



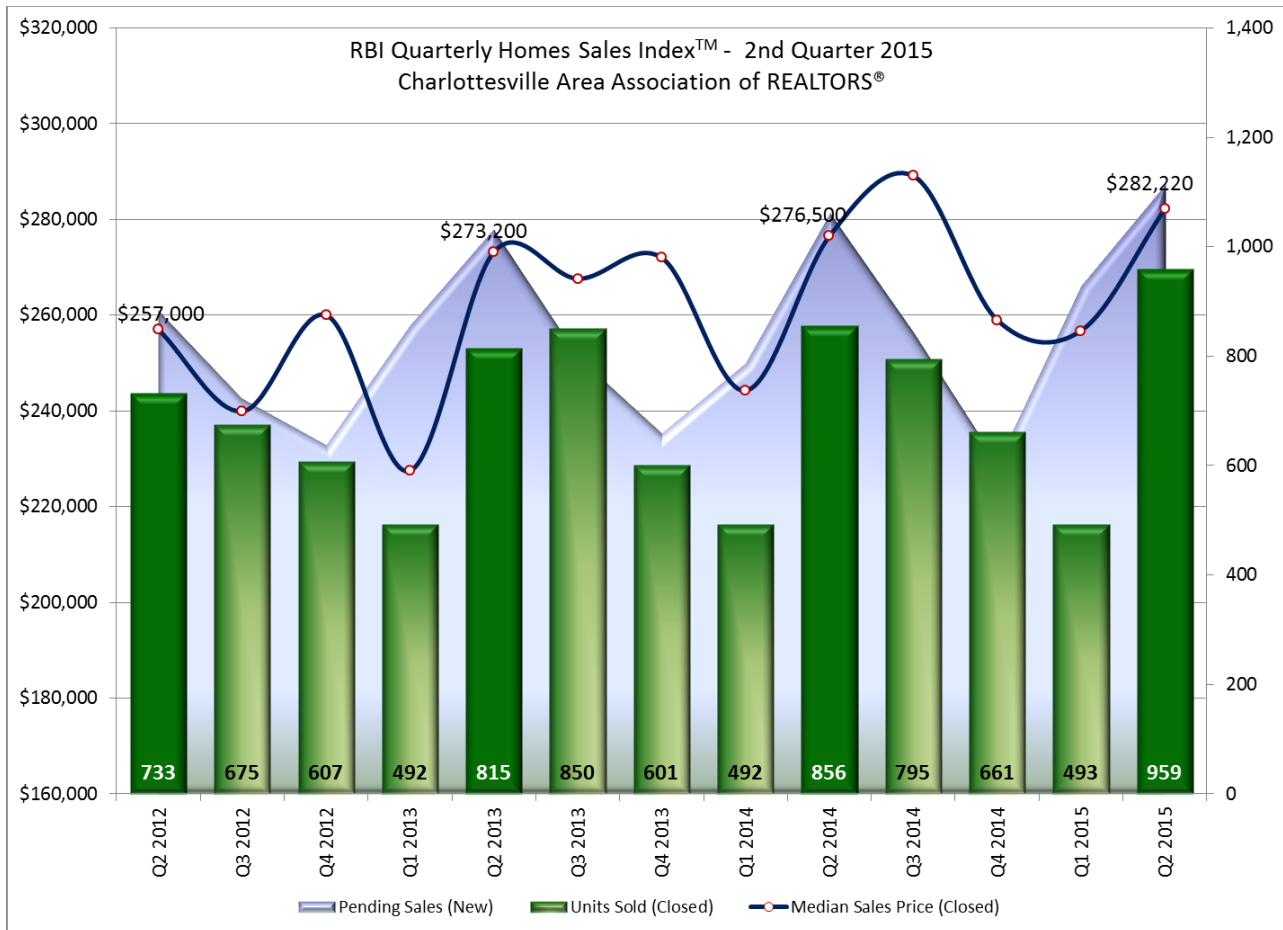
**CHARLOTTESVILLE AREA
ASSOCIATION OF REALTORS®**
The voice of real estate in Central Virginia

2015 2nd Quarter Market Report

CAAR Member Copy – Expanded Edition

Charlottesville Area 2nd Quarter 2015 Highlights:

- Closed sales in the Greater Charlottesville area up significantly 12.0% versus last year, with the 959 closed sales, marking the highest quarterly tally since 2007.
- Median sales price for the region increased 2.1% from Q2-2014, rising from \$276,500 to \$282,220.
- Half of the homes sold in the 2nd Quarter were on the market 33 days or less, the lowest median days-on-market since 2006.
- On average, sellers received 95.8% of original list price, up from 95.1% last year and the highest level since 2007.
- Active inventory is now 11.5% lower than last year, while purchase activity is high and new listings coming online are stable to 2014 levels.



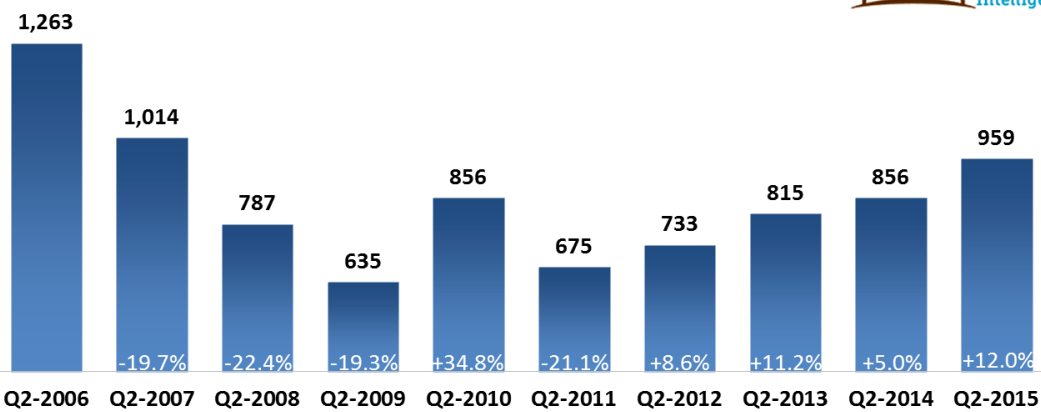
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Sales Activity –

