

ESAR EASTERN SHORE HOME SALES REPORT

CUSTOM REPORT PREPARED BY
VIRGINIA REALTORS®

ESAR Home Sales Report

First Quarter 2022

Eastern Shore Association of REALTORS®

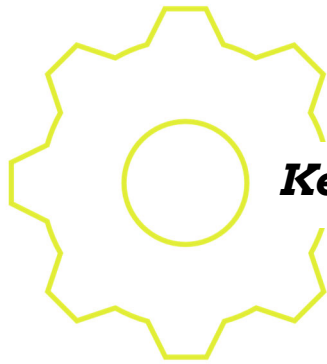
Market Report Key Takeaways

Economic Conditions

- Virginia's economy continued to improve in early 2022, despite rising inflation and the escalating conflict overseas. Economic conditions are solid in the Eastern Shore region, with a steady decline in the local unemployment rate.
- Even as the economy improves, consumer confidence is shaky. In March 2022, the measure of expectations of future economic conditions fell to its lowest level since 2013.
- Mortgage rates are on the rise. In the second week of April, the average 30-year rate hit 5%, the first time it has been at this level in 11 years.

Housing Market Conditions

- There were 206 homes sold in the ESAR region during the first quarter. Sales were down 9% compared to a year ago. This was the third quarter in a row of year-over-year sales declines in the region.
- Home prices continued to rise in the ESAR area. In the first quarter, the median sales price regionwide was \$262,450, which is a gain of 8% compared to last year at this time.
- Inventory continued to shrink in the ESAR region. There were 537 active listings throughout the ESAR footprint at the end of the first quarter, which is down 20% compared to the end of the first quarter of 2021.



Key Trends Dashboard, ESAR

Economy



3.9%

Is the Feb-2022 **unemployment rate** in the ESAR footprint, which is down from Jan-2022



5%

Is the **30-year fixed-rate mortgage rate** during the second week of April 2022, which is up 1.96 percentage points from a year ago

Housing Market



-21

Fewer **home sales** in the ESAR footprint in Q1-2022 compared to last year



8%

Percent change in **median sales price** in the ESAR region in Q1-2022 compared to a year ago



\$1.9

Million dollars more in total **sold volume** in the ESAR footprint in Q1-2022 compared to last year



-20%

Percent change in **active listings** at the end of Q1-2022 in the ESAR market compared to a year ago



6.5

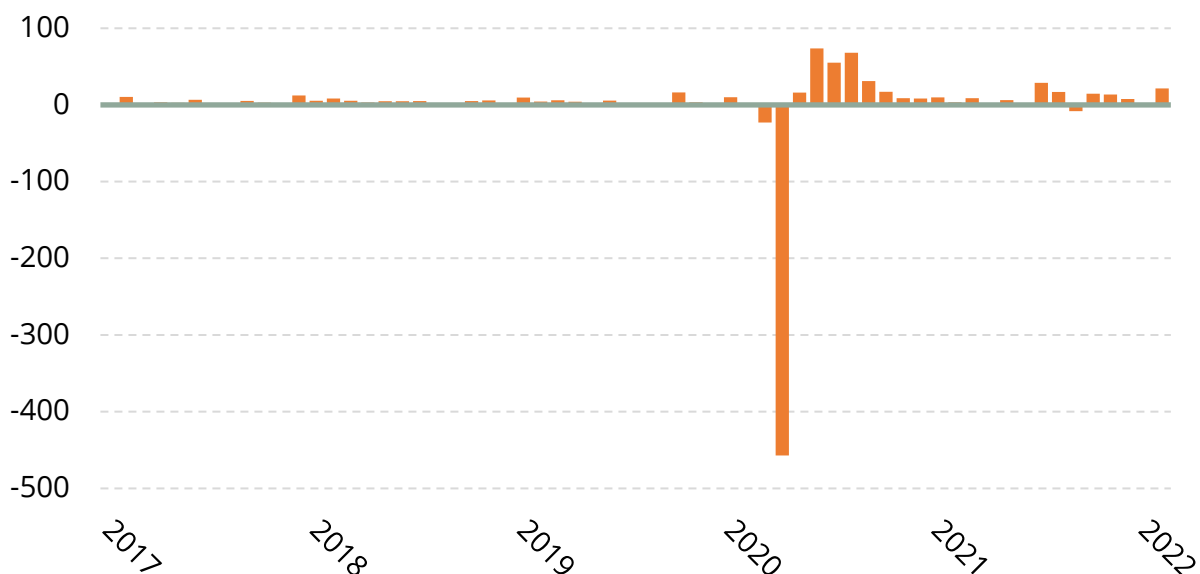
Months of supply in the ESAR footprint in Q1-2022, which is down from a year ago

Economic Overview

Despite ongoing uncertainties, the economy in Virginia continues to improve. In February 2022, total employment in Virginia surpassed four million jobs, the first time that milestone has been reached since March 2020. About 111,900 jobs have been added over the past 12 months. The total number of jobs in the state is now just 2% below where it was prior to the pandemic.

The job recovery in Virginia continues across most sectors, with the fastest growth in some of the sectors that were hardest hit by the pandemic. The Professional/Technical Services, Transportation/Warehousing, Administrative Services, and Federal Government sectors have all been back to pre-pandemic levels for several months. However, in February, for the first time, the number of jobs in both the Retail Trade and Construction sectors surpassed pre-pandemic levels.

