

# Virginia

## HOME SALES REPORT

NOVEMBER 2022



# Virginia Home Sales Report

November 2022

## Key Takeaways

- There were **7,681 homes sold** in Virginia in November 2022. This is 4,453 fewer sales than a year ago, which is a 36.7% decrease in sales.
- At **\$364,900**, the November median sales price across the state is up 2.6% from last November, a gain of about \$9,100.
- There was approximately **\$3.4 billion of sold volume** in Virginia in November, which is \$1.8 billion less volume than a year ago, a 35.2% drop.
- At the end of November, there were **18,502 active listings** on the market statewide, which is 2,260 more listings than a year ago, a 13.9% increase. This is the largest inventory build-up the state's housing market has had in about a decade.

## November 2022 Housing Market Summary

|                                    | Nov-21  | Nov-22  | Change | % Change | YTD 2021 | YTD 2022 | Change  | % Change |
|------------------------------------|---------|---------|--------|----------|----------|----------|---------|----------|
| Sales                              | 12,134  | 7,681   | -4,453 | -36.7%   | 142,297  | 115,752  | -26,545 | -18.7%   |
| Median Sales Price (\$)            | 355,795 | 364,900 | 9,105  | 2.6%     | 350,000  | 375,000  | 25,000  | 7.1%     |
| Sales Volume (\$ billions)         | 5.3     | 3.4     | -1.8   | -35.2%   | 61.6     | 53.7     | -7.9    | -12.8%   |
| Average Days on Market             | 26      | 30      | 4      | 14.1%    | 25       | 23       | -2      | -6.5%    |
| Pending Sales                      | 9,838   | 6,057   | -3,781 | -38.4%   | 141,613  | 102,659  | -38,954 | -27.5%   |
| New Listings                       | 10,099  | 8,158   | -1,941 | -19.2%   | 165,274  | 138,434  | -26,840 | -16.2%   |
| Active Listings (end of the month) | 16,242  | 18,502  | 2,260  | 13.9%    | 16,242   | 18,502   | 2,260   | 13.9%    |
| Months of Supply                   | 1.3     | 1.7     | 0.5    | 36.3%    | 1.3      | 1.7      | 0.5     | 36.3%    |

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

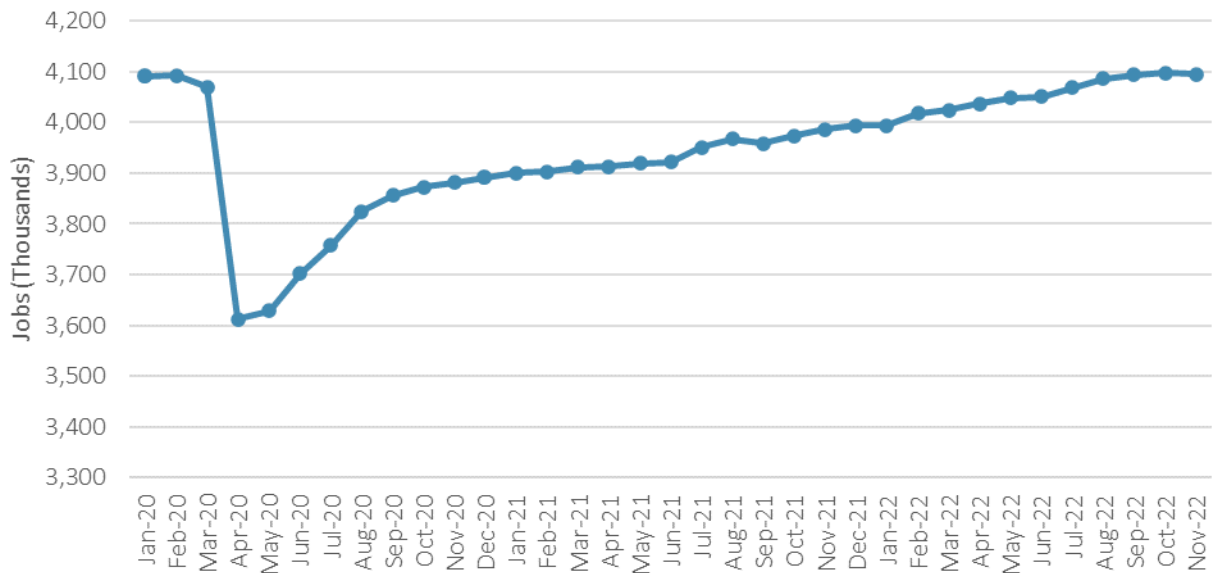
## Economic Overview

Overall, the economy continues to slow down as inflation remains elevated even though it has started to ease. Despite the economic headwinds, the job base is stable and unemployment remains very low across Virginia. Mortgage rates have been volatile in recent months, but have trended down for several weeks in a row.

### Jobs

There were 4.10 million jobs throughout Virginia in November 2022, a decrease of about 2,200 jobs from October 2022. Virginia's economy is now back to pre-pandemic jobs levels; there are now about 4,500 more jobs statewide than there were in January 2020.

