



**The Central  
Shenandoah Valley  
Region Of Virginia**

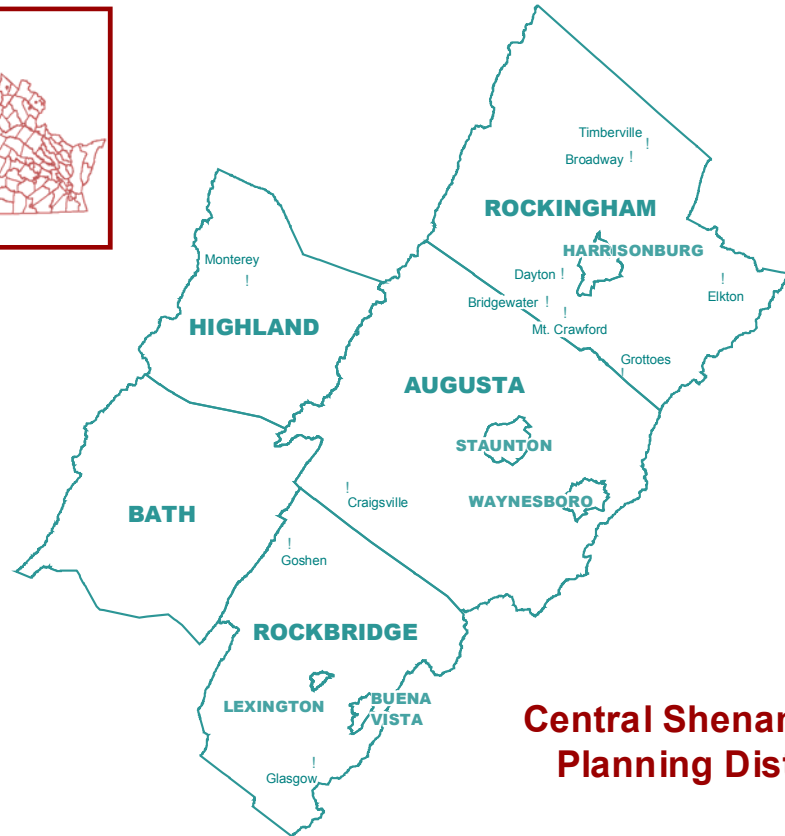
**Housing Costs  
Comparisons**

**February 28, 2007**

**Presented By:  
Central Shenandoah  
Planning District Commission**

**Prepared By:  
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## Central Shenandoah Planning District

This report was prepared by the Central Shenandoah Planning District Commission (CSPDC). The CSPDC was chartered on September 30, 1969 and is comprised of five counties, five cities, and eleven towns. For over thirty-five years, the CSPDC has been providing assistance to local governments and their citizens with issues including land use planning and regulation, transportation, disaster mitigation and preparedness, solid waste management, economic development, water and waste water, emergency management, housing, water resource management, and human services. The Central Shenandoah Planning District Commission makes every effort to respond to the changing needs of the citizens of the Central Shenandoah Valley. Should you have any questions, please call or email us.

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# The Central Shenandoah Valley Region of Virginia

## HOUSING COSTS COMPARISONS

February 28, 2007

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**We Welcome Your Comments and Questions.  
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# ***The Central Shenandoah Valley Region of Virginia Housing Costs Comparisons***

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## **Introduction**

The Central Shenandoah Planning District Commission (CSPDC) has disseminated public source data on the Central Shenandoah Valley Region (CSV) of Virginia's demographic and economic conditions for over 35 years. The CSPDC provides regional data through both the State Data Center Affiliate program managed by the Virginia Employment Commission and the Economic Development District Technical Assistance Program of the U.S. Department of Commerce's Economic Development Administration.

This report represents the second in a periodic series of publications designed to create a regional discussion on planning issues that localities in the Central Shenandoah Valley Region may be facing now and in the future. For some time, we have been anticipating the convergence of a number of demographic and economic trends in our region. Planning issues common for all communities and the region will include, but are not limited to, housing, transportation, and service needs.

CSPDC's previous report, *The Central Shenandoah Valley Region of Virginia – Demographic Forecasts 2006* was released in October of 2006. It included forecast and projection data for the region and its localities through 2030. While not an exact prediction of the future, the purpose of the publication was to examine scenarios of what the Central Shenandoah Valley Region might expect if current demographic and trends were to continue over time.

The focus of this study is on the average and/or median price of homes sold in three of the four sub-regions in the Central Shenandoah Planning District for the years 2000 to 2006. The home sales prices for the Harrisonburg-Rockingham, the Staunton-Waynesboro-Augusta, and the Lexington-Buena Vista Rockbridge Areas are compared to the average and/or median price of homes sold in areas or regions to the south, east, and north along the I-81 and I-64 corridors. There are many components of housing that can be and should be examined. This report only focuses on the average and/or median price of homes sold during the period of 2000 to 2006.

The data source for this study was the Virginia Association of Realtors' Newsroom website at: <http://www.varealtor.com/Newsroom/HomeSales.asp> .

**Please direct all questions or comments about this publication to the CSPDC staff contact listed on the title page (i) of this document.**

## What is included in this publication?

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## **Where is the Study Area?**

The Central Shenandoah Valley Region is located the heart of the historic and scenic Shenandoah Valley of west-central Virginia. Covering approximately 3,439 square miles, the region is home to some 270,000 persons. The Central Shenandoah Planning District is comprised of the five counties of Augusta, Bath, Highland, Rockbridge, and Rockingham, the five cities of Buena Vista, Harrisonburg, Lexington, Staunton, and Waynesboro, and the eleven incorporated towns of Bridgewater, Broadway, Craigsville, Dayton, Elkton, Glasgow, Goshen, Grottoes, Monterey, Mt. Crawford, and Timberville.

CSPDC staff compiled the average and median prices used in this report from figures publicly provided by the Virginia Association of Realtors, as supplied from their area Multiple Listing Services. While Bath County and Highland County are part of the Central Shenandoah Planning District, there is not a local Multiple Listing Service that provides home sales data for those counties. Combined, the two counties represent about 5,000 of the estimated 115,000 total households in the district. For purposes of this publication, only the sub-regions of the Central Shenandoah Planning District located along the I-81 and I-64 corridors will make up the area referred to as the Central Shenandoah Valley Region. They include:

- Harrisonburg–Rockingham
- Staunton-Waynesboro-Augusta
- Lexington-Buena Vista-Rockbridge

