

VIRGINIA HOME SALES REPORT

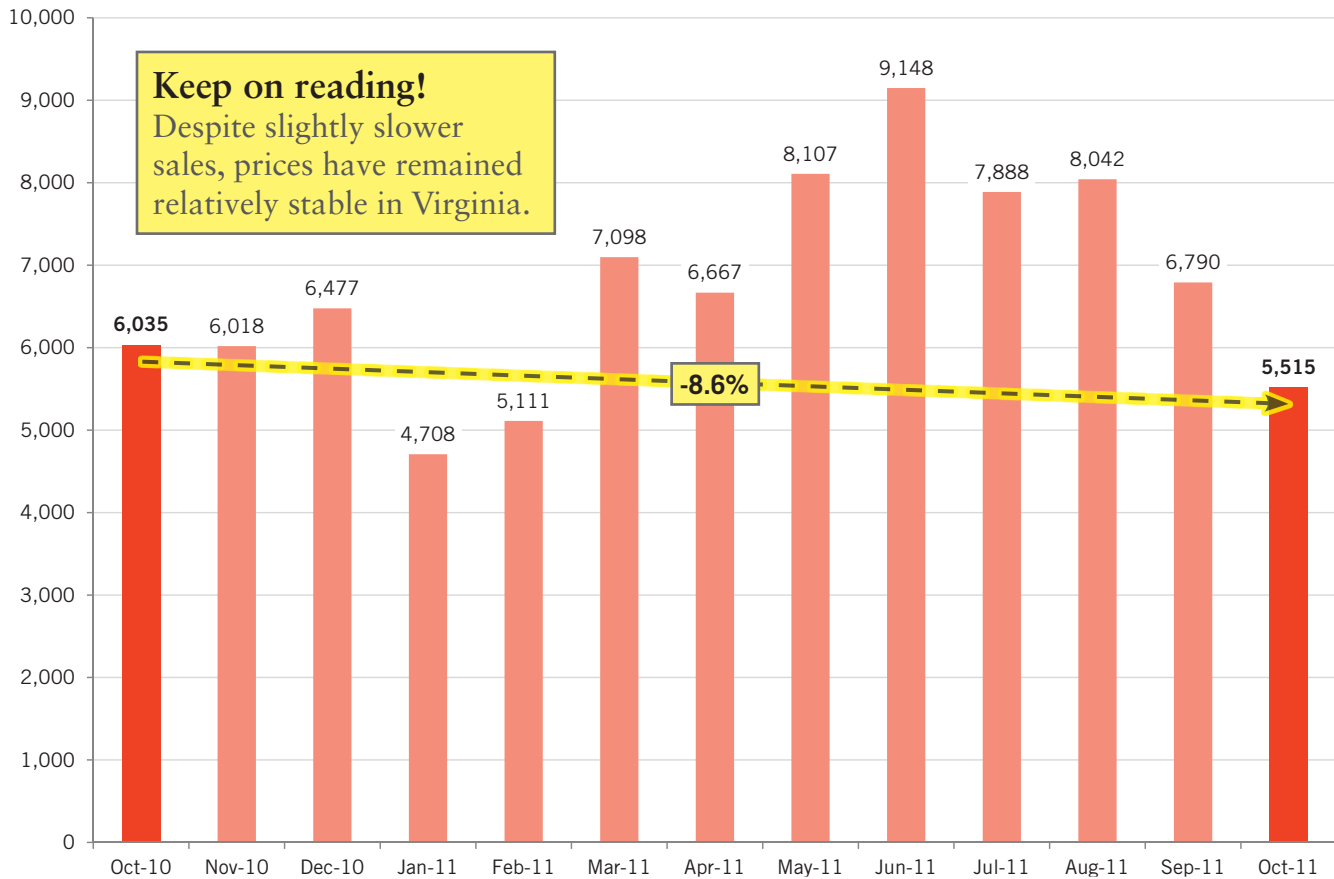
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Virginia's Monthly Pace of Residential Sales

