

The background features a teal line graph with an upward-pointing arrow, overlaid with a large, light blue dollar sign. The overall background is a dark teal color with a pattern of smaller, lighter teal upward-pointing arrows.

# RESEARCH STATISTICS

# Virginia

HOME SALES REPORT

**FEBRUARY 2023**



# Virginia Home Sales Report

February 2023

## Key Takeaways

- There were **6,505** home sales across Virginia in February. This is a 20.3% reduction in sales activity compared to February 2022, 1,655 fewer sales.
- The statewide median sales price in February was \$370,000, up 5.7% from this time last year, a gain of \$20,000.
- There was about **\$2.9 billion of sold volume** in Virginia in February, which is about \$700 million, less volume than a year ago, an 18.1% decline.
- At the end of February, there were **14,558 active listings** on the market statewide, which is 2,416 more listings than a year ago, a 19.9% increase.

## February 2023 Housing Market Summary

	Feb-22	Feb-23	Change	% Change	YTD 2022	YTD 2023	Change	% Change
Sales	8,160	6,505	-1,655	-20.3%	16,223	12,114	-4,109	-25.3%
Median Sales Price (\$)	350,000	370,000	20,000	5.7%	344,000	360,000	16,000	4.7%
Sales Volume (\$ billions)	3.6	2.9	-0.6	-18.1%	6.9	5.3	-1.6	-23.2%
Average Days on Market	30	38	8	25.4%	31	39	7	24.1%
Pending Sales	9,130	6,810	-2,320	-25.4%	16,820	13,553	-3,267	-19.4%
New Listings	10,710	8,334	-2,376	-22.2%	19,286	16,490	-2,796	-14.5%
Active Listings (end of the month)	12,142	14,558	2,416	19.9%	12,142	14,558	2,416	19.9%
Months of Supply	0.9	1.4	0.5	52.2%	0.9	1.4	0.5	52.2%

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

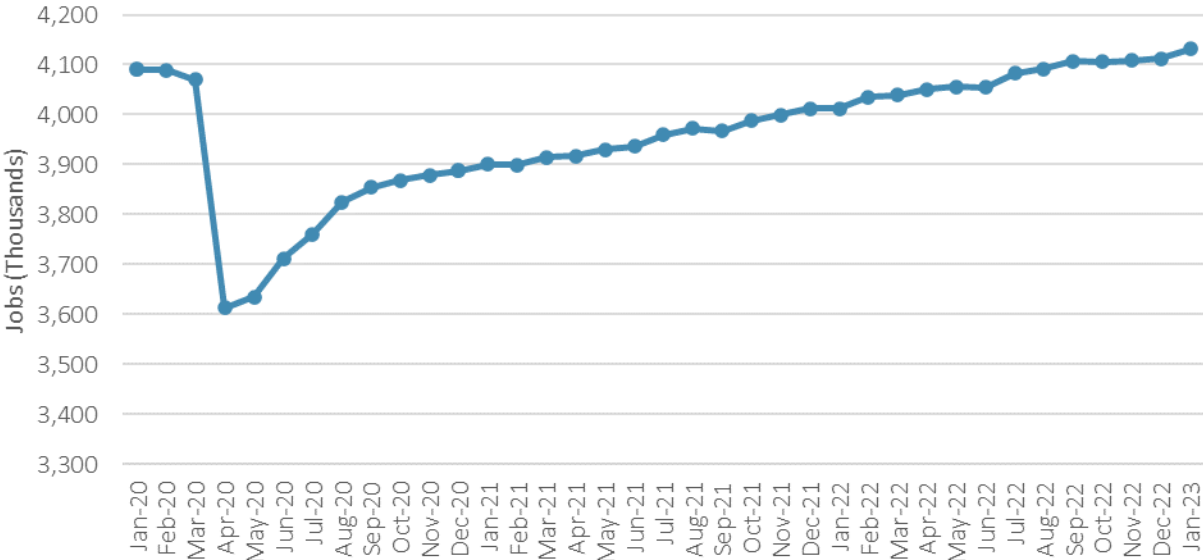
## Economic Overview

The job market remains resilient and unemployment is low, but economic headwinds continue to mount. Inflation has improved, but remains elevated, consumer sentiment continues to be low, and turbulence in the banking industry in recent weeks has injected fear and more uncertainty into the global markets.

### Jobs

There were approximately 4.13 million jobs throughout Virginia in January 2023, a surge of about 19,700 from the prior month, December 2022. This is the largest monthly influx of jobs the state has seen since last summer.

