

**April 2010**  
**Harrisonburg & Rockingham County**  
**Real Estate Market Report**

An Analysis of Real Estate Activity Through March 31, 2010

**April 12, 2010**

*provided courtesy of*  
**HarrisonburgHousing***today*.com  
*and Scott P. Rogers, Associate Broker,*  
*Coldwell Banker Funkhouser Realtors*

# HOME SALES REPORT

Harrisonburg &amp; Rockingham County

April 12, 2010

# Home Sales	2007	2008	2009	2010	% Change ('09 - '10)
March	117	92	57	47	-17.54%
Last 12 Months (Apr-Mar)	1,387	1,187	887	813	-8.34%

Median Sales Price	2007	2008	2009	2010	% Change ('09 - '10)
March	\$190,000	\$206,000	\$210,775	\$200,000	-5.11%
Last 12 Months (Apr-Mar)	\$194,000	\$199,000	\$195,000	\$185,000	-5.13%

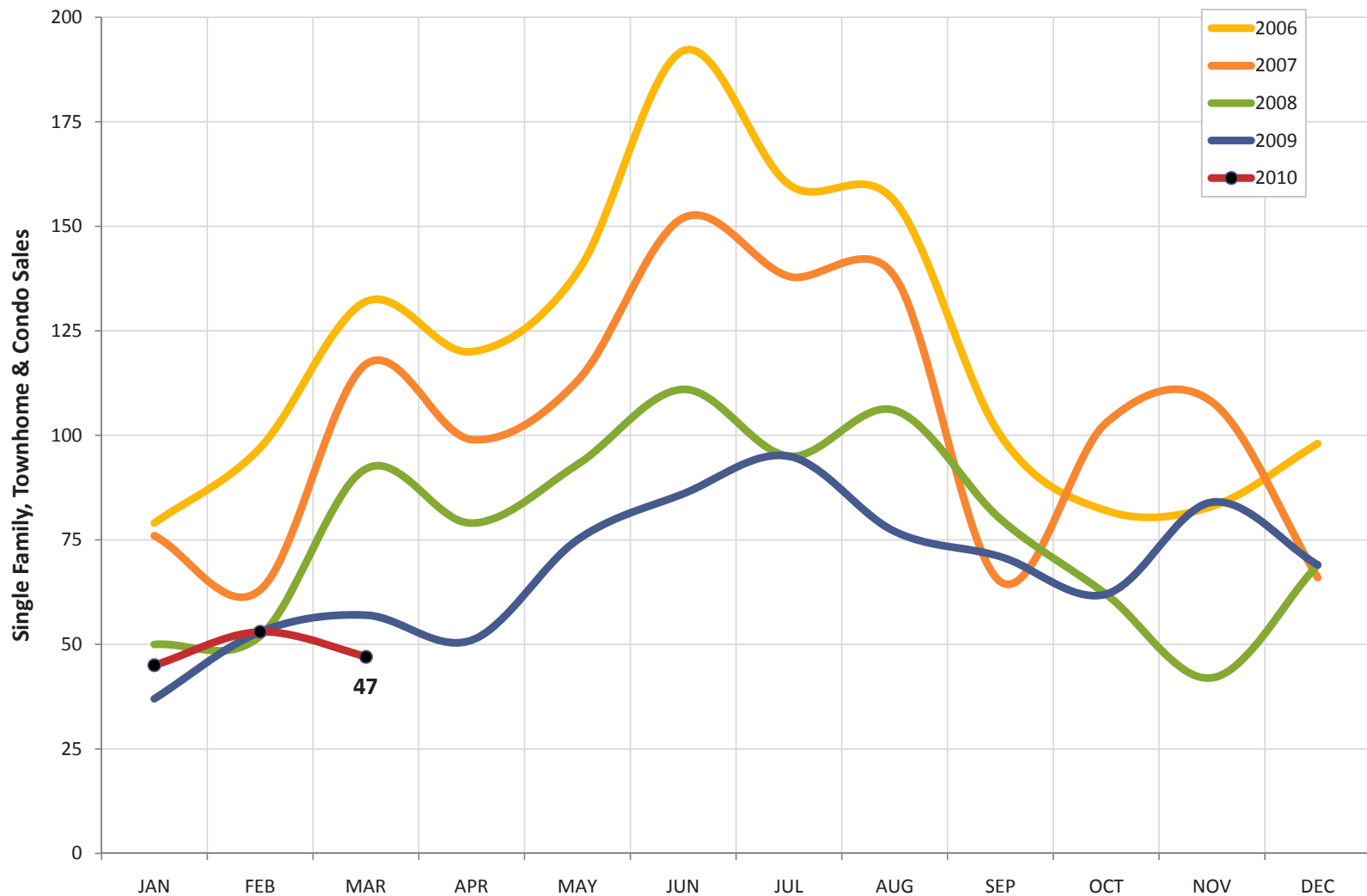
Average Sales Price	2007	2008	2009	2010	% Change ('09 - '10)
March	\$213,072	\$232,237	\$237,353	\$245,105	3.27%
Last 12 Months (Apr-Mar)	\$224,308	\$227,936	\$223,844	\$210,570	-5.93%

Average Days on Market	2007	2008	2009	2010	% Change ('09 - '10)
March	187	153	186	222	19.35%
Last 12 Months (Apr-Mar)	147	172	173	187	8.09%

Home sales declined 18% in March 2010 as compared to March of 2009. This is somewhat surprising because of the current tax credits for many home buyers, but may be explained by the heavy snowstorms this winter. Many March closings would have been a result of properties going under contract in January, when our market

area was blanketed with several feet of snow. Home values, as defined by median and average sales prices, continue to stay relatively steady. The median sales price decreased 5% in March (as compared to last March), but the average sales price increased by 3% as compared to last March.

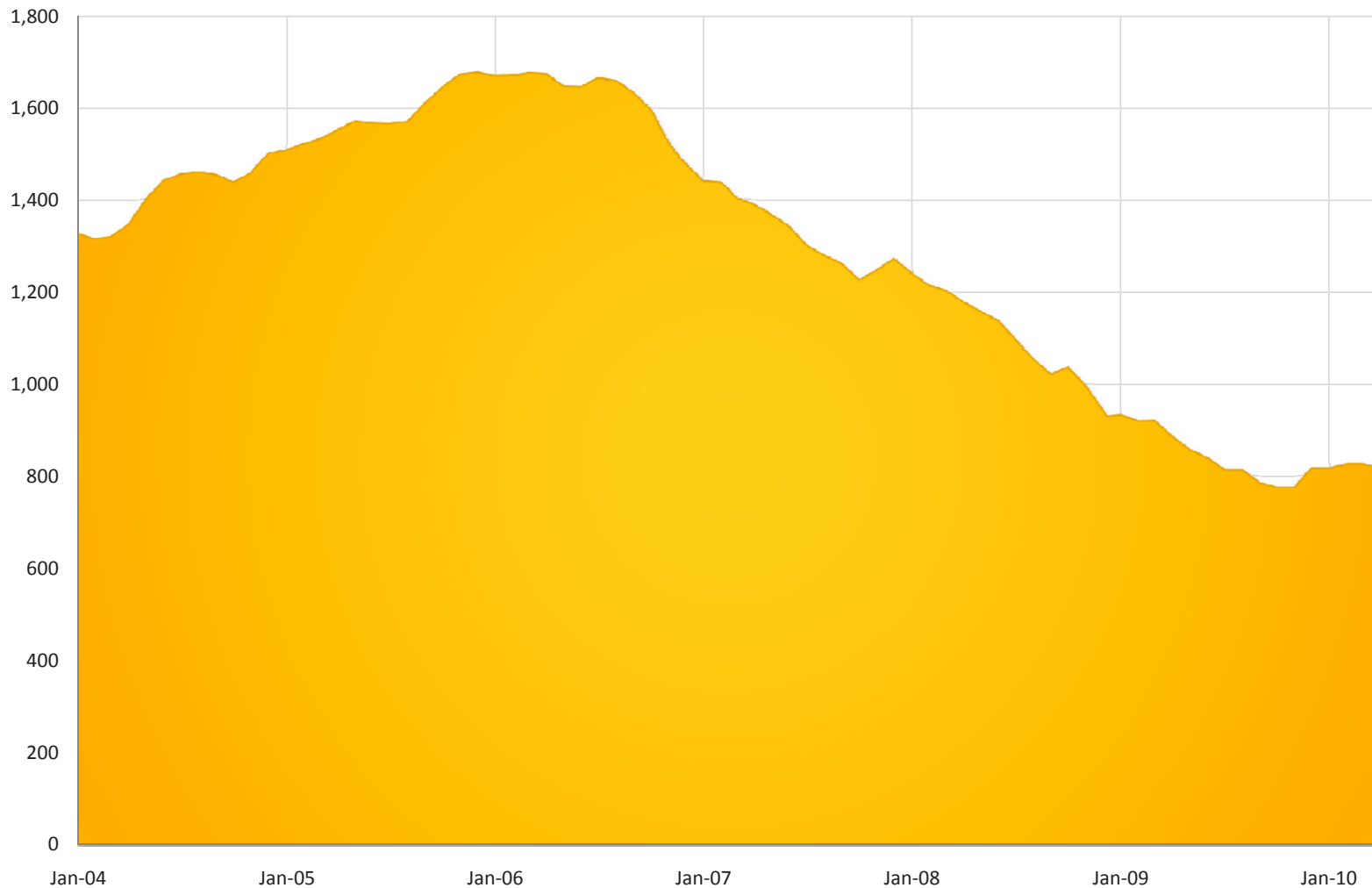
### Harrisonburg & Rockingham County Month-By-Month Home Sales History



