

Housing Market Update: 2025 Temperature Check + Outlook for 2026

October 9, 2025

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Virginia REALTORS®





Mortgage Rates

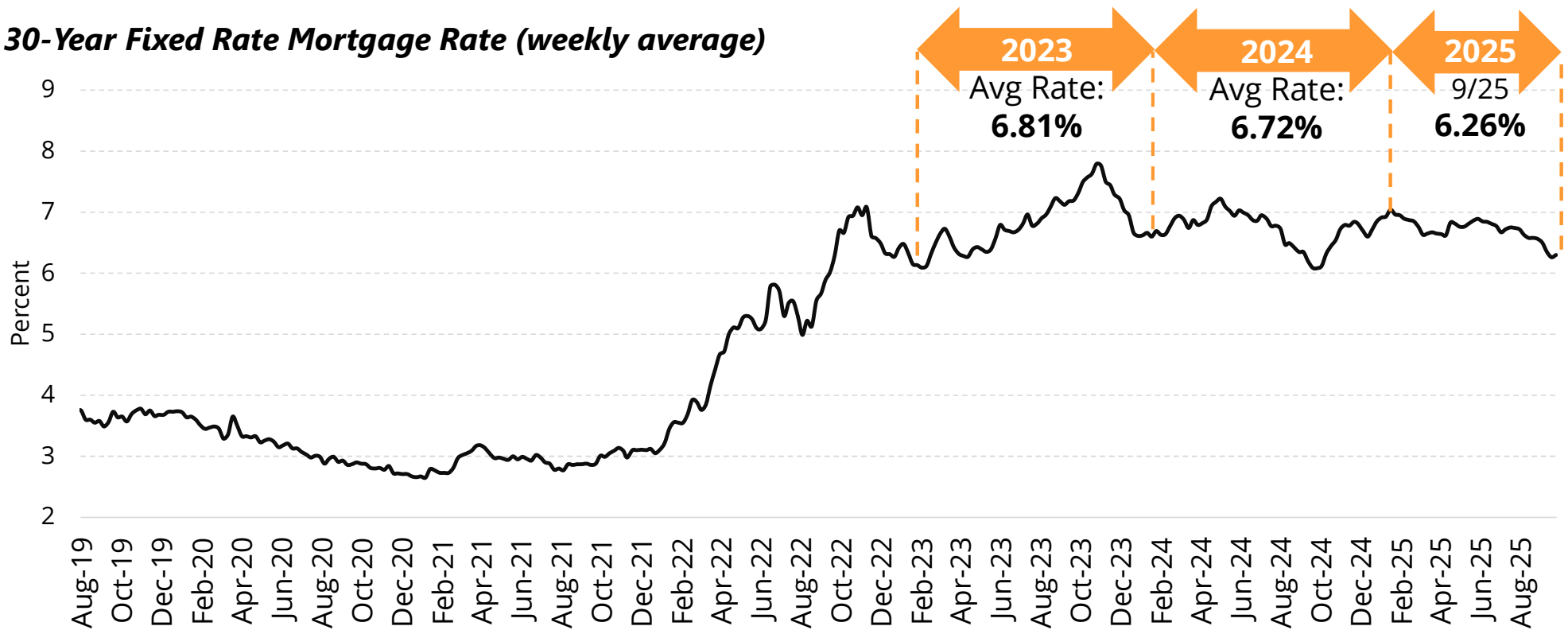
Until recently, mortgage rates have been hovering in the high 6% range. This led to a relatively slow spring and summer market. Recent drop in rates is likely to fuel more sales over the next few months.

2025



Mortgage Rate Trends

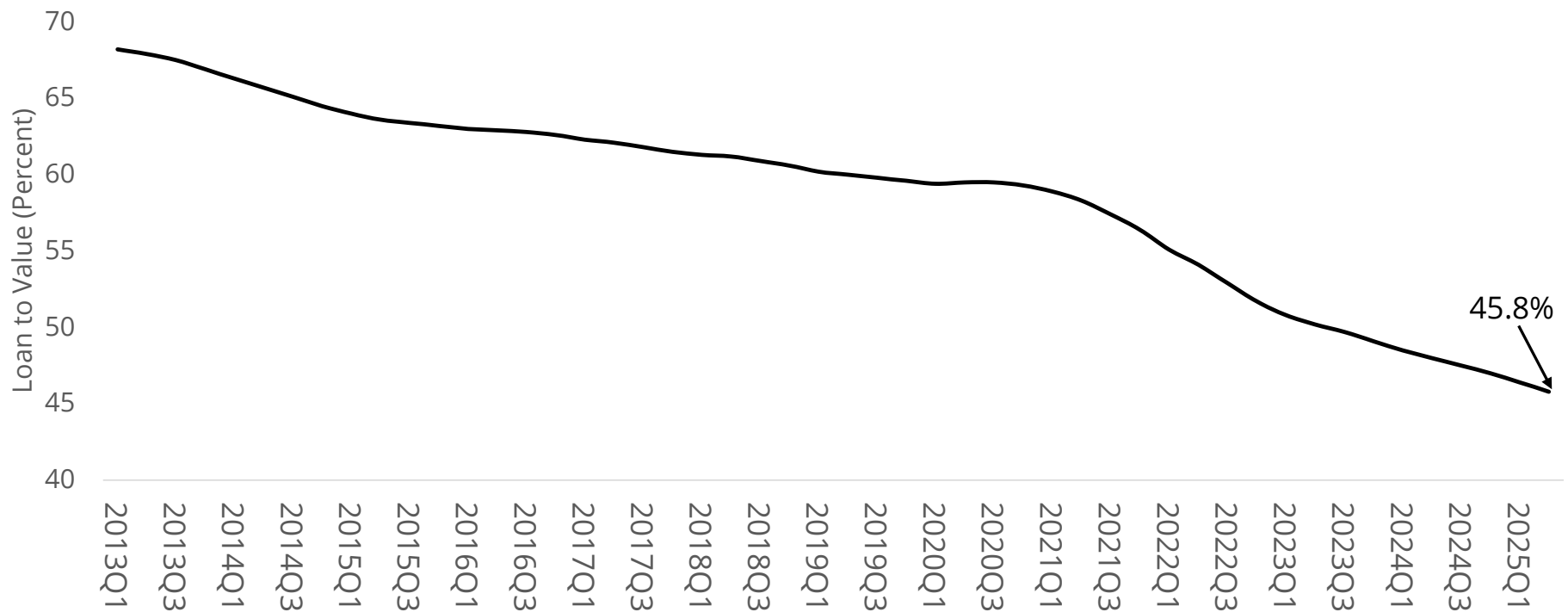
30-Year Fixed Rate Mortgage Rate (weekly average)



Source: Freddie Mac

Virginia homeowners have made significant equity gains over the last few years

Loan-to-value ratios on mortgages fell sharply in 2021 and 2022 during the refinance boom



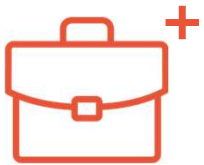
Source: Federal Housing Finance Agency

Delayed Sellers Cannot Wait Forever

Each Year in the U.S...



3.5 million turn 65 years old



25 million job switches



3.5 million births



3 million deaths



1.5 million marriages



700,000 divorces

Source: National Association of REALTORS®

Market Inventory

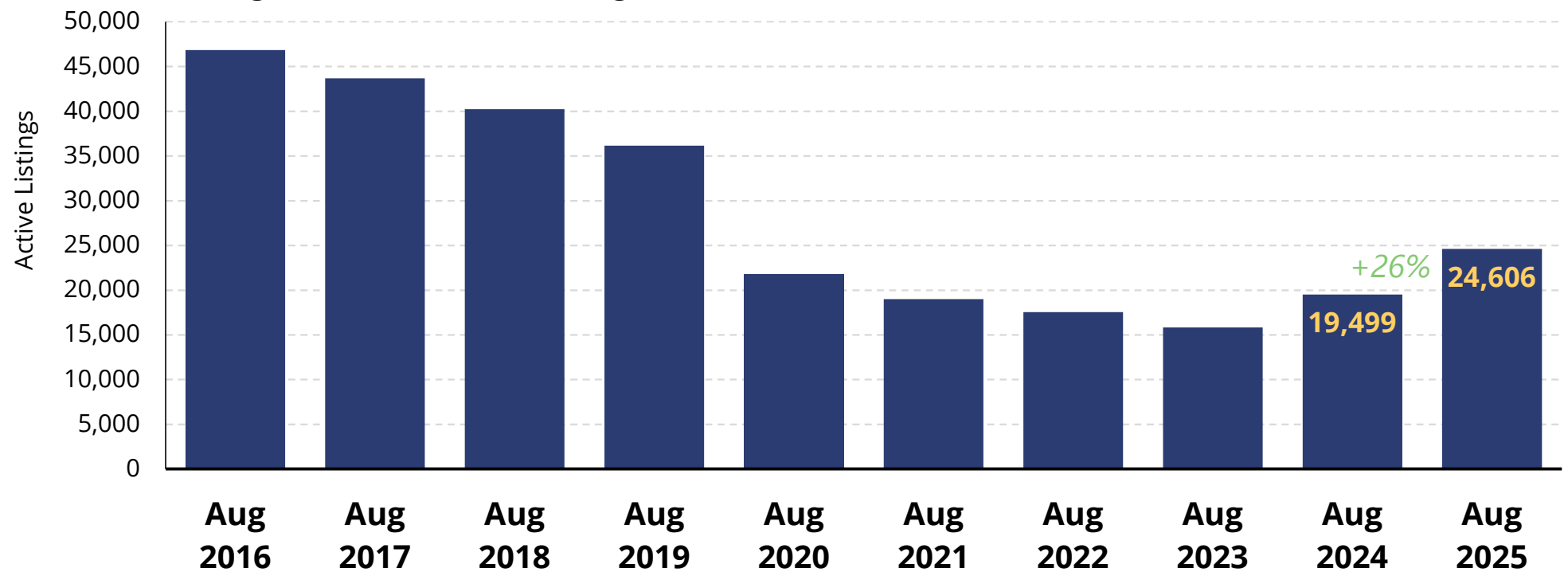
2025



Inventory conditions are improving across the state. However, supply/demand imbalance remains a major factor in Virginia's housing market.

Inventory levels have seen an uptick

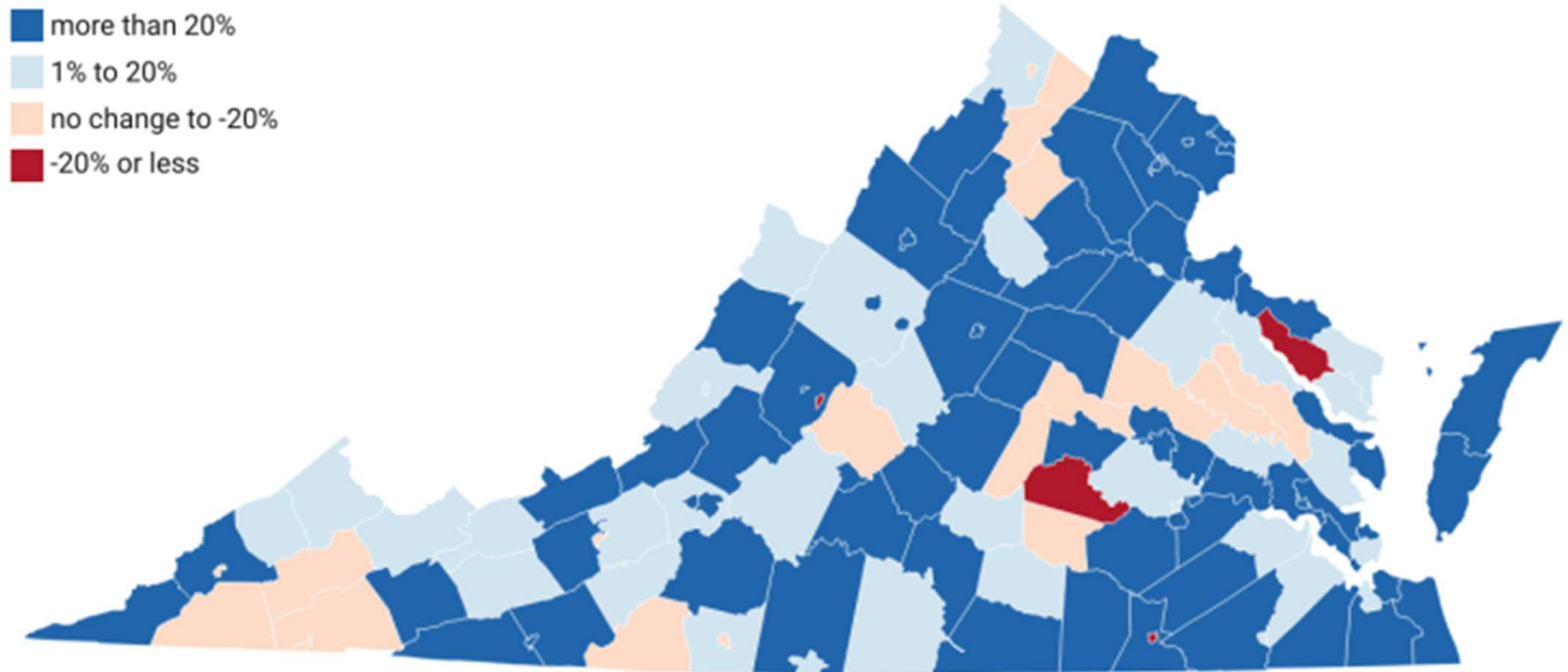
Active Listings, Statewide (end of August)



