

# Real Estate REPORT



Real Estate Report - a monthly update from the Kentucky Association of REALTORS®

March 09 Issue

## 2009 BROKER SUMMIT

THE 2009 KAR BROKER SUMMIT, the only statewide broker training event in Kentucky. With the market changing rapidly, it's important to adapt, and adopt, in order to retain a competitive edge. As Kentucky real estate brokers, managers and owners, the Kentucky Association of REALTORS® strives to offer you the most essential and current information on industry issues and trends to help your business prosper. The Summit will offer national speakers and discussion sessions, as well as a variety of networking events to help keep you on top of your game. By attending this event, you will discover real solutions for real challenges. You can connect with the best in the industry and implement real solutions at your office immediately. There is no better time for education then now.

### April 23 & 24, 2009 - Crowne Plaza, Lexington, KY

**Registration fee: \$99**

Download a registration form at [www.kar.com](http://www.kar.com)

(includes all materials needed as well as breakfast, lunch and reception)

For hotel reservations at the Crowne Plaza, call 859.255.4281. Reference the KAR Broker Summit.

Room rates start at \$85/night.

For more information, call 800.264.2185.



Marc Davison, founder of 1000Watt Consulting, is a force of nature. He is perhaps the most creative, challenging and amusing thinker in real estate today. His perspective on real estate's future is totally original. There's no hype. No tired statistics on web adoption. Just pure visionary thinking of the highest order. He is also a regular columnist for Inman News.



Laurie Janik, general counsel for the National Association of REALTORS®, has been with NAR since 1977. She is a frequent speaker at REALTOR® association meetings and is well-known for her broad range of knowledge on national real estate related lawsuits as well as legal issues and responsibilities.



Dave Adkisson, president and CEO of the Kentucky Chamber of Commerce, earned his master's degree from Harvard University. He began his career with the Owensboro Chamber of Commerce. At age 34, Adkisson was elected mayor of Owensboro and led the effort to revitalize Owensboro's downtown, created the RiverPark (performing arts) Center.

## Sign up to sell Fannie Mae, Freddie Mac REOs

Get information on and participate in selling Fannie Mae and Freddie Mac REO properties. The Freddie Mac HomeSteps program invites practitioners to sign up to receive, every week, a list of homes for sale in up to 10 zip codes, and also puts practitioners in Freddie Mac's local professionals database.

Fannie Mae's National Property Disposition Center manages its REO properties. Fannie adds vendors, including real estate professionals, as needed, pursuant to its online application process.

<https://www.efanniemae.com/is/npdcvendors/vendorapp.jsp>

[http://www.homesteps.com/rl01\\_sell\\_agentsselect.htm](http://www.homesteps.com/rl01_sell_agentsselect.htm)

## Housing starts unexpectedly surge

Initial construction of U.S. homes unexpectedly surged in February, according to a government report released Tuesday. Housing starts rose to a seasonally adjusted annual rate of 583,000 last month, up 22% from a revised 477,000 in January, according to the Commerce Department. Economists were expecting housing starts to decline to 450,000, according to consensus estimates compiled by Briefing.com.

Applications for building permits, considered a reliable sign of future construction activity, rose 3% to a seasonally adjusted annual rate of 547,000 last month. Economists were expecting permits to fall to 500,000. Permits for future home construction in the South, which includes Kentucky, rose 5.9 percent from January to February but were still 46 percent lower than the year before.