Figure 1. Total Jobs in Virginia (in thousands)



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

Most of the additional jobs were in the Administrative & Waste Services sector, which had about 7,600 more jobs in January 2023 than December 2022. The Leisure & Hospitality sector continues to expand rapidly, with an influx of 6,900 jobs between December and January. The Education sector also had relatively strong growth this month, with 1,800 additional jobs statewide. The Transportation & Warehousing sector was hit hard this month, with 7,300 fewer jobs in January compared to December. There were also about 1,500 fewer Federal Government jobs in Virginia in January compared to the prior month.

Within the metro areas around Virginia, Richmond had the strongest job growth in January, with 9,200 more jobs than December (seasonally adjusted). Northern Virginia had 7,000

more jobs, and Hampton Roads had about 2,500 more jobs in January compared to the prior month. Blacksburg had 200 fewer jobs than last month, the only metro market to have a dip in jobs.

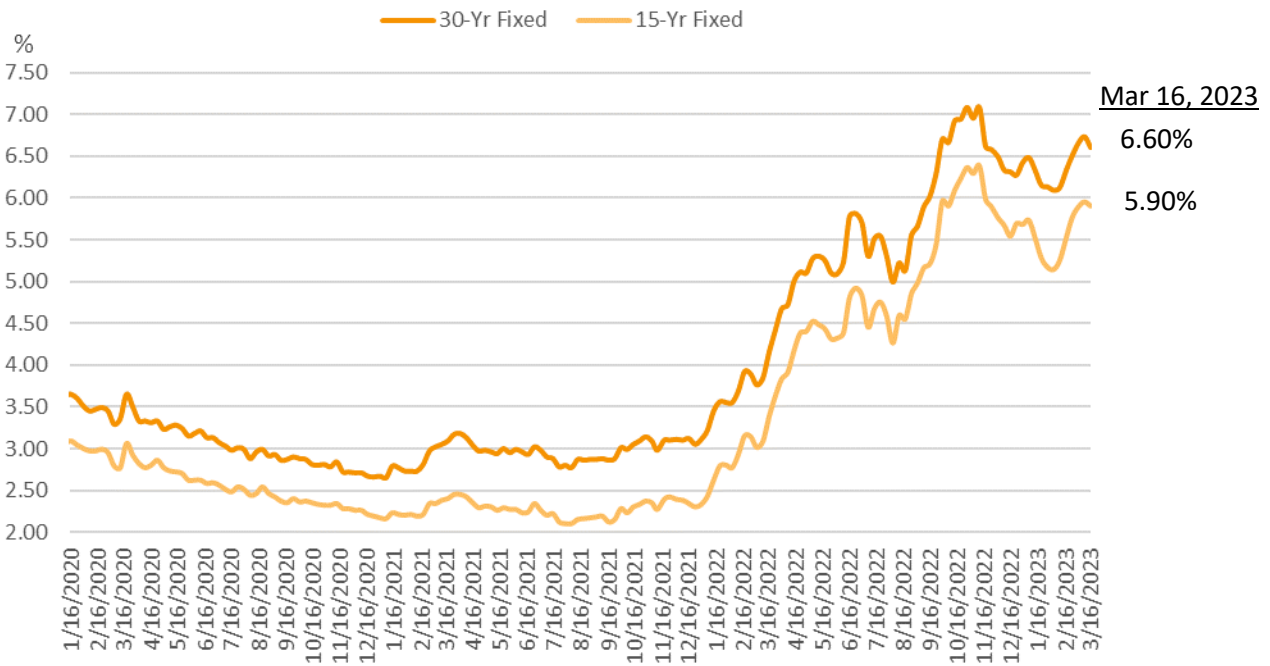
### Unemployment

The unemployment rate in Virginia in January 2023 was 3.2%, up from December 2022. The national unemployment rate was 3.4% in January, down from 3.5% a month ago. The unemployment rate both in Virginia and nationwide is very low compared to historical trends.

### Mortgage Rates

In the second full week of March, the average rate on a 30-year fixed mortgage fell to 6.60%, down from 6.73% in the prior week. The drop in rates was influenced by the turbulence in the banking sector as investors flocked to the safety of the treasury bonds, putting downward pressure on rates. This last week was the first dip in the 30-year fixed mortgage rate since the first week in February.

