

Real Estate Digest

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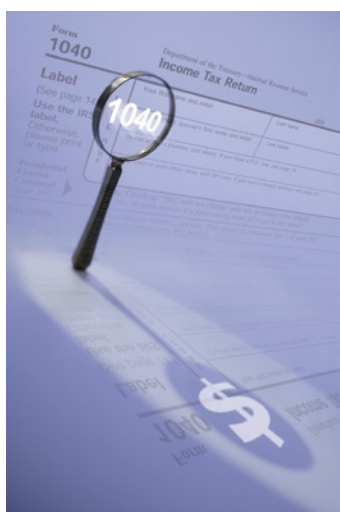
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Market Buoyed by Tax Incentives, Looks Strong For Second Half of 2010

buy in 2009 and 2010, when we needed to shore things up.”

Market bump

Economist Mark Zandi at Moody's Economy.com agrees. “The tax credit helped to stanch the price declines, which had substantial benefit for the entire economy,” he says.

“The home is still the largest asset on most people's balance sheet, so when prices are falling, nothing works for most families. But now people can take a deep breath and think clearly again.”

“The tax credit was truly a great motivating factor, with many home buyers taking advantage. However, we found that the tax credit was only one motivation. People buy homes for lifestyle reasons as well and I suspect that the normal seasonality patterns of home buying will still play out the remainder of the year,” said Sherry Chris, president and CEO of Better Homes and Gardens Real Estate.

Beyond the deadline

To compensate for the demise of the homebuyer tax credits, real estate practitioners and sellers have come up with a variety of new incentives.

Century 21 is running “The \$8,000 List Your Home Sweepstakes” through June 30, which offers a variety of prizes and an \$8,000 payout for one lucky winner.

Coldwell Banker has launched the Buyer Bonus Sales Event, which encourages sellers to offer a three percent credit on a home's purchase price—up to \$8,000—for buyers who sign a contract before July 31. Participating sellers receive some promotional value, including yard signs, listing on Coldwell Banker's Web site and in their TV advertising.

Re/Max International says many of its clients, particularly in condo complexes, have decided to offer options like free appliances.

THE BIZ

More Agents, Less Income



National Association of Realtors (NAR) membership increased in April, the first increase since August 2009, but agents and brokers are making less.

In April, NAR had 1,076,235 members compared to 1,063,901 in March. In April 2009, NAR had 1,121,279 members. According to NAR, Realtors account for about 60 percent of the nation's 1.85 million active real estate licensees.

NAR also has released a survey showing the median income of members fell three percent to \$35,700 last year, which followed a 14 percent decline in 2008. Members licensed as brokers earned a median of \$49,100 in 2009, while sales agents earned \$26,600.

Nevertheless, the trade association survey showed that 75 percent of current members believe they'll remain in the business at least two more years and only eight percent said they were uncertain about their future.

As the homebuyer tax credits come to an end, analysts are concluding that the program was both expensive and successful.

The Treasury Department estimates that the credits helped 1.8 million people buy homes, though critics reply that two-thirds of the \$12.6 billion in credits spent through the end of February went to people who would have purchased a home anyway.

Sen. Johnny Isakson, a Republican from Georgia who worked as a real estate practitioner for 30 years and pushed through the 2010 extension and expansion of the program, says: “It's true that a lot of people who got the credit might have bought without it, but they might have bought in 2012 or 2013. This got them to



Corporations Tightening Relocation Housing Policies



Corporate relocation policies are tightening as a result of volatility in the housing market, according to a report by Weichert Relocation Resources Inc.

Weichert polled 200 HR professionals and found that 65 percent are restricting relocating employees from listing their homes at more than 105 percent of appraised value and that 70 percent require employees to work with approved brokers.

Weichert said 75 percent of respondents now provide alternatives to traditional homeowner benefits, either formally or on a case-by-case basis. Some packages give employees more time to sell their homes or delay home purchases at their destination city. Some packages also allow homeowners to become renters at their new locations.

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Few Women Buyers Seek Advice of Real Estate Agents



Brokers and sales associates working the female homebuyer niche may want to note a survey released by the Canadian bank TD Canada Trust that shows only 22 percent

of women buyers seek the advice of real estate agents.

