

ESAR EASTERN SHORE HOME SALES REPORT

CUSTOM REPORT PREPARED BY
VIRGINIA REALTORS®

ESAR Home Sales Report

3rd Quarter 2020

Eastern Shore Association of REALTORS®

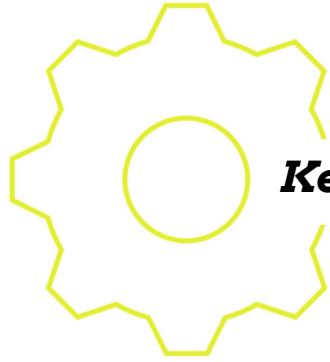
Market Report Key Takeaways

Economic Conditions

- In the Eastern Shore region, economic conditions improved in the 3rd quarter, with the regional unemployment rate falling steadily.
- Consumer confidence in the economy plummeted in August but rebounded again in September.
- Mortgage rates remained at historically low levels throughout the 3rd quarter; rates will likely remain low well into 2021.

Housing Market Conditions

- Market activity surged this quarter in the Eastern Shore region following a sluggish spring. There were 312 sales in the 3rd quarter, a 59% jump from last year, a gain of 116 sales.
- Home prices in the region grew strongly this quarter. At \$239,000, the 3rd quarter median sales price in the Eastern Shore market rose 37% from last year, a gain of \$64,000.
- The supply of active listings continues to shrink in the ESAR footprint. There were 799 active listings at the end of the 3rd quarter, 20% fewer than last year.



Key Trends Dashboard, ESAR

Economy



6.3%

Is the Aug-2020 **unemployment rate** in the ESAR footprint, which is down from Jul-2020



2.81%

Is the **30-year fixed-rate mortgage rate** during the 2nd week of October 2020, which is down 0.88 percentage points from a year ago

Housing Market



116

More **home sales** in the ESAR footprint in Q3-2020 compared to last year



37%

Percent change in **median sales price** in the ESAR region in Q3-2020 compared to a year ago



\$47.5

Million dollars more in total **sold volume** in the ESAR footprint in Q3-2020 compared to last year



-20%

Percent change in **active listings** at the end of Q3-2020 in the ESAR market compared to a year ago



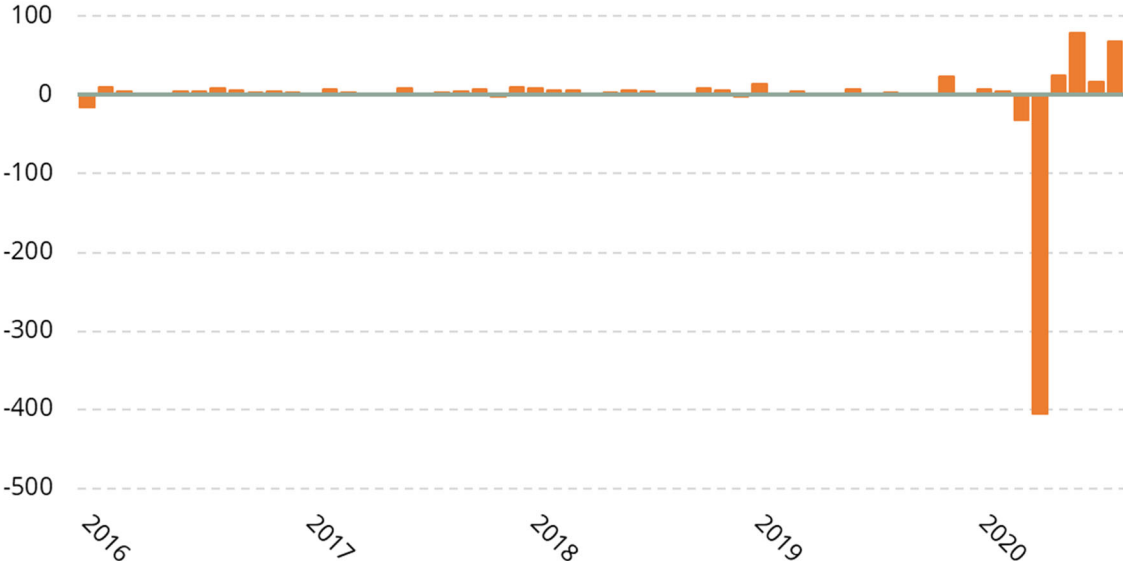
11.7

Months of supply in the ESAR footprint in Q3-2020, which is down from a year ago

Economic Overview

The national economy improved in the 3rd quarter of 2020, though there are some signs of uncertainty in the recovery. The U.S. economy gained jobs for five consecutive months and the national unemployment rate fell to 7.9% in September. Economic conditions in Virginia are somewhat better than they are nationally. The Commonwealth has added jobs consistently for four consecutive months, with 68,000 jobs gained in August. Even with these gains, there are still about 212,000 fewer jobs in Virginia this year compared to a year ago. Full recovery of the jobs lost this spring is still a long way off.