Figure 1. Total Jobs in Virginia (in thousands)



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

The strongest growth sector continues to be Leisure & Hospitality. There were about 28,400 additional Leisure & Hospitality jobs than November of last year. Most of these additional hospitality jobs were in Accommodation & Food Services (+19,000 jobs). There were 24,500 more Health & Social Assistance jobs compared to a year ago, and about 8,800 more education jobs in the state's economy. The only sectors that lost jobs this month (compared to November of last year) were Finance & Insurance (-4,500 jobs), Retail Trade (-1,700 jobs), and Real Estate (-200 jobs).

Virginia Beach led all metro areas in the state in job growth (seasonally adjusted) in November, with 2,800 more jobs than October. There were about 600 more jobs in

Roanoke, and 300 more jobs in November compared to October. Both Richmond and Northern Virginia had 1,900 fewer jobs than a month ago.

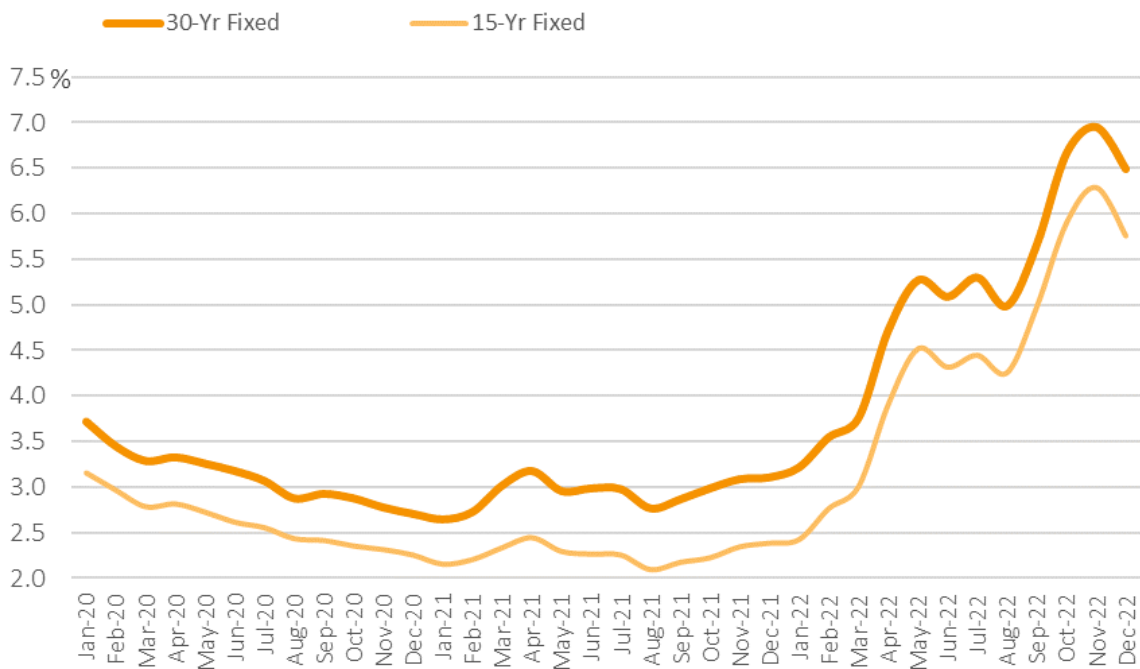
### Unemployment

The unemployment rate in Virginia remains very low, but edged up slightly for the second straight month. Statewide, the unemployment rate in November was 2.8%, up from 2.7% in October. The national unemployment rate remained unchanged in November, at 3.7%.

### Mortgage Rates

In the third week of December, the average rate on a 30-year fixed mortgage fell to 6.31%, down from 6.33% in the previous week. After eclipsing 7% midway through November, the average rate on a 30-year fixed loan has declined for five consecutive weeks.

