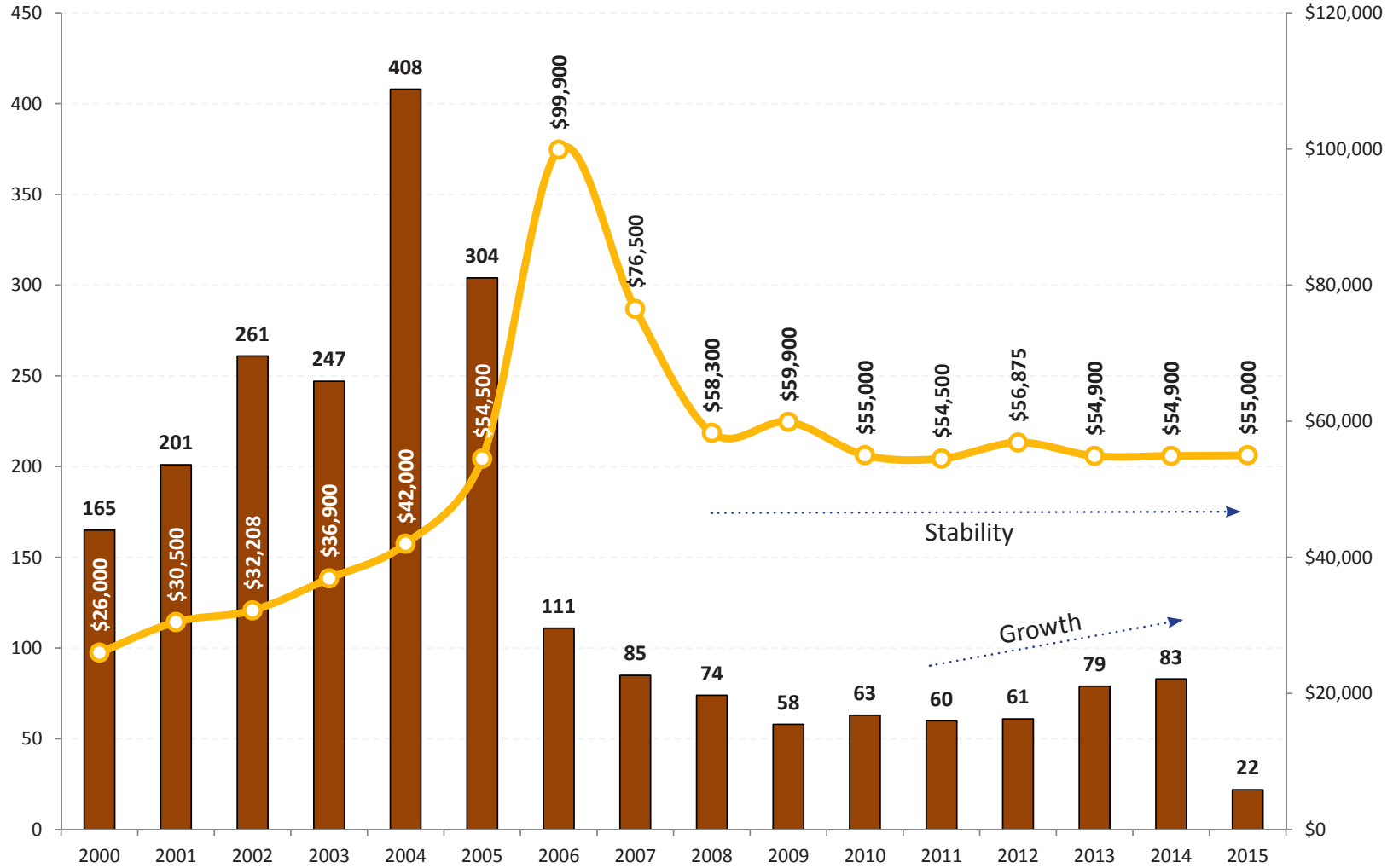


With so many homes on the market (lots of sellers) and so few home sales (not so many buyers), there are very high levels of supply in most price ranges our local real estate market. The graph above illustrates that it would take 14 months to sell all of the homes currently for sale over \$400K if the 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 in the past 12 months we have only consistently seen that balance in the under \$200K price range, though we are now starting to see it in the \$300K - \$400K price range.

