

CBRAR CHESAPEAKE BAY & RIVERS HOME SALES REPORT

CUSTOM REPORT PREPARED BY
VIRGINIA REALTORS®

CBRAR Home Sales Report

Second Quarter 2023

Chesapeake Bay & Rivers Association of REALTORS®

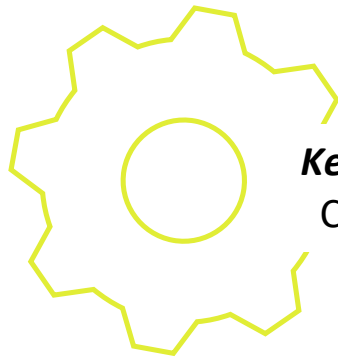
Market Report Key Takeaways

Economic Conditions

- Virginia's job base continues to expand, which generates demand for housing. There were approximately 6,900 jobs added to Virginia's economy between April and May 2023.
- The statewide unemployment rate in Virginia was 2.7% in May 2023 (not seasonally adjusted), which is down from 2.9% a year ago. In the Chesapeake Bay & Rivers region, the unemployment rate was 2.5% in May, down from 2.7% a year ago.
- Mortgage rates continue to fluctuate widely. In the third week of July 2023, the average rate on a 30-year fixed mortgage was 6.78%, which is down from 6.96% the week prior.

Housing Market Conditions

- Sales activity continues to trend slower than last year in the Chesapeake Bay & Rivers housing market. There were 322 homes sold across the region in the second quarter, down 25% from last year.
- Home prices are climbing even as there are fewer sales. The median sales price in the Chesapeake Bay & Rivers housing market during the second quarter was \$337,273, up 3% from last year, a gain of \$10,638.
- There were 245 active listings on the market in the Chesapeake Bay & Rivers region at the end of the second quarter, 42 fewer listings than a year ago, which is a 15% drop. This is the third time in the last four quarters that supply in the region has decreased.



Key Trends Dashboard Chesapeake Bay & Rivers

Economy



2.5%

Is the May-2023 **unemployment rate** in the Chesapeake Bay & Rivers footprint, which is up from May-2022



6.78%

Is the **30-year fixed-rate mortgage rate** during the third week of July 2023, which is up from 5.54% a year ago

Housing Market



-108

Fewer **home sales** in the Chesapeake Bay & Rivers footprint in Q2-2023 compared to last year



3%

Percent change in **median sales price** in the Chesapeake Bay & Rivers region in Q2-2023 compared to a year ago



-\$39.7

Million dollars less in total **sold volume** in the Chesapeake Bay & Rivers footprint in Q2-2023 compared to last year



-15%

Percent change in **active listings** at the end of Q2-2023 in the Chesapeake Bay & Rivers market compared to a year ago



2.3

Months of supply in the Chesapeake Bay & Rivers footprint in Q2-2023, which is up from a year ago

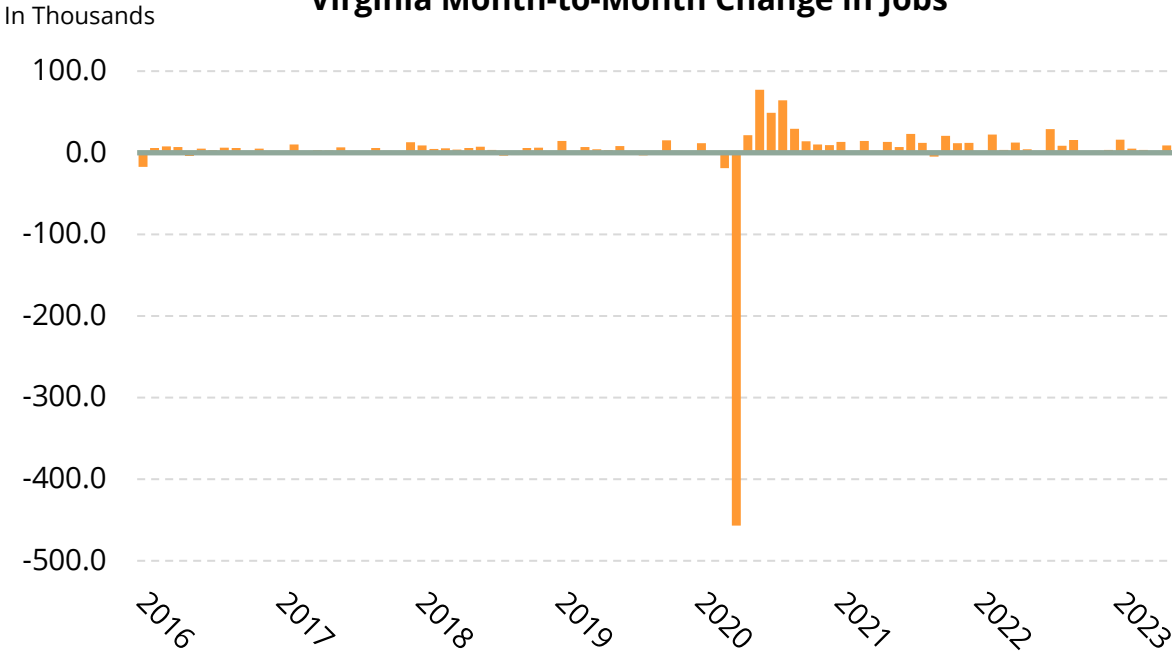
Economic Overview

Inflation continues to march downward but is still hovering above target levels. The Federal Reserve hiked rates again at its July 2023 meeting to continue combating inflation. This could slow the economy further and soften what has been a very resilient job market.

Jobs

In May 2023, there were approximately 4.15 million jobs in Virginia, which is about 6,900 more jobs than the revised April 2023 total. The job market in Virginia and in many parts of the country has been resilient even as economic headwinds mount. Virginia’s job base has been expanding steadily over the last few years, faster than some of our neighbors to the north (MD, DC) and west (WV), but slower than places to the south (NC, TN). Most of the jobs added between April and May 2023 in Virginia were Professional and Technical Services jobs (+3,300), Construction jobs (+2,600), and Health Care and Social Assistance jobs (+1,600). The Other Services sector shed the most jobs over the past month (-1,700). This sector includes a wide range of service-related jobs such as personal care services, pet care services, and housekeeping, among others.

