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**High Mortgage Rates Keep Home Buyers and Sellers on the Sidelines**

*Virginia saw a constrained market in October as mortgage rates soared to a two-decade high*

Richmond, VA – (November 21, 2023) – According to the [October 2023 Virginia Home Sales Report](https://virginiarealtors.org/research/reports/home-sales-reports/october-2023-home-sales-report/) released by Virginia REALTORS®, there were 7,764 homes sold in Virginia in October. This is 12.1% fewer sales than last October, a drop of 1,064 sales. The 2023 housing market in Virginia continues to be the slowest in more than a decade as rising mortgage rates and tight supply are keeping both buyers and sellers from participating.

In October, mortgage rates climbed to the highest level since 2000. While these rates have trended downward over the past few weeks, September and October’s rates had a major impact on the housing market. There was about $3.7 billion of sold volume in Virginia last month. This is about $300 million less volume than a year ago, representing a 7.6% decrease.

There were 18,845 active listings on the market statewide at the end of October. This is 678 fewer listings than there were at this time last year, reflecting a 3.5% dip. “While our inventory remains low, the pace of decline has moderated,” says Virginia REALTORS® Chief Economist Ryan Price. “This could indicate that we are finally nearing the trough.”

Buyer demand for the commonwealth’s low inventory of homes continues to keep upward pressure on prices. The statewide median sales price jumped up $25,000 from October of last year to $390,000. This is a 6.8% median price gain, the second strongest price jump this year.

While some sellers are hesitant to list their home in the current interest rate environment, those who do are still, on average, receiving slightly above their asking prices. “Houses aren’t staying on the market long in Virginia,” says Katrina M. Smith, Virginia REALTORS® 2023 President. “The median days on market statewide in October was 11 days, down from 13 a year ago. The market conditions remain competitive for buyers, even as fewer sales are occurring, due to the low inventories.”

Slow and competitive continues to be the theme of 2023 and it looks like this trend will likely be with us heading into 2024. Transaction volume remains at a decade low while prices continue to climb and homes continue to sell quickly.

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

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