



RESEARCH STATISTICS

Virginia

HOME SALES REPORT

APRIL 2023

Virginia Home Sales Report

April 2023

Key Takeaways

- There were **8,252** homes sold in Virginia in April, which is a 31.2% drop from last year, or 3,739 fewer sales. This is the slowest April market the state has had in more than a decade.
- Following a modest dip last month, the statewide median price was relatively flat this month. The median sales price in Virginia in April was **\$391,000**, inching up \$1,000 from last year (+0.3%).
- There was approximately **\$4 billion** of sold volume in Virginia in April, approximately \$1.8 billion less sold volume than a year ago, a 30.6% decrease.
- At the end of April, there were **15,142** active listings on the market across Virginia. This is 345 fewer listings than this time last year, a 2.2% decline.

April 2023 Housing Market Summary

	Apr-22	Apr-23	Change	% Change	YTD 2022	YTD 2023	Change	% Change
Sales	11,991	8,252	-3,739	-31.2%	39,660	29,075	-10,585	-26.7%
Median Sales Price (\$)	390,000	391,000	1,000	0.3%	365,000	374,900	9,900	2.7%
Sales Volume (\$ billions)	5.8	4.0	-1.8	-30.6%	18.1	13.4	-4.7	-26.0%
Average Days on Market	19	29	9	48.5%	25	35	9	36.4%
Pending Sales	11,688	9,109	-2,579	-22.1%	39,981	31,199	-8,782	-22.0%
New Listings	15,632	11,174	-4,458	-28.5%	49,735	39,169	-10,566	-21.2%
Active Listings (end of the month)	15,487	15,142	-345	-2.2%	15,487	15,142	-345	-2.2%
Months of Supply	1.2	1.6	0.4	29.5%	1.2	1.6	0.4	29.5%

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

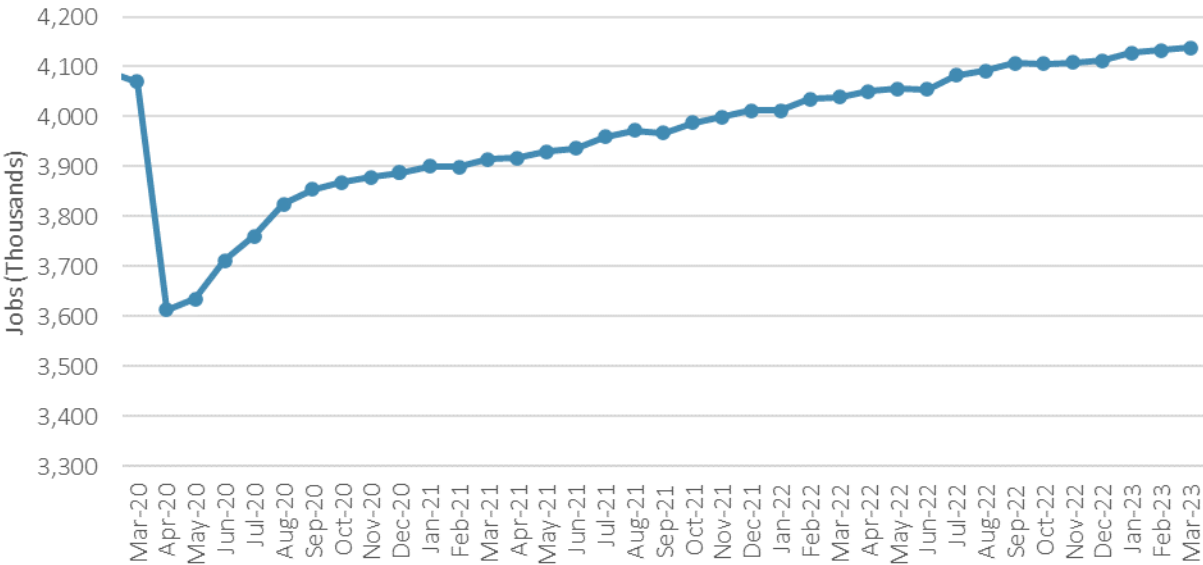
Economic Overview

Data suggests the economy is slowing down, but the job market in many sectors continues to be a bright spot. Inflation continues to march downward which is good news, but it will take some time for inflation to fall to target levels. Uncertainty is gripping some parts of the lending sector, and mortgage rates have been somewhat volatile over the past month.

Jobs

Virginia’s resilient job market continues to grow. There were approximately 4.14 million jobs across the commonwealth in March 2023, this is 5,300 more jobs than the revised February 2023 total. Virginia’s job base is now about 48,800 jobs larger than it was prior to the pandemic. Relative to other states around the country, Virginia is in the middle of the pack in terms of job growth over the last few years, growing faster than our neighbors to the north and west (MD, DC, WV), but slower than our neighbors to the south (NC, TN).