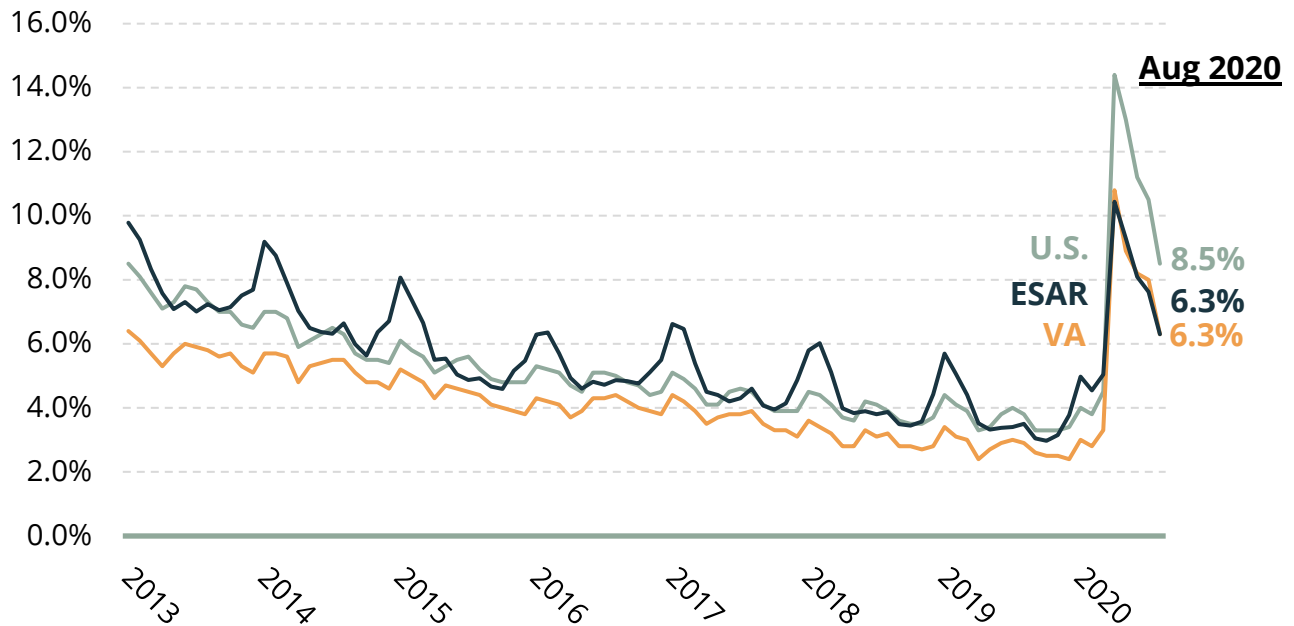
Figure 1
Virginia Month-to-Month Change in Jobs



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

Like the rest of the Commonwealth, the Eastern Shore region has seen economic conditions improve in the 3rd quarter. The regional unemployment rate was 6.3% in August, falling from 8.1% and 7.6% in June and July, respectively. While unemployment remains elevated in the Eastern Shore area, the decline in the region’s unemployment rate is a positive sign.

Figure 2
Unemployment Rate

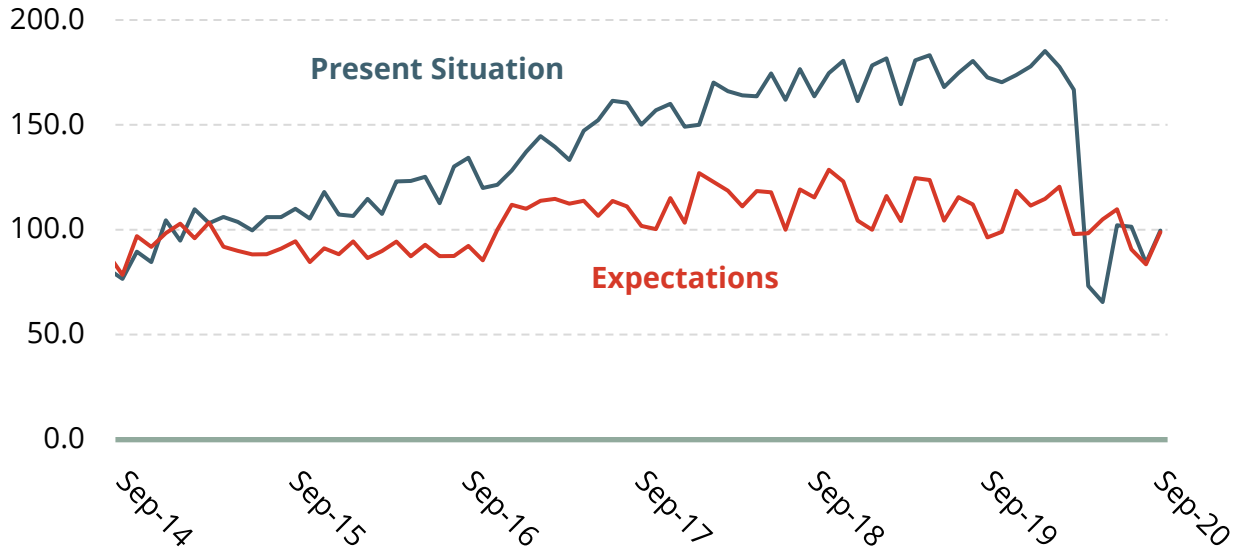


Source: U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics

Measures of consumer confidence reflect the ongoing uncertainty in the economic recovery. The consumer confidence indices for the South Atlantic region (which includes Virginia) plummeted in August before rebounding in September. The measure of confidence in the present economic situation was 99.6 and the future consumer confidence index was 98.8 in September. A consumer confidence index of 100 or more indicates individuals feel optimistic about economic conditions.

