

CAAR CHARLOTTESVILLE AREA HOME SALES REPORT

CUSTOM REPORT PREPARED BY
VIRGINIA REALTORS®

CAAR Home Sales Report

Second Quarter 2022

Charlottesville Area Association of REALTORS®

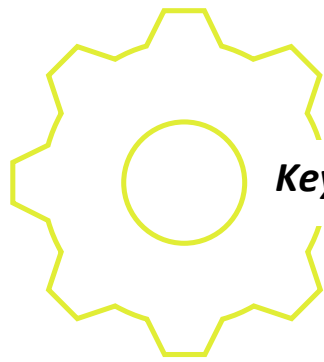
Market Report Key Takeaways

Economic Conditions

- Virginia's job market continues to recover from the pandemic-related losses. The state added 6,600 jobs between April and May and is now about 42,200 jobs short of pre-pandemic levels. Most of the growth this month was in the Leisure and Hospitality sector.
- Despite growing economic uncertainty and rising inflation, unemployment remains very low. In May, the unemployment rate was 3% statewide and 2.7% in the Charlottesville region.
- Mortgage rates are on the rise but have dipped from a month ago. In the third week of July, the average 30-year rate was 5.54%, up from the prior week, but down from the end of June when it was 5.7%.

Housing Market Conditions

- There were 1,380 homes sold in the CAAR area in the second quarter. This is an 11% drop from the second quarter a year ago, which is 165 fewer sales. The market has been cooling in the CAAR region for four consecutive quarters.
- Prices continue to surge in the CAAR footprint even as sales activity is slowing. The median sales price regionwide was \$417,850 in the second quarter, jumping up 11% from a year ago, a gain of \$41,850.
- Supply increased significantly in the CAAR housing market this quarter. There were 741 active listings across the footprint, 163 more listings than last year, a 28% increase.



Key Trends Dashboard, CAAR

Economy



2.7%

Is the May-2022 **unemployment rate** in the CAAR footprint, which is up from Apr-2022



5.54%

Is the **30-year fixed-rate mortgage rate** during the third week of July 2022, which is up 2.76 percentage points from a year ago

Housing Market



-165

Fewer **home sales** in the CAAR footprint in Q2-2022 compared to last year



11%

Percent change in **median sales price** in the CAAR region in Q2-2022 compared to a year ago



\$37.6

Million dollars more in total **sold volume** in the CAAR footprint in Q2-2022 compared to last year



28%

Percent change in **active listings** at the end of Q2-2022 in the CAAR market compared to a year ago



1.8

Months of supply in the CAAR footprint in Q2-2022, which is up from a year ago

Economic Overview

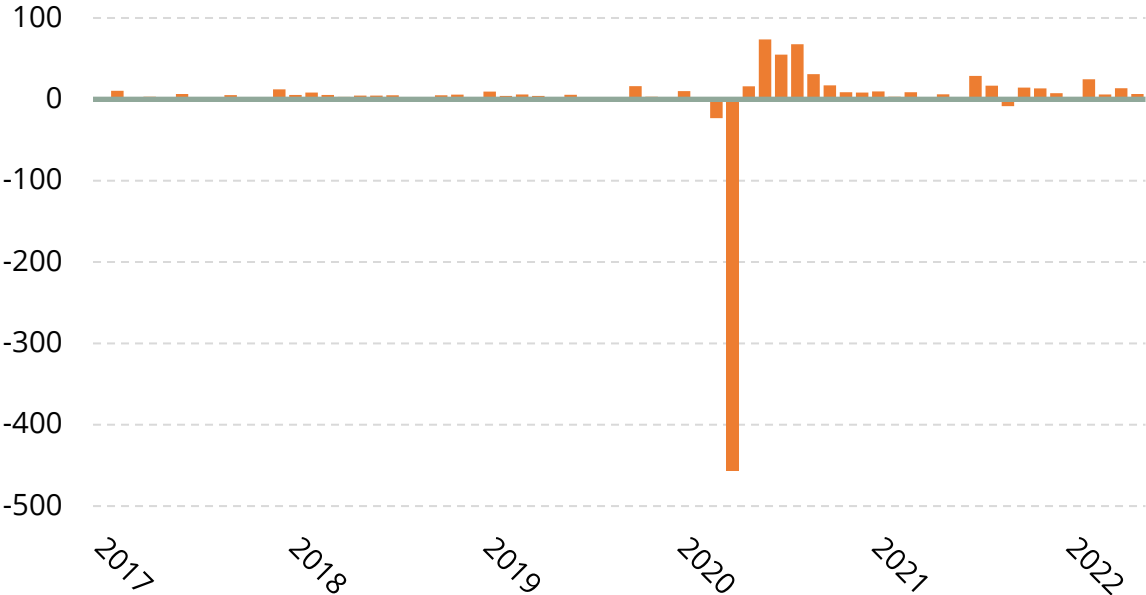
There continues to be a lot of economic uncertainty as inflation lingers at a 40-year high and supply chain issues persist. Mortgage interest rates are climbing, and purchasing power is down, leaving many buyers on the sidelines. Despite these headwinds, Virginia’s job base continues to grow, and unemployment remains very low.

Jobs

In May 2022, there were 4.04 million jobs across Virginia, a gain of 6,600 jobs between April and May. Virginia’s job base has been expanding for the past two years and is now about 46,200 shy of pre-pandemic levels. Several job sectors have fully recovered and have actually expanded since the start of the pandemic, including the Professional and Technical Services sector, and the Federal Government sector. The homeownership rate within these two job sectors tends to be relatively high, so growth in these sectors provides fuel for the housing market in Virginia.

One of the fastest growing job sectors in recent months has been the Leisure and Hospitality sector. This sector was hit the hardest by the pandemic and is still recovering.

Figure 1
Virginia Month-to-Month Change in Jobs

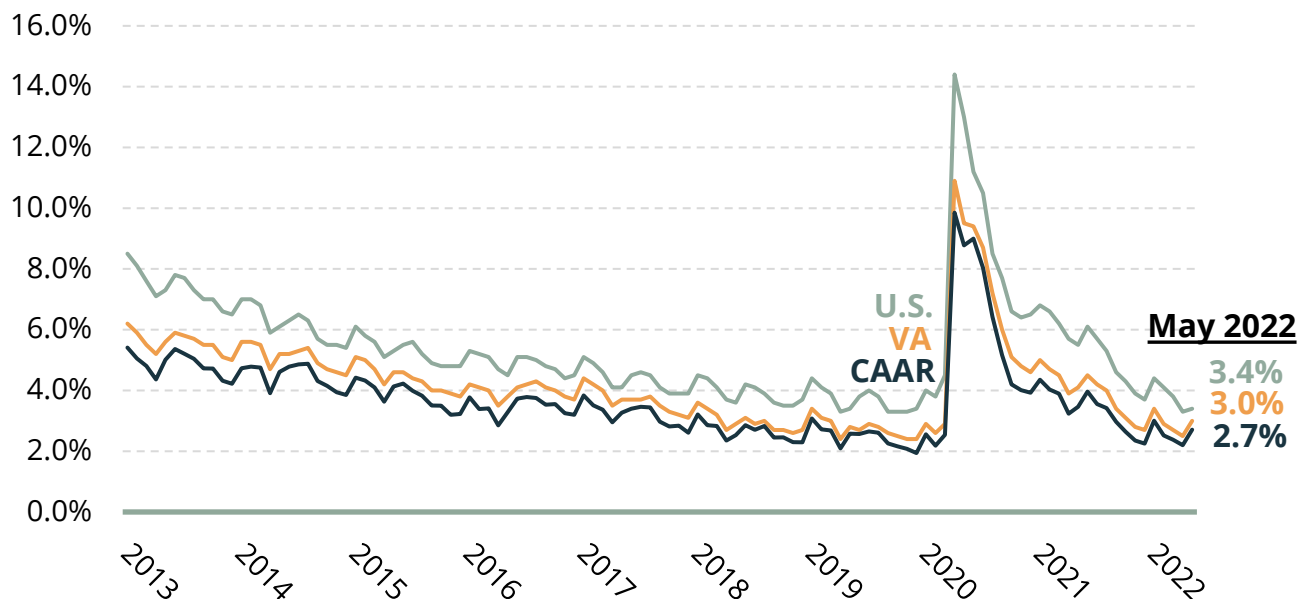


Source: U.S. Bureau of Labor Statistics, Seasonally Adjusted

Unemployment

The unemployment rate continues to be a bright spot in Virginia's economy amid mounting inflation and economic uncertainty. In May, the unemployment rate in Virginia was 3% (not seasonally adjusted), which is up from 2.5% in April. This is a typical seasonal increase in the unemployment rate. In the Charlottesville footprint, the May unemployment rate was 2.7%, which is up from 2.2% in April.

