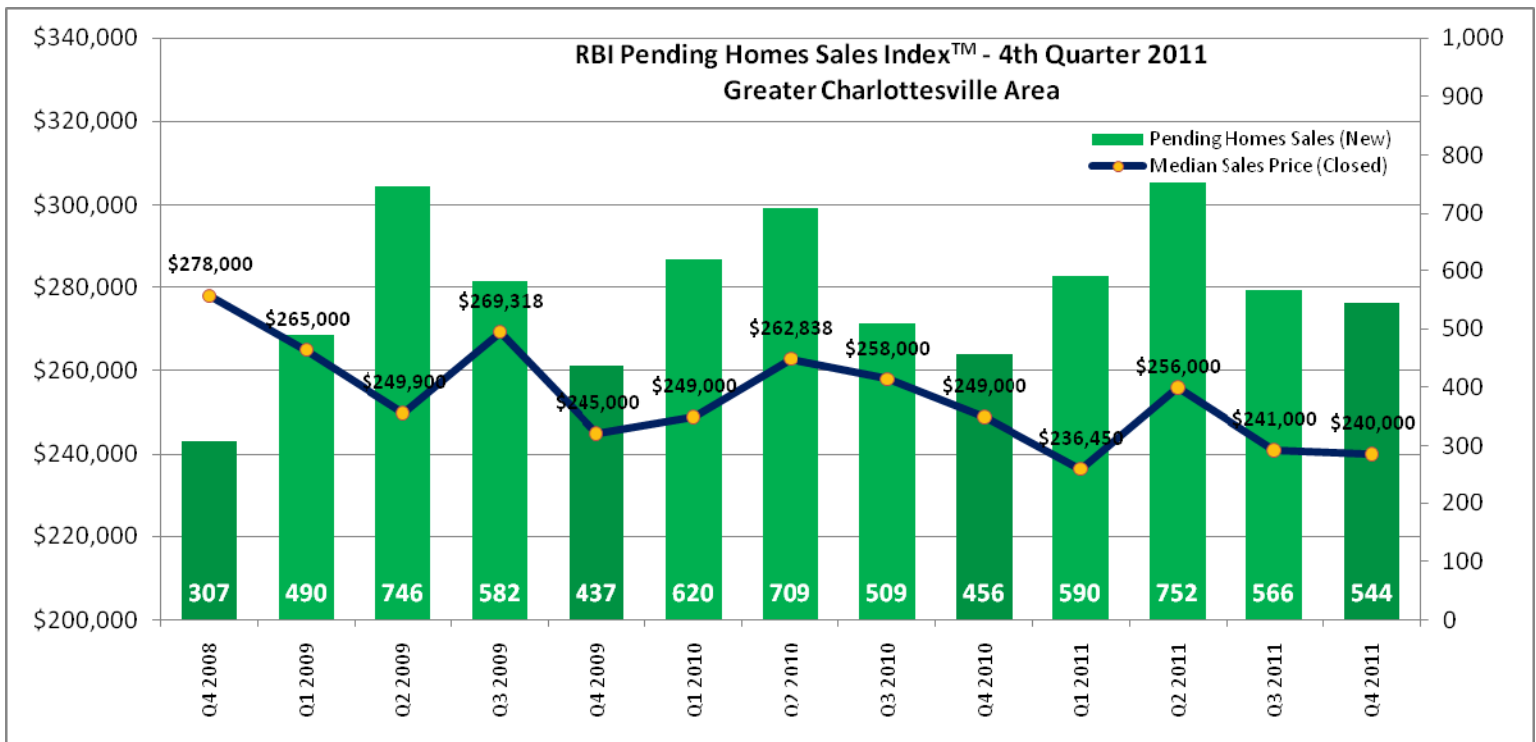


2011 4th Quarter and Year-End Market Report

Charlottesville Area 4th Quarter 2011 Highlights:

- Median sales price for the region is down 0.4% over last quarter and 3.6% from the Q4-2010 to \$240,000
- New listings were down 20.3% from the same period last year.
- Homes took an average 9 days longer to sell compared to Q4-2010 with average Days on Market (DOM) of 161.
- Pending sales rose 19.3% over same time 2010 from 456 in Q4 2010 to 544 in Q4 2011.
- The median sales price for 4th Quarter sales year-over-year declined 3.75% from \$249,000 to \$240,000.



