

BTVAR BRISTOL HOME SALES REPORT

CUSTOM REPORT PREPARED BY
VIRGINIA REALTORS®

BTVAR Home Sales Report

Third Quarter 2023

Bristol Tennessee/Virginia Association of REALTORS®

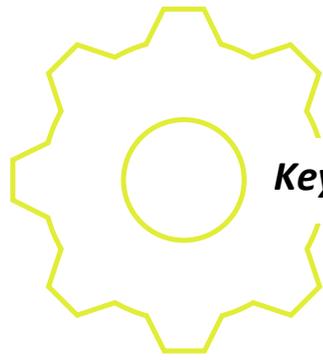
Market Report Key Takeaways

Economic Conditions

- Job growth continues in Virginia. There were approximately 6,700 jobs added in Virginia between July and August 2023.
- The statewide unemployment rate in Virginia was 3.1% in August 2023 (not seasonally adjusted), which is down from 3.3% a year ago. In the BTVAR region, the unemployment rate was 3.9% in August, up from 3.8% a year ago.
- Mortgage rates continue to climb, reaching their highest level since 2000. In the third week of October 2023, the average rate on a 30-year fixed mortgage was 7.63%, which is up from 7.57% the week prior, and up from 6.94% a year ago.

Housing Market Conditions

- Sales activity remained slow in the BTVAR region. There were 133 homes sold throughout the footprint during the third quarter, 51 fewer sales than a year ago, reflecting a 28% drop.
- While sales activity was sluggish, home prices rose this quarter in most parts of the region. The median sales price in the BTVAR footprint in the third quarter was \$171,406, rising 10% from the third quarter last year.
- The average days on market in the BTVAR footprint in the third quarter was 71 days, which is 13 days longer than a year ago.



Key Trends Dashboard, BTVAR

Economy



3.9%

Is the Aug-2023 **unemployment rate** in the BTVAR footprint, which is up from Aug-2022



7.63%

Is the **30-year fixed-rate mortgage rate** during the third week of October 2023, which is up from 6.94% a year ago

Housing Market



-51

Fewer **home sales** in the BTVAR footprint in Q3-2023 compared to last year



10%

Percent change in **median sales price** in the BTVAR region in Q3-2023 compared to a year ago



-\$9

Million dollars less in total **sold volume** in the BTVAR footprint in Q3-2023 compared to last year



71

Is the **average days on market** in the BTVAR region in Q3-2023, which is up from this time last year

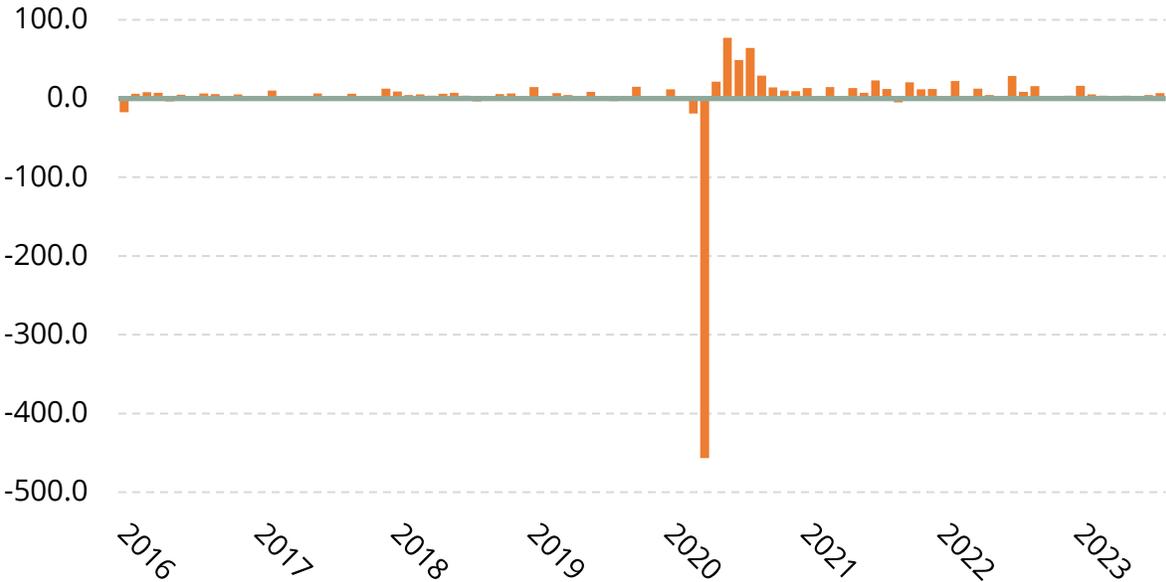
Economic Overview

The job market continues to grow but the pace has moderated. The Federal Reserve held rates steady at their September meeting, but have left one more rate hike on the table for this year, though it's still too early to gauge if they will implement it or not. Unemployment in Virginia remains very low, and mortgage rates continue their ascent, reaching the highest average level for a 30-year fixed loan since 2000.

