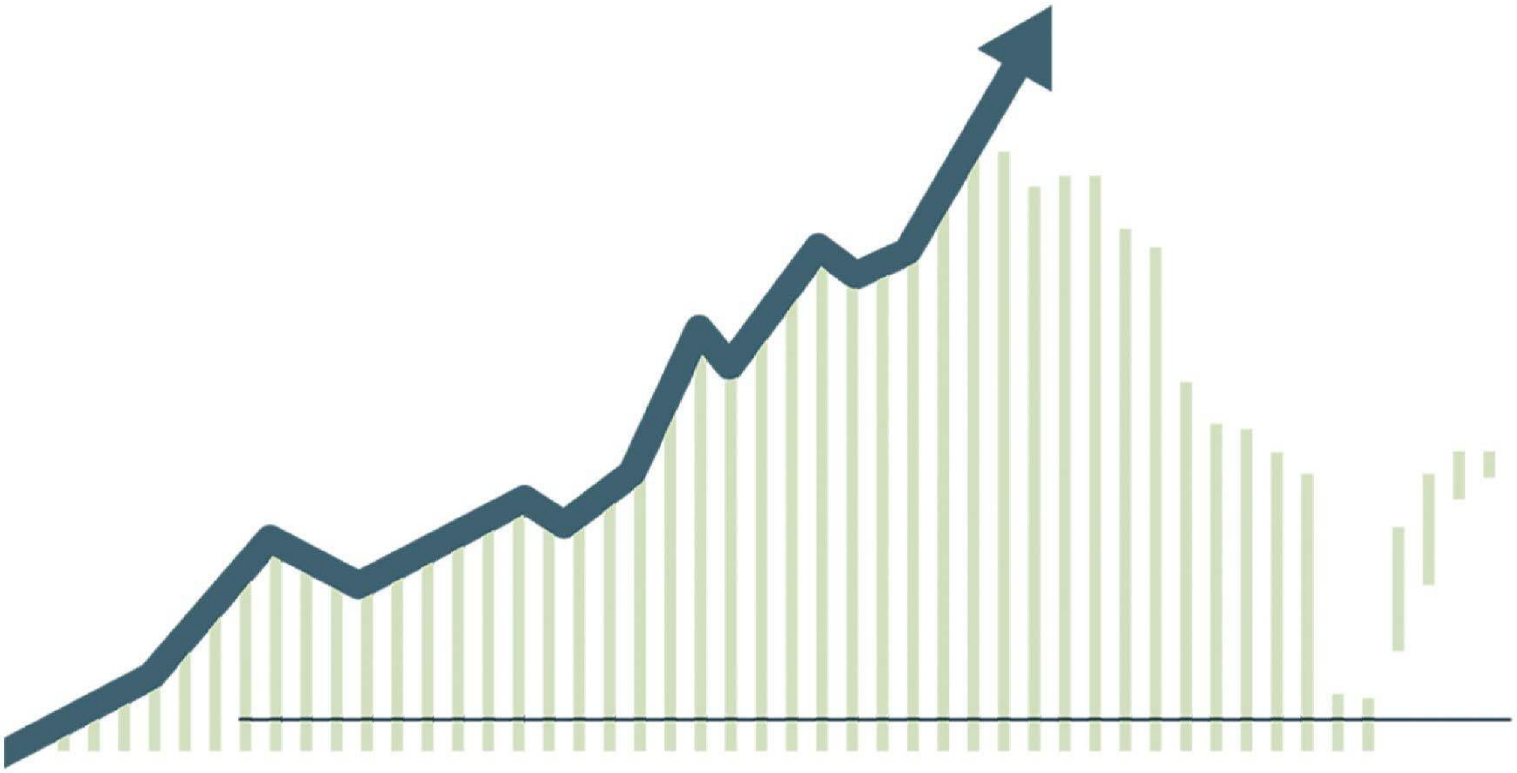
Virginia REALTORS®

CAAR



CAARCHARLOTTESVILLE AREA HOME SALES REPORT

CUSTOM REPORT PREPARED BY

VIRGINIA REALTORS®

CAAR Home Sales Report

Third Quarter 2022

Charlottesville Area Association of 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 2.9% in the Charlottesville region. Both are down from a year ago.

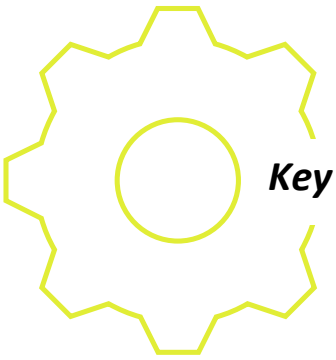
- Mortgage rates climbed rapidly over the past month. In the second week of October, the average rate on a 30-year fixed mortgage rose to 6.92%, up from 6.02% a month ago.

Housing Market Conditions

- There were 1,206 home sales in the CAAR region during the third quarter of 2022. This is 192 fewer sales than this time last year, which is a 14% drop. The market has been slowing down in the CAAR area for five straight quarters.

- Home prices continue to climb in the region. The third quarter median sales price in the CAAR market was $405,000, rising 11% from a year ago, which is a surge of $40,000.

- Inventory continues to build up in the CAAR region. There were 829 active listings on the market at the end of the third quarter, 226 more listings than a year ago, a 37% increase.



Key Trends Dashboard, CAAR

Economy

▼	**2.9%**	Is the Aug-2022 **unemployment rate** in the CAAR 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

▼	**-192**	Fewer **home sales** in the CAAR footprint in Q3-2022 compared to last year
▲	**11%**	Percent change in **median sales price** in the CAAR region in Q3-2022 compared to a year ago
▼	**-$20.2**	Million dollars less in total **sold volume** in the CAAR footprint in Q3-2022 compared to last year
▲	**37%**	Percent change in **active listings** at the end of Q3-2022 in the CAAR market compared to a year ago
▲	**2.1**	**Months of supply** in the CAAR footprint in Q3-2022, which is up from a year ago

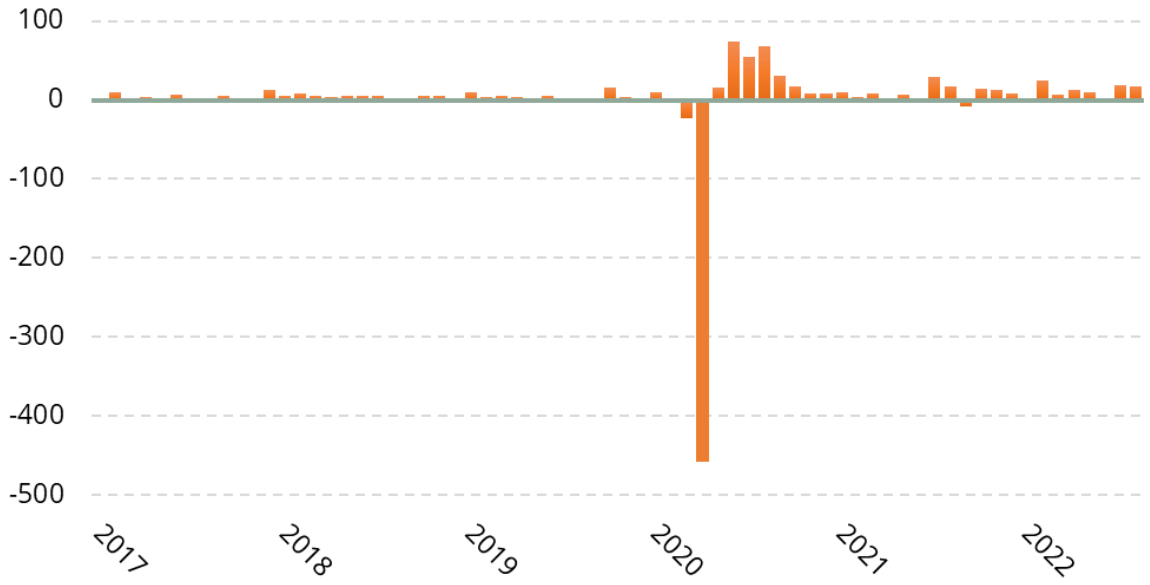
Economic Overview

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. Depsite 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

