



# 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.

### Helping Make Home Affordable

Last month, the federal government began offering more help for homeowners struggling to stay out of foreclosure when the Department of Housing and Urban Development implemented the FHA – Making Home Affordable Loan Modification Program.

The implementation expands the Obama administration's original Making Home Affordable Loan Modification Program to include FHA borrowers and allow homeowners who qualify to significantly reduce their monthly mortgage payments. Realtors® are optimistic about the positive impact this will have on the housing market.

In addition to supporting the federal government's efforts, NAR is doing its part to help Realtors® develop their own community plans of action to prevent foreclosures. To learn more, visit

[www.realtor.org/foreclosure](http://www.realtor.org/foreclosure).

#### Story Springboard

- Keeping America at home  
Talk to a Realtor® about the newly enhanced FHA program. How has it made an impact in your local area? Are homeowners aware of the program? What other efforts are underway in the local community to address the problem of foreclosures?

### What's in a Number?

Assessing months supply is an important consideration when describing market conditions. It succinctly measures activity in the housing market at a given point in time.

Months supply is determined by calculating the ratio of inventory available for sale at the seasonal sales pace in a given month. If months supply increases, the implication is housing demand favors buyers; if it decreases it suggests better opportunities for sellers.

The current national months supply of housing inventory is 9.4 months, down from 11 months one year ago. This means that, at the current rate of sales and available inventory, it would take about nine months to sell all the homes currently available for sale.

However, for homes under \$250,000, months supply is six months, which indicates greater demand. In contrast, the market for \$1 million+ homes is virtually frozen at 21 months.

#### Story Springboard

- Month by month...  
Talk to Realtors® in your area about the available housing inventory. What types of homes are selling at the fastest pace, and why? To learn more about months supply, visit [www.realtor.org/research/economists\\_outlook/commentaries/monthssupplynumber0809](http://www.realtor.org/research/economists_outlook/commentaries/monthssupplynumber0809).

### Commercial Strength

The Federal Reserve recently decided to extend the Term Asset-Backed Securities Loan Facility (TALF) program for commercial mortgage-backed securities beyond the end of 2009. This decision should offer much needed relief to the commercial real estate sector.

The Fed's actions are intended to encourage a flow of liquidity into the market. Commercial real estate has been hindered by a severe credit crunch, sustained job losses and weak consumer spending. Although the decline appears to be slowing, a forward-looking indicator reveals the market will remain weak into 2010.

#### Story Springboard

- What to do?  
How is the commercial credit crunch affecting your area? Talk to a Realtor® who specializes in commercial real estate about the impact a weak commercial market could have on the entire community. Visit [www.realtor.org/commercial](http://www.realtor.org/commercial) for more information about today's commercial real estate market.

Please contact Michelle Wardlaw, 202/383-1042, or [mwardlaw@realtors.org](mailto:mwardlaw@realtors.org) for additional ideas, sources, data, and resources.