



DECEMBER 2020

Harrisonburg & Rockingham County Real Estate Market Report



Guiding you through every move

*An analysis of real estate activity through December 15, 2020
provided courtesy of Scott P. Rogers, Funkhouser Real Estate Group*



The Very Last Home To Be Built In Heritage Estates, An Active Adult Community HeritageEstates.us

HOME SALES REPORT

Harrisonburg & Rockingham County

December 2020

All Residential Sales	2017	2018	2019	2020	% Change ('19 - '20)
November	100	83	93	141	51.61%
Year-To-Date (Jan - Nov)	1,159	1,204	1,223	1,351	10.47%
Last 12 Months (Dec - Nov)	1,254	1,307	1,326	1,451	9.43%

Median Sales Price	2017	2018	2019	2020	% Change ('19 - '20)
November	\$204,000	\$194,900	\$227,000	\$254,000	11.89%
Year-To-Date (Jan - Nov)	\$196,500	\$212,250	\$220,000	\$244,000	10.91%
Last 12 Months (Dec - Nov)	\$198,000	\$212,000	\$219,900	\$242,000	10.05%

Median Days on Market	2017	2018	2019	2020	% Change ('19 - '20)
Year-To-Date (Jan - Nov)	33	23	18	9	-50.00%
Last 12 Months (Dec - Nov)	35	24	18	10	-44.44%

In yet another 2020 surprise, home sales were sky high in November 2020 -- with 141 closed sales, a full 51% higher than last November! This brights the year to date pace of home sales up to 1,351 home sales -- which is 10% higher than last year when we had only seen 1,223 home sales in the first 11 months of the year. The

median sales price is also still on the rise with a 10.91% YTD increase from \$220,000 up to \$244,000. Finally, homes are taking half as long to sell this year as last with a 50% drop in the median days on market from 18 days last year to 9 days this year!

HOME SALES REPORT

Harrisonburg & Rockingham County

December 2020

Detached Homes	2017	2018	2019	2020	% Change ('19 - '20)
Year-To-Date (Jan - Nov)	819	865	871	939	7.81%
Last 12 Months (Dec - Nov)	896	937	950	1,021	7.47%

Median Sales Price	2017	2018	2019	2020	% Change ('19 - '20)
Year-To-Date (Jan - Nov)	\$224,000	\$229,500	\$240,000	\$265,000	10.42%
Last 12 Months (Dec - Nov)	\$222,500	\$229,000	\$236,750	\$263,000	11.09%

Attached Homes	2017	2018	2019	2020	% Change ('19 - '20)
Year-To-Date (Jan - Nov)	340	339	352	412	17.05%
Last 12 Months (Dec - Nov)	358	370	375	430	14.67%

Median Sales Price	2017	2018	2019	2020	% Change ('19 - '20)
Year-To-Date (Jan - Nov)	\$159,000	\$167,800	\$175,000	\$191,000	9.14%
Last 12 Months (Dec - Nov)	\$159,000	\$167,805	\$174,900	\$191,950	9.75%

The green charts above shows trends in detached home sales -- as compared to the orange charts which show attached home sales, comprised of duplexes, townhouses and condominiums. Over the past year the pace of detached home sales has risen 7.47% to 1,021 home sales per year while the pace of attached home sales has

risen more quickly, by 14.67%, to 430 sales per year. The median sales price of detached homes has risen an astonishing 11.09% over the past year to \$263,000 and the median sales price of attached homes has also risen quite a bit (9.75%) -- to \$191,950 in Harrisonburg and Rockingham County.

HOME SALES REPORT :: BY AREA

# Home Sales	City of Harrisonburg			Rockingham County		
	2019	2020	% Change	2019	2020	% Change
November	24	38	58.33%	69	103	49.28%
Last 12 Months (Dec - Nov)	406	404	-0.49%	919	1047	13.93%

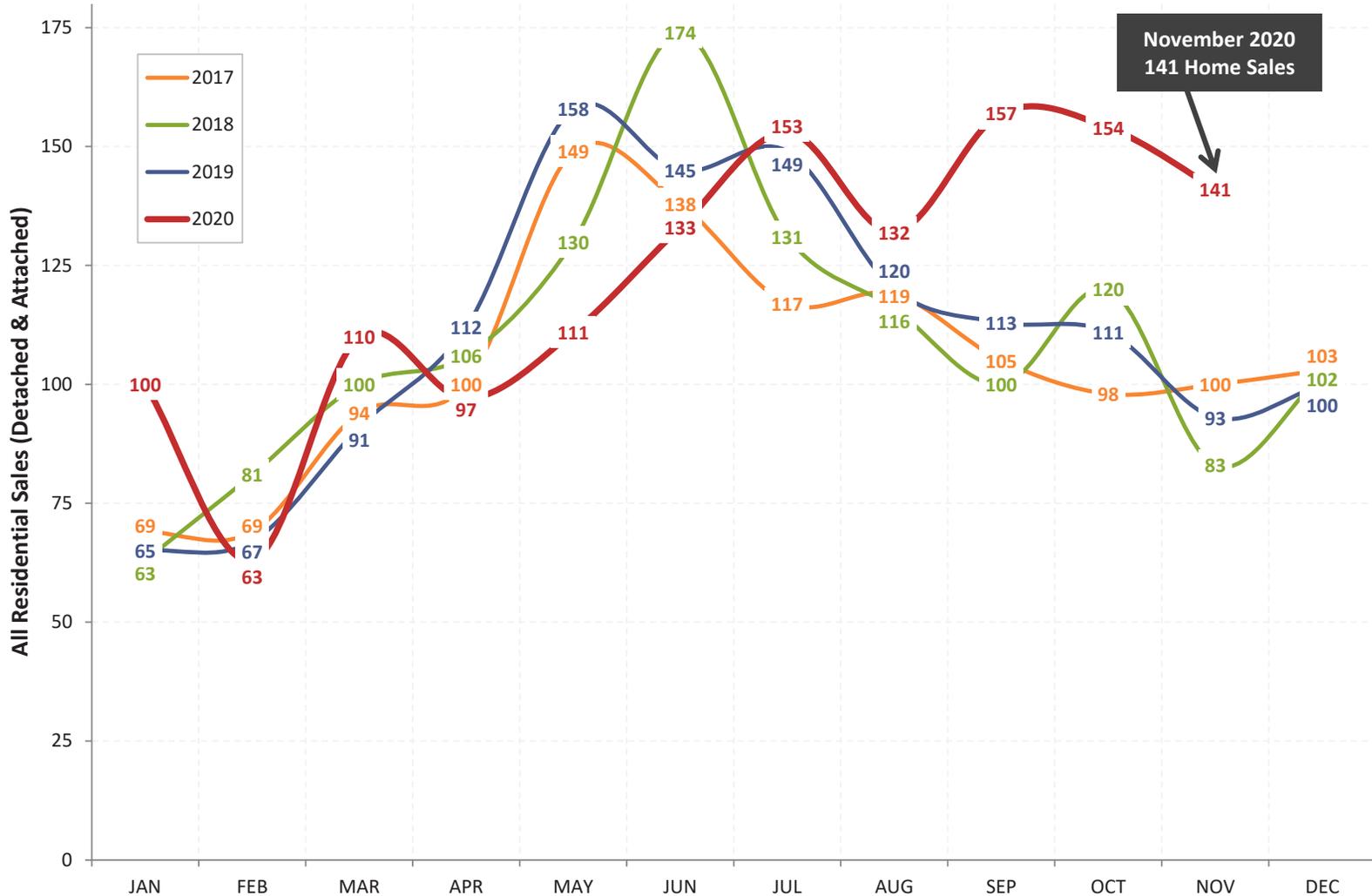
Median Sales Price	City of Harrisonburg			Rockingham County		
	2019	2020	% Change	2019	2020	% Change
November	\$188,500	\$208,000	10.34%	\$237,500	\$263,480	10.94%
Last 12 Months (Dec - Nov)	\$195,250	\$219,450	12.39%	\$230,000	\$250,000	8.70%

Median Days on Market	City of Harrisonburg			Rockingham County		
	2019	2020	% Change	2019	2020	% Change
November	6	8	33.33%	34	6	-82.35%
Last 12 Months (Dec - Nov)	11	6	-45.45%	21	11	-47.62%

Generally, each year, more than twice as many homes sell in Rockingham County as compared to the City of Harrisonburg. Over the past 12 months, we have seen somewhat of a decline (-0.49%) in City home sales while we have seen an increase (+13.93%) in the pace of County home sales. The median sales price of homes in

the City and County have both increased - with a 12.39% increase in price in the City and a 8.7% price in the County. The median sales price is a good bit higher in the County (\$250,000) than in the City (\$219,450) though this may be a result of most townhouses being located in the City.

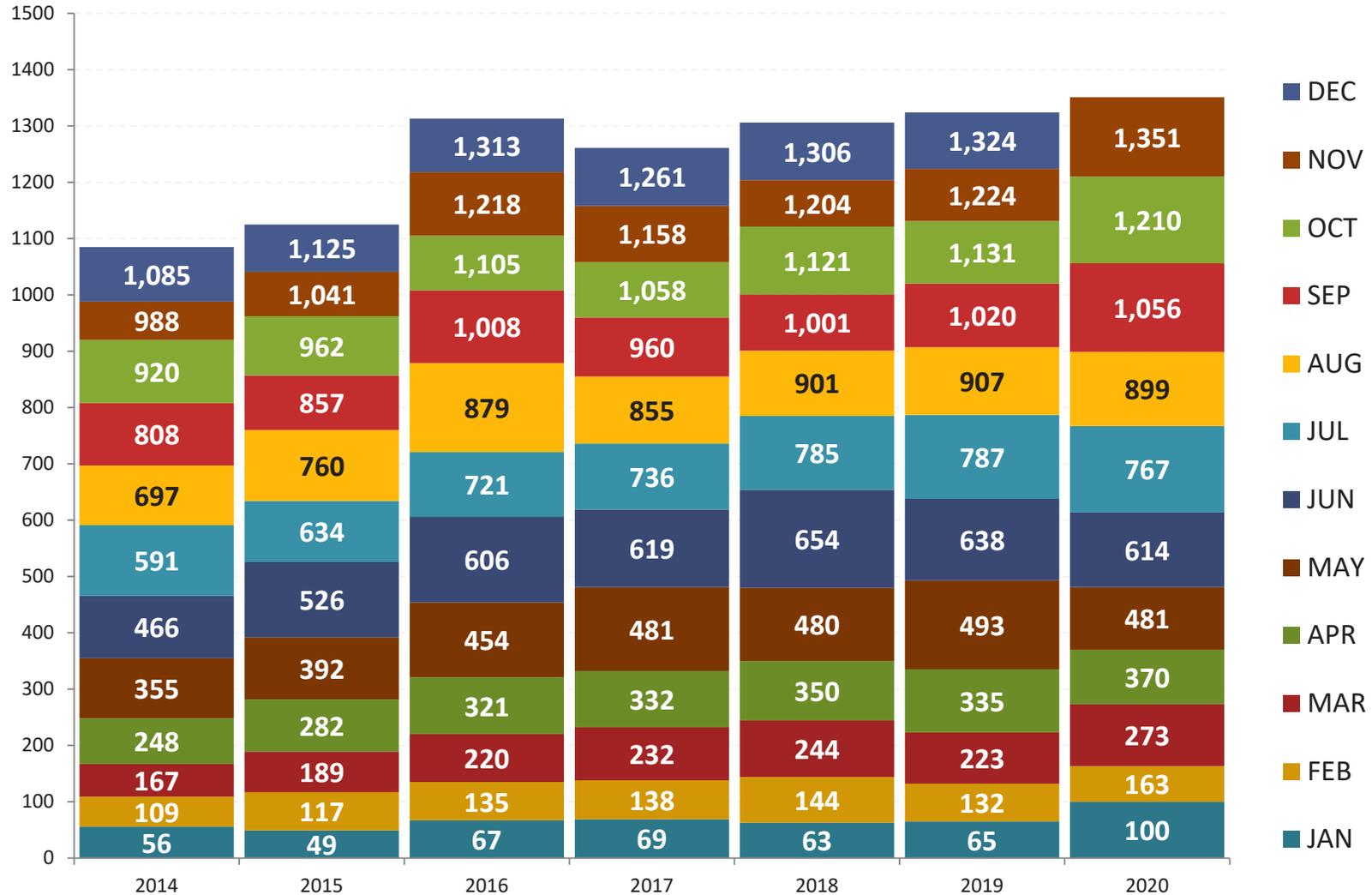
Harrisonburg & Rockingham County
Month-By-Month Home Sales History



What an unusual year! We usually see the highest number of home sales in May, June and July -- but this year home sales were quite low during those months. Typically, we then see home sales slowly decline in pace as we slide through the fall and into the winter, but not this year! Other than the month of July, the

three strongest months of home sales in 2020 have been September, October and November! Furthermore, home sales in September, October and November haven't just been slightly higher than normal - they have been dramatically higher than normal! What a wild year!