**Figure 2. Mortgage Rates**



Source: Freddie Mac

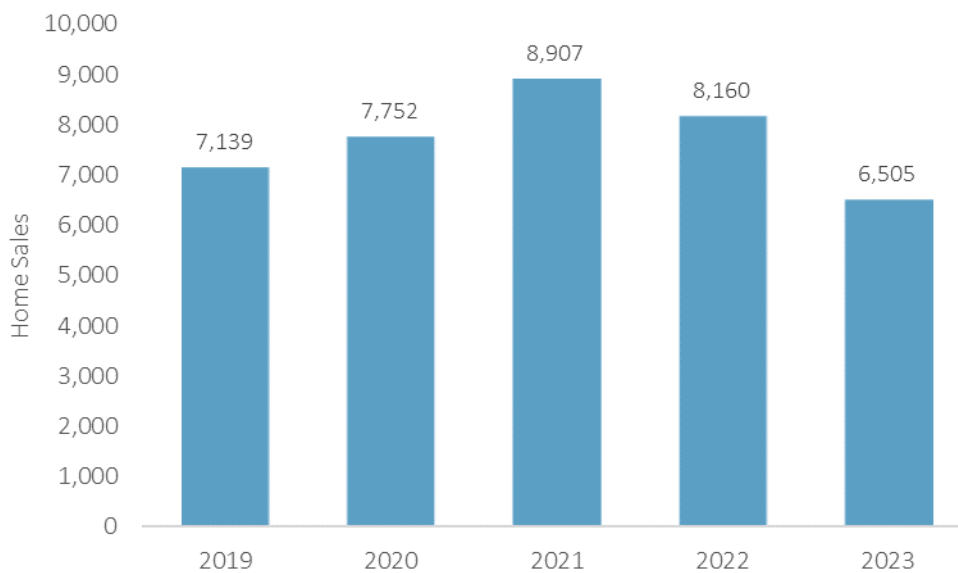
## Housing Market Overview

Virginia's housing market continues to be sluggish, sales are down, and there are fewer new contracts. Despite this, home prices continue to climb in many areas. Homes are staying on the market longer, and sellers are getting less than their asking price on average, a reflection of fewer active buyers. Inventory continues to build up as sales activity slows and homes stay on the market longer, which is good news for buyers that are active in the market.

### Sales

There were 6,505 home sales throughout the commonwealth in February 2023. This is 1,655 fewer sales than a year ago, which is a 20.3% decrease. This month marks the fifteenth consecutive decrease in sales activity in the state's housing market, as interest rates have more than doubled during this time period. The regions with the sharpest drop in sales so far in 2023 include parts of Northern Virginia, pockets across the Shenandoah Valley, the Northern Neck region, as well as portions of Central Virginia.

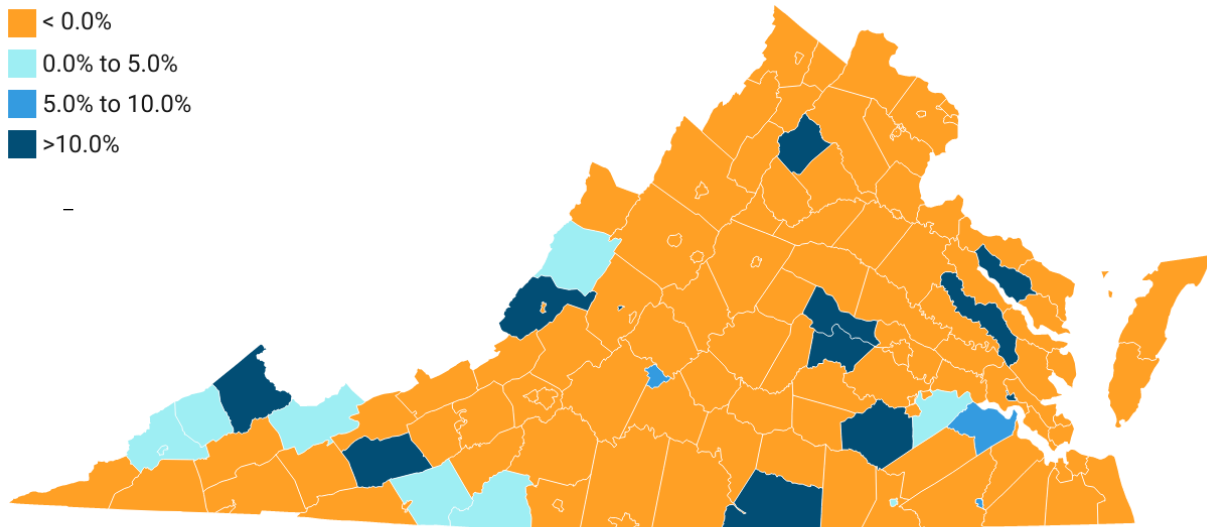
**Figure 3. Virginia Home Sales, February**



