

ESAR EASTERN SHORE HOME SALES REPORT

CUSTOM REPORT PREPARED BY
VIRGINIA REALTORS®

ESAR Home Sales Report

Second Quarter 2022

Eastern Shore Association of REALTORS®

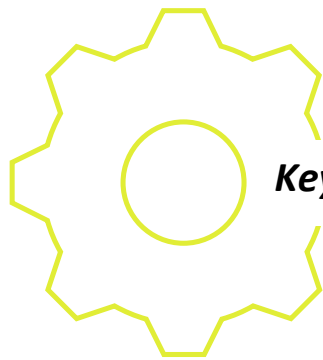
Market Report Key Takeaways

Economic Conditions

- Virginia's job market continues to recover from the pandemic-related losses. The state added 6,600 jobs between April and May and is now about 42,200 jobs short of pre-pandemic levels. Most of the growth this month was in the Leisure and Hospitality sector.
- Despite growing economic uncertainty and rising inflation, unemployment remains very low. In May, the unemployment rate was 3% statewide and 3.3% in the Eastern Shore region.
- Mortgage rates are on the rise but have dipped from a month ago. In the third week of July, the average 30-year rate was 5.54%, up from the prior week, but down from the end of June when it was 5.7%.

Housing Market Conditions

- There were 210 homes sold in the ESAR market in the second quarter. This is a 23% drop from the second quarter a year ago, which is 62 fewer sales. The market has been cooling in the ESAR region for four consecutive quarters.
- Prices continue to surge in the Eastern Shore footprint even as sales activity is slowing. The median sales price regionwide was \$295,000 in the second quarter, jumping up 22% from a year ago, a gain of \$52,500.
- Inventory continues to shrink in the ESAR housing market. There were 305 active listings on the market at the end of the second quarter, less than half the number of listings there were on the market a year ago (-54%).



Key Trends Dashboard, ESAR

Economy



3.3%

Is the May-2022 **unemployment rate** in the ESAR footprint, which is up from Apr-2022



5.54%

Is the **30-year fixed-rate mortgage rate** during the third week of July 2022, which is up 2.76 percentage points from a year ago

Housing Market



-62

Fewer **home sales** in the ESAR footprint in Q2-2022 compared to last year



22%

Percent change in **median sales price** in the ESAR region in Q2-2022 compared to a year ago



-\$2.5

Million dollars less in total **sold volume** in the ESAR footprint in Q2-2022 compared to last year



-54%

Percent change in **active listings** at the end of Q2-2022 in the ESAR market compared to a year ago



3.9

Months of supply in the ESAR footprint in Q2-2022, which is down from a year ago

Economic Overview

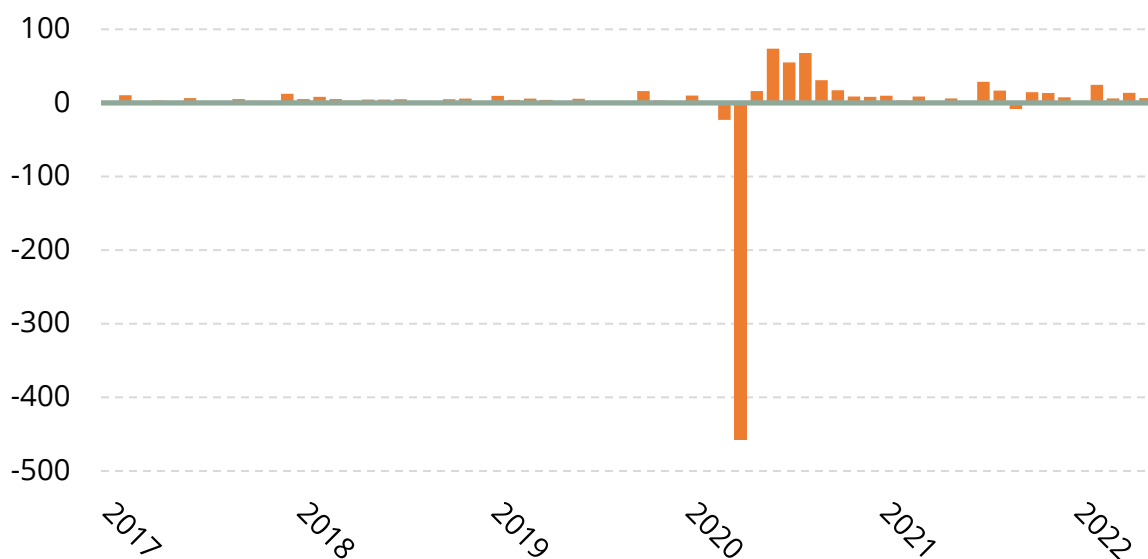
There continues to be a lot of economic uncertainty as inflation lingers at a 40-year high and supply chain issues persist. Mortgage interest rates are climbing, and purchasing power is down, leaving many buyers on the sidelines. Despite these headwinds, Virginia's job base continues to grow, and unemployment remains very low.

Jobs

In May 2022, there were 4.04 million jobs across Virginia, a gain of 6,600 jobs between April and May. Virginia's job base has been expanding for the past two years and is now about 46,200 shy of pre-pandemic levels. Several job sectors have fully recovered and have actually expanded since the start of the pandemic, including the Professional and Technical Services sector, and the Federal Government sector. The homeownership rate within these two job sectors tends to be relatively high, so growth in these sectors provides fuel for the housing market in Virginia.

