

VIRGINIA PENINSULA HOME SALES REPORT



CUSTOM REPORT PREPARED BY
VIRGINIA REALTORS®

Virginia Peninsula Home Sales Report

Third Quarter 2023

Virginia Peninsula REALTORS®

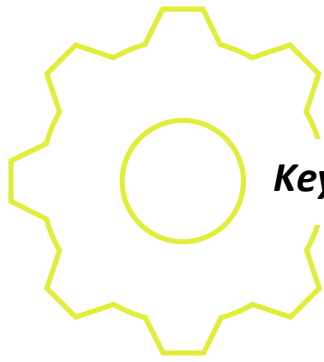
Market Report Key Takeaways

Economic Conditions

- Job growth continues in Virginia. There were approximately 6,700 jobs added in Virginia between July and August 2023.
- The statewide unemployment rate in Virginia was 3.1% in August 2023 (not seasonally adjusted), which is down from 3.3% a year ago. In the Virginia Peninsula region, the unemployment rate was 3.6% in August, which is down from 4% from a year ago.
- Mortgage rates continue to climb, reaching their highest level since 2000. In the third week of October 2023, the average rate on a 30-year fixed mortgage was 7.63%, which is up from 7.57% the week prior, and up from 6.94% a year ago.

Housing Market Conditions

- Sales activity continues to be sluggish in the Virginia Peninsula region. There were 1,660 homes sold in the Virginia Peninsula area during the third quarter, 191 fewer sales than a year ago, reflecting a 10% drop.
- Home prices in the region are still climbing in most local markets. The median sales price in the Virginia Peninsula footprint in the third quarter was \$300,000, up 7% from the third quarter a year ago.
- The inventory in the Virginia Peninsula housing market is tightening. There were 1,058 active listings on the market at the end of the third quarter, an 8% drop from last year.



Key Trends Dashboard, Virginia Peninsula

Economy



3.6%

Is the Aug-2023 **unemployment rate** in the Virginia Peninsula footprint, which is down from Aug-2022



7.63%

Is the **30-year fixed-rate mortgage rate** during the third week of October 2023, which is up from 6.94% a year ago

Housing Market



-191

Fewer **home sales** in the Virginia Peninsula footprint in Q3-2023 compared to last year



7%

Percent change in **median sales price** in the Virginia Peninsula region in Q3-2023 compared to a year ago



-\$22

Million dollars less **sold volume** in the Virginia Peninsula footprint in Q3-2023 compared to last year



-7.8%

Percent change in **active listings** at the end of Q3-2023 in the Virginia Peninsula market compared to a year ago



2

Months of supply in the Virginia Peninsula footprint in Q3-2023, which is up from a year ago

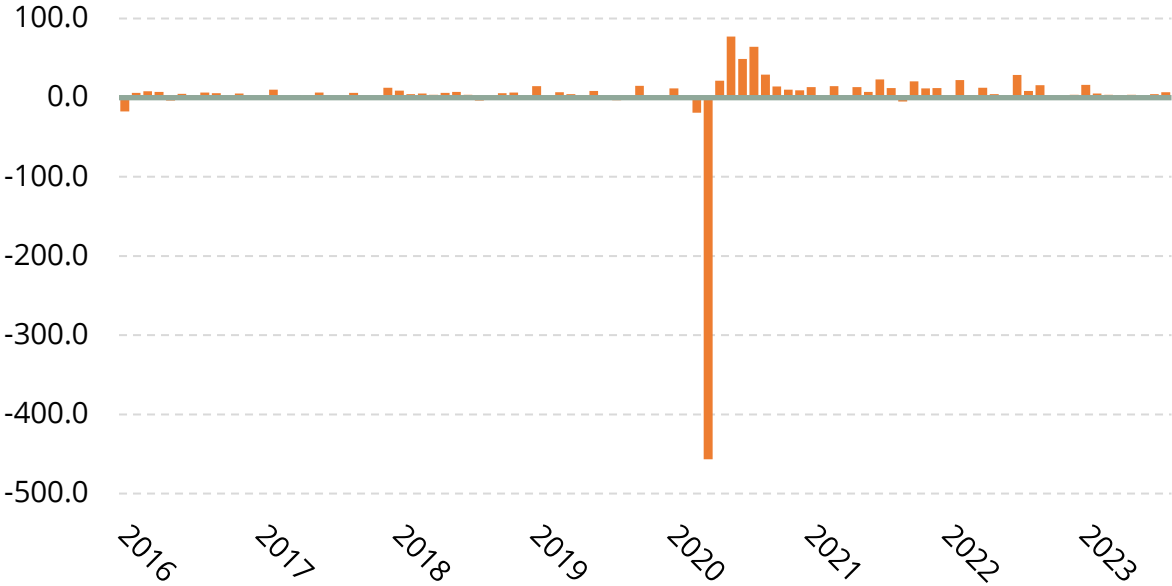
Economic Overview

The job market continues to grow but the pace has moderated. The Federal Reserve held rates steady at their September meeting, but have left one more rate hike on the table for this year, though it's still too early to gauge if they will implement it or not. Unemployment in Virginia remains very low, and mortgage rates continue their ascent, reaching the highest average level for a 30-year fixed loan since 2000.

Jobs

Virginia's job market continues to be resilient. There were about 4.2 million jobs throughout the Commonwealth in August, which is 6,700 more jobs than the revised July total. The job base in Virginia has expanded every month in 2023 so far through August. Most of the additional jobs this month were in the Local Government sector (+2,700 jobs) and the Transportation & Warehousing sector (+2,600 jobs). The largest decrease in jobs between July and August was in the Administrative & Waste Management sector (-1,700 jobs) and the Construction sector (-1,400 jobs).

