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## ***Decline in Distressed Inventory & Sales Boosts Confidence***

*(Virginia Beach, Virginia – May 2015)*

Though the Hampton Roads area continued to see improvement in residential active listings, pending sales and settled sales, distressed statistics proved to be the standout star in April as the percentage of total residential active listings attributable to distressed homes reached its lowest point in five and a half years. The continuous reduction in distressed activity should promote improving home prices and fuel hope that the market is becoming more stable. According to data from the Bureau of Labor Statistics, the unemployment rate in Virginia has been on a steady decline as well, which could be one of the drivers behind the dip in distressed properties because it suggests that people may be better able to afford their mortgage payments.

While the rise in residential active listings was not dramatic, the market still witnessed a gain of 2.35% when compared to April 2014. Of the region's seven major cities (Chesapeake, Hampton, Newport News, Norfolk, Portsmouth, Suffolk, and Virginia Beach), Norfolk and Portsmouth were the only two cities to see year-over-year declines in the number of homes for sale. Hampton saw the largest boost at 17.33%, while the remaining cities all experienced increases less than 10%.

The region's current months' supply of inventory did not show any year-over-year movement. The month's supply of inventory for residential homes for sale in April 2015 is 6.69 months, the same as it was this time last year (April 2014). Although there was no change year-to-year in the inventory supply, there was a considerable increase of 6.02% month-to-month, compared to when it was 6.31 months in March 2015. Six months is considered a "balanced" market, meaning it is not specifically a Buyer's or Seller's market.

For the second consecutive month, residential pending sales sustained a sizeable increase of more than 20% when compared to the same time last year. Although each of the region's seven major cities experienced year-over-year increases, Chesapeake outshined the others with a 31.67% gain. Following closely behind, Portsmouth and Virginia Beach escalated 28.68% and 28.37% respectively. Once again, Newport News fostered the lowest improvement in residential pending sales, pulling in a slight increase of 5.03% from April 2014.

The Hampton Roads real estate market did not encounter as much of a year-over-year surge in residential settled sales as was seen in March 2015, when sales rose 29.76%, but there was still 5.84% growth from April of last year. Three of the region's major cities, including Chesapeake, Suffolk and Newport News, suffered year-over-year declines in settled sales, with decreases ranging from 3.67% to

11.56%. On the other hand, Portsmouth, Virginia Beach and Hampton all experienced marked improvements at 6.9%, 14.2% and 17.24% respectively. The region's median sales price for April 2015 is up to \$210,000, a 3.45% rise from the previous year when it was \$203,000. The median sales price rose for each of the region's major cities except Virginia Beach, which took a 2.88% loss from April 2014.

In April 2015, distressed homes, those that are either short sales or foreclosures, comprised just 16.55% of all residential active listings in the Hampton Roads area, down 1.9% from the same period of time last year. This is the lowest percentage since November 2009, when it was 15.26%. In a recent report from Black Knight Financial Services, it was reported that the number of homeowners with underwater mortgages is shrinking. *"It stands to reason that if the number of underwater mortgages is on the decline, then so should the number of active listings on the market that are considered distressed properties,"* says Art Zachary, REIN's President and President/CEO/COO of Rose and Womble Realty Company. *"While not the sole reason for this new trend, steadily rising sales prices have certainly helped once underwater homeowners transition back into a position of normalcy within the real estate market."* On the sales side, distressed properties comprised just 22.15% of all residential settled sales in April 2015, down 2.27% from April 2014.

### April 2015 Summary

All Categories	April 2015	April 2014	Percent Change
<b>Total Property Active Listings</b>	14,848	14,664	1.25%
<b>Total Residential Active Listings</b>	12,129	11,850	2.35%
<b>Total Property Pending Sales</b>	2,692	2,144	25.56%
<b>Total Residential Pending Sales</b>	2,575	2,066	24.64%
<b>Total Property Sales</b>	1,982	1,855	6.85%
<b>Total Residential Sales</b>	1,886	1,782	5.84%
<b>Total Residential New Construction Sales</b>	234	218	7.34%
<b>Median Residential Sales Price</b>	\$210,000	\$203,000	3.45%
<b>Months' Supply of Inventory</b>	6.69	6.69	0%

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

*\* Months' Supply of 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 540 real estate firms with 660 offices, 6300 real estate agents, and 145 appraiser members using REIN. For more information visit [www.REINMLS.com](http://www.REINMLS.com).