

CAAR CHARLOTTESVILLE AREA HOME SALES REPORT

CUSTOM REPORT PREPARED BY
VIRGINIA REALTORS®

CAAR Home Sales Report

Third Quarter 2023

Charlottesville Area Association of REALTORS®

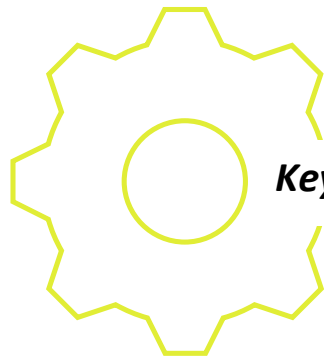
Market Report Key Takeaways

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 CAAR region, the unemployment rate was 2.8% in August, down from 2.9% last year.
- 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 CAAR region. There were 980 homes sold in the CAAR market during the third quarter, 226 fewer sales than a year ago, reflecting a 19% drop.
- While sales activity has been sluggish, home prices continue to climb. The median sales price in the CAAR footprint in the third quarter was \$440,000, rising 9% from the third quarter last year.
- The inventory in the CAAR housing market is tightening. There were 737 active listings on the market at the end of the third quarter, an 11% reduction from last year.



Key Trends Dashboard, CAAR

Economy



2.8%

Is the Aug-2023 **unemployment rate** in the CAAR footprint, which is down 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



-226

Fewer **home sales** in the CAAR footprint in Q3-2023 compared to last year



9%

Percent change in **median sales price** in the CAAR region in Q3-2023 compared to a year ago



-\$60

Million dollars less in total **sold volume** in the CAAR footprint in Q3-2023 compared to last year



-11%

Percent change in **active listings** at the end of Q3-2023 in the CAAR market compared to a year ago



2.4

Months of supply in the CAAR footprint in Q3-2023, which is up from a year ago

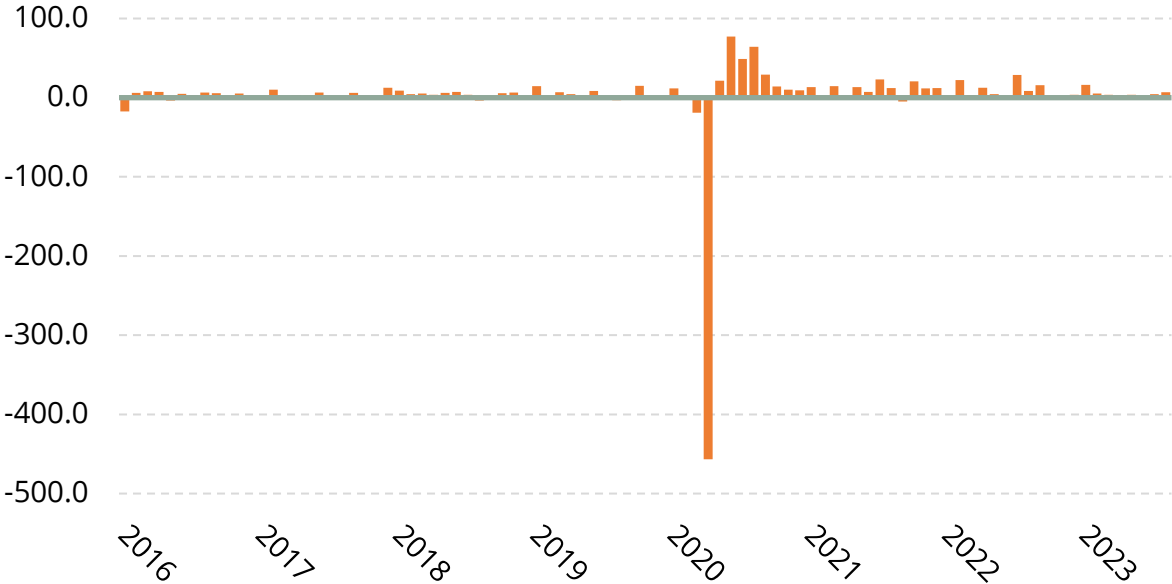
Economic Overview

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

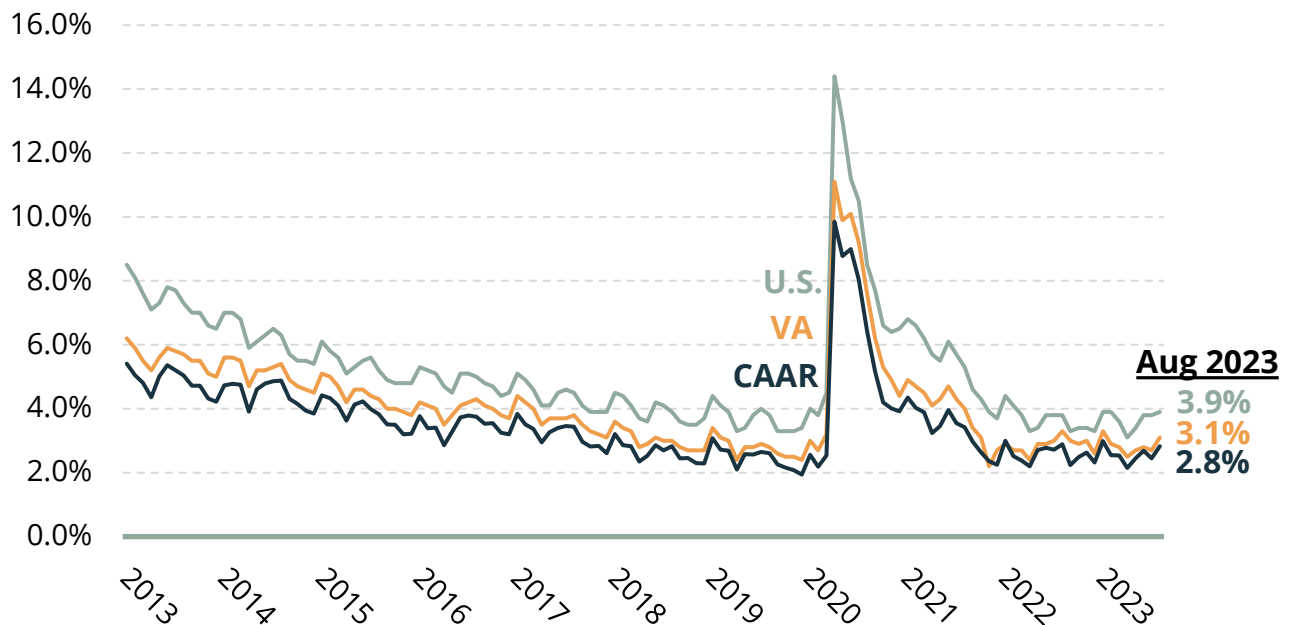


Source: U.S. Bureau of Labor Statistics, Seasonally Adjusted

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 CAAR footprint, the August unemployment rate was 2.8%, which is down from 2.9% a year ago.

