

# ESAR EASTERN SHORE HOME SALES REPORT

CUSTOM REPORT PREPARED BY  
**VIRGINIA REALTORS®**

# ESAR Home Sales Report

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## Fourth Quarter 2021

Eastern Shore Association of REALTORS®

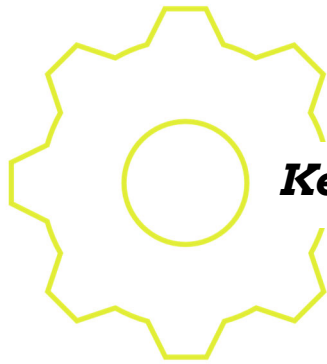
### Market Report Key Takeaways

#### **Economic Conditions**

- Economic conditions in Virginia continued to improve in the fourth quarter, with broad-based job gains and another drop in the unemployment rate. The unemployment rate in the Eastern Shore region ticked up slightly in November but is still lower than pre-pandemic levels.
- Despite steady economic progress, consumer confidence remains weak, as individuals and families face rising prices and a surge in COVID-19 cases. The measure of expectations of future economic conditions fell to a 16-month low in December 2021.
- Mortgage rates began to tick up at the end of 2021. Persistently high inflation will prompt the Federal Reserve to raise the federal funds rate in 2022, which will push mortgage rates even higher in the months to come.

#### **Housing Market Conditions**

- There were 235 homes sold in the ESAR region during the fourth quarter. Sales were down 20% compared to last year at this time, a decline of 59 sales. This was the second quarter in a row of year-over-year sales declines in the region.
- Home prices continued to rise in the ESAR area. In the fourth quarter, the median sales price was \$270,000 which is up 25% over a year ago, a gain of \$54,000.
- Inventory continued to fall in the ESAR region. There were 548 active listings across the ESAR footprint at the end of the fourth quarter, which is 17% fewer listings than this time last year.



## Key Trends Dashboard, ESAR

### Economy



**3.1%**

Is the Nov-2021 **unemployment rate** in the ESAR footprint, which is up from Oct-2021



**3.45%**

Is the **30-year fixed-rate mortgage rate** during the second week of January 2022, which is up 0.66 percentage points from a year ago

### Housing Market



**-59**

Fewer **home sales** in the ESAR footprint in Q4-2021 compared to last year.



**25%**

Percent change in **median sales price** in the ESAR region in Q4-2021 compared to a year ago.



**-\$4.6**

Million dollars less in total **sold volume** in the ESAR footprint in Q4-2021 compared to last year.



**-17%**

Percent change in **active listings** at the end of Q4-2021 in the ESAR market compared to a year ago



**6.5**

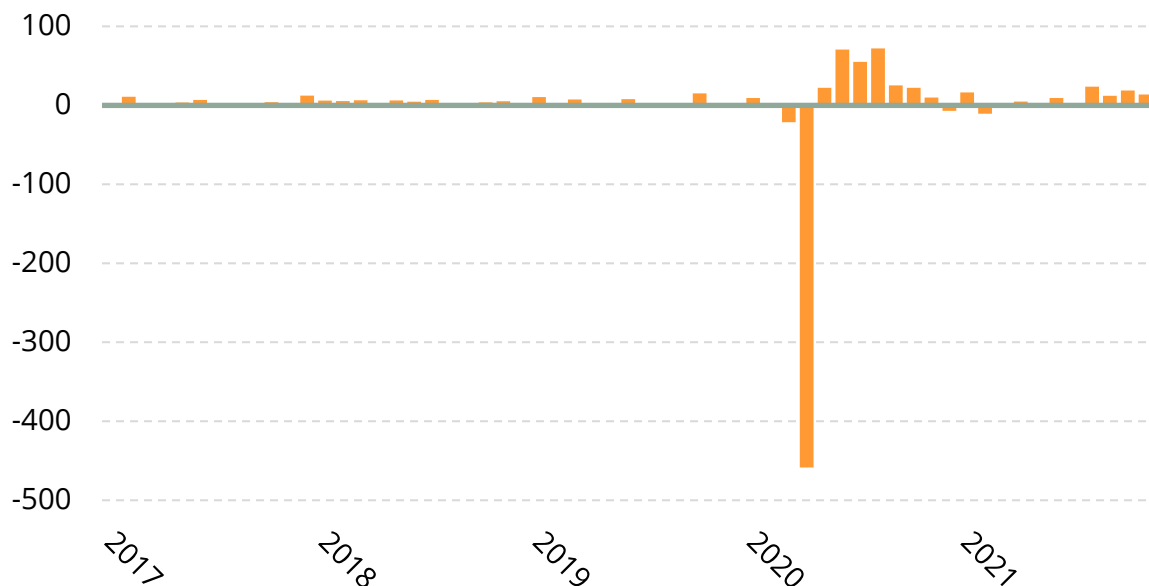
**Months of supply** in the ESAR footprint in Q4-2021, which is down from a year ago

# Economic Overview

Virginia's economy continued to improve steadily through the end of 2021. Despite concerns that the new COVID variants would stall progress, the economy has been demonstrating resiliency driven by strong consumer demand, rising vaccination rates, and pandemic fatigue. There have been six months of steady job growth in the state, with widespread economic improvements across Virginia's metro areas. The state's unemployment rate continues to fall and remains lower than the national rate. There are some risks to the state's economic recovery, including rising inflation and interest rates, but, in general, strong underlying fundamentals suggest ongoing economic growth. Positive economic trends will support a strong housing market in Virginia in 2022.

