

ESAR EASTERN SHORE HOME SALES REPORT

CUSTOM REPORT PREPARED BY
VIRGINIA REALTORS®

ESAR Home Sales Report

First Quarter 2021

Eastern Shore Association of REALTORS®

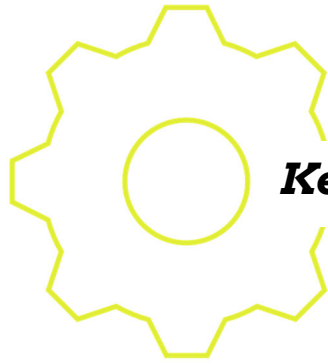
Market Report Key Takeaways

Economic Conditions

- In the first quarter of 2021, the pace of economic growth both statewide and in the Eastern Shore region has slowed somewhat. However, consumer spending and job growth likely will accelerate this spring.
- Consumers' confidence about present and future economic conditions improved in March.
- Mortgage rates ticked up slightly in the first quarter of 2021, although it is likely that rates will stabilize and remain low for the rest of 2021.

Housing Market Conditions

- Sales activity continues to surge in the Eastern Shore market. There were 227 sales in the region during the first quarter, a 75% spike from last year.
- The first quarter median sales price in the region was \$243,000, jumping up 35% from a year ago, which is a gain of \$63,500.
- There were 669 active listings in the Eastern Shore market at the end of the first quarter, down 21% from last year.



Key Trends Dashboard, ESAR

Economy



7.1%

Is the Feb-2021 **unemployment rate** in the ESAR footprint, which is down from Jan-2021



3.18%

Is the **30-year fixed-rate mortgage rate** during the first week of April 2021, which is down 0.15 percentage points from a year ago

Housing Market



97

More **home sales** in the ESAR footprint in Q1-2021 compared to last year



35%

Percent change in **median sales price** in the ESAR region in Q1-2021 compared to a year ago



\$36.3

Million dollars more in total **sold volume** in the ESAR footprint in Q1-2021 compared to last year



-21%

Percent change in **active listings** at the end of Q1-2021 in the ESAR market compared to a year ago



7.9

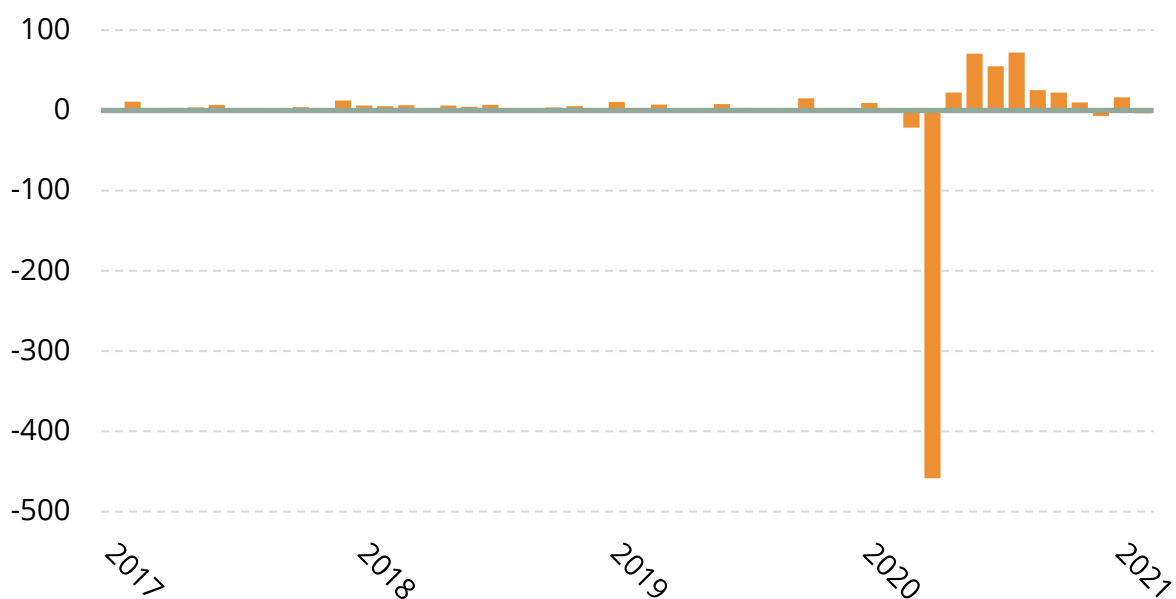
Months of supply in the ESAR footprint in Q1-2021, which is down from a year ago

Economic Overview

Economic conditions in Virginia improved in early 2021; however, the pace of job growth in the commonwealth has slowed. With the distribution of Federal stimulus funding and greater availability of the COVID-19 vaccine, consumer spending will rise and job growth will accelerate this spring. The improving economy will support strong housing demand.

While the Virginia economy has been adding jobs since the summer, there has been a slowdown in early 2021. There were about 3,700 fewer jobs in February than there were in January, after the addition of 16,300 jobs between December and January.

