

BTVAR BRISTOL

HOME SALES REPORT

CUSTOM REPORT PREPARED BY
VIRGINIA REALTORS®

BTVAR Home Sales Report

Second Quarter 2023

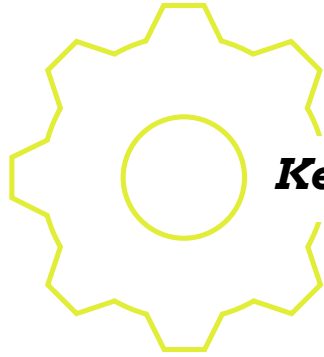
Bristol Tennessee/Virginia Association of REALTORS® Market Report Key Takeaways

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 BTVAR region, the unemployment rate was 3.5% in May, unchanged from 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

- There were 142 sales in the BTVAR housing market in the second quarter, a 19% decrease from last year, or 33 fewer sales.
- The median sales price in the BTVAR market was \$142,230 during the second quarter, down by about \$9,000 from a year ago, which is a 6% decline.
- The average days on market in the BTVAR footprint in the second quarter was 73 days, down by 14 days from the second quarter last year.



Key Trends Dashboard, BTVAR

Economy



3.5%

Is the May-2023 **unemployment rate** in the BTVAR footprint, which is unchanged 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



-33

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



-6%

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



-\$6.1

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



73

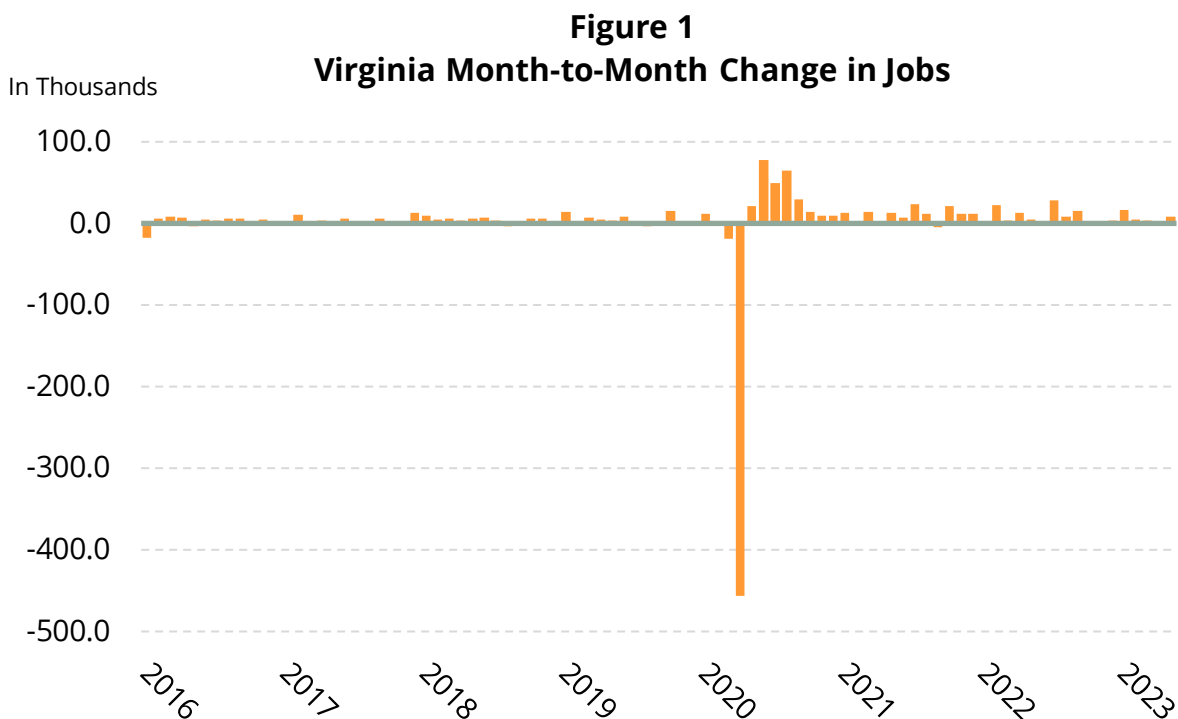
Is the **average days on market** in the BTVAR region in Q2-2023, which is down from this time last year

Economic Overview

Inflation continues to march downward but is still hovering above target levels. The Federal Reserve hiked rates again at their July 2023 meeting to continue combating inflation. 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.