**Figure 2. Mortgage Rates**



Source: Freddie Mac

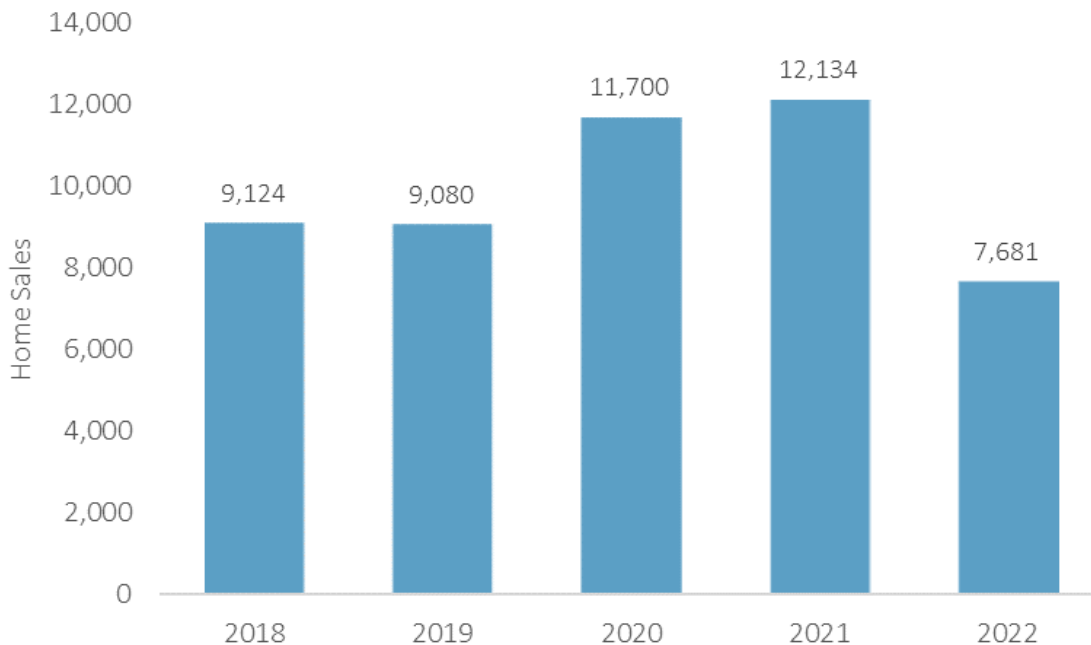
## Housing Market Overview

Higher interest rates and lingering inflation continue to put the brakes on the housing market in Virginia, as sales activity and pending contract activity is well below last year's level. Despite the slowdown, home prices are climbing in most local markets, albeit slower than before, which is a reflection of the tight inventory conditions. While the overall supply remains low, active listings are starting to build up in some local markets as homes are staying on the market longer, on average, providing more options for buyers who are active in the market.

## Sales

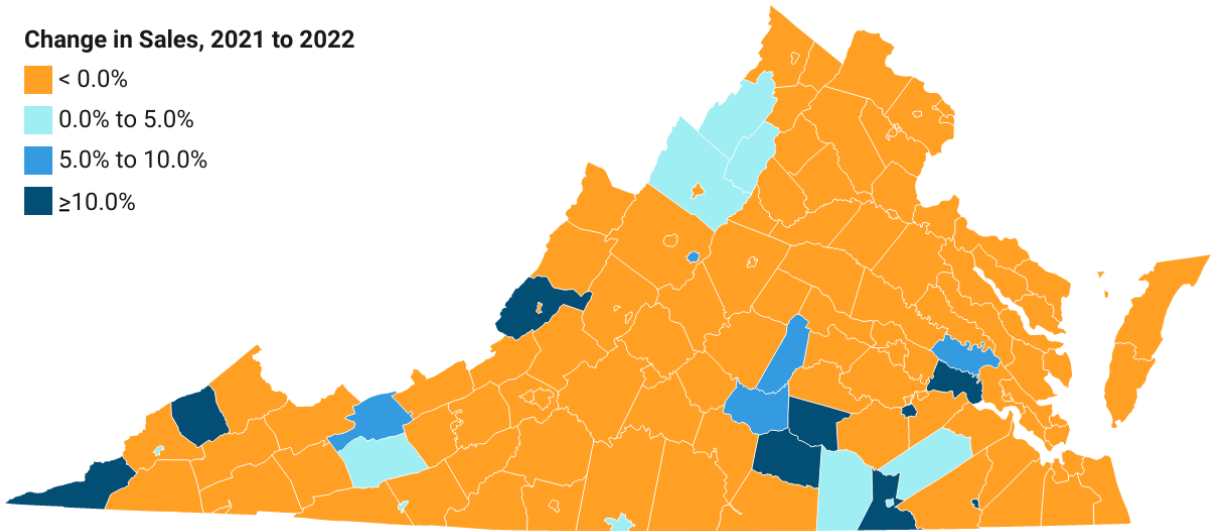
Sales activity across Virginia continues to slow down. There were 7,681 sales statewide in November, 4,453 fewer sales than last November. This is a 36.7% decrease, outpacing last month as the sharpest decline in more than a decade. While interest rates have fallen in recent weeks, rates are still about double what they were a year ago, which is cooling buyer activity in the market.

**Figure 3. Virginia Home Sales, November**



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

**Figure 4. County/City Home Sales, YTD Through November**



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

Most local areas in Virginia are experiencing a slower market than last year. About 82% of all counties and cities across the commonwealth have had fewer closed sales so far in 2022 compared to this time in 2021. The sharpest slowdown continues to be in parts of Northern Virginia and the Greater Piedmont region, as well as parts of the Williamsburg region.

