

Market Profile - September	2009	2010
Average List Price (sold units)	\$259,193	\$288,830
Average Days on Market (sold units)	51	44
Active Inventory (Less Pendings)	2,635	2,616
New Listings	885	742
Months of Supply (MoS)	4.5	5.6
Units Sold	588	467
Average Sold Price	\$249,827	\$276,900
Sold to List Ratio	96.4%	95.9%

Prince William County September 2010

Average sales price grew by 10.8% from 2009. The active inventory of homes for sale fell 0.7% to 2,616 while the average days on market declined 13.7%

With the continued, but slowing average price growth, sales declined 20.6% to 467 units compared to 588 units in 2009.

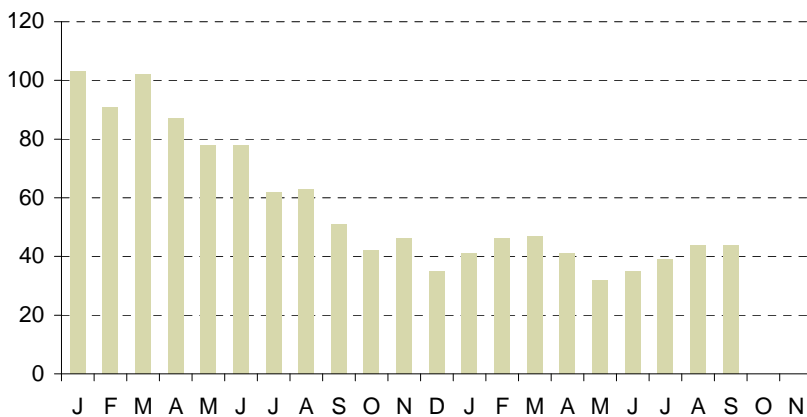
Expiration of the federal buyer credit programs has directly impacted market growth with year to date unit sales now down 39.7% from 2009.

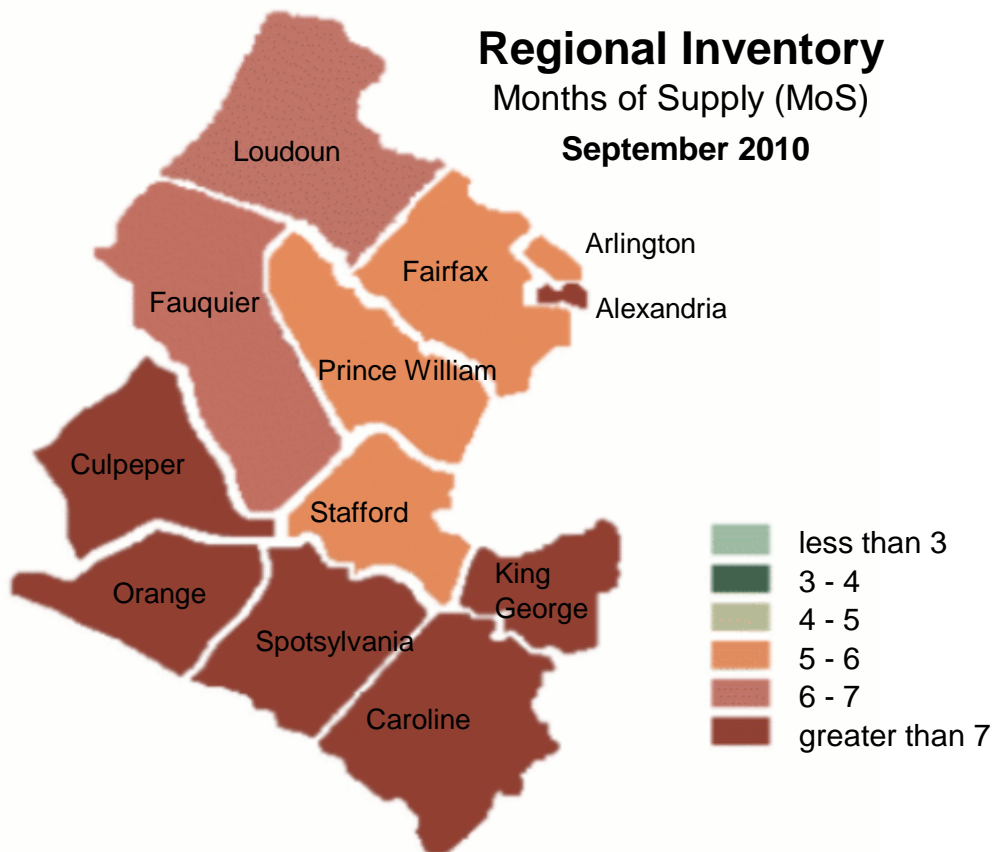
Pending sales contracts declined by 31.4% and supports the current outlook for limited growth in the Prince William County market.