Figure 2
Unemployment Rate

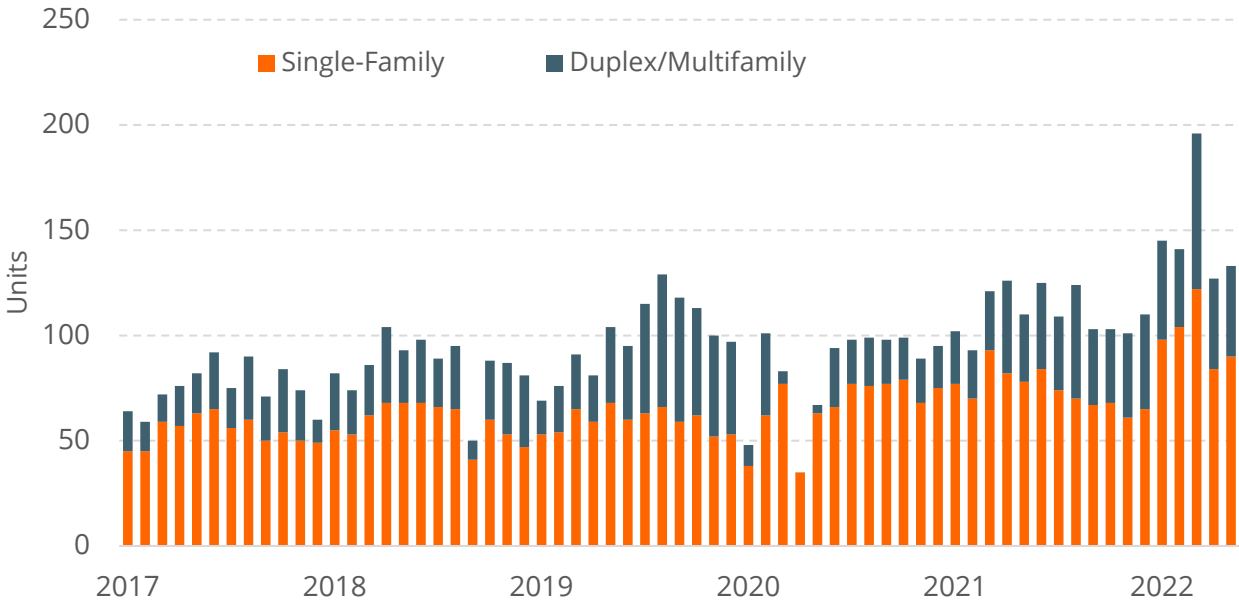


Source: U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics

New Construction

New residential construction permitting in 2022 is outpacing 2021 five months into the year. There have been a total of 742 building permits issued in the Charlottesville MSA through May of 2022, which is 34% higher than permit levels were through May of 2021. Duplex/multifamily permits January through May of this year are up 61% compared to the same period a year ago. Permits for single-family homes are up 25% so far in 2022. This is significant because the total permit activity in 2021 was the highest the region has had in 15 years. If 2022 stays on this same pace, it will be a positive signal for potential housing supply in the region.

Figure 3
Monthly Permits for New Residential Construction
Charlottesville Metropolitan Area



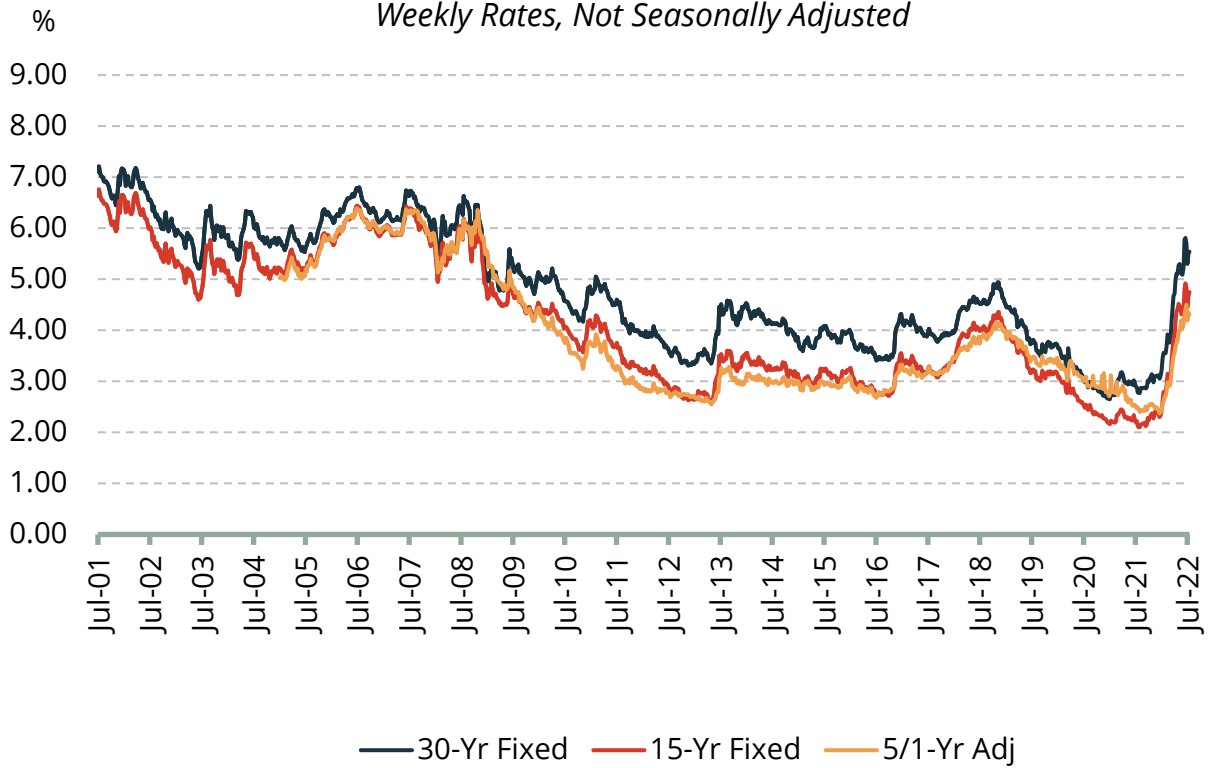
Source: U.S. Census Bureau

Mortgage Rates

The average rate on a 30-year fixed mortgage in the third week of July was 5.54%, which is up from the prior week, but down from the end of June when it was 5.7%. Upward pressure on interest rates is likely to continue as the Federal Reserve is set to increase the Federal Funds Rate at the end of July amid rising inflation. Mortgage rates have increased more than two percentage points so far this year, which has had a cooling effect on housing markets across the country, including here in Virginia.