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

## Figure 4. County/City Home Sales, February YTD

### Change in Sales Price, 2022 to 2023



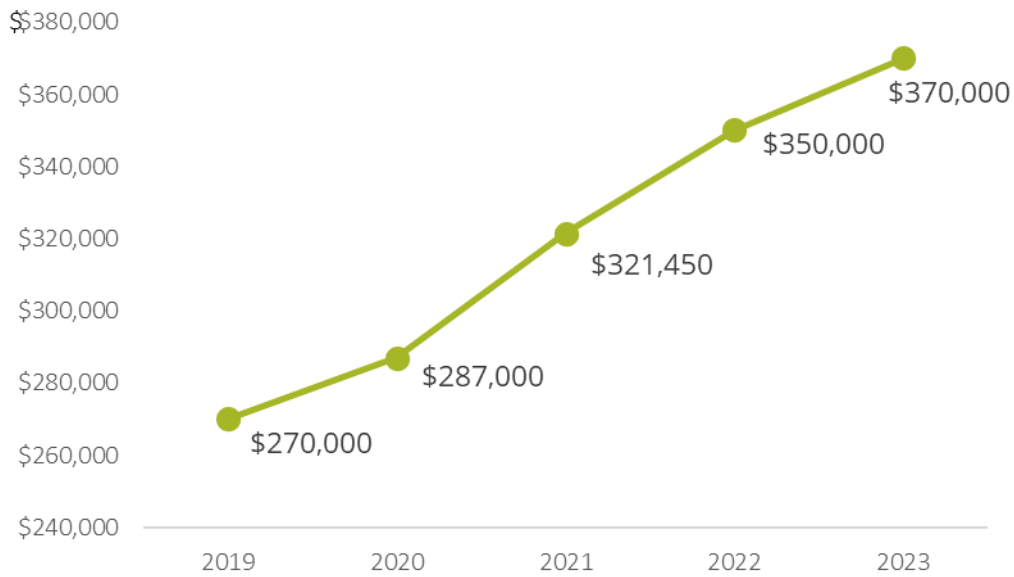
Source: Virginia REALTORS®, data accessed March 15, 2023

### Home Prices

At \$370,000, the statewide median sales price rose 5.7% from this time last year, a \$20,000 price jump. Even with the slowdown in sales activity, home prices continue to trend up in many parts of the state, a reflection of the tight inventory conditions that persist in most areas. Places like Central Virginia and parts of the New River Valley continue to see double-digit median price growth, as do markets in the Southside Region, among others. While most places continue to see prices climb, there are also regions where prices have dipped from a year ago, including coastal communities like the Northern Neck, and Chesapeake Bay and Rivers area, as well as parts of the Rockbridge Highlands region, among others.

Sellers are getting slightly less than their asking price on average in Virginia. The statewide average sold-to-list price ratio in February was 99.7%, which is down from 101.3% a year ago. The lowest price range continues to have the lowest average sold-to-list price ratio at 97.8%. On the other end of the price spectrum, homes that sold for over \$800,000 went for 100.4% of the asking price on average, the highest ratio of all price ranges. Sellers that sold in the \$600,001-\$800,000 range also received slightly higher than their asking price on average (100.3%).

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



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

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

Price Range	Ratio
\$200,000 or less	97.8%
\$200,001 to \$400,000	99.9%
\$400,001 to \$600,000	99.9%
\$600,001 to \$800,000	100.3%
\$800,001 or more	100.4%
All price levels	99.7%

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

The largest market price segment in Virginia continues to be the \$200,001 to \$400,000 range, accounting for 43.4% of all sales in February 2023. About one out of every four homes that sold this month (23.9%) was in the \$400,001 to \$600,000 price range. About 10.9% of all sales in February statewide were priced between \$600,001 and \$800,000, and homes above \$800,000 accounted for 8.6% of all sales in February.

