

Market Report

January, 2012

KLINE **MAY**
— *Realty*

Presented By:

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February 8, 2012

Market Update – January, 2012

Although January's sales were not stellar, they were very comparable to Januaries past, as can be seen on the Closed Volume and Closed Transactions charts. January is typically one of the slowest months of the year due to the decreased buyer activity during the holiday season.

The real news in real estate locally is the activity level seems to have gone through the roof! We will begin to see the results of this activity with late February settlements, but probably won't really feel it until March and April. When we take a look at some of the leading indicators in our business like phone calls to our office, showings set up for our listings and visits to our website, we are seeing activity levels higher than our typical summertime peaks. Could it be that Buyers can no longer resist the combination of declining prices and very low interest rates? We shall see....

This activity, combined with low inventory relative to January inventory levels in 2009, 2010 and 2011 may provide enough demand to finally begin turn around the slide in home prices. Home sales are just like other markets – supply and demand sets the market, like it or not. If the increased demand we are feeling now continues through the year without a significant increase in supply, prices should stop falling. For now, however, prices continue to soften, with the average sales price for homes in the past 12 months falling to \$184,717.

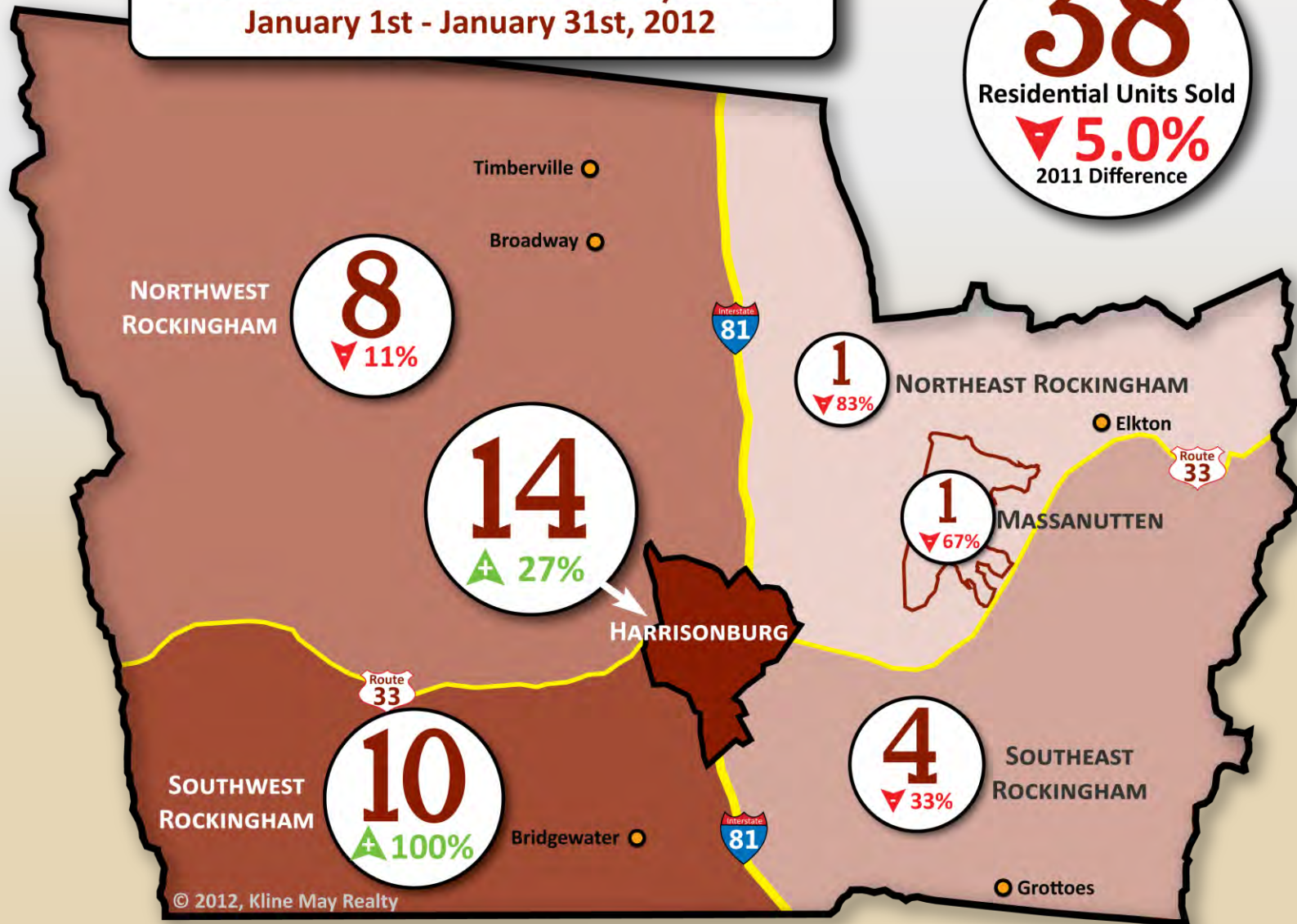
Here are the latest changes to average and median sales price throughout the Harrisonburg-Rockingham Association of Realtors Multiple Listing Service:

| <u>Three year change</u> | | <u>One year change</u> | |
|--------------------------|---------------------|------------------------|---------------------|
| <i>Average Price</i> | <i>Median Price</i> | <i>Average Price</i> | <i>Median Price</i> |
| -14.86% | -14.21% | -7.45% | -7.16% |