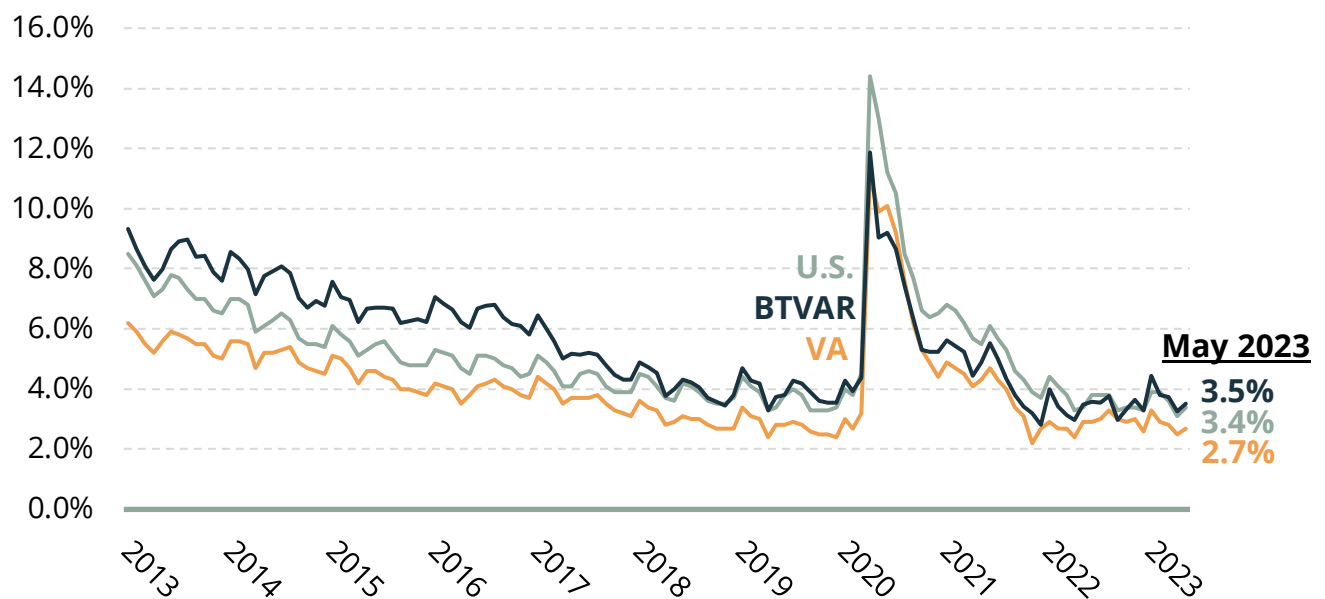


Source: U.S. Bureau of Labor Statistics, Seasonally Adjusted

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 BTVAR region, the May unemployment rate was 3.5%, which is unchanged from a year ago.

Figure 2
Unemployment Rate

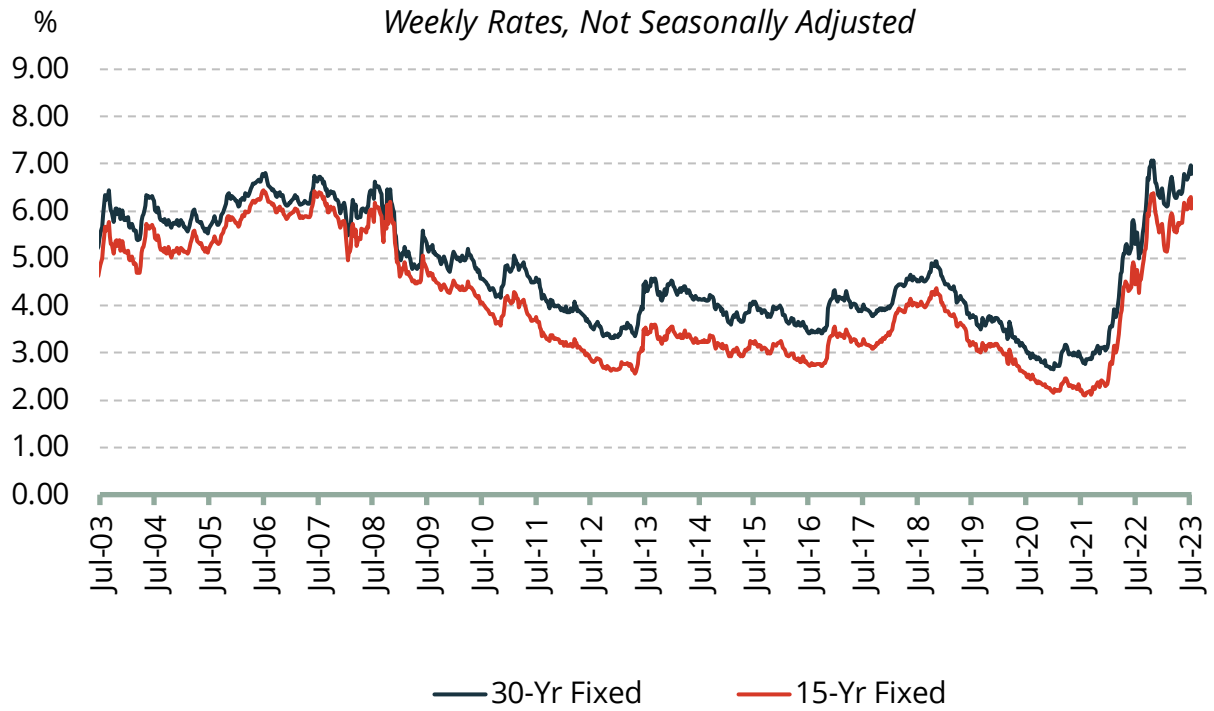


Source: U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics

Mortgage Rates

Mortgage rates have been up and down so far in 2023. In the third week of April, the average rate on a 30-year fixed mortgage was 6.39%, up from 6.27% in the previous week, but down from 6.42% in the previous month. Mortgage rates started off the year trending down for much of January, then rose for February into March, and then back down again March through mid-April. This volatility could continue in the coming months, though the longer-term trajectory is likely to be downward.

