

CAAR Market Report

2010 Third Quarter

Published by the Charlottesville Area Association of REALTORS®

Where Are We Now?

Overall, the pace of home purchases in the Charlottesville market area increased compared to last year at this time. In the first three quarters of 2010, area sales (2111) were up 3.6% from the same period in 2009 (2037). Realizing the tax credit of earlier this year had an impact on our market, we are not far enough removed from the influence of that event on our area to draw any conclusions. But as it stands now, we are still showing an increase in sales activity year over year.

As reported in the CAAR Mid-Year Market report, that data had indicated a continuation of price stabilization. Our third quarter year to date numbers bear this out, showing mixed results depending on the county. For the entire area, the median price was down slightly (-.4%) compared to last year at this time.

Home Sales for the First Nine Months

There were 2111 homes sold in the Charlottesville area in the first three quarters of 2010, which was up 3.6% (+74 sales) from 2009. Albemarle (+6.1%), Fluvanna (+18.8%), Greene (+9.5%), Louisa (+14.3%), and Nelson (+45.3%), all showed an increase in sales, while Charlottesville (-17.3%) and Orange (-8.5%) showed a decrease.

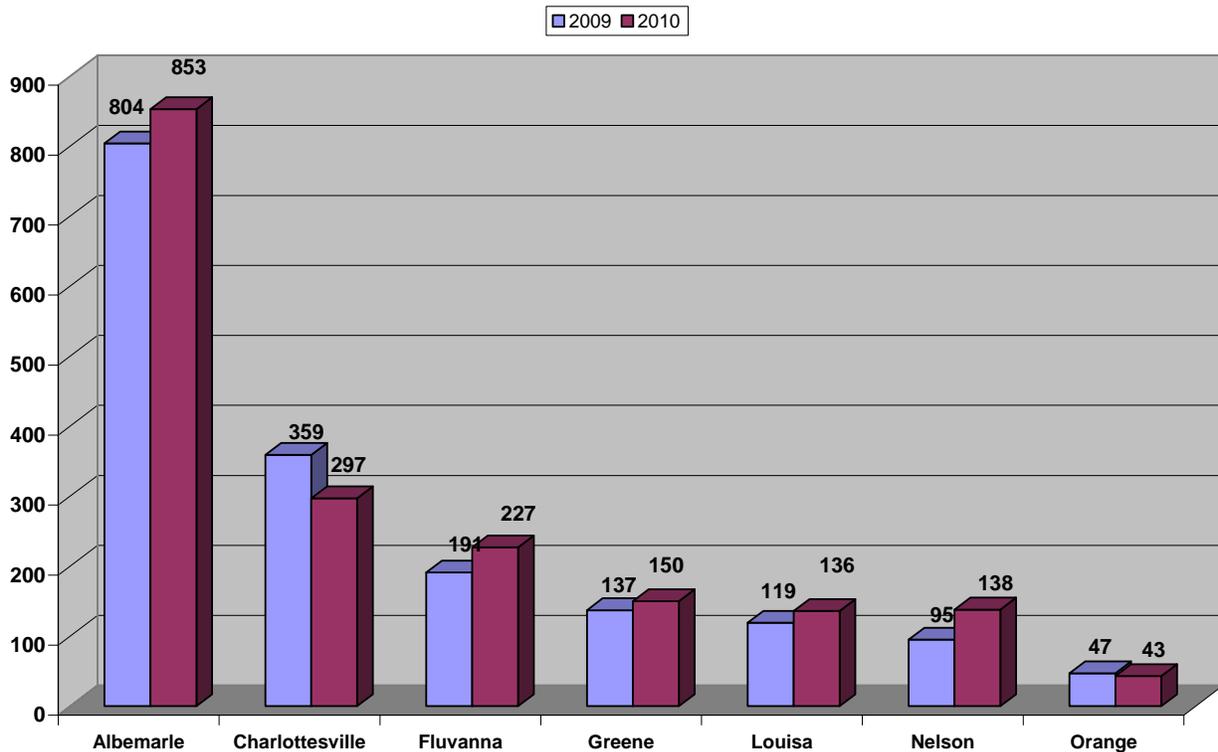
Sales in the Central Valley region were generated from the Greater Augusta MLS, which has more complete data on the Valley market than the CAAR MLS. Sales decreased in the Valley (-6.7%) compared to last year.

