

VIRGINIA PENINSULA HOME SALES REPORT



CUSTOM REPORT PREPARED BY
VIRGINIA REALTORS®

Virginia Peninsula Home Sales Report

Second Quarter 2022

Virginia Peninsula REALTORS®

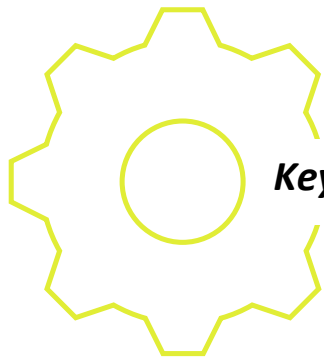
Market Report Key Takeaways

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 3.8% in the Virginia Peninsula 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 2,194 homes sold in the Virginia Peninsula market in the second quarter. This is a 9% drop from the second quarter a year ago, which is 228 fewer sales. This is the first slowdown in sales in the region since the start of the pandemic.
- Prices continue to surge in the Virginia Peninsula footprint even as sales activity slowed. The median sales price regionwide was \$283,000 in the second quarter, jumping up 12% from a year ago, a gain of \$31,000.
- Supply increased slightly in the Virginia Peninsula housing market. There were 1,167 active listings across the footprint at the end of the second quarter, 66 more listings than last year, rising 6%.



Key Trends Dashboard, Virginia Peninsula

Economy



3.8%

Is the May-2022 **unemployment rate** in the Virginia Peninsula 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



-228

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



12%

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



\$0

Sold volume in the Virginia Peninsula footprint in Q2-2022 was unchanged compared to last year



6%

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



1.6

Months of supply in the Virginia Peninsula footprint in Q2-2022, which is down from a year ago

Economic Overview

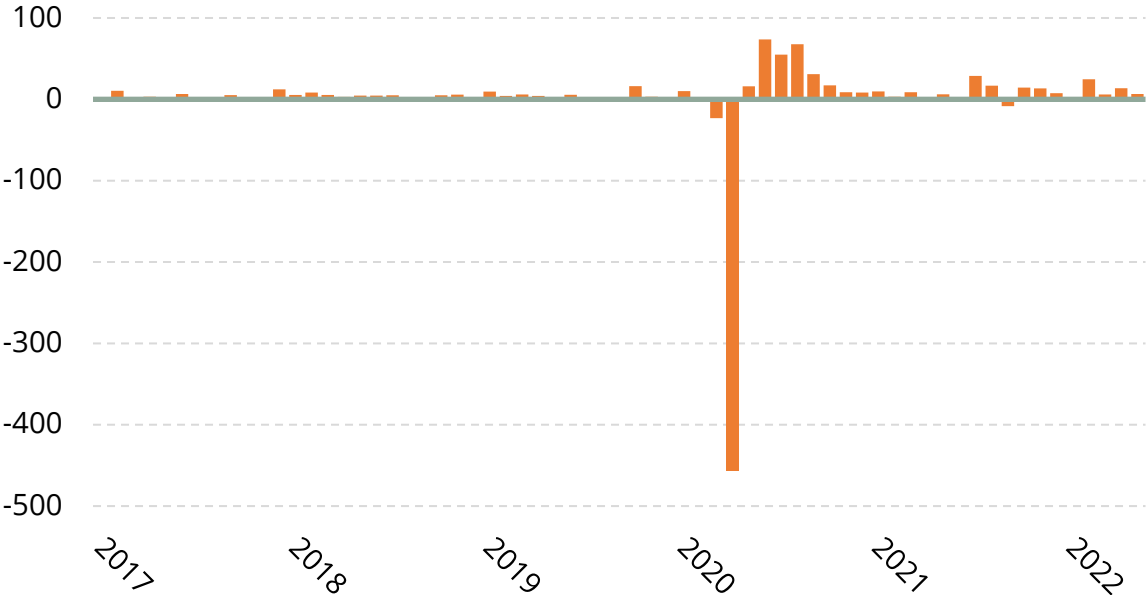
There continues to be a lot of economic uncertainty as inflation lingers at a 40-year high and supply chain issues persist. Mortgage interest rates are climbing, and purchasing power is down, leaving many buyers on the sidelines. Despite these headwinds, Virginia’s job base continues to grow, and unemployment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

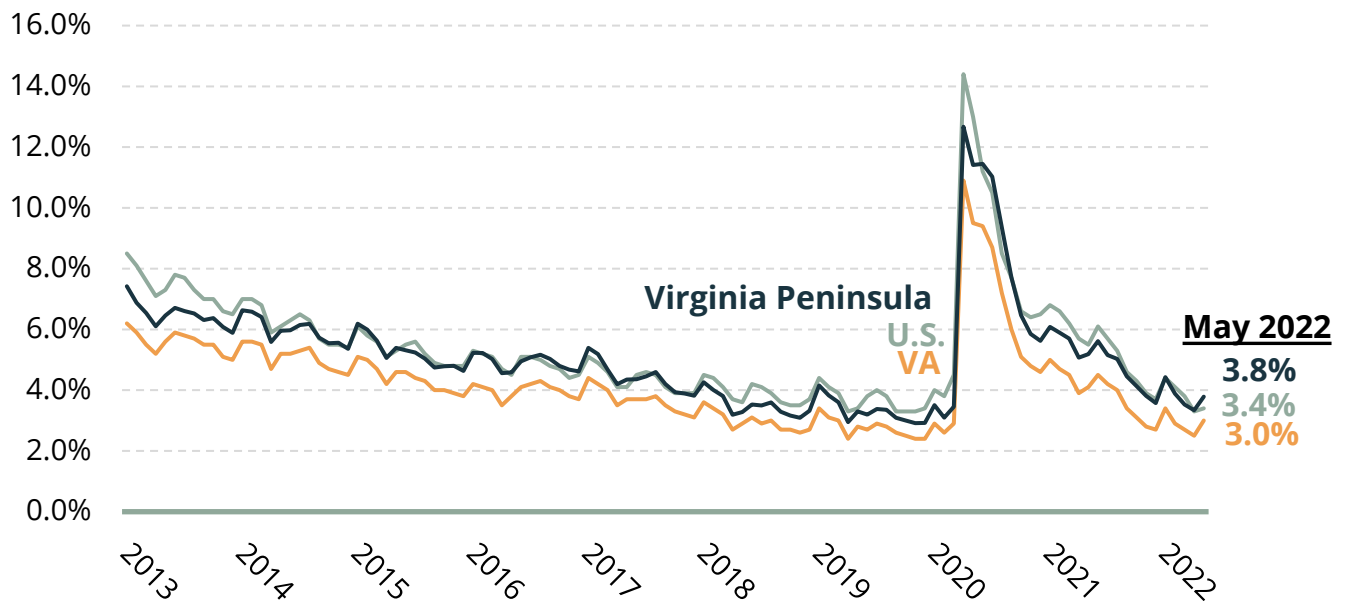


Source: U.S. Bureau of Labor Statistics, Seasonally Adjusted

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 Virginia Peninsula footprint, the May unemployment rate was 3.8%, which is up from 3.3% in April.

