

ESAR EASTERN SHORE HOME SALES REPORT

CUSTOM REPORT PREPARED BY
VIRGINIA REALTORS®

ESAR Home Sales Report

2nd Quarter 2020

Eastern Shore Association of REALTORS®

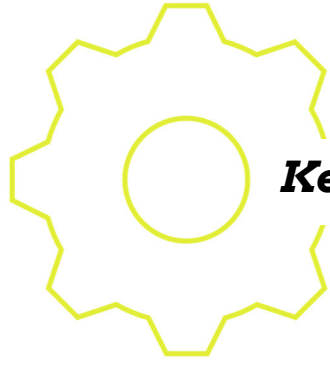
Market Report Key Takeaways

Economic Conditions

- Like the rest of the Commonwealth, the Eastern Shore region was hit by job losses during the spring. However, there is evidence that the regional economy is improving as we head into summer.
- Consumer confidence in the economy rebounded, after plummeting in March and April. Expectations about future economic conditions have been improving over the past two months.
- Record low mortgage rates have driven a refinance boom and have helped sustain the for-sale market during the COVID-19 pandemic and economic downturn. Low rates will continue throughout 2020 and into 2021.

Housing Market Conditions

- The housing market in the Eastern Shore slowed down overall this quarter. There were 173 sales in the 2nd quarter, down 9% from last year.
- At \$165,000, the 2nd quarter median sales price in the Eastern Shore market remained relatively flat from last year, inching down \$1,000.
- The supply of active listings is getting smaller in the Eastern Shore region. There were 844 active listings at the end of the 2nd quarter, 21% fewer than last year.



Key Trends Dashboard, ESAR

Economy



9.6%

Is the May-2020 **unemployment rate** in the ESAR footprint, which is down from Apr-2020



3.07%

Is the **30-year fixed-rate mortgage rate** during the 1st week of July 2020, which is down 0.45 percentage points from a year ago

Housing Market



-18

Fewer **home sales** in the ESAR footprint in Q2-2020 compared to last year



-1%

Percent change in **median sales price** in the ESAR region in Q2-2020 compared to a year ago



-\$6

Million dollars less in total **sold volume** in the ESAR footprint in Q2-2020 compared to last year



-21%

Percent change in **active listings** at the end of Q2-2020 in the ESAR market compared to a year ago