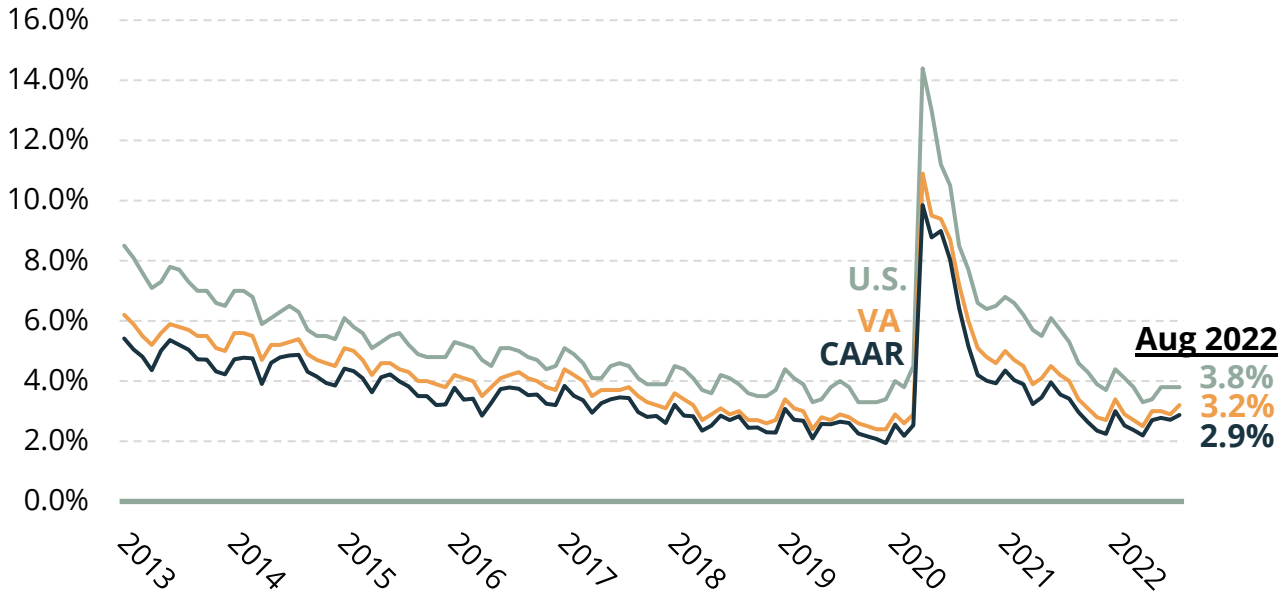


Source: U.S. Bureau of Labor Statistics, Seasonally Adjusted

Unemployment

The unemployment rate in Virgina 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 Charlottesville area, the August unemployment rate was 2.9%, down from 3.4% a year ago.

Figure 2
Unemployment Rate

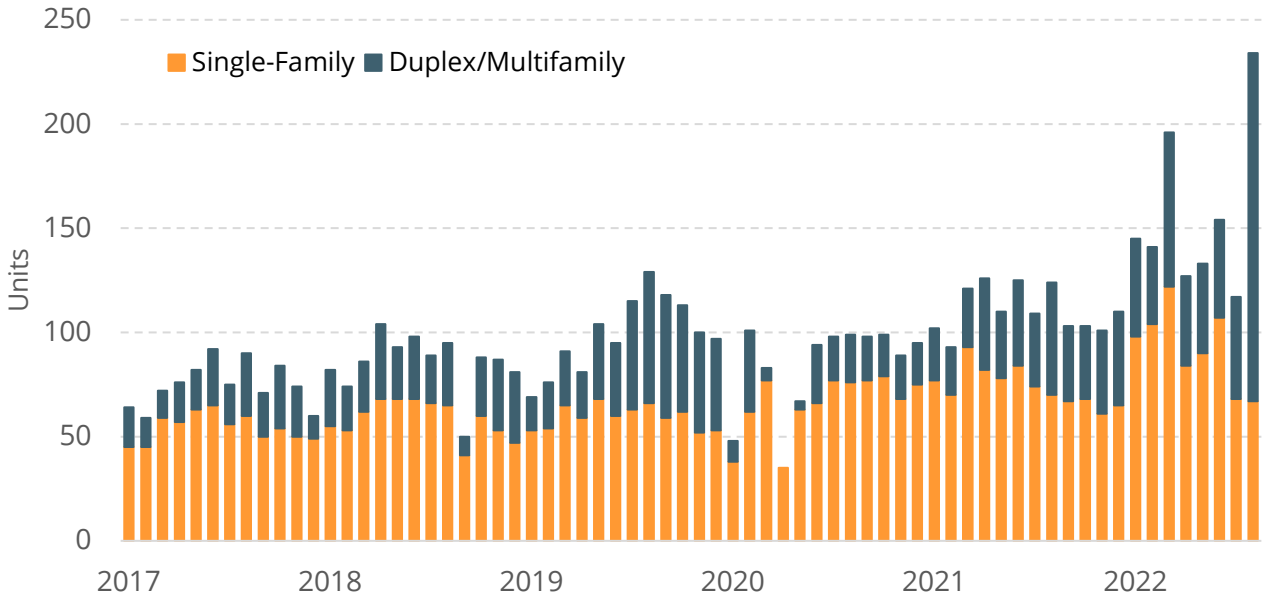


Source: U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics

New Construction

New residential construction permitting in 2022 continues to outpace 2021 through August. There have been 1,247 total building permits issued in the Charlottesville MSA through August of 2022, which is 37% higher than permit levels were through August of 2021. The surge in permits this year is being driven by more duplex/multifamily permits, which are up 80% year-to-date through August compared to a year ago (+225 permits). Permits for single-family detached homes are up 18% so far in 2022 (+112 permits) compared to last year.

Figure 3
Monthly Permits for New Residential Construction
Charlottesville Metropolitan Area



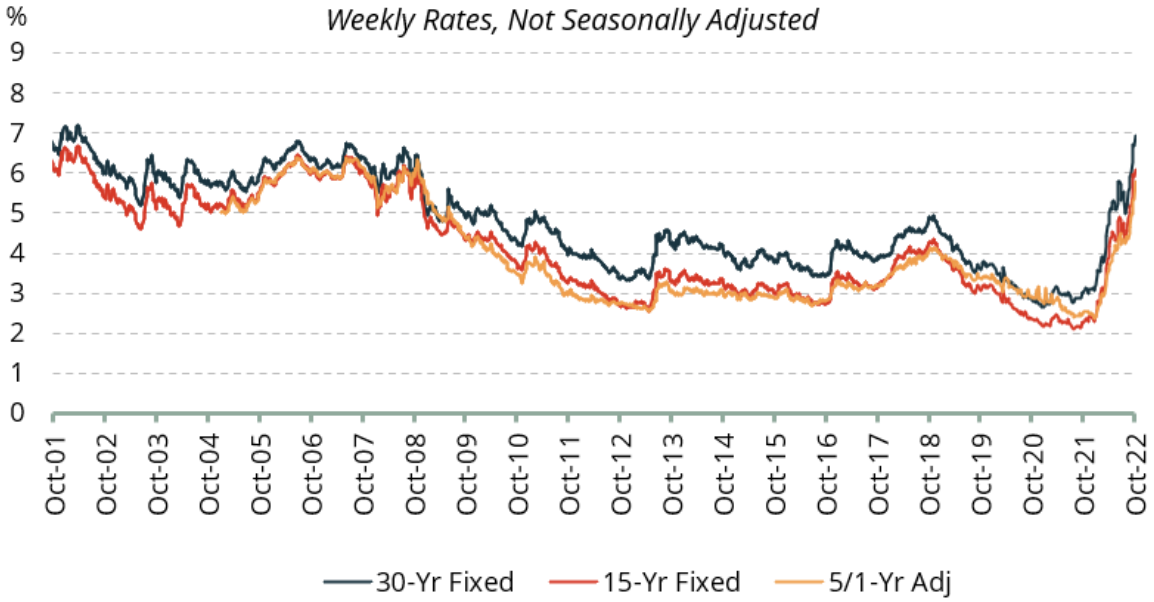
Source: U.S. Census Bueau

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

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 4
Mortgage Interest Rates
Weekly Rates, Not Seasonally Adjusted



