

June 2009
Harrisonburg & Rockingham County
Real Estate Market Report

July 6, 2009

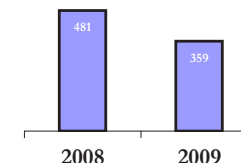
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Coldwell Banker Funkhouser Realtors

HOME SALES REPORT

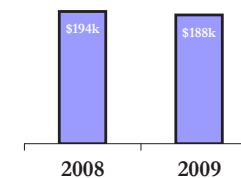
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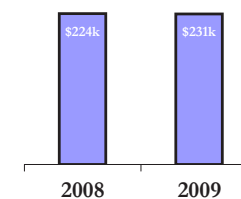
# Home Sales	2008	2009	% Change
June ▼	111	85	-23.42%
Year To Date ▼	481	359	-25.36%



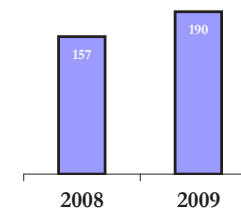
Median Sales Price	2008	2009	% Change
June ▼	\$205,000	\$203,000	-0.98%
Year To Date ▼	\$195,000	\$190,000	-2.56%



Average Sales Price	2008	2009	% Change
June ▲	\$219,885	\$227,699	3.55%
Year To Date ▼	\$222,522	\$222,047	-0.21%

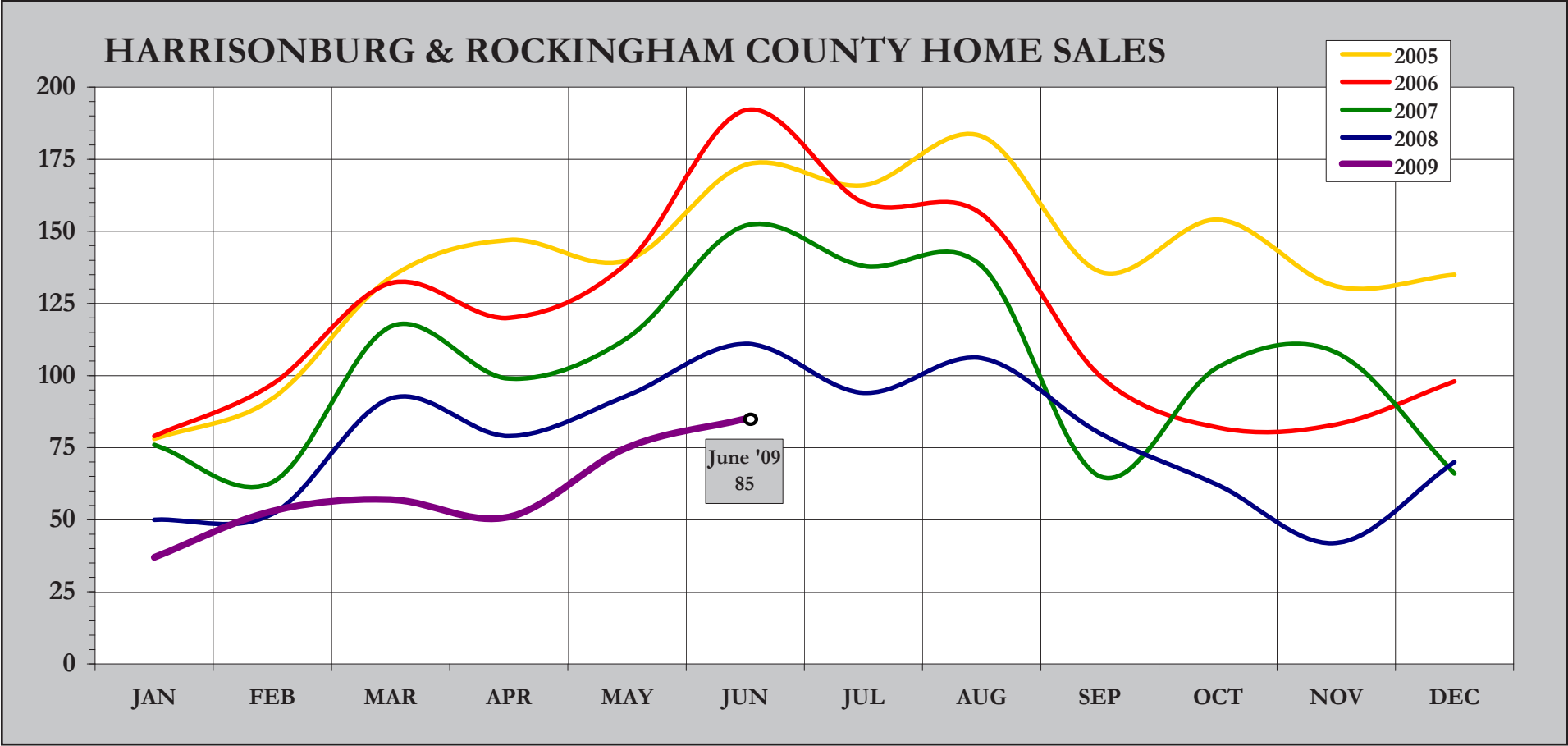


Average Days on Market	2008	2009	% Change
June ▲	156	172	10.26%
Year To Date ▲	160	189	18.13%