Figure 2
Unemployment Rate



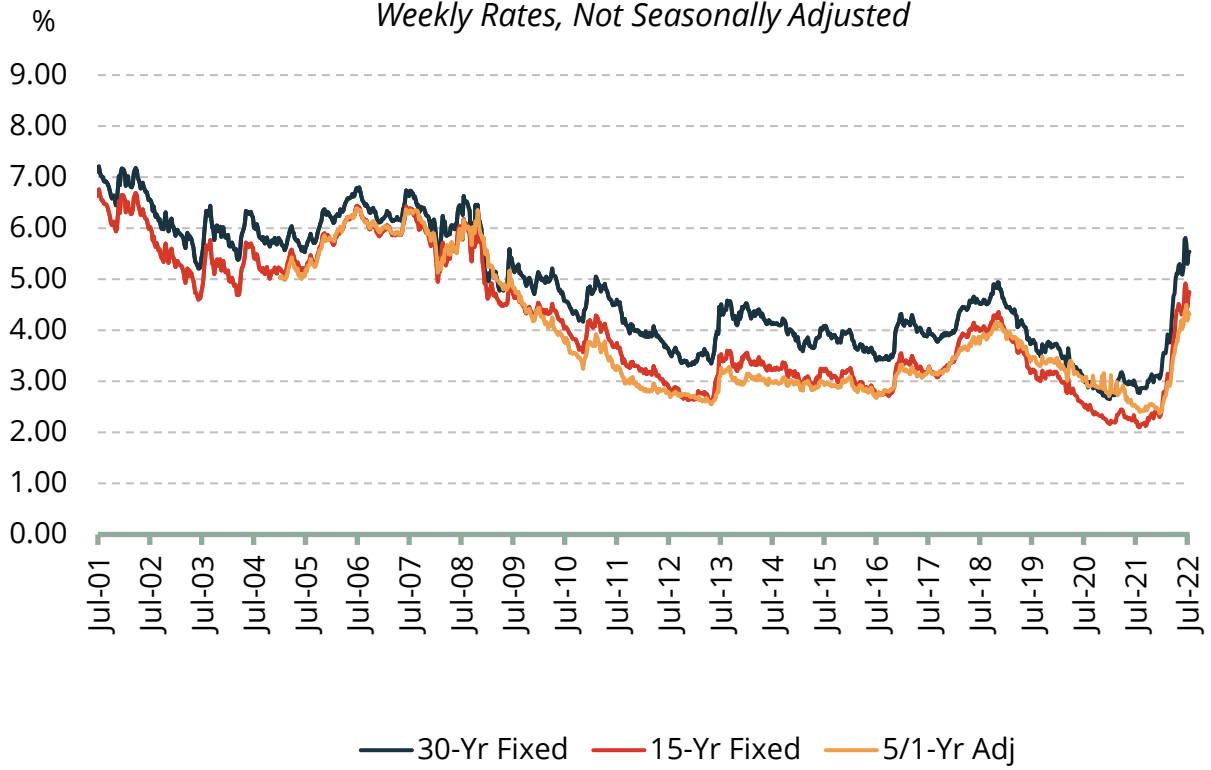
Source: U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics

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 3
Mortgage Interest Rates

Weekly Rates, Not Seasonally Adjusted



Source: Federal Reserve Bank of St. Louis

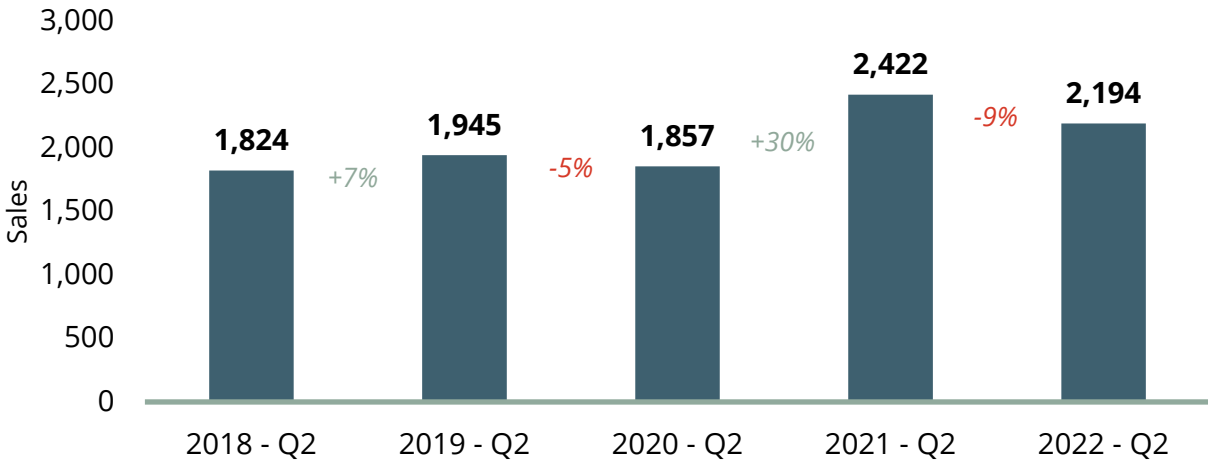
Housing Market Overview

The Virginia Peninsula housing market is showing signs of cooling. Sales activity this quarter was slower than this time last year in all local markets, and the sold dollar volume was flat. Despite fewer sales overall, prices are surging in all local markets, and homes continue to sell faster on average. This reflects how competitive the market is in many parts of the region. The supply remains tight and continues to shrink, leaving buyers with fewer options in most local areas in the region.

Sales

Sales activity slowed down in the Virginia Peninsula housing market this quarter. There were 2,194 sales across the region during the second quarter of 2022, which is 9% fewer sales than a year ago, a decline of 228 sales. This is the sharpest drop in sales the Virginia Peninsula market has had in more than seven years. Sales activity moderated all three months this quarter (April through June) compared to last year. Statewide sales activity moderated this quarter, down 14% from the second quarter of last year.

Figure 4
Second Quarter Home Sales, Virginia Peninsula
2018-2022



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



Local Snapshot – *Total Home Sales*

Hampton: There were 741 sales in Hampton in the second quarter, a 1% decline from a year ago, or 11 fewer sales. Sales totals were 13% higher than sales during the second quarter of 2019.

Isle of Wight County: The number of sales dropped for the fourth quarter in a row in Isle of Wight County. There were 192 sales in the county in the second quarter, 17% fewer sales than last year at this time, which is 38 fewer sales.

