

Press Release
Cincinnati Area Board of Realtors®

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

March 23, 2009

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February Home Sales Climb 22% Over January's Activity

Local home sales increased by 22% February over January, when Realtors sold 1,125 last month, compared to 920 in the previous 30-day period.

Nationwide, seasonally-adjusted home sales climbed 5% last month over January.

The increase in home sales is partially attributed to a recently-enacted tax credit program.

“The tax credit is available to qualified persons who buy a home by Nov. 30 who haven't owned a home in the past three years, including first-time buyers,” said Paul Jacob, president of the Cincinnati Area Board of Realtors. Unlike the tax credit program adopted in 2008, which required repayment of a tax credit over 15 years, the 2009 program has no repayment feature.

Buyers now 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 last month. 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 to singles with adjusted gross income from \$75,000 to \$95,000, and married couples filing jointly \$150,000 to \$170,000.

An Ohio sweetener, for the same group of buyers, is a mortgage credit certificate program that augments the Obama-signed legislation. The Ohio program offers a federal tax credit each year for the life of the owner-occupied home. The annual tax credit amount is based on a homeowner's mortgage interest expense paid each year.

The federal program is a one-time tax credit. It provides the biggest lump-sum savings on your taxes, which can be applied to your 2008 or 2009 federal income tax return.

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Both can be implemented this year; however, the Ohio program has limited funds, which means those funds could dry up in the next 30 to 60 days. It is administered through the Ohio Housing Finance Agency. Not all lenders are making loans under the program.

“Home buying affordability is clearly in a buyer’s favor,” said Jacob. “That’s because mortgage rates are the lowest in nearly 30 years, average home selling prices are less than last year, and there is an ample number of homes for sale.”

Mortgage rates currently are from 5% to 5.5% locally and nationally. They averaged in the mid 5% range last month.

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.

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

Previous Month Home Sales Comparison

	<u>Closings</u>	<u>Gross Volume</u>	<u>Average Price</u>
Feb. 2009	1,125	\$146,575,313	\$130,289
Jan. 2009	<u>920</u>	<u>\$117,019,128</u>	<u>\$127,195</u>
Variance	+22.28%	+25.26%	+2.43%

February Monthly Home Sales

	<u>Closings</u>	<u>Gross Volume</u>	<u>Average Price</u>
Feb. 2009	1,125	\$146,575,313	\$130,289
Feb. 2008	<u>1,336</u>	<u>\$205,886,804</u>	<u>\$154,107</u>
Variance	-15.79%	-28.81%	-15.46%

Year-to-Date Home Sales

	<u>Closings</u>	<u>Gross Volume</u>	<u>Average Price</u>
Jan-Feb. 2009	2,045	\$263,594,441	\$128,897
Jan-Feb. 2008	<u>2,466</u>	<u>\$378,846,918</u>	<u>\$153,628</u>
Variance	-17.07%	-30.42%	-16.10%

30-Year Fixed Rate Mortgage (local)

February 2009 (average)	5.53%
February 2008 average	6.13%