

CBRAR CHESAPEAKE BAY & RIVERS HOME SALES REPORT

CUSTOM REPORT PREPARED BY
VIRGINIA REALTORS®

CBRAR Home Sales Report

Fourth Quarter 2021

Chesapeake Bay & Rivers Association of REALTORS®

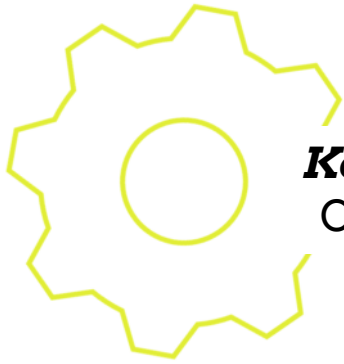
Market Report Key Takeaways

Economic Conditions

- Economic conditions in Virginia continued to improve in the fourth quarter, with broad-based job gains and another drop in the unemployment rate. The employment picture also improved in the Chesapeake Bay and Rivers region, with the unemployment rate falling to below pre-pandemic levels.
- Despite steady economic progress, consumer confidence remains weak, as individuals and families face rising prices and a surge in COVID-19 cases. The measure of expectations of future economic conditions fell to a 16-month low in December 2021.
- Mortgage rates began to tick up at the end of 2021. Persistently high inflation will prompt the Federal Reserve to raise the federal funds rate in 2022, which will push mortgage rates even higher in the months to come.

Housing Market Conditions

- There were 407 sales in the Chesapeake Bay & Rivers footprint in the fourth quarter, 10 fewer sales than last year (-2%).
- Home prices continued to rise in the area. The fourth quarter median sales price in the Chesapeake Bay & Rivers region was \$290,000, a 7% increase from last year, which is a gain of more than \$18,000.
- Supply continued to tighten in the Chesapeake Bay & Rivers market. There were just 241 active listings in the region at the end of the fourth quarter, 23% fewer listings than this time last year.



Key Trends Dashboard Chesapeake Bay & Rivers

Economy



2.4%

Is the Nov-2021 **unemployment rate** in the Chesapeake Bay & Rivers footprint, which is down from Oct-2021



3.45%

Is the **30-year fixed-rate mortgage rate** during the second week of January 2022, which is up 0.66 percentage points from a year ago

Housing Market



-10

Fewer **home sales** in the Chesapeake Bay & Rivers footprint in Q4-2021 compared to last year



7%

Percent change in **median sales price** in the Chesapeake Bay & Rivers region in Q4-2021 compared to a year ago



\$6.3

Million dollars more in total **sold volume** in the Chesapeake Bay & Rivers footprint in Q4-2021 compared to last year



-23%

Percent change in **active listings** at the end of Q4-2021 in the Chesapeake Bay & Rivers market compared to a year ago



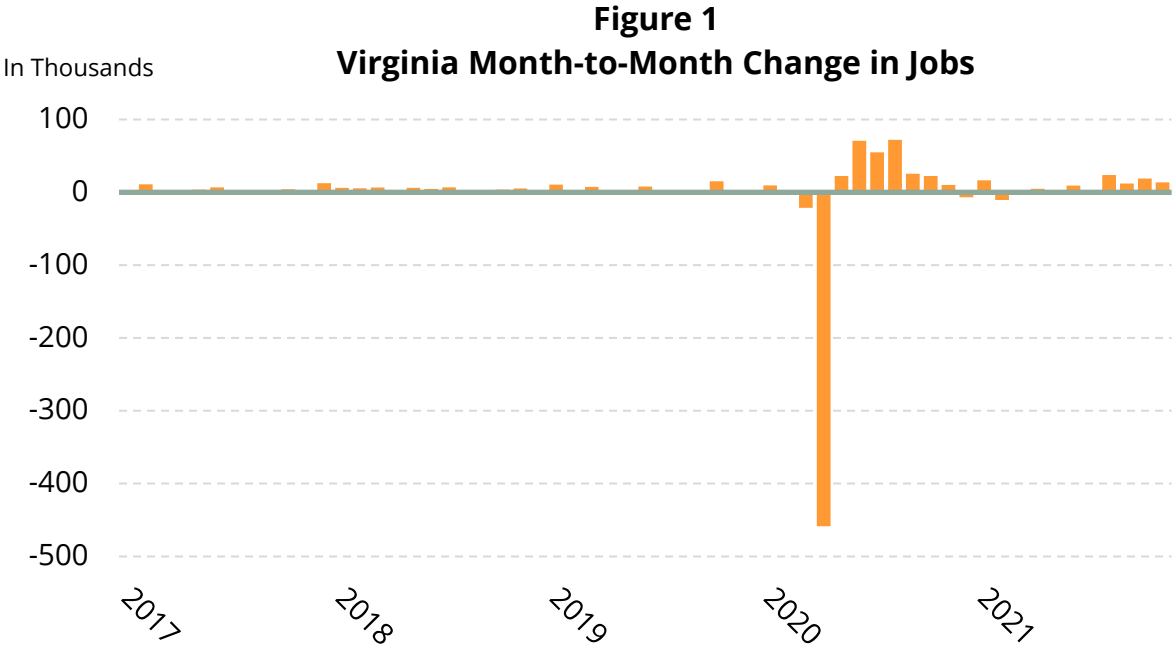
1.7

Months of supply in the Chesapeake Bay & Rivers footprint in Q4-2021, which is down from a year ago

Economic Overview

Virginia’s economy continued to improve steadily through the end of 2021. Despite concerns that the new COVID variants would stall progress, the economy has been demonstrating resiliency driven by strong consumer demand, rising vaccination rates, and pandemic fatigue. There have been six months of steady job growth in the state, with widespread economic improvements across Virginia’s metro areas. The state’s unemployment rate continues to fall and remains lower than the national rate. There are some risks to the state’s economic recovery, including rising inflation and interest rates, but, in general, strong underlying fundamentals suggest ongoing economic growth. Positive economic trends will support a strong housing market in Virginia in 2022.

