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The Short Sale Has Gone Upscale

Nancy Braun, Charlotte Real Estate Broker, gives insight on the growth of short sales and where this trend is heading.

Charlotte, N.C. (March 2, 2011) – As the stress on the economy continues, more homeowners are having difficulty paying their mortgages. The “mortgage crisis” as it is now known, is impacting homeowners across a much broader range of the economic spectrum. Nancy Braun, Owner and Broker-in-Charge of Showcase Realty, is seeing that in addition to low and moderately priced homes, upscale and even luxury homes are experiencing mortgage issues and have become part of the short sale market.

“The choice for a homeowner to sell as a short sale emerges when a homeowner has a mortgage balance that is greater than current fair market value of their home and there is a change in circumstance that makes it difficult for the homeowner to stay current on their mortgage,” Braun says, “Much like applying for a mortgage, the owner must apply with the lender for a short sale and will need to show a hardship of some kind. If this hardship is acknowledged by the lender and the home is then sold with the consent of the lender, the remaining portion of the loan is typically forgiven. Although in some cases lenders reserve the right to seek a deficiency judgment against the individual for the unpaid portion of the loan.”

In 2010, 51% of Mecklenburg county sales involved mortgages in trouble (only 49% were traditional market sales between a willing buyer & seller).

Foreclosures of luxury homes in Mecklenburg, Union and surrounding counties have grown dramatically in the past year and these homeowners need to know they have options before they lose their home to the bank. A foreclosure can have devastating effects on a homeowner; they may be denied a security clearance, incur substantial damage to their credit, and have to disclose to potential employers and are subject to a deficiency judgment. A short sale is an alternative to foreclosure that typically has less of an adverse impact on a homeowner.

“Our firm specializes in distressed property sales, and we expect the volume high-end transactions to continue to increase in the summer months ahead. In fact we have opened a new office in Matthews that will specialize in the luxury distress market, staffed with agents that specialize in the luxury market,” Braun added.

January 2012 Carolina Multiple Listing Service reported 2074 homes listed over \$500,000 but only 72 homes sold in that price range (only 3% of the properties listed actually sold). As a result, there is a 29 month supply of luxury homes on the market.

Braun said many lenders have streamlined the short-sale process and are now more receptive to short sales, which has helped make the short sale a dominant force in the housing market. Short sales are averaging between 50 and 60 days. Some are done in less time and others can take longer but this is a shorter time period than it was one year ago. They experience fewer costs in a short sale, and the homeowner often remains in the home until it closes so the home is maintained and shows better while it is on the market.

Luxury Home Short Sales Grow in Importance

The luxury market is facing increasing pressure, aggravated by credit market difficulties in the jumbo mortgage market. Limited loan availability, higher than usual interest rates for jumbo loans and stringent loan qualifying requirements have slowed sales of luxury properties.

The lack of refinancing opportunities, fewer qualified buyers for luxury homes, a growing inventory of unsold luxury homes, and an economy in recession are all creating the “perfect storm” for luxury homeowners who need to sell and can’t.

Looking for a Good Deal in the Luxury Market? Team Up With a Luxury Home Specialist

Buyers can find incredible deals in the luxury market. It is a fantastic time to move up or simply purchase your dream home at a substantial discount. Showcase can assist you with finding a bank-owned home, short sale or otherwise motivated seller in this unique economic housing market. .

Showcase Realty has an expertise in the distressed real estate market. Nancy Braun and her Short Sale team have earned the nationally recognized Certified Distress Property Expert Designation (CDPE). If you are considering selling or purchasing a home you should consult with Showcase’s agents during these economic challenging times.

Contact them today at 704-889-5600 or info@showcaserealty.net. Visit their websites www.shortsaleadvisors.us, www.CharlotteREOBroker.com & www.showcaserealty.net to learn more about the distress market and view affordable and available homes in the Charlotte Metro and surrounding areas.

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Showcase Realty, a Charlotte-based real estate brokerage was founded by Nancy Braun in 2008. Showcase Realty handles all aspects of real estate sales, including general brokerage, short sales, foreclosures and investment properties. Braun is focused on keeping her team up-to-date technologically and making sure they are aware of all changes and news in the real estate market.