



FEBRUARY 2022

Harrisonburg & Rockingham County Real Estate Market Report



*An analysis of real estate activity through January 31, 2022
provided courtesy of Scott P. Rogers, Funkhouser Real Estate Group*



Immaculate, Spacious, Massanutten Home With Oversized Garage, Large Back Deck 471FlowerDrive.com

HOME SALES REPORT

Harrisonburg & Rockingham County

February 2022

All Residential Sales	2019	2020	2021	2022	% Change ('21 - '22)
January	65	100	106	103	-2.83%
Year-To-Date (Jan)	65	100	106	103	-2.83%
Last 12 Months (Feb - Jan)	1,308	1,359	1,501	1,665	10.93%

Median Sales Price	2019	2020	2021	2022	% Change ('21 - '22)
January	\$212,500	\$213,700	\$248,450	\$279,900	12.66%
Year-To-Date (Jan)	\$212,500	\$213,700	\$248,450	\$279,900	12.66%
Last 12 Months (Feb - Jan)	\$211,750	\$222,500	\$246,000	\$272,000	10.57%

Median Days on Market	2019	2020	2021	2022	% Change ('21 - '22)
Year-To-Date (Jan)	45	23	8	5	-37.50%
Last 12 Months (Feb - Jan)	25	18	8	5	-37.50%

Home sales slowed slightly in January 2022 as compared to last January, but not significantly. We have been between 100 and 106 home sales per January for the past three months of January. When looking at the past 12 months, we see that the pace of home sales has increased 11% over the past year. Still looking at that one

year timeframe, the median sales price of all homes sold in the City and County has increased 11% to \$272,000. Homes are selling more quickly than anytime in recent years with a median of five days on the market.

HOME SALES REPORT

Harrisonburg & Rockingham County

February 2022

Detached Homes	2019	2020	2021	2022	% Change ('21 - '22)
Year-To-Date (Jan)	47	24	75	74	-1.33%
Last 12 Months (Feb - Jan)	945	989	1,035	1,121	8.31%

Median Sales Price	2019	2020	2021	2022	% Change ('21 - '22)
Year-To-Date (Jan)	\$228,000	\$232,900	\$269,900	\$282,450	4.65%
Last 12 Months (Feb - Jan)	\$228,000	\$240,000	\$270,000	\$295,000	9.26%

Attached Homes	2019	2020	2021	2022	% Change ('21 - '22)
Year-To-Date (Jan)	18	18	31	29	-6.45%
Last 12 Months (Feb - Jan)	363	370	466	544	16.74%

Median Sales Price	2019	2020	2021	2022	% Change ('21 - '22)
Year-To-Date (Jan)	\$163,406	\$157,700	\$178,500	\$274,900	54.01%
Last 12 Months (Feb - Jan)	\$167,811	\$176,000	\$193,000	\$229,000	18.65%

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 12 months we have seen an 8% increase in the pace of detached home sales, and a 9% increase in their median sales price. In

contrast, there has been a much larger (17%) increase in the pace of attached home sales, and also a larger (19%) increase in the median sales price of those attached homes. The median sales price of detached homes is now up to \$295,000 -- an increase of \$25,000 over the past year.

HOME SALES REPORT :: BY AREA

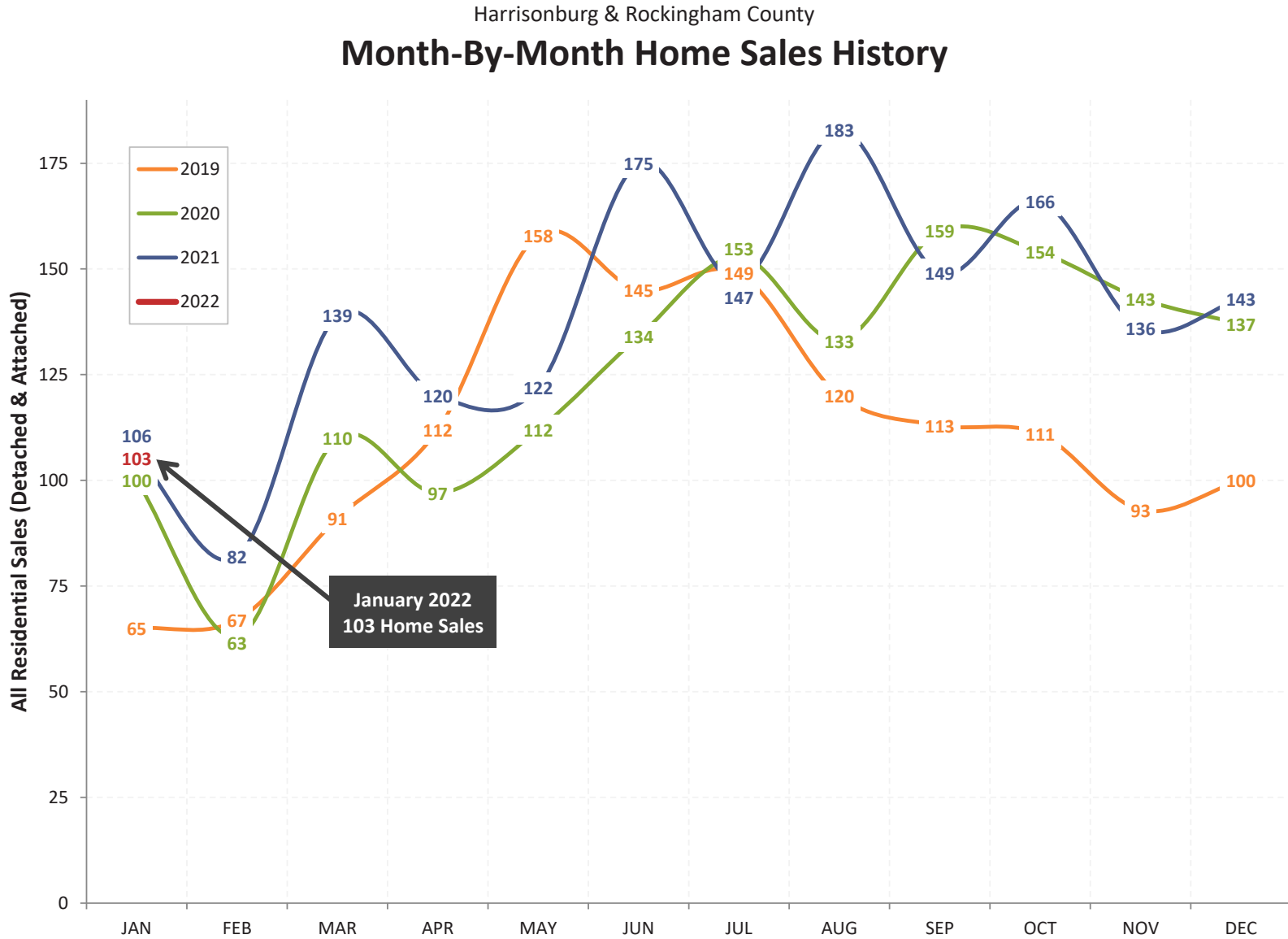
# Home Sales	City of Harrisonburg			Rockingham County		
	2021	2022	% Change	2021	2022	% Change
January	34	24	-29.41%	72	79	9.72%
Last 12 Months (Feb - Jan)	424	503	18.63%	1,077	1,162	7.89%

Median Sales Price	City of Harrisonburg			Rockingham County		
	2021	2022	% Change	2021	2022	% Change
January	\$182,500	\$218,500	19.73%	\$259,900	\$288,750	11.10%
Last 12 Months (Feb - Jan)	\$216,000	\$225,000	4.17%	\$255,000	\$285,000	11.76%

Median Days on Market	City of Harrisonburg			Rockingham County		
	2021	2022	% Change	2021	2022	% Change
January	21	6	-71.43%	6	5	-16.67%
Last 12 Months (Feb - Jan)	6	5	-16.67%	9	5	-44.44%

More than twice as many homes sell each year in Rockingham County as compared to the City of Harrisonburg. Over the past year we have seen a significant increase in City home sales -- with 19% more sales -- as well as a 4% increase in the median sales price of those homes. Meanwhile, in the County, the lower, 8% increase in

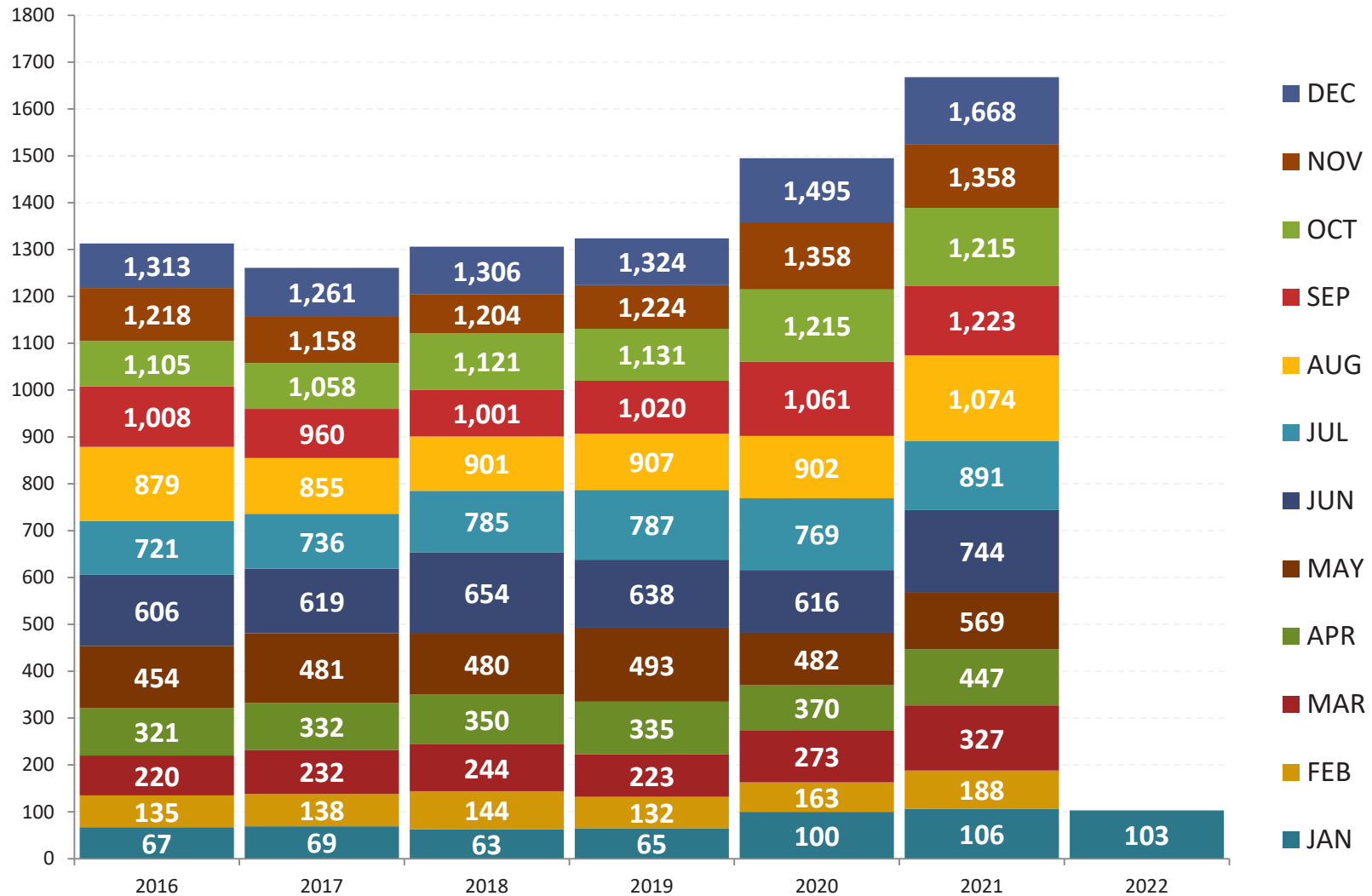
home sales over the past year, was accompanied by a larger 12% increase in the median sales price in the County. The median sales price in the County is a good bit higher (\$285,000) than the City (\$225,000) though likely because more townhomes, duplexes and condos are located in the City.



Last year, 2021, ended on a high note -- with 143 home sales in December -- more than during the same month the two previous years. As was to be expected, home sales slowed in January, to a pace of 103 home sales, though this was very close in line with the number of home sales in January of 2020 and 2021. Looking ahead,

it seems quite possible that we'll see a decline in home sales again in February as that has happened two of the past three years. February sales, after all, are usually a result of late December or early January contracts, and there are only so many contracts put together during that timeframe given the holidays.