Figure 4
Mortgage Interest Rates

Weekly Rates, Not Seasonally Adjusted



Source: Federal Reserve Bank of St. Louis

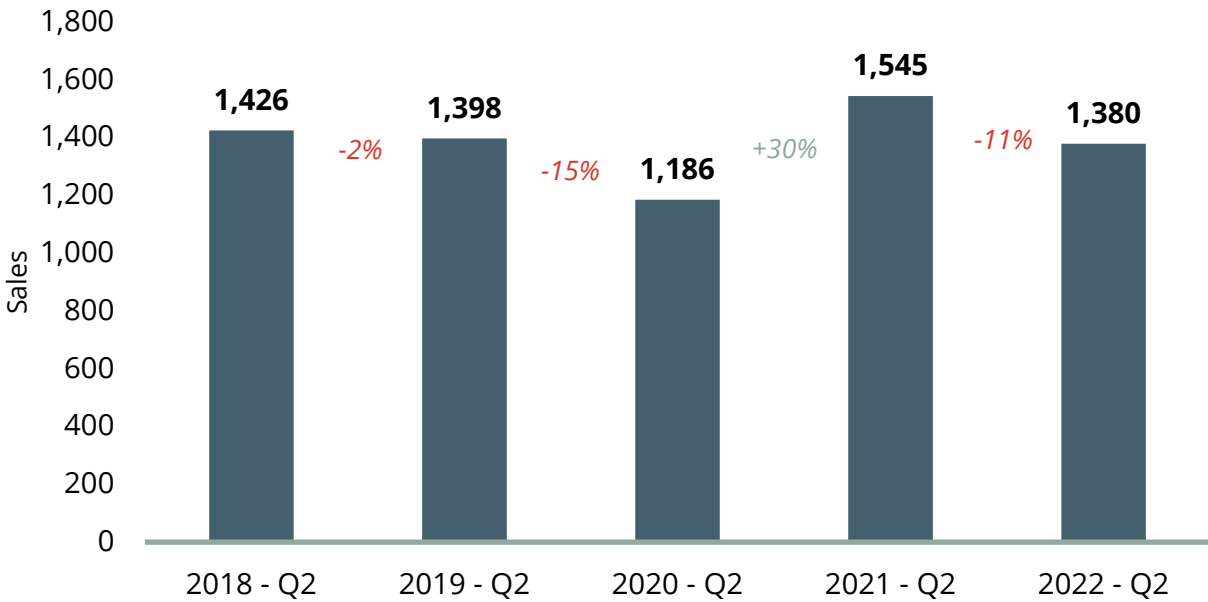
Housing Market Overview

The CAAR housing market continues to show signs of cooling. Sales activity was slower than this time last year, the fourth drop in a row. Despite fewer sales overall, prices continue to climb rapidly across the region, and homes are selling faster on average. The tight inventory is keeping upward pressure on home prices. While the supply remains low, the region did have a large increase in active listings this quarter, a signal that the inventory is building up in some local markets.

Sales

Home sales activity continued to slow down in the CAAR housing market. There were 1,380 sales across the region during the second quarter of 2022, which is 11% fewer sales than a year ago, a decline of 165 sales. This is the fourth consecutive quarter with moderating sales activity. Sales were down all three months in the second quarter (April through June) compared to the busy pace last year. Statewide sales activity moderated this quarter, down 14% from the second quarter of last year.

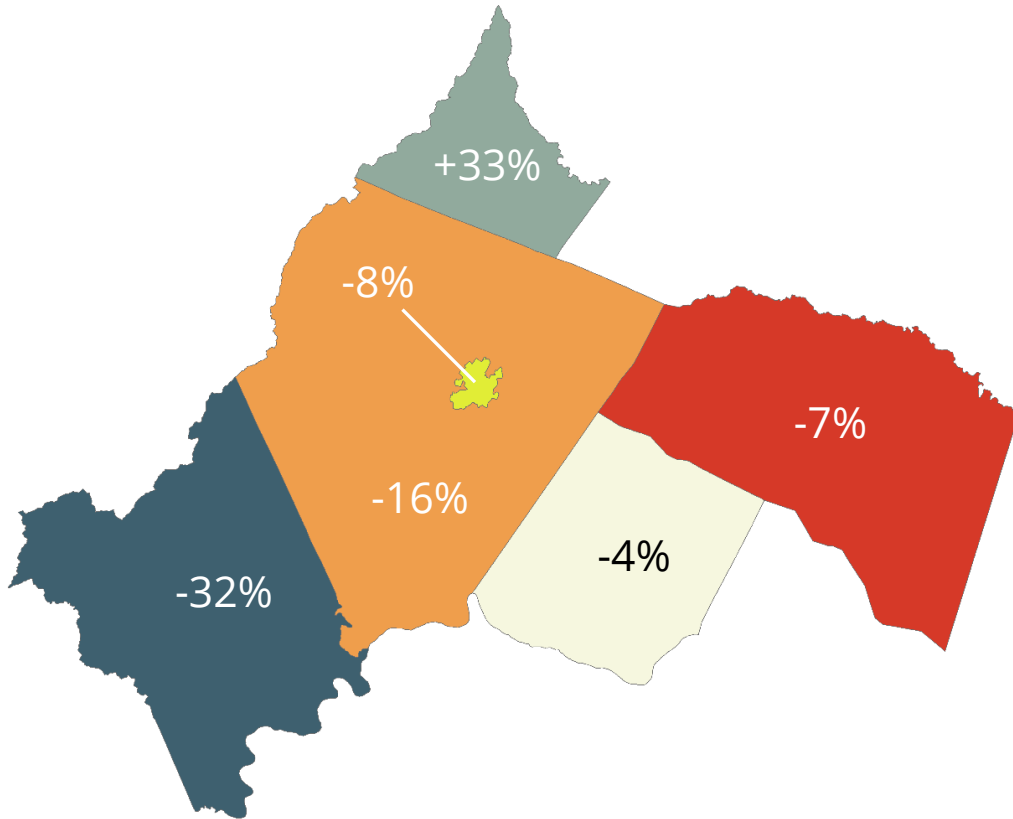
Figure 5
Second Quarter Home Sales, CAAR
2018-2022



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

Figure 6
Change in Sales by Jurisdiction
CAAR

Second Quarter 2021 to Second Quarter 2022



<i>Jurisdiction</i>	<i>2021 - Q2</i>	<i>2022 - Q2</i>	<i>% Change</i>
Albemarle County	679	569	-16%
Charlottesville	199	183	-8%
Fluvanna County	168	162	-4%
Greene County	92	122	33%
Louisa County	274	254	-7%
Nelson County	133	90	-32%

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

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

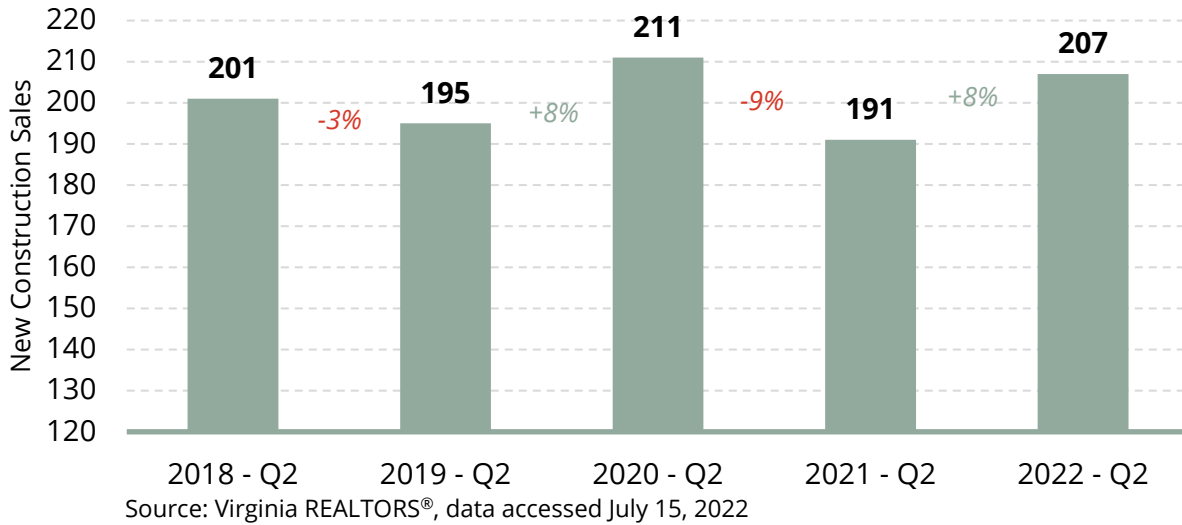
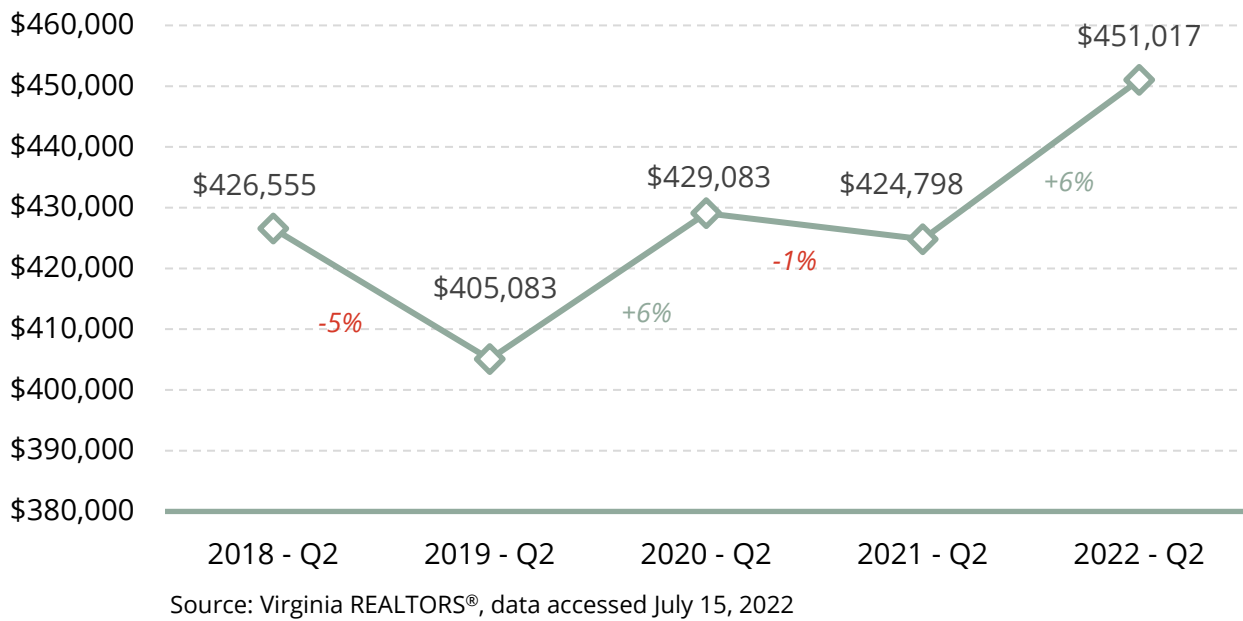


