

VIRGINIA HOME SALES REPORT

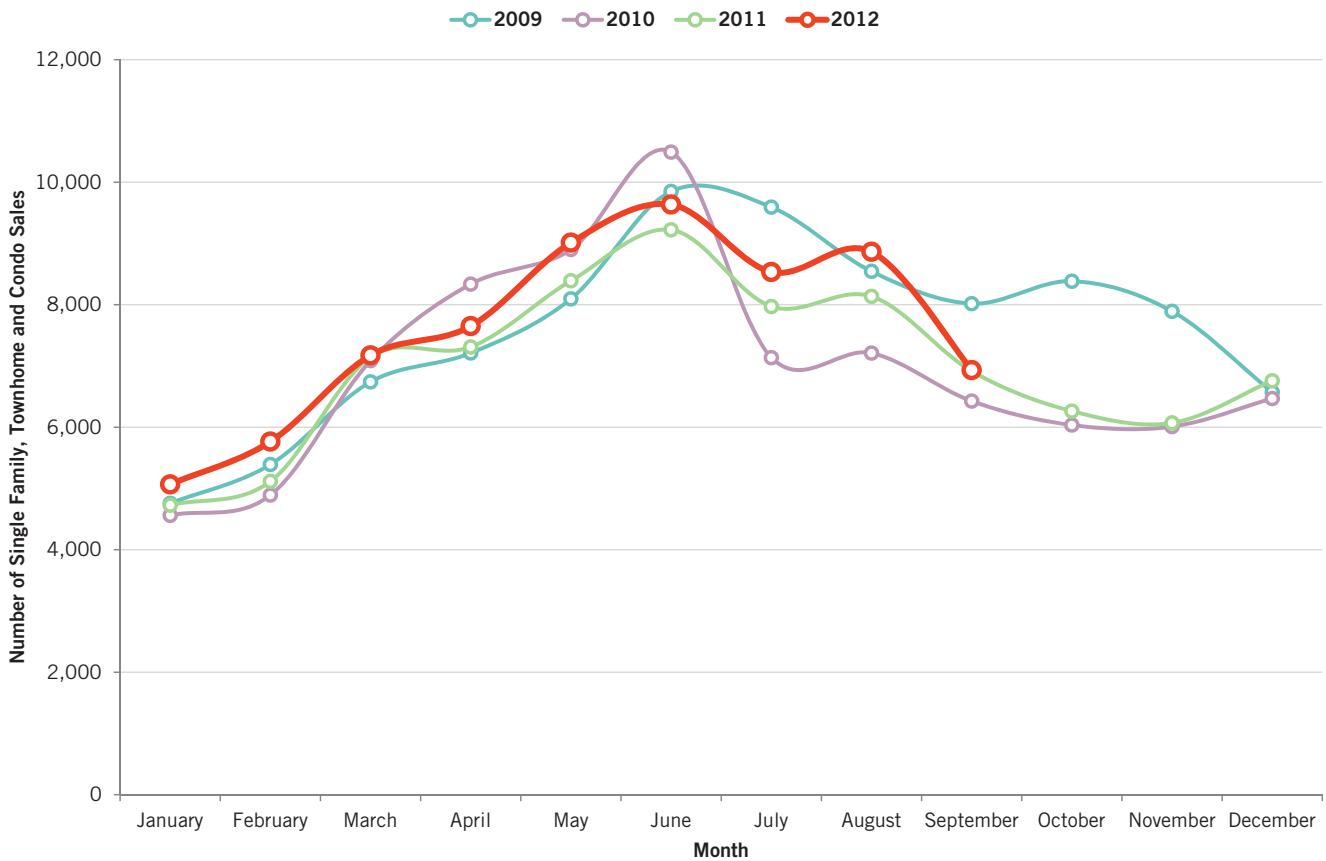
THIRD
QUARTER
2012

Published by Virginia Association of REALTORS®, the advocate for real estate professionals and property owners in Virginia.



Virginia Month-to-Month Sales Trends

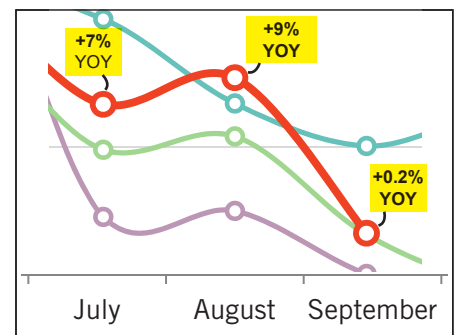
Single Family Homes, Townhomes, Condos



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2009	4,758	5,391	6,740	7,212	8,096	9,849	9,593	8,545	8,018	8,384	7,892	6,573
2010	4,562	4,892	7,087	8,337	8,903	10,493	7,137	7,210	6,427	6,035	6,010	6,468
2011	4,728	5,116	7,145	7,311	8,391	9,223	7,970	8,136	6,916	6,263	6,070	6,758
2012	5,067	5,765	7,174	7,651	9,013	9,636	8,535	8,864	6,932			

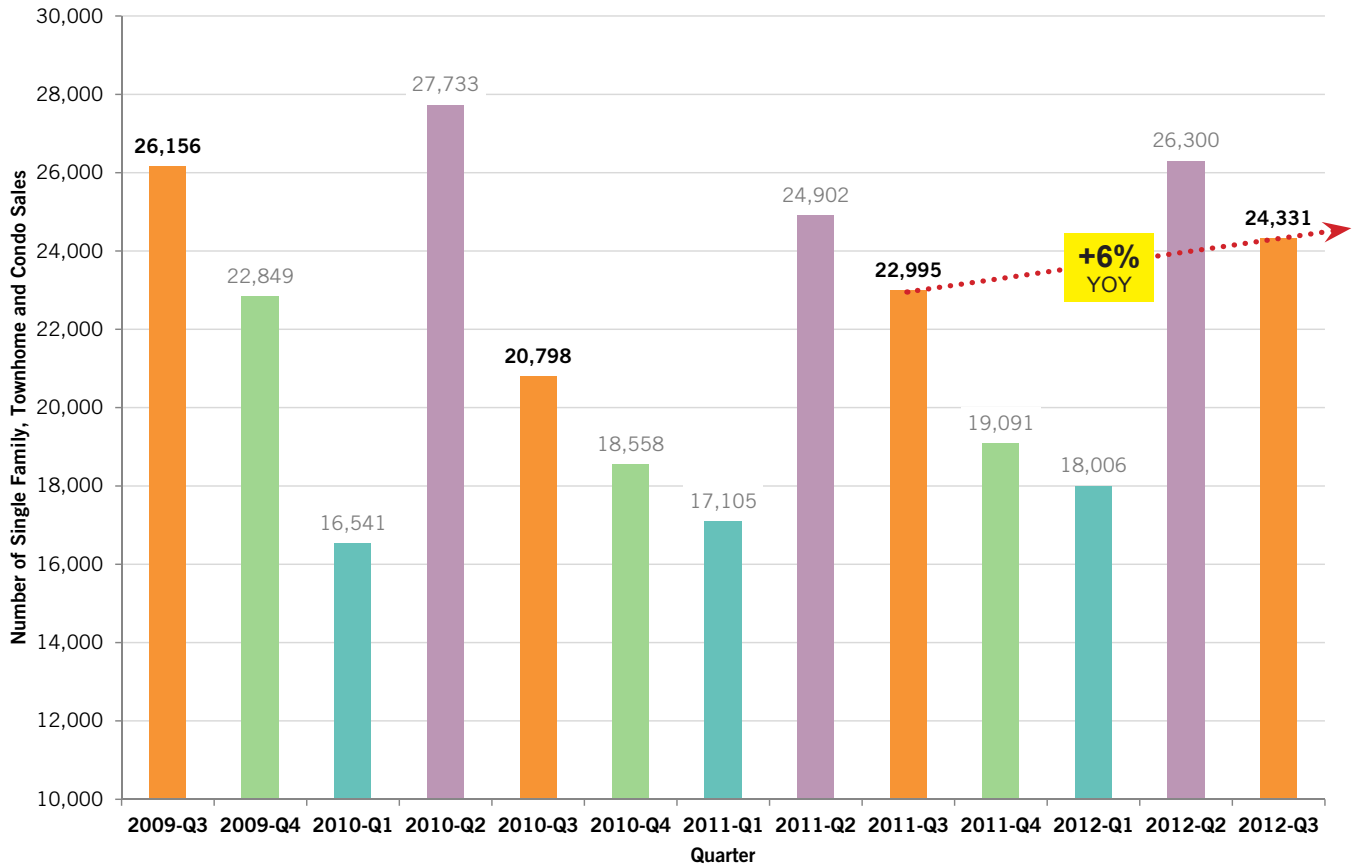
The pace of residential home sales increased in Virginia during the third quarter of 2012, compared to the same time frame last year. The third quarter of 2011 only marked 23,022 home sales while there were 24,331 home sales in the third quarter of 2012.

