

ESAR EASTERN SHORE HOME SALES REPORT

CUSTOM REPORT PREPARED BY
VIRGINIA REALTORS®

ESAR Home Sales Report

4th Quarter 2020

Eastern Shore Association of REALTORS®

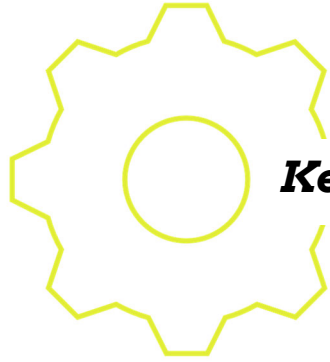
Market Report Key Takeaways

Economic Conditions

- In the 4th quarter of 2020, economic conditions continued to improve both in Virginia and in the Eastern Shore region. There have been steady gains in employment and a consistent decline in the unemployment rate since the summer.
- Consumer confidence dropped in December, reflecting uncertain political and economic conditions at the end of 2020.
- Mortgage rates remained at historically low levels throughout the 4th quarter, fueling strong home sales activity.

Housing Market Conditions

- Sales continue to surge in the ESAR area housing market. There were 294 sales in the 4th quarter, a 62% jump from last year.
- Home prices are rising rapidly in all local markets. The overall median sales price for the region was \$216,000 in the 4th quarter, a 17% increase from last year, a gain of \$31,000.
- The inventory is getting smaller in the Eastern Shore market. There were 660 active listings in the region at the end of the 4th quarter, a 19% reduction from last year.



Key Trends Dashboard, ESAR

Economy



4.7%

Is the Nov-2020 **unemployment rate** in the ESAR footprint, which is down from Oct-2020



2.65%

Is the **30-year fixed-rate mortgage rate** during the 1st week of January 2021, which is down 1.07 percentage points from a year ago

Housing Market



113

More **home sales** in the ESAR footprint in Q4-2020 compared to last year.



17%

Percent change in **median sales price** in the ESAR region in Q4-2020 compared to a year ago



\$38

Million dollars more in total **sold volume** in the ESAR footprint in Q4-2020 compared to last year



-19%

Percent change in **active listings** at the end of Q4-2020 in the ESAR market compared to a year ago



8.5

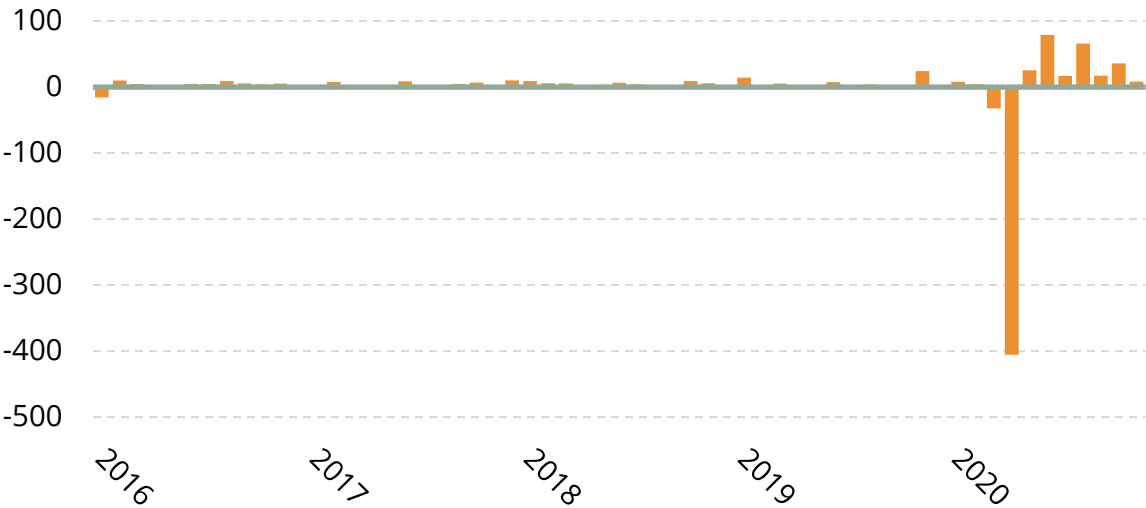
Months of supply in the ESAR footprint in Q4-2020, which is down from a year ago

Economic Overview

The economic recession officially began 10 months ago. Economic conditions continue to improve, although the pace of recovery has slowed in recent months. Looking ahead, the 2nd round of Federal assistance and the ramp-up in the distribution of the COVID-19 vaccine will be critical for strengthening the economy in 2021.

Economic conditions have rebounded faster in Virginia than in many other parts of the country. In the Commonwealth, the economy has added jobs for 7 consecutive months. The Statewide unemployment rate fell to 4.6% in November. Despite steady job gains, the State has regained only about 56% of the jobs that were lost during the spring. It is likely that it will take years for the economy to fully regain the jobs that have been lost during this recession.

