

ESAR EASTERN SHORE HOME SALES REPORT

CUSTOM REPORT PREPARED BY
VIRGINIA REALTORS®

ESAR Home Sales Report

Third Quarter 2021

Eastern Shore Association of REALTORS®

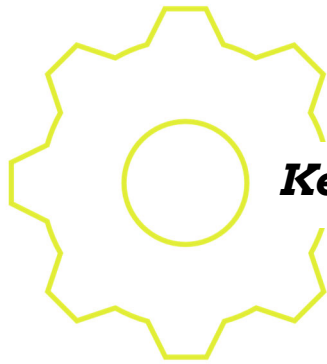
Market Report Key Takeaways

Economic Conditions

- In the third quarter of 2021, while economic conditions remained positive, there was a slowdown in job growth in Virginia. Unemployment in the Eastern Shore region continued to fall. Local economic conditions should improve further over the next few months.
- Consumer confidence has fallen amidst renewed uncertainties about the Delta variant. Individuals, families, and businesses have been rethinking plans that seemed more certain earlier this year.
- Mortgage rates remain at historically low levels, but an improving economy will lead to moderate increases in the average 30-year fixed-rate mortgage rate.

Housing Market Conditions

- There were 269 homes sold in the ESAR region during the third quarter. The total number of sales is down 14% compared to last year at this time.
- Home price growth slowed in the ESAR area. The third quarter median sales price was \$240,500, which is just 1% higher than a year ago, a gain of \$1,500.
- Inventory continued to shrink in the region. There were 646 active listings in the ESAR market at the end of the third quarter, 19% fewer listings than this time last year.



Key Trends Dashboard, ESAR

Economy



3.8%

Is the Aug-2021 **unemployment rate** in the ESAR footprint, which is down from Jul-2021



3.01%

Is the **30-year fixed-rate mortgage rate** during the last week of September 2021, which is up from a year ago

Housing Market



-43

Fewer **home sales** in the ESAR footprint in Q3-2021 compared to last year



1%

Percent change in **median sales price** in the ESAR region in Q3-2021 compared to a year ago



-\$8.9

Million dollars less in total **sold volume** in the ESAR footprint in Q3-2021 compared to last year



-19%

Percent change in **active listings** at the end of Q3-2021 in the ESAR market compared to a year ago



7.2

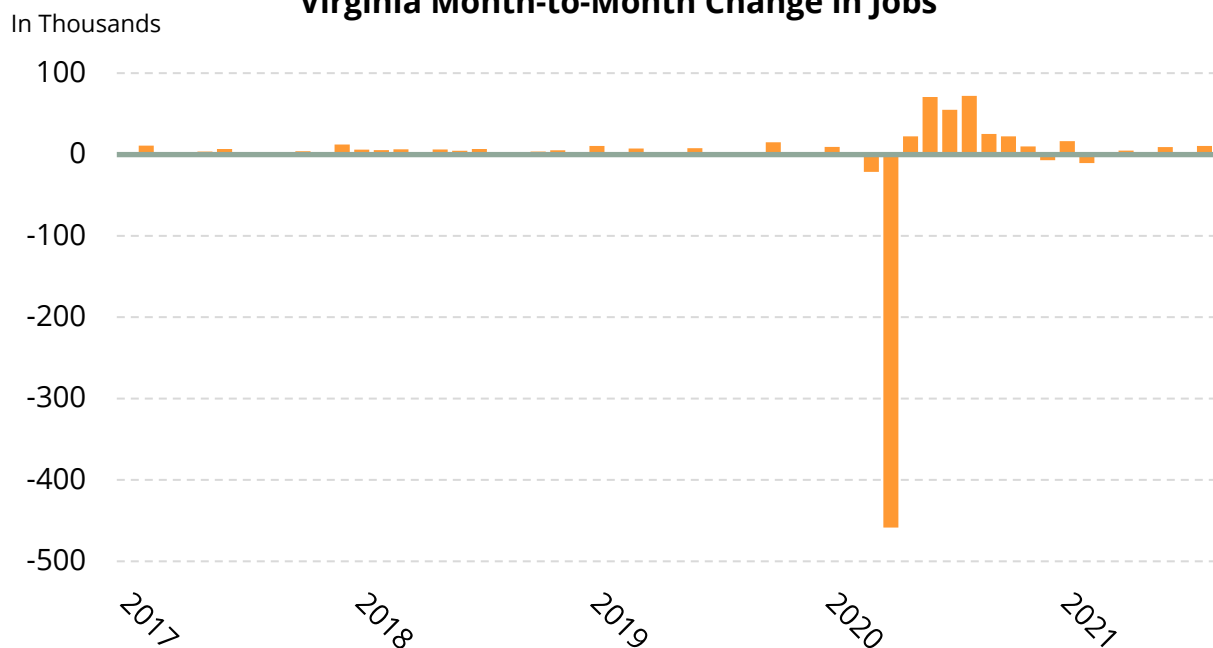
Months of supply in the ESAR footprint in Q3-2021, which is down from a year ago

Economic Overview

Virginia's economy continues to improve, though the Delta variant has taken the wind out of its sails. The growing uncertainty over the summer and into the fall has eroded consumer confidence and has made businesses rethink opening decisions. Despite the uncertainty, it is expected that the state's economy will continue to expand throughout the rest of 2021 and growth will accelerate in 2022.

In August 2021, there was a total of 3.91 million jobs in Virginia, which is up 82,500 jobs from a year ago. Job growth has been steady, but the pace of the economic recovery has slowed. There are still about 175,000 fewer jobs in Virginia than there were before the pandemic. It is projected that the state will not regain all of the jobs lost during the pandemic and the recession until at least the end of 2022.

