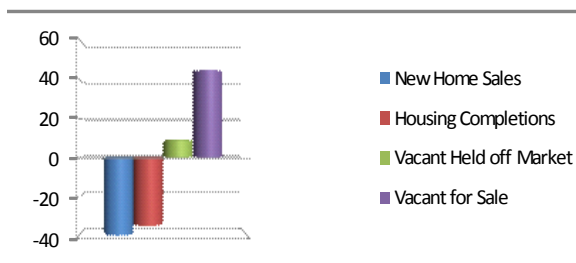


Housing inventory; A national outlook

Harvard University's Joint Center for Housing Studies states a buyers market happens "when the housing inventory supply is more than six months."

By April 2008 the national supply of single-family homes rose to 10.7 months, said their State of the Nations Housing 2008 Report.

With demand dropping faster than production, the number of vacant units ballooned. This chart shows the change from 2005 to 2007.



Note: New home sales and housing completions include single-family units only. Source: US Census Bureau, New Residential Construction and Housing Vacancy Survey.

A regional outlook

The AP's Foreclosure Analysis compared the annual rate of existing-home sales in Q3 2007 — from the National Association of Realtors — with foreclosure sales data provided by www.RealtyTrac. The Analysis found:

- In Colorado, foreclosure sales accounted for 15.6% of home sales in 2007.
- In California, the number jumped to 11.3%
- In Tennessee, it rose to 10.6%.
- In Michigan it climbed to 9.3%.
- Nationwide, foreclosure sales grew to 4.7% of existing-home sales.

The positive side it's a buyer's market

While foreclosure sales are a boon for well financed buyers looking for properties at bargain prices.

And in broad terms, economists view them as part of getting back to more realistic prices after years of excess.

(Source: www.housingchronicles.com)



Price reductions

Foreclosures are swelling the housing inventory and depressing prices.

Economists at Lehman Brothers Holdings have estimated that foreclosed properties, which typically sell for about 20 percent less than other homes, will depress home prices by 6 percent, said Bloomberg News (source: www.portfolio.com)

*Quick riches
are more dangerous
than poverty.*

~ Napoleon Hill
Think and Grow Rich

Vacant property insurance alert

With swelling inventories of vacant homes on the market, more and more home sellers are learning the hard way — your homeowner's insurance policy can expire if the home is vacant for more than 30 days.



Insurers put a higher risk (and cost) on insuring vacant homes for the same reasons some owners are discovering -- theft, vandalism, fires and water damage are more likely to happen in an empty home.
(source: www.realtytimes.com)

New construction outlook

With about a 10-month inventory of unoccupied new homes already on the market, according to the National Association of



Realtors, home construction may need to slide a bit more to come down to about six- or seven-month levels that balance supply and demand.
(source: www.money.cnn.com)

Home construction and property values "seem likely to decline well into 2009," said Federal Reserve Bank of San Francisco President Janet Yellen.
(source: www.Bloomberg.com)

Vacant property problems

Abandoned Animals in Oregon

EAGLE CREEK — A former owner was so upset by being forced out of his home thru foreclosure that he tried to get even by trapping three very large pigs inside the home, said Detectives, who are looking to charge the former owner with animal abuse. (source: www.KomoNews.com)

Arson in Massachusetts

BLOOMBERG — A fire gutted a foreclosed property that was abandoned. According to www.Bloomberg.com the biggest surge of mortgage defaults in seven decades coincides with an increase in blazes in foreclosed properties led by states with the most repossessed homes.

Cost to Ohio

CLEVELAND — Vacant properties, abandoned in part by a mountain in foreclosures, so far have cost the city more than \$35 million. The cost is stems from lost taxes from devalued property and money spent demolishing and boarding up abandoned houses.

Scrap Thief in New Hampshire

LAWRENCE — Vacant property break-ins most often occur as thieves scavenge for copper and other valuables that get left behind.
(source: www.EagleTribune.com)

Squatters in Ohio

CLEVELAND—The nation's foreclosure crisis has led to a painful irony for homeless people: On any given night they are outnumbered in some cities by vacant houses. Some street people are taking advantage of the opportunity by becoming squatters. (Source: www.HuffingtonPost.com)