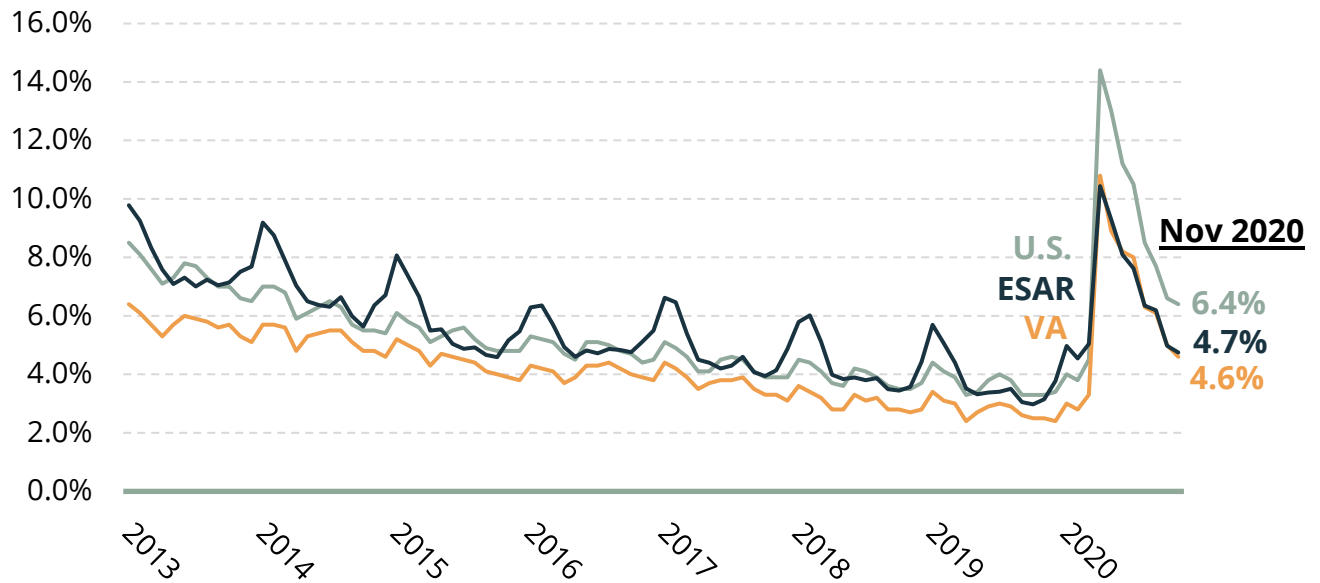
Figure 1
Virginia Month-to-Month Change in Jobs



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

Like the rest of the Commonwealth, the Eastern Shore region has seen economic conditions improve through the end of 2020. The regional unemployment rate was 4.7% in November, falling steadily from the peak unemployment rate of 10.4% in April. While unemployment remains slightly elevated in the Eastern Shore area, the downward trend in the region's unemployment rate is a positive sign.

Figure 2
Unemployment Rate

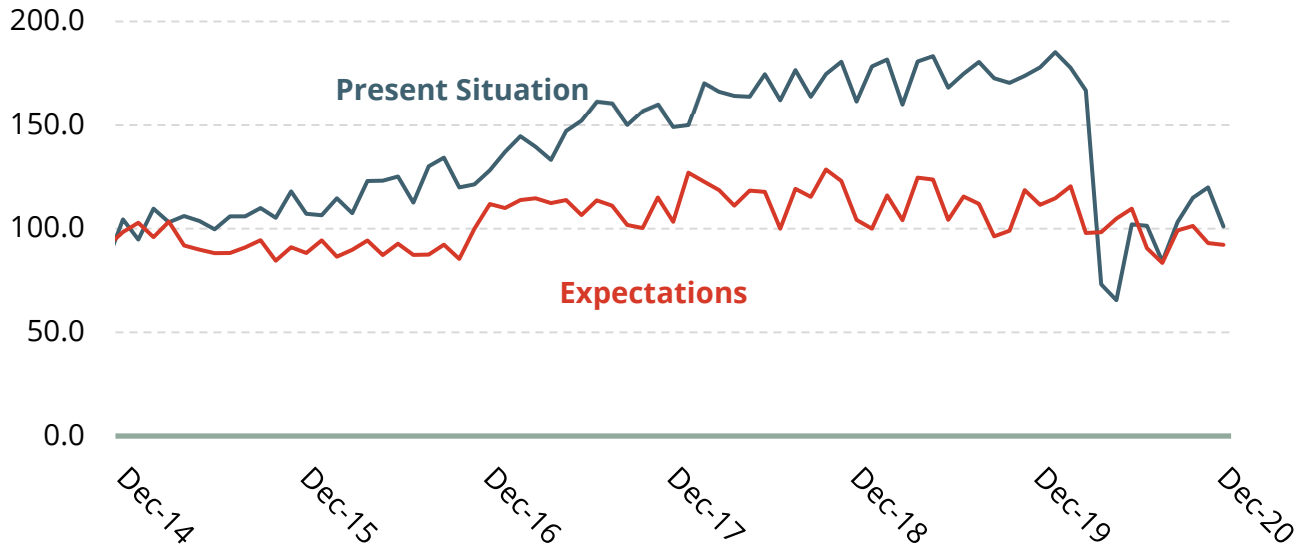


Source: U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics

Measures of consumer confidence reflect how people feel about economic conditions. As a result of economic and political uncertainties, as well as rising numbers of COVID-19 cases, consumer confidence dropped in December. The measure of confidence in the present economic situation was 101.1, but the future consumer confidence index fell to 92.2. A consumer confidence index below 100 indicates people are feeling more pessimistic.

During the 4th quarter, historically low mortgage rates continued to support strong refinance and purchase activity. According to data reported by Freddie Mac, the average 30-year fixed-rate mortgage rate has been below 3% for 23 consecutive weeks. In the 1st week of January, the average 30-year fixed-rate mortgage rate was 2.65%, which is a full percentage point lower than the same time last year.