Source: Federal Reserve Bank of St. Louis

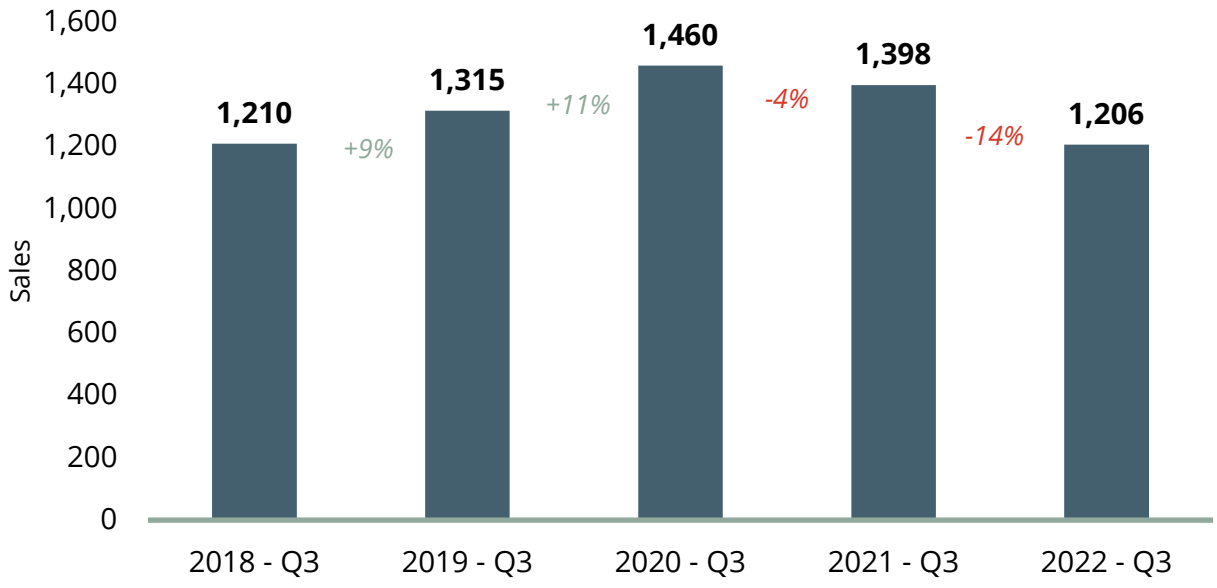
Housing Market Overview

The CAAR regional housing market continues to moderate. Sales were well below last year's third quarter level, which brought down the total sold dollar volume. Despite the moderating market, home prices continue to trend up as the supply remains tight, and homes are selling slightly faster than last year on average. The inventory of active listings is growing in the region as sales activity slows, which is providing more options for buyers who are in the market.

Sales

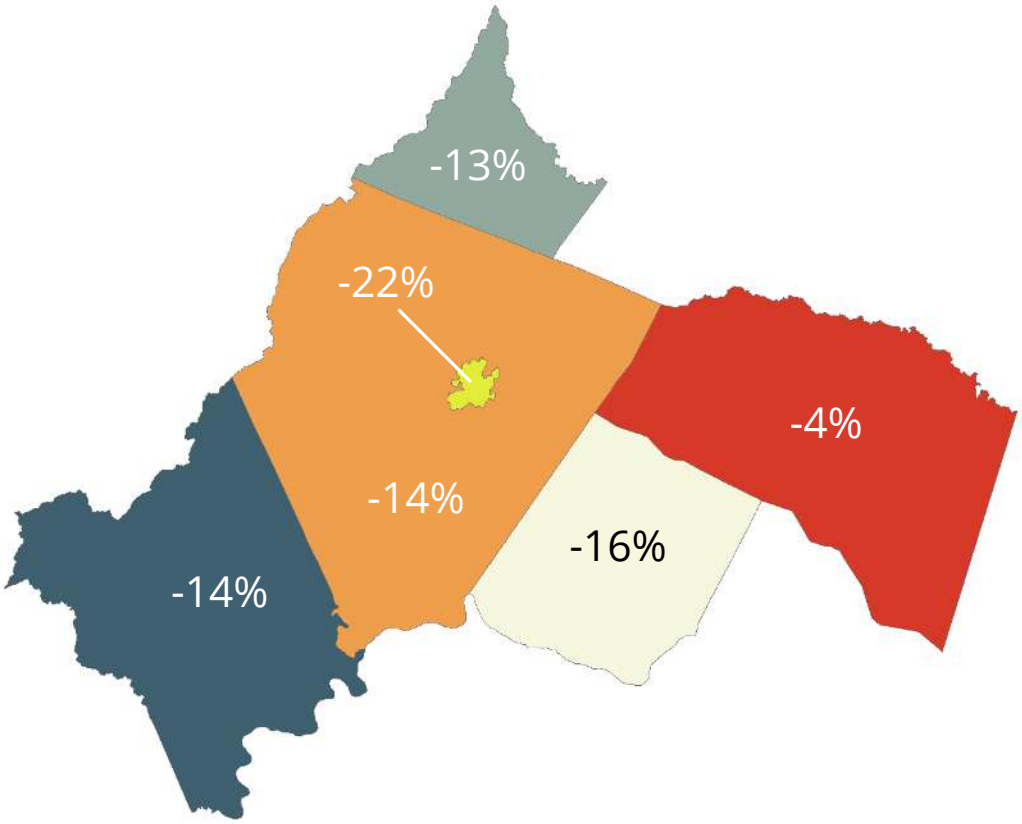
For the fifth consecutive quarter, sales activity in the CAAR housing market cooled frrm the busy pace a year ago. There were 1,206 homes sold across the region in the third quarter, 192 fewer sales than the same period last year, representing a 14% decrease. This quarter is the sharpest drop in sales the region has seen since the spring of 2020, 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 5
Third Quarter Home Sales, CAAR
2018-2022



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

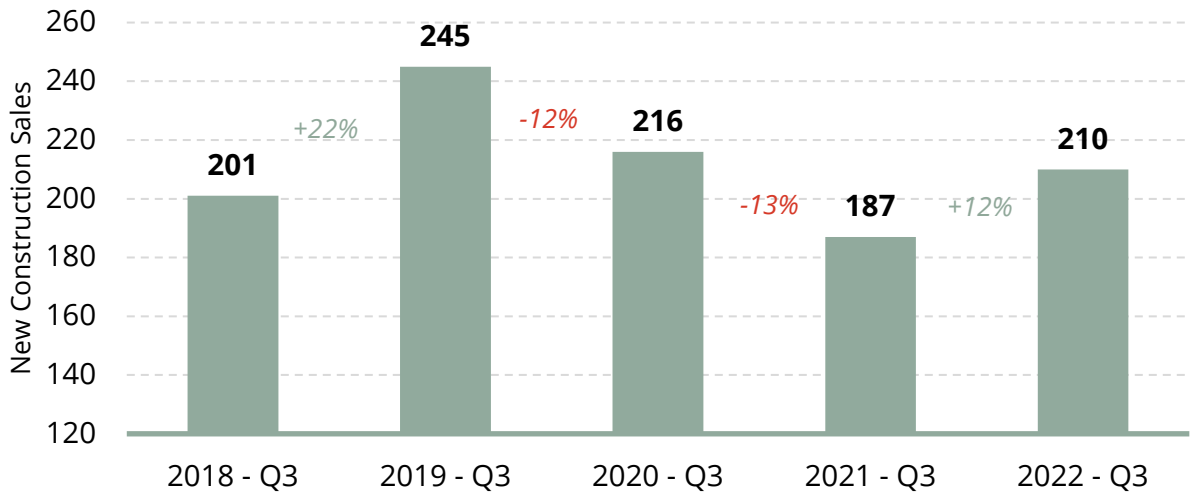
Figure 6
Change in Sales by Jurisdiction
CAAR
Third Quarter 2021 to Third Quarter 2022



Jurisdiction	*2021 - Q3*	*2022 - Q3*	*% Change*
Albemarle County	599	513	-14%
Charlottesville	187	146	-22%
Fluvanna County	180	152	-16%
Greene County	83	72	-13%
Louisa County	229	220	-4%
Nelson County	120	103	-14%

