



RESEARCH STATISTICS

Virginia

HOME SALES REPORT

FEBRUARY 2024

Virginia Home Sales Report

February 2024

Key Takeaways

- Sales activity picked up slightly from last year in February. There were 6,733 homes sold statewide this month, 228 more than a year ago, a 3.5% uptick.
- Upward pressure on home prices continues to be a factor in Virginia. The statewide median sales price climbed to \$384,576 in February. Up more than \$14,500 from this time last year, a 3.9% price gain.
- There was about \$3.2 billion of sold volume throughout the commonwealth in February, which is approximately \$319 million more volume than last year, an 11% jump.
- There were 16,004 homes on the market at the end of February. This is 1,446 more active listings than a year ago, a 9.9% increase. There was also a large jump in new listings this month compared to last February. About 1,400 more new listings came onto the market last month compared to last February, a 16.7% influx.

February 2024 Housing Market Summary

	Feb-23	Feb-24	Change	% Change		YTD 2023	YTD 2024	Change	% Change
Sales	6,505	6,733	228	3.5%		12,114	12,373	259	2.1%
Median Sales Price (\$)	370,000	384,576	14,576	3.9%		360,000	378,950	18,950	5.3%
Sales Volume (\$ billions)	2.91	3.23	0.32	11.0%		5.32	5.81	0.49	9.1%
Median Days on Market	16	15	-1	-6.3%		19	19	0	0.0%
Pending Sales	6,810	7,356	546	8.0%		13,553	13,763	210	1.5%
New Listings	8,334	9,729	1,395	16.7%		16,490	17,763	1,273	7.7%
Active Listings (end of the month)	14,558	16,004	1,446	9.9%		14,558	16,004	1,446	9.9%
Months of Supply	1.4	1.9	0.4	30.3%		1.4	1.9	0.4	30.3%

Source: Virginia REALTORS®, data accessed March 15, 2024

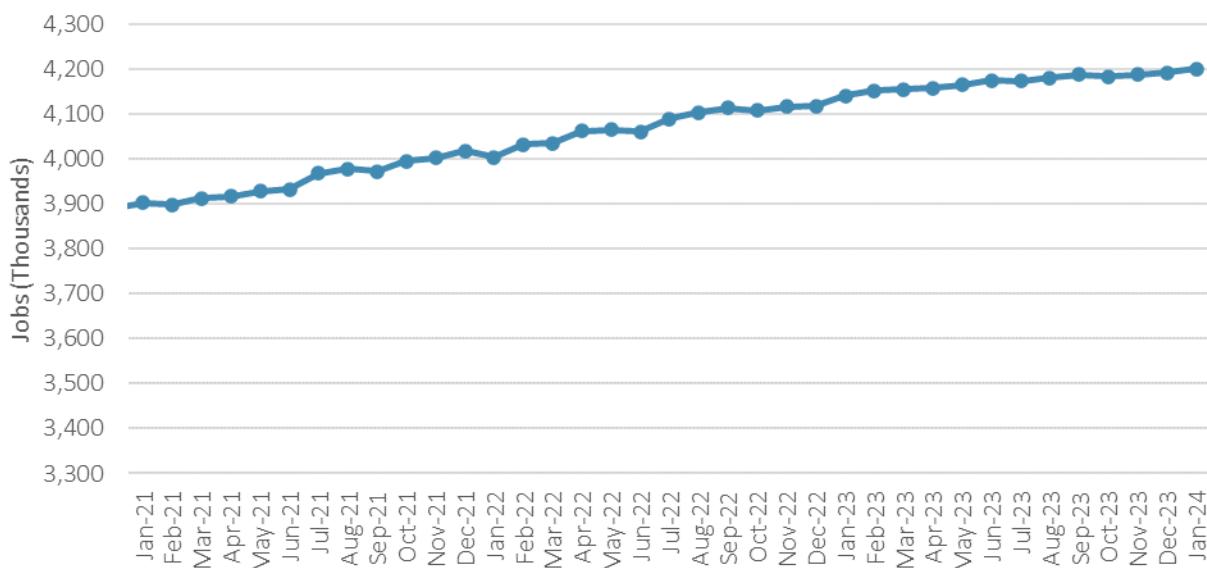
Overview

Economic conditions continue to be relatively positive. More jobs are being added to the economy, and the labor market remains tight with low unemployment. Inflation has flattened but remains lower than a year ago, but above target. Average mortgage rates are on the upswing once again after falling in the first half of March.

