

Another wave of foreclosures likely in new year

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(PhysOrg.com) -- As we near the end of the year, Phoenix-area home prices have started to go up, but another wave of foreclosures is likely to hit soon. That's according to the author of the latest Realty Studies report from the W. P. Carey School of Business at Arizona State University.

"I think the [foreclosure](#) rate will pick up after the first of the year because of the continued weak job market and frustration on the part of homeowners struggling to pay their mortgages," says Associate Professor of Real Estate Jay Butler. "We're in an [economic recovery](#), but it's an anemic recovery, and more [layoffs](#) may be coming."

In November, 61 percent of the activity in the Valley [housing market](#) consisted of foreclosures and the resales of previously foreclosed-on properties. About 3,000 homes were foreclosed on this November alone.

More than 5,300 homes were resold last month, down from more than 6,100 resales in October. This demonstrates the typical historic slowdown of sales activity toward the end of the year, but the activity level is way up from last November, when only about 3,400 homes were resold.

The median single-family home price in the Valley in November was \$143,000, up from \$140,000 in October. The median price last November was significantly higher at \$162,000.

"Over the last year, approximately 41 percent of the traditional resales in

the Phoenix area were foreclosed homes sold again with a median price markdown of 17 percent," explains Butler. "While these lower prices can greatly improve affordability for buyers, they also adversely impact many owners and potential sellers watching their limited equity erode."

Butler's full report, including statistics, charts and a breakdown by different areas of the Valley, can be viewed at

wpcarey.asu.edu/realestate/PhoenixMarketReports.cfm .

Provided by Arizona State University ([news](#) : [web](#))

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