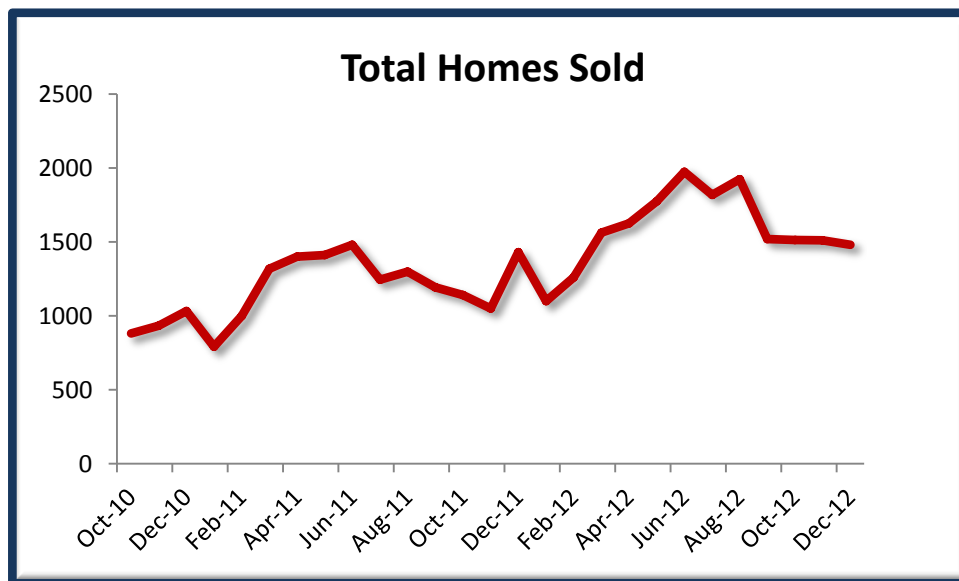


Hampton Roads Real Estate Market Report January 10, 2013

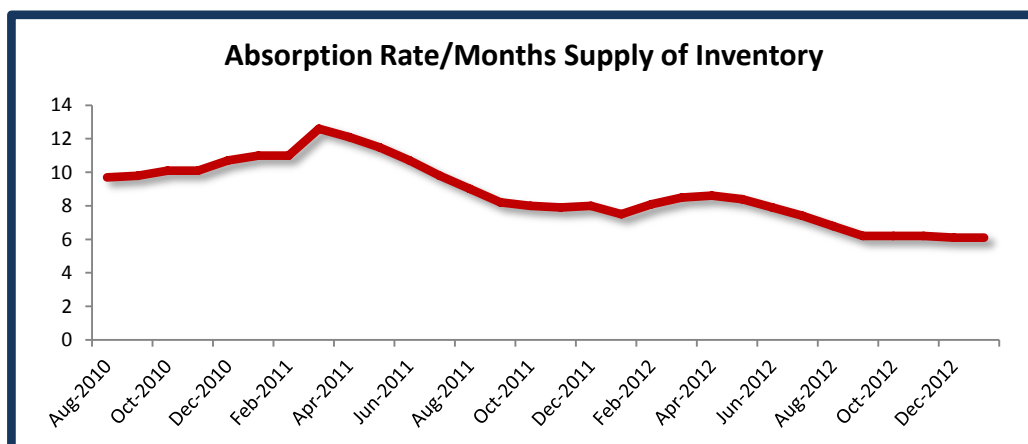
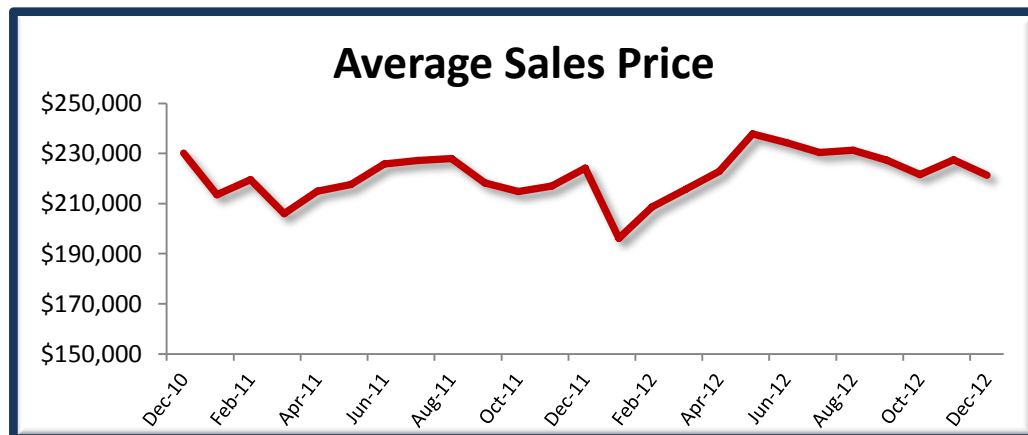
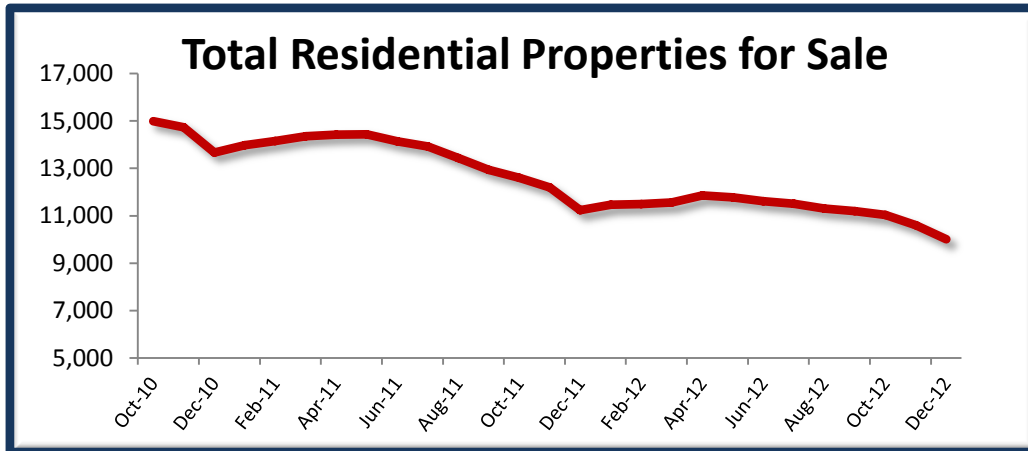