Jobs

There were an estimated 4.2 million jobs across Virginia in January 2024, which is 8,700 more jobs than the revised December 2023 total. The job decline that was reported in the preliminary December total was revised upward, and there was a net gain of about 4,000 jobs between December and November 2023. This is a positive reflection of the health of Virginia's economy and job market. Virginia's economy had job growth for much of 2023, with more jobs added 10 out of 12 months this past year.

Figure 1. Total Jobs in Virginia (in thousands)



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

Most of the job gains in January were in the State Government sector (+3,700 jobs) and the Professional and Technical Services sector (+2,100 jobs). The Health Care sector had about 1,700 more jobs added. Both the Leisure and Hospitality sector and the Retail Trade sector shed about 1,500 jobs each.

Most of the additional jobs this month were in the Richmond Metropolitan Area (+3,300 jobs) and Hampton Roads (+2,700 jobs). The Harrisonburg region shed about 200 jobs.

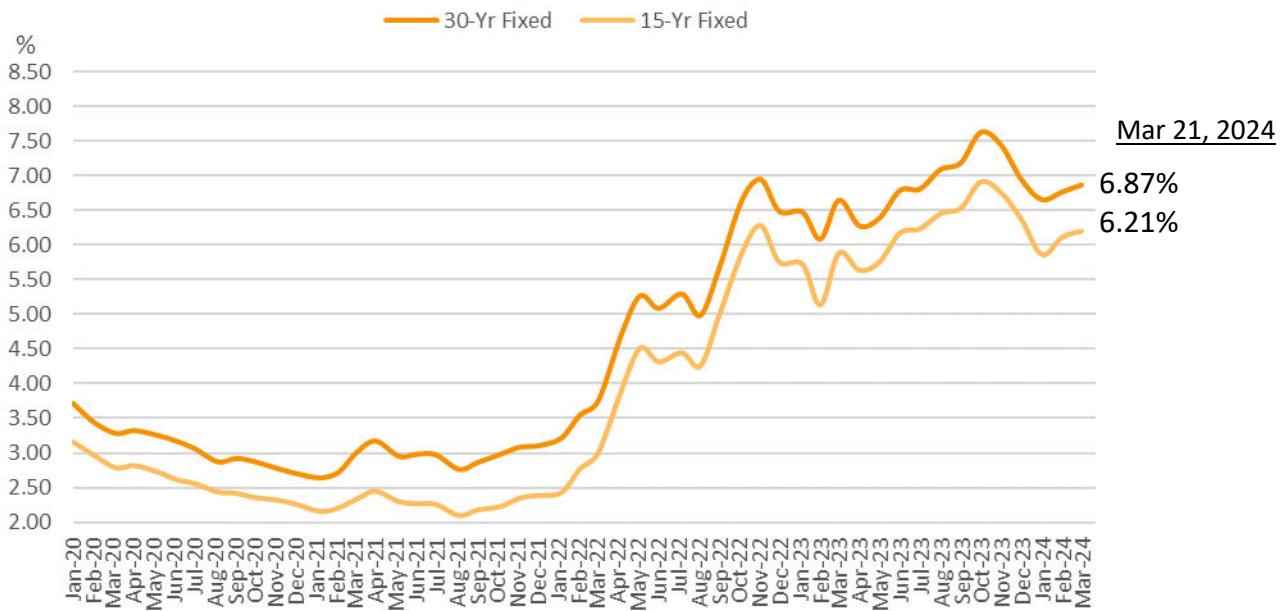
Unemployment

The statewide unemployment rate in Virginia held steady at 3.0% in January 2024, unchanged from December 2023. The labor market in the state continues to be tight, and the unemployment rate is low. In the U.S., the unemployment rate was 3.7% in January 2024, also unchanged from December 2023.

Mortgage Rates

As of March 21st, the average rate for a 30-year fixed mortgage was 6.87%. This is up from 6.74% in the prior week. Rates are likely to be volatile in the coming months but could start to drift downward later in the year as potential Federal Funds Rate cuts are on the table.

