

VIRGINIA HOME SALES REPORT

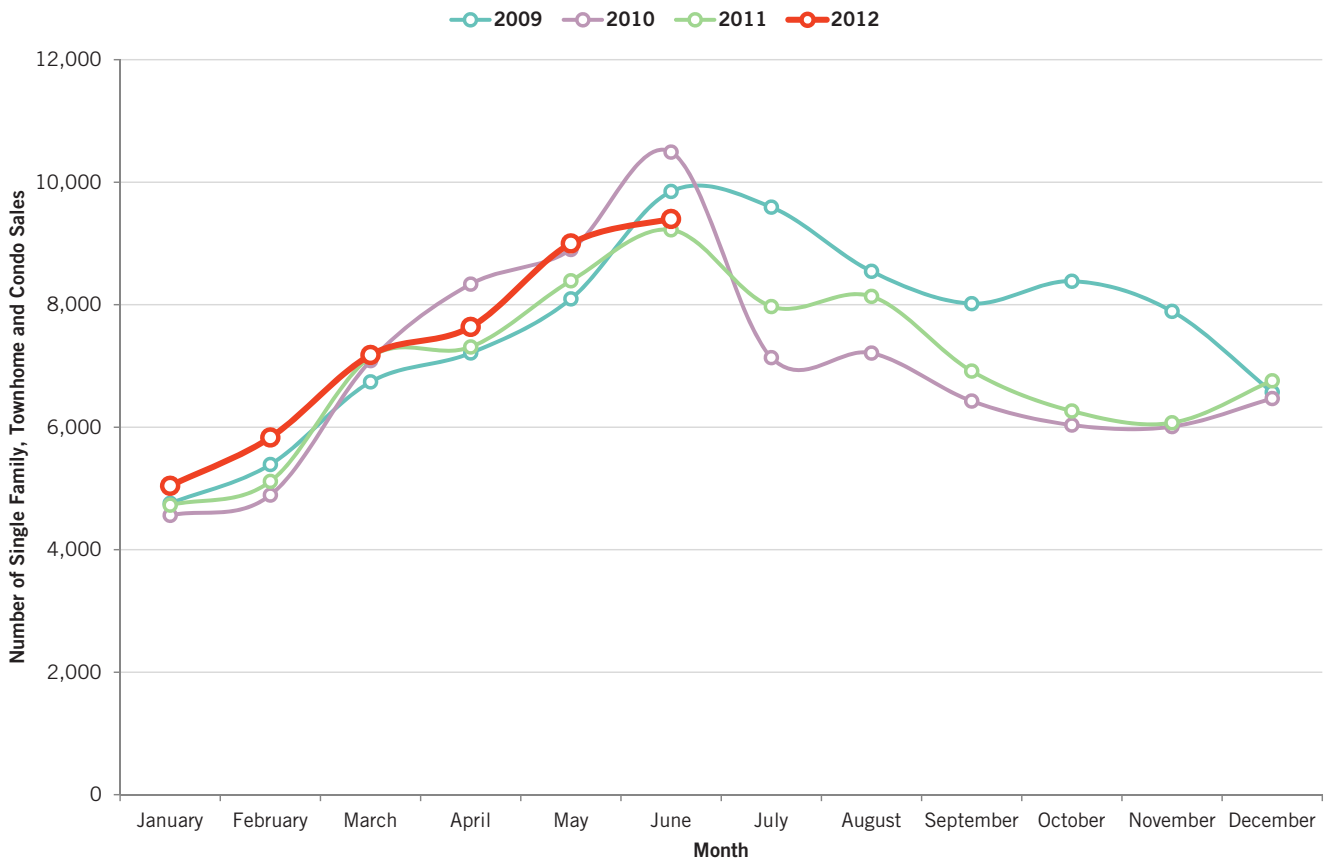
SECOND
QUARTER
2012

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Virginia Month-to-Month Sales Trends

Single Family Homes, Townhomes, Condos

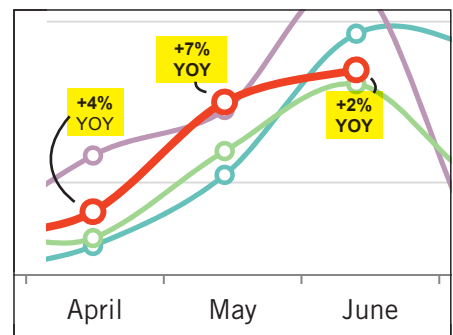


	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2009	4,758	5,391	6,740	7,212	8,096	9,849	9,593	8,545	8,018	8,384	7,892	6,573
2010	4,562	4,892	7,087	8,337	8,903	10,493	7,137	7,210	6,427	6,035	6,010	6,468
2011	4,728	5,116	7,145	7,311	8,391	9,223	7,970	8,136	6,916	6,264	6,072	6,759
2012	5,044	5,833	7,180	7,638	9,000	9,399						

The pace of residential home sales increased significantly in Virginia during the second quarter of 2012, compared to the same time frame last year. The second quarter of 2011 only marked 24,925 home sales while there were 26,037 home sales in the second quarter of 2012.

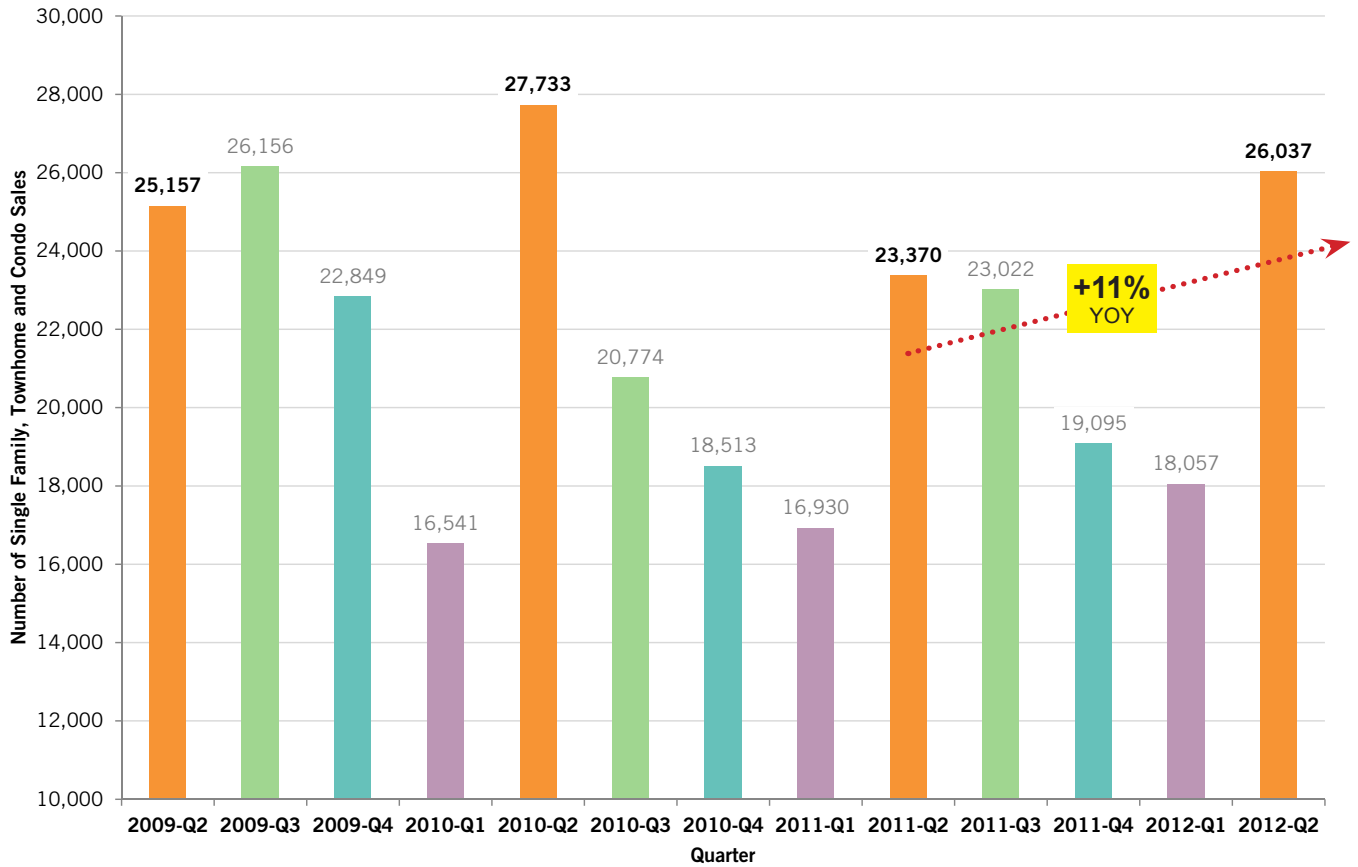
Looking closer, both April (+4% YOY) and May (+7% YOY) showed strong year-over-year gains in home sales -- while June 2012 showed a smaller year-over-year improvement (+2%).