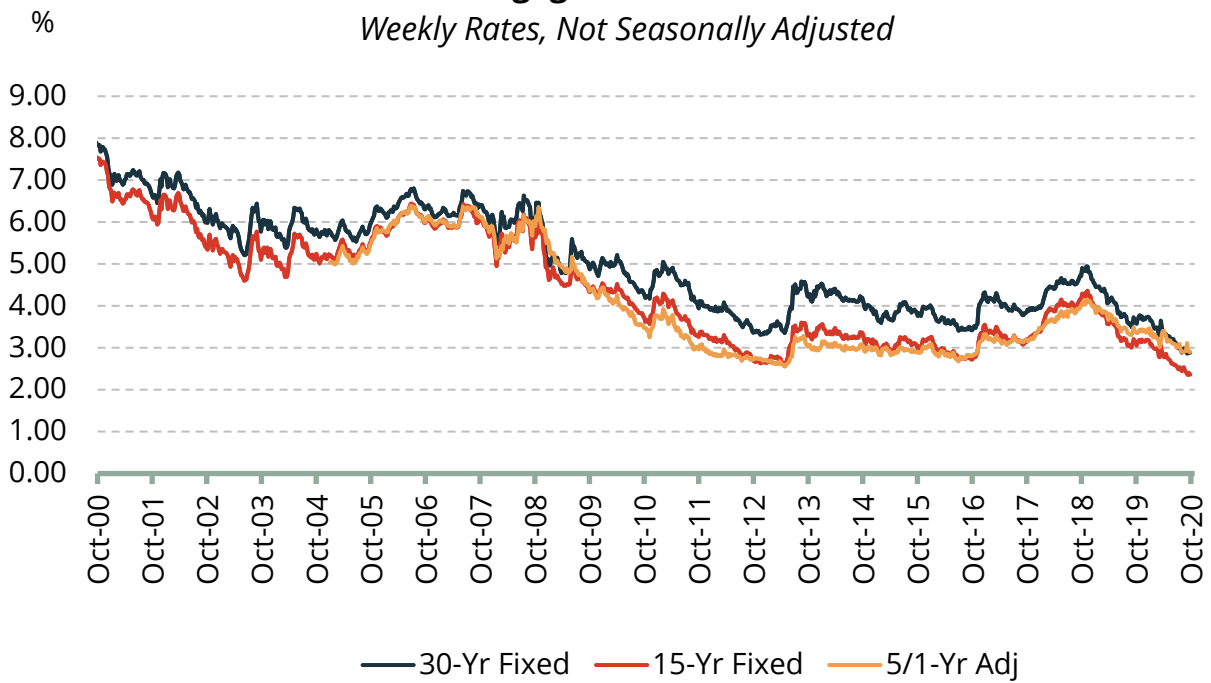
During the 3rd quarter, historically low mortgage rates have continued to spur refinance and purchase activity and sustain confidence in the for-sale housing market. The average 30-year fixed-rate mortgage rate has been below 3% throughout August and September. The pace of mortgage applications slowed slightly at the end of the summer, likely due to a lack of inventory.

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

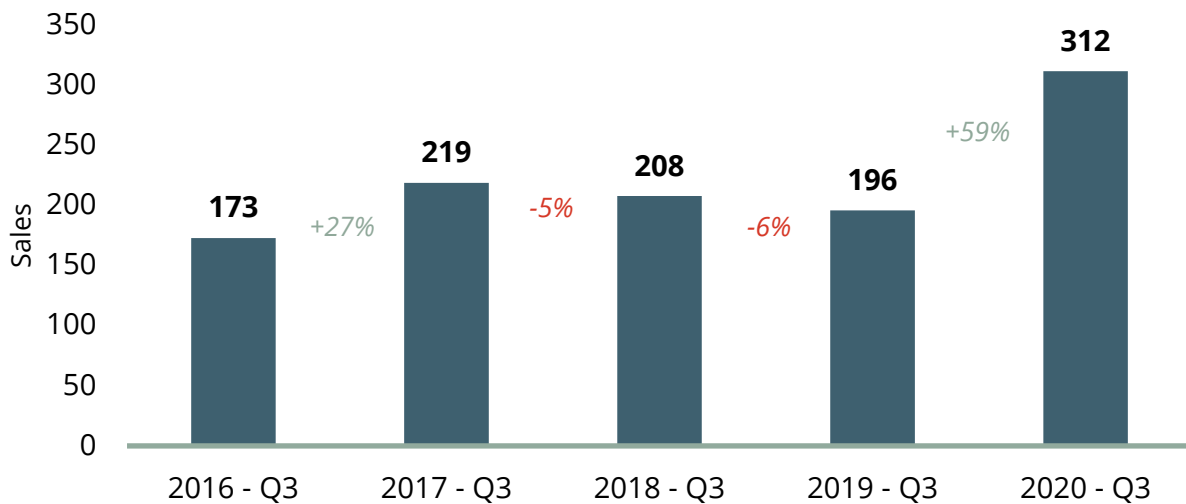
Housing Market Overview

The Eastern Shore housing market had a busy summer, with surges in both home sales and prices. This led to a total sold dollar volume that was more than double the volume in the 3rd quarter of last year. The market data reflect a significant rebound in the Eastern Shore housing market from the slow spring and early months of the ongoing pandemic. Homes sold slightly faster in the region, on average, and the inventory of active listings continues to shrink, though compared to other markets across Virginia, there is still a relatively ample supply of options for buyers that are active in the market.

Sales

Home sales surged on the Eastern Shore this summer, rebounding from a slow spring market. There were 312 sales in the ESAR footprint during the 3rd quarter, a 59% increase from last year, an influx of 116 sales. This represents the largest increase in home sales the Eastern Shore has had in any quarter in more than 5 years. The strong growth in sales activity this summer likely reflects some buyers who have resumed their home searches following a pause in the early months of the ongoing pandemic. The total number of sales statewide jumped up 17% in the 3rd quarter compared to last year, which reflects a widespread rebound in housing markets around the Commonwealth.