Supply & Demand

primarily a balanced market
with
general price stability

Average Days on Market 2009-2010

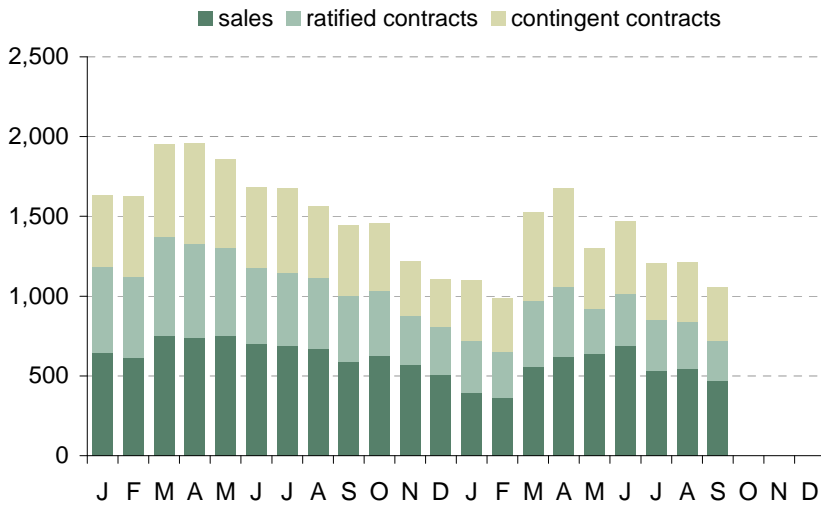




The average months of supply (MoS) for Prince William County's total inventory equaled 5.6 in September and corresponds to a balanced market. It should be noted that the MoS data can be highly variable within a county or zipcode, and also across the active price ranges. For more detailed inventory information, see page 5 for a breakdown of Prince William County'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



Prince William County September 2010

Total Market Activity

Sales	467
Ratified Contracts	254
Contingent Contracts	335

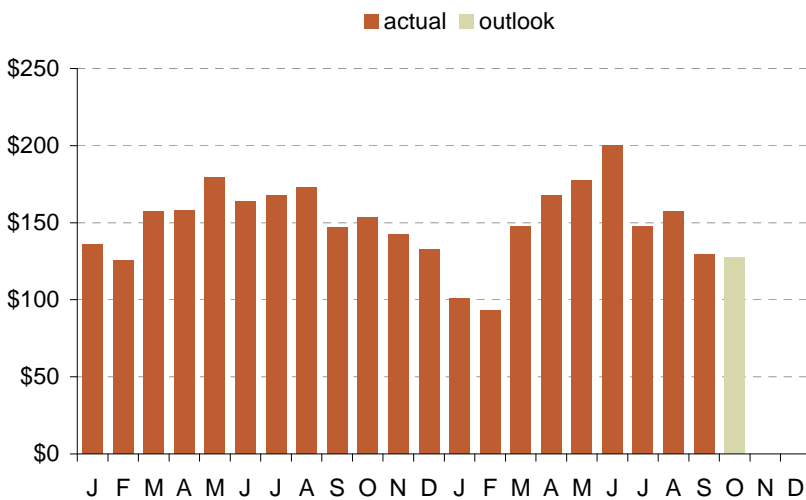
Total 1,056

Year over Year Change

Sales	-20.6%
Ratified Contracts	-39.2%
Contingent Contracts	-23.9%

Total -23.9%

Market Sales 2009-2010 (\$Million)



September's dollar volume fell by 12% over 2009 to \$129.3M. Year to date sales for the month totaled \$4,735.2M, a decline of 24.3% over September 2009.