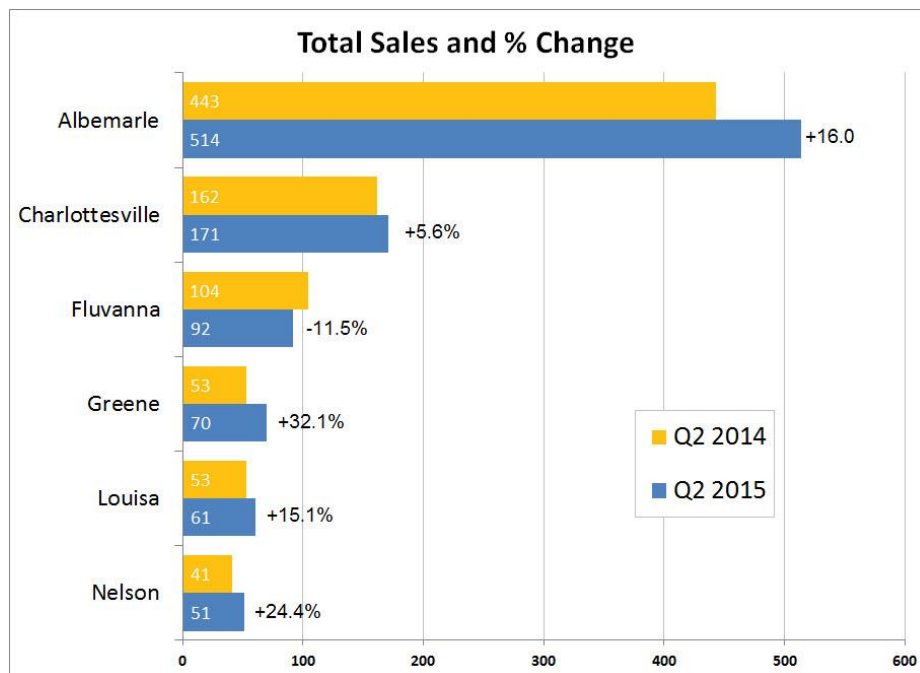
After an uneven start to 2015 where sales were virtually flat in the 1st Quarter, the Greater Charlottesville market picked up considerable steam during the spring season as closed sales rose 9.7% in May and spiked 27.1% in June versus last year. All told, the 959 closed sales in the 2nd Quarter exceeded last year's tally by more than 100 units (+12.0%), representing the most sales for any quarter since 2007. Sales activity picked up 94.5% compared to the 493 sales in Q1, exceeding the ten-year average Q1 to Q2 sales gain of 77.1%. "The pace of sales continued to accelerate in the second quarter, posting double-digit percent increases in both units sold and total dollar volume. These indicators confirm the strength of our local market and the continued rise in second quarter pending sales bodes well for the second half of the year," said CAAR President, Anita Dunbar.

The acceleration resulted in an 8.9% spike in total dollar volume to \$495.4M. The \$325.6M in sales volume in the 2nd Quarter topped the 2014 mark by \$40.8M, an increase of 14.3%. Further, at mid-year, despite the flat sales growth of Q1, the year-to-date sales total is now 10.3% higher than the same period last year, due to the strong performance of the second quarter.

Greater Charlottesville - Q2 Closed Sales



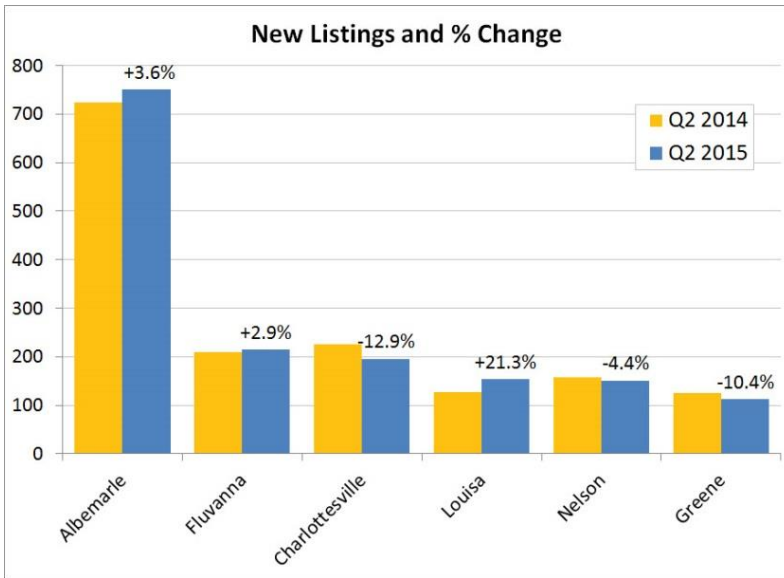
Five of the six jurisdictions saw year-over-year sales gains in Q2, with Greene (+32.1%) and Nelson (+24.4%) leading the pack in percent increases. The 514 Albemarle sales topped the Q2-2014 mark by 71 sales, an increase of 16.0%. Louisa had eight more sales than last year, climbing 15.1% to 61 sales. The city of Charlottesville experienced a more modest sales uptick, increasing 5.6% to 171 sales. For the third time in the last four quarters, Fluvanna sales were down by more than a tenth, falling 11.5% versus Q2-2014. Year-to-date, Fluvanna sales are down 11.9% versus 2014, the only county with a decrease.



Inventory –

The 1,114 new pending sales over the course of the 2nd Quarter represented a 4.9% increase over Q2-2014. Notably, within the quarter, 406 new pending sales in April 2015 marked the highest monthly tally since May 2006 and a 4.9% year-over-year increase. Though May's tally lagged last year's total by 4.5%, contract activity picked up again in June, climbing 7.5% and boding well for settlement activity heading into the 3rd Quarter. At quarter's end, there were 889 total listings pending sale, 16.7 percent higher than at the same point last year. Interestingly, Fluvanna, the county where closed sales continue missing last year's marks, has 41.0% more listings in pending status than at the end of Q2-2014. Unfortunately, Fluvanna also ended Q1 with 30.1% more listings pending sale than last year, but ultimately this didn't result in a year-over-year increase in closings in April (-34.4%) or May (-5.7%).

Though contracts and sales saw significant gains, the 1,578 new listings added in the 2nd Quarter were essentially flat, marking only 10 more listings than the 1,568 added in Q2-2014. Louisa had the largest increase in new listings, with 27 more sellers entering the market representing a 21.3% gain to 154. Albemarle had 26 more listings added, but its jump to 750 new listings was only a 3.6% uptick. Fluvanna was the other county with more sellers entering the market in the 2nd Quarter, increasing a modest 2.9% (+6 listings).

