



# Trends in Virginia's Housing Markets

## 2009 Economic Indicator Recap

### Statewide

- Total existing home sales in the Commonwealth advanced slightly over the 2008 level to reach 86,609 units (+1.6 percent), the first increase since 2005.
- However, the 2009 median sales price declined 4.2 percent compared to 2008 (\$240,809).
- The state suffered the loss of 54,800 jobs over the course of 2009, an improvement from the 68,100 jobs lost in 2008. About 122,900 jobs have been lost in the two years since the beginning of the recession in December 2007.
- The monthly average unemployment in 2009 was 6.7 percent. Compare that to the 2008 rate of 4.0 percent. The hardest hit metropolitan statistical area in the state was in Danville with 2009 monthly unemployment rates that averaged 12.3 percent. Northern Virginia and Charlottesville had the lowest monthly averages, 5.2 percent and 5.6 percent respectively.

### Nationwide

Dismaying economic news plagued the national economy in 2009 but most indicators showed improvement by the end of the year.

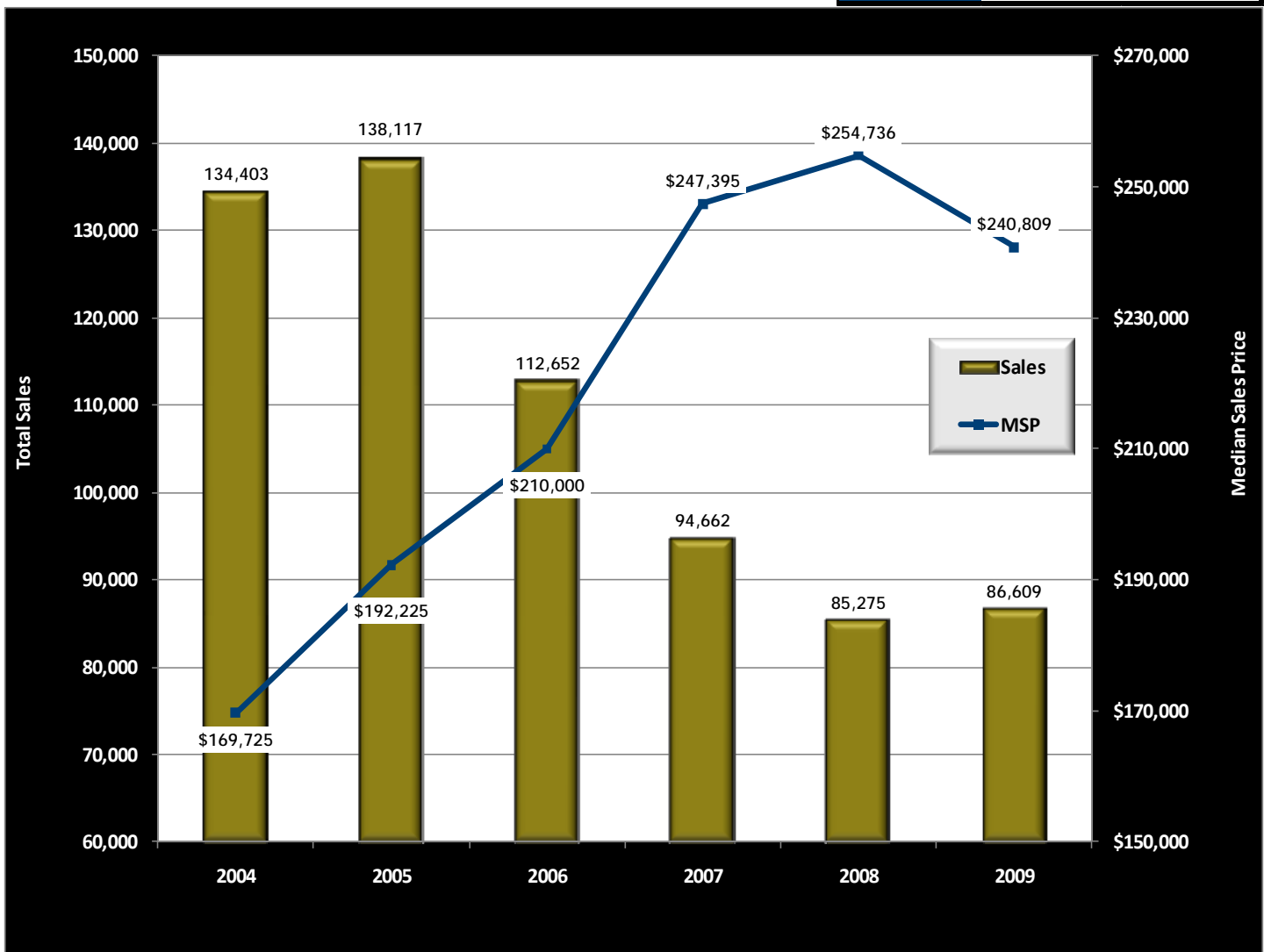
- Job losses across the nation exceeded 4.1 million in 2009, the worst performance this decade.
- The unemployment rate in the US ended the year at 10.0 percent.
- Consumer Confidence fell to an all-time low of 26.0 in February 2009 but rebounded to 52.9 by year end.
- The S&P/Case-Shiller Home Price Index declined 19.33 percent month over the year in January. After steadily improving-throughout 2009, the decline in October only measured 2.76 percent.
- The stock market declined from around 9,000 in January to below 6,600 in mid-March. By year-end, it had rallied to over 10,500.
