

The New York Times

### **3-year descent in home prices appears to be at end**

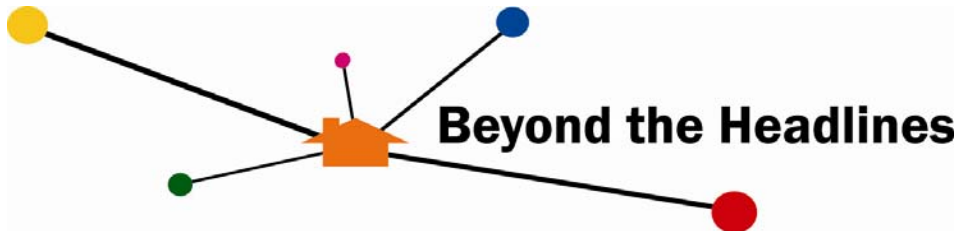
According to recent reports and forecasts by housing analysts, the three-year descent in home prices appears to be at an end. Eight cities, including San Francisco, showed price increases in May, up from four in April, and one in March, according to Standard and Poor's/Case-Shiller Index. For the first time since early 2007, the index of 20 major cities was virtually flat, rather than down.

#### **KEEP THIS IN MIND**

- Earlier reports show that sales of existing homes nationwide rose last month for the third consecutive month, while sales of new homes increased in June by the largest percentage in eight years, according to the NATIONAL ASSOCIATION OF REALTORS® (NAR) and the U.S. Commerce Dept., respectively.
- Although some skeptics believe the market is pausing before home prices decline further, the median price in California's housing market appears to be stabilizing. June marked the fourth consecutive month of rising home prices and the second largest gain on record for the month of June, based on statistics dating back to 1979. The year-to-year decline in June also was the smallest in the past 16 months.
- The S&P/Case-Shiller price index for 20 cities showed a half-percent gain when May was compared with April. It was the first month-over-month increase in the index in 34 months. "It is very possible that years from now we will say that April 2009 was the trough in home prices," said Maureen Maitland, vice president for index services at Standard & Poor's.
- One explanation for the increase in median prices is the rise in demand from buyers, especially first timers taking advantage of the \$8,000 federal tax credit, which expires in December. The NATIONAL ASSOCIATION OF REALTORS® (NAR) is lobbying for the tax credit to be extended and to be replaced with a \$15,000 credit for all buyers.
- Another factor in the market's resurgence is the prevalence of foreclosures, which make up about a third of all existing home sales. "Although another surge of foreclosures is expected later this year, demand remains strong, so the market may be able to absorb more distressed properties without significantly impacting the median price," said C.A.R.'s Chief Economist Leslie Appleton-Young.

To read the full story, please click here:

[http://www.nytimes.com/2009/07/29/business/economy/29housing.html?\\_r=1&ref=business](http://www.nytimes.com/2009/07/29/business/economy/29housing.html?_r=1&ref=business)



MSNBC.com

### **Low-priced foreclosures incite bidding wars**

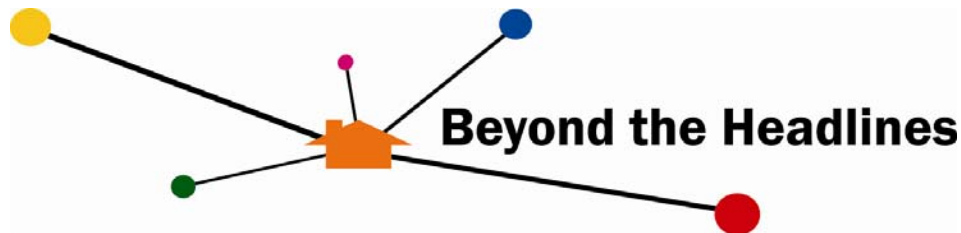
First-time buyers in some areas, especially those with large numbers of foreclosures, are finding that bank-owned properties are sparking bidding wars that drive up sale prices and entice investors – who often pay cash and buy several properties at once.

#### **KEEP THIS IN MIND**

- Buyers are advised to work with REALTORS® to help increase the chances that their offers are accepted on homes, particularly those that are attractive to investors. With guidance from a REALTOR®, buyers can present offers that are more likely to be accepted by a bank. REALTORS® also often have knowledge of properties that are new on the market, and may have not yet caught the eyes of investors.
- Recently enacted federal legislation designed to help people remain in their homes has slowed the flow of foreclosures into the market, lowering the inventory and increasing the demand for remaining homes. In June, C.A.R.'s Unsold Inventory Index (UII) stood at 4.1 months, compared with 7.6 months for the same time period a year ago. The UII indicates the number of months needed to deplete the supply of homes on the market at the current sales rate. Homes priced \$500,000 or below had an unsold inventory of approximately three months in June. In June 2008, the unsold inventory in this price range was nearly 10 months.

