

ESAR EASTERN SHORE HOME SALES REPORT

CUSTOM REPORT PREPARED BY
VIRGINIA REALTORS®

ESAR Home Sales Report

1st Quarter 2020

Eastern Shore Association of REALTORS®

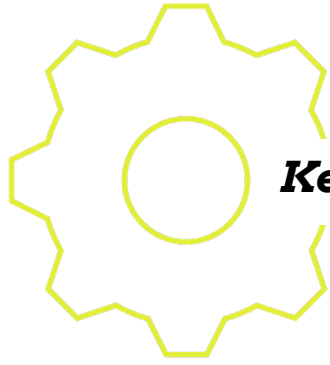
Market Report Key Takeaways

Economic Conditions

- With continued job losses in the Manufacturing and Agricultural sectors, the Eastern Shore economy has struggled to grow over the past few years.
- Unemployment had been low throughout 2019, though the unemployment rate in the region edged up in February.
- Like the rest of Virginia and the nation, the Eastern Shore region will be experiencing the economic impacts of COVID-19 this spring.
- Consumers' confidence in the economy has been declining somewhat for several months. Expectations about future economic conditions have become pessimistic in the early spring.
- Mortgage rates are still low, but there has been substantial volatility and growing uncertainty in the mortgage market.

Housing Market Conditions

- Sales activity expanded in the Eastern Shore market this quarter. There were 130 sales in the 1st quarter of 2020, 19% more than a year ago.
- At \$179,500, the 1st quarter median sales price in the Eastern Shore market increased 3% from a year ago, a gain of \$4,500.
- The supply of active listings continues to shrink in the Eastern Shore footprint. There were 843 active listings at the end of the 1st quarter, 17% fewer than last year.



Key Trends Dashboard, ESAR

Economy



-997

Fewer jobs in the ESAR footprint between Sep-2018 and Sep-2019



4.5%

Is the Feb-2020 **unemployment rate** in the ESAR footprint, which is down from Jan-2020



3.33%

Is the **30-year fixed-rate mortgage rate** during the 1st week of April 2020, which is down 0.75 percentage points from a year ago

Housing Market



21

More **home sales** in the ESAR footprint in Q1-2020 compared to last year



3%

Percent change in **median sales price** in the ESAR region in Q1-2020 compared to a year ago



\$6

Million dollars more in total **sold volume** in the ESAR footprint in Q1-2020 compared to last year



-17%

Percent change in **active listings** at the end of Q1-2020 in the ESAR market compared to a year ago



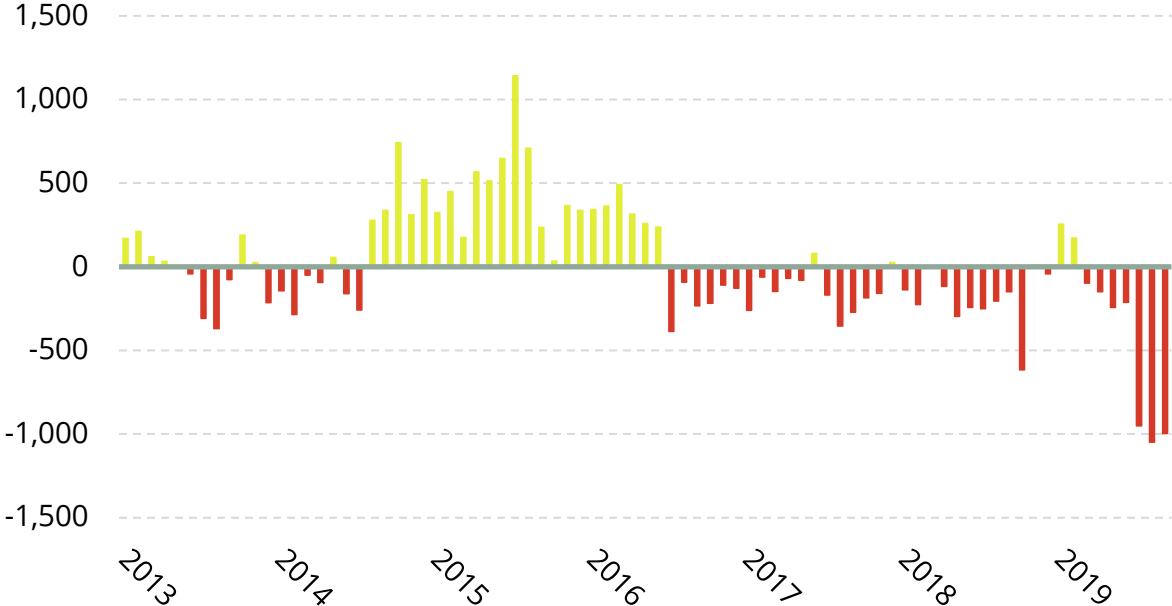
14.4

Months of supply in the ESAR footprint in Q1-2020, which is down from a year ago

Economic Overview

The Eastern Shore region has been experiencing weak job growth since mid-2016. In 2019, the region is expected to post annual job losses. Declines in Manufacturing and Agricultural employment in the Eastern Shore region have been the key drivers of job losses and weaker economic growth in recent years.

