

Monthly Industry Report

May 27, 2011



RE/MAX[®]
public relations

In this issue...

Existing Home Sales

Sales of existing homes dropped slightly in April. According to NAR, sales were down 0.8% over March, and down 12.9% from April of 2010. Prices have dipped 5.0% from April 2010 and inventory rose to an 9.2 month supply.

Read the [NAR press release](#).

Read the [Washington Post story](#).

The April RE/MAX National Housing Report shows an identical monthly sales drop of 0.8% and a year-over-year drop of 14.6% vs. NAR's 12.9%. The annual decrease in median sales price was 7.9% vs. 5.0% reported by NAR.

Read the [RE/MAX National Housing Report](#).

Pending Home Sales

Pending home sales dropped 11.6% in April, with unusual weather and economic softness adding to ongoing problems that are hobbling a recovery, according to NAR.

[Read the NAR press release](#).

[Read the CNBC story](#).

Industry & Technology News

- Major Industry Surveys Show RE/MAX Tops in Agent Production
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- Foreign Buyers Getting Fire Sale Prices on U.S. Housing
- Congress May Investigate HUD Construction Program
- Federal Retreat on Bigger Loans Rattles Housing
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- California Home Affordability Over 50%
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- 5 Top Tech Tools Help Agents Dominate Their Markets