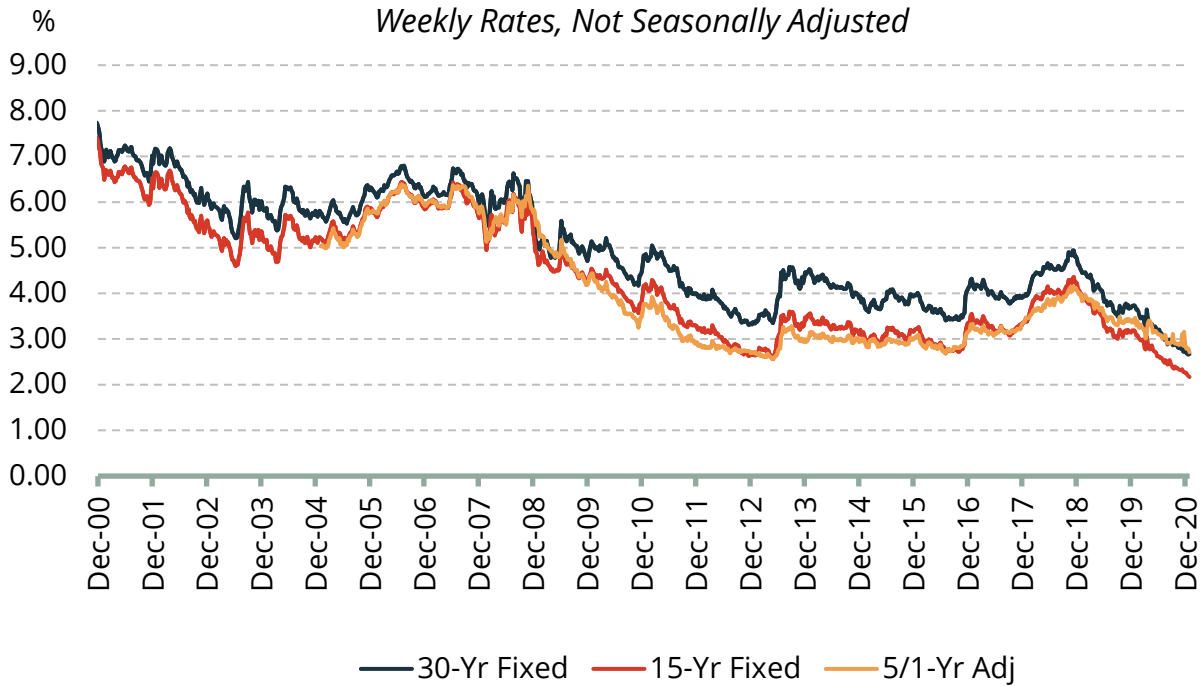
Figure 3
Consumer Confidence
South Atlantic Region



Source: The Conference Board

Figure 4
Mortgage Interest Rates

Weekly Rates, Not Seasonally Adjusted



Source: Federal Reserve Bank of St. Louis

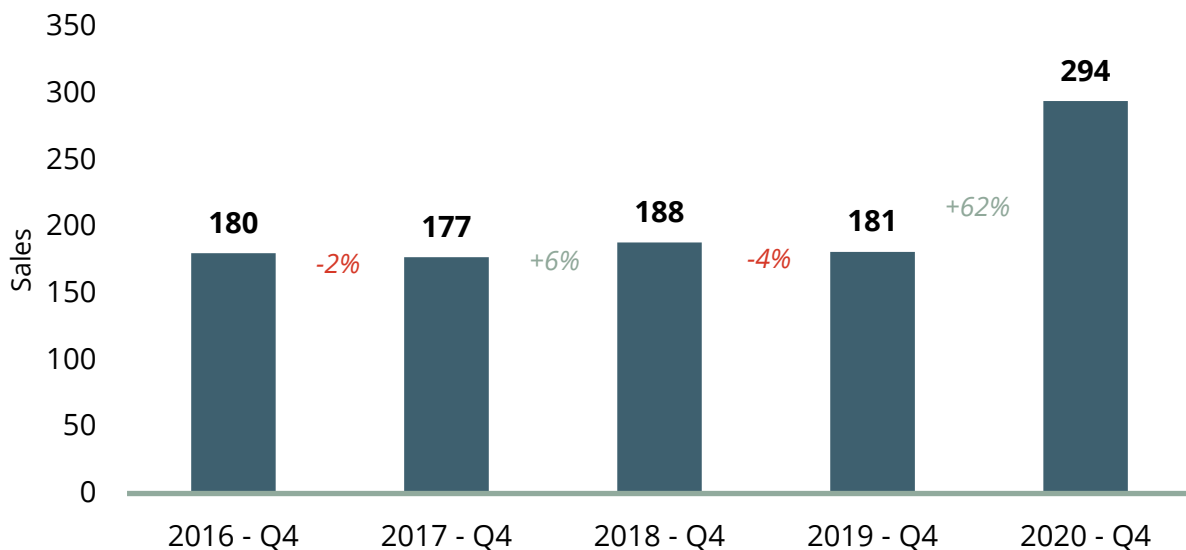
Housing Market Overview

The Eastern Shore housing market had a strong end to 2020. Sales in the region continue to surge, and home prices are climbing in all local markets. This led to another massive increase in sold dollar volume for the ESAR area. The market growth continues to be fueled by pent-up demand from the spring, and also attractive mortgage rates. This demand is also evident in the average days on market, which continues to drop rapidly throughout the region.

