2016 Hampton Roads Real Estate Market Review & Forecast

Presented By: E.V. Williams Center for Real Estate

March 2, 2016
Ted Constant Center
Economic Trends

Chip Filer, Ph.D.
Associate Professor
Old Dominion University,
Department of Economics
Rate of Growth: GDP (U.S.) and GRP (Hampton Roads) 2001-2015

Source: Bureau of Economic Analysis and the Old Dominion University Economic Forecasting Project. Data on GDP incorporates latest BEA revisions in September 2015. Real GRP for Hampton Roads is calculated by using the GDP price deflator. e represents estimated value.
Oil Spot Prices

Excess Supply

Weak Demand?

Source: United States Energy Information Administration.
The Fed Funds Futures Market is “Bearish”

Source: CME Group, February 23, 2016
The National Economy in 2016

- Expect a bumpy 2016
  - We are forecasting growth for the year, but some quarters during the year could be weak.

- In spite of the slower growth, we anticipate the FED will increase the target fed funds rate during 2016 (perhaps 3 times)

- This will likely flatten the yield curve rather than put tremendous pressure on long-term yields.
Hampton Roads’ Gross Regional Product Attributable to DOD Spending (1984-2016)

Source: U.S. Department of Defense, U.S. Department of Commerce, and the Old Dominion University Economic Forecasting Project. e represents estimated value; f represents forecasted value.
The legislated cap on spending increased by only $0.8B (0.15%) for FY 2015 and is now expected to increase by $26.8B (5.14%) during FY 2016 and by only $3.0B (0.55%) during FY 2017.
The 2007-2009 Recession Including Virginia and Hampton Roads (% Decline in Total US Non-farm Payroll Employment from Pre-Recession Peak)

Month After Pre-Recession Peak

Pre-Recession Peak Dates:
U.S.: January, 2008
Virginia: April, 2008
Hampton Roads: July, 2007

Decline from Pre-Recession Peak

USA
VA
HR
Change in Employment by Sector’s (Private Ownership) in Hampton Roads
From 1st Quarter 2007 to 1st Quarter 2015 (Virginia Portion of Hampton Roads)

<table>
<thead>
<tr>
<th>Sector</th>
<th>Change in Employment</th>
</tr>
</thead>
<tbody>
<tr>
<td>All Industries</td>
<td>-25,819</td>
</tr>
<tr>
<td>Construction</td>
<td>-13,124</td>
</tr>
<tr>
<td>Retail Trade</td>
<td>-8,000</td>
</tr>
<tr>
<td>Information</td>
<td>2,000</td>
</tr>
<tr>
<td>Wholesale Trade</td>
<td>12,000</td>
</tr>
<tr>
<td>Health Care and Social Assistance</td>
<td>15,863</td>
</tr>
<tr>
<td>Professional, Scientific, and Technical</td>
<td></td>
</tr>
<tr>
<td>Management of Companies and…</td>
<td></td>
</tr>
<tr>
<td>Accommodation and Food Services</td>
<td></td>
</tr>
<tr>
<td>Educational Services</td>
<td></td>
</tr>
<tr>
<td>Finance and Insurance</td>
<td></td>
</tr>
<tr>
<td>Administrative, Waste Mgmt.</td>
<td></td>
</tr>
<tr>
<td>Real Estate, Rental, Leasing</td>
<td></td>
</tr>
<tr>
<td>Wholesale Trade</td>
<td></td>
</tr>
<tr>
<td>Manufacturing</td>
<td></td>
</tr>
<tr>
<td>Information</td>
<td></td>
</tr>
<tr>
<td>Retail Trade</td>
<td></td>
</tr>
<tr>
<td>Construction</td>
<td></td>
</tr>
<tr>
<td>All Industries</td>
<td></td>
</tr>
</tbody>
</table>

Source: Virginia Employment Commission: Covered Employment and Wages by Private Ownership and the Old Dominion University Economic Forecasting Project.
Unemployment Rate in U.S., Virginia, and Hampton Roads

Source: Bureau of Labor Statistics
The Regional Economy in 2016

- We are forecasting better growth in 2016 than in 2013 and 2014.

- The region will continue to grow at a slower pace than the nation as we transition away from a DoD reliant economy.

