

Virginia

HOME SALES REPORT

SEPTEMBER 2022

Virginia Home Sales Report

September 2022

Key Takeaways

- There were **10,172 homes sold** in Virginia in September 2022. This is 3,062 fewer sales than last September, which is a 23.1% decrease.
- The median sales price statewide in September was \$365,000, rising 4.3% from a year ago, which is an increase of about \$15,000.
- There was about **\$4.5 billion of sold volume** in Virginia in September, which is about \$1.1 billion less volume than a year ago. This is a 20.3% drop in volume from last September. The drop in volume reflects the slowdown in sales activity.
- At the end of September, there were **19,793 active listings** across the commonwealth, which is 586 fewer listings than a year ago, a 2.9% supply drop.

September 2022 Housing Market Summary

	Sep-21	Sep-22	Change	% Change	YTD 2021	YTD 2022	Change	% Change
Sales	13,234	10,172	-3,062	-23.1%	117,797	100,280	-17,517	-14.9%
Median Sales Price (\$)	349,925	365,000	15,075	4.3%	350,000	375,000	25,000	7.1%
Sales Volume (\$ billions)	5.6	4.5	-1.1	-20.3%	51.0	46.7	-4.2	-8.3%
Average Days on Market	23	27	4	15.7%	25	23	-2	-9.8%
Pending Sales	12,190	8,199	-3,991	-32.7%	119,503	89,325	-30,178	-25.3%
New Listings	14,926	12,231	-2,695	-18.1%	141,710	122,804	-18,906	-13.3%
Active Listings (end of the month)	20,379	19,793	-586	-2.9%	20,379	19,793	-586	-2.9%
Months of Supply	1.6	1.7	0.2	9.6%	1.6	1.7	0.2	9.6%

Source: Virginia REALTORS®, data accessed October 15, 2022

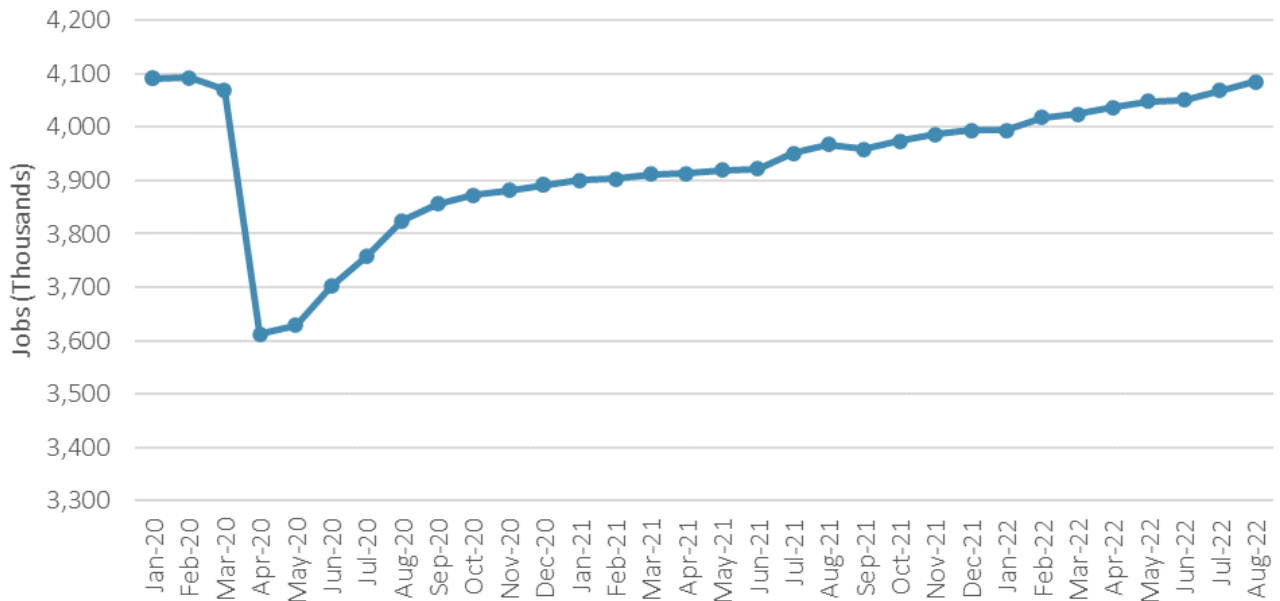
Economic Overview

Economic conditions are worsening as high inflation continues to be a significant factor. The labor market continues to be relatively strong in Virginia as job growth continues and unemployment remains very low. Rapidly rising mortgage rates are slowing down the housing market, and this is putting upward pressure on rents in many parts of the state.

Jobs

There were 4.09 million jobs throughout Virginia in August 2022, an increase of about 16,700 jobs from July 2022. Virginia's economy is nearly back to pre-pandemic job levels, just 5,300 jobs shy of the January 2020 totals. The state's job recovery has been robust, more than 472,000 jobs have been added back since April 2020.