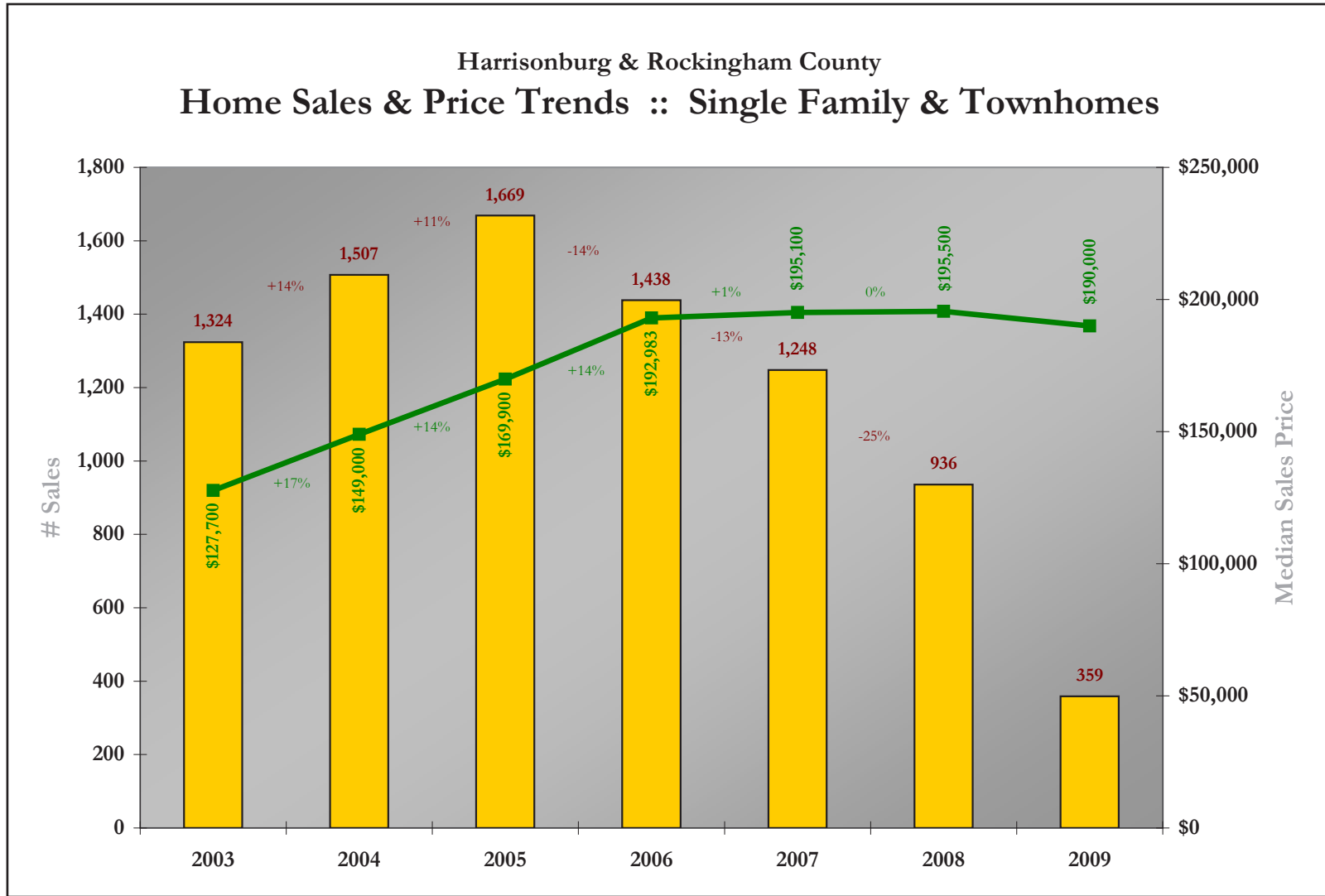
Of Note . . .

While the pace of home sales continues to decline (25% lower in 2009 than in 2008), the median and average sales price continue to stay relatively steady in our local real estate market --- showing a 2.5% decline (median) and 0.2% decline (average) when comparing the first six months of 2008 to the first six months of 2009. Our market continues to out-perform most other markets in Virginia, evading the 20% - 40% loss in home values seen in many areas.



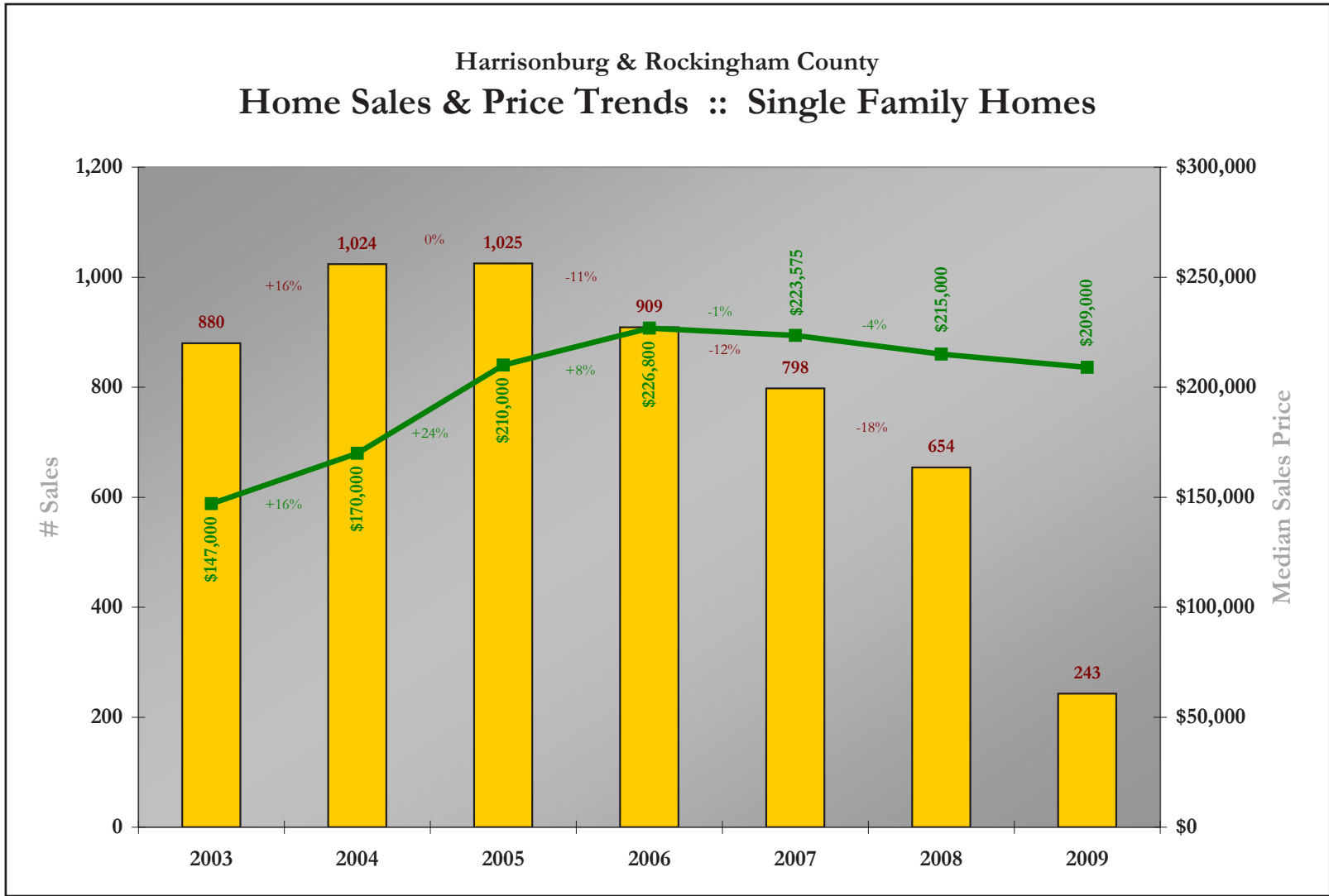
Of Note . . .

In this graph, we see that 2009 sales volume (purple line) is still hovering well below 2008 sales volume (blue line) --- but we are seeing the predictable seasonal increase in home sales during the summer months. The remainder of 2009 will be interesting to observe, as many first time buyers close on properties prior to December 1st to obtain the \$8,000 tax credit. July always takes a slight dip, so we'll see if that holds true for 2009.