Figure 1. Total Jobs in Virginia (in thousands)



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

The jobs sectors with the largest growth between February and March were Administrative & Waste Services (+2,200 jobs), Health Care & Social Assistance (+1,600 jobs), and Leisure & Hospitality Services (+1,100 jobs). The retail trade sector shed 1,500 jobs, and there were 1,400 fewer construction jobs in Virginia in March compared to February.

Northern Virginia had 5,200 more jobs in March compared to February, and there were 3,300 more jobs in the Richmond region. After shedding jobs for several months, the Hampton Roads region had an influx of 2,700 jobs in March compared to February. Both Lynchburg and Harrisonburg shed 300 jobs each, and Blacksburg had 100 fewer jobs.

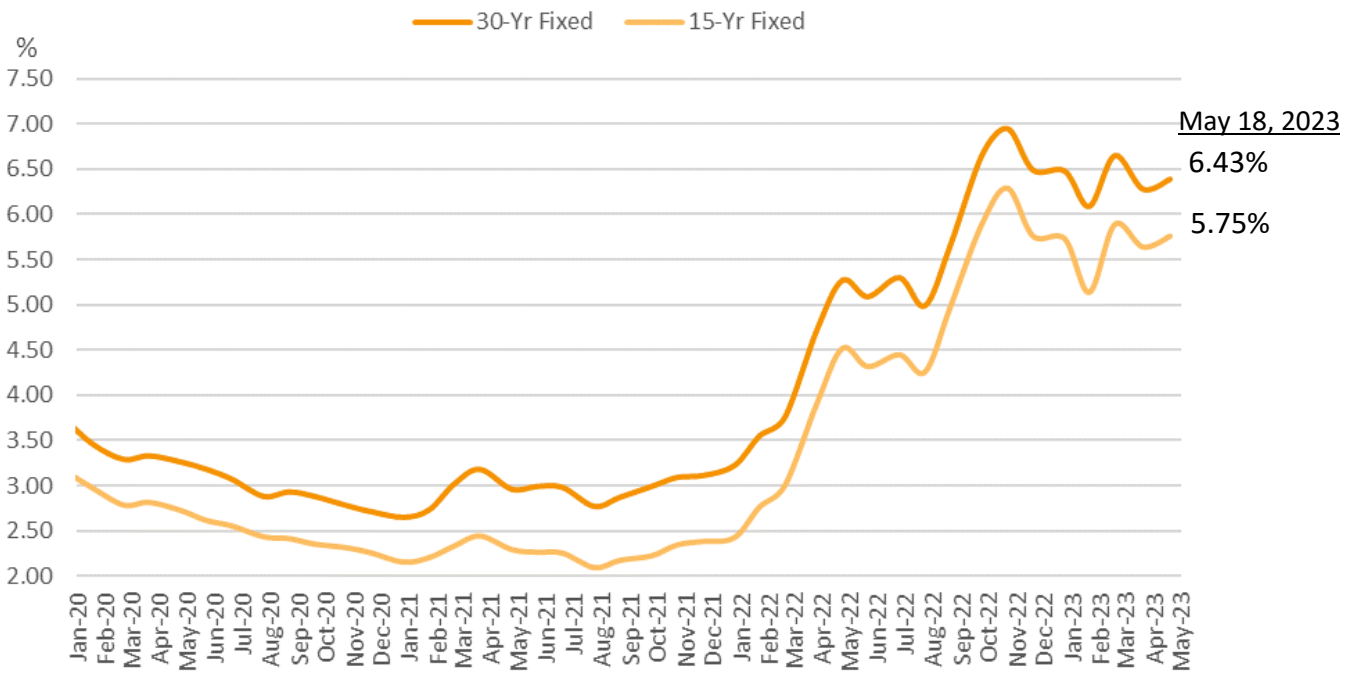
Unemployment

Virginia’s unemployment rate remained flat at 3.2% for the third straight month, while the national unemployment rate inched down to 3.5% in March. Unemployment continues to be historically low amid the tight labor market conditions.

Mortgage Rates

Mortgage rates have been bumpy over the past month. The average rate on a 30-year fixed mortgage in the third week of May was 6.39%. This is up from 6.35% the prior week, but down from 6.43% at the end of April. It is likely rates will continue to jump around, but the longer-term trend is anticipated to be downward.