Looking closer, both July (+7% YOY) and August (+9% YOY) showed strong year-over-year gains in home sales -- while September 2012 showed a smaller year-over-year improvement (+0.2%). Looking ahead, we are likely to see a strong fourth quarter given low interest rates and comparatively low unemployment rates.



Virginia Quarterly Residential Sales

Single Family Homes, Townhomes, Condos

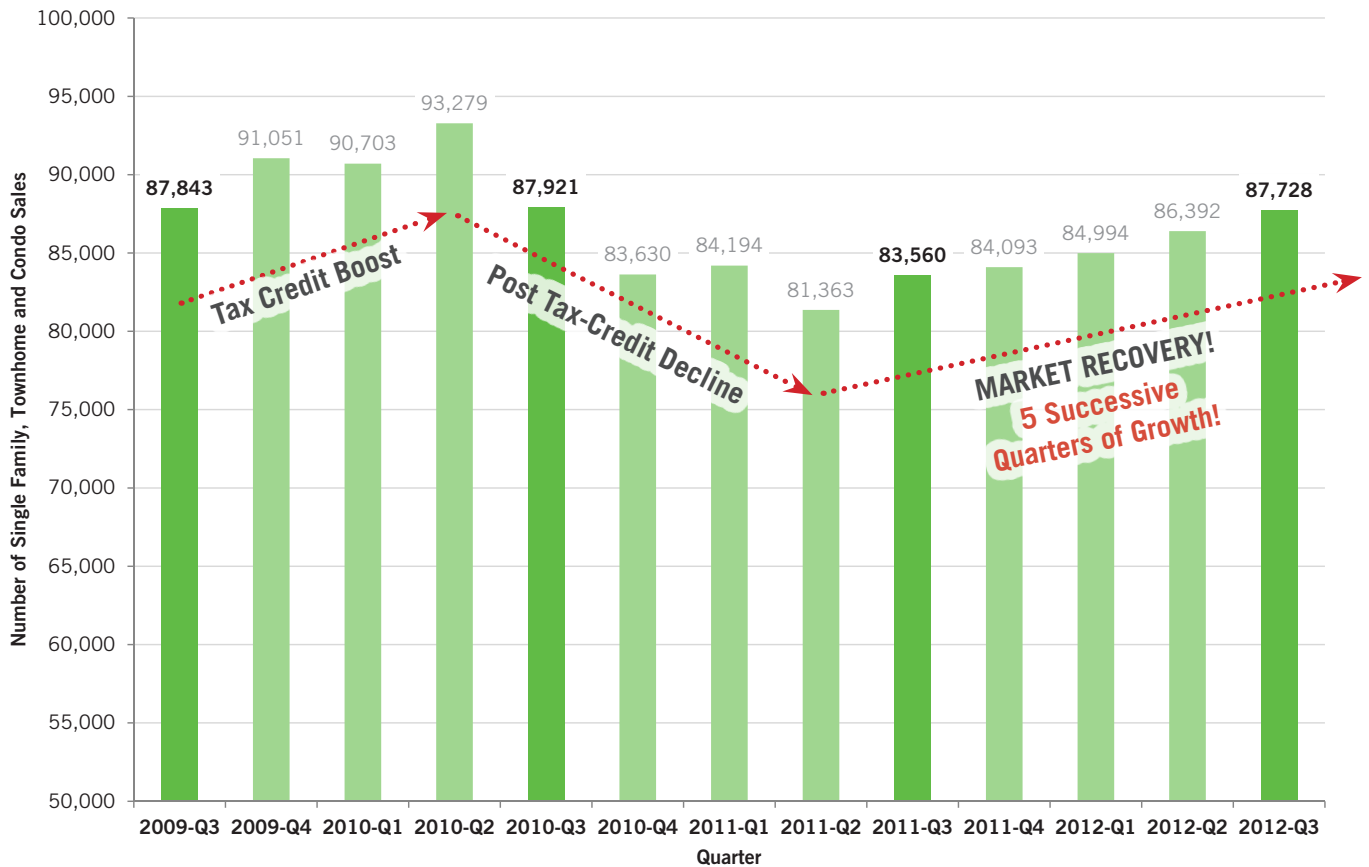


When viewed on a quarterly basis, the third quarter of 2012 shows further growth in Virginia’s residential real estate market with a 6% increase in home sales as compared to the third quarter of 2011. This is a significant increase in the pace of home sales in Virginia, and is likely a result of continued low interest rates, and low unemployment rates in the Commonwealth.

We are likely to see fewer home sales in the fourth quarter of 2012 as compared to the third quarter, as typically the October through December home sales market is not quite as robust as July through September.

Virginia Annualized Residential Sales

Single Family Homes, Townhomes, Condos



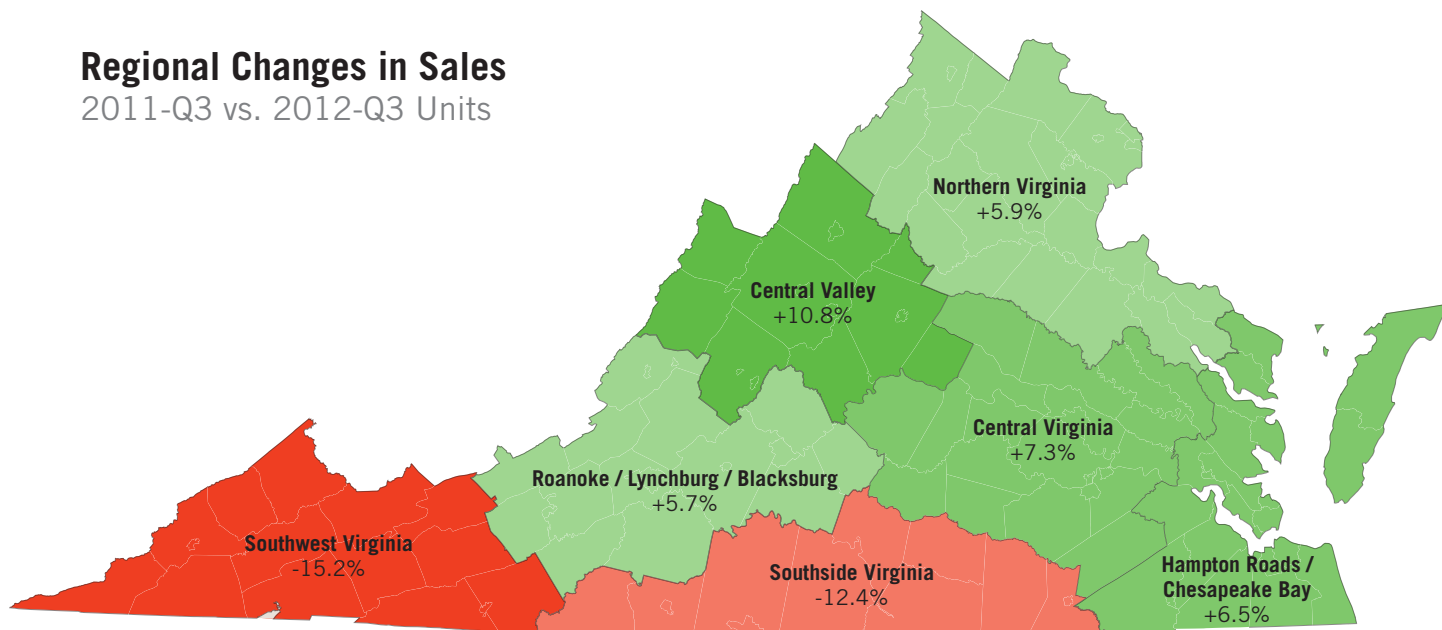
When examining long term trends, it seems quite certain that we are finally seeing lasting improvement in the pace of home sales in Virginia. **We have now seen steady increases in the annualized pace of home sales in Virginia for five quarters in a row.**

Each data point on the graph above includes 12 months of home sales data, thus the 2012-Q3 figure (87,728 sales) includes home sales from 2011-Q4 through 2012-Q3. Using this rolling sum of home sales can provide a clearer indicator of long-term trends in Virginia's housing market.

