

# CAAR Market Report

## 2010 First Quarter

Published by the Charlottesville Area Association of REALTORS®

### Where Are We Now?

In the first quarter of 2010, the Charlottesville real estate market continued the trend seen in the fourth quarter of last year. Home sales, compared to the first quarter of 2009, increased slightly. In the first quarter of 2010, sales (436) were up 4.3% from the same period in 2009 (418). This increase was somewhat surprising because of the unusually snowy winter that significantly hindered home sales. Although this is the second consecutive quarterly year-over-year increase in sales we have seen, it is the second lowest quarterly total in the past 10 years. As CAAR President Greg Slater explained, “the snowstorms really held down our sales volume for most of the first quarter, but we saw a rally in March when the weather finally got better.”

As reported in the [past three quarterly reports](#), prices have been falling, but in the first quarter of 2010 there was a small change. Although most of the data indicates a continuation of soft prices, there is some evidence that prices might be stabilizing. It is too early to draw conclusions because of the limited amount of data, but this bears watching in the coming quarters.

### Home Sales for 2010

There were 436 homes sold in the Charlottesville area in the first quarter 2010, which was up 4.3% (+18 sales) from the same quarter in 2009. Albemarle (+13.1 %), Fluvanna (+12.5%), Greene (+22.7 %), Louisa (+19.0%), and Nelson (+104.8%) showed an increase in sales, while Charlottesville (-26.1%) and Orange (-26.8%) showed a decrease.

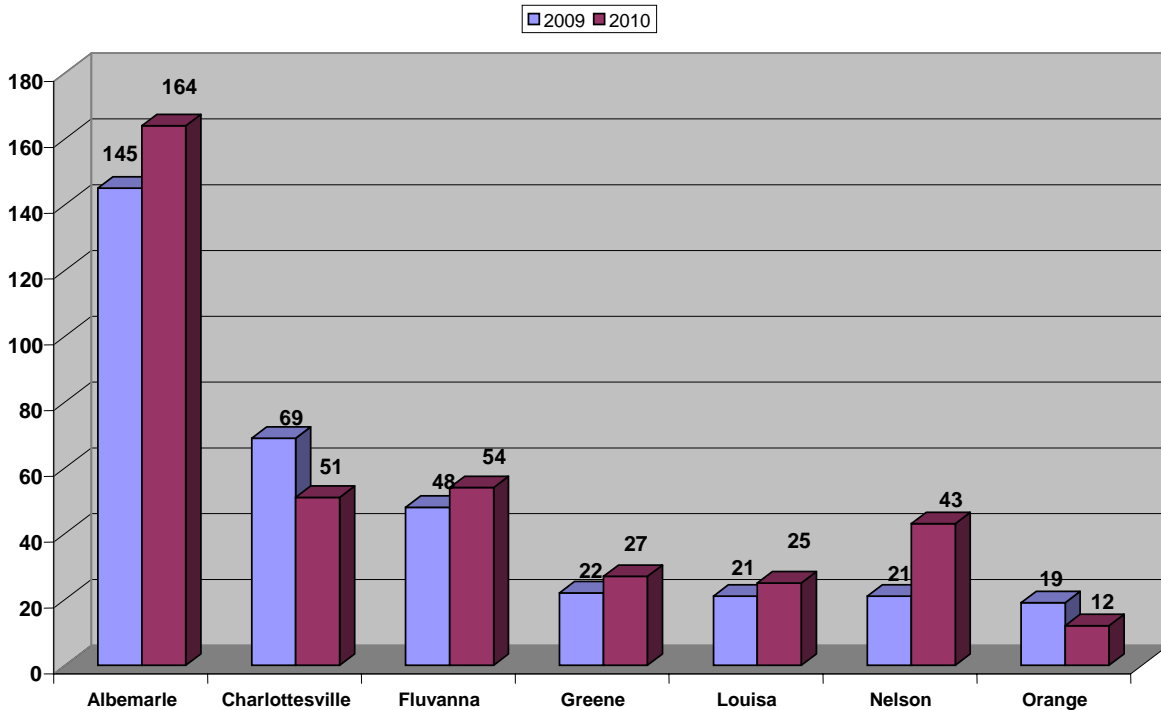
Sales in the Central Valley region were generated from the Greater Augusta MLS, which has more complete data on the Valley market than the CAAR MLS. Sales were up in the Valley by 4.3 % compared to last year.

