

CAAR

CHARLOTTESVILLE AREA
ASSOCIATION OF REALTORS®

The voice for real estate in Central Virginia

MARKET REPORT

2010 Year-End

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Where Are We Now?

2010 in home sales and activity ended much like 2009. At mid-year, home sales were up 19.2% but by year end sales settled near 2009 sales levels at 2,707 units—just 1.5% below end of year 2009. Spring 2010 marked the end of the \$8,000 federal tax credit for first time buyers, resulting in a nationwide slowdown in sales. A positive growth marker in the Charlottesville market is the continued pace of sales in the starter home category. In 2010, starter home sales accounted for 66.3% of total sales compared to 57.3% for 2009, an increase of 9%.

Listing inventory for the area was down 5% for the year and we are still in a buyer's market. The float down in the number of properties on the market allowed for inventory absorption, paired with fewer new listings in 2010. The Charlottesville market recovery is tempered by a continuing supply of bank-owned properties which we expect to continue to see through the second quarter 2011. Greg Slater, 2010 CAAR President cautions that, "until the inventory reaches and maintains level we consider historically level, there will continue to be uncertainty in predicting the pace of sales and stability of pricing."

Home Sales for 2010

There were 2,707 homes sold in the Charlottesville area in 2010, which was down 1.5% (-42 sales) from 2009. Albemarle (+.5%), Fluvanna (+10.7%), Greene (+8.4%), and Nelson (+34.3%) showed an increase in sales for the year. All other areas were down from last year: Charlottesville (-18.9%), Louisa (-7.3%), and Orange (-25.7%).

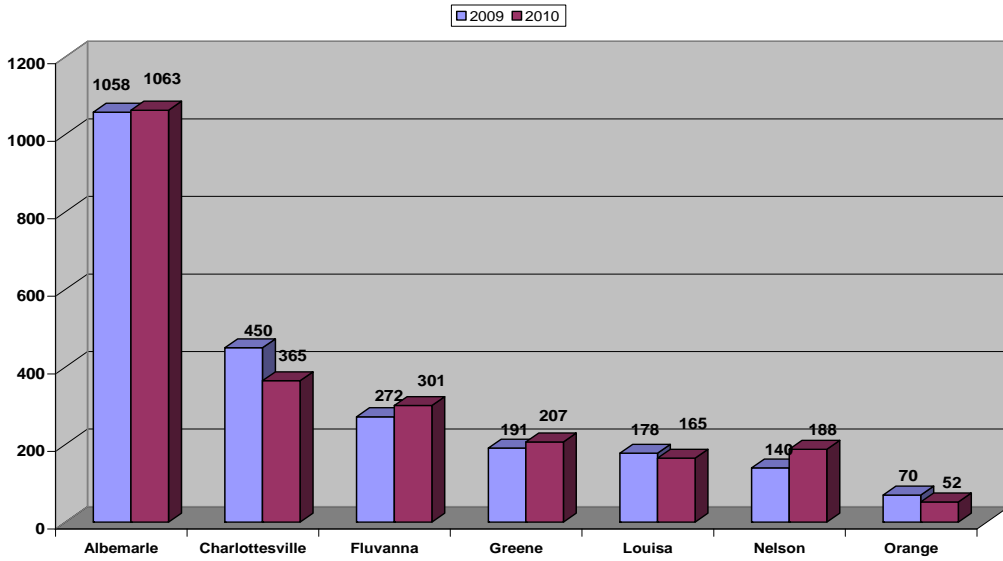
Sales in the Central Valley region were generated from the Greater Augusta MLS, which has more complete data on the Valley market than the CAAR MLS. Sales were down in the Valley by 9 % compared to last year.