Single Family, Townhomes, Condos

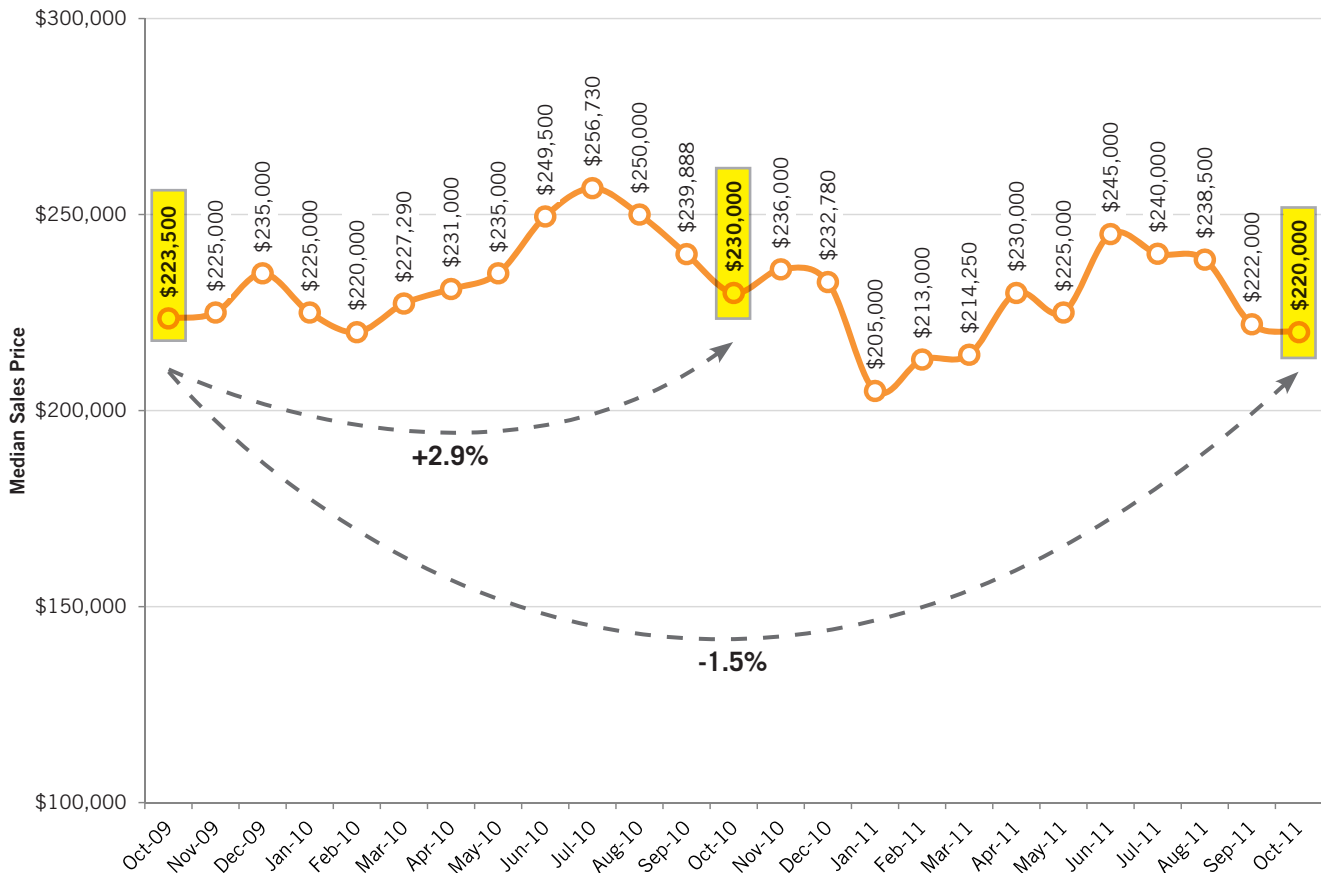


Virginia's housing market has fared relatively well in 2011 despite the lack of a federal home buyer tax credit. The year-to-date pace of home sales has only declined 2.8% over the past year, from 71,083 home sales in 2010 (YTD) to 69,074 home sales in 2011 (YTD).

After an 8% increase in sales during August 2011 (from August 2010), and a 6% increase during September 2011 (from September 2010), home sales then declined 8.6% in October 2011 as compared to October 2010.

