

CAAR CHARLOTTESVILLE AREA HOME SALES REPORT

CUSTOM REPORT PREPARED BY
VIRGINIA REALTORS®

CAAR Home Sales Report

Second Quarter 2023

Charlottesville Area Association of REALTORS®

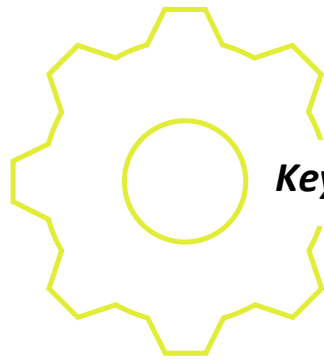
Market Report Key Takeaways

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 CAAR region, the unemployment rate was 2.4% 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 CAAR housing market. There were 1,148 homes sold across the region in the second quarter, down 17% from last year.
- Home prices are climbing even as there are fewer sales. The median sales price in the CAAR housing market during the second quarter was \$445,900, up 7% from last year, a gain of \$28,050.
- There were 717 active listings on the market in the CAAR region at the end of the second quarter, 24 fewer listings than a year ago, which is a 3% drop. This is the first time that active listings have declined in the region in over a year.



Key Trends Dashboard, CAAR

Economy



2.4%

Is the May-2023 **unemployment rate** in the CAAR 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



-232

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



7%

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



-\$100.3

Million dollars less in total **sold volume** in the CAAR footprint in Q2-2023 compared to last year



-3%

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



2.2

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

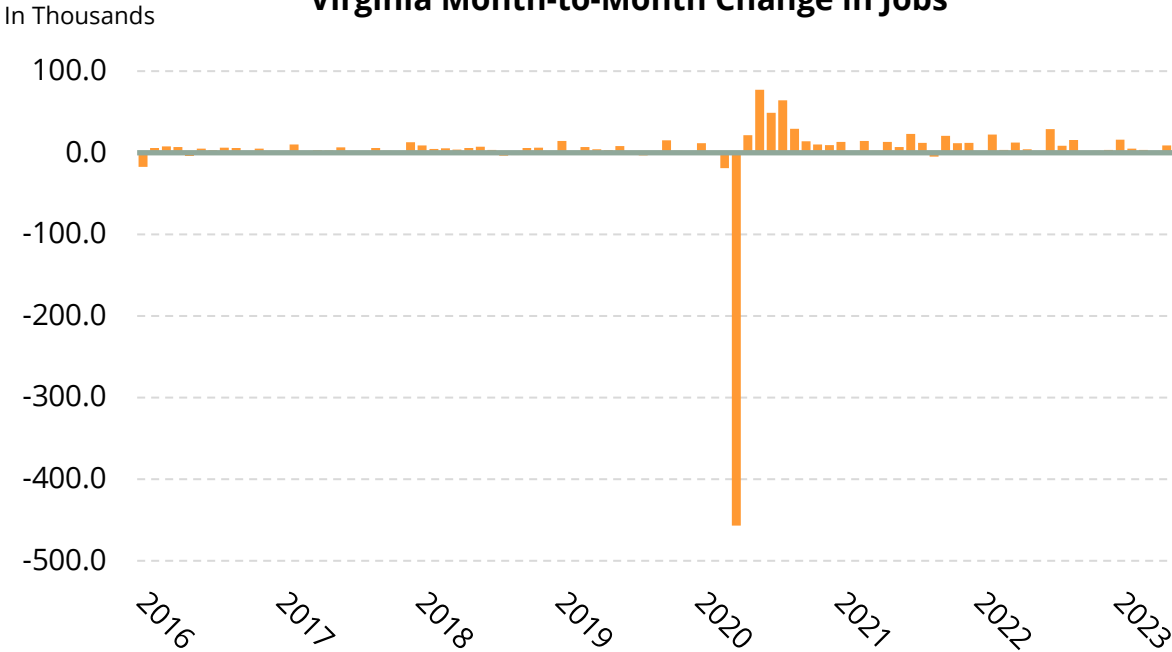
Economic Overview

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

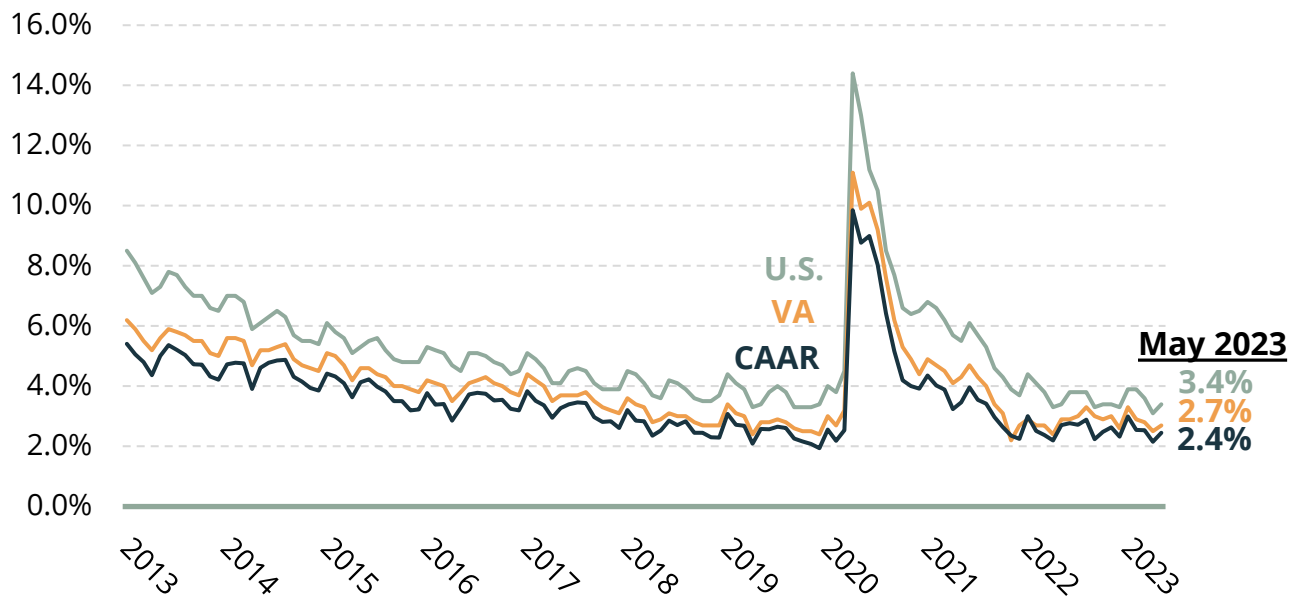


Source: U.S. Bureau of Labor Statistics, Seasonally Adjusted

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 CAAR region, the May unemployment rate was 2.4%, which is down from 2.7% a year ago.

