

12-24-09

2010

Happy New Year! It appears 2010 is the year to buy property here at the coast. After realizing double digit appreciation in home prices during the first half of the decade, home values have returned back to 2003-2004 levels. Fixed mortgage rates are sitting near record lows. And the foreclosure epidemic, while painful for many home owners, has created some wonderful opportunities for buyers. If that's not enough, in early November, President Obama signed a bill extending and expanding the popular tax credit for home buyers. The legislation gives qualified first-time home buyers a tax credit of up to \$8,000 if they close the purchase of a primary residence by the end of June. Meanwhile, qualified current home owners are eligible for a credit of up to \$6,500 when they buy their next principal residence.

After more than three years of falling, real estate values have shown signs of stabilization in recent months. Rates on 30-year, fixed mortgages fell to an average of 4.88 percent in November, down sharply from 6.09 a year earlier. As mortgage rates remain historically low and additional homes hitting the market in the form of foreclosures, the dynamics of the real estate market will continue to favor buyers over sellers in 2010. You can count on interest rates to begin a slow increase in the coming months as the economy and housing market continues to improve.

Still favoring buyers, the market is expected to balance out and be more evenly distributed among sellers and buyers. Months of inventory in our coastal market have dropped significantly from a January 09 high of 63 to November's 27. Sales continue to improve incrementally reducing inventory and creating higher demand on lower supply. Average Days-On-Market are 222, this may give some comfort to Sellers understanding their property is taking longer to sell notwithstanding marketing efforts on behalf of their Realtor.

The year 2009 was difficult for all of us and survival seemed to be the overall mindset. Now we can breathe a collective sigh of relief and look toward a more prosperous 2010. Still vigilant, cautious and optimistic, we need to think global and shop local.

Thank You to family, friends, clients and neighbors for your support throughout the year. I look forward to enjoying this New Year with all of you. You know the old saying; **"It takes a community to raise a Realtor."**