Figure 1
Virginia Month-to-Month Change in Jobs

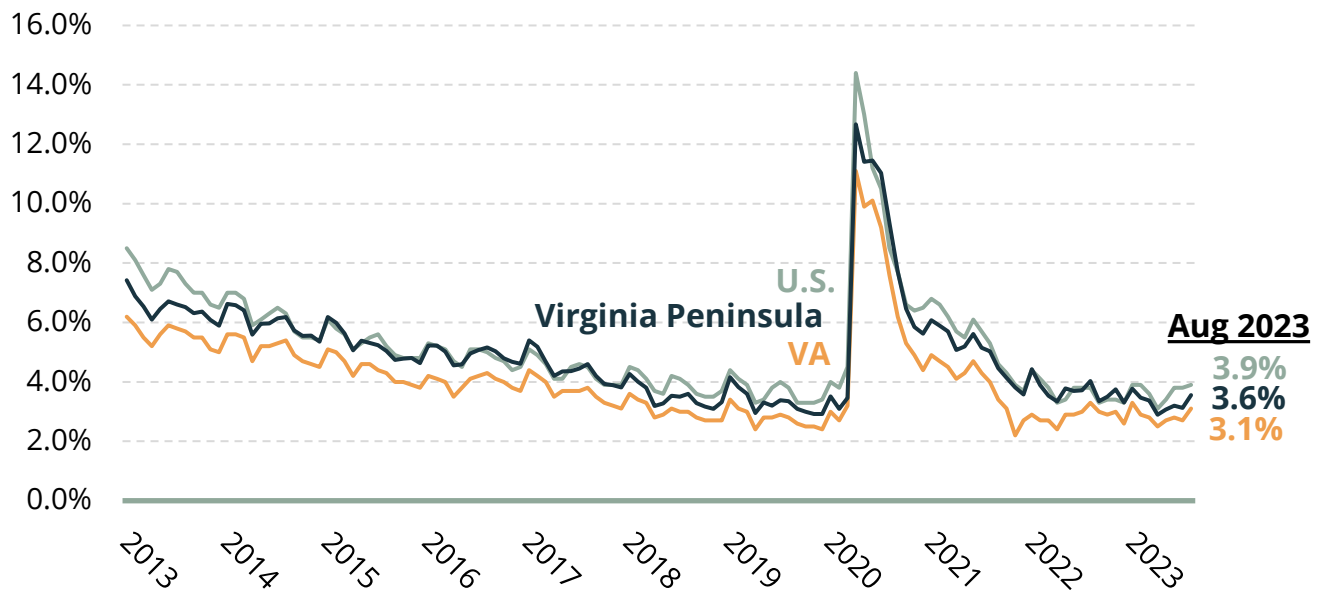


Source: U.S. Bureau of Labor Statistics, Seasonally Adjusted

Unemployment

The unemployment rate is lingering very low as labor market conditions remain tight and job growth continues. In Virginia, the unemployment rate in August 2023 was 3.1% (not seasonally adjusted), which is down from 3.3% a year ago. In the Virginia Peninsula footprint, the August unemployment rate was 3.6%, which down from 4% a year ago.

Figure 2
Unemployment Rate

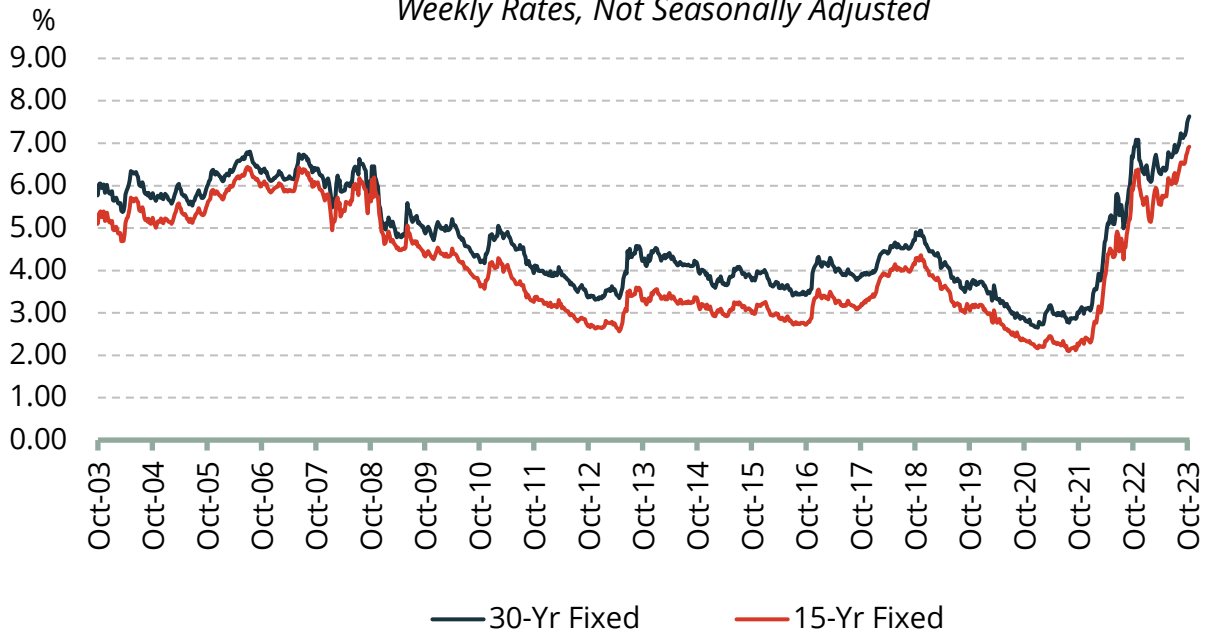


Source: U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics

Mortgage Rates

The average rate for a 30-year fixed mortgage in the United States was 7.63% as of October 19, which rose from 7.57% the prior week, and is up from 6.94% a year ago. This is the highest that mortgage rates have been since December of 2000. Climbing rates have cooled down the housing market significantly. As the rate for fixed mortgages lingers in the mid-7% range, it has prompted renewed interest in adjustable-rate mortgage options (ARM) for some buyers. The Mortgage Bankers Association estimates the average rate for a 5/1 ARM was 6.52% in the third week of October.

Figure 3
Mortgage Interest Rates
Weekly Rates, Not Seasonally Adjusted



Source: Freddie Mac

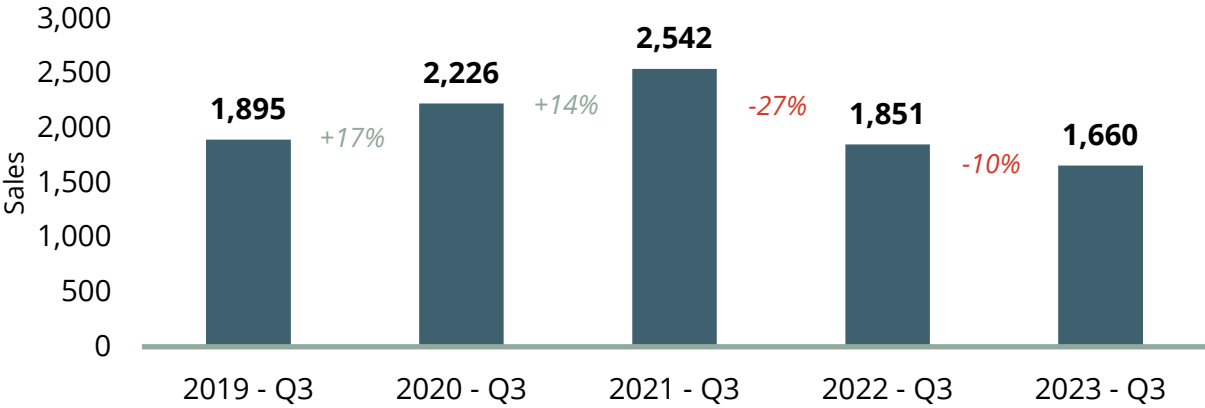
Housing Market Overview

Climbing mortgage rates and tight inventory conditions are keeping activity in the Virginia Peninsula housing market muted. Sales are down from last year, and there are fewer active listings on the market. Even as the market has cooled, home prices are still climbing in most parts of the region, a reflection of how competitive the market is for buyers. A summary of housing market trends for the larger region is available in the appendix at the end of this report.

