

FORECLOSURES AND SHORT SALES IN THE TWIN CITIES HOUSING MARKET

Q3 2008 UPDATE

A SPECIAL RESEARCH REPORT FROM THE MINNEAPOLIS AREA ASSOCIATION OF REALTORS®

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Downtown Minneapolis

Foreclosures and short sales (i.e., lender-mediated properties) continued to increase their market share in the Twin Cities housing market during the third quarter of 2008, now accounting for 28.1 percent of all active listings, 34.1 percent of Q3 new listings and 34.5 percent of Q3 closed sales.

This lender-mediated activity has significantly different effects than traditional real estate because a lender is intimately involved in the transaction—either by acting as the current owner/seller in the case of a foreclosure or as a less-direct intermediary with approval powers in the case of a short sale.

Foreclosures are properties in which the financial institution has repossessed the home from the owner due to nonpayment of mortgage obligations. Short sales are unique arrangements where the financial institution and in-default homeowner work together in an attempt to sell the home before it is foreclosed upon.

This **Q3 2008 Update** features an enhanced research methodology, based upon valuable feedback received following the release of the first editions of the report. A thorough explanation of the new methodology can be found on Page 11.

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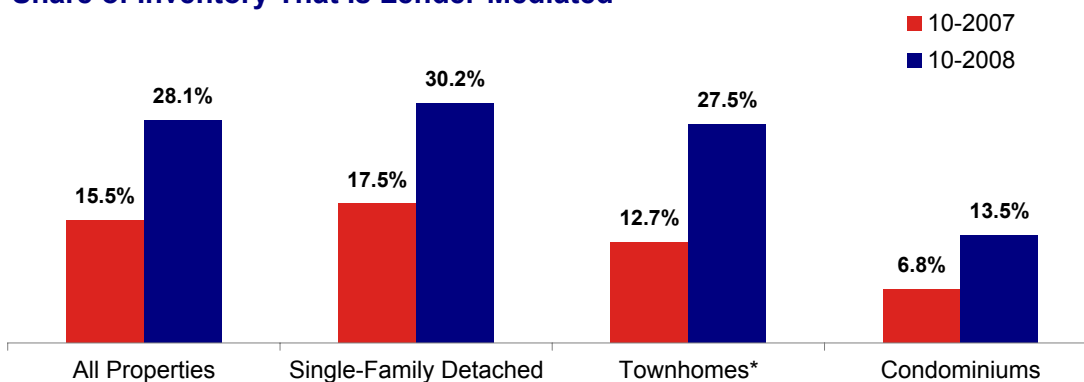


Inventory of Homes for Sale

Property Type	Lender-Mediated			Traditional			Total			Share of Total Inventory That Is Lender-Mediated	
	10-2007	10-2008	Change	10-2007	10-2008	Change	10-2007	10-2008	Change	10-2007	10-2008
All Properties	5,260	8,657	+ 64.6%	28,782	22,197	- 22.9%	34,042	30,854	- 9.4%	15.5%	28.1%
Single-Family Detached	4,207	6,584	+ 56.5%	19,830	15,213	- 23.3%	24,037	21,797	- 9.3%	17.5%	30.2%
Townhomes*	847	1,671	+ 97.2%	5,845	4,412	- 24.5%	6,692	6,083	- 9.1%	12.7%	27.5%
Condominiums	225	402	+ 78.6%	3,088	2,572	- 16.7%	3,313	2,974	- 10.2%	6.8%	13.5%

*Includes twinhomes

Share of Inventory That Is Lender-Mediated



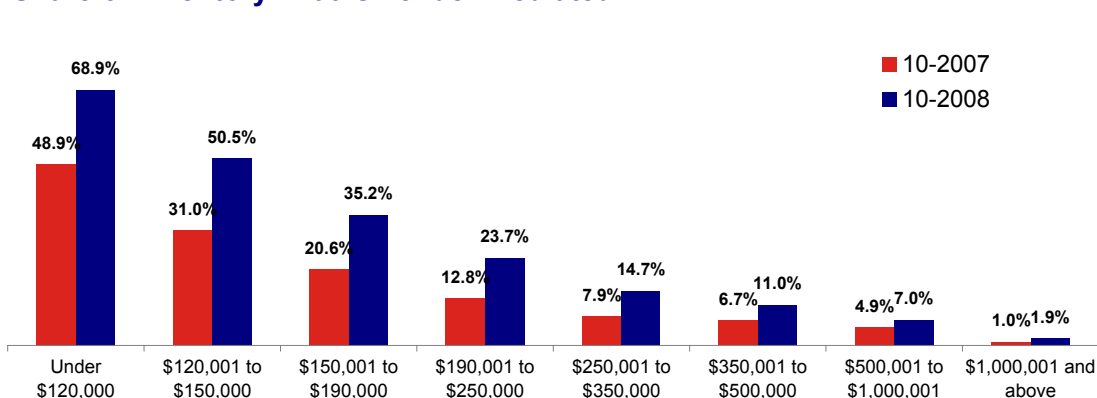
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The number of lender-mediated properties for sale continues to grow significantly, while traditional sellers hold back in response to a slower market.

Seasonal changes in our market means that fewer traditional sellers list their homes in Q3 and Q4 of every year.

