

NATIONAL ASSOCIATION OF REALTORS®  
RESEARCH DIVISION

# Survey of REALTOR® Sentiment Region 11 October 2011



## REPORT CONTENTS

Region 11 Survey Results	Page 3
National Survey Results	Page 6
Methodology	Page 9

## 2011 NAR LEADERSHIP TEAM

RON PHIPPS, ABR, CRS, GRI, GREEN, e-PRO, SFR	President
MAURICE "MOE"VEISSI	President-Elect
GARY THOMAS	First Vice President
WILLIAM J. ARMSTRONG, III, GRI	Treasurer
VICKI COX GOLDER, CRB	Immediate Past President
ELIZABETH MENDENHALL	VP & Liaison to Committees
VINCE MALTA	VP & Liaison to Government Affairs
CRAIG W. SANFORD, CRS, GRI	Region 11 Vice President

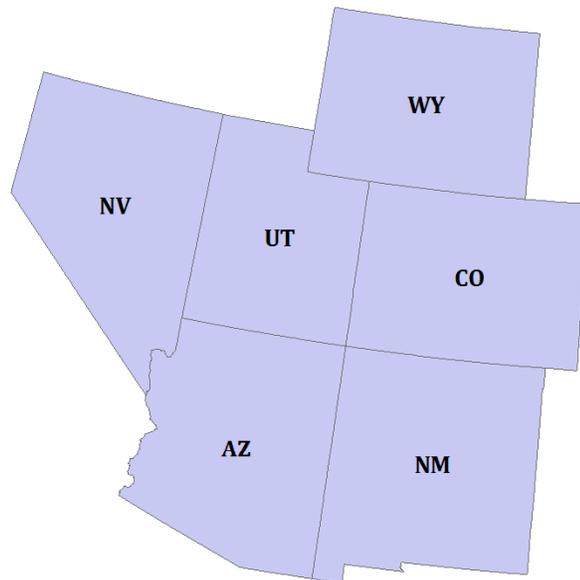
# REGION 11 SURVEY RESULTS

October 2011

## Region 11 (Arizona, Colorado, New Mexico, Utah, Nevada, and Wyoming)

**Craig W. Sanford, CRS, GRI**  
**Regional Vice President**

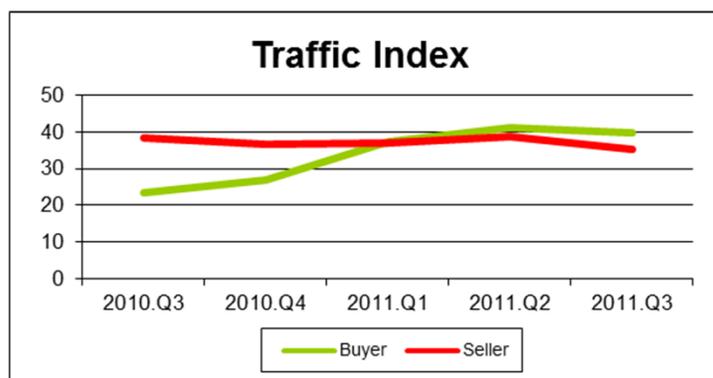
Arizona is mending and we hope to keep it that way. Inventories are at the 2 ½ month supply level, with Short Sales replacing REO properties in a very noticeable way. REO listings down, short sales listings up, traditional listings up but overall number of listings declining. Prices are showing a slight edging up but the media/public haven't caught on yet.



Nevada isn't recovering as well yet. Their buying dynamic relies on job growth in the gaming industry which is still somewhat stagnant. Wyoming is dependent on jobs as well especially in the gas sector. Some increase in short sales and REO's. Colorado having their share of short sales but they should be entering a better time of year for tourist traffic to their ski areas which could help expose their properties to potential buyers. If we can keep the MID in place, rates low and improve the lending criteria to allow for easier financing they should benefit nicely.

New Mexico is seeing more short sale and REO properties come to the market. They could see a longer recovery due to slower job growth.

Utah still is the bright spot as far as our region is concerned. They were the least affected and reports are that while they are experiencing more pain than earlier this year they as a whole are finding ways to bring more



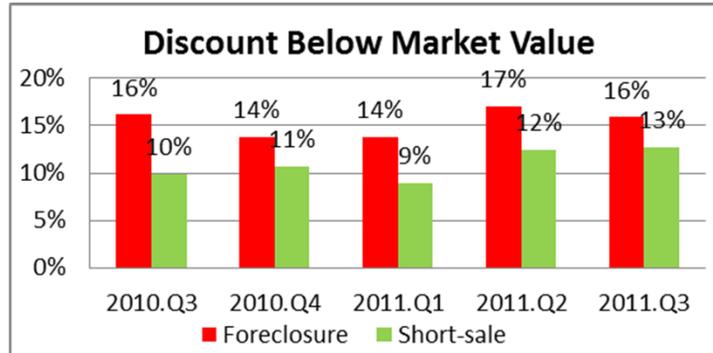
# REGION 11 SURVEY RESULTS

October 2011

industry and jobs to the state.