Sales

Sales activity continues to be subdued in the Virginia Peninsula housing market. There were 1,660 homes sold across the region in the third quarter, which is 191 fewer sales than a year ago, representing a 10% reduction. This is the slowest third quarter the area has had since 2017 as buyers and sellers pull back amid low inventory and climbing mortgage rates. There were some local markets that had an influx of sales this quarter. Within the third quarter, which includes July through September, sales activity cooled all three months overall compared to the 2022 levels. Statewide, sales activity declined 20% in the third quarter of 2023 compared to last year.

Figure 4
Third Quarter Home Sales, Virginia Peninsula
2019-2023



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



Local Snapshot – *Total Home Sales*

Hampton: During the third quarter, there were 468 closed sales in Hampton, 171 fewer than last year, a 27% decline.

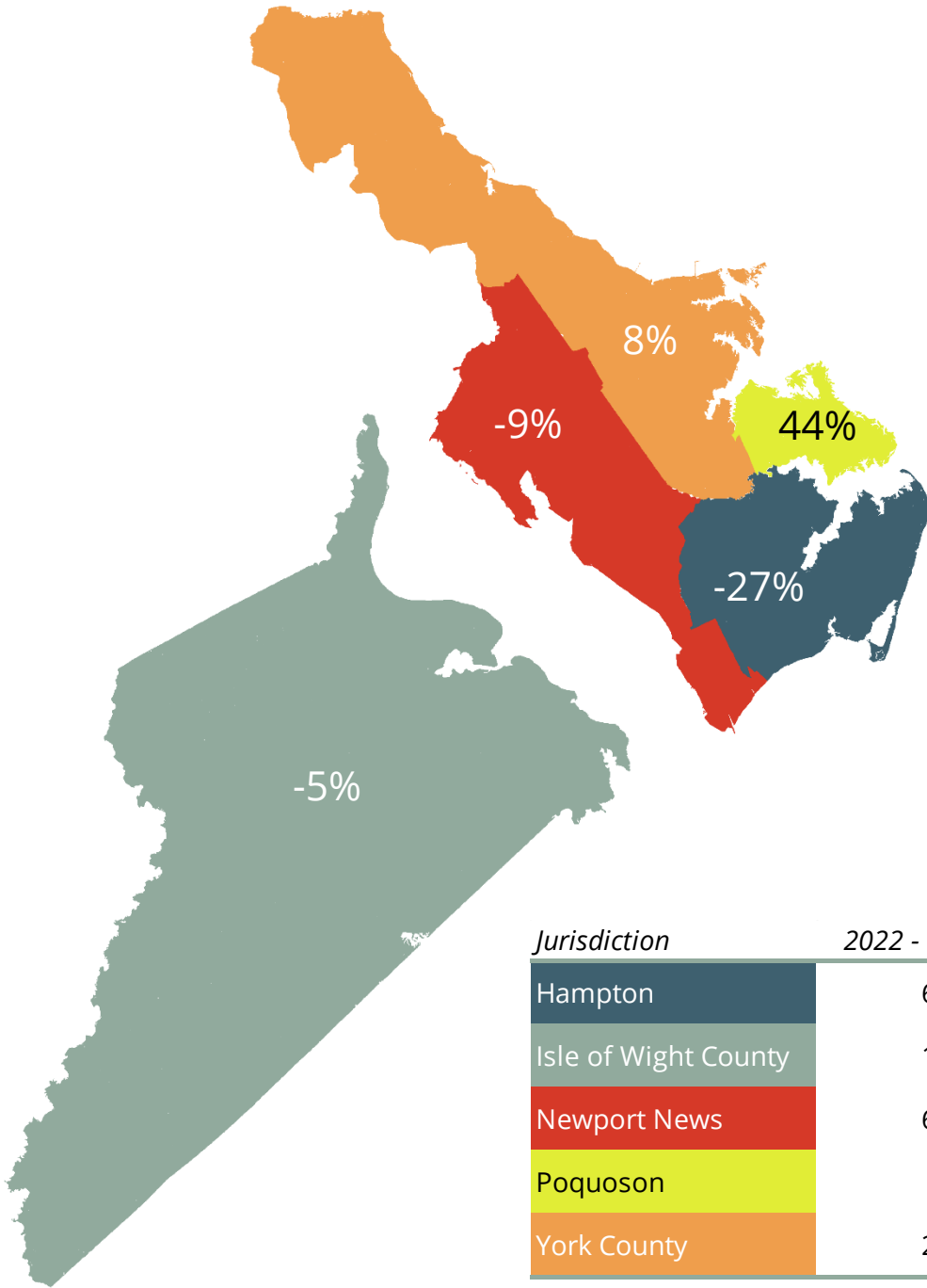
Isle of Wight County: There were 164 home sales in Isle of Wight County in the third quarter, nine fewer than the previous year, a 5% drop.

Newport News: In Newport News, there were 633 home sales in the third quarter, 59 fewer than last year, marking a 9% decrease.

Poquoson: Quarterly sales activity rose for the first time in over a year in Poquoson. There were 75 closed sales in Poquoson in the third quarter, a 44% increase from last year, which is an additional 23 sales.

York County: There were 320 homes sold in York County in the third quarter, an influx of 25 sales from the prior year, which is an 8% increase. This is the first time sales activity has increased in the county in two years.