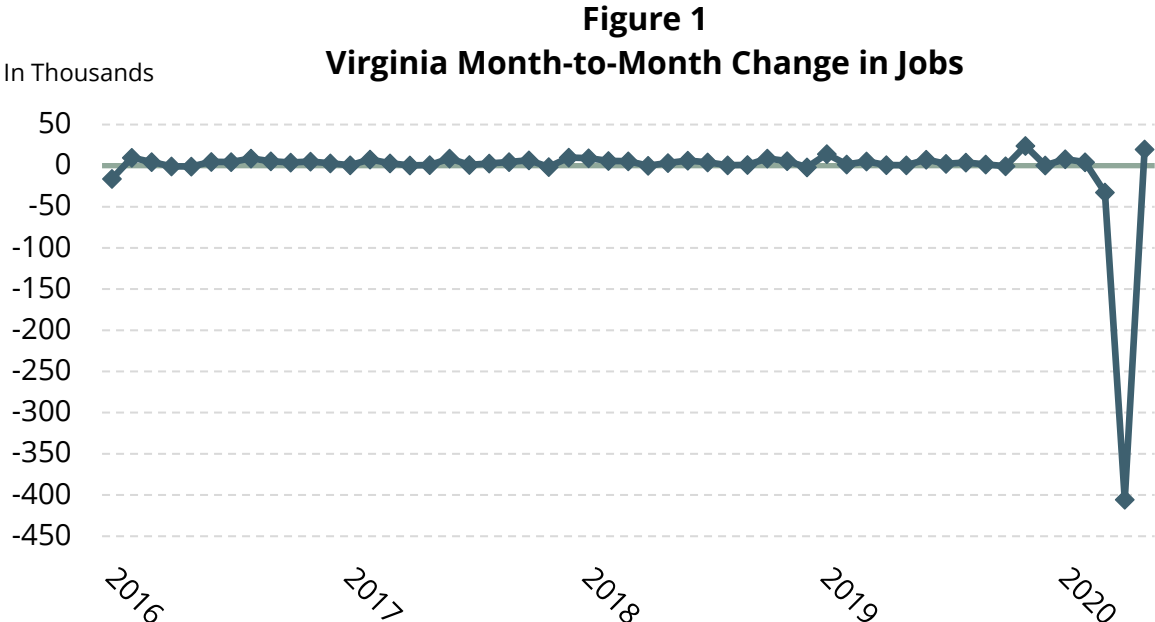


14.4

Months of supply in the ESAR footprint in Q2-2020, which is down from a year ago

Economic Overview

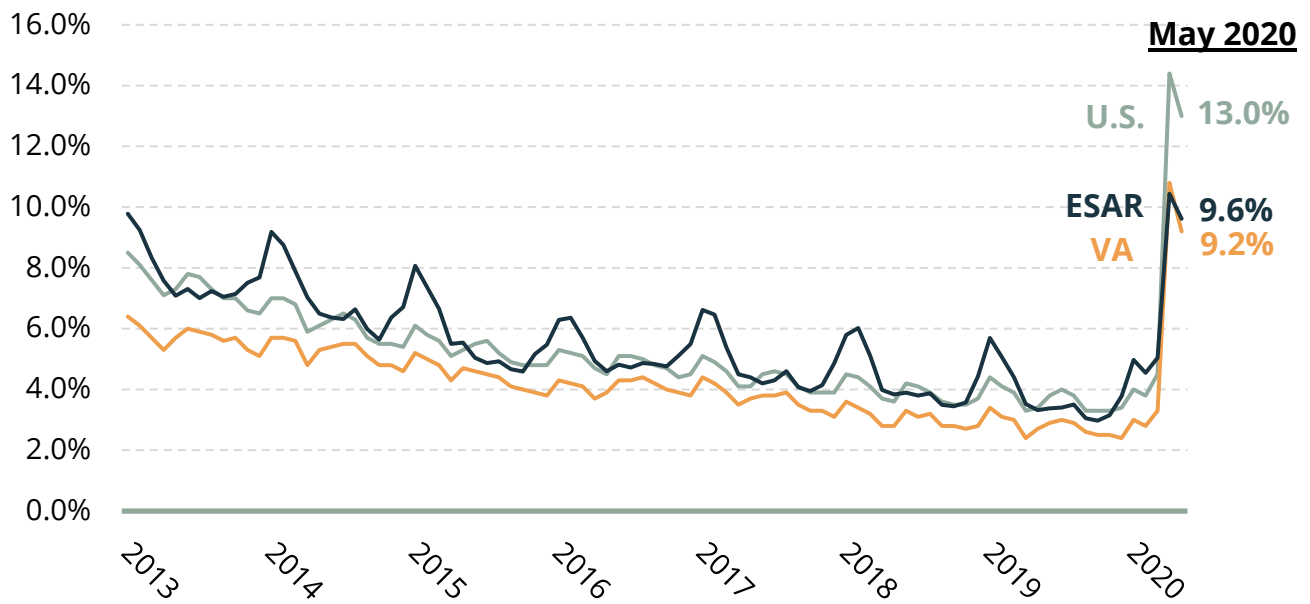
The COVID-19 outbreak led to an unprecedented economic downturn in both the U.S. and in Virginia. However, there is evidence that the economy has reached a turning point, and conditions should be improving over time. Nationally, the economy lost 22 million jobs in March and April. In May and June, however, the U.S. economy added 7.5 million jobs. Virginia also shed hundreds of thousands of jobs in March and April. However, in May, the State added 19,800 jobs.



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

Like the rest of the Commonwealth, the Eastern Shore region experienced job losses this spring. However, there is evidence that the regional economy is improving. In May, the unemployment rate in the Eastern Shore region was 9.6%, higher than the 2019 average, but below the unemployment rate in April. The unemployment rate in the Eastern Shore region remains above both the statewide and U.S. unemployment rates.

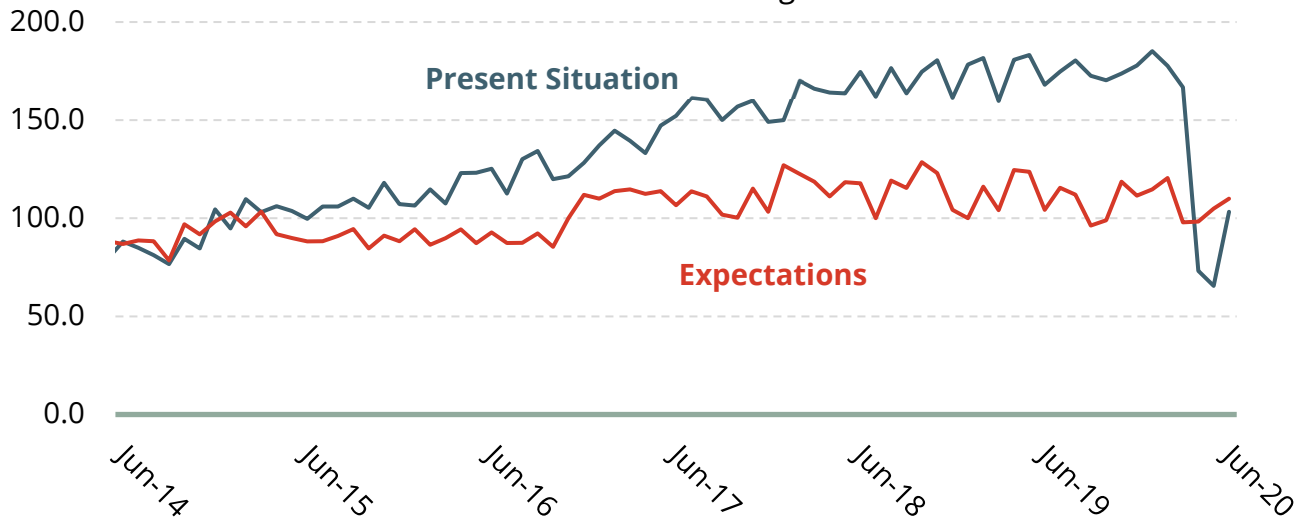
Figure 2
Unemployment Rate



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

Consumer confidence rebounded in June, although individuals and families were still feeling uncertain about economic conditions during most of the 2nd quarter. Among residents of the South Atlantic region of the U.S., which includes Virginia, the measure of confidence in current economic conditions was 103.3 in June, up strongly from April and May, though still significantly lower than the level earlier this year. The measure of consumers' confidence in future economic conditions rose to 110 in June, indicating growing confidence in where the economy is heading. A consumer confidence measure above 100 indicates consumers are feeling more optimistic about economic conditions.

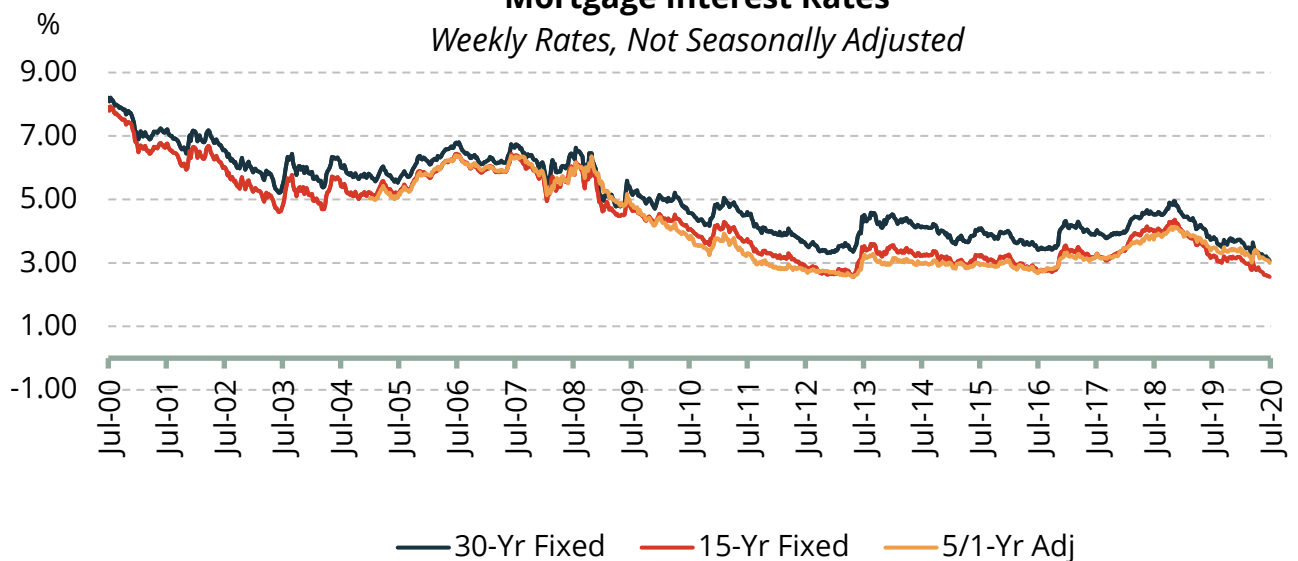
Figure 3
Consumer Confidence
South Atlantic Region



Source: The Conference Board

Throughout the spring and into the summer, mortgage rates have fallen to record lows. In the week ending July 4th, the average 30-year fixed-rate mortgage rate fell to 3.07%, down from 3.18% a month earlier and down from 3.75% a year ago. Record low mortgage rates have driven a refinance boom and have helped sustain the for-sale market. Mortgage rates should remain low throughout 2020 and 2021, which will help support the recovery of the State's housing market.

Figure 4
Mortgage Interest Rates
Weekly Rates, Not Seasonally Adjusted



Source: Federal Reserve Bank of St. Louis

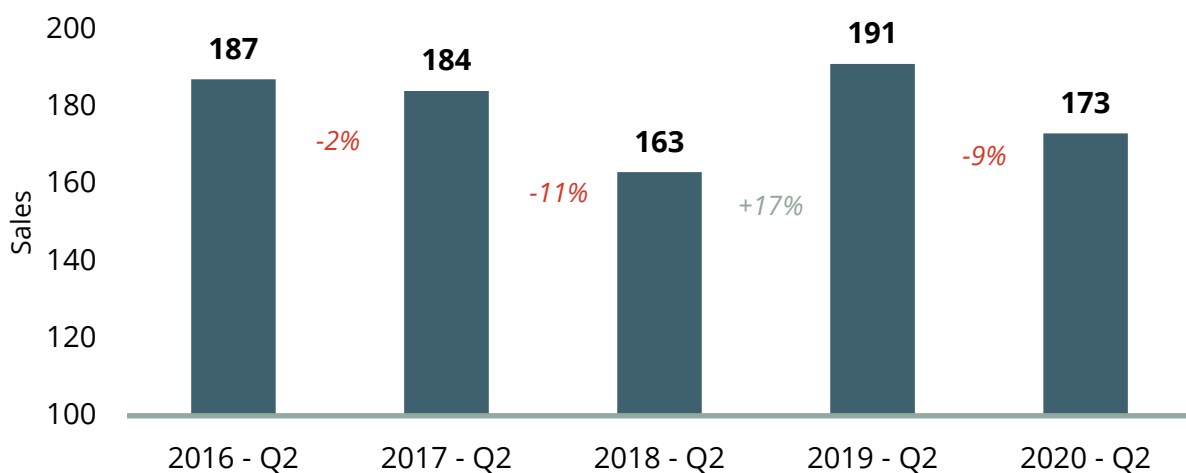
Housing Market Overview

The impact of COVID-19 on housing markets around Virginia continues to be monitored. While spring sales numbers in the Eastern Shore market reflect a slowdown, there was some evidence towards the end of the quarter that suggests activity is starting to pick back up. Home prices in the Eastern Shore market continue to be relatively flat overall, though there are varying trends in the northern and southern parts of the peninsula. It took about a week longer, on average, to sell homes in the 2nd quarter, and the supply of active listings, though still relatively high compared to other regions in Virginia, continues to shrink in the Eastern Shore region.

