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# GRAF REPORT

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[www.RobertGraf.com](http://www.RobertGraf.com)

## Homebuyer Tax credit Extension

- Obama signs extension thru April 2010
- \$8000 credit to first time home buyers
- **NEW** \$6500 tax credit to move-up home buyers
- For more details contact:  
**Robert Graf @**  
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During this season more than ever, my thoughts turn gratefully to those who have made my progress possible. And in this spirit I say, simply but sincerely...**Thank you and Best wishes for a Happy Holiday!** From my family to yours... 



## 2010 Forecast for Housing Market

As we approach the end of 2009 with a low inventory of homes for sale in the San Fernando Valley and a high supply of qualified buyers ready to purchase, we will continue to see a sellers market. In the 3rd quarter of 2009 we have seen prices stabilize and even increase in certain areas. Bank foreclosures are slowly increasing as the moratoriums have been lifted. We will start to see more inventory of REO properties in the second quarter of 2010. The government has implemented many programs to help homeowners keep their homes including the HOPE and HAMP mortgage modification programs (call for more details). There are 2 distinct

avenues of recovery to our housing crisis. The first is to let the foreclosures happen as quickly as possible to eliminate the nonperforming loans and speed the recovery process and the second is to have government intervention and subsidize banks who have to carry large amounts of nonperforming assets on their books. Through the various programs the government has put in place it is clear that the second more drawn out approach is the chosen method. Which one is right? Only time will tell. If the inventory of listed homes on the market continues to stay at 3000-4500, everything will remain stable. I predict a gradual increase in inventory throughout 2010 and as long as inter-

est rates stay low(4.85% - 5.50%) and programs such as the IRS tax incentives remain in place, we should have a stable market with a leveling off of prices. Real estate in the SFV has lost 30% to 35% value from the peak and 2010 should be the year we start to see a turn around; however don't expect to see any major immediate increases.



## Will My \$560,000 Home Ever be Worth \$800,000 Again?

NOT in near future. As we see a stabilization of home values it is clear that the recovery process will be slow and deliberate. The kind of values we had in 2006 were artificial in nature. Future home owners would never

have been able to qualify for the high loan amounts necessary to sustain those prices if they had to provide the same kind of documentation required now. It reminds me of the Wall Street speculation days of the DOT.COM

companies. How can a company that has never turned a profit trade at \$85 a share? Reality has to set in at some point. "Steady plodding brings prosperity, hasty speculation brings poverty" **Proverbs 21:5 TLB**