

ESAR EASTERN SHORE HOME SALES REPORT

CUSTOM REPORT PREPARED BY
VIRGINIA REALTORS®

ESAR Home Sales Report

Second Quarter 2021

Eastern Shore Association of REALTORS®

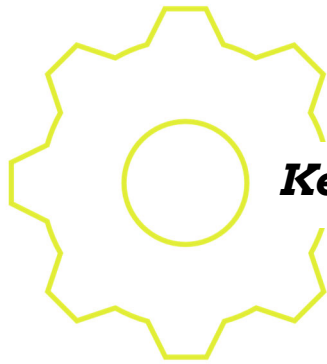
Market Report Key Takeaways

Economic Conditions

- In the second quarter of 2021, economic growth continued to expand both statewide and in the Eastern Shore region. The unemployment rate is still falling, though the pace of job growth slowed a bit in May.
- Consumer confidence is up strongly in the second quarter, reflecting optimism about the economy and pent-up consumer demand.
- Mortgage rates have settled back to around 3% and likely will remain below 3.5% for the rest of the year.

Housing Market Conditions

- There were 272 homes sold in the ESAR footprint during the second quarter, a 57% increase from last year.
- Home prices are rising rapidly in the ESAR area. The second quarter median sales price was \$242,500, which is 47% higher than a year ago, a jump of \$77,500.
- Inventory continues to shrink in the region. There were 656 active listings in the ESAR market at the end of the second quarter, 22% fewer listings than this time last year.



Key Trends Dashboard, ESAR

Economy



4.7%

Is the May-2021 **unemployment rate** in the ESAR footprint, which is unchanged from Apr-2021



2.98%

Is the **30-year fixed-rate mortgage rate** during the first week of July 2021, which is down 0.09% from a year ago

Housing Market



99

More **home sales** in the ESAR footprint in Q2-2021 compared to last year



47%

Percent change in **median sales price** in the ESAR region in Q2-2021 compared to a year ago



\$45

Million dollars more in total **sold volume** in the ESAR footprint in Q2-2021 compared to last year



-22%

Percent change in **active listings** at the end of Q2-2021 in the ESAR market compared to a year ago



7

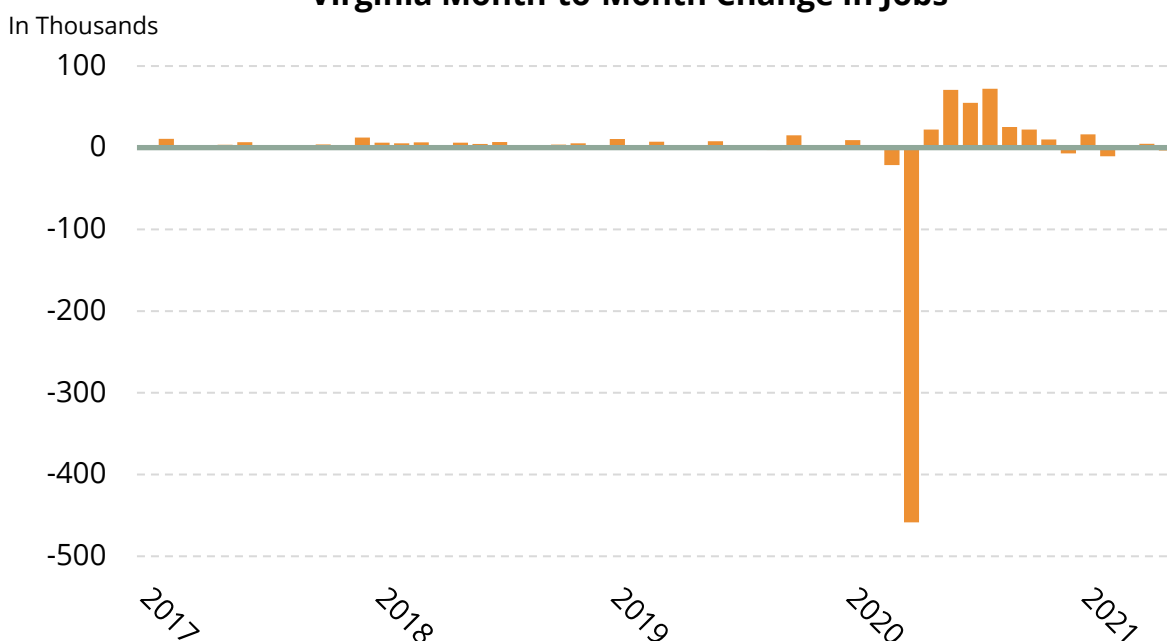
Months of supply in the ESAR footprint in Q2-2021, which is down from a year ago

Economic Overview

Virginia's economy is opening back up as vaccination rates climb and restrictions have been lifted. There have been job gains across most sectors of the economy. In addition, there is significant pent-up consumer demand in the market, which is a good sign for strong economic growth this year. Even as signs are positive, there remains uncertainty about how COVID-19 will impact the economy over the long-term.

In May 2021, which is the latest data available, there was a total of 3.89 million jobs in Virginia. After several months of job gains, the number of jobs in the state declined slightly between April and May. This slowdown indicates the uncertainty that remains in the economy, although the overall employment picture remains positive in the commonwealth.