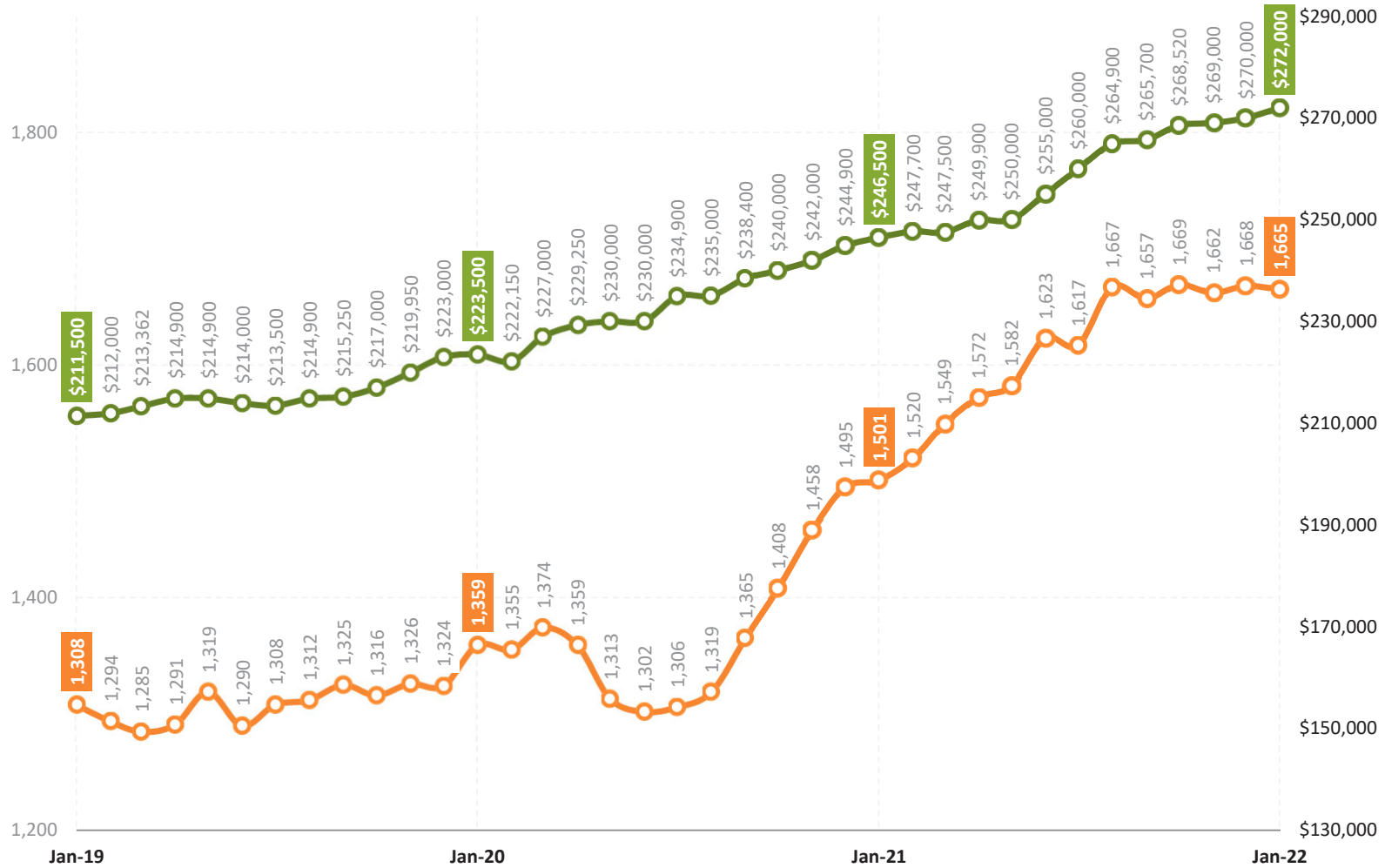
Harrisonburg & Rockingham County
Monthly Cumulative Residential Sales



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. For four years (2016-2019) we were consistently seeing about 1,300 home sales per year. Even tracking 2020 all the way through August, we were seeing it shape up as a

similar year to 2019. Then, once we hit fall 2020, the market took off, and we closed out 2020 with a significant increase in home sales compared to 2019 and then 2021 with even more than that! Only time will tell whether 2022 can keep pace with these past two years of high levels of home sales.

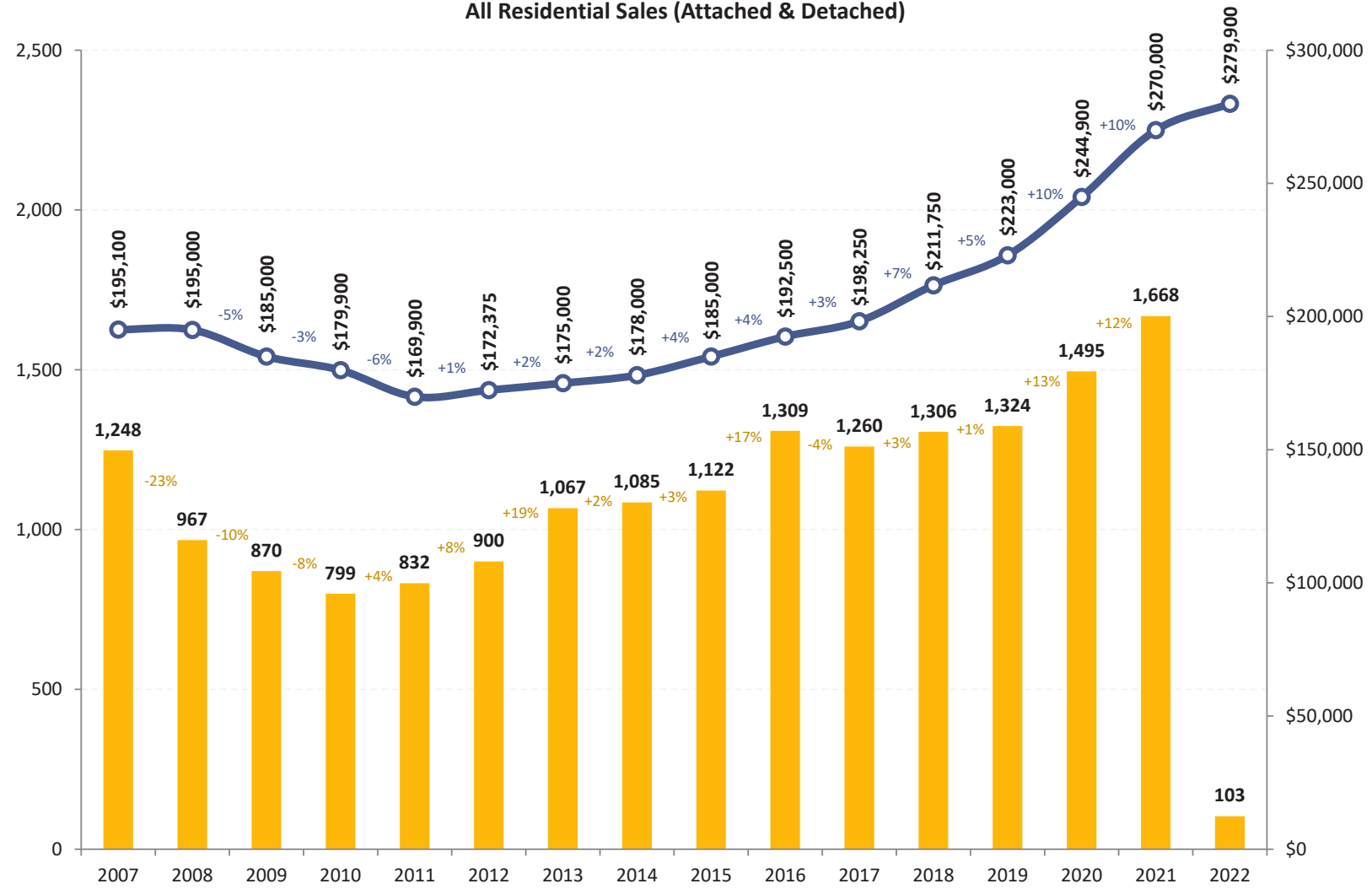
Harrisonburg & Rockingham County
Time-Adjusted Home Sales Trends :: All Residential Properties
 # Home Sales, Median Sales Price in each 12 Month Period



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 sold during these time frames. Each data point shows one year of home sales, which eliminates the volatility of evaluating sales figures on a monthly basis.

The annual pace of home sales dropped off in late spring 2020 due to COVID but a few months later started rising quite rapidly, flying past 1,500 home sales per year and now has risen past 1,600 sales per year and is hovering around 1,650 sales per year! The median sales price has been trending upwards for several years now.

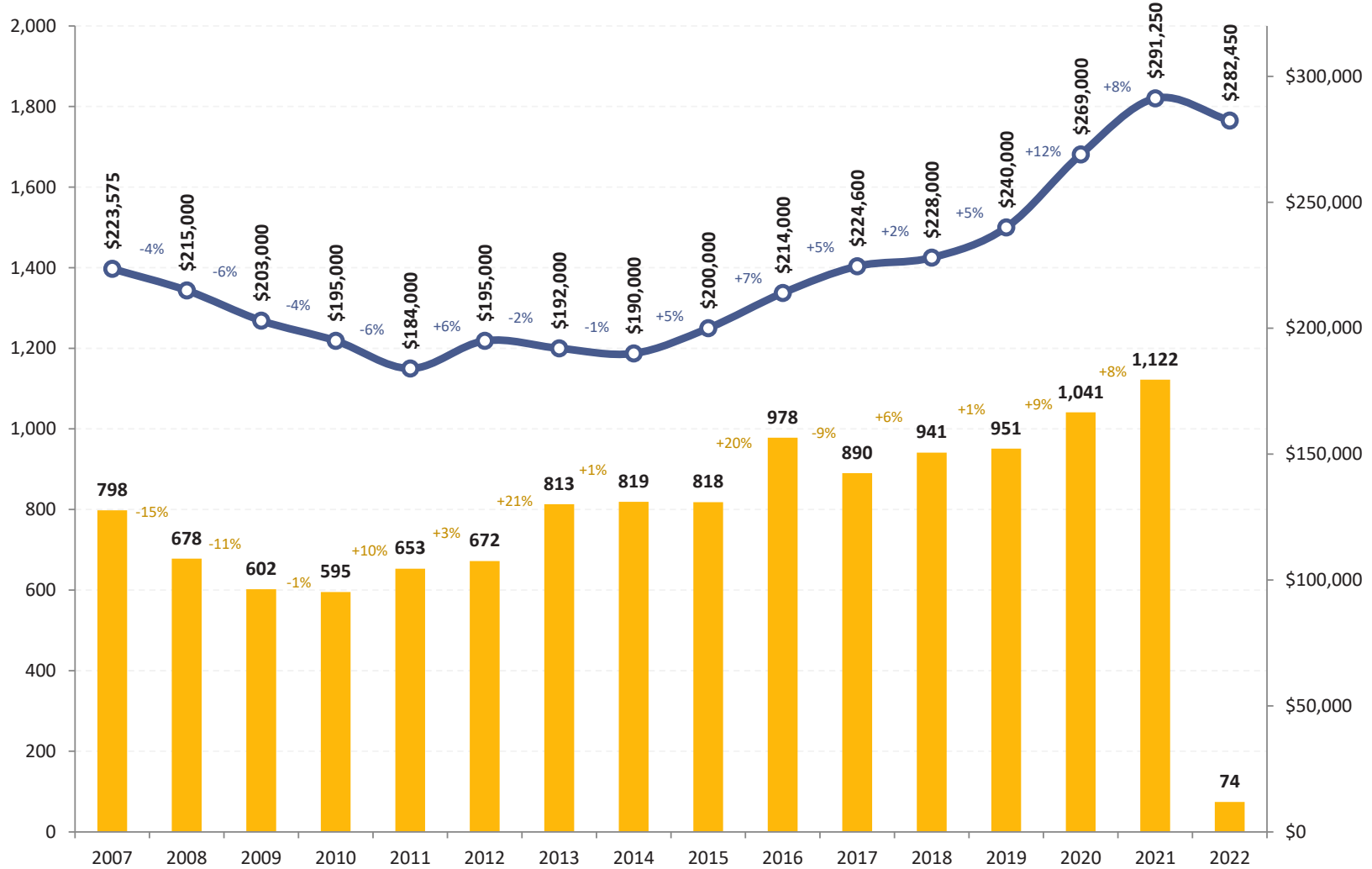
Harrisonburg & Rockingham County
Home Sales & Price Trends
 All Residential Sales (Attached & Detached)



This graph provides an overall indicator of the state of our housing market, showing both the number of homes being sold each year (yellow bars) as well as changes in the median sales price during the same time period (blue line). Over the past 11 years we have seen relatively steady increases in the number of homes sold

each year in Harrisonburg and Rockingham County - with a surprisingly large 13% increase in 2020 followed by another strong 12% increase in 2021. The median sales price has also been consistently increasing for ten years now, up to an all time high in 2021 of \$270,000 thanks to 10% increase in 2020 and 201.

