

# **CBRAR** CHESAPEAKE BAY & RIVERS HOME SALES REPORT

CUSTOM REPORT PREPARED BY  
**VIRGINIA REALTORS®**

# CBRAR Home Sales Report

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## Second Quarter 2022

### Chesapeake Bay & Rivers Association of REALTORS®

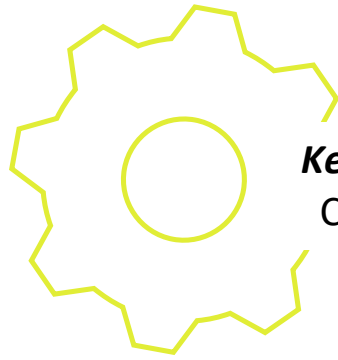
#### Market Report Key Takeaways

##### Economic Conditions

- Virginia's job market continues to recover from the pandemic-related losses. The state added 6,600 jobs between April and May and is now about 42,200 jobs short of pre-pandemic levels. Most of the growth this month was in the Leisure and Hospitality sector.
- Despite growing economic uncertainty and rising inflation, unemployment remains very low. In May, the unemployment rate was 3% statewide and 2.7% in the Chesapeake Bay & Rivers region.
- Mortgage rates are on the rise but have dipped from a month ago. In the third week of July, the average 30-year rate was 5.54%, up from the prior week, but down from the end of June when it was 5.7%.

##### Housing Market Conditions

- There were 430 homes sold in the Chesapeake Bay & Rivers region in the second quarter. This is a 12% drop from the second quarter a year ago, which is 57 fewer sales. The market has been cooling in the region for four straight quarters.
- Prices are surging in the Chesapeake Bay & Rivers footprint even as sales activity is slowing. The median sales price regionwide was \$326,635 in the second quarter, jumping up 13% from a year ago, a gain of more than \$38,000.
- Supply continues to increase in the Chesapeake Bay & Rivers housing market. There were 287 active listings across the footprint, 36 more listings than last year, a 14% increase.



## Key Trends Dashboard Chesapeake Bay & Rivers

### Economy



**2.7%**

Is the May-2022 **unemployment rate** in the Chesapeake Bay & Rivers footprint, which is up from Apr-2022



**5.54%**

Is the **30-year fixed-rate mortgage rate** during the third week of July 2022, which is up 2.76 percentage points from a year ago

### Housing Market



**-57**

Fewer **home sales** in the Chesapeake Bay & Rivers footprint in Q2-2022 compared to last year



**13%**

Percent change in **median sales price** in the Chesapeake Bay & Rivers region in Q2-2022 compared to a year ago



**-\$11.2**

Million dollars less in total **sold volume** in the Chesapeake Bay & Rivers footprint in Q2-2022 compared to last year



**14%**

Percent change in **active listings** at the end of Q2-2022 in the Chesapeake Bay & Rivers market compared to a year ago



**2.1**

**Months of supply** in the Chesapeake Bay & Rivers footprint in Q2-2022, which is up from a year ago

# Economic Overview

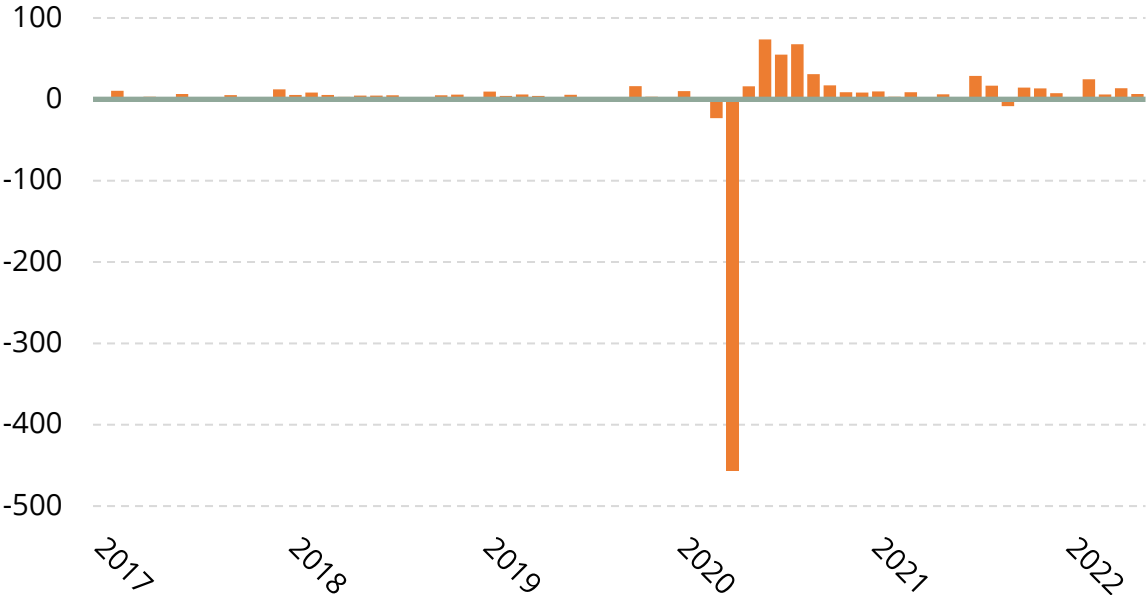
There continues to be a lot of economic uncertainty as inflation lingers at a 40-year high and supply chain issues persist. Mortgage interest rates are climbing, and purchasing power is down, leaving many buyers on the sidelines. Despite these headwinds, Virginia’s job base continues to grow, and unemployment remains very low.

## Jobs

In May 2022, there were 4.04 million jobs across Virginia, a gain of 6,600 jobs between April and May. Virginia’s job base has been expanding for the past two years and is now about 46,200 shy of pre-pandemic levels. Several job sectors have fully recovered and have actually expanded since the start of the pandemic, including the Professional and Technical Services sector, and the Federal Government sector. The homeownership rate within these two job sectors tends to be relatively high, so growth in these sectors provides fuel for the housing market in Virginia.

One of the fastest growing job sectors in recent months has been the Leisure and Hospitality sector. This sector was hit the hardest by the pandemic and is still recovering.