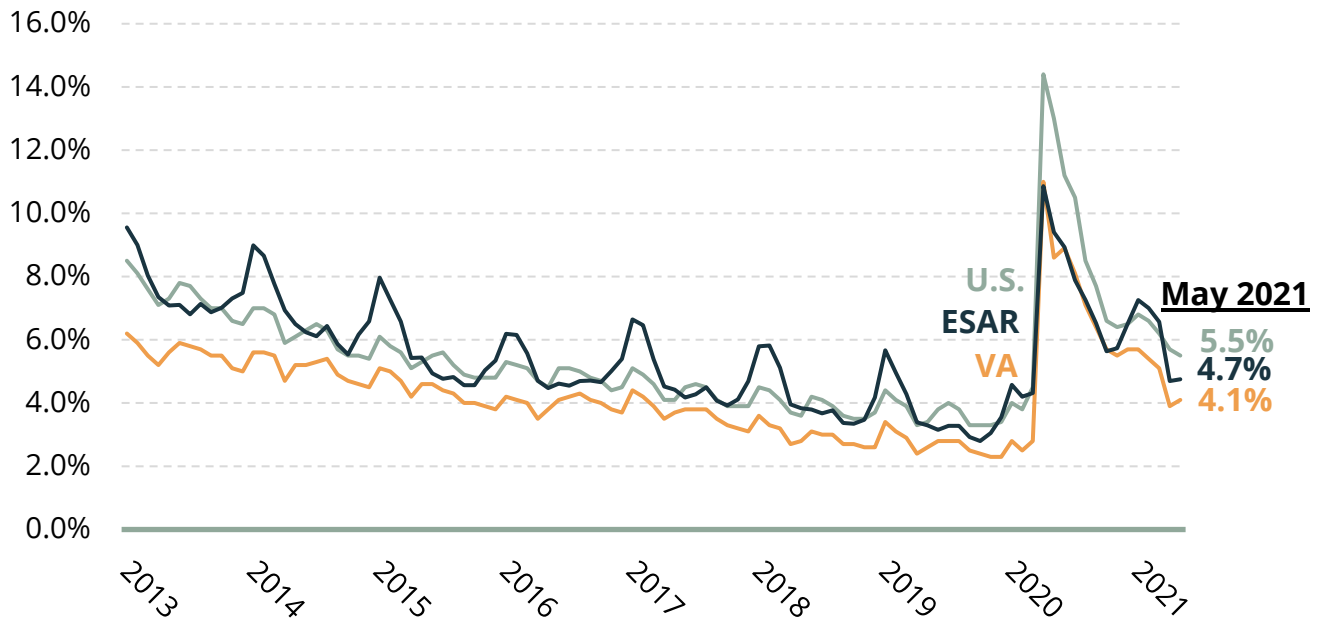
Figure 1
Virginia Month-to-Month Change in Jobs



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

The statewide unemployment rate was 4.1% in May 2021. The unemployment rate has fallen significantly from its peak last spring, although it remains higher than pre-pandemic levels. The unemployment rate in the Eastern Shore region was 4.7% in May 2021, unchanged from April 2021, but down significantly from the peak of 10.9%. Like the rest of the state, the region's economy should continue to improve in 2021 and unemployment likely will fall in the months ahead.

Figure 2
Unemployment Rate

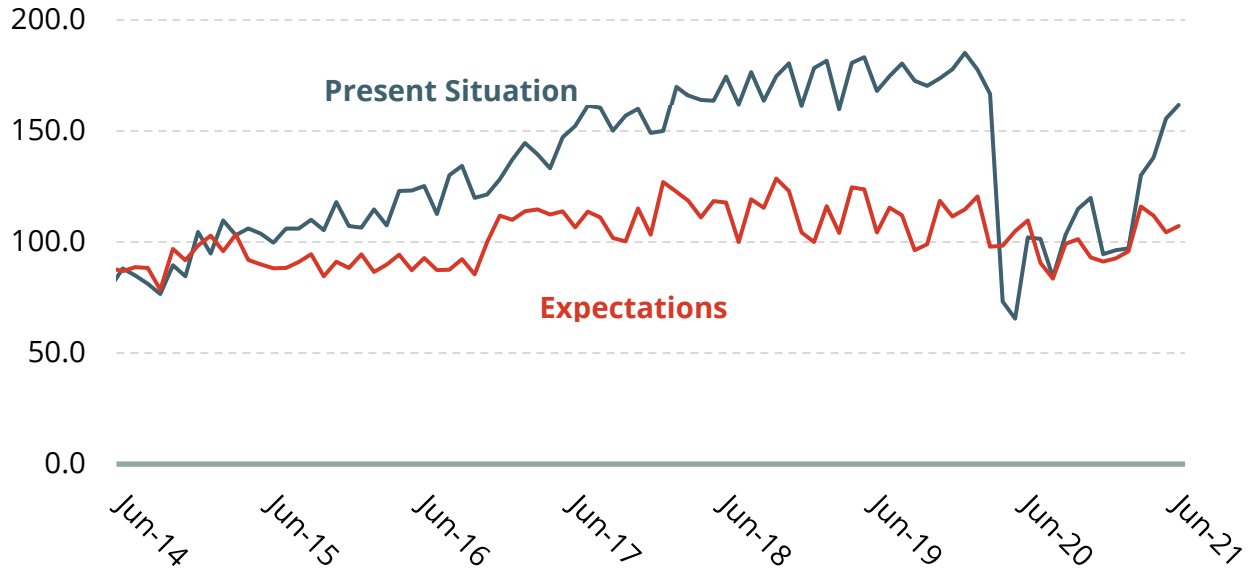


Source: U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics

Consumer confidence continues to improve into the summer. In June 2021, the measure of confidence in the present economic situation was 161.7, up from 155.6 in May. The measure of consumers' confidence in future economic conditions rose to 107.2 in June, an increase from May, though below earlier springtime levels. A consumer confidence index above 100 indicates people are feeling more optimistic about economic conditions.