- The seasonally adjusted annual rate for building permits exceeded 1,000,000 from January 2000 to February 2008 and exceeded 2,000,000 from March 2004 to March 2006. The rate in December 2009 was only 653,000 but, for the first time this year, exceeded the figure from the corresponding month in 2008.
- The seasonally adjusted annual rate for starts reached an all-time low of 479,000 in March 2009. However, in December, the rate was 557,000 and exceeded the December 2008 rate, a first in 2009.
- Monthly 30-year conventional mortgage rates hovered between 4.81 percent and 5.42 percent all year. Rates fell below 5.0 percent in the last three consecutive months of the year.
- Congress revised and extended the First Time Buyer's Credit on two occasions in 2009 and announced the Mortgage Modification program. Most analysts agree that the Credit had a positive effect on housing demand while the success of the Mortgage Modification program has been draped in controversy.
- Existing home sales (seasonally adjusted annual rate) in 2009 exceeded the corresponding month in 2008 every month since July and the November rate was 44 percent higher than in November 2008. The median sales price did not reach 2008 levels all year and the November median declined 4.3 percent since last November. The month's supply of inventory declined dramatically from the 2009 high of 10.1 months in April to 6.5 months in November 2009.
- New home sales lagged behind last year in every month during 2009 ending the year at an adjusted annual rate of 355,000 units. The median sales price in November reached the lowest annual decrease at 1.4 percent after exceeding -13.6 percent in April. The month's supply of inventory ranged from 7.2 months to 7.9 months since July.
- With historically low interest rates and declining median sales prices, Home Affordability is on the rise across the nation.