Sales

After strong growth at the start of the year, sales activity slowed down in the Eastern Shore housing market in the spring. There were 173 sales in the 2nd quarter, 18 fewer sales than a year ago, representing a 9% decline. The slowdown is reflective of market uncertainty caused by the COVID-19 pandemic and the economic downturn, and similar slowdowns occurred in many parts of the State. While the sales numbers are down for the 2nd quarter overall (i.e., April, May, and June), it is important to note that June sales activity in the Eastern Shore market is actually up 10% compared to last year. This is a signal that market activity could be trending back up in the summer in some local areas.

Figure 5
2nd Quarter Home Sales, ESAR
2016-2020



Source: Virginia REALTORS®, data accessed July 17, 2020



Local Snapshot – *Total Home Sales*

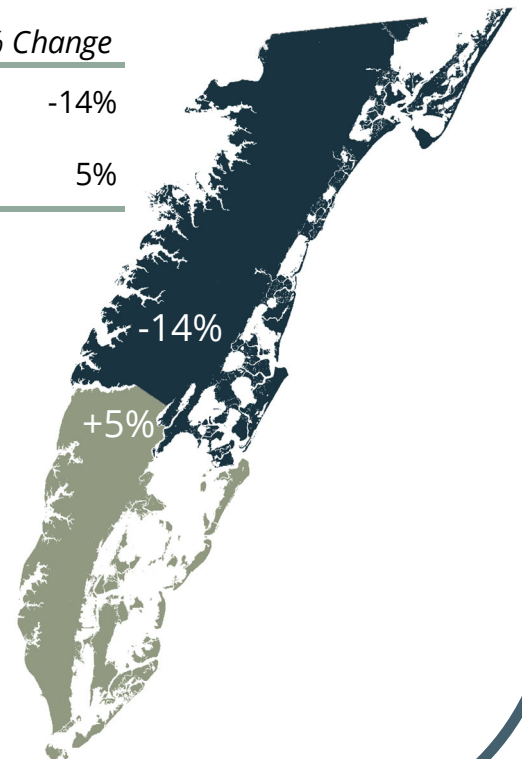
Accomack County: There were 127 sales in Accomack County in the 2nd quarter, 20 fewer sales than last year, a 14% decline. While quarterly sales were down for the County, all of the declines occurred in April and May. June sales activity in the County rose 6% from last year.

Northampton County: Sales activity in Northampton County remained relatively flat this quarter. There were 46 sales overall in the 2nd quarter in the County, 2 more sales than last year, which is a 5% uptick.

Figure 6
Change in Sales by Jurisdiction
ESAR
2nd Quarter 2019 to 2nd Quarter 2020

<i>Jurisdiction</i>	<i>2019 - Q2</i>	<i>2020 - Q2</i>	<i>% Change</i>
Accomack County	147	127	-14%
Northampton County	44	46	5%

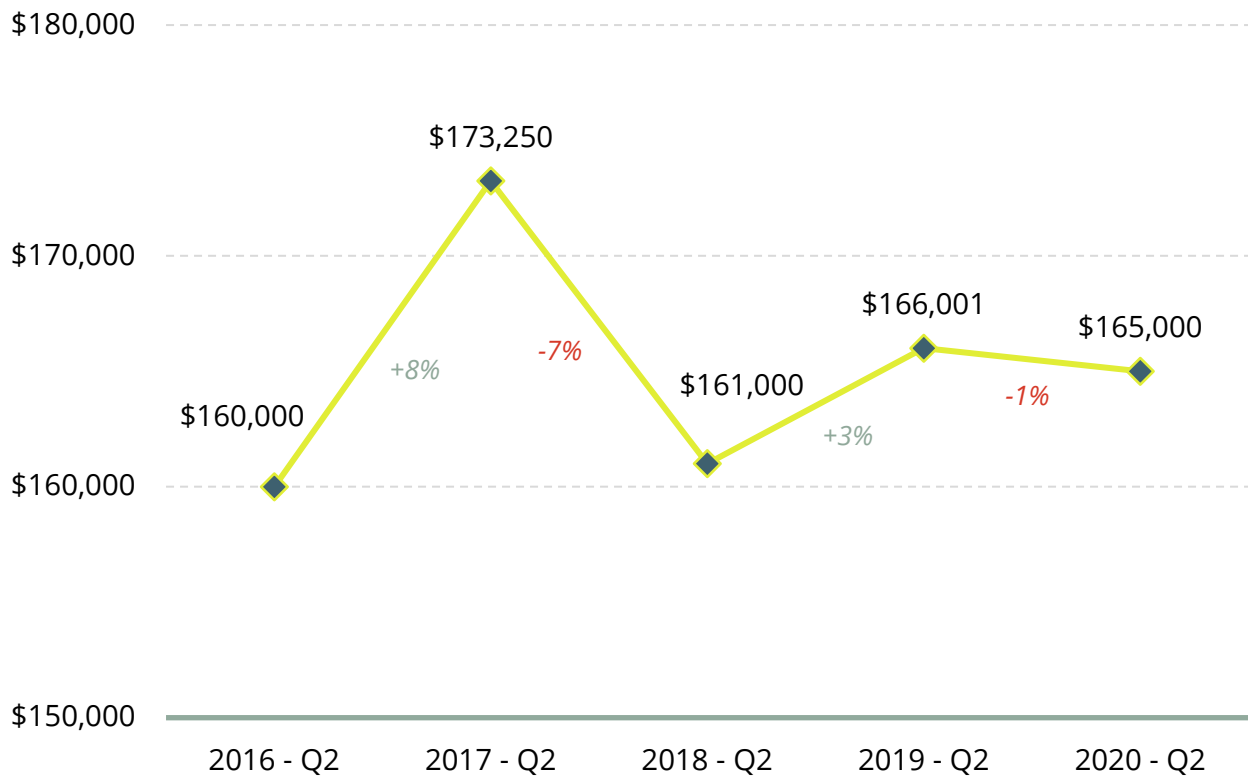
Source: Virginia REALTORS[®], data accessed July 17, 2020



Sales Prices

At \$165,000, the 2nd quarter median sales price in the Eastern Shore housing market was essentially flat from last year, inching down \$1,000, a 1% decline. Prior to this quarter, the median sales price in the region had been trending up for several quarters. At the State level, the median sales price in Virginia rose 2% in the 2nd quarter compared to last year.