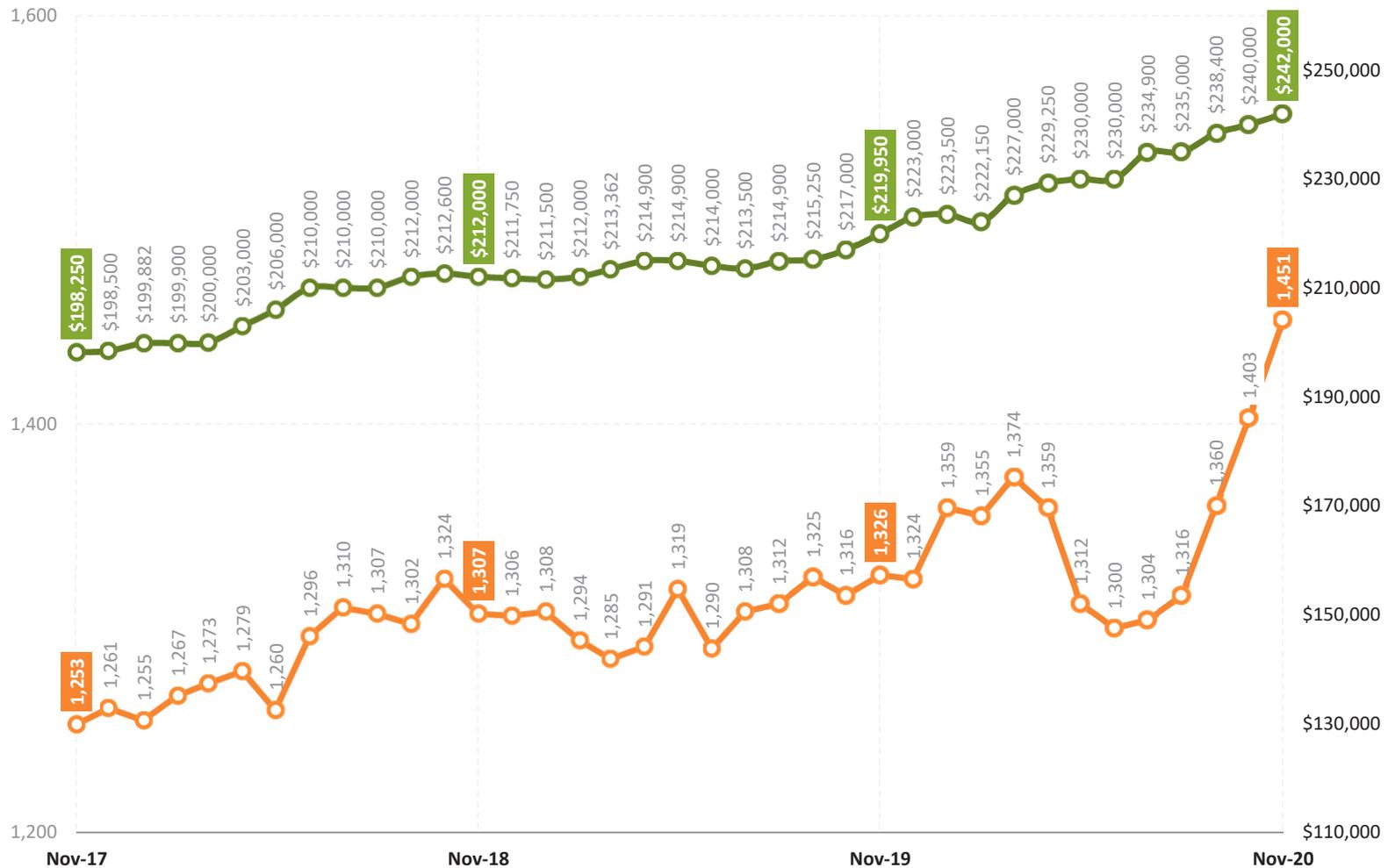
Harrisonburg & Rockingham County
Monthly Cumulative Residential Sales



This colorful graph offers another way to look at the overall sales trends for the past few years in the Harrisonburg and Rockingham County housing market. As shown above, our local housing market experienced has seen steady growth over the past three years to a total of 1,324 home sales during 2019. This was the highest total

number of home sales seen in a single year for more than a decade - but no longer! Now, within only 11 months in the books, the pace of home sales in 2020 has officially eclipsed all of the recent years shown above. Once we add in December, it seems likely we'll clear 1,400 and maybe 1,450 home sales for the year!

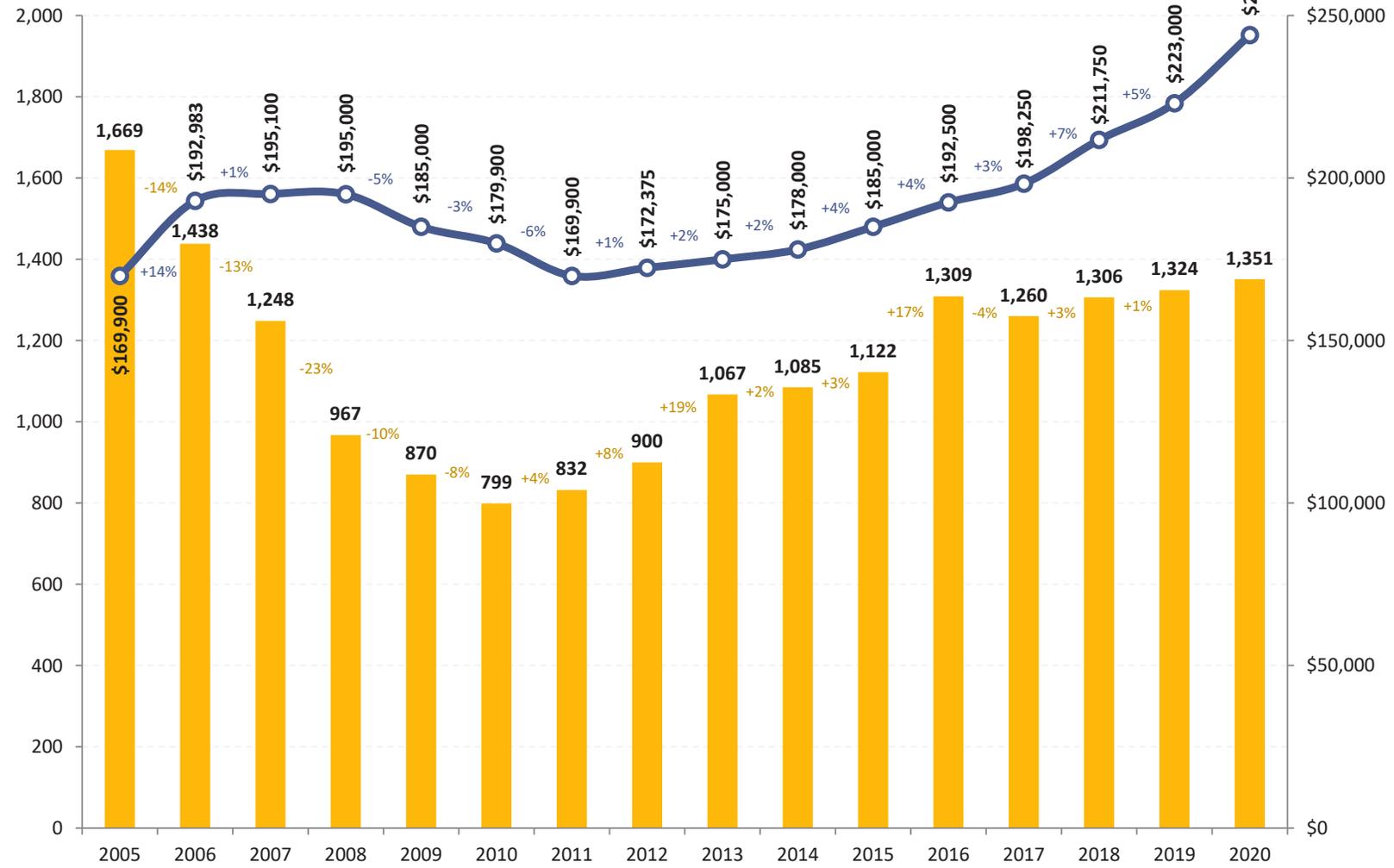
Harrisonburg & Rockingham County
Time-Adjusted Home Sales Trends :: All Residential Properties
 # Home Sales, Median Sales Price in each 12 Month Period



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

basis. After the annual pace of home sales had risen steadily for two and a half years it dipped for about four months due to COVID - though it has now rebounded and is rising quickly! Meanwhile, the median sales price keeps on climbing up to a median of \$242,000 for all home sales in Harrisonburg and Rockingham County.

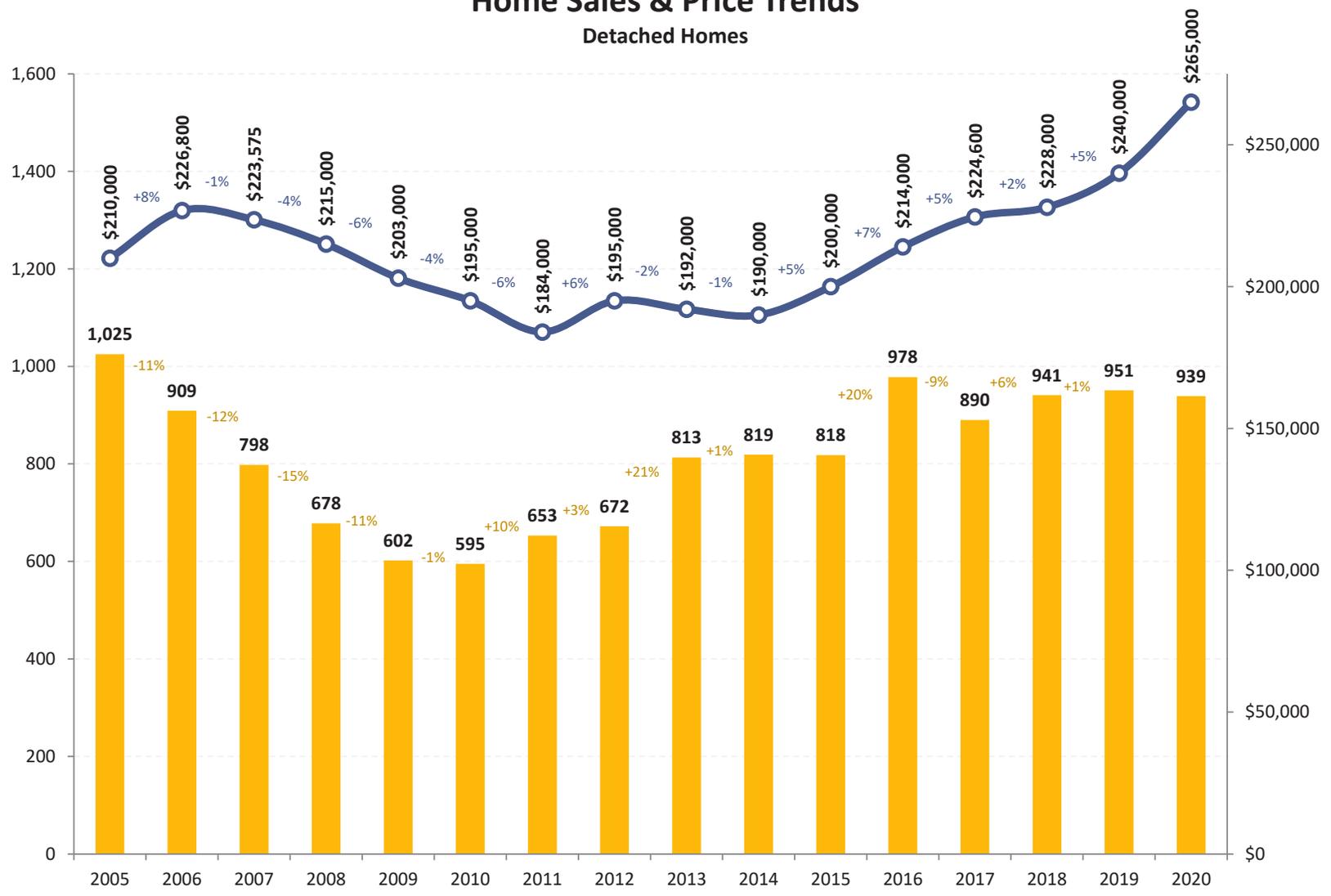
Harrisonburg & Rockingham County
Home Sales & Price Trends
 All Residential Sales (Attached & Detached)



This graph provides an overall indicator of the state of our housing market, showing both the number of homes being sold each year since 2005 (yellow bars) as well as changes in the median sales price during the same time period (blue line). Over the past nine years we have seen relatively steady increases in the number of homes

sold each year in Harrisonburg and Rockingham County - up to 1,324 last year. The median sales price has also been consistently increasing for eight years now, up to an all time high last year of \$223,000. Thus far in 2020, the median sales price seems to be rising even faster than in recent years.