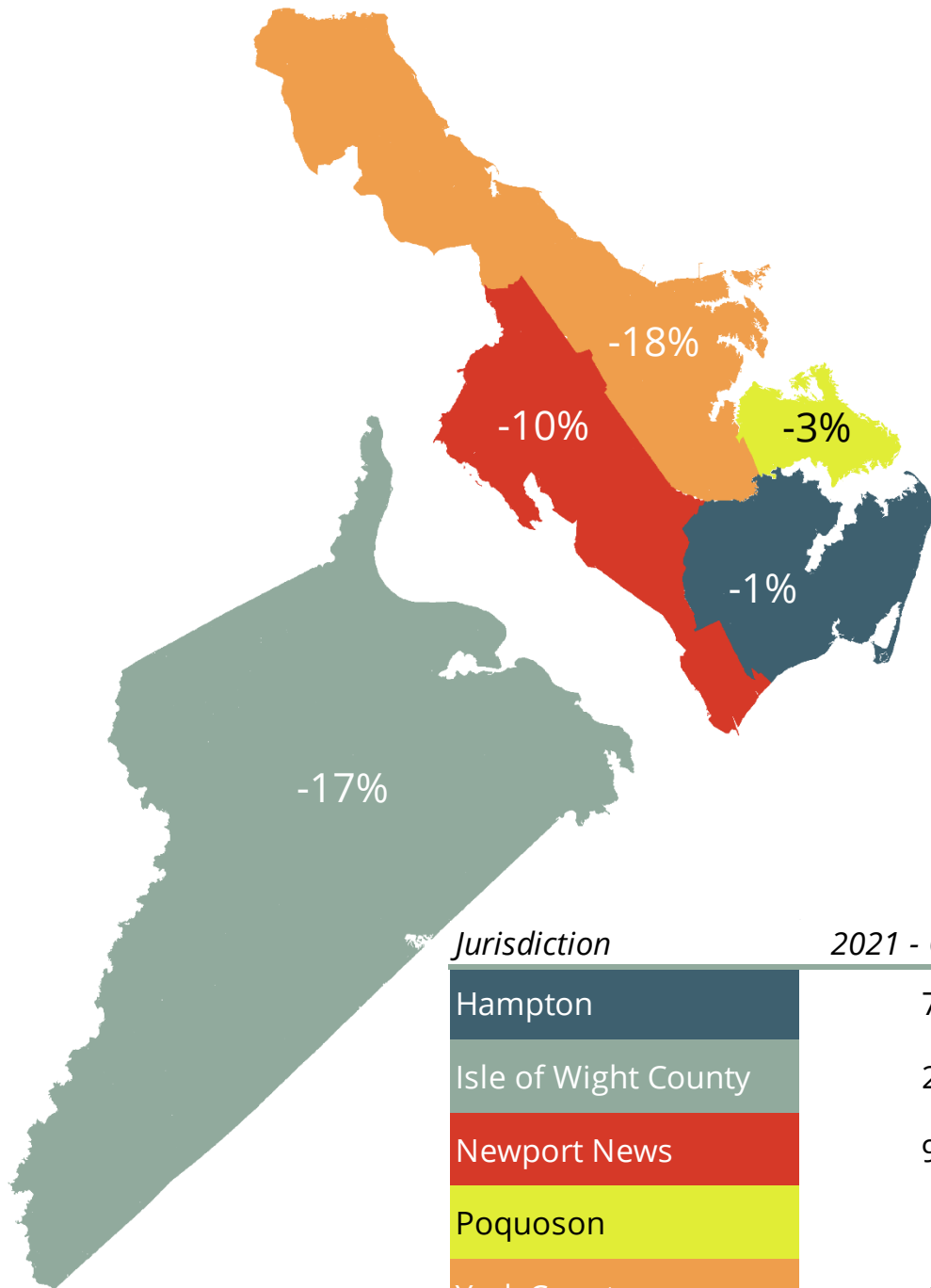
Newport News: In Newport News, there were 824 sales during the second quarter. The number of sales was down 10% compared to the second quarter of 2021, which is 96 fewer sales. This is the first time sales have dropped in three years.

Poquoson: Sales in Poquoson fell for the third consecutive quarter. There were 73 sales during the second quarter in the city, two fewer sales than last year, a 3% drop. Second quarter 2022 sales were 22% higher than sales during the second quarter five years ago.

York County: In York County, the number of sales dropped by double-digits this quarter. There were 364 sales in the county in the second quarter, 81 fewer sales than a year ago, an 18% decrease.

Figure 5
Change in Sales by Jurisdiction
Virginia Peninsula

Second Quarter 2021 to Second Quarter 2022



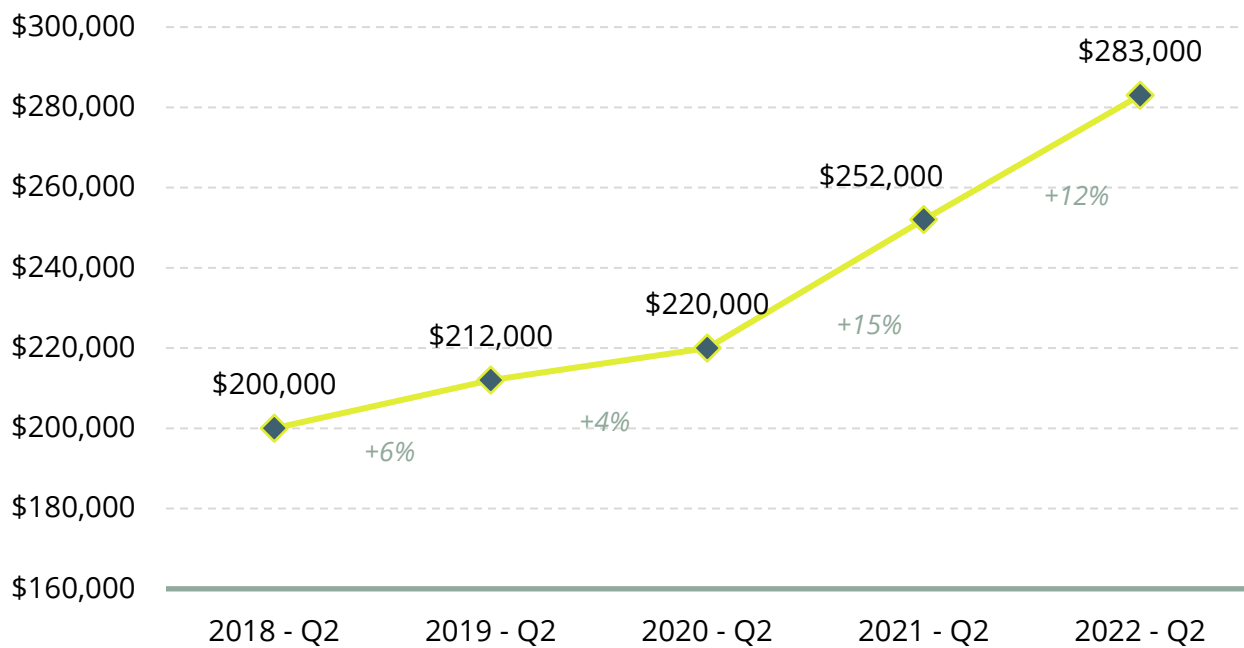
| <i>Jurisdiction</i> | <i>2021 - Q2</i> | <i>2022 - Q2</i> | <i>% Change</i> |
|----------------------|------------------|------------------|-----------------|
| Hampton | 752 | 741 | -1% |
| Isle of Wight County | 230 | 192 | -17% |
| Newport News | 920 | 824 | -10% |
| Poquoson | 75 | 73 | -3% |
| York County | 445 | 364 | -18% |

