

HOUSINGNEWSREPORT

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Real Estate Investment Strategies for 2015

By Octavio Nuiry, Managing Editor



Real estate markets rise and fall, but one thing remains constant: People will always need a place to live, work and play. And right now, investors are making a lot of money meeting those needs.

In spite of the recent housing crisis, real estate historically has been a safe, solid investment, says investor Warren Buffett in his annual [letter to shareholders of Berkshire Hathaway](#) this year. In it, Buffett highlights two profitable real estate investments the billionaire made long ago.

Deep into the letter, on page 16, in a section titled "Some Thoughts About Investing," the Oracle of Omaha quotes value investor Benjamin Graham and

says: "...let me first tell you about two small non-stock investments that I made long ago. Though neither changed my net worth by much, they are instructive."

Buffett writes at length about a 400-acre farm he bought in Nebraska in 1986, and a retail property he purchased in 1993 near New York University in Manhattan. He provides readers with lessons for those two real estate investments and gives advice to anyone thinking about investing in real estate.

Invest in Distressed Real Estate

"From 1973 to 1981, the Midwest experienced an explosion in farm prices, caused by a widespread belief that runaway inflation was coming and

Continued Next Page

DECEMBER 2014
volume 8 issue 12

CONTENTS

- 6 My Take by Alexander Philips
- 9 News Briefs
- 10 Legal Briefs
- 11 Financial Briefs
- 12 **State Spotlight: West Texas**



- 18 Book Review: "Get Rich Slow" By John Webber

fueled by the lending policies of small rural banks,” Buffett writes. “Then the bubble burst, bringing price declines of 50 percent or more that devastated both leveraged farmers and their lenders. Five times as many Iowa and Nebraska banks failed in that bubble’s aftermath than in our recent Great Recession.

“In 1986, I purchased a 400-acre farm, located 50 miles north of Omaha, from the FDIC. It cost me \$280,000, considerably less than what a failed bank had lent against the farm a few years earlier. I knew nothing about operating a farm. But I have a son who loves farming and I learned from him both how many bushels of corn and soybeans the farm would produce and what the operating expenses would be. From these estimates, I calculated the normalized return from the farm to then be about 10 percent. I also thought it was likely that productivity would improve over time and that crop prices would move higher as well. Both expectations proved out.”

Invest in Undervalued Properties

Buffett had invested in an undervalued property. He knew nothing about farming, but he knew a 400-acre farm for \$280,000 was a steal of deal. And he correctly assumed crop prices — and the farm — would appreciate over time.

“Now, 28 years later, the farm has tripled its earnings and is worth five times or more what I paid. I still know nothing about farming and recently made just my second visit to the farm.”

Six years later, writes Buffett, another gem of a property landed on his lap.

“In 1993, I made another small investment. Larry Silverstein, Salomon’s landlord when I was the company’s CEO, told me about a New York retail property adjacent to NYU that the Resolution Trust Corp. was selling. Again, a bubble had popped — this one involving commercial real estate — and the RTC had been created to dispose



Warren Buffett
Investor
Omaha, Neb.

“Now, 28 years later, the farm has tripled its earnings and is worth five times or more what I paid. I still know nothing about farming and recently made just my second visit to the farm.”

of the assets of failed savings institutions whose optimistic lending practices had fueled the folly.

“Here, too, the analysis was simple. As had been the case with the farm, the unleveraged current yield from the property was about 10 percent. But the property had been under-managed by the RTC, and its income would increase when several vacant stores were leased. Even more important, the largest tenant — who occupied around 20 percent of the project’s space — was paying rent of about \$5 per foot, whereas other tenants averaged \$70. The expiration of this bargain lease in nine years was certain to provide a major boost to earnings. The property’s location was also superb: NYU wasn’t going anywhere.”

Buffett ends his real estate odyssey this way: “I can’t remember what the headlines or pundits were saying at the time. Whatever the chatter, corn would keep growing in Nebraska and students would flock to NYU.”

Buffett’s strategy on real estate investing is similar to his philosophy about investing in a company’s stock: find investments that are undervalued, that produce income, and, once you buy them, increase their recurring revenue.

Find the ‘Hidden Market’

[Tony Youngs](#), a former aircraft mechanic turned real estate investor from Marietta, Ga., has been applying Buffett’s real estate principles for 25 years.

Specializing in foreclosure properties, Youngs said he is an expert at finding the “hidden market.” The hidden market, according to Youngs, consists of homes that are about to enter the foreclosure pipeline, but haven’t hit the market yet. In other words, unlisted properties that no one knows about. He said he has mastered the art of tracking and acquiring properties in every stage of the foreclosure process from pre-foreclosure to REO.

“I hold, fix up, sell and wholesale properties,” said Youngs, describing his various investment strategies

Continued Next Page

over a 25 year career. "When I first started buying foreclosures and rehabbing them in 1989, I would buy them below market, fix it up myself, and either refinance them or rent them out. Today, the market has shifted. What I'm doing now is finding houses for cash investors. Instead of competing with them (Wall Street investors), I'm finding properties for them."

First, Youngs locates distressed properties in a given area on the Internet, using services like RealtyTrac. Then, he plots a course of some 12 to 20 distressed properties with no for sales signs and drives the neighborhood. He either knocks on the door and talks to the home owner or leaves sales letters for the owners.

Lately, Youngs has been focusing on selling properties to Wall Street hedge funds and local investors because inventory is low and rents are high.

"I'm a believer that real estate is going to pay off long-term," said Youngs, who has



Tony Youngs
Investor
Marietta, Ga.

“When I first started buying foreclosures and rehabbing them in 1989, I would buy them below market, fix it up myself, and either refinance them or rent them out. Today, the market has shifted. What I'm doing now is finding houses for cash investors. **”**

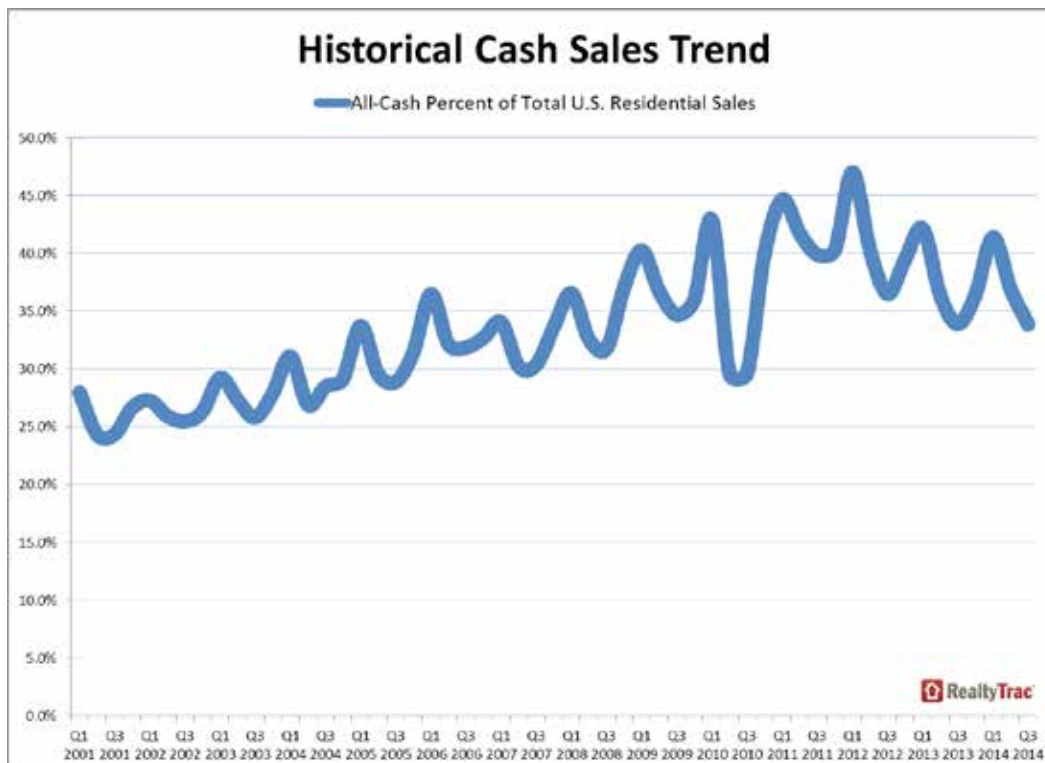
been buying, fixing, flipping, holding and wholesaling residential properties for more than two decades. "I'm focusing on finding houses for investors and hedge funds. Inventory is low. There are a lot of investors with lots of cash, but there're having trouble finding good deals — especially unlisted properties."

