

# residential

## 2015 hampton roads real estate market review

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#### **Disclosure**

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## General Overview

Residential new construction in Hampton Roads took a pause in 2014 from the market upturn that began in 2012. In late 2013 there were signs that the pace of sales was slowing. This was confirmed in 2014 with declines in permits to 2012 levels, closings to 2011 levels and total revenue to 2010 levels. Average sales prices, however, increased to a six-year high in 2014.

The 3.9 percent increase in average sales price to \$333,402 in 2014 was led by a continuation of strength in sales of single-family detached homes in price ranges from \$350,000-\$450,000. 2014 was the second consecutive year-over-year increase in average sales prices, reaching a level not seen since 2008. There are two main reasons for the average sales price increases:

- a) Demand from the move-up buyer segment of the market enabled by improvements in the existing home market; and
- b) An increase in land acquisition and labor costs and a supply shortage of building lots.

Inventory levels in some price ranges increased slightly in 2014 from the multi-year lows of 2012 and 2013, but were still near historically low levels in the popular price ranges. Builders that had an active spec building program in 2014 benefitted from the demand for quick occupancy homes, which are popular choices for transferees from the military and the medical professions. Builder and lender attitudes about the depth of the housing recovery are improving. However, both builders and lenders maintain a healthy skepticism about the market recovery, because of concerns about rising interest rates, lot acquisition costs, labor costs, and the uncertain funding environment for the crucial military component of our economy. Most builders know that the recent pace of sales price increases is not sustainable, and are attempting to reduce costs where they are able to.

The signs of a potential slowdown characterized sales for the year. However, 2014 did see further improvements in the economy, modest gains in wages, a reduction in unemployment, interest rates that were still low by historical standards, lower gas prices and improved consumer confidence. All of these factors are positive going into 2015. So, despite the modestly slower pace of new home sales in 2014, there remains a considerable unmet demand for the “for sale” segment of the new construction residential housing market. This unmet demand, combined with a better economy and tempered by the availability of product and affordability issues, will drive sales in 2015.



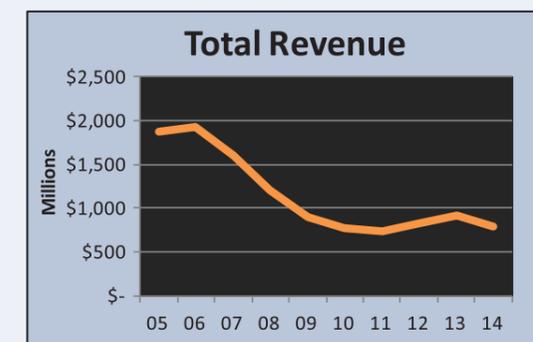
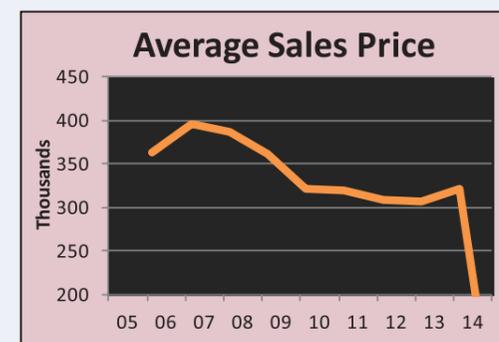
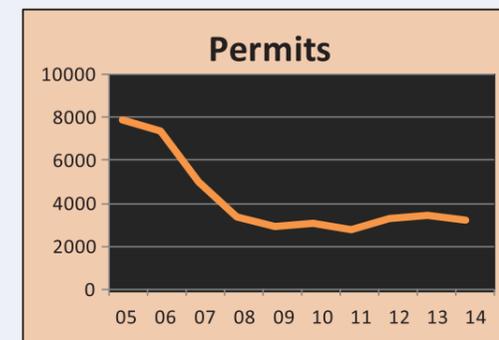
## Class A Market Statistics

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Permits	7,854	7,359	5,035	3,393	2,911	3,100	2,809	3,297	3,469	3,243
Closings	5,128	4,864	4,153	3,318	2,775	2,421	2,354	2,714	2,911	2,360
Avg Sales Price	\$363,818	\$395,928	\$386,587	\$361,496	\$321,711	\$319,929	\$309,295	\$306,341	\$320,676	\$333,402
Total Revenue (millions)	\$1,866	\$1,926	\$1,605	\$1,199	\$893	\$775	\$728	\$831	\$934	\$787

## THE TEN YEAR TREND

The run-up to the market peak that occurred from 2002 to 2005 was followed by several years of declines in permits, closings, sales price and revenue. The upward trend that began in 2012 for permits, closings and revenue turned downward in 2014. However, average closing prices for new homes in Hampton Roads continue to rise.

From the peak to the present-day permits are down 59 percent with 4,611 fewer permits issued in 2014 compared to. Closings are down 54 percent, with 2,768 fewer closings in 2014 than a decade earlier. The average sales prices is down 16 percent, a real-dollar decline of \$62,526 from 2006 to 2014. Total revenue is down 59 percent, or \$1.1 billion, since 2006.



