

NATIONAL ASSOCIATION OF REALTORS®  
RESEARCH DIVISION

# Survey of REALTOR® Sentiment Region 5 October 2011



NATIONAL  
ASSOCIATION *of*  
REALTORS®

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## 2011 NAR LEADERSHIP TEAM

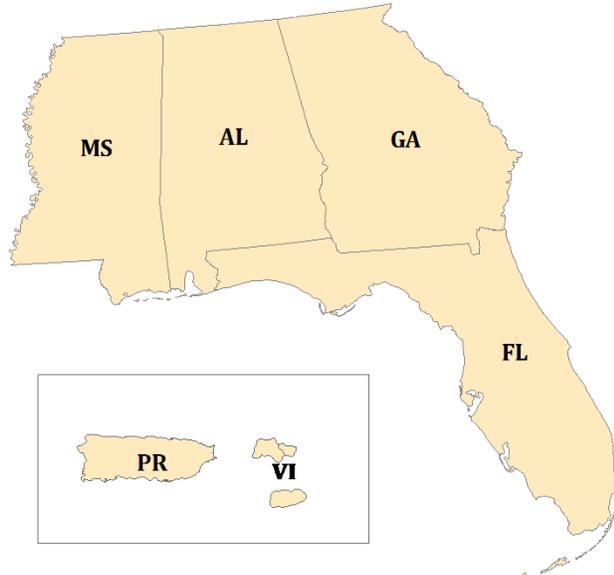
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# REGION 5 SURVEY RESULTS

October 2011

## Region 5 (Mississippi, Alabama, Georgia, Florida, Puerto Rico, and the Virgin Islands)

**Cynthia C. Shelton, CCIM, CIPS, CRE**  
**Regional Vice President**



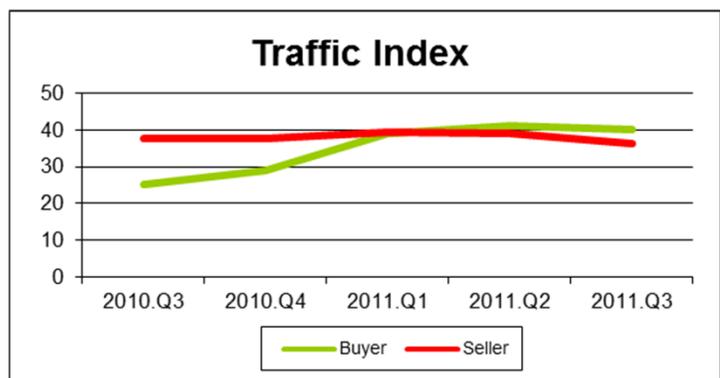
Sales have improved in recent months compared to the same period in 2010. Prices have also begun to firm up, but REOs and short sales still weigh on prices in most market. Parts of Florida have seen a

noticeable decline in inventories resulting in multiple offers on some properties. Buyers and sellers are finding common ground on pricing in Alabama, but they are still far apart in Georgia and it is hurting the market. Flood insurance is an ongoing concern in coastal markets, but jobs are a concern everywhere. Investors are seeking real estate as they feel it's more secure than stocks and mutual funds.

### What REALTORS® are Saying:

"There should be recourse when dealing with appraisers who make glaring errors in selection of comps, and the adjustments made. It's as if they are untouchable prima donnas who are always right in their opinion." – AL

"We are turning the corner on our market. If a home is priced based on 6 month solds and is in good condition it is sold within 3 months. Outside conditions such as nasty politics, stock market declines and unknown shadow bank inventory, lack of local jobs still a major headwind to our markets." – FL

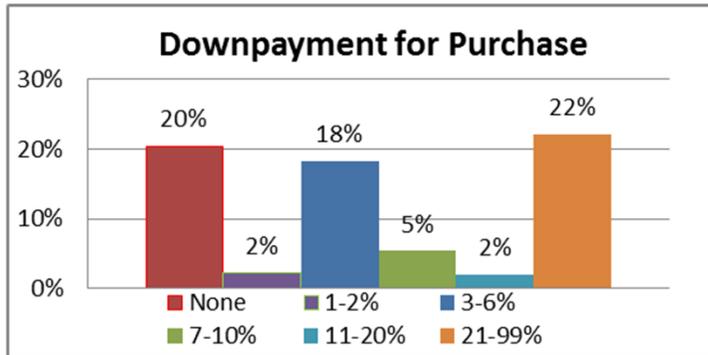


"Properties seem to go pending before they are even listed for sale. A few realtors have investors and don't allow offers, stating that they already have one. Some have even pended the sale without the bank approving the price offered. Our biggest obstacle at the moment seems to be other realtors." – FL