To read the full story, please click here:

[http://www.msnbc.msn.com/id/32011159/ns/business-real\\_estate/](http://www.msnbc.msn.com/id/32011159/ns/business-real_estate/)



## In Other News...



The Wall Street Journal

### **New appraisal code raises a row**

New rules aimed at making home appraisals more accurate are raising costs and prompting longer waits to get to the closing table, some in the mortgage industry say.

To read the full story, please click here:

<http://online.wsj.com/article/SB124857099399781509.html>



Mercury News

### **Tax credits give buyers incentives to be energy efficient**

You're probably familiar with some of the federal government's 2009 incentives for home energy efficiency – hefty tax credits for solar panels, solar water heaters, geothermal heat pumps, heavy-duty insulation, windows, air conditioning and like. But these come-ons are just the beginning of an unprecedented, federal government-wide push getting underway for energy conservancy in housing – and even “locational efficiency” benefits.

To read the full story, please click here:

[http://www.mercurynews.com/realestatenews/ci\\_12885742](http://www.mercurynews.com/realestatenews/ci_12885742)



Los Angeles Times

### **Moving down: A way to avoid foreclosure**

People with the means to do so move up the housing ladder, trading in smaller, less expensive places for larger, better-equipped ones that are perhaps even in a better neighborhood. So why shouldn't people who no longer can afford the house they live in be able to move back down the ladder, replacing – but not displacing – a family that is having money problems of its own?

To read the full story, please click here:

[http://www.latimes.com/classified/realestate/news/la-fi-lew26-2009jul26\\_0,7005582.story](http://www.latimes.com/classified/realestate/news/la-fi-lew26-2009jul26_0,7005582.story)



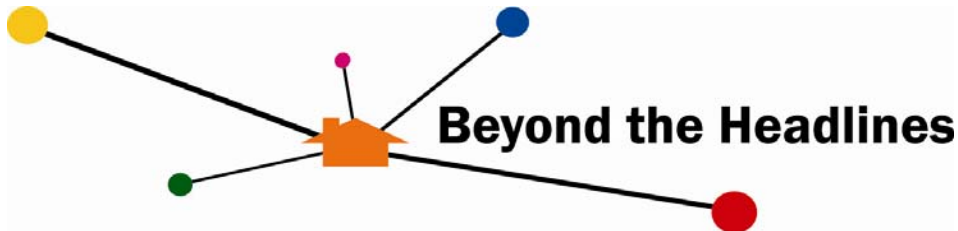
San Gabriel Valley Tribune

### **A mixed bag for local San Gabriel Valley housing**

For the fourth month in a row, the median price of a single-family home in California rose in June as first-time local home buyers and cash-ready investors took advantage of low prices – which continued creeping up.

To read the full story, please click here:

[http://www.sgvtribune.com/ci\\_12924226](http://www.sgvtribune.com/ci_12924226)



San Francisco Chronicle

#### **Bargains, tax credit help boost new-home sales**

New-home sales rose last month at the fastest clip in more than eight years as buyers eagerly took advantage of bargain prices – a clear sign, economists said, that the real estate market may finally be bouncing back.

To read the full story, please click here:

<http://www.sfgate.com/cgi-bin/article.cgi?f=/c/a/2009/07/28/BUV918VT0A.DTL&type=realestate>



Los Angeles Times

#### **June existing home sales rise by 3.6 percent**

Signaling a housing recovery is under way in much of the country, sales of previously occupied homes rose for the third month in a row in June.

To read the full story, please click here:

<http://www.latimes.com/business/la-fi-homes24-2009jul24,0,1324378.story>



Reuters

#### **U.S. housing turning corner but consumers lack confidence**

U.S. home prices rose in May for the first time in three years, suggesting the housing market is stabilizing, but a weakening job market hit consumer confidence in July and could prevent near-term economic recovery.

To read the full story, please click here:

<http://www.reuters.com/article/GCA-CreditCrisis/idUSN2840693720090728>



The Wall Street Journal

#### **Homeowner vacancy declines, but so does homeownership**

One sign of possible stabilization in the U.S. housing market: the homeowner vacancy rate fell to 2.5% last quarter, the lowest since the third quarter of 2006.

To read the full story, please click here:

<http://blogs.wsj.com/developments/2009/07/27/homeowner-vacancy-declines-but-so-does-homeownership/>