Figure 2. Mortgage Rates



Source: Freddie Mac

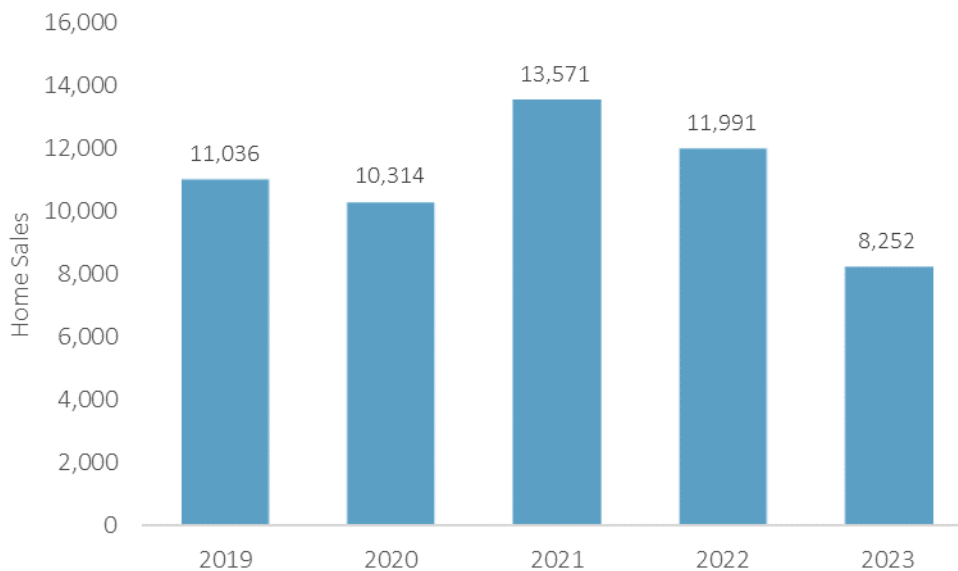
Housing Market Overview

The spring market continues to be relatively sluggish in Virginia. April sales levels are way down compared to previous years, as are pending sales. Many homeowners are locked into low interest rates from the refinance boom of 2020 and 2021 and have little incentive to list their homes and move into a different home with a much higher interest rate. This is keeping the already tight inventory conditions even tighter. With supply constrained, the statewide median sales price held firm in April even as the market has slowed, as the pipeline of buyers continues to be large.

Sales

It's been a slow spring market so far in most parts of Virginia. Statewide, there were 8,252 homes sold in April 2023. This is about one-third fewer homes than last April (-31.2%), or 3,739 fewer sales. This is the slowest April market the state has had in more than a decade as higher interest rates and low inventory continue to dampen buyer and seller activity. Another signal that this spring is not a typical spring market is that sales activity declined between March and April. There is usually a bump in sales activity between March and April. The only other time this has happened in the last decade was in 2020 at the onset of the pandemic. From a regional perspective, the sharpest slowdown in April was in Southwest Virginia, parts of the Shenandoah Valley, the Fredericksburg region, and Northern Virginia.

