



HousingPulse Survey Reveals More Investors Pursuing Short Sales

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Investors are making it a practice to endure through obstacles that come with the discounted price of short sales and pursued them at a greater pace in February compared to previous months, according to the latest results of the monthly [Campbell/Inside Mortgage Finance HousingPulse Tracking Survey](#)

The percentage of investors buying homes climbed from 20.9 percent of all transactions in September 2011 to 24.2 percent of all transactions in February 2012, according to the survey. The investor share of short sales also rose, going from 25.9 percent to 30.6 percent during the same six-month period.

In contrast, the number of short sale purchases from homeowners has waned since September. This trend is largely driven by long-approval times from mortgage servicers and unpredictable closing dates, according to the survey.

The share of distressed properties in the market climbed with distressed homes as represented by the HousingPulse Distressed Property Index (DPI) reaching a near-record of 48.7 percent when using a three-month moving average. The reported figure was the second highest level ever recorded by HousingPulse and the 25th consecutive month that the DPI hovered above 40 percent.

The proportion of short sale transactions has also increased, and over the past six months the number has climbed from 17 percent to 19.8 percent, according to the survey.

Cash-for-keys is one factor that makes short sales more attractive to homeowners, with cash payments often at \$3,000 or 1 percent of the home's value, according to the survey.

One Virginia-based agent surveyed said, "Approximately one-third of my short sale transactions are qualified for the cash for keys program."

Another agent in California surveyed said, "Short sales are definitely motivated by cash for keys. Typically they are receiving \$3,000-5,000 on homes between \$300k to \$500k. I have seen \$15,000 on \$1 million homes."

The survey includes about 2,500 real estate agents nationwide each month and provides up-to-date intelligence on home sales and mortgage usage patterns.

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