

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

MARCH 2023

Virginia Home Sales Report

March 2023

Key Takeaways

- There were **8,709** homes sold in Virginia in March, which is a 23.9% drop from last year, or 2,737 fewer sales.
- The median sales price in Virginia in March was **\$370,000**, inching down 1.3% from last March, a \$5,000 decrease. This is the first year-over-year dip in the statewide median sales price in seven years.
- There was approximately **\$4 billion** of sold volume in Virginia in March. This is about \$1.3 billion less sold volume than March of last year, a 24.8% drop.
- At the end of March, there were **15,108** active listings on the market across the commonwealth, which is 1,498 more listings than a year ago, an 11.0% increase.

March 2023 Housing Market Summary

	Mar-22	Mar-23	Change	% Change	YTD 2022	YTD 2023	Change	% Change
Sales	11,446	8,709	-2,737	-23.9%	11,446	8,709	-2,737	-23.9%
Median Sales Price (\$)	375,000	370,000	-5,000	-1.3%	355,000	365,000	10,000	2.8%
Sales Volume (\$ billions)	5.4	4.0	-1.3	-24.8%	12.3	9.4	-2.9	-23.9%
Average Days on Market	24	35	11	44.5%	28	37	9	31.7%
Pending Sales	11,473	8,537	-2,936	-25.6%	28,293	22,090	-6,203	-21.9%
New Listings	14,817	11,505	-3,312	-22.4%	34,103	27,995	-6,108	-17.9%
Active Listings (end of the month)	13,610	15,108	1,498	11.0%	13,610	15,108	1,498	11.0%
Months of Supply	1.1	1.5	0.5	43.7%	1.1	1.5	0.5	43.7%

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

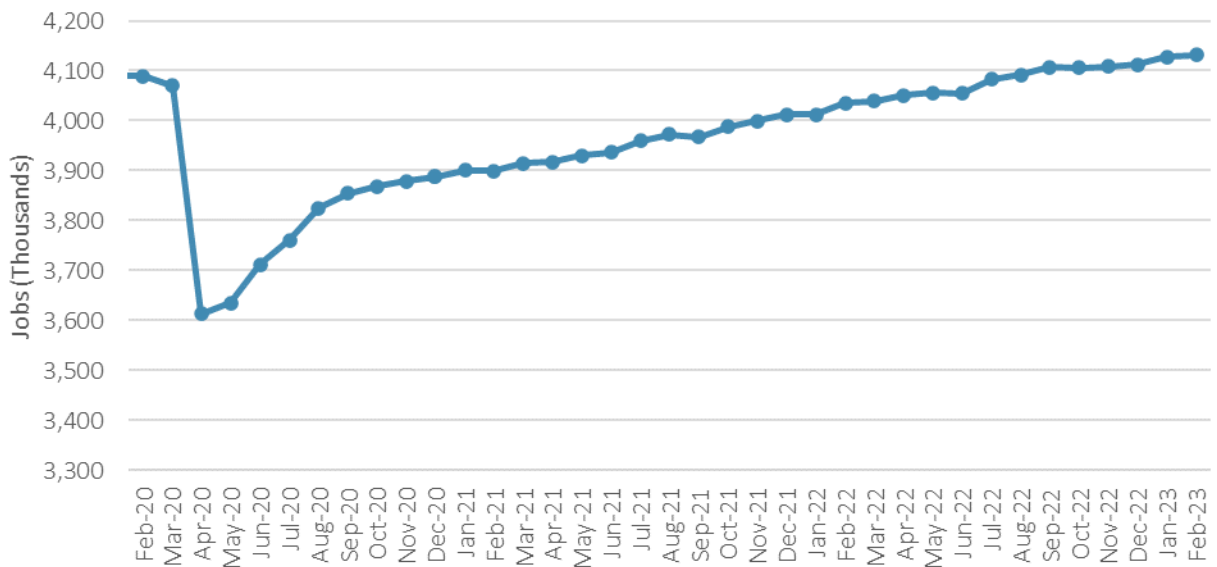
Economic Overview

The economy continues to see mixed signals. Inflation is trending down but remains much higher than the target rate. The job market has been resilient, but the growth has slowed in recent months. Consumer sentiment continues to be low, and spending has cooled. One bright spot has been mortgage rates, which have been trending down for five consecutive weeks.

Jobs

Virginia's job base continues to expand, but the pace has slowed from recent months. There were about 4.31 million jobs across the state in February 2023, which is an influx of 3,200 jobs from January 2023. Virginia has fully recovered the job losses incurred in the spring of 2020, and the job base has grown by approximately 41,600 jobs since pre-pandemic levels.

