

VIRGINIA PENINSULA HOME SALES REPORT



CUSTOM REPORT PREPARED BY
VIRGINIA REALTORS®

Virginia Peninsula Home Sales Report

Third Quarter 2022

Virginia Peninsula REALTORS®

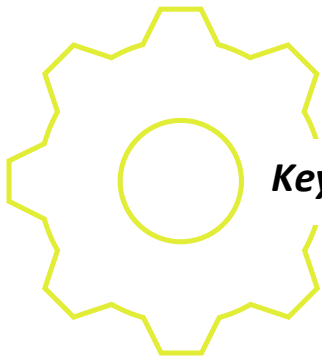
Market Report Key Takeaways

Economic Conditions

- Virginia's job market continues to expand. The state added 16,700 jobs between July and August and is now only about 5,300 jobs short of pre-pandemic levels. Most of the growth continues to be in the Leisure and Hospitality sector.
- The unemployment rate remains very low. In August, the unemployment rate was 3.2% in Virginia and was 4% in the Virginia Peninsula region. Both are down from a year ago.
- Mortgage rates climbed rapidly over the past month. In the second week of October, the average rate on a 30-year fixed mortgage rose to 6.92%, up from 6.02% a month ago.

Housing Market Conditions

- There were 1,851 sales in Virginia Peninsula market during the third quarter of 2022. This is 691 fewer sales than a year ago, which is a 27% drop. The market has been slowing down in the area for two straight quarters.
- Home prices continue to climb in the Virginia Peninsula footprint. The third quarter median sales price in the region was \$280,000, rising 11% from a year ago, which is a gain of \$28,000.
- Inventory continues to build up in the Virginia Peninsula market. There were 1,147 active listings on the market at the end of the third quarter, 55 more listings than a year ago, a 5% increase.



Key Trends Dashboard, Virginia Peninsula

Economy



4.0%

Is the Aug-2022 **unemployment rate** in the Virginia Peninsula footprint, which is down from Aug-2021



6.92%

Is the **30-year fixed-rate mortgage rate** during the second week of October 2022, which is up 3.87 percentage points from a year ago

Housing Market



-691

Fewer **home sales** in the Virginia Peninsula footprint in Q3-2022 compared to last year



11%

Percent change in **median sales price** in the Virginia Peninsula region in Q3-2022 compared to a year ago



-\$140.4

Less **sold volume** in the Virginia Peninsula footprint in Q3-2022 compared to last year



5%

Percent change in **active listings** at the end of Q3-2022 in the Virginia Peninsula market compared to a year ago



1.7

Months of supply in the Virginia Peninsula footprint in Q3-2022, which is up from a year ago

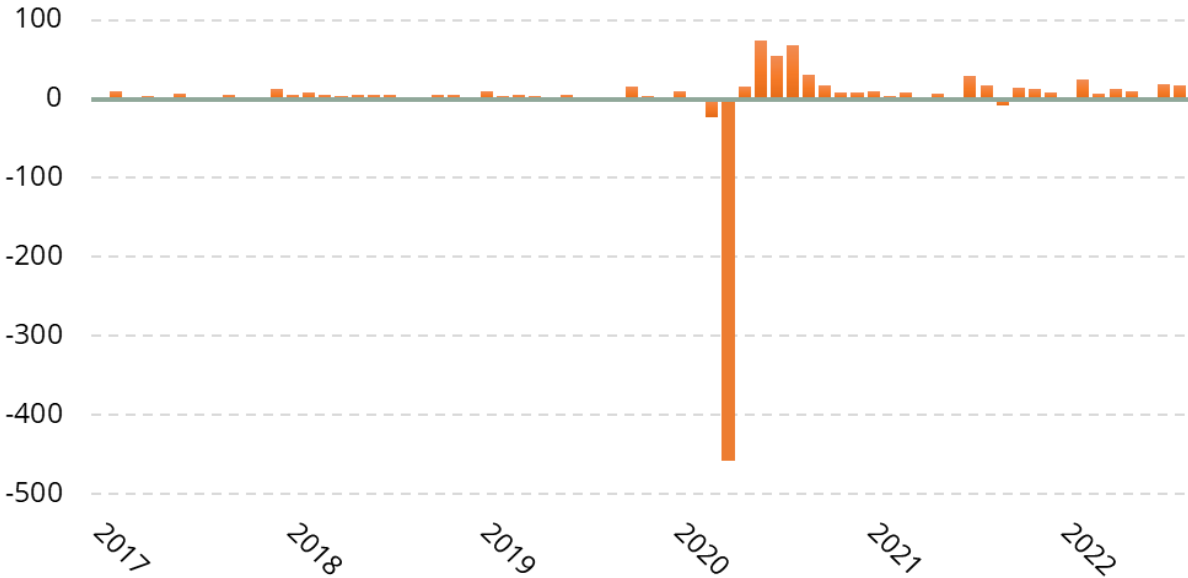
Economic Overview

Economic conditions are worsening as high inflation continues to be a significant factor. The labor market remains relatively strong in Virginia as there are more jobs in the economy and unemployment continues to be very low. Mortgage rates are climbing, which is cooling housing markets across the Commonwealth.

Jobs

There were 4.09 million jobs throughout Virginia in August 2022, an increase of about 16,700 jobs from July 2022. Virginia’s economy is nearly back to pre-pandemic job levels, just 5,300 jobs shy of the January 2020 totals. The state’s job recovery has been robust. More than 472,000 jobs have been added back since April 2020. Most of the job growth in Virginia continues to be in the Leisure & Hospitality sector and the Health & Social Assistance sector. Despite the strong gains this year in Leisure & Hospitality, this sector is still down compared to pre-pandemic levels. The sharpest decrease in jobs this month was in the Finance & Insurance sector.

