

ESAR EASTERN SHORE HOME SALES REPORT

CUSTOM REPORT PREPARED BY
VIRGINIA REALTORS®

ESAR Home Sales Report

Fourth Quarter 2022

Eastern Shore Association of REALTORS®

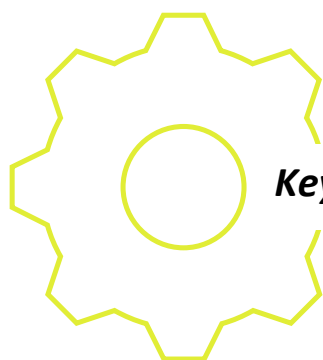
Market Report Key Takeaways

Economic Conditions

- Virginia's job market slowed down recently. The state had about 2,200 fewer jobs in November, compared to October. Despite this dip, the overall job base in the state is now about 4,500 jobs above pre-pandemic levels, reflecting a robust job recovery over the last couple years.
- The unemployment rate remains very low but inched up for the first time in nearly two years. In November, the unemployment rate was 3% in Virginia, and was 3.5% in the Eastern Shore region, both are up from last year.
- Mortgage rates have started to stabilize and trend downward. In the third week of January 2023, the average rate on a 30-year fixed mortgage was 6.15%, which is down from around 7% a few months ago.

Housing Market Conditions

- There were 194 homes sold in the ESAR market in the fourth quarter of 2022, which is a 17% reduction in sales from this time last year, or 41 fewer sales. The market slowed down in the region for the entirety of 2022.
- The regionwide median sales price dipped this quarter for the first time since 2020. The fourth quarter median sales price in the ESAR footprint was \$259,950, down 4% from a year ago.
- The supply of active listings is shrinking rapidly in the Eastern Shore market. There were 264 active listings at the end of the fourth quarter, less than half the number of listings a year ago (-52%).



Key Trends Dashboard, ESAR

Economy



3.5%

Is the Nov-2022 **unemployment rate** in the ESAR footprint, which is up from Nov-2021



6.15%

Is the **30-year fixed-rate mortgage rate** during the third week of January 2023, which is up 2.59 percentage points from a year ago

Housing Market



-41

Fewer **home sales** in the ESAR footprint in Q4-2022 compared to last year



-4%

Percent change in **median sales price** in the ESAR region in Q4-2022 compared to a year ago



-\$12.9

Million dollars less in total **sold volume** in the ESAR footprint in Q4-2022 compared to last year



-52%

Percent change in **active listings** at the end of Q4-2022 in the ESAR market compared to a year ago



3.8

Months of supply in the ESAR footprint in Q4-2022, which is down from a year ago

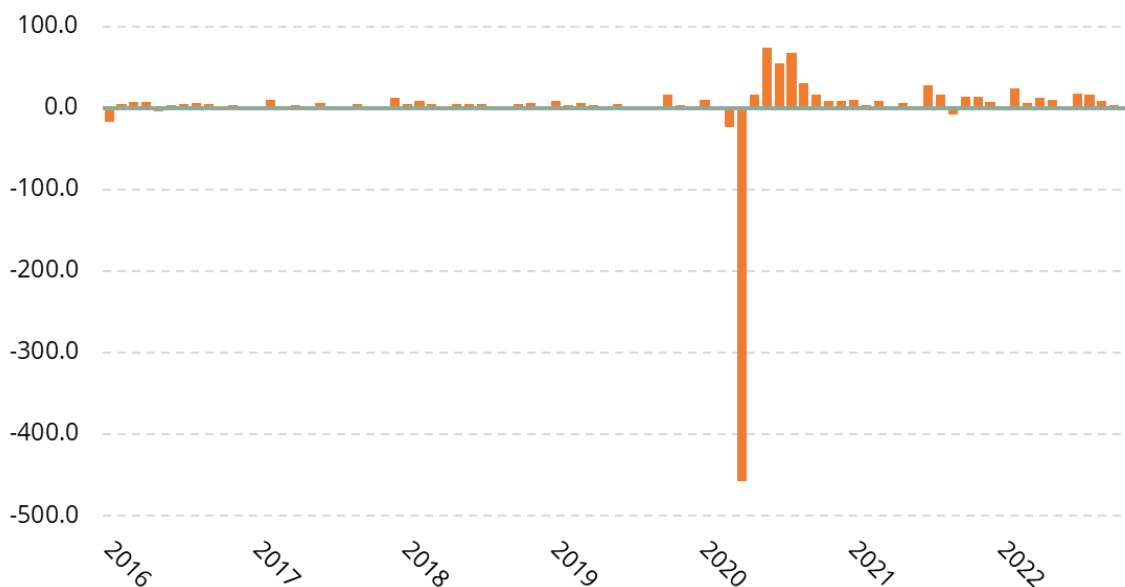
Economic Overview

Inflation remains elevated but appears to be easing, trending down for several months. Despite the economic headwinds, the job base is growing and unemployment remains very low across Virginia. Mortgage rates have been relatively stable and trending downward over the last couple of months.

