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**Richmond Metro Housing Market Showing Signs of Gradual Improvement**

Richmond, Va. – In the 4th quarter of 2010, there were 2,410 total sales in the Central Virginia MLS area, with 1,967 in the Richmond Metro Area and 208 in the Tri Cities area. Sales at the end of 2010 were lower than at the end of 2009, according to Cheryl Hamm, President of the Richmond Association of REALTORS® and the Central Virginia Multiple Listing Service. “The good news, however, is that in terms of average sales price, we continue to see month over month stability,” she said. “Also, single family homes for 2010 were only 2% off for the year as compared to 2009 and the condo market was up 2% over 2009. Considering the amount of distressed inventory in our market last year, the Richmond market did remarkably well.”

While sales and prices in the Central Virginia region were down slightly in 2010 compared to 2009, there are signs that the market will join several other markets across the nation that will experience sustained recovery in 2011. Several market fundamentals should be watched as we move into 2011, such as the region’s steadily improving economy, the early 2011 decline in foreclosures and short sale numbers, especially strong demand in the first half of 2011 for smaller, lower-priced homes. Additionally, the market should see a rejuvenation of the home construction industry that will be an aid to the region’s economic recovery and contribute to the supply of housing for sale in 2011.

The outlook for 2011 is good, but the pace of improvement in sales and price trends is expected to move slowly over the year. The first quarter of 2011 will not compare favorably to first quarter 2010, due to the uptick spurred by the 2010 tax credit, but overall, 2011 will begin the return to a normal housing market and will lead to more steady recovery and growth in 2012.

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