Price Range	Lender-Mediated			Traditional			Total			Share of Total Inventory That Is Lender-Mediated	
	10-2007	10-2008	Change	10-2007	10-2008	Change	10-2007	10-2008	Change	10-2007	10-2008
Under \$120,000	832	2,270	+ 172.8%	871	1,024	+ 17.6%	1,703	3,294	+ 93.4%	48.9%	68.9%
\$120,001 to \$150,000	739	1,631	+ 120.8%	1,647	1,597	- 3.1%	2,386	3,228	+ 35.3%	31.0%	50.5%
\$150,001 to \$190,000	1,163	1,889	+ 62.4%	4,485	3,479	- 22.4%	5,648	5,368	- 5.0%	20.6%	35.2%
\$190,001 to \$250,000	1,075	1,470	+ 36.8%	7,326	4,743	- 35.3%	8,401	6,213	- 26.0%	12.8%	23.7%
\$250,001 to \$350,000	562	775	+ 37.9%	6,511	4,487	- 31.1%	7,073	5,262	- 25.6%	7.9%	14.7%
\$350,001 to \$500,000	307	398	+ 29.8%	4,246	3,216	- 24.3%	4,553	3,614	- 20.6%	6.7%	11.0%
\$500,001 to \$1,000,001	166	207	+ 24.3%	3,215	2,769	- 13.9%	3,381	2,976	- 12.0%	4.9%	7.0%
\$1,000,001 and above	9	17	+ 81.3%	888	883	- 0.5%	897	900	+ 0.3%	1.0%	1.9%
All Prices	4,853	8,657	+ 78.4%	29,189	22,198	- 24.0%	34,042	30,855	- 9.4%	15.5%	28.1%

Share of Inventory That Is Lender-Mediated



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There's a direct relationship between price range and lender-mediated activity. The more affordable the market segment, the more common foreclosures and short sales become.



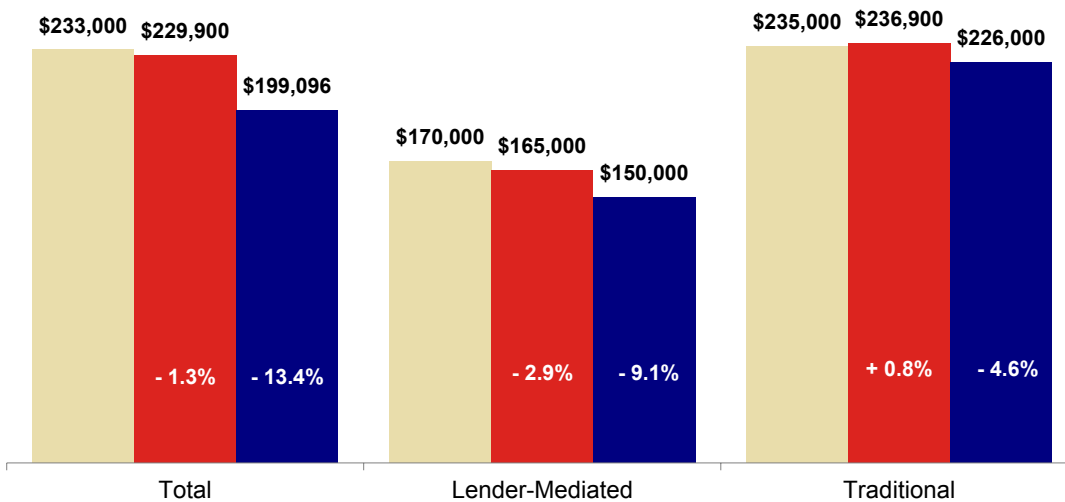
Median Prices

	Lender-Mediated				Traditional				Total			
	Q3 2006	Q3 2007	Q3 2008	1-Yr Change	Q3 2006	Q3 2007	Q3 2008	1-Yr Change	Q3 2006	Q3 2007	Q3 2008	1-Yr Change
All Properties	\$170,000	\$165,000	\$150,000	- 9.1%	\$235,000	\$236,900	\$226,000	- 4.6%	\$233,000	\$229,900	\$199,096	- 13.4%
Single-Family Detached	\$181,950	\$175,000	\$157,000	- 10.3%	\$253,000	\$258,600	\$245,000	- 5.3%	\$250,000	\$250,000	\$214,000	- 14.4%
Townhomes*	\$150,000	\$148,000	\$135,000	- 8.8%	\$190,000	\$187,000	\$182,000	- 2.7%	\$189,500	\$184,000	\$167,000	- 9.2%
Condominiums	\$83,000	\$111,250	\$104,773	- 5.8%	\$177,950	\$176,300	\$175,000	- 0.7%	\$176,900	\$171,900	\$160,000	- 6.9%

