

LARLYNCHBURG

HOME SALES REPORT

CUSTOM REPORT PREPARED BY
VIRGINIA REALTORS®

LAR Home Sales Report

Second Quarter 2023

Lynchburg Association of REALTORS®

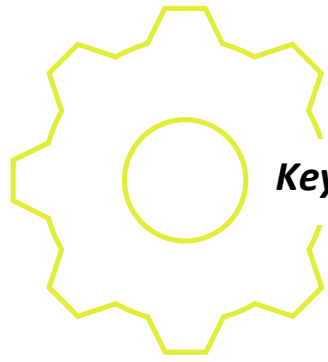
Market Report Key Takeaways

Economic Conditions

- Virginia's job base continues to expand, which generates demand for housing. There were approximately 6,900 jobs added to Virginia's economy between April and May 2023.
- The statewide unemployment rate in Virginia was 2.7% in May 2023 (not seasonally adjusted), which is down from 2.9% a year ago. In the LAR region, the unemployment rate was 3.2% in May, down from 3.3% a year ago.
- Mortgage rates continue to fluctuate widely. In the third week of July 2023, the average rate on a 30-year fixed mortgage was 6.78%, which is down from 6.96% the week prior.

Housing Market Conditions

- Sales activity continues to trend slower than last year in the LAR housing market. There were 880 homes sold across the region in the second quarter, down 23% from last year.
- Home prices are climbing even as there are fewer sales. The median sales price in the LAR housing market during the second quarter was \$280,000, up 8% from last year, a gain of \$20,000.
- There were 535 active listings on the market in the LAR region at the end of the second quarter, eight more listings than a year ago, which is a 2% bump.



Key Trends Dashboard, LAR

Economy



3.2%

Is the May-2023 **unemployment rate** in the LAR footprint, which is down from May-2022



6.78%

Is the **30-year fixed-rate mortgage rate** during the third week of July 2023, which is up from 5.54% a year ago

Housing Market



-266

Fewer **home sales** in the LAR footprint in Q2-2023 compared to last year



8%

Percent change in **median sales price** in the LAR region in Q2-2023 compared to a year ago



-\$82.6

Million dollars less in total **sold volume** in the LAR footprint in Q2-2023 compared to last year



2%

Percent change in **active listings** at the end of Q2-2023 in the LAR market compared to a year ago



1.2

Months of supply in the LAR footprint in Q2-2023, which is down from a year ago

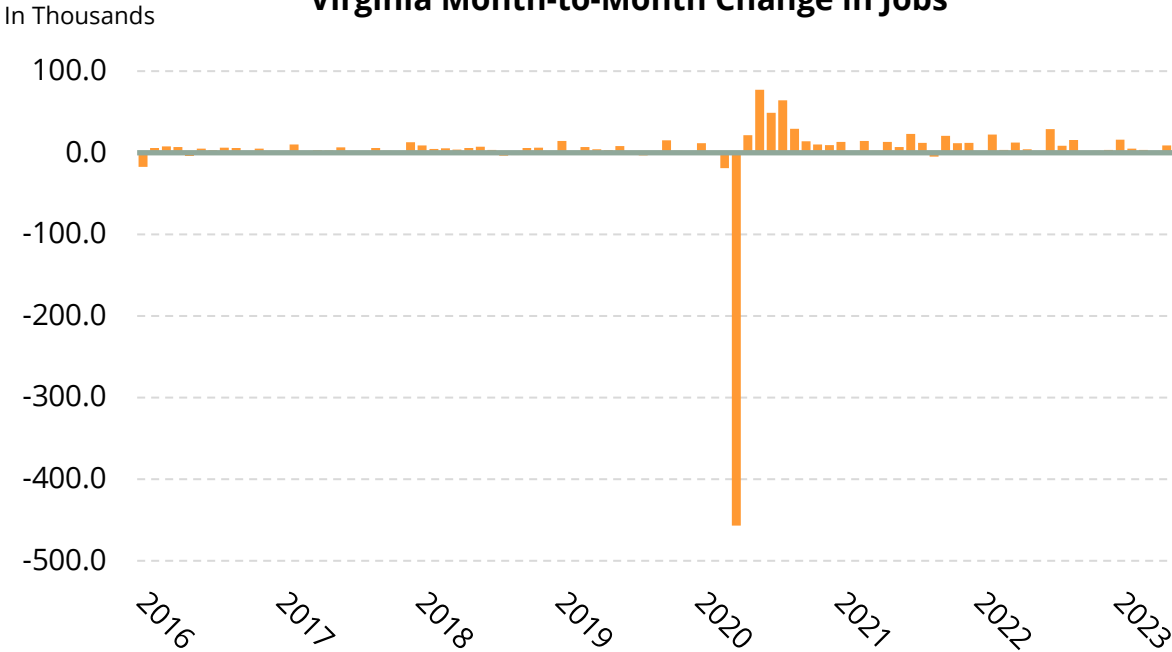
Economic Overview

Inflation continues to march downward but is still hovering above target levels, which leaves the potential for an additional rate hike on the table for the Federal Reserve. This could slow the economy further and soften what has been a very resilient job market.

Jobs

In May 2023, there were approximately 4.15 million jobs in Virginia, which is about 6,900 more jobs than the revised April 2023 total. The job market in Virginia and in many parts of the country has been resilient even as economic headwinds mount. Virginia’s job base has been expanding steadily over the last few years, faster than some of our neighbors to the north (MD, DC) and west (WV), but slower than places to the south (NC, TN). Most of the jobs added between April and May 2023 in Virginia were Professional and Technical Services jobs (+3,300), Construction jobs (+2,600), and Health Care and Social Assistance jobs (+1,600). The Other Services sector shed the most jobs over the past month (-1,700). This sector includes a wide range of service-related jobs such as personal care services, pet care services, and housekeeping, among others.