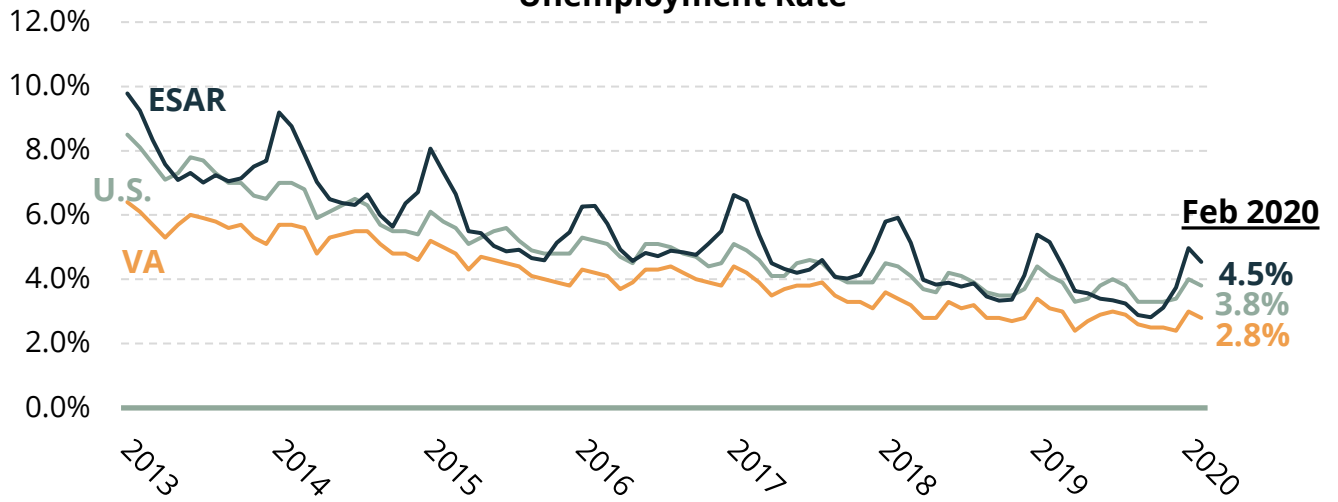
Figure 1
Annual Change in Jobs, ESAR



Source: Virginia Employment Commission, Quarterly Census of Employment and Wages

Unemployment in the Eastern Shore region had been relatively low in 2019; however, there was an uptick in unemployment in early 2020. In February 2020, the region's unemployment rate was 4.5%, higher than both the national and statewide rate.

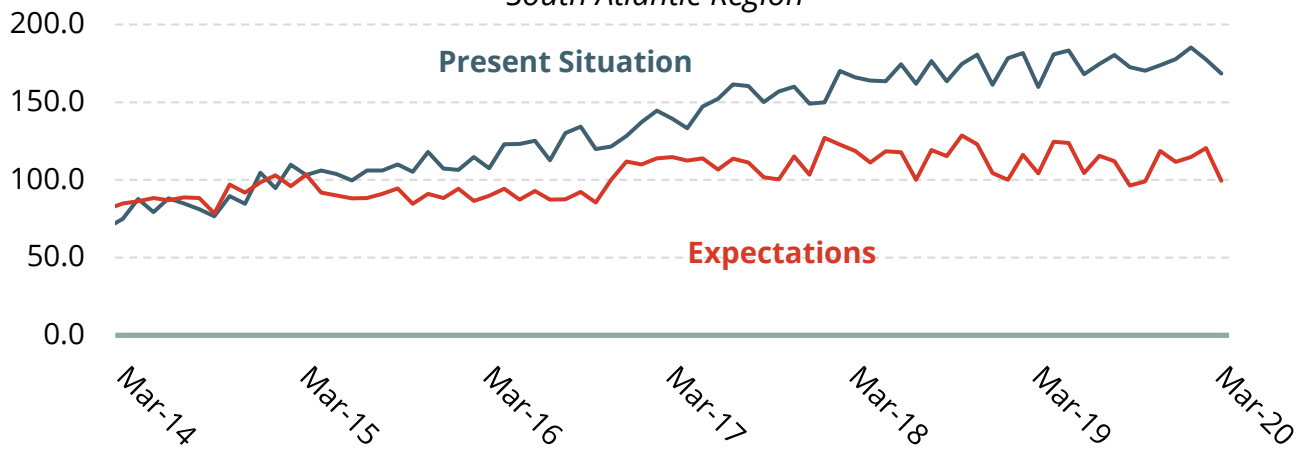
Figure 2
Unemployment Rate



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

Consumer confidence took a dip in March, though confidence in the present economic situation remains strong so far. Among residents of the South Atlantic region of the U.S., which includes Virginia, the measure of confidence in current economic conditions was 168.4 in March, down slightly from February, but still in positive territory. The measure of consumers' confidence in future economic conditions fell to 99.4 in March. The future expectations metric had been trending down beginning at the end of 2019. A level below 100 indicates consumers are feeling more pessimistic about future economic conditions.