*Includes twinhomes

Q3 Median Sales Prices

■ Q3-2006 ■ Q3-2007 ■ Q3-2008

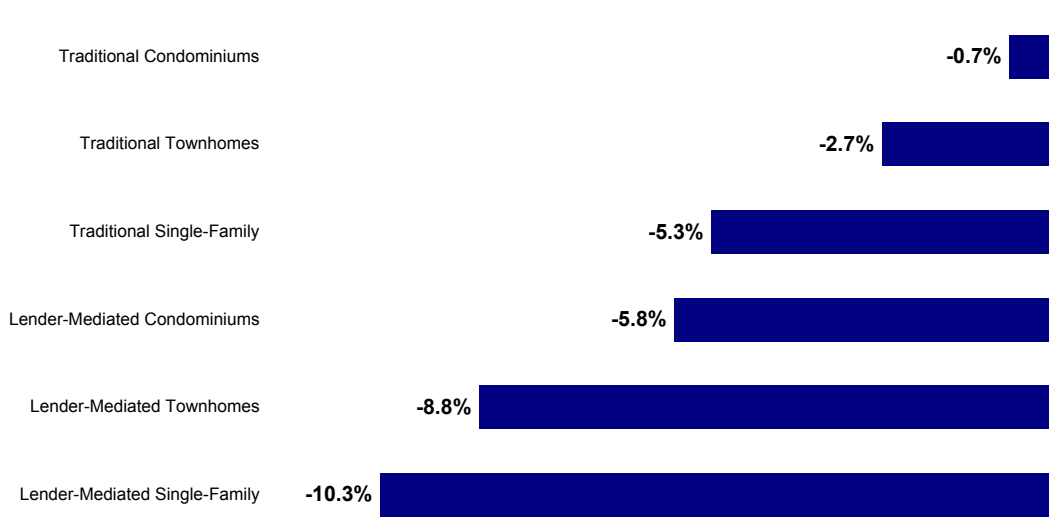


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The growing market share of lender-mediated properties is dragging the overall median price down substantially, but the picture is very different when looked at closer.

Traditional properties that aren't lender-mediated are experiencing quiter value declines.

One-Year Change in Median Price by Property Type



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Marketwide, values are in decline as the market remains firmly in the buyer's favor.

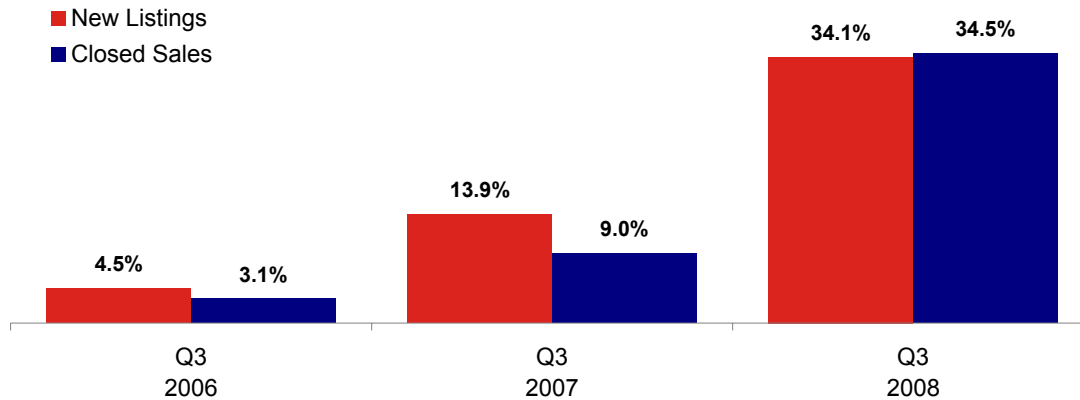
Lender-mediated property types are seeing faster declines as financial institutions price them to move, and condition issues decrease their value.



New Listings and Closed Sales

	Lender-Mediated				Traditional				Total				Share of Market Activity That is Lender-Mediated		
	Q3 2006	Q3 2007	Q3 2008	2-Yr Change	Q3 2006	Q3 2007	Q3 2008	2-Yr Change	Q3 2006	Q3 2007	Q3 2008	2-Yr Change	Q3 2006	Q3 2007	Q3 2008
New Listings	1,271	3,715	8,125	+ 539.3%	27,255	22,952	15,686	- 42.4%	28,526	26,667	23,811	- 16.5%	4.5%	13.9%	34.1%
Closed Sales	417	1,023	4,110	+ 885.6%	13,022	10,394	7,792	- 40.2%	13,439	11,417	11,902	- 11.4%	3.1%	9.0%	34.5%

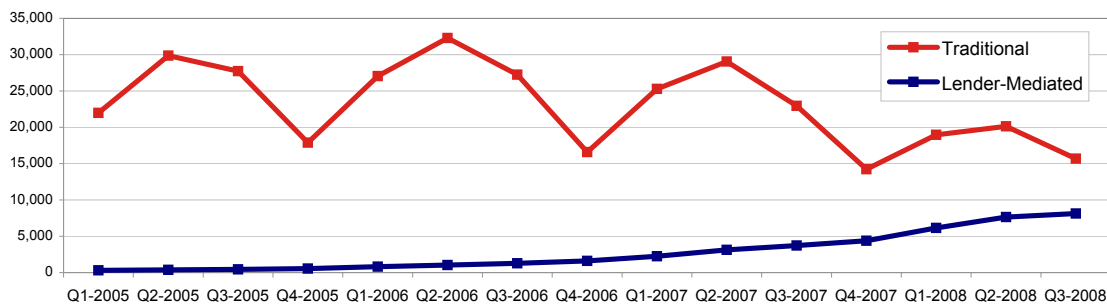
Share of Market Activity That Is Lender-Mediated



Market share for lender-mediated foreclosures and short sales continues to grow, and will into the foreseeable future.

