

VIRGINIA PENINSULA HOME SALES REPORT



CUSTOM REPORT PREPARED BY
VIRGINIA REALTORS®

Virginia Peninsula Home Sales Report

Second Quarter 2023

Virginia Peninsula REALTORS®

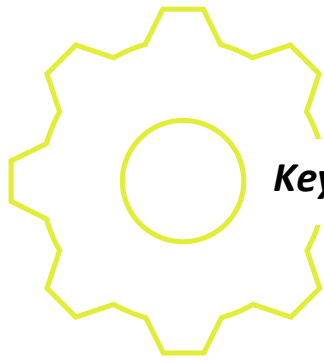
Market Report Key Takeaways

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 Virginia Peninsula region, the unemployment rate was 3.1% in May, down from 3.8% 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 Virginia Peninsula housing market. There were 1,748 homes sold across the region in the second quarter, down 20% from last year.
- Home prices are climbing even as there are fewer sales. The median sales price in the Virginia Peninsula region during the second quarter was \$299,900, up 6% from last year, a gain of \$16,900.
- There were 974 active listings on the market across the Virginia Peninsula footprint at the end of the second quarter, 193 fewer listings than a year ago, which is a 17% supply drop.



Key Trends Dashboard, Virginia Peninsula

Economy



3.1%

Is the May-2023 **unemployment rate** in the Virginia Peninsula footprint, which is down 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



-446

Fewer **home sales** in the Virginia Peninsula footprint in Q2-2023 compared to last year



6%

Percent change in **median sales price** in the Virginia Peninsula region in Q2-2023 compared to a year ago



-\$117.4

Less **sold volume** in the Virginia Peninsula footprint in Q2-2023 compared to last year



-16.5%

Percent change in **active listings** at the end of Q2-2023 in the Virginia Peninsula market compared to a year ago



1.8

Months of supply in the Virginia Peninsula footprint in Q2-2023, which is up from a year ago

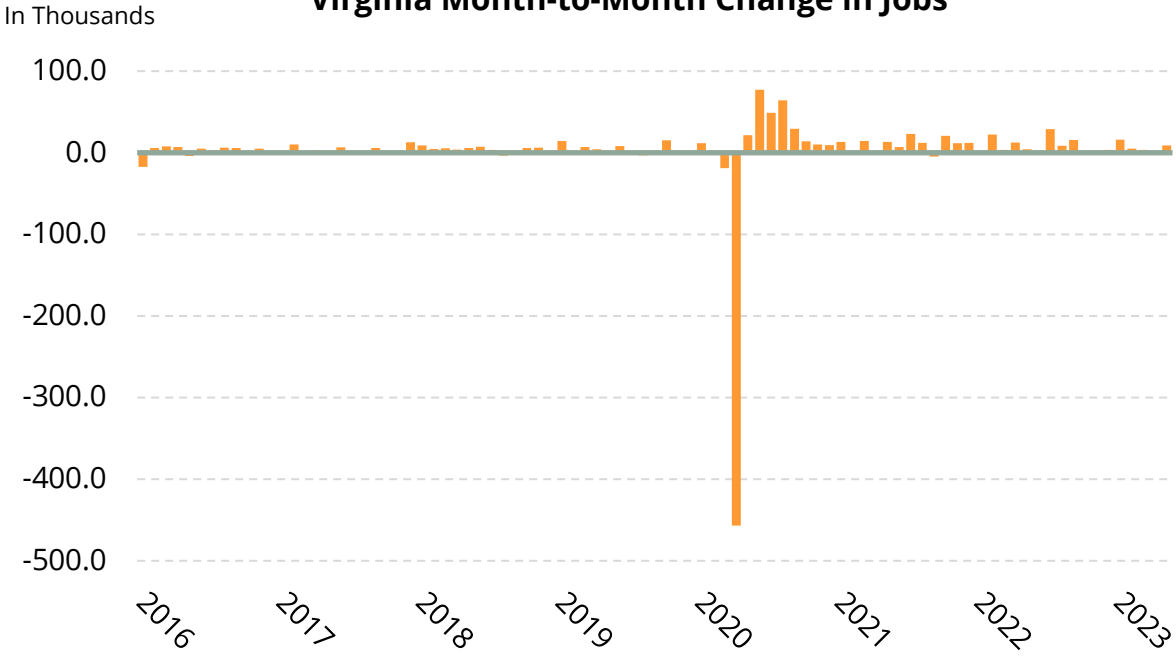
Economic Overview

Inflation continues to march downward but is still hovering above target levels. The Federal Reserve hiked rates again at their 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

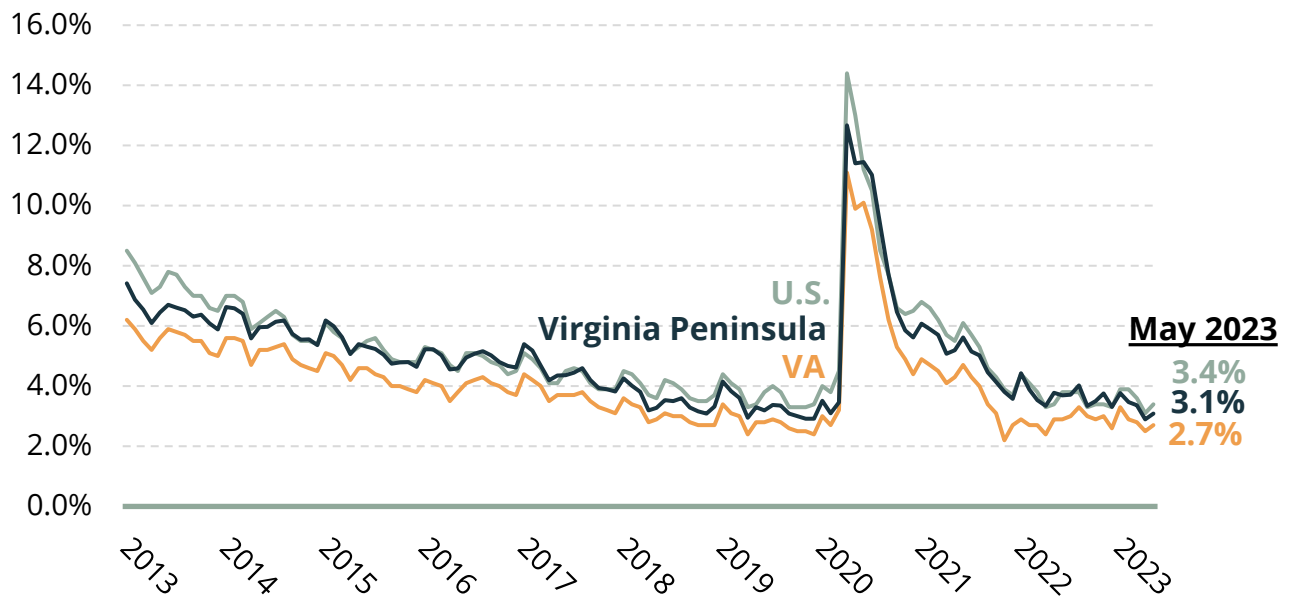


Source: U.S. Bureau of Labor Statistics, Seasonally Adjusted

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 Virginia Peninsula region, the May unemployment rate was also 3.1%, which is down from 3.8% a year ago.