Figure 3
Mortgage Interest Rates
Weekly Rates, Not Seasonally Adjusted



Source: Freddie Mac

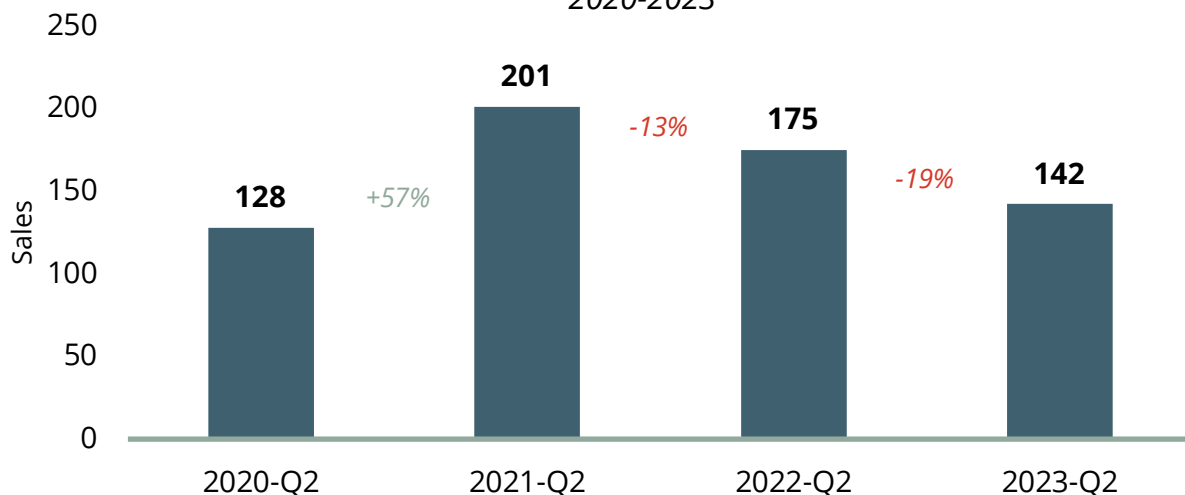
Housing Market Overview

The BTVAR housing market was slower than last year midway through 2023. Sales activity was down, as was sold volume. Home prices dipped in some local markets and climbed in others. Homes are selling faster on average than a year ago which reflects competition in the market as inventory tightens.

Sales

For this report, home sales data, with the exception of the average days on market, are from both Virginia-based and Tennessee-based MLSs.¹ During the second quarter of 2023 there were 142 homes sold across the BTVAR footprint. This is 33 fewer sales than a year ago, representing a 19% decline in sales activity. The BTVAR housing market has been slowing for much of the past year. The slowdown in market activity is being driven by a combination of factors. The dramatic rise in mortgage rates over the last year and a half has 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, BTVAR
2020-2023



Sources: Virginia REALTORS®, data accessed July 15, 2023, from Virginia-based MLSs

Bristol Tennessee-Virginia Association of REALTORS®, data accessed July 20, 2023, from Tennessee-based MLS

¹ Quarterly home sales reports prior to 2021 relied only on data from Virginia-based MLSs.



Local Snapshot – *Total Home Sales*

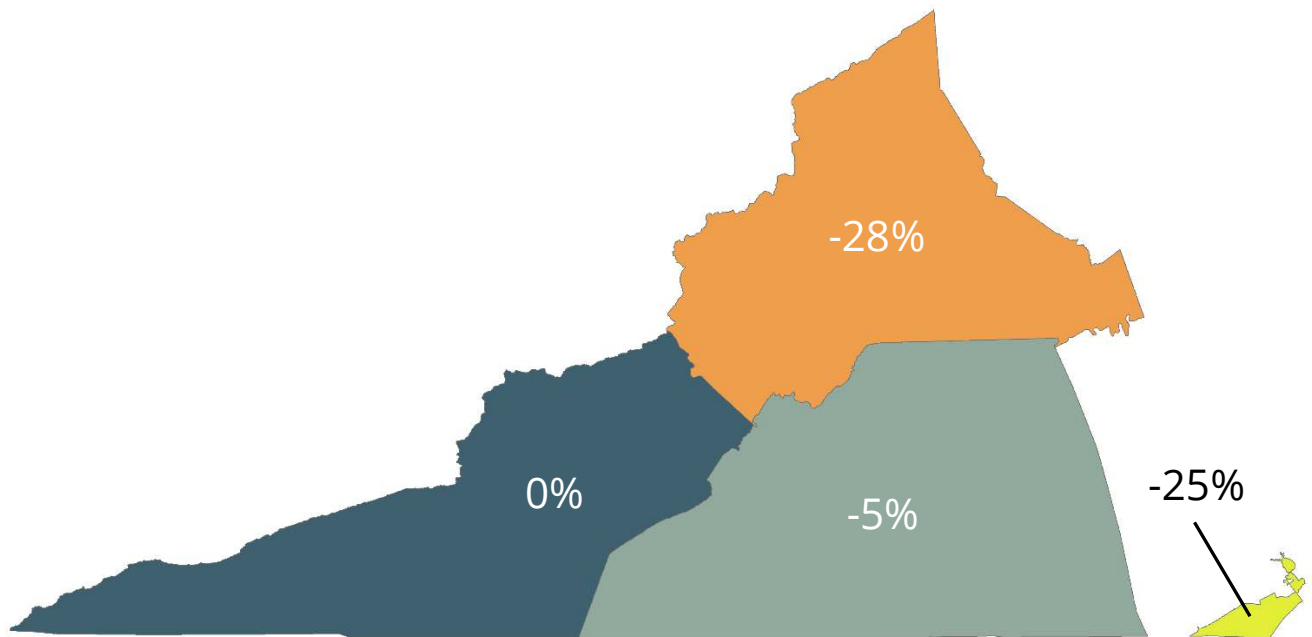
Bristol: The Bristol housing market continues to moderate. There were 12 homes sold in the city during the second quarter of 2023, four fewer sales than a year ago, which is a 25% drop. Sales activity has cooled in Bristol four out of the last five quarters.