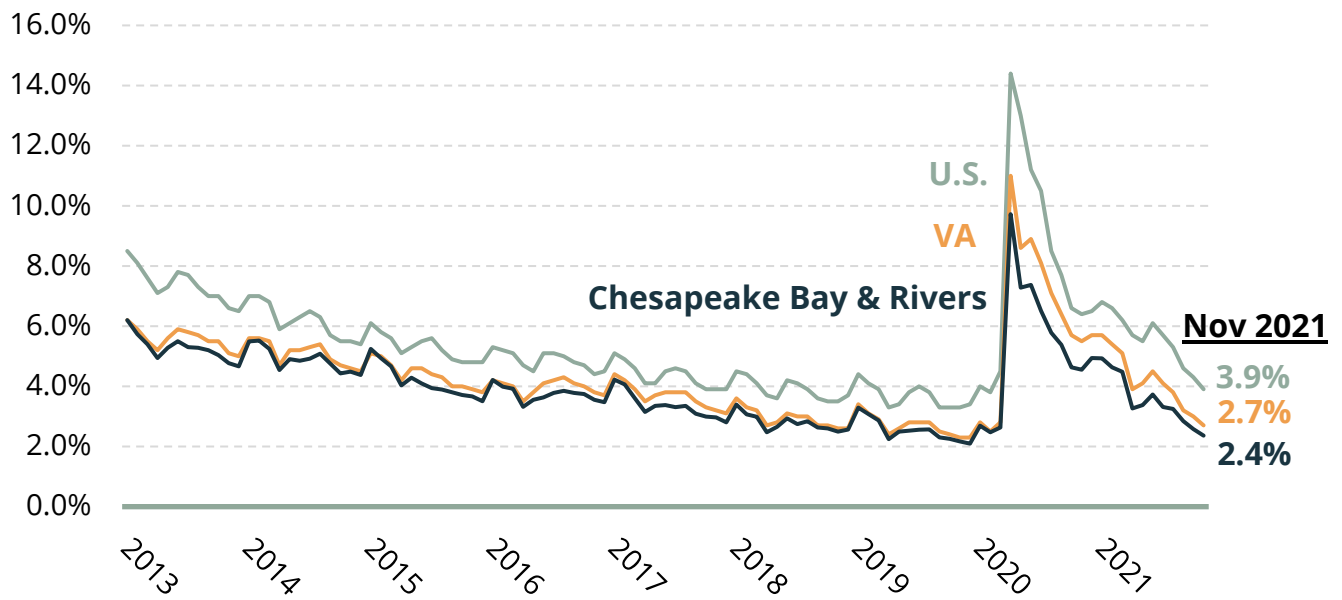
In November 2021, there were 3.97 million jobs in Virginia, which is an increase of 82,600 compared to a year ago and a gain of 13,600 jobs between October and November. While the number of jobs in the commonwealth is still 3% below where it was in early 2020, it is expected that by the end of 2022, the state’s economy will be on solid footing and will have regained all of the jobs lost during the pandemic.



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

The statewide unemployment rate was 2.7% (not seasonally adjusted) in November and has been steadily declining since the beginning of 2021. In the Chesapeake Bay & Rivers region, the unemployment rate fell to 2.4% in November, which is lower than pre-pandemic levels.

Figure 2
Unemployment Rate

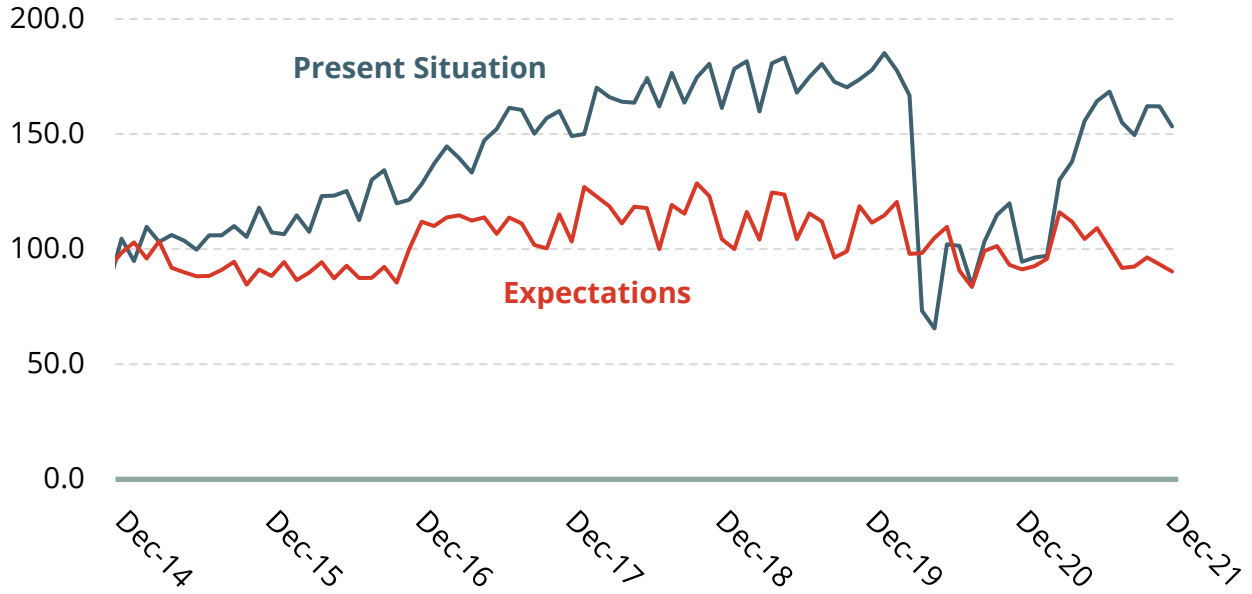


Source: U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics

Despite improvements in the job market, individuals and families are still cautious as they deal with high inflation and the COVID-19 omicron variant. In December 2021, consumers' confidence in the present economic situation dipped slightly, falling to 153.3 from 162 in November. The future outlook remained pessimistic in December, with the measure of expected future economic conditions at 90.3, down from 93.3 a month earlier. (A consumer confidence index above 100 indicates people are feeling more optimistic about economic conditions.) Consumer confidence about future economic conditions is the lowest it has been since August 2020.

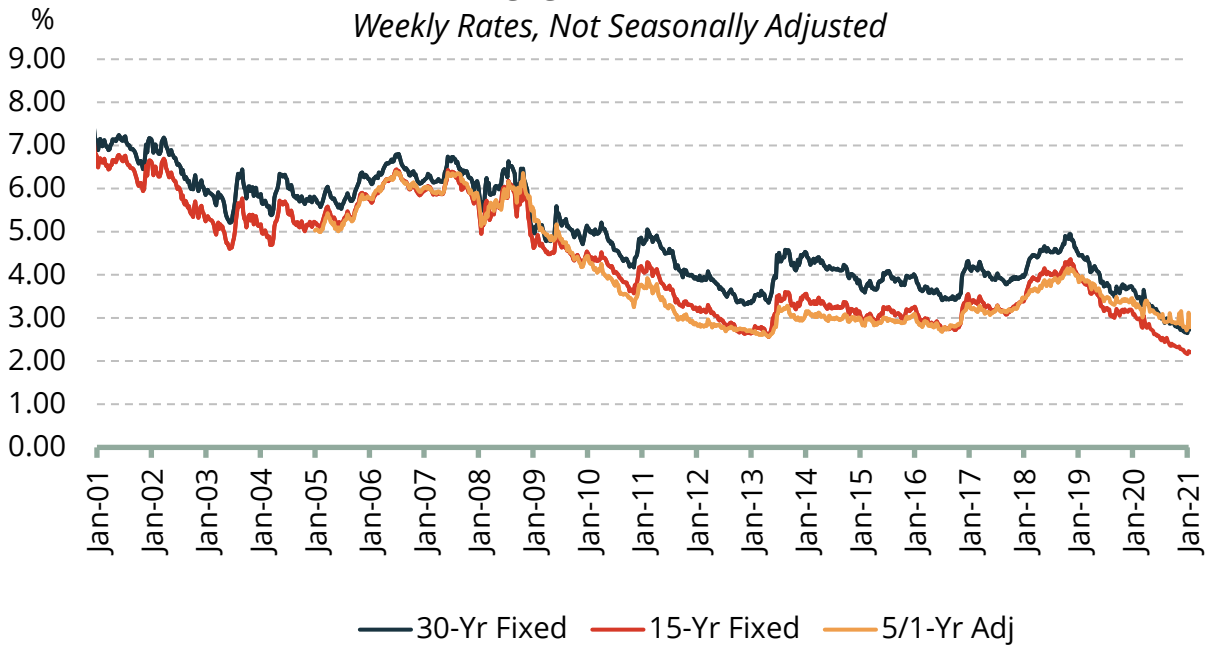
As 2021 ended, mortgage rates began to tick up slightly. At the end of December, the average rate on a 30-year fixed-rate mortgage hit 3.11%. The Federal Reserve has announced they anticipate raising the federal funds rate three times in 2022, which will lead to a further rise in mortgage rates over the coming year. Mortgage rates will stay low by historic standards, however, and will likely remain below 4% through the end of 2022.