Figure 1
Virginia Month-to-Month Change in Jobs

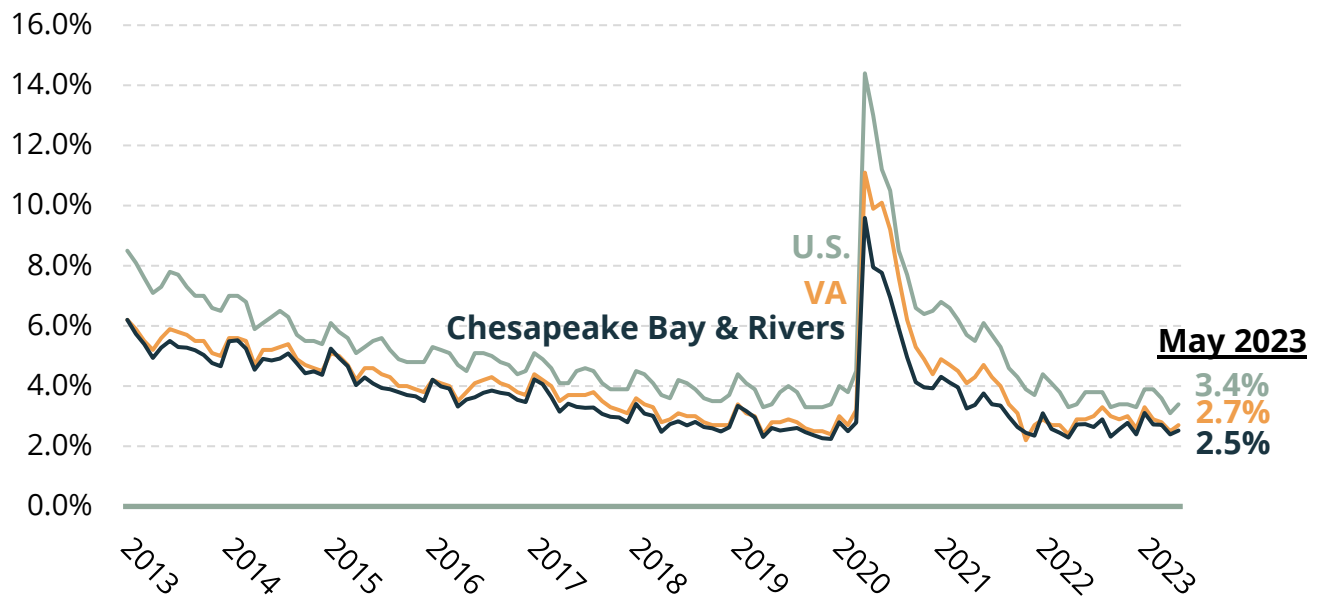


Source: U.S. Bureau of Labor Statistics, Seasonally Adjusted

Unemployment

The labor market in Virginia continues to be tight as unemployment lingers below 3%. The May unemployment rate in Virginia was 2.7% (not seasonally adjusted), which is down from 2.9% in May of last year. In the Chesapeake Bay & Rivers region, the May unemployment rate was 2.5%, which is down from 2.7% a year ago.

Figure 2
Unemployment Rate



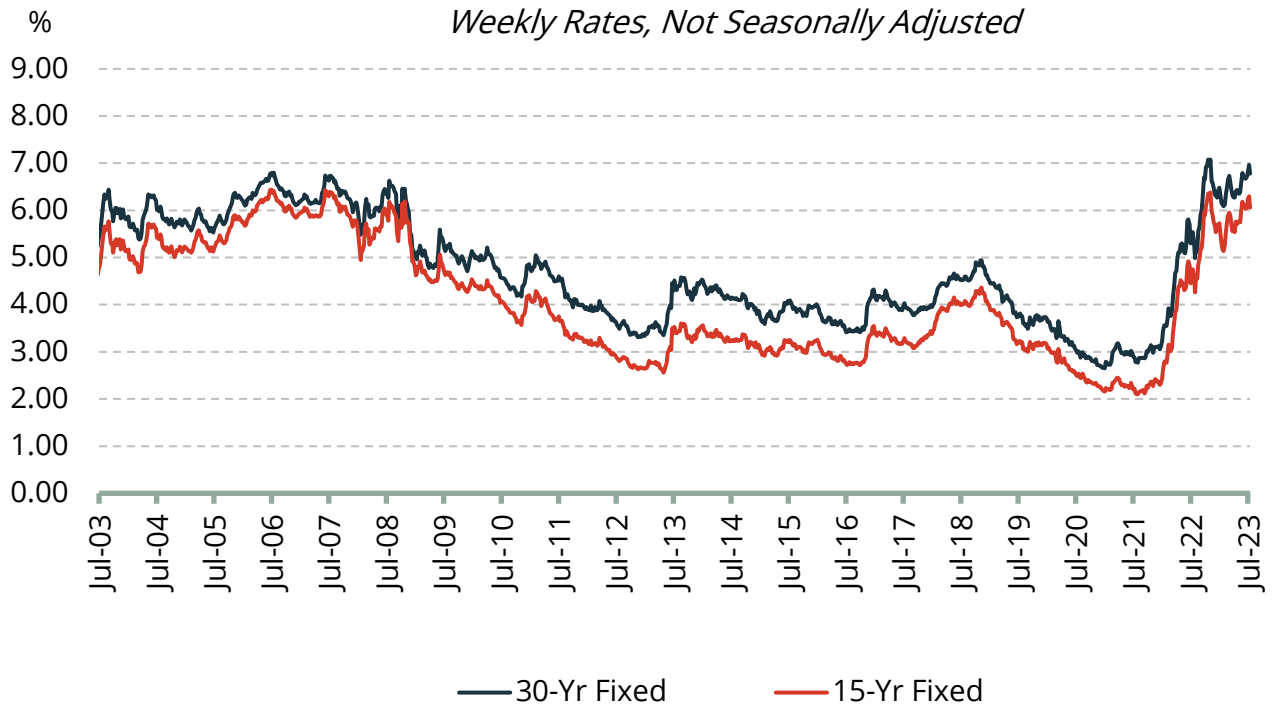
Source: U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics

Mortgage Rates

Mortgage rates continue to be volatile. The average rate for a 30-year fixed mortgage in the United States as of July 20 was 6.78%. This is down from 6.96% the previous week but is up from 6.67% this time last month. The rate volatility will likely remain a factor in the coming months, though many expect rates will trend downward over time.

