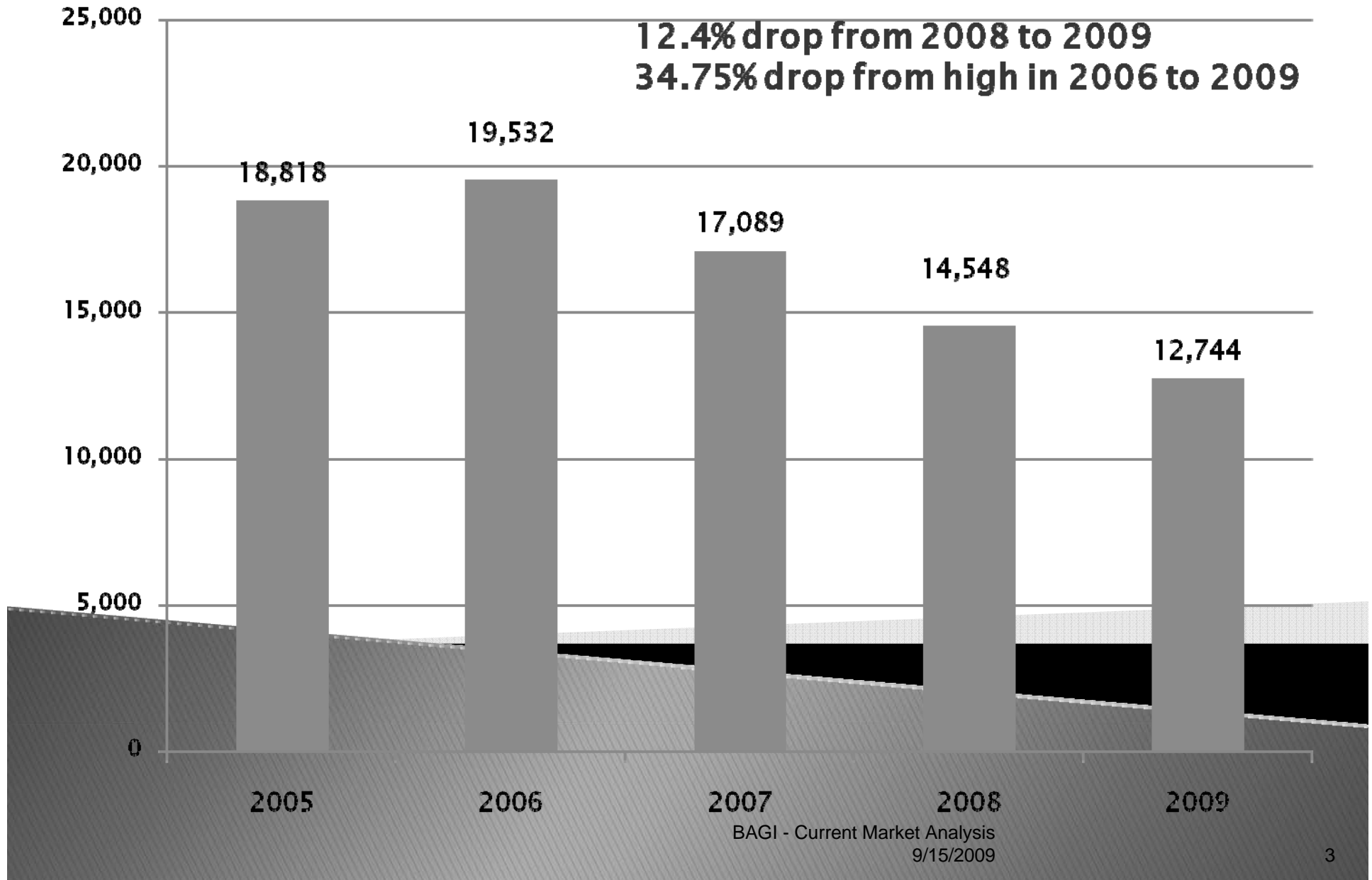


**Larry Mitchell, MAI
2009 President
Metropolitan Indianapolis Board of
REALTORS®**

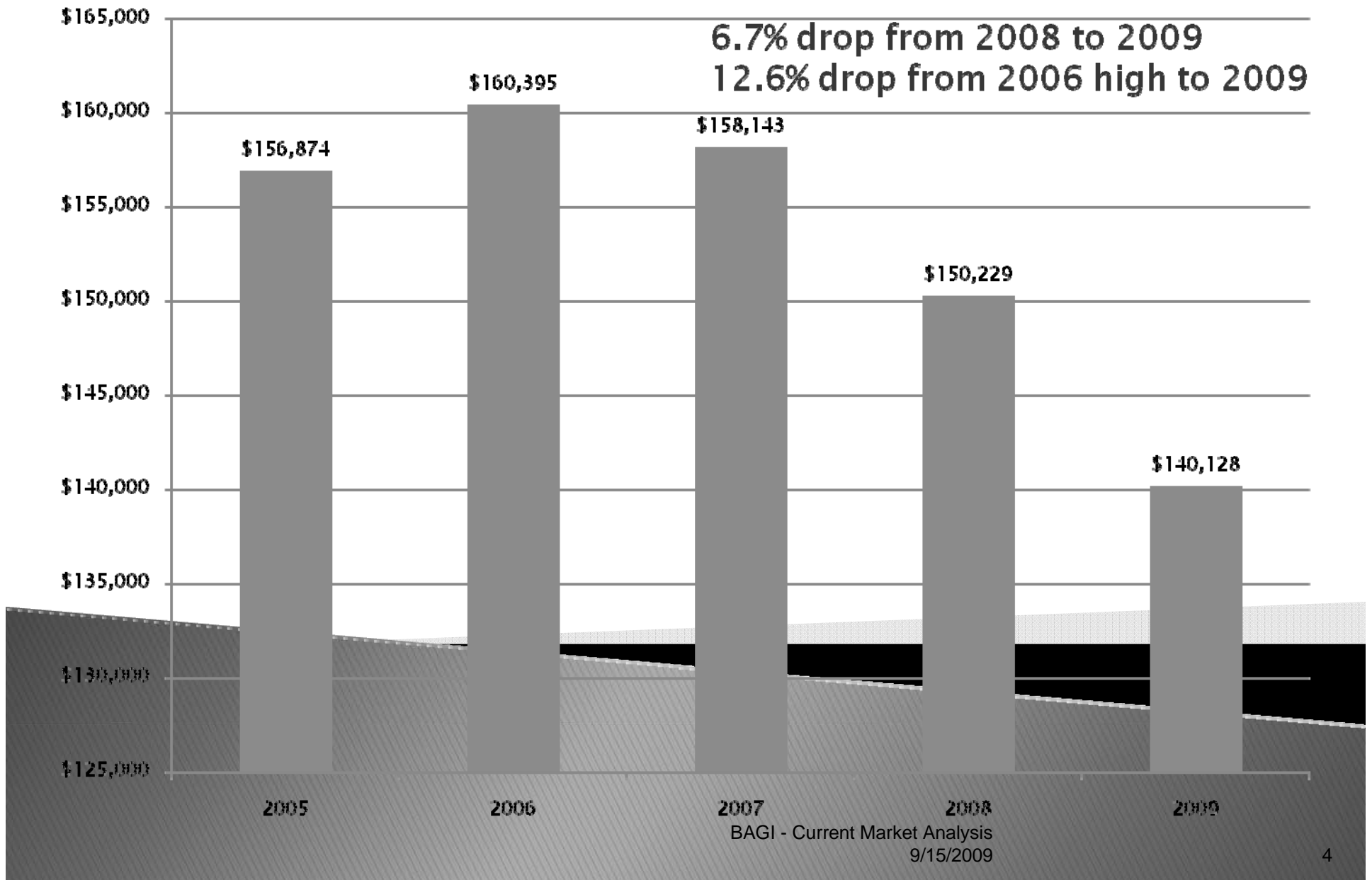
MIBOR: 5–Minute Market Blast

- ▶ How are we doing?
- ▶ REALTOR® Organization Changes
- ▶ Hot Topics in our little part of the world
- ▶ Into the Great Beyond...

