



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 ‘Case’ of Exaggeration?

A recent study by three professors from Columbia and Wichita State universities has concluded that the housing crisis has been greatly overblown.

“The Foreclosure House Price Nexus” compared data from Office of Federal Housing Enterprise Oversight and The Case-Shiller Index. The study found the Case-Shiller Index to be a “poor measure of what is happening to the value of most homes.” Case-Shiller contains no data from 13 states, and offers only partial coverage of 29 others. It’s also very sensitive to high-priced homes in more expensive markets.

In comparison, they concluded the OFHEO index provided more balanced coverage of large and small markets and each home was weighted equally. The professors say most Americans have not experienced any major decline in the value of their homes – and aren’t likely to.

Story Springboard

- The ‘Case’ of the Missing Homes...

Find out if the Case-Shiller Index includes homes from your state. Talk to Realtors® in your area about how accurately the local market is represented and how it compares to current conditions.

Credit Where Credit is Due

The much anticipated Housing and Economic Recovery Act of 2008 was signed into law this summer and includes a great benefit for first-time home buyers.

Buyers who purchase a home between April 9, 2008 and July 1, 2009, will be able to claim a tax credit of up to \$7,500. Taxpayers are considered first-time buyers if they haven’t owned a primary residence in the past three years.

The credit amount is gradually reduced starting at an individual income level of \$75,000 up to \$95,000, or for a joint income level starting at \$150,000 up to \$170,000. Individuals with annual incomes above these top levels are not eligible for the credit.

Along with low interest rates and lots of inventory, the credit gives many potential buyers yet another reason to get into the market.

Story Springboard

- The Clock is Ticking... While the tax credit is a big benefit, it’s important to remember that it is a temporary program. Talk to Realtors® in your community about how buyers are reacting. Is there a greater sense of urgency to buy? Are they aware of the new benefit?

Buyers Can Be Choosers

Buying a home is one of the biggest investments people make, and the process usually begins with choosing a real estate agent.

According to the 2007 NAR *Profile of Home Buyers and Sellers*, 79 percent of recent buyers used a real estate professional, while only 7 percent bought the house directly from the owner.

When choosing an agent, 43 percent of all buyers relied on friends, relatives and neighbors for referrals; that percentage jumped to 54 percent among first-time buyers.

Nearly eight of 10 first-time buyers said the most important benefit of a real estate agent was helping them understand the process. Agents also help buyers become more educated consumers – almost half of all buyers said their agent pointed out unnoticed features/faults with properties they were considering.

Story Springboard

- All’s Well that Ends Well Talk to homeowners and buyers in your area about their experiences. How satisfied were they with their agent, and would they use that same agent today?

Please contact Michelle Wardlaw, 202/383-1042, or mwardlaw@realtors.org for additional ideas, sources, data, and resources.