




ATOKA PROPERTIES

A Division of Middleburg Real Estate

Fredericksburg, Virginia Housing Market Analysis

As of May 31, 2011

Prepared by Rosemary deButts 
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2011's Home Sales Still Outpacing Low Point in 2008

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(Fredericksburg, VA) - With the artificial demand stimulated by the First Time Buyer's Credit last year, 2011 sales volume in the Fredericksburg area wasn't expected to outperform 2010. As predicted, total sales so far this year were 5 percent behind the first five months of 2010. Somewhat surprising though may be that 2011 is also 6 percent slower than in the same period in 2009. The recession hit the area hardest at this time of year in 2008 when total sales through May only amounted to 1,383 units. At 1,588 units so far in 2011, the Fredericksburg region is currently outpacing dismal 2008 figures by 15 percent. May sales volume totaled 361 units, up from 354 in April but down from the May 2010 total of 382 units. Sales have failed to reach corresponding monthly totals in 2010 in all but one month this year. Stafford led the area with 149 sold units while King George posted the lowest total at 17 units.

According to Loudoun-based real estate consultant Rosemary deButts, "Given the cyclical nature of the housing industry, sales at this time of year should be spiking. To match 2010 year-to-date records, sales volume in June 2011 needs to be 617 units. That is unlikely since the highest monthly sales volume in recent years was 549 units in June 2006. However, if it could be done, 553 sales in June would match 2007 levels."

The median sales price increased 1 percent in May to \$196,000 from the revised \$193,935 median in April. At this time last year, the median sales price was \$217,500 (-10 percent). The median advanced on a month-over-month basis everywhere but Caroline where it landed at \$112,000, a value that was also 23 percent behind the May 2010 median. Stafford posted the highest median at \$232,380 followed by King George County at \$227,000. The year-to-date median in the Fredericksburg region was \$189,900 as of May 31st. That is the lowest annual median in at least five years, 39 percent behind the 2007 median and 10 percent behind the 2010 median.

After peaking at 99 days in April, the average days on market indicator receded to 95 days in May. The 2011 average is 90 days; compare that to 76 in 2010, 97 in 2009 and 130 in 2008. King George had the highest average at 197 days in May. The lowest average was in the city of Fredericksburg with 87 days. Of the 361 sales in May, 137 units (38 percent) actually sold in 30 days or less but 8 units (2 percent) took at least a year to sell.

The close price to original list price ratio was 91.4 percent in May across the region. That was an uptick from April's 90.8 percent but a drop from last May's 92.9 percent. Behaving like sales volume, this ratio has not reached or exceeded the corresponding value in 2010 in four of the last five months.

Roughly 87 percent of the sales (313 units) in the Fredericksburg area were detached homes with an average close price of \$230,990. Stafford posted the highest average price for detached homes at \$279,699; the lowest average close price was in Caroline (\$123,151). Attached homes accounted for 12 percent of sales volume (12 units) with an average close price of \$137,658. Three condominiums sold in Stafford last month at an average price of \$72,467.

The share of distressed sales (short sales and foreclosures) declined for the third consecutive month in the area. After four months with a share greater than 50 percent of total sales, May's 43.5 percent was the second consecutive month below 50 percent. Caroline was the only county with a share of distressed sales at or above 50 percent. Only 22 percent of the sales in the city of Fredericksburg were distressed in May.

Typically, a market is considered to be in equilibrium (enough supply to satisfy demand) when there is a four to five month's supply of inventory. The available inventory declined for the fourth straight month in the Fredericksburg area to 4.6 months from 4.7 in April. In January the supply totaled 6.9 months' worth. The lowest available inventory, 3.5 months, was in Stafford suggesting it may be slightly undersupplied. The highest inventory was in King George, 8.9 months.

Rosemary deButts further commented, "Since half the year is spent with sluggish sales volume, it is unlikely that 2011 will catch 2009 and 2010 sales volume but the market is in better shape than it was in 2008 ." ###

Rosemary deButts is a consultant in the home building industry and a Realtor associated with Atoka Properties, a division of Middleburg Real Estate, in Purcellville, Virginia. Rosemary is certified as a Short Sales and Foreclosure Resource and she is also a Member, Institute of Residential Marketing (MIRM).

Notes concerning the data in this analysis

1. The data used in this report is collected from MRIS, a dynamic database of real estate activity. This report reflects MRIS data at one time, it is a "snapshot" of activity for the previous month that can and regularly does change as REALTORS enter listings, sales and contract information on an ongoing basis. Preliminary sales results are collected on or before the tenth of the month for the previous month and revised with final results thirty days later.
2. The counties and jurisdictions analyzed in this report include Caroline, King George, Spotsylvania and Stafford counties as well as the city of Fredericksburg in Virginia.
3. Unless otherwise noted, "list price" refers to "original list price".
4. House types excluded from this analysis include "bed & breakfast", "mobile", "other", "garage/park space", "house of worship", "dwelling w/rental", "double wide", "rooming house", "vacation home", or "vacation rental".
5. Active listings refers to those with "active" status on or before the tenth of the current month and are considered a "snapshot" of activity in the previous month. Listings exclude "expired", "withdrawn" and "temporarily withdrawn" statuses. Preliminary results are not revised.
6. **SFD** refers to detached units
SFA refers to townhouse, attached/row house, patio, duplex, back to back, triplex, quad, over storefront, and semi-detached units
CON refers to garden style, mid-rise, hi-rise, penthouse, and multi-family units
7. Pending sales refers to listings marked "Contingency/KO", "Contingency/No KO" or "Contract" on or before the tenth of the current month ("new pendings") and are considered a "snapshot" of activity in the previous month. Pending sales may or may not close in the future. Preliminary results are not revised.
8. In April 2009, MRIS added forced fields for short sales and foreclosures thereby significantly increasing the results of these indicators thereafter.
9. All sales, pending sales and active listings include new construction. All sales, pending sales and active listings are classified as "for sale".
10. Rentals are excluded from all calculations including those referring to active and pending listings as well as month's supply of inventory. Therefore, figures may vary significantly from statistics reported elsewhere.
11. The data in this document was prepared and analyzed by Rosemary deButts (MIRM), REALTOR® and Housing Analyst.
For questions about this report, please call or email Rosemary 540/338.2212 rosemary@atokaproperties.com
For information on the Loudoun County housing market, please visit www.housinganalyst.net