Figure 1. Total Jobs in Virginia (in thousands)



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

The largest influx of jobs this month occurred in the State Government sector, which had 6,200 more jobs in February compared to January. The Health Care and Social Services sector continues to expand, with about 2,200 more jobs added to Virginia's economy from the prior month. The largest decrease this month was in the Administrative and Waste Services sector (-2,600 jobs), and Leisure & Hospitality (-1,800 jobs).

Most of the additional jobs this month were in the Northern Virginia region (+1,700 jobs), and the Blacksburg MSA (+600 jobs). The Richmond region shed about 2,900 jobs between January and February of this year, and Hampton Roads had about 400 fewer jobs.

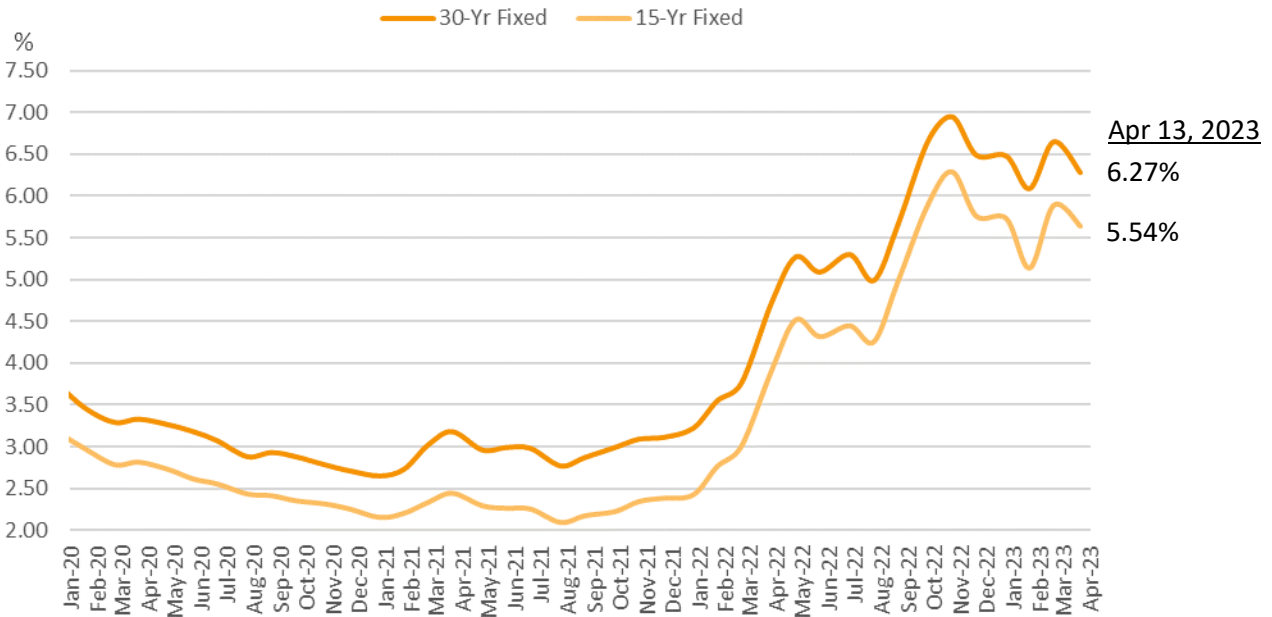
Unemployment

The unemployment rate in Virginia in February 2023 held steady at 3.2%, unchanged from the prior month. The national unemployment rate was 3.6% in February, up from 3.4% in January.

Mortgage Rates

Mortgage rates continue to edge downward. The average rate on a 30-year fixed mortgage in the second week of April was 6.27%, down from 6.6% at this time last month. The average mortgage rate has been trending down for five straight weeks as turbulence in the banking sector takes its toll on the market. The dip in rates is likely to entice some buyers off the sidelines as the spring market gears up.