**Figure 1**  
**Virginia Month-to-Month Change in Jobs**

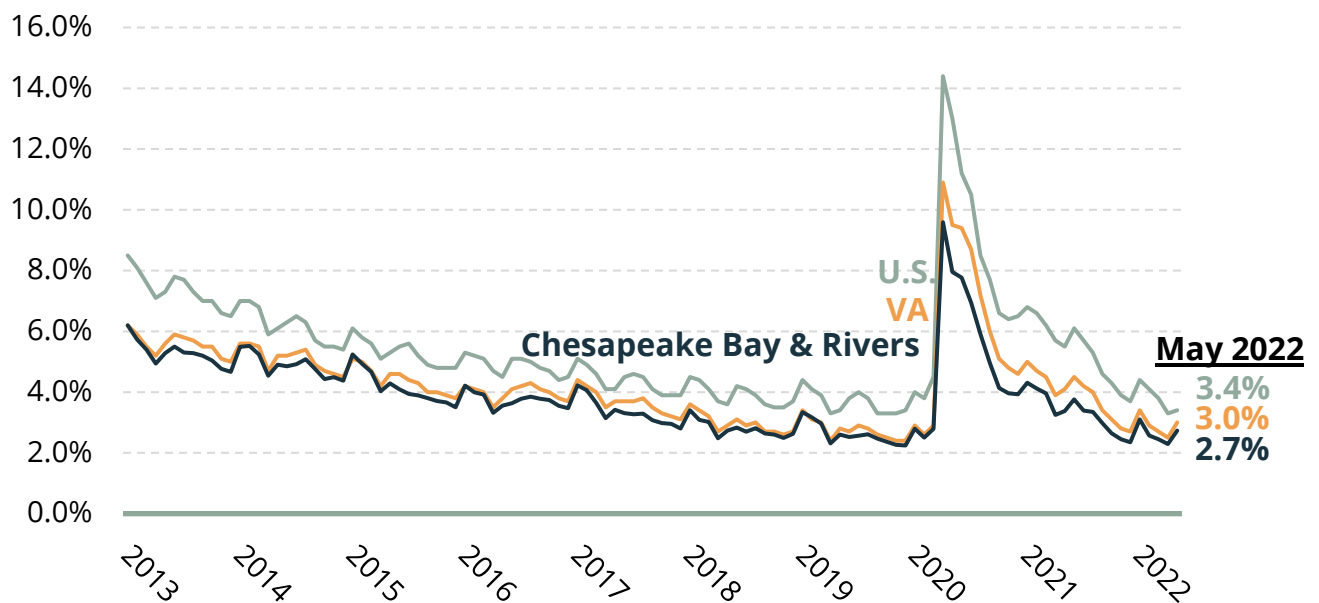


Source: U.S. Bureau of Labor Statistics, Seasonally Adjusted

## Unemployment

The unemployment rate continues to be a bright spot in Virginia's economy amid mounting inflation and economic uncertainty. In May, the unemployment rate in Virginia was 3% (not seasonally adjusted), which is up from 2.5% in April. This is a typical seasonal increase in the unemployment rate. In the Chesapeake Bay & Rivers footprint, the May unemployment rate was 2.7%, which is up from 2.3% in April.

**Figure 2**  
**Unemployment Rate**



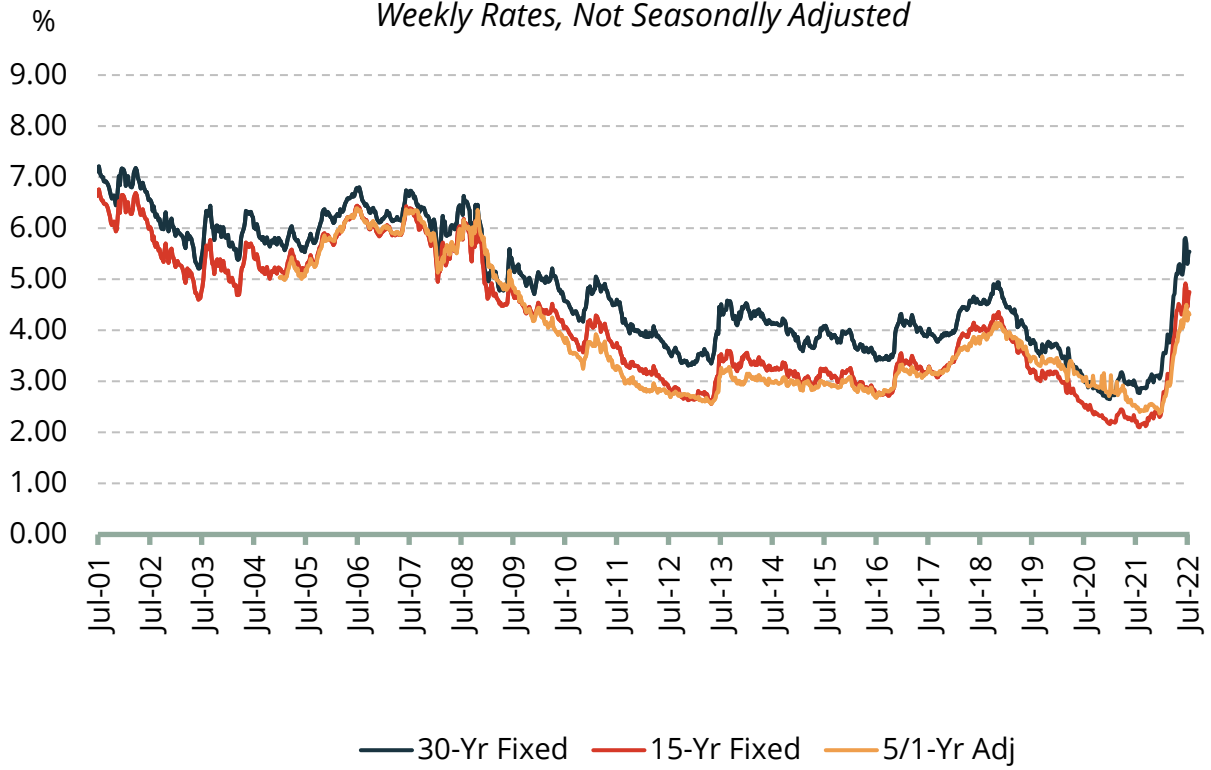
Source: U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics

## Mortgage Rates

The average rate on a 30-year fixed mortgage in the third week of July was 5.54%, which is up from the prior week, but down from the end of June when it was 5.7%. Upward pressure on interest rates is likely to continue as the Federal Reserve is set to increase the Federal Funds Rate at the end of July amid rising inflation. Mortgage rates have increased more than two percentage points so far this year, which has had a cooling effect on housing markets across the country, including here in Virginia.