Figure 5
3rd Quarter Home Sales, ESAR
2016-2020



Source: Virginia REALTORS®, data accessed October 15, 2020



Local Snapshot – *Total Home Sales*

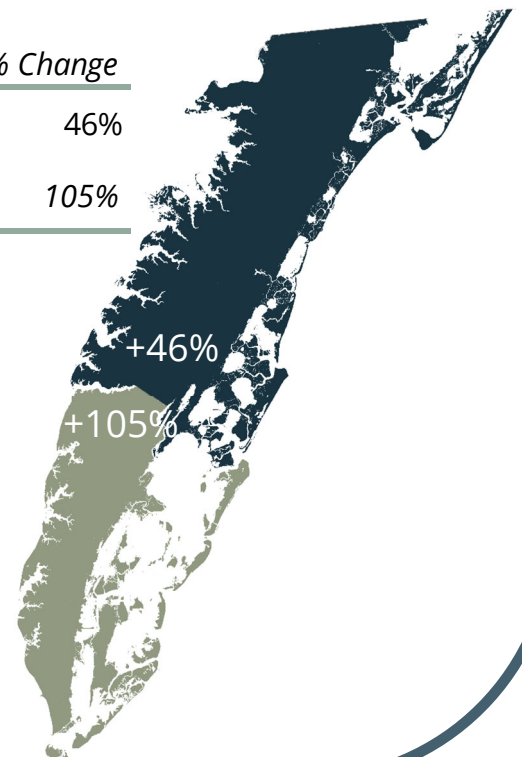
Accomack County: After slowing down last quarter, sales activity in Accomack County surged over the summer. There were 222 sales in the County during the 3rd quarter, a 46% jump from a year ago, an increase of 70 sales. This is the largest quarterly sales gain for the County in over 5 years.

Northampton County: There were 90 sales in Northampton County during the 3rd quarter, more than double (+105%) the number of sales at this time last year, an increase of 46 sales. Similar to Accomack County, this is the largest quarterly sales gain for the County in over 5 years.

Figure 6
Change in Sales by Jurisdiction
ESAR
3rd Quarter 2019 to 3rd Quarter 2020

<i>Jurisdiction</i>	<i>2019 - Q3</i>	<i>2020 - Q3</i>	<i>% Change</i>
Accomack County	152	222	46%
Northampton County	44	90	105%

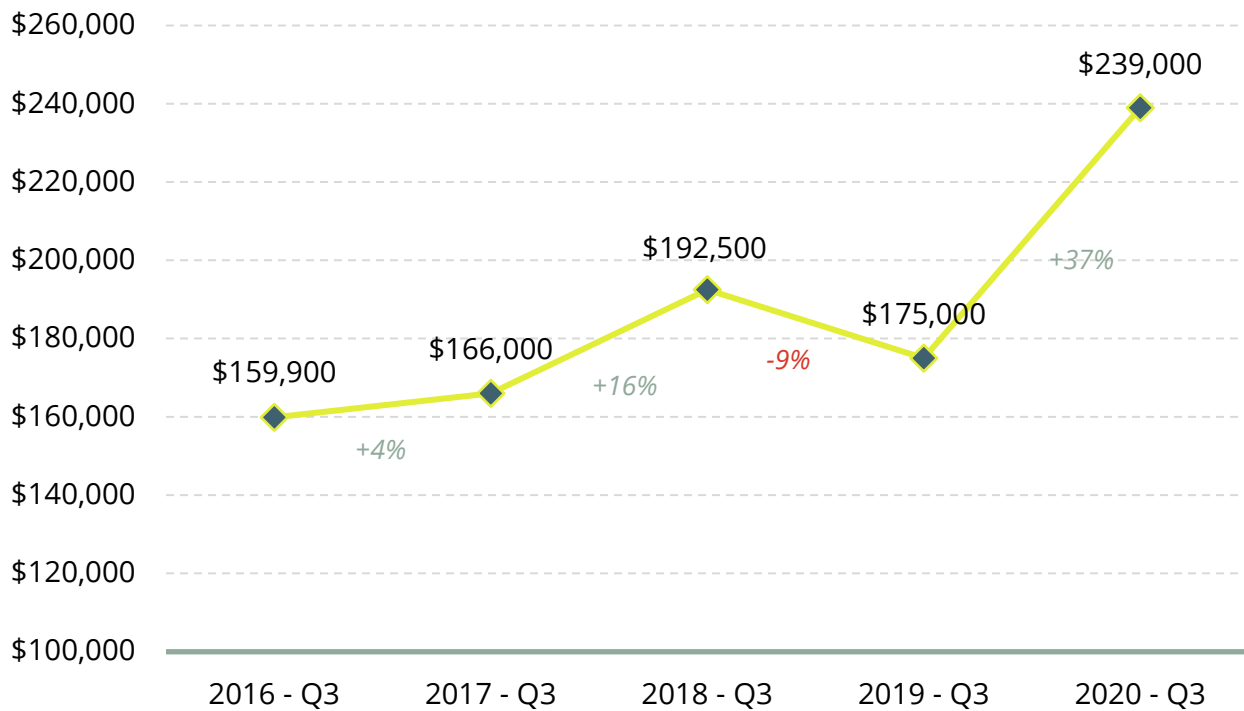
Source: Virginia REALTORS[®], data accessed October 15, 2020



Sales Prices

Home prices rose sharply throughout the Eastern Shore market this quarter. At \$239,000, the 3rd quarter median sales price jumped up by \$64,000, which is a 37% spike from last year. Besides flat prices last quarter and a dip last summer, home prices have been climbing in the Eastern Shore region for much of the past couple of years. This quarter is the largest median price gain the Eastern Shore market has had in more than 5 years. At the State level, the median sales price in Virginia climbed 10% in the 3rd quarter compared to last year.