Figure 2
Unemployment Rate

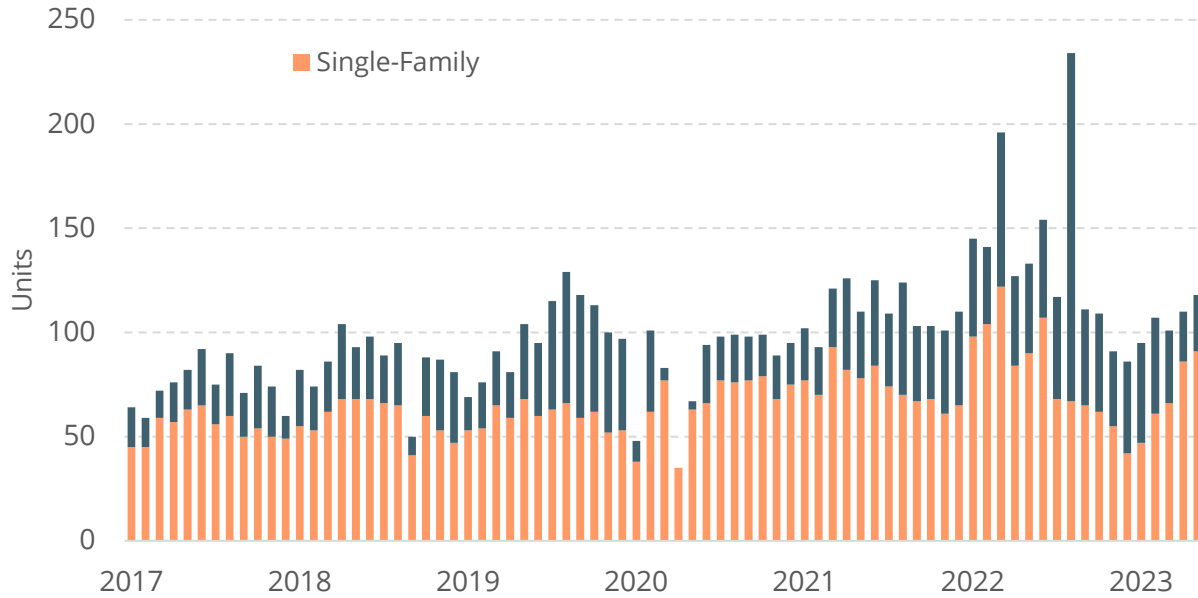


Source: U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics

New Construction

Building permits for new residential construction in the Charlottesville MSA continue to outpace averages. There have been 531 permits issued so far in 2023 (January through May). Most of these permits were for single-family homes (351 permits), and there have been 180 multifamily permits through May. Permitting activity is well below 2022 levels, but well above the 2015 to 2020 average.

Figure 3
Monthly Permits for New Residential Construction
Charlottesville Metropolitan Area



Source: U.S. Census Bureau

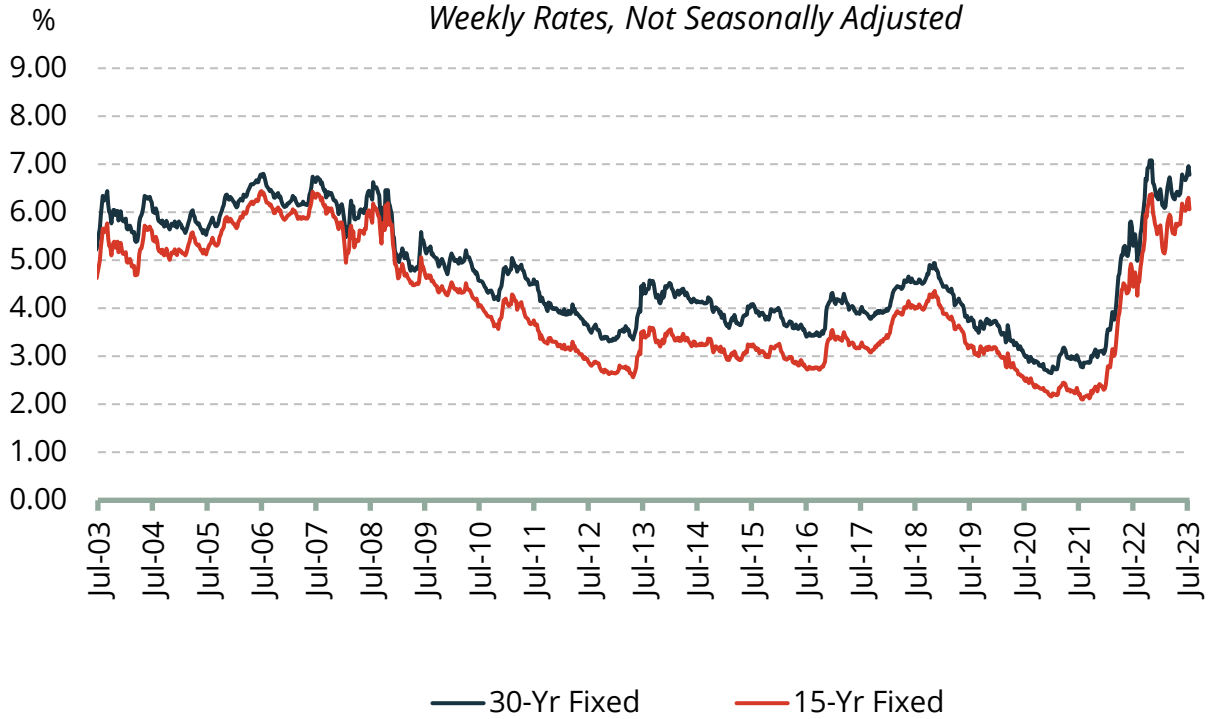
*Charlottesville Metropolitan Area includes Charlottesville City, Albemarle County, Buckingham County, Fluvanna County, Greene County, and Nelson County

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

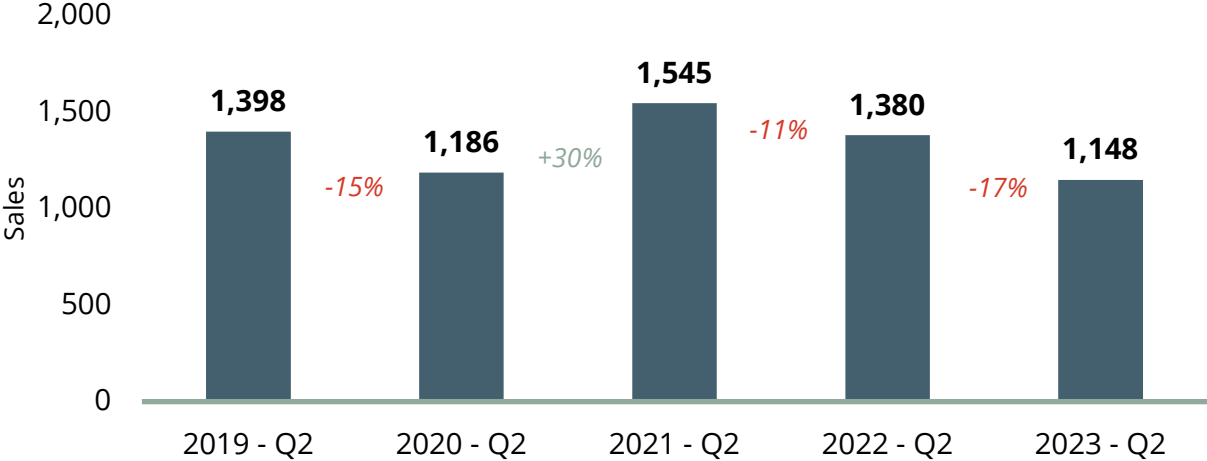
Housing Market Overview

The CAAR 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 CAAR area housing market. There were 1,148 homes sold across the footprint during the second quarter of 2023. This is 232 fewer sales than a year ago, representing a 17% 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.

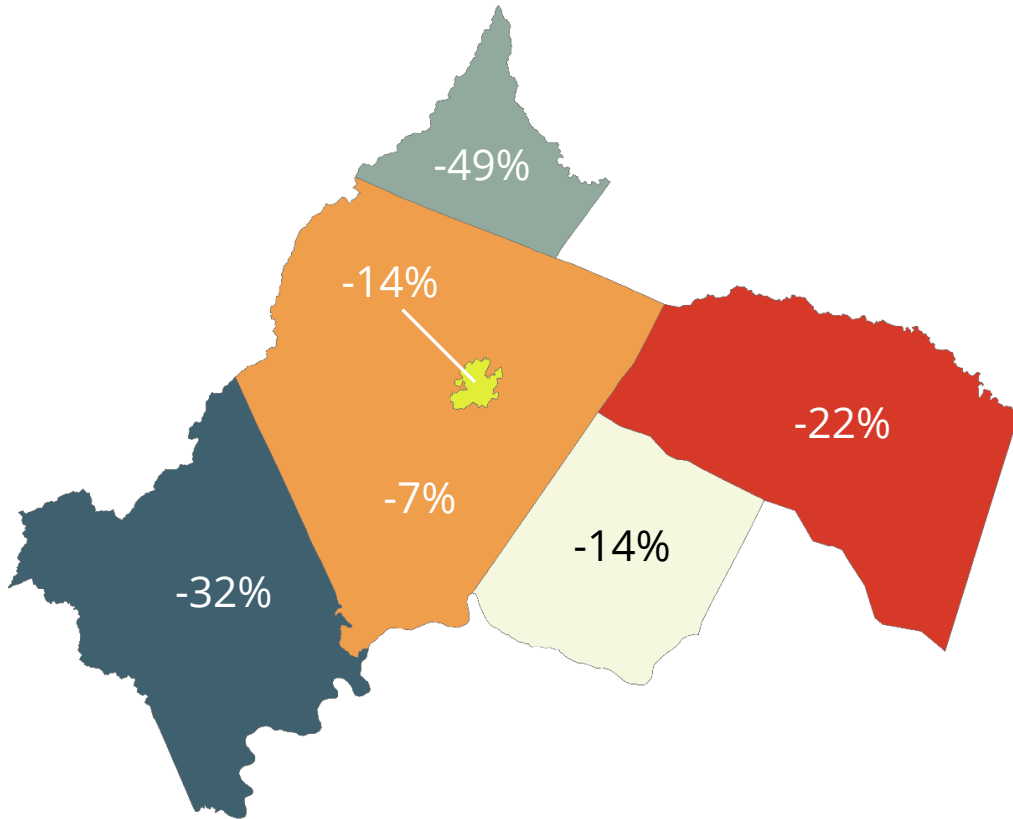
Figure 5
Second Quarter Home Sales, CAAR
2019-2023