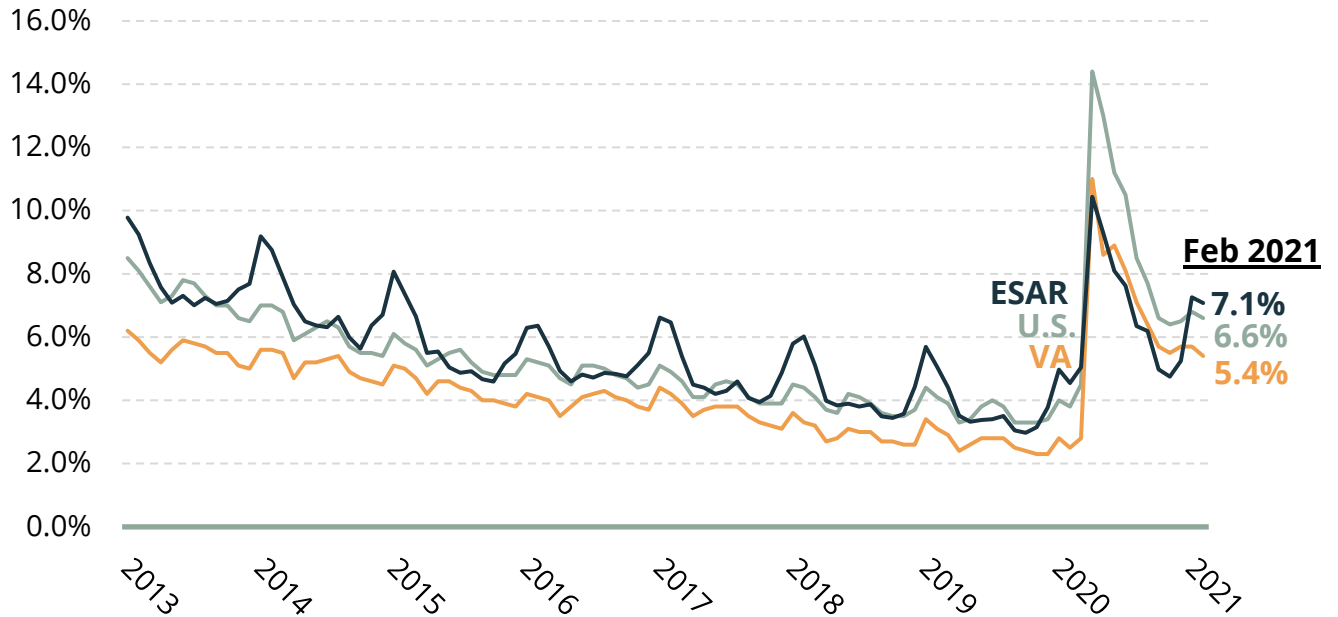
Figure 1
Virginia Month-to-Month Change in Jobs



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

After falling for several months, the unemployment rate in the Eastern Shore region was higher in January and February 2021. The regional unemployment rate was 7.1% in February, down from 7.3% in January but an increase from 5.2% in December. In recent months, the unemployment rate in the Eastern Shore region has shifted higher than both the statewide and national unemployment rates. However, the region's economy should improve in 2021 and the unemployment rate likely will fall in the months ahead.

Figure 2
Unemployment Rate

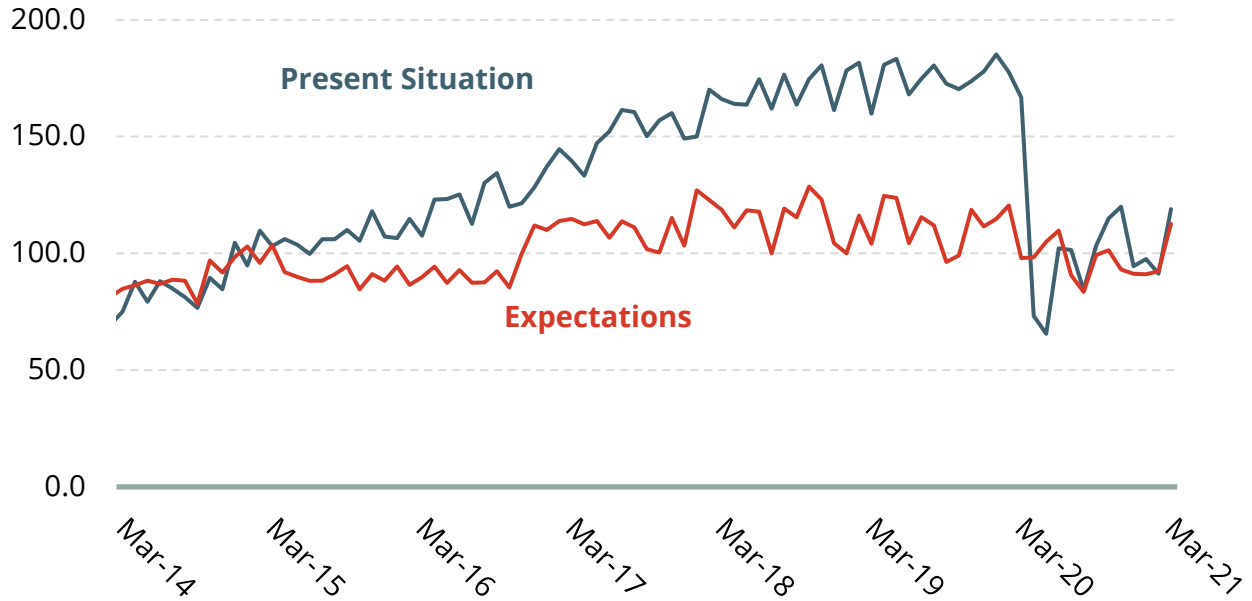


Source: U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics

Consumer confidence measures improved in March. A consumer confidence index above 100 indicates people are feeling more optimistic. In March 2021, the measure of confidence in the present economic situation was 118.9, up from 91.3 in February. The measure of consumers' confidence in future economic conditions rose to 112.6 in March, moving above 100 for the first time since October.

