

The background is a teal gradient with a pattern of small, light blue upward-pointing arrows. A large, light blue dollar sign is centered in the upper half. A line graph with a rising arrow and a bar chart are also visible in the upper half.

RESEARCH STATISTICS

Virginia

HOME SALES REPORT

JANUARY 2023

Virginia Home Sales Report

January 2023

Key Takeaways

- There were **5,609 homes sold** in Virginia in January 2023, which is a 30.4% drop in activity from last year, or 2,454 fewer sales.
- At **\$350,000**, the statewide median sales price in January was up 3.7% from a year ago, a gain of \$12,500.
- There was approximately **\$2.4 billion of sold volume** in Virginia in January, which is about \$1.0 billion less volume than a year ago, a 28.5% decline.
- At the end of January, there were **14,867 active listings** on the market statewide, which is 2,664 more listings than a year ago, a 21.8% increase.

January 2023 Housing Market Summary

	Jan-22	Jan-23	Change	% Change	YTD 2022	YTD 2023	Change	% Change
Sales	8,063	5,609	-2,454	-30.4%	8,063	5,609	-2,454	-30.4%
Median Sales Price (\$)	337,500	350,000	12,500	3.7%	337,500	350,000	12,500	3.7%
Sales Volume (\$ billions)	3.4	2.4	-1.0	-28.5%	3.4	2.4	-1.0	-28.5%
Average Days on Market	32	39	7	22.4%	32	39	7	22.4%
Pending Sales	7,690	6,743	-947	-12.3%	7,690	6,743	-947	-12.3%
New Listings	8,576	8,156	-420	-4.9%	8,576	8,156	-420	-4.9%
Active Listings (end of the month)	12,203	14,867	2,664	21.8%	12,203	14,867	2,664	21.8%
Months of Supply	1.0	1.5	0.5	53.1%	1.0	1.5	0.5	53.1%

Source: Virginia REALTORS®, data accessed February 15, 2023

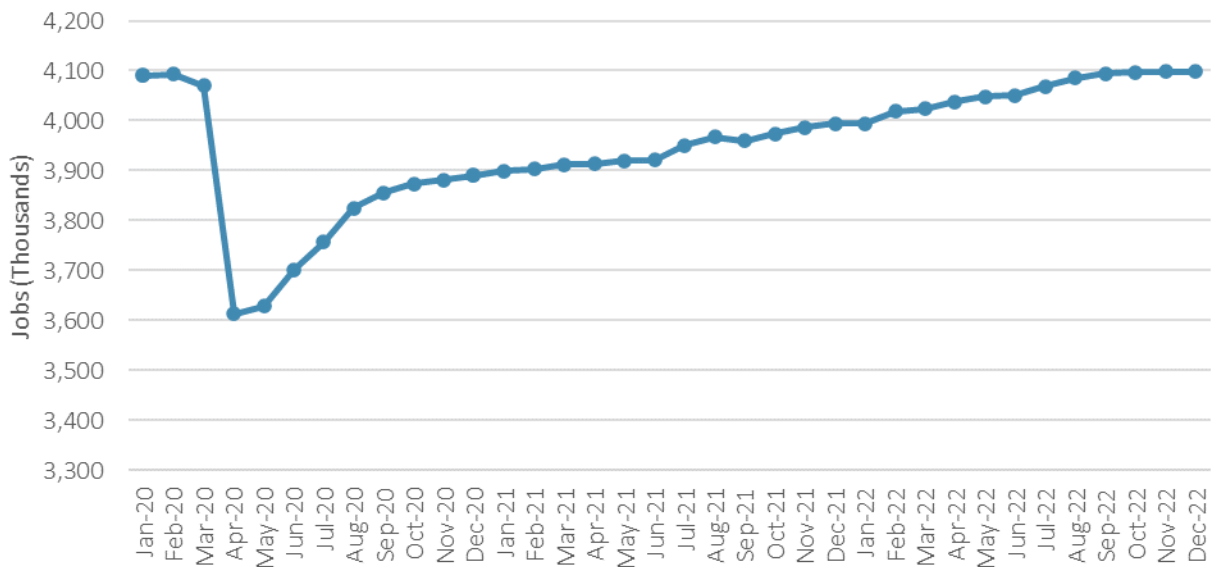
Economic Overview

Economic conditions remain mixed as the job market is stable despite lingering inflation and economic uncertainty. Mortgage rates have edged upward in recent weeks and will likely be volatile in the coming weeks and months as inflationary pressures persist.

Jobs

There were 4.10 million jobs across Virginia in December 2022, an uptick of about 100 jobs from November 2022. Job growth has been relatively flat over the last few months, following two years of rapid recovery from pandemic-related job losses.

