

NATIONAL ASSOCIATION OF REALTORS®
RESEARCH DIVISION

Survey of REALTOR® Sentiment Region 3 October 2011



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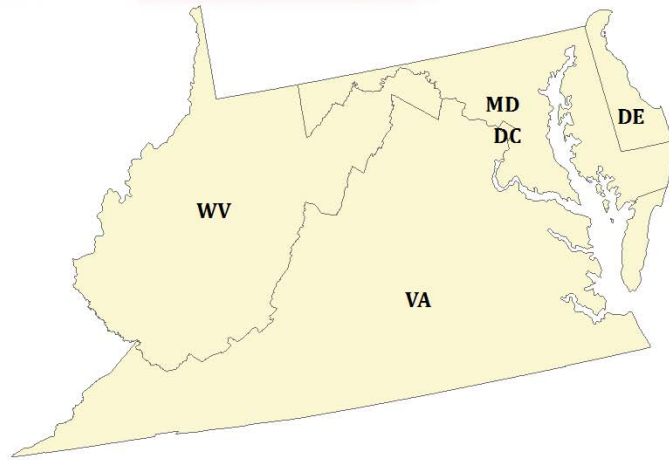
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REGION 3 SURVEY RESULTS

October 2011

Region 3 (Delaware, District of Columbia, Maryland, Virginia, and West Virginia)

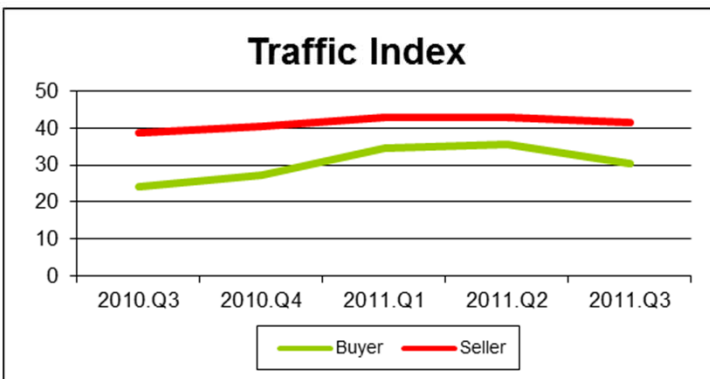


Kit Hale, GRI,
Regional Vice President

Inconsistency has been the only consistent factor in our market. It seems we'll have a couple of weeks of busyness and accepted offers, followed by a period of very little activity. Then, with no rhyme or reason, business will pick up again. Most of our members are hunkered down for the slower late fall and winter months but are refreshingly optimistic about next year's market. Job confidence is still a major factor in getting purchasers to commit but, those that do, are getting amazing deals. The moving target of credit assessments by lenders continue to be a frustration and approvals seem to be questionable up to closing date. Our members continue to retool and enhance their businesses to adapt to this challenging market.

What Members are Saying:

"Confidence is the number one issue for homebuyers in my area. Getting approved for a mortgage is still very doable but the approval process takes much longer now than in the past



decade. Appraisals are just marginally okay and I am hoping they don't get worse or the market here could really be in trouble." – DE

"Homes that are priced correctly from the beginning are now selling rather quickly (less than 3 Months). So average days on market is going down in our area. But it is the houses

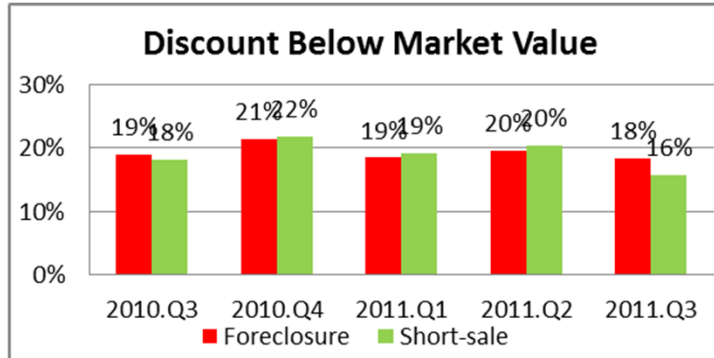
that are in excellent condition that sell." – MD

"Banks are not cooperative with short sale negotiations. It seems they really do not want to sell them in some cases. Appraisals and BPOs are not accurate. Those completing them are not knowledgeable or familiar with the area/locations." – MD

