

KLINE MAY
— *Realty*

Market Report
June 30, 2010

Market Update - June 30, 2010

There has been a great deal of speculation this year about just how much of a surge in home sales would be caused by the Homebuyer Tax Credits. The initial June 30, 2010 closing deadline for Homebuyer Tax Credit eligibility combined with the typically stronger summer market to make June the most productive month for residential sales in nearly three years!

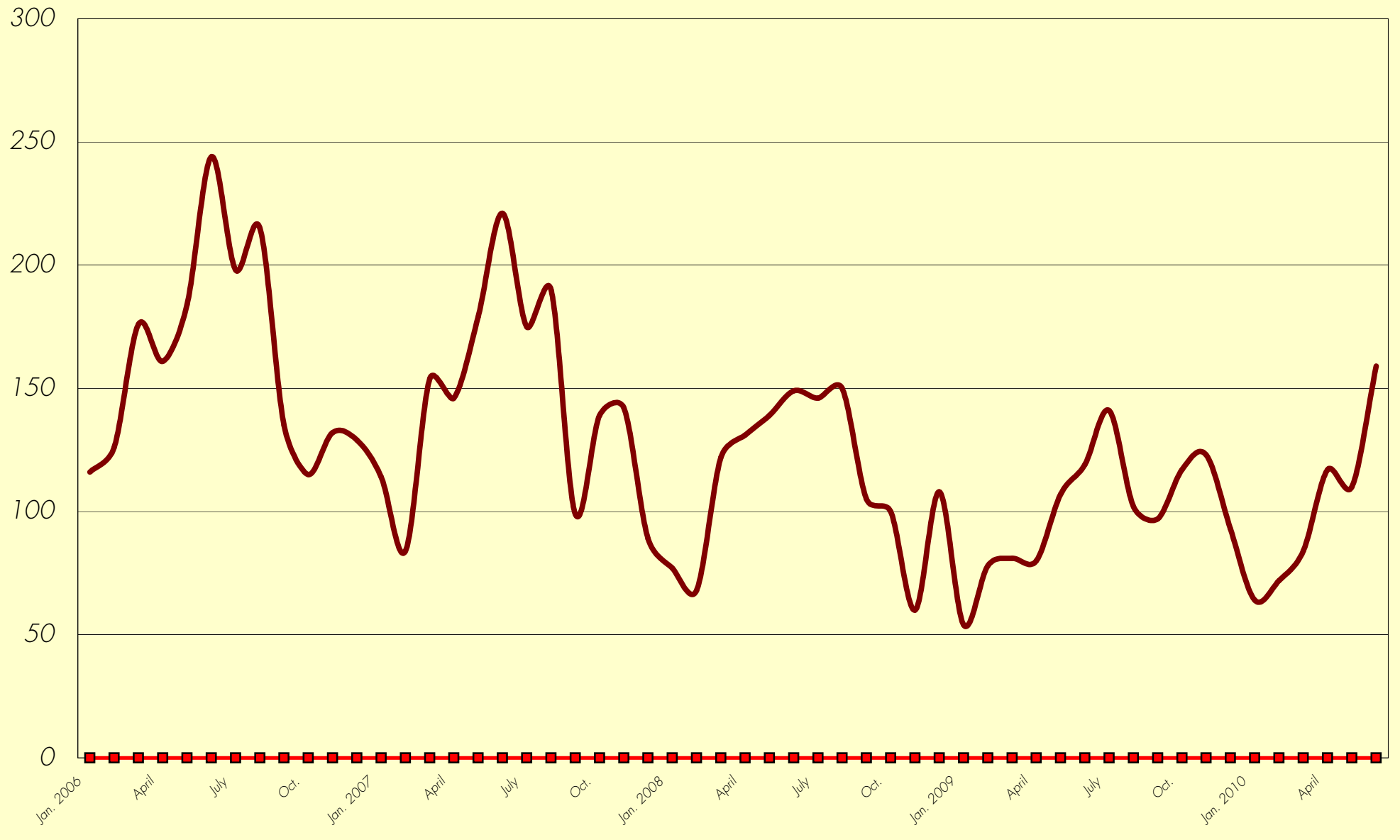
Our local Multiple Listing Service (MLS) reported 159 residential sales in June, the highest monthly total since 190 sales were recorded in August, 2007. Similarly, the residential sales volume in June of \$34, 095,068, was the highest monthly total since August, 2007.

Despite the strong sales in June, inventory of homes for sale in both Harrisonburg and Rockingham County swelled to higher levels than we have seen in the past few years. During June, there were an average of 345 residential properties for sale in Harrisonburg and 618 properties for sale in Rockingham County. These numbers are not at all good for sellers, who are still finding they must lower their asking prices in order to attract attention among the intense competition for buyers.

