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PRUDENTIAL NORTHWEST REALTY ASSOCIATES

The Good News In Real Estate

RealtyTimes - January 4, 2012

Pending Sales Rise...According to a recent National Association of Realtors Pending Homes Sales Index, pending home sales are at the highest level in 19 months. What has precipitated this rise? Lawrence Yun, NAR chief economist, said "Housing affordability conditions are at a record high and there is pent-up demand from buyers who've been on the sidelines. The sustained rise in contract activity suggests that closed existing-home sales, which are the important final economic impact figures, should continue to improve in the months ahead." Regionally, the largest rise was seen in the West, which has previously struggled. It rose 14.9%.

Forbes - January 10, 2012

Has the Housing Market Hit Bottom?...Wall Street firms have optimistically begun betting that the bottom's here. Research firms like Zelman & Associates predict the sector will pick up this year and hedge funds have been jumping into real estate-related investments, from brick and mortar building purchases to shares of home builders stocks. In December Goldman Sachs Group released a report stating "The home price bottom [is] in sight". Indeed, national home price data indicates that the worst of the catastrophic home price implosion is behind us. For 2012, the firm's Home Data Index (HDI) Market Report predicts a humble 0.2% gain across all markets. "Overall, 2011 was a relatively quiet year for U.S. home prices compared to the last five years," said Dr. Alex Villacorta, Clear Capital's director research and analytics, in the report. He further notes, "the current balance the market has found will continue through 2012."

What does all this mean? Housing from a national standpoint is flattening out; the macro level data suggest we could possibly be at the bottom or near to it. A Tuesday report from Zillow, a publicly-listed Seattle Washington based real estate data and listing site, shows that November home values "remained essentially flat" from October of 2011 through November.

MyNorthwest.com - January 12, 2012

Desire To Own...The primary reason for purchasing a home was the desire to own a home and enjoy the benefits of home ownership, according to the 2011 Profile of Home Buyers and Sellers. As expected, younger buyers placed higher priority on affordability. The primary reason to purchase a home among repeat buyers is often because of life changes: need for a larger home, job-relocation or move, desire to be closer to family, or a change in a family situation. "Even in a down housing market, homeownership remains a core American value, with the vast majority of citizens who do not currently own a home saying they want to buy a home," said Bob Nielsen, president of the National Association of Home Builders.

USA Today - January 16, 2012

JPMorgan's Jamie Dimon Sees Housing at Bottom...This year kicked off with some improving economic data on jobs, on retail spending and even a rally in the stock market. So does the good news suggest the economic recovery is finally taking hold and 2012 will be a positive new day for job seekers? CEO of JPMorgan Chase was optimistic and said the troubled housing market has bottomed.