Product Type	Permits			Closings			Avg Sales Price			Revenue		
	2013	2014	% Change	2013	2014	% Change	2013	2014	% Change	2013	2014	% Change
Detached	2,691	2,448	-9.0%	1,936	1,706	-11.9%	357,237	362,935	1.6%	691,610,408	619,166,395	-10.5%
Multistory	66	48	-27.3%	82	68	-17.1%	229,718	198,603	-13.5%	18,836,903	13,505,015	-28.3%
MultiPlex	231	239	3.5%	298	171	-42.6%	228,106	234,067	2.6%	67,975,734	40,025,401	-41.1%
Town/Dup	481	508	5.6%	595	415	-30.3%	261,057	275,016	5.3%	155,328,632	114,131,502	-26.5%
<b>Total HR</b>	<b>3,469</b>	<b>3,243</b>	<b>-6.5%</b>	<b>2,911</b>	<b>2,360</b>	<b>-18.9%</b>	<b>320,767</b>	<b>333,402</b>	<b>3.9%</b>	<b>933,751,677</b>	<b>786,828,313</b>	<b>-15.7%</b>

## 2014 VERSUS 2013 NEW CONSTRUCTION ACTIVITY by Product Type

### Detached

Detached permits were down nine percent to 2,448 in 2014. Closings decreased by 11.9 percent to 1,706. Detached homes had the highest average closing price of all new construction housing types, at \$362,935. The largest decline in detached housing took place in the \$350,000-\$399,999 price range, with a decline of 30.5 percent from 2013. The average home sales price increased 1.6 percent, or \$5,698, and detached revenue decreased by 10.5 percent to \$619 million. Detached homes remain the preferred housing type in Hampton Roads, accounting for 75.6 percent of all residential building permits issued and 72.3 percent of all new construction closings recorded.

### Attached - Multi-story

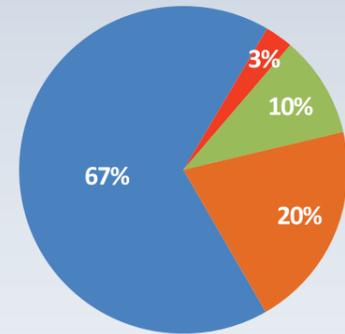
Multi-story condominium permits were down 27.3 percent in 2014, to 48. Of the permits issued, 24 were issued to Dragas Companies at Kings Pointe in Chesapeake and 24 permits were issued to Jerry Harris for Phase 2 at Gateway at SoNo in Chesapeake. There have been no permits issued for a high end, elevator-served condominium buildings in Hampton Roads since 2007. Multi-story condominium closings were down 17.1 percent to 68 in 2014. There were 24 closings in elevator-served buildings, with an average price of \$295,193, and 44 closings in non-elevator-served buildings, with an average price of \$145,918. Multistory condominiums were the only new construction housing type to have a decrease in average closing price, which can be attributed to less demand for high end condominium units. Overall, the average sales price decreased 13.5 percent to \$198,603, and revenue declined 28.3 percent to \$13.5 million.

### Attached - Multiplex

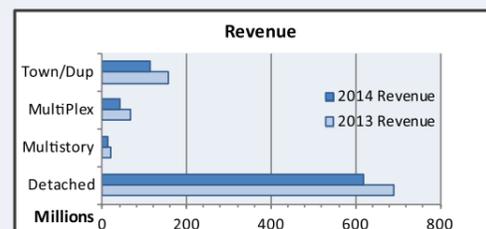
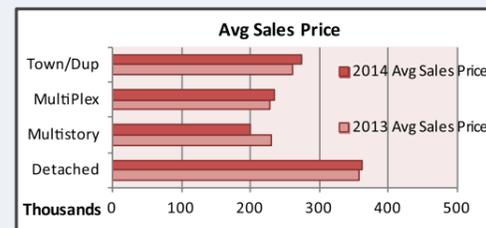
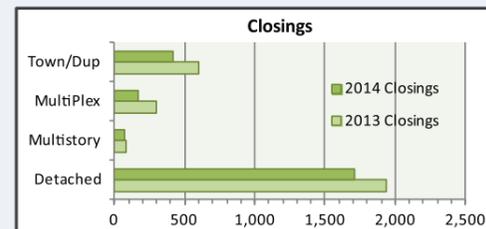
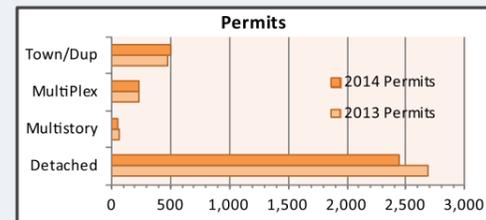
Multiplex permits were up 3.5 percent to 239 in 2014. This number is expected to remain steady in 2015, with the opening of Dragas' latest community Spence Crossing in Virginia Beach, which will have 320 multiplex units. Multiplex closings were down 42.6 percent to 171 in 2014. Much of this decline is attributed to the closeouts at The Grove at the Arboretum in Chesapeake and Braemar Creek in James City County. Average prices increased 2.6 percent to \$234,067, and revenue decreased 41.1 percent, to \$40 million in 2014.