One of the fastest growing job sectors in recent months has been the Leisure and Hospitality sector. This sector was hit the hardest by the pandemic and is still recovering.

Figure 1
Virginia Month-to-Month Change in Jobs

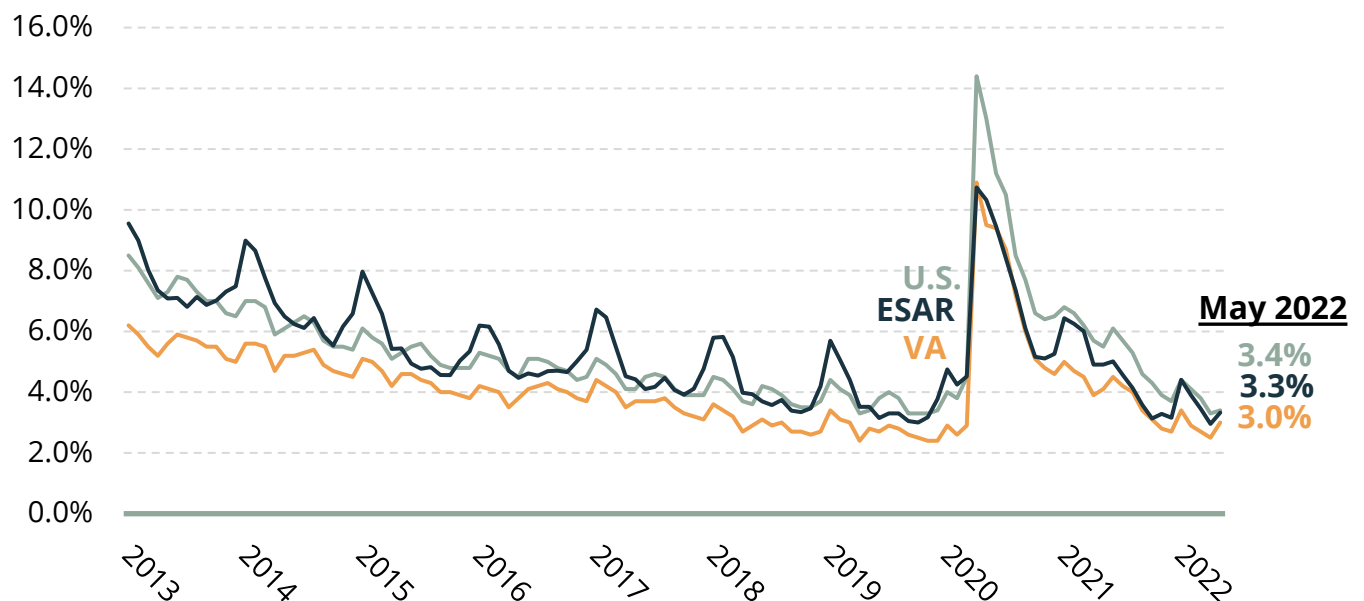


Source: U.S. Bureau of Labor Statistics, Seasonally Adjusted

Unemployment

The unemployment rate continues to be a bright spot in Virginia's economy amid mounting inflation and economic uncertainty. In May, the unemployment rate in Virginia was 3% (not seasonally adjusted) which is up from 2.5% in April. This is a typical seasonal increase in the unemployment rate. In the Eastern Shore footprint, the May unemployment rate was 3.3%, which is up from 3% in April.

Figure 2
Unemployment Rate



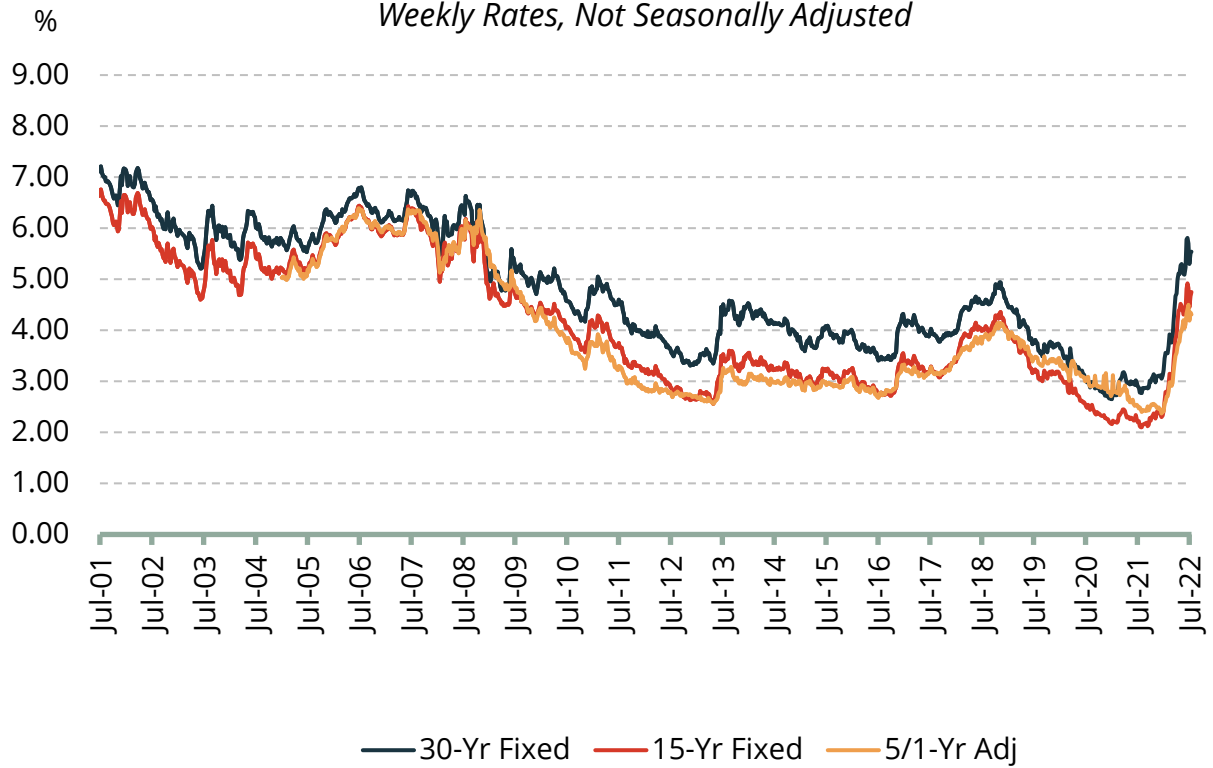
Source: U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics

