

Windermere Report.com

BUY & BAIL

What are the consequences of foreclosure?

LAS VEGAS RANKS #1 IN NATION'S METRO FORECLOSURE RATES

One in every 22 units had a foreclosure filing

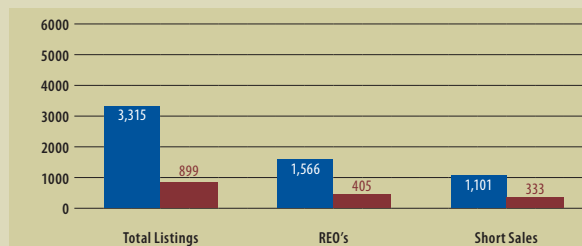
LISTING INVENTORY SHRINKS

Inventory levels are down 22.2%

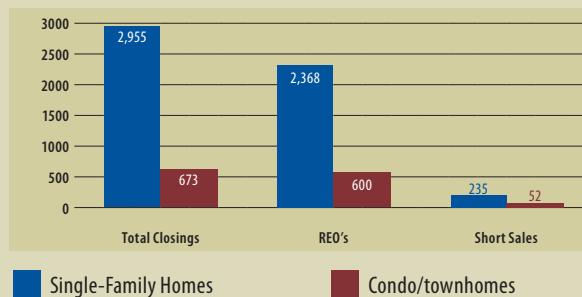
PREMIER PROPERTIES SNAPSHOT

There were 12 closings for April

APRIL 2009 NEW LISTINGS



APRIL 2009 CLOSINGS



Source: Windermere Real Estate. All figures as of April 30th.

BUY & BAIL

Some homeowners who are upside down in their home (owing more than it's worth) are purchasing homes and letting their original home foreclose. The "Buy & Bail" trend is happening as homeowners watch their home values decline. While a portion of foreclosures are resulting from a homeowners inability to make monthly payments due to job loss or market conditions, many others are facing the psychological decisions of making payments on a home that no longer is worth their obligated debt.

Purchasing a home at record lows is appealing to homeowners, and worth walking away from the original home debt. But is it really? What are the consequences of foreclosure?

Myths:

- There are so many foreclosures nationwide, lenders will overlook my foreclosure as "part of the times"
- I don't need to worry about my credit, if I purchase before walking away
- The foreclosure will only stay on my credit for 4 years, I am willing to wait

Truths:

- A foreclosure will negatively impact your credit
- It will take a minimum of 4 years before you can purchase another home
- The impact of your credit could affect vehicle loans, student loans, and credit cards
- You will need to re-establish your credit worthiness

Eric Torres, of Direct Access Lending, advises homeowners to look at the long term. "A foreclosure on your credit report could impact your ability for future credit and purchases." Torres states, "If you have a job, a credit score of 620 or more and a minimum down payment of \$500, you may qualify to purchase a home."

LAS VEGAS RANKS #1 IN NATION'S METRO FORECLOSURE RATES

Las Vegas was listed as the highest metro rate with nearly 4.5% of its housing units receiving a foreclosure filing during the first quarter of 2009. One in every 22 units had a foreclosure filing, which is more than 7 times the national average. Merced, California was the second highest with a foreclosure filing of 4.21% or 1 out of 24, and Cape Coral-Ft. Meyers, Florida was third highest with 3.85% or 1 in every 26. Thirteen of the top 26 metro foreclosure rates were in California, Florida, Nevada and Arizona.

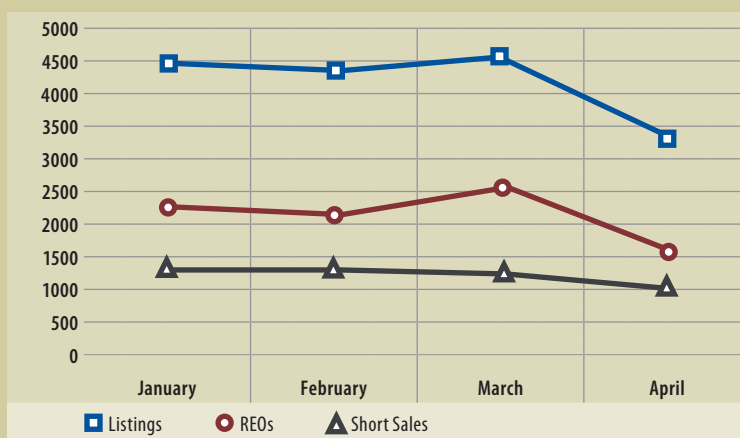
LISTING INVENTORY SHRINKS

Las Vegas Inventory shrunk to nearly 18,000 resale units through the end of April. Inventory levels were down 22.2% compared to the same week of the prior year.

In April, closings were 98% of the listing price. Homes that were listed and sold in less than 30 days sold for 101% of the listed price. Forty-six percent of the properties listed are selling for 101% of list price and closing in 30 days or less. This is an indicator that the majority of homes are priced at fair market value.

Agents are seeing multiple offers on properties with curb appeal that are surfacing on the market. First-time homebuyers are realizing their dream of homeownership. Investors are taking advantage of the low prices and placing cash offers on properties that they hope will turn a profit. Short Sales (loans on properties that are higher than the current market value) are getting bank approvals faster and closing escrow.

NEW MONTHLY LISTINGS YEAR-TO-DATE



PREMIER PROPERTIES SNAPSHOT

In April 2009, the Premier Properties (\$1 million or more) showed 87 new listings; 5 were short sales and 1 was bank-owned. There were 12 closings for April; 2 of them were bank-owned. The highest closing for April listed at \$6,000,000 and sold for \$5,000,000. The average days on market for luxury homes is 325 days, although homes selling closer to \$1 million averaged 37 days on market.