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"Having major problems getting some banks (Bank Of America especially) communicating back with us. Just when you get the short sale process moving the negotiator they tell you that they are going to

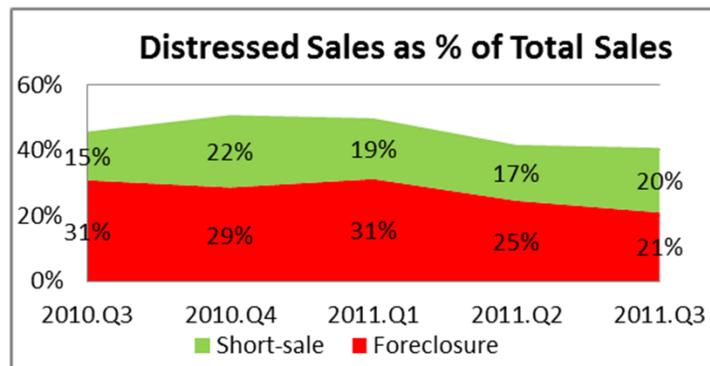


another debt and when you're contacted by the new negotiator they can't find the paperwork. Everything starts all over again." – FL

"Agents are putting in multiple offers on properties because the banks take too long to answer offers. By the time you get an answer from the bank, the buyers have moved on. Also, first time home buyers have no chance of buying when

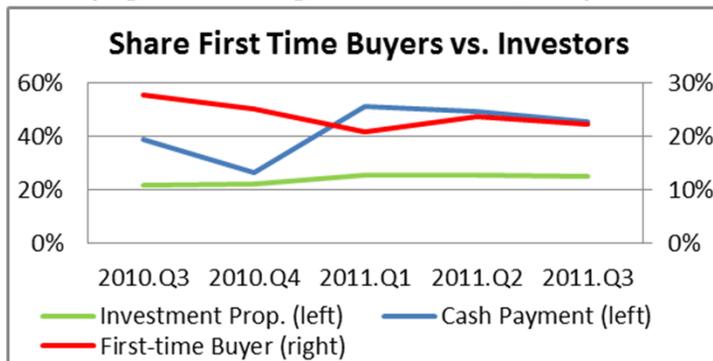
they have to finance. No matter what the offer is, the banks take the cash investor offers." – FL

"I have mostly investor purchasers, cash buyers. There is just no inventory and because of such, prices are holding steady at the moment and or going up a bit because of multi offers. However I fee after the first of the year when the REOs start to hit the market again, we will see prices still decline for at least a year or two." – FL



"HOA's need to be more reasonable

when trying to collect huge sums of interest, late penalties and attorney fees on short sales. Banks will



not pay these excessive amounts and sellers are selling since they can't afford to keep their homes. HOA's should be forced to accept what a bank will pay and delay a closing or cause a closing to cancel." – FL

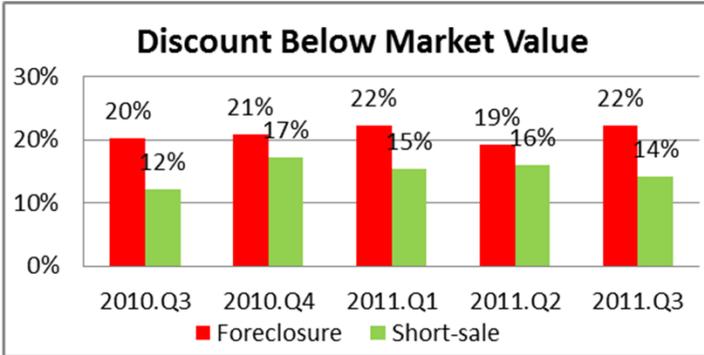
"The FHA is making it much for difficult for buyers to obtain loans on condos. The sales and rental market in the area

remain weak and even the top real estate brokers in the area say it will be at least another year or two for hope of a turnaround." - GA