First Quarter Residential Sales					
County	2006	2007	2008	2009	2010
Albemarle	305	271	171	145	164
Charlottesville	131	112	110	69	51
Fluvanna	94	91	71	48	54
Greene	72	51	40	22	27
Louisa	47	49	52	21	25
Nelson	61	59	41	21	43
Orange	22	24	30	19	12
<b>Area Total*</b>	<b>827</b>	<b>771</b>	<b>610</b>	<b>418</b>	<b>436</b>
<b>Central Valley**</b>				154	166

\*includes sales outside the counties listed

\*\*numbers courtesy of the Greater Augusta MLS

## First Quarter 2010 Sales by County



### Home Prices Have Dropped

Based on the data from the CAAR MLS, we continue to see a decrease in home prices compared to the same quarter last year. 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/able to pay and is not a true reflection of individual home prices.

We believe the numbers displayed below provide evidence that prices are still declining, but the rate of this decline has slowed from the previous reports. As shown below, median prices in two counties have increased, and the area price per square foot remained unchanged from last year.

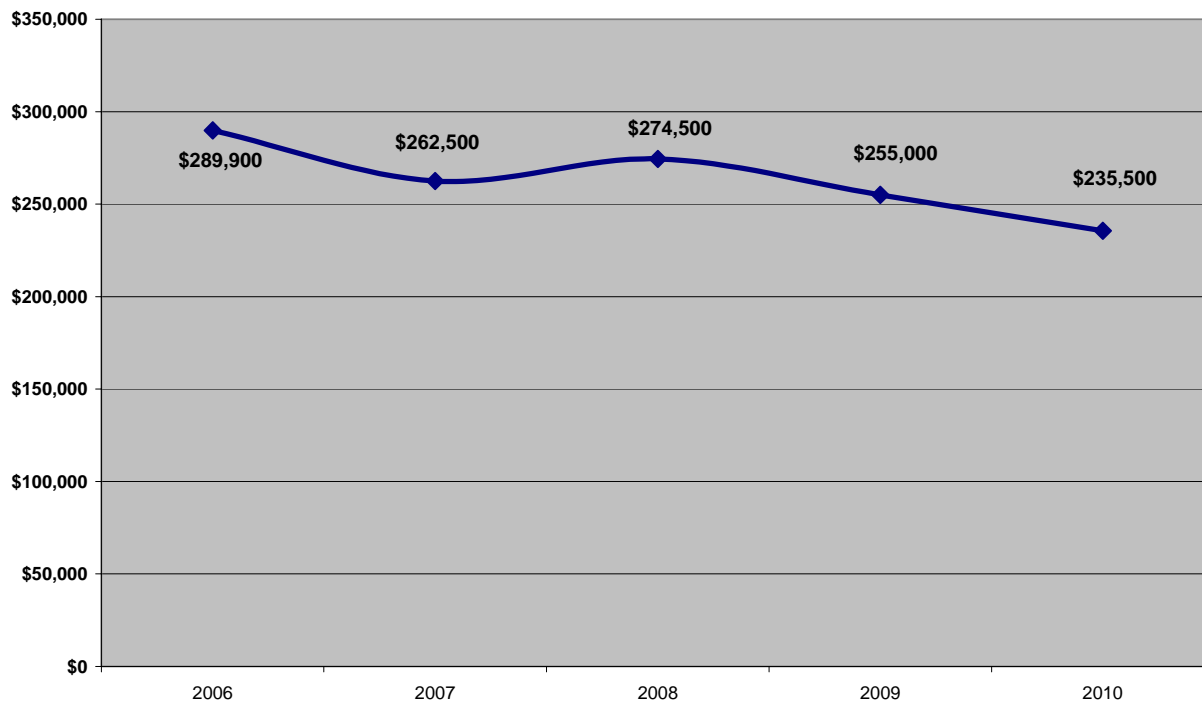
Overall, the median home price (including attached homes) declined \$19,500 (-7.6%) compared to first quarter last year. The median price is now a little above where it was at this point in 2005, before the housing prices started increasing dramatically. It is interesting to note that two counties showed increases in their median prices: Louisa (+16.1%) and Fluvanna (+2.4%). All other areas covered in this report showed a decline as follows: Albemarle (-1.6%), Charlottesville (-5.7%), Greene (-18.1%), Nelson (-27.0%), Orange (-16.7%) and the Valley (-2.6%).

