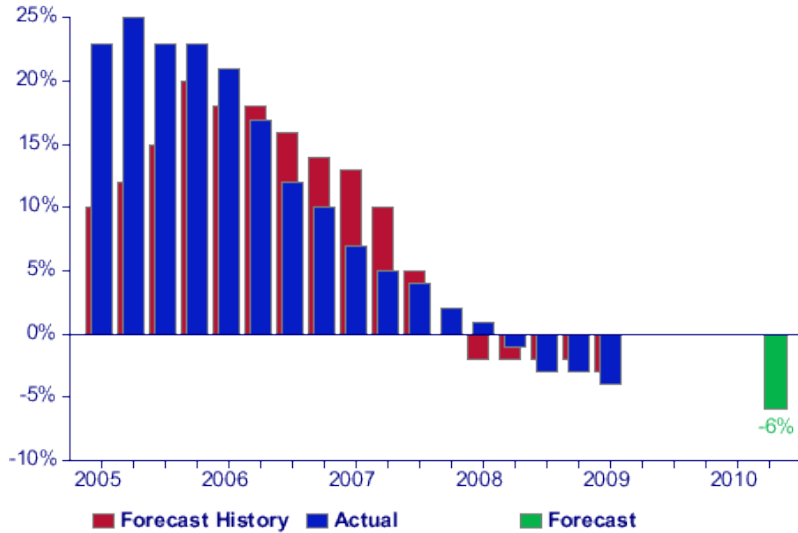




## Virginia Beach-Norfolk-Newport News, VA-NC (47260)

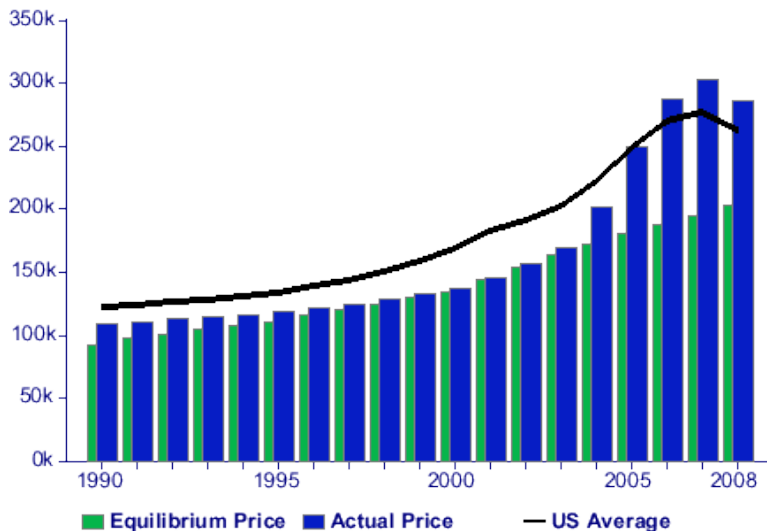
### Home Value Forecast vs. Actual



- Home values for Virginia Beach-Norfolk-Newport News, VA-NC are forecast to decrease by 6 percent over the next 12 months.
- Nationally, prices are forecast to decrease by 6.6 percent.
- This market is over-priced. Markets can become over-priced for a number of reasons. All over-priced markets eventually return to their Equilibrium Home Price. In over-priced markets, income is a less important factor than the momentum of price changes.