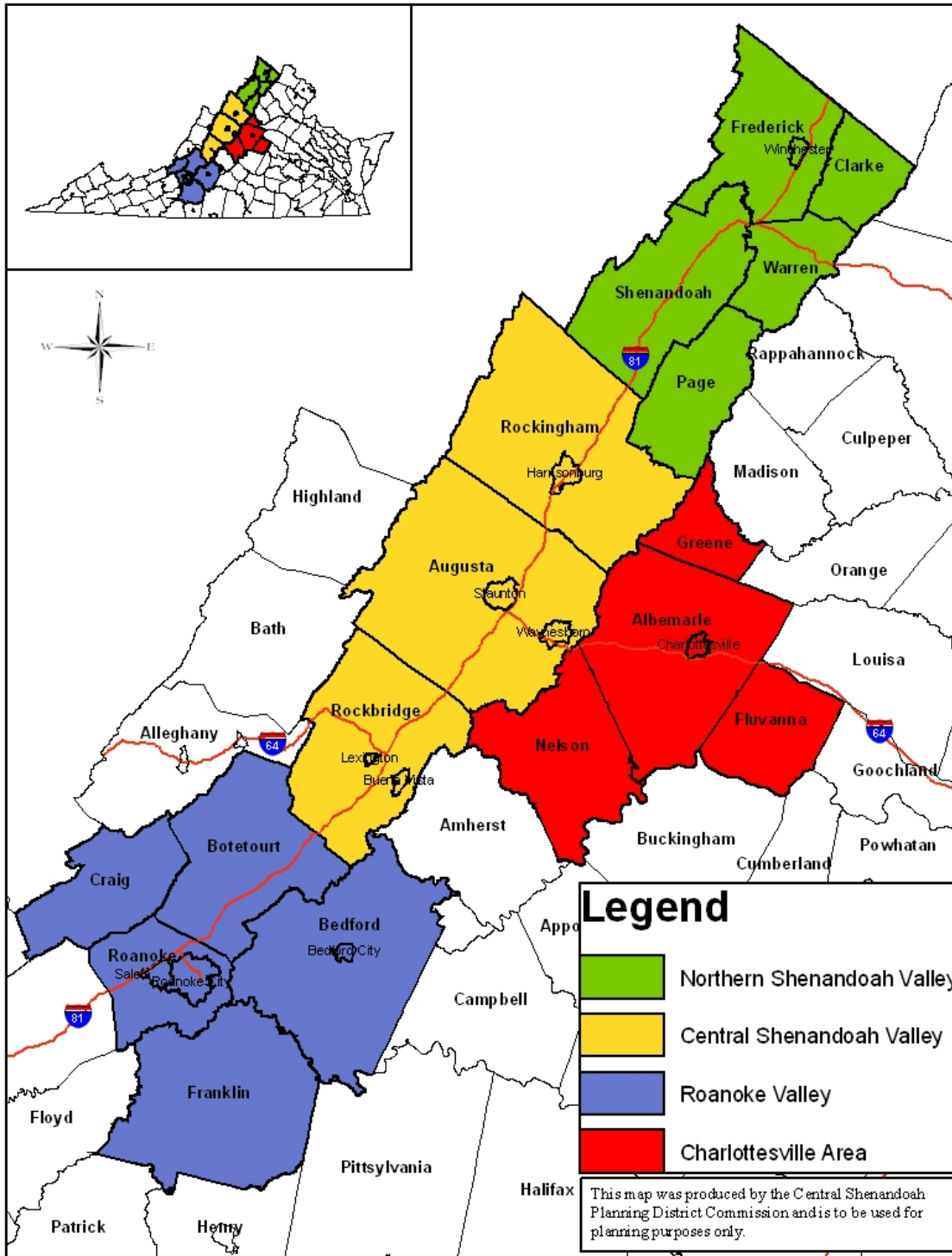
Comparisons have been made to other Virginia regions and/or sub-regions that border or are adjacent to the Central Shenandoah Valley Region along the I-81 and I-64 corridors to the north, east, and south. They include:

- Northern Shenandoah Valley
  - Winchester-Frederick-Warren-Clark
  - Shenandoah-Page
- Roanoke Valley
  - Roanoke-Salem-Vinton-Roanoke-Botetourt-Craig-portion of Bedford-portion of Franklin
- Charlottesville Area
  - Charlottesville-Albemarle-Fluvanna-Greene-Louisa-Nelson

Note – All monetary figures included in this report are nominal. The prices listed and the percentage increases provided have not been adjusted for inflation.



Study Area



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**Summary Observations.....**

Based upon the data and comparisons reviewed, the Central Shenandoah Valley may find itself in a unique position as demographic and economic trends converge in and around the region. The housing costs to the north and east of the region are significantly higher than those in Central Shenandoah Valley. Therefore, the local housing markets in this region could potentially experience increases in demand and prices in the future that exceed those occurring in recent years as multi-level competition for available housing develops between those from the workforces of adjoining areas who are moving to the Central Shenandoah Valley for more affordable housing, retirees moving from areas outside the region, the local workforce seeking to live within the region in which they work, local retirees from within the region seeking to stay in the area, and senior populations already within the region who are looking to downsize from their current housing.

**Recent Trends in the Prices of Homes Sold .....**

As recently as 2000, the average prices for homes sold in the two most populated sub-regions of the Central Shenandoah Valley, Harrisonburg-Rockingham Metropolitan Area and the Staunton-Waynesboro-Augusta Micropolitan Area, were less than the average prices for homes sold in the Winchester-Frederick-Warren-Clark Area to the north and the Roanoke Valley Area to the south. Shenandoah-Page, immediately north of the Harrisonburg-Rockingham Metro Area, was the only area of the overall study area where the average price of homes sold was lower than the Harrisonburg-Rockingham and Staunton-Waynesboro-Augusta sub-regions.

In 2000, the variation amongst average prices for homes sold in the six sub-regions that make up the I-81 Corridor Area from Winchester to Roanoke ranged from a high of \$150,955 in the Lexington-Buena Vista-Rockbridge Area to a low of \$109,495 in the Shenandoah-Page Area. However, when looking at the most populated areas, the high average prices were \$143,770 and \$138,250, represented by the Winchester-Frederick-Warren-Clark Area on the northern end and the Roanoke Valley on the southern end, respectively. The Harrisonburg-Rockingham and Staunton-Waynesboro-Augusta Areas in the Central Shenandoah Valley had the lowest average prices for homes sold at \$130,235 and \$121,257, respectively.

By 2006, significant changes had occurred in the average prices of homes sold in the six comparative areas along the I-81 Corridor. The highest average prices for homes sold were now represented by the Winchester-Frederick-Warren-Clark Area at \$313,470 and the Shenandoah-Page Area at \$247,836. Both of these sub-regions are on the northern end of the Shenandoah Valley. Average prices in the Lexington-Buena Vista-Rockbridge Area remained highest among the central and southern sub-regions at \$232,480, but its low number of units sold

annually can lead to variations in the average price and make comparison to the more populated areas more difficult. The average price for homes sold in the Roanoke Valley remained higher than those in the Harrisonburg-Rockingham and Staunton-Waynesboro-Augusta Areas for the period from 2000 to 2005. Yet in 2006, average prices in the Roanoke Valley rose just 4.2% over the previous year, while prices in the Harrisonburg-Rockingham Metro Area and Staunton-Waynesboro-Augusta Micro Area continued their double digit price increases that they had experienced each year since 2004. The result was that the average price of a home sold in Roanoke Valley was \$209,610 in 2006, as compared to \$221,994 in the Harrisonburg-Rockingham Metro Area and \$209,373 in the Staunton-Waynesboro-Augusta Micro Area.

The Charlottesville Area Multiple Listing Service does not provide the average price for homes sold in its area for the Virginia Association of Realtors' report which serves as the data source for this publication. Therefore, comparisons were made using the median price of homes sold. Unfortunately, the Greater Augusta Multiple Listing Service does not report the median price for homes sold in the Staunton-Waynesboro-Augusta Micro Area. Direct comparisons were not possible for the Staunton-Waynesboro-Augusta and Charlottesville Areas, but some observations can be drawn by inference.

Given that the median price of homes sold typically runs less than the average price of homes sold, it could be inferred that if the average price of homes sold in the Staunton-Waynesboro-Augusta Micro Area is less than the average price of homes in the Harrisonburg-Rockingham Metro Area, then its median price is more than likely less as well. The median price of home sold in the Charlottesville Area was more than 50% higher than the median price of a home sold in Harrisonburg-Rockingham. The actual data should be obtained for a direct comparison, but for purposes of the observations made here, it could be inferred that the median price of homes sold in the Charlottesville Area would be at least 50% higher than the Staunton-Waynesboro-Augusta Area's as well since the average price per home sold in the area was less than the Harrisonburg-Rockingham Area's.