Source: CNNMoney.com

## April is Fair Housing Month

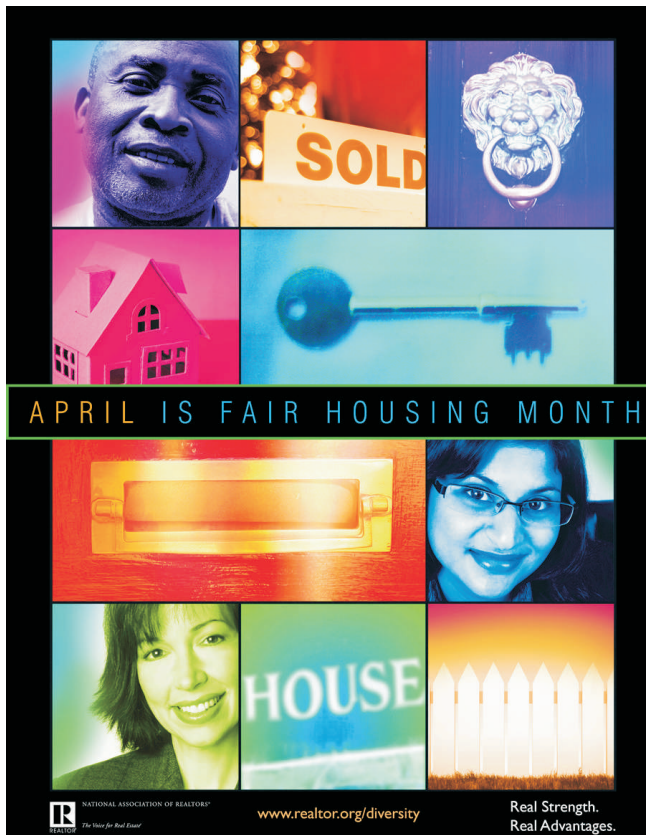
The Fair Housing Act establishes a national policy of fair housing. The law makes it illegal for any person or business to discriminate in the sale, lease, advertising or financing of housing - or making housing otherwise unavailable - because of:

- race
- color
- religion
- sex
- handicap (disability)
- familial status
- national origin
- sexual orientation

Visit [realtor.org](http://realtor.org) for other resources available.

### A REALTORS®' PLEDGE

A REALTOR® pledges to conduct business in keeping with the spirit and letter of the Code of Ethics. Article 10 imposes obligations upon REALTORS® and is also a firm statement of support for equal opportunity in housing.



## New appraisal regulations under fire

Beginning May 1, the responsibility for managing home appraisals will move to a middleman, known as appraisal management companies or AMCs. Under new federal regulations, mortgage brokers and loan officers can't directly order appraisals. Instead, they are expected to go through third-party AMCs, which are supposed to prevent them from pressuring appraisers. But critics of the new plan say nobody is watching the AMCs.

"The new rules have transferred the improper influence problem to these appraisal management companies, which are not regulated by anybody," says Bill Garber, director of government affairs at the Appraisal Institute, a non-profit trade group.

"The marketplace is still vulnerable to appraiser pressure because the incentives are still there to get deals done and collect the fees," says Susan M. Wachter, professor of real estate at the University of Pennsylvania's Wharton School.

Federal housing officials, who helped write the new laws, say they will hold AMCs accountable.

James B. Lockhart, director of the Federal Housing Finance Agency, which oversees Fannie and Freddie, says, "If AMCs are applying undue pressure, that would be a violation of Fannie and Freddie rules, and we would take action."

Source: *Business Week*



### Mobile spam legislation introduced

National legislation has been introduced that would limit unsolicited text messages on mobile phones. Currently an exemption exists for prior existing business relationships so that REALTORS® who text their current or past clients should not be affected by this legislation.

[Click here to learn more.](#)



To help members through today's difficult market, NAR is making all of its programs, resources, tools and materials available at cost, at steeply discounted prices or absolutely FREE. Each month new resources are added. See what's available for April at the "Right Tools, Right Now" Web site.

[Click here](#)

## Online CE courses available

It is now possible to earn CE credit for your real estate license renewal without leaving your home or office. These courses may be entered and exited at your convenience. Once you register for a course, you can begin immediately. All course work must be completed in a 12-month period to earn CE credit. Your completion date of the course determines the year the credit will be issued.