Figure 2. Mortgage Rates



Source: Freddie Mac

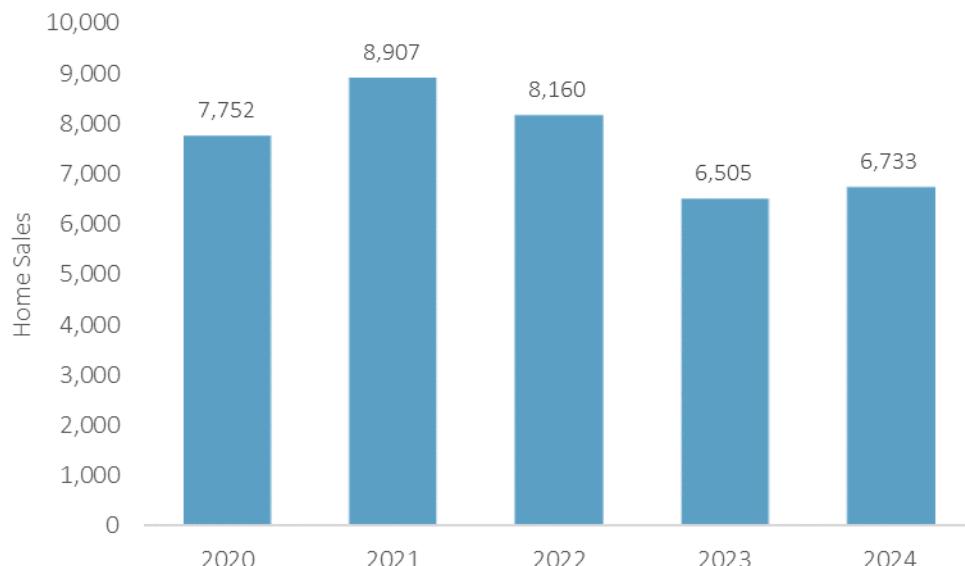
Housing Market Overview

Activity in Virginia's housing market picked up in February compared to a year ago. There were more sales and also more pending sales. Home prices continue to climb in most parts of the state. The inventory of active listings is growing, and more new listings came onto the market, signaling renewed interest from sellers/move-up buyers. Despite the additional listings, the overall inventory remains tight and market conditions are still very competitive.

Sales

There was an uptick in sales in Virginia's housing market in February, a signal that momentum is starting to build, albeit slowly. There were 6,733 homes sold statewide in February 2024. This is 228 more sales than February 2023, a 3.5% increase in sales activity. So far in 2024, through February, about 56% of counties and cities in Virginia have seen sales activity outpace last year. The sharpest percentage increase has been along the I-81 corridor in western VA, particularly the Winchester, Harrisonburg, and Staunton regions, along with the Roanoke and New River Valleys. The Greater Piedmont region, the Martinsville area, and Hampton Roads are among the places where sales have lagged so far compared to last year.