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

Sales Prices

Despite the sharp drop in sales activity, home prices continued to climb rapidly across the entire Virginia Peninsula footprint. The regionwide median sales price in the second quarter was \$283,000, jumping up 12% from last year, a gain of \$31,000. The median sales price in the region is now about \$9,000 higher than it was at this time five years ago. Statewide, the second quarter median sales price was \$397,500, up 9% from last year.

Figure 6
Second Quarter Median Sales Price, Virginia Peninsula
2018-2022



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



Local Snapshot – *Median Sales Price*

Hampton: The median sales price in Hampton during the second quarter was \$251,000, which is \$16,000 higher than it was last year, representing a 7% increase.

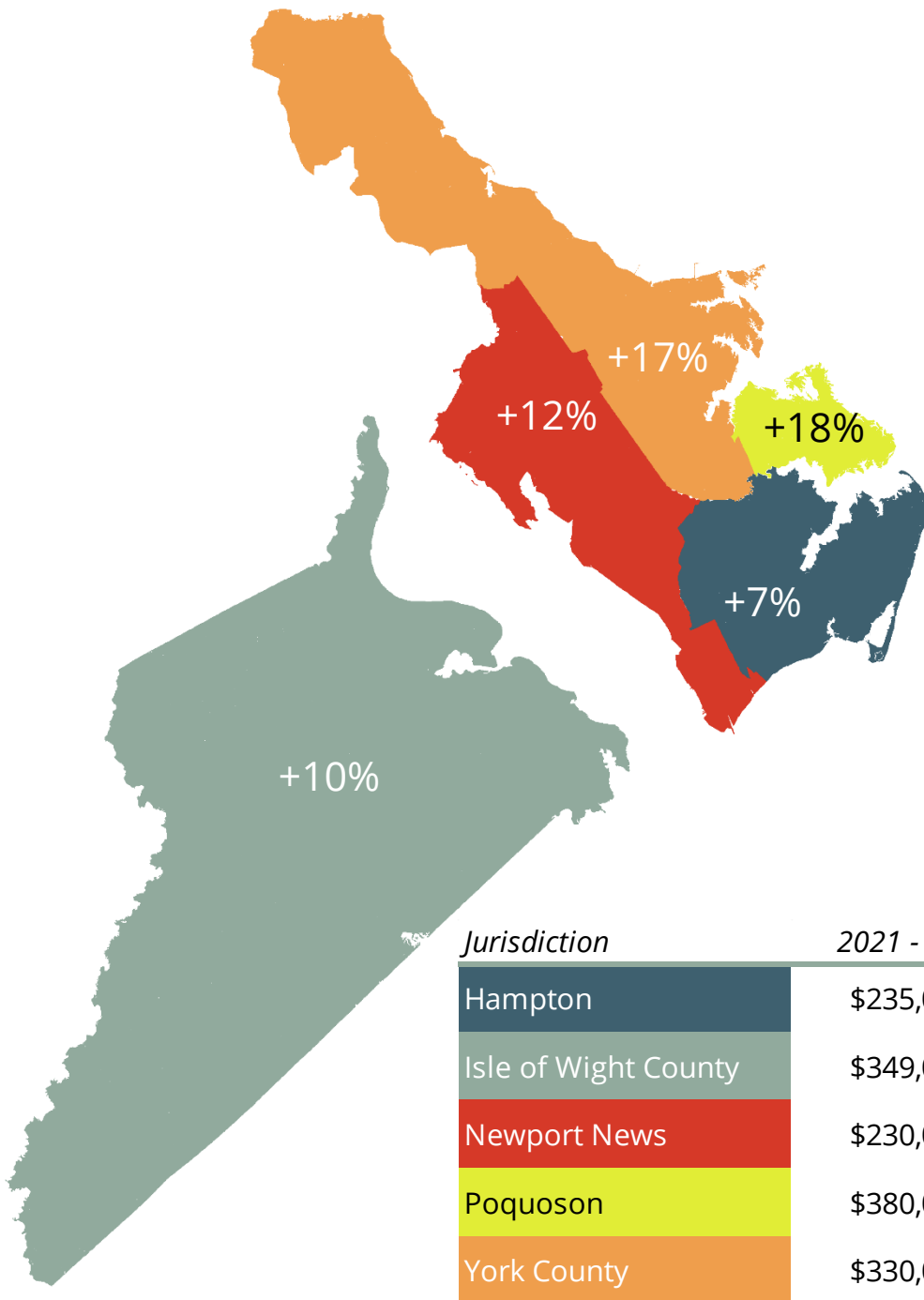
Isle of Wight County: In Isle of Wight County, the second quarter median sales price was \$382,500, up 10% from a year ago, a gain of \$33,500. The median price in the county is now \$82,000 higher than it was four years ago.

Newport News: Home prices in Newport News continued to steadily rise. The second quarter median price in the county was \$257,000, an increase of 12% from the previous year, which is a gain of \$27,000.

Poquoson: At \$450,000, the second quarter median price in Poquoson rose 18%, which is \$70,000 higher than this time last year. The median price in the city is now \$125,500 higher than it was during the second quarter of 2019.

York County: Home prices rose by double-digits in the York County market this quarter. At \$387,000, the second quarter median sales price in the county jumped by 17%, which is \$57,658 higher compared to a year ago.