Virginia Median Residential Sales Price

Single Family Homes, Townhomes, Condos



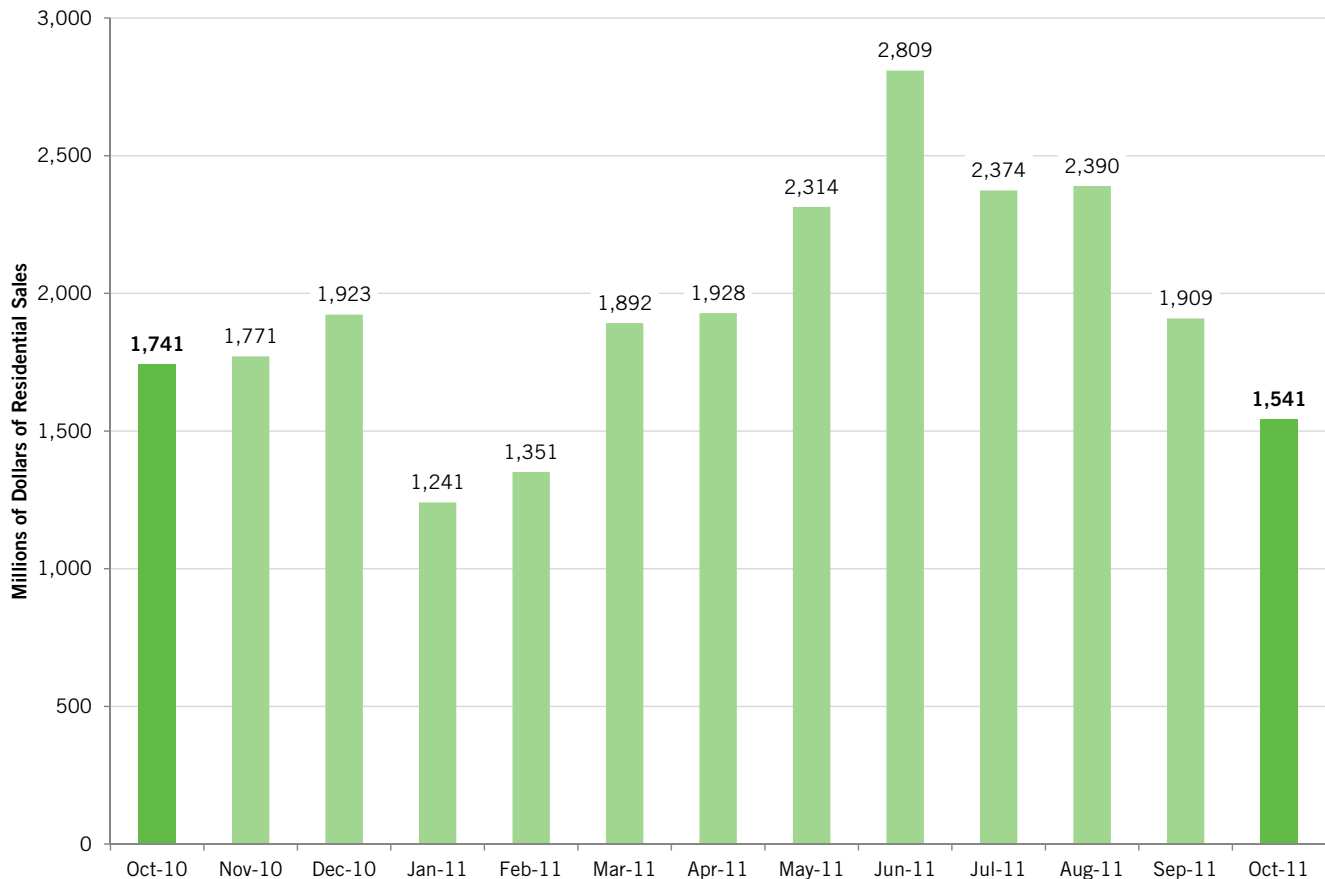
Despite significant month to month changes in Virginia’s median sales price during the course of each of the past two years, the longer term changes in the median sales price have been negligible. Median home values increased 2.9% between October 2009 and October 2010, and only decreased 1.5% between October 2009 and October 2011.

Given these nominal October to October changes in sales prices, it seems that the declines in over the past four months (from \$245,000 in June 2011) are solely a repetition of a normal seasonal trend. Indeed, median sales prices also decreased between last summer (\$256,730 in July 2010) and fall (\$230,000 in October 2010).

Assuming that we can learn from the past, median sales prices will likely continue to decline through January 2012 before starting to increase again. The long term trends, however, are the ones to watch -- which indicate only a very moderate decline (-1.5%) in median sales over the past two years.

