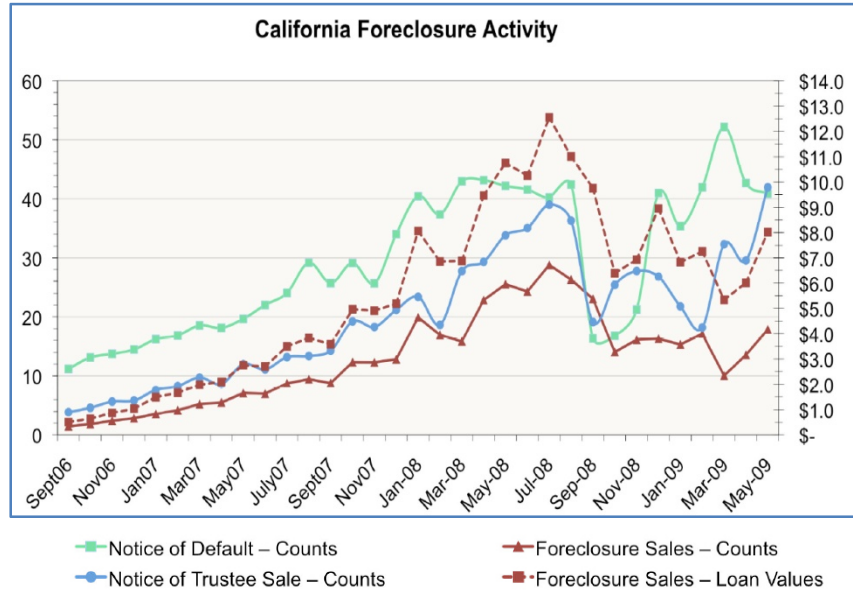




## Lenders Withhold Foreclosure Surplus - Anthony Realty Group Creates Initiative

By: Marlise Kast | Jun. 25, 2009, 5:50 PM | San Diego, CA  
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There is no question that in real estate today, both in San Diego and throughout the country, people are carefully evaluating each financial decision. Economically challenging times call for even greater attention to budgeting details in order to survive, and most real estate brokers today can't afford to misjudge the market's demand or underutilize existing resources in the distressed property market.



With the gross oversupply of default

inventory, short sales outnumber bank repossessions 4 to 1 in most areas. The obvious challenge for the real estate community is facilitating these long term sales on toxic assets with constant uncertainties. Established professionals are concerned with the question of how to navigate this market while keeping their clients out of harm's way.

An innovative broker in Carlsbad, California has discovered a possible remedy for this market. CEO - Marian Anthony said yesterday, "the key to this market is getting a 1<sup>st</sup> right of refusal on these short sales, while locking in the deal with a liquidated damages clause; this creates adhesion". This process appears to be a steady repair mechanism for the toxic asset market when combined with a carefully structured 'interim occupancy agreement'. This allows abandoned properties to become occupied immediately, putting a freeze on the market depreciation caused from economic obsolescence, the most difficult form of depreciation to cure.

Anthony added, "Lenders are intentionally withholding 73% of the foreclosure inventory to control and limit the **supply** in an attempt to artificially stimulate the market's **demand**". This creates bidding wars on properties that receive offers well above fair market value, making those involved appear foolish when the appraisal is revealed, resulting in numerous cancelled transactions.

It's common for the investing community to become paralyzed by their fears and do nothing; this is a typical culture in business.

The National Association of Realtors reported this week that "existing home prices declined 17 percent in May from a year earlier". Appraisal values aren't what they used to be; especially when reductions on comparable sales are being adjusted down as much as \$5,000 for every 30 days. This is an indication that lenders are insulating for further market decline.

If Anthony's solutions are implemented on a broader scale, banks could avoid further monetary damages by preserving the condition of the properties with a reduced demand for asset management companies and costs for each vacant home. Buyers would be enabled to address properties traditionally avoided and the hyper-inflated foreclosure market could settle much sooner.

These aforementioned changes are essential to shift the market into reverse. It's just a matter of initiative.

Economically challenging times, though difficult, also provide opportunities for leading innovators to create solutions. Anthony has created custom software applications for this market and has established seven locations in California.

\*Foreclosure index courtesy of Foreclosure Radar.