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Sales Continue to Grow, But at a Slower Pace

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The sales gains Hampton Roads experienced during the previous five months slowed to a crawl in February 2010. After ending 2009 with four successive months of double digit year-over-year percentage increases in the number of settled sales, the Hampton Roads region experienced the second consecutive month of single digit gains in February. At the same time, the month also saw increases in active listings for sale and in the number of under contract sales when compared to February 2009.

Settled sales for all property types in the region were relatively flat in February 2010, rising 1% when compared to the same time last year. The settled sales of residential homes fared slightly better increasing 2.3%, year-over-year. Hampton and Norfolk experienced the largest year-over-year increases in the number of units sold, 31% and 16% respectively. Of the seven major cities in Hampton Roads, Hampton experienced the largest decline in residential median sales price year-over-year for the month, -17.6%. Meanwhile, during the same time period the median sales price of residential homes in Suffolk and Chesapeake increased, 6.25% and 5.8% respectively.

The number of active residential homes for sale increased 1.1% when measured year-over-year and 5.3% on a month-to-month basis in February. It was the first month to have a year-over-year increase in active residential listings since January 2009. Despite a slight increase in the absorption rate (the average number of homes sold per month over the past twelve months) the gain in active listings pushed the months' supply of inventory up to 9 months for the region overall.

Residential under contract sales continued to see positive gains, though at a muted level when compared to the increases of the previous six months. February's rise of 5.3% was the first single digit year-over-year percentage increase since July 2009 for residential under contract sales. The year-to-date residential under contract sales measure was higher by 7% when compared to 2009. This comparison is a stark contrast to the same category and timeframe of last year when the percent change was -14.6%. The slowing of under contract sales, a leading indicator of the housing market, points toward a flattening or decline of settled sales in the coming months.

Distressed sales accounted for approximately 25% of all residential resale settled sales for the month of February. The median sales price for these distressed sales decreased year-over-year by 7.2%. Overall, distressed sales have comprised 24% or more of all residential resale settled sales each of the last three months. Previously, distressed sales accounted for more than 20% of residential resale sales once. Currently, distressed residential resale homes make up 17.95% of the active homes for sale.

February 2010 Highlights

Listings

Residential active listings increased slightly, 1.1% year-over-year, to 13,951 (February 2010) from 13,801 (February 2009). There was a 5.27% increase from January 2010.

Under Contract (Pending) Residential Sales

Total residential under contract sales increased by 5.3% as compared to February 2009 (1,342 vs. 1,274).

Sales

Total residential sales and total property sales were relatively flat when compared to February 2009 showing rises of 2.3% and 1.0% respectively.

Inventory

There is currently 9.01 months' inventory of residential homes on the market in the Hampton Roads area, higher from the previous month by about half a month, but down 5% from February last year.

February 2010 Summary

All Categories	February 2010	February 2009	Percent Change
Total Active Listings	16,965	16,451	3.12%
Total Pending Sales	1,405	1,331	5.56%
Total Residential Pending Sales	1,342	1,274	5.34%
Total Property Sales	1,003	993	1.01%
Total Residential Sales	966	944	2.33%
Median Residential Sales Price	\$203,350	\$213,500	-4.75%
Months' Inventory	9.01	9.48	-4.96%

* 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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