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Illinois home sales surge 61.8 percent in 2nd Quarter from 1st Quarter.

Pent-up demand plus affordable prices, low interest rates and the tax credit incentive provided a substantial boost to the Illinois housing market in the second quarter, according to the [IAR 2009 report](#). Statewide total home sales increased by 61.8 percent in the second quarter of 2009 to 27,531 homes sold compared to 17,017 homes sold in the first quarter of 2009. Sales were down 16.4 percent from second quarter 2008 sales of 32,949. The Illinois median price in the second quarter of 2009 of \$160,000 was up 9.6 percent from \$146,000 in the first quarter; it was down 16.2 percent from \$190,978 in the second quarter of 2008.

Credit crunch likely to persist, bankers say

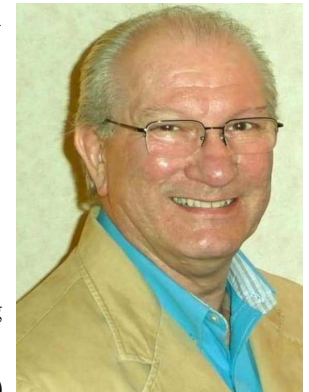
Lenders still clamping down on business, real estate, consumer loans

By [Rex Nutting](#), MarketWatch 8/17/2009

WASHINGTON (MarketWatch) - With delinquency rates rising to a record high, banks were still clamping down on lending to businesses and consumers over the past three months, and they said they planned to keep their credit standards tight for at least a year, the Federal Reserve reported Monday.

In its quarterly survey of banks' senior loan officers, the Fed said lending standards got even tighter for almost every type of loan, from prime residential mortgages to commercial and industrial loans. The survey covered May, June and July.

"The degree of caution exhibited in the survey of senior loan officers over coming quarters will act as a drag on the coming recovery," wrote Richard Moody, chief economist for Forward Capital. "This is one factor that has been, and remains, behind our forecast of a tepid recovery from (*continued pg. 2*)



Lou Perna, CNE, e-PRO, HRC, SRES
Realtor, Broker

HOMES SOLD IN GREATER CHICAGOLAND AREA NORTH*:

STANDARD HOME = Detached single family 4 bedroom, 2 1/2 baths, basement & attached 2 car garage.
As of 8/31/09.

PAST # OF MONTHS	24	12	9	6	3	2	1	6 Month Period Trend	Inside this issue:	Pg.
# SOLD	2,715	1,234	957	765	471	328	152	↑	New FHA loan modification options	2
TIME to SELL (days)	170	173	175	176	173	169	157	↓		
SOLD \$	\$407,261	\$374,231	\$371,077	\$375,411	\$378,879	\$382,306	\$384,540	↑	Pending home sales up again	2
FINAL ASK \$	\$430,550	\$398,419	\$394,874	\$399,267	\$402,390	\$406,577	\$409,056	↑		
Sell \$ to Ask \$	94.6%	93.9%	94.0%	94.0%	94.2%	94.0%	94.0%	.	Perna's Corner	2
CHNG TM TO SELL	-	3	2	1	-3	-4	-12	↓		
% CHNG TM TO SELL	-	2%	1%	1%	-2%	-2%	-7%	.		
CHNG SOLD \$	-	-\$33,030	-\$3,154	\$4,334	\$3,468	\$3,427	\$2,234	↑	Another factor to consider in support of "Health Care Reform"	2
% CHNG SOLD \$	-	-8%	-1%	1%	1%	1%	1%	.		
# SOLD PER MONTH	113	103	106	128	157	164	152	↑		
CHNG ASK \$	-	-\$32,131	-\$3,545	\$4,393	\$3,123	\$4,187	\$2,479	.		
% CHNG ASK \$	-	-7%	-1%	1%	1%	1%	1%	.		
# CURRENT LISTINGS							1,616	↓		
# MONTHS SUPPLY	14.3	15.7	15.2	12.7	10.3	9.9	10.6	↓		
	9/07-08/09	9/08-08/09	12/08-08/09	03/09-08/09	6/09-08/09	7/09-08/09	Aug-09	03/09-08/09		

*MLS Areas Barringtons, Elgin, Chicago Area North, North Shore, and North West Regions & Lake County.



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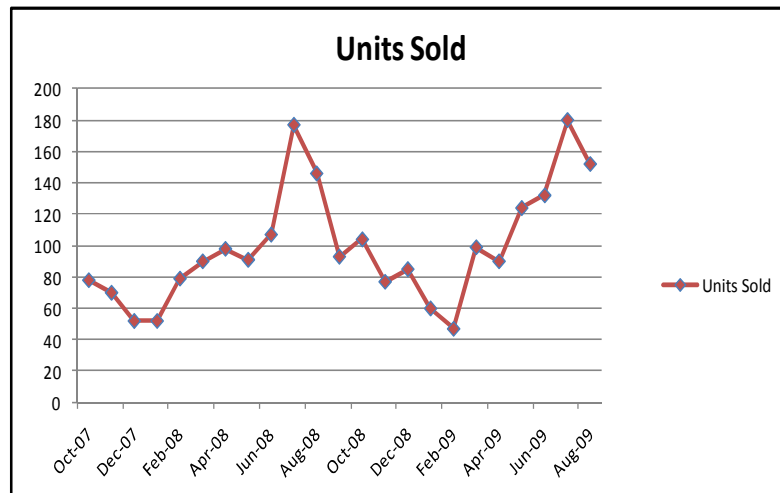


Service is Our Promise to You!
Perna's Corner

New FHA loan modification options. Beginning August 15, struggling homeowners with FHA loans can reduce their monthly mortgage payments by seeking a loan modification through the new FHA—Making Home Affordable Loan Modification Program.

Pending home sales up again. Pending home sales rose 3.6 percent in June, marking the fifth consecutive month of increases and first time in six years for such a streak.

Last month I showed you a graph on how sales price has improved this year from January in the 4 bedroom market I am tracking. To follow up on that, below is a graph of my market that shows that the traditional summer selling months (June, July & August) were strong, in homes this summer during last year's summer. Unit sales this year! the average price this was down compared to summer as I said sold prices appear to have stabilized and moved up the past 5 months, but they are still down from last year's selling price which was down from 2007's.



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(continued from pg. 1)
the Great Recession."

The government has been trying without much success to get banks to increase lending to worthy borrowers. In a separate report released Monday, the Treasury Department said outstanding loan balances fell by 2% from May to June at 22 banks receiving federal assistance from the Troubled Asset Relief Program.

Banks have been tightening their standards for various types of loans for more than two years after they let credit expand too much, especially for residential real estate. For residential mortgages, banks have tightened their standards for 11 straight quarters by increasing requirements for down payments, interest-rate spreads, or credit scores.

In a separate report released Monday, the Fed said the delinquency rate for all loans and leases rose to 6.49% in the second quarter from 5.58% in the first quarter. That's the highest delinquency rate since 1985, when the Fed began collecting the data.

The charge-off rate rose from a record 2.03% to a record 2.65%. Before this recession, the highest charge-off rate had been 1.70%.

Delinquency rates for real estate loans rose from 7.10% to 8.27%, the highest since the data began in 1987.

Another factor to consider in support of "Health Care Reform?"

More Than Two-Fifths Of Homeless Have Disabilities
By Michelle Diamant
July 16, 2009

More than 40 percent of America's homeless population are people with disabilities and the number appears to be rising, according to an annual report on homelessness from the Department of Housing and Urban Development (HUD).

In 2008, 42.8 percent of all adults using homeless shelters had a disability compared to 37.1 percent in 2007. The report calls this increase "unusually large for a single-year change." The numbers could reflect an increased need

or simply better data collection, the report says.

Meanwhile, just 17.7 percent of the general adult population reports having a disability meaning that a significantly larger percentage of people with disabilities are homeless compared to the rest of the population.

One reason for the high number of homeless people with disabilities may be that people in this population are more likely to be impoverished than those without disabilities, according to the report. Moreover, reliance on relatively small Supplemental Security Income (SSI) payments - which average 44 percent below the federal poverty level - could also make it difficult for people to retain permanent housing.