Figure 7
2nd Quarter Median Sales Price, ESAR
2016-2020



Source: Virginia REALTORS®, data accessed July 17, 2020



Local Snapshot – Median Sales Price

Accomack County: Home prices in Accomack County continue to trend upward. At \$160,000, the 2nd quarter median sales price in the County rose 7% from a year ago, a gain of over \$10,000. The median sales price in the County has been climbing 7 of the last 8 quarters.

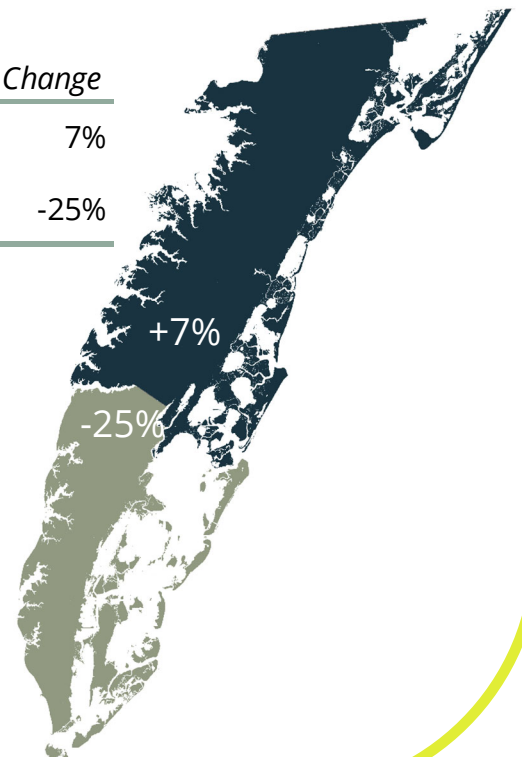
Northampton County: Prices are trending down in the Northampton County housing market. At \$186,500, the 2nd quarter median sales price plummeted 25% from last year, a \$61,000 drop. This is the 3rd consecutive median price drop in the County.

Figure 8
Change in Median Sales Price by Jurisdiction
ESAR

2nd Quarter 2019 to 2nd Quarter 2020

<i>Jurisdiction</i>	<i>2019 - Q2</i>	<i>2020 - Q2</i>	<i>% Change</i>
Accomack County	\$149,900	\$160,000	7%
Northampton County	\$247,500	\$186,500	-25%

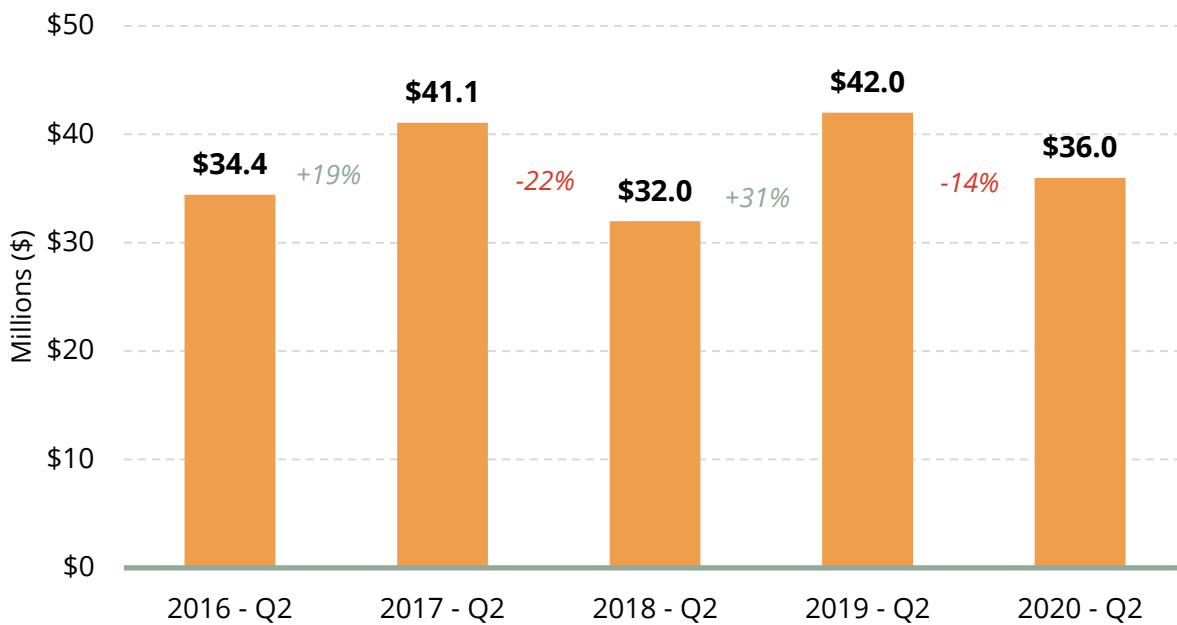
Source: Virginia REALTORS®, data accessed July 17, 2020



Sold Volume

Following big gains last quarter, the drop in sales activity this quarter led to a reduction in the total sold dollar volume in the Eastern Shore market compared to last year. There was approximately \$36.0 million in sold volume in the 2nd quarter in the region, a 14% decline from a year ago, which is about \$6.0 million less volume.

