

# Windermere Report.com

## SHORT SALE CLOSINGS UP 200%

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## LOCAL FAST FACTS

98% of pending & contingent sales are either bank-owned or short sales

## HOMEBUYERS' TAX CREDIT GETS EXTENDED

The U.S. Senate passed the bill to extend the first-time homebuyers' tax credit

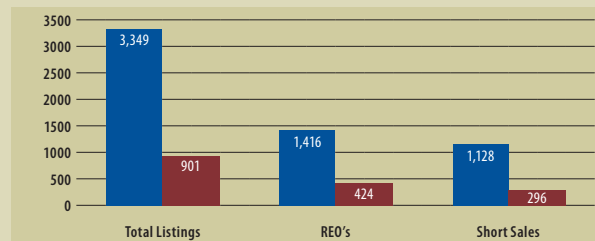
## NEVADA COMES IN NUMBER 1

Nevada topped the list of residential properties in foreclosure

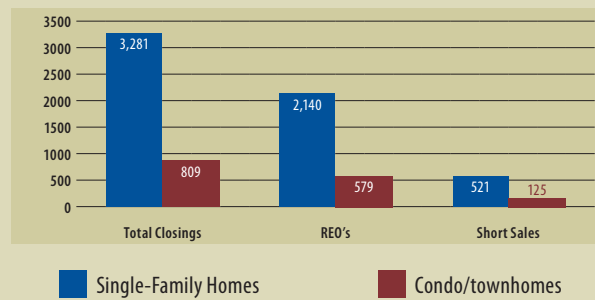
## PREMIER PROPERTIES SNAPSHOT

In October 2009, premier properties (\$1 million or more) showed 63 new listings; 3 were short sales and 5 were bank-owned

### OCTOBER 2009 NEW LISTINGS



### OCTOBER 2009 CLOSINGS



Source: Windermere Real Estate. All figures as of October 31st.

## SHORT SALE CLOSINGS ARE UP 200%

Short sale closings are up 200% since March 2009. Banks are getting more organized in their short sale departments and the increase in short sale closings reflects their efforts. The number of short sales that closed in March was 214, compared to October closings of 646.

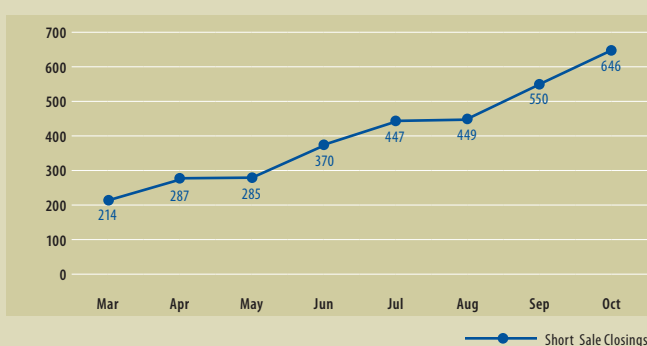
A short sale is when a bank allows a homeowner to sell the home for less than what is owed on the loan. A short sale is one of the last options for a homeowner to avoid foreclosure. Realtors are seeing more homeowners trying short sales.

But for homeowners facing foreclosure and some kind of hardship—like loss of a job—it can be tough to get a bank to approve a short sale. It might get easier, as banks begin to realize that they can save money and hassle by approving a short sale instead of maintaining the house and allowing it to sit empty as a foreclosure.

The bank holding the mortgage has no emotional tie to the property. The bank will make their decision after reviewing the financial data. What they are finding is that it actually makes better financial sense to approve a short sale if the seller qualifies, than to foreclose the property.

Right now, short sales take at least 60 days and sometimes up to six months to close escrow. There's no guarantee the deal will go through as the banks sometimes back out at the last minute if they don't like the way the final numbers look.

### CLOSED SHORT SALES



## LOCAL FAST FACTS

- 98% of pending & contingent sales are either bank-owned or short sales
- Total closings are up 5% from September
- Total inventory is down 6% from prior month
- Luxury home closings (over \$1,000,000) dropped 30% from September to October
- Only 12% of luxury home listings are distressed (bank-owned or short sales)

## HOMEBUYERS' TAX CREDIT GETS EXTENDED

The U.S. Senate passed the bill to extend the first-time homebuyers' tax credit of \$8,000 that was originally passed earlier this year as part of the stimulus bill, which was set to expire at the end of November. The bill was passed to include the following:

- Extends the \$8,000 credit through June 30, 2010 (must have binding contract by April 30, 2010).
- Expands the credit (capped at \$6,500) beyond first-time homebuyers to those who have owned a home for five consecutive years within the previous eight years.
- Increases the dollar limits for eligibility for both credits from \$75,000 for singles and \$150,000 for married couples to \$125,000 for singles and \$225,000 for married couples.
- Limits the credits to homes costing \$800,000 or less.
- Waives repayment of the credit for Members of the Armed Forces and others sent away from home on extended duty.
- Extends the credit for an additional year for Members of the Armed Forces and others away from home on extended duty.
- The proposal adds an age requirement, requires corroborating information to be filed with a return claiming the credit, and gives the IRS greater authority to deny the credit based on information reported by the taxpayer on prior returns.

Source: <http://reid.senate.gov/>

## NEVADA COMES IN NUMBER 1

Nevada topped the list of residential properties in foreclosure, according to RealtyTrac's U.S. Foreclosure Market Report for the 3rd Quarter 2009, which reports foreclosure filings, notice of defaults, scheduled auctions and bank repossessions.

Las Vegas showed as number one with 40,408 default notices and REO (bank-owned) properties. One out of every 20 homes in Las Vegas is distressed. Las Vegas was up 8.82 percent from the second quarter and up 53.6 percent from the third quarter of 2008.

Arizona was second, California was third and Florida showed fourth.

Data is collected from more than 2,200 counties nationwide, which accounts for more than 90% of the U.S. population.

## PREMIER PROPERTIES SNAPSHOT

In October 2009, premier properties (\$1 million or more) showed 63 new listings; 3 were short sales and 5 were bank-owned. There were 11 closings for October; 2 were short sales and 2 were bank-owned. The highest closing for October listed at \$5,999,900 and sold for \$5,750,000.