- JOBS, JOBS, JOBS!
## National Economic Outlook for 2016

<table>
<thead>
<tr>
<th></th>
<th>Historical</th>
<th></th>
<th>Forecast</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2013</td>
<td>2014</td>
<td>2015</td>
</tr>
<tr>
<td>Real Gross Domestic Product</td>
<td>1.49%</td>
<td>2.42%</td>
<td>2.38% est.</td>
</tr>
<tr>
<td>Employment Growth</td>
<td>1.70%</td>
<td>1.90%</td>
<td>2.11%</td>
</tr>
<tr>
<td>Unemployment Rate</td>
<td>7.4%</td>
<td>5.6%</td>
<td>5.3%</td>
</tr>
<tr>
<td>Consumer Price Index</td>
<td>1.22%</td>
<td>0.70%</td>
<td>0.13%</td>
</tr>
<tr>
<td>CPI - Core</td>
<td>1.71%</td>
<td>1.60%</td>
<td>1.83%</td>
</tr>
<tr>
<td>3-Month Treasury Bill (end of year)</td>
<td>0.06%</td>
<td>0.03%</td>
<td>0.05%</td>
</tr>
<tr>
<td>10-Year Treasury Bond</td>
<td>2.35%</td>
<td>2.55%</td>
<td>2.14%</td>
</tr>
<tr>
<td>30-Year Conventional Mortgage Rate</td>
<td>3.98%</td>
<td>4.17%</td>
<td>3.85%</td>
</tr>
</tbody>
</table>
## Regional Economic Outlook for 2016

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2016 Forecast</th>
<th>Growth Forecasts</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nominal Gross Regional Product</td>
<td>$93.07B (e)</td>
<td>$97.63B</td>
<td></td>
</tr>
<tr>
<td>Real Gross Regional Product</td>
<td>$84.38B (e)</td>
<td>$85.72B</td>
<td>1.59%</td>
</tr>
<tr>
<td>Civilian Employment</td>
<td>759,758</td>
<td>766,900</td>
<td>0.94%</td>
</tr>
<tr>
<td>Unemployment Rate</td>
<td>5.06%</td>
<td>4.30%</td>
<td></td>
</tr>
<tr>
<td>Taxable Sales</td>
<td>$21.78B</td>
<td>$22.56B</td>
<td>3.60%</td>
</tr>
<tr>
<td>Hotel Revenue</td>
<td>$746.22M</td>
<td>$777.56M</td>
<td>4.20%</td>
</tr>
<tr>
<td>General Cargo Tonnage</td>
<td>19.98M</td>
<td>20.52M</td>
<td>2.70%</td>
</tr>
<tr>
<td>Housing Permit Value</td>
<td>$819.15M</td>
<td>$847.00M</td>
<td>3.40%</td>
</tr>
</tbody>
</table>
CRE Financing

Jeremy R. Starkey
President
Monarch Bank Commercial Real Estate Finance
CRE Lending Sources

Major players are banks, credit unions, capital markets (CMBS & LifeCo), and agencies (multifamily only).

- Banks are primarily short to intermediate term and generally need recourse, especially during construction/lease-up.

- Credit unions look for stabilized acquisitions and refinances (no construction or bridge).

- Capital markets lenders primarily provide long-term, non-recourse debt for stabilized acquisitions and refinances.

- Agencies operate exclusively in the multifamily lending space.
Hampton Roads CRE Lending

Banks, especially community banks, lead the way when it comes to providing a consistent and reliable source of capital for deals in Hampton Roads.

- Major banks, with few exceptions, either have no physical CRE lending presence in the market or have chosen not to focus on CRE lending here.
- Capital markets lenders typically reduce exposure to secondary and tertiary markets (Hampton Roads) in times of significant volatility or weakness.
- Existing community banks have healthy balance sheets, local lenders/decision makers, and significant capacity.
Interest Rates/Transaction Volume

Global economic weakness, which has led to interest rate volatility and concerns about US economic growth, has tempered the expected 50 bps short-term rate increase in 2016.

- Short-term rates are not expected to rise materially in the next 12 months.

- Long-term rates, which most significantly impact CRE deals, have fallen back to the previous historic lows. BUT, spreads have widened out to near unprecedented levels, resulting in a RISE in long-term CRE lending rates.

- Capital markets lenders react immediately while banks typically lag and, often, don’t react at all.