After four months of (short-term) record breaking sales months (Nov '09, Dec '09, Jan '10, Feb '10), we saw a decline in March 2010 as compared to the same month the year prior. As mentioned previously in this report, this could be the result of the heavy snowstorms. If so, we should see a significant increase in April closings

because of somewhat of a backlog of buyers. As we look forward to April sales figures, it is interesting to note that April sales have always been lower than March sales (since 2006). I predict that we will see that trend change in 2010, as I believe April will be a robust month of real estate closings.

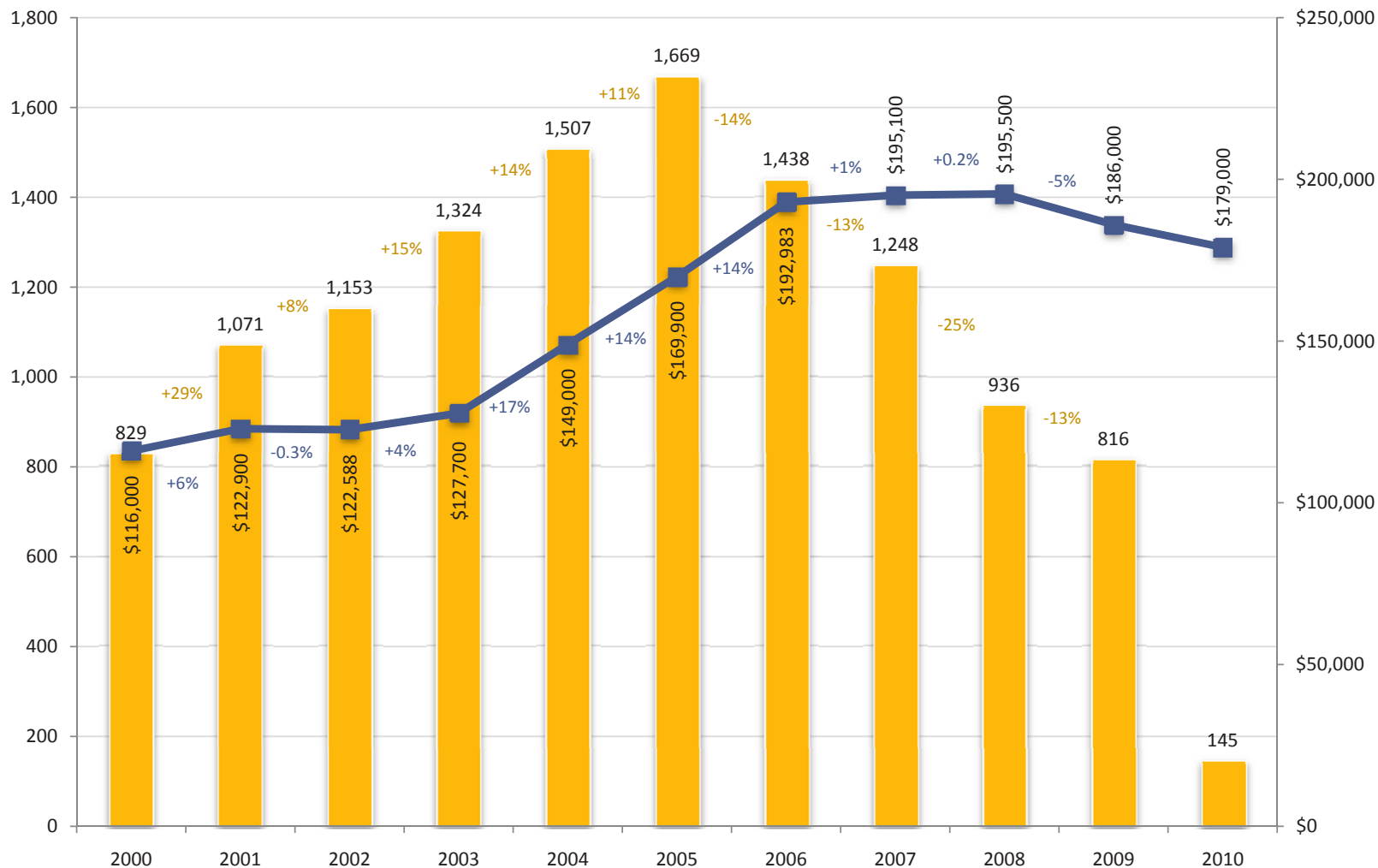
Harrisonburg & Rockingham County  
**Time-Adjusted Home Sales Trends :: All Homes**  
Sum of Preceding 12 Months



Each data point in the graph above shows the number of sales in a twelve month period, thus accounting for all seasons (and months) of the year. This graph can provide the most well rounded look at changes in sales pace, even though sometimes it takes several months for a new trend to appear. The last several months have

shown stability or increases in sales pace when looking at this comprehensive rolling twelve month sum, which is encouraging. Adding March shows a slight decline in this overall trend, but I trust that it will be increasing yet again as we move into April, May and June.