Figure 1
Virginia Month-to-Month Change in Jobs

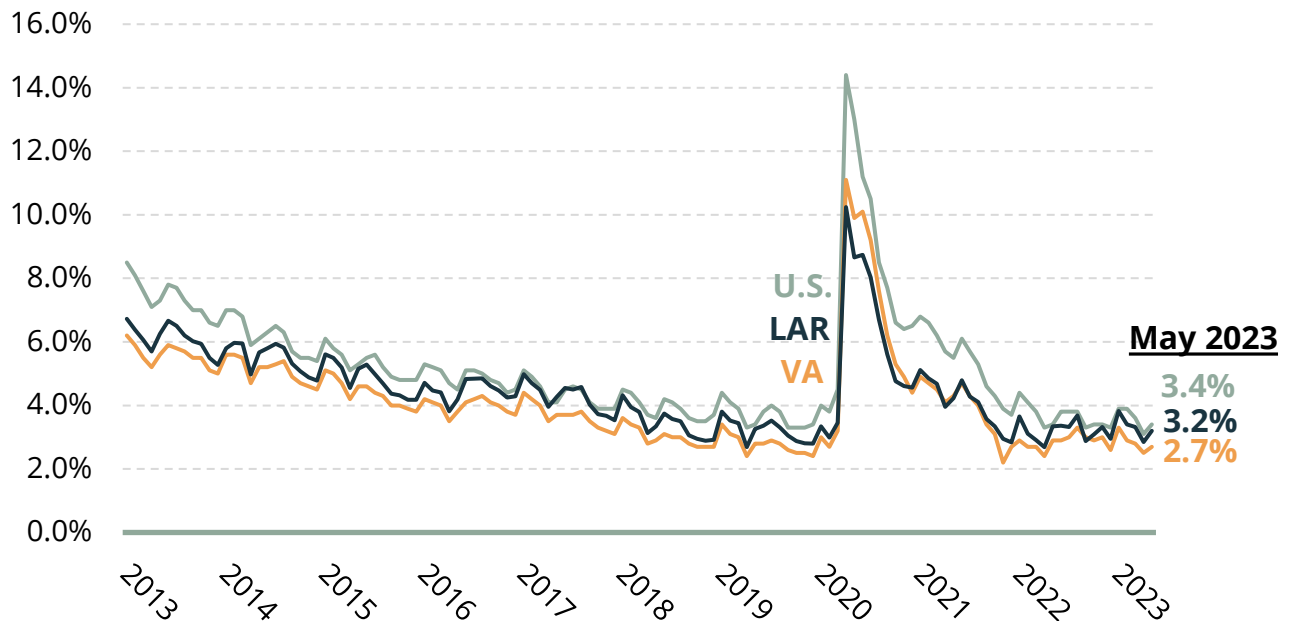


Source: U.S. Bureau of Labor Statistics, Seasonally Adjusted

Unemployment

The labor market in Virginia continues to be tight as unemployment lingers below 3%. The May unemployment rate in Virginia was 2.7% (not seasonally adjusted), which is down from 2.9% in May of last year. In the LAR region, the May unemployment rate was 3.2%, which is down from 3.3% a year ago.

Figure 2
Unemployment Rate

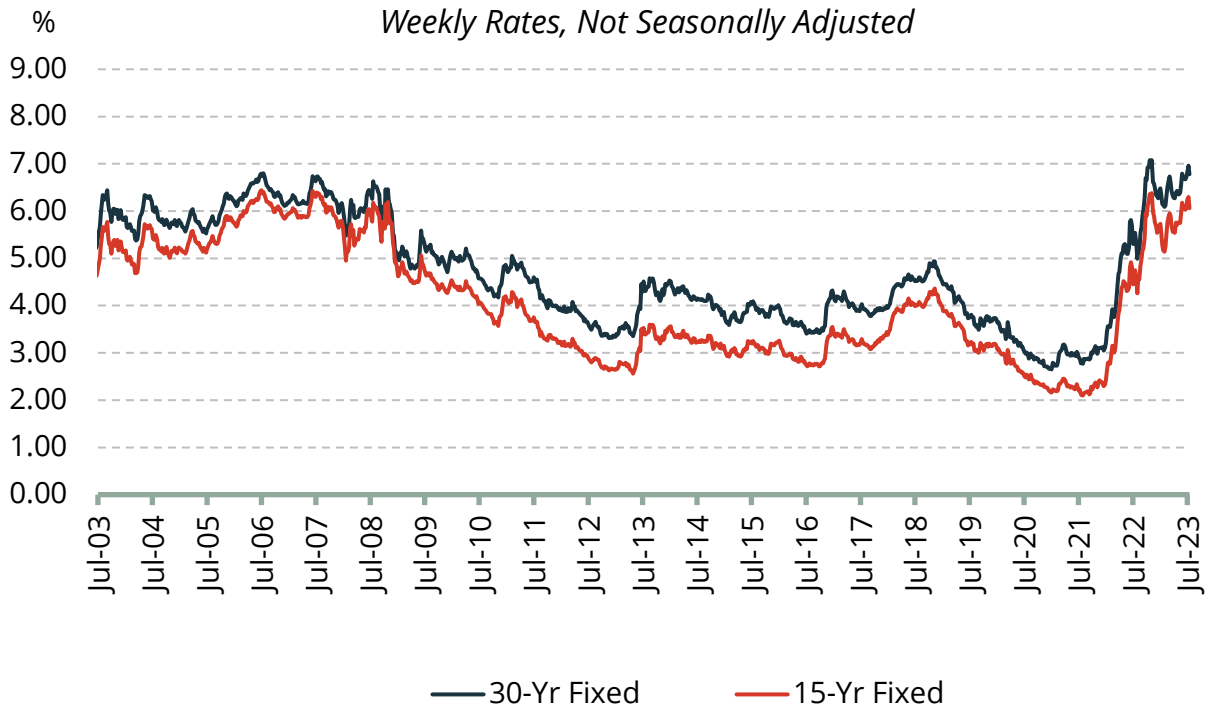


Source: U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics

Mortgage Rates

Mortgage rates continue to be volatile. The average rate for a 30-year fixed mortgage in the United States as of July 20 was 6.78%. This is down from 6.96% the previous week but is up from 6.67% this time last month. The rate volatility will likely remain a factor in the coming months, though many expect rates will trend downward over time.