Source: Virginia REALTORS®

Virginia Active Inventory

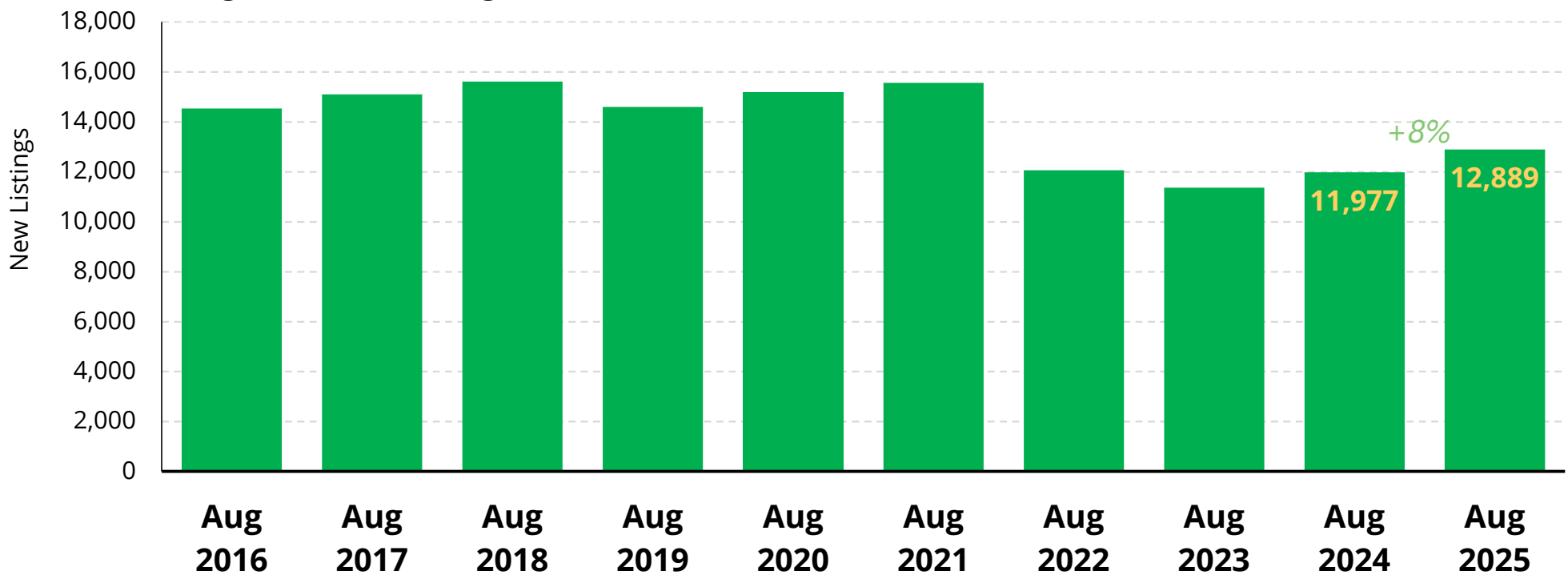
Change in month-end August Inventory, 2024 to 2025



Source: Virginia REALTORS®

More New Listings across the state

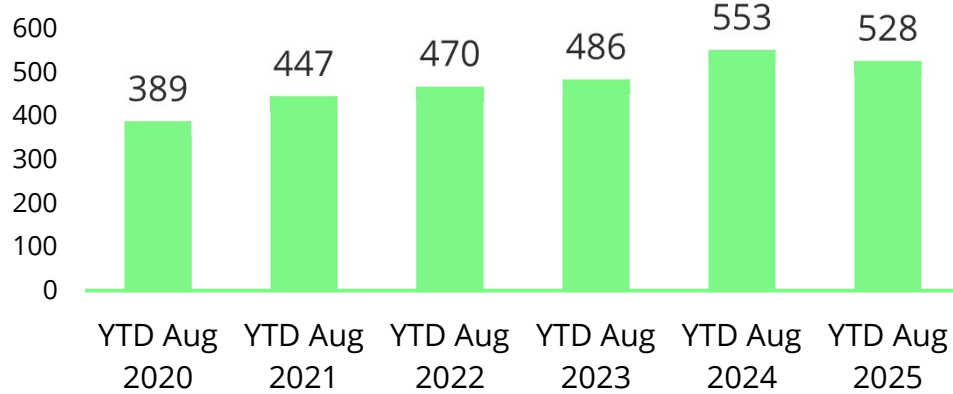
New Listings, Statewide (August)