Figure 5
Change in Sales by Jurisdiction
Virginia Peninsula
Third Quarter 2022 to Third Quarter 2023



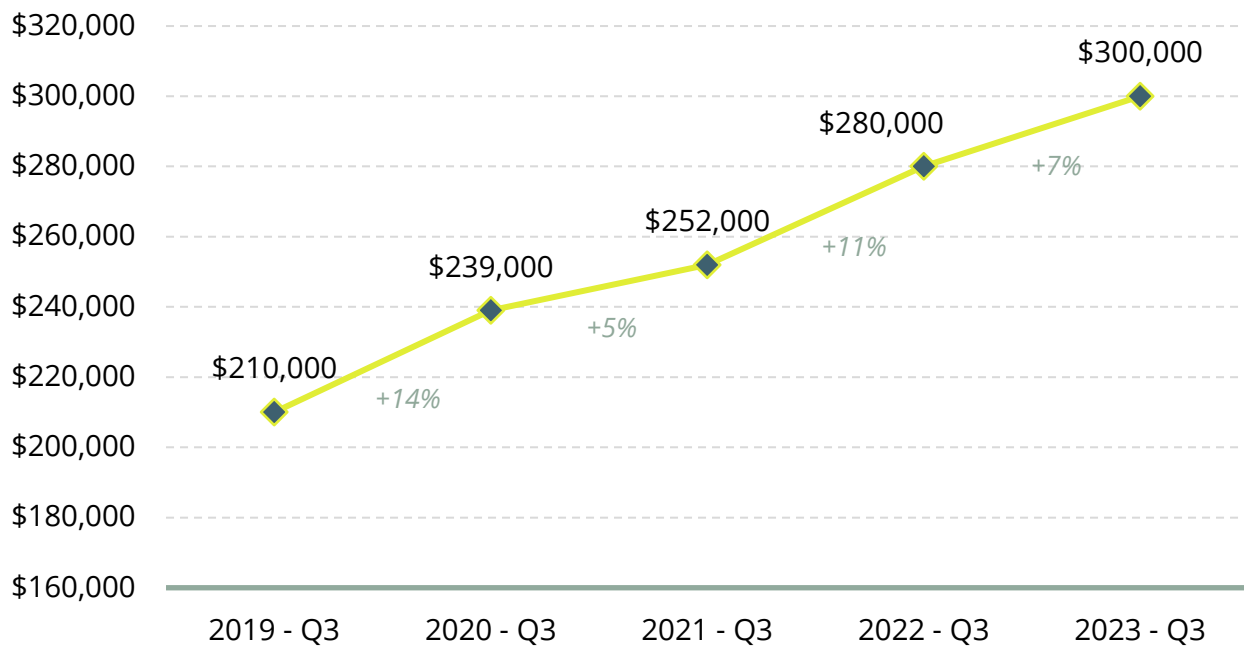
<i>Jurisdiction</i>	<i>2022 - Q3</i>	<i>2023 - Q3</i>	<i>% Change</i>
Hampton	639	468	-27%
Isle of Wight County	173	164	-5%
Newport News	692	633	-9%
Poquoson	52	75	44%
York County	295	320	8%

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

Sales Prices

Home prices continue to climb in most parts of the Virginia Peninsula footprint despite the slowdown in sales. The regionwide median sales price was \$300,000 during the third quarter. This is a 7% increase from the median sales price last year, reflecting a \$20,000 surge. Tight inventory conditions are driving up home prices as buyers compete for a limited number of homes on the market. Statewide, the median sales price in the third quarter of 2023 was \$395,000, which rose 5% from a year ago.

Figure 6
Third Quarter Median Sales Price, Virginia Peninsula
2019-2023



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



Local Snapshot – *Median Sales Price*

Hampton: The median sales price in the Hampton market was \$255,000 in the third quarter, a \$5,000 increase compared to last year (+2%).

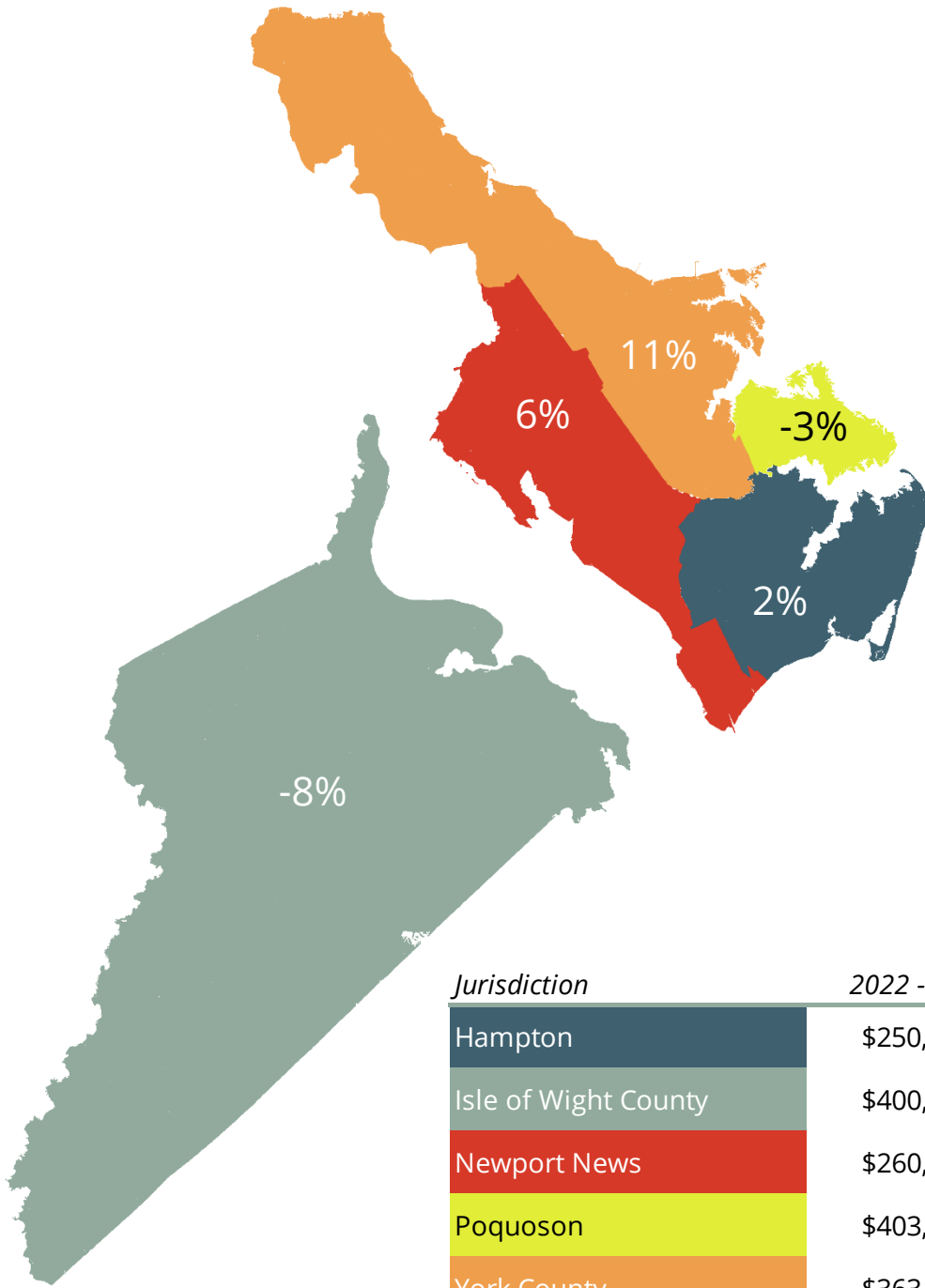
Isle of Wight County: The median sales price declined for three consecutive quarters in Isle of Wight County. In the third quarter, the median sales price was \$370,000 in Isle of Wight County, an 8% decline from a year ago, which is a \$30,000 drop.