Figure 7
Change in Median Sales Price by Jurisdiction
Virginia Peninsula
Second Quarter 2021 to Second Quarter 2022

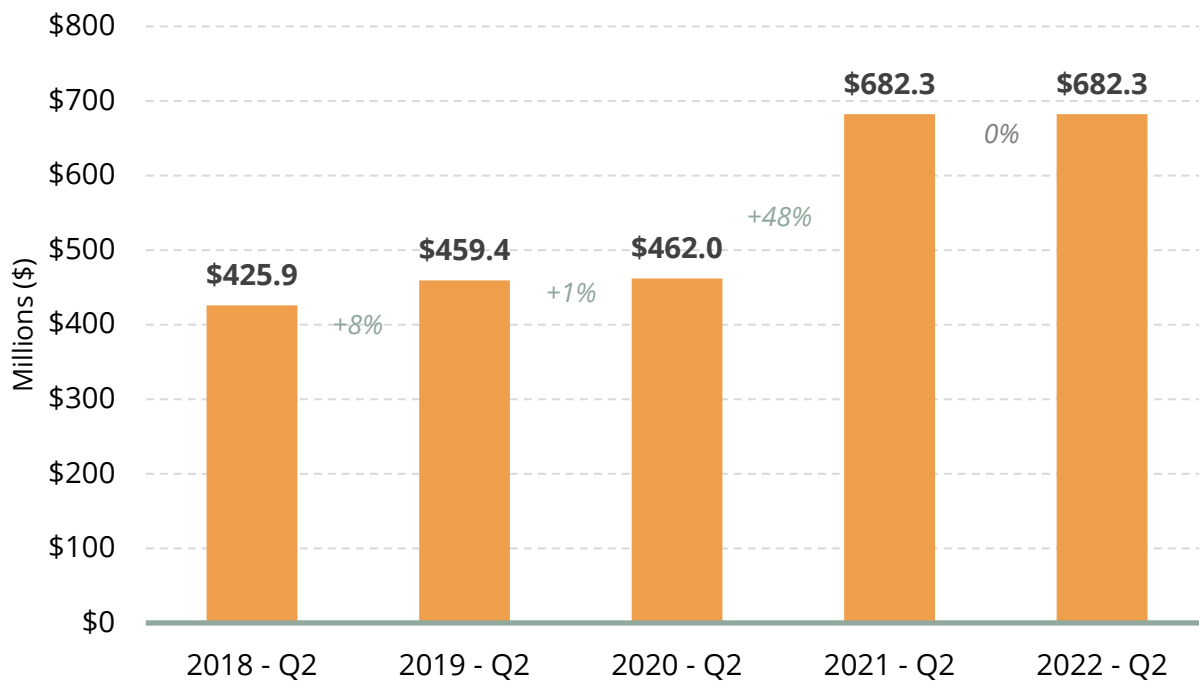


Source: Virginia REALTORS®, data accessed July 15, 2022

Sold Volume

While home prices continued to climb this quarter, the slowdown in sales activity kept the sold dollar volume in the region flat. There was approximately \$682.3 million of sold volume in the Virginia Peninsula housing market during the second quarter, essentially unchanged from a year ago.

Figure 8
Second Quarter Sold Dollar Volume (Millions), Virginia Peninsula
2018-2022



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



Local Snapshot – *Sold Dollar Volume*

Hampton: There was about \$195.5 million of sold volume in Hampton in the second quarter, an increase of \$15.9 million from last year, which is a 9% gain. Sold volume has been rising rapidly in the city's housing market since the summer of 2020.

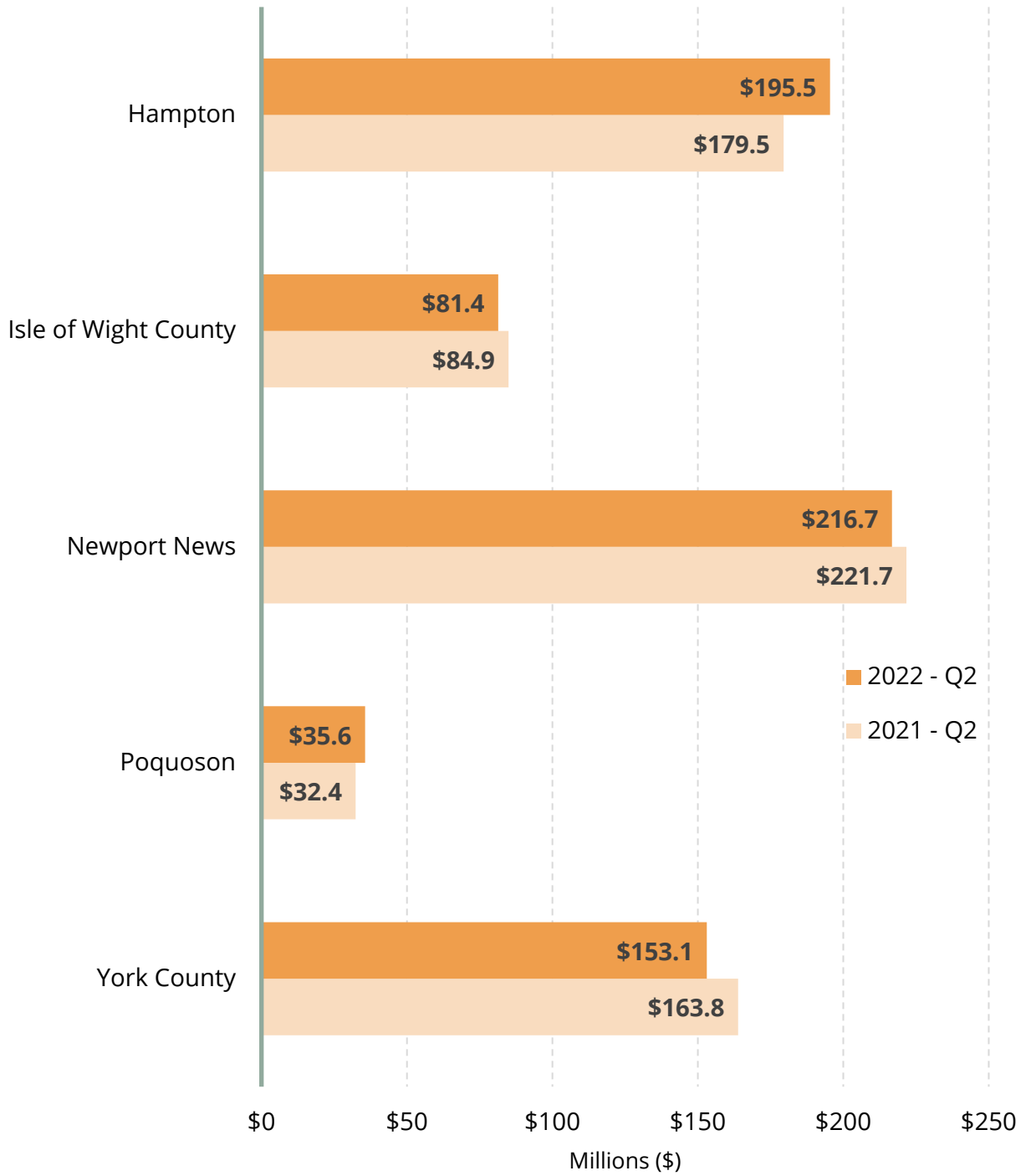
Isle of Wight County: A drop in sales activity in Isle of Wight County led to a decline in sold volume this quarter. There was approximately \$81.3 million of sold volume in the county in the second quarter, down \$3.5 million compared to a year ago, a 4% decrease.