Like Buffett, Youngs invests in undervalued distressed properties. He is also a coach and consultant to real estate investors, traveling to auctions all over the U.S., and training "newbie" real estate investors in his unconventional techniques for finding and buying unlisted foreclosures.

Youngs uses his own cash to buy investment properties. Many of the properties sell below \$100,000, he said.

"Over the years, I've become really good at finding good deals," said Youngs, who has acquired dozens of rental properties using his foreclosure

Continued Next Page



techniques. "I've been all over the United States attending auctions," he said. "I believe Georgia is one of the best states for real estate investors. It's a landlord-friendly state. And you get more per square footage for the price. Plus, the rents are still high."

Look for Income, Not Appreciation

Kentucky investor [Mike Butler](#), a veteran Louisville, Ky., landlord, said his primary real estate strategy was building income, not appreciation. In Kentucky, where home prices rarely fluctuate up or down, income is more important than appreciation, said Butler.

Butler said since taxes and government regulation has increased, he is looking to sell some of his rental properties. He said he worries about the ever-growing state and local regulations — and taxes — that are forcing him to sell part of his real estate portfolio.

"I'm downsizing my real estate portfolio next year because of local government," said Butler, a former Louisville police officer and author of "[Landlording on Auto-Pilot](#)" (Wiley, 2006). "I recently spent three weeks on government appeals concerning some of my rentals. I'm just going to keep the free-and-clear rentals and get rid of the rest."

Butler, who got started investing in real estate in 1986, has managed over 75 rental properties, many in the Louisville area. He also owns rentals in Indiana and Florida.

"The real estate market is always great," said Butler, a licensed real estate broker and speaker who largely buys and holds his rentals. "But you need to stay on top of your game. You need to stay on top of trends."

Win the Tax Game: Asset Protection and Tax Planning

Depending on your classification as an "active investor" or "real estate professional" and your income level, there is a good chance your rental property will not only give you tax-free cash flow, but additional tax deductions you can use against your other income, according to Scott M. Estill, a tax attorney and former senior trial attorney for the IRS.

Estill said knowing the hopelessly complex tax law is very important for real estate brokers and investors. Although the IRS wields a great deal of power when it comes to enforcing the tax laws and collecting tax revenue for the government, their power is not absolute and taxpayers have many rights, Estill said.

"Two things real estate investors should plan for in terms of taxes," said Estill, a practicing tax attorney at Estill & Long in Denver, Colo., and author of "[Tax This! An Insider's Guide to Standing Up to the IRS](#)" (Self-Counsel Press, 2012 edition). "First, investors need asset protection to make sure that all their rental properties are in the right legal vehicle to protect them from lawsuits, whether it be an LLC (a limited liability corporation) or another entity like a corporation.

"Secondly tax planning is critical for real estate investors," said Estill, a former IRS trail attorney in Chicago. "For example, the state taxes in California are double what I pay in Colorado. Nobody tells you what to do with the money once you get it. But you don't want to give more money to the government than you have to. Therefore, it's important to have a tax plan from beginning to the end. Ask yourself: 'What's going to be the tax consequences when I sell?'"

To level the playing field and win when dealing with the IRS, Estill said real estate investments have the potential to provide tax-free income for years, even shielding other income from taxation. He said when the time comes to sell off the investments, capital gains taxes can even be legally deferred or eliminated — that is, if investors know the legal and tax secrets.

'Womb to the Tomb' Investing

Jay P. DeCima, known in real estate circles as "[Fixer Jay](#)" of Redding, Calif., believes real estate investors should specialize in a certain area, and then become the best in your area in the specialty. For DeCima, his specialty is buying what he calls "colonies" of properties clustered on one lot.



Mike Butler
Investor
Louisville, Ky.

“ The real estate market is always great. But you need to stay on top of your game. You need to stay on top of trends. ”

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Scott M. Estill
Tax Attorney
Denver, Colo.

“Two things real estate investors should plan for in terms of taxes. First, investors need asset protection. Secondly tax planning is critical for real estate investors.”

Buying multiple unit rental properties on one lot, DeCima says, is an excellent way increase revenue.

“Now, when you get to my age, you sell them and carry the paper,” said DeCima, referring to income producing seller financing. “It’s womb to tomb investing. It’s not real estate we want; it’s the benefits. Every piece of property has a lot of different benefits. If you can get enough of them (properties) together you’re sitting on a goldmine. There’s no end to it. It’s a great business. Anyone can learn this business and never work again in their life. I’m not in the housing business; I’m in the income business.”

Next year, DeCima will pushish his fifth real estate book — “The Real Estate Fisherman,” a book detailing the need for a plan to make money in real estate.

“I define specialty as something you learn to do better than everyone else in your investment area,” said DeCima, who owns more than 280 units. “I buy them in groups of five to 12 houses and get the per-unit cost down. I also work with owners on seller financing. They understand that. Seller financing opens up other opportunities unlike bank financing.”

Colonies of Cash

DeCima started buying rundown ugly REOs in Sacramento. He would buy them one at a time from banks. When he started, he had a full-time job with a telephone company, and he would spend weekends fixing them up. Later, he switched to buying groups of detached houses clustered on one lot.

“The most important reason for buying run-down, ugly houses is that you can quickly add value to these types of properties,” said DeCima, who has been a full-time investor since 1980. “What this really means is that you will be able to buy cheap and sell for a profit.”

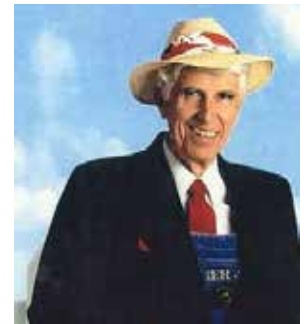
Reinventing Rentals

Phoenix real estate agent and investor Greg Markov, with [Phoenix Heritage Real Estate Group](#), said young millennials and move-up professional buyers spurn the suburbs for urban living, moving to the heart of downtown Phoenix for housing. He specializes in reinventing unique properties and transforming them into architectural gems.

“I look for properties in the core areas of downtown Phoenix that are either abandoned or neglected,” said Markov. “We specialize in reinventing unique properties and completely re-imagining the property into architecturally interesting housing. We’ll invest \$150,000 and double or triple our money.”

“The builders are building in the suburbs, but millennials aren’t interested in the suburbs; they want to live downtown. Millennials want walkability.”

You don’t need to be a billionaire to understand these real estate investment strategies to succeed in 2015, nor to put them into practice. Warren Buffett reminds us that whether its stocks or real estate: “Price is what you pay, value is what you get.”



Jay P. DeCima
Investor
Redding, Calif.

“It’s womb to tomb investing. It’s not real estate we want; it’s the benefits. Every piece of property has a lot of different benefits.”

MY TAKE

By Alexander Philips

Chief Executive and Investment Officer of TwinRock Partners

Calculated Risk - The Contrarian Approach to Investing in Real Estate



There's no question about it. If you are looking for an investment opportunity in a red hot market like coastal California, you will undoubtedly find it . . . if you have plenty of money and long-term patience. However,

if you don't want to stand in long lines behind multimillionaires and billionaires as they compete for these trophy assets, there are other less obvious but potentially fruitful places to be looking and investing.

TwinRock Partners was formed in 2006 in Newport Beach, Calif., as a real estate investment entity, and since real estate nationwide was just starting its downward spiral as the Great Recession picked up steam, we decided our best bet was uncovering asset opportunities in more affordable markets with a strong potential for future upside. Of course, there is always some risk when investing in real estate regardless of where it is, and sometimes you win and, well, sometimes you don't.

Our firm's investment strategy is to identify and take advantage of the continuing unsettled market conditions that resulted from the soft economic environment over the past several years by planting our investment flag in markets that we see as having long-term, high job and population growth potential. Based on our research and analysis, we expect these target markets to recover at a faster rate than the nation as a whole.

Our guiding mission is to find opportunities in these markets that are under-valued product types that include market situations in which an asset's acquisition basis compares favorably to its perceived intrinsic value. We actively pursue opportunities where we believe we can rehabilitate or reposition an asset to improve the property's physical characteristics and/or market value. Additionally, we target assets in distress and assets where a change of use such as converting

from office to residential may be appropriate based on market dynamics.