- Many of the current wave of CMBS refinances from 10 years ago require additional capital, especially if they were highly-levered and/or full-term I/O when originated.

- Banks and life insurance companies stand to benefit from much of this refinance volume in 2016 as the CMBS market is currently dysfunctional.
Asset Class Highlights

Retail and Multifamily have been the most preferred and the most active asset classes in Hampton Roads.

- Hospitality construction lending has achieved some traction with major banks competing for the trophy projects.

- New office construction lending, other than medical office, is largely unavailable without significant preleasing.

- Industrial lending has been primarily acquisition/refinance driven.
Risk Management

Underwriting standards are caught between new regulations and a strong market with financially capable sponsors.

- Location, experience, and financial capability of the individual sponsor or guarantor is paramount.

- Community banks like to allocate their capital to relationships vs. transactions.

- Most lenders have some sort of liquidity and net worth requirement, even for non-recourse deals.

- Lenders don’t like to finance one’s education in CRE.

- Regulators are requiring banks to stress-test deals based on rising cap rates and interest rates. Higher risk deals require more capital allocation, which impacts the rate charged to the borrower.

- Structured reserves are becoming more popular with all sources.
Debt for CRE borrowers in the Hampton Roads market remains highly obtainable for quality deals due to our relatively stable economy and roster of healthy lenders.

- Low long-term rates will benefit borrowers.
- Experienced and financially-capable sponsors will thrive.
- Competition between banks and other lenders will result in aggressive terms for the best projects.
- Regulatory underwriting and asset class allocation impacts should be monitored.
Office Market Review

John M. Profilet, SIOR
S.L. Nusbaum Realty Co.
Quarterly Vacancy Rate (%)

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Vacancy Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1st Qtr</td>
<td>11.6%</td>
</tr>
<tr>
<td>2nd Qtr</td>
<td>12.3%</td>
</tr>
<tr>
<td>3rd Qtr</td>
<td>11.8%</td>
</tr>
<tr>
<td>4th Qtr</td>
<td>11.7%</td>
</tr>
</tbody>
</table>

Source: CoStar Group, Inc., 2018
Class A CBD Asking Rental Rates

City Center at Oyster Point: $19.94

Downtown Norfolk: $22.73

town center: $27.02
Removed From the Office Market
Industrial Review

William C. Throne, SIOR, CCIM, ALC
First Vice President
Cushman & Wakefield/THALHIMER
Market Indicators:

Flying and Industrial Real Estate

F-4 Phantom II Cockpit
Market Indicators:

1. Vacancy Rate

<table>
<thead>
<tr>
<th>Year</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>9.0%</td>
</tr>
<tr>
<td>2014</td>
<td>8.2%</td>
</tr>
<tr>
<td>2015</td>
<td>7.0%</td>
</tr>
</tbody>
</table>

7%: Healthy!
Market Indicators:

1. Vacancy Rate
2. Net Absorption

1.9 msf net: Healthy!


Airspeed

Attitude indicator
Market Indicators:

1. Vacancy Rate
2. Net Absorption
3. Rent Growth

Limited Rent Growth

2% - 3% annual increases

Attitude indicator

Airspeed

Altimeter
Market Indicators:

1. Vacancy Rate
2. Net Absorption
3. Rent Growth
4. Spec Building

No Spec Development

Need more tenant demand!

Airspeed
Altimeter
Vertical Speed
Attitude indicator
Market Indicators:

Building Sales

Great year!

Industrial Building Sales 2007-2015

- Number of Deals
- Average Price per Square Foot
- Median Price per Square Foot
**Market Indicators:**

**Great year!**

### Port TEU volumes

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2015</th>
<th>YTD 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Export Loads</strong></td>
<td>1,034,526</td>
<td>997,828</td>
<td>76,360</td>
</tr>
<tr>
<td><strong>Import Loads</strong></td>
<td>1,017,879</td>
<td>1,082,520</td>
<td>84,186</td>
</tr>
<tr>
<td><strong>Total Empties</strong></td>
<td>340,633</td>
<td>468,922</td>
<td>32,299</td>
</tr>
<tr>
<td><strong>Total TEUs</strong></td>
<td>2,393,038</td>
<td>2,549,270</td>
<td>192,844</td>
</tr>
</tbody>
</table>
Market Indicators:

2016

The year ahead...