Figure 7
3rd Quarter Median Sales Price, ESAR
2016-2020



Source: Virginia REALTORS®, data accessed October 15, 2020



Local Snapshot – Median Sales Price

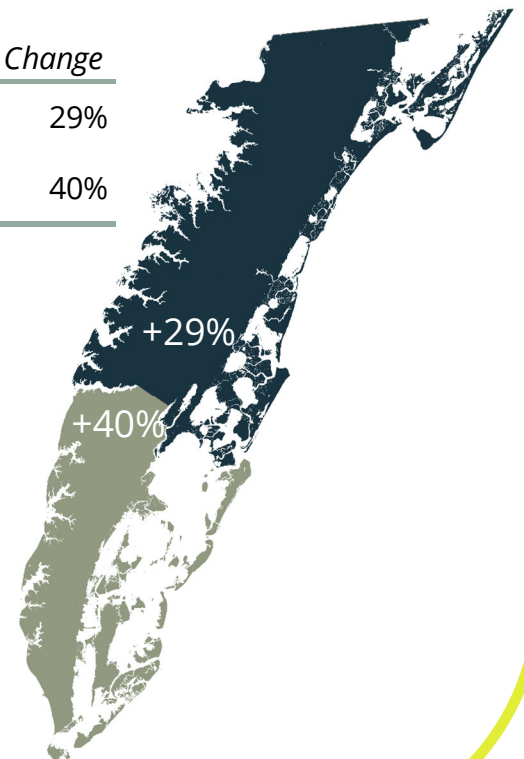
Accomack County: Home prices are climbing rapidly in Accomack County. At \$212,400, the 3rd quarter median sales price in the County rose 29% from last year, an increase of \$47,700. Prices have been trending up in the County for 4 straight quarters.

Northampton County: After declining for several quarters, home prices rose sharply in Northampton County this quarter. The 3rd quarter median sales price was \$359,500, which is 40% higher than at this time last year, an increase of \$102,000.

Figure 8
Change in Median Sales Price by Jurisdiction
ESAR
3rd Quarter 2019 to 3rd Quarter 2020

<i>Jurisdiction</i>	<i>2019 - Q3</i>	<i>2020 - Q3</i>	<i>% Change</i>
Accomack County	\$164,700	\$212,400	29%
Northampton County	\$257,500	\$359,500	40%

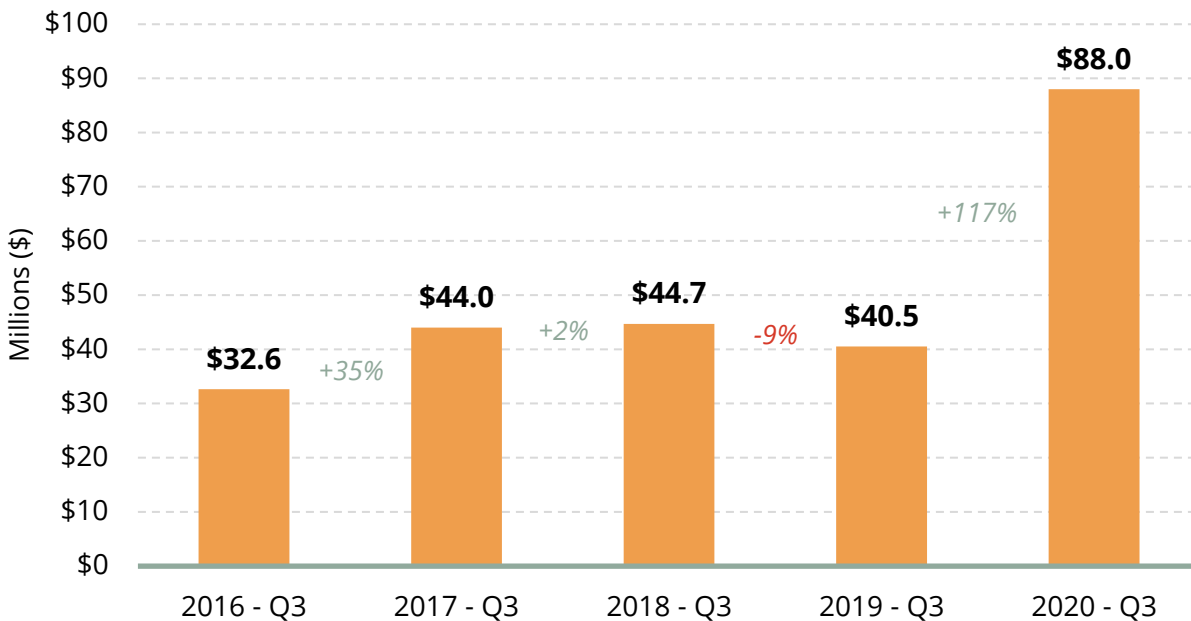
Source: Virginia REALTORS®, data accessed October 15, 2020



Sold Volume

Very strong price growth and a surge in sales led to a significant increase in sold dollar volume this quarter in the ESAR footprint. There was approximately \$88.0 million of sold volume across the region in the 3rd quarter, more than double the amount of volume a year ago (+117%), a gain of \$47.5 million. This represents the largest increase of quarterly sold volume the Eastern Shore market has had during any quarter in more than 5 years. The large increase in sold volume this quarter indicates that some of the pent-up demand from the slow spring has now been absorbed into the market.