Figure 1. Total Jobs in Virginia (in thousands)



Source: U.S. Bureau of Labor Statistics, seasonally adjusted

Most of the job growth in Virginia continues to be in the Leisure & Hospitality sector and the Health & Social Assistance sector. There were 41,900 additional Leisure & Hospitality jobs, and 18,600 more Health & Social Assistance jobs statewide in July compared to a year ago. Despite the strong gains this year in the Leisure & Hospitality, this sector is still down about 11,600 jobs compared to pre-pandemic levels. The sharpest decrease in jobs this month was in the Finance & Insurance sector (-3,600 jobs).

Within the state, the Hampton Roads region had most of the job growth with 3,900 jobs added between July and August. The Winchester region had 1,800 jobs added, and the

Blacksburg metro area had 2,600 jobs added between July and August. Northern Virginia had 700 fewer jobs and Roanoke had 800 fewer jobs in August compared to July.

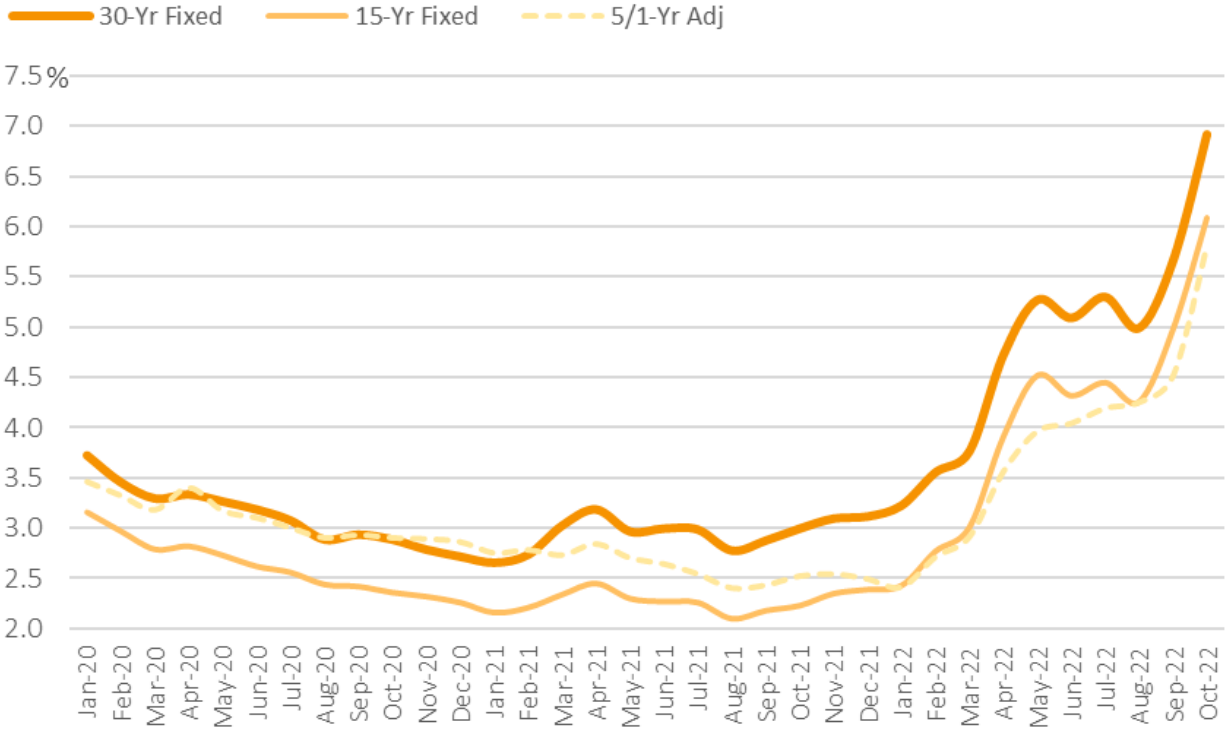
Unemployment

The unemployment rate in Virginia continues to be very low and falling. The statewide unemployment rate was 2.6% in August 2022, down from 2.7% in July. The unemployment rate nationwide edged up to 3.7% in August, up from 3.5% in July.

Mortgage Rates

In the second week in October, the average rate on a 30-year fixed mortgage rose to 6.92%. This is the highest the rate has been in more than two decades (since August 2001). Interest rates have soared in 2022 and as a result, the housing market has slowed down significantly.