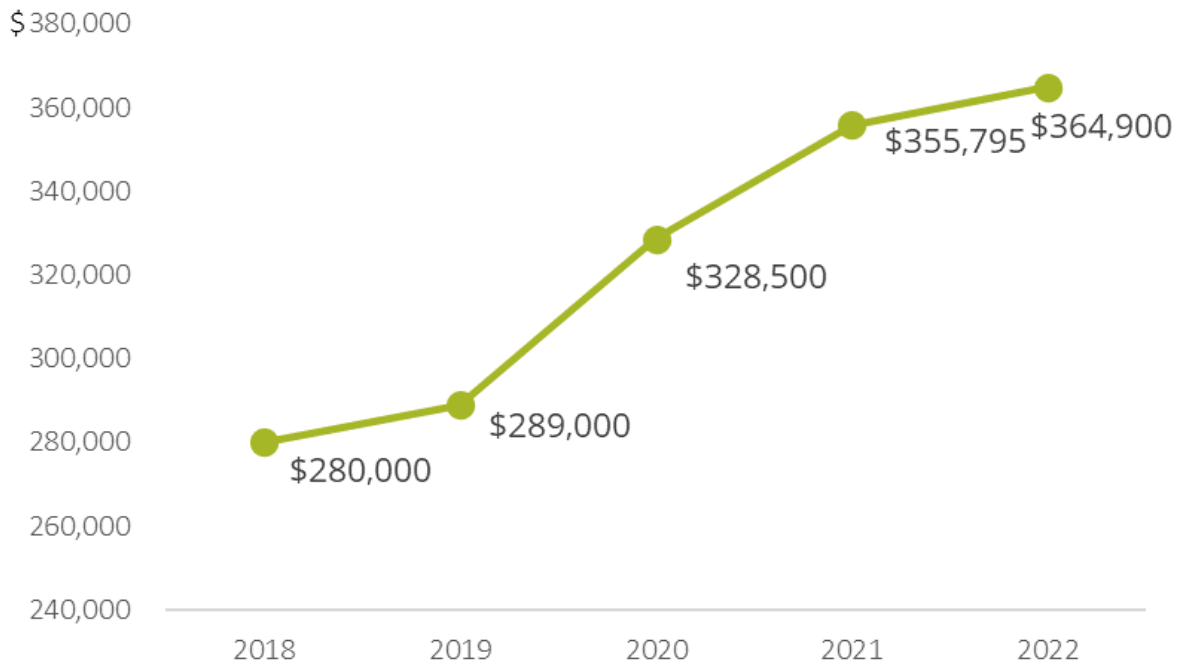
**Home Prices**

Home prices continue to trend upward in Virginia, even as sales activity has slowed down considerably. The statewide median sales price in November was \$364,900, climbing 2.6% from a year ago, which is a gain of about \$9,100. The tight supply is keeping upward pressure on home prices in many parts of Virginia.

About 89% of counties and cities across the state have had a higher median sales price so far in 2022 (January through November) compared to the same period last year. The sharpest price gains so far this year have been in the Central Virginia market, parts of the Shenandoah Valley, and portions of the Southside market.

While prices are climbing, the pace of growth has moderated. An important metric that measures the intensity in the market is the average sold to list price ratio. Statewide the average sold to list price ratio in November was 99.4%, which is down from 99.8 last month, and down from 100.6% a year ago. All price ranges are experiencing a dip in the average sold to list price ratio. Homes that sold between \$200,001 and \$400,000 had an average sold to list price ratio of 99.7%, while homes in the \$400,001 to \$600,000 range had a ratio of 99.6%. Homes that sold above \$800,000 in November, had an average sold to list price ratio of 99.7%.

**Figure 5. Median Home Price (\$), November**



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

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

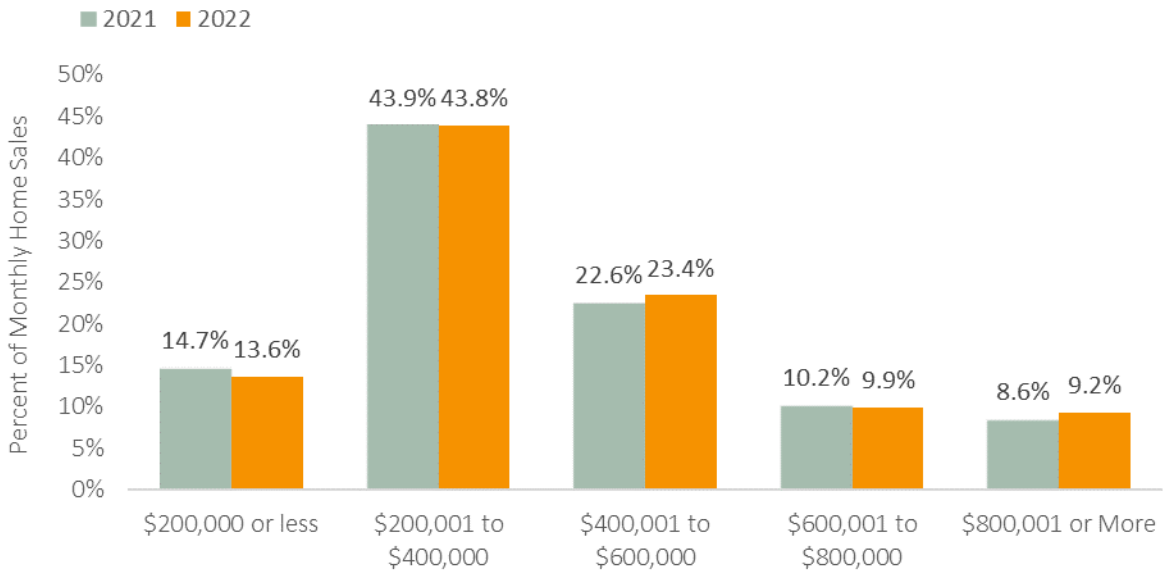
| Price Range            | Ratio |
|------------------------|-------|
| \$200,000 or less      | 97.5% |
| \$200,001 to \$400,000 | 99.7% |
| \$400,001 to \$600,000 | 99.6% |
| \$600,001 to \$800,000 | 99.5% |
| \$800,001 or More      | 99.7% |
| All price levels       | 99.4% |