Figure 1
Virginia Month-to-Month Change in Jobs

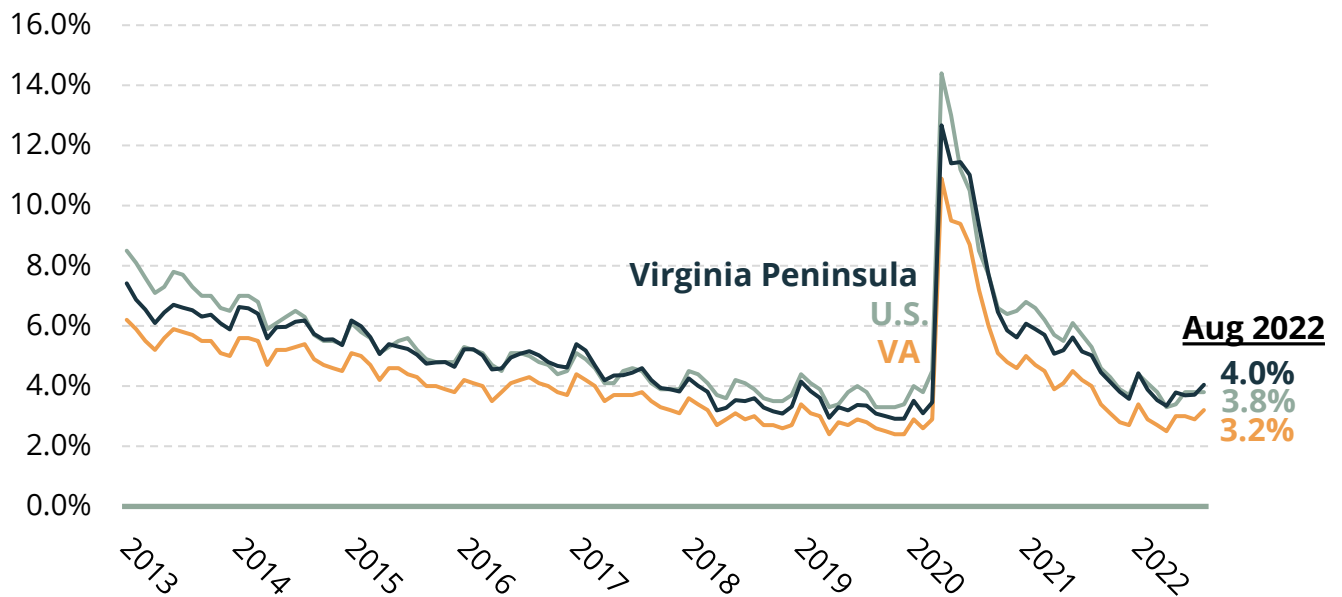


Source: U.S. Bureau of Labor Statistics, Seasonally Adjusted

Unemployment

The unemployment rate in Virginia continues to be very low. The statewide unemployment rate was 3.2% in August 2022 (not seasonally adjusted), down from 4% from last August. In the Virginia Peninsula region, the August unemployment rate was 4%, down from 5% a year ago.

Figure 2
Unemployment Rate

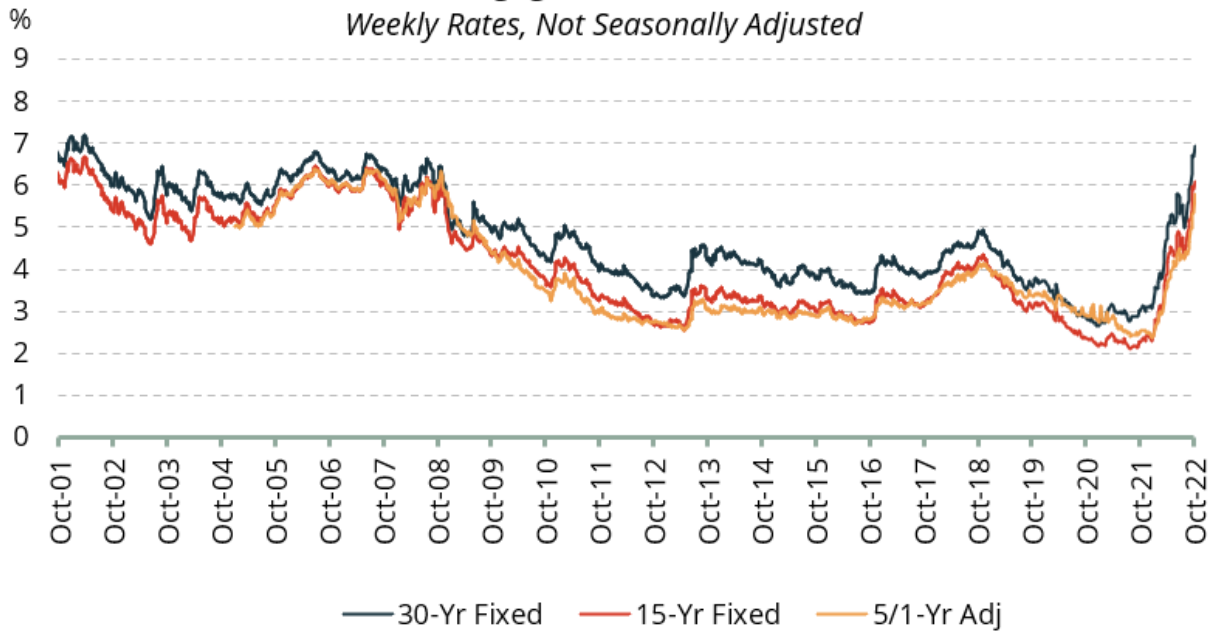


Source: U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics

Mortgage Rates

In the second week in October, the average rate on a 30-year fixed mortgage rose to 6.92%. This is the highest the rate has been in more than two decades (since August 2001). Interest rates have soared in 2022. As a result, the housing market has slowed down significantly. The 30-year fixed mortgage rate has more than doubled since the start of the year.

Figure 3
Mortgage Interest Rates
Weekly Rates, Not Seasonally Adjusted



Source: Federal Reserve Bank of St. Louis

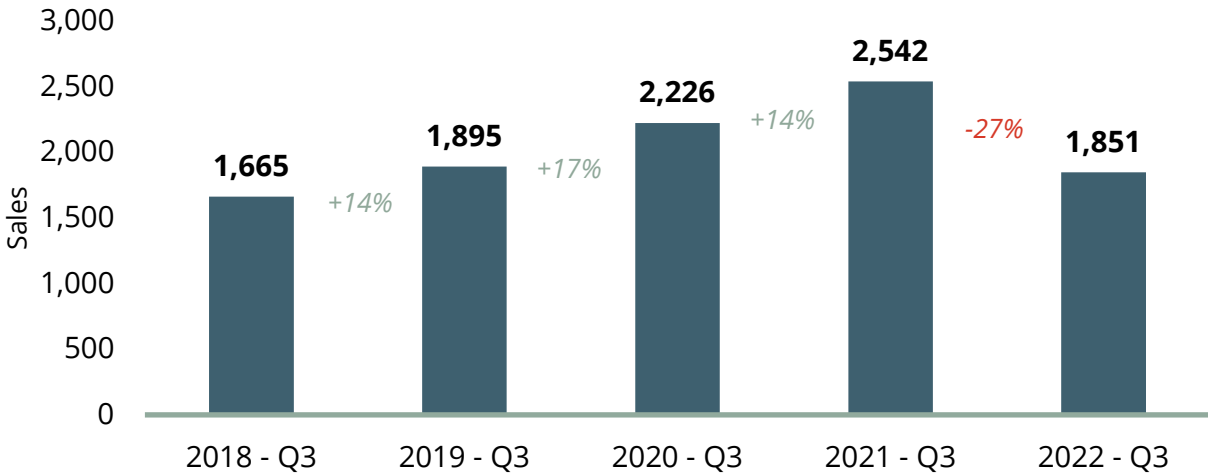
Housing Market Overview

The Virginia Peninsula regional housing market continues to moderate. Sales were well below last year's third quarter level, and sold volume dropped significantly. For the first time in years, it's taking longer to sell homes on average in the region, another signal of the shifting market. Despite the moderating market, home prices continue to trend up as the supply remains tight. This report provides details about housing market conditions within the Virginia Peninsula footprint. A summary of housing market trends for the larger region are available in the appendix at the end of this report.