Figure 3
Mortgage Interest Rates

Weekly Rates, Not Seasonally Adjusted



Source: Freddie Mac

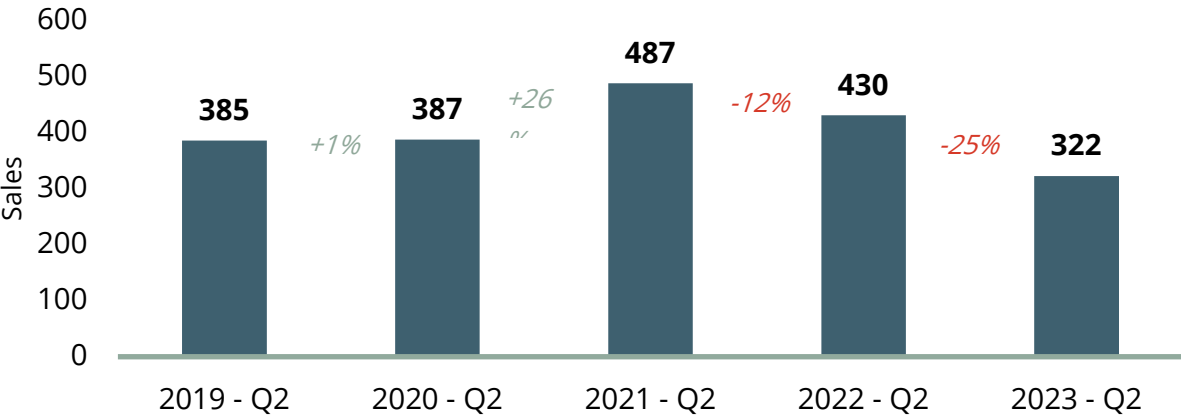
Housing Market Overview

The Chesapeake Bay & Rivers housing market continues to be slower than last year but still just as competitive. Sales activity was down, as was sold volume. However, home prices are still rising in most local markets as supply conditions remain tight, which is putting upward pressure on price levels. Homes in the area are taking longer to sell than last year but continue to sell relatively fast compared to historical spring market averages.

Sales

It was a sluggish spring in the Chesapeake Bay & Rivers area housing market. There were 322 homes sold across the footprint during the second quarter of 2023. This is 108 fewer sales than a year ago, representing a 25% drop, and the slowest spring market the region has had in a decade. Within the second quarter, which includes April through June, sales activity slowed down all three months compared to the same time last year. Statewide, sales activity fell 23% in the second quarter of 2023 compared to a year ago. The sharp slowdown in market activity is being driven by a combination of factors including tight inventory conditions and climbing mortgage rates. The dramatic rise in mortgage rates over the last year and a half has also created a "lock-in effect" in which would-be sellers have little incentive to sell their homes and lose the ultra-low mortgage rates that many homeowners locked into during the 2020 and 2021 refinance boom.

Figure 4
Second Quarter Home Sales
Chesapeake Bay & Rivers
2019-2023



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



Local Snapshot – *Total Home Sales*

Gloucester County: In Gloucester County, there were 147 homes sold during the second quarter, 10 fewer sales than the year prior, a 6% decrease.

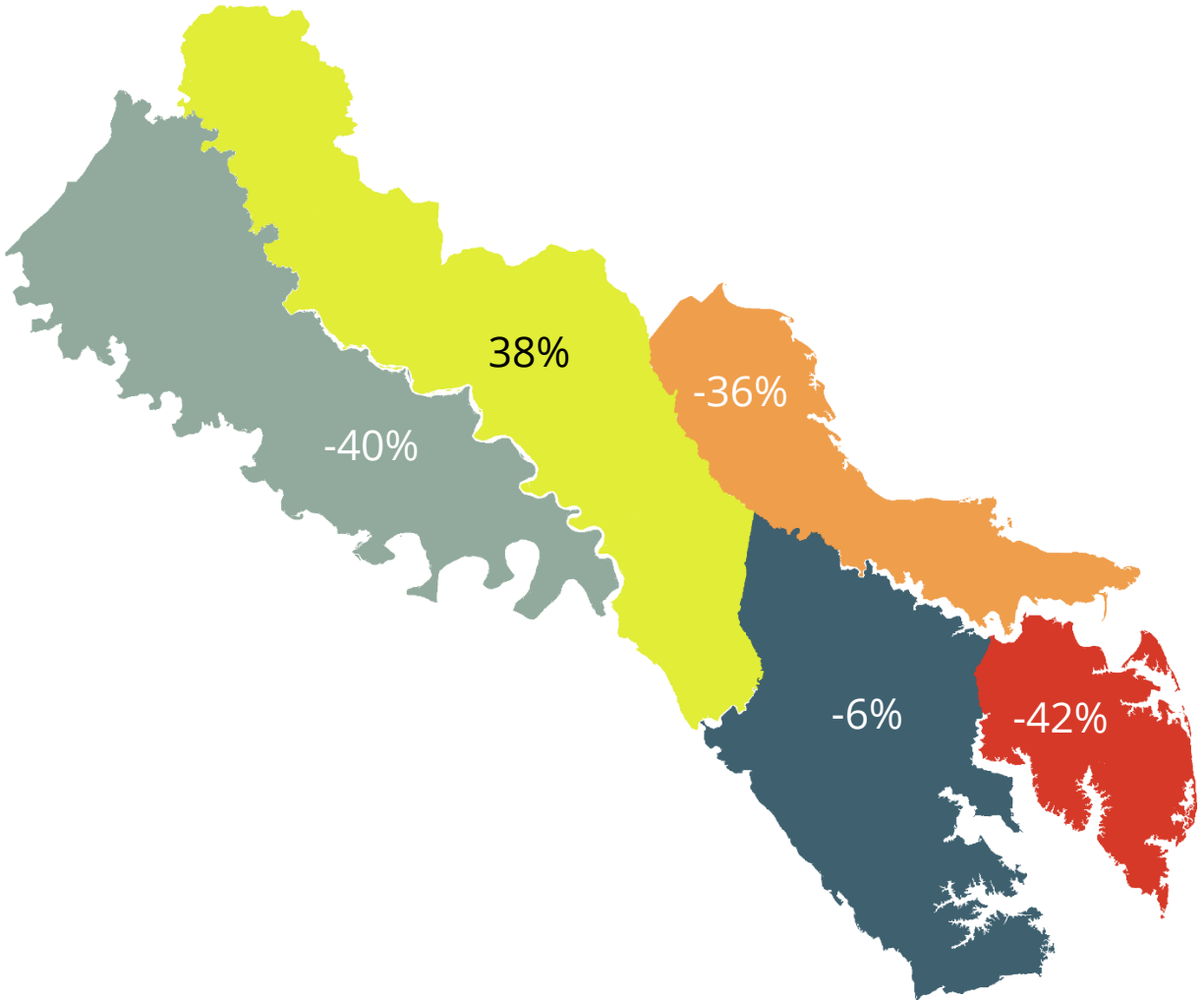
King and Queen County: After five consecutive quarters, sales activity increased in King and Queen County this quarter. In the second quarter there were 18 sales in the county, up 38% from the previous year, a 5% uptick.

King William County: In the second quarter, there were 67 sales in King William County, 45 fewer sales than the same time last year, dropping by 40%.

Mathews County: There were 45 sales during the second quarter in Mathews County, falling by 42% compared to a year ago, which is 33 fewer sales.