### Attached - Townhouse/Duplex

Townhouse/Duplex permits were up 5.6 percent, to 508, due to Seasons at Cahoon by Platinum Homes and Reunion by Ryan Homes, which will lead to an increase in townhome closings in the coming year. Closings were down 30.3 percent to 415 in 2014. The largest decline took place in James City County, down 89 closings from 2013, due to closeouts at Weatherly at Whitehall and Williamsburg Village. The average sales price increased 5.3 percent to \$275,016, and revenue decreased 26.5 percent to \$114.1 million.



Hampton Roads Product Mix 2013 Closings  
 Detached Multistory MultiPlex Town/Dup



## 2014 VERSUS 2013 NEW CONSTRUCTION ACTIVITY by City

### Permits

There were 3,243 residential permits issued in Hampton Roads during 2014. Permits were down in the majority of cities in Hampton Roads. The largest percentage decline was in York County, down 43.2 percent to 100 permits issued. The largest percent increase was in Williamsburg, where permits increased 118 percent to 24. The increase is due to increased activity at the Village at Quarterpath by Ryan Homes. Virginia Beach also experienced a significant decline, down 12.7 percent, to 589 permits. The majority of the decline in Virginia Beach was in the detached housing market, where permits dropped by 132 units.

### Closings

Closings were down in 2014 compared to 2013 in all cities except for Norfolk, Portsmouth and Williamsburg. Although York County had the largest decrease with 33.6 percent, Virginia Beach had the largest total decrease, down 194 closings, for a 32.3 percent decline. Williamsburg had the largest percentage increase for closings in 2014, however, only increased by six closings for the year. Portsmouth had the largest number increase, up 41 closings versus 2013. New Port by Chesapeake Homes had a large impact on the increase in closings in Portsmouth with 29 closings recorded in 2014, versus one closing in 2013.

### Average Sales Price

The average sales price for a new home in Hampton Roads during 2014 was \$333,402. This is an increase of 3.9 percent from 2013. The average sales price increased in all cities and counties except for Isle of Wight, Norfolk and York County. The largest percentage increase was in Newport News, which was up 24.2 percent, to \$300,585. James City County had the largest dollar increase in average price, an increase of \$63,680 from 2013. This increase was due to a decrease in closings of less expensive homes, including the closeout at Weatherly at Whitehall by HHHunt Homes. Norfolk had the largest decrease in average price, down 4.6 percent to \$285,932. The decline was due to increased activity at lower price points, including Pointe East by Franciscus Homes. It was the top community in Norfolk for 2014 with 63 closings and an average price of \$225,267. Virginia Beach had the highest average closing price for a new home in Hampton Roads during 2014 at \$419,973 and Portsmouth had the lowest average closing price at \$204,822.

### Revenue

There were revenue decreases in 2014 compared to 2013 in all cities except Norfolk, Portsmouth and Williamsburg. York County had the largest percentage decrease, down 34.6 percent to \$28.2 million. Virginia Beach had the largest dollar decrease, down \$62.5 million to \$170.5 million in revenue for 2014. The largest percentage increase occurred in Williamsburg, up 100 percent to \$4.15 million in 2014. Portsmouth had the largest dollar increase, up \$8.8 million to \$21.9 million.

City/County	Permits			Closings			Avg Sales Price			Revenue		
	2013	2014	% Change	2013	2014	% Change	2013	2014	% Change	2013	2014	% Change
CHES	900	832	-7.6%	796	651	-18.2%	313,192	321,605	2.7%	249,301,045	209,364,946	-16.0%
I of W	135	108	-20.0%	74	63	-14.9%	349,789	345,009	-1.4%	25,884,393	21,735,558	-16.0%
NORF	368	367	-0.3%	245	267	9.0%	299,685	285,932	-4.6%	73,422,856	76,343,932	4.0%
PORT	83	108	30.1%	66	107	62.1%	198,385	204,822	3.2%	13,093,436	21,916,007	67.4%
SUFF	366	323	-11.7%	306	258	-15.7%	291,464	310,781	6.6%	89,188,023	80,181,476	-10.1%
VBCH	675	595	-11.9%	600	406	-32.3%	388,413	419,973	8.1%	233,047,753	170,509,187	-26.8%
<b>Total Southside</b>	<b>2,527</b>	<b>2,333</b>	<b>-7.7%</b>	<b>2,087</b>	<b>1,752</b>	<b>-16.1%</b>	<b>327,713</b>	<b>331,079</b>	<b>1.0%</b>	<b>683,937,506</b>	<b>580,051,106</b>	<b>-15.2%</b>
GLOU	112	144	28.6%	74	58	-21.6%	264,199	265,469	0.5%	19,550,755	15,397,220	-21.2%
HAMP	87	98	12.6%	85	76	-10.6%	255,944	265,909	3.9%	21,755,263	20,209,046	-7.1%
JCC	456	449	-1.5%	428	293	-31.5%	318,841	382,521	20.0%	136,464,052	112,078,625	-17.9%
NNEWS	100	95	-5.0%	111	89	-19.8%	241,957	300,585	24.2%	26,857,219	26,752,039	-0.4%
WMSBG	11	24	118.2%	7	13	85.7%	295,918	319,390	7.9%	2,071,426	4,152,066	100.4%
YORK/POQ	176	100	-43.2%	119	79	-33.6%	362,315	356,813	-1.5%	43,115,456	28,188,211	-34.6%
<b>Total Peninsula</b>	<b>942</b>	<b>910</b>	<b>-3.4%</b>	<b>824</b>	<b>608</b>	<b>-26.2%</b>	<b>303,173</b>	<b>340,094</b>	<b>12.2%</b>	<b>249,814,171</b>	<b>206,777,207</b>	<b>-17.2%</b>
<b>Total Hampton Roads</b>	<b>3,469</b>	<b>3,243</b>	<b>-6.5%</b>	<b>2,911</b>	<b>2,360</b>	<b>-18.9%</b>	<b>320,767</b>	<b>333,402</b>	<b>3.9%</b>	<b>933,751,677</b>	<b>786,828,313</b>	<b>-15.7%</b>