In November 2021, there were 3.97 million jobs in Virginia, which is an increase of 82,600 compared to a year ago and a gain of 13,600 jobs between October and November. While the number of jobs in the commonwealth is still 3% below where it was in early 2020, it is expected that by the end of 2022, the state's economy will be on solid footing and will have regained all of the jobs lost during the pandemic.

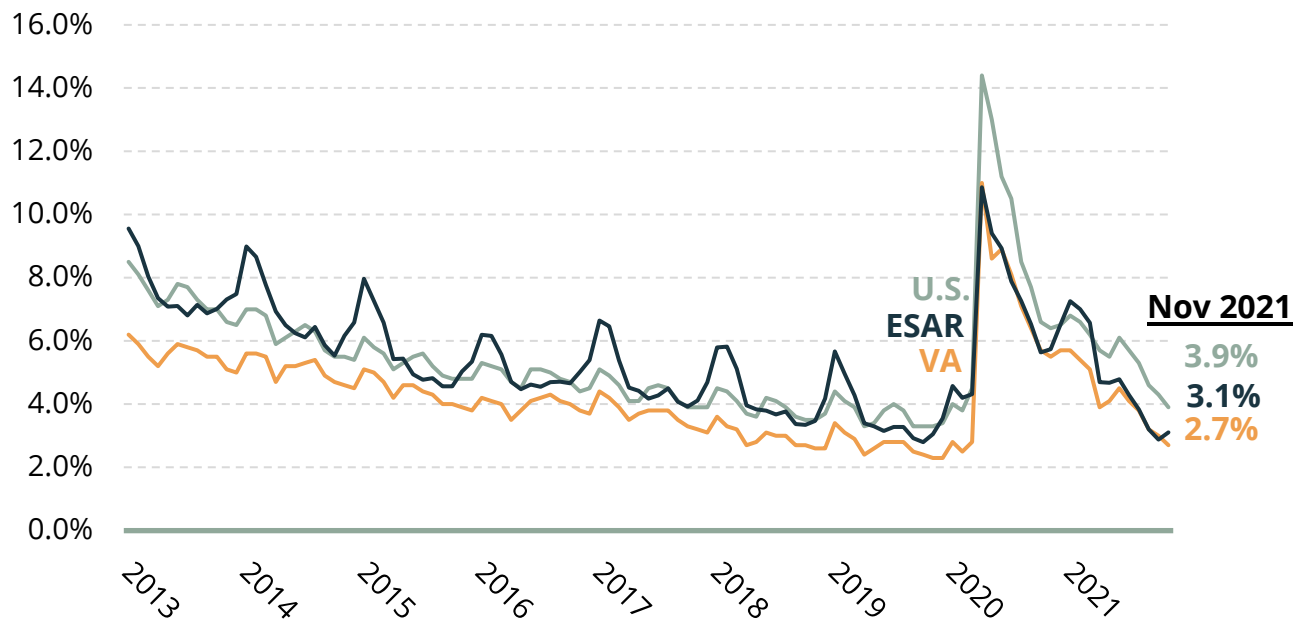
**Figure 1**  
**Virginia Month-to-Month Change in Jobs**



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

The statewide unemployment rate was 2.7% (not seasonally adjusted) in November and has been steadily declining since the beginning of 2021. In the Eastern Shore region, the unemployment rate rose to 3.1% in November, which is up slightly from October. However, the region's unemployment rate is still at pre-pandemic levels.

**Figure 2**  
**Unemployment Rate**

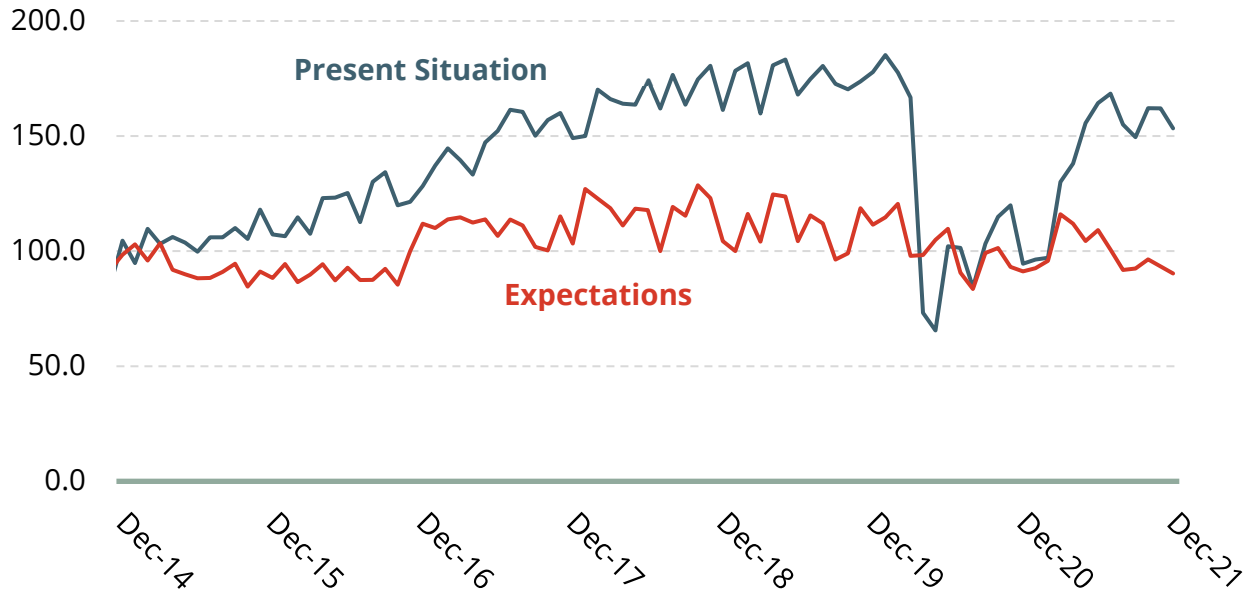


Source: U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics

Despite improvements in the job market, individuals and families are still cautious as they deal with high inflation and the COVID-19 omicron variant. In December 2021, consumers' confidence in the present economic situation dipped slightly, falling to 153.3 from 162 in November. The future outlook remained pessimistic in December, with the measure of expected future economic conditions at 90.3, down from 93.3 a month earlier. (A consumer confidence index above 100 indicates people are feeling more optimistic about economic conditions.) Consumer confidence about future economic conditions is the lowest it has been since August 2020.