## Virginia Year-End Sales and Median Sales Prices

- The graph below illustrates the sales patterns and median price fluctuations since 2004 in Virginia. The table on the right summarizes their percentage changes year-over-year.
- Total sales reached a high this decade in 2005 at 138,117 units statewide. Home sales began a three year declining trend in 2006 with an 18.4 percent decline. For the first time since 2005, total home sales in Virginia improved from the previous year in 2009.
- Median sales prices increased every year since 2004 until 2009 when it declined 5.5 percent.

### Year over Year Change

	Total Annual Sales	Median Sales Price
2005	2.8%	13.3%
2006	-18.4%	9.2%
2007	-16.0%	17.8%
2008	-9.9%	3.0%
2009	1.6%	-5.5%



## Foreclosures: USA vs. Virginia

Source: RealtyTrac	2009	2008	% Change
<b>USA</b>	3,619,596	2,330,123	55.3%
<b>VA</b>	65,574	49,011	33.8%

- Compared to the nation as a whole, Virginia fared comparatively well in 2009 for growth in foreclosures. Virginia's rate of growth was 33.8 percent compared to the national growth rate of 55.3 percent.

## Region Definitions

### Central Region

Chesterfield, Hanover, Henrico, and the city of Richmond (*Richmond Association*)  
 Caroline, Charles City, Dinwiddie, Goochland, King William, Louisa, New Kent, Powhatan, Prince George, and cities of Colonial Heights, Hopewell and Petersburg (*Southside Virginia Association of REALTORS*)  
 Lancaster, Northumberland, Richmond and Westmoreland counties (*Northern Neck Association of REALTORS*)  
 Essex, Gloucester, King & Queen, King William, Lancaster, Mathews, Middlesex, and Northumberland counties (*Chesapeake Bay & Rivers Association of REALTORS*)

### North Central Region

City of Charlottesville and counties of Albemarle, Greene, Louisa, Nelson and Fluvanna (*Charlottesville Area Association of REALTORS*)  
 Augusta County and cities of Highland, Waynesboro and Staunton (*Greater Augusta Association of REALTORS*)  
 Bath, Buchanan and Rockbridge counties and cities of Buena Vista, Clifton Forge, Covington and Lexington (*Lexington/Buena Vista/Rockbridge Association of REALTORS*)

### Northern Virginia Region

Fairfax, Arlington counties and cities of Alexandria, Fairfax and Falls Church (*Northern Virginia Association of REALTORS*)  
 Loudoun County (*Dulles Area Association of REALTORS*)  
 Prince William County and cities of Manassas and Manassas Park (*Prince William Association of REALTORS*)  
 Stafford, Spotsylvania, King George and Caroline counties and city of Fredericksburg (*Fredericksburg Area Association of REALTORS*)  
 Fauquier, Culpeper, Orange, Madison, Scott and Rappahannock counties (*Greater Piedmont Association of REALTORS*)

### South Central Region

Amherst, Appomatox, Bedford and Campbell counties, cities of Bedford and Lynchburg (*Lynchburg Association of REALTORS*)  
 Danville and Pittsylvania counties (*Dan River Region Association of REALTORS*)  
 Halifax and Mecklenburg counties (*Southern Piedmont Land and Lake Board*)  
 Amelia, Appomatox, Buckingham, Brunswick, Charlotte, Cumberland, Fluvanna, Halifax, Lunenburg, Mecklenburg, Prince Edward, Nelson, Nottoway, and Powhatan counties (*South Central Association of REALTORS*)  
 Henry and Patrick counties and city of Martinsville (*Martinsville, Henry & Patrick Counties Association of REALTORS*)

### Southwest Region

Dickenson, Grayson, Lee, Russell, Smyth, Washington and Wise counties (*Southwest Virginia Association of REALTORS*)  
 Allegheny, Bedford, Botetourt, Craig, Franklin, Roanoke, Southampton counties and cities of Franklin, Salem and Roanoke (*Roanoke Valley Association of REALTORS*)  
 Bland, Carroll, Floyd, Giles, Grayson, Montgomery, Pulaski, Tazewell and Wythe counties and cities of Galax and Radford (*New River Valley Association*)

### Tidewater Region

Isle of Wight, Suffolk, York counties and cities of Chesapeake, Hampton, Newport News, Norfolk, Poquoson, and Virginia Beach (*Hampton Roads REALTORS Association*)  
 James City and New Kent counties and cities of Williamsburg and Charles City (*Williamsburg Area Association of REALTORS*)  
 Accomack and Northampton counties (*Eastern Shore Association of REALTORS*)

### Upper Shenandoah Valley Region

Clarke, Frederick, Warren counties and city of Winchester (*Blue Ridge Association*)  
 Page and Shenandoah counties (*Massanutten Association of REALTORS*)  
 Rockingham County and city of Harrisonburg (*Harrisonburg/Rockingham Association*)