Figure 1. Total Jobs in Virginia (in thousands)



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

Transportation and Warehousing jobs led all sectors in growth in December 2022, with 3,900 more jobs than November 2022. This reflects a continuation of resilient consumer spending as many of these jobs are related to shipment and storage of retail goods. There were about 1,400 more Professional & Technical Services jobs compared to the prior month and 1,100 more construction jobs. There were 700 fewer Leisure & Hospitality jobs and 600 fewer Retail Trade jobs statewide in December compared to the prior month.

Within the metro areas around Virginia, Roanoke had the strongest job growth in December, with 600 more jobs than November (seasonally adjusted). There were about 400 more jobs in the Lynchburg metro area, and 100 more jobs in Winchester compared to the prior month. All other metro areas had a dip in jobs in December. The largest drop was in Richmond (-1,800 jobs), Virginia Beach (-600 jobs), and Northern Virginia (-500 jobs).

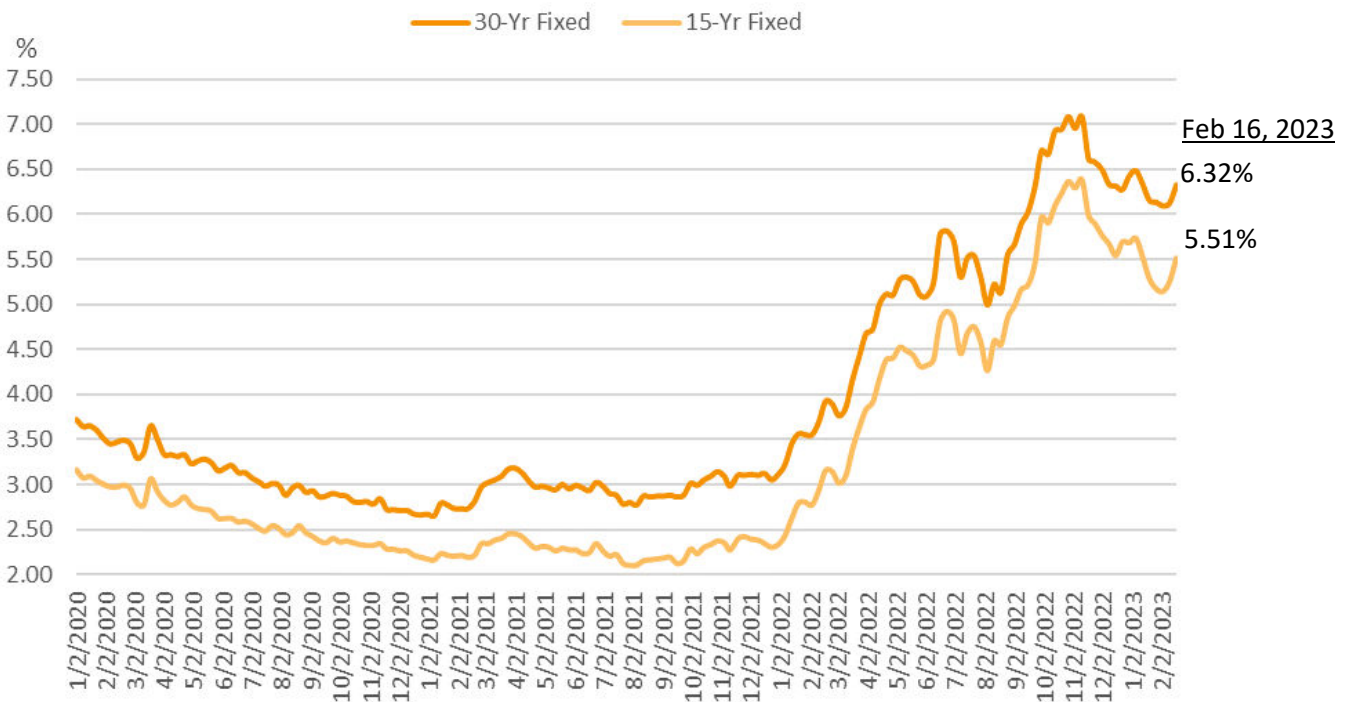
Unemployment

The unemployment rate in Virginia remains quite low but has been trending upward for several months. The December statewide unemployment rate was 3.0%, up from 2.8% in November. The national unemployment rate in December was 3.5%, down from November.

Mortgage Rates

In the second full week of February, the average rate on a 30-year fixed mortgage jumped to 6.32%, up from 6.12% in the previous week. After falling for four straight weeks, rates have increased two weeks in a row. The increase in rates is largely due to inflation, which has been persistently high, but improving.