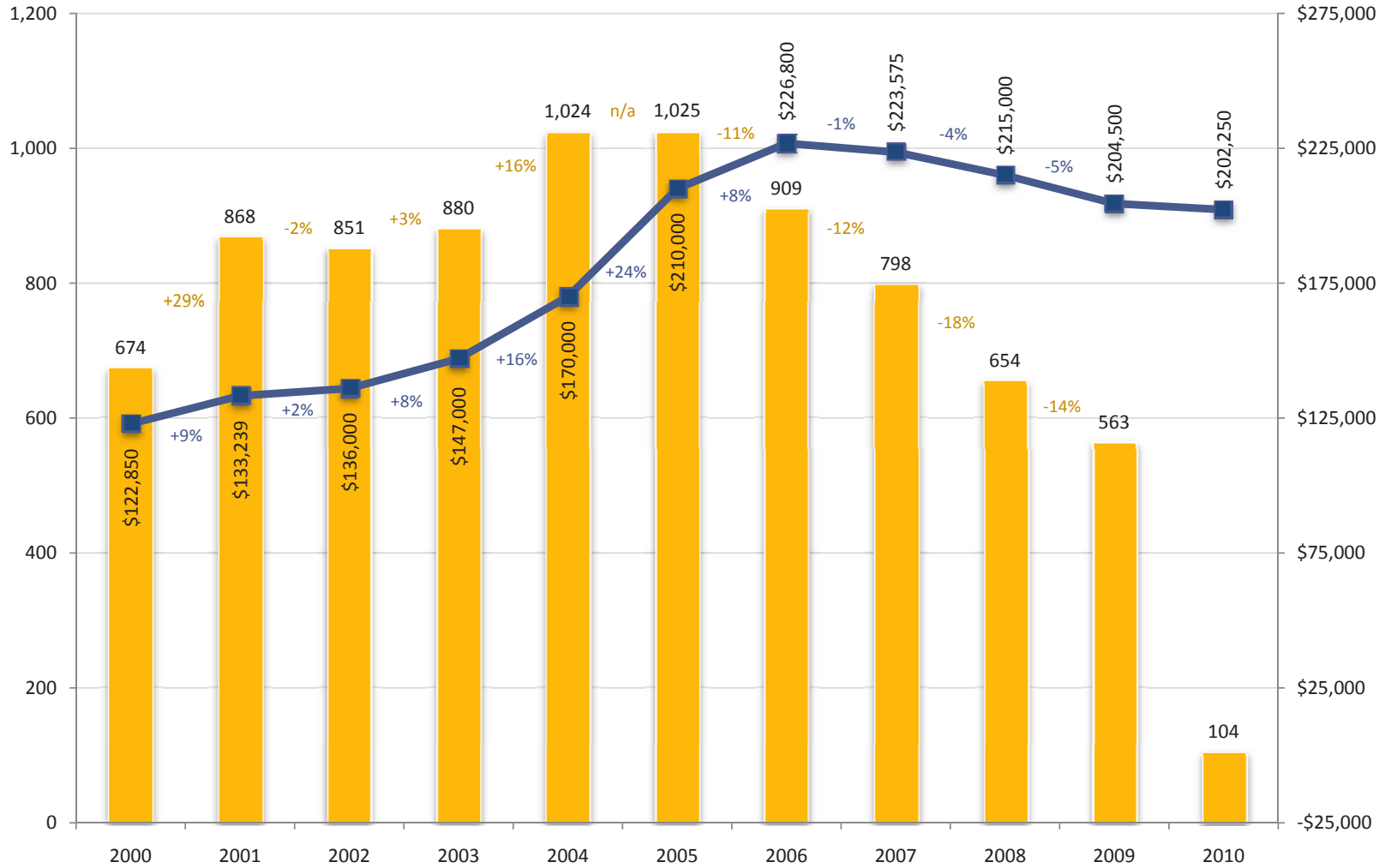
### Harrisonburg & Rockingham County Home Sales & Price Trends Single Family Homes & Townhomes



The median sales price of residential properties thus far in 2010 (\$179,000) shows an overall decline of 8% since the peak of \$195,500 in 2008. This is a remarkably small downward trend compared to most other metropolitan areas across the country, yet at the same time it is not helpful for homeowners who want to or need to sell their

homes after having only owned it for a few years. We will likely not see the median price start to increase again until the year over year sales pace increases. There was a 50% decline in sales between 2005 and 2009 --- perhaps 2010 will be the year that our market finally sees an end to this steady decline in home sales.

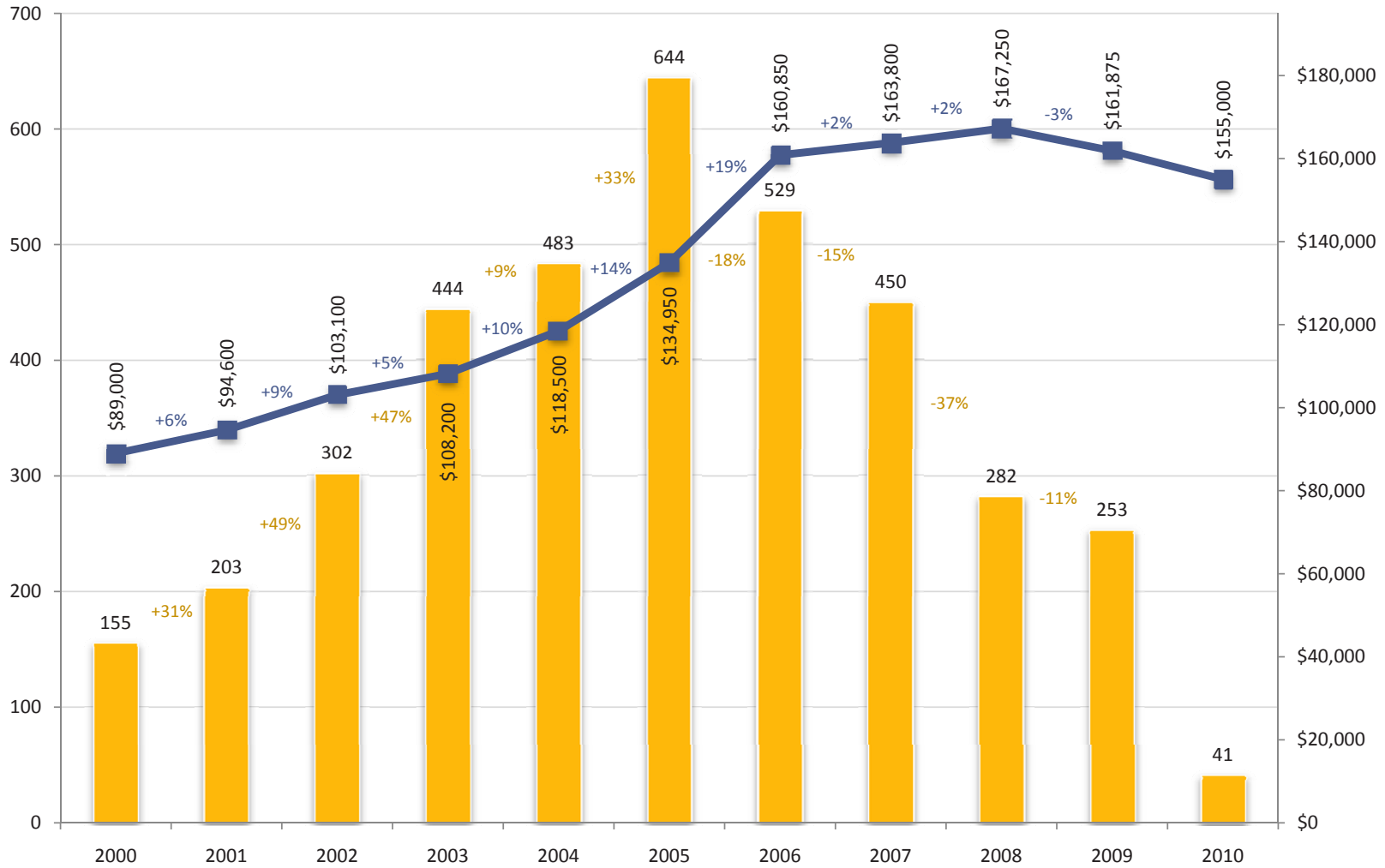
Harrisonburg & Rockingham County  
**Home Sales & Price Trends**  
 Single Family Homes



The pace of sales of single family homes has not decreased as much as that of townhomes, but values have decreased much more significantly. Thankfully, however, this value trend seems to be leveling off a bit based on data from the first three months of 2010. There has only been a very small decline between the

2009 median sales price (\$204,500) and the 2010 year-to-date median sales price (\$202,250). After the last two years of a 4% and then 5% decline, such a small change in the median sales price for single family homes would be welcome news to many homeowners in Harrisonburg and Rockingham County.