Figure 3. Virginia Home Sales, February

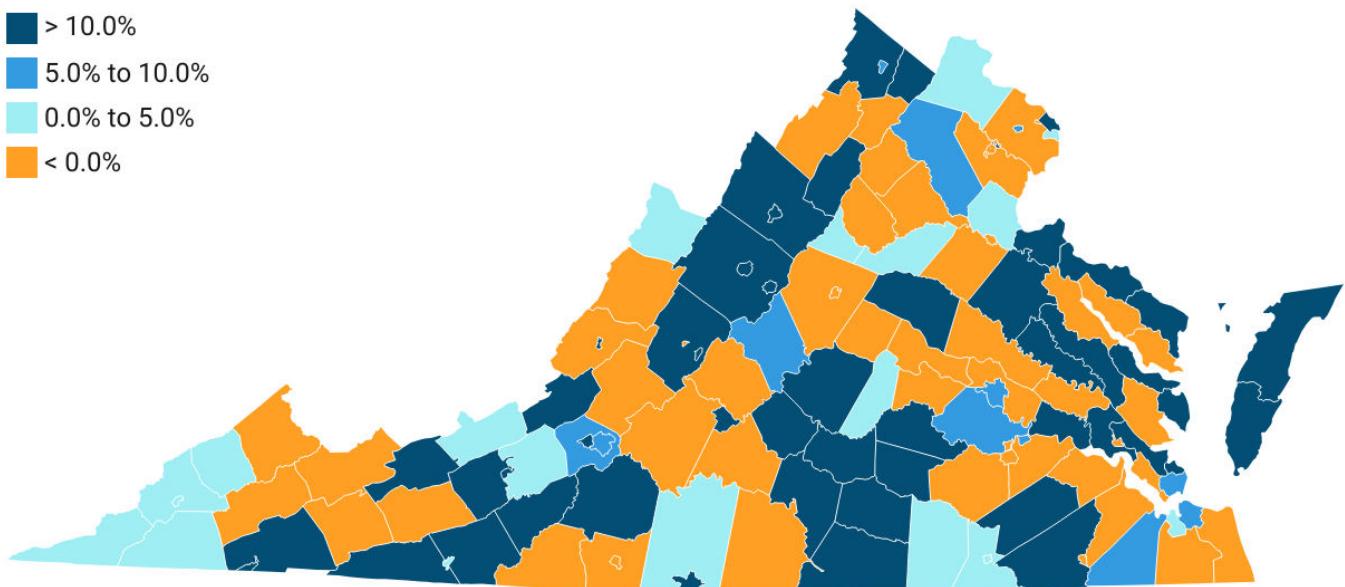


Source: Virginia REALTORS®, data accessed March 15, 2024

Figure 4. County/City Home Sales, February YTD % Change

Change in Home Sales, 2023 to 2024

- > 10.0%
- 5.0% to 10.0%
- 0.0% to 5.0%
- < 0.0%



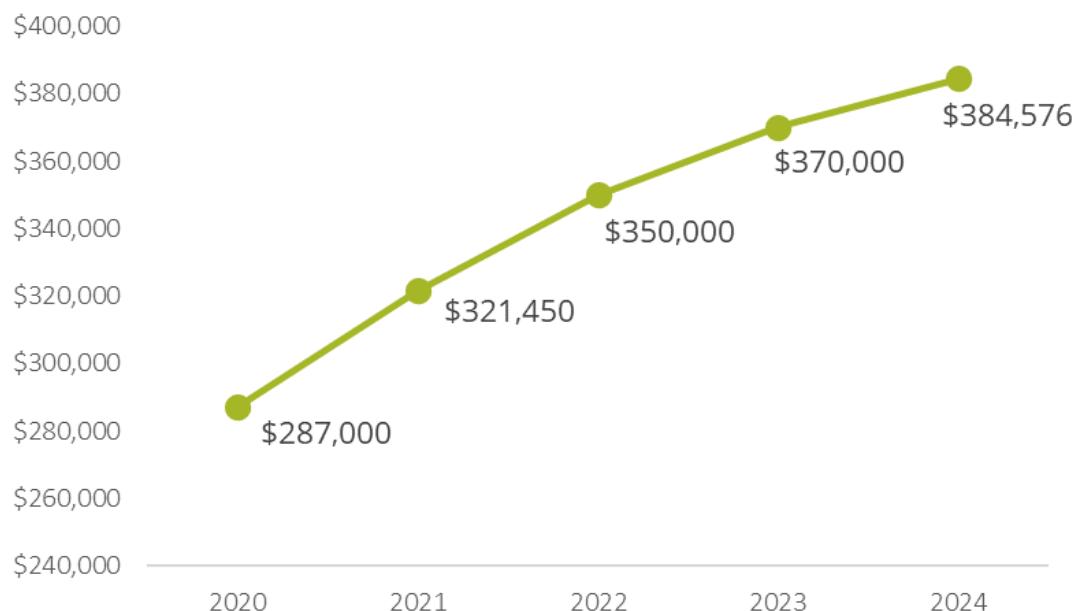
Source: Virginia REALTORS®, data accessed March 15, 2024

Home Prices

Home prices continue to climb in many parts of the state. The median sales price in Virginia in February was \$384,576. This is a gain of more than \$14,500 from February a year ago, a 3.9% median price gain. As supply levels continue to be tight in regions across the state, the median price rose in about seven out of every ten counties in cities in Virginia (69%). The largest median price gains this month were in the Martinsville and Southern Piedmont regions, the Southwest Virginia market, and coastal areas in the Northern Neck and Chesapeake Bay & Rivers area. The median price declined in the Danville area and also in the Eastern Shore market, compared to last February.

In February 2024, sellers received slightly less than asking price, on average, statewide. The average sold-to-list price ratio in Virginia's housing market was 99.8%, up from 99.3% in January. Upward pressure on prices is evident as all homes priced above \$400,000 sold for above asking price on average.

