

WAAR WILLIAMSBURG HOME SALES REPORT

CUSTOM REPORT PREPARED BY
VIRGINIA REALTORS®

WAAR Home Sales Report

Third Quarter 2022

Williamsburg Area Association of REALTORS®

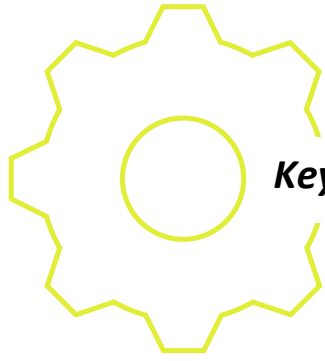
Market Report Key Takeaways

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 3.1% in the Williamsburg 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 1,147 home sales in the WAAR region during the third quarter of 2022. This is 286 fewer sales than this time last year, which is a 20% drop. The market has been slowing down in the WAAR area for three straight quarters.
- Home prices continue to climb in the region. The third quarter median sales price in the WAAR market was \$387,000, rising 11% from a year ago, which is a surge of \$37,000.
- Inventory continues to build up in the WAAR region. There were 584 active listings on the market at the end of the third quarter, 28 more listings than a year ago, a 5% increase.



Key Trends Dashboard, WAAR

Economy



3.1%

Is the Aug-2022 **unemployment rate** in the WAAR 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



-286

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



11%

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



-\$64.9

Million dollars less in total **sold volume** in the WAAR footprint in Q3-2022 compared to last year



5%

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



1.6

Months of supply in the WAAR footprint in Q3-2022, which is unchanged from a year ago

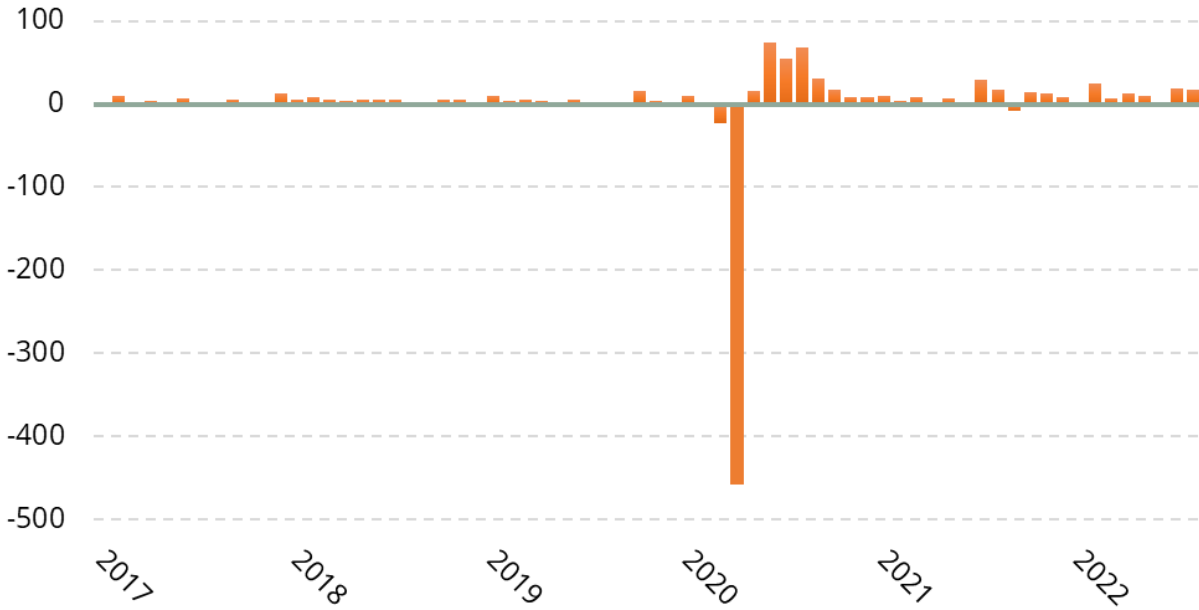
Economic Overview

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

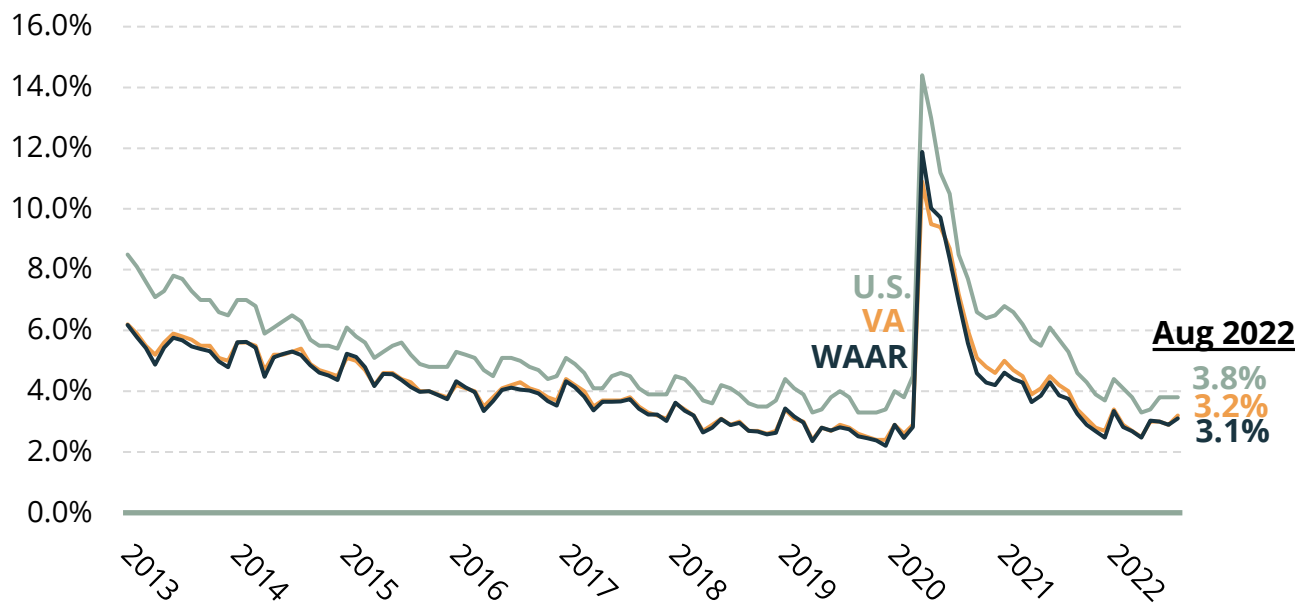


Source: U.S. Bureau of Labor Statistics, Seasonally Adjusted

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 Williamsburg area, the August unemployment rate was 3.1%, down from 3.7% a year ago.