Sales

For the second straight quarter, sales activity in the Virginia Peninsula housing market cooled from the busy pace a year ago. There were 1,851 homes sold across the region in the third quarter, 691 fewer sales than the same period last year, representing a 27% decrease. This quarter was the sharpest drop in sales the region has seen in years, as the market adjusts to rising interest rates. Sales slowed down all three months of the quarter, which covers July through September. Statewide, total home sales were down 23% from the third quarter a year ago.

Figure 4
Third Quarter Home Sales, Virginia Peninsula
2018-2022



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



Local Snapshot – *Total Home Sales*

Hampton: Sales have declined in Hampton for two consecutive quarters. In the third quarter there were 639 home sales, which is 202 fewer sales than last year, representing a sharp decline of 24%.

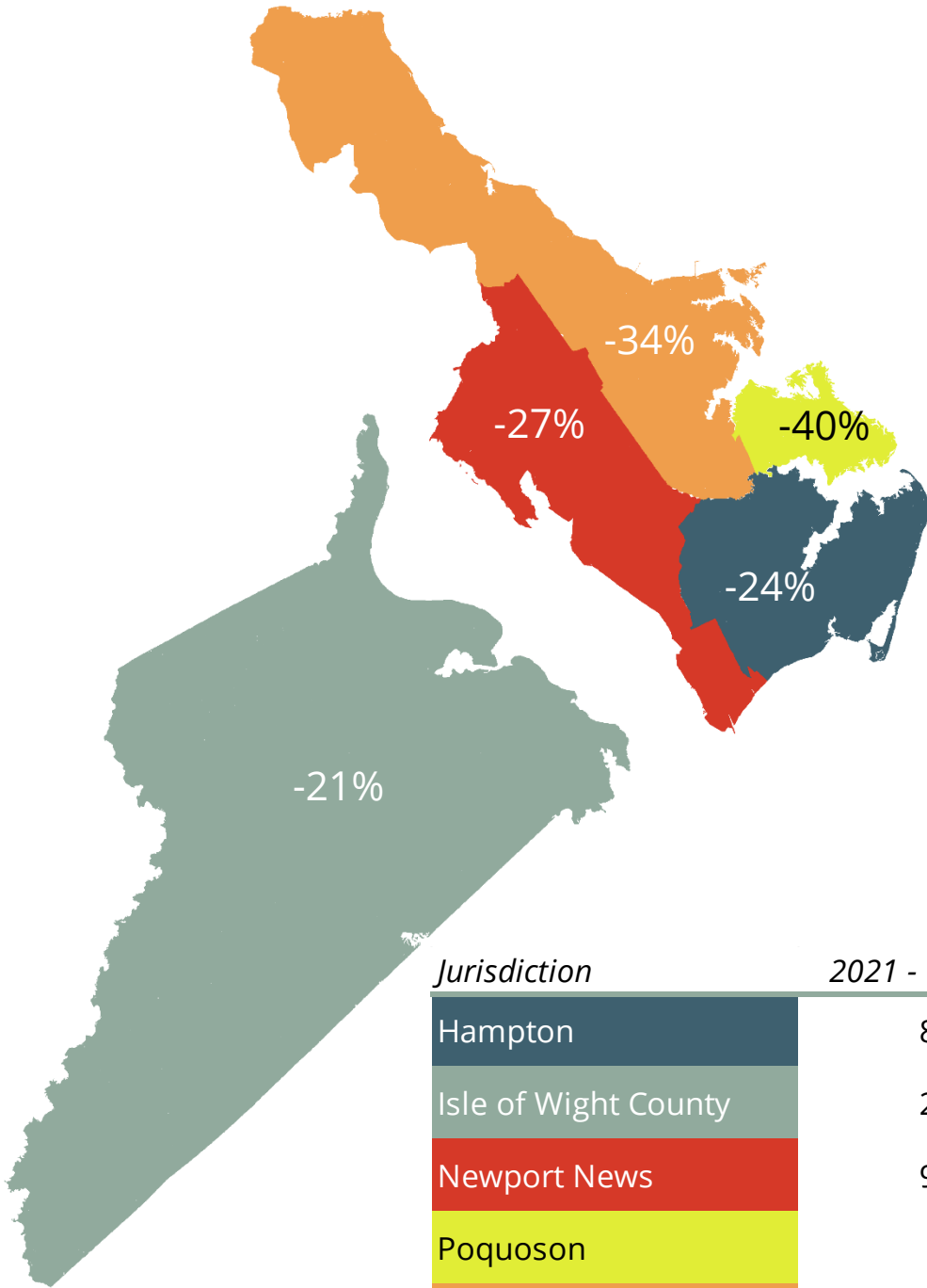
Isle of Wight County: Home sales in Isle of Wight County have declined for a year. There were 173 sales in the third quarter, a 21% drop compared to last year, which is 45 fewer sales.

Newport News: Newport News recorded the most home sales during the third quarter in the VPAR market, but sales have fallen for two consecutive quarters. There were 692 sales in the third quarter, a dip of 260 sales from last year, representing a 27% decline.

Poquoson: Sales continued to fall in the Poquoson area in 2022. In the third quarter, there were 52 home sales, a 40% drop from last year, which is 35 fewer sales.

York County: Home transactions have declined in York County for four consecutive quarters. There were 295 home sales in the third quarter, 149 fewer sales than last year, which is a 34% decline.