Normal seasonal patterns and September's level of pending contracts should yield a dollar sales volume of \$127.5M for the month of October.

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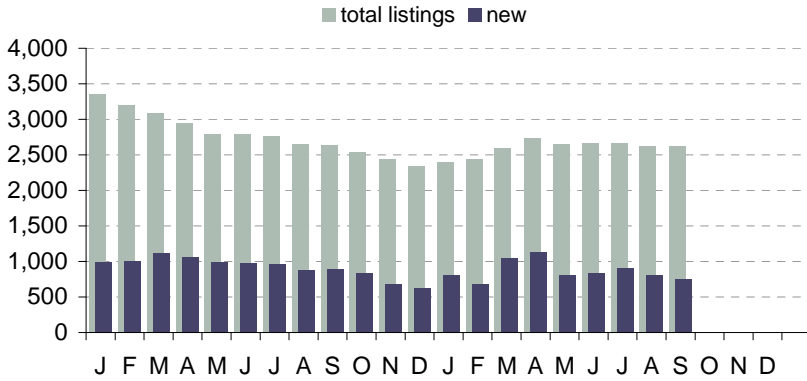
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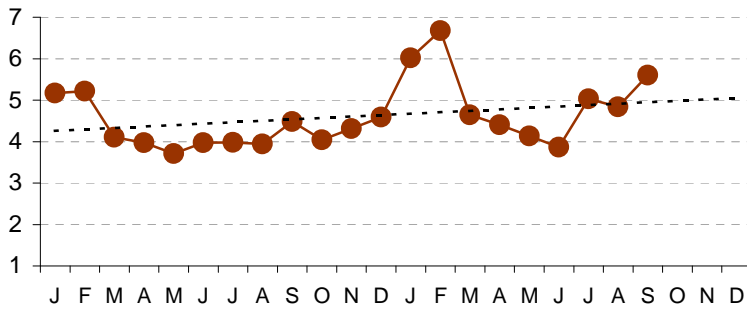
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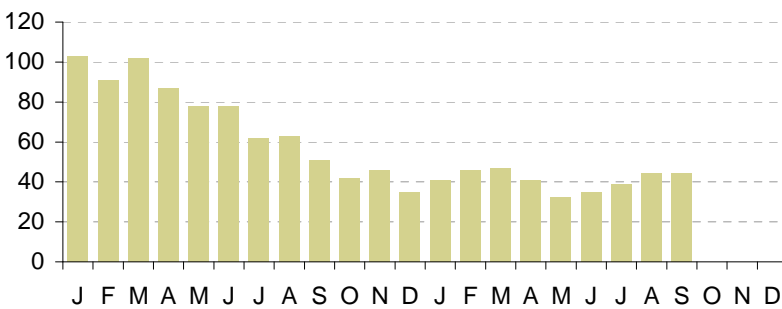
Listings 2009 - 2010



Average Months of Supply (MoS) 2009-2010



Average Days on Market (sold units)



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Prince William County September 2010

Active listings (less pendings) fell by 1% from 2009 to 2,616. New listings in the month totaled 742, a decline of 16.2% from the new listing level in 2009.

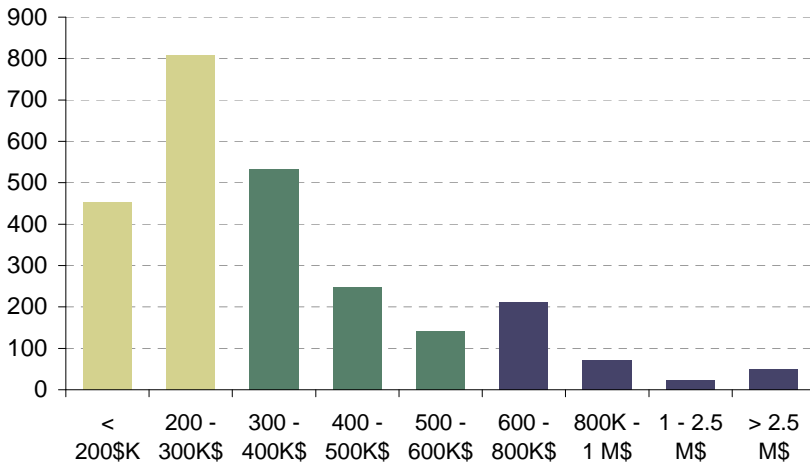
Average days on market fell by 13.7% to 44 from the 51 days reported in 2009.