Figure 2
Unemployment Rate



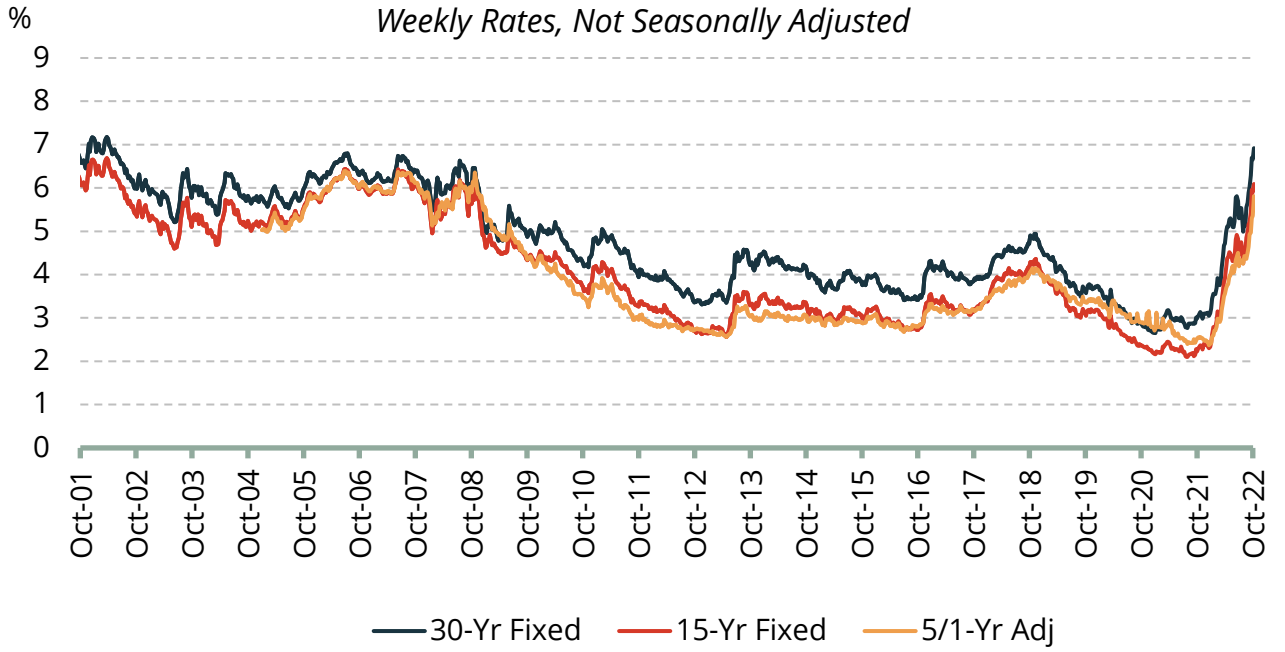
Source: U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics

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

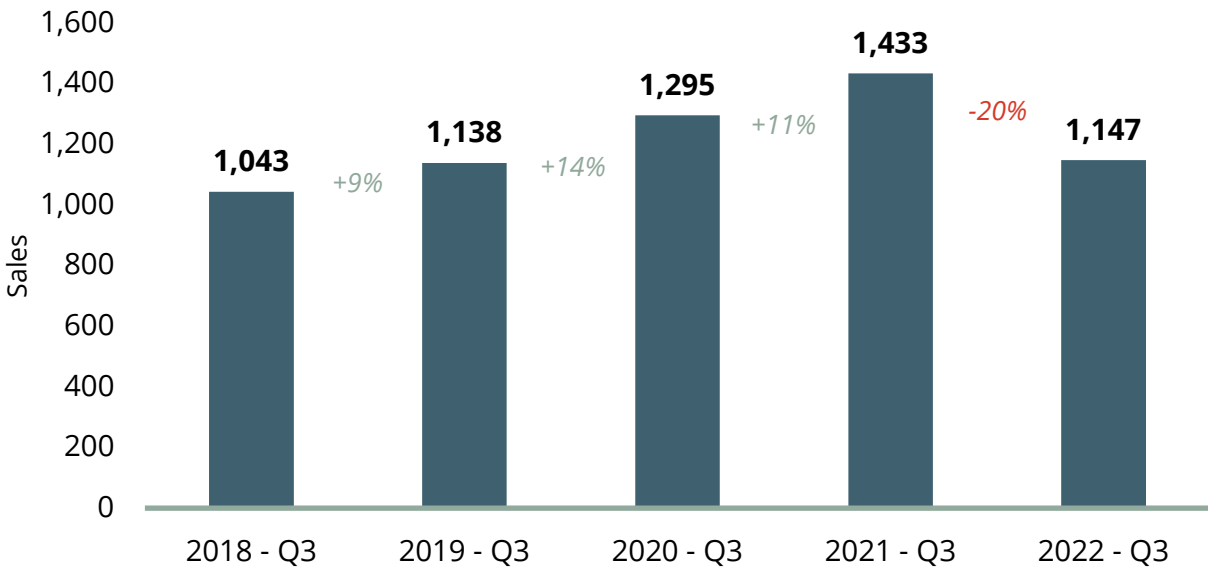
Housing Market Overview

The WAAR regional housing markets continues to moderate. Sales were well below last year’s third quarter level, and sold volume dropped again. 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 WAAR 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 third consecutive quarter, sales activity in the WAAR housing market cooled from the busy pace a year ago. There were 1,147 homes sold across the region in the third quarter, 286 fewer sales than the same period last year, representing a 20% decrease. This quarter experienced 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, WAAR
2018-2022



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



Local Snapshot – *Total Home Sales*

Charles City County: Quarterly sales fell for the first time in over a year in Charles City. During the third quarter, there were 10 home sales, which is six fewer sales than a year ago, a 38% decline.

