



2013 End-Of-Year Sales Report for Lancaster County

It is almost February, snow is on the ground and it is time to look back on 2013 and see how the real estate market did. 2013 was definitely an improvement over the past few years, but the real estate market in Lancaster is still struggling. As always, the sales in this report come from the two MLS systems that cover Lancaster County. All sales in this report are for residential properties where a Realtor was used.

There were 165 properties sold in Lancaster County in 2013 for a total of \$58,296,602 of residential real estate sold. Of the four residential property types: waterfront homes, off-water homes, waterfront land and off-water land. Waterfront homes dominate the real estate landscape in Lancaster County.

WATERFRONT HOMES:

There were 75 waterfront homes sold in Lancaster in 2013 comprising 46% of all properties sold in the county. The total dollar volume of waterfront property sold in 2013 was \$42,605,000. That means that a whopping 73% of total dollar volume sold in Lancaster in 2013 came from waterfront properties. And no wonder, the most expensive properties sold in the county are dominated by waterfront homes. There were 6 waterfront homes that sold for over \$1,000,000 including 2 that sold for more than \$2,000,000. The most expensive home that sold in Lancaster in 2013 was a home on the Corrotoman River in Weems and sold for \$2,300,000.



Figure 1: Waterfront Homes Sold in Lancaster in 2013.

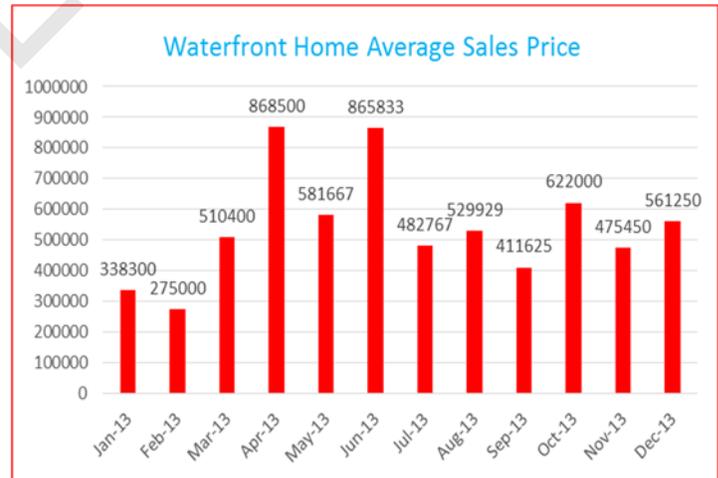


Figure 2: Waterfront Home Average Sales Price by Month, 2013.

The top month for waterfront home sales was November (Figure 1). For the purposes of this report we consider a home sold once the sale has closed. The homes that close in a given month, had a ratified contract sometime before. Homes usually close anywhere from 30 to 90 days after a ratified contract. So the homes that closed in November had a contract sometime between August and October. That being said, we are often asked when the best time of the year is to market a property. Although the sales totals in January and February were much lower; This is probably due to market inactivity around the holidays as opposed to the colder weather that happens during those months. If a property is to go to closing by the Spring, usually those buyers start looking and even make offers in January and February. We are thrilled to say that we have been busy this January and have shown quite a few homes even in the snow! Our best advise is to have your property ready and on the market, no matter what time of year.

The average sales price of a waterfront home in Lancaster in 2013 was \$568,067. Figure 2 shows the average sales price by month. April had the highest average sales price of any month in 2013 with June

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following not too far behind. In each of those months a home sold for more than \$2,000,000. The two months with the lowest sales totals also had the lowest average sales prices. The lowest priced waterfront home was a fixer upper on Meyers Creek that sold for \$95,000.

There were 31 waterfront homes sold in White Stone (Figure 3). Of course, there is a lot of waterfront in the White Stone zip code between the Rappahannock River, Carters Creek, Indian Creek, Dyer Creek, Tabbs Creek, Antipoison Creek and numerous smaller creeks as well. Those rivers make up the bulk of the top rivers for sales in Lancaster County (Figure 4). The town of Lancaster was second in sales of any town in the county. The Corrotoman River and it's tributaries are the dominant waterways in the town of Lancaster. The Rappahannock River also represented some of the waterfront home sales in the town of Lancaster. Between Weems and the town of Lancaster, there were more homes sold on the Corrotoman (15) than any other river.

The average waterfront home took 363 days to sell in 2013 (Figure 5). It is important to note that the time on market statistic represents a best case scenario. Over the past few years many homes have come on and off the market numerous times and sometimes with different Realtors. The statistics shown in figure 5 only show the time on market for the most recent time the property was listed with the property's latest Realtor. The difficulties of the current market in our area can be seen in the graph

City	Count
WHITE STONE	31
LANCASTER	22
WEEMS	7
MORATTICO	5
IRVINGTON	5
KILMARNOCK	2

Figure 3: 2013 Waterfront Sales by City.