Interest Rates

- Bankrate.com: 4.70% for 30-year fixed mortgage
- Federal funds rate: 0.25%

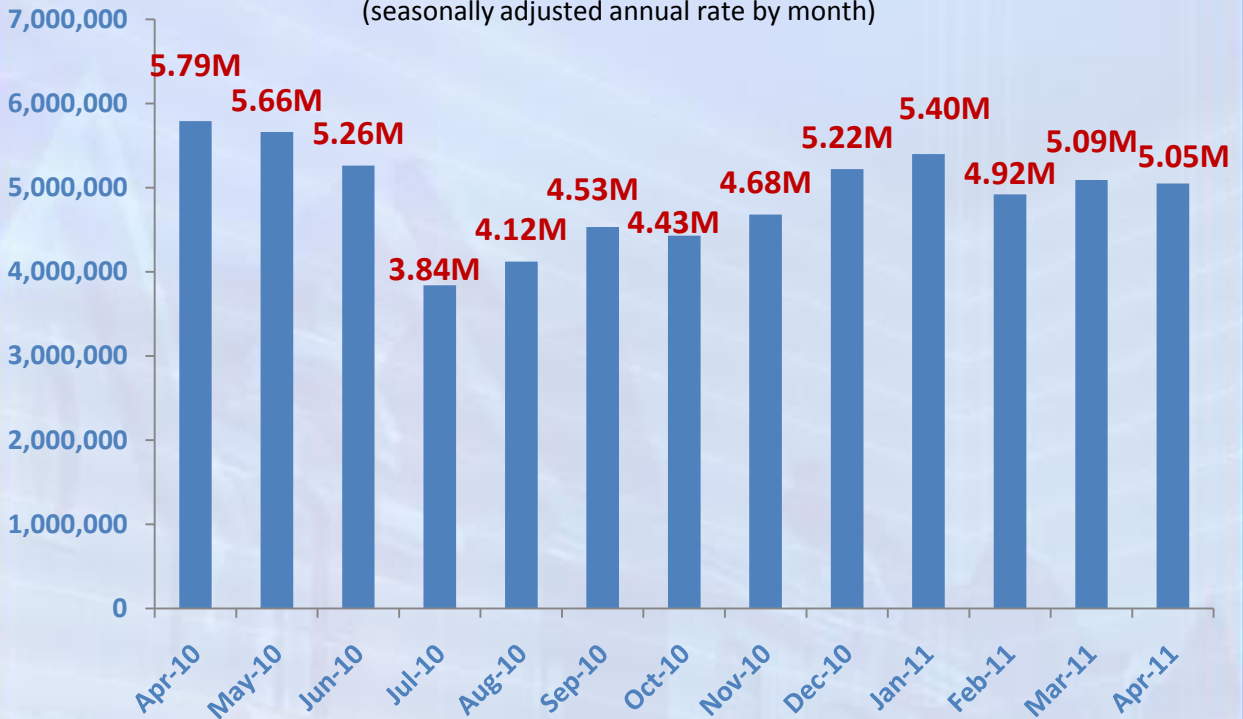
Economic Trends

See charts for latest data

National Housing Stats

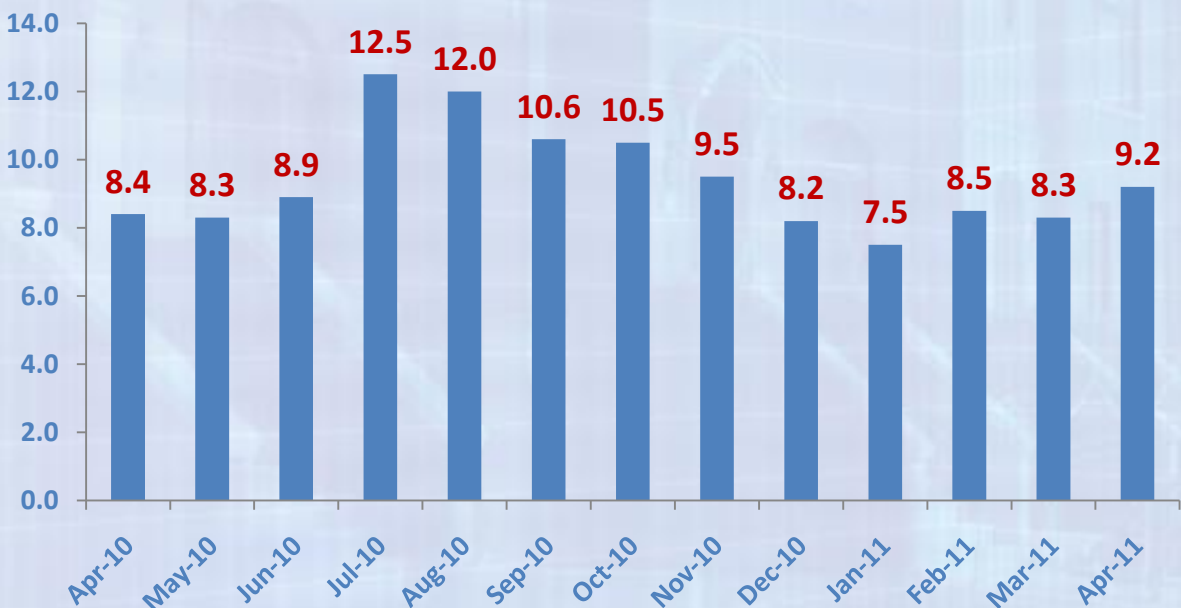
Existing Home Sales

(seasonally adjusted annual rate by month)