Jobs

There were 4.10 million jobs throughout Virginia in November 2022, a decrease of about 2,200 jobs from October 2022. Virginia's economy is now back to pre-pandemic jobs levels. There are now about 4,500 more jobs statewide than there were in January 2020. The strongest growth sector continues to be Leisure & Hospitality. There were about 28,400 additional Leisure & Hospitality jobs than November of last year. Most of these additional hospitality jobs were in Accommodation & Food Services (+19,000 jobs). There were 24,500 more Health & Social Assistance jobs compared to a year ago, and about 8,800 more education jobs in the state's economy. The only sectors that lost jobs this month compared to November of last year were Finance & Insurance (-4,500 jobs), Retail Trade (-1,700 jobs), and Real Estate (-200 jobs).

Figure 1
Virginia Month-to-Month Change in Jobs

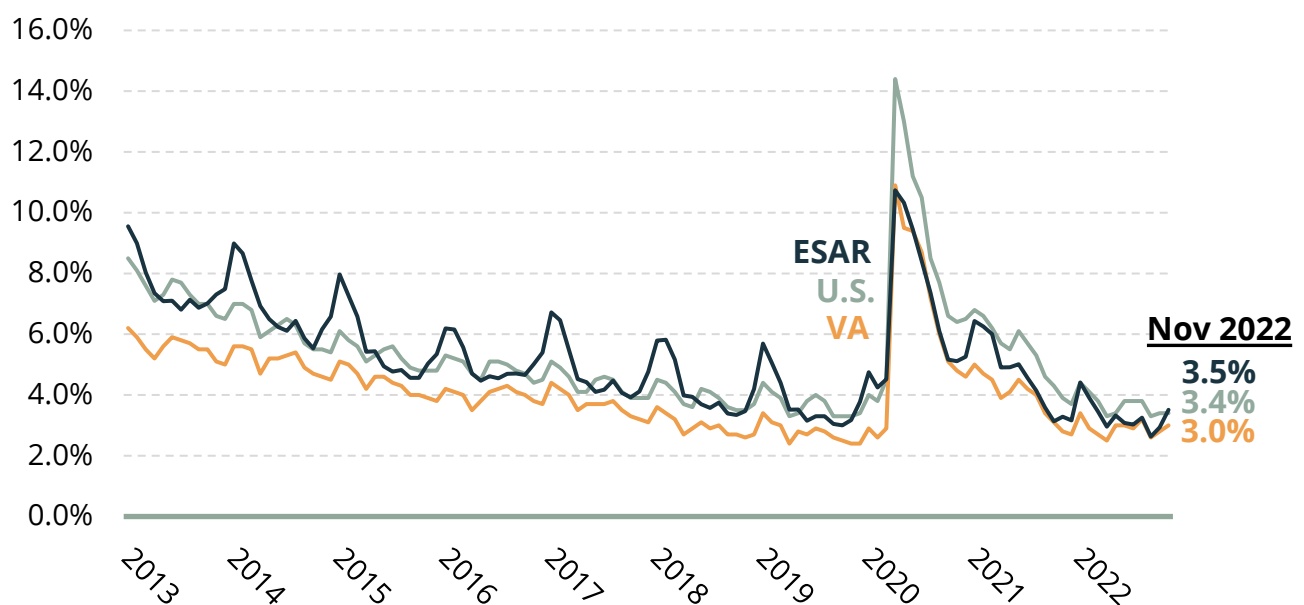


Source: U.S. Bureau of Labor Statistics, Seasonally Adjusted

Unemployment

The unemployment rate in Virginia remains very low, but edged up. Statewide, the unemployment rate in November was 3% (not seasonally adjusted), up from 2.8% in November of last year. The unemployment rate on the Eastern Shore was 3.5% in November 2022, up from 3.3% in November 2021.

