

WAAR WILLIAMSBURG HOME SALES REPORT

CUSTOM REPORT PREPARED BY
VIRGINIA REALTORS®

WAAR Home Sales Report

Third Quarter 2023

Williamsburg Area Association of REALTORS®

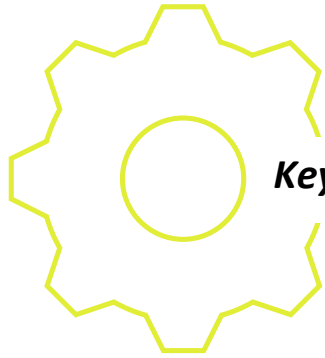
Market Report Key Takeaways

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 WAAR region, the unemployment rate was also 3.1% in August, unchanged 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 remained slow in the WAAR region. There were 958 homes sold in the WAAR market during the third quarter, 189 fewer sales than a year ago, reflecting a 16% drop.
- While sales activity has been sluggish, home prices continue to climb. The median sales price in the WAAR footprint in the third quarter was \$415,550, rising 7% from the third quarter last year.
- The inventory in the WAAR housing market is tightening. There were 509 active listings on the market at the end of the third quarter, a 13% reduction from last year.



Key Trends Dashboard, WAAR

Economy

- **3.1%** Is the Aug-2023 **unemployment rate** in the WAAR footprint, which is unchanged 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

▼ **-189** Fewer **home sales** in the WAAR footprint in Q3-2023 compared to last year

▲ **7%** Percent change in **median sales price** in the WAAR region in Q3-2023 compared to a year ago

▼ **-\$52.3** Million dollars less in total **sold volume** in the WAAR footprint in Q3-2023 compared to last year

▼ **-13%** Percent change in **active listings** at the end of Q3-2023 in the WAAR market compared to a year ago

▲ **1.8** **Months of supply** in the WAAR footprint in Q3-2023, which is up from a year ago

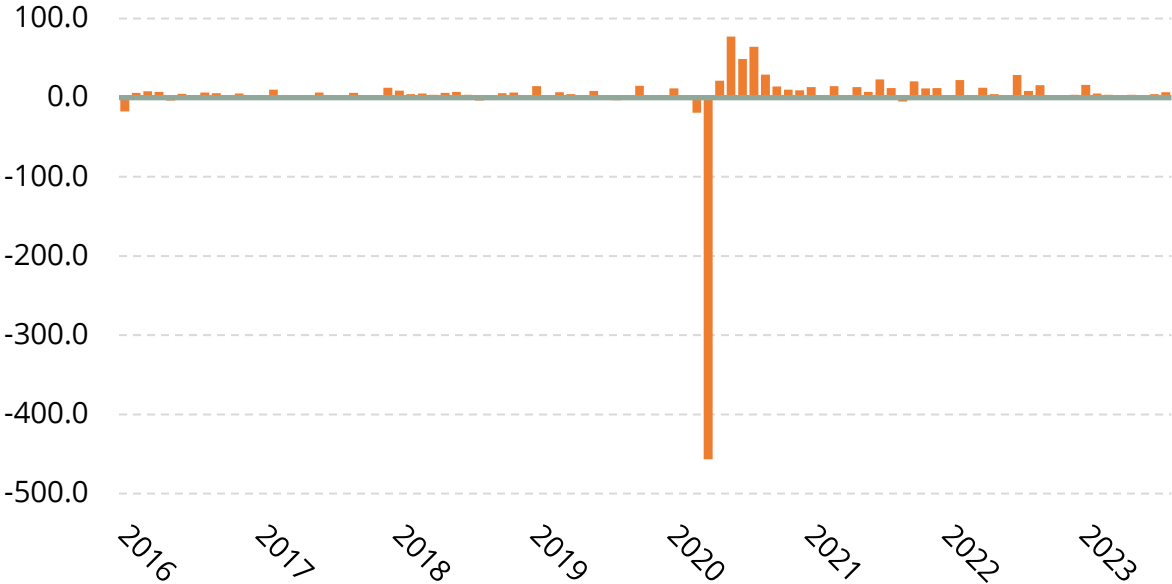
Economic Overview

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

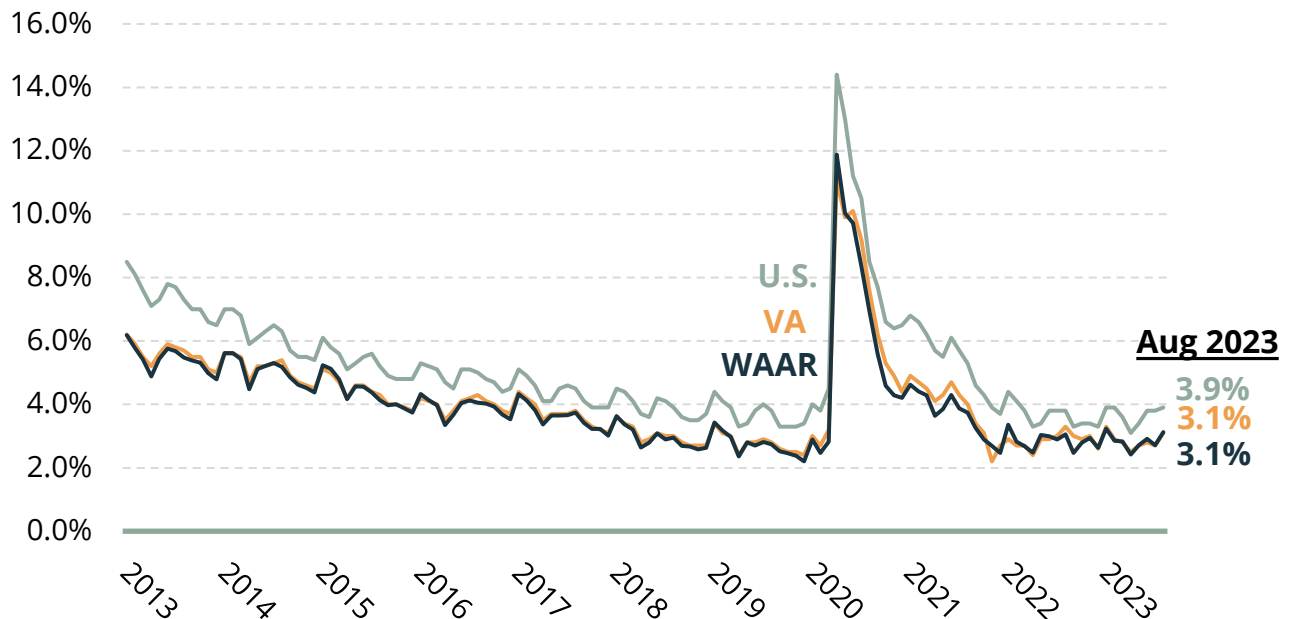


Source: U.S. Bureau of Labor Statistics, Seasonally Adjusted

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 WAAR footprint, the August unemployment rate was also 3.1%, which is unchanged from a year ago.