Newport News: At \$275,000, the median sales price in Newport News increased 6% from the previous year in the third quarter, which is a \$14,750 price jump.

Poquoson: The median sales price in Poquoson has decreased for four consecutive quarters. In Poquoson, the median sales price was \$390,000 in the third quarter, a 3% dip from last year, which is a \$13,250 decline.

York County: At \$404,415, the median sales price in York County rose 11% in the third quarter compared to a year ago, which is a \$40,555 price gain.

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

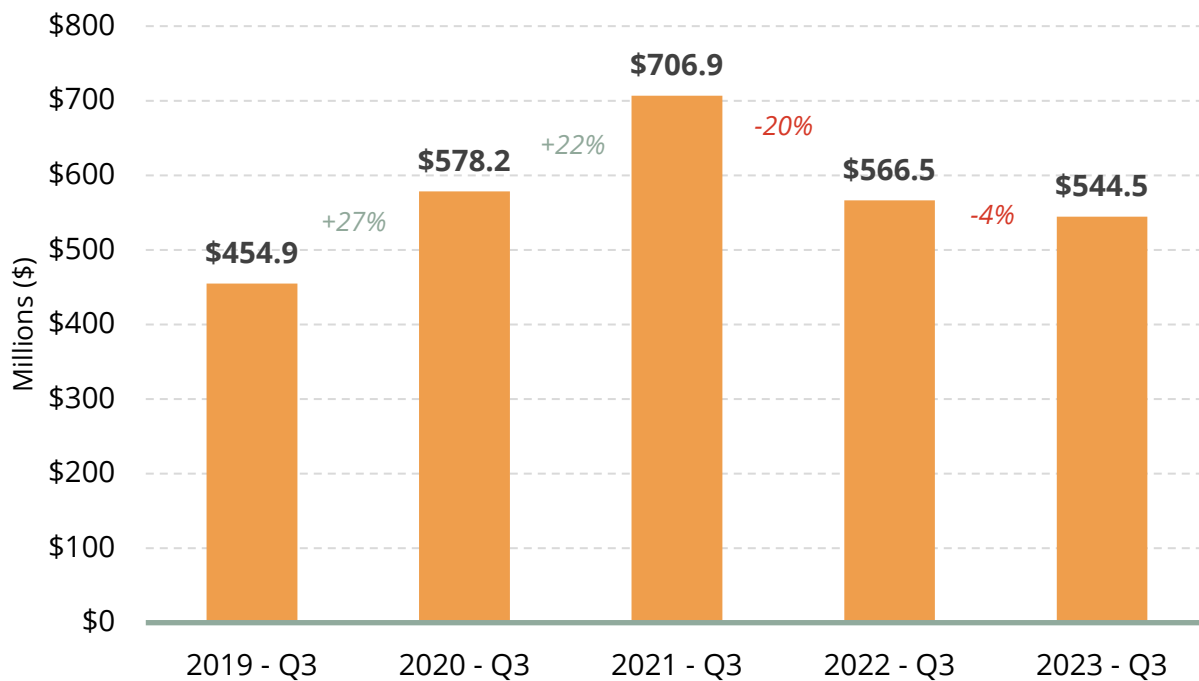


Source: Virginia REALTORS®, data accessed October 15, 2023

Sold Volume

The cooldown in sales is driving down the total sold dollar volume in the Virginia Peninsula regional housing market. There was approximately \$544.5 million of sold volume across the area in the third quarter, a decrease of about \$22 million from the third quarter last year. This is an 11% reduction in sold volume for the region's housing market, the sixth straight quarterly volume drop, a clear signal of cooling market conditions.

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



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



Local Snapshot – *Sold Dollar Volume*

Hampton: Low sales activity in the Hampton market led to the fifth consecutive quarterly decline in sold volume. In the third quarter, there was about \$123.8 million in sold volume in Hampton, \$42.3 million lower than the previous year, reflecting a 25% decline.

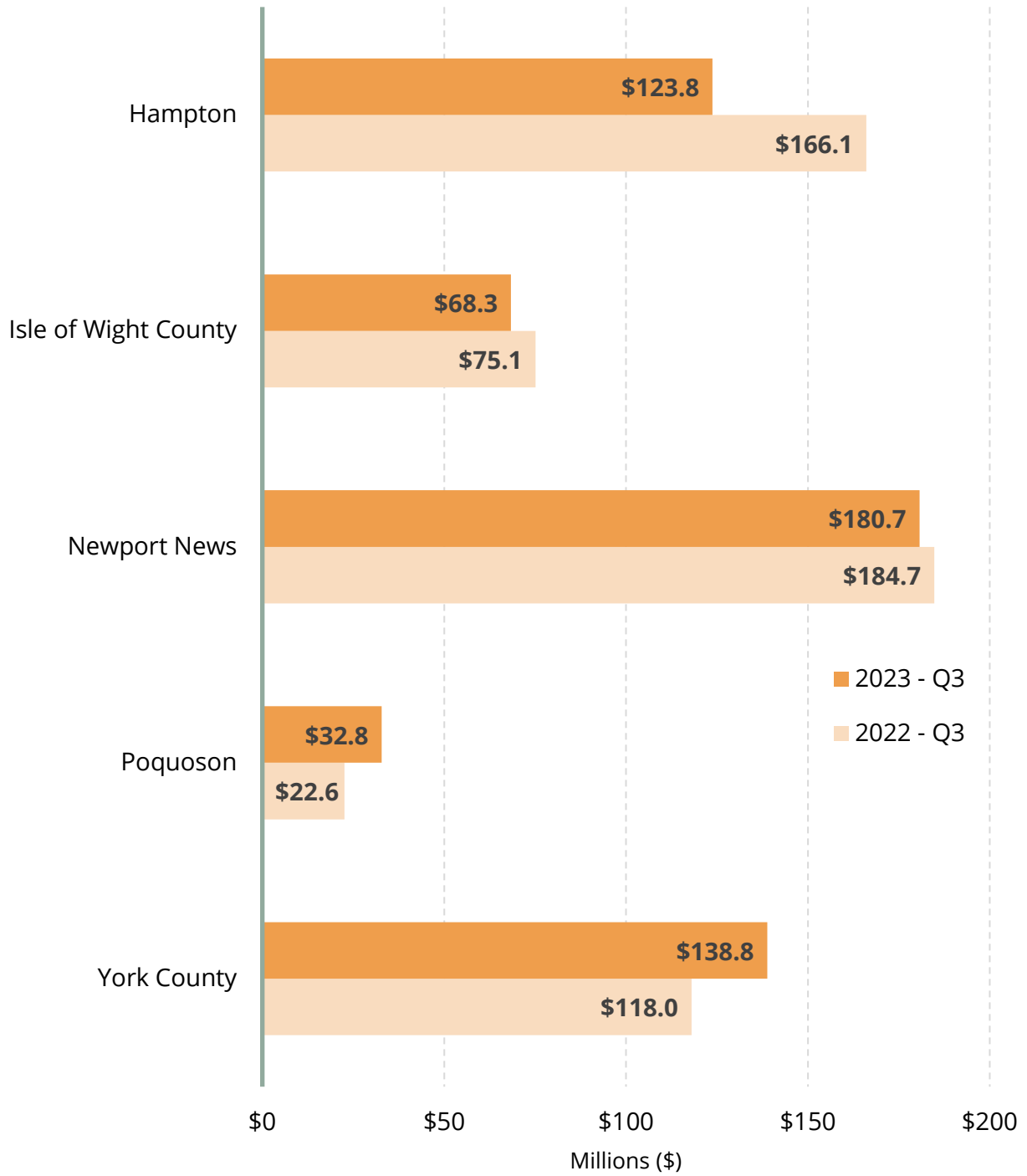
Isle of Wight County: There was approximately \$68.3 million in sold volume during the third quarter in Isle of Wight County, a 9% decline from last year, which is a \$6.8 million drop.

