



THE TREND!

California

Median Price	Date
\$297,500	10/09
\$296,610	9/09
\$307,210	10/08
Sales change Prior Month 5.9%	
Sales change Prior Year 1.0%	

Sacramento

Median Price	Date
\$188,110	10/09
\$184,200	9/09
\$196,920	10/08
Sales change Prior Month 5.2%	
Sales change Prior Year -18.4%	
Source C.A.R. Research Dept.	

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The New Tax Credits..8k and 6.5k..

In this issue of our newsletter, we will discuss the extended tax credit known as Worker, Homeownership and Business Assistance Act of 2009 signed by the President on November 4, with expanded benefits effective November 9.

- To claim the credit you need to complete the new IRS form 5405
- For first-time home buyers, the credit is a \$8,000 maximum or 10% of purchase value.
- There is now \$6,500 new tax credit for people who have owned a principal residence for a consecutive 5 of the previous 8 years, and who purchase a re-

placement principal residence.

- Members of the armed forces, diplomatic and intelligence personnel serving in foreign countries, have until April 30, 2011, to enter into a contract to purchase a house, and until June 30, 2011, to close the transaction.
- The house cannot be sold for more than \$800,000.
- Note that no one under age 18 can claim the credit no matter what the circumstances. Moreover, anyone who is counted as a dependent on another taxpayer's federal filings is ineligible for a home purchase tax credit.

- The time frame for this credit is for contracts on or before April 30 and June 30 for closings
- The income limits for purchasers is from \$125,000 in "modified adjusted gross income" for single taxpayers and to \$225,000 for those who file jointly. Singles with incomes between \$125,000 and \$145,000 may be eligible for reduced credit amounts, as are joint filers with incomes from \$225,000 to \$245,000. Those with income above these amounts do not qualify for either of the credits.

We encourage those capable to take advantage of the law.

Al Som-Any, MBA, Broker

Real Estate Update..Calif Confidence 2 yr High

Gary Anderson Center for Economic Research's fourth quarter report of the California Composite Index of Consumer Confidence increased to 76.3 from 69.2 in the third quarter. According to the center, this is the best reading since the third quarter of 2007. The research con-

ducted out of Chapman University in Orange California, rates numbers below 100 as higher consumer pessimism.

Three indices make up this index. The current economic conditions index increased to 53.8 in the fourth quarter from 39.6 in the third quarter, this is more than a 14

point jump. The second index measures future economic conditions, which rose by 2 points to 99.7. The third index measures consumers' planned spending on big-ticket items, this index increased to 74.7 from 71.7 in the third quarter of 2009.

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