Middlesex County: Sales continued to go down in Middlesex County. There were 45 sales during the second quarter, 25 fewer sales than the year before, a 36% reduction in activity.

Figure 5
Change in Sales by Jurisdiction
Chesapeake Bay & Rivers
Second Quarter 2022 to Second Quarter
2023



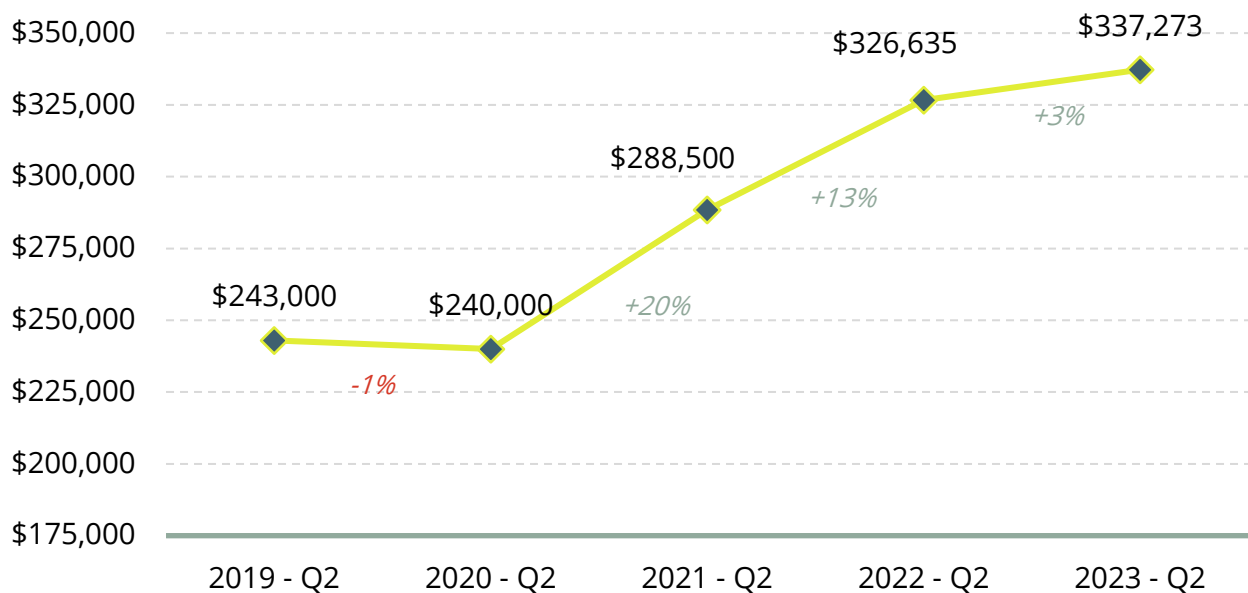
<i>Jurisdiction</i>	<i>2022 - Q2</i>	<i>2023 - Q2</i>	<i>% Change</i>
Gloucester County	157	147	-6%
King & Queen County	13	18	38%
King William County	112	67	-40%
Mathews County	78	45	-42%
Middlesex County	70	45	-36%

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

Sales Prices

While market activity remains sluggish, it has not put a damper on home prices, which continue to climb in most local markets in the Chesapeake Bay & Rivers region. At \$337,273, the regionwide median sales price in the second quarter jumped by \$10,638 from this time last year, a 3% increase. The tight inventory coupled with pent up demand has continued to put upward pressure on home prices despite the slowdown. Statewide, median sales price in the second quarter of 2023 was \$388,825, which is up 2% from a year ago.

Figure 6
Second Quarter Median Sales Price, Chesapeake Bay & Rivers
2019-2023



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



Local Snapshot – *Median Sales Price*

Gloucester County: The median sales price in Gloucester County was \$340,100 during the second quarter, 3% higher than a year ago, a \$10,200 price increase.

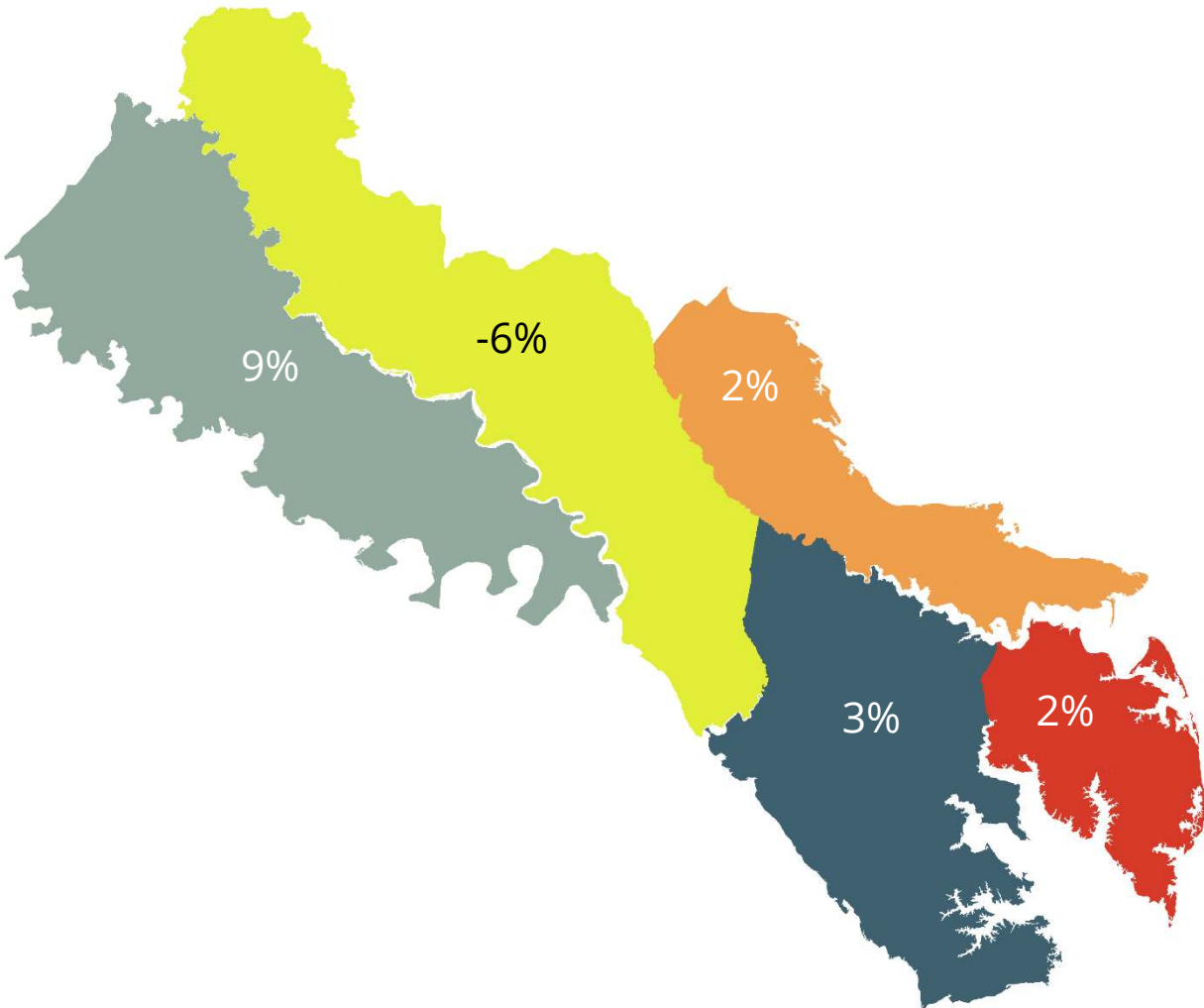
King and Queen County: In King and Queen County, the median price of a home was \$266,613 during the second quarter, \$18,388 less than a year earlier, a drop of 6%.