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



Source: Virginia REALTORS®, data accessed March 15, 2024

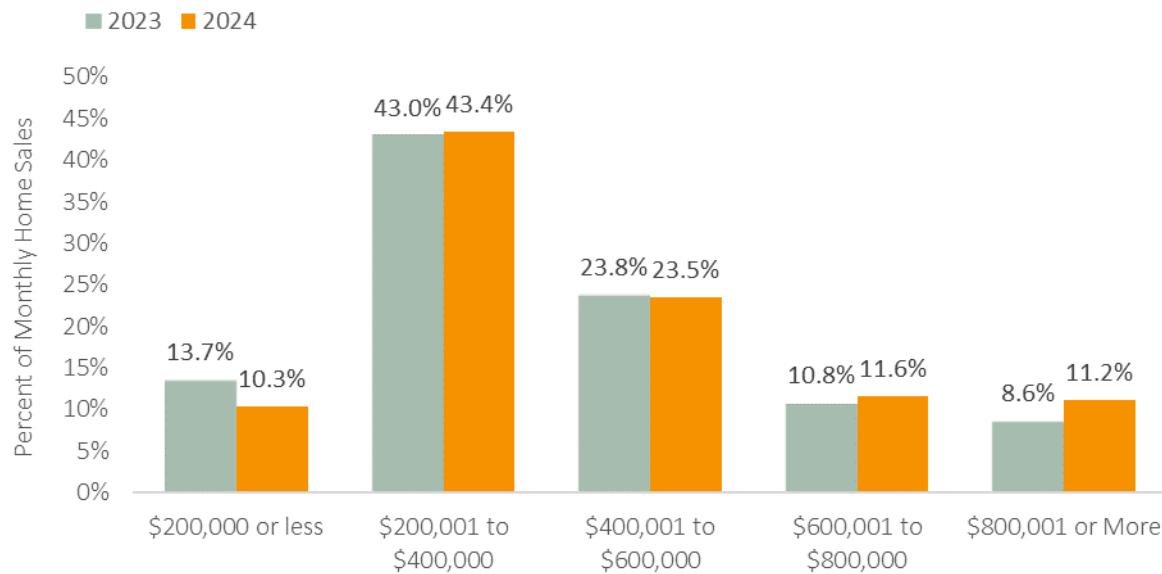
Figure 6. Average Sold-to-List Price Ratio, February 2024

Price Range	Ratio
\$200,000 or less	96.7%
\$200,001 to \$400,000	99.7%
\$400,001 to \$600,000	100.2%
\$600,001 to \$800,000	100.9%
\$800,001 or more	100.9%
All price levels	99.8%

Source: Virginia REALTORS®, data accessed March 15, 2024

Most of the homes that sold in February around Virginia closed between \$200K and \$400K (43.4% of all sales). About a quarter of all sales in February were priced between \$400K and \$600K (23.5%). Homes priced above \$800K represented 11.2% of all closed sales in February, up from 8.6% of all sales this time last year.

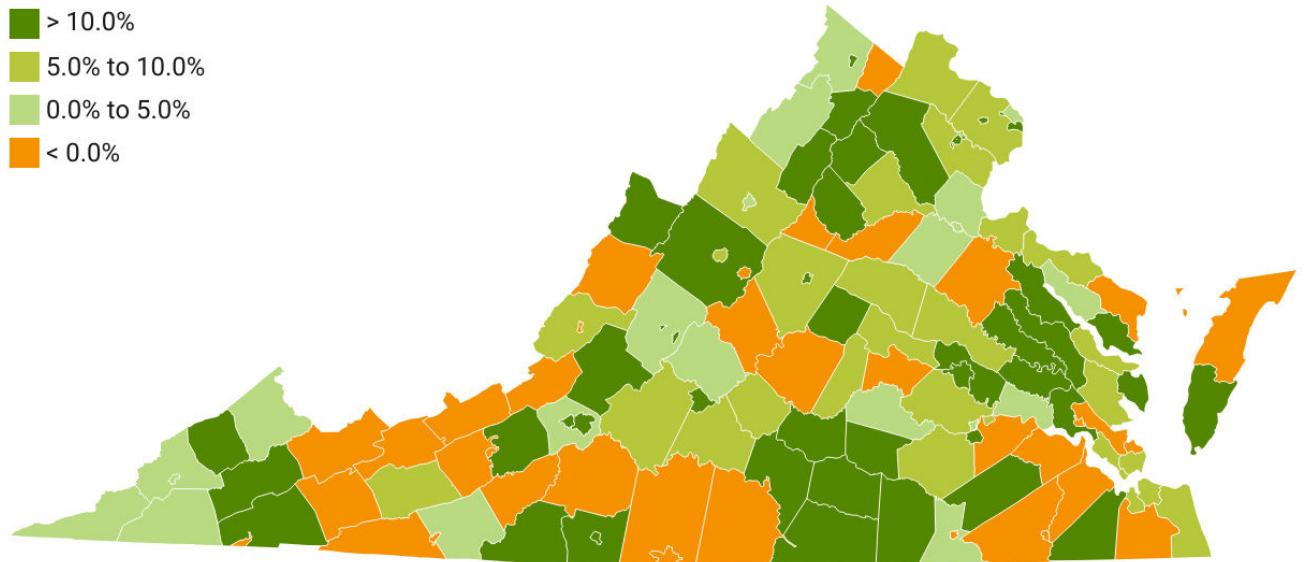
Figure 7. Sales by Price Range, February