Figure 2
Unemployment Rate

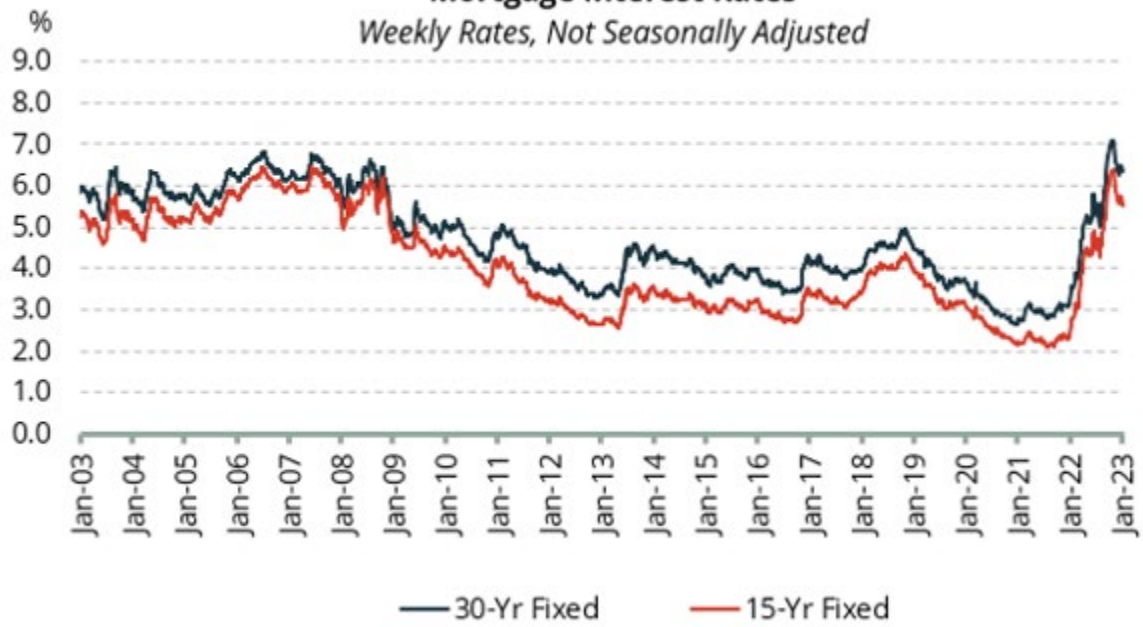


Source: U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics

Mortgage Rates

In the third week of January, the average rate on a 30-year fixed mortgage fell to 6.15%, down from 6.33% in the previous week, and down from above 7% three months ago. Mortgage rates have been trending downward over the last couple months, which has provided some relief and stability in what has otherwise been a volatile year for interest rates.

Figure 3
Mortgage Interest Rates
Weekly Rates, Not Seasonally Adjusted



Source: Federal Reserve Bank of St. Louis

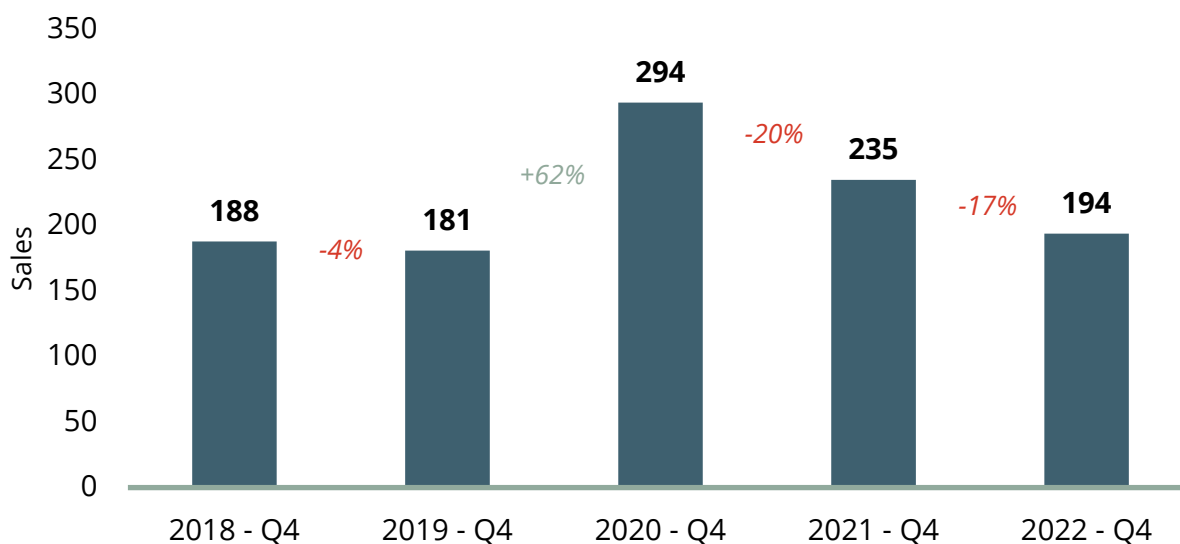
Housing Market Overview

Conditions in the Eastern Shore housing market continued to be sluggish as 2022 came to a close. Sales levels are way down from last year, which has led to a big drop in sold dollar volume regionwide. The slowdown has largely coincided with climbing interest rates, both of which accelerated in the second half of 2022. Home prices dipped this quarter for the first time in a couple years, but homes continue to sell faster on average. Inventory in the Eastern Shore market was about half the level it was at this time last year.

Sales

Sales activity continues to cool down across the entire Eastern Shore housing market. There were 194 homes sold in the fourth quarter of 2022. This is 41 fewer sales than the fourth quarter of 2021, representing a 17% decrease in sales. The housing market in the region has been slowing down now consistently for the past year and a half. The 2022 fourth quarter sales totals are now a little above where they were three years ago, in the fourth quarter of 2019. Sales slowed down all three months of the quarter, which covers October through December. Statewide, total home sales were down 35% from the fourth quarter a year ago.

Figure 4
Fourth Quarter Home Sales, ESAR
2018-2022



Source: Virginia REALTORS®, data accessed January 15, 2023



Local Snapshot – Total Home Sales

Accomack County: There were 144 sales during the fourth quarter in Accomack County, down 21% from the previous year, which is 38 fewer sales. This is the sixth consecutive quarter in which sales have dropped.

