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Press Release

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## **Housing Sales On The Rise, October 2008 Data Shows: First-Time Buyers Take Advantage of Supply, Pricing, Available Mortgage Products**

Go to [www.nvar.com](http://www.nvar.com) and click on the Market Stats for our region's monthly/county reports. Northern Virginia and Greater Northern Virginia housing stats are below.

### **On the Local Scene for October 2008 Home Sales: Uptick in Our Own Backyard**

A total of 1,650 homes sold in the Northern Virginia region this past October 2008, which is a significant 29.74 percent increase above October 2007 home sales of 1,123. Also, by the end of October, there were 1,604 sales contracts pending in the NVAR region, compared with last October's 1,232 contracts pending. Additional figures are provided below.

Prince William County continues to lead the uptick in home sales, with 1,019 sold in October. This marks a 179.95 percent increase compared to October 2007.

### **Sufficient Capital to Support Mortgage Lending Urged By NAR**

"As the leading advocate for housing issues, National Association of Realtors® developed principles for consideration by the 111th Congress and the new presidential administration in light of disruptions in the credit markets and the conservatorship of Fannie Mae and Freddie Mac," said NAR President Charles McMillan, a broker with Coldwell Banker Residential Brokerage in Dallas-Fort Worth. "NAR believes that the federal government must continue to play a role in the mortgage markets to ensure the continued flow of capital.

"Safe and affordable mortgages must be available throughout the nation," said McMillan. "This requires that the higher loan limits passed in the economic stimulus bill earlier this year be made permanent. The federal government must also ensure that there is sufficient capital to support mortgage lending in all types of markets."

### **Survey Shows Rise in First-Time Buyers**

The just-released 2008 NAR Profile of Home Buyers and Sellers is the association's latest national survey evaluating demographics, marketing, preferences and experiences of home buyers and sellers.

Lawrence Yun, NAR chief economist, said a higher share of first-time buyers makes perfect sense, and it's a trend he expects to grow. "First-time buyers are much more flexible in entering the market because they aren't concerned about selling an existing home," he said. "Considering the temporary first-time buyer tax credit and improvements to the FHA loan program, we expect stronger entry-level activity as the flow of credit improves – that, in turn, should free more existing owners to make a trade in 2009."

### **HUD Unveils New Rules for Mortgages: May Save \$700 per Homebuyer, according to the *Wall Street Journal***

To help Americans shop for mortgages more effectively, the Department of Housing and Urban Development announced rules updating the requirements of the Real Estate Settlement Procedures Act, known as RESPA, a 1974 law that sets

standards for home-purchase transactions. HUD Secretary Steve Preston said changes were needed because "many people made uninformed decisions" in taking out loans.

The rules, which require a three-page "good-faith estimate" for borrowers explaining rates, fees, any prepayment penalties and the possibility of later increases in monthly payments, should save an estimated \$700 in loan-closing costs for the typical consumer, according to HUD.

## **Fannie, Freddie and the Federal Housing Finance Agency**

FHFA is a newly created independent federal agency that was granted expanded legal and regulatory authority to take actions that would strengthen Fannie Mae and Freddie Mac and the Federal Home Loan Banks. Placing Fannie Mae and Freddie Mac into conservatorship was unavoidable and was necessary primarily because of "an inherent conflict and flawed business model embedded in the GSE structure," according to James Lockhart, FHFA director.

### ***October 2008 Housing Data*** **Northern Virginia: October 2008**

*The Northern Virginia Association of Realtors® reports on October 2008 home sales activity for Fairfax and Arlington counties, the cities of Alexandria, Fairfax and Falls Church and the towns of Vienna, Herndon and Clifton.*

A total of 1,650 homes sold in October 2008, a 29.74 percent increase above October 2007 home sales of 1,123. At the end of October, there were 1,604 sales contracts pending in Northern Virginia, an increase over the 1,232 contracts pending in October 2007.

Active listings decreased by 15.02 percent from last year, with 8,806 active listings in October, compared with 10,363 homes available in October 2007. Homes continue to take longer to sell in 2008, with the average home in October staying on the market for 94 days, compared with 89 days on the market (DOM) in October 2007.

Sales prices continue to remain lower than those realized last year. The average sales price in October fell by 17.92 percent from October 2007, to \$427,502, compared with last October's average of \$520,829.

The median price of homes sold in Northern Virginia in October was \$359,000, which is a decline of 17.47 percent compared with October 2007's median price of \$435,000.

### **Greater Northern Virginia: October 2008**

*Sales activity in Greater Northern Virginia (NVAR jurisdictions plus Prince William, Loudoun and the Greater Piedmont counties) for October 2008 shows an increase from 2007.*

The number of Greater Northern Virginia region homes sold in October was 3,000, a 57.07 percent increase from October 2007's total of 1,910 sales. This marks the seventh consecutive month of increased year-over-year sales totals for Greater Northern Virginia.

The average sales price of \$340,993 in October 2008 continues to lag behind the 2007 average by about 32.08 percent. The October 2007 average sales price was \$502,027.

Across Greater Northern Virginia, the number of listings showed a decrease from 2007 numbers, with 18,309 listings active, which is 19.86 percent less than this time last year, when 22,846 homes were available. The average DOM for a home sold in October 2008 was 103 compared with last year's 104 DOM, a decrease of 1.61 percent.

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The Northern Virginia Association of REALTORS® serves as The Voice For Real Estate in Northern Virginia and provides a variety of services to its members including educational opportunities, professional standards enforcement, market statistics, legislative reviews, issues lobbying, multiple listing and lockbox services, and more. The purpose of NVAR is to enhance the ability and opportunity of its members to conduct their business successfully, to promote member professional competency, to maintain members' adherence to the REALTOR® Code of Ethics and to promote the preservation of the right to own, transfer and use real property. NVAR has grown to more than 11,000 REALTORS® who carry out a real estate industry in a community of more than 2 million residents. Visit NVAR online at [www.nvar.com](http://www.nvar.com), [www.realtorschool.com](http://www.realtorschool.com), and [www.realtorshop.com](http://www.realtorshop.com). Contact the Northern Virginia Association of REALTORS® at 703.207.3200. The NVAR headquarters is located at: 8403 Arlington Boulevard, Fairfax, VA 22031, with service centers in Alexandria and Herndon.