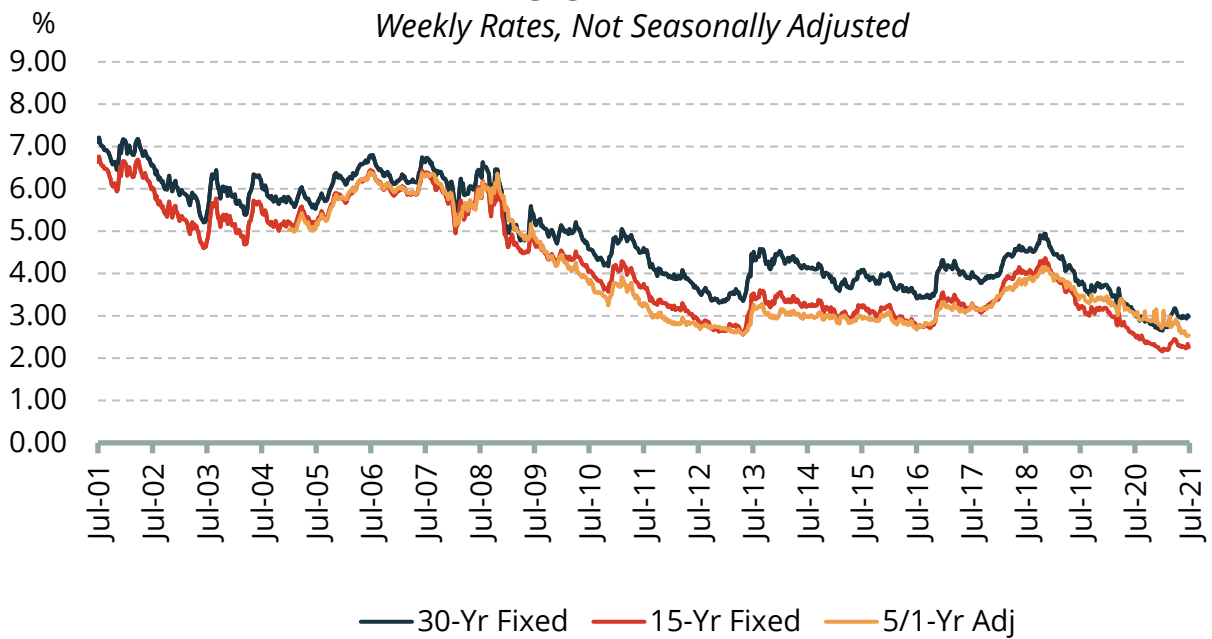
Mortgage rates hit rock bottom levels at the end of last year and into early 2021. Despite a brief uptick in rates in late March and early April, the average 30-year fixed-rate mortgage rate has settled back down to around 3% at the beginning of July. Mortgage rates will rise slightly over the course of the next several months, but it is likely that rates will remain below 3.5% throughout the year.

Figure 3
Consumer Confidence
South Atlantic Region



Source: The Conference Board

Figure 4
Mortgage Interest Rates
Weekly Rates, Not Seasonally Adjusted



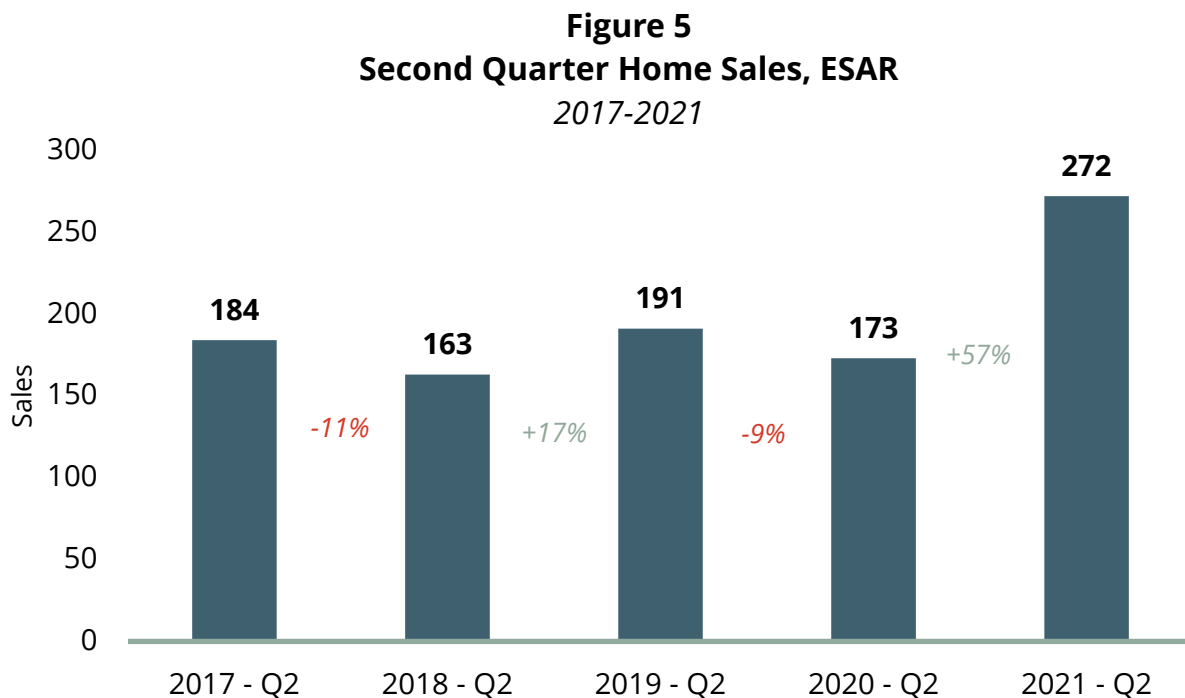
Source: Federal Reserve Bank of St. Louis

Housing Market Overview

It was a busy spring in the Eastern Shore regional housing market. Sales activity increased significantly this quarter and home prices are rising rapidly throughout the ESAR footprint, where the amount of sold dollar volume more than doubled compared to last year. Homes are selling much faster on average, and the inventory of active listings continues to get smaller.