Newport News City: Despite rising sales prices, a slowdown in sales activity led to a slight decrease in sold dollar volume in Newport News. In the city, there was about \$216.7 million of sold volume during the second quarter, \$4.9 million less than last year, inching down 2%.

Poquoson City: Surging home prices brought more sold dollar volume this quarter in the Poquoson housing market. There was approximately \$35.6 million of sold volume in the city in the second quarter, an influx of \$3.3 million, which is a 10% jump.

York County: While home prices rose, sales activity was down in York County, which led to a fall in sold dollar volume this quarter. There was about \$153.1 million of sold volume in the county during the second quarter, a decrease of \$10.7 million, down 7% from the previous year.

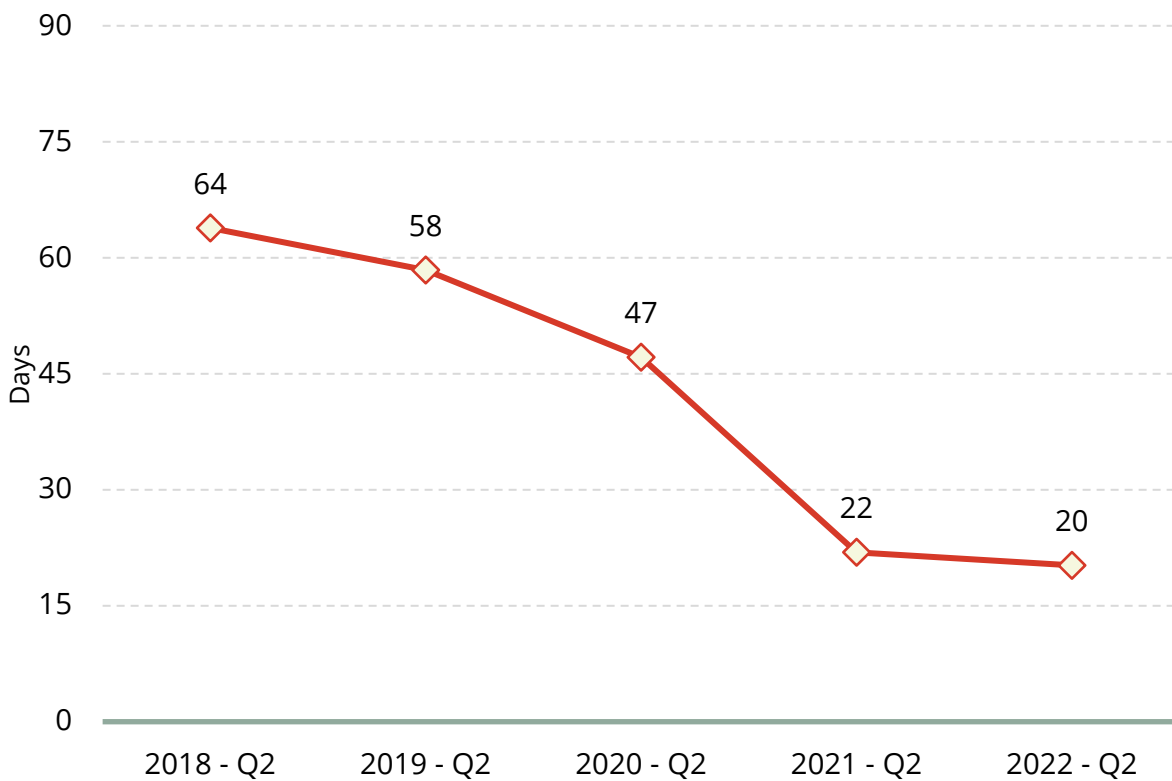
Figure 9
Second Quarter Sold Dollar Volume
Virginia Peninsula Jurisdictions
2021 and 2022



Days on Market

Homes are selling historically fast in the Virginia Peninsula market. The average days on market in the second quarter was just 20 days, two days faster than this time last year. As the supply of homes in the region has tightened quickly over the last couple years, competition in the housing market has increased. Statewide, homes sold in 18 days on average in the second quarter, down from 22 days a year ago.

Figure 10
Second Quarter Average Days on Market, Virginia Peninsula
2018-2022



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



Local Snapshot – *Average Days on Market*

Hampton: Compared to a year ago, homes took longer to sell in Hampton during the second quarter of 2022. The average days on market in the city this quarter was two days longer than last year. This represents the first increase in days on market in the city in seven years.

