



# HOME DELIVERY

## Residential Real Estate Trends, Issues and News for Consumers

The National Association of REALTORS® distributes *Home Delivery* every month to real estate, personal finance and consumer journalists as a resource for background or story ideas.

### The American Dream 2X

The economy may be facing some challenges, but that didn't stop many buyers from investing in vacation properties last year. NAR's *2010 Investment and Vacation Home Buyers Survey* shows vacation home sales rose 7.9 percent to 553,000 in 2009, compared to 513,000 in 2008.

Ninety percent of survey respondents plan to use their second home as a family vacation retreat. Only one in four plan to rent it to tenants. Twenty-six percent intend to make the property their primary residence in the future.

The median sale price of a vacation home was \$169,000 in 2009, compared with \$150,000 in 2008.

In contrast to vacation homes, investment home sales fell 15.9 percent to 940,000 in 2009 from 1.12 million in 2008. The median transaction price of an investment property purchased in 2009 was \$105,000, compared with \$108,000 in 2008.

#### Story Springboard

- Home sweet homes... Talk to a Realtor® about the second-home market in your area, or where buyers from your community tend to buy second homes. Ask them what motivates their clients to buy a second home. Talk to second-home owners about why they bought a second home and how they intend to use it – for vacation, investment, or both.

### Positive Projections

Two top economists recently offered encouraging news for the housing market. NAR Chief Economist Lawrence Yun and Moody's Economy.com Chief Economist Mark Zandi are predicting a slightly stronger demand for housing going into 2011. The two expect mortgage interest rates to remain historically low and the availability of jumbo loans to improve.

They differ on the impact of foreclosures on home price stabilization. Yun predicts a fairly even level of foreclosures, with home prices potentially rising 2 to 3 percent this year. Zandi forecasts a rise of foreclosures later in 2010 before easing in 2011 and predicts home prices may weaken this year.

#### Story Springboard

- The waiting game... Despite the good news, housing recovery depends on two factors: jobs and consumer confidence. Talk to consumers in your area for their take on the local economy. Are they confident the market is turning around, and how does that affect their interest in owning or buying a home? Talk to a Realtor® about your local market. What trends are they seeing among their clients? For more on Lawrence Yun's forecast visit: [www.realtor.org/research/economists\\_outlook/economists\\_podcasts/economists\\_podcast051110](http://www.realtor.org/research/economists_outlook/economists_podcasts/economists_podcast051110).

### Tech Savvy

In the current social media culture, Realtors® are engaging consumers online more frequently. According to the recently released *2010 NAR Member Profile*, half of all Realtors® use social networking sites, up from 35 percent in 2009.

To avoid being overwhelmed by so many social media options, Realtors® are optimizing their time spent online by using tools that directly advance their businesses' strengths. This helps Realtors® to not only meet the consumer where they are, but also figure out what they're looking for, how they want to receive the information and then provide what their clients need.

#### Story Springboard

- Internet connection... Although social media is growing, face-to-face interaction is still very important to consumers and Realtors®. According to the *2009 NAR Profile of Home Buyers and Sellers*, only 37 percent of recent buyers believe technology skills are very important in choosing an agent. Talk to buyers in your area to learn how and why they selected a Realtor®. Talk to a Realtor® about how technology has enhanced their business and what tools they're using to better serve their clients.

Please contact Michelle Wardlaw, 202/383-1042, or [mwardlaw@realtors.org](mailto:mwardlaw@realtors.org) for additional ideas, sources, data, and resources.