Sales

There were 272 sales across the ESAR footprint during the second quarter of 2021, which is 99 more sales than a year ago, representing a 57% surge. Sales activity increased all three months of the quarter (April through June) compared to last year. While the large spike this quarter is partially attributable to the slowdown last spring, sales activity is also 42% above pre-pandemic levels in the second quarter of 2019. Statewide, the number of home sales in the second quarter was up 30% compared to last year and is 16% higher than second quarter 2019 sales totals.



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



Local Snapshot – *Total Home Sales*

Accomack County: There were 191 sales in Accomack County in the second quarter, 64 more sales than last year, which is a 50% spike. It is not surprising that sales activity this quarter far exceeds the market slowdown caused by the onset of the pandemic last spring. Home sales in the county have now rebounded higher than pre-pandemic levels, rising 30% above total sales in the second quarter of 2019.

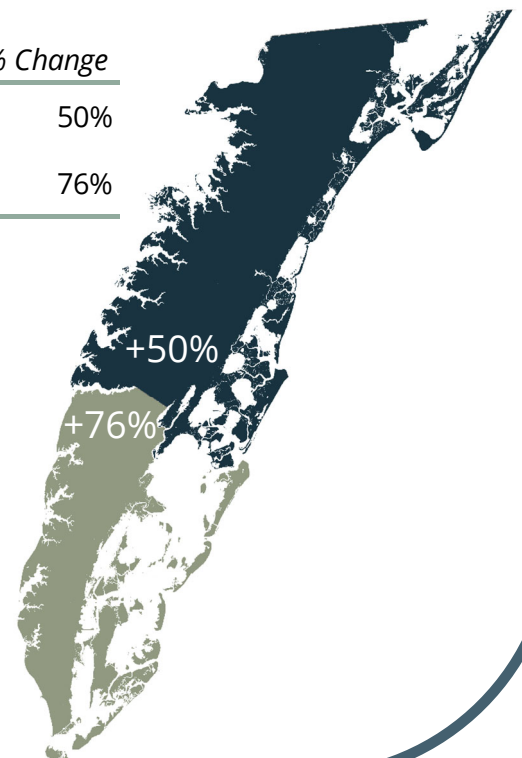
Northampton County: Sales activity continues to surge in Northampton County. There were 81 homes sold in the county during the second quarter, 35 more sales than last year, which is a 76% increase. Northampton County is one of only a handful of counties around the state that did not experience a decline in sales last spring at the beginning of the pandemic.

Figure 6
Change in Sales by Jurisdiction
ESAR

Second Quarter 2020 to Second Quarter 2021

<i>Jurisdiction</i>	<i>2020 - Q2</i>	<i>2021 - Q2</i>	<i>% Change</i>
Accomack County	127	191	50%
Northampton County	46	81	76%

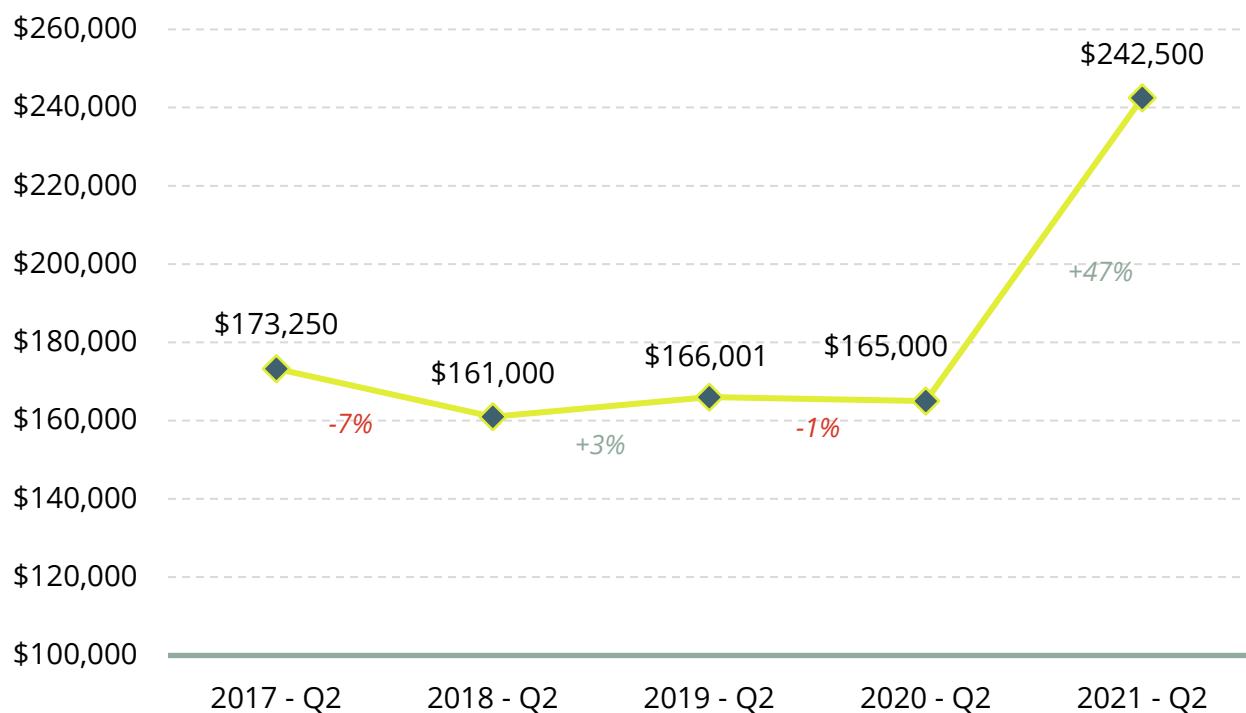
Source: Virginia REALTORS®, data accessed July 15, 2021



Sales Prices

Home prices in the ESAR region continue to rise rapidly. At \$242,500, the second quarter median sales price in the area was 47% higher than last year, which is an increase of \$77,500. Upward pressure on prices driven by active buyers has been consistent in the ESAR market for four straight quarters. In the second quarter, the median sales price statewide was \$365,000, up 16% compared to a year ago.