Figure 2
Unemployment Rate

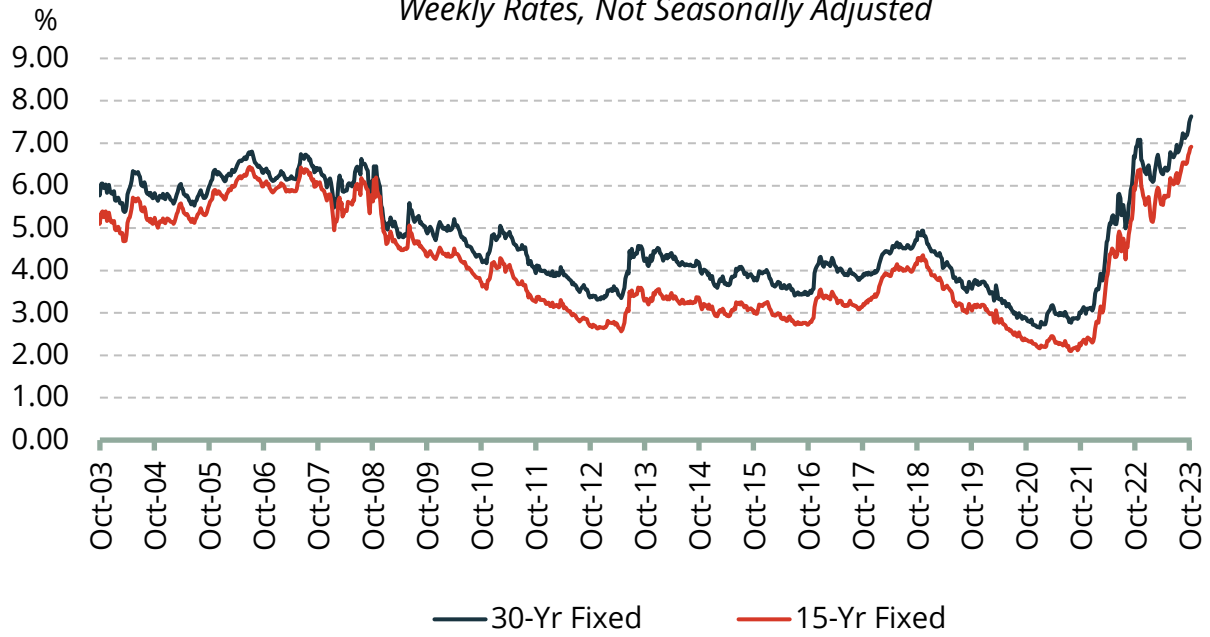


Source: U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics

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



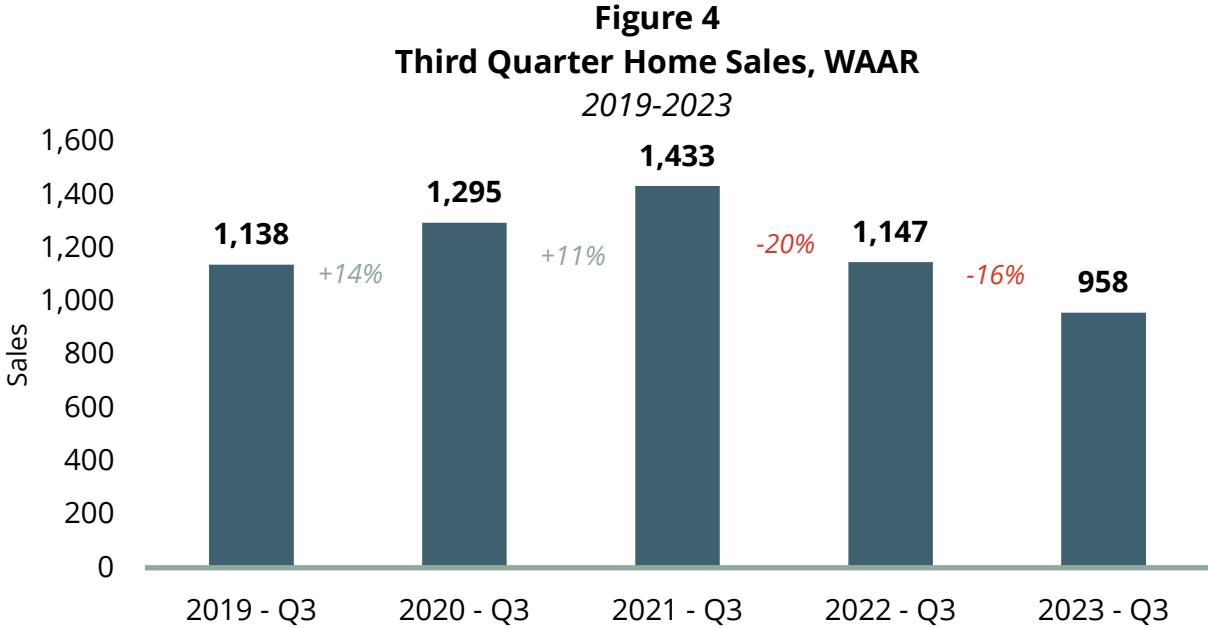
Source: Freddie Mac

Housing Market Overview

Climbing mortgage rates and tight inventory conditions are keeping activity in the WAAR 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 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 WAAR housing market. There were 958 homes sold across the region in the third quarter, which is 189 fewer sales than this time last year, representing a 16% decline. 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. Within the third quarter, which includes July through September, sales activity cooled all three months compared to the 2022 levels. Statewide, sales activity declined 20% in the third quarter of 2023 compared to last year.