### HAMPTON ROADS 2014 TOP SUBDIVISIONS

For 2014, the top subdivision in Hampton Roads for permits, closings and revenue was Culpepper Landing in Chesapeake, with 97 permits, 95 closings and \$29.5 million in revenue. There were 64 detached permits issued to four builders. Ryan Homes had the most detached permits with 34 issued. Kotarides Builders had 24 multiplex condominium permits issued and ABT Custom Homes had nine townhome permits issued. There were 58 detached closings by four builders. Ryan Homes had the most detached home closings with 31, and an average sales price of \$368,234. Kotarides Builders had 14 multiplex closings recorded with an average price of \$178,341 and ABT Custom Homes had 23 townhome closings with an average price of \$252,178.

Colonial Heritage in James City County by Lennar Corporation was the second-ranked community in Hampton Roads for permits and revenue for 2014, with 84 single family detached permits issued, 60 closings and \$24,488,170 in revenue.

Kings Pointe in Western Branch in Chesapeake by Dragas Companies was the second-ranked community for closings in Hampton Roads. The community had 60 permits issued during 2014. There were 36 multiplex condominium permits and 24 multistory condominium permits issued. There were 65 closings recorded in 2014, including 44 multistory closings with an average price of \$145,918, and 21 multiplex closings with an average price of \$194,639.

PERMITS		CLOSINGS							
Subdivision	Permits Issued	Subdivision	Closing Recorded	Average Price	Subdivision	Total Revenue			
1	Culpepper Landing, C	97	1	Culpepper Landing, C	95	\$310,331	1	Culpepper Landing, C	\$29,481,424
2	Colonial Heritage, J	84	2	Kings Pointe, C	65	\$161,659	2	Colonial Heritage, J	\$24,488,170
3	Spence Crossing, V	64	3	Harbor Walk-Pointe East, R	63	\$225,267	3	Ashville Park-Wilshire, V	\$22,842,905
4	Kings Pointe, C	60	4	Colonial Heritage, J	60	\$408,136	4	Turtle Creek, N	\$18,156,604
5	Turtle Creek, N	46	5	Turtle Creek, N	55	\$330,120	5	East Beach, R	\$16,298,709
6	Harbor Walk-Pointe East, R	45	6	Cornerstone, V	40	\$247,581	6	Harbor Walk-Pointe East, R	\$14,191,837
7	East Beach, R	44	7	Ashville Park-Wilshire, V	37	\$617,376	7	Centerville Commons, C	\$12,804,069
8	Fords Colony, J	42	8	Jordan Hall, C	32	\$394,792	8	Jordan Hall, C	\$12,633,348
9	Eagle Pointe, C	37	9	Eagle Pointe, C	32	\$345,091	9	Windsor Ridge, J	\$11,978,474
10	Albemarle River, C	35	10	Kings Fork Farm, S	31	\$260,828	10	Ashville Park-Ranier, V	\$11,118,318
11	Whitehall, J	35	11	Centerville Commons, C	30	\$426,802	11	Eagle Pointe, C	\$11,042,896
12	Saddlebrook Estates, S	33	12	Windsor Ridge, J	30	\$399,282	12	Parkside-Bennetts Creek, S	\$10,960,531
13	Cornerstone, V	33	13	Seasons At Cahoon, C	28	\$269,505	13	Kings Pointe, C	\$10,507,816
14	Ashville Park-Ranier, V	32	14	East Beach, R	27	\$603,656	14	Albemarle River, C	\$10,466,050
15	Ashville Park-Wilshire, V	29	15	Albemarle River, C	27	\$387,631	15	Cornerstone, V	\$9,903,239

### HAMPTON ROADS 2014 TOP BUILDERS

Ryan Homes was the top builder in Hampton Roads in 2014 for permits, closings and revenue with 326 permits issued, 296 closings and \$114,560,855 in revenue. Ryan Homes is actively building in 23 new communities in Hampton Roads. Their top subdivision was Turtle Creek in Newport News with 46 permits, 55 closings and \$18,156,604 in revenue. Culpepper Landing in Chesapeake was second for permits, closings and revenue with 34 permits and 31 detached closings recorded for \$18,156,604 in revenue.

