

March 2009
Harrisonburg & Rockingham County
Real Estate Market Report

April 8, 2009

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

HOME SALES REPORT

Harrisonburg & Rockingham County

April 8, 2009

| # Home Sales | 2009 | 2008 | % Change |
|--------------|------|------|----------|
| March | 57 | 92 | -38.04% |
| Year To Date | 147 | 196 | -25.00% |

| Median Sales Price | 2009 | 2008 | % Change |
|--------------------|-----------|-----------|----------|
| March | \$210,775 | \$206,000 | 2.32% |
| Year To Date | \$189,000 | \$199,950 | -5.48% |

| Average Sales Price | 2009 | 2008 | % Change |
|---------------------|-----------|-----------|----------|
| March | \$237,353 | \$232,237 | 2.20% |
| Year To Date | \$231,348 | \$228,830 | 1.10% |

| Average Days on Market | 2009 | 2008 | % Change |
|------------------------|------|------|----------|
| March | 186 | 153 | 21.57% |
| Year To Date | 189 | 157 | 20.38% |

REPORTING DETAILS

Property Types: Residential (single family homes, townhomes, condos)

Property Locations: Harrisonburg and Rockingham County

Data Source: Harrisonburg-Rockingham Association of Realtors MLS

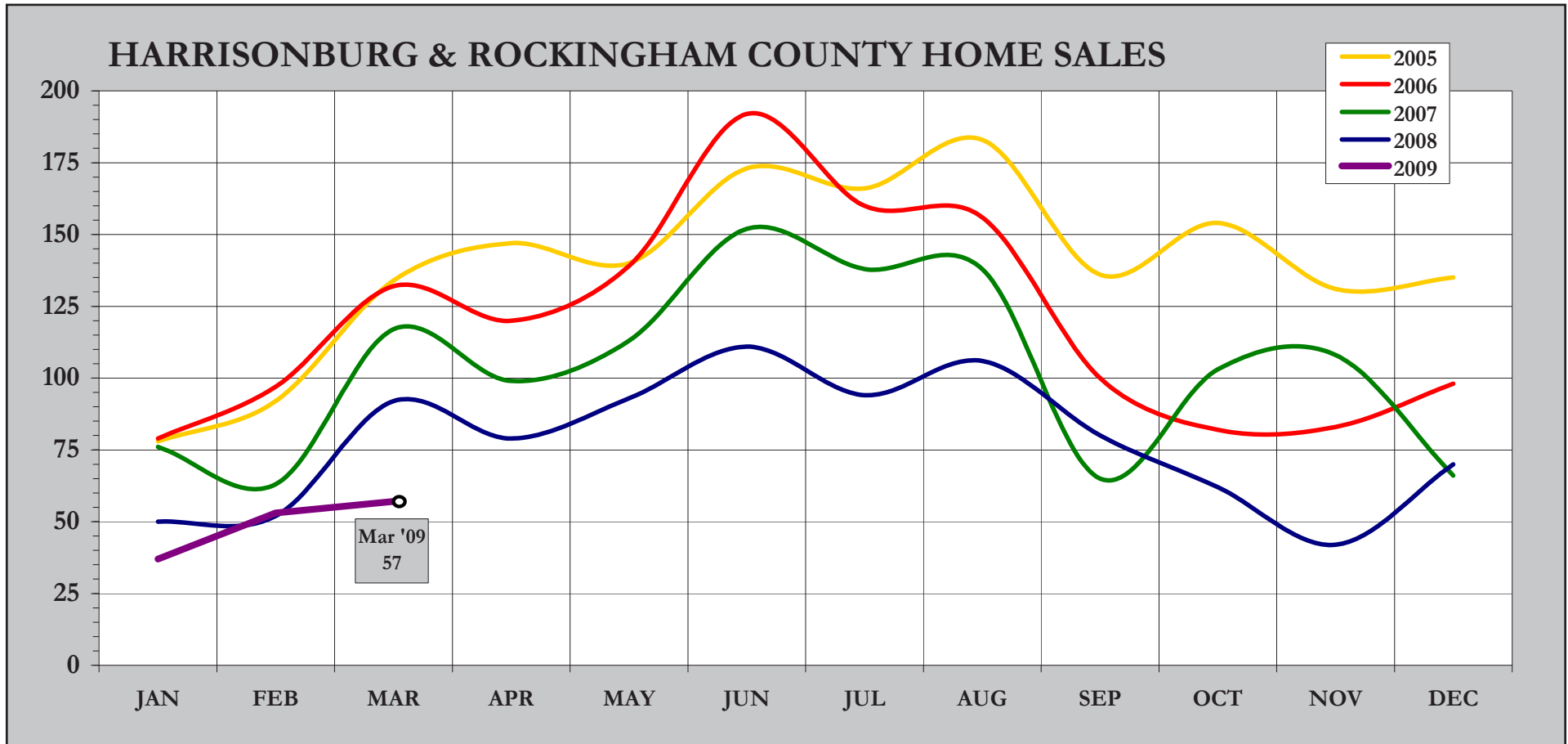
Of Note . . .

The pace of home sales in Harrisonburg and Rockingham County continues to decline --- with a 25% drop in sales pace when comparing Jan-Mar 2009 to the same time frame last year. Home values, however, seem to be holding relatively steady despite this drop in sales activity. Median home prices have dropped 5% since last year and average home prices have increased 1%.