Figure 2. Mortgage Rates



Source: Freddie Mac

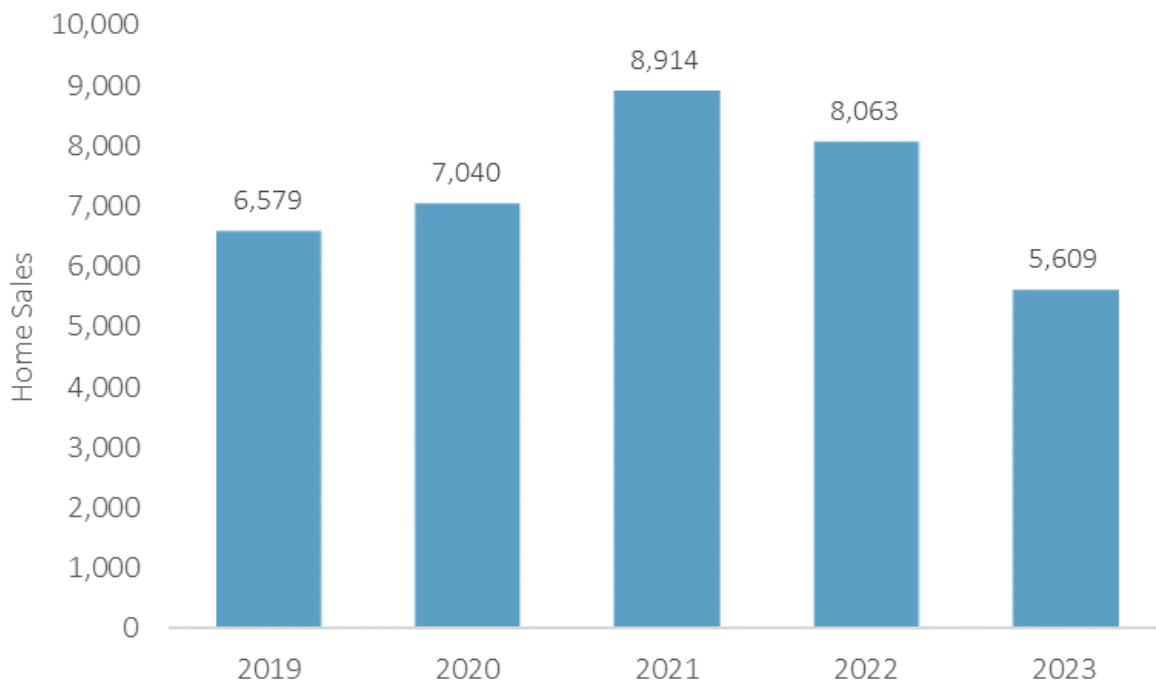
Housing Market Overview

It has been a relatively slow start to 2023 for Virginia’s housing market. Sales levels are down and there were fewer contracts overall in January, both of which are back to around January 2015 levels. Homes are staying on the market longer, on average, and sellers continue to get less than their list price, on average. As the market has cooled, the inventory of active listings has grown in recent months, providing more options for buyers that are active in the market. While the market has slowed, home prices continue to trend upward in most local areas, a reflection of the continued tightness of the housing supply despite the recent increase in active listings.

Sales

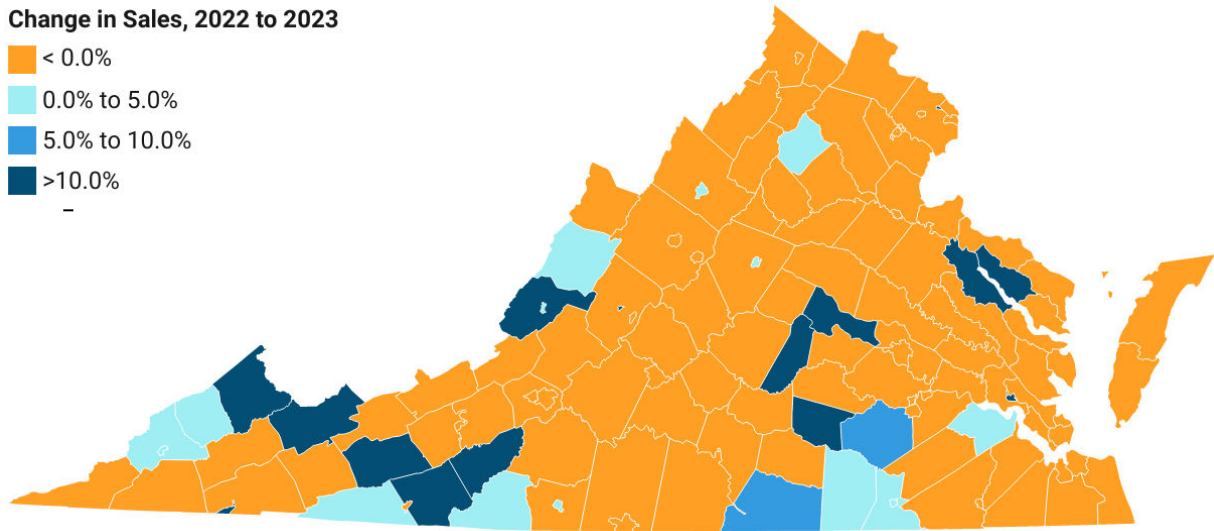
There were 5,609 homes sold across the state in January 2023, which is 2,454 fewer sales than this time last year, representing a 30.4% decline. This was the slowest January market the state has seen in eight years. The market cooled in most areas of Virginia. The sharpest drop in activity this month was in the Shenandoah Valley market, parts of Central Virginia, the Lynchburg Region, and the Williamsburg area.

