

HOUSING TRENDS UPDATE

April 2012

Housing Trends Update is derived from the

Campbell/Inside Mortgage Finance HousingPulse Tracking Survey

It is based on a national survey of more than 2,500 real estate agents each month and provides up-to-date intelligence on home sales and mortgage usage patterns throughout the United States



Housing Trends Update

Housing Trends Update is published monthly and is available only to real estate agents who are part of the Campbell/Inside Mortgage Finance HousingPulse survey panel.

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Strong Traffic and Low Inventory Not Enough To Lift Home Prices, *HousingPulse* Reveals

Despite strong homebuyer traffic and a relatively low inventory of properties for sale, home prices continued to fall in March, according to the latest results of the monthly *Campbell/Inside Mortgage Finance HousingPulse Tracking Survey*.

The closely-watched survey found that traffic indexes for first-time homebuyers, current homeowners, and investors were all substantially higher in March when compared to a year earlier.

Significantly, the traffic indexes for current homeowners and investors last month were even higher than those recorded when the federal homebuyer tax credit was offered in 2009 and 2010.

Meanwhile, *HousingPulse* found that real estate agents reported housing inventories well below levels seen a year ago, with an especially acute shortage of attractive properties in good locations.

So far, the strong homebuyer traffic and low inventory has not translated into rebounding home prices. Home prices for non-distressed properties fell 5.7% from March 2011 to March 2012. Prices for damaged REO fell 5.9% and for move-in ready REO, prices fell 2.5% during the same one-year period. And for short sales, prices fell a whopping 14.3%, year-over-year.

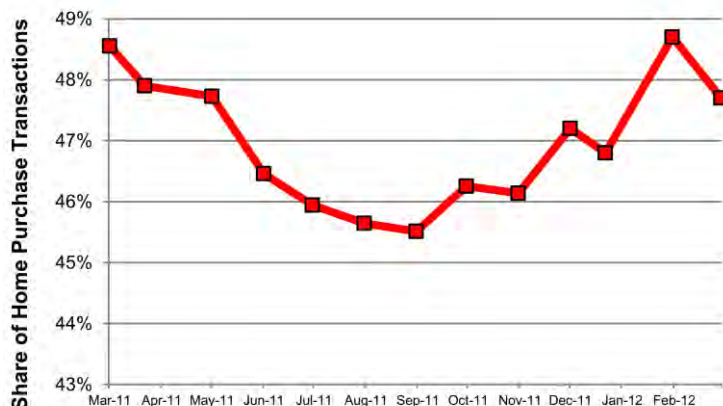
One factor continuing to push prices down is the high share of distressed properties, especially short sales. The total share of distressed properties in the housing market in March, as represented by the *HousingPulse* Distressed Property Index (DPI), was 47.7%, using a three-month moving average. This was the 25th month in a row that the DPI has been above 40%.

(continued on next page)

Distressed Property Share of Market Remains High

The share of home purchases involving distressed properties fell in March, according to the *HousingPulse* Distressed Property Index. But it still remained at a historically high level.