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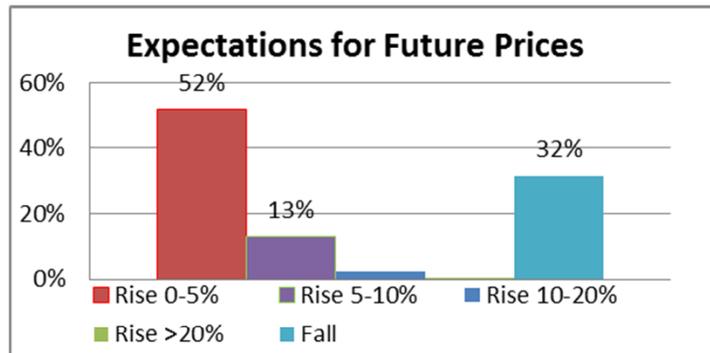
"I have several potential buyers that I am working with but all have credit issues and we are now in the process of cleaning up their credit. I also have clients that would like to downsize or relocate to different counties but they are upside down in their current mortgage." – GA



"Our market seems to be driven by foreclosures. Even if buyer is available the local banks are NOT LENDING. We have had three banks in our small area taken over in the last year and everyone has been to the detriment of the community. Little traffic, fewer qualified buyers/renters and very slow commercial rentals." – GA

"The biggest obstacle/challenge that I see is that it is a difficult time to create a sense of urgency to buy or sell due to the instability of home values and the fact that mortgages rates have been said to remain low for at least another year. For every commercial or ad urging action in the housing market there are plenty more creating fear and concern. Any educated person knows what is going on in the economy and can clearly make an informed decision." – GA

"Buyers are all rock-bottom cash buyers for multifamily deals. Almost all single family buyers need special funding assistance." – MS



"Appraisals coming in low and seems like they are not doing a good job since we are obligated to give them the sales contract. The appraisals are right at the contract price or 3-5 % below contract price." – MS

"Investors are going crazy! I have 6 closings in next 4 - 5 weeks and 4 are investors. Good rental property is so hot. My primary area is an in-town historic district, close to 3 colleges & 3 medical centers." – MS

"Buyers typically offer \$10K below listing price. Now I see them offering \$20K below and many Sellers accepting the offer. This is primarily a resort area with the majority purchase being second homes. The economy hit this area hard this year." – MS

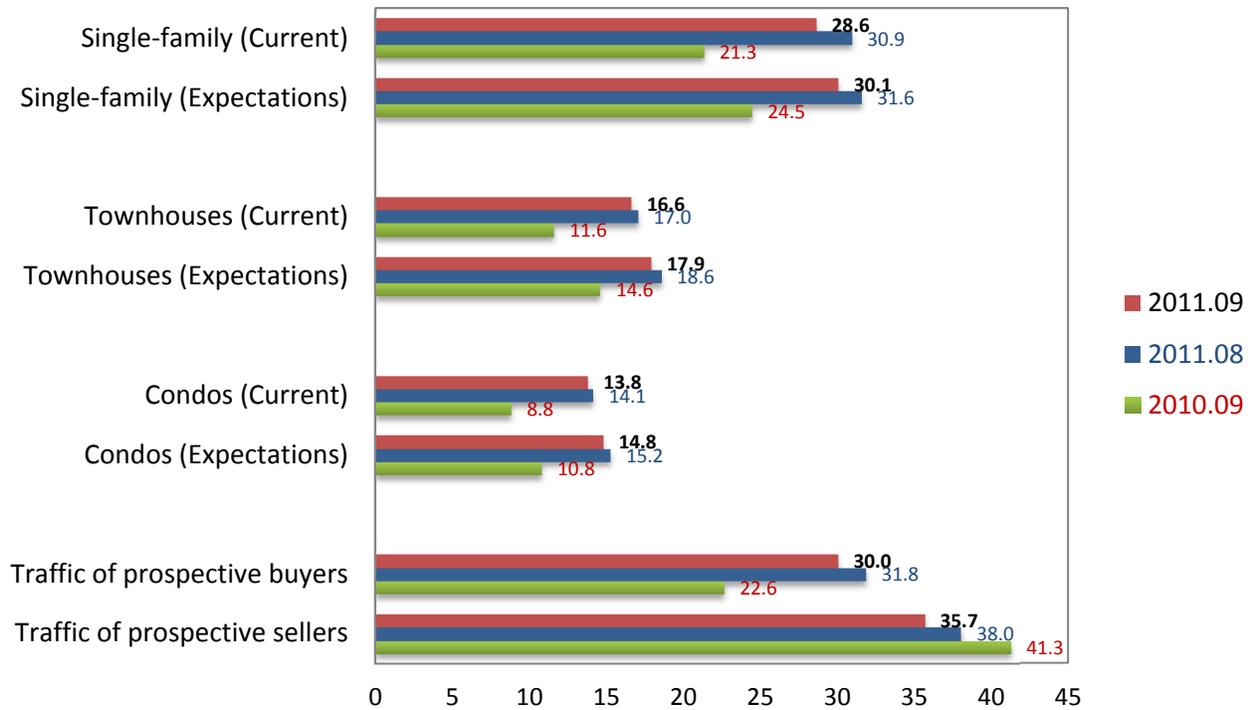
"I have had complications with short sale negotiations because of attorneys on retainer, unwilling to negotiate a deal & close out their involvement and monthly income from banks holding the properties. Doesn't seem to be in all parties' best interests." - VI