Figure 5
Change in Sales by Jurisdiction
Virginia Peninsula
Third Quarter 2021 to Third Quarter 2022



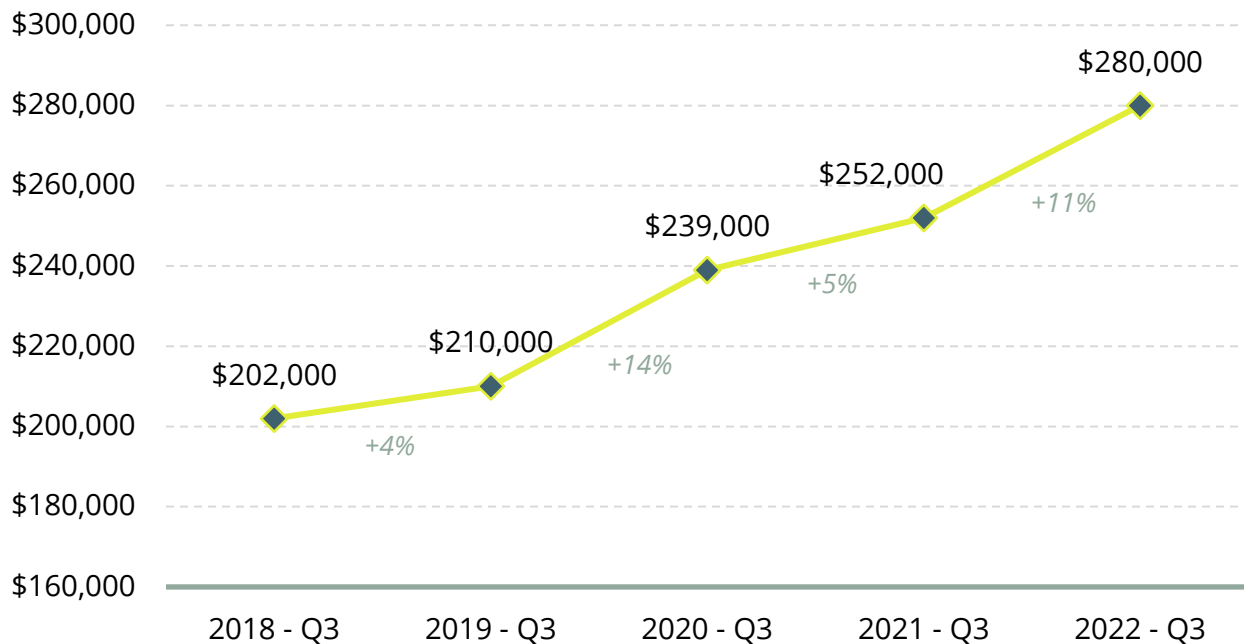
<i>Jurisdiction</i>	<i>2021 - Q3</i>	<i>2022 - Q3</i>	<i>% Change</i>
Hampton	841	639	-24%
Isle of Wight County	218	173	-21%
Newport News	952	692	-27%
Poquoson	87	52	-40%
York County	444	295	-34%

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

Sales Prices

As market activity moderates, home prices continue to trend higher in the Virginia Peninsula footprint. At \$280,000, the third quarter median sales price in the region jumped up 11% from a year ago, a gain of \$28,000. The median price in the region has increased at a double-digit rate for two consecutive quarters despite a sharp drop in sales. The tight inventory is putting upward pressure on prices. All local markets in the region had a surge in prices this quarter. The statewide median sales price in the third quarter was \$375,000, up 5.6% from a year ago.

Figure 6
Third Quarter Median Sales Price, Virginia Peninsula
2018-2022



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



Local Snapshot – *Median Sales Price*

Hampton: Home prices in Hampton inched up during the third quarter. The median sales price was \$250,000 in quarter three, a 9% increase compared to last year, which is an additional \$20,550.

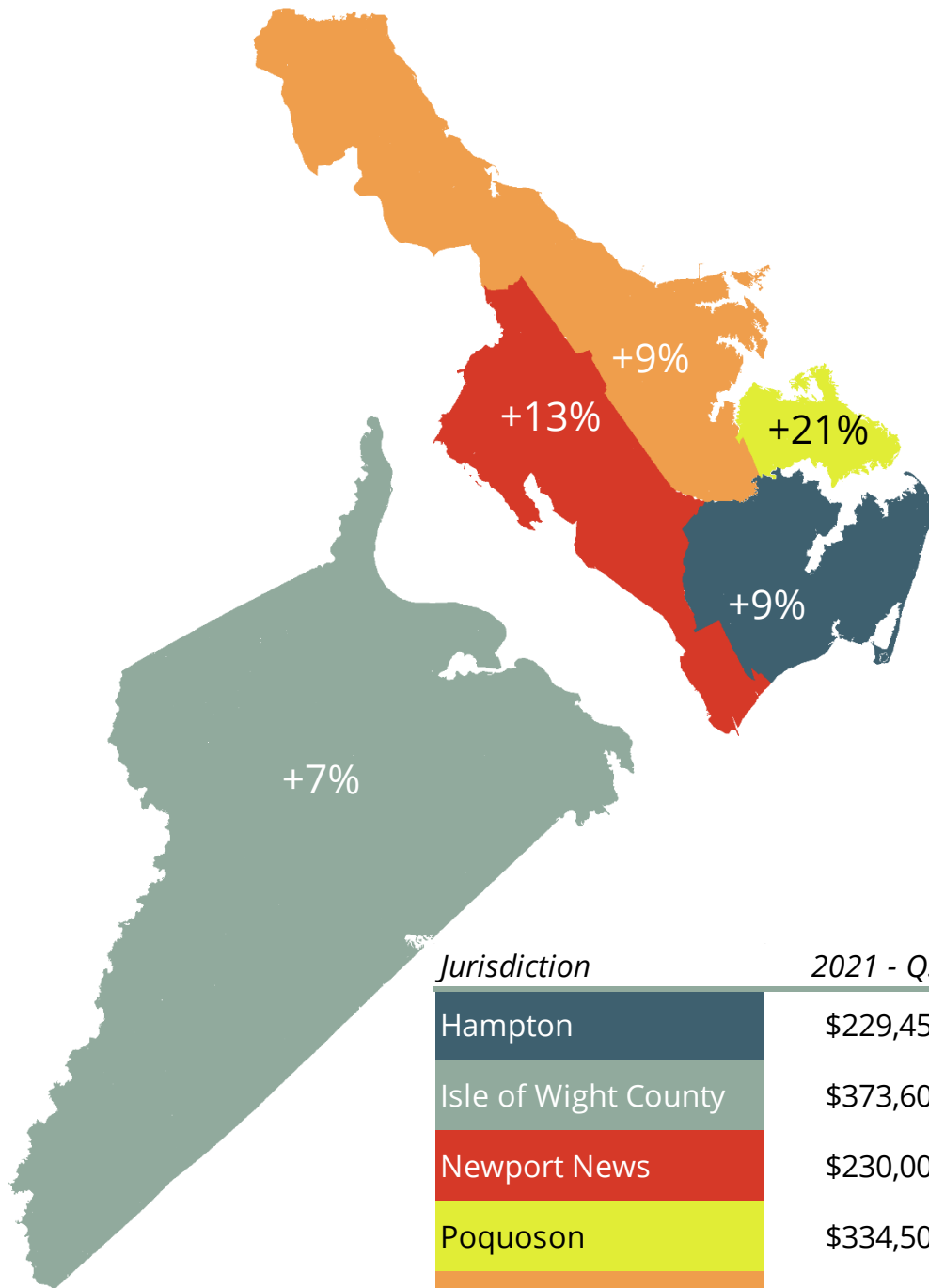
Isle of Wight County: Prices in Isle of Wight County peaked during the third quarter. At \$400,000, home prices increased by 7% compared to this time a year ago, which is a \$26,400 gain.