Figure 7
Second Quarter Median Sales Price, ESAR
2017-2021



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



Local Snapshot – *Median Sales Price*

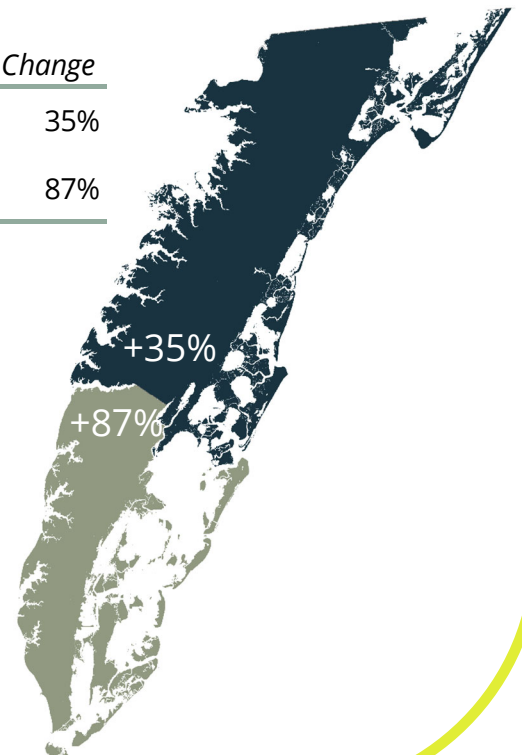
Accomack County: The second quarter median sales price in Accomack County was \$216,000, which is 35% higher than last year, a gain of \$56,000. Prices have been trending up in the county for seven straight quarters.

Northampton County: At \$349,000, the second quarter median sales price in Northampton County soared 87% from last year, which is a gain of \$162,500. Home prices have been rising dramatically in recent quarters. The median sales price in the county is now more than double what it was in the second quarter five years ago.

Figure 8
Change in Median Sales Price by Jurisdiction
ESAR
Second Quarter 2020 to Second Quarter 2021

<i>Jurisdiction</i>	<i>2020 - Q2</i>	<i>2021 - Q2</i>	<i>% Change</i>
Accomack County	\$160,000	\$216,000	35%
Northampton County	\$186,500	\$349,000	87%

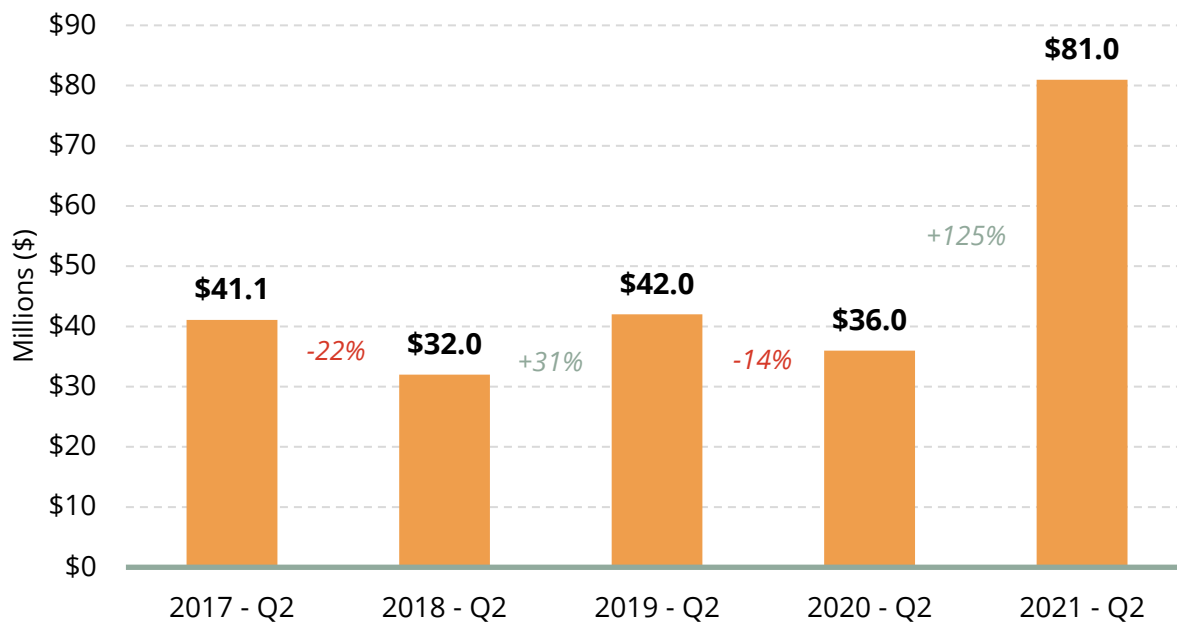
Source: Virginia REALTORS®, data accessed July 15, 2021



Sold Volume

Rapid price growth and surging sales activity pushed up the sold dollar volume significantly this quarter in the ESAR region. There was approximately \$81.0 million of sold volume in the ESAR housing market during the second quarter, more than double the amount of volume sold a year ago (+125%), an influx of about \$45 million. The sold volume has increased in the region's housing market for four straight quarters. It is not surprising that sold volume this quarter exceeded last year's second quarter totals when the onset of the pandemic caused a market slowdown. The sold volume this quarter in the region is also well above pre-pandemic levels; the total sold volume is nearly double the level in the second quarter of 2019.