## 2009 Sales by Region

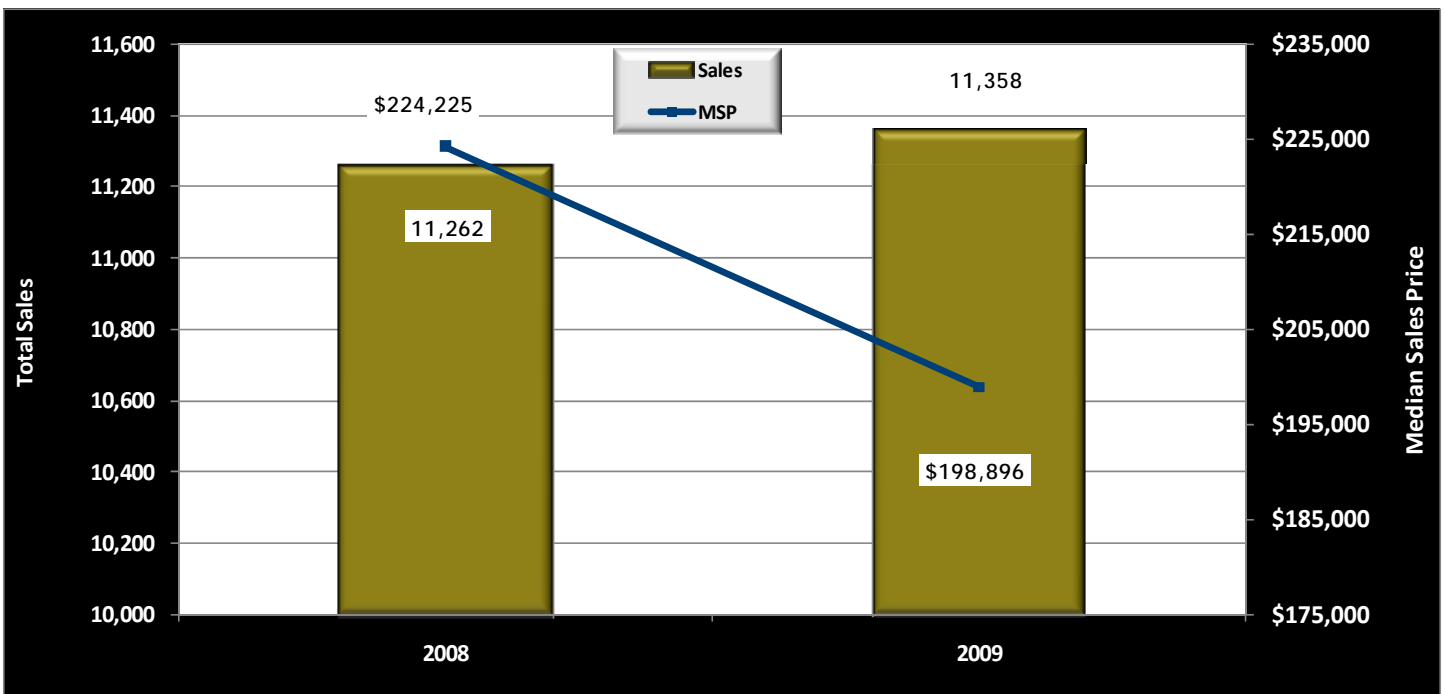
Region	2009	2008	% Change
Central	11,358	11,262	0.9%
North Central	3,669	3,930	-6.6%
Northern Virginia	38,828	37,328	4.0%
South Central	3,402	3,980	-14.5%
Southwest Virginia	5,977	6,106	-2.1%
Tidewater	20,175	19,859	1.6%
Upper Shenandoah Valley	3,111	2,951	5.4%

## 2009 Median Sales Prices by Region

Region	2009	2008	% Change
Central	\$198,896	\$224,225	-11.3%
North Central	\$185,277	\$193,960	-4.5%
Northern Virginia	\$299,219	\$314,613	-4.9%
South Central	\$126,683	\$124,856	1.5%
Southwest Virginia	\$151,865	\$159,605	-4.8%
Tidewater	\$220,018	\$233,827	-5.9%
Upper Shenandoah Valley	\$170,939	\$201,159	-15.0%