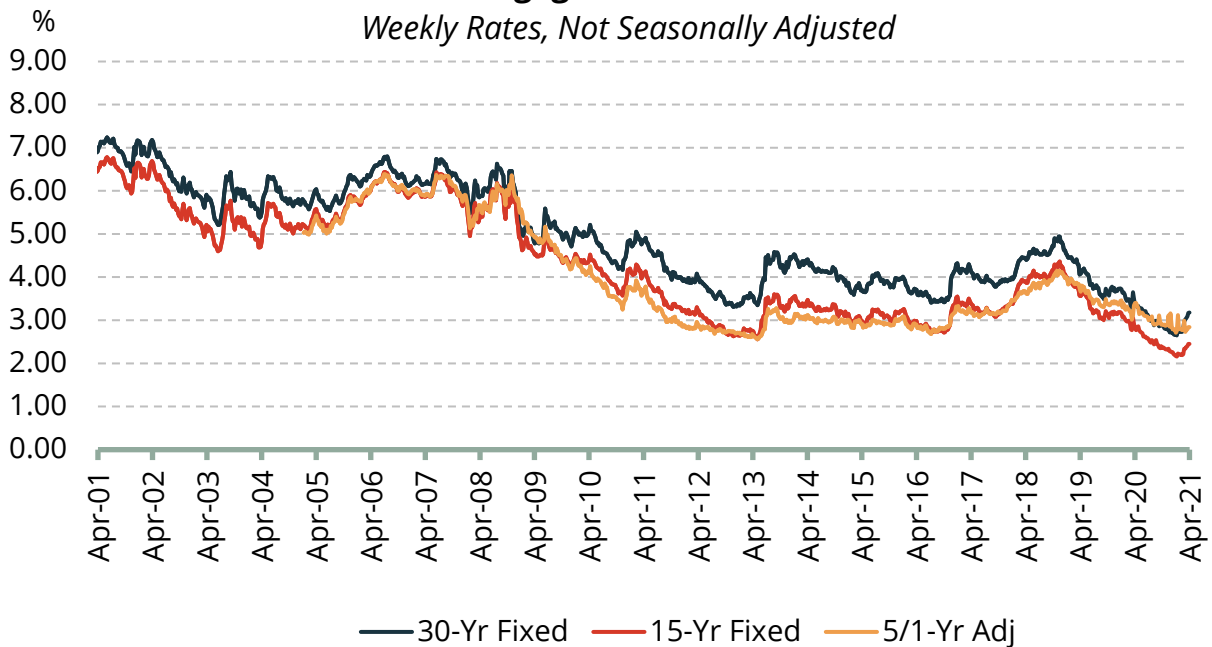
Mortgage rates increased for several weeks in February and March. According to data reported by Freddie Mac, the average 30-year fixed-rate mortgage rate increased from an average of 2.73% in mid-February to 3.18% at the end of March. Average rates fell to 3.13% in the first week of April. It is unlikely that the Federal Reserve will raise rates in 2021, even with improvements in economic conditions. As a result, mortgage rates likely will remain low throughout the year.

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

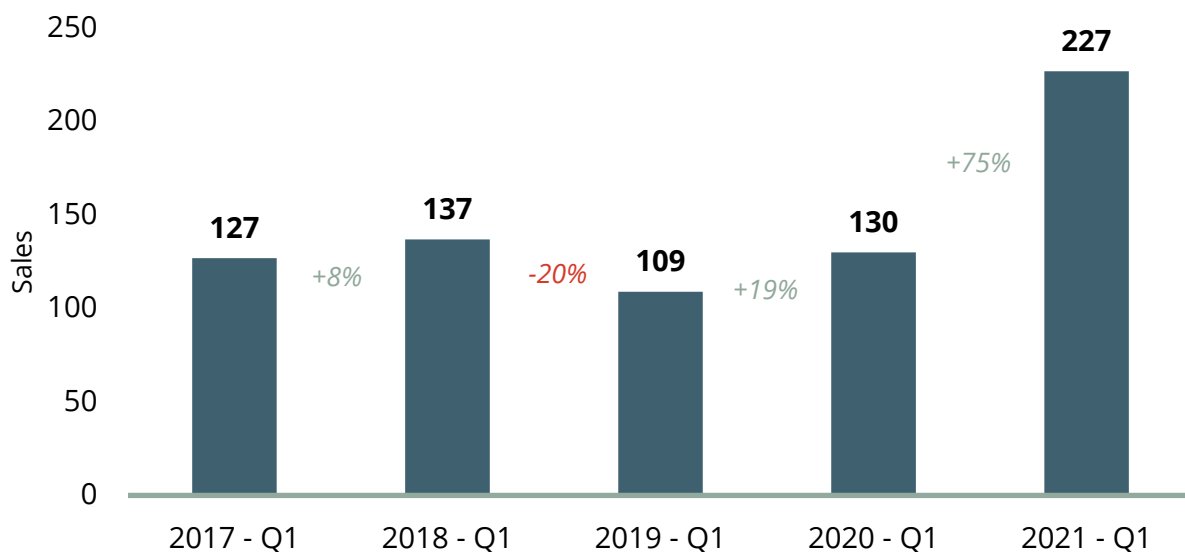
Housing Market Overview

It was a very busy quarter in the Eastern Shore housing market. Sales activity surged all three months in the first quarter. Prices continue to spike in all areas of the region as more buyers are entering the market. These trends more than doubled the amount of sold dollar volume this quarter compared to last year. As the market continues to heat up, homes are selling much faster on average in the area.