Figure 9
2nd Quarter Sold Dollar Volume (Millions), ESAR
2016-2020



Source: Virginia REALTORS®, data accessed July 17, 2020

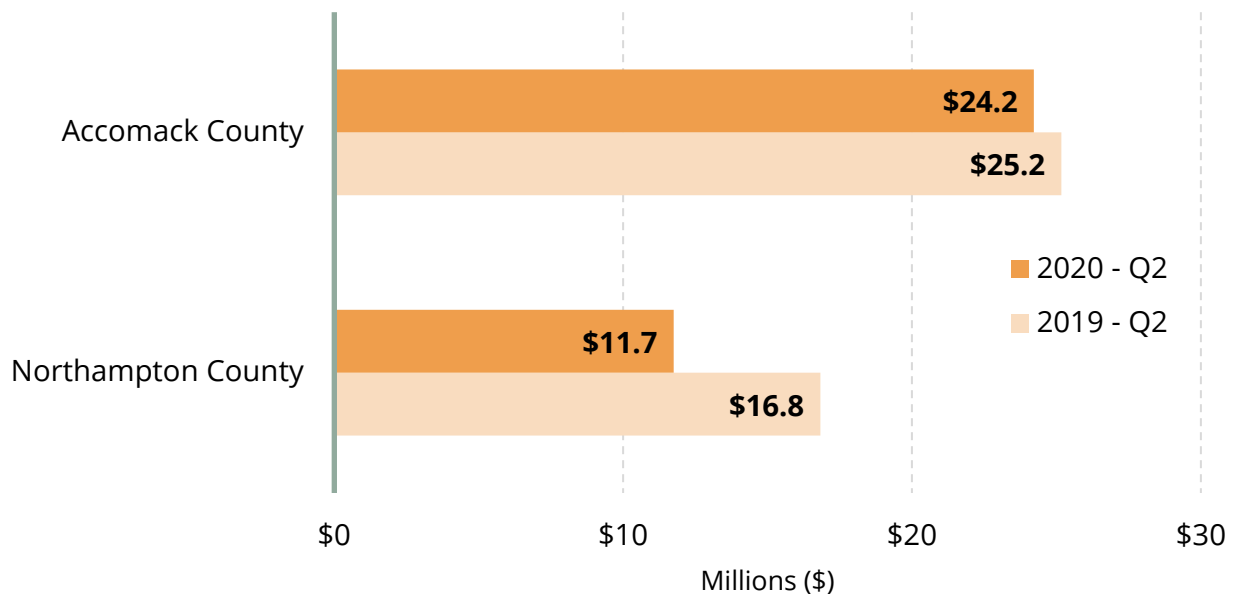


Local Snapshot – *Sold Dollar Volume*

Accomack County: There was approximately \$24.2 million of sold volume in Accomack County in the 2nd quarter, a 4% decline from last year, which is about \$1 million less volume. Prior to this decrease, the sold volume level had been trending up for 2 straight quarters.

Northampton County: Despite the uptick in sales transactions, the large drop in sales prices led to a decline in the total sold dollar volume this quarter in Northampton County. There was about \$11.7 million of sold volume during the 2nd quarter, which is a 30% decrease from a year ago, a \$5.1 million decline.