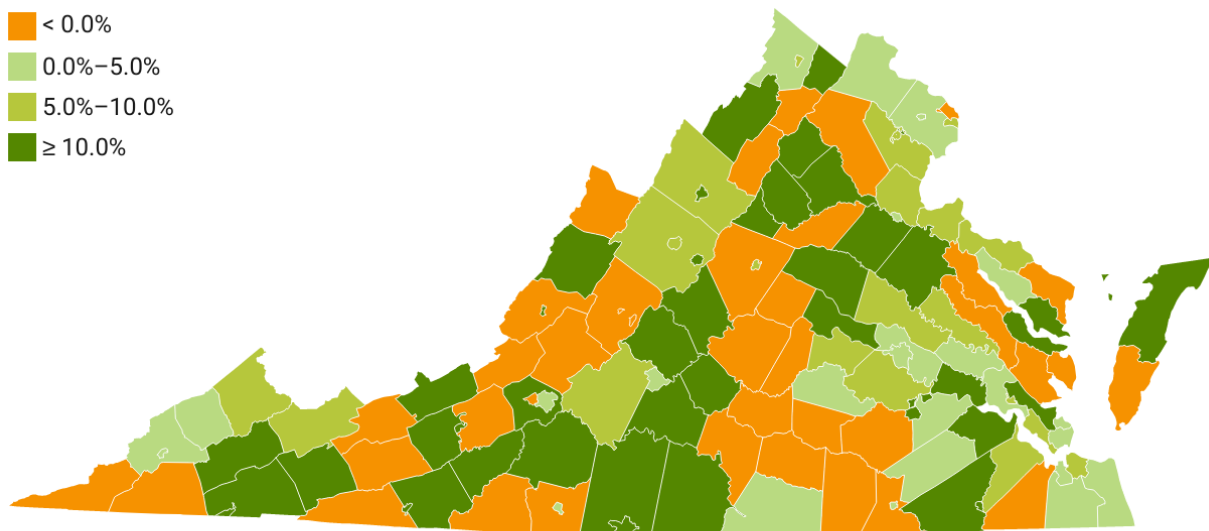
**Figure 7. Sales by Price Range, February**



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

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

**Change in Median Sales Price, 2022 to 2023**



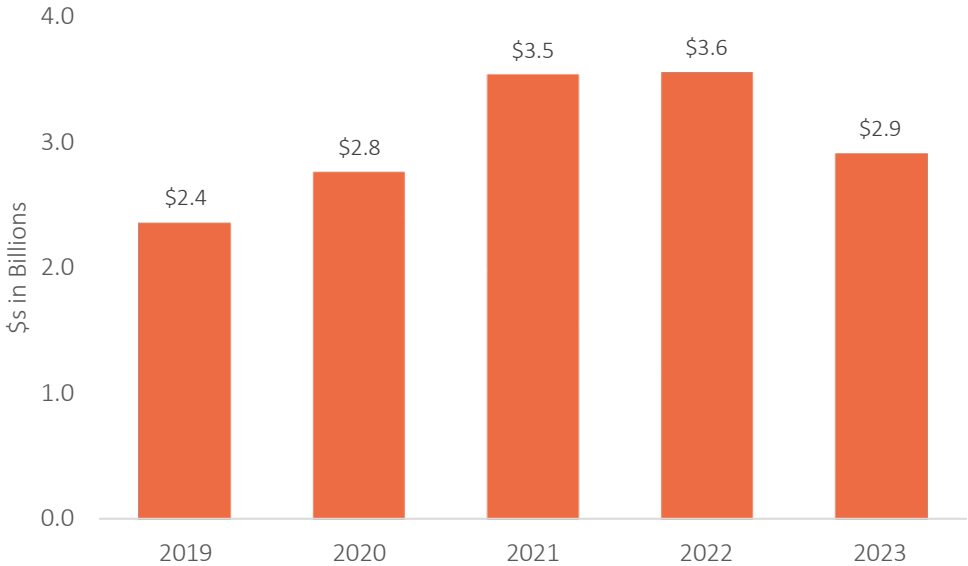
Source: Virginia REALTORS®, data accessed March 15, 2023

Sold Volume



Despite rising prices in many parts of the state, the slowdown in sales continues to bring down the total sold dollar volume. Statewide in Virginia there was about \$2.9 billion of sold volume in February 2023, which is about \$700 million less volume than a year ago, representing an 18.1% decline in sold volume. Sold dollar volume in Virginia’s housing market has decreased at a double-digit rate for nine straight months following two years of significant growth.