Figure 2
Unemployment Rate

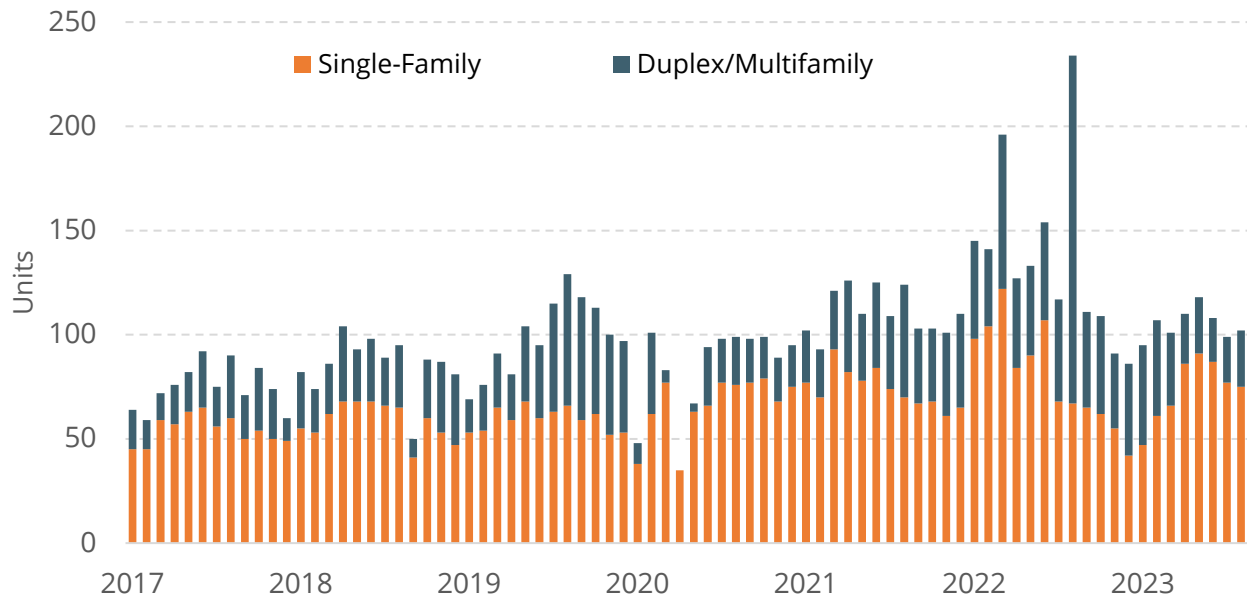


Source: U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics

New Construction

Building permits are down from last year for both single-family and multifamily residential buildings. There have been 840 permits issued so far in 2023 (January through August) in the Charlottesville MSA, which is down from 1,247 at this time last year, reflecting a 33% drop. Permits for single-family homes are down by 20%, while permits for multifamily construction are down by 51% from last year.

Figure 3
Monthly Permits for New Residential Construction
Charlottesville Metropolitan Area



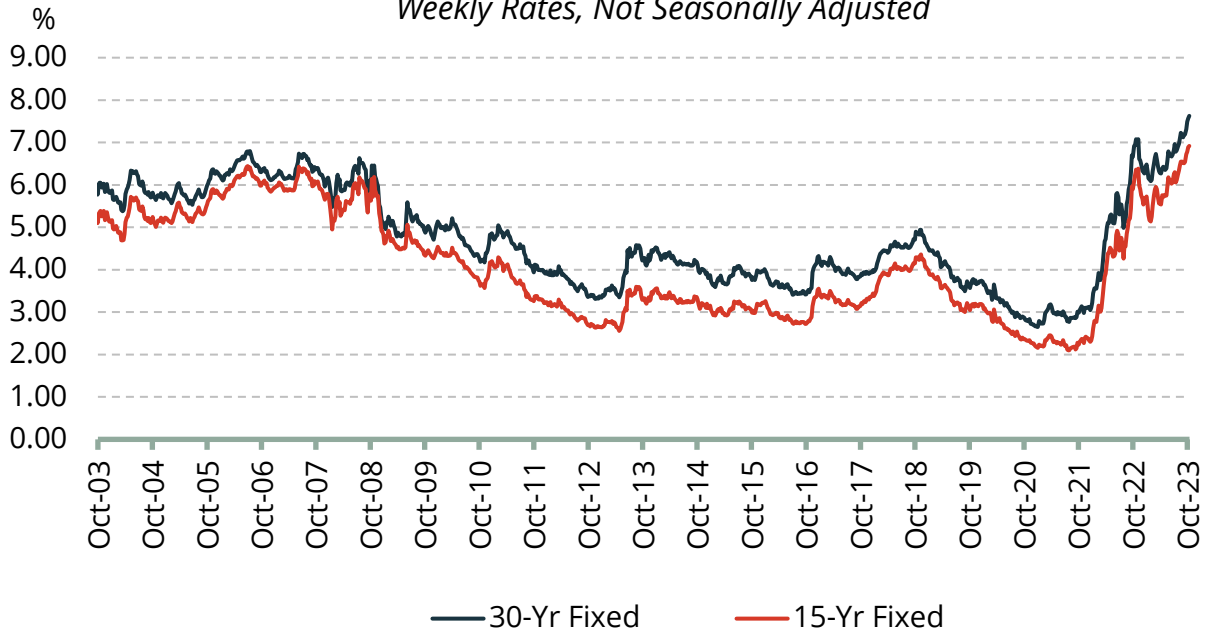
Source: U.S. Census Bureau

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

Mortgage Rates

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

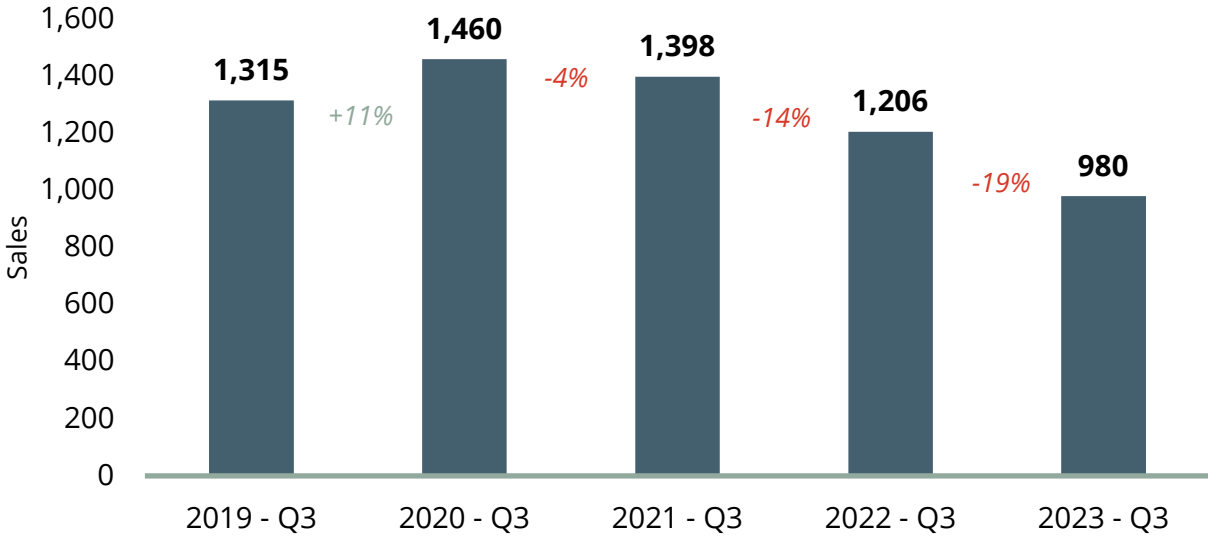
Housing Market Overview

Climbing mortgage rates and tight inventory conditions are keeping activity in the CAAR 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.

Sales

Sales activity continues to be subdued in the CAAR housing market. There were 980 homes sold across the region in the third quarter, which is 226 fewer sales than this time last year, representing a 19% decline. This is the slowest third quarter the area has experienced in more than a decade 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.