Year to Date (thru September) Residential Sales					
County	2006	2007	2008	2009	2010
Albemarle	1365	1192	837	804	853
Charlottesville	667	516	489	359	297
Fluvanna	423	344	253	191	227
Greene	236	161	142	137	150
Louisa	172	155	166	119	136
Nelson	182	143	124	95	138
Orange	91	92	66	47	43
Area Total*	3540	3045	2472	2037	2111
Central Valley**			529	655	611

*includes sales outside the counties listed

**numbers courtesy of the Greater Augusta MLS

Year to Date thru September Sales by County



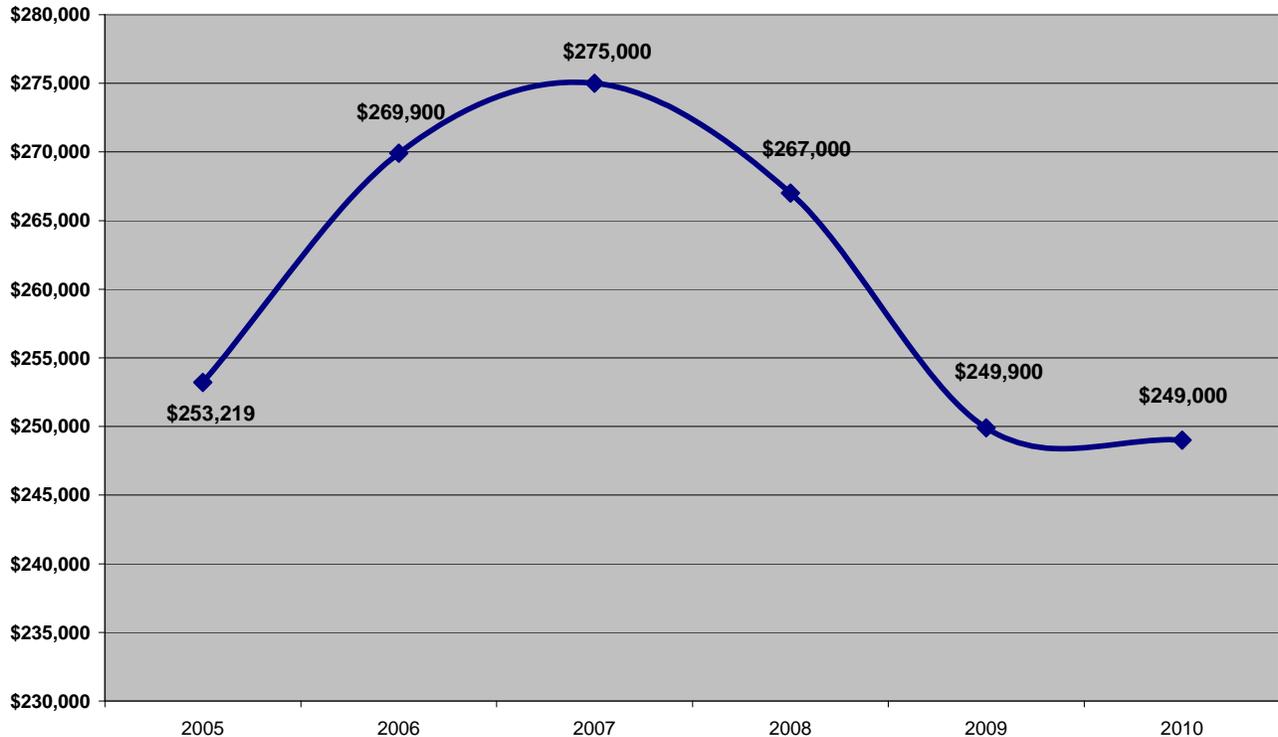
Median Area Prices

Year over year median area prices remain relatively unchanged. The median sales price at the end of the third quarter of 2010 is less than half a percent different from 2009. Taking an historical viewpoint, the median sales price is just below 2005, which was the middle of the price acceleration of 2002 to 2007.

The median prices listed below are the middle of the market of properties that sold. Simply put, this is an indication of what buyers were willing and/or able to pay and is not a true reflection of individual home prices. As shown below, median prices in five counties have increased, and the area price per square foot remained unchanged from last quarter.

Overall, the median home price (including attached homes) decreased by \$900 (-0.4%) compared to the first three quarters of last year. Due to the diversity of our area and range of home values, median prices may not tell you much about the value of your home. Consult a REALTOR® about conditions in your segment of the market. There are four counties that showed increases in their median prices: Albemarle (+1.7%), Fluvanna (+1.8%), Louisa (+5.9%), and Orange (+2.5%). The other areas covered in this report showed a decline as follows: Charlottesville (-2.5%), Greene (-1.4%), Nelson (-10.7%), and the Valley (-1.0%).

