



**7660 Turfway Road  
Suite 100  
Florence, KY 41042  
859-344-8400**

## **FOR IMMEDIATE RELEASE**

**CONTACT:** JOHNNY A. HODGE, PRESIDENT  
NORTHERN KENTUCKY ASSOCIATION OF REALTORS®

**TELEPHONE:** 513/315-8420

### **Homebuyer Tax Credit Helps to Sustain Housing Recovery**

(October 23, 2009) – First Time homebuyers across Northern Kentucky are scrambling to make a home purchase before the looming November 30<sup>th</sup> deadline when the \$8000 tax credit expires. Economists across the nation believe that stability in the real estate market is the best indicator of an economic recovery. Consumers and those in the real estate industry agree that the best available tool for sustaining the still-fragile housing market is the \$8,000 homebuyer tax credit, and it is essential that Congress extend the credit into 2010. The tax credit has proven to be an extremely popular incentive. It targets first-time homebuyers, who currently represent about 30 percent of current market activity.

Locally, the month to month home sales have been fairly consistent. September sales were 435, off less than .5% from August when sales were 437. “These numbers indicate a slow but steady recovery for the housing market locally”, said Johnny Hodge, President of the Northern Kentucky Association of REALTORS®. Comparing September home sales in 2008 to 2009, we are still off 1.14% which may indicate that locally, the First Time Homebuyer Tax Credit may not have as much of an impact as in other areas. “Time will tell”, said Hodge, “we still have a large number of pending listings waiting to close (878), which we believe is a direct result of the tax credit incentives for first timers.” Real Estate sales in September are typically a little slow due to families concentrating on the new school year and summer moves slowing down.

The average selling price for homes sold in September dropped 4.3% in September 09 (\$134,944) compared to September 08 (\$140,991). Hodge went on to say, “The numbers are improving from where they were at the beginning of the 2009 but we still aren’t ready to say the worst is over. We believe that the economy seems to be rebounding and are cautiously optimistic that with a steady rebound of the housing market coupled with encouraging reports from business and manufacturing resources, that we may be turning the corner on the economic crisis we’ve been in.”

On a positive outlook, inventory supplies for single family homes are hovering near 7 (MSI-months supply of inventory) the lowest they’ve been in 2 years which helps to stabilize home prices. It’s the same for condos where the MSI has dropped dramatically since last November when there was 22 months supply of inventory. In September, that number had dropped to 9.5 months (MSI). Mortgage rates are still low, around 6% or less in most cases and there’s never been a better time to buy an affordable home.

Recent research suggests that your investment in a home now is a smart move. When asked about his recent condo purchase, a “first timer” responded, “I knew I had to move fast to qualify for the tax credit, so I contacted a REALTOR® professional to show me the best properties available in my price range. My REALTOR® led me through the process quickly and efficiently, helping me find a great foreclosure and it closed in time to still qualify for the credit. I purchased my condo at a great price and my mortgage payment is much lower than renting an apartment the same size.”

It’s crucial that Congressional leaders extend and expand the tax credit to all homebuyers without delay to keep the economy moving forward. NAR economists estimate that each home sale pumps an additional \$63,000 into the national economy. Businesses selling goods and services like carpeting, furniture, appliances, home improvement, and insurance depend on a healthy housing market for survival.

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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