Figure 9
Second Quarter Sold Dollar Volume (Millions), ESAR
2017-2021



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

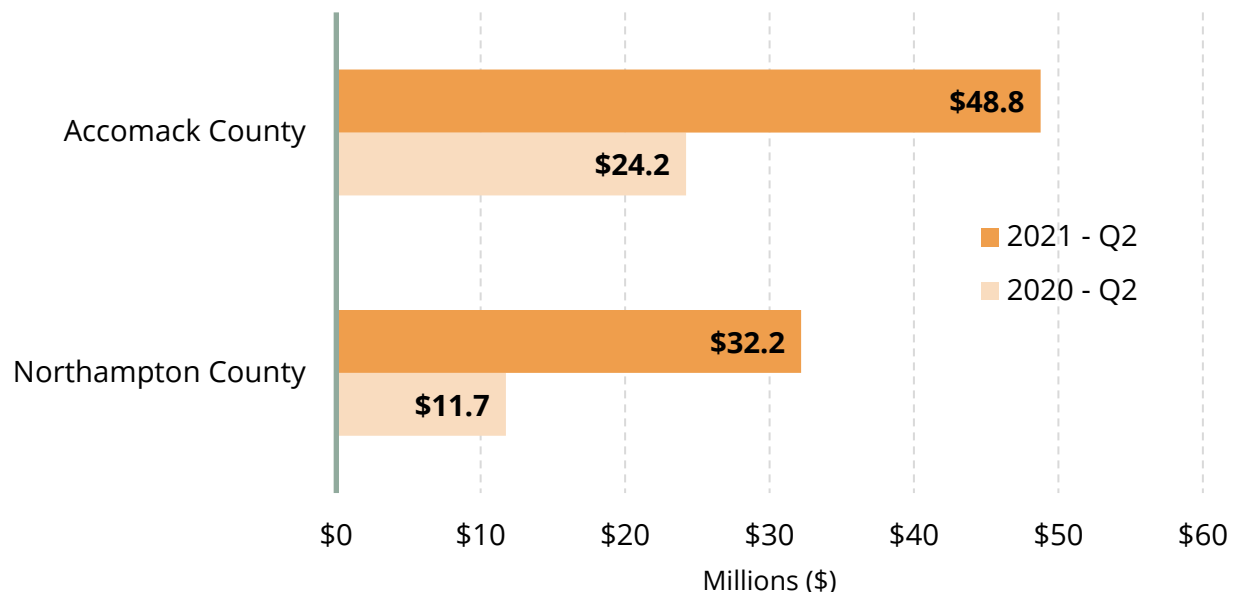


Local Snapshot – *Sold Dollar Volume*

Accomack County: There was about \$48.8 million of sold volume in the county during the second quarter, more than double the amount of volume a year ago (+101%), which is an increase of about \$24.6 million of sold volume. While the large spike this quarter is partially due to the low level during the slowdown last spring, the sold volume is also 94% above pre-pandemic levels in the second quarter of 2019.

Northampton County: The jump in home prices and influx of sales led to a massive sold dollar volume increase in Northampton County this quarter. There was about \$32.2 million of sold dollar volume in the county during the second quarter, nearly triple the amount of volume a year ago (+174%), which is about \$20.5 million of additional sold volume.