Fredericksburg Area: Sales and Median Sales Prices

Fredericksburg Area

Year	Total Sales		Median SP	
	Units	% Change	\$	% Change
2007	3,795	-22%	\$309,900	0%
2008	3,835	1%	\$254,000	-18%
2009	4,473	17%	\$203,000	-20%
2010	4,180	-7%	\$210,000	3%
2011	3,811	-9%	\$189,900	-10%

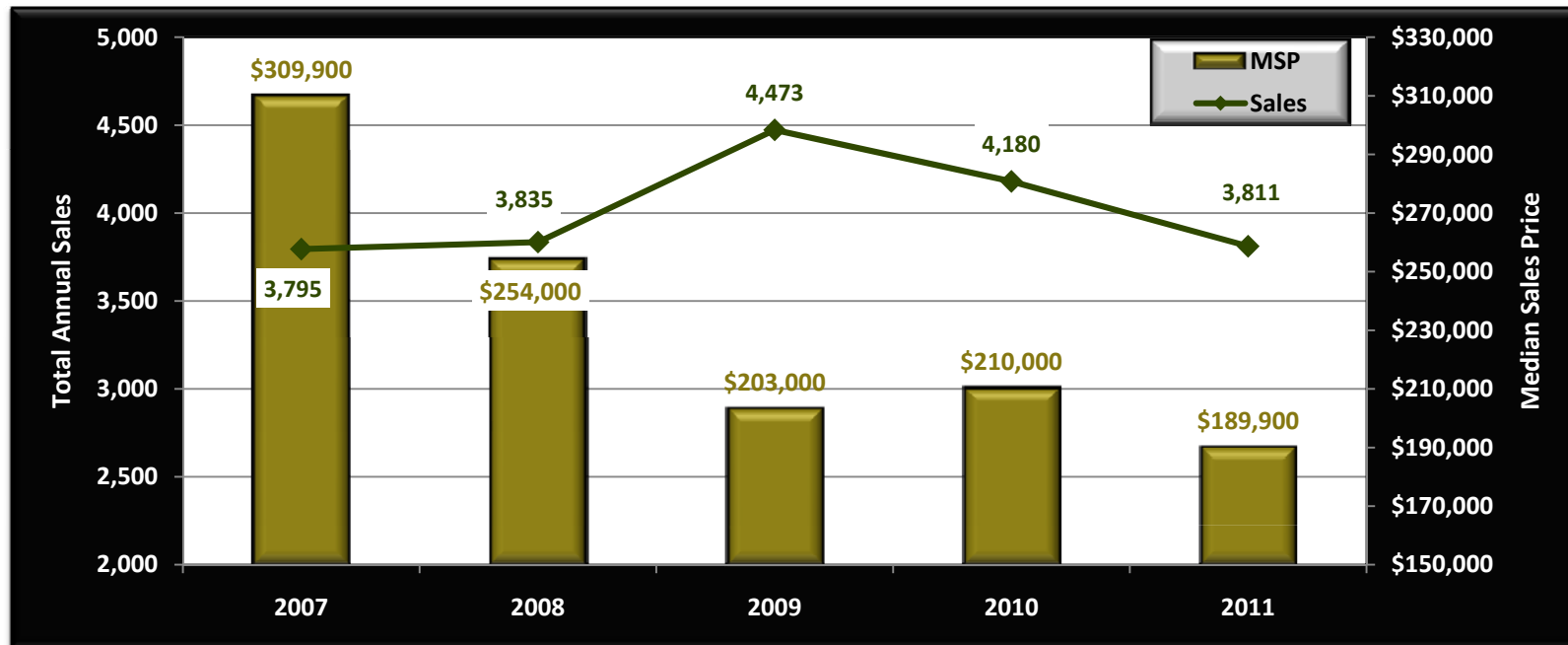
Local Jurisdictions

Jurisdiction	Total Sales			Median SP		
	2010	2011	% Change	2010	2011	% Change
Caroline	344	331	-4%	\$145,000	\$115,000	-21%
Fredericksburg	194	209	8%	\$226,000	\$188,000	-17%
King George	252	190	-25%	\$235,000	\$204,000	-13%
Spotsylvania	1,689	1,512	-10%	\$190,000	\$180,000	-5%
Stafford	1,701	1,570	-8%	\$244,000	\$210,000	-14%