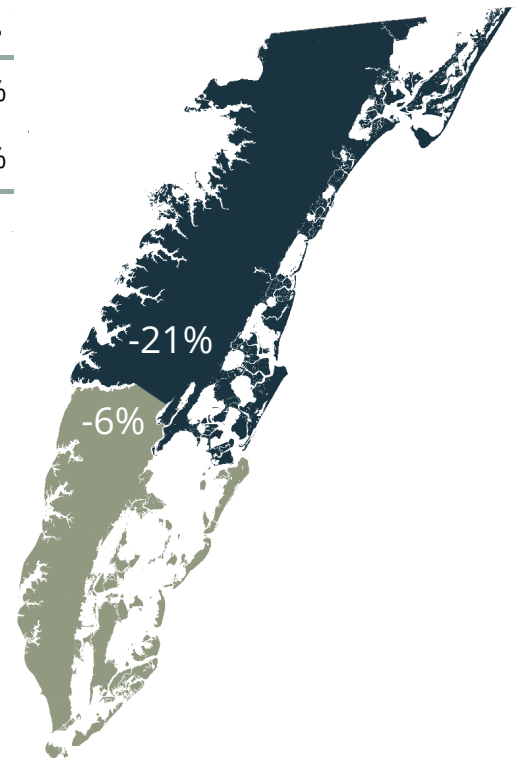
Northampton County: In Northampton, sales activity fell again this quarter. There were 50 sales in the fourth quarter, three fewer sales than a year ago, a 6% decrease.

Figure 5
Change in Sales by Jurisdiction
ESAR

Fourth Quarter 2021 to Fourth Quarter 2022

<i>Jurisdiction</i>	<i>2021 - Q4</i>	<i>2022 - Q4</i>	<i>% Change</i>
Accomack County	182	144	-21%
Northampton County	53	50	-6%

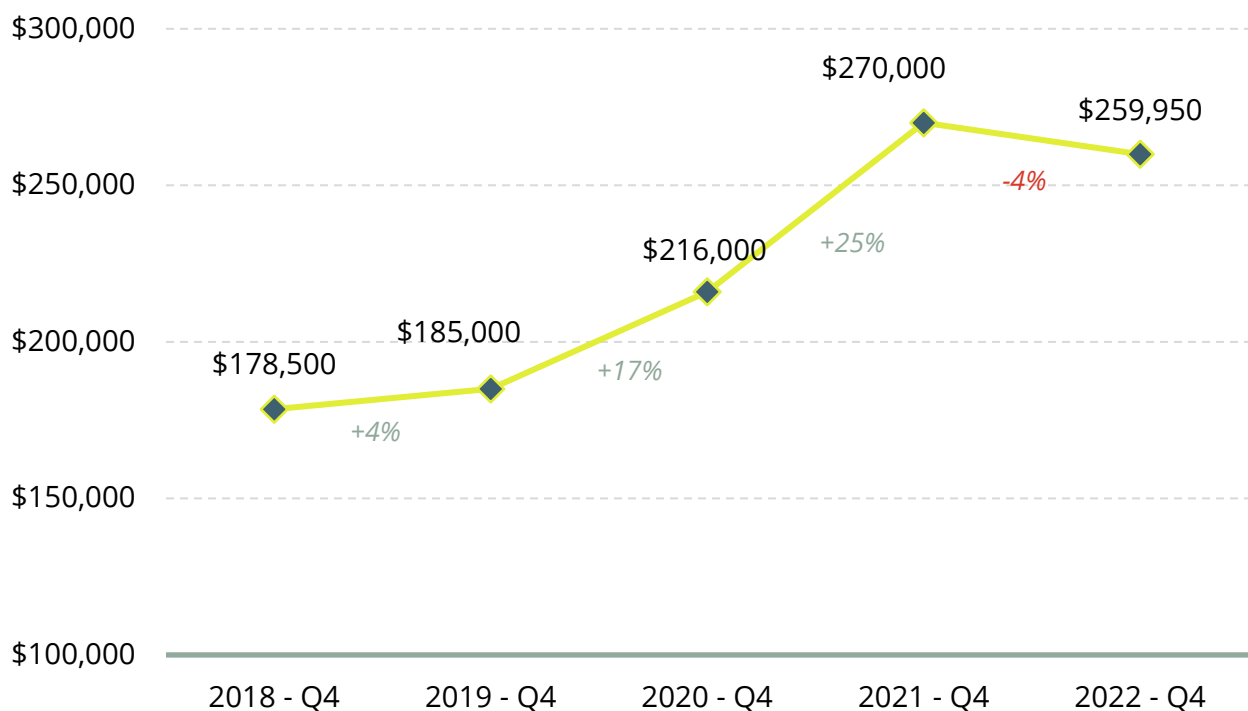
Source: Virginia REALTORS®, data accessed January 15, 2023



Sales Prices

Home prices moderated in some local markets and climbed in others. The regionwide median sales price in the Eastern Shore market during the fourth quarter was \$259,950, which is \$10,050 lower than it was a year ago, a 4% decline. This is the first time the quarterly median price has fallen in the region since spring of 2020. Prices were down this quarter in Accomack County, while the median price in Northampton County surged. Statewide, the fourth quarter median sales price was \$362,500, climbing 3.6% from the fourth quarter last year.