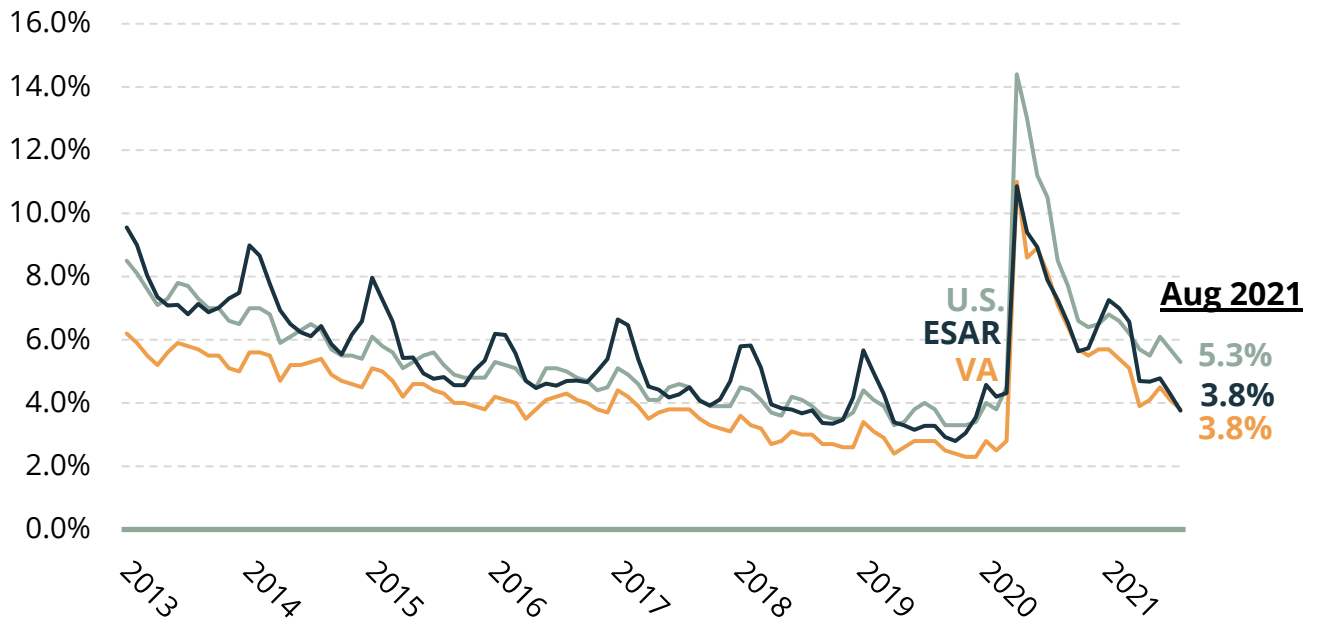
Figure 1
Virginia Month-to-Month Change in Jobs



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

The statewide unemployment rate was 3.8% in August 2021 and has been falling steadily for the past 18 months. The unemployment rate in the Eastern Shore region was 3.8% in August 2021, down from 4.3% a month earlier. Like the rest of the state, the region's economy has been impacted by the rise of the Delta variant, but economic conditions should improve in the weeks and months to come.

Figure 2
Unemployment Rate

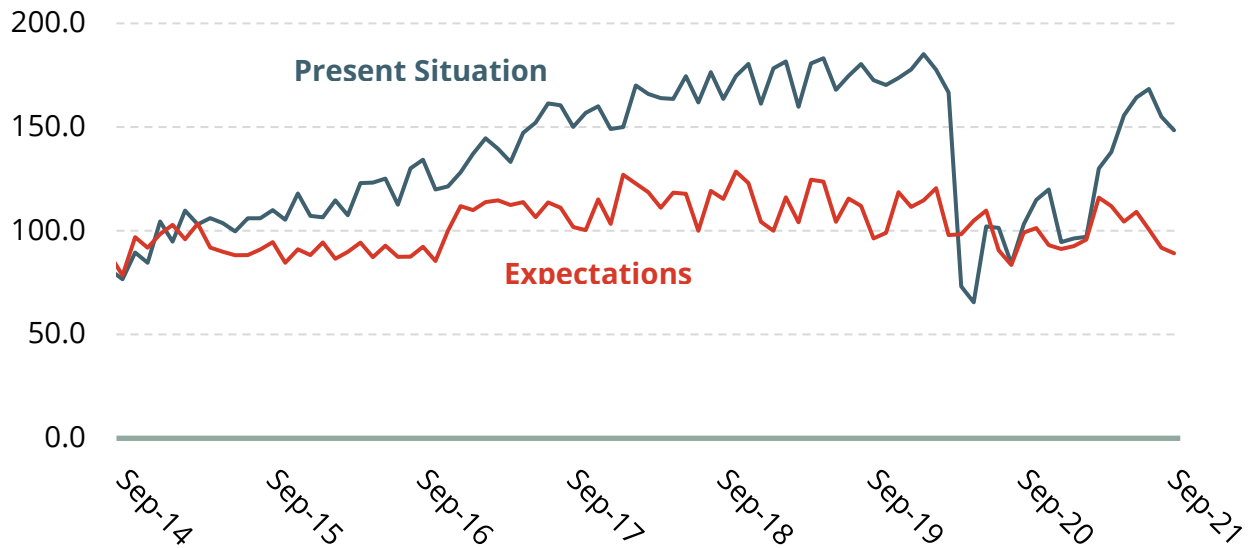


Source: U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics

The Delta variant has also impacted consumer confidence, as individuals and families are feeling more uncertain. In September 2021, the measure of confidence in the present economic situation was 148.5, down from nearly 170 earlier this summer. The measure of consumers' confidence in future economic conditions fell to 89.1 in September, after rising steadily throughout the late spring and early summer. A consumer confidence index above 100 indicates people are feeling more optimistic about economic conditions.