Body of Water	Count
CORROTOMAN RIVER	15
RAPPAHANNOCK RIVER	11
CARTERS CREEK	9
DYMER CREEK	6
TABBS CREEK	6
ANTIPOISON CREEK	5
INDIAN CREEK	4

Figure 4: 2013 Waterfront Sales by Body of Water.

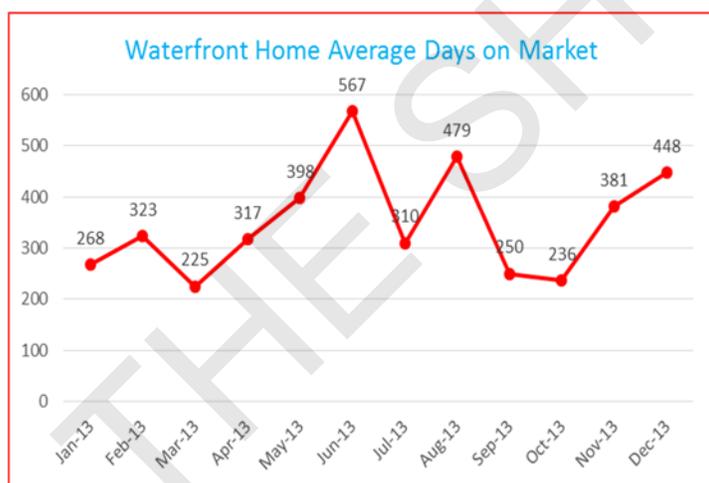


Figure 5: Waterfront Home Days on Market.

below. When our market returns to a normal healthy housing market we should see the time on market stabilize and drop below a year. Unfortunately that did not happen in 2013. We are hopeful that we will see a return to a more normal market in 2014.

Throughout the year there has consistently been 3 years of inventory on the market for waterfront property across all price ranges and locations. As of this report there are approximately 187 waterfront homes on the market in Lancaster County. At a yearly sales rate of 75 homes there is currently 2.5 years of inventory on the market. Until the inventory of homes in the county drops, selling a home will remain challenging.

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WATERFRONT LAND:

As difficult as the market for waterfront homes has been, waterfront land has been even more difficult to sell. There were 18 waterfront lots sold in Lancaster County in 2013. Waterfront land accounted for 11% of the residential properties sold. The dollar volume for waterfront land in 2013 was \$3,726,390. The average sales price of waterfront land was \$207,022. The most expensive waterfront lot sold in Lancaster for \$500,000. This 8.4 acre property is located in White Stone and has views to Little Bay and Antipoison Creek.

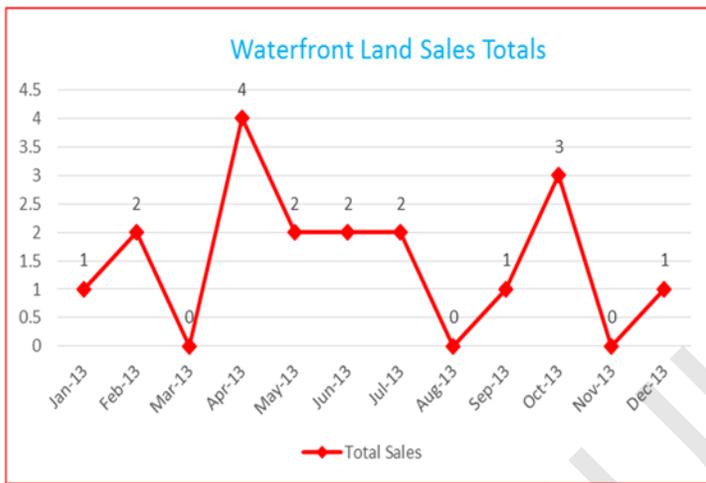


Figure 6: Waterfront Land Sold in Lancaster in 2013.

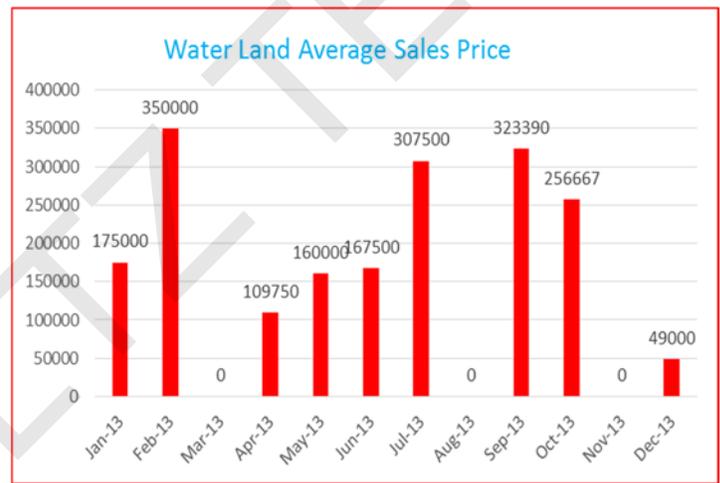


Figure 7: Average Waterfront Land Price by Month, 2013.