Source: MRIS, NSA

2011 Sales Annualized

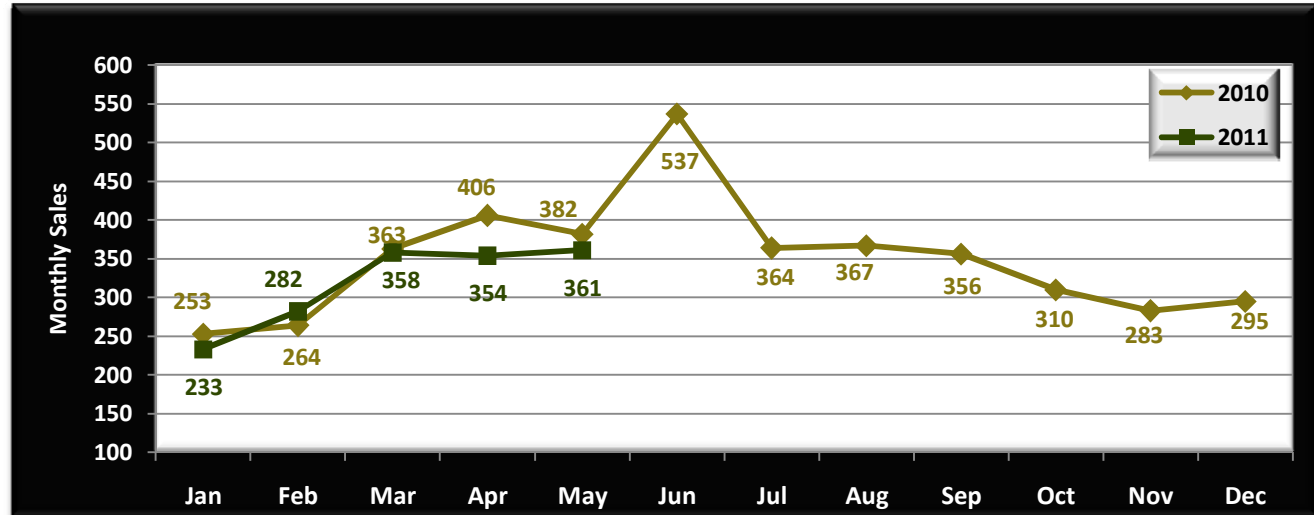
Fredericksburg Area Existing Home Sales and Median Sales Prices: 2007 - 2011



May '11 vs. Apr '11	2.0%
May '11 vs. May '10	-5.5%
2011 Average	339
2010 Average	347
2009 Average	364
2008 Average	320
2007 Average	316

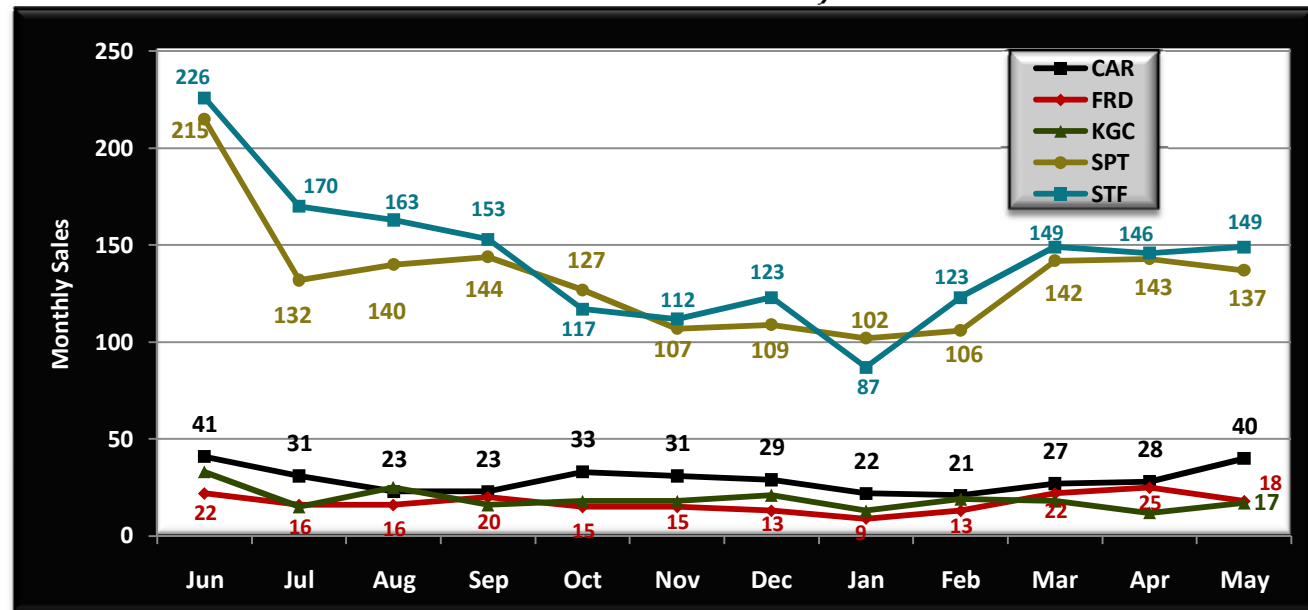
Spike represents expiration of First Time Buyer's Credit on June 30, 2010.