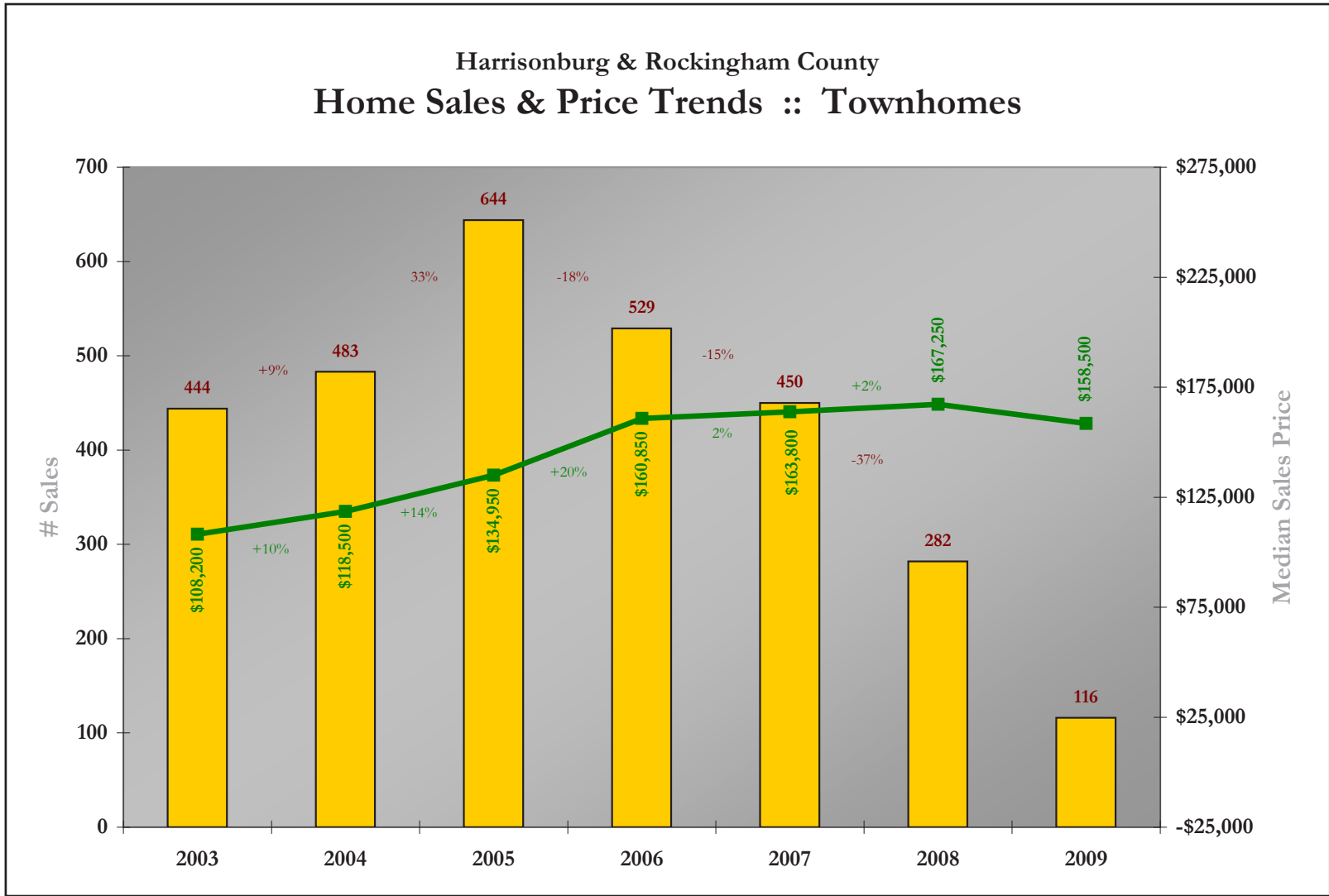
Of Note . . .

This graph captures all residential real estate activity as reflected in the Harrisonburg/Rockingham MLS. The 2009 year-to-date sales figures now include six months of sales data, and show only a slight decline in median sales prices (\$195,500 to \$190,000). Their sales volume (yellow bars), however, continue to decline.



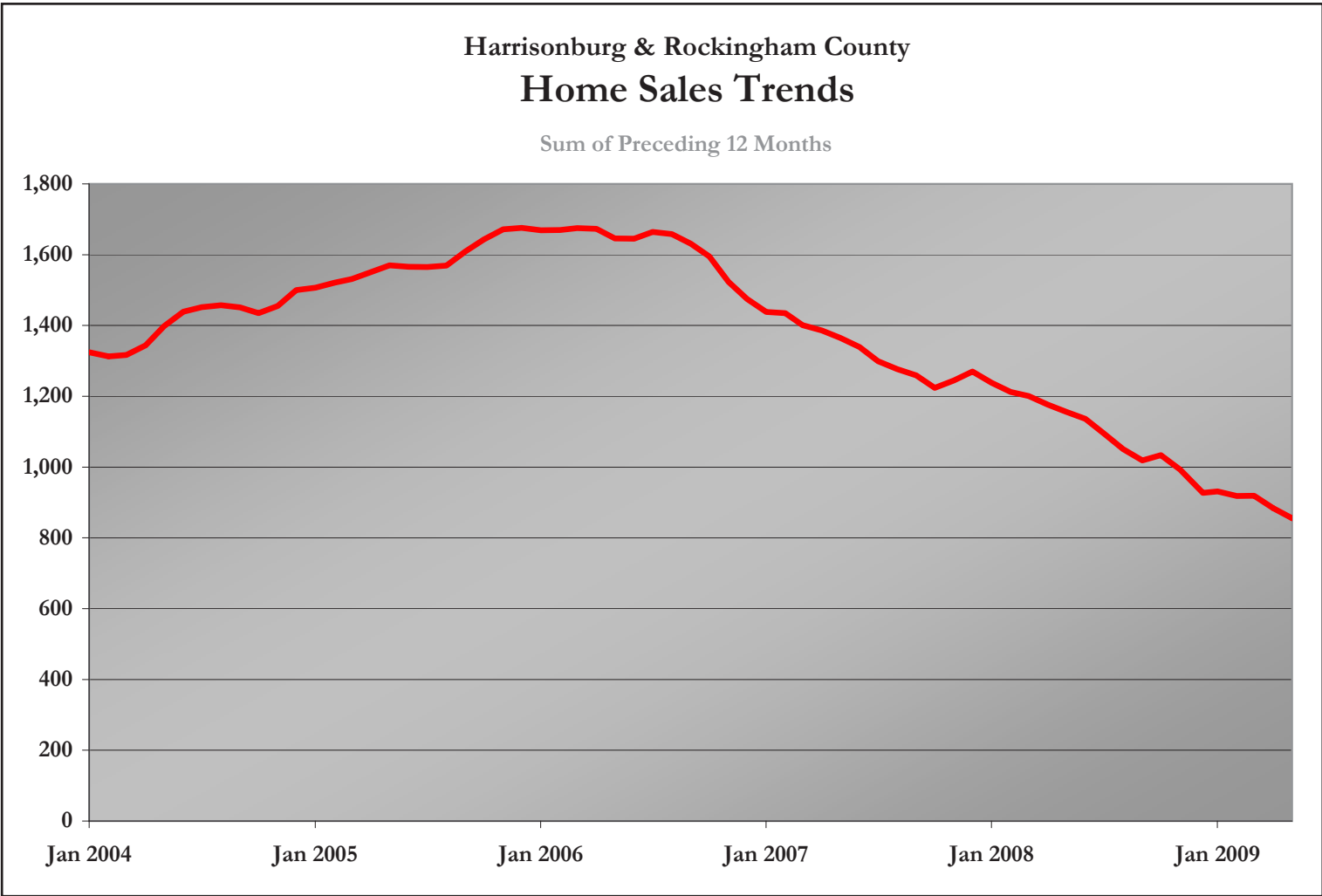
Of Note . . .

