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2018 Typified by Elusive Inventory

(Virginia Beach, Virginia – January 2019)

Throughout 2018, the Hampton Roads region has experienced decreasing inventory month after month. This trend culminated in December 2018 with the lowest recorded number of residential active listings (8,120 units) since March 2006 when there were 7,914 available homes. During the intervening 12 years, the number of available homes for sale in a month peaked at 15,834 units in July 2010. Historic trends indicate housing inventory typically rises between 1% to 7% month-over-month each January, so this month may provide some relief to homebuyers. Despite the continued low inventory, sales remained steady for most of the year.

In December 2018, residential active listings for the region were down 6.41% year-over-year with 8,120 available homes, down from 8,676 in December 2017. This is the 41st 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 Virginia Beach experiencing the greatest declines at 13.99% and 10.65% respectively.

December's supply of residential home inventory is currently at 3.51 months, down 10% from the same period of time last year. This is the 44th consecutive month that the months' supply of inventory had declined year-over-year. The months' supply for five of the seven major cities is below 4 months, and Virginia Beach is the lowest with a current inventory at 2.87 months, significantly below the six months that is typically considered a balanced market.

The number of homes that went under contract in December 2018 (1,687 units) rose a marginal .12% compared to December 2017, continuing a trend where 54 of the past 55 months have exhibited increases. While the region's residential pending sales rose year-over-year, individually five of the seven major cities saw year-over-declines ranging from 2.63% to 13.55%. Newport News and Suffolk were the only two cities to undergo year-over-year increases at 40.57% and 4.95% respectively. For all of 2018 (YTD January – December 2018), the region experienced a 3.76% increase in pending sales over 2017.

Residential settled sales for the region declined by 5.85% year-over-year in December 2018, closing 126 fewer homes than the same time in 2017. The only major cities to record an increase in settled sales were

Hampton (3.9%), Portsmouth (1.38%) and Newport News (.63%). Though settled sales were down in December and for the fourth quarter (down 2.17% year-over-year for October – December 2018), the year as a whole (January – December 2018) ended with an increase of 3.80% compared to all of 2017.

The region's residential median sales price also ended the year on a positive, up 1.47% year-over-year in December 2018 at \$233,383, continuing the trend where 50 of the past 51 months have exhibited increases. Hampton and Virginia Beach were the only two of the seven major cities to experience gains in median sales price, rising 12.78% and 3.62% respectively. All other major cities saw declines between .77% to 11.34%.

The number of distressed homes in the Hampton Roads region, those that are either short sales or foreclosures, has continued to decreased. In December 2018, distressed homes accounted for just 9.42% of all residential settled sales, down 2.43% year-over-year. Similarly, distressed homes accounted for only 10.12% of all residential active listings in December 2018, down 2.71% year-over-year.

December 2018 Summary

All Categories	December 2018	December 2017	Percent Change
Total Property Active Listings	10,056	10,735	-6.33%
Total Residential Active Listings	8,120	8,676	-6.41%
Total Property Pending Sales	1,780	1,773	.39%
Total Residential Pending Sales	1,687	1,685	.12%
Total Property Sales	2,126	2,238	-5%
Total Residential Sales	2,028	2,154	-5.85%
Total Residential New Construction Sales	256	314	-18.47%
Median Residential Sales Price	\$233,383	\$230,000	1.47%
Months' Supply of Inventory	3.51	3.9	-10%

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.