Early Winners

One of our early winners was the purchase of several hundred distressed residential units in the so-called Inland Empire, which is made up of Riverside and San Bernardino counties in Southern California. With my partner Michael Meyer's deep and long-time experience in Southern California real estate, we knew intuitively that homes selling at one-half to one-third of their original price in that market during the recession would return to the previous higher price levels at some point in time. We were also one of the first investors to be active in the Inland Empire before it became the primary hunting ground for many other investment groups, including some of the nation's largest.

A few examples of what we consider winning investments for both us and investors in our funds:

- A single-family detached home in Riverside County, Calif. purchased in July 2011 for \$94,000 and sold in October 2012 for \$205,000, a 104 percent return on equity.
- A single-family detached home in Riverside County, Calif. purchased in March 2011 for \$140,000 and sold in January 2013 for \$224,000, a 62 percent return on equity.
- A single-family detached home in Redlands, Calif. (San Bernardino County) purchased in October 2011 for \$163,300 and sold in February 2013 for \$272,000, a 52 percent return on equity.
- One of our bigger winners is a single-family detached home in Moreno Valley, Calif. purchased in March 2011 for \$128,000 and sold in October 2013 for \$235,000, a 113 percent return on equity. Although not typical, this deal underscores the substantial upside potential when you as an investor know the market

Continued Next Page

and know when and where to buy and when to sell.

With the success of these investments coupled with the knowledge that the Inland Empire would become a much more competitive market for the type of deals that fit our criteria, we moved on to other areas of opportunities such as Victorville and Palmdale in Southern California. But as those markets became more saturated with investors carrying briefcases full of money, we decided to move away from these increasingly hotter spots to cooler areas where we believed, based on our investment strategies and in-depth research, worthwhile opportunities also existed . . . they just weren't outside our back door.

One of our first out-of-state target markets was the greater Las Vegas metropolitan area, which had been pummeled by the recession and consequently offered what we believed were some exceptional investment values based on a mixture of opportunity, knowledge and timing, as well as hopefully some Las Vegas-style luck. It turns out that the biggest win for our investors had more to do with a highly complex civil lawsuit ([SFR Investments Pool v. U.S. Bank](#)) and a decision Sept. 18, 2014, by the Nevada Supreme Court that has the potential of generating a substantial return for our investors. SFR Investment Pools is a Las Vegas-based private investment company.

Case Background

In early 2013, our firm began investing in homes that were located in various homeowner association communities in the Las Vegas area. These HOA foreclosed homes fell under the 1982 Uniform Common Interest Ownership Act, which Nevada adopted in 1991 along with some 20 other states. The rule gives HOAs "super priority" over mortgage lenders, that is, HOAs legally have the first right of refusal to sell a foreclosed home if the owner is more than nine months delinquent in HOA dues.

With limited exceptions, the HOA lien is "prior to all other liens and encumbrances" on the homeowner's property, even a first deed of trust recorded before the dues became delinquent, according to the rule. This law created an untenable situation for mortgage lenders such as Bank of America and U.S. Bank, but offered a potentially fruitful opportunity for investors willing to take a bigger risk.

The SFR-U.S. Bank case involved a residence located in a common-interest community known as Southern Highlands. The property was subject to Covenants, Conditions, and Restrictions (CC&Rs) recorded in 2000. In 2007, the property was further encumbered by a note and deed of trust in favor of, via assignment, U.S. Bank. By 2010, the former homeowners, who are not party to the case, had fallen delinquent on their association dues and also defaulted on their mortgage obligations to U.S. Bank.

Separately, the homeowner association and U.S. Bank each initiated non-judicial foreclosure proceedings. However, during this period the homeowner association acted first to put the home on the auction block in the keeping with the super-priority statute and SFR purchased the property at the HOA trustee's sale on September 5, 2012. As a result, the investment firm received and recorded a trustee's deed, reciting compliance with all applicable notice requirements. In the meantime, the trustee's sale on U.S. Bank's deed of trust had been postponed to December 19, 2012. Days before then, SFR filed an action to quiet the property's title and enjoin the sale.

Based on the super-priority rule, the HOA trustee's deed did in fact extinguish U.S. Bank's deed of trust and vested clear title to SFR, leaving U.S. Bank with nothing to foreclose. U.S. Bank filed a lawsuit and SFR counter sued. The Clark County District Court temporarily enjoined the U.S. Bank trustee's sale pending a court briefing and argument on SFR's motion for a preliminary injunction.

Since the HOA foreclosed on the property non-judicially, the district court reasoned that U.S. Bank's first deed of trust survived the HOA trustee's sale and was senior to the trustee's deed that the investment firm received. Consequently, the district court denied SFR's motion for a preliminary injunction and granted U.S. Bank's countermotion to dismiss, holding that an HOA must proceed judicially to validly foreclose based on its super-priority lien. SFR appealed the decision and the district court stayed U.S. Bank's trustee's sale pending a decision of the appeal by the Nevada Supreme Court.

In its 35-page opinion overturning the lower court decision and remanding the case back to the district court, the Supreme Court ruled that the HOA's super-

Continued Next Page

priority lien against a foreclosed property does in fact extinguish a first deed of trust on the property. It further ruled that the HOA has the power to foreclose on the property non-judicially with the blessing of the Nevada State Legislature per the state's NRS Chapter 116.

In its opinion, the court, perhaps with a touch of sarcasm, also pointed out that the bank could have stopped the problem by paying the lien itself. In fact, the super-priority rule does require that the HOA give notice of the sale to the property owner and to the "holder of a recorded security interest" if the security interest holder "has notified the association, before the mailing of the notice of sale of the existence of the security interest." Which, evidently, the bank did not do, at least neither timely nor properly.

Big Risk, Big Reward

As outsiders looking into the Las Vegas market and especially the HOA situation, many of the factors associated with real estate values and especially residential met our criteria except one — a big one. The pending lawsuit could have gone either way, but we took a long and deep look at previous litigation associated with the super-priority rule and believed the appellant in this case would ultimately prevail.


Furthermore, the facts of the case leading up to the lawsuit clearly showed a rare investment opportunity with significant upside potential that was simply too good to pass up. The SFR-U.S. Bank case involved a Las Vegas home purchased in 2007 with an \$885,000 mortgage on which the homeowner defaulted the next year. The homeowner's association foreclosed on the home and sold it at auction in September 2012 to SFR Investments for \$6,000, the amount owed to the HOA by the delinquent homeowner. Even with Las Vegas' slowly improving housing market, the delta between the original mortgage and the purchase from the HOA leaves a lot of time for recovery and room for profit.

After extensive research and touring the areas where we intended to purchase properties, our firm jumped into the Las Vegas/HOA opportunity about two years ago. We spent a few million dollars purchasing HOA foreclosure homes with the objective of fixing them up, renting them, and at the right time, selling them for a tidy profit. As reported in a *Wall Street Journal* article in which I was quoted, one of the homes we purchased was originally bought by the original owner

for about \$300,000 in 2006. The owner had an interest-only mortgage and gave up the home in 2008 after his payment was set to balloon.

We acquired the home in May 2013 from the homeowners association for \$11,000 and real estate information site Zillow.com estimates that the property today is worth about \$184,000. With upsides such as this, we anticipate that our investors could triple their money after accounting for investment fees and expenses. "If courts determine that proper notice of foreclosure was given in this and the many similar cases now pending, then the investors will walk away winners," noted a local Las Vegas attorney. States another local investor: "This is one of the greatest returns in real estate that I've ever seen."

While this investment opportunity allowed us to purchase foreclosed properties at steeply discounted prices, it was not without significant risk. We and other investors were up against major banks and other powerful organizations such as the Mortgage Bankers Associations, which argued forcefully that the super-priority rule did not extinguish the mortgage in favor of HOA, and their arguments did win in the lower courts. In the story previously cited, the *Wall Street Journal* reports that, "Lenders nationwide have argued that HOAs should have to foreclose through the court system and shouldn't have the power to wipe away entire mortgages."

Although the case was remanded back to the district court to be retried, we feel confident based on the Supreme Court's solid opinion and our own research and legal analysis that the court's decision will stand and that our firm and other investors will indeed be winners. Nevertheless, we are keeping our fingers crossed and our investors informed as the case progresses once more through the Nevada courts. 