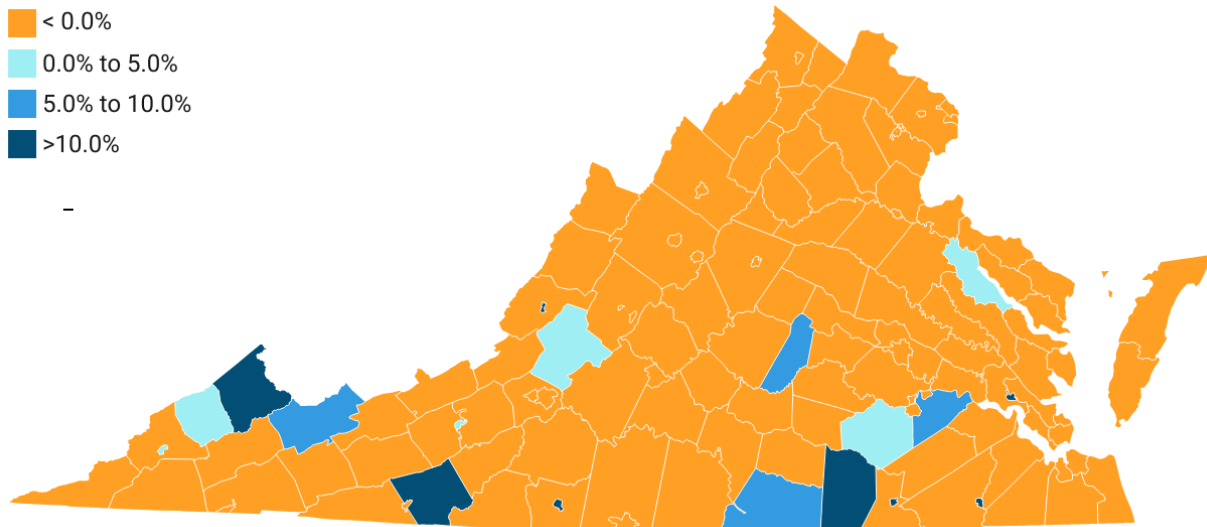
Figure 3. Virginia Home Sales, April



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

Figure 4. County/City Home Sales, April YTD

Change in Sales Price, 2022 to 2023



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

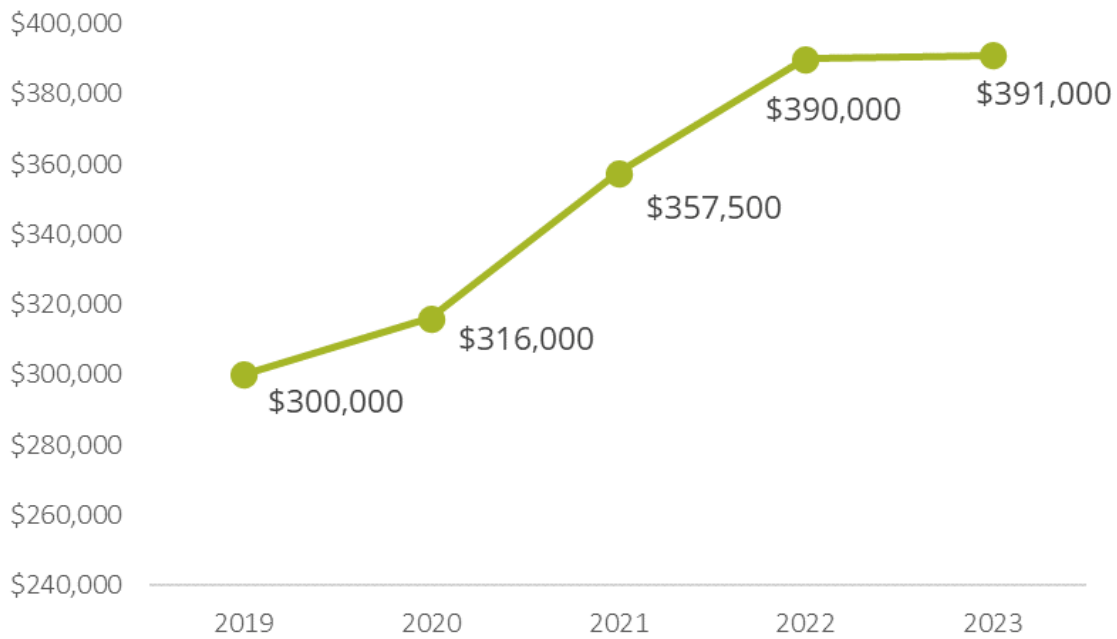
Home Prices

The statewide median sales price remained flat this month after a modest drop last month. The median sales price in Virginia in April 2023 was \$391,000, inching up \$1,000 from last year, an increase of less than 1%. The tight inventory of homes available continues to insulate price levels even as sales activity has cooled.

A little more than half of the counties and cities in Virginia had a higher median sales price in April compared to last year (54%), and a bit less than half had a price drop this month (-46%). The regions with the largest price gains this month were areas of the Shenandoah Valley, the New River Valley, and parts of the Williamsburg market. The sharpest price declines were in South Central Virginia, the Bristol region, and portions of the Eastern Shore market.

Despite fewer sales overall, sellers received slightly higher than their asking price on average statewide in April, which reflects a competitive market for buyers as inventory conditions remain tight. The average sold-to-list price ratio in April 2023 across Virginia was 100.9%. Homes that sold above \$800,000 had an average sold-to-list price ratio of 102.2%, the highest of all price segments. Homes that sold between \$600,001 and \$800,000 went for 1.5% above asking price on average. Homes that sold below \$200,000 had an average sold-to-list price ratio of 98.2%, the only price segment below 100%.