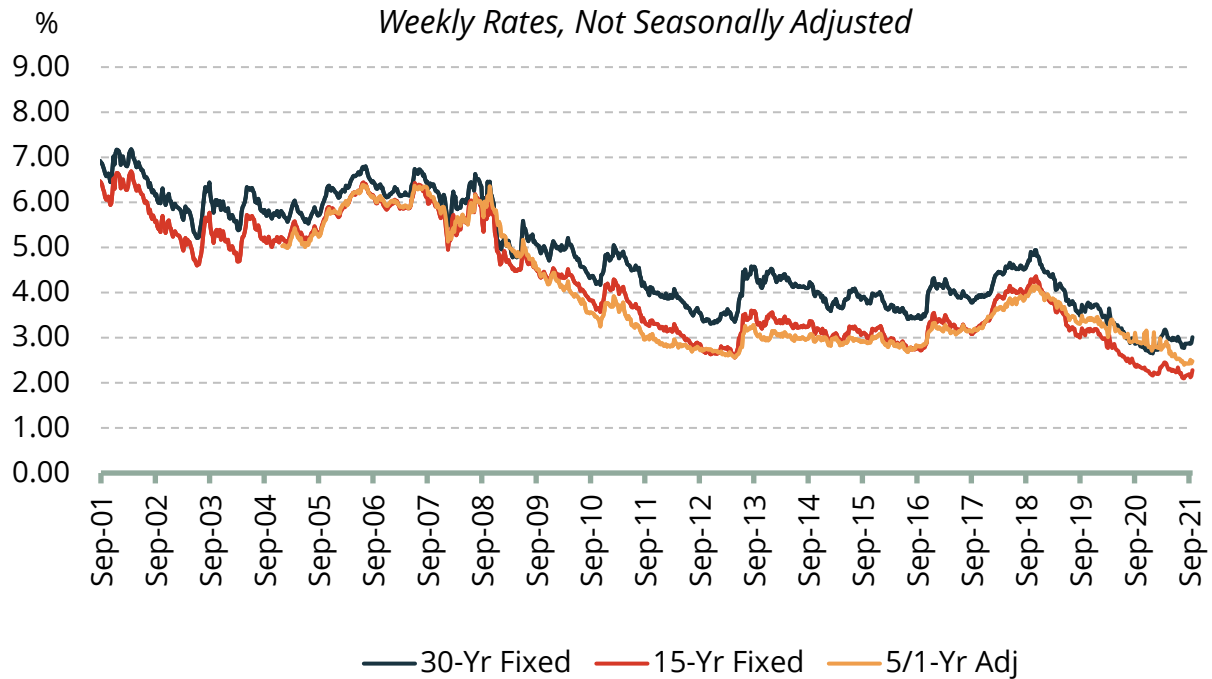
The average rate on a 30-year fixed-rate mortgage has consistently been below 3% for most of the past year. With an improving economy, mortgage rates have been rising slightly, though they still remain at historically low levels. At the end of September, the average 30-year fixed-rate mortgage rate had edged up to just above 3%. Rates are expected to rise modestly over the next few months but should remain below 3.5% throughout the end of 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

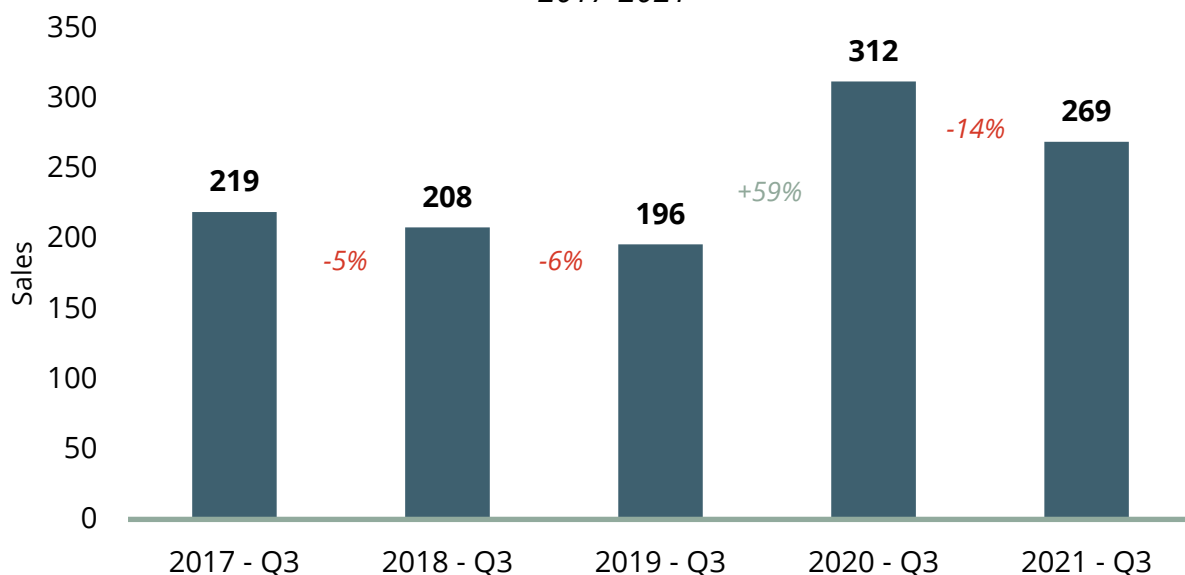
Housing Market Overview

The Eastern Shore housing market has been very busy for the past year, as demand has surged in both Accomack and Northampton counties. In the third quarter, sales activity cooled compared to a year ago, reflecting a return to more normal market conditions. Home prices have risen very quickly, though the pace of price growth slowed in the third quarter. Inventory continued to fall in the Eastern Shore market, and homes still sold more quickly than they did a year ago.