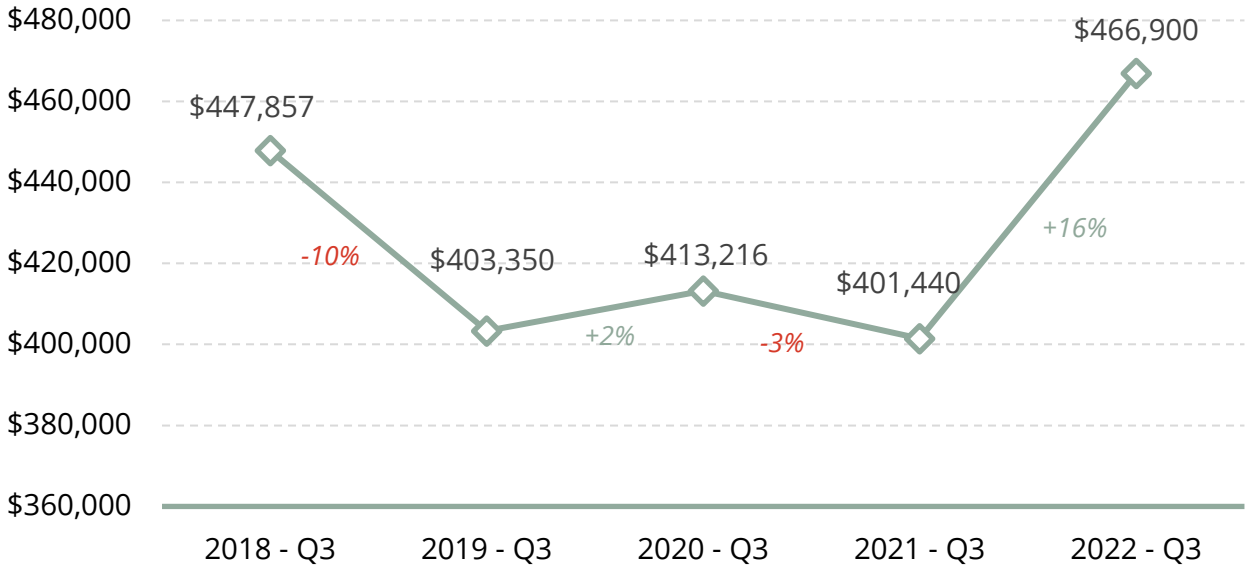
Source: Virginia REALTORS®, data accessed October 15, 2022

Figure 7
Third Quarter New Construction Sales, CAAR
2018-2022



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

Figure 8
Third Quarter New Construction Median Sales Price, CAAR
2018-2022

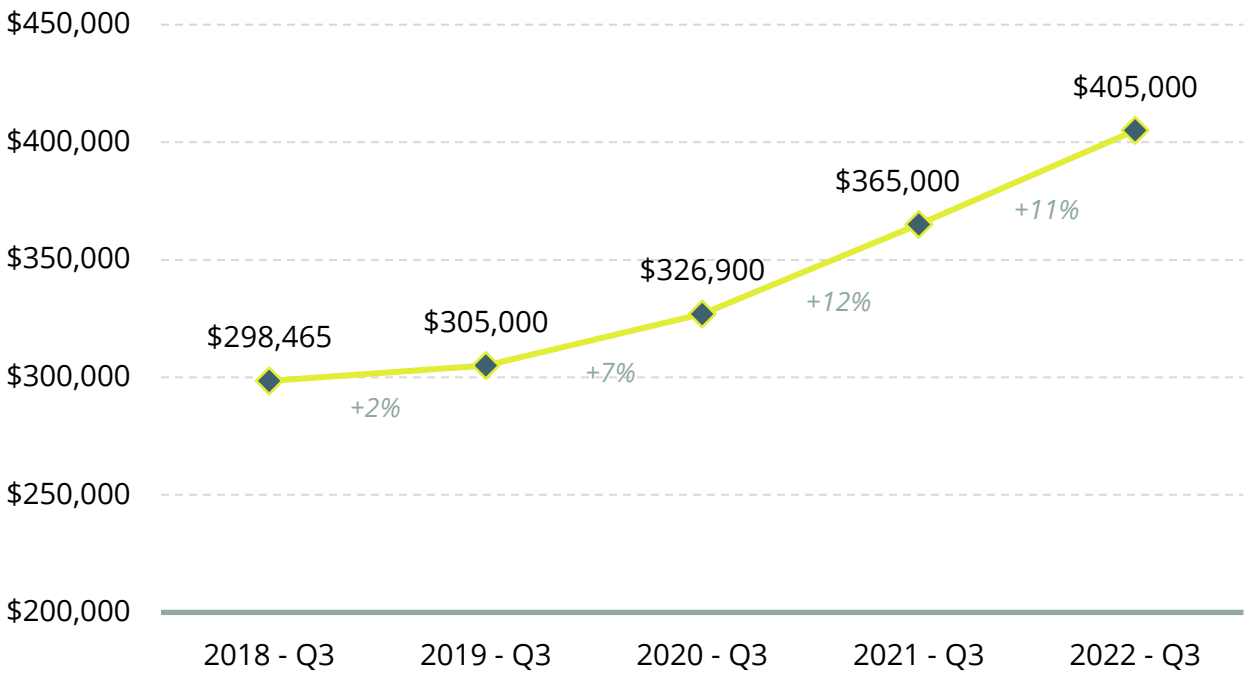


Source: Virginia REALTORS®, data accessed October 15, 2022

Sales Prices

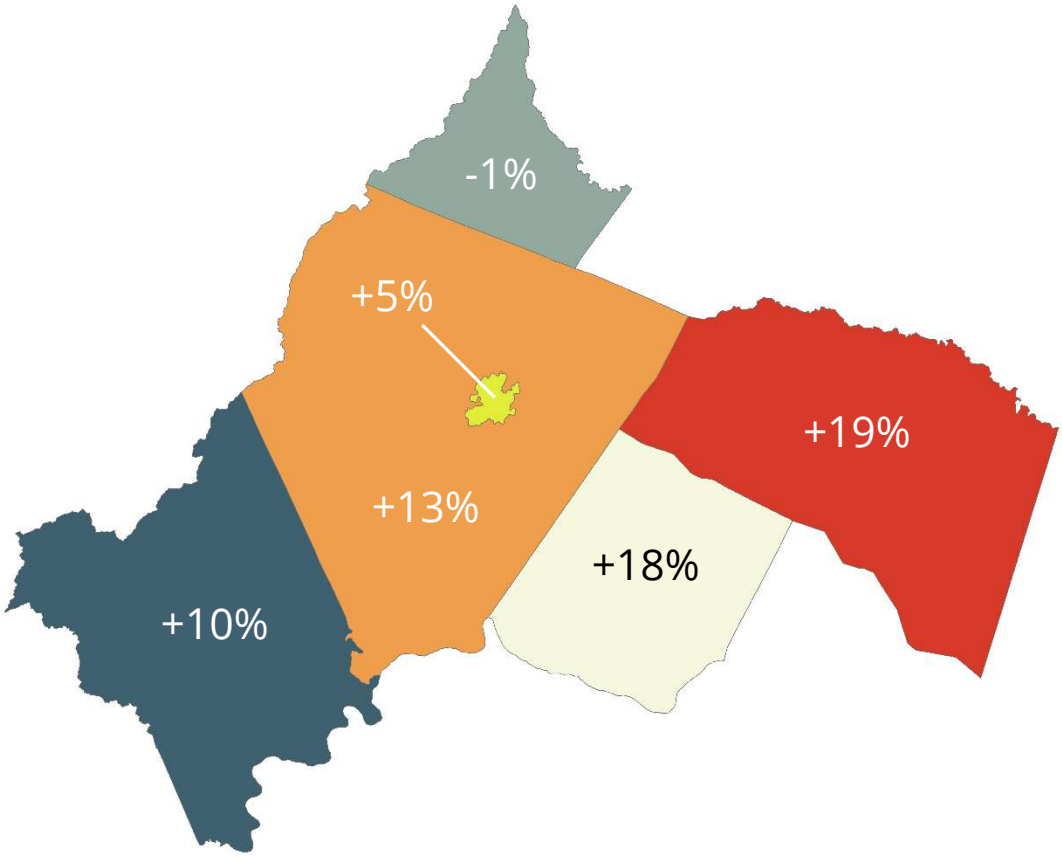
As market activity moderates, home prices continue to trend higher in the CAAR footprint. At $405,000, the third quarter median sales price in the region jumped up 11% from a year ago, a gain of $40,000. The median price in the region has increased at a double-digit rate for three consecutive quarters despite a sharp drop in sales. The tight inventory is putting upward pressure on prices. Most 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 9
Third Quarter Median Sales Price, CAAR
2018-2022