Sales

It was a very busy fall in the Eastern Shore housing market. There were 294 sales in the 4th quarter, which is a 62% surge from last year, an additional 113 sales. This is the 2nd straight quarter of a significant rise in sales activity in the area and likely reflects continued pent-up demand from the pandemic-related market slowdown in the spring. Sales in the region surged all 3 months in the 4th quarter. The number of home sales Statewide was up 28% in the 4th quarter compared to a year ago.

Figure 5
4th Quarter Home Sales, ESAR
2016-2020



Source: Virginia REALTORS®, data accessed January 15, 2021



Local Snapshot – *Total Home Sales*

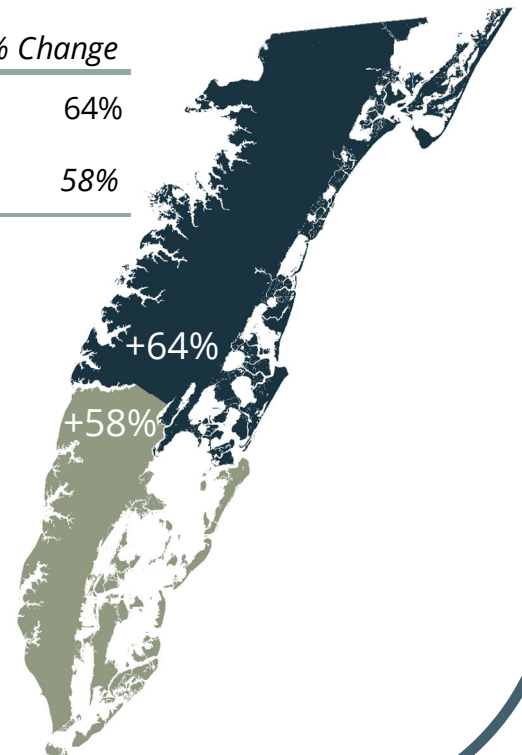
Accomack County: There were 218 sales in Accomack County during the 4th quarter, a 64% surge from a year ago, which is an additional 85 sales. Sales activity in the County has been very strong over the past 2 quarters following the pandemic-related slowdown in the spring.

Northampton County: Sales activity continues to expand in the Northampton County housing market. There were 76 sales in the County during the 4th quarter, 28 more sales than last year, representing a 58% spike in activity.

Figure 6
Change in Sales by Jurisdiction
ESAR
4th Quarter 2019 to 4th Quarter 2020

<i>Jurisdiction</i>	<i>2019 - Q4</i>	<i>2020 - Q4</i>	<i>% Change</i>
Accomack County	133	218	64%
Northampton County	48	76	58%

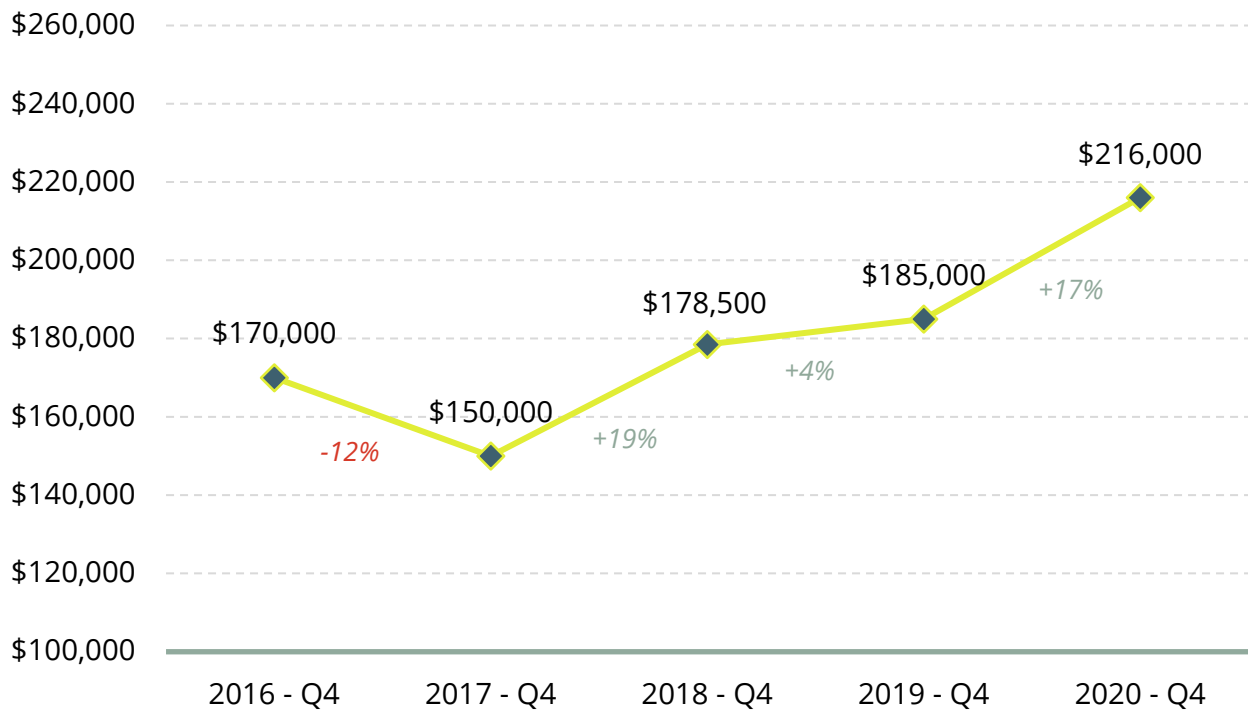
Source: Virginia REALTORS[®], data accessed January 15, 2021



Sales Prices

Home prices are rising rapidly in the Eastern Shore footprint as more buyers enter the market. At \$216,000, the 4th quarter median sales price in the Eastern Shore area rose 17% from last year, which is a gain of \$31,000. Home prices rose at double-digit rates in all local markets in the region. The median sales price has now increased 8 of the past 10 quarters in the area. The Statewide median sales price in the 4th quarter was \$329,000, an 11% increase from a year earlier.

