

ASU report: Foreclosures still cloud housing market

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(PhysOrg.com) -- Foreclosures continue to play a major role in the Phoenix-area housing market. Almost half of the existing-home transactions in the Valley last month -- 45 percent -- were foreclosures. That's according to the latest Realty Studies report from the W. P. Carey School of Business at Arizona State University.

“Even in response to hiatus and mortgage modification programs, foreclosure activity did not slow,” says Associate Professor of Real Estate Jay Butler, who authored the new report. “It takes some time to finish recording transactions, though, so some slowing might still be evident in the next few months.”

For now, foreclosures and the resales of foreclosed-on properties combine to total 67 percent of the activity in the Valley [housing market](#). January 2010 brought 3,500 foreclosures of single-family homes. That's down from December's 4,060 foreclosures, indicating some positive momentum.

“Interestingly, the median size of a foreclosed home was 1,685 square feet,” adds Butler. “That's about 100 square feet smaller than the median size of other homes being resold. Lower income-range homes have been especially appealing to potential investors and other buyers.”

The median price of a single-family home in the Phoenix area dropped from \$140,000 in December to \$136,500 in January. Last January, the median price was about the same at \$136,000.

Home resales in the Valley continued to be brisk, with more than 4,200 recorded in January, up from about 3,600 last January. More than 5,700 resales were recorded in December.

In the condominium/townhouse market, foreclosures also remain a big problem. About 500 condo/townhomes were foreclosed-on in January, almost double the 280 foreclosures in January of last year. The median townhome price in January was \$99,535, marking a steep plunge from \$125,000 last January.

Butler's full report, including statistics, charts and a breakdown by different areas of the Valley, can be viewed at wpcarey.asu.edu/realestate/PhotoMarketReports.cfm .

Provided by Arizona State University

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