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Home Sales Improving, Foreclosures Expected to Increase

(August 21, 2009) – In Northern Kentucky, more home sellers listed their homes for sale than in any previous month this year. Supplies had been dwindling since January but July saw the highest number of new listings hit the market this year. New listings in July 09 were up 6.6 % over June and, up 4.5% when compared to July 08.

Johnny Hodge, President of the Northern Kentucky Association of REALTORS® remarked that “The market is still being dominated by first time buyers and investors. The \$8000 tax credit continues to entice first time buyers into the market and REALTORS® continue to reach out to Washington to keep the first time tax credit in place.” An influx of new construction listings is a sign that builders want to get inventories on the market so buyers may be able to take advantage of the special tax credit for new construction properties recently introduced by Governor Steve Beshear.

July home sales were consistent with June numbers, which had been the highest of the year. There was a positive 9% increase in the number of solds (491) for July 09 over July 08 (446) indicating some stabilization in the housing market. The average price rose in July to \$152,185 the highest it’s been since last August when the average sale price was \$166,085.

“It appears that the tumbling sales we’ve seen for the last year have leveled off this summer and consumer confidence is showing signs of being restored”, Hodge said, adding, “The fact that home sales are not tumbling like they were is positive. This month is better than the same month last year and we are cautiously optimistic that we have hit the bottom of the market. We agree with National experts that there will be a slow and steady recovery. It may be 18 to 24 months before the economy and the real estate market rebound significantly.”

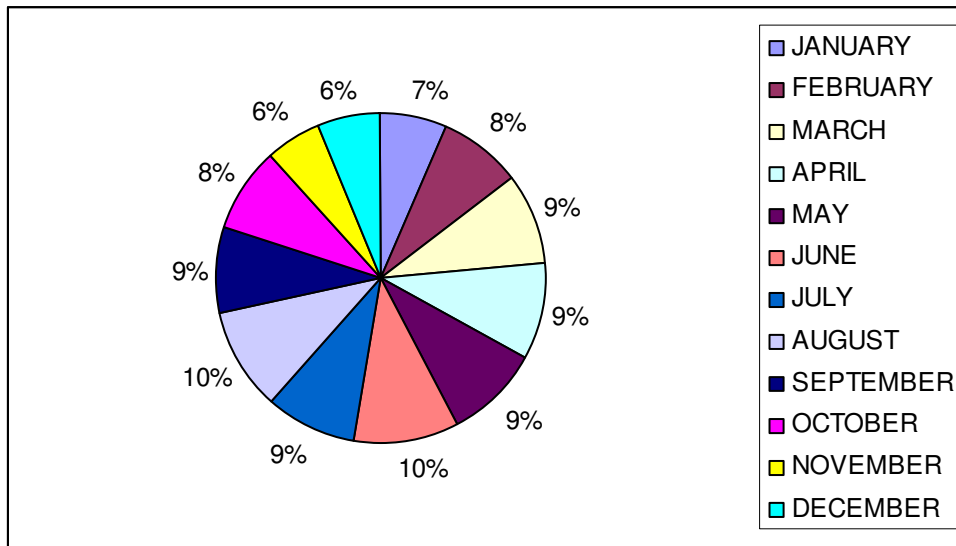
While Kentucky has experienced a relatively low number of foreclosures in 2009 compared to the surrounding states of Ohio and Indiana, REALTORS® are bracing for

the next wave of foreclosures that haven't hit the market yet. Experts estimate that 9 out of 10 homes that are in distress are in danger of foreclosure. July foreclosure filings for Kentucky were 1,234 which were extremely lower than in Ohio (11,021) and Indiana (5,186) respectively. Locally, buyers and sellers are still concerned about the general economy which drives the real estate market. As the unemployment rate stabilizes, we expect the market to recover.

Sales of condos still seem to have more complications than single family residences. "We still have concerns about condo sales, which seem to be hampered by financing challenges," said Hodge. The MSI or Months Supply of Inventory for condos edged up slightly from 9.9 to 12.7 months.

Northern Kentucky home sellers and buyers benefit greatly from "not so extreme" weather conditions that are felt in many areas of the country. Summer is typically thought to be the peak of home sales which was attributed to families moving during school break. As shown by the chart below, 2008 solds were fairly consistent month to month, which should encourage sellers and buyers not to sit on the fence. All indications are that it's never been a better time to buy a home. With prices at an all time low and mortgage rates at around 6%, consumers can feel confident that their local REALTOR® professionals are available to help them get the best deal possible.

2008 NKY Homes Sales by Month



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, operate 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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