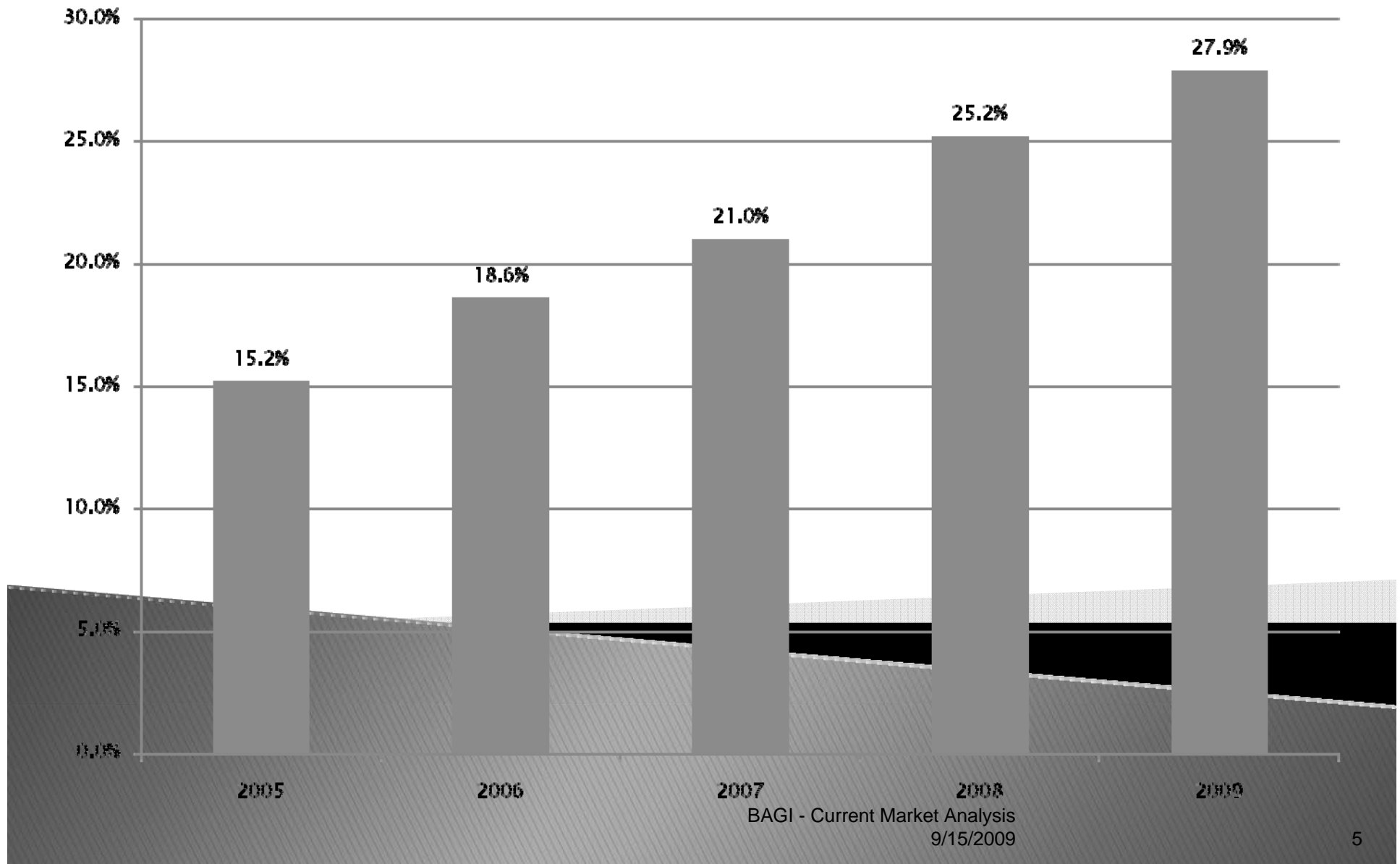
Units Sold YTD Jan-July



Average Sales Price YTD Jan-July



Bank Owned as a Percentage of Sales YTD Jan–July (under reported because disclosure not required)



REALTOR Organization Changes

- ▶ MIBOR membership below 2004 count, 17.3% drop from high in 2007
- ▶ Consolidation of firms, fewer mid-sized companies.
- ▶ 3rd three-year term of BAGI member on MIBOR BoD.
- ▶ IAR new structure reducing Board size from almost 200 to 47.

Hot Topics

- ▶ First Time Home Buyer Tax Credit
- ▶ Appraisal Issues
- ▶ Real Estate Taxes Cap implications
- ▶ Commercial the next to fall

Our Piece of the Bailout Pie

- ▶ \$8,000 tax credit for first time home buyers
- ▶ Anecdotally, large brokers report as much as 60% of sales are 1st time buyers
- ▶ Current set to end December 1, 2009
- ▶ Deal must be CLOSED by that date
- ▶ NAR pushing to extend and expand to all buyers

Those Evil Appraisers!!

- ▶ Perfect Storm for appraiser
- ▶ Good market then crash creates oversupply of appraisers
- ▶ Home Valuation Code of Conduct – May 2009
- ▶ Appraisal Management Companies – Good or Bad for market?
- ▶ You CAN talk to the appraiser!!! Help them out rather than curse them...

Tax Caps Keeping us Awake at Night

- ▶ 1%, 2%, 3% tax caps for 2009 pay 2010
- ▶ Projected large decrease in tax revenue
- ▶ Look for alternative sources of revenue
 - Transfer tax (already started)
 - Tax on services
- ▶ Does 1% tax cap translate into great buying power?
- ▶ Creates disparity between owner occupied and rental property values??

Commercial Next to Fall?

- ▶ Tax caps creates incentive to push commercial assessments to the limit
- ▶ Assessment in arrears means paying taxes for 2006 (good market) in 2009 (bad market)
- ▶ One report says 20% Drop so far, 80% still to go...
- ▶ Regulators Vs. Lenders Vs. Politicians

Commercial Next to Fall?

- ▶ “I expect both credit availability and credit quality to get worse before it gets better in the US in the commercial real estate sector for the remainder of 2009 and into 2010. At this point there are only 32% of loans originated in 2004–2007 that qualify for refinancing based upon current underwriting and cap rate standards. The equity required to pay these loans down to bring them into standard is untenable.” – Indiana Commercial Lender

Into the Great Beyond...

- ▶ Health care and energy cap & trade may have significant impact on our members and their businesses.
- ▶ Among home buyers aged 18 to 24, 89% report using social networking sites.
- ▶ MIBOR launching more mobile applications, first is member directory
- ▶ Fortune Magazine December 2008 article shows Indianapolis as the best in the Midwest with a recovery in the housing market in 2010.

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