Figure 10
2nd Quarter Sold Dollar Volume, ESAR Jurisdictions
2019 and 2020

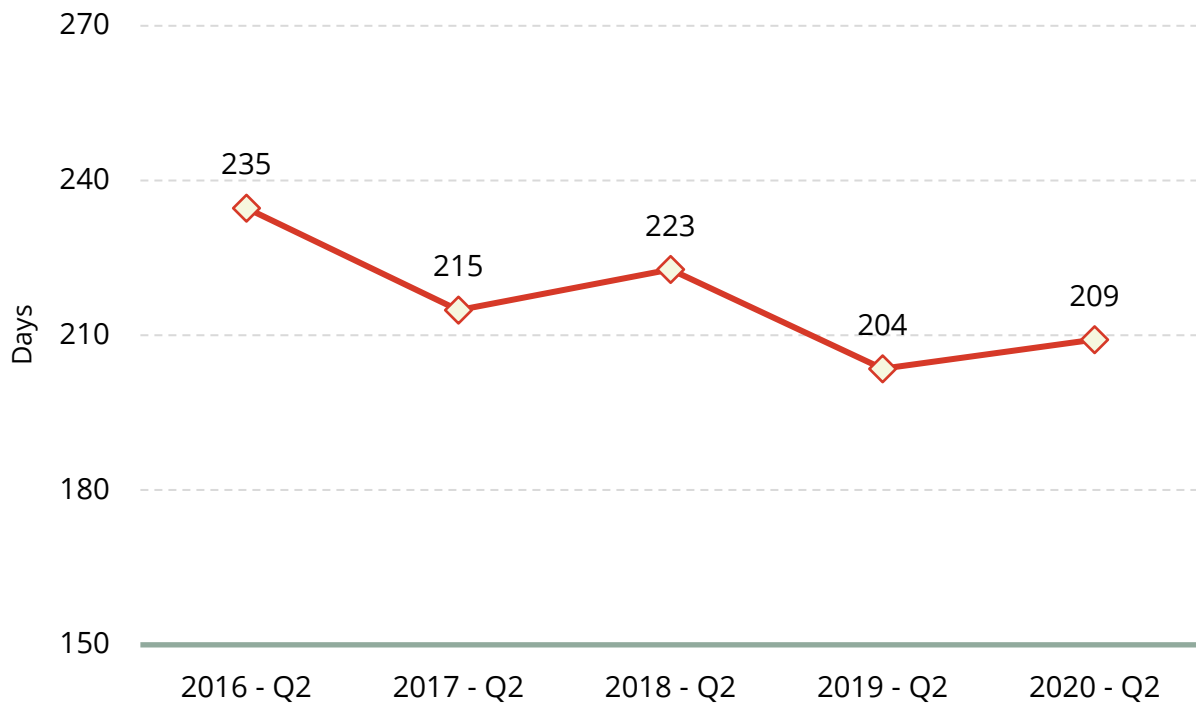


Source: Virginia REALTORS®, data accessed July 17, 2020

Days on Market

It is taking longer, on average, to sell homes in the Eastern Shore market during the 2nd quarter of 2020. At 209 days, the average days on market was 6 days higher than it was last year. This is the 3rd straight quarter of a longer average days on market for the region. At the State level, homes sold in 40 days, on average, during the 2nd quarter, which is 3 days faster than a year ago.

Figure 11
2nd Quarter Average Days on Market, ESAR
2016-2020



Source: Virginia REALTORS®, data accessed July 17, 2020

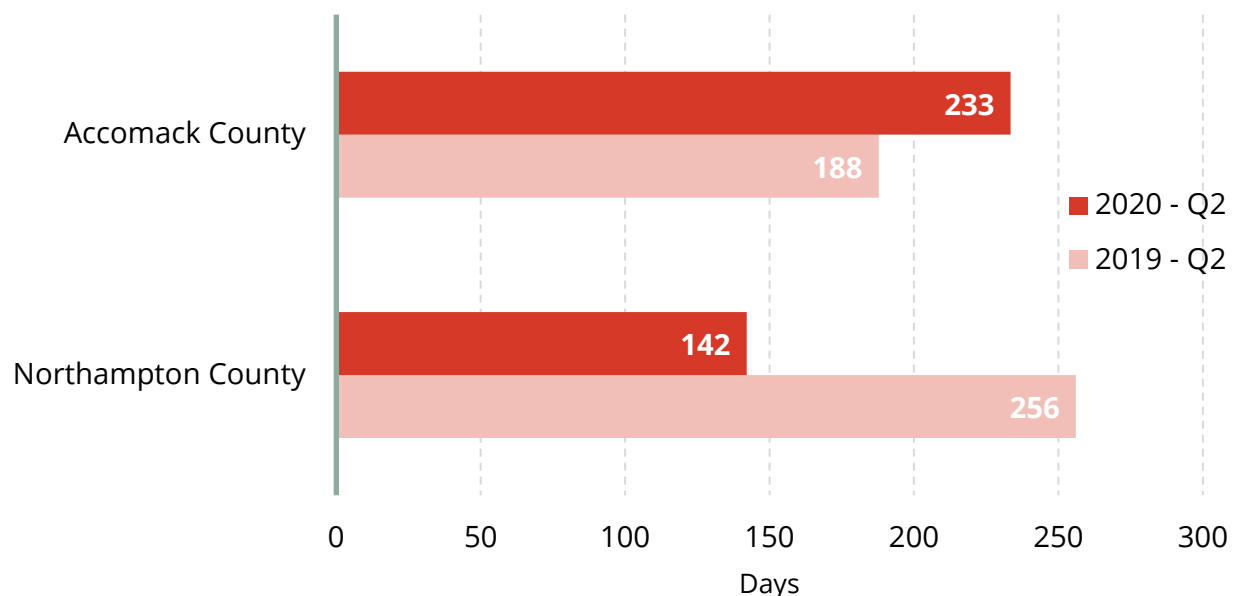


Local Snapshot – *Average Days on Market*

Accomack County: Homes continue to take longer to sell, on average, in Accomack County. The average days on market in the 2nd quarter was 233 days, which is 45 days longer than a year ago. This is the largest increase in this metric for the County since the fall of 2015.

Northampton County: At 142 days, the average days on market in Northampton County in the 2nd quarter was 114 days lower than last year. While homes typically sell faster in the spring market in the County, this is the lowest 2nd quarter level for the metric in over 5 years.