Figure 2
Unemployment Rate

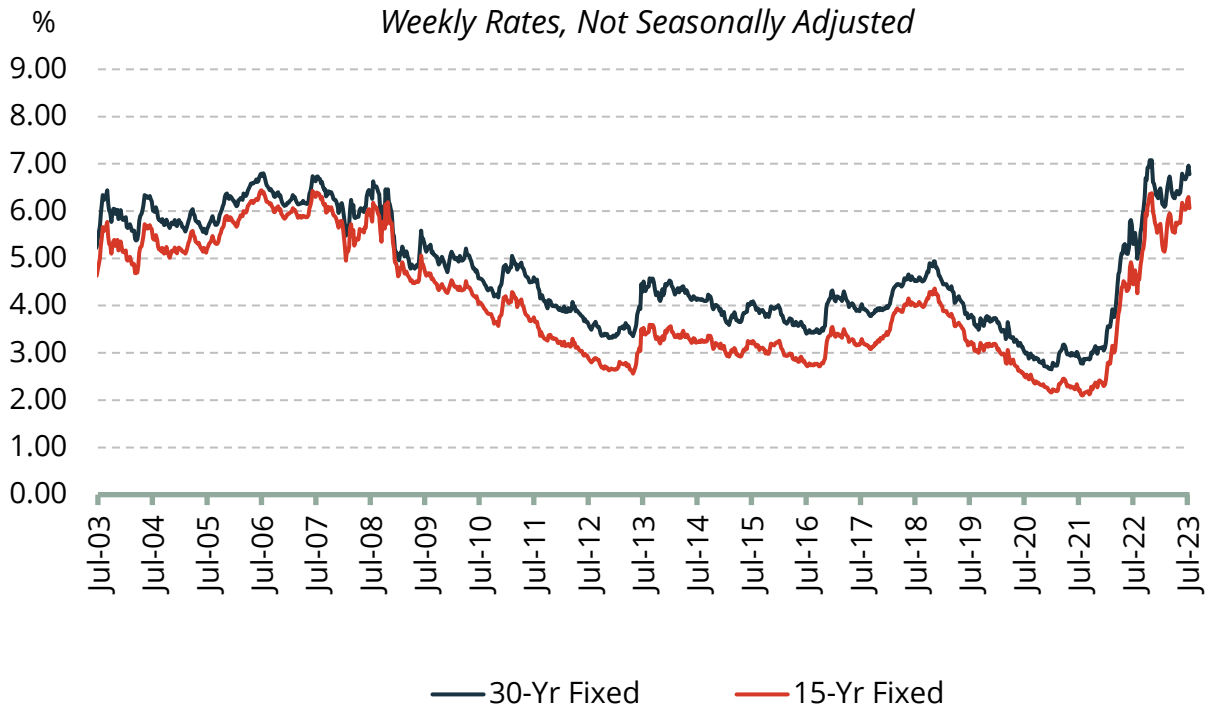


Source: U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics

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

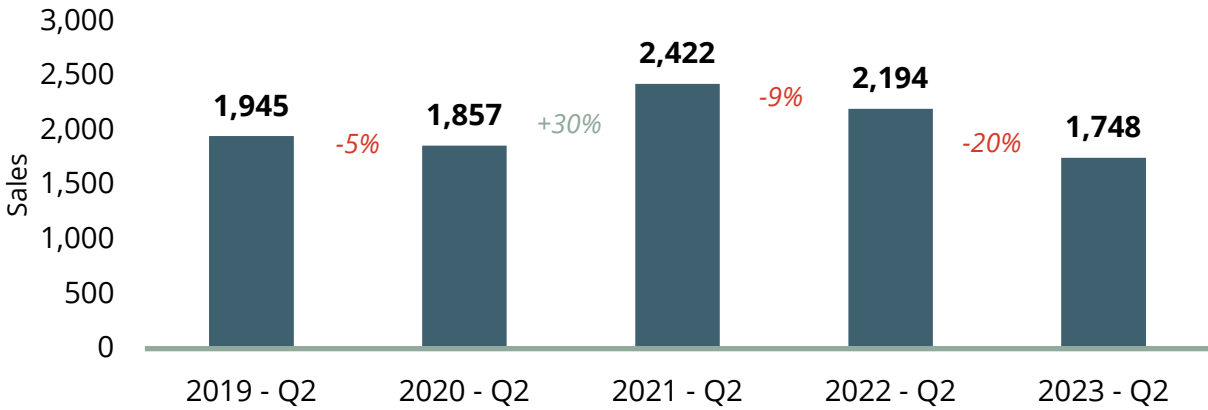
Housing Market Overview

The Virginia Peninsula housing market continues to be slower than last year but remains competitive for buyers. Sales activity was down, as was sold volume. However, home prices are still rising in several local markets as supply conditions remain tight, which is putting upward pressure on price levels. A summary of housing market trends for the larger region is available in the appendix at the end of this report.

Sales

It was a sluggish spring in the Virginia Peninsula housing market. There were 1,748 homes sold across the footprint during the second quarter of 2023. This is 446 fewer sales than a year ago, representing a 20% drop, and the slowest spring market the region has had since 2017. 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, Virginia Peninsula
2019-2023



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



Local Snapshot – *Total Home Sales*

Hampton: In the second quarter, there were 591 home sales in the Hampton market, 150 fewer compared to last year, reflecting a 20% decline.

Isle of Wight County: In Isle of Wight County, there were 169 sales in the second quarter, 23 fewer than the previous year, a 12% decline.