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



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

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

Price Range	Ratio
\$200,000 or less	98.2%
\$200,001 to \$400,000	100.9%
\$400,001 to \$600,000	101.3%
\$600,001 to \$800,000	101.5%
\$800,001 or more	102.2%
All price levels	100.9%

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

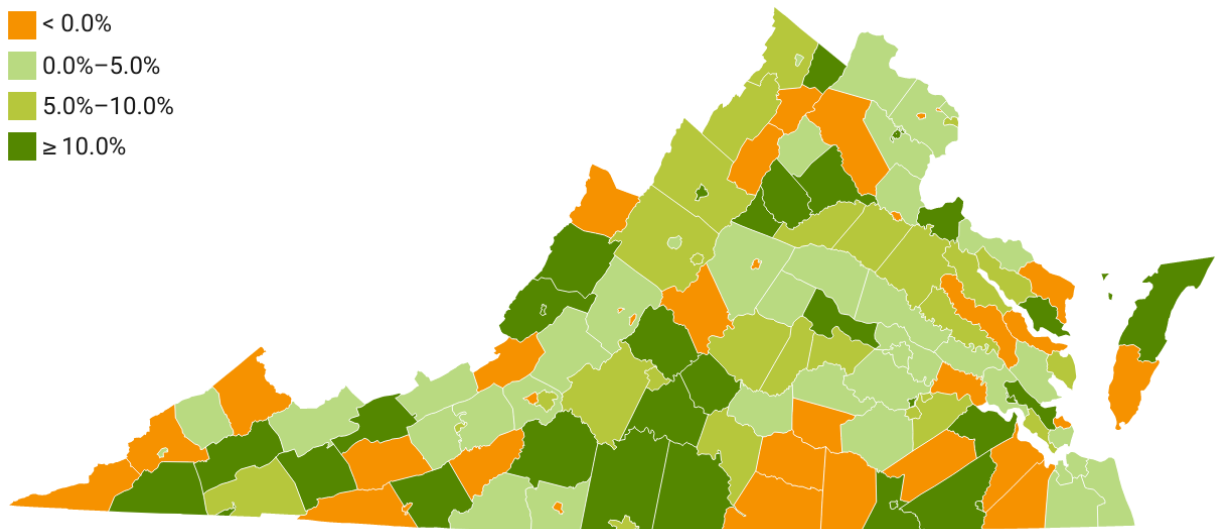
About four out of every ten homes sold in April in Virginia went for \$200,001 and \$400,000 (40.3%), up slightly from last April. Homes priced between \$400,001 and \$600,000 accounted for about a quarter of all sales statewide (24.1%). About 12.3% of homes that sold in April were priced above \$800,000, while 11.5% were priced below \$200,001.

Figure 7. Sales by Price Range, April



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

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

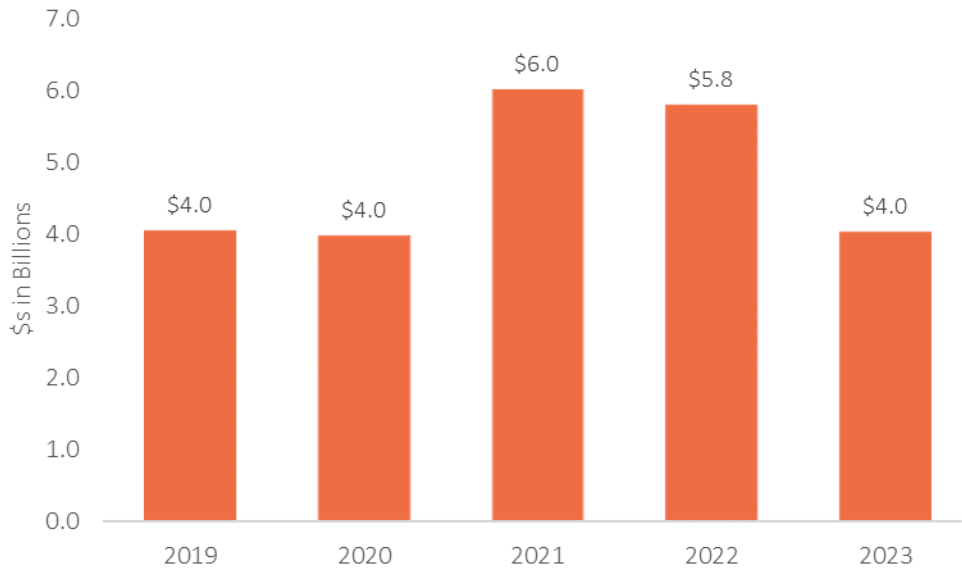


Source: Virginia REALTORS®, data accessed May 15, 2023

Sold Volume

Even with relatively stable home prices, the slowdown in sales activity continues to bring down the sold dollar volume in Virginia’s housing market. There was about \$4.0 billion of sold volume throughout the commonwealth in April, a drop of approximately \$1.8 billion from April of last year. This represents a 30.6% decrease in total sold dollar volume. The sold volume in Virginia has declined for 11 consecutive months compared to the prior year.

