



HOUSING STIMULUS

It seems that Congress is finally going to do something that will actually help the American people and economy. Right now, several stimulus packages are being debated.

Here are the current amendments being considered:

\$15,000 Tax Credit

This amendment was offered by Senator Johnny Isakson (R-GA), with Senator Joe Lieberman (I-CT) as a co-sponsor that would extend and expand the home buyer tax credit.

As it currently stands, the Senate has voted and passed an amendment to the economic stimulus package that will give up to \$15,000 tax credit towards a new home. The proposed amendment details are as follows:

- * A tax credit in the amount of \$15,000 or 10 percent of the purchase price (whichever is less), with the option to utilize all in one year or spread out over two years
- * The tax credit is available to all purchases of any home from date of enactment for one full year
- * Able to claim the credit against the 2008 tax return
- * Buyers must occupy the homes for two years as their principle residence or face recapture
- * Purchases of homes by investors are ineligible
- * Sunsets the previous \$7,500 Housing Tax credit on the date of enactment
- * The tax credit may be used in conjunction with the mortgage revenue bond and mortgage credit certificate programs (unlike the current \$7,500 credit)
- * It will cost approximately \$20 billion over ten years

Fix Housing First Act

Introduced by Senator John Ensign (R-NV), this amendment is broader and includes a mortgage rate buy down program which could lower mortgage rates to as low as 4%. The interest rate buy-down would really help all home owners.

Issue Highlights

- **Housing Stimulus**
- **New Website Debuts - CONTEST!**
- **Atlanta Price Drop Better Than Most Major Cities**
- **Featured Listings**

Permanently Increase FHA loan Limits

Last year, Congress increased the FHA mortgage limit in high cost areas for a single-family home to \$729,750 from the current \$362,790.

(continued on next page)

Barry Wolfert Associate Broker



*Your Personal
Real Estate
Consultant.*

RE/MAX COMMUNITIES

135 Johnson Ferry Road

Suite 500

Marietta, GA 30068

Direct: 770-656-7551

Office: 770-955-2525

bwolfert@mac.com



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In effect, the FHA loan limit was the same as the conventional loan limit - which was raised from \$417,000 to \$729,750. The purpose of the increase is to lower borrowing costs for home buyers in high cost areas such as California and New York. By raising loan limits the definition of a "jumbo" loan has changed. Where before a \$500,000 mortgage was an example of "jumbo" financing - and thus priced between .75 percent to almost 1 percent higher than a "conventional" loan - under the new system that same \$500,000 mortgage would itself be an example of "conventional" financing and thus not subject to the higher cost of jumbo financing.

Lower loan costs, it is hoped, will bring more buyers into the marketplace, increase demand, stop price declines and reduce the current inventory of unsold homes. In 2009, the loan limits reverted back to their original levels and many banks have been hesitant to lend at the jumbo loan level because these loans are harder to sell in the secondary market.

We must get the housing market stabilized and back on track so that home values stop eroding and related industries can start to hire again. Please contact your Senator and Congressman to urge them to support these bills. To find out how to reach your representatives, go to my website at www.NorthAtlantaRealEstateVoice.com and click on the blog entry related to the stimulus. You will find a link at the bottom that will direct you towards your Congressional representatives.

NEW WEBSITE DEBUTS WITH BLOG-CENTRIC FOCUS



The world of real estate is constantly changing. Market conditions, interest rates, contracts and forms are all revised, updated or replaced on a regular basis. Part of my role as your personal real estate consultant is to know about these changes, how they might impact you and how to leverage them.

In the world of technology, the internet has been evolving into what is now being called Web 2.0. This new iteration of the world wide web is all about social networking. When the web first emerged, it was information centric. You went to a website and read the information. It was a monologue not a discussion; there wasn't any interaction. Social networking is the ability to interact with the information and others who share an interest. The primary way people do this now is through blogs. A blog is simply someone discussing a topic and other people commenting and building on that discussion. Now, you get to read not only the author's original content but what others have to say about it.

In the realm of real estate, this is critical as the industry and market conditions are constantly changing. My new website is called: **NorthAtlantaRealEstateVoice.com**. While that may be a mouthful to say, my new site is going to be much more informative, interactive and dynamic.

You can sign up to receive new entries as they are posted using RSS or via email. I welcome all of your comments and will be offering a *Starbucks giftcard* for the first 25 people who sign-up to receive updates. Simply go to the site and enter your email in the "Subscribe Email" blue box above my picture.



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ATLANTA MARKET DOWN 11% IN 2008 BUT DOES BETTER THAN MOST

Nationally, the US experienced an 18.2% price drop, year over year according to Standard & Poor's Case-Schiller Home Price Index for the 20 largest metropolitan areas. This represents the sharpest fall in prices ever recorded. Many cities that experienced record price growth were hardest hit by the drop in prices.



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| 1) Phoenix, AZ - 32% drop | 11) Chicago, IL - 12.5% drop |
| 2) Las Vegas, NV - 31.7% drop | 12) Portland, OR - 11.5% drop |
| 3) San Francisco, CA - 30.7% drop | 13) Atlanta, GA - 11.2% drop |
| 4) Miami, FL - 28.7% drop | 14) Seattle, WA - 11.2% drop |
| 5) Los Angeles, CA - 26.9% drop | 15) New York, NY - 8.6% drop |
| 6) San Diego, CA - 25.8% drop | 16) Boston, MA - 7.4% drop |
| 7) Tampa, FL - 20.9% drop | 17) Charlotte, NC - 5.3% drop |
| 8) Detroit, MI - 20.7% drop | 18) Cleveland, OH - 5.2% drop |
| 9) Washington, DC - 19.4% drop | 19) Denver, CO - 4.3% drop |
| 10) Minneapolis, MN - 16.3% drop | 20) Dallas, TX - 3.3% drop |

From October to November, Atlanta prices dropped 2.7%. Because Atlanta has been among the top cities in new home construction, Atlanta was still experiencing some price growth when some cities started to feel their bubble burst. Atlanta's drop in prices came a bit later than that in most cities. The Case-Schiller index for the largest 20 markets topped out and started to slip in mid-2006 — a full year before prices crested in Atlanta.

By November 2008, Atlanta prices had dropped 14.6% from that peak. In contrast, the overall index is down 25%. Atlanta's prices are now back to levels last seen in May 2003. The overall index has returned to its level of early 2004, according to Case-Schiller.

None of the 20 cities in the Case-Schiller index posted a gain in prices from October to November, or from November 2007 to November 2008. The smallest declines in the surveyed cities came in Dallas, which dipped only 3.3% from last year, and Denver, where prices slipped just 4.3%.

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SMYRNA - 5 BD/3.5 BTH/BSMNT



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ROSWELL - 5 BD/2.5 BTH/BSMNT



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Re/Max Communities
135 Johnson Ferry Road, Suite 500
Marietta, GA 30068