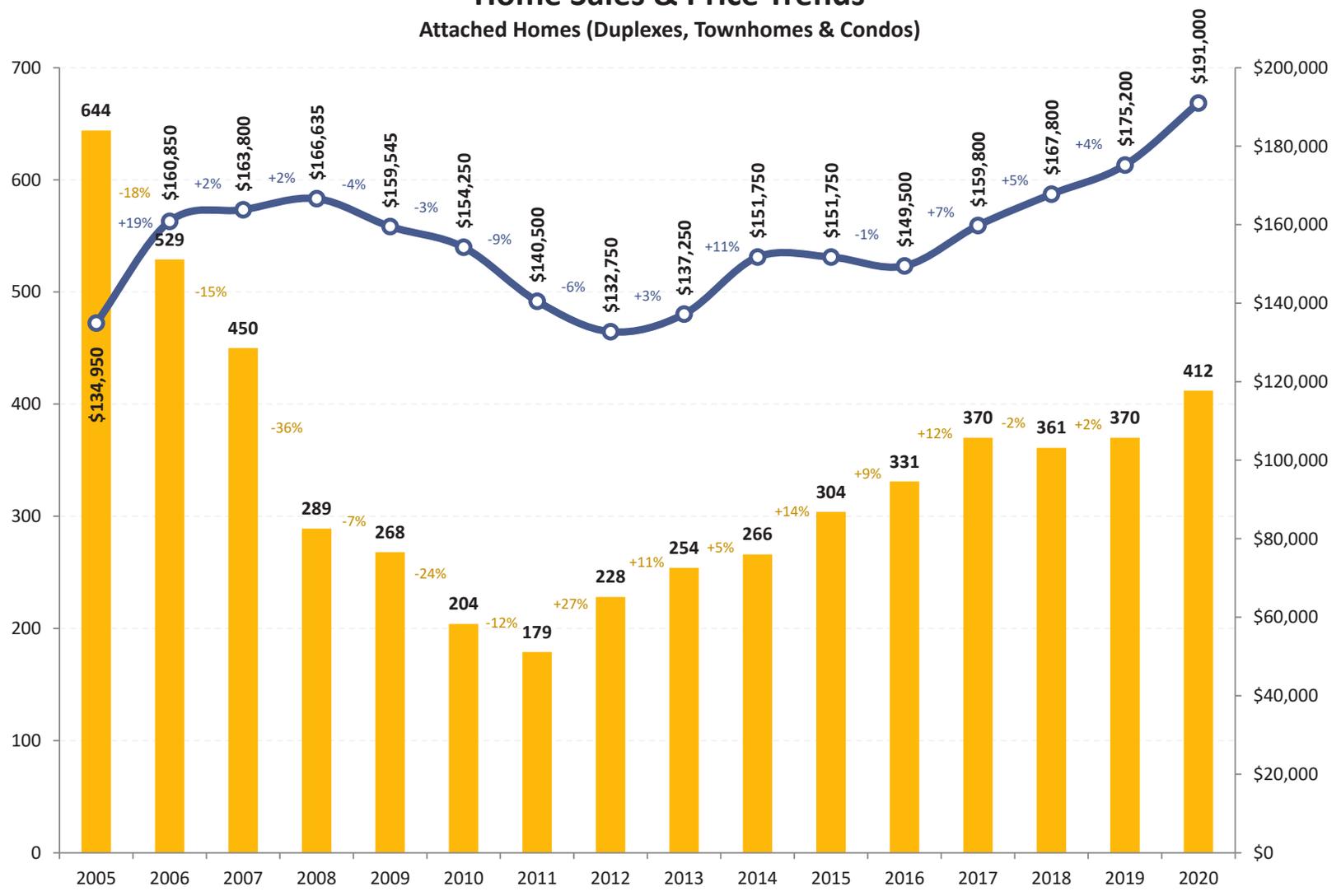
Harrisonburg & Rockingham County
Home Sales & Price Trends
 Detached Homes



The single family home market in Harrisonburg and Rockingham County has improved rather steadily over the past nine years with increases almost every year in the number of homes sold. Technically, we saw a peak in 2016 that we have not yet matched, though there were slight increases between 2017 and 2018 as well

as between 2018 and 2019. The median sales price of these single family homes has also steadily increased over the past five years -- from \$190,000 to last year's median sales price of \$240,000. The median sales price is showing signs of heading even higher, even faster, this year - jumping well above \$260,000!

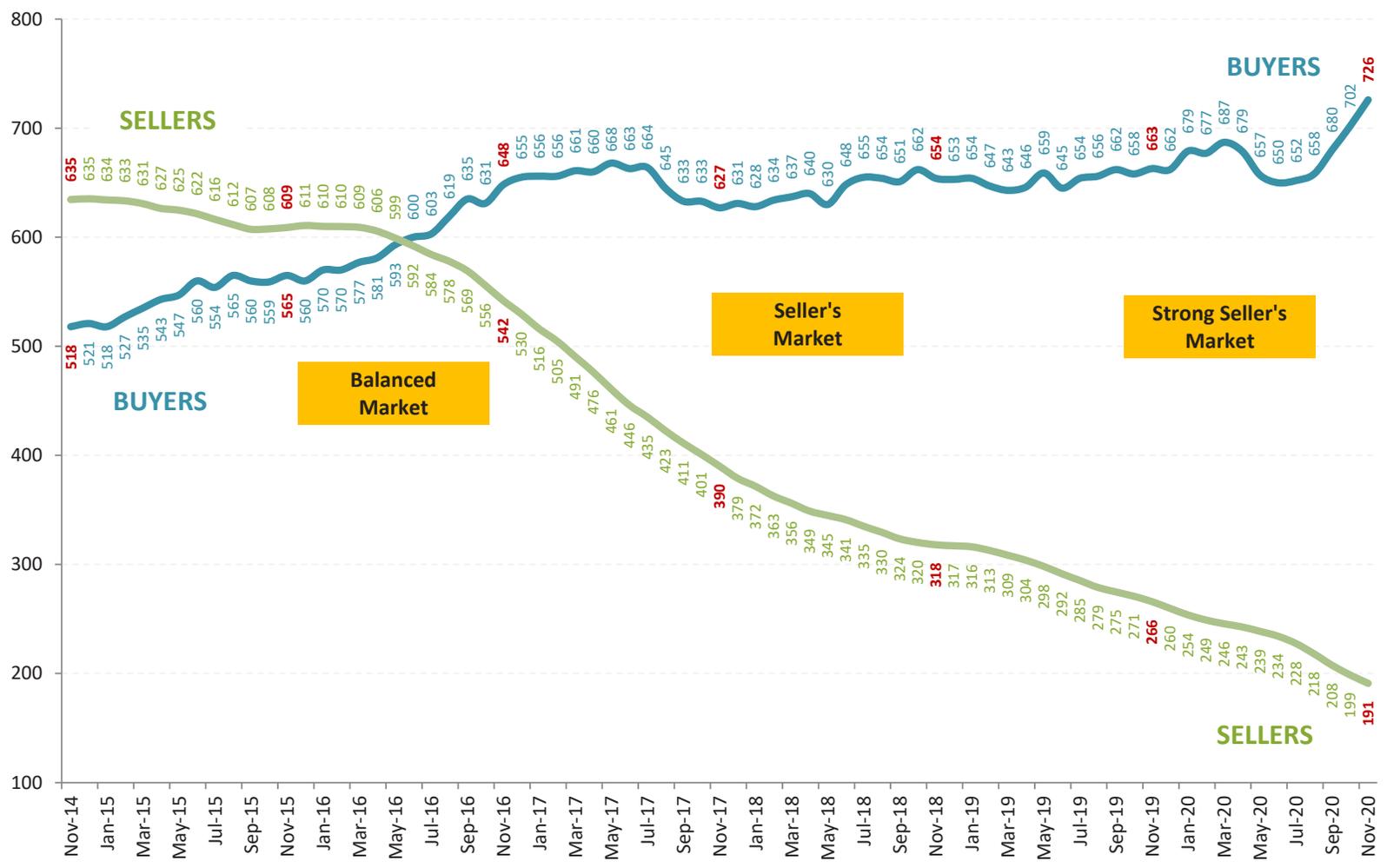
Harrisonburg & Rockingham County
Home Sales & Price Trends
 Attached Homes (Duplexes, Townhomes & Condos)



The pace of sales of attached homes (duplexes, townhouses and condos) rose steadily between 2011 and 2017 before declining slightly (-2%) in 2018 -- but then increasing slightly (+2%) in 2019. These recent years of declining numbers of sales is likely correlated to fewer new townhouses being constructed in this area. Over

the past three years, the median sales price of attached homes has steadily risen to the high of \$175,200 that we saw in 2019 -- the highest median sales price on record for attached homes in Harrisonburg and Rockingham County. In 2020, the median sales price has headed even higher, even faster, now past \$190,000!

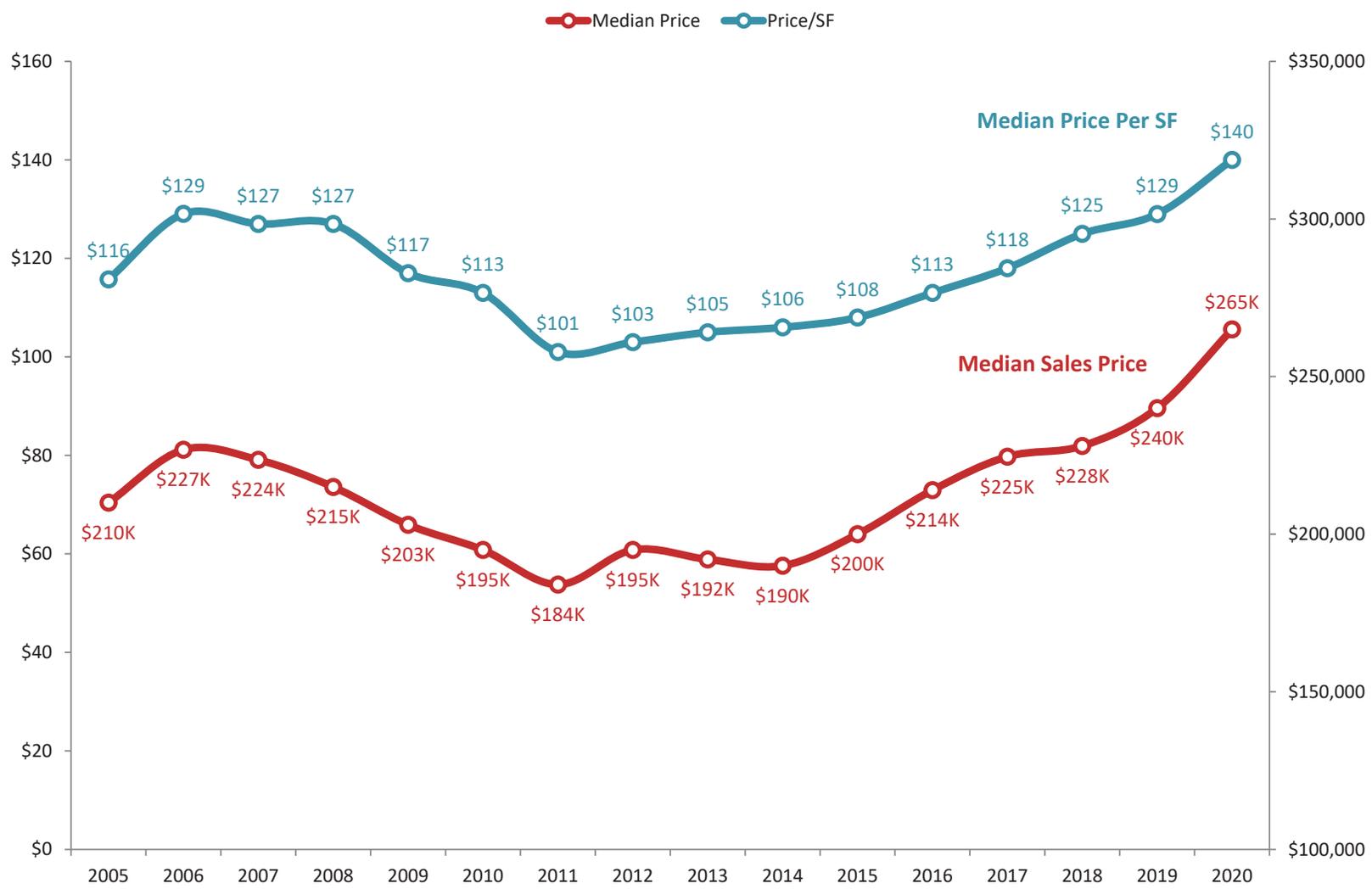
Harrisonburg & Rockingham County
Market Balance between Buyers and Sellers
 Assuming Six Months of Housing Supply is a Balanced Market