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

In November 2022, 43.8% of homes that sold were priced between \$200,001 to \$400,000, which is down from 43.9% last year. About 23.4% of all homes in Virginia that sold in November were priced between \$400,001 and \$600,000. Homes that sold for less than \$200,000 accounted for 13.6% of all sales statewide in November, which is down from 14.7% a year ago. The share of sales in the higher end of the market continues to increase. About 9.2% of home sales statewide were priced above \$800,000, which is up from 8.6% in

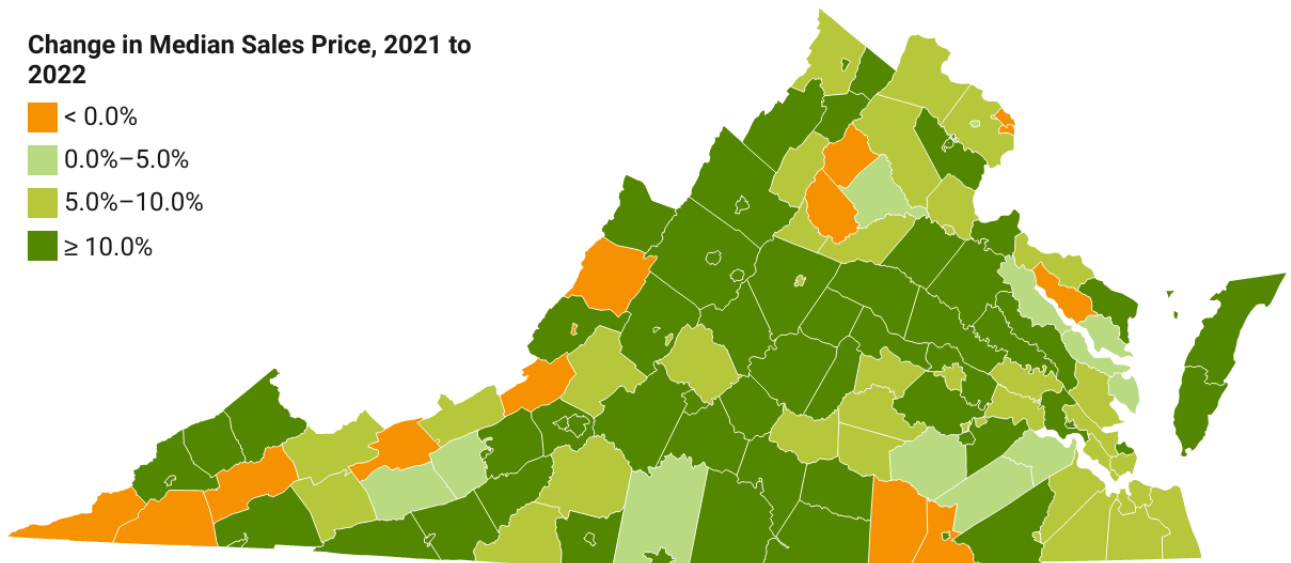
November of last year. Homes priced \$600,001 to \$800,000 accounted for 9.9% of sales statewide in November, down from 10.2% a year ago.

**Figure 7. Sales by Price Range, November**



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

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



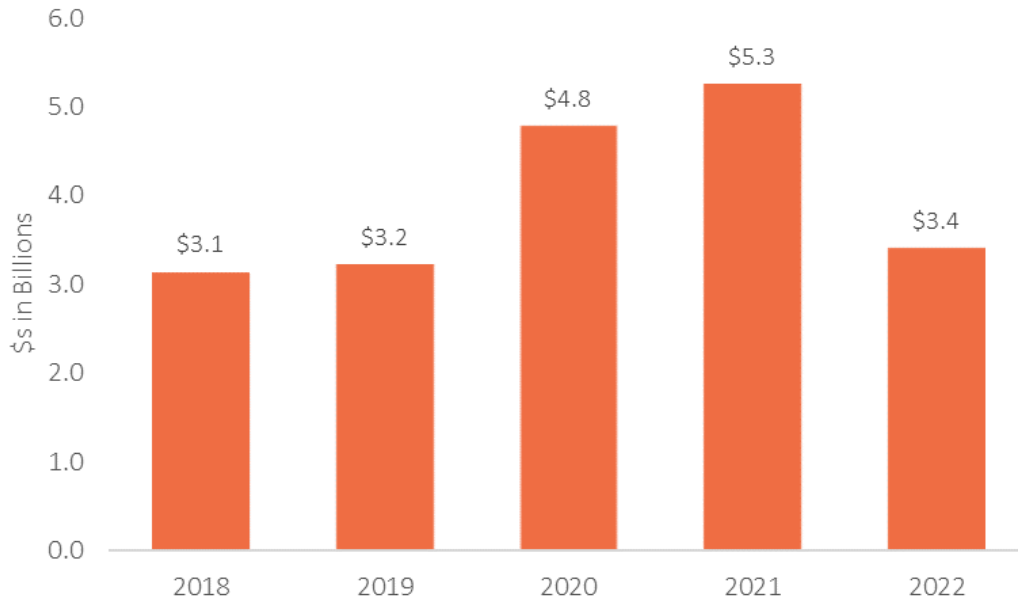
Source: Virginia REALTORS®, data accessed December 15, 2022