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

Figure 6
Change in Sales by Jurisdiction
CAAR

Second Quarter 2022 to Second Quarter 2023



<i>Jurisdiction</i>	<i>2022 - Q2</i>	<i>2023 - Q2</i>	<i>% Change</i>
Albemarle County	569	530	-7%
Charlottesville	183	158	-14%
Fluvanna County	162	139	-14%
Greene County	122	62	-49%
Louisa County	254	198	-22%
Nelson County	90	61	-32%

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

Figure 7
Second Quarter New Construction Sales, CAAR
 2019-2023

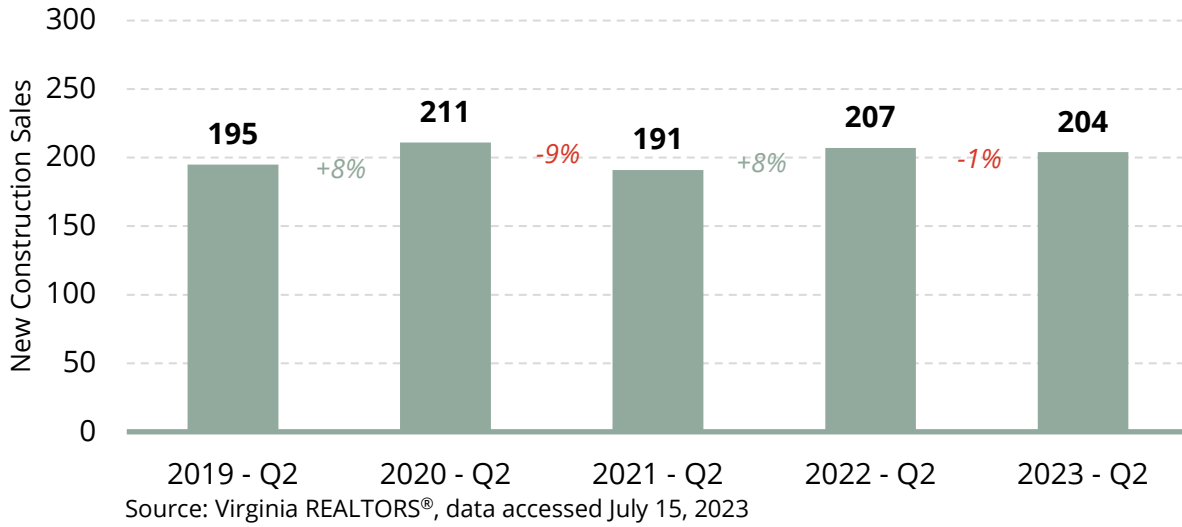
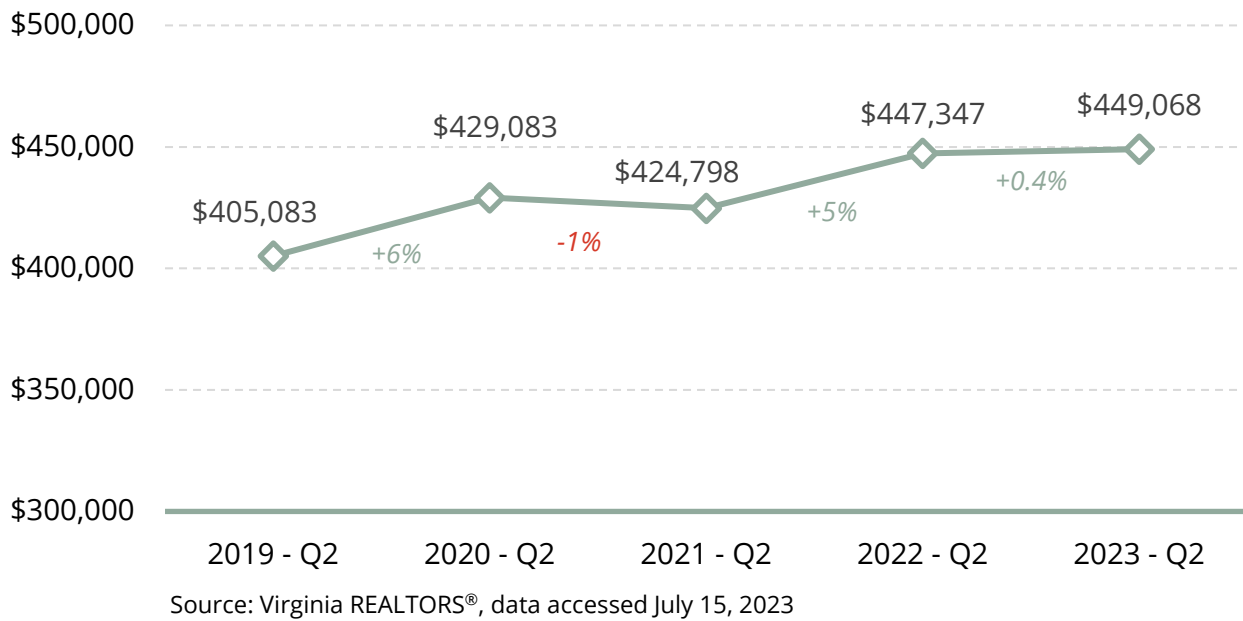


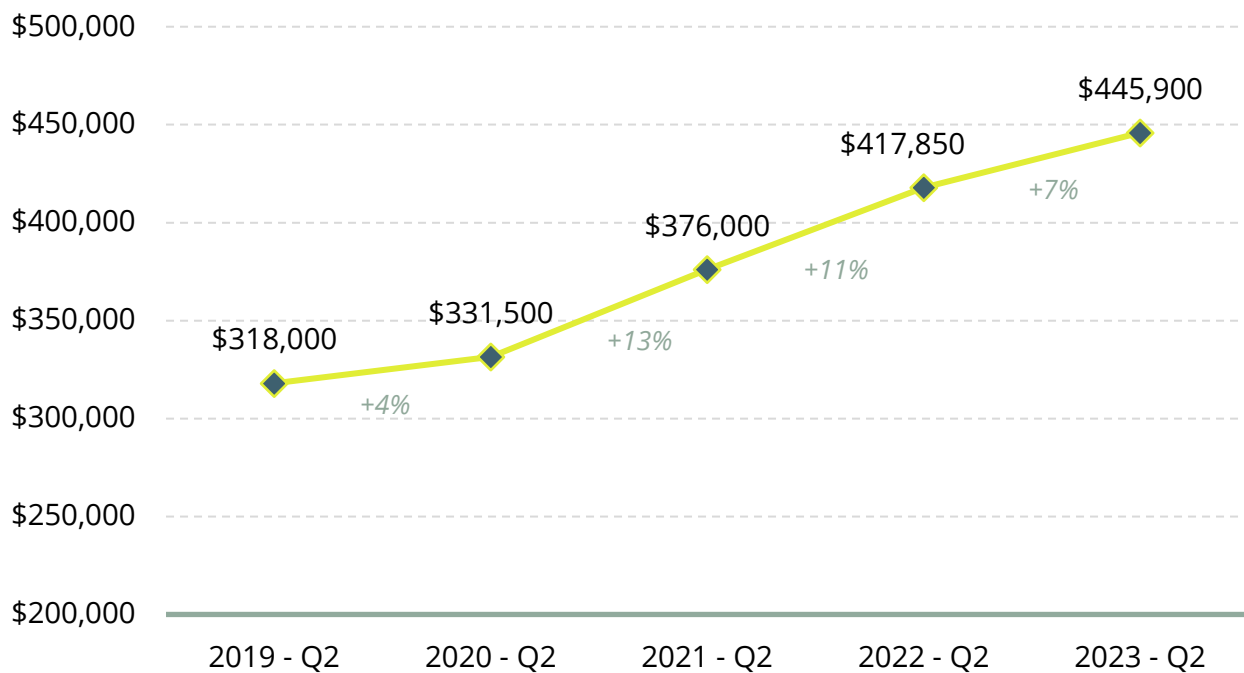
Figure 8
Second Quarter New Construction Median Sales Price, CAAR
 2019-2023