Jobs

Virginia's job market continues to be resilient. There were about 4.2 million jobs throughout the Commonwealth in August, which is 6,700 more jobs than the revised July total. The job base in Virginia has expanded every month in 2023 so far through August. Most of the additional jobs this month were in the Local Government sector (+2,700 jobs) and the Transportation & Warehousing sector (+2,600 jobs). The largest decrease in jobs between July and August was in the Administrative & Waste Management sector (-1,700 jobs) and the Construction sector (-1,400 jobs).

Figure 1
Virginia Month-to-Month Change in Jobs

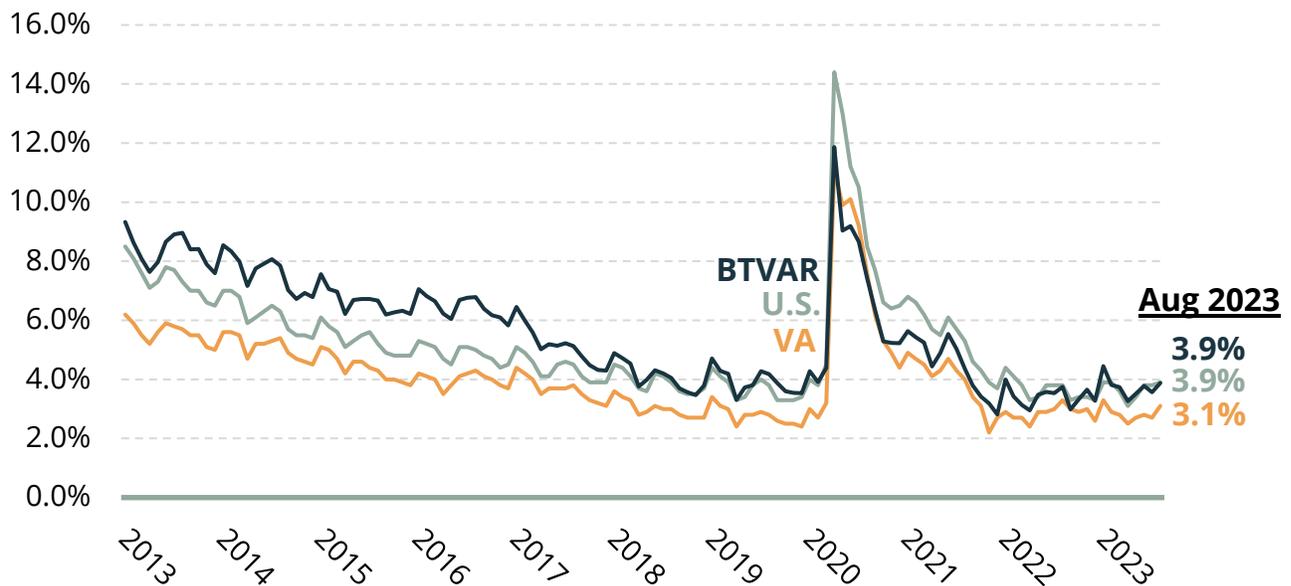


Source: U.S. Bureau of Labor Statistics, Seasonally Adjusted

Unemployment

The unemployment rate is lingering very low as labor market conditions remain tight and job growth continues. In Virginia, the unemployment rate in August 2023 was 3.1% (not seasonally adjusted), which is down from 3.3% a year ago. In the BTVAR footprint, the August unemployment rate was 3.9%, which is up from 3.8% a year ago.