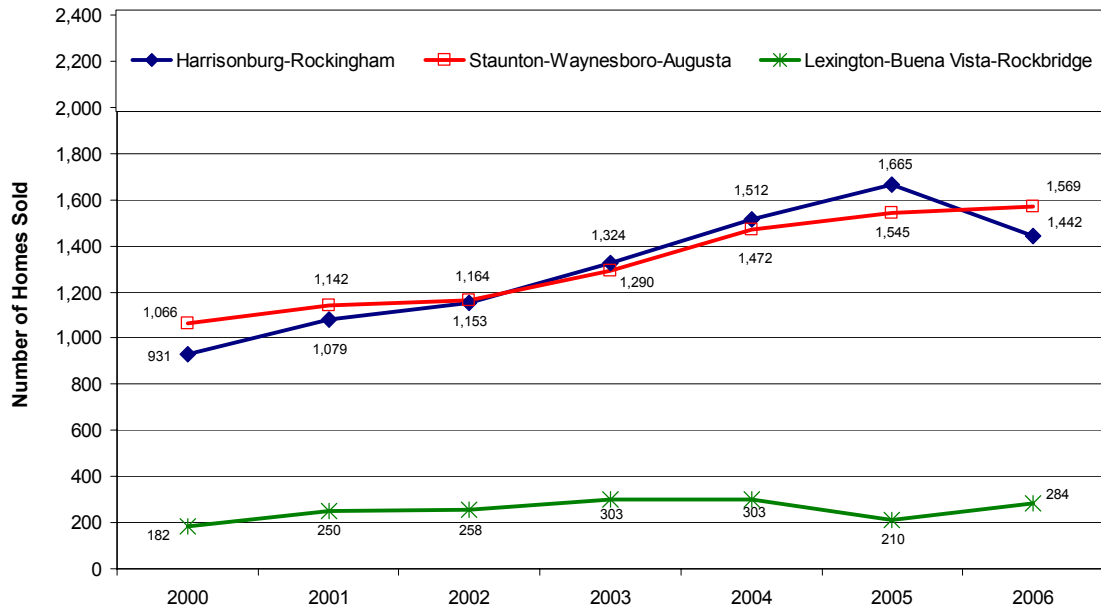
Overall, the median prices for the comparative regions for homes sold followed similar patterns as the average price of homes sold. Without adjusting for inflation, the median prices of homes sold to the north and east of the Central Shenandoah Valley Region went up over 100% during the period from 2000 to 2006 while increases in the median price were least in the southern and central sub-regions of the I-81 / I-64 Corridor study areas.

## Home Sales at a Glance .....

- **Total Number of Single-Family Homes Sold** - A total of 20,144 single-family homes sold in the Central Shenandoah Valley Region from 2000 to 2006. Sub-regionally, 45.2% of the total or 9,106 single-family homes were sold in the Harrisonburg-Rockingham Metropolitan Area; 45.9% or 9,248 homes were sold in the Staunton-Waynesboro-Augusta Micropolitan Area; and, 8.9% or 1,790 homes were sold in the Lexington-Buena Vista-Rockbridge Area. (See Figure 1)
- **Average Price – Homes Sold (in nominal dollars)** – Across the region, the average price of a home sold in the Harrisonburg-Rockingham Metropolitan Area rose from \$130,235 in 2000 to \$221,994 in 2006, a 70.5% increase, not adjusting for inflation. The average price of a home sold in the Staunton-Waynesboro-Augusta Micropolitan Area was up 72.7% from \$121,257 to \$209,373 and the average price in the Lexington-Buena Vista-Rockbridge Area increased 54.0% from \$150,955 to \$232,480. (See Figure 2)
- **Total Number of Single-Family Homes Sold** – There were an average of 2,900 homes sold per year in the Central Shenandoah Valley over the period from 2000 to 2006, as compared to 5,100 per year in the Roanoke Valley, 3,650 sold per year in the Charlottesville Metro Area, and 3,200 per year in the Northern Shenandoah Valley. (See Figure 3)
- **Average Price – Homes Sold (in nominal dollars)** – Average prices for homes sold in the Rockingham-Harrisonburg Metro Area increased by \$91,759 from 2000 to 2006 to \$221,994 and average prices in the Staunton-Waynesboro-Augusta Micro Area increased \$88,116 to \$209,373. By comparison, the average price of single-family homes sold in the Winchester-Frederick-Warren-Clark area went up \$169,700 to \$313,470 and the average price in the Shenandoah-Page sub-region increased by \$138,341 to \$247,836. (See Figure 4)
- **Average Price – Homes Sold (in nominal dollars)** - In 2006, the average price of homes sold in the Roanoke Valley went from being from \$15,000-\$25,000 higher than the Staunton-Waynesboro-Augusta Micro Area, as it had been since 2000, to being roughly equivalent. Roanoke Valley prices also dropped below the average price in the Harrisonburg-Rockingham Metro Area for the first time during the period, with its average prices going from \$5,000-\$15,000 above to \$12,000 below Harrisonburg-Rockingham's average price in 2006. (See Figure 5)

- **Percent Increase in Average Price of Homes Sold** – The average prices for housing the Shenandoah Valley increased the most from 2000 to 2006 in the northern-most sub-regions. Average prices for homes sold in Winchester-Frederick-Warren-Clark and Shenandoah-Page posted increases of 118.0% and 126.3%, respectively, when not adjusting for inflation. (See Figure 6)
- **Median Price – Homes Sold (in nominal dollars)** - In 2006, the median price of homes sold in Winchester-Frederick-Warren-Clark Area was \$104,029 higher than the median price in the Harrisonburg-Rockingham Metro Area, when not adjusting for inflation. The median price of homes sold in the Shenandoah-Page sub-region went from \$3,668 below that of the Harrisonburg-Rockingham Metro Area to \$50,899 higher. The median price for homes sold in the Charlottesville Metro Area was \$94,949 higher than Harrisonburg-Rockingham’s median price. (See Figure 7)
- **Median Price – Homes Sold (in nominal dollars)** – The median price for homes sold in the Harrisonburg-Rockingham Metro Area increased from \$118,509 to \$181,051. As a result, Harrisonburg-Rockingham’s median price went from \$1,233 higher than the Roanoke Valley’s median price in 2000 to \$16,576 higher in 2006. (See Figure 8)
- **Percent Increase in Median Price of Homes Sold** – Increases in the median price for homes sold were the most significant in Winchester-Frederick-Warren-Clark, up 126.6%, the Charlottesville Metro Area, up 110.4%, and Shenandoah-Page, up 102.0%, when not adjusting for inflation. All experienced increases well above those in the central and southern sub-regions of the Shenandoah Valley where median price increases for the period ranged from 40.2% in the Roanoke Valley and 52.8% in the Harrisonburg-Rockingham Metro Area to an increase of 61.1% in the Lexington-Buena Vista-Rockbridge Area. (See Figure 9)

**Fig. 1 Total Number of Single-Family Homes Sold  
2000 to 2006**



Prepared by: Central Shenandoah Planning District Commission - Rev. 02.05.07  
Data Source: Virginia Association of Realtors - <http://www.varealtor.com/Newroom/HomeSales.asp>  
Note: The numbers of homes sold represent closed sales only. Pending sales are not included.