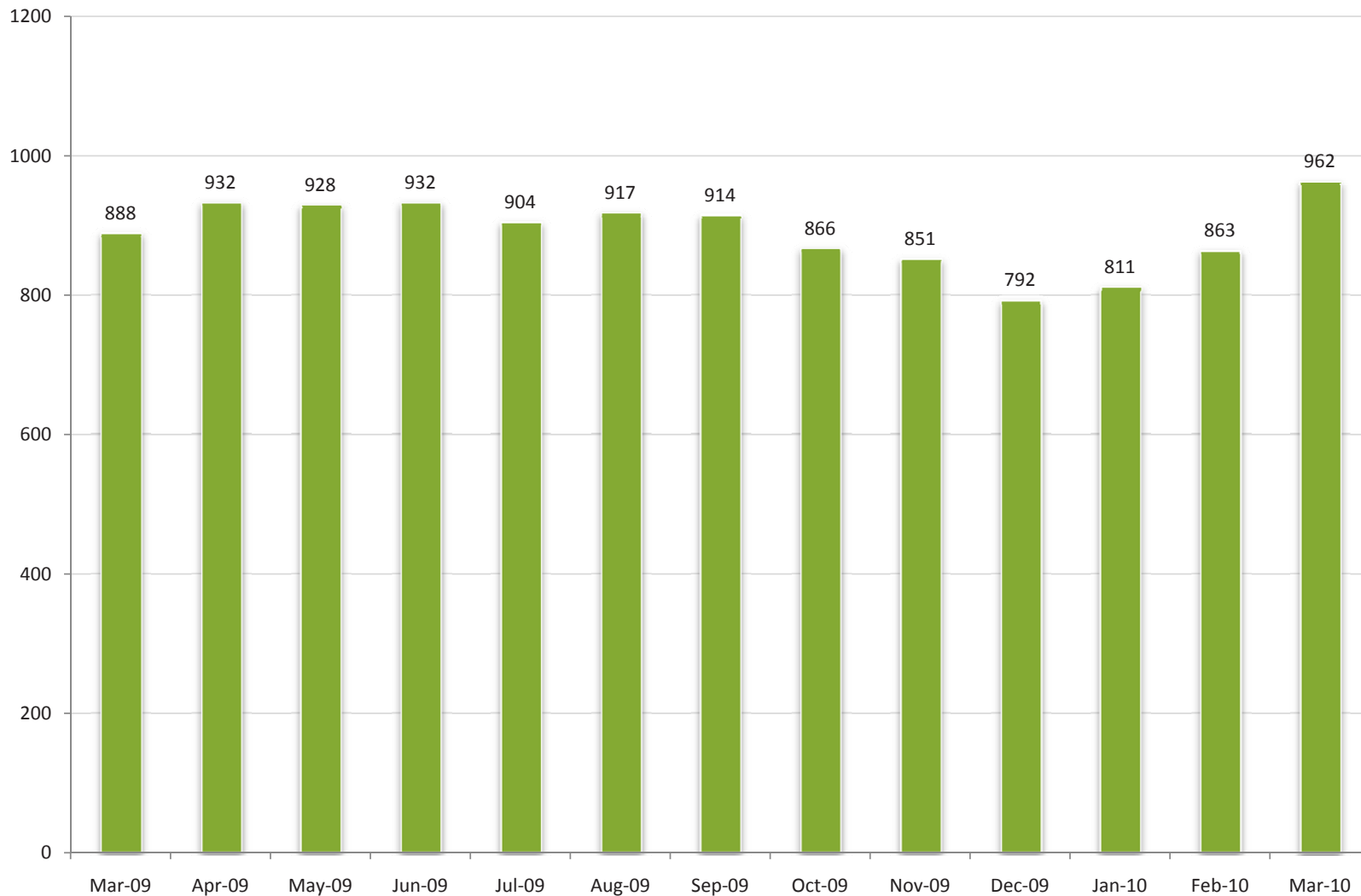
### Harrisonburg & Rockingham County Home Sales & Price Trends Townhomes



Despite sharp declines in the number of townhomes selling in Harrisonburg and Rockingham County, they continued to perform quite well in regards to price all the way through 2008. The median sales prices did start to decline, however, in 2009 with a 3% decrease between 2008 and 2009, and a 4% decline between 2009 and

2010 based on year to date data. The number of home sales this year has also been quite meager, though we may see these townhome sales increasing over the next few months as we finish up the eligibility period for tax credit first time home buyers. These buyers must contract on a home by April 30, and close by June 30.

### Harrisonburg & Rockingham County Inventory Levels

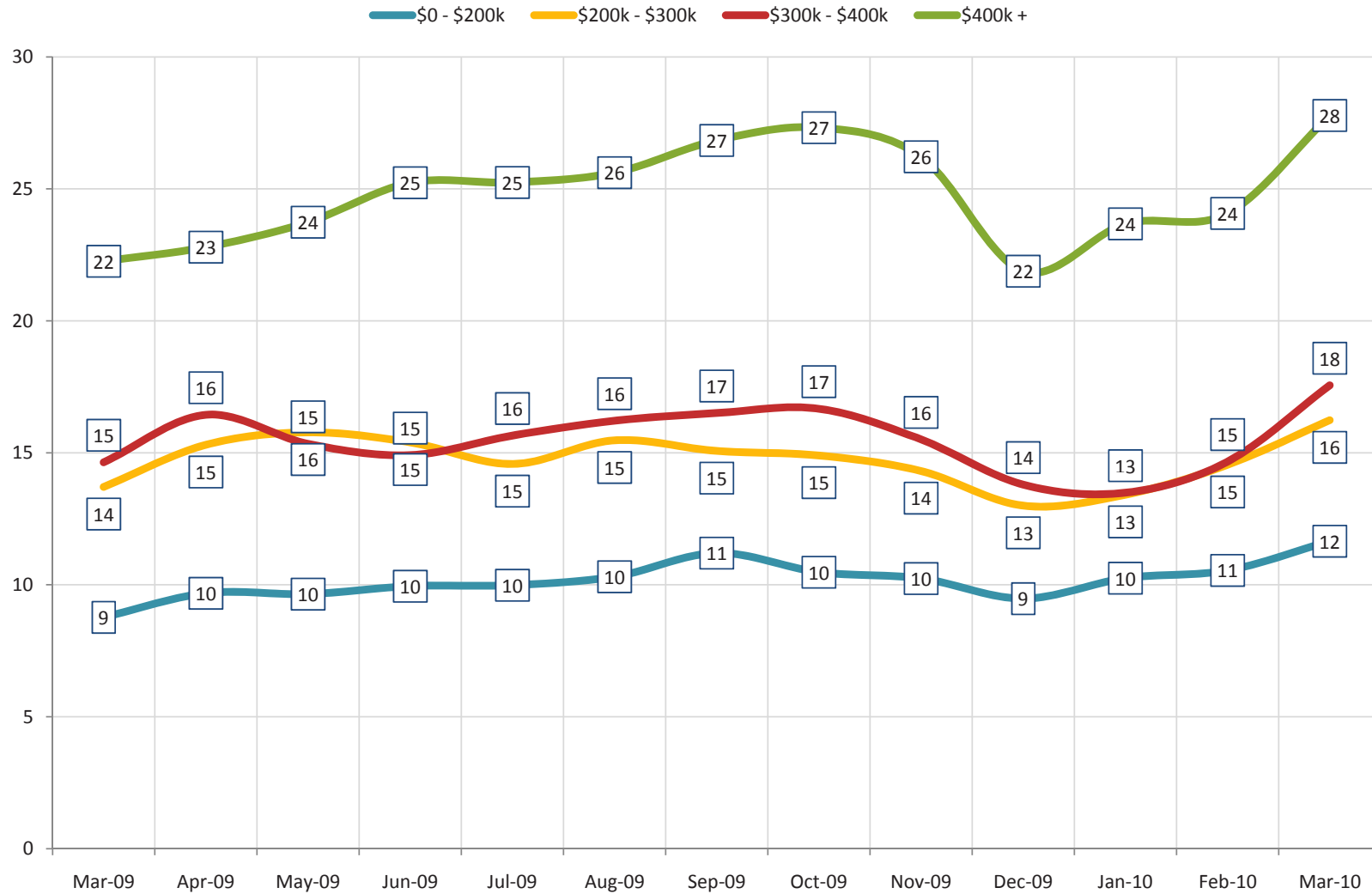


Buyers should be pleased to see more choices in homes for sale, though that was to be expected at this time of year. Of note, however, is that the net increase from March 2009 (888 homes for sale) to March 2010 (962 homes for sale) certainly doesn't help balance our local housing market. We continue to see far more sellers

in the market than buyers, and thus increasing year-to-year inventory levels makes the situation worse, not better. Last year we witnessed a 6% increase in inventory between February 2009 and March 2009. This year the increase between February and March was a much more drastic 11% change.