Figure 2. Mortgage Rates



Source: Freddie Mac

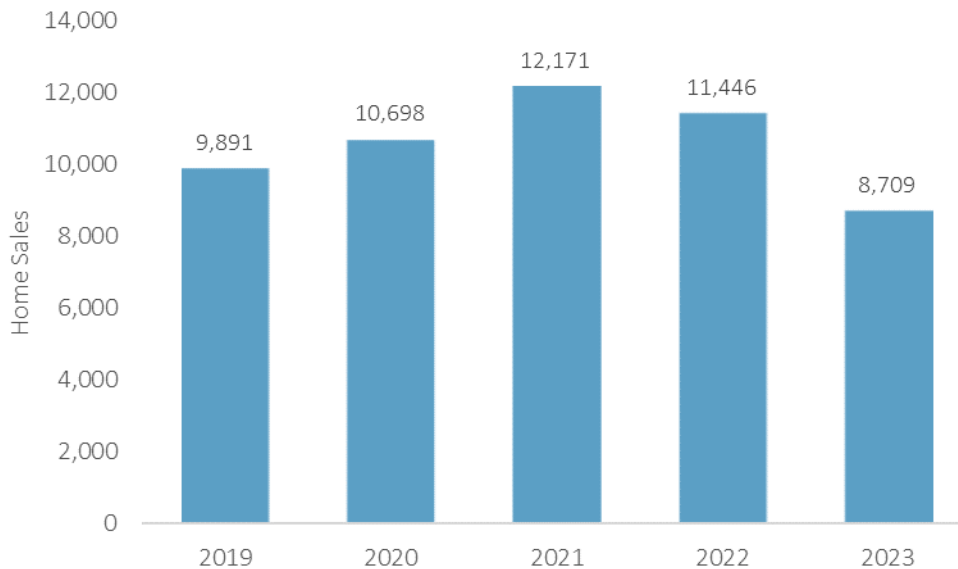
Housing Market Overview

The spring market is off to a slow start in Virginia. March sales activity fell sharply from last year and is back to 2016 levels, and new contracts in March are the lowest in more than a decade, signaling hesitation in the market. The median sales price statewide inched down from last March, and fewer new listings are coming on the market.

Sales

Sales activity continues to be much slower than last year in most parts of the commonwealth. There were 8,709 homes sold in Virginia in March 2023, which is 2,737 fewer sales than March 2022, a 23.9% decline. The last time March sales totals were below 9,000 statewide was back in 2016. Sales activity jumped up 33.9% between February and March 2023, but this is a typical seasonal spike as the spring market kicks into gear. At the region-level, the sharpest slowdown in sales activity so far in 2023 (January through March) has been in parts of South Central Virginia, Northern Virginia, the Williamsburg area, and the broader Hampton Roads region.