April was the best month for waterfront land sales with 4 properties sold (Figure 6). There were 6 months out of the year with 1 or fewer waterfront lots sold. The highest average sales price came in February, the same month the \$500,000 lot on Little Bay sold (Figure 7).

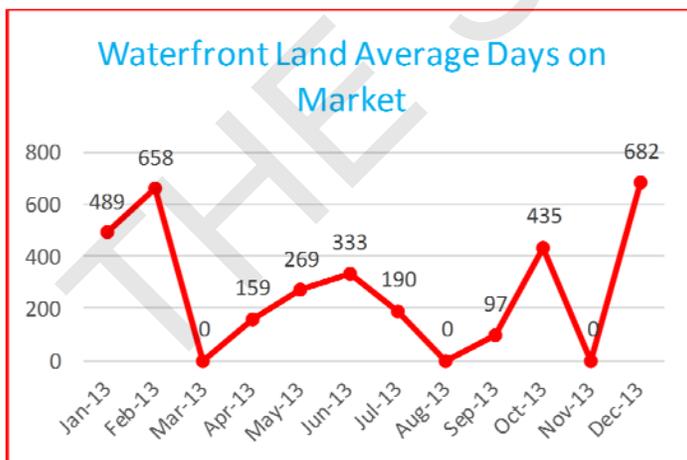


Figure 8: Waterfront Land Days on Market.

The average waterfront lot took 339 days to sell. Figure 8 shows the average by month. Just like waterfront homes, there is no visible trend in the amount of time a property spent on the market in 2014. Hopefully we will see those numbers become lower and more consistent in 2014. The most expensive lot sold in the county was also on the market for the longest period of time. It took 1263 days before the property finally sold. On the either end of the spectrum, a lot in Weems sold in just 52 days for \$200,000. This 2 acre property had long views up the Corrotoman and over 4' MLW.

As of this writing, there are approximately 115 waterfront lots on the market. At last year's rate of sales, there is almost 10 years of inventory in Lancaster County. Clearly, selling waterfront land is very challenging in the current real estate market.

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OFF-WATER HOMES:

There were 62 off-water homes sold in Lancaster county in 2013, accounting for 39% of the properties sold. In dollar volume, there was \$11,535,711 worth of off-water homes sold in 2013. Off-water homes accounted for 20% of the dollar volume sold in Lancaster. The average price of an off-water home in 2013 was \$186,060.

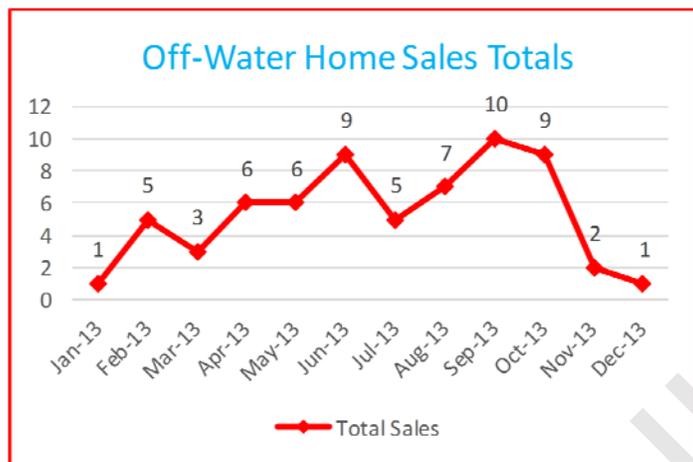


Figure 9: Off-water Homes Sold in Lancaster in 2013.

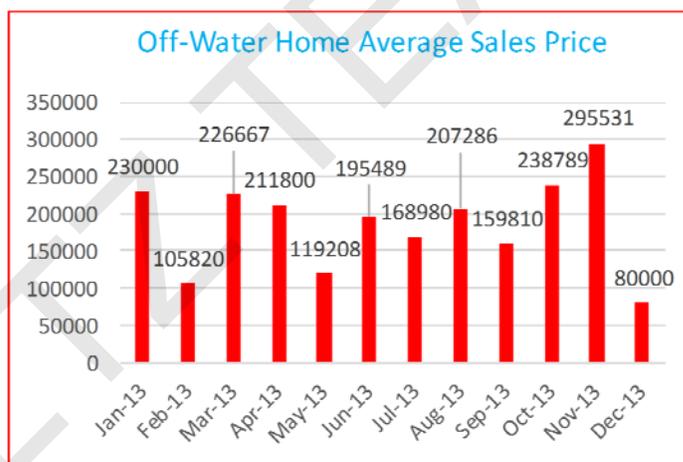


Figure 10: Average Off-water home Sales Price by Month, 2013.