Mortgage Rates

The average rate on a 30-year fixed mortgage in the third week of July was 5.54%, which is up from the prior week, but down from the end of June when it was 5.7%. Upward pressure on interest rates is likely to continue as the Federal Reserve is set to increase the Federal Funds Rate at the end of July amid rising inflation. Mortgage rates have increased more than two percentage points so far this year, which has had a cooling effect on housing markets across the country, including here in Virginia.

Figure 3
Mortgage Interest Rates

Weekly Rates, Not Seasonally Adjusted



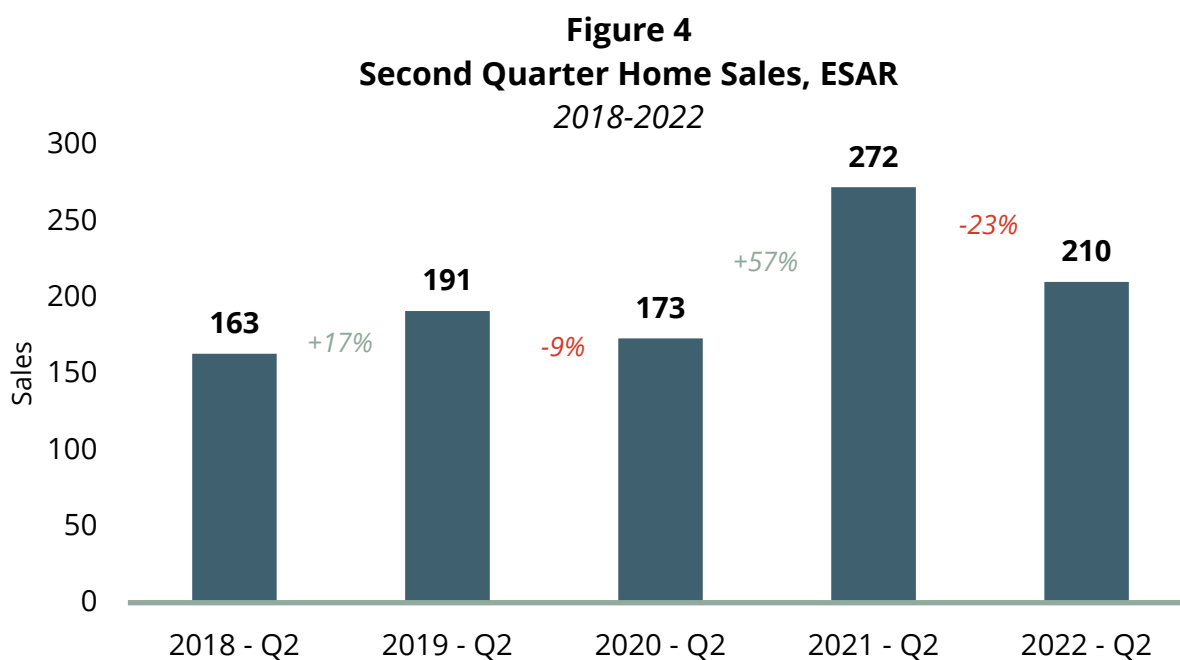
Source: Federal Reserve Bank of St. Louis

Housing Market Overview

The ESAR housing market continues to show signs of cooling. Sales activity was slower than this time last year, the fourth drop in a row. Despite fewer sales overall, prices are surging, and homes continued to sell faster on average. This reflects how competitive the market is in many parts of the region. The supply of active listings in the market is about half of what it was a year ago.

Sales

Home sales activity continued to slow down in the ESAR housing market. There were 210 sales across the region during the second quarter of 2022, which is 23% fewer sales than a year ago, a decline of 62 sales. This is the sharpest drop in sales the ESAR market has had in more than seven years. Sales activity moderated all three months in the second quarter (April through June) compared to the busy pace last year. Statewide sales activity moderated this quarter, down 14% from the second quarter of last year.