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

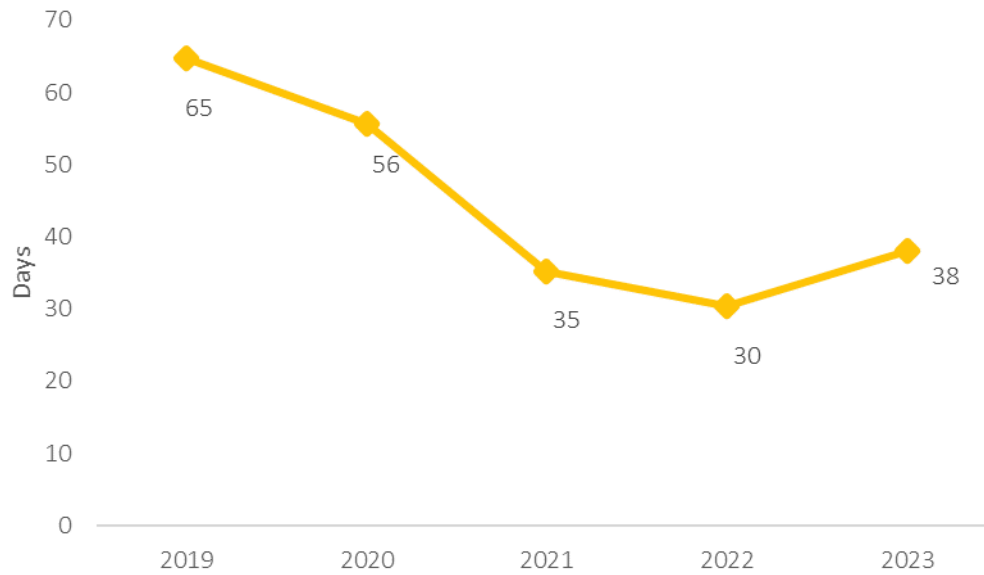


Source: Virginia REALTORS®, data accessed March 15, 2023

**Days on Market**

It’s taking longer to sell homes in housing markets across Virginia. The statewide average days on market in February was 38 days, which is eight days longer than a year ago. As homes are staying on the market longer, buyers are starting to have more time to choose a home, and opt for inspections and other items that were difficult to ask for during the frenzied and hyper-competitive market of the last couple years.

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

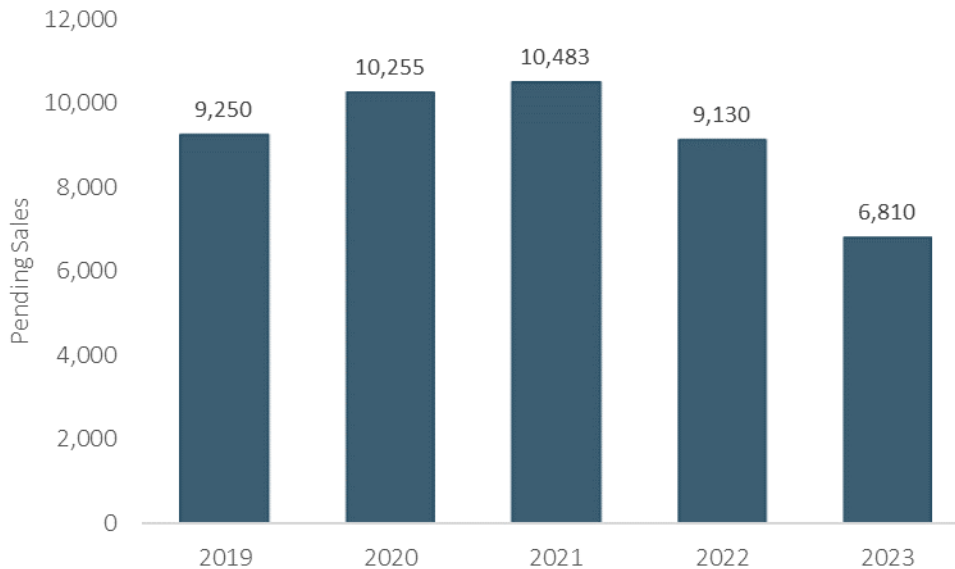


Source: Virginia REALTORS®, data accessed March 15, 2023

### Pending Sales

Pending sales, or homes that went under contract in the month, can provide a preview of future home sales activity. There were 6,810 pending sales in February throughout Virginia. This is 2,320 fewer pending sales than last February, a 25.4% drop in new contracts. The slowdown in pending sales reflects hesitation in the market as interest rates remain volatile and higher than they were at this time a year ago.