Looking ahead, we are likely to see strong third and fourth quarters given low interest rates and declining unemployment rates.



Virginia Quarterly Residential Sales

Single Family Homes, Townhomes, Condos

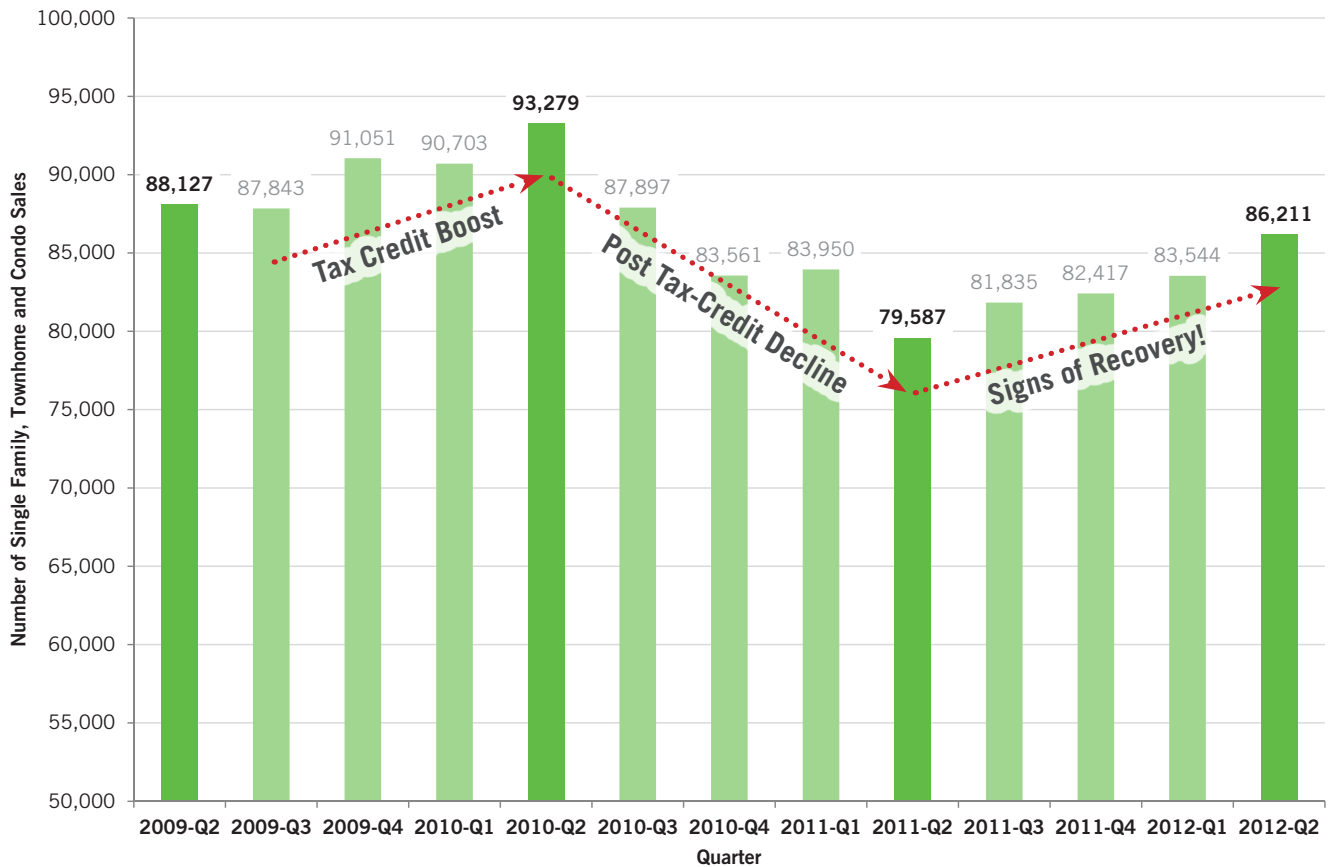


When viewed on a quarterly basis, the second quarter of 2012 shows further growth in Virginia’s residential real estate market with an 11.4% increase in home sales as compared to the second quarter of 2011. This is a significant increase in the pace of home sales in Virginia, and is likely a result of continued low interest rates, and low unemployment rates in the Commonwealth.

We are likely to see fewer home sales in the third quarter of 2012 as compared to the second quarter, as typically the July through September home sales market is not quite as robust as April through June.

