

VIRGINIA Y HOME SALES REPORT A **2012** M

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Virginia's Monthly Pace of Residential Sales

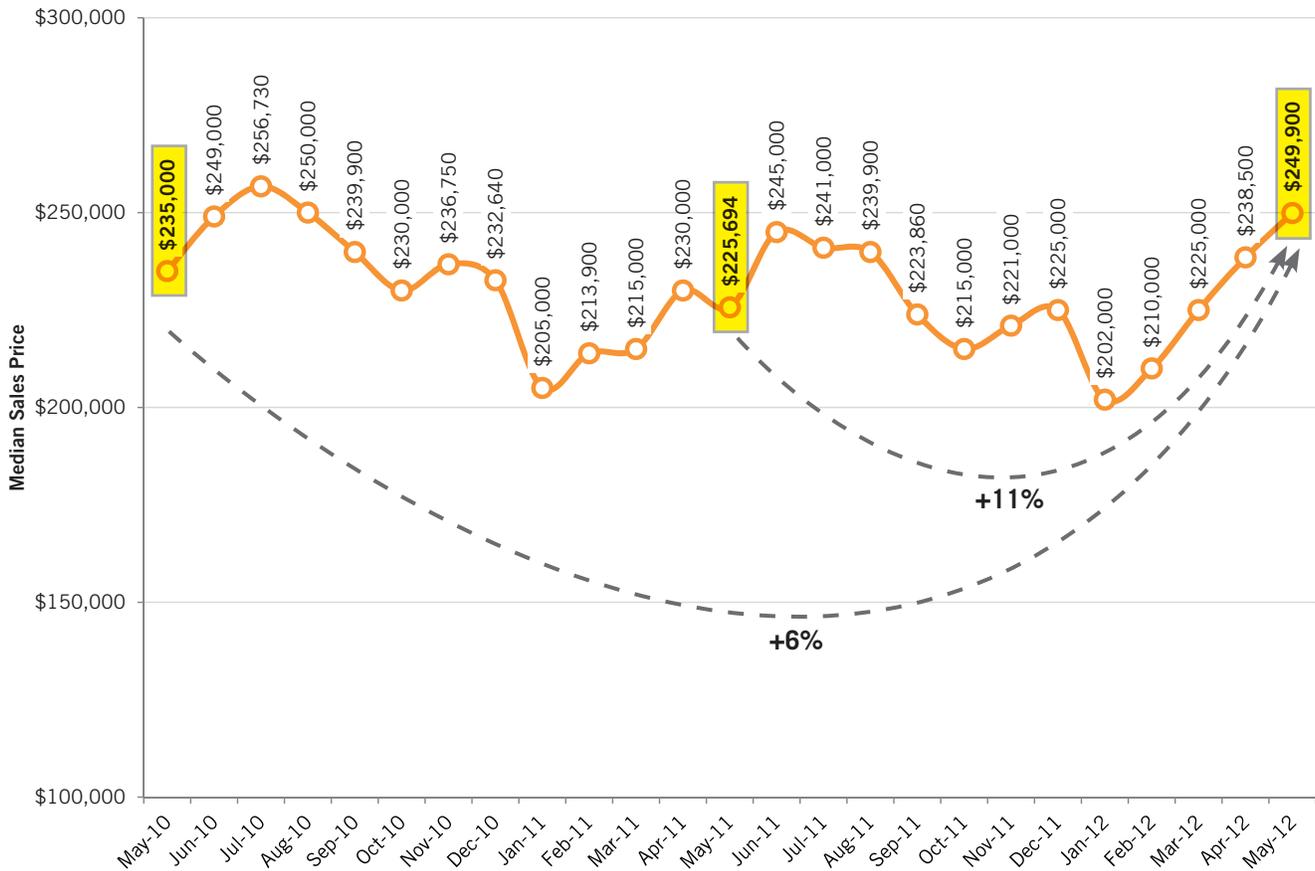
Single Family, Townhomes, Condos



The pace of Virginia home sales continued to increase in May 2012 with a 5% year over year increase to 8,835 home sales. Virginia's residential housing market has been strong throughout 2012, likely due to continued low unemployment rates in Virginia, as well as record low mortgage interest rates. If 2011 home sales are a predictor of the future, we should expect to see strong sales in June 2012, as that was the peak of home sales during 2011.