James City County: Home sales have declined in James City for four consecutive quarters. In the third quarter of 2022, there were 528 home sales, a 25.4% decline compared to last year, which is 180 fewer sales.

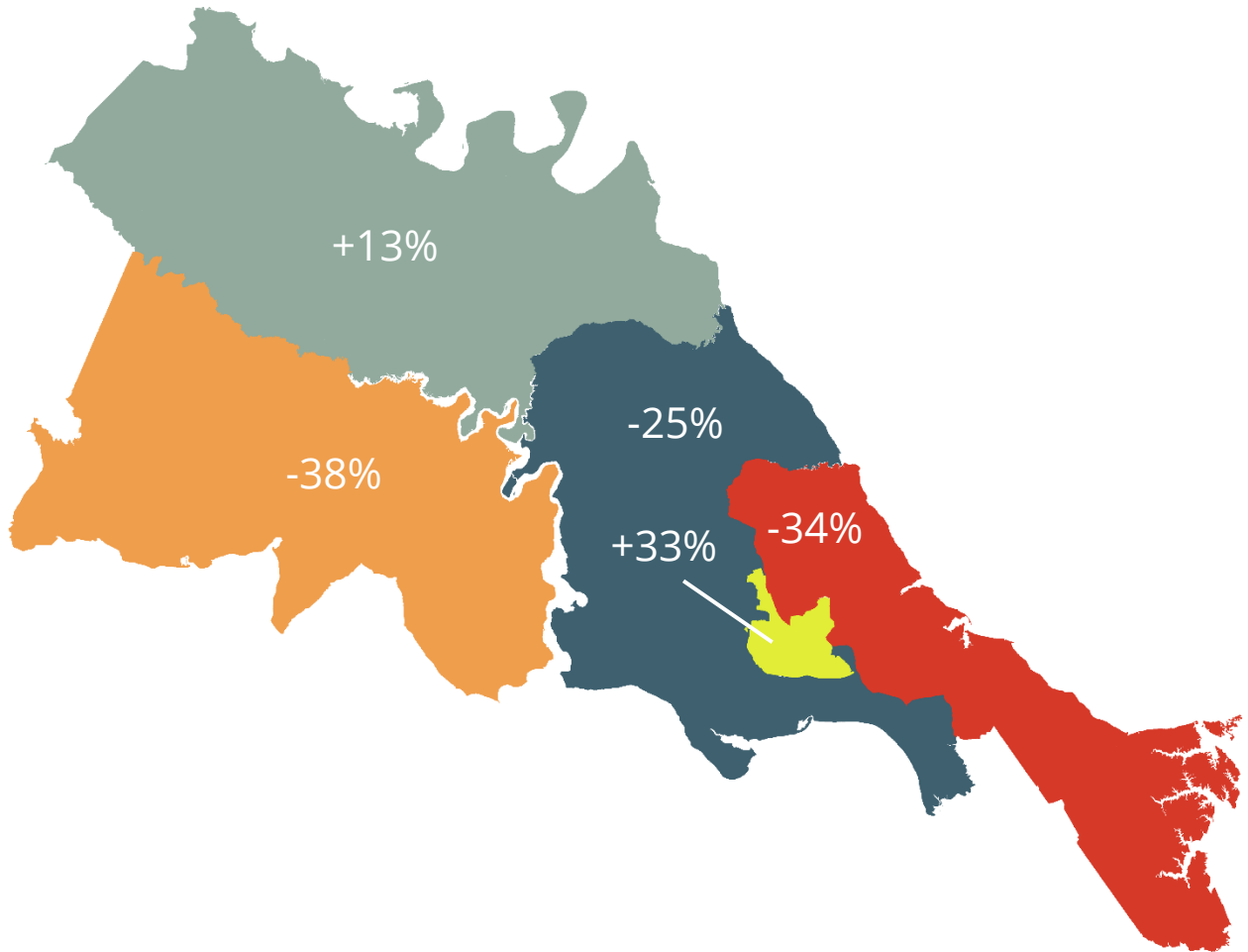
New Kent County: Demand in the New Kent housing market remains strong. There were 217 home sales in the third quarter, which is 25 more sales than last year, a 13% increase.

Williamsburg: Home sales in Williamsburg picked up after two consecutive quarterly declines. In the third quarter, there were 97 home sales, which is 33% more compared to last year, an additional 24 sales.

York County: Home sales continue to decline in York County. During the third quarter, there were 295 home sales, a decline of 34% from this time a year ago, which is 149 fewer sales.