Source: Virginia REALTORS®, data accessed March 15, 2024

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

Change in Median Sales Price, 2023 to 2024

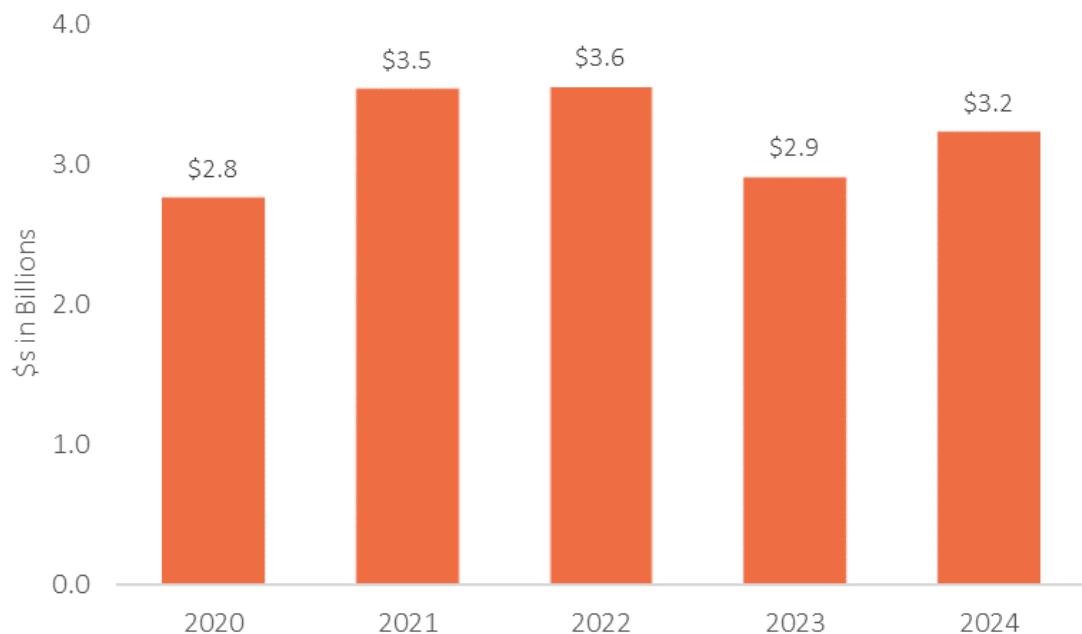


Source: Virginia REALTORS®, data accessed March 15, 2024

Sold Volume

More closed sales and climbing prices drove up the February sold dollar volume in Virginia's housing market compared to last year. There was approximately \$3.2 billion of sold volume throughout the state in February, an increase of about \$319 million from last year, an 11% jump. This is the largest percentage increase in sold volume Virginia's housing market has had in more than two and a half years.

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

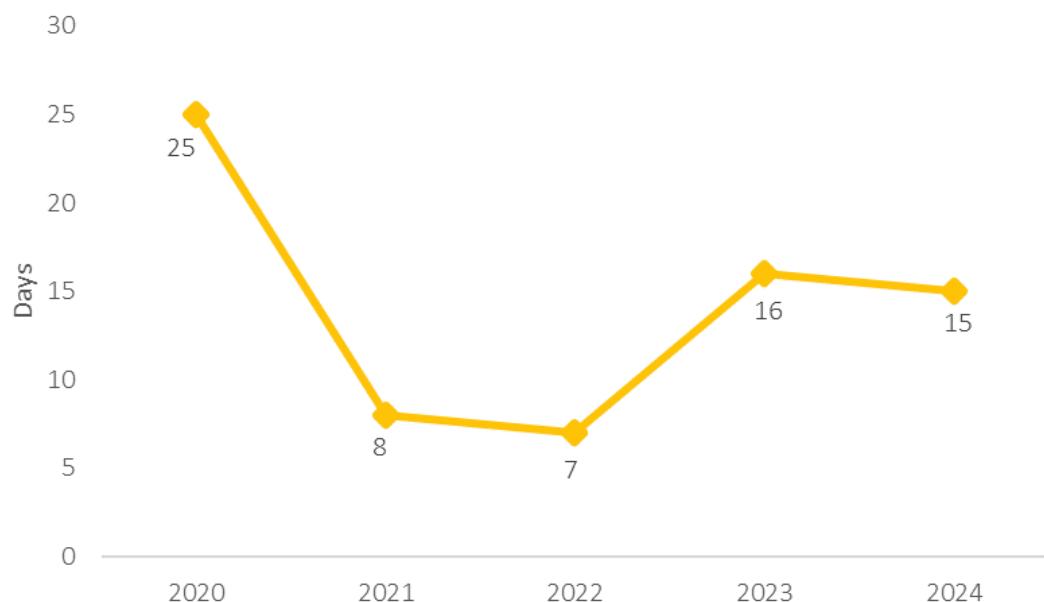


Source: Virginia REALTORS®, data accessed March 15, 2024

Days on Market

Overall, it took about two weeks for homes to sell in Virginia this month. The median days on market statewide was 15 days, down slightly from 16 days last February. The median days on market in some regional markets, such as Northern Virginia and Richmond, was faster than two weeks. In other regions, such as the Staunton market and the Winchester area, the median days on market was about a month.