Virginia Annualized Residential Sales

Single Family Homes, Townhomes, Condos



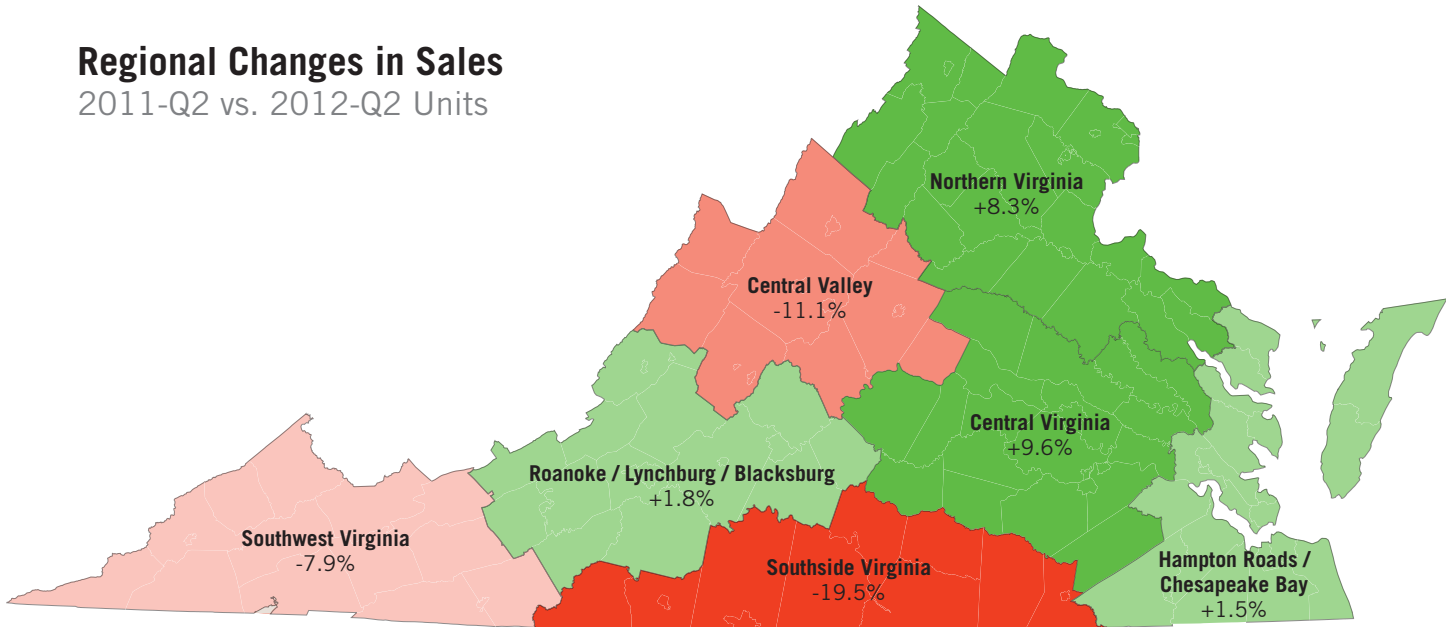
When examining long term trends, it seems quite certain that we are finally seeing lasting improvement in the pace of home sales in Virginia. We have now seen steady increases in the annualized pace of home sales in Virginia for five quarters in a row.

Each data point on the graph above includes 12 months of home sales data, thus the 2012-Q2 figure (86,211 sales) includes home sales from 2011-Q3 through 2012-Q2. Using this rolling sum of home sales can provide a clearer indicator of long-term trends in Virginia’s housing market.

While this graph can take quite a long time to reveal market trends, when it finally does (now) there can be much greater certainty as to the conclusions.

Regional Changes in Sales

2011-Q2 vs. 2012-Q2 Units

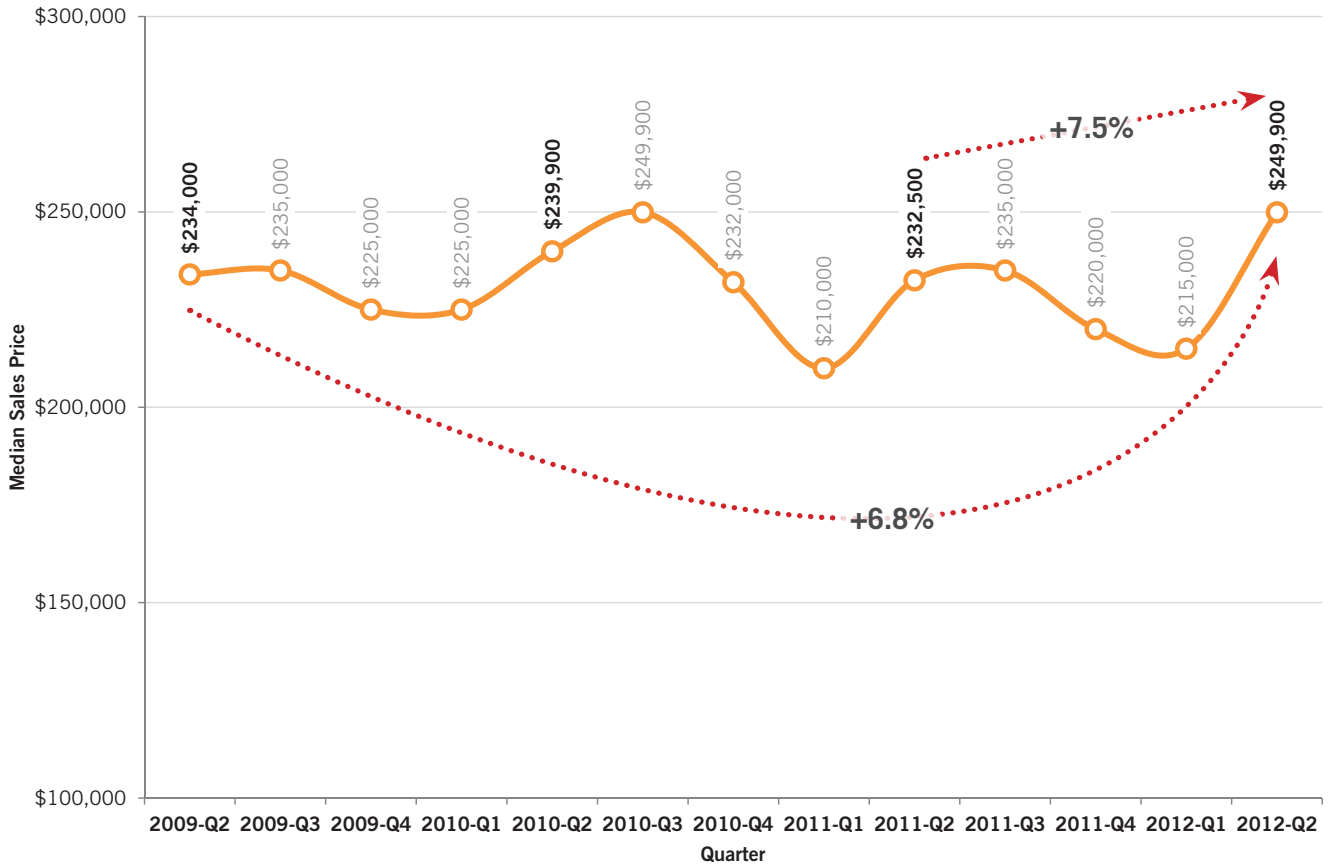


Region	2011-Q2	2012-Q2	Change
Central Valley	1,591	1,415	-11.1%
Central Virginia	3,700	4,057	+9.6%
Hampton Roads / Chesapeake Bay	5,755	5,843	+1.5%
Northern Virginia	11,215	12,145	+8.3%
Roanoke / Lynchburg / Blacksburg	1,844	1,878	+1.8%
Southside Virginia	486	391	-19.5%
Southwest Virginia	330	304	-7.9%

The housing recovery varies regionally in Virginia, or at least when viewed through the lense of year-over-year changes in the pace of home sales. The two most highly populated areas of the Commonwealth (Northern Virginia and Central Virginia) both experienced significant increases in the pace of home sales over the past year (+8.3%, +9.6%). Other regions experienced anywhere from a 7.9% to 19.5% decline in the pace of home sales.