Pending home sales marked as contract declined 39.2% to 254, while those marked as contingent declined 23.9% from 2009 to 335 total units

At the current sales rate, MoS has grown by 25% (YoY) and is now 5.6, versus 4.5 in 2009. For the near term, seasonally adjusted MoS is expected to stabilize at 4-5 months and create the basis for general price stability.



Total Listings by Price Group

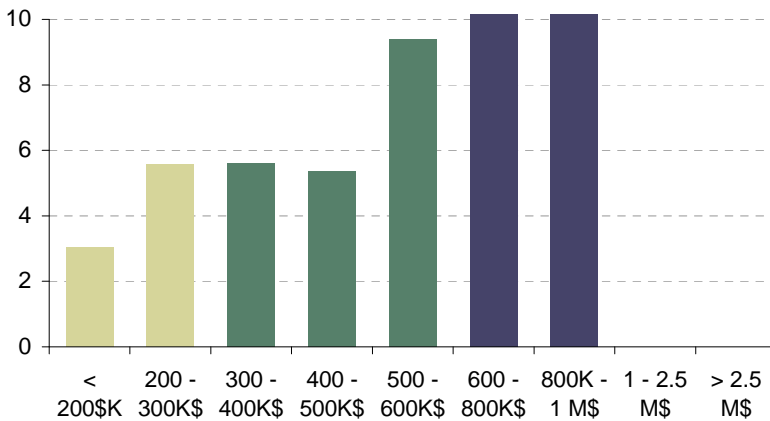


Prince William County September 2010

Total Listings 2,616

price group	% change
< 200K\$	17.9%
200 - 300K\$	31.8%
300 - 400K\$	21.0%
400 - 500K\$	9.7%
500 - 600K\$	5.6%
600 - 800K\$	8.4%
800K - 1 M\$	2.8%
1 - 2.5 M\$	0.9%
> 2.5 M\$	1.9%

Months of Supply (MoS) by Price Group



Months of Supply Metrics

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

In September the months of supply averaged 5.6 for the total inventory. The most favorable MoS statistics were in the < 200K\$ price range with 3.0 months, while homes in the 600 - 800K\$ price group averaged 19.3 months.

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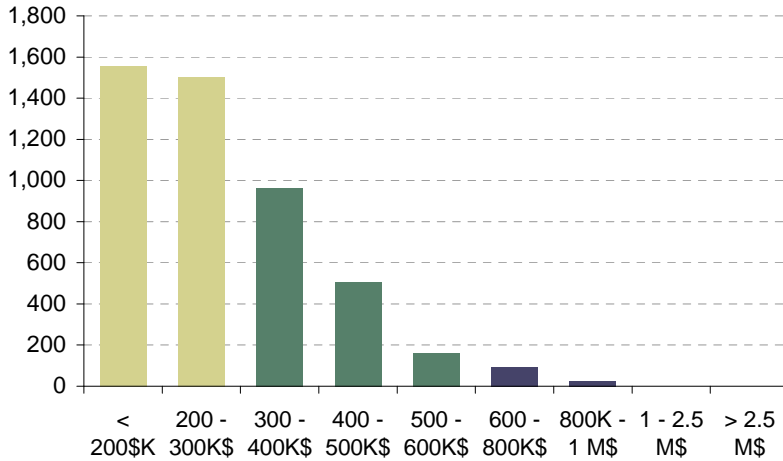
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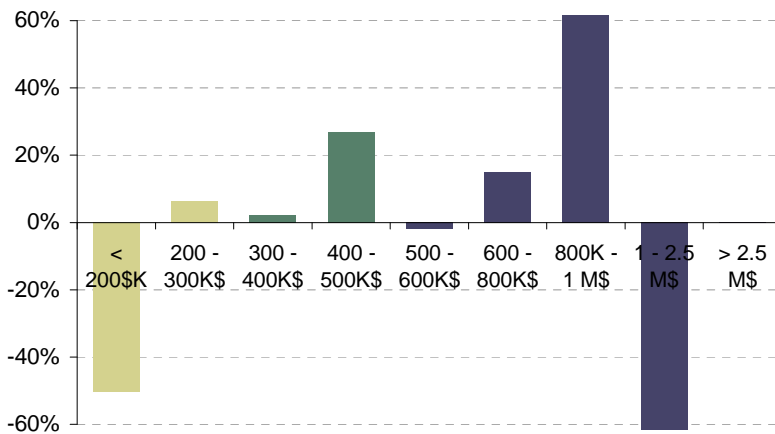
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Year to Date Sales by Price Group