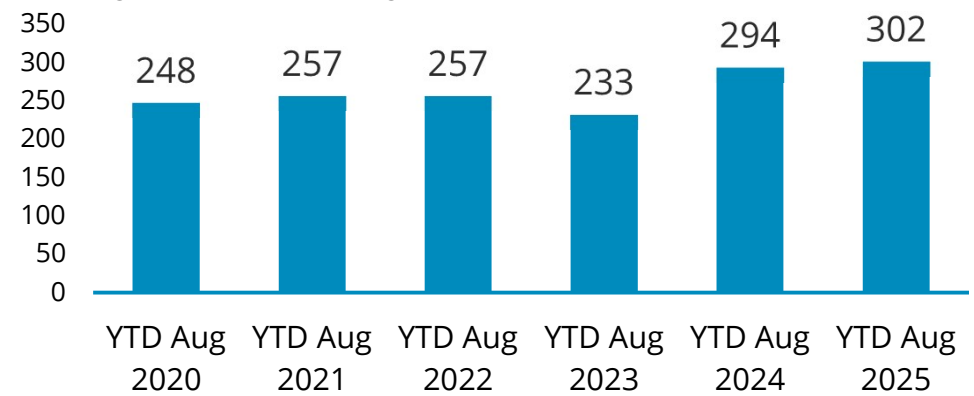
Source: Virginia REALTORS®

New Listings – Southern Virginia Local Markets

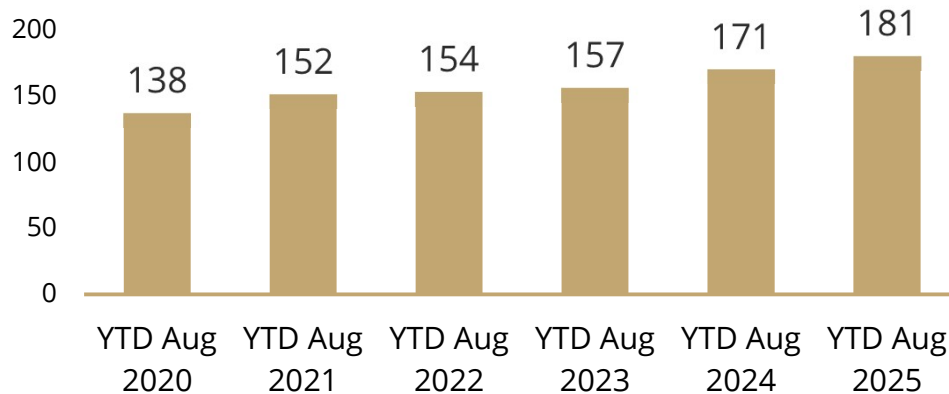
Danville



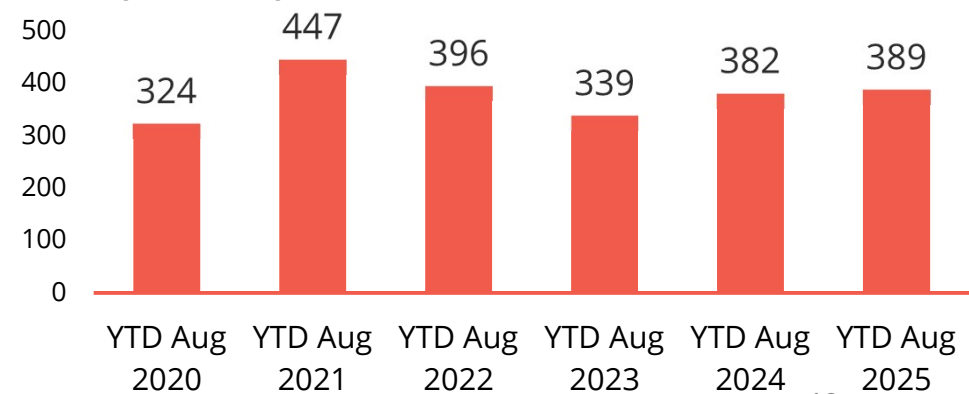
Pittsylvania County



Martinsville



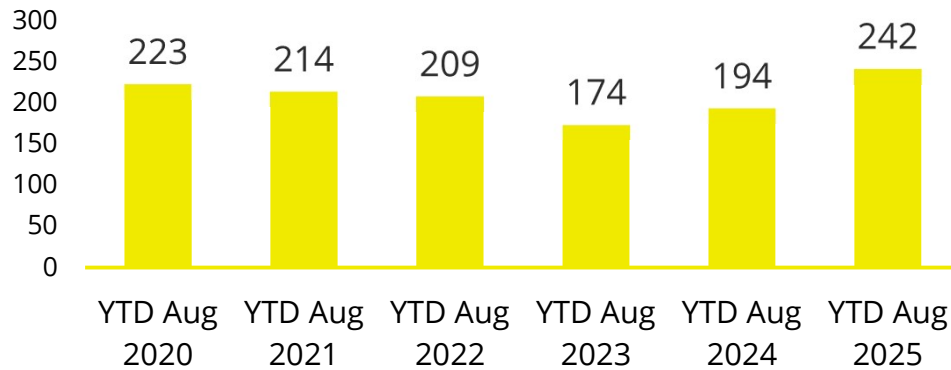
Henry County



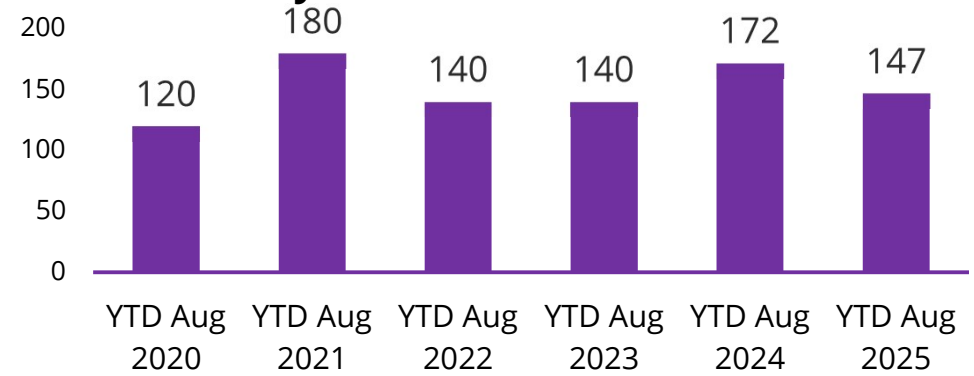
Source: Virginia REALTORS®

New Listings – Southern Virginia Local Markets

Halifax County



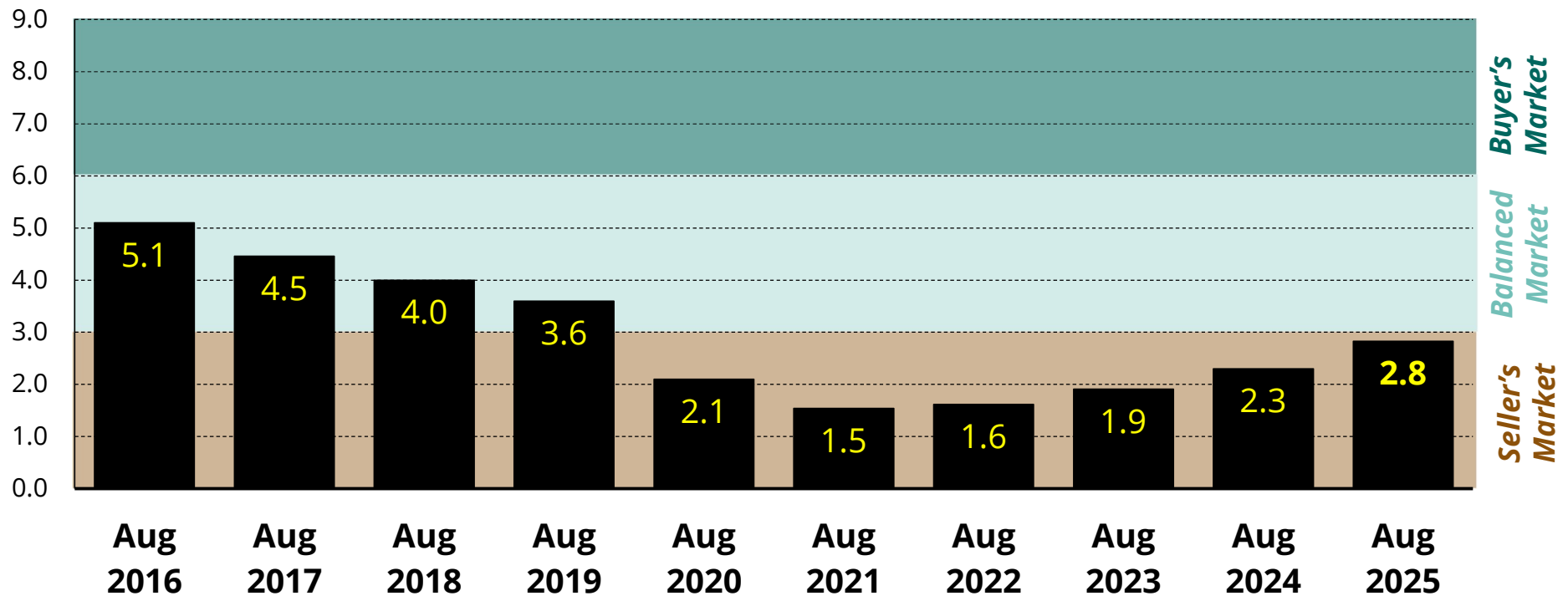
Patrick County



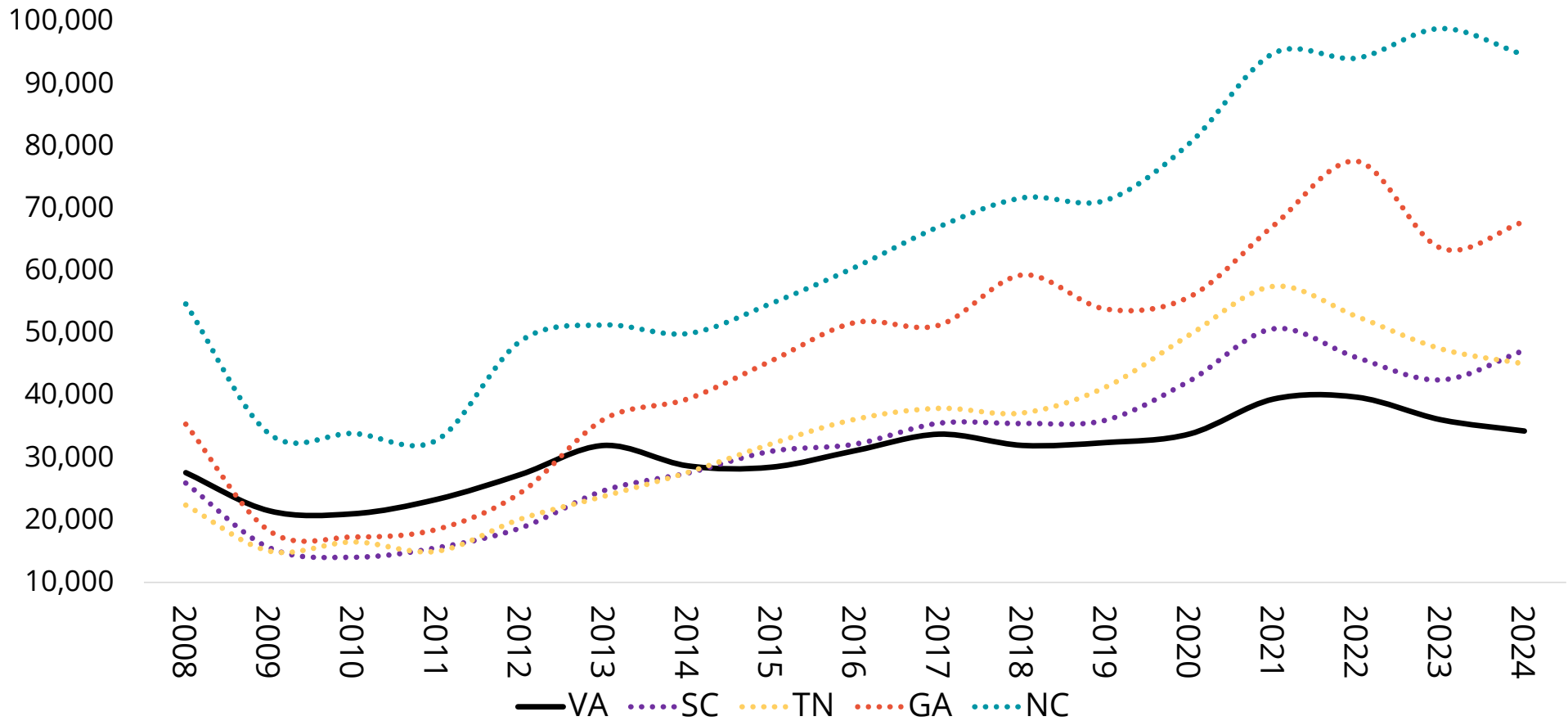
Months of supply increasing across the state

But still an unbalanced market, more demand than available supply

Months of Supply (Aug)



Annual Building Permits by State

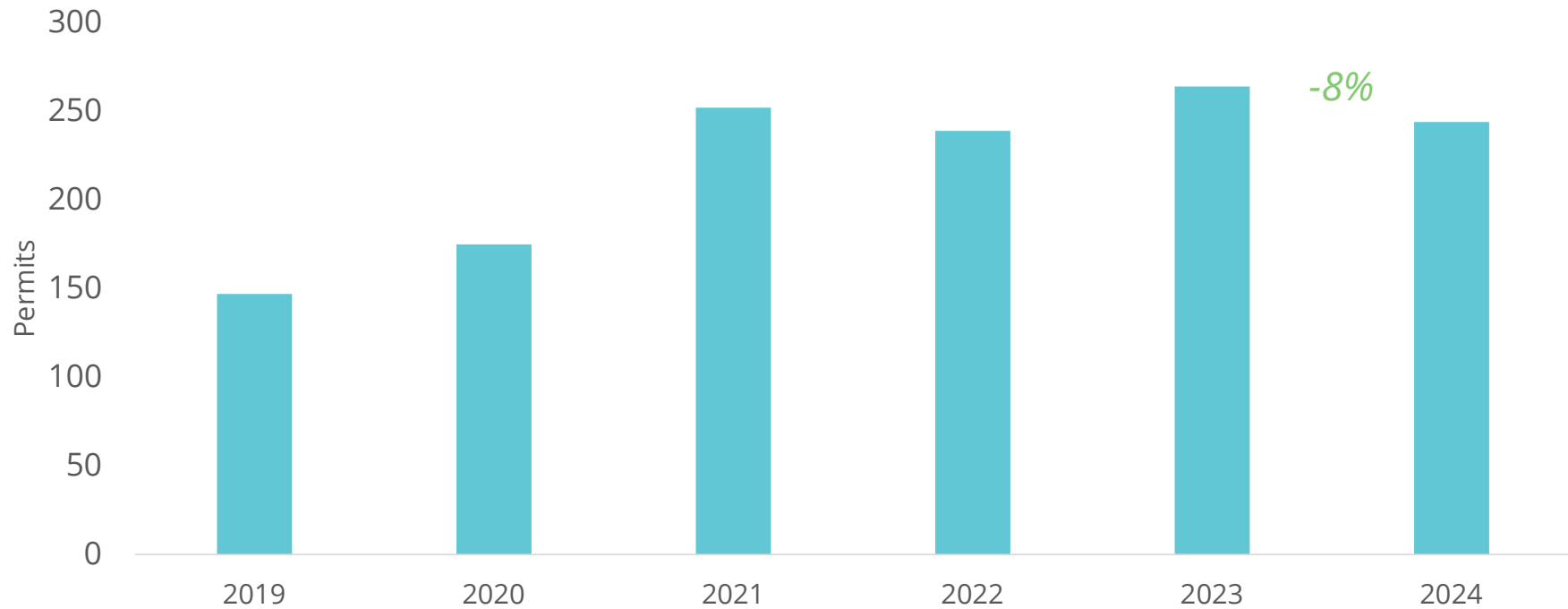


Source: U.S. Census Bureau

Single-Family Detached & Townhome Permits Down



Southern Virginia Region, Annual Totals*

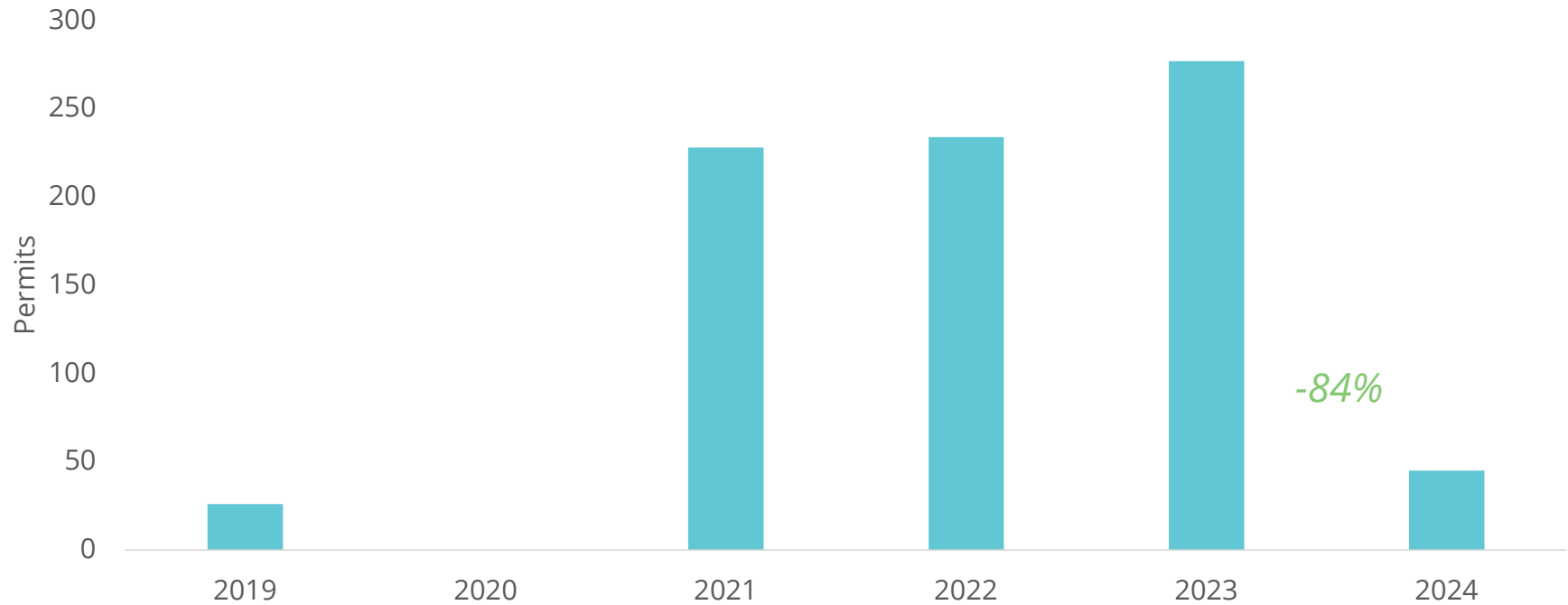


Source: U.S. Census Bureau

*Includes Danville, Halifax County, Henry County, Martinsville, Patrick County, Pittsylvania County