Sales Prices

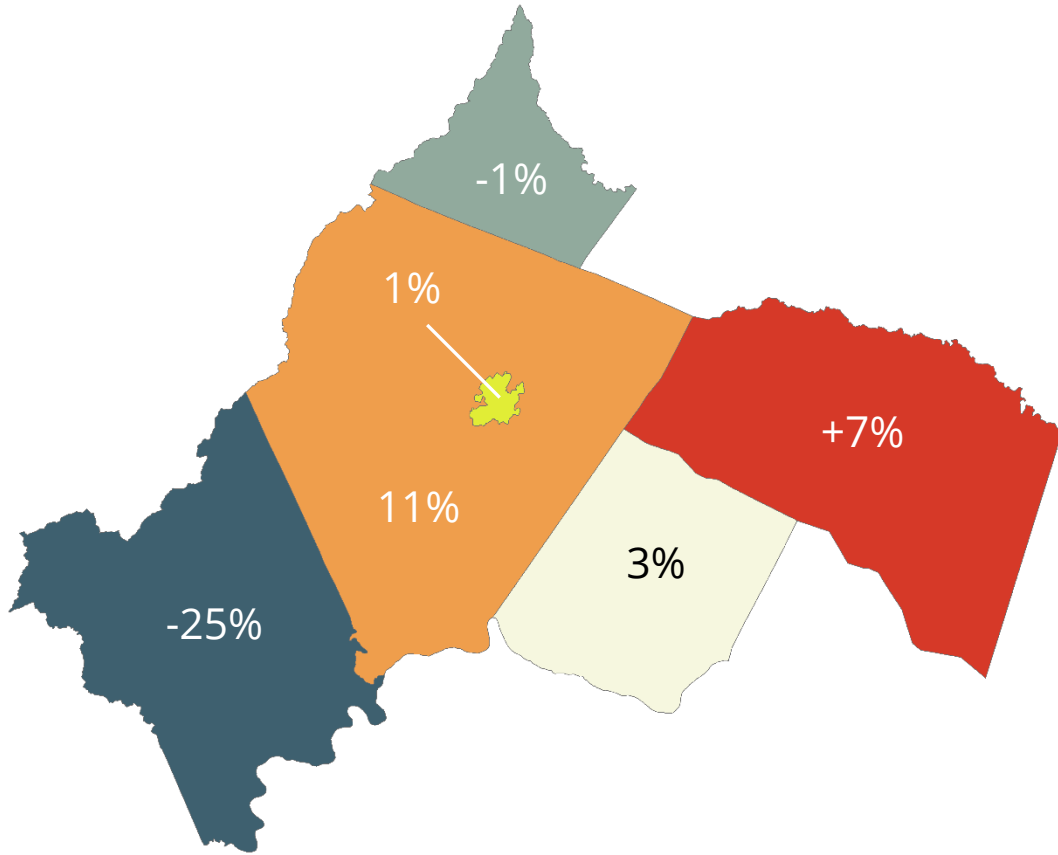
While market activity remains sluggish, it has not put a damper on home prices, which continue to climb in most local markets in the CAAR region. At \$445,900, the regionwide median sales price in the second quarter jumped by \$28,050 from this time last year, a 7% increase. The chronically low inventory 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 9
Second Quarter Median Sales Price, CAAR
2019-2023



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

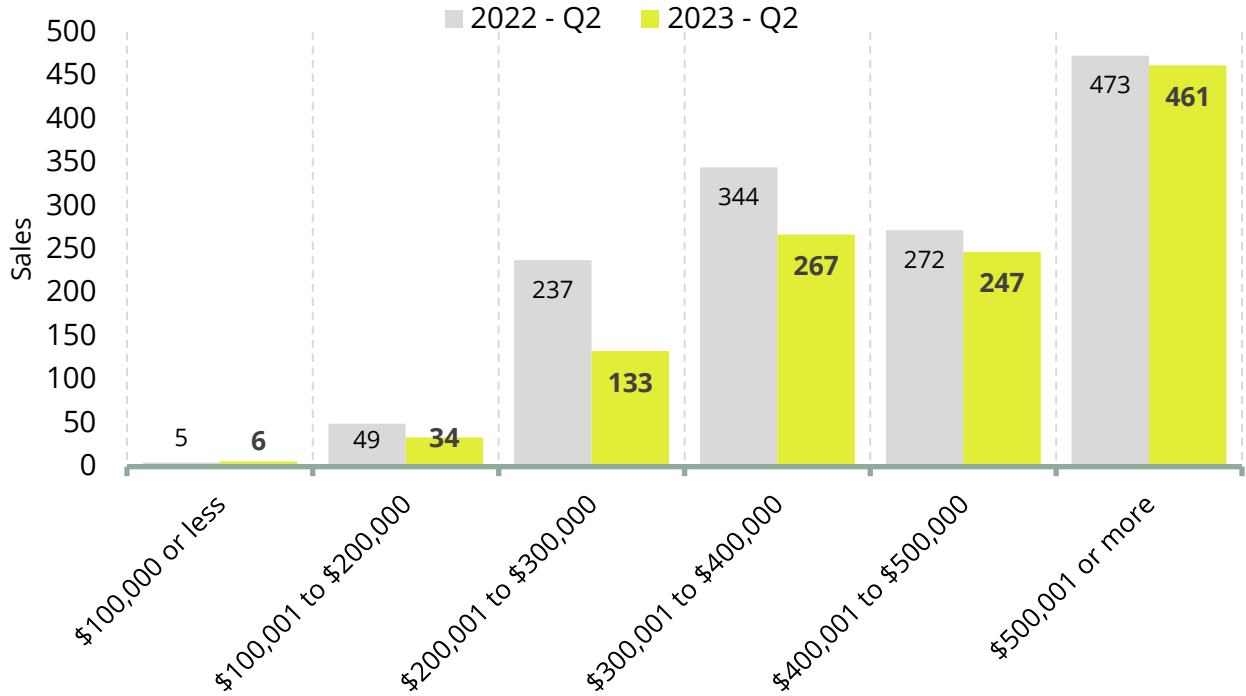
Figure 10
Change in Median Sales Price by Jurisdiction
CAAR
Second Quarter 2022 to Second Quarter 2023



<i>Jurisdiction</i>	<i>2022 - Q2</i>	<i>2023 - Q2</i>	<i>% Change</i>
Albemarle County	\$479,000	\$530,000	11%
Charlottesville	\$464,000	\$470,000	1%
Fluvanna County	\$336,000	\$345,000	3%
Greene County	\$386,000	\$382,000	-1%
Louisa County	\$361,250	\$385,500	7%
Nelson County	\$425,000	\$320,000	-25%