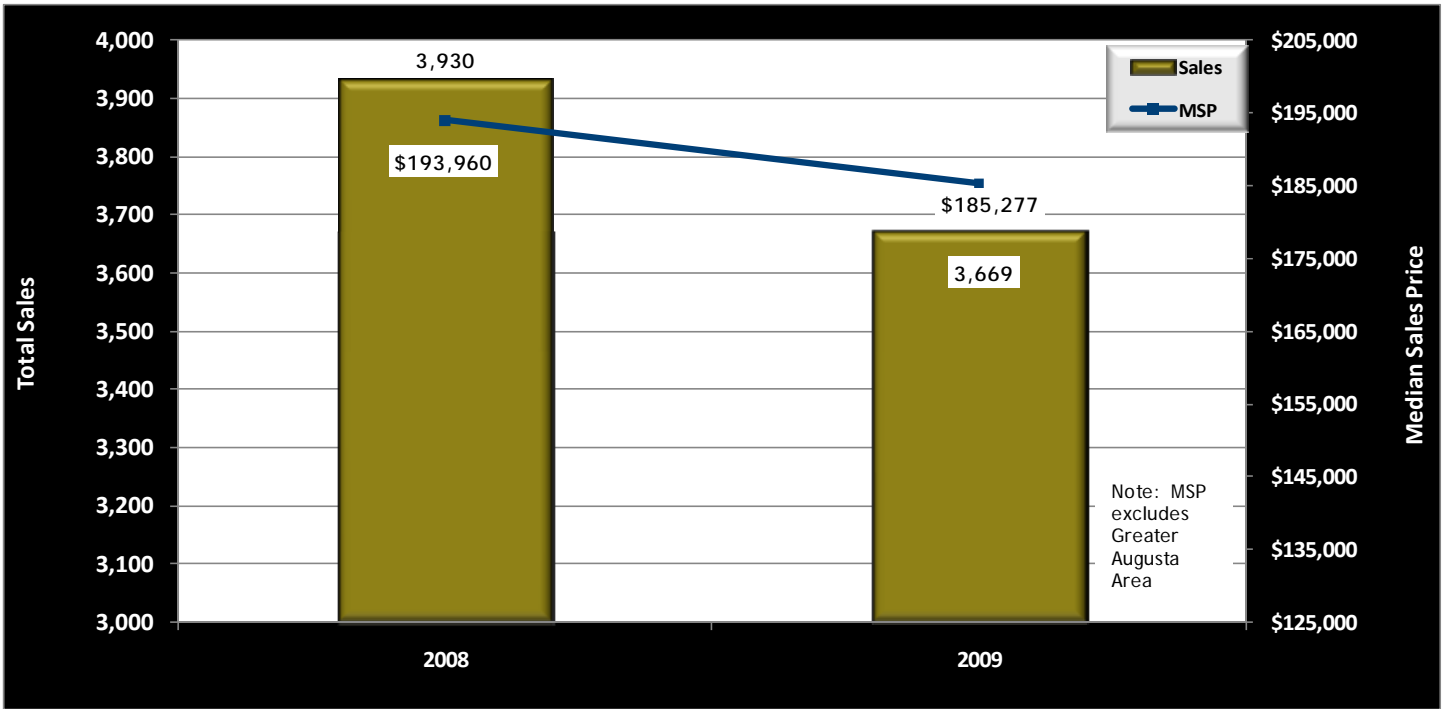
## Central Region

- During 2009, total unit sales increased in the Central Region by .9 percent compared to 2008.
- The median sales price, however, declined 11.3 percent since last year.



