



Contact: Karen Treanor, Director of Communications and Marketing
Phone: (757) 531-7900
E-mail: karent@reininc.com

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Hampton Roads Poised for Solid Growth

(Virginia Beach, Virginia – August 18, 2009)

July was another month of positive real estate statistics for Hampton Roads. Many of the gains realized in June continued in July, including increases in the number of active listings, the number of pending sales, and the number of settled sales. If these trends continue, we may be approaching a real estate bottom sooner rather than later.

The number of active residential listings fell 5% year-over-year, but increased by just over 1% from June's total. The median list price for those active residential listings fell by 7% when compared to last year. The drop seems to indicate a continued leveling off of prices in the area, which have been approximately five to eight percent lower each month when compared to last year's. Meanwhile, the total number of active listings for the region declined by 2.4% year-over-year, even with the jump in land and farm listings of 12.3%.

Under contract residential sales, the prior month's strongest statistic, was once again resilient with an 11% year-over-year gain. This leading indicator continues to reveal a rise towards a positive future. In fact, six of the seven major cities posted double-digit percentage gains in the number of under contract sales, with Chesapeake leading the way with a 25.4% increase over July 2008.

Settled residential sales also increased when compared to last year's nominal 2% increase. Norfolk, by far, had the largest increase, 24.5%, and Hampton was second with a 15% jump from last year's measures. But, the median sales price of these settled sales declined by 8.3% to \$224,720 from July 2008's median of \$244,950. This drop in median sales price was much sharper than the previous month, -3.5%, and was the largest since January 2009 when it declined 8.5%. Most of the decline in price may be attributed to the increase in foreclosure activity and the ballooning of the discount rate. Distressed sales are up 265% from last year and the discount rate, which measures the reduction of

sales price of distressed properties below that of non-distressed properties, is up to 60% in July from 33% in June.

July 2009 Highlights

Listings

Residential active listings significantly declined, year-over-year, to 14,458 (July 09) from 15,222 (July 08). This represents a 5% decrease with a slight increase from June 2009 of 1.2%.

Under Contract (Pending) Residential Sales

Total residential under contract sales increased by 11% as compared to July 2008 (1,971 vs. 1,777).

Sales

Total residential sales posted a solid increase of 2% as compared to July 2008 (1,982 vs. 1,944).

Inventory

There is currently 10.32 months' inventory of residential homes on the market in the Hampton Roads area, a slight increase from the previous month.

July 2009 Summary

All Categories	July 2009	July 2008	Percent Change
Total Active Listings	17,403	17,836	-2.4%
Total Pending Sales	2,044	1,848	10.6%
Total Residential Pending Sales	1,971	1,777	11%
Total Property Sales	2,025	2,022	0.15%
Total Residential Sales	1,982	1,944	2%
Median Residential Sales Price	\$224,720	\$244,950	-8.3%
Month's Inventory	10.32	---	---

* 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.