



# Las Vegas Valley REO Update

A monthly look at the Las Vegas Valley real estate market & how it affects REO's.



Mitchell Schwartz  
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**Scored 98 points out of a possible 98 points on Bank of America's recent score card!**

## TEAM MEMBER SPOTLIGHT

Monya Kegler: Transaction Coord & Team Admin.

Monya grew up in Kansas City, MO. She has lived in Las Vegas for almost 5 years and been a part of MBS almost all of that time. She maintains a NV and MO real estate lic. Her job duties include coordination of all offers, counter offers, required documents, inspections and appraisals. Monya is a valuable part of our team.

## Market Recap

Take a look at the stats to the left and you will notice a couple, very important shifts in the Clark County Real Estate Market;

1. Available inventory has reduced in all types, REO, Short Sale and Equity Sales.
2. Absorption Rates have again reduced for all property ownership types, even manufactured housing.
3. Closed transaction counts for REO dropped by almost three percent, while short sales and equity sale closings increased by big numbers.

*What does this mean to you as a party to the REO sales process...?*

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### *Important Statistical Information as of 11/6/2009*

#### Total Available Properties

REO	2118	-2.8%
Short Sales	4505	-5.9%
Equity Sales	4502	-2.2%

#### Total Sales Closed Past 30 days

REO	2701	-2.8%
Short Sales	678	+14.7%
Equity Sales	840	+7.2%

#### Market Absorption Rates

Single Family	2.59 Mo
Condominiums	2.60 Mo
Townhouse	2.35 Mo
Manufactured	9.00 Mo

### Webinar Schedule

All Webinars begin at 10am PST

11/18/2009	David Stone, Owner Nevada Association Services
12/16/2009	Using 203K to sell REO's in Las Vegas
1/16/2010	Pools and Preservation

### Words of Wisdom

*"Whatever you think you can or cannot do, you're right."  
Henry Ford*

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## Market Recap (Cont'd from page 1)

Most of you who know me know that I tend to live my life on the “Glass is half full” part of the world, and because of that, you may find the next part of this article a little out of character, in sort of a “Sky is falling” sort of vein. I fear that the efforts that many REO lenders and servicers have made over the last twelve months to limit the amount of inventory available in an attempt to control the market to some degree, will be for not. The absorption rate for single family houses in the greater Las Vegas Valley is 2.59 months. A stable market is considered to be somewhere between four and one half months to seven months. Not surprisingly, we are in a market hungry for property. Many buyers are paying over list price, some without appraisal contingencies. Most REO properties garner as many as twenty offers within 24 hours of listing in MLS.

As a result of low available REO inventory both short sale transactions and equity sales have increased. REO accounts for only eighteen percent of the available properties. REO no longer controls the market. REO no longer makes the rules. REO does not command the respect and appreciation it once held. If something is not done to encourage the parties who control the ability to bring some of the 30,000 vacant, un-assigned and non-marketed properties to listing, we might just miss this buying frenzy that was created by the very people who will be best served by that frenzy; The REO Lenders and Servicers.

In summary, as I step down from my proverbial soap box, the perfect storm of high demand, created by low inventory levels should be taken advantage of sometime prior to the other 3.2 million troubled loans across the country wind up in REO. If we wait, the frenzy may die down along with the slight upward pressure we see in prices and buyer's motivation.

## Changes to Nevada HOA Law

As indicated in my last issue, the Nevada Legislative Body went to town with new laws that affect HOA's and REO properties. This next one is awful and will have serious reverberations throughout the industry.

AB 361, Section 1 (effective 10/1/2009) provides that an association may, without liability of trespass, enter on the grounds of a unit that is vacant or that is in the foreclosure process, whether vacant or not, to maintain the exterior of a unit or abate a public nuisance on the exterior of the unit it, after notice and a hearing, the units owner refuse or fails to do so. If the work is completed by the HOA they will have the right to file a priority lien against the property.

Scary stuff if you ask me. I know many associations are looking at the lack of responsiveness from lenders and servicers, (more importantly their agents) and seeing a blank check. To be sure you don't fall victim to this, I advise developing and enforcement of an active HOA preservation and maintenance policy. Be sure that your assigned agent knows how to “Play Nice” with the property HOA and is part of the contacts who is notified if and when there are issues in this regard. Call me direct with specific questions.

***We Sell Your REO's Quickly, for the Highest Possible Prices, with the Least Amount of Liability!***

