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Strong Pending Sales Result in Lower Inventory Despite an Increase in New Listings

(Virginia Beach, Virginia – February 2019)

The New Year has brought more new listings to the Hampton Roads region as active inventory levels continue to decline. In January 2019, 3,663 new listings (includes all property types) were added to the MLS database, a 12.36% increase from January 2018. During the same time period, the number of total active listings in the region (all property types active in the MLS) was 10,317, a drop of 5.11% year-over-year. Despite the influx of new listings in January, strong pending sales (up 23.89% year-over-year) mean that low inventory levels persist as we kick off 2019.

In January 2019, residential active listings for the region were down 5.04% year-over-year with 8,331 available homes, down from 8,773 in January 2018. This is the 42nd consecutive month that active listings have declined year-over-year. All seven of the region's seven major cities (Norfolk, Virginia Beach, Portsmouth, Chesapeake, Suffolk, Hampton and Newport News) underwent decreased inventory, with Portsmouth and Newport News experiencing the greatest declines at 12.62% and 11% respectively.

January's supply of residential home inventory is currently at 3.61 months, down 7.91% from the same period of time last year. This is the 45th consecutive month that the months' supply of inventory had declined year-over-year. The months' supply for six of the seven major cities is below 4 months. Chesapeake is the lowest with a current inventory at 2.96 months, significantly below the six months that is typically considered a balanced market.

The number of homes that went under contract in January 2019 (2,169 units) rose a substantial 24.08% compared to January 2018, continuing a trend where 55 of the past 56 months have exhibited increases. All seven of the region's major cities experienced year-over-year increases in January, with Suffolk and Hampton escalating 50.52% and 32.61% respectively. Each of the remaining major cities also underwent double digit increases, except for Portsmouth which rose a more modest 4.51% year-over-year.

Though not as robust as pending sales, the region's overall residential settled sales in January 2019 also increased year-over-year by 0.12%, closing just 2 more homes than the same period of time last year. Of the

major cities, three experienced year-over-year growth, with Newport News showing the largest increase of 29.06%. The remaining four cities saw drops ranging from 2.07% to 13.79%.

The region's residential median sales price for January 2019 was \$220,000, down 2.22% from January 2018 when it was \$225,000. Norfolk and Newport News were the only two of the seven major cities to experience gains in median sales price, rising 5.21% and 3.41% respectively. All other major cities saw declines between 1.79% to 7.43%.

The number of distressed homes in the Hampton Roads region, those that are either short sales or foreclosures, has continued to decrease. In January 2019, distressed homes accounted for just 12.10% of all residential settled sales, down 2.23% year-over-year. Similarly, distressed homes accounted for only 9.50% of all residential active listings in January 2019, down 2.85% year-over-year.

January 2019 Summary

All Categories	January 2019	January 2018	Percent Change
Total Property Active Listings	10,317	10,873	-5.11%
Total Residential Active Listings	8,331	8,773	-5.04%
Total Property Pending Sales	2,282	1,842	23.89%
Total Residential Pending Sales	2,169	1,748	24.08%
Total Property Sales	1,699	1,708	-0.53%
Total Residential Sales	1,617	1,615	0.12%
Total Residential New Construction Sales	179	191	-6.28%
Median Residential Sales Price	\$220,000	\$225,000	-2.22%
Months' Supply of Inventory	3.61	3.92	-7.91%

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 596 real estate firms with 735 offices, 7542 real estate agents, and 165 appraiser members using REIN. For more information visit www.REINMLS.com.