Residential Units Sold by Area, Year to Date

Residential Units Sold by Area
January 1st - January 31st, 2012

38
Residential Units Sold
▼ **5.0%**
2011 Difference

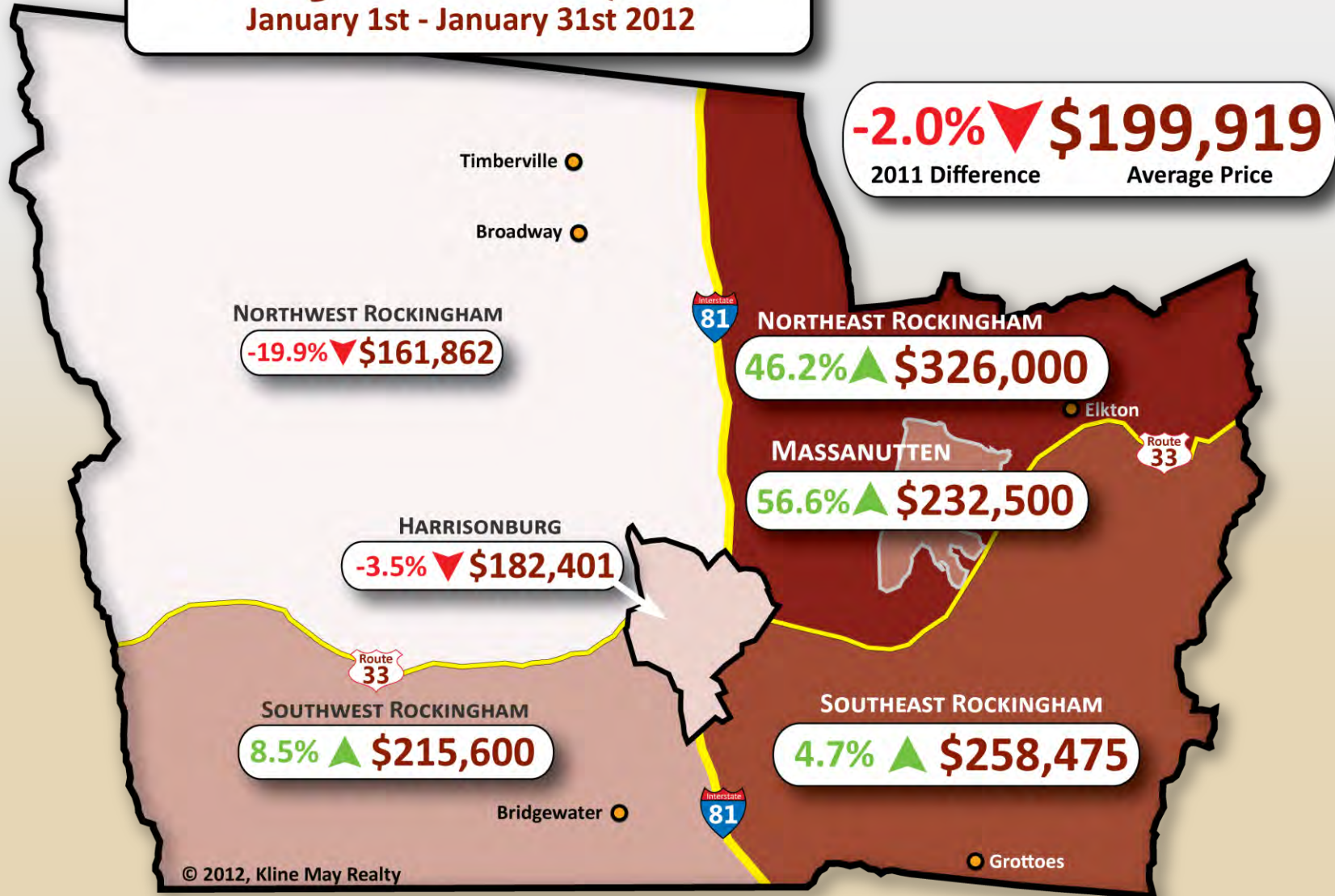


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Source: Harrisonburg - Rockingham Association of REALTORS Multiple Listing Service, 2/08/2012