When examining only single family home sales in Harrisonburg and Rockingham County we see that the median sales price continues to decline at a relatively slow rate (1%, 4%, 3%) when comparing 2009 to 2008 -- the good news is that single family homes (as a whole) aren't losing value as they are in many other markets.



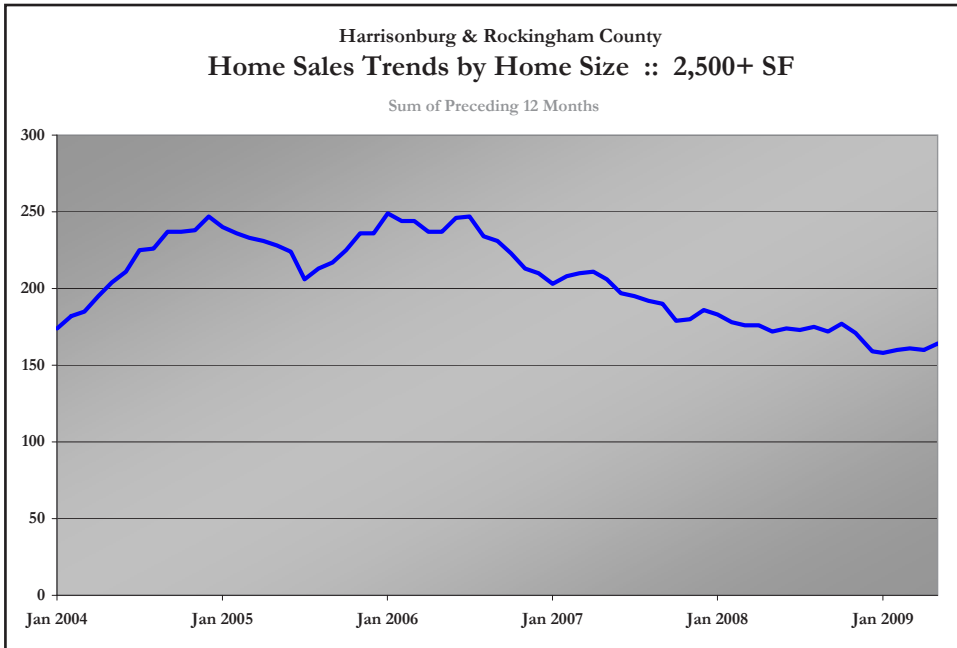
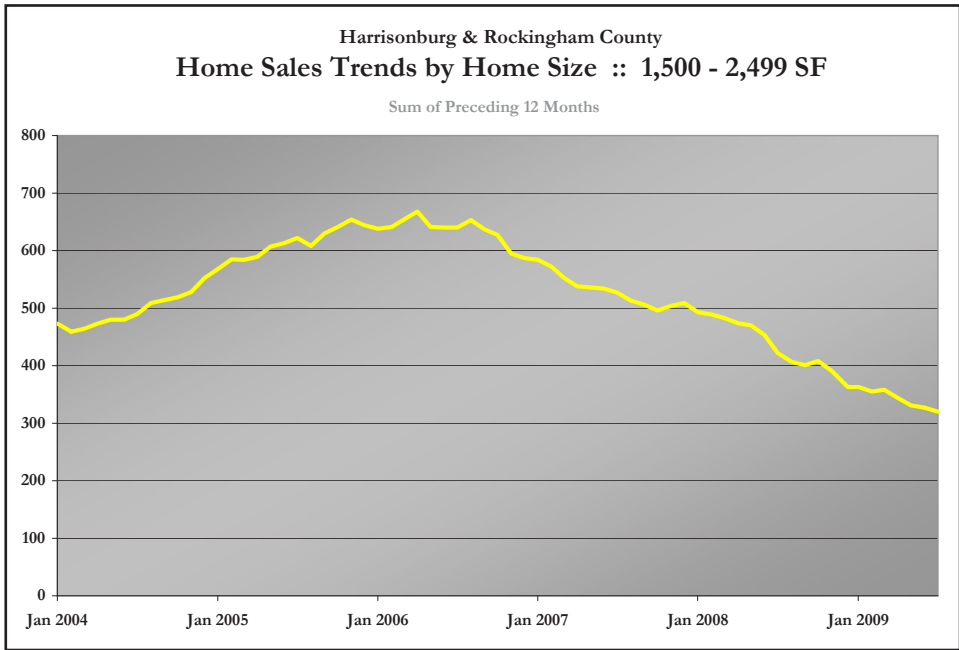
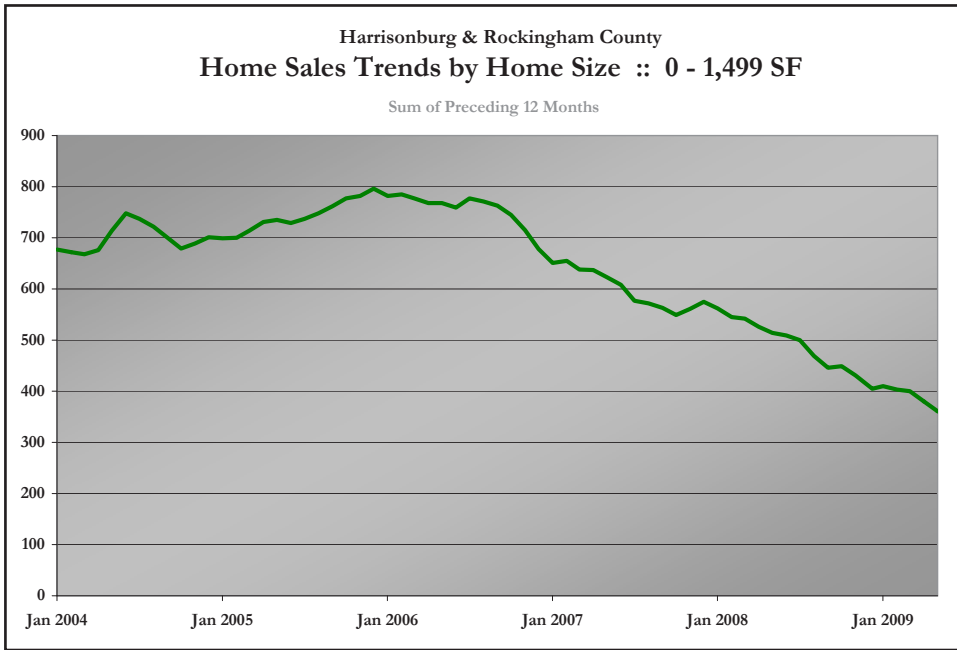
Of Note . . .

When examining only townhome sales in Harrisonburg and Rockingham County we note that while the sales volume has dropped dramatically since 2005 (-18%, -15%, -37%), the median sales price has gained during that time period (2005 vs. 2009) and has stayed relatively steady between 2006 and 2009.