Three courses are available:

*Environmental Issues in Real Estate* - 6 hours (3 hours law credit & 3 hours elective credit)

*Real Estate Finance Today* - 3 hours (3 hours elective credit)

*Fair Housing* - 3 hours (3 hours law credit)

[Click here to learn more](#)

## Kentucky unemployment rate up to 9.2 percent in February

Kentucky's unemployment rate rose to 9.2 percent last month from January's revised 8.8 percent, the state said today. The February rate was the highest in Kentucky since the 9.2 percent jobless rate recorded in December 1986, the state Office of Employment and Training said.

"Employment declines reflect a prolonged manufacturing slump reverberating throughout the economy, a financial crisis impaling multiple sectors and causing delays and cutbacks in construction projects, and retrenchment by consumers rippling through numerous industries," said Justine Detzel, the OET's chief labor market analyst.

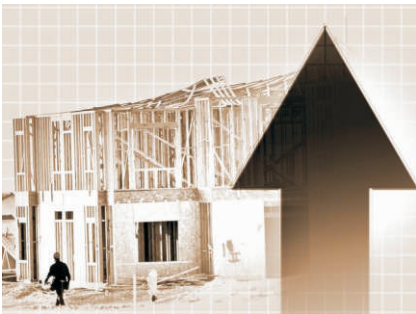
The February 2009 unemployment rate is 3.6 percentage points higher than the 5.6 percent rate recorded in February 2008. "This marks the largest year-over-year increase in the unemployment rate since Kentucky started keeping records in January 1976," said Detzel.

Source: *Louisville Courier-Journal*

## February existing home sales rise by 5.1 percent

Sales of existing homes rose from January to February in an unexpected boost for the slumping U.S housing market as buyers took advantage of deep discounts on foreclosures.

The National Association of REALTORS® said that sales of existing homes grew 5.1 percent to an annual rate of 4.72 million last month, from 4.49 million units in January. It was the largest sales jump since July 2003.



Sales had been expected to fall to an annual pace of 4.45 million units, according to Thomson Reuters.

The median sales price

plunged to \$165,400, down 15.5 percent from \$195,800 a year earlier. That was the second-largest drop on record.

February's median sales price was up slightly from January, which recorded the lowest median price since September 2002. Prices are down about 28 percent from their peak in July 2006.

In contrast with the housing boom, when buyers took out ever-riskier loans and maxed out their home equity lines, "homebuyers are not over stretching," said Lawrence Yun, the REALTORS®' chief economist. "They want to stay within their budget."

Source: *Associated Press*

## Average commission rates rise

Despite the fact that commission income is down for most REALTORS® in our sluggish economy, the good news is that - after several years of declines - average commission rates are RISING. Bernice Ross, frequent columnist for Inman News, explains this phenomenon in an interesting article, "Commission rates up, but agents earn less."

She notes, "In a buyer's market, the 'value' of an experienced agent who can close a difficult transaction increases dramatically. Despite the tremendous number of REO, short sale and foreclosure properties where commissions are normally set at 5 percent or less, commission rates in 2008 increased just as they have in previous buyer's markets."

[Click here to read the entire article](#)

Source: *Inman News*

## One in five Americans plan to buy a home despite economic conditions

While half (52%) of all Americans are concerned they or someone they know will face foreclosure in the next six to 12 months, 23% of adults plan to purchase a home in the next five years, and more than half of them (53.5%) are first time homebuyers, according to a new survey commissioned by Move, Inc.

The Move survey also found nearly one out of five home owners (18.9%) plan to take advantage of the administration's new program to help prevent foreclosures. While searching for answers in the past 12 months, 21% of all homeowners with a mortgage contacted a lender to restructure their loan. Half (10.6%) of those homeowners that contacted their lender experienced success while 5% still await an answer.

Determined to remain in their homes, nearly three-quarters (72%) of adults reduced spending in the past year in order to make monthly mortgage or rent payments, mostly by cutting discretionary spending such as vacations, entertainment and eating out (75%), personal items such as clothing, personal care and personal luxuries (72%), and energy costs such as gasoline and utilities (71.6%). Regardless of age, most Americans are cutting spending back from some aspect of their life to pay housing costs.