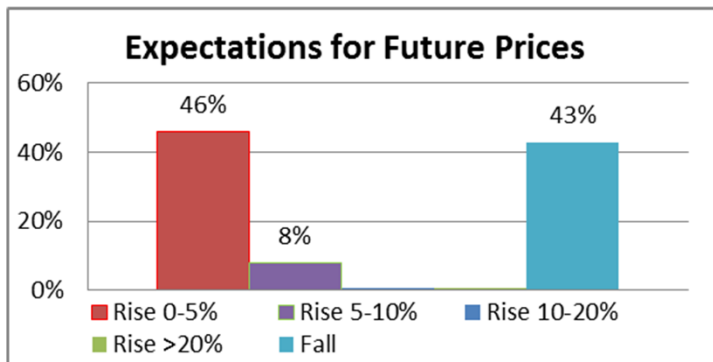
REGION 3 SURVEY RESULTS

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"We were having a good year, but with the news of economy, it has slowed down quite a bit and this is usually a buyer's season. Low-end deals are selling to cash buyers, but not many are qualifying for loans for higher-end condos. We're in a vacation/resort area with most being 2nd homes or investments."
 – MD

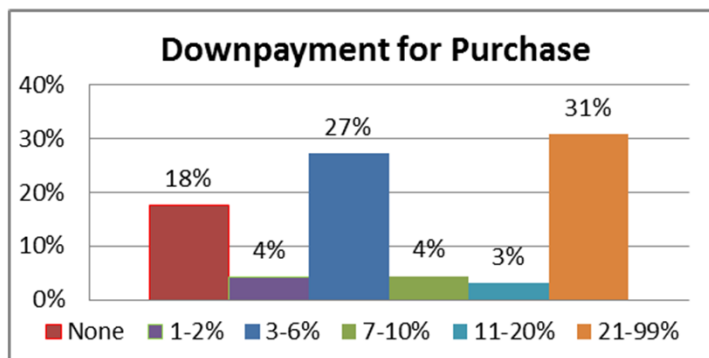


"The jumbo loan market is nonexistent and too many sellers are so far underwater in that price range that they need to sell at that price range in order to egress - we really need a jumbo loan backed by a government entity for people with good credit and stable employment. There needs to be stability in the mortgage market for the middle class buyer in this region."
 – MD



"Had one seller have to reduce a sales price due to a home inspector over stepping his boundaries. In the past 10 months have had two appraisals

come in over value (by \$7,000 and by \$40,000). Both homes had been sitting on the market over 5 months. Also had one under appraise by \$40,000. The buyer was so appalled by the appraisal she dropped her lender and paid cash for the property. The seller reduced by \$5,000 after the house under appraised to get the buyer to agree. My problem-appraisers doing work in areas they do not know!"
 – MD



"We're seeing a lot of new construction. It's decreasing the demand for resale properties making them harder to sell."
 – VA

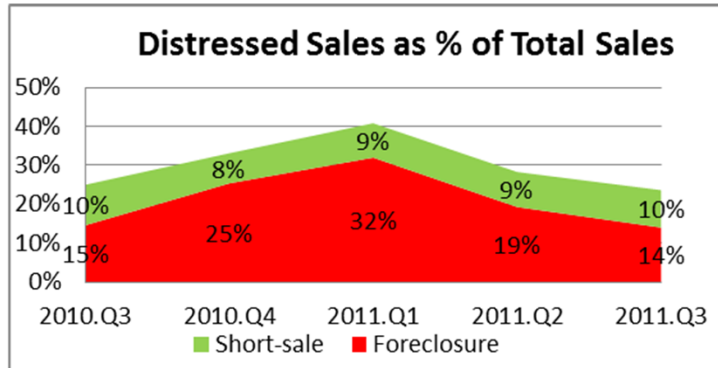
"Sellers are getting it. They understand the market forces better and that pricing the home correctly is the only way it will sell timely."
 – VA

REGION 3 SURVEY RESULTS

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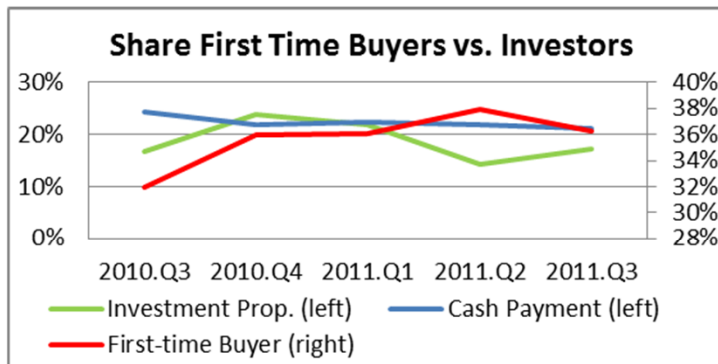
"Many buyers have come to me that are not lendable at all; bad credit is the largest problem. Buyers who have foreclosed on properties are calling as if they could buy a home. Very interesting." – VA

