



SOUTHERN UTAH TITLE

"People You Can Trust in a Changing World"

Washington County Housing Report July & August - 2009

An economist is an expert who will know tomorrow why the things they predicted yesterday didn't happen today. - Laurence J. Peter

Ups and Downs



Like a roller coaster ride, the ups and downs of our current housing market take

your breath away one second and have you screaming the next. Gasps of relief are heard after reports of upward climbing sales followed by screams of terror as foreclosures crest atop record breaking peaks. Permits and new home sales are up so

you look for the gradual ascent waiting at any moment, holding your breath, for your stomach to drop as you realize unemployment continues to rise and there is

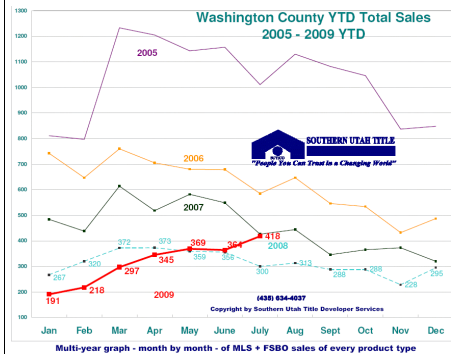


going to be an end to the government incentives fueling your propulsion. Just as your mind adjust to the ups and downs and loop to loops, your stomach feels the one-two punch of a tight barrel roll.

The thought of refinancing whirls into your mind just as you feel the side-to-side slam and you realize your property will not appraise for the right amount. The aggressive turns



finally subside and you sense a change in the ride, but are left wondering, is the bottom near or is the ride just getting started? Here are a few indicators of the ride to come.



Total Sales

Total sales which include home, lot, commercial and raw ground sales slipped slightly in July (364) before rising to the highest level year to date at 418. In just the months of May, June and July, 2009 the market surpassed

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2008 by 136 sales. In fact, 2009 July sales were nearly identical with July 2007 sales, a really good sign for the real estate market. Year to date, sales are down only 6% over 2008.

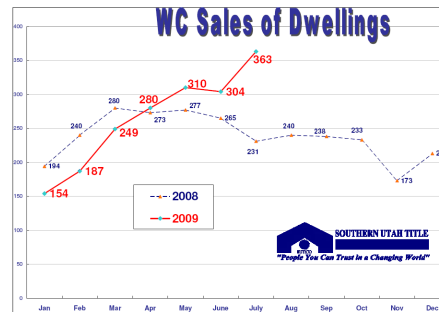
New Home Sales

New home sales also rose to the year's highest level in July (55). June represented this year's high construction permit level at 54 permits issued. Year to date lot sales for 2009 total 218 as compared to 2008 end of year sales of 633. Lot sales peaked in June at 52 and dropped to 40 in the month of July. Of the 40 lots sold sixteen (16) were new sales while 24 were resales. Of the new lots sold, the highest in any area was five (5) in both Washington and West St. George. New inventory reduction in August, the difference between new permits (47) and new home sales (55), was only eight (8). However, July new permits (54) exceeded new sales by eight (8) thereby cancelling out any absorption of new homes on the market over the past two months.

Existing Homes

Total dwellings (both single-family homes and PUD/Condo units) easily surpassed 2008 sales with 304 in June and 363 July! The July dwelling sales are more than double the 154 dwelling sales reported in January. Of the **363** dwellings

sold in July, a **whopping 280** were single-family homes and



only 83 were townhomes/condos or PUDs with a density of 5 or more units per acre. Significant federal, state and five county area incentives have boosted home sales.

Foreclosures

Notices of defaults in July set a new all-time record high of 311. The previous high of 289 occurred in March, 2009. Trustee's deeds (completed foreclosures) simultaneously rose to a new Washington County high of 132 in July, up over thirty percent from June's 101.

Lending

The number of trust deeds (loans) recorded dipped in both June (788) and then again in July (730) in comparison to May (824), although the level of new loans is significantly higher than January's low of 426. However, total loan

amounts rose in contrast to the lower number of loans with, \$177 million dollars in June and \$218 million dollars in July

Summary

The positive trends included remarkably higher dwelling sales and total sales. Government incentives and lower prices are certainly large factors in those numbers. Lending dollar volume is up and year-over-year total sales are almost even with last year. Total sales over the past three months of 2009 are well up over 2008 total sales for the same period. Trends of concern include escalating trustee's deeds or foreclosures and the ongoing upward trend of notices of default. Look for the foreclosure market to contribute a higher percentage of homes on the market over the next six months as actual foreclosures and notices work their way through the system. Finally, new but never lived in homes appear to be stagnate, while lot purchases and new permits are at the highest level of the year.