Despite today's challenging market conditions, 18.1% of adults plan to buy a home this year in order to take advantage of the \$8,000 tax credit recently passed by Congress in the administration's economic stimulus package.

[Read more here](#)



## Sign up for a NAR committee and serve at the national level

Start by completing an expertise profile and then submit a recommendation via the online Committee Recommendation database on REALTOR.org (search keyword: Committees). By doing this, you will provide all levels of the REALTOR® family (including the local, state and national Associations) with key information about you and your professional experience.

The information that you will provide in this profile will be used as a resource in a variety of ways, including identification of members with certain expertise to serve on committees, working groups, presidential advisory groups and to respond to surveys about association issues, products, services, etc.

Please note: completing your expertise profile is not synonymous with submitting a committee recommendation for yourself! If you wish to serve on a committee, you must still enter a self-recommendation and/or recommend someone else.

### Calls for 2009 Award Nominations

**Distinguished Service Award**  
**Deadline: Friday, June 12, 2009**

**REALTOR® of the Year Award**  
**Deadline: Saturday, August 15, 2009**

**Nat Sanders Education Award**  
**Deadline: Saturday, August 15, 2009**

**REALTOR® Community Service Award**  
**Deadline: Saturday, August 15, 2009**

**Please visit the KAR Web site ([www.kar.com](http://www.kar.com)) for nomination forms and more information about each of these awards.**

## Join KAR on Facebook, LinkedIn and ActiveRain

Join now and become a member of the KAR groups! KAR has added additional sites to its list of social networking outlets.

If you are not currently on these sites, getting started is easy. Just log on to [www.facebook.com](http://www.facebook.com), [www.linkedin.com](http://www.linkedin.com) or [www.activerain.com](http://www.activerain.com) and set up a profile.

Joining is free and once you become a member, you can request to be added to the KAR groups. That's all there is to it.

To locate the KAR groups, use the search feature or go directly to the group:

### Facebook

[www.facebook.com/group.php?gid=9244727021](http://www.facebook.com/group.php?gid=9244727021)

### LinkedIn

[www.linkedin.com/groups?gid=1323837](http://www.linkedin.com/groups?gid=1323837)

### ActiveRain

[activerain.com/groups/kar](http://activerain.com/groups/kar)



## Lead generation response rates low

Most real estate agents won't expend much effort responding to inquiries generated by their own Web sites when they concern another broker's listings - if they respond to them at all - according to a secret shopper test of 100 IDX-powered broker Web sites by the consulting firm WAV Group.

The test was aimed at exploring whether Internet Data Exchange (IDX) reciprocity agreements are serving the needs of consumers, or if they undermine the relationship between consumers and REALTORS® by over representing the depth of knowledge a site owner has about listing details.

Many real estate brokers display not only their own listings on their Web sites, but those of other members of their multiple listings service (MLS) via IDX agreements governing the sharing and display of property information online. Those brokers will commonly refer inquiries that come through their Web sites to their own agents, even when the inquiries concern properties listed by another broker.

A WAV Group white paper summarizing the secret-shopper test results concludes that customer satisfaction is likely to be higher when consumers visit sites that syndicate listings such as Realtor.com, Yahoo! Real Estate, Google Base, Trulia, Zillow and Cyberhomes, because those sites refer inquiries to the listing broker or agent.

[Click here to read more](#)

Source: *Inman News*



### Home ownership still the American dream

A national consumer survey by Trulia overwhelmingly shows that the "American Dream" of owning a home is still alive even as the recession deepens.

More than 3 in 4 Americans surveyed still consider owning a home as a part of achieving their personal American Dream, but consumers agree that economic incentives, among the policies advocated in the housing plan put forward by the Administration, are not the most important things that can be done to restore faith in the American Dream of home ownership.

Source: *Real Trends*