Alexander Philips is Chief Executive and Investment Officer of Newport Beach, Calif. — based TwinRock Partners (www.twinrockpartners.com) and is responsible for the overall strategic direction of the firm's investment strategy including the development of new investment opportunities, portfolio management and the company's operations. Prior to forming TwinRock Partners, Mr. Philips was employed with GE Real Estate (GE) as a Director in the North American Equity Investments group (Joint Ventures). At GE he was responsible for sourcing direct real estate investments in all product types including, multi-family, office, industrial and retail, through partner relationships that the firm and its partners have established. He can be contacted at alex@trp-llc.com.

NEWS BRIEFS

New Mortgage Lending Hits 13-Year Low

Mortgage originations hit a 13-year low in November, with 2014 on pace to be the weakest year for new loans since 2001, according to the Federal Reserve Bank of New York.

According to the Federal Reserve report, mortgage lending has averaged \$357 billion per quarter over the prior quarters, the lowest since 2001. Unless the fourth quarter is unusually strong — and housing typically slows in the winter — that will leave 2014 as the worst year for mortgage volume since 2000.

Most of the decline has been driven by the falloff in refinancing. But the Fed data doesn't separate refinancing from purchase mortgages.

SOURCE: [Federal Reserve Bank of New York](#)

HELOCs Jump 21 Percent

RealtyTrac recently released its first-ever U.S. Home Equity Line of Credit Trends Report, which found that a total of 797,865 outstanding home equity lines of credit, or HELOCs, were originated in the 12 months ending in June 2014, up 20.6 percent from a year ago.

The report also shows HELOC originations accounted for 15 percent of all loan originations nationwide during the first eight months of 2014, the highest percentage since 2008.

Metro areas with the biggest year-over-year increase in HELOC originations were Riverside-San Bernardino in Southern California (87.7 percent increase), Las Vegas (85.1 percent increase), Cincinnati (81.0 percent increase), Sacramento (65.1 percent increase), and Phoenix (60.1 percent increase).

SOURCE: [RealtyTrac](#)

Top Trends in Smart Home Technology

Not every home has a Nook thermostat controlled remotely by a smart phone. Not yet.

But a recent survey from by ERA Real Estate and HGTV found that nearly half of consumers (46 percent) believe it is important that their current home — or the next home they purchase — be equipped with smart home technology.

Not only do they see the value in smart home technology for their own benefit (e.g., comfort, safety, cost-savings), but consumers also see the impact it serves for resale — more than half (51 percent) would consider installing smart home technology in their home to make it more appealing to future homebuyers.

Millennials were the most willing to spend on smart home technology of all the generations. Despite their younger age, they were 10 times more likely than Generation Xers to consider the update.

"While still a growing trend, smart home enhancements have the potential to increase savings, safety and re-sale value," said Charlie Young, president and CEO of ERA Real Estate. "As we have seen through this survey and our one-on-one interactions with buyers and sellers, a smart home is one that is well-positioned for the future and aligns with a growing reliance on mobile technology."

Though the pioneers of the smart home space were home security system providers, only 5 in 10 Americans reported having a security system in their current home.


SOURCE: [ERA Real Estate and HGTV](#)

40 Million Spend 30 Percent on Rent

Thanks to stagnant wages and rising costs, nearly 40 million Americans are spending over 30 percent of their income on housing payments, property taxes and other home expenses, according to a survey of 10,000 U.S. households conducted by the Demand Institute.

After the housing bubble burst in 2008, a spike in foreclosures forced millions of Americans to start renting. That sent rents soaring by more than 25 percent since 2005, according to the Census Bureau. Since wages have been relatively stagnant it also meant that renters were spending a larger percentage of their income on housing costs each month.

"Home ownership has become more affordable but many renters have still been unable to transition into homeowners," said Jeremy Burbank, vice president of the Demand Institute.

Demand's survey found that the hardest hit group has been the Millennial generation. The survey found that heavy student loan debt and a lack of well paying jobs have many Millennials postponing home buying. 

SOURCE: [Demand Institute](#)

LEGAL BRIEFS

Wells Fargo Accused of Predatory Lending

Chicago's Cook County is suing Wells Fargo, accusing the bank of engaging in predatory and discriminatory lending in a complaint filed Nov. 27 in Chicago federal court.

The 152-page complaint said the bank targeted black and Latino borrowers for more costly home loans than their white counterparts in the Chicago area, engaging in a process the county lawyers described as "equity stripping." The process may have involved as many as 26,000 loans, the county said.

"Equity stripping is an abusive form of 'asset based lending' that maximizes lender profits based on the value of the underlying asset and onerous loan terms, while in disregard for a borrower's ability to repay," according to the complaint.

The process may have involved as many as 26,000 loans, the county said.

The case is *County of Cook, Illinois v. Wells Fargo & Co.*, U.S. District Court, Northern District of Illinois (Chicago).

SOURCE: [Bloomberg](#)

AZ Developer Gets 10 Years for Fraud

Real estate developer and mortgage broker Bradley Holcom was sentenced to 10 years in prison for a \$50 million securities fraud involving raw land in Arizona for residential and commercial development, according to the U.S. Attorney in San Diego, Calif.

Holcom, 57, pleaded guilty in July before U.S. District Judge Cathy Ann Bencivengo to committing wire fraud in connection with the sale of approximately \$50 million worth of promissory notes which he sold to more than 150 investors located throughout the United States.

At the sentencing hearing on Nov. 10, elderly investors who had lost millions of dollars asked the judge to impose the maximum sentence. The investors — some tearful, some angry, all financially and emotionally debilitated — told the court of the devastating impact of losing their life's savings at retirement age with no ability to recover.

"My retirement funds for my golden years are gone," one of

the victims said during the hearing. "He could've pointed a gun to my head or held a knife to my chest, and he couldn't have hurt me more."

SOURCE: [U.S. Attorney, Southern District](#)

Zillow Sued for 'Sexual Torture'

The real estate Internet company Zillow was accused of "sexual torture" by one of its former sales associates in a harassment lawsuit that may add to scrutiny of how women are treated in the technology industry.

A lawsuit was filed by Rachel Kremer, a former inside sales consultant at Zillow, claiming that she was constantly sexually harassed. Kremer alleges that her male coworkers and managers solicited her, and texted explicit photographs.

Zillow suffers from a "pervasive culture of degrading women," according to the complaint filed in federal court in Santa Ana, Calif.

"Zillow management routinely and unapologetically subjected Ms. Kremer to despicable and inappropriate sexual conduct throughout Ms. Kremer's employment," the 17-page lawsuit states.

"When this allegation was first made, we immediately investigated these claims and as a result took quick action and terminated a sales employee in our Irvine office," Zillow said.

The suit comes at a tough time for Zillow, which is in the process of acquiring rival Trulia for \$3.5 billion. The FTC recently requested additional information about the acquisition, pushing back the date that the two companies are expected to complete the deal.

The Dec. 1 lawsuit by Kremer, who seeks unspecified damages, is based on sexual harassment and wrongful termination claims, among other allegations. Kremer is being represented by celebrity attorney Mark J. Geragos.

The case is [Rachel Kremer v. Zillow Inc.](#) in the U.S. District Court for the Central District of California in Santa Ana, Calif.

SOURCE: [Bloomberg](#) 

FINANCIAL BRIEFS

Economy: Housing Starts Fall

Construction of single family homes and apartments fell 1.6 percent in November to a seasonally adjusted annual pace of 1.03 million units, according to the [Census Bureau](#). The single family sector, which is a larger driver of the economic growth, fell 5.4 percent to a 677,000 unit rate. Permits for single family housing fell 1.2 percent in November to a 639,000 unit pace. Permits for multi-family housing tumbled 11 percent to a 396,000 unit pace.


Lending: Appraisal Fraud Rising

As home price gains are slowing and mortgage originations are on the decline, some home appraisers report that they are being urged to inflate the values of some properties they assess, often at the behest of loan officers and real estate agents, according to *The Wall Street Journal*. One in seven home appraisals done between 2011 and 2014 were inflated by 20 percent or more, according to data collected by [Digital Risk Analytics](#), a subsidiary of Digital Risk LLC. Much of the pressure, appraisers say, is being applied by companies hired by banks to assign appraisal work, known as appraisal-management companies, or AMCs. Banks turned to AMCs to help maintain a distance between loan officers and appraisers. That distance is intended to eliminate pressure on the appraiser to hit a certain price. But some in the industry say AMCs are now applying pressure in a bid to keep the lenders' business.

