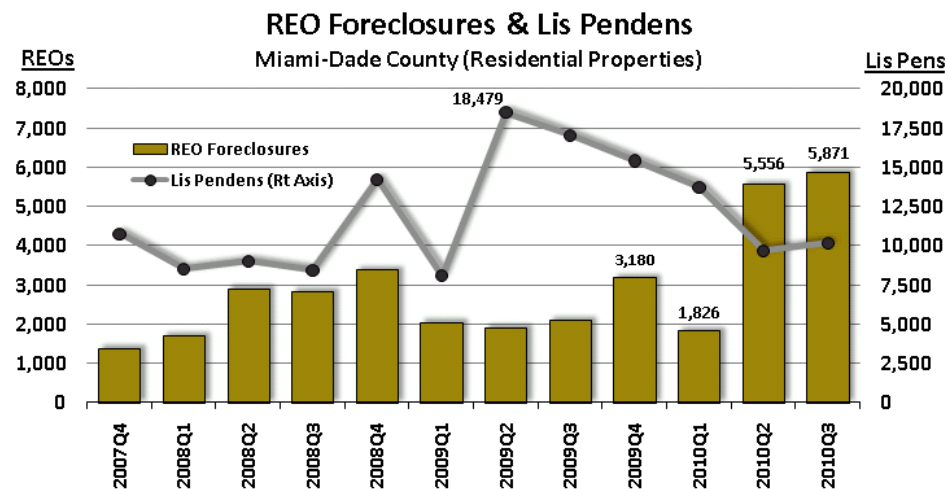


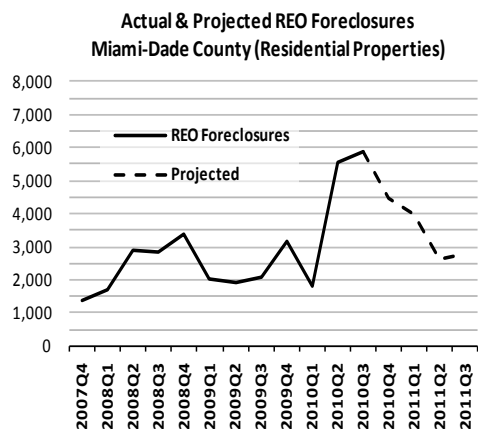
## Recent Trends in Foreclosure Activity in Miami-Dade County and Outlook for 2011

Real Estate Owned (REO) foreclosures in Miami-Dade reached a new peak in the 3<sup>rd</sup> quarter of 2010 with 5,871 properties taken by the mortgage holder, according to data from RealtyTrac, Inc. This number was up from 5,556 in the second quarter of 2010 and 64% higher than the previous peak 3,383 in the 4<sup>th</sup> quarter of 2008. After seeing more than 10,800 REO foreclosures in calendar year 2008, the number fell off to 9,200 in 2009. In the 12 months ending September 30, 2010 there were 16,400 REOs, representing 17 REOs per 1000 housing units in Miami-Dade.

The filings of *lis pendens*, the first step in the foreclosure process, have been declining since the 2<sup>nd</sup> quarter of 2009. There were nearly 18,500 filings during that quarter. The 3<sup>rd</sup> quarter of 2010 witnessed approximately 10,100 filings, up just slightly from the 2<sup>nd</sup> quarter's 9,700 filings.



Data Source: RealtyTrac.



The foreclosure process from the filing of a *lis pendens* to the actual foreclosure sale may take an average of 12 months. Variations in the number of *lis pendens* filed in any period should lead to direct variations the number of REO foreclosures 12 months later. We have estimated that in Miami-Dade County for every 100 *lis pendens* filed 32 foreclosure sales will occur, on average, one year after the filing. This estimate is based on the observed experience between the 4<sup>th</sup> quarter of 2007 to the 3<sup>rd</sup> quarter of 2010 and using standard statistical estimation techniques. The results of this analysis suggest that the sharp increase in foreclosures in the 2<sup>nd</sup> and 3<sup>rd</sup> quarter was preceded by the sharp rise in filings occurring a year earlier, and that the decline in *lis pendens* since December 2009 will cause actual foreclosures to come off their most recent peaks over the next 12 months. We expect to see steady declines in REO foreclosures in 2011 approaching an estimated 2,600 to 3,000 REOs for the 3<sup>rd</sup> quarter of 2011. While this would represent a substantial decrease from the 3<sup>rd</sup> quarter's REOs, it would still represent more foreclosures than the quarterly averages in 2008 (2,700) and 2009 (2,300). Nevertheless, declining foreclosure activity will give support for slowly appreciating home values in 2011.