Figure 3
Consumer Confidence
South Atlantic Region

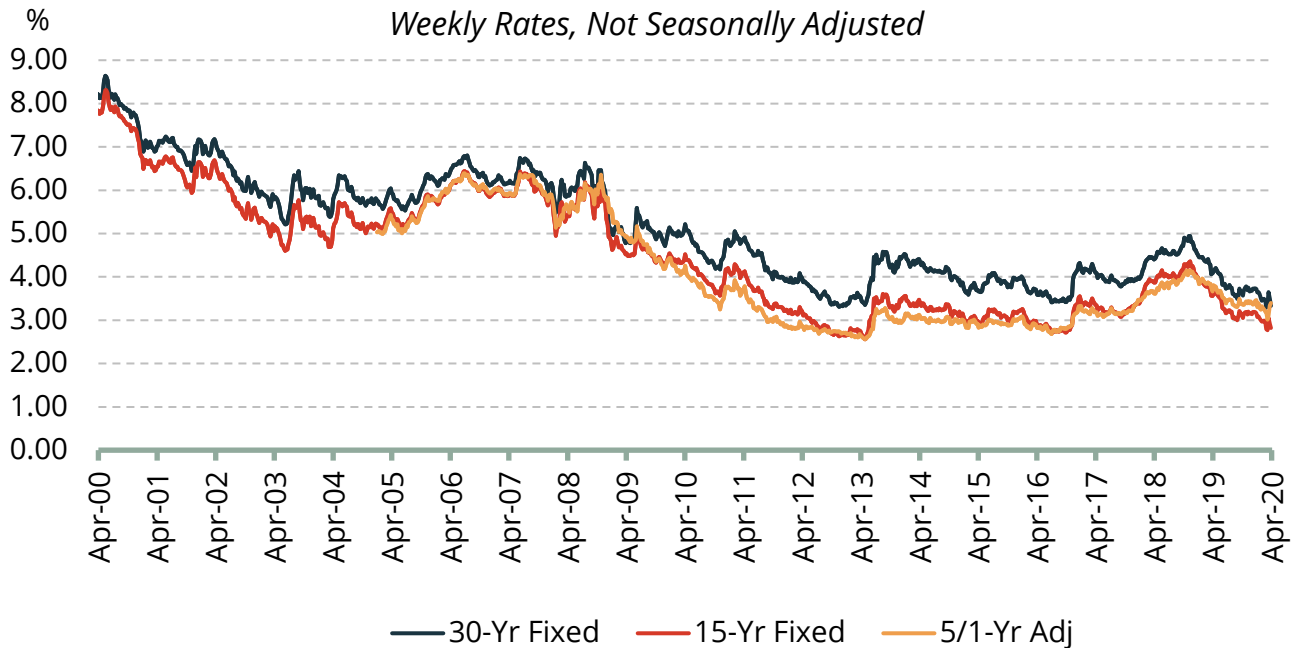


Source: The Conference Board

In the 2nd week of April, the 30-year fixed-rate interest rate was 3.33%, virtually unchanged from a month ago. However, there has been a tremendous amount of volatility in the mortgage market, with mortgage rates bouncing around on a daily basis. In addition, there are growing concerns about a lack of liquidity in the mortgage market which has led to higher-than-expected rates, as well as more stringent lending requirements. Stabilization in the mortgage market and more predictable interest rates that link back to fundamentals will be an important signal of a return to normalcy in the housing market.

Figure 4
Mortgage Interest Rates

Weekly Rates, Not Seasonally Adjusted



Source: Federal Reserve Bank of St. Louis

Like the rest of the country and Virginia, the Eastern Shore area is feeling the economic impact of COVID-19. The 1st quarter 2020 housing market data do not reflect the current economic situation. Since February, more than 22 million Americans, including more than 400,000 Virginians, have applied for unemployment benefits. Housing market activity will likely slow in the Eastern Shore region in the 2nd quarter of 2020.

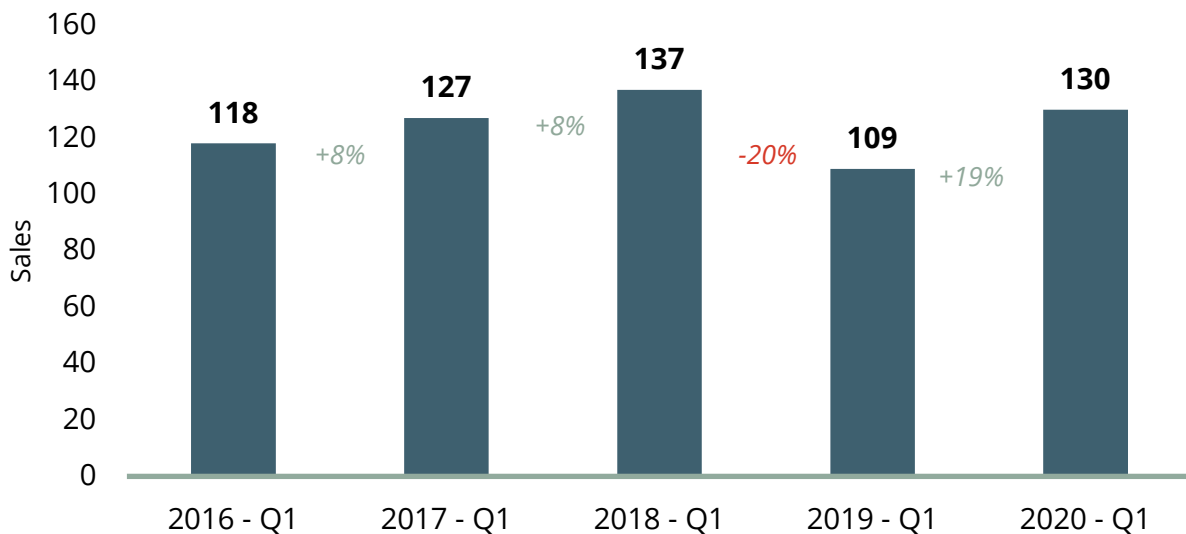
Housing Market Overview

The Eastern Shore housing market had a strong start to 2020. Sales activity jumped up by 19% compared to last year, and the median sales price rose 3% which led to a nearly \$6 million increase in total sold volume in the region. It took nearly 1 month longer, on average, to sell homes compared to last year. The inventory of active listings in the Eastern Shore housing market continues to shrink, a trend that has been consistent now for 2 years.