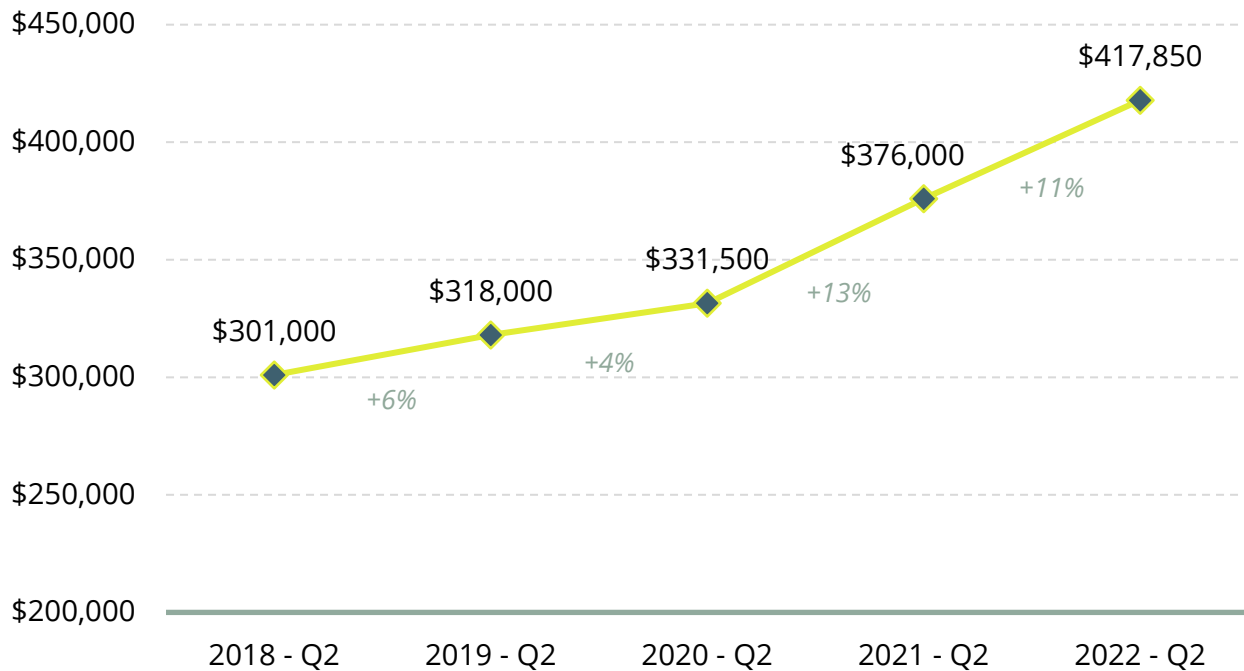
Figure 8
Second Quarter New Construction Median Sales Price, CAAR
 2018-2022



Sales Prices

Despite the drop in sales activity, home prices continued to climb rapidly across the entire CAAR footprint. The regionwide median sales price in the second quarter was \$417,850, jumping up 11% from last year, a gain of \$41,850. The median sales price in the region is now more than \$122,000 higher than it was at this time five years ago. Home prices in all local markets have had significant gains over the last several years as demand surged and inventory became increasingly scarce. Statewide, the second quarter median sales price was \$397,500, up 9% from last year.

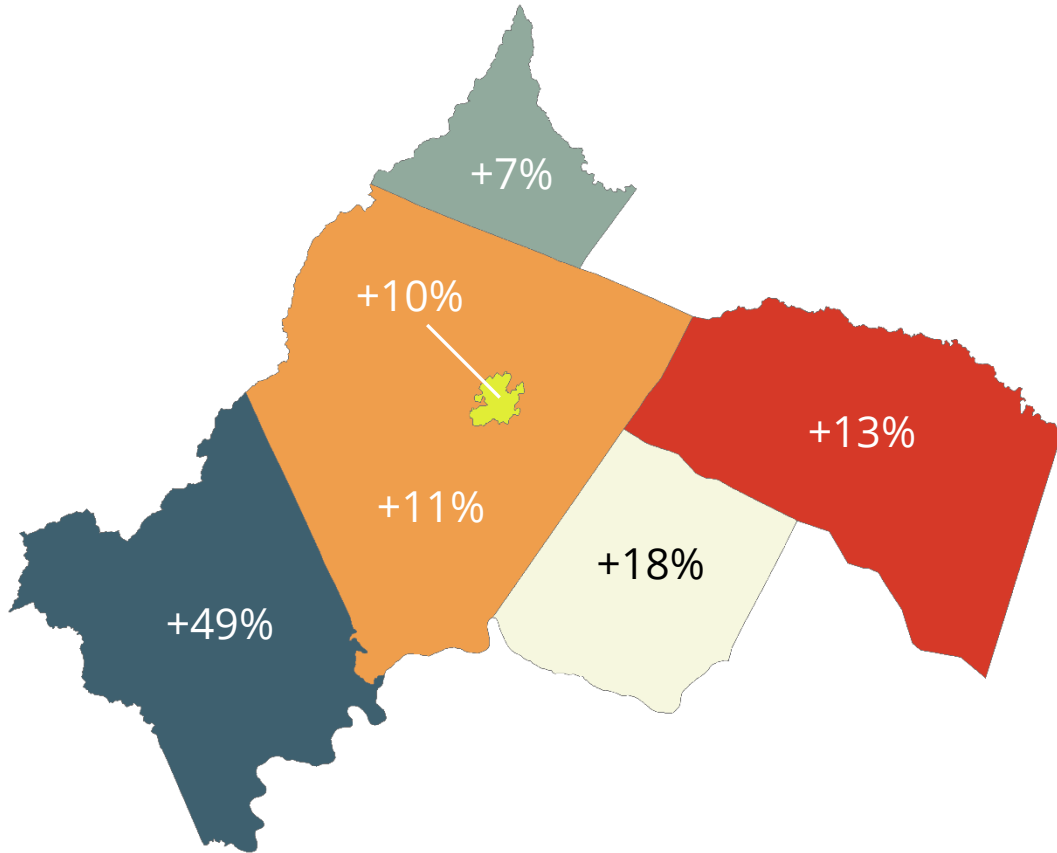
Figure 9
Second Quarter Median Sales Price, CAAR
2018-2022



