



2010 real estate market forecast: Heading for recovery

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Aided by the recent extension of the home buyer tax credit, the outlook for housing industry and the economy in 2010 appears headed for a sustainable recovery, according to the National Association of Realtors. Lawrence Yun, NAR chief economist, said the projections are enhanced by a tax credit expansion to more home buyers through the middle of 2010. "Given the success of the first-time buyer tax credit to date, and the need for qualified buyers to continue to absorb inventory that will include additional foreclosures over the coming year, we are hopeful about the impact of the expanded tax credit because it will stabilize home prices," he said. "In fact, the credit is working better than first projected - it now looks like we'll have 2.3 to 2.4 million first-time buyers this year."

A large consumer study, the 2009 National Association of Realtors Profile of Home Buyers and Sellers, shows first-time buyers accounted for a record 47% share of home sales over the past year, up from 41% in the 2008 survey. The share has risen steadily since a cyclical low of 36% in 2006. Existing-home sales are expected to total 5.01 million in 2009, a gain of 2% over last year, and then are forecast to rise 13.6% to 5.69 million in 2010. "A steady draw down of inventory will help home values to turn positive in 2010, but risks such as unemployment remain in the economy," Yun said.

The 30-year fixed-rate mortgage will probably average 5.3% in the fourth quarter, rising gradually to 5.8% by the end of next year. NAR's housing affordability index will set a record in 2009, averaging 30 percentage points higher than 2008. Affordability will decline from record highs next year but will remain at historically attractive levels for home buyers. "We've seen a steady downtrend in housing inventory for well over a year and home prices appear to be in the early stages of stabilizing. With expansion of the tax credit to additional buyers through the middle of next year, and no major unforeseen events impacting the economy, home prices should rise between 3 and 5% in 2010, but with wide geographic differences," Yun said. He expects growth in the U.S. gross domestic product to be at a pace of 2.5% in the current quarter, with GDP up 2.8% in 2010.

With consumer confidence a driving force in our economy, it is very important to focus on the positive and consciously work to impact the things within our control. Individually, each of us has control over our thoughts, mood, attitude and the prospective of everyone that we come into contact with. Regardless of your position or role in your company, your disposition has an impact on your customers and reflects on the company. Keep it positive and always practice doing the right thing. Whether we consciously realize it or not, we are all in sales. We are selling our services, expertise or company programs. BMAR assists members in cultivating long term business relationship by sponsor networking events. Our major networking events are very popular and attract professionals throughout the New York metropolitan region.

Companies do not need an office in Manhattan or the Bronx to be active members of the association. Membership in the Bronx-Manhattan North Association of Realtors (BMAR) is more important than ever and includes all companies directly or indirectly servicing the business

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