# REALTORS® CONFIDENCE INDEX

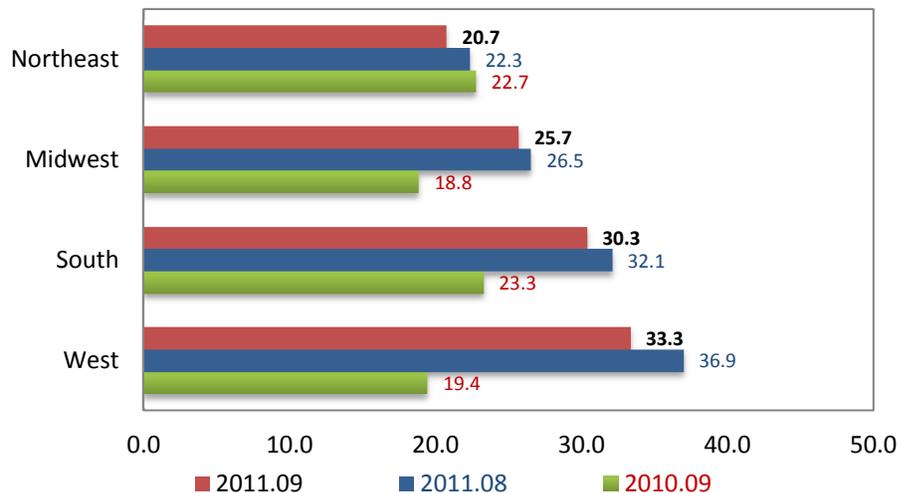
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### National Survey Results