Lee County: After a sharp slowdown last quarter, sales activity stabilized in Lee County in the second quarter. There were 21 homes sold in Lee County in the second quarter of 2023, the same number of sales that occurred a year ago.

Scott County: There were 39 sales in Scott County in the second quarter, two fewer sales than a year ago, which is a 5% decline. The housing market has been slowing down rapidly in recent quarters.

Wise County: Sales activity slowed down significantly in Wise County this quarter. There were 70 homes sold, 27 fewer sales than the second quarter last year, which is a 28% drop.

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



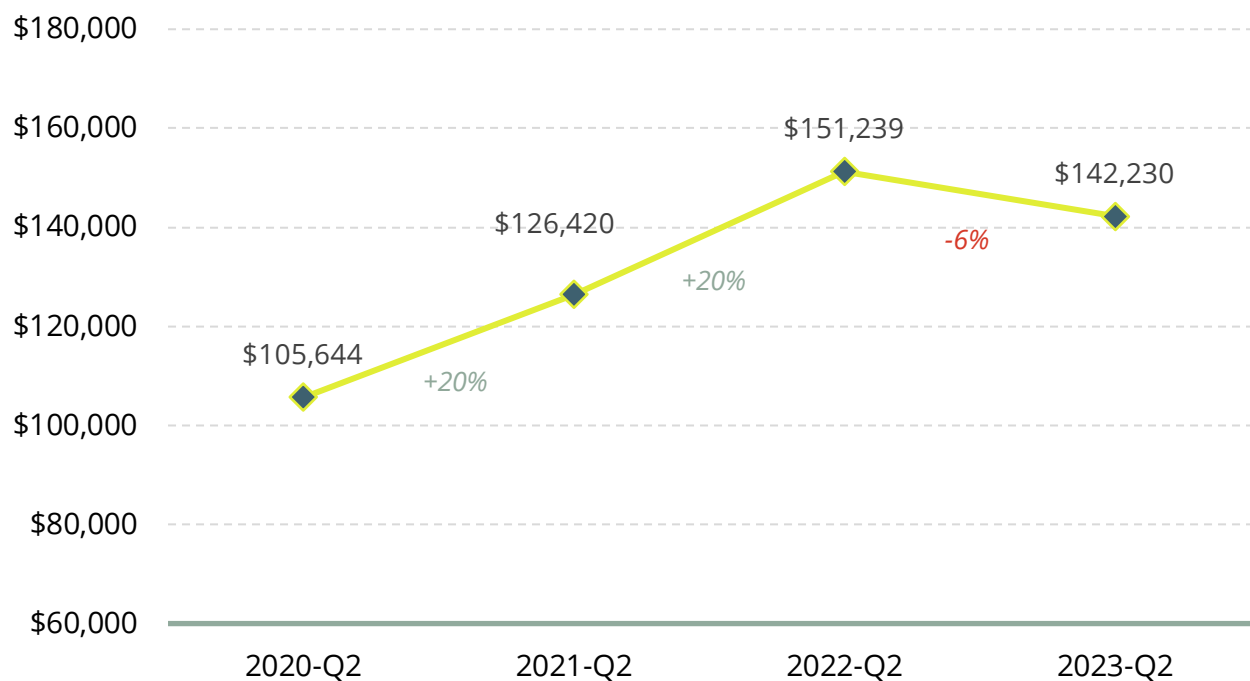
<i>Jurisdiction</i>	<i>2022 - Q2</i>	<i>2023 - Q2</i>	<i>% Change</i>
Bristol	16	12	-25%
Lee County	21	21	0%
Scott County	41	39	-5%
Wise County	97	70	-28%

Sources: Virginia REALTORS®, data accessed July 15, 2023, from Virginia-based MLSs
 Bristol Tennessee-Virginia Association of REALTORS®, data accessed July 20, 2023, from Tennessee-based MLS

Sales Prices

Home prices dipped in some parts of the BTVAR market this spring. The median sales price in the area was \$142,230 in the second quarter. This is about \$9,000 lower than it was in the second quarter last year, which is a 6% decrease. The median price fell sharply in the Wise County market, and also dropped in Lee County. Home prices in both Scott County and Bristol rose this quarter. Statewide, the 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, BTVAR
2020-2023



Sources: Virginia REALTORS®, data accessed July 15, 2023, from Virginia-based MLSs
Bristol Tennessee-Virginia Association of REALTORS®, data accessed July 20, 2023, from Tennessee-based MLS



Local Snapshot – *Median Sales Price*

Bristol: Home prices continue to climb in the Bristol market. The median sales price in Bristol during the second quarter was \$210,750. This is about \$22,000 higher than it was a year ago, representing a 12% jump.