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

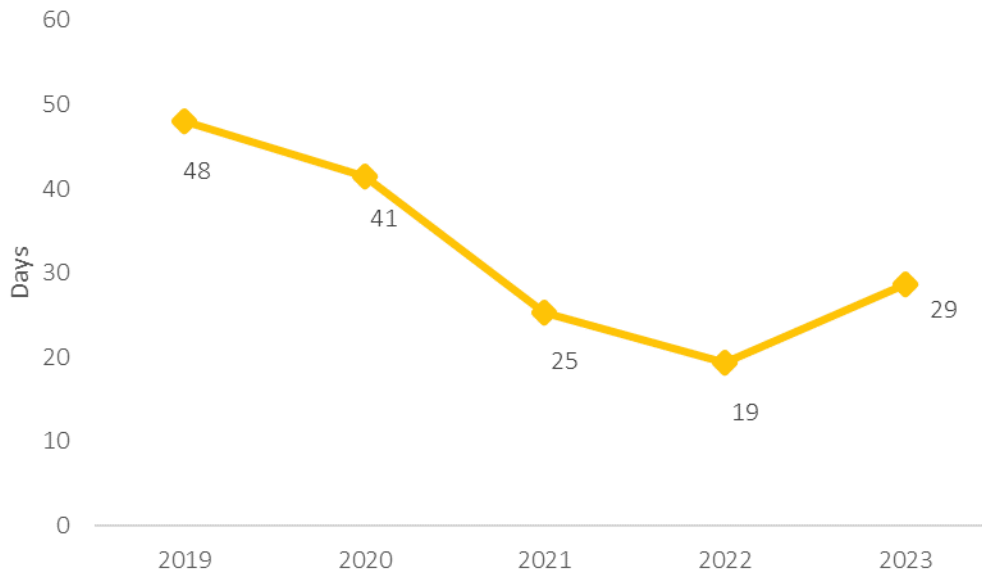


Source: Virginia REALTORS®, data accessed May 15, 2023

Days on Market

Homes that sold in April in Virginia were on the market about a month on average (29 days). This is 10 days faster than April last year. Homes have been staying on the market longer for much of the past year as the market has cooled. Compared to historical trends however, homes are still selling relatively quickly in many regional and local markets around Virginia.

Figure 10. Average Days on Market, April

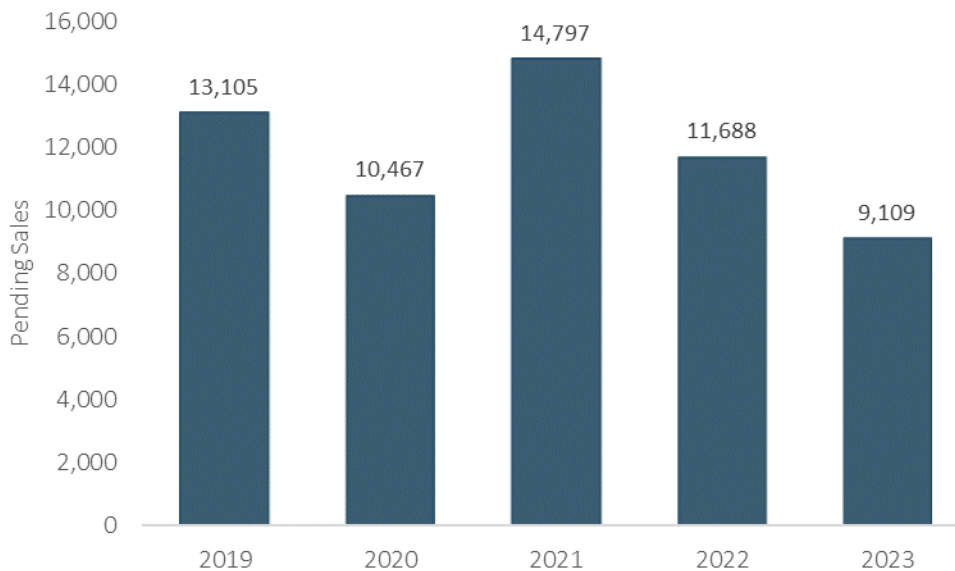


Source: Virginia REALTORS®, data accessed May 15, 2023

Pending Sales

Pending sales, or homes that went under contract in the month, can provide a preview of future home sales activity. There were 9,109 pending sales in April across Virginia. This is a 22.1% reduction from April of last year, or 2,579 fewer new contracts. There was a 6.7% increase in pending sales between March and April 2023, which is a typical seasonal change.