## What REALTORS® are Saying:

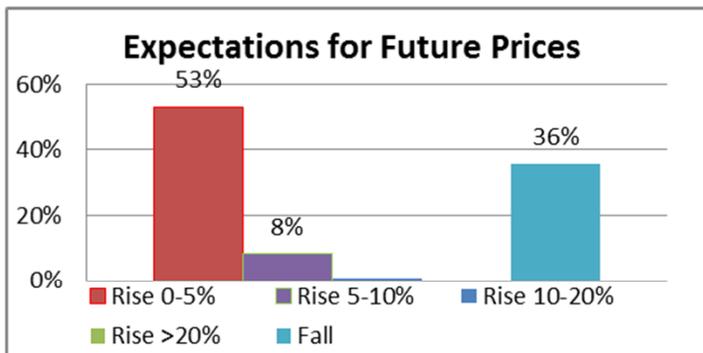
"Land is very difficult to finance and that is my primary market. Another part of my market is homes over \$500,000 and there is not much activity there either." – AZ



"There seems to be an abundance of miss-information...Homeowners still believe that Realtors are a major factor in the fall of the RE problems, and housing issues." – AZ

"There is a lot of talk about the shadow inventory, but the inventory in the affordable price ranges is getting sucked dry. If there is one, I wish they would bring it on." – AZ

"There is a strong market for lender owned properties, weaker market for traditional sales. Inventory of available homes, particularly lender owned properties, is very low." – AZ



"Many of the foreclosed properties do not qualify for HUD programs, FNMA loans, FHA loans due to condition of the property. Yet agents unnecessarily give buyers false hope that they can get qualified. The agents neglect to observe that the property does not qualify." – AZ

"Ours is a resort market. I have only made two sales this year. Many brokers in our area have not made any. While I hear of financing and appraisal problems I have not experienced either, just falling prices and lack of buyers or buyers who want a steal instead of looking at a reasonable price." – CO

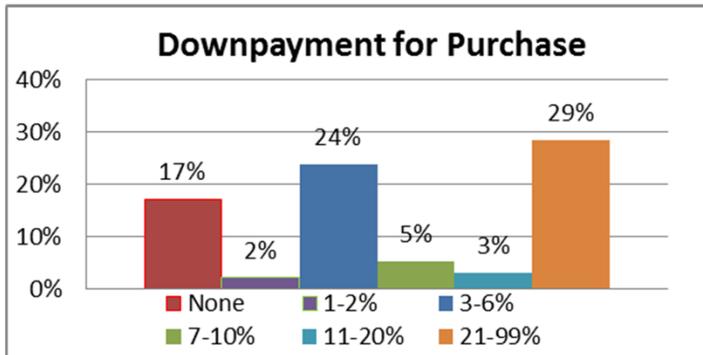
"We need a continuous campaign of good news press releases to consumer press and media resources. There is good news, but not getting reported. No entity is taking the lead. When local press looks for a story, they select local Realtors who do not necessarily reflect the industry and shouldn't be setting the tone for the rest of us." – CO

# REGION 11 SURVEY RESULTS

October 2011

"Secondary market loan are getting harder and harder for buyer to get. I am seeing banks offering an in house loan at 9 to 10% interest. (I think this is their way of getting the interest rate up)" – NM

"Too many investor owned properties that are not being maintained and increase in foreclosures and



short sales are keeping many people from putting homes on the market to relocate, or they are considering walking away from their homes to relocate." – NM

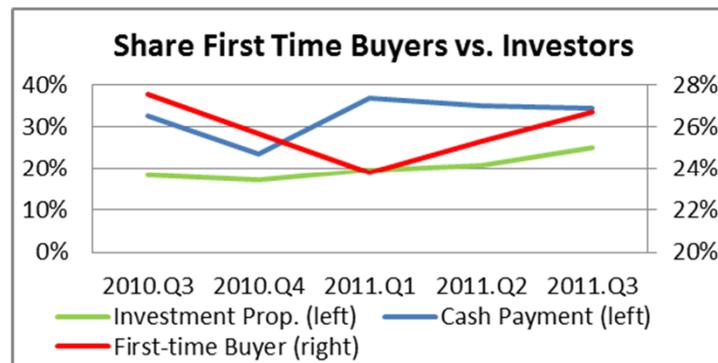
"New Mexico will limit the number of real estate contracts an individual may carry. Real Estate Contracts have proven a way to sell properties that are unattractive to lenders (i.e. land and or

manufactured homes) and to buyers that do not meet all lender requirements." – NM