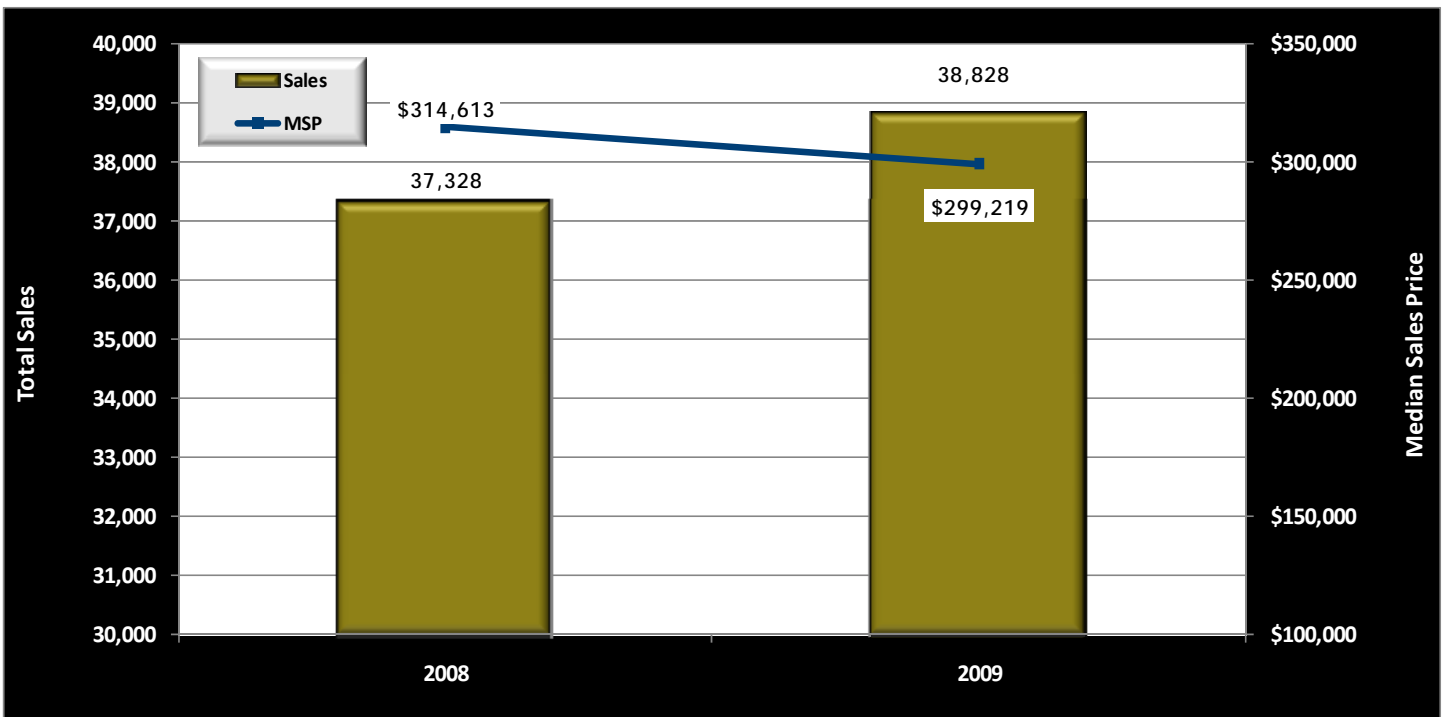
## North Central Region

- Total unit sales in the North Central Region declined 6.6 percent from 2008 to 2009.
- The median sales price also declined 4.5 percent year over year.