Monthly Sales: 2011 vs. 2010



May 2011	MOM	MOY
Caroline	42.9%	53.8%
Fredericksburg	-28.0%	0.0%
King George	41.7%	-19.0%
Spotsylvania	-4.2%	-19.9%
Stafford	2.1%	2.1%

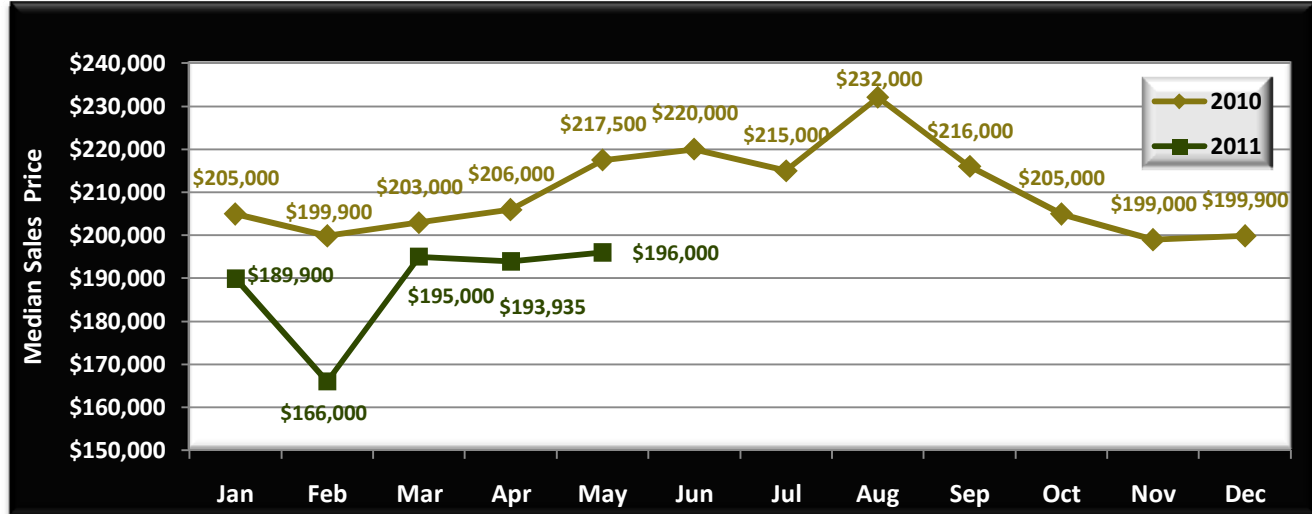
Local Sales: Jun 2010 - May 2011



Source: MRIS

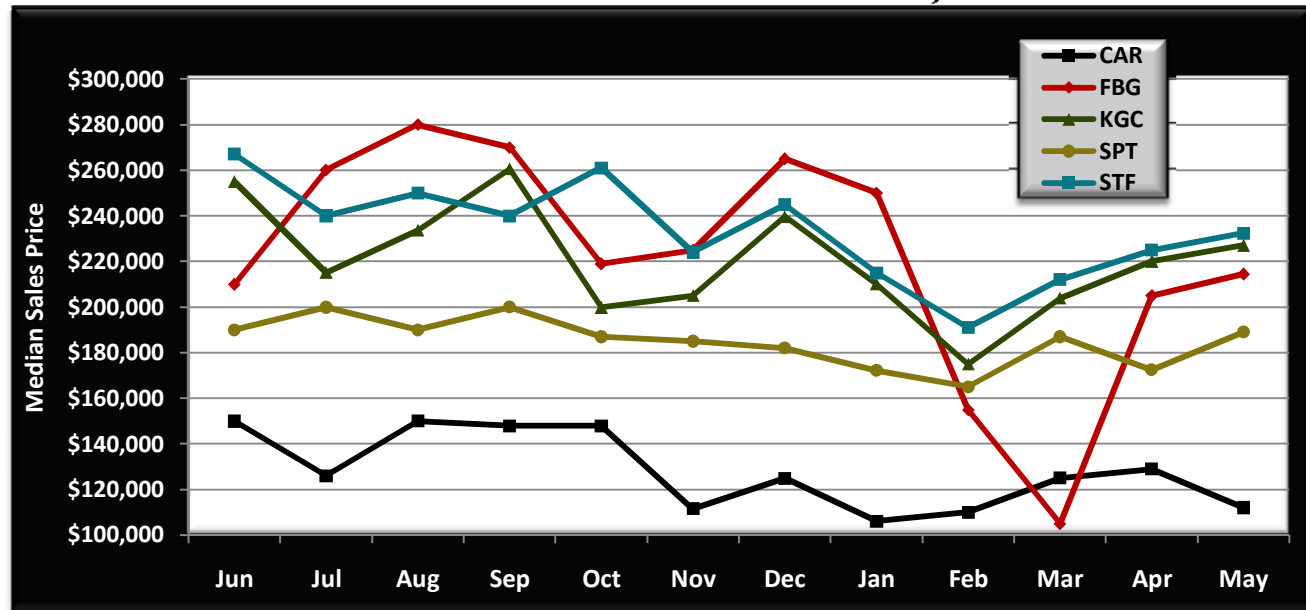
May '11 vs. Apr '11	1.1%
May '11 vs. May '10	-9.9%
2011 YTD Median	\$189,900
2010 Annual Median	\$210,000
2009 Annual Median	\$203,000
2008 Annual Median	\$254,000
2007 Annual Median	\$309,900