Residential Sales					
County	2006	2007	2008	2009	2010
Albemarle	1680	1440	993	1058	1063
Charlottesville	764	644	562	450	365
Fluvanna	523	423	318	272	301
Greene	291	203	171	191	207
Louisa	217	208	209	178	165
Nelson	259	194	158	140	188
Orange	128	122	85	70	52
Area Total*	4412	3768	2991	2749	2707
Central Valley**			1063	905	824

*includes sales outside the counties listed

**numbers courtesy of the Greater Augusta MLS

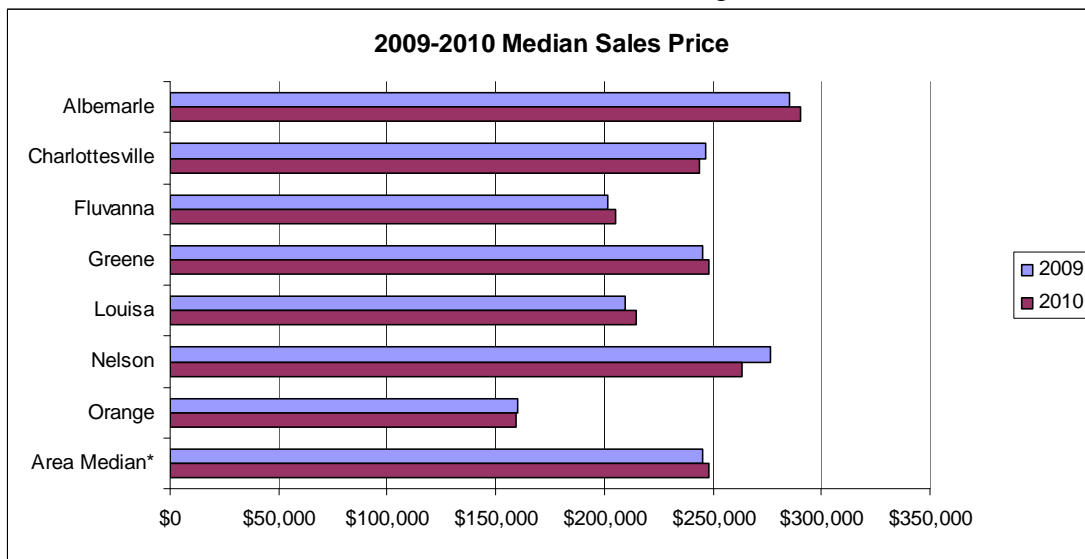
Year-End Sales by County



Home Prices Have Remained Steady

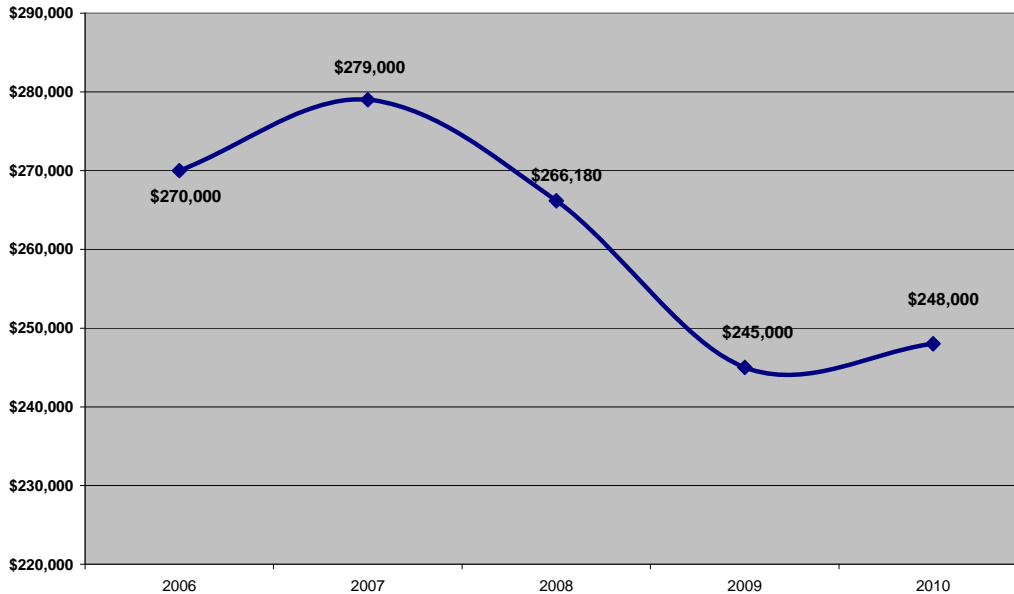
Home prices remained steady in the second half of 2010, a signal of possible price stabilization. The median prices listed below are the middle of the market of properties that sold, indicating what buyers were willing/able to pay. Experience shows that a steady hold in the median price is an indicator of stabilizing prices, also representing what the market will be able to sustain moving forward.