Median Sales Price (Entire Area)



Year to Date (thru September) Median Prices

County	2005	2006	2007	2008	2009	2010
Albemarle	\$282,600	\$317,000	\$308,095	\$315,000	\$285,000	\$289,965
Charlottesville	\$247,950	\$239,000	\$278,000	\$265,000	\$247,000	\$240,500
Fluvanna	\$228,300	\$242,900	\$255,000	\$244,900	\$201,400	\$205,000
Greene	\$232,429	\$271,315	\$278,000	\$265,000	\$254,000	\$250,370
Louisa	\$204,153	\$234,481	\$258,900	\$249,450	\$209,500	\$221,818
Nelson	\$297,000	\$293,750	\$305,000	\$300,000	\$300,000	\$268,000
Orange		\$269,000	\$271,500	\$217,500	\$155,000	\$158,800
Area Median*	\$253,219	\$269,900	\$275,000	\$267,000	\$249,900	\$249,000

*includes sales outside the counties listed

**numbers courtesy of the Greater Augusta MLS (note: these are average prices, not median)

Price per Square Foot (Finished)

Another indicator that allows us to see what is happening to home prices is the price per square foot numbers. The average price per square foot of finished space in homes is not an exact science, but a downward trend over the years clearly indicates a decrease in prices (and vice versa). The third quarter number held its own year to date, and shows a slight decline year-over-year.

Price Per Finished Square Foot (Year to Date September)					
County	2006	2007	2008	2009	2010
Albemarle	176	175	169	152	148
Charlottesville	204	195	188	172	163
Fluvanna	142	141	135	121	117
Greene	157	152	145	131	129
Louisa	147	149	135	113	113
Nelson	211	208	192	175	164
Orange	167	170	132	110	98
Area Average*	172	168	160	145	140
Central Valley**			136	113	117

**includes sales outside the counties listed*

***based on CAAR MLS data*

Inventory of Homes for Sale

The inventory of homes for sale in the Charlottesville area has decreased slightly since the end of the 2nd quarter, but is up from last year at this point in time. As we have reported for the past year, excess inventory is causing many of the problems with our local housing market. Until we are able to reduce the number of homes for sale, we will continue to have soft home prices.

As of this writing, we have 3,506 homes on the market, compared to 3,425 at this time last year, an increase of 4.0%. The median price of homes currently for sale is \$288,500, which is \$6,000 less than last year. The average DOM (days on market) of these homes is 157 days, which is 2 days less than last year and 40 days more than homes that sold this year. The most telling statistic related to homes currently on the market is that the average price per square foot is \$195, compared to \$140 for homes that sold in the first nine months of the year.

Housing affordability continues to be the positive aspect of this market. There are 1060 homes for sale at \$200,000 or less, with an average DOM of 148 and an average price per square foot of \$196. This is 181 more homes in this price range than last year at this time. There are 264 homes currently on the market priced at a million dollars or more, as compared to 270 last year with an average DOM of 253, up from 244.

Days on Market (DOM)

In this market, the average days (DOM) a property stays on the market is less important than it would be in a more balanced market. There are many variables in the marketplace – excess inventory, foreclosures, short sales, and financing issues – that affect the length of time a property is on the market. This year to date report continues the trend of stability in days on the market that we saw at this point in time both in 2008 and 2009. We are still in a buyer's market, which means the best way to shorten the days your property is on the market is to price it correctly.

