



Mid-April 2009
NEWS YOU CAN USE

Market Insight

MIXED BAG

March '09 residential closings were off in Ada County by 14% compared to March '08 but pending sales in the first quarter were up by 12%. Available inventory is down 12% from a year ago because of the decrease in new homes on the market. 78% of homes closed in the first quarter were under \$250,000 and 35% of closings in the first quarter were in financial distress (listed as possible short sales, in foreclosure or REO).

March closings in Canyon County were off by 37% compared to last year but pending sales were up slightly. 93% of homes closed in the first quarter were under \$250,000 and almost 50% were in financial distress.

25% of all residential properties listed in Ada County and 35% in Canyon County are in financial distress.

A look at the First Quarter?

	Jan-09	Feb-09	Mar-09
# of Listings	585	656	984
# of Closings	272	306	430
Median Price	223,500	210,000	203,450

* Single Family Homes in Ada County

Signs point to Improving the Economy

Economic observers point to several factors that indicate the economy in general and the housing market in particular may be on the mend.

Positive signs include:

- Sales of single-family homes in March remained flat compared to January and February, the U.S. Commerce Department reported.
- The Labor Department reported unemployment claims were down in the week ending April 11. While some argued this could just reflect the shortened Easter/Passover holiday, others took the optimistic view that some segments of the economy are stabilizing.
- New-home construction remains low while current inventory gets absorbed.

"The economy is still very weak, but there are some encouraging signs that support cautious optimism," Dennis Lockhart, president of the Federal Reserve Bank of Atlanta, said in a speech Thursday.

Source: The Wall Street Journal, Sudeep Reddy (04/17/2009)

"The economy is still very weak, but there are some encouraging signs that support cautious optimism!"

Listings ↑ 33%

Closings ↑ 28%

Median Price of Single Family Homes ↓ 3.2%

Are you aware of the **\$8,000 Tax Credit?** If not – you need to be as it applied to anyone who hasn't purchased a home in the last 3 years!

Conventional Conforming 30 Year Fixed Rate = 4.625% 4.7561 APR, 80% LTV



8,000 Home Buyer Tax Credit at a Glance

The information on this page pertains to the American Recovery and Reinvestment Act of 2009. First-time home buyers who purchased a principal residence on or after April 9, 2008 and before January 1, 2009 may qualify for a \$7,500 tax credit.

- The tax credit is for first-time home buyers only. For the tax credit program, the IRS defines a first-time home buyer as someone who has not owned a principal residence during the three-year period prior to the purchase.
- The tax credit does not have to be repaid.
- The tax credit is equal to 10 percent of the home's purchase price up to a maximum of \$8,000.
- The credit is available for homes purchased on or after January 1, 2009 and before December 1, 2009.
- Single taxpayers with incomes up to \$75,000 and married couples with incomes up to \$150,000 qualify for the full tax credit.

6 Reasons Why It's Still a Good Time to Buy

- 1. Uncle Sam is willing to help.** First-time buyers (defined as anyone who hasn't owned a home in the last three years) are entitled to a maximum \$8,000 tax credit; interest rates are at record lows; and the Federal Reserve is doing its best to make mortgage loans available.
- 2. People have to live somewhere.** About 800,000 new households are formed each year in this country, ensuring that the housing market will tighten, even if the economy doesn't soar.
- 3. Borrowers leverage their investment.** If you put \$10,000 into the stock market and it earns 10 percent, you've earned \$1,000. If you put \$10,000 down on a home and its values increases 10 percent, you've made \$10,000.
- 4. When prices come back up, you'll have instant equity.** In parts of the country where foreclosures have driven down prices, better times will mean the price of the home you buy will rise rapidly.
- 5. Mortgage costs stay the same.** If you get a fixed-rate mortgage, the monthly payment stays the same – while everything else, including rent, goes upward.
- 6. You own it.** There is something comforting in the notion that your home is your own. You can paint it any color you want, let the dog run in the back yard and hang a swing for the kids in the front.

Short Sale –

What is it?

A short sale is when a lender agrees to accept less than the total amount owed on its debt and agrees to release its lien on the property.

Short Sales saves the lenders money – that's why lenders agree to it!

A study commissioned several years ago by FRMC determined that lenders were losing just under an average of \$60,000 for every foreclosure taken to auction.

Compare this to Short Sales – where lenders are losing an average of \$43,000 per loan.

The Key: By not having the property listed on the balance sheet as a non-performing asset, the lender keeps their bank rating in good status!

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*The greatest gift you can give someone is a chance.
Give me the chance to help you on your next Real Estate transaction,
you won't be disappointed.*