### Sold Volume

While prices are trending up, the large drop in sales continues to bring down the sold dollar volume in Virginia's housing market. There was about \$3.4 billion of sold volume statewide in November, which is approximately \$1.8 billion less volume than last November, a 35.2% plunge. The November sold volume is well below last year's busy level, however, it is still slightly above the sold volume level in November 2019.

**Figure 9. Sold Dollar Volume, November**

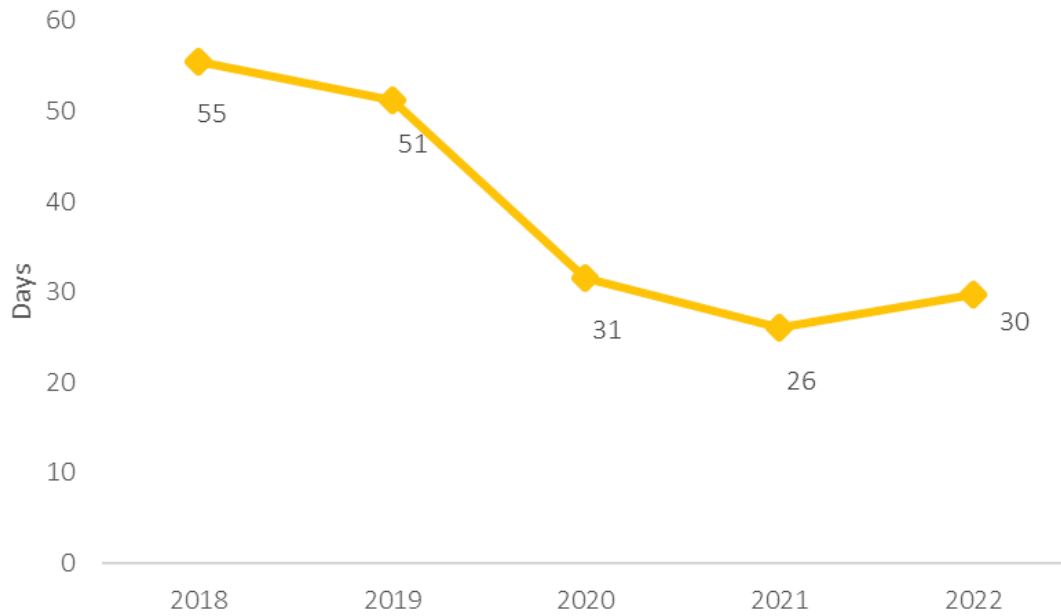


Source: Virginia REALTORS®, data accessed December 15, 2022

### Days on Market

Homes are staying on the market longer, on average, in Virginia's housing market. Homes that sold in November were on the market an average of one month (30 days), which is four days slower than a year ago. As market activity has moderated, it's taken longer to sell homes, on average, for four consecutive months, the first time this has happened since early 2015.

