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FOR IMMEDIATE RELEASE

Mortgage Rate Hike Coincides with Local Market Increases

(Virginia Beach, Virginia – July 2013)

Local and national real estate markets seem to be sizzling like the summer temps, and several economic sources are crediting this surge to the recent increase in mortgage interest rates. In the Hampton Roads area, the real estate market has experienced a spike in residential pending and settled sales, as well as the median sales price, while the number of residential homes for sale has dropped. The distressed homes market had slight improvements as well, leading the way towards a strengthening housing market.

Residential settled sales increased 8.9% in June 2013 when compared to the same time period last year. Of the region's seven major cities (Chesapeake, Hampton, Newport News, Norfolk, Portsmouth, Suffolk, and Virginia Beach) Chesapeake and Newport News saw the largest year-over-year increases at 22.9% and 17.27% respectively. Hampton was the only city to decline year-over-year at 7.35%. Along with the rise in settled sales came an upturn in the median sales price. The residential median sales price is currently \$225,000, up 8.43% from June 2012's median sale price of \$207,500. This is the highest residential median sale price the Hampton Roads market has seen since July 2010 when it was \$229,000.

Residential pending sales jumped significantly for the month of June, increasing 11.93% when compared to June 2012. Portsmouth and Norfolk showed the most significant increases at 32.98% and 23.35% respectively. Newport News was the area's only major city to experience a decrease year-over-year, with 8.64% less residential pending sales than the same period of time in 2012.

The months' supply of inventory continues to decline as the number of homes listed for sale decreases. June 2013 recorded 11,010 residential active listings, down 4.53% from June 2012. The months' supply of inventory is currently at 6.47 months, a 13.04% drop from June 2012's 7.44 months and down 1.67% from last month's 6.58 months. A months' supply of inventory of between 6 and 8 months usually indicates a stable market.

The distressed homes market, those that are either foreclosures or short sales, showed impressive improvements during June 2013. The percentage of residential resale settled sales that were distressed homes dropped to 22.84%, down 5.97% from June 2012. June's decrease in the percentage

of distressed sold sales was the lowest since June 2010 when it was at 20.84%. Distressed homes accounted for 21.68% of active residential resale homes for sale, down 3.02% from June 2012.

June 2013 Highlights

Listings

Residential active listings decreased 4.53% year-over-year to 11,010 (June 2013) from 11,532 (June 2012).

Under Contract (Pending) Residential Sales

Total residential under contract sales increased by 11.93% when compared to June 2012 (2,054 vs. 1,835).

Sales

Total property sales and total residential sales increased when compared to June 2012, showing increases of 8.12% and 8.90% respectively.

Inventory

There is currently a 6.47 months' supply of inventory of residential homes on the market in all of Hampton Roads, a decrease from last month (6.58) and down 13.04% from June last year when it was 7.44 months.

June 2013 Summary

All Categories	June 2013	June 2012	Percent Change
Total Property Active Listings	13,581	14,198	-4.35%
Total Property Pending Sales	2,162	1,908	13.31%
Total Residential Pending Sales	2,054	1,835	11.93%
Total Property Sales	2,130	1,970	8.12%
Total Residential New Construction Sales	300	246	21.95%
Total Residential Sales	2,056	1,888	8.90%
Median Residential Sales Price	225,000	207,500	8.43%
Months' Supply Inventory	6.47	7.44	-13.04%

* Total Property statistics include all property types (Residential, Commercial, Duplex, Apartment and Land & Farms), resale and new construction.

* Months' Supply 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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