



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](mailto:Rtrout@NKAR.com)

### **NKY HOME SALES OFF SLIGHTLY - INTEREST RATES STARTING TO RISE**

Florence, KY – December 22, 2010 – Northern Kentucky home sales in November (258) were consistent with the month of October (267) – dipping slightly for the month. Comparing home sales from the November 2010 (258) to the same month in 2009 (421), the picture appears dismal, off by nearly 39%. Yearly averages do not look as bleak. Through November 2010, 4,048 NKY homes have sold, which is off only 11% from the same period of 2009 (4,532) when buyers were flooding into the market. “It’s clear that not as many homes are selling now” said Rebecca Trout, President of the Northern Kentucky Association of REALTORS® “but, much of that can be attributed to the tax credit incentives spurring on home purchases in late 2009,” she added. As the holiday season approaches, buyers sometimes delay their home search to pursue seasonal activities. “We encourage buyers not to lose focus on their goal of searching for their dream home,” said Ms. Trout.

One bright spot in the local housing picture is that average home sale prices continue to gain momentum increasing nearly 8% in November 2010 (\$151,111) over November 2009 (\$140,409) average prices. Home sellers can be more confident that the drastic drop in average home prices from late 2008 to early 2010 has stabilized and, if they want to list their home- the time is right. Yearly average sale prices have risen by 5% for the period through November 30, 2010 (\$146,675) over the same time frame of 2009 (\$139,568) which should boost consumer confidence in the housing market.

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As expected, interest rates are starting to slowly creep upward. The National Association of REALTORS® recently confirmed that mortgage interest rates have risen for 4 straight weeks. Buyers in today’s economy seem to be interested in growing their homes equity by obtaining shorter term mortgages. The following three scenarios show potential equity using different interest rates and loan terms:

**Conventional Loans**  
**\$150,000 Home 20% Downpayment**  
**Amount Financed- \$120,000**

| <b>Term</b>                 | <b>15 Year</b>   | <b>30 Year</b>   | <b>30 Year</b>   |
|-----------------------------|------------------|------------------|------------------|
| <b>Interest Rate</b>        | 4.30%            | 4.78%            | 5.25%            |
| <b>Payment</b>              | <b>\$906</b>     | <b>\$628</b>     | <b>\$663</b>     |
| <i>Balance after 5 yrs</i>  | <i>\$88,216</i>  | <i>\$109,846</i> | <i>\$110,579</i> |
| <b>Equity after 5 yrs</b>   | <b>\$31,784</b>  | <b>\$10,154</b>  | <b>\$9,421</b>   |
| <i>Balance after 10 yrs</i> | <i>\$47,936</i>  | <i>\$95,721</i>  | <i>\$98,338</i>  |
| <b>Equity after 10 yrs</b>  | <b>\$77,176</b>  | <b>\$23,043</b>  | <b>\$21,662</b>  |
| <i>Total Cost of Loan</i>   | <i>\$158,423</i> | <i>\$226,132</i> | <i>\$238,554</i> |

*Equity assumes no appreciation/depreciation in property value*  
*Interest rates based on area average from Bankrate.com*

There are huge benefits to getting buyer financing now, so the REALTORS® message is to buy now and lock in your best rate. “We don’t know what the future holds but one thing we know for sure is that REALTORS® are committed to servicing the public with honesty, dedication, and our primary goal is to help consumers obtain their “American Dream Home”, stated the REALTORS® President.

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 publics’ right to transfer real property and promote better public understanding of the profession and the real estate transaction process.

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