Sales

Sales growth resumed in the Eastern Shore housing market this quarter after a slowdown during the latter half of 2019. There were 130 sales in the 1st quarter in the Eastern Shore region, 21 more sales than a year ago, representing a 19% jump. This is the largest percentage growth in sales for the area since the Fall of 2017. Sales growth in the Eastern Shore footprint outpaced the State housing market overall, which had a 4% increase in sales this quarter.

Figure 5
1st Quarter Home Sales, ESAR
2016-2020



Source: Virginia REALTORS®, data accessed April 16, 2020



Local Snapshot – *Total Home Sales*

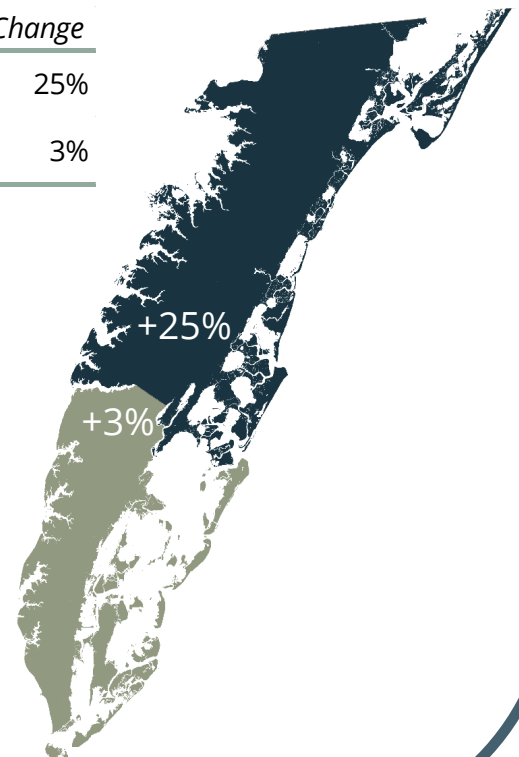
Accomack County: There were 99 sales in Accomack County in the 1st quarter, a 25% surge from last year, a gain of 20 sales. Sales activity has now increased 4 consecutive quarters in the County.

Northampton County: Sales activity was flat in Northampton County this quarter. There were 31 sales in the 1st quarter in the County, 1 more sale than last year, a 3% uptick. Prior to this modest increase, sales had declined 3 consecutive quarters in the County.

Figure 6
Change in Sales by Jurisdiction
ESAR
1st Quarter 2019 to 1st Quarter 2020

<i>Jurisdiction</i>	<i>2019 - Q1</i>	<i>2020 - Q1</i>	<i>% Change</i>
Accomack County	79	99	25%
Northampton County	30	31	3%

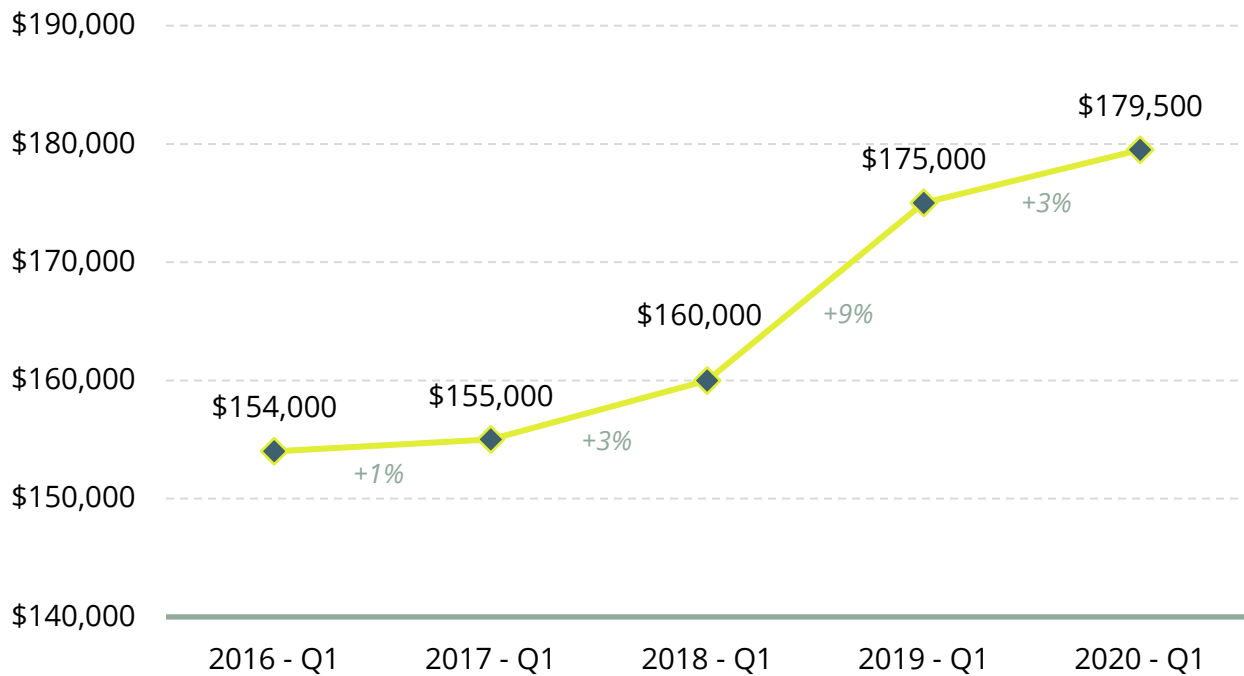
Source: Virginia REALTORS[®], data accessed April 16, 2020



Sales Prices

At \$179,500, the 1st quarter median sales price in the Eastern Shore housing market rose 3% compared to last year, a \$4,500 gain. The median sales price has been trending up for much of the past 2 years, increasing 7 of the past 8 quarters. The 1st quarter median price is nearly \$20,000 higher than it was 4 years prior. Overall, the median sales price in Virginia climbed 7% in the 1st quarter compared to last year, to \$295,100.