Average Sales Price by Area, Year to Date

Average Sales Price by Area January 1st - January 31st 2012



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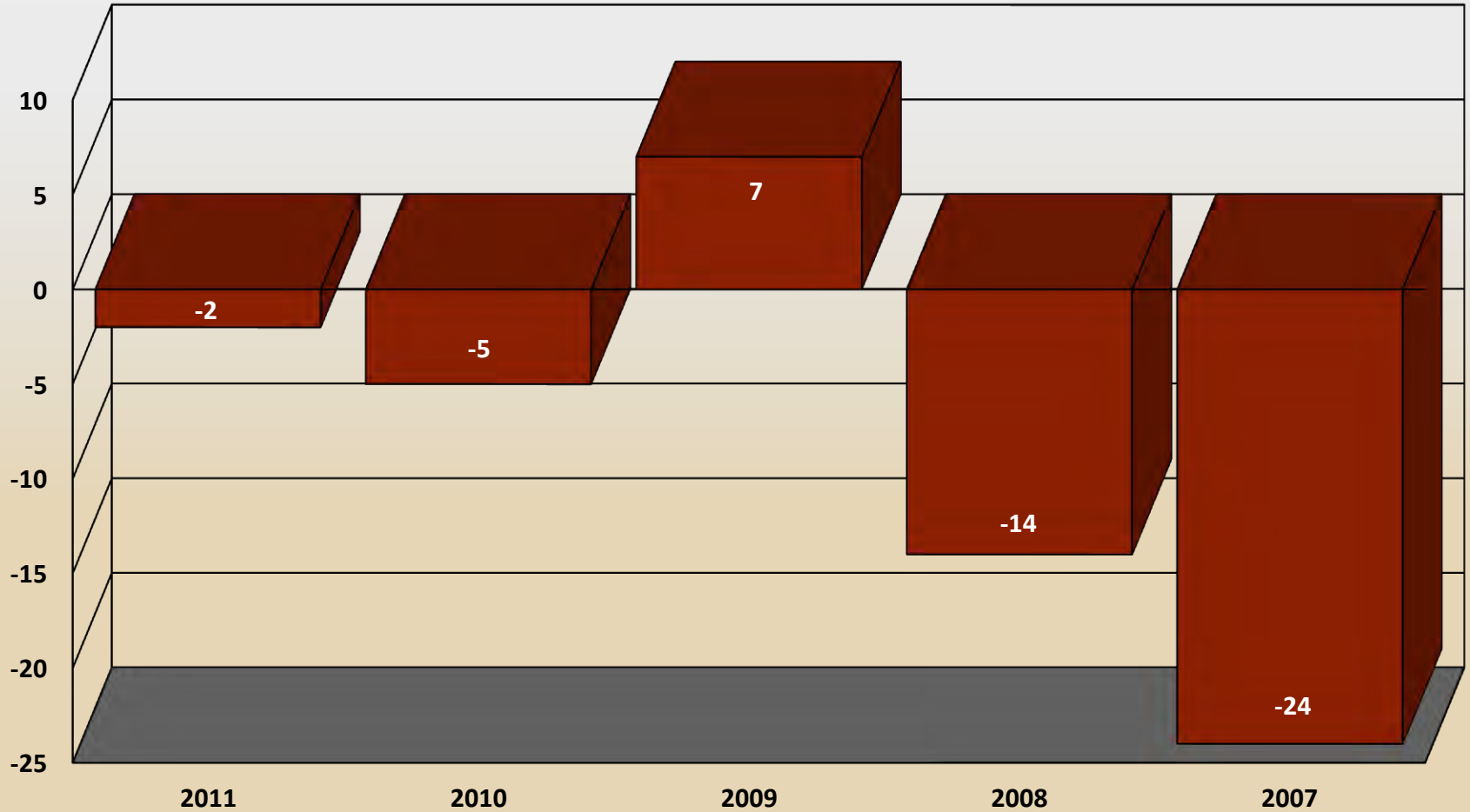
Source: Harrisonburg - Rockingham Association of REALTORS Multiple Listing Service, 2/08/2012