**Figure 3**  
**Mortgage Interest Rates**

*Weekly Rates, Not Seasonally Adjusted*



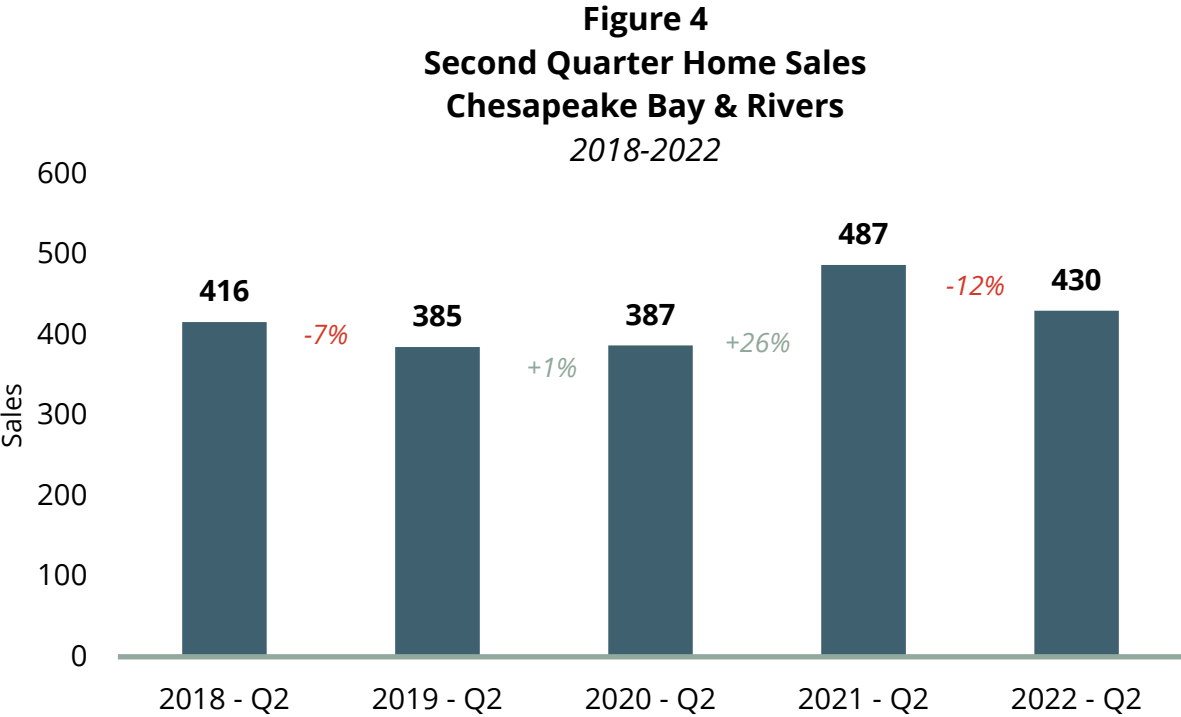
Source: Federal Reserve Bank of St. Louis

# Housing Market Overview

The Chesapeake Bay & Rivers housing market continues to show signs of cooling. Sales activity was slower than this time last year, the fourth drop in a row. Despite fewer sales overall, prices continue to climb rapidly, and homes are selling faster on average. The tight inventory is keeping upward pressure on home prices. While the supply remains low, the region did have an increase in active listings once again this quarter, a signal that the inventory is building up.

## Sales

Home sales activity continued to slow down in the Chesapeake Bay & Rivers housing market. There were 430 sales across the region during the second quarter of 2022, which is 12% fewer sales than a year ago, a decline of 57 sales. This is the sharpest drop in sales the Chesapeake Bay & Rivers market has had in more than seven years. Statewide sales activity moderated this quarter, down 14% from the second quarter of last year.



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



## Local Snapshot – *Total Home Sales*

**Gloucester County:** Sales activity slowed down compared to last year in the Gloucester housing market during the second quarter. There were 157 home sales, which is 54 fewer than this time last year, a 26% decline.

**King and Queen County:** In the second quarter there was a sharp decline of sales in King and Queen County. There were 13 home sales this quarter, down 46% from last year, which is 11 fewer sales.

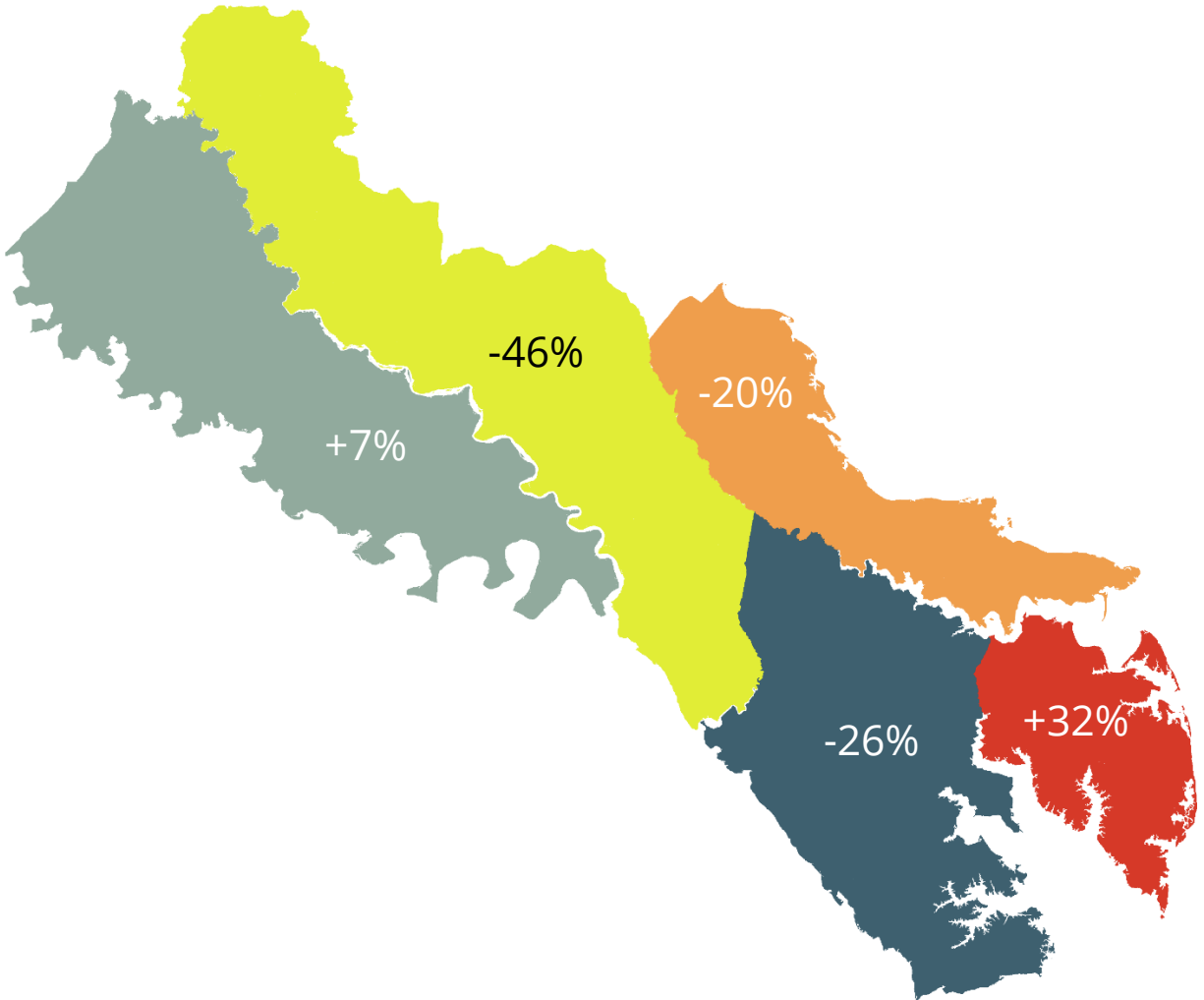
**King William County:** A total of 112 homes were sold in King William County during the second quarter, which is seven more sales than last year (+7%).