Source:
Campbell/Inside Mortgage Finance
HousingPulse
Tracking Survey

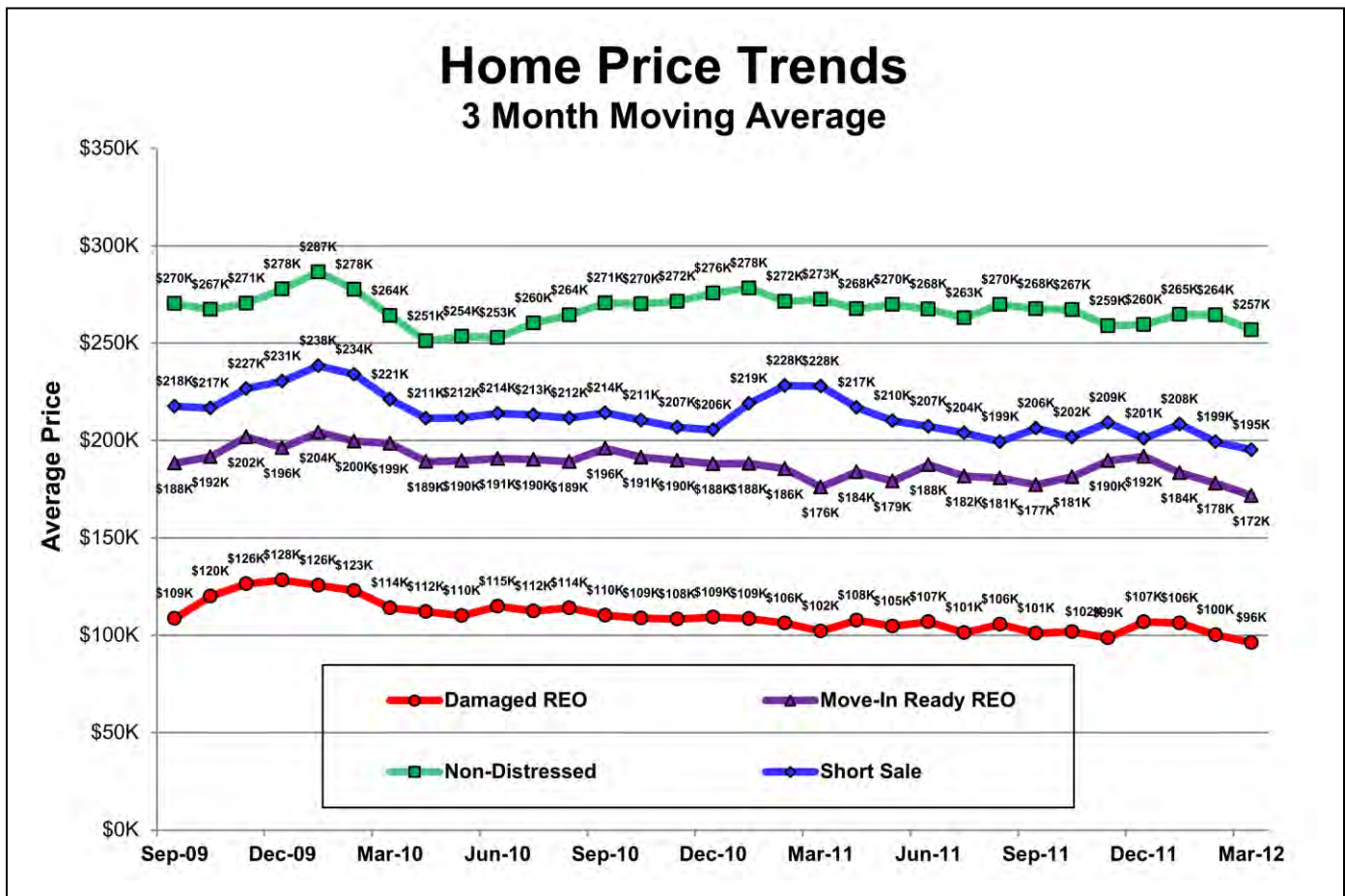


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“With nearly half of the market being distressed, we’re a long way from a return to a normal market,” said Thomas Popik, research director at Campbell Surveys.

“Agents responding to our survey say that homeowners with well-maintained properties in good locations are very reluctant to list at today’s prices. That’s why inventory is low—and also why forced REO and short sales are such a big proportion of the remaining market,” he added.

All of the growth in the distressed property share of the housing market in the past six months has been driven by an increase in short sales. Over the past six months, the proportion of short sale transactions in the housing market has climbed from 17.8% to 19.9%. Short sales now represent the No. 1 segment for distressed property and the high supply of short sales may be one factor keeping prices soft.



“[Purchase] Activity has increased while prices continue to fall. There is a significant increase in the number of short sales and foreclosures on the market in our area,” reported an agent in Delaware.