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



Local Snapshot – *Total Home Sales*

Charles City County: In Charles City County, there were eight home sales in the third quarter, two fewer than a year ago, a 20% decline.

James City County: Sales activity in James City County has declined for over a year. In the third quarter, there were 408 closed sales in the county, a 22.7% decline compared to last year, which is 120 fewer sales.

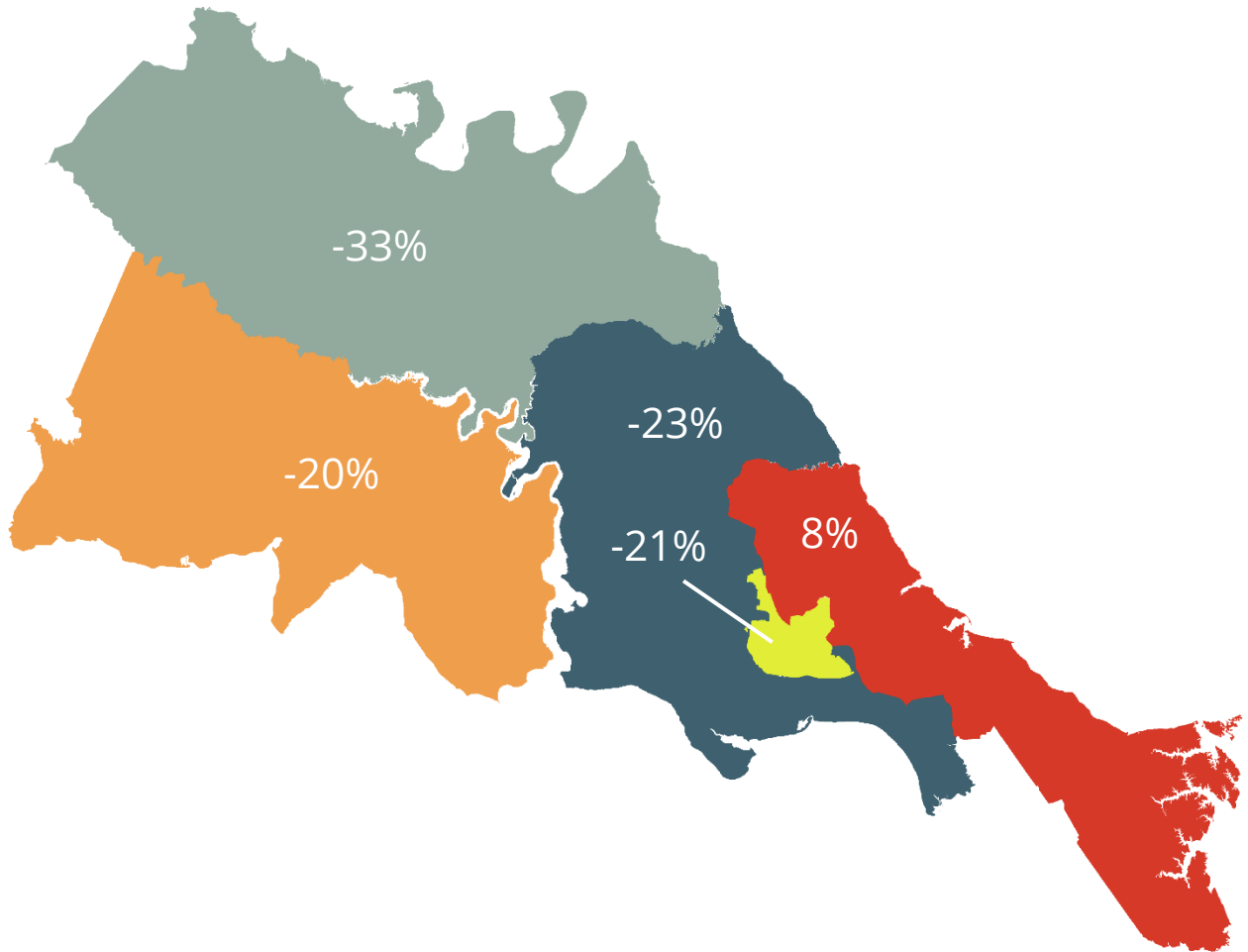
New Kent County: There were 145 sales in New Kent County during the third quarter, 72 fewer than last year, a 33% decline.

Williamsburg: Home sales activity dropped 21% in the Williamsburg market in the third quarter. There were 77 homes sold which is 20 fewer sales than a year ago.

York County: Quarterly sales activity increased for the first time in over a year in York County. There were 320 home sales in the county during the third quarter, 25 more than last year, an 8% increase.

