

CBRAR CHESAPEAKE BAY & RIVERS HOME SALES REPORT

CUSTOM REPORT PREPARED BY
VIRGINIA REALTORS®

CBRAR Home Sales Report

Third Quarter 2022

Chesapeake Bay & Rivers Association of REALTORS®

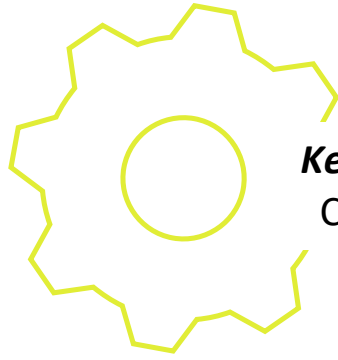
Market Report Key Takeaways

Economic Conditions

- Virginia's job market continues to expand. The state added 16,700 jobs between July and August and is now only about 5,300 jobs short of pre-pandemic levels. Most of the growth continues to be in the Leisure and Hospitality sector.
- The unemployment rate remains very low. In August, the unemployment rate was 3.2% in Virginia and was 2.9% in the Chesapeake Bay & Rivers region. Both are down from a year ago.
- Mortgage rates climbed rapidly over the past month. In the second week of October, the average rate on a 30-year fixed mortgage rose to 6.92%, up from 6.02% a month ago.

Housing Market Conditions

- There were 412 home sales in the Chesapeake Bay & Rivers region during the third quarter of 2022. This is 69 fewer sales than this time last year, which is a 14% drop. The market has been slowing down in the area for five straight quarters.
- Home prices continue to climb in the region. The third quarter median sales price in the Chesapeake Bay & Rivers market was \$319,975, rising 12% from a year ago, which is a surge of about \$35,000.
- Inventory in the Chesapeake Bay & Rivers footprint is tightening. There were 269 active listings on the market across the region at the end of the third quarter, 20% fewer listings than a year ago.



Key Trends Dashboard Chesapeake Bay & Rivers

Economy



2.9%

Is the Aug-2022 **unemployment rate** in the Chesapeake Bay & Rivers footprint, which is down from Aug-2021



6.92%

Is the **30-year fixed-rate mortgage rate** during the second week of October 2022, which is up 3.87 percentage points from a year ago

Housing Market



-69

Fewer **home sales** in the Chesapeake Bay & Rivers footprint in Q3-2022 compared to last year



12%

Percent change in **median sales price** in the Chesapeake Bay & Rivers region in Q3-2022 compared to a year ago



-\$13.7

Million dollars less in total **sold volume** in the Chesapeake Bay & Rivers footprint in Q3-2022 compared to last year



-20%

Percent change in **active listings** at the end of Q3-2022 in the Chesapeake Bay & Rivers market compared to a year ago



2.1

Months of supply in the Chesapeake Bay & Rivers footprint in Q3-2022, which is down from a year ago

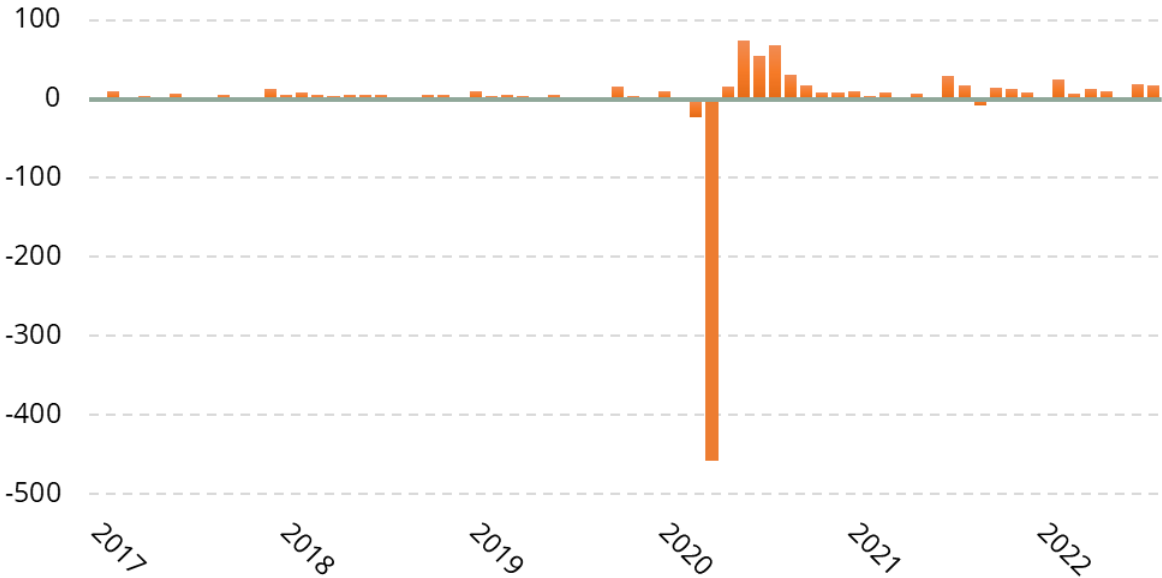
Economic Overview

Economic conditions are worsening as high inflation continues to be a significant factor. The labor market remains relatively strong in Virginia as there are more jobs in the economy and unemployment continues to be very low. Mortgage rates are climbing, which is cooling housing markets across the Commonwealth.

Jobs

There were 4.09 million jobs throughout Virginia in August 2022, an increase of about 16,700 jobs from July 2022. Virginia’s economy is nearly back to pre-pandemic job levels, just 5,300 jobs shy of the January 2020 totals. The state’s job recovery has been robust. More than 472,000 jobs have been added back since April 2020. Most of the job growth in Virginia continues to be in the Leisure & Hospitality sector and the Health & Social Assistance sector. Despite the strong gains this year in Leisure & Hospitality, this sector is still down compared to pre-pandemic levels. The sharpest decrease in jobs this month was in the Finance & Insurance sector.