Sales

Sales activity slowed in the ESAR region in the third quarter. There were 269 sales across the ESAR footprint, which is 43 fewer sales than a year ago, a decline of 14%. Sales declined in both Accomack and Northampton counties. The year-over-year decline in home sales in the region reflects the fact that third quarter 2020 sales were very strong as buyer interest in the region surged during the pandemic. Sales activity in the ESAR market was still higher than pre-pandemic levels, with total sales 37% higher than during the third quarter of 2019. Statewide, the number of home sales in the third quarter was up 2% compared to last year and was 19% higher than third quarter 2019 sales totals.

Figure 5
Third Quarter Home Sales, ESAR
2017-2021



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



Local Snapshot – *Total Home Sales*

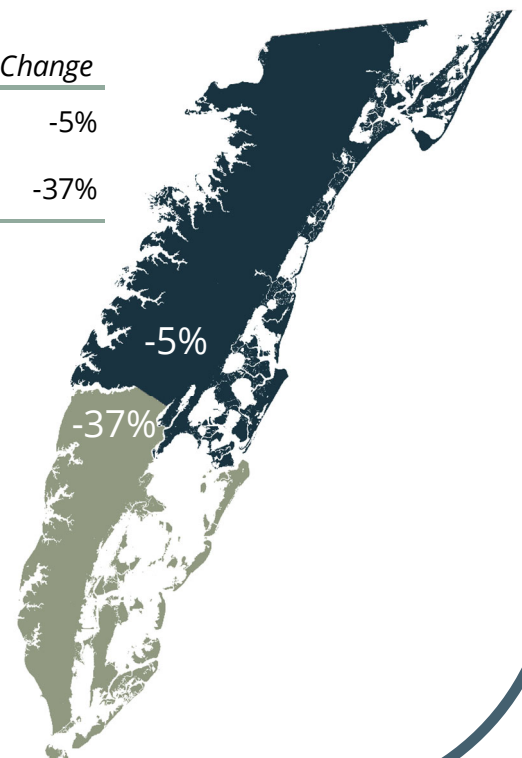
Accomack County: There were 212 sales in Accomack County in the third quarter, 10 fewer sales than last year, which is a decline of 5%. Sales were very strong last year at this time, which explains much of the drop this quarter. Home sales in the county were higher than pre-pandemic levels, with total sales 39% higher than they were in the third quarter of 2019.

Northampton County: Sales activity fell in Northampton County in the third quarter. There were 57 homes sold in the county, 57 fewer sales than last year, which is a 37% decline. Sales activity had been increasing very fast during the past year, reflecting strong demand in the Eastern Shore market. Third quarter sales were above pre-pandemic levels, with total sales up 30% compared to the third quarter of 2019.

Figure 6
Change in Sales by Jurisdiction
ESAR
Third Quarter 2020 to Third Quarter 2021

<i>Jurisdiction</i>	<i>2020 - Q3</i>	<i>2021 - Q3</i>	<i>% Change</i>
Accomack County	222	212	-5%
Northampton County	90	57	-37%

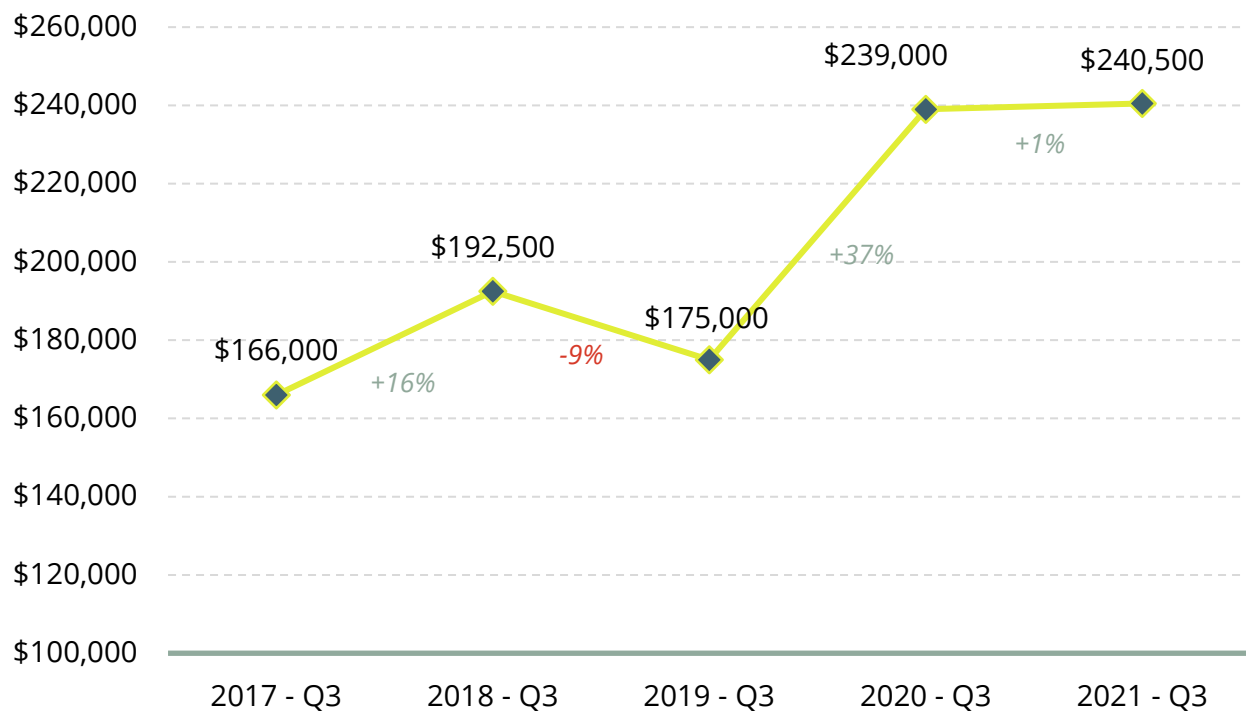
Source: Virginia REALTORS[®], data accessed October 15, 2021