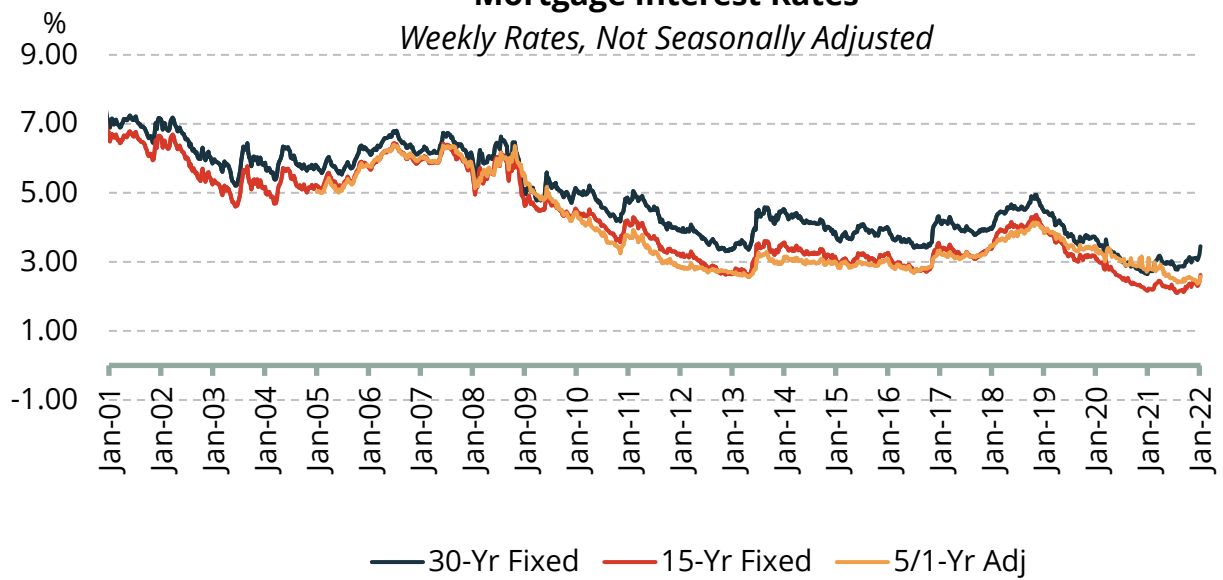
As 2021 ended, mortgage rates began to tick up slightly. At the end of December, the average rate on a 30-year fixed-rate mortgage hit 3.11%. The Federal Reserve has announced they anticipate raising the federal funds rate three times in 2022, which will lead to a further rise in mortgage rates over the coming year. Mortgage rates will stay low by historic standards, however, and will likely remain below 4% through the end of 2022.

**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

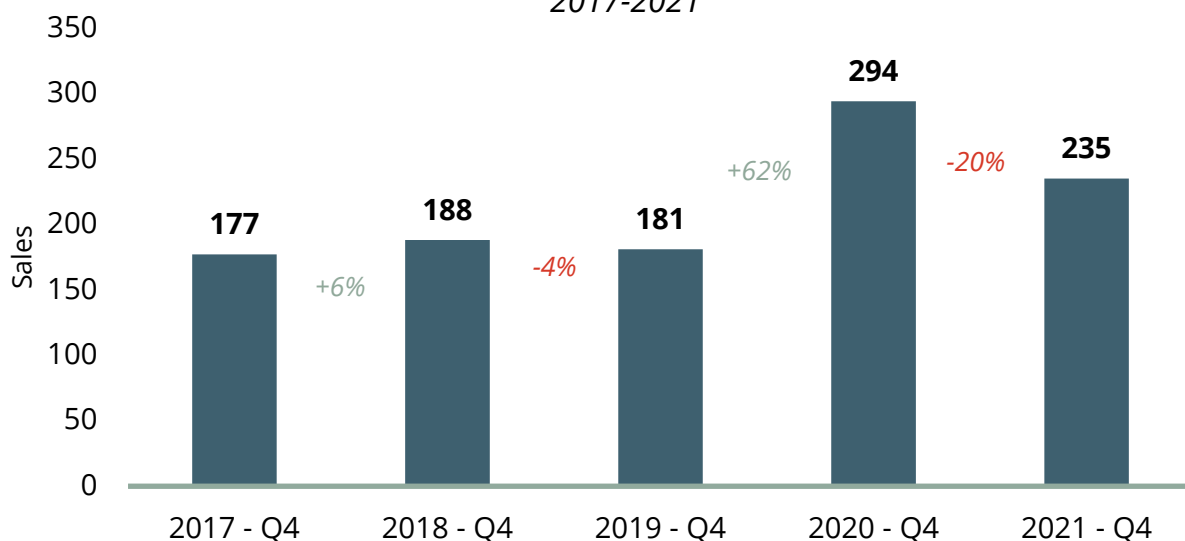
# Housing Market Overview

The Eastern Shore housing market continued to slow down from the frenzied pace of sales a year ago. Sales activity declined again this quarter, as did the sold dollar volume. However, home prices surged back up, and homes sold much faster on average, which indicates there is still strong demand in the market. The supply of active listings in the region is getting smaller.