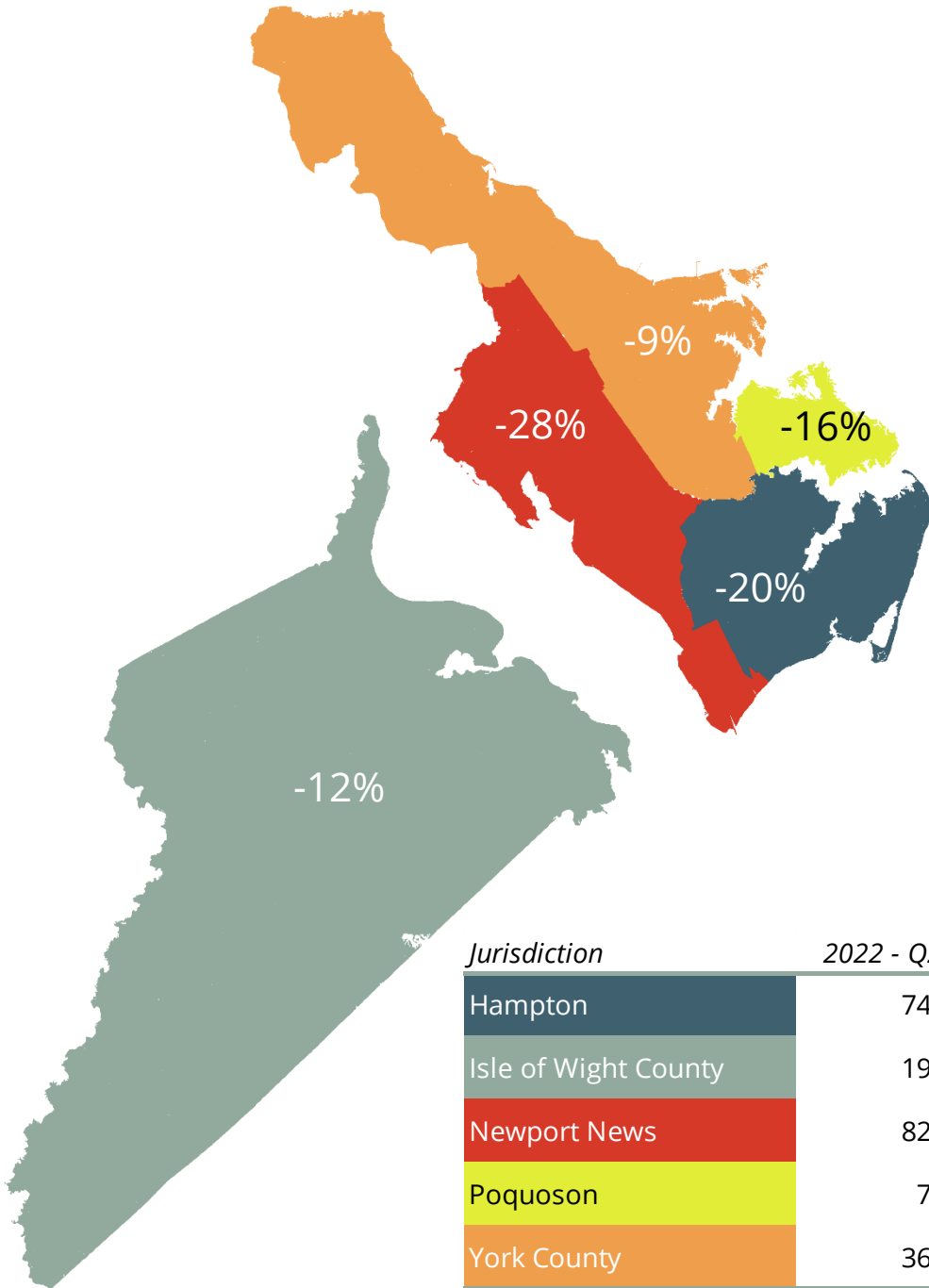
Newport News: At 596, sales activity fell by 28% in the second quarter compared to last year in Newport News, which is 228 fewer sales. Sales activity has dropped for a year in the local area.

Poquoson: There were 61 sales in Poquoson city in the second quarter, a 16% fall from a year ago, which is 12 fewer sales.

York County: In York County, there were 331 sales in the second quarter, a 9% decrease compared to 2022, which is 80 fewer sales. Sales activity has declined for over two years in the county.