Figure 7
4th Quarter Median Sales Price, ESAR
2016-2020



Source: Virginia REALTORS®, data accessed January 15, 2021



Local Snapshot – Median Sales Price

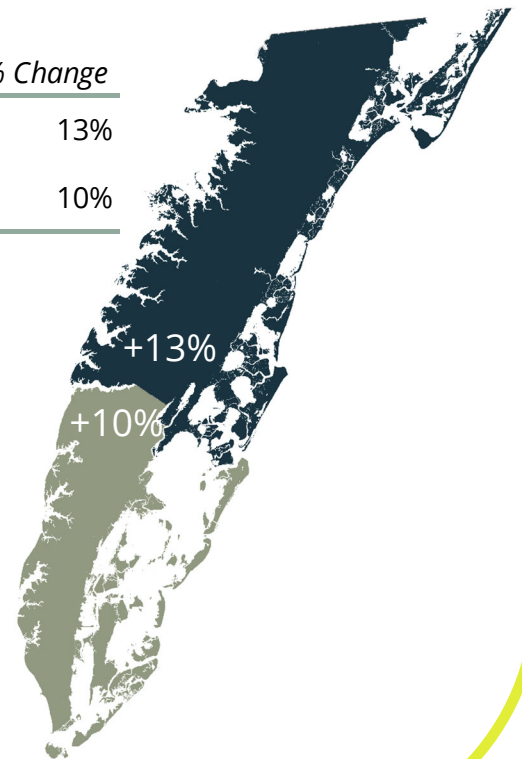
Accomack County: At \$189,044, the 4th quarter median sales price in Accomack County was more than \$21,000 higher than a year ago, which is a 13% increase. Home prices in the County have been trending up for more than a year.

Northampton County: Home prices continue to rise in Northampton County. The 4th quarter median sales price was \$298,750, a 10% bump from last year, a gain of \$28,000. This is the 2nd straight quarter of price gains for the County.

Figure 8
Change in Median Sales Price by Jurisdiction
ESAR
4th Quarter 2019 to 4th Quarter 2020

<i>Jurisdiction</i>	<i>2019 - Q4</i>	<i>2020 - Q4</i>	<i>% Change</i>
Accomack County	\$167,600	\$189,044	13%
Northampton County	\$270,750	\$298,750	10%

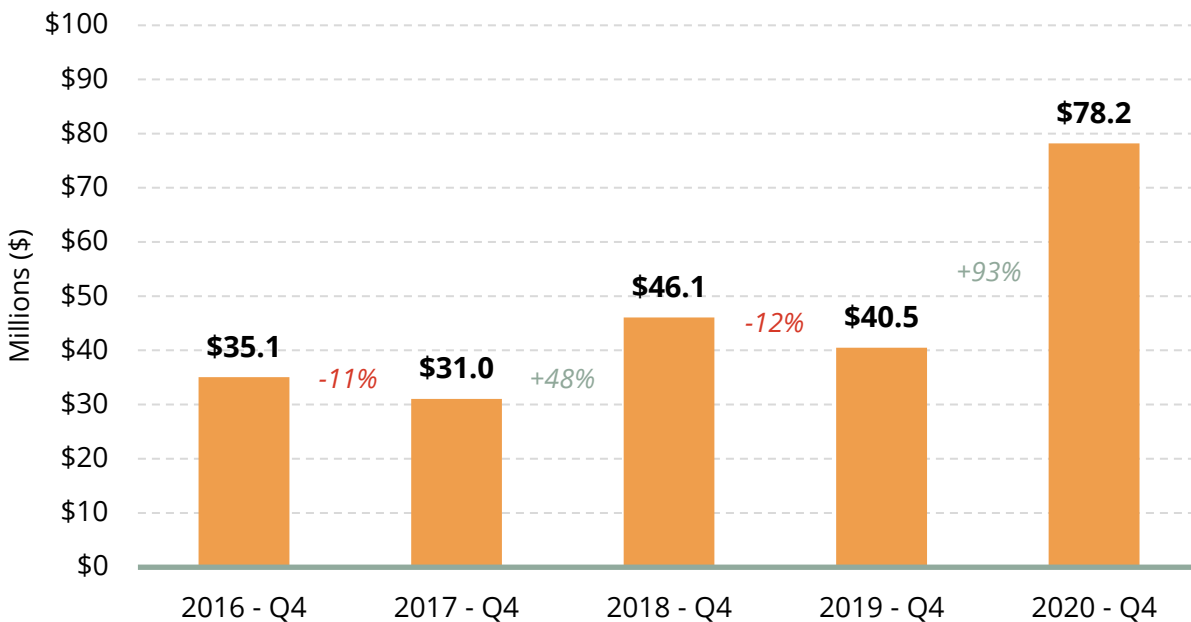
Source: Virginia REALTORS®, data accessed January 15, 2021



Sold Volume

The sharp increase in home prices and influx of sales drove up the sold dollar volume significantly this quarter in the Eastern Shore market. There was approximately \$78.2 million of sold volume in the region during the 4th quarter, which is \$37.7 million more volume than this time last year, representing a 93% spike. The sold volume in the ESAR footprint rose 3 out of the 4 quarters in 2020 but has been climbing notably fast since the summer as pent-up demand continues to play a role in the market.