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

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

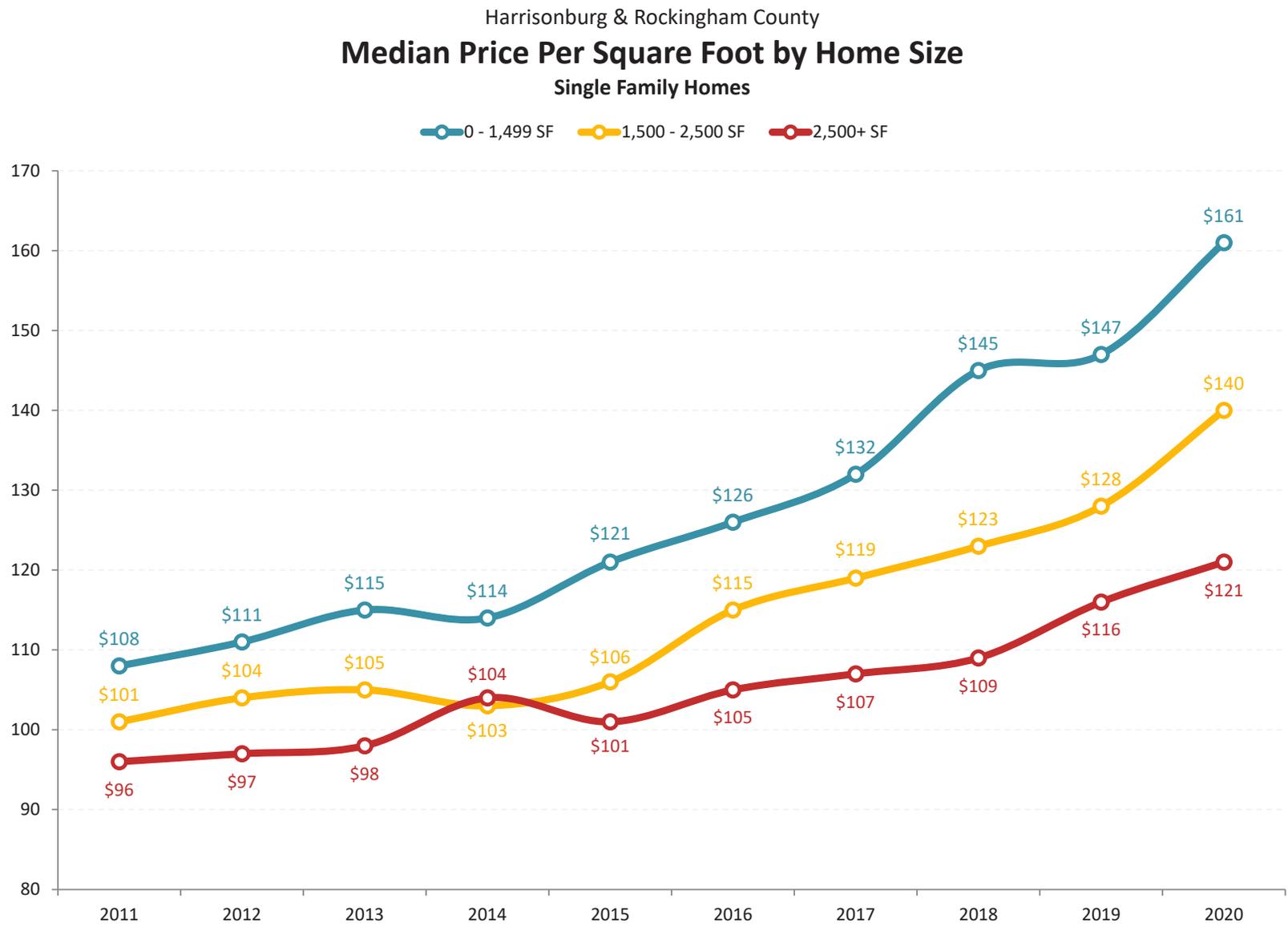
Harrisonburg & Rockingham County Median Price vs. Price Per SF of Detached Homes



In addition to monitoring home values by overall median sales prices in our market, it can be insightful to examine the median price per square foot of homes that are selling. The graph above shows the median price per square foot of all single family homes sold over the past 15 years. The value trend captured by this graph is quite

similar to the trend shown in the single family home median sales price during the same time, which validates that assumed set of changes in home values. Over the past several years (2015 through 2020) we have seen increases in the median sales price as well as the median price per square foot of single family homes.

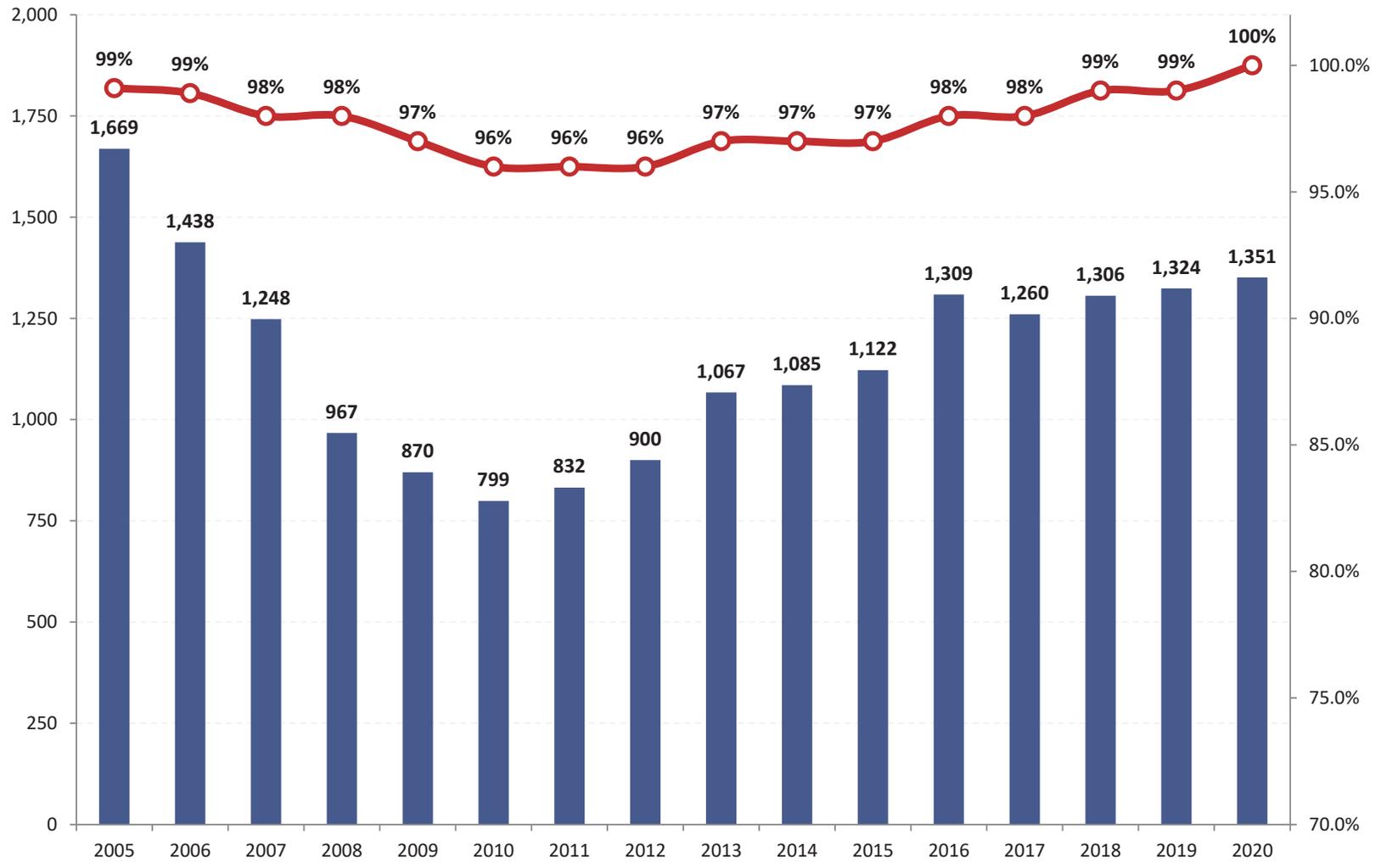
Published on December 15, 2020 by Scott P. Rogers, Associate Broker, Funkhouser Real Estate Group, based on data from the Harrisonburg-Rockingham Association of REALTORS (R) MLS for the period of 01/01/2000 - 11/30/2020.



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

(2500+ SF) was a good bit lower (\$116/SF) than that of homes with less than 1500 SF (\$147/SF) during 2019. 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.

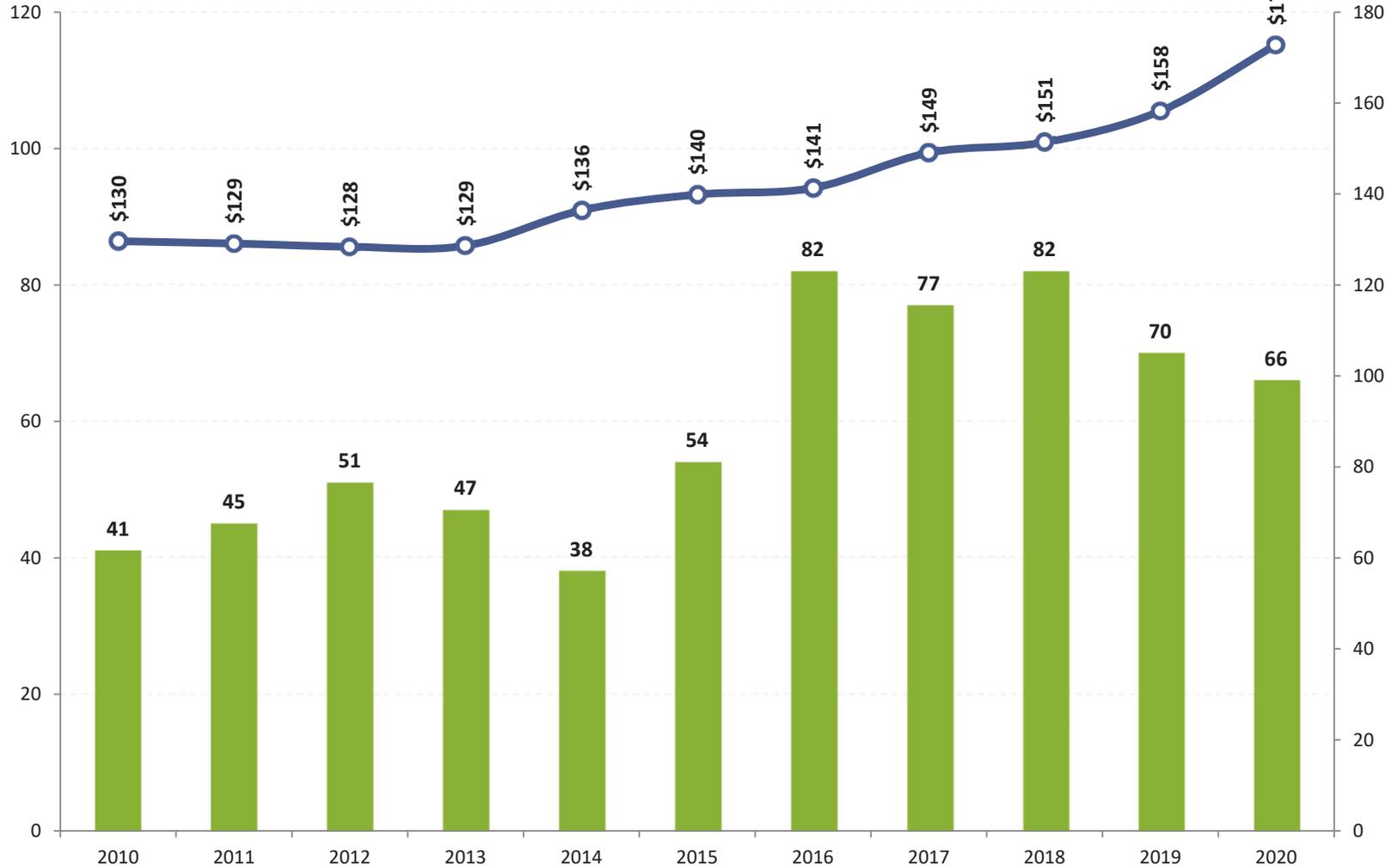
Harrisonburg & Rockingham County
Median List Price to Sales Price Ratio
 within the context of Home Sales Pace



This graph shows the average list price to sales price ratio (red line) over the past 15 years as compared to the overall pace of home sales. At the peak of the housing boom (2004-2006) sellers were able to obtain a median of 99% of their asking price. Then, when the pace of home sales slowed (through 2010) this metric dropped

to 96%, where it stayed for three years. Sellers started selling for slightly more in 2013-2015 when they could obtain 97% of their list price. This increased to 98% in 2016 (remained there in 2017), and has been holding at 99% since 2018, but has now popped up to a median of 100% in 2020 as of the end of June.