King William County: Home prices continued to move up in King William County this quarter. The median sales price was \$337,545 in the second quarter, increasing by 9% from last year, an additional \$27,545.

Mathews County: In the second quarter, the median sales price rose to \$380,000 in Mathews County, up 2% or \$8,000 from the previous year.

Middlesex County: The median price of a home in Middlesex County was \$378,000 during the second quarter, \$7,000 more than the year prior, an increase of 2%.

Figure 7
Change in Median Sales Price by Jurisdiction
Chesapeake Bay & Rivers
Second Quarter 2022 to Second Quarter 2023



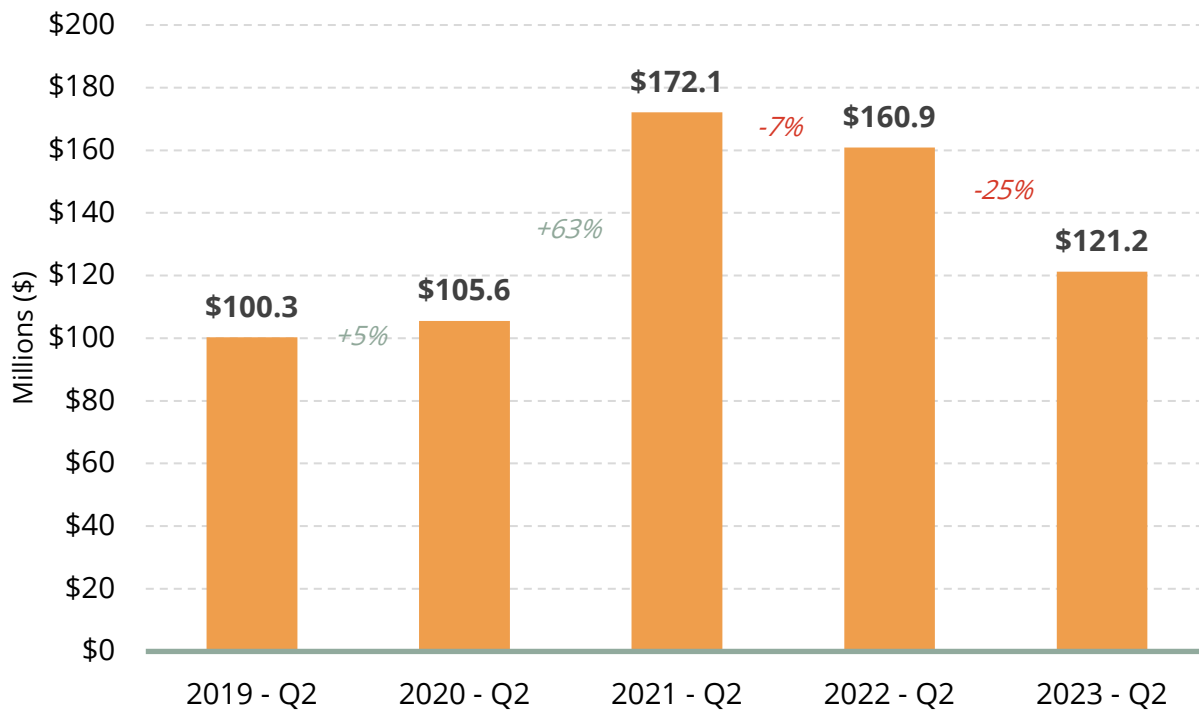
<i>Jurisdiction</i>	<i>2022 - Q2</i>	<i>2023 - Q2</i>	<i>% Change</i>
Gloucester County	\$329,900	\$340,100	3%
King & Queen County	\$285,000	\$266,613	-6%
King William County	\$310,000	\$337,545	9%
Mathews County	\$372,000	\$380,000	2%
Middlesex County	\$371,000	\$378,000	2%

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

Sold Volume

While price levels are rising in many parts of the region, the slowdown in sales activity continues to bring down the sold dollar volume in the Chesapeake Bay & Rivers area housing market. There was about \$121.2 million of sold volume across the region in the second quarter, a decrease of \$39.7 million from a year ago. This represents a 25% reduction in sold volume in the Chesapeake Bay & Rivers market, the fifth straight quarter of declining volume.

Figure 8
Second Quarter Sold Dollar Volume (Millions)
Chesapeake Bay & Rivers
2019-2023



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



Local Snapshot – *Sold Dollar Volume*

Gloucester County: The sold dollar volume in Gloucester County was approximately \$55 million during the second quarter, down 3% from the year before, a \$1.91 million reduction in volume.

