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PRESS RELEASE

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Local Home Sales and Prices Continue to Stabilize

Florence, KY – July 22, 2010 – Signs of stabilization in the Northern Kentucky housing market were evident in June when average sales prices were the highest they have been since August 2008. In June, the average selling price of residential homes hit \$157,640; the highest monthly average since August 2008 when the average price was \$166,085. Additionally, the median price in June was \$133,500, higher than any month since August 2008 when the median home price was \$138,000. “Overall, June was one of the most encouraging months we have had in some time and we are excited that the entire range of numbers paints a picture of stability,” said Rebecca Trout, President of the Northern Kentucky Association of REALTORS®. The average days on market (DOM) dropped to 79, the lowest we’ve seen since the summer of 2007, a direct result of buyers scrambling to choose a home before the tax credit was due to expire.

Home sales held on for another month with 523 closings reported, 4.6% higher than the 500 sold in June 09. The total volume of sales in June \$82,445,525 was the highest reported since August 08 when the total dollar volume for the month was \$84,869,445. Volume in June 2010 (\$82,445,525) was up 23.5% over the same period from June 2009 (\$66,718,525). Consumers rushed into the housing market in April to take advantage of the tax credits that were ending. Those buyers seem to shy away from buying short sales or distressed properties, rushing to purchase properties priced at market rate instead of lender owned with the expectation that fewer contingencies results in a speedy sale. Buyers had to have an accepted contract by April 30 to qualify for the incentive until recently when Congress extended the closing date for those pendings to September 30th, giving approximately 2500 Kentucky buyers more time to get their sale completed.

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It's a little known fact that there are still tax credit opportunities in place for new construction purchases and for qualified military service people. In KY, the state still has tax credit funds available for new home purchases. Interested buyers should check with their REALTOR® or builder for details and qualifications.

Congress has acknowledged the unique circumstances affecting members of the military, Foreign Service and the intelligence community by making the following exceptions that apply to both the \$8,000 tax credit for first-time home buyers and the \$6,500 tax credit for repeat home buyers. For qualified service members who are ordered on a period of official extended duty, the tax credit applies to sales with a binding sales contract in place on or before April 30, 2011 and closed by June 30, 2011. To see if they might qualify for this exception, those affected should contact a REALTOR® professional.

Prices have dropped an average of 20% over the peak prices of a few years ago. Interest rates have dipped to the lowest level in over 40 years and rates were around 6% and have dropped to nearly 4% on a 30 year fixed rate loan. What does this mean? It means that the perfect buying conditions have arrived. Payments on a \$150,000 at 4.25% = \$737.91. At 6% it would be \$899.33 or \$161.42 less per month, a savings of over \$58,000 over the life of the loan. Or you could keep the same payment and do a 20 year loan which would knock off 10 years and save over \$108,000. Now is the time to get into the market.

It will be interesting to see what the months ahead will bring to the local real estate market but, the Association's President is hopeful. "We are looking forward, cautiously optimistic that Northern Kentucky will continue on the path of housing stabilization. Over time, owning a home has proven to be a good decision. And while lately the economy has presented some challenges, it has also helped us focus on what matters most. It's reminded us that home is where we make memories, build our future and our families feel comfortable and secure," said Trout.

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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