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

Figure 10
Change in Median Sales Price by Jurisdiction
CAAR

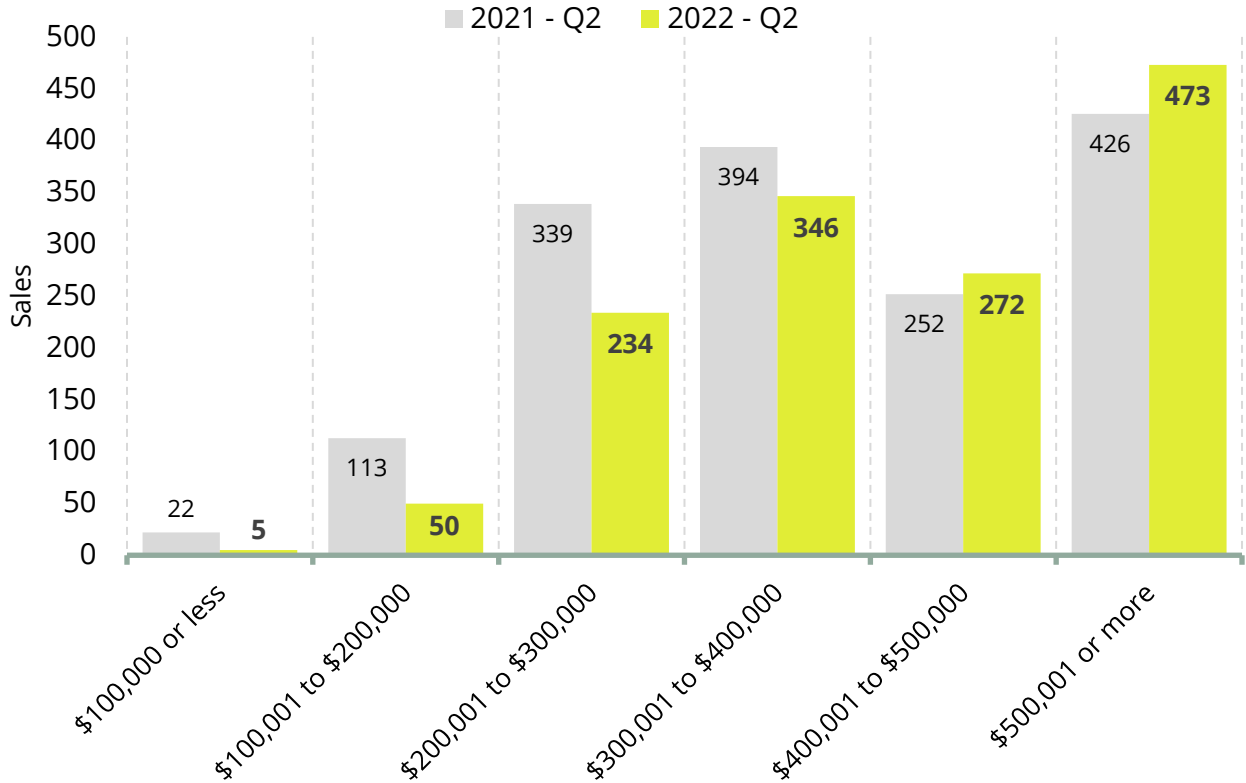
Second Quarter 2021 to Second Quarter 2022



<i>Jurisdiction</i>	<i>2021 - Q2</i>	<i>2022 - Q2</i>	<i>% Change</i>
Albemarle County	\$432,500	\$479,000	11%
Charlottesville	\$420,000	\$464,000	10%
Fluvanna County	\$285,695	\$336,000	18%
Greene County	\$360,000	\$386,000	7%
Louisa County	\$320,000	\$361,250	13%
Nelson County	\$285,000	\$425,000	49%

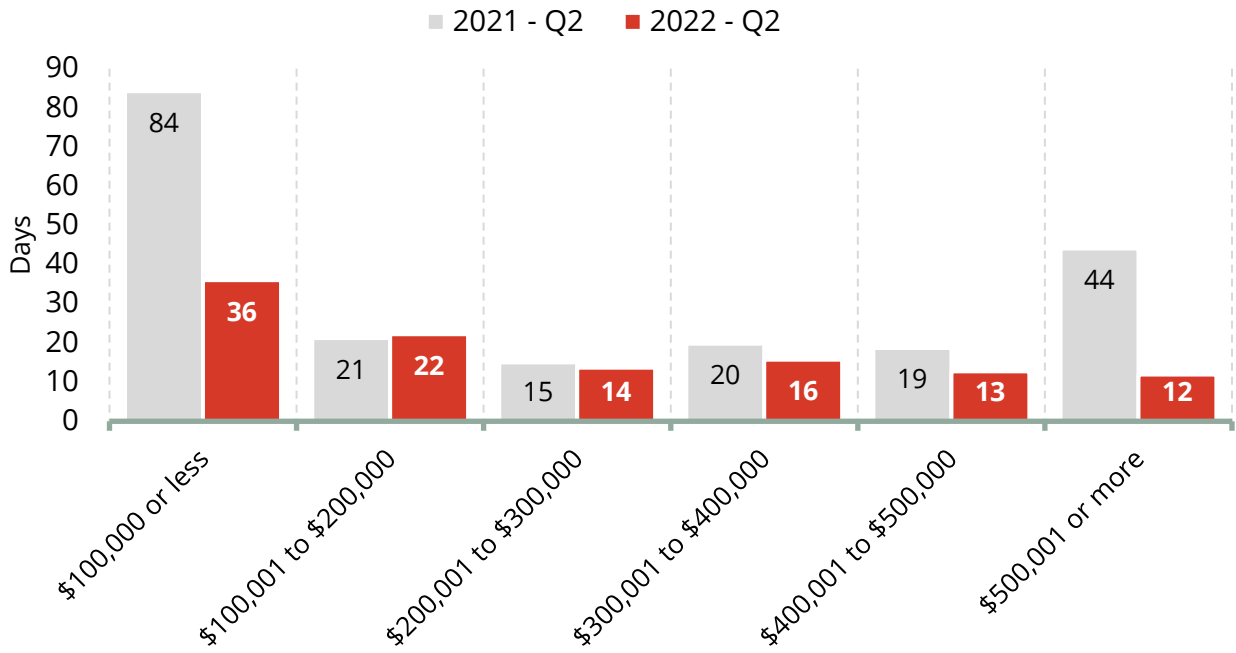
Source: Virginia REALTORS®, data accessed July 15, 2022