## Virginia Beach-Norfolk-Newport News, VA-NC (47260)

### Equilibrium Home Price vs. Actual



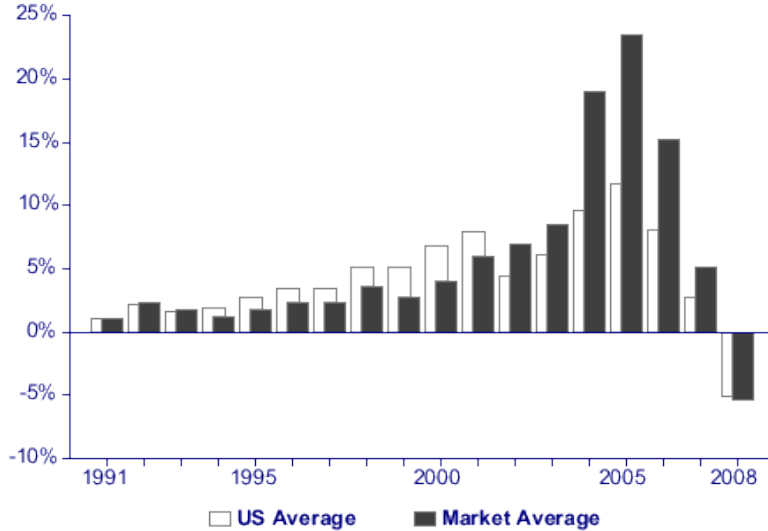
- The Equilibrium Home Price in this market is currently \$202,892.00 as of Q2 2009.
- The Average Home Value in this market is currently \$278,507.00 as of Q2 2009.
- The market is currently overpriced by 37 percent.
- Prices in this market are currently 8 percent higher than the national average.
- The Equilibrium Home Price allows us to determine if a market is in balance or is over-priced, by comparing the calculated Equilibrium Price with the actual average home value. Over-priced markets always return to the Equilibrium Home Price, and the greater the difference between actual and Equilibrium prices, the greater the risk of an eventual sharp drop in prices.

THE INFORMATION PROVIDED HEREIN IS FOR INFORMATIONAL PURPOSES ONLY. IT PROVIDES GENERAL INFORMATION AND NOT ACCOUNTING, INVESTMENT, LEGAL OR OTHER PROFESSIONAL ADVICE OR OPINIONS REGARDING SPECIFIC FACTS. LOCAL MARKET MONITOR, INC. IS NOT ACTING AS AN INVESTMENT ADVISOR AND THE INFORMATION CONTAINED HEREIN IS NOT AN OFFER OR SALE OF SECURITIES.



## Virginia Beach-Norfolk-Newport News, VA-NC (47260)

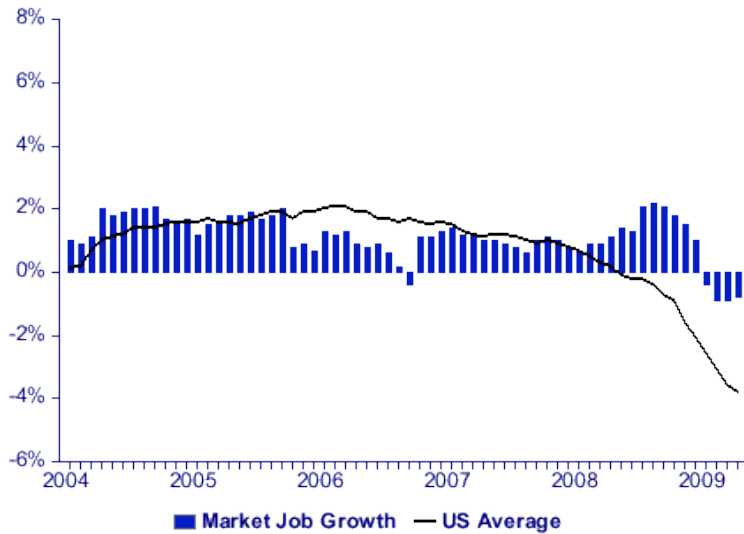
### Annual Change in Home Values



- Note long-term trends.
- Pricing cycles tend to be long.