Figure 3. Virginia Home Sales, January



Source: Virginia REALTORS®, data accessed February 15, 2023

Figure 4. County/City Home Sales, January

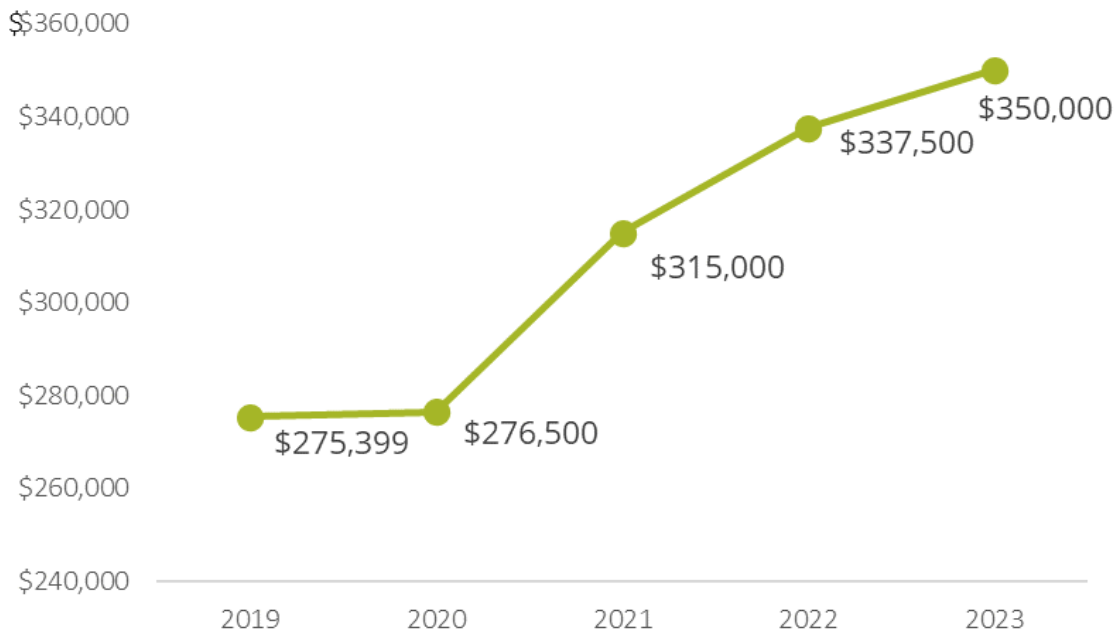


Source: Virginia REALTORS®, data accessed February 15, 2023

Home Prices

In January 2023, the statewide median sales price was \$350,000, up 3.7% from a year ago, an increase of \$12,500. Home prices continue to rise in most communities around the commonwealth, though the pace of growth has moderated since the summer of 2022. The easing of price growth has led to less intensity in the market, as reflected in a decrease in the average sold-to-list price ratio. The average sold-to-list price ratio statewide was 98.8% in January. While this is still relatively high, it's the lowest it's been in nearly three years. Homes that sold for less than \$200,000 had the lowest average sold-to-list price ratio of all price ranges at 96.3%. Homes in the \$200,001 to \$400,000 price range went for 99.4% of asking price on average, and in the upper end of the market, homes priced above \$800,000 went for 98.8% of asking price, on average.

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



Source: Virginia REALTORS®, data accessed February 15, 2023

Figure 6. Average Sold-to-List Price Ratio, January 2023

Price Range	Ratio
\$200,000 or less	96.3%
\$200,001 to \$400,000	99.4%
\$400,001 to \$600,000	99.1%
\$600,001 to \$800,000	99.6%
\$800,001 or more	98.9%
All price levels	98.8%