Newport News: The median home price in Newport News continues to rise. During the third quarter, the median sales price was \$260,250, an increase of \$30,250 from a year ago, a rise of 13%.

Poquoson: The Poquoson housing market had the highest median sales price in the VPAR area in the third quarter. In the third quarter, the median sales price was \$403,250, 21% more than last year, an increase of \$68,750.

York County: Prices continue to rise in York County. The median sales price was \$363,860, a \$28,960 rise compared to a year ago, representing a slight increase of 9%.

Figure 7
Change in Median Sales Price by Jurisdiction
Virginia Peninsula
Third Quarter 2021 to Third Quarter 2022



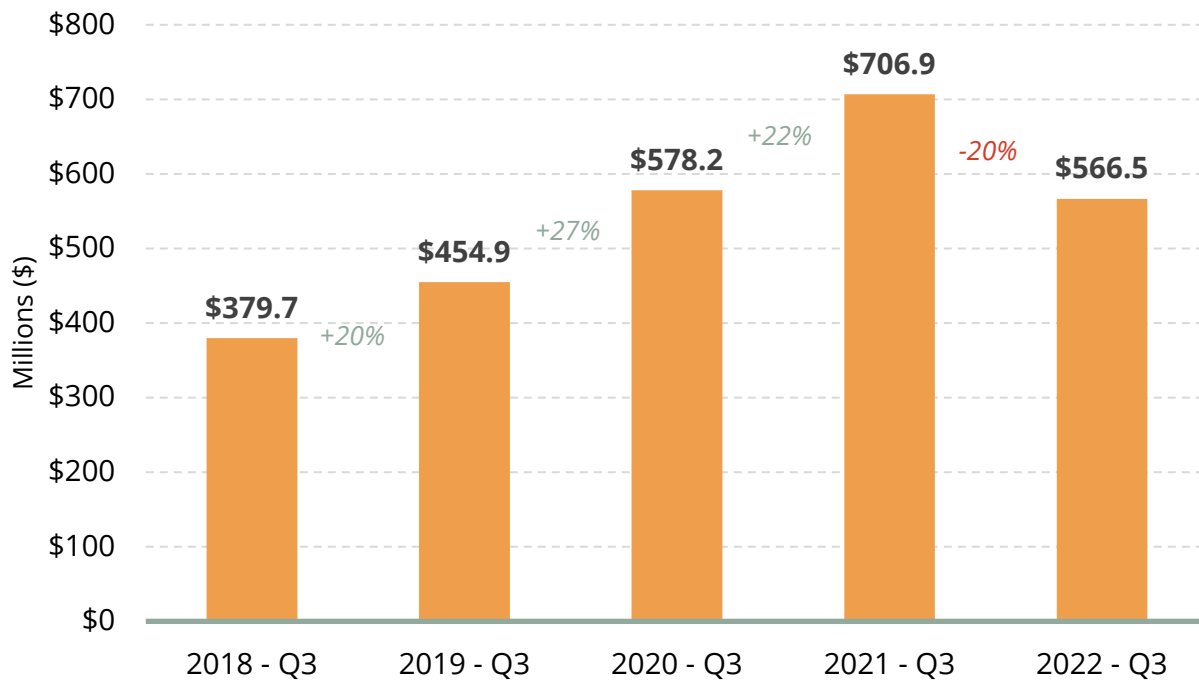
<i>Jurisdiction</i>	<i>2021 - Q3</i>	<i>2022 - Q3</i>	<i>% Change</i>
Hampton	\$229,450	\$250,000	9%
Isle of Wight County	\$373,600	\$400,000	7%
Newport News	\$230,000	\$260,250	13%
Poquoson	\$334,500	\$403,250	21%
York County	\$334,900	\$363,860	9%

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

Sold Volume

While prices continue to trend up, the sharp drop in sales activity brought down the total sold dollar volume this quarter in the Virginia Peninsula market. There was approximately \$566.5 million of sold volume across the region during the third quarter. This is about \$140.4 million less sold volume than the third quarter of 2021, which is a 20% decrease.

Figure 8
Third Quarter Sold Dollar Volume (Millions), Virginia Peninsula
2018-2022



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



Local Snapshot – *Sold Dollar Volume*

Hampton: A drop in sales led to a decline in sold volume for the first time since 2020. In the third quarter, there was about \$166 million in sold volume, which is 19% lower than last year, a loss of about \$39 million.

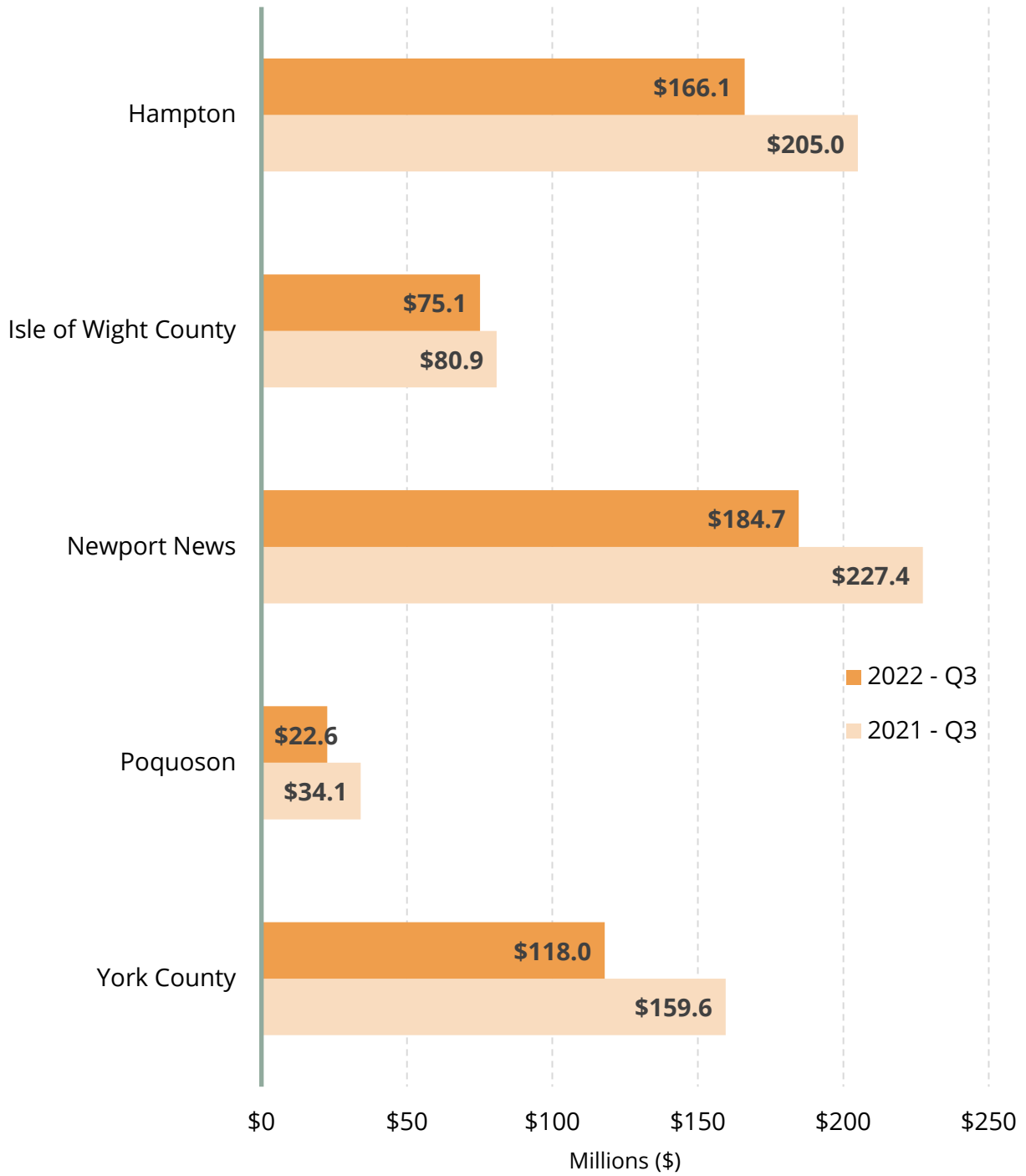
Isle of Wight County: Sold volume fell for three consecutive quarters in Isle of Wight County. There was about \$75.1 million in sold volume within the third quarter, a loss of about \$5.7 million, which is a 7% decline.

