



Lower Home Prices Lead to Increased Sales

National Housing Report Provides Some Good Housing News

(January 30, 2009 – Denver, CO) Thanks mostly to much higher sales in California, the December average of Home Sales in 56 markets across the country rose 9.73% from November and 11.36% above December 2007 sales. Year-over-year sales increases in California were up 75.55% in the Los Angeles metro area and up 44.42% in San Diego. Other sharp increases were recorded in Las Vegas, up 82.3%, Phoenix, up 69.24%, and Miami, up 68.78%.

These figures are contained in this month's Associated Press-RE/MAX Monthly Housing Report. The report includes data from entire metropolitan areas, representing nearly all 50 states and includes transactions for all residential property types.

"We're very pleased that home sales are starting to pick up in some areas," said Margaret Kelly, Chief Executive Officer of RE/MAX International, Inc.. "Lower home prices are certainly motivating buyers and this is exactly what the market needs right now."

The trend of increased sales was seen in several metro areas that have experienced high numbers of foreclosures. Orlando saw an annual increase in sales of 30.19%, Detroit had an increase of 22.4%.

However, with foreclosures still on the rise, home prices continue to fall. The 56 metro area average showed a 4.87% drop in December prices from November and a 20.19% drop from December 2007.

"Unfortunately, the housing industry has been at the center of our current economic problems and the marketplace probably won't stabilize quickly without government assistance," says Kelly. "While we support lender-incentives to reduce foreclosures, it may also be necessary for the government to stimulate the market with lower interest rates and tax credits to encourage homebuyers and a return to more normal conditions."

The report had some other good news... Inventories are beginning to recede. The average number of homes for sale on the market was down 7.69% from November and down

3.93% from a year ago. Many analysts believe that reduced inventories may signal the beginning of the end for the current down cycle in housing. 41 metro areas among the 56 contained in the report, reported a drop in inventory. Inventories are falling in many metro areas where sales are the highest. The December inventory in Los Angeles was down 28.52% from a year ago and down 23.38% in San Diego.

The December 2008 Associated Press-RE/MAX Monthly Housing Report is the fifth report completed by RE/MAX and Associated Press. The report is distributed near the end of each month for the previous month's market data.

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RE/MAX was founded in 1973 by Dave and Gail Liniger. From a single office in Denver, Colorado, it has grown into a global network of nearly 100,000 Sales Associates working in 7,000 offices in more than 70 countries, an international presence greater than any of its competitors.

RE/MAX has been honored as the leading real estate franchise for 9 of the last 10 years in the oldest and most respected franchise ranking, "The Franchise 500 Survey," by *Entrepreneur Magazine*.

Today, all U.S. home listings in thousands of cities and towns can be found at www.remax.com, frequently ranked as the most visited web site of any real estate brokerage brand. Nobody in the world sells more real estate than RE/MAX.

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