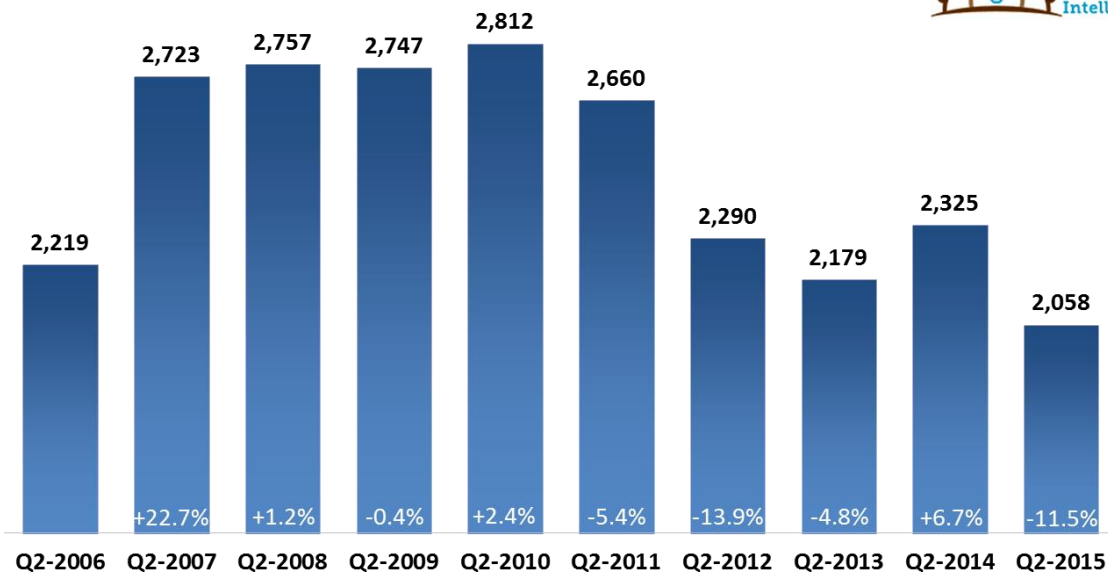


more sellers entering the market representing a 21.3% gain to 154. Albemarle had 26 more listings added, but its jump to 750 new listings was only a 3.6% uptick. Fluvanna was the other county with more sellers entering the market in the 2nd Quarter, increasing a modest 2.9% (+6 listings). Charlottesville (-12.9%), Greene (-10.4%) and Nelson (-4.4%) all had fewer listings added than Q2-2014.

The flat growth in new listing activity coupled with sales activity gains leaves active inventory headed into the 3rd Quarter down by 11.5% compared to last year. Using the average monthly sales pace over the last twelve months, the 2,058 active listings represent 9.4 months of supply. "While the region remains a buyer's market in the 9 month range, the

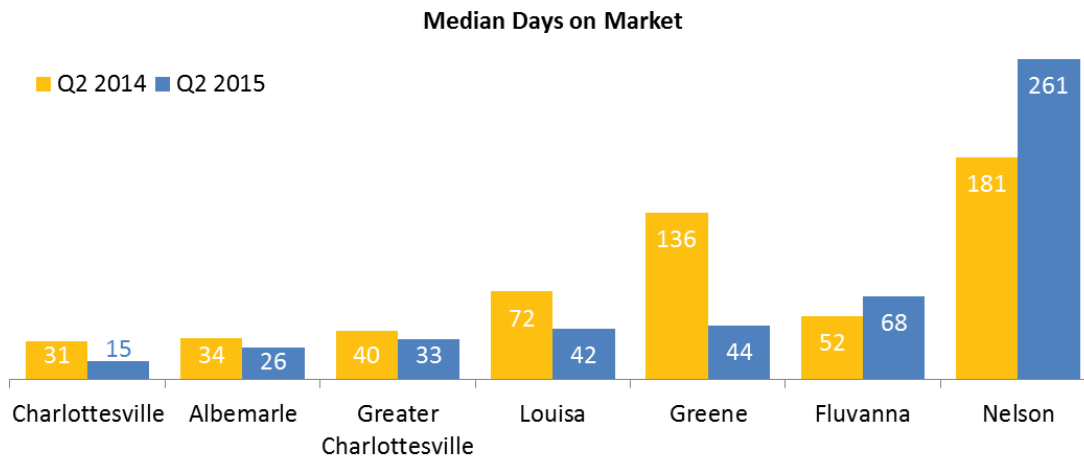
absorption of inventory from 10.8 months of supply one year ago is a welcome trend for sellers," said CAAR President-Elect, Donna Patton. "This is the first time in eight years where supply at mid-year has dipped below 10 months."

Greater Charlottesville - Active Inventory at Quarter's End



Days on Market (DOM) and Pricing –

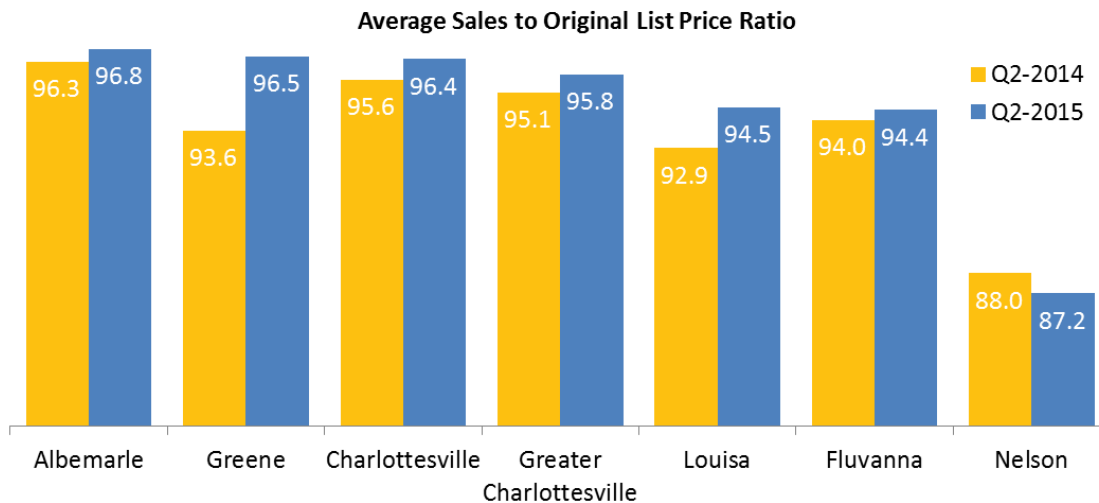
Homes sold in the 2nd Quarter received contracts faster than any quarter since 2006. Half of the closed sales were on market for 33 days or fewer, a week better than the 40-day median DOM in Q2-2014. Two of every five homes sold during the quarter (42.1%) were on market less than three weeks. The 51 homes in the \$500k-\$600k price range sold fastest, with a median DOM of only 11 days. With a median DOM of 16 days, townhomes sold faster than detached homes (35 days) and condos (60 days).



