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Market Sales Activity Gains Stamina

(Virginia Beach, Virginia – March 2016)

Just when the Hampton Roads real estate market seemed to be slowing down, February's statistics present a remarkable pick up in pace. The Spring buying season may have hit early this year, as the region garnered significant year-over-year gains of over 30% in pending sales and over 20% in settled sales, which is somewhat atypical for the month of February in the region. The number of active listings, however, continued to shrink year-over-year for the seventh successive month. Some factors that may have influenced this rise in activity are the mild winter the area experienced this year and sustained consumer confidence fueled by mortgage rates below 4% in Virginia and a local unemployment rate below 5%.

In February, the residential real estate market experienced another month of year-over-year declines in active listings, dropping 2.15%. For the second month in a row, Hampton and Portsmouth were the only two of the seven major cities (Norfolk, Virginia Beach, Portsmouth, Chesapeake, Suffolk, Hampton, and Newport News) to generate year-over-year increases in active listings, adding 6.04% and 5.99% more homes, respectively. Meanwhile, Norfolk showed the largest decline in homes available for sale from February 2015 (dropping 7.87%), while the number of active residential listings in Virginia Beach remained the same.

Since five to seven months is typically considered balanced, the months' supply of inventory for the local real estate market remained stable in February at 5.39 months. Marking the 10th consecutive month of year-over-year declines, the months' supply fell 13.20% from February of last year when it was 6.21 months. Compared to January 2016, however, the change in months' supply of inventory for the region was much more subtle, rising a token 0.37% month-to-month. The market in Virginia Beach continues to be more favorable for Sellers as the months' supply of inventory for the city is once again the lowest in the region at 4.12 months. Though months' supply remains highest in Portsmouth and Hampton when compared to the remaining major cities, it has dropped back below seven months for both cities.

Residential pending sales spiked in February as the region produced 2,172 under contract listings, which represents a substantial 31.80% rise from February 2015 when there were 1,648 units under contract. All of the region's major cities demonstrated substantial year-over-year improvement, with the smallest increase being 17.40% for Virginia Beach. Newport News, Chesapeake, and Portsmouth showed the most

improvement, boosting residential pending sales by 42.19%, 39.20%, and 38.78% year-over-year, respectively.

The elevated level of pending sales activity Hampton Roads has experienced in recent months has begun to impact settled sales for the region. Overall, residential settled sales climbed 23.17% in February 2016 when compared to February 2015. While all of the major cities posted positive gains, Newport News and Portsmouth experience the least significant year-over-year rises in residential settled sales (2.46% and 6.98%, respectively). Conversely, Hampton showed the most progress with the number of homes sold rising 47.50% when compared to the same time last year. The remaining cities also fared well, generating between 15.28% (Suffolk) and 27.71% (Virginia Beach) more residential settled sales.

While the region saw a great increase in the number of homes sold, the pace of the residential median sales price slowed some in February. Rising just 0.82% from the same time last year, the median residential settled sales price for the region was \$200,000 in February. This also marks a 2.91% month-to-month decrease from January 2016 when the median residential sales price was \$206,001.

February 2016 Summary

All Categories	February 2016	February 2015	Percent Change
Total Property Active Listings	13,369	13,641	-1.99%
Total Residential Active Listings	10,720	10,956	-2.15%
Total Property Pending Sales	2,287	1,716	33.28%
Total Residential Pending Sales	2,172	1,648	31.80%
Total Property Sales	1,598	1,289	23.97%
Total Residential Sales	1,515	1,230	23.17%
Total Residential New Construction Sales	168	170	-1.18%
Median Residential Sales Price	\$200,000	\$198,375	0.82%
Months' Supply of Inventory	5.39	6.21	-13.20%

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

* 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

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