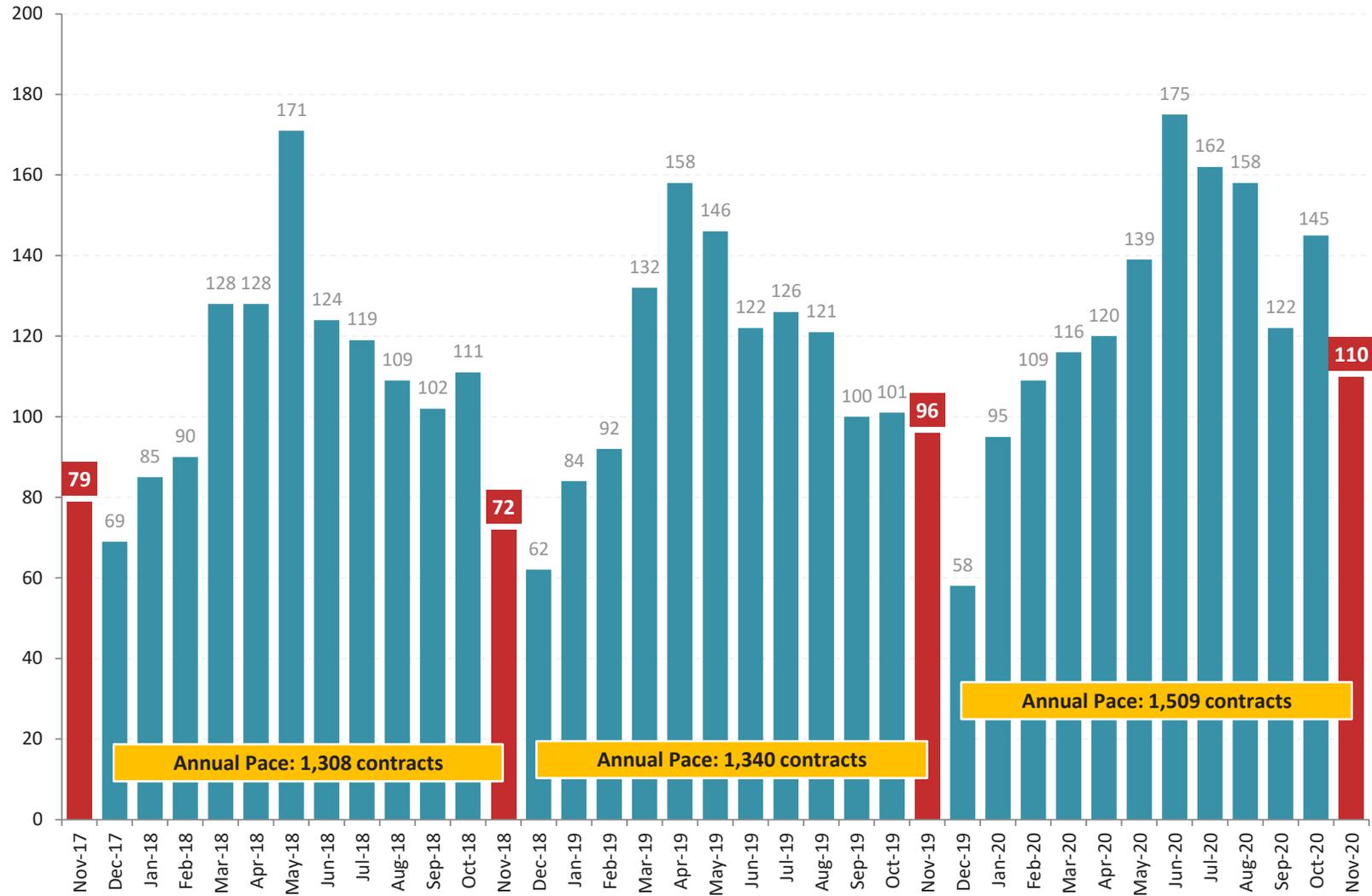
Harrisonburg & Rockingham County New Construction Detached Home Sales Trends Number of Sales, Median Price Per Square Foot



New home builders have been building more homes over the past four years (70 - 82 per year) than seen during the preceding six years. These figures, of course, only represent new homes being marketed through the MLS. Plenty of additional new homes are built by local home builders on lots already owned by the person who

will live in the home - and thus they do not show up in the new home sales metrics above. When looking just at these new home sales, we see a steady increase in the price per square foot of homes being built and sold over the past ten years, with perhaps the largest increase in that value taking place in 2020.

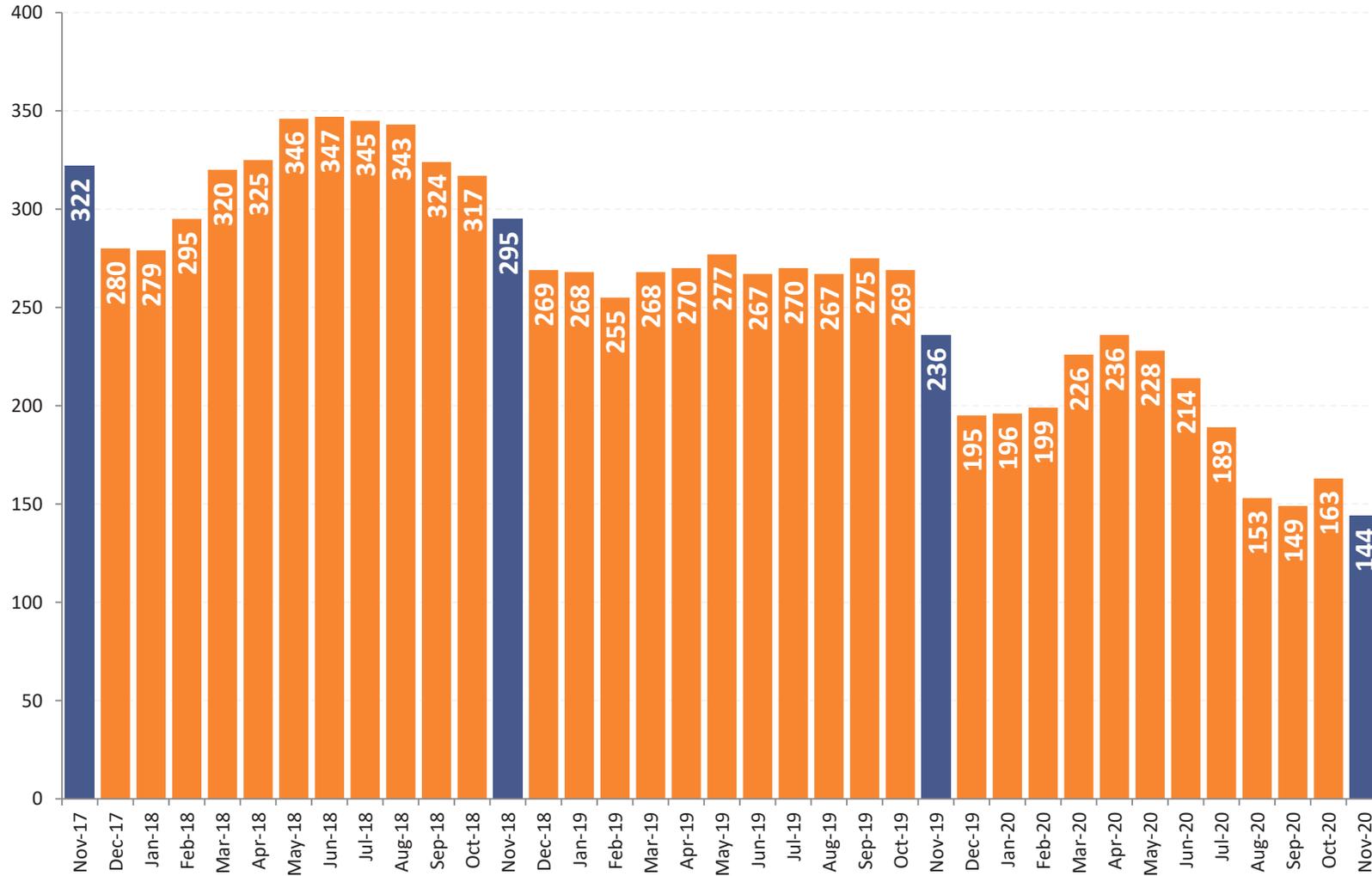
Harrisonburg & Rockingham County
Buyers Per Month Committing to Buy Properties



The fall has been a busy time for home buyers signing contracts to buy homes! This September 122 buyers signed contracts as compared to only 100 last September. In October it was 145 contracts as compared to only 101 a year prior. Finally, in November, we saw 110 contracts signed as compared to only 96 one year prior.

Clearly, the surge of buying activity we saw in summer 2020 has continued right on into fall 2020. This has led to a dramatic increase in annual contracts (1340/year to 1509/year) as well as an increase in annual home sales in Harrisonburg and Rockingham County!

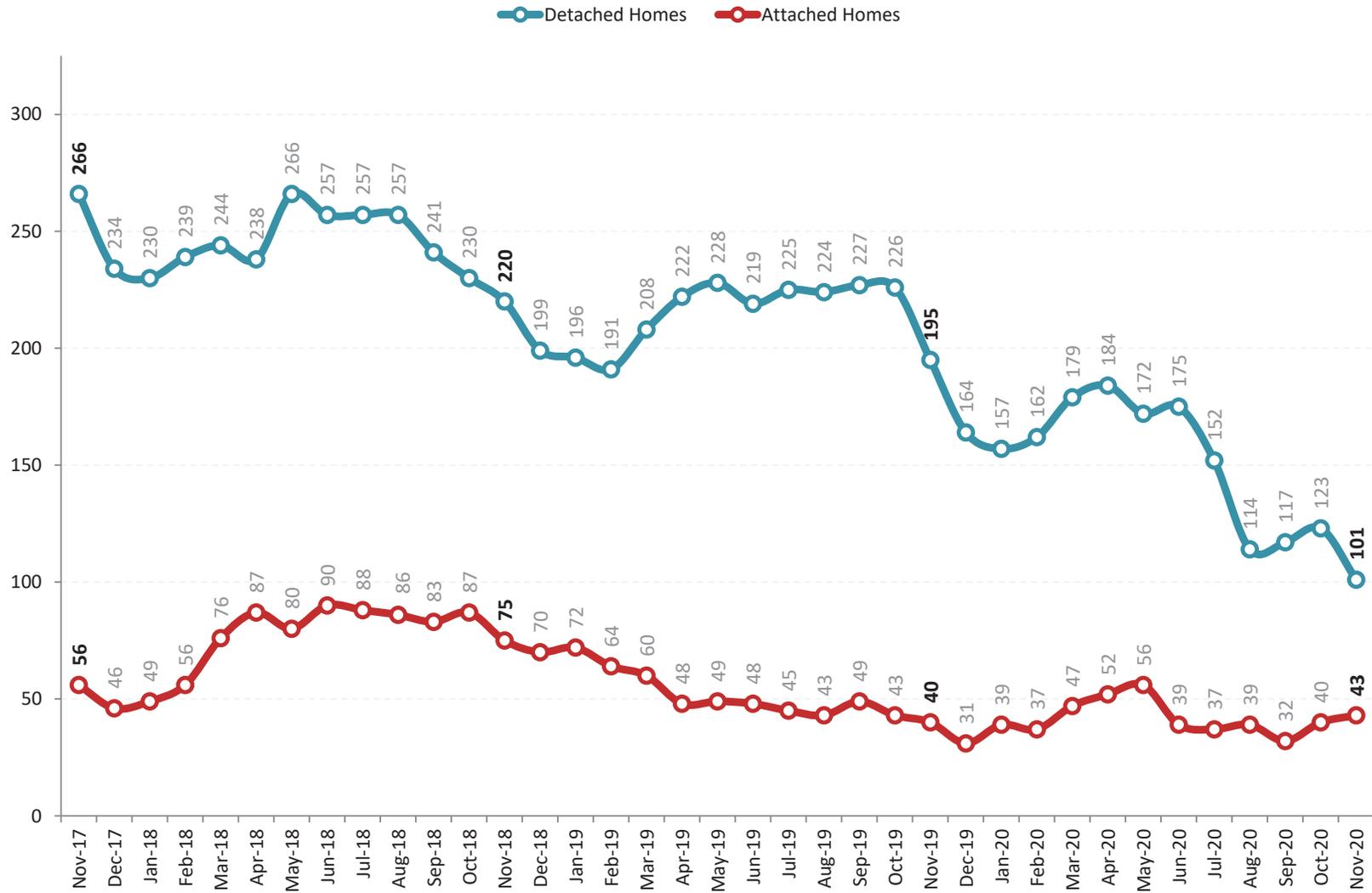
Harrisonburg & Rockingham County
Inventory Levels
 (end of month)



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

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

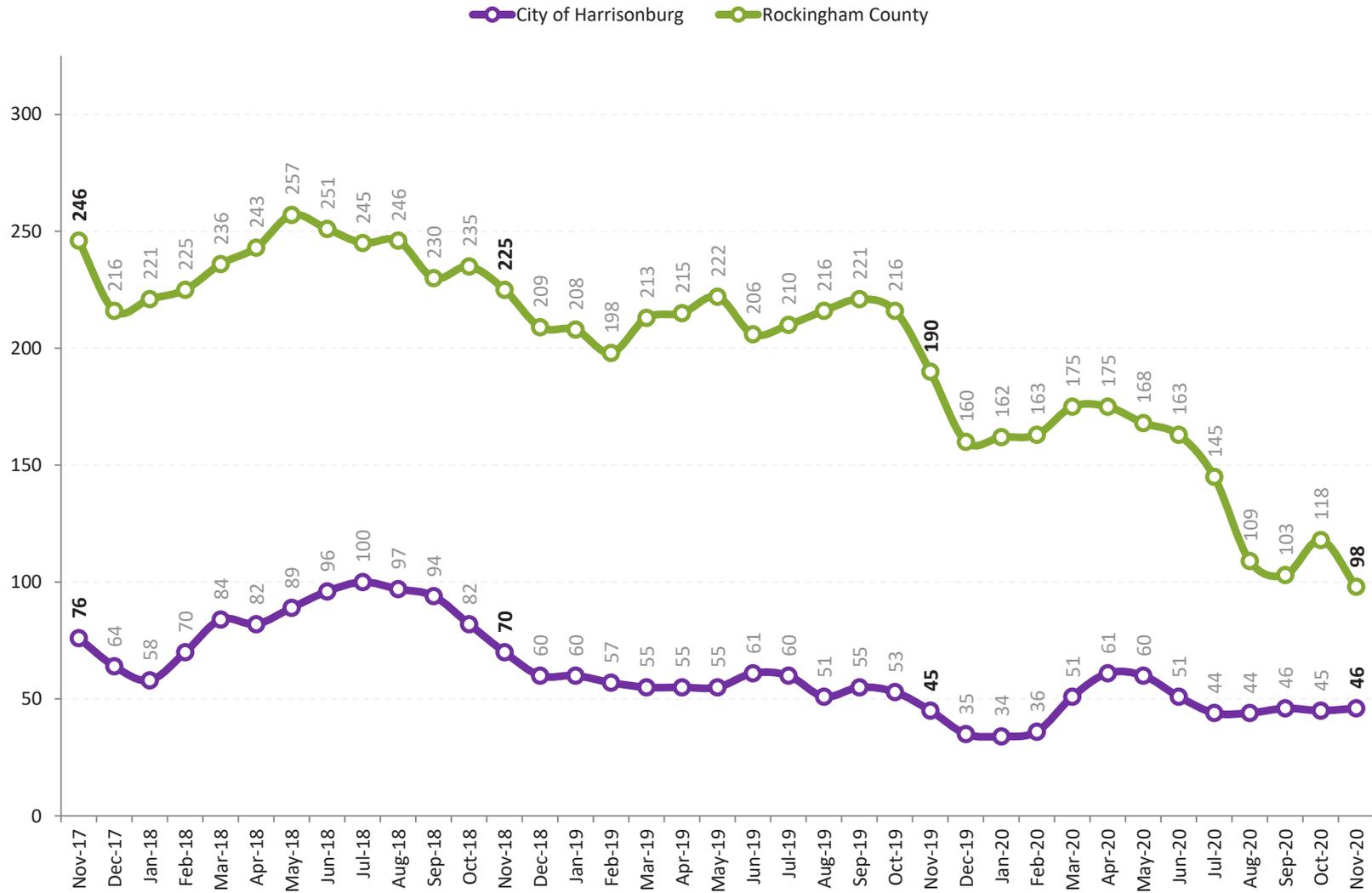
Harrisonburg & Rockingham County
Inventory Levels by Property Type



This graph examines the differences in inventory levels over time when examining only single family homes as compared to attached dwellings (townhouses, duplexes, condos). The number of detached homes for sale has decreased by 48% over the past year, while the number of attached homes (townhouses, duplexes and condos)

for sale has nominally increased over the past year, though the inventory levels of attached homes started much lower! I was hopeful that we would see inventory levels rise as this past spring or summer of this year -- but as soon as sellers listed their homes for sale, buyers then turned around and bought them.