#### Realtor® Confidence Index



#### REALTORS® Confidence Index by Region

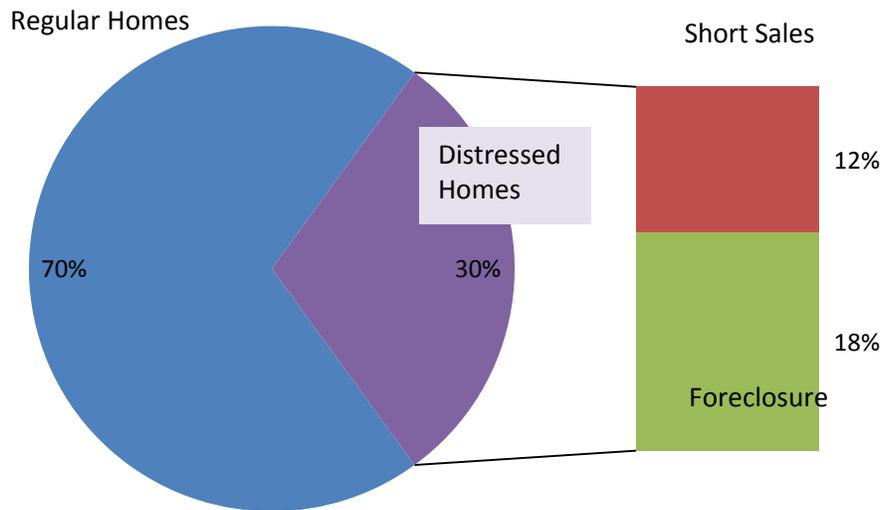


# REALTORS<sup>®</sup> CONFIDENCE INDEX

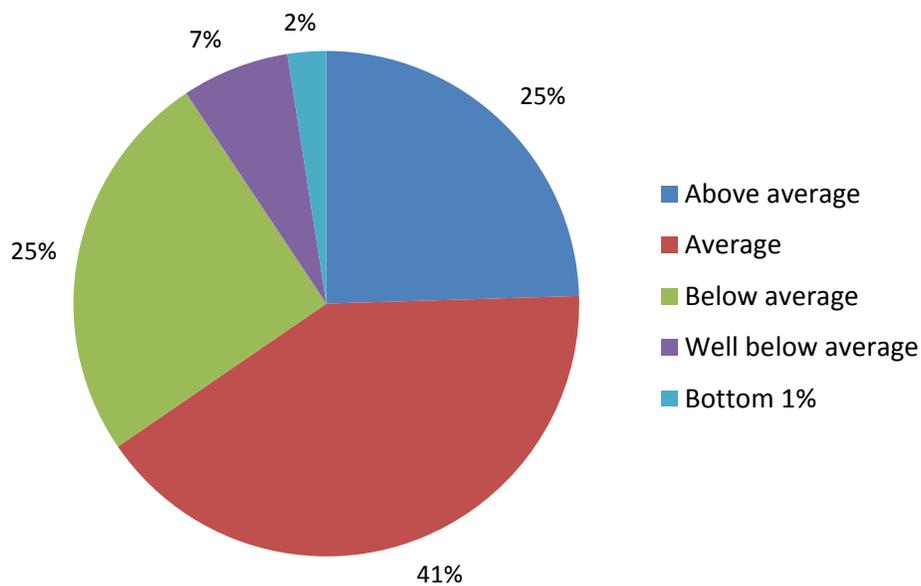
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### National Survey Results

#### Distressed Home Sales



#### House Condition of Distressed Sales

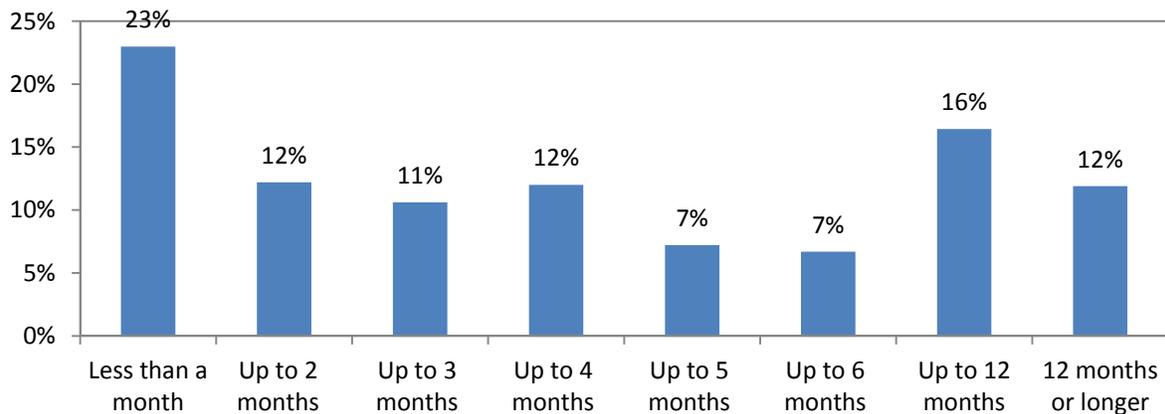


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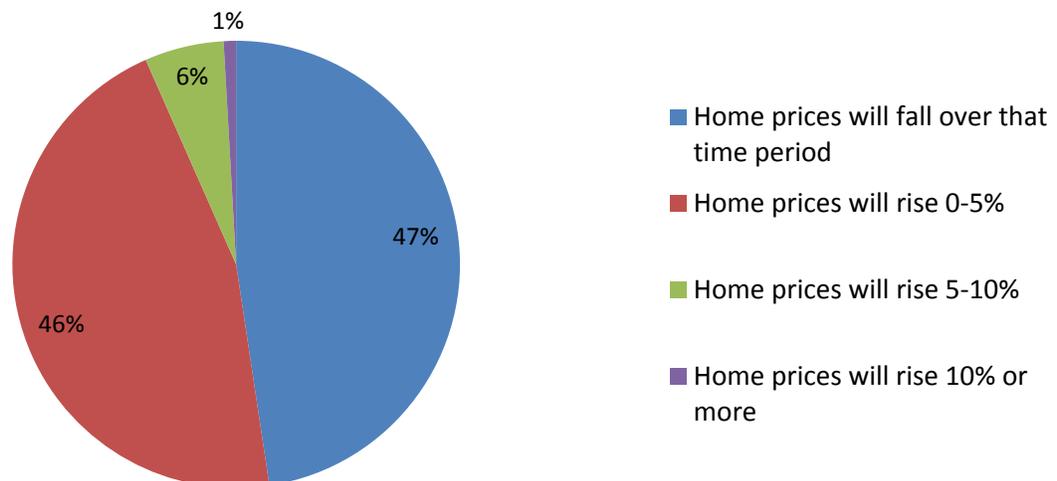
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### National Survey Results

#### 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