"The market is filled with bank foreclosures. Most of them are in disrepair and extremely difficult to sell. This puts downward pressure on resales that are owned and maintained by the current owner." – VA



"Finding it more difficult closing on time due to mortgage lenders last minute requests for financial info. from buyer. Of course difficulty in sellers' anticipation of higher than reasonable selling prices." – VA

"Lenders are checking things they never checked before...Just had a FHA loan that challenged



the appliances and required an addendum to the contract listing them separately even though they were shown in the personal property paragraph of the contract." – VA

"The Lenders need to make it a little easier for people to purchase. Credit scores & downpayments need to be reduced." – WV

"We've been very fortunate in DC to have an active market with low inventory. I expect prices and activity to be affected by the expected drop to conforming loan limits." – DC

"I'm anxiously awaiting the market to just 'BOTTOM OUT'!!!" – DE

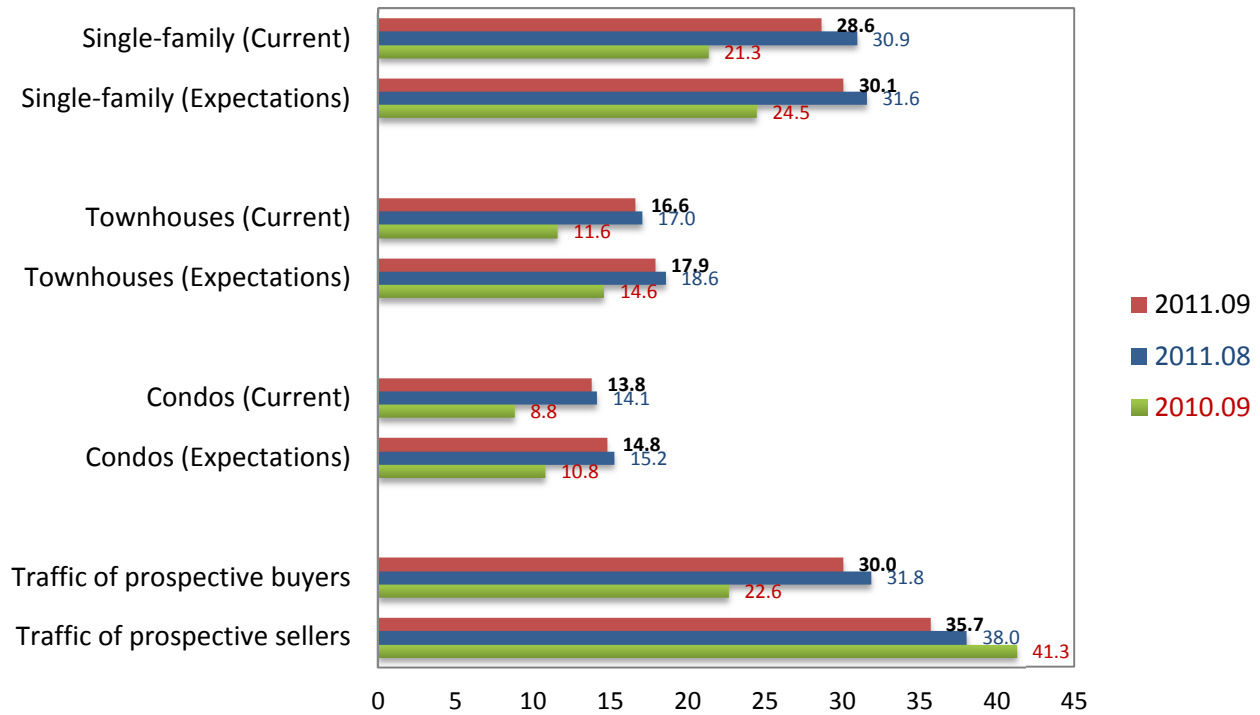
"No one is buying unless the property is extremely unique or is an REO." – DE