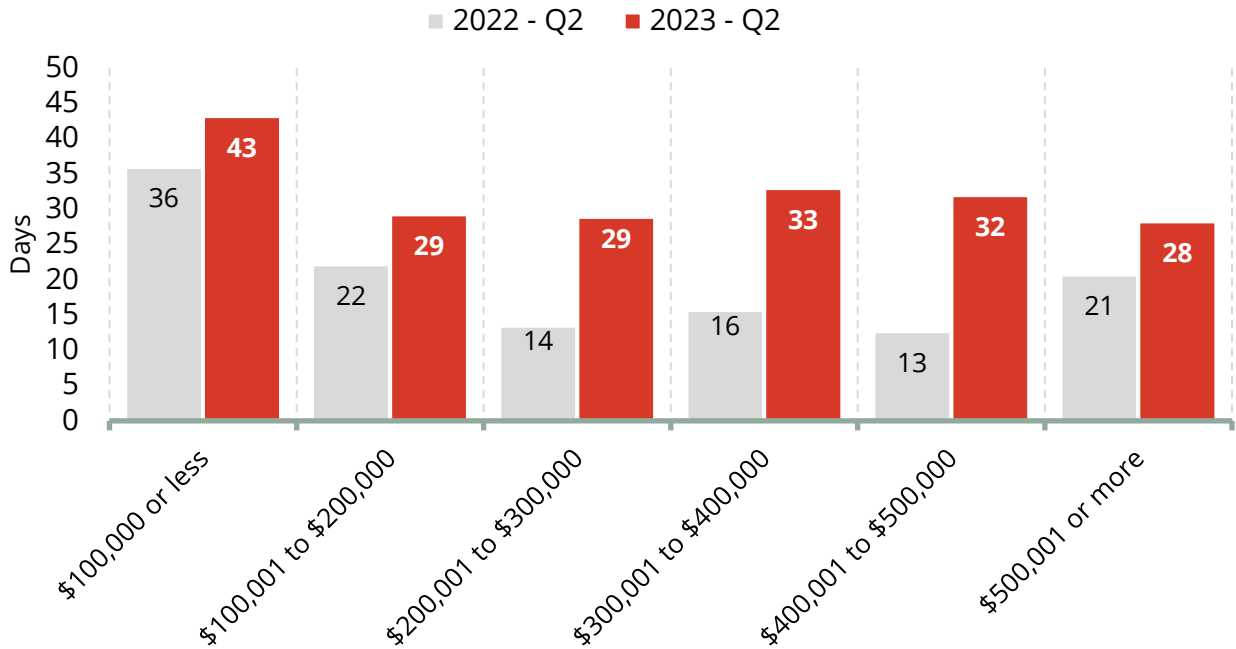
Source: Virginia REALTORS®, data accessed July 15, 2023

Figure 11
Second Quarter Sales Price Range Distribution - CAAR



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

Figure 12
Second Quarter Average DOM by Sales Price Range - CAAR

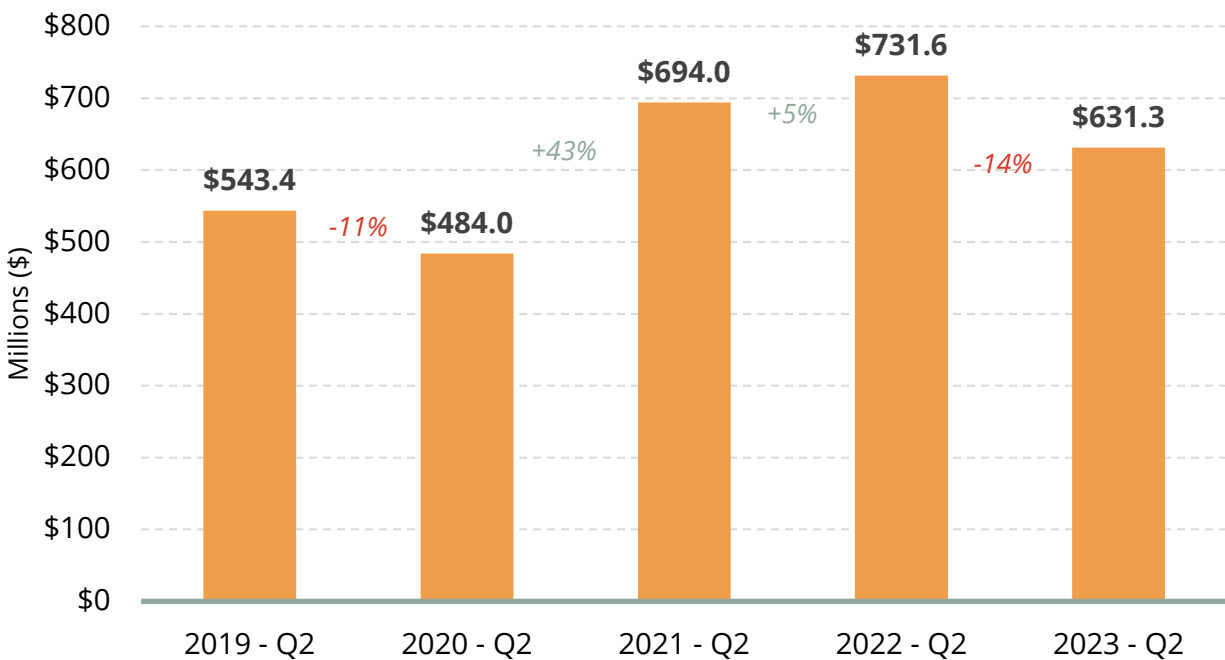


Source: Virginia REALTORS®, data accessed July 15, 2023

Sold Volume

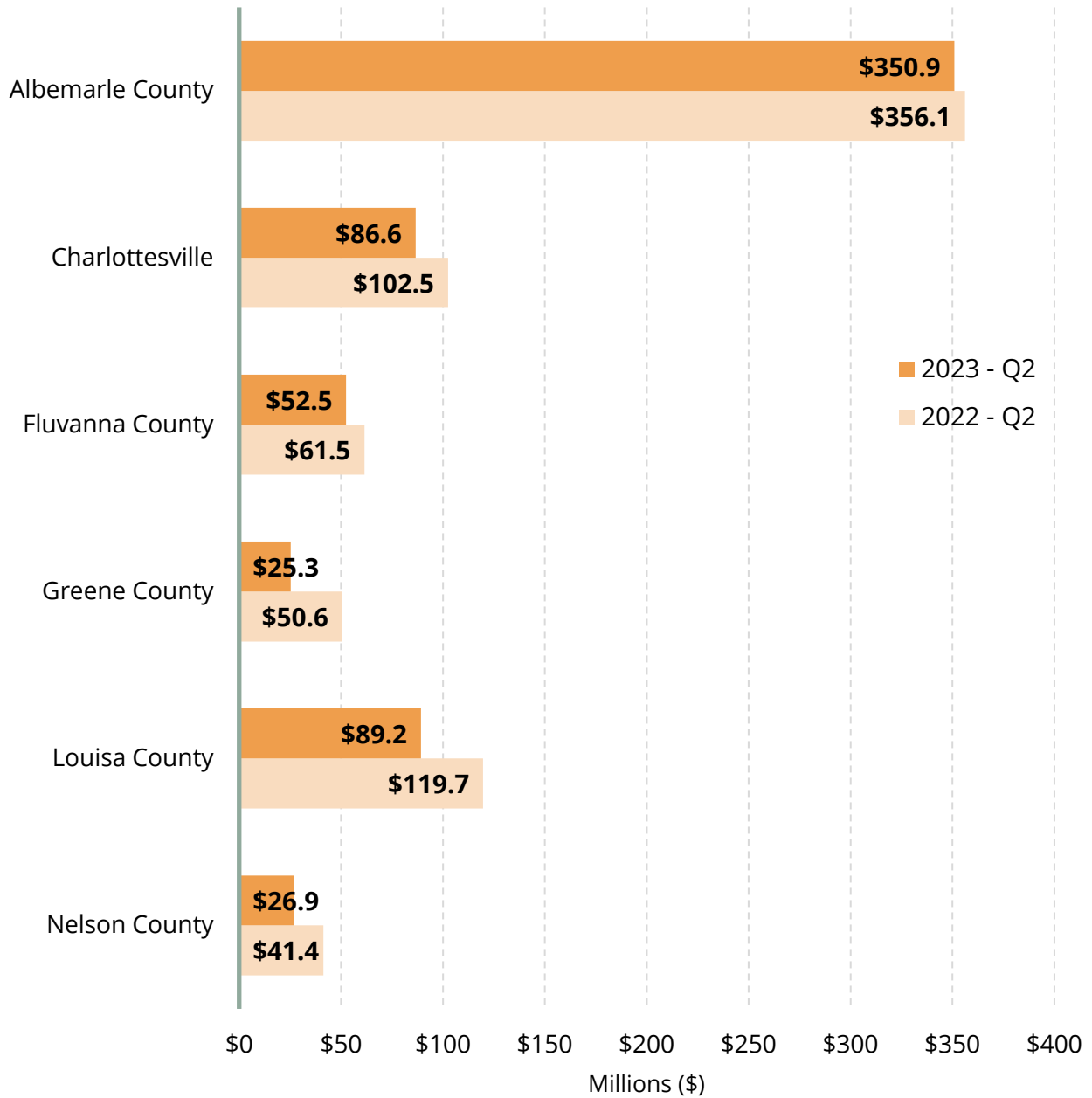
While price levels are rising in most parts of the region, the slowdown in sales activity continues to bring down the sold dollar volume in the CAAR area housing market. There was about \$631.3 million of sold volume across the CAAR region in the second quarter, a decrease of \$100.3 million from a year ago. This represents a 14% reduction in sold volume in the CAAR market, the sixth straight quarter of a double-digit decline in volume.