Figure 10. Median Days on Market, February

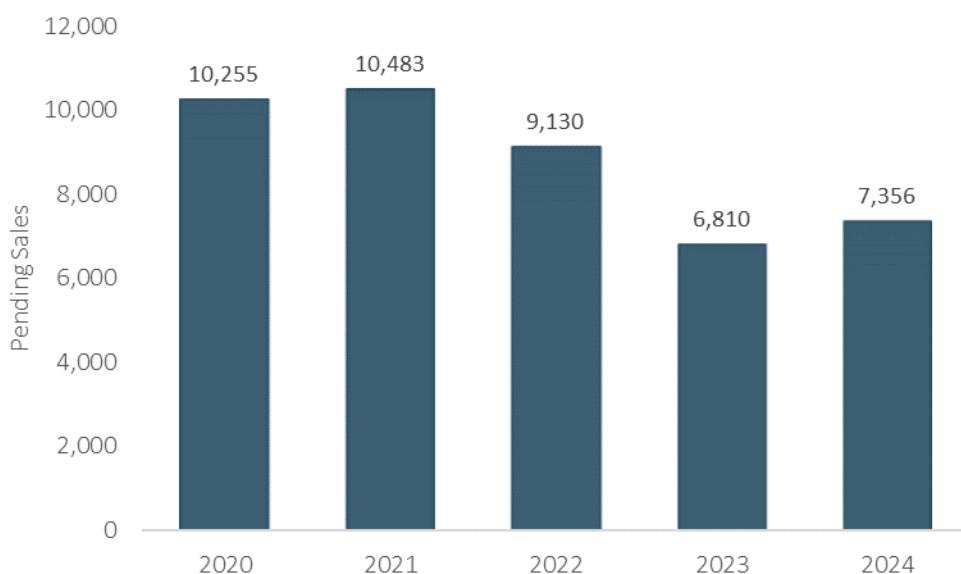


Source: Virginia REALTORS®, data accessed March 15, 2024

Pending Sales

For the first time in nearly three years, pending sales activity during the month outpaced the prior year. There were 7,356 pending sales throughout Virginia in February. This is 546 more pending sales than February of last year, reflecting an 8% increase. While there were more pending sales than last year, the total number of pending sales this month is still slower than much of the past decade, slightly below February 2015 activity.

Figure 11. Pending Sales, February



Source: Virginia REALTORS®, data accessed March 15, 2024

New Listings

There was a jump in new listings this month compared to a year ago. More than 9,700 new listings came onto the market statewide in February. This is nearly 1,400 more new listings than last February, a 16.7% increase, and the sharpest influx of new listings since the summer of 2021. The increase in new listings is a welcome signal to buyers in the market, but the reality is that inventory levels are still tight and market conditions remain very competitive in most parts of Virginia.

Active Listings

There were 16,004 active listings on the market statewide at the end of February, a 9.9% increase from a year earlier, which is 1,446 more listings. The inventory in Virginia's housing market has been trending up now for three straight months compared to the prior year. Inventory levels are now slightly above February 2021 levels but less than half of February 2019 levels.

Figure 12. Inventory, February



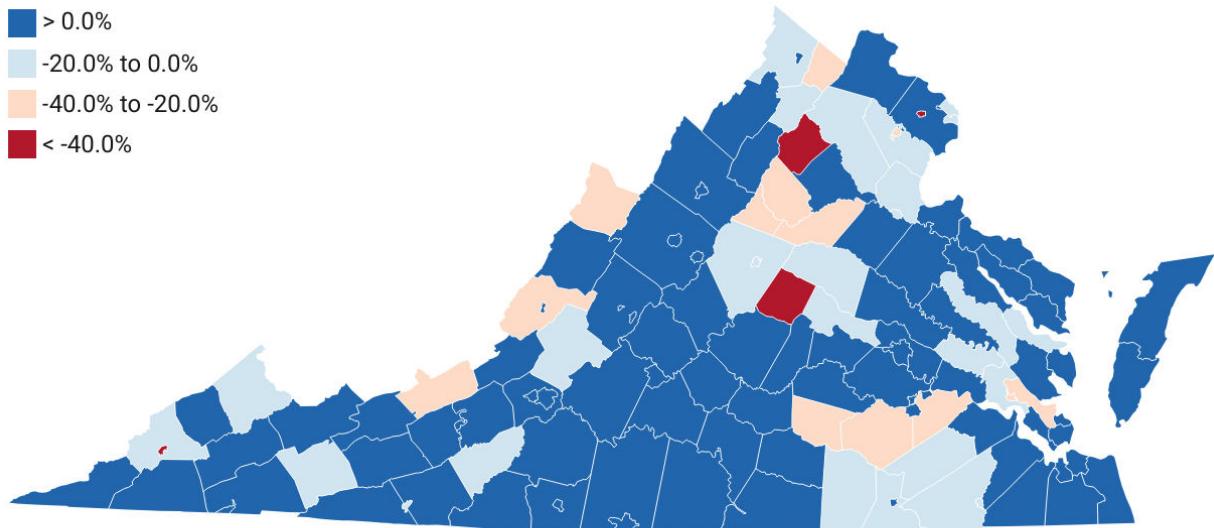
Source: Virginia REALTORS®, data accessed March 15, 2024

