



Jana Davis'

Market Summary



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California Market Report

<i>July, 2010</i>	Current Period	Last Period	Last Year	Month-to-Month Change	Year-to-Year Change
Existing Home Sales	552,800	484,640	546,490	14.1%	1.2%
Median Home Price	\$324,430	\$306,230	\$263,440	5.9%	23.2%
Unsold Inventory Index	4.6 months	5.1 months	4.6 months	-9.8%	0.0%
Median Days On Market	39.8	39.4	52.4	1.0%	-24.0%
30-Year Fixed Mortgage	4.89%	5.10%	4.86%	-0.21%	0.03%

Source for statistics: California Association of Realtors

California Market Analysis



If you missed out on the \$8,000 Tax Credit for first-time home buyers, not to worry. The current market conditions might create an even better scenario for you. In order to qualify for the Federal Tax Credit you needed to sign a contract on a home prior to June 30th and close on that home by September 30th. Since the end of April, interest rates have dropped by .375%. If a buyer took out a loan for \$300,000 in April at 5.125%, their monthly payment would be \$1,633.46. With today's lower interest rate of 4.75% that same loan amount would have a monthly payment of \$1,564.94 for a saving of \$68.52 per month. If the new buyer stays in the home for ten years they would experience a saving of \$8,222.40. The competition for homes in April was fierce. The government imposed deadline created a sense of urgency that in some instances caused buyers to pay more for their home. The benefits don't stop there. California passed a Home Buyer Tax Credit for up to \$10,000 for qualified buyers who close escrow after May 1, 2010 and before January 1, 2011 (for details on this tax credit go to: http://www.ftb.ca.gov/individuals/new_home_credit.shtml). First-time home buyers who purchased a home before April 30th in order to get the \$8000 Federal Tax Credit can still feel good about their purchase. They were able to purchase a home that would most likely not be on the market today, and they still have a very low interest rate. If you have been thinking about making a home purchase, now is a great time to jump into the market and take advantage of the low interest rates and the California Tax Credit that exists now. There is no way to know how long rates will remain this low and we know the tax credit will be gone when either the funds run out or the time limit expires at the end of 2010.

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