Virginia Median Residential Sales Price

Single Family Homes, Townhomes, Condos

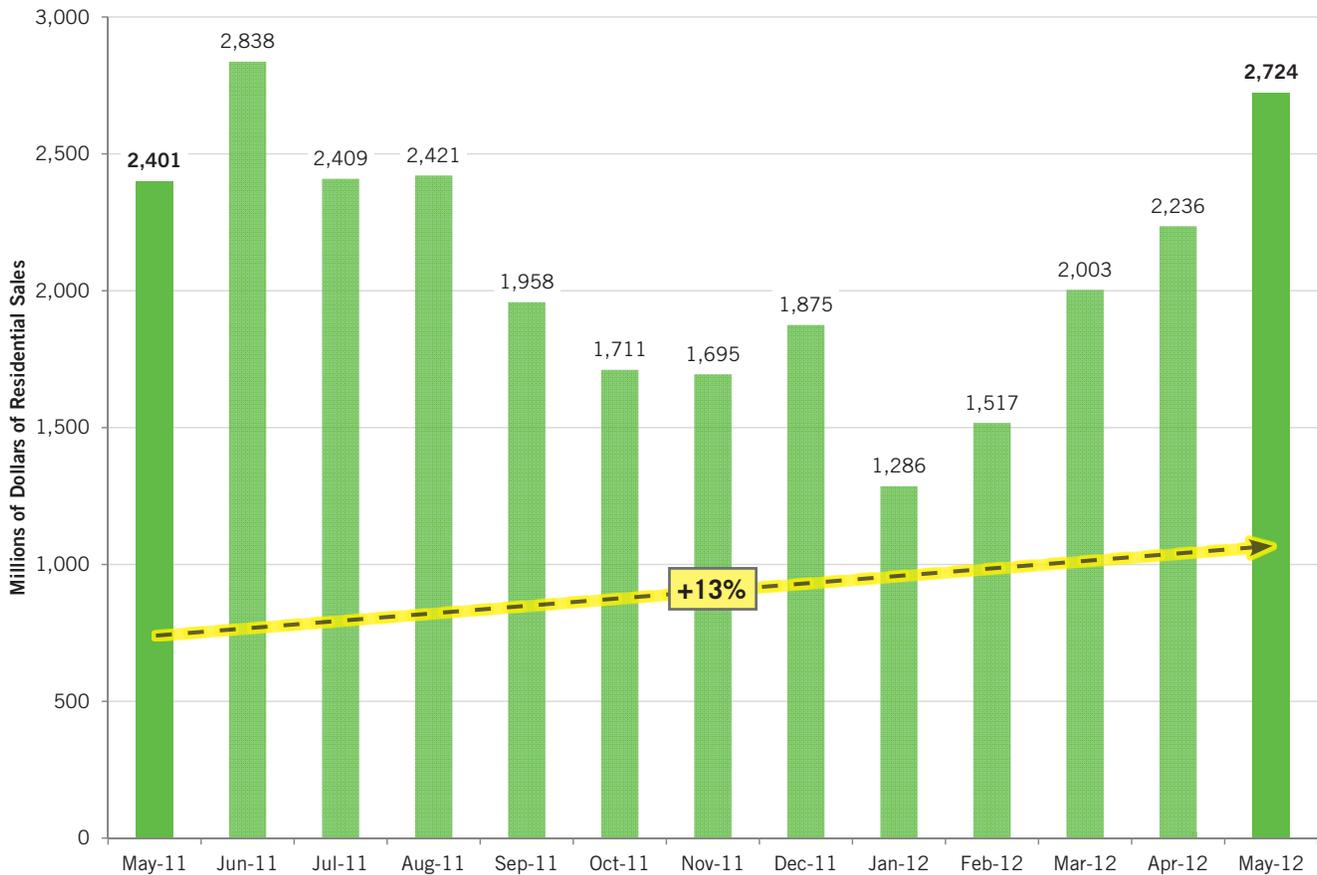


Alongside a 5% increase in the pace of home sales in Virginia (see Page 2), we also witnessed a strong increase in median sales prices in Virginia. The median sales price in May 2012 (\$249,900) marks an 11% increase from one year earlier (\$225,694), and a 6% increase from two years ago (\$235,000). This is also the highest median sales price seen in almost two years in Virginia.