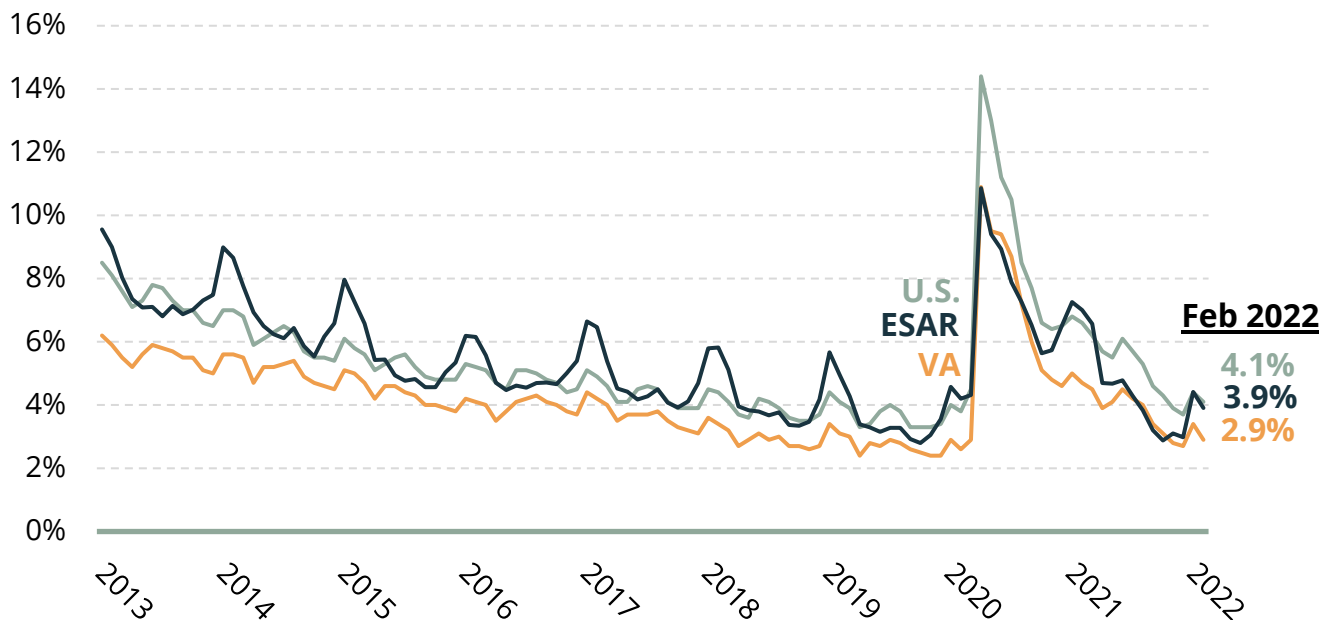
Figure 1
Virginia Month-to-Month Change in Jobs



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

A key indicator of the improving economy is the unemployment rate. In February, the unemployment rate in Virginia was 2.9% (not seasonally adjusted), which is down from 3.4% in January and is at the lowest level since March 2020. In the Eastern Shore region, the February unemployment rate was 3.9%, down from 4.4% in January.

Figure 2
Unemployment Rate



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

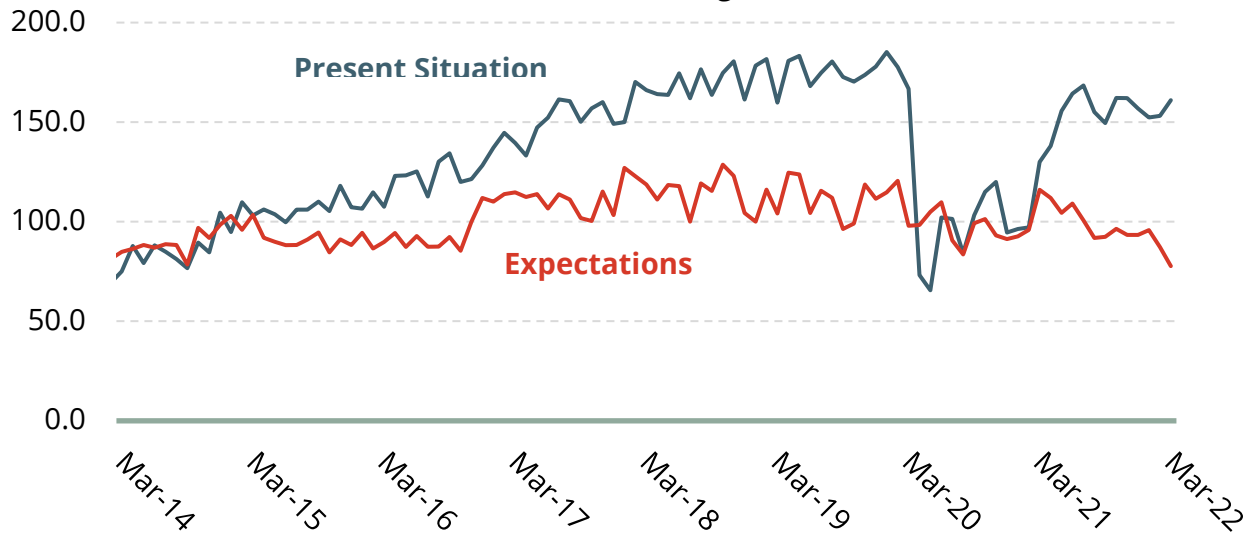
Consumer Confidence

Consumers' outlook for the economy dipped this spring in response to high inflation and ongoing conflict overseas. In March 2022, the measure of how confident consumers feel about the future economy fell to 77.7, down from 87.2 in February, and the lowest level since 2013. Between February and March 2022, consumers' confidence in the present economic situation ticked up from 153.1 to 161. (A consumer confidence index above 100 indicates people are feeling more optimistic about economic conditions.)

