

Market Profile - September	2009	2010
Average List Price (sold units)	\$400,046	\$436,679
Average Days on Market (sold units)	60	52
Active Inventory (Less Pendings)	11,633	12,473
New Listings	3,875	3,961
Months of Supply (MoS)	4.3	5.8
Units Sold	2,698	2,157
Average Sold Price	\$382,755	\$414,051
Sold to List Ratio	95.7%	94.8%

Northern Virginia September 2010

Average sales price grew by 8.2% from 2009. The active inventory of homes for sale fell 7.2% to 12,473 while the average days on market declined 13.1%

With the continued, but slowing average price growth, sales declined 20.1% to 2,157 units compared to 2,698 units in 2009.

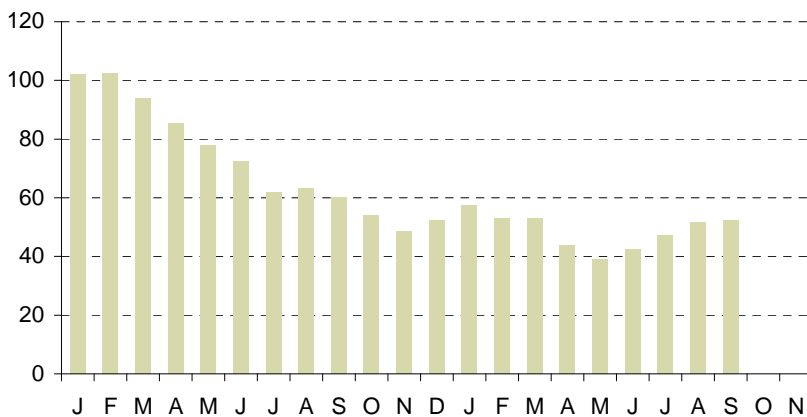
Expiration of the federal buyer credit programs has directly impacted market growth with year to date unit sales now down 31.7% from 2009.

Pending sales contracts declined by 23.9% and supports the current outlook for limited growth in the Northern Virginia market.