<b>First Quarter Median Prices</b>					
<b>County</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
<b>Albemarle</b>	\$344,400	\$289,000	\$335,000	\$290,000	\$285,300
<b>Charlottesville</b>	\$274,000	\$249,500	\$281,250	\$262,893	\$248,000
<b>Fluvanna</b>	\$245,000	\$253,000	\$242,000	\$200,450	\$205,250
<b>Greene</b>	\$294,975	\$314,900	\$262,500	\$307,000	\$251,500
<b>Louisa</b>	\$212,000	\$238,000	\$254,500	\$218,825	\$254,000
<b>Nelson</b>	\$339,000	\$249,000	\$285,000	\$299,900	\$219,000
<b>Orange</b>	\$280,750	\$321,525	\$245,000	\$161,400	\$134,500
<b>Area Median*</b>	<b>\$289,900</b>	<b>\$262,500</b>	<b>\$274,500</b>	<b>\$255,000</b>	<b>\$235,500</b>
<b>Central Valley**</b>				\$192,428	\$187,363

\*includes sales outside the counties listed

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

### Median Sales Price (Entire Area)



### 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). For the first time in the last three years, the first quarter numbers indicate that the prices have stopped declining and held their own year-over-year.

<b>Price Per Finished Square Foot (Year to Date)</b>					
<b>County</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
<b>Albemarle</b>	174	174	175	154	150
<b>Charlottesville</b>	186	186	192	158	159
<b>Fluvanna</b>	141	135	137	122	119
<b>Greene</b>	148	157	147	134	137
<b>Louisa</b>	146	142	153	114	109
<b>Nelson</b>	232	206	196	170	169
<b>Orange</b>	175	195	129	110	87
<b>Area Average*</b>	<b>169</b>	<b>166</b>	<b>163</b>	<b>140</b>	<b>140</b>
<b>Central Valley**</b>				144	123

*\*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 continued to decline. As we have reported for the past year, the excess of inventory is causing many of the problems with our local housing market. The decline in inventory is very encouraging, but we will still have too many homes on the market for the current demand.

As of this writing, we have 3,353 homes on the market, compared to 3,608 at this time last year. This is the largest year-over-year decrease in several years, but we are still above a balanced inventory level in the 2,000 to 2,500 range. The median price of homes currently for sale is \$289,900, which is \$8,100 less than last year. The average DOM (days on market) of these homes is 151 days, which is 4 days less than last year and 13 days more than homes that sold in the first quarter. The most telling statistic related to homes currently on the market is that the average price per square foot is \$228 compared to \$140 for homes that sold in the first quarter.

Housing affordability is the positive aspect of this market. There are 903 homes for sale \$200,000 or less with an average DOM of 145 and an average price per square foot of \$141. There are 242 homes currently on the market priced at a million dollars or more with an average DOM of 240.

### **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 sale, and financing issues – that affect the length of time a property is on the market. This quarter shows a reflection of that, as the average days on market went up by 5. 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.