Chesapeake Homes was the No. 2 builder for closings in Hampton Roads and the No. 3 builder for permits and revenue with 100 permits, 111 closings recorded and \$29,409,771 in revenue in 14 communities on the Southside and the Peninsula. Cornerstone in Virginia Beach was Chesapeake Homes' top community in 2014 with 33 permits issued, 40 closings recorded and \$9,903,239 in revenue.

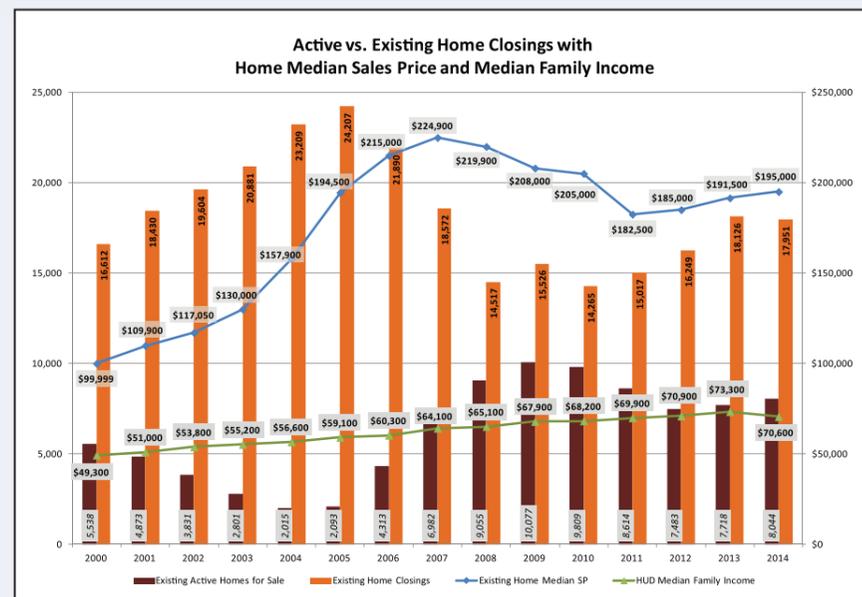
Platinum Homes had a successful year with 98 permits, 92 closings and \$29,593,768 across 22 communities on the Southside. Seasons at Cahoon Plantation was their top community with 29 permits, 28 closings and \$7,546,142 in revenue.

PERMITS		CLOSINGS							
Builders	Permits Issued	Builders	Closing Recorded	Average Price	Builders	Total Revenue			
1	Ryan Homes	326	1	Ryan Homes	296	\$387,030	1	Ryan Homes	\$114,560,855
2	Dragas Companies	137	2	Chesapeake Homes	111	\$264,953	2	Platinum Homes	\$29,593,768
3	Chesapeake Homes	100	3	Platinum Homes	92	\$321,671	3	Chesapeake Homes	\$29,409,771
4	Platinum Homes	98	4	Franciscus Co Inc	83	\$237,908	4	Bishard Dev Corp	\$27,271,418
5	HHHunt Homes	94	5	Terry Peterson Res	81	\$278,198	5	Napolitano Ent Inc	\$25,207,071
6	Lennar Corp	84	6	Dragas Companies	81	\$171,589	6	Lennar Corp	\$24,935,065
7	Terry Peterson Res	73	7	Bishard Dev Corp	76	\$358,834	7	HHHunt Homes	\$24,219,055
8	Bishard Dev Corp	72	8	HHHunt Homes	72	\$336,376	8	Terry Peterson Res	\$22,534,008
9	Franciscus Co Inc	71	9	Napolitano Ent Inc	71	\$355,029	9	Franciscus Co Inc	\$19,746,372
10	Eagle Construction	60	10	Lennar Corp	61	\$408,772	10	Stephen Alexander Homes	\$18,815,088
11	Napolitano Ent Inc	56	11	Hearndon Constr Corp	48	\$318,370	11	Hearndon Constr Corp	\$15,281,757
12	Wetherington Homes	51	12	Mcq Bldrs & Dev Inc	46	\$290,392	12	Dragas Companies	\$13,898,691
13	Mcq Bldrs & Dev Inc	50	13	Ashdon Builders Inc	43	\$285,689	13	Virginia Ent Inc	\$13,394,911
14	Stephen Alexander Homes	48	14	Virginia Ent Inc	37	\$362,025	14	Mcq Bldrs & Dev Inc	\$13,358,045
15	Hearndon Constr Corp	46	15	Stephen Alexander Homes	36	\$522,641	15	Ashdon Builders Inc	\$12,284,614

## EXISTING HOMES

The existing residential real estate market exhibited positive signs of growth in 2014. Three common performance metrics provide insight to the health of the housing market including counts of active residential listings, pending sales, and settled sales. Two of the three metrics showed positive year-over-year growth. Moreover, distressed existing listings that include residential short sales and foreclosures declined year over year as well.