Figure 5
Change in Sales by Jurisdiction
WAAR

Third Quarter 2021 to Third Quarter 2022



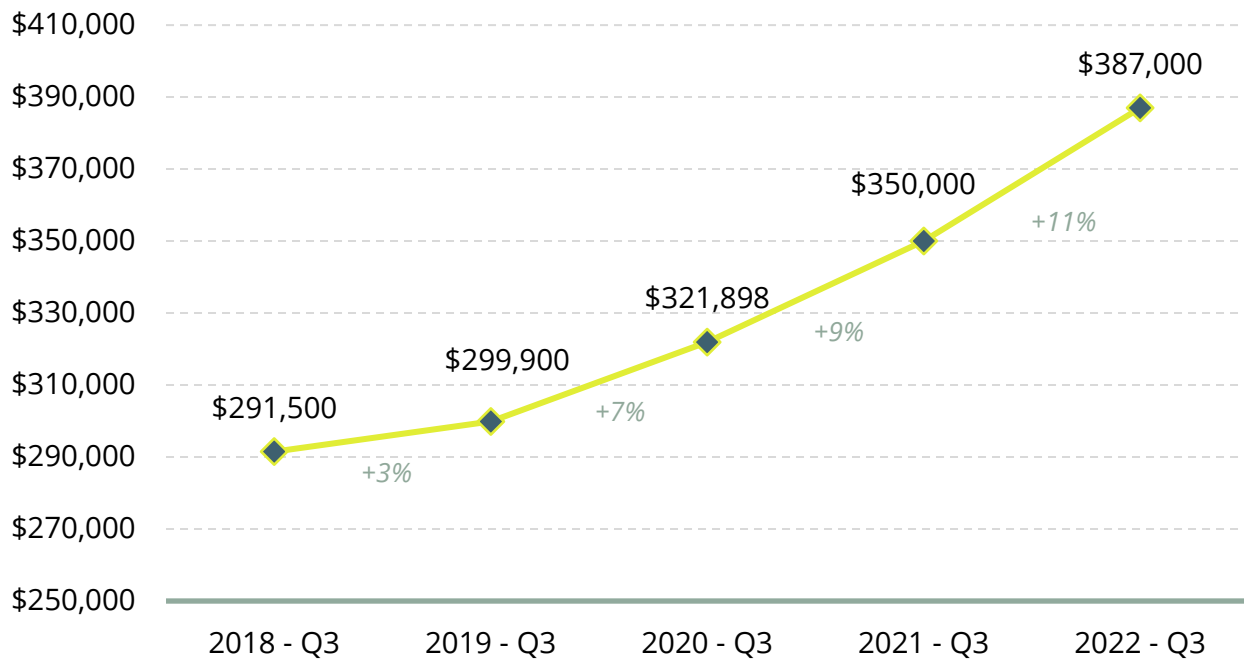
<i>Jurisdiction</i>	<i>2021 - Q3</i>	<i>2022 - Q3</i>	<i>% Change</i>
Charles City County	16	10	-38%
James City County	708	528	-25%
New Kent County	192	217	13%
Williamsburg	73	97	33%
York County	444	295	-34%

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

Sales Prices

As market activity moderates, home prices continue to trend higher in the WAAR footprint. At \$387,000, the third quarter median sales price in the region jumped up 11% from a year ago, a gain of \$37,000. 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 6
Third Quarter Median Sales Price, WAAR
2018-2022



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



Local Snapshot – *Median Sales Price*

Charles City County: The median sales price declined for the first time in six quarters. In the third quarter, the median sales price was \$180,000, a 25% decline from last year, which is a \$60,000 decrease.

James City County: In the third quarter the median sales price in James City was \$430,000, a 17% increase from a year ago, which is an additional \$64,000.

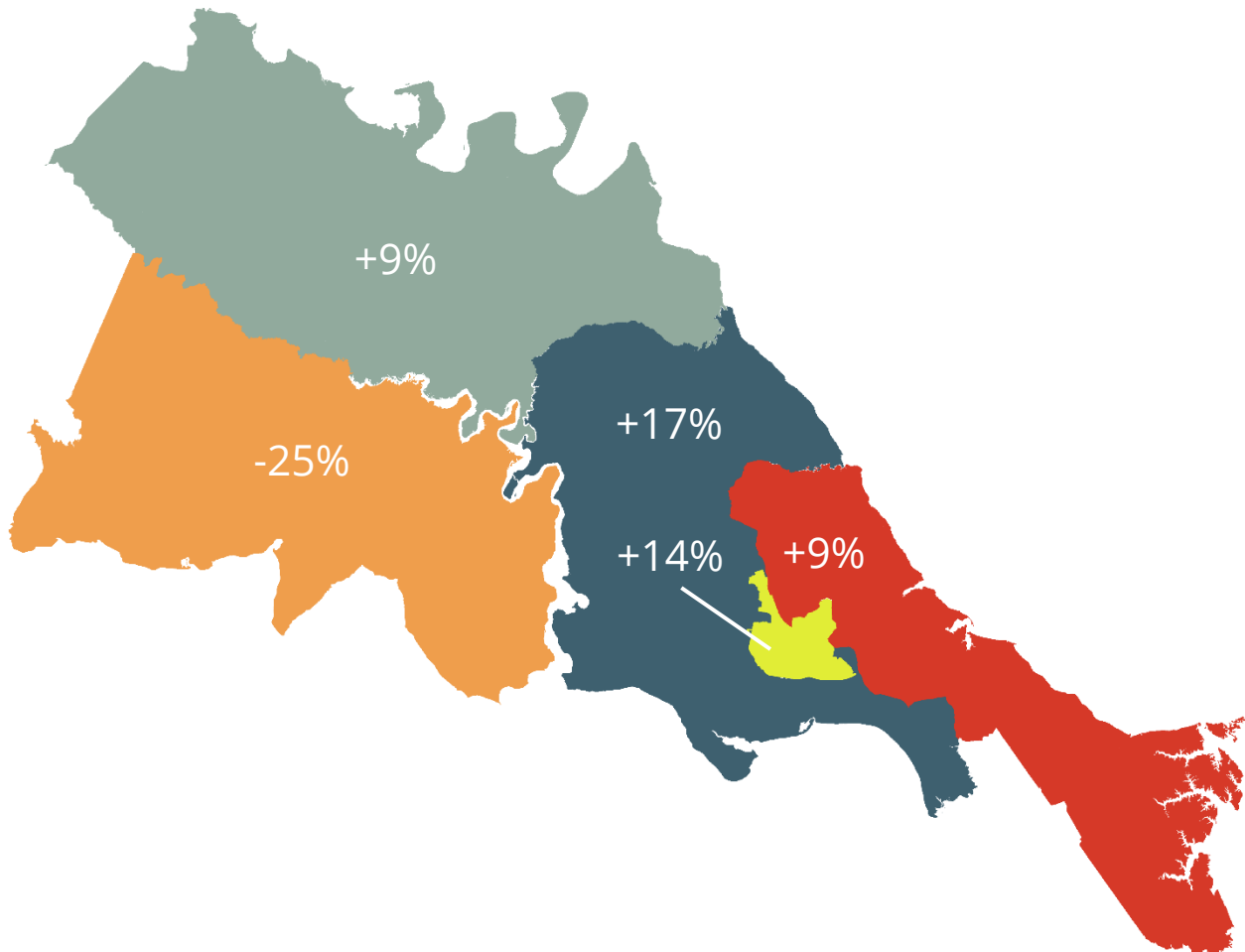
New Kent County: Quarterly home prices in 2022 stayed relatively the same in New Kent County. In the third quarter, the median home price was \$379,000, which is \$29,700 more than this time last year, representing a 9% increase.