Mortgage Rates

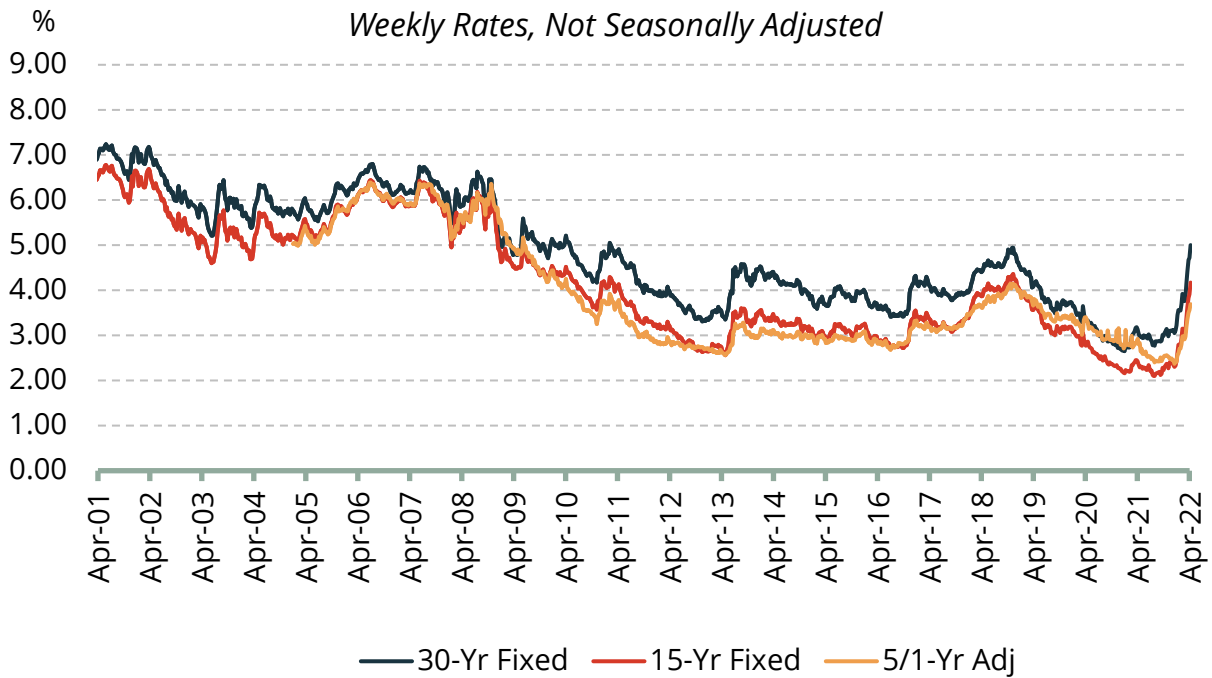
Over the past few weeks, mortgage rates have risen faster than they have in nearly 30 years. In the second week of April, the average rate on a 30-year fixed-rate mortgage hit 5% for the first time in 11 years. Rates are rising in response to actions taken by the Federal Reserve, including a boost in short-term interest rates and a pullback in the purchase of bonds and mortgage-backed securities. The Fed has telegraphed several more short-term rate increases during 2022, which indicates that mortgage rates will likely rise further during the year. Even as rates continue to climb, they are still at historically low levels.

Figure 3
Consumer Confidence
South Atlantic Region



Source: The Conference Board

Figure 4
Mortgage Interest Rates
Weekly Rates, Not Seasonally Adjusted



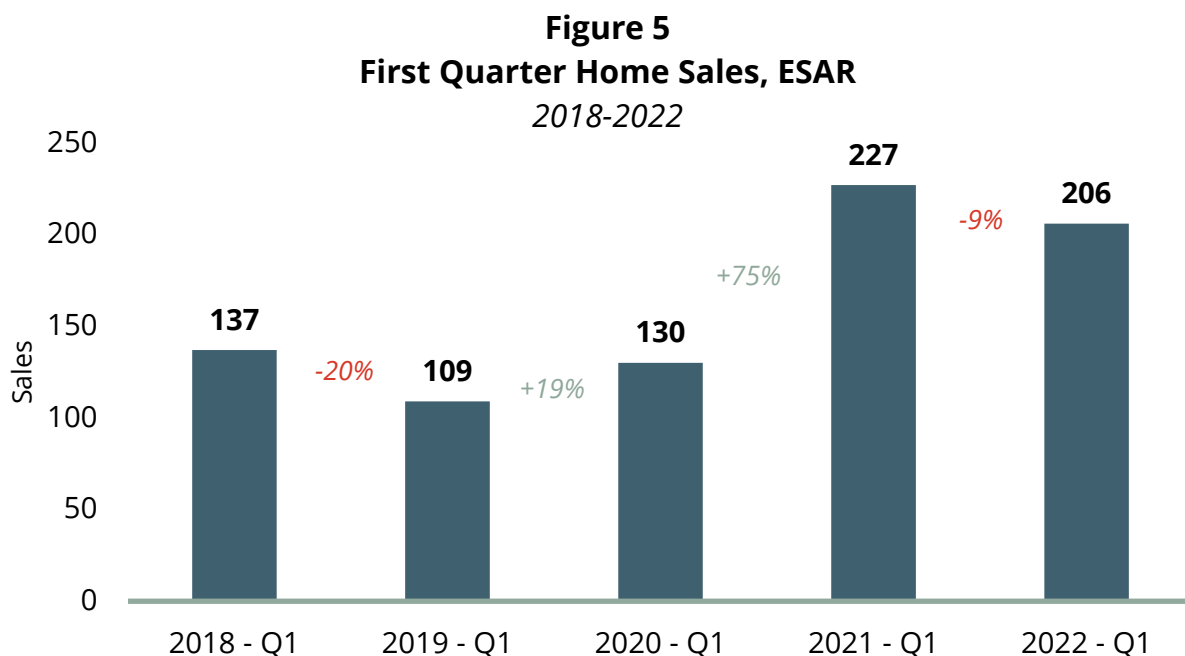
Source: Federal Reserve Bank of St. Louis

Housing Market Overview

The number of home sales on the Eastern Shore fell again compared to a year ago, which reflects a somewhat cooling housing market. However, buyers were still active in the market as home prices continued to rise and homes sold more quickly than they did a year ago. Inventory is still very low in the region and declined further in the first quarter. Higher mortgage rates likely will cool the market further over the next few months, though demand will still outpace available inventory.