Year to Date %Change by Price Group



Prince William County September 2010

Market strength was primarily concentrated in the higher segment, with a growth of 16% (YtD) over 2009. In the lower price segment, YtD sales declined by 32.8%.

Month's Sales	YoY %change
< 200K\$	-40.9%
200 - 300K\$	-8.8%
300 - 400K\$	-3.1%
400 - 500K\$	-8.0%
500 - 600K\$	-11.8%
600 - 800K\$	22.2%
800K - 1 M\$	66.7%
1 - 2.5 M\$	#DIV/0!
> 2.5 M\$	n/a

YtD Sales	YoY%change
< 200K\$	-50.4%
200 - 300K\$	6.2%
300 - 400K\$	2.1%
400 - 500K\$	26.8%
500 - 600K\$	-1.8%
600 - 800K\$	15.0%
800K - 1 M\$	84.6%
1 - 2.5 M\$	-100.0%
> 2.5 M\$	

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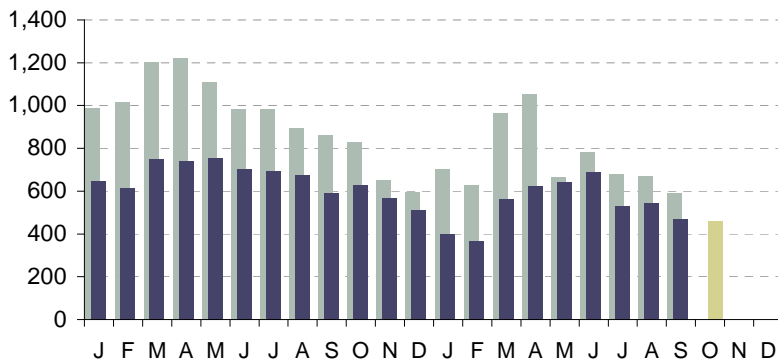
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Prince William County September 2010

Unit Sales 2009 - 2010

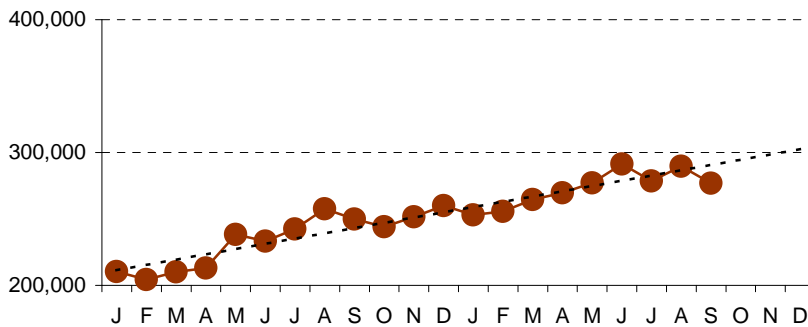
■ pending contracts ■ sales ■ outlook



Unit sales fell by 20.6% to 467 from the September 2009 total of 588 homes. Pending sales and contingent contracts declined 31.4% to 589 units.

