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Months' Supply Floats Just Above 5 Months for Hampton Roads

(Virginia Beach, Virginia – November 2016)

The residential real estate market in Hampton Roads continued to confidently post year-over-year pending and settled sales gains despite the unyielding decline in active listings growth. As homes are persistently leaving the market more quickly than they are added, inventory for the region tightened again and dropped to almost 5 months. Though the market remains balanced, shrinking inventory has allowed a little more control to sellers, which is displayed in the year-over-year rise in the settled sales price.

Not unlike most of the country, the decline in residential active inventory for Hampton Roads remained unwavering in October. Dropping year-over-year for the 15th consecutive month, the number of residential listings available for sale fell 8.88% from the 11,706 units available in October of last year, to 10,667 units last month. Contributing to the overall decline, each of the seven major cities (Norfolk, Virginia Beach, Portsmouth, Chesapeake, Suffolk, Hampton and Newport News) experienced decreases in residential active listings when compared to the same time last year. The largest year-over-year drop was in Chesapeake, where homes available for sale fell 12.20%. Virginia Beach and Hampton also experienced notable declines in active listings from October 2015, decreasing 11.38% and 10.78%, respectively.

The effect of the constant negative growth in active listings on inventory for the Hampton Roads area has become more prominent in recent months. The months' supply of inventory reached a new level in October and currently sits at 5.05 months for the entire region. Representing a 16.39% year-over-year decline and a 3.26% month-to-month fall, this is the lowest months' supply for the area since prior to housing market recovery efforts began. Of the major cities, inventory decline is most apparent in Virginia Beach and Chesapeake where supply has respectively reached 3.77 months and 4.27 months, making both markets favorable for sellers. Inventories in the additional 5 cities hover between 5 and 7 months, which is considered to be the range of a balanced market.

Despite a continuously shrinking active inventory, the Hampton Roads persisted in generating double-digit gains in pending sales activity. Residential pending sales rose 16.14% from October 2015. All of the seven major cities in the region posted positively and boosted the area's overall gain. Displaying the

strongest results, the number of pending contracts in Hampton escalated 32.81% from October of last year. Portsmouth and Suffolk also fared well, adding 25% and 22.43% more pending contracts respectively, year-over-year.

Residential settled sales growth remained positive last month with 6.55% of improvement from October 2015. Most of the major cities increased the number of homes sold from October of last year, the only exception being Norfolk where residential settles sales declined 17.15%. Contrastingly, Newport News experienced a hefty 52.59% year-over-year increase in settled sales activity and Hampton posted almost 30% of growth. The tightening inventory in Hampton Roads continues to push the residential settled sales price upward. When compared to the same time last year, the median residential sales price rose 4.57% to \$224,825.

October 2016 Summary

All Categories	October 2016	October 2015	Percent Change
Total Property Active Listings	13,204	14,488	-8.86%
Total Residential Active Listings	10,667	11,706	-8.88%
Total Property Pending Sales	2,158	1,898	13.70%
Total Residential Pending Sales	2,058	1,772	16.14%
Total Property Sales	2,206	2,057	7.24%
Total Residential Sales	2,097	1,968	6.55%
Total Residential New Construction Sales	252	255	-1.18%
Median Residential Sales Price	\$224,825	\$215,000	4.57%
Months' Supply of Inventory	5.05	6.04	-16.39%

* 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

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