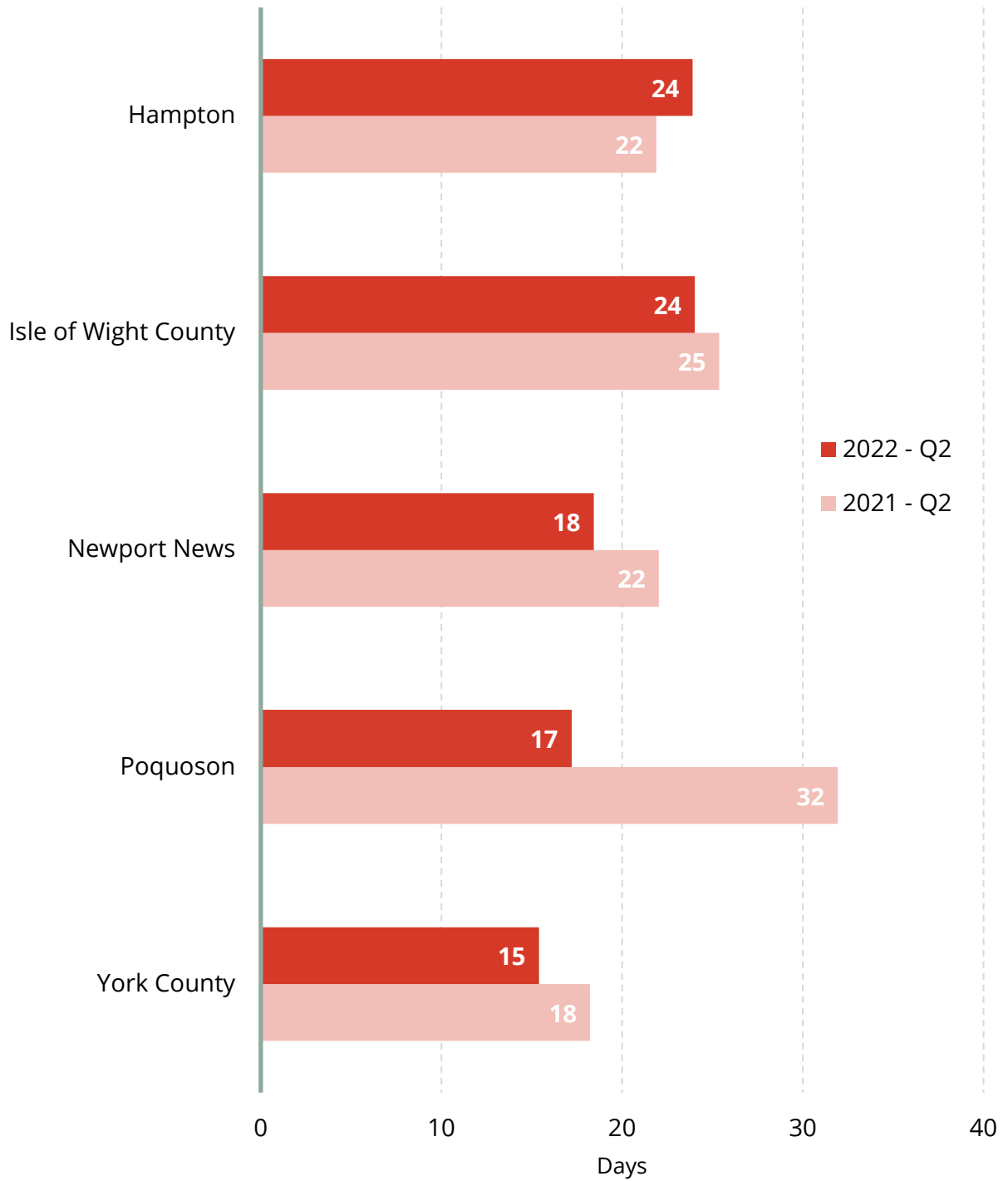
Isle of Wight County: In Isle of Wight County, homes that sold in the second quarter were on the market an average of 24 days, which is one day faster than a year ago.

Newport News: Homes were on the market an average of 18 days in Newport News in the second quarter. The average days on market is four days less than it was at this time last year.

Poquoson: At 46 days, the average days on market in Poquoson during the second quarter was 15 days faster than the previous year.

York County: The average days on market in York County in the second quarter was 15 days, which is three days faster than last year.

Figure 11
Second Quarter Average Days on Market
Virginia Peninsula Jurisdictions
2021 and 2022



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

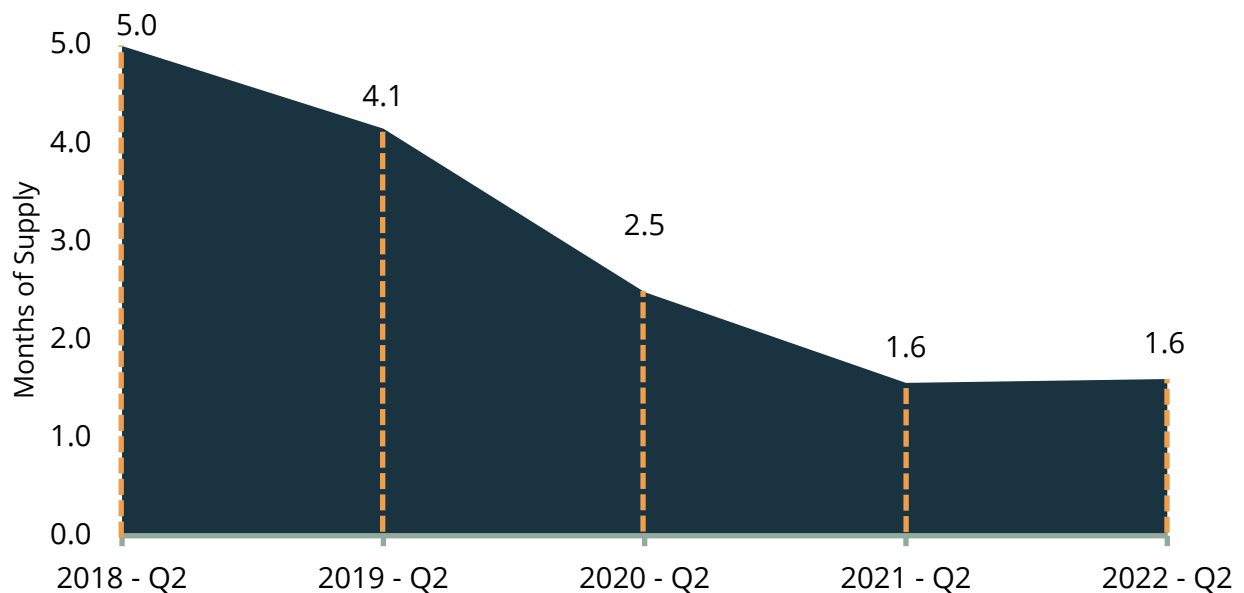
Inventory

The supply of homes on the market increased for the second time in the last three quarters, evidence of a changing inventory pattern in the Virginia Peninsula housing market. There were 1,167 active listings throughout the region at the end of the second quarter, 66 more listings than last year, which is a 6% increase. Most of the additional active listings this quarter were in the Hampton and Newport News markets.

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 1.6 months of supply at the end of the second quarter in the Virginia Peninsula footprint, which is essentially unchanged from 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 12
End of Second Quarter Months Supply, Virginia Peninsula
2018-2022



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



Local Snapshot – *Active Listings*

Hampton: There were 380 active listings in Hampton at the end of the second quarter, 46 more listings than a year ago, a 14% gain. This was the fourth quarter in a row that the city has experienced an increase in supply.