Figure 3
Mortgage Interest Rates
Weekly Rates, Not Seasonally Adjusted



Source: Freddie Mac

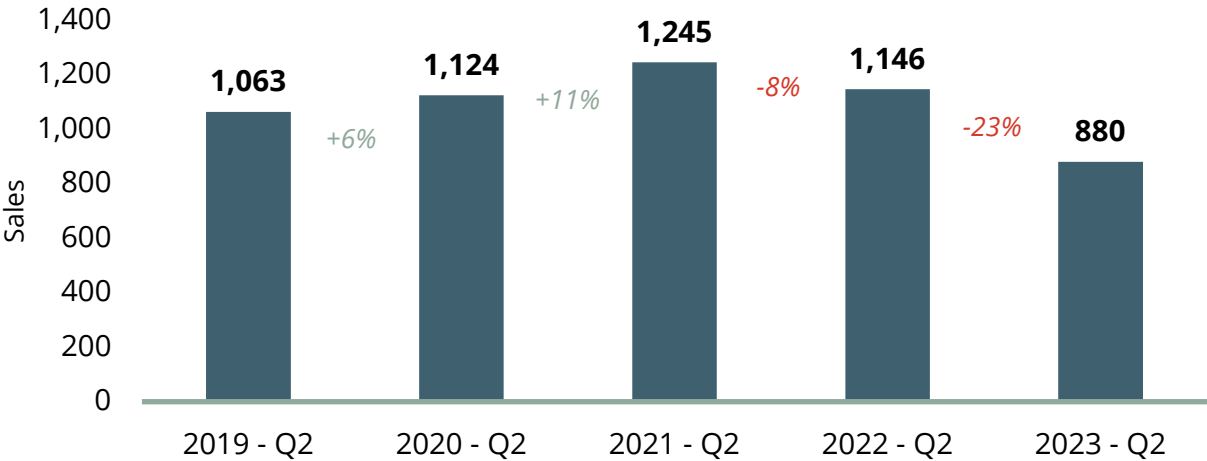
Housing Market Overview

The LAR housing market continues to be slower than last year but still just as competitive. Sales activity was down, as was sold volume. However, home prices are still rising in all local markets as supply conditions remain tight, which is putting upward pressure on price levels. Homes in the area are taking longer to sell than last year but continue to sell relatively fast compared to historical spring market averages.

Sales

It was a sluggish spring in the LAR area housing market. There were 880 homes sold across the footprint during the second quarter of 2023. This is 266 fewer sales than a year ago, representing a 23% drop, and the slowest spring market the region has had since 2015. Within the second quarter, which includes April through June, sales activity slowed down all three months compared to the same time last year. Statewide, sales activity fell 23% in the second quarter of 2023 compared to a year ago. The sharp slowdown in market activity is being driven by a combination of factors including tight inventory conditions and climbing mortgage rates. The dramatic rise in mortgage rates over the last year and a half has also created a "lock-in effect" in which would-be sellers have little incentive to sell their homes and lose the ultra-low mortgage rates that many homeowners locked into during the 2020 and 2021 refinance boom.

Figure 4
Second Quarter Home Sales, LAR
2019-2023



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



Local Snapshot – *Total Home Sales*

Amherst County: There were 73 home sales in Amherst County in the second quarter, 35 fewer than last year, a 32% decline.

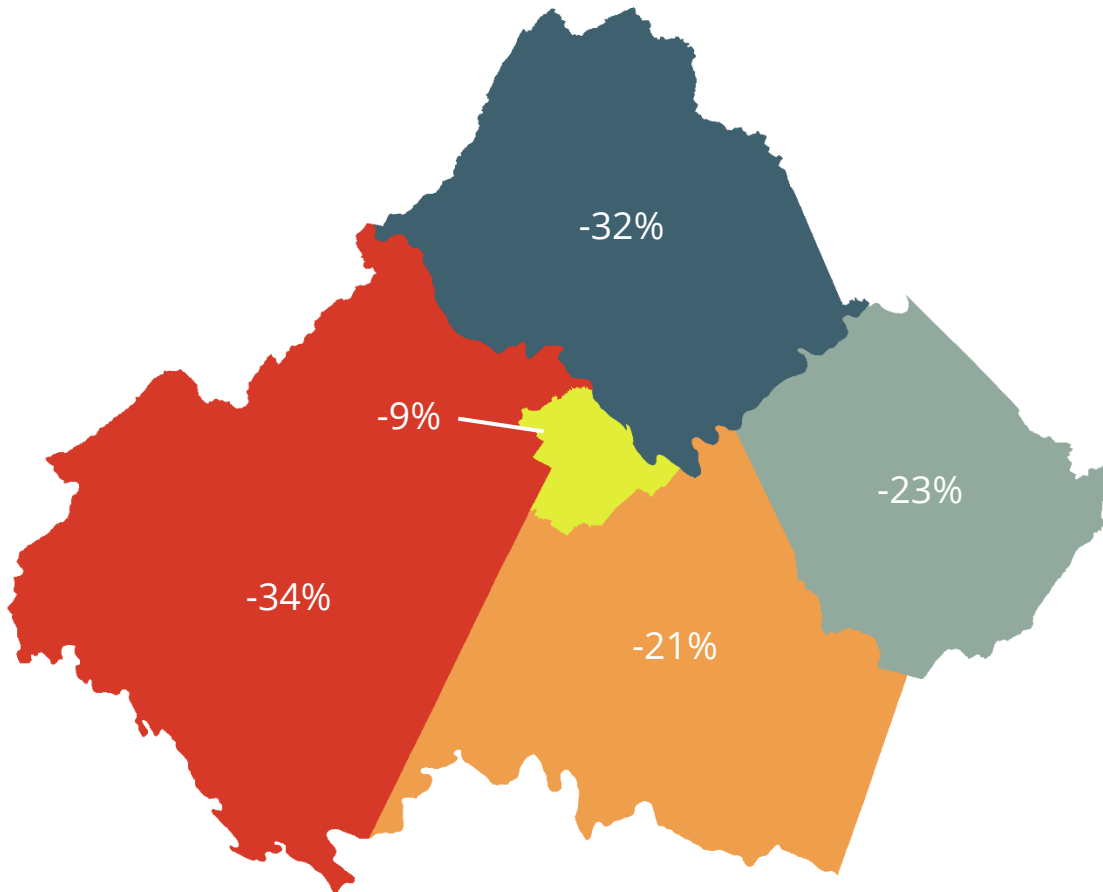
Appomattox County: Sales activity continues to fall in Appomattox County. In the second quarter, there were 41 closed sales throughout the county, 12 fewer compared to a year ago, reflecting a 23% decline.

Bedford County: In Bedford County, there were 271 home sales in the second quarter, a 34% decline compared to a year ago, which is 142 fewer sales. Sales activity has fallen for nearly two years.

Campbell County: Quarterly sales have declined for a year in Campbell County. There were 178 home sales in the second quarter in the county, a 21% decline compared to last year, which is 46 fewer sales.

Lynchburg: In the Lynchburg market, there were 317 sales in the second quarter, 31 fewer compared to last year, a 9% decline.