Williamsburg: Home prices in the Williamsburg housing market continue to increase. The median sales price was \$326,400, which is 14% more than it was a year ago, a \$39,400 increase in price..

York County: The median sales price in York County was \$363,860 during the third quarter, which is 9% more than last year, an increase of \$28,960.

Figure 7
Change in Median Sales Price by Jurisdiction
WAAR

Third Quarter 2021 to Third Quarter 2022



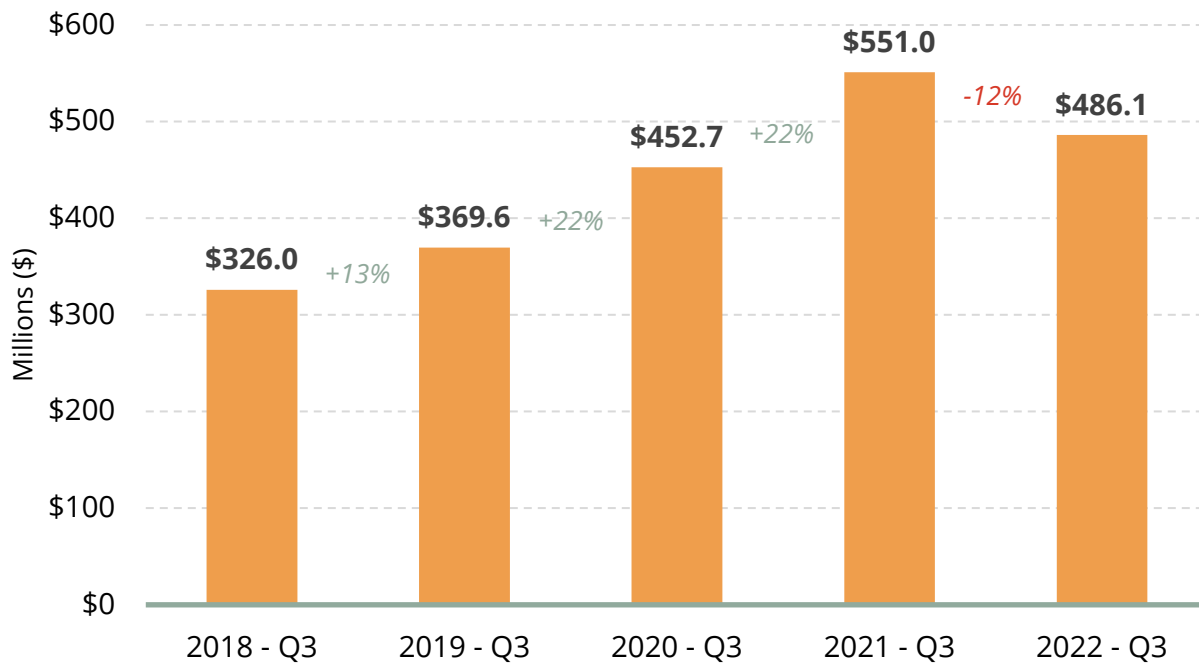
<i>Jurisdiction</i>	<i>2021 - Q3</i>	<i>2022 - Q3</i>	<i>% Change</i>
Charles City County	\$240,000	\$180,000	-25%
James City County	\$366,000	\$430,000	17%
New Kent County	\$349,300	\$379,000	9%
Williamsburg	\$287,000	\$326,400	14%
York County	\$334,900	\$363,860	9%

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 WAAR market. There was approximately \$486.1 million of sold volume across the region during the third quarter. This is about \$64.9 million less sold volume than the third quarter of 2021, which is a 12% decrease.

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



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



Local Snapshot – *Sold Dollar Volume*

Charles City County: A drop in sales and home prices led to a sharp decline in sold volume in Charles City. In the third quarter, there was about \$2.7 million in sold volume, a 45% decline from last year, which is a decrease of about \$2.2 million.

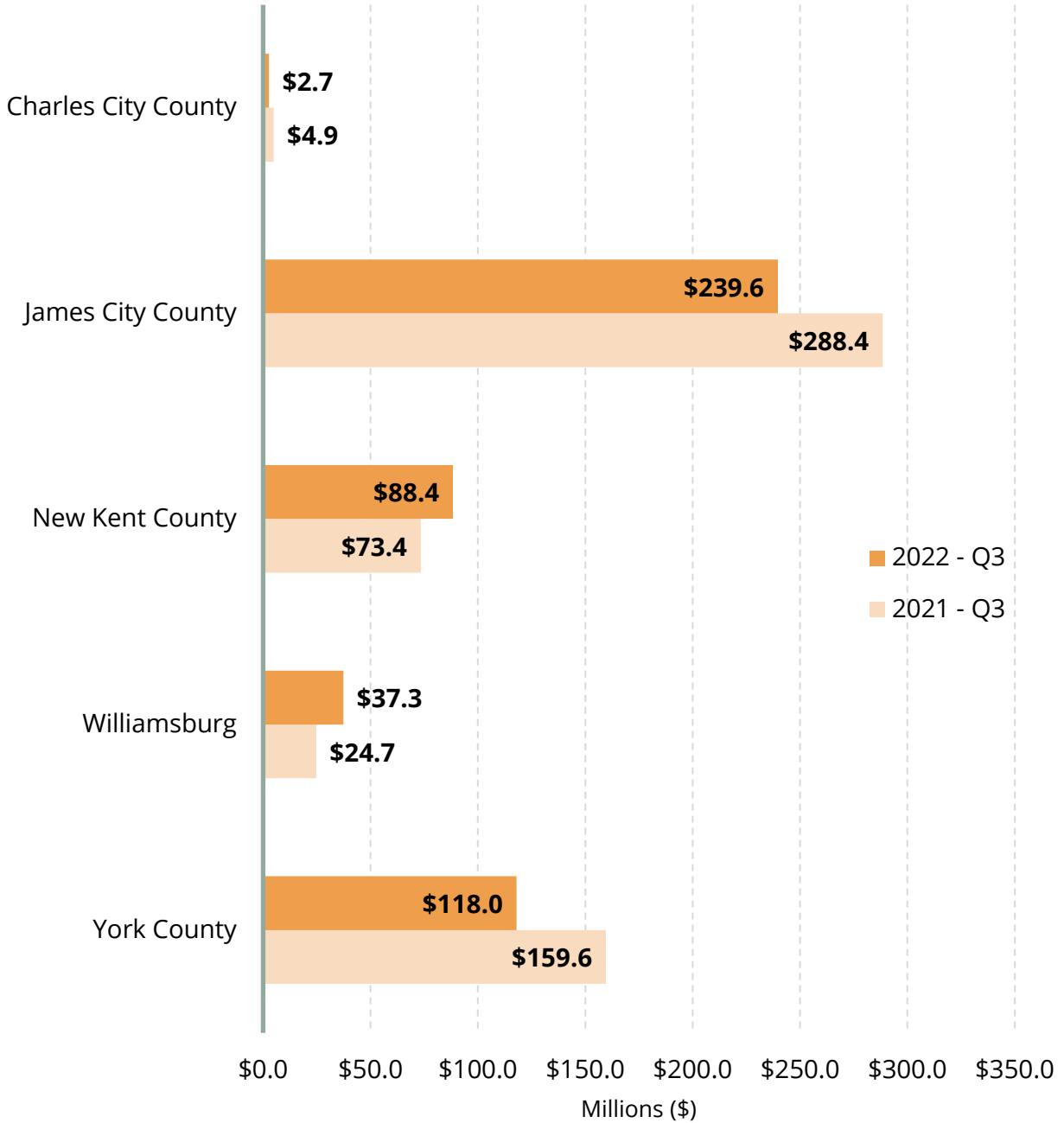
James City County: Sold dollar volume in the James City housing market continues to decline. During the third quarter, there was an influx of about \$240 million, which is a decrease of about \$49 million, a 17% decline in sold volume.