Multi-Family Permits Down

Southern Virginia Region, Annual Totals*



Source: U.S. Census Bureau

*Includes Danville, Halifax County, Henry County, Martinsville, Patrick County, Pittsylvania County

Estimated Housing Supply Shortage in Virginia

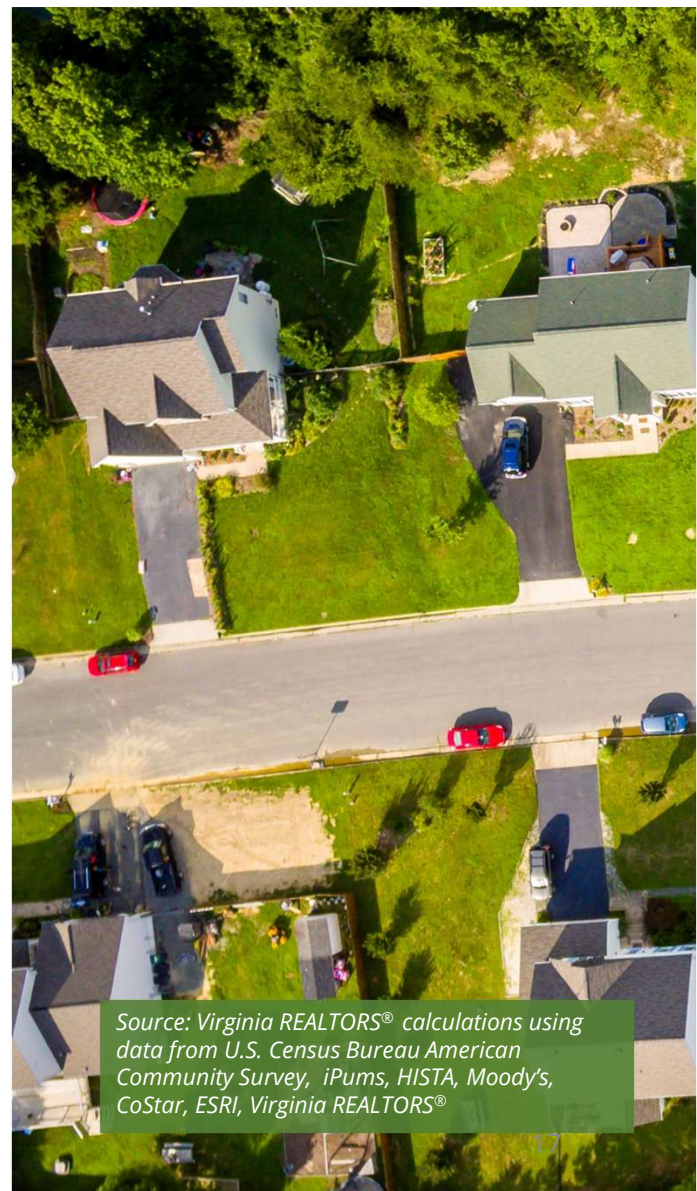
By 2030, the shortfall is projected to reach 214,000 units



Estimated Housing Supply Shortage in Virginia

Market-Rate Housing, For-Sale and Rental

<i>AMI Band</i>	<i>Current Shortage (2025)</i>	<i>Projected Shortage (2030)</i>
80% - 120%	115,200	131,100
120%+	72,700	82,800
Total (80%+ AMI)	187,900	213,900

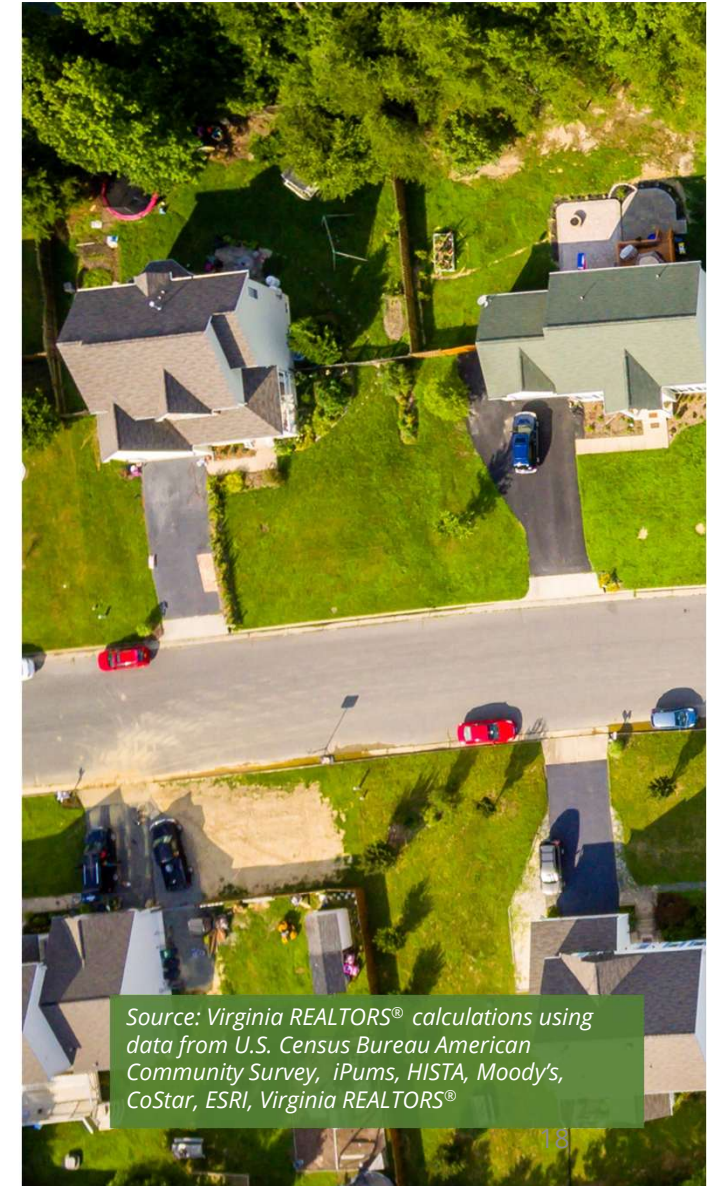


Source: Virginia REALTORS® calculations using data from U.S. Census Bureau American Community Survey, iPums, HISTA, Moody's, CoStar, ESRI, Virginia REALTORS®

Supply Shortage by Metro Area

Market-Rate Housing, For-Sale and Rental

<i>Region</i>	<i>Shortage (2025)</i>
Northern Virginia	75,600
Hampton Roads	39,000
Richmond MSA	22,300
Roanoke MSA	5,700
Lynchburg MSA	5,400
Charlottesville MSA	4,100
Harrisonburg MSA	3,400
Blacksburg MSA	2,400
Other Areas (non-MSA)	30,000
Virginia (Statewide)	187,900



Source: Virginia REALTORS® calculations using data from U.S. Census Bureau American Community Survey, iPums, HISTA, Moody's, CoStar, ESRI, Virginia REALTORS®

Home Sales

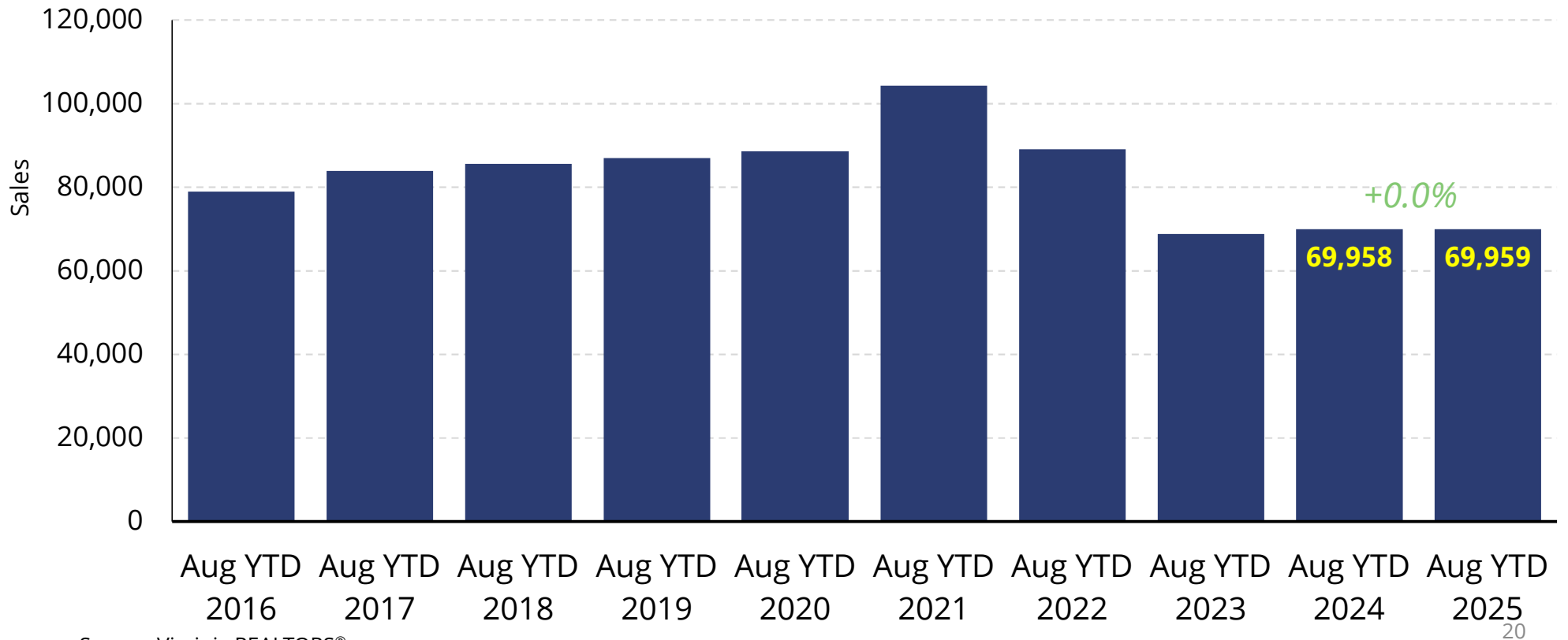
2025



Home sales activity has been sluggish in 2025 due to high mortgage rates and overall economic uncertainty.