Figure 3
Consumer Confidence
South Atlantic Region



Source: The Conference Board

Figure 4
Mortgage Interest Rates
Weekly Rates, Not Seasonally Adjusted



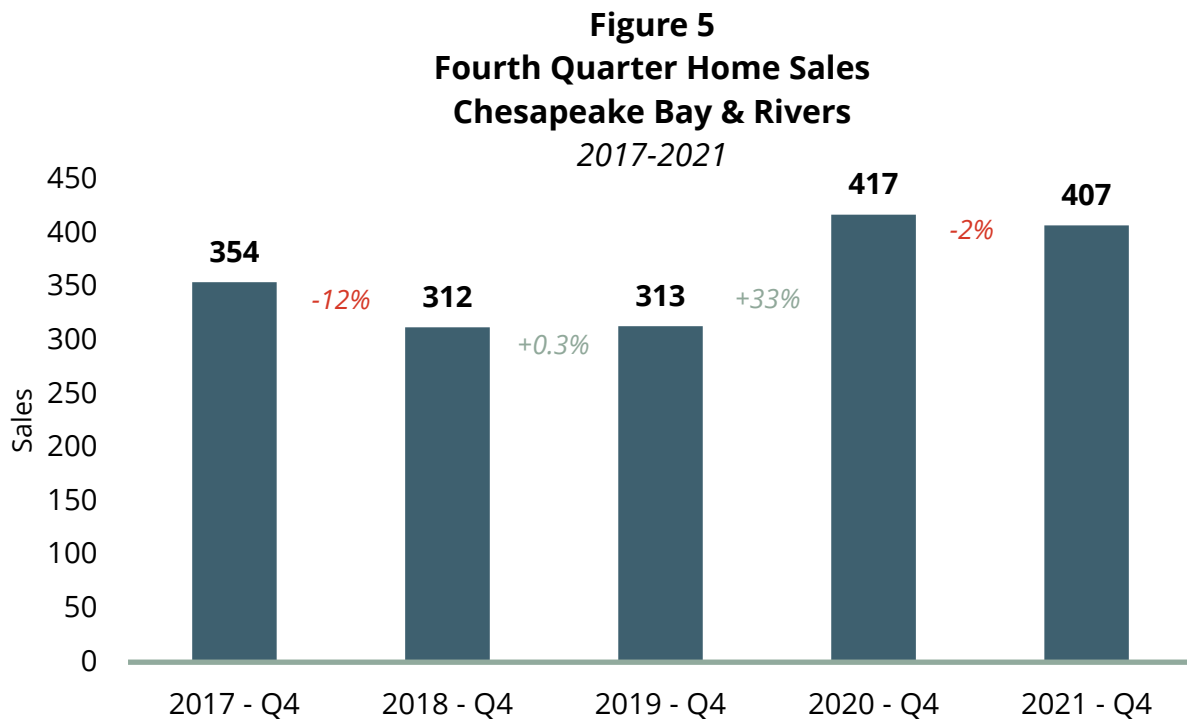
Source: Federal Reserve Bank of St. Louis

Housing Market Overview

The Chesapeake Bay & Rivers housing market continued to slow down on some key metrics in the fourth quarter compared to the very busy market a year ago, but overall activity levels far outpaced pre-pandemic levels. The total number of sales in the region moderated slightly from last year, though prices continued to climb, which pushed up the sold dollar volume. Homes sold faster on average than a year ago, and the supply continued to shrink in all local markets.

Sales

There were 407 sales across the Chesapeake Bay & Rivers footprint in the fourth quarter of 2021. Home sales were down 2% compared to the busy fourth quarter of 2020, which is a decline of 10 sales. However, sales in the fourth quarter of 2021 were up by 30% compared to the fourth quarter of 2019. Sales activity slowed between the third and fourth quarters, which reflects typical seasonality in the housing market. Statewide, the number of home sales in the fourth quarter was down 3% compared to a year ago and was 26% higher than fourth quarter 2019 sales totals.



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



Local Snapshot – *Total Home Sales*

Gloucester County: There were 165 sales in Gloucester County in the fourth quarter, five fewer sales than last year, which is a modest 3% decline. This is the second straight slowdown in sales in the county's housing market following a year and a half of strong growth.

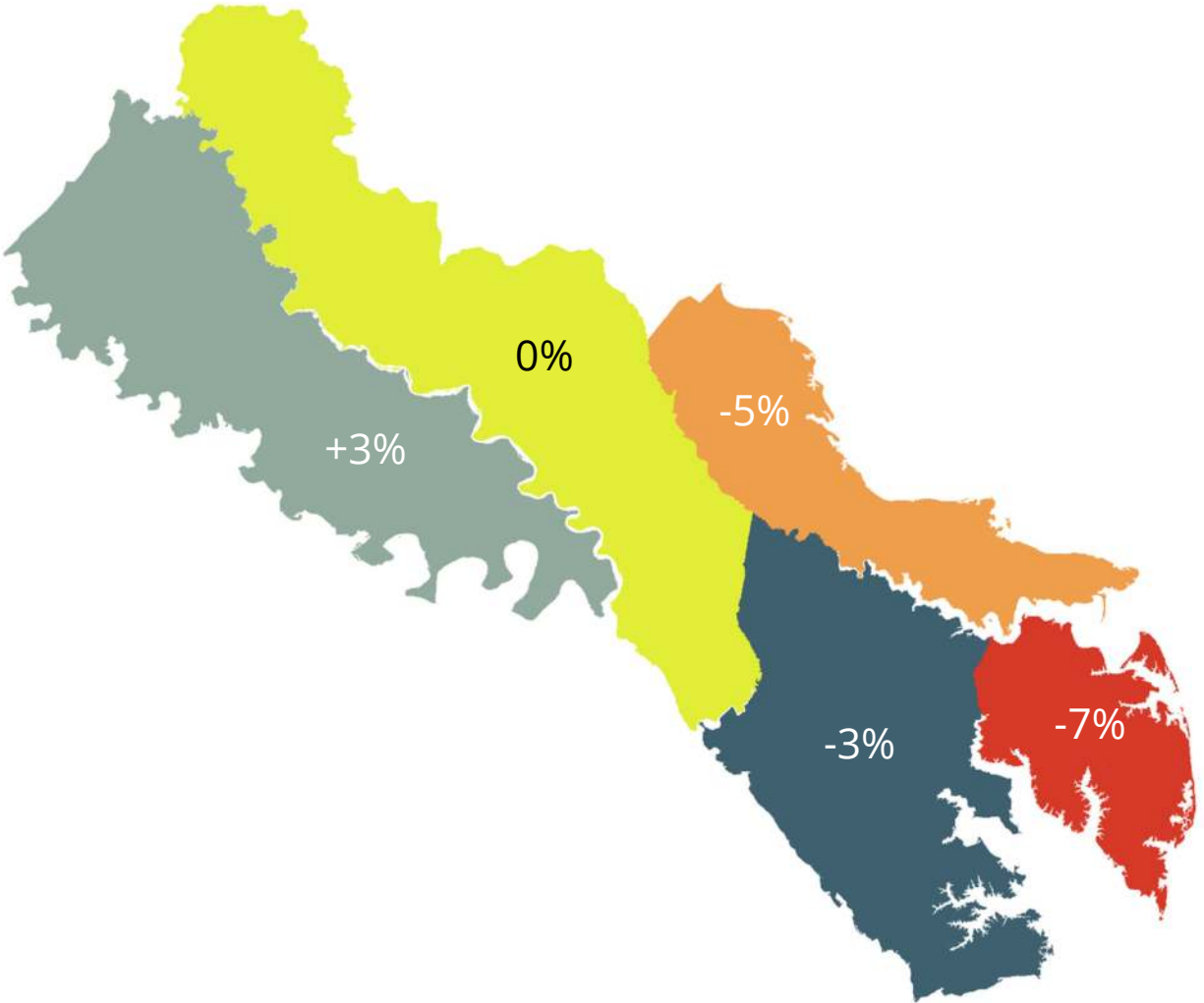
King and Queen County: Sales were flat in the King and Queen County housing market in the fourth quarter of 2021. There were 21 sales in in the county, the same number as the fourth quarter of 2020.