New Kent County: A growth in sales and higher home prices led to an increase in sold volume in New Kent County. There was roughly \$88 million in sold volume in the third quarter, which is 20% more than last year, an increase of about \$15 million.

Williamsburg: The sold volume in Williamsburg peaked during the third quarter. There was about \$37.3 million in sold volume during the third quarter, which is \$12.6 million more than a year ago, a sharp increase of 51% in sold volume.

York County: Sold volume in York County fell for the second consecutive quarter. In the third quarter, there was about \$118 million in sold volume, which is a loss of \$41.6 million compared to last year, a 26% decline.

Figure 9
Third Quarter Sold Dollar Volume, WAAR Jurisdictions
2021 and 2022

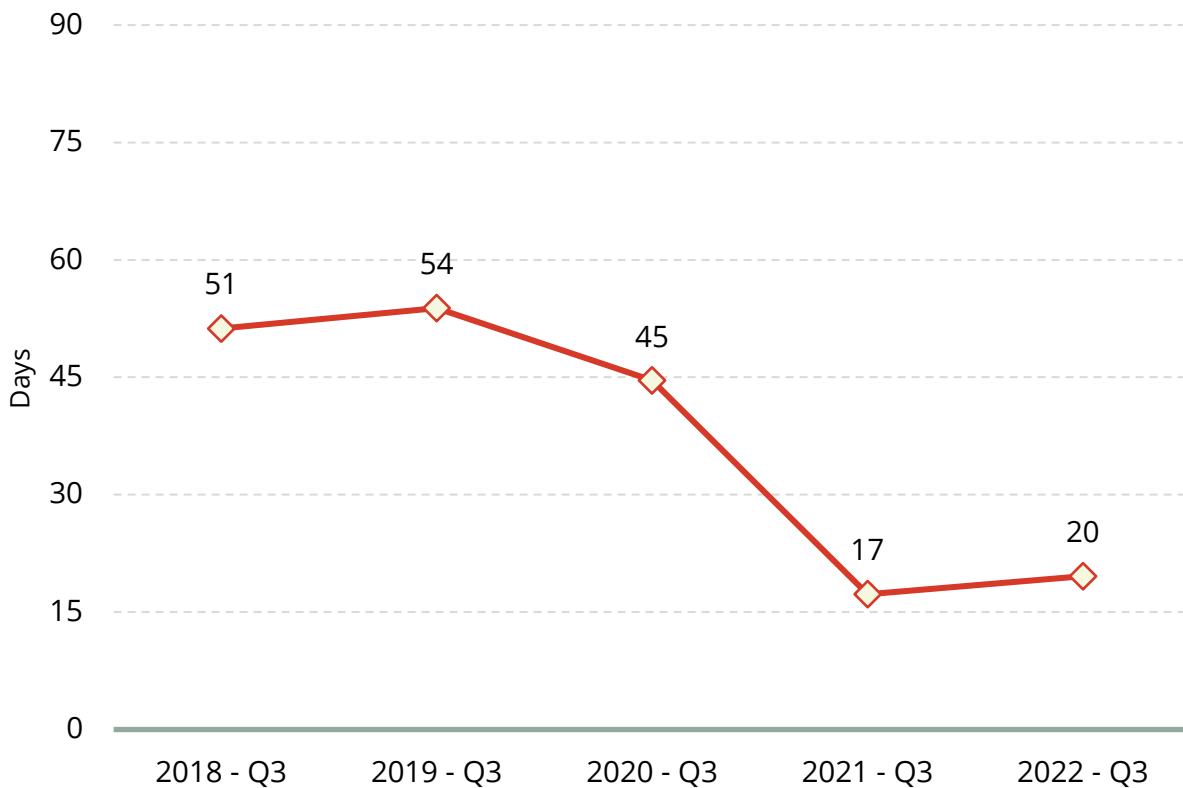


Source: Virginia REALTORS®, data accessed October 15, 2022

Days on Market

Homes are taking longer to sell in the WAAR housing market on average. The average days on market in the region in the third quarter was 20 days, three days longer than the third quarter last year. This is the first time this metric has increased in the WAAR housing market in three 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, WAAR
2018-2022



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



Local Snapshot – *Average Days on Market*

Charles City County: Homes were on the market in Charles City for less than two weeks (12 days) on average in the third quarter, which is 2 days faster than last year.