REIN, Inc.

In 2012 there were 19,535 homes sold, a substantial 8% increase from the previous year. Combined with a modest 2% increase in average sales price, this caused an almost \$400 million increase in total sales. For the month of December sales units were virtually unchanged from year ago levels.



Inventory levels continue to fall, down over 40% from the peak levels and lower than at any point in the last several years.



*Market Data courtesy of REIN, analysis by Rose and Womble. Deemed accurate but not guaranteed. Copyright 2012 All Rights Reserved



First time home buyers re-entering the market last year, especially in Va. Beach and Chesapeake, has created an inventory shortage in many lower price ranges. This in turn has freed up many "move up buyers" who had previously been unsuccessful in selling. This has caused inventory levels to fall in higher and higher price ranges across our market.

Total Absorption Rate All Areas for January 2013					
Price Range (\$000's)	Active Listings	Sold Properties 7/1/12-12/31/12	Transactions Per Month	Months to Absorb	Market Condition
<100	1289	1631	272	4.7	Normal Seller's Market
101-150	1683	1509	252	6.7	Balanced Market
151-200	1883	1759	293	6.4	Balanced Market
201-250	1408	1684	281	5.0	Balanced Market
251-300	1020	1173	196	5.2	Balanced Market
301-350	693	789	132	5.3	Balanced Market
351-400	567	478	80	7.1	Balanced Market
401-500	544	492	82	6.6	Balanced Market
501-600	304	176	29	10.4	Normal Buyer's Market
601-700	212	97	16	13.1	Extreme Buyer's Market
701-800	108	43	7.2	15.1	Extreme Buyer's Market
801-900	60	25	4.2	14.4	Extreme Buyer's Market
901-1000	61	14	2.3	26.1	Extreme Buyer's Market
1M-2M	162	36	6.0	27.0	Extreme Buyer's Market
2M+	27	4	0.7	40.5	Extreme Buyer's Market
Total	10021	9910	1652	6.1	Balanced Market

0-3 Months of Inventory	Extreme Seller's Market	High Appreciation
3-5 Months of Inventory	Normal Seller's Market	Moderate Appreciation
5-8 Months of Inventory	Balanced Market	Flat
8-12 Months of Inventory	Normal Buyer's Market	Moderate Depreciation
12+ Months of Inventory	Extreme Buyer's Market	High Depreciation

City By City Absorption							January-13
Price Range (\$000's)	Chesapeake	Hampton	Newport News	Norfolk	Portsmouth	Suffolk	Virginia Beach
Less Than 100	3.8	4.5	5.3	4.0	6.0	5.1	3.8
101-150	5.6	8.4	6.7	8.3	9.6	6.3	4.6
151-200	4.7	8.5	6.1	7.4	11.3	7.2	4.8
201-250	3.6	5.6	5.3	8.0	5.9	5.6	3.4
251-300	4.2	6.4	5.8	6.6	19.0	6.2	3.0
301-350	4.7	7.3	5.7	6.4	20.0	6.9	2.9
351-400	8.3	14.6	4.8	6.0	24.0	12.6	4.4
401-500	6.0	9.6	12.0	8.4	2.0	12.0	4.0
501-600	7.9	18.0	0.0	11.1	0.0	14.7	9.0
601-700	15.6	36.0	18.0	11.0	0.0	15.0	11.3
701-800	18.0	0.0	6.0	8.7	0.0	0.0	10.5
801-900	6.0	0.0	0.0	0.0	0.0	6.0	12.9
901-1000	0.0	0.0	0.0	0.0	0.0	12.0	24.0
1M-2M	0.0	0.0	6.0	27.6	0.0	54.0	21.1
2M+	0.0	0.0	0.0	0.0	0.0	0.0	42.0