Figure 9
3rd Quarter Sold Dollar Volume (Millions), ESAR
2016-2020



Source: Virginia REALTORS®, data accessed October 15, 2020

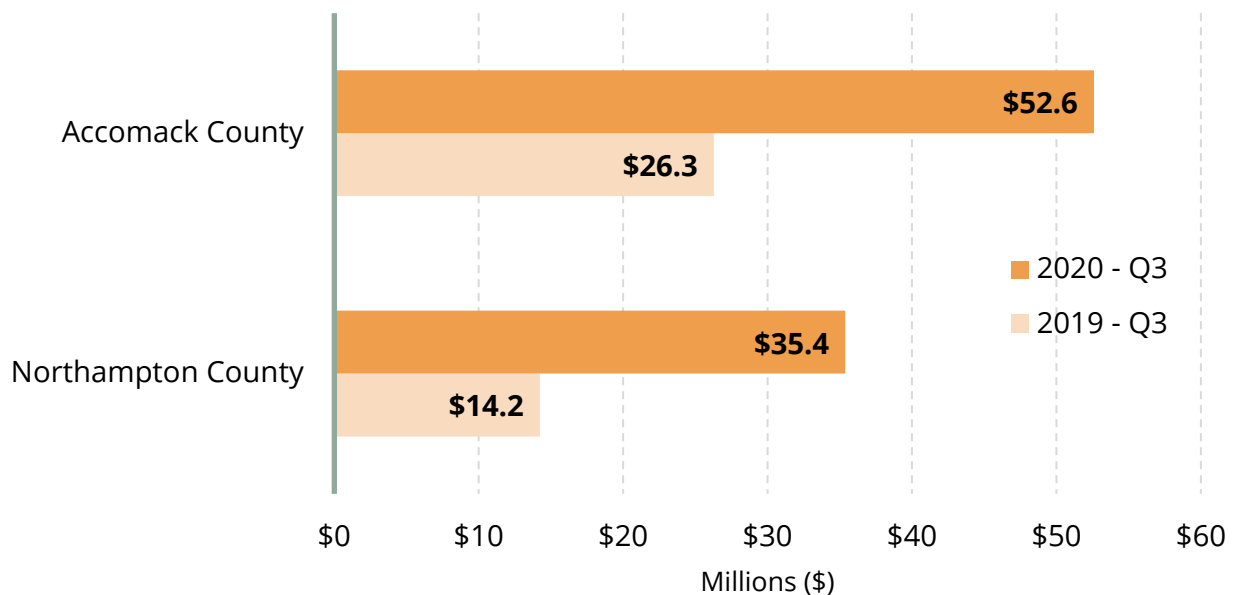


Local Snapshot – Sold Dollar Volume

Accomack County: The large increase in sales activity and rising home prices led to a dramatic increase in the sold dollar volume this quarter in Accomack County. There was approximately \$52.6 million of sold volume in the County during the 3rd quarter, double the amount of volume a year ago (+100%), an increase of \$26.3 million.

Northampton County: There was approximately \$35.4 million of sold volume in Northampton County in the 3rd quarter, nearly 2½ times the amount of sold volume as this time last year (+148%), an increase of \$21.2 million. The jump in home prices and influx of sales in the County drove the sold volume up to its highest level of any quarter in more than 5 years.