Overall, there was not much change in the median home price (including attached homes) compared to last year with a slight increase of 1.2%. Albemarle, (+1.9%), Fluvanna (+1.9%), Greene (+1.2%), Louisa (+2.4%) all saw an increase in median home prices, while the remaining localities saw a decrease: Charlottesville (-1.1%), Nelson (-4.7%), Orange (-.3%).



**includes sales outside the counties listed*

Median Sales Price (Entire Area)



Price Per Square Foot (Finished)—Pockets of Value for Buyers

The current area average of \$139 per finished square foot is the lowest number since 2004, indicating true “pockets of value” for buyers. Prices declined for the past four years—a \$32 per square foot drop since peaking for buyers in 2006.

The most affordable markets are outlying localities of Fluvanna, Louisa, and Orange. The relative stability in price per finished square foot in Charlottesville, Albemarle, and Greene supports the strength and stability of these markets. Housing affordability is a positive aspect of this market. There are 867 homes priced for sale at \$200,000 or less with an average DOM of 136 and an average price per square foot of \$116.

Price Per Finished Square Foot (Year End)		
County	2009	2010
Albemarle	152	147
Charlottesville	171	166
Fluvanna	121	116
Greene	129	128
Louisa	114	111
Nelson	170	164
Orange	117	99
Area Average*	144	139
Central Valley**	113	123

*includes sales outside the counties listed

**based on CAAR MLS data

Inventory of Homes for Sale

At year end, inventory is down and prices are stable for two consecutive quarters, signaling what could be a positive trend for the Charlottesville market. However, local housing experts remain cautious. “The last 60 days of 2010 seem to indicate some release of pent up demand and this might be caused by a move up in interest rates, but it’s difficult to tell at this point in time,” notes Greg Slater, CAAR 2010 President. The pace of the absorption rate for inventory will be partially dependent upon the pace of interest rate increases.

Currently, we have 2,721 homes on the market, compared to 2,877 at this time last year. This continual float down of listing inventory is continued progress toward a normal range of 2,000 to 2,500 listings. The median price of homes currently for sale is \$279,000, which is \$10,900 less than last year. The average DOM (days on market) of these homes is 176 days, down slightly from last year and 59 days more than homes sold in 2010.

Days on Market (DOM)

Variables in the marketplace including inventory, foreclosures, short sale, and financing issues affect the length of time a property is on the market. 2011 CAAR President Barbara McMurry observes, “The local area DOM stabilized in the second half of 2010 which, combined with the decrease in inventory, also supports the stability of the market.” Consistent statistics for three year averages support that our current DOM is our local market’s new set point.