1. Look for opportunities...
2. Investor sales should be up...
3. Modest rent growth...
4. A few larger deals...

In summary, a modest improvement over 2015...
THANK YOU
Retail Market Review

Michael Gurley
Senior Vice President, Director of Retail Leasing
S.L. Nusbaum Realty Co.
Grocery Stores Remain the Headliner…
Non-Grocery Retailers….
Notable Deliveries…
Mergers, Acquisitions & Consolidations
Development & Growth...

- Kroger
- Field & Stream
- Dick’s Sporting Goods
- Waterside Live
- Simon Outlet Mall
Millennial Customers....
Polarization....

2001
- ? +
WAL*MART  JCPenney  TITANY & CO.
Montgomery Ward  NORDSTROM
TARGET

2016
- ? +
LIDL  FOOD LION  WHOLE FOODS
ALDI  Farm Fresh  THE FRESH MARKET
What’s Next For Military Circle….

- Great real estate!
- Main & Main for Southside Hampton Roads
- City purchased JCP – smart!
- Positive future!
REAL ESTATE IS THE BEST INVESTMENT IN THE WORLD BECAUSE IT IS THE ONLY THING THEY'RE NOT MAKING ANYMORE

~ Will Rogers
Multifamily: Real Estate’s New Darling

Wendy Drucker
Managing Director
Drucker & Falk, LLC
WE’VE COME A LONG WAY, BABY!

- OCCUPANCY IS UP
- RENT GROWTH IS ABOVE INFLATION
- NOI GROWTH IS STRONG
- CAP RATES ARE LOW
- NEW DEVELOPMENT IS STRONG
HOME OWNERSHIP DECLINE
THE MULTIFAMILY OUTLOOK IN HAMPTON ROADS

- VALUE ADD
- SHINY AND NEW
- HISTORY IN THE MAKING
VALUE ADD

- 55% OF APARTMENTS PRE-1980
- HIGHEST VACANCY RATES
- STRATEGIC RENOVATIONS AND AMENITY ENHANCEMENTS YIELDING DOUBLE DIGIT RETURNS ON A 4-5 YEAR HOLD
SHINY AND NEW

- 3,000 UNDER CONSTRUCTION, 2,800 PROPOSED
- SMALL SQUARE FOOTAGE, HIGH END MATERIALS AND AMENITIES
- HIGH TECH, HIGH TOUCH
HISTORY IN THE MAKING

- Use of Historic Tax Credits
- Renovating Hotels, Banks, Office Buildings, Retail
- Apartments Offer High End Luxury Amid Historic Integrity
# KEY MARKET INDICATORS

<table>
<thead>
<tr>
<th>Supply</th>
<th>96,902</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct vacancy rate</td>
<td>5.75%</td>
</tr>
<tr>
<td>Under Construction</td>
<td>3,198</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Demand</th>
<th>1,545+</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net absorption</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Pricing</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>12-month overall rent % change</td>
<td>1%-2%</td>
</tr>
<tr>
<td>Class A Overall asking rent</td>
<td>$1,295</td>
</tr>
<tr>
<td>Class B Overall asking rent</td>
<td>$ 966</td>
</tr>
<tr>
<td>Class C Overall asking rent</td>
<td>$ 806</td>
</tr>
</tbody>
</table>
2016 WILL BE A VERY GOOD YEAR

- DEMAND EXCEEDS SUPPLY
- RENOVATE, RENOVATE, RENOVATE
- BUILD IT “SMALL & SMART,” AND THEY WILL COME
Investment Market Review
J. Scott Adams, CCIM
President, Mid-South Region
CBRE Hampton Roads
DISCUSSION TOPICS

- NATIONAL
- REGIONAL
- LOCAL
U.S. CAPITAL MARKETS VOLUME: +22.4% IN 2015

Source: Real Capital Analytics (Includes sales $2.5 million or greater for office, industrial, retail and multifamily assets.)
NATIONAL

U.S. INVESTMENT RETURNS: 13.3% IN 2015

Source: CBRE Research, NCREIF, All returns are reported on an unleveraged basis.
U.S. JOB GROWTH: OVER 2.7 MILLION JOBS IN 2015

NATIONAL

THE "PRIMARY MARKETS" OF THE U.S.