Housing: Institutional Investors

Residential sales involving all-cash buyers and institutional investors declined in the third quarter, according to [RealtyTrac](#). Cash-only purchases accounted for 33.9 percent of all single family home and condo sales in the three-month period ending in September, down from 36.9 percent in the second quarter, and unchanged from a year ago. Top markets with the highest share of institutional investor purchases in the third quarter include Memphis, Tenn. (16.4 percent), Charlotte-Gastonia-Concord, N.C. (14.2 percent), Columbus, Ohio (12.6 percent), Atlanta-Sandy Springs-Marietta, Ga., (12.5 percent), and Orlando, Fla. (11.0 percent).

Labor: Economy Added 300K Jobs

U.S. employers added 321,000 jobs in November — the best monthly gain in almost three years — while the unemployment rate held steady at 5.8 percent, according to the Labor Department. Economists were expecting some 230,000 jobs. Are the U.S. labor markets really as robust as the payroll numbers suggest? Probably not, but the strength of the jobs data may change the direction of Federal Reserve policy in 2015. The nascent labor market strength makes it more likely the Federal Reserve will start raising short-term interest rates sooner rather than later. 

DOWNLOAD REALTYTRAC'S FREE 2014 GUIDE TO SHORT SALES

STATE SPOTLIGHT

Black Gold Brings Real Estate Boom to 'Boring' West Texas

By Daren Blomquist, Executive Editor

At first glance the West Texas real estate market might be described as boring.

Tucked in an out-of-the-way corner of the nation's second biggest state, the largely arid region is hot, dry and mostly devoid of mountains and trees.

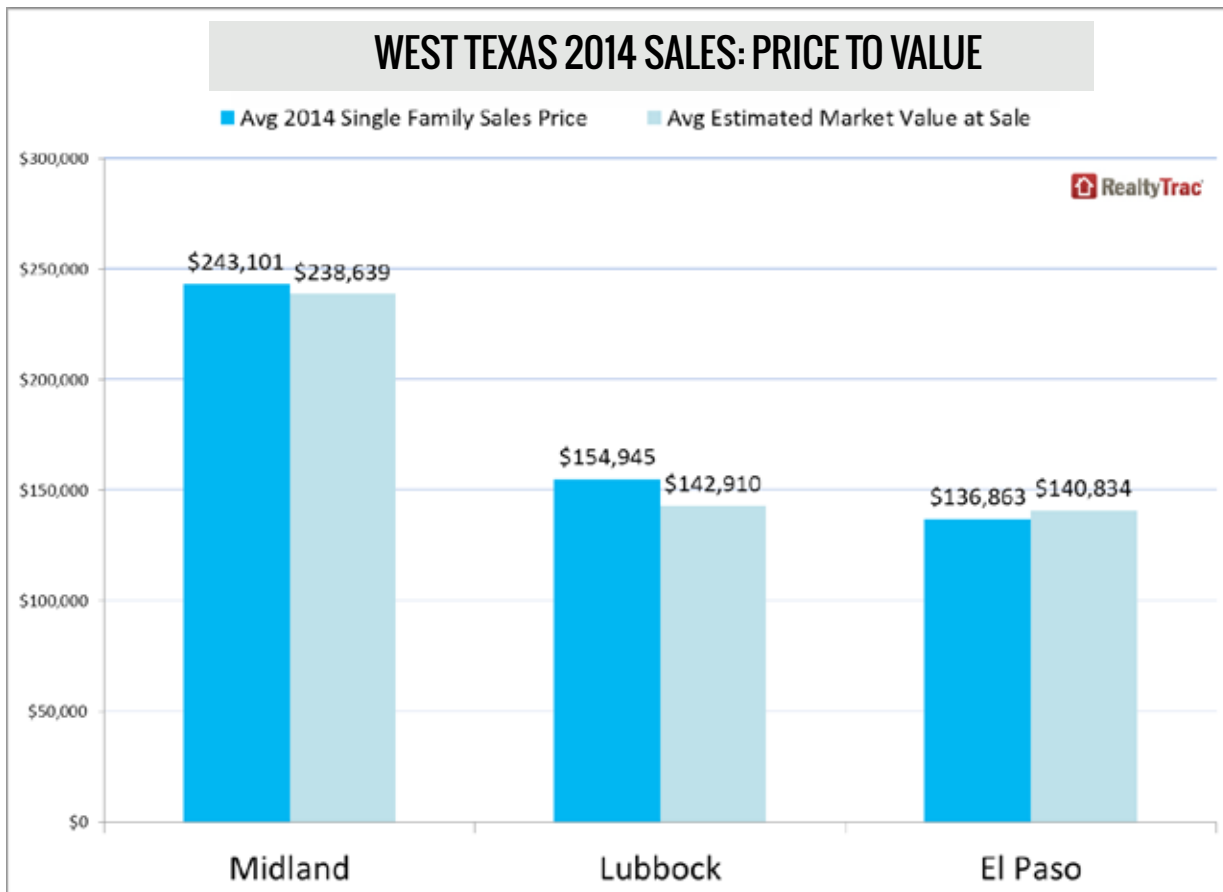
"Geographically this is a boring place. We have no mountains, we have no rivers, we have no lakes. We don't have a lot of trees," said Brian Sales, owner of [The Sales Team](#) real estate brokerage in Midland and 2014 president of the [Permian Basin Board of Realtors](#).

Meanwhile home prices historically have risen at a slow, steady rate, even in region's largest city, El Paso, situated at the westernmost point of Texas and across the river from Juarez, Mexico.

"We're a super-insulated market," said Brian Burds, Realtor and part owner of [Century 21 Haggerty](#) in El Paso. "We're never going to see a lot of appreciation, but we're also never going to see the big depreciation either."

El Paso is one of the few parts of West Texas not

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Brian Sales
Realtor
The Sales Team
Midland, TX

“We have a lot of buyer demand, a lot of people wanting and needing housing.” //

experiencing a real estate boom piggybacking the recent oil and gas boom that has been driven by the drilling technique hydraulic fracturing, also known as fracking, in which oil and gas are extracted from shale.

But fracking has transformed much of the rest of West Texas from boring to booming.

Frack Attack

Much of West Texas sits atop the Permian Basin, which contains one of the nation’s largest deposits of oil and natural gas.

“We are centered in the West Texas area commonly known as the oil patch, smack dab in the middle

of the Permian Basin, which if not already is quickly becoming the highest producing oil and gas region in the country,” said Sales of the Midland market. “We are growing very fast and that is mostly due to the energy, oil and gas as well as some wind energy.”

Sales noted that the recent dive in oil prices has led to some caution in the market, but the resulting slowdown would still look like a red-hot market in any other part of the country.

“We have been as low as 38, 39 days on market. Recently that has been closer to 45 days on market,” said Sales, noting that 180 days on market is typically considered a market properly balanced between buyers and sellers.

Sales said inventory of homes for sale has risen over the past few months from 150 homes for sale, representing just over one month’s worth of inventory, to 300, representing about three months’ worth of inventory — still relatively small in a city with 45,000 households.

“We have a lot of buyer demand, a lot of people wanting and needing housing,” Sales said, adding that large groups of the population have been “living in a travel trailer until the circumstances changed to allow them to buy or to rent.”

‘Van Camps’

“We have so many people living in travel trailers and what we call van camps, so we have a lot of transient population,” he added, estimating that 9,000 to 11,000 workers commute to Midland and stay in hotels for the work week, boosting hotel room rates and leading to a rash of new hotels being built.

“Hotels are going up left and right, apartments are going up left and right, and new construction is very strong right now,” said Sales, who has worked the Midland market for eight years with his wife. “The industry has been building housing to support that oil and gas industry, and that has been going on for about two years.

“We will catch up. We have three tract home builders that are building at about 300 to 400 homes a year per builder,” he added.

The strong demand and lack of inventory has placed upward pressure on both home prices and rental rates, according to Sales.

“Over the past 24 months our home prices have increased at about 18 percent. That’s pretty fast growth. Recently we’re starting to see a little bit of a plateau, all directly tied to the price of oil,” he said, noting that he thinks the slowing price appreciation is good for the long-term health of the market.