Figure 10
3rd Quarter Sold Dollar Volume, ESAR Jurisdictions
2019 and 2020

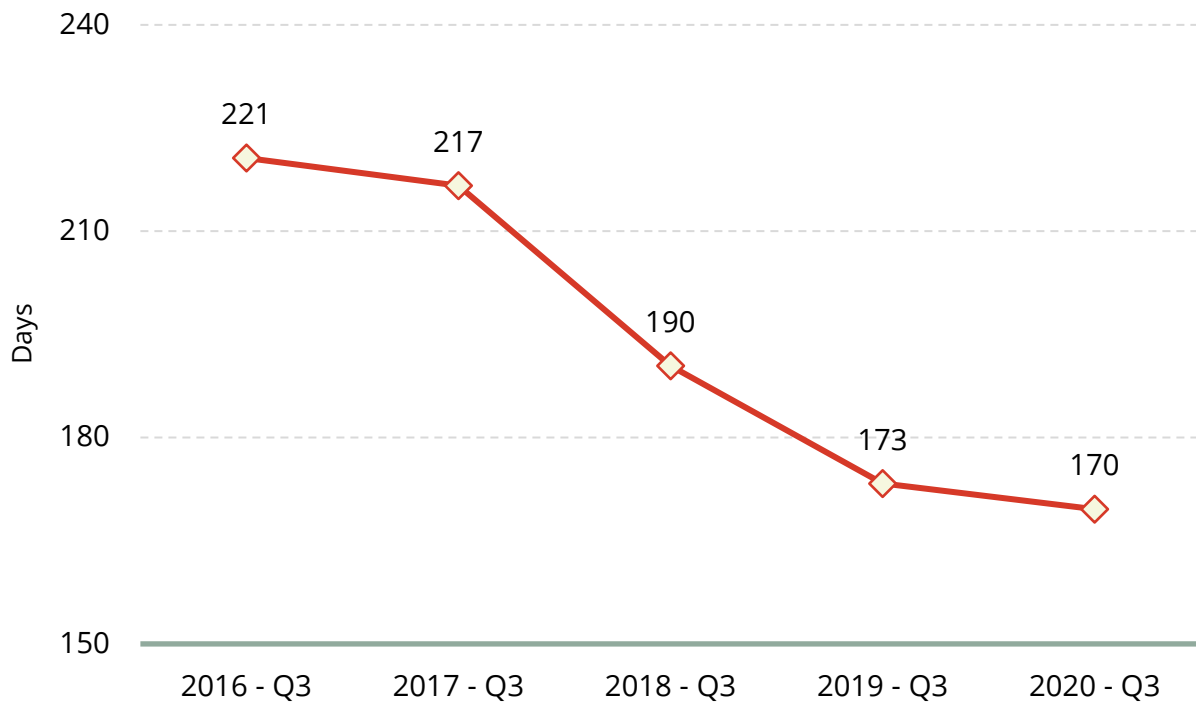


Source: Virginia REALTORS®, data accessed October 15, 2020

Days on Market

Homes sold slightly faster overall in the Eastern Shore region this quarter. At 170 days, the average days on market is 3 days lower than a year ago. This is the 1st decrease in this metric in the ESAR area since summer of last year. Statewide, homes sold in 39 days, on average, during the 3rd quarter, which is 5 days faster than last year.

Figure 11
3rd Quarter Average Days on Market, ESAR
2016-2020



Source: Virginia REALTORS®, data accessed October 15, 2020

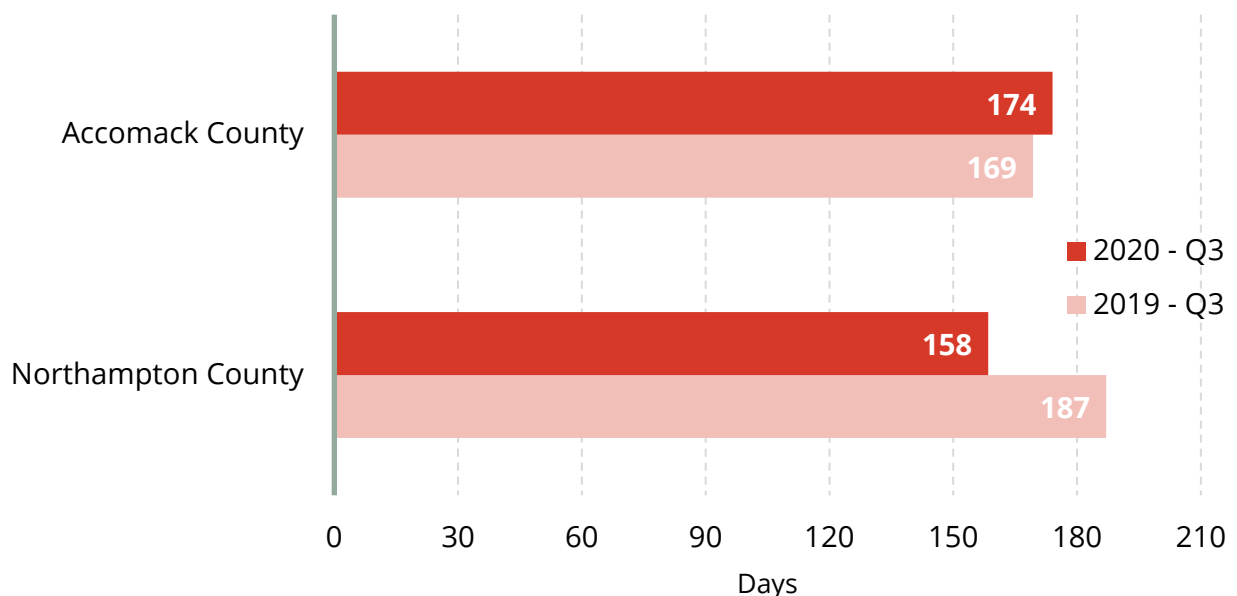


Local Snapshot – *Average Days on Market*

Accomack County: At 174 days, the average days on market during the 3rd quarter in Accomack County was 5 days slower than a year ago. Homes have been taking longer to sell, on average, for 4 straight quarters in the County.

Northampton County: Homes that sold during the 3rd quarter in Northampton County were on the market about 5 months (158 days), on average, which is close to a month faster (-29 days) than a year ago.