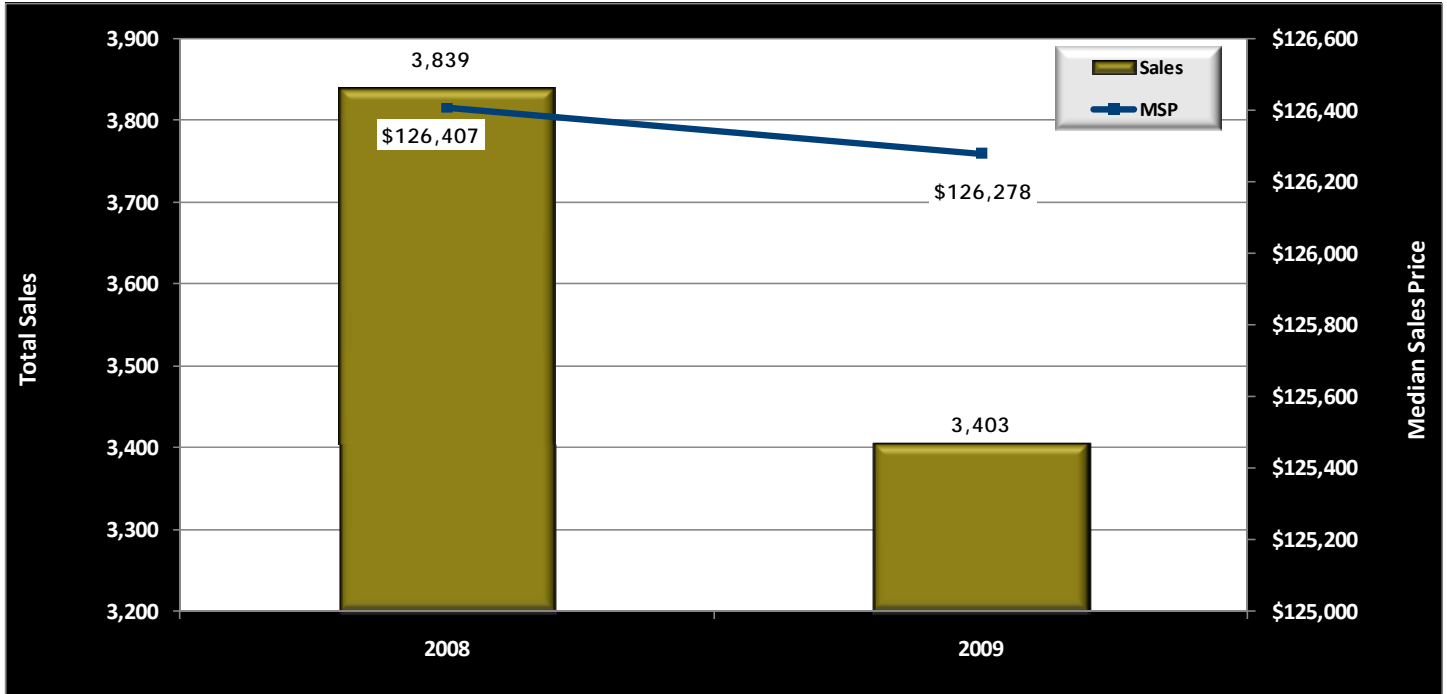
## Northern Virginia Region

- In the Northern Virginia Region, total sales increased 4.0 percent in 2009 compared to 2008.
- The median sales price declined 4.9 percent from 2008 to 2009.



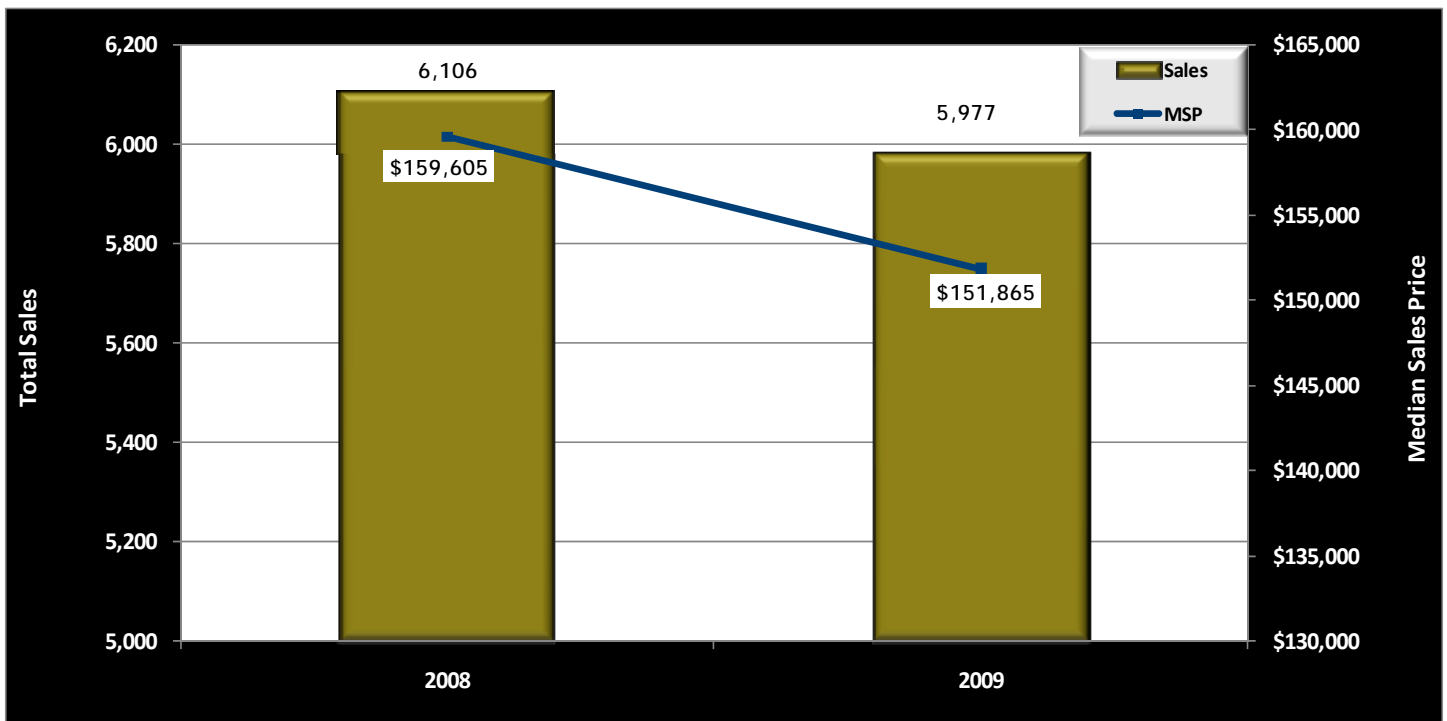
## South Central Region

- Sales declined 11.4 percent in the South Central Region from 2008 to 2009.
- Median sales prices also posted a .01 percent decrease over the same period.