Change in Residential Units Sold Compared to the Prior Year

Harrisonburg and Rockingham County

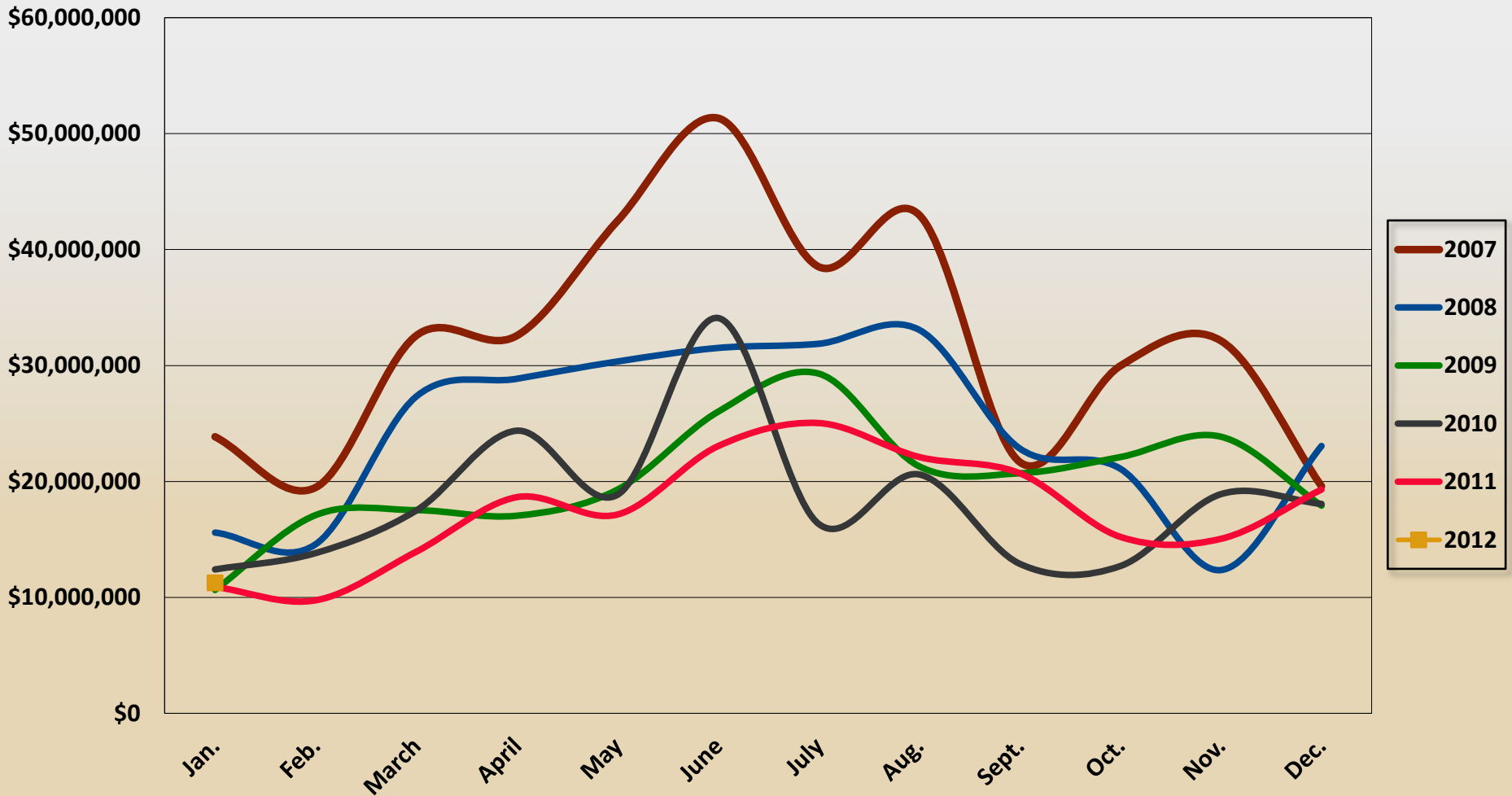
As of January 31,

2007 - 2012



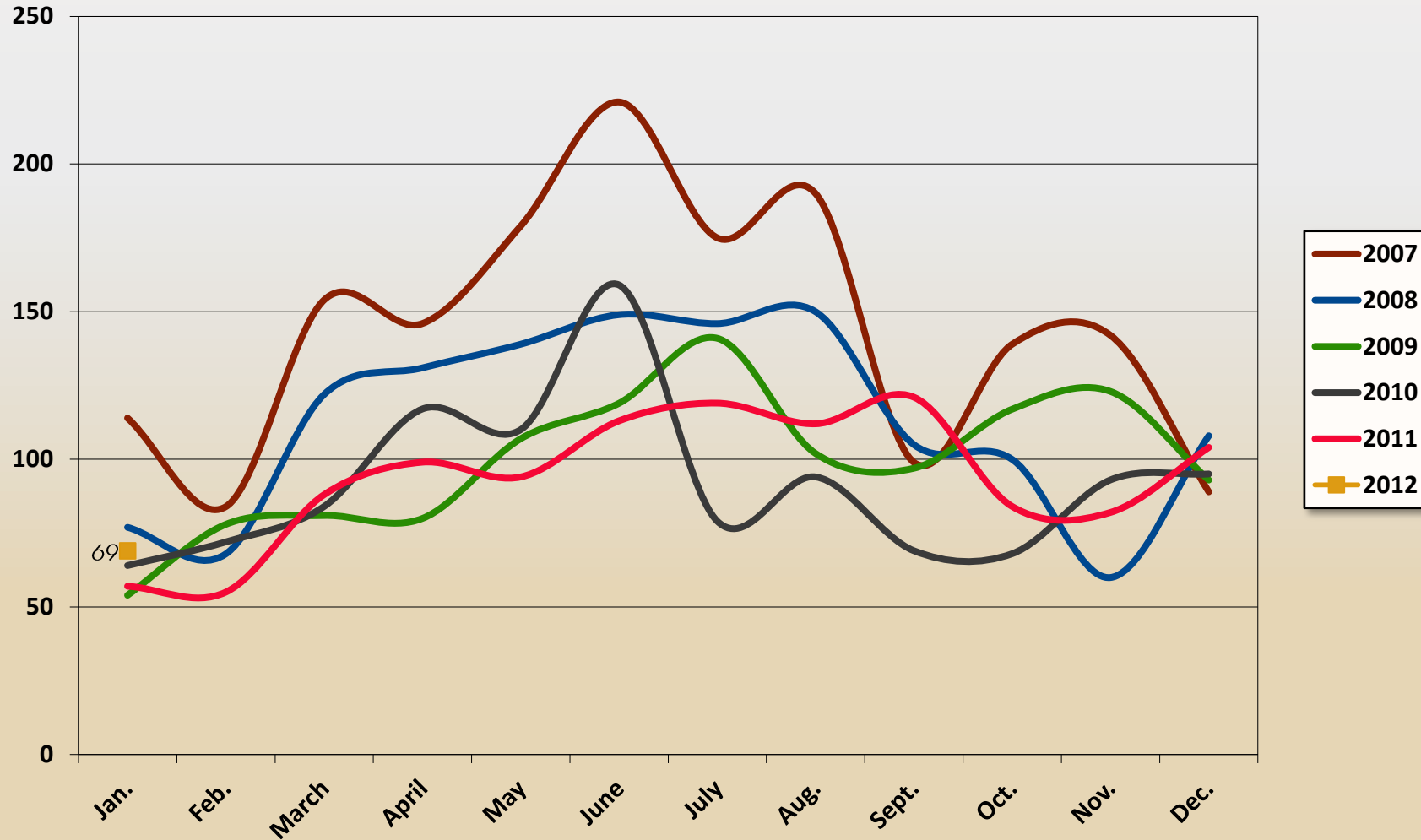
HRAR Closed Residential Volume per Month