While this graph can take quite a long time to reveal market trends, when it finally does (now) there can be much greater certainty as to the conclusions.

Regional Changes in Sales

2011-Q3 vs. 2012-Q3 Units

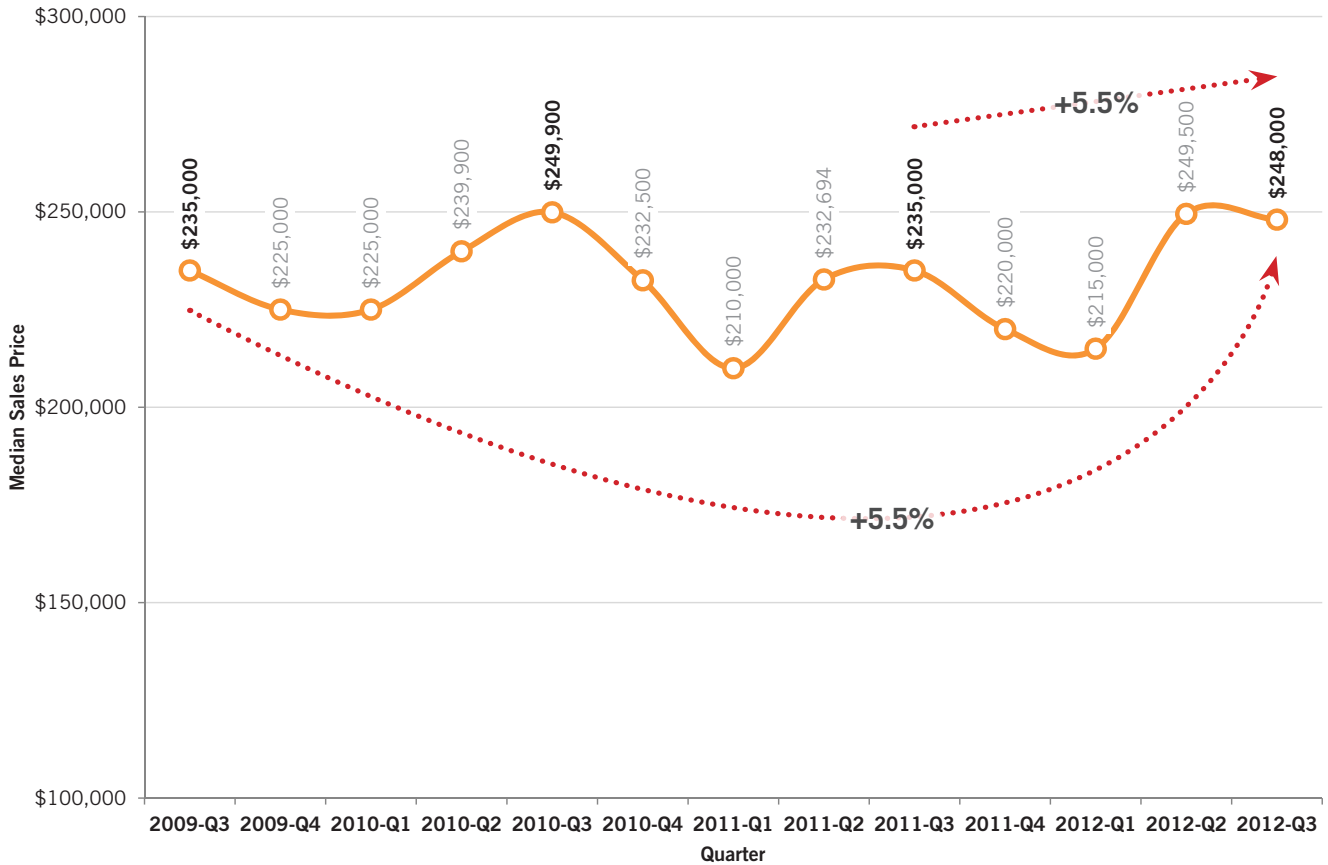


Region	2011-Q3	2012-Q3	Change
Central Valley	1,189	1,317	+10.8%
Central Virginia	3,472	3,725	+7.3%
Hampton Roads / Chesapeake Bay	5,270	5,612	+6.5%
Northern Virginia	10,489	11,110	+5.9%
Roanoke / Lynchburg / Blacksburg	1,778	1,879	+5.7%
Southside Virginia	429	376	-12.4%
Southwest Virginia	361	306	-15.2%

The housing recovery varies regionally in Virginia, or at least when viewed through the lense of year-over-year changes in the pace of home sales. Neary the entire state is experiencing growth in the pace of home sales aside from Southwest Virginia and Southside Virginia. The highest rate of increase in home sales has taken place in the Central Valley (+10.8%) though Central Virginia (+7.3%) and Hampton Roads / Chesapeake Bay (+6.5%) are not too behind.

Virginia Median Residential Sales Price

Single Family Homes, Townhomes, Condos

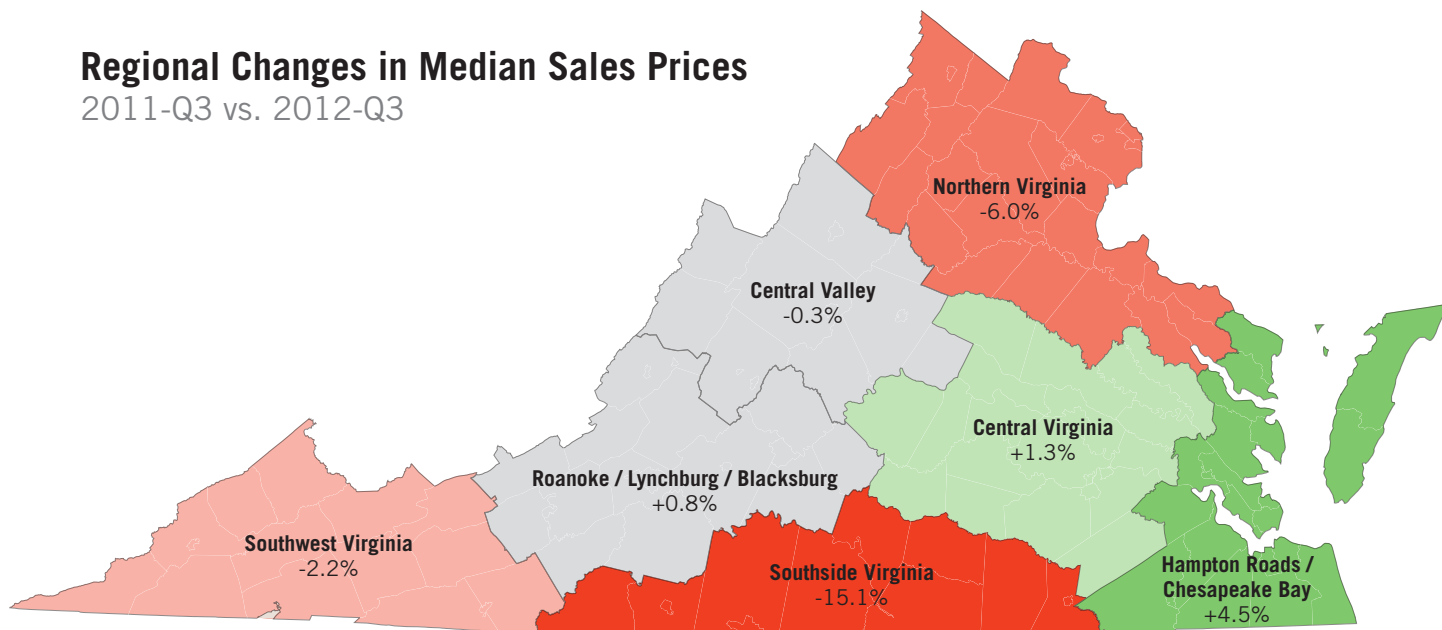


The median sales price in Virginia increased 5.5% over the past year to \$248,900 for all residential sales. This is very close to a tie with 2012-Q2 and 2010-Q3 for the highest price in the past three years.

