



HOME DELIVERY

Residential Real Estate Trends, Issues and News for Consumers

The National Association of REALTORS® distributes *Home Delivery* every month to real estate, personal finance and consumer journalists as a resource for background or story ideas.

A More User-Friendly FHA

In recent years, the constraints of Federal Housing Administration (FHA)-insured mortgages coupled with the competitive sellers' market in many areas of the country often made it difficult for buyers to purchase a home with those products.

But times are changing. Recent improvements have been made to streamline FHA's mortgage application process and make the program more user-friendly. To get the word out, NAR and the U.S. Department of Housing and Urban Development have partnered to create a new consumer education brochure, *FHA Improvements Benefit You: FHA Insured Mortgages*.

Read the brochure online at www.realtor.org/housopp.nsf/pages/mortgages?OpenDocument. The brochure is available through Realtors® and FHA home-ownership centers across the country.

Story Springboard

- **FHA in your community**
Learn how a single mom in bankruptcy became a first-time homeowner with the help of an FHA-insured mortgage and her Realtor®. Read the story online at www.realtor.org/rmomag.NSF/pages/feature2jun06?OpenDocument#Tralina. Interview local residents who have become homeowners thanks to FHA programs, and talk to Realtors® about options for consumers who may benefit from FHA-insured mortgages.

Remodeling and Resale

Remodeling Magazine's 2006 "Cost vs. Value" report was recently completed in cooperation with *REALTOR® Magazine*, with input from more than 2,000 Realtors® across the country. What does the market in transition mean for the resale value of various remodeling projects?

The report shows that prices for most remodeling projects continue to increase, while their resale value has decreased to 2002 levels. Kitchen and bathroom remodels are still near the top of the list, both at 85 percent of costs recouped, on a national average. The most profitable projects, from a resale value, are midrange and upscale siding replacements, at an average of 87.2 and 88 percent costs recouped, respectively.

Read full project descriptions at www.remodelingmagazine.com.

Story Springboard

- **Home improvement insights**
Are homeowners in your area more likely to stay put and renovate than move, compared to last year? Are sellers undertaking more remodeling projects to help position their homes in a competitive market? Interview Realtors® to learn what they're seeing and recommending in your local market, and talk to remodeling contractors about changes in their business over the past year – types and frequency of jobs, most popular remodeling projects, and homeowner expectations regarding resale value.

It Was a Very Good Year

Despite the Chicken Littles in 2006 who worried that the real estate sky was falling, the year proved to be the third-best performance on record for existing home sales, which are projected to total 6.47 million by the end of the year.

The national median existing-home price should increase 1.9 percent for all of 2006 to \$223,700, then another 1.7 percent next year to \$227,500.

Economic fundamentals in support of the housing industry are expected to remain solid. The 30-year fixed-rate mortgage is projected to average 6.4 percent in the fourth quarter of 2006, and then rise to 6.6 percent by next spring. Unemployment remains low, at an average of 4.6 percent in 2006 and expected to edge up to 4.7 percent in 2007.

Story Springboard

- **All real estate is local**
Learn more about NAR's 2007 economic and housing forecast by viewing the online slide presentation at [www.realtor.org/Research.nsf/files/06NovResForum3.ppt/\\$FILE/06NovResForum3.ppt#59](http://www.realtor.org/Research.nsf/files/06NovResForum3.ppt/$FILE/06NovResForum3.ppt#59). Talk to the Realtor® association in your area about their 2007 predictions for the local housing industry and how these compare to the national picture.

Please contact Stephanie Singer, 202/383-1050, or via e-mail at ssinger@realtors.org, for additional ideas, sources, data and resources.



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