2007 – 2012



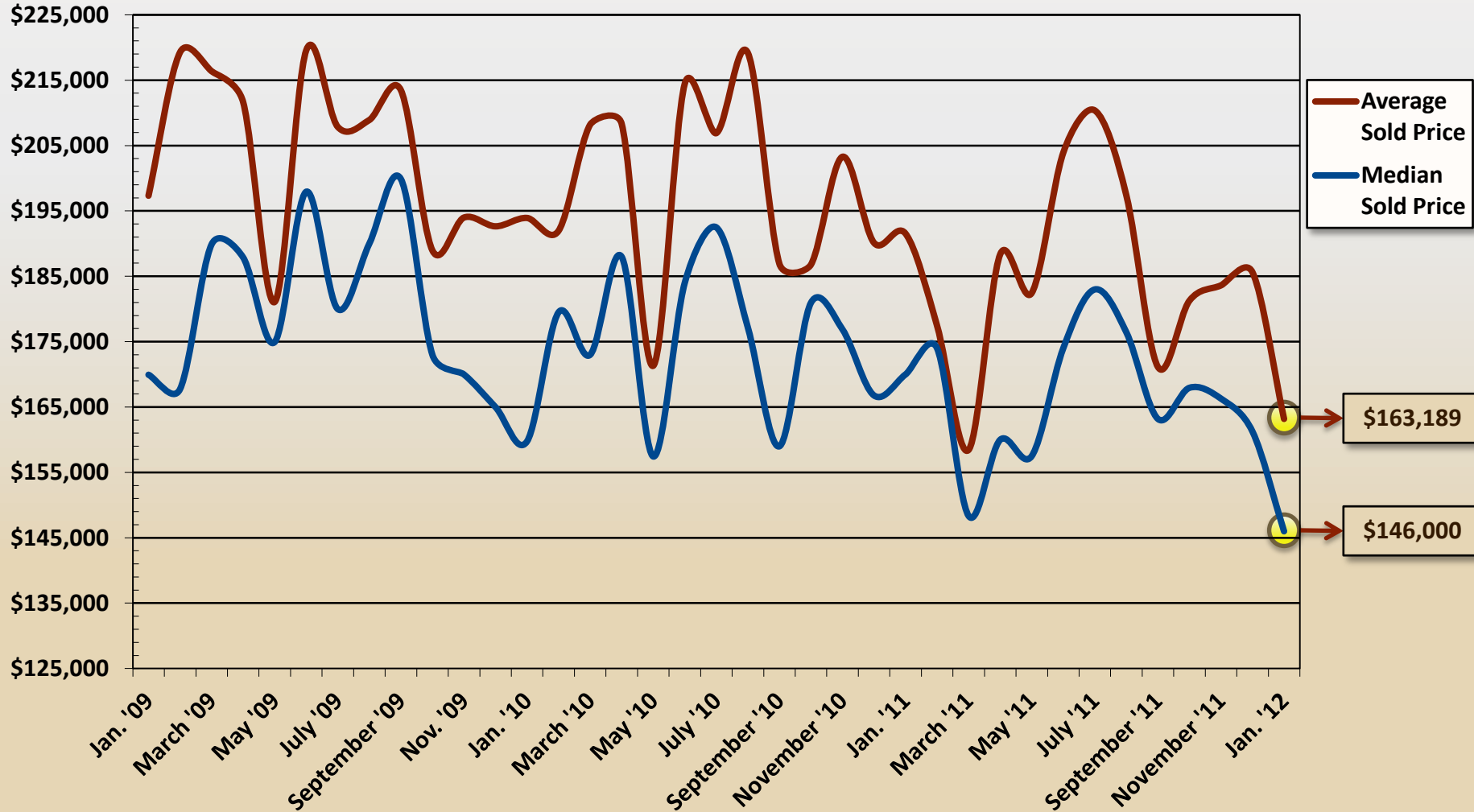
HRAR Closed Residential Transactions per Month

