

2008 Better Than 2007

An economist with the National Association of Realtors predicts that 2008 will be a better year for real estate than 2007.

There are several reasons for his prediction. First of all there is a lot of pent up demand. It has occurred due to four million new net jobs in the past two years. Secondly the credit market is paving the wave for a more robust 2008. Markets have settled down and rates are more favorable than they were a few months ago. I have a client that just locked in to a 30 year fixed rate of 5.875! Lastly our economy is fundamentally sound. Unemployment is low, the stock market has hit record highs and most of the negatives of housing have already occurred.

Historically the fall is a slow time to sell your home. The Realtors, Title Agents and Lenders that I have spoken to have indicated that the market has picked up slightly since Labor Day. We normally see another slight increase in December. The new property tax reform that the legislature just passed should also stimulate home sales.

Homestead exemption was doubled for homes over \$75,000 but not for school taxes. Homestead property allow owners to transfer up to \$500,000 in Save Our Home benefits. Imposes a 10% assessment cap on non-homestead property for the next 10 years, excluding school taxes and after 10 years voters can restore 10% cap. Allows businesses to exempt \$25,000 in taxes paid on office equipment and personal property.

I have had several clients ask me if we are seeing the market bottom out. Obviously I do not have a crystal ball and timing the market is extremely hard to do. What I will say is this, if you buy real estate at today's prices and hold on to it for 6-10 years the chances of it going up are excellent.

Tallahassee is one of the only markets in the state that has seen appreciation in the past year. We are very fortunate that we have 2 major universities, a community college and the state capitol.

If you are thinking of putting your home on the market next year, give me a call to schedule a time to get together and talk about what you can do to get it ready.

Sincerely,
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