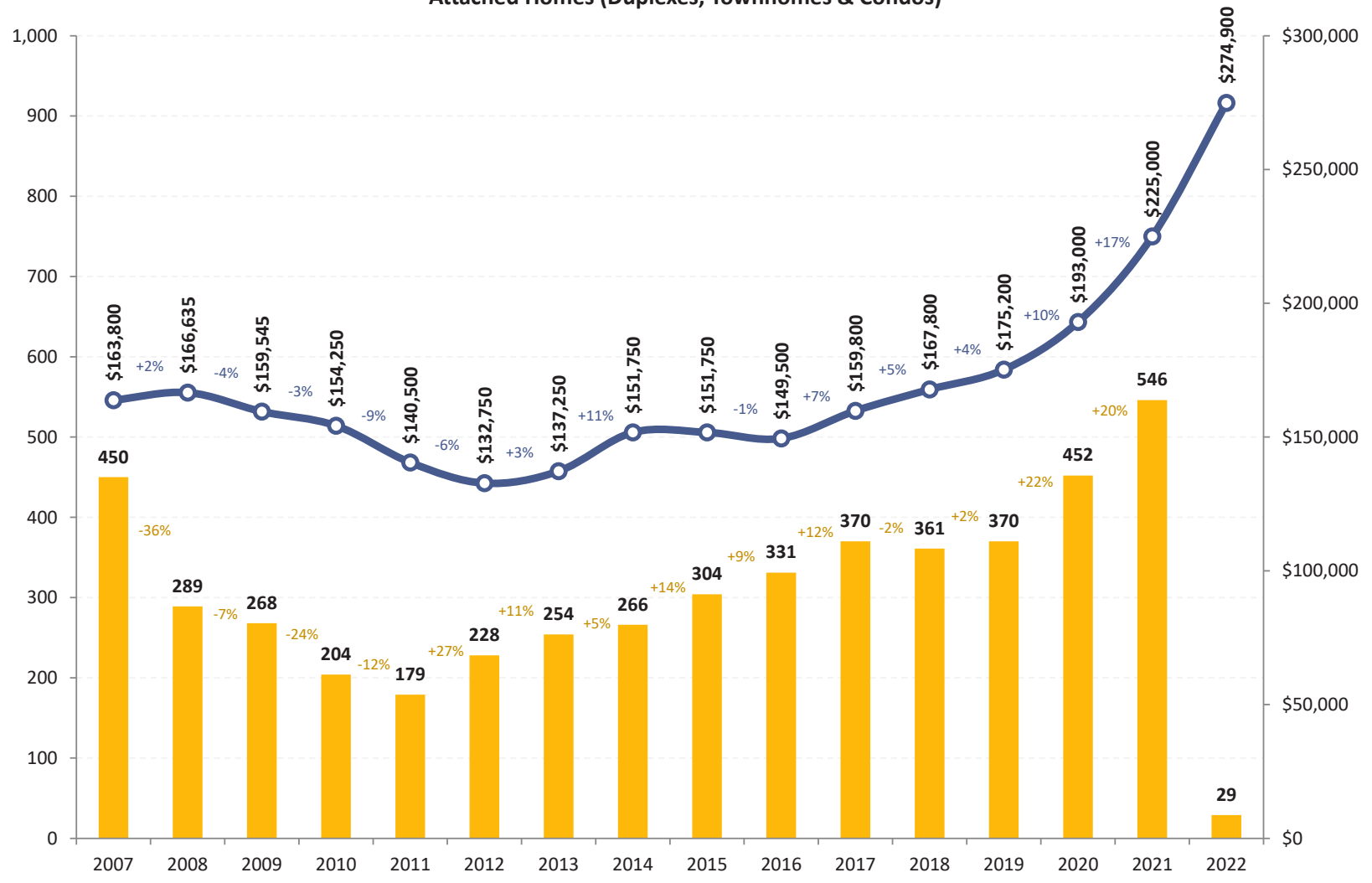
Harrisonburg & Rockingham County
Home Sales & Price Trends
 Detached Homes



The single family home market in Harrisonburg and Rockingham County has improved rather steadily over the past 11 years with increases almost every year in the number of homes sold. After having peaked in 2016 with 978 home sales, we finally broke through 1,000 sales per year with 1,041 home sales in 2020 and we

saw even more sales (1,122) in 2021. The median sales price has now been rising for seven years straight now, from \$190,000 back in 2014 to a new (all time) high of \$291,250 in 2020. The median sales price of detached homes rose 12% in 2020 and then 8% in 2021.

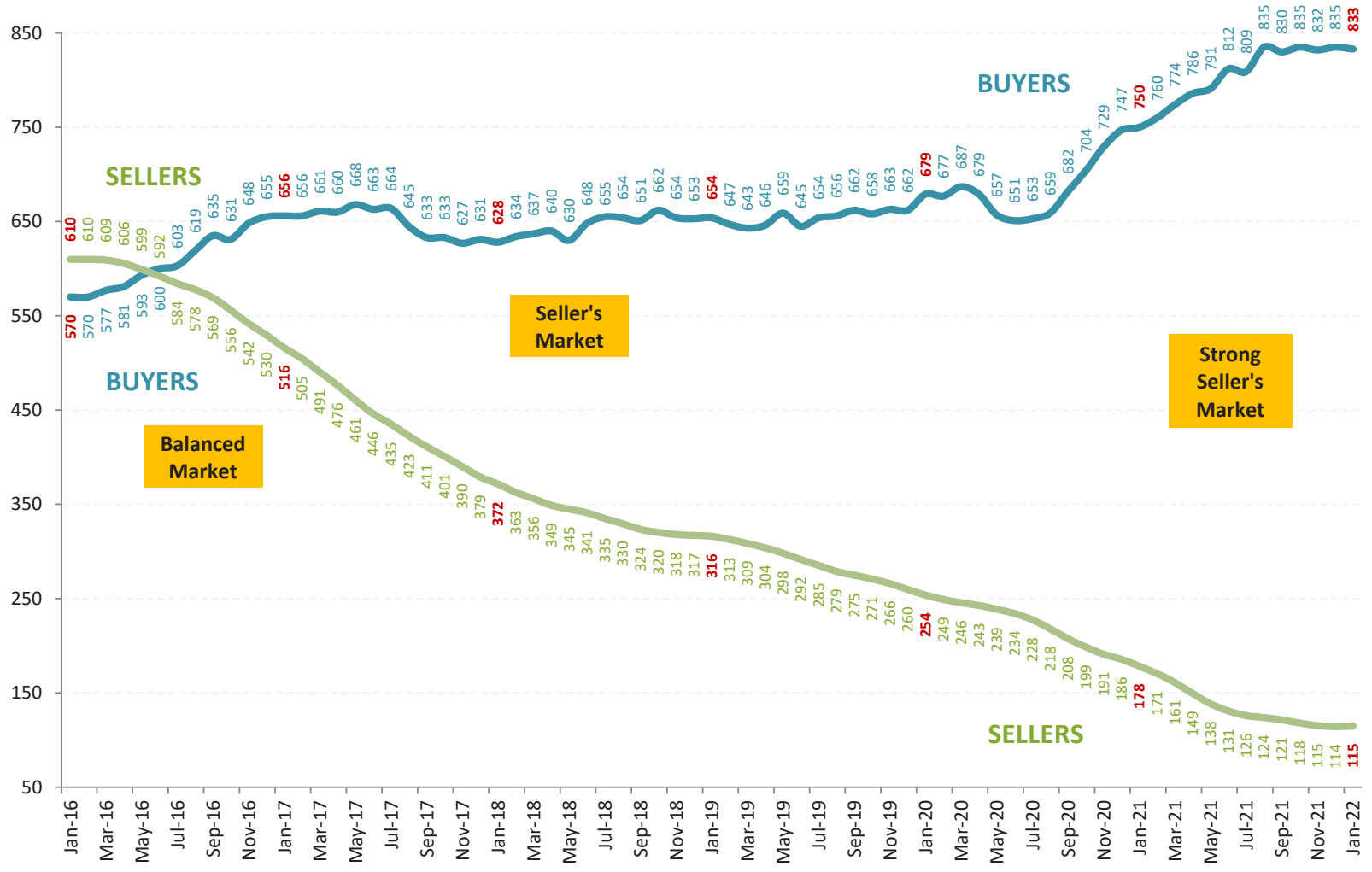
Harrisonburg & Rockingham County
Home Sales & Price Trends
 Attached Homes (Duplexes, Townhomes & Condos)



The pace of sales of attached homes (duplexes, townhouses and condos) rose steadily between 2011 and 2017 and then plateaued for a few years right around 370 home sales per year. But then, 2020. The sales of attached homes jumped significantly in 2020, showing a 22% year over year increase, with 452 home sales.

This 22% increase in sales in 2020 was only slightly higher than the 20% increase in attached sales seen in 2021. The median sales price of attached homes has been rising (for the most part) for nine years now and has hit a new (all time) high of \$225,000 in 2021, up from less than \$150,000 only five years ago.

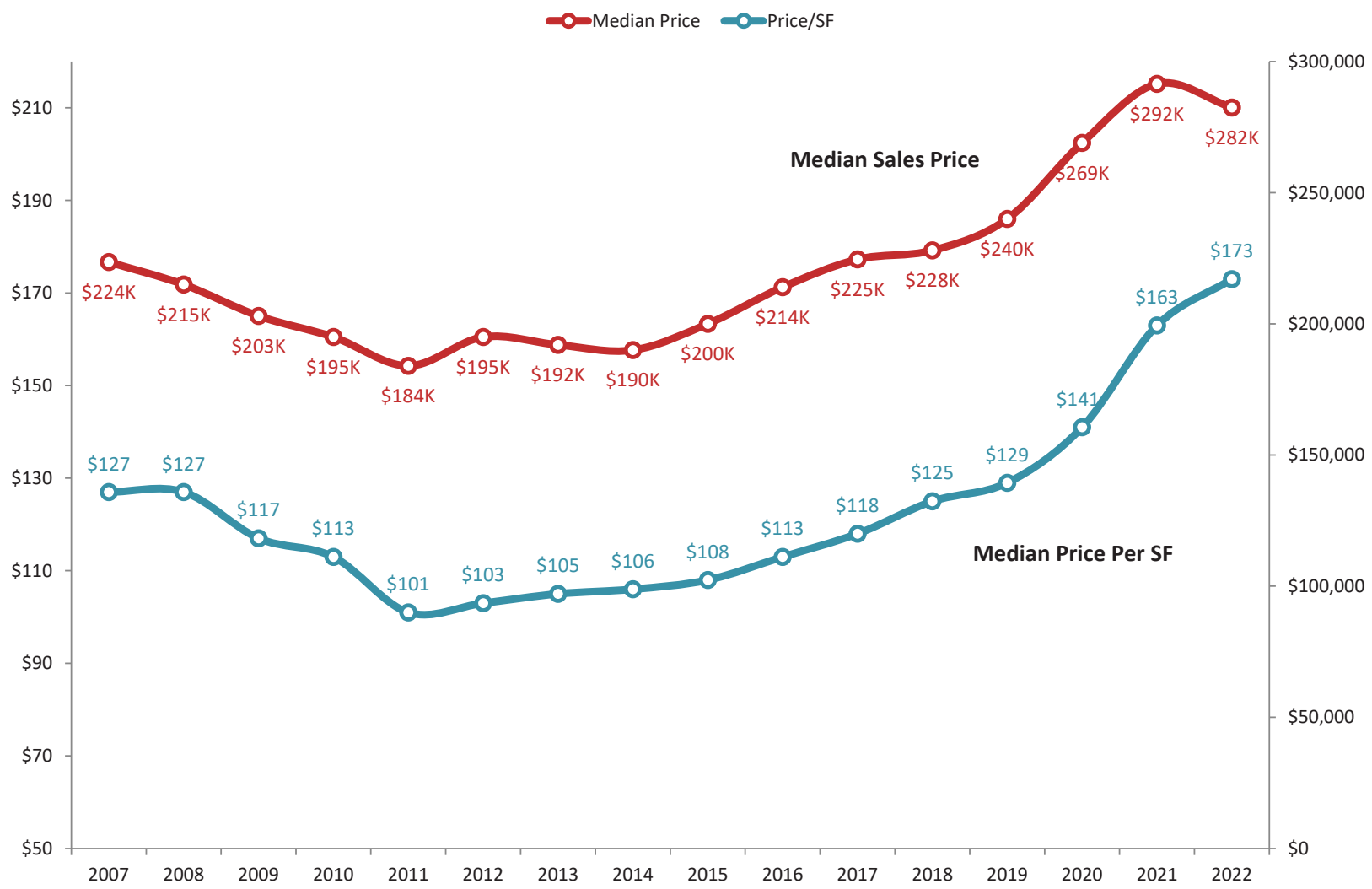
Harrisonburg & Rockingham County
Market Balance between Buyers and Sellers
 Assuming Six Months of Housing Supply is a Balanced Market



Historically, well before Covid, many had considered six months of inventory (active listings) to be an indicator of a balanced market between buyers and sellers, but many are reconsidering that metric now. The "BUYERS" trend line above shows how many buyers are buying in a six month period. The "SELLERS" trend line above