**Mathews County:** Demand rose in Mathews County during the second quarter. There were 78 home sales, which is 19 more sales than last year, a 32% increase.

**Middlesex County:** Sales activity in Middlesex County has now moderated for four consecutive quarters, reflecting a cooling market. In the second quarter there were 70 home sales, 18 less than a year ago, which is a 20% decline.



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



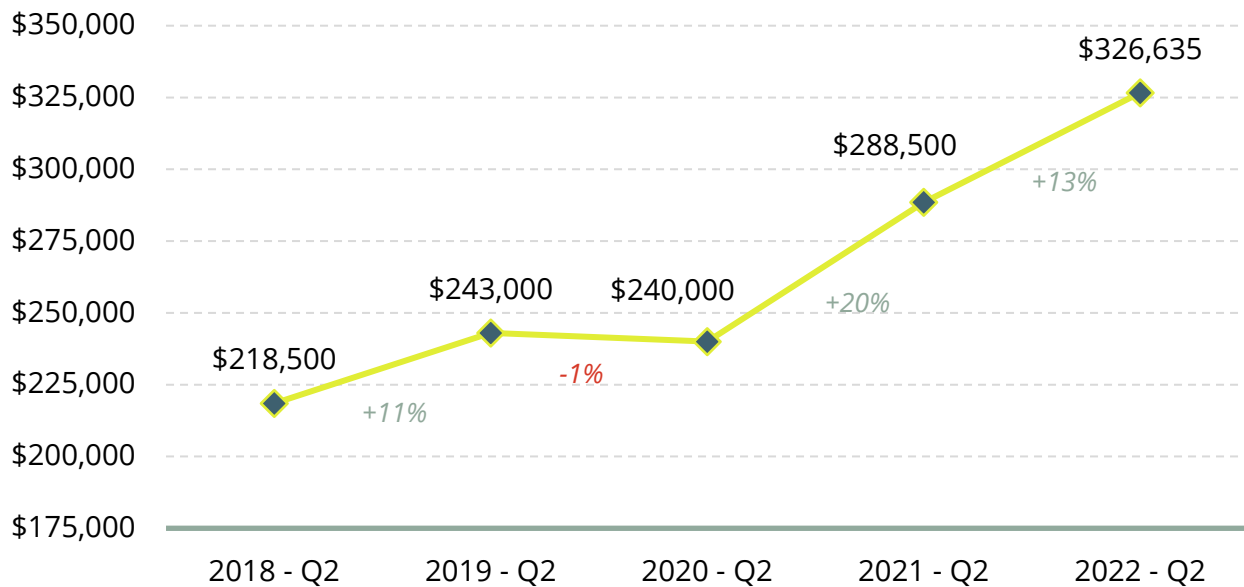
<i>Jurisdiction</i>	<i>2021 - Q2</i>	<i>2022 - Q2</i>	<i>% Change</i>
Gloucester County	211	157	-26%
King & Queen County	24	13	-46%
King William County	105	112	7%
Mathews County	59	78	32%
Middlesex County	88	70	-20%

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

## Sales Prices

Despite the sharp drop in sales activity, home prices continued to climb rapidly across most of the Chesapeake Bay & Rivers footprint. The regionwide median sales price in the second quarter was \$329,900, jumping up 10% from last year, a gain of \$30,000. All but one local market in the region had strong price growth this quarter. The median sales price in the region is now more than \$82,000 higher than it was at this time five years ago. Statewide, the second quarter median sales price was \$397,500, up 9% from last year.

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



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



## Local Snapshot – *Median Sales Price*

**Gloucester County:** The median sales price in Gloucester County was \$329,900, which is \$30,000 more than last year, a 10% price jump.

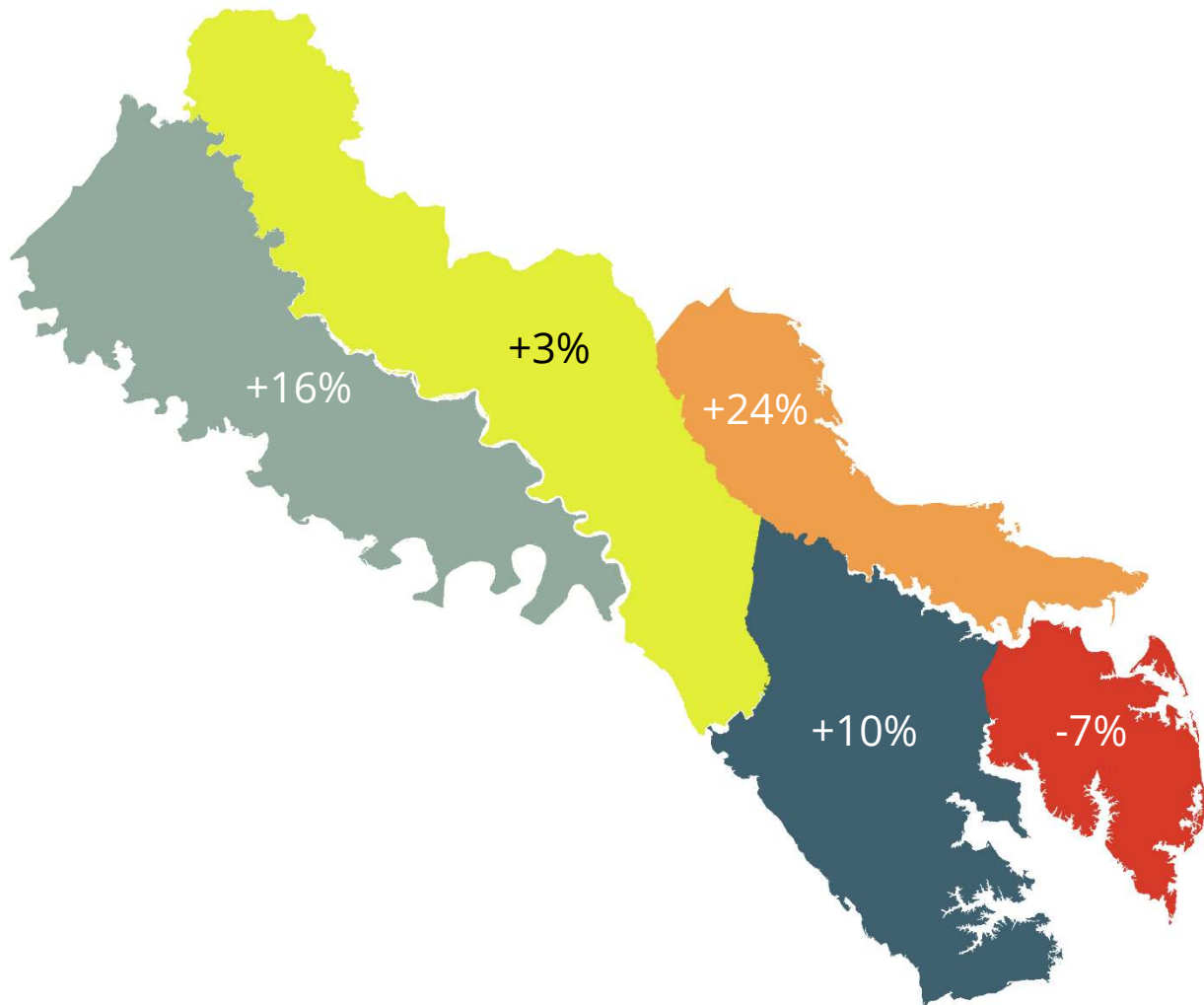
**King and Queen County:** Home prices in King and Queen County rose modestly this quarter compared to last year. The median sales price was \$285,000, which is 3% more than a year ago, an additional \$7,500.