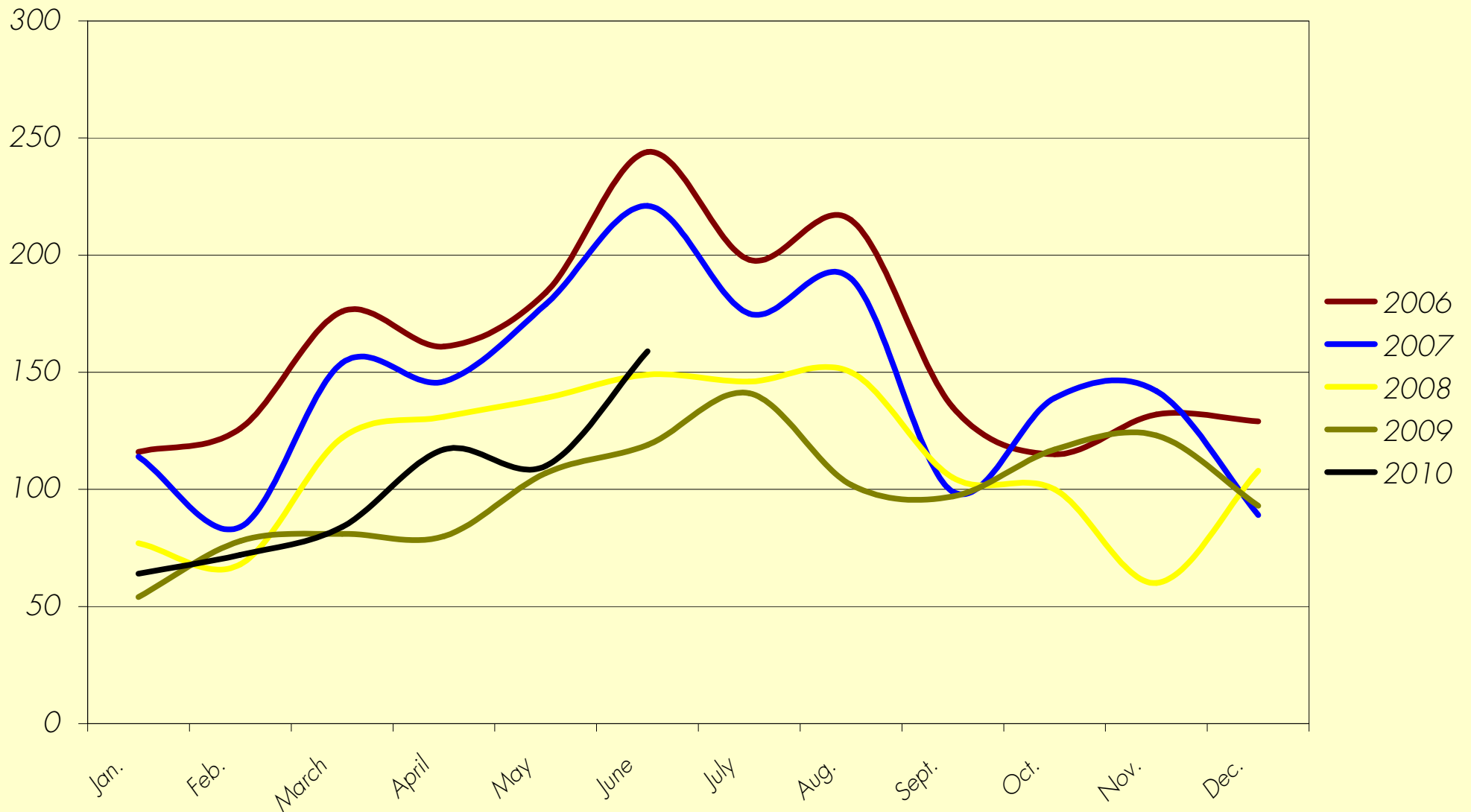
The mix of properties sold in June included a higher percentage of \$250,000+ homes than in prior months, bringing the 12 month average price up just slightly to \$199,721 from the \$199,705 12 month average at the end of May. These figures represent an 11.85% drop in average sales price in the past three years - a far gentler decline than other areas! In our opinion, however, prices will drop a bit further before they level off and begin to rebound, due to high inventory and competition from short sales and foreclosures.

So how much of the June surge can be attributed to the Homebuyer Tax Credit versus the market? We just can't tell at this point. Surely some of the buyers who were able to take advantage of the Credit had been in the market for awhile and the deadline motivated them to act, and some were considering buying in the future but accelerated their plans to meet the deadline. The next few months (without influence from the tax Credit) will give us an indication of the true strength of the market and the balance (or imbalance) between buyers and sellers. Stay tuned.....