Figure 10
Second Quarter Sold Dollar Volume, ESAR Jurisdictions
2020 and 2021

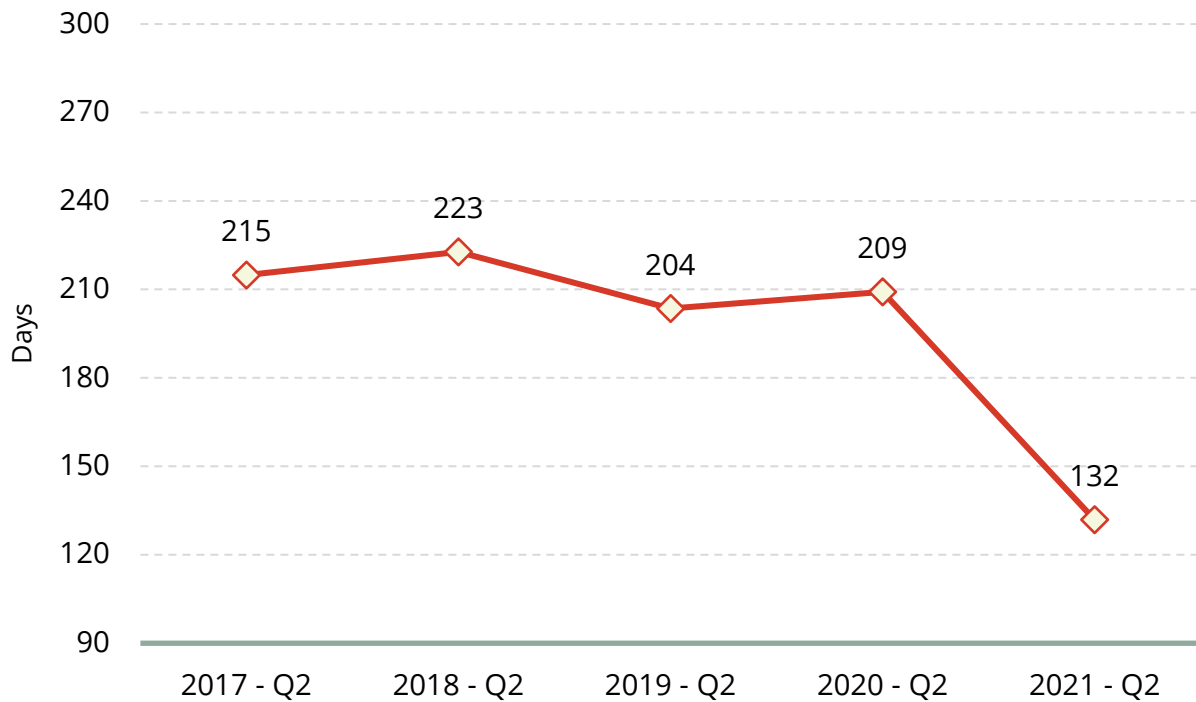


Source: Virginia REALTORS®, data accessed July 15, 2021

Days on Market

Homes in the ESAR market continue to sell much faster than last year. The second quarter average days on market in the area was 132 days, which is 77 days faster than a year ago. This metric has been trending down in the region over the last four quarters as sales activity has picked up. Statewide, homes sold in an average of 22 days in the second quarter, down from 40 days a year ago.

Figure 11
Second Quarter Average Days on Market, ESAR
2017-2021



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

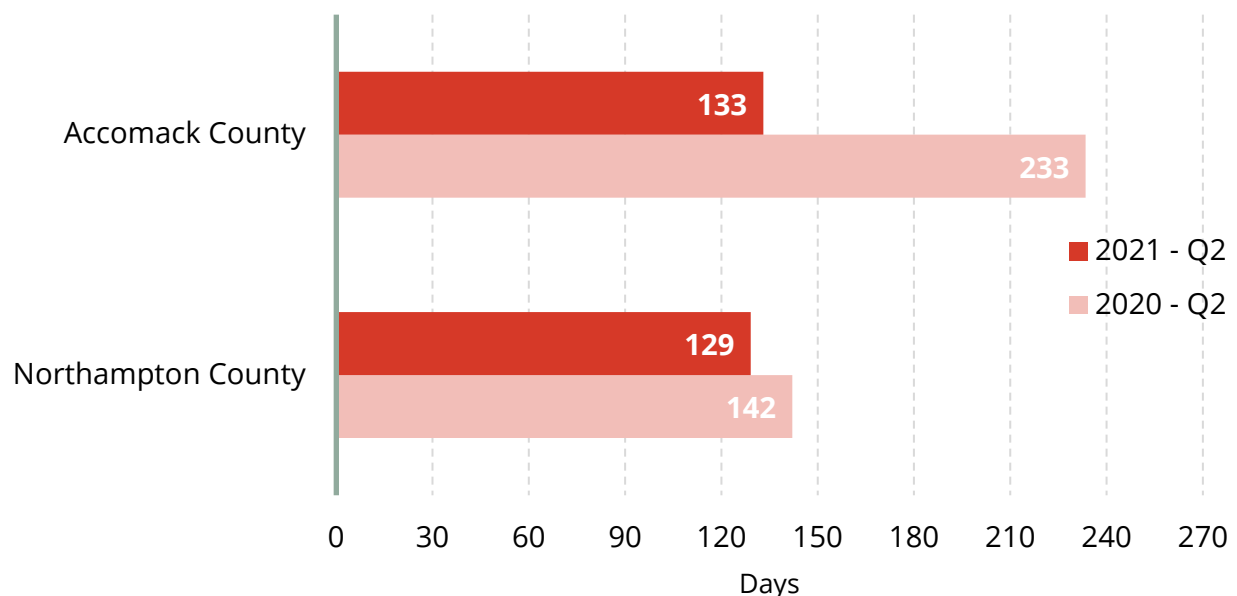


Local Snapshot – *Average Days on Market*

Accomack County: Homes continue to sell faster in the Accomack County market. The average days on market in the county in the second quarter was 133 days, which is 100 days faster than last year.

Northampton County: Homes that sold in Northampton County in the second quarter were on the market an average of 129 days, which is about two weeks faster than this time last year (-13 days).

Figure 12
Second Quarter Average Days on Market, ESAR Jurisdictions
2020 and 2021