Sales

Sales activity in the Eastern Shore housing market continues to far outpace last year. There were 227 sales in the region during the first quarter, a 75% surge from last year, which is 97 more sales. The sales growth occurred throughout the ESAR footprint in all months of the quarter (January through March). The Eastern Shore market is experiencing some of the fastest growth in Virginia. In the first quarter of 2021, there were 29,128 homes sales overall in Virginia, which is up 19% compared to the first quarter of 2020.

Figure 5
First Quarter Home Sales, ESAR
2017-2021



Source: Virginia REALTORS®, data accessed April 14, 2021



Local Snapshot – *Total Home Sales*

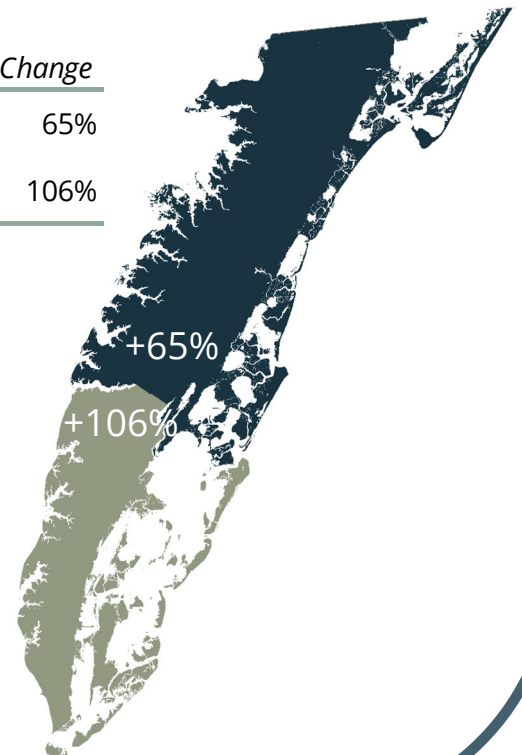
Accomack County: It was a busy quarter in the Accomack County housing market. There were 163 sales in the county during the first quarter, 64 more sales than last year, which is a 65% surge. Sales have been trending up in the county seven of the last eight quarters.

Northampton County: There were 64 sales in Northampton County in the first quarter, more than double the number of sales a year ago (+106%), an increase of 33 sales. Activity in the Northampton County housing market has been on the rise for four straight quarters.

Figure 6
Change in Sales by Jurisdiction
ESAR
First Quarter 2020 to First Quarter 2021

<i>Jurisdiction</i>	<i>2020 - Q1</i>	<i>2021 - Q1</i>	<i>% Change</i>
Accomack County	99	163	65%
Northampton County	31	64	106%

Source: Virginia REALTORS[®], data accessed April 14, 2021

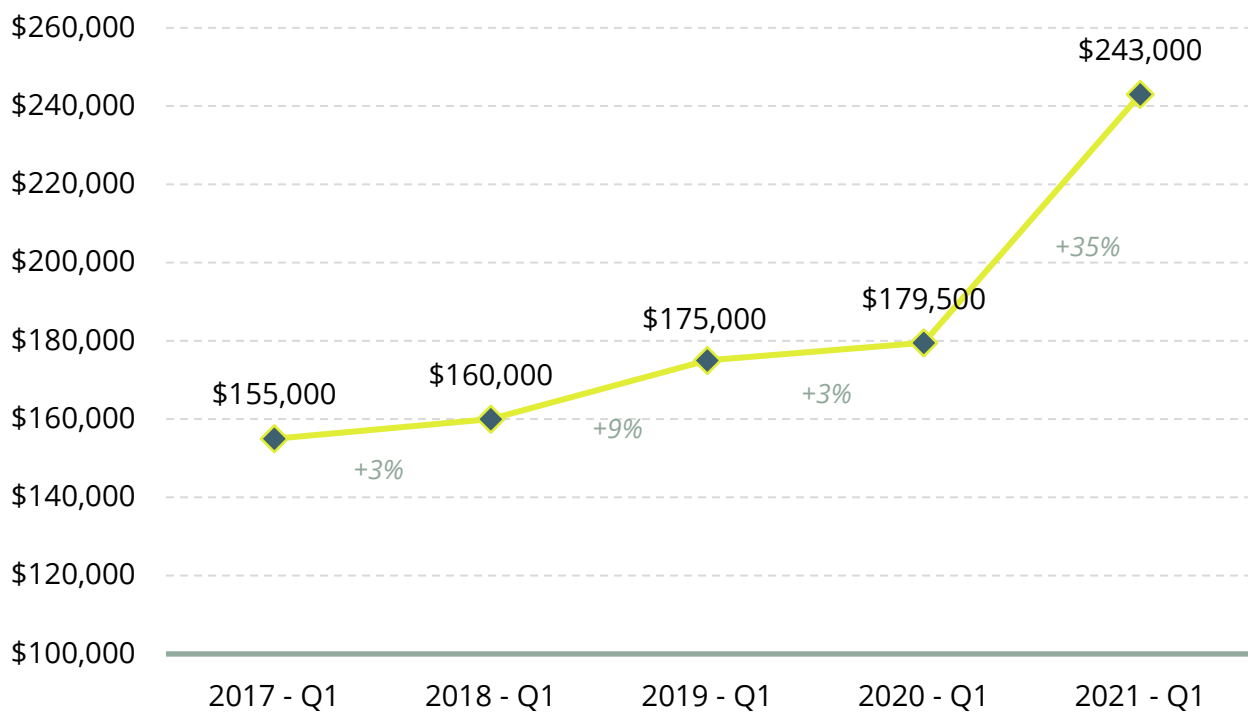


Sales Prices

Home prices are soaring in the Eastern Shore region as buyers are flooding the market and sales are booming. The first quarter median sales price in the ESAR footprint was \$243,000, jumping up 35% from this time last year, which is a gain of \$63,500. This is the third straight quarter of double-digit price growth in the area. The price growth is occurring in both counties in the ESAR region.