Source: Virginia REALTORS®, data accessed February 15, 2023

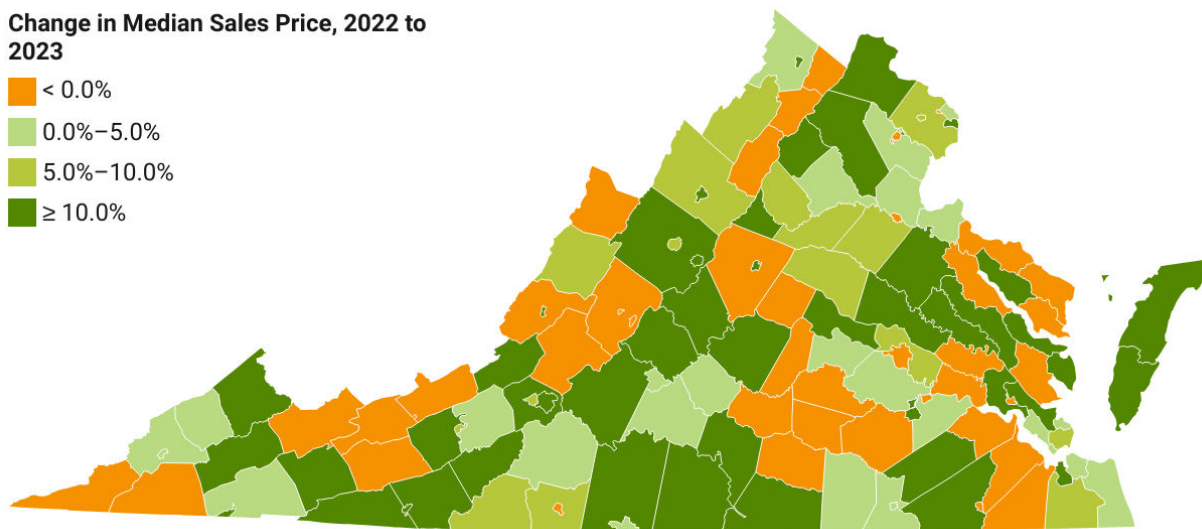
In January 2023, 45.6% of homes that sold were priced between \$200,001 to \$400,000, which is down from 45.9% last year. Approximately one out of every five (20.9%) homes sold in Virginia in January were priced between \$400,001 and \$600,000, down slightly from a year ago. Homes that sold for less than \$200,000 accounted for 15.2% of all sales statewide in January, which is down from 16.5% a year ago. The share of sales in the higher end of the market increased this month. About 7.9% of homes sold went for above \$800,000, up from 7.4% of homes sold in January of 2022.

Figure 7. Sales by Price Range, January



Source: Virginia REALTORS®, data accessed February 15, 2023

Figure 8. County/City Median Home Sales Price, January

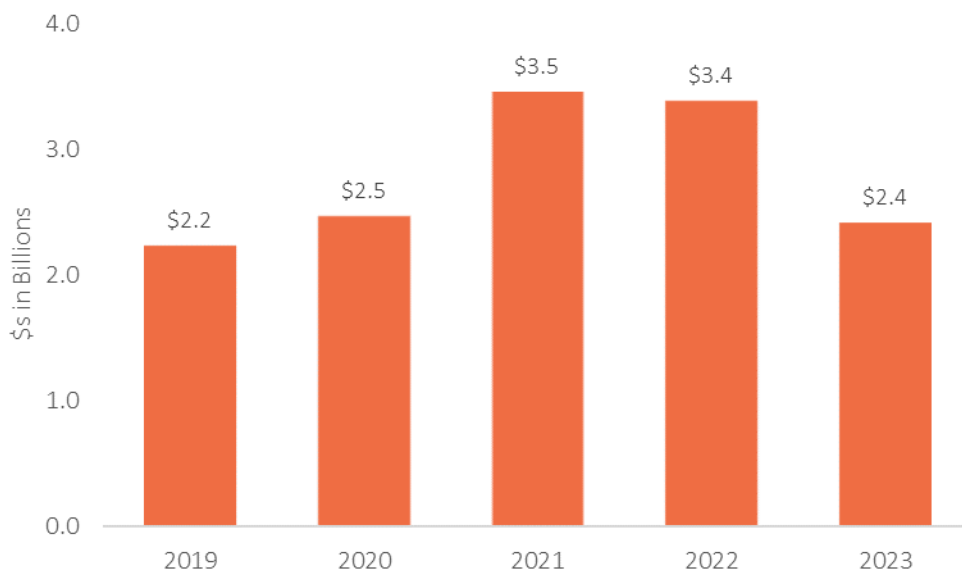


Source: Virginia REALTORS®, data accessed February 15, 2023

Sold Volume

There was approximately \$2.4 billion of sold volume in Virginia in January. This is \$1 billion less sold volume than a year ago, which is a 28.5% drop, the eighth consecutive month of lower volume levels compared to the prior year. As sales activity has cooled down, so has the sold dollar volume, even as price levels remain stable and rising in most localities.