Median Sales Price: 2011 vs. 2010



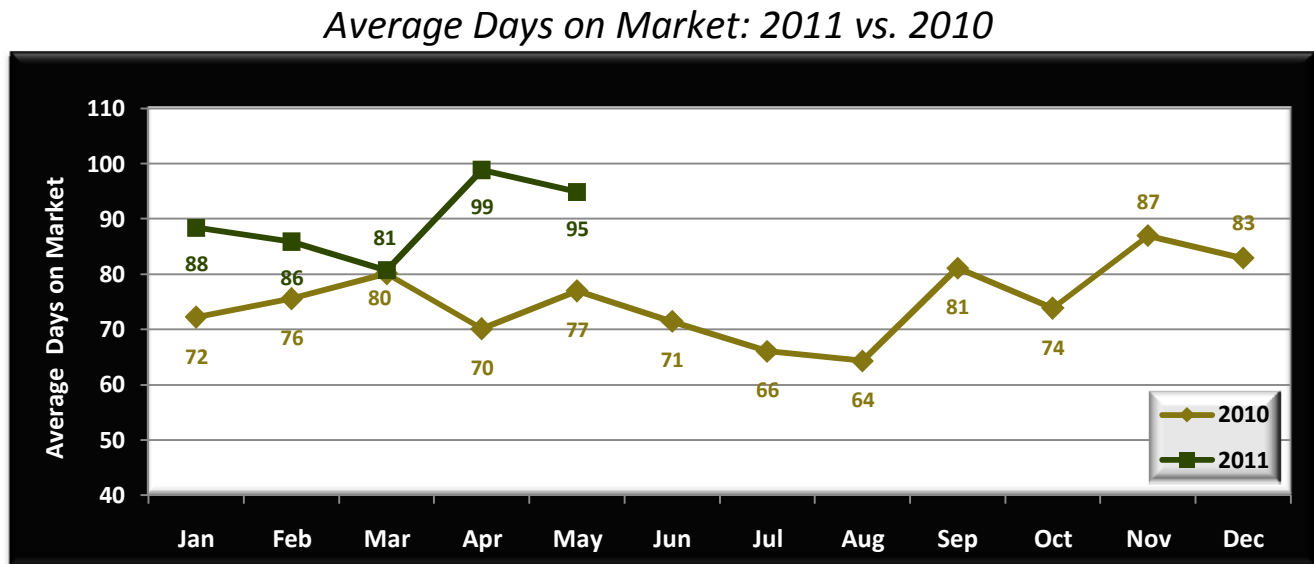
May 2011	MOM	MOY
Caroline	-13.2%	-22.8%
Fredericksburg	4.6%	-1.2%
King George	3.2%	1.8%
Spotsylvania	9.6%	-3.6%
Stafford	3.3%	-5.2%

Local Median Sales Price: Jun 2010 - May 2011

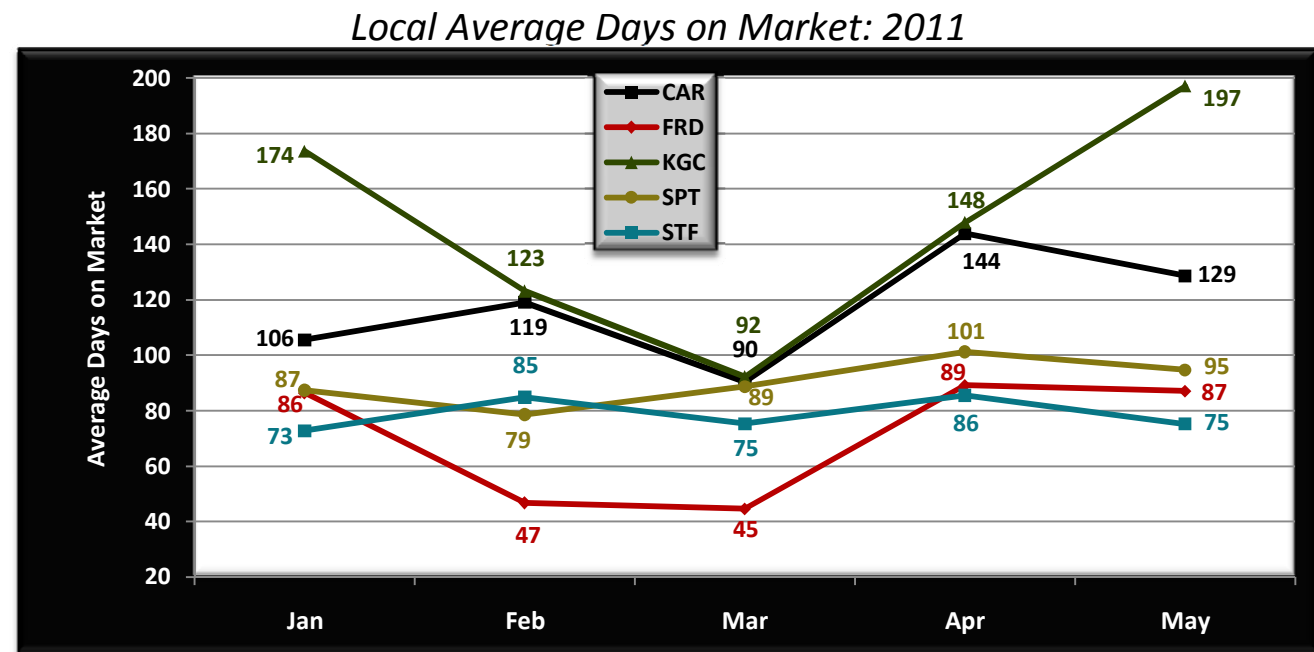


Source: MRIS

May '11 vs. Apr '11	-4.0%
May '11 vs. May '10	23.2%
2011 Average	90
2010 Average	76
2009 Average	97
2008 Average	130
2007 Average	122



