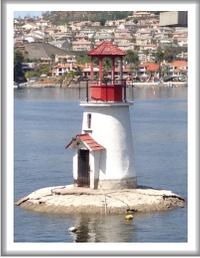


The Keith Report

2nd Quarter 2012



Mortgage debt that's forgiven by a bank as part of a principal reduction, short sale, or foreclosure must be reported as income by the homeowner and is subject to taxes. The Mortgage Forgiveness Debt Tax Relief Act of 2007 allows homeowners to exclude this income on their taxes from the discharge of debt on their principal residence and NOT pay taxes on this income. This act is set to expire on December 31, 2012 and though the Senate panel has backed the extension for one more year, it's unclear whether the House will approve the extension and it's believed nothing will be known until after the election in November. Since it's been taking 30 to 90 days for a short sale approval and to close escrow; waiting for the Relief Act to be extended may be too late to get your home sold as a short sale and take advantage of this credit. We've also been waiting for the next wave of foreclosures to hit the market as experts predicted however, statistics show that wave may not happen. In Canyon Lake, Notice of Default filings (the first step in the foreclosure process) were down 9% and Notice of Trustee's Sale filings (when the home is scheduled for auction and is the homeowners final notice) were down 70% from last quarter. This trend is continuing into 3rd quarter & one reason why; the 5 big banks are moving towards short sales instead, offering homeowners \$3,000 - \$15,000 to cooperate with a successful short sale. For more information about short sales or the Tax Relief Act visit us at www.kerrykeithrealestate.com/short-sales.

Waterfront Homes

Total Homes Sold: 17

Ave. List Price: \$600,317 - Ave. Sale Price: \$578,456

Average Days on the Market (DOM): 100

Lowest \$ Sale: \$300,000 - Highest \$ Sale: \$999,999

Waterfront Homes For Sale: 35 - Pending: 11

Ave. List Price: \$733,494 - Ave. DOM: 102

Waterfront Lots For Sale: 9 - Ave. List Price: \$290,322



For Sale in Canyon Lake

Homes For Sale: 86

Short Sales: 19% - Bank Owned: 7%

Average List Price: \$500,418

Average Days on the Market: 90

Listings in Pending Status: 75 - Ave. List Price: \$279,349

Lots for Sale: 33 - Ave. List Price: \$141,073 - Ave. DOM: 335

Homes For Sale Golf Course: 6 - Ave. List Price: \$346,967



Kerry Keith

Kerry Keith Real Estate

951-246-0477

kerry@kerrykeithrealestate.com

www.kerrykeithrealestate.com

Canyon Lake Member for 33 Years - License #01096515