Newport News: In Newport News, there was approximately \$180.7 million in sold volume in the third quarter, a 2% decline from last year, which is a \$4 million drop.

Poquoson: Strong sales activity in Poquoson increased sales volume despite declining home prices. In the third quarter, about \$32.8 million of volume was sold in Poquoson, \$10.3 million more compared to last year, a 45% influx.

York County: The increase in sales activity in York County during the third quarter led to a jump in sold dollar volume. There was about \$138.8 million in sold volume in York County in the third quarter, a \$20.8 million increase compared to last year, which is an 18% surge.

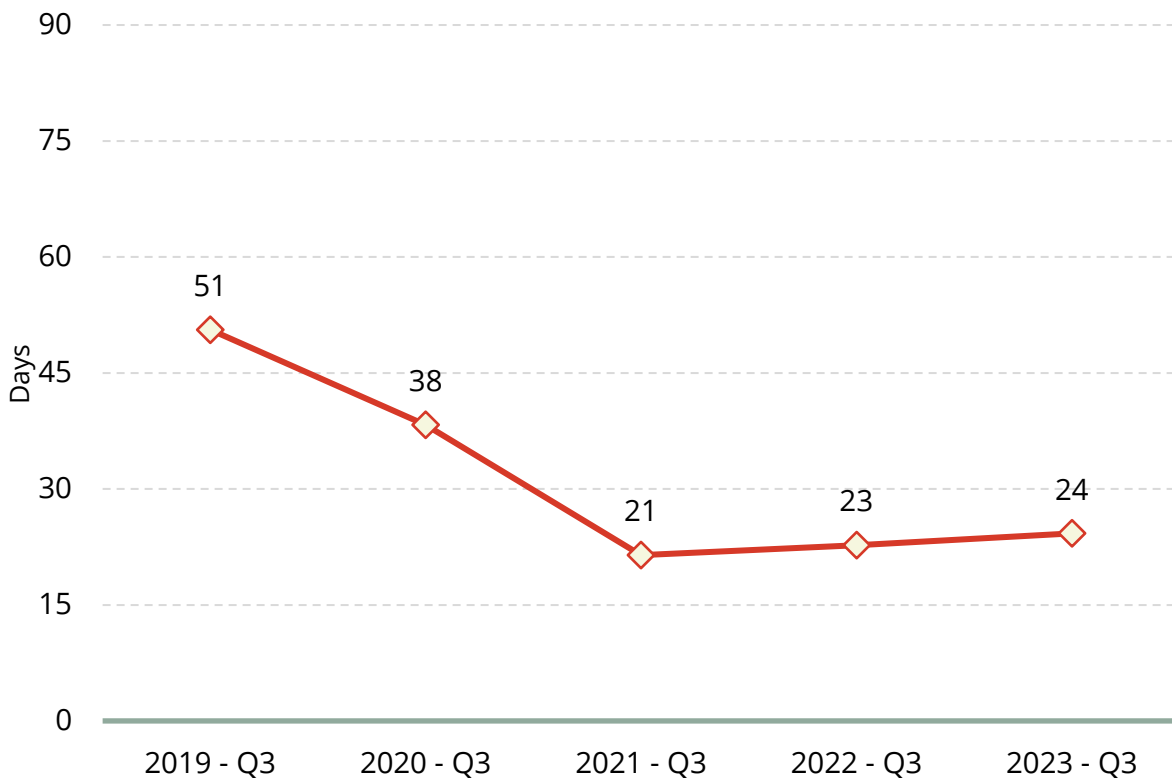
Figure 9
Third Quarter Sold Dollar Volume
Virginia Peninsula Jurisdictions
2022 and 2023



Days on Market

As the market has slowed, it's taking slightly longer on average to sell homes in the Virginia Peninsula region. That being said, the market remains competitive, and the average days on market is still low compared to pre-2020 levels due to the inventory shortage. The regionwide average days on market in the third quarter was 24 days, which is one day longer than it took to sell homes a year ago. At the state level, the average days on market in the third quarter was 25 days, which is two days longer than a year ago.

Figure 10
Third Quarter Average Days on Market, Virginia Peninsula
2019-2023



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



Local Snapshot – *Average Days on Market*

Hampton: In Hampton, it took homes 23 days on average to sell in the third quarter, which is one day faster than last year.

