

MSNBC

Housing may be headed for double dip

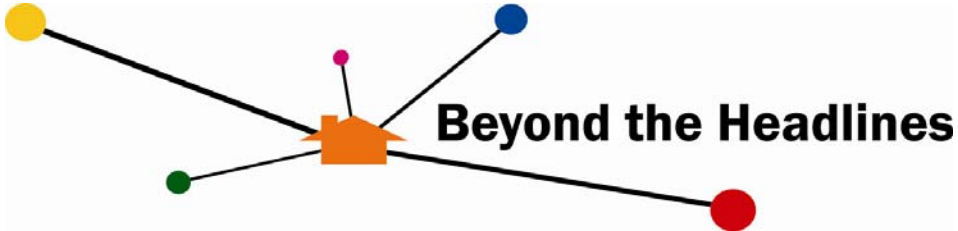
A recent real estate report indicates that consumers may be taking their time house hunting this winter, which some economists believe could lead to a “double dip” in home prices. A recent report from the NATIONAL ASSOCIATION OF REALTORS® (NAR) showed that its pending home sales index declined 16 percent in November to a reading of 96, the first decline after nine consecutive months of gains.

KEEP THIS IN MIND

- NAR’s Pending Home Sales Index (PHSI) is a barometer of future sales. Typically, there is a one- to two-month lag between the signing of a sales contract and the close of escrow. Although government incentives, low interest rates, and affordable home prices have lured many buyers, especially first-timers, to the market, historically sales decline during the winter months and begin to rise in the spring.
- Because of the government’s efforts to stimulate the housing market, some economists believe that housing prices will decline once the incentives come to an end. However, the CALIFORNIA ASSOCIATION OF REALTORS® (C.A.R.) closely watched “2010 California Housing Market Forecast,” projected that the median home price in California will rise 3.3 percent to \$280,000 in 2010 compared with a projected median of \$271,000 in 2009.
- According to C.A.R.’s Vice President and Chief Economist Leslie Appleton-Young, unlike the rest of the nation, home sales in California already bottomed out more than two years ago, and the median home price reached its trough in February 2009.
- Although home buyers should not focus solely on future home price appreciation, according to data collected by C.A.R. over the last 40 years, homeowners who purchase a median-priced house, live in their home for at least five years, and sell it at the current median price, have averaged an annual rate of return of more than 11 percent.

To read the full story, please click here:

http://www.msnbc.com/id/34704789/ns/business-real_estate/



In Other News...



Sacramento Bee

Schwarzenegger proposes new round of home buyer tax credits

Gov. Arnold Schwarzenegger yesterday proposed a new round of \$10,000 state tax credits for buyers of new and existing homes in California.

To read the full story, please click here:

<http://www.sacbee.com/latest/story/2442311.html>



The Wall Street Journal

NY Fed: Most successful mortgage modifications reduce borrowers' principal

Borrowers who receive loan modifications that reduce loan balances and not simply interest rates are far less likely to redefault on their loans, according to a new study from the Federal Reserve Bank of New York.

To read the full story, please click here:

http://blogs.wsj.com/developments/2010/01/04/ny-fed-most-successful-mortgage-modifications-reduce-borrowers-principal/?utm_source=feedburner&utm_medium=feed&utm_campaign=Feed%3A+wsj%2Fdevelopments%2Ffeed+%28WSJ.com%3A+Developments+Blog%29&mod=realestate



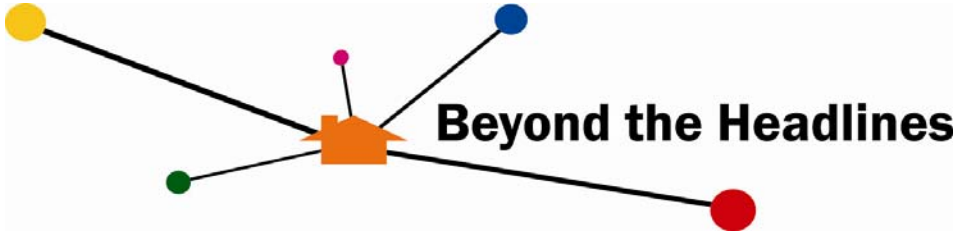
MSN Money

Losing a home? A tax bite may be next

You might avoid debt-relief taxes if your lender forecloses on your house and cancels your mortgage. But you could still wind up owing a lot of money to the IRS.

To read the full story, please click here:

<http://articles.moneycentral.msn.com/Taxes/TaxShelters/losing-a-home-a-tax-bite-may-be-next.aspx>



Los Angeles Times

Homeowners forced to buy flood insurance after FEMA redraws maps

Tens of thousands of homeowners in Southern California are being forced to buy costly flood insurance because new maps issued by a federal agency say they live in a high-risk flood area.

To read the full story, please click here:

<http://www.latimes.com/news/local/la-me-flood-maps4-2010jan04,0,6016681.story>



The Wall Street Journal

Real estate faces tough recovery slog

Real estate, which sparked the global economic downturn in 2008, struggled to recover in 2009. But the path to a full return to health is littered with land mines that could send the sector spiraling downward again, possibly upending the nascent economic revival.

To read the full story, please click here:

<http://online.wsj.com/article/SB10001424052748703521904574614833750873314.html>



San Francisco Chronicle

Foreclosures weigh on home appraisals

Across the country, agents and homebuilders are complaining too many appraisals are coming in low, scuttling deals.

To read the full story, please click here:

<http://www.sfgate.com/cgi-bin/article.cgi?f=/n/a/2010/01/03/financial/f103424S22.DTL&type=realestate>