The reassuring news is that these homes are being bought with the same frequency that they're listed.

New Listings

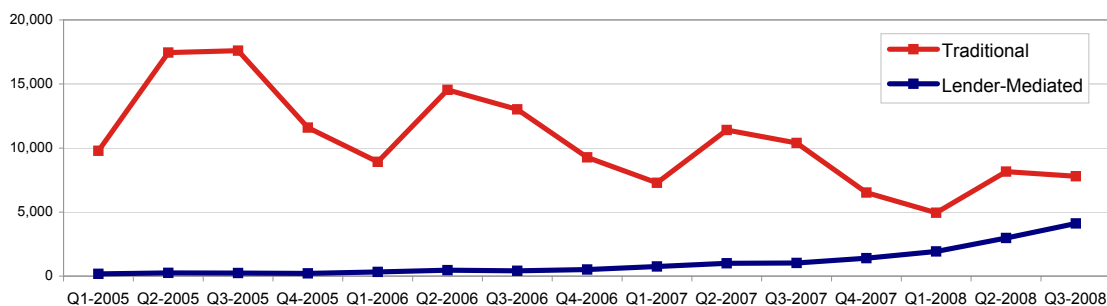


The traditional market is cyclical; the lender-mediated market is not.

Foreclosures and short sales don't adhere to the same seasonal upswings and downswings as the rest of the market.

This will lead to higher market share in Q4 2008 and Q4 2009 for lender-mediated properties.

Closed Sales





Appendix A: MLS Area Breakdown

MLS Area	October 2008 Inventory of Homes for Sale			Year-to-Date 2008 Home Sales		
	Total	Lender-Mediated	Share	Total	Lender-Mediated	Share
300 - MPLS - Calhoun-Isles	415	38	9.2%	359	43	12.0%
301 - MPLS - Camden	416	262	63.0%	519	343	66.1%
302 - MPLS - Central	475	32	6.7%	515	44	8.5%
303 - MPLS - Longfellow	134	38	28.4%	268	63	23.5%
304 - MPLS - Nokomis	285	77	27.0%	531	116	21.8%
305 - MPLS - North	342	236	69.0%	548	368	67.2%
306 - MPLS - Northeast	224	86	38.4%	305	82	26.9%
307 - MPLS - Phillips	103	48	46.6%	50	23	46.0%
308 - MPLS - Powderhorn	249	129	51.8%	299	135	45.2%
309 - MPLS - Southwest	337	46	13.6%	546	67	12.3%
310 - MPLS - University	95	41	43.2%	76	12	15.8%
340 - Buffalo	184	63	34.2%	191	83	43.5%
341 - Wright County (Ext Buffalo	1,427	417	29.2%	1,104	380	34.4%
342 - Hutchinson	206	17	8.3%	180	22	12.2%
343 - Mcleod County	215	44	20.5%	134	24	17.9%
360 - Robbinsdale	156	50	32.1%	148	54	36.5%
361 - Crystal	154	62	40.3%	225	78	34.7%
362 - New Hope	149	46	30.9%	137	41	29.9%
363 - Brooklyn Center	364	232	63.7%	243	156	64.2%
364 - Brooklyn Park	913	459	50.3%	719	356	49.5%
365 - Maple Grove/Osseo	647	135	20.9%	762	150	19.7%
366 - Champlin	179	61	34.1%	213	70	32.9%
367 - Hennepin-North	150	41	27.3%	134	44	32.8%
368 - Hennepin-Northwest	219	26	11.9%	109	32	29.4%
370 - Sibley County	105	23	21.9%	77	16	20.8%
373 - Golden Valley	177	28	15.8%	177	24	13.6%
374 - Plymouth	546	62	11.4%	648	73	11.3%
378 - Richfield	253	85	33.6%	321	77	24.0%
379 - Bloomington-East	164	56	34.1%	275	87	31.6%
380 - Bloomington-West	374	56	15.0%	397	70	17.6%
381 - Lake Minnetonka	916	99	10.8%	499	102	20.4%
385 - Edina	515	30	5.8%	493	41	8.3%
386 - Hopkins	106	30	28.3%	120	32	26.7%
387 - Minnetonka	460	70	15.2%	416	55	13.2%
391 - Saint Louis Park	370	51	13.8%	490	58	11.8%
392 - Eden Prairie	517	81	15.7%	655	106	16.2%
394 - Carver County	359	45	12.5%	315	70	22.2%
396 - Chanhassen	235	32	13.6%	265	34	12.8%
397 - Chaska	213	47	22.1%	247	58	23.5%
398 - Victoria	88	11	12.5%	83	7	8.4%
600 - West St. Paul	116	44	37.9%	177	72	40.7%
602 - South St. Paul	161	67	41.6%	183	72	39.3%
604 - Mendota/Lilydale/Mendota H	126	10	7.9%	93	9	9.7%
605 - Sunfish Lake	9	1	11.1%	4	0	0.0%
608 - Inver Grove Heights	237	73	30.8%	224	61	27.2%
610 - Eagan	440	132	30.0%	541	160	29.6%
612 - Burnsville	477	159	33.3%	466	165	35.4%
614 - Apple Valley	490	152	31.0%	509	156	30.6%
616 - Rosemount	215	62	28.8%	276	62	22.5%
617 - Hastings	231	46	19.9%	211	67	31.8%
618 - Eastern Dakota County	17	0	0.0%	8	2	25.0%
624 - Farmington	329	103	31.3%	327	117	35.8%
626 - Lakeville	470	110	23.4%	528	143	27.1%
628 - Southern Dakota County	17	6	35.3%	24	8	33.3%