It is typical in Virginia to see a steady increase in median sales price between January and June, thus we should expect to see median prices continue to rise over the next one or two months, possibly to somewhere around \$260,000 at the peak of the summer months. The increased pace of buyer activity is certainly helping to provide further stabilization and growth in median sales prices.

Virginia Monthly Residential Sales Volume

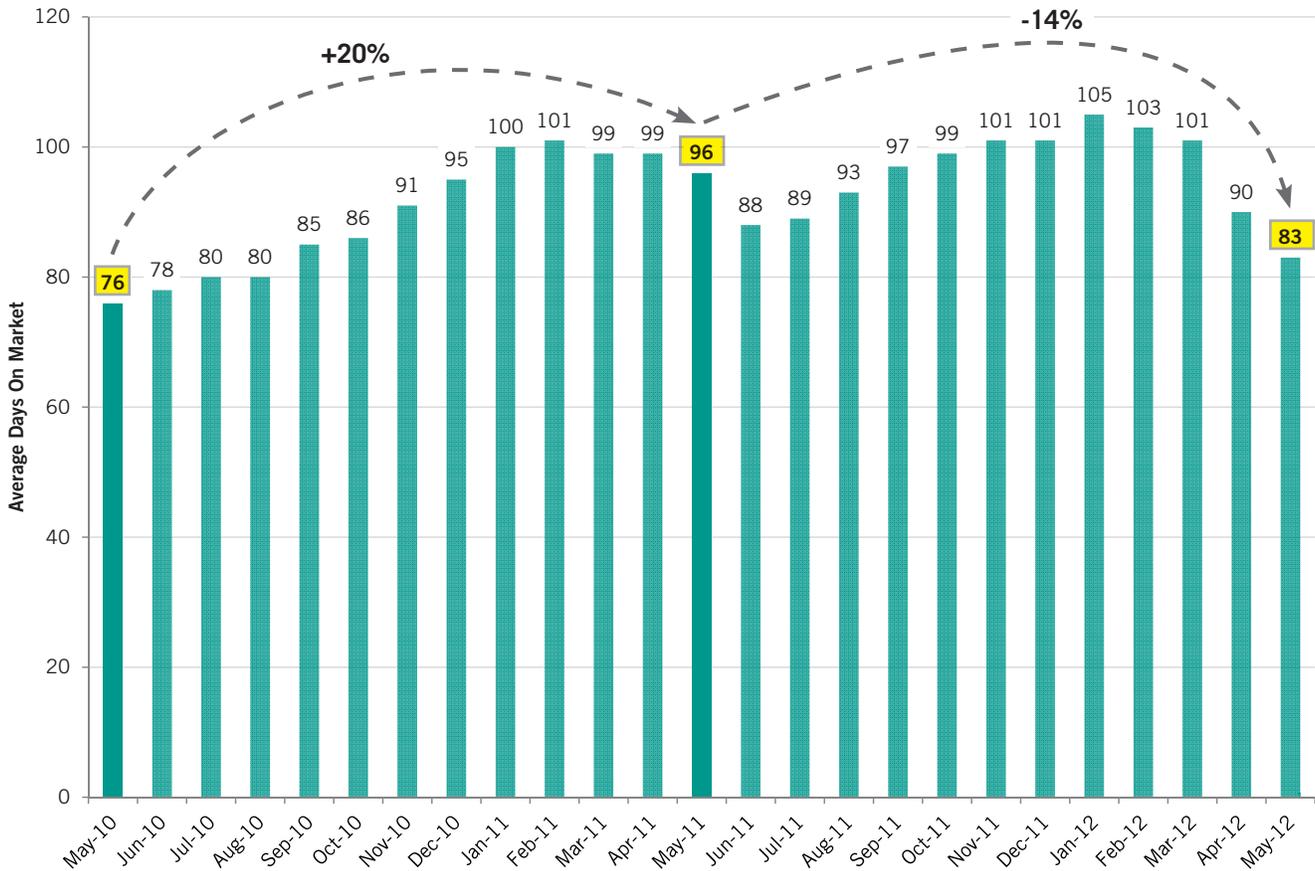
Single Family Homes, Townhomes, Condos



The total volume of real estate sold in Virginia during May 2012 (\$2.7B) marks a significant 13% increase in the volume of real estate being transferred as compared to last May. Given the recent increases in median sales prices (see Page 3), we should expect to see further increases in overall sales volume as the pace of sales increases (see Page 2).