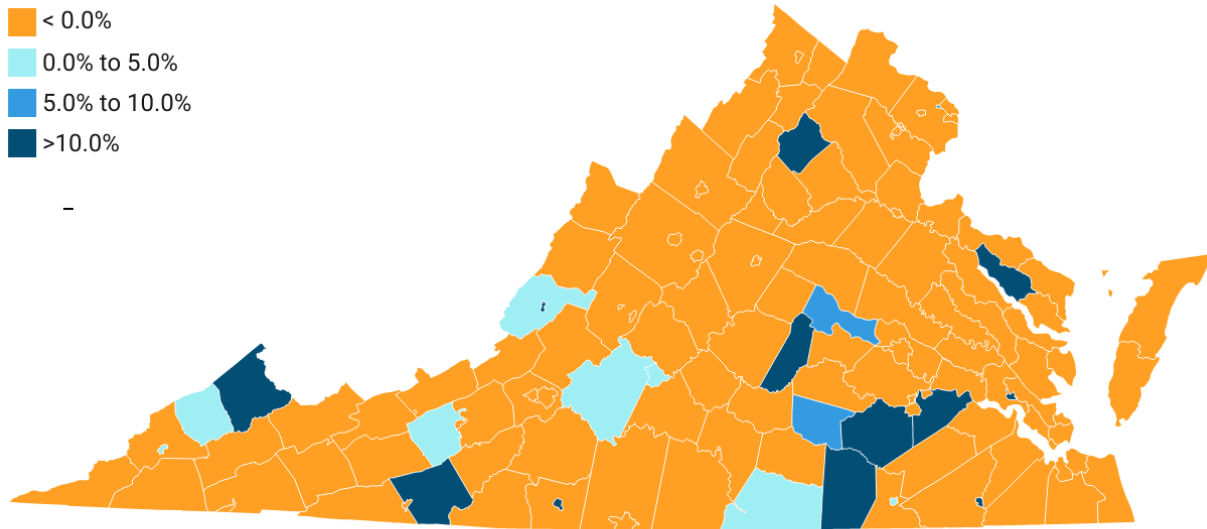
Figure 3. Virginia Home Sales, March



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

Figure 4. County/City Home Sales, March YTD

Change in Sales Price, 2022 to 2023



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

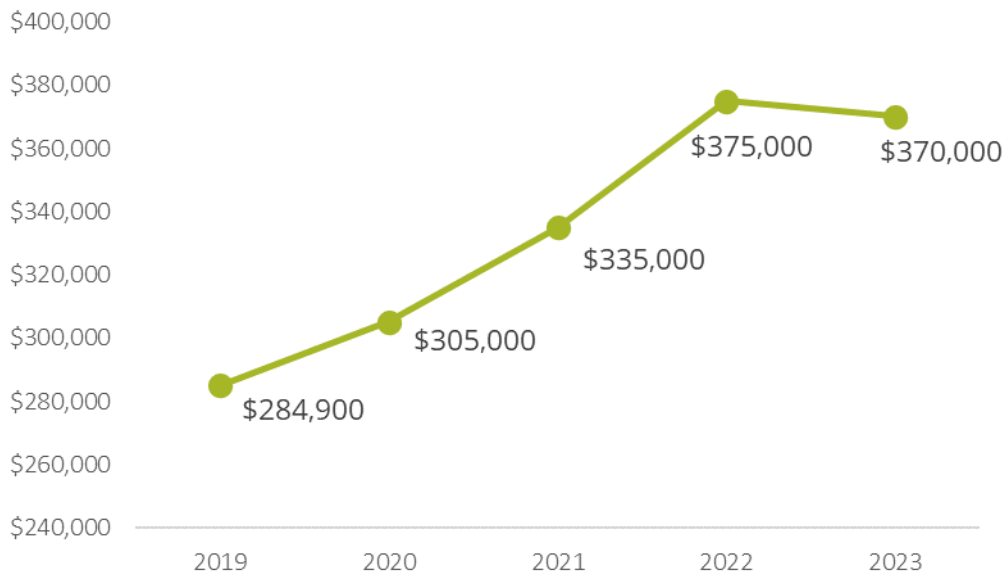
Home Prices

For the first time in seven years, the median sales price in Virginia edged downward from the previous year. In March, the statewide median sales price in Virginia was \$370,000, which inched down 1.3%, a \$5,000 drop. While prices fell from a year ago, the median price statewide is still \$35,000 higher than it was 2 years ago, in March 2021. The median price in Virginia peaked at over \$401,000 in the spring of 2022, so it is possible that the statewide median price will be below last year's level in the coming months as the market has cooled.

While the statewide median price moderated, most local markets around Virginia continue to experience price growth. About 64% of all counties and cities around the state had a higher median sales price in March compared to last year. The strongest price growth continues to be in areas of the Shenandoah Valley, the Lynchburg Region, the Greater Piedmont Region, and parts of South Central Virginia.

After six months of sellers getting less than their asking price on average, the statewide average sold to list price ratio inched up above 100% in March (100.2%), meaning sellers are getting slightly above their asking price on average around Virginia. The higher end of the market continues to command higher pricing on average. Homes that closed at over \$800,000 had an average sold to list price ratio of 101.1% in March. Homes that sold between \$200,001 and \$400,000 went for 100.6% of asking price on average. The only price band where sellers got less than their asking price on average was homes that closed at \$200,000 or less, the average sold-to-list price ratio for this end of the market was 97.8% in March 2023.

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



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

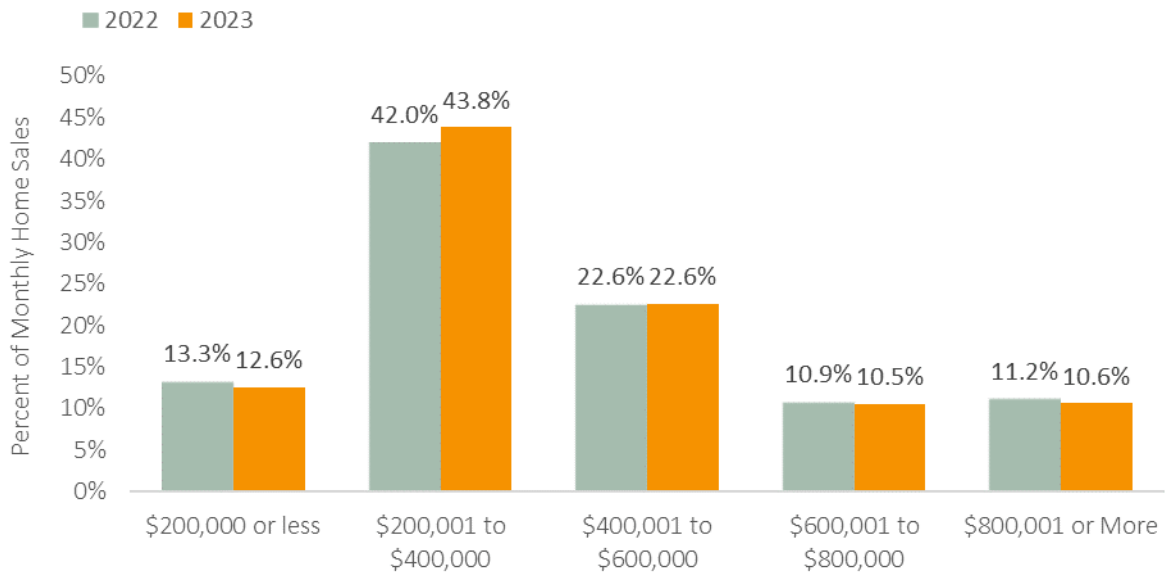
Figure 6. Average Sold-to-List Price Ratio, March 2023