Figure 13
Second Quarter Sold Dollar Volume (Millions), CAAR
2019-2023



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

Figure 14
Second Quarter Sold Dollar Volume, CAAR Jurisdictions
2022 and 2023

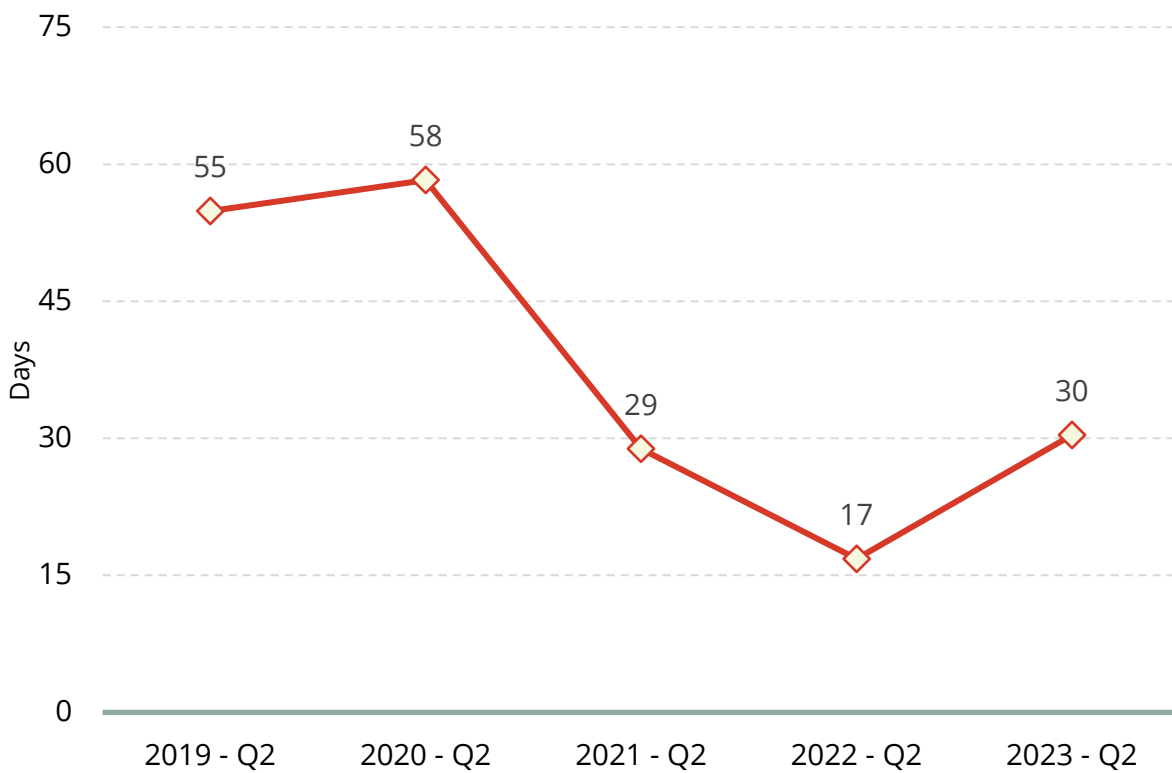


Source: Virginia REALTORS®, data accessed July 15, 2023

Days on Market

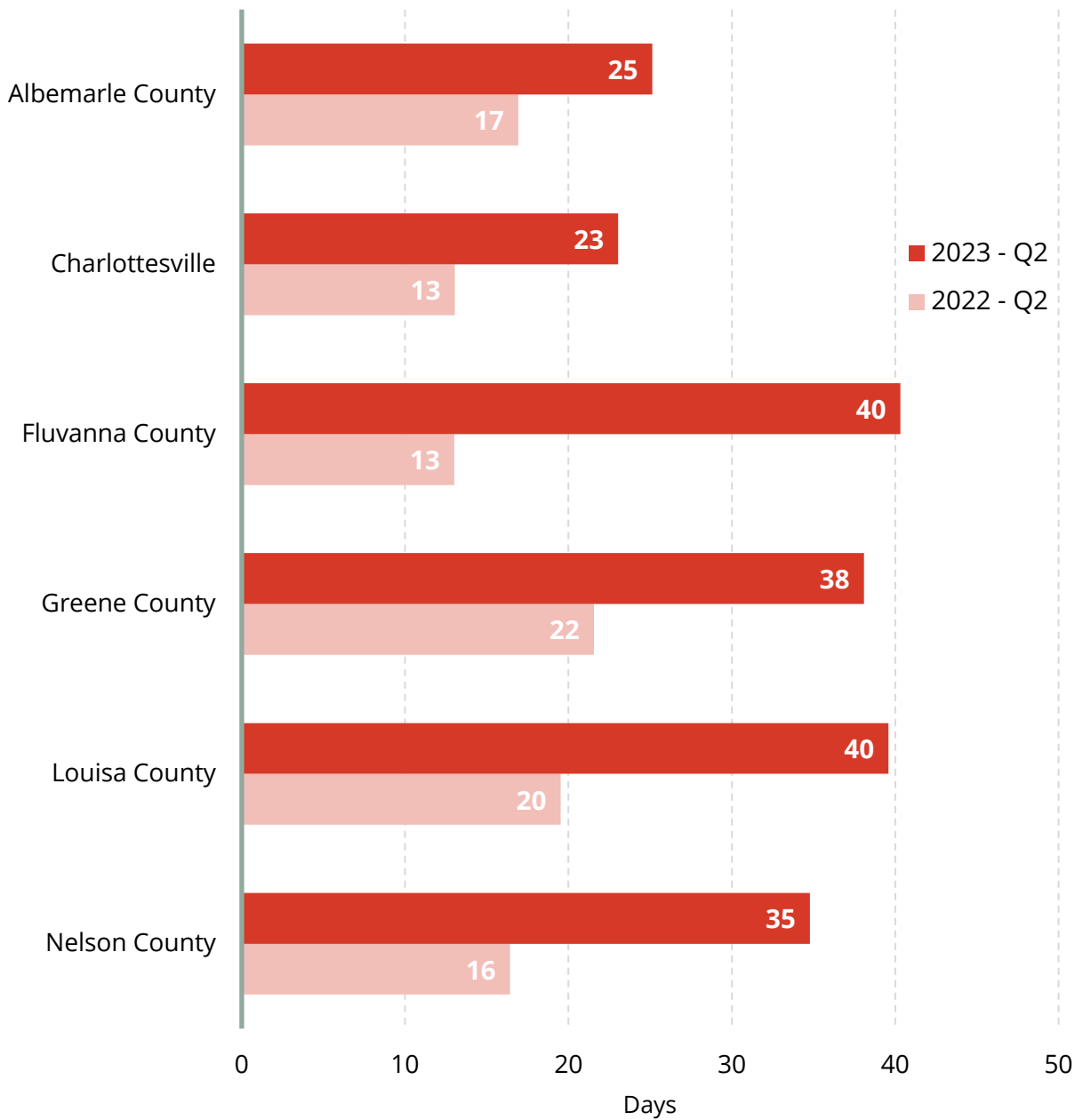
Homes are staying on the market longer than last year but are still selling relatively fast compared to historical averages. Homes that sold in the CAAR region during the second quarter of 2023 were on the market about a month on average (30 days), which is nearly two weeks slower than a year ago (+13 days). While the slowing days on market trend has been consistent for two 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 52. This is nearly three weeks longer than 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 15
Second Quarter Average Days on Market, CAAR
2019-2023