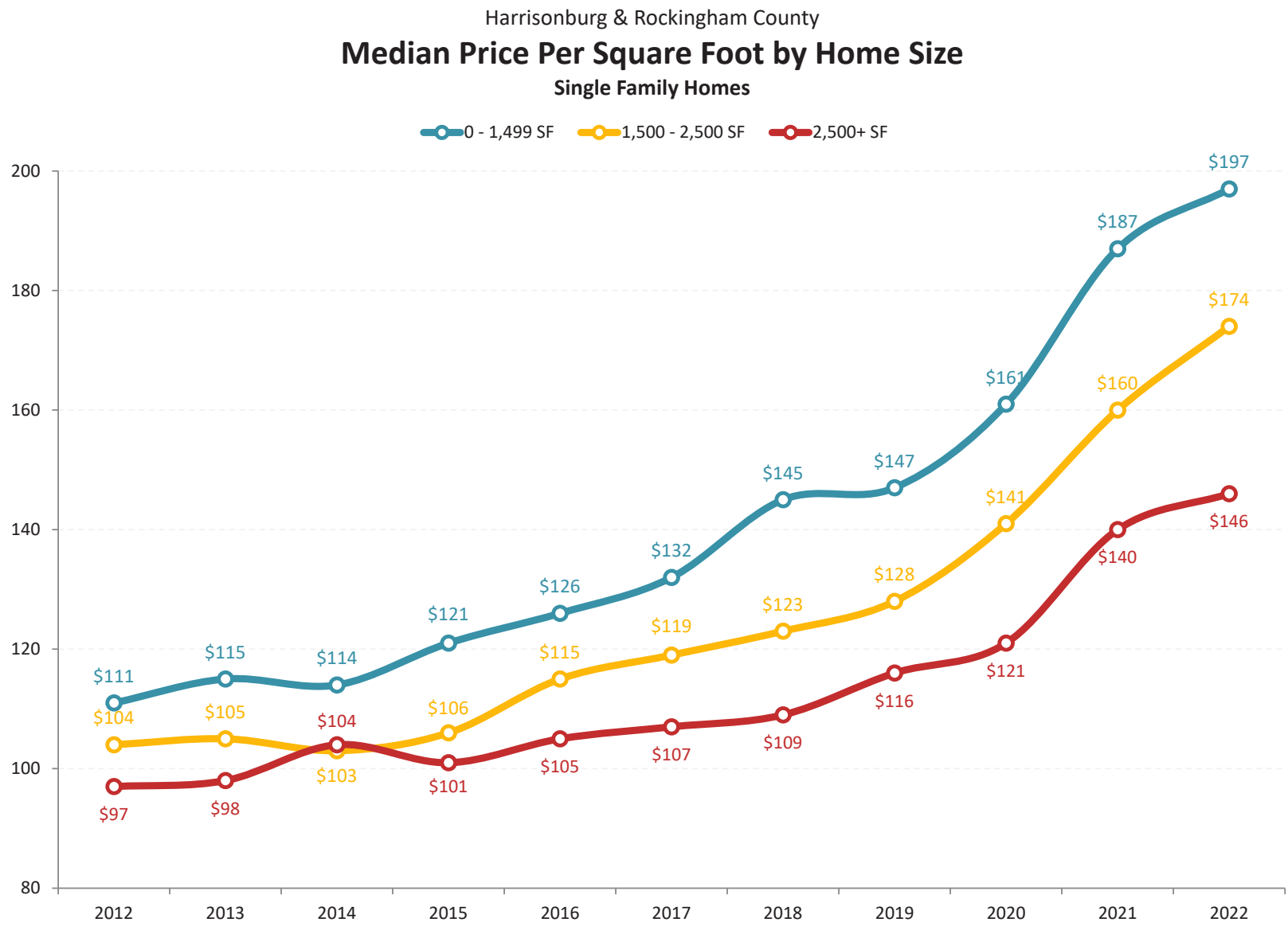
shows how many sellers are in the market (active listings) at any given time. Over the past several years we have seen a steady increase in buyers and a declining number of sellers. We now see many (many!) more buyers buying in a six month period than there are homes for sale at any given time.

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

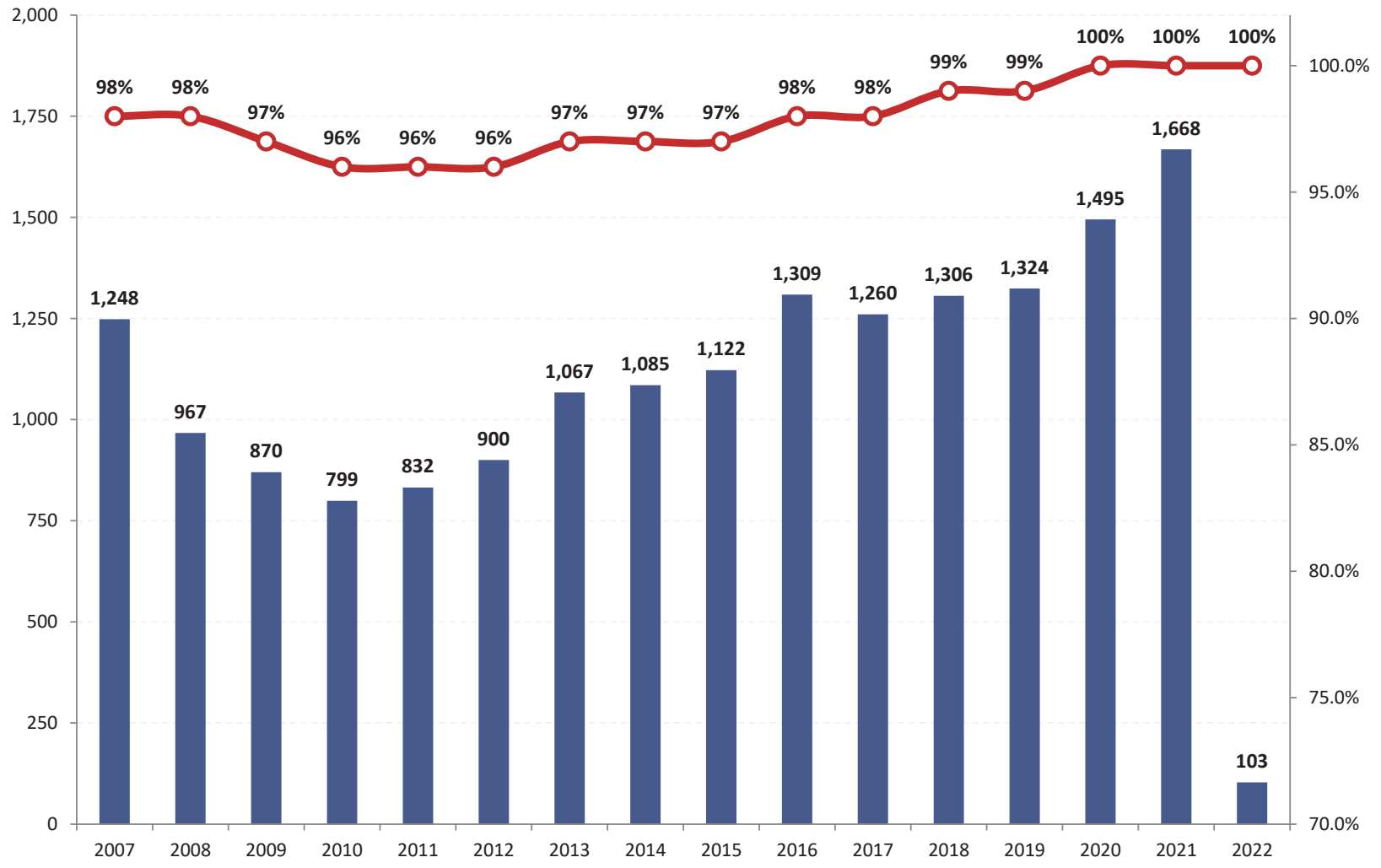
similar to the trend shown in the single family home median sales price during the same time, which validates that assumed set of changes in home values. Over the past several years (2015 through 2021) we have seen increases in the median sales price as well as the median price per square foot of single family homes.



Price per square foot of single family homes certainly varies for many reasons, including the age, location, lot size and structural characteristics of each home sold. However, there are some similarities in homes of similar sizes. Looking at 2020 figures, this graph illustrates that the median price per square foot of larger homes

(2500+ SF) was a good bit lower than that of homes with less than 1500 SF during nearly every year. 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.

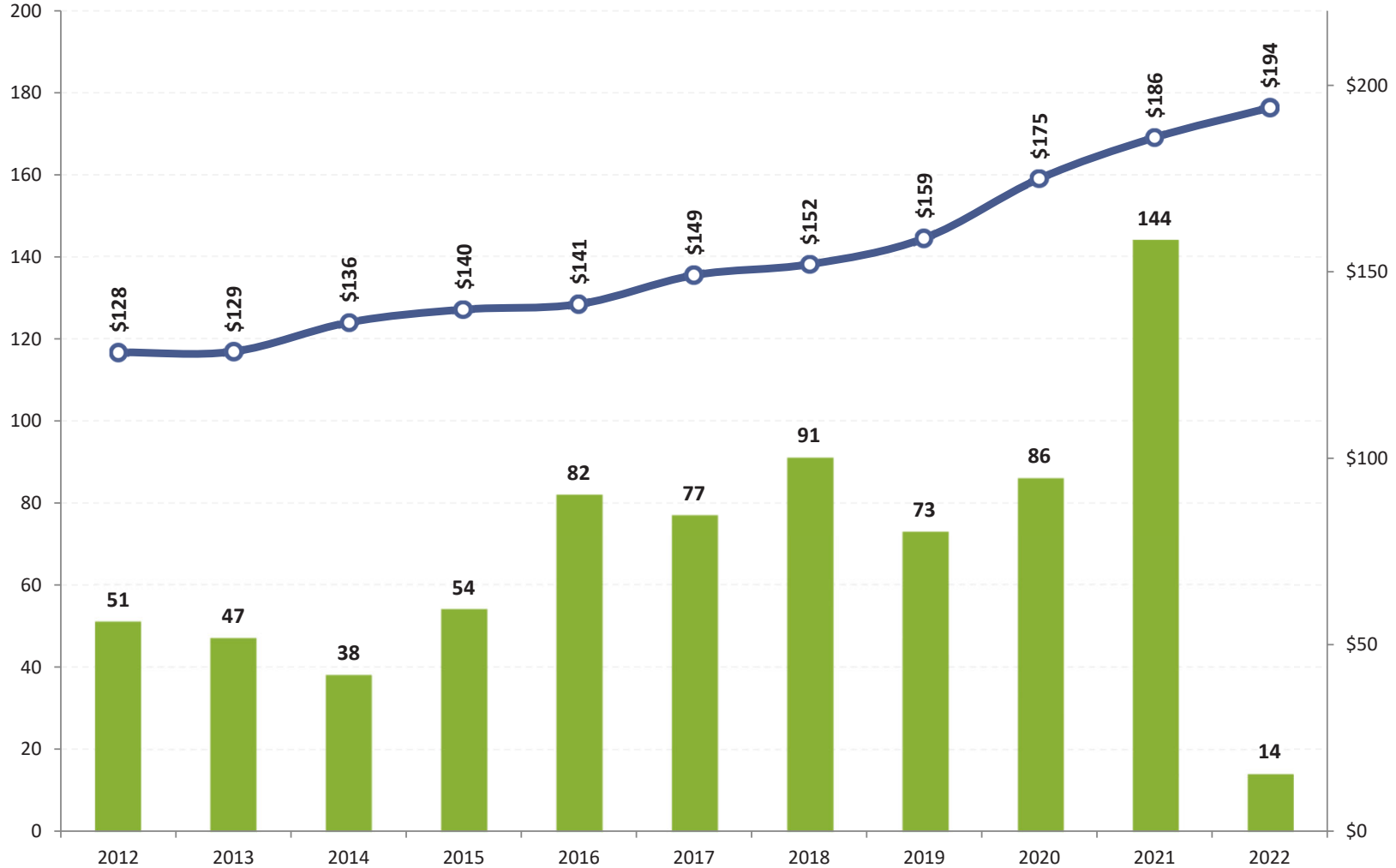
Harrisonburg & Rockingham County
Median List Price to Sales Price Ratio
 within the context of Home Sales Pace



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 was been holding at 99% since 2018, but popped up to a median of 100% in 2020 which held 2021.

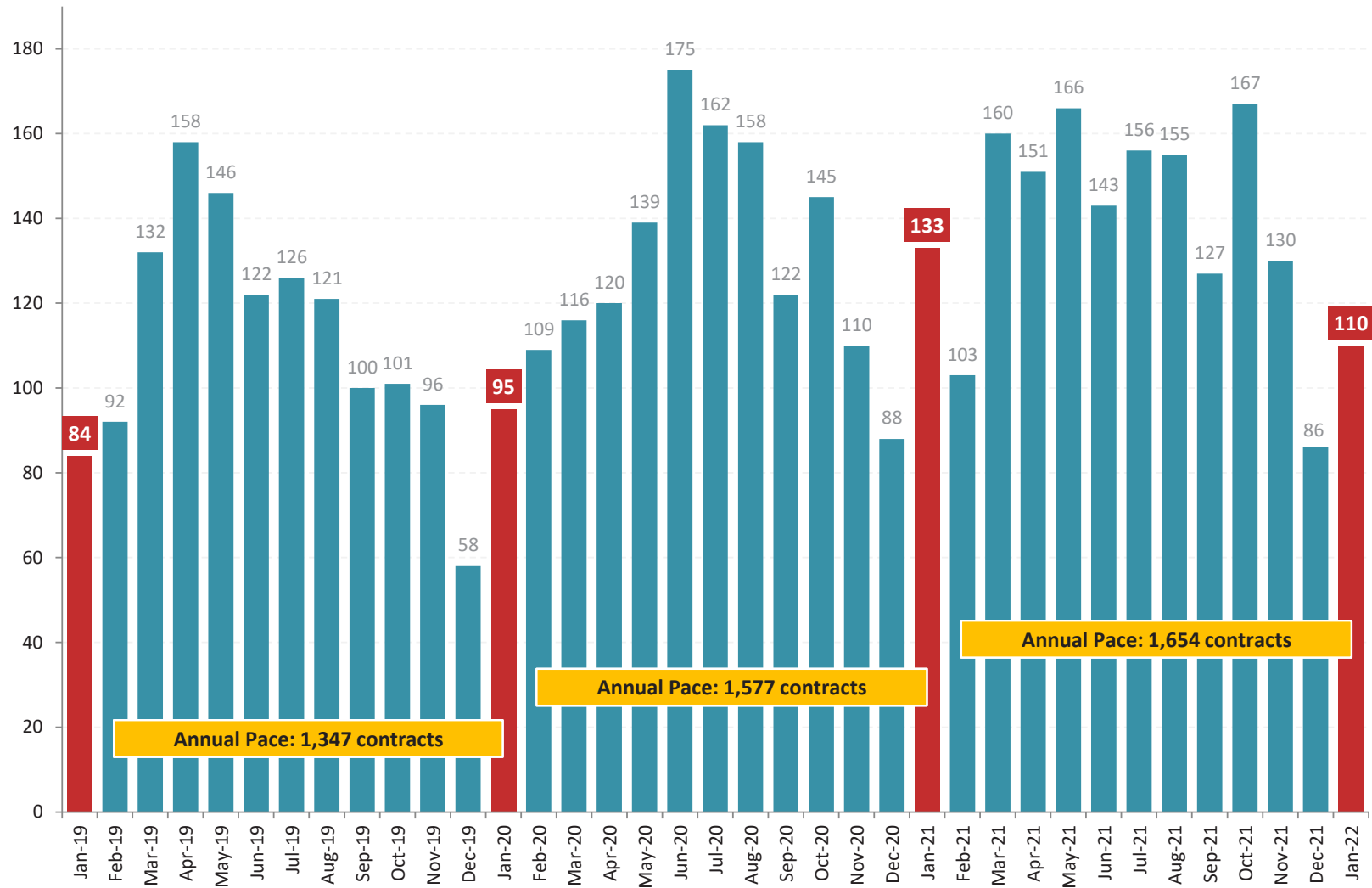
Harrisonburg & Rockingham County
New Construction Detached Home Sales Trends
 Number of Sales, Median Price Per Square Foot



New home builders built a record number of new homes in Harrisonburg and Rockingham County -- 144 -- approaching twice the number built per year in many of the past five to ten 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 MLS. These new home sales show a steady increase in the price per square foot of homes being built and sold over the past ten years, with the largest increase in that value taking place in 2020.

