

Ohio Association of REALTORS® Housing Market Confidence Index July 2011

Housing Market - Current

How would you describe the current housing market in your area?

Strong	Moderate	Weak
2%	55%	43%

REALTOR® Current Market Index (RCMI)* = 29

July's RCMI for REALTORS'® measurement of the current housing market in their area is 29, which is one point higher than June's score of 28. July's RCMI for agents is 31 and for brokers it's 23, a difference of 8 points.*

Housing Market – Next 6 Months

What are your expectations for the housing market over the next six months in your area?

Strong	Moderate	Weak
3%	58%	39%

REALTOR® Future Market Index (RFMI)* = 32

July's RFMI for REALTORS'® expectations for the market over the next six months falls at 32, remaining unchanged from June. Only three points separates agents' July RFMI of 33 from brokers' index of 30.*

Home Prices – Over Next Year

In your area, what are the expectations for home prices over the next year?

Rise 5% +	Rise 0 – 5%	Level	Fall 0 – 5%	Fall 5% +
1%	15%	43%	34%	7%

REALTOR® Price Index (RPI)** = 42

The RPI for REALTORS'® expectations for home prices over the next year increased three points to 42 from June's index score of 39. Brokers tend to be just slightly more confident than agents as July's index falls at 44 and 42, respectively.**

Monthly Hot Topic Question

What do you think will happen to interest rates in the next 12 months?

Drop some	Level	Rise some	Rise a lot
4%	32%	61%	3%

Only 4% of respondents believe interest rates will fall over the next 12 months. Respondents are most likely to believe rates will increase slightly (61%).

Methodology

*To create this index, responses are assigned points of 0, 50 or 100. A response of "strong" is assigned 100 points, "moderate" is given 50 points and "weak" gets 0 points.

** To create this index, responses are assigned points ranging from 0 to 100. A response of "rise 5% +" earns 100 points, "rise 0 – 5%" gets 75 points, "level" receives 50 points, "fall 0 – 5%" earns 25 points and "fall 5% +" is assigned 0 points.

Comments from Around Ohio

- Need to hurry up all the foreclosures instead of dragging out the inevitable. Once we clean up all the bad loans - and only then - will the economy and housing get back on track. These moratoriums and such are killing the market even more.
- Last week was very busy. Market seems to run up & down. NO rhyme or reason. Bottom line people still need housing.
- I'm also a certified general appraiser and I expect things will be the same as the residential market based on the number of desk reviews and people asking me to do an appraisal before listing their property. It's going to be a tough 3-5 yrs., but, it will slowly get better.
- I do believe the market is better than most people talk about. More sellers seem to have equity than in the past couple of years and they are getting the homes in great shape to sell. Those homes are selling. Buyers are beginning to understand that stealing a home is not as easy as in the past. We may be close to a shift!
- I have concern with the foreclosure market continuing to have a negative impact on housing prices. Another concern is the tight mortgage market is making it difficult to get financing for buyers. I am also concerned with the lack of cooperation some mortgage companies display in trying to work short sales with them.
- Inventory is high, thus prices are down, but homes are selling.
- I'm amazed at how the heat this summer is keeping the buyers away!
- Phone calls are increasing slightly but unemployment still seems to be the determining factor before a customer makes a buying decision. Consumer confidence, especially in the job market, is still lacking. If the unemployment rate stabilized or went down significantly, more people would make the move.
- Short sales are replacing a large number of foreclosures in our area. Therefore, prices should become more stable. Fannie Mae is holding as close to list prices as possible, not nearly the heavy discounting that was taking place earlier, in my opinion.