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FOR IMMEDIATE RELEASE: January 8, 2010

December Statistics Show Growth Continues

(Virginia Beach, Virginia – January 8, 2010)

The real estate market in Hampton Roads finished 2009 on a high note with many important local statistics showing improvements. The current active inventory of residential homes for sale, under contract sales and settled sales for the month of December all continued to show positive signs as the year came to a close. Other statistics, including month's supply of inventory and median sales price, moved closer to normal readings or stabilized.

The number of residential homes for sale in the region fell for the eleventh consecutive month when compared to the same time in 2008. The month-to-month measure of active listings also dropped for the fifth straight month, down 7.7% from November. Part of this trend is the normal seasonal decline during winter. Meanwhile, the continued decline of active inventory has pushed the month's supply of inventory down to 8.08 months. The normal range for months of inventory is considered between six and eight months.

Under contract sales of residential homes surpassed December 2008 totals, increasing by 25%. Six of the seven major cities experienced increases of 16% or more. Only Chesapeake, with a 5.6% increase, failed to reach this level of growth. Norfolk and Portsmouth had the largest gains with 44.4% and 41.7%, respectively. The number of units under contract in Virginia Beach, Chesapeake, and Suffolk all experienced gains over 10% and the region overall gained 8.1% for the year when compared to 2008.

Settled sales of residential homes rose by 27% for the region during December 2009 when compared to December 2008. Again, six of the seven major cities saw large increases measuring 29% or higher in the number of units sold. Only Newport News had a lower gain in unit sales, 4.2%, while Portsmouth saw the largest year-over-year sales increase, 64%, but also had the most drastic median price decline of -18%. Five of the major cities had median sales price increases with Chesapeake leading the way gaining 9.7%. Overall the median sales price for residential homes in the region was relatively flat, declining only -0.05%. The stable year-over-year median price of homes sold is a good sign for the local market, especially if the level holds for a prolonged period or climbs higher.

Though the local market does seem to be on the way to recovery, almost a full quarter (24.1%) of the residential resale homes sold in December was distressed sales, bank owned or short sale listings.

This amount constitutes the highest percentage of homes sold for any month since the housing decline started. The region may be on the road to recovery, but with distressed sales accounting for such a large portion of all sales, the housing market is not out of the woods yet and quite possibly has not bottomed.

December 2009 Highlights

Listings

Residential active listings declined again, 4.15% year-over-year, to 12,474 (December 2009) from 13,014 (December 2008). There was also a 7.68% decrease from November 2009.

Under Contract (Pending) Residential Sales

Total residential under contract sales increased by over 25% as compared to December 2008 (1,217 vs. 973).

Sales

Total residential sales and total property sales increased as compared to December 2008 with both showing significant rises of 27% each.

Inventory

There is currently 8.08 months' inventory of residential homes on the market in the Hampton Roads area, lower from the previous month by almost a month.

December 2009 Summary

All Categories	December 2009	December 2008	Percent Change
Total Active Listings	15,386	15,482	-0.62%
Total Pending Sales	1,271	1,002	26.85%
Total Residential Pending Sales	1,217	973	25.08%
Total Property Sales	1,534	1,205	27.30%
Total Residential Sales	1,470	1,157	27.05%
Median Residential Sales Price	\$214,900	\$215,000	-0.05%
Month's Inventory	8.08	---	---

* Months' 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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