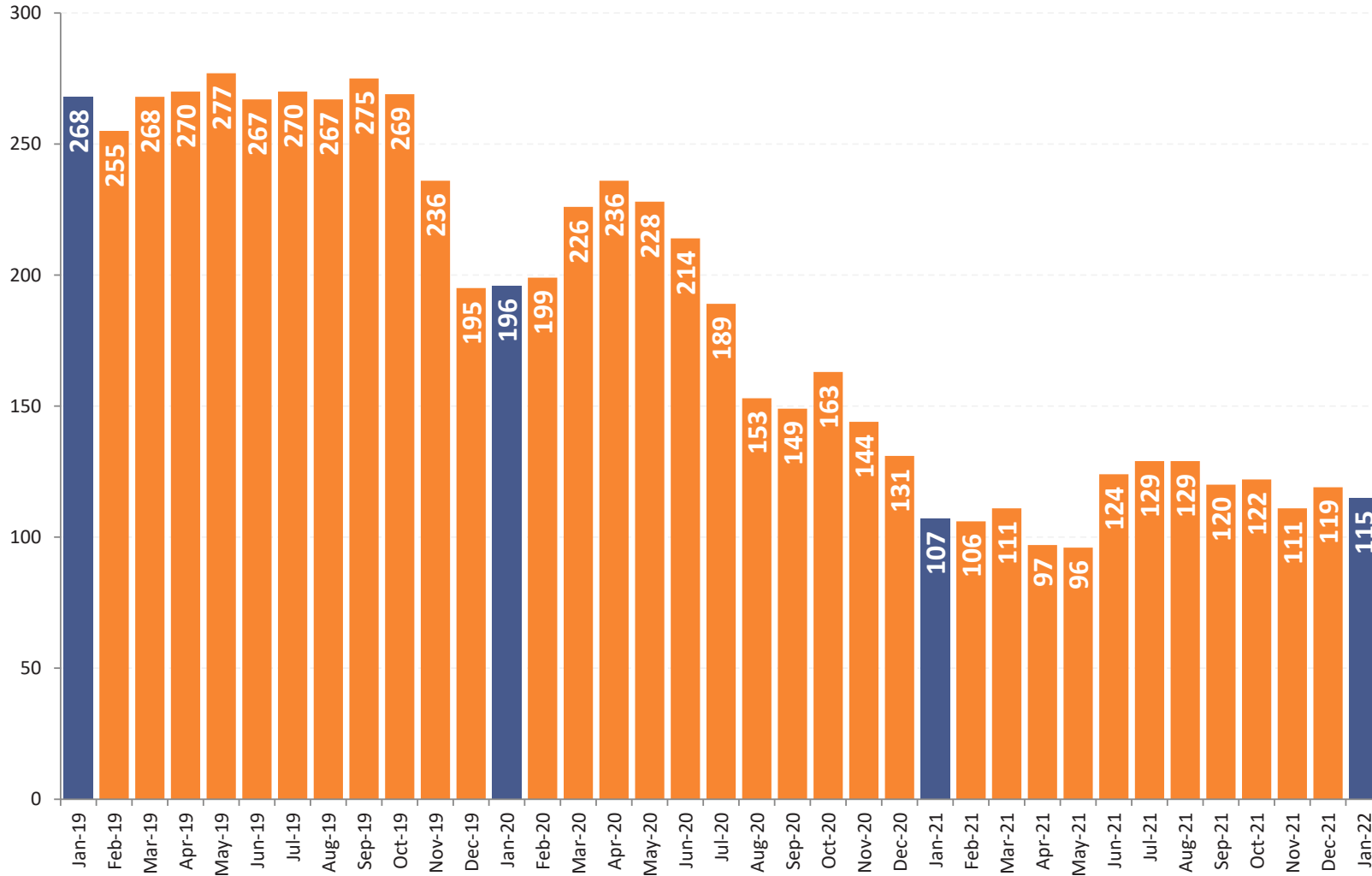
Harrisonburg & Rockingham County
Buyers Per Month Committing to Buy Properties



The pace of contract activity in January 2022 was definitely slower (110 contracts) than in January 2021 (133 contracts) though it was a stronger month of contracts than January 2020. We are still seeing a strong uptick in contract activity on an annual basis, which is not surprising given the continued strong upward trend in

annual home sales. Looking ahead, we may very well see a decline in contracts in February before sellers start listing their homes in earnest in March and buyers compete to be the winning buyer in this low inventory environment.

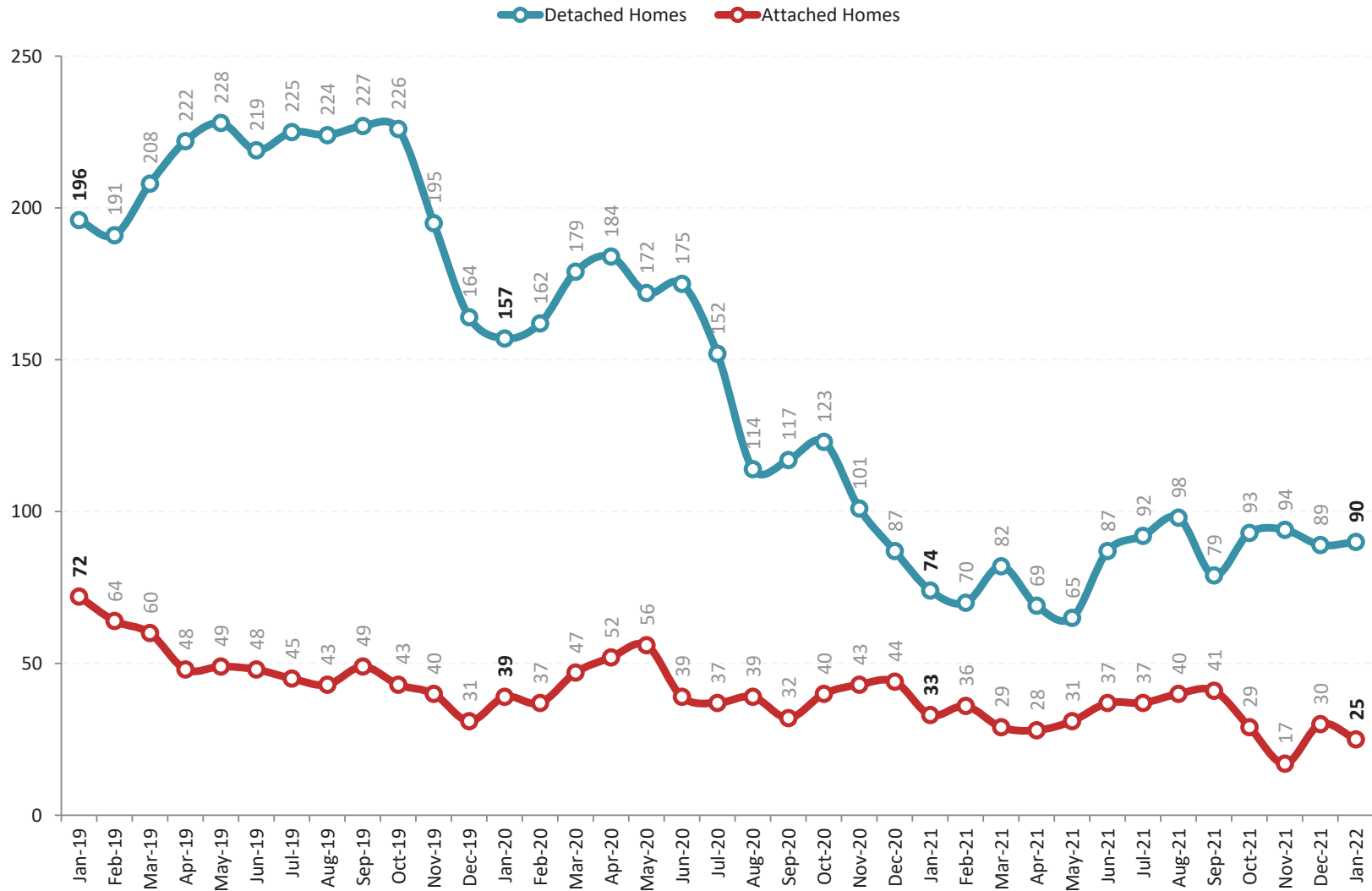
Harrisonburg & Rockingham County
Inventory Levels
 (end of month)



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.

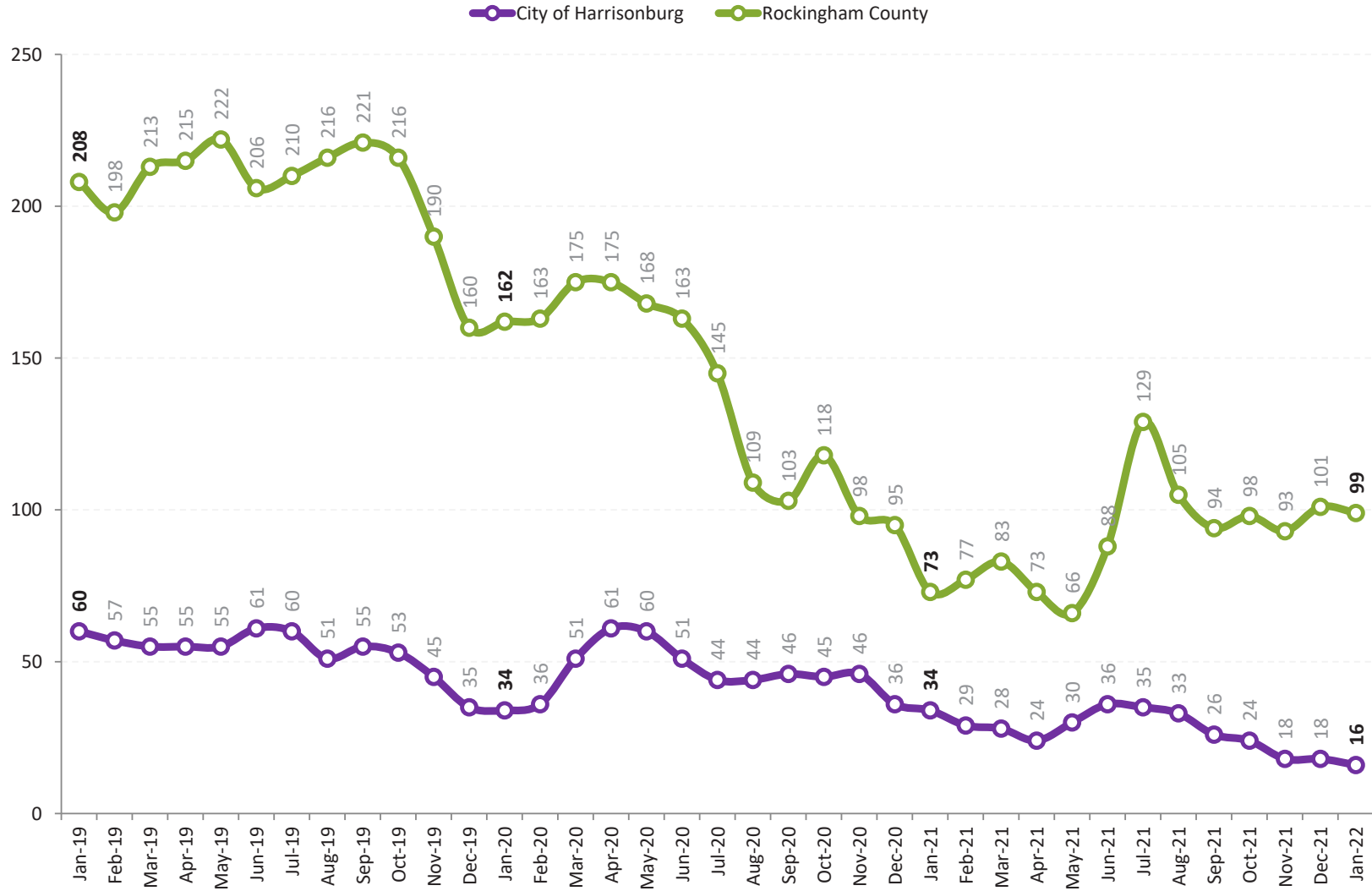
Harrisonburg & Rockingham County
Inventory Levels by Property Type



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 declined steadily over the past two years with a 43% drop while number of attached homes (townhouses,

duplexes and condos) for sale has not declined quite as much with a 36% drop over the past two years. Normal seasonal changes in inventory levels (more homes on the market in the spring) do not seem to be holding true at this point.