Figure 5
Change in Sales by Jurisdiction
WAAR

Third Quarter 2022 to Third Quarter 2023



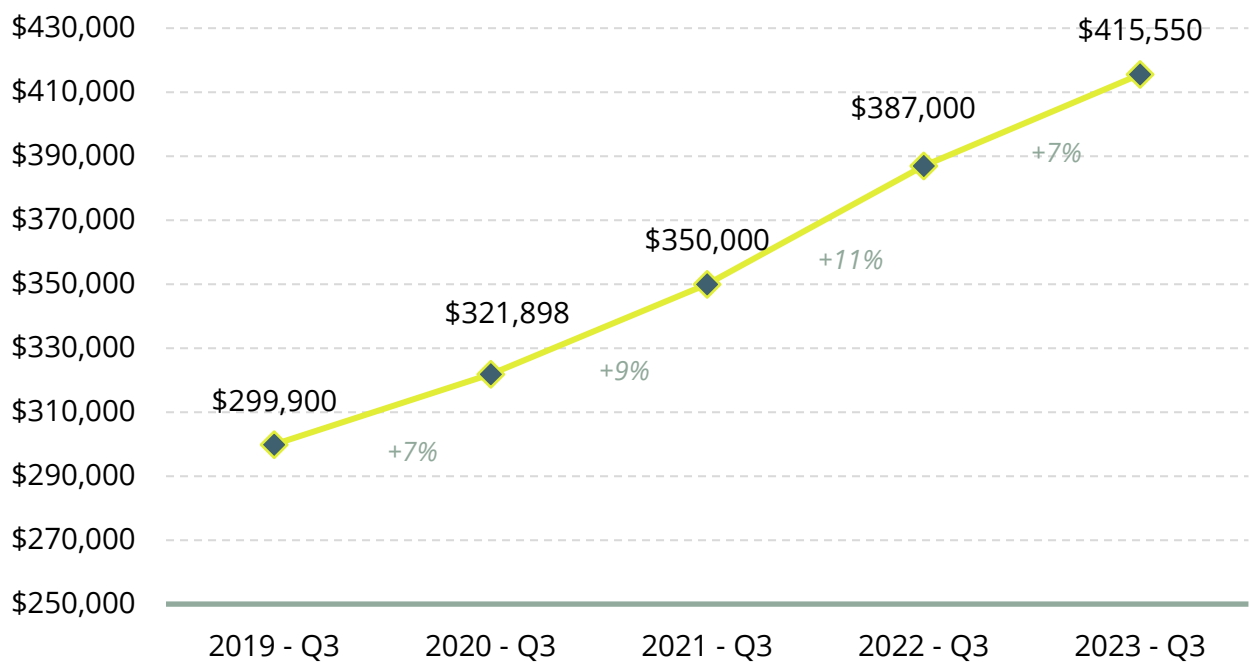
<i>Jurisdiction</i>	<i>2022 - Q3</i>	<i>2023 - Q3</i>	<i>% Change</i>
Charles City County	10	8	-20%
James City County	528	408	-23%
New Kent County	217	145	-33%
Williamsburg	97	77	-21%
York County	295	320	8%

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

Sales Prices

Home prices continue to rise across the WAAR footprint despite the slowdown in sales. The regionwide median sales price was \$415,550 in the third quarter. This is a 7% increase from the median sales price a year ago, which is a \$28,550 price jump. 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, WAAR
2019-2023



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



Local Snapshot – *Median Sales Price*

Charles City County: The median sales price increased for the first time in a year in Charles City County. In the third quarter, the median sales price in the county was \$302,450, a 68% increase compared to last year, which is a \$122,450 gain.

James City County: In James City County, the median sales price in the third quarter was \$438,500, an \$8,500 price jump from the previous year, a 2% increase.

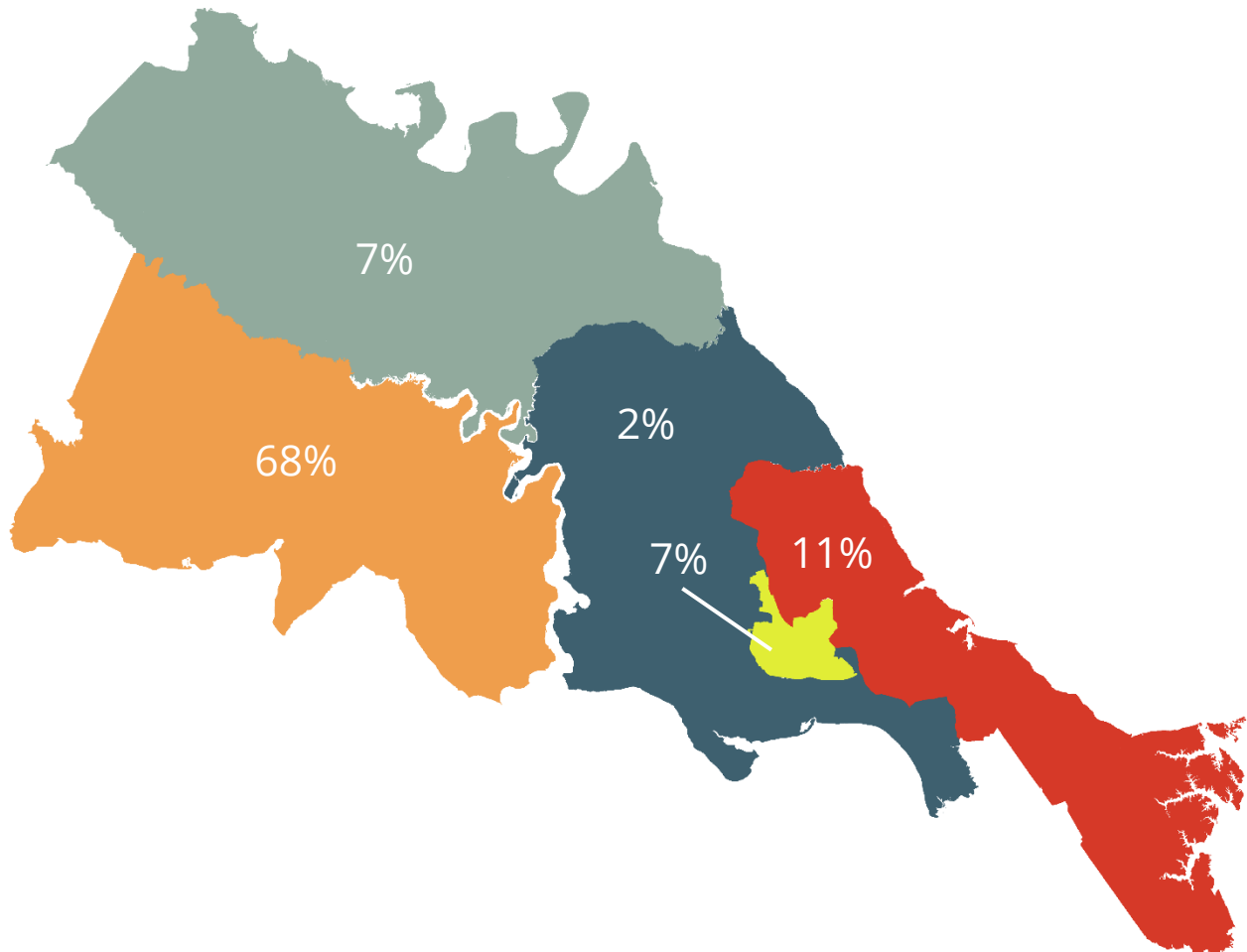
New Kent County: At \$405,000, the median sales price in New Kent County rose 7% compared to the third quarter last year, a \$26,000 price jump.