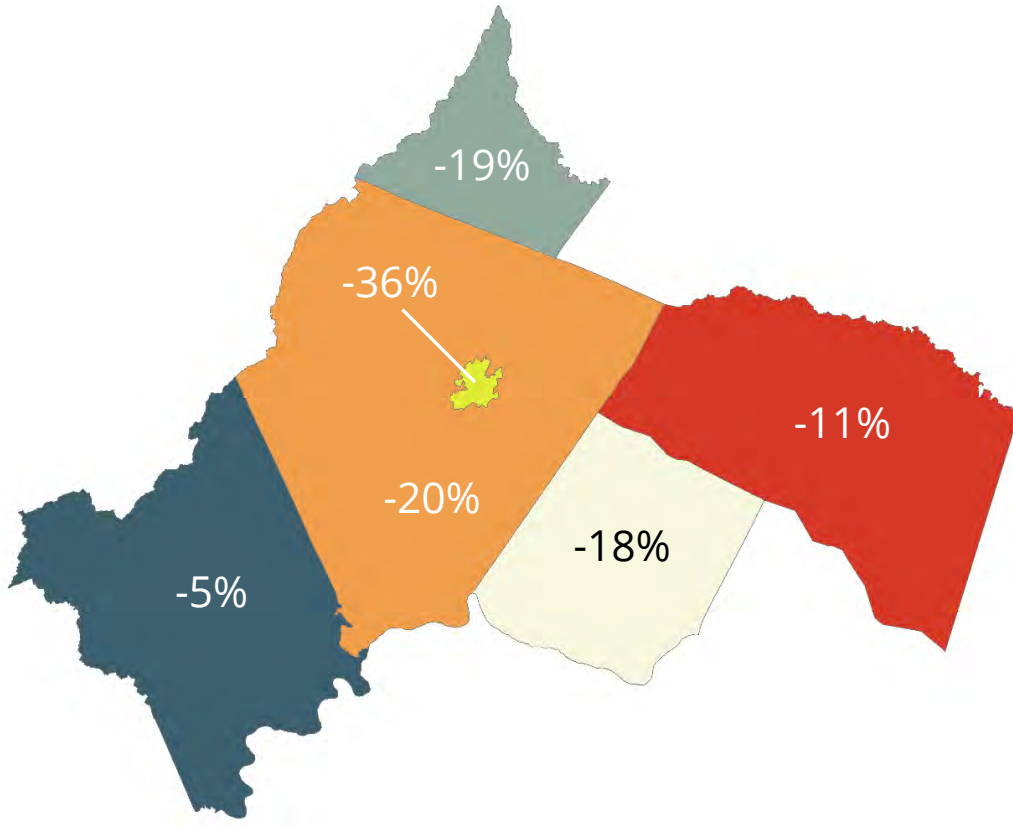
Figure 5
Third Quarter Home Sales, CAAR
2019-2023



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

Figure 6
Change in Sales by Jurisdiction
CAAR

Third Quarter 2022 to Third Quarter 2023



<i>Jurisdiction</i>	<i>2022 - Q3</i>	<i>2023 - Q3</i>	<i>% Change</i>
Albemarle County	513	411	-20%
Charlottesville	146	93	-36%
Fluvanna County	152	124	-18%
Greene County	72	58	-19%
Louisa County	220	196	-11%
Nelson County	103	98	-5%

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

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

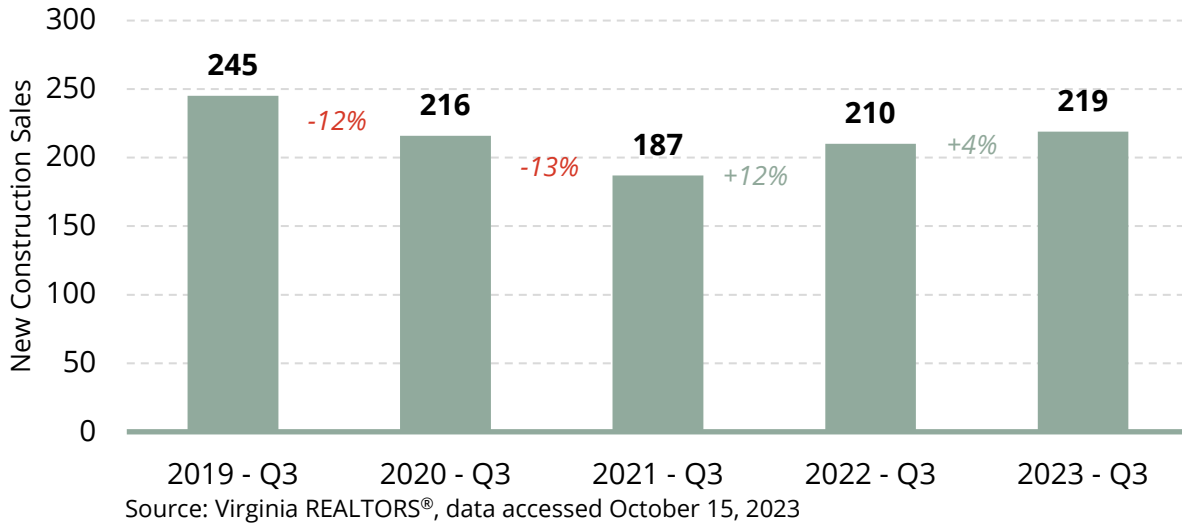
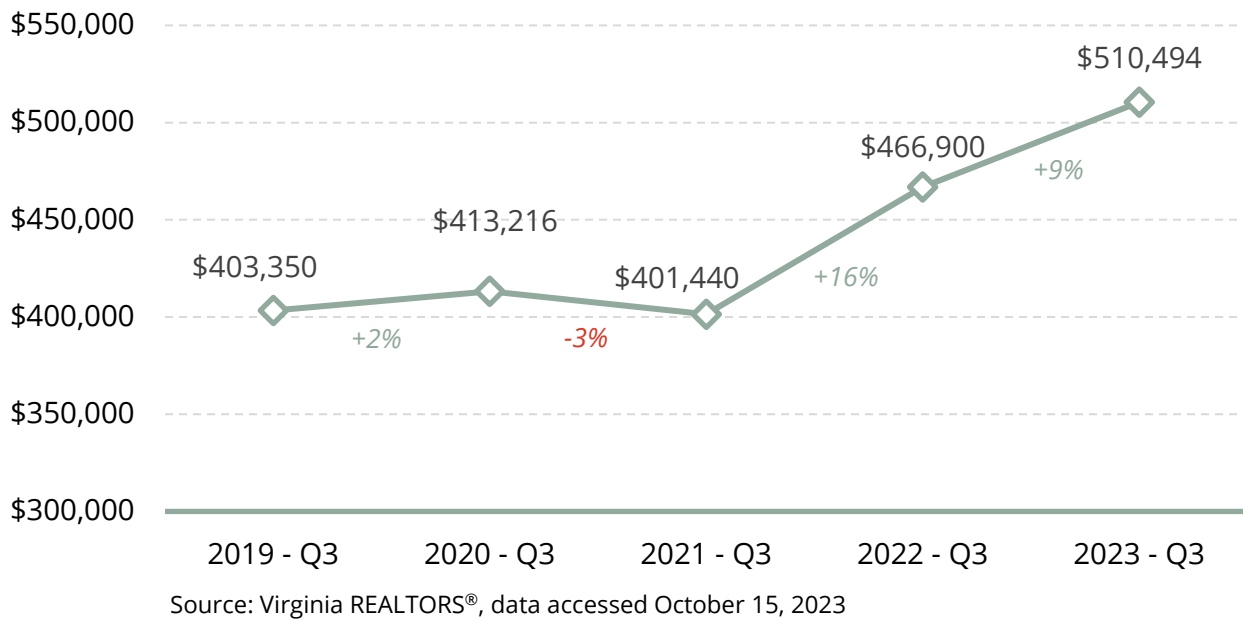


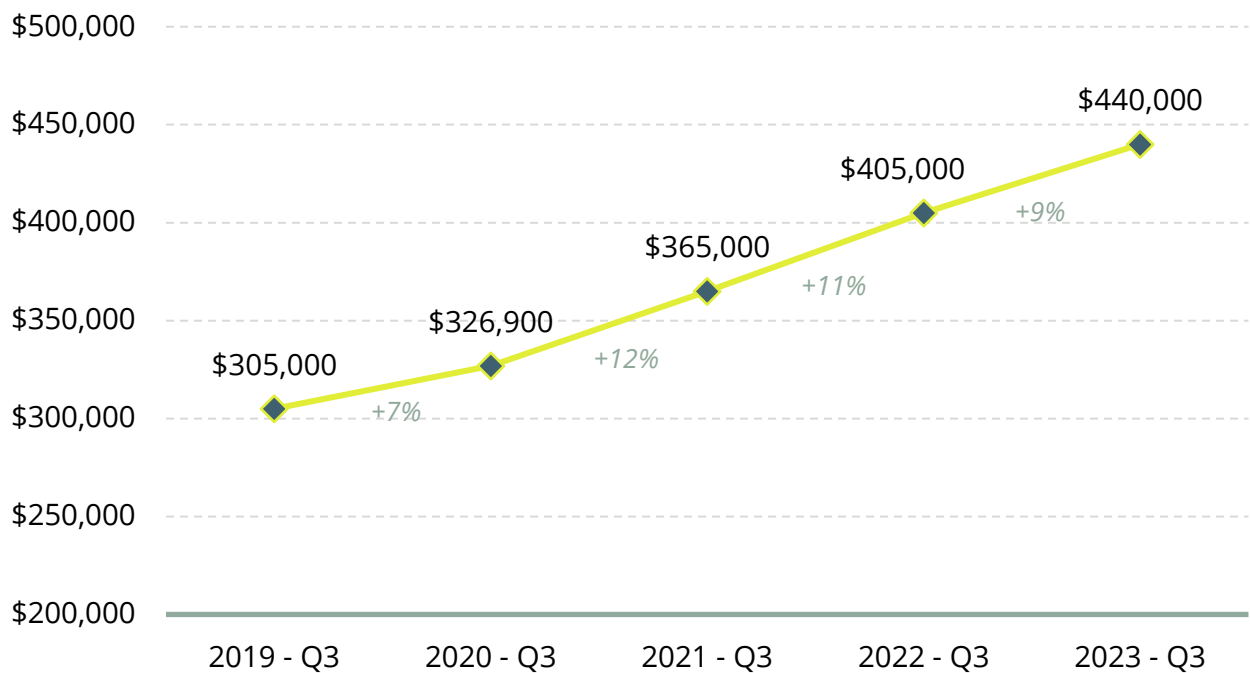
Figure 8
Third Quarter New Construction Median Sales Price, CAAR
 2019-2023