Published on April 8, 2015 by Scott P. Rogers, Associate Broker, Funkhouser Real Estate Group, based on data from the Harrisonburg-Rockingham Association of REALTORS (R) MLS for the period 01/01/2000 - 3/31/2015.

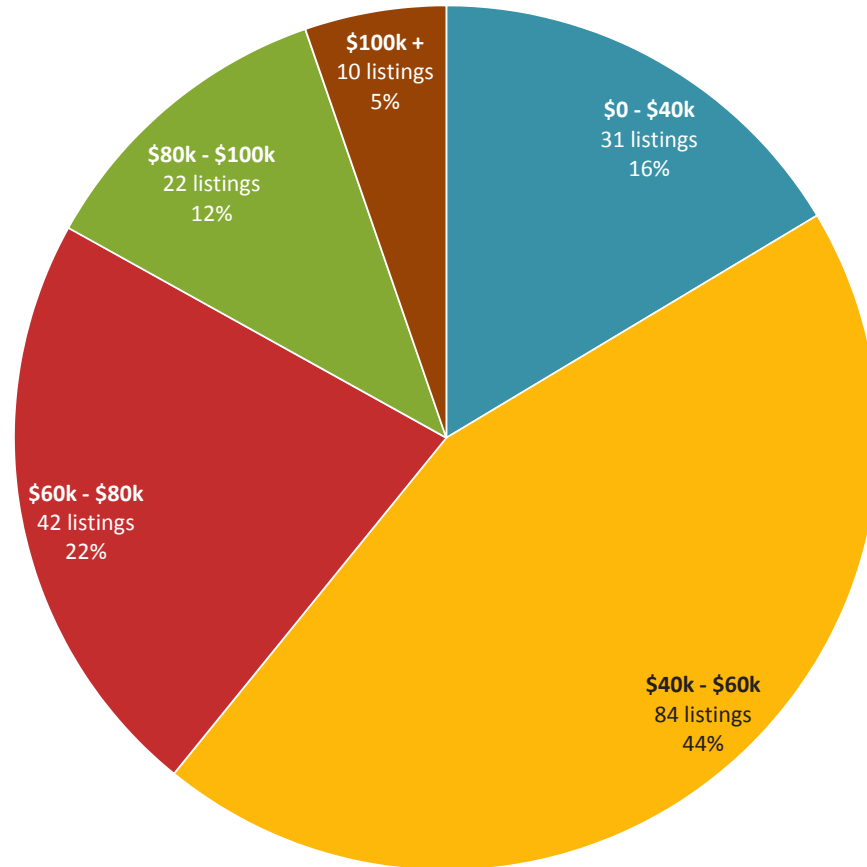
Harrisonburg & Rockingham County  
**Lot Sales & Median Prices**  
 less than 1 acre



While the pace of sales of lots that are smaller than an acre have plummeted since 2004 (-85% between 2004 and 2010), they may finally be increasing again, as we have seen approximately 80 sales per year for the past two years, after four years in a row of approximately 60 lot sales per year. The median sales price of these

lots under one acre also appears to be stabilizing between \$50,000 and \$60,000. If these trends continue, we may see as many as 90 (or more?) lot sales in 2015, and we may start to see the median price of lots increase again, perhaps approaching \$57,000 or \$58,000 this year.