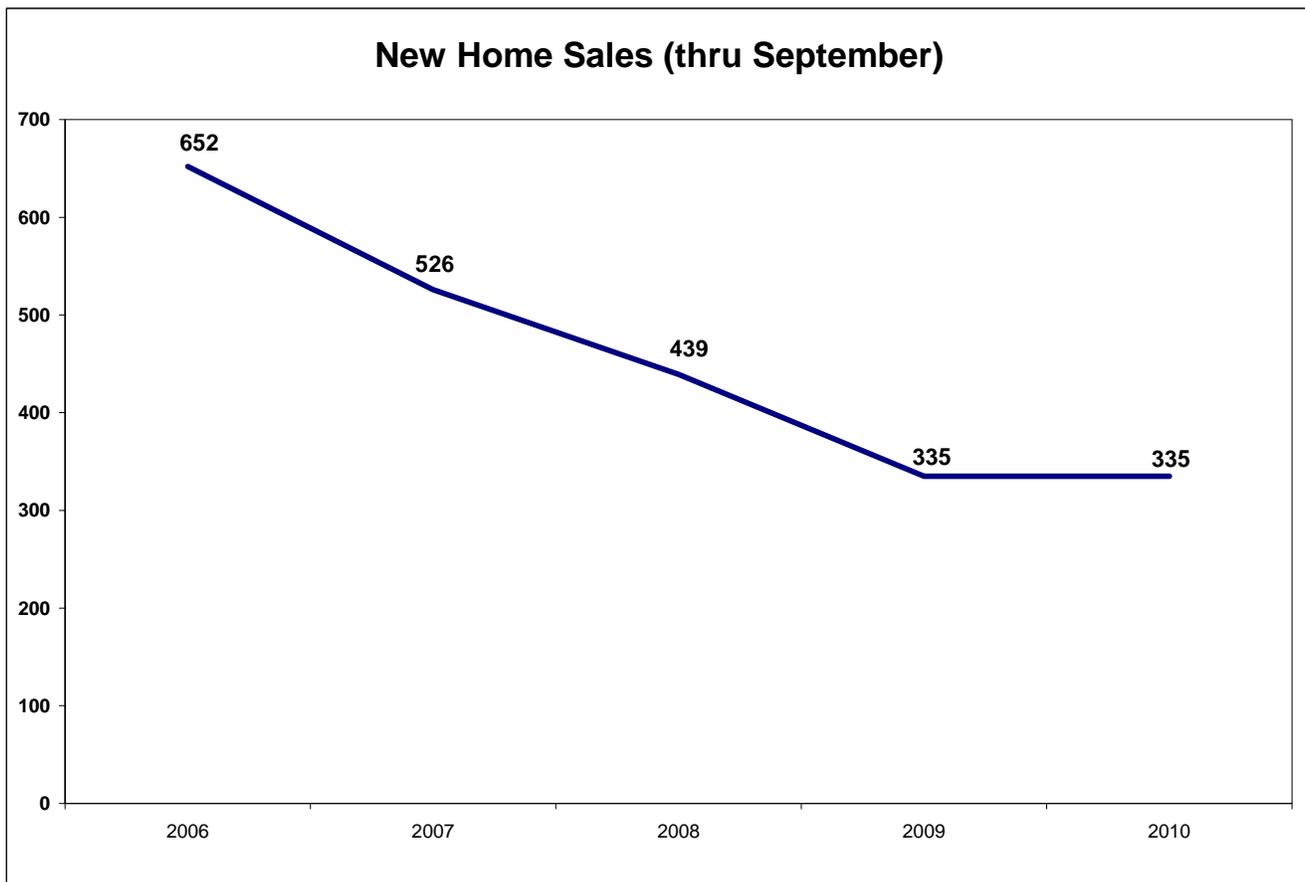
Average Days on Market (thru September)					
County	2006	2007	2008	2009	2010
Albemarle	62	89	114	103	108
Charlottesville	54	71	112	119	108
Fluvanna	74	86	124	122	87
Greene	77	90	102	95	104
Louisa	87	129	113	134	112
Nelson	86	108	139	157	171
Orange	77	105	140	138	121
Area Average*	70	91	118	119	117
Central Valley**			143	150	161