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Median DOM levels improved in four of six jurisdictions, led by a decrease of more than 90 days in Greene, where half the homes sold in 44 days or fewer. Leading the blistering speed of sales going under contract is the city of Charlottesville, which had a median DOM of 15 days and Albemarle at 26 days. Louisa was the fourth area to post an improvement, with median DOM falling by a full month to 42 days. Half of Fluvanna's Q2 sales were on market 68 days or longer, marking a 16-day increase from the 52-day median DOM last year. Like last year, Nelson homes took longest to sell, with a median DOM of 261 days, meaning the majority of Nelson's Q2 sales were on market for over eight months prior to contract.



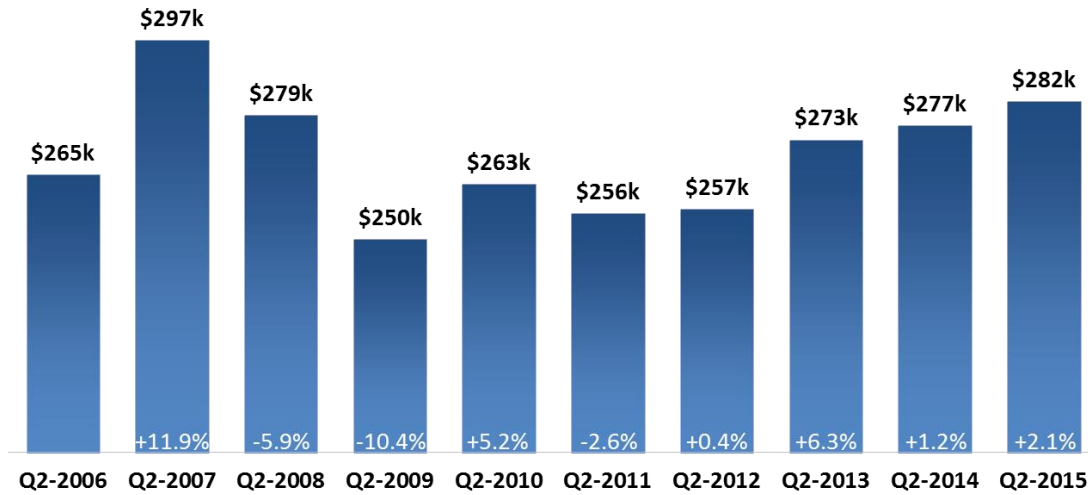
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The average percent of original list price received at sale ticked up to 95.8% in Greater Charlottesville, marking the highest quarterly level since 2007. As demand picked up relative to supply, five of the six jurisdictions saw gains in their average Sales Price (SP) to Original List Price (OLP) ratio, led by a 2.9 point bump in Greene. At 96.8%, the average SP to OLP ratio in Albemarle was the highest in the region. The city of Charlottesville also had a higher mark than the regional aggregate with an average SP to OLP ratio of 96.4%. Louisa sellers saw a 1.6 point improvement compared to Q2-2014 and Fluvanna's 94.4% was slightly higher than last year. Nelson sellers took an average 12.8 percent less than their original list price at sale, another indicator of the extreme buyer's market in that area.