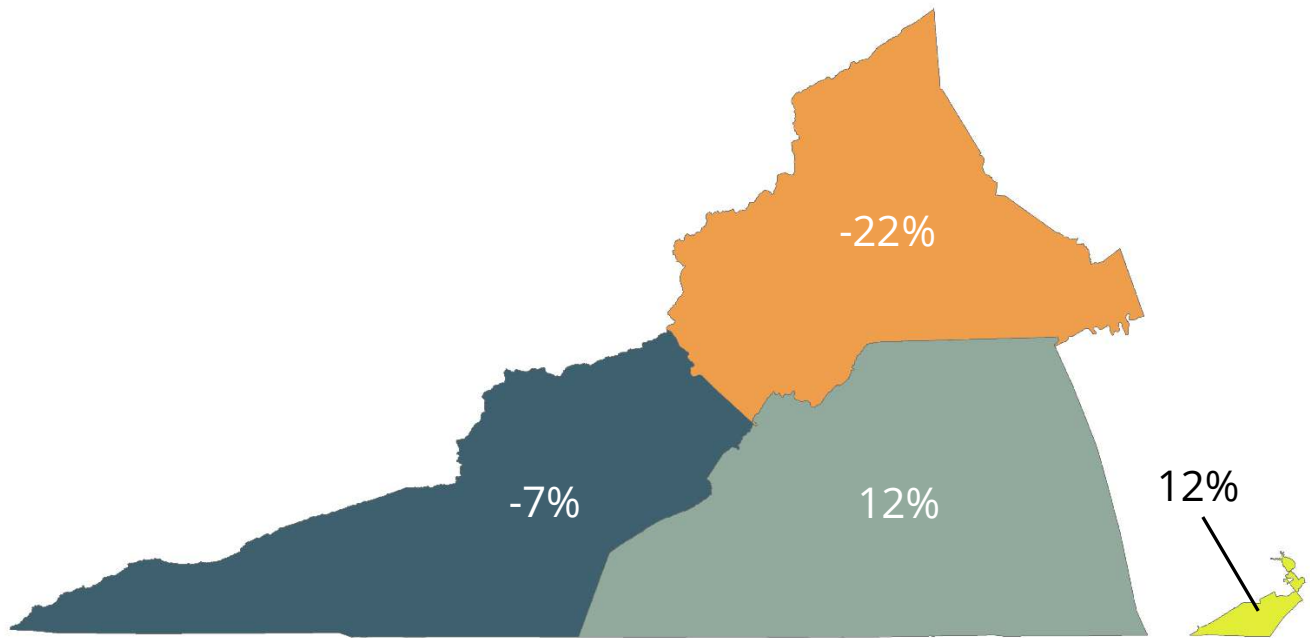
Lee County: Home prices continue to fall in the Lee County housing market. At \$128,976, the median sales price in the county in the second quarter dropped by \$10,238 from a year ago, a 7% decrease.

Scott County: At \$189,359, the second quarter median sales price in Scott County jumped up by 12% from this time last year, which is a gain of over \$20,000.

Wise County: After several quarters of rising prices, the median price in Wise County dropped this quarter in the Wise County housing market. The median sales price in the county during the second quarter was \$109,523, falling 22% from last year, a \$30,386 drop.

Figure 7
Change in Median Sales Price by Jurisdiction
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Second Quarter 2022 to Second Quarter 2023



<i>Jurisdiction</i>	<i>2022- Q2</i>	<i>2023 - Q2</i>	<i>% Change</i>
Bristol	\$188,825	\$210,750	12%
Lee County	\$139,214	\$128,976	-7%
Scott County	\$169,207	\$189,359	12%
Wise County	\$139,909	\$109,523	-22%