In Virginia, the median sales price in the first quarter was \$325,000, which was up 12% compared to the first quarter of 2020.

Figure 7
First Quarter Median Sales Price, ESAR
2017-2021



Source: Virginia REALTORS®, data accessed April 14, 2021



Local Snapshot – *Median Sales Price*

Accomack County: The first quarter median sales price in Accomack County was \$225,000, which is \$50,000 higher than it was a year ago, representing a 29% spike. Prices have been rising steadily for much of the past three years, a trend that has accelerated recently.

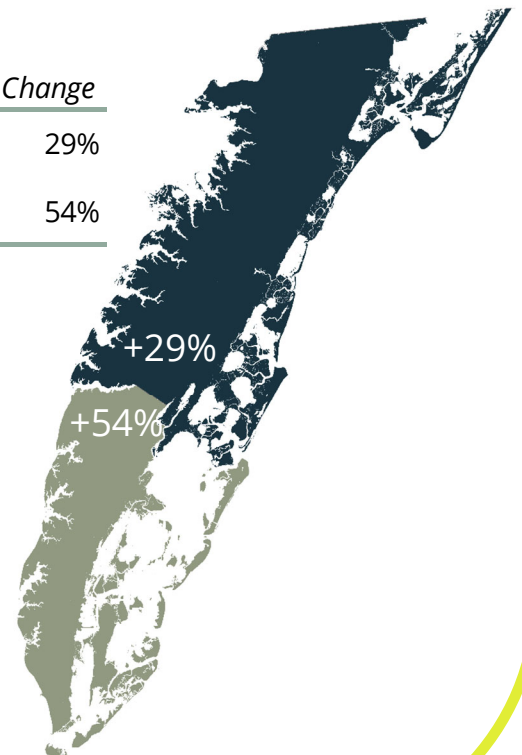
Northampton County: At \$369,500, the first quarter median sales price in Northampton County surged 54% from last year, a gain of nearly \$130,000. This is the largest median price increase the county has had in more than five years.

Figure 8
Change in Median Sales Price by Jurisdiction
ESAR

First Quarter 2020 to First Quarter 2021

<i>Jurisdiction</i>	<i>2020 - Q1</i>	<i>2021 - Q1</i>	<i>% Change</i>
Accomack County	\$175,000	\$225,000	29%
Northampton County	\$240,000	\$369,500	54%

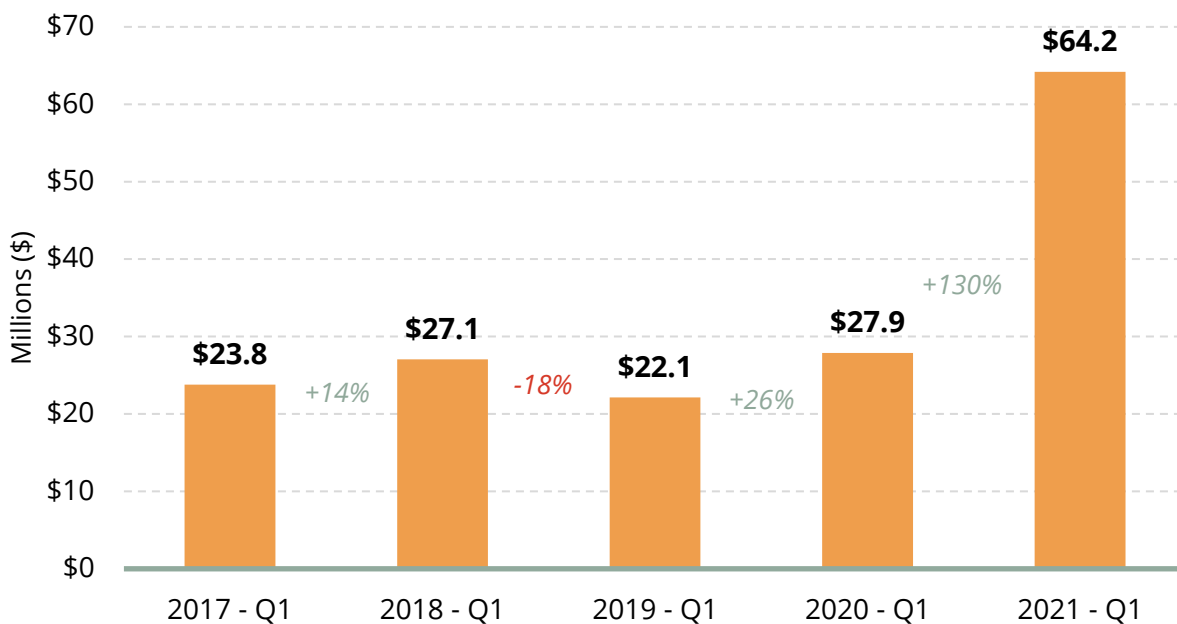
Source: Virginia REALTORS®, data accessed April 14, 2021



Sold Volume

The surge in sales and jump in prices led to another massive sold dollar volume increase this quarter in the Eastern Shore area. There was approximately \$64.2 million of sold volume in the region during the first quarter, more than double the amount of volume a year ago (+130%), which is an influx of \$36.3 million. This is the third straight quarter of significant volume gains in the ESAR market.