Figure 6
Fourth Quarter Median Sales Price, ESAR
2018-2022



Source: Virginia REALTORS®, data accessed January 15, 2023



Local Snapshot – *Median Sales Price*

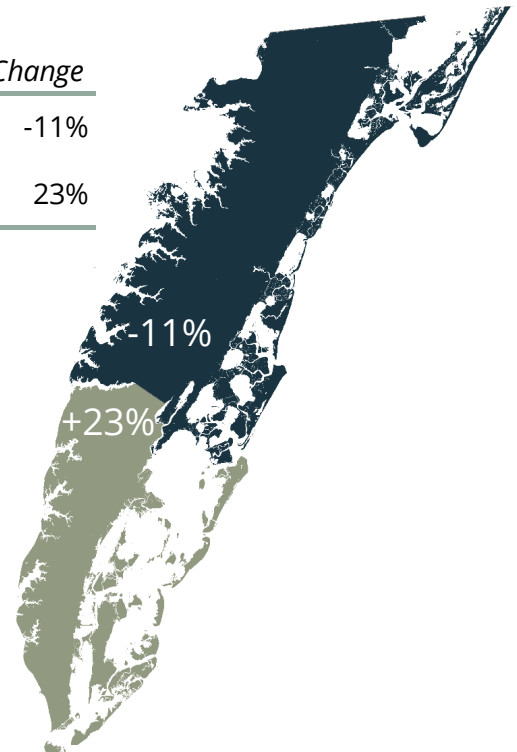
Accomack County: The median sales price in Accomack County dropped by double digits this quarter. In the county, the fourth quarter median price was \$225,500, an 11% decline or a drop of \$27,000 compared to last year. This is the first time the sales price has fallen in three years.

Northampton County: Prices continued to climb in Northampton County this quarter. In the fourth quarter, the median price of a home was \$434,900, up 23% from the same time last year, an \$80,850 increase.

Figure 7
Change in Median Sales Price by Jurisdiction
ESAR
Fourth Quarter 2021 to Fourth Quarter 2022

<i>Jurisdiction</i>	<i>2021 - Q4</i>	<i>2022 - Q4</i>	<i>% Change</i>
Accomack County	\$252,500	\$225,500	-11%
Northampton County	\$354,050	\$434,900	23%

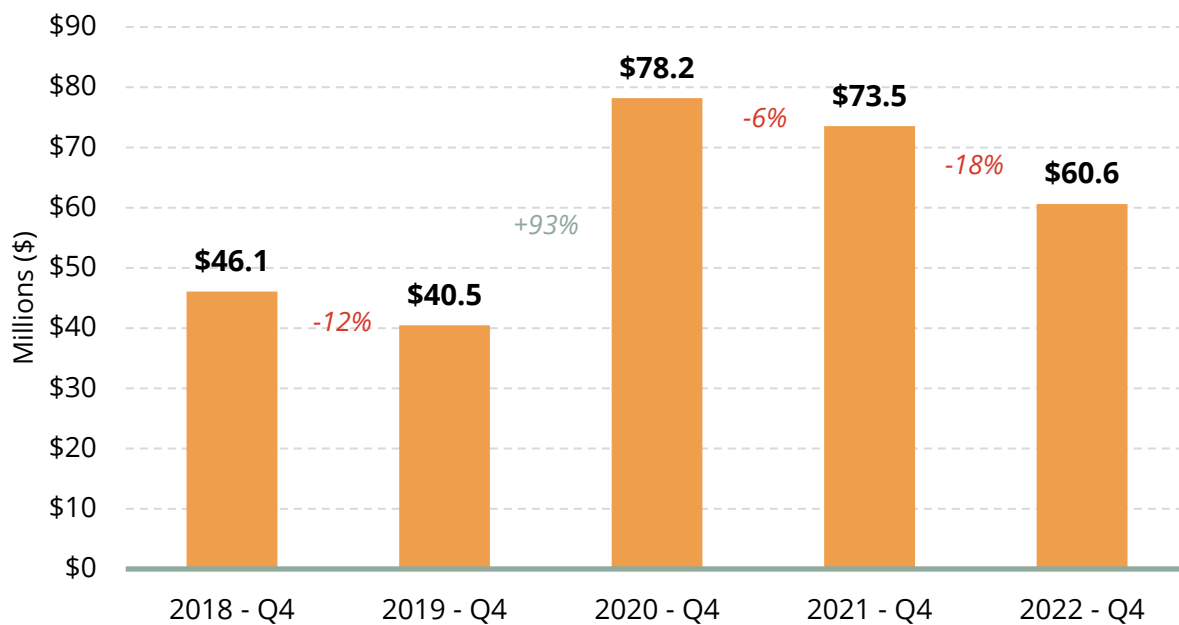
Source: Virginia REALTORS®, data accessed January 15, 2023



Sold Volume

Total sold dollar volume continues to be sluggish in the Eastern Shore market. The slowdown in sales, and dip in home prices in Accomack County this quarter, kept the sold volume well below last year's level. There was approximately \$60.6 million of sold volume in the fourth quarter of 2022 across the Eastern Shore footprint, \$12.9 million less volume than a year ago, representing an 18% decline. Volume levels have been trending down in the region for most of 2022.