Source: NAR

Months Supply of Inventory



Source: NAR

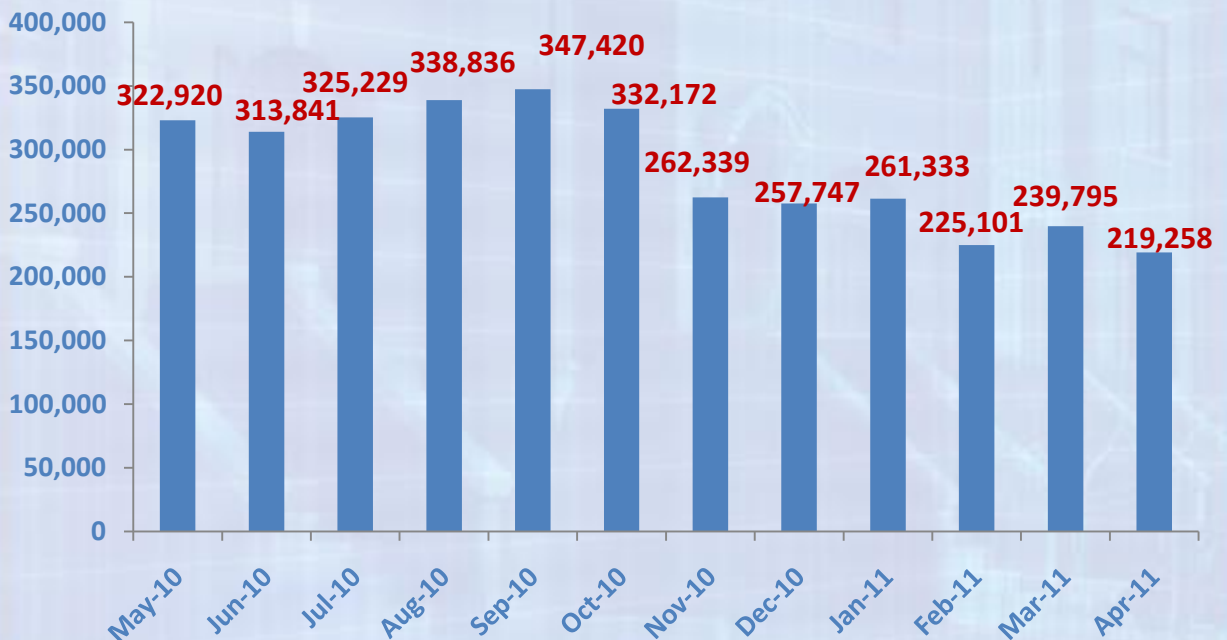
National Housing Stats

Existing Home Median Sales Price



Source: NAR

U.S. Monthly Foreclosure Filings



Source: RealtyTrac

Industry News...

Major Surveys Show RE/MAX Tops in Agent Production



Two major industry surveys reaffirm again that RE/MAX, which leads in per-agent productivity in both reports, has the most productive sales force in the business.

The results of this year's REAL Trends 500 and the RISMedia Power Broker Report are telling: RE/MAX averaged over 14 transaction sides per agent in both reports – more than double the competition.

[Read the Mainstreet article and access the resource sheets.](#)

Americans See Housing Recovery in 2014

A new homeowners survey suggests we won't see a housing recovery until 2014 at the earliest.

The survey indicates that 54% of Americans believe a recovery is at least another two and a half years away, up from 34% of Americans six months ago.

Read the [forbes.com story](#).



Foreign Buyers Getting Fire Sale Prices on U.S. Housing



For U.S. homeowners, the family moving in next door could be Canadian. Or Chinese.

U.S. real estate, especially on the high end, is getting support from international buyers. If U.S. buyers find homes attractively priced, global buyers are finding a fire sale once exchange rates are figured in.

Read the [Wall Street Journal story](#).

Congress May Investigate HUD Construction Program

House Oversight and Government Reform Chairman Darrell Issa (R-Calif.) intends to investigate allegations that a federal housing program misused hundreds of millions of dollars.

A *Washington Post* investigative series raised allegations of problems within a HUD construction program that provides affordable housing.

The yearlong investigation by the *Post* found that more than nearly 700 projects receiving \$400 million in grants have stalled or been otherwise abandoned.

Read [The Hill story](#).

Industry News...

Federal Retreat on Bigger Loans Rattles Housing

By summer's end, buyers and sellers in some of the country's most upscale housing markets are slated to lose one of their biggest benefactors.

For the last three years, federal agencies have backed new mortgages as large as \$729,750. But now Democrats and Republicans agree that the taxpayer should no longer be responsible for guaranteeing mortgages for homes valued well above the national average.

Read the [New York Times article](#).

U.S. Homeowners Shed Debt at Record Pace

Americans are reducing mortgage payments at a record clip, directing cash that once went for debt into consumer spending and savings.

Low interest rates, defaults and refinancings have shaved more than \$100 billion off the nation's annual mortgage bill.

