



July 1, 2010

Vol. 3, Issue 8

What are real estate professionals saying to homebuyers and sellers about current market conditions? The successful brokers and sales associates are talking about the strengths that exist in the market. Below are positive angles that appeared recently in the media and underscore why it is a good time to buy real estate.

Congress Approves Homebuyer Tax Credit Closing Deadline Extension

Congress approved an extension to the June 30 closing deadline for the home buyer tax credit, hours before it was set to expire. The move will give would-be buyers who signed a purchase agreement by April 30 more time to close on those deals and receive the credit that is worth up to \$8,000. The new deadline is Sept. 30. The Senate approved the measure unanimously on Wednesday, one day after the provision sailed through the House of Representatives with little opposition. The President is expected to sign the measure soon.

- The extension is only good for those buyers who were under contract by April 30. Someone who signed a contract after April 30 and buys a home by Sept. 30 isn't eligible for the tax credit.
- The Senate also passed an extension of the federal flood insurance program until Sept. 30. The change is retroactive to June 1, when the program had lapsed.

-- "[Congress Approves Tax Credit Closing Deadline Extension](#)," by Nick Timiraos, *Wall Street Journal*, July 1, 2010.

Freddie Mac: Mortgage Rates Fall to Record Low

The 30-year fixed-rate mortgage average fell to a record low of 4.58% for the week ending July 1, Freddie Mac reported Thursday. In the prior week, the average was 4.69%. The year-ago average was 5.32%. Rates on 15-year fixed-rate mortgages also reached a new record low, averaging 4.04%, down from 4.13% in the prior week, and 4.77% in the prior year.

-- "[Freddie Mac: 30-year Fixed-Rate Mortgage Average 4.58%](#)," by Ruth Mantell, *MarketWatch*, July 1, 2010.

Case-Shiller: Home Prices Post Biggest Year-Over-Year Gain Since 2006

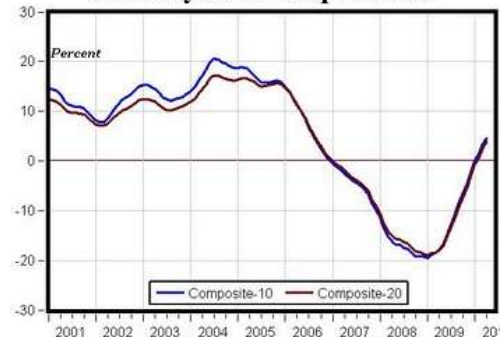
Home prices in 20 major U.S. cities increased nearly 1% in April from March to remain roughly 4% higher than a year earlier, according to the most recent S&P/Case-Shiller home price report. "This was much stronger than both our and consensus expectations of a 0.1% decline and represents the strongest monthly increase since August 2009, as well as the biggest annual gain since September 2006," Theresa Chen of Barclays Capital said in a report.

-- "[Home Prices Improve, For Now...](#)," by Luke Mullins, *US News & World Report*, June 29, 2010.

Highlights from the April 2010 S&P/Case-Shiller report:

- The 10-City Composite is up 4.6% from where it was in April 2009, and the 20-City Composite is up 3.8% versus the same time last year. These two year-to-year improvements were the highest annual percentage gains since September 2006.
- The strongest year-to-year price gains were in California, with San Francisco leading the 20 metropolitan statistical areas with an 18% increase from April 2009-April 2010, followed by San Diego (11.7%) and Los Angeles (7.8%). Strong gains were reported for Minneapolis (9.5%), Washington, D.C. (7.3%), Cleveland (6.8%) and Phoenix (5.5%).

**S&P/Case-Shiller Home Price Indices
Percent Change From Year Ago
January 2001 to April 2010**



-- "[Case-Shiller Reports Highest Yearly Gain Since 2006](#)," by Mark J. Perry, *Carpe Diem* blog, June 29, 2010.

Silver Lining in Recent Housing Market Numbers

Kenneth R. Harney, author of a nationally-syndicated column on housing and real estate, wrote the following about current housing market statistics:

- "There's no question that tens of thousands of people pushed their schedules forward and signed up before the April 30 deadlines for the \$8,000 and \$6,000 tax credits. That was reflected in previous months' higher sales totals for new and resale homes. Lower numbers for May and June were widely predicted for both categories of sales.
- "(The 2.2% drop in resales of existing homes) was actually a smaller decline than many analysts had expected in the wake of the tax credit phaseout. More importantly, though, home resales in May were nearly 20% higher than the year before.
- "Median prices in 16 of the top 20 markets were higher, including a surprising 7.4% increase in the Western region.
- "Sixty of the top 100 metropolitan markets are seeing positive appreciation, according to Corelogic – and that's a huge contrast with a year ago, when all 100 markets were reading negative."

-- "[Real Estate Outlook: Housing Numbers Slump](#)," by Kenneth R. Harney, *Realty Times*, June 28, 2010.

Regional Update: Good News from Markets around the Nation

Manhattan, N.Y.

Sales of Manhattan apartments picked up during the second quarter, to the fastest pace since the summer of 2008, an illustration that the market has been recovering during the spring selling season. A *Wall Street Journal* review of closed-sales filings with New York City Department of Finance shows that during the second quarter, which ends June 30, sales were running 80% above the pace reported a year ago.

Adam Modlin, a broker in New York, said prices had stabilized in Manhattan, and that this in turn led to a pickup in sales. "Now when buyers see value they are willing to pull the trigger," he said. "There is only so much of New York to go around."

-- "[Apartment Sales Up in Manhattan](#)," by Josh Barbanel, *Wall Street Journal*, June 26, 2010.

Florida

Existing home sales in Florida rose 18% in May compared to a year ago as the median price continued to lag, Florida Realtors reported Tuesday.

Seventeen of Florida's 19 metropolitan areas reported higher existing home sales in May with a majority of the state's metropolitan markets having reported increased sales for 23 consecutive months. Among Florida's largest markets, Orlando sales jumped by a third while sales in Miami were up 22% and Tampa sales increased by 20%.

-- "[Home Sales Up, Prices Dip Slightly](#)," Jacksonville Observer, June 24, 2010.



California

In May, 40,965 houses and condos were sold statewide, which was an increase of 9.3% from April, and up 4.9% from May 2009.

The median price for a California home sold in May was up 9% in April and up 20.9% from last May.

The year-over-year increase was the seventh in a row, following 27 months of year-over-year declines.

Of the existing homes sold in May, 35.5% were properties that had been foreclosed on during the past year, down from 38.1% in April and down from 50.2% year ago. The last time foreclosure resales were as low was in March 2008.

-- "[California May Home Sales](#)," DQNews, June 18, 2010.