Figure 9
4th Quarter Sold Dollar Volume (Millions), ESAR
2016-2020



Source: Virginia REALTORS®, data accessed January 15, 2021

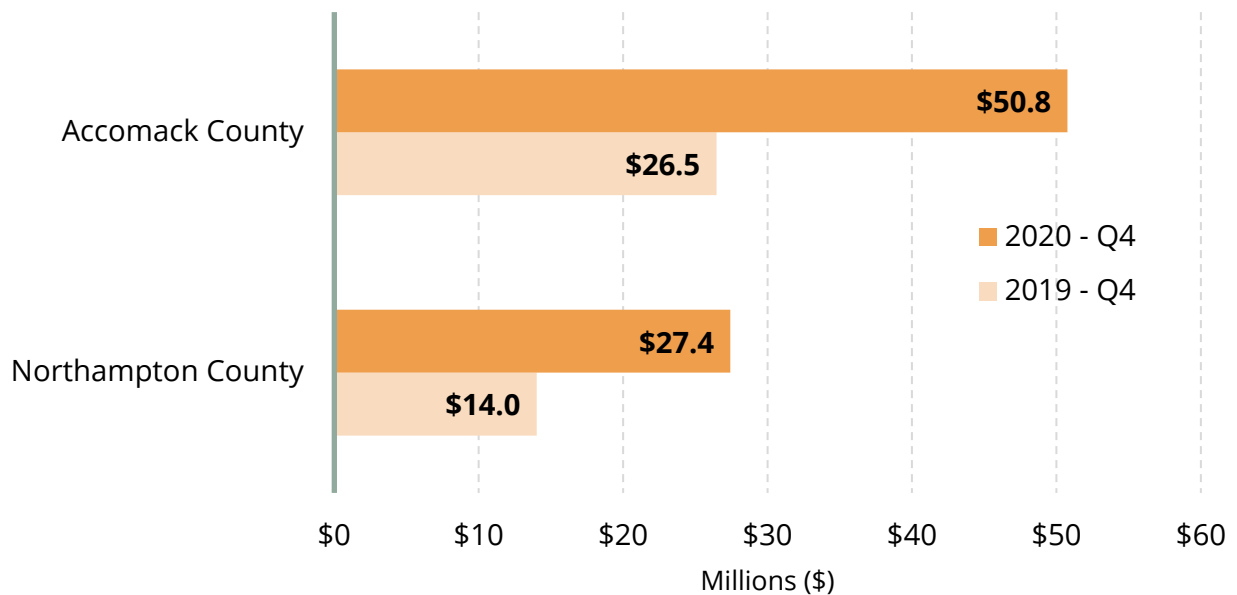


Local Snapshot – Sold Dollar Volume

Accomack County: Higher prices and more sales led to another massive influx of sold dollar volume in the Accomack County housing market this quarter. There was about \$50.8 million of sold volume in the County during the 4th quarter, a 92% jump from last year, which is an additional \$24.3 million.

Northampton County: There was about \$27.4 million of sold volume in Northampton County in the 4th quarter, which is \$13.4 million more than a year ago, representing a 96% surge. The influx of sales activity and climbing prices drove the volume growth this quarter in the County.