"Most buyers are waiting for Congress to finalize issues and just stay out of the way." – NV

"It is very frustrating for buyers in the market due to multiple offers, cash offers, listing agents double ending transactions. It takes a minimum of 3-5 offers before a successful transaction is completed." – NV

"Appraisers keep driving values down because they see the "Shadow Inventory" every day as they drive around and even with our statistics showing we are in a seller market, they know better. Not enough inventory for buyers and falling values. They especially low ball foreclosed homes out of fear for their jobs and hatred of the banks.



Note: The banks are servicers, not owners of the property, which are retirement funds, both union and governmental along with Insurance Companies and other investors." – NV

"REO listing agents have complete control of our market, and multiple offer situations, it is hard to know if the buyers making these offers are being treated fairly, there is no check and balance. Also, the banks not agreeing to lower their sales price when an appraisal comes in lower is frustrating and unfair to

# REGION 11 SURVEY RESULTS

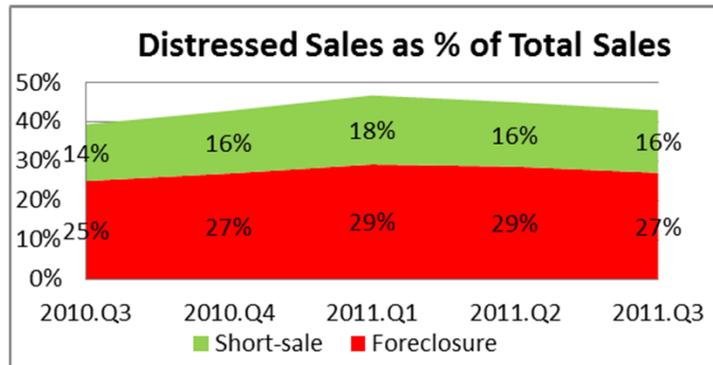
October 2011

buyers, who have already invested money into the process by then, paying for appraisal and home inspections, they are out of pocket \$700 by the time the appraisal comes back, and the bank can basically say pay the difference between appraisal and contract or no deal, and it is very harsh reality for a first time buyer who doesn't have money to throw away and start over on another purchase." – NV

"Foreclosures and short sales are depressing the values of non-distressed homes. Only cash buyers are able to purchase. Appraisals do not come in for what sellers need so loans are not an option." – UT

"Hoping banks quit reeling us along in short sales. It affects all parties involved and then at the last hour they've been approving the sale and then foreclosing within days. It's the reason I'm getting out of it soon." – UT

"Our company specializes in management of single family and low density housing. The vacancy rate average is 5%. We are seeing more homes being put on the market as rentals since they are not selling, but the absorption rate of rentals has kept the vacancy rate down." – UT



"We have had 11 Short Sales approved in the last 2 months. The buyers on 10 of them walked, without any notice. Never once have we been notified in writing or otherwise by the relator that the buyer has walked, which is a requirement of the Short Sale Addendum. You Folks need to address this problem. Perhaps more Earnest money requires/non-refundable?" – UT

"Buyers bid on multiple short sales hoping to get one because it takes so long for banks to respond. Then when they do get approved for one, they drop the other offers. This is creating a multiple offer situation for buyers in certain price ranges. Buyers are having more problems getting loan approval if there is any blemish whatsoever on their reports." – UT

"Banks are taking 4 months to say no to a short sale offer. Meanwhile the buyers are missing other opportunities. And the seller is missing the selling season." – WY

"Having to go through a third party to request appraisals and getting them done in a timely manner (in my area) has gotten out of hand - closings are being delayed due to the extra time it is taking to have an appraisal completed." - WY