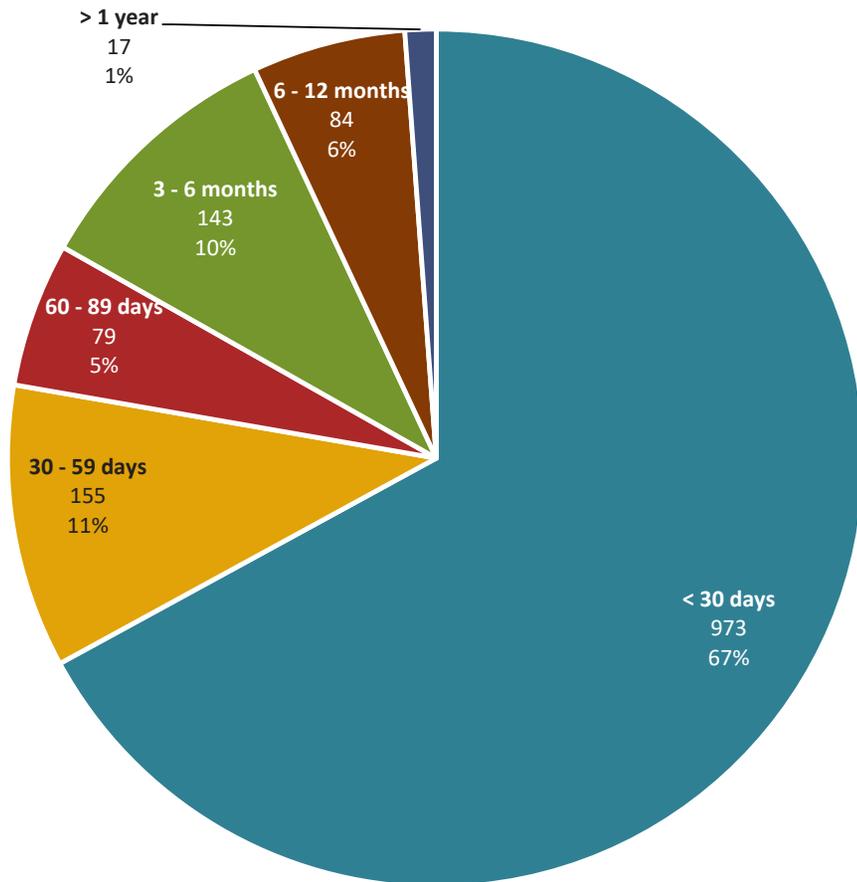
Harrisonburg & Rockingham County
Inventory Levels by Property Location



Inventory levels have fallen 48% in Rockingham County over the past year while City inventory levels actually rose by 2% during the same timeframe. Of note -- there are more than twice as many home sales and homes for sale in the County as compared to the City. Low inventory levels are much more of an issue in the City right now if

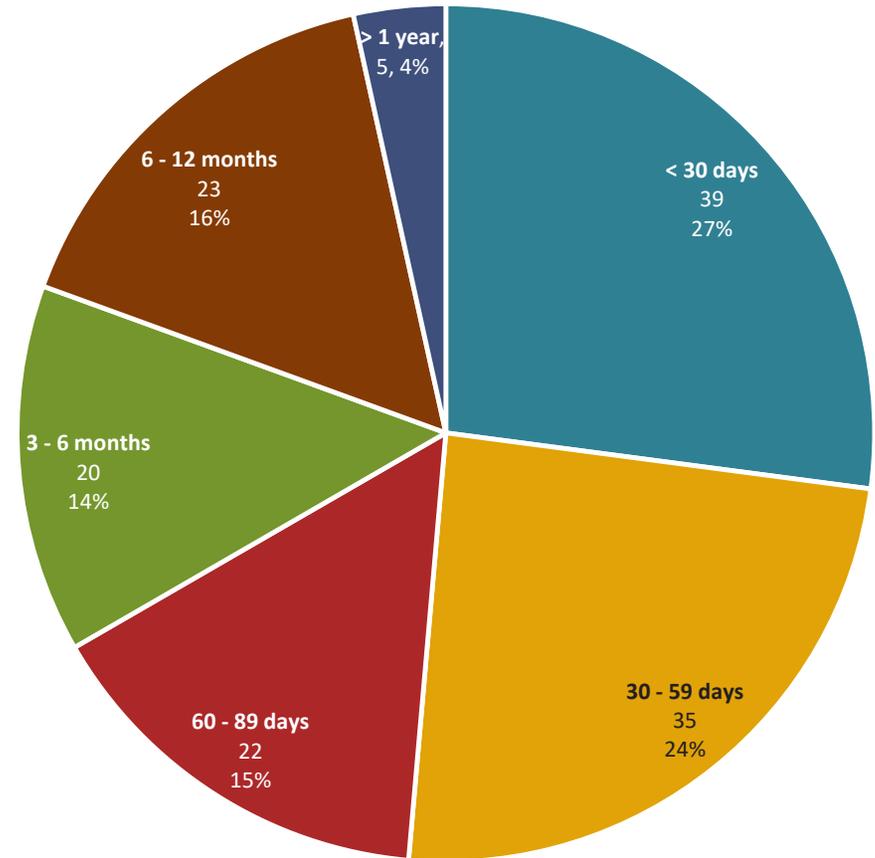
we look at both sellers (supply) and buyers (demand). This is likely leading to the faster increases in median sales price in the City, and the lower median days on market in the City as compared to the same metrics in the County.

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



Median Days On Market: 10

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

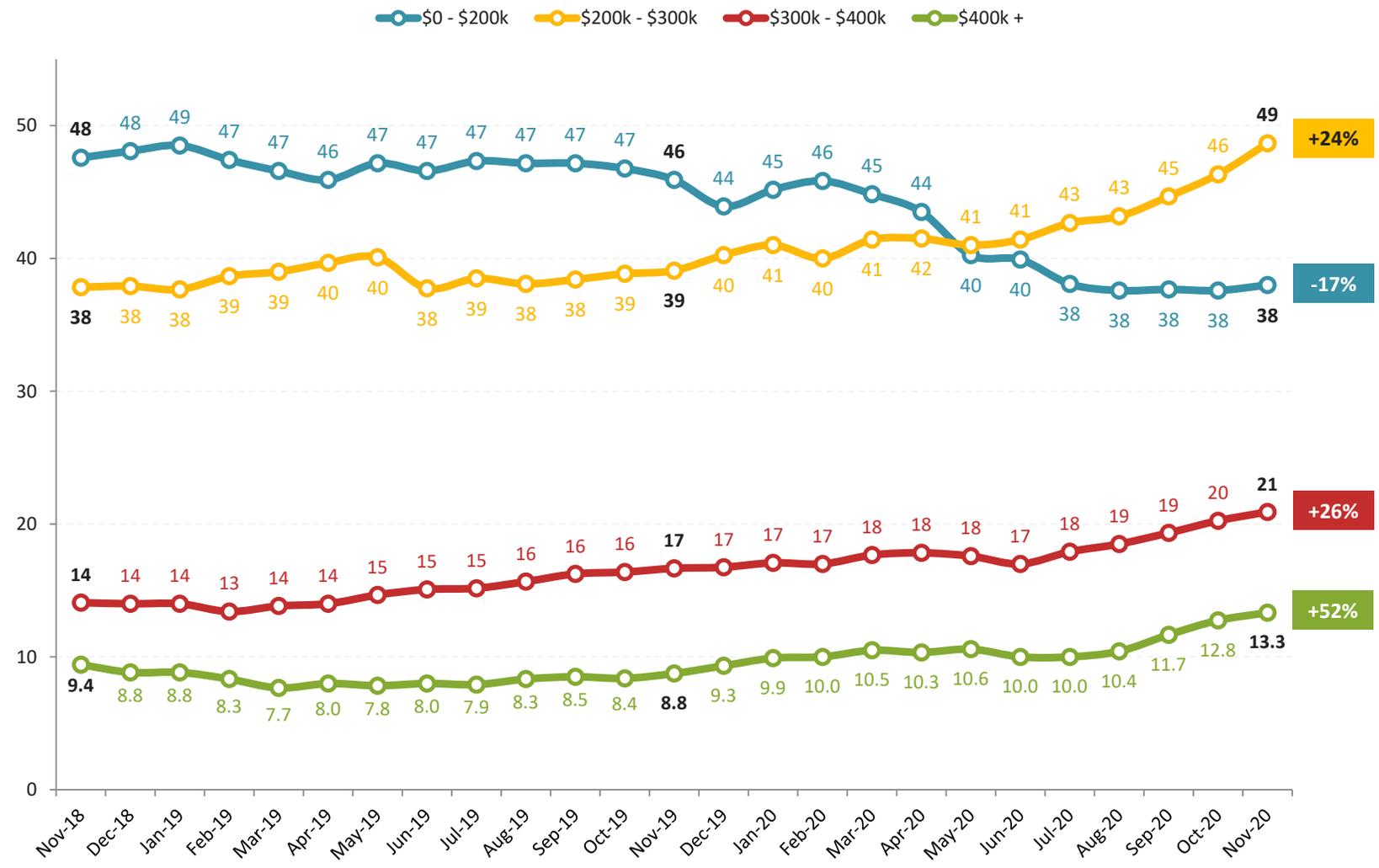


Median Days On Market: 59

Declining inventory levels are contributing to an overall decline in the time it takes to sell a home in Harrisonburg and Rockingham County. The current median “Days on Market” is 10 days for homes that have sold in the past year. Remarkably, 67% of homes that have sold in the past year have gone under contract within 30 days

of having hit the market. Combine that with those that went under contract during the second month on the market, and you’ll find that 78% of homes that sell go under contract within 60 days. The graph to the right, above, shows the length of time that each active listing has been on the market for sale.