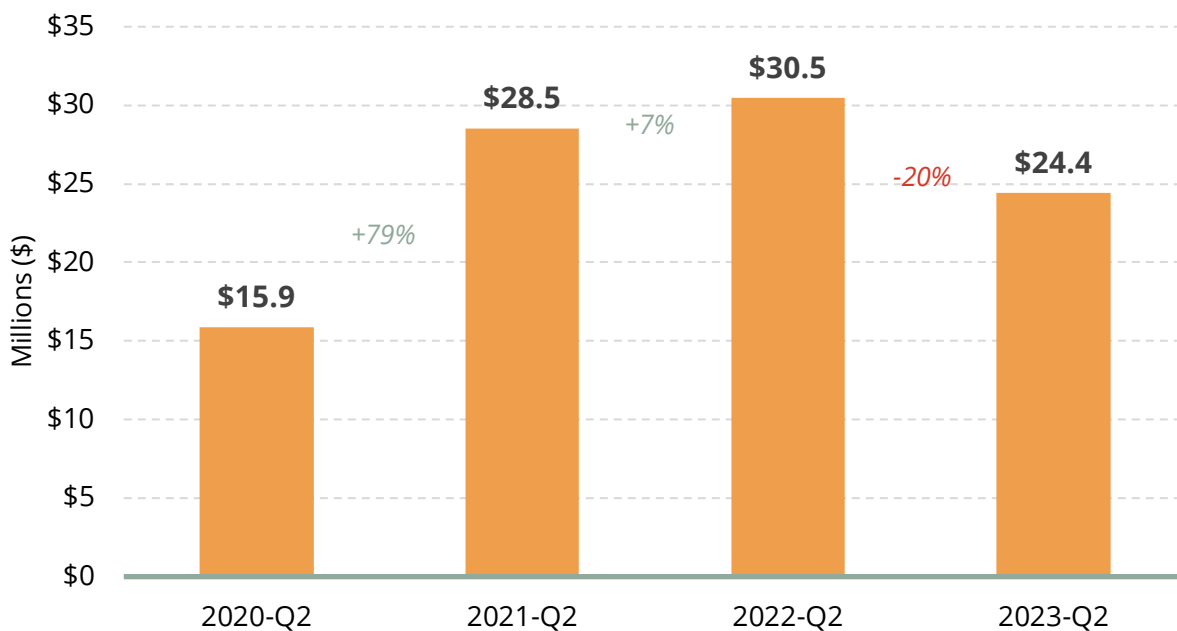
Sources: Virginia REALTORS®, data accessed July 15, 2023, from Virginia-based MLSs

Bristol Tennessee-Virginia Association of REALTORS®, data accessed July 20, 2023, from Tennessee-based MLS

Sold Volume

The slowdown in sales activity and falling prices in some local markets brought down the sold dollar volume in the region's housing market. There was about \$24.4 million of sold volume across the BTVAR area in the second quarter, a decrease of approximately \$6.1 million from a year ago. This represents a 20% reduction in sold volume in the BTVAR market.

Figure 8
Second Quarter Sold Dollar Volume (Millions), BTVAR
2020-2023



Sources: Virginia REALTORS®, data accessed July 15, 2023, from Virginia-based MLSs
Bristol Tennessee-Virginia Association of REALTORS®, data accessed July 20, 2023, from Tennessee-based MLS



Local Snapshot – *Sold Dollar Volume*

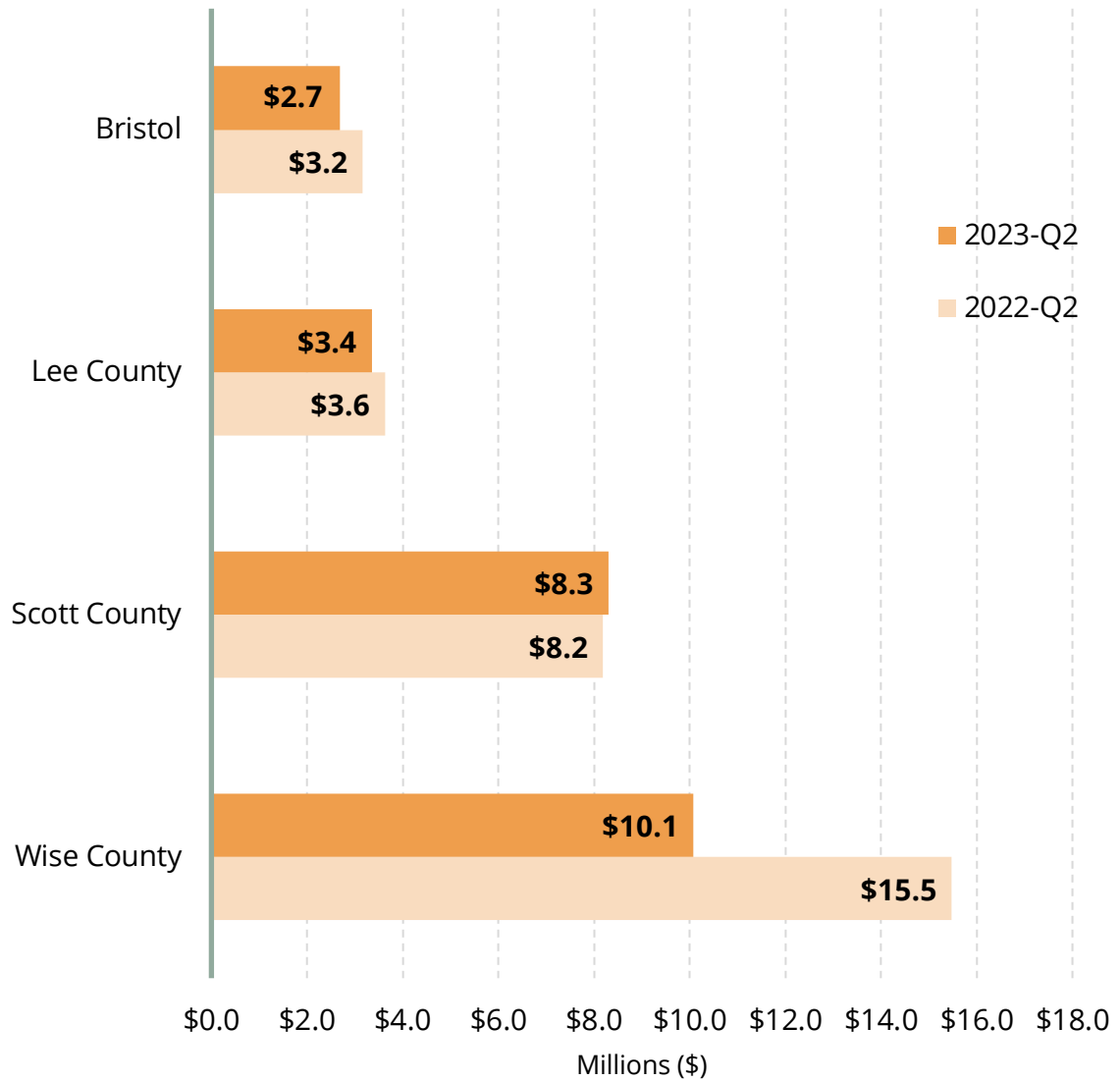
Bristol: Despite rising prices, the drop in sales activity in the Bristol market led to a drop in sold volume in the spring market. There was about \$2.7 million of sold volume in Bristol in the second quarter, about \$500,000 less volume than last year, which is a 15% decline.