2007 - 2012



HRAR Monthly Average & Median Sold Price

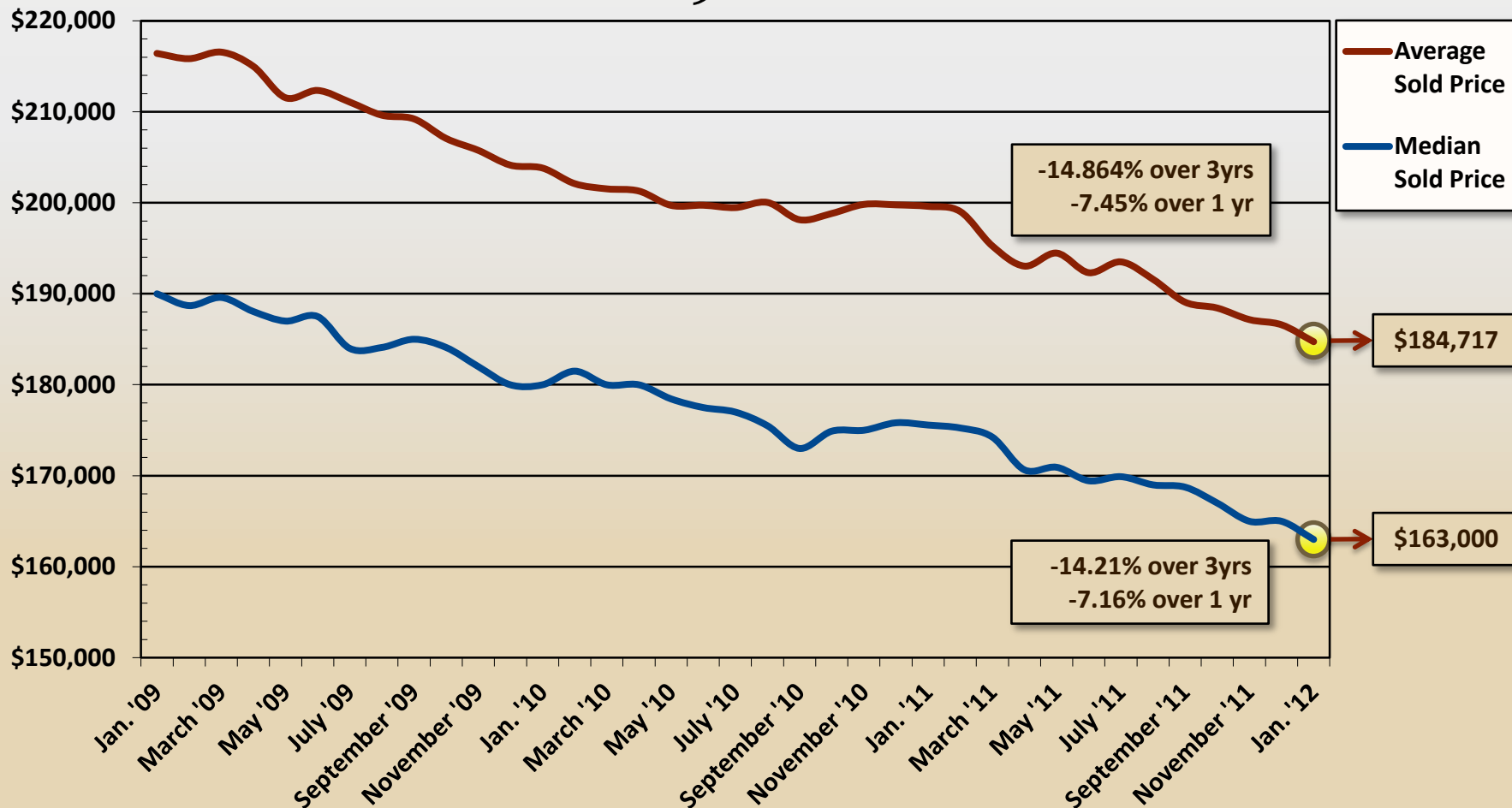
2009 – 2012



HRAR Average & Median Sold Price

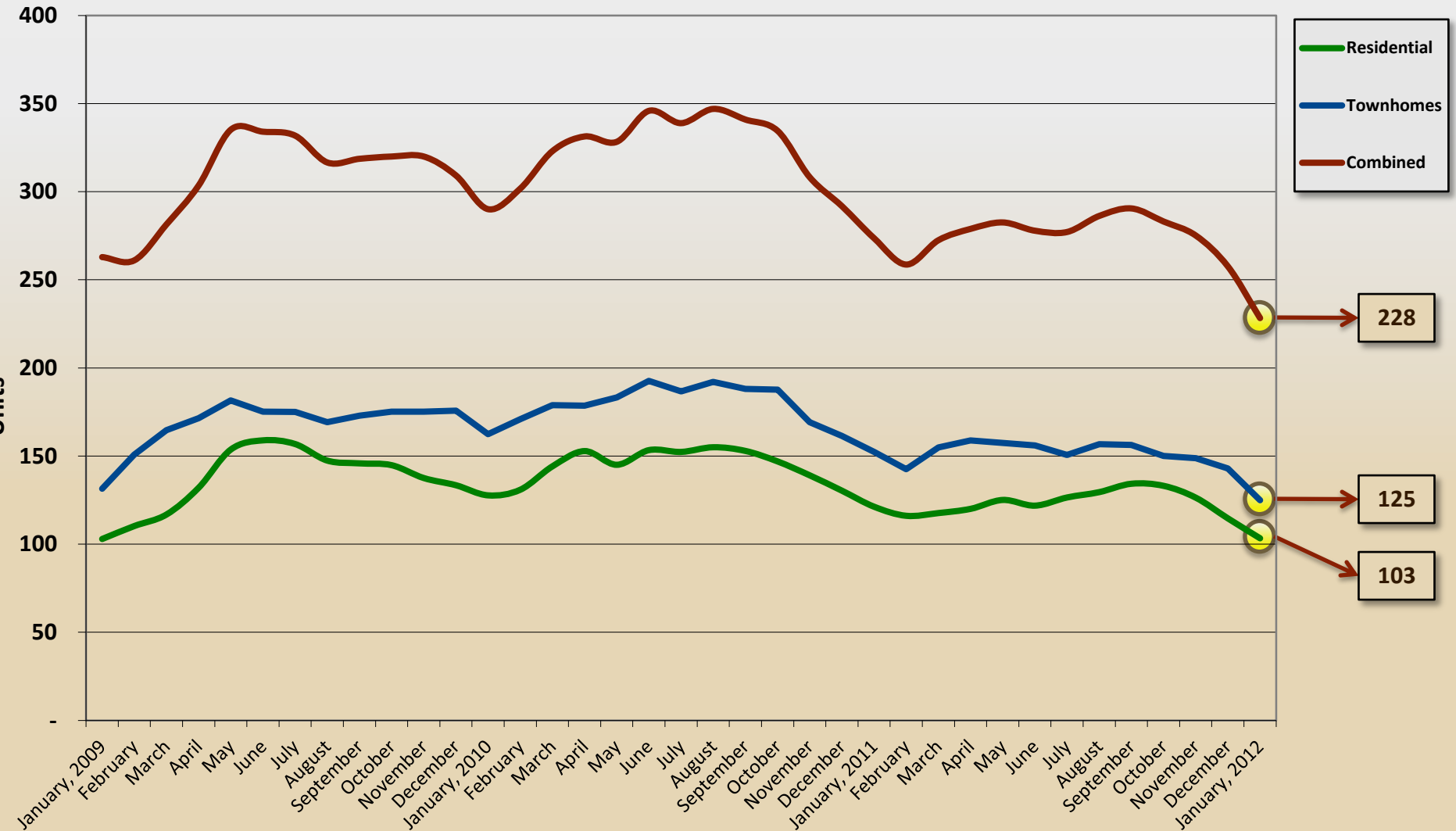
Rolling 12 Month Average

2009 – 2012



