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## **PRESS RELEASE**

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### **NKY REALTORS® Report Higher Home Sales**

Florence, KY – September 21, 2011- Northern Kentucky home sales experienced a modest boost in August (433) over 2010's numbers for the same period (371), a 16% increase. "It's definitely encouraging", said Mike Becker, President of the Northern Kentucky Association of REALTORS®. "The number of sold units in August was the highest we've seen since October '09 if we eliminate the 2<sup>nd</sup> quarter of 2010 when sales were fueled by the first time buyer incentive," he added.

Average sale prices dipped slightly for the month (\$140,434), off 5% from August 2010 (\$148,348) which can be attributed to the high number of foreclosure or distressed properties prevalent in the housing market now. Of the 433 sales in August, 115 were owned by the government, lenders, or were considered short sales. Foreclosures and short sales are still a big part of the real estate market locally. In August, 26% of homes sold fell into that category. Days on Market (days from listing to sale) have risen in the last year, partly due to short sales which typically take longer to process. Efforts to stabilize neighborhoods will likely need re-allocation of government resources including loan modification to help families stay in their homes. Those resources could also be used to help expedite short sales. The long term effect of foreclosure is more harmful to economic recovery as it advances destabilization of neighborhoods.

"Access to affordable mortgage financing for qualified home buyers and investors is necessary for housing to recover", the NKAR President said. Recently, NKAR reported on the "QRM" or Qualified Residential Mortgage rule, commonly called the (Dodd-Frank Act) and its possible effect on a qualified consumer's ability to obtain mortgage financing with less than 20% down.

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“The threat of the QRM may be driving the home selling market somewhat,” said Becker. “It is likely that there will be some sort of alternative to the original plan; one that provides opportunity for homebuyers to have a smaller down payment. With the public’s best interests at heart, REALTORS® have to be vigilant in speaking out against the QRM proposal. It would be catastrophic to the real estate industry if it passes in its original form,” he added.

Historically low interest rates continue to be the norm in the current real estate market. Last year at this time, it was commonly thought that interest rates couldn’t go any lower but just this week, the REALTOR® Magazine Daily News published a comparison based on a \$150,000 mortgage loan that shows just that.

	<b>30 Year Fixed</b>			<b>15 Year Fixed</b>		
	<b>This Week</b>	<b>1 Yr Ago</b>		<b>This Week</b>	<b>1 Yr Ago</b>	
Rate:	4.09%	4.37%	5.00%	3.30%	3.82%	4.25%
Payment:	\$723.93	\$748.49	\$805.23	\$1,057.65	\$1,096.05	\$1,128.42
5Yr Balance	\$135,606	\$136,213	\$137,743	\$107,977	\$109,177	\$110,156
10Yr Balance	\$118,533	\$119,631	\$122,013	\$58,426	\$59,777	\$60,897

While low interest rates continue to be a strong incentive to consumers looking to buy, that, coupled with average home prices remaining attractively low, makes it a perfect time to take a leap into the housing market. Today’s home buying public will likely never find a better combination of low interest rates, low home prices and a generous supply of homes to choose from right here in Northern Kentucky.

The 900 member Northern Kentucky Association of REALTORS® and the 1200 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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