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Market Report

Metro St. Louis Real Estate

2nd Quarter 2009



REAL ESTATE OUTLOOK: What are they saying now?

“Opportunity is knocking fairly loudly for many considering homeownership. Home prices have declined in many markets around the country and tax incentives and other inducements have first-time home buyers and others weighing the possibilities.

Home affordability, as defined by the National Association of REALTORS®’ Housing Affordability Index, stands near all-time-highs, thanks to declining prices and historically low mortgage rates. Yet, while some consumers hold off on purchases as they attempt to catch the home-price bottom, they could miss the mortgage-financing opportunity of a lifetime.

One thing is crystal clear: the odds that mortgage interest rates will rise are much greater than any continued mortgage rate decline. And for most home buyers, the cost of mortgage financing can be as important as the price of the home itself.” (quote from RISMedia July 2, 2009).

“Pending home sales show a sustained uptrend, rising for four consecutive months with very favorable housing affordability and a first time buyer tax credit boosting activity, according to the National Association of REALTORS®.

The Pending Home Sales Index, a forward looking indicator based on contracts signed in May, increased 0.1 percent to 90.7 from an upwardly revised reading of 90.6 in April, and is 6.7 percent higher than May 2008 when it was 85.0. The last time there were four consecutive monthly gains was in October 2004.

Lawrence Yun, NAR chief economist, cautions that there could be delays in the number of contracts that go to closing. “Closed existing home sales have improved but are coming in lower than expected because some contracts are delayed or falling through from the application of new appraisal rules for many transactions. Rises in contract activity show buyers are becoming more active even as they face more stringent loan underwriting standards. Speedy clarification of the appraisal rules could smooth a housing market recovery and support the overall economy.” (Quote from the National Association of REALTORS® (NAR) website.)

“The Missouri Housing Development Commission (MHDC) is offering a new product to help stabilize and rebuild the neighborhoods of Missouri hard hit by the housing downturn. The commission received a \$4.2 million from the Neighborhood Stabilization Program (NSP), which was part of the Housing and Economic Recovery Act of 2008. These funds are intended to be used as the owner’s principal residence.

First-time homebuyers utilizing this program are also eligible to receive the \$8,000 federal tax credit for first-time homebuyers if the home is purchased prior to December 1, 2009.” (Quote from the St. Louis Association of REALTORS® “Realtor Report)



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Residential and Condo Statistics

Year to date 2009 vs. Year to date 2008 Compiled July 10, 2009

JEFFERSON COUNTY RESIDENTIAL

Jefferson County School District	Units 2008	Units 2009	% of Change	Average 2008	Average 2009	% of Change	DOM 2008	DOM 2009	% of Change
Total Residential	1151	1003	-12.86%	\$156,316	\$142,218	-9.02%	95	99	4.21%
Pacific Meramec R-3	4	5	25.00%	\$185,450	\$114,500	-38.26%	85	80	-5.88%
Seckman	111	104	-6.31%	\$203,633	\$179,721	-11.74%	100	129	29.00%
Fox C-6	239	181	-24.27%	\$176,131	\$162,642	-7.66%	91	88	-3.30%
Northwest	219	190	-13.24%	\$142,484	\$131,375	-7.80%	102	112	9.80%
Hillsboro	125	84	-32.80%	\$153,044	\$137,108	-10.41%	102	128	25.49%
Grandview	23	22	-4.35%	\$135,304	\$132,086	-2.38%	101	94	-6.93%
Festus	134	111	-17.16%	\$146,338	\$129,621	-11.42%	94	82	-12.77%
Windsor	102	90	-11.76%	\$172,787	\$152,301	-11.86%	80	78	-2.50%
Crystal City	30	19	-36.67%	\$109,678	\$93,490	-14.76%	88	57	-35.23%
Herculaneum	54	53	-1.85%	\$135,559	\$141,991	4.74%	98	86	-12.24%
Desoto	97	116	19.59%	\$108,836	\$93,664	-13.94%	88	90	2.27%
Jefferson R-14	2	1	-50.00%	\$124,450	\$152,000	22.14%	102	26	-74.51%

JEFFERSON COUNTY CONDO

Jefferson County School District	Units 2008	Units 2009	% of Change	Average 2008	Average 2009	% of Change	DOM 2008	DOM 2009	% of Change
Condo/Coop/Villa	34	20	-41.18%	\$110,962	\$111,359	0.36%	115	120	4.35%
Seckman	4	2	-50.00%	\$62,599	\$66,350	5.99%	70	136	94.29%
Fox C-6	15	8	-46.67%	\$110,437	\$116,522	5.51%	99	144	45.45%
Festus	8	7	-12.50%	\$121,091	\$119,629	-1.21%	179	84	-53.07%
Windsor	3	1	-66.67%	\$120,967	\$121,000	0.03%	146	49	-66.44%

Data is based on closed transactions January 1, 2009 through July 10, 2009. This representation is based in whole or part on data supplied by the Multiple Listing Services, for single-family residential property. Data maintained by the MLS may not reflect all real estate activity in the market.

MARIS-Mid America Regional Information Systems Rapattoni MLS. Properties listed and sold by various participants in the MLS

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