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**As Mortgage Rates Spike, Virginia’s Housing Market Shifts**

*Home buyers eager to lock in rates before they rise further*

Richmond, VA – (April 20, 2022) – According to the [March 2022 Virginia Home Sales Report](https://virginiarealtors.org/research/reports/home-sales-reports/march-2022-home-sales-report/) released by Virginia REALTORS®, while the spring market is off to a strong start, there are some indications of changing market conditions.

Statewide, there were 11,446 home sales in March 2022, down 6% from a year ago. This decline is due to last year being an exceptionally busy market and also to the very low inventory which has provided buyers with very few options.

In March, Virginia’s median home sales price was $375,000—nearly 12% higher than in March of last year. While year-over-year sales slowed, Virginia did see a significant jump of more than 40% in sales between February and March 2022. This uptick reflects typical seasonal housing market patterns; however, this year, it was also likely fueled by the recent spike in mortgage rates.

Over the past few weeks, rates have risen faster than they have in nearly 30 years. In the second week of April, the average rate on a 30-year fixed-rate mortgage hit 5% for the first time in 11 years.

“Mortgage rates are rising more quickly than anticipated and will likely rise further during the year,” says Virginia REALTORS® Chief Economist Ryan Price. “Many buyers are eager to purchase a home before rates increase further.”

In Virginia, supply remains historically low; inventory is now less than a third of what it was five years ago. Intense competition resulted in homes selling for 2.6% higher than list price, on average, in March. This is the highest monthly average sold-to-list price ratio in at least a decade.

While these numbers may be daunting to potential buyers, there is some indication that supply is expanding. In March, Virginia’s inventory expanded with an uptick in new listings and a slight slowdown in buyer activity. At the end of March, there were about 1,500 more active listings statewide across Virginia, a 12.1% increase from the end of February.

“It is likely that Virginia’s inventory of homes for sale will expand over the coming months,” says Virginia REALTORS® 2022 President Denise Ramey. “Many sellers are feeling pressure from increasing mortgage rates, which will lead some to list their home for property now, before higher rates lead to less buyer interest.”

The Virginia Home Sales Report is published by Virginia REALTORS®. [Click here](https://virginiarealtors.org/research/reports/home-sales-reports/march-2022-home-sales-report/) to view the full March 2022 Virginia Home Sales Report.

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