Figure 1
Virginia Month-to-Month Change in Jobs

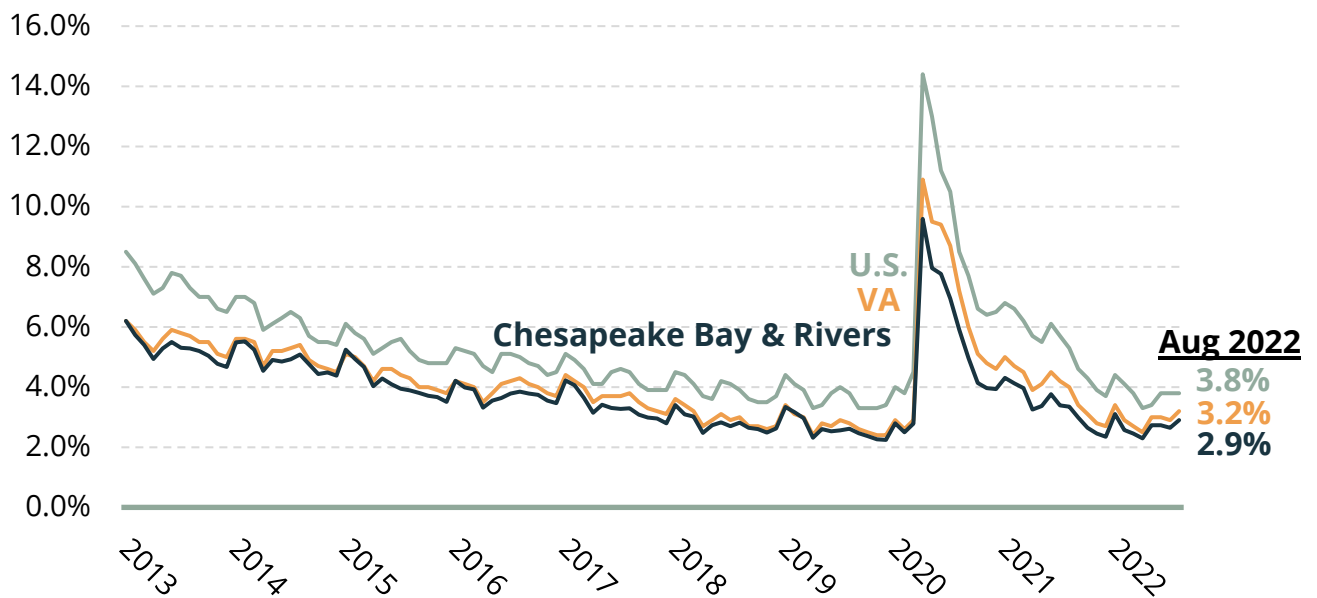


Source: U.S. Bureau of Labor Statistics, Seasonally Adjusted

Unemployment

The unemployment rate in Virginia continues to be very low. The statewide unemployment rate was 3.2% in August 2022 (not seasonally adjusted), down from 4% from last August. In the Chesapeake Bay & Rivers area, the August unemployment rate was 2.9%, down from 3.3% a year ago.

Figure 2
Unemployment Rate

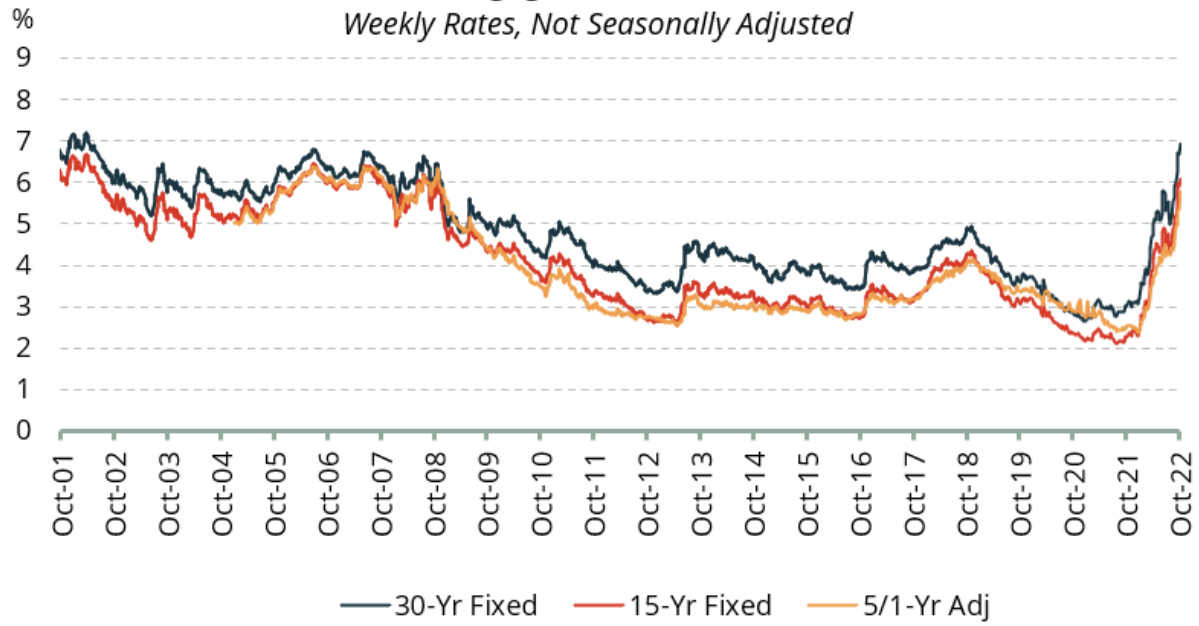


Source: U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics

Mortgage Rates

In the second week in October, the average rate on a 30-year fixed mortgage rose to 6.92%. This is the highest the rate has been in more than two decades (since August 2001). Interest rates have soared in 2022. As a result, the housing market has slowed down significantly. The 30-year fixed mortgage rate has more than doubled since the start of the year.

Figure 3
Mortgage Interest Rates
Weekly Rates, Not Seasonally Adjusted



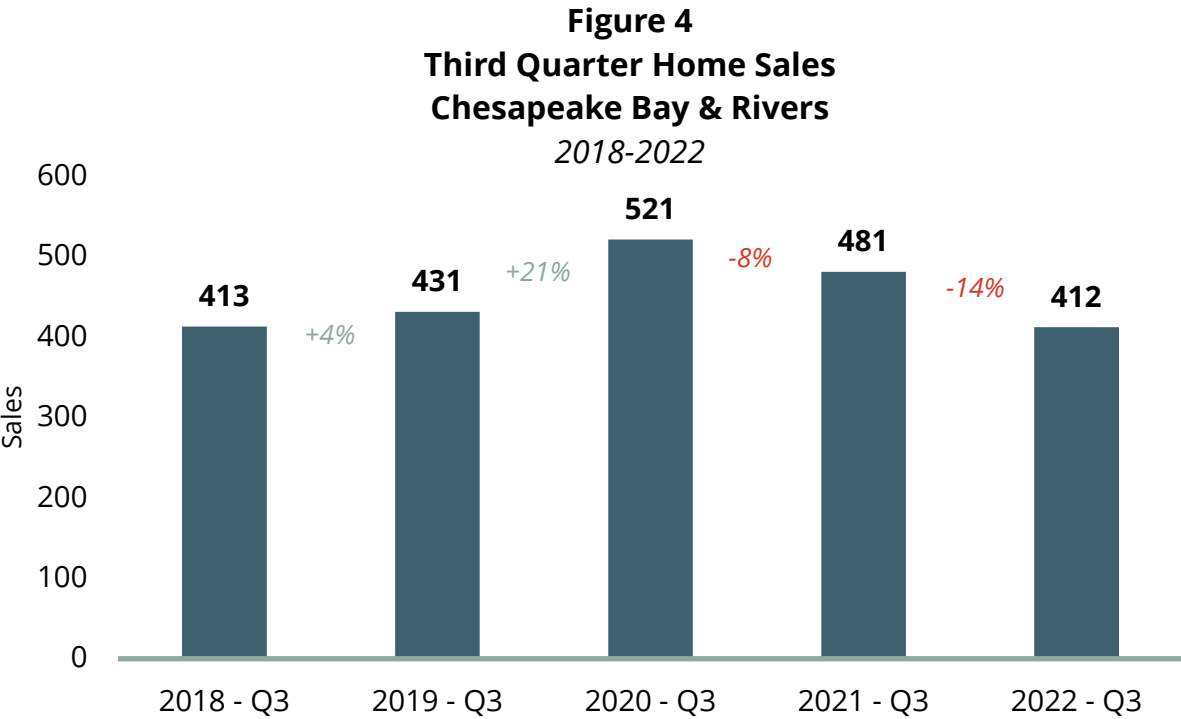
Source: Federal Reserve Bank of St. Louis