Figure 2
Unemployment Rate

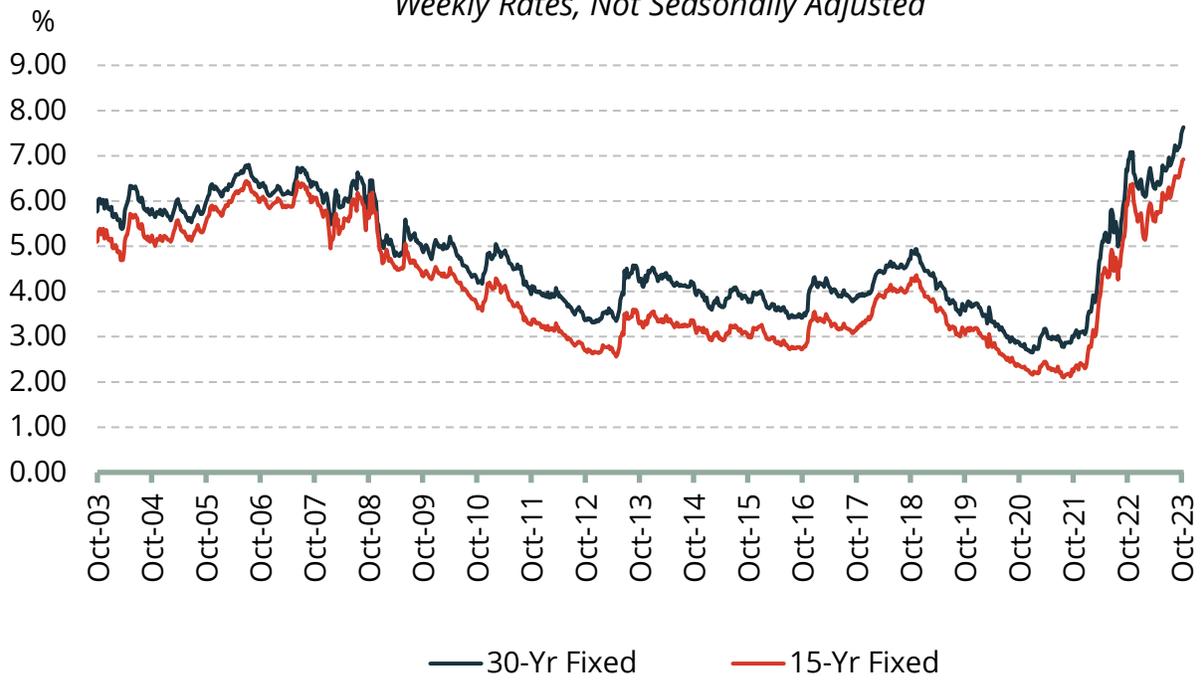


Source: U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics

Mortgage Rates

The average rate for a 30-year fixed mortgage in the United States was 7.63% as of October 19, which rose from 7.57% the prior week, and is up from 6.94% a year ago. This is the highest that mortgage rates have been since December of 2000. Climbing rates have cooled down the housing market significantly. As the rate for fixed mortgages lingers in the mid-7% range, it has prompted renewed interest in adjustable-rate mortgage options (ARM) for some buyers. The Mortgage Bankers Association estimates the average rate for a 5/1 ARM was 6.52% in the third week of October.

Figure 3
Mortgage Interest Rates
Weekly Rates, Not Seasonally Adjusted



Source: Freddie Mac

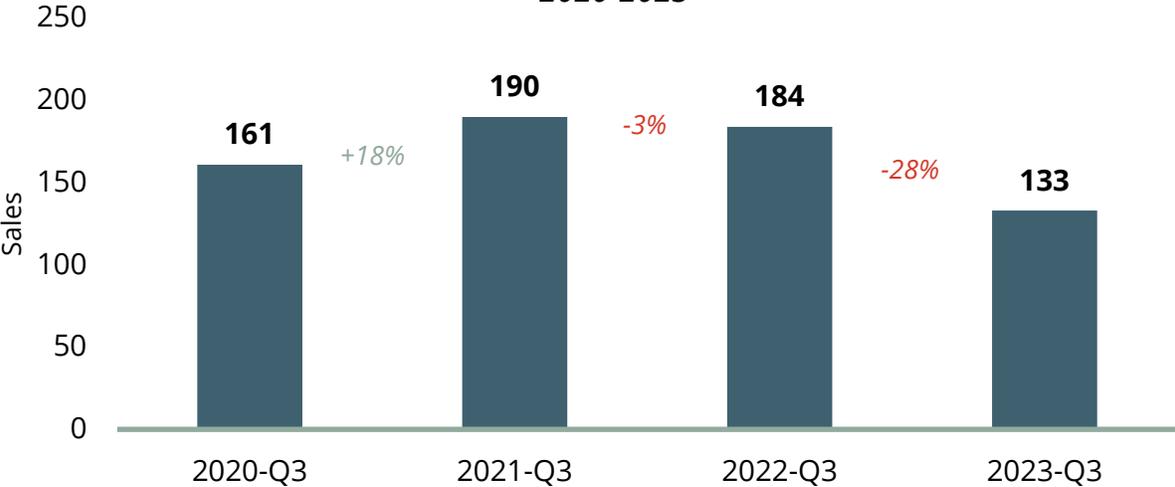
Housing Market Overview

Climbing mortgage rates are keeping activity in the BTVAR housing market muted. Sales are down from last year, which is pulling down the sold dollar volume in the region. Even as the market has cooled, home prices are still climbing in most local markets, a reflection of how competitive the market is for buyers.

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. Sales activity continues to be subdued in the BTVAR housing market. There were 133 homes sold across the region in the third quarter, which is 51 fewer sales than this time last year, representing a 28% decline. This is the slowest third quarter the area has had since 2018 as buyers and sellers pull back amid climbing mortgage rates. Within the third quarter, sales activity dropped in July and September, but rose slightly in August compared to the 2022 levels. Statewide, sales activity declined 20% in the third quarter of 2023 compared to last year.

Figure 4
Third Quarter Home Sales, BTVAR
2020-2023



Sources: Virginia REALTORS®, data accessed October 15, 2023, from Virginia-based MLSs
Bristol Tennessee-Virginia Association of REALTORS®, data accessed October 30, 2023, from Tennessee-based MLS