Figure 2. Mortgage Rates



Source: Freddie Mac

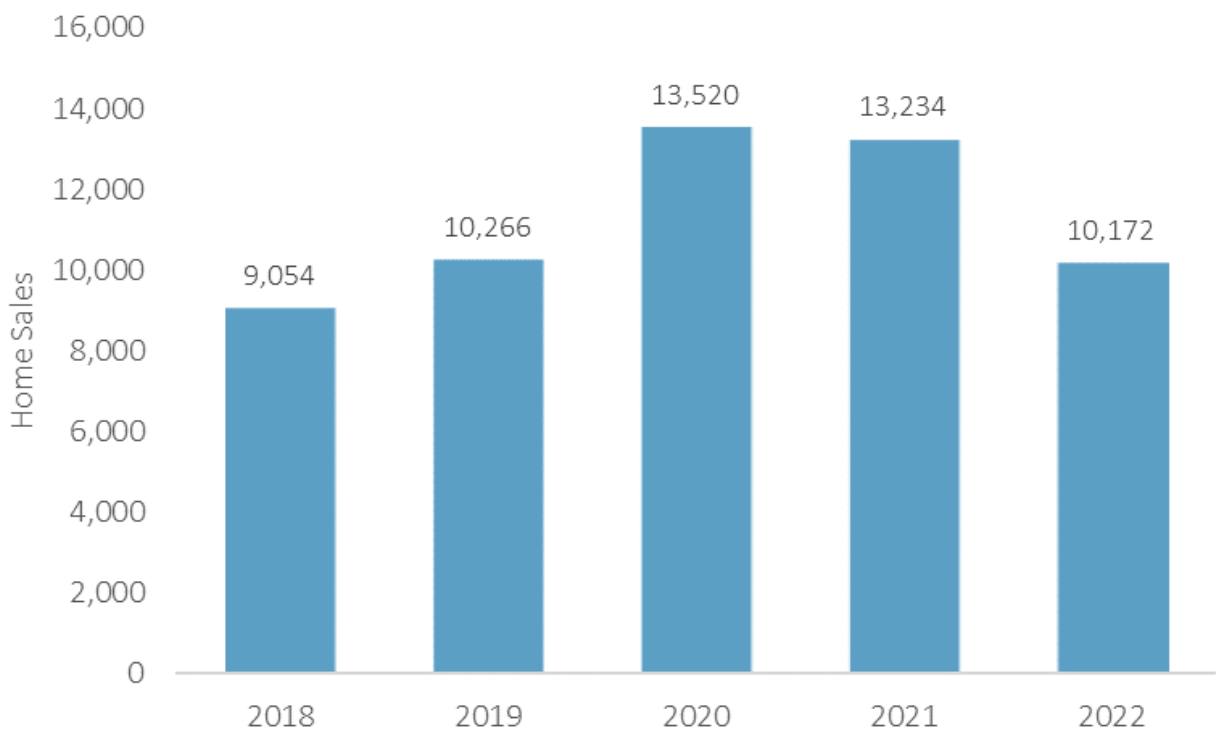
Housing Market Overview

Housing market conditions in Virginia continue to cool. Sales activity is way down from a year ago, and pending sales have been sluggish, a signal that continued moderation in the market is likely. Home prices continue to rise, but the upward pressure is easing in some areas. Inventory levels remain historically low but are starting to build up in some parts of the state as market activity slows.

Sales

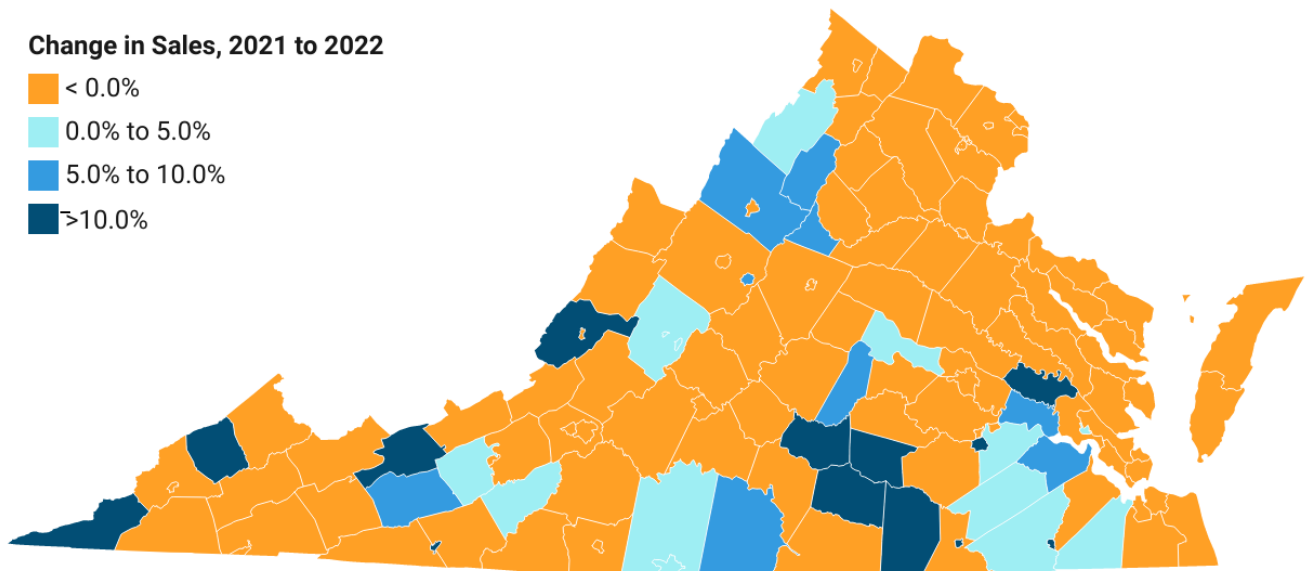
Sales activity in Virginia's housing market continues to slow down. There were 10,172 homes sold across the state in September, 3,062 fewer sales than last September. This is a 23.1% decrease. Virginia's housing market has been moderating since September of 2021. Home sales declined 13.0% from last month (August 2022), which is a typical seasonal change.