Home sales levels remain almost unchanged compared to the previous year

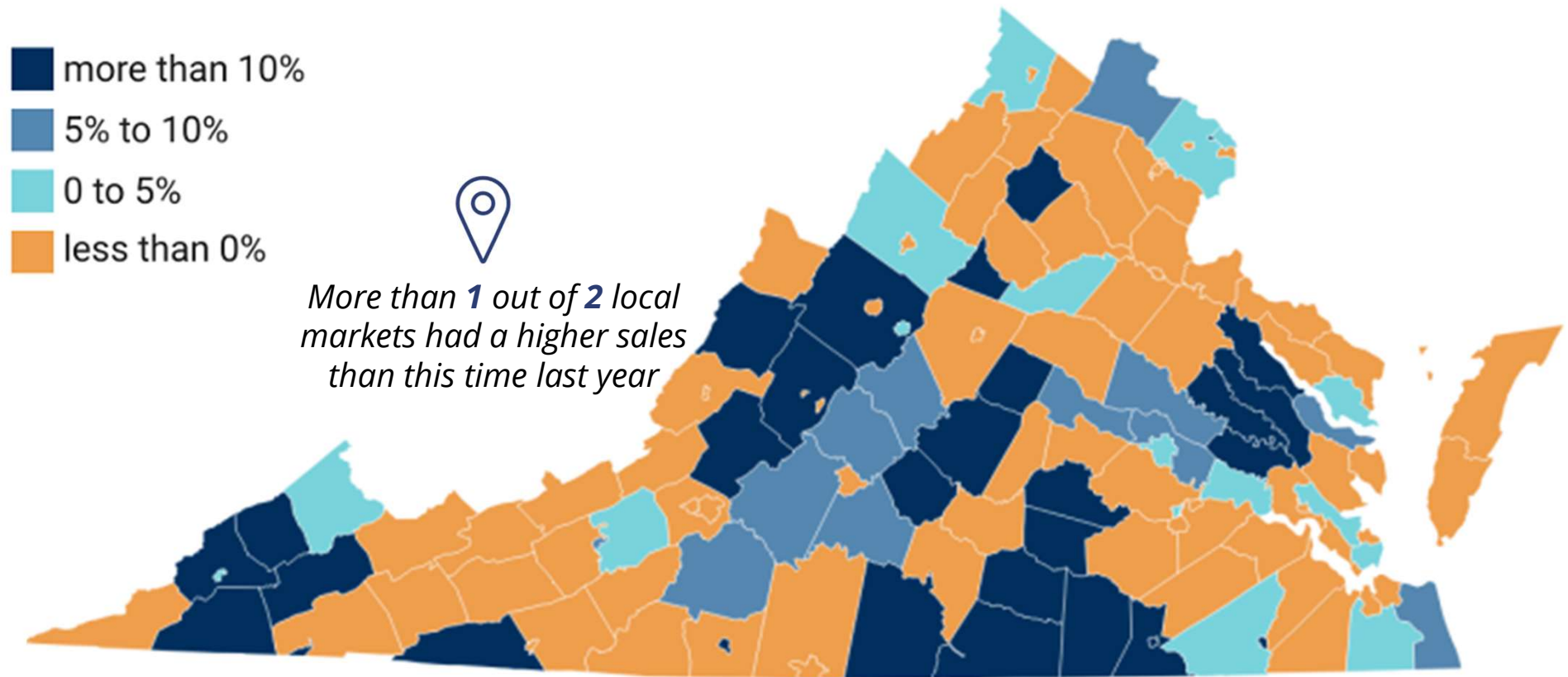
Statewide Home Sales, August YTD



Source: Virginia REALTORS®

Sales Activity Increasing in Many Local Markets

Change in Home Sales – YTD Aug 2024 compared to YTD Aug 2025



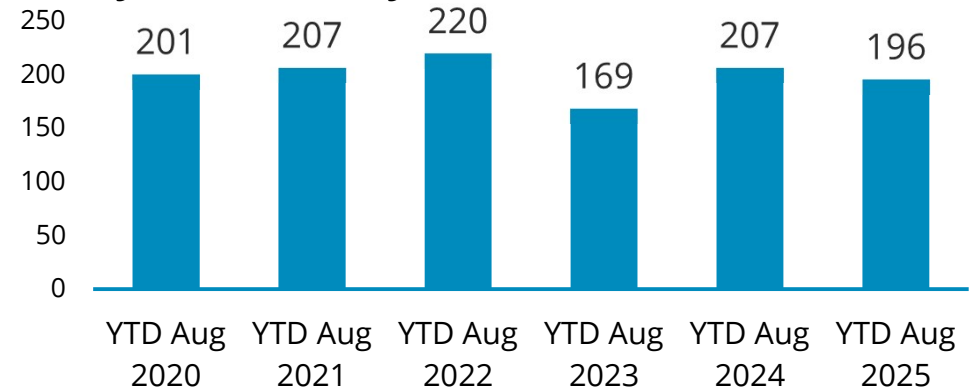
Source: Virginia REALTORS®

Closed Sales – Southern Virginia Local Markets

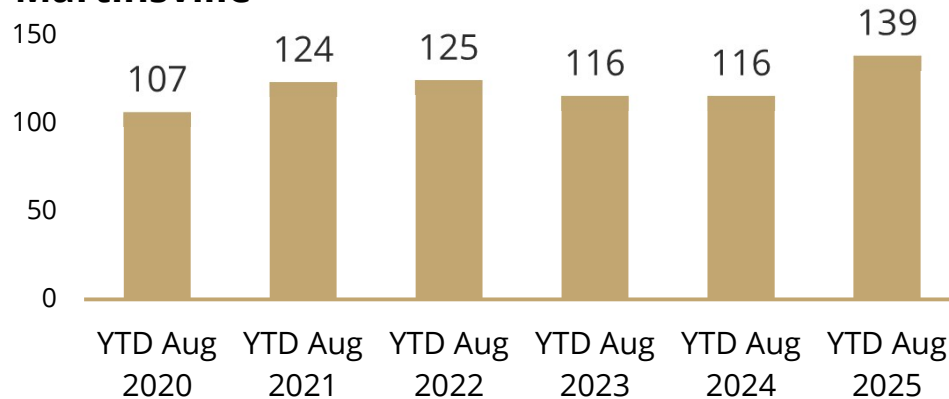
Danville



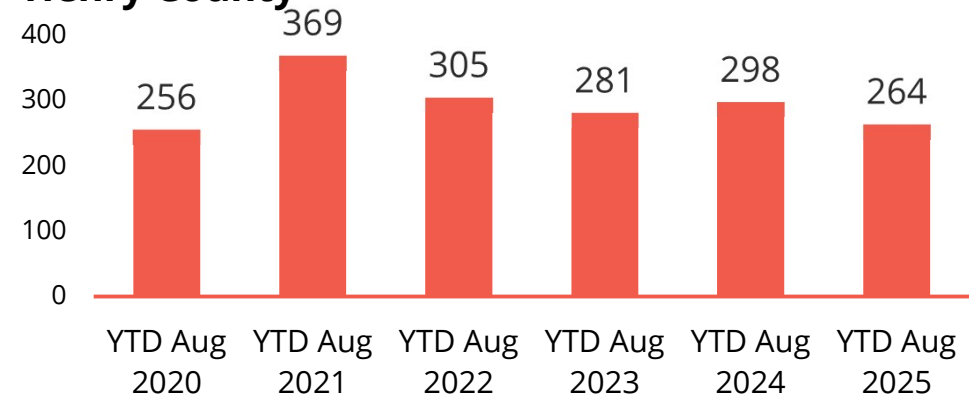
Pittsylvania County



Martinsville



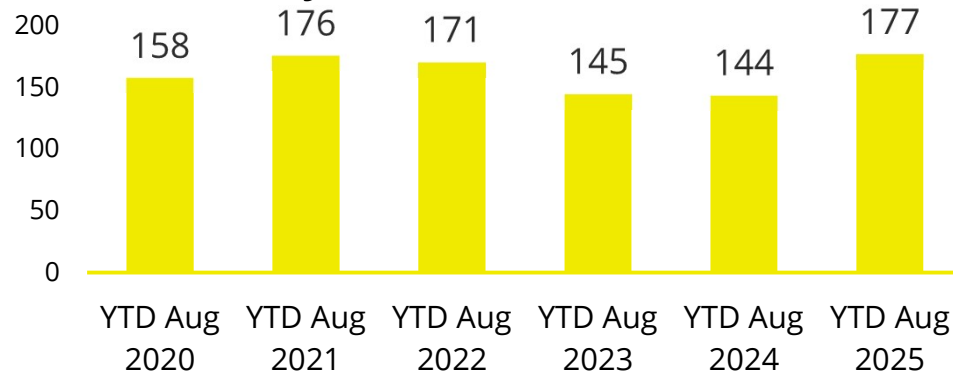
Henry County



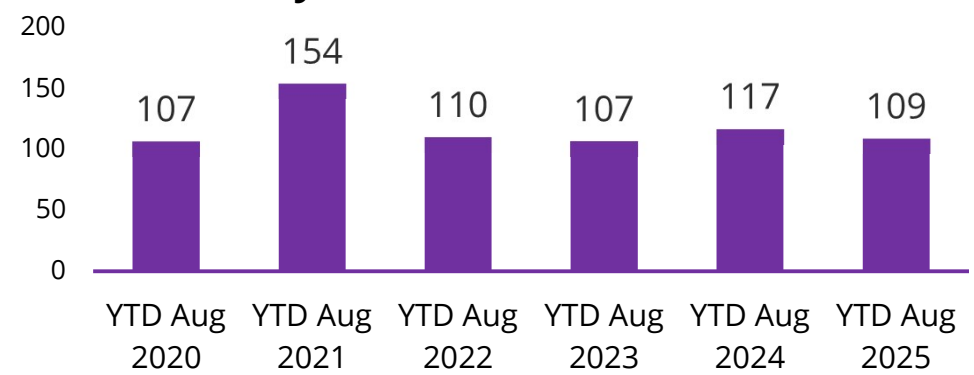
Source: Virginia REALTORS®

Closed Sales – Southern Virginia Local Markets

Halifax County



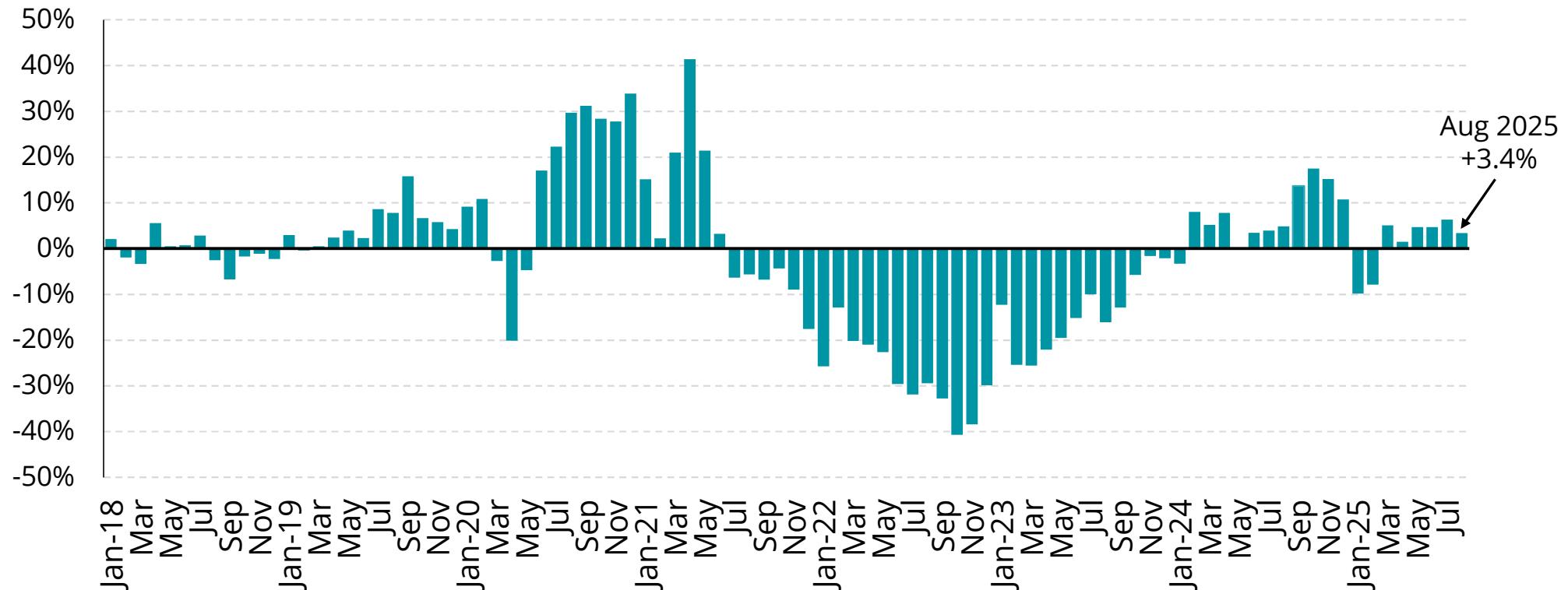
Patrick County



Virginia Pending Sales

Pending sales saw an uptick in late spring and summer but slower market overall

% Change from Prior Year, Pending Sales, Virginia (statewide)