Sales

Sales were down compared to a year ago for the third consecutive quarter in the ESAR footprint. There were 206 homes sold in the region during the first quarter, which is down 9% compared to a year ago, or 21 fewer sales. All of the year-over-year decline this quarter occurred in Accomack County; sales in Northampton County were up. Despite the slowdown regionwide, the number of sales is still higher than before the pandemic. There were 58% more sales during the first quarter of 2022 than there were back in the first quarter of 2020. Statewide, the number of home sales in the first quarter was down 8% compared to a year ago and was 9% higher than first quarter 2020 sales totals.



Source: Virginia REALTORS®, data accessed April 15, 2022



Local Snapshot – *Total Home Sales*

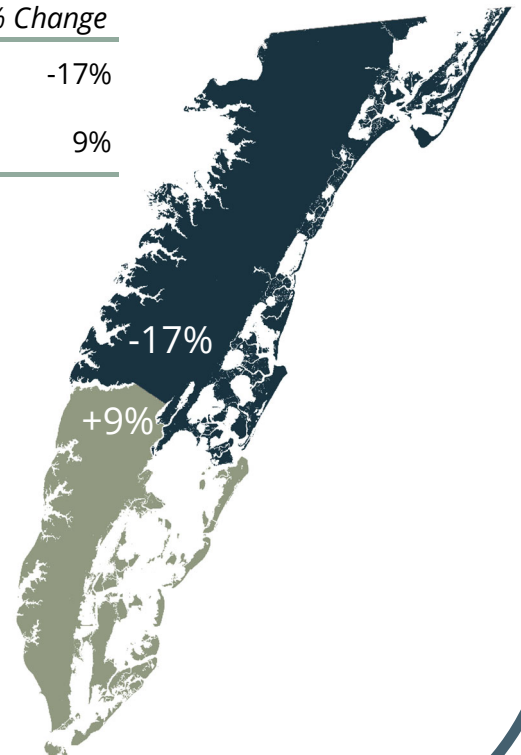
Accomack County: In Accomack County, there were 136 home sales during the first quarter, which is 27 fewer sales than a year ago, a decline of 17%. This is the third consecutive quarter of sales declines in the county. However, there were still 37% more sales than there had been during the first quarter of 2020, before the onset of the pandemic.

Northampton County: During the first quarter, there were 70 homes sold in Northampton County, which is six more sales than last year at this time, a 9% increase. Home sales activity has surged during the pandemic. First quarter sales in Northampton County were more than double the number of sales during the first quarter of 2020.

Figure 6
Change in Sales by Jurisdiction
ESAR
First Quarter 2021 to First Quarter 2022

<i>Jurisdiction</i>	<i>2021 - Q1</i>	<i>2022 - Q1</i>	<i>% Change</i>
Accomack County	163	136	-17%
Northampton County	64	70	9%

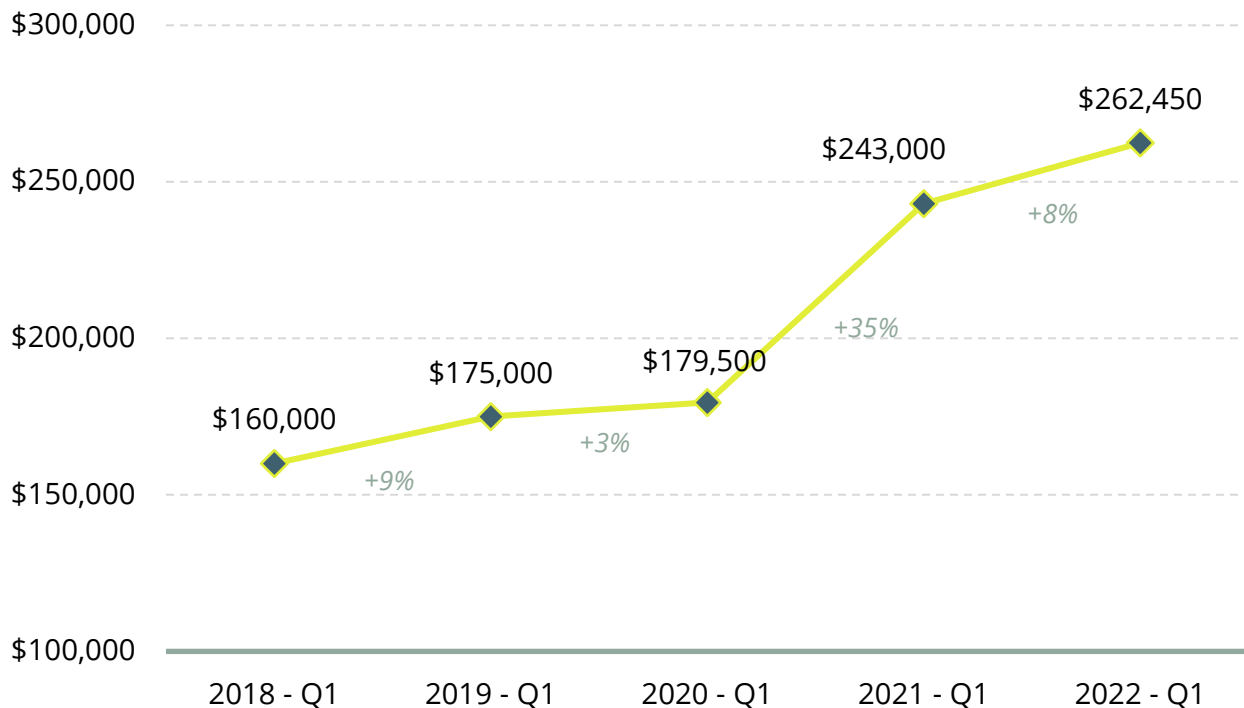
Source: Virginia REALTORS®, data accessed April 15, 2022