Newport News: The sold volume in Newport News fell for two consecutive quarters. In the third quarter, there was approximately \$185 million in sold volume, a loss of about \$42.6 million, which is a decline of 19%.

Poquoson: A decline in sales led to the sharpest decline in sold volume in Poquoson. During the third quarter, there was about \$22.6 million in sold volume, which is about a \$11.5 million loss from a year ago, representing a decline of 34%.

York County: Lower home sales in the third quarter led to a drop in sold volume. In the third quarter there was about \$118 million in sold volume, a decline of 26% compared to last year, which is a decrease of about \$41.6 million.

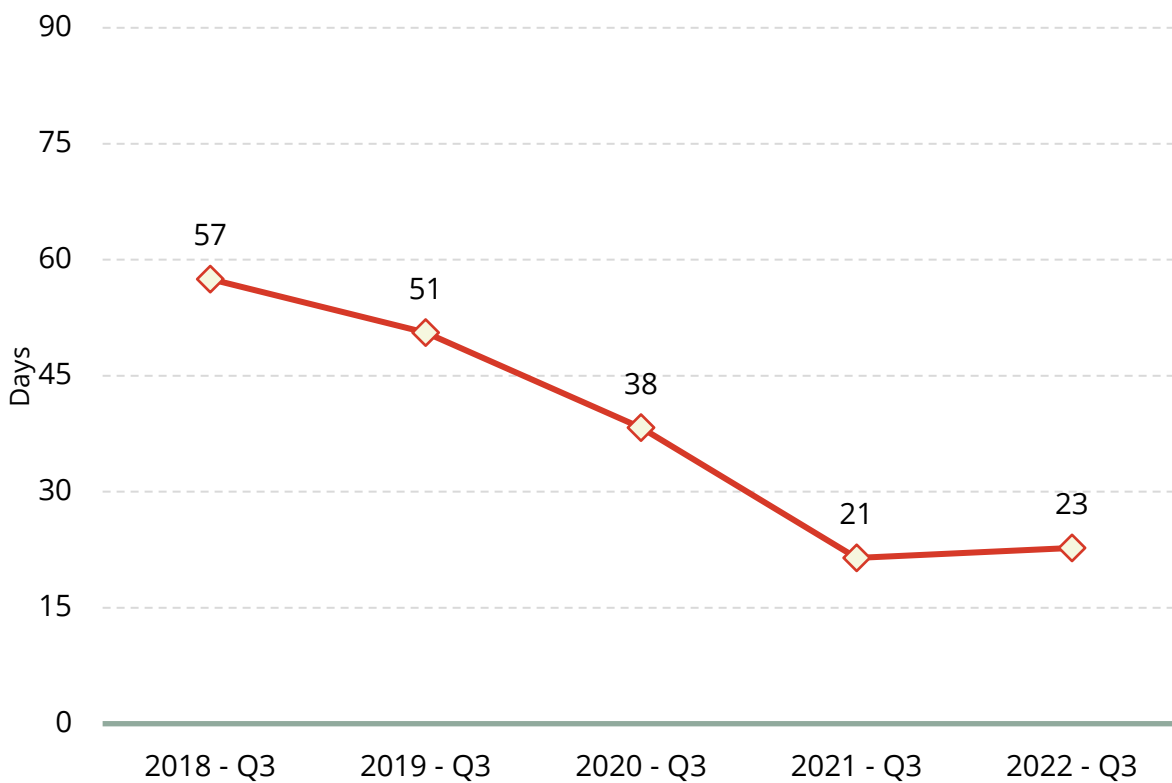
Figure 9
Third Quarter Sold Dollar Volume
Virginia Peninsula Jurisdictions
2021 and 2022



Days on Market

Homes are taking longer to sell in the Virginia Peninsula housing market on average. The average days on market in the region in the third quarter was 23 days, two days longer than the third quarter last year. This is the first time this metric has increased in the Virginia Peninsula housing market in seven years. Statewide, the average days on market in the third quarter was 23 days, up from 21 days this time last year.

Figure 10
Third Quarter Average Days on Market, Virginia Peninsula
2018-2022



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



Local Snapshot – *Average Days on Market*

Hampton: At 24 days, it took homes four days longer on average to sell on the market in the third quarter compared to last year.