Figure 7
1st Quarter Median Sales Price, ESAR
2016-2020



Source: Virginia REALTORS®, data accessed April 16, 2020



Local Snapshot – Median Sales Price

Accomack County: At \$175,000, the 1st quarter median sales price in Accomack County is up 7% from last year, an increase of \$12,000. This is the 7th price gain in the past 8 quarters for the County.

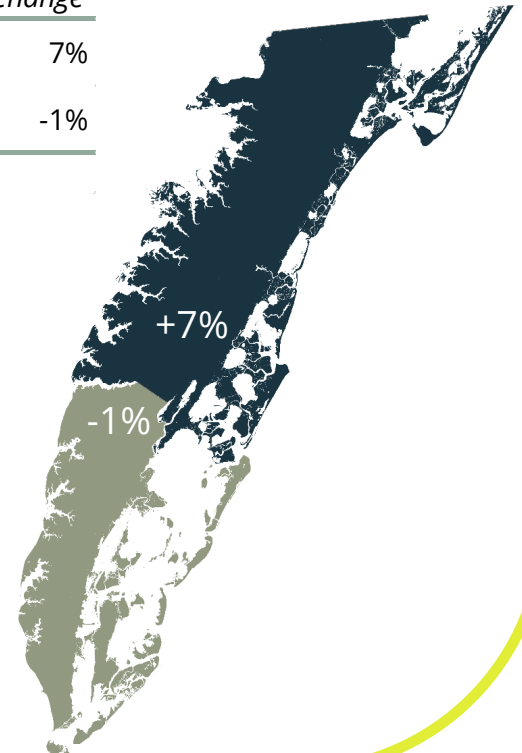
Northampton County: For the 2nd quarter in a row, prices declined in Northampton County. At \$240,000, the 1st quarter median sales price dropped \$3,500 from a year ago, representing a 1% decline. Prior to the recent price drop, the median sales price in the County had been rising for a year and a half.

Figure 8
Change in Median Sales Price by Jurisdiction
ESAR

1st Quarter 2019 to 1st Quarter 2020

<i>Jurisdiction</i>	<i>2019 - Q1</i>	<i>2020 - Q1</i>	<i>% Change</i>
Accomack County	\$163,000	\$175,000	7%
Northampton County	\$243,500	\$240,000	-1%

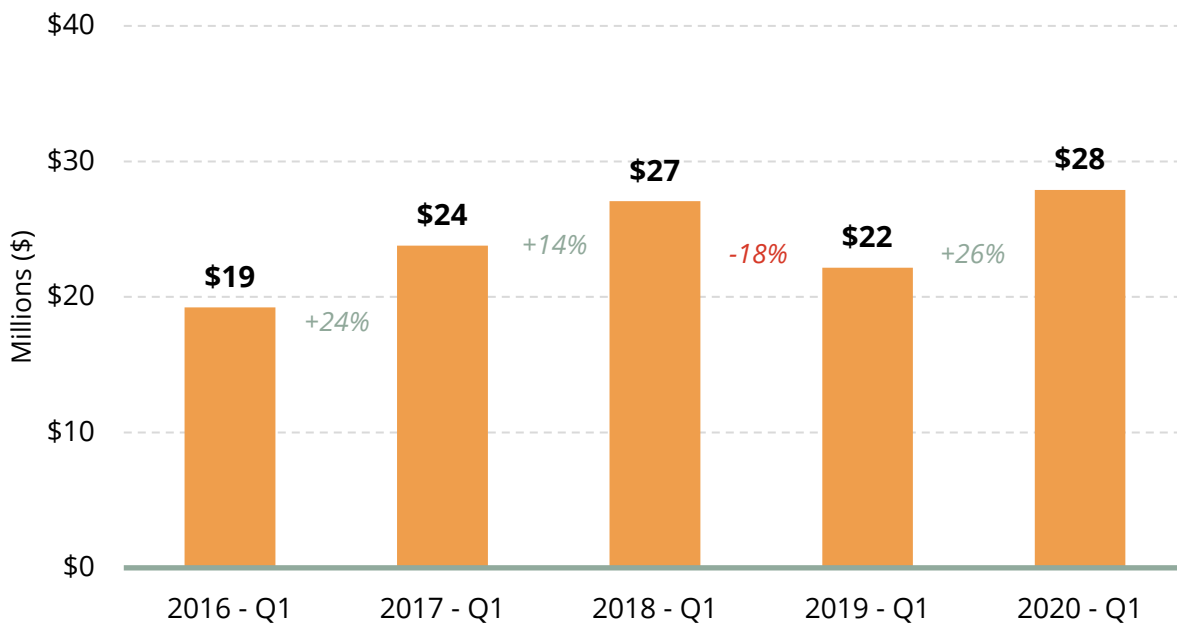
Source: Virginia REALTORS®, data accessed April 16, 2020



Sold Volume

The increase in sales and home prices this quarter led to more sold dollar volume in the Eastern Shore housing market. There was approximately \$28 million in sold volume in the Eastern Shore footprint in the 1st quarter, a 26% jump from a year ago, a gain of nearly \$6 million. This is the 1st sold volume gain for the region since the Spring of 2019.