Figure 11
Second Quarter Sales Price Range Distribution - CAAR



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

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

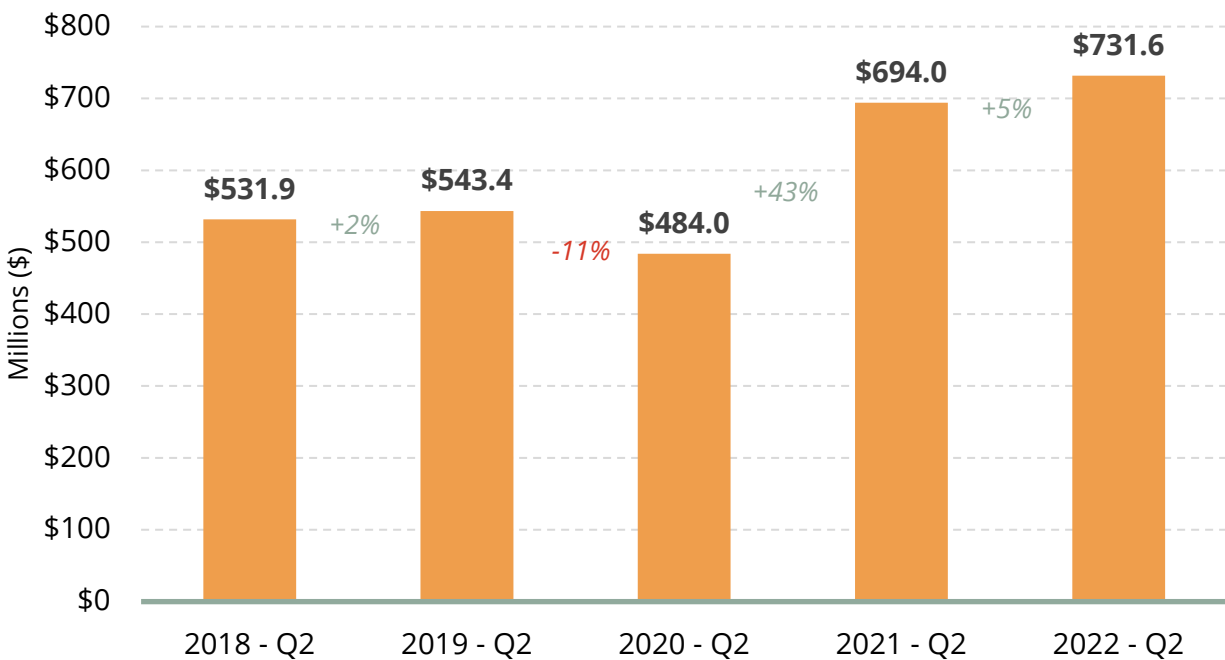


Source: Virginia REALTORS®, data accessed July 15, 2022

Sold Volume

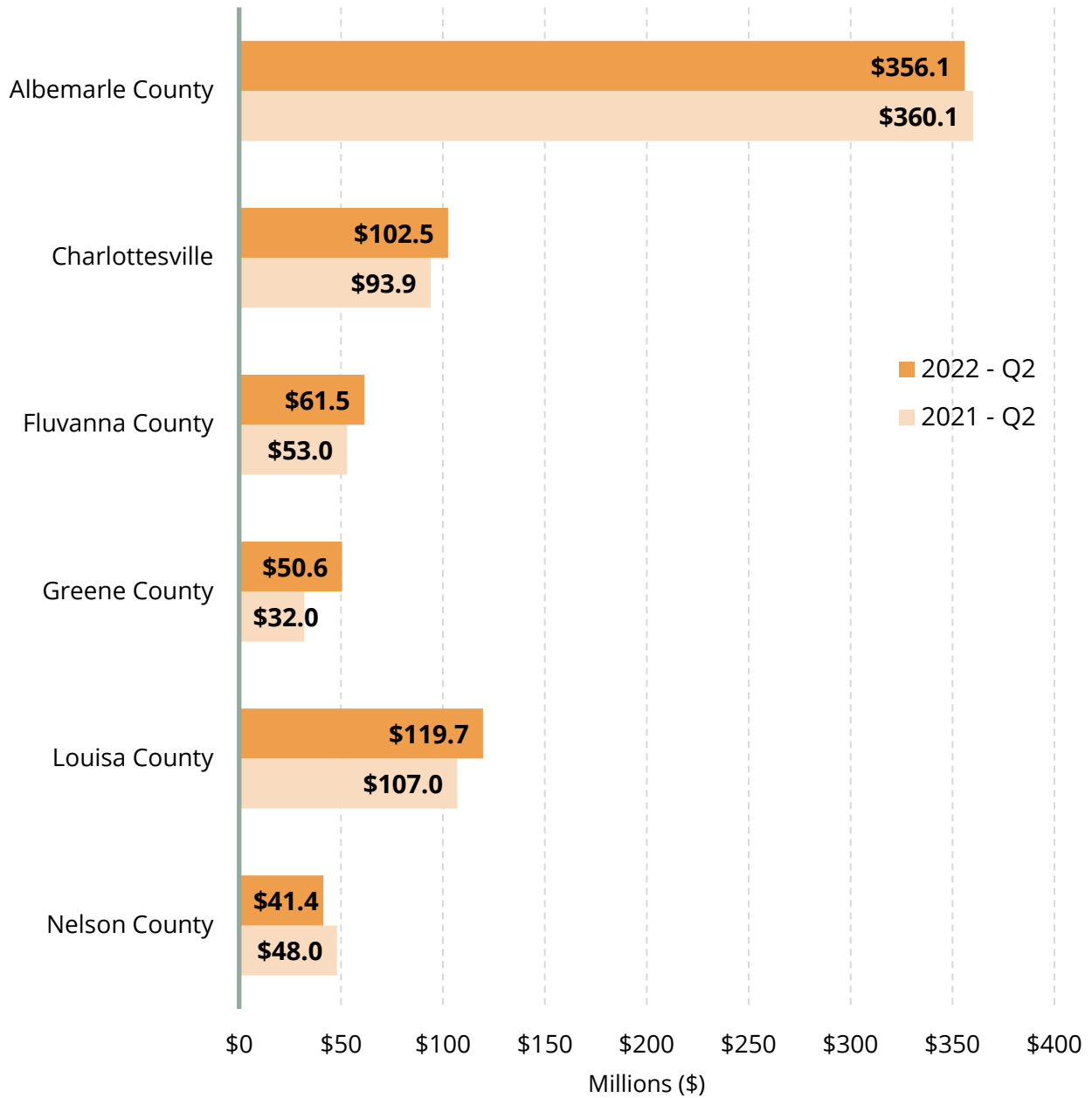
Even though there were fewer sales transactions this quarter, surging prices brought up the total sold dollar volume compared to last year in the CAAR regional housing market. There was approximately \$731.6 million of sold volume in the CAAR market during the second quarter of 2022, about \$37.6 million more volume than last year, representing a 5% increase. Most of the additional sold volume this quarter was in Greene County and Louisa County.