Virginia Median Residential Sales Price

Single Family Homes, Townhomes, Condos

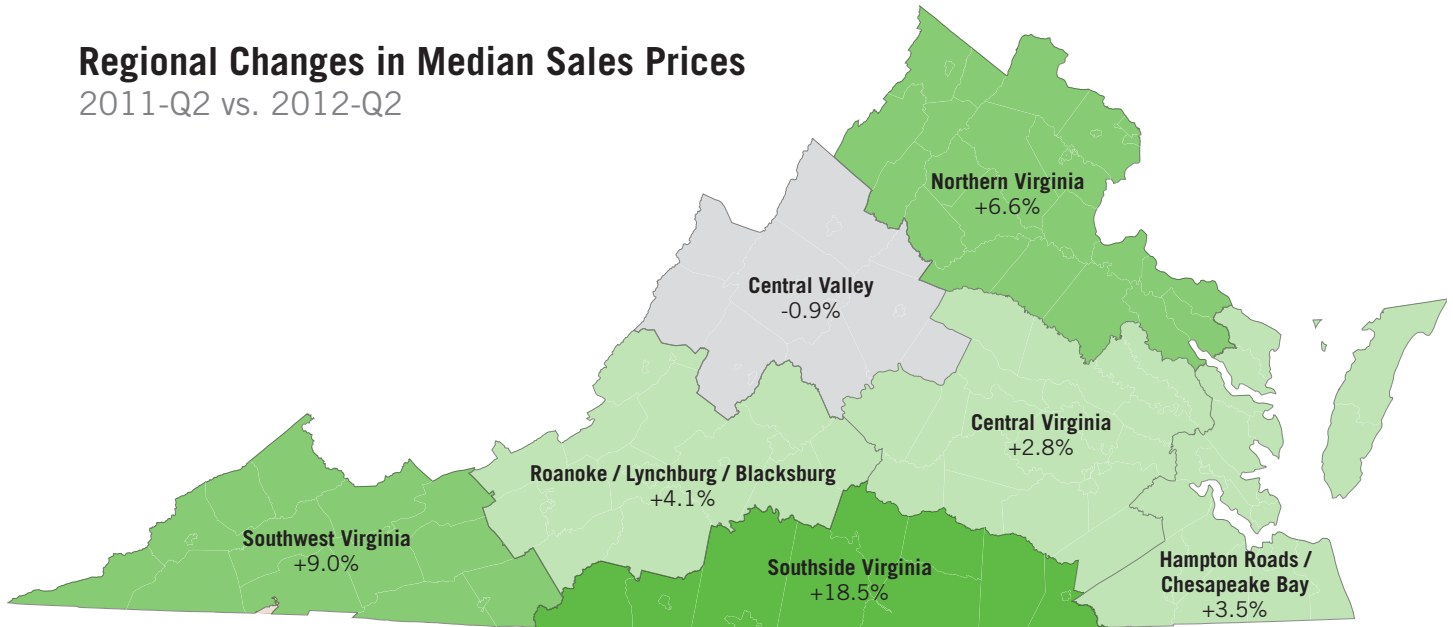


The median sales price in Virginia increased 7.5% over the past year to \$249,900 for all residential sales. This is well higher than the second quarter median sales price for the past several years -- and is in a tie for the highest price in the past three years.

Looking at the longer term trends, the median sales price in Virginia has only increased by 6.8% over the past three years, as measured by first quarter sales data.

Regional Changes in Median Sales Prices

2011-Q2 vs. 2012-Q2



Region	2011-Q2	2012-Q2	Change
Central Valley	\$212,000	\$210,000	-0.9%
Central Virginia	\$179,900	\$185,000	+2.8%
Hampton Roads / Chesapeake Bay	\$198,000	\$205,000	+3.5%
Northern Virginia	\$332,136	\$354,000	+6.6%
Roanoke / Lynchburg / Blacksburg	\$148,900	\$155,000	+4.1%
Southside Virginia	\$74,450	\$88,250	+18.5%
Southwest Virginia	\$105,500	\$115,000	+9.0%

After several years of declining sales prices in all regions of Virginia, we are starting to see increases in median sales prices in almost all regions of Virginia. When comparing the second quarter of 2012 to the second quarter of 2011, only one region (Central Valley) experienced a decline in median sales price -- and it was a decline of less than one percent. Northern Virginia, Southwest Virginia and Southside Virginia led the pack in increases in median sales prices (+6.6%, +9.0%, +18.5%).

Virginia Quarterly Residential Sales Volume

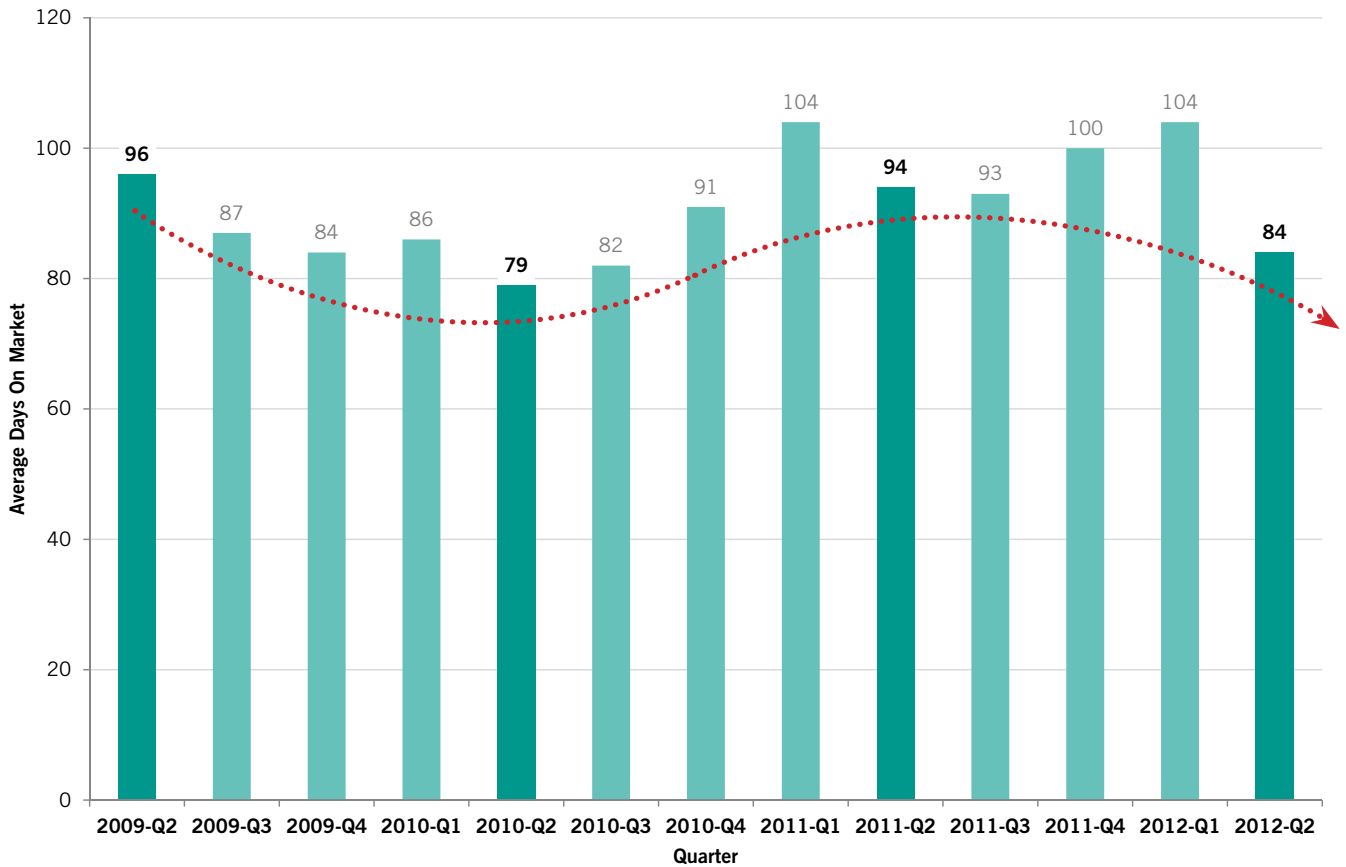
Single Family Homes, Townhomes, Condos



This graph illustrates the number of millions of dollars of real estate sold during each quarter over the past three years. The volume of real estate sold in the second quarter of 2012 (\$8.0B) marks an 11.7% increase from the second quarter of 2011 (\$7.2B). This is only the second quarterly increase seen in recent years in sales volume in Virginia -- the result of both increased sales pace and stabilizing prices.

