

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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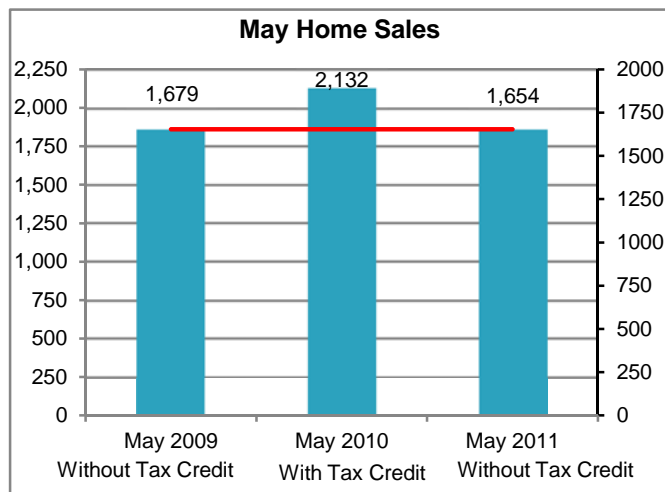
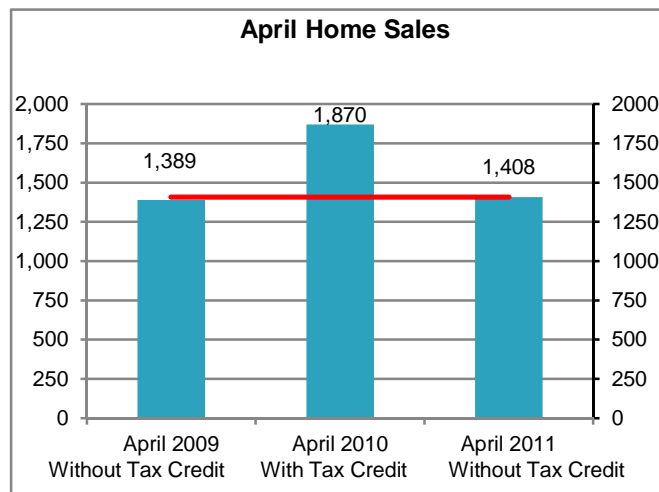
Home Sales Favorable in May On a 2-Year Lookback Basis

May home sales (closings) by local Realtors totaled 1,654 units with an average selling price of \$152,812. That compares to 1,415 homes sold in April with an average selling price of \$143,634.

Does that mean housing has definitely turned the corner? Not necessarily. Sales in May normally are higher than April as the spring market plays out. That said, sales last month were still favorable.

On a year-over-year basis, home sales in May were down 22%. But on a 2-year lookback, sales were off only 1.5% (1,654 vs. 1,679 in May 2009). Why a 2-year lookback?

Because in May 2011 and May 2009, there were no special \$6,500 to \$8,000 tax incentives for home buyers. In early 2010 there was, and that elevated home sales. Thus, May 2010 year-over-year activity was temporarily elevated by 27% (2,132 vs. 1,679). It was the same with the April 2010 to 2009 comparison, when sales were up 35% (1,870 vs. 1,389), due to the 2010 tax credit scenario.



“Buyers today -- even without a tax credit -- are in a fortunate position,” said Pete Kopf, president of the Cincinnati Area Board of Realtors. “Home mortgage rates currently average 4.64% for a 30-year, fixed rate loan. A year ago it was 4.80%. Unlike annual rent increases, a fixed-rate mortgage payment for homeowners doesn’t increase over the years.”

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Another buyer's advantage is the current inventory of homes for sale. A balanced market is an inventory of about 6 months. The current inventory is 8.4 months. This 'over-6-month' situation typically gives a buyer the advantage in negotiating price in the broad scope of sales activity.

"Buyers in today's real estate market have high expectations," said Kopf. "They are not only looking for a good deal, but they are also looking for a well-maintained home. The positive news is that homes that are priced competitively -- and that show well -- are selling."

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

May Home Sales

	<u>Closings</u>	<u>Gross Volume</u>	<u>Average Price</u>
May 2011	1,654	\$252,751,024	\$152,812
May 2010	<u>2,132</u>	<u>\$340,017,266</u>	<u>\$159,483</u>
Variance	-22.42%	-25.67%	-4.18%

Year-to-Date Home Sales

	<u>Closings</u>	<u>Gross Volume</u>	<u>Average Price</u>
Jan-May 2011	6,427	\$920,742,736	\$143,262
Jan-May 2010	<u>7,403</u>	<u>\$1,133,679,811</u>	<u>\$153,138</u>
Variance	-13.18%	-18.78%	-6.45%

Nationwide, May home sales were down 3.8% from April on a seasonally adjusted basis, and down 15.3% from May 2010. Sales surged in April and May of 2010 in response to the home buyer tax credit.

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