

March 2010

Ready for a mouthful? HAFA (Home Affordable Foreclosure Alternatives), HAMP (Home Affordable Modification Program) and both come on line in April of this year. They are intended to speed up the short sale process as well as the foreclosure process using a deed in lieu of foreclosure. It is too early to judge the performance of these programs until we see them in action.

Each month I look at something different that is affecting our current market and what we can expect from that information in the future. For March I want to look at the short sale market and how it has affected our market and what the introduction of the new Home Affordable Foreclosure Alternative and Modification Programs are going to affect our market here locally.

In April new guidelines will be published that will affect the future of the foreclosure and short sale market. I say will affect, we just don't know how yet. The guidelines may well prove to be effective in reducing the flow of short sales into the market; on the other hand it may exacerbate the challenges we are currently facing with the amount of short sales and with the approval process. Until we know the details of the programs and see them in action, we cannot predict the outcome.

After the failed Making Home Affordable plan we are more than a bit skeptical about the new programs on the horizon and we can be sure that the fine print will be very convoluted. I will expand more on this next month when we see the final guidelines in full.

Our market is very active today and here are some quick numbers to think about before I break the market down:

Total market: 1,552 homes are for sale and 1,727 are pending! That is fantastic. Of course if you know me, I have a tendency to look a bit deeper.

If your home is priced under \$500,000: 1,153 homes are for sale and 1,724 homes are pending!

If your home is priced over \$500,000: 362 homes are for sale and only 67 pending. Ouch.



What are short sales doing to our market? How is the combined weight of short sales and foreclosures affecting our market? Do we have a traditional market? Does a traditional seller have a chance to sell? Are their homes worth more money? The following charts will help illuminate on these questions.

The March 2010 graphs on my website have a lot of information. Take your time wading through all the slides and call me with any questions.

Kind regards,

A handwritten signature in black ink that reads "David Morris". The signature is written in a cursive, flowing style with a long horizontal stroke at the end.

David Morris