Appendix A: MLS Area Breakdown	October 2008 Inventory of Homes for Sale			Year-to-Date 2008 Home Sales		
	MLS Area	Total	Lender-Mediated	Share	Total	Lender-Mediated
630 - Northfield	309	23	7.4%	176	27	15.3%
632 - Rice County	364	59	16.2%	252	60	23.8%
640 - Shakopee	414	147	35.5%	426	152	35.7%
642 - Prior Lake	484	97	20.0%	292	89	30.5%
644 - Savage	294	78	26.5%	266	61	22.9%
646 - Jordan	86	28	32.6%	67	29	43.3%
648 - New Prague/New Market/Elko	349	95	27.2%	276	104	37.7%
650 - Belle Plaine	110	28	25.5%	78	33	42.3%
658 - Le Sueur County	228	38	16.7%	105	21	20.0%
660 - Goodhue County	392	47	12.0%	247	48	19.4%
702 - Falcon Hgths/Lauderdale/Ro	209	33	15.8%	263	30	11.4%
705 - Lino Lakes/Hugo/Centerville	321	93	29.0%	306	89	29.1%
706 - North Central Suburban	218	30	13.8%	181	33	18.2%
707 - Ham Lake	153	52	34.0%	93	41	44.1%
708 - White Bear Area	432	86	19.9%	349	73	20.9%
709 - Forest Lake Area	320	98	30.6%	232	77	33.2%
710 - Northeast Anoka County	72	19	26.4%	55	23	41.8%
711 - Southern Chisago County	510	144	28.2%	310	137	44.2%
712 - Maplewood/North St. Paul	374	128	34.2%	373	123	33.0%
713 - Bethel	136	52	38.2%	95	49	51.6%
714 - SP-Phalen	331	199	60.1%	273	143	52.4%
716 - SP-Hillcrest/Hazel Park/Da	449	257	57.2%	481	287	59.7%
720 - SP-Southeast St. Paul	76	32	42.1%	84	36	42.9%
721 - Lakeland/Afton/Denmark	95	19	20.0%	51	19	37.3%
722 - Newport/St. Paul Park/Cott	340	147	43.2%	449	167	37.2%
725 - Pine Springs/Lake Elmo/Oak	247	70	28.3%	243	87	35.8%
726 - Woodbury	630	151	24.0%	755	166	22.0%
727 - Stillwater/Bayport	525	60	11.4%	324	74	22.8%
728 - SP-Riverview/Cherokee	142	68	47.9%	91	49	53.8%
738 - SP-Home Croft/W 7Th	53	24	45.3%	97	39	40.2%
740 - SP-Crocus Hill	175	31	17.7%	136	33	24.3%
741 - SP-Downtown Stp/Capital Hg	137	11	8.0%	113	20	17.7%
742 - SP-Central	255	161	63.1%	264	179	67.8%
744 - SP-Como	90	23	25.6%	164	24	14.6%
746 - SP-St. Anthony/Midway	119	35	29.4%	144	34	23.6%
748 - SP-Town & Country/Merriam	49	10	20.4%	83	17	20.5%
750 - SP-Mac/Groveland/River Roa	103	6	5.8%	182	13	7.1%
752 - SP-Highland Area	129	24	18.6%	195	22	11.3%
754 - Big Lake Township	272	121	44.5%	243	127	52.3%
756 - Elk River	300	127	42.3%	238	107	45.0%
758 - Northwestern Anoka County	232	80	34.5%	148	77	52.0%
760 - Ramsey	251	98	39.0%	262	94	35.9%
762 - Andover	281	85	30.2%	267	110	41.2%
764 - Blaine	551	175	31.8%	577	175	30.3%
765 - Arden Hills/Shoreview	225	42	18.7%	264	45	17.0%
766 - Moundsvw/New Brightn/St.An	221	55	24.9%	286	67	23.4%
767 - Coon Rapids	531	227	42.7%	525	250	47.6%
768 - Fridley	186	74	39.8%	211	74	35.1%
769 - Anoka	128	55	43.0%	117	46	39.3%
770 - Hilltop/Columbia Heights	182	83	45.6%	212	97	45.8%
771 - Spring Lake Park	37	22	59.5%	58	24	41.4%
772 - Lexington/Circle Pines	62	26	41.9%	60	22	36.7%
780 - Sherburne County	501	185	36.9%	366	189	51.6%
782 - Isanti County	385	157	40.8%	284	138	48.6%
783 - Cambridge	127	57	44.9%	94	39	41.5%