Sales Prices

Home prices had been rising quickly in the ESAR region over the past year, but the pace of price growth has slowed. The median sales price in the region was \$240,500 in the ESAR region in the third quarter, which is up just 1% compared to a year ago, a gain of \$1,500. A cooling of demand has led to slower price growth in the region this quarter; however, the median home price in the region is much higher than pre-pandemic levels. The third quarter 2021 median sales price is nearly \$66,000 higher than during the third quarter of 2019. The median sales price statewide was \$355,000 in the third quarter, up 8% compared to a year ago.

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



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



Local Snapshot – *Median Sales Price*

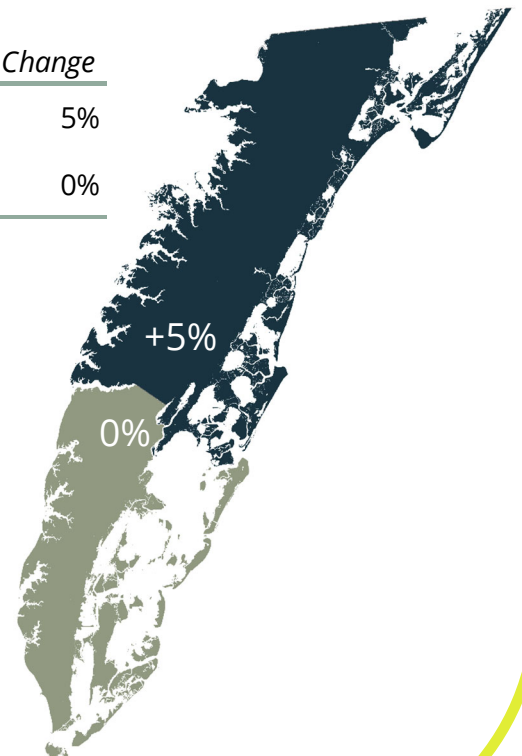
Accomack County: The third quarter median sales price in Accomack County was \$223,000, which is 5% higher than last year, a gain of more than \$10,000. Prices had been rising at double-digit rates in the county for the prior four quarters.

Northampton County: At \$360,000, the third quarter median sales price in Northampton County was virtually unchanged from a year ago. Home prices had been rising very quickly in the county since the third quarter of 2020. The median sales price is more than \$100,000 higher than it was prior to the pandemic during the third quarter of 2019.

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

<i>Jurisdiction</i>	<i>2020 - Q3</i>	<i>2021 - Q3</i>	<i>% Change</i>
Accomack County	\$212,400	\$223,000	5%
Northampton County	\$359,500	\$360,000	0%

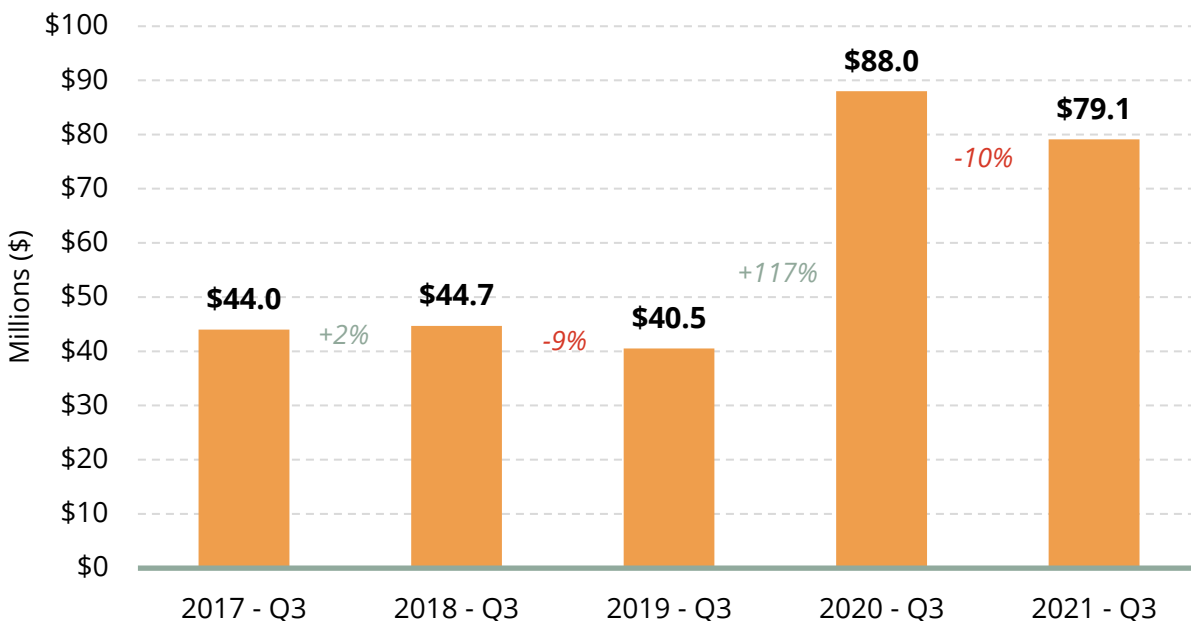
Source: Virginia REALTORS®, data accessed October 15, 2021



Sold Volume

A cooling in the housing market led to a drop in total sold volume in the ESAR market. There was approximately \$79.1 million of sold volume in the ESAR housing market during the third quarter. Total sold volume was down 10% compared to last year at this time, which is a drop of nearly \$9 million. Despite the drop this quarter, the sold volume this quarter in the region was well above pre-pandemic levels; the total sold volume was nearly double the level it was in the third quarter of 2019. Statewide, total sold volume was up 9% compared to the third quarter of last year.