Price Range	Ratio
\$200,000 or less	97.8%
\$200,001 to \$400,000	100.4%
\$400,001 to \$600,000	100.6%
\$600,001 to \$800,000	100.6%
\$800,001 or More	101.1%
All price levels	100.2%

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

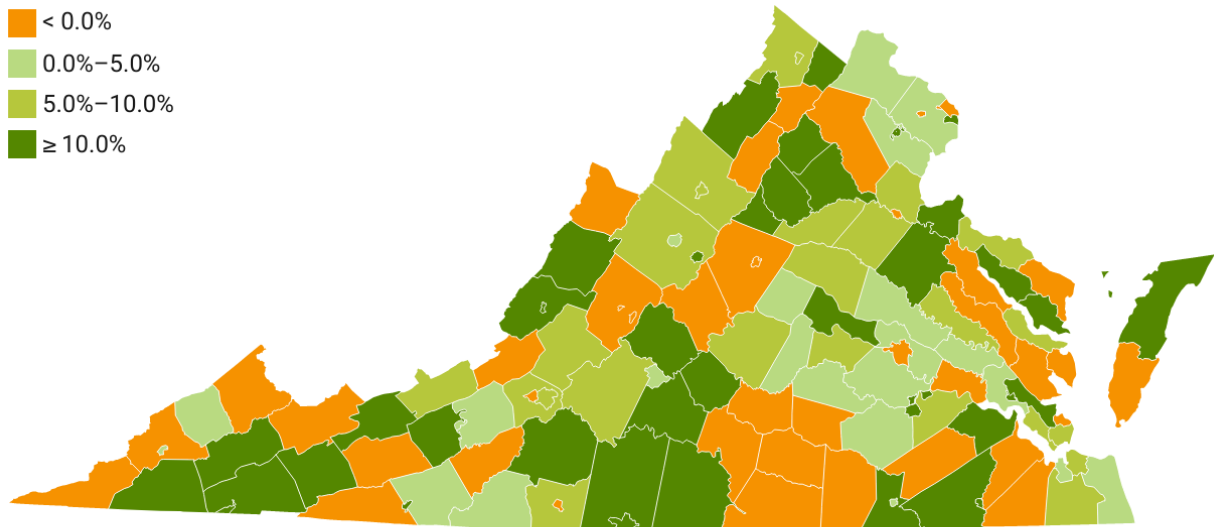
The largest market price segment in Virginia continues to be the \$200,001 to \$400,000 range, accounting for 43.8% of all sales in March 2023. About 22.6% of homes that sold in March were in the \$400,001 to \$600,000 price range. About 10.5% of all sales in March statewide were priced between \$600,001 and \$800,000, and homes above \$800,000 accounted for 10.6% of all sales in March. The only price band to have a higher proportion of sales this March compared to last March was the \$200,001 to \$400,000 range.

Figure 7. Sales by Price Range, March



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

**Figure 8. County/City Median Home Sales Price, March YTD
Change in Median Sales Price, 2022 to 2023**

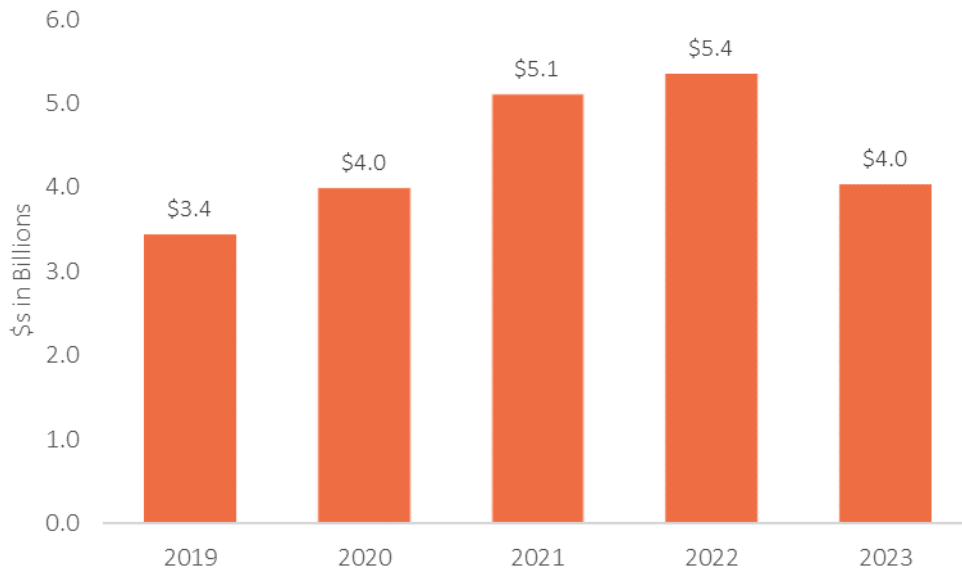


Source: Virginia REALTORS®, data accessed April 15, 2023

Sold Volume

The sold dollar volume level in Virginia continues to be well below last year’s level but remains above 2019 levels. There was approximately \$4.0 billion of sold volume across Virginia in March. This is about \$1.4 billion less volume than March of 2022, a 24.8% decline. The slowdown in sales activity is pushing down the sold dollar volume levels in most markets around Virginia, a trend that has been consistent for much of the past year.