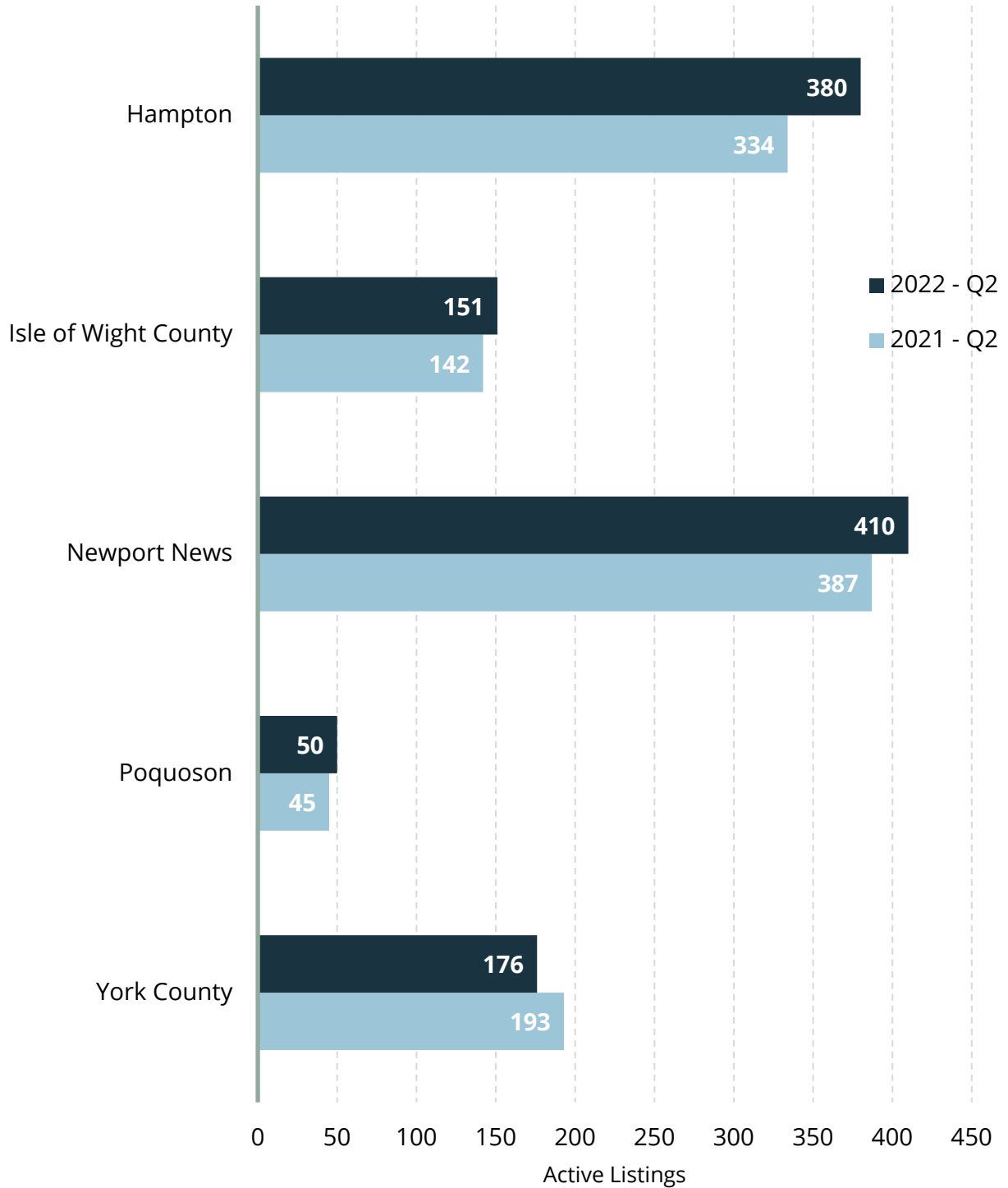
Isle of Wight County: Inventory increased in Isle of Wight County this quarter. There were 151 active listings on the market at the end of the second quarter, which is nine more listings than a year ago, a 6% increase.

Newport News: In Newport News, there were 410 active listings at the end of the second quarter, 23 more listings than the previous year, representing a 6% gain.

Poquoson: Inventory in Poquoson rose this quarter. At the end of the second quarter, there were 50 active listing in the city, five more listings than last year, an 11% increase. Despite this gain, supply is 59% lower than it was at this time three years ago.

York County: Supply in the York County housing market continued to shrink. There were 176 active listings in the county at the end of the second quarter, 17 fewer listings than a year ago, a 9% reduction.

Figure 13
End of Second Quarter Active Listings
Virginia Peninsula Jurisdictions
2021 and 2022



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



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.

Combined WAAR/Virginia Peninsula Region

| APPENDIX | Sales | | | Median Sales Price | | | Sold Dollar Volume (in millions) | | | Average DOM | | | Active Listings (end of quarter) | | |
|---|------------|--------------|---------|--------------------|------------------|---------|-------------------------------------|------------------|---------|-------------|------------|---------|-------------------------------------|--------------|---------|
| | Q2 2021 | Q2 2022 | Yoy Chg | Q2 2021 | Q2 2022 | Yoy Chg | Q2 2021 | Q2 2022 | Yoy Chg | Q2 2021 | Q2 2022 | Yoy Chg | Q2 2021 | Q2 2022 | Yoy Chg |
| Geography | Q2 2021 | Q2 2022 | Yoy Chg | Q2 2021 | Q2 2022 | Yoy Chg | Q2 2021 | Q2 2022 | Yoy Chg | Q2 2021 | Q2 2022 | Yoy Chg | Q2 2021 | Q2 2022 | Yoy Chg |
| Newport News | 920 | 824 | -10% | \$230,000 | \$257,000 | 12% | \$221.7 | \$216.7 | -2% | 22 | 18 | -16% | 387 | 410 | 6% |
| Hampton | 752 | 741 | -1% | \$235,000 | \$251,000 | 7% | \$179.5 | \$195.5 | 9% | 22 | 24 | 9% | 334 | 380 | 14% |
| James City County | 655 | 576 | -12% | \$356,917 | \$440,000 | 23% | \$276.5 | \$274.7 | -1% | 24 | 14 | -41% | 225 | 201 | -11% |
| York County | 445 | 364 | -18% | \$330,000 | \$387,658 | 17% | \$163.8 | \$153.1 | -7% | 18 | 15 | -16% | 193 | 176 | -9% |
| Isle of Wight County | 230 | 192 | -17% | \$349,000 | \$382,500 | 10% | \$84.9 | \$81.4 | -4% | 25 | 24 | -5% | 142 | 151 | 6% |
| New Kent County | 184 | 187 | 2% | \$339,495 | \$379,105 | 12% | \$67.3 | \$75.1 | 12% | 22 | 22 | -2% | 102 | 139 | 36% |
| Williamsburg | 91 | 87 | -4% | \$321,000 | \$377,900 | 18% | \$33.3 | \$36.9 | 11% | 30 | 20 | -33% | 52 | 65 | 25% |
| Poquoson | 75 | 73 | -3% | \$380,000 | \$450,000 | 18% | \$32.4 | \$35.6 | 10% | 32 | 17 | -46% | 45 | 50 | 11% |
| Charles City County | 10 | 12 | 20% | \$236,250 | \$361,250 | 53% | \$4.3 | \$4.9 | 13% | 136 | 17 | -87% | 10 | 9 | -10% |
| WAAR/Virginia Peninsula (Regional Total) | 3,362 | 3,056 | -9% | \$276,000 | \$311,000 | 13% | \$1,063.6 | \$1,073.9 | 1% | 23 | 19 | -16% | 1,490 | 1,581 | 6% |