



Lexington-Bluegrass Association of REALTORS®
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Bloomberg article highlights Lexington real estate market affordability, area continues to outpace national Housing Affordability Index

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Yesterday's article by John F. Wasik titled *Housing Bubble Didn't Burst Everywhere in U.S.* posted on Bloomberg.com specifically mentioned Lexington as offering a "true housing bargain" and a "top market with low risk." LBAR President Judy Craft comments that "this article is not pointing out new information, as our statistics continue to show that there is no housing bubble in the Bluegrass. However, Wasik's observations are very important for the local consumer to understand as they are constantly bombarded by national news of a housing crisis." Todd Johnson, executive vice president of the Homebuilders Association of Lexington, says, "the report was a confirmation of what those of us in the local housing industry have been saying for the past several months. It is a great time to buy a home in Central Kentucky."

Wasik points out that many economists and national media outlets are overlooking the fact that many real estate markets across the country are stable and affordable unlike the heavily fluctuating markets in Arizona, Southern California, Florida and Nevada. The article's focus on "bubble-averse locales" is heavily indicative of the Central Kentucky real estate market.

Locally, home prices did not experience dramatic and unsustainable growth over the past six years and therefore home prices are not falling at alarming rates like those markets which experienced the extraordinary run-ups in prices. For example, the National Association of REALTORS® (NAR) released data showing that on average the existing home sale median sale price dropped a whopping 8% for April 2008 compared to April 2007. Locally, the existing home sale median sale price dropped only 0.67% for the same time period.

In addition, the area's Housing Affordability Index (HAI) for April was 165 while the nation's was only 129 according to NAR. An HAI of 165 means that the median family income is 165% of the necessary income to qualify for a median priced home with a 20% down payment on a 30-year fixed rate mortgage.

As the region's leading advocate for homeownership, Lexington-Bluegrass Association of REALTORS® (LBAR) understands the value and joy of owning a home. LBAR represents more than 2,400 REALTORS® located in Anderson, Bourbon, Boyle, Clark, Fayette, Franklin, Garrard, Harrison, Jessamine, Madison, Mercer, Montgomery, Scott and Woodford Counties. Visit www.lbar.com or call 859-276-3503 for buying and selling resources and real estate listings.

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