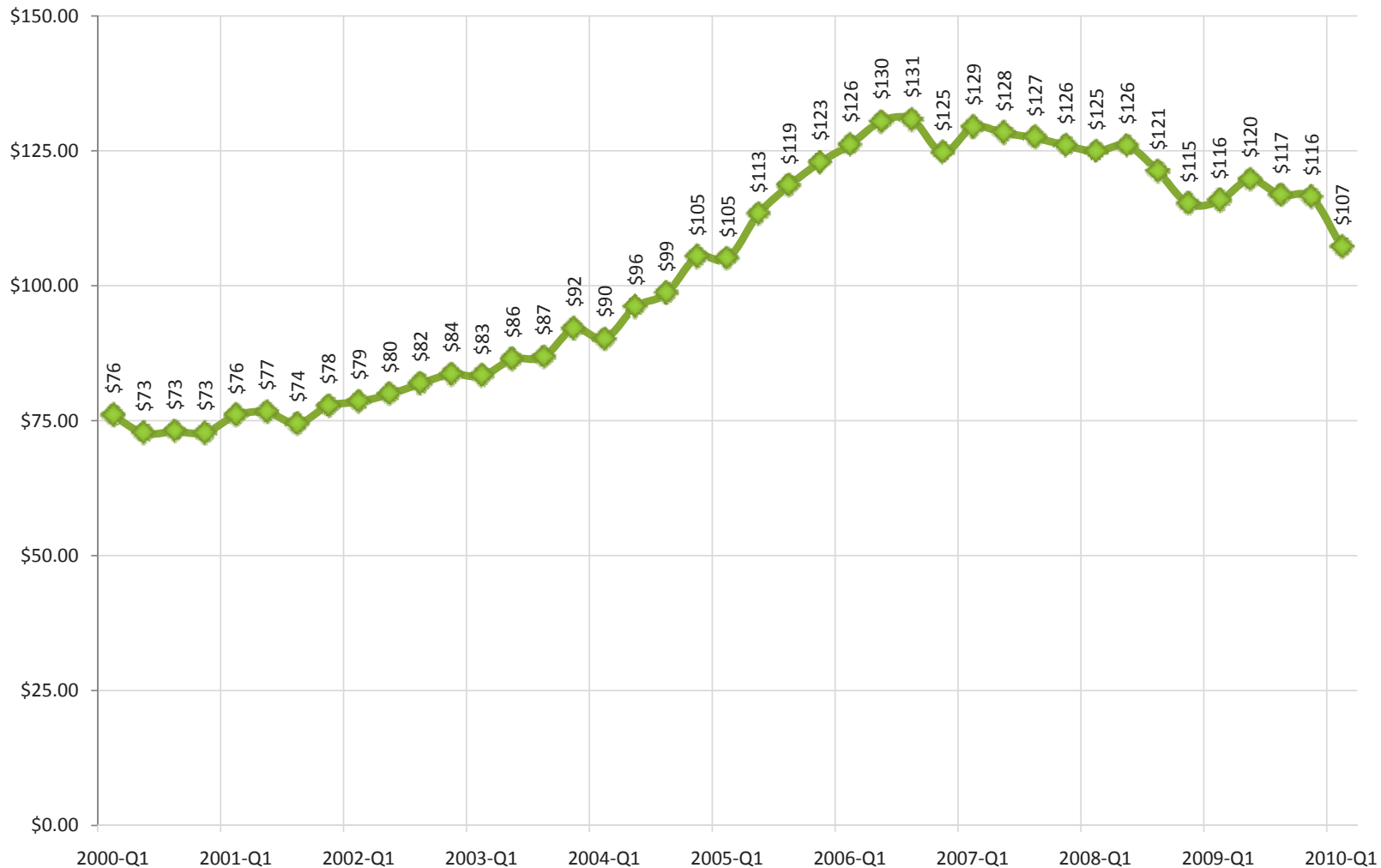
### Harrisonburg & Rockingham County Housing Supply Trends by Price Range



The supply levels shown above are calculated by comparing the number of homes currently on the market with the average number sold per month over the past year. This graph examines supply trends in several different price ranges, and as becomes quickly evident, the balance between buyers and sellers differs drastically depending

on the price range of the subject property. All price ranges have now started to trend upwards again, particularly in March, largely as a result of the significant increase in inventory levels. As a reference point, a normal balance between buyers and sellers in a market is considered to be six months of supply.

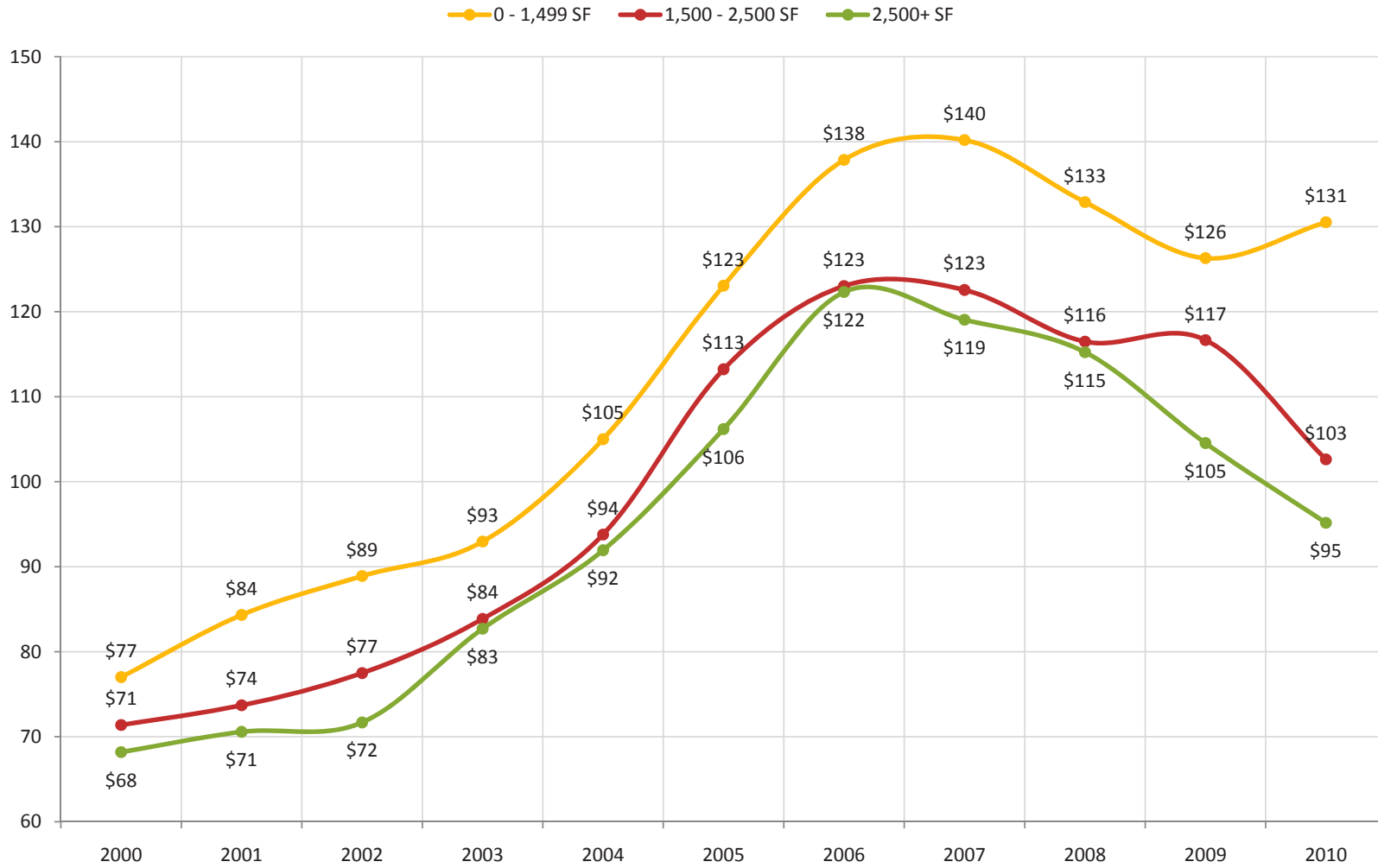
### Harrisonburg & Rockingham County Median Price Per Square Foot Trends Single Family Homes



