

PRESIDENTS CORNER



DON SCORDINO
2008
FAR PRESIDENT

Here are some statistics from our FMLS that you might find helpful in your business planning:

- The number of 2007 Sold residential listings in Fresno & Clovis was 3925. That is a 27% drop from 2006. So, we still had 73% of our business.
- Of those 3925 sold listings, 44 were reported as short sales. About 1% of our total sales were short sales.
- Of those 3925 sold listings, 392 were reported as REO or foreclosures. About 10% of our total sales were foreclosures.
- That means that 89% of our 2007 solds were your typical Seller to Buyer transactions. According to CAR, the Housing Affordability Index in Fresno County has risen to 44%.

That's the highest it has been for quite a few years.

It appears that 2008 may bring an increase in the REO/foreclosure business, but you can see that the majority of the business is still good old fashioned Seller to Buyer transactions. In fact, many REALTORS® are reporting a real increase in first time home buyer interest. Now would be a great time to brush up on the financing programs so that you can professionally counsel your clients on their best financing options.

As you may have read on the front page of The Fresno Bee, on Thursday, February 21st, FAR had just concluded our Foreclosure Survey, which revealed where many of the mistakes were made in the housing market. Our survey looked at 350 foreclosed properties in the last quarter of 2007.

These were the results:

46% of the foreclosures were recorded due to non-payment of loan from the original purchase.
54% of the foreclosures were recorded due to non-payment of a loan from a refinance.

These are the conclusions:

Professional counseling is vital. Competent representation and counseling is vital to staying out of foreclosure. Realtors represent the vast majority of transactions in Fresno County, but only 18% of those properties that were foreclosed on had REALTOR® representation.

Refinances were mostly misused.

In more than half of the foreclosures, the home performed so well as an investment that cash was pulled out by the borrower an average of 2 times before being foreclosed on. Only 3.5% of the foreclosed loans were for the purpose of changing the rate or terms.