Figure 3. Virginia Home Sales, September



Source: Virginia REALTORS®, data accessed October 15, 2022

Figure 4. County/City Home Sales, YTD Through September



Source: Virginia REALTORS®, data accessed October 15, 2022

Sales are slowing in most markets across the state. The largest drop in sales so far in 2022 has been in coastal communities like the Northern Neck and Chesapeake Bay & Rivers region, as well as Northern Virginia and parts of the Shenandoah Valley.

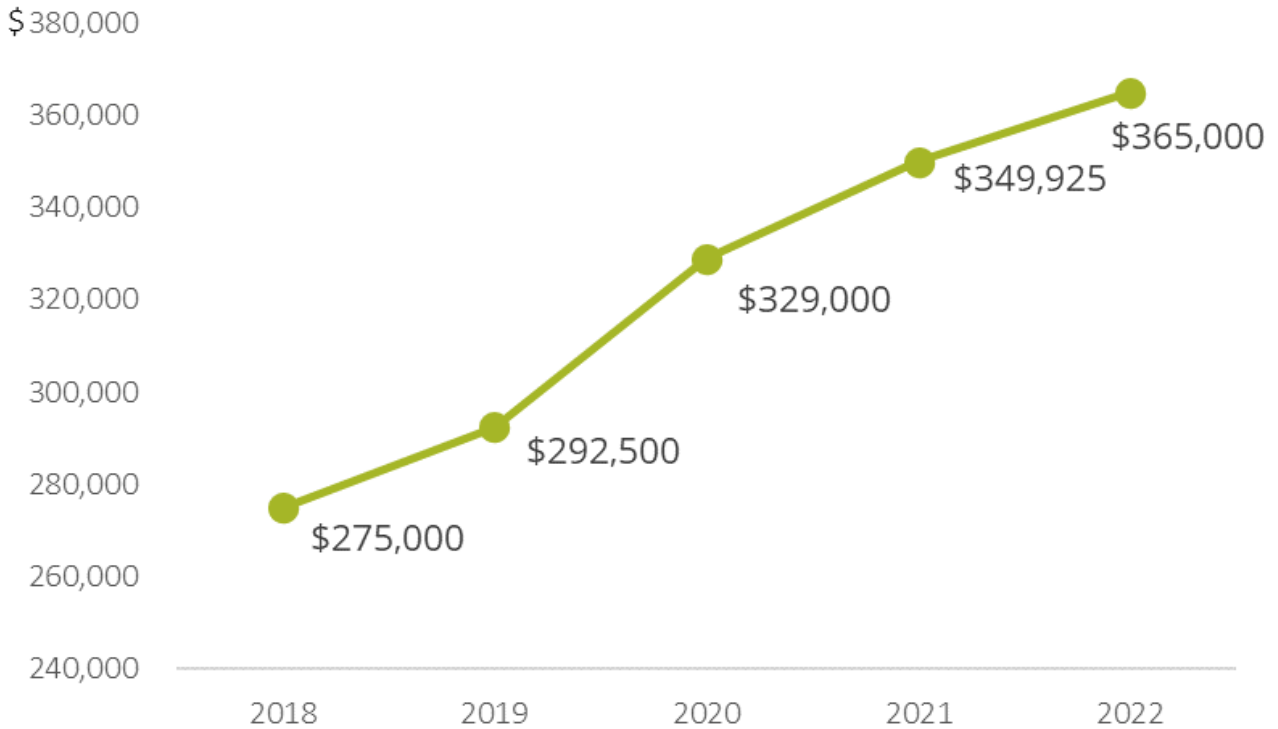
Home Prices

Home prices continue to trend upward in Virginia. The statewide median sales price in September was \$365,000, climbing 4.3% from last year, a gain of more than \$15,000. Despite fewer sales and soaring interest rates, upward pressure on prices remains a factor in Virginia's housing market because of the tight inventory of homes on the market.

The price growth trends are widespread in the state; nearly nine out of every ten counties and cities in the Commonwealth have a higher median sales price so far this year (January through September). The sharpest price gains through September have been in the Shenandoah Valley, the Eastern Shore, and parts of the Charlottesville region.

While prices are trending up, evidence is mounting that the upward pressure is easing. In September, the average sold to list price ratio was 99.9%. This is the first time since January 2021 that the average sold to list price ratio in Virginia dipped below 100%. Some price-ranges continue to sell above list price, but overall, this metric has been trending down across the price spectrum. Homes that sold between \$200,001 and \$400,000 had an average sold-to-list price ratio of 100.9%, which is the highest ratio of all price ranges. The higher end of the market, homes priced above \$800,000, had an average sold to list price ratio of 99.6% in September.

