

Press Release
Cincinnati Area Board of Realtors®

The following press release was sent to the local media today at 10:45 a.m.

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910 Homes Sold in January; Homebuyer Tax Credit to Help

A total of 910 homes were sold locally last month -- a 19.5% decrease from a year ago -- but with an upbeat attitude now that the homebuyer tax credit is underway.

First-time buyers are now able to enjoy a 10% federal income tax credit on home purchases through Nov. 30, 2009. President Obama signed the legislation into effect on Feb. 17. It's retroactive to homes bought since Jan. 1, 2009.

The tax credit is for 10% of the purchase price of a new or existing home, with a maximum credit of \$8,000. In order to qualify for the credit, a single person's adjusted gross income (line 37 on the 2008 federal income tax return) cannot exceed \$75,000 a year. For married couples filing jointly, it's \$150,000. Partial tax credit is available for home-buying single persons with adjusted gross incomes between \$75,000 and \$95,000; and for couples, \$150,000 to \$170,000.

"The tax credit will be a major plus to the real estate marketplace," said Paul Jacob, president of the Cincinnati Area Board of Realtors. That's because first-time buyers make up about 40% of the home-buying public.

Nationwide, the new tax credit program is likely to boost home sales by 300,000 units from first-time buyers in 2009, according to the National Association of Realtors. That will further trigger trade-up purchases.

In addition to the benefit from the tax credit program and trade-up buying, low mortgage rates for all home buyers could easily raise home sales nationwide by 850,000 in 2009. Locally, an average 30-year fixed-rate loan is 5.48%. That's less than 6.44% from a year ago in February.

Locally, showings of properties for sale are on the rise, according to Jacob. He said, "Many prospective buyers have simply been waiting to see the end result of the tax credit legislation that has been under consideration since November. Now that it's finalized, more lookers will become real buyers."

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Jacob said the three ingredients for a strong market are in place: Ample supply of homes for sale, terrific prices, and low mortgages interest rates.

“The up-to-\$8,000 tax credit is now the icing on the cake for first-time buyers,” he concluded.

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

January Monthly Home Sales

	<u>Closings</u>	<u>Gross Volume</u>	<u>Average Price</u>
Jan. 2009	910	\$113,606,863	\$124,843
Jan. 2008	<u>1,130</u>	<u>\$172,960,114</u>	<u>\$153,062</u>
Variance	-19.47%	-34.32%	-18.44%

30-Year Fixed Rate Mortgage (local)

January 2007 (average)	5.88%
January 2009 (average)	5.21%
Most recent (Feb. 24, 2009)	5.48%
A year ago (February 25, 2008)	6.44%

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