Of Note . . .

This graph shows a normalized trend of home sales by charting the ongoing sum of the preceding 12 months' sales. We continue to see a decline in this metric, and likely will until the pace of sales stops its decline.

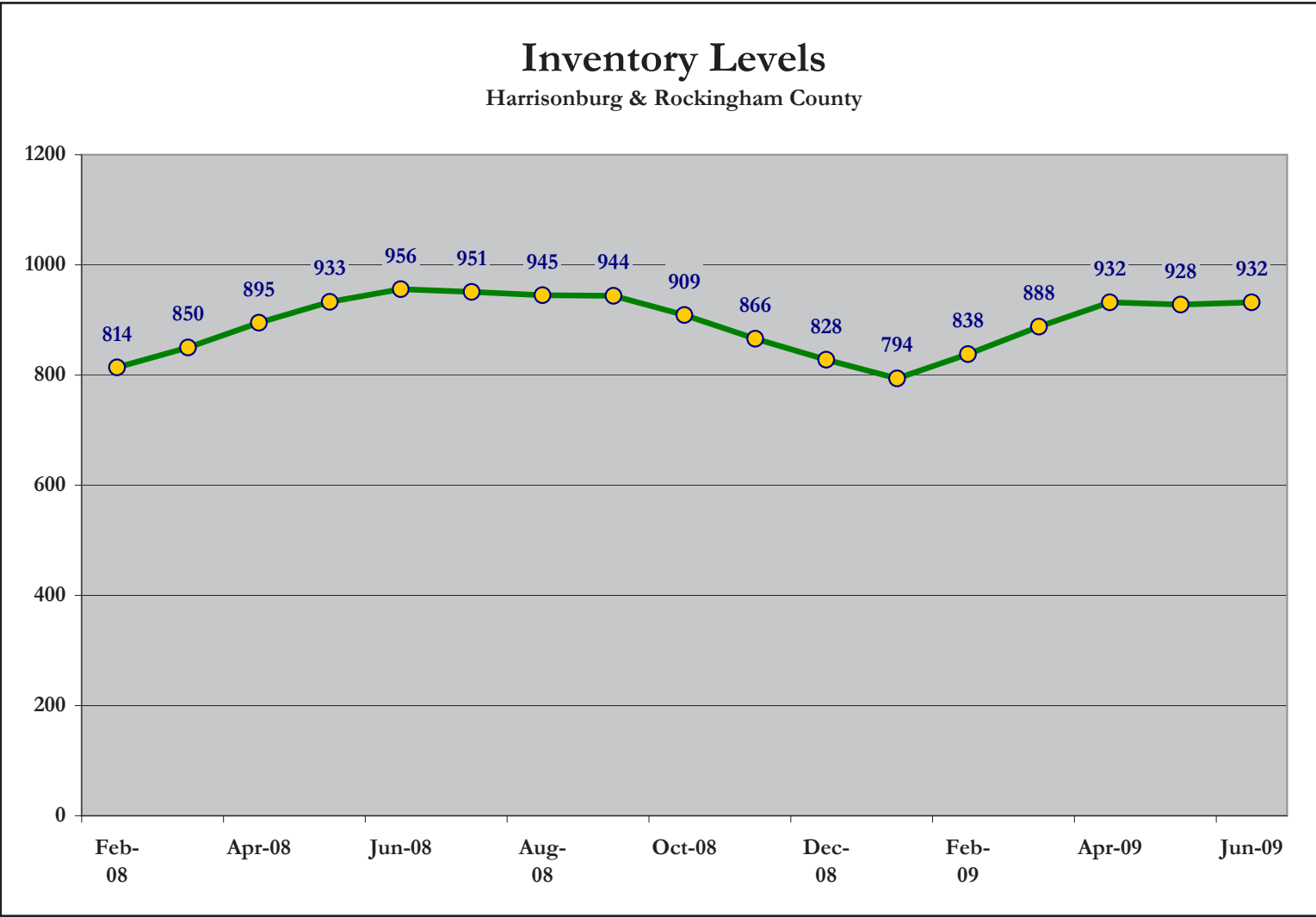


Of Note . . .

These three graphs shows the normalized trend of home sales by charting the ongoing sum of the preceding 12 months' sales, divided into three different data sets based on the size of the home.

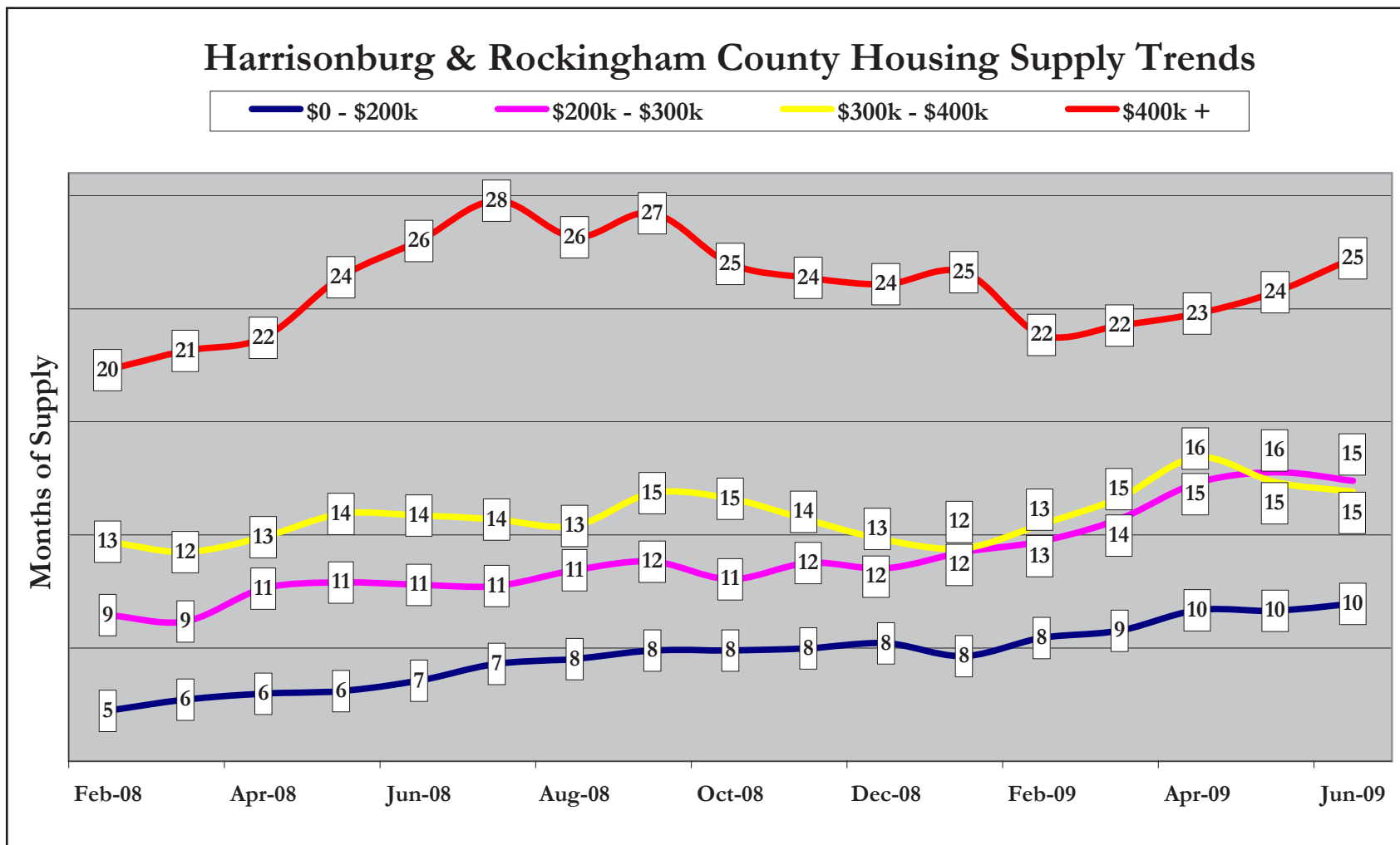
Sales of homes larger than 2,500 square feet have (remarkably) started to increase over the past several months. This is a surprise to many, as we have a tremendously high level of inventory in this upper size and price range.

