

HOUSING TRENDS UPDATE

June 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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Inventory Shortages Help Stabilize Home Prices During May, Latest *HousingPulse* Results Show

Widespread shortages in housing inventory have helped stabilize home prices in many parts of the country, according to the latest results of the monthly *Campbell/Inside Mortgage Finance HousingPulse Tracking Survey*.

Average prices for home purchases were mixed from April to May, shown in transactions reported by *HousingPulse* survey respondents. The average price for non-distressed properties rose 1.7% from April to May, while the average price for short sales slipped 0.7%.

For damaged REO the average price increased 1.8% and for move-in ready REO the average price fell 1.5%.

A key factor in the stabilization of home prices is a shortage of inventory, especially in states that have experienced large price declines since 2006. Inventory shortages are caused by homeowners holding their homes off the market while hoping for a rebound in prices, and by homeowners that are underwater on their mortgage and effectively locked in place.

For the distressed property categories, a shortage of attractive inventory is caused by slow processing at mortgage servicers. Move-in ready REO properties are increasingly being snapped up, with an average time on market of just 10.6 weeks in May, the lowest of any property category.

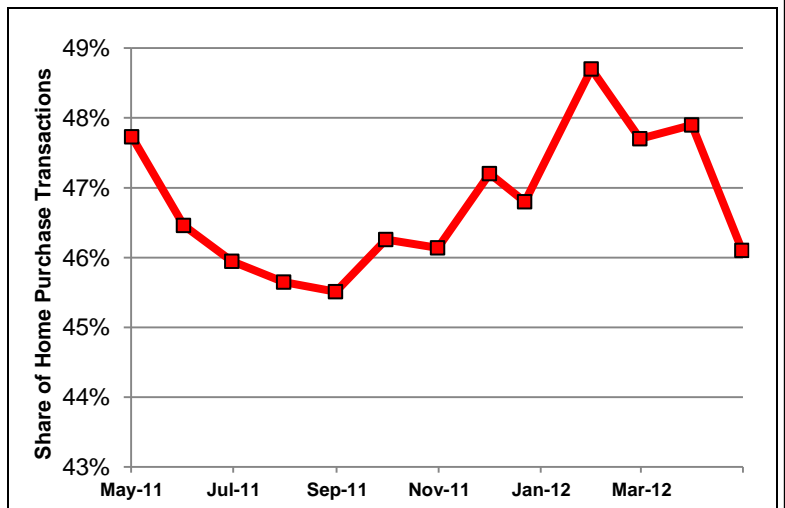
“Inventory in Orange County CA is super low. During the top of the housing scare, the city that my office is located in had almost a 6 month supply of unsold homes. Currently it is down to just 45 days!” reported a real estate agent in California.

(continued on next page)

Distressed Property Share Drops in May

The share of home purchases involving distressed properties fell to 46.1% in May, according to the *HousingPulse* Distressed Property Index. This was the lowest level seen since late last fall.