Source: Virginia REALTORS®

2025

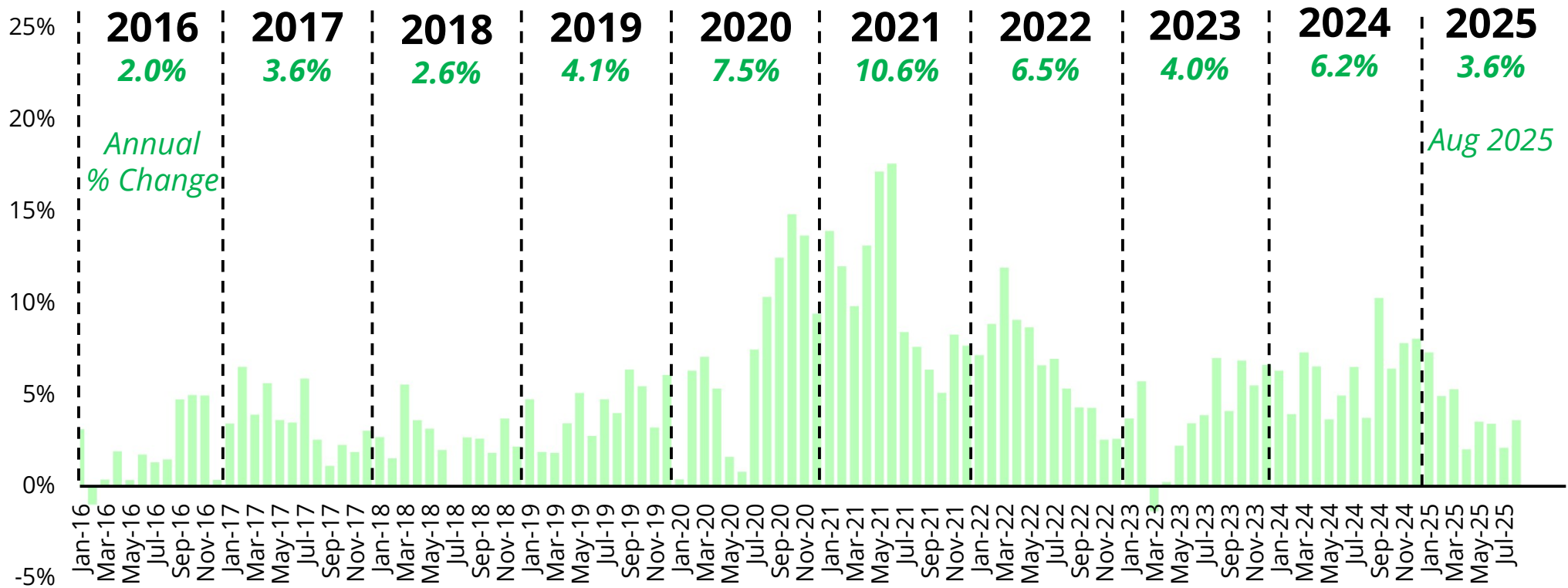


Home Prices

Home prices continued their upward trajectory in many local markets. Affordability challenges persist due to higher prices coupled with higher rates and existing competition.

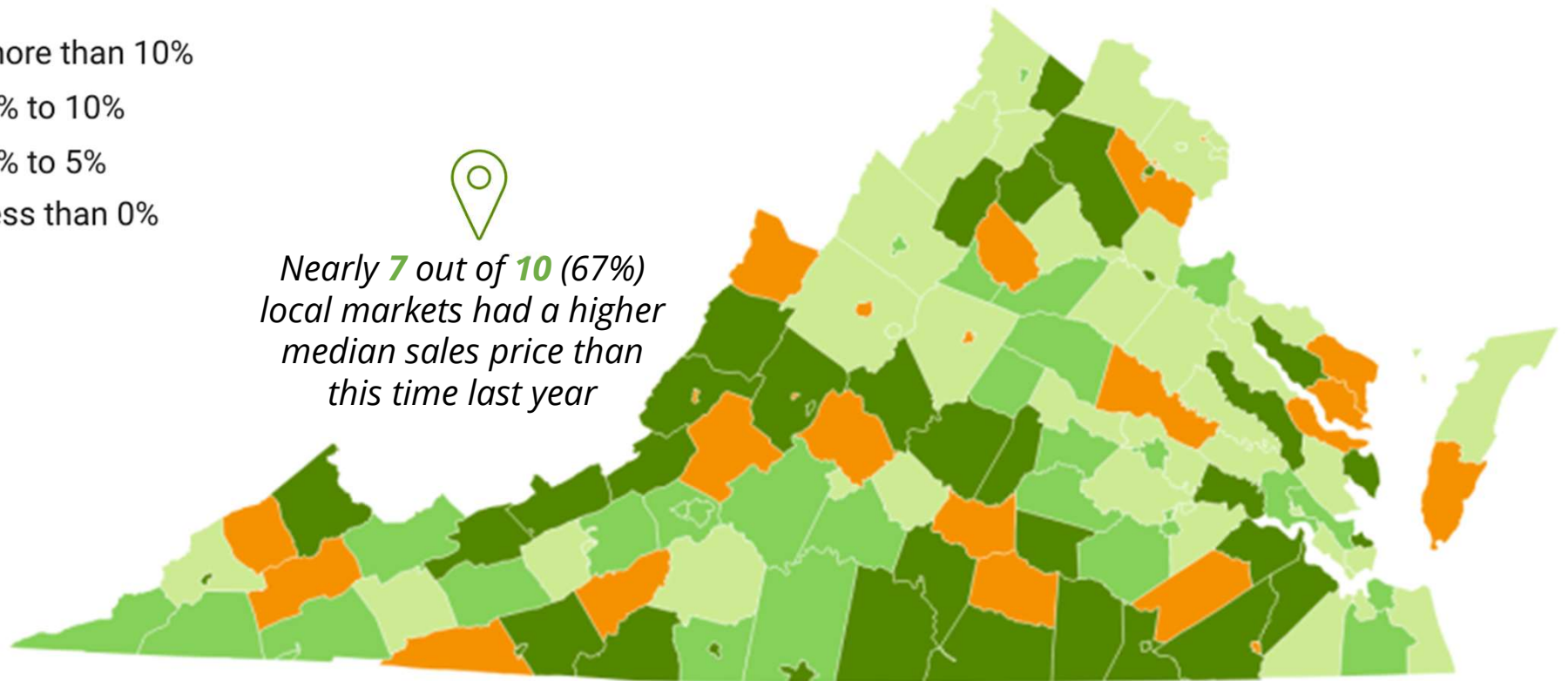
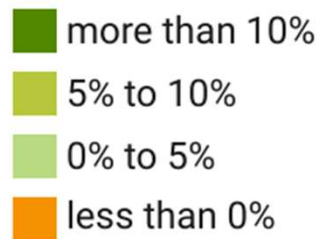
Home prices still climbing briskly in Virginia

Median Sales Price, % Change from Prior Year, Virginia



Upward pressure on home prices across the state

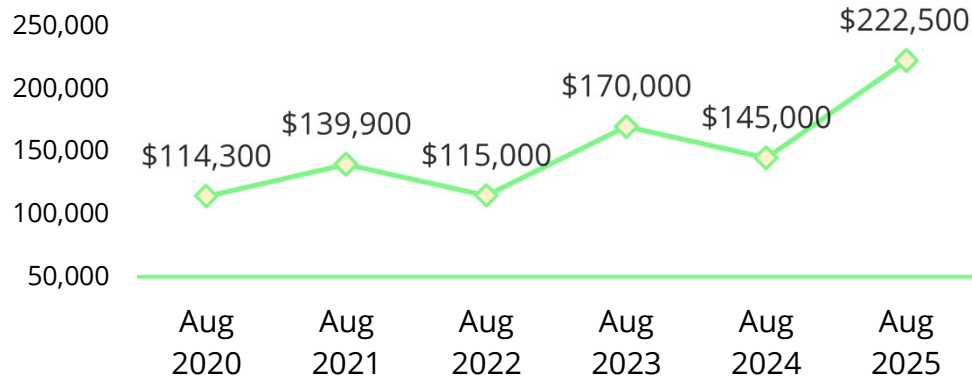
Change in Median Sales Price – Aug 2024 vs. Aug 2025



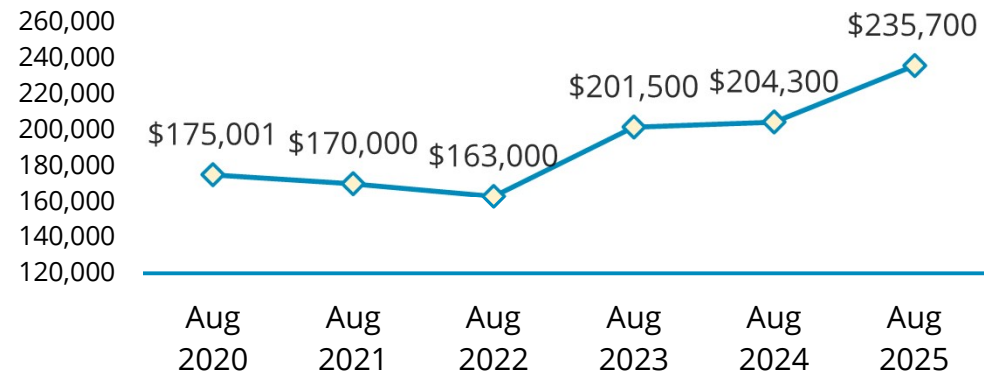
Source: Virginia REALTORS®

Median Sales Price – Southern Virginia Local Markets

Danville



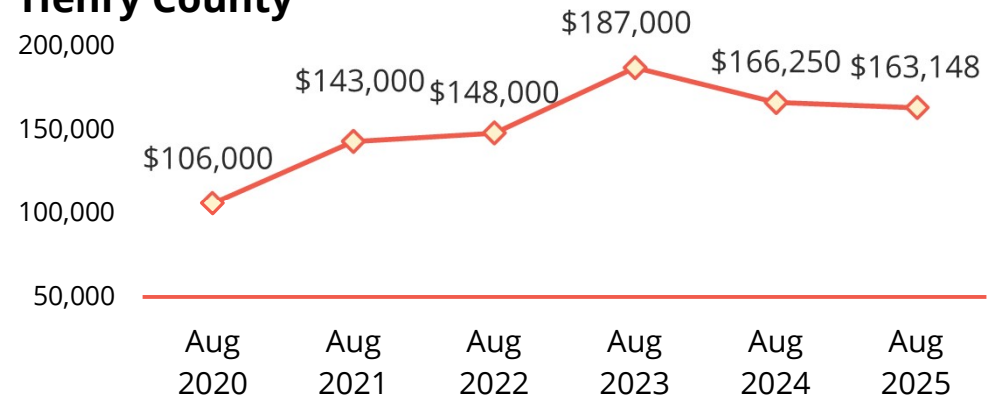
Pittsylvania County



Martinsville

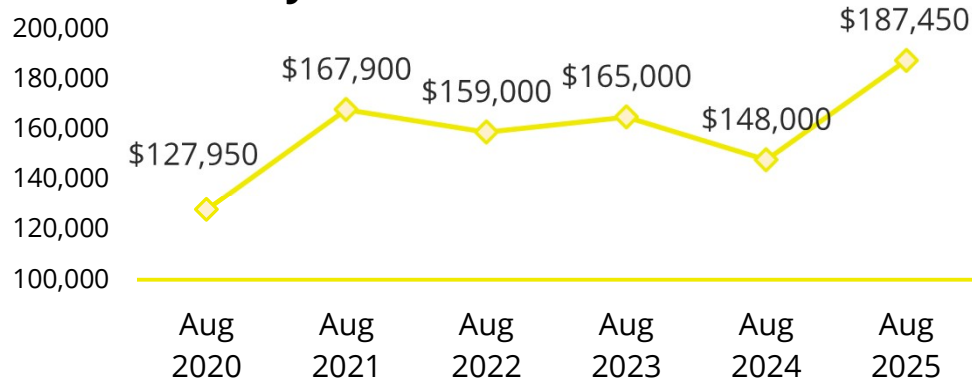


Henry County

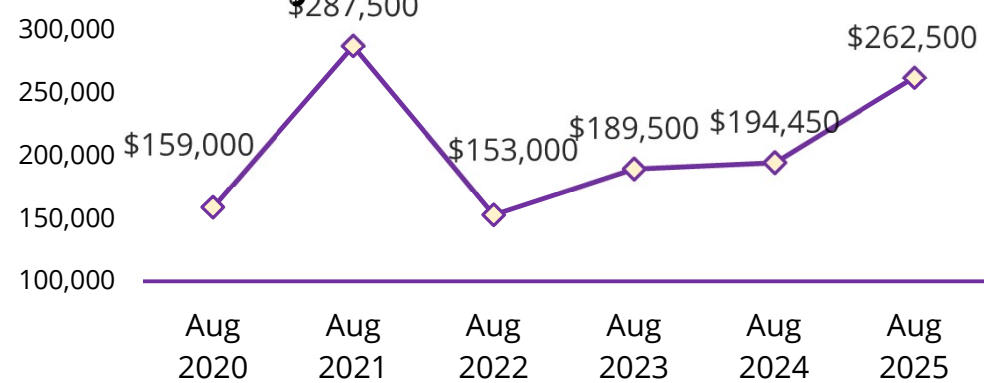


Median Sales Price – Southern Virginia Local Markets

Halifax County



Patrick County



Market Competitiveness

Competitive market conditions persist even with more inventory, signaling strong pent-up demand. If mortgage rates drift down, market competition is likely to intensify.