Brian Burds
Realtor/Owner
Century 21 Haggerty
El Paso, TX

“We’re a super-insulated market. We’re never going to see a lot of appreciation, but we’re also never going to see the big depreciation either.” //

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Record Sales

But in the meantime Sales and his wife have been doing record business, with more than 100 transactions in 2013 and on track to close 140 in 2014.

"2013 was our best year ever in real estate, and 2014 topped that," he said, noting his business has transitioned from a focus on first-time homebuyers back in 2009 and 2010 to a much heavier relocation-focused business in 2013 and 2014.

"A lot of our work has been working in concert with individual relocation companies. ... We've had to become very expert at handling multiple offers for our sellers, and competing against multiple offers for our buyers."

Sales said it's often much better for even the more transient oil company workers to buy than rent, given the strong home price appreciation, a median sales price that is still relatively low at \$247,000 and the skyrocketing costs of rents.

"I used to tell people that you need to be in your house five years in order to break even," he said, noting that he's worked with several clients who had to sell within a year of buying but who still broke even or even came out ahead.

Rents Higher Than Houston

Meanwhile rents are rising rapidly.

"The demand for rental housing is huge. Our rental rates have averaged right around a buck twenty-five per square foot," said Sales, explaining that translates into \$2,000 a month



Jimena True
 Realtor
 Coldwell Banker

"We have a lot of people who have come for work reasons and their families are still back in the towns where they are coming from because of the housing market."

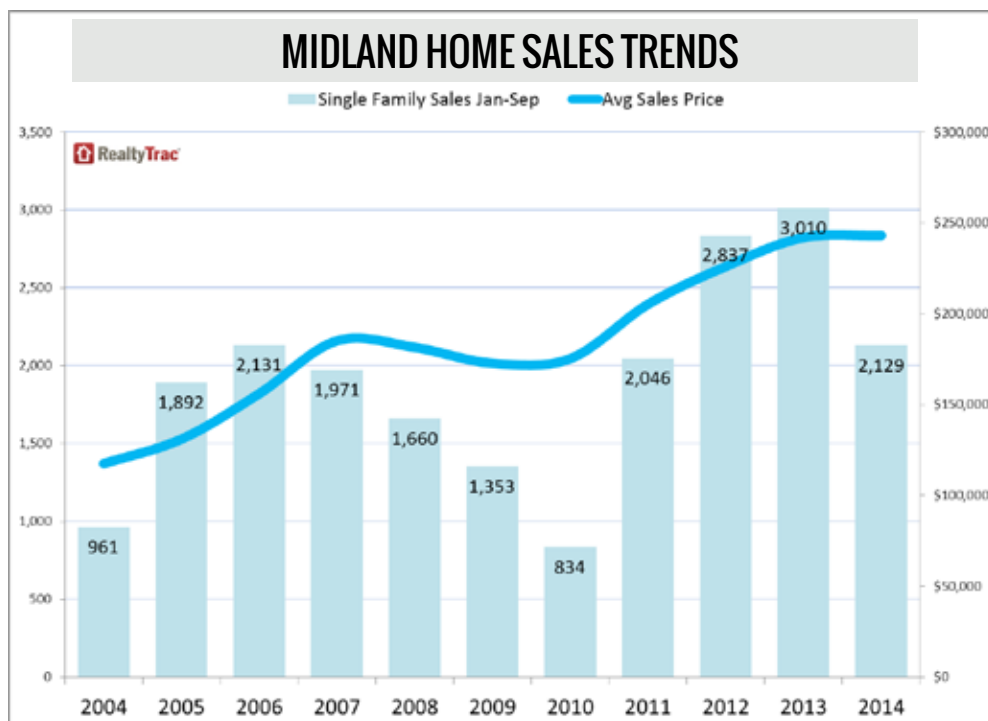
for a 1600 square foot home. "You're looking at \$24,000 a year for this 1600 square foot house, it doesn't make sense not to buy."

Realtor Jimena True with [Coldwell Banker Covenant](#) in Midland said she's seen rents as high as \$1,500 a month for a one-bedroom, unfurnished apartment.

"In Houston a two-bedroom apartment will go for about \$2,500, that's about what it can be here or even \$3,000," she said, noting the high rent forces many incoming workers to leave their families behind.

"We have a lot of people who have come for work reasons and their families are still back in the towns where they are coming from because of the housing market," she said, noting that those workers will often scope out the market for about a year before deciding to buy and bring their

Continued Next Page



family to town.

All of this results in a frenzy of property showings for True and other Realtors in Midland.

“Here we are just showing, showing,” she said. “And a lot of times there is not a lot to show.”

The oil boom is also putting pressure on lower-paying service wages in a market where year-over-year job growth ranked highest in the nation in October and the unemployment tied for fifth lowest in the nation, according to the [U.S. Bureau of Labor Statistics](#). Sales said he’s seen McDonald’s advertising \$15 an hour entry-level jobs.

Not Just Oil in Lubbock

The energy-driven real estate boom in the Midland-Odessa market is rippling out to surrounding markets as well.

“The market is booming down here. There has been record pricing going on. People have been paying insane money,” said Michelle Kauffman, a Realtor with [Berkshire Hathaway Home Services Anderson](#)

[Properties](#) in Lubbock, about 100 miles north of Midland.

Kauffman, who pegged the median price in Lubbock at about \$150,000, said some people who work in the Midland-Odessa market will drive the hour and half each way to work for the lower cost of living they find in Lubbock, home to Texas Tech University.

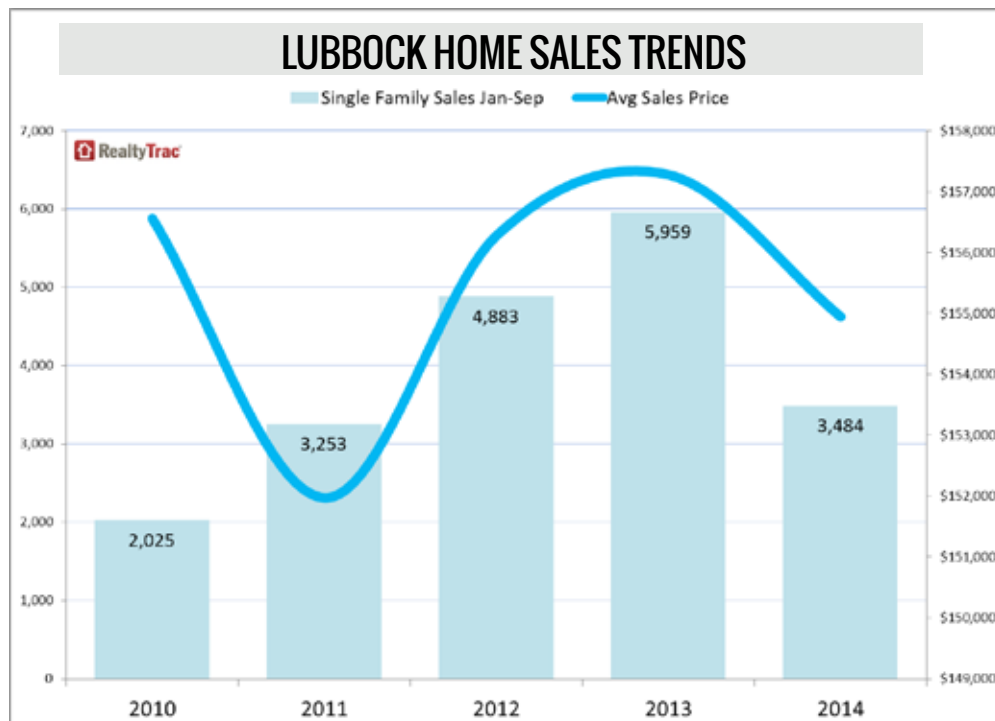
In addition, Kauffman believes the market is anticipating its own oil-driven boom as oil companies look to expand their fracking operations.

“In my opinion it’s not a matter of if but when they’re going to start doing fracking down here,” she said, noting the strength of the Lubbock market comes not only from oil. “You have people relocating for medical, obviously for the university, farm and agricultural companies moving in. It’s not just oil.”