Figure 12
2nd Quarter Average Days on Market, ESAR Jurisdictions
2019 and 2020



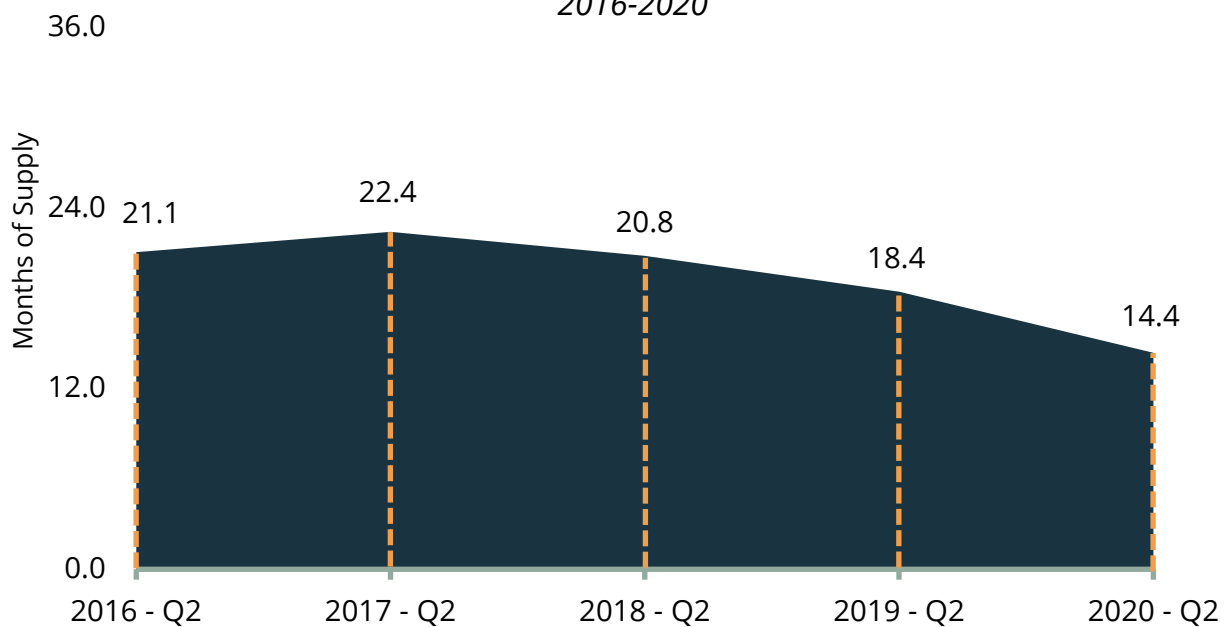
Source: Virginia REALTORS®, data accessed July 17, 2020

Inventory

The inventory of active listings continues to shrink in the Eastern Shore housing market. There were 844 active listings at the end of the 2nd quarter, which is 226 fewer listings than a year ago, representing a 21% drop. The supply of listings has been shrinking steadily since the spring of 2018 in both counties on the Eastern Shore. These supply trends are also occurring in many parts of the State, and in some areas the declines accelerated this quarter. The overall inventory of active listings in Virginia at the end of the 2nd quarter was 39% lower than it was a year ago.

While the number of active listings has been declining, the overall supply relative to the number of sales continues to be high in the Eastern Shore market. At the end of the 2nd quarter, there was an estimated 14.4 months of supply in the ESAR footprint, which is 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 the inventory of active listings. In most housing markets, a supply above 6 months tends to favor buyers rather than sellers.

Figure 13
End of 2nd Quarter Months Supply, ESAR
2016-2020



Source: Virginia REALTORS®, data accessed July 17, 2020

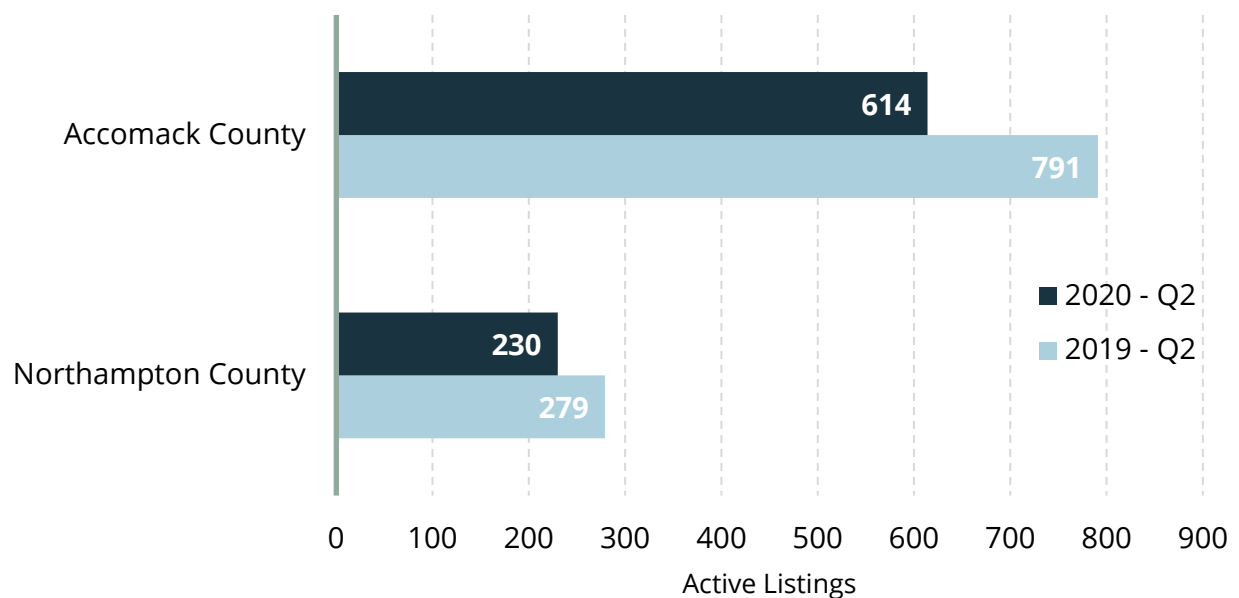


Local Snapshot – *Active Listings*

Accomack County: There were 614 active listings on the market in Accomack County at the end of the 2nd quarter, down 22% from a year ago, a decrease of 177 active listings. This is the lowest 2nd quarter inventory level in the County in more than 5 years.

Northampton County: There were 230 active listings in Northampton County at the end of the 2nd quarter, which is 49 fewer listings than last year, representing an 18% decline.

Figure 14
End of 2nd Quarter Active Listings, ESAR Jurisdictions
2019 and 2020



Source: Virginia REALTORS®, data accessed July 17, 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.