The next three months will be indicative of the overall health of our market, as we should see an increase in home sales as a result of seasonal trends, historically low interest rates, and the \$8,000 first time buyer tax credit.

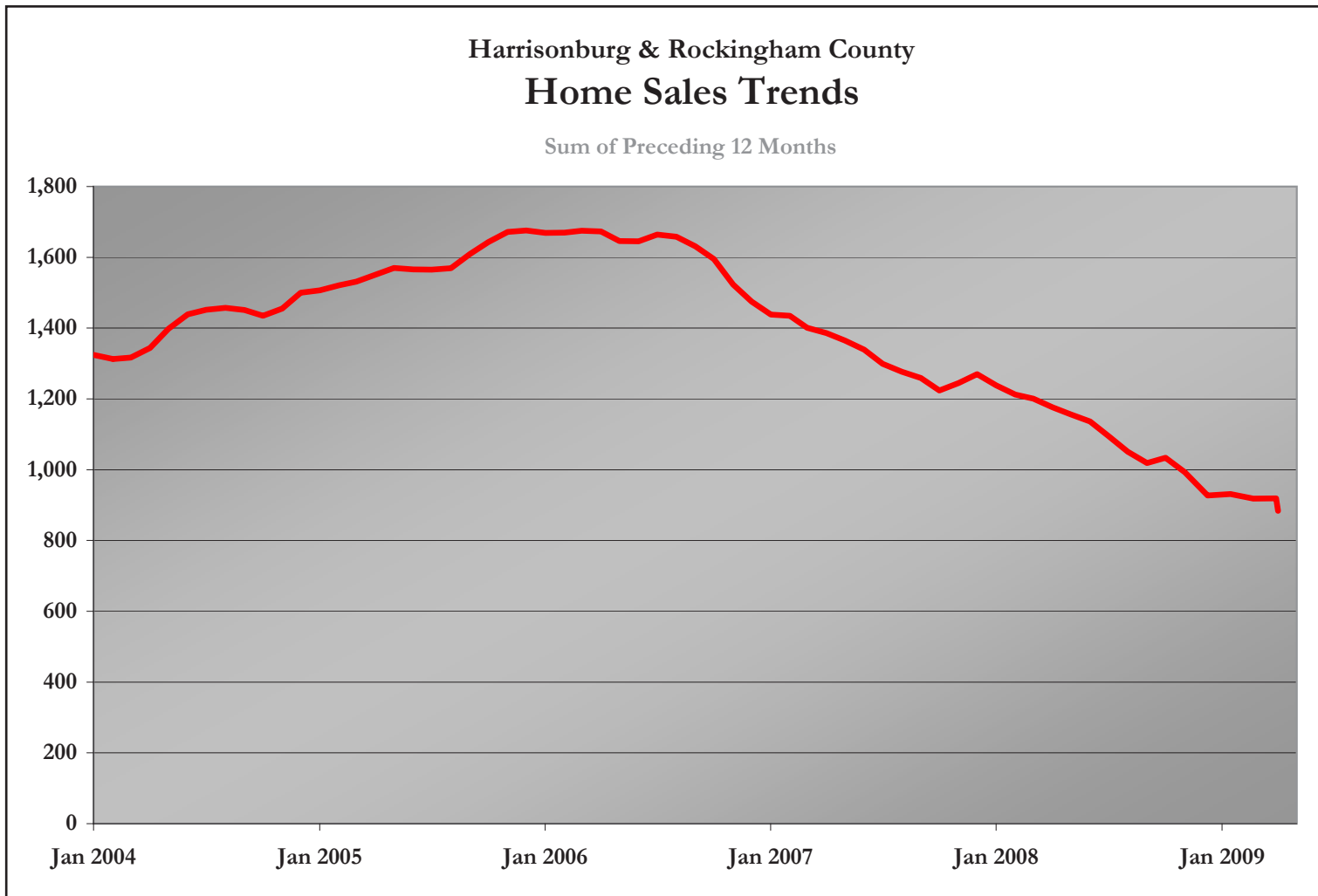
Given this information, sellers should price their homes carefully, market them aggressively, and be flexible within reason when it comes to negotiating a contract.

Buyers in our current market should look for good opportunities to buy at a reasonable price, but likely won't find too many opportunities to buy at a significant discount. If we start to see a more significant decrease in average or median home sales prices, buyers will be able to negotiate more effectively.



