

Ohio Association of REALTORS® Housing Market Confidence Index August 2014

Housing Market - Current

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



REALTOR® Current Market Index (RCMI)* = 60 ↓

This month's RCMI for REALTORS® measurement of the current housing market is 60, dropping 12 points from last month's score of 72. This dramatic drop more likely reflects respondents' reactions to annual seasonal fluctuations in the market rather than actual market changes. August's score is 6 points below August 2013's score but surpasses August 2011's (index's first year) score of 28 by 32 points.*

Housing Market – Next 6 Months

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

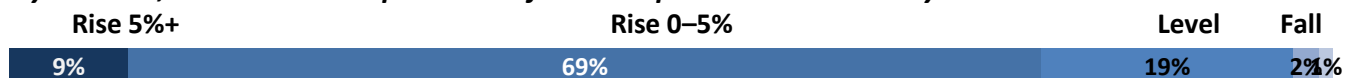


REALTOR® Future Market Index (RFMI)* = 55 ↓↓

This month's RFMI for REALTORS® expectations for the market over the next six months is 55, 11 points lower than last month's score of 66. This dramatic drop more likely reflects respondents' reactions to annual seasonal fluctuations in the market rather than actual market changes. The score is 4 points below August 2013's score but beats August 2011's (index's first year) score of 27 by 28 points.*

Home Prices – Over Next Year

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



REALTOR® Price Index (RPI) = 71** ↓

The RPI for REALTORS® expectations for home prices over the next year is 71, dropping 2 points from last month's score of 73. This month's score is 3 points lower than August 2013's score and 31 points higher than August 2011's (index's first year) score of 40.

Monthly Hot Topic Question

Compared to a year ago when this question was last asked, in the current lending environment how difficult is it for your clients to secure financing?



Consistent with findings over the past few years, between 40 and 45% of Ohio REALTORS have not encountered contract problems attributable to low appraisals. For those encountering problems over the past year, 23% canceled a contract, 25% delayed a contract and 40% renegotiated a contract. Percentages of respondents cancelling or delaying a contract are down only slightly from 2011 and 2013. The percentage of respondents renegotiating a contract increased 3% from last year but dropped 3% from 2011.

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.