Ripe for Rentals

Kauffman said the Lubbock market is ripe for real estate investors looking to buy rental properties, noting that a typical starter home with three bedrooms and two bathrooms in south Lubbock — the newer part of

Continued Next Page



town — can be purchased for \$130,000 and rented for \$1,500 a month, a nearly 14 percent cap rate.

Despite these good numbers, Kauffman said she thinks some buyers are overpaying.

“For my investors I said just hold off until spring because in my opinion people were just overpaying for stuff,” said Kauffman, who got her start working the distressed property market in Kansas City five years ago and moved to Lubbock two years ago when her husband was relocated there for his job. “There’s still just not enough inventory out there so it’s definitely a seller’s market.”

Kauffman also specializes in distressed properties in Lubbock, although she also works the entire market given the relatively low number of foreclosures in the city.

“I realized that no one was working that niche down here. It was not near as saturated with foreclosures down here as it was in Kansas City, but there are always some (foreclosures) and always some people looking for the deal,” she said, noting that distressed sales have recently been holding steady if not trending a bit lower.

“I just have a bunch of investors that specifically want (foreclosures), flippers and others. And I’ve just learned through the multiple transactions what the lender wants,” she said, noting a big part of her job involves educating new foreclosure buyers about some of the tough realities of dealing with distressed properties.

“When someone calls on the \$20,000 property I ask ‘are you handy?’, she said, noting that a most of the low-priced, distressed properties won’t be financeable except possibly through an FHA 203(k) rehab loan. “Some of them have happened, and you can do a 203(k) construction loan and it’s a great deal. But if you just think it’s carpet and paint on the walls, it’s way

more than that. It can be a fantastic deal or it can be a complete money pit if you don’t do it right.”

Oil-less in El Paso

Burds, the El Paso Realtor, also specializes in distressed sales in his market, where prices have not come back as strongly from the real estate slump as in other parts of West Texas.

“We’re the one part in Texas that doesn’t have oil,” said Burds, who estimated his company, which has a deal to list properties owned by the U.S. Department of Housing and Urban Development, does about 20 percent of its business in distressed sales, 20 percent in short sales and 60 percent in regular sales.

The high percentage of short sales is the result of a 15 to 20 percent drop in El Paso home values during the Great Recession. Although home prices have bounced back to a certain extent, many homeowners still have negative equity or not enough positive equity to sell without a short sale.

“At end of day it still takes about 10 percent to get out and a lot of these people have 3 to 5 percent equity so it still needs to go short sale,” said Burds.

With no oil boom to drive the El Paso market, it continues to rely heavily on the government jobs created by Fort Bliss, a U.S. Army base in town that recently underwent a \$6 billion expansion, the largest of any U.S. military installation since World Word II.

Blissful Rentals

Burds said the typical tenure for military personnel at Fort Bliss is three to four years, down from the typical tenure of six to seven years in the past. That means fewer military personnel are purchasing homes and more are renting.

“Purchasers are probably about 30 to 35 percent and the rest are rentals,” he said of the military personnel, adding that rental properties are good business for



Michelle Kauffman
Realtor
Berkshire Hathaway
Home Services
Lubbock, TX

“The market is booming down here. There has been record pricing going on. People have been paying insane money.”

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investors who are primarily interested in cash flow.

"We have about 500 rentals that the company manages," he said. "You can rent a house for \$1,000 a month that you buy for 110 or 115 (thousand dollars) so we are a positive cash flow market, but we don't have the high appreciation so we don't see (investors) come in as much."

Lacy O'Leary, founder of the El Paso Investors Club, said a recent influx of 12,000 soldiers to Fort Bliss from other military bases that closed is an important trend for investors like herself.

"This has created a large demand for entry level homes accommodating families," she wrote in an email. "The single family price range in El Paso ranges from \$100,000 to \$200,000. There has also been an increase for multifamily dwellings, and there have been investors bringing larger complex construction to various parts of town."



Lacy O'Leary
 Founder
 El Paso Investors Club
 El Paso, TX

“The recent oil boom has had more El Pasoans leaving for opportunities in other cities like Odessa, Lubbock, Hobbs, and other areas where the real oil boom has occurred.”

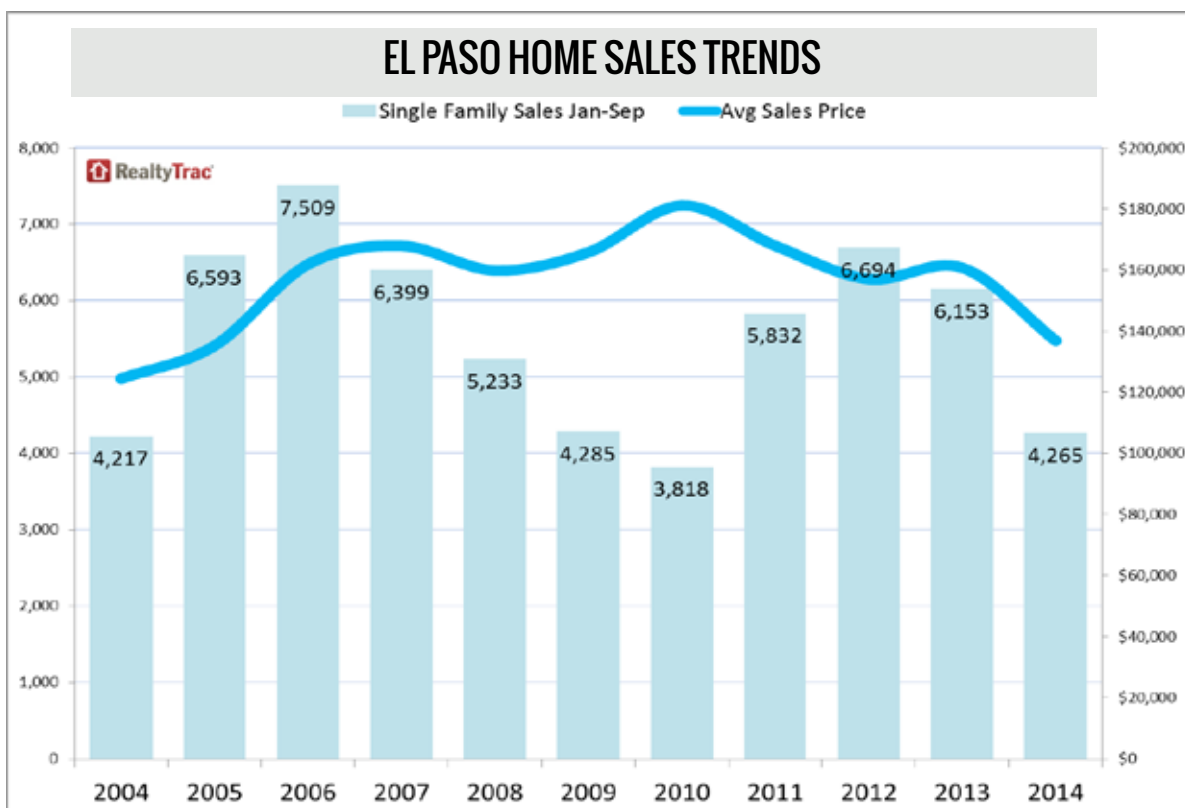
Oil Envy

Despite the increased rental demand, however, O'Leary said there has also been a recent increase in supply of rental properties from homeowners leaving the market who were not able to sell. Meanwhile, the oil boom elsewhere in West Texas is draining many younger workers from El Paso.

"The challenge El Paso continually faces is how to get its college graduates to stop leaving for greener pastures," she wrote. "The recent oil boom has had more El Pasoans leaving for opportunities in other cities like Odessa, Lubbock, Hobbs, and other areas where the real oil boom has occurred."

According to Burds, some claim that they've found oil around El Paso, and he's hoping that turns out to be true.

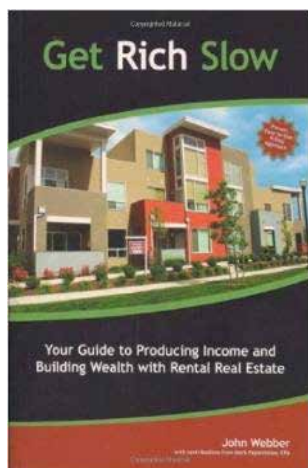
"That would be awesome for us," he said. "All the markets that are getting it have been phenomenal, but for us it has not."



BOOK REVIEW

How to 'Get Rich Slow' Investing in Rental Real Estate

By Octavio Nuiry, Managing Editor



There's no get-rich-quick formulas in real estate.