Average Days on Market (Year to Date)					
County	2006	2007	2008	2009	2010
Albemarle	69	91	114	107	106
Charlottesville	57	79	111	116	107
Fluvanna	75	88	118	122	96
Greene	79	93	108	98	96
Louisa	91	126	108	133	116
Nelson	86	111	149	158	176
Orange	72	110	154	145	114
Area Average*	75	94	119	120	117
Central Valley**			143	150	158

**includes sales outside the counties listed*

***numbers courtesy of the Greater Augusta MLS*

New Construction

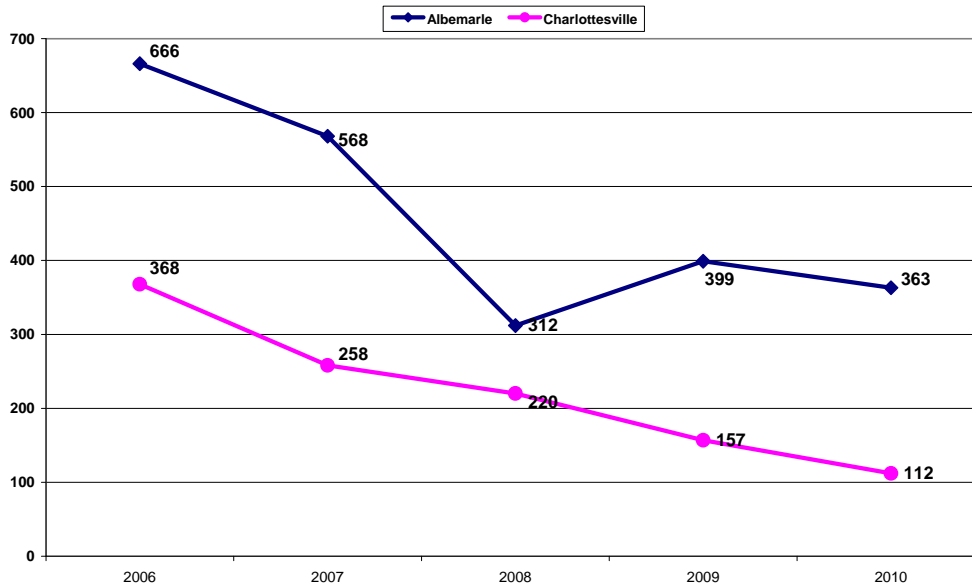
It is important to note that many “new” homes are not included in CAAR MLS statistics. However, the historical perspective of the pace of new home sales gives us a reasonably good picture of the market for new construction. Counties with increases in new homes sales in 2010 include Albemarle and Fluvanna, while overall numbers are still below our market’s five-year average of 583.

New Homes Sales (Year End)		
County	2009	2010
Albemarle	198	210
Charlottesville	83	37
Fluvanna	44	63
Greene	37	36
Louisa	54	48
Nelson	4	5
Orange	0	2
Area Total	463	431

Condos and Townhomes (Attached Homes)

For purposes of statistical relevance, the sale of attached homes is only reported in Charlottesville and Albemarle because few properties in this category are located in other counties, except the resort market in Nelson County. Both localities saw a decrease in sales in attached homes, with a 9% decrease in the sale of attached homes in Albemarle in 2010 and Charlottesville showing the same percentage drop from the previous year's comparison of 28.6% for 2010. The average DOM of the 280 attached homes currently on the market is 191, and the median price of an attached home currently on the market is \$189,900. The median price for an attached home sold in 2010 was \$245,977 with a DOM of 104.

Condo and Townhome Sales



Conclusions

The results in our local market are in line with national figures. Home prices have remained steady and pockets of value are still attractive for buyers. The gradual float down of listing inventory and the stability in Days on Market all support the move towards a sustainable and saleable market. For now, we will continue to watch the inventory of homes for sale and the number of foreclosures coming into our local market. If we see inventory levels continue to decline and the pace of foreclosures stays steady, we can expect prices to begin a gradual rise. If inventory climbs again and the regional economy and loan availability both remain stagnant, there is limited opportunity for growth in our housing sectors.

Price sensitivity is still a key factor in this market and if you plan to sell a home in 2011, be sure to have a REALTOR® prepare a comparative market analysis (CMA) so that you can price it to sell. And, if you are looking to buy, a REALTOR® can help you understand the current market and evaluate your options.

This 2010 Year-End 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®.