**King William County:** In King William County, the median sales price jumped up 16% in the second quarter to \$310,000, which is \$42,500 more than a year ago. Within the past five years prices have risen by \$116,525 (+60%).

**Mathews County:** Prices declined in Mathews County for the third consecutive quarter. The median price in the county was \$372,000, a \$27,000 drop from last year (-7%).

**Middlesex County:** Home prices surged during the second quarter in Middlesex County. The median price in the county was \$371,000, which is \$71,000 more than a year ago, a 24% gain.

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



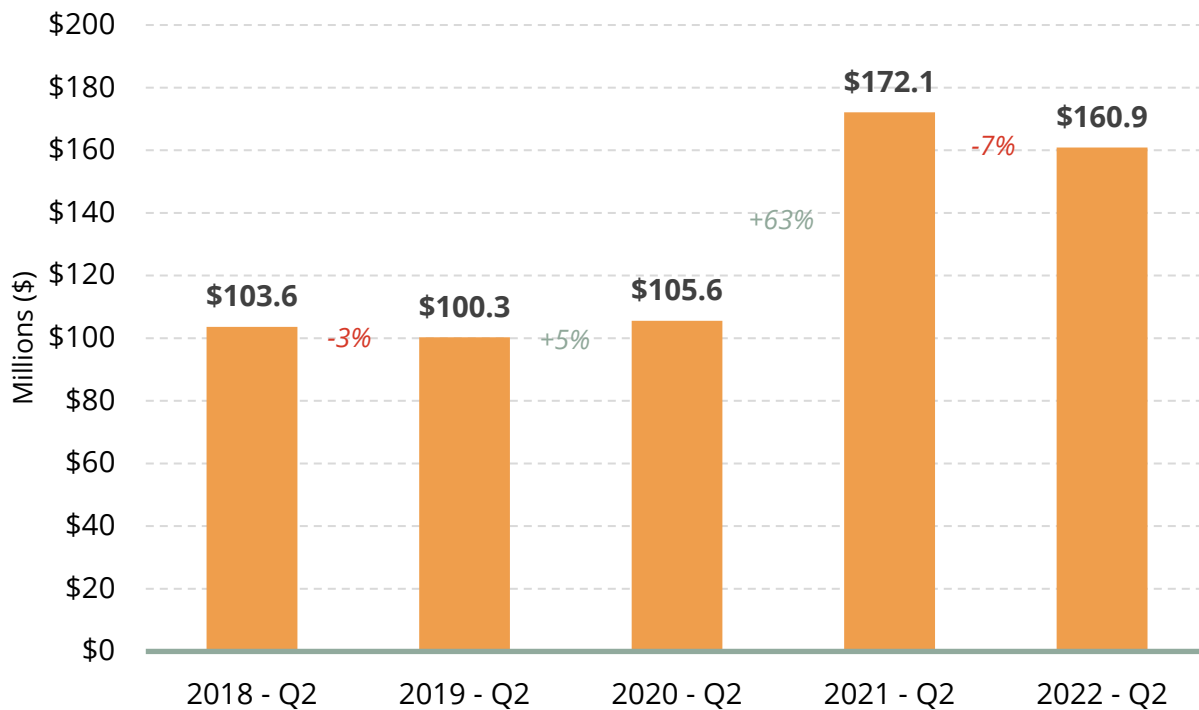
<i>Jurisdiction</i>	<i>2021 - Q2</i>	<i>2022 - Q2</i>	<i>% Change</i>
Gloucester County	\$299,900	\$329,900	10%
King & Queen County	\$277,500	\$285,000	3%
King William County	\$267,500	\$310,000	16%
Mathews County	\$399,000	\$372,000	-7%
Middlesex County	\$300,000	\$371,000	24%

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

## Sold Volume

Even though prices climbed in the area, the large drop in sales activity brought down the total sold dollar volume compared to last year in the Chesapeake Bay & Rivers market. There was approximately \$160.9 million of sold volume in the Chesapeake Bay & Rivers market during the second quarter of 2022, about \$11.2 million less volume than last year, representing a 7% decrease. This is the first decrease in sold volume in the region in more than two years.

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



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



## Local Snapshot – *Sold Dollar Volume*

**Gloucester County:** Lower sales activity in the second quarter led to a drop in sold dollar volume in Gloucester County. There was approximately \$56.9 million of sold volume in the county this quarter, which is \$18.3 million less than the second quarter last year, a 24% drop.