Figure 9
First Quarter Sold Dollar Volume (Millions), ESAR
2017-2021



Source: Virginia REALTORS®, data accessed April 14, 2021

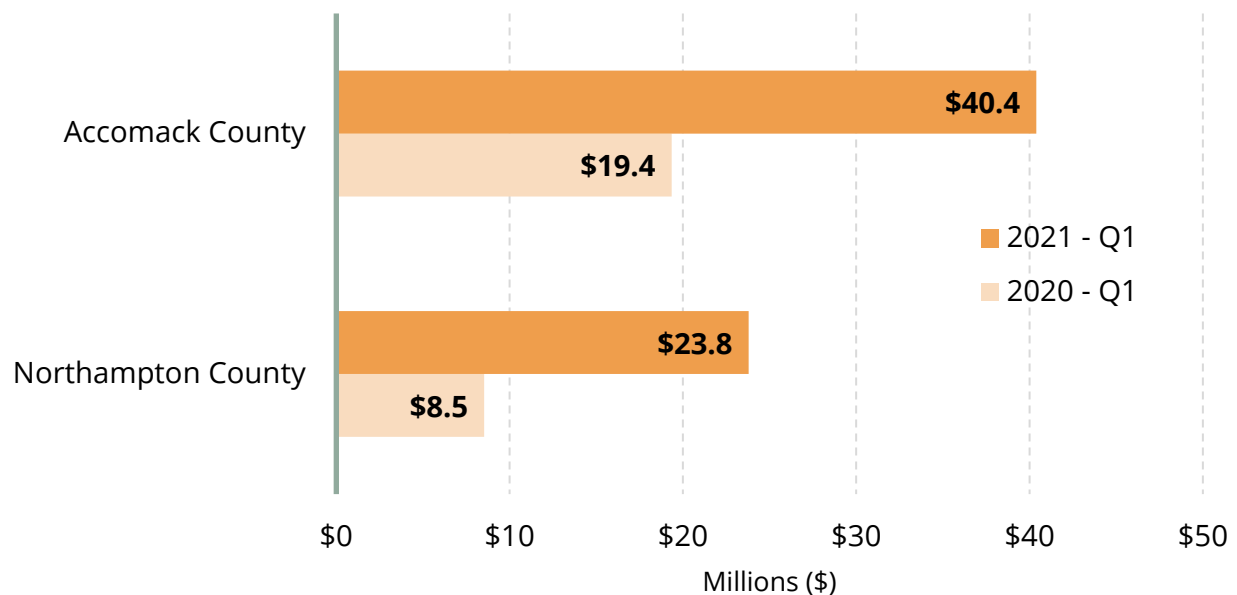


Local Snapshot – *Sold Dollar Volume*

Accomack County: There was approximately \$40.4 million of sold volume in Accomack County in the first quarter, more than double the amount of volume a year ago (+109%), an influx of \$21.0 million. The sold volume has doubled or almost doubled for three straight quarters in the county, as sales activity has accelerated and prices are surging.

Northampton County: The sold dollar volume in Northampton County is rising rapidly amid the influx of sales and soaring prices. There was about \$23.8 million of sold volume in the county during the first quarter, nearly triple the amount of volume a year ago (+179%), an increase of \$15.3 million.

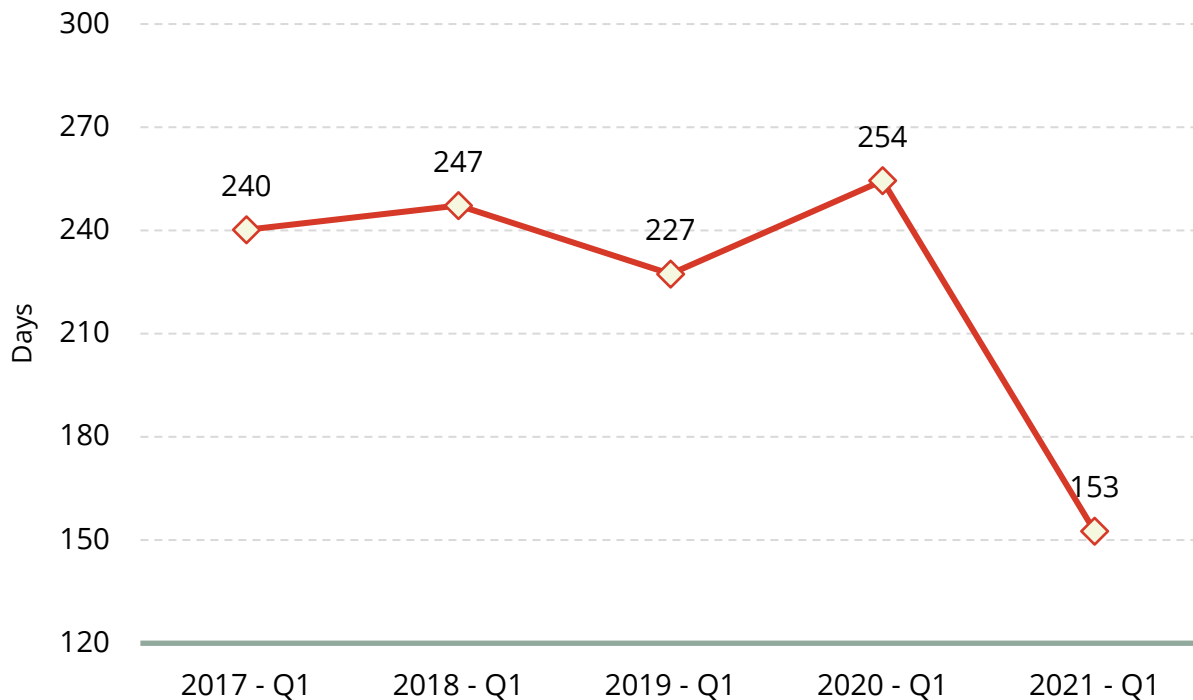
Figure 10
First Quarter Sold Dollar Volume, ESAR Jurisdictions
2020 and 2021