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

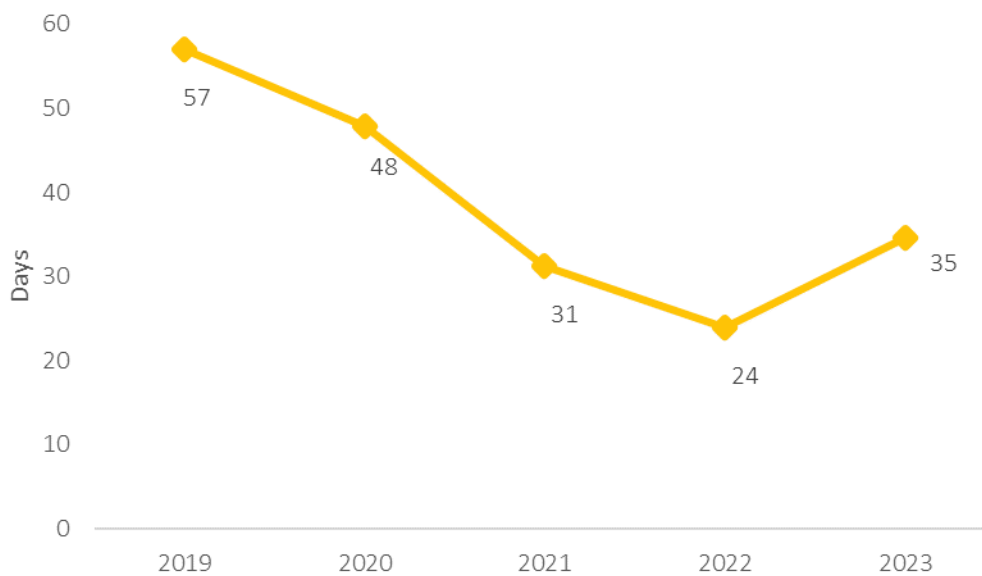


Source: Virginia REALTORS®, data accessed April 15, 2023

Days on Market

Homes are staying on the market longer, on average, in Virginia. The statewide average days on market in March was 35 days, which is 11 days longer than a year ago. As the market has cooled, it's been taking longer to sell homes, on average, for the last eight months. Even though it's taking longer, the average days on market is still well below where it was pre-2020. Homes are still selling relatively fast in many markets around Virginia.

Figure 10. Average Days on Market, March

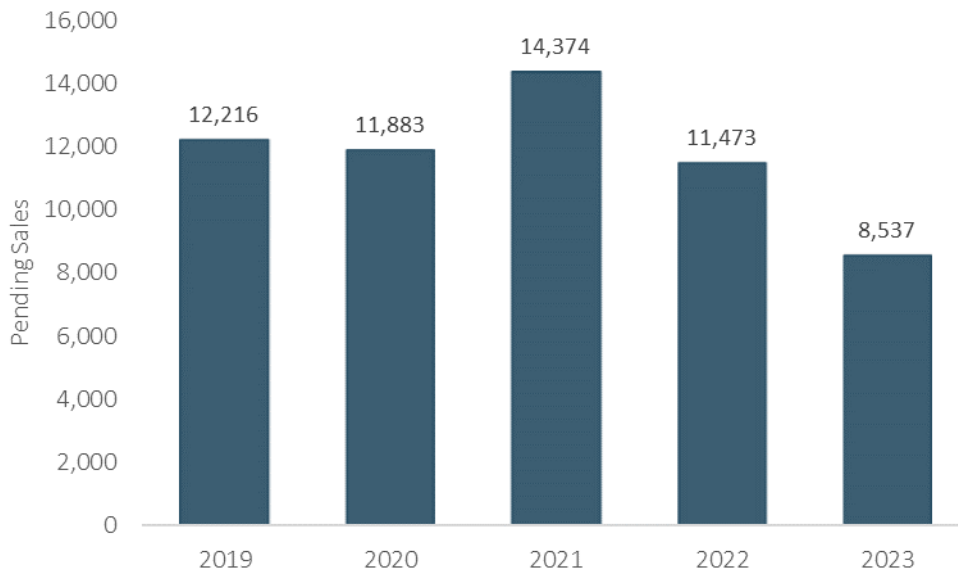


Source: Virginia REALTORS®, data accessed April 15, 2023

Pending Sales

Pending sales, or homes that went under contract in the month, can provide a preview of future home sales activity. There were 8,537 pending sales in March throughout Virginia. This is 2,936 fewer pending sales than March of last year, a 25.6% drop in new contracts. There was a 25.4% jump in pending sales between February and March 2023, which is a typical seasonal fluctuation.