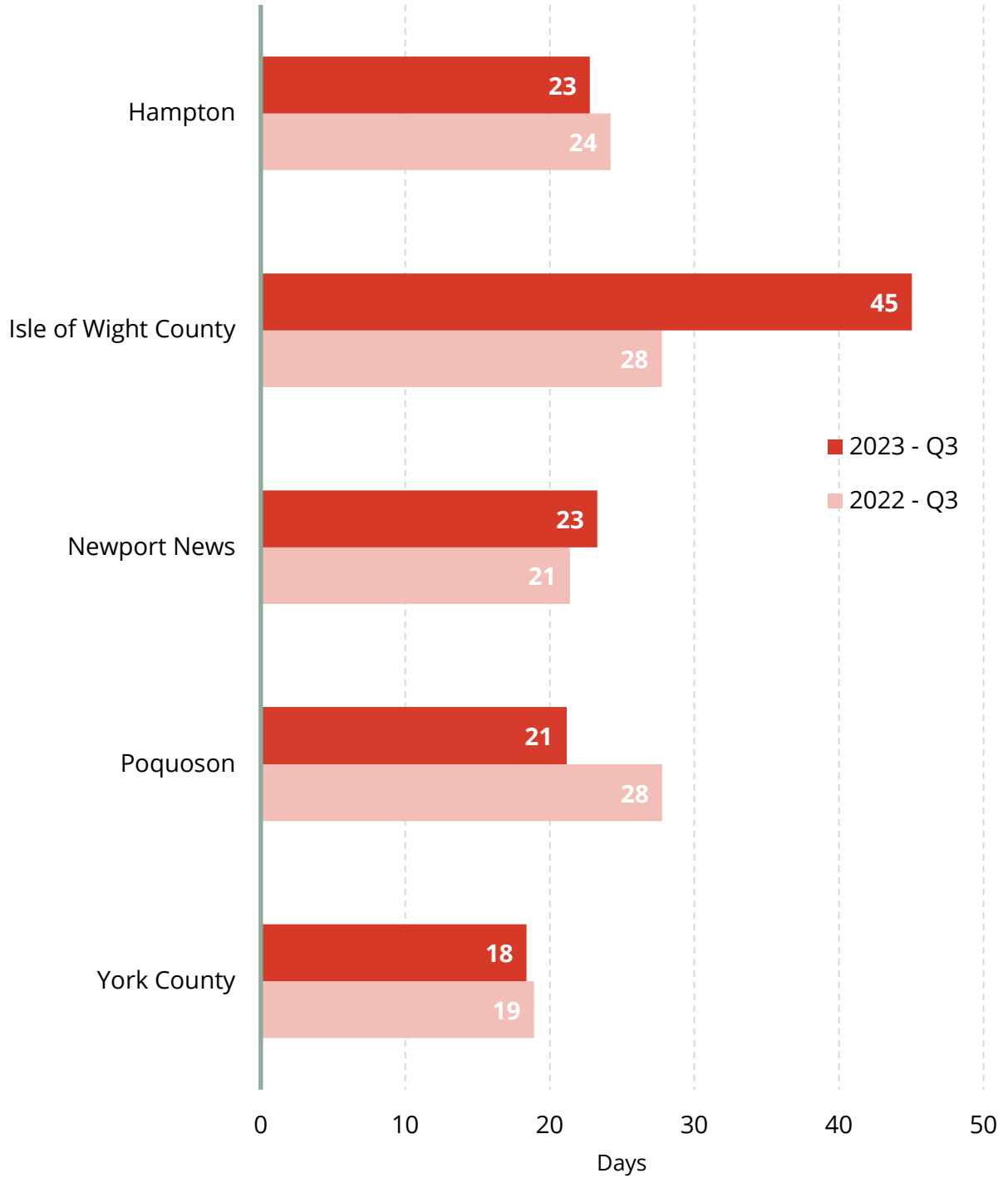
Isle of Wight County: In the third quarter, it took homes in Isle of Wight County 45 days on average to sell in the third quarter, which is about 17 days longer than the previous year.

Newport News: At 23 days, homes were on the market two days longer on average in Newport News during the third quarter compared to a year ago.

Poquoson: On average, it took homes about three weeks (21 days) to sell in the Poquoson market in the third quarter, which is a week faster (+7 days) than last year.

York County: In York County, homes were on the market for 18 days on average in the third quarter, which is one day faster than last year.

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



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

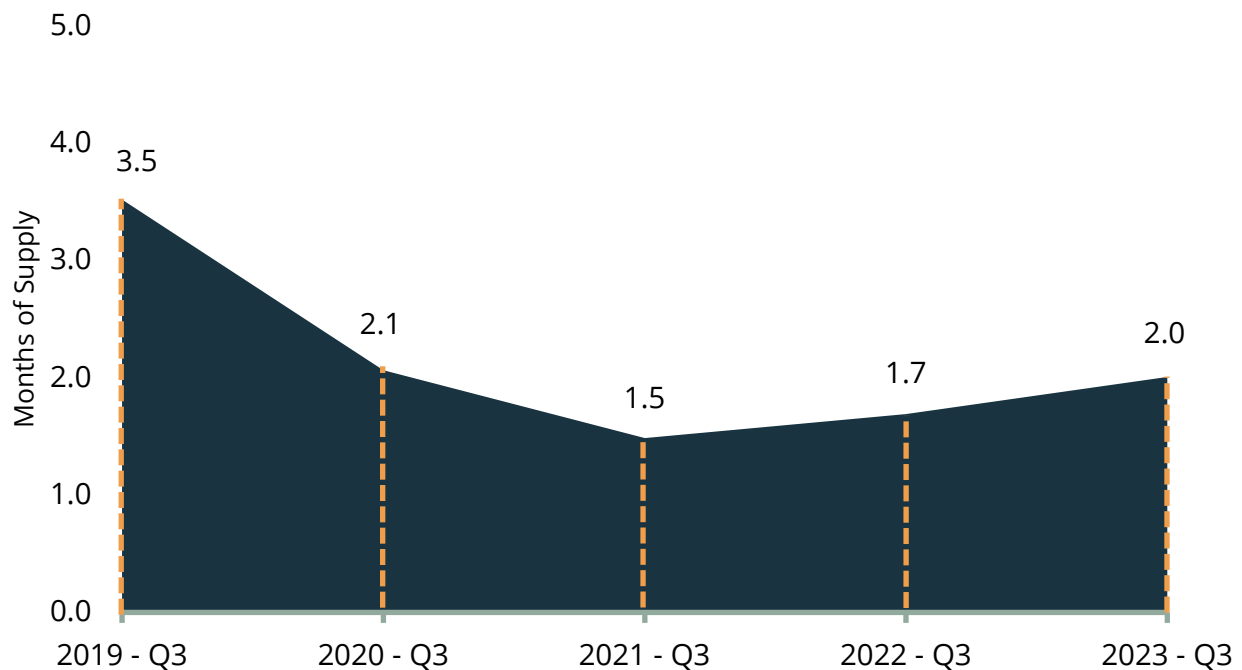
Inventory

Inventory levels continue to tighten in most parts of the Virginia Peninsula housing market. There were 1,058 active listings on the market throughout the region at the end of the third quarter, which is 89 fewer listings than were on the market at this time a year ago, reflecting an 8% reduction. The number of active listings contracted for three of the last four quarters in the area after expanding for half of 2022.

There were 18,188 active listings statewide in Virginia at the end of the third quarter. This is 1,605 fewer listings than last year, which is an 8.1% drop.

There was about 2 months of supply at the end of the third quarter in the Virginia Peninsula 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 also about 2.1 months of supply at the end of the third quarter.

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



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



Local Snapshot – *Active Listings*

Hampton: The number of active listings has declined for two consecutive quarters in Hampton. At the end of the third quarter, there were 306 active listings in the city, 64 fewer than last year, a 17% decline.