Figure 9
1st Quarter Sold Dollar Volume (Millions), ESAR
2016-2020



Source: Virginia REALTORS®, data accessed April 16, 2020

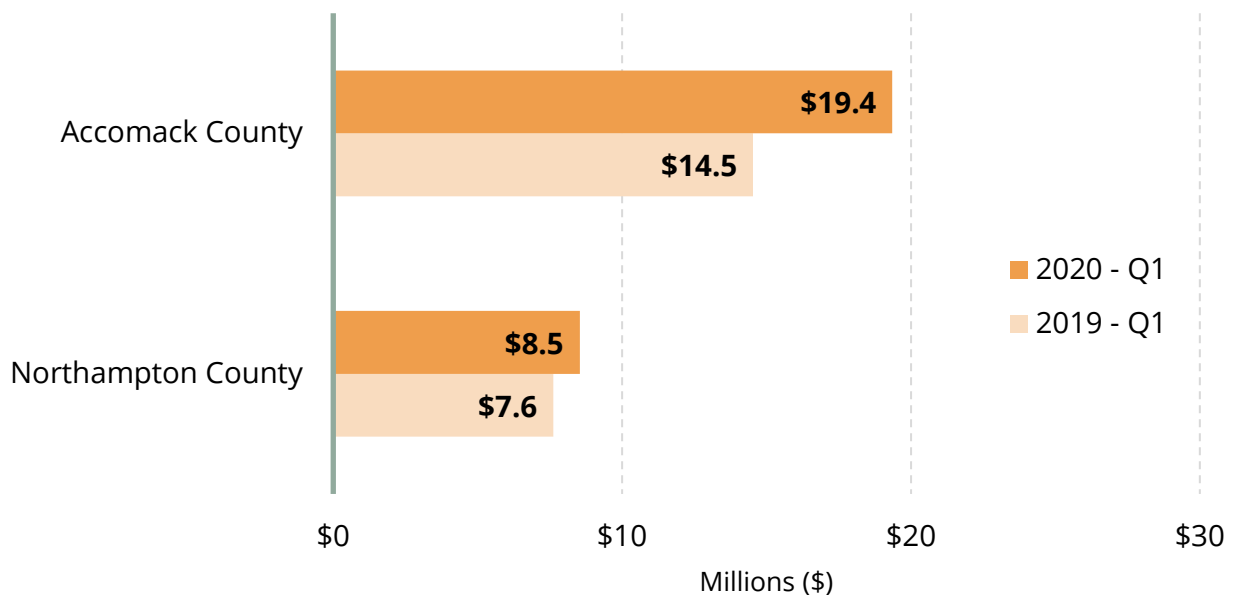


Local Snapshot – Sold Dollar Volume

Accomack County: Total sold dollar volume surged in Accomack County this quarter. There was approximately \$19.4 million in sold volume in the 1st quarter in the County, which is about \$4.9 million more than last year, a jump of 33%.

Northampton County: After declining the past 2 quarters, the sold dollar volume in Northampton County increased this quarter. There was approximately \$8.5 million in sold volume in the 1st quarter in the County, about \$900,000 more than last year, a 12% gain.