Local Snapshot – *Total Home Sales*

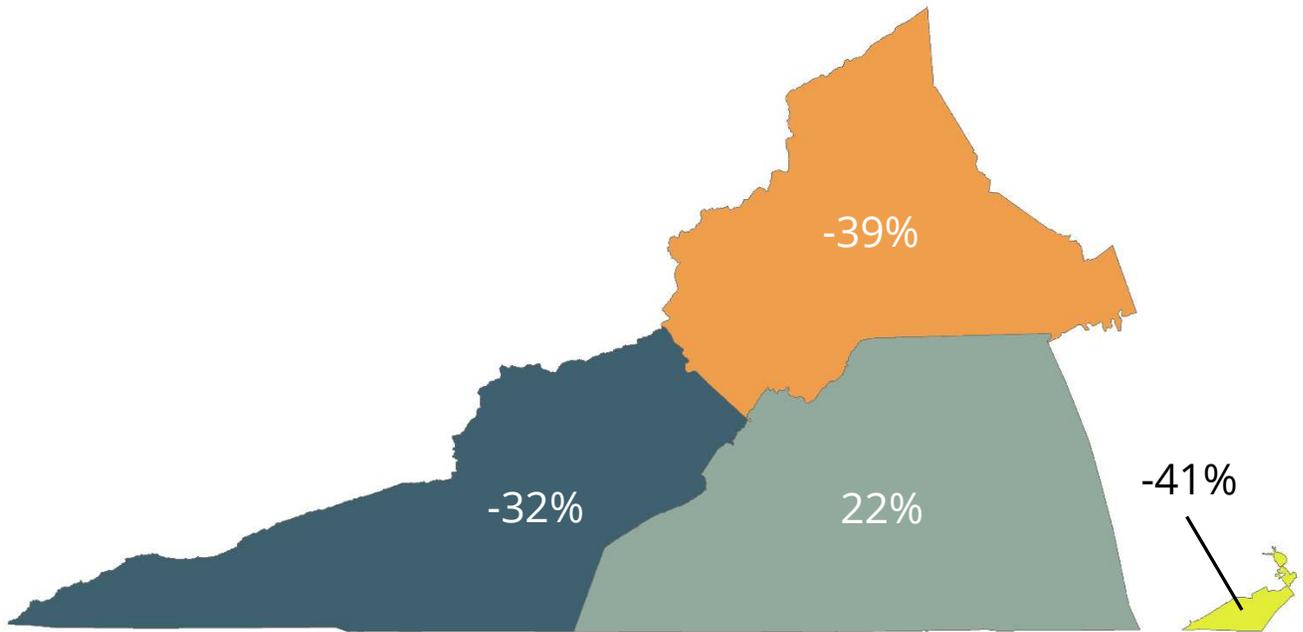
Bristol: There were 16 homes sold in Bristol during the third quarter, which is 11 fewer sales than the third quarter last year. This reflects a sharp 41% drop in sales in the city's housing market.

Lee County: Activity in the Lee County market cooled this quarter. There were 21 sales in the third quarter in the county, 10 fewer sales than a year ago, which is a 32% drop.

Scott County: There were 39 homes sold in Scott County in the third quarter, seven more sales than this time last year, reflecting a 22% influx. The Scott County market was the only local market in the BTVAR footprint to have an increase in sales this quarter.

Wise County: The Wise County market continues to slow down. There were 57 sales in the county in the third quarter. This is a reduction of 37 sales from the third quarter last year, a 39% plunge.

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



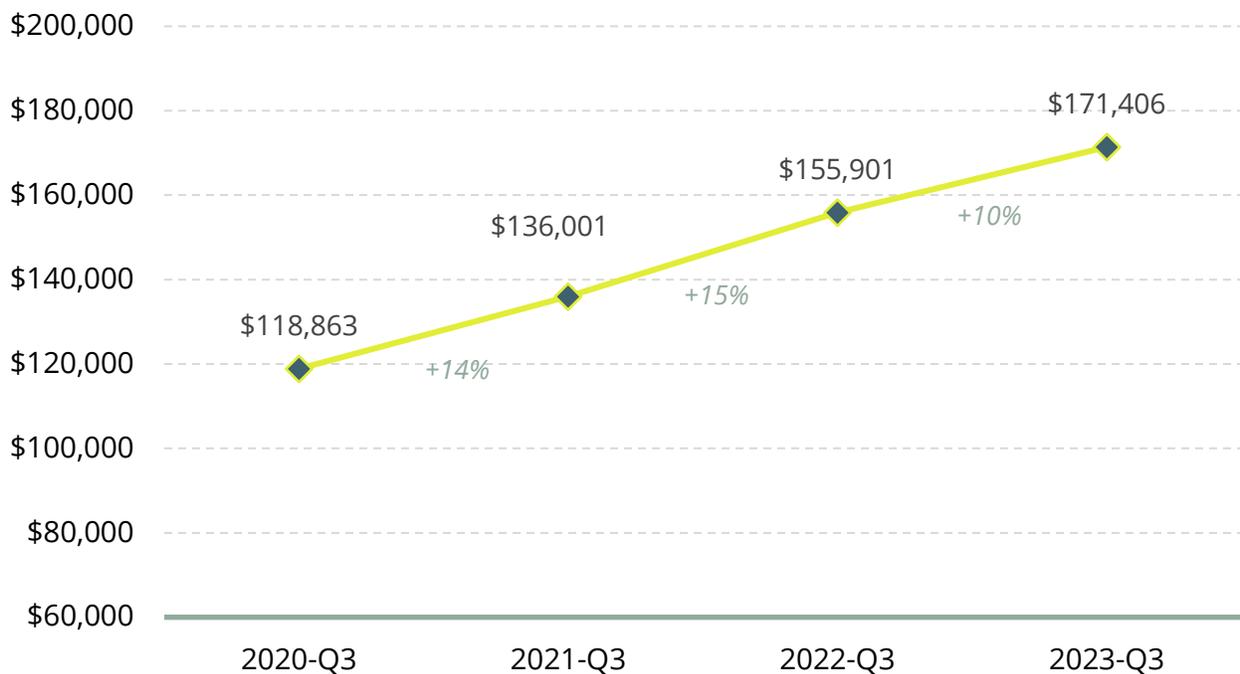
<i>Jurisdiction</i>	<i>2022 - Q3</i>	<i>2023 - Q3</i>	<i>% Change</i>
Bristol	27	16	-41%
Lee County	31	21	-32%
Scott County	32	39	22%
Wise County	94	57	-39%

