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**End of home buyer tax credit unlikely to deter local real estate buyers**  
*Trends in Maine underscore national survey data showing consumers more concerned about home prices, interest rates and unemployment*

**Bangor, Maine**—The expiration of the 2010 Home Buyer Tax Credits on April 30 is unlikely to put off Maine residents looking to purchase homes, according to Robert Norris, President of Prudential Northeast Properties. This reflects the results of a new Prudential Real Estate and Relocation Services, Inc., a Prudential Financial, Inc. [NYSE: PRU] company, national survey which reveals that consumers believe now is a good time to buy and are confident that home prices will rise. The survey of 1,000 Americans between the ages of 25-64 with at least \$35,000 household income was conducted during April 15-20, 2010.

In the national survey more than 90 percent of consumers believe that the home buyer tax credits have helped both first-time home buyers and the U.S. housing market overall. Among consumers actually shopping for homes, 65 percent believe that the end of the tax credits will have little or no effect on their interest in purchasing a home.

While consumers remain unsure about the direction of the housing market, the survey reveals that they are optimistic about real estate values with 46 percent of consumers expecting real estate prices in their area to increase over the next year. Just 12 percent expect prices will decline. Over the next five years, 79 percent expect real estate prices to increase, with 20 percent expecting that prices will increase substantially.

“The federal home buyer tax credits clearly played an important role on a national and local level,” said Norris, Prudential Northeast Properties. “The survey data shows that overall consumers believe the market has hit bottom and are more optimistic about the future.”

Survey respondents identified concerns about rising mortgage interest rates and unemployment as the most important factors affecting their decision to purchase a home, along with more stringent lending criteria and fewer mortgage-backed securities purchased by the Federal Reserve. The expiration of the tax credits placed lowest on their list of concerns. Among those who have recently purchased a home, 61 percent cited low mortgage interest rates as “very important” to their decisions – an amount greater than either the tax credit or even cheaper prices. The 66 percent expecting interest rates to rise underscores potential headwinds for the market.

Despite the significant downturn in the real estate market, the survey underscores that the dream of home ownership and the perception that owning a home is a good investment remain intact. Among current renters, 75 percent still believe owning their home is a better long-term choice for their needs than renting. The majority of consumers also believe that homeownership is a better investment than individual stocks or bonds (75%), mutual funds (72%), or savings accounts (74%).

“While the tax credits clearly helped stimulate the market, the more pressing concerns of people looking at homes in the Maine area are the availability and cost of financing, as well as if they will have a job,” added Norris. “Despite the market downturn, consistent with the national survey data, the majority of our clients are more confident and, importantly, continue to believe that owning a home is a good investment.”

The Prudential Real Estate Outlook Survey was conducted online. The margin of error is +/- 3 percent. A more detailed breakdown of the data is available, as well as supporting charts and visuals, at [www.news.prudential.com](http://www.news.prudential.com).

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