Sales Prices

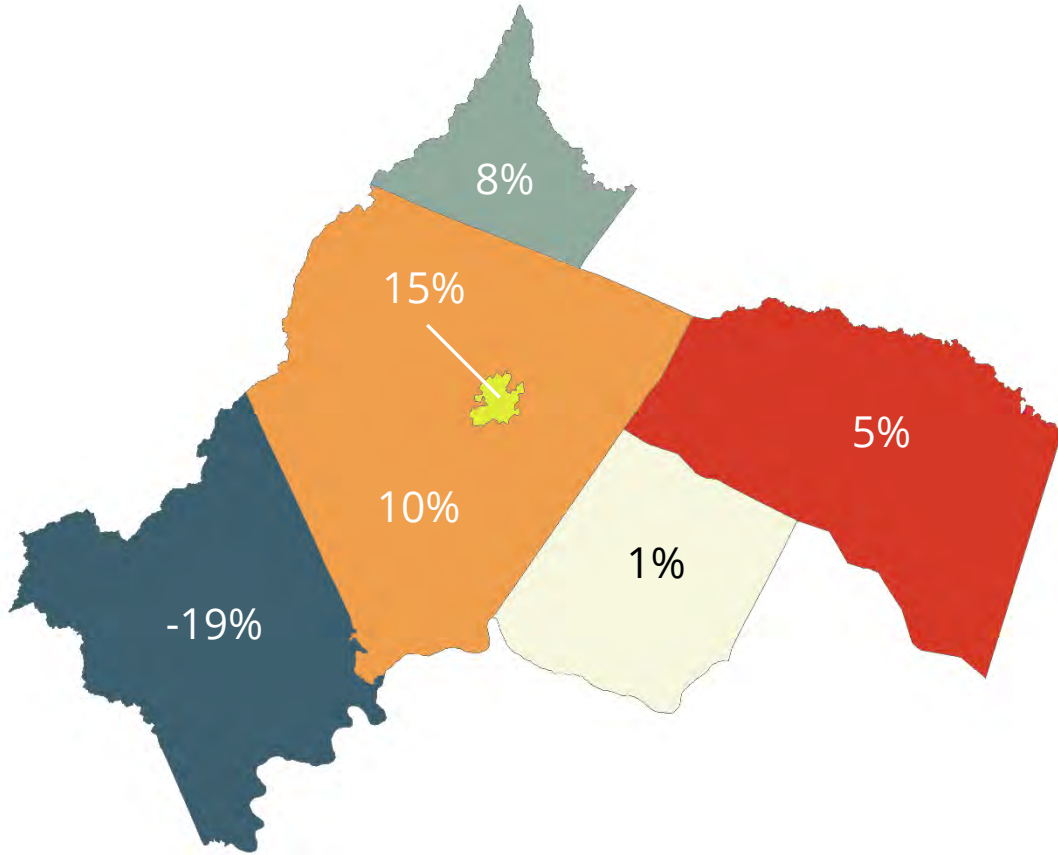
Home prices continue to rise across most of the CAAR footprint despite the slowdown in sales. The regionwide median sales price was \$440,000 in the third quarter. This is a 9% increase from the median sales price a year ago, which is a \$35,000 price jump. Tight inventory conditions are driving up home 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 9
Third Quarter Median Sales Price, CAAR
2019-2023



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

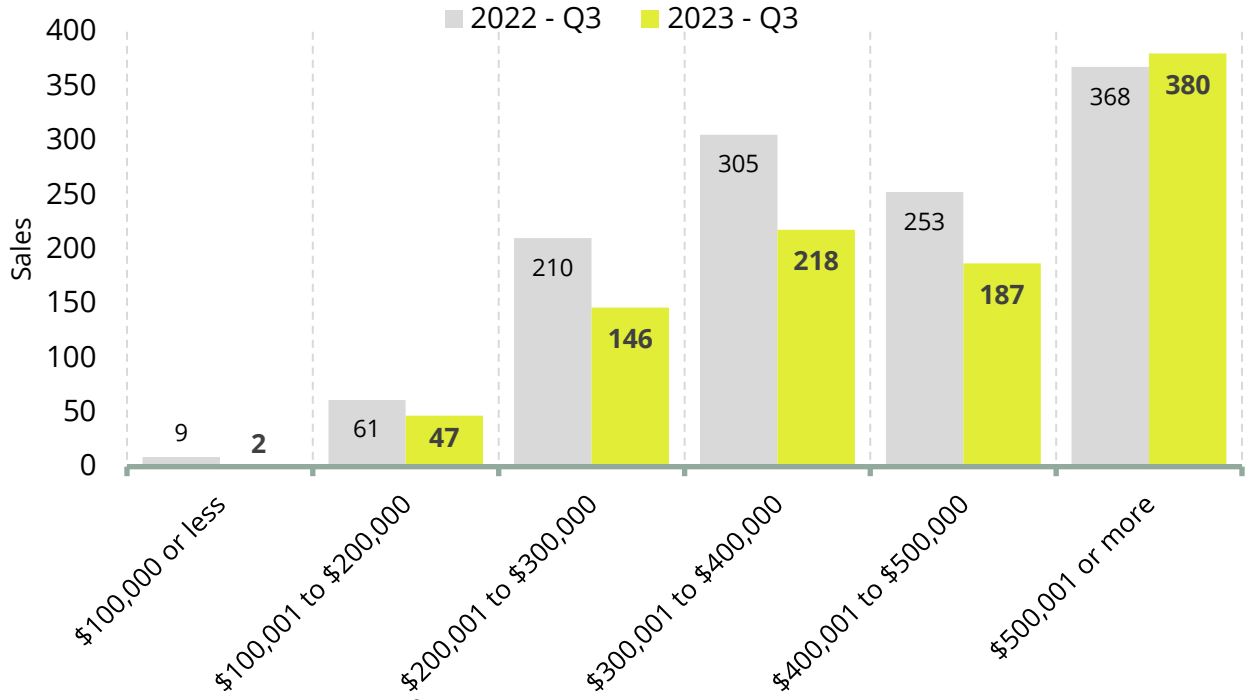
Figure 10
Change in Median Sales Price by Jurisdiction
CAAR
Third Quarter 2022 to Third Quarter 2023



<i>Jurisdiction</i>	<i>2022 - Q3</i>	<i>2023 - Q3</i>	<i>% Change</i>
Albemarle County	\$472,000	\$520,000	10%
Charlottesville	\$405,000	\$464,000	15%
Fluvanna County	\$360,000	\$365,000	1%
Greene County	\$332,500	\$359,450	8%
Louisa County	\$375,000	\$394,950	5%
Nelson County	\$400,000	\$325,000	-19%