Sales Prices

Home prices have risen rapidly in the ESAR region. In the first quarter, the median sales price in the area was \$262,450. The median price increased by 8% compared to last year at this time, a gain of \$19,450. Home prices rose in the first quarter in both Accomack and Northampton counties. As a result of significant price appreciation, the median price in the ESAR region is now nearly \$83,000 higher than it was two years ago. Statewide, the first quarter median sales price was \$375,000, up 12% compared to a year ago.

Figure 7
First Quarter Median Sales Price, ESAR
2018-2022



Source: Virginia REALTORS®, data accessed April 15, 2022



Local Snapshot – *Median Sales Price*

Accomack County: The median sales price in Accomack County was \$233,000 in the first quarter, which is a 4% increase over a year ago, a gain of \$8,000. Prices have risen quickly over the past two years. The median price is now \$58,000 higher than it was in the second quarter of 2020.

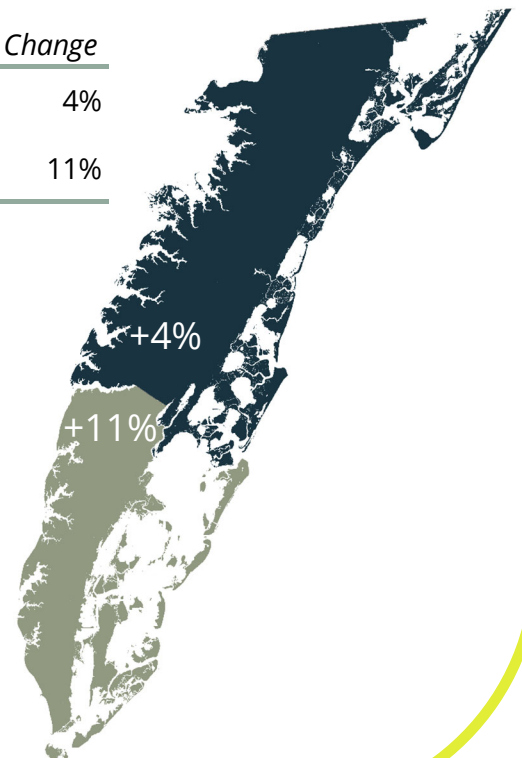
Northampton County: Prices have surged in Northampton County during the pandemic. In the first quarter, the median price in the county hit \$408,500, which is \$39,000 higher than the median price a year ago, an 11% year-over-year increase. The median sales price in the county is now more than \$168,000 higher than it was two years ago.

Figure 8
Change in Median Sales Price by Jurisdiction
ESAR

First Quarter 2021 to First Quarter 2022

<i>Jurisdiction</i>	<i>2021 - Q1</i>	<i>2022 - Q1</i>	<i>% Change</i>
Accomack County	\$225,000	\$233,000	4%
Northampton County	\$369,500	\$408,500	11%

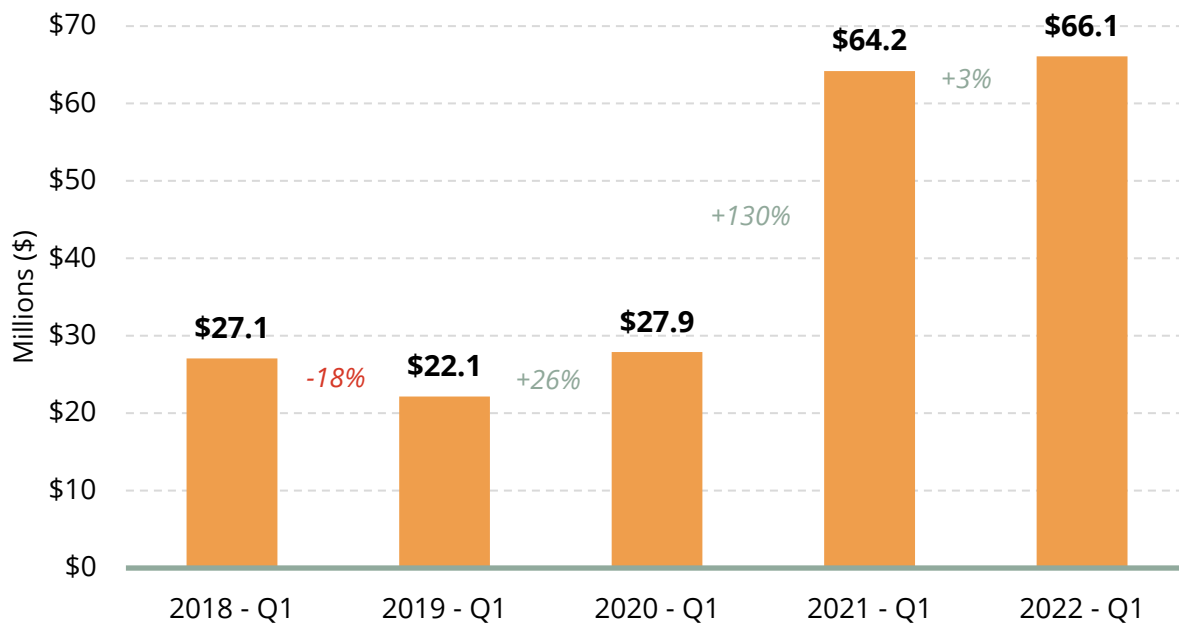
Source: Virginia REALTORS®, data accessed January 15, 2022