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



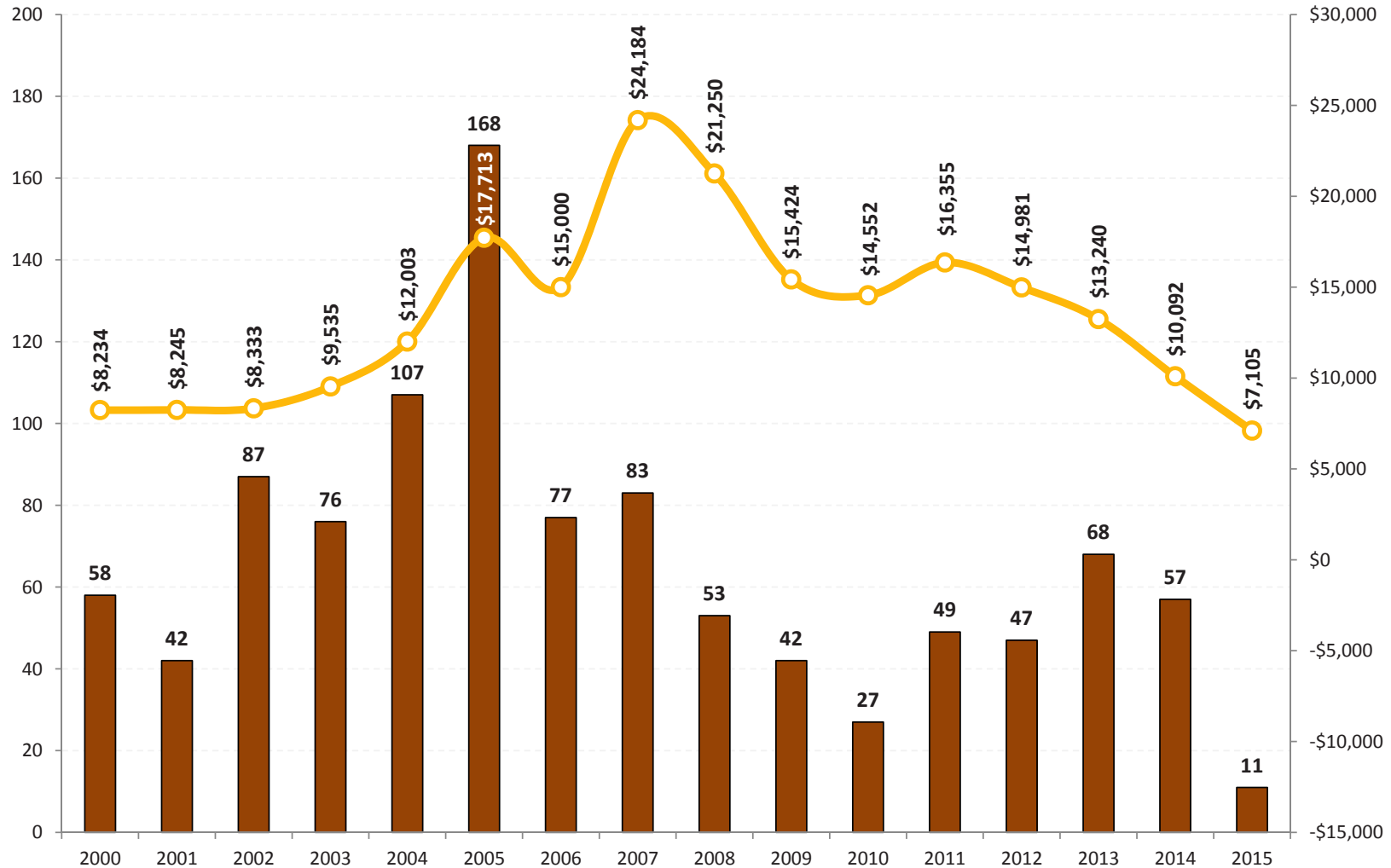
**189 Active Lot Listings; Median List Price: \$59,000**

Despite the fact that only 83 lots (of less than an acre) sold in all of 2014, there are a remarkable 189 lots currently for sale. Some sanity exists in this listing market, however, as the median list price of lots for sale (\$59,000) is not too far off from the 2014 median sales price of \$54,900. Given last year's 83 lot sales, if no other

lots were listed for sale, it would take 2.3 years to sell all of the lots currently listed for sale. As you can see above, more than one-third of the lots currently listed for sale are priced above \$60,000 --- thus many sellers have offering prices higher than recent (2011-2014) median sales prices.