Williamsburg: In the third quarter, the median sales price in Williamsburg was \$350,615, which is 7% higher than last year, a \$24,215 increase.

York County: Home prices continue to soar in York County. The median sales price in York County during the third quarter was \$404,415, an 11% increase from last year, which is a \$40,555 jump.

Figure 7
Change in Median Sales Price by Jurisdiction
WAAR

Third Quarter 2022 to Third Quarter 2023



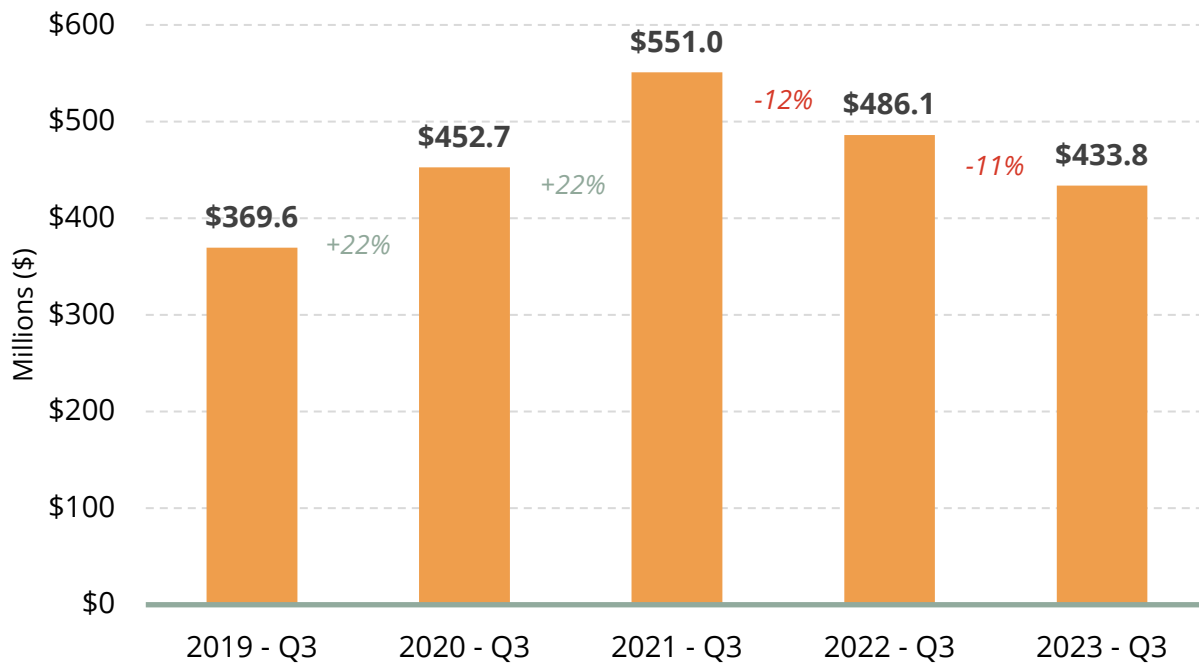
<i>Jurisdiction</i>	<i>2022 - Q3</i>	<i>2023 - Q3</i>	<i>% Change</i>
Charles City County	\$180,000	\$302,450	68%
James City County	\$430,000	\$438,500	2%
New Kent County	\$379,000	\$405,000	7%
Williamsburg	\$326,400	\$350,615	7%
York County	\$363,860	\$404,415	11%

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

Sold Volume

The sharp decrease in sales is driving down the total sold dollar volume in the WAAR regional housing market. There was approximately \$433.8 million of sold volume across the WAAR footprint in the third quarter, a decrease of about \$52.3 million from a year ago. This is an 11% reduction in sold volume for the region's housing market, the fifth straight quarterly volume drop, a clear signal of cooling market conditions.

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



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



Local Snapshot – *Sold Dollar Volume*

Charles City County: Despite lower sales, strong price growth led to increased sold volume in Charles City County compared to last year. There was approximately \$6 million in sold volume from sales in the third quarter in the county, a 122% increase from last year, which is an additional \$3.3 million.

