

*"A Housing-driven Recovery" REALTOR®
Magazine Article (Housing market has turned
the corner)*

I ran across this article today whilst thumbing through my copy of REALTOR_® Magazine.

It was written by the Chief Economist for the National Association of Realtors® Lawrence Yun.

Incase you haven't heard of Lawrence Yun, he is one of the most brilliant economists I have ever kept my eye on.

He has predicted nearly every significant "happening" in the Real Estate economy long before any of them took place.

His words are not to be taken lightly. Anyways, with out any further delay, here is the article:

"A Housing-driven Recovery:

It's a good bet the economic picture will remain highly uncertain as we head into 2009. Yet there's good reason to believe the housing market has turned the corner. Housing in some of the country's hottest markets during the boom-California, Florida, and Nevada, among others-is once again starting to experience gains in home sales. The reason is increased affordability.

Existing single-family home prices have come down an average 20 percent to 30 percent in these hard-hit markets in the 12 months preceding September 2008. That price moderation has provided a compelling incentive to buy for households who've been sitting on the fence for the last two years.



The federal government has also helped with its long-sought increase in the conforming and FHA loan limits and the enactment of the \$7,500 first-time homebuyer tax credit.

Even if the economy stays in the doldrums, it's likely that existing-home sales will remain on an upward trajectory. New-home sales will continue to struggle because of the inventory-overhang.

During the 2001-2003 downturn, the economy shed some 2 million jobs, yet existing-home sales rose from 5.2 million to 6.2 million units. The fact is, home sales can improve even in a recession if afford-ability improves. After all, even in a deep recession, I would expect that 93 percent of the workforce will retain their jobs.

To assure that housing continues its return to stable growth, NAR will be aggressively pushing to strengthen federal home-buying incentives.

Home sales have historically been the power-house for pushing our economy back into growth mode after a downturn. Given signs that improving affordability conditions are starting to drive home sale gains, the signs are good that home sales will spur the next economic recovery."

"Sales Still Up:

Existing single-family home sales were up in September as buyers took advantage of low prices. The EHS sales pace was 5.18 million units, up 5.5 percent from 4.91 million in August. NAR's forward-looking pending home sales index dipped to 89.2 from 93.5 in August, but was 1.4 percentage points higher than the 87.8 index in September 2007."

"Improvement Seen For Spring:

Practitioners' expectations for sales activity over the next six months is up



at the prospect of a solid spring shopping season. Confidence in current seller and buyer traffic remains down, but federal efforts to shore up the economy haven't kicked in yet."

-Realtor® Magazine, December 2008 issue, page 14.

Hope you enjoyed this, please pass it along. As any intelligent person knows, half the battle is consumer confidence. It appears the media doesn't understand this concept as they continue to damn the market with their words. Do your part, spread truth.

-Brendan Winans