Figure 11. Pending Sales, April



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

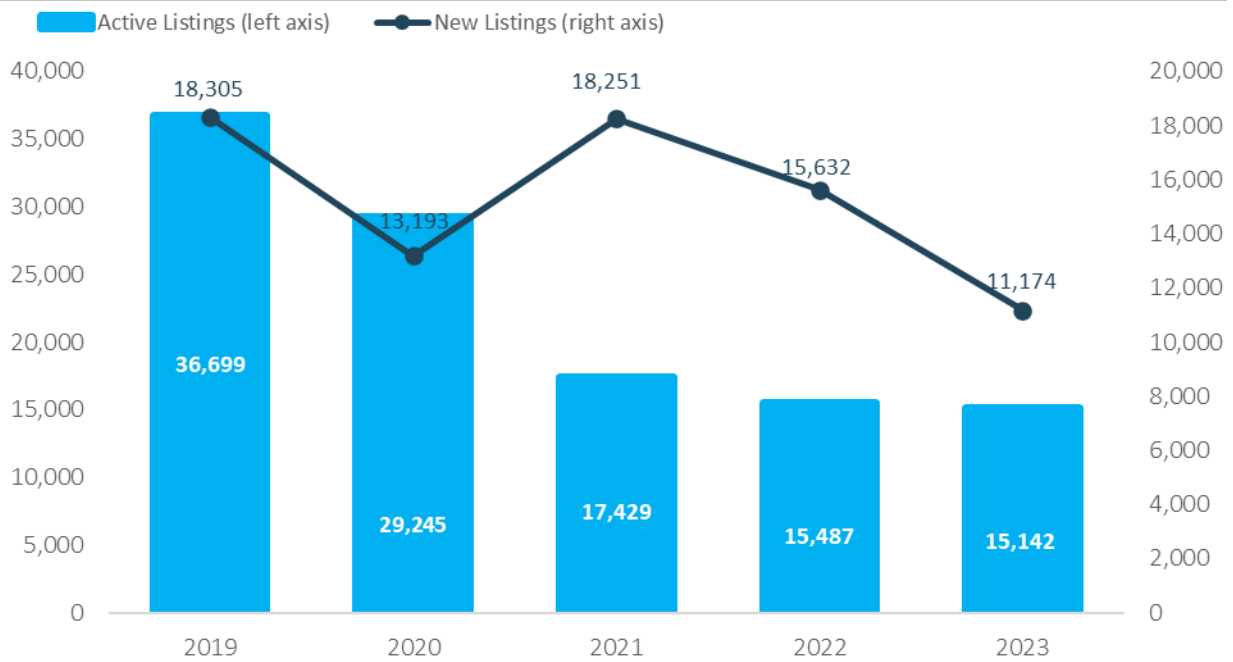
New Listings

Fewer sellers are listing their homes in housing markets across Virginia. There were 11,174 new listings added to the market in April statewide, which is 4,458 fewer new listings than a year ago, a 28.5% reduction. The number of new listings in Virginia declined 2.9% between March and April, which is an unusual drop. Typically, new listings increase between March and April as the spring market ramps up. The decrease this month reflects the hesitation of many sellers amid lack of inventory and higher interest rates.

Active Listings

The number of homes on the market in Virginia dipped this month compared to a year ago. There were 15,142 active listings statewide at the end of April, 345 fewer listings than last year, a 2.2% decrease. This is the first drop in active listings since September 2022.