Figure 5
Change in Sales by Jurisdiction
LAR
Second Quarter 2022 to Second Quarter 2023



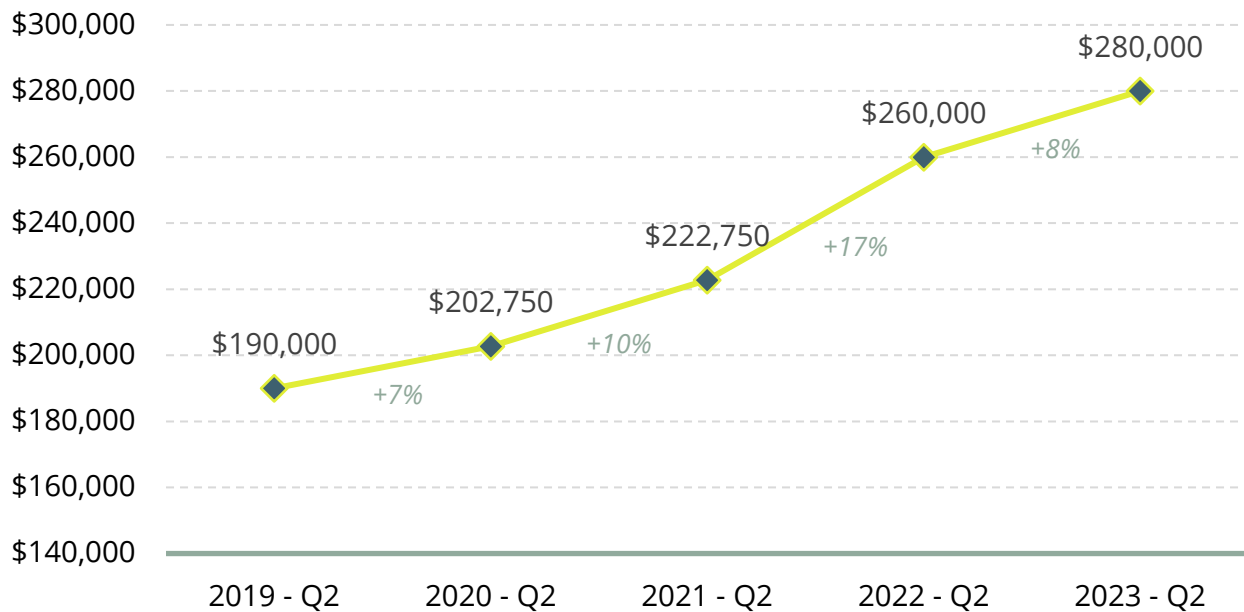
<i>Jurisdiction</i>	<i>2022 - Q2</i>	<i>2023 - Q2</i>	<i>% Change</i>
Amherst County	108	73	-32%
Appomattox County	53	41	-23%
Bedford County	413	271	-34%
Campbell County	224	178	-21%
Lynchburg	348	317	-9%

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

Sales Prices

While market activity remains sluggish, it has not put a damper on home prices, which continue to climb in all local markets in the LAR region. At \$280,000, the regionwide median sales price in the second quarter jumped by \$20,000 from this time last year, an 8% increase. The chronically low inventory coupled with a robust pipeline of buyers has continued to put upward pressure on home prices despite the slowdown. Statewide, median sales price in the second quarter of 2023 was \$388,825, which is up 2% from a year ago.

Figure 6
Second Quarter Median Sales Price, LAR
2019-2023



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



Local Snapshot – *Median Sales Price*

Amherst County: In the second quarter, the median sales price in Amherst County was \$255,000, a 16% increase compared to last year, which is a \$35,050 price jump.

Appomattox County: At \$280,000, the median sales price in Appomattox County in the second quarter was \$30,050 higher than a year ago, a 12% increase.

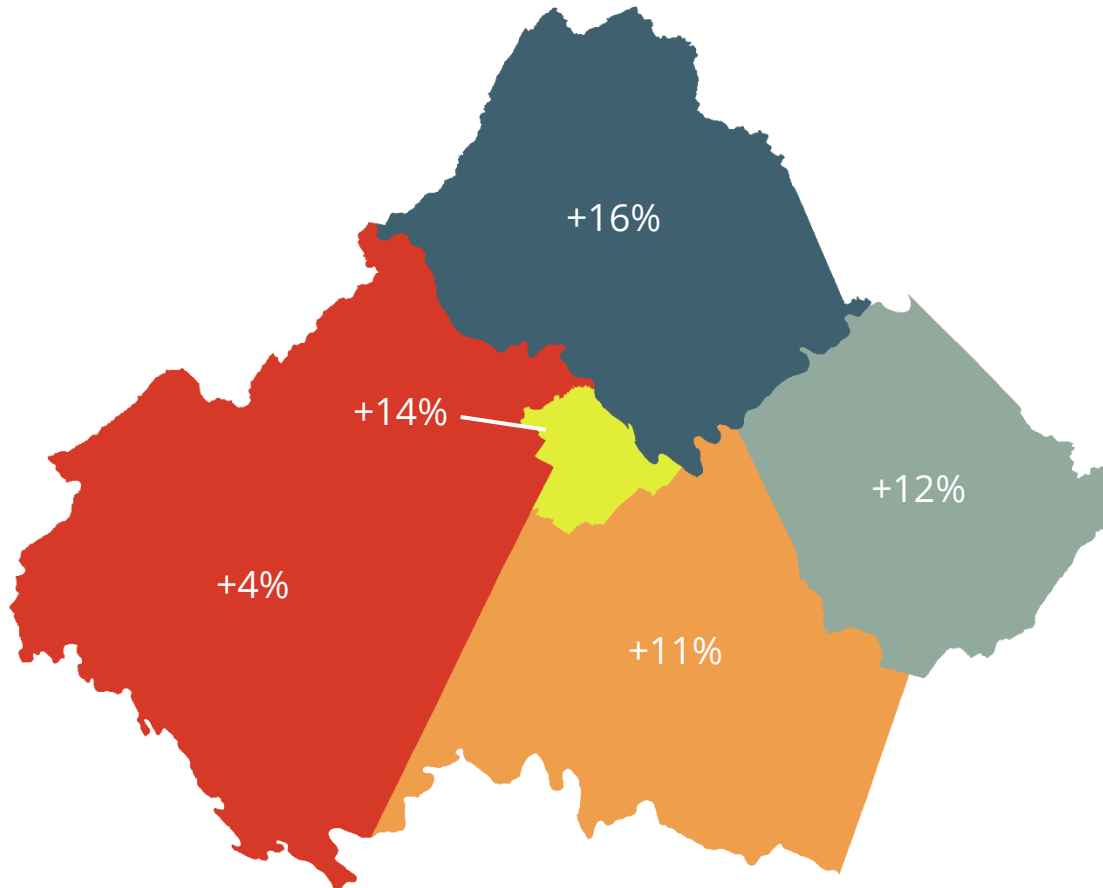
Bedford County: Home prices reached a new peak in Bedford County in the second quarter. The median sales price was \$365,000, a 4% price increase from the previous year, which is an additional \$15,000.