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



Local Snapshot – Total Home Sales

Accomack County: Sales activity slowed down compared to last year in Accomack County. There were 158 sales in the county during the second quarter, 33 fewer sales than a year ago, which is a 17% drop. This is the fourth consecutive quarter that sales have declined.

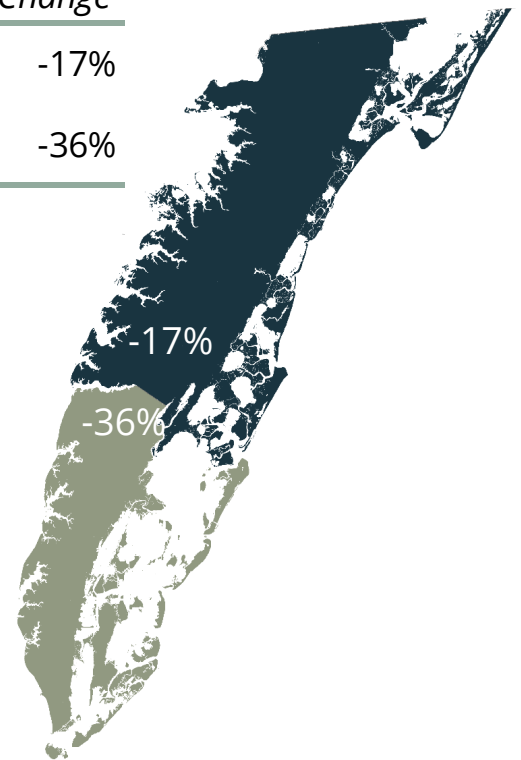
Northampton County: There were 52 total sales in Northampton County, which is 29 fewer from last year, a 36% decline in sales. Sales activity has moderated in the county three of the last four quarters.

Figure 5
Change in Sales by Jurisdiction
ESAR

Second Quarter 2021 to Second Quarter 2022

<i>Jurisdiction</i>	<i>2021 - Q2</i>	<i>2022 - Q2</i>	<i>% Change</i>
Accomack County	191	158	-17%
Northampton County	81	52	-36%

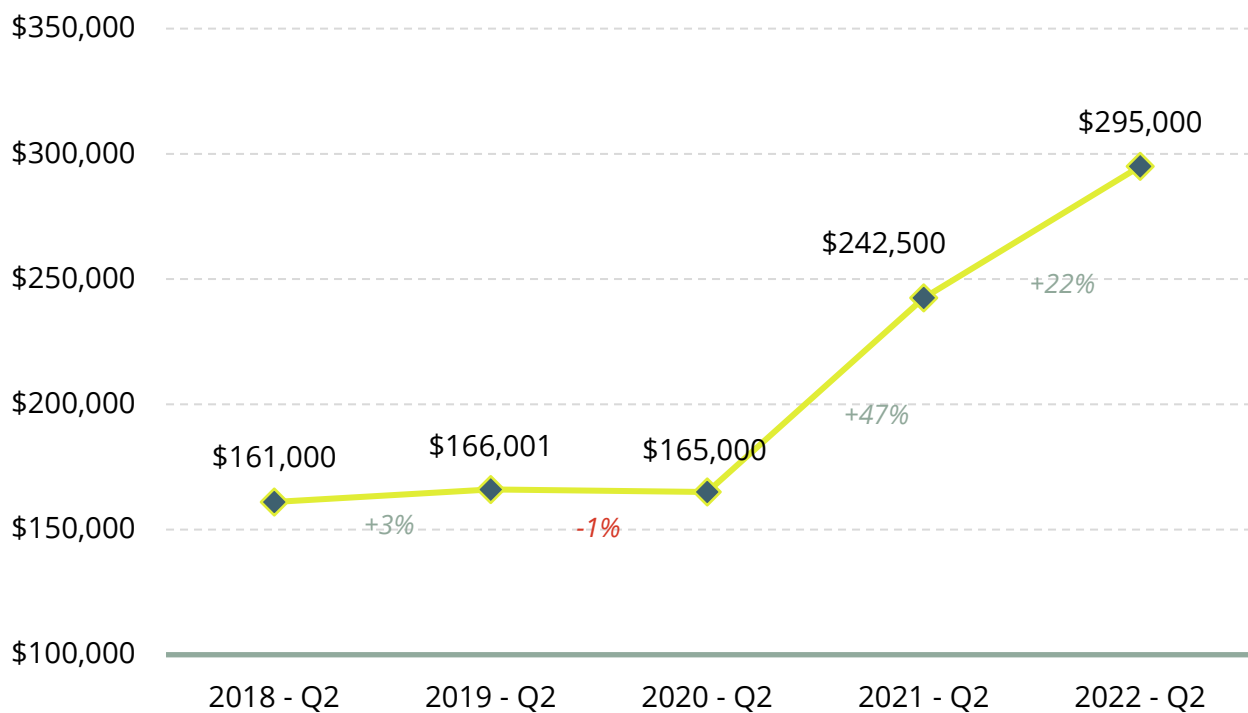
Source: Virginia REALTORS®, data accessed July 15, 2022



Sales Prices

Despite the sharp drop in sales activity, home prices continued to climb rapidly across the ESAR footprint. The regionwide median sales price in the second quarter was \$295,000, jumping up 22% from last year, a gain of \$52,500. Both local markets in the region had strong price growth this quarter. The median sales price in the region is now about \$122,000 higher this it was at this time five years ago. Statewide, the second quarter median sales price was \$397,500, up 9% from last year.