Figure 11. Pending Sales, March



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

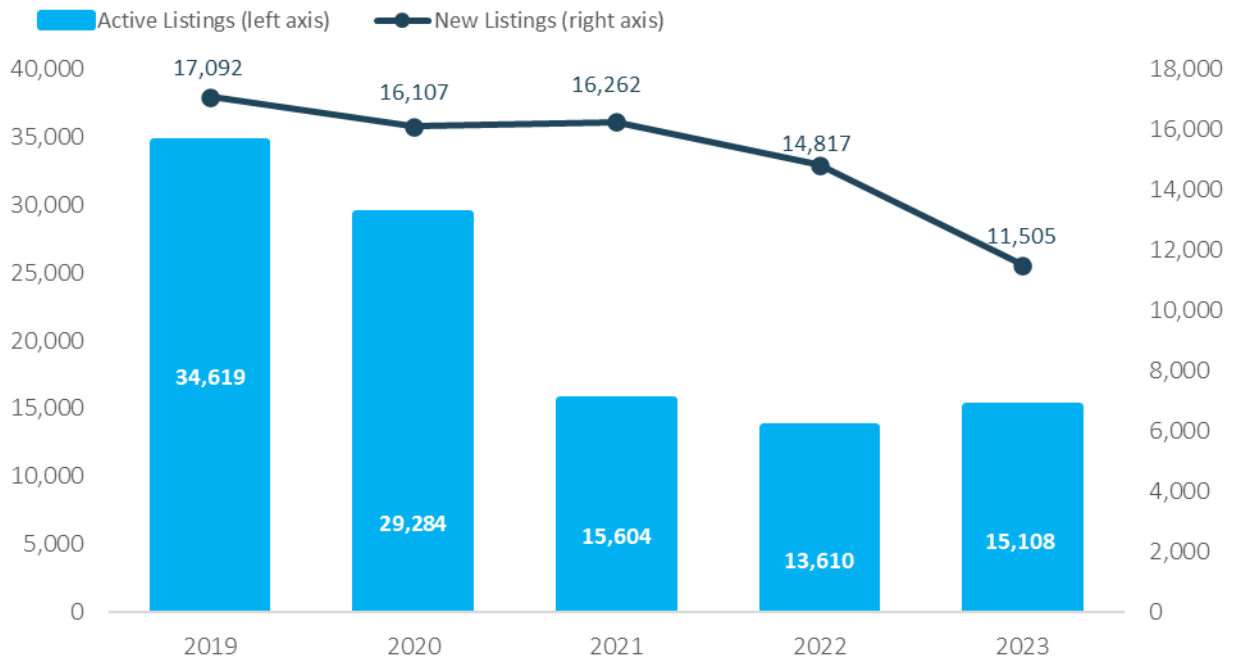
New Listings

There were 11,505 new listings that came on the market in March 2023 statewide. This is 3,312 fewer new listings than last year, a 22.4% drop. Fewer sellers have been listing their homes as inventory conditions are tight and interest rates are higher than when many homeowners locked in their current mortgages.

Active Listings

While fewer new listings are coming in the market, the inventory of active listings is building up in local markets across Virginia. Overall, there were 15,108 active listings on the market statewide at the end of March, 1,498 more listings than there were at the end of March last year, representing an 11% increase. As homes are staying on the market longer, the inventory builds up over time. However, even with the recent increase in active listings, overall supply levels remain tight, and the number of active listings is about half the level it was in March three years ago.