Every commission district experienced increases in REO foreclosures from 2009 to 2010, while the geographic distribution of foreclosure activity remained very similar in terms of areas of foreclosure concentration. Commission Districts 8 and 9 continue to have the highest number of foreclosures, followed by Districts 4 and 11. Those commission districts with below average rates of foreclosures in 2009, however, tended to experience greater-than-average increases in the rates of foreclosure in 2010 as the foreclosure crisis spread across the County. In District 8 the foreclosure rate for the 12 months ending September 30<sup>th</sup> rose to 28.1 REOs per thousand housing units, while in District 9 the rate rose to 26.7 per thousand. District 13 saw the REO foreclosure rate rise to 18.2 per thousand, while District 4 saw its rate increase to 16.6 REOs per thousand and District 12 saw its rate grow to 17.2 per thousand. In comparison, the rates for Districts 8 and 9 increased by 60% and 61% respectively compared to a 70% increase in the countywide foreclosure rate. (Detailed tables and charts follow.)

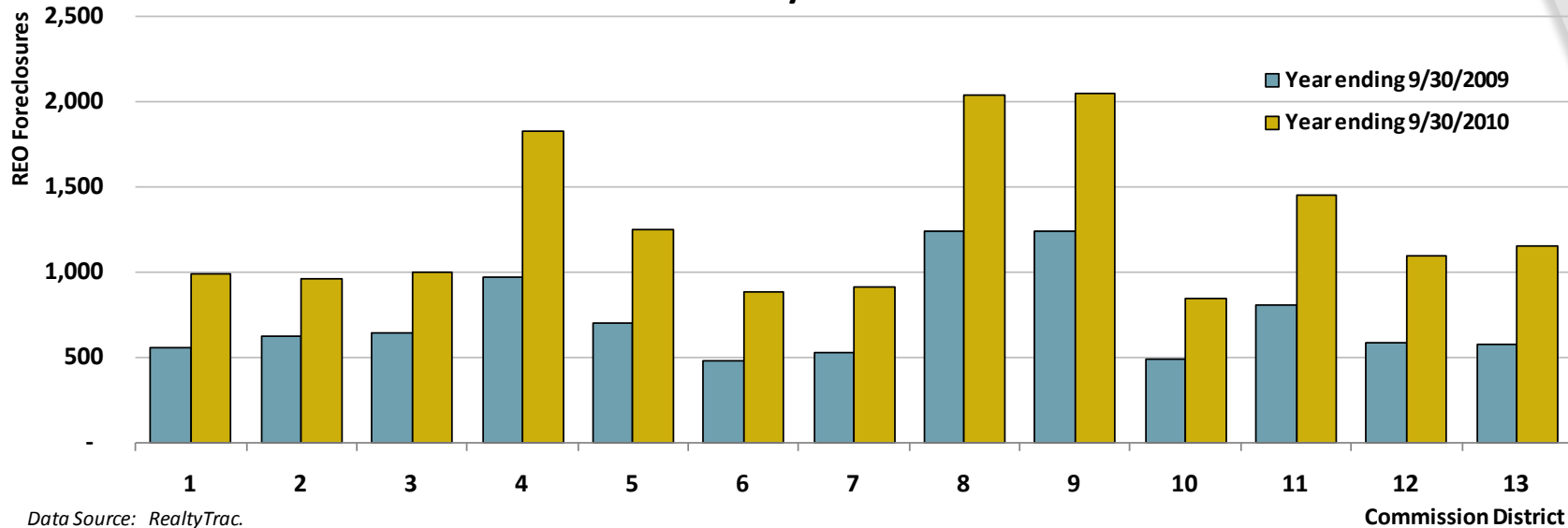
## REO Foreclosures & Lis Pendens by Commission District