Figure 5
Change in Sales by Jurisdiction
Virginia Peninsula

Second Quarter 2022 to Second Quarter 2023

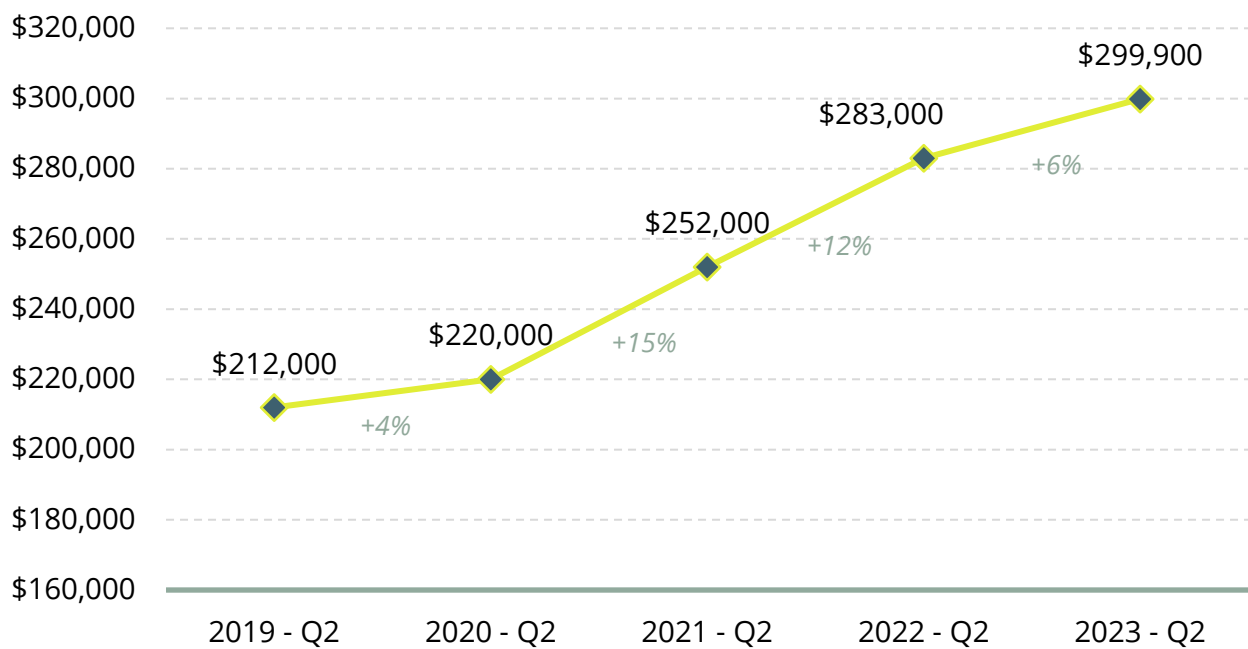


Source: Virginia REALTORS®, data accessed July 15, 2023

Sales Prices

While market activity has been slow, it has not put a damper on home prices, which continue to climb in most local markets in the Virginia Peninsula footprint. At \$299,900, the regionwide median sales price in the second quarter jumped up by \$16,900 from this time last year, a 6% increase. The chronically low inventory coupled with a robust pipeline of buyers 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, Virginia Peninsula
2019-2023



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



Local Snapshot – *Median Sales Price*

Hampton: Home prices continue to rise in the Hampton market. The median sold price in the second quarter was \$259,200 in Hampton, a 3% rise from this time in 2022, an \$8,200 difference.

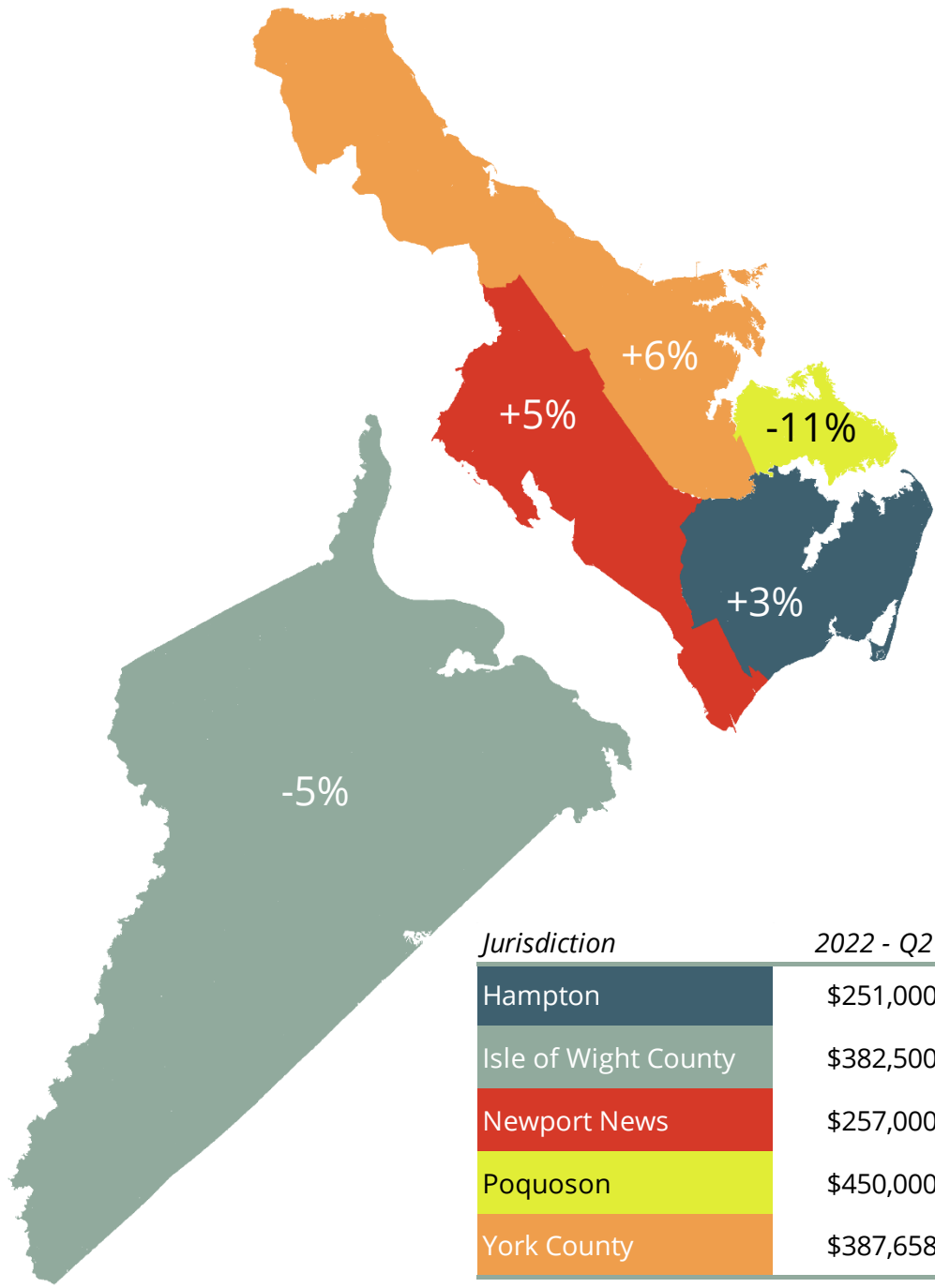
Isle of Wight County: The median sales price declined for two consecutive quarters in Isle of Wight County. In the second quarter, the median sales price was \$362,000 in the county, \$20,500 lower than a year ago, a 5% decline.

Newport News: In Newport News, the median sold price in the second quarter was \$268,750, a 5% increase from this time last year, marking an \$11,750 price jump.

Poquoson: Prices have declined in the Poquoson market for three consecutive quarters. The median sales price in Poquoson was \$400,000 in the second quarter, \$50,000 lower than the previous year, an 11% decline.

York County: At \$410,560, the median sales price in York County rose by 6% in the second quarter compared to a year ago, which is an additional \$22,903.