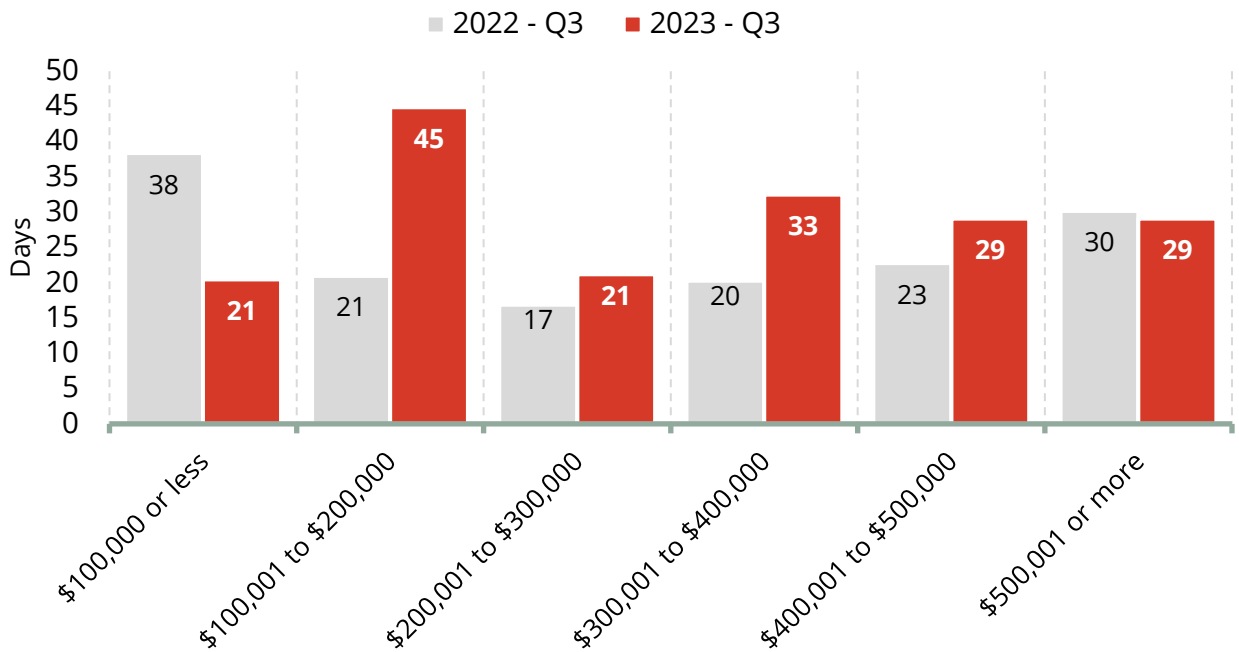
Source: Virginia REALTORS®, data accessed October 15, 2023

Figure 11
Third Quarter Sales Price Range Distribution - CAAR



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

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

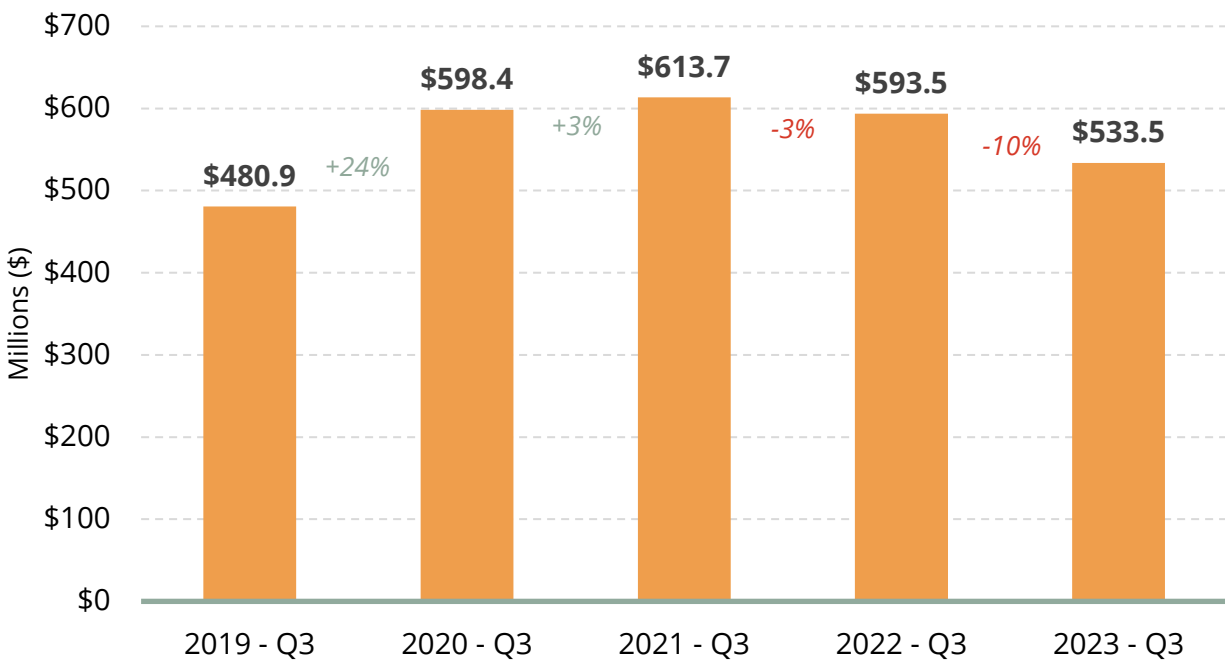


Source: Virginia REALTORS®, data accessed October 15, 2023

Sold Volume

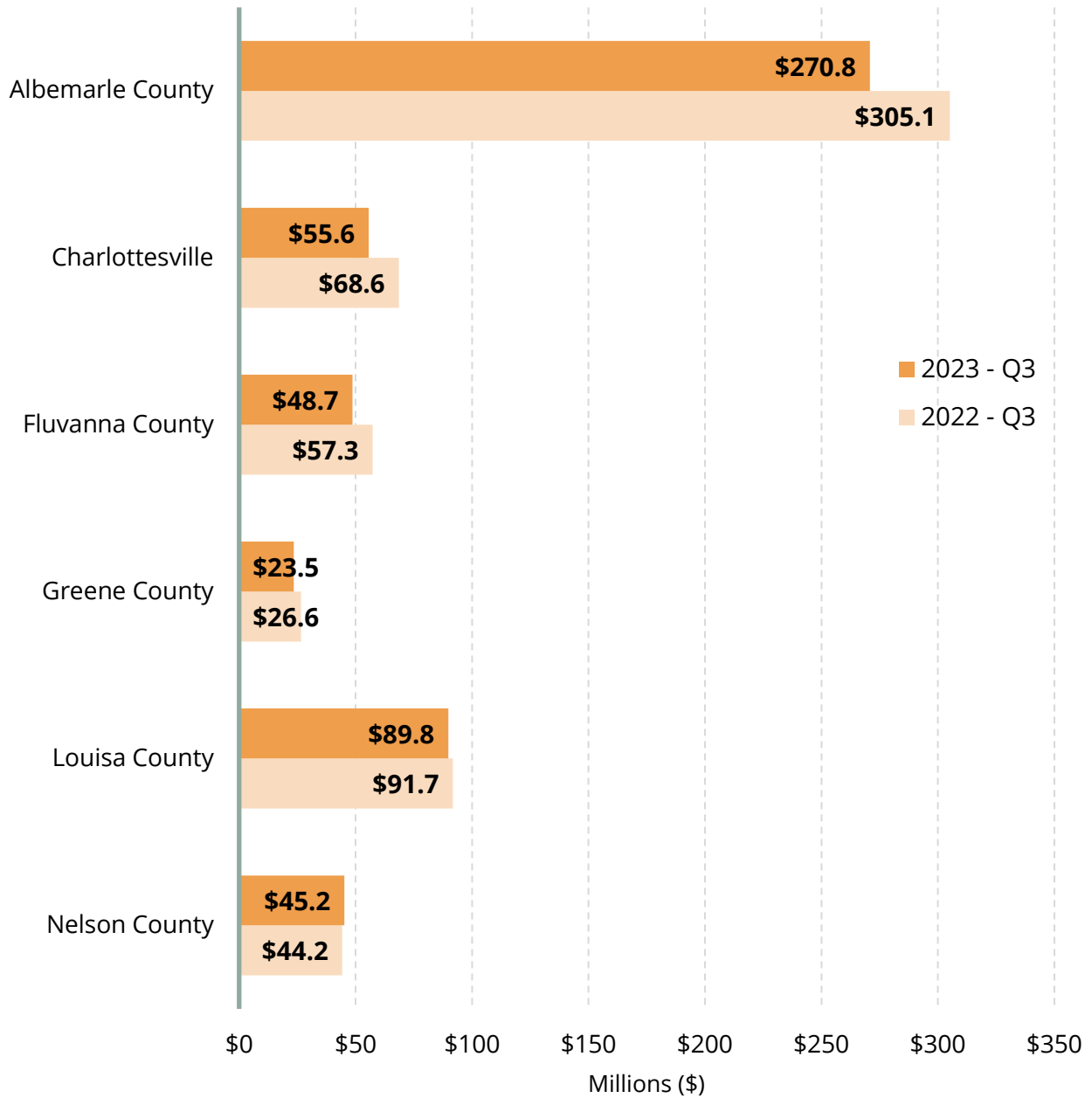
The sharp decrease in sales is driving down the total sold dollar volume in the CAAR regional housing market. There was approximately \$533.5 million of sold volume across the CAAR footprint in the third quarter, a decrease of \$60 million from a year ago. This is a 10% reduction in sold volume for the region's housing market, the fifth straight quarterly volume drop, a clear signal of cooling market conditions.