Homeowners have trimmed interest payments alone by 11% — or \$67 billion a year — from the peak in 2008.

Read the [USA Today story](#).



Brazil Sets Billions Aside for Developers, Homeowners

The Brazilian government announced it has \$47.3 billion set aside until 2014 in below-market rate loans for developers to build affordable housing, and get people financing for their first home.

The popular program, called "My House, My Life," is a boon for some down-market players traded on the BM&F Bovespa exchange.

Read the [forbes.com story](#).

California Home Affordability Over 50%



Housing affordability continued to improve throughout California in the first quarter of 2011, led by low interest rates and home prices, according to the California Association of Realtors.

The percentage of buyers who could afford to purchase a median-priced, single-family home in the state rose to 53 percent.

Read the [CAR press release](#).

Read the [Long Beach Press-Telegram story](#).

Technology News...

Zillow Announces Free Facebook Tabs for Realtors



Zillow has expanded its [free package of Web tools](#) and is now offering Facebook Tabs.

The Tabs are powerful informational and social-networking tools that can help Realtors reach and connect with more clients and potential prospects on the largest social media network in the world.

Check them out on the [Zillow blog](#), or in the [Future of Real Estate Marketing](#) article.



It's hard to believe that the tablet computer was once considered a fool's folly. While Apple's iPad has captured the public's attention, Bill Gates is actually credited with the first public demonstration of a tablet PC in 2001 at Comdex.

While the tablets may very well be only a trend or a transitory technology, their high consumer adoption rates make them a vital frontier for the technology industry.

Read the [seekingalpha.com](#) article.

5 Top Tech Tools Help Agents Dominate Their Markets

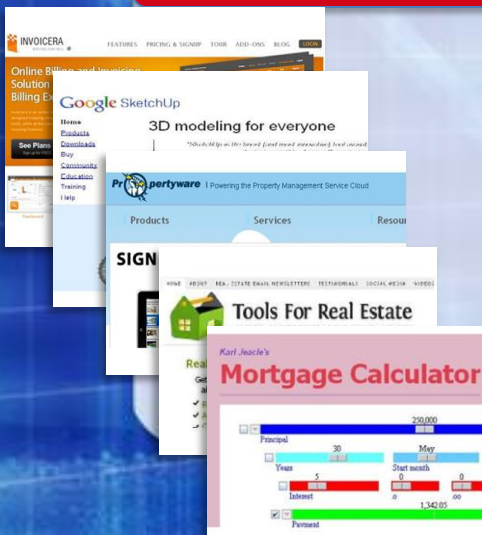
Technology is a significant part of a real estate professional's life.

For real estate agents and brokers, most of their time is exhausted trying to find new clients.

But top producers spend their time selling. What are they doing differently?

There are several online real estate tools that will save agents time and money.

