



Prudential

**Alliance,
REALTORS®**

Market Report

Metro St. Louis Real Estate

3rd Quarter 2009



For more helpful
real estate
information, visit
www.prudentialalliance.com
or www.PruAll.com



Andrea Lawrence
President & Owner
Prudential Alliance, REALTORS®

REAL ESTATE OUTLOOK: Record Streak continues for Pending Home Sales

Pending home sales have increased for seven straight months, the longest in the series of the index which began in 2001, according to the National Association of REALTORS®.

The Pending Home Sales Index, a forward-looking indicator based on contracts signed in August, rose 6.4 percent to 103.8 from a reading of 97.6 in July, and is 12.4 percent above August 2008 when it was 92.4. The index is at the highest level since March 2007 when it was 104.5.

Lawrence Yun, NAR chief economist, said not all contracts are turning into closed sales within an expected timeframe. "The rise in pending home sales shows buyers are returning to the market and signing contracts, but deals are not necessarily closing because of long delays related to short sales, and issues regarding complex new appraisal rules," he said. "No doubt many first-time buyers are rushing to beat the deadline for the \$8,000 tax credit, which expires at the end of next month."

"There is likely to be some double counting over a span of several months because some buyers whose contracts were cancelled have found another home and signed a new contract to buy," Yun explained. "Perhaps the real question is how many transactions are being delayed in the pipeline, and how many are being cancelled? Without historic precedents, it's challenging to assess."

Yun also noted that the data sample coverage for pending sales is smaller than the measurement for closed existing-home sales, so the two series will never match one for one.

NAR President Charles McMillan said first-time buyers need to act now. "Potential first-

time buyers must make a contract offer very soon to have a reasonable chance of qualifying for the tax credit," he said.

"Congress needs to extend and expand this program because it's stimulating the economy and reducing inventory close to price stabilization points."

McMillan said a sizable number of homebuyers already in the pipeline could be let down because of the tight deadline. "We know there is a pent-up demand because sales are below normal levels for the size of our population. The faster we absorb excess inventory, the sooner we'll turn the corner on home prices, prevent additional families from becoming upside-down in their mortgages, and give Wall Street the confidence to extend credit to other sectors," he said. "Each home sale pumps an additional \$63,000 into the economy through related goods and services, so the benefits of extending and expanding the tax credit far outweigh the costs."

Yun said the forecast for home sales and prices depends very much on whether a tax credit is extended. "All we can say for certain is sales will decline when the tax credit expires because we are not yet on a self-sustaining recovery path. It also raises a risk of a double-dip recession," he said.

"Extending and expanding the tax credit is the best tool in our arsenal to encourage financially qualified buyers to stimulate the economy and help reduce the budget deficit."

The National Association of REALTORS®, "The Voice for Real Estate," is America's largest trade association, representing 1.2 million members involved in all aspects of the residential and commercial real estate industries.



Prudential

Alliance, REALTORS®

Residential and Condo Statistics

Year to date 2009 vs. Year to date 2008 Compiled October 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	10	9	-10.00%	\$155,582	\$146,224	-6.01%	94	100	6.38%
Pacific Meramec R-3	173	174	0.58%	\$169,143	\$147,333	-12.89%	97	101	4.12%
Seckman	359	301	-16.16%	\$196,029	\$179,897	-8.23%	97	121	24.74%
Fox C-6	353	316	-10.48%	\$172,997	\$165,549	-4.31%	91	91	0.00%
Northwest	178	150	-15.73%	\$145,920	\$134,019	-8.16%	100	113	13.00%
Hillsboro	29	35	20.69%	\$153,917	\$145,322	-5.58%	107	111	3.74%
Grandview	205	186	-9.27%	\$131,324	\$122,014	-7.09%	90	103	14.44%
Festus	151	146	-3.31%	\$151,099	\$130,830	-13.41%	92	82	-10.87%
Windsor	52	35	-32.69%	\$169,786	\$161,743	-4.74%	73	76	4.11%
Crystal City	86	89	3.49%	\$107,887	\$103,483	-4.08%	104	74	-28.85%
Herculaneum	160	177	10.63%	\$143,070	\$150,073	4.89%	97	101	4.12%
Desoto	3	1	-66.67%	\$107,127	\$96,191	-10.21%	81	98	20.99%
Jefferson R-14				\$117,300	\$152,000	29.58%	88	26	-70.45%

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	48	38	-20.83%	\$118,735	\$109,505	-7.77%	101	109	7.92%
Seckman	5	2	-60.00%	\$69,279	\$66,350	-4.23%	66	136	106.06%
Fox C-6	20	17	-15.00%	\$122,848	\$108,104	-12.00%	97	126	29.90%
Festus	13	8	-38.46%	\$128,515	\$119,488	-7.02%	132	79	-40.15%

Data is based on closed transactions January 1, 2009 through October 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

© 2009, An independently owned and operated member of Prudential Real Estate Affiliates, Inc.
 Prudential is a service mark of The Prudential Insurance Company of America. Equal Housing Opportunity.



Prudential

Alliance, REALTORS®

www.prudentialalliance.com