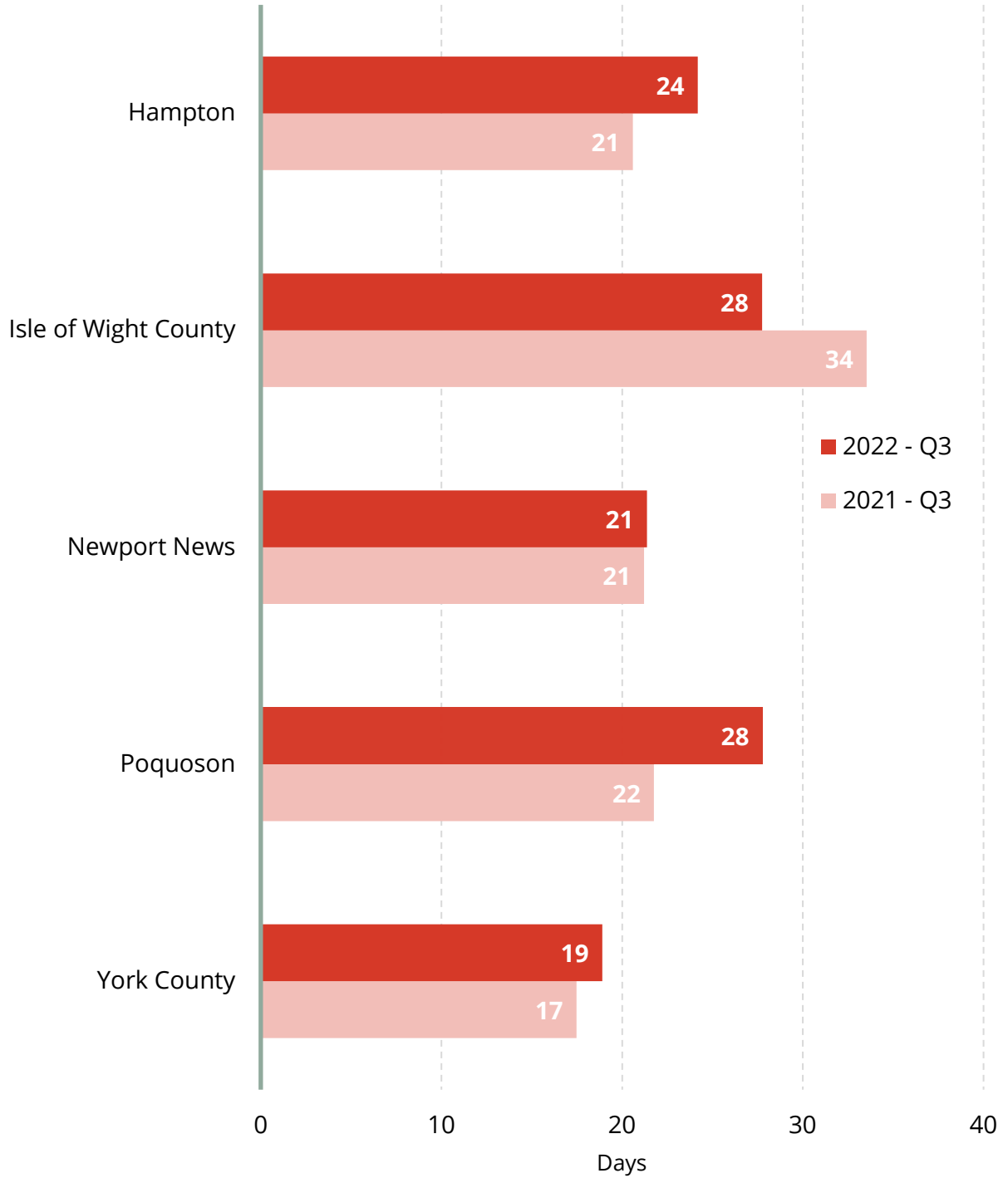
Isle of Wight County: Homes sold faster in Isle of Wight County during the third quarter. It took homes 28 days on average to sell in the third quarter, which is about a week (six days) faster than last year.

Newport News: It took homes about three weeks (21 days) on average to sell on the market, which is about a day longer compared to a year ago.

Poquoson: The average days on market in the Poquoson housing market was 28 days, which is six days longer than last year.

York County: In York County, the average days it took for homes to sell on the market was 19 days, which is just one day longer than last year.

Figure 11
Third Quarter Average Days on Market
Virginia Peninsula Jurisdictions
2021 and 2022



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

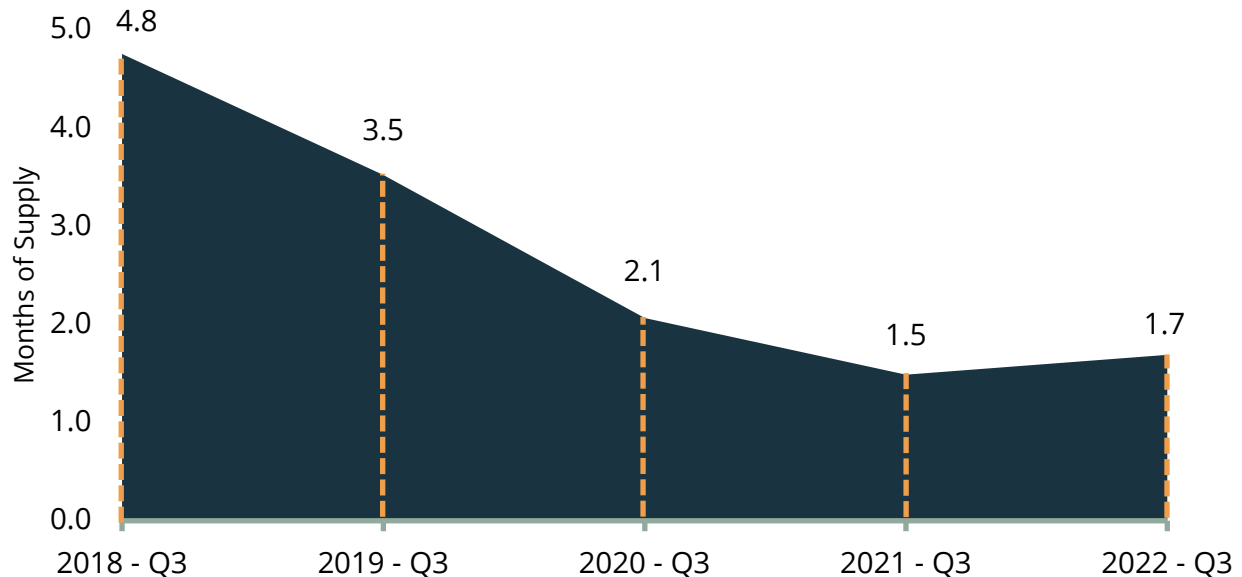
Inventory

The supply of active listings in the Virginia Peninsula region is building up as sales activity slows. There were 1,147 active listings on the market at the end of the third quarter, 55 more listings than a year ago, which is a 5% increase. This is the third inventory uptick in the last four quarters. Nearly all local markets in the region had an increase in active listings this quarter.

Across Virginia, there were 19,793 active listings at the end of the third quarter, a 2.9% decrease from last year, which is a reduction of 586 listings.

There was about 1.7 months of supply at the end of the third quarter in the Virginia Peninsula footprint, which is up from 1.5 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 1.7 months of supply at the end of the third quarter.

Figure 12
End of Third Quarter Months Supply, Virginia Peninsula
2018-2022



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



Local Snapshot – *Active Listings*

Hampton: Active listings in Hampton inched up by the end of the third quarter. There were 370 active listings at the end of the third quarter, which is six more than last year, a rise of 2%. Inventory grew by 3% in the third quarter with over a month and a half of supply.