Sold Volume

With fewer sales, total sold volume rose modestly in the ESAR region in the first quarter. There was about \$66.1 million of sold volume in the ESAR region in the first quarter. Total volume was \$1.9 million higher than during the first quarter of 2021, which is a 3% gain. Sold volume fell in Accomack County and surged in Northampton County in the first quarter.

Figure 9
First Quarter Sold Dollar Volume (Millions), ESAR
2018-2022



Source: Virginia REALTORS®, data accessed April 15, 2022

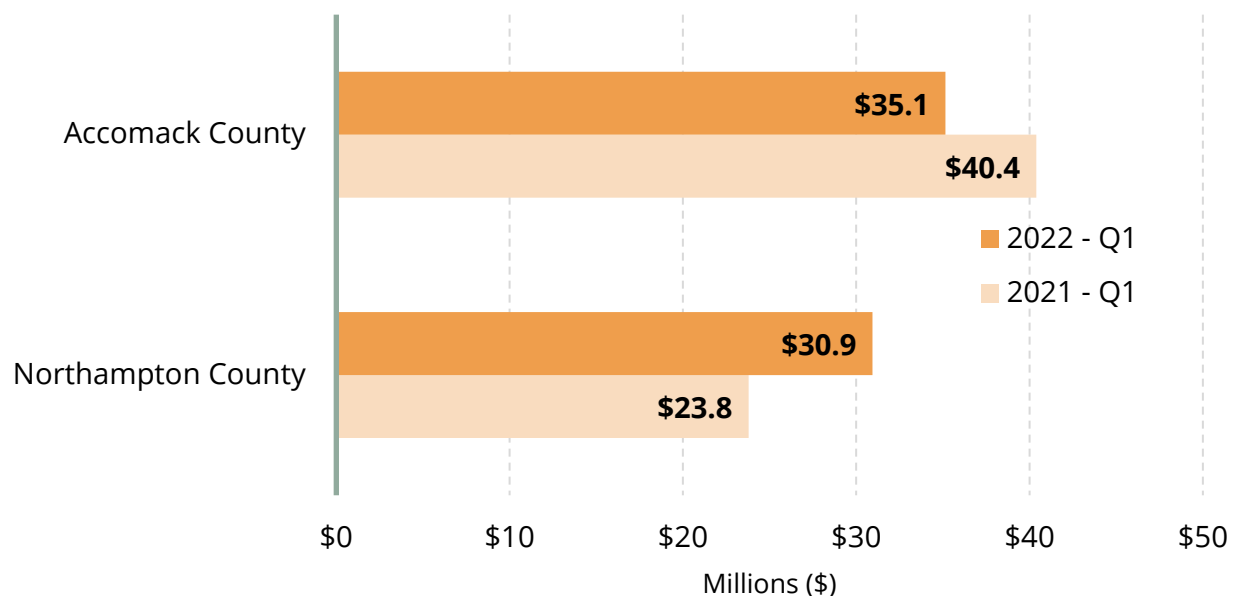


Local Snapshot – *Sold Dollar Volume*

Accomack County: With fewer sales in Accomack County this quarter, total sold volume dipped. There was about \$35.1 million of sold volume in the county in the first quarter. Total sold volume was 13% lower than a year ago, or about \$5.2 million less.

Northampton County: Strong sales and price growth led to more sold volume in Northampton County. There was about \$30.9 million in sold volume in the county in the first quarter, which is up 30% compared to a year ago, or an increase of about \$7.2 million.