Virginia Average Days On Market

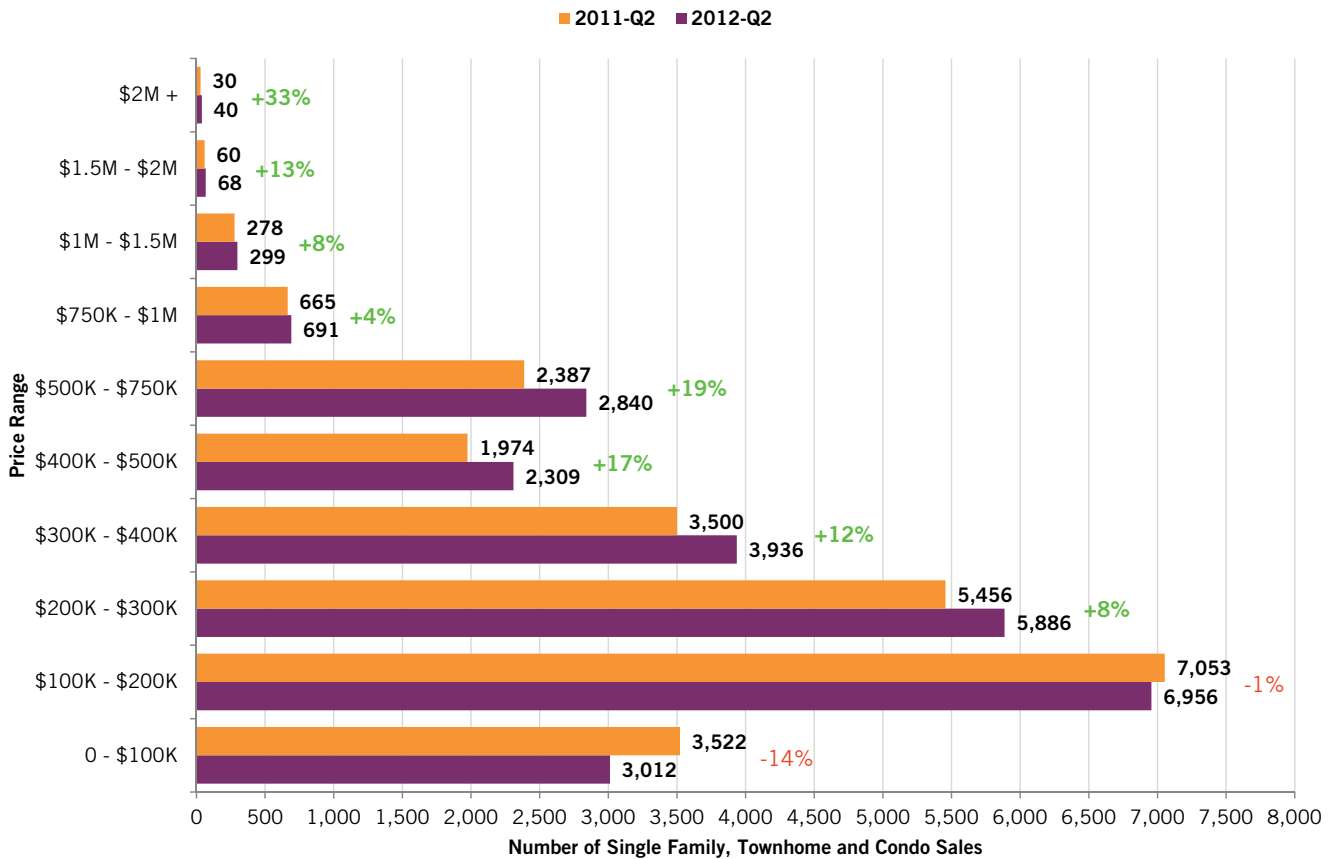
Single Family Homes, Townhomes, Condos



The average time to market and sell a house has decreased 11% over the past year to an average of 84 days, which marks a 12% decline over the past three years. The federal home buyer tax credit certainly spurred on buyer activity during 2009 and 2010, lowering the average days on market, but that did not last too much longer than the period during which those tax credits were available.

Virginia Price Distribution Of Residential Home Sales

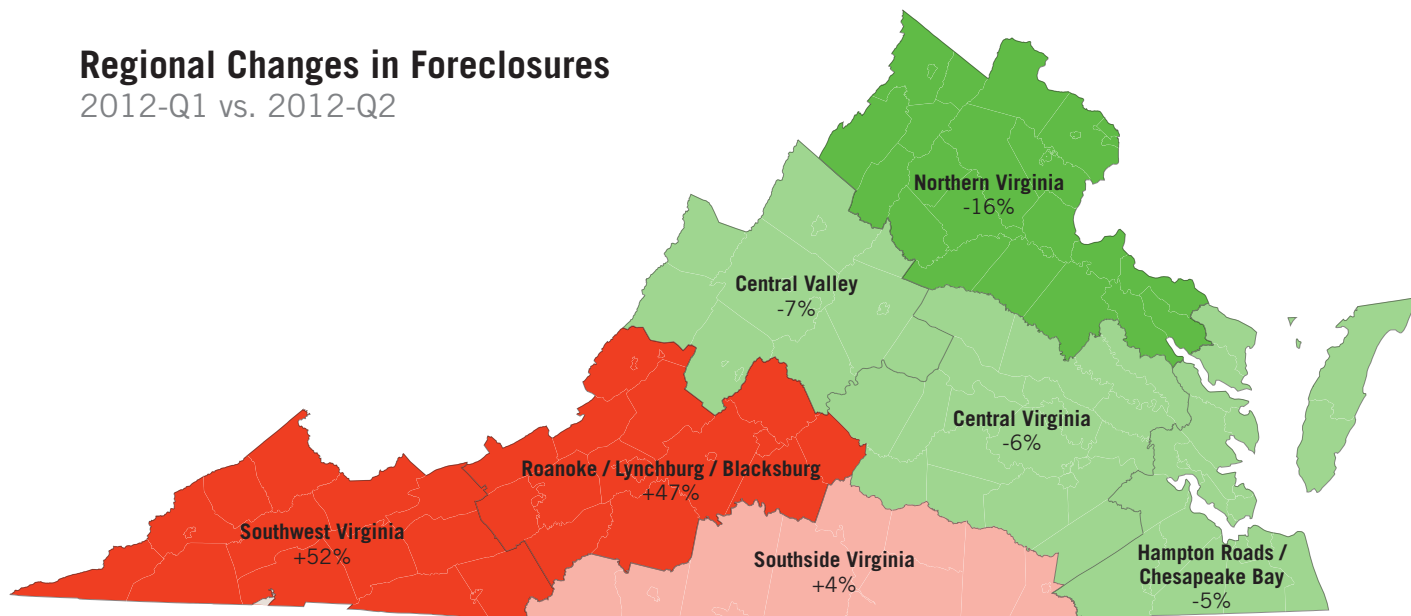
Single Family Homes, Townhomes, Condos



Home sales increased in nearly every price range during the second quarter of 2012 in Virginia, as compared to the second quarter of 2011. Of note, the most affordable price range (under \$100K) was the only price range to experience a significant decline in sales pace. This may be the result of overall increases in median sales prices which would be moving some under \$100K properties up into the \$100K - \$200K price range.