Looking at the longer term trends, the median sales price in Virginia has increased by 5.5% over the past three years, as measured by first quarter sales data.

Regional Changes in Median Sales Prices

2011-Q3 vs. 2012-Q3

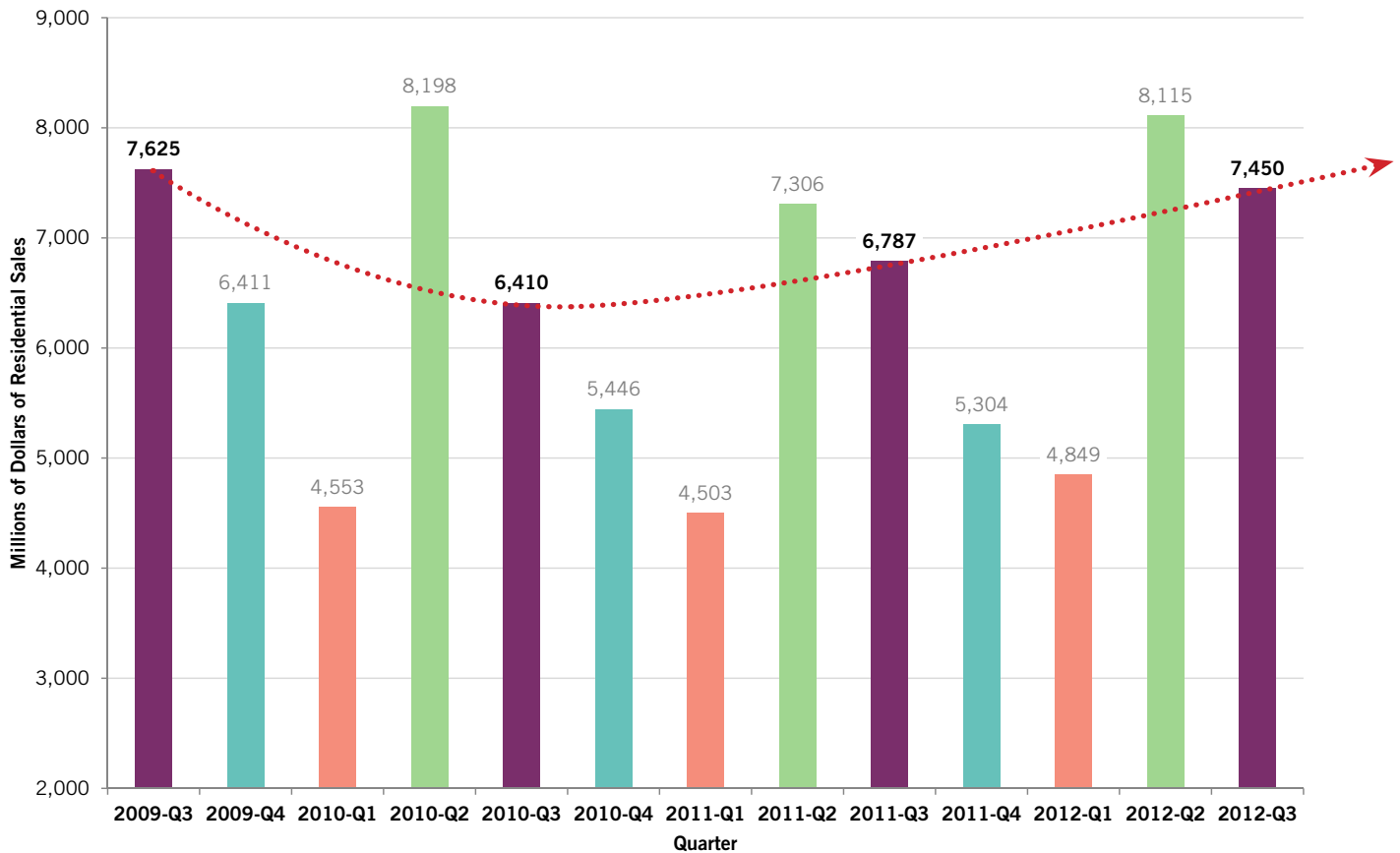


Region	2011-Q3	2012-Q3	Change
Central Valley	\$200,000	\$199,450	-0.3%
Central Virginia	\$185,496	\$188,000	+1.3%
Hampton Roads / Chesapeake Bay	\$200,000	\$209,000	+4.5%
Northern Virginia	\$350,000	\$329,000	-6.0%
Roanoke / Lynchburg / Blacksburg	\$153,750	\$155,000	+0.8%
Southside Virginia	\$94,250	\$80,000	-15.1%
Southwest Virginia	\$114,000	\$111,500	-2.2%

After several years of declining sales prices in all regions of Virginia, we are starting to see increases in median sales prices in many regions of Virginia. When comparing the third quarter of 2012 to the third quarter of 2011, only Southside Virginia (-15%) and Northern Virginia (-6%) experienced a significant decline in median sales price. Hampton Roads / Chesapeake Bay and Central Virginia led the pack in increases in median sales prices (+4.5%, +1.3%).