## Sales

Sales activity continued to cool down in the ESAR housing market compared to the frenzied pace a year ago. There were 235 homes sold in the region during the fourth quarter, 59 fewer sales than last year, which is a 20% decrease. This was the second consecutive drop in the area following four straight quarters of extreme sales growth. Sales declined in both Accomack and Northampton counties, but still remain well above pre-pandemic levels. Sales activity slowed between the third and fourth quarters in the region, which reflects typical seasonality in the housing market. Statewide, the number of home sales in the fourth quarter was down 3% compared to a year ago and was 26% higher than fourth quarter 2019 sales totals.

**Figure 5**  
**Fourth Quarter Home Sales, ESAR**  
*2017-2021*



Source: Virginia REALTORS®, data accessed January 15, 2022



## Local Snapshot – *Total Home Sales*

**Accomack County:** The Accomack County housing market continued to moderate compared to last year. There were 182 sales in the county during the fourth quarter, 36 fewer sales than the fourth quarter of 2020, representing a 17% decline.

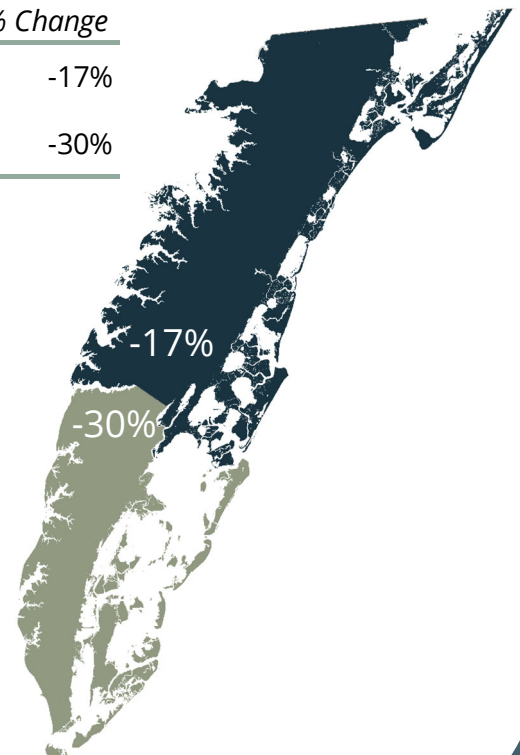
**Northampton County:** There were 53 homes sold in Northampton County in the fourth quarter, a 30% drop from a year ago, which is 23 fewer sales. Sales activity has dropped off significantly over the last two quarters compared to the busy market in 2020.

**Figure 6**  
**Change in Sales by Jurisdiction**  
**ESAR**

*Fourth Quarter 2020 to Fourth Quarter 2021*

<i>Jurisdiction</i>	<i>2020 - Q4</i>	<i>2021 - Q4</i>	<i>% Change</i>
Accomack County	218	182	-17%
Northampton County	76	53	-30%