Note: Active listings at the end of the month

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

Change in Month End Inventory, 2023 to 2024

- █ > 0.0%
- █ -20.0% to 0.0%
- █ -40.0% to -20.0%
- █ < -40.0%

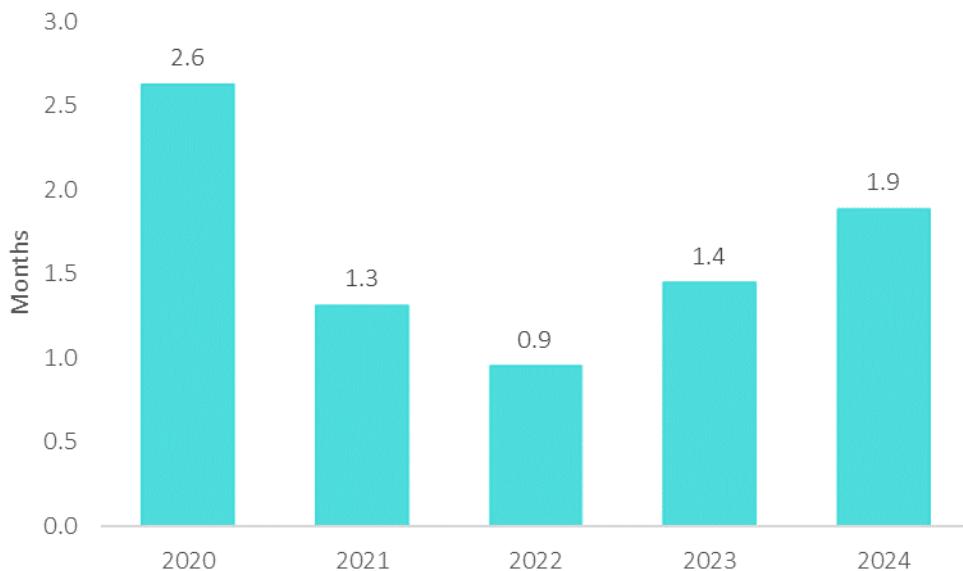


Source: Virginia REALTORS®, data accessed March 15, 2024

About 64% of the cities and counties around Virginia had more listings on the market in February 2024 compared to February 2023, a clear indication that supply is building up around the state. The largest increase in active listings in February occurred in the Lynchburg region, the Harrisonburg area, and the Roanoke Valley. The Williamsburg and Charlottesville regions had a drop in listings, as did the Prince William market.

There was about 1.9 months of supply in Virginia's housing market in February 2024, up from 1.4 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.

Figure 14. Months of Supply, February



Source: Virginia REALTORS®, data accessed March 15, 2024

Outlook

The pace in Virginia's housing market picked up in February but still remains relatively slow. Here are some key trends to keep an eye on as the Spring market gears up:

- More sellers are listing their homes as reflected by the largest increase in new listings in nearly three years. This could reflect a combination of pent-up demand from move-up buyers and an improvement in mortgage rates from Fall 2023 levels. If this trend holds, it could open up the potential for more sales volume in the coming months.
- The Federal Reserve has signaled the potential for three rate cuts in 2024, but these cuts are largely dependent on incoming economic data. It's likely that mortgage rates could drift downward if the cuts are implemented, but the timing of this change in mortgage rates is probably in the latter part of the year and could be modest.
- Upward pressure on home prices has been consistent in housing markets across the commonwealth so far in 2024. The pent-up demand remains strong and inventory levels, while improving, are still tight. This will likely keep the market competitive heading into the spring, and prices will remain on an upward trajectory in most regions in Virginia.



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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

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