Virginia Quarterly Residential Sales Volume

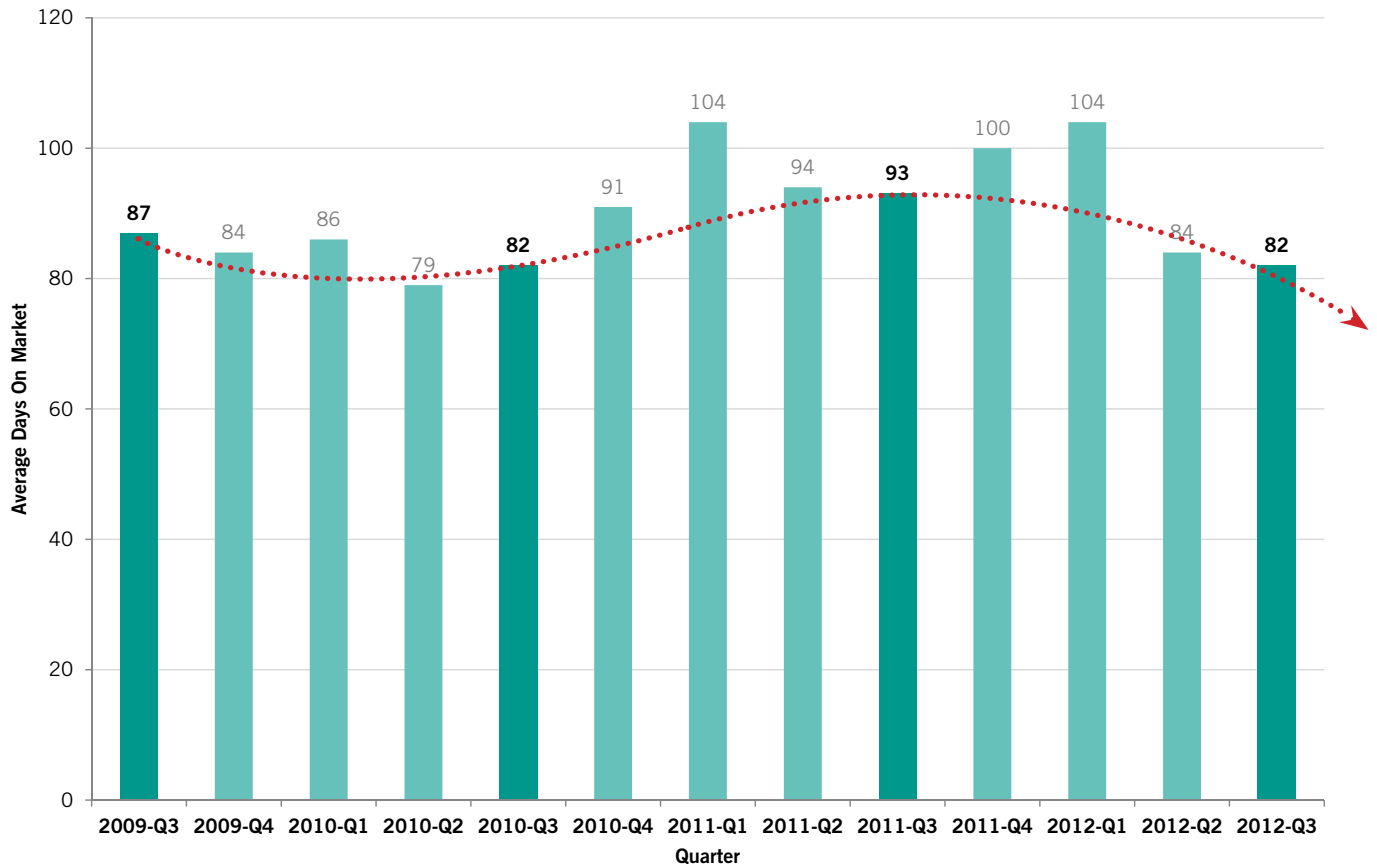
Single Family Homes, Townhomes, Condos



This graph illustrates the number of millions of dollars of real estate sold during each quarter over the past three years. The volume of real estate sold in the third quarter of 2012 (\$7.4B) marks an 9.8% increase from the third quarter of 2011 (\$6.8B). This is only the third quarterly increase seen in recent years in sales volume in Virginia -- the result of both increased sales pace and stabilizing prices.

Virginia Average Days On Market

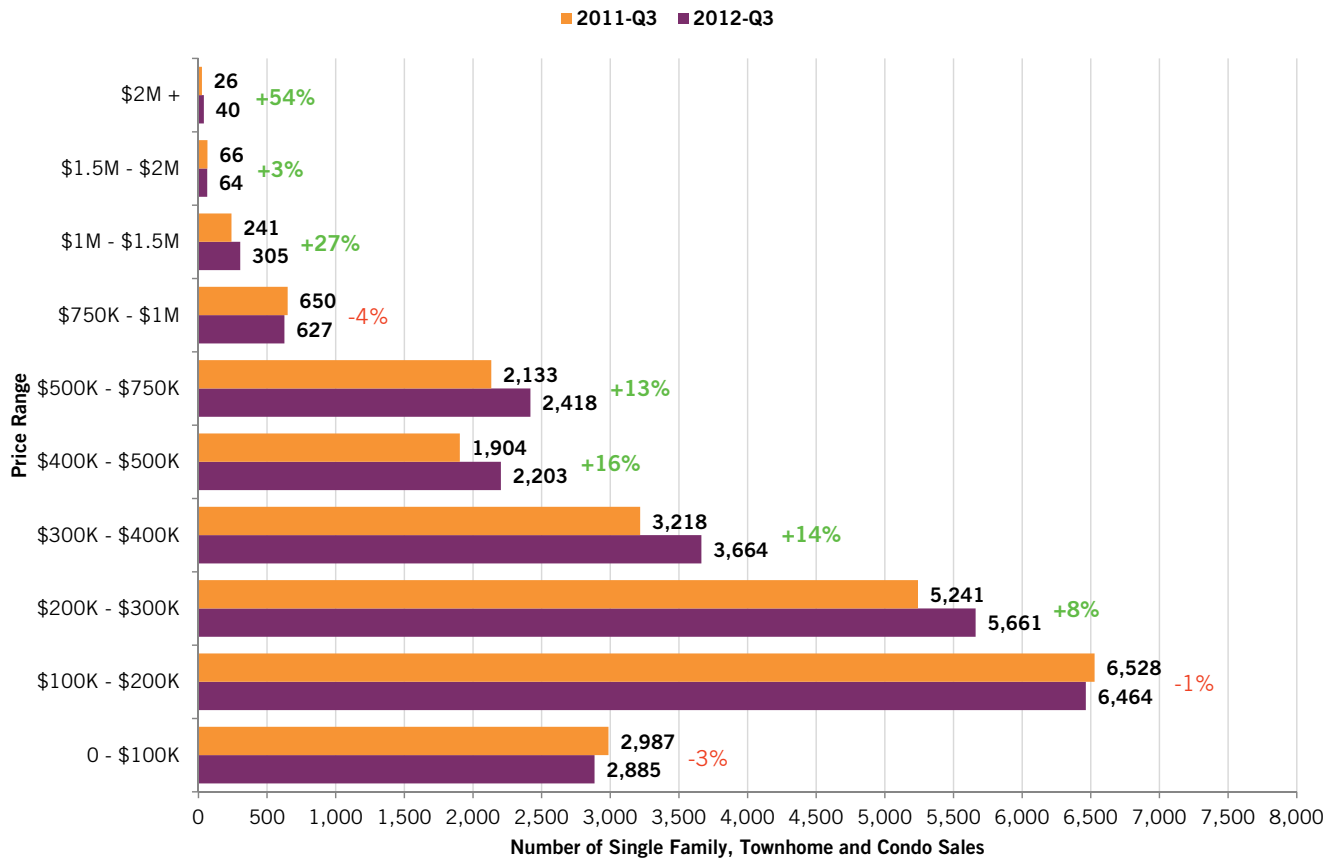
Single Family Homes, Townhomes, Condos



The average time to market and sell a house has decreased 12% over the past year to an average of 82 days. The federal home buyer tax credit certainly spurred on buyer activity during 2009 and 2010, lowering the average days on market, but that did not last too much longer than the period during which those tax credits were available.