Housing Market Overview

The Chesapeake Bay & Rivers regional housing market continues to moderate. Sales were well below last year’s third quarter level, and sold volume dropped again. Homes are staying on the market longer on average in the region, another signal of the shifting trends. Despite the moderating market, home prices continue to trend up as the supply remains tight across the region.

Sales

For the fifth consecutive quarter, sales activity in the Chesapeake Bay & Rivers housing market cooled from the busy pace a year ago. There were 412 homes sold across the region in the third quarter, 69 fewer sales than the same period last year, representing a 14% decrease. This quarter was the sharpest drop in sales the region has seen in years, as the market adjusts to rising interest rates. Within the third quarter, sales slowed in July and September and edged up slightly in August. Statewide, total home sales were down 23% from the third quarter a year ago.



Source: Virginia REALTORS®, data accessed October 15, 2022



Local Snapshot – *Total Home Sales*

Gloucester County: Sales continued to moderate in Gloucester County this quarter. In the third quarter, there were 180 sales in the county, seven fewer sales than this time last year, a 4% decrease.

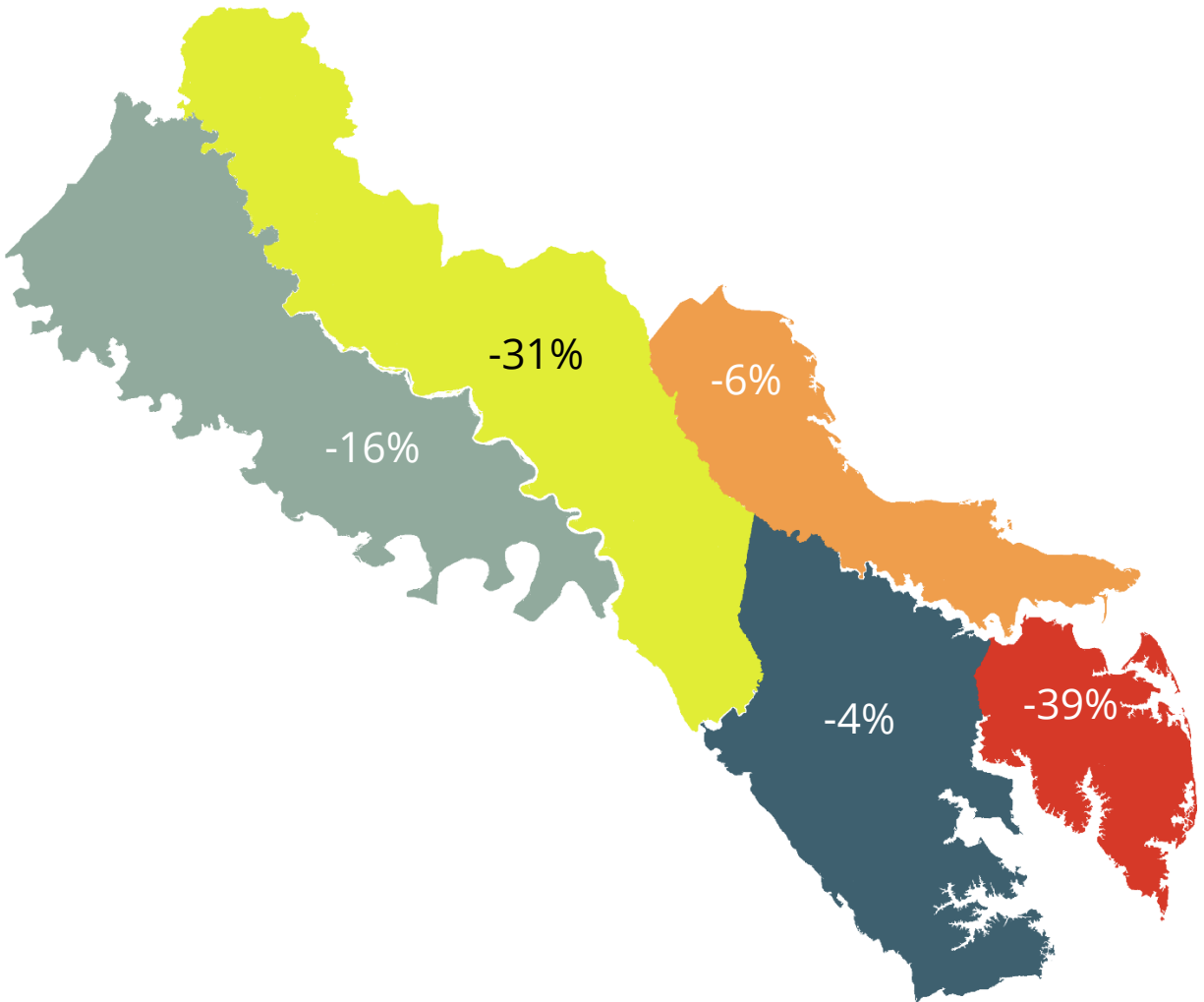
King and Queen County: In King and Queen County, sales have dropped off for the third consecutive quarter. In the county, there were 18 sales in the third quarter, a decline of 31% or eight fewer sales than the previous year.

King William County: There were 104 sales in King William County during the third quarter, 20 fewer sales than last year, a 16% drop.

Mathews County: Sales activity slowed this quarter in Mathews County. There were 46 sales in the third quarter, 30 fewer sales than last year, which is a 39% decrease.

Middlesex County: In Middlesex County, there were 64 homes sold in the third quarter, down 6% or four fewer sales than the previous year. This is the fifth quarter in a row that sales activity has declined in the county.

