

Real Estate REPORT

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



August 08 Issue

KAR Convention & Expo - September 2008

The 2008 KAR Annual Convention & Expo will be held in Covington, Kentucky (just outside of Cincinnati) at the Northern Kentucky Convention Center and Embassy Suites from September 23 - 25.

The Northern Kentucky Convention, the first in five years, is always a huge hit with attendees and expect this year to be even better. Events include a Tuesday night outing to Gameworks, a fun and informal network gathering, where members can relax with food, fun and more entertainment than should be allowed. Wednesday evening is a reception at the Cincinnati Reds' Great American Ballpark, another upbeat way to mix and mingle with fellow members from across the state. Tours of the Reds' Hall of Fame and Museum as well as the Ballpark will be available during the reception.

The speaker lineup is out of this world with the keynote being delivered by serial entrepreneur and trend analyst Michael Tchong. KAR has also brought back Terry Watson who will be teaching several sessions during the convention. New for 2008 will be one and a half hour educational sessions mixed in with the three hour continuing education courses giving attendees more diverse learning opportunities.

Other highlights include:

- CRS/GRI elective course taught by Ed Hatch
- Technology update courses
- Committee and service area meetings to keep members in-the-know
- Installation dinner to formally announce next year's association leadership

**Register now
at www.kar.com**

Register now at www.kar.com and receive early-bird pricing through August 15. New for 2008 - a one-day pass is available for Wednesday only at a discounted rate. Check the website for more details.



More information about the 2008 Convention & Expo can be found online at www.kar.com:

- › Schedule of events
- › List of speakers
- › Entertainment and networking options
- › Hotel reservation information
- › Meeting and seminar times
- › Continuing education offerings



Michael Tchong
Trend Analyst



Terry Watson
International Speaker



**And don't miss the
nightly events at
Gameworks and
Great American Ballpark.**

Register for the 2008 KAR Annual Convention & Expo at www.kar.com



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a Cadillac CTS!**

Housing Bill Signed By President

Housing and Economic Recovery Act of 2008

Amount of Credit - Ten percent of cost of home, not to exceed \$7500

Eligible Property - Any single-family residence (including condos, co-ops) that will be used as a principal residence.

Refundable - Yes. Reduces income tax liability for the year of purchase. Claimed on tax return for that tax year.

Income Limit - Yes. Full amount of credit available for individuals with adjusted gross income of no more than \$75,000 (\$150,000 on a joint return). Phases out above those caps (\$95,000 and \$170,000, respectively).

First-time Homebuyer Only - Yes. Purchaser (and purchaser's spouse) may not have owned a principal residence in 3 years previous to purchase.

Recapture - Yes. Portion (6.67 % of credit) to be repaid each year for 15 years. If home sold before 15 years, then remainder of credit recaptured on sale.

Effective Date - Purchases on or after April 9, 2008

Termination - July 1, 2009

Interaction with Alternative Minimum Tax - Can be used against AMT, so credit will not throw individual into AMT.

A significant piece of housing legislation was signed into law on July 30 by the President that is aimed at helping home buyers, slowing the rising rate of foreclosures and stabilizing the housing market throughout the country and within the Commonwealth.

The centerpiece of the legislation is a \$7,500 tax credit for first-time home buyers, as well as reform of the government-sponsored enterprises (GSE) Fannie Mae and Freddie Mac, permanent increases to both GSE and Federal Housing Administration (FHA) loan limits and a program to expand FHA that would allow more homeowners to refinance their mortgages.

To find out more about this legislation and how it will affect homebuyers, key provisions of the bill and answers to questions about the tax credit, visit the KAR website or [click here](#).

Award Deadlines **(Deadlines are August 15)**

[REALTOR® of the Year](#)

[Nat Sanders Education Award](#)

[REALTOR® Community Service Award](#)

Award forms can also be found on the KAR website (under About KAR and Recognition & Awards).

Make Your BUSINESS THRIVE!

If success is your destination, we have a GPS that will take you to it.

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NATIONAL ASSOCIATION OF REALTORS®
The Voice For Real Estate®

NAR Applauds New Affordable Health Care Proposal

The National Association of Realtors is responding warmly to a new health insurance proposal that it believes could help hundreds of thousands of its members obtain affordable health coverage.

In a statement released by the trade association, it thanked Reps. Nydia Velazquez, D-N.Y., and Joe Pitts, R-Penn., for introducing the legislation.

Titled the Small Business Cooperative for Healthcare Options to Improve Coverage for Employees Act, the bill would encourage professional associations, credit unions and others to form pools for the purpose of offering reinsurance for excess claims.

It also offers incentives for the self-employed and small business employers to join cooperatives that provide a refundable tax credit for a large portion of the amount contributed to pay the insurance premiums for workers and their families.

KAR Accepting Leadership Nominees

The Kentucky Association of REALTORS® announces the following openings for 2009 Leadership Positions:

- President-Elect
- Treasurer-Elect
- At-Large Director (3 positions)
- Region Director (3 positions - *Regions 2, 4 & 6*)
- At-Large Delegates (3 positions)
- NAR Director

Candidate nomination forms are due to KAR by August 15, 2008.