Figure 7
Change in Median Sales Price by Jurisdiction
Virginia Peninsula
Second Quarter 2022 to Second Quarter 2023

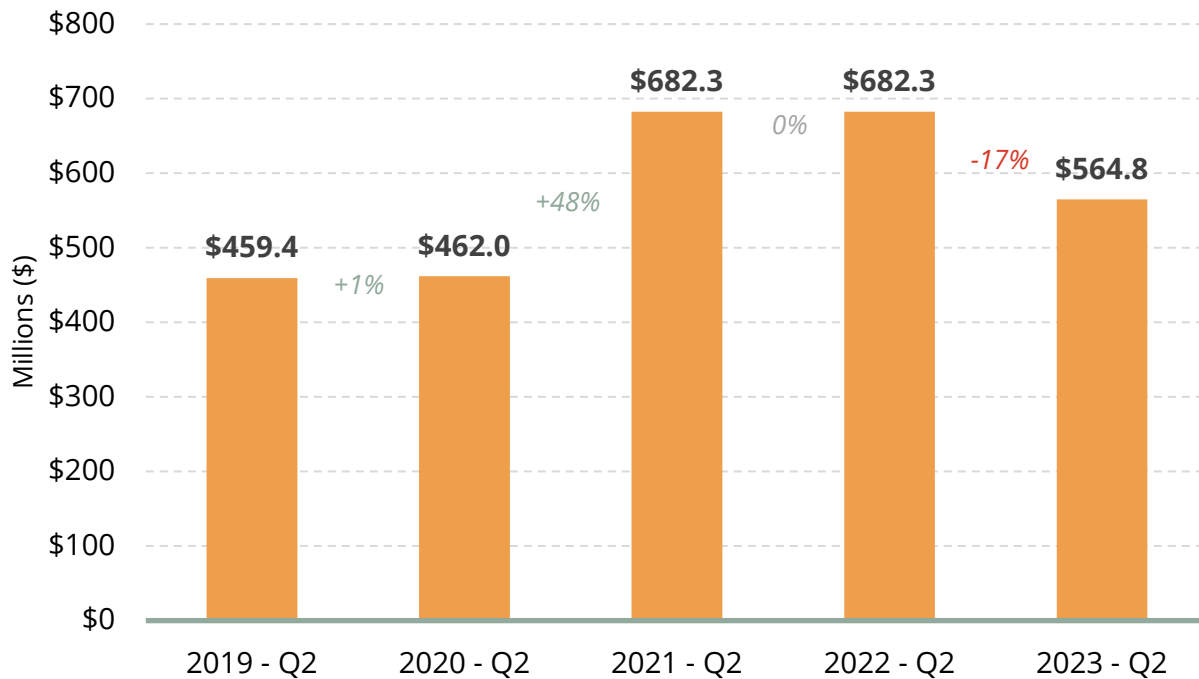


Source: Virginia REALTORS®, data accessed July 15, 2023

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 Virginia Peninsula housing market. There was approximately \$564.8 million of sold volume across the Virginia Peninsula region in the second quarter, a decrease of \$117.5 million from a year ago. This represents a 17% reduction in sold volume in the market, the fourth straight quarter of a double-digit decline in volume.

Figure 8
Second Quarter Sold Dollar Volume (Millions), Virginia Peninsula
2019-2023



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



Local Snapshot – *Sold Dollar Volume*

Hampton: Lower sales activity has driven the sold volume down for four consecutive quarters in Hampton. There was about \$159.7 million in sold volume in the Hampton market during the second quarter, nearly \$35.8 million lower than last year, reflecting an 18% decline.

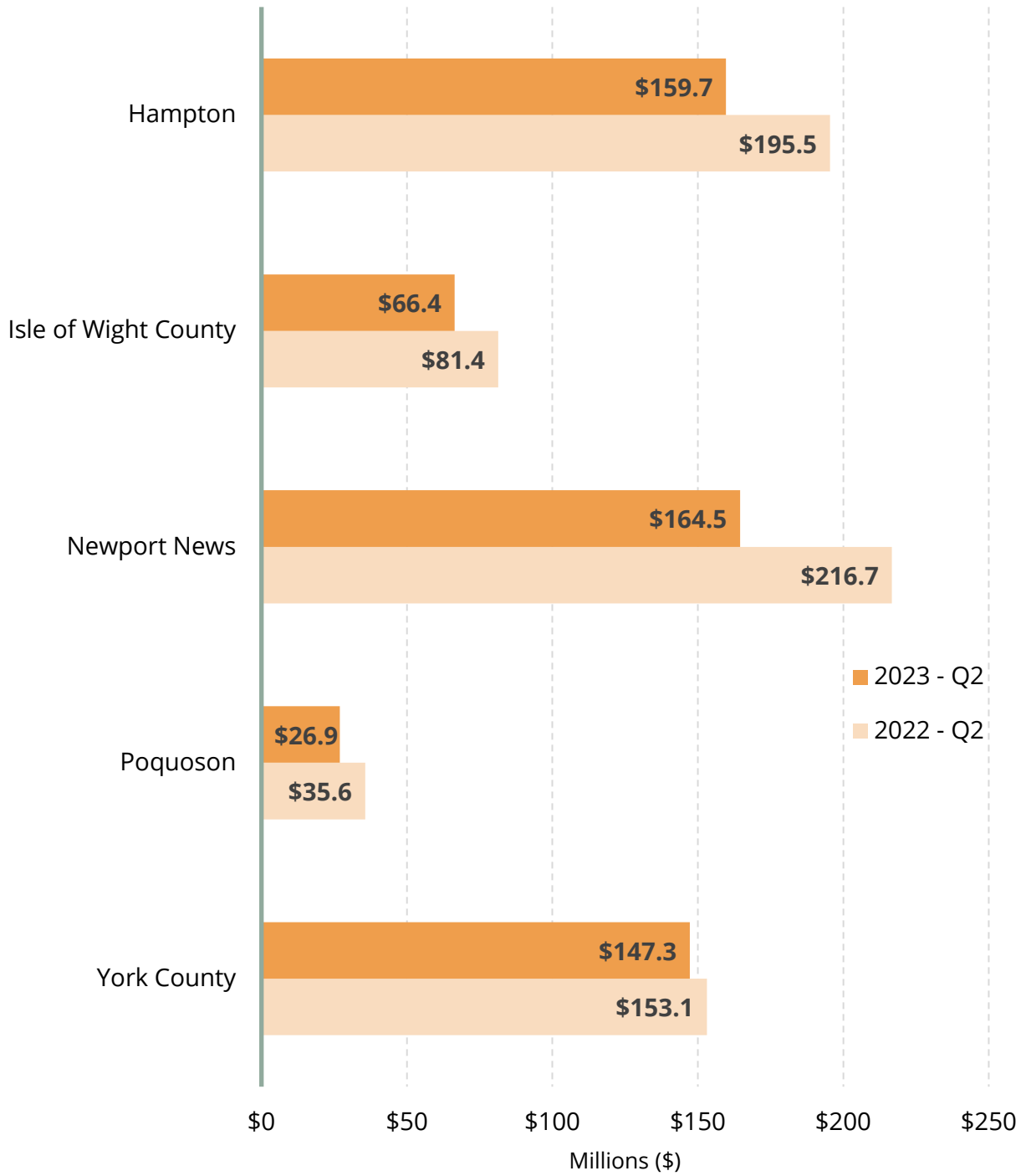
Isle of Wight County: Sold volume declined in Isle of Wight County due to lower sales and home prices in the second quarter. There was roughly \$66.4 million of sold volume during the second quarter in Isle of Wight County, an 18% decline from a year ago, which is a \$15 million difference.