### Highlights:

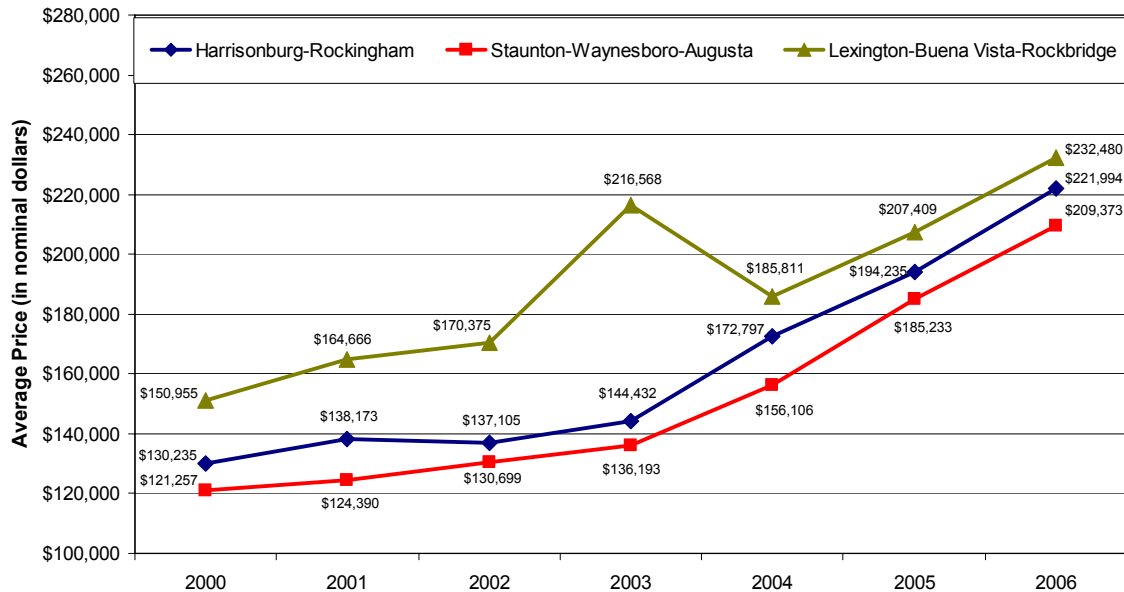
The total number of single-family homes sold per year in the Central Shenandoah Valley Region of Virginia rose steadily from the year 2000 in which 2,179 homes were sold through 2005 in which 3,420 homes were sold. In 2006, the overall region registered its first drop in the number of homes sold with 3,295 sales closed for the year. There were a total of 20,144 single-family homes sold in the Central Shenandoah Valley Region from 2000 to 2006.

Sub-regionally, there were a total of 9,106 single-family homes sold in the Harrisonburg-Rockingham Metropolitan Area over the period, with the number increasing from a low of 931 in 2000 to a high of 1,665 in 2005. Sales in the Harrisonburg-Rockingham Metro Area were 223 less in 2006, decreasing to 1,442.

The Staunton-Waynesboro-Augusta Micropolitan Area was the only one of the three sub-regions to post increases in the number of homes sold every year from 2000 to 2006. There were a total of 9,248 homes sold for the period. The low was 1,066 homes sold in 2000 and the high was 1,569 homes sold in 2006.

Single-family home sales in the Lexington-Buena Vista-Rockbridge Area ranged from a low of 182 units sold in 2000 to highs of 303 in both 2003 and 2004. There were 1,790 homes sold in the sub-region from 2000 to 2006.

**Fig. 2 Average Price - Homes Sold (in nominal dollars)  
Not Adjusted for Inflation**



Prepared by: Central Shenandoah Planning District Commission - Rev. 02.05.07  
Data Source: Virginia Association of Realtors - <http://www.varealtor.com/Newroom/HomeSales.asp>

### Highlights:

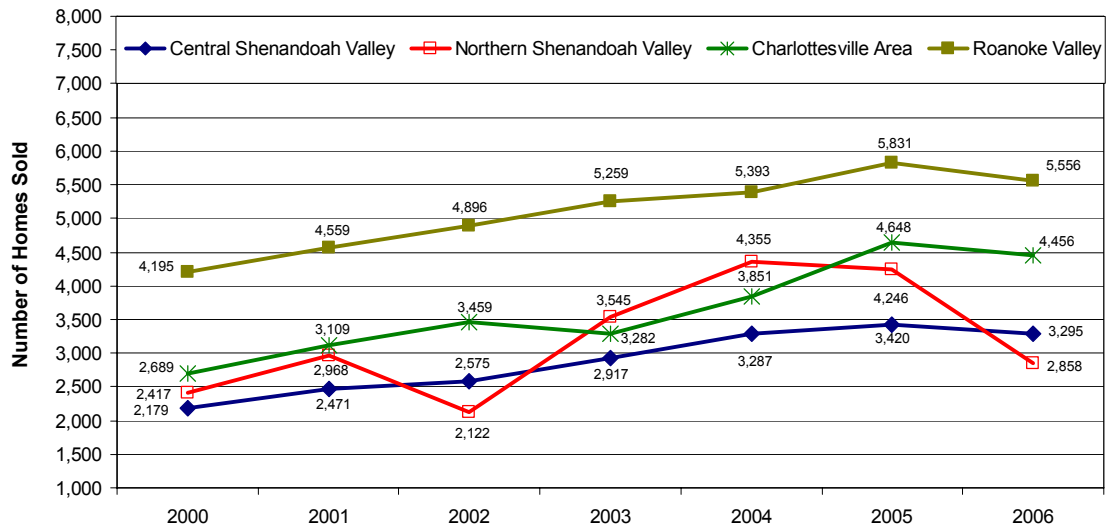
In 2000, the average price of single-family homes sold in Central Shenandoah Valley Region ranged from a low of \$121,257 in the Staunton-Waynesboro-Augusta Micropolitan Area to a high of \$150,955 in the Lexington-Buena Vista-Rockbridge Area.

By 2006, the average price of a home sold in the Staunton-Waynesboro-Augusta Micro Area had risen to \$209,373, up \$88,116 or 72.7%, not adjusting for inflation. The Lexington-Buena Vista-Rockbridge Area continued to have the highest average price amongst the three sub-regions for single-family home sales in 2006 at \$232,480. With the exception of a price spike in 2003, the overall percentage increase in average prices for homes sold in the Rockbridge Area, at 54.0%, was less than that of the other two sub-regions for the period from 2000 to 2006. As well, the \$81,525 increase in average price was also the lowest dollar increase amongst the three.

Average prices for homes sold in the Harrisonburg-Rockingham Metropolitan Area rose from \$130,235 in 2000 to \$221,994 in 2006. While still in the middle of the three, the average price in the Metro Area rose 70.5% and posted the highest dollar increase at \$91,759.



**Fig. 3 Total Number of Single-Family Homes Sold  
2000 to 2006**



Prepared by: Central Shenandoah Planning District Commission - Rev. 02.05.07

Data Source: Virginia Association of Realtors - [http://www.varealtor.com/New room/HomeSales.asp](http://www.varealtor.com/New%20room/HomeSales.asp)

Notes: Central Shenandoah Valley = Harrisonburg-Rockingham-Staunton-Waynesboro-Augusta-Lexington-Buena Vista-Rockbridge

Northern Shenandoah Valley = Winchester-Frederick-Warren-Clark-Shenandoah-Page

Charlottesville Area = Charlottesville-Albemarle-Fluvanna-Greene-Louisa-Nelson

Roanoke Valley = Roanoke-Salem-Vinton-Roanoke-Botetourt-Craig-portion of Bedford-portion of Franklin

The number of homes sold represents closed sales only. Pending sales are not included.

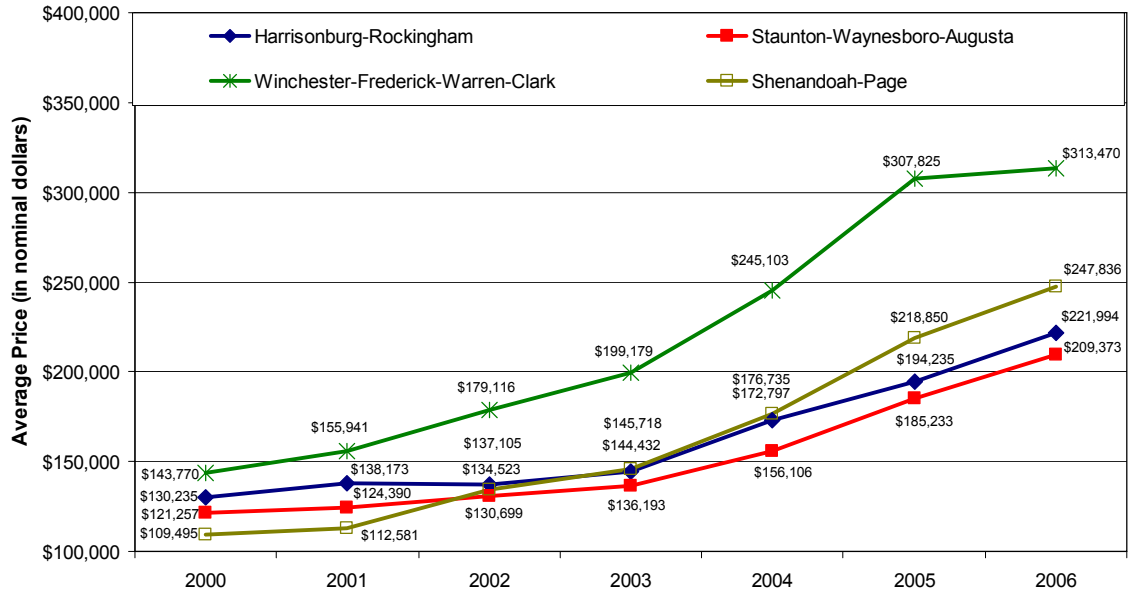
## Highlights:

Combining the Multiple Listing Services into regions that are roughly equivalent to the Planning Districts representing those areas enables a comparison of the total number of homes sold in the Central Shenandoah Valley Region to the Virginia regions bordering it to the north, east, and south.