Harrisonburg Residential & Townhome Listing Inventory

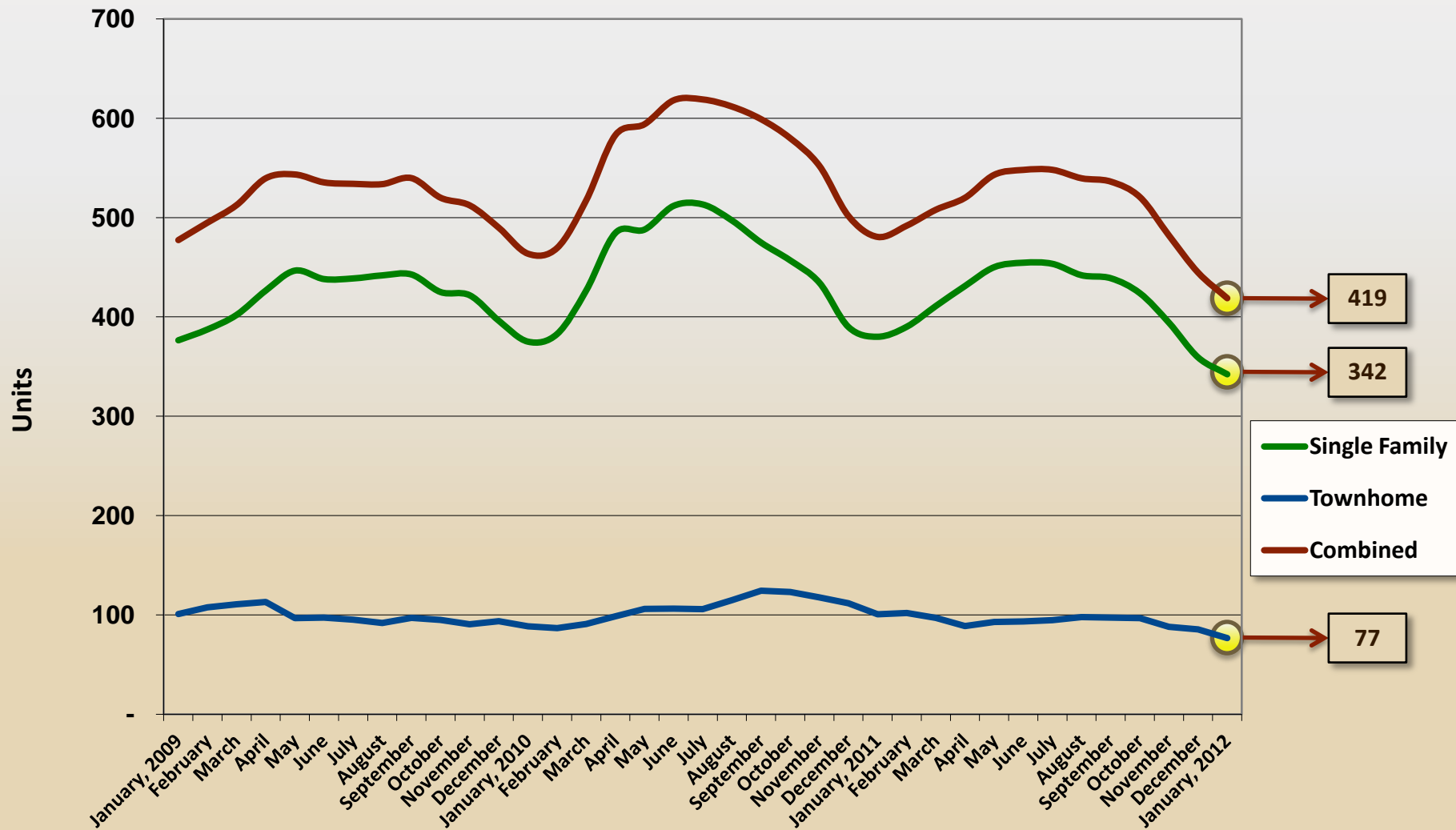
2009 – 2012



Source: Harrisonburg - Rockingham Association of REALTORS Multiple Listing Service, 2/08/2012

Rockingham County Residential & Townhome Listing Inventory