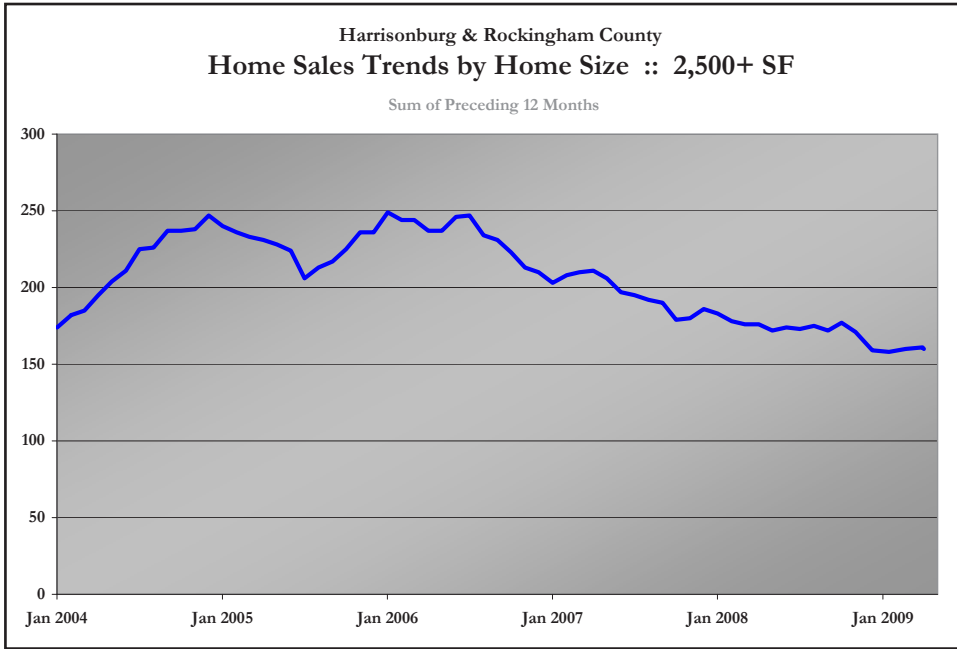
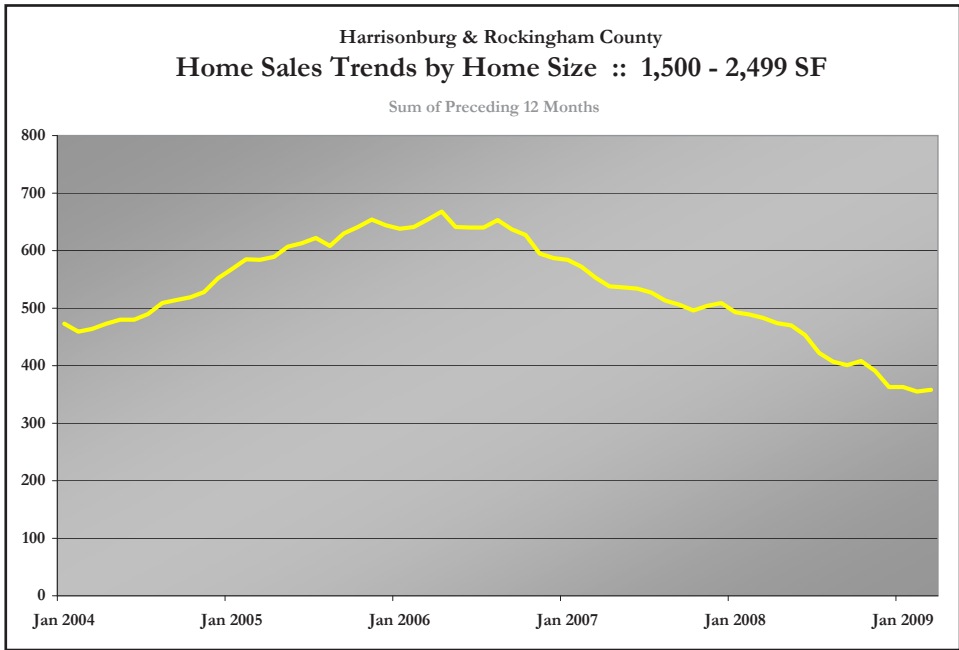
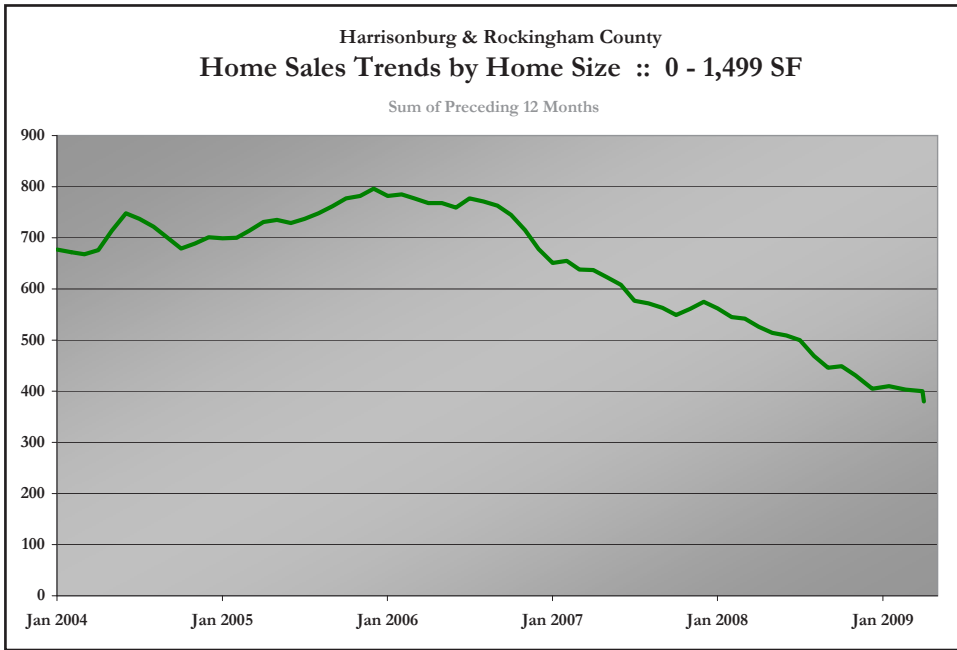
Of Note . . .