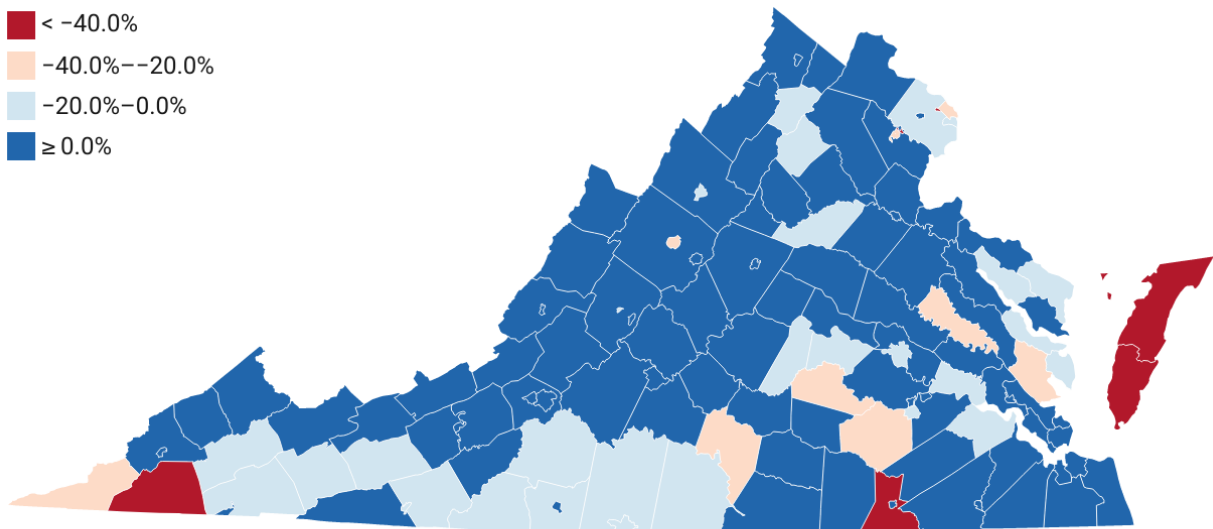
Figure 12. Inventory, March



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

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

Change in Month-End Inventory, 2022 to 2023

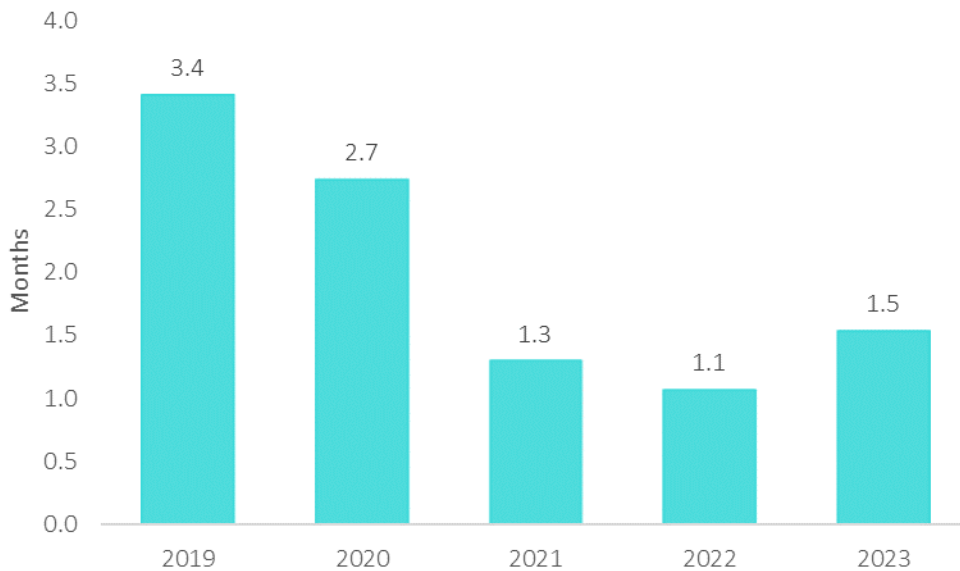


Created with Datawrapper

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

The number of active listings on the market is growing in most places around the state. About 60% of counties and cities in Virginia had more active listings at the end of March than they did a year ago. The largest inventory growth continues to be in the New River Valley, parts of the Charlottesville region, and Hampton Roads. There was approximately 1.5 months of supply in Virginia's housing market in March 2023, up from 1.1 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, March



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

Outlook

The spring market is underway, but mixed signals in the data point to a slower spring that is still competitive for buyers who are active in the market. Here are three things to keep an eye on in Virginia's housing market in the coming months:

- Closed sales and new contract activity are being constrained by the low inventory environment and higher mortgage rates which are keeping many would-be buyers and sellers on the sidelines. This trend is likely to continue in the coming months as there has not been a surge of new listings above what is a typical seasonal change, and mortgage rates, while lower than a month ago, remain nearly double the level they were last year which has reduced the purchasing power of buyers.
- The statewide median home price dipped for the first time in years this month, but the reality is that prices are still climbing in most local markets around Virginia. Price growth was very strong in the spring of 2022, so additional year-over-year dips in the statewide median sales price are likely to happen as the 2023 spring market unfolds.

Even with downward pressure on price levels, the tight inventory is likely to keep prices insulated and any decreases will likely be modest in most local markets.

- Even as sales activity has slowed, the low supply is keeping the market competitive for buyers. The average sold-to-list price ratio climbed above 100% again this month after falling below 100% for the previous six months. Overall, homes are staying on the market longer, on average, but well-priced homes are still selling relatively quickly as pent-up demand remains a factor in markets all over Virginia. These conditions are likely to remain in play for the remainder of the spring market.



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.