



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.

What's Your Market's DNA?

You've heard it before – all real estate is local. But why do some markets perform better than others? How do areas that were once in demand become less so, and what factors contribute to a rising real estate market?

To determine the future potential of any given market, NAR's Chief Economist David Lereah recently proposed examining its DNA. Just like our genetic material, a community's DNA makes it unique, but unlike that of humans, market DNA can change over time.

For example, before modern advances in transportation and technology, cities with ports and the economies they supported attracted more people than those further inland. Today, transportation and commerce are more diverse, allowing for more variety in lifestyle and choices in living environments.

Story Springboard

• Community chromosomes
A market's DNA can influence the type of inhabitants it attracts. For example, younger households need access to a diversified economy with plentiful job opportunities. Older retirees may place a priority on access to and availability of leisure activities and health care. What characteristics – climate, topography, economy, transportation systems, etc. – affect your community's DNA? For more on market DNA, visit www.realtor.org/reinsights.nsf/pages/economistcommentary

Going Green

As more and more people become concerned about global climate issues, the green movement is gaining ground, and the real estate industry is no exception.

These days, homeowners can qualify for federal tax credits by making energy efficiency improvements to their homes (at least through 2007). For the first time ever, This Old House went green this season, with its renovation of a home in Austin, Texas. And increasingly, consumers are more interested in how the place they call home affects the world they live in – in a recent industry survey, people buying green homes were willing to pay \$18,500 more for an environmentally sensitive dwelling.

Story Springboard

• Green acres, attics, and air conditioning
These days, many Realtors® are completing advanced training in energy and environmental issues related to commercial and residential real estate. Interview Realtors®, homeowners and buyers in your area about going green – how important this is to community residents, whether green features are a selling point, how owners can improve their homes in this way. For additional resources, visit NAR's Field Guide to Green Homes and Green Mortgages: www.realtor.org/libweb.nsf/pages/fg313

Demand for Vacation Homes Not Taking One

According to NAR's just-released annual *Investment and Vacation Home Buyers Survey*, vacation-home sales rose 4.7 percent nationally last year, to a record 1.07 million. This represents a growing share of the overall market – vacation homes comprised 14 percent of all residential real estate transactions in 2006.

In contrast to 2005, vacation-home buyers in 2006 are getting younger, at a median age of 44, compared with 52 in 2005.

Although investment-home purchases dropped during the same period because many speculators left the market, vacation-home sales were supported by strong demographic and lifestyle factors, most notably an increased interest in recreational property for personal use.

Story Springboard

• Vacation, all I ever wanted...
When asked why they purchased a vacation home, 79 percent of recent buyers wanted to use the home for vacation or family retreat; only 18 percent intended to rent it to others. Talk to vacation-home owners in your community about their motivation for buying a second home. If you live in a vacation area, talk to Realtors® about their second-home clients and trends in vacation-home ownership.

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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