Newport News: Despite rising home prices in the second quarter, lower sales activity led to a decline in sold volume in Newport News. In the second quarter, approximately \$164.5 million was accumulated from sales in Newport News, \$52.2 million lower than the previous year, marking a 24% decline.

Poquoson: In Poquoson City, there was nearly \$26.9 million in sold volume in the second quarter, a 25% drop compared to a year ago, which is an \$8.7 million difference. The sold volume has declined for four consecutive quarters in the city.

York County: Sold volume levels have dropped for five straight quarters in York County. In the second quarter, around \$147.3 million was accumulated from sales in York County, which is \$5.8 million lower than a year ago, showing a 4% decrease.

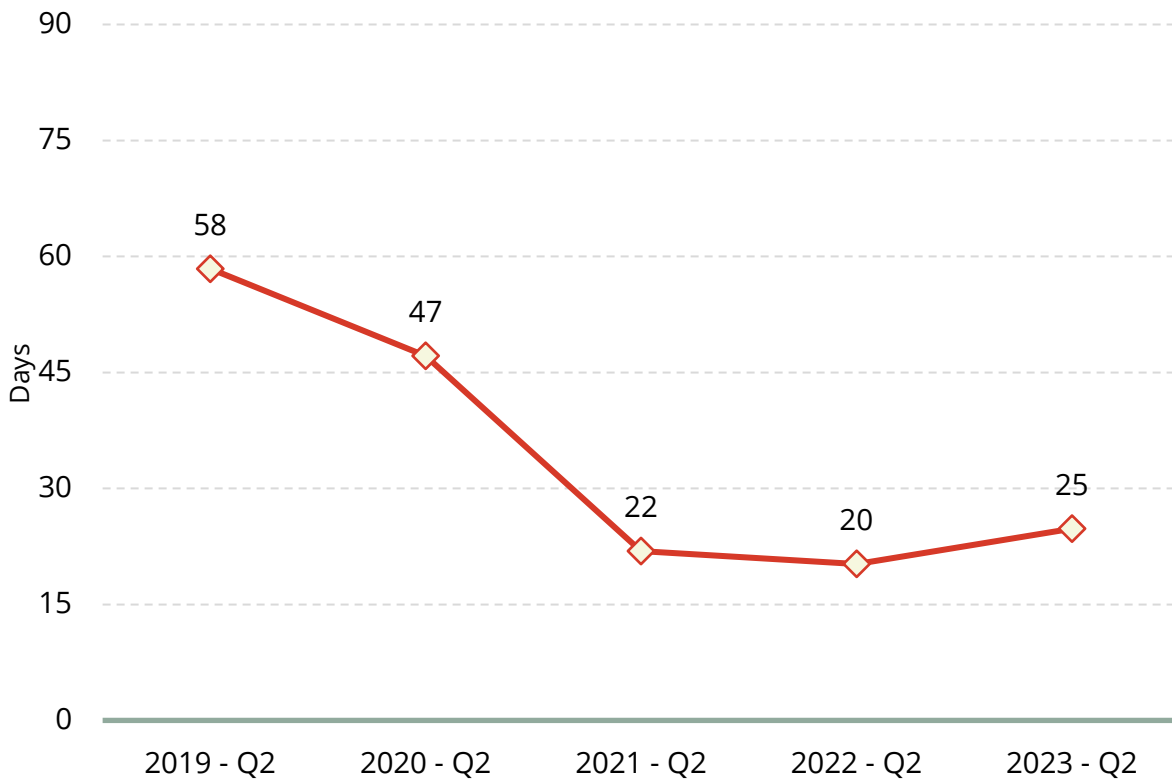
Figure 9
Second Quarter Sold Dollar Volume
Virginia Peninsula Jurisdictions
2022 and 2023



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 Virginia Peninsula region during the second quarter of 2023 were on the market 25 days, which is five 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 more than two months (64 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 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, Virginia Peninsula
2019-2023



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



Local Snapshot – *Average Days on Market*

Hampton: The average number of days it took for a home to sell in Hampton in the second quarter was 24, unchanged compared to last year.