Another measurement of value over time is shown in the median price per square foot of single family homes sold in Harrisonburg and Rockingham County -- pictured above. As can be seen, this value has gradually shifted downward since 2006, as we saw in the median sales price of single family homes during this same time period.

This value dropped significantly in the first quarter of 2010, though it may again be the result of only a few home sales in the data set. The next few months will be quite indicative as to whether we have truly seen an adjustment in this value trend.

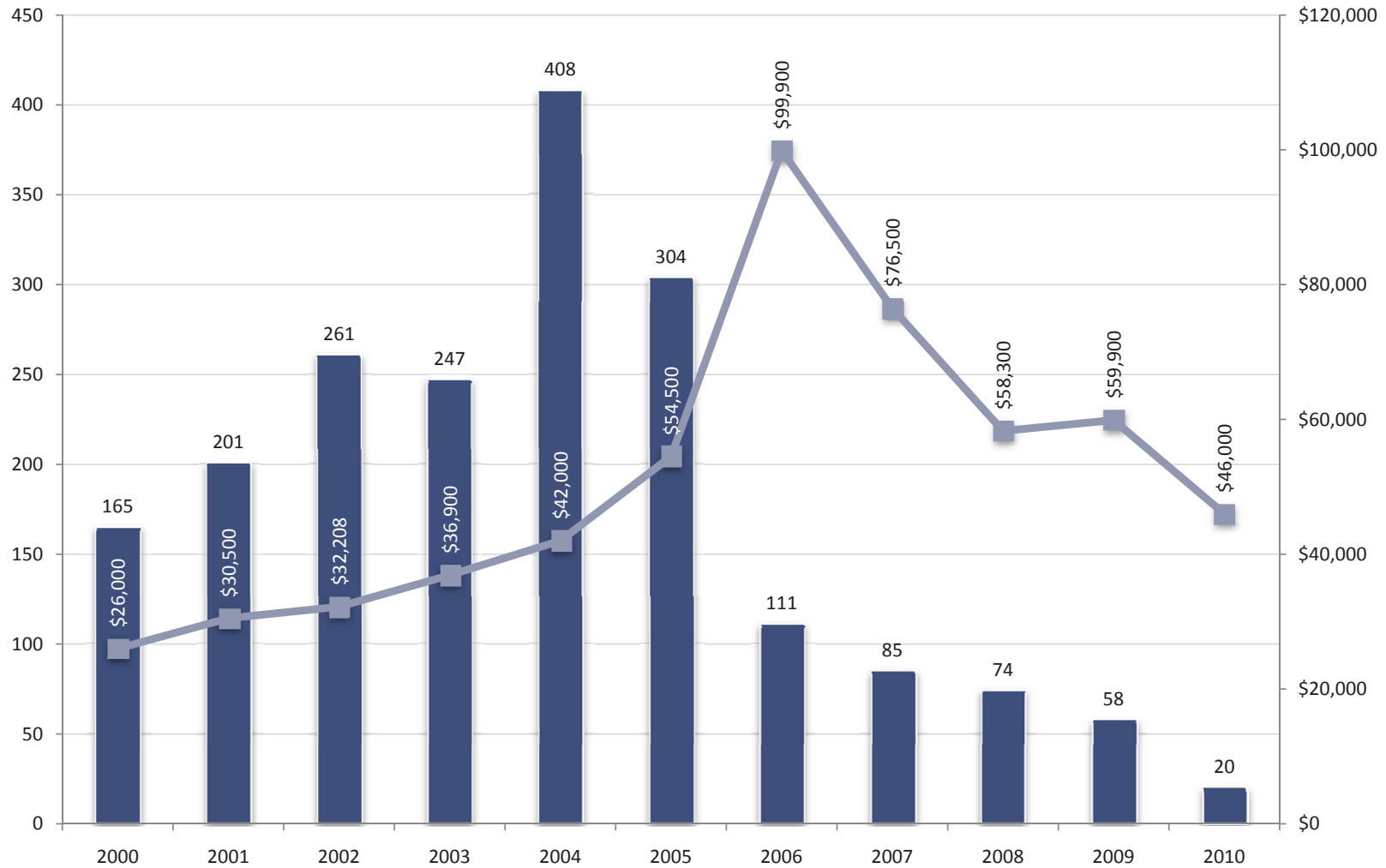
Harrisonburg & Rockingham County  
**Median Price Per Square Foot by Home Size**  
 Single Family Homes



Expect to pay a bit more per square foot for smaller homes --- it has been that way for almost 10 years now. The graph above shows how median price per square foot varies based on the size of the house in question. Interestingly, after seeing a decline in these values for several years, there has now been a stabilization (and

actually, an increase) in the median price per square foot of homes with less than 1,500 square feet. This may be due in part to the continued first time buyer tax credit that is bringing more buyers into the market, and helping to more quickly balance the lower end of our local housing market.