Figure 9. Sold Dollar Volume, January (in \$ billions)

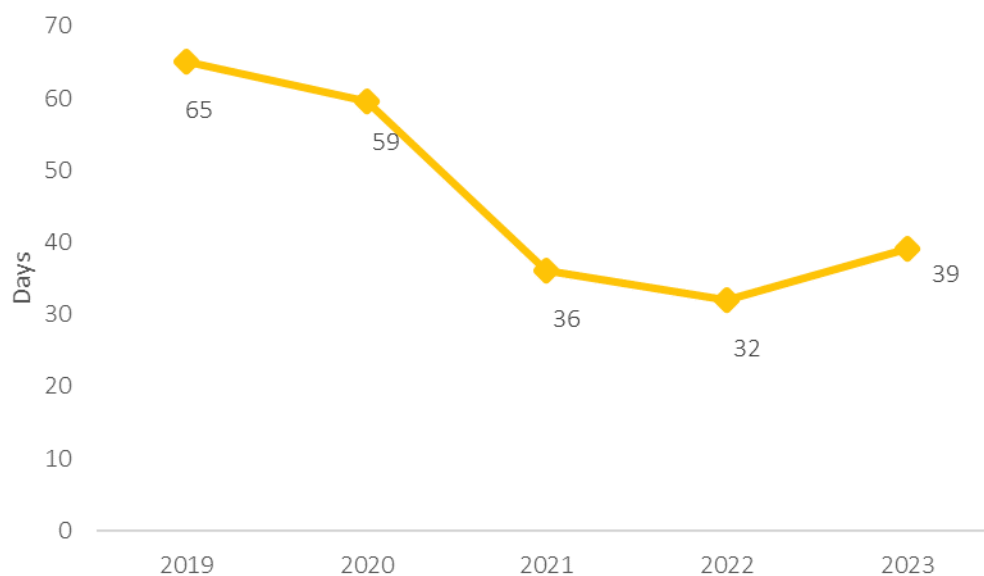


Source: Virginia REALTORS®, data accessed February 15, 2023

Days on Market

Homes continue to stay on the market longer, on average, in Virginia. The average days on market statewide in January was 39 days. This is a week longer than January of 2022 (+7 days). The average days on market has been slowing in the commonwealth since last summer as rising interest rates coupled with rising prices and low supply have kept many potential buyers on the sidelines.

Figure 10. Average Days on Market, January

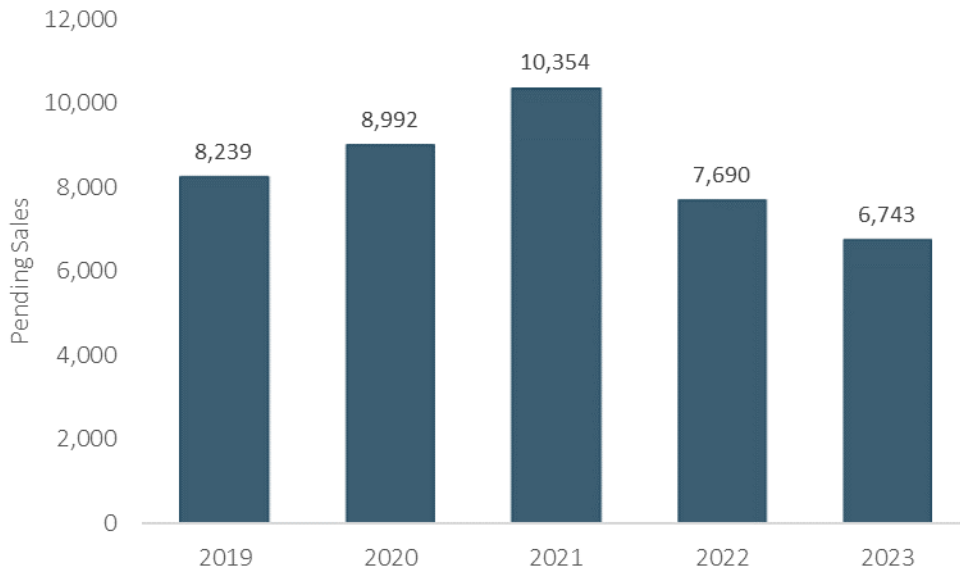


Source: Virginia REALTORS®, data accessed February 15, 2023

Pending Sales

Pending sales, or homes that went under contract in the month, can provide a preview of future home sales activity. There were 6,743 pending sales in January across Virginia, which is 947 fewer pending sales than last January. This is a 12.3% decrease in contract activity from a year ago. Pending sales have been slowing now for nearly two years.