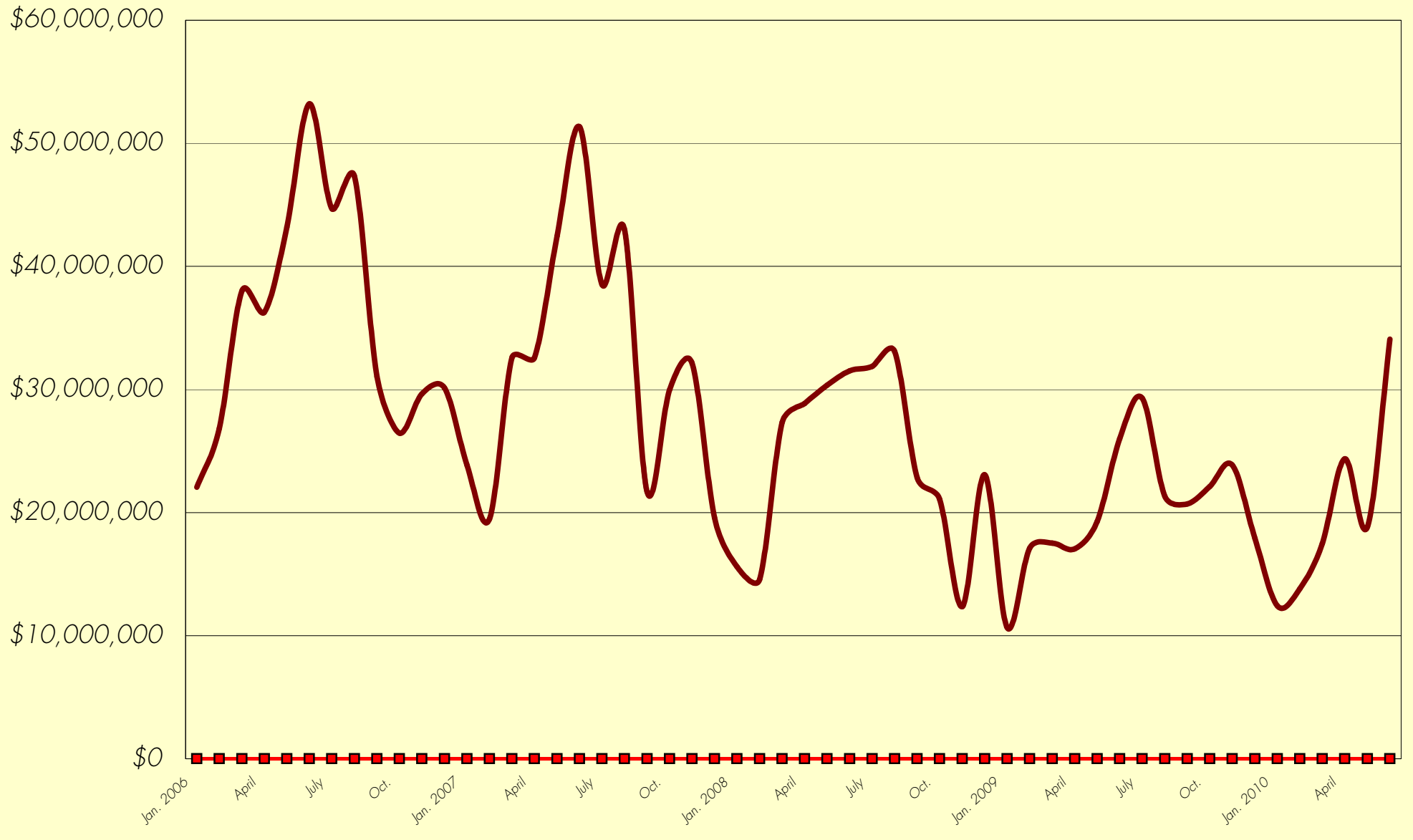
Harrisonburg - Rockingham Association of Realtors
Closed Residential Transactions per Month
2006 - June, 2010