“Sales are up 29 percent year-to-date through the end [of] March. Pending sales are up 55 percent. Prices just are beginning to rise,” stated an agent from California.

“Volume is increasing, but prices are not. Only very nice homes are selling faster,” noted an agent in Pennsylvania.

To listen to a recording of Thomas Popik, research director for Campbell Surveys, explain more on the dynamics of the March housing market, click on this link:

[April 2012 HousingPulse Audio File](#)

Residential Real Estate Pricing and Commission Metrics

Average Sales to Listing Price Ratio	Previous 12 Months		Short Sale	Non-Distressed
	Damaged REO	Move-In Ready REO		
Region	REO	REO	Short Sale	Distressed
AZ & NV	100%	98%	97%	95%
California	97%	99%	96%	96%
Farmbelt	90%	98%	93%	95%
Florida	92%	96%	93%	93%
Industrial Midwest	92%	95%	91%	94%
Northeast	93%	95%	92%	94%
Oil Producing	92%	96%	93%	96%
Pacific NW	98%	96%	95%	95%
Rocky Mountain	92%	96%	91%	95%
South	90%	94%	91%	95%
National Average	93%	96%	94%	95%

Average Listing Side Commissions	Previous 12 Months		Short Sale	Non-Distressed
	Damaged REO	Move-In Ready REO		
Region	REO	REO	Short Sale	Distressed
AZ & NV	2.61%	2.57%	2.92%	2.76%
California	2.43%	2.49%	2.86%	2.65%
Farmbelt	2.76%	2.79%	2.99%	2.87%
Florida	2.72%	2.76%	2.93%	2.91%
Industrial Midwest	2.69%	2.74%	2.93%	2.87%
Northeast	2.64%	2.70%	2.92%	2.74%
Oil Producing	2.75%	2.68%	2.90%	2.81%
Pacific NW	2.73%	2.66%	2.84%	2.80%
Rocky Mountain	2.58%	2.64%	2.93%	2.76%
South	2.77%	2.59%	2.93%	2.79%
National Average	2.68%	2.65%	2.91%	2.80%

Average Buy Side Commissions	Previous 12 Months		Short Sale	Non-Distressed
	Damaged REO	Move-In Ready REO		
Region	REO	REO	Short Sale	Distressed
AZ & NV	2.91%	2.91%	2.78%	2.93%
California	2.75%	2.76%	2.72%	2.70%
Farmbelt	2.81%	2.88%	2.73%	2.77%
Florida	2.88%	2.86%	2.90%	2.94%
Industrial Midwest	2.86%	2.86%	2.80%	2.87%
Northeast	2.73%	2.70%	2.69%	2.66%
Oil Producing	2.88%	2.90%	2.89%	2.93%
Pacific NW	2.77%	2.83%	2.73%	2.81%
Rocky Mountain	2.87%	2.90%	2.78%	2.87%
South	2.89%	2.89%	2.86%	2.86%
National Average	2.85%	2.85%	2.79%	2.82%

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Average Property Price by Region Previous 12 Months

<u>Region</u>	<u>Damaged REO</u>	<u>Move-In Ready REO</u>	<u>Short Sale</u>	<u>Non-Distressed</u>
AZ & NV	\$138,874	\$156,484	\$166,457	\$226,007
California	\$209,942	\$296,059	\$277,313	\$428,784
Farmbelt	\$78,967	\$138,750	\$146,529	\$188,702
Florida	\$97,578	\$171,301	\$141,931	\$236,455
Industrial Midwest	\$63,267	\$121,145	\$146,788	\$198,148
Northeast	\$146,385	\$281,388	\$212,215	\$328,456
Oil Producing	\$75,441	\$187,812	\$157,492	\$203,884
Pacific NW	\$105,348	\$219,536	\$245,347	\$319,644
Rocky Mountain	\$141,364	\$168,573	\$192,845	\$234,440
South	\$76,740	\$154,195	\$177,967	\$223,989
National Average	\$104,795	\$189,342	\$189,528	\$253,998