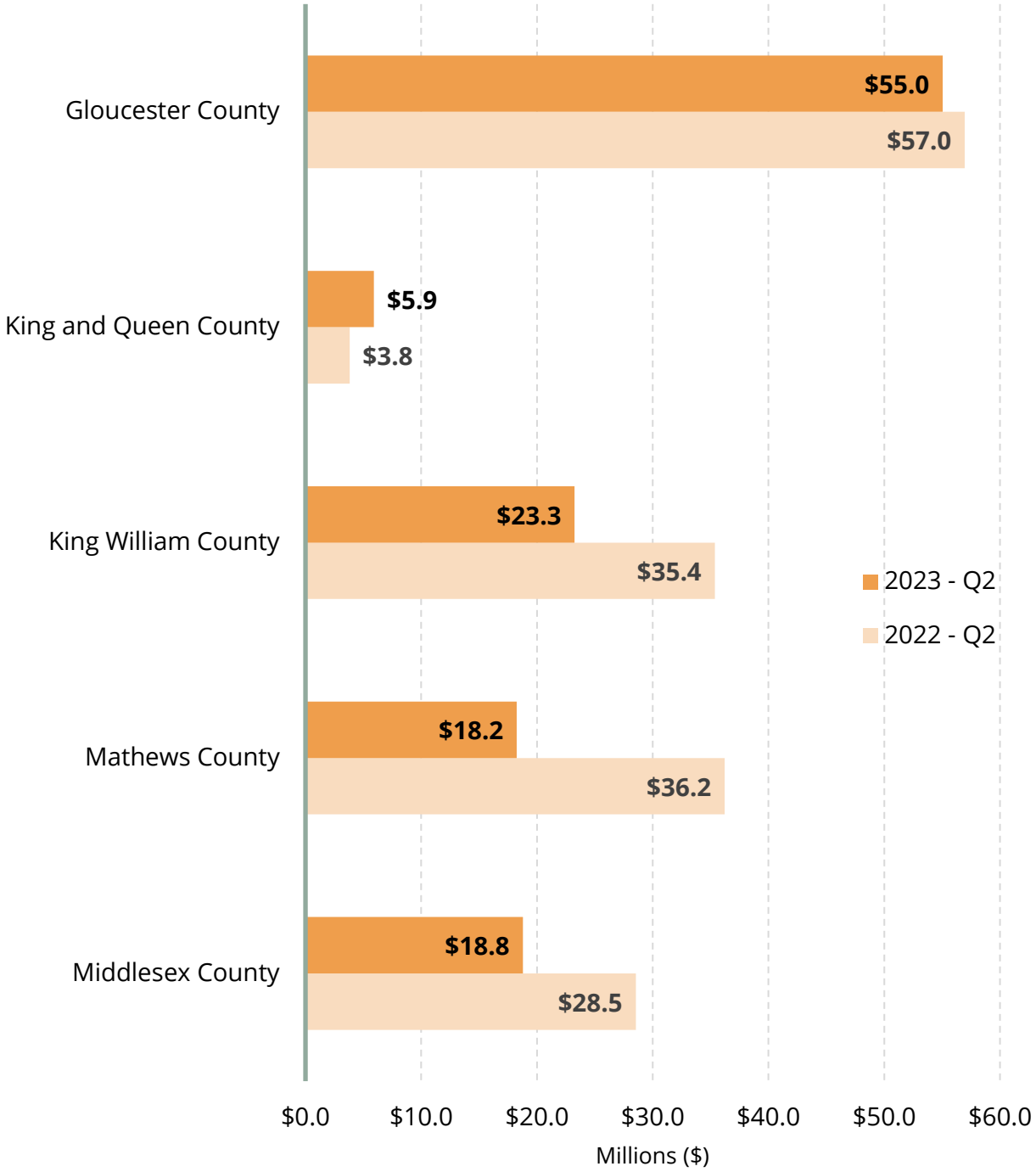
King and Queen County: The jump in sales activity led to more sold dollar volume in King and Queen County this quarter. The sold volume was \$5.91 million during the second quarter, \$2.1 million more than a year ago, a 55% increase.

King William County: In King William County, the sold dollar volume continued to fall. There was about \$23.3 million of sold volume during the second quarter, \$12.1 million less than last year, a drop of 34%.

Mathews County: Fewer sales brought down the total sold volume in Mathews County. In the second quarter, there was \$18.2 million of sold volume in the county, declining by 50% compared to the year prior, an \$18 million drop.

Middlesex County: There was roughly \$18.8 million of sold volume in Middlesex County during the second quarter, 34% less than the year before, a \$9.75 million decrease.

Figure 9
Second Quarter Sold Dollar Volume
Chesapeake Bay & Rivers Jurisdictions
2022 and 2023

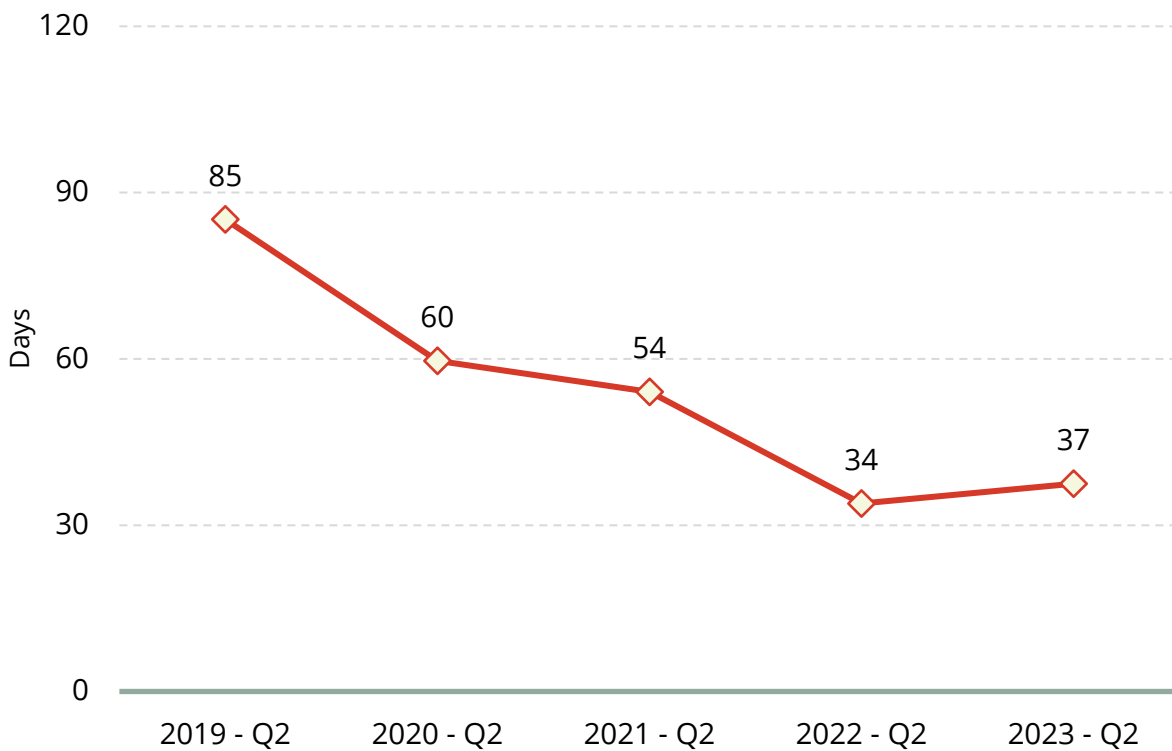


Source: Virginia REALTORS®, data accessed July 15, 2023

Days on Market

Homes are staying on the market longer than last year but are still selling relatively fast compared to historical averages. Homes that sold in the Chesapeake Bay & Rivers region during the second quarter of 2023 were on the market 37 days, which is three days slower than a year ago. While this trend has been consistent for several quarters now, the market remains competitive. For context, the average days on market in the region during the second quarter five years ago (2018) was about three months (89 days). This is more than twice the amount of time it took to sell a home in the second quarter of 2023 even though transaction volume now is much lower than it was in 2018. This dynamic is being driven by the low supply of homes available in the market. At the state level, the average days on market this quarter was 23 days, which is six days longer than the second quarter of 2022.