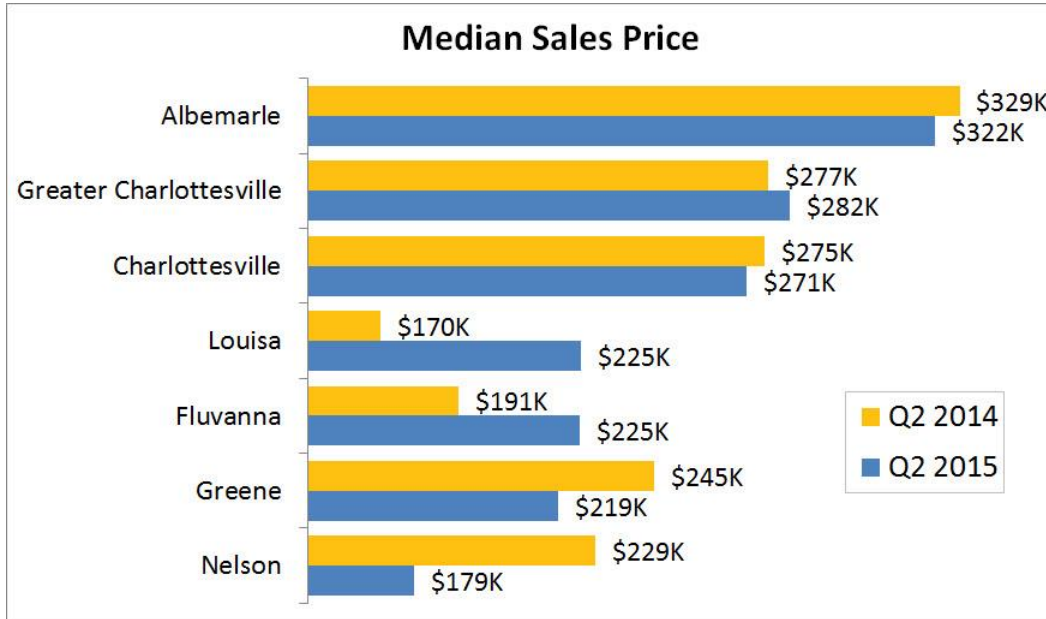
Home Prices –

Greater Charlottesville - Q2 Median Sales Price



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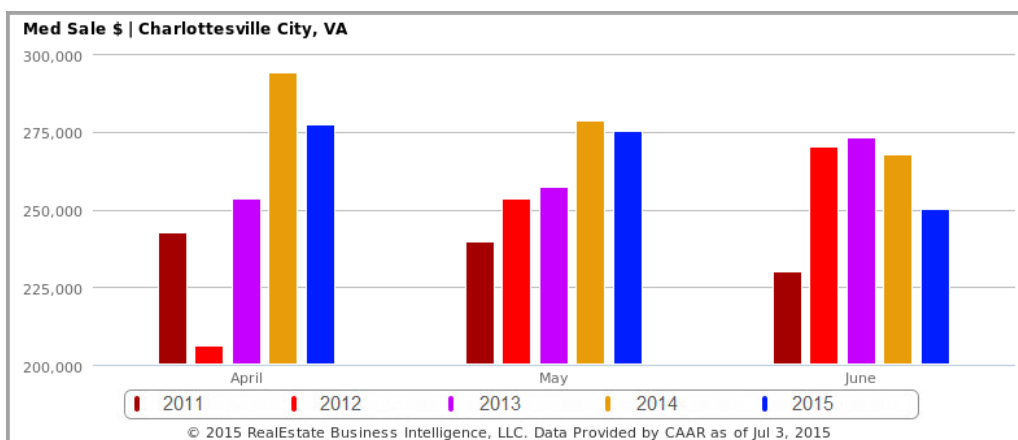
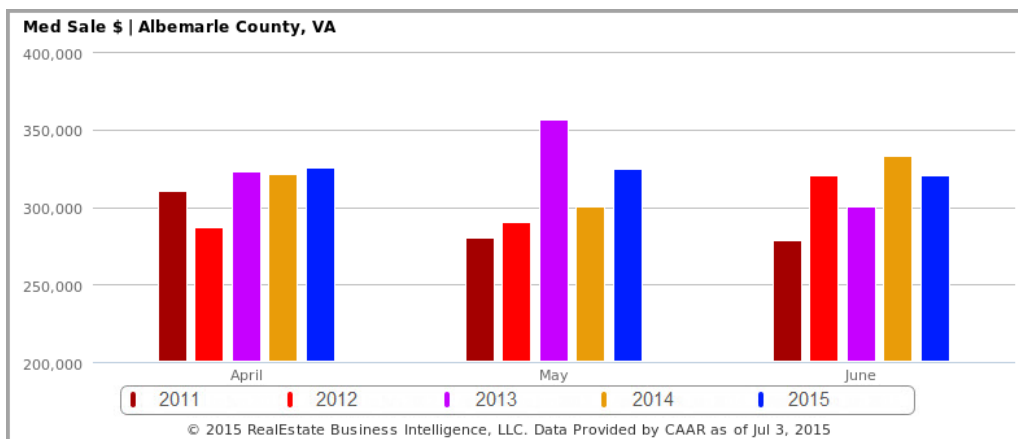
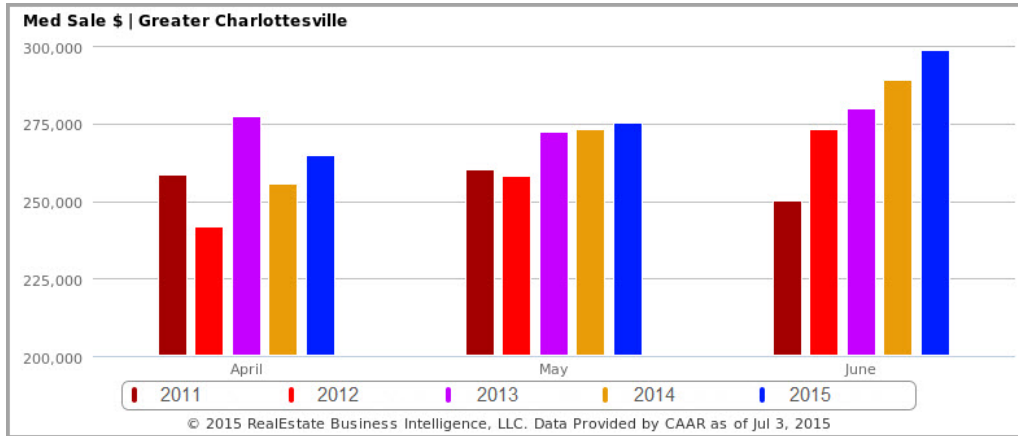
At \$282,220, the 2nd Quarter median sales price in Greater Charlottesville reached the highest Q2-level since 2007. It was 2.1% higher than Q2-2014, the second straight quarter with year-over-year gains, and shows a 9.8% appreciation since 2012 when the 2nd Quarter median was \$257,000. Townhomes saw the highest year-over-year price gains, increasing 5.3% to \$258,000. The \$309,450 median price for detached homes represented a 3.8% increase. The \$145,999 median price for condos sold in the 2nd Quarter was 4.6% down from Q2-2014.