SAN FRANCISCO

LOS ANGELES

CHICAGO

BOSTON

NEW YORK

WASHINGTON, D.C.

PRIMARY

OTHER CBRE LOCATIONS
NATIONAL

SIX PRIMARY MARKETS: 46.2% OF 2015 CAPITAL

Source: Real Capital Analytics (Includes sales $2.5 million or greater for office, industrial, retail and multifamily assets.)
REGIONAL

SIX LEADING SECONDARY MARKETS IN REGION

- NASHVILLE
- RICHMOND
- HAMPTON ROADS
- RALEIGH
- CHARLOTTE
- MEMPHIS

REGIONAL MARKETS
OTHER CBRE LOCATIONS
SIX REGIONAL MARKETS: 3.7% OF 2015 CAPITAL

Source: Real Capital Analytics (Includes sales $2.5 million or greater for office, industrial, retail and multifamily assets.)
REGIONAL

SIX REGIONAL MARKETS: JOB GROWTH PROJECTIONS

Source: CBRE Econometric Advisors (Growth projected over the next 2 years.)
LOCAL

TOP 2015 SALES BY PROPERTY TYPE

- MULTI-FAMILY
- RETAIL
- OFFICE
- OFFICE/FLEX
- INDUSTRIAL
RADIUS
252 UNITS
NEWPORT NEWS
$42.0 M
HERITAGE AT FREEMASON HARBOUR

185 UNITS

NORFOLK

$36.7 M
SETTLERS MARKET
243,463 SF
WILLIAMSBURG
$61.2 M
COLUMBUS VILLAGE
65,000 SF
VIRGINIA BEACH
$21.9 M
LIBERTY PROPERTY TRUST PORTFOLIO

1.32 MILLION SF

MULTIPLE LOCATIONS

$110.3 M

2015 Top Sales Office
2015 Top Sales
Office

THE CONCOURSE AT
NORTHAMPTON

315,000 SF
NORFOLK
$56.8 M
THE OCEANEERING BUILDING

153,894 SF

CHESAPEAKE

$30.0 M
NORFOLK COMMERCE CENTER
331,883 SF
NORFOLK
$24.3 M
111 & 112 LAKE VIEW PARKWAY
143,130 SF
SUFFOLK
$42.8 M
300 & 500 WEST PARK
515,486 SF
HAMPTON
$34.3 M
FINAL THOUGHTS

- Continued improvement in property fundamentals
- Slightly higher interest rates – but cost still favorable on a historical basis
- Debt capital remains widely available
- Relatively stronger returns than most other asset classes
- Pace of growth in investment volume and competitiveness of capital still may moderate in 2016
Residential Market Review

J. Van Rose, Jr. MIRM
President
Rose and Womble New Homes
If we build it, they will come.

Sequestration took a serious bite out of the Hampton Roads Market in 2014.
If we build it, they will come.
RESALE vs NEW CONSTRUCTION

**RESALE**
- 22,644 Closings
- $246,527 Avg Price
- 81 days
- 11.42% increase
- 4.32% increase

**NEW CONSTRUCTION**
- 3,072 Closings
- $333,262 Avg Price
- 25.64% increase
- 4.39% increase

**December 2007**
- 22,153 closings
- $283,730 avg price
- Market Time 84 days

**December 2008**
- 3,318 closings
- $361,496 avg price
The Military

- $26.8B legislated cap on discretionary spending (sequestration relief)

The Port

- A $17.06M loss in 2013 to a $13.61M gain in 2015
- Port of VA signs trade pact with Cuba
Tourism

- $1.3 billion in VB
- Hotel Revenue exceeded 2007 peak

Biomedical

- More than 20,000 people in VB employed in health care field
# New Construction Sales
## Detached 2015