**Figure 11. Pending Sales, February**



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

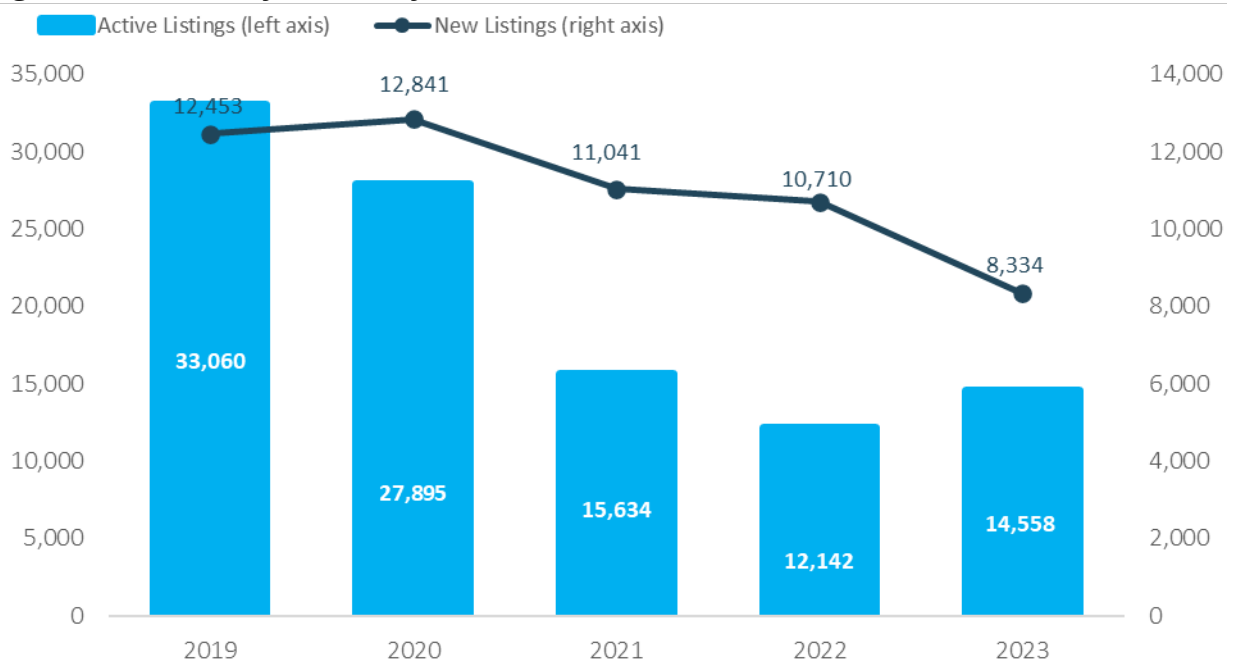
## New Listings

Fewer new listings are coming onto the market in Virginia. There were 8,334 new listings in February 2023 statewide, which is 2,376 fewer new listings than this time last year, a 22.2% decrease. New listing activity has been moderating now for the past year and a half. There were just 2.2% more new listings in February compared to January which is a smaller increase than typical seasonal trends, which could reflect seller hesitation amid fewer buyers in the market.

## Active Listings

There were 14,558 active listings on the market at the end of February, 19.9% more listings than a year ago, or 2,416 additional listings. As homes are staying on the market longer, the inventory is building up. The inventory of listings has been growing rapidly since the fall of 2022. While this is certainly good news for buyers in the market, the overall inventory levels still remain tight.