The nomination form, as well as election information, can be found on the KAR website (under About KAR and Leadership) or by [clicking here](#).

NAR Offers Free Handouts for Clients

Reinforce your real estate expertise with prospects and clients by providing educational handouts on hot topics, from how to choose the best mortgage to moving safely with pets. Print copies of the handouts or customize them with your branding.

For Buyers

10 Ways to Prepare for Homeownership
5 Common First-Time Home Buyer Mistakes
Why You Should Work With a REALTOR®
Questions to Ask When Choosing a REALTOR®
7 Reasons to Own Your Home
Tax Benefits of Homeownership
Take the Stress Out of Homebuying

For Sellers

Does Moving Up Make Sense?
8 Reasons Why You Should Work With a REALTOR®
12 Questions to Ask When Choosing Your REALTOR®
5 Things to do Before Putting Your Home on the Market
Understand Agency Relationships
What is Appraised Value?

[Click here](#)



How Important Are Photos to an Online Listing?

At the recent Real Estate Connect held in San Francisco, a panel discussion was held that discussed the importance of photos relating to the click through rates of online listings.

[Click here to learn more.](#)

REALTOR.com's research shows photos are not only important for getting consumers to click on listings, but that consumers use them as one measure of an agent's abilities. And it's well established that multiple photos increase the likelihood that consumers will click on a listing but that message hasn't hit home with some brokers and agents, a panel member explained.

Important KREC Updates

There were three items of particular interest to Kentucky REALTORS at the July 24, 2008 Kentucky Real Estate Commission meeting.

1. New interpretation of KRS 324.160(4)(p) - The Commissioners voted on a new interpretation of KRS 324.160(4)(p). Under this new ruling, if a seller who is under a listing agreement contacts a different agent or broker prior to the expiration of the current listing, the contacted licensee may meet with the seller to discuss the listing and may enter into a listing contract that will take effect upon the expiration of the current listing ("effective date"). This new ruling in no way allows licensees to contact sellers, either directly or indirectly, in order to pursue their listing agreement. Associations may want to consider amending their form listing agreements to address the "effective date" issues for situations like these. In addition, the Commission recommends that the new listing agent ask the seller to sign off, indicating that the seller contacted the agent and on what date. This could also be made a part of the revised listing agreement. The signatures should be for the actual dates that the seller and listing agent sign the document.

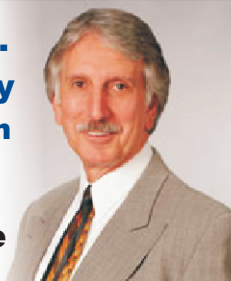
2. Unlicensed practice as auctioneers - It has been reported that some real estate agents in Kentucky are soliciting auctions. It is unlawful for any person to act as an auctioneer without an auctioneer's license. The penalty for acting as an auctioneer without a license is set forth in KRS 330.990. An auctioneer is defined KRS 330.020(2), as "any person who offers, negotiates, or attempts to negotiate a listing contract, sale, purchase, or exchange of goods, chattels, merchandise, real or personal property, or of any other commodity which may lawfully be kept or offered for sale by or at public auction." Additionally, there have been concerns regarding auction advertising. Any advertisements for a real estate auction must include the name of the principal auctioneer and an indication that he or she is the auctioneer. See 201 KAR 3:005. Violation of this administration regulation could result in sanctions against the auctioneer's license. All auctions shall be conducted by a licensed auctioneer and all advertisements shall contain the name of the principal auctioneer associated with the auction-KRS 330.110(8).

3. New Element for Kentucky Deeds - Under the provisions of House Bill 182, all Kentucky deeds must contain an "in-care-of" address where the taxes owed on the property in the year of transfer will be paid. The bill goes into effect as of August 1, 2008.

Please direct any questions or comments to KREC General Counsel Lee Harris, lee.harris@ky.gov, 888-373-3300 ext. 12.

**The New Negotiating Edge...
A 5-Step Behavioral Strategy
with Ed Hatch**

**Download the form at
www.kar.com or click here**



CRS/GRI Elective Course

**Tuesday, September 23
Northern Kentucky Convention Center
Covington, Kentucky**

**Facts At
A Glance**

Get Your Own .Me Domain

Open registration for .Me domains starts today. The domains, which were previously reserved for entities based in the country of Montenegro, are now available for anyone to purchase.

REALTORS® using their own names as their main branding element would be wise to snag that URL. It might be a unique marketing angle (...for a short while anyway) but in any case, it would be good to stake your claim on it, even if you don't end up using it.

