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**Slow Start to the Year for Virginia’s Housing Market**

*Home sales cool amid rising mortgage rates and low inventories*

Richmond, VA – (February 21, 2023) – According to the [January 2023 Virginia Home Sales Report](https://virginiarealtors.org/research/reports/home-sales-reports/january-2023-home-sales-report/) released by Virginia REALTORS®, 5,609 homes were sold across the state in January, more than a 30% decline from January 2022. This marks the slowest January market the state has seen in eight years.

As sales activity has cooled, so has the sold dollar volume. There was approximately $2.4 billion of sold volume in Virginia in January, which is about $1 billion less volume than a year ago, a 28.5% decline.

In Virginia, the average days on market has been slowing since last summer. “This cooling has been a result of rising interest rates coupled with rising home prices and a lack of homes available on the market. This has led to more potential buyers choosing to sit on the sidelines,” says Virginia REALTORS® Chief Economist Ryan Price. In January, the average days on market statewide was 39 days, a full week longer than January 2022.

With homes remaining on the market longer, Virginia’s supply of homes continues to increase for the fourth month in a row; however, the overall inventory remains low compared to historical averages. At the end of January 2023, about three out of every four cities and counties in Virginia had more active listings than the same time last year. The sharpest increases in listings occurred in parts of Northern Virginia, the Charlottesville region, and the Northern Neck market.

Though still considered a “seller’s market” due to the low inventory, the state’s overall market dynamics continue to shift in favor of buyers. “On average, we’re seeing fewer offers coming in, and there is less of a scramble to outbid other buyers,” says Virginia REALTORS® 2023 President Katrina M. Smith. “We are also seeing fewer sellers receiving their full asking price.” These trends are expected to continue in the coming months as the market responds to economic uncertainty and the volatile interest rate environment.

The Virginia Home Sales Report is published by Virginia REALTORS®. [Click here](https://virginiarealtors.org/research/reports/home-sales-reports/january-2023-home-sales-report/) to view the full January 2023 Virginia Home Sales Report.

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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 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).

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