# REALTORS® CONFIDENCE INDEX

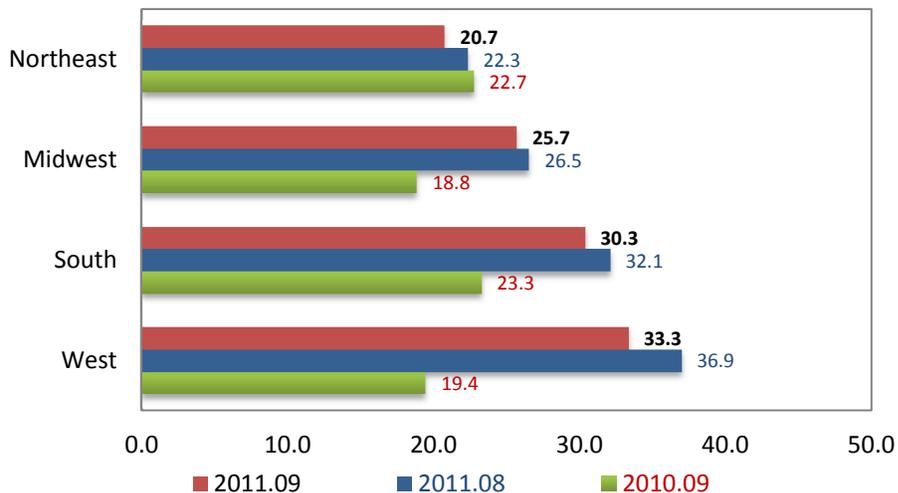
## October 2011

### National Survey Results

#### Realtor® Confidence Index



#### REALTORS® Confidence Index by Region

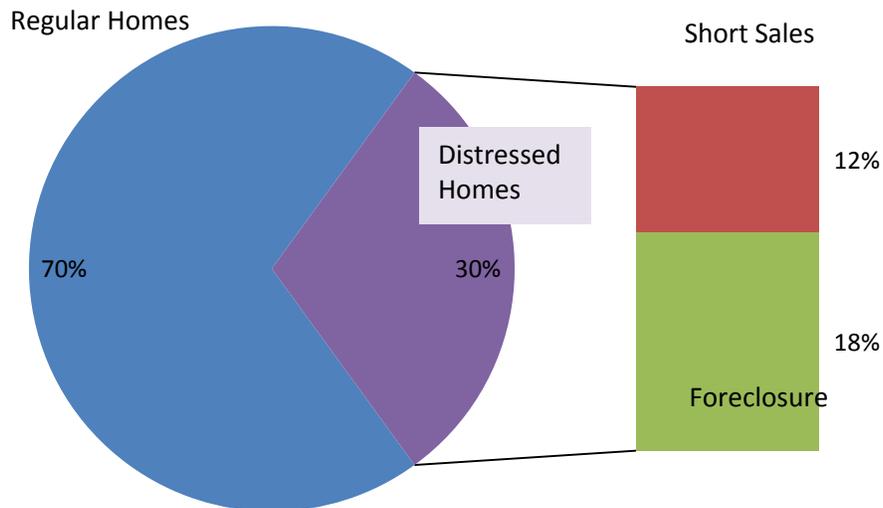


# REALTORS<sup>®</sup> CONFIDENCE INDEX

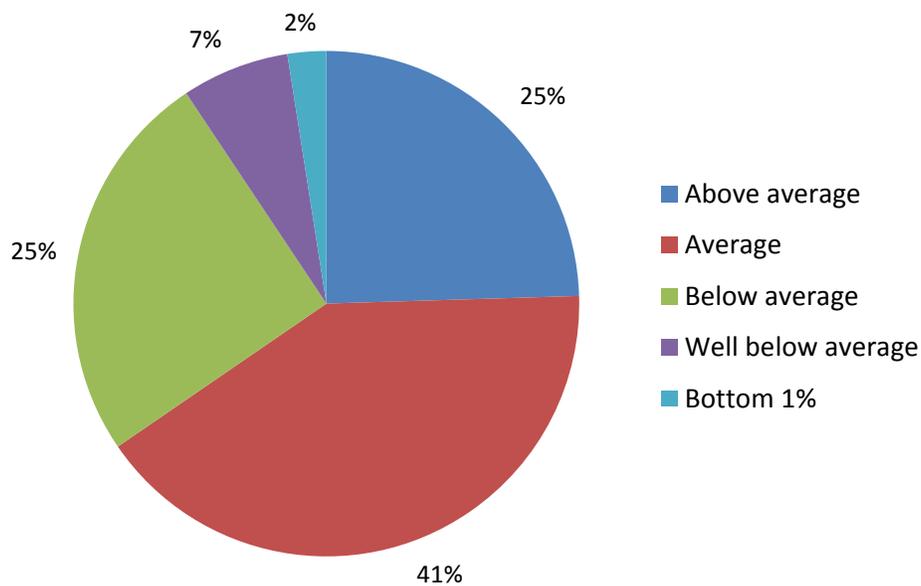
## October 2011

### National Survey Results

#### Distressed Home Sales



#### House Condition of Distressed Sales

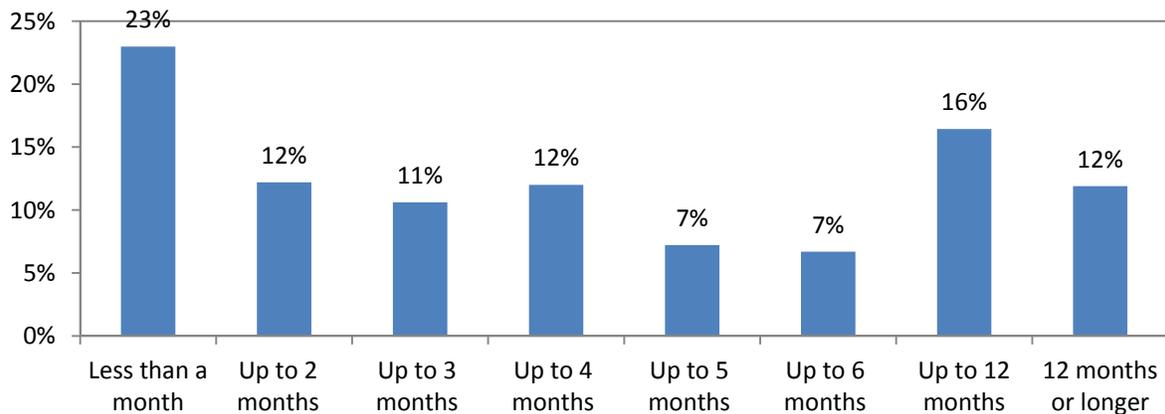


# REALTORS<sup>®</sup> CONFIDENCE INDEX

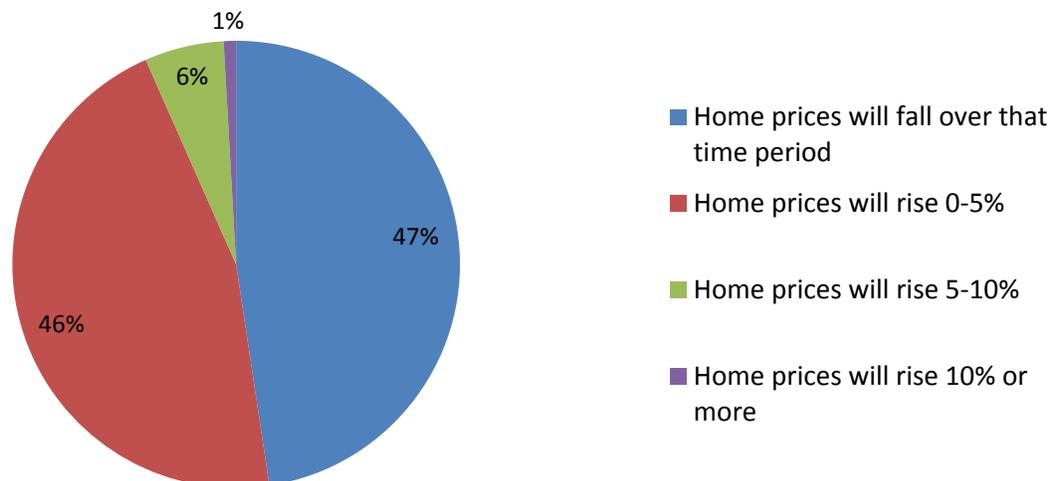
## October 2011

### National Survey Results

#### Day on the market for the last sold property



#### Expectations of home prices over the next year





# METHODOLOGY

## October 2011

Regional survey results are tabulated on a quarterly basis from responses to the monthly surveys for the national Realtor Confidence Index .

The REALTORS® Confidence Index measures the strength of the current housing market and expectations about the future. The index is based on information received from a random survey of Realtors®. The questions are designed to capture the effects of existing economic conditions and trends on the real estate business. This index provides Realtors® a snapshot of the performance, sentiments and expectations of their counterparts.

Each month participants respond to questions regarding the current and expected demand for homes, price trends, and economic conditions. The answers are then quantified and used to create the confidence index. Responses are assigned weights of 0, 50 or 100. A response of “strong” gets 100 points, while “moderate” is given 50 points, and “weak” is assigned 0 points. The index represents the average score for each question.

The results in this report reflect respondents’ confidence level for the current period and their future expectations, compared with both the previous month and the same month last year. The sample size for the monthly reports varies depending upon the number of responses, but the sample is always well in excess of the number of responses needed for a plus or minus 1 percent precision