

# How Well are Short Sales and Bank Owned Properties Selling?

Terms like “short sales” and “bank-owned” are on many people’s tongues and minds in the real estate industry. The recent addition of the Short Sale and Bank Owned fields on RMLSweb now allow us to look at data for these listings individually.

Before there was a short sale field on RMLSweb, there was only a “3<sup>rd</sup> Party to Transaction” field. As you may know, “3<sup>rd</sup> Party to Transaction” listings are not always short sales. They may also be estate sales or relocations. In order for you to identify short sales more efficiently, the RMLS™ Board voted to add these new fields, a change that occurred July 29, 2009. This also helps the other types of properties that require 3<sup>rd</sup> Party approval to get fair attention. RMLS™ has added the following fields regarding short sales:

**Short Sale Yes/No** – will be required when entering a listing and 3<sup>rd</sup> Party to Transaction will be automatically checked when Yes is selected.

**Short Sale Offer (Seller Accepted; Submitted for Approval) Yes/No**– The rules will be revised to require updating this field when an offer is made.

In a blog post last year, we compared 3<sup>rd</sup> Party to Transaction sales to the total active listings on the market. Now, with the recent addition of these new fields, we can look at short sale data and bank owned data more specifically and also compare them to the market as a whole. The graph below shows you the total number of active listings in RMLSweb as of today July 23, 2010, compared to the number of active listings that

are checked Short Sale Yes, and also compared to those that are marked Bank Owned. The number of active short sales in comparison to the total number of active listings is approximately 11.7%, while the number of active bank owned properties in comparison to the total number of active listings is about 5.4%.



As you can see from the above graph, the number of active short sales and bank owned properties is a small fraction of the number of total active listings. There were 31,762 total active listings, 3,731 total active short sales and 1,715 total active bank owned listings.

Now that we've looked at active listings, let's compare total pending sales in the market with pending short sales and pending bank owned properties. The graph below depicts this comparison using data from RMLSweb on July 23<sup>rd</sup>, 2010:



There were 5,094 total pending listings, 877 pending short sales and 913 pending bank owned properties.

Last, let's take a look at sold listings. The graph below shows that there were 17,751 total sold listings from the period of January 1, 2010 to June 30<sup>th</sup>, 2010. The number of sold short sales was 1,620, just 9.1% of total sold listings. Bank owned listings sold at a higher rate with 3,422 sales, which is approximately 19.3% of total sold listings.



Visit the National Association of Realtors® website for more information on short sales and bank owned properties.

Also, stay tuned for future blog posts that will compare prices and the number of days on market for short sales and

bank owned properties, to the market as a whole.

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# Distressed Property Update for Portland & Clark County

**21.9% of listings distressed in PDX, 31.7% in Clark County**

The latest report from the Mortgage Bankers Association indicated that the rate of foreclosure for people with fixed rate loans and good credit is on the rise.

The AP reports that homeowners' inability to keep up with payments is now more due to unemployment, rather than the subprime loans that contributed to the initial increase in foreclosures.

A quick search on *RMLSweb* reveals that in the Portland Metro area, distressed properties currently make up 21.9% of active residential listings (this number takes into account listings that require third-party approval, as this typically indicates a short sale and those that are marked as bank-owned).



In Clark County, 31.7% of residential listings are distressed.