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

Figure 16
Second Quarter Average Days on Market, CAAR Jurisdictions
2022 and 2023



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

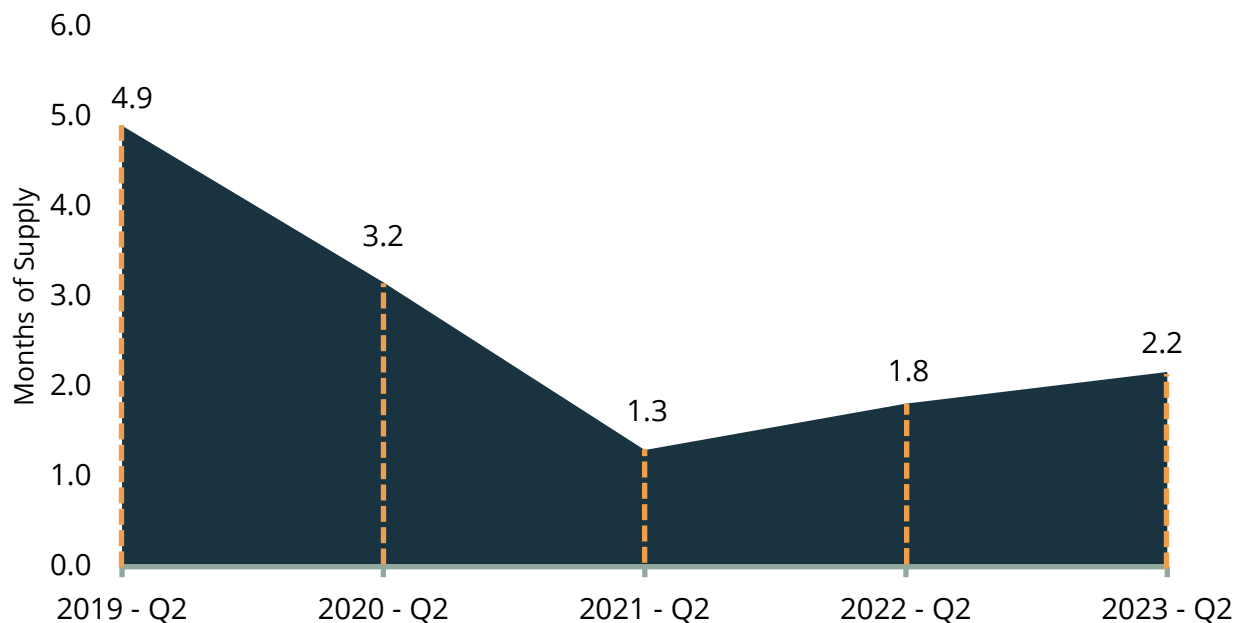
Inventory

After building up for several quarters, the inventory of active listings dipped this quarter in some parts of the CAAR market. There were 717 active listings on the market at the end of the second quarter across the CAAR footprint, down 3% from a year ago, which is a reduction of 24 listings. The tightening supply reflects less 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.

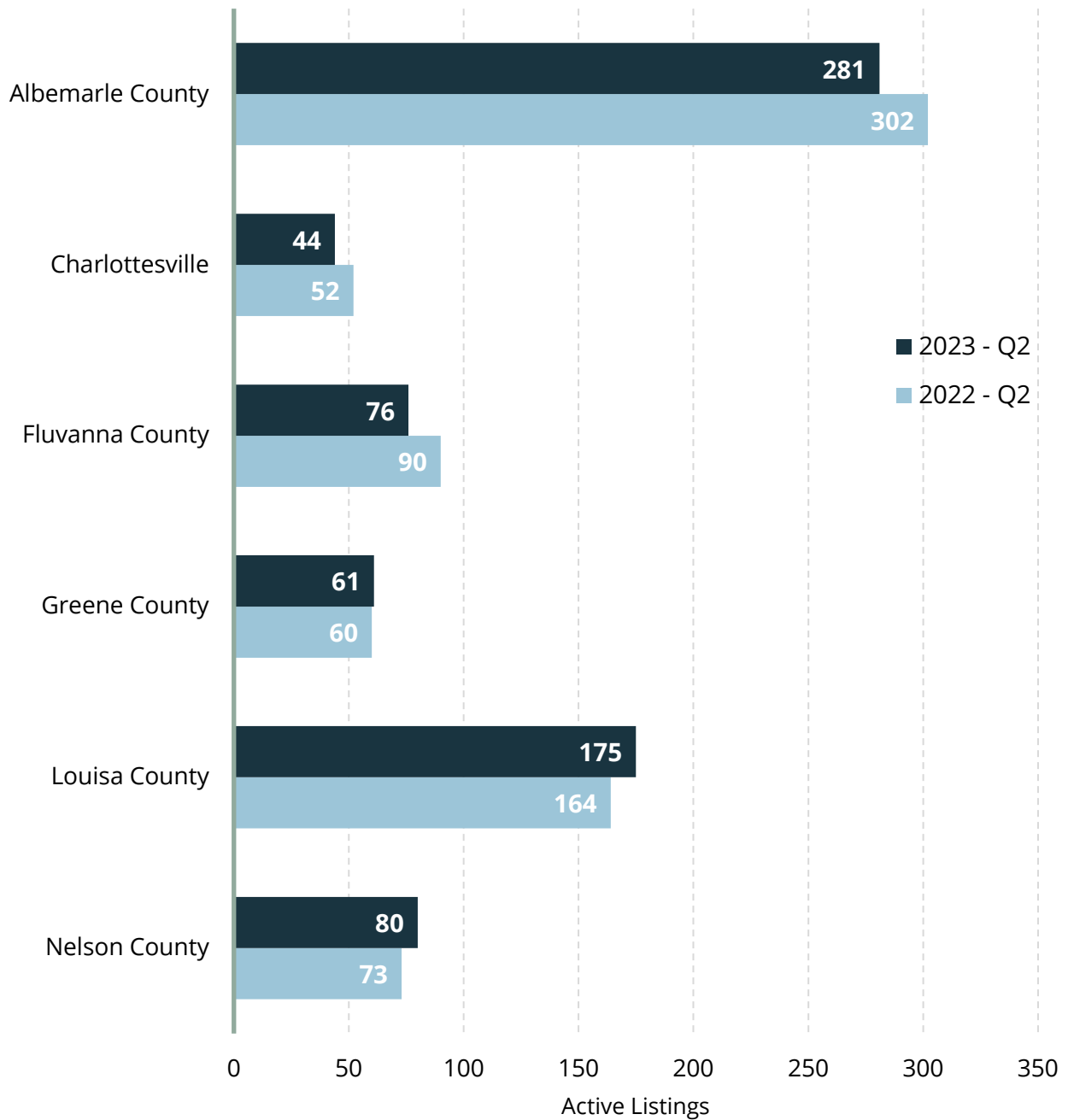
There was about 2.2 months of supply at the end of the second quarter in the CAAR footprint, which is up from 1.8 months a year ago. The months of supply metric is calculated by taking the average monthly sales over the preceding 12-month period and dividing it by the inventory of active listings. Statewide, there was also about 1.8 months of supply at the end of the second quarter.

