



# 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.

### Stimulating Legislation

This month, a highly publicized economic stimulus package was signed into law. The package includes higher conforming loan limits for Fannie Mae and Freddie Mac, as well as higher FHA loan limits. But what difference does this make for the average home buyer, seller and owner?

According to NAR research, the increased FHA loan limits will help an additional 138,000 Americans achieve the dream of homeownership, providing a safer alternative to more risky loans. The new FHA limits will also allow nearly 200,000 homeowners to refinance and potentially keep their homes.

Increasing Fannie's and Freddie's conforming loan limits would result in as many as 500,000 refinanced loans and could help reduce foreclosures by as much as 210,000. In addition, over 300,000 additional home sales could be generated.

#### Story Springboard

- Higher limits are limited  
The increased loan limits are set to expire in December 2008. Interview Realtors® in your community about the impact this legislation has had or is likely to have in the local area. Are more first-time buyers entering the market using FHA-insured loans? Have they seen an increase in buyer activity, and are buyers taking advantage of lower interest rates on what were previously jumbo loans?

### Where Have All the Buyers Gone?

Household formation just isn't what it used to be. Over the past two years, net job gains have increased by 4.3 million, according to both company payroll data and household survey data, and U.S. aggregate personal income has risen by \$1.4 trillion. Such gains should have translated into about 2 million additional homeowners, yet only 600,000 new households were created during that time.

Over the same period, housing affordability has actually improved. Still, many people have evidently doubled-up with additional roommates or have moved back with parents and family members. Why?

NAR's economists believe that buyers are hoping to time the market, waiting for lower home prices and interest rates. Foreclosure worries are also having an effect.

#### Story Springboard

- Three's company...  
Investigate what housing options people are choosing in your market – who's buying, renting, or rooming with friends and relatives, and why? Interview Realtors® and their clients who bought homes during the last national housing slowdown in the early 1990s. Where are they now? Would they have done anything differently back then? What advice do they have for potential home buyers in the current market?

### Baby, It's Cold Outside

In many parts of the country, winter is a time to hunker down and enjoy the great indoors, particularly if those indoor spaces are functional, warm and well decorated.

Today's homeowners are gravitating toward environmentally friendly materials, appliances and home features that make life more convenient, rooms that serve multiple functions and spaces that offer a retreat from the stress of daily life.

To learn more about "What's Hot in Home Design," visit *Realtor*® magazine online's latest slide show, at [www.realtor.org/rmomag.NSF/pages/Feat1200802?OpenDocument](http://www.realtor.org/rmomag.NSF/pages/Feat1200802?OpenDocument).

#### Story Springboard

- Gauging the green scene  
According to the 2007 NAR *Profile of Buyers' Home Feature Preferences*, U.S.-born home buyers place less importance on energy efficiency than buyers born outside the United States. Talk to homeowners and Realtors® in the community to learn about different cultural attitudes and trends regarding environmentally friendly housing features in your area.

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