Figure 10
1st Quarter Sold Dollar Volume, ESAR Jurisdictions
2019 and 2020

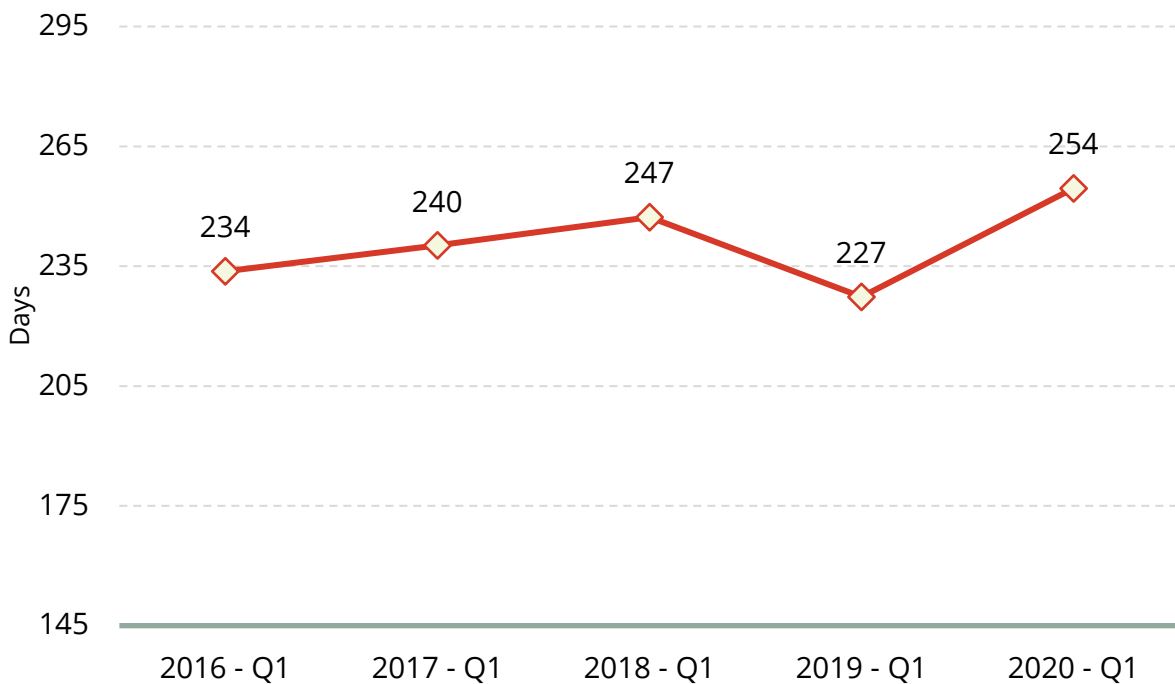


Source: Virginia REALTORS®, data accessed April 16, 2020

Days on Market

After trending down for more than a year, the average days on market in the Eastern Shore footprint increased for the 2nd quarter in a row. At 254 days, the average days on market increased by nearly a month (+27 days) compared to this time last year. It generally takes longer to sell homes in the Eastern Shore market compared to other regions in Virginia; however, the increase this quarter is notable as the largest jump of this metric in more than 4 years. At the State level, homes sold in 49 days, on average, during the 1st quarter, which is 11 days faster than a year ago.

Figure 11
1st Quarter Average Days on Market, ESAR
2016-2020



Source: Virginia REALTORS®, data accessed April 16, 2020

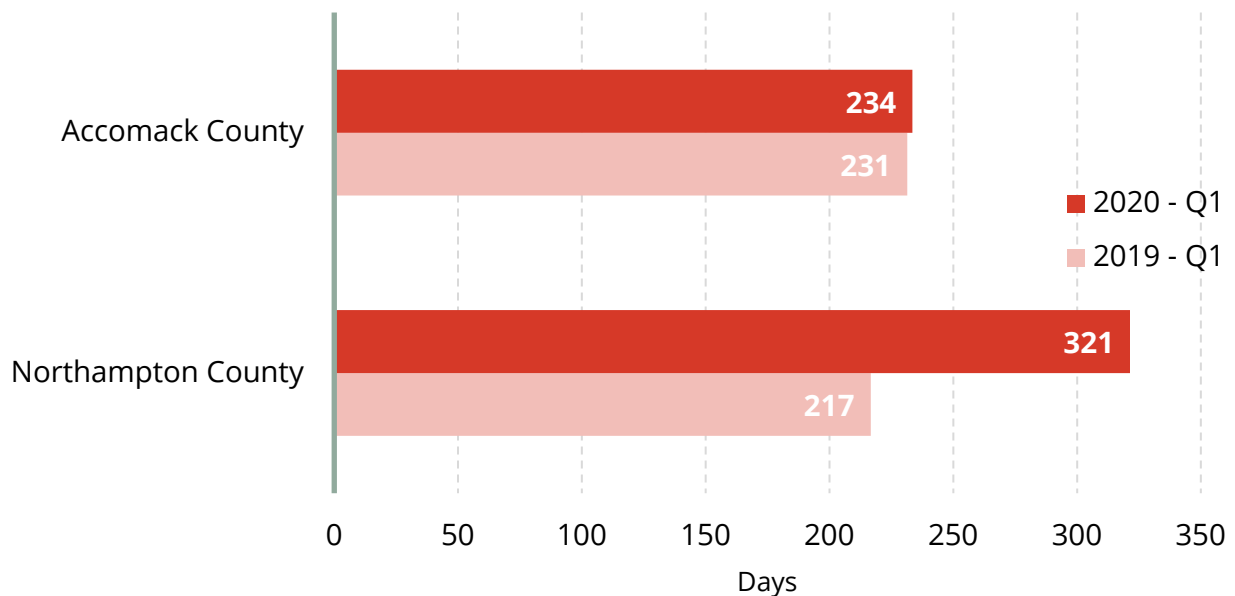


Local Snapshot – *Average Days on Market*

Accomack County: The average days on market in Accomack County in the 1st quarter was 234 days, which is 3 days higher than it was in the 1st quarter of last year. This is the 2nd increase in a row after a downward trend for a year and a half.

Northampton County: At 321 days, homes that sold in the 1st quarter in Northampton County were on the market for about 11 months, on average, which is up by more than 3 months (+104 days) from this time last year.