In December 2014 there were 8,044 active residential listings representing a 4.22 percent increase over the 7,718 active residential listings for the same month in 2013. This is the second consecutive year for positive growth in the listing of existing homes. All of the major cities in Hampton Roads showed positive increases in inventory. The residential month's supply of inventory ended the year at 5.92 months, which is up slightly from 2013 when it was 5.45 months. This indicates is the number of months it would take to clear the existing inventory based on the average monthly sales of the preceding 12 months. A six months' supply of inventory is indicative of a balanced market; that is, the current housing market is not favoring buyers or sellers.



In 2014 pending residential sales<sup>1</sup> for December increased by 21.7 percent across the region compared to the same time in 2013. This continues the trend of positive increases seen from 2012 to 2013. For the year however, total pending sales increased a marginal 1.98 percent, much less than the 8.9 percent increase from 2012 to 2013.

Existing home closings for the region were down slightly in 2014, declining from 18,126 to 17,951 or just under 1.0 percent. Of the major cities only Portsmouth and Newport News experienced

positive increases in settled sales in 2014. It should be noted, however, the 2014 count, while slightly less than 2013, is 26 percent above the count of existing home closings in 2010, which was the lowest level of closings in the past 18 years.

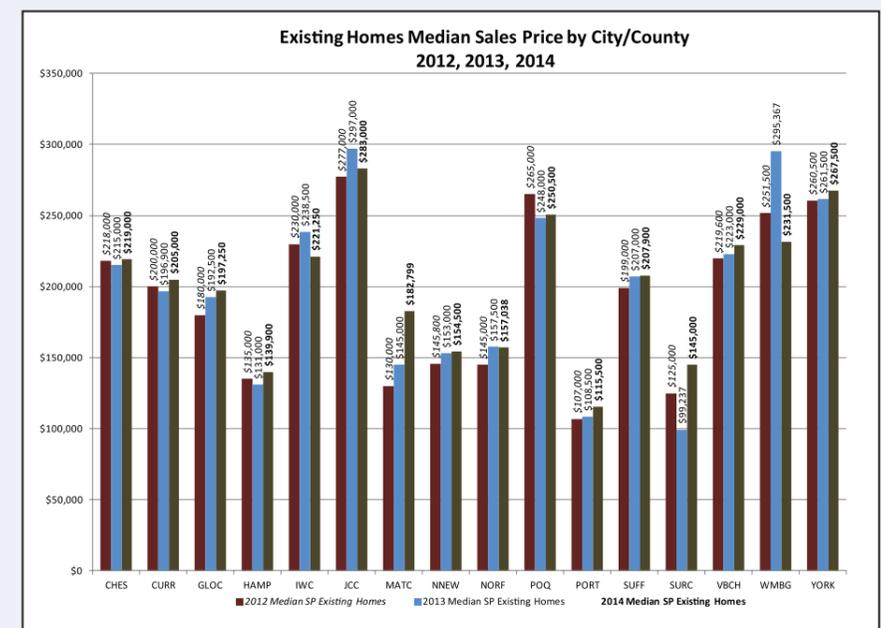
The median settled sales price of existing residential properties increased slightly from \$191,500 in 2013 to \$195,000 in 2014, making this the third consecutive year for positive increase. Our region's existing residential property has not experienced a three year increase in median sales price since 2005 through 2007. Interestingly, our region's estimated median family income declined, which is the only decline in this metric over the past 18 years. There are many reasons why our region would experience declines in median family income including lethargic economic growth and changing demographics. However, this indicator is a derived estimate calculated by HUD, and with any derived indicator, a full understanding of the methodology is needed.

<sup>1</sup> Pending residential sales is calculated as total pending sales less pending sales of new construction.