Figure 6
Second Quarter Median Sales Price, ESAR
2018-2022



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



Local Snapshot – Median Sales Price

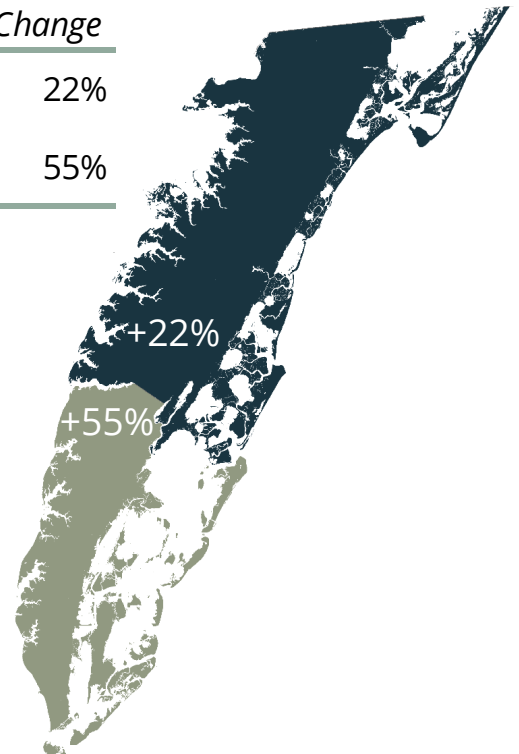
Accomack County: Price growth continued to be consistent in Accomack County. During the second quarter, the median sales price was \$263,500, which is a gain of \$47,500 from this time last year, a 22% increase.

Northampton County: Home prices in Northampton County reached the highest they've ever been. In the second quarter, the median sales price was \$540,302, jumping 55% from last year, a gain of \$191,302.

Figure 7
Change in Median Sales Price by Jurisdiction
ESAR
Second Quarter 2021 to Second Quarter 2022

<i>Jurisdiction</i>	<i>2021 - Q2</i>	<i>2022 - Q2</i>	<i>% Change</i>
Accomack County	\$216,000	\$263,500	22%
Northampton County	\$349,000	\$540,302	55%

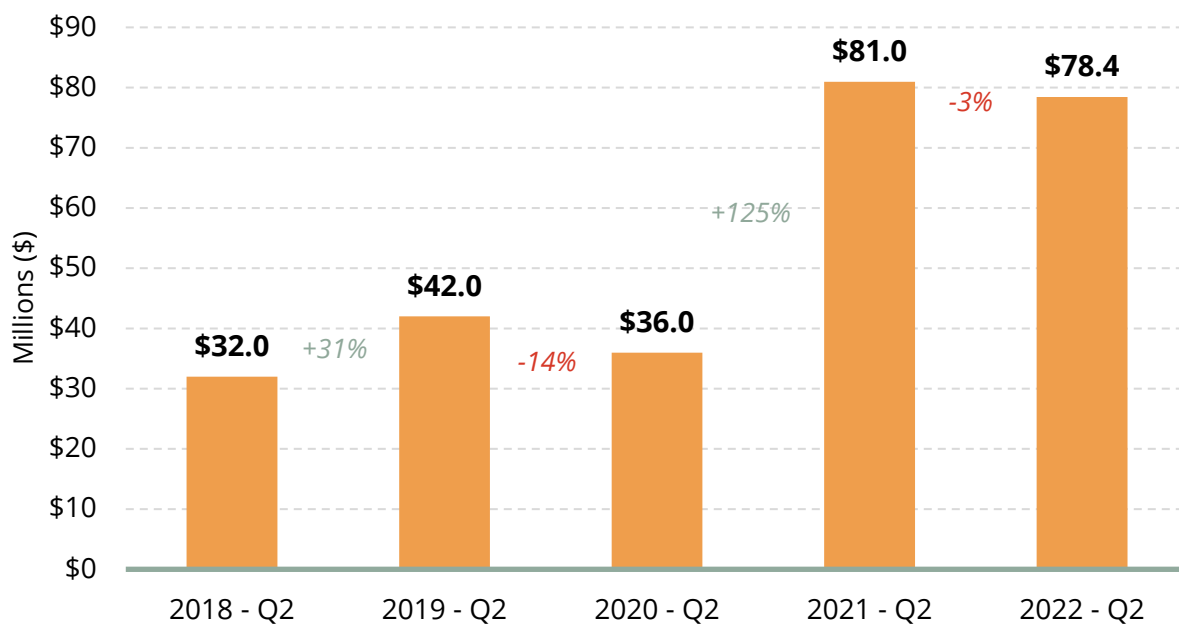
Source: Virginia REALTORS®, data accessed July 15, 2022



Sold Volume

Even though prices climbed in the area, the large drop in sales activity brought down the total sold dollar volume compared to last year in the Eastern Shore market. There was approximately \$78.4 million of sold volume in the ESAR footprint during the second quarter of 2022, about \$2.6 million less volume than last year, representing a 3% decrease. This is the third decrease in sold volume in the ESAR region in the last four quarters.