Sources: Virginia REALTORS®, data accessed October 15, 2023, from Virginia-based MLSs
 Bristol Tennessee-Virginia Association of REALTORS®, data accessed October 30, 2023, from Tennessee-based MLS

Sales Prices

Home prices rose in most parts of the BTVAR footprint despite the slowdown in sales this quarter. The regionwide median sales price was \$171,406 in the third quarter. This is a 10% increase from the median sales price a year ago, which is a \$15,505 price jump. With the exception of Wise County, all local markets in the region had double-digit median price gains this quarter compared to last year. Statewide, the median sales price in the third quarter of 2023 was \$395,000, which rose 5% from a year ago.

Figure 6
Third Quarter Median Sales Price, BTVAR
2020-2023



Sources: Virginia REALTORS®, data accessed October 15, 2023, from Virginia-based MLSs
Bristol Tennessee-Virginia Association of REALTORS®, data accessed October 30, 2023, from Tennessee-based MLS



Local Snapshot – *Median Sales Price*

Bristol: Upward pressure on homes prices continues in the Bristol market. At \$240,000, the third quarter median sales price in the city jumped up by \$66,500, a 38% surge from a year ago.

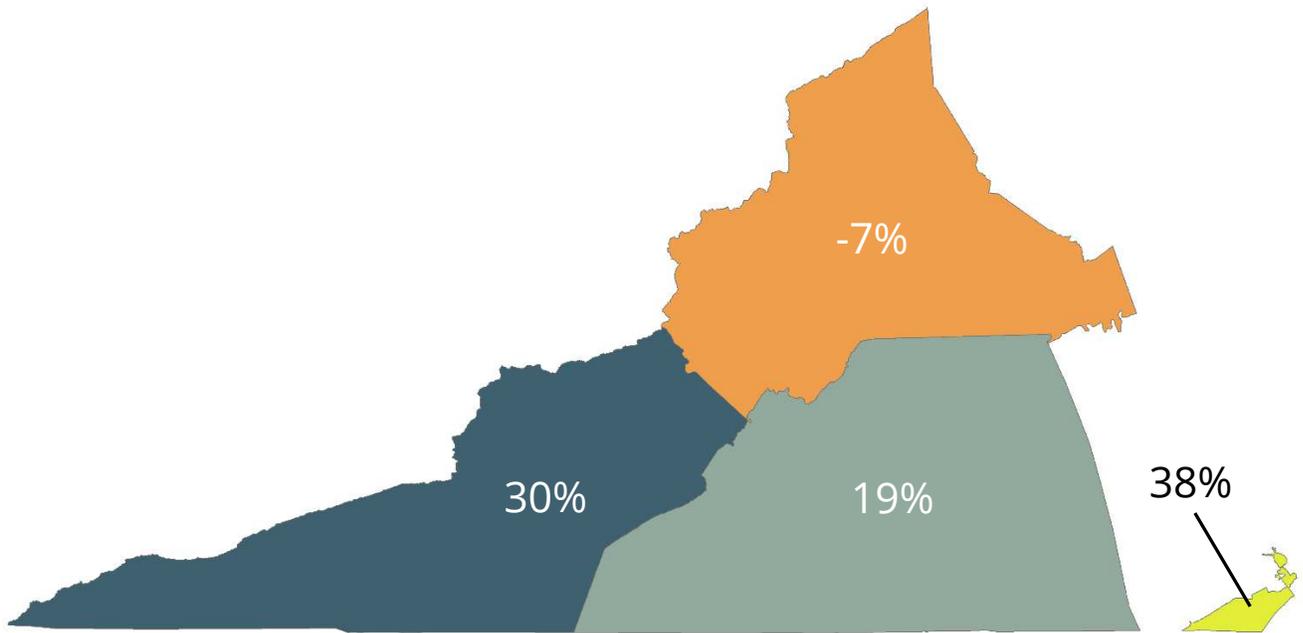
Lee County: After falling sharply last quarter, home prices in the Lee County market jumped up this quarter. The median sales price in the county during the third quarter was \$166,357, a \$38,733 price gain from a year ago, a 30% spike.

Scott County: The median sales price in Scott County in the third quarter was \$189,359, rising 19% from last year, a 19% price gain.

Wise County: Home prices continue to fall in the Wise County housing market. The median sales price in the county was \$141,868 during the third quarter. This is \$10,775 lower than it was a year ago, reflecting a 7% drop to the median price.