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



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

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

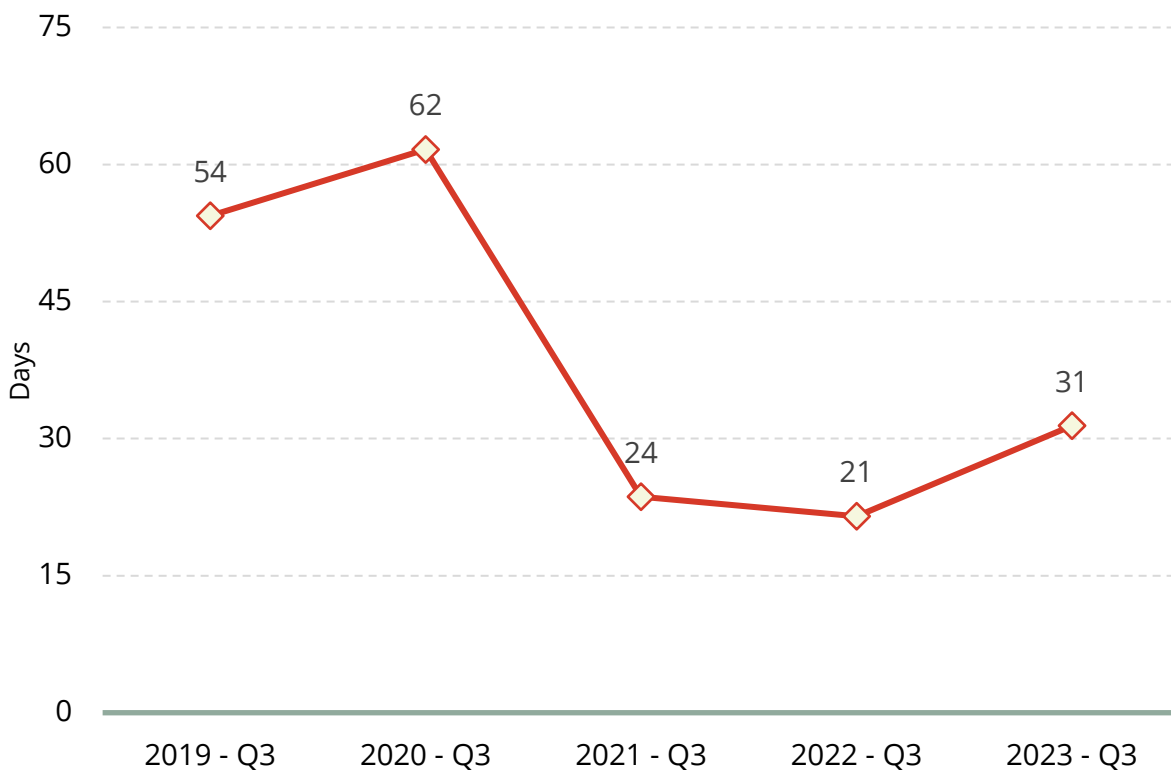


Source: Virginia REALTORS®, data accessed October 15, 2023

Days on Market

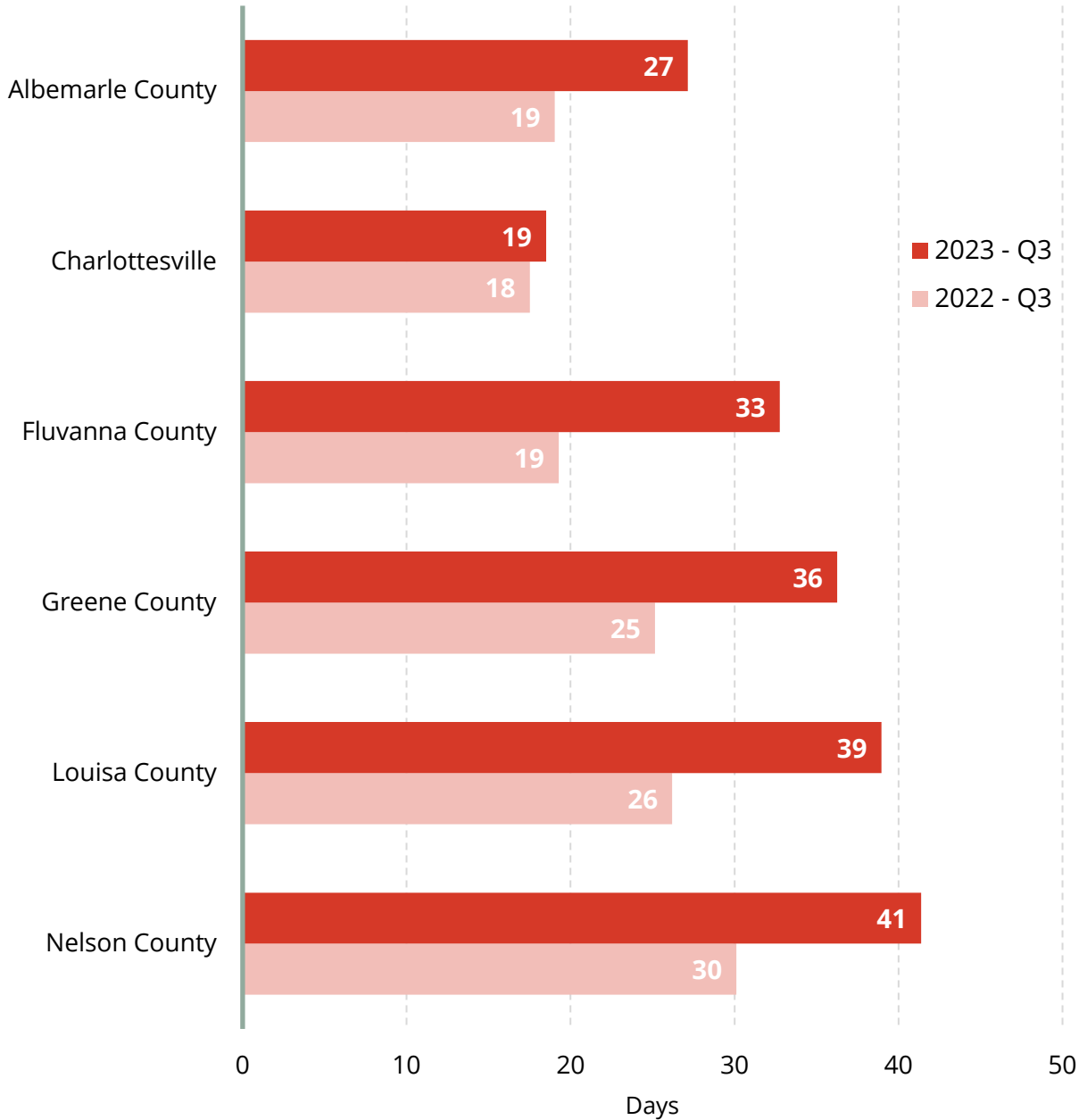
As the market has slowed, it's taking longer on average to sell homes in the CAAR region. That being said, the market remains competitive, and the average days on market is still low compared to pre-2020 levels due to the inventory shortage. The regionwide average days on market in the third quarter was 31 days, which is 10 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 15
Third Quarter Average Days on Market, CAAR
2019-2023