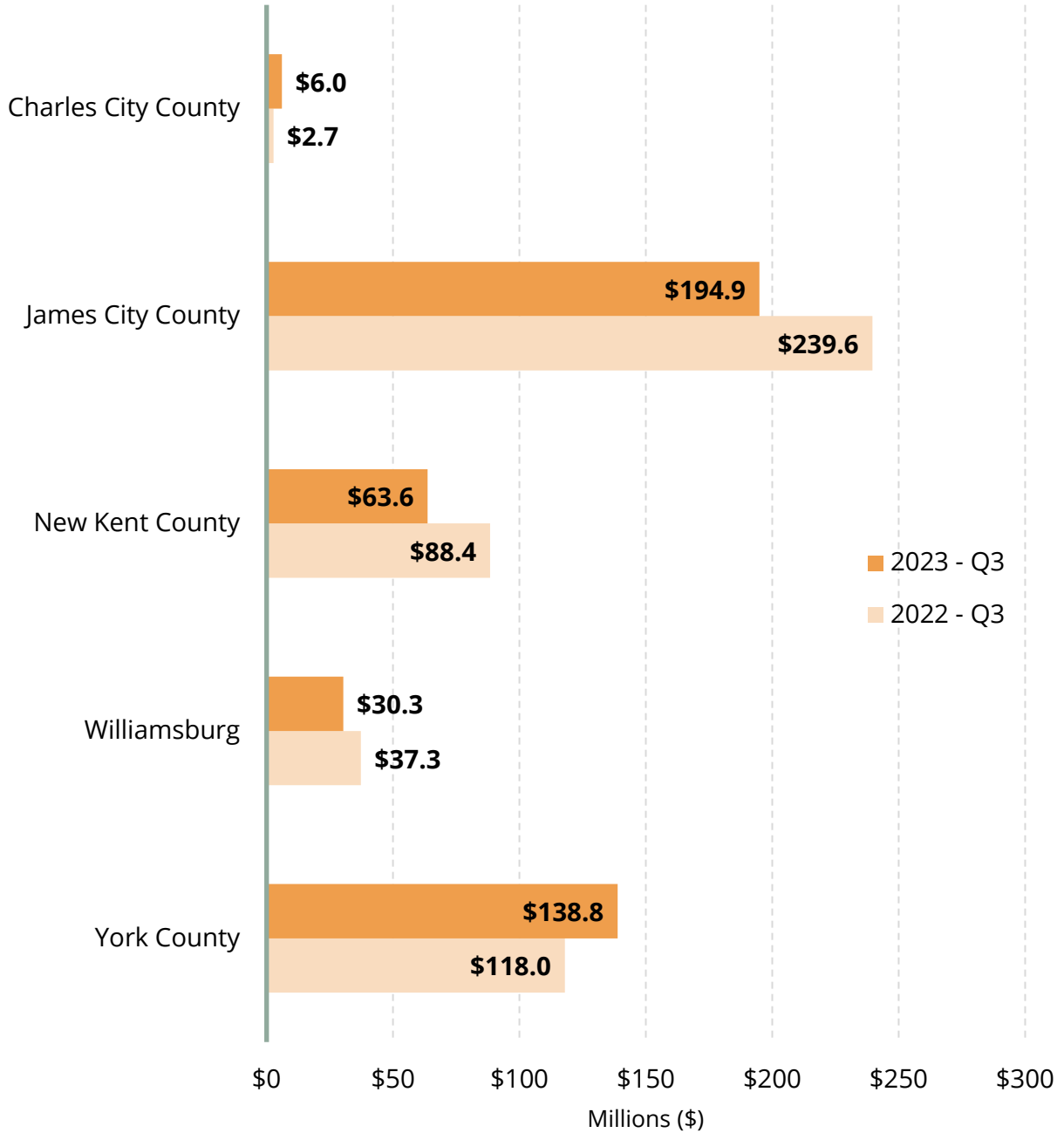
James City County: The total sold volume in James City County was about \$195 million in the third quarter, a 19% decline from last year, which is a drop of about \$44.7 million.

New Kent County: Lower sales activity led to a second consecutive decline in quarterly sold volume in New Kent County. There was roughly \$63.6 million in sold volume in the county in the third quarter, which is \$24.7 million less than last year, a 28% decline.

Williamsburg: Williamsburg had about \$30.3 million in sold volume in the third quarter, a 19% decline from the previous year. This is a decline of about \$7 million of sold volume.

York County: An increase in sales and median sales price led to a rise in sold volume in York County. There was approximately \$138.8 million of sold volume in the county during the third quarter, a \$20.8 million increase from last year, an 18% surge.

Figure 9
Third Quarter Sold Dollar Volume, WAAR Jurisdictions
2022 and 2023

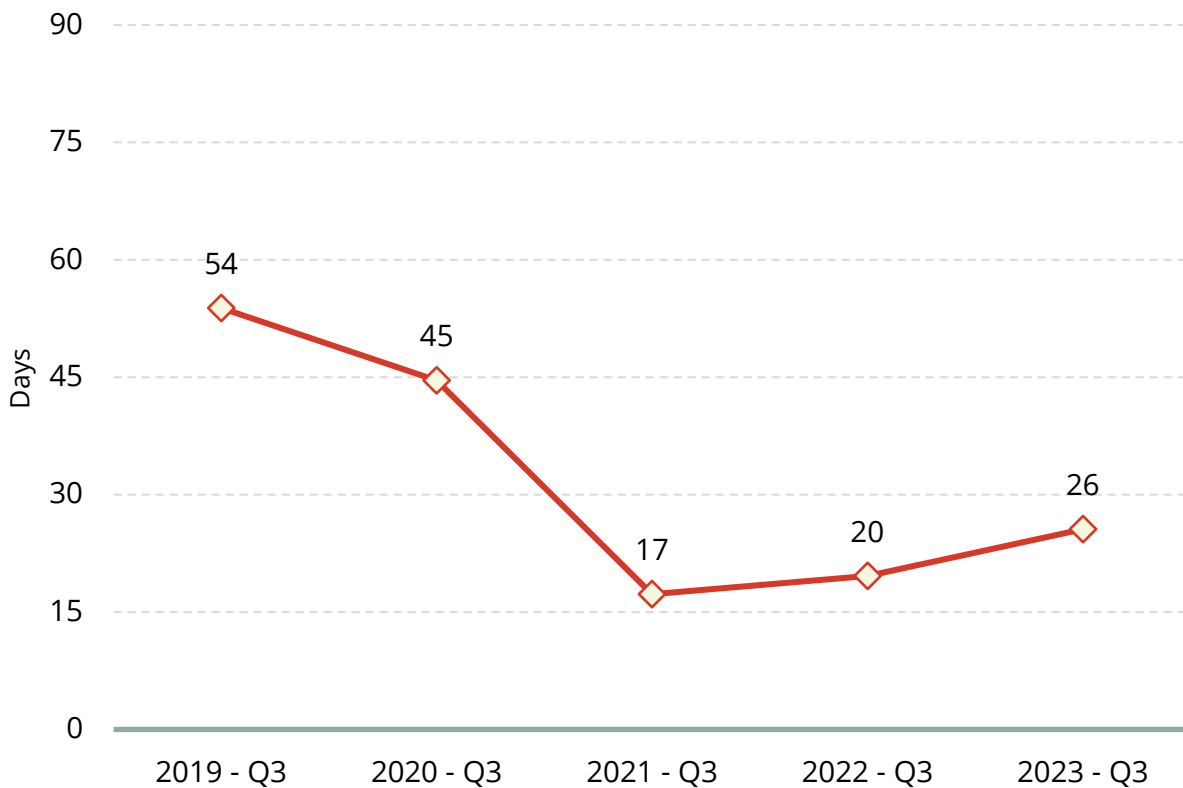


Source: Virginia REALTORS®, data accessed October 15, 2023

Days on Market

As the market has slowed, it's taking a little bit longer on average to sell homes in the WAAR 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 26 days, which is six days longer than it took to sell homes at this time last year. 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, WAAR
2019-2023



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



Local Snapshot – *Average Days on Market*

Charles City County: Homes were on the market for over three weeks on average (25 days) in Charles City County in the third quarter, 12 days longer than last year.