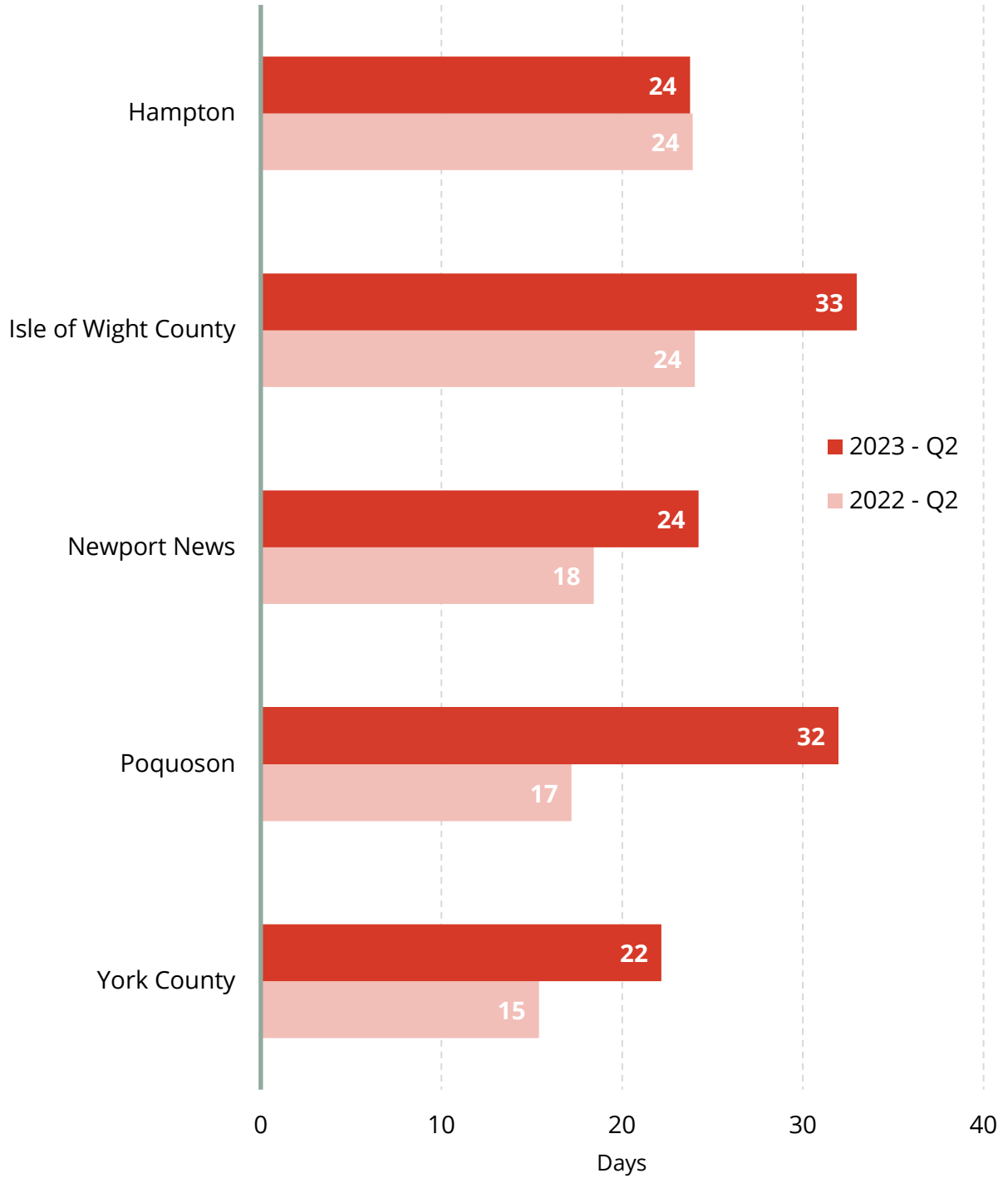
Isle of Wight County: At 33, it took homes nine days longer on average to sell in the second quarter compared to 2022.

Newport News: Homes were on the market 24 days on average in Newport News during the second quarter, about a week (+6 days) longer than the previous year.

Poquoson: On average, it took homes about a month (32 days) to sell on the Poquoson market, which is 15 days longer than last year.

York County: In York County, homes were on the market for about three weeks on average (22 days) in the second quarter, which is seven days longer than last year.

Figure 11
Second Quarter Average Days on Market
Virginia Peninsula Jurisdictions
2022 and 2023



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

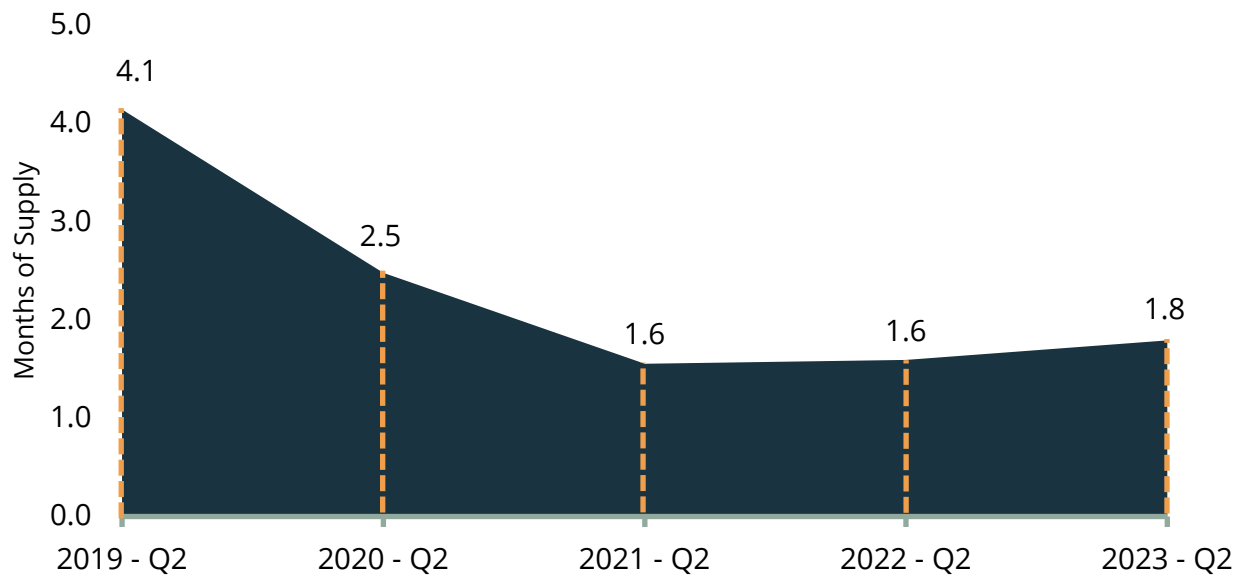
Inventory

After building up last quarter, the inventory of active listings dipped this quarter in the Virginia Peninsula market. There were 974 active listings on the market at the end of the second quarter across the Virginia Peninsula region, down 17% from a year ago, which is a decrease of 193 listings. The tightening supply reflects lower activity by sellers amid higher interest rates, and fewer moving options.

There were just 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 about 1.8 months of supply at the end of the second quarter in the Virginia Peninsula footprint, which is up from 1.6 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 also about 1.8 months of supply at the end of the second quarter.

Figure 12
End of Second Quarter Months Supply, Virginia Peninsula
2019-2023



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



Local Snapshot – *Active Listings*

Hampton: At the end of the second quarter, there were 248 active listings in the Hampton market, 132 fewer compared to last year, a 35% decline. There was less than a month and a half of supply in the second quarter in Hampton, a 12% drop from a year ago.