Sales of homes with 0 - 1,499 square feet and 1,500 - 2,499 square feet have steadily declined since 2006, though the 1,500 - 2,499 square foot price range has faired a bit better.



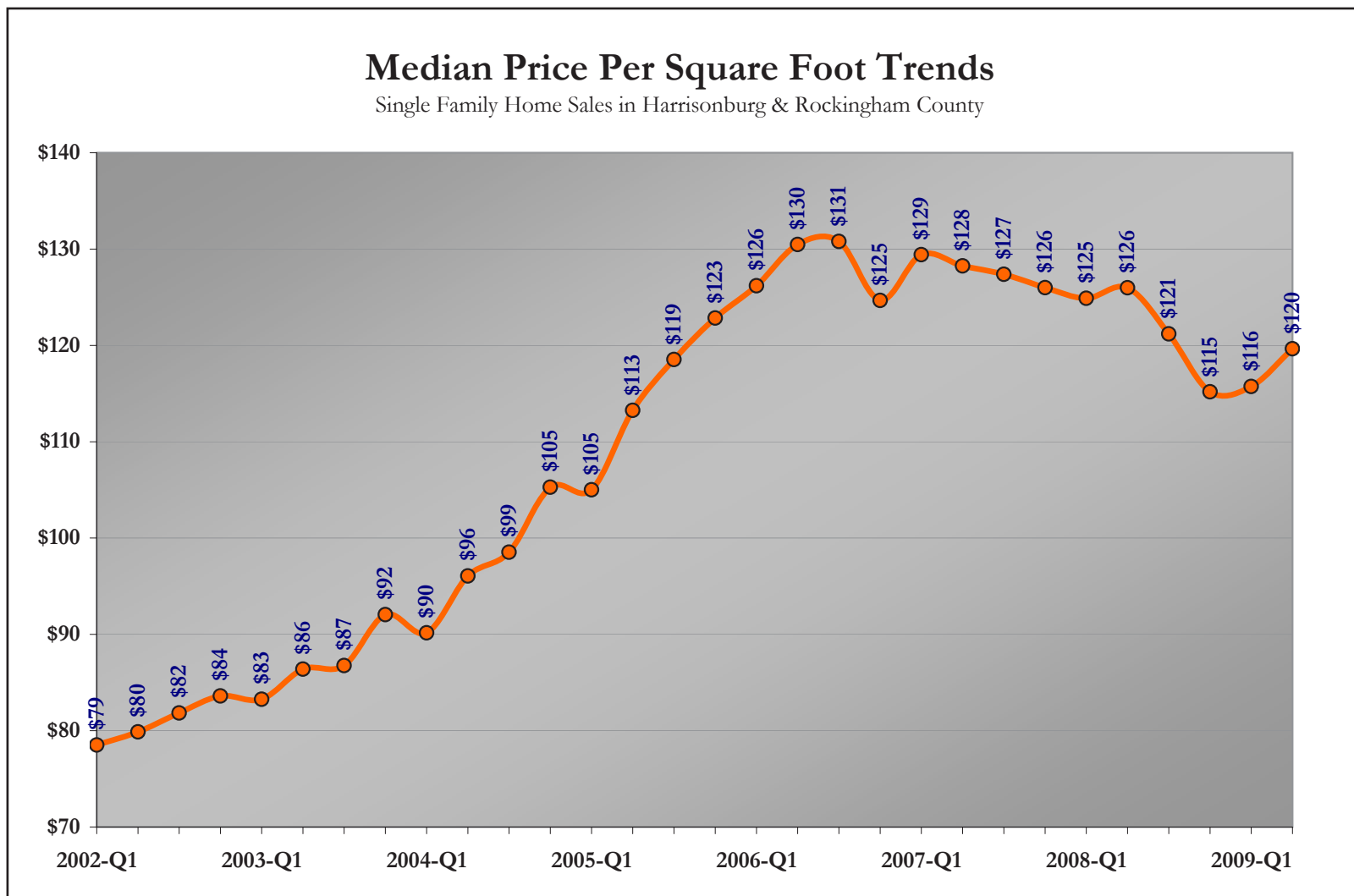
Of Note . . .

Inventory levels have stayed relatively level over the past three months, and have declined as compared to a year ago (932 vs. 956). Lower inventory levels will (slowly) lead to a healthier local real estate market, as a balance between buyers and sellers returns.



Of Note . . .

With inventory levels holding steady, the number of months of supply of homes in the three lower price ranges noted above has stayed relatively steady. We continue to see an increase in supply of \$400k+ homes as compared to the sale pace of these homes.



Of Note . . .

After a relatively sharp decline in median price per square foot between 2008-Q2 and 2008-Q4, we have now seen an increase over the past two quarters in this metric. This may be any early indicator of the stabilization of our local market, as the price that buyers are willing to pay per livable space stabilizes.