State Political Coordinator Network

As you already know, KAR works to advance home ownership, real estate investment, private property rights, unencumbered transfers of property, and the free enterprise system in Kentucky. As small business owners and entrepreneurs, KAR seeks to support and enhance the ability of members to grow and succeed in their business in an ethical and competent manner. Additionally, KAR supports increased civic participation and input in the legislative process through open and public access to and communication with elected officials in Kentucky. With over 11,000 members across the Commonwealth, KAR is well positioned to capture the attention of state legislators and establish our association as the definitive resource for the Kentucky real estate industry.

All politics is local; it is critical that we harness the energy, enthusiasm, and knowledge of our members and connect with policymakers starting at the local level. REALTOR® interest and involvement with local politics and issues will not only help the Kentucky real estate industry thrive and prosper, it will also strategically position your local association as a vital resource for legislators. Our lobbying and government affairs efforts are most effective when Kentucky legislators have a direct connection to the voices of Kentucky REALTORS®.

Therefore, Kentucky Association of REALTORS® is pleased to announce an exciting new grassroots initiative designed to help connect you directly with state legislators on a personal level - the KAR State Political Coordinator Network!

The State Political Coordinator (SPC) Network will strategically match REALTORS® with their state Senator and Representative in a positive, one-on-one relationship. The intent is to maintain, enhance, and foster high quality, local REALTOR® contacts for state Senators and Representatives regarding real estate issues in Kentucky. We identify the policymakers who are driving the issues that affect us and reach out to learn more about their goals and concerns. Then, as key issues develop in the General Assembly, specific members of the SPC Network will mobilize to relay the REALTOR® position to their designated legislator. Through strategic and targeted use of personal relationships with legislators, we will put a local and personal touch to legislative and political advocacy using a trusted and respected source - YOU!

As a REALTOR® you have committed yourself to a higher standard in the real estate profession. Why not take your commitment to the next level and get involved with this exciting grassroots program today! If you know a current Kentucky state Senator or Representative, please email KAR Governmental Affairs Director James Sharp at jsharp@kar.com or call 800.264.2185. In the subject line, please put "SPC Network". For more effective matching, please briefly describe the nature of your relationship with the legislator and any other important information.

RPAC *Did You Know?*

Kentucky REALTORS® are a politically-minded and active group. KAR has the second highest percentage of REALTORS® registered to vote in the nation. Only Iowa has a higher percentage.

o **KY REALTORS® registered to vote: 87.83%**

o **Overall Kentucky voter registration: 66.97%**

o **National average REALTOR® registration: 73.03%**

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NAR Dues Deductibility

PLEASE NOTE: the non-deductibility of NAR dues for 2008 has had to be adjusted due to a large increase in the national Government Affairs budget approved this year by NAR's Board of Directors.

Compliance with the Tax Reform Act of 1993 requires that the portion of dues attributable to lobbying and political activities at the State and Federal levels of government be considered nondeductible for income tax purposes. This nondeductible portion must be disclosed to members on their dues invoice each year.

For 2009, with dues at \$80 per member, NAR computes 33 percent or \$26 to be nondeductible for the member's income tax purposes due to NAR lobbying efforts. This percentage is somewhat higher than in past years due to increased lobbying, advocacy and grassroots efforts across the country as well as new programming approved by the Board of Directors as part of NAR's Second Century Initiatives. Please note that the entire \$35 Public Awareness Campaign special assessment qualifies as fully deductible.

SPECIAL NOTE REGARDING 2008 - As noted above, NAR has increased its lobbying and grassroots efforts to ensure that Realtor interests are well represented, especially during this 2008 election year. Accordingly, the 2008 nondeductible dues computation has increased from the previously reported 22% (or \$18) to 31% (or \$25).

Education Calendar

The education calendar has been updated for the remainder of the 2008 calendar year.

Visit the KAR website for an updated list of courses or call 800.264.2185.

GRI Elective Course

Friday, October 10
Lexington Bluegrass Association of REALTORS®

Expanding Your Market:
Global Clients, Local Markets
9am-12pm • 3 hours elective

Risk Reduction: International Business
Factors Affecting Your Local Market
1pm-4pm • 3 hours law



Approved for GRI elective credit and CE credit. Call 800.264.2185 for more information or register at ims.kar.com.

Kentucky REALTORS® On Facebook

The Kentucky Association of REALTORS® has established a presence on Facebook, one of the leading social networking sites on the Internet. The launch represents KAR's expanding presence into new media venues.

Members may view KAR's Facebook page without joining the group (but not without a Facebook profile), however, members are encouraged to sign up and join. It's free and is a great way to get started into social networking and to network with colleagues.

The page includes an overview of the Association and its mission, information about upcoming events, a discussion board and networking and sharing options.

[Take a tour of the new KAR Facebook page.](#)

GRI Courses

The entire 2008 GRI schedule is now available on KAR's website. [Click here](#) for the entire pdf.

August 6 & 7
GRI 1: Professionalism in Real Estate
Elizabethtown, KY
270.765.4846

August 27 & 28
GRI 2: Smart Marketing
Owensboro, KY
270.685.4977

September 10 & 11
GRI 4: From Offer to Contract to Closing
Edgewood, KY
859.344.8400