Virginia Price Distribution Of Residential Home Sales

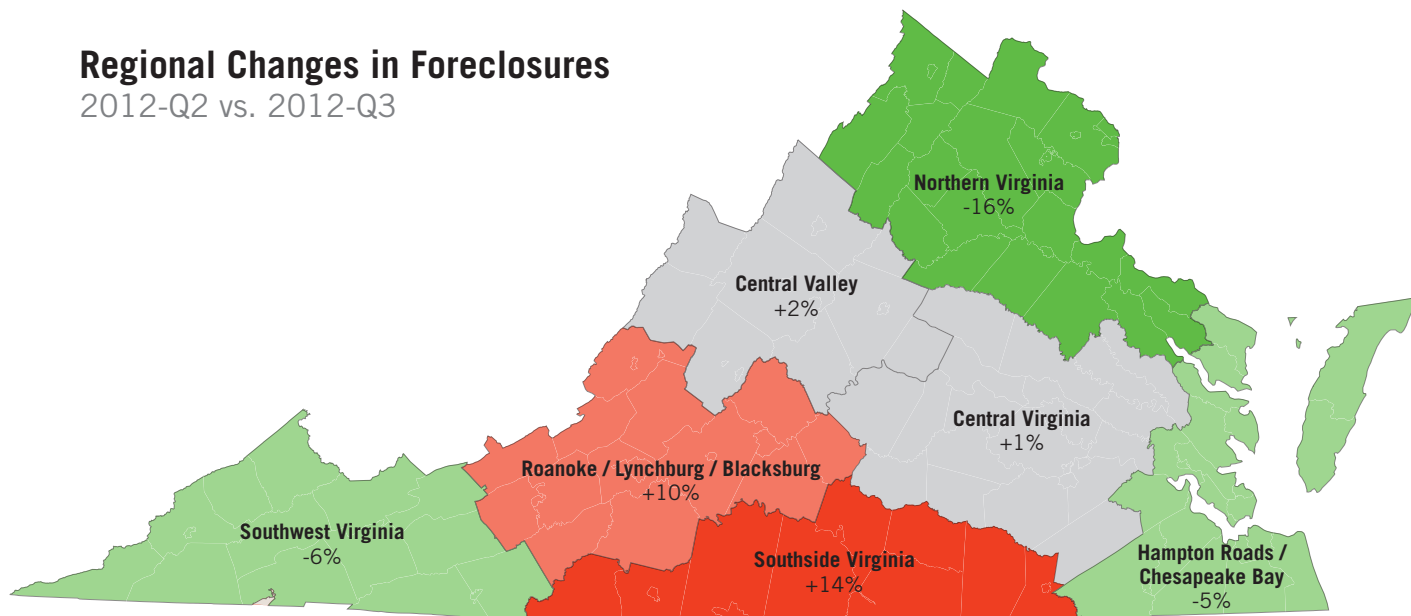
Single Family Homes, Townhomes, Condos



Home sales increased in most price ranges during the third quarter of 2012 in Virginia, as compared to the third quarter of 2011. Of note, the most affordable price range (under \$100K) was one of the only price range to experience a significant decline in sales pace. This may be the result of overall increases in median sales prices which would be moving some under \$100K properties up into the \$100K - \$200K price range.

Regional Changes in Foreclosures

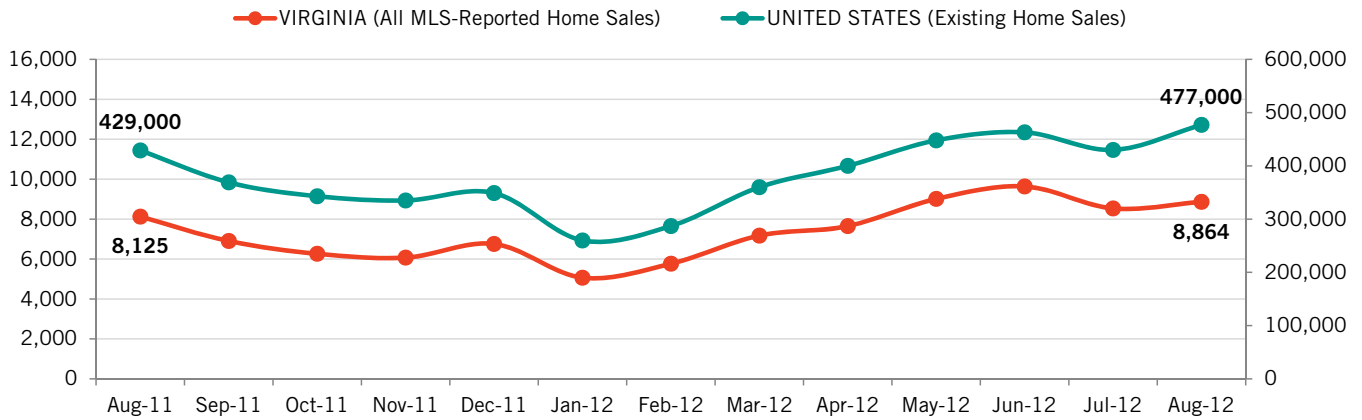
2012-Q2 vs. 2012-Q3



Region	2012-Q2	2012-Q3	Change
Central Valley	92	94	+2%
Central Virginia	408	412	+1%
Hampton Roads / Chesapeake Bay	551	521	-5%
Northern Virginia	974	818	-16%
Roanoke / Lynchburg / Blacksburg	157	172	+10%
Southside Virginia	55	63	+14%
Southwest Virginia	32	30	-6%
All of Virginia	2,269	2,110	-7%

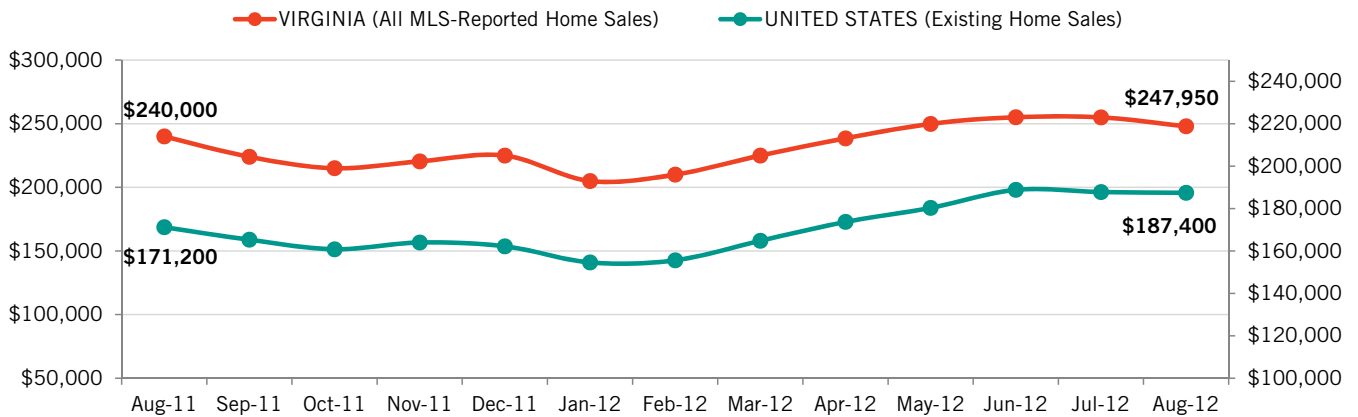
Foreclosure rates in the Commonwealth of Virginia dropped 7% between 2012-Q2 and 2012-Q3. These declines in foreclosures did not affect all regions of the state equally, as Northern Virginia experienced a 16% decline but Southside Virginia experienced a 14% increase in foreclosures. Most regions of the state experienced a decline in foreclosures or a negligible change in the metric.

Monthly Residential Sales



The monthly variation in the pace of home sales is relatively consistent in Virginia as compared to the entire United States. August 2012 home sales increased 11% in the United States (existing home sales only) as compared to August 2011, while Virginia experienced a 9% increase.

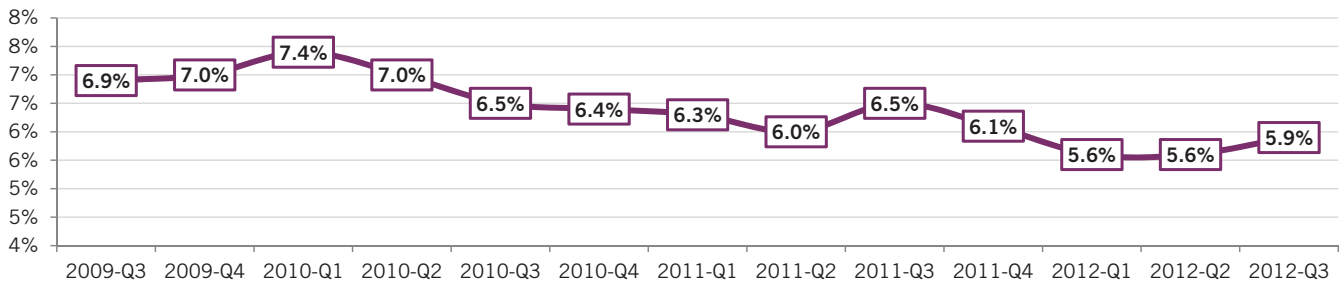
Monthly Residential Median Sales Price



Median home prices have increased in both Virginia and the United States over the past year (August 2011 to August 2012), though home values increased more significantly in Virginia (+9% during the past year) than in the entire United States (+3%).