REO's	Commission District													County-wide
	1	2	3	4	5	6	7	8	9	10	11	12	13	
2006Q4	3	7	9	6	6	4	7	4	5	5	5	3	2	65
2007Q1	5	7	9	11	11	7	8	13	15	3	6	5	8	108
2007Q2	40	55	55	68	55	35	53	73	72	34	33	25	21	620
2007Q3	30	42	41	51	36	24	42	64	73	28	32	21	22	506
2007Q4	98	84	87	131	118	73	122	171	190	86	97	62	62	1,380
2008Q1	91	113	125	210	152	76	115	214	211	82	133	87	89	1,701
2008Q2	142	186	214	349	240	118	178	353	363	175	266	172	152	2,906
2008Q3	182	176	184	277	188	136	162	363	388	183	257	166	173	2,835
2008Q4	198	232	229	342	236	163	184	435	458	178	318	199	208	3,381
2009Q1	120	145	134	216	154	113	118	265	257	101	168	132	123	2,047
2009Q2	106	130	142	192	143	91	108	266	256	96	152	113	112	1,906
2009Q3	128	119	138	214	170	116	117	277	268	112	169	140	129	2,097
2009Q4	197	198	214	363	233	190	182	364	376	155	284	210	215	3,181
2010Q1	109	104	109	192	148	96	95	241	257	89	150	111	125	1,826
2010Q2	331	333	332	616	409	285	286	725	685	272	511	370	400	5,556
2010Q3	349	325	343	658	461	314	350	705	724	328	504	400	410	5,871
<b>Last 4 Qtrs</b>	<b>985</b>	<b>960</b>	<b>998</b>	<b>1,829</b>	<b>1,251</b>	<b>885</b>	<b>913</b>	<b>2,035</b>	<b>2,042</b>	<b>844</b>	<b>1,449</b>	<b>1,091</b>	<b>1,150</b>	<b>16,434</b>
<b>District % of Total</b>	<b>6.0%</b>	<b>5.8%</b>	<b>6.1%</b>	<b>11.1%</b>	<b>7.6%</b>	<b>5.4%</b>	<b>5.6%</b>	<b>12.4%</b>	<b>12.4%</b>	<b>5.1%</b>	<b>8.8%</b>	<b>6.6%</b>	<b>7.0%</b>	
<b>Rate/1,000 Housing Units</b>	<b>17.6</b>	<b>18.3</b>	<b>13.8</b>	<b>16.6</b>	<b>11.3</b>	<b>13.1</b>	<b>10.0</b>	<b>28.1</b>	<b>26.7</b>	<b>13.5</b>	<b>21.7</b>	<b>17.2</b>	<b>18.2</b>	<b>17.0</b>

Lis Pendens	Commission District													County-wide
	1	2	3	4	5	6	7	8	9	10	11	12	13	
2006Q4	502	513	434	354	287	234	266	456	487	257	364	213	233	4,600
2007Q1	527	517	460	365	316	224	309	552	568	361	512	333	270	5,315
2007Q2	715	722	689	959	657	374	619	1,062	1,226	583	978	504	533	9,622
2007Q3	868	885	765	1,106	741	479	696	1,441	1,471	672	1,049	646	533	11,353
2007Q4	814	714	712	1,156	807	501	639	1,143	1,298	659	1,018	653	621	10,736
2008Q1	559	554	578	953	703	425	521	861	919	487	763	633	532	8,488
2008Q2	540	562	519	909	621	410	529	1,206	1,137	510	848	628	554	8,973
2008Q3	564	537	565	844	520	455	442	942	943	471	838	679	607	8,405
2008Q4	962	892	879	1,288	849	756	724	1,663	1,625	793	1,280	1,134	1,341	14,186
2009Q1	562	532	469	697	533	438	443	880	923	493	789	645	681	8,082
2009Q2	1,291	1,099	1,074	1,659	1,126	1,364	1,000	1,858	1,976	1,229	1,878	1,525	1,400	18,479
2009Q3	1,075	1,068	1,020	1,882	1,244	925	1,056	1,695	1,816	1,014	1,610	1,342	1,252	16,997
2009Q4	919	875	896	1,681	1,191	803	1,001	1,450	1,541	1,065	1,568	1,243	1,160	15,394
2010Q1	972	783	840	1,387	983	761	845	1,392	1,439	899	1,341	1,105	980	13,727
2010Q2	661	579	652	1,033	618	593	557	878	989	572	1,008	809	707	9,657
2010Q3	744	666	725	947	720	513	646	976	944	689	984	855	733	10,141
<b>Last 4 Qtrs</b>	<b>3,296</b>	<b>2,904</b>	<b>3,113</b>	<b>5,049</b>	<b>3,512</b>	<b>2,670</b>	<b>3,049</b>	<b>4,696</b>	<b>4,913</b>	<b>3,225</b>	<b>4,901</b>	<b>4,012</b>	<b>3,580</b>	<b>48,919</b>
<b>District % of Total</b>	<b>6.7%</b>	<b>5.9%</b>	<b>6.4%</b>	<b>10.3%</b>	<b>7.2%</b>	<b>5.5%</b>	<b>6.2%</b>	<b>9.6%</b>	<b>10.0%</b>	<b>6.6%</b>	<b>10.0%</b>	<b>8.2%</b>	<b>7.3%</b>	
<b>Rate/1,000 Housing Units</b>	<b>59.0</b>	<b>55.3</b>	<b>42.9</b>	<b>45.8</b>	<b>31.6</b>	<b>39.6</b>	<b>33.4</b>	<b>64.9</b>	<b>64.3</b>	<b>51.7</b>	<b>73.5</b>	<b>63.3</b>	<b>56.6</b>	<b>50.7</b>

Data Source: RealtyTrac.

### REO Foreclosures by Commission District



### REO Foreclosures by Commission District per 1,000 Housing Units

