

Press Release
Cincinnati Area Board of Realtors®

The following press release was sent to the local media today at 10:30 a.m.

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1,197 Homes Sold in December; 16,903 Sold During 2010

Home sales last month -- at 1,197 units -- displayed two positive trends:

- ✓ December sales were 8.6% greater than November, which had 1,102 sales. A year ago, it was just the opposite, where December sales were weaker than November by 17%.
- ✓ Although December sales were 9.39% less than the same month a year ago, when 1,321 homes sold, it was better than the November 2010 to November 2009 comparison, which was off 30%.

“Home sales are headed in the right direction,” said Pete Kopf, president of the Cincinnati Area Board of Realtors. He cited these reasons:

- 1) Home prices have stabilized;
- 2) Interest rates are beginning to trickle up, encouraging would-be buyers to become actual buyers in order to still obtain an interest rate near 5%; and
- 3) Pent-up demand for home ownership is on the climb, since some rents have increased, making home ownership the more viable choice.

Average home sale price for December, at \$160,554, was up 4.94% from the same month a year earlier, and for the entire year the price was up 4.90%. Some of that price increase was based on a greater number of higher end sales, at higher average prices, in December 2010. The \$500,000-and-up homes sold last month increased 9.8% compared to the same month a year ago.

Kopf said the upward trend in average home selling price points out that more persons are seeing the advantage in buying at today's favorable pricing levels. For many, that means buying now at value pricing instead of later at higher prices.

“Granted, it's still a buyer's market,” said Kopf. That's because the inventory of unsold homes at Dec. 31 was 10.51 months. That's how long it would take to liquidate the existing inventory of homes for sale at the current sales pace. A year ago it stood at 8.81 months. A balanced market for buyers and sellers is about 6 months.

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Locally, a 30-year fixed rate loan averaged 4.78% in December. This week it was 4.92%. Most financial analysts predict increasing mortgage rates this year.

A recent Moody's study reported that in some top cities nationwide, it makes more sense to own than rent. Experts often recommend buying when the price-to-rent ratio is below 15 and rent when it's above 20. Cincinnati scored 13.74, meaning that buying is preferable over renting. [The price-to-rent ratio is the price of a typical home divided by the annual cost of renting that home.]

**Summary of Single Family and Condominium Sales
 Multiple Listing Service of Greater Cincinnati
 Cincinnati Area Board of Realtors®**

December Home Sales

	<u>Closings</u>	<u>Gross Volume</u>	<u>Average Price</u>
Dec. 2010	1,197	\$192,183,643	\$160,554
Dec. 2009	<u>1,321</u>	<u>\$202,117,321</u>	<u>\$153,003</u>
Variance	-9.39%	-4.91%	+4.94%

**2010
 Total Home Sales**

	<u>Closings</u>	<u>Gross Volume</u>	<u>Average Price</u>
Jan-Dec. 2010	16,903	\$2,673,629,926	\$158,175
Jan-Dec. 2009	<u>18,813</u>	<u>\$2,836,569,227</u>	<u>\$150,777</u>
Variance	-10.16%	-5.75%	+4.90%

Nationwide, December home sales were up 12.3% from November on a seasonally adjusted basis, but down 2.9% from December 2009.

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