Figure 5. Median Home Price (\$), September



Source: Virginia REALTORS®, data accessed October 15, 2022

Figure 6. Average Sold-to-List Price Ratio, September 2022

Price Range	Ratio
\$200,000 or less	98.3%
\$200,001 to \$400,000	100.9%
\$400,001 to \$600,000	100.3%
\$600,001 to \$800,000	100.2%
\$800,001 or More	99.6%
All price levels	99.9%

Source: Virginia REALTORS®, data accessed October 15, 2022

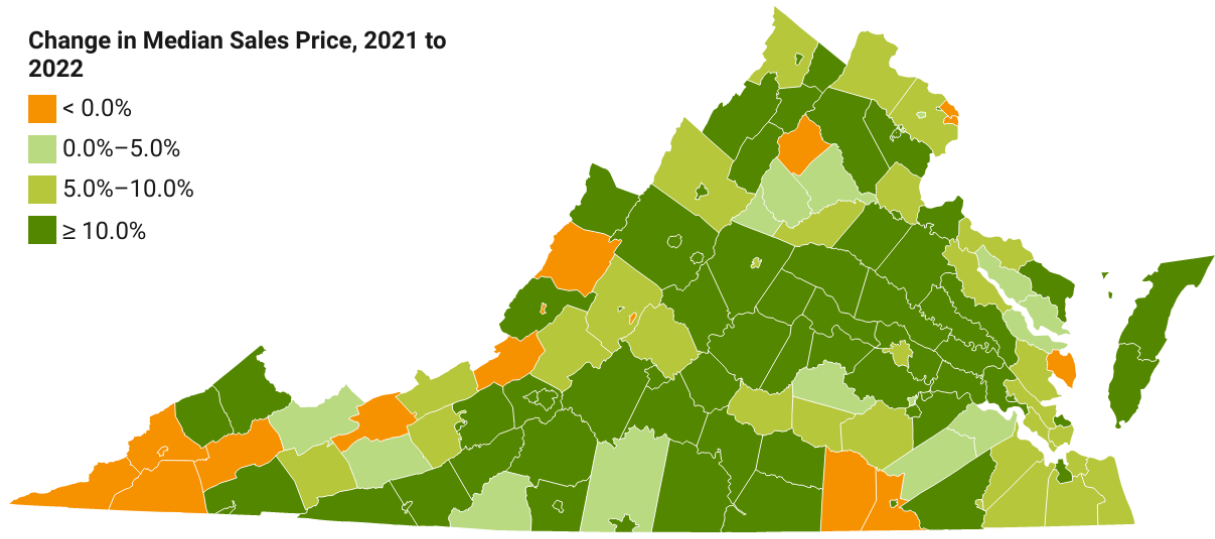
In September 2022, 44.4% of homes that sold were priced between \$200,001 to \$400,000, which is down from 45.4% last year. About a quarter (23.6%) of all homes in Virginia that sold in September were priced between \$400,001 and \$600,000. Homes that sold for less than \$200,000 accounted for 12.6% of all sales statewide in September, which is down from 14.9% a year ago.

Figure 7. Sales by Price Range, September



Source: Virginia REALTORS®, data accessed October 15, 2022

Figure 8. County/City Median Home Sales Price, YTD Through September

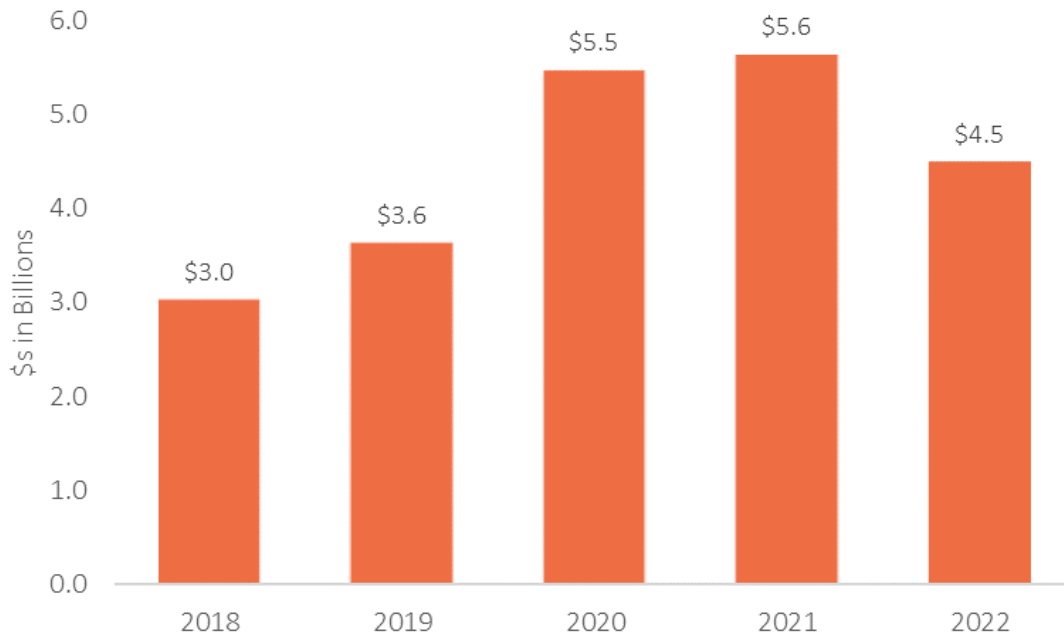


Source: Virginia REALTORS®, data accessed October 15, 2022

Sold Volume

The total sold dollar volume in Virginia's housing market continues to be much lower than last year. In September, the sold volume statewide was about \$4.5 billion. This is a 20.3% decrease from last September, a drop of about \$1.1 billion. The sold volume has declined five of the last six months compared to the prior year.