Figure 8
Second Quarter Sold Dollar Volume (Millions), ESAR
2018-2022



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

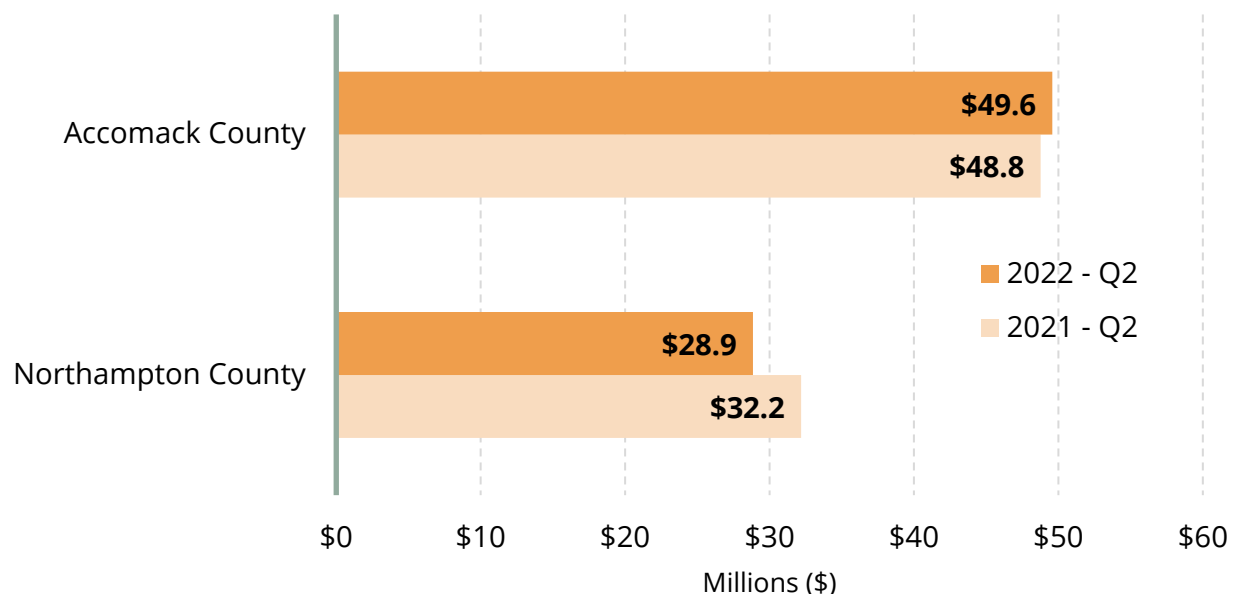


Local Snapshot – *Sold Dollar Volume*

Accomack County: There was approximately \$49.6 million of sold volume in Accomack County in the second quarter, a gain of about \$800,000 from a year ago (+2%). The influx of volume this quarter was driven by surging sales prices.

Northampton County: The drop in home sales in the Northampton County housing market during the second quarter led to a decrease in sold volume. There was about \$28.9 million of sold volume, which is a 10% decline, a reduction of approximately \$3.3 million of sold volume.