Days on Market Analysis :: Jan '09 - Jun '09

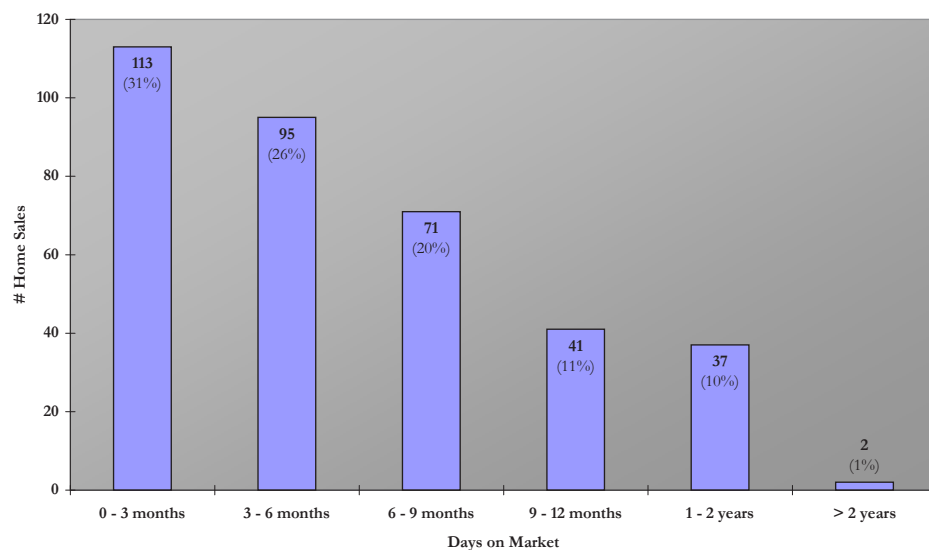
Harrisonburg & Rockingham County

	Average DOM	Percentage of Homes That Sold in Stated Timeframe					
		0-3 M	3-6 M	6-9 M	9-12 M	1-2 Y	2+ Y
All Homes	188	31%	26%	20%	11%	10%	1%
Under \$200k	163	38%	24%	19%	15%	4%	0%
\$200k - \$300k	214	25%	34%	17%	3%	17%	2%
\$300k - \$400k	209	15%	31%	33%	8%	13%	0%
\$400k and up	253	29%	16%	13%	16%	26%	0%

DOM = Days on Market M = Months Y = Years

Days on Market Analysis :: Jan '09 - Jun '09

Harrisonburg & Rockingham County

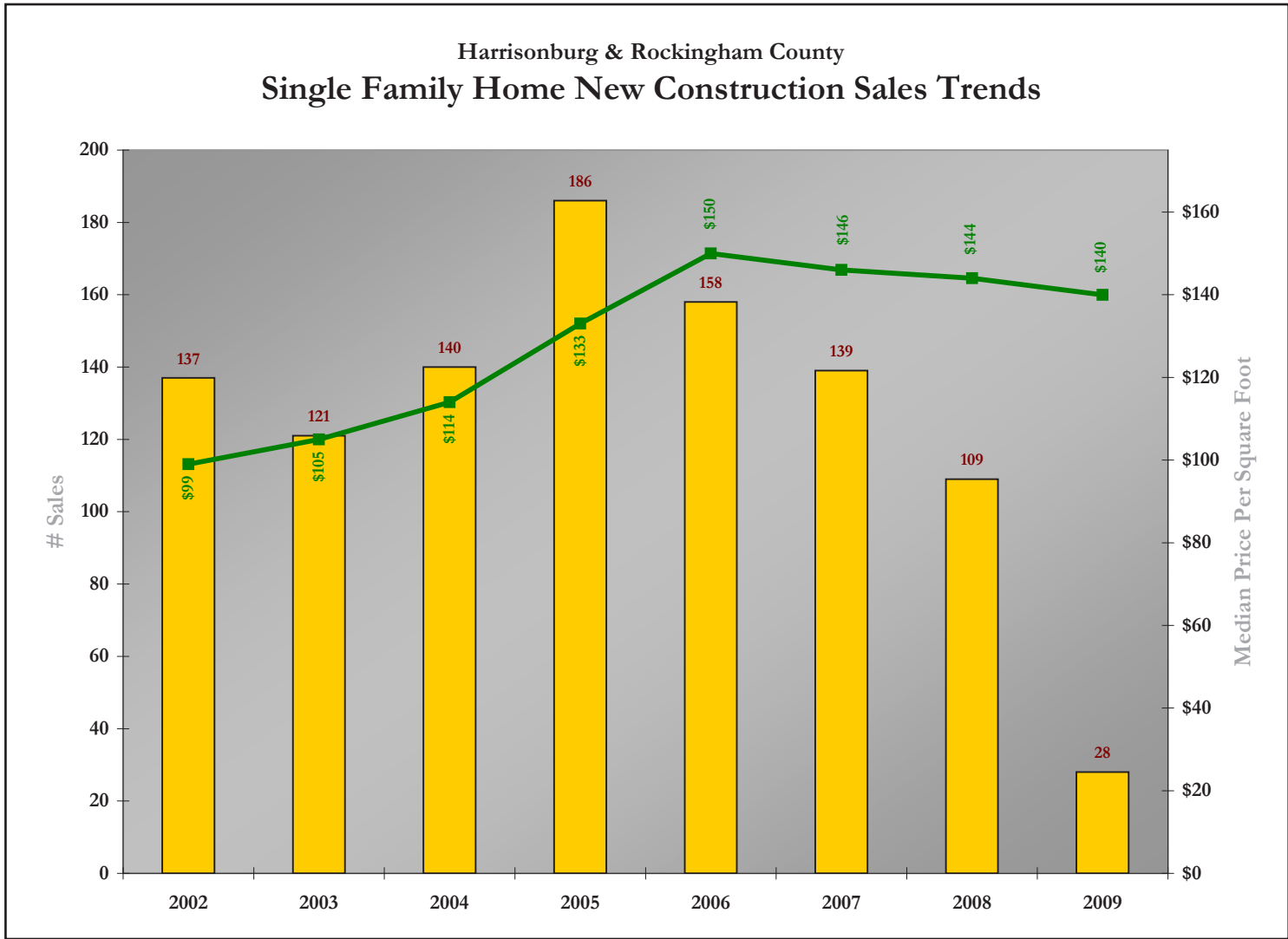


Of Note . . .

The chart above examines time on market for homes sold in Harrisonburg and Rockingham County during the past six months. Homes with the lowest price points are selling the quickest, and homes in the upper price ranges are taking the longest time to sell.