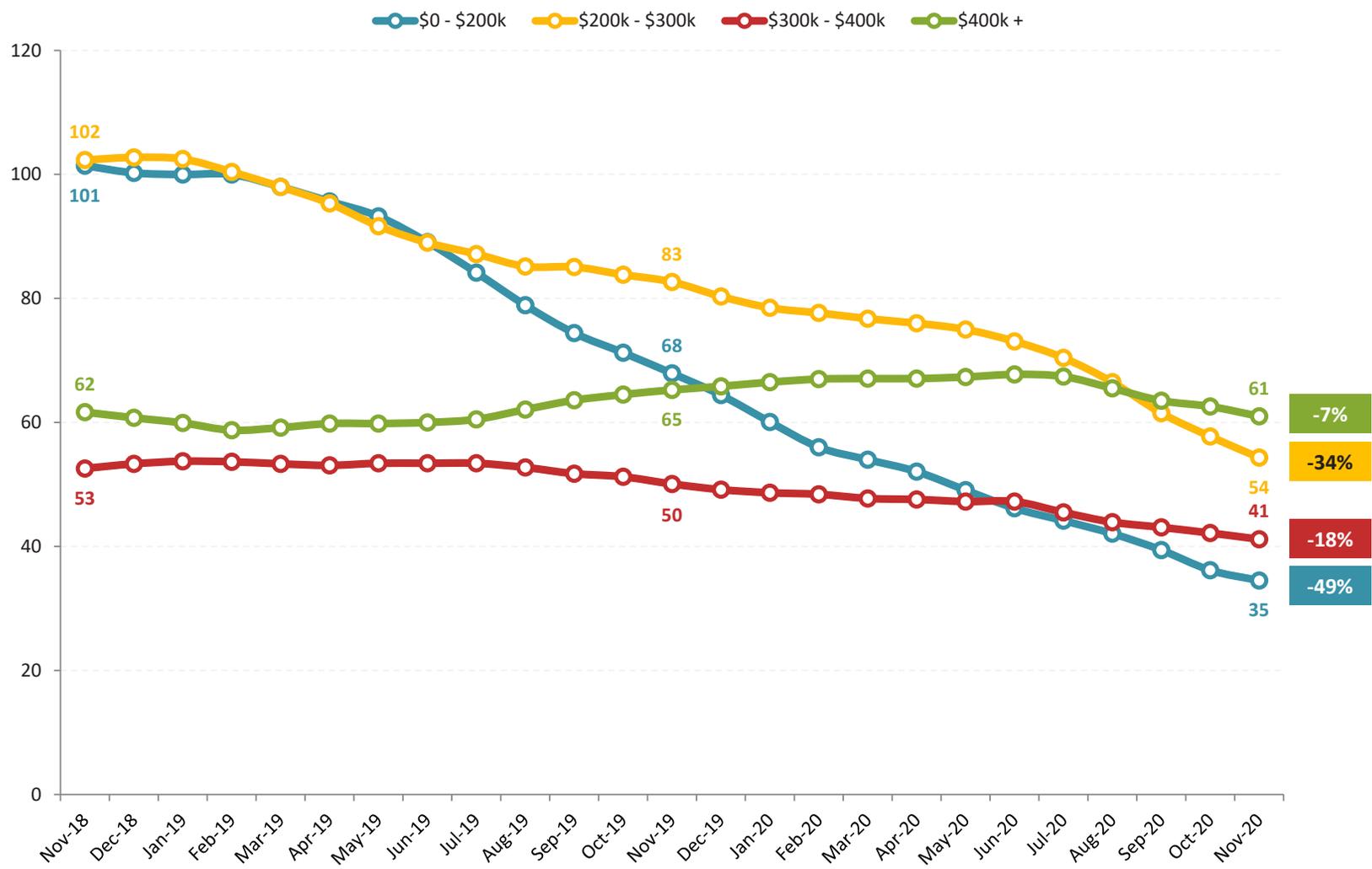
Harrisonburg & Rockingham County
Home Sales by Price Range
 (Average of Past 12 Months)



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

\$200K” category -- though likely because of limited inventory, and fewer properties existing in this range based on increasing home values. We have seen year-over-year increases in all three of the other price ranges (\$200K-\$300K, \$300K-\$400K, \$400K+) over the past year.

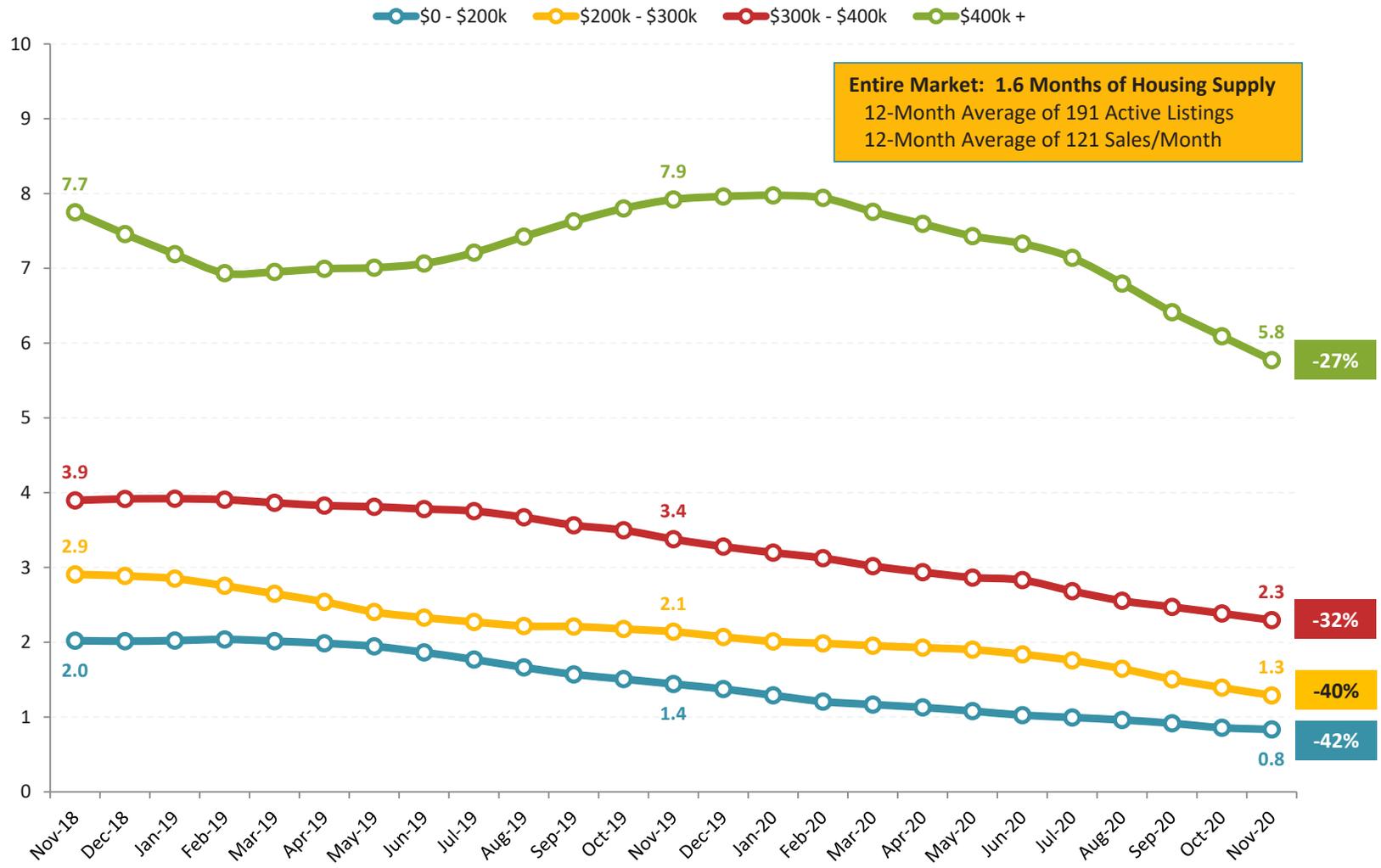
Harrisonburg & Rockingham County
Inventory Levels by Price Range
 (trailing 12 months)



Inventory levels shift up and down seasonally, so this graph (now) looks at changes in average inventory over a 12 month period. We are seeing different trends in inventory levels by price range with the most notable change being the 49% decline in inventory levels under \$200K. We are seeing a decrease in average inventory

levels in every price range, though the smallest change has been in the over \$400K price range where it has only been a 7% decline. Some of these changes in inventory levels are due to changes in market value (increases) over the past few years, but that cannot account for all of the changes in inventory levels.

Harrisonburg & Rockingham County
Months of Housing Supply by Price Range
 (trailing 12 months)

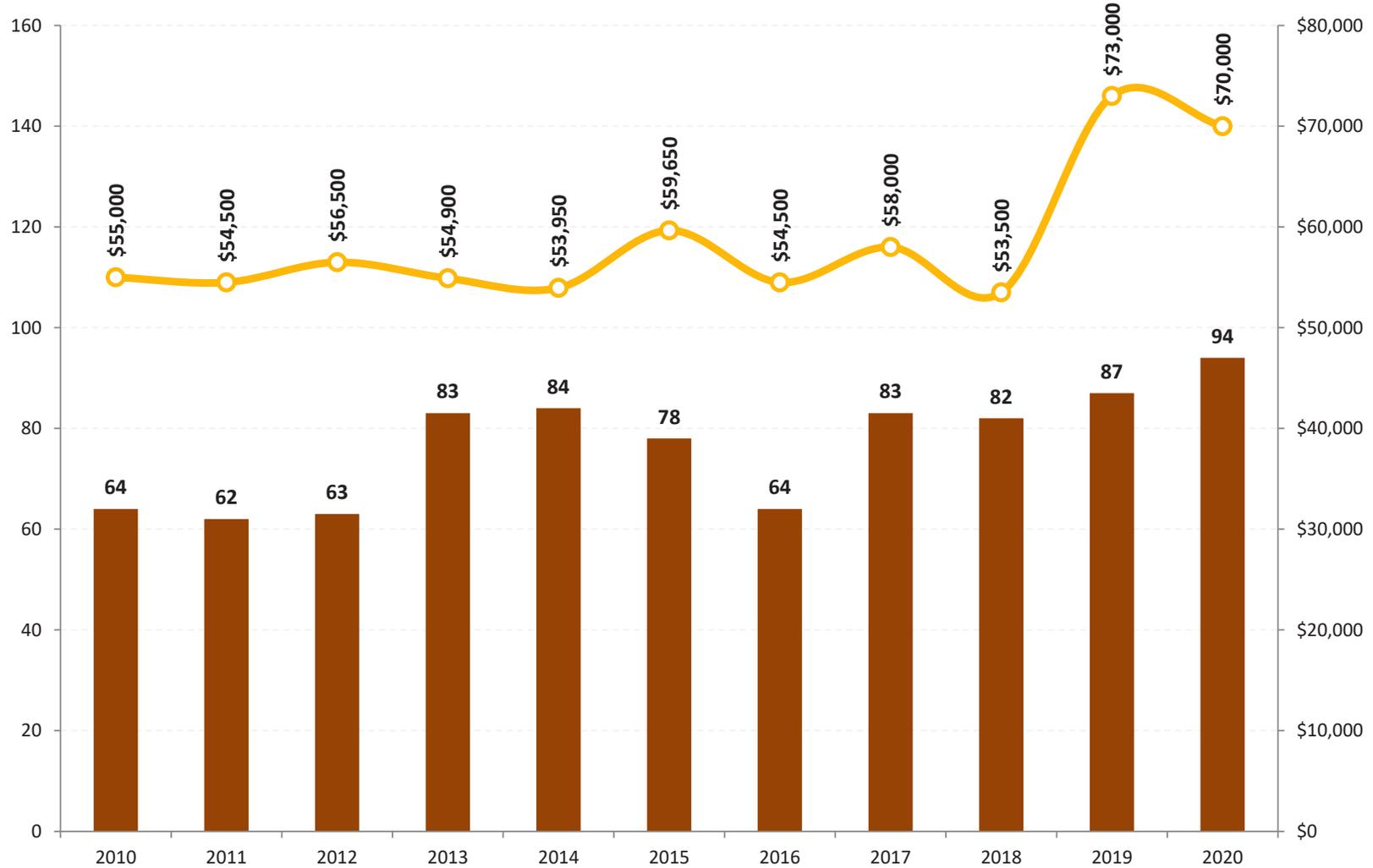


With so many home sales (lots of buyers) and so few homes on the market (not so many sellers), there are low levels of supply in some price ranges in our local real estate market. The graph above illustrates that while it would take approximately six months to sell all of the homes currently for sale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

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

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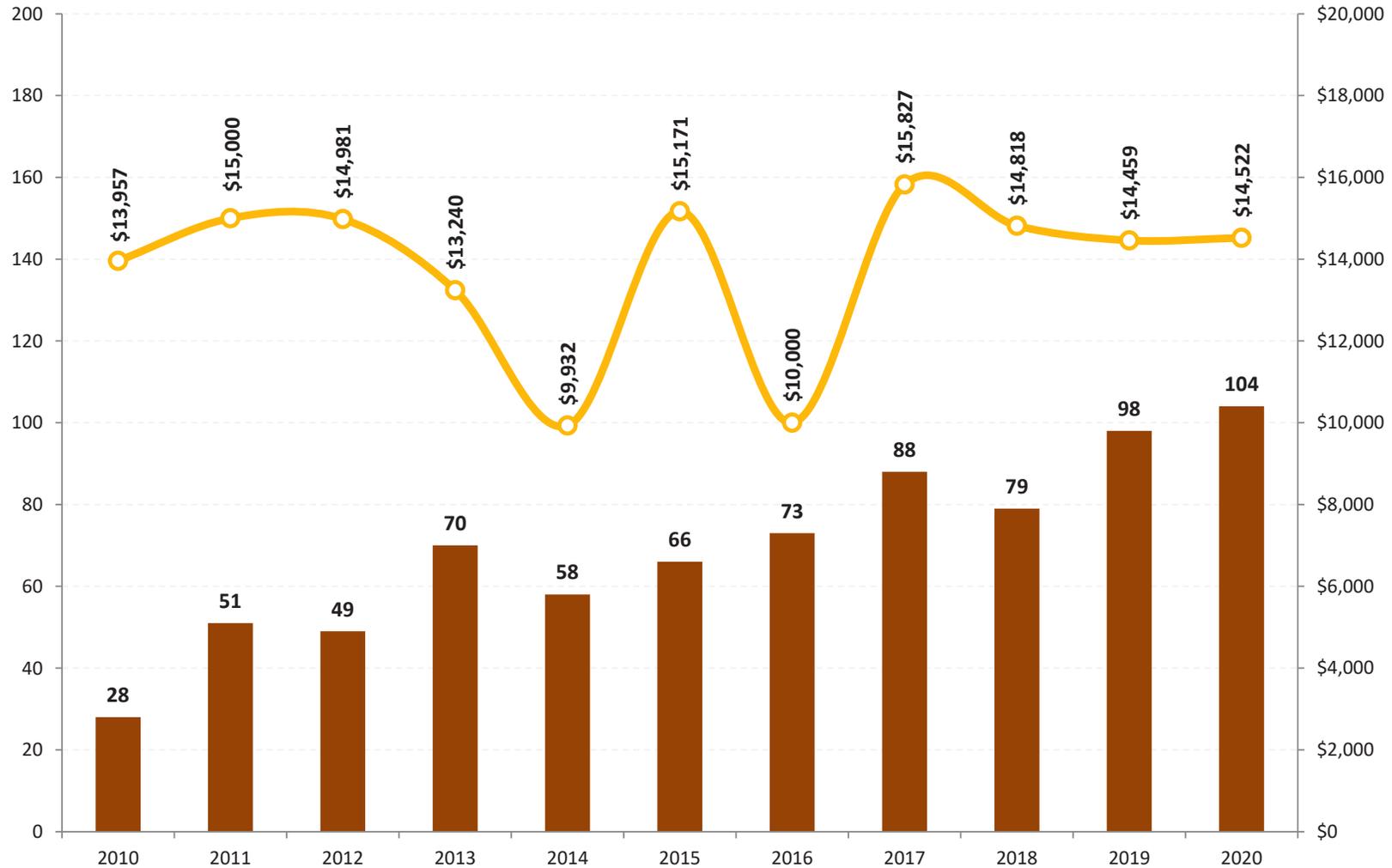
Harrisonburg & Rockingham County
Lot Sales & Median Prices
 less than 1 acre



With the exception of 2016, we have seen between 78 and 90 lot sales of less than an acre for each of the past seven years. This is a sharp decline from the 260 - 400 lot sales seen in 2002-2005, but it is an improvement over where things were (58-64 sales) between 2009 and 2012. From a value perspective, the sales prices

of these "less than an acre" lots have also been rather stable between 2008 and 2018 -- fluctuating no further than between \$53K and \$60K -- but then increased to \$73K in 2019. This rise to \$73K seems dramatic until you look further back to the meteoric rise and then fall to/from \$100K back in 2006.