<table>
<thead>
<tr>
<th>City</th>
<th>1st Quartile</th>
<th>2nd Quartile</th>
<th>3rd Quartile</th>
<th>4th Quartile</th>
<th>Total Sales</th>
<th>YTD Avg. Sales Per Mo.</th>
<th>City Mkt Sh</th>
<th>2015 Total Sales</th>
<th>YoY Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chesapeake</td>
<td>16</td>
<td>57</td>
<td>84</td>
<td>142</td>
<td>84</td>
<td>21 7 5 1 0 0 0 0 0 0 0^2 37.59%</td>
<td>653</td>
<td>54.42</td>
<td></td>
</tr>
<tr>
<td>Virginia Beach</td>
<td>3</td>
<td>1</td>
<td>31</td>
<td>57</td>
<td>50</td>
<td>24 19 21 15 3 4 1 1 0 1 2 22.97%</td>
<td>399</td>
<td>33.25</td>
<td></td>
</tr>
<tr>
<td>Suffolk</td>
<td>24</td>
<td>33</td>
<td>76</td>
<td>53</td>
<td>23</td>
<td>12 4 4 1 2 1 1 0 0 0 0 0 15.43%</td>
<td>254</td>
<td>21.17</td>
<td></td>
</tr>
<tr>
<td>Norfolk</td>
<td>13</td>
<td>100</td>
<td>69</td>
<td>26</td>
<td>13</td>
<td>6 2 0 2 4 3 2 0 1 2 1 14.62%</td>
<td>87</td>
<td>7.25</td>
<td></td>
</tr>
<tr>
<td>Portsmouth</td>
<td>25</td>
<td>56</td>
<td>4</td>
<td>1</td>
<td>1</td>
<td>0 0 0 0 0 0 0 0 0 0 0 0 5.01%</td>
<td>76</td>
<td>6.33</td>
<td></td>
</tr>
<tr>
<td>IoW/Smith</td>
<td>1</td>
<td>13</td>
<td>2</td>
<td>9</td>
<td>16</td>
<td>1 1 0 0 0 0 0 0 0 0 0 0 4.38%</td>
<td>87</td>
<td>7.25</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>82</td>
<td>260</td>
<td>239</td>
<td>230</td>
<td>252</td>
<td>182 58 35 30 20 9 8 5 1 1 3 3 100.00%</td>
<td>1737</td>
<td>144.75</td>
<td></td>
</tr>
</tbody>
</table>

## Mos to Absorb Inventory

<table>
<thead>
<tr>
<th>City</th>
<th>Chesapeake</th>
<th>Virginia Beach</th>
<th>Suffolk</th>
<th>Norfolk</th>
<th>Portsmouth</th>
<th>IoW/Smith</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mos to Absorb</td>
<td>0.75</td>
<td>3.58</td>
<td>3.16</td>
<td>3.00</td>
<td>5.69</td>
<td>0.00</td>
</tr>
<tr>
<td>1st Quartile</td>
<td>1.29</td>
<td>3.38</td>
<td>1.48</td>
<td>2.00</td>
<td>1.04</td>
<td>3.85</td>
</tr>
<tr>
<td>2nd Quartile</td>
<td>3.14</td>
<td>6.07</td>
<td>7.14</td>
<td>1.50</td>
<td>5.90</td>
<td>1.04</td>
</tr>
<tr>
<td>3rd Quartile</td>
<td>6.14</td>
<td>12.00</td>
<td>12.00</td>
<td>12.00</td>
<td>12.00</td>
<td>12.00</td>
</tr>
<tr>
<td>4th Quartile</td>
<td>11.14</td>
<td>24.00</td>
<td>24.00</td>
<td>24.00</td>
<td>24.00</td>
<td>24.00</td>
</tr>
<tr>
<td>Total Mos</td>
<td>20.00</td>
<td>48.00</td>
<td>48.00</td>
<td>48.00</td>
<td>48.00</td>
<td>48.00</td>
</tr>
</tbody>
</table>
# Resale Southside Sales

## Detached 2015

<table>
<thead>
<tr>
<th>Month</th>
<th>Jan</th>
<th>Feb</th>
<th>Mar</th>
<th>Apr</th>
<th>May</th>
<th>Jun</th>
<th>Jul</th>
<th>Aug</th>
<th>Sep</th>
<th>Oct</th>
<th>Nov</th>
<th>Dec</th>
</tr>
</thead>
<tbody>
<tr>
<td>List Price</td>
<td>$100,000</td>
<td>$101,000</td>
<td>$102,000</td>
<td>$103,000</td>
<td>$104,000</td>
<td>$105,000</td>
<td>$106,000</td>
<td>$107,000</td>
<td>$108,000</td>
<td>$109,000</td>
<td>$110,000</td>
<td>$111,000</td>
</tr>
<tr>
<td>Number of Sales</td>
<td>10</td>
<td>9</td>
<td>8</td>
<td>7</td>
<td>6</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