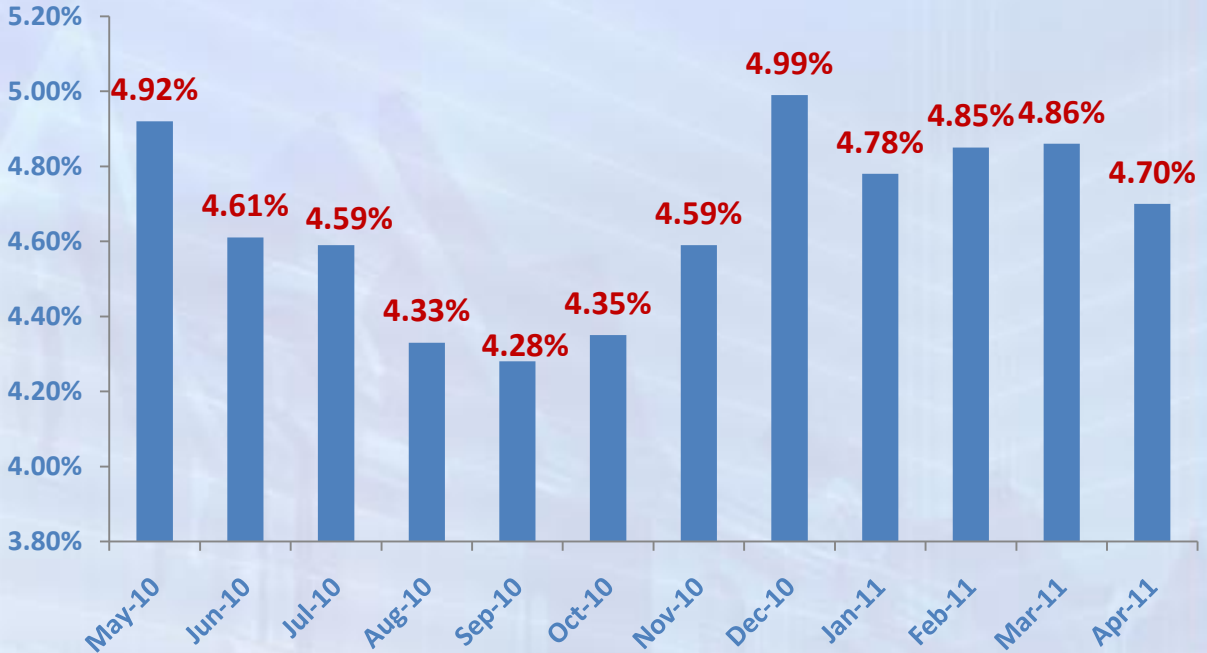
Find out what they are in [this Business Insider](#) article.