Home sales in March 2009 (57) were decidedly slower than last March (92) -- a bit of a surprise after an exceptionally strong month of sales in February 2009. We will likely still see an increase in sales over the next four months (as we see each year at this time) but we will have to wait to see whether we can match last year's overall sales pace --- I am optimistic that we will be able to, given the \$8,000 first time buyer tax credit.



Of Note . . .

This graph shows a normalized trend of home sales by charting the ongoing sum of the preceding 12 months' sales. The drop we see this month is a result of March 2009 sales being markedly lower than March 2008 sales.

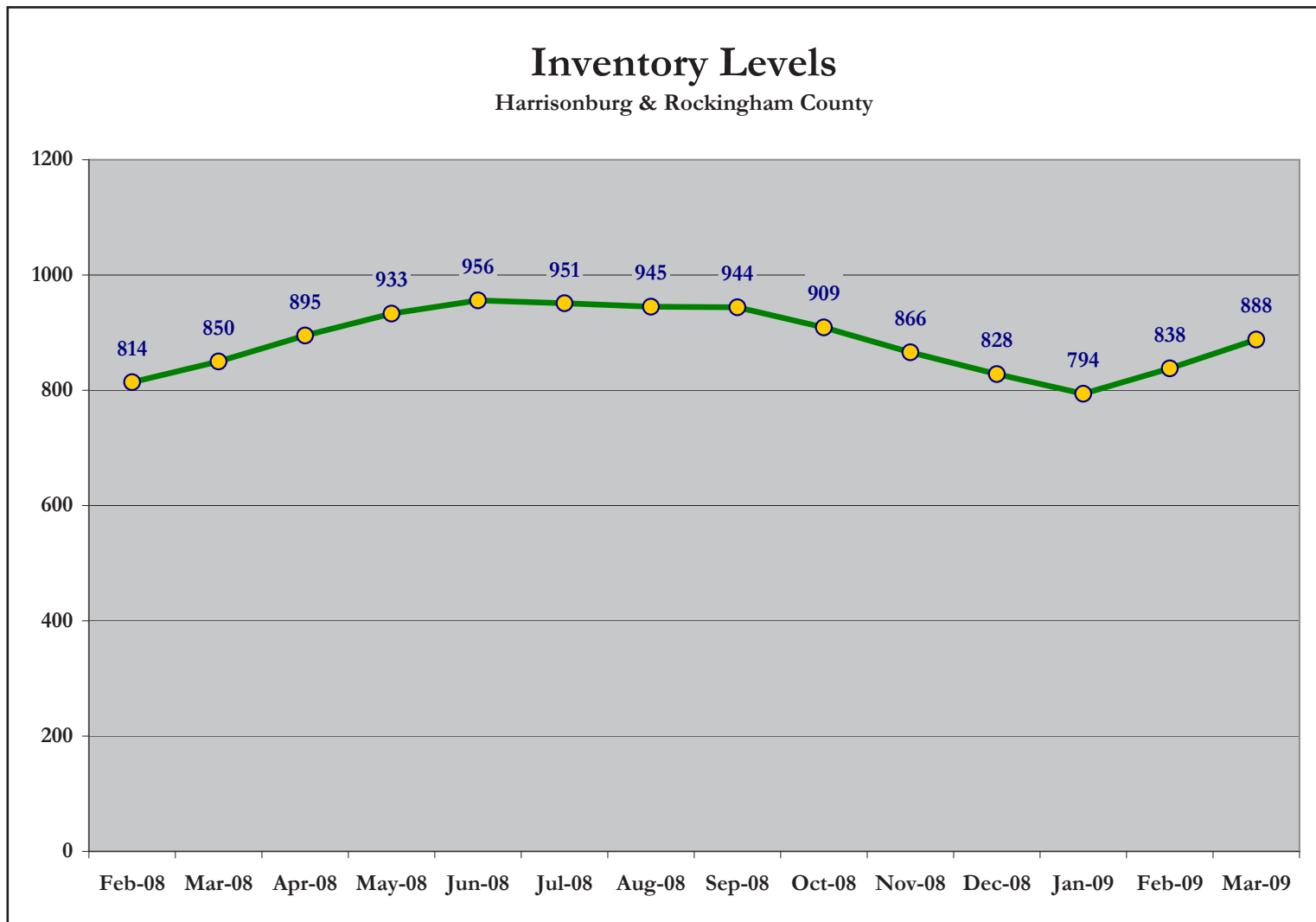


Of Note . . .

These three graphs shows the normalized trend of home sales by charting the ongoing sum of the preceding 12 months' sales, divided into three different data sets based on the size of the home.