**Figure 10. Average Days on Market, November**

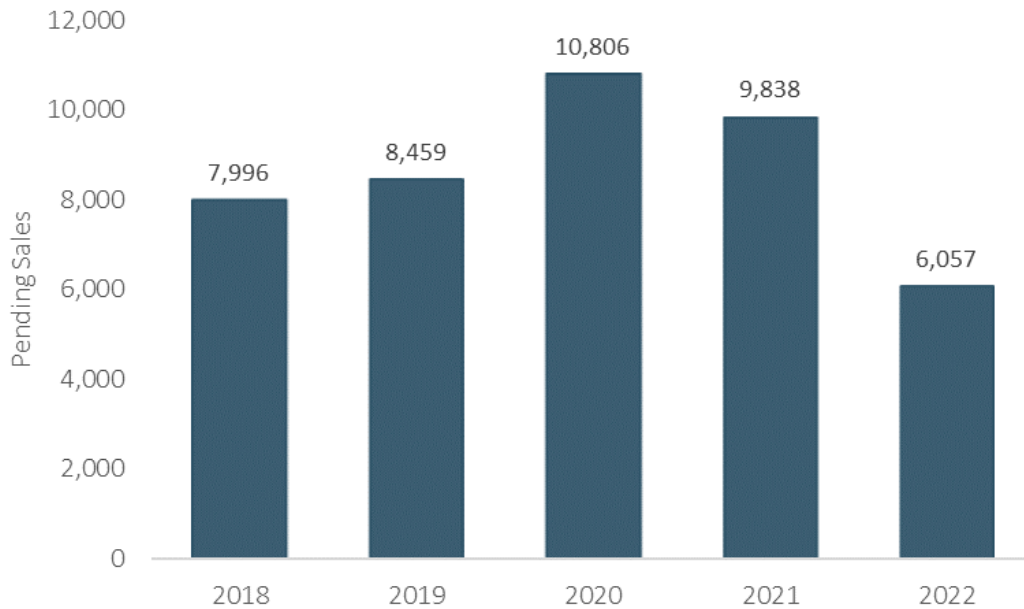


Source: Virginia REALTORS®, data accessed December 15, 2022

### Pending Sales

Pending sales, or homes that went under contract in the month, can provide a preview of future home sales activity. There were 6,057 pending sales statewide in November, which is 3,781 fewer pending sales than a year ago, representing a 38.4% decrease. Pending sales activity has been slowing down since July 2021.

**Figure 11. Pending Sales, November**



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

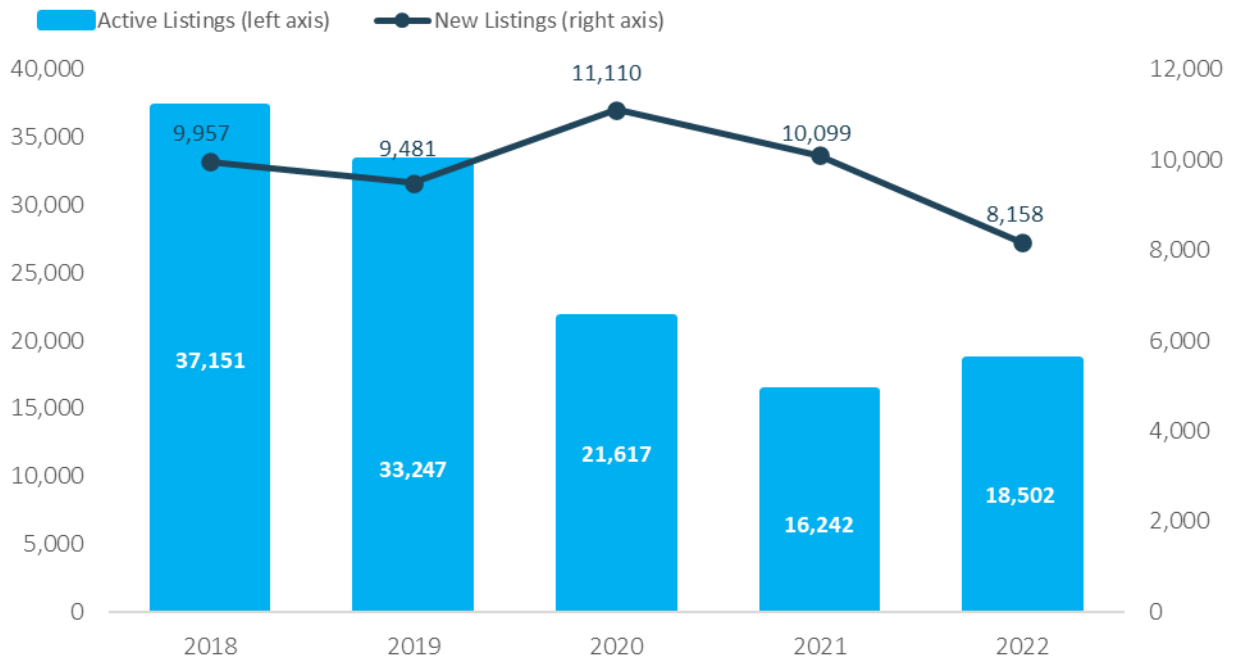
### New Listings

There were 8,158 new listings that came on the market in Virginia in November, 1,941 fewer new listings than last November, which is a 19.2% decline. Fewer new listings have been coming on the market for more than a year, as many would-be sellers are deciding to not enter the market.