King William County: There were 92 home sales in King William County during the fourth quarter, three more sales than a year ago, inching up 3%. King William County was the only local market in the region to have an increase in sales this quarter.

Mathews County: Sales activity continued to moderate in Mathews County. There were 56 sales in the county in the fourth quarter, four fewer sales than this time last year, representing a 7% decrease. Sales have slowed down in the county for two consecutive quarters compared to the busy market last year.

Middlesex County: There were 73 sales in Middlesex County in the fourth quarter, 5% fewer sales than last year, a decrease of four sales. Sales activity has slowed down in the county three of the last four quarters.

Figure 6
Change in Sales by Jurisdiction
Chesapeake Bay & Rivers
Fourth Quarter 2020 to Fourth Quarter 2021



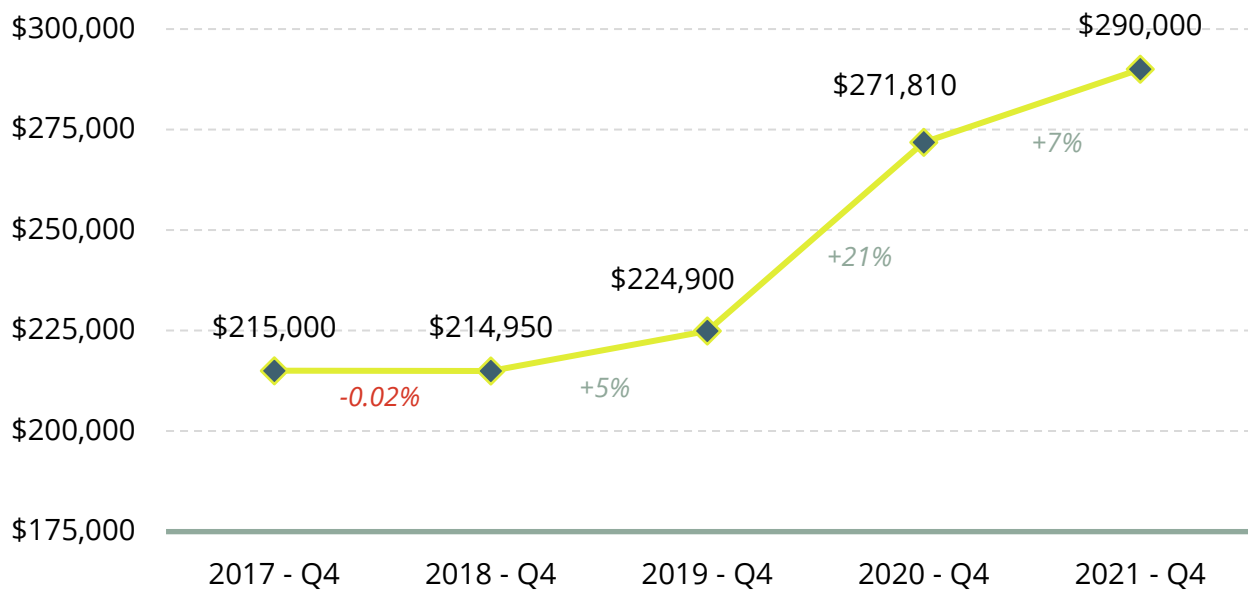
<i>Jurisdiction</i>	<i>2020 - Q4</i>	<i>2021 - Q4</i>	<i>% Change</i>
Gloucester County	170	165	-3%
King & Queen County	21	21	0%
King William County	89	92	3%
Mathews County	60	56	-7%
Middlesex County	77	73	-5%

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

Sales Prices

Despite the moderating sales activity, price growth continued to be relatively strong through much of the Chesapeake Bay & Rivers footprint. The fourth quarter median sales price in the region was \$290,000, a 7% increase from a year ago, which is a gain of more than \$18,000. All but one local market had a higher median price than last year, which reflects strong demand and the impact the tight supply has on the local markets. The fourth quarter median sales price statewide was \$350,000, up 6% compared to a year ago.

Figure 7
Fourth Quarter Median Sales Price, Chesapeake Bay & Rivers
2017-2021



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



Local Snapshot – *Median Sales Price*

Gloucester County: The fourth quarter median sales price in Gloucester County was \$299,900, up 8% from last year, which is a \$22,450 increase. Home prices in the county's housing market have been rising quickly over the last couple years.