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



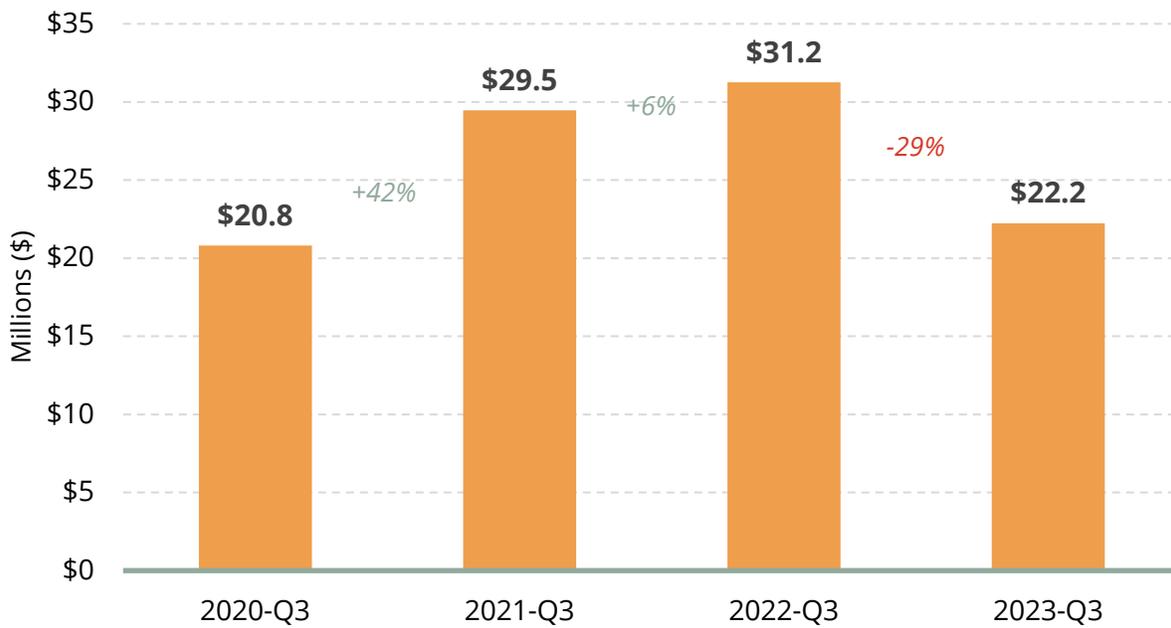
<i>Jurisdiction</i>	<i>2022- Q3</i>	<i>2023 - Q3</i>	<i>% Change</i>
Bristol	\$173,500	\$240,000	38%
Lee County	\$127,624	\$166,357	30%
Scott County	\$158,797	\$189,359	19%
Wise County	\$152,644	\$141,868	-7%

Sources: Virginia REALTORS®, data accessed October 15, 2023, from Virginia-based MLSs
 Bristol Tennessee-Virginia Association of REALTORS®, data accessed October 30, 2023, from Tennessee-based MLS

Sold Volume

The sharp decrease in sales is driving down the total sold dollar volume in the BTVAR regional housing market. There was approximately \$22.2 million of sold volume across the BTVAR footprint in the third quarter, a decrease of about \$9 million from a year ago. This is a 29% reduction in sold volume for the region's housing market, the third straight quarterly volume drop, a clear signal of cooling market conditions.

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



Sources: Virginia REALTORS®, data accessed October 15, 2023, from Virginia-based MLSs
Bristol Tennessee-Virginia Association of REALTORS®, data accessed October 30, 2023, from Tennessee-based MLS