## Virginia Beach-Norfolk-Newport News, VA-NC (47260)

### Monthly Job Growth Rates



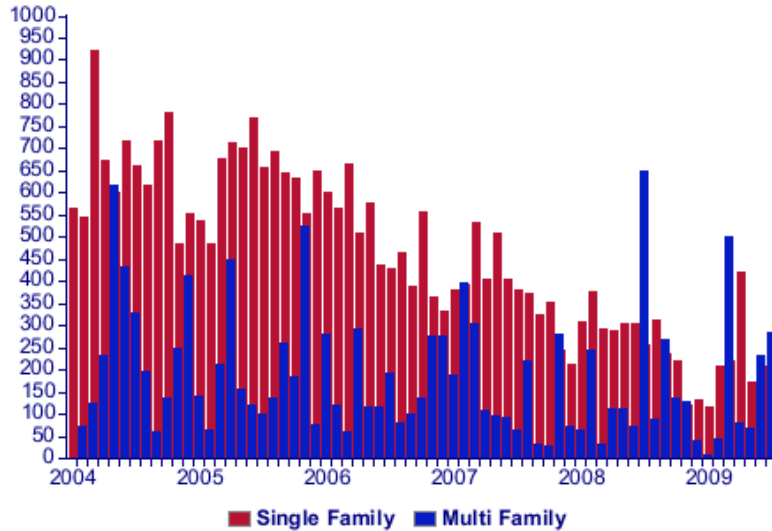
- In the past 12 months, jobs in this market have fallen by 0.8 percent.
- This compares to a national decrease of 4 percent.

THE INFORMATION PROVIDED HEREIN IS FOR INFORMATIONAL PURPOSES ONLY. IT PROVIDES GENERAL INFORMATION AND NOT ACCOUNTING, INVESTMENT, LEGAL OR OTHER PROFESSIONAL ADVICE OR OPINIONS REGARDING SPECIFIC FACTS. LOCAL MARKET MONITOR, INC. IS NOT ACTING AS AN INVESTMENT ADVISOR AND THE INFORMATION CONTAINED HEREIN IS NOT AN OFFER OR SALE OF SECURITIES.



## Virginia Beach-Norfolk-Newport News, VA-NC (47260)

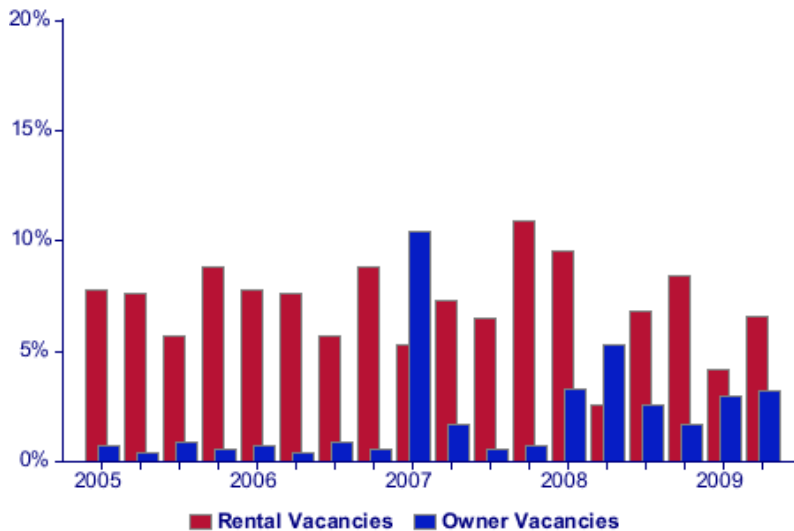
### Monthly Housing Permits



- Total housing permits in June 2009 were -48% versus the same month in the previous year
- Single family permits in June 2009 were -31% versus the same month in the previous year
- Single family permits were 43% of total permits in June 2009
- Single family permits have averaged 71% of total permits over the past 5 years