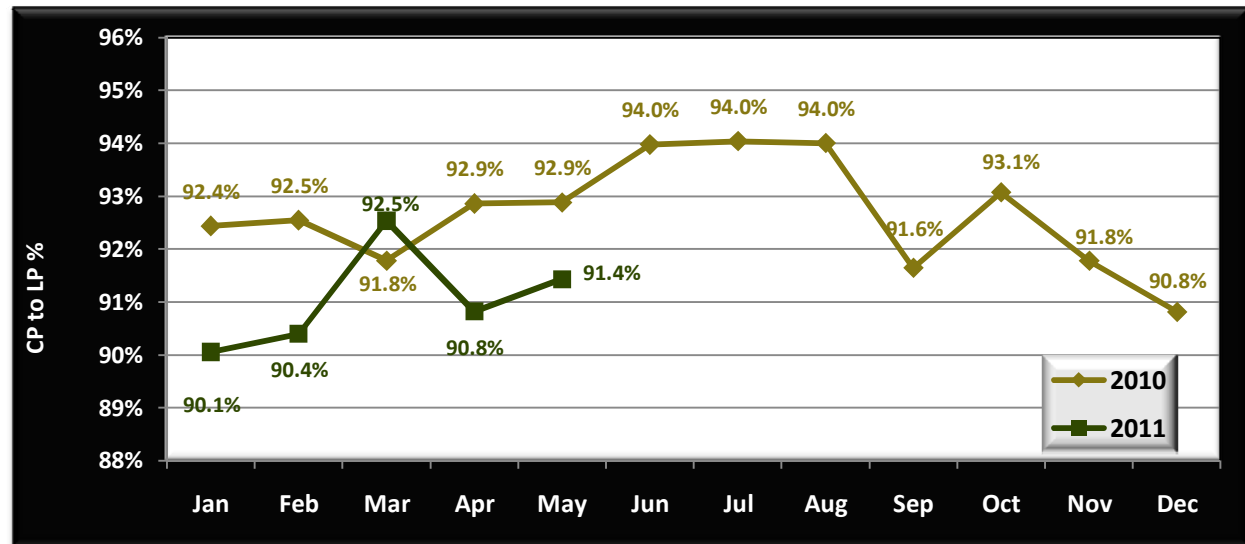
May 2011	MOM	MOY
Caroline	-10.6%	-1.6%
Fredericksburg	-2.2%	-20.7%
King George	33.3%	119.6%
Spotsylvania	-6.5%	24.3%
Stafford	-12.0%	20.4%



Source: MRIS

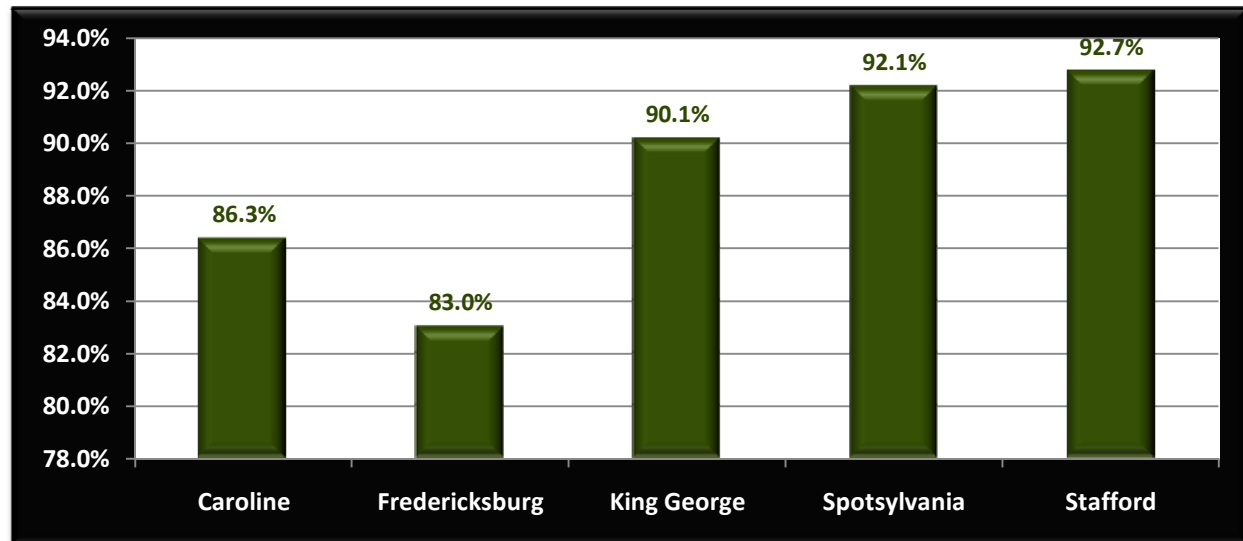
May '11 vs. Apr '11	0.7%
May '11 vs. May '10	-1.6%
2011 Average	91.3%
2010 Average	92.5%
2009 Average	91.0%
2008 Average	89.3%
2007 Average	92.4%