Both the Central Shenandoah Valley and Roanoke Valley had estimated populations of about 270,000 each in 2006. The Central Shenandoah Valley averaged sales of almost 2,900 homes per year as the population grew by 5.3% from 2000 to 2006. By comparison, nearly 5,100 homes were sold per year in the Roanoke Valley. Further investigation is warranted given that the population in the area is estimated to have increased by just 1.0% for the period. The Northern Shenandoah Valley and Charlottesville Metro Area had populations at around 210,000 and 220,000; respectively, yet both regions averaged more home sales per year than the Central Shenandoah Valley with some 3,200 and 3,650; respectively. The population growth rates were much higher for those two regions. They were up 13.3% and 9.5%; respectively.

Overall, there were 20,144 homes sold in the Central Shenandoah Valley from 2000 to 2006. By comparison, 22,511 homes were sold in the Northern Shenandoah Valley; 25,494 were sold in the Charlottesville Metro Area; and, 35,689 were sold in the Roanoke Valley.

**Fig. 4 Average Price - Homes Sold (in nominal dollars)  
Not Adjusted for Inflation**



Prepared by: Central Shenandoah Planning District Commission - Rev. 02.05.07  
Data Source: Virginia Association of Realtors - <http://www.varealtor.com/Newroom/HomeSales.asp>  
The Charlottesville Area does not report Average Price-Sold, so they have not been included in the graph above.

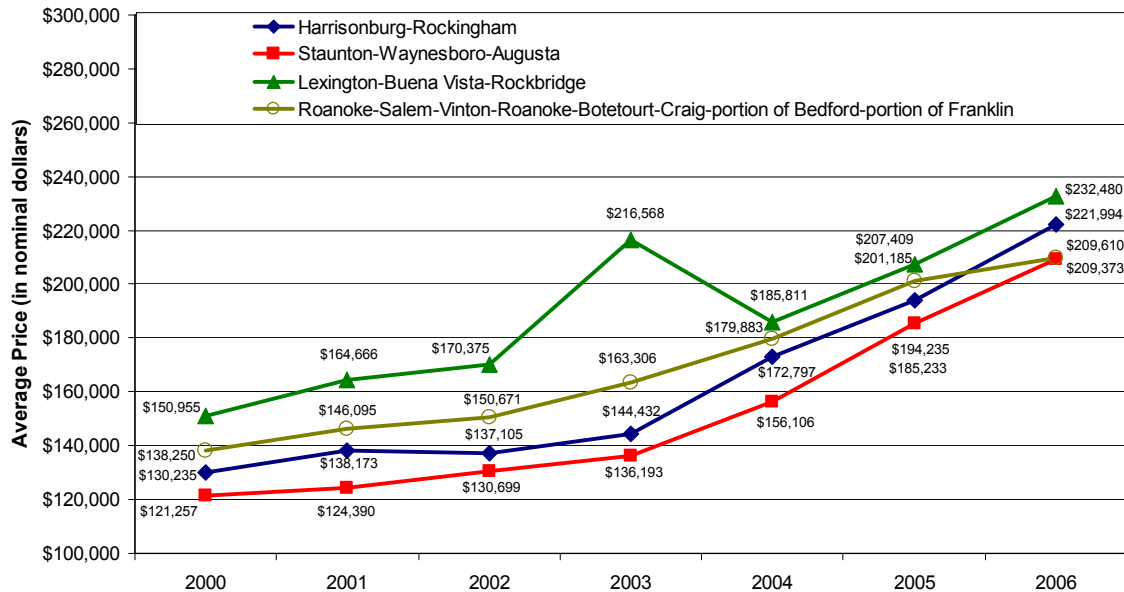
### Highlights:

A comparison of the average prices of homes sold in the central and northern parts of the Shenandoah Valley indicates that while the unadjusted prices have risen by over 70% in the central sub-regions of the Valley since 2000, they have not risen to the degree that they have in the northern sub-regions.

The average price of single-family homes sold in the Winchester-Frederick-Warren-Clark area has gone up \$169,700, or 118.0%, since 2000 to \$313,470 and the average price in the Shenandoah-Page sub-region has increased by \$138,341, or 126.3%, to \$247,836. By comparison, average prices in the Rockingham-Harrisonburg Metro Area increased by \$91,759, or 70.5%, to \$221,994. The Staunton-Waynesboro-Augusta Micro Area saw an increase in average home prices from 2000 to 2006 of \$88,116, or 72.7%, to \$209,373.

Since 2000, the difference in the average price of homes sold in the central and northern areas of the Shenandoah Valley has grown from a range of \$34,275 between the high and low average prices to a range of \$104,097, not adjusting for inflation. As noted above, the greatest increases in average home prices were in the northern areas of the Valley. Home prices in Shenandoah-Page went from the lowest average price to second highest as percentage increases led all four sub-regions.

**Fig. 5 Average Price - Homes Sold (in nominal dollars)  
Not Adjusted for Inflation**



Prepared by: Central Shenandoah Planning District Commission - Rev. 02.05.07  
Data Source: Virginia Association of Realtors - <http://www.varealtor.com/NewRoom/HomeSales.asp>  
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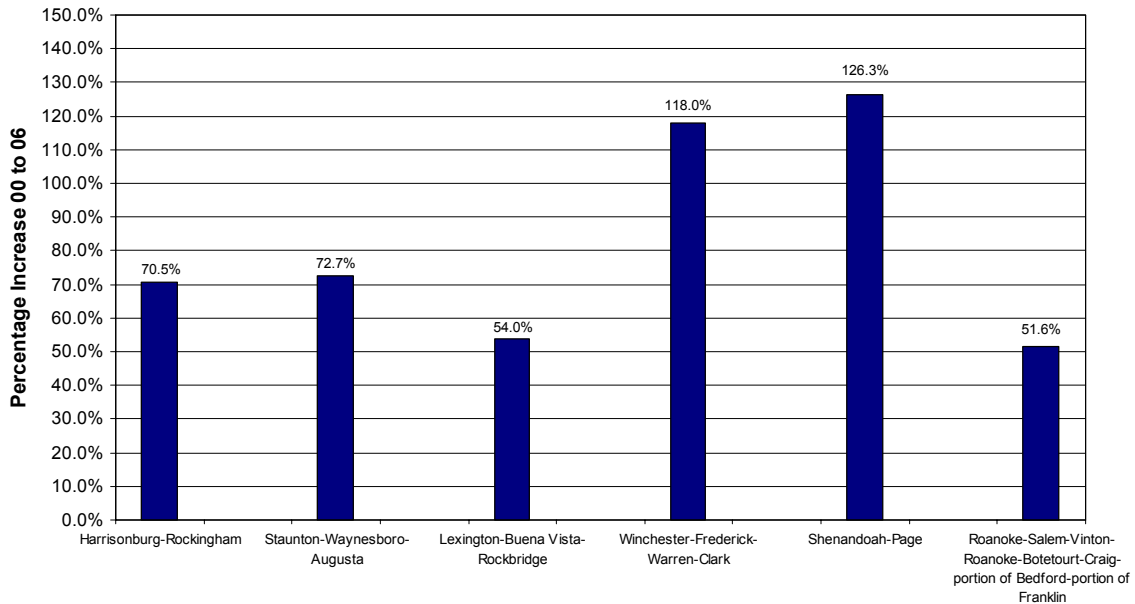
### Highlights:

With the exception of a spike in the Lexington-Buena Vista-Rockbridge Area in 2003, the average price of housing in the central to southern sub-regions of the Shenandoah Valley did not vary as much from 2000 to 2006 as they did when the central sub-regions were compared to the northern sub-regions.