The poll of 1,000 recently women homebuyers showed that 22 percent sought the advice of agents while 36 percent sought no advice at all before making their decision.

The overriding factor in women's decision-making was price, followed by security. More than a third of those sampled were in the critical 18 to 29 first-time homebuyer demographic.

TRENDS

Stats Show Gradual Market Improvement



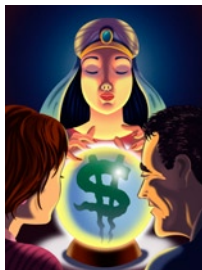
The lead-generating company HouseHunt.com says it believes the market has bottomed out in many areas of the country and that prices are beginning to strengthen.

“Perhaps the most positive news is that the buyer-seller ratio is almost dead even in HouseHunt's national random survey of member-agents,” the company said. “Also important, repeat buyers now represent 50 percent of all transactions.”

It said three years ago repeat buyers accounted for only 34 percent of home purchases. The normal ratio is about two-thirds repeat buyers.

The company said 52 percent of its member-agents report that their customers received 95 to 100 percent of their asking prices. Another 35 percent said they received more than 90 percent.

First-Time Home Buyers, Sellers Optimistic



More than 48 percent of first-time buyers expect home prices to increase by this time next year, according to a survey by Century 21 Real Estate.

The survey posed questions to people who had bought or sold a

home in the last year.

Sixty percent of first-time home buyers say they didn't understand the process of buying a home, and more than 85 percent of both first-time buyers and sellers said that using a real estate professional was important.

The top three skills valued in a real estate professional by both buyers and sellers were knowledge of the area, trustworthiness and responsiveness.

More than 80 percent of buyers believe now is a good time to buy a home. First-time

homebuyers rated these three factors as the most influential in their decision:

- * Current housing prices: 66 percent
- * Home buyer tax credit: 63 percent
- * Low loan rates: 60 percent

Rent vs. Mortgage Payment Gap Narrowing



The Associated Press is reporting that the gap between mortgage payments and rent payments across the country has narrowed to an average of \$256 per month.

The survey was conducted for the AP by Marcus and Millichap Real Estate, which surveyed 45 metro markets for the average monthly mortgage payment on a median-priced home vs. the median rent payment.

The news agency said the last time the mortgage vs. rent gap was this narrow was in 1993.

MARKETS

Chicago is Hot, Beverly Hills Not



ZipRealty's quarterly Home Hunter report indicates upper-end buyers saw the best bargains in the first three months of the year, with homes sold in Beverly Hill's 90210 ZIP code going for an average of 15 percent below

list price — or a whopping \$700,000 less. The company said sellers in Palm Beach, Florida typically accepted about \$200,000 less than their list price to make the deal go through, making it another of the nation's “coldest” ZIP codes.

ZipRealty's survey also found many markets where homes are selling for above list price. In Chicago's Loop area, prices are being bid up by more than 10 percent, while in the Oakland-Emerlyville, Calif., area, homes are being sold about 7.7 percent above list.



Rural Properties Seeing Better Sales



The United Country Real Estate franchise, which deals predominantly with rural properties, reports a 16 percent increase in sales in the first quarter of this year over sales during the same period in 2009.

Company president Mike Duffy also said there had been a 17 percent increase in traffic to the company's Web site during the same period.

"This tells us that more people are actively looking at real estate and considering making purchases," he said.

The company also reports a six percent increase in units sold at auction.

TECHNOLOGY

New Standards Simplify MLS Data-Sharing



Real estate data-sharing on multiple listing services is about to get easier, with the Real Estate Standards Organization's (RESO) approval of real estate property standard names.

The standard names were introduced by the MLS Cooperative Venture (referred to as COVE, for short) recently.

RESO oversees the NAR-supported Real Estate Transaction Standard (RETS), which defined an approach for exchanging listings with multiple listing services.

"NAR applauds COVE for its contributions that make data standards stronger," says Mark Lesswing, NAR senior vice president and chief technology officer. "This new standardization will also help agents better serve their clients. Accurate, efficient data sharing is crucial to the real estate business, and COVE's initiative will better position the real estate industry into the future."