Figure 11. Pending Sales, January



Source: Virginia REALTORS®, data accessed February 15, 2023

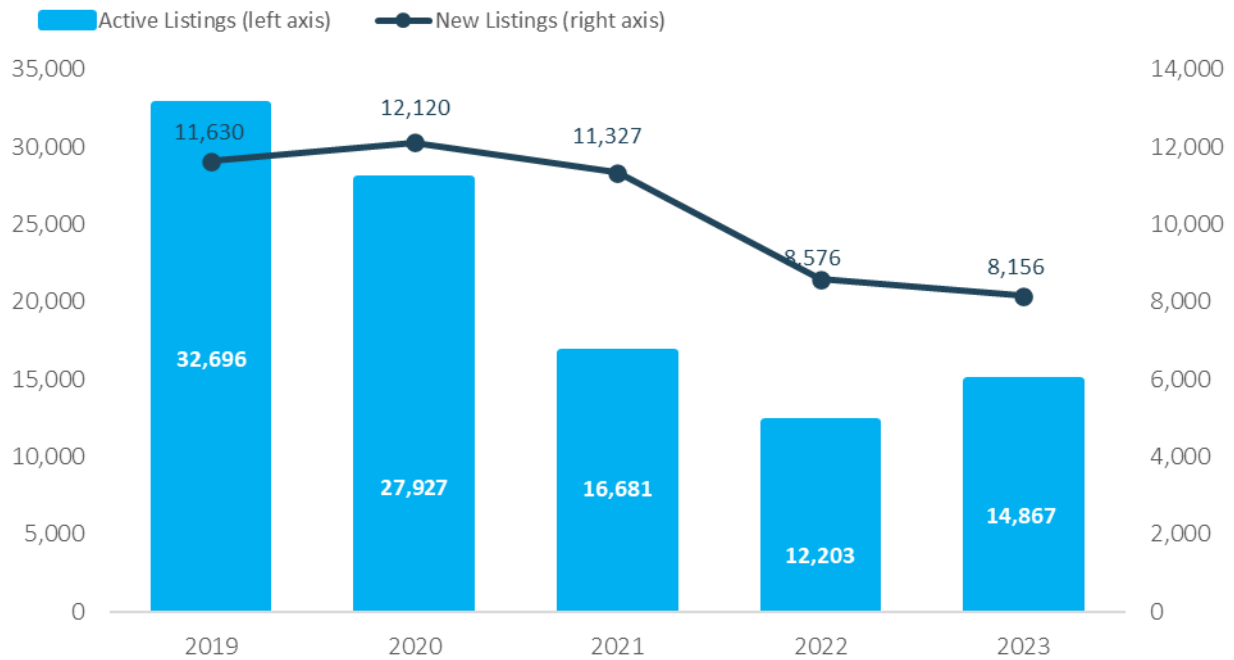
New Listings

In January 2023, there were 8,156 new listings that came on the market across the state, which is 420 fewer new listings than January of last year, a 4.9% dip. Fewer new listings have been coming on the market since the fall of 2021. There was a 35% influx of new listings from last month (December), which is a typical change for this time of year.

Active Listings

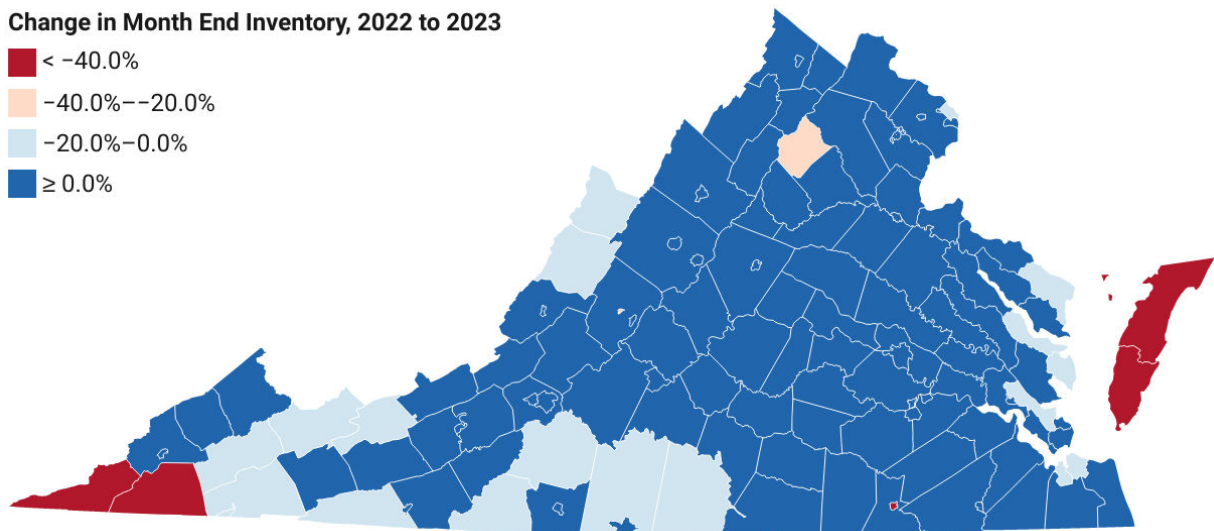
The inventory of active listings continues to build in housing markets across Virginia. Statewide, there were 14,867 active listings on the market at the end of January, a 21.8% jump in active listings from a year ago, which is 2,664 more listings. The supply has been on the rise for four straight months in the state as homes are staying on the market longer; however, the overall inventory remains low compared to historical averages.