**Figure 12. Inventory, February**

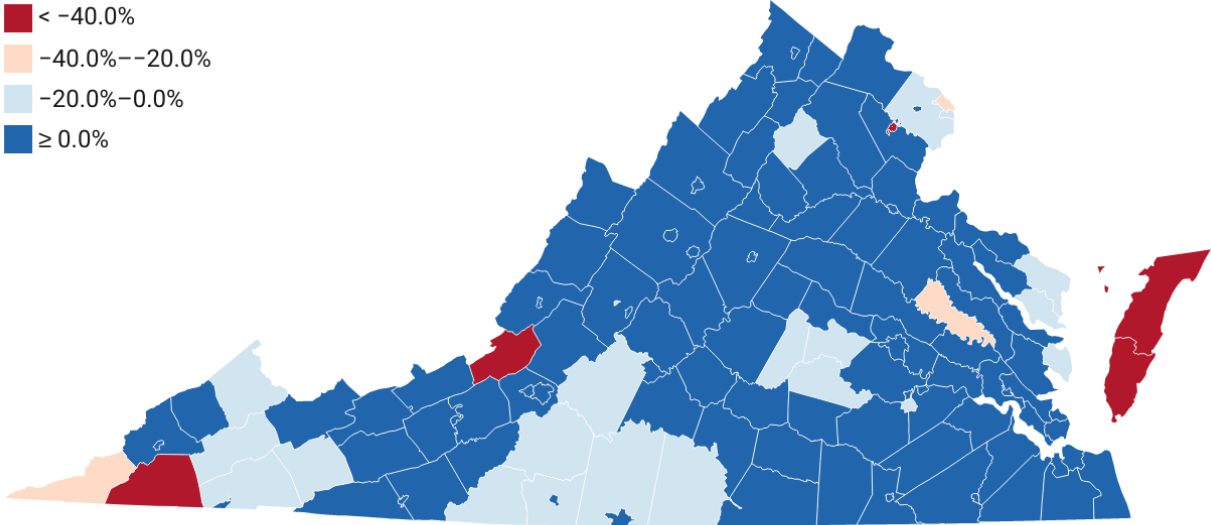


Source: Virginia REALTORS®, data accessed March 15, 2023

Note: Active listings at the end of the month

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

**Change in Month End Inventory, 2022 to 2023**

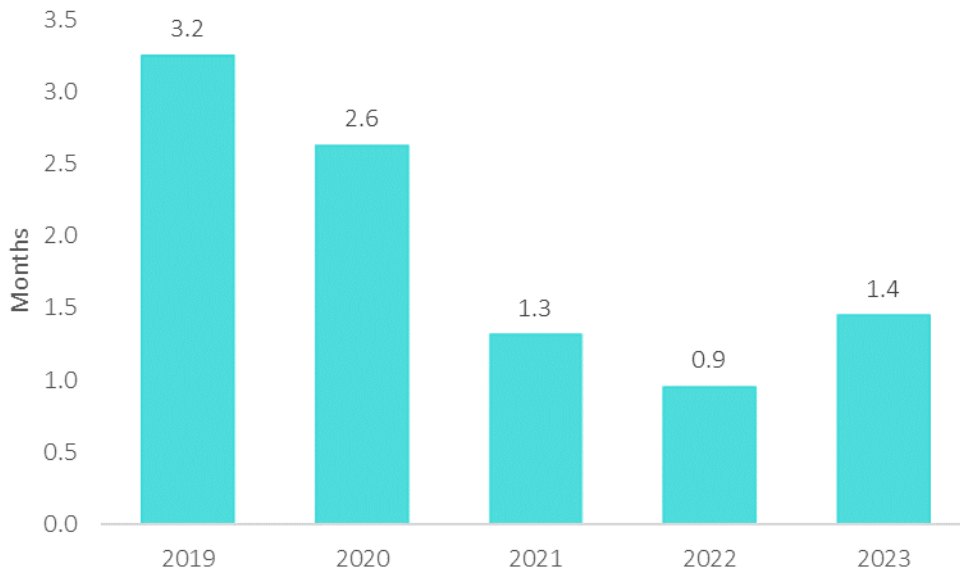


Source: Virginia REALTORS®, data accessed March 15, 2023

Most local markets around Virginia have more listings on the market than they did a year ago. The largest inventory growth this month was in parts of the New River Valley, the Greater Piedmont Region, and Hampton Roads. There was approximately 1.4 months of supply in Virginia’s housing market in February 2023, up from 0.9 months 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, February**



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

### Outlook

The recent events in the banking sector continue to ripple across the economy. Here are three key things to watch for in the economy and housing market in the coming weeks and months.

- Following the collapse of Silicon Valley Bank and Signature Bank, banking sector turbulence continues to unfold. First Republic Bank was teetering on collapse but was saved by a \$30 billion injection of funds from a group of private banks led by JPMorgan & Chase, and Credit Suisse was about to collapse but was bought by its larger rival USB. As uncertainty in the banking sector and the broader financial market lingers, it could take a toll on consumer sentiment in the coming weeks/months.
- The onset of fear in the financial markets has led to increased demand in the safety of treasury bonds. This has put downward pressure on bond yields, including the 10-year treasury yield, which mortgage rates follow. As a result of these factors, the average rate on a 30-year fixed mortgage dropped midway through March, after trending upward since the beginning of February. This downward trend could continue in the coming weeks as uncertainty persists, however, mortgage rates will likely remain volatile.
- As mortgage rates fall, it tends to induce activity in the housing market. There could be an influx of buyers who might have pushed pause when rates were trending up but are now looking to make moves as rates go down. While this could provide a boost heading into the spring market, overall sentiment for buyers remains quite low.



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.

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

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.