Figure 10
4th Quarter Sold Dollar Volume, ESAR Jurisdictions
2019 and 2020

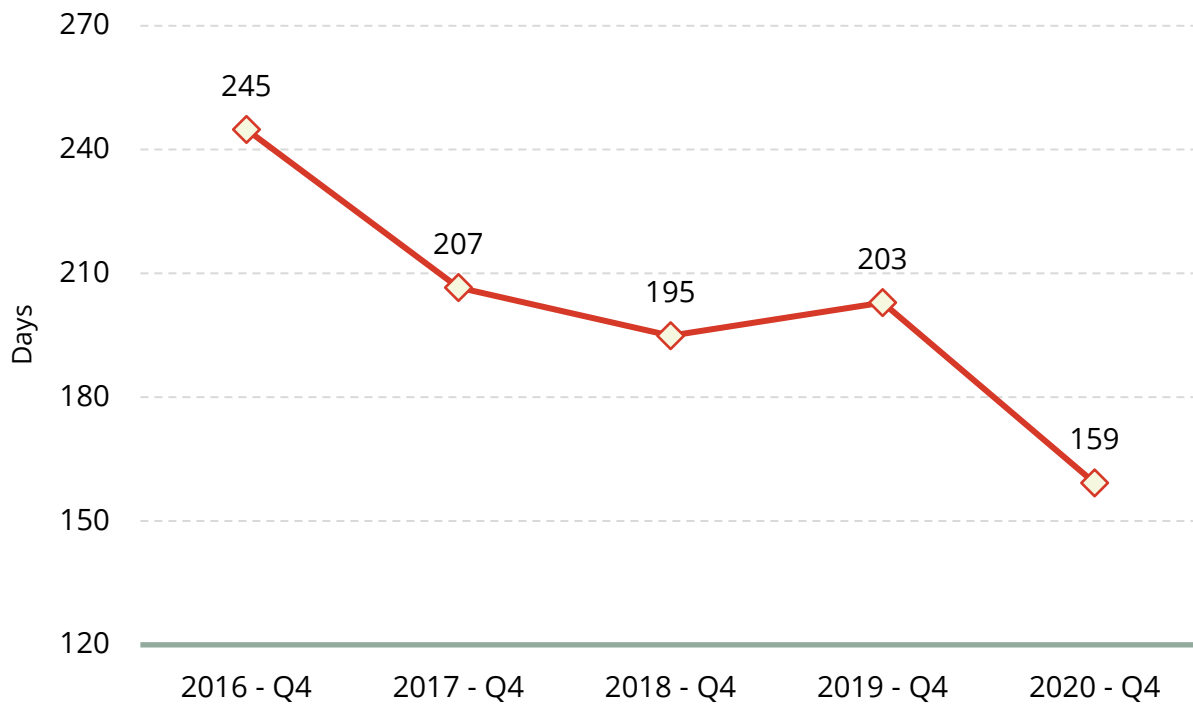


Source: Virginia REALTORS®, data accessed January 15, 2021

Days on Market

Homes are selling faster in the Eastern Shore footprint. The average days on market in the region during the 4th quarter was 159 days, which is about 6 weeks faster (-44 days) than last year. This metric has declined for 2 straight quarters and has been driven by rising demand in the market. Statewide, homes were on the market for an average of 33 days in the 4th quarter.

Figure 11
4th Quarter Average Days on Market, ESAR
2016-2020



Source: Virginia REALTORS®, data accessed January 15, 2021

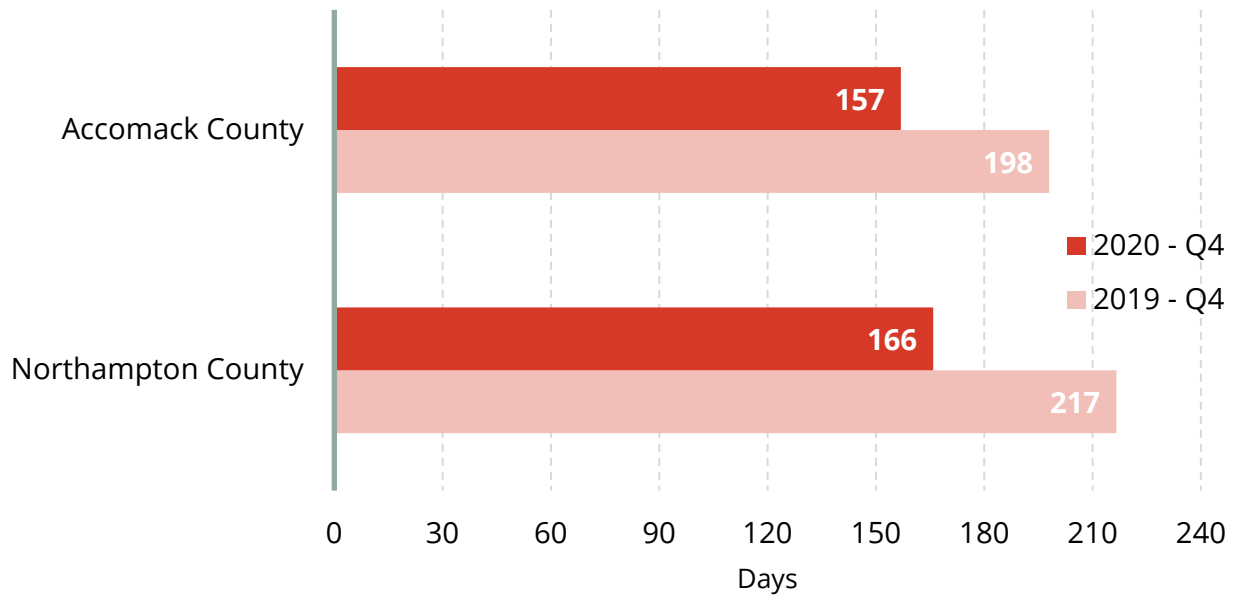


Local Snapshot – *Average Days on Market*

Accomack County: The average days on market in Accomack County during the 4th quarter was 157 days, which is about 6 weeks faster (-41 days) than last year. This is the 1st decline in this metric since the summer of 2019.

Northampton County: At 166 days, the average days on market in Northampton County was about 7 weeks faster (-51 days) than a year ago. Homes have been selling faster on average in the County for 3 straight quarters.