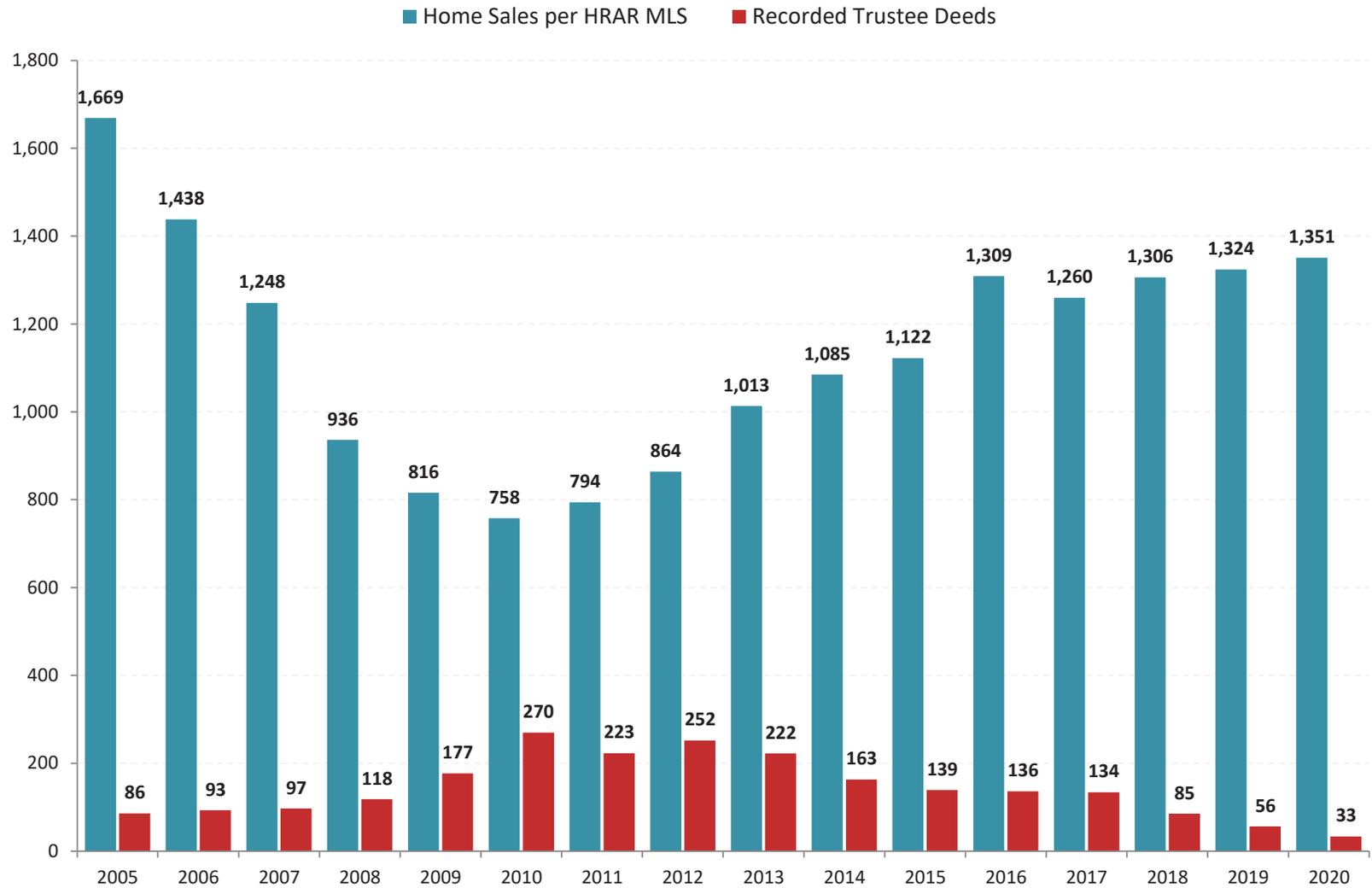
Harrisonburg & Rockingham County
Land Sales & Median Price Per Acre
 1 acre or more



The pace of sales of parcels of land larger than one acre in Harrisonburg or Rockingham County increased over the past nine years to 98 land sales -- marking the highest year of sales since 2005. The median price per acre declined in 2018 to \$14,818 and again (slightly) in 2019 to \$14,459. Of note -- some aspects of this

“median price per acre” calculation are affected by which parcels actually sell in a given year. The increase in buyer demand over the past nine years has not seemed to have created any upward lifting pressure on values to date.

Harrisonburg & Rockingham County
Home Sales vs. Trustee Sales

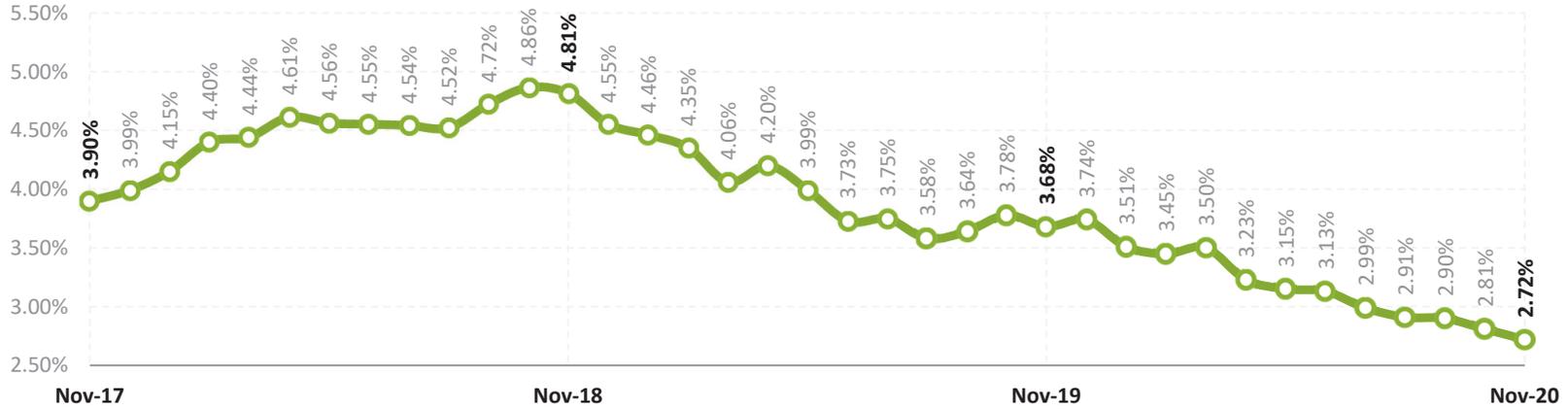


The graph above is a comparison of two imprecise measures -- but the comparison can still be helpful. The blue bars show the number of home sales recorded in the HRAR MLS -- this does not include private sales that did not involve a Realtor, nor new home sales directly from a builder. The red bars show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

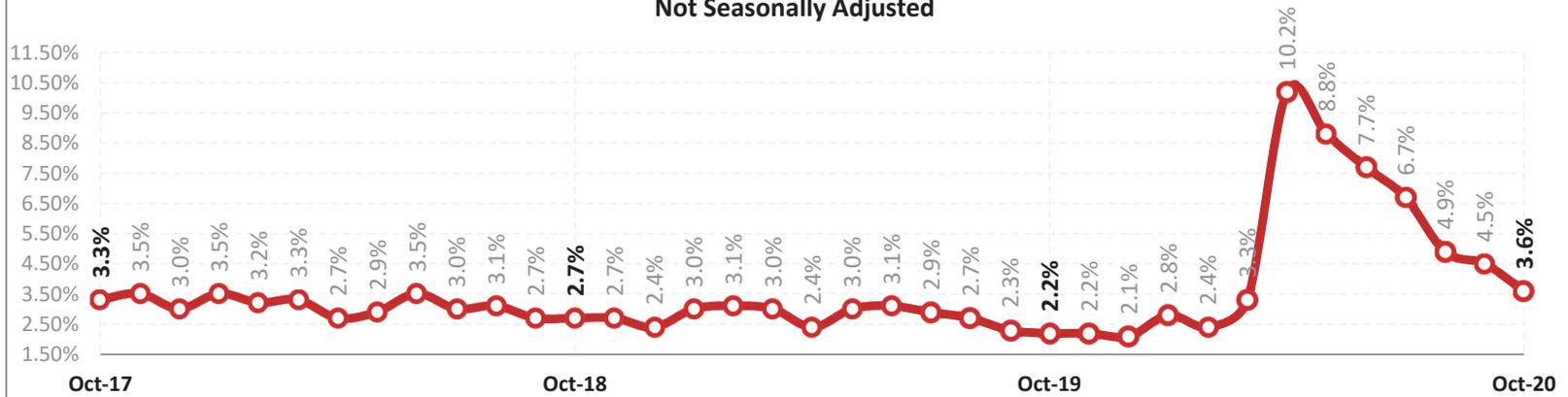
Trustee Deeds. Some foreclosed properties then show up again as REO properties. The foreclosure rate in our local market area has been trending downward over the past nine years and is now at the lowest level seen anytime in the past 15 years! The temporary moratorium on foreclosures will likely keep that figure low in 2020.

Average 30-Year Fixed Mortgage Interest Rate

Source: Freddie Mac



Harrisonburg-Rockingham MSA Unemployment Rate Not Seasonally Adjusted



As shown in the top graph above, for most of the past three years, home buyers have seen tremendously low interest rates -- almost always under 4.5%. Over the past two years those interest rates have been steadily declining to the current historically low rate of 2.72%. Never have we seen rates this low. The second graph above

illustrates trends in the local unemployment rate -- which has trended downward over the past several years but which skyrocketed up to as high as 10.2% due to COVID-19 but has slowly dropped since then. A (usually) low local unemployment rate and low mortgage interest rates help our local housing market remain stable.

Scott P. Rogers, Associate Broker



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

A native of Montgomery County, Maryland, Scott earned a B.A. (2000) and M.Ed. (2002) from James Madison University, providing him formal education in graphic design, management and counseling -- all of

which he leverages on a daily basis to the benefit of his clients. Scott's graphic design and web development background allows him to create and utilize high caliber technology and marketing solutions for his clients.

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

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

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

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

Questions? Contact Scott anytime....

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Local Online Real Estate Resources

How To Navigate The Home Purchasing Process
BuyingAHomelnHarrisonburg.com

The Best Marketing Strategies For Selling Your Home
SellingAHomelnHarrisonburg.com

Harrisonburg & Rockingham County Property Search
ScottPRogers.com

Analysis and Commentary on our Local Real Estate Market
HarrisonburgHousingMarket.com

Daily Housing Market Analysis & Commentary
HarrisonburgHousingToday.com

Fast Access to All New Listings of Homes For Sale
NewListingsInHarrisonburg.com

Historical Record of Area Home Sales
JustSoldInHarrisonburg.com

Property Transfers in Harrisonburg & Rockingham County
HarrisonburgPropertyTransfers.com

Comprehensive Data on Single Family Home Neighborhoods
HarrisonburgNeighborhoods.com

Comprehensive Data on Area Townhouse Communities
HarrisonburgTownhouses.com

Analysis of Real Estate Investment Options in Harrisonburg
HarrisonburgInvestmentProperties.com

The Most Realistic, Immersive Way to Experience a Home
WalkThroughThisHome.com

Analysis of Property Assessments
HarrisonburgAssessments.com

Listings With Low List Prices Compared to Assessed Values
BestDealsInHarrisonburg.com

Trustee Sales in Harrisonburg & Rockingham County
HarrisonburgForeclosures.com