Lee County: There was approximately \$3.4 million of sold volume in Lee County during the second quarter, about \$200,000 less volume than a year ago, a 7.7% decline. The dip in volume this quarter was driven by the drop in home prices.

Scott County: While sales activity was down, the rise in prices led to a modest uptick in sold volume this quarter in Scott County. There was \$8.3 million of sold volume in the county during the second quarter, about \$100,000 more than last year, inching up 1%.

Wise County: The sharp drop in sales and home prices brought down the sold volume in Wise County this quarter. There was about \$10.1 million of sold volume in the second quarter in the county, a \$5.4 million reduction from last year, which is a 35% decline.

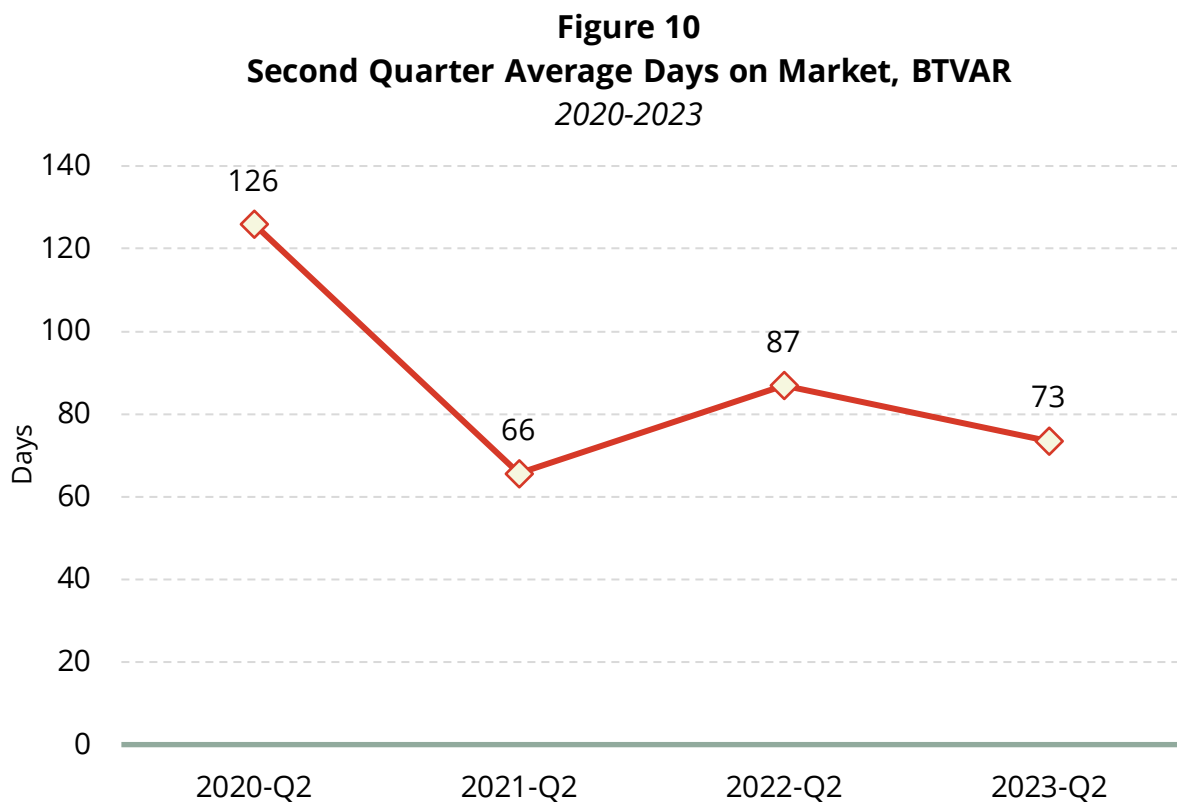
Figure 9
Second Quarter Sold Dollar Volume, BTVAR Jurisdictions
2022 and 2023



Sources: Virginia REALTORS®, data accessed July 15, 2023, from Virginia-based MLSs
Bristol Tennessee-Virginia Association of REALTORS®, data accessed July 20, 2023, from Tennessee-based MLS

Days on Market

Homes are selling faster on average in the BTVAR market even as sales activity has slowed. The average days on market in the footprint was 73 days in the second quarter, which is 14 days faster than last year. Wise County had the largest drop in average days on market within the region. 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.