Figure 12
3rd Quarter Average Days on Market, ESAR Jurisdictions
2019 and 2020



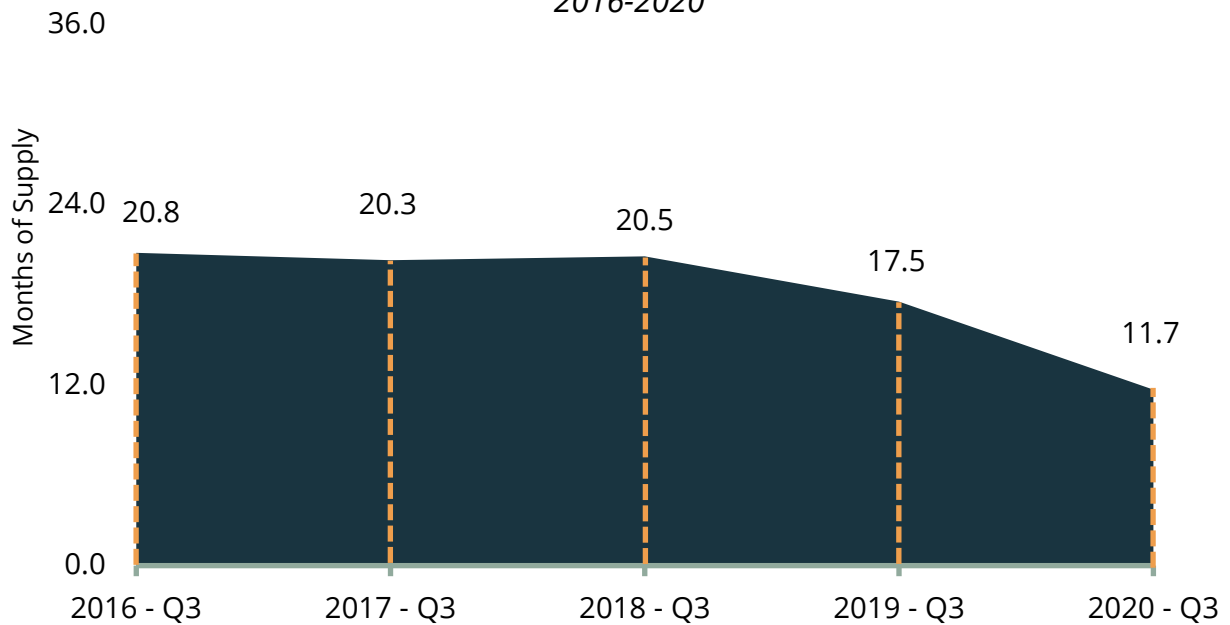
Source: Virginia REALTORS®, data accessed October 15, 2020

Inventory

The supply of homes for sale on the Eastern Shore continues to decline each quarter at a fairly quick pace. Despite the declines in inventory, the overall number of active listings relative to the sales transactions each quarter remains high compared to other parts of Virginia. There were 799 active listings on the market at the end of the 3rd quarter, 201 fewer active listings than last year, representing a 20% decline. The inventory level has been trending down in the ESAR market for more than 2 years. The overall supply of active listings in Virginia at the end of the 3rd quarter was 39% lower than it was last year.

At the end of the 3rd quarter, there was an estimated 11.7 months of supply in the ESAR footprint, which is 5.8 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. In most housing markets, a supply above 6 months tends to favor buyers rather than sellers.

Figure 13
End of 3rd Quarter Months Supply, ESAR
2016-2020



Source: Virginia REALTORS®, data accessed October 15, 2020

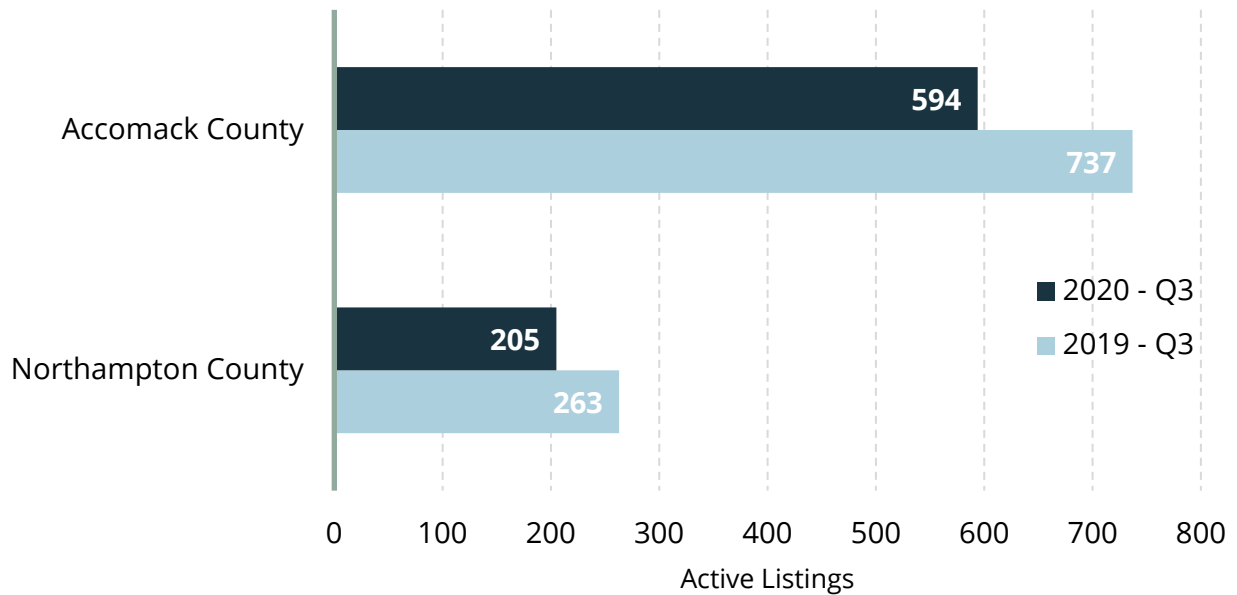


Local Snapshot – *Active Listings*

Accomack County: The inventory in the Accomack County housing market continues to shrink. There were 594 active listings on the market at the end of the 3rd quarter in the County, a 19% decline from last year, which is 143 fewer listings.

Northampton County: There were 205 active listings on the market in Northampton County at the end of the 3rd quarter, 58 fewer listings than a year ago, a 22% drop. The supply in the County’s housing market has been shrinking for 9 consecutive quarters.

Figure 14
End of 3rd Quarter Active Listings, ESAR Jurisdictions
2019 and 2020



Source: Virginia REALTORS®, data accessed October 15, 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:

Robin Spensieri
Virginia REALTORS® Vice President of Communications and Media Relations
rspensieri@virginiarealtors.org
804-622-7954

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.