RBI Key Housing Trend Metrics [Greater Charlottesville Area] 4th Quarter - 2011

| | Q4-11 | % Q-O-Q | Q3-11 | % Y-O-Y | Q4-10 | % Y-O-2Y | Q4-09 | % Y-O-3Y | Q4-08 |
|--------------------------------------|-----------|---------|-----------|---------|-----------|----------|-----------|----------|-----------|
| Pending Homes Sales (New) | 544 | -3.9% | 566 | 19.3% | 456 | 24.5% | 437 | 77.2% | 307 |
| Median Sales Price (Closed) | \$240,000 | -0.4% | \$241,000 | -3.6% | \$249,000 | -2.0% | \$245,000 | -13.7% | \$278,000 |
| Active Listings | 2,020 | -22.0% | 2,590 | -7.0% | 2,171 | -10.8% | 2,265 | -14.8% | 2,371 |
| New Listings | 714 | -31.5% | 1,042 | -20.3% | 896 | -23.6% | 934 | -22.9% | 926 |
| Average Days On Market (Closed) | 161 | 24.8% | 129 | 5.9% | 152 | 4.5% | 154 | 11.0% | 145 |
| Listing Discount (Average) | 9.6% | | 8.5% | | 9.3% | | 8.1% | | 8.7% |
| Ratio Avg Sold/Avg List Price (Orig) | 90.4% | | 91.5% | | 90.8% | | 91.9% | | 91.3% |

Charlottesville Area 2011 Year-End Highlights:

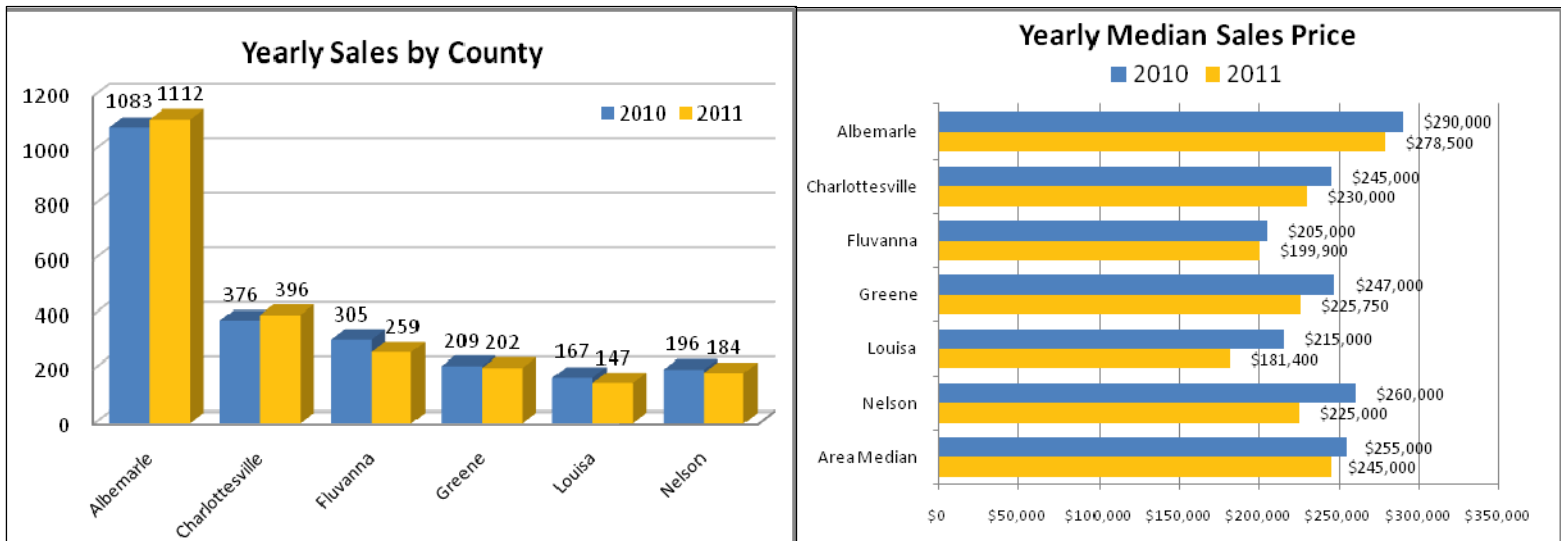
- Top three areas for sales in 2011 were Albemarle, Charlottesville, and Fluvanna counties.
- The most affordable areas in our market were Greene, Louisa, and Fluvanna counties.
- Overall sales were down a nominal 1.5% from 2010, though up slightly from 2009 levels.
- Active inventory to close 2011 is down 7% from year-end 2010.
- Days on Market stable since 2010, half of homes sold in 86 days or less in 2011 and average DOM was 149 in 2011.
- Median Sales price for 2011 of \$245,000 was down 3.9% from year-end 2010.