Figure 10
Second Quarter Average Days on Market
Chesapeake Bay & Rivers
2019-2023



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



Local Snapshot – *Average Days on Market*

Gloucester County: The average days on market for a home sold in Gloucester County was 38 days during the second quarter, 21 days slower than the year before.

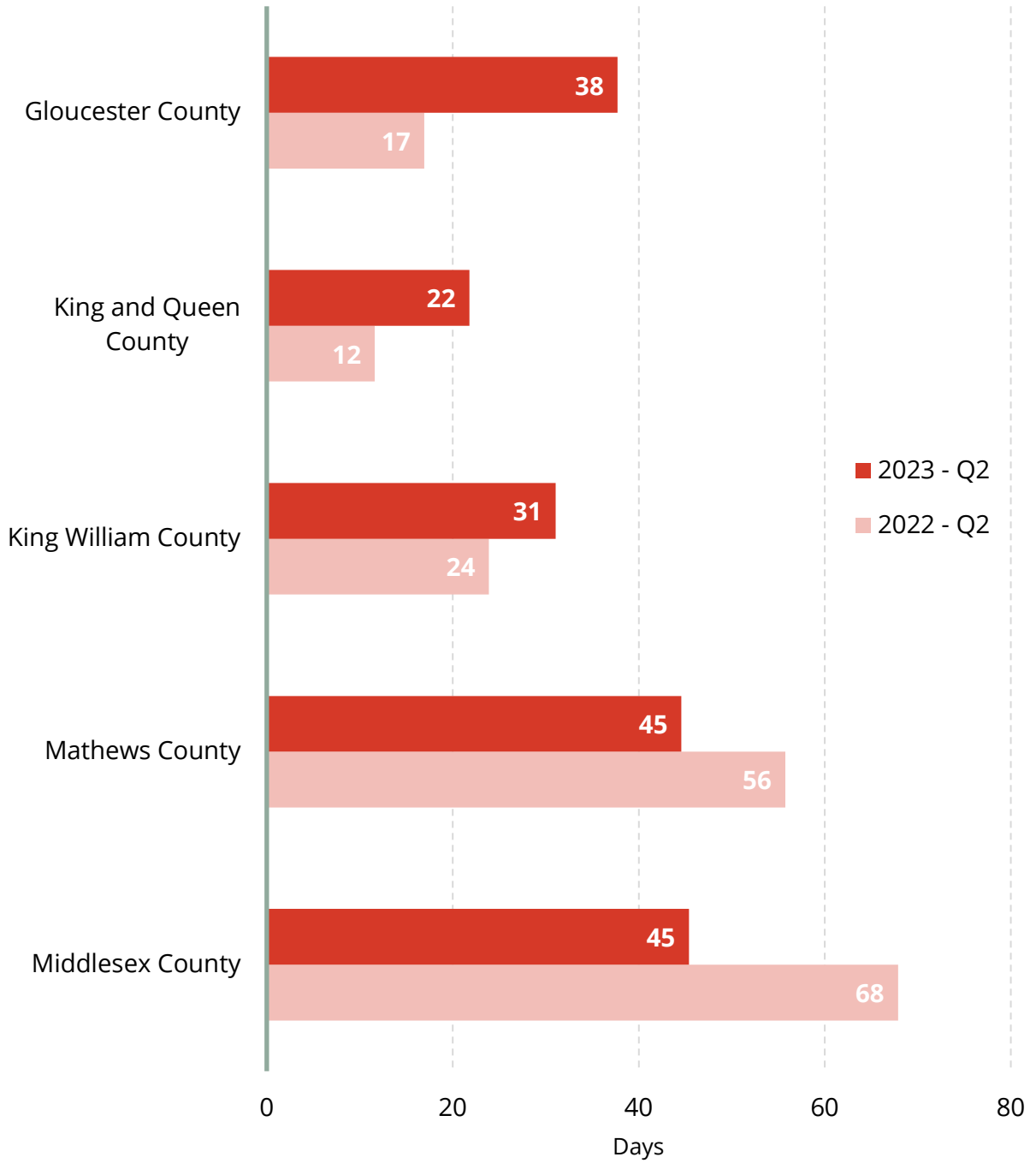
King and Queen County: In King and Queen County, the average days on market was 22 days in the second quarter, 10 days longer than last year.

King William County: Homes were on the market longer in King William County this quarter. In the second quarter, the average days on market was 31 days in the county, taking seven days longer to sell than a year ago.

Mathews County: In the second quarter, homes sold in Mathews County were on the market an average of 45 days, selling 11 days faster than a year earlier.

Middlesex County: At 45 days, the average days on market in Middlesex County during the second quarter was 22 days faster than the previous year.

Figure 11
Second Quarter Average Days on Market
Chesapeake Bay & Rivers Jurisdictions
2022 and 2023



