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2012 Was A Very Good Year For Local Real Estate

(Virginia Beach, Virginia – January 11, 2013)

The final numbers are in and the Hampton Roads real estate market ended the year with encouraging statistics that indicate 2012 was a year of strengthening and recovery. Although inventory levels are the lowest since 2005, pending and settled sales posted healthy increases for a second year in a row, and the median sales price is slowly but steadily moving up.

Statistical highlights for last month are predominately positive even though December is historically one of the slowest months for real estate activity. The number of active residential homes (including new construction) for sale in December 2012 is down 13.36% when measured against December 2011. This brings the region down to a 5.91 month's supply of inventory. Six months is considered a normal real estate market. Chesapeake's active residential active listings are down the most at 22.94% year-over-year, to a 4.96 month's supply of inventory, and Virginia Beach is down 21.45% to a 4.18 month's supply. This is the lowest number of active residential listings since May 2006 when there were 9,448 residential homes for sale.

Residential pending sales (listings that go under contract) were up 8.55% year-over-year for December 2012. Only two of the region's seven major cities (Chesapeake, Norfolk, Portsmouth, Suffolk, Virginia Beach, Hampton and Newport News) did not experience an uptick in pending sales; Norfolk and Chesapeake with 15.05% and 3.23% decreases respectively. The number of residential pending sales increased the most for Suffolk, up 21.74% over December 2011.

Residential settled sales declined 5.03% in December 2012 when compared to the same month last year. A dip in settled sales is not uncommon for the month of December, as homeowners often prefer to concentrate on the holidays instead of moving residences. All of the region's major cities experienced this down-turn, except for Portsmouth and Norfolk with gains of 3.70% and 2.72% respectively. Suffolk saw the most dramatic decline in December's settled sales with 14.42% year-over-year. Of all of December's closed sales, 16.83% were for new construction. The median sales price for all residential homes sold in December 2012 was \$200,000, up 1.27% from \$197,500 in December 2011.

Year-to-date summaries for 2012 showed promising trends when compared to the prior year. For all of 2012, 34,746 new listings were added into REIN's database (all property types). This is down 6% when compared to 2011 and is the lowest since 2003. Of the region's seven major cities, Newport News experienced the largest dip in the number of new listings, down 12.54% from 2011, while Suffolk was the only city to see an increase, up 1.05% for 2012. For the year as a whole, 12.71% (4,416) of these new listings were for new construction, suggesting that new home activity is picking up.

In all of 2012, 20,174 residential listings went under contract, up 9.27% from last year. All of the region's major cities underwent increases, except for Portsmouth (down 1.77%) and Newport News (down .72%). Suffolk felt the most significant increase in total pending sales, up 20.80% over 2011.

There were 19,518 residential settled sales throughout all of 2012, up 7.35% from the previous year. Suffolk benefited with the largest gain over 2011, an increase of 12.75% in settled sales. Newport News and Portsmouth were the only two major cities to face declines, each of which was down less than 1% from 2011. The median residential settled sales price for 2012 is \$199,900, up 2.51% from \$195,000 last year. In 2012, residential new construction closings (2,663 units) were up 12.65% from 2,364 units in 2011. Unlike the median price for all residential settled sales, the median sales price for residential new construction closings in 2012 is down 1.5% (\$274,000 vs. \$276,908).

December 2012 Highlights

Listings

Residential active listings decreased 13.36% year-over-year, to 9,613 (December 2012) from 11,095 (December 2011).

Under Contract (Pending) Residential Sales

Total residential under contract sales increased by 8.55% when compared to December 2011 (1,358 vs. 1,251).

Sales

Total property sales and total residential sales decreased when compared to December 2011 showing decreases of 2.05% and 5.03% respectively.

Inventory

There is currently 5.91 months' inventory of residential homes on the market in the Hampton Roads area, a decrease from last month (6.51) and down 19.26% from December last year when it was 7.32 months.

December 2012 Summary

All Categories	December 2012	December 2011	Percent Change
Total Property* Active Listings	11,982	13,636	-12.13%
Total Property* Pending Sales	1,437	1,293	11.14%
Total Residential Pending Sales	1,358	1,251	8.55%
Total Property* Sales	1,623	1,657	-2.05%
Total Residential New Construction Sales	254	281	-9.61%
Total Residential Sales	1,509	1,589	-5.03%
Median Residential Sales Price	200,000	197,500	1.27%
Months' Supply Inventory**	5.91	7.32	-19.26%

* Total Property statistics include all property types (Residential, Commercial, Duplex, Apartment and Land & Farms), resale and new construction. ** Months' Supply 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 520 real estate firms with 640 offices, 5700 real estate agents, and 150 appraiser members using REIN. For more information visit www.REINMLS.com.