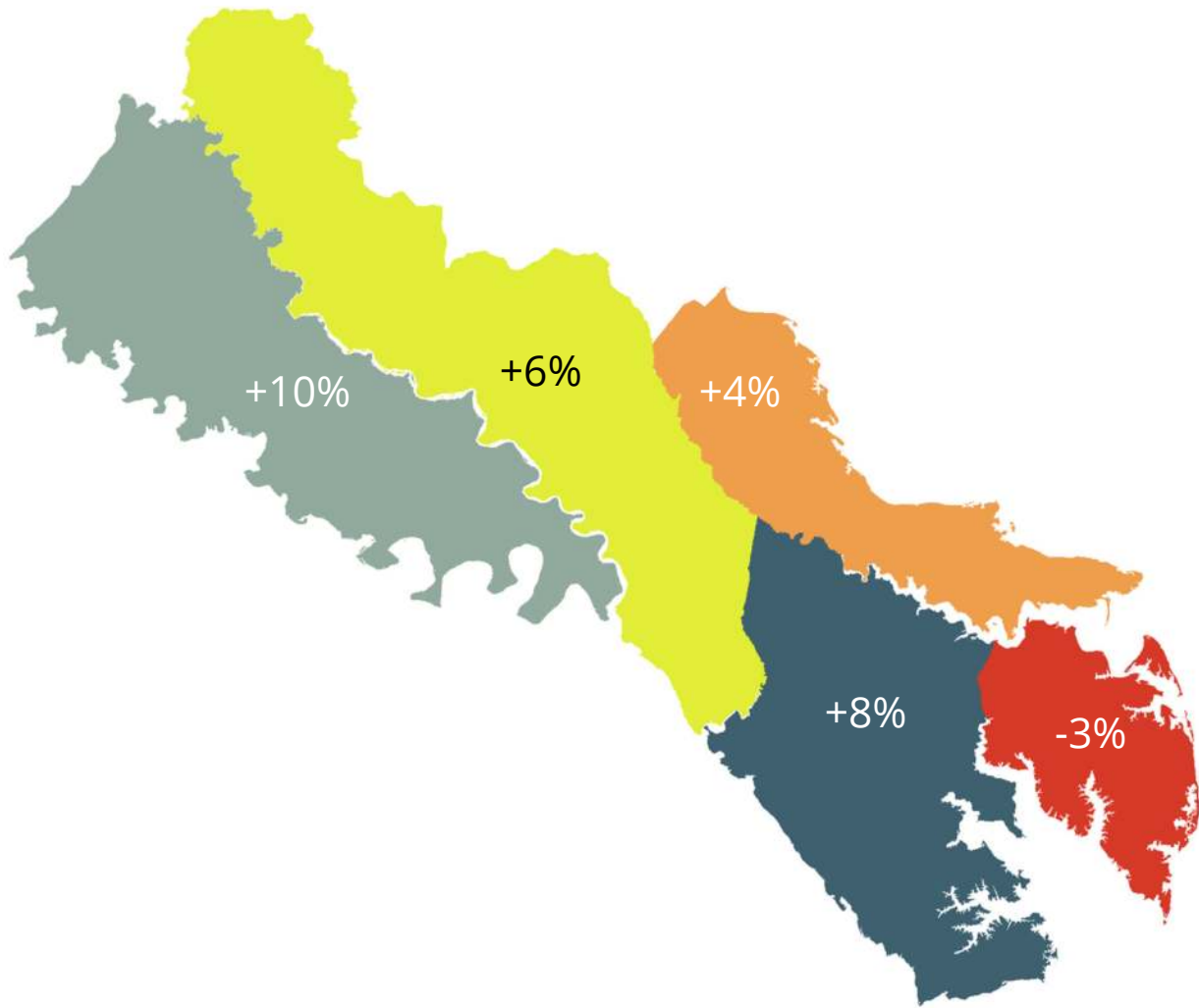
King and Queen County: At \$230,000, the fourth quarter median sales price in King and Queen County rose 6% from last year, which is a gain of more than \$12,000.

King William County: Price growth continued to be strong in the King William County market. The median sales price in the county during the fourth quarter was \$270,000, which is a 10% jump from a year ago, a gain of \$24,000.

Mathews County: Sales prices dipped slightly this quarter in Mathews County. The fourth quarter median sales price in the county was \$295,000, down 3% from a year ago, a decrease of \$10,000. Prior to this drop, prices had been surging in the county since the summer of 2020.

Middlesex County: At \$350,000, the fourth quarter median sales price in Middlesex County climbed 4% from this time last year, which is a gain of \$15,000.

Figure 8
Change in Median Sales Price by Jurisdiction
Chesapeake Bay & Rivers
Fourth Quarter 2020 to Fourth Quarter 2021



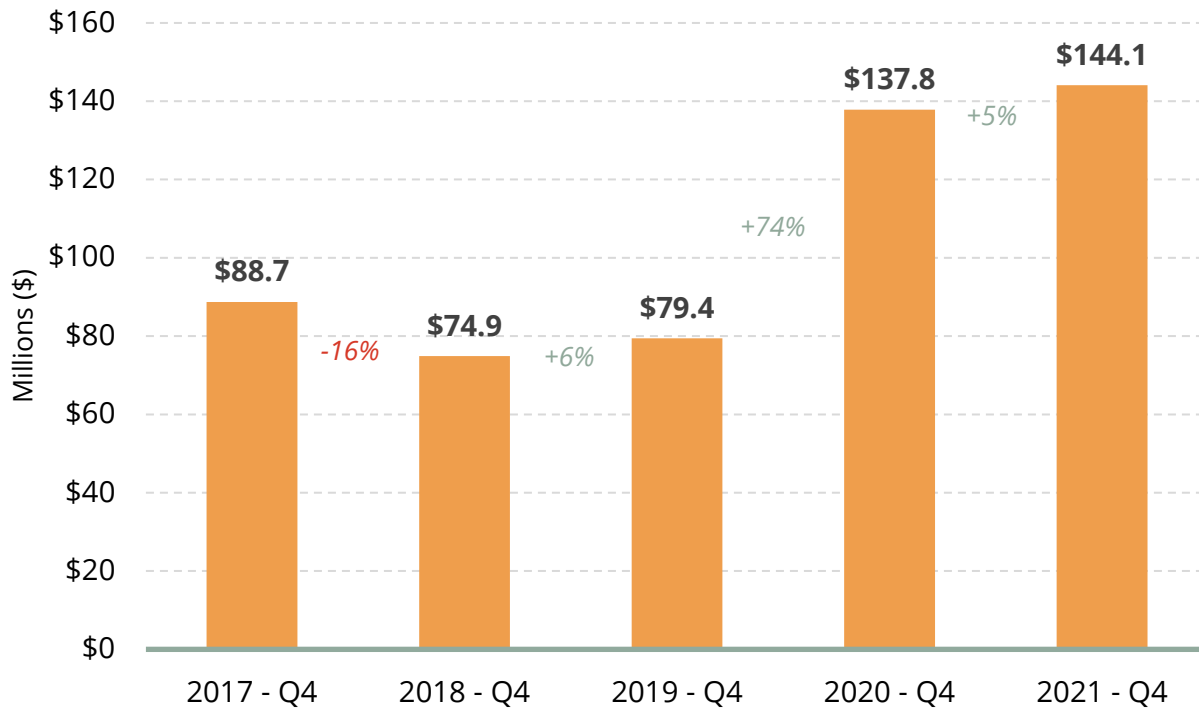
<i>Jurisdiction</i>	<i>2020 - Q4</i>	<i>2021 - Q4</i>	<i>% Change</i>
Gloucester County	\$277,450	\$299,900	8%
King & Queen County	\$218,000	\$230,000	6%
King William County	\$246,000	\$270,000	10%
Mathews County	\$305,000	\$295,000	-3%
Middlesex County	\$335,000	\$350,000	4%

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

Sold Volume

While sales activity continued to moderate, rising home prices drove up the total sold dollar volume in the Chesapeake Bay & Rivers market. There was about \$144.1 million of sold volume in the region during the fourth quarter, which is \$6.3 million more volume than a year ago, a 5% increase. The sold volume in the area continued to be well above pre-pandemic levels, up 81% from the fourth quarter of 2019. While sold volume growth has continued in the region's housing market, it is important to note that it has moderated quite a bit from the frenzied pace during the first half of 2021.

Figure 9
Fourth Quarter Sold Dollar Volume (Millions)
Chesapeake Bay & Rivers
2017-2021



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



Local Snapshot – *Sold Dollar Volume*

Gloucester County: Even as sales activity moderated, price growth drove up the sold dollar volume this quarter in Gloucester County. There was approximately \$59.6 million of sold volume in the county in the fourth quarter, up 7% from a year ago, which is an increase of \$3.9 million.