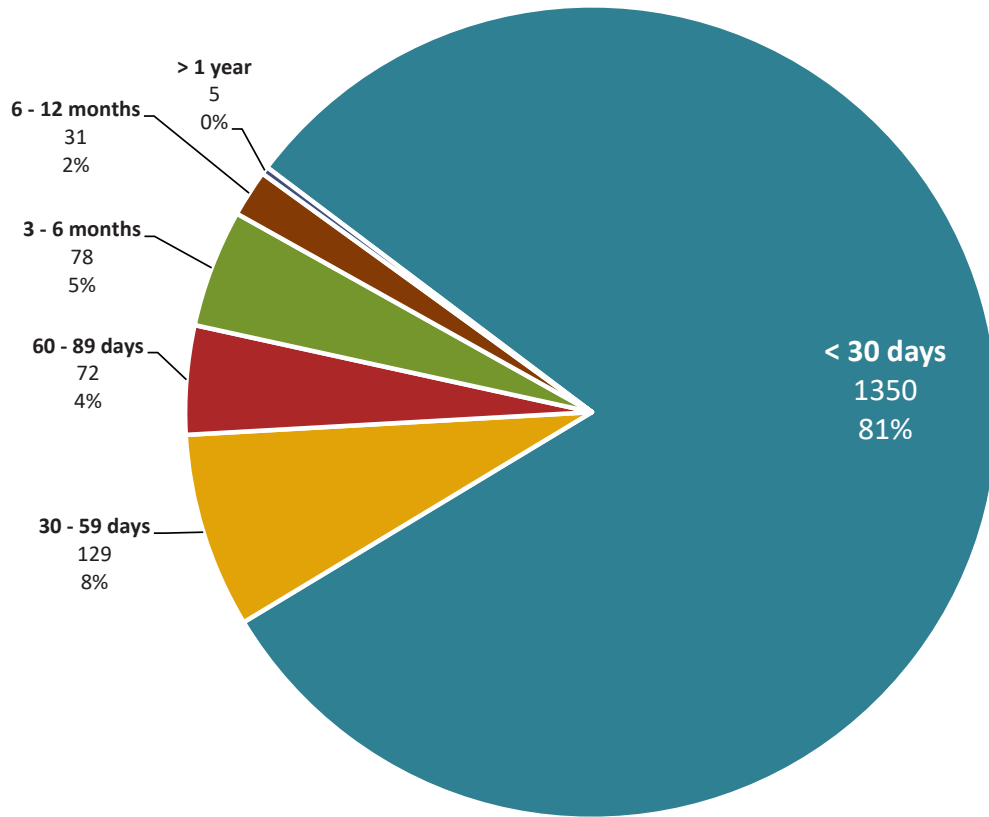
Harrisonburg & Rockingham County
Inventory Levels by Property Location



Inventory levels are actually a bit higher right now in Rockingham County (99 homes for sale) as compared to a year ago, though we're still in the at or below 100 level where we have been for the past year and a half. Inventory levels in the City continue to decline to the current 16 homes that are on the market in the City

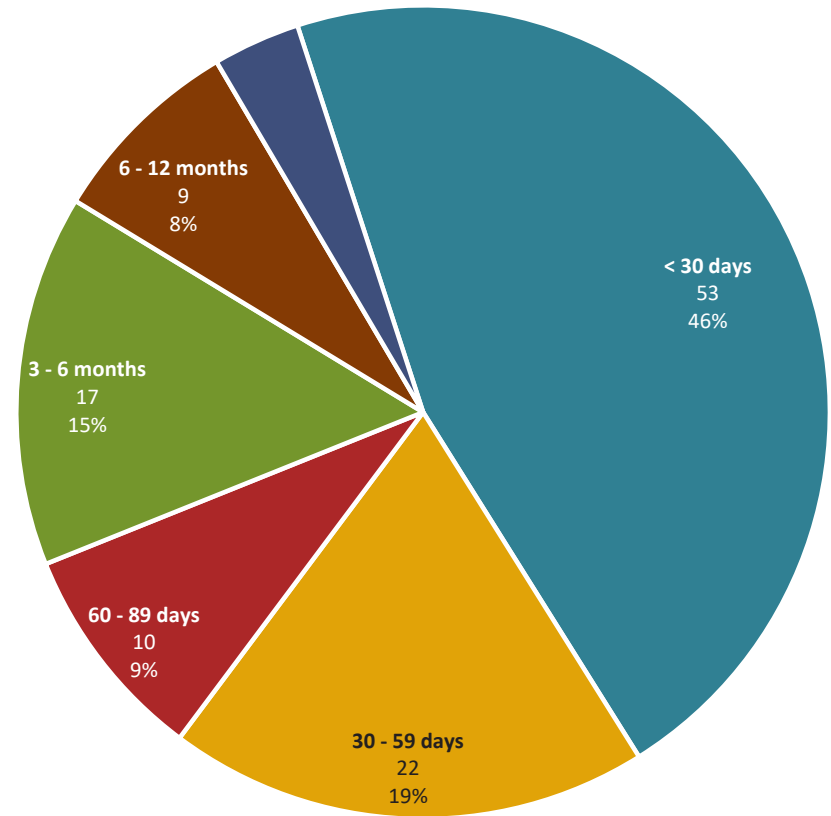
of Harrisonburg. It seems unlikely that we will see inventory levels start to rise anytime in the near future as buyer demand still seems to be outpacing the supply of homes for sale.

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



Median Days On Market: 5

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

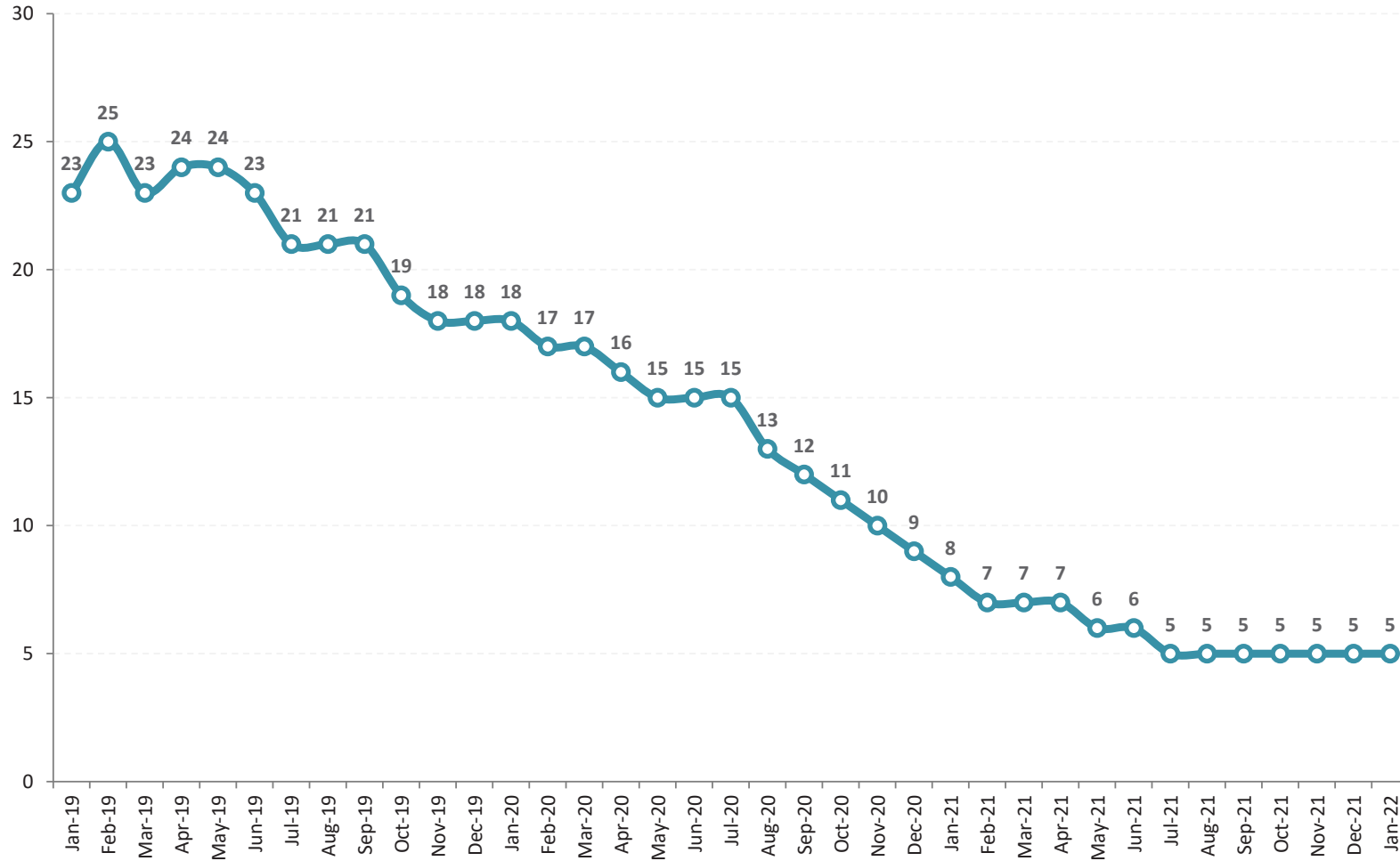


Median Days On Market: 35

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 5 days for homes that have sold in the past year. Remarkably, 81% 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 89% 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.

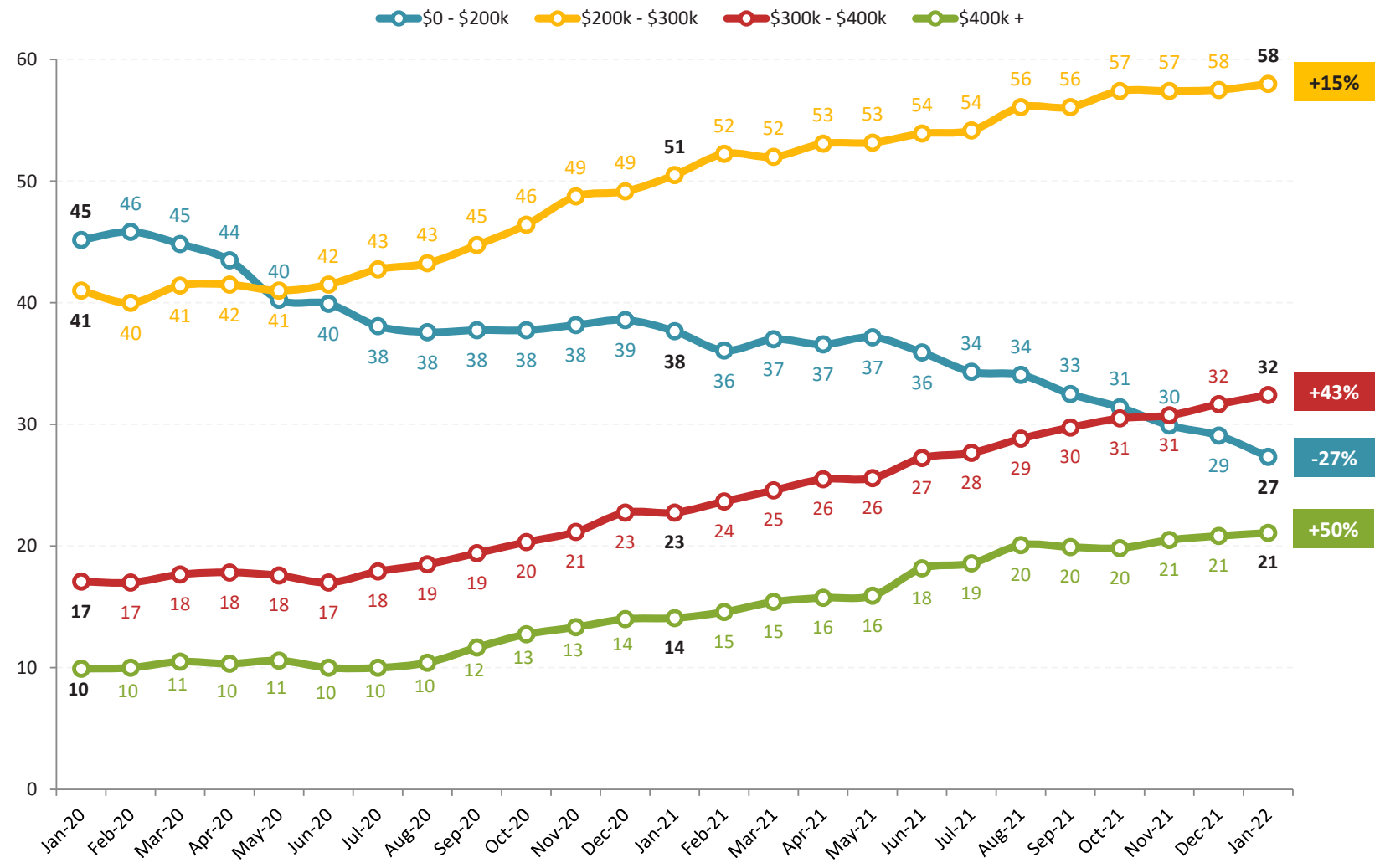
Harrisonburg & Rockingham County Median Days On Market Over Time Residential Sales, Monthly Analysis of Annual Trend



Days on market -- how quickly homes are going under contract -- can be an excellent indication of the mood of the local housing market. Independent of how many homes are selling and the prices at which they are selling -- if they are going under contract quickly then the market is strong and power is tipped towards sellers -- and

if homes are taking a longer time to go under contract the market is not quite as strong and power is starting to balance out between sellers and buyers. Over the past three years we have seen a steady decline in how long it takes homes to go under contract, with a current median of five days on the market.