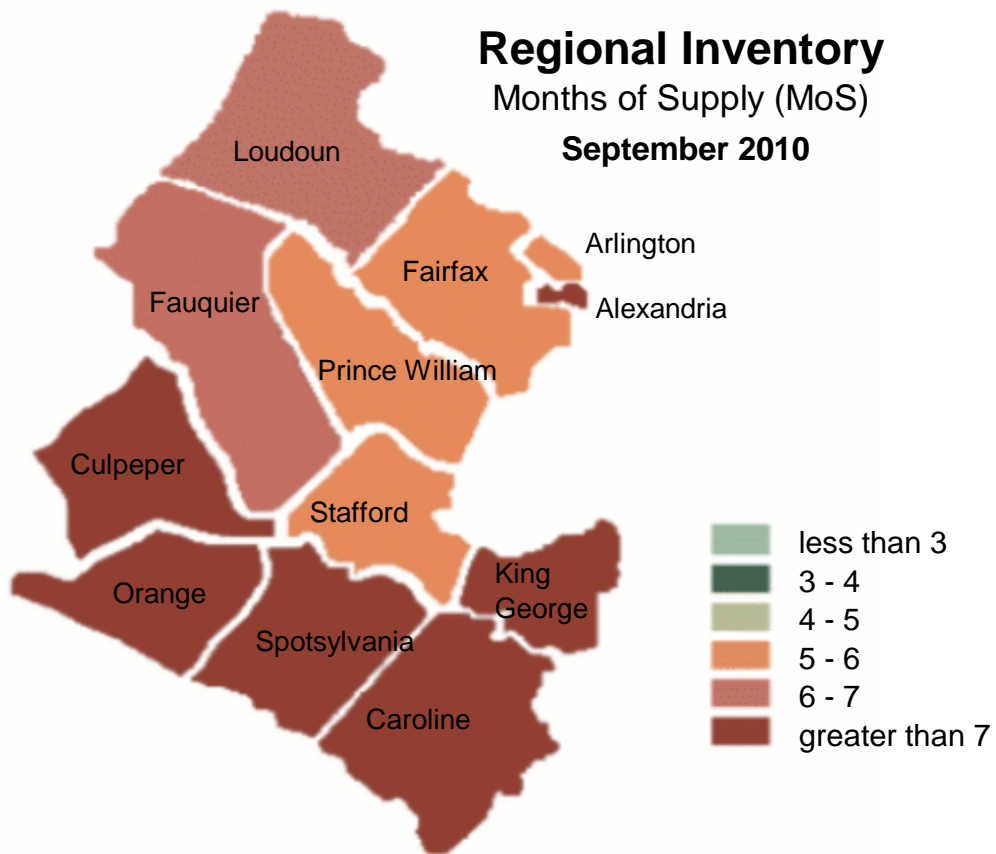
Supply & Demand

primarily a balanced market
with
general price stability

Average Days on Market 2009-2010



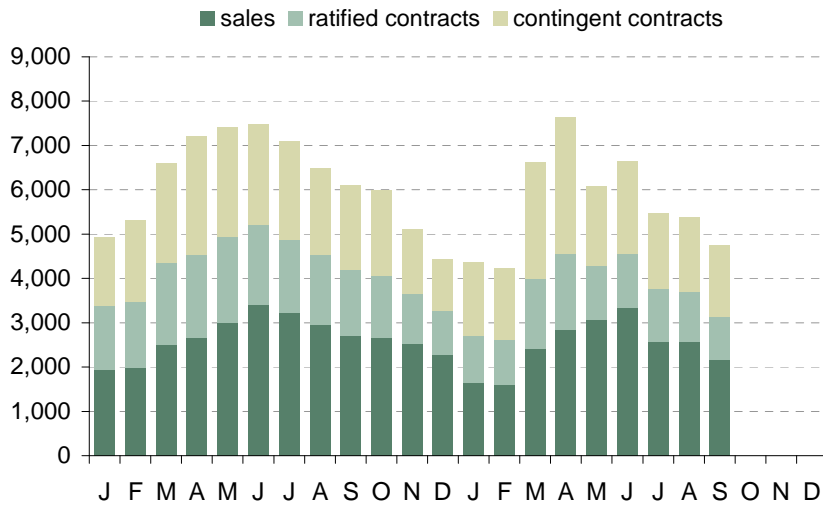
* Arlington, Fairfax, Loudoun and Prince William Counties and the Cities of Alexandria, Fairfax and Falls Church



The average months of supply (MoS) for Northern Virginia's total inventory equaled 5.8 in September and corresponds to a balanced market. It should be noted that the MoS data can be highly variable within a county or zipcode, and also across the active price ranges. For more detailed inventory information, see page 5 for a breakdown of Northern Virginia's MoS data by price group in September and page 4 for the two year trended Months of Supply values.

When inventory levels are between 4 and 6 months, the market is considered to be balanced, home prices are stable or rising slightly, influenced more by inflation than by demand. When the inventory levels exceeds 6 months, the demand for housing is low, and prices are likely to fall. The high number of homes for sale will create a buyer's market, allowing buyer's more control and influence over price and terms to the majority of sellers. When inventory levels fall below 4, sellers will have greater control, creating a seller's market and a general trend of price growth.

Total Market Activity 2009 - 2010



Northern Virginia September 2010

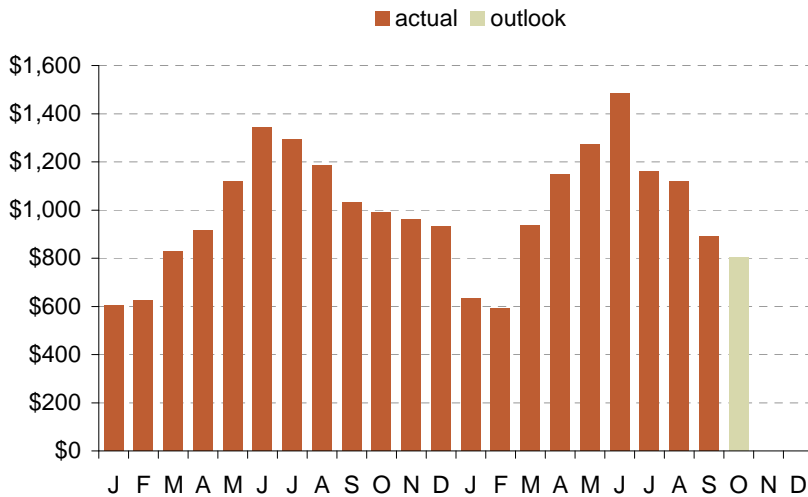
Total Market Activity

Sales	2,157
Ratified Contracts	972
Contingent Contracts	1,612
Total	4,741

Year over Year Change

Sales	-20.1%
Ratified Contracts	-34.5%
Contingent Contracts	-15.8%
Total	-15.8%

Market Sales 2009-2010 (\$Million)



September's dollar volume fell by 13.5% over 2009 to \$893.1M. Year to date sales for the month totaled \$21,620.6M, a decline of 9.2% over September 2009.