Figure 5
Change in Sales by Jurisdiction
Chesapeake Bay & Rivers
Third Quarter 2021 to Third Quarter 2022



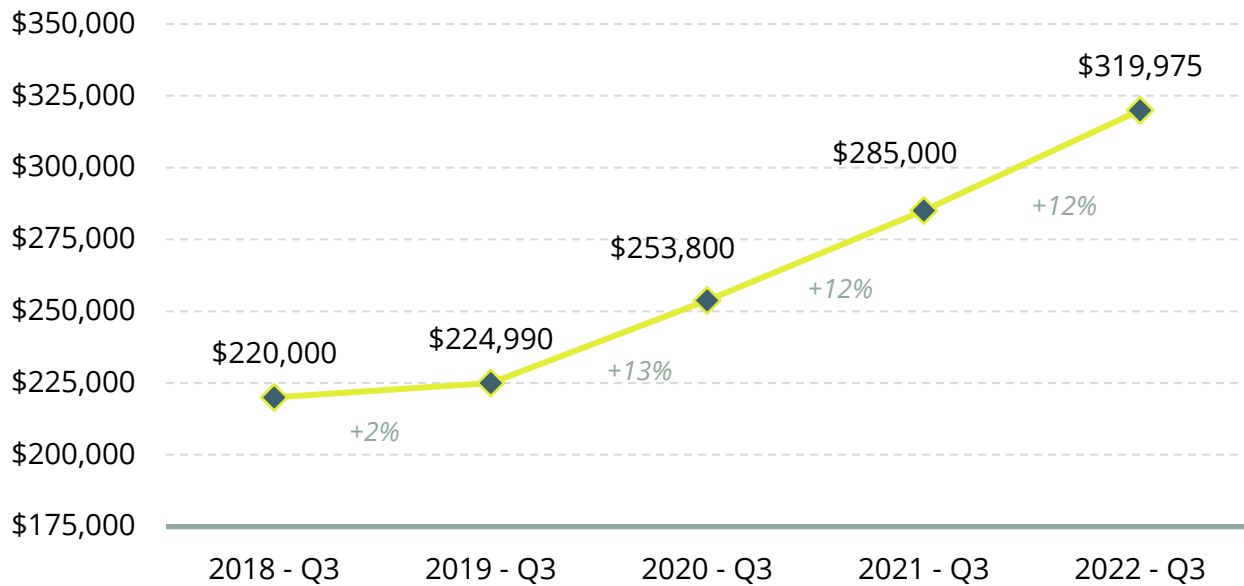
<i>Jurisdiction</i>	<i>2021 - Q3</i>	<i>2022 - Q3</i>	<i>% Change</i>
Gloucester County	187	180	-4%
King & Queen County	26	18	-31%
King William County	124	104	-16%
Mathews County	76	46	-39%
Middlesex County	68	64	-6%

Source: Virginia REALTORS®, data accessed October 15, 2022

Sales Prices

As market activity moderates, home prices continue to trend higher in the Chesapeake Bay & Rivers footprint. At \$319,975, the third quarter median sales price in the region jumped up 12% from a year ago, a gain of about \$35,000. The median price in the region has increased at a double-digit rate for three consecutive quarters despite a drop in sales. The tight inventory is putting upward pressure on prices. All local markets in the region had median price growth this quarter. The statewide median sales price in the third quarter was \$375,000, up 5.6% from a year ago.

Figure 6
Third Quarter Median Sales Price, Chesapeake Bay & Rivers
2018-2022



Source: Virginia REALTORS®, data accessed October 15, 2022



Local Snapshot – *Median Sales Price*

Gloucester County: Home prices continued to rise in Gloucester County. In the third quarter, the median sales price was \$316,488, increasing by 11% or \$30,488.

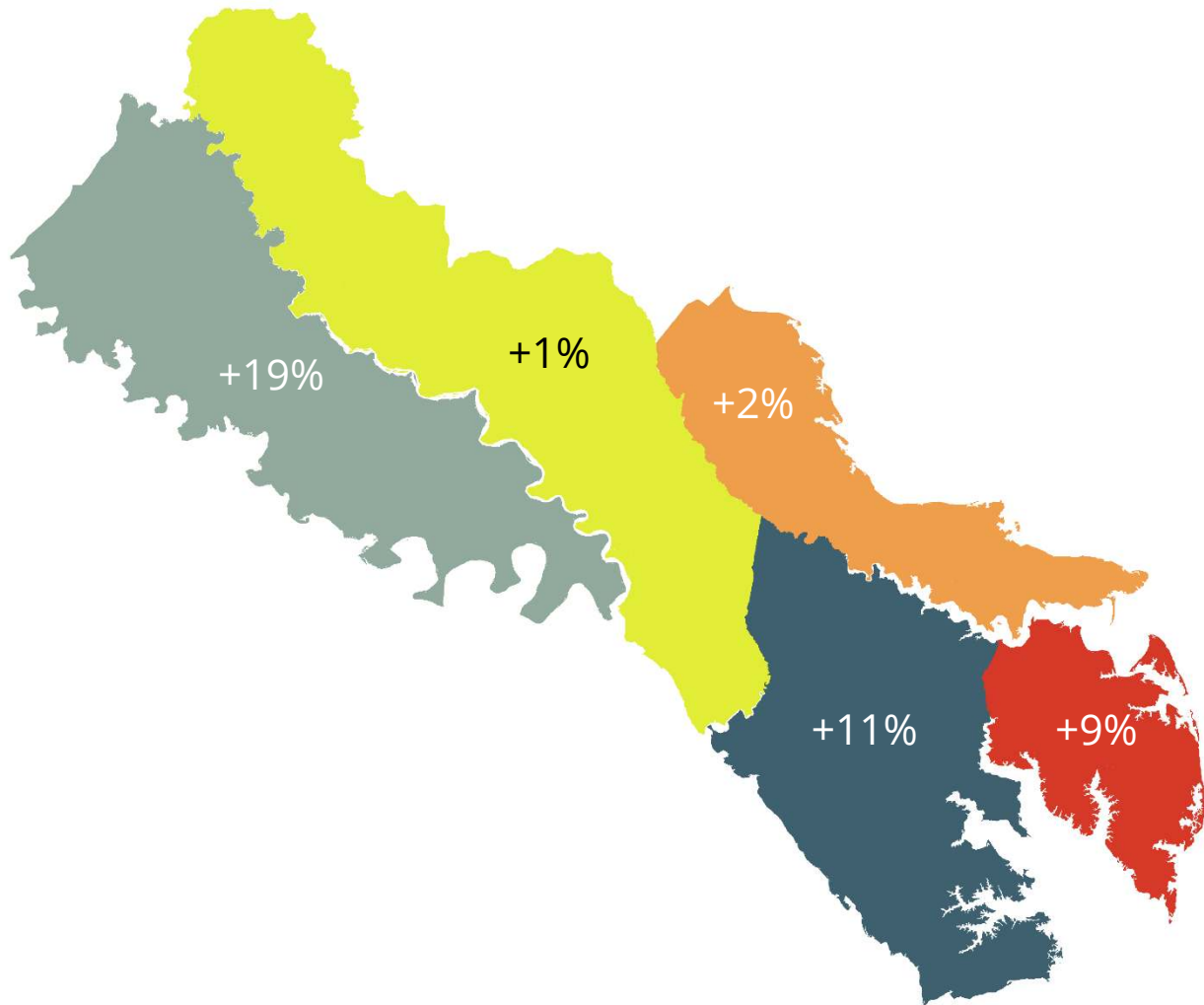
King and Queen County: The sales price rose slightly in King and Queen County this quarter. The median price was \$267,500, a 1% increase from last year, an additional gain of \$2,250.