Campbell County: The median sales price in Campbell County was \$280,000 in the second quarter, \$27,050 higher than a year ago, an 11% rise. This is the highest recorded median sales price in the county.

Lynchburg: At \$250,000, the median sales price in Lynchburg rose by \$31,000 in the second quarter compared to last year, reflecting a 14% price increase. This is the highest recorded median sales price in the Lynchburg footprint.

Figure 7
Change in Median Sales Price by Jurisdiction
LAR

Second Quarter 2022 to Second Quarter 2023



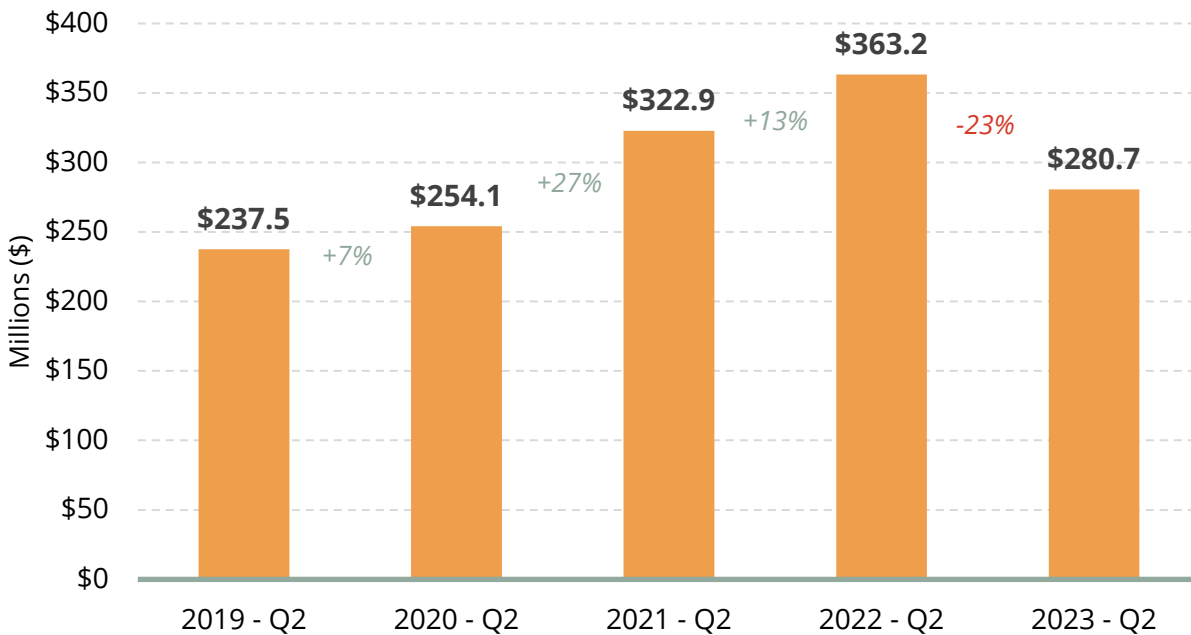
<i>Jurisdiction</i>	<i>2022 - Q2</i>	<i>2023 - Q2</i>	<i>% Change</i>
Amherst County	\$219,950	\$255,000	16%
Appomattox County	\$249,950	\$280,000	12%
Bedford County	\$350,000	\$365,000	4%
Campbell County	\$252,950	\$280,000	11%
Lynchburg	\$219,000	\$250,000	14%

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

Sold Volume

While price levels are rising across the region, the slowdown in sales activity continues to bring down the sold dollar volume in the LAR area housing market. There was about \$280.7 million of sold volume across the LAR region in the second quarter, a decrease of \$82.5 million from a year ago. This represents a 23% reduction in sold volume in the LAR market, the fourth straight quarter of declining volume.

Figure 8
Second Quarter Sold Dollar Volume (Millions), LAR
2019-2023



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



Local Snapshot – *Sold Dollar Volume*

Amherst County: Despite an increase in home prices, lower sales led to a decline in sold volume in Amherst County. There was about \$20.1 million in sold volume in Amherst County during the second quarter, a 19% decline compared to last year, which is about \$4.8 million less.