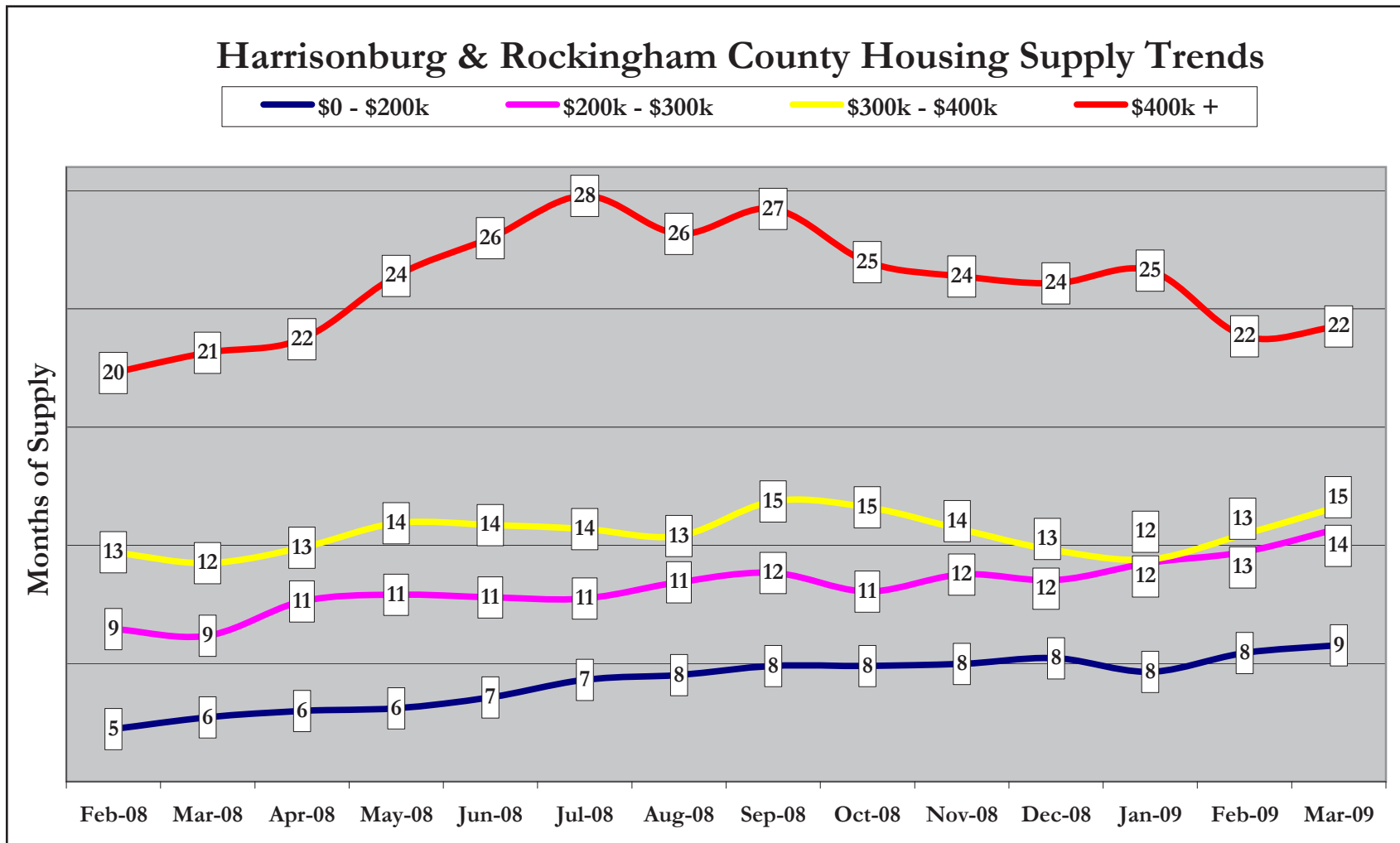
Sales of homes with 1,500 - 2,499 square feet and with more than 2,500 square feet have remained level or increased over the past few months when examined using this metric. In contrast, however, the smallest (and likely most affordable) homes saw a sharp decline in sales pace when including the most recent month's data.

This is a bit surprising given the financial incentive of the \$8,000 first time buyer tax credit, but may be explained by somewhat tighter lending standards and slight increases in funds required as a downpayment.