## Virginia Beach-Norfolk-Newport News, VA-NC (47260)

### Quarterly Vacancy Rate



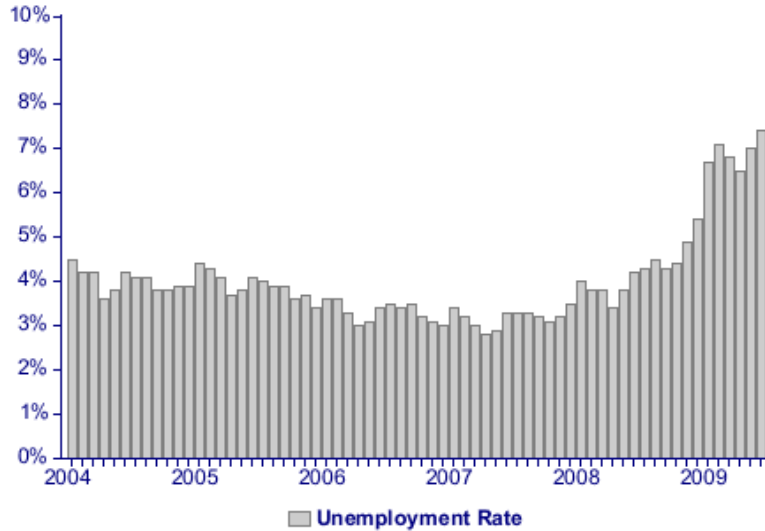
- Rental Vacancy Rate rose from 2.6% in Q2 2008 to 6.6% in Q2 2009
- Local Rental Vacancy Rate was lower than the national rate of 10.6% in Q2 2009
- Owner Vacancy Rate fell from 5.3% in Q2 2008 to 3.2% in Q2 2009
- Local Owner Vacancy Rate was higher than the national rate of 2.5% in Q2 2009

THE INFORMATION PROVIDED HEREIN IS FOR INFORMATIONAL PURPOSES ONLY. IT PROVIDES GENERAL INFORMATION AND NOT ACCOUNTING, INVESTMENT, LEGAL OR OTHER PROFESSIONAL ADVICE OR OPINIONS REGARDING SPECIFIC FACTS. LOCAL MARKET MONITOR, INC. IS NOT ACTING AS AN INVESTMENT ADVISOR AND THE INFORMATION CONTAINED HEREIN IS NOT AN OFFER OR SALE OF SECURITIES.



## Virginia Beach-Norfolk-Newport News, VA-NC (47260)

### Monthly Unemployment Rate



- Unemployment rate in June 2009 was 7.4% versus 4.2% for the same month in the previous year

## Virginia Beach-Norfolk-Newport News, VA-NC (47260)

### Employment by Industry

Industry	June 2008	June 2009	Percent Change
Mining, Logging and Construction	46.2K	43.1K	-6.7
Manufacturing	56.6K	53.7K	-5.1
Wholesale Trade	23.6K	22.9K	-3.0
Retail Trade	90.7K	88.4K	-2.5
Transportation and Utilities	25.4K	25.0K	-1.6
Information	15.2K	13.7K	-9.9
Financial Activities	41.1K	40.4K	-1.7
Professional and Business Services	106.2K	107.6K	+1.3
Education and Health Services	91.7K	93.6K	+2.1
Leisure and Hospitality	94.1K	93.1K	-1.1
Other Services	32.6K	33.0K	+1.2
Government	158.2K	159.5K	+0.8

- Total Non-Farm Employment was 774,000 in June 2009
- Job gains over past year were seen in Professional and Business Services, Education and Health Services, Other Services, and Government
- Biggest job losses over past year by percentage were in Information, Mining, and Logging and Construction

THE INFORMATION PROVIDED HEREIN IS FOR INFORMATIONAL PURPOSES ONLY. IT PROVIDES GENERAL INFORMATION AND NOT ACCOUNTING, INVESTMENT, LEGAL OR OTHER PROFESSIONAL ADVICE OR OPINIONS REGARDING SPECIFIC FACTS. LOCAL MARKET MONITOR, INC. IS NOT ACTING AS AN INVESTMENT ADVISOR AND THE INFORMATION CONTAINED HEREIN IS NOT AN OFFER OR SALE OF SECURITIES.