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Continued Signs of Stabilization for Hampton Roads in June 2009

(Virginia Beach, Virginia – July 10, 2009)

June proved to be another good month for the real estate market in Hampton Roads. Continued signs of stabilization were evident in many sectors, while growth was apparent in others. With many indicators heading in a positive direction two welcomed declines were the active listings count and the months' supply of inventory.

A drop in the number of active residential homes for sale was seen on both a month-to-month and a year-over-year basis in June. The count dropped by only 0.81% from May 2009, but more noteworthy was the decline of 6.64% when measured to June 2008. The reduction bodes well for the overall health of the local real estate market. The median list price for these properties fell 8.5% from June 2008. These decreases help ensure that available inventory does not overly saturate the market.

The months' supply of inventory also declined from May's measure of 10.39 to 10.22 in June. Two significant factors precipitated the drop; the first being the aforementioned decline in active homes for sale, the second being the tremendous surge in closed sales in the prior month. The 29.85% increase in closed residential sales from May to June 2009 was substantial, though highly seasonal. Even more impressive was the year-over-year gain of 7.34% in closed residential sales for June. This was the first year-over-year gain in monthly residential sales since January 2007, when there was an increase of 1.64%, and was the first gain for the month of June since 2005 (5.7%).

Even with the increase in the number of units closed in June, the median sales price for resale residential homes was down 3.6% when compared to June 2008 and is currently down 5% year-to-date. The drop in sales price is partially due to the growth of the distressed property market because of the reduced prices for which they sell. The discount rate measures the reduction of sales price of distressed properties below that of non-distressed properties. From May to June Hampton Roads saw an increase from 24% to 29%. In nominal terms, this represents a \$65,000 spread in median sales prices for June,

up from \$52,000 in May. Meanwhile, distressed homes, both bank owned and short sales, accounted for 15.5% of resale residential sales for June, down from the month's prior reading of 19%, but 10% higher than that of June 2008. Year-to-date distressed home sales account for 17.9% of all resale residential closed sales.

June 2009 Highlights

Listings

Residential active listings significantly declined from 14,284 (June 08) to 15,300 (June 09). This represents a -6.64% decrease year-over-year and a -0.81% decline from May 2009 (14,401).

Under Contract (Pending) Residential Sales

Total residential under contract sales increased sharply by 27.7% as compared to June 2008 (1,520 vs. 1,195).

Sales

Total residential sales sharply increased by 7.34% as compared to June 2008 (1,988 vs. 1,852).

Inventory

There is currently 10.22 months' inventory of residential homes on the market in the Hampton Roads area, a slight decline from the previous month. Newport News, Virginia Beach, Hampton, and York County continue to be at the low end of the spectrum with 8.07, 8.6, 8.9, and 9.3 months respectively.

June 2009 Summary

All Categories	June 2009	June 2008	Percent Change
Total Active Listings	17,165	17,897	-4.1%
Total Pending Sales	2,118	1,715	23.5%
Total Residential Pending Sales	1,520	1,195	27.2%
Total Property Sales	2,032	1,929	5.34%
Total Residential Sales	1,988	1,852	7.34%
Median Residential Sales Price	\$225,000	\$240,900	-6.6%
Month's Inventory	10.22	---	---

* 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

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 469 real estate firms with 611 offices, 7800 real estate agents, and 201 appraiser members using REIN. For more information visit: www.reinmls.com.