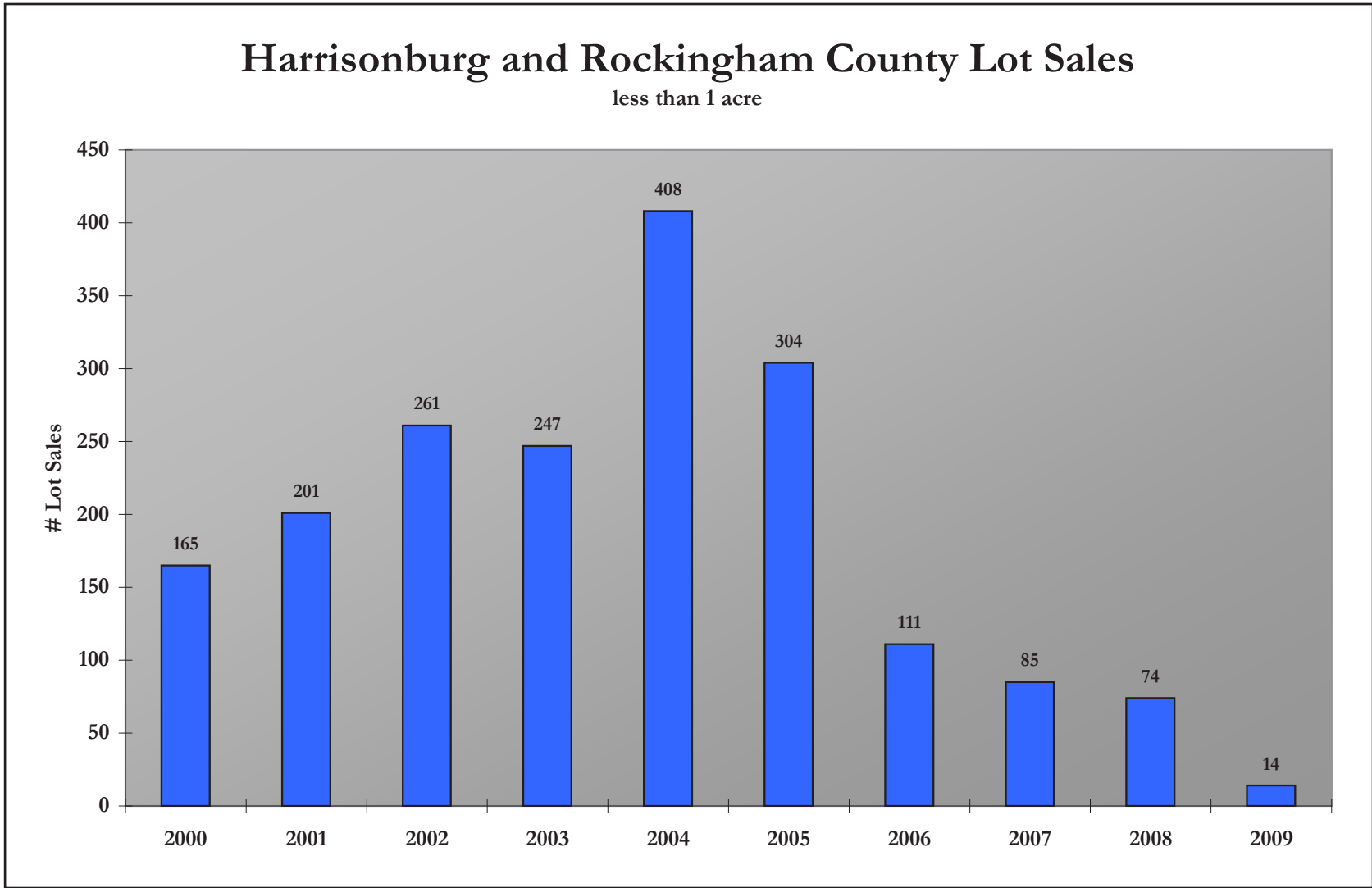
For example, overall only 11% of homes took longer than 1 year to sell, but 26% of homes selling over \$400,000 took longer than a year to sell.

Of note, the average days-on-market has actually declined since last month's market report. Last month's report showed an average of 193 days, compared to the new overall average of 188 days.



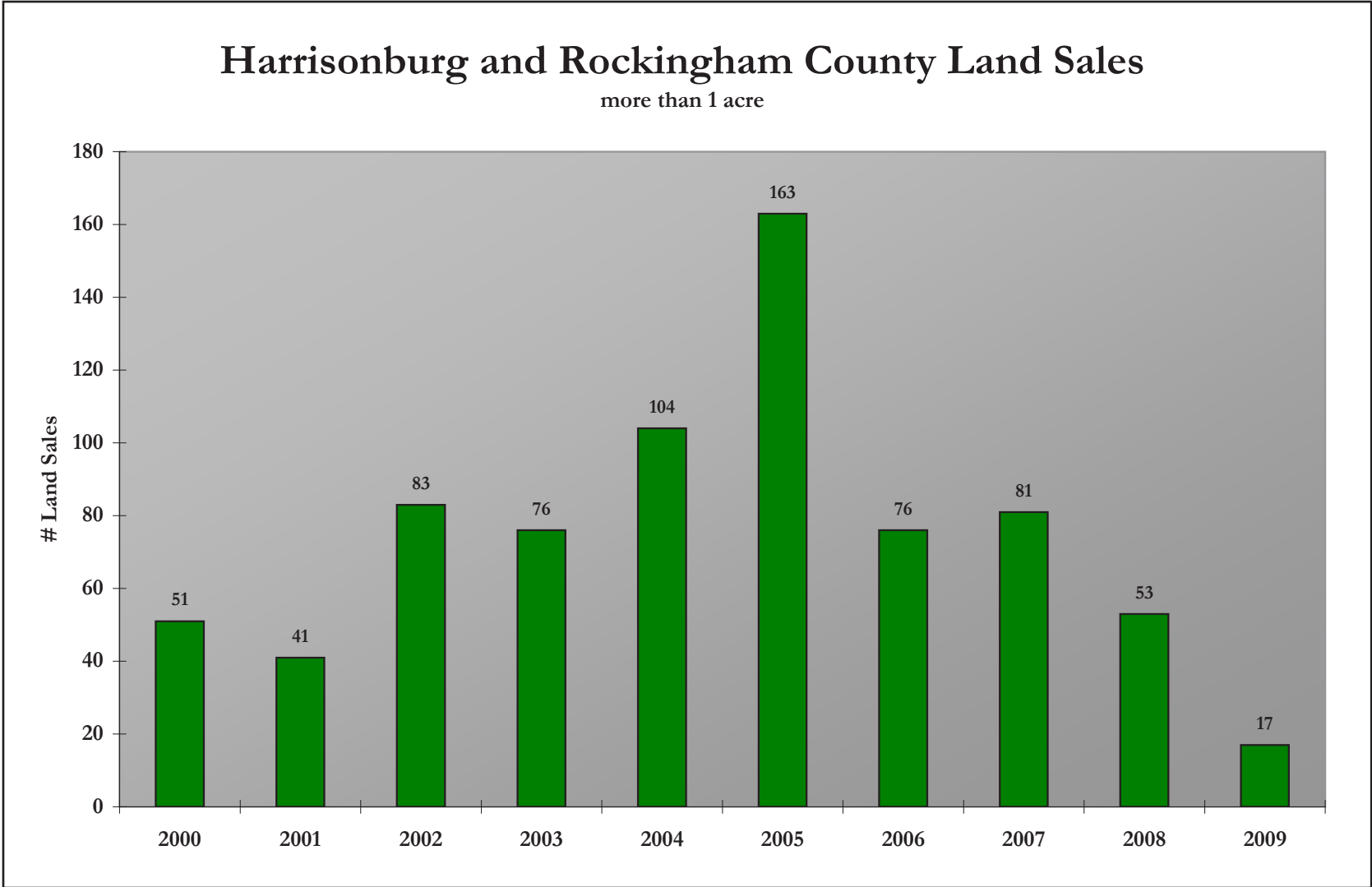
Of Note . . .

When examining new single family homes in our local market, we see a steady decline since 2005 in the number of homes that are selling (yellow bars) accompanied by a slow decrease in the median price per square foot since 2006 (green line). Of note, the current median price/sf is still well above the 2005 level.



Of Note . . .

The graph above depicts the number of lots (less than 1 acre) selling in Harrisonburg and Rockingham County since 2000. We continue to see only a small number of buyers in the market for building lots, with only 14 such closings having occurred during the first six months of this year.



Of Note . . .

Land sales (tracts larger than 1 acre) have also markedly decreased since 2005, but aside from the spike of activity in 2005, the pace of these land sales remained relatively constant between 2002 and 2007. Last year, and the projected figures for this year show that there are very few buyers in the market for land at this time.