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Pending Sales Receive an Unexpected Jolt

(Virginia Beach, Virginia – December 2015)

The dream of homeownership is as strong as ever, as evident in the steadily improving year-over-year pending and settled sales experienced in the Hampton Roads real estate market. Pending sales exceeded year-over-year expectations for the month of November with almost 20% growth, and the pace of settled sales remained healthy with more than 10% year-over-year progress. One factor fueling these statistics is the consistently declining unemployment rate, which has remained below 5% in Virginia since October 2014, according to the Bureau of Labor Statistics. Another force driving homeownership is sustained historically low mortgage rates.

Concurrent with the reduction of active inventory for the nation, the number of homes available for sale in Hampton Roads declined for the 4th consecutive month. Residential active listings in the area dropped 3.85% year-over-year in November to 11,163 listings. Of the region's seven major cities (Norfolk, Virginia Beach, Portsmouth, Chesapeake, Suffolk, Hampton and Newport News), Portsmouth and Hampton were the only two cities with positive gains in available listings for sale when compared to the same time last year, adding 8.75% and 0.87% more homes, respectively. Conversely, Norfolk's residential active listings declined the most year-over-year, dropping 7.65%. The remaining cities experienced year-over-year reductions ranging between 2.76% (Chesapeake) and 5.40% (Suffolk).

At 4.34 months, Virginia Beach continues to maintain the lowest months' supply of inventory in the region for the 14th consecutive month. Portsmouth's months' supply was the highest of the seven major cities at 7.79 months. The fall in active listings paired with the rise in settled sales has brought the overall months' supply of inventory for the Hampton Roads region down to 5.72 months, which represents a 13.86% drop from when it was 6.64 months in November of last year. This also represents a month-to-month decline of 5.30% from October 2015.

The region's residential pending sales spiked 18.70% year-over-year in November 2015, up to 1,784 units from 1,503 in November 2014. The area has not boasted pending sales greater than 1,700 units for the month of November since 2006 so the uptick is a reflection of today's very active real estate market. All of the seven major cities witnessed gains in the number of pending contracts, with some improvements

being even more impressive than the overall region's. Newport News and Portsmouth both experienced year-over-year increases in residential pending sale units of greater than 50%. Chesapeake also saw a significant bump in pending sales, increasing 31.25% from November 2014. Norfolk, Virginia Beach, Hampton and Suffolk all garnered double digit gains of 16.94%, 14.39%, 13.79%, and 12.90%, respectively. If all contracts go through, these cities should expect to see a substantial boost in settled sales within the next few months.

Since pending sales have been posting positive year-over-year gains since June 2014, it comes as no surprise that residential settled sales in Hampton Roads rose 10.15% in November when compared to the same time last year. A success story, Newport News was the major city with the largest rise in settled sales, up a substantial 43.64% from November 2014, and rebounding from last month when it experienced the greatest year-over-year drop in settled sales. Portsmouth was the only major city to experience a slight decline in settled sales year-over-year, dropping 3.53%. The area's median settled sales price jumped 6.15% to \$218,000 year-over-year, partially attributable to the declining inventory which limits buyers' purchasing options and allows sellers to boost prices.

November 2015 Summary

All Categories	November 2015	November 2014	Percent Change
Total Property Active Listings	13,949	14,304	-2.48%
Total Residential Active Listings	11,163	11,610	-3.85%
Total Property Pending Sales	1,887	1,573	19.96%
Total Residential Pending Sales	1,784	1,503	18.70%
Total Property Sales	1,754	1,594	10.04%
Total Residential Sales	1,660	1,507	10.15%
Total Residential New Construction Sales	244	183	33.33%
Median Residential Sales Price	\$218,000	\$205,375	6.15%
Months' Supply of Inventory	5.72	6.64	-13.86%

** Total Property statistics include all property types (Residential, Commercial, Duplex, Apartment and Land & Farms), resale and new construction.*

** Months' Supply of Inventory estimates the number of months it will take to deplete current active inventory based on the prior 12 months average sales activity.*

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About REIN

Real Estate Information Network, Inc., (REIN) serves real estate brokers in the Tidewater / Hampton Roads area of Virginia from Williamsburg east to Virginia Beach and south to the North Carolina border. REIN is an independent MLS owned by broker stockholder members. Currently there are approximately 545 real estate firms with 665 offices, 6400 real estate agents, and 150 appraiser members using REIN. For more information visit www.REINMLS.com.