



2011 - 4th Quarter Quotes, Issue 39

PRUDENTIAL NORTHWEST REALTY ASSOCIATES

The Good News In Real Estate

The Wall Street Journal - October 15, 2011

It's Time To Buy That House...The good news? Two key measures now suggest it's an excellent time to buy a house, either to live in for the long term or for investment income (but not for a quick flip) First, the nation's ratio of house prices to yearly rents is nearly restored to its prebubble average. Second, when mortgage rates are taken into consideration, houses are the most affordable they have been in decades. The math is turning in buyers' favor. Stock-oriented folks can think of a house's price/rent ratio as akin to a stock's price/earning's ratio, in that it compares the cost of an asset with the money the it is capable of generating. For investors, a lower ratio suggests more income for the price. For prospective homeowners, a lower ratio makes owning more attractive than renting. But for most home buyers, mortgage rates are a key determinant of their total costs. Rates are so low now that houses in many markets look like bargains, even if price/rent ratios aren't hitting new lows.

Inside Lending - October 17, 2011

Malcolm S. Forbes said, "When You Cease to Dream You Cease to Live"...One dream that happily doesn't seem to be going away is the one we Americans have of owning our own home. In fact, in spite of all the negative news we hear about housing, the percentage of Americans who own their home is still the second highest on record, according to the Census Bureau. Even better, new research reveals that up to two million people are planning to jump into the housing market in the next two years. The study from a business-to-business media company confirmed that Americans place a high value on homeownership across demographic groups, across the country, even where there have been larger declines in home values. Given today's prices and super low mortgage rates, 72% of homeowners and 59% of renters polled said that right now is a "good" or "very good" time to buy! Another study found that 80% of homeowners plan to buy another home and most view homeownership as one of the best long-term investments.

The Seattle Times - October 19, 2011

Home Building Jumps 15% in September...Homes were built in September at the fastest pace in 17 months, a hopeful sign for the economy. That should help create jobs and boost economic growth. Overall, builders began work in September on a seasonally adjusted 658,000 homes, the Commerce Department said Wednesday. That's a 15% increase from August. "The overall result is favorable," said Pierre Elis, an analyst at Decision Economics."

RISMedia - October 25, 2011

Multiple Signs Point To Real Estate Rebound...The past few weeks have showcased numerous signals that the real estate market is on rise. Recently, we have reported statistics pointing to an industry turnaround, including a 15% rise in housing starts in September; a surge in builder confidence in October, an increase in mortgage applications and a slew of regional market improvements across the country. Housing is showing the most signs of strength these days, according to a recent report from Veros, a risk management and valuation services firm. "The encouraging news is that many markets are no longer expected to be rapidly declining", says Eric Fox, vice president of statistical and economic modeling for Veros.



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