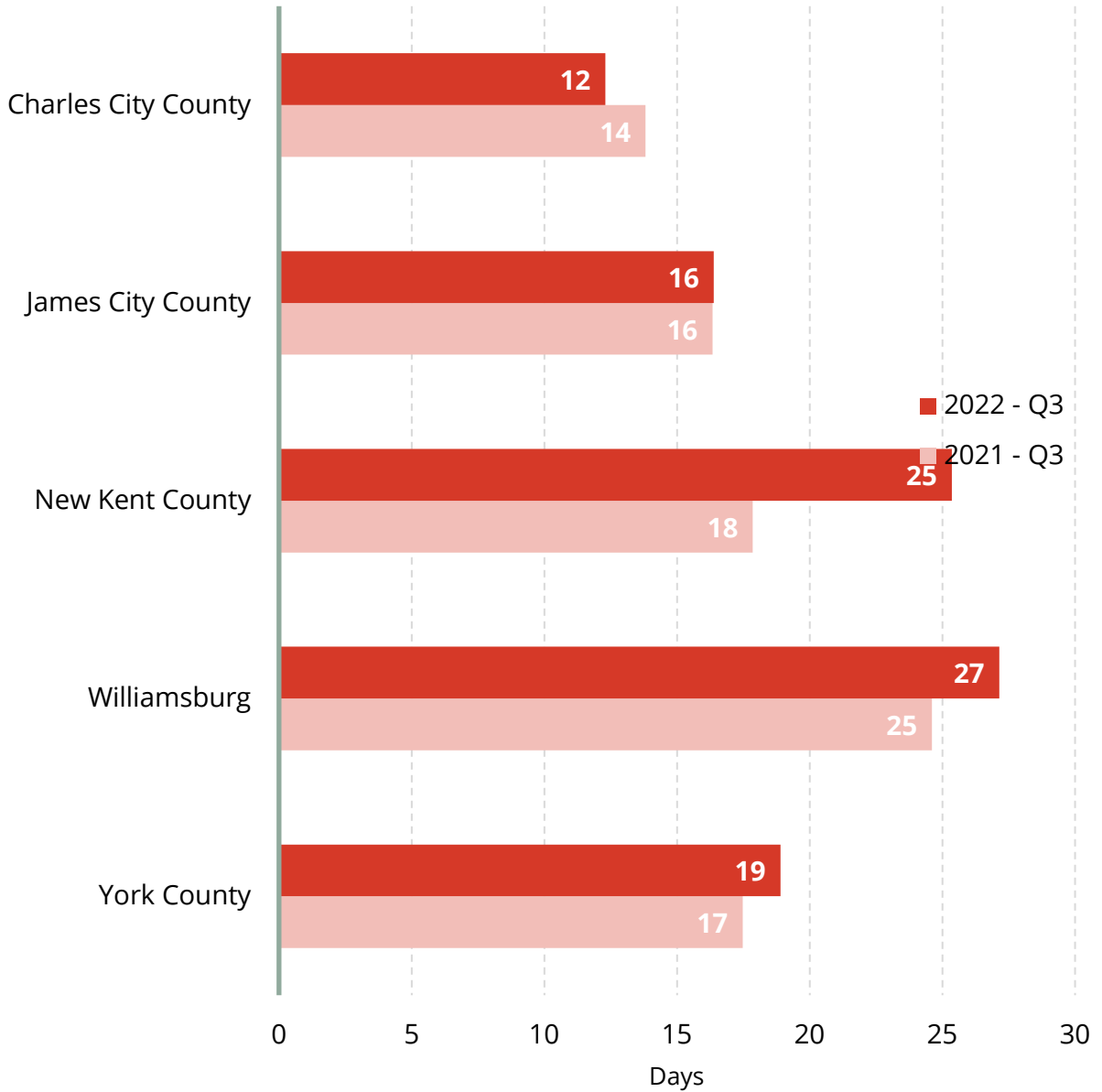
James City County: It took homes slightly longer to sell in James City in the third quarter. Homes were on the market for 16 days, which is about a day longer than last year.

New Kent County: At 25 days, homes were on the market in New Kent County for eight days longer on average than last year in the third quarter.

Williamsburg: Homes were on the market for 27 days on average in Williamsburg, which is three days longer than last year.

York County: The average days on market slightly rose in York County. In the third quarter, homes were on the market for 19 days on average, which is one day longer than last year.