Normal seasonal patterns and September's level of pending contracts should yield a dollar sales volume of \$804.9M for the month of October.

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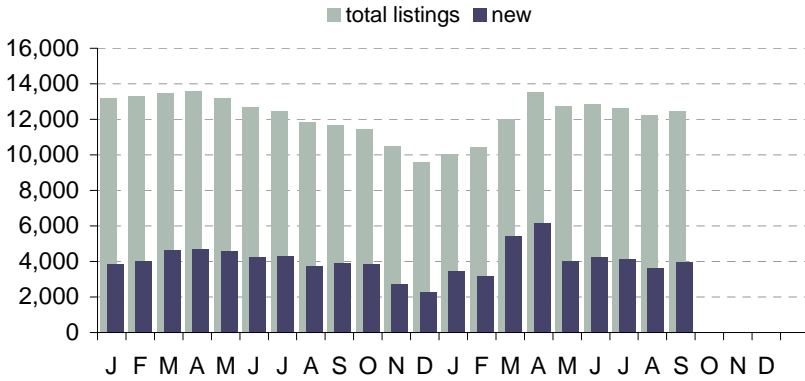
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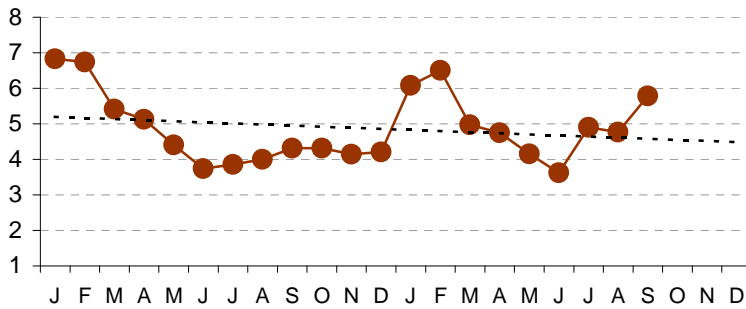
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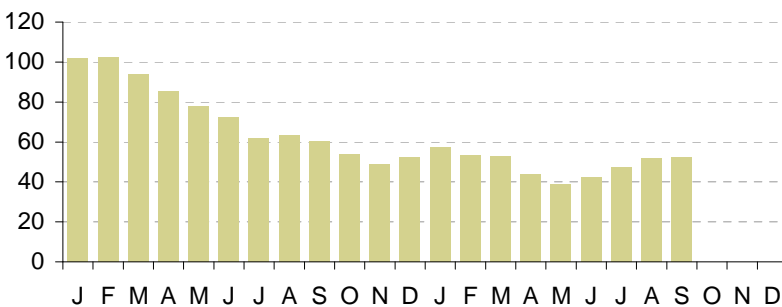
Listings 2009 - 2010



Average Months of Supply (MoS) 2009-2010



Average Days on Market (sold units)



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Northern Virginia September 2010

Active listings (less pendings) grew by 7% from 2009 to 12,473. New listings in the month totaled 3,961, a growth of 2.2% from the new listing level in 2009.

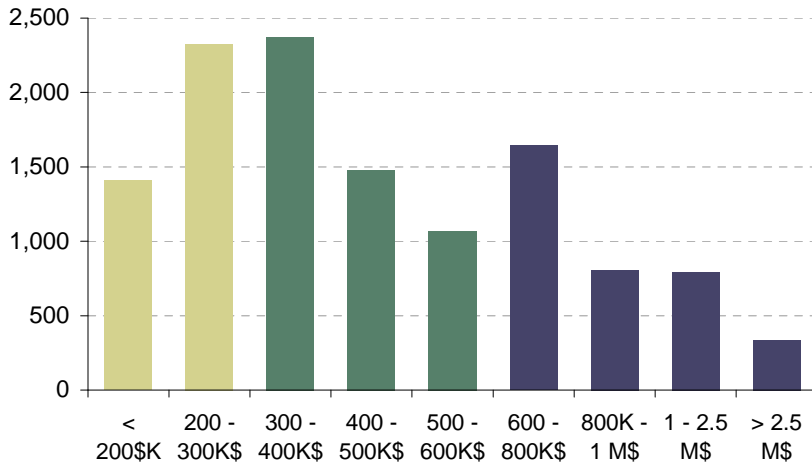
Average days on market fell by 13.1% to 52 from the 60 days reported in 2009.