Virginia Unemployment Rate

Source: Bureau of Labor & Statistics

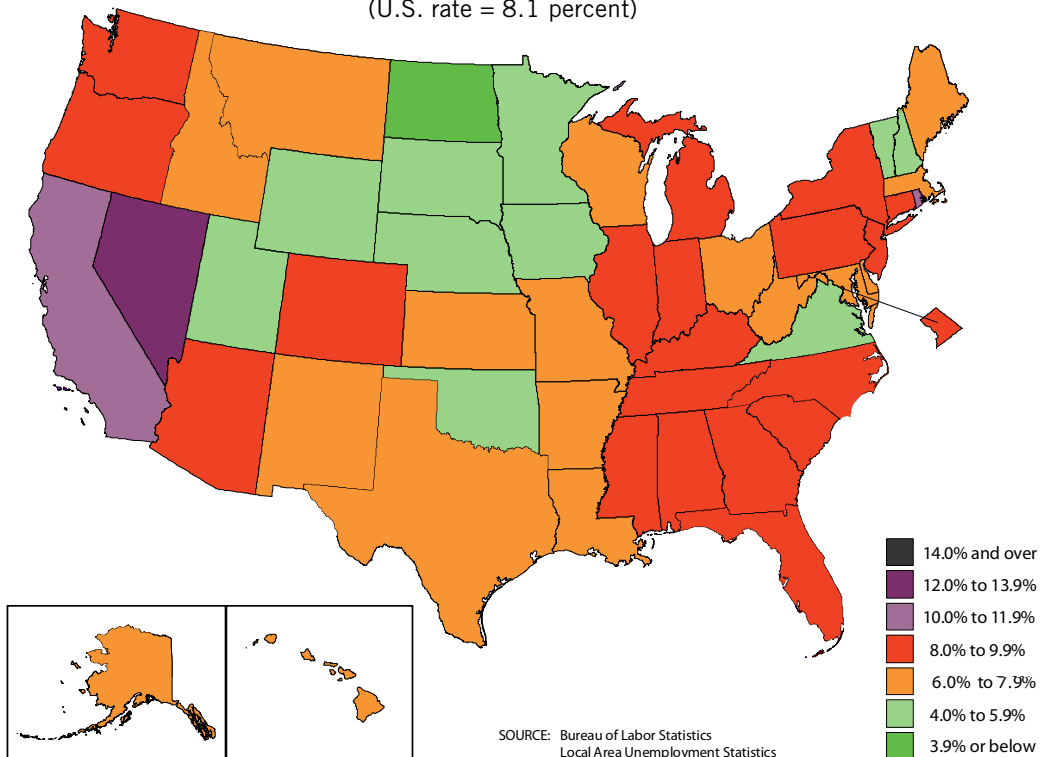


2012-Q2 unemployment rate based on preliminary May 2012 data.

Unemployment Rates By State

seasonally adjusted, August 2012

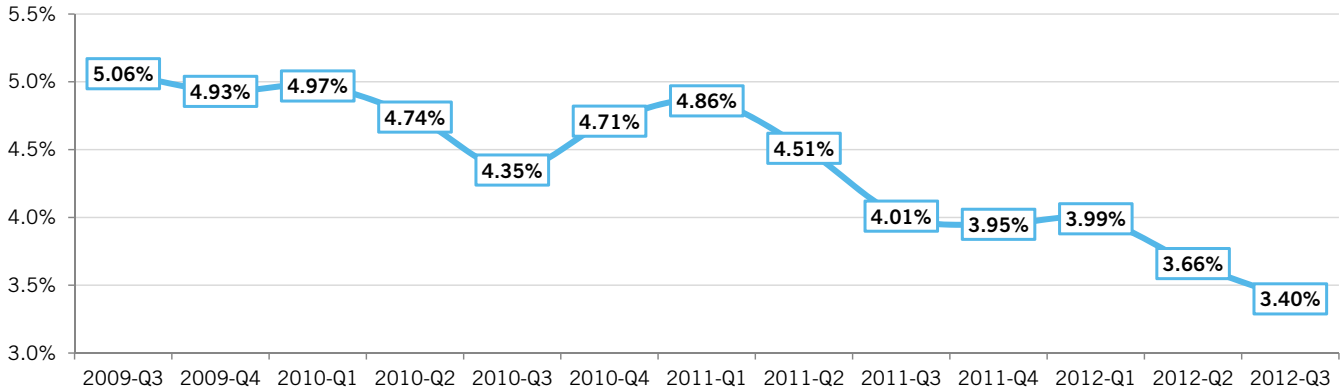
(U.S. rate = 8.1 percent)



While it has edged up slightly to 5.9%, Virginia’s unemployment rate is still at the third lowest level over the last three years, and Virginia is currently for 10th for low unemployment rates in the country. It is encouraging news that an increasing number of Virginians are employed, as this bodes well for further stability and recovery in Virginia’s housing market.

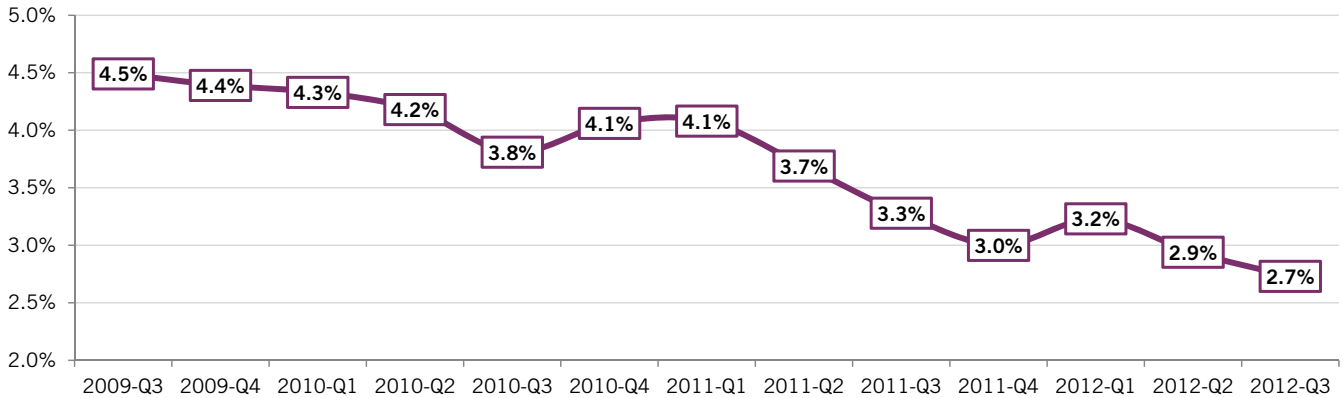
Average 30-Year Mortgage Interest Rates

Source: FreddieMac



Average 15-Year Mortgage Interest Rates

Source: FreddieMac



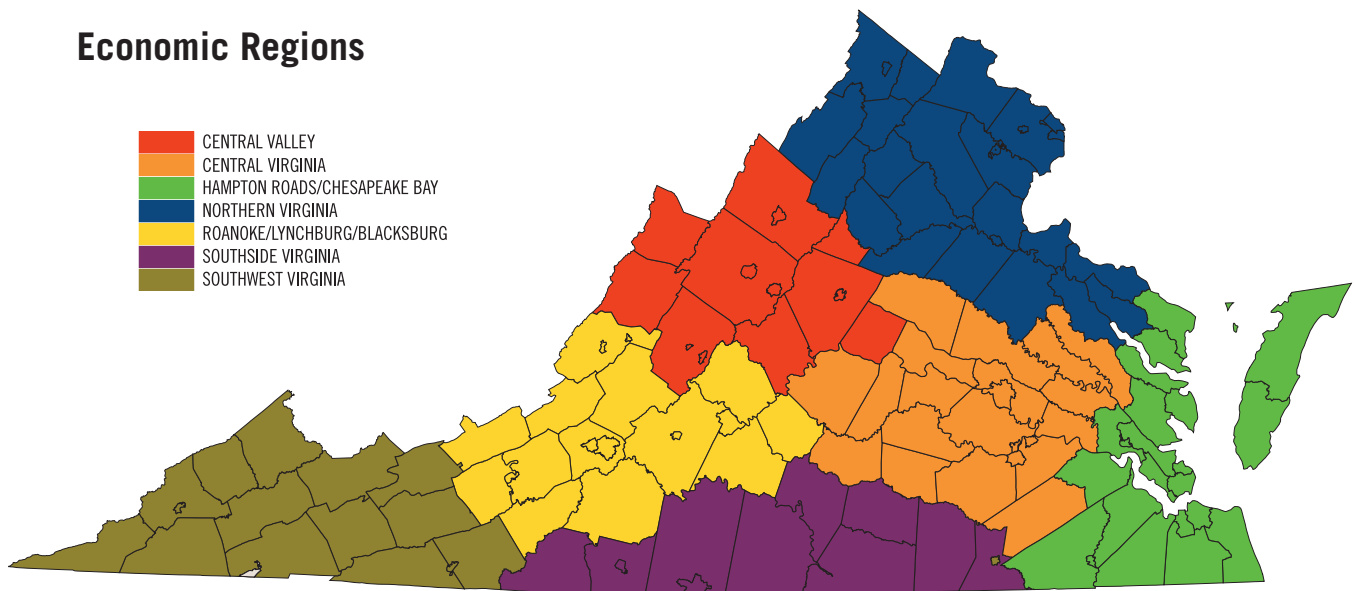
New records were created in 2012-Q3 with long-term mortgage interest rates steadily decreasing now down to 3.4% for a 30-year fixed rate mortgage, and only 2.7% for a 15-year fixed rate mortgage. These historically low mortgage interest rates certainly play an important part in encouraging buyer activity in Virginia’s housing market.