Figure 10
First Quarter Sold Dollar Volume, ESAR Jurisdictions
2021 and 2022

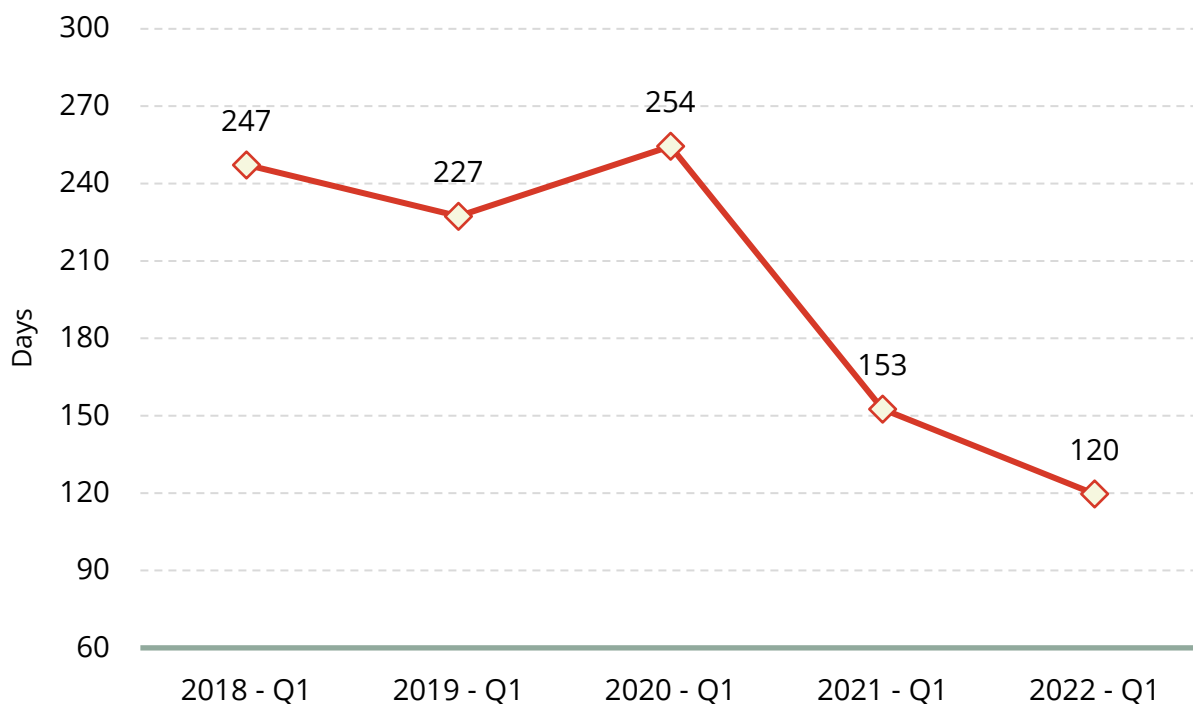


Source: Virginia REALTORS®, data accessed April 15, 2022

Days on Market

Even though there were fewer home sales this quarter, homes continued to sell faster in the ESAR region. Homes that sold in the first quarter were on the market an average of 120 days, which is more than a month (-33 days) faster than during the first quarter of 2021. The average days on market declined in both Accomack and Northampton counties. Statewide, homes sold in an average of 24 days in the first quarter, down from 31 days a year ago.

Figure 11
First Quarter Average Days on Market, ESAR
2018-2022



Source: Virginia REALTORS®, data accessed April 15, 2022

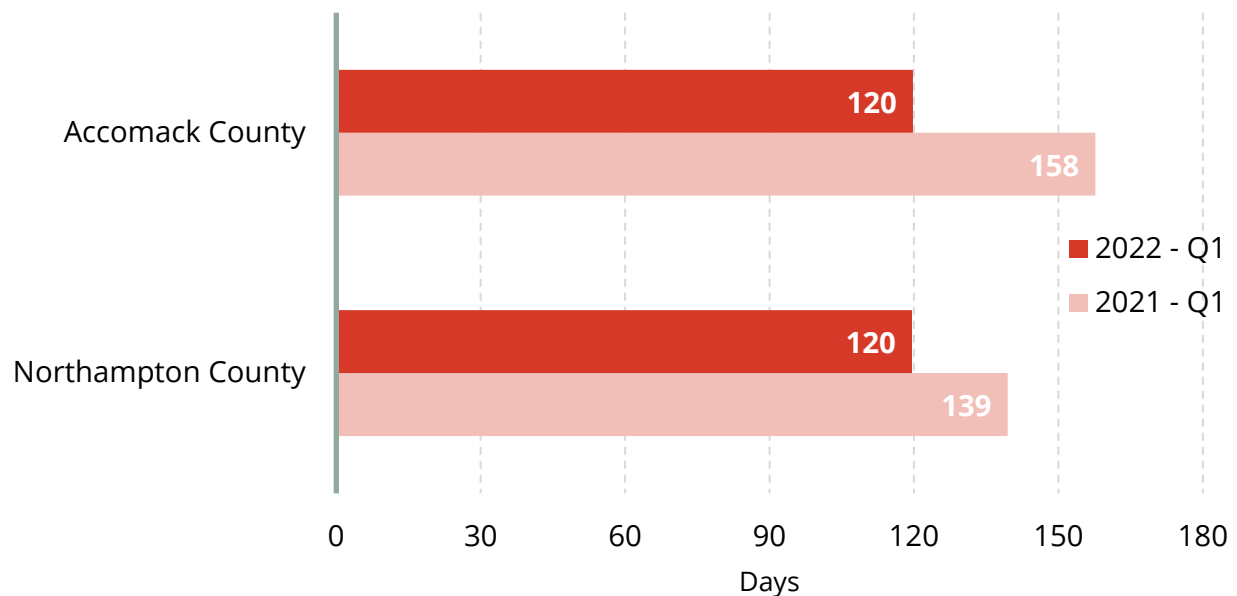


Local Snapshot – *Average Days on Market*

Accomack County: Homes that sold in Accomack County in the first quarter were on the market an average of 120 days, which is 38 days faster than during the first quarter of 2021.

Northampton County: The average days on market in Northampton County in the first quarter was also 120 days. The average days on market in the county fell by 20 days compared to a year ago.