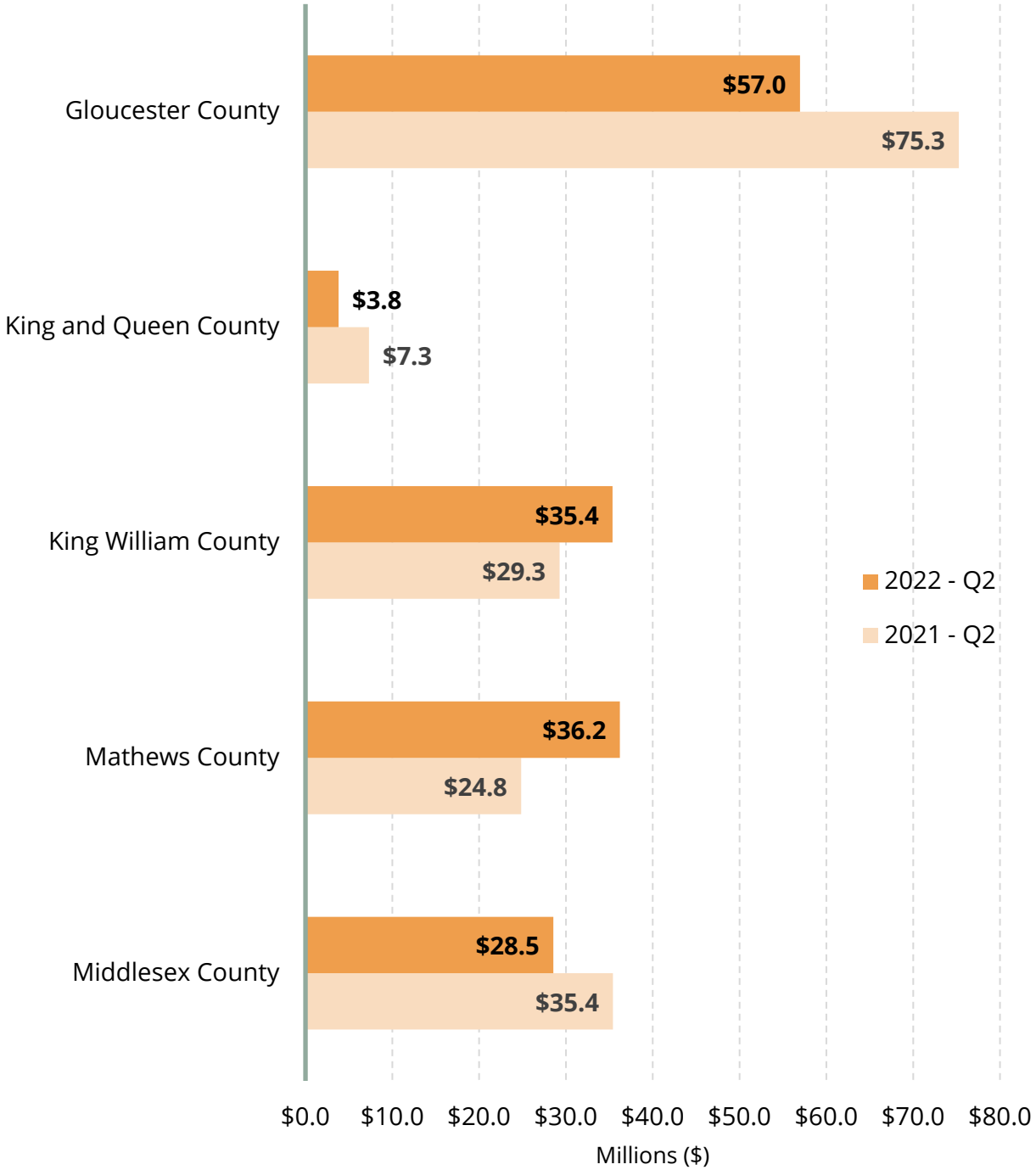
**King and Queen County:** Even though prices rose slightly in King and Queen County, a sharp decline in sales led to a drop in sold volume. During the second quarter there was about \$3.8 million of sold volume, which is 48% less than last year, a drop of \$3.4 million of volume.

**King William County:** Sold volume rose during the second quarter of 2022. There was about \$35.3 million of sold volume in King William County, which is 21% more than a year ago, an increase of \$6.1 million.

**Mathews County:** More sales and higher prices led to a rise in sold volume this quarter in Mathews County. There was approximately \$36.2 million of sold volume in the county during the second quarter, which is \$11.3 million more than last year, a 46% rise.

**Middlesex County:** While prices rose in Middlesex County, a decline in sales led to a drop in sold volume. There was approximately \$28.5 million of sold volume in the county during the second quarter, which is 19% less than this time a year ago, a decrease of \$6.8 million.

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

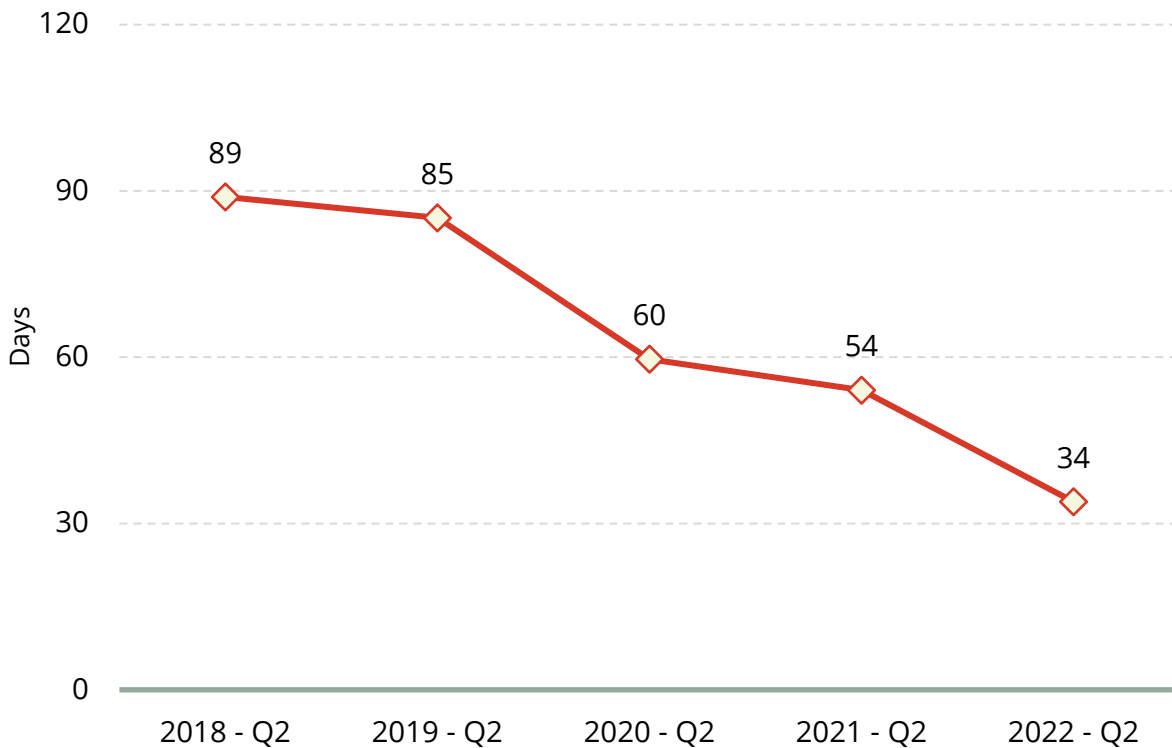


Source: Virginia REALTORS®, data accessed July 15, 2022

## Days on Market

Homes are selling historically fast in the Chesapeake Bay & Rivers market. The average days on market in the second quarter was 34 days, about 20 days faster than this time last year. As the supply of homes in the region has tightened, competition in the housing market has increased even with fewer sales overall. Statewide, homes sold in 18 days on average in the second quarter, down from 22 days a year ago.