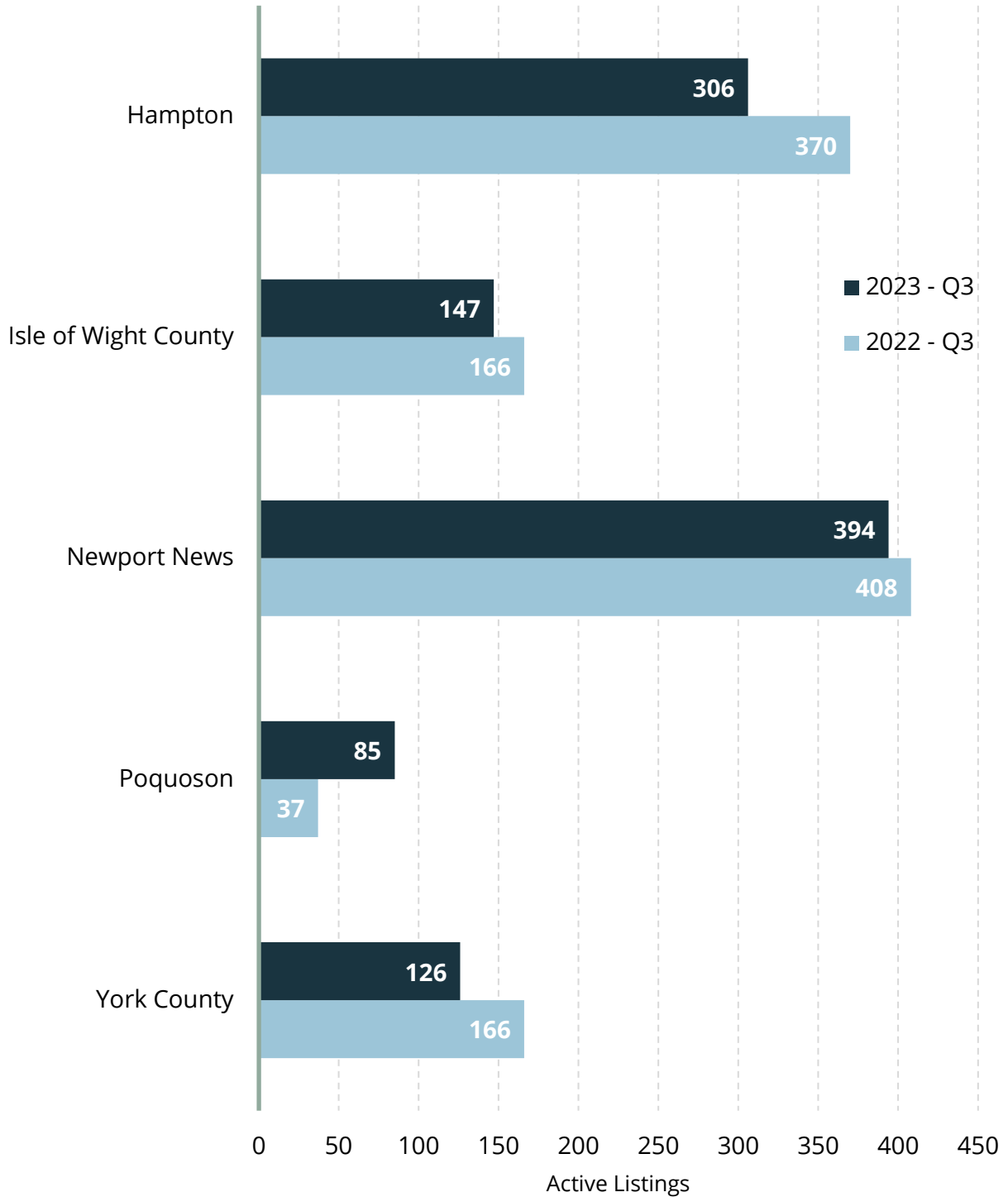
Isle of Wight County: Active listings declined for the first time in over a year in Isle of Wight County. There were 147 active listings in the county at the end of the third quarter, 19 fewer than last year, an 11% drop.

Newport News: At 394, the number of active listings in Newport News dropped 3% at the end of the third quarter from the previous year (-14 listings).

Poquoson: In Poquoson, there were 85 active listings at the end of the third quarter, 48 more than last year, a 130% increase. This is the sixth straight quarter that inventory has increased in the city's housing market.

York County: Inventory levels declined for two consecutive quarters in York County. At the end of the third quarter, there were 126 active listings, 40 fewer than this time last year, a 24% decline.

Figure 13
End of Third Quarter Active Listings
Virginia Peninsula Jurisdictions
2022 and 2023



Source: Virginia REALTORS®, data accessed October 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.

Combined WAAR/Virginia Peninsula Region

APPENDIX	Sales			Median Sales Price			Sold Dollar Volume (in millions)			Average DOM			Active Listings (end of quarter)		
	Q3 2022	Q3 2023	Yoy Chg	Q3 2022	Q3 2023	Yoy Chg	Q3 2022	Q3 2023	Yoy Chg	Q3 2022	Q3 2023	Yoy Chg	Q3 2022	Q3 2023	Yoy Chg
Newport News	692	633	-9%	\$260,250	\$275,000	6%	\$184.7	\$180.7	-2%	21	23	9%	408	394	-3%
Hampton	639	468	-27%	\$250,000	\$255,000	2%	\$166.1	\$123.8	-25%	24	23	-6%	370	306	-17%
James City County	528	408	-23%	\$430,000	\$438,500	2%	\$239.6	\$194.9	-19%	16	28	70%	209	203	-3%
York County	295	320	8%	\$363,860	\$404,415	11%	\$118.0	\$138.8	18%	19	18	-3%	166	126	-24%
Isle of Wight County	173	164	-5%	\$400,000	\$370,000	-8%	\$75.1	\$68.3	-9%	28	45	62%	166	147	-11%
New Kent County	217	145	-33%	\$379,000	\$405,000	7%	\$88.4	\$63.6	-28%	25	29	16%	142	122	-14%
Williamsburg	97	77	-21%	\$326,400	\$350,615	7%	\$37.3	\$30.3	-19%	27	36	34%	55	48	-13%
Poquoson	52	75	44%	\$403,250	\$390,000	-3%	\$22.6	\$32.8	45%	28	21	-24%	37	85	130%
Charles City County	10	8	-20%	\$180,000	\$302,450	68%	\$2.7	\$6.0	122%	12	25	99%	12	10	-17%
WAAR/Virginia Peninsula (Regional Total)	2,703	2,298	-15%	\$307,750	\$330,000	7%	\$934.6	\$839.5	-10%	22	26	17%	1,565	1,441	-8%