Figure 9
Second Quarter Sold Dollar Volume, ESAR Jurisdictions
2021 and 2022

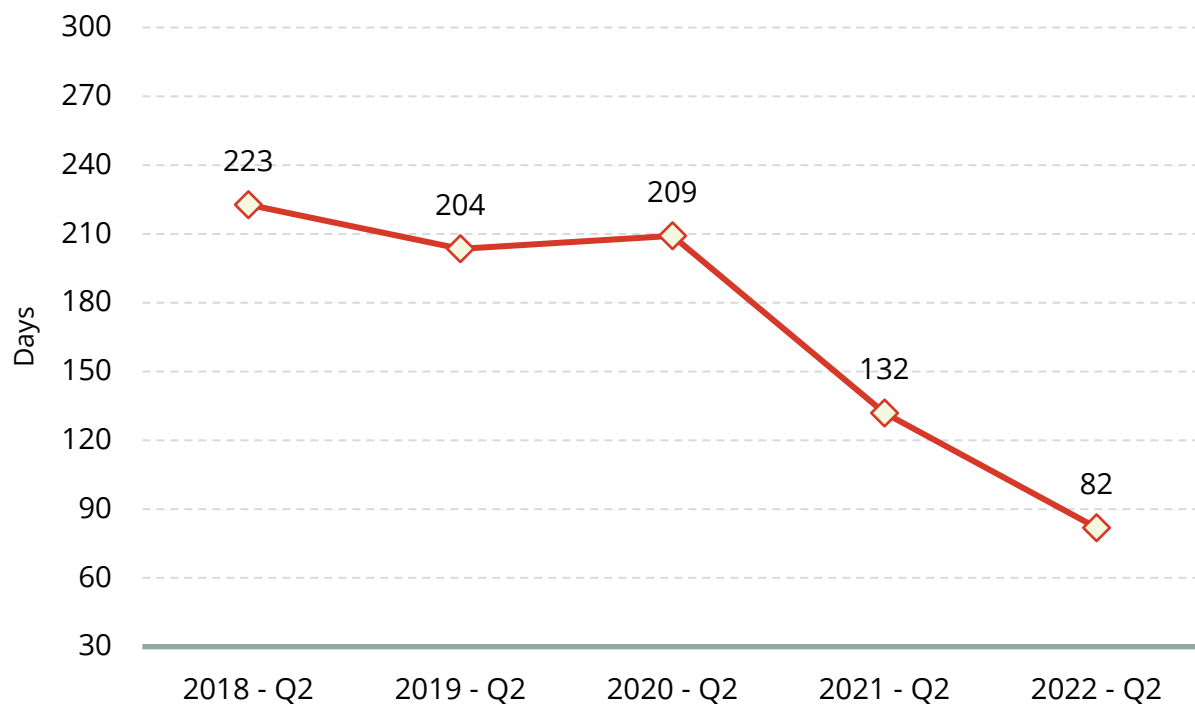


Source: Virginia REALTORS®, data accessed July 15, 2022

Days on Market

Homes continued to sell faster on average in the ESAR region. The average days on market in the second quarter was 82 days, 50 days faster than this time last year. As the supply of homes in the region has tightened, competition in the housing market has increased even with fewer sales overall. Statewide, homes sold in 18 days on average in the second quarter, down from 22 days a year ago.

Figure 10
Second Quarter Average Days on Market, ESAR
2018-2022



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

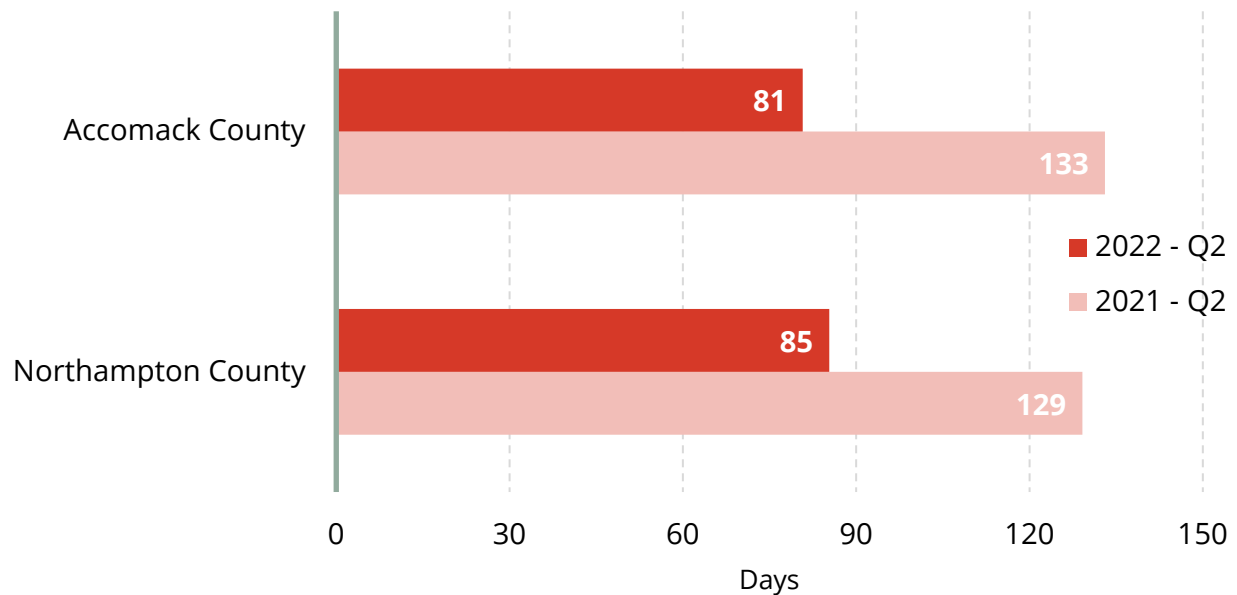


Local Snapshot – Average Days on Market

Accomack County: Homes sold faster on average this quarter than any other quarter in the Accomack County market. In the second quarter, homes were on the market for about 81 days in Accomack County, which is 52 days faster than last year.

Northampton County: The average days on market in Northampton County during the second quarter was 85 days, which is 44 days faster than a year ago.

Figure 11
Second Quarter Average Days on Market, ESAR Jurisdictions
2021 and 2022