Figure 8
Fourth Quarter Sold Dollar Volume (Millions), ESAR
2018-2022



Source: Virginia REALTORS®, data accessed January 15, 2023

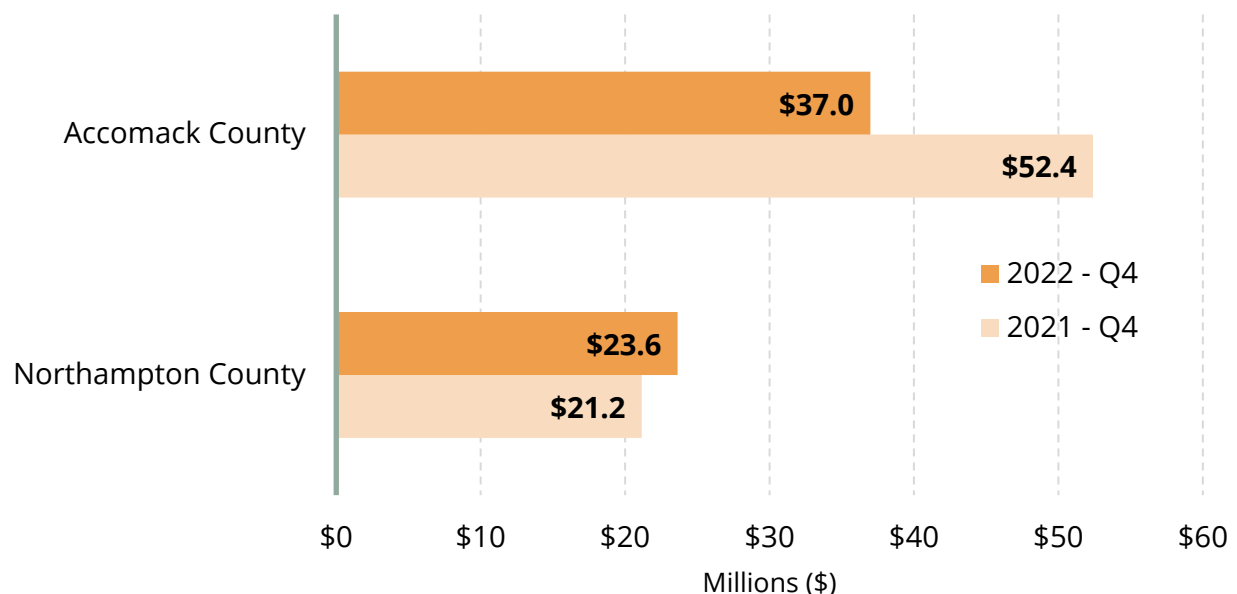


Local Snapshot – *Sold Dollar Volume*

Accomack County: There was about \$36.9 million of sold dollar volume in Accomack County during the fourth quarter, down \$15.4 million from a year earlier, a drop of 29%. The decline in sales activity and sales prices brought down the total sold dollar volume this quarter.

Northampton County: The growth in sales price led to more sold dollar volume in Northampton County this quarter. There was approximately \$23.6 million of sold volume in the county in the fourth quarter, \$2.4 million more than the previous year, representing a 12% increase.

Figure 9
Fourth Quarter Sold Dollar Volume, ESAR Jurisdictions
2021 and 2022

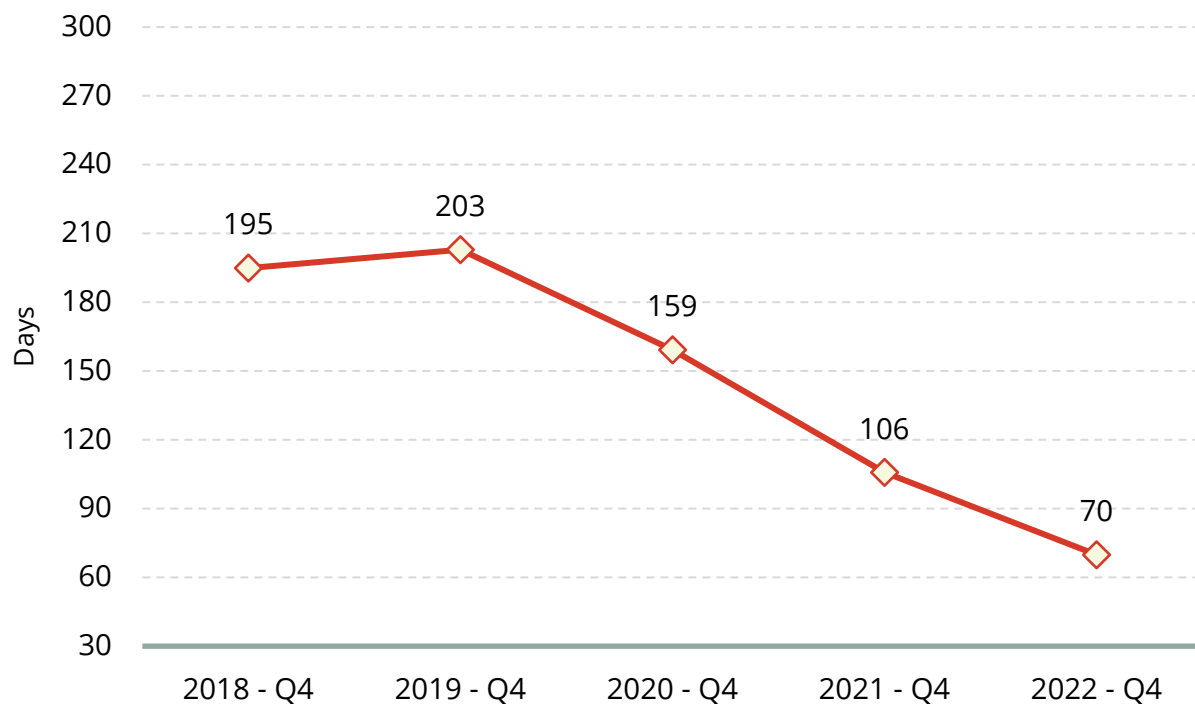


Source: Virginia REALTORS®, data accessed January 15, 2023

Days on Market

Homes continue to sell faster than last year on average in the ESAR market. The average days on market in the region during the fourth quarter was 70 days, which is down from 106 days this time last year. This metric has been trending down in the region's housing market for the past two and a half years. Statewide, the average days on market in the fourth quarter was 31 days, up from 27 days this time last year.