King William County: In King William County, the median sales price was \$319,975 in the third quarter. The sales price rose by 19% compared to a year ago, a growth of \$49,975.

Mathews County: The median sales price in Mathews County was \$375,000, up \$31,750 from the previous year, which is a 9% gain. In the county, the median price is now \$184,500 more than it was at this same time three years ago.

Middlesex County: In Middlesex County, the sales price was \$357,000, a small increase of 2% from a year ago, raising the price by \$7,000.

Figure 7
Change in Median Sales Price by Jurisdiction
Chesapeake Bay & Rivers
Third Quarter 2021 to Third Quarter 2022



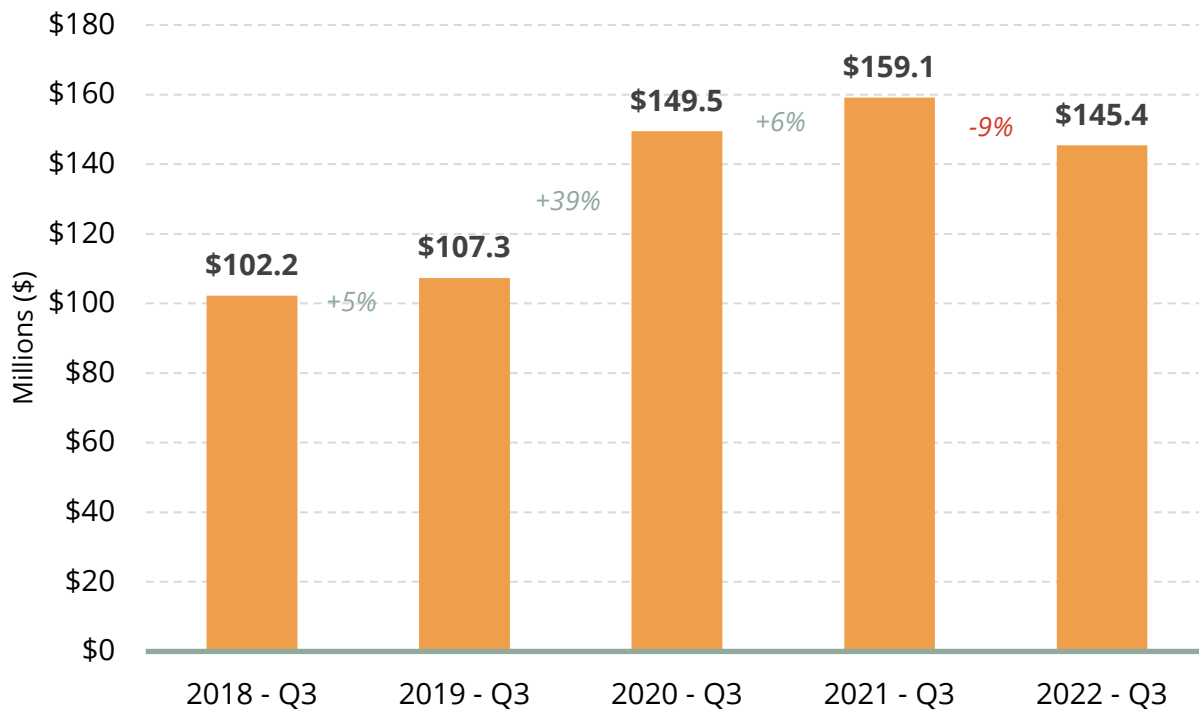
<i>Jurisdiction</i>	<i>2021 - Q3</i>	<i>2022 - Q3</i>	<i>% Change</i>
Gloucester County	\$286,000	\$316,488	11%
King & Queen County	\$265,250	\$267,500	1%
King William County	\$270,000	\$319,975	19%
Mathews County	\$343,250	\$375,000	9%
Middlesex County	\$350,000	\$357,000	2%

Source: Virginia REALTORS®, data accessed October 15, 2022

Sold Volume

While prices continue to trend up, the sharp drop in sales activity brought down the total sold dollar volume this quarter in the Chesapeake Bay & Rivers market. There was approximately \$145.4 million of sold volume across the region during the third quarter. This is about \$13.7 million less sold volume than the third quarter of 2021, which is a 9% decrease. This is the largest drop in sold volume the region's housing market has had in more than four years.

Figure 8
Third Quarter Sold Dollar Volume (Millions)
Chesapeake Bay & Rivers
2018-2022



Source: Virginia REALTORS®, data accessed October 15, 2022



Local Snapshot – *Sold Dollar Volume*

Gloucester County: The rise in sales price led to increased sold dollar volume in Gloucester County. There was approximately \$61.6 million of sold volume in the third quarter, \$4.1 million more than last year, a gain of 7%.