Appendix B: Municipality Breakdown	October 2008 Inventory of Homes for Sale			Year-to-Date 2008 Home Sales		
City	Total	Lender-Mediated	Share	Total	Lender-Mediated	Share
Afton	36	8	22.2%	16	4	25.0%
Albertville	88	35	39.8%	97	44	45.4%
Albion Twp	7	1	14.3%	6	0	0.0%
Andover	279	84	30.1%	268	110	41.0%
Annandale	70	9	12.9%	55	18	32.7%
Anoka	122	53	43.4%	115	47	40.9%
Apple Valley	489	150	30.7%	507	155	30.6%
Arden Hills	36	7	19.4%	59	8	13.6%
Baldwin Twp	34	17	50.0%	27	17	63.0%
Bayport	29	3	10.3%	17	5	29.4%
Baytown Twp	15	1	6.7%	6	2	33.3%
Becker	98	29	29.6%	64	30	46.9%
Becker Twp	27	9	33.3%	18	9	50.0%
Belle Plaine	108	28	25.9%	80	32	40.0%
Bethel	12	8	66.7%	11	4	36.4%
Big Lake	201	93	46.3%	217	115	53.0%
Big Lake Twp	38	20	52.6%	17	6	35.3%
Birchwood Village	7	0	0.0%	5	1	20.0%
Blaine	549	175	31.9%	578	175	30.3%
Bloomington	538	112	20.8%	672	157	23.4%
Blue Hill Twp	11	8	72.7%	9	5	55.6%
Brooklyn Center	360	231	64.2%	244	156	63.9%
Brooklyn Park	914	458	50.1%	718	354	49.3%
Buffalo	186	61	32.8%	183	82	44.8%
Burns Twp	29	10	34.5%	16	9	56.3%
Burnsville	478	160	33.5%	465	165	35.5%
Cannon Falls	77	11	14.3%	46	11	23.9%
Carver	27	2	7.4%	44	11	25.0%
Cedar Lake Twp	60	3	5.0%	17	1	5.9%
Center City	18	2	11.1%	5	1	20.0%
Centerville	34	6	17.6%	43	23	53.5%
Champlin	174	60	34.5%	206	68	33.0%
Chanhassen	249	35	14.1%	268	36	13.4%
Chaska	208	45	21.6%	243	56	23.0%
Chatham Twp	1	0	0.0%	3	1	33.3%
Chisago City	85	15	17.6%	41	16	39.0%
Chisago Lake Twp	35	9	25.7%	10	5	50.0%
Circle Pines	50	20	40.0%	45	17	37.8%
Clear Lake	49	6	12.2%	31	6	19.4%
Clearwater	63	11	17.5%	16	4	25.0%
Cokato	57	14	24.6%	33	7	21.2%
Cologne	29	3	10.3%	20	2	10.0%
Columbia Heights	183	83	45.4%	211	96	45.5%
Columbus	26	6	23.1%	18	5	27.8%
Coon Rapids	531	227	42.7%	525	251	47.8%
Corcoran	35	4	11.4%	18	5	27.8%
Corinna Twp	20	1	5.0%	5	1	20.0%
Cottage Grove	255	102	40.0%	359	125	34.8%
Credit River	3	1	33.3%	3	0	0.0%
Credit River Twp	55	13	23.6%	15	4	26.7%
Crystal	154	63	40.9%	228	79	34.6%
Dayton	24	11	45.8%	20	6	30.0%
Deephaven	41	3	7.3%	40	3	7.5%
Delano	91	20	22.0%	61	8	13.1%