Virginia Monthly Residential Sales Volume

Single Family Homes, Townhomes, Condos

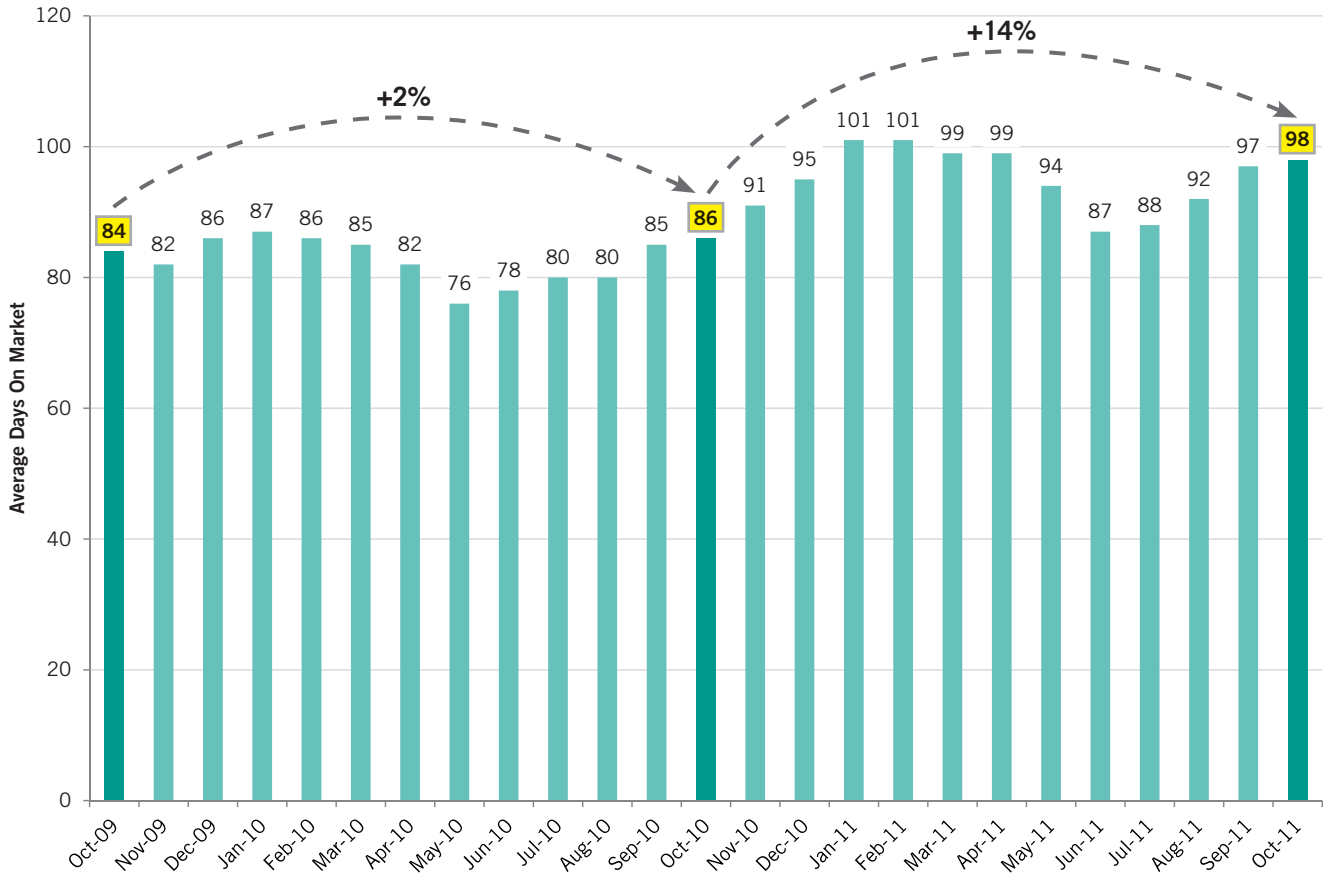


The total volume of real estate sold in Virginia during October 2011 (\$1.541B) marks an 11% decrease in the volume of real estate being transferred as compared to last October. This decline is to be expected given the slight decline in both median sales prices and the pace of residential sales.

It is important to note, however, that despite this 11% decline in October, 2011 YTD sales volume (\$19.7B) shows only a 5% decline from 2010 YTD sales volume (\$20.9B). This, again, is without the benefit of a federal home buyer tax credit in 2011 -- which makes this small decline a indication that we may see further stability in the housing market in 2012.