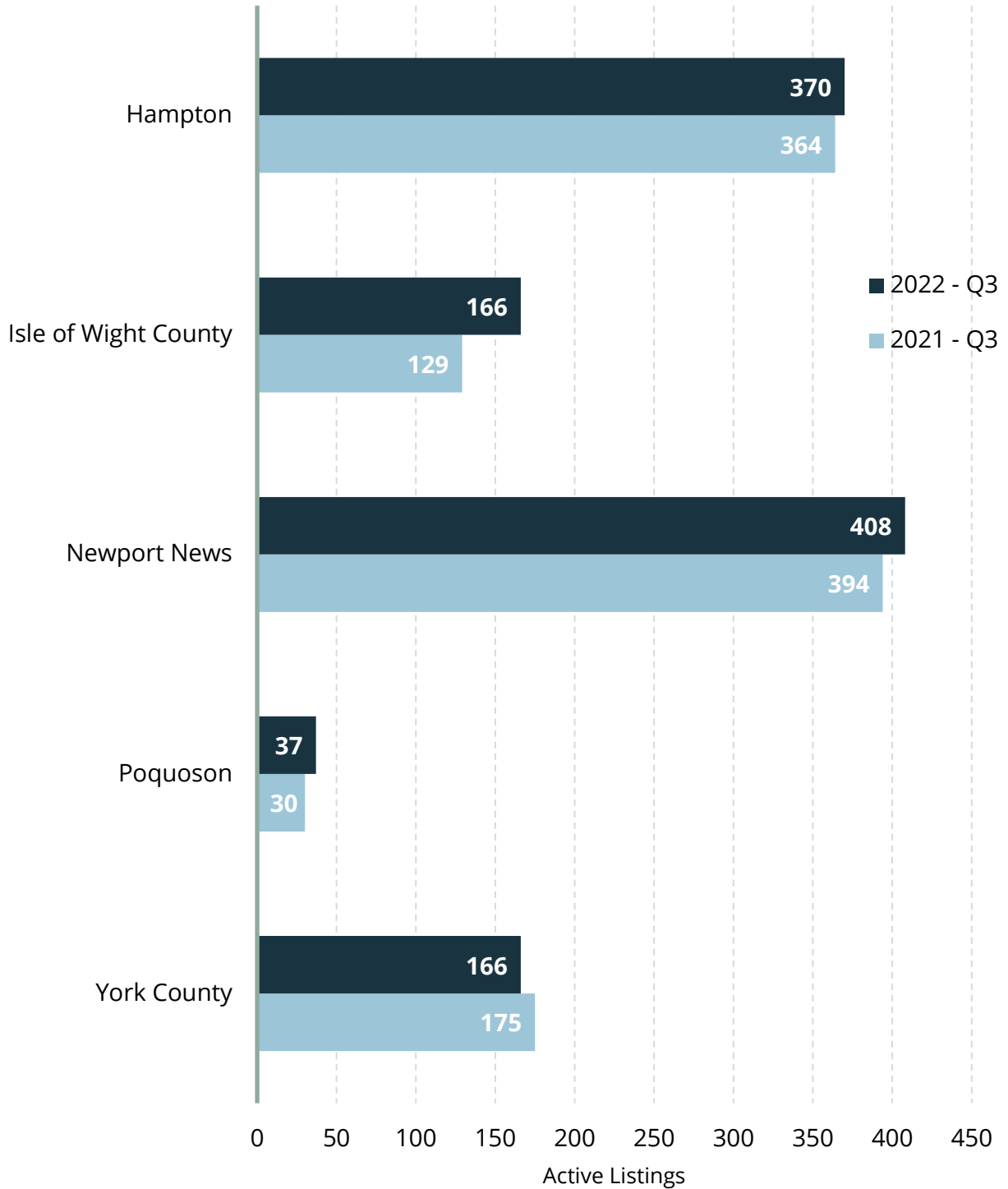
Isle of Wight County: Active listings have risen for two consecutive quarters for the first time in five years. At the end of the third quarter, there were 166 active listings, 29% more than last year, which is 37 additional active listings. There was a 56% increase in inventory during the third quarter, with about less than three months of supply.

Newport News: By the end of the third quarter, there were 408 active listings in Newport News, 14 more listings than this time last year, which is a 4% increase. Inventory grew for the first time in four years. There was over a month and a half of inventory during the third quarter, a 10% increase from last year.

Poquoson: By the end of the third quarter there were 37 active listings, seven more additional listings than a year ago, a rise of 23%. Inventory rose by 59% in the Poquoson area in the third quarter with over two months of supply.

York County: York County had the only decline in active listings in the VPAR market. At the end of the third quarter, there were 166 active listings in York County, nine fewer active listings from last year, a 5% decline. Inventory rose for the first time in five years with about a month and a half of supply in the third quarter.

Figure 13
End of Third Quarter Active Listings
Virginia Peninsula Jurisdictions
2021 and 2022



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



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 2021	Q3 2022	Yoy Chg	Q3 2021	Q3 2022	Yoy Chg	Q3 2021	Q3 2022	Yoy Chg	Q3 2021	Q3 2022	Yoy Chg	Q3 2021	Q3 2022	Yoy Chg
Newport News	952	692	-27%	\$230,000	\$260,250	13%	\$227.4	\$184.7	-19%	21	21	1%	394	408	4%
Hampton	841	639	-24%	\$229,450	\$250,000	9%	\$205.0	\$166.1	-19%	21	24	17%	364	370	2%
James City County	708	528	-25%	\$366,000	\$430,000	17%	\$288.4	\$239.6	-17%	16	16	0%	203	209	3%
York County	444	295	-34%	\$334,900	\$363,860	9%	\$159.6	\$118.0	-26%	17	19	8%	175	166	-5%
Isle of Wight County	218	173	-21%	\$373,600	\$400,000	7%	\$80.9	\$75.1	-7%	34	28	-17%	129	166	29%
New Kent County	192	217	13%	\$349,300	\$379,000	9%	\$73.4	\$88.4	20%	18	25	42%	126	142	13%
Williamsburg	73	97	33%	\$287,000	\$326,400	14%	\$24.7	\$37.3	51%	25	27	10%	43	55	28%
Poquoson	87	52	-40%	\$334,500	\$403,250	21%	\$34.1	\$22.6	-34%	22	28	28%	30	37	23%
Charles City County	16	10	-38%	\$240,000	\$180,000	-25%	\$4.9	\$2.7	-45%	14	12	-11%	9	12	33%
WAAR/Virginia Peninsula (Regional Total)	3,531	2,703	-23%	\$275,000	\$308,000	12%	\$1,098.3	\$934.6	-15%	20	22	7%	1,473	1,565	6%