### Active Listings

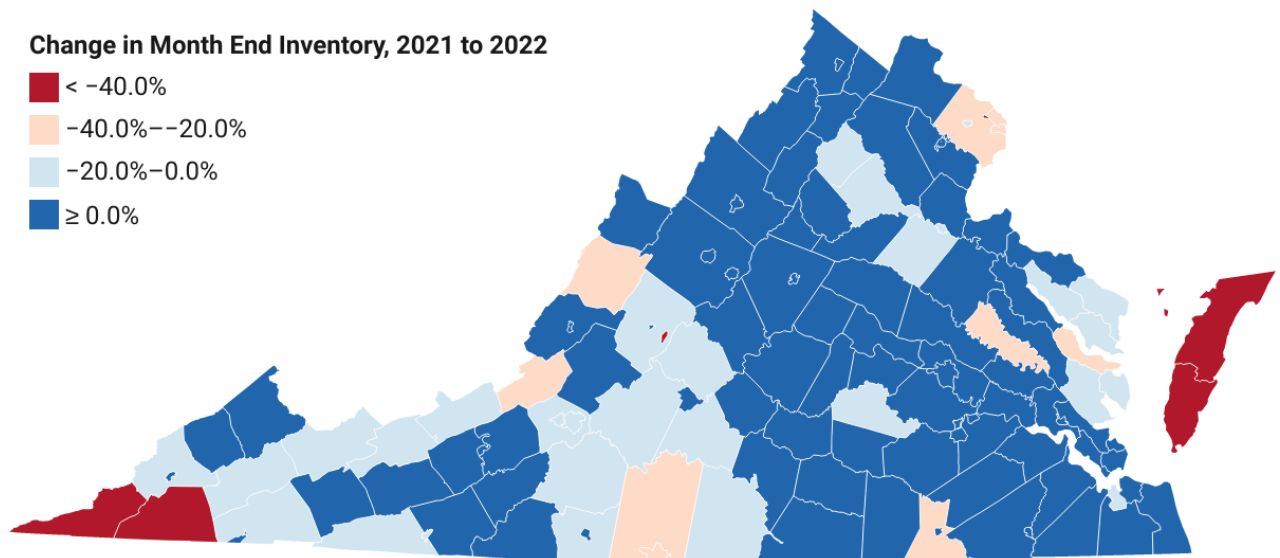
As the market has slowed and homes are staying on the market longer, the inventory of active listings is building up quickly in Virginia. There were 18,502 active listings across the state at the end of November, 2,260 more listings than this time last year, which is a 13.9% increase. This is the largest supply increase Virginia's housing market has had in more than a decade.

**Figure 12. Inventory, November**



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

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

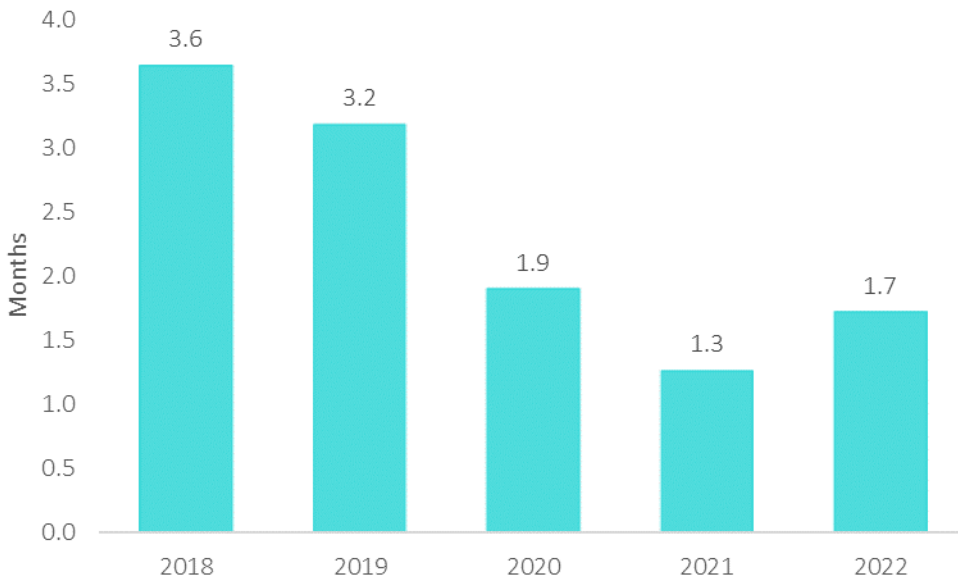


Source: Virginia REALTORS®, data accessed December 15, 2022

Supply levels are growing in most parts of the state. Nearly two-thirds (63%) of counties and cities across Virginia had more active listings at the end of November compared to a year ago. The largest inventory gains this month were in the Northern Virginia suburbs, parts of the New River Valley, and the Charlottesville region.

There was about 1.7 months of supply in Virginia’s housing market in November, which is up from 1.3 months of supply last November. 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, November**



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

### Outlook

As buyers and sellers acclimate to the current interest rate environment, the slowdown in Virginia’s housing market is likely to continue into 2023. Here are some key things to watch for in the coming months:

- Sales activity is likely to remain below last year’s level as the market cooldown continues. There are fewer buyers in the market than there were a year ago, which is largely a result of reduced purchasing power caused by mortgage interest rates rising rapidly in 2022 coupled with upward pressure on home prices. Many buyers are taking a wait-and-see approach to the current economic environment, while others are likely priced out of some markets around Virginia.



- There are also fewer sellers in the market. Between not wanting to lose an attractive interest rate that they are already locked into, or little inventory to choose from to move into, along with fewer active buyers, many sellers are also taking a wait-and-see approach.
- This situation of decreased confidence in the market on both sides of the table will take some time to overcome, and as a result, sales activity will likely be sluggish in the coming months. If inflation continues to improve, it could put downward pressure on interest rates which could stimulate the market, but there are still many variables such as the health of the job market and consumer confidence, among others, that will be key to how the market moves in 2023.



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.

All inquiries regarding this report may be directed to:

Robin Spensieri  
Virginia REALTORS® Vice President of Communications and Media Relations  
rspensieri@virginiarealtors.org  
804-622-7954

Data and analysis provided by the Virginia REALTORS® Research Team:

Ryan Price  
Virginia REALTORS® Chief Economist  
rprice@virginiarealtors.org  
703-405-7280

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