Virginia Average Days On Market

Single Family Homes, Townhomes, Condos

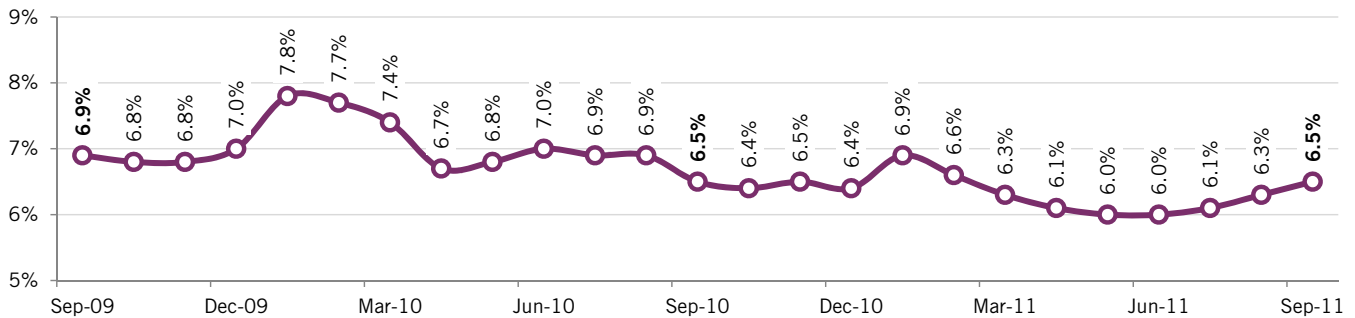


After only a 2% increase in average days on market between October 2009 (84) and October 2010 (86) there was a more significant increase in this metric (+14%) between October 2010 (86 days) and October 2011 (98 days).

It is typical to see increase in average days on market between the summer months and fall/winter months, but we are already approaching an average of 98 days on market, which is a good bit higher than might have been expected for October. Last year, of course, the impact of the federal home buyer tax credit may have significantly affected this metric, allowing homes to sell more quickly.

Virginia Unemployment Rate

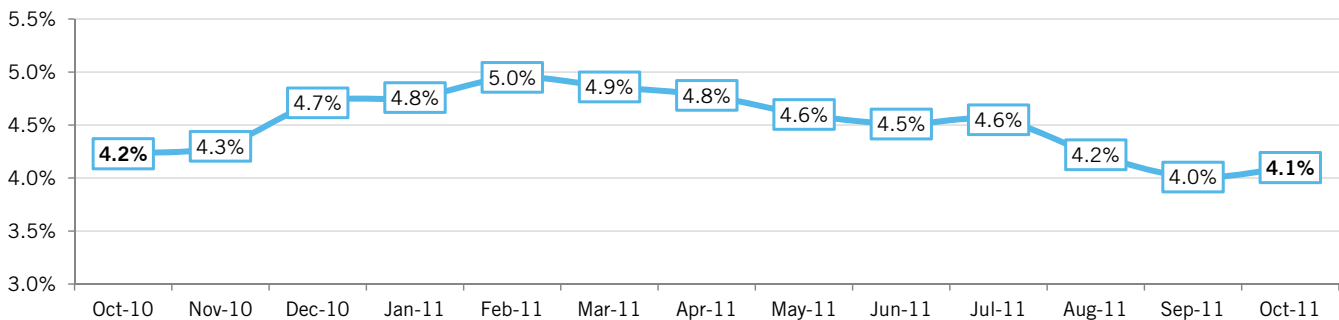
Source: Bureau of Labor & Statistics



While Virginia’s unemployment rate has gradually increased over the past several four months, it still remains quite low compared to the rest of the nation. The current level of 6.5% places Virginia 9th in the country for the lowest unemployment rate. While comparatively low, we still need to see stability or a decline in this rate for this to translate into an overall improvement in Virginia’s economy and Virginia’s real estate market.

Average 30-Year Mortgage Interest Rates

Source: FreddieMac



Mortgage interest rates remained remarkably low in October 2011 at 4.1% for a 30-year fixed rate mortgage. While showing a slight increase from September’s average of 4.0%, the current interest rates are still among the most favorable rates seen anytime in the past year. These tremendously low interest rates are making it quite compelling for buyers to step into the market, given how they can protect themselves from inflation by fixing their housing costs at such a low, long term rate.

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:

Stacey Ricks, Director of Public Relations
Virginia Association of REALTORS®
10231 Telegraph Road, Glen Allen, VA 23059
(804) 249-5716 Stacey@VARealtor.com
www.VARealtor.com/HomeSales

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