Figure 17
End of Second Quarter Months Supply, CAAR
2019-2023



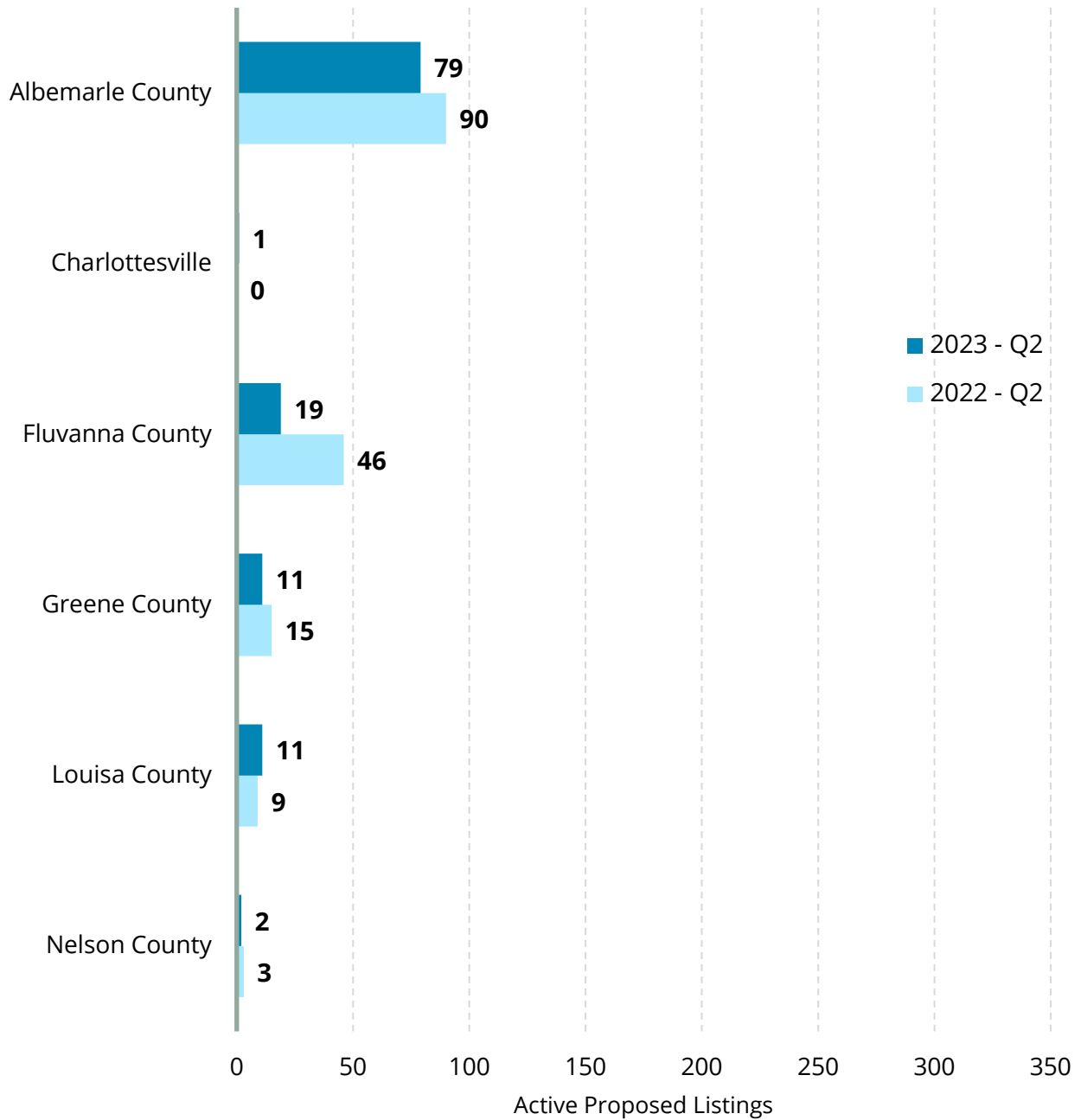
Source: Virginia REALTORS®, data accessed July 15, 2023

Figure 18
End of Second Quarter Active Listings (includes proposed listings)
CAAR Jurisdictions
2022 and 2023



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

Figure 19
End of Second Quarter Active Proposed Listings
CAAR Jurisdictions
2022 and 2023



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



Local Snapshot – *Albemarle County*

Sales: The number of sales continued to moderate in Albemarle County. There were 530 sales during the second quarter, 39 fewer sales than the same time a year ago, a 7% decrease.

Median Sales Price: The median sales price in Albemarle County was \$530,000 in the second quarter, an increase of 11% from the year prior, or \$51,000.

Sold Volume: Low sales activity led to less sold volume in Albemarle County. The total sold dollar volume in the county was \$350.9 million in the second quarter, down 1% or \$5.2 million from last year.

Active Listings: Active listings were down this quarter in Albemarle County. There were 281 active listings on the market at the end of the second quarter, 21 fewer listings than the previous year, a decline of 7%.

Days on Market: In Albemarle County, the average days on market was 25 days in the second quarter, eight days slower than last year.



Local Snapshot – *Charlottesville*

Sales: In Charlottesville, there were 158 home sales in the second quarter, down 14% from the year before, which is 25 fewer sales.

Median Sales Price: The sales price in Charlottesville was \$470,000 during the second quarter, up \$6,000 from the previous year, a 1% increase.

Sold Volume: The sold dollar volume in Charlottesville was \$86.6 million in the second quarter, a \$15.9 million decrease from a year earlier, which is a 15% decline.

Active Listings: As supply grew, the number of active listings decreased in Charlottesville. At the end of the second quarter there were 44 listings on the market, eight fewer listings than last year, dipping by 15%.

Days on Market: At 23 days, homes in Charlottesville during the second quarter were on the market 10 days longer than the year before.



Local Snapshot – *Fluvanna County*

Sales: Sales activity fell for the eighth consecutive quarter in Fluvanna County. In the second quarter, there were 139 homes sold in the county, 23 fewer sales than a year ago, dropping by 14%.

Median Sales Price: In the second quarter, the median price of a home in Fluvanna County was \$345,000, increasing 3% from last year, a \$9,000 gain.

Sold Volume: There was \$52.5 million of sold volume in Fluvanna County during the second quarter, dropping 15% from the previous year, an \$8.9 million reduction.

Active Listings: In Fluvanna County, there were 76 active listings at the end of the second quarter, decreasing by 16% from a year earlier, which is 14 fewer listings.

Days on Market: The average days on market was 40 days in Fluvanna County in the second quarter, 27 days slower than the previous year.



Local Snapshot – *Greene County*

Sales: In Greene County, there were 62 sales during the second quarter, decreasing by 49%, which is 60 fewer sales than the previous year.

Median Sales Price: After trending up the last two quarters, the median sales price dipped slightly in Greene County. In the second quarter, the median price was \$382,000, down just 1% from the year before, a \$4,000 price drop.

Sold Volume: The total sold dollar volume in Greene County was \$25.2 million in the second quarter, \$25.3 million less than last year, a drop of 50%.

Active Listings: At the end of the second quarter, there were 61 active listings in Greene County, up just 2% from a year ago or one additional listing.

Days on Market: Homes were on the market an average of 38 days in Greene County during the second quarter, 17 days longer compared to a year ago.



Local Snapshot – *Louisa County*

Sales: In the second quarter, there were 198 sales in Louisa County, 56 fewer sales compared to the same time last year, a 22% drop in activity.

Median Sales Price: Prices were up in Louisa County this quarter. The median sales price was \$385,500 in the second quarter, a growth of 7% or \$24,250 more than the previous year.

Sold Dollar Volume: There was about \$89.2 million of sold volume in Louisa County during the second quarter, \$30.5 million less than a year ago, a 25% decrease.

Active Listings: In Louisa County, there were 175 active listings at the end of the second quarter, 11 more listings than the year prior, a 7% increase.

Days on Market: The days on market for a home in Louisa County was longer this quarter. In the second quarter, the average days on market was 40 days in the county, 20 days longer than the year before.



Local Snapshot – *Nelson County*

Sales: Sales continued to fall in Nelson County this quarter. There were 61 sales during the second quarter, 29 fewer sales than the year before, a 32% reduction.

Median Sales Price: In Nelson County, the median sales price fell by double digits. The median home price was \$320,000 during the second quarter, declining 25% from the previous year, a loss of \$105,000.

Sold Dollar Volume: The decrease in sales and median price brought down the sold volume in Nelson County. There was approximately \$26.8 million of sold dollar volume during the second quarter, \$14.5 million less than a year ago, falling by 35%.

Active Listings: The number of active listings increased for the third straight quarter in Nelson County. In the county, there were 80 active listings at the end of the second quarter, seven more listings than last year, an increase of 10%.

Days on Market: Homes sold in Nelson County were on the market an average of 35 days in the second quarter, taking 18 days longer to sell than the previous year.



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.