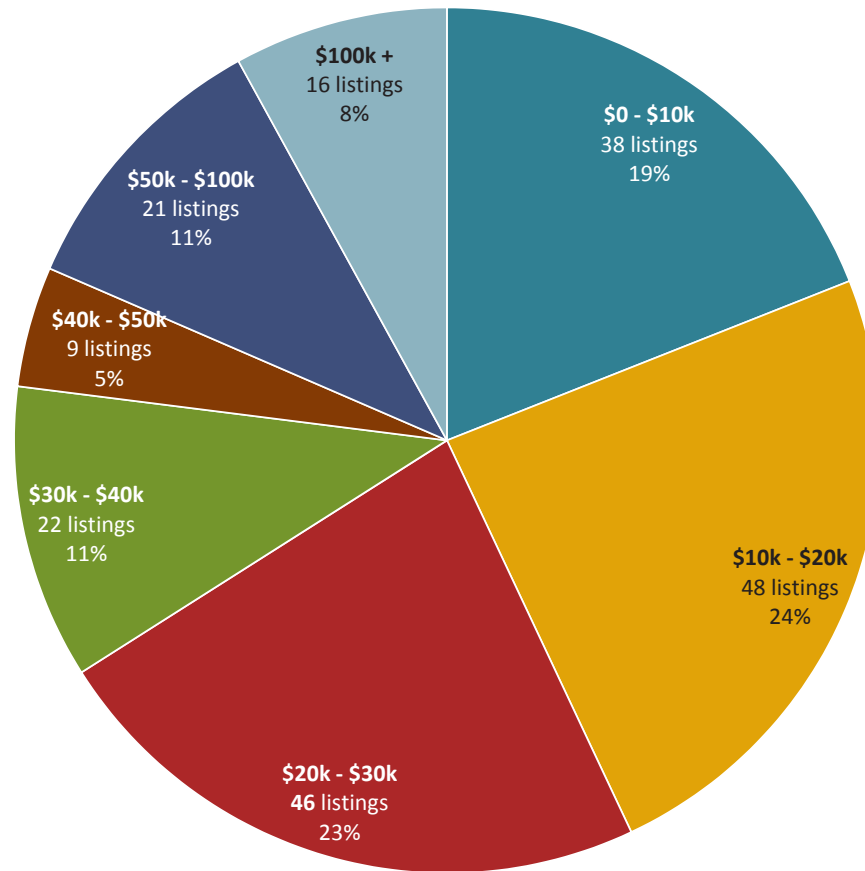
Harrisonburg & Rockingham County  
**Land Sales & Median Price Per Acre**  
 1 acre or more



Parcels of land larger than one acre in Harrisonburg or Rockingham County peaked in 2013 at 68 sales, and then declined again 2014 to only 57 sales. The median price per acre of these lots with over 1 acre continued to fall in 2014, to a price of \$10,092 per acre. This is far (far!) below the peak of \$24,184 per acre that was seen back in

2007. Looking forward at 2015, we are likely to see between 60 and 75 sales of this property type, and if the pace of sales does increase in 2015, perhaps we will see a slower decline (or none at all??) in the median sales price of these parcels.