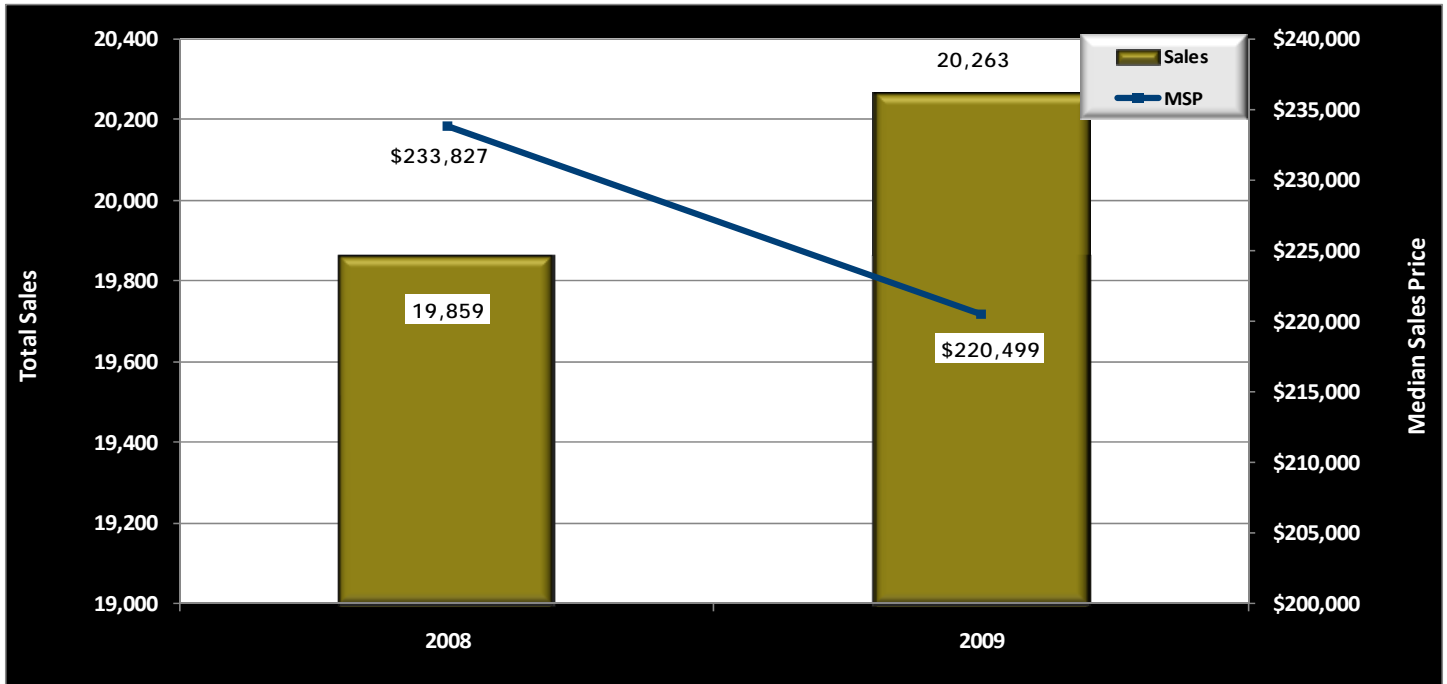
## Southwest Virginia Region

- From 2008 to 2009, total annual sales in the Southwest Virginia Region declined 2.1 percent to end 2009 with 5,977 sales.
- The median sales price also declined. It fell from \$159,605 to \$151,865, a year over year percentage change of -4.8 percent.



## Tidewater Region

- Total unit sales in the Tidewater Region increased from 2008 to 2009, by 2.0 percent.
- Median sales prices, however, declined 5.7 percent.



## Upper Shenandoah Valley Region

- The number of annual sales in the Upper Shenandoah Valley Region increased a healthy 5.4 percent from 2008 to 2009.
- However, the median sales price declined significantly year over year (-15.0 percent).

