



# 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.

### Government Rescue Bill

Congress approved a massive \$700 billion rescue bill earlier this month, paving the way for responsible government intervention in the financial markets, which will benefit current homeowners, potential home buyers, financial institutions, the economy, and ultimately taxpayers.

The Emergency Economic Stimulus Act of 2008 gives the U.S. government the authority to buy off troubled mortgages. This will encourage banks to refinance and reconfigure more mortgages to help many families keep their homes.

It will also introduce more money into the system, which will make financing more available and help stabilize home sales and prices. If credit markets remain tight, even families with strong credit and income might not be able to obtain a mortgage.

### Story Springboard

- What does it all mean? How do today's fast-moving economic developments affect people in your area? Visit NAR's online economist commentary to learn how current developments impact consumers – you may pick up some additional story ideas, as well. For insights specific to the EESA, visit [www.realtor.org/research/commentary\\_700\\_billion](http://www.realtor.org/research/commentary_700_billion)

### Going Once, Going Twice...

As the real estate landscape evolves, more and more home buyers and sellers are using auctions as an alternative to traditional home buying.

Real estate auctions continue to be one of the fastest growing sectors of the auction market. According to the National Auctioneers Association, residential auctions generated \$17 billion last year alone.

For sellers, auctions can translate into immediate cash and no long-term carrying costs. Buyers can save time and money. A listing can typically sell within 9-12 minutes.

Realtors® work with both buyers and sellers in auction sales. NAR and NAA recently created a new online course for Realtors®, "Introduction to Real Estate Auction." The course helps Realtors® provide valuable auction services to their clients in an ever-changing environment.

### Story Springboard

- ...*SOLD!* Talk to Realtors® in your community to find out about home auctions in their market. Are they increasing in popularity? How are Realtors® adjusting to the trend? Talk to buyers and sellers about their reasons for using the auction process. For more information on real estate auctions, visit [www.realtor.org/auction](http://www.realtor.org/auction)

### Rising Commodities Lift all Homes

Home prices tend to rise with commodity prices over the long term. Currently, the Producer Price Index for construction is up 39 percent over the past five years, and prices for commodities like oil, copper, steel and cement are sky-high. Sooner or later the increasing costs of these raw materials will push home prices higher.

As the supreme commodity, every home is full of materials like steel, wood, and copper wiring. Presently, an oversupply of homes may be keeping prices low, but home prices are rooted in hard costs and will eventually adjust to reflect the price of production.

### Story Springboard

- What goes down will come up  
In many cases today, homes are being sold for less than their replacement cost. Ask Realtors® in your area about local home values and how conditions for buyers may have changed over the past few years. Interview builders about the costs of building new homes and whether current prices are in line with those expenses.

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