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



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

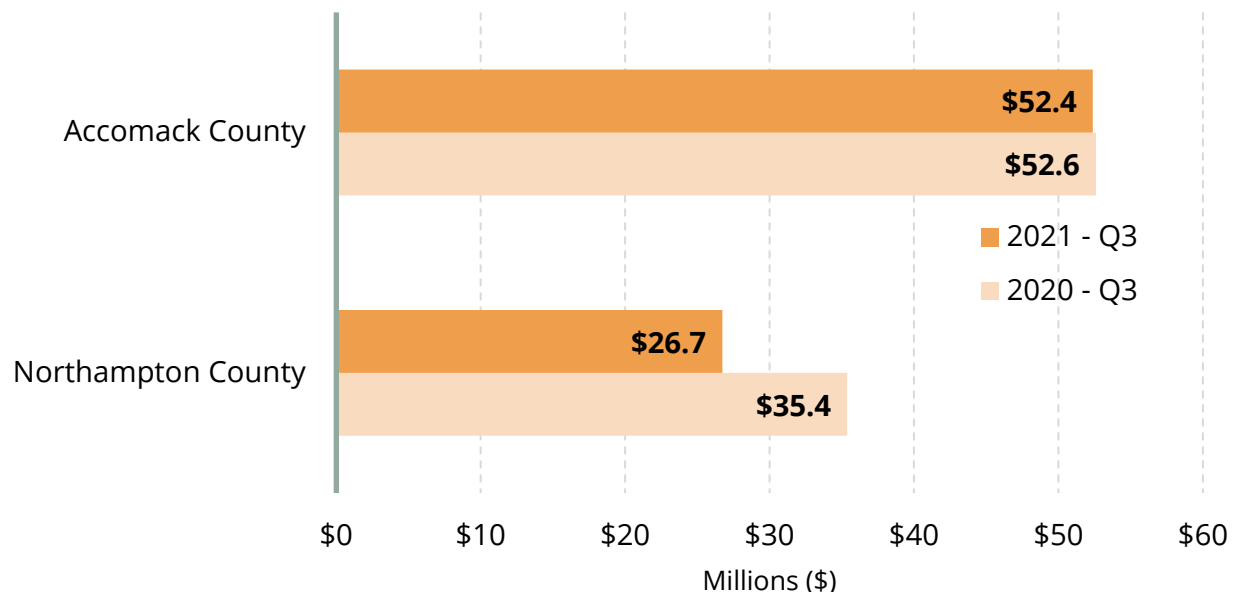


Local Snapshot – *Sold Dollar Volume*

Accomack County: There was about \$52.4 million of sold volume in the county during the third quarter, which is virtually unchanged from last year at this time. Despite the lack of growth this year, the sold volume was twice as large as it was during pre-pandemic levels in the third quarter of 2019.

Northampton County: The decline in home sales activity led to a decline in total sold dollar volume in Northampton County this quarter. There was about \$26.7 million of sold dollar volume in the county during the third quarter, down 24% compared to last year, which is a drop of \$8.6 million. Compared to the third quarter of 2019, however, total sold volume in the county is up 88%.

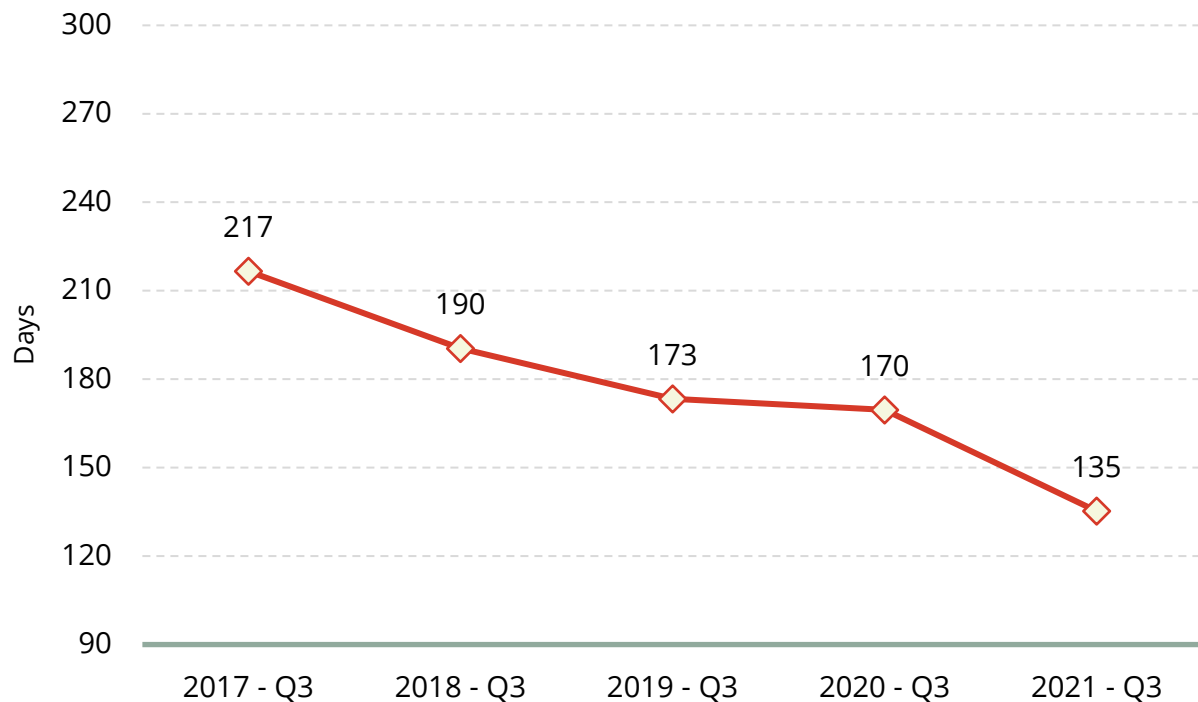
Figure 10
Third Quarter Sold Dollar Volume, ESAR Jurisdictions
2020 and 2021