Source:
Campbell/Inside Mortgage Finance *HousingPulse* Tracking Survey

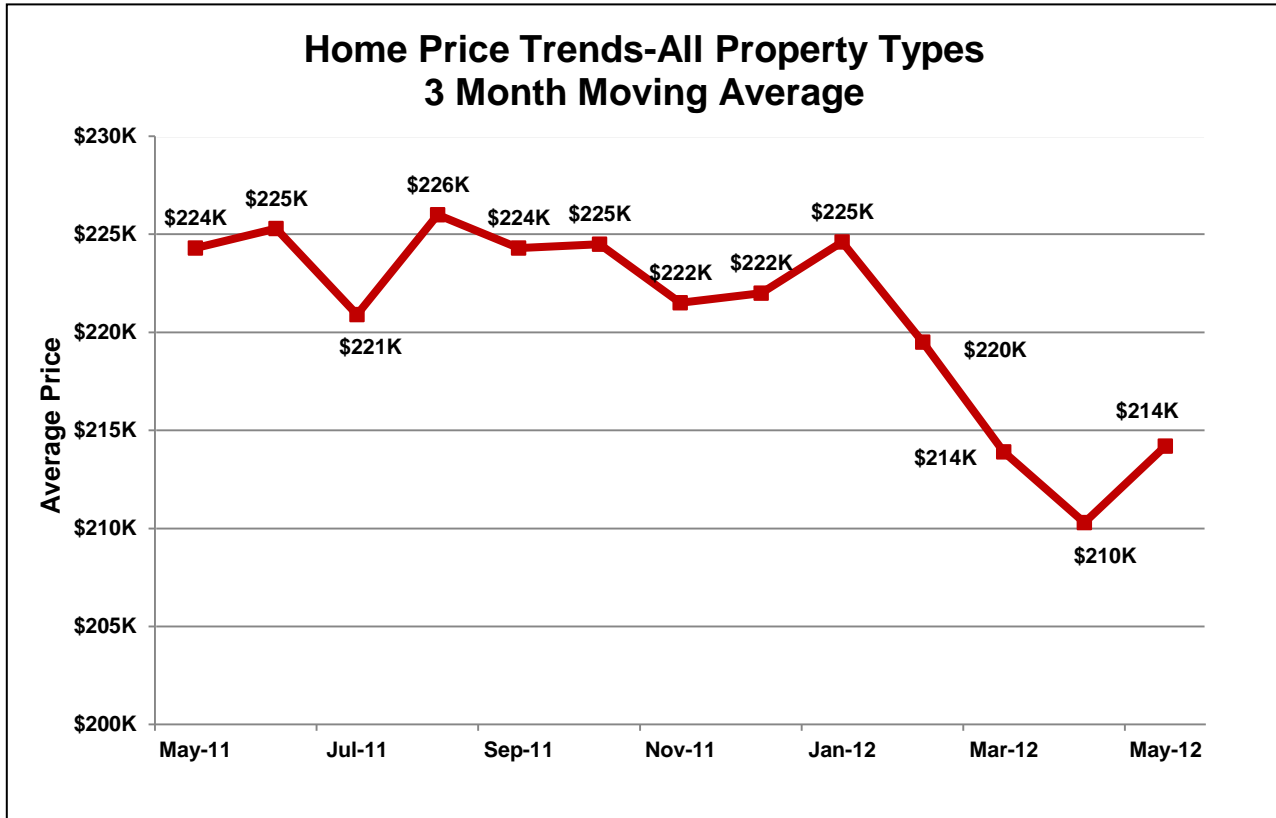


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“Inventory in the Santa Clarita Valley (35 miles north of LA) is very low. We have less than 500 listings, which is well below the 1,500-1,800 properties we average,” added another agent in California.

Appraisals are another factor keeping a lid on prices. “Appraisals that are less than agreed-to contract sale price are inhibiting natural valid appreciation,” complained an agent in Florida.

“Appraisal issues are holding back some sales and price increases although many buyers



seem willing to pay a cash difference to close on properties that do not appraise [high enough],” observed another agent in Florida.

Sales to list price ratios remained below 100% for the month of May, based on national averages. For the bellwether index of non-distressed properties, the sales to list price ratio moved from 94.9% in April to 94.7% in May.

This index has moved in a narrow range between 94% and 95% for the past two years.

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

[June 2012 HousingPulse Audio File](#)

Residential Real Estate Pricing and Commission Metrics

Average Sales to Listing Price Ratio	Previous 12 Months			
	Damaged	Move-In Ready	Short Sale	Non-Distressed
<u>Region</u>	<u>REO</u>	<u>REO</u>	<u>Short Sale</u>	<u>Distressed</u>
AZ & NV	101%	99%	97%	95%
California	97%	100%	96%	96%
Farmbelt	90%	95%	92%	95%
Florida	93%	95%	93%	93%
Industrial Midwest	93%	97%	91%	94%
Northeast	93%	95%	92%	95%
Oil Producing	93%	96%	93%	96%
Pacific NW	97%	95%	94%	95%
Rocky Mountain	93%	97%	91%	95%
South	89%	94%	90%	95%
National Average	93%	96%	94%	95%

Average Listing Side Commissions	Previous 12 Months			
	Damaged	Move-In Ready	Short Sale	Non-Distressed
<u>Region</u>	<u>REO</u>	<u>REO</u>	<u>Short Sale</u>	<u>Distressed</u>
AZ & NV	2.60%	2.61%	2.94%	2.77%
California	2.41%	2.49%	2.88%	2.65%
Farmbelt	2.69%	2.80%	3.00%	2.86%
Florida	2.71%	2.71%	2.94%	2.90%
Industrial Midwest	2.63%	2.68%	2.94%	2.86%
Northeast	2.63%	2.67%	2.88%	2.71%
Oil Producing	2.69%	2.62%	2.89%	2.83%
Pacific NW	2.58%	2.67%	2.88%	2.82%
Rocky Mountain	2.58%	2.60%	2.93%	2.76%
South	2.83%	2.62%	2.95%	2.81%
National Average	2.67%	2.64%	2.92%	2.80%

Average Buy Side Commissions	Previous 12 Months			
	Damaged	Move-In Ready	Short Sale	Non-Distressed
<u>Region</u>	<u>REO</u>	<u>REO</u>	<u>Short Sale</u>	<u>Distressed</u>
AZ & NV	2.91%	2.92%	2.78%	2.92%
California	2.77%	2.77%	2.73%	2.70%
Farmbelt	2.82%	2.88%	2.70%	2.76%
Florida	2.88%	2.86%	2.90%	2.94%
Industrial Midwest	2.86%	2.84%	2.80%	2.87%
Northeast	2.73%	2.74%	2.69%	2.66%
Oil Producing	2.89%	2.90%	2.90%	2.94%
Pacific NW	2.75%	2.82%	2.75%	2.81%
Rocky Mountain	2.87%	2.88%	2.79%	2.87%
South	2.90%	2.88%	2.86%	2.87%
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	\$161,868	\$162,223	\$164,973	\$233,414
California	\$201,166	\$297,563	\$281,366	\$429,535
Farmbelt	\$87,476	\$154,638	\$134,197	\$186,016
Florida	\$102,565	\$183,105	\$138,041	\$233,685
Industrial Midwest	\$60,496	\$117,858	\$144,711	\$197,842
Northeast	\$129,362	\$269,329	\$209,074	\$319,494
Oil Producing	\$80,701	\$189,675	\$149,562	\$206,050
Pacific NW	\$124,621	\$223,613	\$227,211	\$316,776
Rocky Mountain	\$134,301	\$179,499	\$192,980	\$234,834
South	\$79,766	\$152,693	\$170,073	\$225,291
National Average	\$104,590	\$191,205	\$186,964	\$252,711