Figure 12. Inventory, April

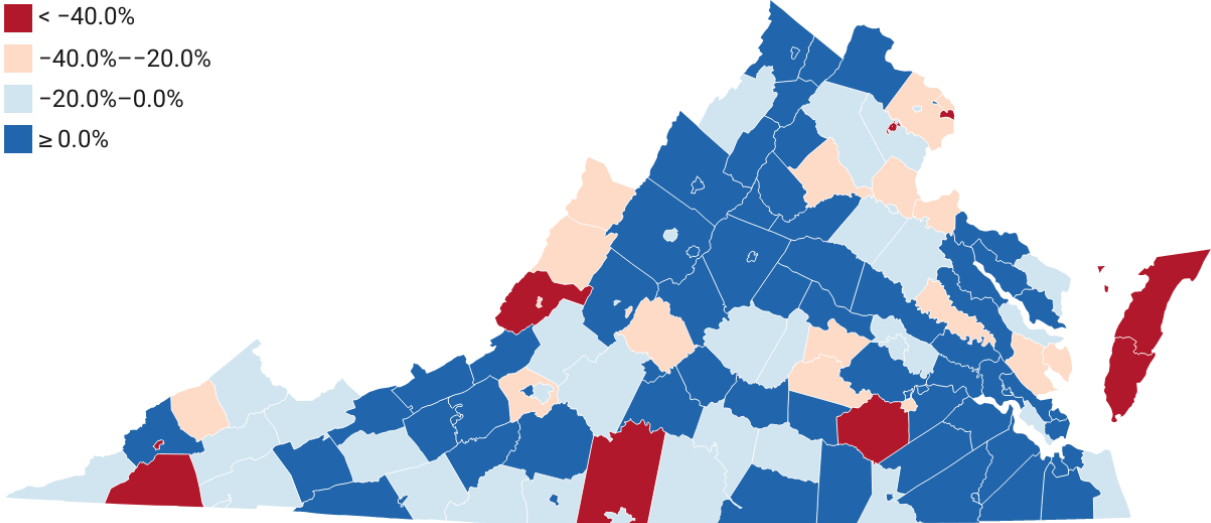


Source: Virginia REALTORS®, data accessed May 15, 2023

Note: Active listings at the end of the month

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

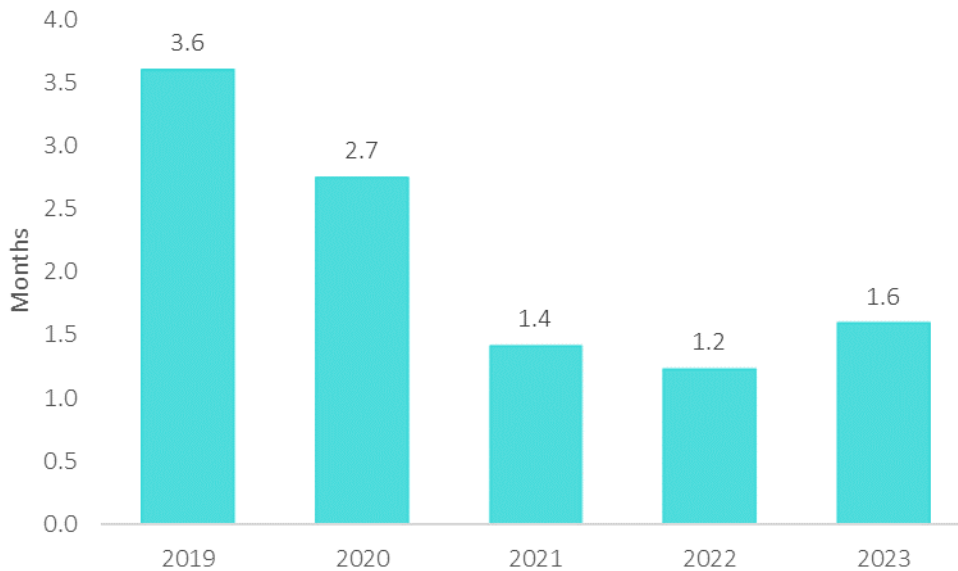
Change in Month End Inventory, 2022 to 2023



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

A little less than half of counties and cities around Virginia had fewer active listings at the end of April compared to last year (-47%). This is a departure from recent months when most local markets around the state were experiencing supply growth. Active listings declined the most in the Eastern Shore market, Northern Virginia, and parts of the Chesapeake Bay & Rivers region. There was approximately 1.6 months of supply in Virginia’s housing market in April 2023, up from 1.2 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, April



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

Outlook

The spring market has been relatively sluggish so far as sales activity is down and fewer sellers are entering the market. How is the rest of the spring market shaping up, and what is on the horizon for the summer market? Here are three things to keep an eye on in Virginia’s housing market in the coming months:

- Many would-be sellers are not listing their homes as evidenced by fewer new listings and a dip in active inventory this month. The primary factors influencing this are the lock-in effect, many homeowners refinanced when rates were ultra-low and have little incentive to lose that interest rate to buy a different home. In addition, would-be sellers, just like buyers, are facing tight inventory conditions, with little to choose from to move into after selling their home. These factors are likely to linger in the market in the coming months, which will keep supply constrained.
- Even though sales activity has cooled and interest rates doubled over the past year or so, many housing markets around Virginia remain competitive. This is being driven by the pent-up demand in the market coupled with the lack of inventory. The average sold-to-list price ratio is back above 100% for the second month in a row, and many sellers are likely getting multiple offers if their homes are priced competitively. These trends are likely to continue because the demand side of the market is robust.
- The low supply continues to insulate home prices in about half of the counties and cities in Virginia. The median sold price held steady statewide, even though we had the slowest April market in more than a decade. These price trends will likely continue into the summer, which will impact the prospects for buyers who are still active in the 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.