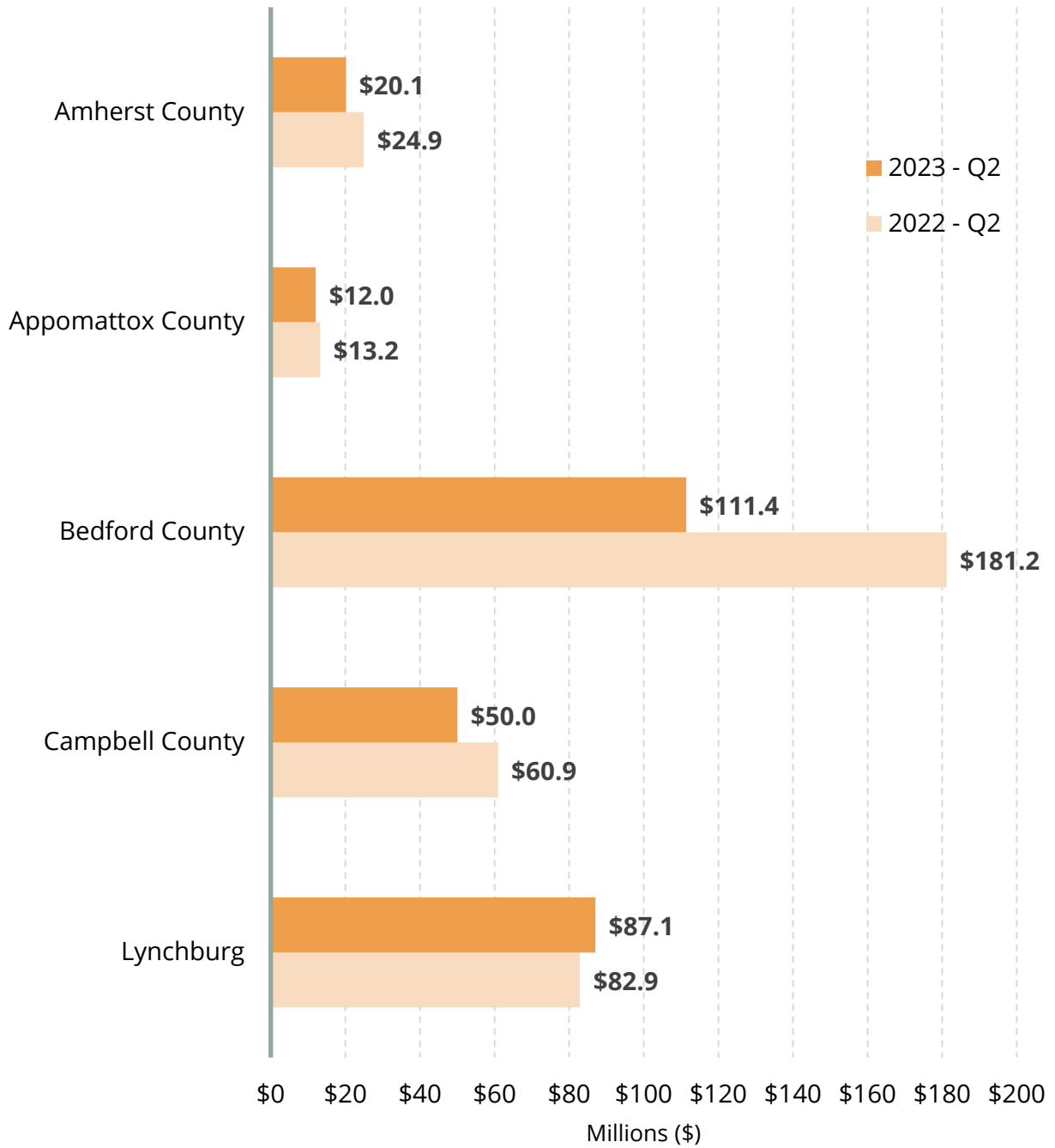
Appomattox County: Lower sales led to a drop in sold volume in Appomattox County. In the second quarter, there was approximately \$12 million in sold volume in the county, about a \$1.2 million difference.

Bedford County: Sold volume declined sharply in Bedford County even though home prices peaked in the second quarter. There was roughly \$111.3 million accumulated sales in the second quarter in Bedford County, about \$69.9 million less than the previous year, reflecting a 39% decline.

Campbell County: The drop in sales activity led to less sold volume in Campbell County. There was approximately \$50 million in sold volume in Campbell County during the second quarter, an 18% decline compared to a year ago, which is a \$10.9 million difference.

Lynchburg: Rising prices in the Lynchburg market led to increased sold volume in the second quarter. There was about \$87 million in sold volume in Lynchburg during the second quarter, a 5% increase from a year ago, which is an additional \$4.2 million.

Figure 9
Second Quarter Sold Dollar Volume, LAR Jurisdictions
2022 and 2023

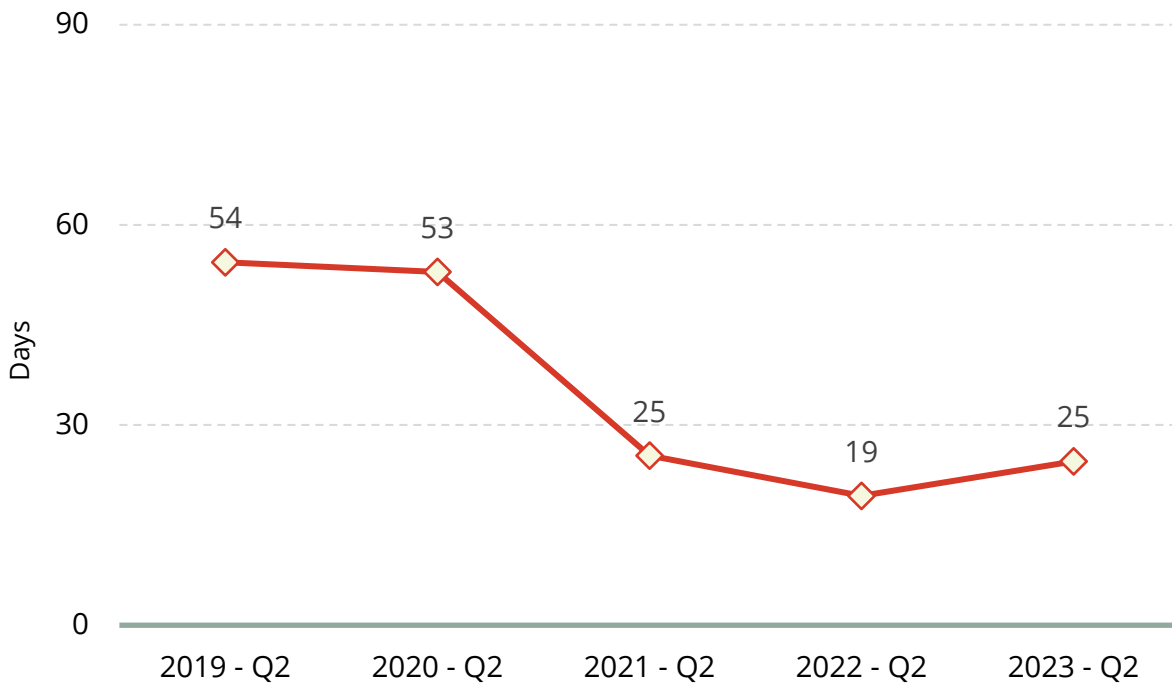


Source: Virginia REALTORS®, data accessed July 15, 2023

Days on Market

Homes are staying on the market longer than last year but are still selling relatively fast compared to historical averages. Homes that sold in the LAR region during the second quarter of 2023 were on the market 25 days on average, which is six days slower than a year ago. While this trend has been consistent for several quarters now, the market remains competitive. For context, the average days on market in the region during the second quarter five years ago (2018) was 70 days. This is nearly three times the amount of time it took to sell a home in the second quarter of 2023, even though transaction volume now is much lower than it was in 2018. This dynamic is being driven by the low supply of homes available in the market. At the state level, the average days on market this quarter was 23 days, which is six days longer than the second quarter of 2022.