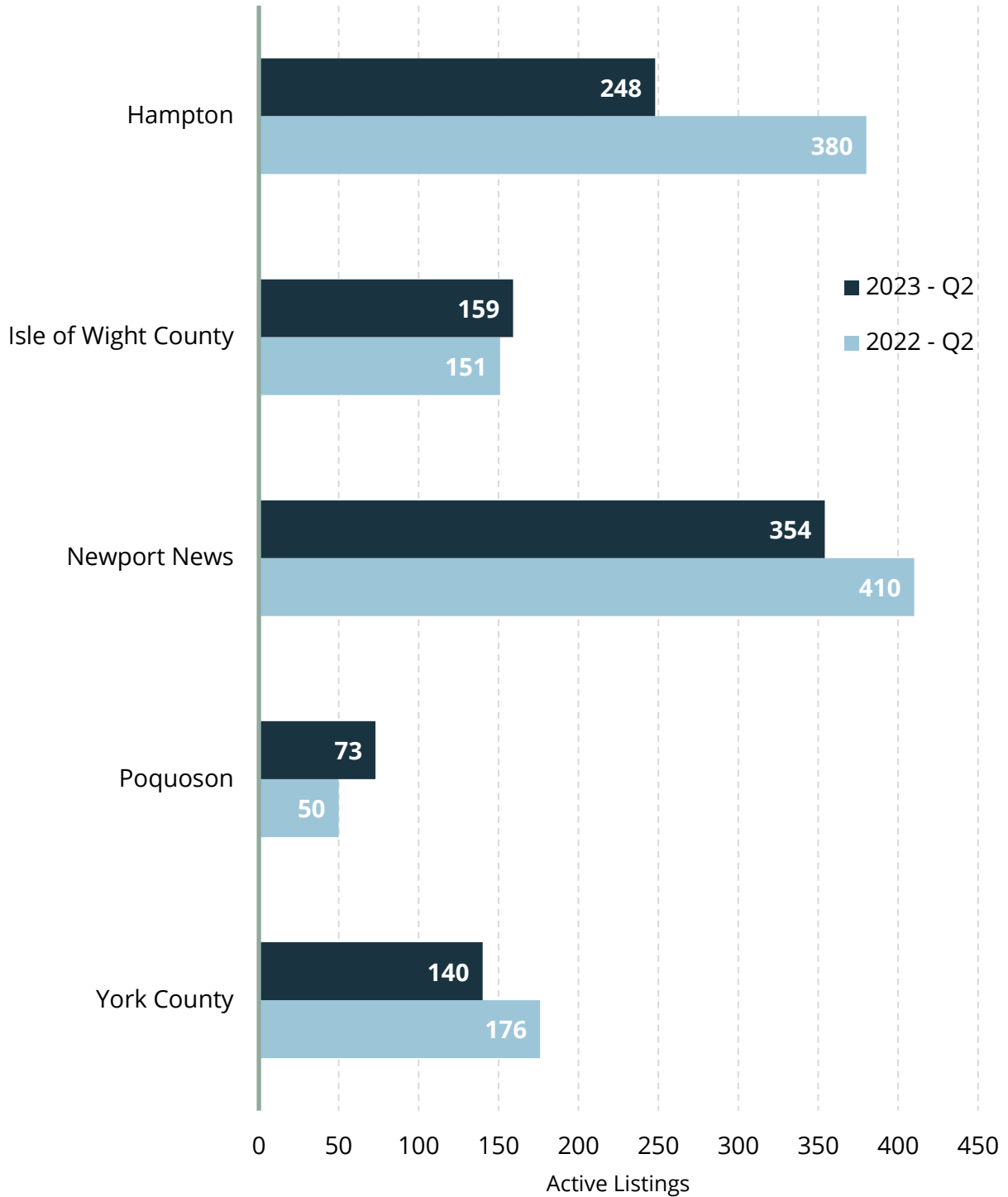
Isle of Wight County: There were 159 active listings at the end of the second quarter in Isle of Wight County, eight more than this time last year, reflecting a 5% increase. Supply grew by 23% in Isle of Wight County in the second quarter, with just under three months of supply.

Newport News: By the end of the second quarter, there were 354 active listings in Newport News, which is 56 fewer than a year ago, a 14% decline.

Poquoson: At 73, the number of active listings rose by 46% at the end of the second quarter compared to the previous year in the Poquoson area, which is 23 more active listings. Months of supply increased by 114% in the second quarter from a year ago, with just over five months of supply.

York County: There were 140 active listings in York County at the end of the second quarter, 36 fewer than a year ago, a 20% drop.

Figure 13
End of Second Quarter Active Listings
Virginia Peninsula 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.

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

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.

Combined WAAR/Virginia Peninsula Region

APPENDIX	Sales			Median Sales Price			Sold Dollar Volume (in millions)			Average DOM			Active Listings (end of quarter)		
	Q2 2022	Q2 2023	Yoy Chg	Q2 2022	Q2 2023	Yoy Chg	Q2 2022	Q2 2023	Yoy Chg	Q2 2022	Q2 2023	Yoy Chg	Q2 2022	Q2 2023	Yoy Chg
Newport News	692	596	-14%	\$260,250	\$268,750	3%	\$184.7	\$154.1	-17%	21	24	13%	408	354	-13%
Hampton	639	591	-8%	\$250,000	\$259,200	4%	\$166.1	\$129.5	-22%	24	24	-2%	370	248	-33%
James City County	576	426	-26%	\$440,000	\$459,000	4%	\$274.7	\$217.8	-21%	14	24	64%	201	225	12%
York County	364	331	-9%	\$387,658	\$410,560	6%	\$153.1	\$147.3	-4%	15	22	44%	176	140	-20%
Isle of Wight County	173	169	-2%	\$400,000	\$362,000	-10%	\$75.1	\$67.8	-10%	28	33	19%	166	159	-4%
New Kent County	187	134	-28%	\$379,105	\$395,000	4%	\$75.1	\$56.0	-25%	22	22	0%	139	115	-17%
Williamsburg	87	89	2%	\$377,900	\$369,900	-2%	\$36.9	\$35.4	-4%	20	27	34%	65	58	-11%
Poquoson	52	61	17%	\$403,250	\$400,000	-1%	\$22.6	\$12.0	-47%	28	32	15%	37	73	97%
Charles City County	12	12	0%	\$361,250	\$200,000	-45%	\$4.9	\$3.3	-31%	17	17	-3%	9	6	-33%
WAAR/Virginia Peninsula (Regional Total)	2,782	2,409	-13%	\$310,750	\$325,000	5%	\$993.1	\$823.2	-17%	19	24	26%	1,571	1,378	-12%