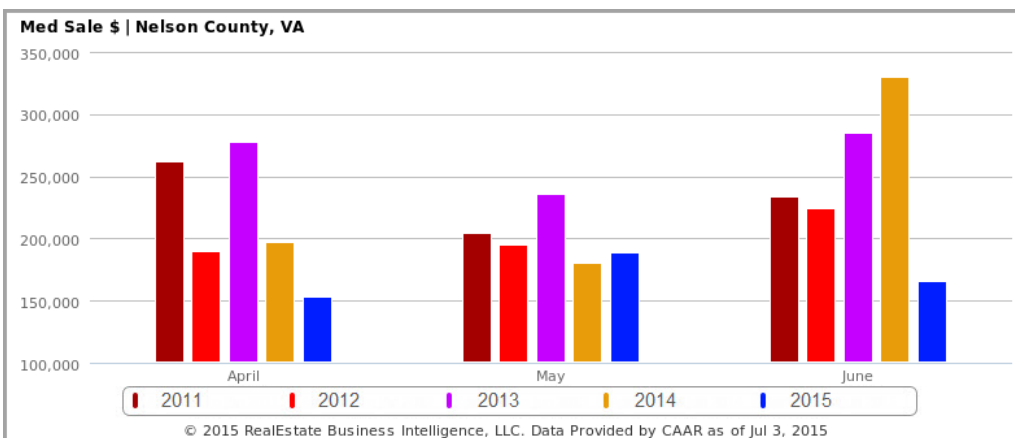
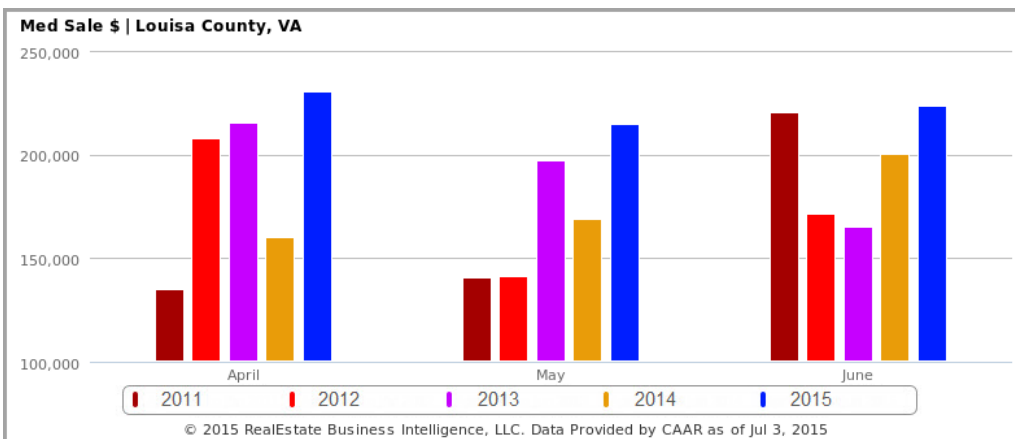
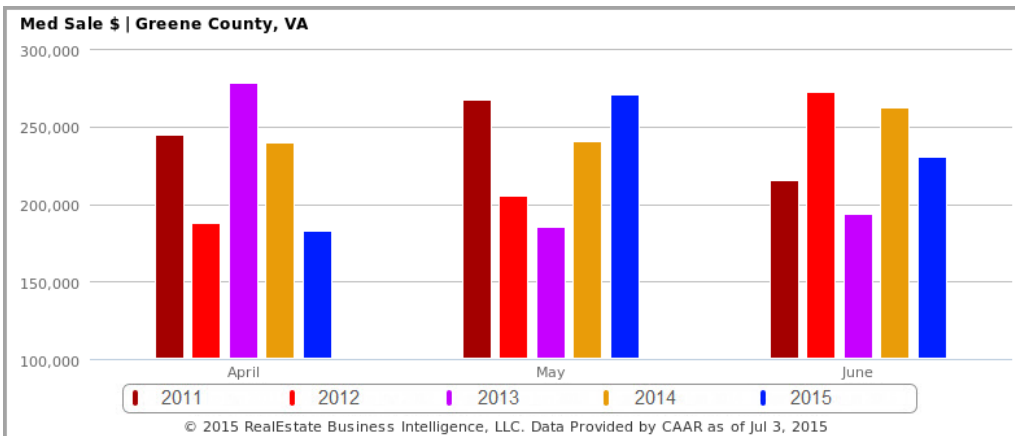
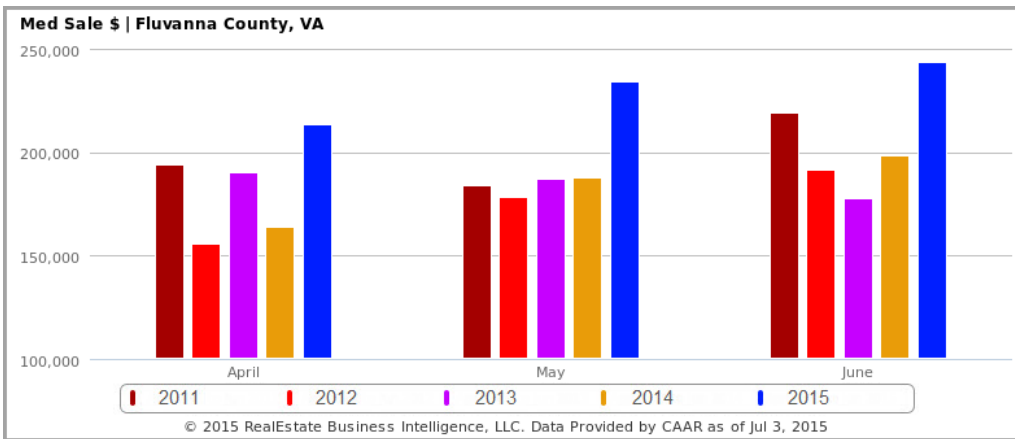


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Pricing in the region was up despite the fact that the two highest volume, highest priced jurisdictions actually saw slight declines versus last year. Albemarle (\$322,028) had a 2.1% decrease in median sales price versus Q2-2014 while Charlottesville (\$270,500) prices were down 1.8%. There were huge fluctuations in the median price levels for the two counties with the lowest sales volume. Louisa (\$225,000) saw its median sales price jump 32.4% versus Q2-2014 while the median sales price in Nelson (\$179,000) fell by 21.8 percent. These severe fluctuations could be misleading considering there were only 61 sales in Louisa in the 2nd Quarter and 51 in sales in Nelson – small datasets are apt to see larger movement in their median levels.

However, the changes for these counties in the 2nd Quarter are also reflected in their mid-year aggregate levels – the 114 aggregate sales from January through June in Louisa had a median sales price of \$216,025, which is 26.7% higher than the same six-month period last year. Nelson’s 102 sales through June had a median sales price of \$162,250, which is 26.3% lower than over the same period last year. Fluvanna’s 2nd Quarter median sales price of \$224,500 was 17.4% higher than Q2-2014 while Greene’s \$218,500 mark was down 10.8% year-over-year. “It is important to keep the number of sales in mind when interpreting the report, as anomalies from one month to the next can affect the statistics in one report, and then seem corrected in the next, as evidenced in the quarterly versus year-to-date data from Fluvanna,” said CAAR President, Anita Dunbar.





Attached vs. Detached Homes –

Prices in the detached housing segment outperformed the attached (single family townhomes + condos) segment in Greater Charlottesville in the 2nd Quarter, mainly because condo prices brought down the attached category. The median sales price for detached homes was \$309,450, a 3.8% gain. Within the attached segment, townhome prices actually increased 5.3% to \$258,000 while condos fell 4.6% to \$145,999. The median price for all attached homes was \$221,250, a 3.3% decline versus Q2-2014.