Economic Indicators

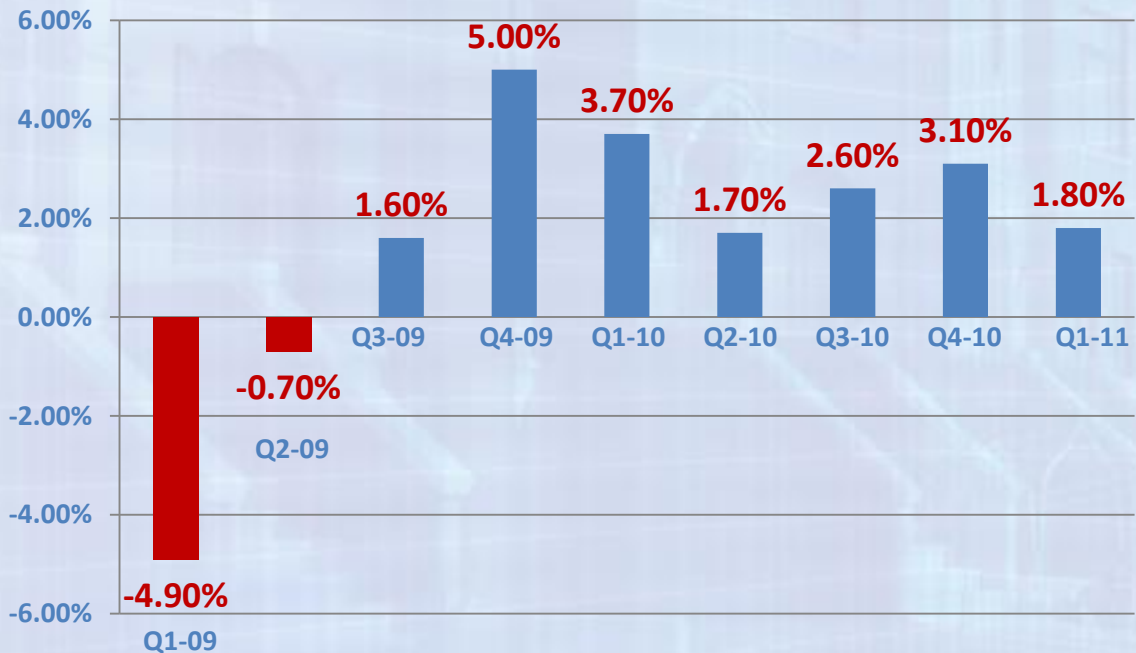
National 30-Year Fixed Mortgage Rate

www.bankrate.com



Gross Domestic Product

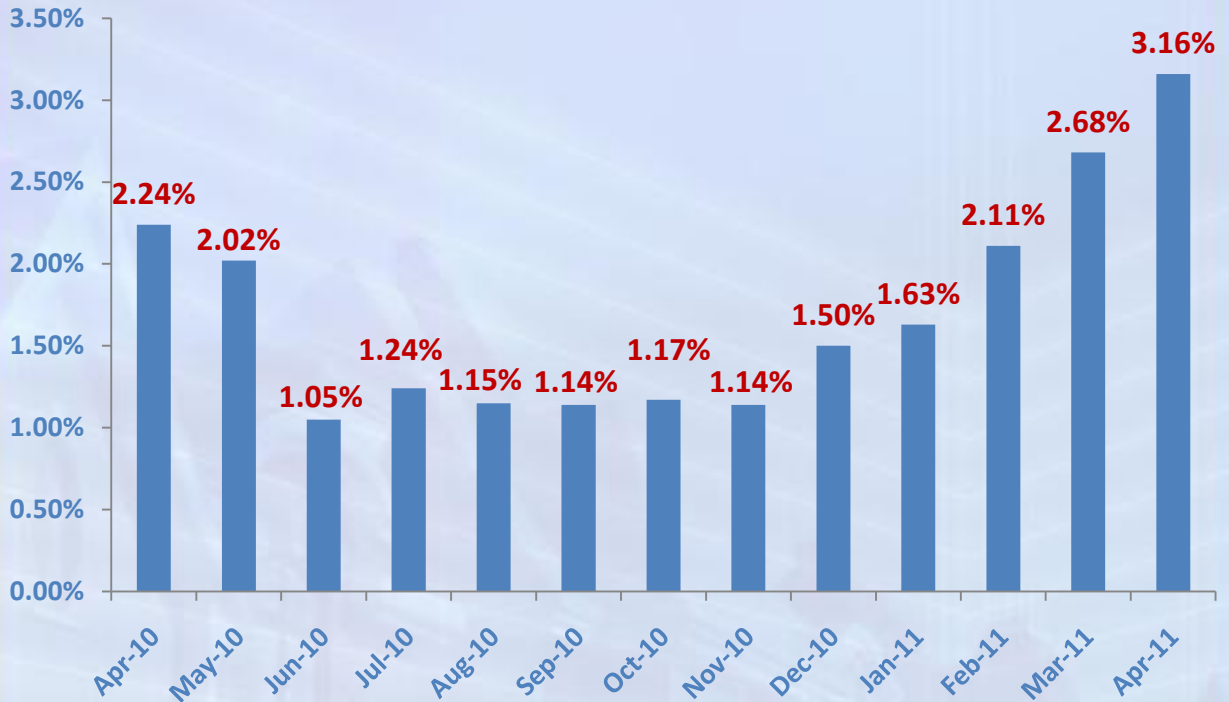
(% change from preceding period)



Source: Bureau of Economic Analysis

Economic Indicators...

Inflation Rate



Source: www.inflationdata.com

Unemployment Rate



Source: Bureau of Labor Statistics

Data and News Release Dates...

NAR Existing Home Sales:

Released on or about the 25th of each month
Next release date: June 20, 2011

www.realtor.org

NAR Pending Home Sales:

Released the first week of the month

www.realtor.org

U.S. Monthly Foreclosure Filings:

Released around the middle of the month

www.realtytrac.com

30-Year Fixed Mortgage Rates:

Released several times during the month

www.bankrate.com

GDP:

Released generally during the third week of the month

www.bea.gov

Inflation Rate:

Released generally during the first week of the month

www.inflationdata.com

Unemployment Rate:

Released generally during the first week of the month

www.bls.gov