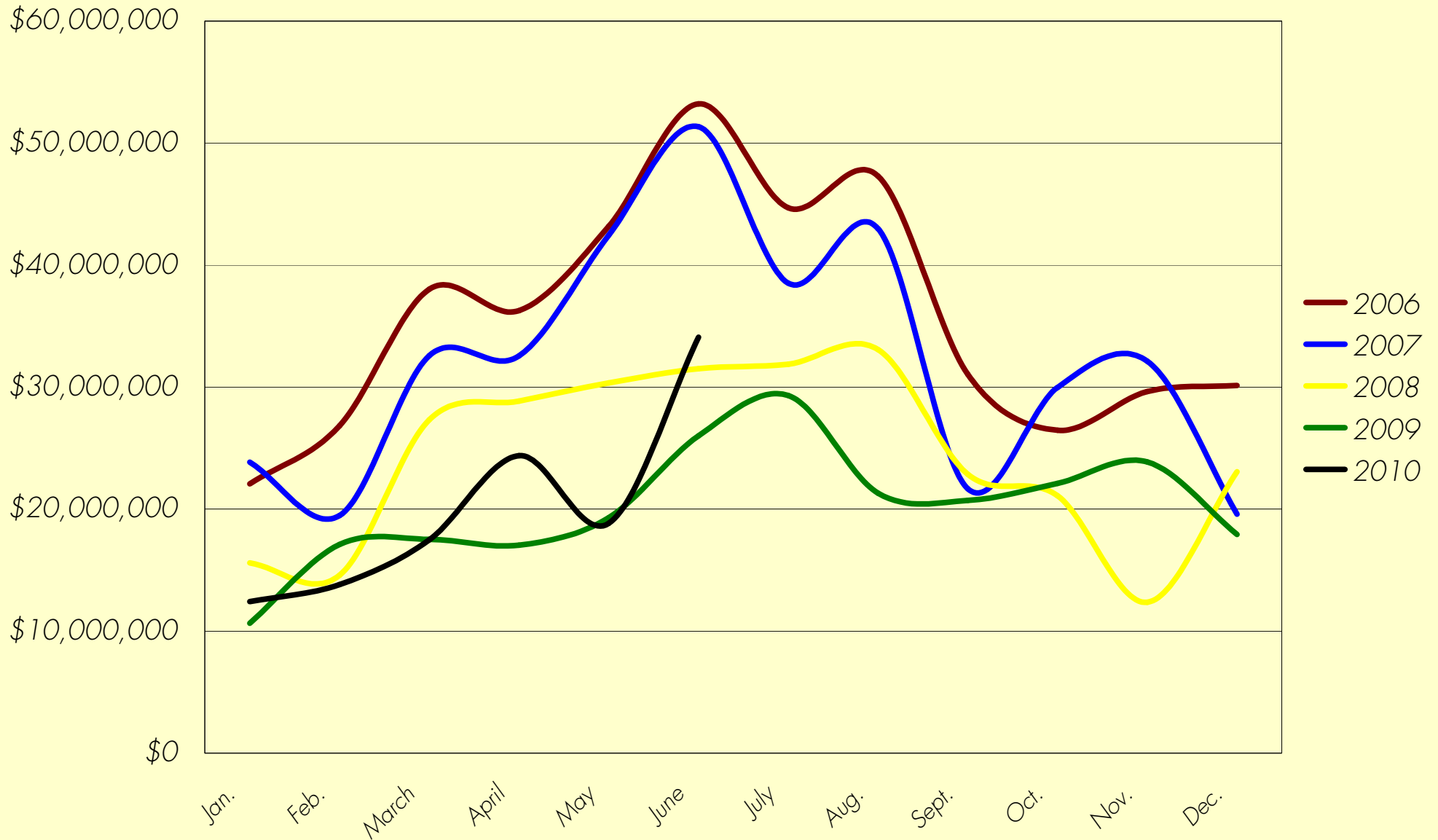
Harrisonburg - Rockingham Association of Realtors
Closed Residential Transactions per Month
2006 - June, 2010



Harrisonburg - Rockingham Association of Realtors
Closed Residential Volume per Month
2006 - June, 2010