Figure 9. Sold Dollar Volume, September

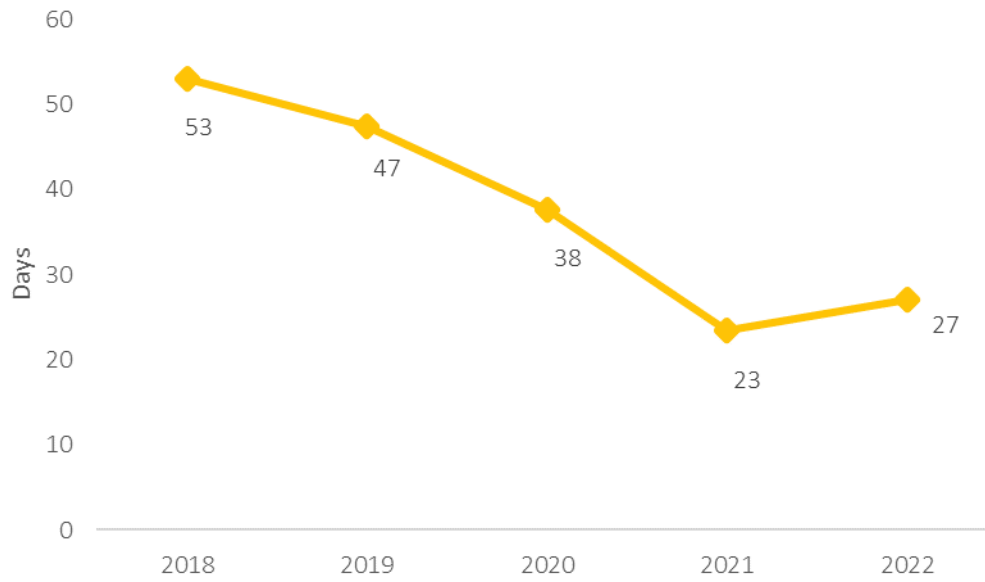


Source: Virginia REALTORS®, data accessed October 15, 2022

Days on Market

As the housing market has cooled, homes continue to stay on the market longer, on average. Homes that sold in September in Virginia were on the market an average of 27 days, which is four days longer than last year. This is the second straight month this metric has increased. The average days on market in September was also four days longer than last month (August 2022), which is a typical seasonal increase.

Figure 10. Average Days on Market, September

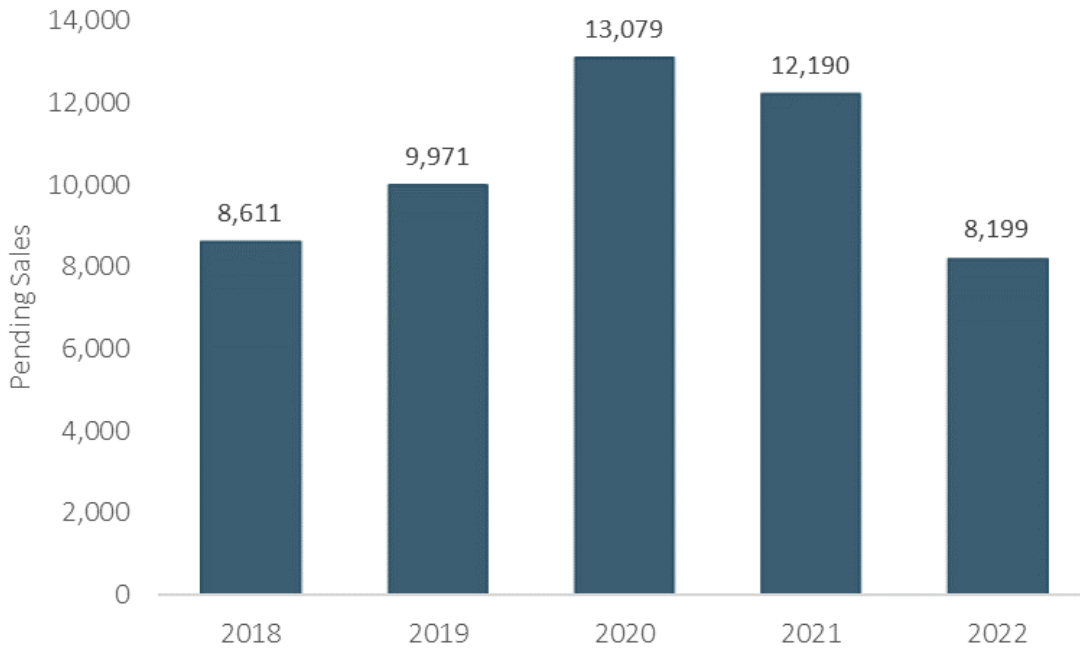


Source: Virginia REALTORS®, data accessed October 15, 2022

Pending Sales

Pending sales, or homes that went under contract in the month, can provide a preview of future home sales activity. There were 8,199 pending sales statewide in September. This is a 32.7% decrease from September of last year, or 3,991 fewer pending sales. Pending sales have been slowing down for 15 straight months.

