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Housing Market Holds Steady in Sales as Prices Continue to Climb in Central Virginia

August 6, 2025

— Categories: Real Estate



The Central Virginia housing market saw little change in home sales during the spring months, but prices continued to push higher, reflecting ongoing challenges in affordability despite steady mortgage rates.

According to the latest quarterly report from the Charlottesville Area Association of Realtors (CAAR), 1,087 homes were sold across the six counties it monitors in the second quarter of 2025. That figure is nearly unchanged from the 1,100 sales recorded during the same

period in 2024, suggesting that overall buyer demand has leveled off even as home values rise.

“The interest rates are basically the same, the number of sales units is essentially unchanged, but the prices continue to climb,” said CAAR President Josh White. He pointed out that the median home price in the region now stands at \$485,000, which marks a 5 percent increase over last year.

The steady growth in home prices continues a multi-year trend. For context, the region’s median price in the second quarter of 2021 was \$376,000, meaning values have risen by nearly 30 percent in four years.

The flat sales numbers are not uniform across all counties. Charlottesville, Greene, and Nelson counties experienced slight increases in sales this quarter. Charlottesville led the way with 149 homes sold between April and June, compared to 134 in the second quarter of 2024. Meanwhile, other counties saw a pullback: Albemarle was down 4 percent, Louisa dropped by 12 percent, and Nelson saw a 2 percent decline.

Five out of the six counties tracked by CAAR reported an increase in prices. Albemarle County remains the priciest market in the region, with a median sales price of \$575,000, 8 percent higher than \$533,750 in 2024. On the other hand, Fluvanna County was the most affordable, with a median price of \$385,000.

Charlottesville stood out as the only locality where the average sales price declined. The city saw a 2 percent dip, from \$520,000 in 2024 to \$509,000 this quarter. White believes increased inventory may be a factor. “More competition could certainly influence the prices dropping as sellers may be more incentivized to offer their home at a lower price or offer concessions to get the deal to the closing table,” he explained.

New construction also saw a notable shift. The median price for newly built homes fell by 8 percent year-over-year, from \$514,057 to \$471,610.

Interest rates have held steady at an average of 6.77 percent for a 30-year fixed mortgage, roughly the same as last year. That remains a significant rise from the historically low rates seen in 2021 when some loans dipped below 3 percent. While these higher rates have priced some buyers out of the market, White noted they aren’t stopping everyone.

“If interest rates would drop, that could further increase pricing as more purchasers come to the market who may be priced out by current rates,” he added. Until more housing is available, White expects home prices to continue to trend upward.

However, not all experts agree that interest rates are the central issue. Jim Duncan, a local real estate agent with Nest Realty, pointed to broader market behavior concerns. “I see the market is slowing due to intentional national uncertainty with respect to employment, tariffs, and the cuts that are affecting UVA and other educational institutions,” he said. “Homes are absolutely still selling, and buyers do want to purchase.”

One sign of a cooling market is how long homes sit before selling. In 2021, homes in the region averaged just five days on the market. By the second quarter of this year, that number had nearly doubled to nine days.

While home sales have shown resilience in a few areas, the overall data points to a regional housing market that is holding firm in volume but facing mounting affordability challenges due to continued price growth.