

Immediate Release

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Kentucky Housing Market Remains Stable in 2010 *Housing affordability outlook positive*

Lexington, KY – Home prices in Kentucky have remained stable through 2010, according to the Kentucky Association of REALTORS® (KAR), with less than a tenth of one percent drop in the median sales price compared to 2009. For year end, the median price of a home in Kentucky was \$104,500, 40 percent less than the national median of \$172,700.

“Housing affordability could not be better than it is right now,” stated KAR President Tony Clark, at a recent news conference. “With interest rates still extremely low, inventory at a good level and prices remaining steady year over year, buyers, and sellers who want to move up, have found themselves in an ideal environment.”

For the year, home sales within the state declined slightly, down 3.7 percent compared to 2009, however, the market looks to be turning the corner in 2011 according to Mr. Clark. In fact, the latest Pending Home Sales Index indicator, released by the National Association of REALTORS® (NAR) showed a positive gain for the fifth time in the past six months, marking a trend that shows a gradual recovery to the housing market nationwide and a good sign for Kentucky.

And the overall economic recovery could use a boost from housing as a healthy real estate market goes hand in hand with faster job growth and stronger confidence from consumers.

“For every home purchased, \$60,000 is pumped into the U.S. economy through peripheral services,” said NAR President-Elect Moe Veissi, who joined Mr. Clark at the news conference. “This, in turn, creates jobs as over 80 different occupations are touched through the sale of that one home.”

Veissi continued by saying that real estate is about job creation noting that housing accounts for more than 15 percent of the national gross domestic product. He also pointed out that of the last ten recessions in this country, eight have ended as a result of a robust housing and construction market, signaling that America relies on a stable real estate atmosphere.

The pair also discussed foreclosures and the impact these are having on the economy, both nationally and locally. On a national level, the situation has been more drastic than

what Kentucky has faced to this point, although Mr. Clark added the Commonwealth has not been immune to problems relating to the issue.

“Kentucky’s foreclosure sales hit only 13.5% of the total sales for the second quarter in 2010, a much lower percentage than the national average of just over 24% for the same period,” added Mr. Clark. “On the other side of the coin, however, is that Kentucky posted the nation’s second highest average foreclosure discount - Kentucky real estate owned properties (REOs) sold for an average discount of 48 percent, which is good news for those looking to purchase in this arena.”

A key point made during the conference was that buyers need to go into the home buying process well prepared, which means, among other things, maintaining a good credit score, being pre-qualified for a mortgage, saving for a manageable down payment and a complete understanding of the responsibilities of being a home owner.

Mr. Veissi continued by saying that at some point over the last several years, the views on housing changed and that “real estate has never been a short term investment, but a long term portfolio builder that benefits individuals and families and strengthens our communities.”

This fact was made clear in a recent survey conducted by Harris Interactive which showed an overwhelming majority (93 percent) of home owners are happy with their decision to own a home.

“Fifty eight percent of Americans expect the housing market to recover after 2012,” said Mr. Clark. “In Kentucky, the recovery is already taking place as we never had the so-called bubble others felt and prices continue to remain stable just as they have over the last several years. Contact your local REALTOR® to find out if buying or selling makes sense for your particular situation.”

The Kentucky Association of REALTORS® (KAR), Inc. is one of the largest and most influential associations in Kentucky. Founded in 1923, KAR represents 9,500 REALTORS® who are involved in all aspects of real estate, including residential and commercial real estate brokers, sales agents, developers, builders, property managers, office managers, appraisers and auctioneers. In addition to serving the professional needs of its members, KAR works to protect the rights of private property owners in the state by recommending and promoting legislation that safeguards and advances the interest of real property ownership.

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