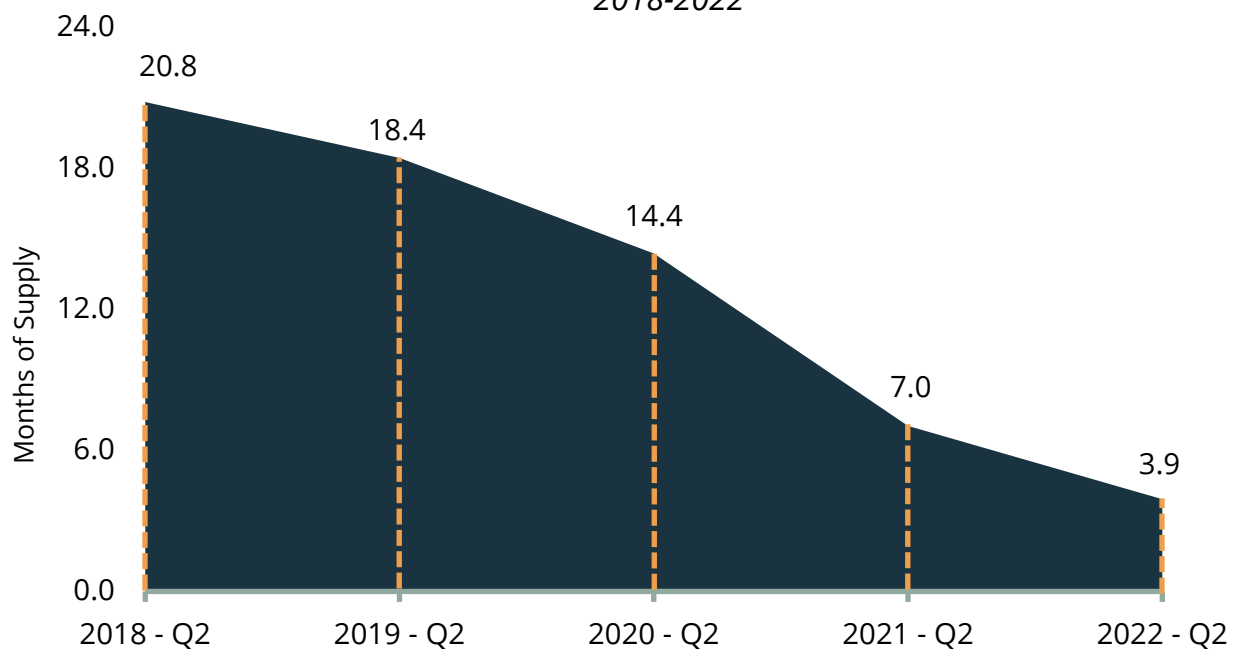
Source: Virginia REALTORS®, data accessed July 15, 2022

The supply of homes on the market continued to shrink rapidly in the Eastern Shore market. There were 305 homes for sale in the region at the end of the second quarter, less than half the number of listings that were on the market a year ago (-54%), a reduction of 351 active listings. The inventory in the region is now less than one-third the level it was in the second quarter three years ago.

Statewide, there were 19,375 active listings on the market at the end of the second quarter, which is 169 more active listings than a year ago, a 1% increase. This is the first time the statewide inventory has increased (year-over-year) in more than seven years.

There was about 3.9 months of supply at the end of the second quarter in the ESAR footprint, which is down from seven months at this time last year. 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. Statewide, there was 1.6 months of supply at the end of the second quarter.

Figure 12
End of Second Quarter Months Supply, ESAR
2018-2022



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

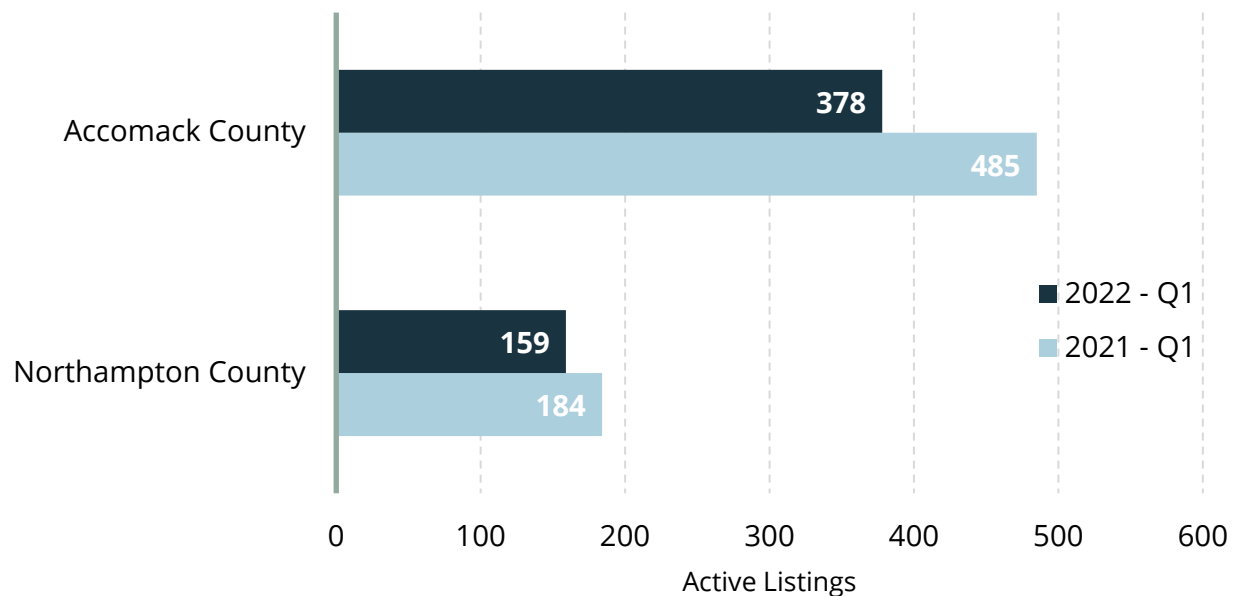


Local Snapshot – *Active Listings*

Accomack County: Supply has continued to shrink in the Accomack County housing market. At the end of the second quarter there were 221 active listings, which is 224 fewer listings from this time a year ago, a sharp 52% drop.

Northampton County: At the end of the second quarter there were 84 active listings in Northampton County, which is 107 fewer listings than last year, a 56% supply drop.

Figure 13
End of Second Quarter Active Listings, ESAR Jurisdictions
2021 and 2022



Source: Virginia REALTORS®, data accessed July 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.