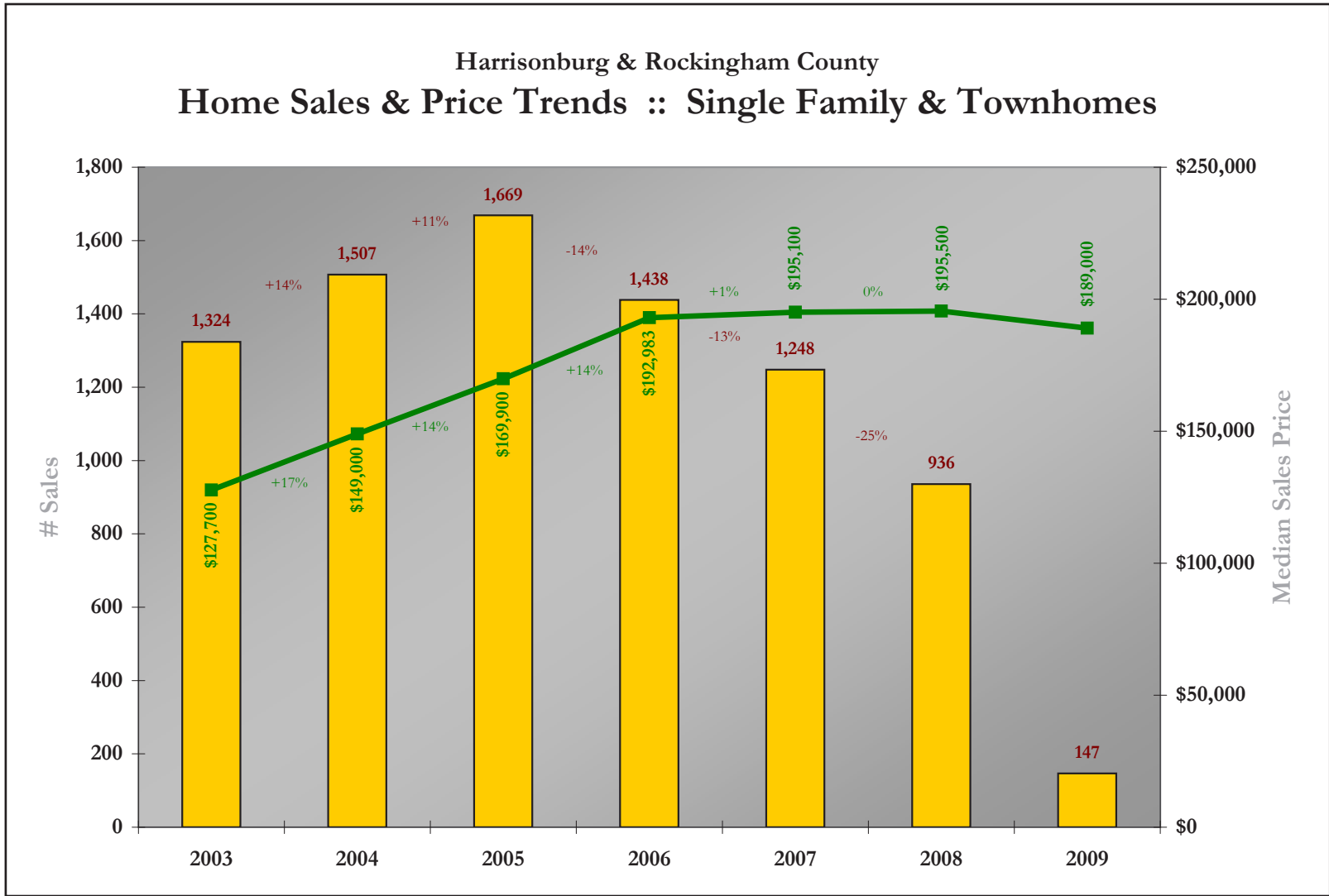
Of Note . . .

Active inventory continues to rapidly increase, likely as a result of homeowners' anticipation of more buyers in the spring/summer market. This continued increase, however, will not help bring our market back into a balance between buyers and sellers.



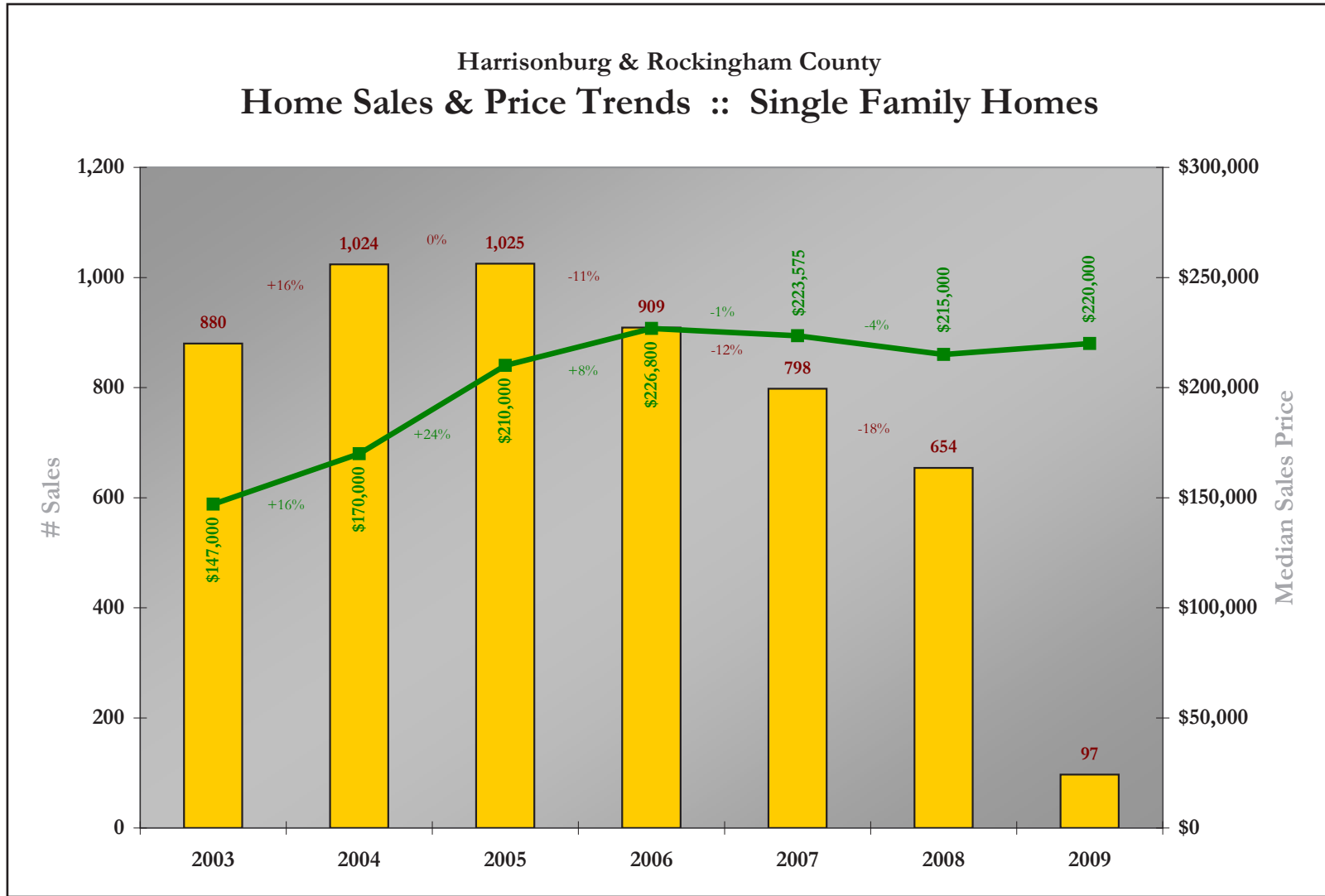
Of Note . . .