## A NOTE ON MEDIAN FAMILY INCOME

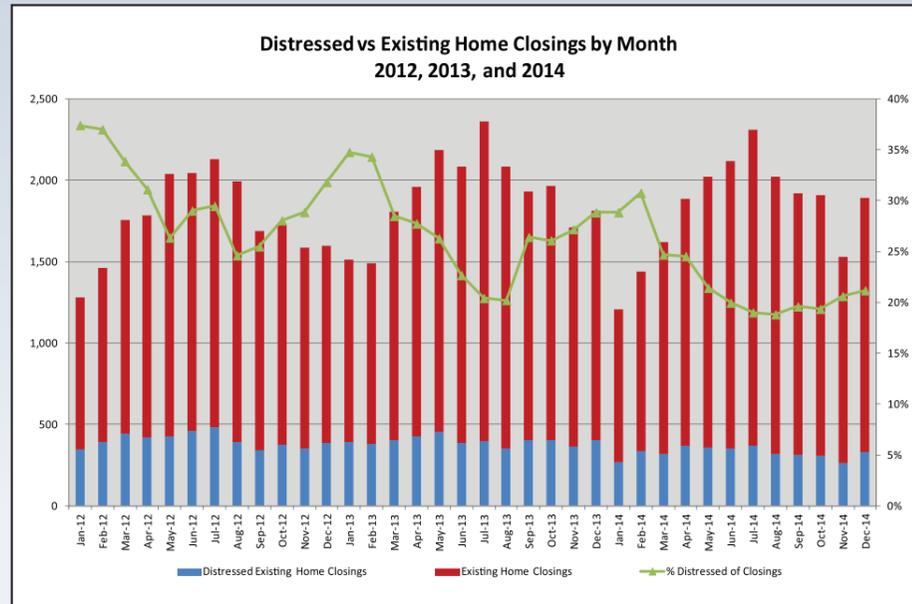
The HUD derived estimate of Median Family income (MFI) is based on a complicated methodology that takes into account estimates of either the one-year or five-year median income for our region from the American Community Survey (ACS). This survey administered by the US Census Bureau is the basis for most statistical information used in the US. The ACS estimate is then adjusted to reflect changes in the consumer price index (CPI) and further adjusted to take into account the trend in annual growth rate of the one-year ACS estimates between 2006 and 2011 to arrive at the final estimate of median family income. However, the HUD estimates do not reflect the latest changes in geography of our metropolitan area that were mandated by the Office of Management and Budget in February of 2013. The Federal Financial Institutions Examination Council has adjusted the HUD estimates taking into account the new metropolitan statistical area and reports a 2014 median family income of \$72,200. This \$72,200 estimate is less of a difference than the HUD derived estimate. However, we will continue to use the HUD estimate as presented and wait for the revisions to be made. Further information is available at [www.huduser.org/datasets/il/i108/Medians\\_2008.pdf](http://www.huduser.org/datasets/il/i108/Medians_2008.pdf) and [www.ffiec.gov/about.htm](http://www.ffiec.gov/about.htm)

Six of Hampton Roads seven major cities experienced median sale price increases in 2014. The cities of Hampton and Portsmouth led the way with median increases of 6.79 percent and 6.45 percent respectively. The City of Norfolk was the only city that experienced a decline; however, in percentage terms the decline was less than one third of one percent. Surry County and Matthews County saw the most notable rises at 46.11 percent and 26.07 percent. Once again, James City County had the highest median sale price for existing homes at \$283,000; however this represents a -4.71 percent decrease from \$297,000 in 2013. Williamsburg had the largest year over year decline in median sales price recording a -21.62 percent decline.

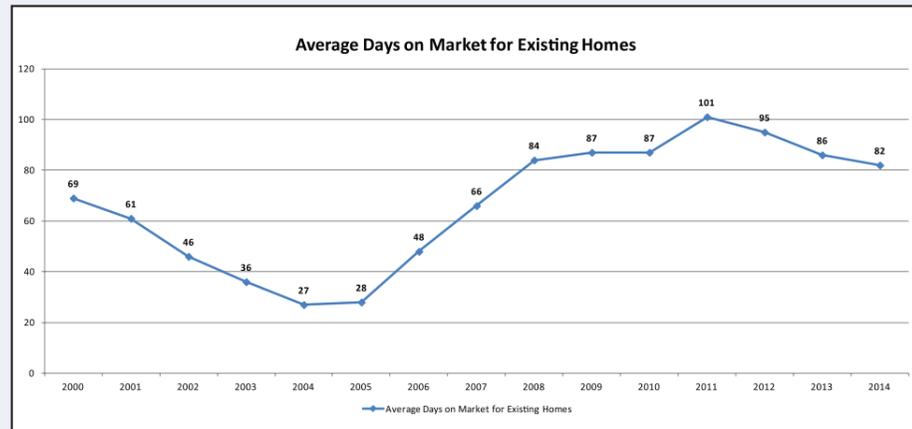


Detached home sales accounted for 78.3 percent of the 17,951 existing homes sales in 2014, a decline of less than 1 percent from the 18,126 detached homes that closed in 2013. At the local level, most of the cities and counties recorded slight declines with the exception of Matthews County and the City of Poquoson, which recorded increases of 37.14 percent and 19.05 percent.

Attached existing home sales remained steady in 2014, recording 3,895 closings, down by only two from the 3,897 closings recorded in 2013. The data for attached sales are largely influenced by the city of Virginia Beach, which accounts for nearly 50 percent of all attached closings. Therefore, many of the region's counties report very small changes in this type of residential property, providing a relatively small base for comparison.