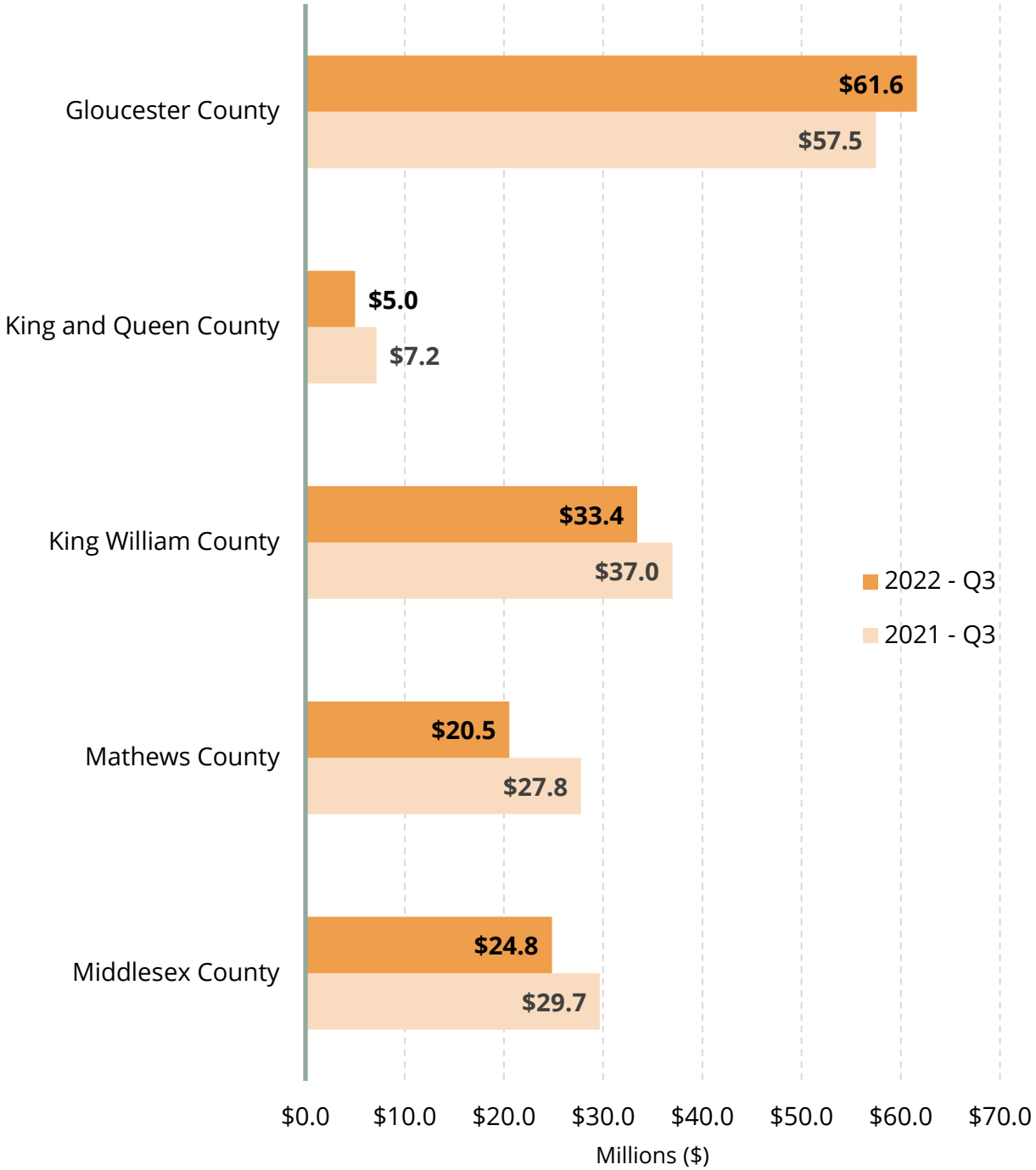
King and Queen County: Sold dollar volume dropped in King and Queen County this quarter. In the county, there was \$4.9 million of sold volume during the third quarter, decreasing by \$2.1 million compared to a year ago, which is a 30% drop.

King William County: In King William County, the sold volume was \$33.4 million in the third quarter, \$3.5 million less than the previous year or a decrease of 10%. Fewer sales led to a drop off in sold dollar volume this quarter.

Mathews County: Despite high home prices, the fall in sales activity led to decreased sold dollar volume in Mathews County. In the third quarter, there was about \$20.5 million of sold volume, dipping by 26% or \$7.2 million from a year ago.

Middlesex County: There was approximately \$24.8 million of sold volume in Middlesex County during the third quarter. This is a loss of \$4.8 million from last year, representing a 16% decline in volume. Lower sales activity resulted in less sold dollar volume in the county this quarter.

Figure 9
Third Quarter Sold Dollar Volume
Chesapeake Bay & Rivers Jurisdictions
2021 and 2022

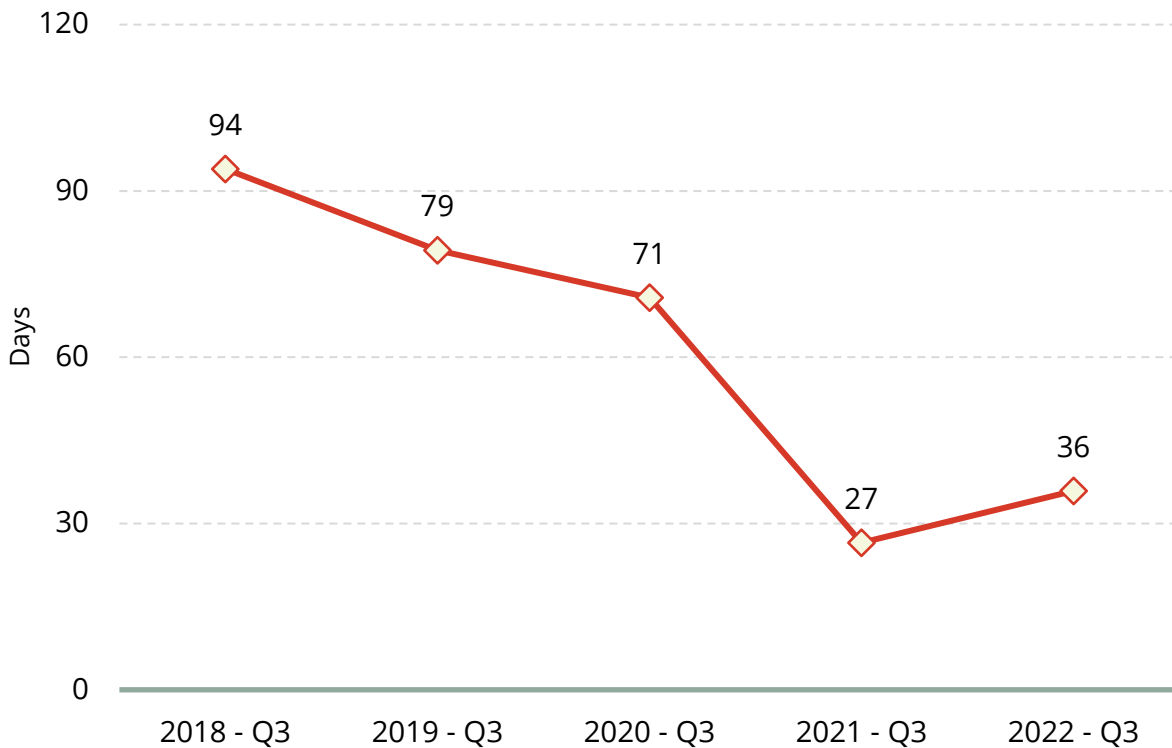


Source: Virginia REALTORS®, data accessed October 15, 2022

Days on Market

Homes are taking longer to sell in the Chesapeake Bay & Rivers housing market on average. The average days on market in the region in the third quarter was 36 days, nine days longer than the third quarter last year. This is the first time this metric has increased in the Chesapeake Bay & Rivers housing market in five years. Statewide, the average days on market in the third quarter was 23 days, up from 21 days this time last year.