Local Snapshot – *Sold Dollar Volume*

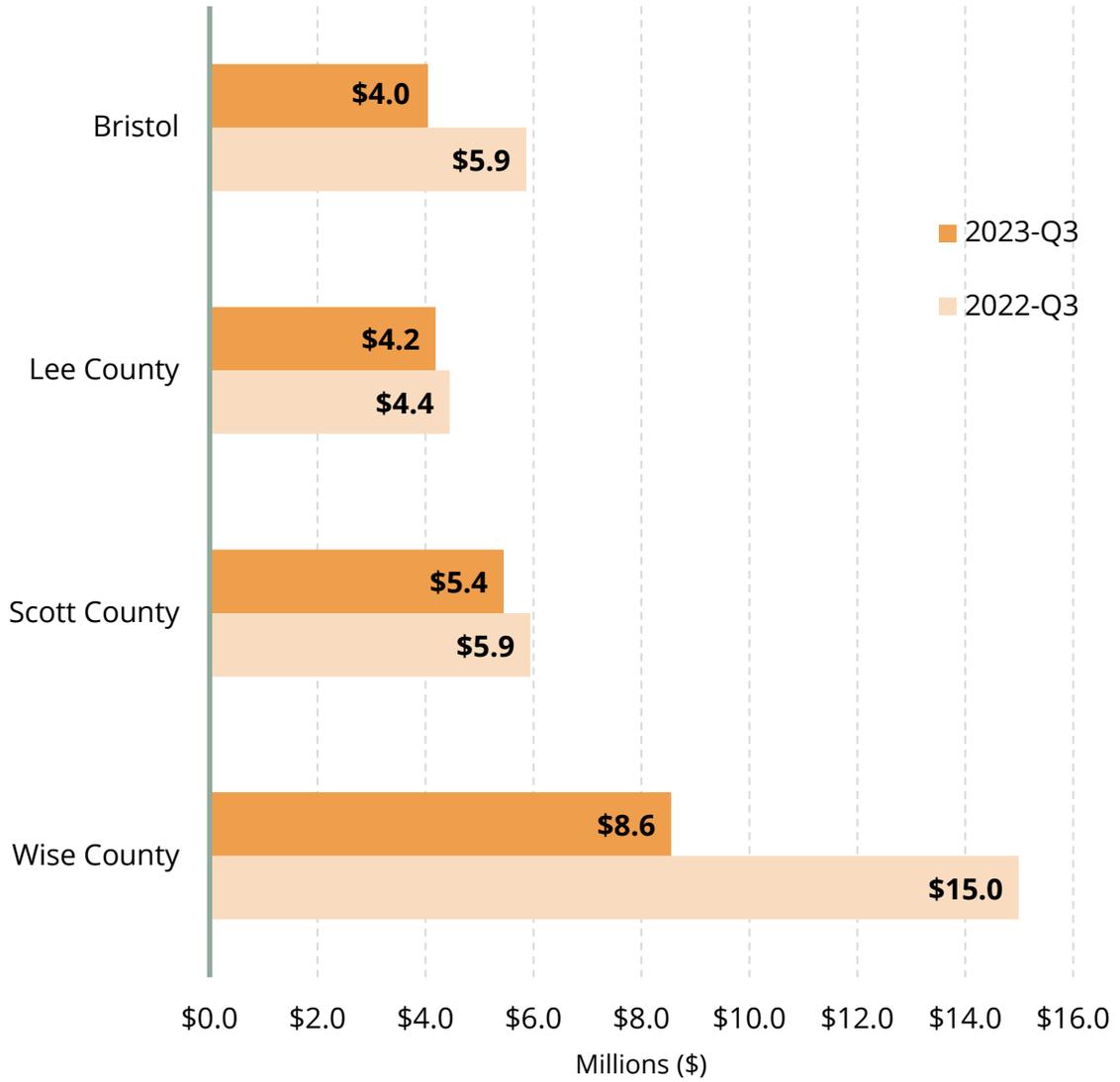
Bristol: There was about \$4 million of sold volume in the Bristol housing market during the third quarter, a \$1.9 million decrease from last year, a 31% reduction in sold volume. The drop in volume was driven by the slowdown in sales activity in the city this quarter.

Lee County: The drop in sales pulled down the sold dollar volume in Lee County this quarter even as home prices rose. There was approximately \$4.2 million of sold volume in the county in the third quarter, about \$261,000 less than a year ago, a 6% dip.

Scott County: There was approximately \$5.4 million of sold volume in Scott County in the third quarter, about \$500,000 less than a year ago, which is an 8% decline.

Wise County: The big drop in sales and dip in prices led to a large reduction in sold dollar volume in Wise County this quarter. There was about \$8.6 million of sold volume in the county in the third quarter, \$6.4 million less than last year, which is a sharp 43% decrease.

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

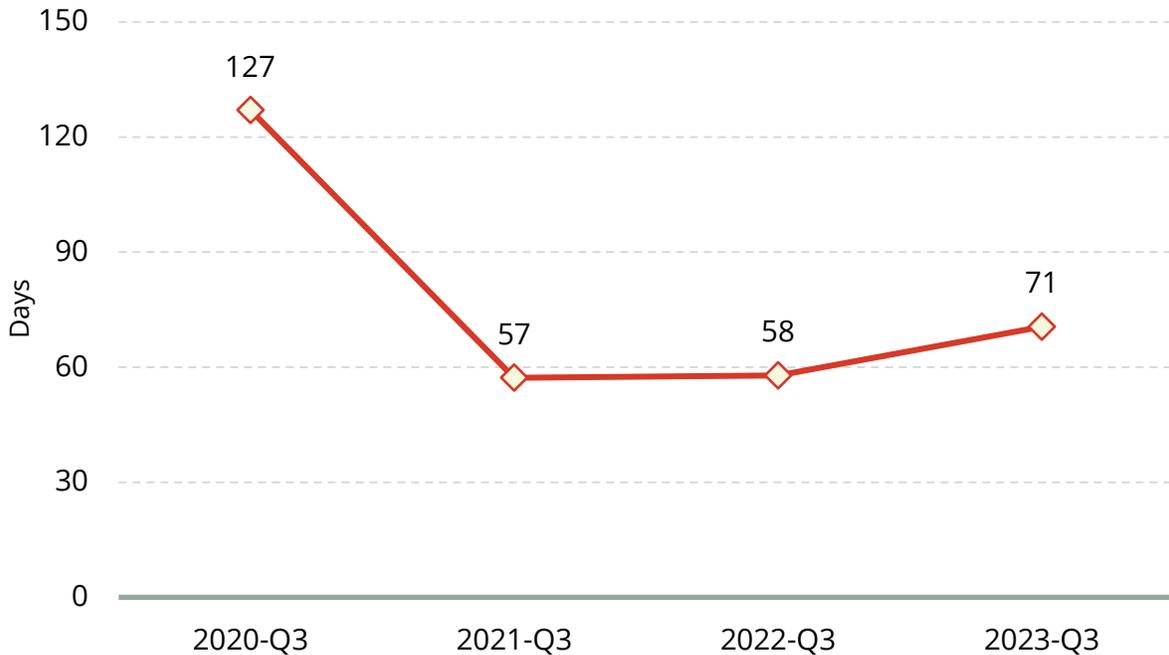


Sources: Virginia REALTORS®, data accessed October 15, 2023, from Virginia-based MLSs
 Bristol Tennessee-Virginia Association of REALTORS®, data accessed October 30, 2023, from Tennessee-based MLS