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

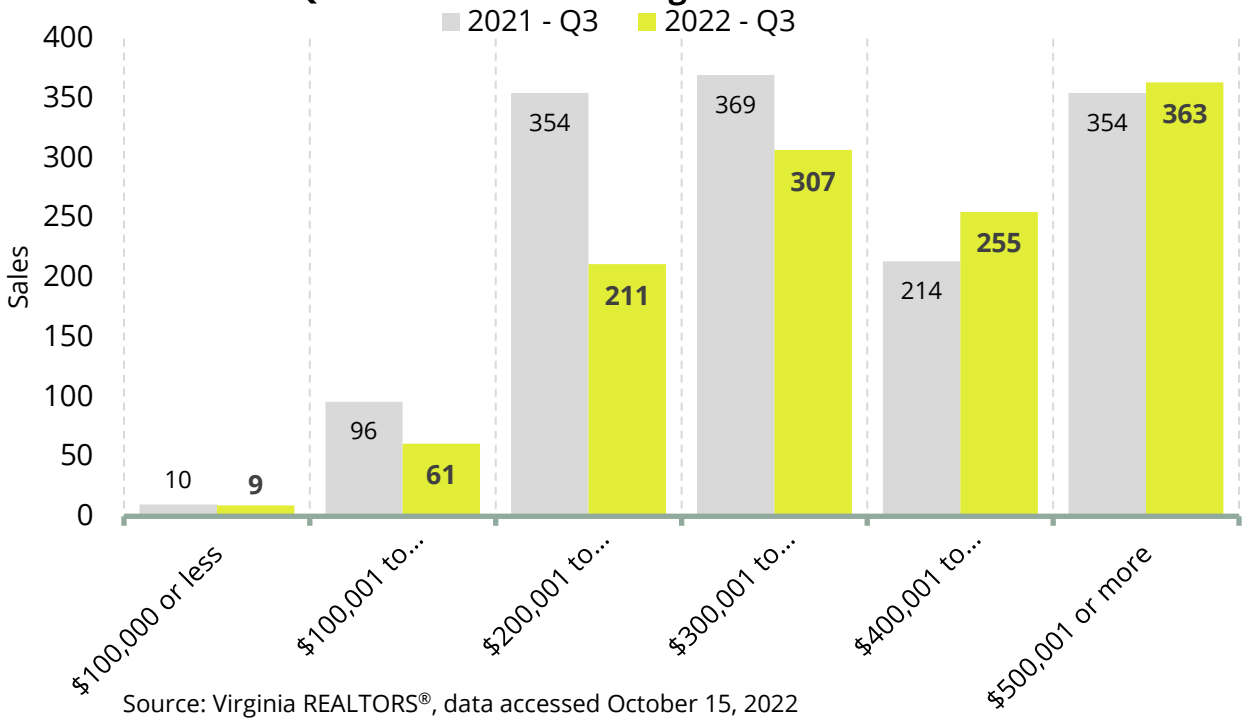
Figure 10
Change in Median Sales Price by Jurisdiction
CAAR
Third Quarter 2021 to Third Quarter 2022



Jurisdiction	*2021 - Q3*	*2022 - Q3*	*% Change*
Albemarle County	$416,852	$472,000	13%
Charlottesville	$385,618	$405,000	5%
Fluvanna County	$305,500	$360,000	18%
Greene County	$335,000	$332,500	-1%
Louisa County	$316,150	$375,000	19%
Nelson County	$365,000	$400,000	10%

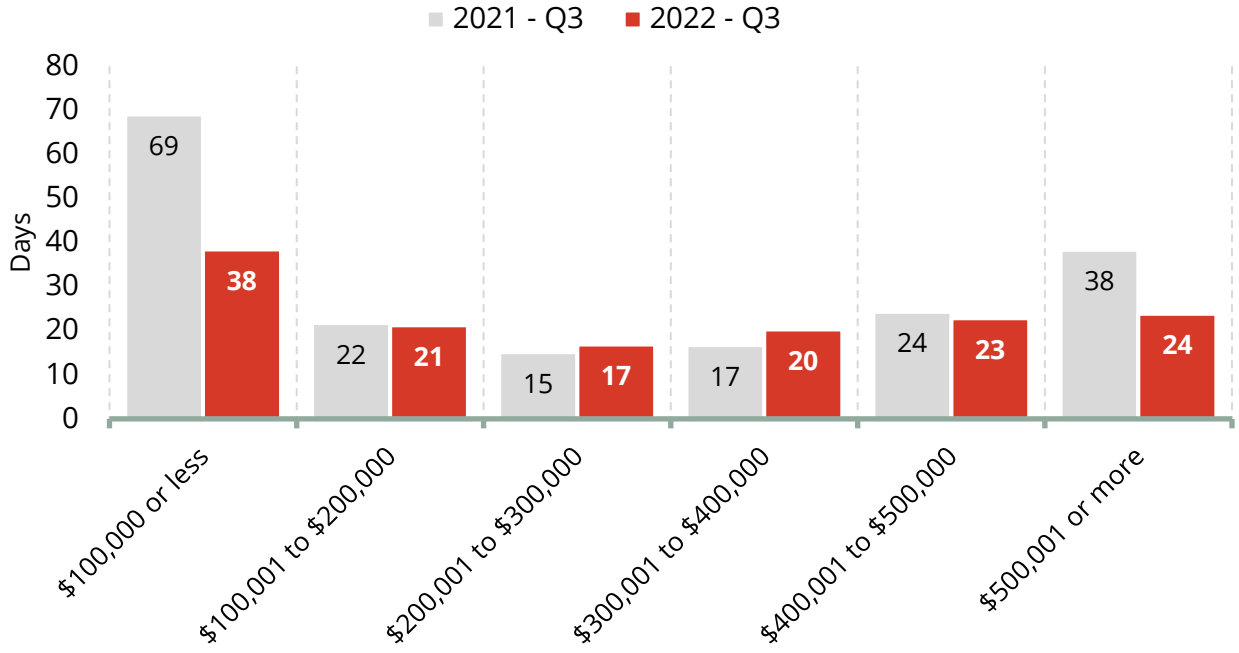
Source: Virginia REALTORS®, data accessed October 15, 2022