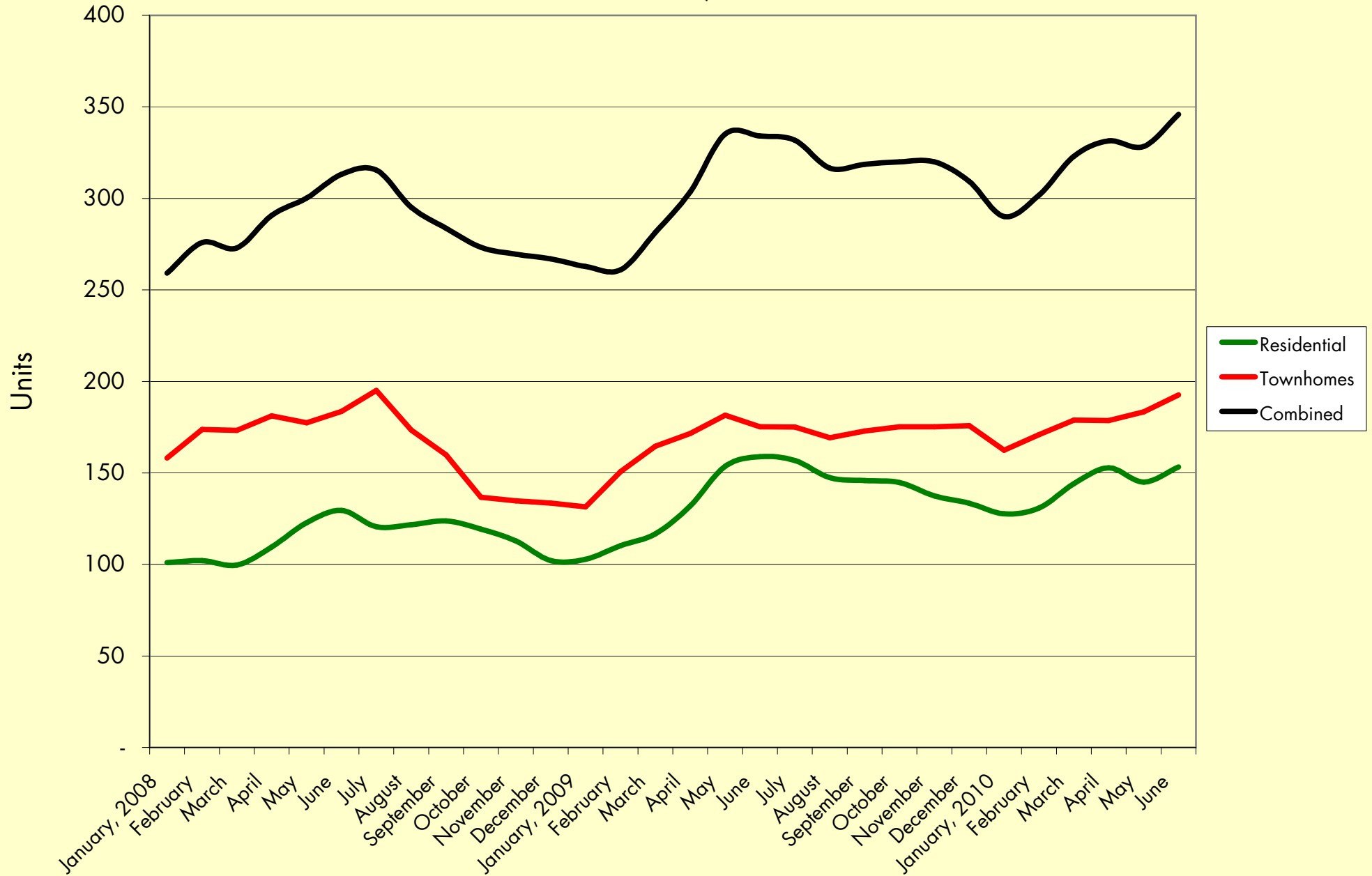


Harrisonburg - Rockingham Association of Realtors
Closed Residential Volume per Month
2006 - June, 2010



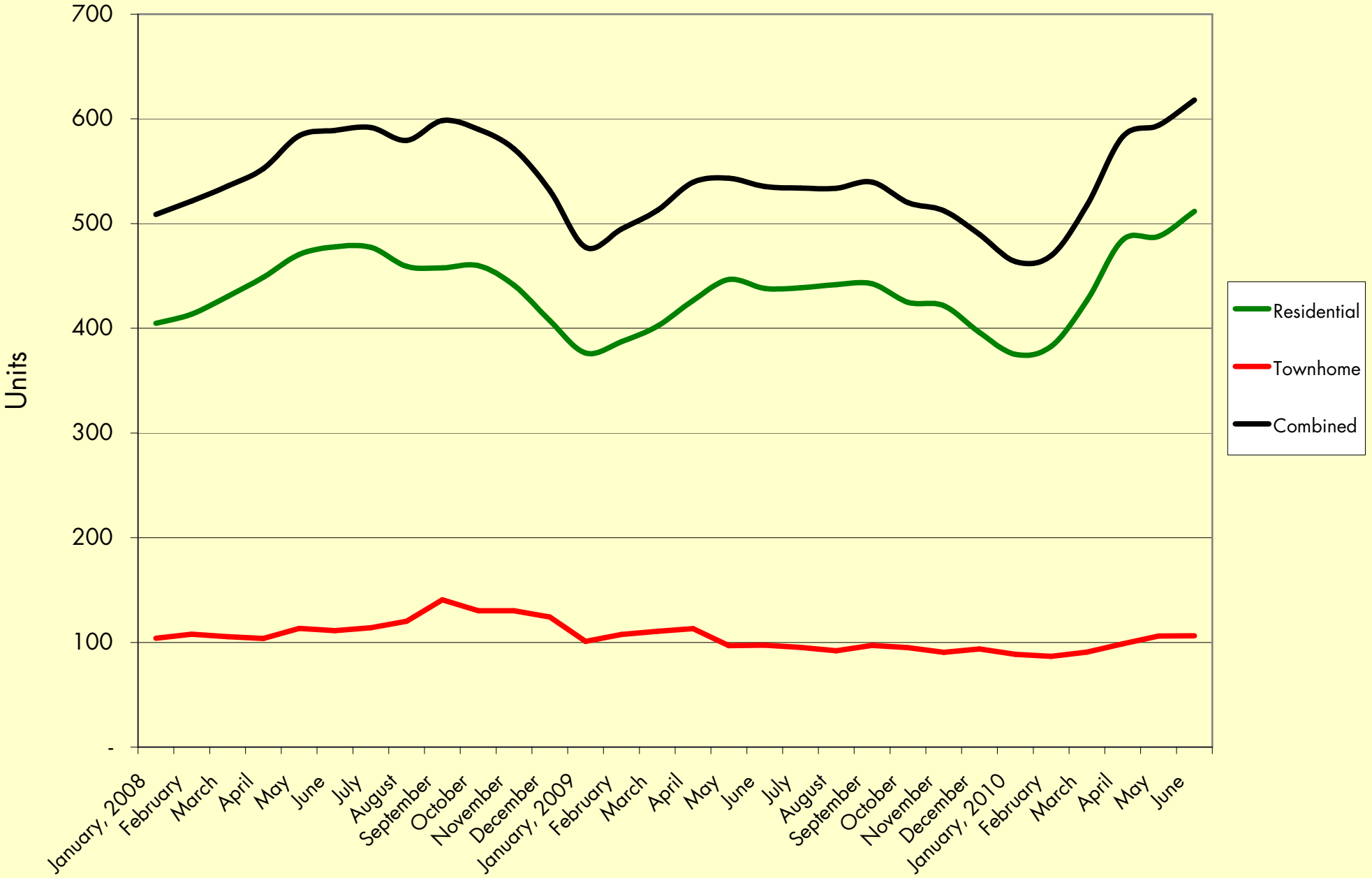
Harrisonburg Residential and Townhome Listing Inventory