*includes sales outside the counties listed

**numbers courtesy of the Greater Augusta MLS

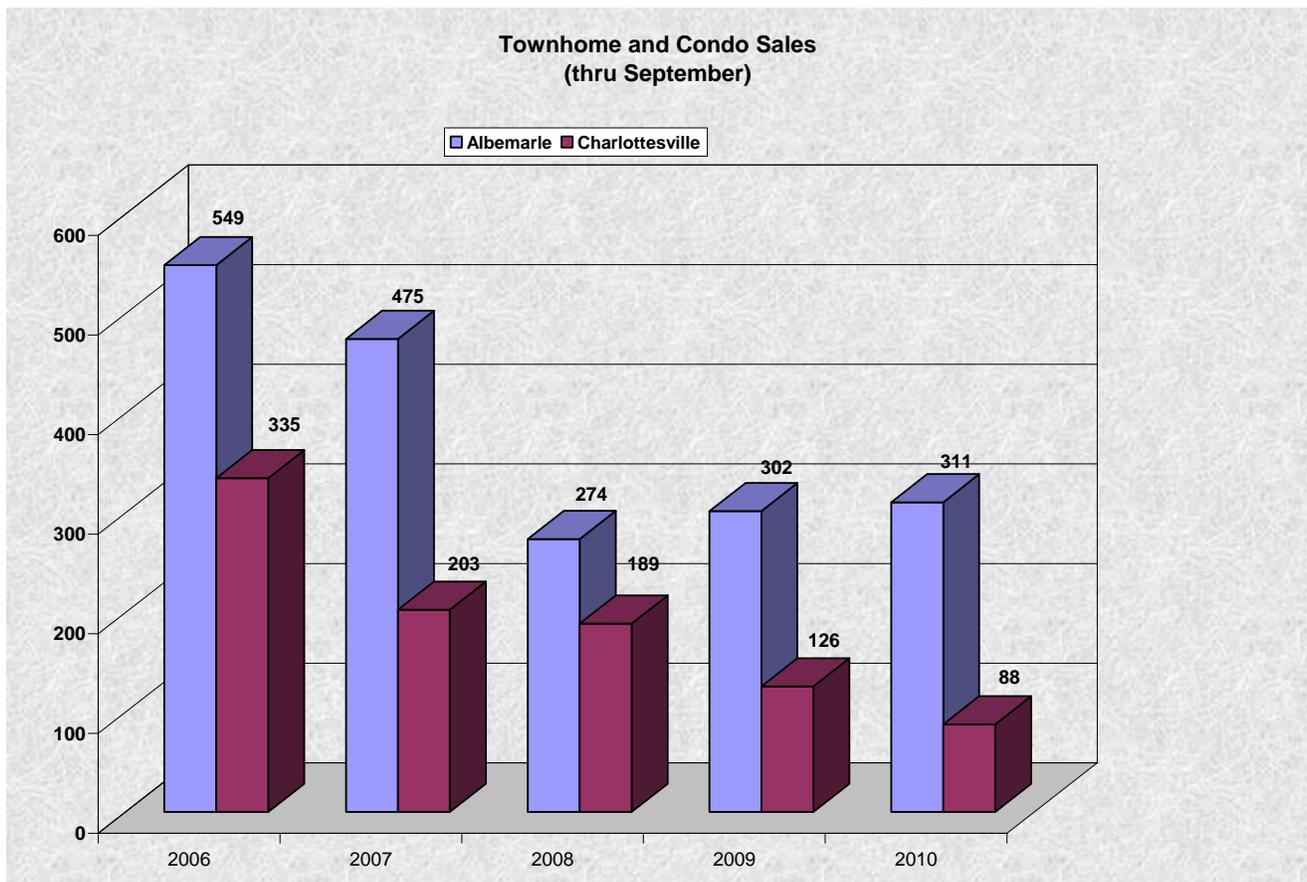
New Construction Leveled off

It is important to note that many “new” homes are not included in CAAR MLS statistics. Some buyers work with a builder directly to custom build a home. With that said, the historical perspective of the pace of new home sales gives us a reasonably good picture of the market for new construction. As the chart below shows, new home sales seem to be leveling off. If this continues for the next several quarters, then we may be able to say that 2009-2010 was the bottom of the new home construction market.



Condos and Townhomes (Attached Homes)

The sale of attached homes is only reported in Charlottesville and Albemarle because very few properties in this category are located in other counties, except Nelson. Since the condos in Nelson are primarily in the Wintergreen Resort market, these numbers are not included. While the sale of attached homes in Albemarle increased just slightly (+2.9%) in 2010 compared to the same period last year, the City of Charlottesville continues to show a continuous and strong downward trend (-30%). This may be the result of the absence of new townhome communities in the city as well as a decrease in condominium sales. The Albemarle median sold price dropped slightly, from \$221,750 to \$220,000, which has been fairly consistent for the last 5 years, while the days on market increased to 103 from 78 last year. In Charlottesville, there were only 88 attached home sales, with the median price also down 10.4% from \$218,950 to \$196,100. The days on market decreased from 147 to 106. This indicates that the listings may now be priced more appropriately.



Conclusions and Predictions

Due to the influence of the home buyer tax credits of earlier this year, it is difficult to draw conclusions at this time. We should be able to learn more about this market by looking back after the fourth quarter and comparing the two years in their entirety.

CAAR will continue to watch the median price of homes for sale to see if the prices continue to stabilize during the last quarter of the year, traditionally a slower time in the marketplace. A reduction in inventory will help take pressure off home prices and indicate that the market is becoming more balanced. Price sensitivity is still the key factor in this market, so if you are considering the sale of a home, be sure to have a REALTOR® or appraiser prepare a comparative market analysis (CMA) for your property so that you can price it correctly based on your goals. And, if you are considering a

purchase, a REALTOR® can help you understand the current marketplace so you can be confident in purchasing a home that is just right.

This Quarterly Market Report is produced by the Charlottesville Area Association of REALTORS® using data from the CAAR MLS and the Greater Augusta MLS where noted. For more information on this report or the real estate market, pick up a copy of the CAAR *Real Estate Weekly*, visit www.caar.com, or contact your REALTOR®.