



Save \$26 a month and lock in your price for ONE YEAR!
Switch today! 1-877-866-8603

msnbc.com

In hard-hit markets, some see signs of bottom

Home sales activity improves in Western cities, with big government boost



A "sold" sign is shown outside a home in Long Beach, Calif., recently. Sales prices have risen from year-ago levels in hard-hit California, especially in coastal areas.

Nick Ut / AP file

By Kristina Dell

msnbc.com contributor
updated 4:47 a.m. PT,Fri., Jan. 29, 2010

Syd Leibovitch, owner of Rodeo Realty in Los Angeles is doing what many **real estate agents** can only dream of: expanding. In the past three months, Leibovitch has hired more than 40 agents and is opening a new office on Hollywood's Sunset Strip.

"My sales last year were 30 percent higher than 2006, which was our best year," said Leibovitch, who specializes in luxury homes in the Los Angeles area. "A lot of my competition closed or went out of **business** entirely, and I picked up a lot of their agents."

He attributes some of business improvement to

buyers feeling more optimistic and sellers being more realistic with pricing. But declining inventory is also helping.

"We have very little inventory of low-priced homes," he said, referring to homes under \$400,000. "Banks have held back foreclosures because they are under political pressure to work with borrowers to make a deal."

Southern California's coastal region might be one of the few bright spots in a state that has nine of the top 20 metro foreclosure rates nationwide and a 12.4 percent unemployment rate. Still, despite the gloomy numbers and mixed reports in recent weeks, some economists see evidence that Western states like California, Arizona and Nevada—the ones hit hardest in the housing crisis—are showing signs of healing. Home prices in Los Angeles, Phoenix, San Diego and San Francisco have risen for at least six months.

advertisement

DON'T DELAY

Get Proven, Proactive
IDENTITY THEFT PROTECTION

 **LifeLock.**
#1 In Identity Theft Protection™

Call Now 1-877-670-1746

advertisement

PROTECT YOUR HOME
FREE Home Security System!
\$850 Value! Call NOW!

1-877-246-7519



At no cost to you for parts and activation with only a \$99 installation fee and the purchase of alarm monitoring services. Terms & Conditions apply.



“The epicenter of the boom and bust will be the leaders of the recovery,” said Lawrence Yun, chief economist for the National Association of Realtors. “Those three regions went through a big boom and a big bust and I think they overcorrected and are making solid gains compared to the rest of the country.” He sites multiple bids on lower priced properties, prices beginning to stabilize and inventory levels coming down as evidence that the bottom is in sight.



Others aren't as optimistic. Celia Chen, senior director at Moody's Economy.com, predicts that housing prices will fall again this year, especially in states where foreclosures have been rampant like California, Nevada and Arizona. Nearly 1 million loans have been temporarily modified over the past year under a federal program to keep people in their homes, and Chen believes many of these will fail in coming months, especially given the nation's 10 percent jobless rate. “New foreclosures will come onto the market and bring prices down again,” she said.

Housing numbers released over the past week

have painted a mixed picture, muddled by a federal tax credit that was set to expire and then was expanded. After a strong growth from September through November, existing home sales plummeted 16.7 percent in December from November, according to the Realtors. Yun and others attribute the swing to first-time homebuyers hurrying to close on properties before the Nov. 30 deadline for an \$8,000 tax credit. Congress has since extended the program April 30.

A closer look at the West reveals a few positive signs in three of the hardest-hit states:

Southern California

Andrew LePage, analyst for MDA DataQuick who focuses on the San Diego region, confirms what Leibovitch of Rodeo Realty observed: Higher-priced homes in southern California's coastal regions are starting to sell.

“The high-end market was comatose in 2008 and 2009, and the spring and summer of 2009 was the only time we saw anything close to normal activity,” said LePage. “Foreclosure resales are

advertisement

Own a new computer for just \$29.99* per week! Call today to get the computer of your dreams, and improve your credit at the same time.



If you can afford a weekly payment of just \$29.99* for just 12 months, then you're already approved for a brand new Dell™ or HP™ Computer, guaranteed.

1-877-294-3988

GIVE US A CALL TODAY! *Prices start at \$29.99 but may vary by model.

Print Powered By  FormatDynamics™

advertisement



Save \$26 a month and lock in your price for ONE YEAR!
Switch today! 1-877-866-8603

down, and there aren't as many coming through the pipeline."

Leibovitch is seeing multiple offers for houses in the \$400,000 to \$700,000 range; his \$300,000 inventory is sold out.

The California market improved in part because of the state's \$10,000 tax credit for new homes, which was in addition to the original federal \$8,000 first-time buyer's credit and the more recent \$6,500 credit for repeat home buyers.

"That was enough to encourage a lot of people to make a purchase," said Brad Hunter, chief economist for Metrostudy, a national housing market research group. Moreover, Los Angeles and San Diego were already built up, so they didn't experience the same kind of rampant overbuilding that affected inland cities like Bakersfield and Riverside, said Robert Denk, economist at the National Association of Home Builders.

CONTINUED : Phoenix, Las Vegas

1 | 2 | **Next**

advertisement

Decide to be RICH!

"My simple, yet proven strategies for generating multiple streams of unlimited income work - now let me take you by the hand and prove it!..."

New York Times Best Seller **Robert G. Allen**

Let me be your success mentor.

RealEstateWealthSecret.com

Print Powered By **FormatDynamics™**