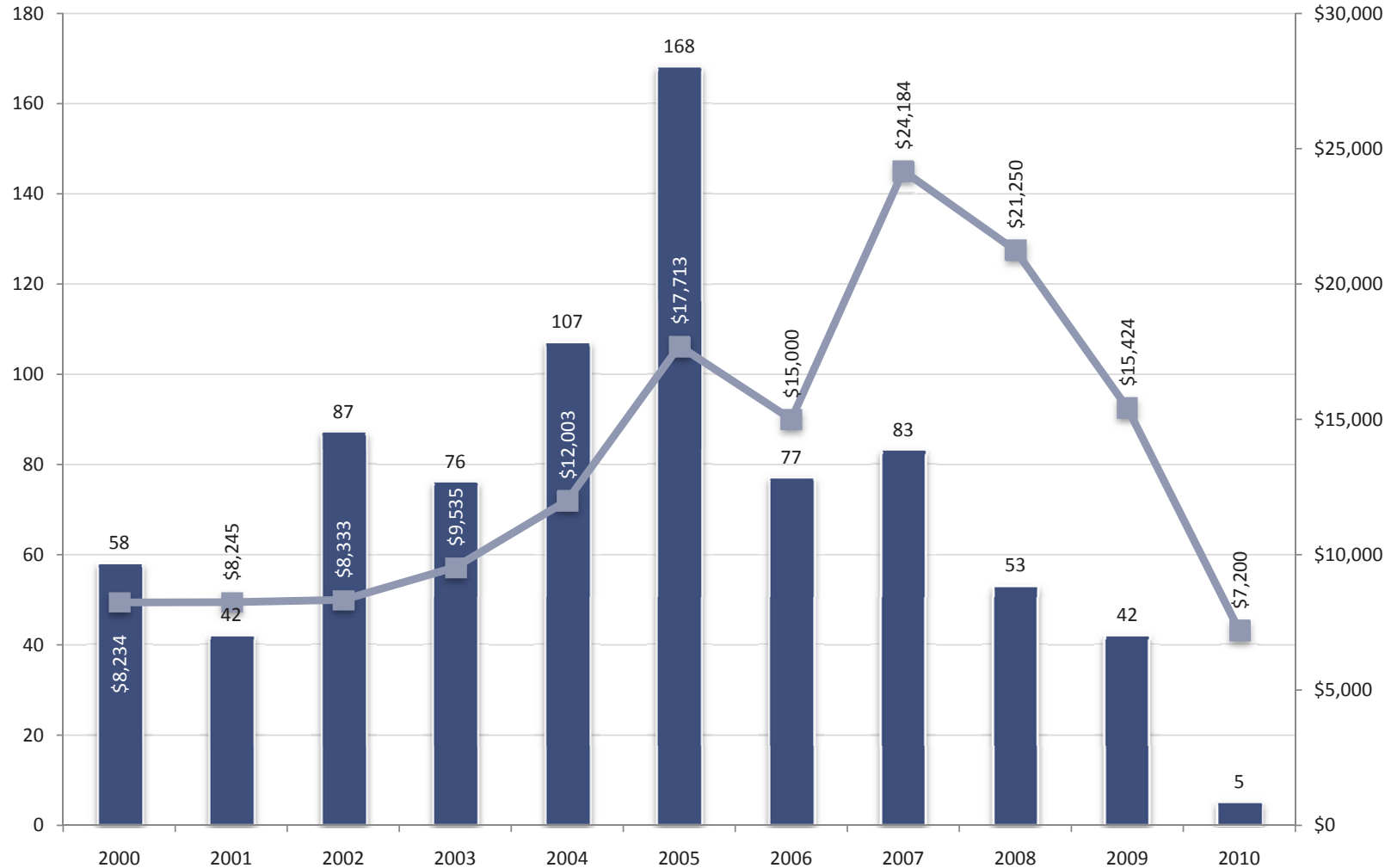
Harrisonburg & Rockingham County  
**Lot Sales & Median Prices**  
 less than 1 acre



The graph above illustrates the drastic decrease in lot sales over the past several years. With lot sizes smaller than one acre, most of these lots are in subdivisions, on public water and sewer. The main cause for this drastic decrease is that new construction has slowed -- most builders are not buying building lots to build houses

speculatively. Furthermore, many lot "end users" are not building, because of general economic and market uncertainties. The decrease in median lot prices is not surprising, given the large decrease in sales. This year may show an end to the decline in lot sales, as shown in a significant number of sales in the first quarter.

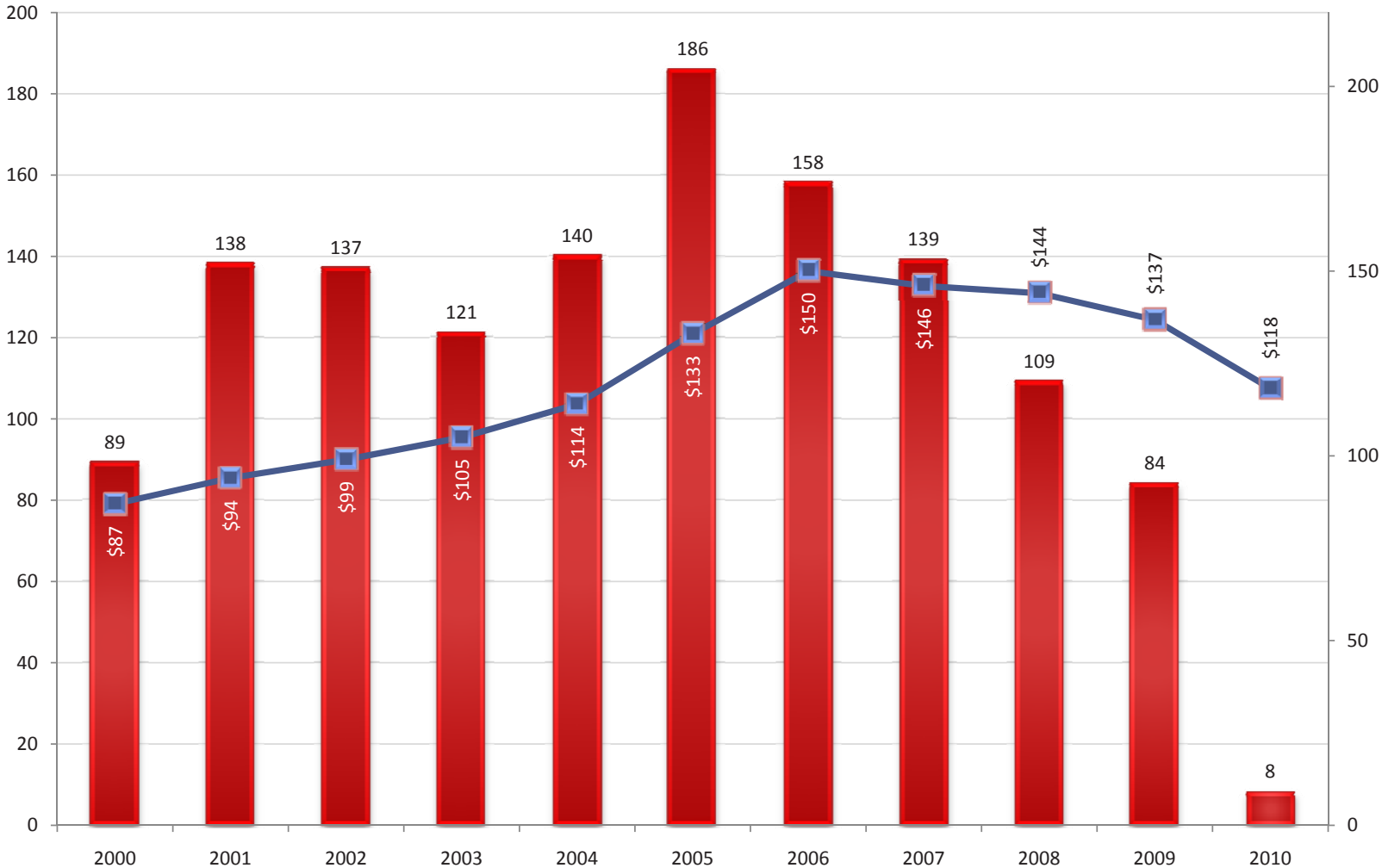
Harrisonburg & Rockingham County  
**Land Sales & Median Price Per Acre**  
 1 acre or more



Land sales of parcels larger than one acre have not decreased as significantly as small lot sales have. We continue to see a decline, but aside from the spike in land sales in 2005, there has always been quite a bit of variation in the number of land sales happening in a given year. Of note, however, the median price per acre of the

land that is selling has slipped tremendously over the past two years, from a high of \$24k per acre down to \$15k per acre in 2009, and now down to a shocking \$7k per acre in 2010. This is likely due to a very small sample size in 2010, however, so we will probably see this value increase as we move through the year.