Days on Market

While the market cooled, homes in the ESAR market continued to sell faster than last year. The third quarter average days on market in the area was 135 days, which is 35 days faster than a year ago. Homes have been selling more quickly in the ESAR region for the past year, but it takes longer for the typical home to sell on the Eastern Shore than it does in many markets across the state. Statewide, homes sold in an average of 21 days in the third quarter, down from 39 days a year ago.

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



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

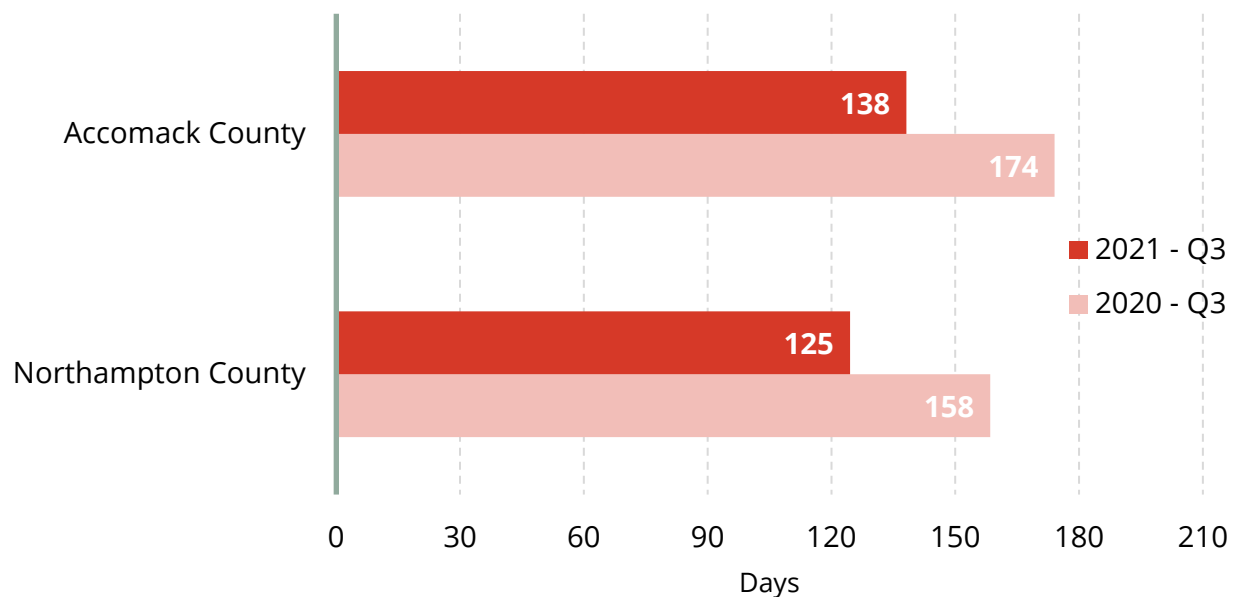


Local Snapshot – *Average Days on Market*

Accomack County: The average days on market in Accomack County in the third quarter was 138 days, which is 36 days faster than last year. The average days on market in the county has been declining since the fourth quarter of 2020.

Northampton County: Homes that sold in Northampton County in the third quarter were on the market an average of 125 days, which is 33 days faster than this time last year. The average days on market has dropped significantly from pre-pandemic levels, when homes were on the market an average of 187 days during the third quarter of 2019.