But there is a way to "Get Rich Slow," according to Salt Lake City Realtor and investor John Webber.

In his new book, "[Get Rich Slow: Your Guide to Producing Income and Building Wealth with Rental Real Estate](#)," (Millrock Publishing, 2013), Webber takes investors on an amazingly detailed journey on how to analyze,

locate, manage, purchase — and even walk away from — income-producing residential rental property. In nine easy-to-read chapters, Webber takes the mystery out of real estate investing and shows readers how to answer the most important question in any real estate purchase: Does it pencil?

Webber, the broker and owner of Webber Realty, is a seasoned investor who has been in the real estate trenches for 30 years, penciling hundreds of real estate transactions — many his own deals. Along the way, Webber has gleaned an amazing amount of insight and experience on how to make sure real estate investment deals pencil out.

"If you are looking for a book that will turn you into an instant millionaire, this book isn't for you," writes Webber in the introduction. "As the title to the book — Get Rich Slow — implies, I consider wealth-building through rental real estate to be a slow but reliable process."

Webber offers potential investors an easy-to-follow 9-step approach toward investing and building wealth in the residential rental real estate market. He has been teaching real estate investment seminars to Salt Lake City Realtors for many years, and was an adjunct professor at Salt Lake City Community College.

"This book is different from other real estate investment books: it gets into the nitty-gritty that other books ignore," he writes.

Instead of the usual get-rich-quick strategies seen on late-night cable television, Webber outlines an investment strategy that requires methodical thinking and patience. That starts, Webber writes, with learning how to run the numbers and taking the guesswork out of real estate investing.


"A well-seasoned real estate investor once told me: 'If a potential investment doesn't work out on paper, it won't work in real life,'" writes Webber, the former vice president of the Salt Lake Board of Realtors. "Run the numbers carefully, and don't be afraid to walk away from potential investments that don't meet your criteria."

To that end, "Get Rich Slow" outlines several important financial calculations every investor should know and understand, including (1) price per unit; (2) price per square foot; (3) gross rent multiplier; (4) net operating income; (5) capitalization rate; (6) the time-value-of-money; (7) the amortization for mortgage loans; (8) and calculating cash flow. He also explains what an operating statement is, and the importance of analyzing the properties' historical operating statements.

In chapter six, Webber makes several calculator recommendations and features keystrokes for two financial calculators, including the [Hewlett Packard HP 10bII+](#) and the [Texas Instrument TI BAII Plus](#). The book provides step-by-step problems that will help investors make critical financial calculations a snap with these tools. Other calculators used by seasoned investors include [Calculated Industries Qualifier Plus IIIx](#).

Moreover, the book helps investors figure their cash-on-cash return, project their cash flows after tax and operating expenses, project cash flows after tax for the sale of the property, and finally, calculate their after-tax rate of return.

If you haven't figured it out yet, investing in real estate is a business — and not a hobby — a business that requires a lot of math skills. Webber is also the author of the college textbook "Math for Business and Life." And Webber shows serious investors the critical math they need to know to be a successful real estate investor.

"Get Rich Slow" is an amazing book that helps people understand how to better manage their real estate finances and make better decisions based on sound common-sense mathematical principles. 

November 2014

State-by-State Foreclosure Activity Summary

TOP 20
Foreclosure rates in the
Nation's 20 largest metros
in November 2014

Rank	Metro	Housing Units Per Foreclosure Filing (Rate)
1	Atlantic City, NJ	289
2	Miami, FL	394
3	Jacksonville, FL	395
4	Palm Bay, FL	399
5	Orlando, FL	408
6	Pensacola, FL	428
7	Tampa, FL	432
8	Trenton, NJ	456
9	Lakeland, FL	461
10	Ocala, FL	489
11	Port St. Lucie, FL	490
12	Akron, OH	498
13	Rockford, IL	503
14	Columbia, SC	557
15	Baltimore, MD	576
16	Cape Coral, FL	585
17	Salt Lake City, UT	609
18	Fayetteville, NC	615
19	Philadelphia, PA	625
20	Cleveland, OH	625

Rank	State	Default	Auction	REO	Total	1/everyXHU (rate)	%Δ from Oct 14	%Δ from Nov. 13
	U.S. Total	37,147	50,102	25,249	112,498	1,170	-8.62	-0.84
20	Alabama	0	1,366	209	1,575	1,379	10.60	-2.72
21	Alaska	68	77	64	209	1,461	-4.13	75.63
28	Arizona	0	872	698	1,570	1,810	-28.51	-37.67
44	Arkansas	0	69	166	235	5,604	-68.79	-49.89
19	California	4,490	3,597	2,036	10,123	1,350	-32.49	-18.69
35	Colorado	0	842	207	1,049	2,108	60.64	-0.29
15	Connecticut	732	178	334	1,244	1,194	-0.64	-35.58
4	Delaware	307	208	71	586	693	8.52	-30.15
	District of Columbia	0	6	3	9	32,963	-82.00	28.57
1	Florida	5,102	9,331	5,014	19,447	462	-3.90	-14.75
11	Georgia	0	2,867	1,118	3,985	1,025	-12.30	-6.30
23	Hawaii	211	50	50	311	1,671	33.48	40.09
12	Idaho	218	373	54	645	1,034	12.96	39.91
7	Illinois	2,031	2,335	1,877	6,243	848	-16.09	-17.33
9	Indiana	1,294	1,046	661	3,001	932	-18.25	2.01
14	Iowa	442	402	355	1,199	1,115	34.57	-21.84
42	Kansas	97	162	107	366	3,369	-25.15	14.73
30	Kentucky	82	686	248	1,016	1,898	8.55	41.70
33	Louisiana	201	496	269	966	2,033	-41.70	-25.98
37	Maine	168	56	86	310	2,326	8.77	-42.59
3	Maryland	1,632	1,347	1,116	4,095	581	-31.10	6.86
32	Massachusetts	776	336	307	1,419	1,976	39.53	49.53
22	Michigan	0	1,740	1,260	3,000	1,511	-15.90	-12.64
31	Minnesota	0	886	323	1,209	1,942	9.02	8.33
45	Mississippi	0	169	56	225	5,663	-40.79	97.37
41	Missouri	0	622	302	924	2,933	-42.14	-28.59
48	Montana	0	25	20	45	10,698	-6.25	150.00
43	Nebraska	96	105	22	223	3,575	4.69	61.59
6	Nevada	751	497	248	1,496	783	-23.91	10.73
38	New Hampshire	0	208	47	255	2,408	-10.21	-22.26
2	New Jersey	5,706	1,141	590	7,437	478	83.58	196.06
26	New Mexico	362	87	70	519	1,735	27.21	-11.88
25	New York	3,787	663	374	4,824	1,680	14.97	18.76
13	North Carolina	2,059	1,117	941	4,117	1,051	8.69	137.02
50	North Dakota	3	1	0	4	79,867	0.00	300.00
8	Ohio	1,958	2,303	1,665	5,926	865	-22.06	-12.35
27	Oklahoma	133	535	254	922	1,805	36.59	-15.10
24	Oregon	138	690	172	1,000	1,674	-20.26	89.39
18	Pennsylvania	1,408	2,010	854	4,272	1,302	-13.52	3.36
34	Rhode Island	0	165	56	221	2,093	52.41	-21.07
10	South Carolina	1,247	688	353	2,288	933	-12.74	-28.66
49	South Dakota	0	18	11	29	12,545	-50.85	-30.95
36	Tennessee	0	1,159	173	1,332	2,111	-26.89	69.68
29	Texas	28	4,570	780	5,378	1,855	12.84	25.86
5	Utah	539	535	232	1,306	750	27.54	19.82
46	Vermont	0	17	20	37	8,709	37.04	32.14
39	Virginia	0	1,066	318	1,384	2,432	-14.57	-15.14
16	Washington	138	1,548	590	2,276	1,267	-10.71	5.81
47	West Virginia	0	47	53	100	8,822	-22.48	26.58
17	Wisconsin	943	706	401	2,050	1,278	-6.65	-6.09
40	Wyoming	0	82	14	96	2,723	23.08	62.71



HOUSINGNEWSREPORT

Housing News Report is a monthly publication dedicated to helping investors succeed by providing them with timely and relevant information about the housing market.

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