Appendix B: Municipality Breakdown	October 2008 Inventory of Homes for Sale			Year-to-Date 2008 Home Sales		
City	Total	Lender-Mediated	Share	Total	Lender-Mediated	Share
Dellwood	19	1	5.3%	13	2	15.4%
Denmark Twp	21	2	9.5%	4	1	25.0%
Dundas	33	3	9.1%	29	2	6.9%
Eagan	438	131	29.9%	542	160	29.5%
East Bethel	131	45	34.4%	86	47	54.7%
Eden Prairie	518	82	15.8%	660	109	16.5%
Edina	513	30	5.8%	493	41	8.3%
Elk River	305	128	42.0%	238	109	45.8%
Elko New Market	71	16	22.5%	80	34	42.5%
Excelsior	26	1	3.8%	30	1	3.3%
Falcon Heights	23	3	13.0%	26	1	3.8%
Faribault	245	31	12.7%	188	43	22.9%
Farmington	308	97	31.5%	315	116	36.8%
Fish Lake Twp	24	11	45.8%	3	1	33.3%
Forest Lake	249	72	28.9%	171	52	30.4%
Franconia Twp	18	4	22.2%	7	2	28.6%
Fridley	184	73	39.7%	211	74	35.1%
Golden Valley	177	28	15.8%	175	23	13.1%
Goodhue	14	0	0.0%	4	3	75.0%
Grant	23	2	8.7%	14	6	42.9%
Greenfield	54	11	20.4%	31	14	45.2%
Greenwood	20	3	15.0%	9	1	11.1%
Ham Lake	152	51	33.6%	92	40	43.5%
Hampton	6	2	33.3%	9	3	33.3%
Hanover	30	4	13.3%	34	18	52.9%
Harris	27	9	33.3%	17	7	41.2%
Hassan Twp	11	4	36.4%	5	1	20.0%
Hastings	239	45	18.8%	215	69	32.1%
Haven Twp	6	0	0.0%	3	0	0.0%
Hopkins	109	30	27.5%	118	32	27.1%
Howard Lake	39	12	30.8%	17	5	29.4%
Hugo	157	53	33.8%	147	42	28.6%
Independence	35	4	11.4%	13	6	46.2%
Inver Grove Heights	240	76	31.7%	226	62	27.4%
Jordan	84	25	29.8%	66	29	43.9%
Kenyon	33	8	24.2%	22	2	9.1%
Lake Elmo	60	6	10.0%	42	11	26.2%
Lake St Croix Beach	14	6	42.9%	15	8	53.3%
Lakeland	16	2	12.5%	12	4	33.3%
Lakeville	487	113	23.2%	543	142	26.2%
Lauderdale	12	6	50.0%	11	1	9.1%
Lexington	13	7	53.8%	14	4	28.6%
Lilydale	18	1	5.6%	6	0	0.0%
Lindstrom	104	25	24.0%	58	27	46.6%
Lino Lakes	137	35	25.5%	117	26	22.2%
Linwood Twp	42	10	23.8%	33	15	45.5%
Little Canada	50	14	28.0%	50	8	16.0%
Livonia Twp	30	13	43.3%	16	6	37.5%
Long Lake	17	3	17.6%	13	1	7.7%
Lonsdale	98	31	31.6%	59	16	27.1%
Loretto	6	0	0.0%	9	2	22.2%
Mahtomedi	75	8	10.7%	59	11	18.6%
Maple Grove	635	129	20.3%	747	144	19.3%
Maple Lake	55	20	36.4%	19	4	21.1%



City	October 2008 Inventory of Homes for Sale			Year-to-Date 2008 Home Sales		
	Total	Lender-Mediated	Share	Total	Lender-Mediated	Share
Maple Plain	16	3	18.8%	4	1	25.0%
Maplewood	282	95	33.7%	283	82	29.0%
Marine On St Croix	22	1	4.5%	8	1	12.5%
May Twp	19	2	10.5%	7	2	28.6%
Mayer	40	4	10.0%	29	7	24.1%
Medina	82	7	8.5%	36	1	2.8%
Mendota Heights	107	9	8.4%	85	8	9.4%
Minneapolis	3,081	1,037	33.7%	4,018	1,299	32.3%
Minnetonka	465	69	14.8%	423	56	13.2%
Minnetrissa	135	9	6.7%	73	14	19.2%
Monticello	134	58	43.3%	161	64	39.8%
Monticello Twp	10	3	30.0%	7	3	42.9%
Montrose	58	24	41.4%	47	17	36.2%
Morristown	13	2	15.4%	12	1	8.3%
Mound	185	28	15.1%	83	26	31.3%
Mounds View	59	22	37.3%	68	30	44.1%
Nerstrand	9	2	22.2%	4	1	25.0%
Nessel Twp	25	8	32.0%	7	2	28.6%
New Brighton	104	22	21.2%	132	25	18.9%
New Hope	148	46	31.1%	135	41	30.4%
New Market Twp	19	5	26.3%	8	1	12.5%
New Prague	160	59	36.9%	146	61	41.8%
New Scandia Twp	10	0	0.0%	5	1	20.0%
Newport	28	13	46.4%	31	14	45.2%
North Branch	136	48	35.3%	110	55	50.0%
North Oaks	64	4	6.3%	35	5	14.3%
North St Paul	89	31	34.8%	85	39	45.9%
Northfield	260	19	7.3%	148	28	18.9%
Norwood Young America	40	10	25.0%	33	7	21.2%
Oak Grove	109	37	33.9%	54	27	50.0%
Oak Park Heights	37	8	21.6%	29	13	44.8%
Oakdale	188	64	34.0%	197	73	37.1%
Orono	193	15	7.8%	74	13	17.6%
Orrock Twp	21	5	23.8%	17	6	35.3%
Osseo	22	5	22.7%	16	7	43.8%
Otsego	216	83	38.4%	258	93	36.0%
Pine Island	26	0	0.0%	30	1	3.3%
Plymouth	536	62	11.6%	643	74	11.5%
Princeton	162	65	40.1%	149	81	54.4%
Prior Lake	394	77	19.5%	261	80	30.7%
Ramsey	253	99	39.1%	263	94	35.7%
Randolph	7	3	42.9%	6	2	33.3%
Red Wing	194	23	11.9%	148	31	20.9%
Richfield	254	86	33.9%	319	75	23.5%
Robbinsdale	155	48	31.0%	147	52	35.4%
Rockford	47	8	17.0%	32	9	28.1%
Rockford Twp	13	5	38.5%	6	1	16.7%
Rogers	107	24	22.4%	105	32	30.5%
Rosemount	216	62	28.7%	282	68	24.1%
Roseville	171	23	13.5%	221	28	12.7%
Rush City	70	19	27.1%	35	11	31.4%
Savage	295	80	27.1%	269	61	22.7%
Scandia	34	1	2.9%	12	3	25.0%
Shafer	19	5	26.3%	18	11	61.1%