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

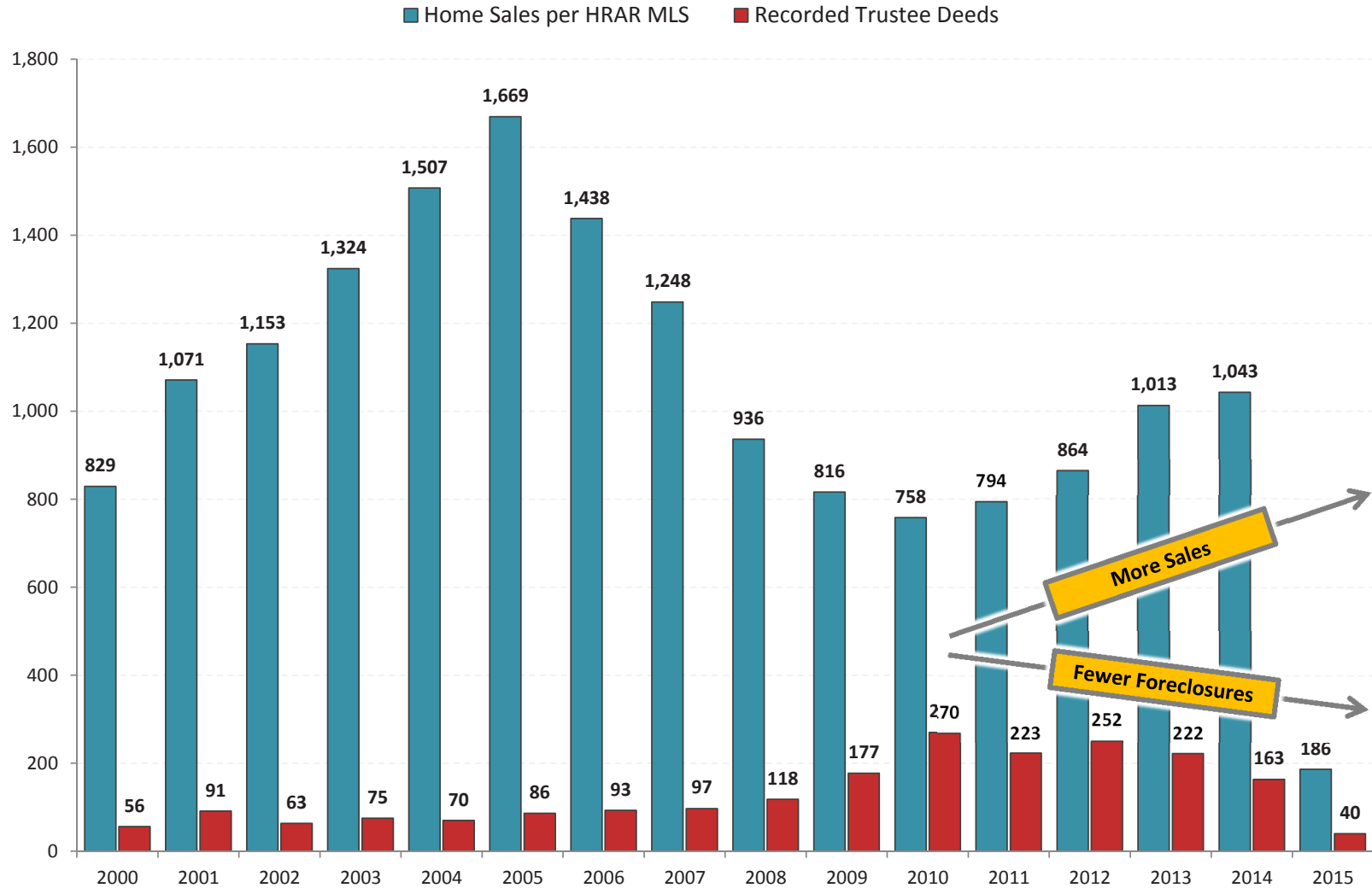


**200 Active Land Listing; Median List Price: \$22,513 / Acre**

Despite the fact that only 57 parcels of land (of one acre or more) sold in all of 2014, there are a remarkable 200 parcels of land currently for sale. Furthermore, despite the fact that the median sales price of land is hovering around \$10,000 per acre, the median list price of the 208 parcels for sale is currently \$22,513 per acre. Given

last year's 57 land sales, if no other land is listed for sale, it would take 3.5 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  
Home Sales vs. Trustee Sales

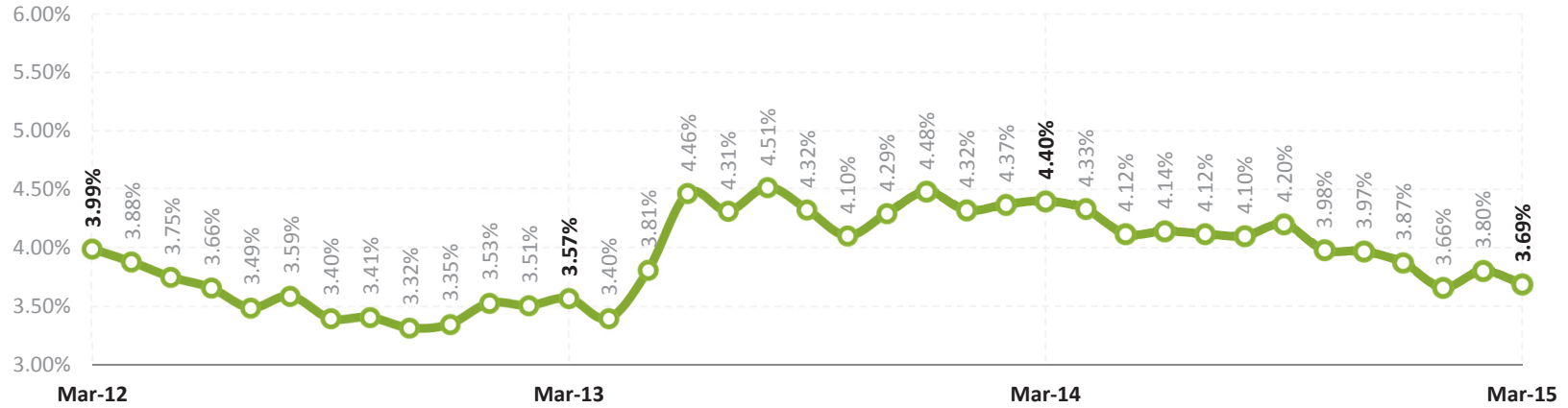


The graph above is a comparison of two imprecise measures -- but the comparison can still be helpful. The blue bars show the number of home sales recorded in the HRAR MLS -- this does not include private sales (without a Realtor), nor new home sales directly from a builder. The red bars show the number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