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



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

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

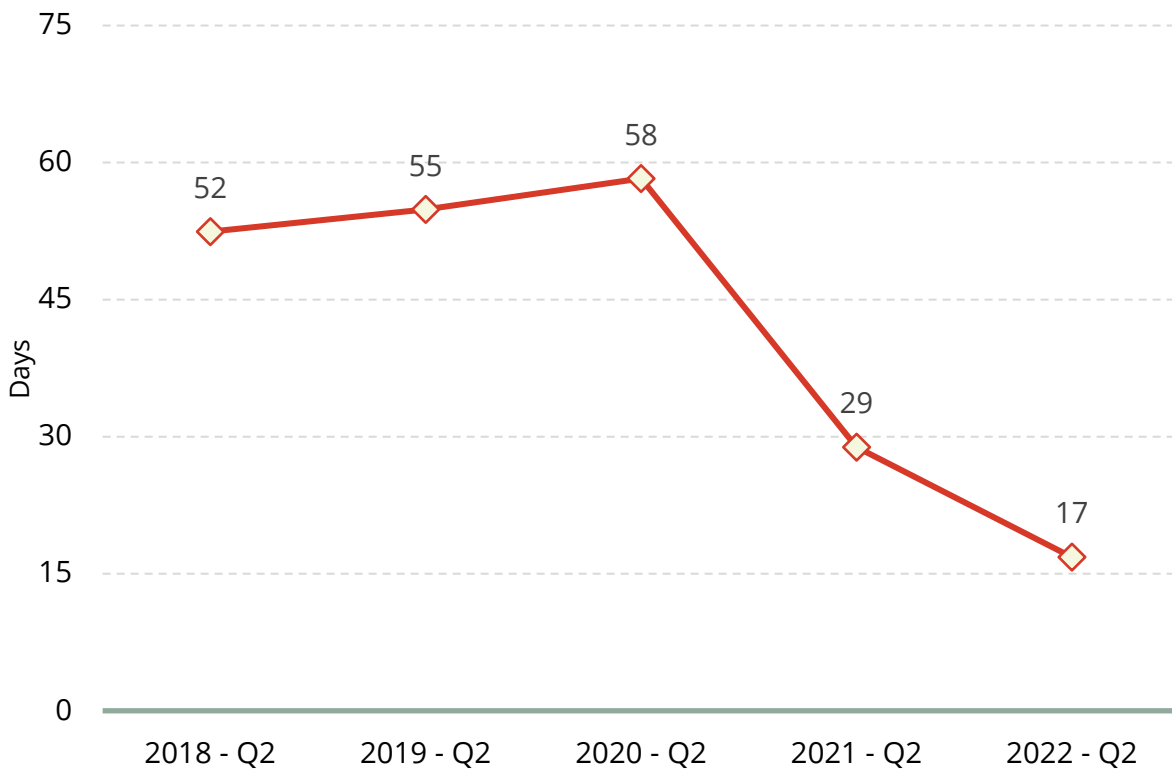


Source: Virginia REALTORS®, data accessed July 15, 2022

Days on Market

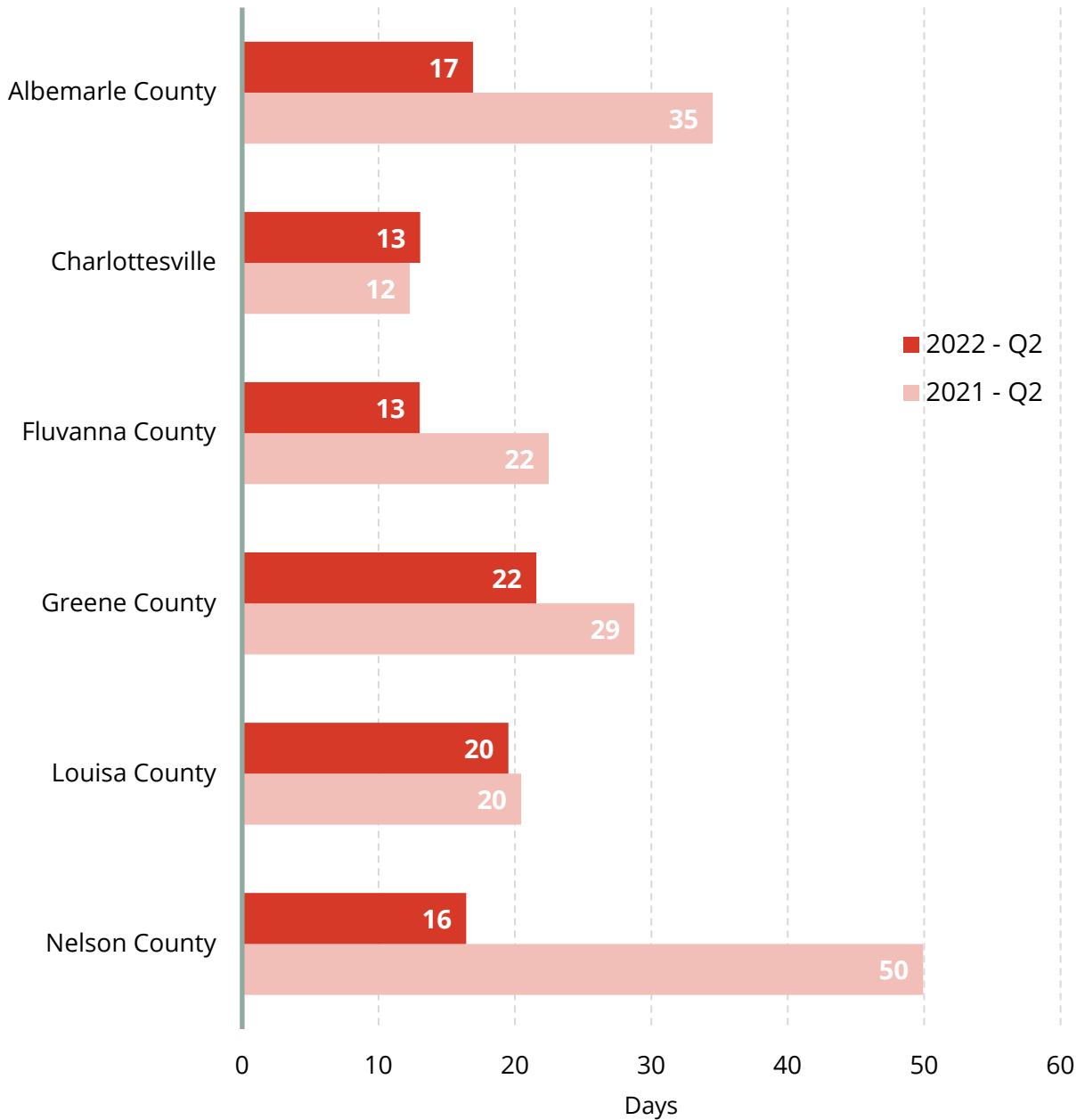
Homes are selling historically fast in the CAAR market. The average days on market in the second quarter in the region was just 17 days, nearly two weeks faster than this time last year (-12 days). As the supply of homes in the region has tightened, competition in the housing market has increased even with fewer sales overall in recent quarters. Statewide, homes sold in 18 days on average in the second quarter, down from 22 days a year ago.

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



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

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



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

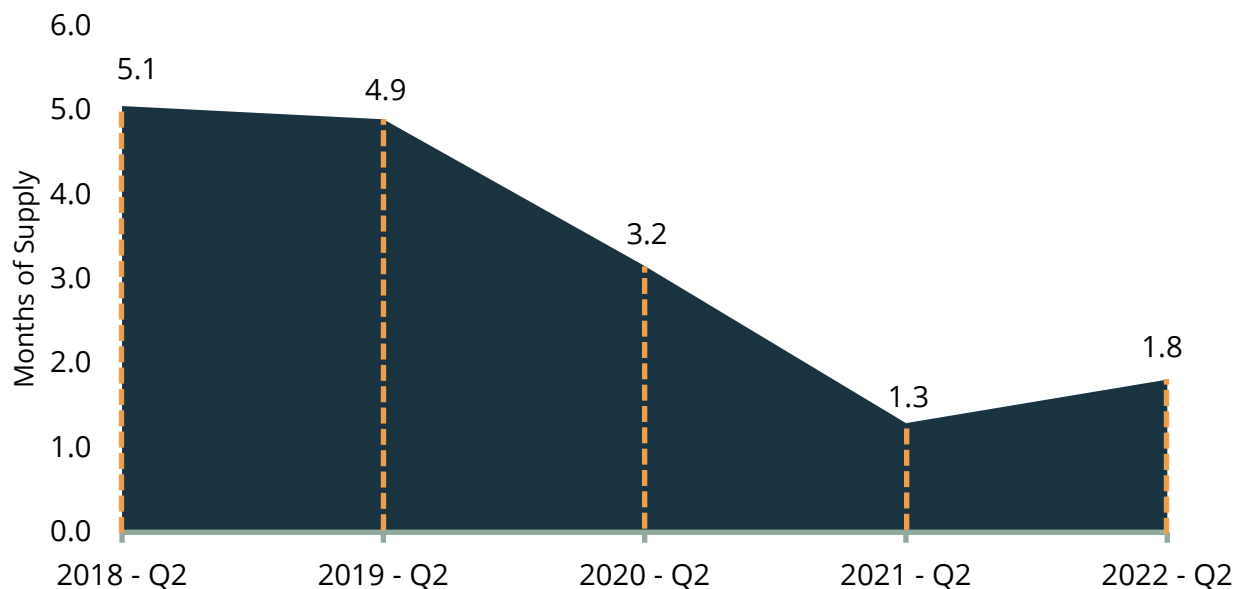
Inventory

The supply of homes on the market in the CAAR footprint expanded for the first time in years. There were 741 active listings throughout the CAAR region at the end of the second quarter, 163 more listings than last year, a 28% supply bump. Most of the additional active listings this quarter were in the Albemarle County, Fluvanna County, and Louisa County markets. Although this is only the first increase in years, it does reflect a changing pattern in parts of the region; the inventory is starting to build up in several communities as sales activity is cooling, which will provide more options for buyers in the market.

Statewide, there were 19,375 active listings on the market at the end of the second quarter, which is 169 more active listings than a year ago, a 1% increase. This is the first time the statewide inventory has increased (year-over-year) in more than seven years.