Figure 11. Pending Sales, September



Source: Virginia REALTORS®, data accessed October 15, 2022

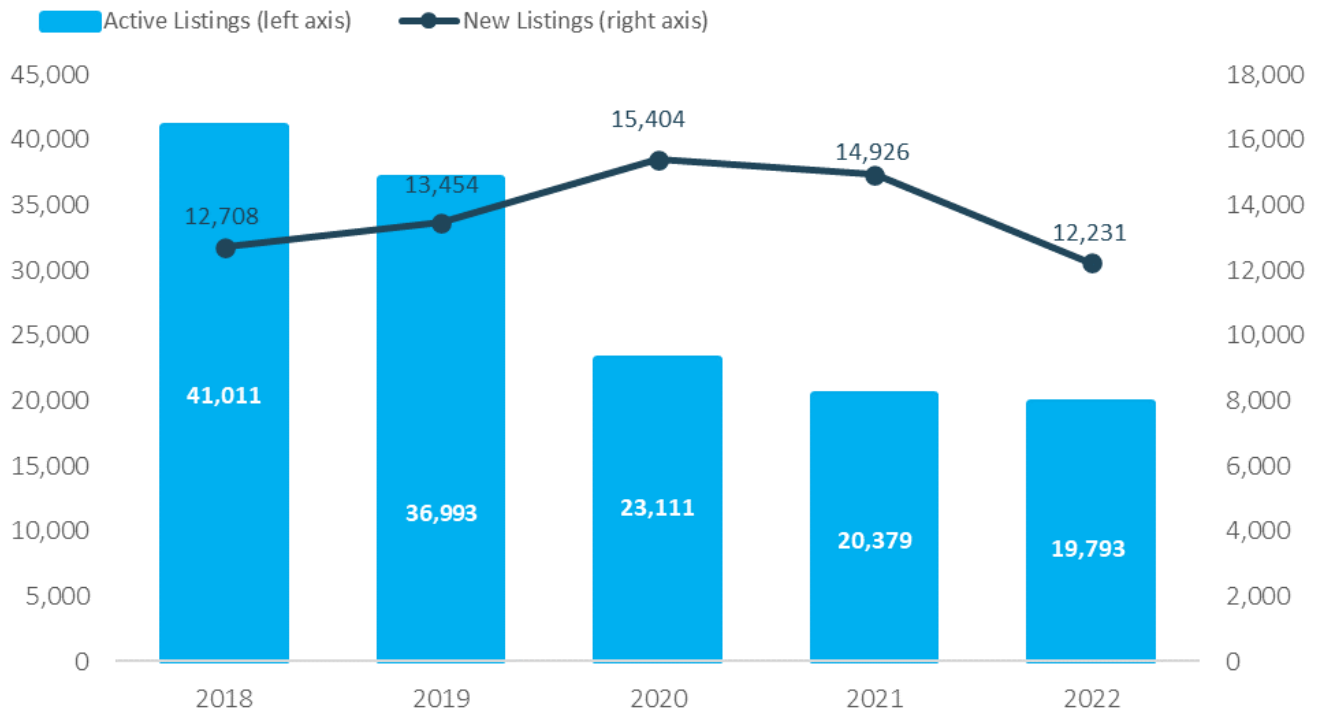
New Listings

There were 12,231 new listings come onto the market in September across the Commonwealth, which is nearly 2,700 fewer listings than this time last year, an 18.1% decrease. New listings have been declining for more than a year, which reflects hesitancy with sellers.

Active Listings

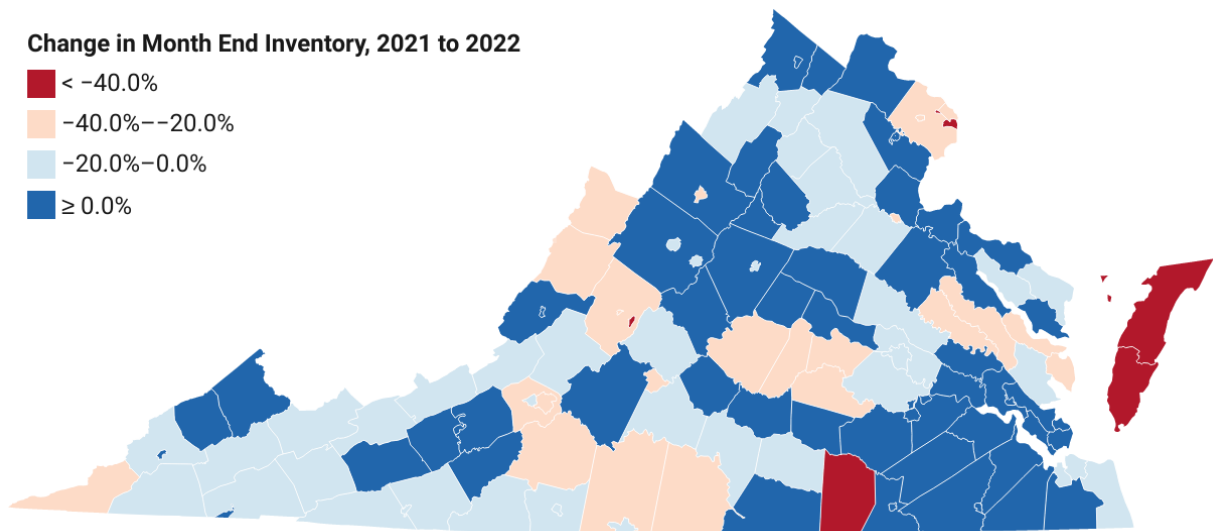
There were 19,793 active listings in Virginia at the end of September. This is 586 fewer active listings than last year, representing a 2.9% decline. The overall inventory statewide is smaller than a year ago, but many local markets have seen supply growth in recent months as sales activity has moderated. The statewide inventory increased 3.5% in September compared to August, which is unusual for this time of year, an indication that supply is building up in many local areas.