Days on Market

As the market has slowed, it's taking longer on average to sell homes in the BTVAR region. That being said, the average days on market is still much lower compared to pre-2020 levels. The regionwide average days on market in the third quarter was 71 days, which is 13 days longer than it took to sell homes at this time last year. At the state level, the average days on market in the third quarter was 25 days, which is two days longer than a year ago.

Figure 10
Third Quarter Average Days on Market, BTVAR
2020-2023



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



Local Snapshot – *Average Days on Market*

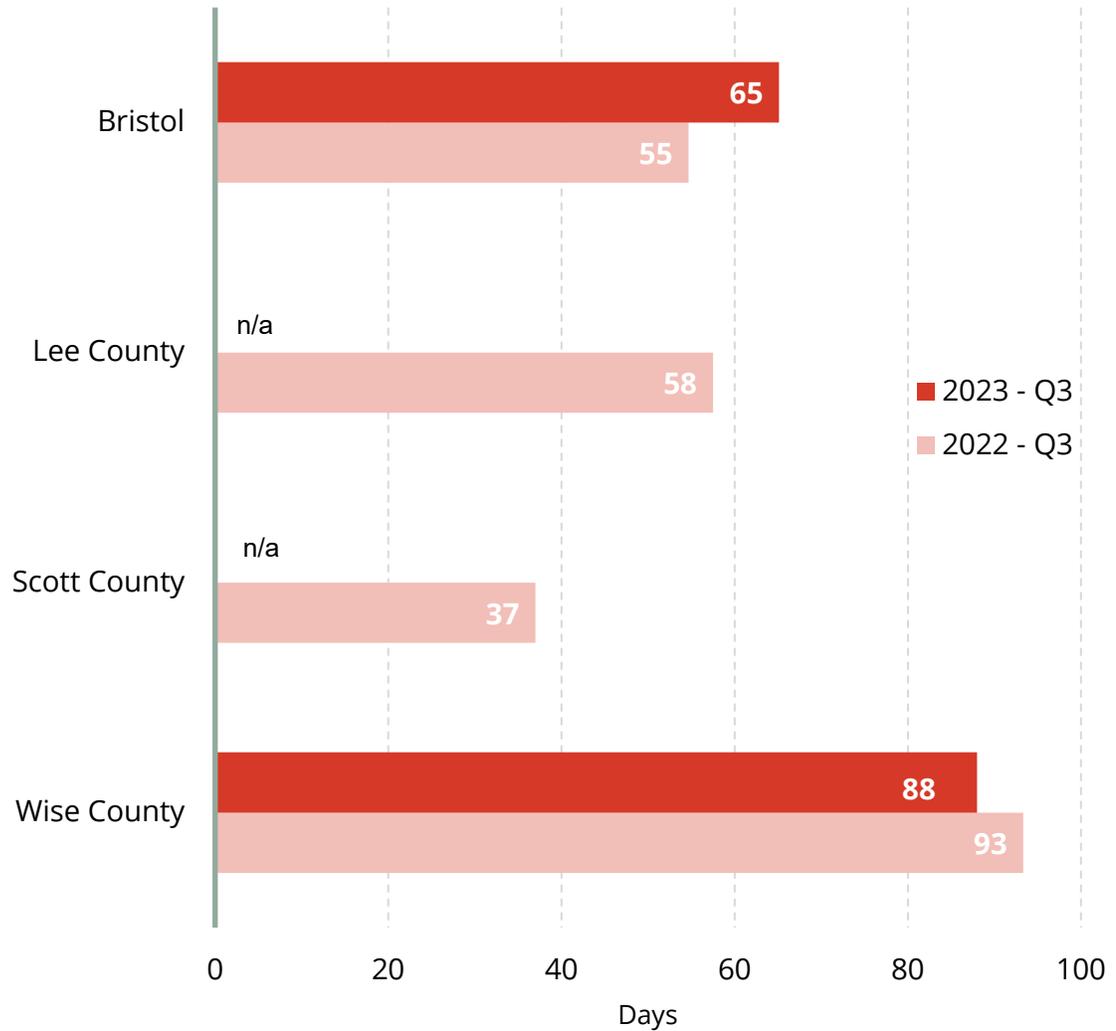
Bristol: Homes that sold in Bristol during the third quarter were on the market 65 days on average, which is 10 days longer than a year ago.

Lee County: There were no sales in Lee County in a Virginia MLS in the third quarter of 2023.

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

Wise County: Homes are selling faster in the Wise County market. At 88 days, the average days on market in Wise County was five days faster than a year ago.

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



Source: Virginia REALTORS®, data accessed October 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.

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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.