2008 - June, 2010



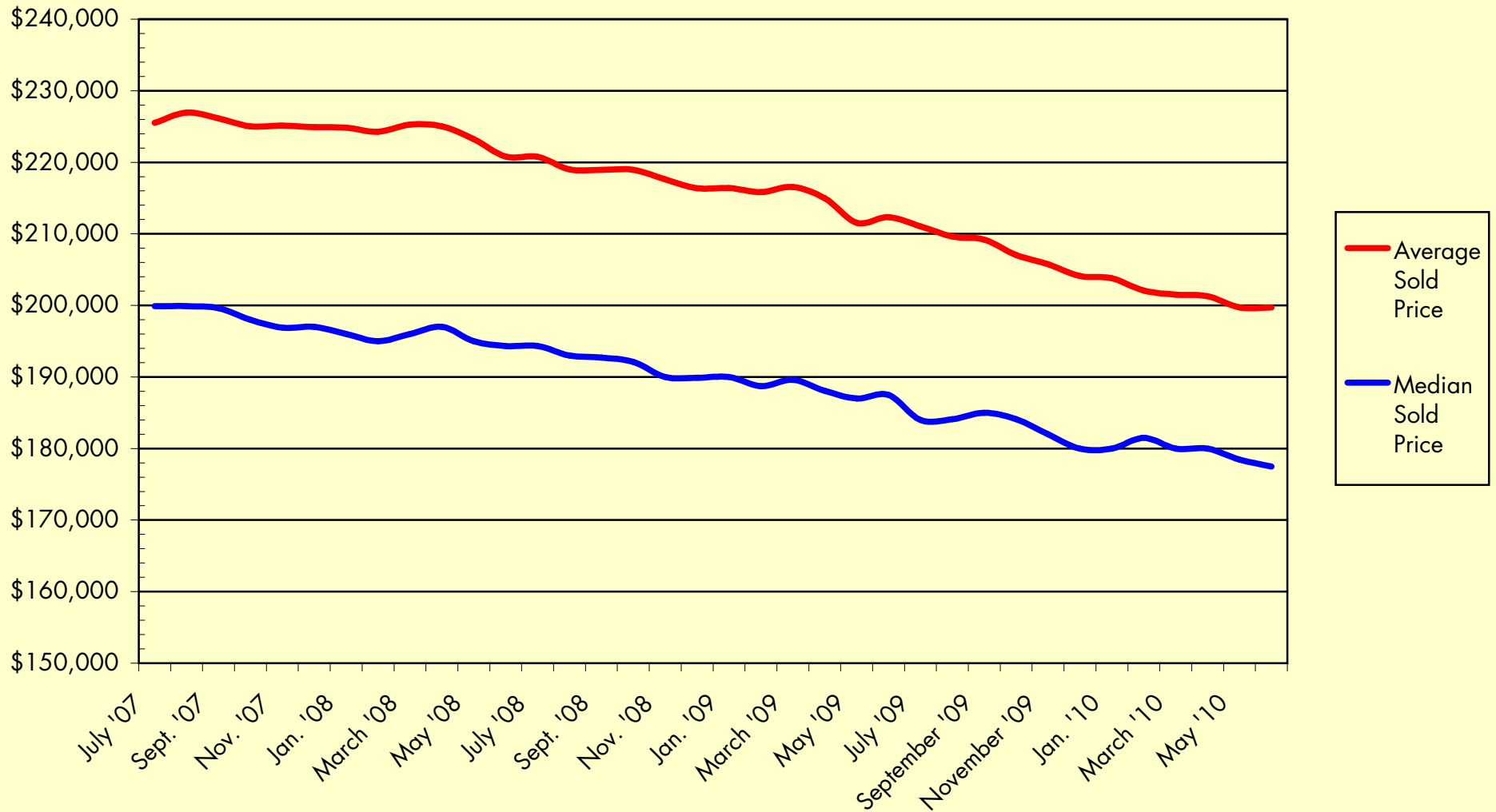
Rockingham County Residential and Townhome Listing Inventory