### Sales Distribution by Month

- **Jan**: 10 sales
- **Feb**: 9 sales
- **Mar**: 8 sales
- **Apr**: 7 sales
- **May**: 6 sales
- **Jun**: 5 sales
- **Jul**: 4 sales
- **Aug**: 3 sales
- **Sep**: 2 sales
- **Oct**: 1 sale
- **Nov**: 0 sales
- **Dec**: 0 sales

### Total Sales

- **Total**: 75 sales

---

**Months to Absorption**

- **Jan**: 12 months
- **Feb**: 11 months
- **Mar**: 10 months
- **Apr**: 9 months
- **May**: 8 months
- **Jun**: 7 months
- **Jul**: 6 months
- **Aug**: 5 months
- **Sep**: 4 months
- **Oct**: 3 months
- **Nov**: 2 months
- **Dec**: 1 month

**Total Months to Absorption**: 78 months
Predictions for 2016

- Pent up demand
- Continued economic improvement
- Interest rates still low
- Rising prices due to low inventory & strong sales
- Decrease in distress home sales
Sentiment Survey

J. Andrew Hansz, Ph.D., CFA, MAI
Robert M. Stanton Chair of Real Estate
Director, E.V. Williams Center for Real Estate
Hampton Roads Real Estate Markets
Sentiment Survey: Spring 2016
created and collected by, the E.V. Williams Center for Real Estate
sponsored by, Valbridge Property Advisors
Q.2. Please identify your primary Hampton Roads real estate activity (select one).

Primary Hampton Roads Real Estate Activity: Spring 2016
n = 133

- No Response
- None of the above
- Professional - property management
- Professional - consultant
- Professional - broker/sales
- Professional appraiser
- Investing
- Entrepreneurial (Developing)
- Consumer - homeowner or renter
- Consumer-agriculture property

Percentage of Participants
Q.4. Please identify your primary real estate market affiliation (select one).

Primary Market Affiliation: Spring 2016
n = 133

- No Response
- Single-family residential
- Retail
- Office
- Multi-family residential
- Land
- Industrial
- Agriculture

Hampton Roads Real Estate Markets

Percentage of Participants
Q.5 and 6. Rate current and anticipated 6 month sentiment levels for the following Hampton Roads real estate market segments.

**Average Sentiment - Present and 6 Month Projection: Spring 2016
n=133**

- **Anticipated Overall Average**
- **Single-family residential**
- **Retail**
- **Office**
- **Multi-family residential**
- **Land**
- **Industrial**
- **Agriculture**

**Rating Scale:**
1. Negative
2. Mild Negative
3. Neutral
4. Mild Positive
5. Positive
Q.7. Over the next 6 months, which Hampton Roads real estate property sector has the best investment potential (select one).

Best Hampton Roads Investment Potential - Next 6 Months: Spring 2016
n= 133

- Multi-family residential: 40%
- No Opinion: 10%
- Single-family residential: 8%
- Retail: 6%
- Office: 5%
- Agriculture: 1%
- Land: 4%
- Industrial: 5%
- Agricultural: 2%
- Office: 4%
- Retail: 3%
- Single-family residential: 9%
- Multi-family residential: 40%
Q.8. We would like to understand your anticipated real estate usage over the next 6 months. Please indicate if you plan to expand or contract your use or ownership space (please answer each row).

Anticipated Real Estate Usage Changes, Over Next 6 Months: Spring 2016
n = 133
Q.9. Over the next 6 months, what is your expectation for the change in general mortgage interest rates (select one).

Expected Change of Mortgage Interest Rates Over Next 6 Months: Spring 2016
n = 133

- Increasing
- No Change
- Decreasing
Q.10. Please choose the statement below which best reflects the impact of sea-level rise and your Hampton Roads real estate interests (select one).

Impact of Sea-level Rise on Personal Hampton Roads Real Estate Interests: Spring 2016
n = 133
Special thanks to, Valbridge Property Advisors for sponsoring the Hampton Roads Real Estate Markets Sentiment Survey.
2016 Hampton Roads Real Estate Market Review & Forecast

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