RESIDENTIAL MARKET UPDATE
Van Rose, MIRM
President, Rose and Womble New Homes
March 12, 2008

Hampton Roads Housing Stats
- Average Price of SF New Home
  $434,672
- A Decrease of $5,344 or 1.2%
- Average Price of SF Existing Home
  $283,406
- An Increase of $12,895 or 4.1%

2007 SALES
RESALE: 18,527 ↓15.25%
NEW HOMES: 3,562 ↓10.23%

Hampton Roads Residential Sales 1999 to 2007

Market Share for Detached Sales by Price Range
**2007 CLOSINGS**

RESALE: 18,667 ↓15.5%
NEW HOMES: 4,131 ↓15.3%
2007 Peninsula Average Closing Prices
Single Family Detached Homes

Source: 

New Construction Single Family Detached

<table>
<thead>
<tr>
<th>Year</th>
<th>Average Sq Ft</th>
<th>Price per sq ft</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003</td>
<td>2,562 SF</td>
<td>$104 per sq ft</td>
</tr>
<tr>
<td>2004</td>
<td>2,641 SF</td>
<td>$123 per sq ft</td>
</tr>
<tr>
<td>2005</td>
<td>2,742 SF</td>
<td>$149 per sq ft</td>
</tr>
<tr>
<td>2006</td>
<td>2,647 SF</td>
<td>$161 per sq ft</td>
</tr>
<tr>
<td>2007</td>
<td>2,744 SF</td>
<td>$155 per sq ft</td>
</tr>
</tbody>
</table>

Source: New Construction Price Points

New Construction Product Mix

<table>
<thead>
<tr>
<th>Type</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single Family Detached</td>
<td>21%</td>
</tr>
<tr>
<td>Multi-Story Condo</td>
<td>11%</td>
</tr>
<tr>
<td>Multi-Plex Condo</td>
<td>8%</td>
</tr>
<tr>
<td>Townhome/Duplex</td>
<td>60%</td>
</tr>
</tbody>
</table>

Source: New Construction Product Mix

Single Family Building Permits
January 2008 vs January 2007

<table>
<thead>
<tr>
<th>Region</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S.</td>
<td>↓ 40%</td>
</tr>
<tr>
<td>Northeast</td>
<td>↓ 31%</td>
</tr>
<tr>
<td>South</td>
<td>↓ 36%</td>
</tr>
<tr>
<td>Midwest</td>
<td>↓ 37%</td>
</tr>
<tr>
<td>West</td>
<td>↓ 54%</td>
</tr>
<tr>
<td>Hampton Roads</td>
<td>↓ 19%</td>
</tr>
</tbody>
</table>

Source: NAHB

CHALLENGES FOR 2008
Inventory

Resale
10,595 units
9 months supply

New Homes
2,225 units
8.8 months supply

Buyer Confidence

Lack of Construction during 2nd half of 2008

Over 10,000 units of mixed use approved in Hampton Roads

Credit:
Perception versus Reality

PREDICTIONS FOR 2008
Product shortage in the 2nd half of 2008

Hampton Roads Employment to Permit Ratio

Data Sources: Bureau of Economic Analysis, Regional Economic Modeling Inc., U.S. Census Bureau (Permits note: 2007 permits are estimated)

Change in Employment
Permits Issued
E/P Ratio

Deals will be gone by the 2nd half of 2008

Financing will be King

Readjusting of Supply/Demand Imbalance

New, affordable product offerings will raise new home sales numbers
Starting at $169,900
Hampton Roads
Top 5 Builders
AND THE WINNERS ARE...........

# 5
Lennar
134

# 4
Franciscus Homes
158

# 3
Centex Homes
255

# 2
Chesapeake Homes
295

# 1
The Dragas Companies
370

Source: