



# Home Affordability Shines In Cincinnati Area

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**“It’s a Buyer’s market.”** You’ve probably heard that phrase before when it comes to home buying. It means that conditions favor buyers at the moment. It relates to three primary reasons:

- ◆ Inventory of homes for sale is strong
- ◆ Mortgage rates are low
- ◆ Home prices are favorable

Considering today’s market place: (1) there is an ample supply of homes for sale, (2) mortgage rates are near 5%, and (3) the median-priced home for sale in the Cincinnati 4-county area is \$123,000. What more could a buyer want?

- ◆ How about a **Homebuyer Tax Credit program**? OK, that’s available today to persons (within income limits) nationwide who haven’t owned a primary residence in the past 3 years, including first-time buyers. Get a federal income tax credit (and/or possible tax refund) from the U.S. government up to \$8,000.
- ◆ How about an **Ohio** sweetener? A **Mortgage Credit Certificate** program – including tax credits worth thousands of dollars – is also available to the same group of buyers (*for a limited time; first 1,000 applicants*).

Okay, you say. How do I find out more? Call your REALTOR®. He or she can explain both programs. Or, if you would like, here are web sites with program information:

- **\$8,000 Nationwide Homebuyer Tax Credit program:** <http://www2.cabr.org/files/TaxCredit.pdf>
- **Ohio Mortgage Credit Certificate multi-year program:** <http://www.ohiohome.org/mcc/default.aspx>
- **Homebuyer Tax Credit Advantage Program:** <http://www.ohiohome.org/homebuyer/taxcredit.aspx>

Whether you’re a first-time homebuyer or repeat buyer, home affordability shines equally well in the Cincinnati area. You can’t say that for some parts of the nation, where housing and living costs are higher.

**So how, exactly, is the Cincinnati-area housing market for affordability?** Very fine, thank you. Look at these “local-to-USA” comparative facts for the purchase of a single-family home:

Location & Time Period	Median Priced Single- Family Home	Monthly House Payment*	Median Family Income	<b>Affordability Index</b>
	(a)	(b)	(c)	
Nationwide <i>Jan 2009</i>	\$169,900	\$747	\$59,821	166.8
Cincinnati Area <i>Q4 2008</i>	\$123,000	\$564	\$66,200	244.4**

\*Principal+int.                      \*\*higher is better

The above numbers show **more home buying power in the Cincinnati area market** vs. the USA as a whole due to: (1) more attractive home prices, (2) lower monthly payment (because of lower housing cost), (3) higher median income, and (4) greater affordability. The “affordability” index takes into consideration all “a-b-c” factors shown above. An **Affordability Index of 100** means a person with a median income has exactly enough income for an 80% mortgage on a median-priced home (assuming a favorable credit score). An index above 100 equates to even more housing affordability. *Note:* Other mortgage loans are available with lower down payments. In the end, you need to be comfortable with your monthly housing costs. Each situation is different. Consult your REALTOR® for housing advice.