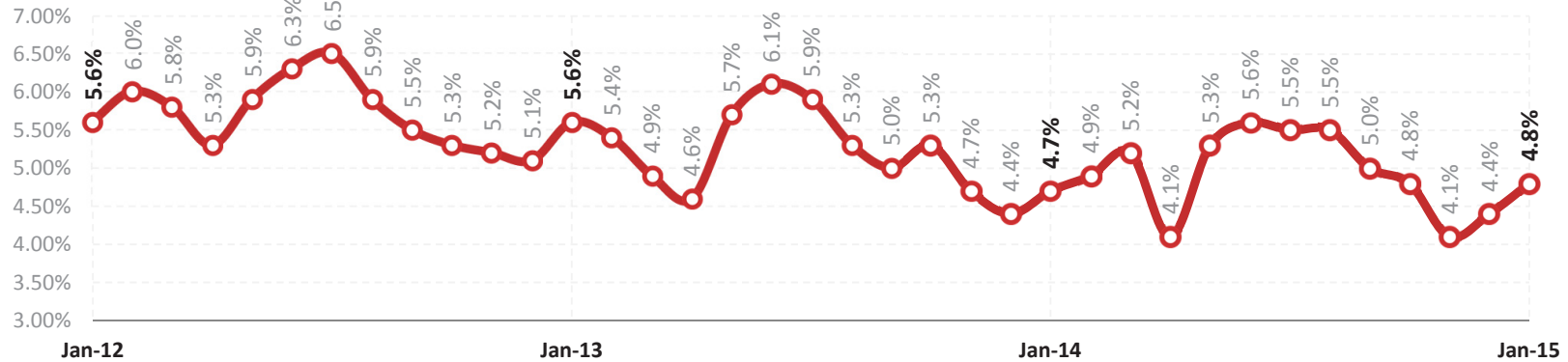
Some foreclosed properties then show up again as REO properties. The foreclosure rate in our local market area is definitely trending downward, as there were 4.6 times as many home sales as foreclosures during 2013 and 6.4 times as many home sales as foreclosures in 2014.

### Average 30-Year Fixed Mortgage Interest Rate

Source: Freddie Mac



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



As shown in the top graph above, home buyers have seen steadily (though slowly) declining mortgage interest rates over the past year, which are now down to an average of 3.69%, the second lowest levels seen in the past 23 months. The second graph above illustrates trends in the local unemployment rate -- which has shown

a general downward trend over the past three years, though it has started to rise again in recent months to the current level of 4.8%. A relatively stable local job market and extremely low long-term interest rates are certainly helping our local real estate market to stabilize and grow.

## Scott P. Rogers, Associate Broker



Scott P. Rogers, an 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. Scott provides detailed, professional and responsive service to all of his clients, whether they are buying their first home or have been through many housing transitions. 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.

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, elevated photography equipment, property websites for each of his listings and Matterport 3D Showcase. 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, HarrisonburgApps.com, HarrisonburgAssessments.com, HarrisonburgPropertyTransfers.com, HarrisonburgTownhouses.com, BestDealsInHarrisonburg.com and many others.

Scott is a member of the Shenandoah Valley Builders Association, serves on the Board of Directors for the Explore More Discovery Museum, the James Madison University Alumni Association and is the co-founder of TakeThemAMeal.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, camping, playing volleyball and attending JMU sporting events.

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

SCOTT P. ROGERS, Associate Broker  
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## Local Online Real Estate Resources

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

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

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

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

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

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

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

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

**Recently Reduced Listings in Harrisonburg, Rockingham County**  
[RecentlyReducedInHarrisonburg.com](http://RecentlyReducedInHarrisonburg.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)