Figure 10
Second Quarter Average Days on Market, LAR
2019-2023



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



Local Snapshot – *Average Days on Market*

Amherst County: In the second quarter, homes were on the market 26 days on average in Amherst County, which is two days longer than a year ago.

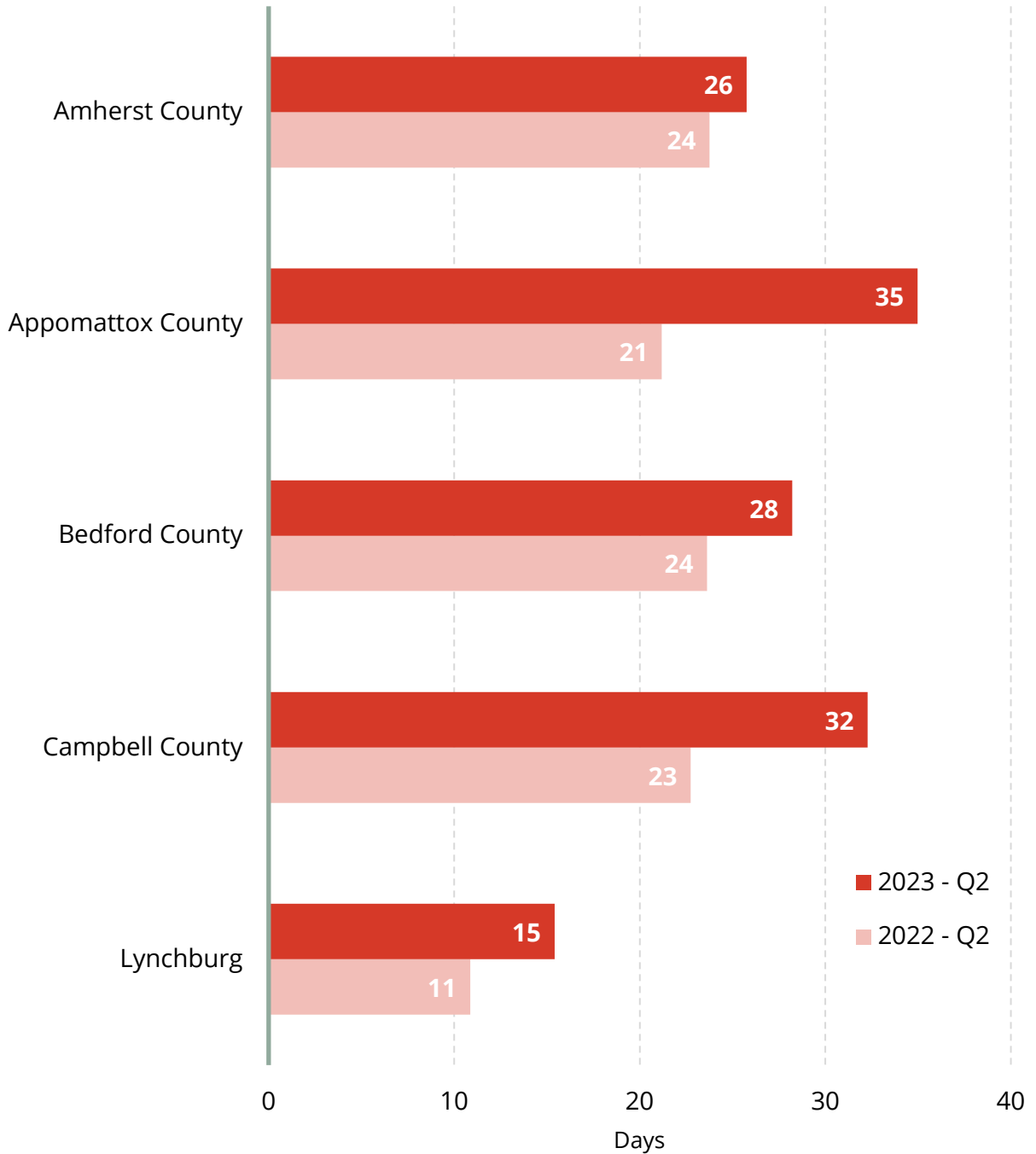
Appomattox County: On average, homes were on the market 35 days in Appomattox County, about two weeks longer than a year ago. The average days on the market has increased for a year in Appomattox.

Bedford County: At 28 days, homes were on the market five days longer on average in the second quarter compared to last year in Bedford County.

Campbell County: The average number of days on market was about a month (32) in Campbell County, 10 days longer than a year ago.

Lynchburg: In Lynchburg, homes were on the market 15 days on average, five days longer compared to last year.