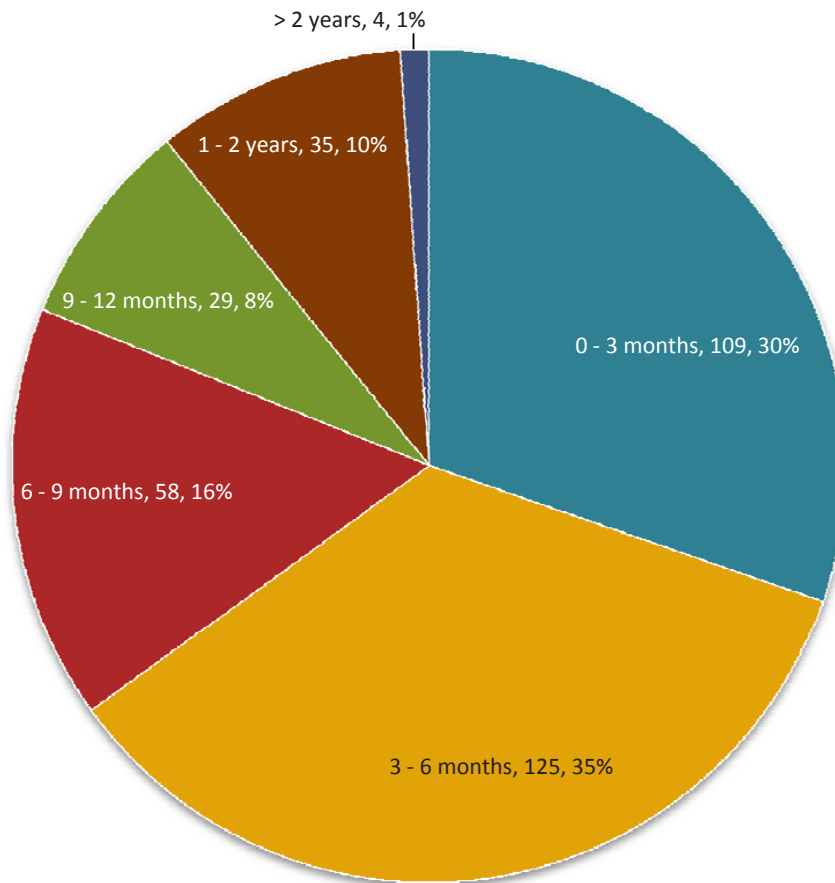
### Harrisonburg & Rockingham County New Construction Single Family Home Sales Trends Number of Sales, Median Price Per Square Foot



This graph isolates new or almost new single family homes that have sold for each of the past ten years. We have seen a steady decline in the number of new construction single family homes selling since 2005, but of note, except for in the first three months of 2010, the median price per square foot of these homes has not shifted as much

as we might otherwise expect. This metric includes houses with significant variation in their characteristics (basement, garage, lot size), thus this price per square foot metric can only be so helpful in assessing a potential building cost for a new home. Please note the very, very low number of new home sales thus far in 2010.

### Harrisonburg & Rockingham County Days on Market Analysis Residential Listings Sold Oct '09 - Mar '10

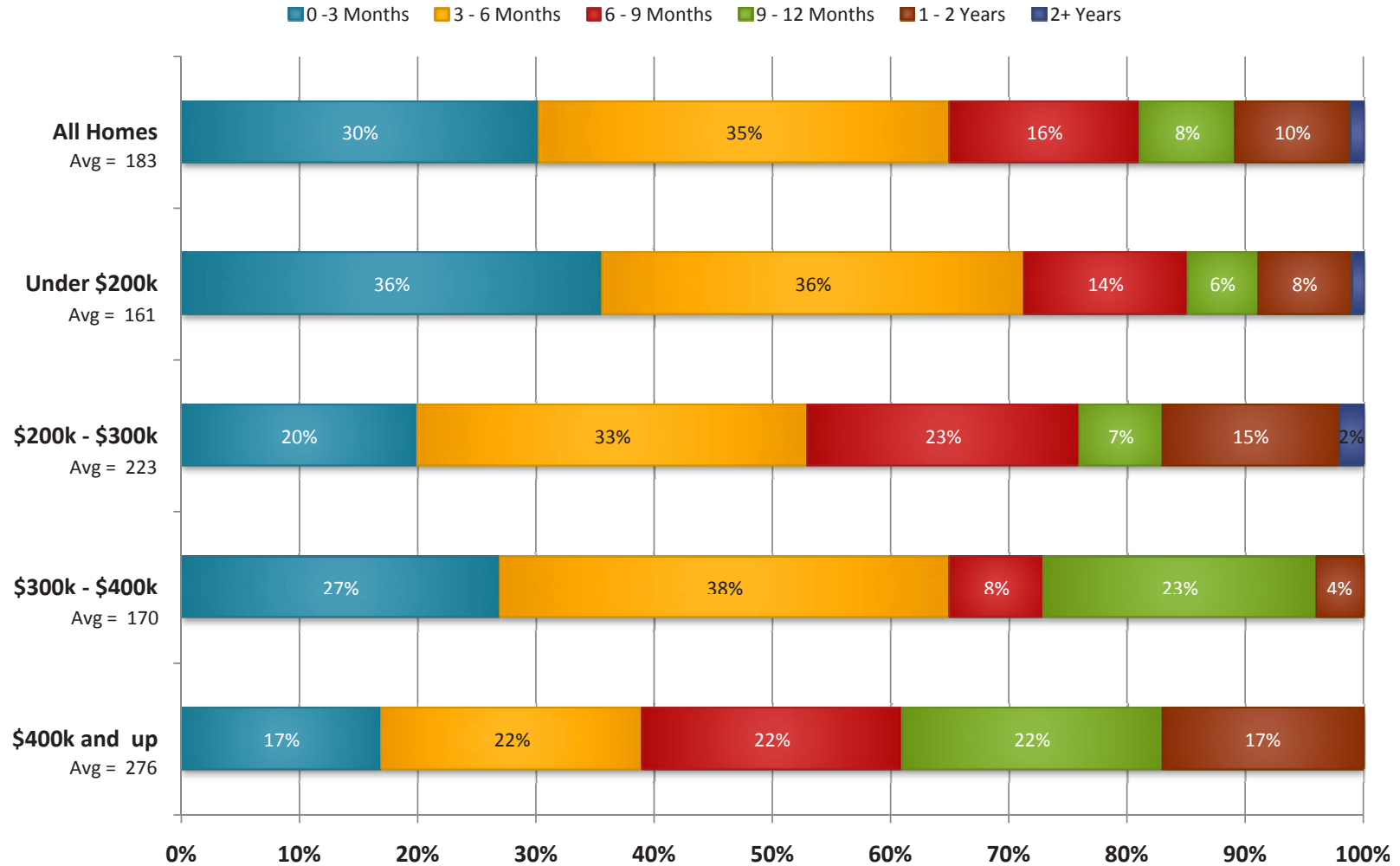


**Average Days On Market: 183**

We are continuing to find that a remarkable 65% of the homes that are selling do so within six months of coming onto the market. This, of course, does not factor in the many homes that languish on the market and do not sell -- leading to a higher average days on market statistic. Given that it typically takes 45 - 60 days to move

from a ratified contract to the closing table, it is quite extraordinary that a full 30% of home sales in the past six months have taken place within 3 months of the date when those properties came on the market. This means that they were likely under contract within the first 45 days of being listed.

Harrisonburg & Rockingham County  
**Days on Market Analysis by Price Range**  
 October 2009 - March 2010



The time that it takes to sell a home in today's market varies quite significantly based on the price range of the home in question. For example, a full 36% of homes that sold for less than \$200,000 sold in the first 90 days of being on the market, while only 17% of homes above \$400,000 were able to sell in that same time period. On

the other end of the spectrum, only 8% of homes that sold for less than \$200,000 took more than a year to sell, but a full 27% of homes priced between \$300,000 and \$400,000 took over a year to sell. The average days on market for homes over \$400k (276 days) is drastically higher than that of homes under \$200,000 (161 days).