Source: Virginia REALTORS®, data accessed July 15, 2023, from Virginia-based MLSs



Local Snapshot – *Average Days on Market*

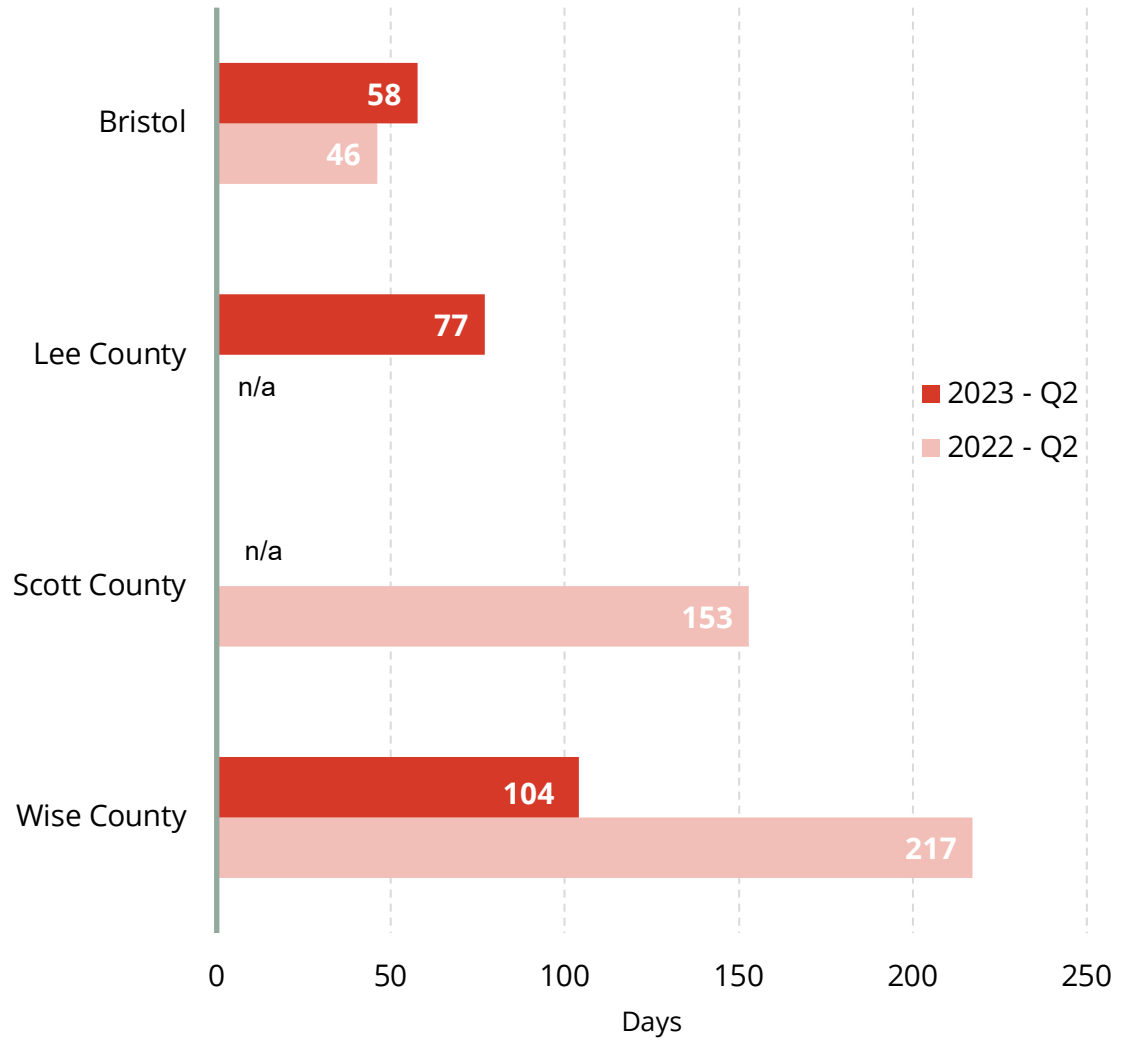
Bristol: The average days on market in Bristol in the second quarter was 58 days, which is 12 days longer than it was a year ago.

Lee County: Homes that sold in Lee County in the second quarter were on the market 77 days on average.

Scott County: There were no sales in Scott County in a Virginia MLS in the second quarter of 2023.

Wise County: The average days on market in Wise County in the second quarter was 104 days, down by 113 days from a year ago.

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



Source: Virginia REALTORS®, data accessed July 15, 2023, from Virginia-based MLSs



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.

All inquiries regarding this report may be directed to:

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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.