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THE SHIP IS SLOWLY TURNING

(March 23, 2009 – Northern Kentucky) Trying to turn the housing market is like trying to turn a cruise ship. It has to be stabilized before it can turn. There are several indicators that are showing some stabilization in our market.

While overall home sales are down from last year the latest statistics released from the Northern Kentucky MLS indicate there is an upward trend in sales. Last year at this time there were 548 pending sales while as of today, there are 684 representing a 24.8% increase.

One of the challenges homebuyers are facing is that the loan process used to take 2-3 weeks and it is now taking 4-5 weeks. Many of the mortgage companies are understaffed and unable to handle the recent influx of mortgage needs. This is creating some lag time in the number of sales from last year.

Recognizing housing is a leading economic indicator, the Feds lowered interest rates again last week making it an even better time to buy.

President, Johnny Hodge stated, “We are seeing the early stages of government intervention on foreclosures, which is beginning to slow down the foreclosure market. Kentucky is one of the lowest states in the number of foreclosure filings. There are a lot of lender incentives that were given with the stimulus package that encourages lenders to work with defaulting homeowners and allow them to stay in their homes.”

All Real Estate is Local. The median sales price on a national level is down 15.5% from a year ago while our local market is down by only 10.73%. The median sales price in Northern Kentucky in February 2008 was \$138,900 and it is \$124,000 for February 2009.

President Hodge went on to say, "As REALTORS® we are working hard to save the American dream. We encourage anyone who is having difficulty with their mortgage payment or looking at foreclosure to go to the government sponsored website **PROTECT *My Kentucky* HOME** at www.kyhousing.com/protect." The more educated the consumer is the more they are able to help themselves. Consumers can take action to protect their American dream instead of sitting on the sidelines waiting for the inevitable to happen.

The current month's supply of inventory (MSI) is also declining, representing an upward trend in sales. For example, single family inventory is down to 8.7 months from 9.3 months in January and from 13.9 months last November. We are also very optimistic about the condo market which shows a decline to 16.2 months in February, down from 22.8 months in December of 2008. The National MSI is 10.8 months supply for residential and 21.2 months for condominiums. Several brokers in the area are also reporting an increase in showing activity which also indicates the ship may be turning.

President Hodge is also encouraging the public to contact their federal legislators and encourage them to keep the mortgage interest deduction for people with incomes over \$250,000. Elimination of this deduction will exclude those people from the market thus causing a trickledown effect to all aspects of the housing market.

The 1200 member Northern Kentucky Association of REALTORS® and the 1500 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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