Figure 10
Fourth Quarter Average Days on Market, ESAR
2018-2022



Source: Virginia REALTORS®, data accessed January 15, 2023

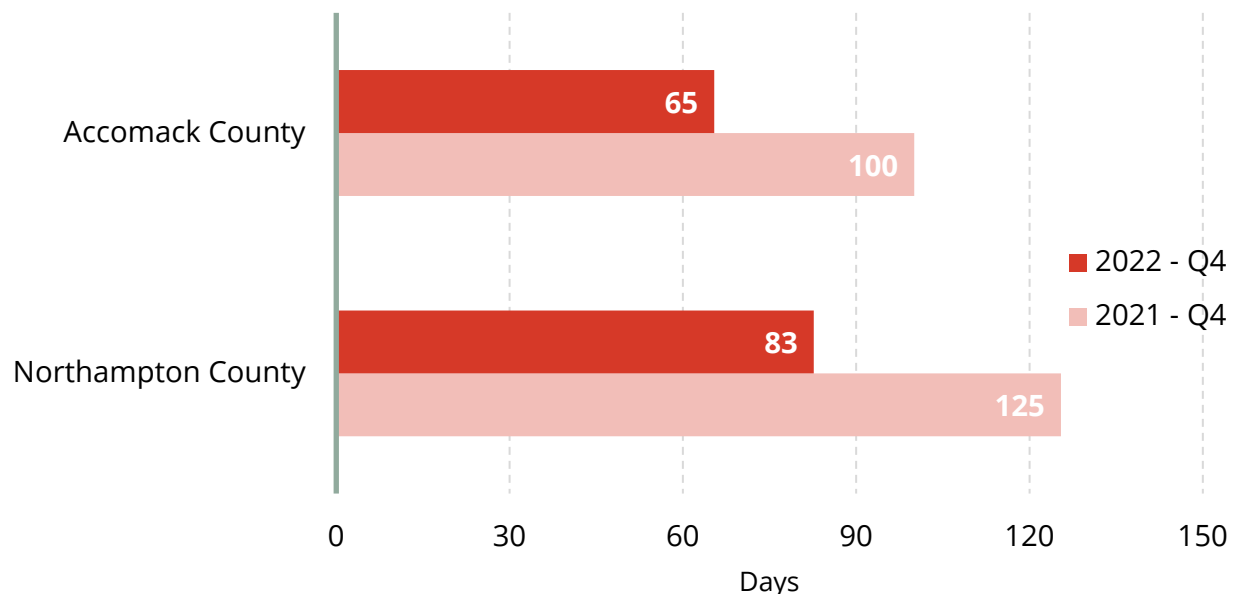


Local Snapshot – *Average Days on Market*

Accomack County: Homes sold faster in Accomack County this quarter. The average days on market in the county was 65 days during the fourth quarter, 35 days less than the same time last year.

Northampton County: The average days on market for a home in Northampton County was 83 days in the fourth quarter, 43 days less than the previous year.

Figure 11
Fourth Quarter Average Days on Market, ESAR Jurisdictions
2021 and 2022



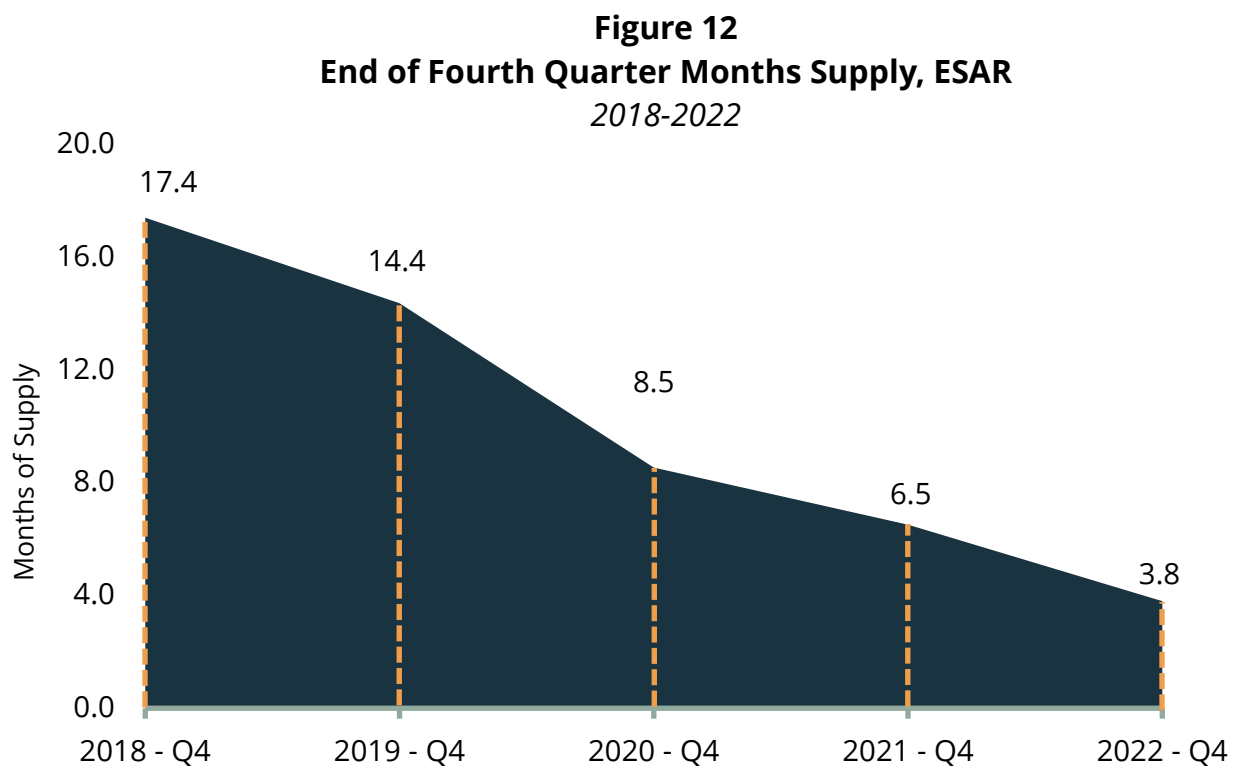
Source: Virginia REALTORS®, data accessed January 15, 2023