Pending home sales marked as contract declined 34.5% to 972, while those marked as contingent declined 15.8% from 2009 to 1,612 total units

At the current sales rate, MoS has grown by 34.1% (YoY) and is now 5.8, versus 4.3 in 2009. For the near term, seasonally adjusted MoS is expected to remain at 6 - 7 months and create the basis for general price stability.



Total Listings by Price Group



Northern Virginia September 2010

Total Listings 12,473

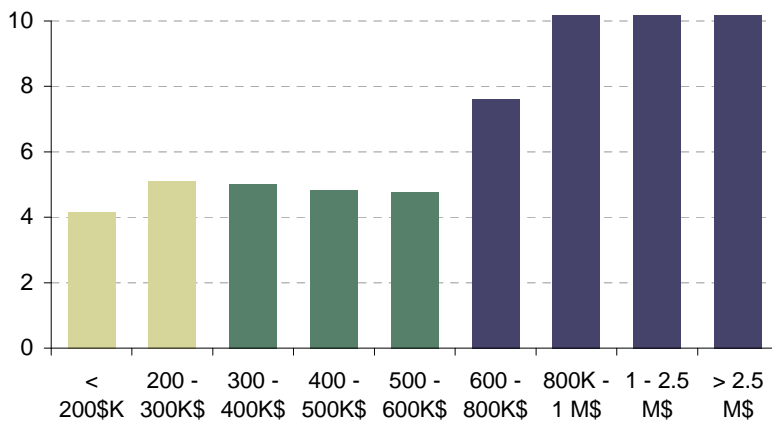
price group	% change
< 200K\$	11.5%
200 - 300K\$	19.0%
300 - 400K\$	19.4%
400 - 500K\$	12.1%
500 - 600K\$	8.7%
600 - 800K\$	13.4%
800K - 1 M\$	6.6%
1 - 2.5 M\$	6.5%
> 2.5 M\$	2.7%

Months of Supply Metrics

- < 4 seller's market
- = 4 - 6 balanced
- > 6 buyer's market

In September the months of supply averaged 5.8 for the total inventory. The most favorable MoS statistics were in the < 200K\$ price range with 4.2 months, while homes in the > 2.5 M\$ price group averaged 84.0 months.

Months of Supply (MoS) by Price Group



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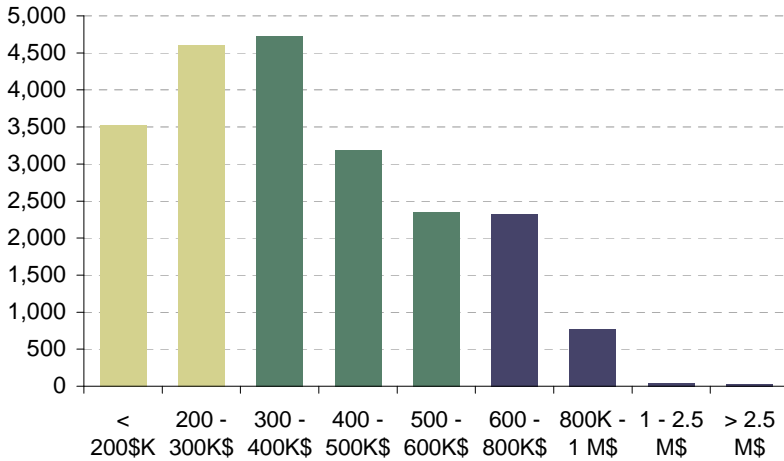
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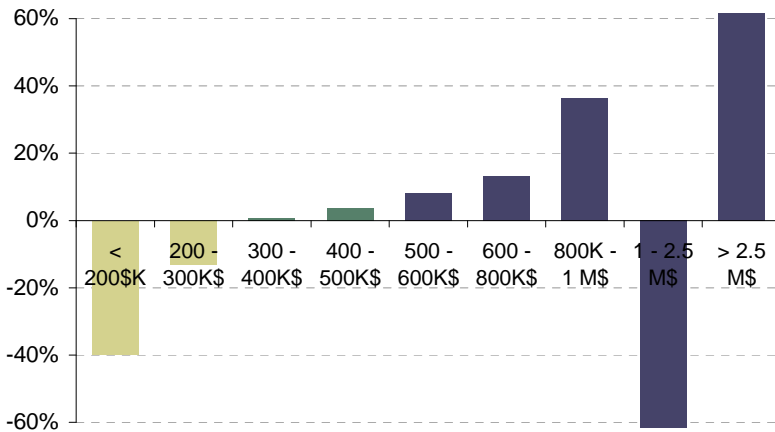
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Year to Date Sales by Price Group