Figure 12
4th Quarter Average Days on Market, ESAR Jurisdictions
2019 and 2020



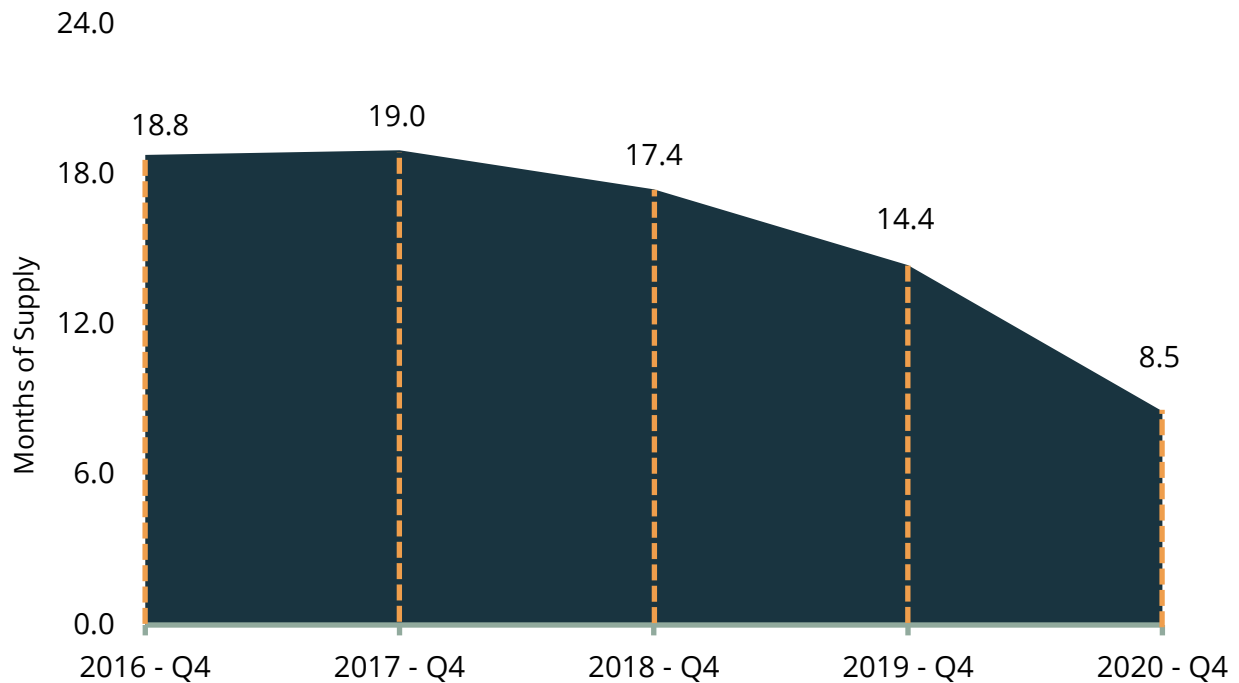
Source: Virginia REALTORS®, data accessed January 15, 2021

Inventory

The inventory in the Eastern Shore housing market continues to be smaller than last year but is still relatively large compared to other regions in the State. There were 660 active listings on the market at the end of the 4th quarter, a 19% reduction from last year, which is 154 fewer active listings. The inventory has been shrinking for 11 straight quarters in the region, a trend that is also occurring in many housing markets around the Commonwealth. At the end of the 4th quarter, there was a total of 17,537 listings Statewide, a drop of more than 38% from a year ago.

At the end of the 4th quarter, there was about 8.5 months of supply in the ESAR footprint, which is 5.9 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.

Figure 13
End of 4th Quarter Months Supply, ESAR
2016-2020



Source: Virginia REALTORS®, data accessed January 15, 2021

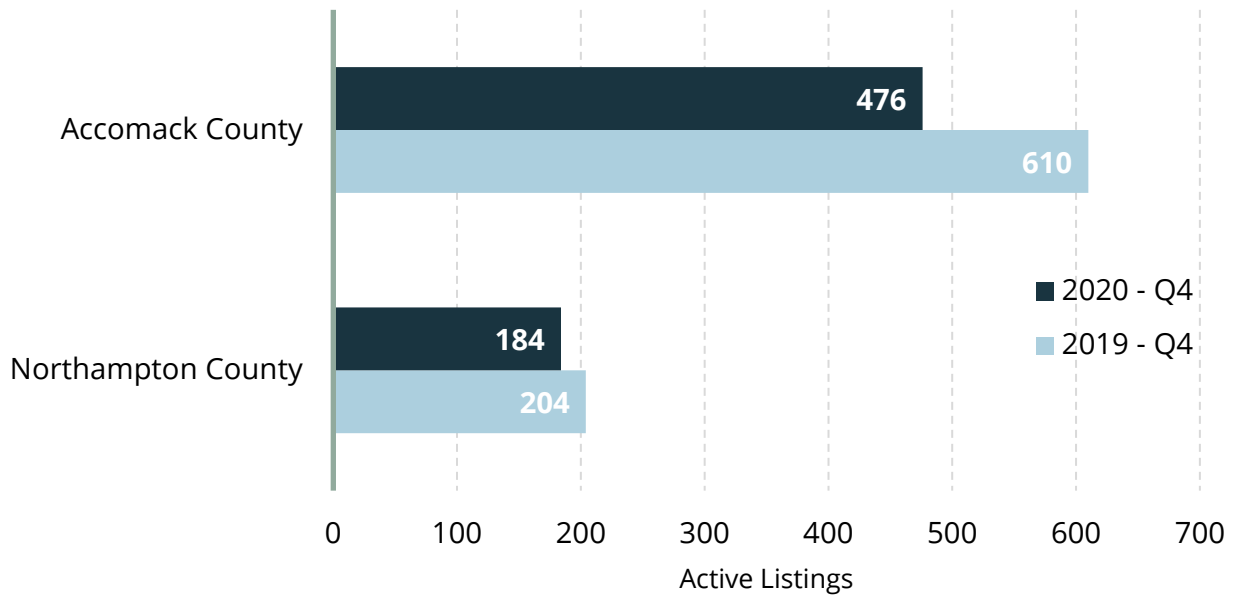


Local Snapshot – *Active Listings*

Accomack County: There were 476 active listings in Accomack County at the end of the 4th quarter, which is 134 fewer listings than a year ago, representing a 22% reduction. The inventory in the County has been shrinking for 3 years straight.

Northampton County: The supply in the Northampton County housing market is getting smaller. There were 184 active listings in the County at the end of the 4th quarter, a 10% decline from last year, which is 20 fewer listings.

Figure 14
End of 4th Quarter Active Listings, ESAR Jurisdictions
2019 and 2020



Source: Virginia REALTORS®, data accessed January 15, 2021



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.