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

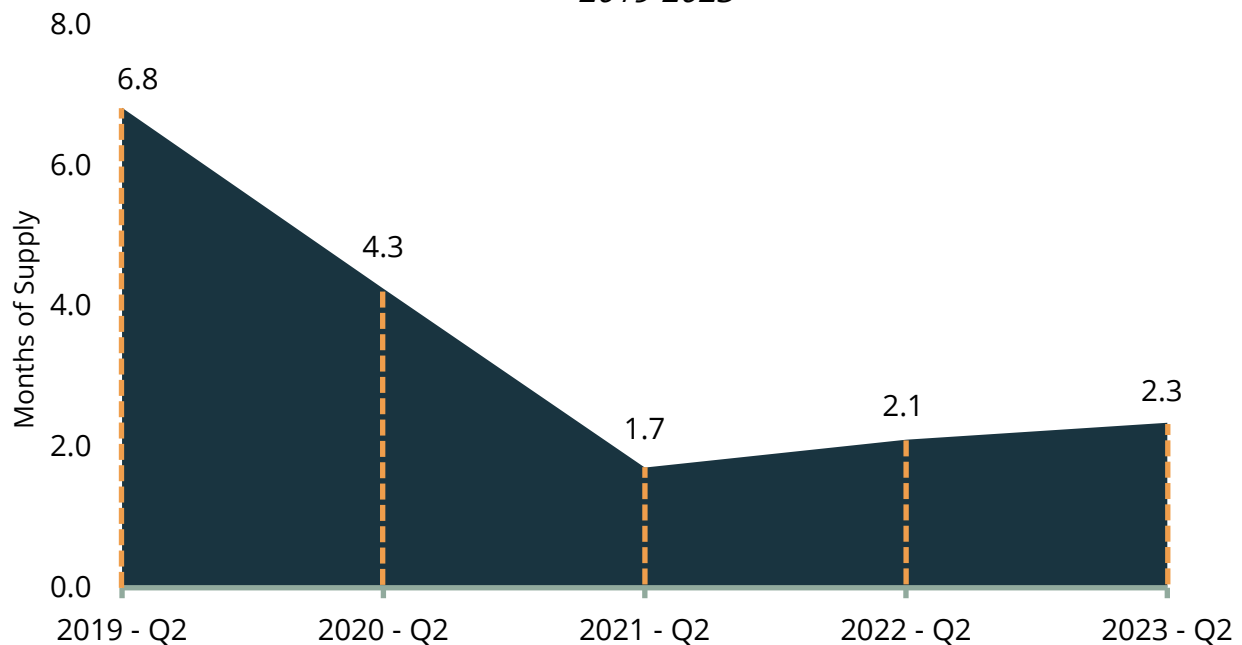
Inventory

Supply in the Chesapeake Bay & Rivers housing market continues to shrink. There were 245 homes listed for sale at the end of the second quarter, 42 fewer listings than a year ago, which is a 15% decline. The supply in the region has decreased at a double-digit rate for three of the last four quarters.

There were 16,246 active listings across Virginia at the end of the second quarter. This is 3,129 fewer listings than a year ago, representing a 16.1% decrease.

There was 2.3 months of supply at the end of the second quarter in the Chesapeake Bay & Rivers footprint, which is up from 2.3 months of supply 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 1.8 months of supply at the end of the second quarter.

Figure 12
End of Second Quarter Months Supply
Chesapeake Bay & Rivers
2019-2023



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



Local Snapshot – *Active Listings*

Gloucester County: Inventory decreased in Gloucester County this quarter. There were 78 listings on the market at the end of the second quarter, declining by 21% from the previous year, which is 21 fewer listings.

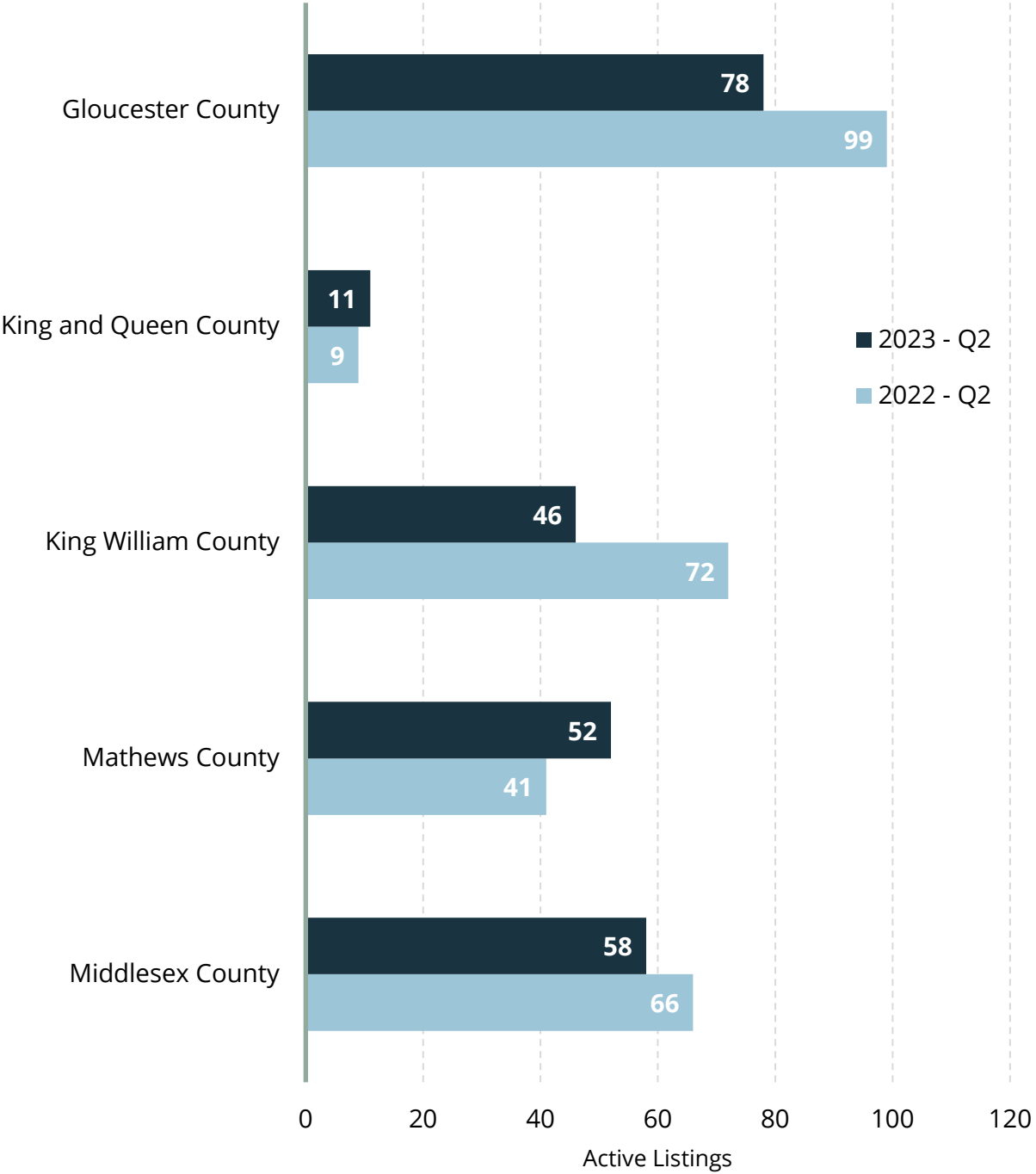
King and Queen County: At the end of the second quarter, there were 11 active listings in King and Queen County, up two listings from the year prior, a 22% jump.

King William County: There were 46 listings at the end of the second quarter in King William County, decreasing by 36% compared to the same time last year, or 26 fewer listings.

Mathews County: In Mathews County, there were 52 active listings on the market at the end of the second quarter, 11 more listings than a year ago, increasing by 27%.

Middlesex County: As supply grew, listings dropped in Middlesex County. At the end of the second quarter, there were 58 listings on the market, eight fewer listings than the year before, a 12% decrease.

Figure 13
End of Second Quarter Active Listings
Chesapeake Bay & Rivers Jurisdictions
2022 and 2023



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



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.