Year to Date %Change by Price Group



Northern Virginia September 2010

Market strength was primarily concentrated in the 300-600K\$ segment, with a growth of 3.1% (YtD) over 2009. In the lower price segment, YtD sales declined by 27%.

Month's Sales	YoY %change
< 200K\$	-36.8%
200 - 300K\$	-21.3%
300 - 400K\$	-19.7%
400 - 500K\$	-17.1%
500 - 600K\$	-19.4%
600 - 800K\$	-2.3%
800K - 1 M\$	10.3%
1 - 2.5 M\$	14.3%
> 2.5 M\$	33.3%

YtD Sales	YoY%change
< 200K\$	-39.7%
200 - 300K\$	-13.1%
300 - 400K\$	0.5%
400 - 500K\$	3.5%
500 - 600K\$	8.2%
600 - 800K\$	13.1%
800K - 1 M\$	36.3%
1 - 2.5 M\$	-91.2%
> 2.5 M\$	68.4%

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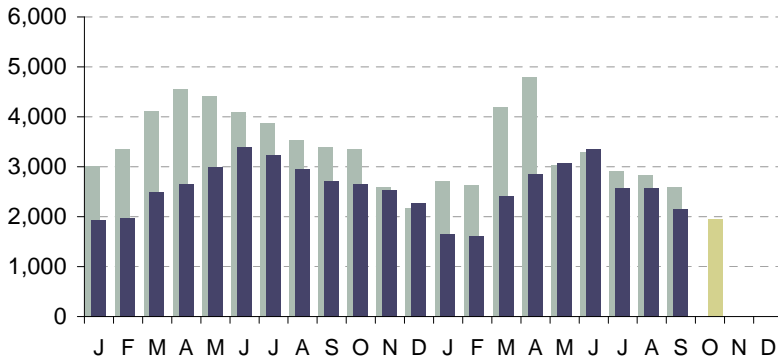


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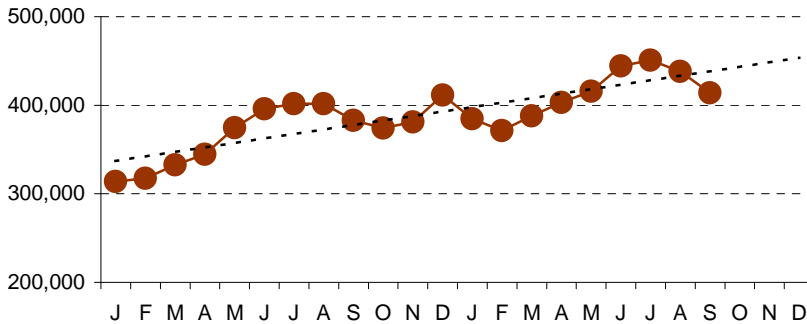
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Unit Sales 2009 - 2010

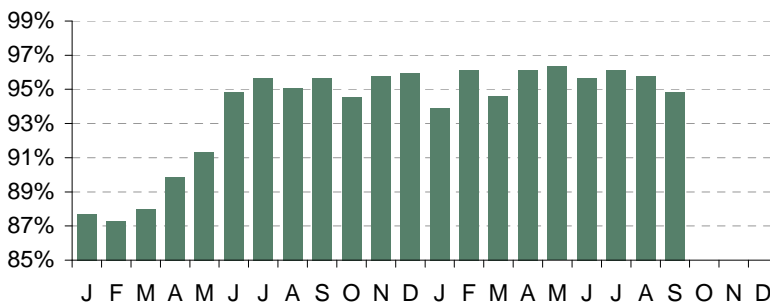
■ pending contracts ■ sales ■ outlook



Average Sales Price 2009-2010



Sold to List Price Ratio 2009 - 2010



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**Northern Virginia
September 2010**

Unit sales fell by 20.1% to 2,157 from the September 2009 total of 2,698 homes. Pending sales and contingent contracts declined 23.9% to 2584 units.