Figure 11
Third Quarter Sales Price Range Distribution - CAAR



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

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

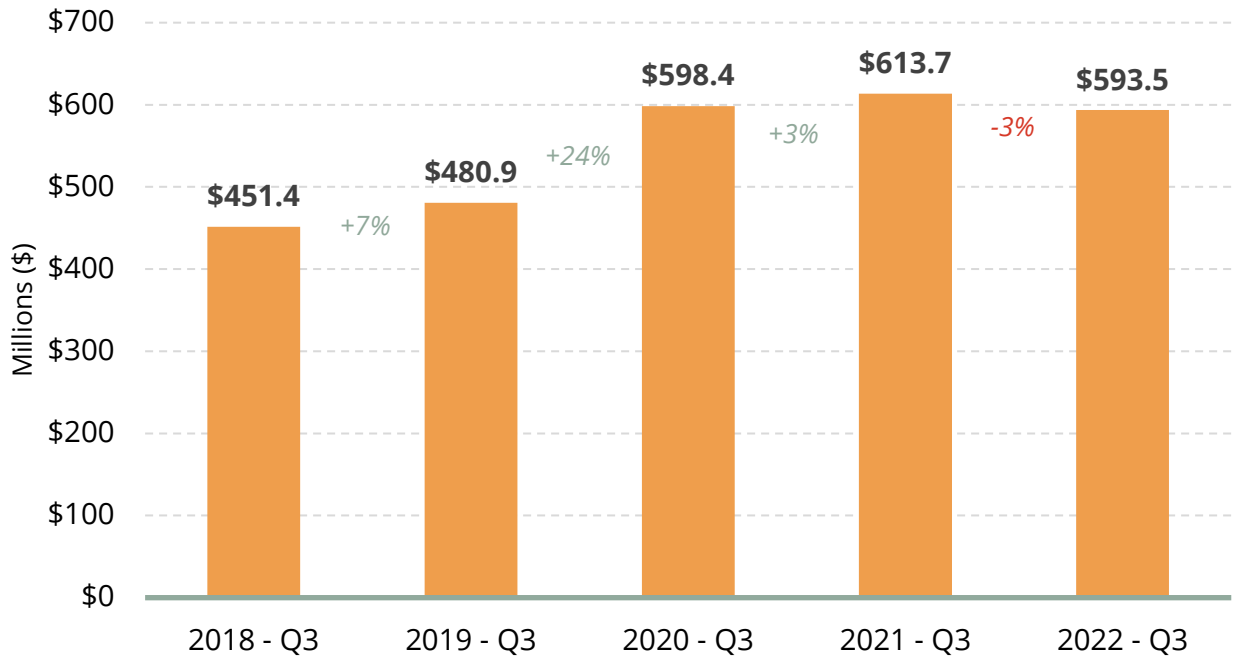


Source: Virginia REALTORS®, data accessed October 15, 2022

Sold Volume

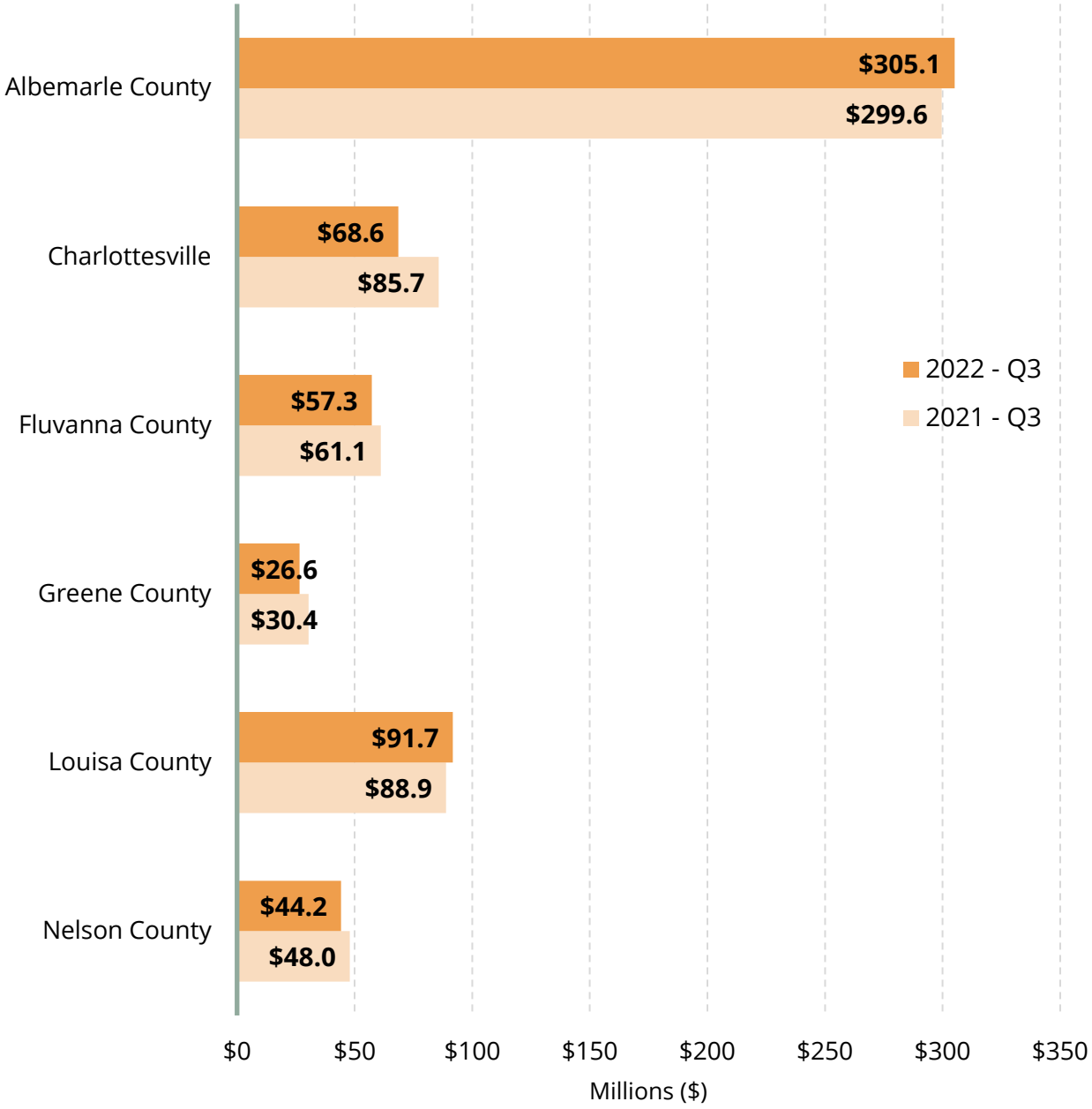
While prices continue to trend up, the sharp drop in sales activity brought down the total sold dollar volume this quarter in the CAAR market. There was approximately $593.5 million of sold volume across the region during the third quarter. This is about $20.2 million less sold volume than the third quarter of 2021, which is a 3% decrease.