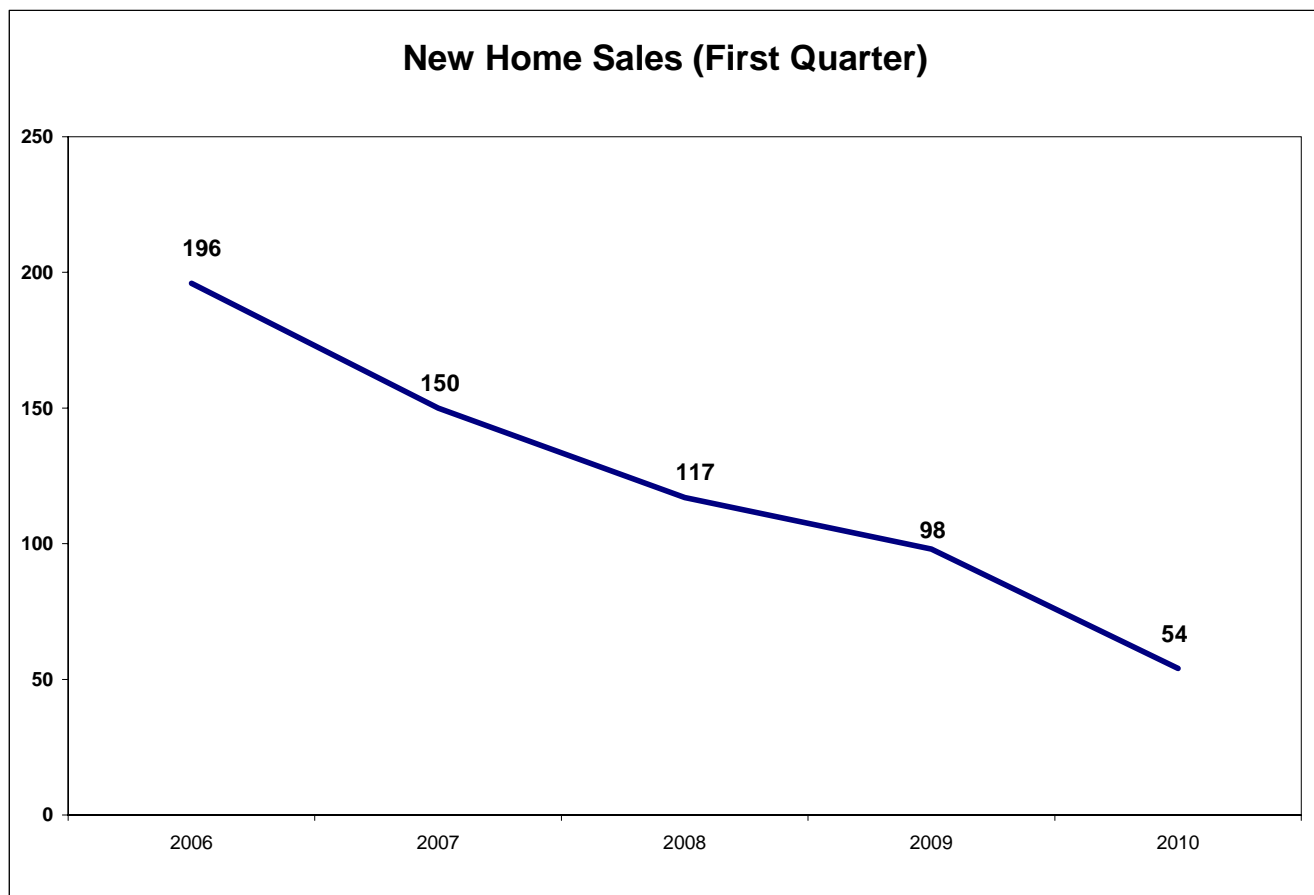
<b>Average Days on Market (1<sup>st</sup> Quarter)</b>					
<b>County</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
Albemarle	70	116	135	114	146
Charlottesville	62	75	141	165	97
Fluvanna	79	108	135	127	96
Greene	76	99	90	84	136
Louisa	119	158	110	50	134
Nelson	83	118	152	158	181
Orange	83	95	125	163	121
<b>Area Average*</b>	<b>80</b>	<b>107</b>	<b>132</b>	<b>133</b>	<b>138</b>
<b>Central Valley**</b>				144	167