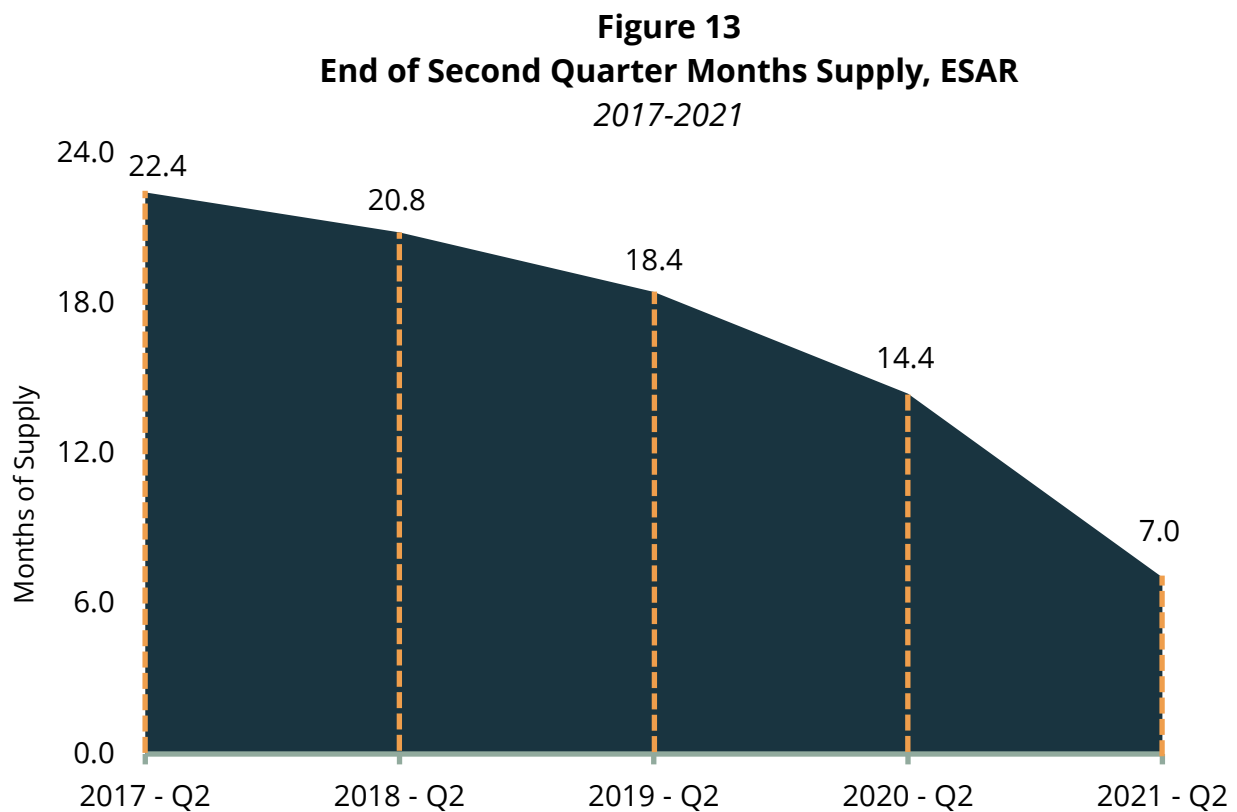


Source: Virginia REALTORS®, data accessed July 15, 2021

Inventory

The supply of active listings in the Eastern Shore housing market is shrinking rapidly but is still relatively large compared to other regions in the state. There were 656 active listings on the market at the end of the second quarter, down 22% from last year, which is a decrease of 188 active listings. The inventory has been shrinking over the last three years, but the pace of this trend has increased in recent quarters as the pace of sales activity has accelerated. At the end of the second quarter, there was a total of 19,346 active listings on the market statewide, down 18% from a year ago.

At the end of the second quarter, there was approximately 7 months of supply in the ESAR footprint, which is 7.4 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.



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

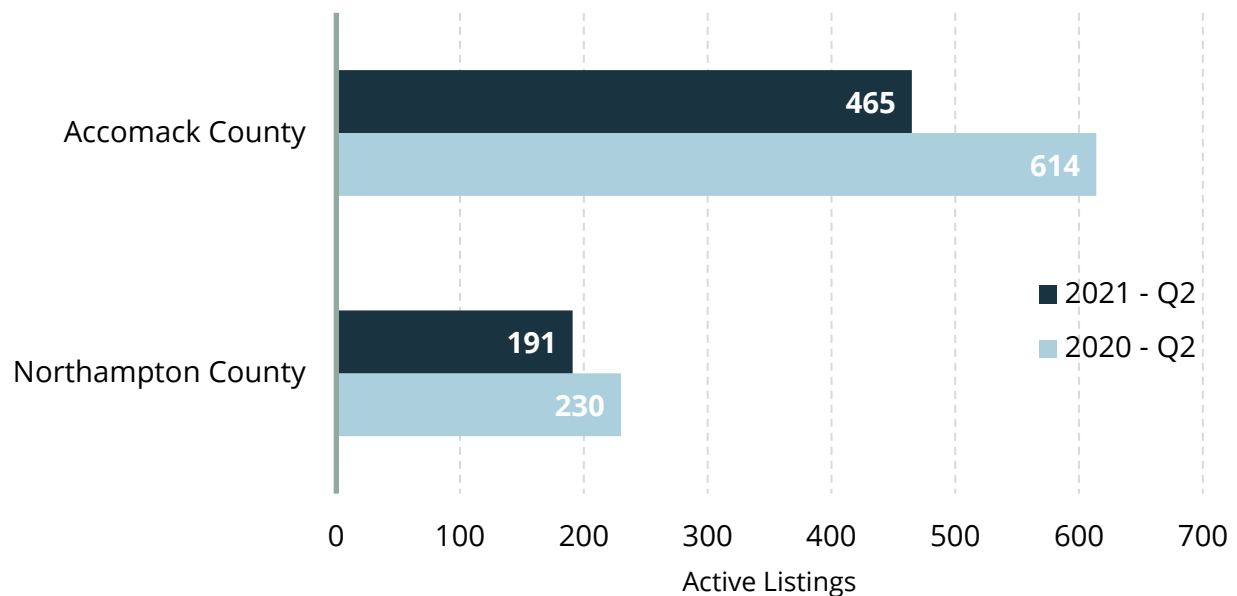


Local Snapshot – *Active Listings*

Accomack County: There were 465 active listings in Accomack County at the end of the second quarter, which is a 24% reduction from a year ago, a decline of 149 listings. Inventory has been shrinking in the county's housing market consistently since the beginning of 2018.

Northampton County: At the end of the second quarter there were 191 active listings on the market in Northampton County, 17% fewer listings than last year, which is a decrease of 39 listings.

Figure 14
End of Second Quarter Active Listings, ESAR Jurisdictions
2020 and 2021



Source: Virginia REALTORS®, data accessed July 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.