Figure 13
Third Quarter Sold Dollar Volume (Millions), CAAR
2018-2022



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

Figure 14
Third Quarter Sold Dollar Volume, CAAR Jurisdictions
2021 and 2022

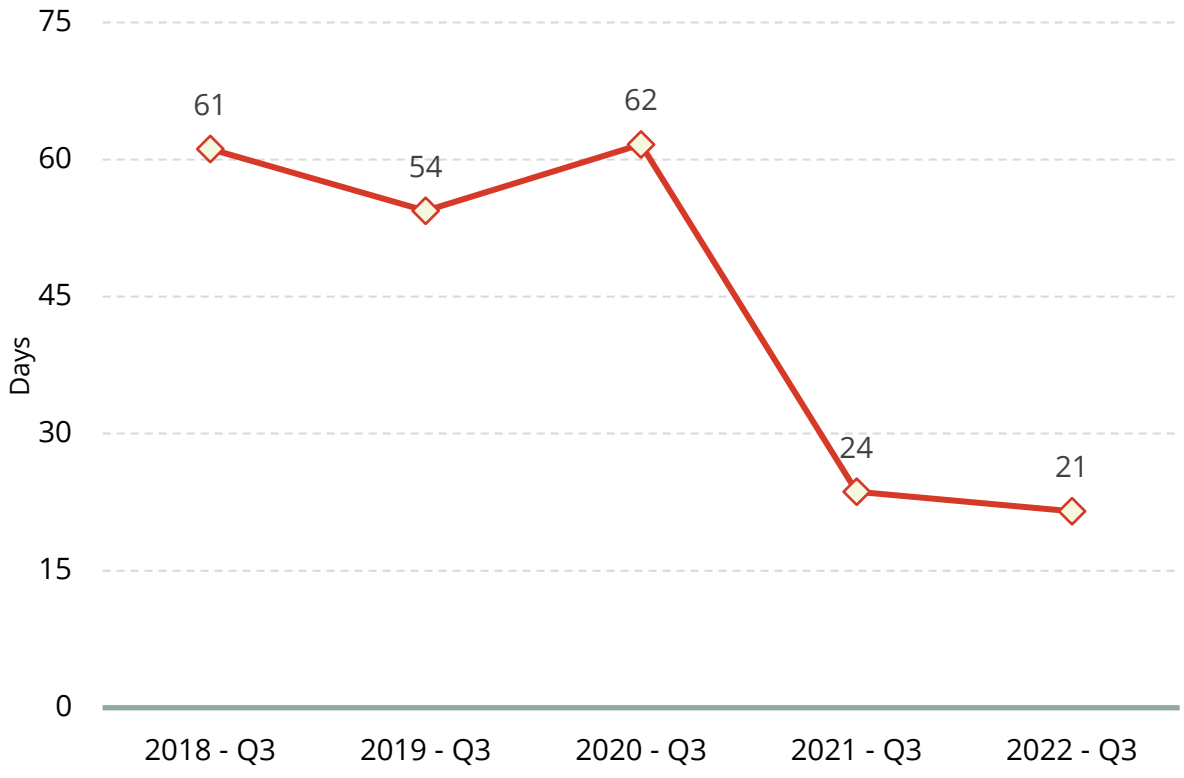


Source: Virginia REALTORS®, data accessed October 15, 2022

Days on Market

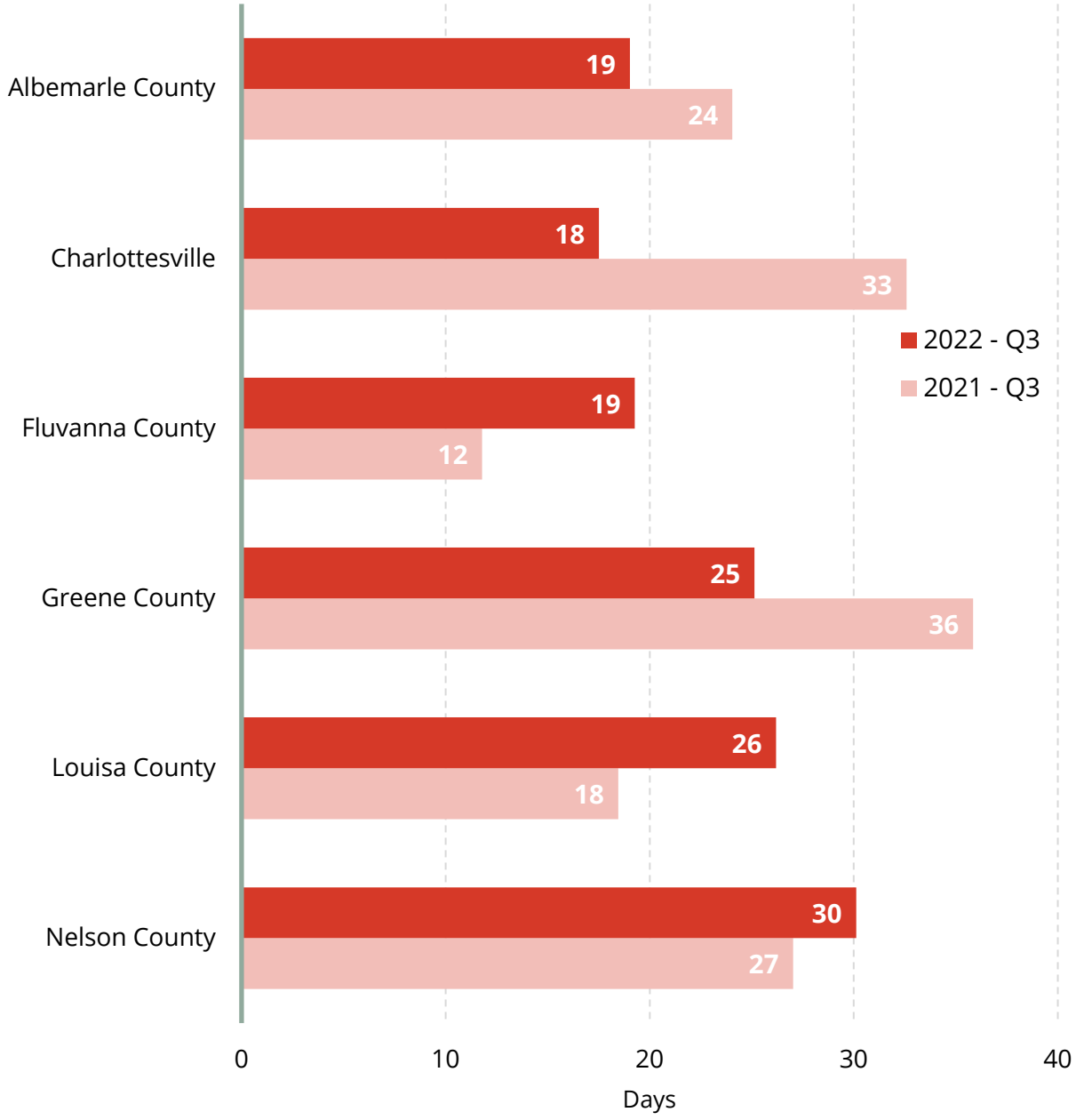
Even with cooling demand, homes continue to sell faster on average in the CAAR market. The average days on market in the third quarter across the CAAR footprint was 21 days, which is three days faster than this time last year. The low supply of homes on the market is keeping this metric relatively low, although this pattern is starting to change in some parts of the state. Statewide, the average days on market in the third quarter was 23 days, up from 21 days this time last year.

Figure 15
Third Quarter Average Days on Market, CAAR
2018-2022



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

Figure 16
Third Quarter Average Days on Market, CAAR Jurisdictions
2021 and 2022



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

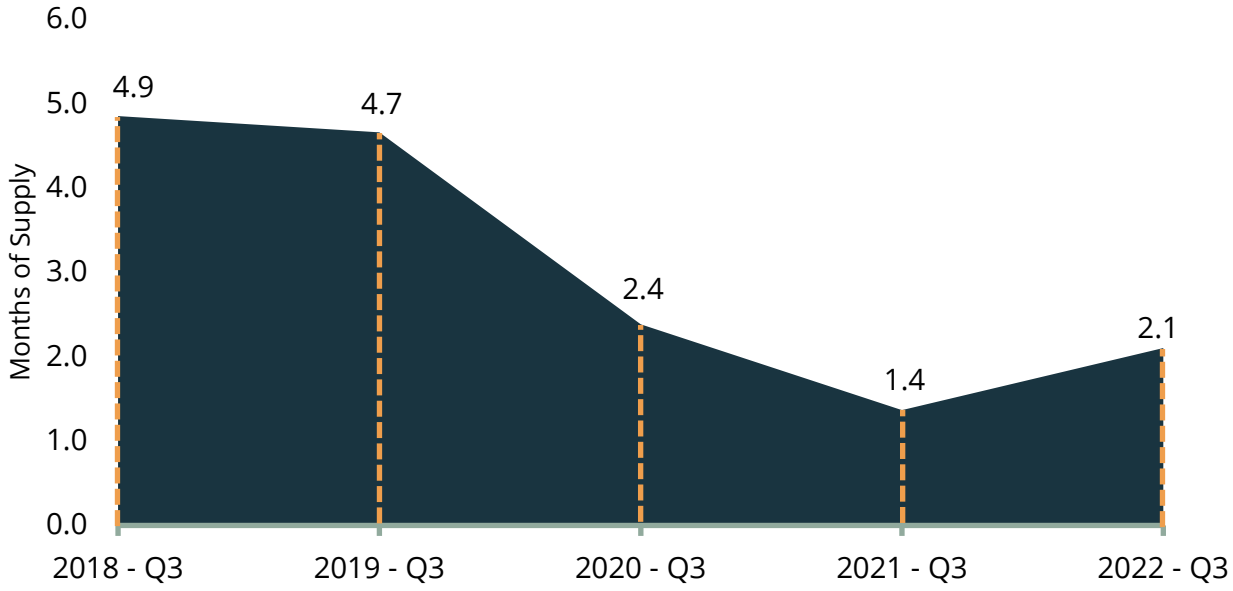
Inventory

The supply of active listings in the CAAR region is building up as sales activity slows. There were 829 active listings on the market at the end of the third quarter, 226 more listings than a year ago, which is a 37% increase. This is the second straight quarter the inventory has grown, and it's the largest year-over-year supply increase the region has had in more than seven years. Most 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.

