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December 09 Home Sales Edge December 08

(January 25, 2010) –December home sales in Northern Kentucky narrowly edged out December 2008 closings reports the Northern Kentucky Association of REALTORS®. “Sales surged in November by 40%”, said Rebecca Trout, 2010 President of the Association. It didn’t appear that December numbers would be strong, but 328 sales have been reported with a slight edge over the 323 residential properties closed in December 2008. “We believe that first time homebuyers, their REALTORS® and lenders worked diligently to get properties closed before the Tax Credit enacted by Congress was due to expire December 1,” added Trout.

The rollercoaster that home buyers and sellers have been riding for the last couple of years appears to be slowing its downward spiral, leveling out in 2009. From 2007 (5966) to 2008 (5142), sales declined 13.8%. While 2009 numbers were still down, (4852), the decline is only 5.6% from 2008 (5142), a further indication of stabilization in the housing market.

The news coming from Northern Kentucky REALTORS® this month is that buyers should put their boots on and trudge through the snow to snatch up their piece of the “American Dream” pie before interest rates rise and tax credits expire. “Now that the holidays are over, REALTORS® anticipate that inventories will increase and sellers will be listing their homes in preparation for the Spring/Summer selling market,” said Trout. Right now, the buyer pool is at its greatest and new inventories will attract buyers who haven’t found the right property. “With interest rates still near historic lows, buyers shouldn’t become complacent, thinking that sale prices and interest rates will go lower,” she added.

In the current environment, with interest rates on a 30 year fixed mortgage at about 5.25%, the interest on a \$100,000 mortgage would cost the buyer \$98,795. If interest rates bump up by 1% to 6.25%, that \$100,000 mortgage would cost the buyer \$121,656 in interest over 30 years. That increase would cause the buyer to pay an additional \$22,860 over 30 years.

In a competitive market, sellers need every advantage they can get, and working with a REALTOR® is a smart move. REALTORS® have invaluable insights into what sells a home. They visit hundreds of homes with buyers each year, and have a unique understanding of what home buyers value in their local markets. “Home sellers will have to make a move off of the fence they’ve been sitting on and work out a deal with interested buyers if they want to capitalize on the expanded tax credits enacted by Congress in November,” said the REALTORS® 2010 leader. The extension and expansion of the homeowner tax credit is a great incentive for existing home sellers who, if they have lived in their existing home for 5 of the last 8 years, may be eligible for up to \$6500 if the new home they are purchasing is under contract by April 30th and closed by June 30, 2010. Click this link for details of the [Homebuyer Tax Credit](#). For additional information and answers to frequently asked questions, [Tax Credit FAQ's](#).

Last January, the median price of homes sold in NKY had dropped to a dismal \$105,000. Almost immediately, the effects of President Obama’s economic stimulus helped to stabilize the spiraling housing market. While the median sales price has not recovered to 2008 levels, in the 4th quarter, it rose to \$128,000. Since the set point of first timers is considerably lower and with so many of them in the marketplace, it has affected the median prices. As existing home sellers move up to take advantage of the expanded tax credits, industry experts agree that a further stabilization of home prices will be the effect and it’s no secret that owning a home is one of the best ways to build long-term wealth, providing both equity accumulation and tax benefits over time.

The 1100 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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