Virginia Average Days On Market

Single Family Homes, Townhomes, Condos

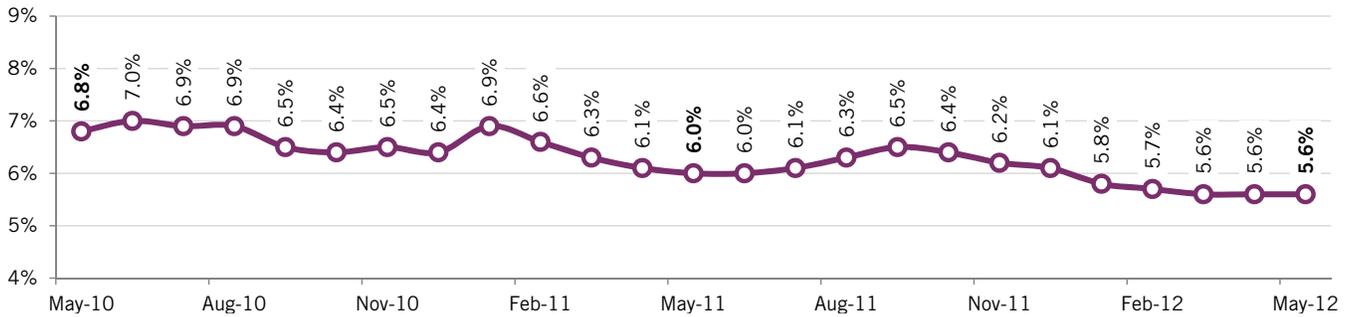


After a 20% increase in average days on market between May 2010 (76 days on market) and May 2011 (96 days on market) the 14% decline in this metric over the past year is a welcome change in trajectory.

It is typical to see a decline in average days on market during the summer months, thus we will likely see this metric continue to decline over the next one to two months.

Virginia Unemployment Rate

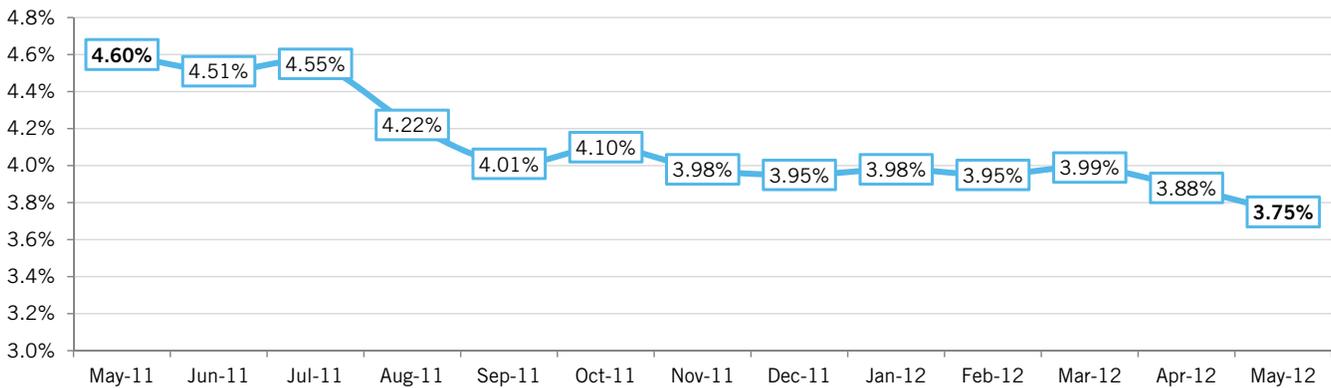
Source: Bureau of Labor & Statistics



Virginia's unemployment rate fell to its lowest level (5.6%) in the past two years in March 2012, and has remained steady at 5.6% for three months now, continuing through May 2012. The current level of 5.6% places Virginia in 9th place in the country for lowest unemployment rates.

Average 30-Year Mortgage Interest Rates

Source: FreddieMac



Average 30-year fixed mortgage interest rates hit another historic low in May 2012 with an average of 3.75% at the end of the month. This marks almost a full percentage decline as compared to one year ago. These tremendously low interest rates make 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.

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