



7660 Turfway Road
Suite 100
Florence, KY 41042
859-344-8400

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PRESS RELEASE

Contact:

Rebecca Trout, President

Northern Kentucky Association of REALTORS®

Telephone: 859/322-0208

E-mail: Rtrout@NKAR.com

NKY Home Sales Slow After Tax Credit Ends

Florence, KY – August 24, 2010 – The last few months of rising sales in the local housing market have slowed as the most recent housing numbers were released today. In Northern Kentucky, July 2010 home sales (308) dropped by 38.8% over the same period of 2009 (504). This wasn't unexpected, considering the strong sales pended and closed in the last 3 months, a direct result of the economic stimulus tax credit. A bright spot in the wake of slow sales was the fact that average prices continue to climb, up 4.3% for July to \$159,861. That's the highest monthly average price reported since August 2008 when \$166,085 was the peak. There's more encouraging news in that the total dollar volume for the first 7 months of 2010 (\$398,536,542) tops the same period of 2009 (378,081,394) by 5.4%.

"We are still optimistic that 2010 is still going to be a strong housing market overall," said Rebecca Trout, President of the Northern Kentucky Association of REALTORS®. "We've seen some revitalization in Northern Kentucky's housing market in recent months but understood that some of the sales occurring earlier in the summer would have closed in the latter part of the year," she added. Consumers still consider buying a home to be one of the most important milestones in their lives. According to a recent survey conducted by Bankrate.com, 90 percent of respondents said they had no regrets about buying their current home. They view their home as an investment in their future, a place to create memories and raise their families.

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An abundant number of listings are available in Northern Kentucky right now. July saw 869 new listings enter the market. This is a good sign for local buyers who have a fresh crop of available homes for them to consider. That's in addition to the 3000+ single family homes and condos already available for purchase. "Sellers are taking the plunge by putting their home on the market, and buyers have gained the understanding that list prices have bottomed out," said the REALTORS® leader. The good news is that homes are still selling here as seen in July's reported pendings (413). The only months that posted higher pendings this year were March (549) and April (770) when buyers were scrambling to buy before the tax credit ended.

Mortgage interest rates have dropped to the lowest level in over 40 years and won't stay this low forever. Buyers can find mortgages in the 4-5% range on a 30 year fixed rate loan. What does this mean? It means that the perfect buying conditions have arrived. Payments on a \$200,000 mortgage at 4.25% =983.88. At 5.25% it would be \$1,104.41 or \$120.53 more per month, and at 6.25% the same \$200,000 house payment would be \$1,231.43 or \$247.55 a month higher. When you consider the savings over the 30 year life of the mortgage, it's incredible what difference 1 percentage point makes. At 4.25%- the \$200K would cost the buyer \$354,196.72; at 5.25%- the \$200K would cost \$397,585.53 and at 6.25%- the \$200K would cost \$443,319.10 over the life of the loan. What is the REALTORS® message to consumers? Don't wait for interest rates and prices to rise. Make Your American Dream Come True!

The 1000 member Northern Kentucky Association of REALTORS® and the 1400 users of the Northern Kentucky MLS (NKMLS), Northern Kentucky's leader in the real estate information and services business, operates with a professional staff from 7660 Turfway Road, Suite 100 in Florence, KY. Both NKAR and the NKMLS work to protect the public's right to transfer real property and promote better public understanding of the profession and the real estate transaction process.

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