With the continuing workout of bank owned forecloses and short sales, the year to date conversion of pending contracts to sales grew from 79% in 2009 to 83% in 2010.

Year over year sales prices continue their growth but at a slowing rate. The average sale price grew 8.2% from 2009 to \$414.1K. The majority of the change in the price trend results from a shift in the mix of homes sold rather than an actual growth across the price groups

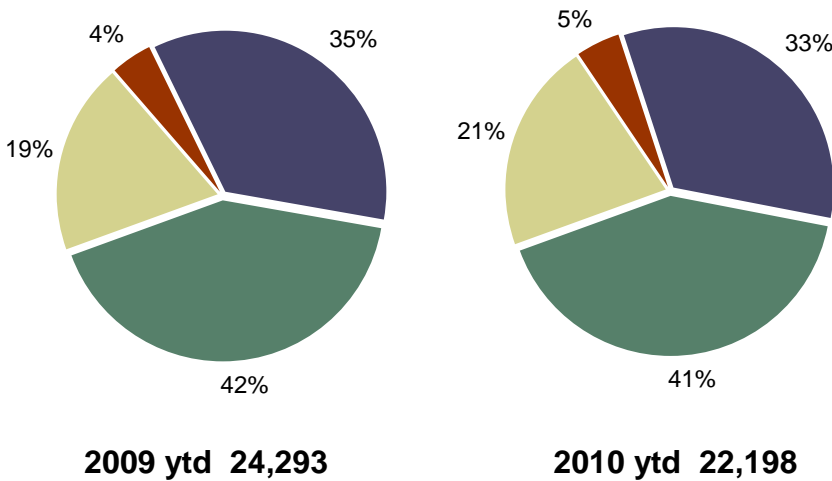
(see page 6)

September's sold to list price ratio declined to 94.8% (YoY) from 2009. Sustained improvement in this measure usually anticipates a stronger overall market



Year to Date Sales

■ Condominium
 ■ 2 bedrooms
 ■ 3 bedrooms
 ■ 4+ bedrooms



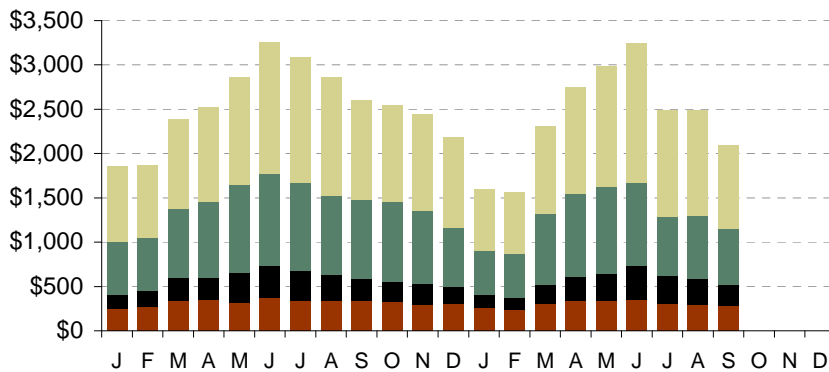
Northern Virginia September 2010

Year to date unit sales totaled 22,198 down 8.6% from the 24,293 units sold through September 2009.

Condominium	4,659
2 bedrooms	1,040
3 bedrooms	7,288
4+ bedrooms	9,211
Total	22,198

Financing (# of contracts) 2009 - 2010

■ Cash
 ■ VA
 ■ FHA
 ■ Conventional



Ytd Financing Trends

	2009	2010
November		
Conventional	43%	45%
FHA	32%	30%
VA	10%	10%
Assumption	3%	2%
Cash	12%	12%
Seller	0%	0%
Other	1%	1%

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