REALTORS® CONFIDENCE INDEX

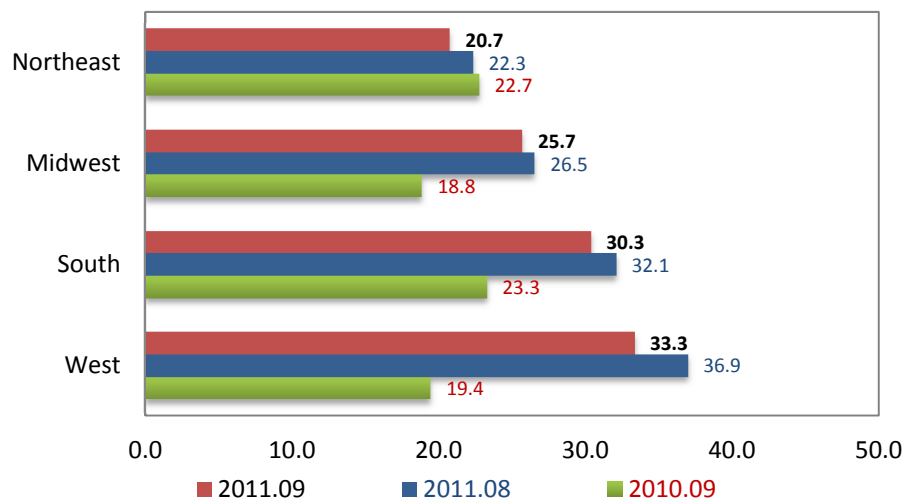
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National Survey Results

Realtor® Confidence Index



REALTORS® Confidence Index by Region

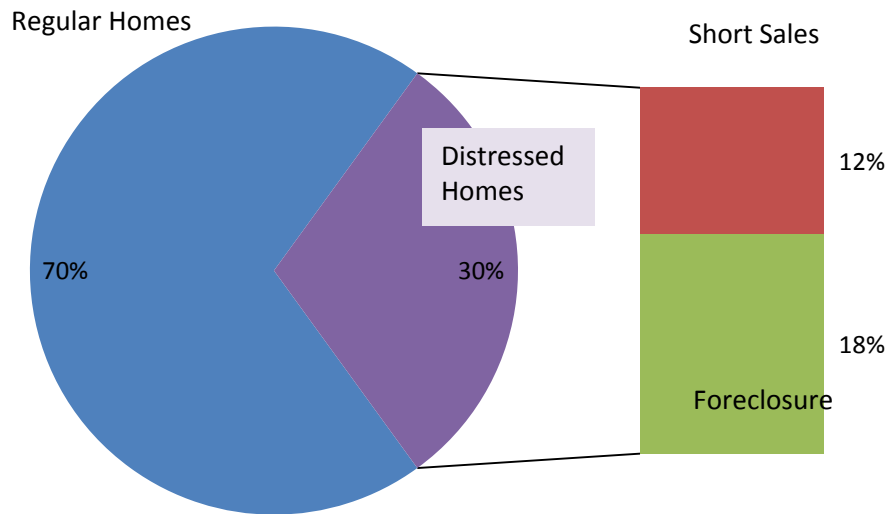


REALTORS[®] CONFIDENCE INDEX

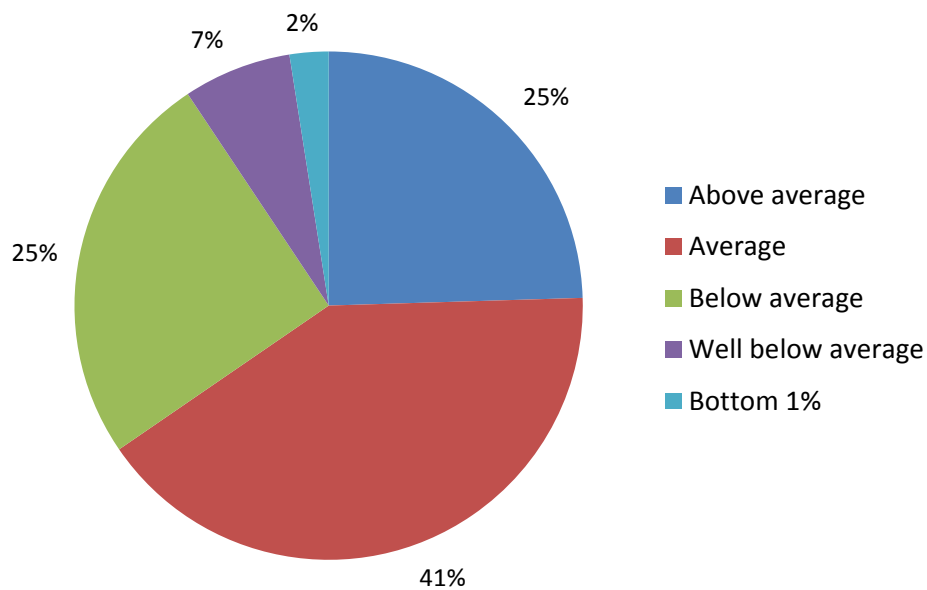
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National Survey Results