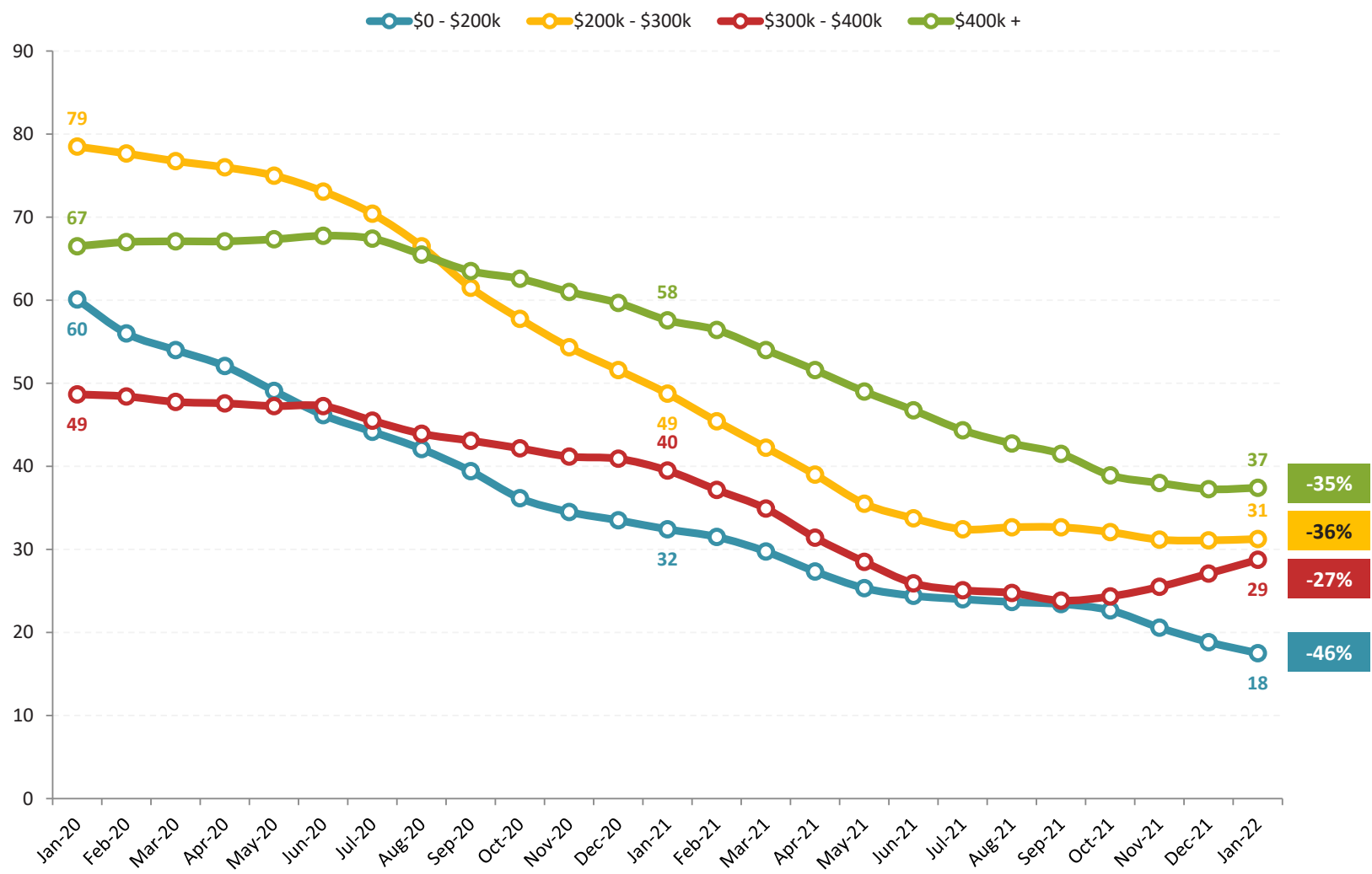
Harrisonburg & Rockingham County
Home Sales by Price Range
 (Average of Past 12 Months)



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.

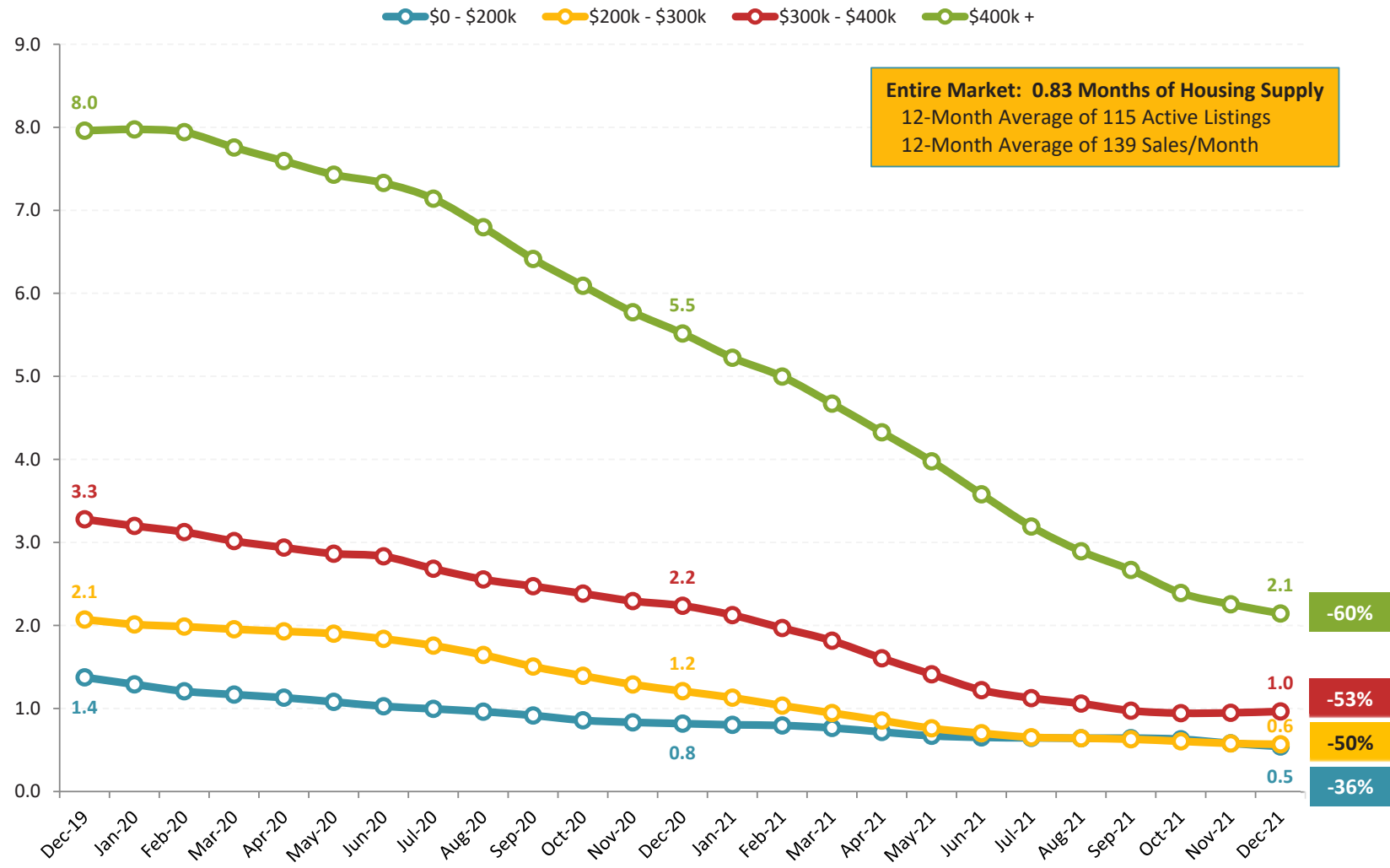
Harrisonburg & Rockingham County
Inventory Levels by Price Range
 (trailing 12 months)



Inventory levels shift up and down seasonally, so this graph (now) looks at changes in average inventory over a 12 month period. We are now only seeing slightly different trends in inventory levels between different price ranges. All price ranges shown above have seen a 35% to 46% decline in inventory levels over the past year

except for a slightly smaller decrease of 27% in the \$300K-\$400K market segment. Some, but not all, of these changes in inventory levels are due to changes in market value (increases) over the past few years.

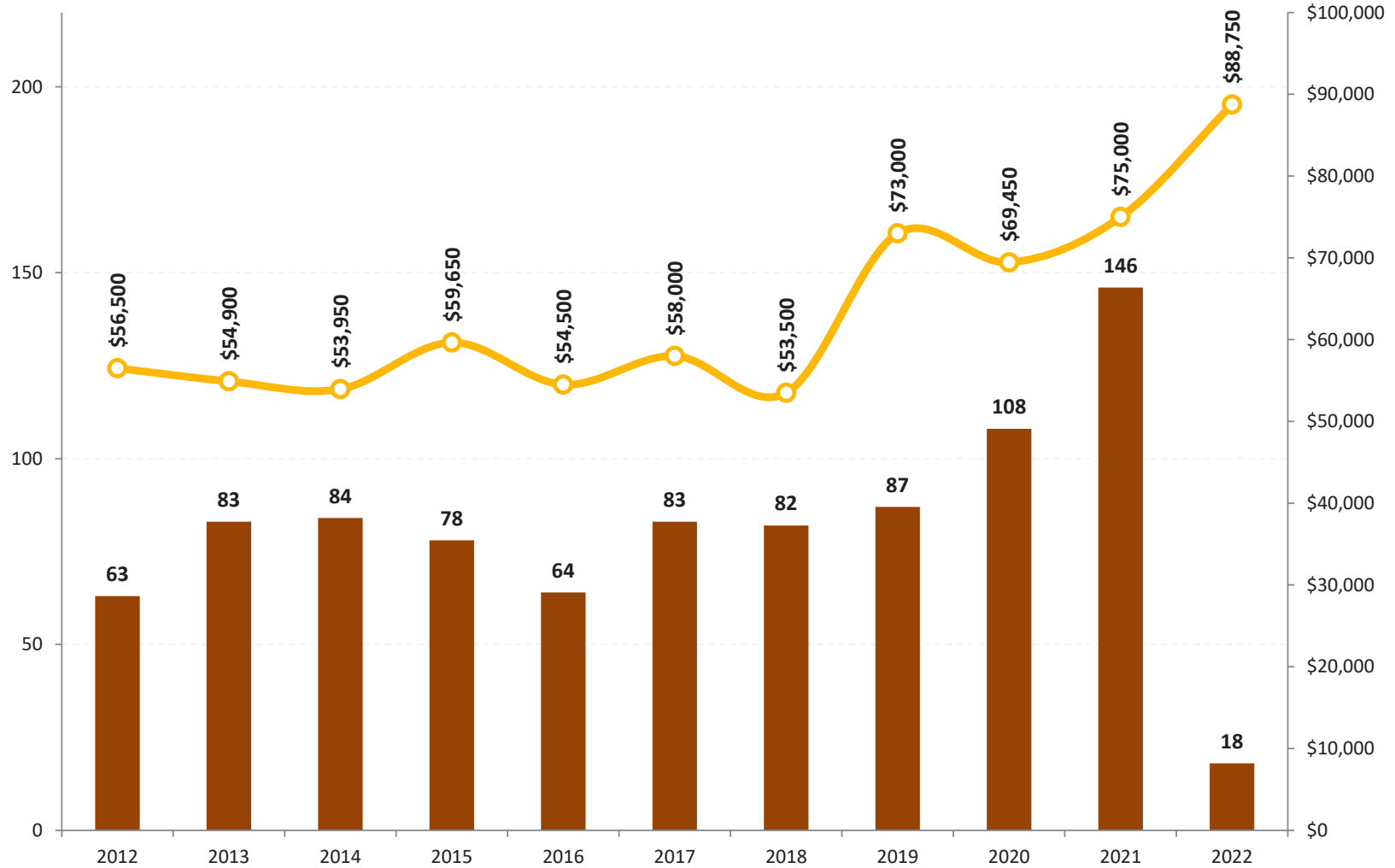
Harrisonburg & Rockingham County
Months of Housing Supply by Price Range
 (trailing 12 months)



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 most price ranges in our local real estate market. The graph above illustrates that while it would take about two 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 a month or less (!!!) to go through the inventory under \$400K. Many consider a six month supply to be a balance between buyers and sellers.