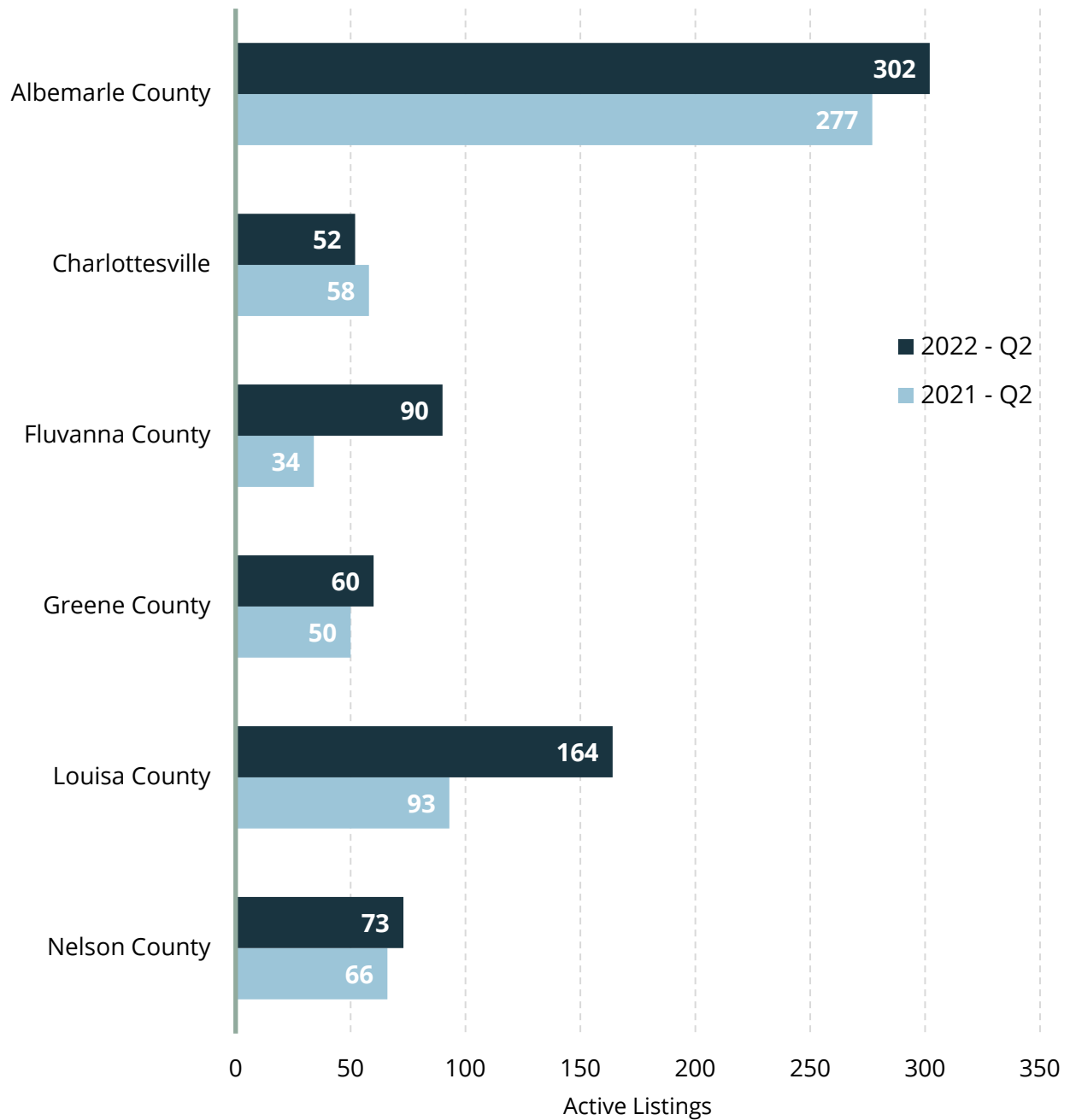
There was about 1.8 months of supply at the end of the second quarter in the CAAR footprint, which is up from 1.3 months a year ago. The months of supply metric is calculated by taking the average monthly sales over the preceding 12-month period and dividing it by the inventory of active listings. Statewide, there was 1.6 months of supply at the end of the second quarter.

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



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

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



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



Local Snapshot – *Albemarle County*

Sales: Home sales activity continued to slow down for the third consecutive quarter in Albemarle County. There were 569 sales in the county during the second quarter, 110 fewer sales than last year, which is a 16% decrease.

Median Sales Price: At \$479,000, the second quarter median sales price in Albemarle County rose 11% from this time last year, which is a \$46,500 gain. Home prices have been steadily climbing in the county for years, with the median price now \$101,500 higher than it was in the second quarter four years ago.

Sold Volume: Despite the rise in home prices, the slowdown in sales activity led to a small decrease of sold dollar volume in Albemarle County this quarter. There was approximately \$356.1 million of sold volume in the county in the second quarter, a decrease of about 1% from a year ago, which is a reduction of \$4 million of volume.

Days on Market: In Albemarle County, homes were on the market an average of 17 days in the second quarter. The average days on market was 18 days less than it was this time last year.

Inventory: At the end of the second quarter there were 302 active listings in Albemarle County, an increase of 25 listings compared to last year, which is a 9% supply gain. This is the first time inventory has increased in the county since the end of 2019.



Local Snapshot – *Charlottesville*

Sales: In Charlottesville, there were 183 sales in the second quarter, 16 fewer sales than the previous year, representing an 8% decline. This is the second straight quarter of cooling sales activity in the city.

Median Sales Price: The second quarter median price in Charlottesville was \$464,000, which is up 10% from the previous year, a \$44,000 price gain.

Sold Volume: In Charlottesville, sold dollar volume increased this quarter from higher sales prices. There was about \$102.5 million of sold volume in the second quarter in the city, a 9% increase from the second quarter last year, which is an influx of \$8.6 million of volume.

Days on Market: At 13 days, the average days on market for Charlottesville in the second quarter of 2022 was one day slower than it was a year ago.

Inventory: Supply in the Charlottesville housing market declined for the third straight quarter in a row. There were 52 active listings on the market at the end of the second quarter, six fewer listing than a year ago, representing a 10% decrease.



Local Snapshot – *Fluvanna County*

Sales: The number of sales in Fluvanna County has been moderating for four straight quarters. In the second quarter there were 162 sales, six fewer than this time last year, which is a 4% reduction.

Median Sales Price: In Fluvanna County, the median sales price was \$336,000 in the second quarter, an increase of \$50,305, which is an 18% jump. Prices have been climbing rapidly in the county over the last three years.

Sold Volume: An increase in sale prices led to higher sold dollar volume in Fluvanna County this quarter. The sold volume in the second quarter in the county was \$61.5 million, a 16% jump from last year, or a gain of \$8.4 million.

Days on Market: Compared to a year ago, homes sold faster in Fluvanna County this quarter. The average days on market in the second quarter was 13 days, nine days faster than a year ago.

Inventory: There were 90 active listings in Fluvanna County at the end of the second quarter, 56 more than the previous year, a 165% increase. Supply in the county has grown significantly over the last several quarters as sales activity has cooled.



Local Snapshot – *Greene County*

Sales: Sales activity increased during the second quarter in the Greene County housing market. There were 122 home sales in the county this quarter, which is 30 more than last year, representing a 33% increase.

Median Sales Price: Home price continued to climb in Greene County. In the second quarter, the median sales price was \$386,000, up 7% from this time last year, a \$26,000 increase. This is the highest median sales price the county has had.

Sold Volume: Growth in sales and prices led to an increase in sold volume during the second quarter in Greene County. There was approximately \$50.5 million of sold volume in the county, a 58% increase from last year, which is about \$18.5 million more volume than a year ago.

Days on Market: The average days on market in Greene County during the second quarter was 22 days, which is seven days faster than last year.

Inventory: the supply of active listings continued to build up in Greene County for the second consecutive quarter. At the end of the second quarter there were 60 active listings, a 20% increase from a year ago, which is 10 more listings.



Local Snapshot – *Louisa County*

Sales: Sales activity continued to slow down in Louisa County. In the second quarter there were 254 sales, which is 20 fewer than last year, representing a 7% decline. This is the second consecutive quarter of moderating sales.

Median Sales Price: Prices rose in Louisa County during the second quarter. The median sales price in the county was \$361,250, which is up \$41,250 from last year, a 13% price gain.

Sold Volume: In Louisa County, higher prices and more sales led to a large increase in sold dollar volume. During the second quarter, the sold dollar volume in the county was about \$119.6 million, which is 12% more than it was a year ago, an influx of about \$12.6 million.

Days on Market: The average days on market in Louisa County in the second quarter was 20 days, which is one day faster than a year ago.

Inventory: The supply of active listings continued to increase in the Louisa County housing market. At the end of the second quarter there were 164 active listings in the county, 71 more than last year, representing a 76% increase. This is the third consecutive quarter that active listings have expanded in the county.



Local Snapshot – *Nelson County*

Sales: In Nelson County, sales activity fell for the fourth consecutive quarter. There were 90 homes sold in the county during the second quarter, which is 43 fewer sales than a year ago, representing a sharp 32% decrease.

Median Sales Price: Prices grew rapidly in Nelson County during the second quarter. The median sales price was \$425,000, a 49% jump from last year, which is an increase of \$140,000. Prices are now \$148,000 more than they were five years ago (+54%).

Sold Volume: Even though prices grew sharply in Nelson County, a drop in sales led to a decline in sold dollar volume this quarter. There was approximately \$41.3 million of volume in the county during the second quarter, which is \$6.6 million less than it was a year ago (-14%).

Days on Market: In Nelson County the average days on market was 16 days in the second quarter, which is 33 days faster compared to last year. This is the fastest homes have sold in the Nelson County housing market in more than seven years.

Inventory: There were 73 active listings at the end of the second quarter in Nelson County, which is seven more than last year (+11%). This is the first time since 2015 that the end-of-quarter supply of active listings has expanded.



The Virginia REALTORS® association is one of the largest professional trade associations 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.

All inquiries regarding this report may be directed to:

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Data and analysis provided by Virginia REALTORS® Chief Economist, Lisa Sturtevant, PhD.

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.