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



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





## Local Snapshot – *Average Days on Market*

**Gloucester County:** Homes were on the market for over two weeks (17 days) on average in Gloucester County during the second quarter, which is three weeks faster than last year (-21 days).

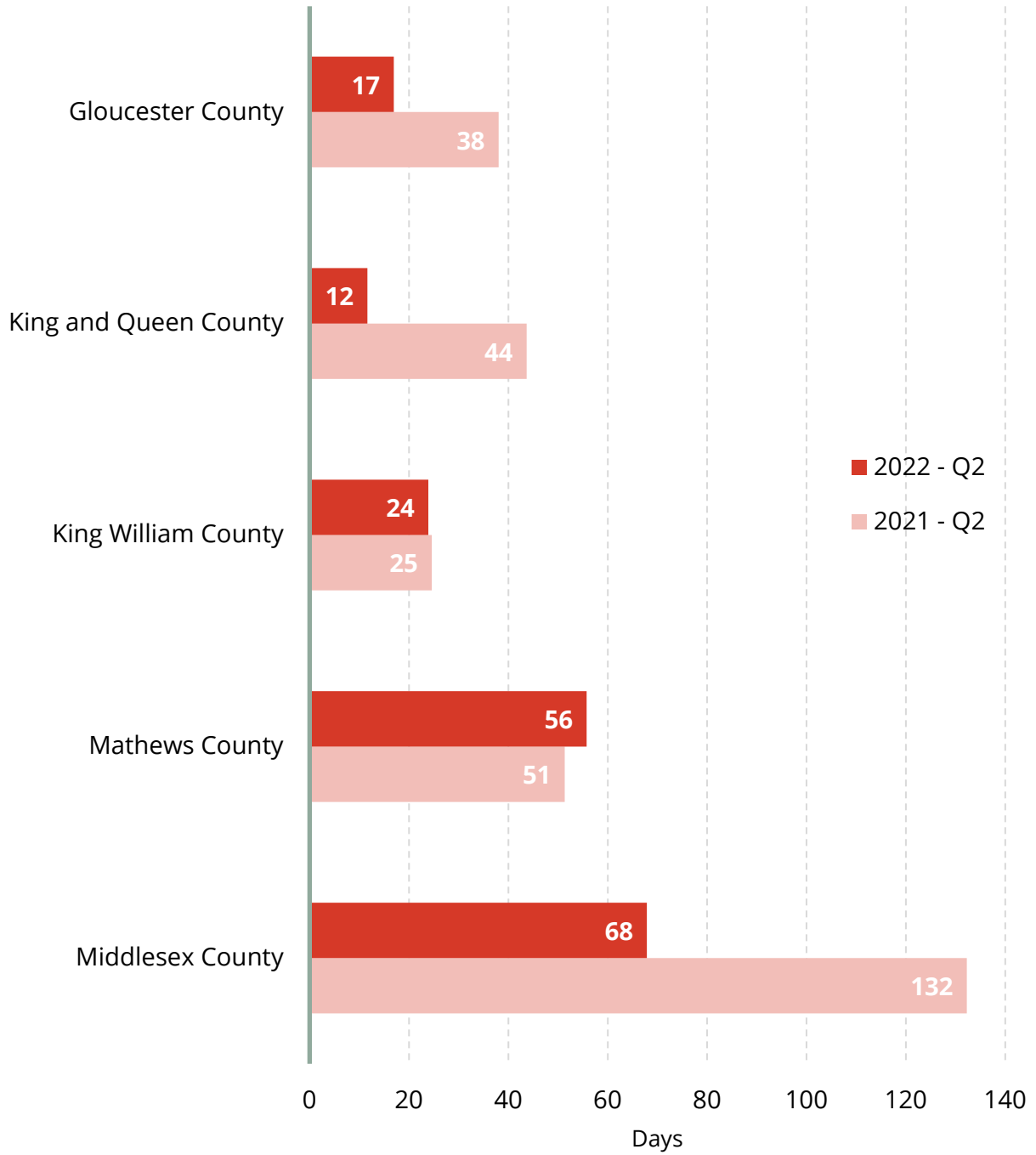
**King and Queen County:** Homes that sold in King and Queen County were on the market an average of 12 days in the second quarter, which is 32 days faster than this time last year. This is the lowest the average days on market has ever been in the King and Queen County housing market.

**King William County:** The average days on market in King William County during the second quarter was 24 days, one day faster than last year.

**Mathews County:** Homes were on the market 24 days on average, which is four days faster than last year. Even though average days on market rose this quarter, it is still 63 days faster than two years ago.

**Middlesex County:** At 68 days, the average days on market in Middlesex County in the second quarter was 64 days faster than this time last year.

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



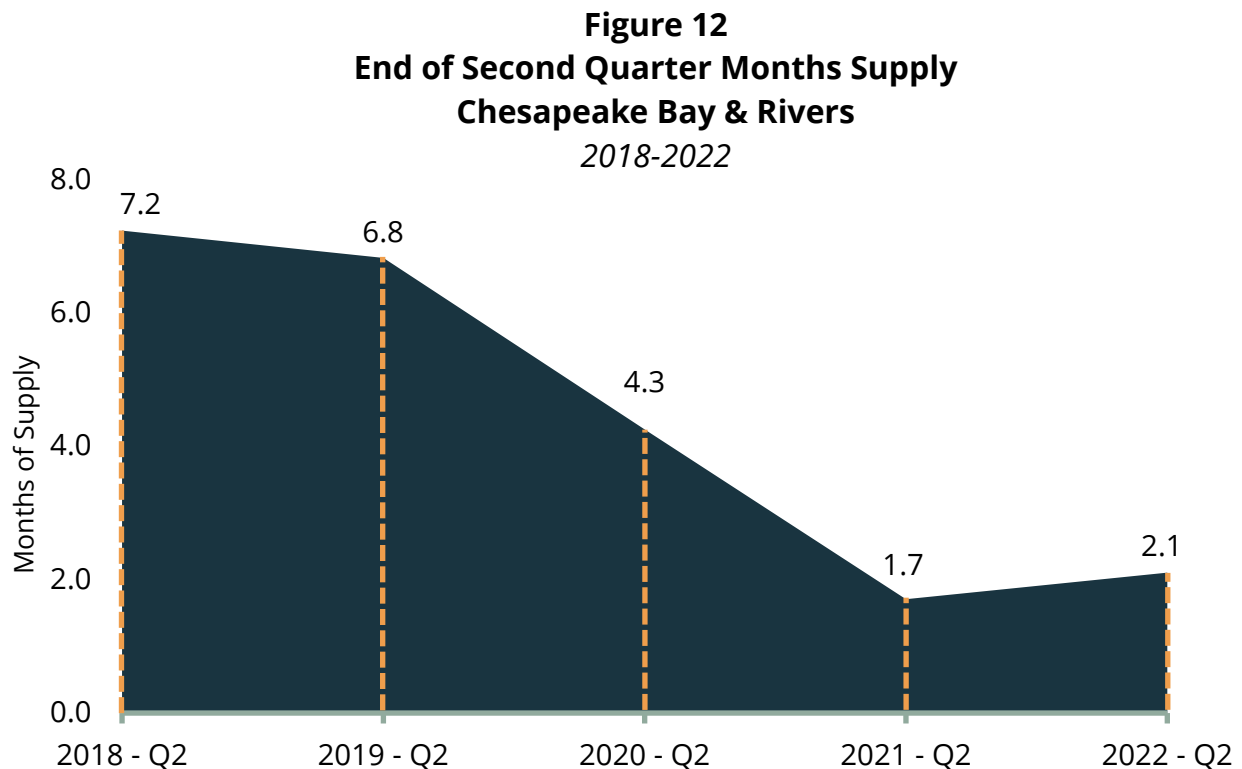
Source: Virginia REALTORS®, data accessed July 15, 2022