Appendix B: Municipality Breakdown	October 2008 Inventory of Homes for Sale			Year-to-Date 2008 Home Sales		
City	Total	Lender-Mediated	Share	Total	Lender-Mediated	Share
Shakopee	403	143	35.5%	420	152	36.2%
Shoreview	188	35	18.6%	204	37	18.1%
Shorewood	94	15	16.0%	66	14	21.2%
Silver Creek Twp	16	4	25.0%	4	3	75.0%
South Haven	38	2	5.3%	22	8	36.4%
South St Paul	160	66	41.3%	182	71	39.0%
Southside Twp	22	4	18.2%	3	0	0.0%
Spring Lake Park	38	23	60.5%	55	22	40.0%
Spring Lake Twp	27	5	18.5%	6	2	33.3%
Spring Park	21	2	9.5%	11	6	54.5%
St Anthony	58	10	17.2%	88	13	14.8%
St Bonifacius	32	5	15.6%	27	8	29.6%
St Cloud	520	58	11.2%	411	75	18.2%
St Francis	95	35	36.8%	75	40	53.3%
St Louis Park	373	52	13.9%	491	58	11.8%
St Michael	220	71	32.3%	161	58	36.0%
St Paul	2,113	883	41.8%	2,317	899	38.8%
St Paul Park	58	32	55.2%	54	27	50.0%
Stacy	31	12	38.7%	29	10	34.5%
Stillwater	284	31	10.9%	212	43	20.3%
Stillwater Twp	14	2	14.3%	3	0	0.0%
Sunfish Lake	9	1	11.1%	4	0	0.0%
Sunrise Twp	6	2	33.3%	2	1	50.0%
Taylor's Falls	19	6	31.6%	16	5	31.3%
Tonka Bay	29	2	6.9%	12	1	8.3%
Vadnais Heights	104	12	11.5%	99	20	20.2%
Victoria	89	11	12.4%	84	7	8.3%
Waconia	128	14	10.9%	136	23	16.9%
Wanamingo	16	2	12.5%	9	2	22.2%
Watertown	59	9	15.3%	46	19	41.3%
Waverly	40	17	42.5%	23	9	39.1%
Wayzata	67	5	7.5%	37	8	21.6%
Webster	51	7	13.7%	28	2	7.1%
Welch	5	0	0.0%	2	1	50.0%
West Lakeland	14	3	21.4%	6	3	50.0%
West Lakeland Twp	28	6	21.4%	18	4	22.2%
West St Paul	117	44	37.6%	176	72	40.9%
White Bear Lake	197	51	25.9%	201	41	20.4%
White Bear Twp	89	17	19.1%	57	12	21.1%
Willernie	17	5	29.4%	4	1	25.0%
Woodbury	629	151	24.0%	755	166	22.0%
Wyoming	35	15	42.9%	38	14	36.8%
Wyoming Twp	28	6	21.4%	17	6	35.3%
Zimmerman	162	72	44.4%	141	84	59.6%
Zumbrota	38	0	0.0%	23	0	0.0%

POSTSCRIPT:

A FINAL NOTE ON METHODOLOGY

As with previous reports, the **Q3 2008 Update** relies in part upon the analysis of subjective remarks that REALTORS® employ when listing properties, since there is not yet a completely thorough database marker in the MLS system that flags lender-mediated properties. This edition does employ some important changes to the methodology, however.

First, we take into account a new data field in the Twin Cities Regional Multiple Listing Service called “In Foreclosure/Bank-Owned,” which allows users to mark properties that fit within this legal definition appropriately. Second, we include some additional search terms that REALTORS® employ to describe these properties which were not included in the first editions. Finally, we ignore specific phrases that were counted inappropriately before, such as “not a foreclosure” and “not a short sale,” amongst others.

The net result of these changes appears to be a modest increase in the number of confirmed lender-mediated properties in the system, which did not surprise us. We were relatively confident that our past approach, while mostly effective, was slightly undercounting the phenomenon. A full description of the new method is below.

A property is lender-mediated when either of the following rules are met:

- In Foreclosure/Bank-Owned = “Yes”
- One of the following terms are found in Agent Remarks, Public Remarks or Financial Remarks:

- | | | | |
|--------------------|---------------------|------------------------|--------------------|
| • bank owned | • preforeclosure | • subject to corp | • subject to third |
| • short sale | • subject to bank | • corporate owned | • hud-acquire |
| • bank approv | • subject to 3rd | • corp owned | • hud-acquired |
| • lender approv | • subject to lender | • corp. owned | • corporate-owned |
| • 3rd party approv | • redemption | • bank-owned | • corp-owned |
| • foreclosure | • shortsale | • short-sale | • corp owner |
| • preforeclosure | • reo | • 3rd-party approval | • subj to corp |
| • forclosure | • hud acquire | • third-party approval | |

Note: properties containing these specific phrases in the same remark fields are NOT counted as lender-mediated.

- | | | |
|---------------------|--------------------|--------------------|
| • not a foreclosure | • not a short sale | • not a short-sale |
| • not a forclosure | • not a shortsale | |