Unfortunately, the increased inventory of homes on the market over the past several months has not been matched by a corresponding increase in sales. Thus, the number of months of supply has started to increase again in all price ranges.



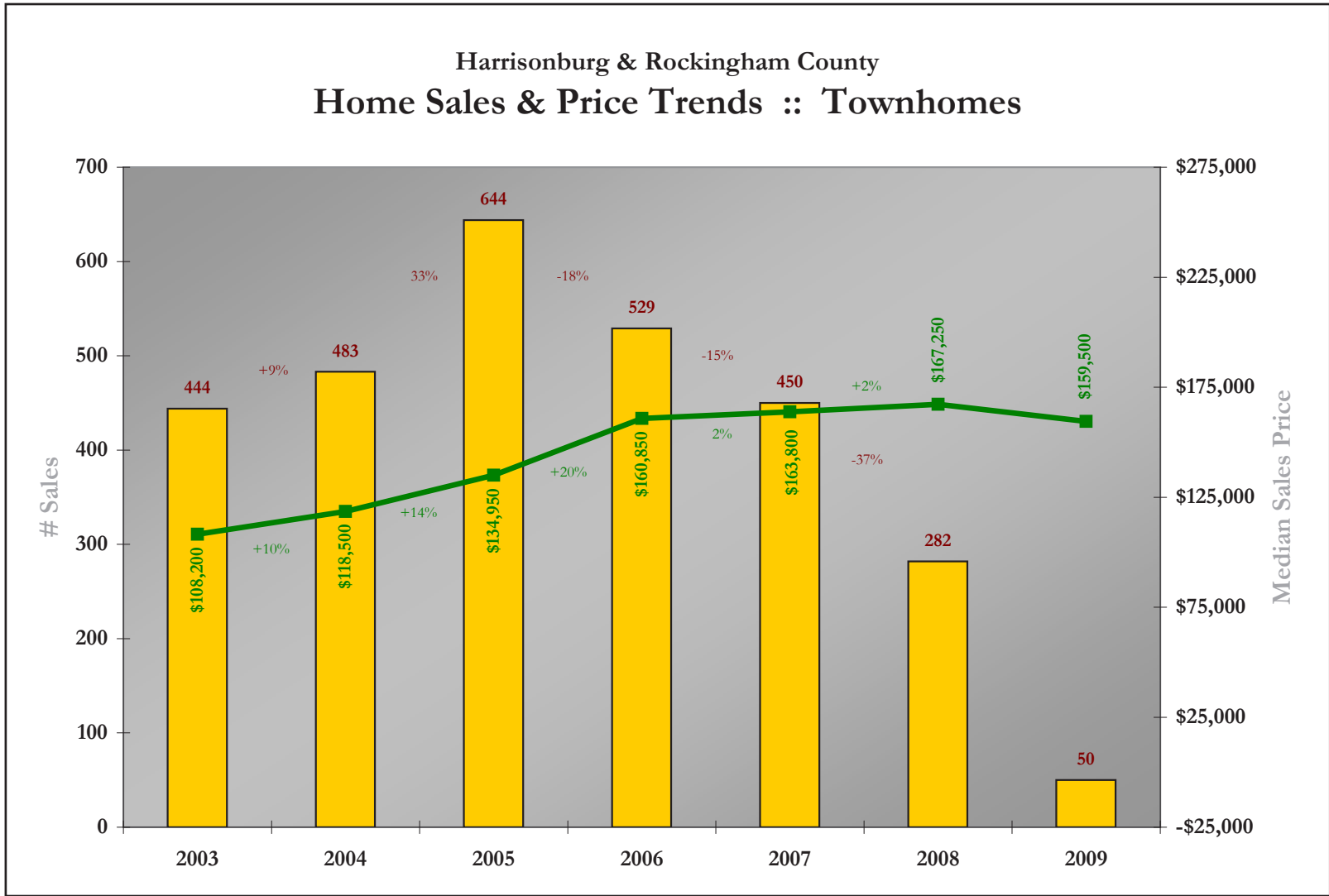
Of Note . . .