## Inventory

The supply of homes on the market increased again in the Chesapeake Bay & Rivers market. There were 287 active listings throughout the Chesapeake Bay & Rivers footprint at the end of the second quarter, 36 more listings than last year, a 14% jump in supply. This is the second quarterly influx of active listings in the region's housing market in a row, and just the second increase in more than seven years. Most of the local markets in the region had a buildup of inventory this quarter that is being driven by a slowdown in sales activity.

Statewide, there were 19,375 active listings on the market at the end of the second quarter, which is 169 more active listings than a year ago, a 1% increase. This is the first time the statewide inventory has increased (year-over-year) in more than seven years.

There was about 2.1 months of supply at the end of the second quarter in the Chesapeake Bay & Rivers footprint, which is up from 1.7 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 1.6 months of supply at the end of the second quarter.



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



## Local Snapshot – *Active Listings*

**Gloucester County:** Active listings rose for the first time since 2015 in the Gloucester County housing market this quarter. At the end of the second quarter there were 99 listings, which is 17 more than a year ago, a 21% increase.

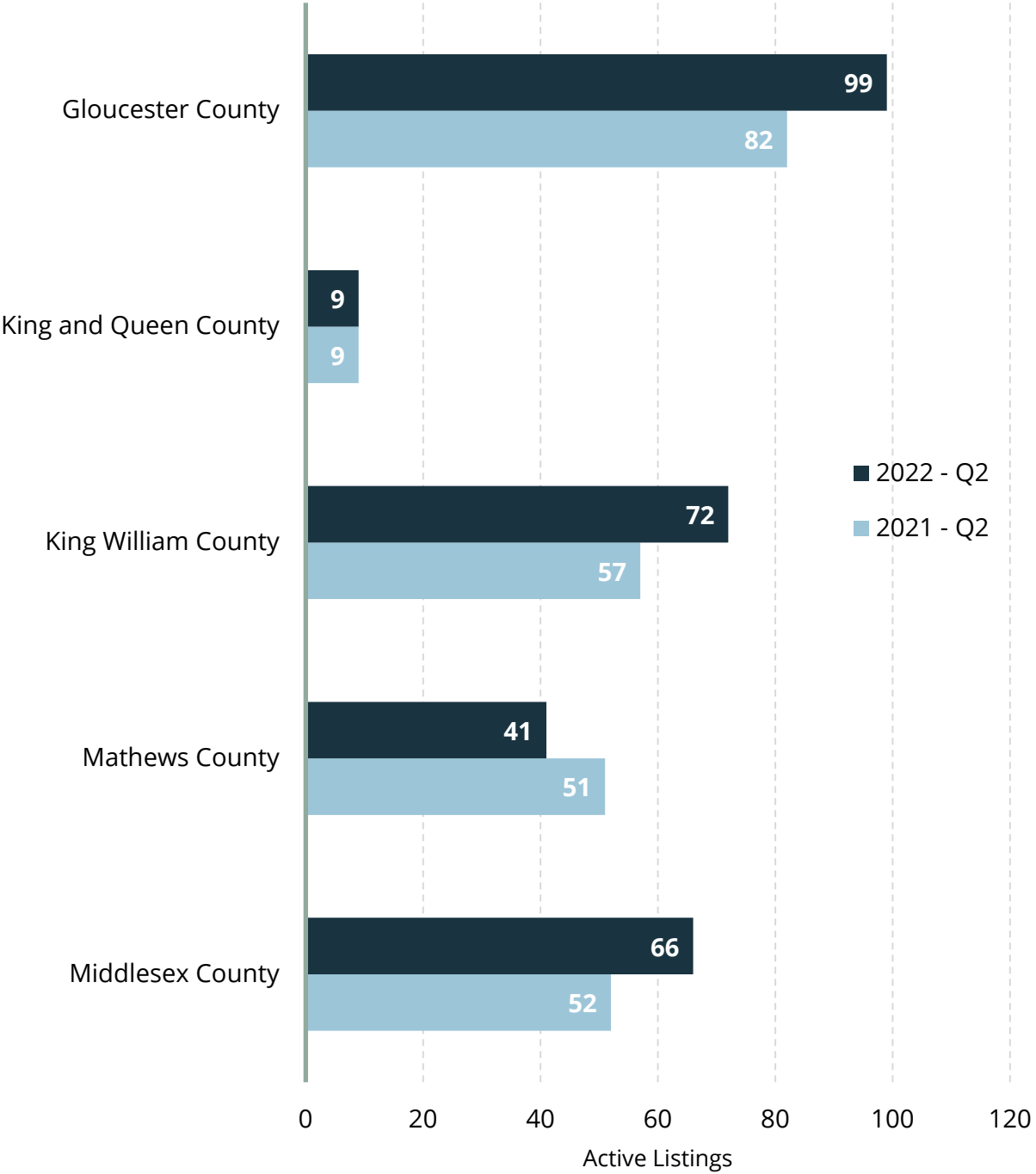
**King and Queen County:** Supply in King and Queen County was flat this quarter. There were nine active listings in the county at the end of second quarter, which is unchanged from a year ago.

**King William County:** Active listings rose for the second consecutive quarter in King William County. At the end of the second quarter there were 72 active listings, which is 15 more than last year (+26%).

**Mathews County:** Supply shrunk for the first time this year during the second quarter in the Mathews County housing market. By the end of the second quarter there were 41 active listings, which is a 20% drop, 10 fewer listings than last year.

**Middlesex County:** There were 66 active listings at the end of the second quarter, which is 14 more listings than year ago (+27%). This is the first time inventory has risen in the last three years in the county.

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



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



The Virginia REALTORS® association is one of the largest professional trade associations 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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Data and analysis provided by Virginia REALTORS® Chief Economist, Lisa Sturtevant, PhD.

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.