Days on Market

It is taking much less time for homes to sell on the Eastern Shore on average. At 153 days, the average days on market in the first quarter in the area was 101 days faster than last year. The amount of time it takes to sell a home in the region has been trending down over the past several quarters as sales activity has picked up. Statewide, the average days on market in the first quarter was 34 days, which is down from 53 days in the first quarter of 2020.

Figure 11
First Quarter Average Days on Market, ESAR
2017-2021



Source: Virginia REALTORS®, data accessed April 14, 2021

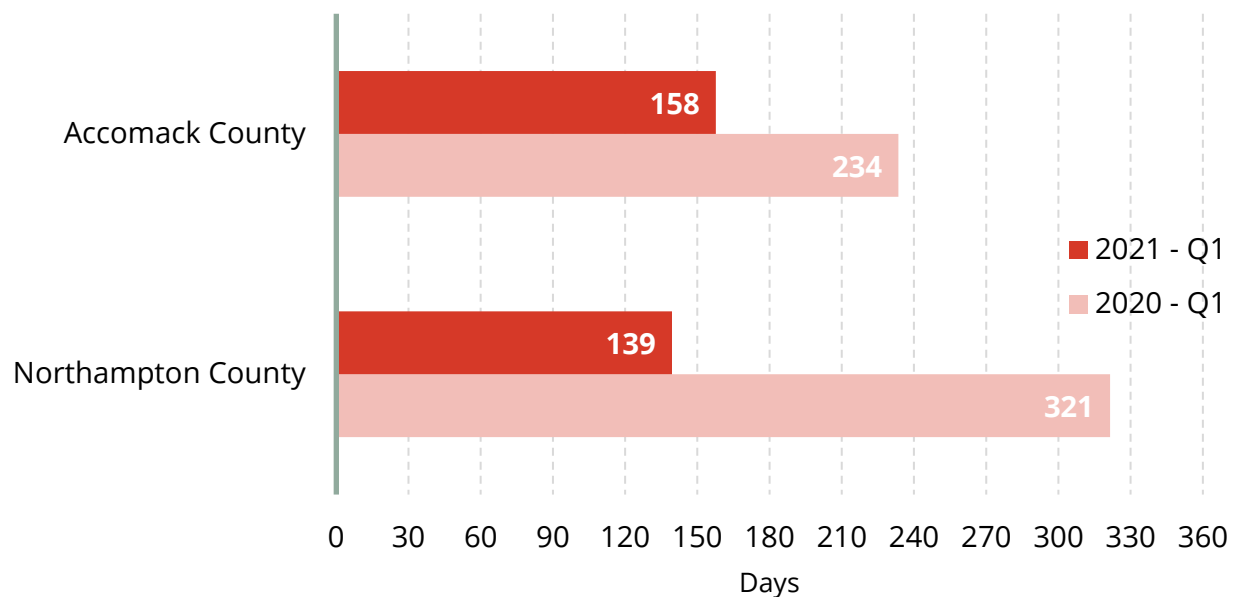


Local Snapshot – *Average Days on Market*

Accomack County: Homes that sold in the first quarter in Accomack County were on the market an average of 158 days, which is 76 days faster than last year. Homes have been selling faster on average in the county for two straight quarters.

Northampton County: Homes are selling much faster on average in Northampton County. At 139 days, the average days on market in the first quarter was 182 days faster than a year ago. This metric has been trending down rapidly over the past four quarters as sales have surged.