Figure 12. Inventory, September



Source: Virginia REALTORS®, data accessed October 15, 2022
 Note: Active listings at the end of the month

Figure 13. Active Listings by County/City, End of September

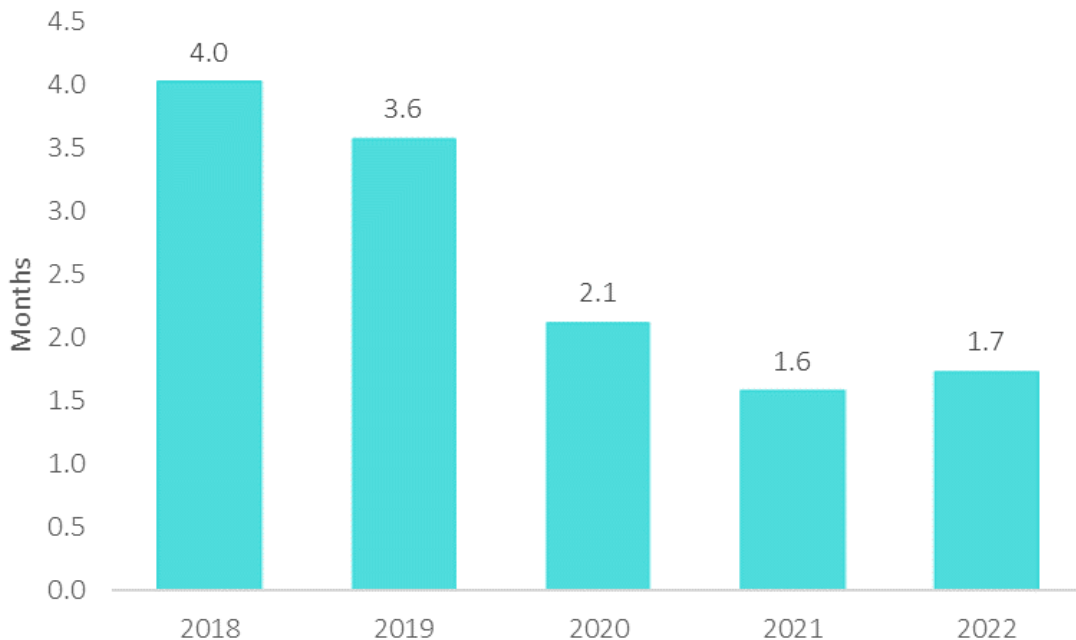


Source: Virginia REALTORS®, data accessed October 15, 2022

The number of active listings is growing in many parts of the state. About 44% of all counties and cities had more inventory on the market at the end of September compared to a year ago. Some of the largest growth in supply has been in the New River Valley, the Winchester area, and parts of Central Virginia.

There was approximately 1.7 months of supply in Virginia’s housing market in September, which is slightly higher than a year ago. The months of supply statistic is calculated by taking the average monthly sales over the preceding 12-month period and dividing it by the inventory of active listings. Historically, four to six months of supply has been indicative of a healthy housing market, we have not seen inventory at that level for more than five years in Virginia.

Figure 14. Months of Supply, September



Source: Virginia REALTORS®, data accessed October 15, 2022

Outlook

As economic headwinds loom, activity in the housing market continues to moderate as we enter the fall and winter markets. Here are some key things to watch for the remainder of 2022 in Virginia’s housing market:

- Home prices continue to rise in many localities, though the data suggests the upward pressure is easing. Average sold to list price ratios are down, and average days on market is up. Bidding wars are less common, and many sellers are reducing list prices. This trend is likely to continue in the coming months as rising interest rates cool the market.

- The September inflation numbers came in higher than many expected despite aggressive action by the Federal Reserve to cool inflation. The persistently high inflation makes it very likely that more rate hikes are on the table at the Fed's upcoming November and December meetings. As the Federal Funds Rate rises, the cost of borrowing across the economy rises, which will slow down economic activity.
- Signs that supply is growing continue to mount. Inventories in 44% of local markets around the state were larger at the end of September than they were a year ago. This is good news for buyers who are looking for more options in the market. As sales activity moderates, these supply trends will likely continue in the months ahead.



The Virginia REALTORS® association is the largest professional trade association in Virginia, representing 36,000 REALTORS® engaged in the residential and commercial real estate business. The Virginia REALTORS® association serves as the advocate for homeownership and private property rights and represents the interests of real estate professionals and property owners in the Commonwealth of Virginia.

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.

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The numbers reported here are preliminary and based on current entries into multiple listing services. Over time, data may be adjusted slightly to reflect increased reporting. Information is sourced from multiple listing services across Virginia and is deemed reliable, but not guaranteed.