Inventory

The inventory of active listings in the Eastern Shore market continues to shrink rapidly. The Eastern Shore market is one of only a handful around the state where this trend is still prevalent, as many regional markets have started to see inventory build up amid the market slowdown. There were 264 active listings on the market at the end of the fourth quarter, half the number of listings there were a year ago (-52%), a reduction of 284 listings.

There were 16,115 active listings throughout the Commonwealth at the end of the fourth quarter, a 19.6% increase from a year ago, which is an additional 2,646 listings.

There was about 3.8 months of supply at the end of the fourth quarter in the ESAR footprint, which is down from 6.5 months at this time last year. 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. Statewide, there was 1.5 months of supply at the end of the fourth quarter.



Source: Virginia REALTORS®, data accessed January 15, 2023

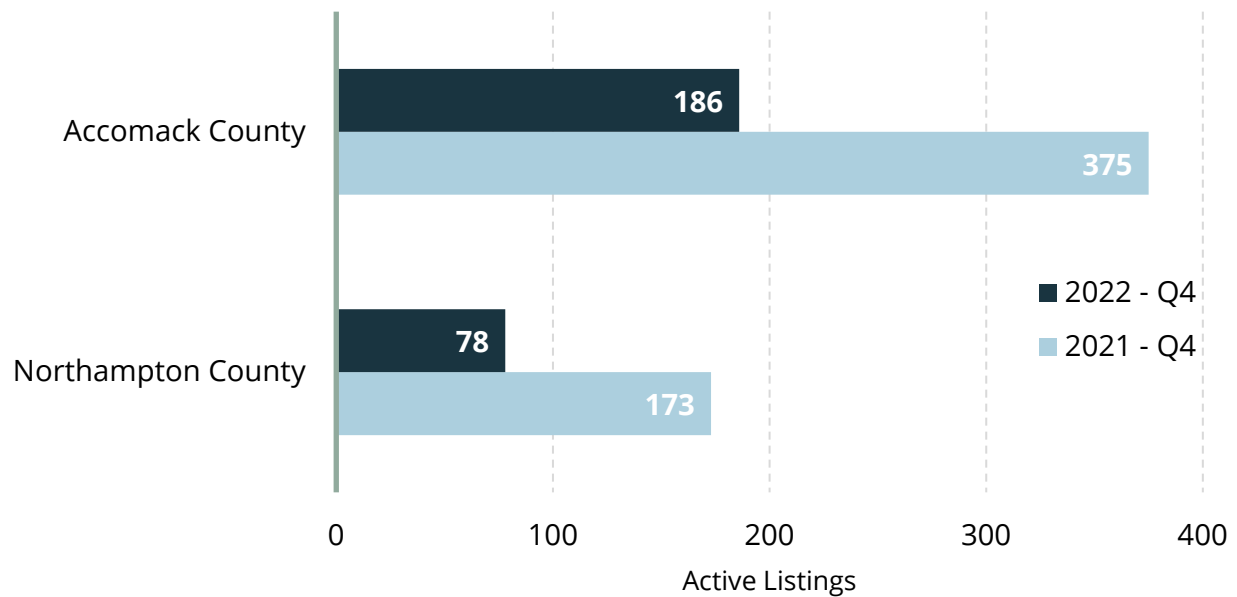


Local Snapshot – *Active Listings*

Accomack County: In Accomack County, there were 186 active listings on the market at the end of the fourth quarter, 189 fewer listings than a year ago, a 50% decline.

Northampton County: At the end of the fourth quarter, there were 78 active listings in Northampton County, 95 fewer listings than last year, a 55% decrease.

Figure 13
End of Fourth Quarter Active Listings, ESAR Jurisdictions
2021 and 2022



Source: Virginia REALTORS®, data accessed January 15, 2023



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.