The upcoming release of Version 1.8 of RETS will include the approved standard

names, which will benefit agents and the clients they serve, MLS operators and the vendors who supply MLS technology. Standard names simplify the installation and operation of data feeds, a crucial part of conducting business for both brokers and agents. MLS technology vendors will also now be able to use a common vocabulary with the addition of standard names.

"RESO has listened and responded to our industry stakeholders by voting to approve an updated list of standard names that are in use with over 20 of the largest multiple listing services in the country," said Pat Bybee, chair of RESO and president/CEO of Metrolist MLS. "We feel this is one more positive step toward standardization that will ultimately move the industry forward."

RETS defines an approach for exchanging listings and provides a common language spoken by systems such as MLSs. RESO is an open standards community of real estate practitioners and technology vendors who volunteer their time and expertise to enhance the real estate transaction process with data standards.

MORTGAGES

Fannie Tightens Interest-Only Requirements



Fannie Mae announced plans recently to require borrowers using interest-only mortgages to put down 30 percent of the sale price.

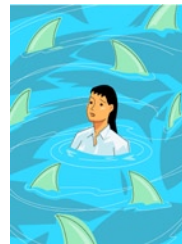
Fannie Mae also said it will only buy adjustable-rate mortgages underwritten to require that borrowers could afford the loans even if interest rates reset to the higher of either:

- 1 The loan's initial interest rate plus two percentage points.
- 2 The cap, the maximum the interest rate can rise.

"Our goal is to make sure consumers can sustain their mortgages and remain in their homes over the long term, while helping our lender partners offer a range of mortgage prod-

ucts for qualified borrowers," says Marianne Sullivan, senior vice president of Single Family Credit Policy and Risk Management at Fannie Mae, in a prepared release.

States Craft Programs For Stressed Owners



Arizona, Florida and Michigan have proposed using federal funds to pay down loan balances for struggling borrowers and to subsidize mortgage payments for those who remain out of work.

The plans are in response to a foreclosure-prevention effort championed by the White House, which allocated \$1.5 billion for Arizona, California, Florida, Michigan and Nevada. The Treasury Department is the reviewing proposals, which will be finalized next month.

AGENTS' CORNER

Five Steps to Video Success



Video marketing can help you with branding, lead generation and help show that you are a professional agent with market savvy.

"Video marketing is growing like wildfire, and if you haven't already begun using it in your real estate practice, now's a great time," says Josh Schoenly, a social media real estate consultant.

Here are four steps to get you started:

Step 1: Keyword research

You'll need to do some keyword research to determine what keywords you want to go after with your video.

"This sounds complex but really it's pretty simple. Go to Google and type in 'google keyword tool.' Then you can simply enter keywords that you would want to target and Google will tell you how much traffic those keywords are getting," said Schoenly.

Here's a keyword example: foreclosure listings Harrisburg, PA. Once you have a list of potential keywords, go back to the Google search and enter your keywords to see how many competing sites there are on Google. The best keywords to target are those that have high search volume and not that many competing pages.

Step 2: What type of video will you use?

There are several video types you can use. "For example, you can create a video slide show, video property tour, neighborhood video tour, screen capture video and the list can go on and on. You just need to pick which type of video works best for you."

Step 3: Create or render

Once you determine the type of video, you'll need to create it. How you create the video is going to depend on the type you choose.

"You may need to go to an actual property and shoot the video tour, or you may be able to simply create it on your computer with a slide show or screen capture. Once you have

it created you will need to either upload it to a video sharing site or you may need to first render the video and then upload," said Schoenly.

Of course, you can always hire someone to do it. Check your local area for video production companies.

Step 4: Syndicate and distribute

Once you have created your video, now it's time to get it up and out on the Internet.

There are many video sharing sites out there, but definitely the best and most recognized is Youtube.com. So that is probably the best place to start. It's easy to create an account and upload a video there.

"If you really want to turbocharge your results, you are going to want to syndicate your video on many different video-sharing sites," said Schoenly.

The best free site for video sharing is tubemogul.com. You upload your video to tubemogul.com and then enter your title, description and tags. Tubemogul will syndicate your video to a number of different sites at the same time.



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