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



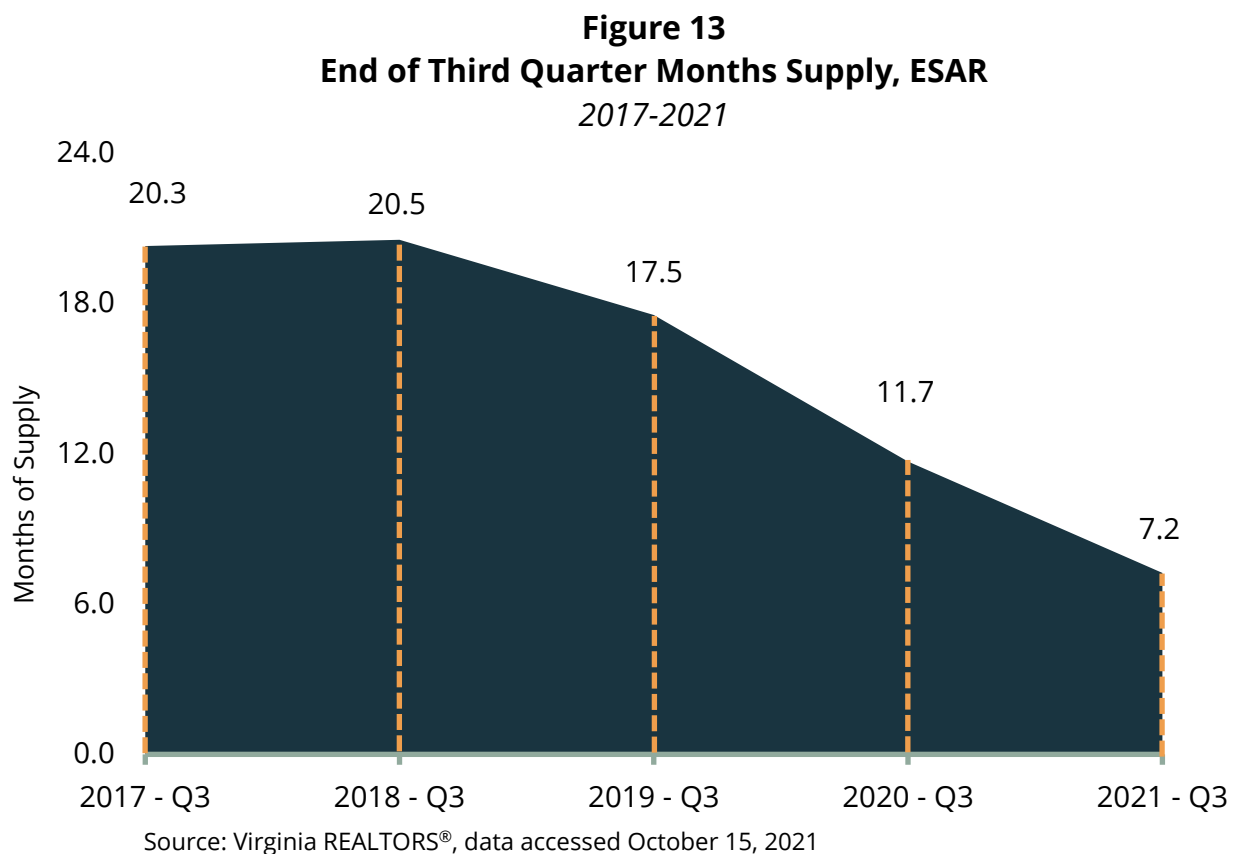
Source: Virginia REALTORS®, data accessed October 15, 2021

Inventory

Inventory continued to decline in the ESAR footprint. There were 646 active listings in the region at the end of the third quarter, 19% fewer listings than were available last year, which is a decrease of 153 listings. Inventory fell in both Accomack and Northampton counties, though the rate at which inventory is being drawn down has slowed.

At the state level, inventory fell in the third quarter. Statewide, there was a total of 20,726 active listings, which is about 1,800 fewer active listings than a year ago, an 8% drop.

There was 7.2 months of supply at the end of the third quarter in the ESAR footprint, down from 11.7 months a year ago. The months of supply metric is calculated by taking the average monthly sales over the preceding 12-month period and dividing it by the inventory of active listings.



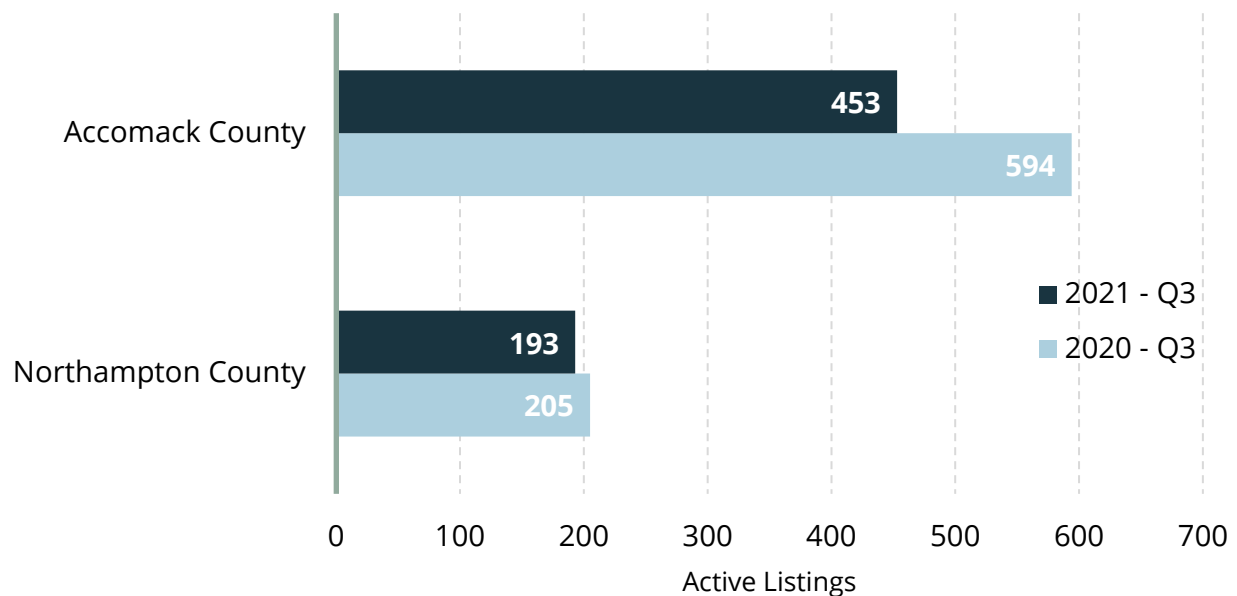


Local Snapshot – *Active Listings*

Accomack County: There were 453 active listings in Accomack County at the end of the third quarter, which is a 24% decline from a year ago, a drop of 141 listings. Inventory has been shrinking in the county's housing market consistently since the beginning of 2018.

Northampton County: At the end of the third quarter, there were 193 active listings on the market in Northampton County, 6% fewer listings than last year, which is a decrease of 12 listings.

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



Source: Virginia REALTORS®, data accessed October 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:

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.