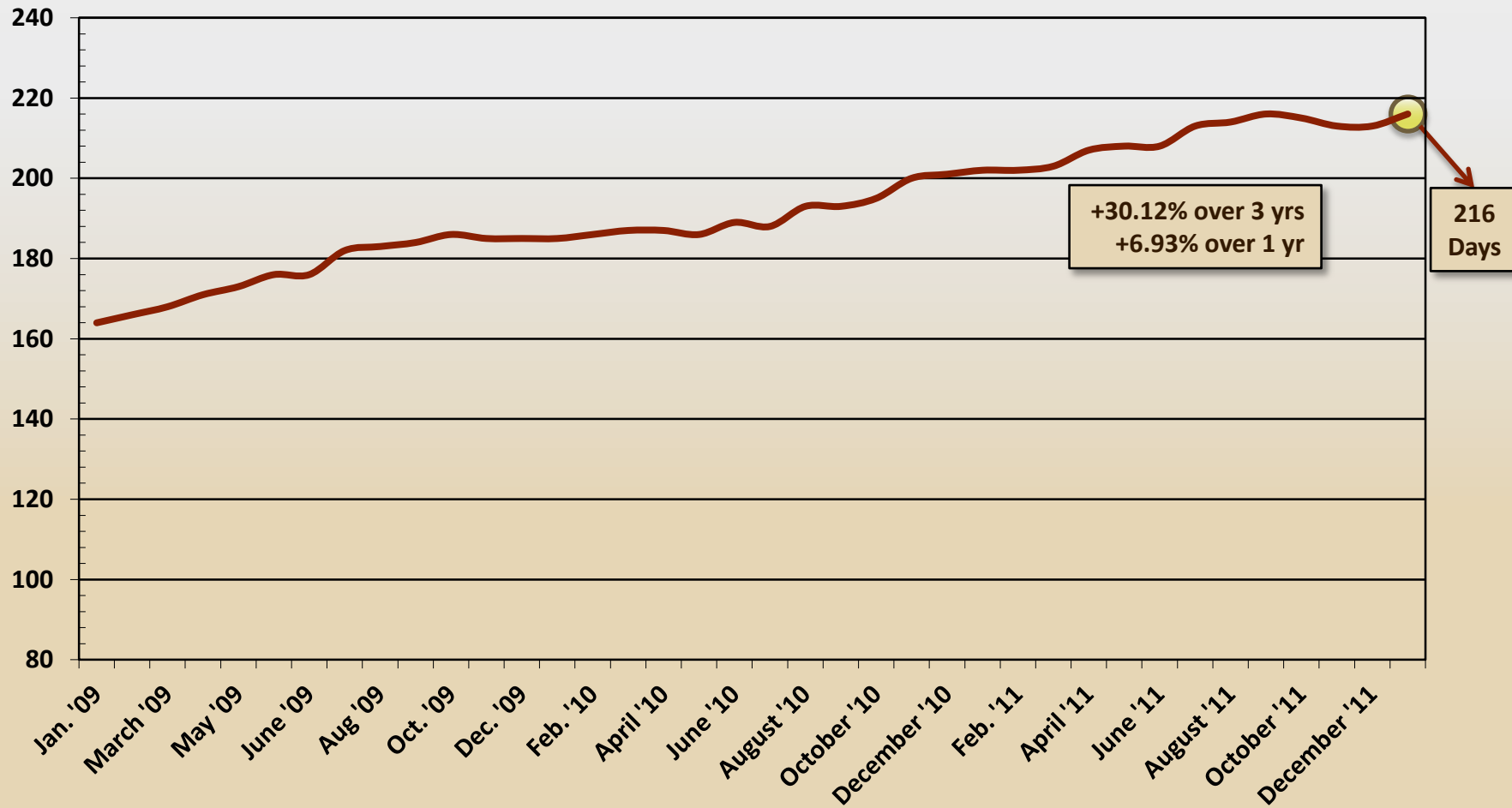
2009 – 2012



HRAR Average Days on Market

Rolling 12 Month Average

2009 – 2012



Check our blog to see monthly Market Reports at:

<http://blog.KlineMay.com>

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