Regional Changes in Foreclosures

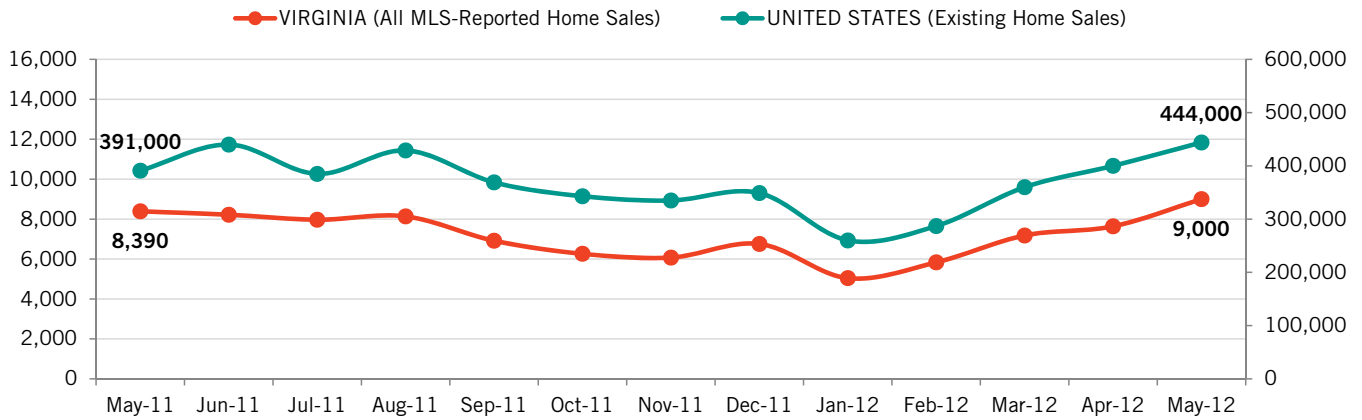
2012-Q1 vs. 2012-Q2



Region	2012-Q1	2012-Q2	Change
Central Valley	99	92	-7%
Central Virginia	435	408	-6%
Hampton Roads / Chesapeake Bay	582	551	-5%
Northern Virginia	1,159	974	-16%
Roanoke / Lynchburg / Blacksburg	107	157	+47%
Southside Virginia	53	55	+4%
Southwest Virginia	21	32	+52%
All of Virginia	2,456	2,269	-8%

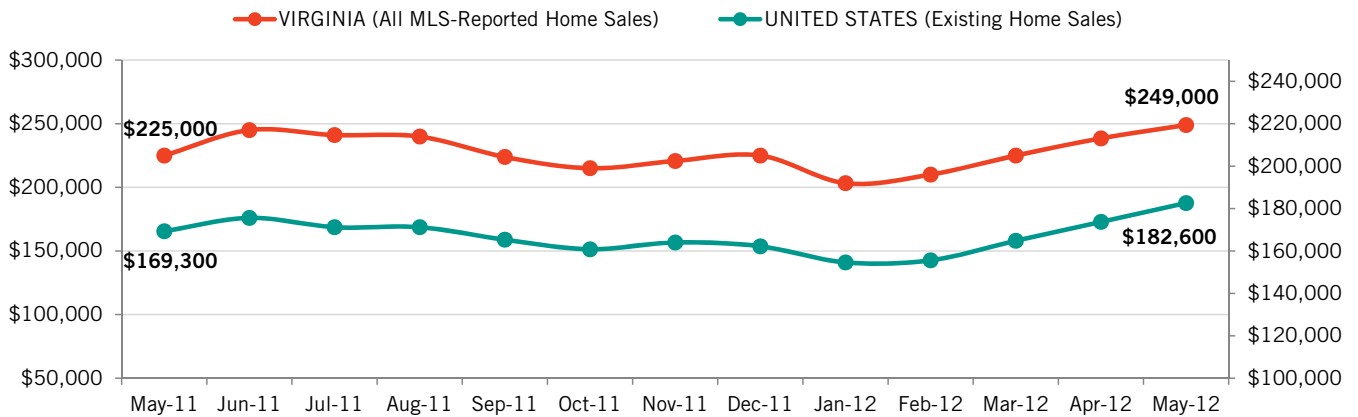
Foreclosure rates decreased in many regions of Virginia in the second quarter of 2012 to mark an overall 8% decline in Virginia foreclosures as compared to the first quarter of 2012. The largest proportional declines were seen in Northern Virginia (-16%), though Roanoke / Lynchburg / Blacksburg and Southwest Virginia experienced significant increases in foreclosures (+47%, +52%).

Monthly Residential Sales



The monthly variation in the pace of home sales is relatively consistent in Virginia as compared to the entire United States. May 2012 home sales increased 13% in the United States (existing home sales only) as compared to May 2011, while Virginia experienced a 7% increase.

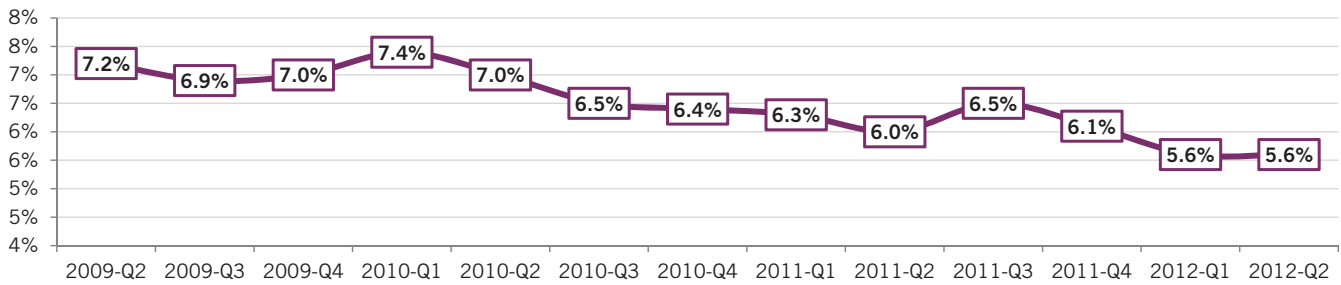
Monthly Residential Median Sales Price



Median home prices have increased in both Virginia and the United States over the past year (May 2011 to May 2012), though home values increased a bit more in Virginia (+11% during the past year) than in the entire United States (+8%).