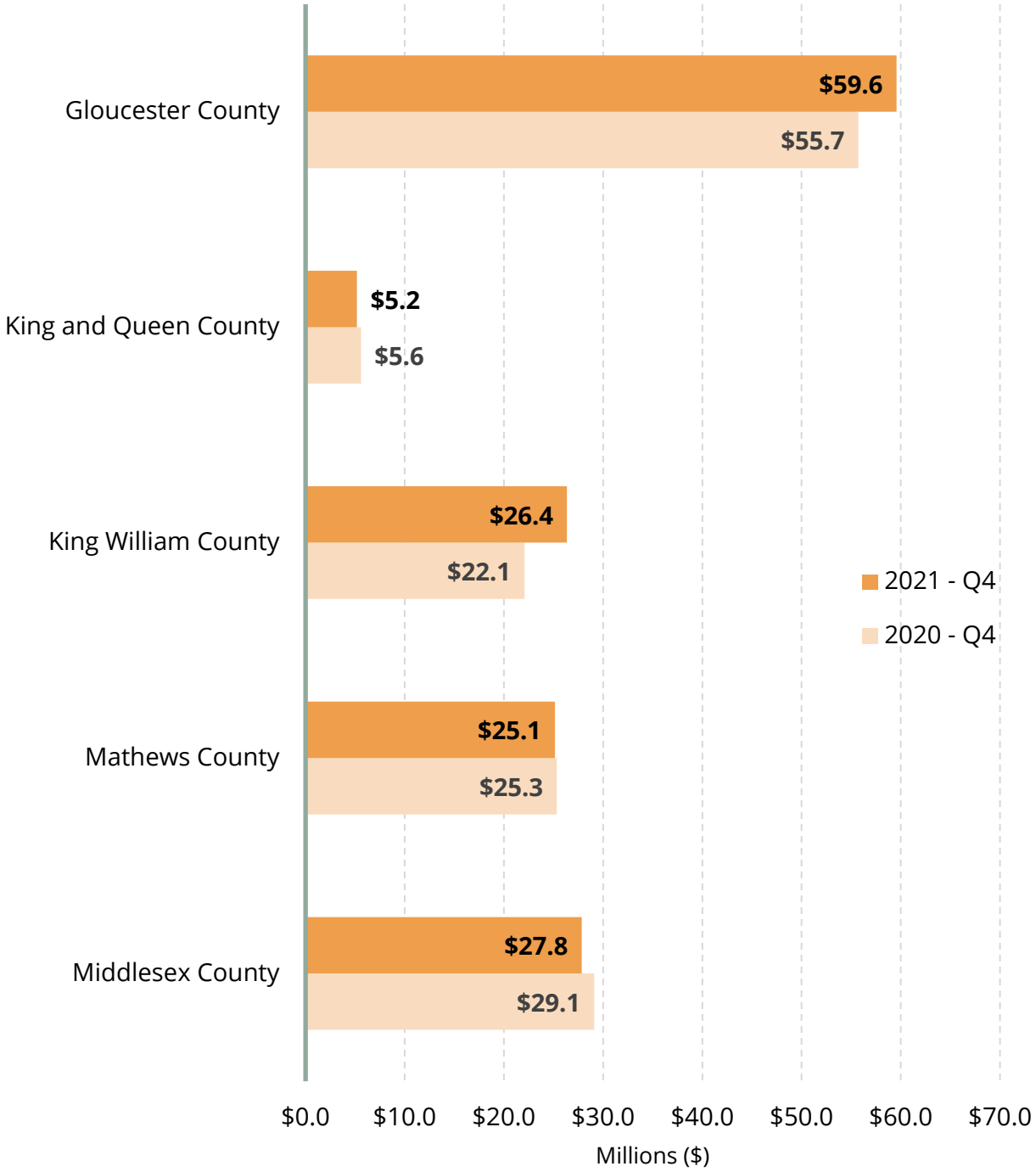
King and Queen County: There was about \$5.2 million of sold volume in King and Queen County in the fourth quarter, about \$400,000 less volume than a year ago (-7%). Prior to this flat quarter, the sold volume in the county's housing market had been surging for four straight quarters.

King William County: Double-digit price growth led to double-digit sold volume growth in King William County this quarter. There was approximately \$26.4 million of sold volume in the county in the fourth quarter, up 19% from a year ago, which is an influx of \$4.3 million. King William County had the largest volume gain in the region this quarter.

Mathews County: There was about \$25.1 million of sold volume in Mathews County in the fourth quarter, about \$200,000 less than the fourth quarter of 2020, inching down less than 1%.

Middlesex County: While prices climbed higher, a slowdown in sales brought down the total sold dollar volume in Middlesex County this quarter. There was about \$27.8 million of sold volume in the county in the fourth quarter of 2021, 4% less volume than the fourth quarter of 2020, which is a decrease of about \$1.3 million.

Figure 10
Fourth Quarter Sold Dollar Volume
Chesapeake Bay & Rivers Jurisdictions
2020 and 2021

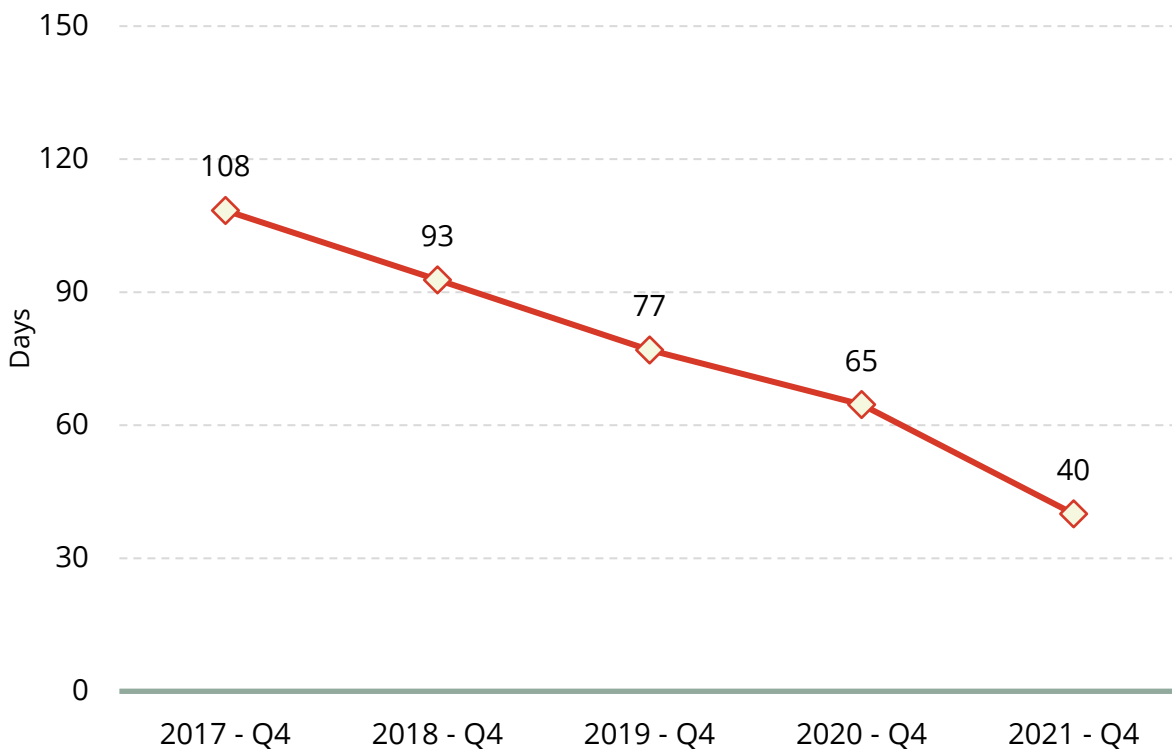


Source: Virginia REALTORS®, data accessed January 15, 2022

Days on Market

While sales activity moderated somewhat during the fourth quarter, demand remained strong, and homes continued to sell very quickly in the region. Homes that sold in the fourth quarter in the Chesapeake Bay & Rivers area were on the market 40 days on average, which is about two weeks faster than a year ago (-15 days). The average days on market in the region has been declining consistently for the last five years and reflects increasingly tight market conditions. Statewide, homes sold in an average of 26 days in the fourth quarter, down from 34 days a year ago.

