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Inventory Remains Tight But Sales Activity Holds Firm

(Virginia Beach, Virginia – February 2017)

Despite slowly rising rates and a January snowstorm, the Hampton Roads area posted positive results in the leading real estate market indicators for the first month of 2017. The area displayed solid gains in both pending and settled sales for the month, and the level of units generated has been the highest in a January month since 2007. Tightening inventory continued to give sellers an advantage in the market and contributed to an increase in median settled sales price.

Residential active listings dropped 10.76% from 10,556 units in January 2016 to 9,420 units in January 2017. With the exception of December 2016, Hampton Roads has not generated a lower number of active units since April 2006 when there were 8,725 homes available for sale. Of the region's major cities (Norfolk, Virginia Beach, Portsmouth, Chesapeake, Suffolk, Hampton, and Newport News), Newport News was the only city to show a year-over-year increase in active homes (0.61%). Residential active listings declined the most in Hampton, falling 17.03% year-over-year.

For the third consecutive month, the Hampton Roads market remained favorable for sellers with months' supply of inventory currently sitting at 4.37 months. Though this denotes an 18.62% year-over-year decrease from January 2016's 5.37 months, it also marks the first month-to-month rise (2.58%) the region has seen since June 2016. Maintaining the lowest months' supply of the seven major cities, Virginia Beach displayed 3.21 months of inventory in January 2017. The only other major city with a supply less than 4 months is Chesapeake, where months' supply of inventory came in at 3.92 months. The remaining major cities all presented inventory supplies between 4.95 months and 5.38 months. The average days on market for residential homes is 118 days, down 5.6% from the same time last year when it was 125 days.

The Hampton Roads real estate market witnessed a solid beginning to the New Year, with residential pending sales showing double-digit improvement in January 2017, rising 11.34% year-over-year. At 1,768 units, this represents the highest number of residential pending sales generated in a January month since 2007. The heftiest gain from the major cities was experienced by Suffolk, where 56.52% more pending

contracts were created than in January 2016. The 23.53% year-over-year rise generated by Hampton was also considerable. The only major city to experience a decline in residential pending sales was Newport News with a marginal drop of 3.25%.

The pace of residential settled sales picked up last month with a 13.52% boost, establishing a strong start to 2017. After two consecutive months of pending sales growth above 40%, Suffolk displayed the most advancement in settled sales of the seven cities in January by adding 26.92% more residential homes sold than the same time last year. Newport News was the only one of the seven cities to experience a decline in settled sales last month, with sales falling 13.21% year-over-year. Constricting inventory in Hampton Roads continues to edge the median residential sales price forward, contributing to a rise of 5.21% to \$217,000 in January 2017, up from \$206,251 in January 2016.

January 2017 Summary

All Categories	January 2017	January 2016	Percent Change
Total Property Active Listings	11,778	13,217	-10.89%
Total Residential Active Listings	9,420	10,556	-10.76%
Total Property Pending Sales	1,867	1,673	11.60%
Total Residential Pending Sales	1,768	1,588	11.34%
Total Property Sales	1,528	1,358	12.52%
Total Residential Sales	1,444	1,272	13.52%
Total Residential New Construction Sales	193	165	16.97%
Median Residential Sales Price	\$217,000	\$206,251	5.21%
Months' Supply of Inventory	4.37	5.37	-18.62%

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

* New Construction Sales reflect only those properties reported in the MLS.

* 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 560 real estate firms with 683 offices, 6744 real estate agents, and 155 appraiser members using REIN. For more information visit www.REINMLS.com.