Avg Close Price to Avg Original List Price Ratio: 2011 vs. 2010



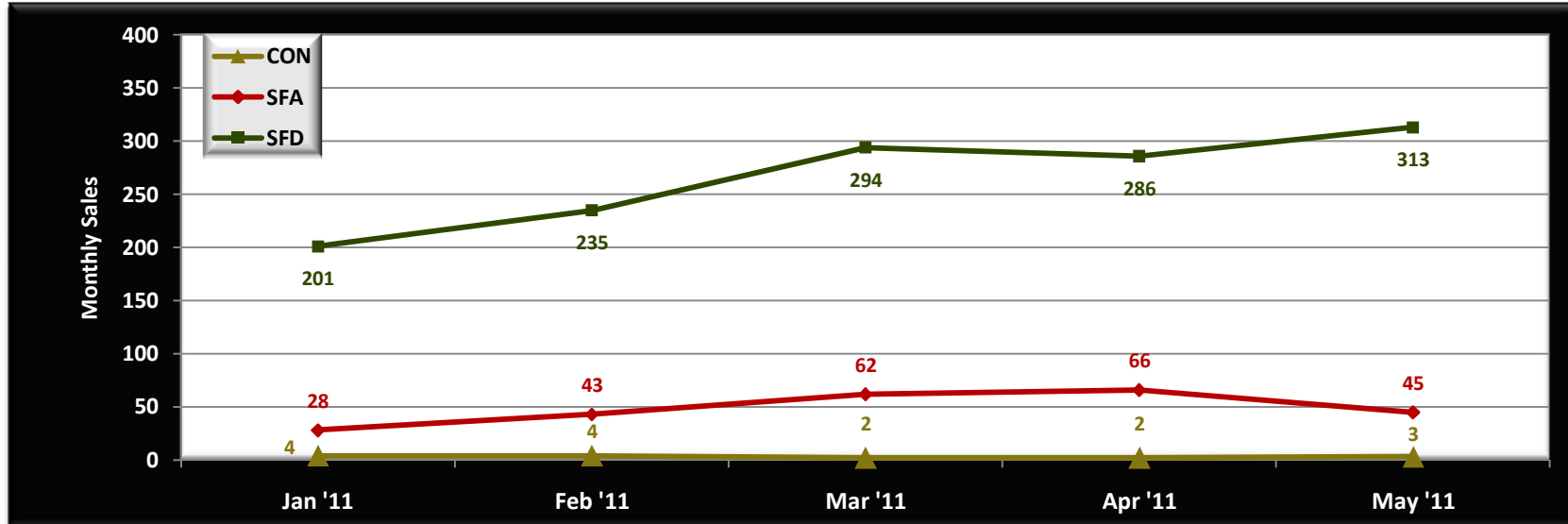
May 2011	MOM	MOY
Caroline	1.9%	-2.1%
Fredericksburg	-8.8%	-5.1%
King George	-5.5%	-2.7%
Spotsylvania	1.6%	0.0%
Stafford	1.6%	-2.3%

