



NAR Sees Housing Price Recovery Starting

Hallelujah. This month the National Association of Realtors® (NAR) reported that they foresee a housing price rebound coming in 2008. While a return to the high markets of a few years ago is unlikely anytime soon, it's good to know that we're on the upswing.

The key markers of the projected rebound include reduced new construction. Areas that cut back on new home building this year will see a marked improvement in home prices next year.

Another factor is our historically low mortgage rate average. For a 30-year fixed-rate mortgage, the percentage average is estimated to be at 6.7 in the second half of this year, and remain at approximately 6.6 percent in 2008. Couple this with the decent job growth we've been experiencing and we've got a recipe for many more first time buyers to enter the market.

Some other numbers that might help you sleep at night:

- Existing-home sales are expected to be 6.11 million this year and 6.37 million in 2008, down from 6.48 million in 2006.
- New-home sales are projected at 865,000 in 2007 and 878,000 in 2008. (There were 1.05 million in 2006)
- Housing starts are forecast at 1.43 million units this year and 1.44 million in 2008, down from 1.80 million in 2006.
- Existing-home prices are likely to rise 1.8 percent to a median of \$222,700 in 2008, after a 1.4 percent decline this year to \$218,800.
- The median new-home price should rise 2.2 percent to \$245,400 next year. In 2007, the price was \$240,100, a 2.6 percent drop.
- Growth in the U.S. gross domestic product (GDP) will probably be 2.0 percent in 2007, compared with a 3.3 percent growth rate last year; GDP is forecast to grow 2.8 percent in 2008.

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- The unemployment rate should average 4.6 percent this year, unchanged from last year.
- Inflation, as measured by the Consumer Price Index, is projected at 2.6 percent in 2007, down from 3.2 percent last year.
- Inflation-adjusted disposable personal income should rise 3.0 percent this year, up from a 2.6 percent gain in 2006.

**information courtesy of the NAR*

Bottom line is that there is much that's good about our current economy and people are feeling confident. Plus a certain degree of sanity and balance is returning to the real estate industry. After our little "reality check" all indications say that we're back on the path to respectable gains.

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With this news, now may be the time to put your home on the market. Consult our team to find out all you need to know to prepare your home for sale, determine the correct pricing, and get your home sold for the most amount of money in the least amount of time.

Or, if you're a buyer, start looking now. We have homes of all sizes and styles in our inventory. Take a look at our web site and find your perfect home with our fantastic home search tool.

For more market information, or to buy, sell or invest, call us at (239) 261-9050 / toll-free (800) 562-0233 or visit us online at: www.NoSnowNaples.com

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