Virginia Unemployment Rate

Source: Bureau of Labor & Statistics

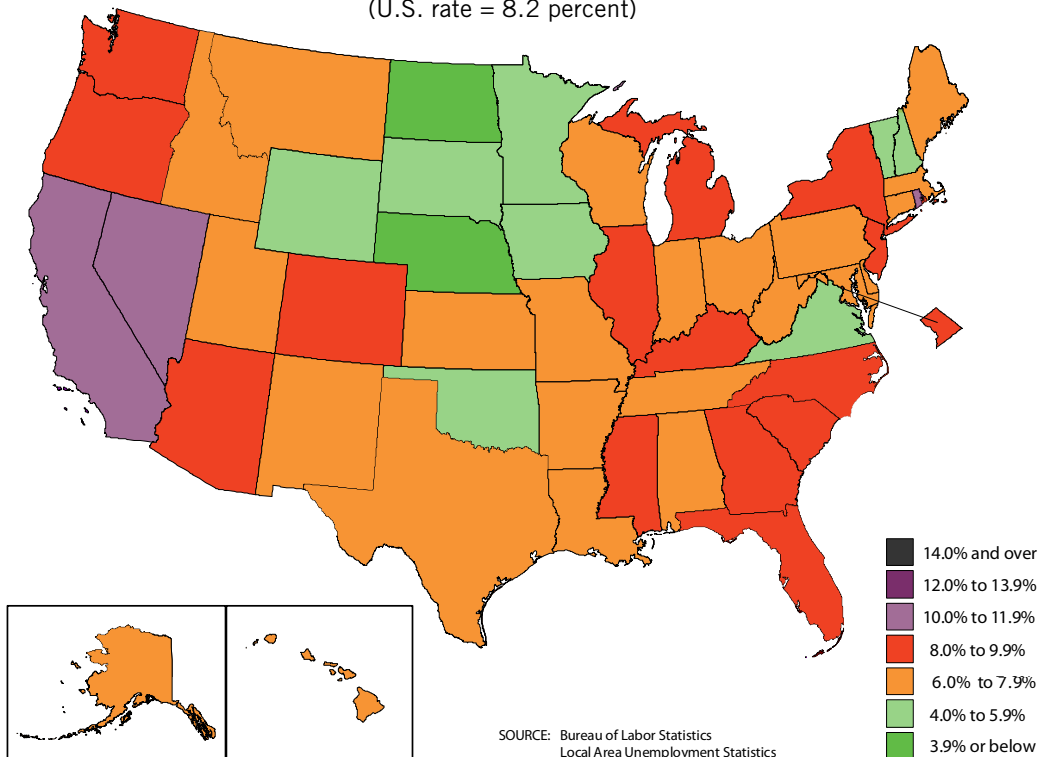


2012-Q2 unemployment rate based on preliminary May 2012 data.

Unemployment Rates By State

seasonally adjusted, May 2012

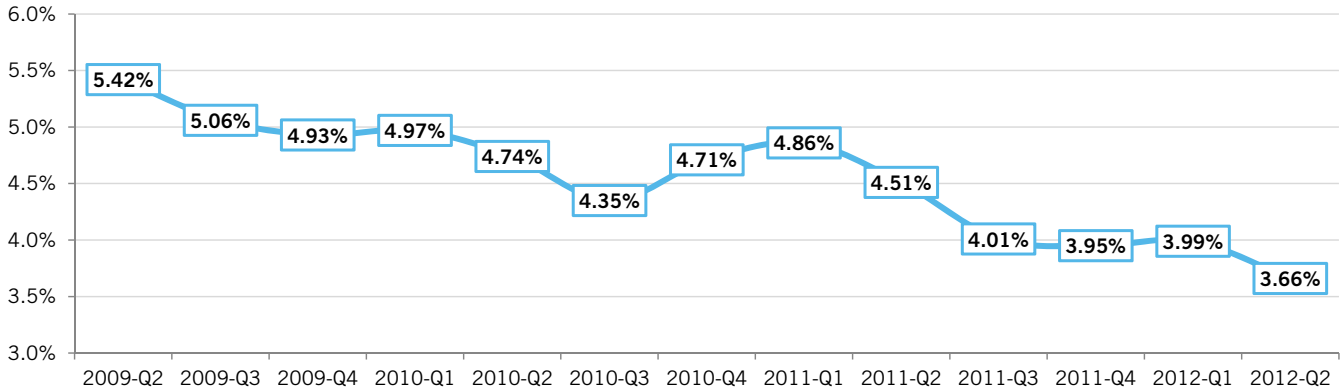
(U.S. rate = 8.2 percent)



Virginia's unemployment rate is at its lowest levels (5.6%) in more than three years, and Virginia currently has the 9th lowest unemployment rate in the country. It is encouraging news that an increasing number of Virginians are employed, as this bodes well for further stability and recovery in Virginia's housing market.

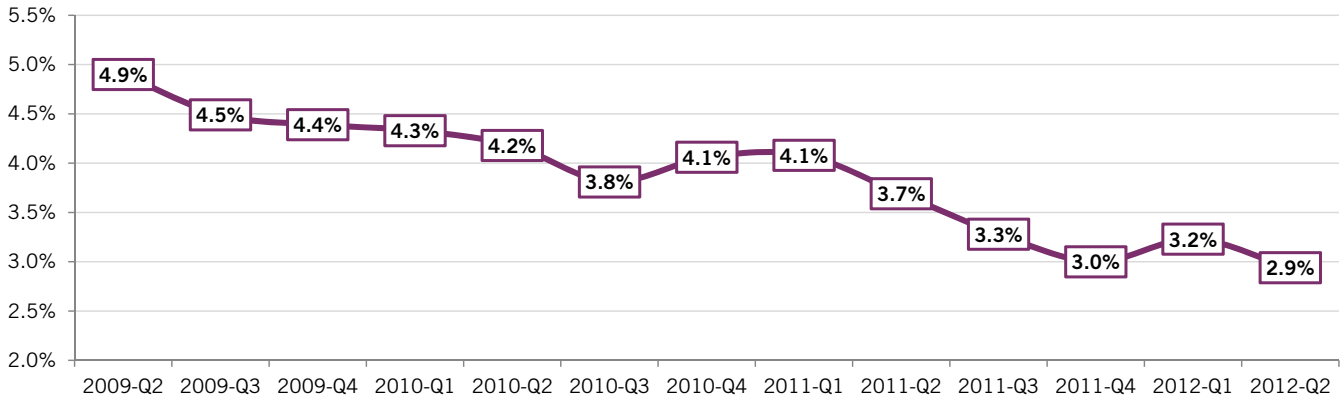
Average 30-Year Mortgage Interest Rates

Source: FreddieMac



Average 15-Year Mortgage Interest Rates

Source: FreddieMac



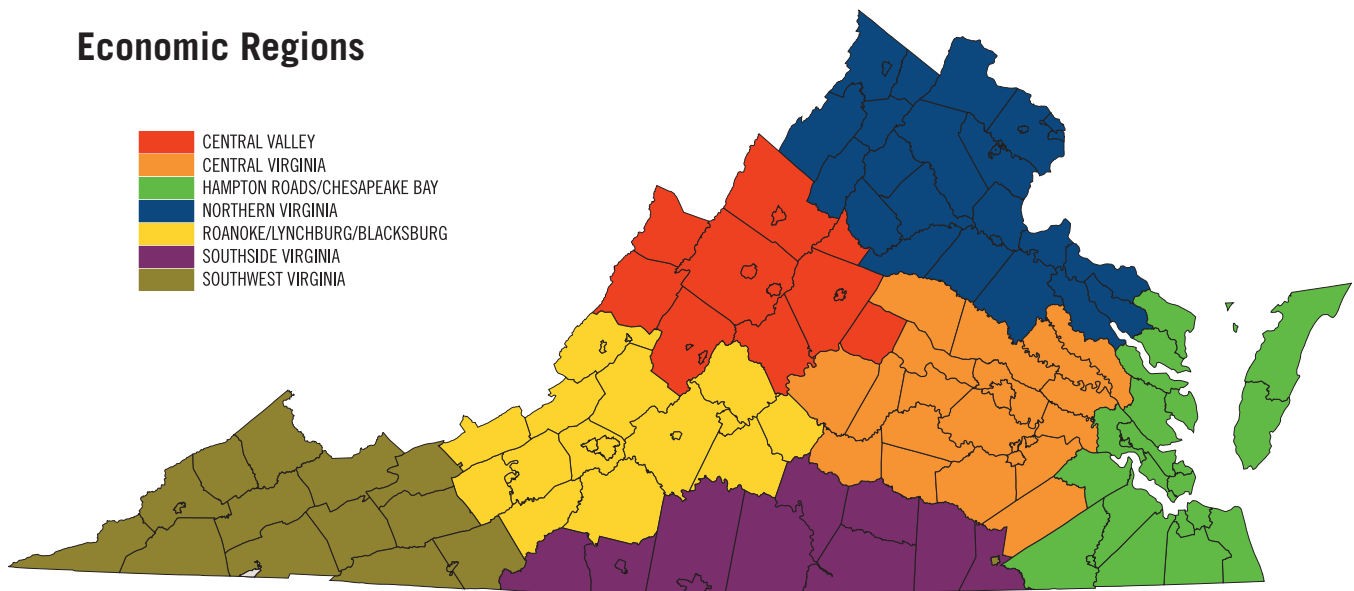
Long-term mortgage interest rates have steadily decreased over the past year with 30-year fixed rates hovering just above 3.5%, and 15-year fixed rates now below 3%. These historically low mortgage interest rates certainly play an important part in encouraging buyer activity in Virginia’s housing market.