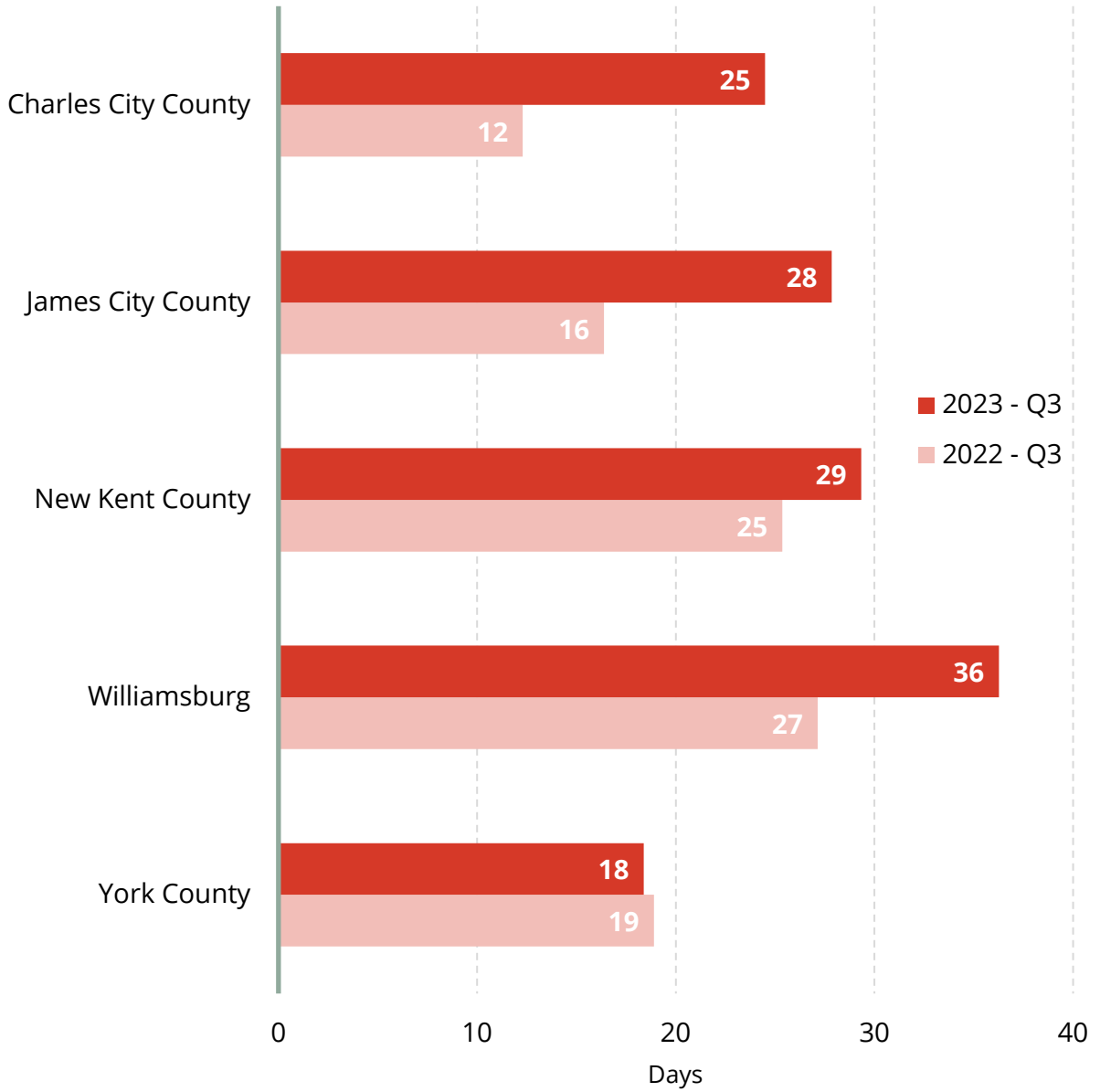
James City County: At 28 days, homes were on the market 11 days longer on average in the third quarter than a year ago in James City County.

New Kent County: It took homes about a month (29 days) to sell in New Kent County on average during the third quarter, which is four days longer than the previous year.

Williamsburg: In Williamsburg, homes were on the market 36 days on average in the third quarter, nine days longer than last year.

York County: Homes were on the market 18 days on average in York County during the third quarter, which is a day shorter than a year ago.