Figure 12
First Quarter Average Days on Market, ESAR Jurisdictions
2021 and 2022



Source: Virginia REALTORS®, data accessed April 15, 2022

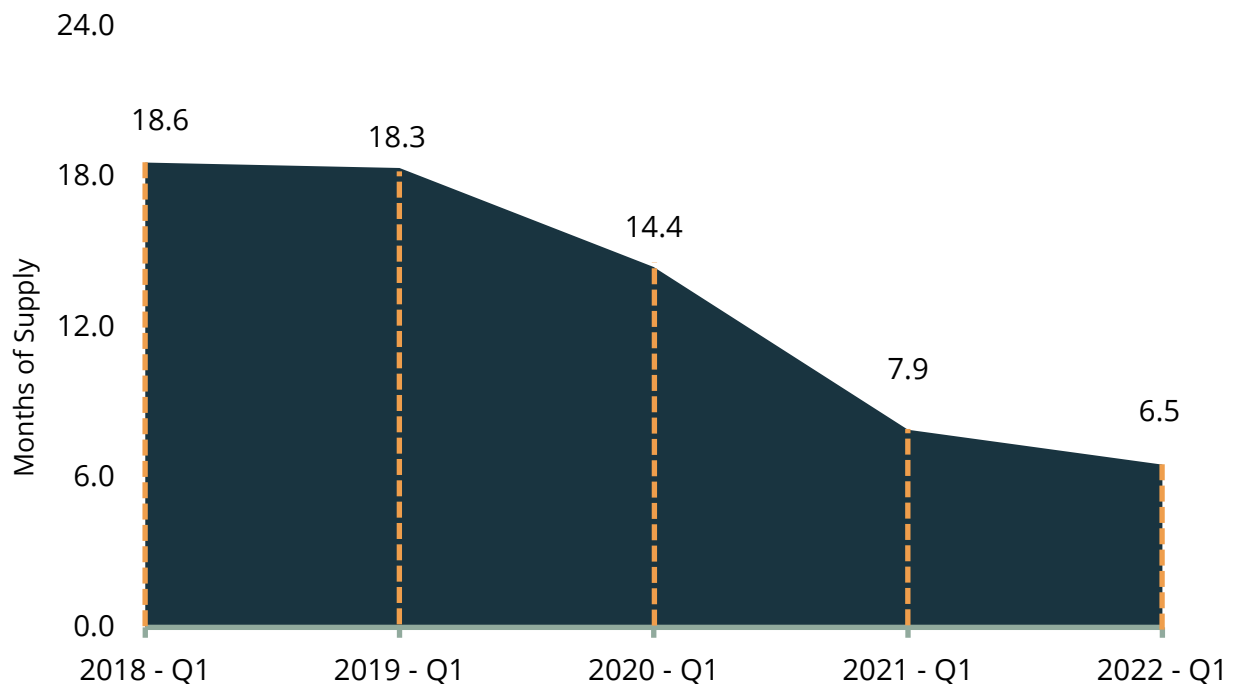
Inventory

Inventory continued to shrink in the ESAR region compared to a year ago, with no signs yet of a turnaround in supply. There were 537 active listings on the market at the end of the first quarter, which is 132 fewer listings than the first quarter of 2021, a 20% drop in listings. Supply is down in both counties in the ESAR footprint.

Statewide, there was a total of 13,610 active listings at the end of the first quarter, which is about 2,000 fewer active listings than a year ago, a 13% drop.

There was 6.5 months of supply at the end of the fourth quarter in the ESAR footprint, down from 7.9 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.

Figure 13
End of First Quarter Months Supply, ESAR
2018-2022



Source: Virginia REALTORS®, data accessed April 15, 2022

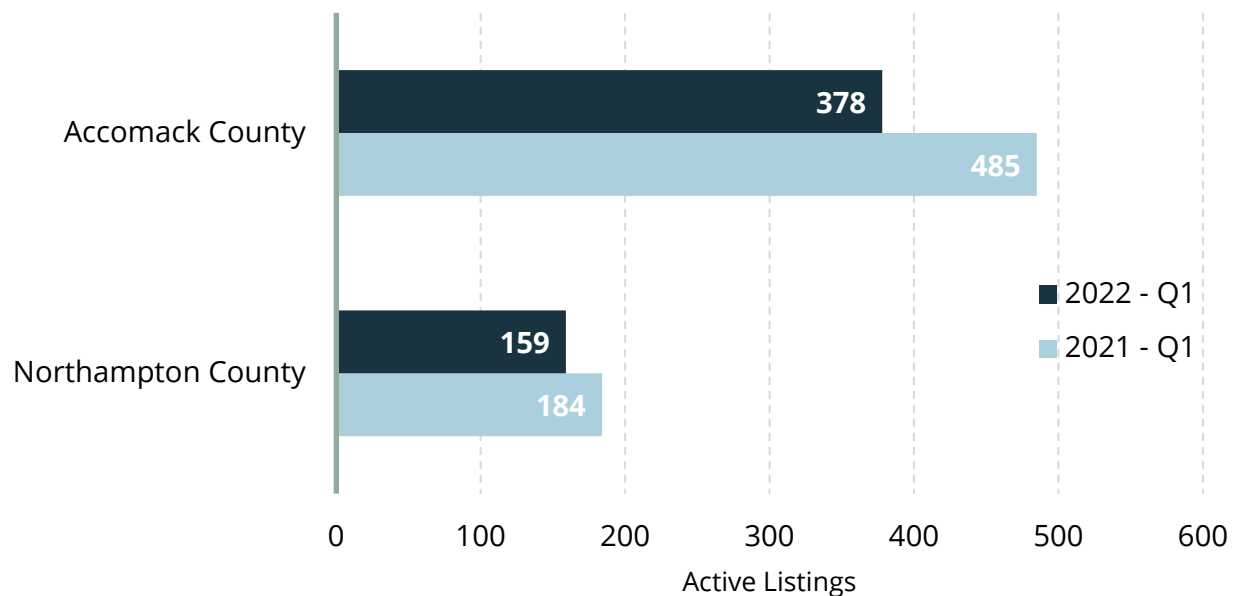


Local Snapshot – *Active Listings*

Accomack County: There were 378 active listings in the Accomack County market at the end of the first quarter. Inventory is down 22% compared to a year ago, which is 107 fewer listings. Supply has been declining year-over-year at a double-digit rate since the second quarter of 2019.

Northampton County: There were 159 active listings in Northampton County at the end of the first quarter, which is a 14% decline, or 25 fewer listings than a year ago.

Figure 14
End of First Quarter Active Listings, ESAR Jurisdictions
2021 and 2022



Source: Virginia REALTORS®, data accessed April 15, 2022



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.