The Virginia Association of REALTORS® (VAR) is the business advocate for real estate professionals in Virginia. VAR represents more than 29,000 REALTORS active in all phases of real estate brokerage, management, development and appraisal. Our mission is to enhance our membership’s ability to achieve business success.

All inquiries regarding this report should be directed to:

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Economic Regions



- CENTRAL VALLEY
- CENTRAL VIRGINIA
- HAMPTON ROADS/CHESAPEAKE BAY
- NORTHERN VIRGINIA
- ROANOKE/LYNCHBURG/BLACKSBURG
- SOUTHSIDE VIRGINIA
- SOUTHWEST VIRGINIA

Central Valley: Albemarle, Augusta, Bath, Buena Vista City, Charlottesville City, Fluvanna, Greene, Harrisonburg City, Highland, Lexington City, Nelson, Rockbridge, Rockingham, Staunton City, Waynesboro City

Central Virginia: Amelia, Buckingham, Charles City, Chesterfield, Colonial Heights City, Cumberland, Dinwiddie, Goochland, Hanover, Henrico, Hopewell City, King and Queen, King William, Louisa, New Kent, Nottoway, Petersburg City, Powhatan, Prince Edward, Prince George, Richmond City, Sussex

Hampton Roads / Chesapeake Bay: Accomack, Chesapeake City, Franklin City, Gloucester, Hampton City, Isle of Wight, James City, Lancaster, Mathews, Middlesex, Newport News City, Norfolk City, Northampton, Northumberland, Poquoson City, Portsmouth City, Southampton, Suffolk City, Surry, Virginia Beach City, Williamsburg City, York

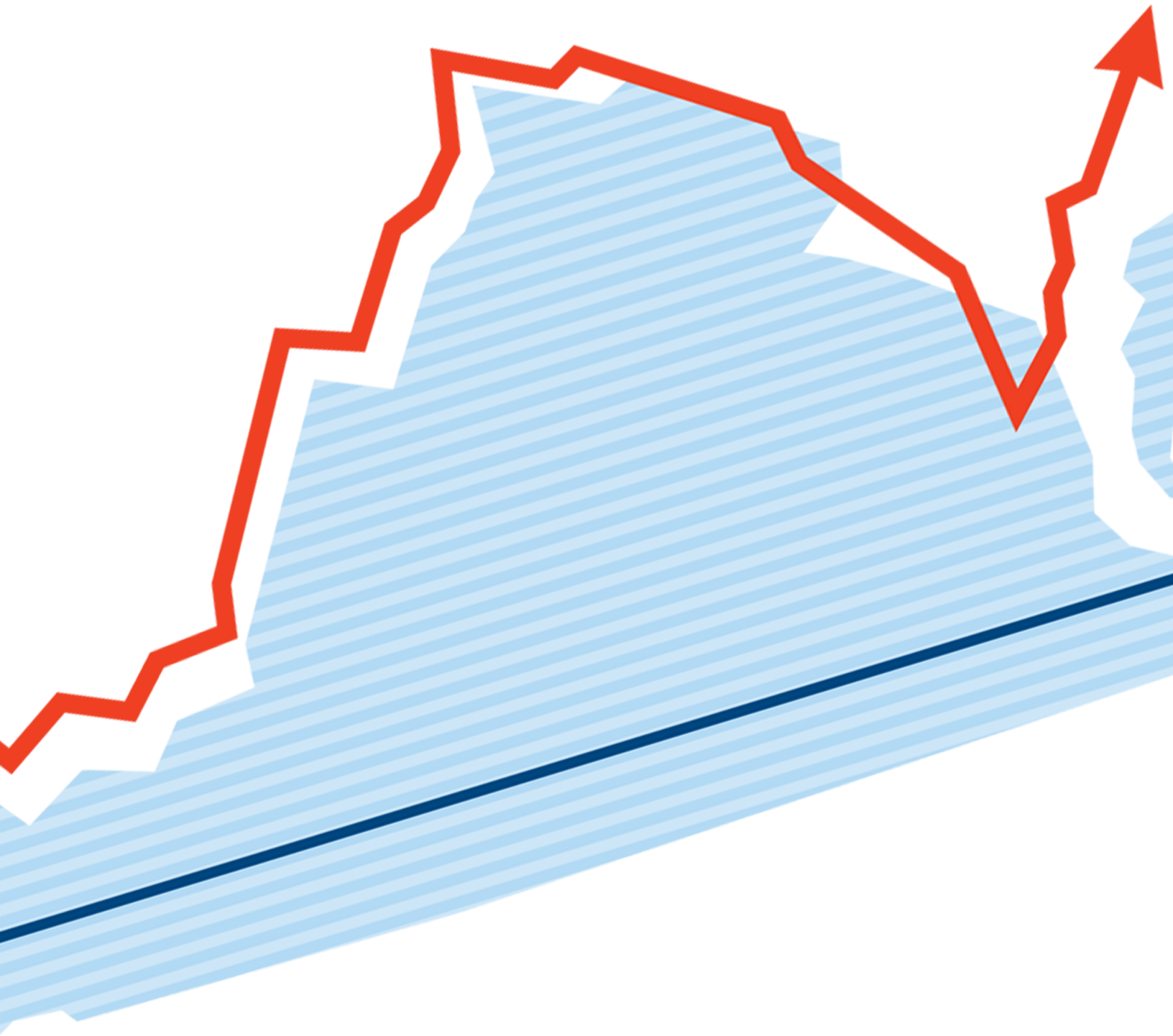
Northern Virginia: Alexandria City, Arlington, Caroline, Clarke, Culpeper, Essex, Fairfax, Fairfax City, Falls Church City, Fauquier, Frederick, Fredericksburg City, King George, Loudoun, Madison, Manassas City, Manassas Park City, Orange, Page, Prince William, Rappahannock, Richmond, Shenandoah, Spotsylvania, Stafford, Warren, Westmoreland, Winchester City

Roanoke / Lynchburg / Blacksburg: Alleghany, Amherst, Appomattox, Bedford, Bedford City, Botetourt, Campbell, Covington City, Craig, Floyd, Franklin, Giles, Lynchburg City, Montgomery, Pulaski, Radford, Roanoke, Roanoke City, Salem City

Southside Virginia: Brunswick, Charlotte, Danville City, Emporia City, Galax City, Greensville, Halifax, Henry, Lunenburg, Martinsville City, Mecklenburg, Norton City, Patrick, Pittsylvania

Southwest Virginia: Bland, Bristol City, Buchanan, Carroll, Dickenson, Grayson, Lee, Russell, Scott, Smyth, Tazewell, Washington, Wise, Wythe

Information sourced from multiple listing services across the state with data compiled by R E Stats Inc. All information is deemed reliable but is not guaranteed. Figures might not match those reported elsewhere.



www.VARealtor.com/HomeSales