Figure 10
Third Quarter Average Days on Market
Chesapeake Bay & Rivers
2018-2022



Source: Virginia REALTORS®, data accessed October 15, 2022



Local Snapshot – *Average Days on Market*

Gloucester County: Homes in Gloucester County took longer to sell this quarter. The average days on market during the third quarter was 32 days, 12 days longer than last year. This is the first-time average days on market has increased in the county since the same time four years ago.

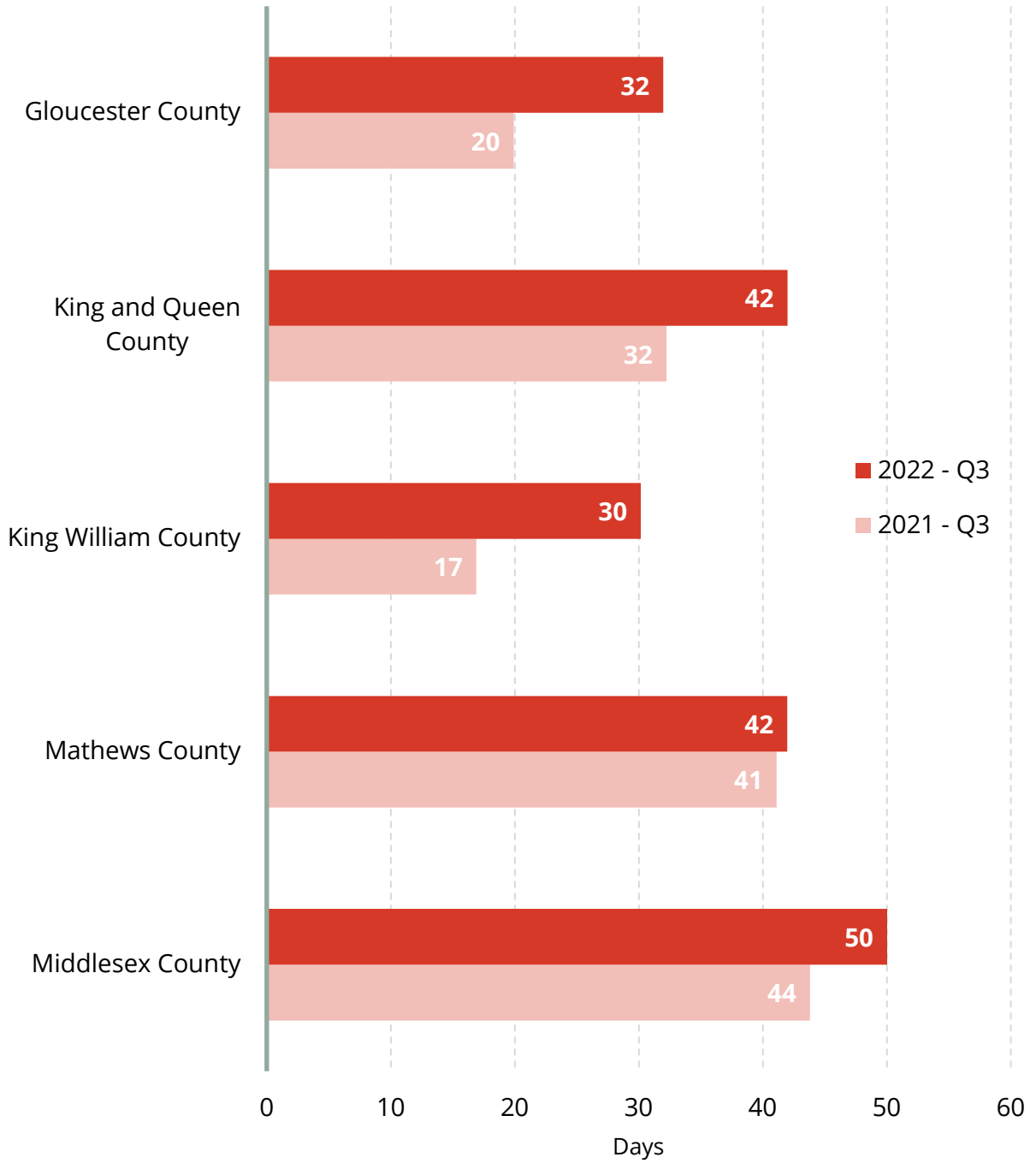
King and Queen County: In King and Queen County, the average days on market was 42 days, 10 days longer than a year ago.

King William County: Compared to last year, homes were on the market longer in King William County during the third quarter. The average days on market was 30 days, 13 days longer than the previous year.

Mathews County: At 42 days, the average days on market in Mathews County in the third quarter was one day longer than this same time last year.

Middlesex County: In Middlesex County, homes were on the market an average of 50 days during the third quarter, six days longer than a year ago.

Figure 11
Third Quarter Average Days on Market
Chesapeake Bay & Rivers Jurisdictions
2021 and 2022