This graph captures all residential real estate activity as reflected in the Harrisonburg/Rockingham Multiple Listing Services. The 2009 year-to-date sales figures now include three months of sales data, and show only a slight decline in median sales prices. This is good, however, the pace of sales continues to decline.



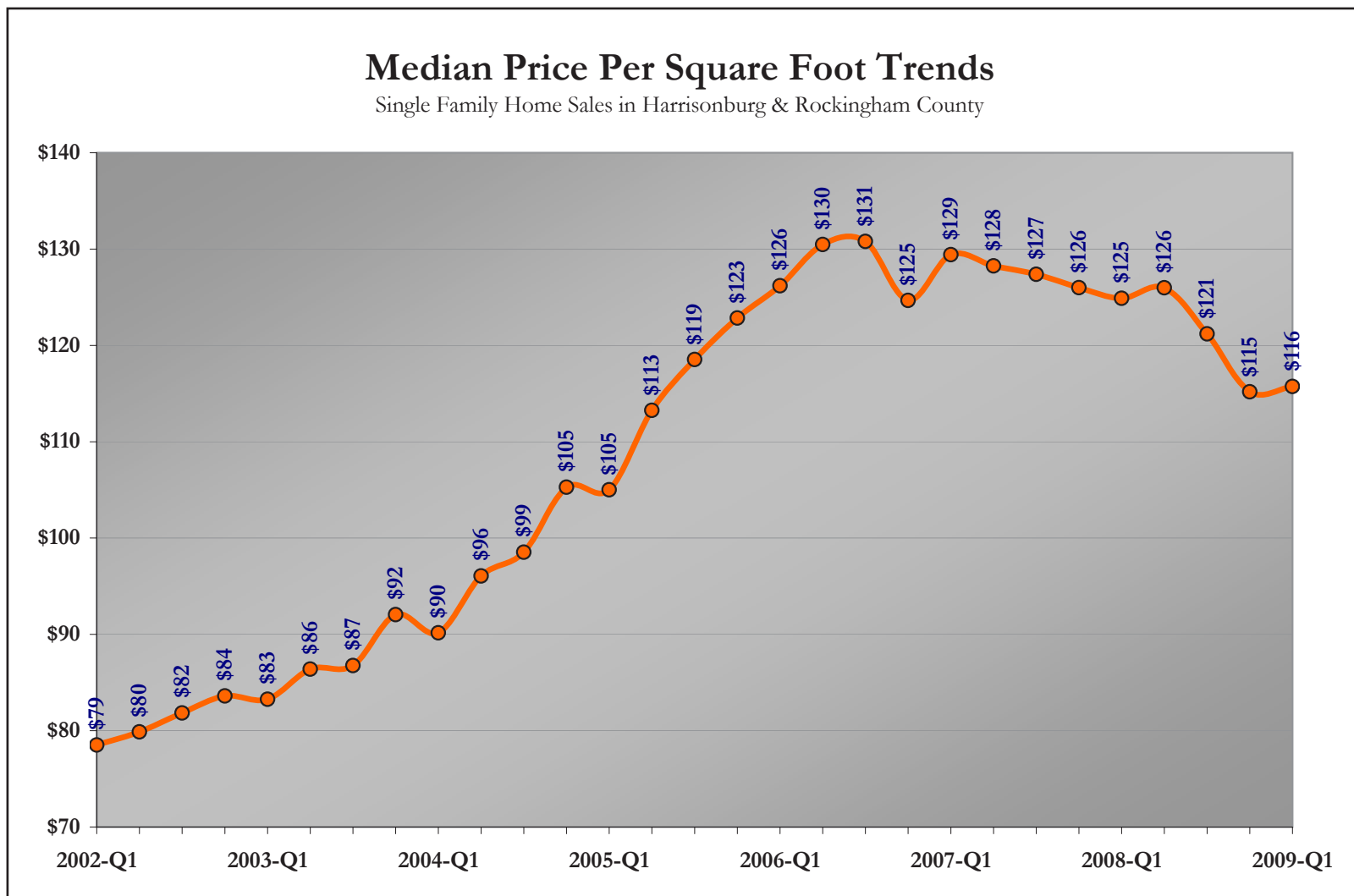
Of Note . . .

When examining only single family home sales in Harrisonburg and Rockingham County we see a slight increase in median sales price, though this median sales price has not had a significant net increase or decrease since 2006. During the same time, the sales pace has decreased drastically -- 28% between 2006 and 2008.



Of Note . . .

Sales of townhomes in Harrisonburg and Rockingham County continue to slow, though median sales prices continue to stay relatively steady. We have seen an amazing 56% decline in townhome sales between 2005 and 2008 --- with even more of a decline likely to be evident by the end of 2009.



Of Note . . .

Examining the median price per square foot of sold single family homes in Harrisonburg and Rockingham County reveals a gradual (small) decline in home values (as defined by this metric) between 2006-Q3 and 2008-Q4. Over the past three months, however we have started to see an increase again.