



Contact: Nancy May, Manager of Communications
Phone: (757) 531-7960
E-mail: nancym@reininc.com

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A Strong Start for a Recovering Real Estate Market

(Virginia Beach, Virginia – March 2013)

The Hampton Roads real estate market steadily approaches stabilization. February 2013 resulted in residential sales and residential under contracts both maintaining positive trends, while the number of residential active listings for sale has continued to drop lowering the month's supply of inventory. Distressed homes continue to impact the region's real estate market.

The number of homes for sale in February 2013 was down 8.83% when compared to February 2012, dropping the region's month's supply of inventory to 6.34 months. The month's supply of inventory was 7.46 this time last year. Of the region's seven major cities (Chesapeake, Hampton, Newport News, Norfolk, Portsmouth, Suffolk, Virginia Beach) Chesapeake and Newport News experienced the largest year-over-year declines in residential active listings at 19.44% and 16.70% respectively. Portsmouth was the only city not to experience a year-over-year decline, rather it contrarily increased 7.41%.

February 2013 saw a spike in residential under contracts. When compared to February 2012 residential under contracts were up 17.63%. Chesapeake and Portsmouth recorded the largest year-over-year gains at 44.44% and 44.05% respectively. Virginia Beach and Suffolk experienced the smallest year-over-year increases of 6.14% and 6.19%. February 2013 also experienced an increase in new construction under contracts as they increased 13.26% from February of last year. The region's market will see boosts in settled sales over the next coming months if these under contracts convert to settled.

Continuing the month's positive trend are residential settled sales, which have increased 4.63% since February of last year. Suffolk and Newport News experienced the largest year-over-year gains in residential settled sales at 43.75% and 30.68% respectively, while Portsmouth and Norfolk were the only two cities not to experience an increase with year-over-year declines of 25% and 5.17%. Hampton Roads residential median sales price is \$189,000, up 2.22% from February 2012's \$184,900. The new construction segment of the market followed suit and experienced an 8.70% increase in settled sales when compared to February 2012.

Distressed Homes, those that are either short sales or foreclosures, continue to show relevance in the region's real estate market. Distressed homes accounted for 26.37% of residential listing for sale in February 2013. They have accounted for as little as 23.61% (September 2011) and as much as 28.05% (December 2012) of residential active listings over the past 18 months. Distressed homes accounted for

34.20% of residential homes sold in February 2013. Distressed homes have accounted for as little as 24.4% (August 2012) and as much as 37.18% (January 2012) of residential settled sales over the past 18 months.

February 2013 Highlights

Listings

Residential active listings decreased, 8.83% year-over-year, to 10,459 (February 2013) from 11,472 (February 2012).

Under Contract (Pending) Residential Sales

Total residential under contract sales increased by 17.63% when compared to February 2012 (1,815 vs. 1,543).

Sales

Total property sales and total residential sales increased when compared to February 2012 showing increases of 4.56% and 4.63% respectively.

Inventory

There is currently 6.34 months' inventory of residential homes on the market in the Hampton Roads area, an increase from last month (6.18) and down 15.01% from January last year when it was 7.46 months.

February 2013 Summary

All Categories	February 2013	February 2012	Percent Change
Total Property Active Listings	12,986	14,154	-8.25%
Total Property Pending Sales	1,933	1,617	19.54%
Total Residential Pending Sales	1,815	1,543	17.63%
Total Property Sales	1,398	1,337	4.56%
Total Residential New Construction Sales	175	161	8.70%
Total Residential Sales	1,333	1,274	4.63%
Median Residential Sales Price	\$189,000	\$184,900	2.22%
Months' Supply Inventory	6.34	7.46	-15.01%

* 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 530 real estate firms with 650 offices, 5700 real estate agents, and 150 appraiser members using REIN. For more information visit www.REINMLS.com.