Figure 11
Fourth Quarter Average Days on Market
Chesapeake Bay & Rivers
2017-2021



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



Local Snapshot – *Average Days on Market*

Gloucester County: The fourth quarter average days on market in Gloucester County was 30 days, which is 22 days faster than last year.

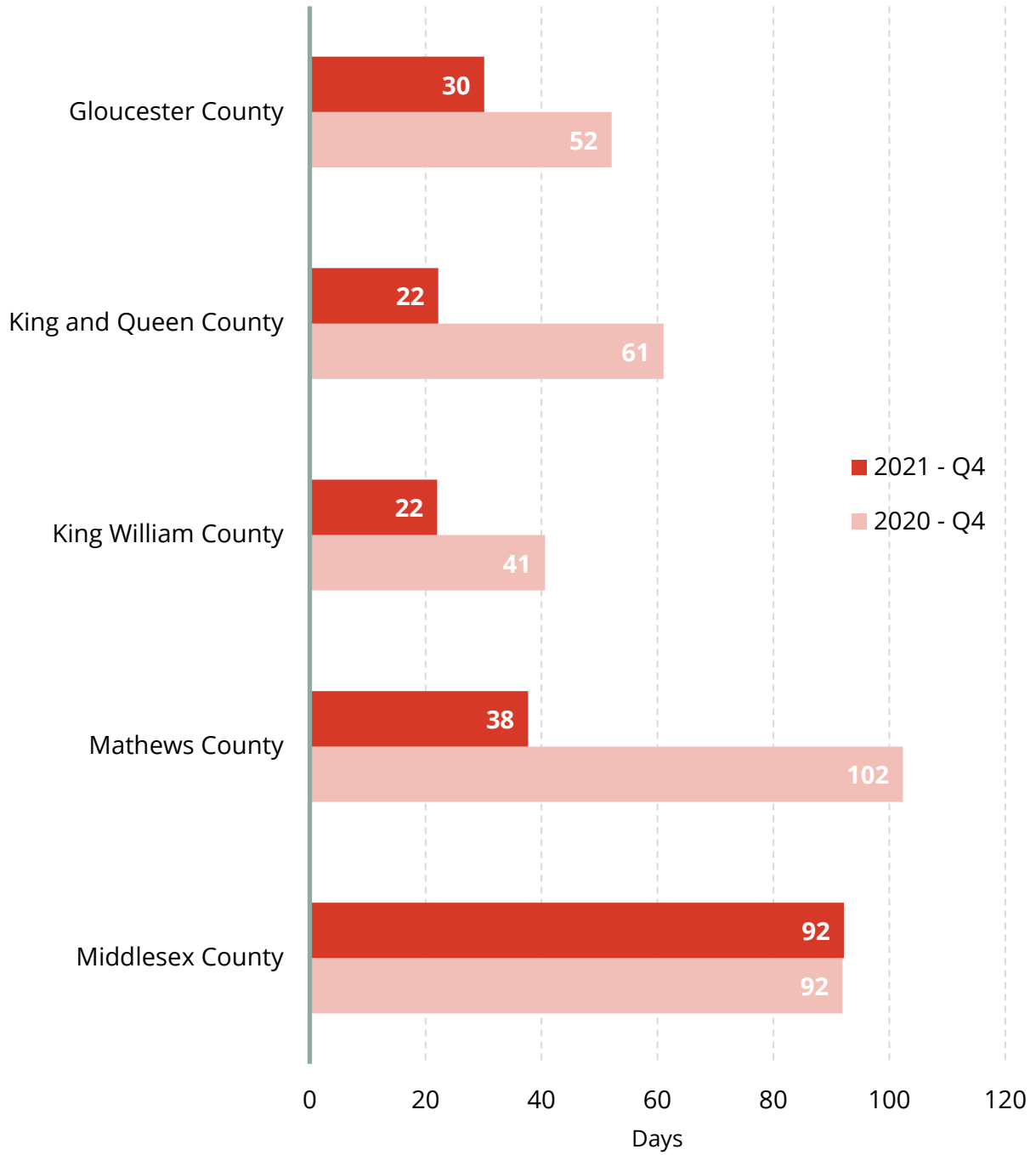
King and Queen County: Homes that sold in King and Queen County in the fourth quarter were on the market an average of about three weeks (22 days), which is 39 days faster than a year ago.

King William County: The average days on market in King William County in the fourth quarter was 22 days, which is 19 days faster than last year. Homes have been selling faster on average each quarter over the past year as market demand has been strong.

Mathews County: At 38 days, the average days on market in Mathews County in the fourth quarter fell by more than two months (-64 days) compared to last year. This is the lowest average days on market in the county in more than five years.

Middlesex County: It took about three months on average to sell a home in Middlesex County during the fourth quarter (92 days), which is the same amount of time it took a year ago.

Figure 12
Fourth Quarter Average Days on Market
Chesapeake Bay & Rivers Jurisdictions
2020 and 2021



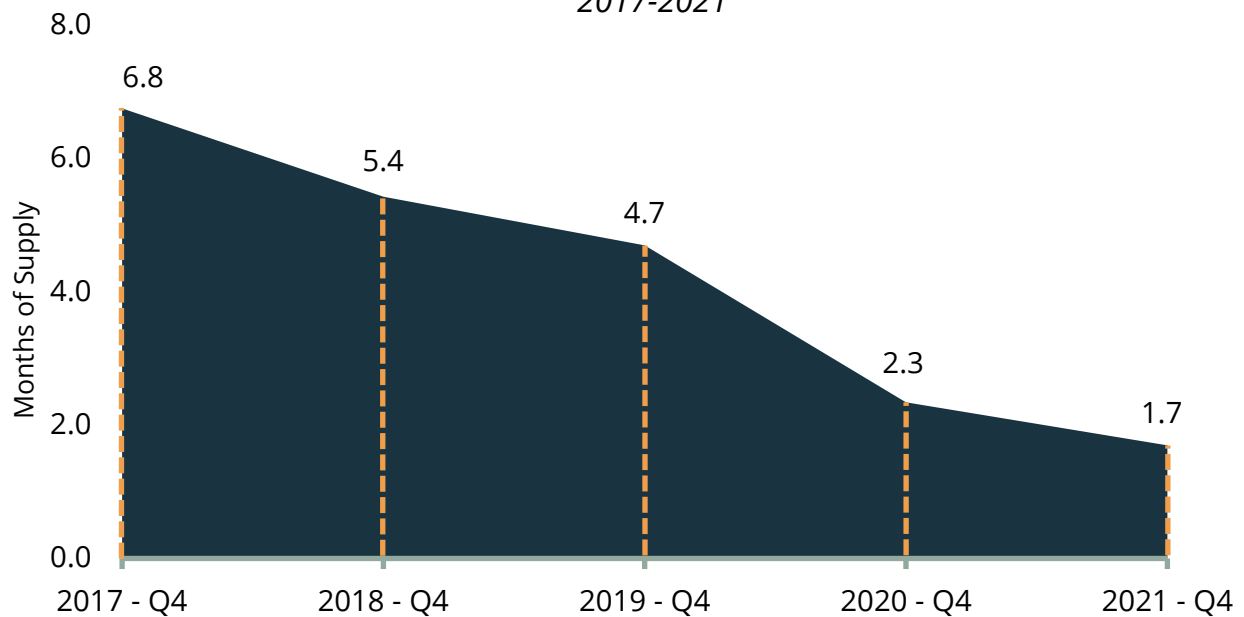
Source: Virginia REALTORS®, data accessed January 15, 2022