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

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



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

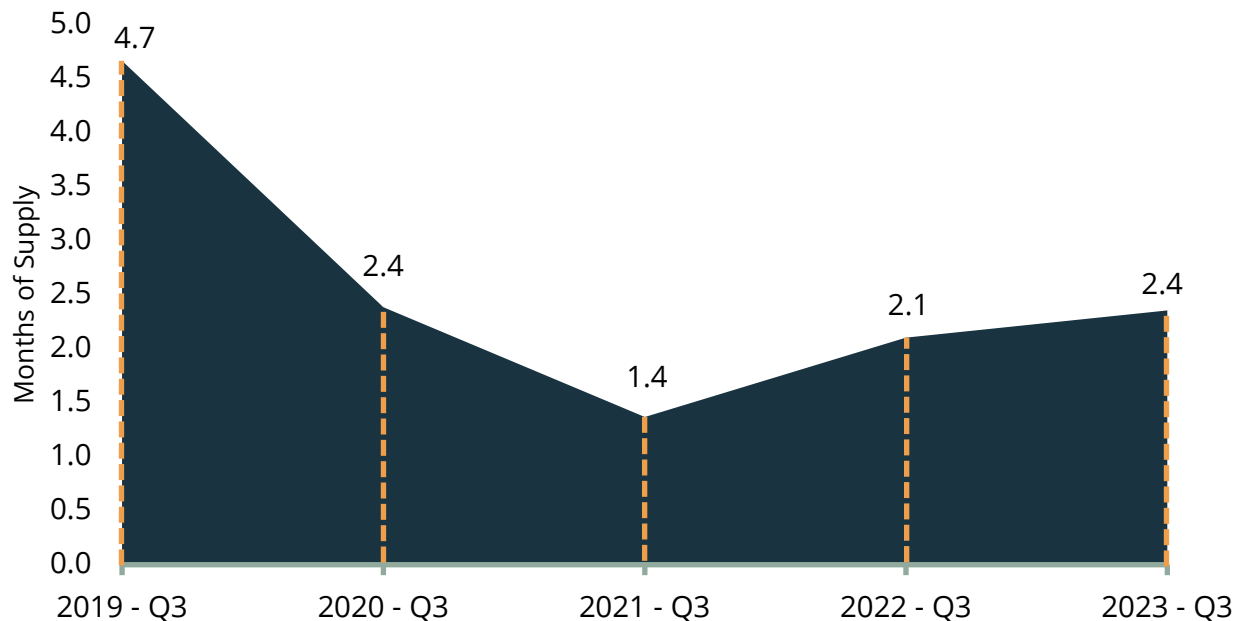
Inventory

Inventory levels continue to tighten across most of the CAAR housing market. There were 737 active listings on the market across the region at the end of the third quarter, which is 92 fewer listings than were on the market at this time a year ago, reflecting an 11% 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.

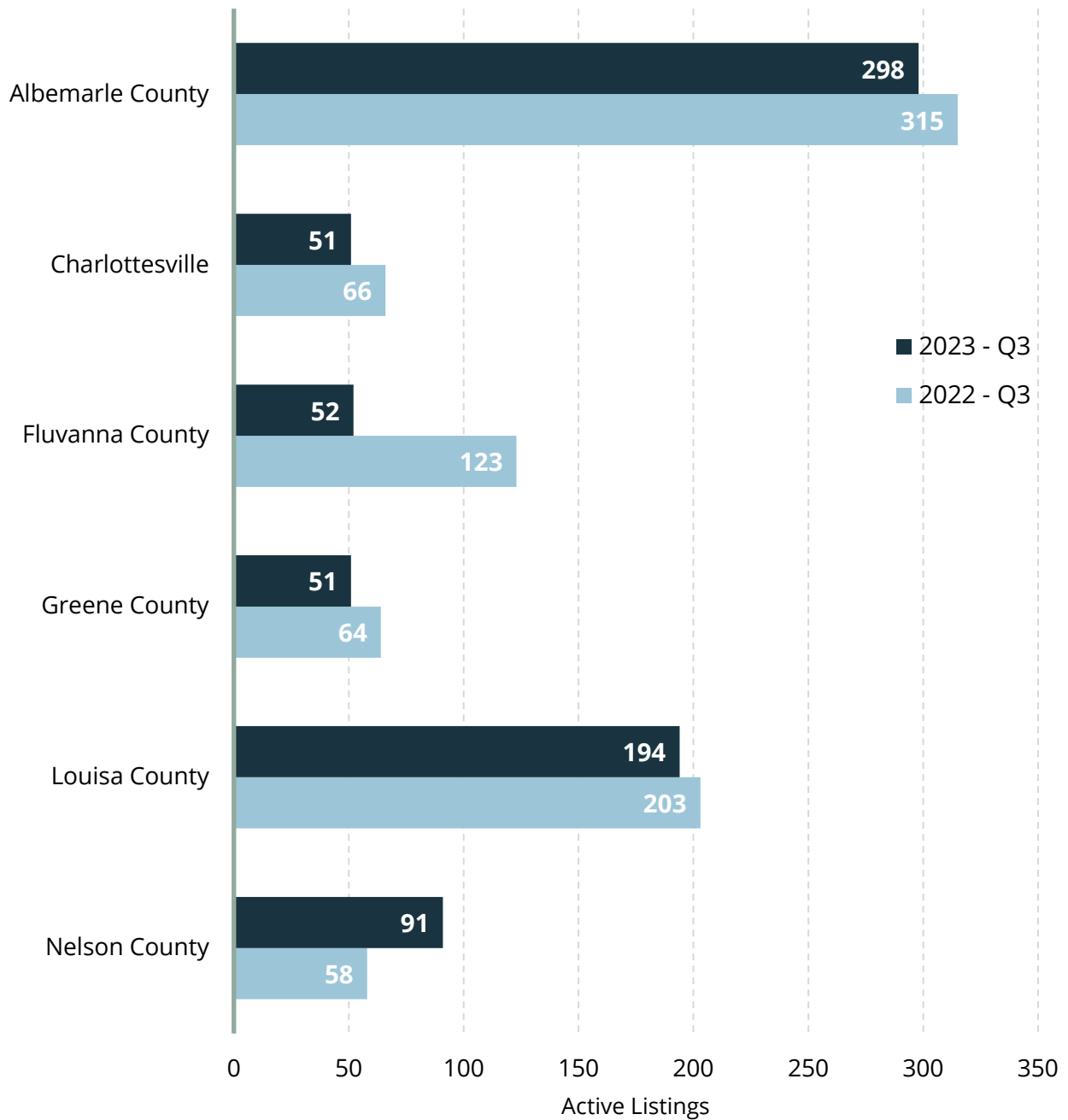
There was about 2.4 months of supply at the end of the third quarter in the CAAR footprint, which is up from 2.1 months a year ago. The months of supply metric is calculated by taking the average monthly sales over the preceding 12-month period and dividing it by the inventory of active listings. Statewide, there was about 2.1 months of supply at the end of the third quarter.