There was a 16.3% increase in attached sales, with 33 more townhomes and condos sold than Q2-2014. Within the attached category, the 83 condo sales marked a 36.1% increase, the second straight quarter where condo sales increased by more than a third versus last year. The 153 townhomes sold were 7.8% higher than last year's tally. There were 722 detached homes sold, a 10.6% increase. Though 75% of residential sales were detached units, this segment remains a buyer's market with 10.1 months of supply of detached homes at mid-year. The condo segment is a slight buyer's market with 8.7 months supply. The townhouse segment is the most balanced market, with only 5.5 months of supply. The balance between townhome supply and demand resulted in faster sales; half the townhomes sold in the 2nd Quarter were on the market 16 days or fewer, far lower than the 60-day median DOM for condos and 35-day median DOM for detached homes.

RBI Key Housing Trend Metrics Charlottesville Area Association of REALTORS®

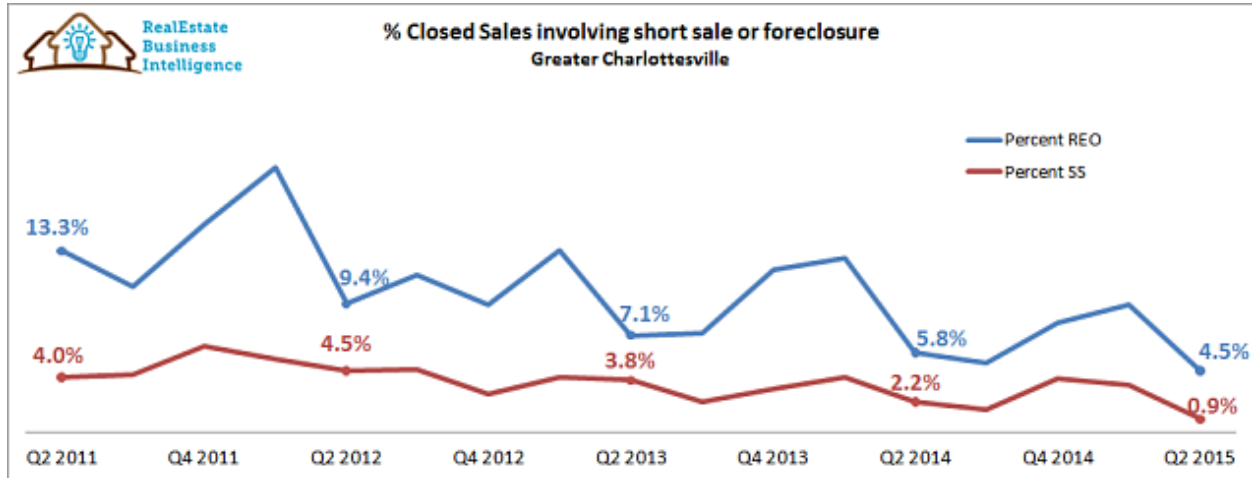


<u>All Residential</u>	Q2-15	% Q-O-Q	Q1-15	% Y-O-Y	Q2-14	% Y-O-2Y	Q2-13	% Y-O-3Y	Q2-12
Average Sales Price (Closed)	\$339,535	10.9%	\$306,075	2.1%	\$332,679	2.7%	\$330,581	9.9%	\$309,070
Median Sales Price (Closed)	\$282,220	9.9%	\$256,750	2.1%	\$276,500	3.3%	\$273,200	9.8%	\$257,000
Units Sold (Closed)	959	94.5%	493	12.0%	856	17.7%	815	30.8%	733
Average DOM (Closed)	108	-21.7%	138	-3.6%	112	-7.7%	117	-28.0%	150
Listing Discount (Average)	4.2%		6.0%		4.9%		5.8%		7.5%
Avg SP to OLP Ratio	95.8%		94.0%		95.1%		94.2%		92.5%
Avg SP/Sq Ft	153	10.1%	139	6.3%	144	7.0%	143	9.3%	140
<u>Detached</u>	Q2-15	% Q-O-Q	Q1-15	% Y-O-Y	Q2-14	% Y-O-2Y	Q2-13	% Y-O-3Y	Q2-12
Average Sales Price (Closed)	\$372,632	13.5%	\$328,190	3.7%	\$359,293	3.9%	\$358,768	10.7%	\$336,600
Median Sales Price (Closed)	\$309,450	11.4%	\$277,750	3.8%	\$298,000	3.2%	\$300,000	7.7%	\$287,290
Units Sold (Closed)	722	86.6%	387	10.6%	653	17.8%	613	26.2%	572
Average DOM (Closed)	110	-20.9%	139	-6.0%	117	-11.3%	124	-28.6%	154
Listing Discount (Average)	4.2%		5.6%		5.5%		6.4%		8.0%
Avg SP to OLP Ratio	95.8%		94.4%		94.5%		93.6%		92.0%
Avg SP/Sq Ft	155	13.1%	137	9.2%	142	9.9%	141	10.7%	140
<u>Attached</u>	Q2-15	% Q-O-Q	Q1-15	% Y-O-Y	Q2-14	% Y-O-2Y	Q2-13	% Y-O-3Y	Q2-12
Average Sales Price (Closed)	\$238,045	5.5%	\$225,545	-3.7%	\$247,072	-2.9%	\$245,045	12.7%	\$211,263
Median Sales Price (Closed)	\$221,250	8.2%	\$204,500	-3.3%	\$228,900	0.3%	\$220,500	17.1%	\$189,000
Units Sold (Closed)	236	122.6%	106	16.3%	203	16.8%	202	46.6%	161
Average DOM (Closed)	104	-23.5%	136	7.2%	97	6.1%	98	-23.5%	136
Listing Discount (Average)	4.1%		7.3%		2.9%		4.0%		5.6%
Avg SP to OLP Ratio	95.9%		92.7%		97.1%		96.0%		94.5%
Avg SP/Sq Ft	147	1.4%	145	-2.0%	150	-1.3%	149	3.5%	142