Distressed Home Sales



House Condition of Distressed Sales

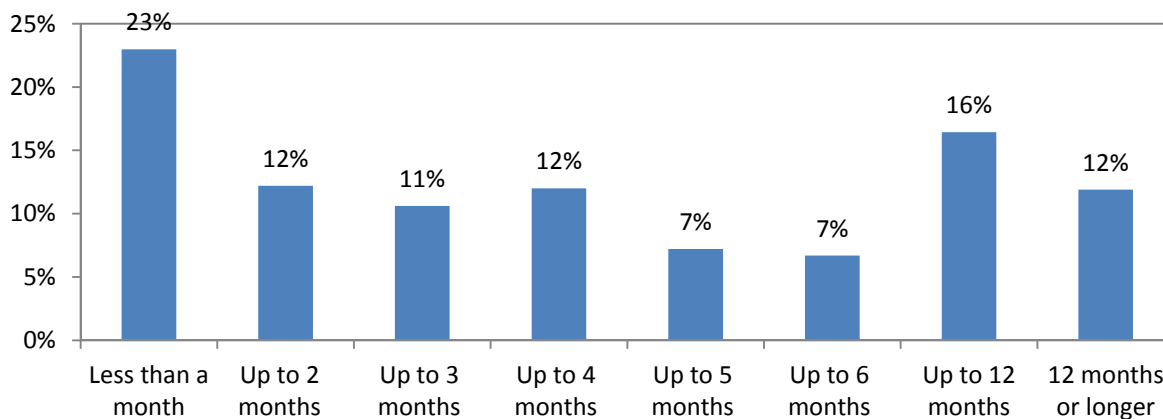


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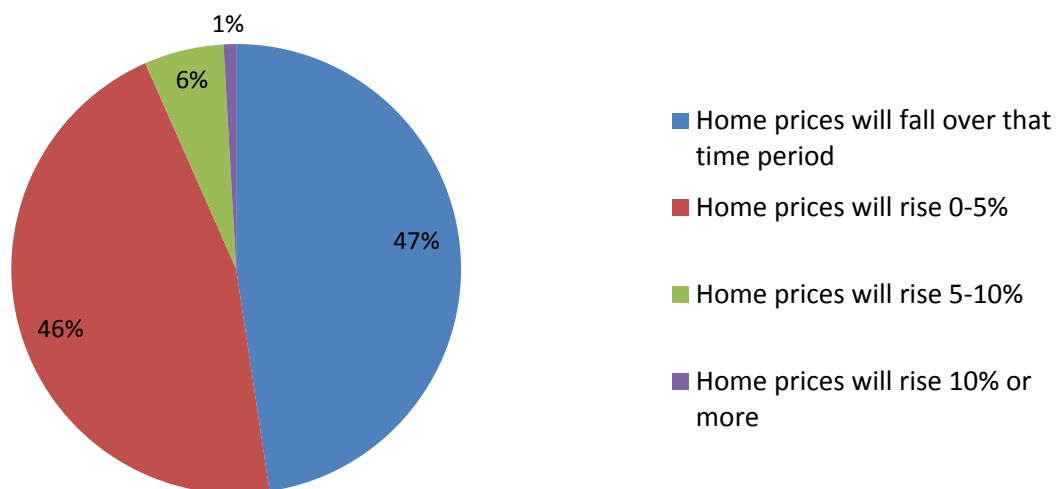
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National Survey Results

Day on the market for the last sold property



Expectations of home prices over the next year





METHODOLOGY

October 2011

Regional survey results are tabulated on a quarterly basis from responses to the monthly surveys for the national Realtor Confidence Index .

The REALTORS® Confidence Index measures the strength of the current housing market and expectations about the future. The index is based on information received from a random survey of Realtors®. The questions are designed to capture the effects of existing economic conditions and trends on the real estate business. This index provides Realtors® a snapshot of the performance, sentiments and expectations of their counterparts.

Each month participants respond to questions regarding the current and expected demand for homes, price trends, and economic conditions. The answers are then quantified and used to create the confidence index. Responses are assigned weights of 0, 50 or 100. A response of “strong” gets 100 points, while “moderate” is given 50 points, and “weak” is assigned 0 points. The index represents the average score for each question.

The results in this report reflect respondents’ confidence level for the current period and their future expectations, compared with both the previous month and the same month last year. The sample size for the monthly reports varies depending upon the number of responses, but the sample is always well in excess of the number of responses needed for a plus or minus 1 percent precision