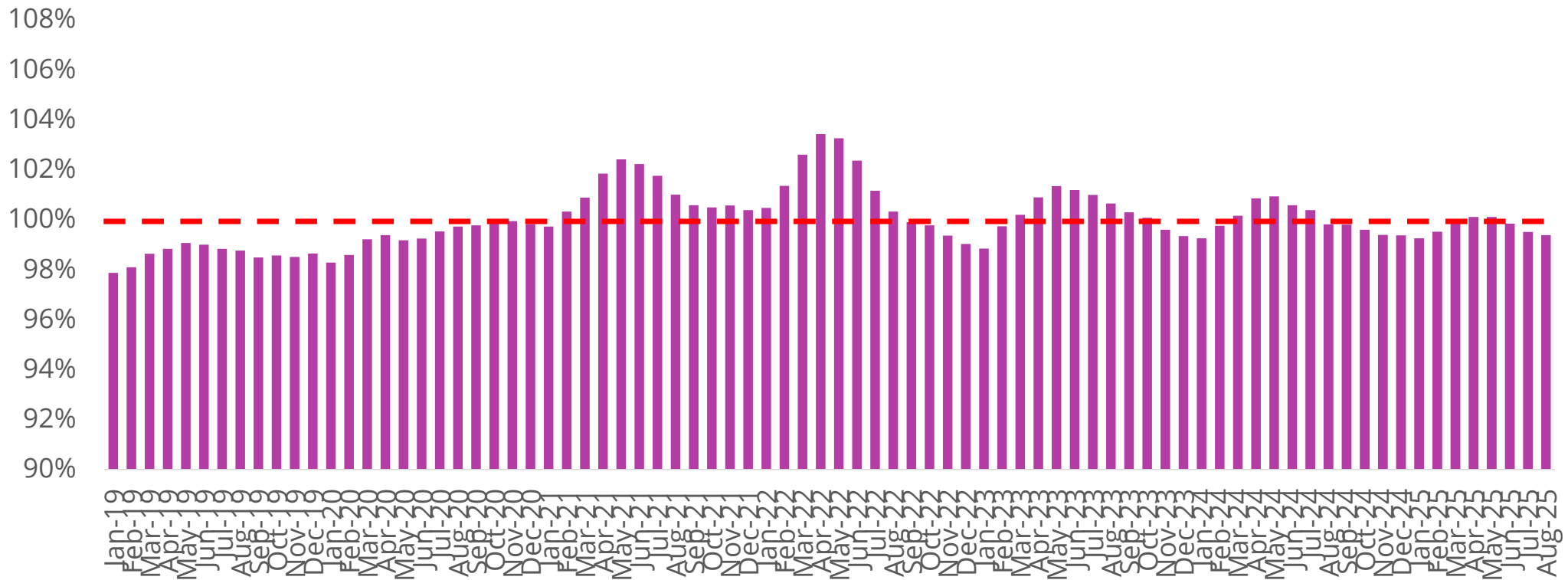
2025



Despite Slowdown, Market Remains Competitive

Sellers are getting near asking price on average in Virginia

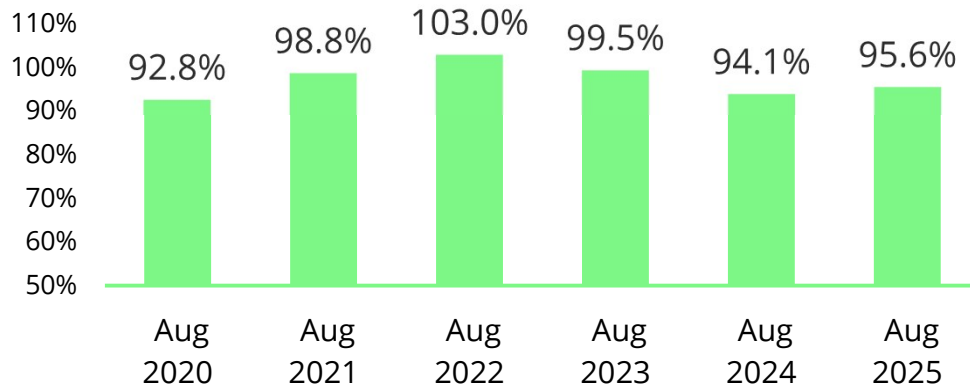
Average Sold to Ask Price Ratio, Statewide