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:

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Economic Regions



- CENTRAL VALLEY
- CENTRAL VIRGINIA
- HAMPTON ROADS/CHESAPEAKE BAY
- NORTHERN VIRGINIA
- ROANOKE/LYNCHBURG/BLACKSBURG
- SOUTHSIDE VIRGINIA
- SOUTHWEST VIRGINIA

Central Valley: Albemarle, Augusta, Bath, Buena Vista City, Charlottesville City, Fluvanna, Greene, Harrisonburg City, Highland, Lexington City, Nelson, Rockbridge, Rockingham, Staunton City, Waynesboro City

Central Virginia: Amelia, Buckingham, Charles City, Chesterfield, Colonial Heights City, Cumberland, Dinwiddie, Goochland, Hanover, Henrico, Hopewell City, King and Queen, King William, Louisa, New Kent, Nottoway, Petersburg City, Powhatan, Prince Edward, Prince George, Richmond City, Sussex

Hampton Roads / Chesapeake Bay: Accomack, Chesapeake City, Franklin City, Gloucester, Hampton City, Isle of Wight, James City, Lancaster, Mathews, Middlesex, Newport News City, Norfolk City, Northampton, Northumberland, Poquoson City, Portsmouth City, Southampton, Suffolk City, Surry, Virginia Beach City, Williamsburg City, York

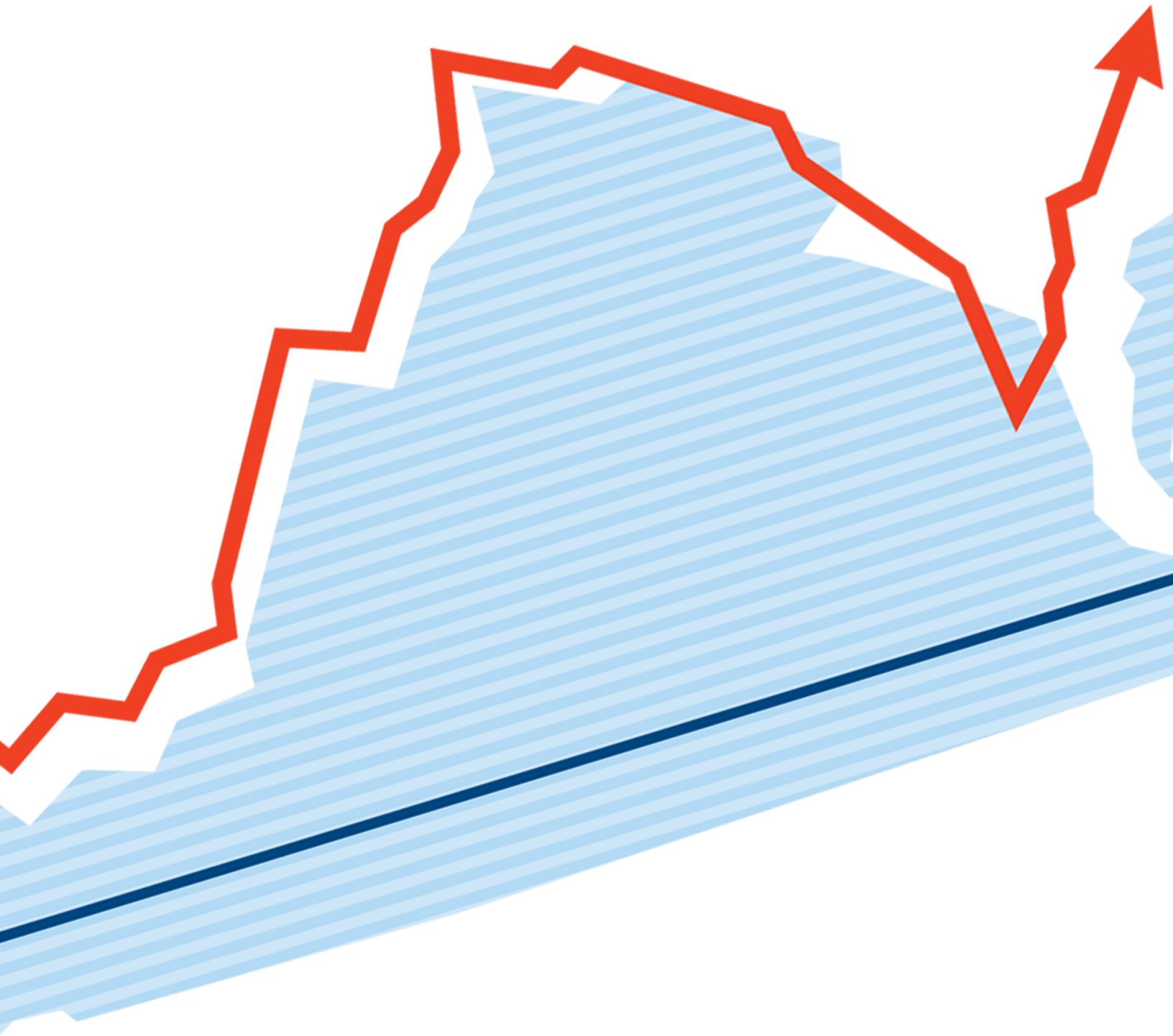
Northern Virginia: Alexandria City, Arlington, Caroline, Clarke, Culpeper, Essex, Fairfax, Fairfax City, Falls Church City, Fauquier, Frederick, Fredericksburg City, King George, Loudoun, Madison, Manassas City, Manassas Park City, Orange, Page, Prince William, Rappahannock, Richmond, Shenandoah, Spotsylvania, Stafford, Warren, Westmoreland, Winchester City

Roanoke / Lynchburg / Blacksburg: Alleghany, Amherst, Appomattox, Bedford, Bedford City, Botetourt, Campbell, Covington City, Craig, Floyd, Franklin, Giles, Lynchburg City, Montgomery, Pulaski, Radford, Roanoke, Roanoke City, Salem City

Southside Virginia: Brunswick, Charlotte, Danville City, Emporia City, Galax City, Greensville, Halifax, Henry, Lunenburg, Martinsville City, Mecklenburg, Norton City, Patrick, Pittsylvania

Southwest Virginia: Bland, Bristol City, Buchanan, Carroll, Dickenson, Grayson, Lee, Russell, Scott, Smyth, Tazewell, Washington, Wise, Wythe

Information sourced from multiple listing services across the state with data compiled by R E Stats Inc. All information is deemed reliable but is not guaranteed. Figures might not match those reported elsewhere.



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