Source: Virginia REALTORS<sup>®</sup>, data accessed January 15, 2022

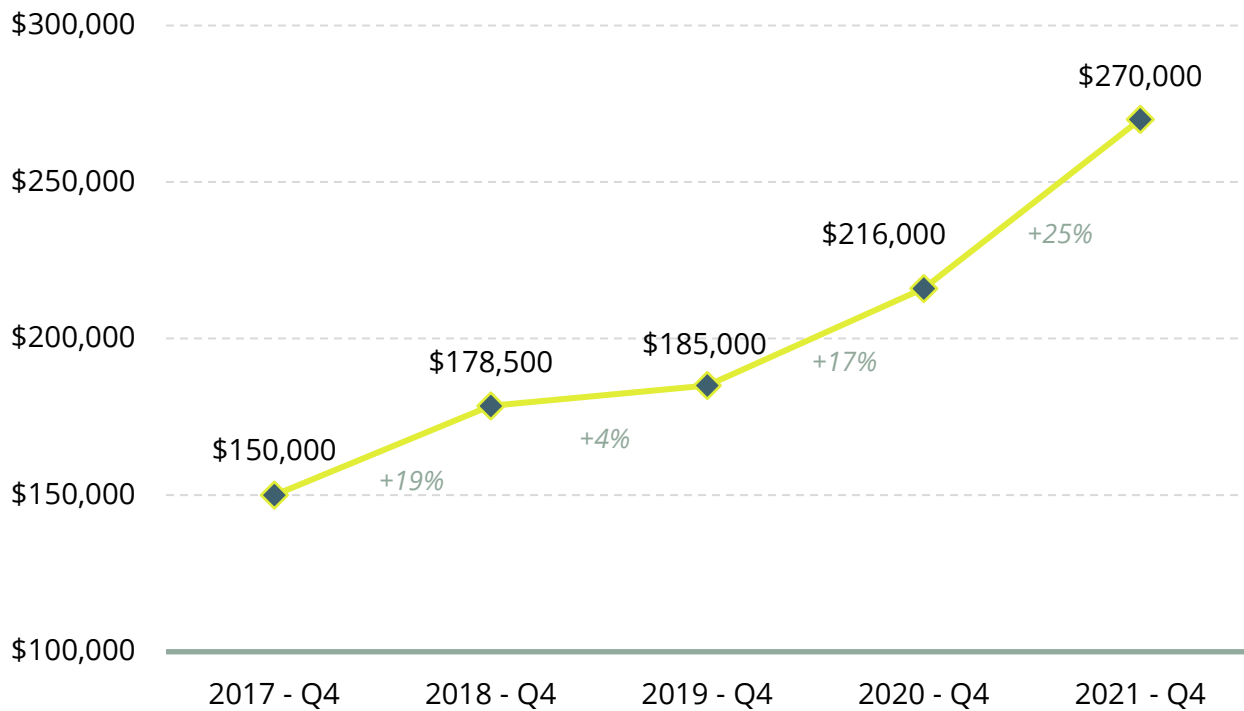




## Sales Prices

After moderating last quarter, home prices in the ESAR footprint rose sharply this quarter. The median sales price in the area during the fourth quarter was \$270,000, a \$54,000 jump from this time last year. Prices have been surging in the ESAR region five of the last six quarters as demand has been strong. The price growth was strong this quarter in both local markets. The fourth quarter median sales price statewide was \$350,000, up 6% compared to a year ago.

**Figure 7**  
**Fourth Quarter Median Sales Price, ESAR**  
*2017-2021*



Source: Virginia REALTORS®, data accessed January 15, 2022



## Local Snapshot – *Median Sales Price*

**Accomack County:** At \$252,500, the median sales price in Accomack County in the fourth quarter surged up by 34% from this time last year, which is a jump of more than \$63,000. Home prices have been rising rapidly in the county as demand in the market has been strong.

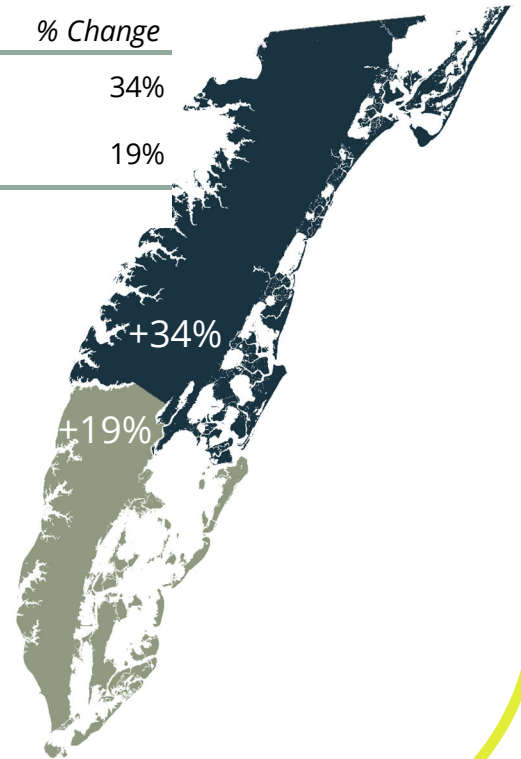
**Northampton County:** After staying flat last quarter, home prices in the Northampton County housing market are trending back up. The median sales price in the county in the fourth quarter was \$354,050, rising more than \$55,000 from a year ago, which is a 19% increase.

**Figure 8**  
**Change in Median Sales Price by Jurisdiction**  
**ESAR**

*Fourth Quarter 2020 to Fourth Quarter 2021*

<i>Jurisdiction</i>	<i>2020 - Q4</i>	<i>2021 - Q4</i>	<i>% Change</i>
Accomack County	\$189,044	\$252,500	34%
Northampton County	\$298,750	\$354,050	19%

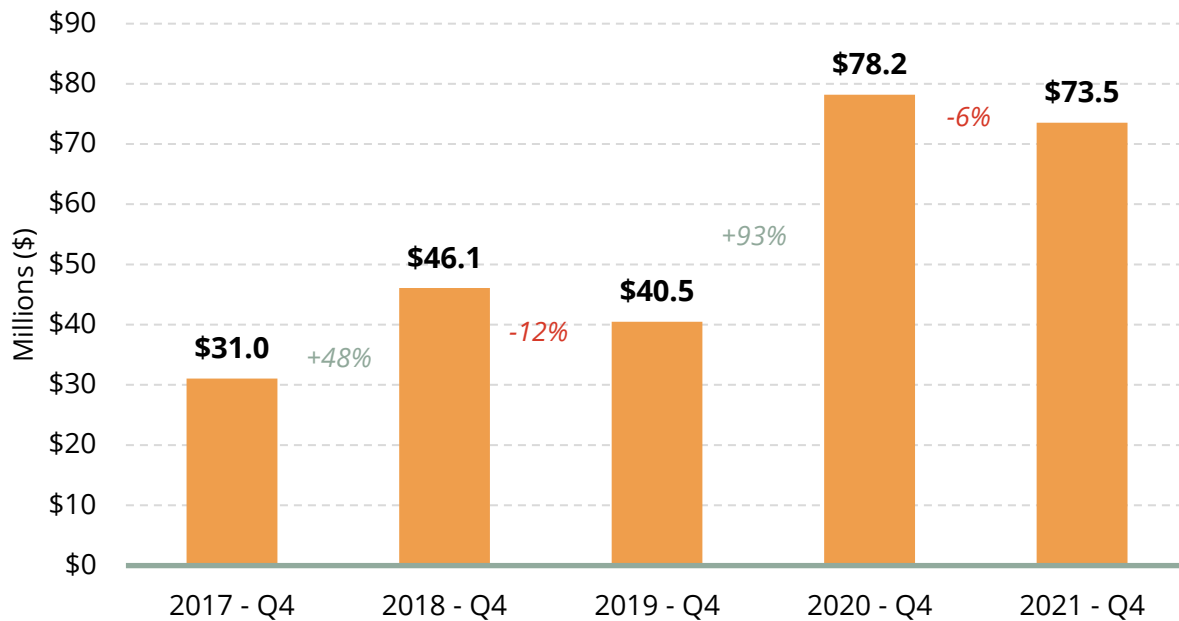
Source: Virginia REALTORS®, data accessed January 15, 2022



