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FORECLOSURES.COM: Despite Foreclosures, Housing Markets Bump along Bottom, Head Upward in Some Places

SACRAMENTO, Calif. –While President Obama, Congress, and the American people debate financial regulatory reform, foreclosures continue to mount as embattled housing markets bump along the bottom.

But amid much talk about problems, many areas of the country are now experiencing rebounds, with declining foreclosures, increasing home sales and even increased average sale prices, according to ForeclosureS.com, a leading real estate information provider.

“We’re in a slow, but definite recovery mode,” says Alexis McGee, foreclosure expert, educator, author, and president of ForeclosureS.com. “While foreclosures persist and unemployment still worsens, there are positives in the market that give a strong indication that housing markets have bottomed. Even some interest rate increases have failed to put a damper on prospective home buyers and investors who wisely recognize that buying a home today is more affordable than it has been in decades.”

In Southern California, for example, home sales rose for the 11th consecutive month in May, powered in part by a market shift as sales of mid- to high-end home sales (those \$500,000 and over homes) actually rose. The median home price (\$249,000) also increased for the first time since July 2007, according to San Diego-based MDA

DataQuick. The data aggregator showed a total of 20,775 new and resale houses and condos closed escrow in San Diego, Orange, Los Angeles, Ventura, Riverside, and San Bernardino counties last month. That was the most since May 2006, up 1.3 % from April, and up 22.8 % from a year ago.

“Affordability is the prime driver,” adds McGee. May’s median home price in Southern California was the second-lowest for any month since it was \$242,000 in February 2002, and it stood 50.7 % below the peak \$505,000 median reached in spring and summer of 2007, according to DataQuick numbers.

“In the nation’s mid-section, housing markets are heating up, too, as buyers get off the fence and take advantage of today’s affordability,” adds McGee. “Despite ongoing foreclosures, especially in the Chicago area, for the third consecutive month home sales climbed in Illinois—up 9% in April over March. The median home price of \$150,000 was little changed from March, too, according to Illinois Association of Realtors.”

Among other telling positive economic indicators:

- Housing starts nationwide climbed 17.2% in May, with building permits up 4%, according to Commerce Department numbers.
- Pending home sales shot up, too. The National Association of Realtors’ forward-looking Pending Home Sales Index based on contracts signed in April was up 6.7% in April, and is up 3.2% from a year ago.
- Existing home sales – including single-family, townhomes, condominiums and co-ops – increased 2.9 % to 4.68 million units in April from 4.55 million units in March.

- Housing affordability is at record levels. The National Association of Realtor's Housing Affordability Index for April was the second highest on record. A median-income family with a \$60,900 income could afford a \$296,800 home in April, assuming a 20% down payment and that 25% of gross income is devoted to mortgage principal and interest. That buying power far exceeds the \$169,800 April median single-family home price.

Around the Nation ... What's Really Happening?

Looking beyond the national numbers to what's happening in some of the nation's hardest-hit real estate markets across the country:

California: Existing single-family home sales soared 49.2% statewide in April compared with a year ago. The median home price was up 1.4% compared with March, but down 36.5% from a year ago, according to the California Association of Realtors. Markets tightened, too, with an unsold inventory of just 4.6 months compared with more than double that a year ago.

Florida: Like California, home sales are up, and so are foreclosures and defaults. For the eighth month in a row, existing home sales rose—18%--in April, with existing condo sales up to—21%, according to Florida Association of Realtors numbers. The state, along with California, Arizona, and Nevada, powers the nation's foreclosure abyss—10.6% of the mortgages in Florida are “somewhere in the process of foreclosure,” according to the Mortgage Bankers' newest Delinquency Survey.

Georgia: As of June 1, the state of Georgia began offering a \$1,800 tax credit to homebuyers through November 30 of this year. The credit, available to buyers of eligible

single-family residences, is not limited to first-time homebuyers and has no income limits, according to the Georgia Association of Realtors.

North Carolina: Despite brighter national numbers, this manufacturing state has seen existing home sales decline nearly 32% over the past year, with the average home price off 9% April 2008 to April 2009, according to the North Carolina Association of Realtors.

Michigan: As the auto industry has unraveled, foreclosures in the motor state have soared. Yet the Michigan Association of Realtors reports residential home sales as reported by 41 of its local associations are up more than 8.5% YTD as of April over year-ago numbers. The Detroit Board of Realtors reports sales up a whopping more than 23%. Affordability is the name of the game. At least 15 Michigan local Realtor associations report average home prices statewide off more than 30% over year ago numbers in April.

Massachusetts: Home sales and home prices climbed here in the Northeast. Detached single-family home sales were up 9.6% in April over March, with median home prices up nearly 8%, according to data from the Massachusetts Association of Realtors.

ForeclosureS.com has been the professional's source for accurate foreclosure property information for more than 20 years. With that in mind, we're revamping our approach to the foreclosures numbers in order to provide the most up-to-date, useful reports that tell the real story of foreclosures across the country. Stay tuned as we debut a new and improved U.S. Foreclosure Index for the Second Quarter 2009 in July 2009.

In the interim, keep in mind that not all pre-foreclosures end up as lender-owned repossessions. The foreclosure process varies by state, and can include notice of default, notice of foreclosure auction, and/or notice of REO (lender-owned real estate that occurs after a foreclosed property fails to sell at auction and reverts back to the lender).

For Foreclosure Statistics and Information for your area, as well as expert commentary from Alexis McGee, president of ForeclosureS.com, please contact Sofia Gutierrez, ForeclosureS.com, 916-781-0648 or sofia@halldinpr.com.