2011 Market Overview - Home Sales for 2011

There were 2,300 homes sold in the Charlottesville area in 2011, which was down 1.5% (-36 sales) from 2010. Albemarle (+2.7%) and Charlottesville (+5.3%) showed an increase in sales for the year. All other areas were down from last year: Fluvanna (-15.1%), Louisa (-12.0%), Nelson (-6.1%), and Green (-3.3%).

Sales of detached homes in the area were down 1.4% from 2010 to 1,733. This is 3.8% higher than the 1,669 detached homes sold in 2009. There were 567 attached homes (condos and townhomes) sold in 2011, 1.4% lower than 2010 and 13.0% off the 5-year average levels.

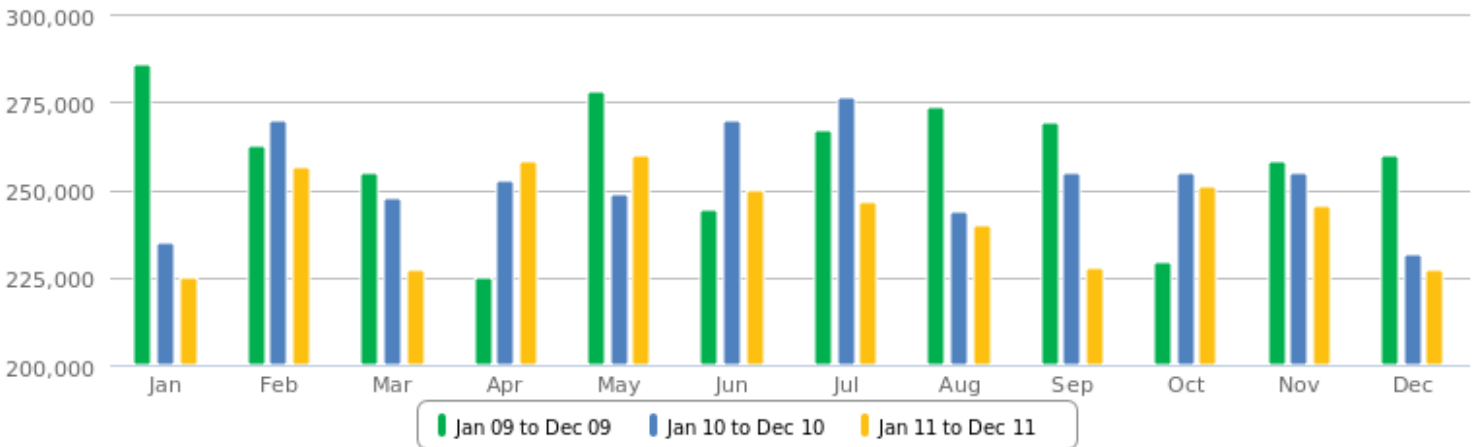
Foreclosed property sales were up 10.4% to 328 compared to 297 sales in 2010. Foreclosures represented a 14.3% share of all sales in 2011, up from a 12.7% share last year. Short sales nearly doubled year-over-year, from 76 sales in 2010 to 112 in 2011. Fortunately in the interest of pricing stabilization, short sale transactions only represented 3.3% of the market while traditional sales, or those transactions not involving a foreclosure or short sale, accounted for 80.9% of MLS sales.



Days on Market (DOM)

The length of time a property is on the market before sale is very much affected by the amount of supply compared to demand, and real estate professionals understand the critical role pricing plays. While the market has varied throughout the past several years, the average days on market (DOM) prior to sale has remained relatively stable the past two years, increasing only one day from the 2010 average to 148 days. Half of the homes sold in 2011 were on the market for 86 days or less, up slightly from the 82 median DOM of 2010. Attached homes sold an average 10 days faster than detached homes, with a DOM of 140 in 2011.

Median Sale Price | Greater Charlottesville

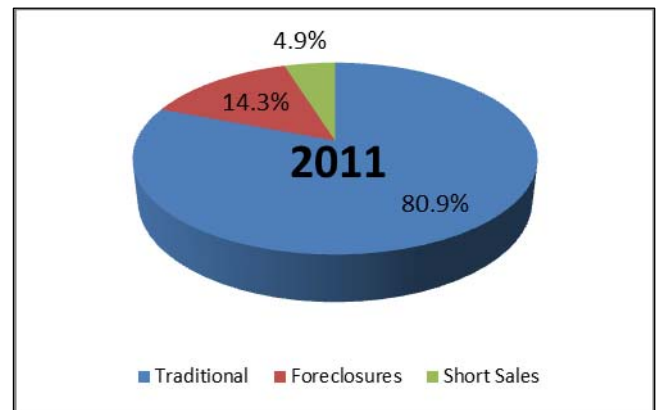
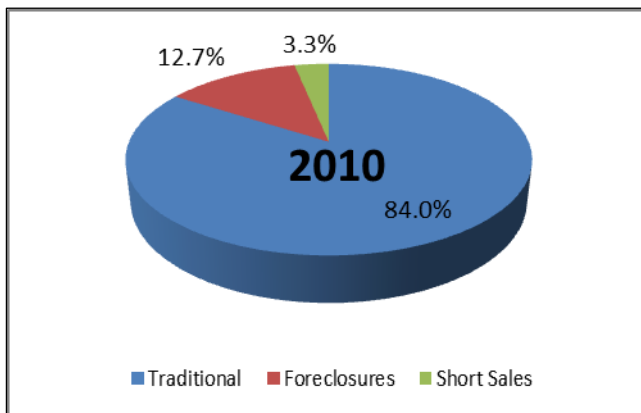


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Home Prices

Home prices declined somewhat in 2011, with the amount of the decline varying from significant to nominal depending upon the county. The median prices listed below are the middle of the market of properties that sold, indicating what buyers were willing/able to pay. Overall, the \$245,000 median home price (including attached homes) represented a 3.9% decrease compared to last year. The areas with higher sales volume like Fluvanna (-2.5%), Albemarle (-4.0%), and Charlottesville (-6.1%) saw more moderate decreases, while the remaining counties experienced slightly higher pricing drops: Greene (-8.6%), Nelson (-13.5%), and Louisa (-15.6%).

The median price for detached homes in Greater Charlottesville fell 3.6% from 2010 to \$270,000 while the median price for attached homes was down 10.1% year-over-year to \$191,000. Foreclosed listings had a median price of \$130,000, or half the \$265,000 median for traditional property sales. The traditional sale median price was down only 2.8% from 2010 and actually represents an increase of 1.2% from the 2009 level. The \$211,000 median price for short sales represents a 9.0% year-over-year increase.