## Sold Volume

The slowdown in sales this quarter brought down the total sold dollar volume even with the surging home prices in the market. There was about \$73.5 million of sold volume in the ESAR region in the fourth quarter, down 6% from a year ago, which is a drop of about \$4.7 million. While the sold volume has been moderating in the region over the last two quarters it still remains well above pre-pandemic levels.

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



Source: Virginia REALTORS®, data accessed January 15, 2022

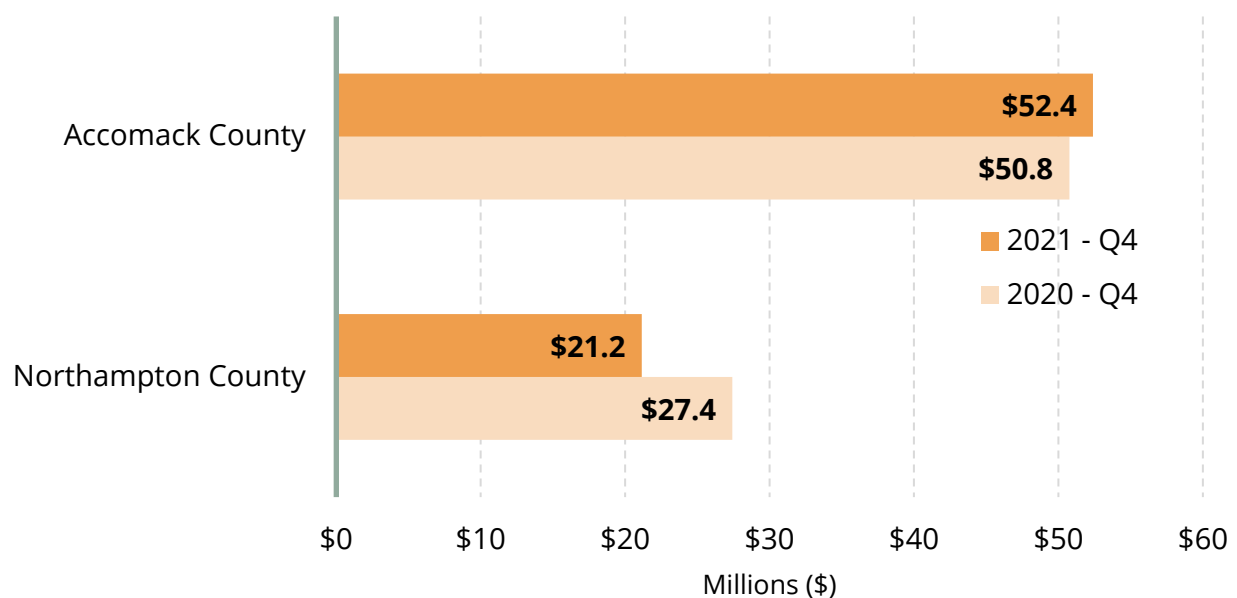


## Local Snapshot – *Sold Dollar Volume*

**Accomack County:** While there were fewer sales overall, the large gain in sales prices in Accomack County this quarter led to a small increase in the sold dollar volume. There was about \$52.4 million of sold volume in the county in the fourth quarter, 3% more than last year, which is a gain of about \$1.6 million.

**Northampton County:** There was approximately \$21.2 million in sold volume in Northampton County in the fourth quarter, a decline of about \$6.2 million from a year ago, representing a 23% drop. Even with a large bump in sales prices, fewer sales this quarter led to the volume drop.

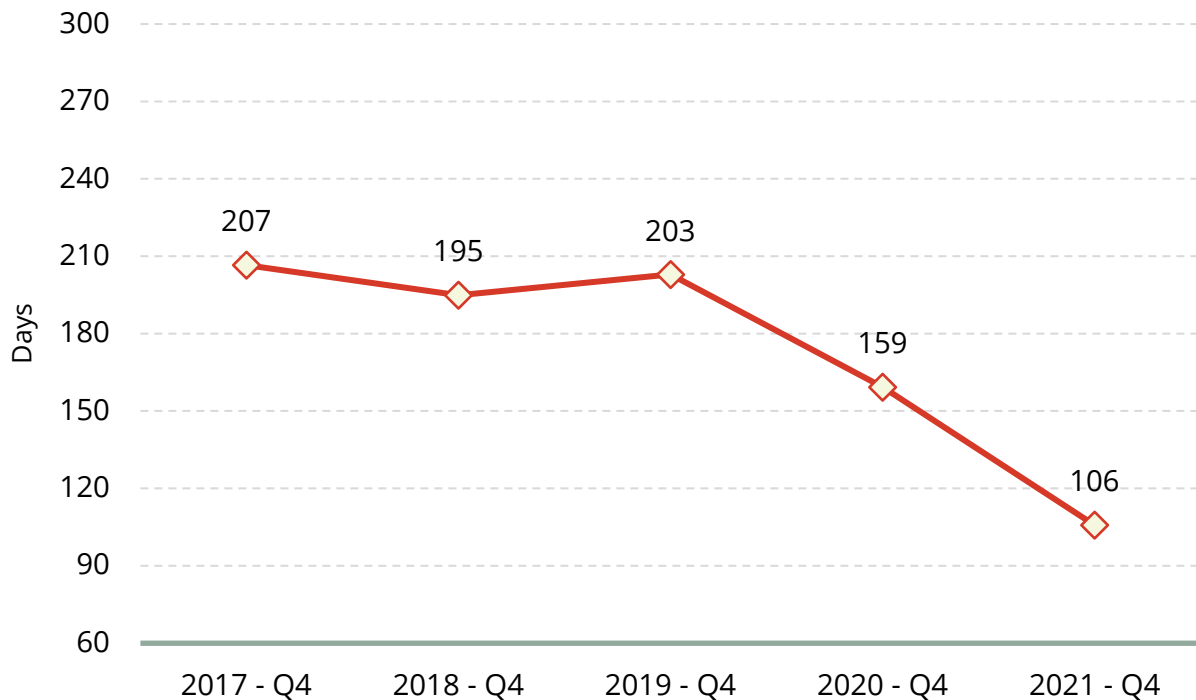
**Figure 10**  
**Fourth Quarter Sold Dollar Volume, ESAR Jurisdictions**  
*2020 and 2021*