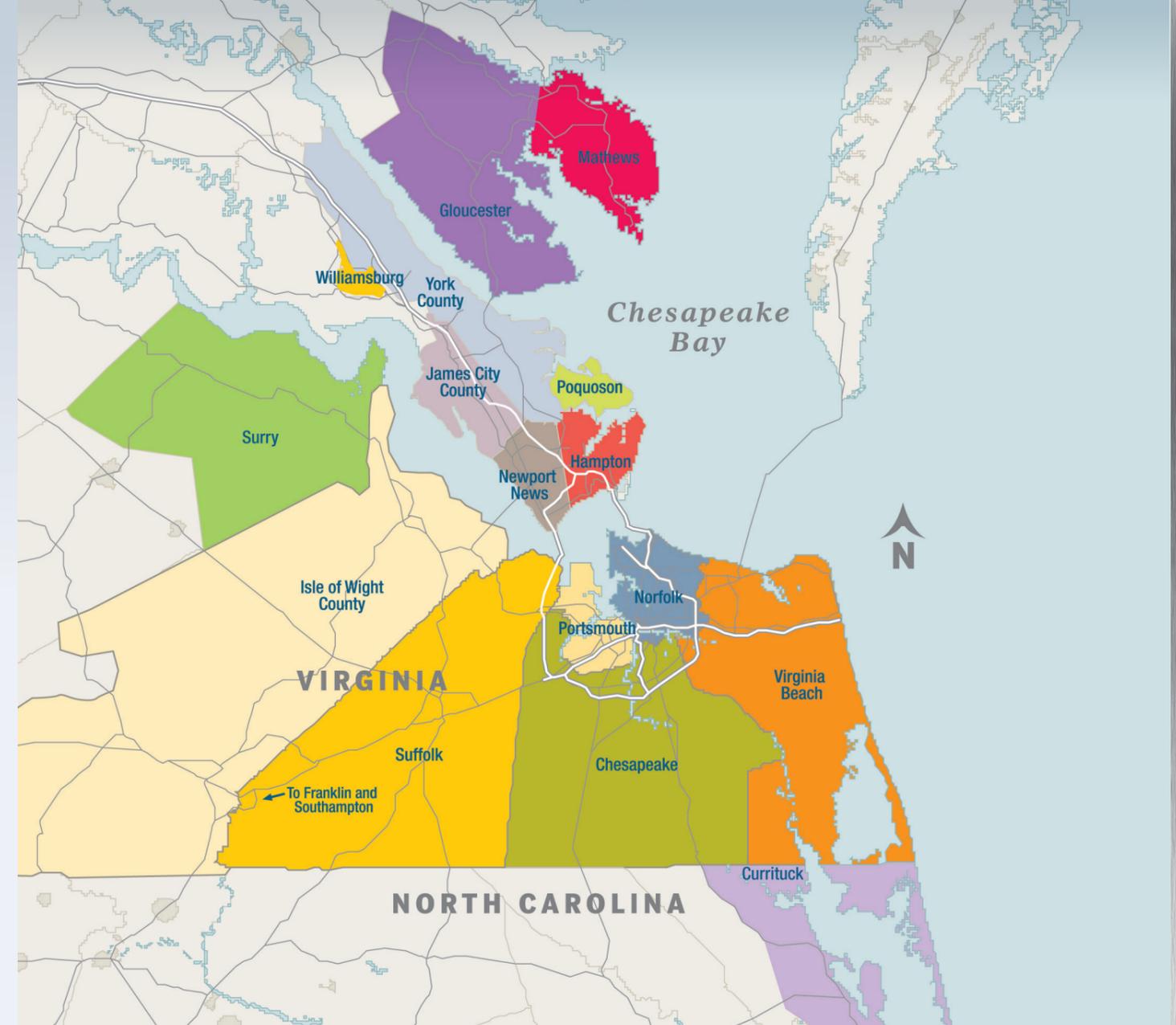
Distressed homes, those that are either bank-owned or short sales, declined by 17.9 percent in 2014 when compared to the year prior. Throughout the year distressed homes accounted for between 18.81 percent and 30.76 percent of existing homes for sale on a monthly basis, reaching a low during the month of August and a high during the month of February. These ranges can be compared to 2013's low of 20.5 percent and high of 34.8 percent.



The average number of days an existing home spent on the market before closing in 2014 was 82 days. This is a decrease of six days compared to 2013's average of 86 days on the market, a decrease of more than two weeks compared to 2012's 95 days on the market. 82 days on the market is the lowest average number of days an existing home has spent on the market since

2007. Since tracking began, the lowest average number of days an existing home spent on the market was recorded in 2004 at 27 days. A peak was recorded in 2011 at 101 days on the market.

Looking into 2015, key indicators point towards continued growth. For the first time since 2008 and 2009, existing homes for sale increased for two years in a row. However, while the number of distressed home sales declined for the past three years, the proportion of distressed homes sales to existing home sales remains above 20 percent. On a more positive note, 2014 ended the year with a 21.7 percent increase in under contract home sales in month-over-month comparison with 2013. While there is never a guarantee that pending sales will advance to home closings, this percentage is large enough to set the tone for gains in the residential real estate market early in 2015.



### RESIDENTIAL SUBMARKETS (NEW CONSTRUCTION)

#### Southside

- Chesapeake
- Franklin/Southampton
- Isle of Wight Co
- Norfolk
- Portsmouth
- Suffolk
- Virginia Beach

#### Peninsula

- Gloucester
- Hampton
- James City County
- Newport News
- York County
- Williamsburg

### RESIDENTIAL SUBMARKETS (EXISTING HOMES)

#### Southside

- Chesapeake
- Currituck
- Isle of Wight Co
- Norfolk
- Portsmouth
- Suffolk
- Surry
- Virginia Beach

#### Peninsula

- Gloucester
- Hampton
- James City County
- Mathews
- Newport News
- York County

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