Figure 12
First Quarter Average Days on Market, ESAR Jurisdictions
2020 and 2021



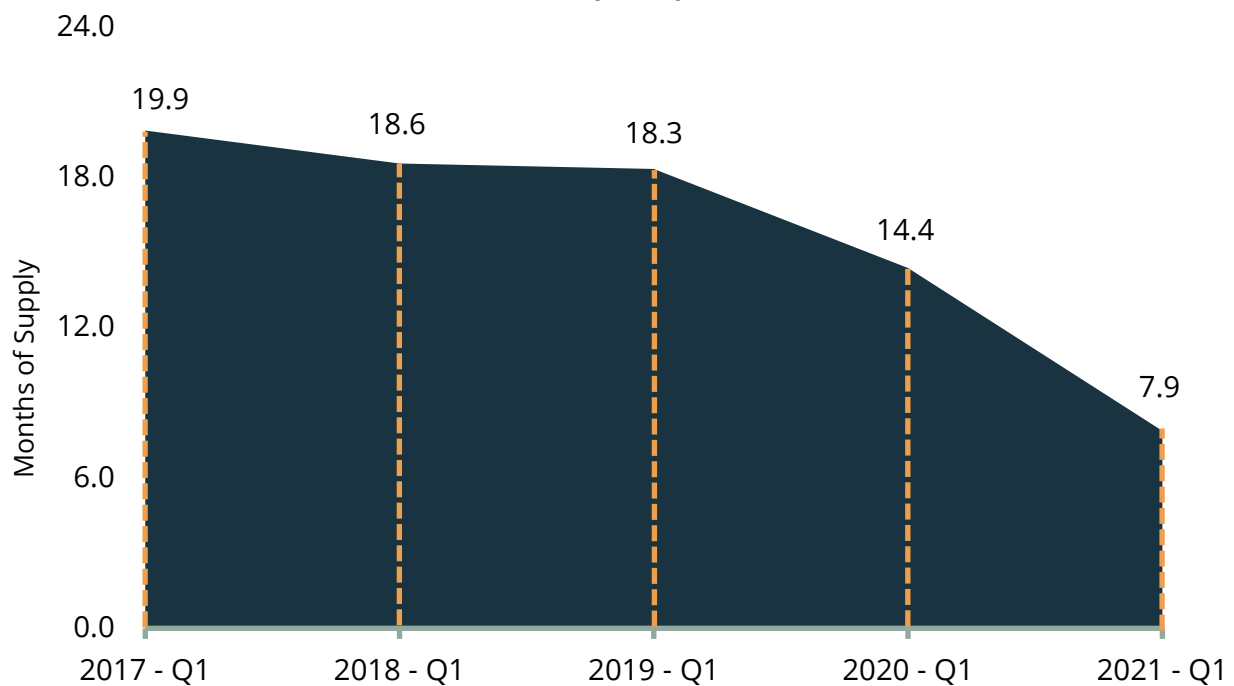
Source: Virginia REALTORS®, data accessed April 14, 2021

Inventory

The inventory in the Eastern Shore housing market is shrinking steadily but is still relatively large compared to other regions in the state. There were 669 active listings on the market at the end of the first quarter, down 21% from last year, which is a reduction of 174 active listings. The inventory has been shrinking for three consecutive years, a trend that is also occurring in many housing markets around the state. In Virginia, there was a total of 15,787 active listings at the end of the first quarter, which is down 46% compared to a year ago.

At the end of the first quarter, there was approximately 7.9 months of supply in the ESAR footprint, which is 6.5 months less than this time last year. 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 First Quarter Months Supply, ESAR
2017-2021



Source: Virginia REALTORS®, data accessed April 14, 2021

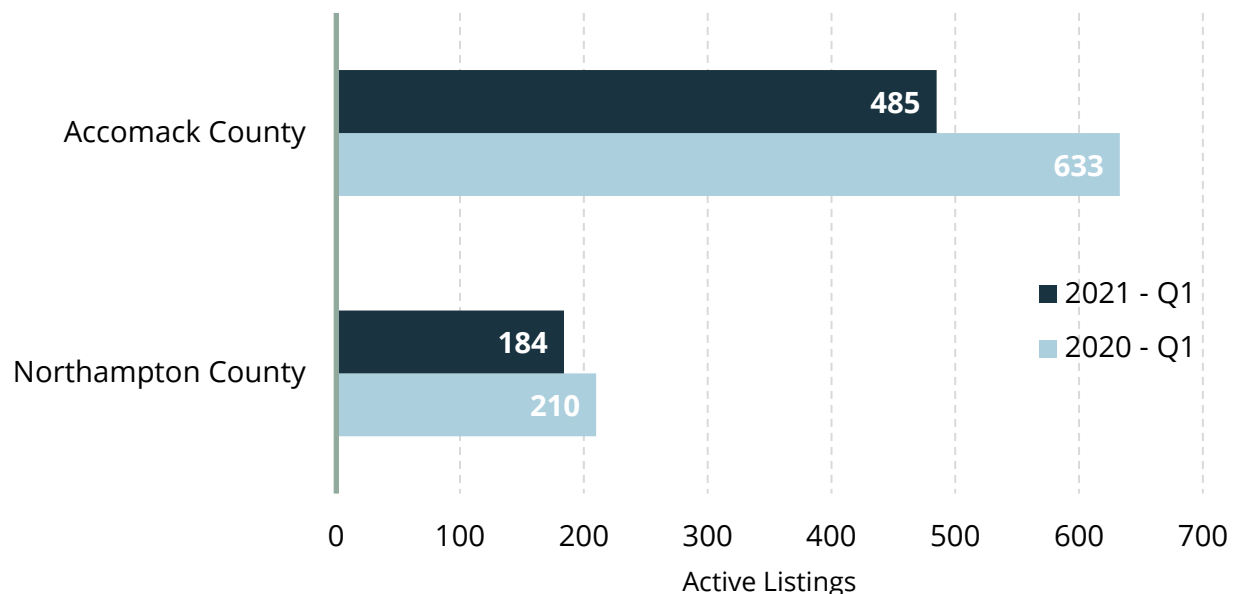


Local Snapshot – *Active Listings*

Accomack County: The inventory in the Accomack County housing market continues to shrink. There were 485 active listings on the market at the end of the first quarter in the county, down 23% from last year, a reduction of 148 listings.

Northampton County: There were 184 active listings in Northampton County at the end of the first quarter, 26 fewer listings than a year ago, representing a 12% decline.

Figure 14
End of First Quarter Active Listings, ESAR Jurisdictions
2020 and 2021



Source: Virginia REALTORS®, data accessed April 14, 2021



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:

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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.