## Days on Market

Homes continued to sell faster on average than last year in the ESAR region as the market remains competitive. The fourth quarter average days on market in the area was 106 days, which is 53 days faster than a year ago. Homes have been selling more quickly in the ESAR region for the past year and a half as demand has been strong. Statewide, homes sold in an average of 26 days in the fourth quarter, down from 34 days a year ago.

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



Source: Virginia REALTORS®, data accessed January 15, 2022

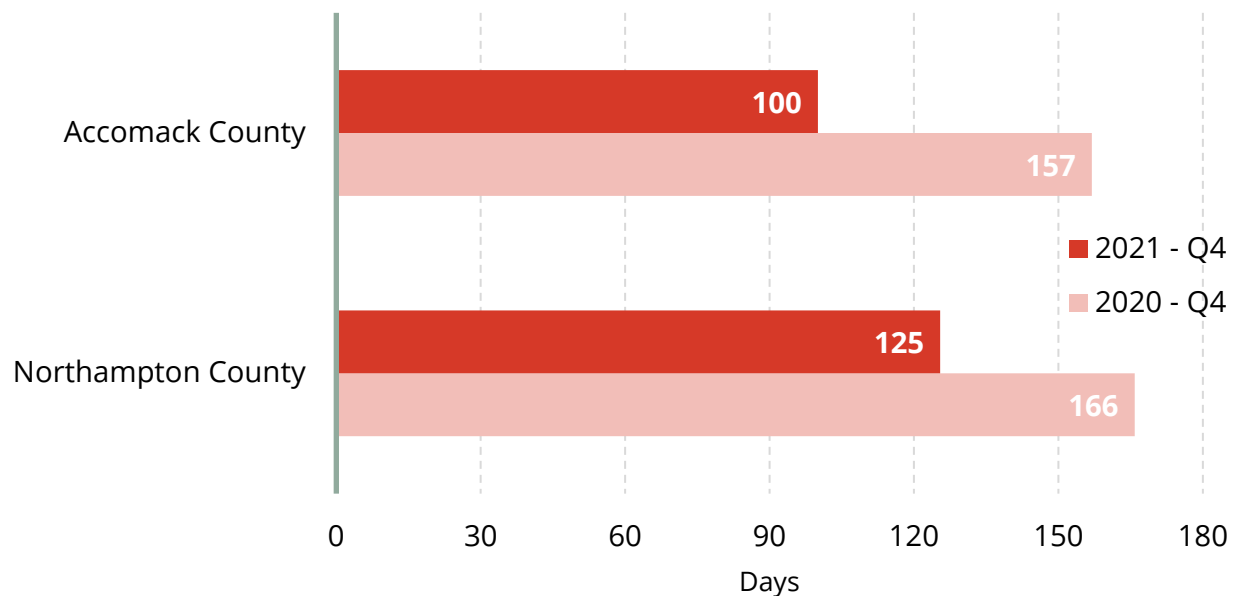


## Local Snapshot – *Average Days on Market*

**Accomack County:** Homes that sold in Accomack County in the fourth quarter were on the market an average of 100 days, which is nearly two months faster (-57 days) than this time last year.

**Northampton County:** The average days on market in Northampton County in the fourth quarter was 125 days, which is 41 days faster than last year. The average days on market in the county has been declining since the spring of 2020.