The average price of a home sold in the Lexington-Buena Vista-Rockbridge Area remained the highest amongst the four sub-regions throughout the period and the average price in the Staunton-Waynesboro-Augusta Micropolitan Area remained the lowest. The difference between the high average price and the low average decreased from \$29,698 to \$23,107 as the Staunton-Waynesboro-Augusta Micro Area's average price grew by 72.7% as compared to a 54.0% increase in the Lexington-Buena Vista-Rockbridge Area .

From 2000 to 2005, the average price of a home sold in the Roanoke Valley was higher than the average prices in the Harrisonburg-Rockingham Metro Area and the Staunton-Waynesboro-Augusta Micro Area. In 2006, average prices in the Roanoke Valley went from being from \$15,000-\$25,000 higher than the Staunton-Waynesboro-Augusta Micro Area to being roughly equivalent. For the first time during the period, the average price for homes in the Roanoke Valley dropped below the average price in the Harrisonburg-Rockingham Metro Area, going from \$5,000-\$15,000 above to \$12,000 below.

**Fig. 6 % Increase in Average Price of Homes Sold 2000 to 2006  
Not Adjusted for Inflation**



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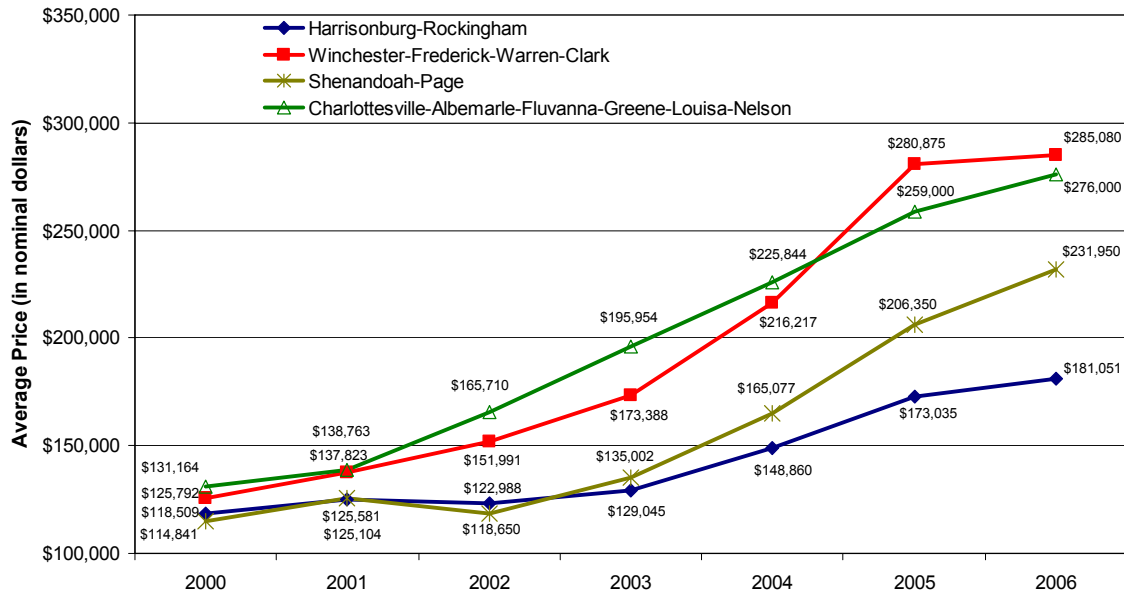
## Highlights:

The minimal increase in the average price of homes sold in the Roanoke Valley from 2005 to 2006 led to the overall increase for the sub-region from 2000 to 2006 being significantly less than that in the other sub-regions along the I-81 Corridor from Winchester to Roanoke. Prior to 2006, the average home prices in the Roanoke Valley were increasing at about the same pace as those in the Harrisonburg-Rockingham Metro and the Staunton-Waynesboro-Augusta Micro Areas.

The most significant increases in the average prices for housing from 2000 to 2006 took place in the northern sub-regions of the Shenandoah Valley where the prices for homes in Winchester-Frederick-Warren-Clark and Shenandoah-Page posted increases of 118.0% and 126.3%, respectively, when not adjusting for inflation.

The average price of homes sold in the Charlottesville Area are not reported by the data source, so the area was not included in the comparisons. The area does report the median price of homes sold, so the Charlottesville Area has been included in that section to follow.

**Fig. 7 Median Price - Homes Sold (in nominal dollars)  
Not Adjusted for Inflation**



Prepared by: Central Shenandoah Planning District Commission - Rev. 02.05.07  
Data Source: Virginia Association of Realtors - <http://www.varealtor.com/New sroom/HomeSales.asp>  
The Staunton-Waynesboro-Augusta Area does not report Median Price-Sold, so they have not been included in the graph above.

### Highlights:

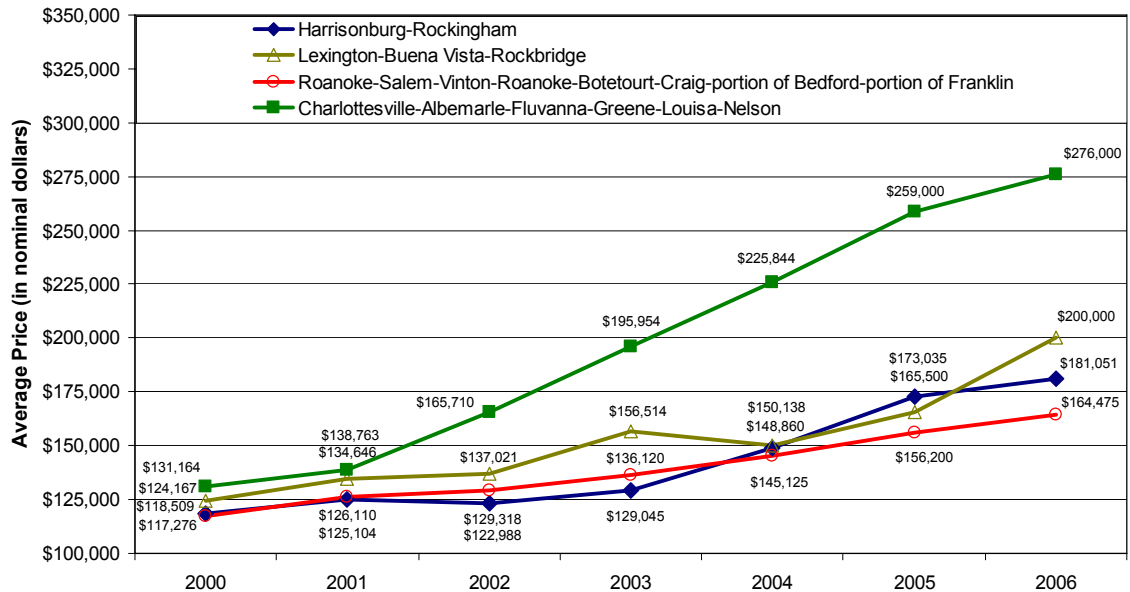
Comparing the median price of homes sold provides another way to look at the cost of housing. While the mean cost is the average price for all of the homes sold, the median is the midpoint of the prices for which the homes sold. There were an equal number of homes that sold for prices below the midpoint as there were homes that sold for prices above the midpoint price.