Avg Close Price to Avg Original List Price Ratio: May 2011

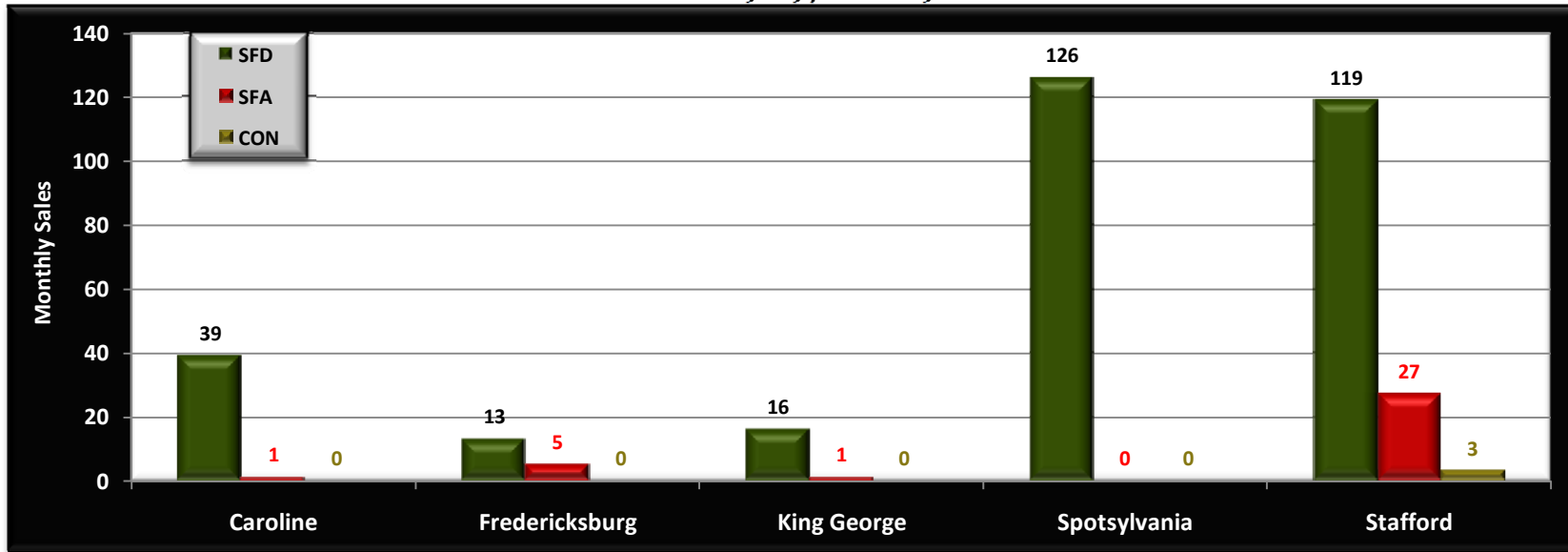


Source: MRIS

Monthly Sales by Type: 2011

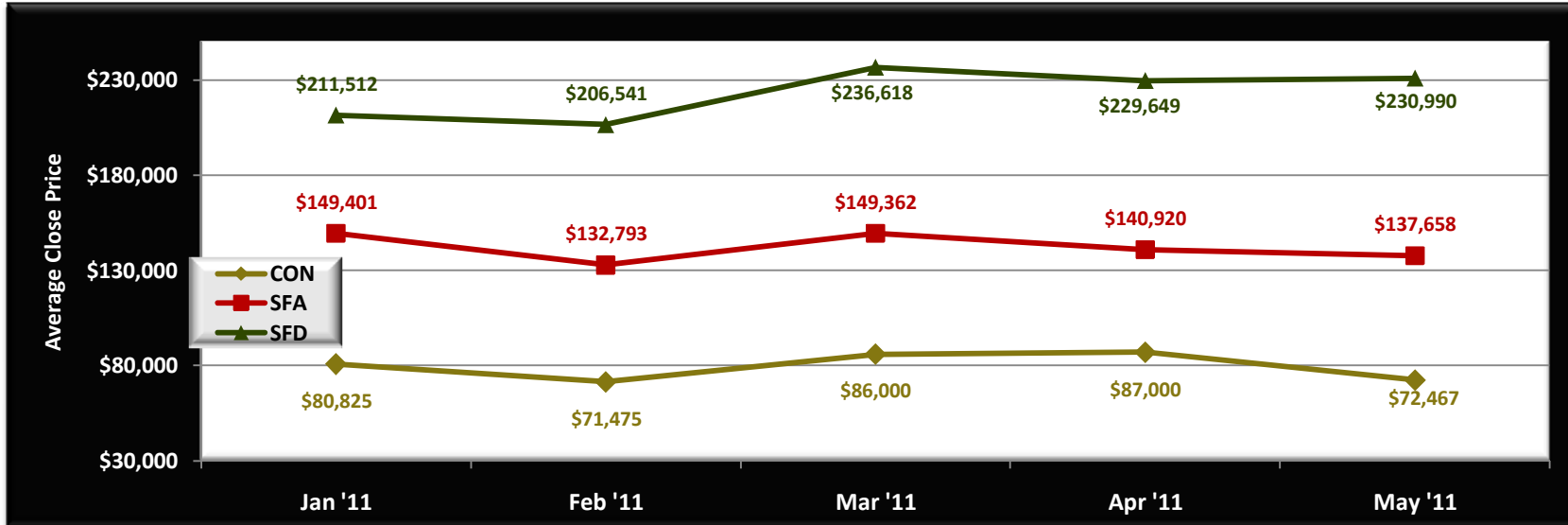


Local Sales by Type: May 2011

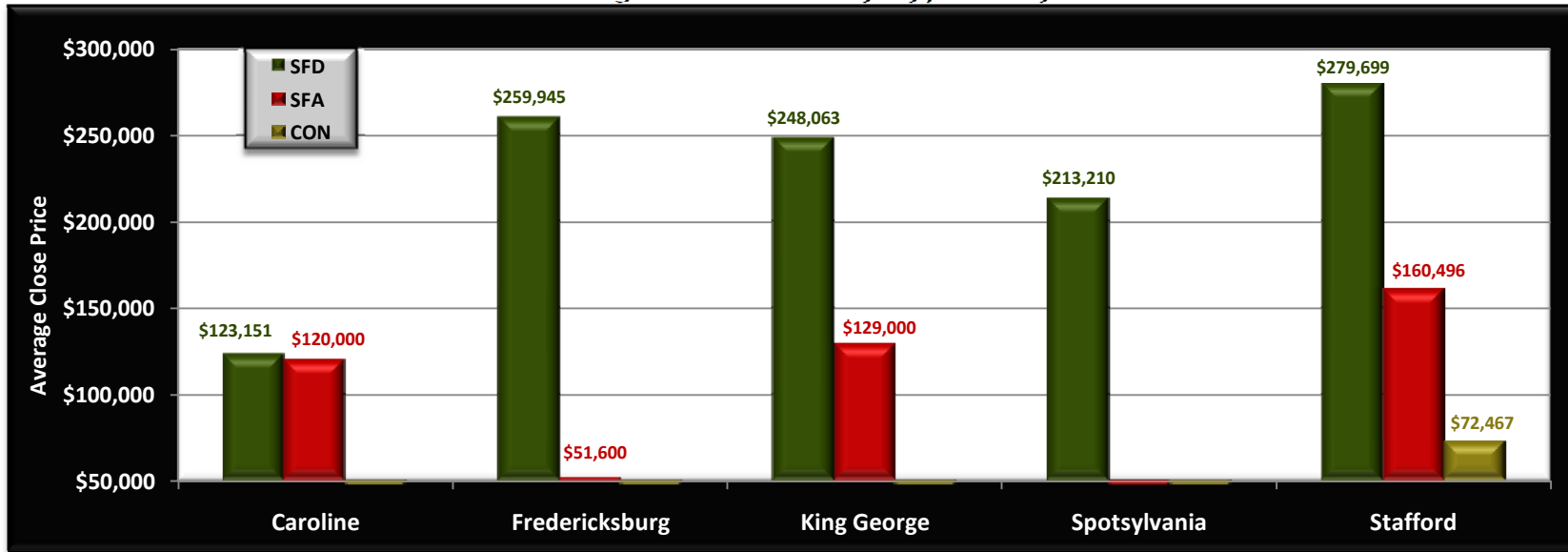


Source: MRIS

Average Close Price by Type: 2011



Local Average Close Price by Type: May 2011



Source: MRIS