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Distressed Inventory –

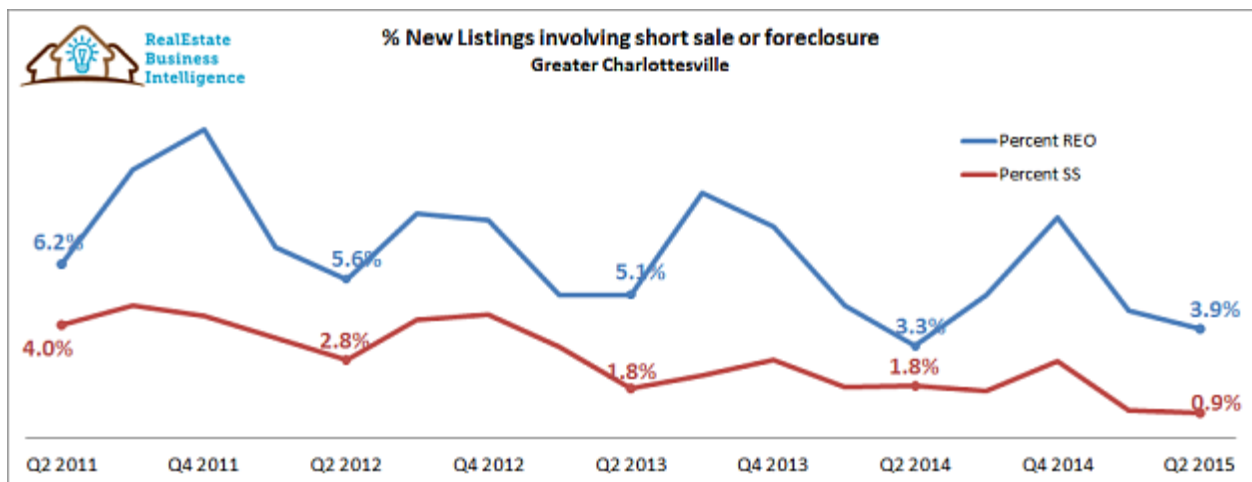
Only 43 of the 959 sales in the 2nd Quarter, or 4.5%, were foreclosure/REO properties. This is the lowest quarterly proportion for any quarter since CAAR began recording distressed listing data back in late 2009. The 43 foreclosure sales were seven fewer than the Q2-2014 total, when foreclosures accounted for 5.8% of sales. This was the sixth consecutive quarter with fewer foreclosure sales than the previous year. The nine short sales accounted for less than one percent of all sales, down from 2.2% in Q2-2014 when there were 19 short sales out of 856 total sales. All told, non-distressed listings accounted for 94.6%, up from a 91.9% share last year. This proportion marks a significant improvement from the low point in the 1st Quarter of 2012 when only three in four sales were of non-distressed listings (75.2%).



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The median sales price for non-distressed listings was \$290,000 in the 2nd Quarter, a 1.1% increase from last year, while foreclosure pricing was flat (-0.2%) at \$124,900. The median sales price for the nine short sales was \$179,000, marking a 10.5% increase versus the \$162,000 level for the 19 short sales in Q2-2014. With such low volume, this uptick should be taken with a grain of salt. Should the distressed share of the market continue to diminish, this will bode well for pricing levels moving forward.

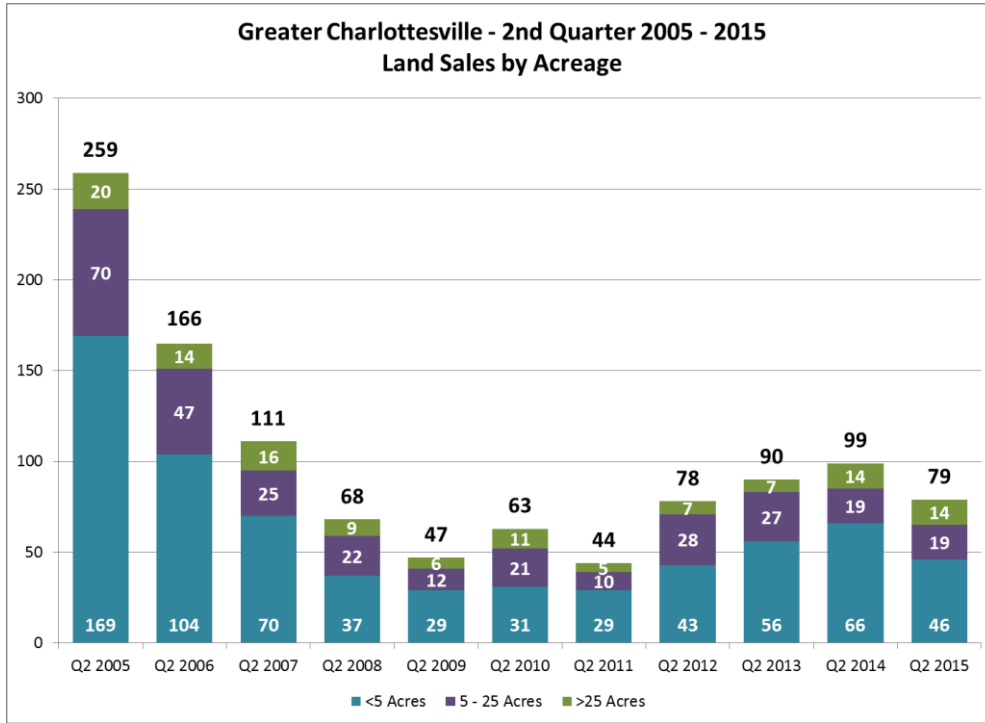
75 of the 1,578 listings added during the 2nd Quarter, or 4.8%, were distressed listings, down slightly from the 5.1% share of new listings added in Q2-2014. Surprisingly, the 61 new REO listings marked a 19.6% increase compared to the 51 last year, accounting for 3.9% of new listings, a slight increase from the 3.3% share last year. The 14 new short sale listings added were less than half the 29 added in the same quarter last year, accounting for less than one percent of new listings.



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Land/Acreage Sales –

There were 79 land/acreage sales in Greater Charlottesville in the 2nd Quarter, 20.2% fewer than Q2-2014 but on par with the five-year quarterly average of 78. There was actually no change in the number of 5+ acre sales compared to last year, with 35 total sales. The decrease was entirely from the <5 acre segment that had 46 total sales, 20 fewer than in Q2-2014.



Louisa, with 11 fewer sales, and Nelson, with six fewer sales, accounted for the highest proportion of the net drop in regional land sales. While Albemarle's 29 land sales led all counties, it had two fewer sales than Q2-2014. Charlottesville only had two land sales, down from six last year. Fluvanna and Greene were the only jurisdictions to see more land sales settled compared to last year, though the gains were modest. Fluvanna increased from seven to nine land sales while Greene netted one additional land sale with a total of seven.