Figure 11
Third Quarter Average Days on Market, WAAR Jurisdictions
2022 and 2023



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

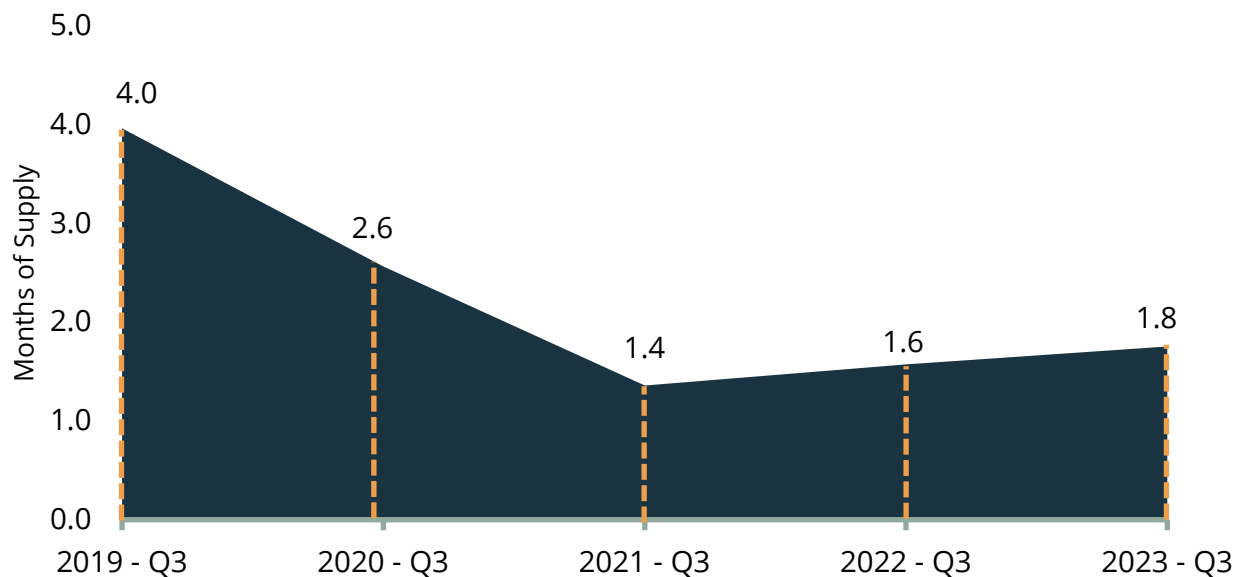
Inventory

Inventory levels continue to tighten across the WAAR housing market. There were 509 active listings on the market across the region at the end of the third quarter, which is 75 fewer listings than were on the market at this time a year ago, reflecting a 13% decrease. The number of active listings contracted for two straight quarters in the area after expanding for much 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 1.8 months of supply at the end of the third quarter in the WAAR footprint, which is up from 1.6 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 about 2.1 months of supply at the end of the third quarter.

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



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



Local Snapshot – *Active Listings*

Charles City County: There were 10 active listings in Charles City County at the end of the third quarter, two fewer than last year, a 17% decline.

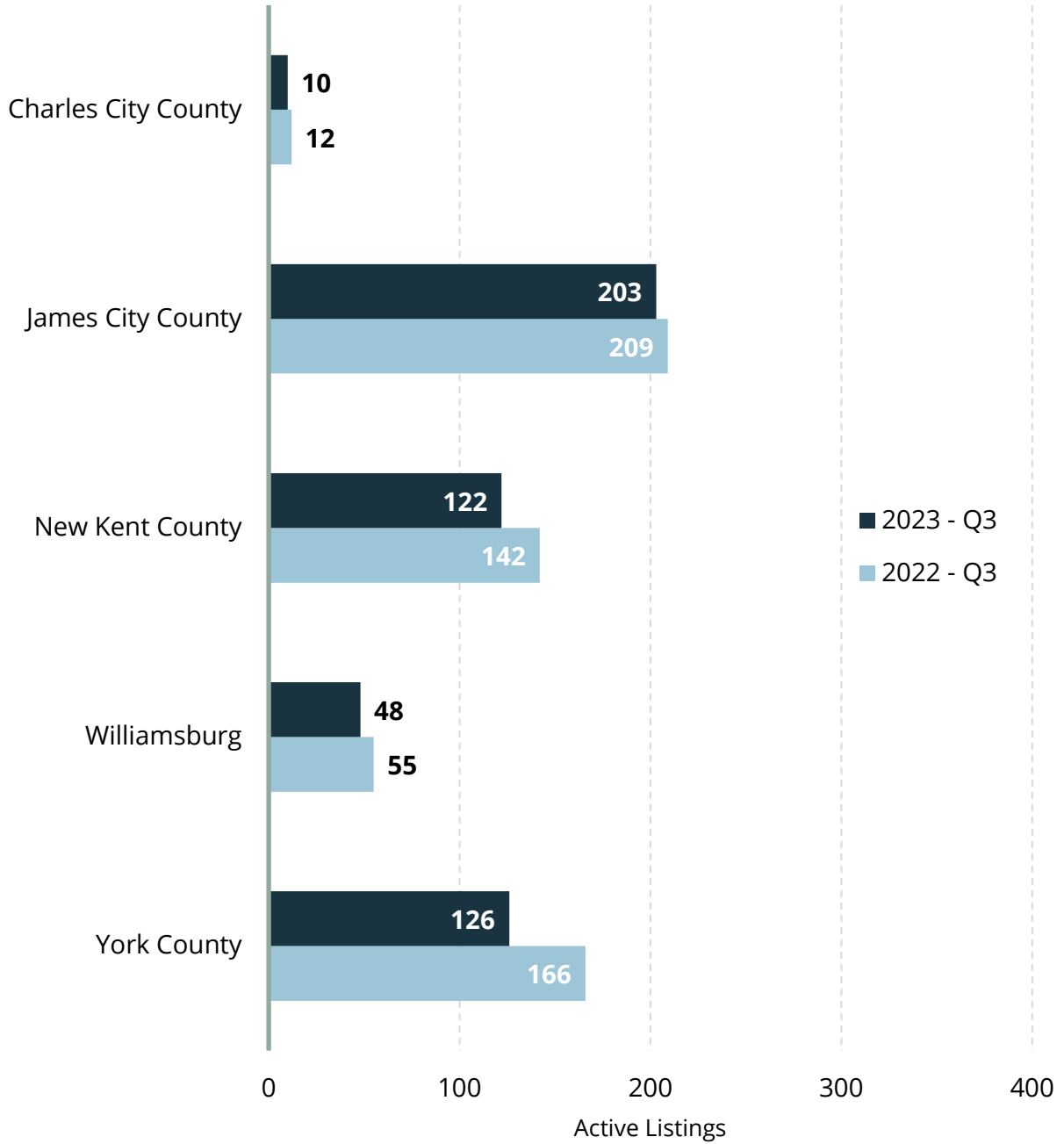
James City County: At the end of the third quarter, there were 203 active listings in James City County, six fewer than this time last year, a 3% decline.

New Kent County: There were 122 active listings in New Kent County at the end of the third quarter, a 14% drop from last year (-20 listings).

Williamsburg: Williamsburg had 48 active listings at the end of the third quarter, seven fewer than last year, a 13% drop.

York County: At 126, the number of active listings fell by 24% at the end of the third quarter compared to a year ago in York County, which is 40 fewer listings.

Figure 13
End of Third Quarter Active Listings, WAAR 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%