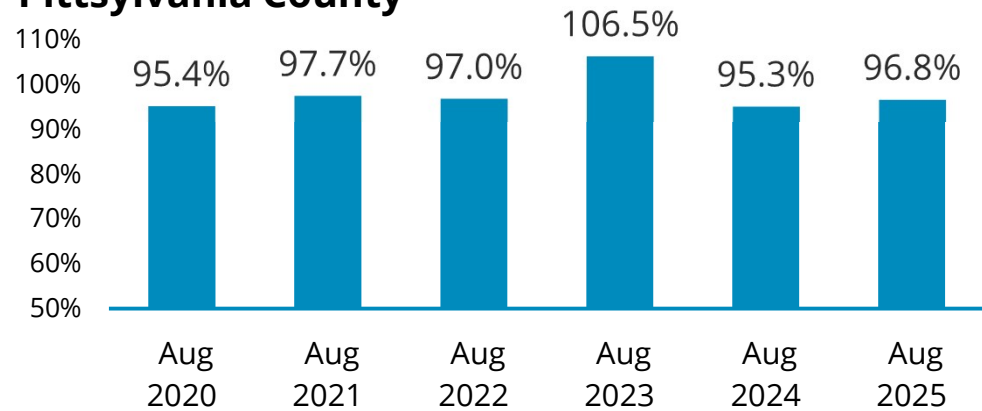
Source: Virginia REALTORS®

Avg SLP Ratio – Southern Virginia Local Markets

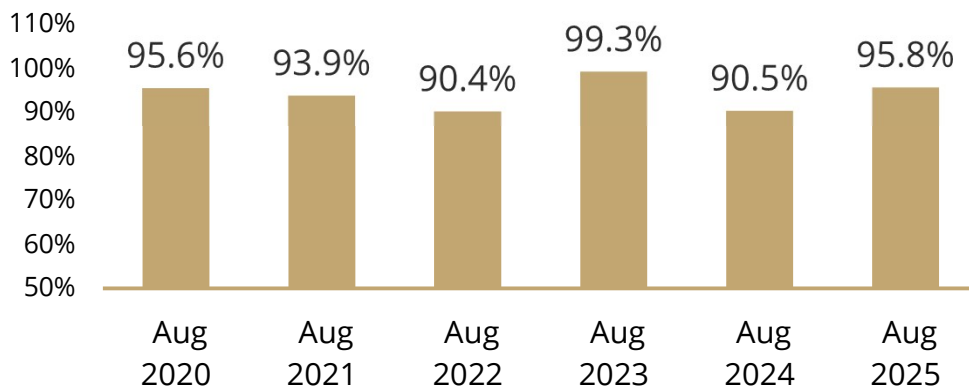
Danville



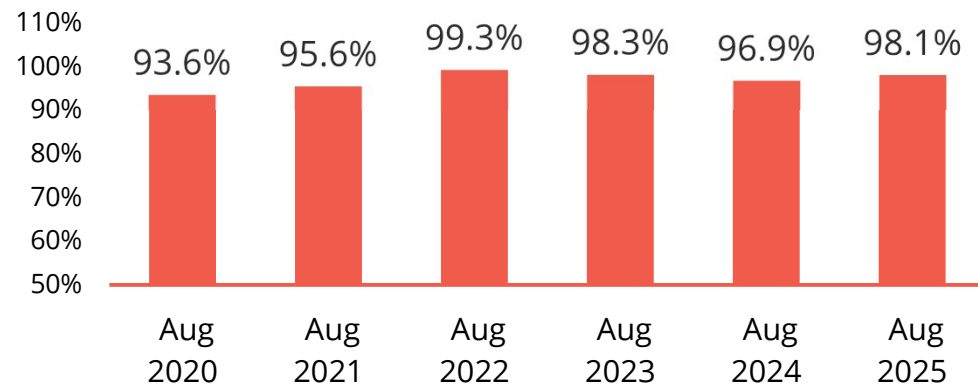
Pittsylvania County



Martinsville



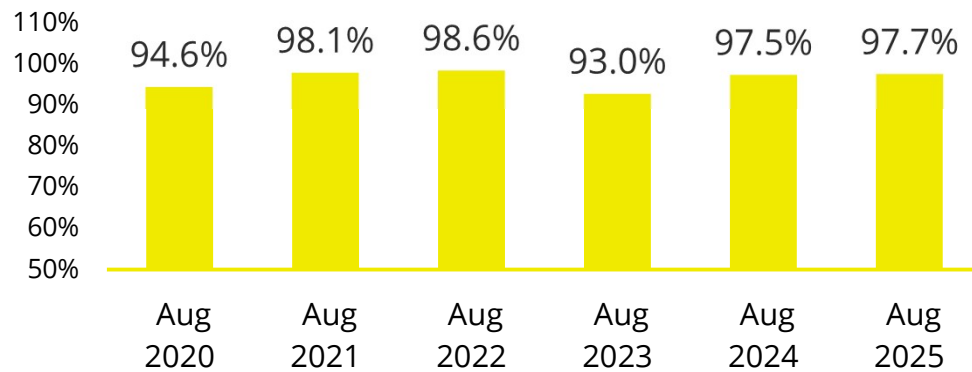
Henry County



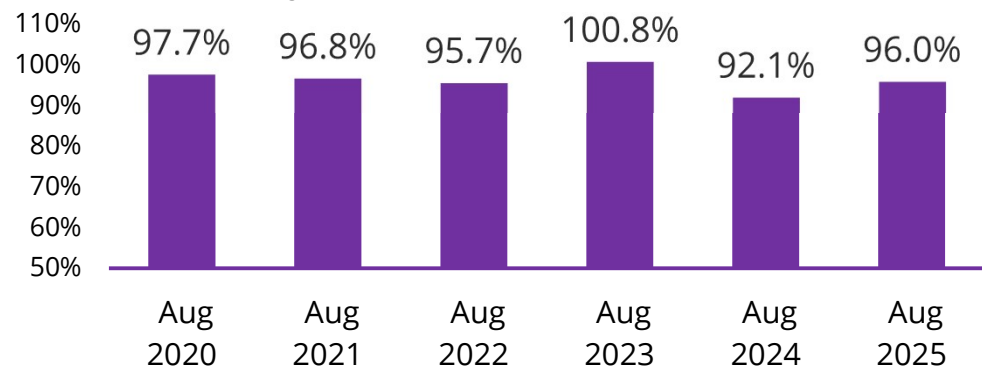
Source: Virginia REALTORS®

Avg. SLP Ratio – Southern Virginia Local Markets

Halifax County

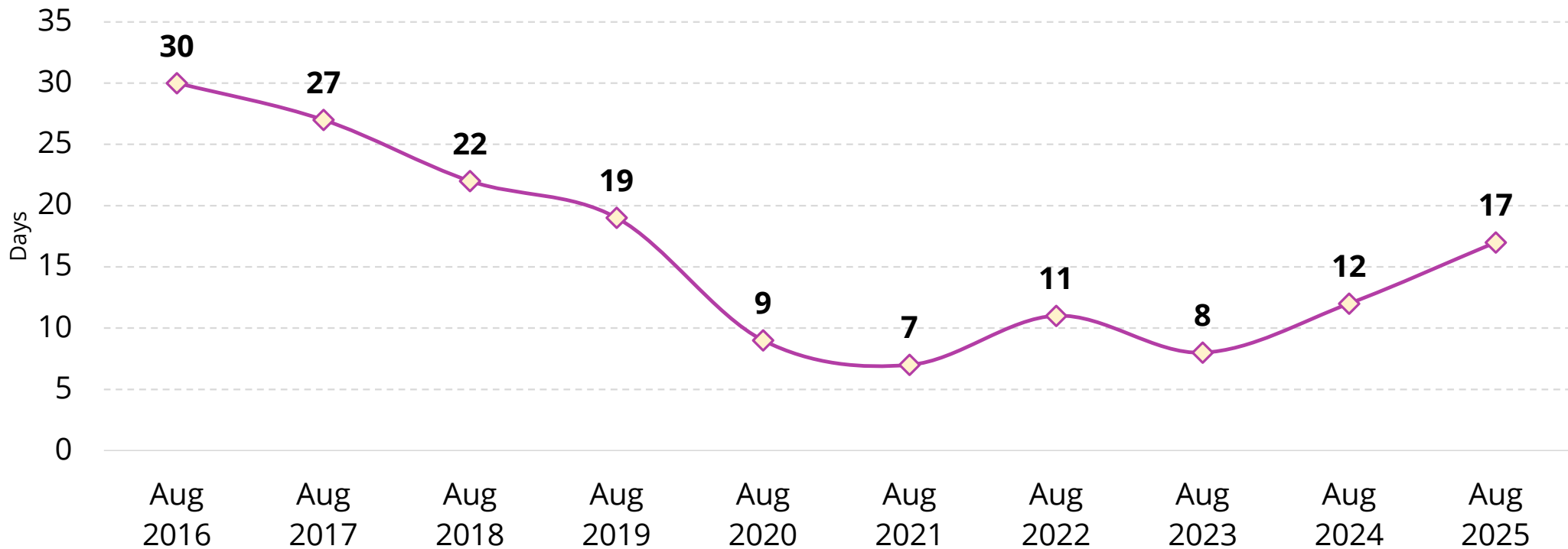


Patrick County



Despite Slowdown, Market Remains Competitive

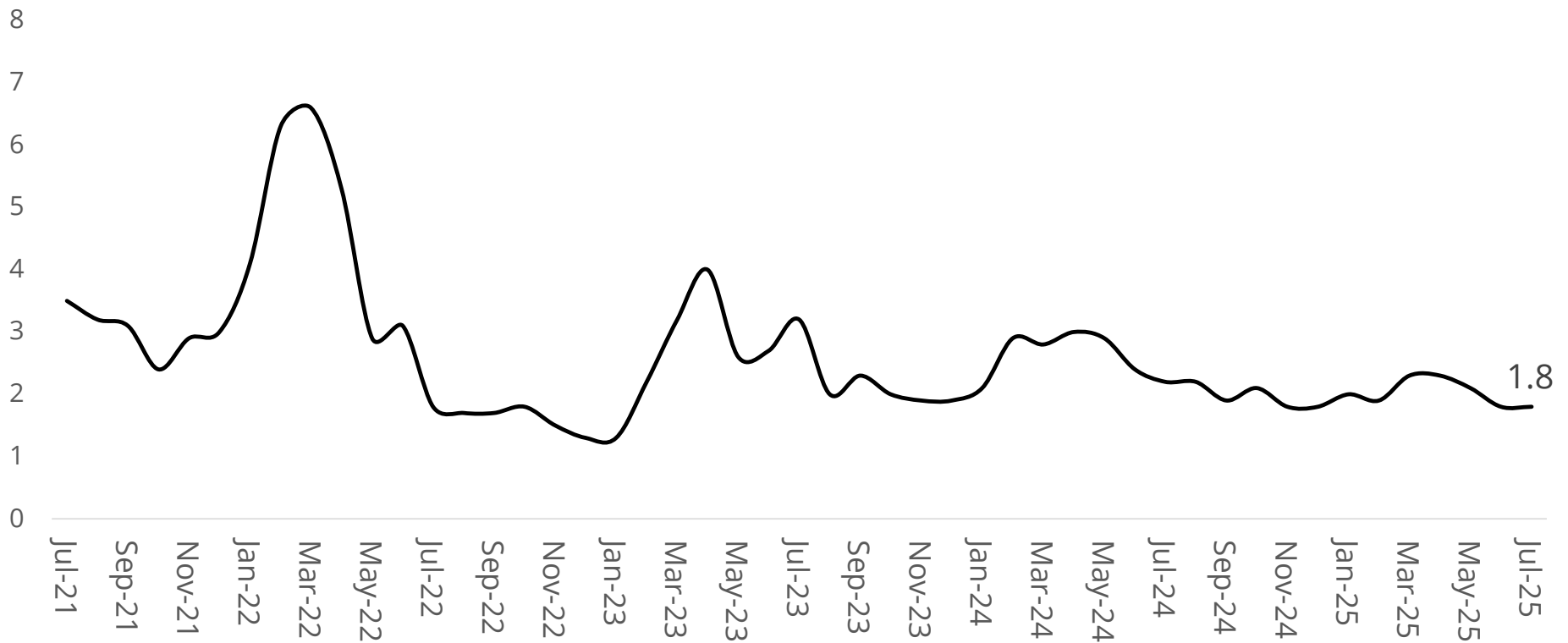
Median Days on Market, August, Statewide



Source: Virginia REALTORS®

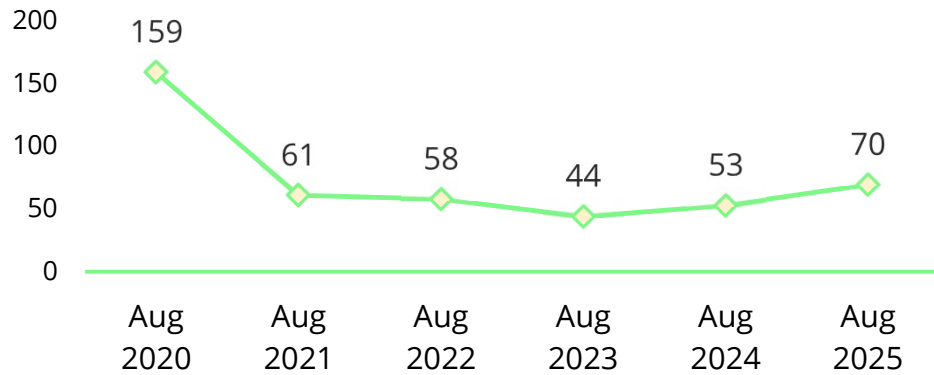
But sellers are getting fewer offers on average than over the last few years

Average Number of Offers, Most Recent Transaction

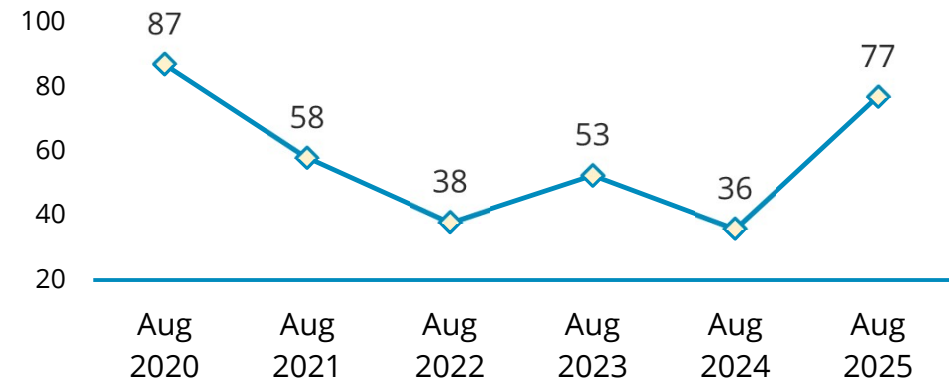


Median DOM – Southern Virginia Local Markets

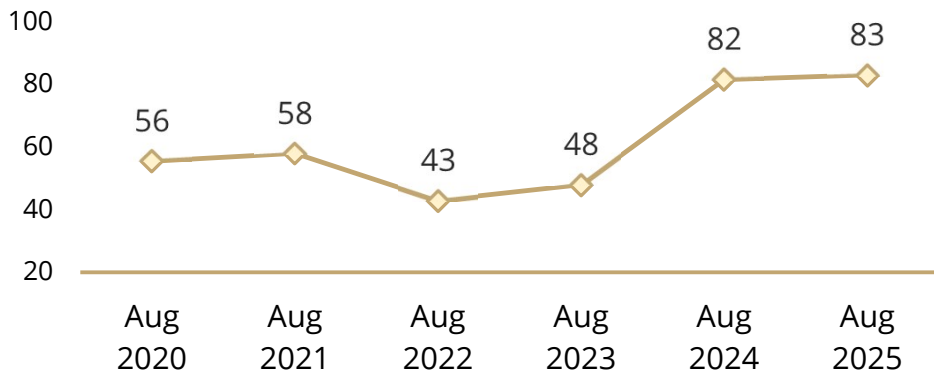
Danville



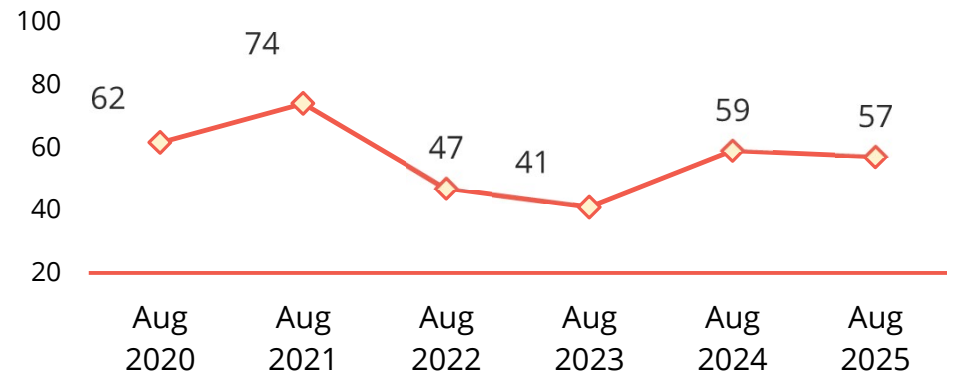
Pittsylvania County



Martinsville

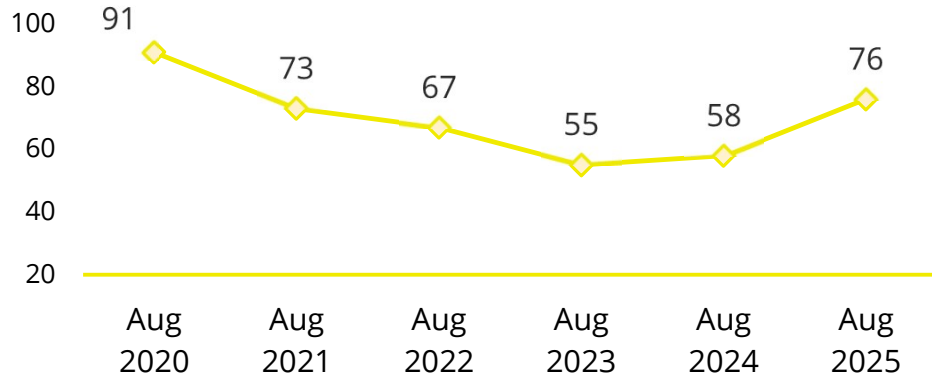


Henry County

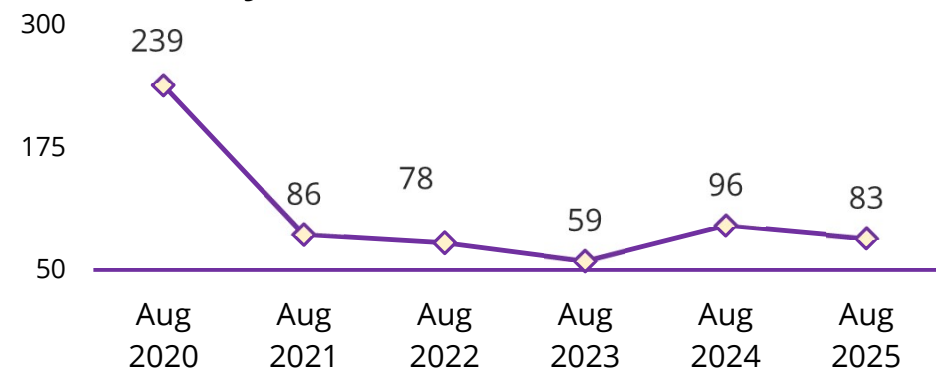


Median DOM – Southern Virginia Local Markets

Halifax County



Patrick County



FORECAST

HOUSING MARKET OUTLOOK



Home Sales

Annual Change

2025: -0.3%

2026: 5.1%

Median Home Price

Annual Change



2025: 3.4%

2026: 2.1%

New Housing Starts

Annual Change



2025: -0.3%

2026: -1.1%

30-Year Mortgage Rate

December Average



2025: 6.3%

2026: 6.0%

research@virginiarealtors.org