The most striking data about the off-water home sales totals is that they fall off a cliff in November and December (Figure 9). Waterfront home sales stayed strong during that time period. Due to the recent rise in interest rates, many people rushed to lock in their rate during the early fall. By the time the holidays came around, most buyers had already closed on a property. We believe that as the buyers get used to the new rates, off-water home sales will return to normal. The best month for off-water home sales was September with 10 properties sold that month. November had the highest average sales price for 2013 (Figure 10). In November, the second most expensive off-water home sold. The home was new construction in Hills Quarter. This beautiful home, with all the upgrades, sold for \$516,062 and was located right on the golf course. The only other off-water home sold in November, sold for \$75,000 resulting in a high average sales price for the month.

The most expensive off-water home sold in 2013 is located in Irvington on King Carter Drive and sold for \$535,000 in April.

The average off-water home took 285 days to sell. That makes off-water homes the quickest selling residential property category. The low number was a little surprising. After looking into the numbers, new construction and foreclosed properties make up a far higher percentage of off-water homes than any other category. Foreclosures tend to sell quickly and new homes only show up as being on the market for a short period. Caught up in the low average is quite a bit of variation. A brick rancher in Irvington took over 900 days to sell.

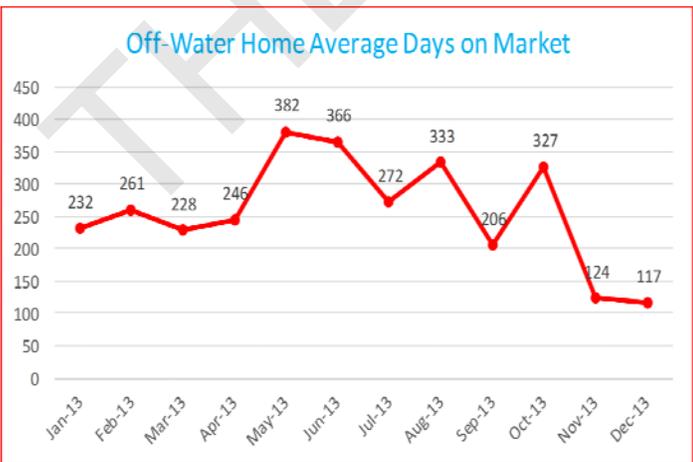


Figure 11: Off-water Home Days on Market.

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There were more off-water homes sold in Irvington than any other city in Lancaster (Figure 12). Included in that sales total are 7 homes that sold in Hills Quarter. The vast majority of homes sold in 2013 were sold outside of subdivisions. However Hills Quarter broke this trend by having far and away the most sales in any subdivision in the county. Weems, Lancaster and Kilmarnock were all close with each posting double digit sales totals. There were sales in Kilmarnock on the Northumberland side that are not included in this report.

There are approximately 144 off-water homes for sale in Lancaster County. At the 2013 sales rate of 65 homes per year, there is 2.2 years of inventory on the market.

City	Count
IRVINGTON	17
WEEMS	14
LANCASTER	13
KILMARNOCK	12
WHITE STONE	4
LIVELY	2

Figure 12: 2013 Off-water Home Sales by City

OFF-WATER LAND:

Off-water land is the most difficult type of property to sell right now. With so many homes on the market that are selling for less than the cost of new construction, finding buyers for off-water land is tough. Last year, there were only 10 off-water lots sold in Lancaster County. There are currently well over 100 lots on the market. There is a huge amount of inventory and very few buyers in the market right now. We have recently had some calls on off-water land in Lancaster. It does not seem like the market for these properties could get any worse, so hopefully those phone calls are a sign of good things to come!

CONCLUSION:

The real estate market in Lancaster improved in 2013. Our Long and Foster office was up by double digits in both sales and dollar volume! The big story for 2013 and heading into 2014 is the amount of inventory on the market for all residential property types. With so much on the market, a purchaser could view properties within a specific price range for months. We are optimistic that 2014 will bring more solid improvements in the Lancaster real estate market. With the market being so competitive, it is important to have a Realtor who is willing to pull out all the stops in order to get properties noticed online and in print. The Shultz Team is looking forward to continuing our momentum from 2013 and having an even better 2014!

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