Figure 11
Third Quarter Average Days on Market, WAAR Jurisdictions
2021 and 2022



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

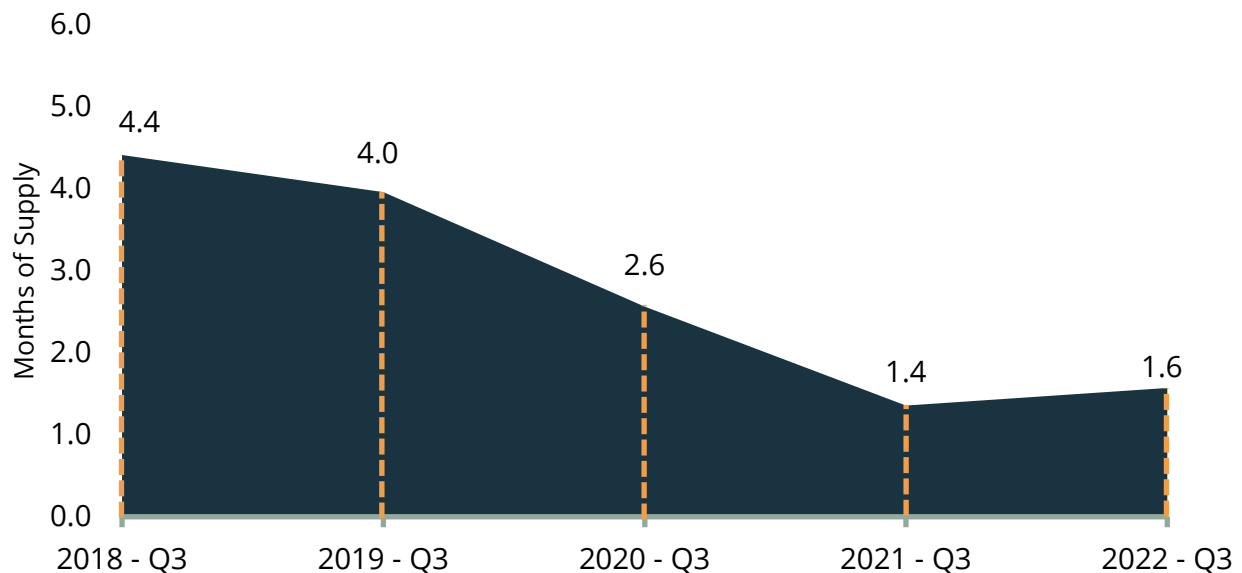
Inventory

The supply of active listings in the WAAR region is building up as sales activity slows. There were 584 active listings on the market at the end of the third quarter, 28 more listings than a year ago, which is a 5% increase. While this seems like a modest gain, it is actually the largest year-over-year supply increase the region has had in more than seven years. 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 1.6 months of supply at the end of the third quarter in the WAAR 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 12
End of Third Quarter Months Supply, WAAR
2018-2022



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



Local Snapshot – *Active Listings*

Charles City County: Active listings in Charles City grew for the first time in a year. By the end of the third quarter, there were 12 active listings, which is three more than last year, a 33% increase. Inventory increased to about three months' worth of supply in the third quarter.

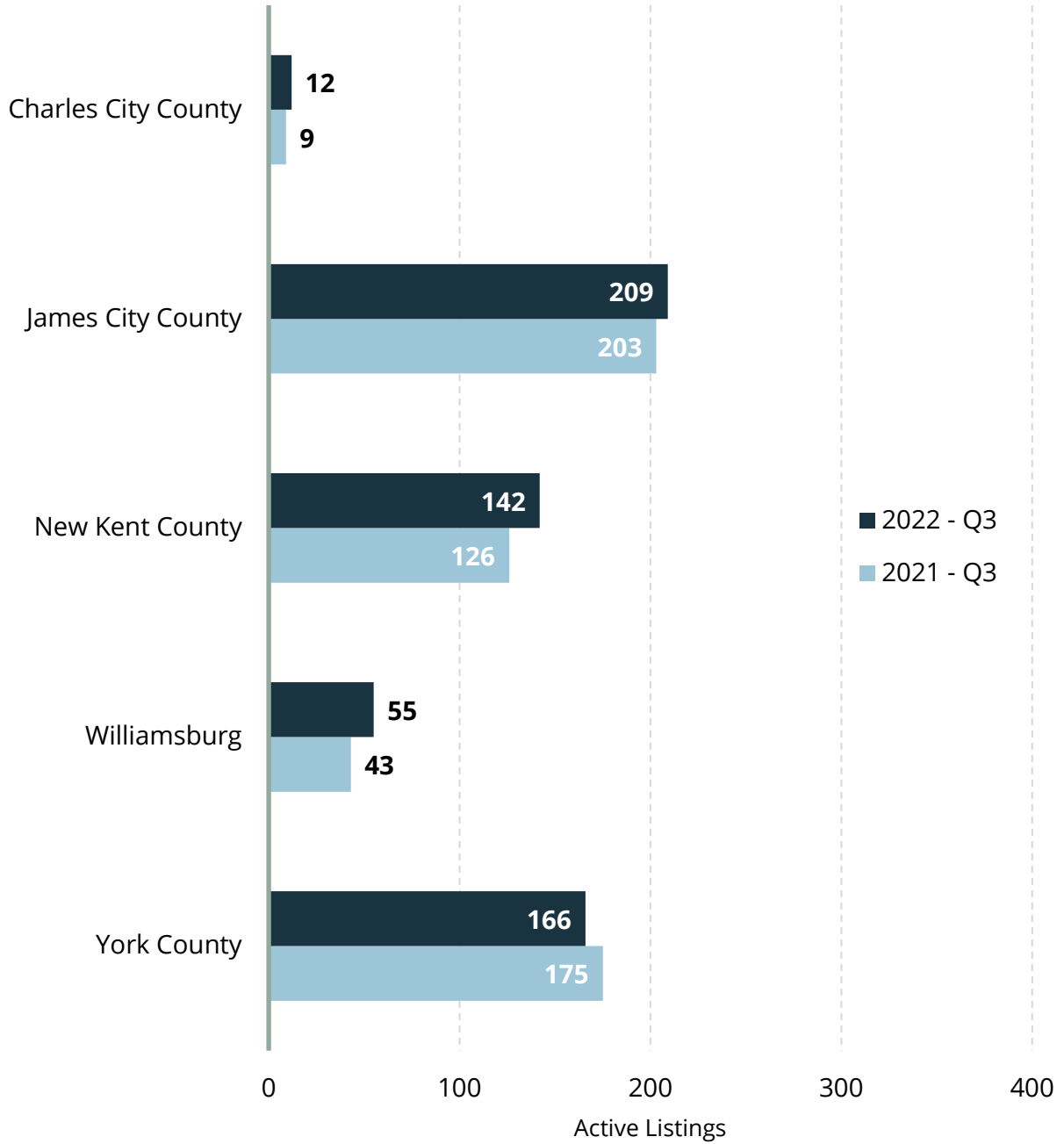
James City County: In the James City housing market, active listings increased for the first time since 2015. At the end of the third quarter, there were 209 active listings, which is six more than last year, a 3% increase. Inventory grew for the first time since 2018. There was just about a month's worth of supply in the third quarter.

New Kent County: Active listings in New Kent County have been strong for three consecutive quarters. By the end of the third quarter, there were 142 active listings, which is 16 more active listings than last year, an increase of 13%. Inventory declined to just under two and a half months' worth of supply.

Williamsburg: Active listings remained strong in Williamsburg. at the end of the third quarter. By the end of the third quarter, there were 55 active listings, which is 12 more active listings than compared to last year, a 28% rise. Inventory is also growing in Williamsburg with just over two months' worth of supply.

York County: There were 166 active listings by the end of the third quarter, which is nine fewer listings than a year ago, a 5% decrease. Inventory increased for the first time in five years with about a month and a half of supply during the third quarter.

Figure 13
End of Third Quarter Active Listings, WAAR 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.