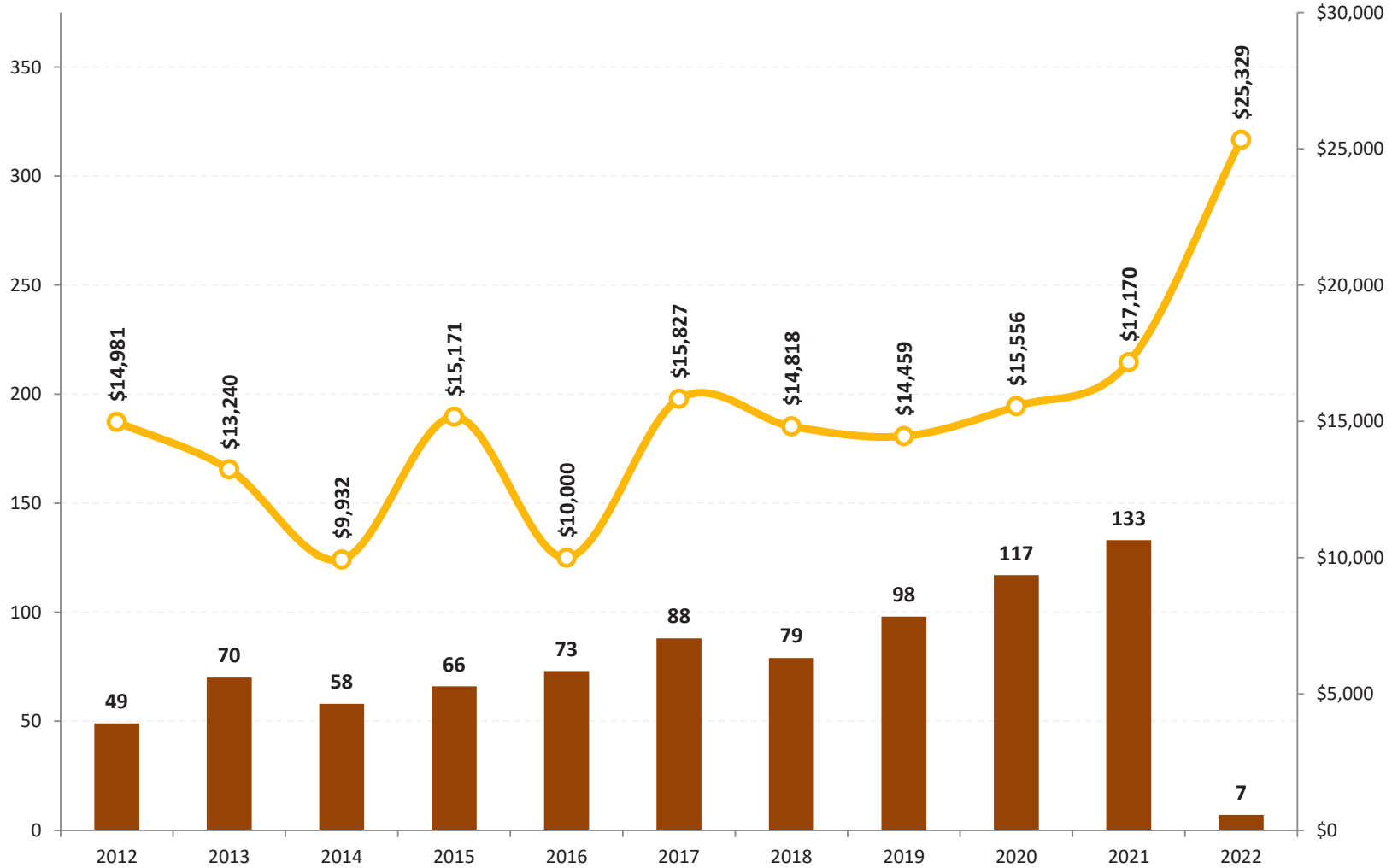
Harrisonburg & Rockingham County
Lot Sales & Median Prices
 less than 1 acre



For six of the past seven years between 2013 and 2019 we saw right around 80 sales per year of lots of less than an acre in Harrisonburg and Rockingham County. In 2020, that annual pace of sales increased a good bit to 108 sales of building lots. Despite that increase in the number of lot sales, the median sales price for those

lots declined slightly to \$69,450. That decline is likely a result of which particular lots sold, not necessarily an indication that all lots are selling at lower prices now than they were a year ago. We then saw 146 lot sales in 2021, which means last year was the strongest year of lot sales in the past decade.

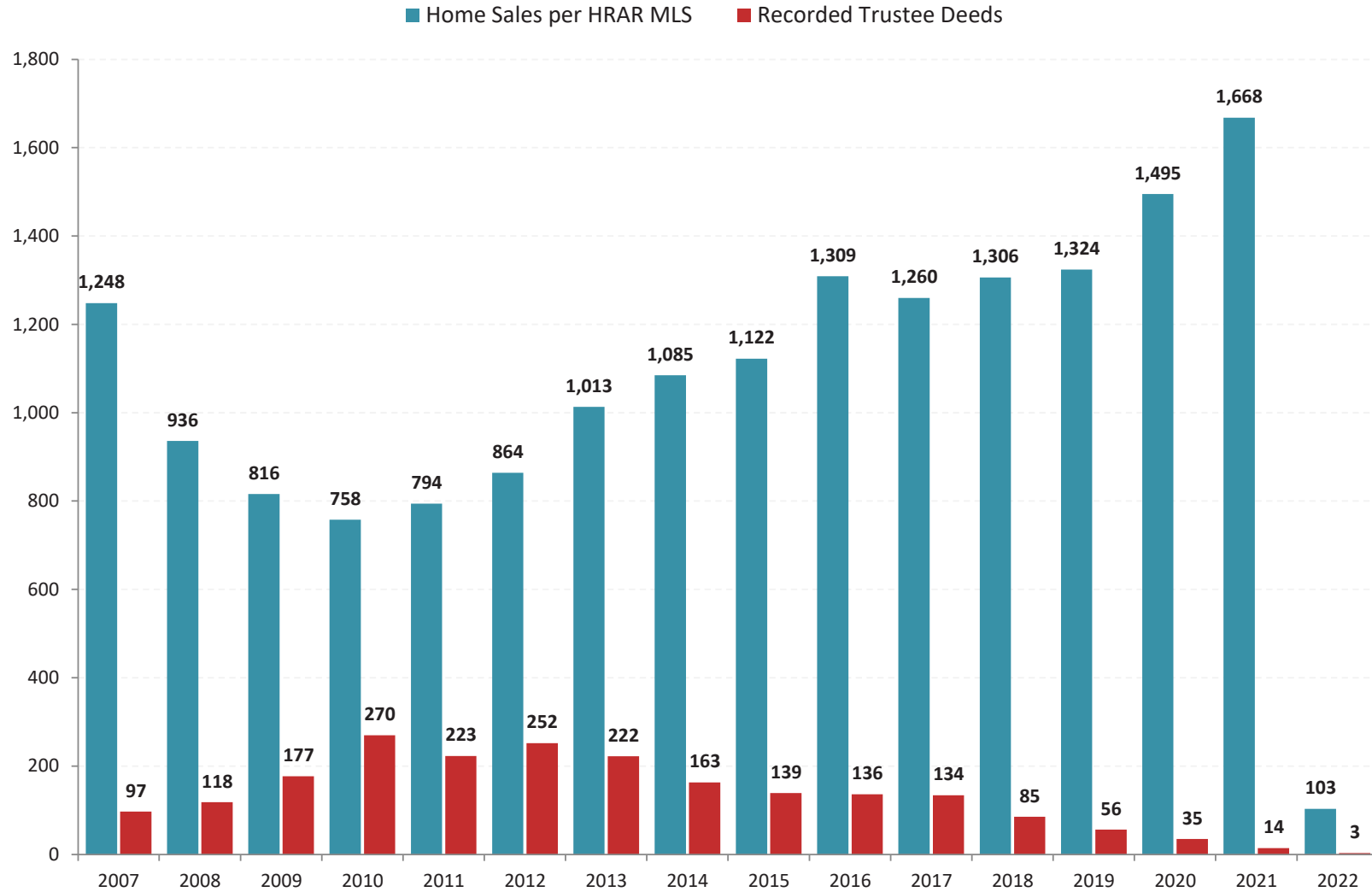
Harrisonburg & Rockingham County
Land Sales & Median Price Per Acre
 1 acre or more



The pace of sales of parcels of land larger than one acre in Harrisonburg or Rockingham County has increased over the past ten years to 133 land sales in 2021 - marking the highest year of sales in over 15 years. The median price per acre had remained right around \$15,000 per acre for four years between 2017 and 2020 but

increased to just over \$17,000 in 2021. 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 10 years has not seemed to have created any significant upward lifting pressure on values to date.

Harrisonburg & Rockingham County
Home Sales vs. Trustee Sales

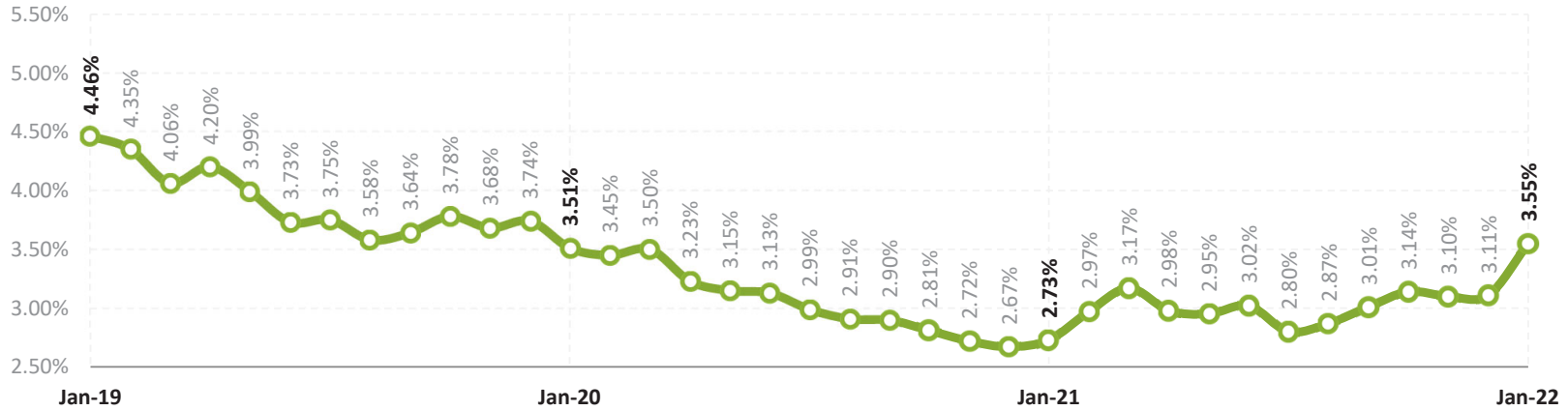


The graph above is a comparison of two imprecise measures -- but the comparison can still be helpful. The blue bars show the number of home sales recorded in the HRAR MLS -- this does not include private sales that did not involve a Realtor, nor new home sales directly from a builder. The red bars show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

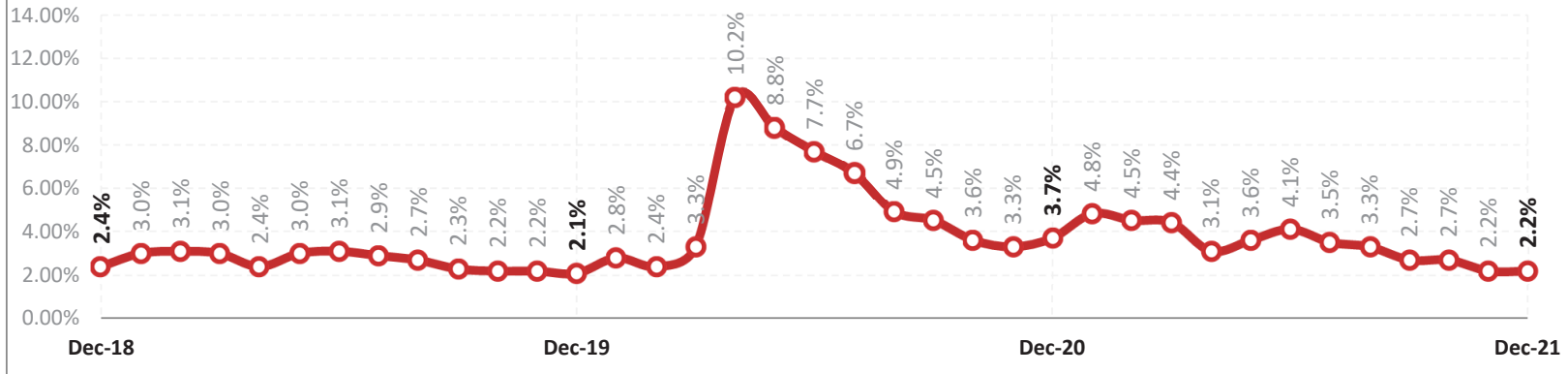
Trustee Deeds. Some foreclosed properties then show up again as REO properties. The foreclosure rate in our local market area has been trending downward over the past nine years and is now at the lowest level seen anytime in the past 15 years! The moratorium on foreclosures likely kept that figure low in 2020 and 2021.

Average 30-Year Fixed Mortgage Interest Rate

Source: Freddie Mac



Harrisonburg-Rockingham MSA Unemployment Rate Not Seasonally Adjusted



As shown in the top graph, over the past two years mortgage interest rates steadily declined to a historic low rate of 2.67% in December 2020. Rates rose through 2021 but not much above 3%. Now, though, in 2022, mortgage rates are starting to climb more quickly, crossing the 3.5% threshold at the end of January 2022. The second

graph illustrates trends in the local unemployment rate, which has now returned to the typical 2% - 3% range after having peaked at 10.2% during the start of the COVID-19 pandemic. 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 knowledgeable, professional, responsive, 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. Each year since 2010, Scott has been in the top 1% of all area Realtors based on volume of real estate sold.

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, web development, 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 and he 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.

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:

BuyingAHomeInHarrisonburg.com, SellingAHomeInHarrisonburg.com,
HarrisonburgHousingMarket.com, NewListingsInHarrisonburg.com,
JustSoldInHarrisonburg.com, HarrisonburgNeighborhoods.com
and HarrisonburgTownhouses.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 me anytime....

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Local Online Real Estate Resources

How To Navigate The Home Purchasing Process
BuyingAHomeInHarrisonburg.com

The Best Marketing Strategies For Selling Your Home
SellingAHomeInHarrisonburg.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
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