In 2000, there was a \$16,323 difference between the high median price for homes sold in the Charlottesville Metro Area, which is east of the Central Shenandoah Valley and the low median in Shenandoah-Page, just to the north.

By 2006, the median price of homes sold in Winchester-Frederick-Warren-Clark at the northern tip of the Shenandoah Valley had exceeded that of the Charlottesville Metro Area and the difference between that sub-region and the low median in Harrisonburg-Rockingham had grown to \$104,029, when not adjusting for inflation.

A significant change took place in the median price of homes sold in Shenandoah-Page as the sub-region's median price went from \$3,668 below that of the Harrisonburg-Rockingham Metro Area to \$50,899 higher. The median price for homes sold in the Charlottesville Metro Area increased to \$94,949 higher than Harrisonburg-Rockingham.

**Fig. 8 Median Price - Homes Sold (in nominal dollars)  
Not Adjusted for Inflation**



Prepared by: Central Shenandoah Planning District Commission - Rev. 02.05.07  
Data Source: Virginia Association of Realtors - <http://www.varealtor.com/NewRoom/HomeSales.asp>  
The Staunton-Waynesboro-Augusta Area does not report Median Price-Sold, so they have not been included in the graph above.

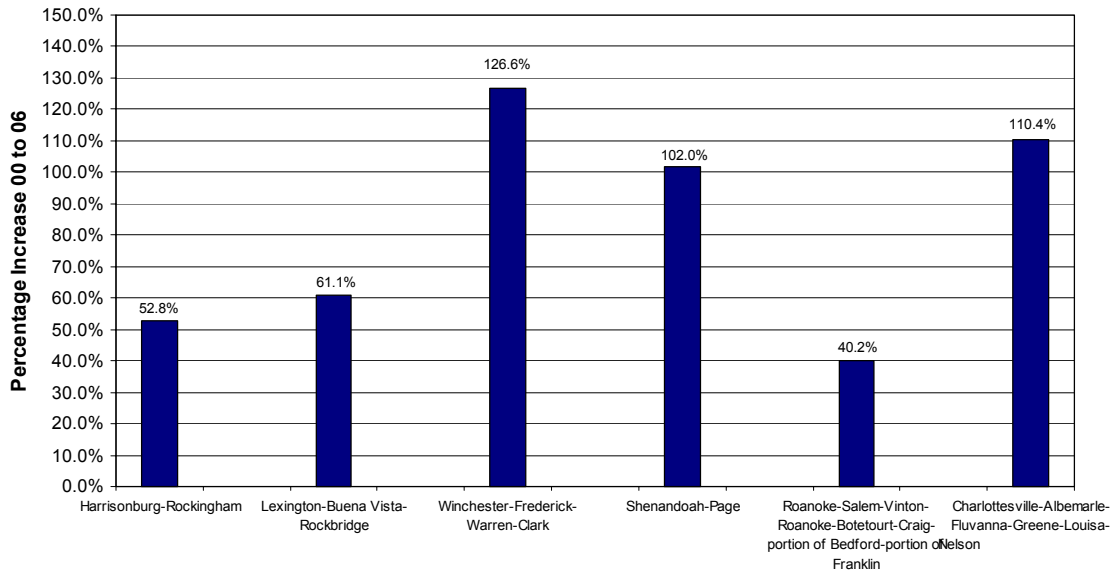
## Highlights:

Looking to the south and east of the Central Shenandoah Valley, there was a \$13,888 difference between the high median prices for homes sold in the Charlottesville Metro Area and the low median price for home sold in the Roanoke Valley in 2000. By 2006, the gap between the high median and the low median had grown to \$111,525 as the median home sale price in the Charlottesville area had grown by 110.4% as compared to 40.2% in the Roanoke Valley.

The median price of a home sold in the Harrisonburg-Rockingham Metro Area was just \$1,233 higher than the median for a home in the Roanoke Valley in 2000. Harrisonburg-Rockingham's median price was \$1,000 to \$7,000 less than that of the Roanoke Valley for the period from 2001 to 2003. Beginning in 2004, median prices in the Harrisonburg-Rockingham Metro Area moved higher than those in the Roanoke Valley and increased to a difference of \$16,576 by 2006.

Median prices in the Lexington-Buena Vista-Rockbridge Area fluctuated more than the other comparative areas, but that may have been due to the low annual number of total homes in the sub-region affecting the variation of the median price from year to year.

**Fig. 9 % Increase in Median Price of Homes Sold 2000 to 2006  
Not Adjusted for Inflation**



Prepared by: Central Shenandoah Planning District Commission - Rev. 02.05.07  
Data Source: Virginia Association of Realtors - <http://www.varealtor.com/NewRoom/HomeSales.asp>  
The Staunton-Waynesboro-Augusta Area does not report Median Price-Sold, so they have not been included in the graph above.

### Highlights:

Considering all of the sub-regions up and down the Shenandoah Valley and the Charlottesville Metro Area to the east, the greatest increases in the median price for homes sold from 2000 to 2006 were posted in Winchester-Frederick-Warren-Clark, up 126.6%, the Charlottesville Metro Area, up 110.4%, and Shenandoah-Page, up 102.0%, when not adjusting for inflation.

The least percentage increases in the median price for homes sold occurred in the Roanoke Valley, up 40.2%, the Harrisonburg-Rockingham Metro Area, up 52.8%, and the Lexington-Buena Vista-Rockbridge Area, up 61.1%.

Staunton-Waynesboro-Augusta does not report the median price of homes sold in the data source, so the area was not included in the comparisons. The area does report the average price of homes sold, so it was included in that section.

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## **What Could All of This Mean for the Central Shenandoah Valley Region?**

As noted in the summary observations at the beginning of this publication, the Central Shenandoah Valley may find itself in a unique position as demographic and economic trends converge in and around the region. With the cost of housing is increasing significantly higher in the areas to the north and east of the Central Shenandoah Valley, the local housing markets in this region may experience increased demand and price pressures in the coming years that exceed those occurring in recent years.

1. Area realtors and residents have offered anecdotal evidence over the last few years that there are increasing numbers of people who have moved into the eastern portions of the Staunton-Waynesboro-Augusta Micropolitan Area, yet they are employed in the Charlottesville Area workforce. Similar stories have been heard with regard to some eastern portions of the Harrisonburg-Rockingham Metropolitan Area. Should these trends continue, and there is every reason to believe that they will, increased demand for the workforce level housing available in these areas could push home prices higher as more and more people from the Charlottesville Area labor force are priced out of their housing market and “come over the mountain” to look for housing that they can afford.

The Harrisonburg-Rockingham Metropolitan Area has typically had the reverse situation as the average price of a home sold in the area has generally been higher than the average prices in the surrounding areas of Shenandoah-Page to the north, Staunton-Waynesboro-Augusta to the south, and Pendleton-Hardy (WV) to the west. Thus, some 84% of the 11,175 workers who commuted into the Harrisonburg-Rockingham Metropolitan Area for employment in 2000 (representing 19% of the area workforce) came from those adjoining sub-regions. And, the prices for housing in the Harrisonburg-Rockingham Metropolitan Area may have previously been close enough to those in the Winchester-Frederick Metro Area further north and the Charlottesville Metro Area to the southeast since significant numbers of people from those areas did not appear to be looking at Harrisonburg-Rockingham as a for more affordable housing. The 2000 Census Commuting Patterns data indicates that only about 150 people living in the Harrisonburg-Rockingham Metro Area left the area to go work in the Winchester-Frederick Metro Area and only around 250 people left the area to go to work in the Charlottesville Metro Area.

A change in the dynamics could be on the horizon for the Harrisonburg-Rockingham Metropolitan Area if it has not arrived already. Just 45 minutes to the north, the average price of a home sold in the Winchester-Frederick-Warren-Clark Area went from being \$13,535 higher in 2000 to \$91,476 higher in 2006 and the median price of a home sold went from being \$7,283 higher in 2000 to \$104,029 higher than the Harrisonburg-

Rockingham Area in 2006. The immediately adjacent Shenandoah-Page sub-region, which used to have both a lower average and median price than Harrisonburg-Rockingham, went from having an average home sale price of \$20,740 less to an average price that is \$25,842 more. The median price went from \$3,668 lower to \$50,899 more than the median price of a home sold in the Harrisonburg-Rockingham Metropolitan Area.