Source: Virginia REALTORS®, data accessed October 15, 2022

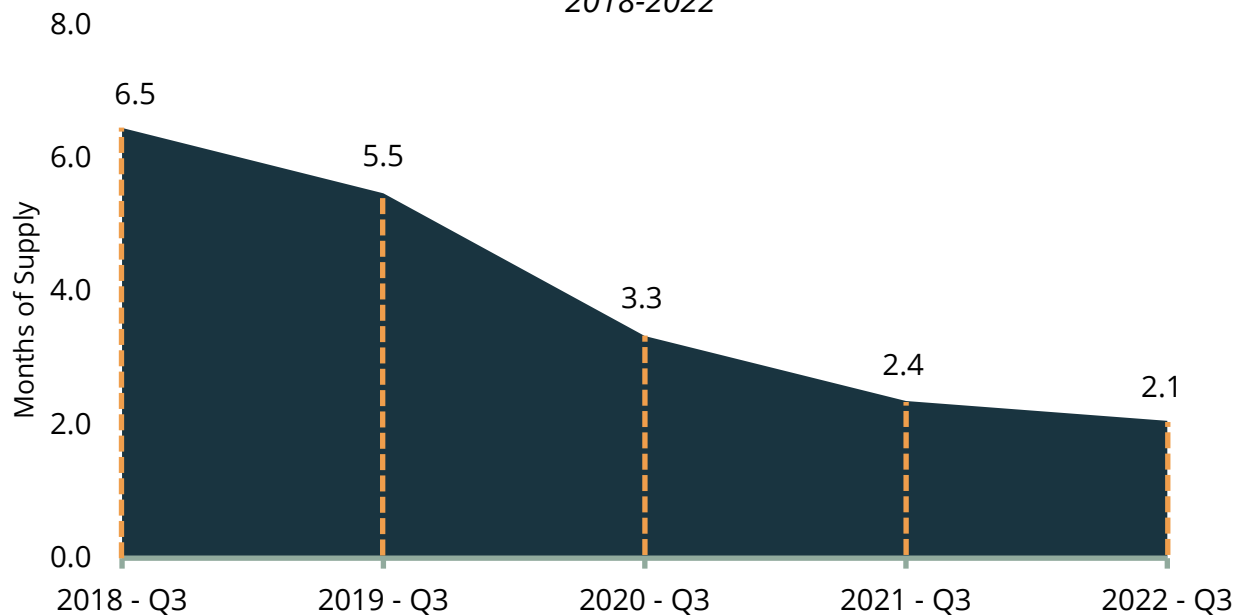
Inventory

After two quarters of growth, the supply of active listings in the Chesapeake Bay & Rivers region is getting smaller again. There were 269 active listings on the market at the end of the third quarter across the footprint, 69 fewer listings than a year ago, which is a 20% decrease. Overall supply in the region's housing market is now only about a third of the level it was at this time four years ago.

Across Virginia, there were 19,793 active listings at the end of the third quarter, a 2.9% decrease from last year, which is a reduction of 586 listings.

There was about 2.1 months of supply at the end of the third quarter in the Chesapeake Bay & Rivers footprint, which is down from 2.4 months a year ago. The months of supply metric is calculated by taking the average monthly sales over the preceding 12-month period and dividing it by the inventory of active listings. Statewide, there was 1.7 months of supply at the end of the third quarter.

Figure 12
End of Third Quarter Months Supply
Chesapeake Bay & Rivers
2018-2022



Source: Virginia REALTORS®, data accessed October 15, 2022



Local Snapshot – *Active Listings*

Gloucester County: The number of listings was down in Gloucester County this quarter. At the end of the third quarter, there were 102 active listings in the county, a drop of 14% or 17 fewer listings than last year.

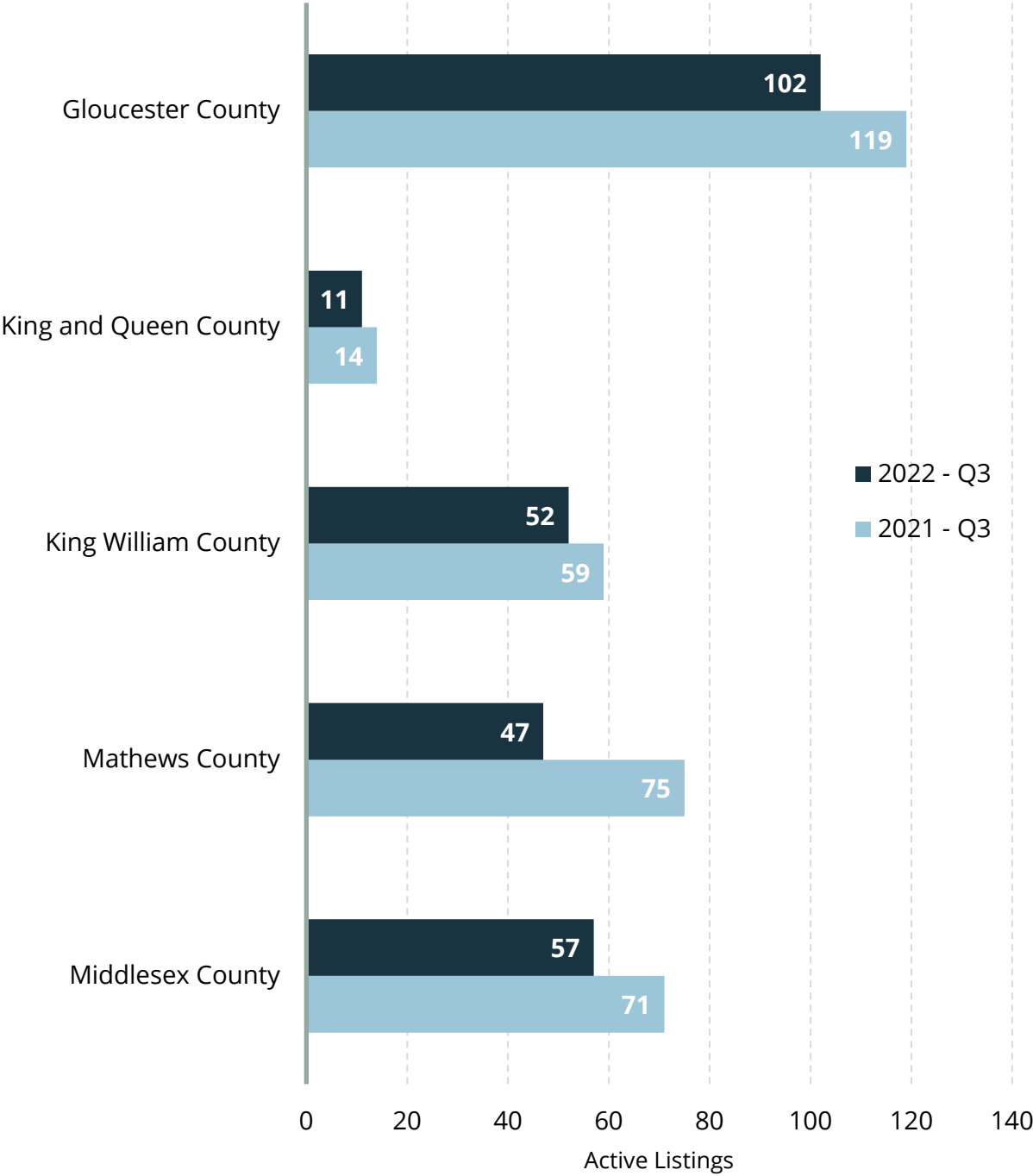
King and Queen County: There were 11 active listings on the market in King and Queen County at the end of the third quarter. This represents a 21% decrease from the previous year, which is three fewer listings.

King William County: In King William County, supply fell at the end of this quarter. There were 52 active listings at the end of the third quarter, seven fewer listings than a year ago, falling by 12%.

Mathews County: Inventory continued to shrink in Mathews County. In the county, there were 47 active listings at the end of the third quarter, 28 fewer listings than last year, a 37% reduction.

Middlesex County: At the end of the third quarter, there were 57 active listings in Middlesex County, 14 fewer listings compared to a year ago, which is a 20% decrease.

Figure 13
End of Third Quarter Active Listings
Chesapeake Bay & Rivers Jurisdictions
2021 and 2022



Source: Virginia REALTORS®, data accessed October 15, 2022



The Virginia REALTORS® association is the largest professional trade association in Virginia, representing 35,000 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.