Figure 12
1st Quarter Average Days on Market, ESAR Jurisdictions
2019 and 2020



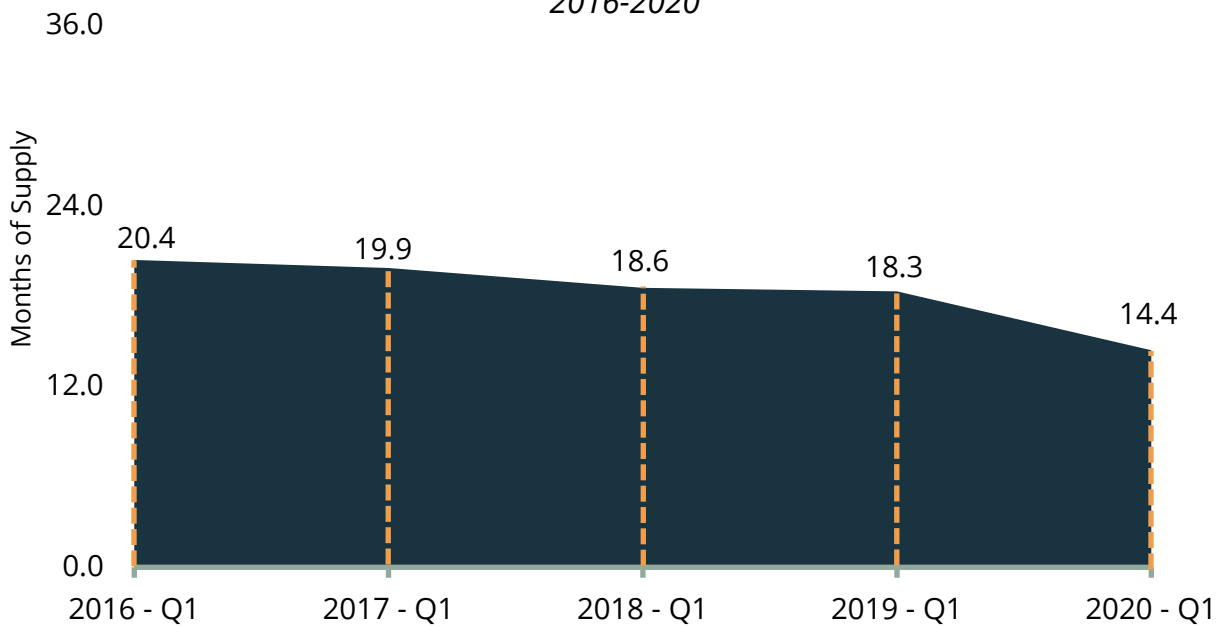
Source: Virginia REALTORS®, data accessed April 16, 2020

Inventory

The supply of active listings continues to shrink in the Eastern Shore housing market. There were about 843 active listings on the market at the end of the 1st quarter, a 17% reduction from a year ago, 178 fewer active listings. The inventory has been declining now for 8 consecutive quarters in the Eastern Shore housing market. Similar trends are occurring in many parts of Virginia. At the State level, the supply of active listings declined by 19% in the 1st quarter compared to last year.

While the number of active listings has been declining, the overall supply relative to the number of sales remains high in the Eastern Shore market. At the end of the 1st quarter, there was an estimated 14.4 months of supply in the ESAR footprint, which is nearly 4 months less than this time last year, but still significantly higher than the statewide level. The months of supply is calculated by taking the average monthly sales over the preceding 12-month period and dividing it by inventory of active listings. In most housing markets, a supply above 6 months tends to favor buyers rather than sellers.

Figure 13
End of 1st Quarter Months Supply, ESAR
2016-2020



Source: Virginia REALTORS®, data accessed April 16, 2020

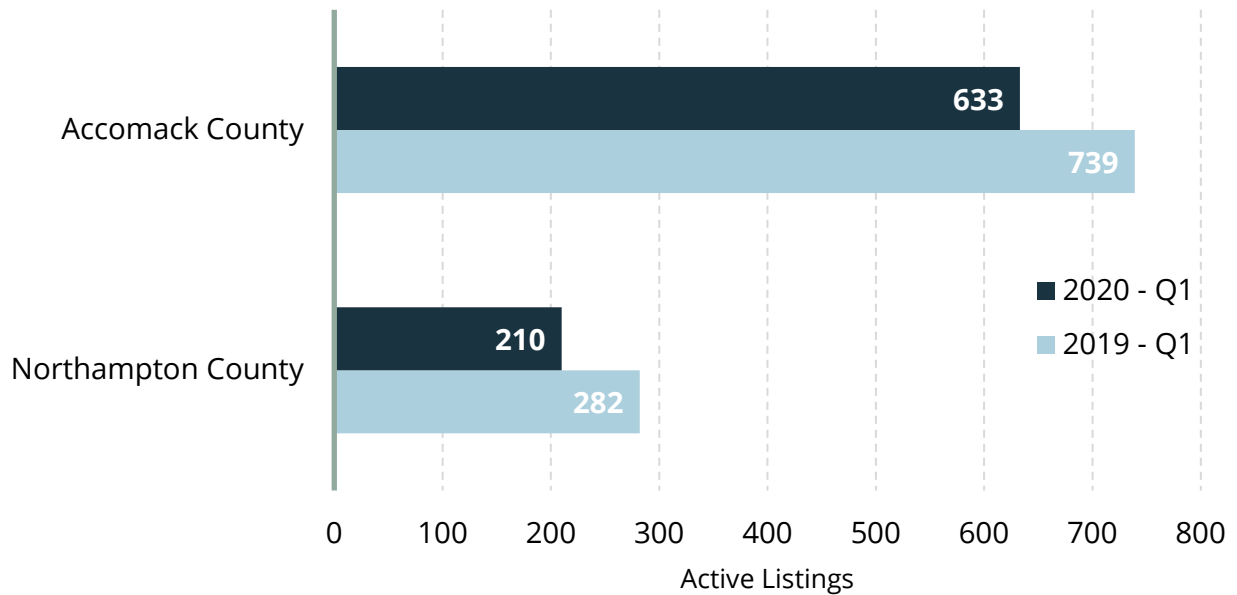


Local Snapshot – *Active Listings*

Accomack County: There were 633 active listings on the market in Accomack County at the end of the 1st quarter, down 14% from a year ago, a decline of 106 active listings. The inventory has been shrinking consistently for the past 2 years in the County.

Northampton County: The supply in the Northampton County housing market also continues to shrink. There were 210 active listings at the end of the 1st quarter in the County, 72 fewer listings than last year, a 26% drop.

Figure 14
End of 1st Quarter Active Listings, ESAR Jurisdictions
2019 and 2020



Source: Virginia REALTORS®, data accessed April 16, 2020



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.