Figure 11
Second Quarter Average Days on Market, LAR Jurisdictions
2022 and 2023



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

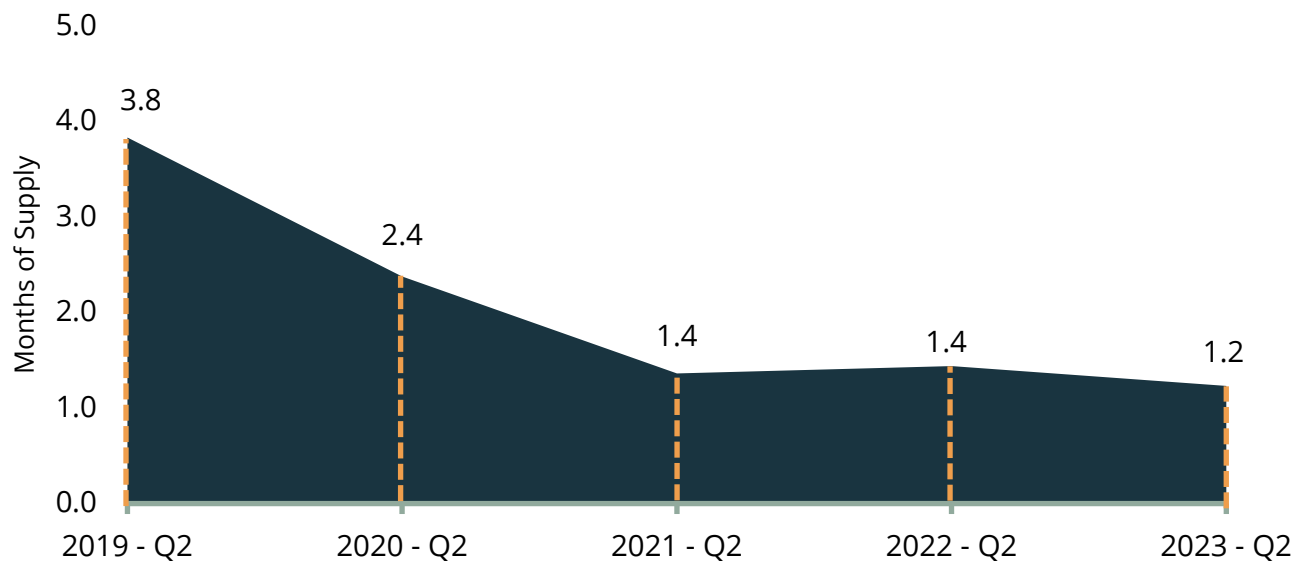
Inventory

After building up rapidly for two straight quarters, the inventory of active listings was relatively flat in the second quarter in the LAR footprint. There were 535 active listings on the market at the end of the second quarter across the LAR footprint, inching up 2% from a year ago, which is an uptick of eight listings.

There were just 16,246 active listings across Virginia at the end of the second quarter. This is 3,129 fewer listings than a year ago, representing a 16.1% decrease.

There was about 1.2 months of supply at the end of the second quarter in the LAR 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 about 1.8 months of supply at the end of the second quarter.

Figure 12
End of Second Quarter Months Supply, LAR
2019-2023



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



Local Snapshot – *Active Listings*

Amherst County: There were 43 active listings in Amherst County at the end of the second quarter, unchanged from the previous year. The monthly supply rose by 27% in the second quarter compared to last year in the county.

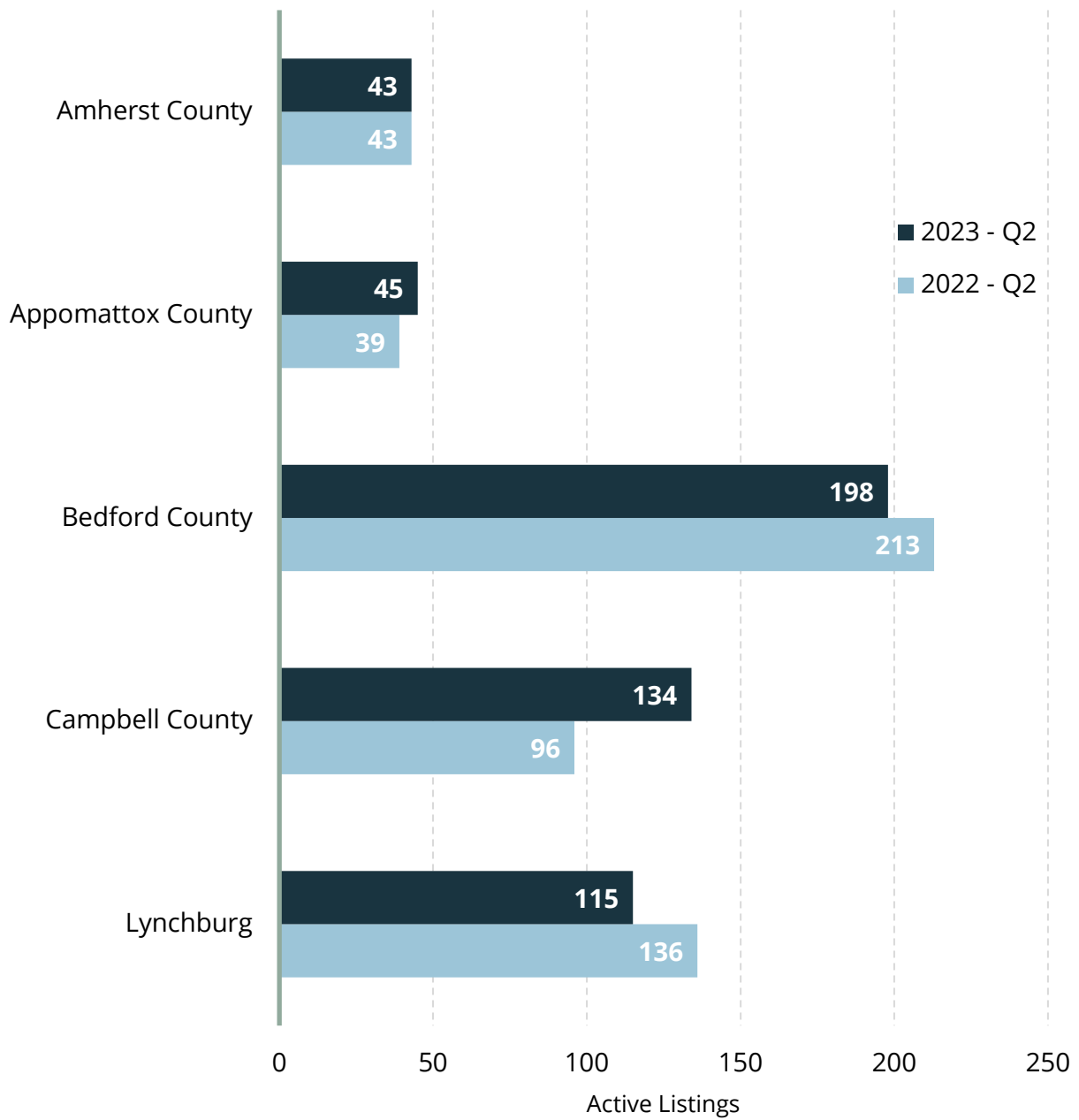
Appomattox County: At 45, the number of active listings rose in Appomattox County by 15% at the end of the second quarter compared to a year ago. The county had a 69% increase in months supply in the second quarter compared to last year.

Bedford County: In Bedford County, there were 198 active listings at the end of the second quarter, 15 fewer than this time last year, reflecting a 7% decline. There were two months of supply in the second quarter in Bedford County, 29% more than last year.

Campbell County: Inventory has risen for three consecutive quarters in Campbell County. At the end of the second quarter, there were 134 active listings in Campbell County, 38 more than last year, a 40% increase. Supply rose by 73% in Campbell County in the second quarter compared to the previous year.

Lynchburg: There were 115 active listings in the Lynchburg market at the end of the second quarter, 21 fewer than last year, a 15% decline. In the second quarter, months supply decreased by 6% compared to a year ago to just over a month of housing stock.

Figure 13
End of Second Quarter Active Listings, LAR Jurisdictions
2022 and 2023



Source: Virginia REALTORS®, data accessed July 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.