*\*includes sales outside the counties listed*

*\*\*numbers courtesy of the Greater Augusta MLS*

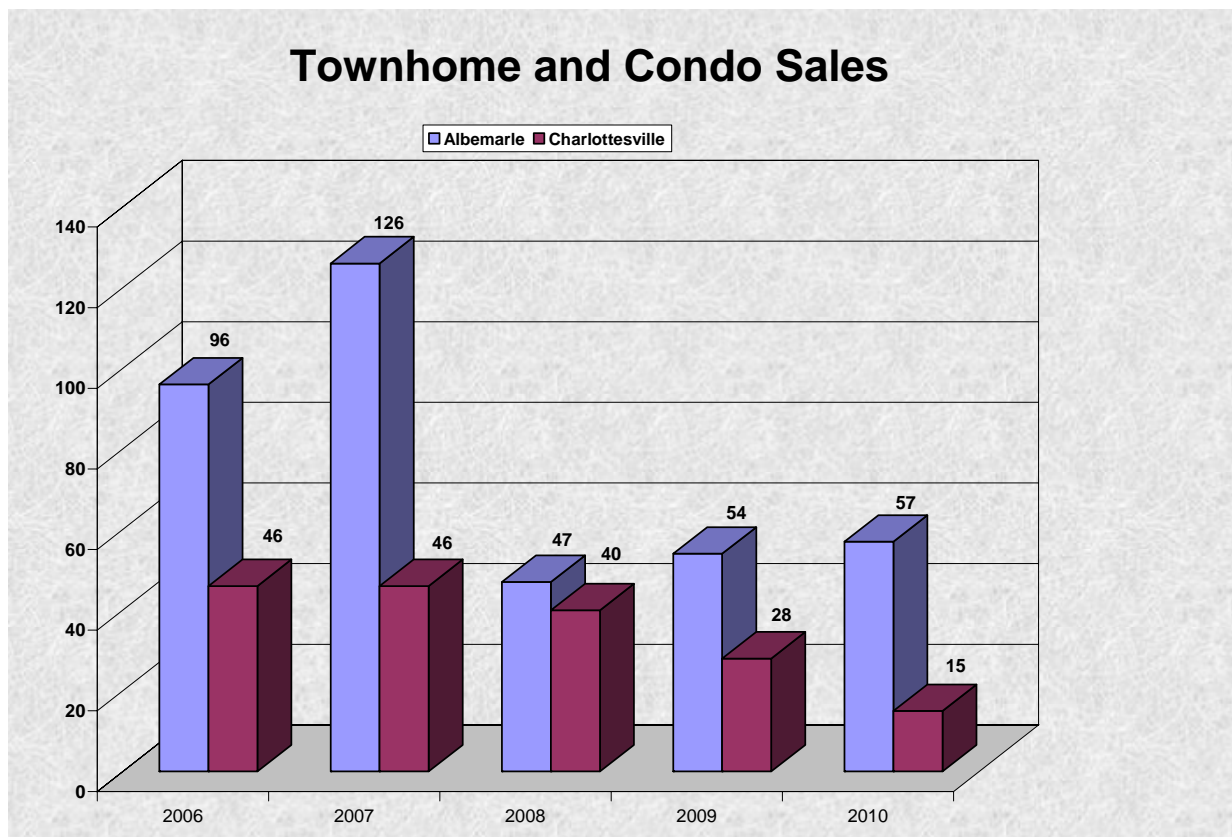
### ***New Construction Continues to Decline***

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 are still struggling and until the inventory of re-sale homes declines more, new construction will lag.



### ***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, we have decided not to include them in this report. One of the more interesting numbers in this report is the small increase in the sale of attached homes in Albemarle in 2010 compared to the same period last year. The Albemarle median sold price dropped significantly, from \$224,295 to \$198,000 and the days on market was 132. In Charlottesville, there were only 15 attached home sales compared to last year's 28. The median price was down from \$273,344 to \$169,000 and days on market was 112.



### **Conclusions and Predictions**

The good news is that the winter weather is behind us. It is impossible to quantify how much the record snow fall hurt real estate sales in the first quarter, but there is little doubt that it was a significant impact. The good news is that the pent-up demand from the first quarter appears to have moved into the second quarter. Reports from agents in the field indicate that there has been above normal activity since the weather improved in mid-March. Only time will tell if this activity turns into sales for the second quarter market report.

CAAR is also watching the inventory of homes for sale to see if it continues to decline. 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 and if you are looking to put your house on the market, be sure to have a REALTOR® or appraiser prepare a comparative market analysis (CMA) for your property so that you can price it to sell. And, if you are looking to buy, a REALTOR® can help you understand the current market place so you can buy what is right for you.

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](http://www.caar.com), or contact your REALTOR®.

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If you would like more information on the housing market in your area or are in the market to buy or sell a home, contact **Cynthia Hash** at [hash@kw.com](mailto:hash@kw.com) or call **(434) 531-5351**.