2008 - June, 2010

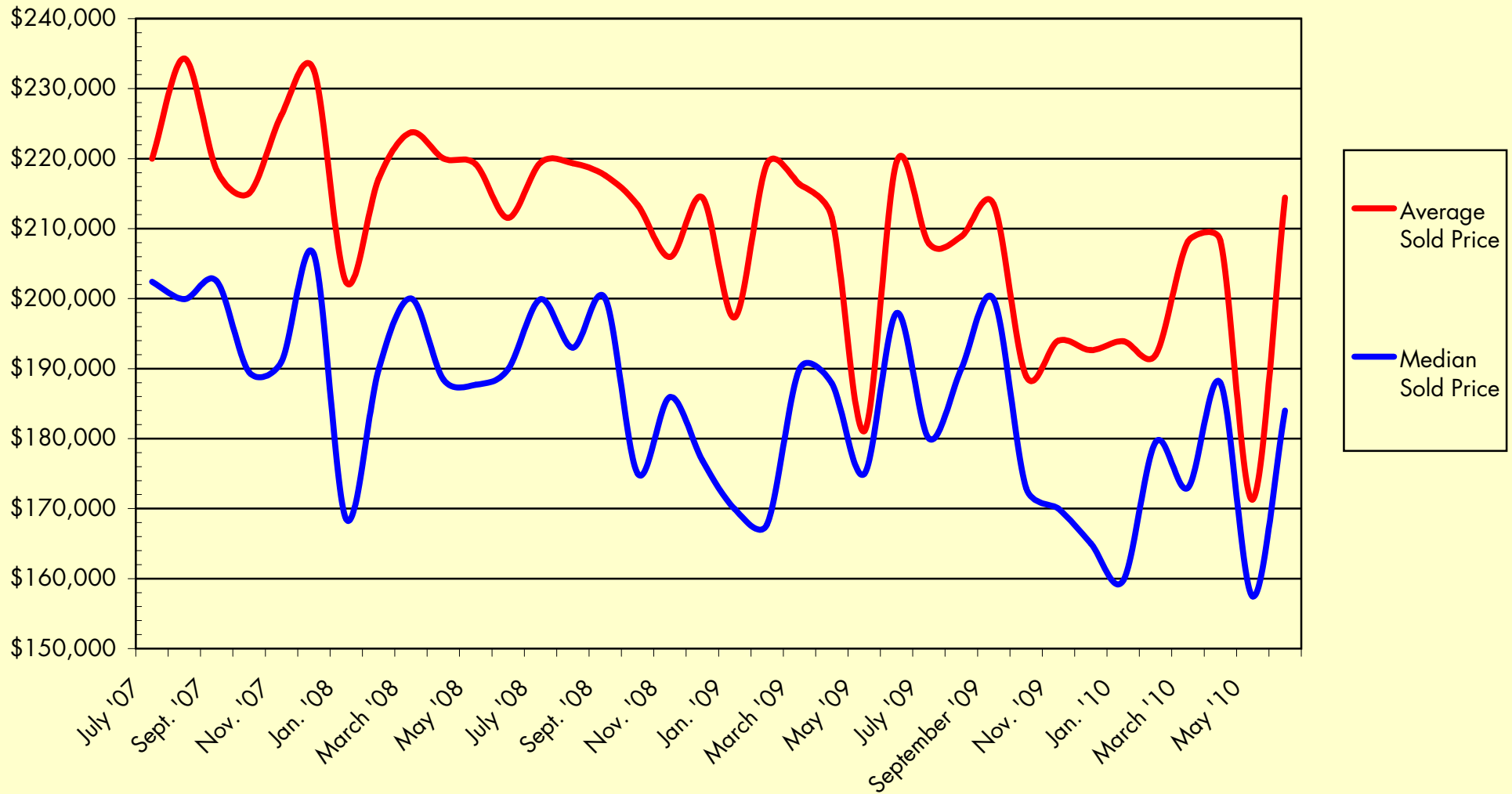


Source: Harrisonburg - Rockingham Association of REALTORS Multiple Listing Service, 07/06/2010