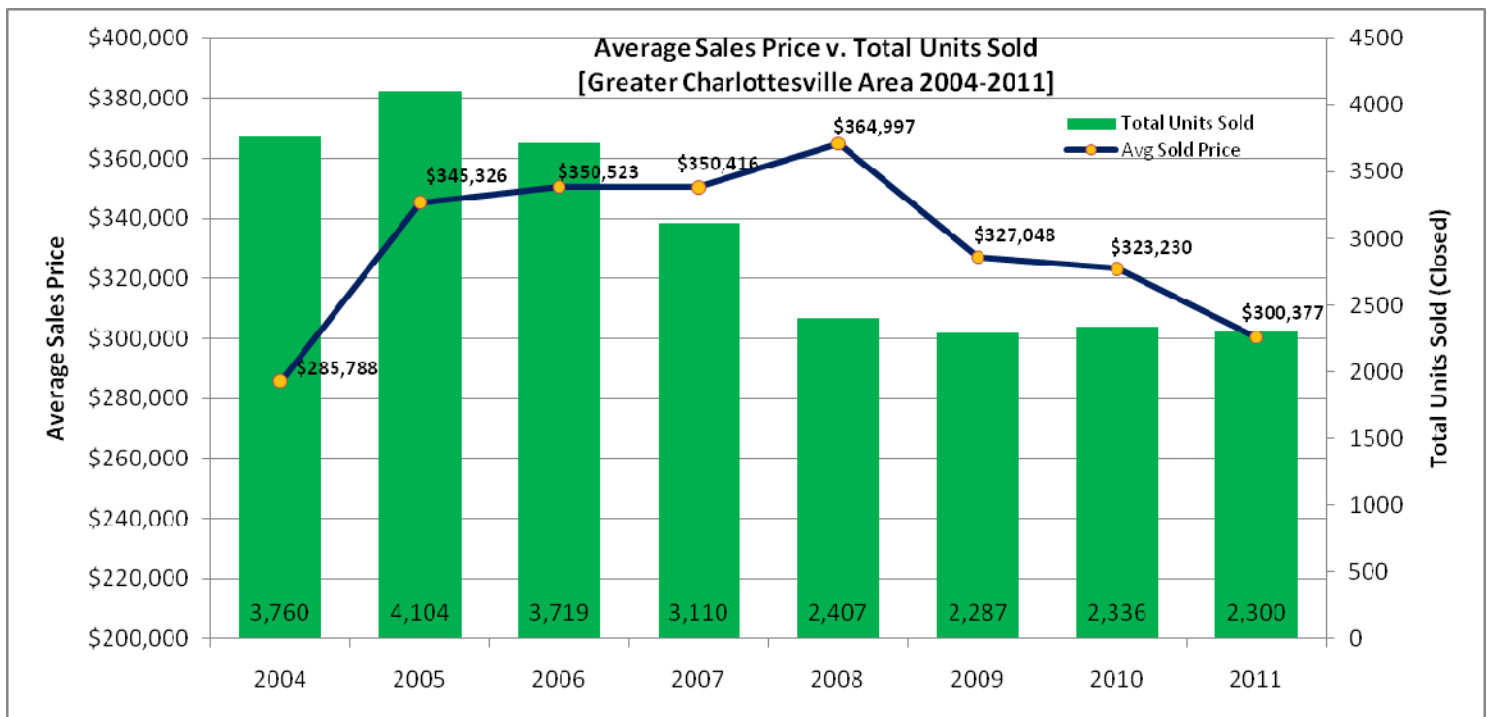


Market Share by Bank-Mediated Status – Closed Sales (Cumulative)

Inventory of Homes for Sale

At year end, inventory is down to the lowest level since year-end 2006 and 7.0% down from the year-end 2010 level, signaling what could be a positive trend for the Charlottesville market. While the 4,802 new listings added throughout 2011 (irrespective of where they ended up in the transaction process) represents a 12.9% decrease from the 5,512 new listings added in 2010, we remain a buyer's market. The 2,020 active units to close the year represent 11.6 months of supply if the 2011 absorption rate continues into 2012.

The 433 active attached properties for sale represent a decrease of 2.0% from year-end 2010 while the 1,586 detached properties for sale are 7.6% lower than last year's level. The 74 foreclosed properties for sale to begin 2012 are 31.5% lower than last year, while the 1,874 traditional listings on the market are only 4.7% lower than year-end 2010.



Sold Price Per Square Foot (Finished) – Affordability and Bargains Remain

The area average of \$140 per finished square foot is the lowest number since 2004, indicating true “pockets of value” for buyers. Prices are down \$6 per square foot on average from last year and \$42 since peaking for buyers in 2006. The most affordable markets are outlying localities of Fluvanna (\$108) and Louisa (\$100). The relative stability in price per finished square foot in Charlottesville (\$167), Albemarle (\$145), and Greene (\$118) supports the strength and stability of these markets.

There is remarkably little variance between the price per square foot for attached homes (\$141) vs. detached homes (\$139). During the peak year 2006, detached homes averaged \$15 more than attached homes, \$192 and \$177 respectively. Housing affordability is a positive aspect of this market. 596 homes, or 30% of the active listing market, were for sale at \$200,000 or less to begin 2012. The average sold price per square foot for foreclosed properties in 2011 was \$88, nearly 60% lower than the \$151 average for traditional sales! The price per square foot for short sales was in the middle of these two figures, averaging \$107.

| All Residential | 2011 | % Y-O-Y | 2010 | % Y-O-2Y | 2009 | % Y-O-3Y | 2008 | % Y-O-5Y Avg | 5 Yr Avg |
|--------------------------------------|-----------|---------|-----------|----------|-----------|----------|-----------|--------------|-----------|
| Average Sales Price (Closed) | 300,377 | -7.1% | 323,230 | -8.2% | 327,048 | -17.7% | 364,997 | -9.9% | 333,214 |
| Median Sales Price (Closed) | \$245,000 | -3.9% | \$255,000 | -5.1% | \$258,069 | -12.5% | \$280,000 | -7.7% | \$265,414 |
| Units Sold (Closed) | 2,300 | -1.5% | 2,336 | 0.6% | 2,287 | -4.4% | 2,407 | -7.6% | 2,488 |
| Average Days On Market (Closed) | 148 | 0.7% | 147 | 2.1% | 145 | 9.6% | 135 | 10.8% | 134 |
| Listing Discount (Average, Orig) | 10.3% | | 9.8% | | 10.0% | | 8.6% | | 8.8% |
| Average Sales(Orig) List Price Ratio | 89.7% | | 90.2% | | 90.0% | | 91.4% | | 91.2% |

Price sensitivity is still a key factor in this market and if you plan to sell a home in 2012, be sure to have a REALTOR® prepare a comparative market analysis (CMA) so that you can price it to sell. And, if you are looking to buy, a REALTOR® can help you understand the current market and evaluate your options.

This 2011 Year-End Market Report is produced by the Charlottesville Area Association of REALTORS® using data from the CAAR MLS. For more information on this report or the real estate market, pick up a copy of the CAAR *Real Estate Weekly*, visit www.caar.com, or contact your REALTOR®.