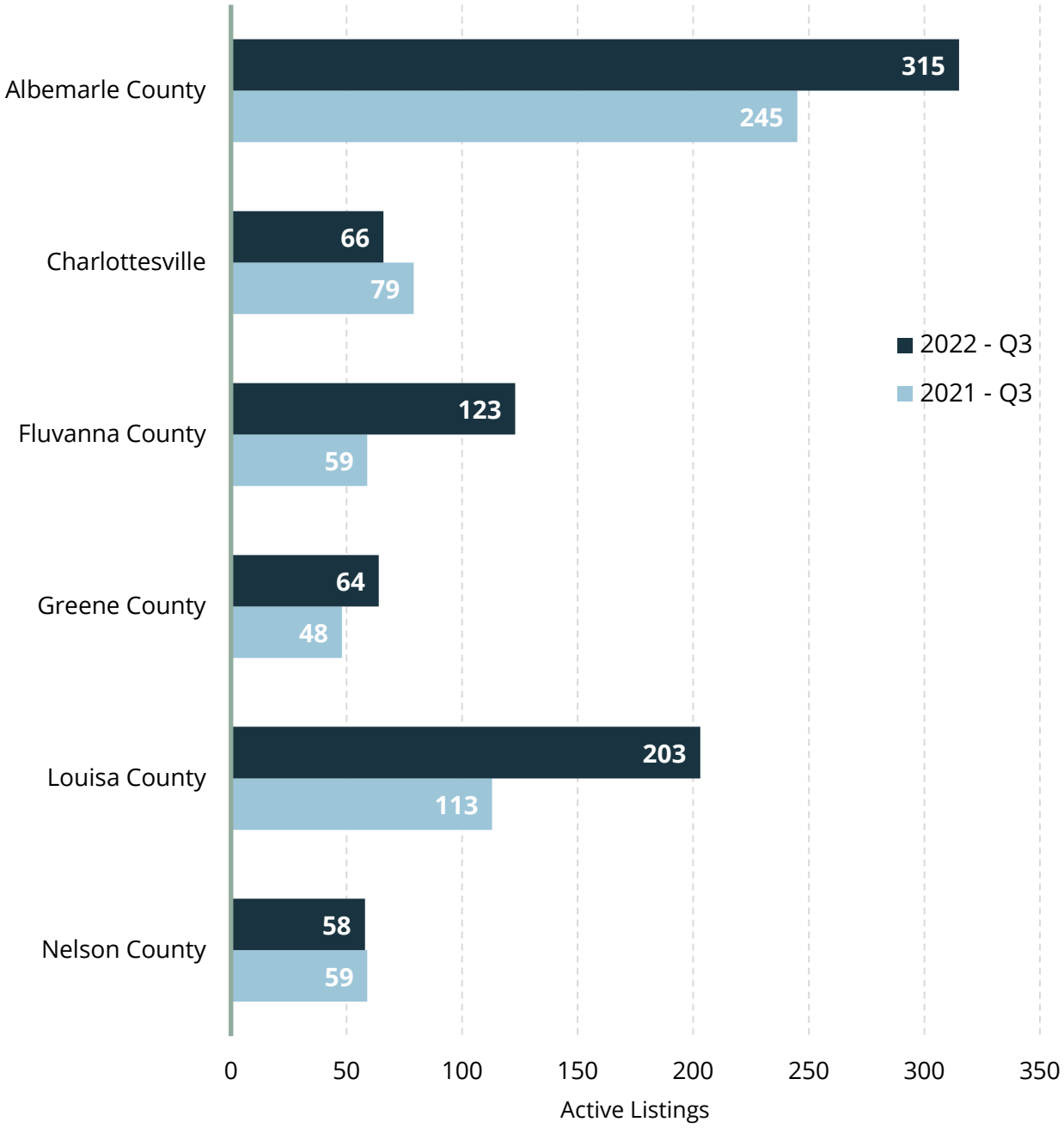
There was about 2.1 months of supply at the end of the third quarter in the CAAR footprint, which is up from 1.4 months a year ago. The months of supply metric is calculated by taking the average monthly sales over the preceding 12-month period and dividing it by the inventory of active listings. Statewide, there was 1.7 months of supply at the end of the third quarter.

Figure 17
End of Third Quarter Months Supply, CAAR
2018-2022



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

Figure 18
End of Third Quarter Active Listings, CAAR Jurisdictions
2021 and 2022



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

Local Snapshot – *Albemarle County*

Sales: In Albemarle County, sales activity continued to fall for the fourth consecutive quarter. There were 513 sales in the county during the third quarter, 86 fewer sales than a year ago, a 14% decrease.

Median Sales Price: Home prices continued to grow in Albemarle County. In the third quarter, the median sales price in the county was $472,000, up 13% compared to a year ago, a gain of $55,148.

Sold Volume: An increase in sales prices led to a slight uptick in dollar volume in Albemarle County. The sold volume in the third quarter in the county was $305.1 million, up 2% from last year, or a gain of $5.5 million.

Active Listings: At the end of the third quarter there were 315 active listings in Albemarle County, 70 more listings than a year ago, which is a 29% increase.

Days on Market: Homes that sold in Albemarle County in the third quarter were on the market an average of 19 days, selling five days faster than last year.

Local Snapshot – *Charlottesville*

Sales: There were 146 sales in Charlottesville in the third quarter, 41 fewer sales than last year, which is a 22% decrease. This is the third straight quarter in which sales have slowed down in this market.

Median Sales Price: In Charlottesville, the median sales price was $405,000 in the third quarter. The price increased by $19,382 or 5% from this same time last year.

Sold Volume: A drop off in sales activity brought down the sold dollar volume in Charlottesville this quarter. There was about $68.6 million of sold volume during the third quarter, a decrease of 20%, which is $17.1 million less than a year ago.

Active Listings: There were 66 active listings on the market in Charlottesville at the end of the third quarter, 13 fewer listings than last year, which is a 16% drop. This is the fourth straight quarter in which listings have declined.

Days on Market: In Charlottesville, homes were on the market an average of 18 days in the third quarter. The average days on market is 15 days less than it was this time last year.

Local Snapshot – *Fluvanna County*

Sales: Sales activity continued to slow down in Fluvanna County. There were 152 sales in the third quarter, 16% fewer sales than this same time last year, which is 28 fewer sales.

Median Sales Price: Prices surged in Fluvanna County in this quarter. The median sales price in the third quarter in the county was $360,000, up 18% from a year earlier, a $54,500 gain.

Sold Volume: Despite rising home prices, the slowdown in sales led to a loss of sold volume in Fluvanna County. There was approximately $57.3 million of sold volume in the county in the third quarter, $3.8 million less than a year ago, a 6% loss.

Active Listings: Supply in Fluvanna County continued to rise this quarter. There were 123 active listings in the county at the end of the third quarter, which is 64 more listings than this same time last year, up 108%.

Days on Market: In Fluvanna County, homes took longer to sell this quarter. The average days on market in the county was 19 days, which is seven days longer than a year ago.

Local Snapshot – *Greene County*

Sales: The number of sales in Greene County dropped this quarter. There were 72 sales in Greene County during the third quarter, 11 fewer sales than a year ago, representing a 13% decline.

Median Sales Price: The median sales price in Greene County was $332,500, down 1% from the previous year, a $2,500 decrease. This is the first time in four years that home prices have declined in the county.

Sold Volume: With the number of sales and the median price lower than last year, total sold dollar volume in Greene County also decreased. There was about $26.6 million of sold volume during the third quarter, a decrease of 12%, which is a $3.8 million loss.

Active Listings: In Greene County, there were 64 active listings at the end of the third quarter, increasing by 33% from a year earlier, which is an additional 16 listings. Supply in the county has grown over the last three quarters.

Days on Market: Compared to last year, homes sold faster in Greene County during the third quarter this year. Homes in the county sold in 25 days on average, 11 days faster than last year.

Local Snapshot – *Louisa County*

Sales: In Louisa County, there were 220 homes sold in the third quarter, nine fewer than last year, which is a 4% drop-off. Sales have continued to moderate in the county for three consecutive quarters.

Median Sales Price: In Louisa County, home prices continued to rise. The median sales price was $375,000 in the third quarter, rising by $58,850 compared to last year, a gain of 19%. This is the third consecutive quarter in which home prices have increased by double-digits.

Sold Volume: The surge in home prices increased the sold volume in Louisa County. In the county, the sold volume in the third quarter was approximately $91.7 million, rising three percent from the previous year, an influx of $2.8 million.

Active Listings: Active listings continue to grow in Louisa County. At the end of the third quarter there were 203 active listings, 90 more than a year ago, representing an 80% increase. This is the fourth consecutive quarter that active listings have increased.

Days on Market: At 26 days, the average days on market for Louisa County was eight days slower than the third quarter last year.

Local Snapshot – *Nelson County*

Sales: In the third quarter, there were 103 sales in Nelson County. The number of sales was down 14% compared to a year ago, or 17 fewer sales. Sales have fallen in the county for five consecutive quarters.

Median Sales Price: The third quarter median sales price in Nelson County was $400,000, up 10% from the previous year, a $35,000 price increase. Prices are now $185,500 more than they were at this same time four years ago.

Sold Volume: Despite a rise in home prices, the slowdown in sales activity led to a loss of sold volume in Nelson County. There was about $44.2 million of sold volume during the third quarter, which is $3.7 million less than last year (-8%).

Active Listings: There was a slight fall in active listings in Nelson County this quarter. At the end of the third quarter, there were 58 active listings, a 2% decrease from a year ago, which is one less listing.

Days on Market: Homes were on the market an average of 30 days in Nelson County in the third quarter. The average days on market was three days longer than last year.

Virginia REALTORS®

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.