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**Virginia REALTORS® Releases 2023 Economic & Housing Market Forecast**

*Chief Economist predicts Virginia’s sharpest drop in home sales in over a decade*

RICHMOND, Va. (October 3, 2022) – Virginia’s largest trade association has released its [2023 Economic & Housing Market Forecast](https://virginiarealtors.org/research/reports/other-reports/virginia-economic-housing-market-overview-sept-2022/), predicting what is ahead for the commonwealth.

“Sales activity in Virginia’s housing market cooled significantly in 2022, and we’re on track to have our sharpest annual drop in closed sales in more than a decade,” says Virginia REALTORS® Chief Economist Ryan Price. “We expect the slowdown will continue in 2023, as higher interest rates will continue to stifle market activity.”

Virginia REALTORS® 2022 President Denise Ramey says, “Even with the slower sales activity this year, prices continue to trend upward because of the limited supply. However, it’s likely that we will see price growth slow down in the coming year.”

* **Total Jobs in Virginia:** In 2023, we forecast that 0.3% more jobs will be added than in 2022 (approximately 13,000 jobs). As economic conditions continue to weaken nationally and here in Virginia, job growth will level out in 2023.
* **Unemployment:** Virginia’s unemployment rate is expected to rise in 2023, climbing to 3.5% by the end of the year, 0.7% higher than 2022.
* **Home Sales:** Our projections are for a decrease in sales in 2023, 2.5% lower than Virginia home sales in 2022. The market slowdown is being driven by rising mortgage rates, climbing prices, and tight inventory conditions, all of which combined are leaving more buyers on the sidelines.
* **Home Prices:** We predict the 2023 median home price in Virginia to increase by 2.9%over 2022. While home prices will still see an upward trajectory in many markets around the state, the pace of growth will continue to ease in the coming year.
* **New Housing Permits:** Our predictions are for a 3.6% reduction in new housing starts in Virginia in 2023. Demand for new homes has softened, and housing starts have dipped, a trend that will continue next year.
* **Mortgage Rates:** It is expected that the 30-year fixed-rate mortgage rate will gradually recede to approximately 5.2% by December of 2023, down from where they are now.

“As Virginia’s economy continues to shift, the professional expertise of a REALTOR® is critical for buyers and sellers trying to navigate this challenging housing market,” says Virginia REALTORS® 2022 President Denise Ramey.

[Click here](https://virginiarealtors.org/research/reports/other-reports/virginia-economic-housing-market-overview-sept-2022/) for more details on the Virginia REALTORS® 2023 Economic & Housing Market Forecast.

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**About Virginia REALTORS®**

Virginia REALTORS® (previously known as the Virginia Association of REALTORS®) is the largest trade association in Virginia, representing over 38,000 REALTORS® engaged in the residential and commercial real estate business. Virginia REALTORS® serves as an advocate for homeownership and homeowners and represents the interests of property owners in the Commonwealth of Virginia. For more information, visit [www.virginiarealtors.org](http://www.virginiarealtors.org) or follow Virginia REALTORS® on [Facebook](https://www.facebook.com/REALTORSVirginia/), and [LinkedIn](https://www.linkedin.com/groups/31801).

NOTE: The term REALTOR® is a registered collective membership mark that identifies a real estate professional who is a member of the National Association of REALTORS® and subscribes to its strict Code of Ethics.