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



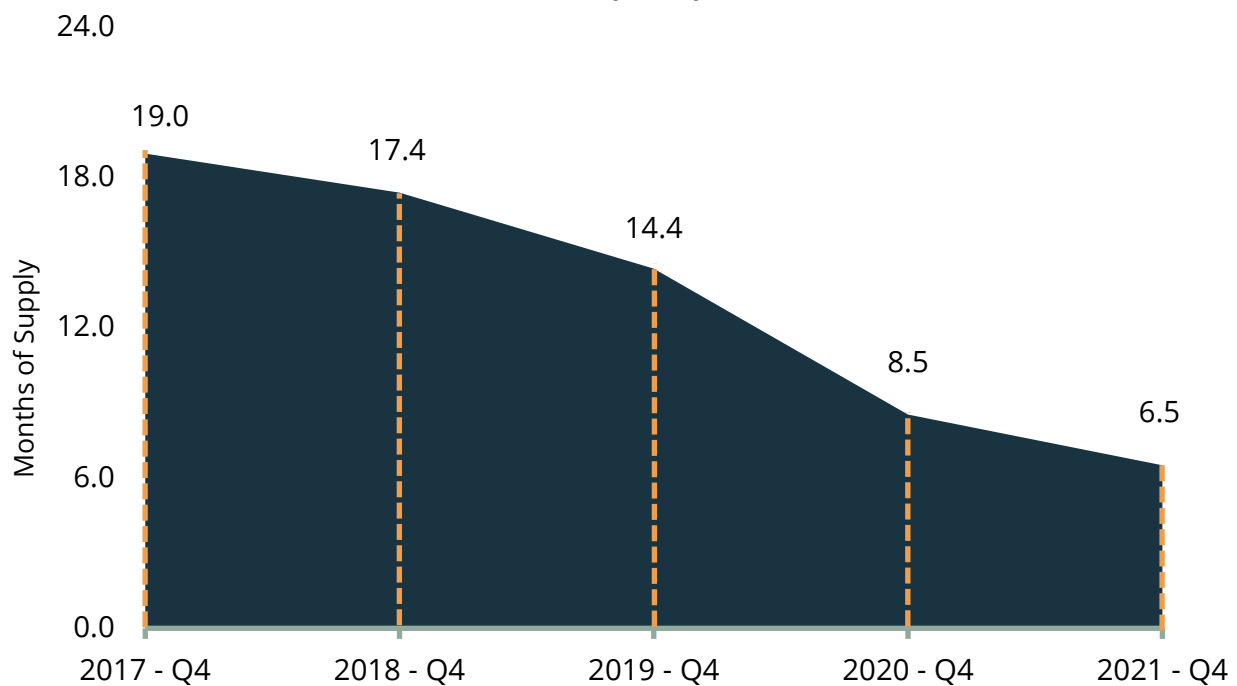
Source: Virginia REALTORS®, data accessed January 15, 2022

## Inventory

Supply in the ESAR footprint continued to shrink. There were 548 active listings on the market at the end of the fourth quarter, which is 112 fewer listings than the fourth quarter of 2020, a 17% reduction. Both counties in the region continued to see rapid decreases in supply, as demand has been strong since the middle of 2020. At the state level, inventory also fell in the fourth quarter. Statewide, there was a total of 13,469 active listings at the end of the fourth quarter, which is about 4,300 fewer active listings than a year ago, a 24% drop.

There was 6.5 months of supply at the end of the fourth quarter in the ESAR footprint, down from 8.5 months a year ago. The months of supply metric 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 Fourth Quarter Months Supply, ESAR**  
*2017-2021*



Source: Virginia REALTORS®, data accessed January 15, 2022

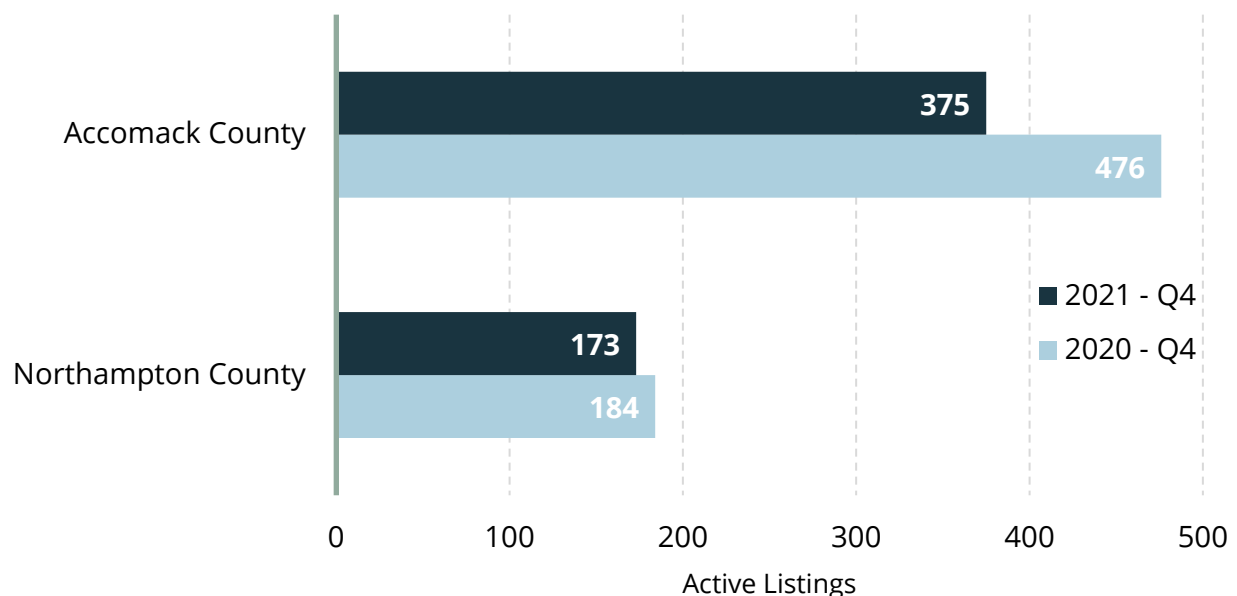


## Local Snapshot – *Active Listings*

**Accomack County:** At the end of the fourth quarter there were 375 active listings in the Accomack County market, which is 101 fewer listings than last year, a 21% decrease. The inventory has been tightening in the county for several years, but this trend has accelerated in recent quarters.

**Northampton County:** There were 173 active listings in Northampton County at the end of the fourth quarter, a 6% decline from this time last year, which is 11 fewer listings.

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



Source: Virginia REALTORS®, data accessed January 15, 2022





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.

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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.