Inventory

The supply in the Chesapeake Bay & Rivers market continues to get tighter. There were just 241 active listings across the footprint at the end of the fourth quarter, 70 fewer listings than last year, which is a 23% reduction. All local markets in the region had fewer listings than a year ago. As the inventory gets smaller, it could begin to have an impact on sales volume as buyers have fewer and fewer options to choose from and, with mortgage rates rising, may decide to hold off on their home search. Statewide, there was a total of 13,469 active listings at the end of the fourth quarter, which is about 4,300 fewer active listings than a year ago, a 24% drop.

There was about 1.7 months of supply at the end of the fourth quarter in the Chesapeake Bay & Rivers footprint, down from 2.3 months a year ago. The months of supply is calculated by taking the average monthly sales over the preceding 12-month period and dividing it by the inventory of active listings.

Figure 13
End of Fourth Quarter Months Supply
Chesapeake Bay & Rivers
2017-2021



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



Local Snapshot – *Active Listings*

Gloucester County: The supply continued to shrink in the Gloucester County housing market. There were 80 listings in the county at the end of the fourth quarter, 22 fewer listings than a year ago, which is a 22% decline.

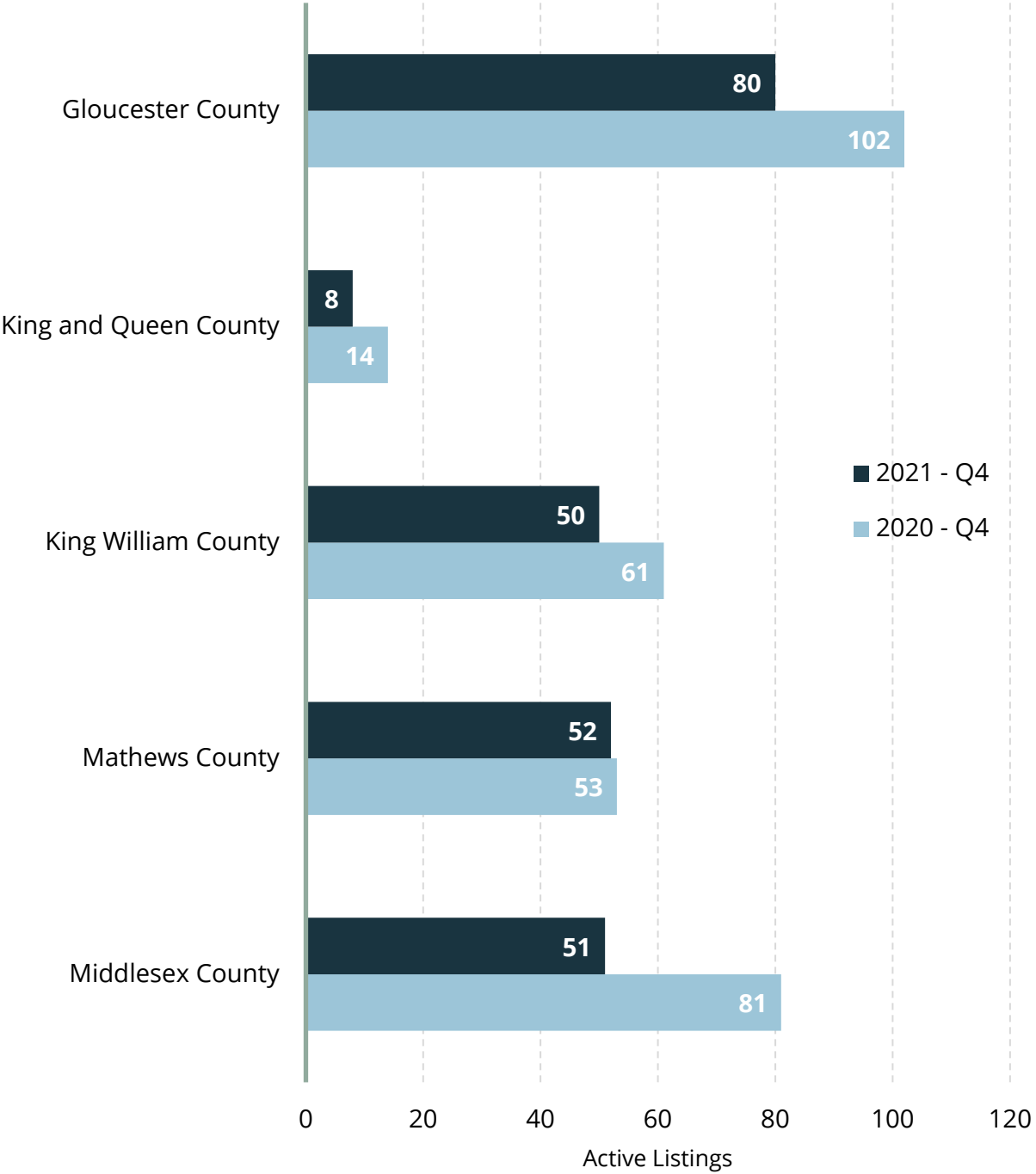
King and Queen County: Inventory in the King and Queen County market remained very low. There were only eight active listings on the market at the end of the fourth quarter, six fewer listings than last year at this time, representing a 43% drop.

King William County: At the end of the fourth quarter, there were 50 active listings on the market in King William County, 11 fewer listings than last year, which is an 18% decrease.

Mathews County: After briefly expanding last quarter, the supply in the Mathews County market remained relatively flat. There were 52 active listings in the county at the end of the fourth quarter, one fewer listing than this time last year (-2%).

Middlesex County: The inventory in the Middlesex County housing market continued to shrink quickly. There were just 51 active listings on the market in the county in the fourth quarter, 30 fewer listings than last year, which is a 37% drop.

Figure 14
End of Fourth Quarter Active Listings
Chesapeake Bay & Rivers Jurisdictions
2020 and 2021



Source: Virginia REALTORS®, data accessed January 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:

Robin Spensieri
Virginia REALTORS® Vice President of Communications and Media Relations
rspensieri@virginiarealtors.org
804-622-7954

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.