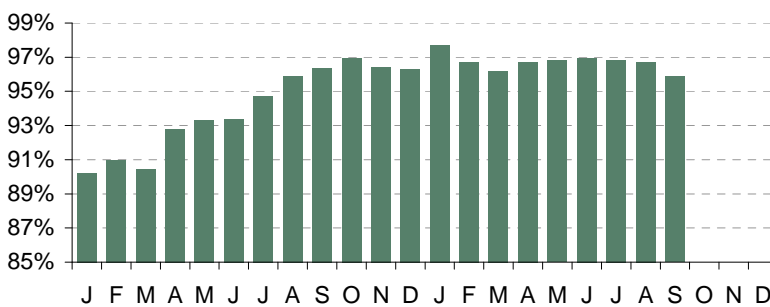
With the continuing workout of bank owned forecloses and short sales, the year to date conversion of pending contracts to sales grew from 69% in 2009 to 79% in 2010.

Average Sales Price 2009-2010



Year over year sales prices continue their growth but at a slowing rate. The average sale price grew 10.8% from 2009 to \$276.9K. 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

Sold to List Price Ratio 2009 - 2010



(see page 6)

September's sold to list price ratio declined to 95.9% (YoY) from 2009. Sustained improvement in this measure usually anticipates a stronger overall market

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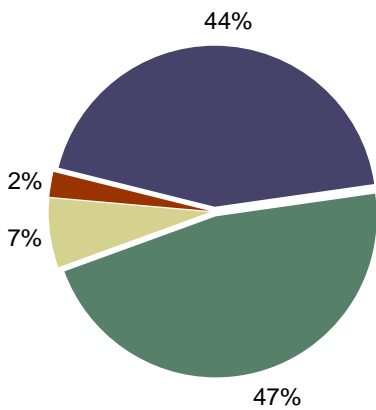


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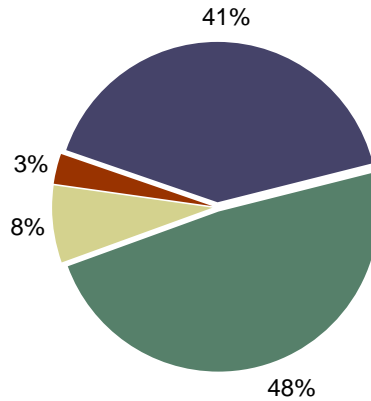
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Year to Date Sales

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



2009 ytd 6,156



2010 ytd 4,808

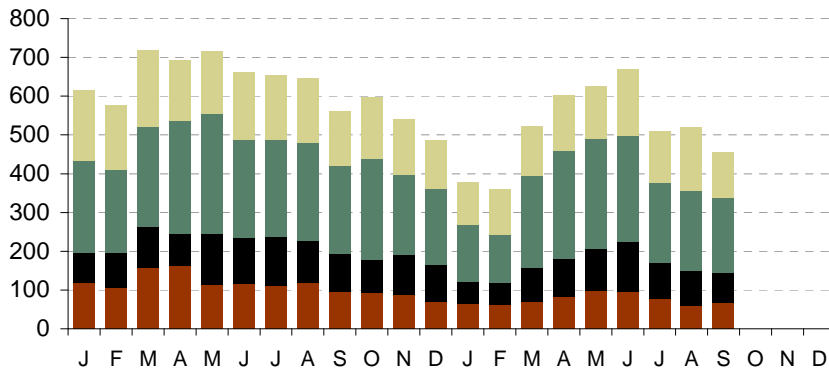
Prince William County September 2010

Year to date unit sales totaled 4,808 down 21.9% from the 6,156 units sold through September 2009.

Condominium	377
2 bedrooms	144
3 bedrooms	1,968
4+ bedrooms	2,319
Total	4,808

Financing (# of contracts) 2009 - 2010

■ Cash
 ■ VA
 ■ FHA
 ■ Conventional



Ytd Financing Trends

	2009	2010
November		
Conventional	25%	26%
FHA	38%	41%
VA	15%	17%
Assumption	4%	3%
Cash	18%	14%
Seller	0%	0%
Other	1%	1%

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