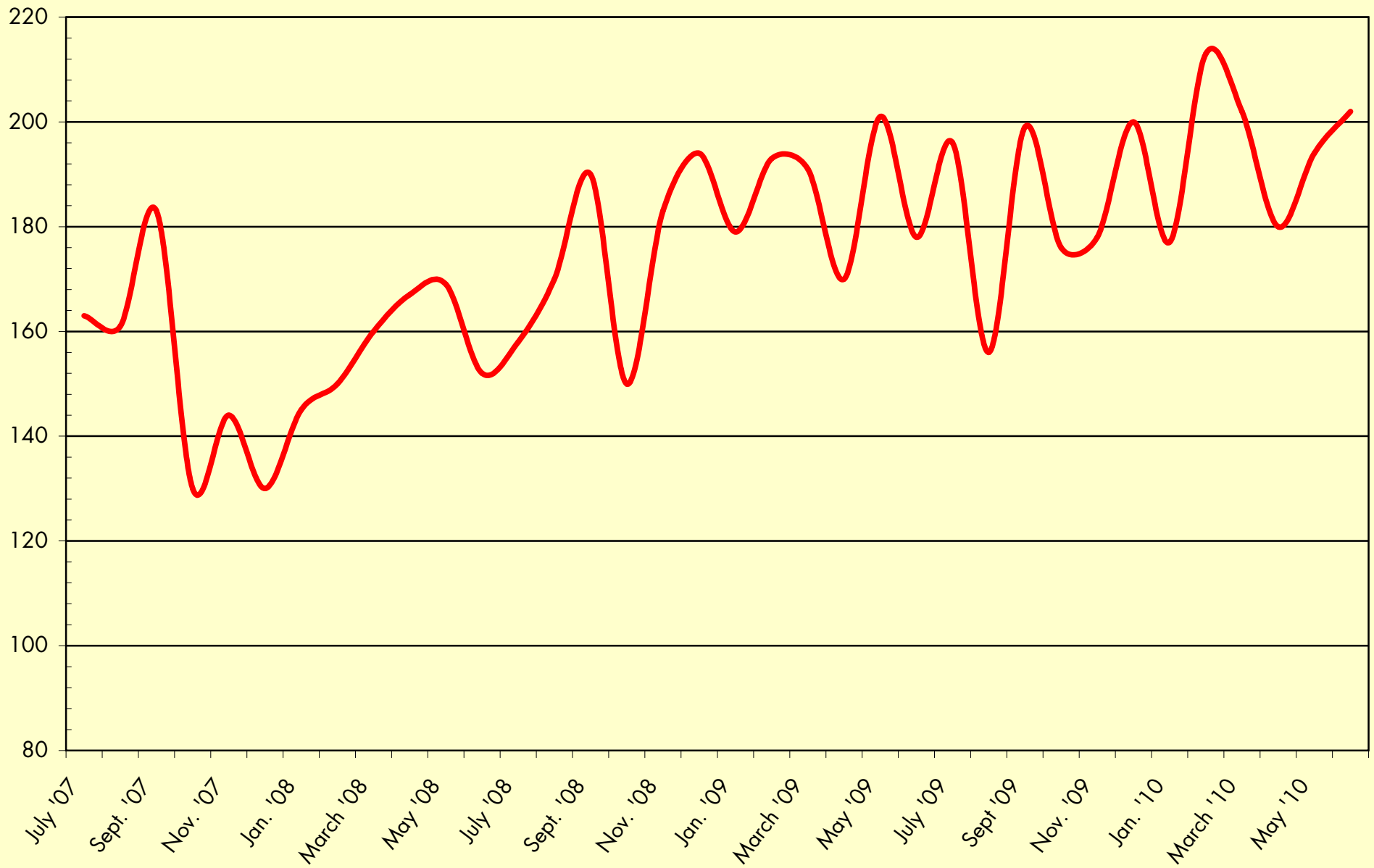
Harrisonburg - Rockingham Association of Realtors
Average and Median Sold Price
 Rolling 12 - Month Average
 July, 2007 - June, 2010



Harrisonburg - Rockingham Association of Realtors
 Monthly Average and Median Sold Price
 July, 2007 - June, 2010



Harrisonburg - Rockingham Association of Realtors
Average Days on Market
June, 2007 - April, 2010



Harrisonburg - Rockingham Association of Realtors
Average Days on Market
Rolling 12 - Month Average
July, 2007 - June, 2010