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



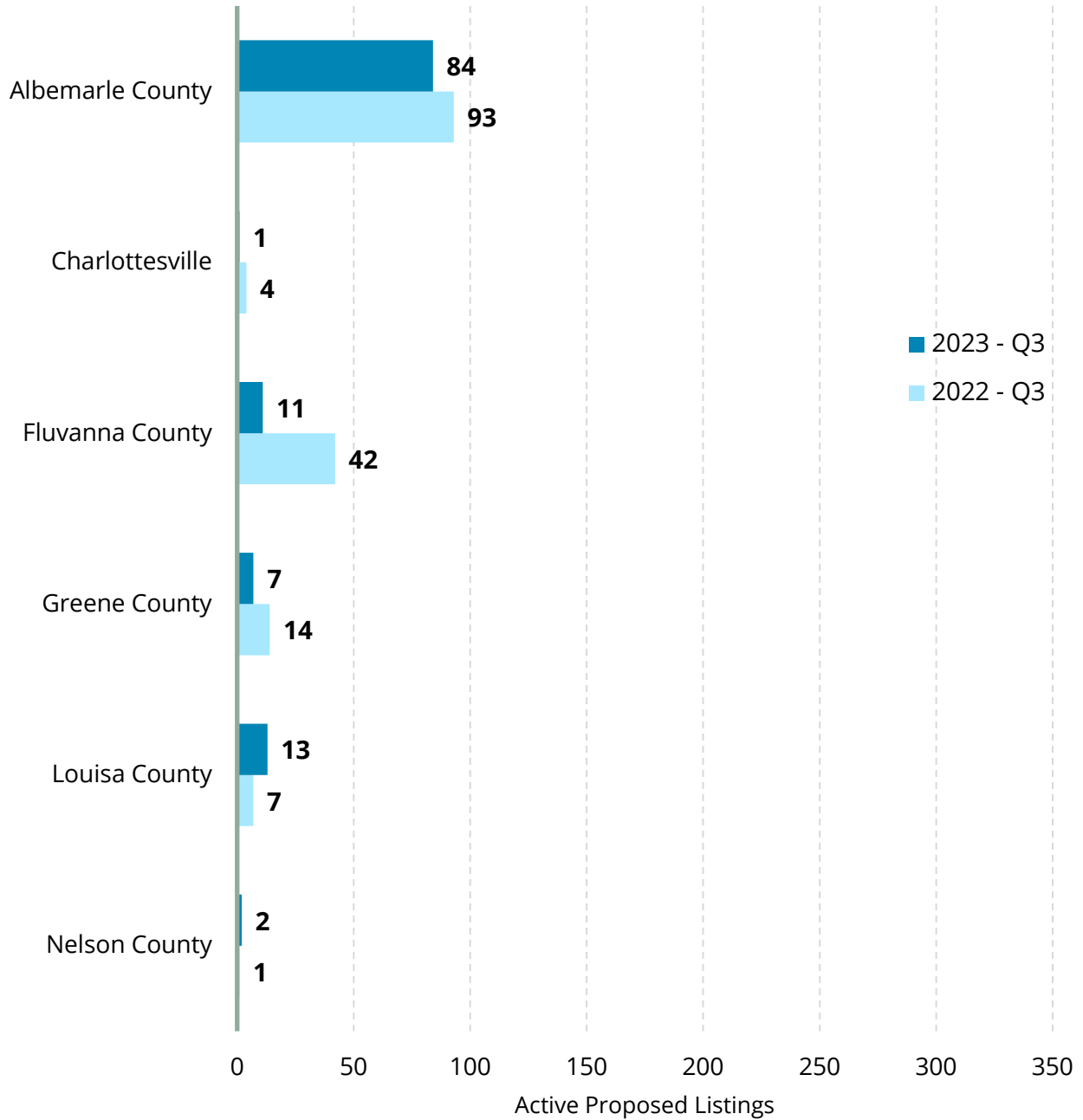
Source: Virginia REALTORS®, data accessed October 15, 2023

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



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

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



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



Local Snapshot – *Albemarle County*

Sales: In Albemarle County, sales activity continues to trend down. There were 411 sales during the third quarter in the county, down 102 sales from the year before, a 20% decline.

Median Sales Price: In the third quarter, the median sales price was \$520,000 in Albemarle County, increasing 10% from a year ago, a gain of \$48,000.

Sold Volume: Total sold dollar volume was \$270.8 million in Albemarle County during the third quarter, 11% less than last year, a \$34.3 million drop.

Active Listings: The number of active listings dipped in Albemarle County this quarter. There were 298 active listings at the end of the third quarter, 17 fewer listings than last year, a 5% decrease.

Days on Market: The average days on market was 27 days during the third quarter in Albemarle County, eight days longer than a year earlier.



Local Snapshot – *Charlottesville*

Sales: The number of sales dropped in Charlottesville this quarter. In the third quarter, there were 93 sales in the city, down 36% from a year earlier, which is 53 fewer sales.

Median Sales Price: The median sales price jumped in Charlottesville this quarter. In the third quarter, the median home price was \$464,000, which is 15% higher than the year before, a \$59,000 gain.

Sold Volume: Sold dollar volume went down for the fifth straight quarter in Charlottesville. The sold volume was \$55.6 million in the third quarter, \$13 million less than last year, a 19% decrease.

Active Listings: In Charlottesville, there were 51 active listings on the market at the end of the third quarter, 15 fewer listings than a year ago, declining by 23%.

Days on Market: In the third quarter, the average days on market was 19 days in Charlottesville, just one day more than the previous year.



Local Snapshot – *Fluvanna County*

Sales: Sales fell in Fluvanna County with 124 sales in the third quarter, 28 fewer sales than the year before, decreasing by 18%.

Median Sales Price: The sales price in Fluvanna County was \$365,000 during the third quarter, up \$5,000 from last year, a 1% increase.

Sold Volume: In Fluvanna County, sold dollar volume reached \$48.6 million in the third quarter, declining 15% compared to a year ago, an \$8.6 million reduction in volume.

Active Listings: At the end of the third quarter, there were 52 listings in Fluvanna County, down 58% from last year, which is 71 fewer listings. This is the third consecutive quarter in which listings have decreased in the county.

Days on Market: Homes in Fluvanna County were on the market an average of 33 days in the third quarter, taking 13 days longer to sell than the year before.



Local Snapshot – *Greene County*

Sales: Sales activity fell for the fifth consecutive quarter in Greene County. In the county, there were 58 sales during the third quarter, 14 fewer sales compared to the same time last year, a 19% decrease.

Median Sales Price: In Greene County, the median price of a home was \$359,450 in the third quarter, \$26,950 more than a year earlier, an 8% increase.

Sold Volume: Despite the gain in median home prices, the drop in sales led to less sold dollar volume in Greene County. In the third quarter, the sold volume was \$23.4 million in the county, down \$3.2 million from the previous year, a 12% reduction.

Active Listings: Greene County had fewer active listings on the market this quarter. There were 51 active listings in the county at the end of the third quarter, falling 20% from a year ago, which is 13 fewer listings.

Days on Market: At 36 days, the average days on market in Greene County was 11 days slower compared to the same time last year.



Local Snapshot – *Louisa County*

Sales: In the third quarter, there were 196 sales in Louisa County, dropping 11% from the previous year, which is 24 fewer sales.

Median Sales Price: Home prices continued to rise in Louisa County. In the county, the median sales price was \$394,950 in the third quarter, up \$19,950 from a year ago, a gain of 5%.

Sold Dollar Volume: In Louisa County, sold dollar volume inched down this quarter. There was about \$89.7 million of sold dollar volume in the third quarter, down just 2% from the year prior, a \$1.9 million decrease.

Active Listings: After seven straight quarters of growth, the number of active listings decreased in Louisa County this quarter. There were 194 active listings at the end of the third quarter, nine fewer listings than last year, a 4% reduction.

Days on Market: In Louisa County, the average days on market was 39 days during the third quarter, staying on the market 13 days longer than a year earlier.



Local Snapshot – *Nelson County*

Sales: In Nelson County, there were 98 sales during the third quarter, five fewer sales than last year, a 5% decline.

Median Sales Price: The median sales price fell for the fourth straight quarter in Nelson County. In the third quarter the median home price was \$325,000 in the county, falling 19% from the year before, a \$75,000 price reduction.

Sold Dollar Volume: Sold dollar volume was up for the first time in five quarters in Nelson County. There was approximately \$45.1 million of sold volume during the third quarter, about \$958,000 more than a year ago, a 2% increase.

Active Listings: The number of active listings increased in Nelson County this quarter. In the county, there were 91 listings on the market at the end of the third quarter, up 57% from a year earlier, which is 33 additional listings.

Days on Market: Homes took longer to sell in Nelson County. The average days on market was 41 days in the third quarter, 11 days slower than the same time last 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.