The same is true with the Charlottesville Area, which is 45 minutes to the southeast. Median prices for homes sold in that area went from being \$12,655 higher in 2000 to \$94,949 higher than the Harrisonburg-Rockingham Metropolitan Area in 2006, when not adjusting for inflation. Although new commuting pattern data may not be available until after the 2010 census, an increase in the number and percentage of people living in the Harrisonburg-Rockingham Metropolitan Area and commuting out to other regions for employment might be expected as the local workforces from the areas to the north and east seek more affordable housing options.

Such a trend may also have a cumulative effect on the Staunton-Waynesboro-Augusta Micropolitan Area in the future as those priced out of the Harrisonburg-Rockingham housing market look to the more affordable options to the south. However, as noted above, pressure on the Staunton-Waynesboro-Augusta housing market is already considered to be increasing from the Charlottesville Area. Therefore, there may not be a significant enough difference in the average prices for homes between the two areas in the future to see too much of an effect.

The Lexington-Buena Vista-Rockbridge Area may be somewhat immune to the issue of having its housing market impacted by the issue of serving as a source of affordable housing for the workforces from adjoining regions due to its geographic location. As well, it has a limited housing stock and the average and median prices of a home sold in the area are higher than the adjoining regions. However, the high average and median prices for the sub-region may make it difficult in the future for significant portions of the local workforce to live in the area in which they work in the future. In 2000, some 11.9% or 1,718 of the 14,475 work trips ending in the Lexington-Buena Vista-Rockbridge Area originated outside the sub-region according to Census commuting pattern data. That percentage of the local workforce living outside the sub-region has the potential to increase as average and median prices for homes sold in the area Lexington-Buena Vista-Rockbridge continue to outpace those of the surrounding areas.

2. Another factor that may continue to increasingly affect the housing market in the Central Shenandoah Valley Region is the attractiveness of the area as a retirement destination. The region's beauty, natural resources, high quality of life and proximity to the Northern Virginia-Washington, D.C. Metro Area has made the Central Shenandoah Valley a desirable retirement location for many years. Retirees coming from regions where the average housing prices topped \$500,000 in 2006 will find the sub-regions of the Central Shenandoah Valley an even more affordable option.

There is a high potential for those coming into the housing market from other regions of the country or state, whether coming from other workforces or as retirees, to "overpay" for housing due to prices appearing to be so much cheaper than the areas from which they came. Should this happen, local housing prices could continue to be pushed upwards.

As a side note, it is interesting to consider that the regions included in this study that had the greatest increases in average and median prices were also the regions that were estimated by the Weldon Cooper Center of the University of Virginia to have had the highest increases in population numbers as a result of net migration. For instance, the Northern Shenandoah Valley, which experienced the greatest increases in average and median home prices from 2000 to 2006 had an estimated increase in population of 24,564 over the same period. Of that increase, 19,745 were attributed by the Weldon Cooper Center to net migration. The Charlottesville Area, with the next greatest increase in median home prices, had an estimated population increase of 19,058, and 13,268 were attributed to net migration. Both regions had estimated total population percentage increases during the period that exceeded the percentage increases of the state as a whole with 13.3% and 9.5%, respectively, as compared to 8.0% for the state. The Central Shenandoah Valley, on the other hand, added an estimated 13,766 to its population, with 9,591 attributed to net migration. The Roanoke Valley, which experienced the lowest percentage increases in both average and median homes sales prices, had an estimated increase in population of 2,635, with 2,506 attributed to net migration. The Central Shenandoah Valley and the Roanoke Valley had percentage increases less than the state as a whole during the period with 5.3% and 1.0% respectively.

Whether or not there is a direct correlation between the average and median prices of homes sold is not the subject of this study and would require further and much more detailed examination than is presented here. Still, it is interesting to note the comparisons for the regions studied herein.

3. In recent years, the average prices for homes sold in the Central Shenandoah Valley Region have seen double digit increases each year. While there is no publicly available data at this point to back up the assumptions, many contend that the trends are being driven by an influx of people serving in the workforces of adjoining regions and increases in the numbers of retirees migrating to the region. Combined, these trends are creating greater demand for workforce-level and high-end housing.

The data reviewed for this publication seem to point to the possibility of such trends developing in the future if they are not underway already. These trends, when coupled with forecasted demographic and economic trends that project things such as an increase in the percentage of service and wholesale / retail trade jobs which have traditionally paid less, after adjusting for inflation, than the manufacturing jobs they are replacing; greater competition to attract highly skilled local workforces; and, more local seniors aging in place, could create some interesting scenarios for the future of the Central Shenandoah Valley's housing market.

The potential exists for multi-level competition for available housing to develop between those from the workforces of adjoining areas who are moving to the Central Shenandoah Valley for more affordable housing, retirees moving to the area from outside the region, the local workforce seeking to live within the region in which they work, retirees from within the region seeking to stay in the area, and senior populations already within the region who may seek to downsize from their current housing as they become less healthy and need more community and health services in their later years.

Could the convergence of these trends already be happening? The average prices of homes in the Central Shenandoah Valley have increased at exponentially faster rates than the wages in the local areas in recent years. Not adjusting for inflation, overall average wages for all combined sectors in the Harrisonburg-Rockingham Metropolitan Area have increased by 28.2% in Harrisonburg and 10.8% in Rockingham County since 2000, while the average and median prices of homes sold in the Metro Area have gone up 70.5% and 52.8%; respectively, during the same period. Average wages in the Staunton-Waynesboro-Augusta Micropolitan Area increased by only 13.9% in Staunton, 7.6% in Waynesboro, and 19.2% in Augusta County. At the same time, the average price of a home sold in the Micro Area has increased by 72.7% during the same period from 2000 to 2006. The same pattern holds for the Lexington-Buena Vista-Rockbridge Area where wages increased 30.9% in Lexington, 6.8% in Buena Vista, and 12.1% in Rockbridge County. The average and median price of homes sold in the Lexington-Buena Vista-Rockbridge Area, on the other hand, increased by 54.0% and 61.1%; respectively.

**Areas / Issues for Further Planning Study .....**

The focus of this publication has been on the average and median prices for homes sold in the sub-regions of the Central Shenandoah Valley and other Virginia regions and/or sub-regions that border or are adjacent to the Central Shenandoah Valley along the I-81 and I-64 corridors to the north, east, and south. Some thoughts have been postulated as to the potential causes for why changes in the average and median prices of home sold in these areas have occurred and what the changes might mean for the Central Shenandoah. It is important to recognize that there are many variables associated with the costs related to housing. Much more study is needed and caution is urged in drawing too many conclusions from the limited amount of information presented herein.

Some additional factors that could be related to the discussions of housing costs include, but are not limited to, population demographic trends, population growth related to net migration from outside the region, growth in the total housing supply, the level of the new homes being built, affordability of existing housing supply, occupancy characteristics (owners/renters), trends in persons per household, trends in employment and wages, etc.

The purpose of this publication, as well as our previous report, *The Central Shenandoah Valley Region of Virginia – Demographic Forecasts 2006*, has been to stimulate regional discussions on planning issues that localities and citizens of the Central Shenandoah Valley Region may be facing now and in the future. Hopefully, this, our previous publication, and our future publications in this series will prompt thought and dialog on the issues so that our region can be proactive rather than reactive in its planning.

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## **Appendix A**

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### **Data Source**

The average and median home sales price figures provided in this publication are supplied by the Virginia Association of Realtors' Newsroom website at:  
<http://www.varealtor.com/Newsroom/HomeSales.asp> .

All information is deemed reliable, but is not guaranteed.

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