Figure 12. Inventory, January



Source: Virginia REALTORS®, data accessed February 15, 2023
 Note: Active listings at the end of the month

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

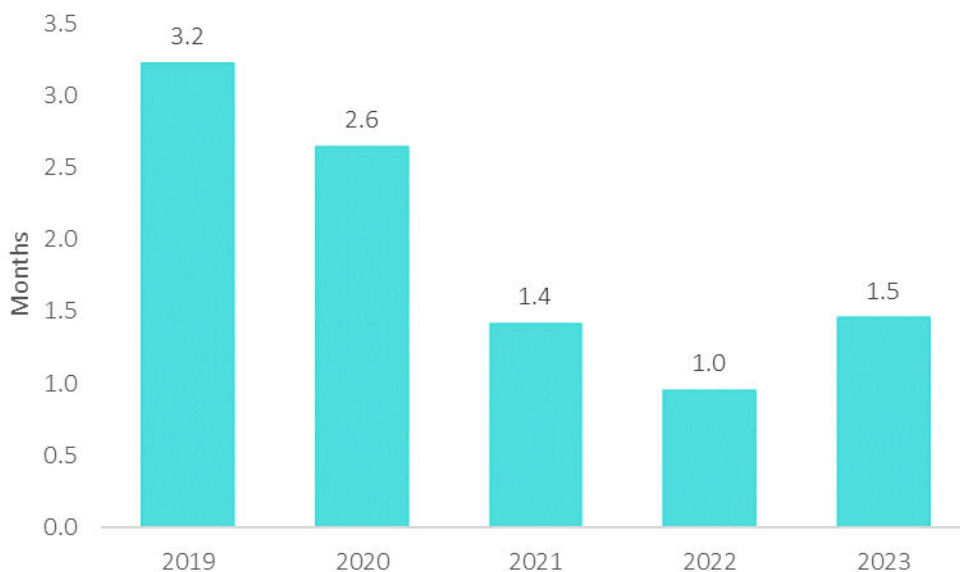


Source: Virginia REALTORS®, data accessed February 15, 2023

Supply is increasing in most local markets around the state. About three out of every four cities and counties in Virginia had more active listings at the end of January compared to last year. The sharpest increase in listings this month was in parts of Northern Virginia, the Charlottesville region, and the Northern Neck market.

There was about 1.5 months of supply in Virginia’s housing market in January 2023, up from 1.0 month of supply 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, January



Source: Virginia REALTORS®, data accessed February 15, 2023

Outlook

Virginia’s housing market is off to a slow start in 2023. Here are three key things to watch for in the housing market and economy in the coming weeks and months.

- Mortgage interest rates rose during the first half of February after trending downward for all of January. Rates will likely remain volatile in the coming months, as inflation remains elevated, consumer spending has been resilient, and more jobs continue to be added to the economy, all of which signal to the Federal Reserve that additional rate hikes could be needed in the coming months to further tame inflationary pressures. The Federal Reserve does not set mortgage rates directly, but they are influenced by the federal funds rate. Buyers continue to be cost-sensitive, as reflected in a drop in mortgage applications in early February. If mortgage rates continue to climb in the coming weeks, housing market activity will likely cool even more as buyers adjust.
- While mortgage rates have trended up, the overall market dynamics continue to shift in favor of buyers. It’s taking longer to sell homes, on average, which is allowing the inventory of active listings to build up over time. This provides more negotiating power for buyers, as fewer offers are coming in and there is less of a scramble to outbid other buyers. This shift is also reflected in the average sold-to-list price ratio, which continues

to fall below 100%, so sellers are not getting their asking price, on average. These trends are likely to continue in the coming months as the market responds to economic uncertainty and the volatile interest rate environment.

- The national job picture continues to outperform expectations; however, there are some subtle signs that employment is flattening here in Virginia. The statewide job base has hovered around 4.1 million jobs for three consecutive months after a long stretch of sustained growth. In addition, the statewide unemployment rate has inched upward for three straight months. As the job market softens, it could have a moderating effect on some housing markets around Virginia in the coming months, though it will be localized depending on where the job losses occur. The overall job market in Virginia, however, continues to be relatively stable, and unemployment levels are well below the nation as a whole.



The Virginia REALTORS® association is the largest professional trade association in Virginia, representing 37,000 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.