

## Best and Worst Cities for Military Families to Buy a Home

Danielle Babb

**The housing crunch continues to take its toll on housing prices. But over the long term, buying a house is still a good investment.** I know many of you move often, and you may not have much choice with regard to where you move. But, many people still ask me, “where should I buy as an investment?” or “where should I buy around military bases?”

With good prices in many areas, there are a lot of choices. What are some things you want to watch out for regardless of where you live? Check out economic fundamentals before buying. Is job growth stable there? Is income keeping up with inflation? Is crime above the national average? Is there a higher-than-average rate of foreclosures? These issues and others play a factor into deciding which community to buy your new home.

**Here are some great places to buy in 2008 — and places I recommend avoiding.**

### Good to Buy

**Killeen, Round Rock, Austin, Texas** — Killeen has the lowest average home price in any market in the nation while maintaining quality. Round Rock and Austin have seen incredible job growth and very stable home prices despite the downturn nationwide. Jobs continue to grow here, and that’s a factor for keeping inventory low and prices stable.

**Mission Viejo, Calif.** — Mission Viejo has the lowest crime statistics in the nation. Prices are relatively stable, and the job market in nearby Irvine and San Diego keeps these families with lower inventories than the national average.

**Las Vegas** — Yes Las Vegas has been hit hard by investors coming in, watching their home values disappear and then leaving homes empty. Las Vegas comes in quite high on the foreclosure list in the nation, almost always within the top 3 metro areas. However, there’s an upside — a very strong job market. Las Vegas in 2007 had about a 12 percent increase in population, partly driven by retirees who want to relocate to sunbelt states. Coupled with low prices, we could see inventories reduced there which would also stabilize prices. Be careful what you buy, but it’s still highly recommended.

### Places to Avoid

**Detroit** — The job market is in chaos. I talk with students all over Michigan who consistently complain that their significant other was “laid off last week.” National statistics back this empirical evidence up with a significant problem, with job loss and job income not keeping up with inflation. As a result, many nice neighborhoods are now abandoned. Inventories exceed one year (under six months is what we want to see), and the foreclosure problem hit Detroit hard. With fewer jobs to support the home purchases, I don’t see Detroit turning around anytime soon.

**Miami** — Palm Beach is different than Miami. Miami sits in its gorgeous sea-side landscape with half-built and abandoned condos, a shrinking job market, a tough time getting insurance against hurricanes, and a job problem. Yes you can get a good deal. Buy you should do this only if you don’t need the appreciation from the home in the next decade.

**Riverside/San Bernardino, Calif.** — Even those lucky homeowners that bought before the boom are feeling it now. Riverside and San Bernardino counties in Southern California consistently lead California and are in the top three metro areas in the nation with a foreclosure problem. The prices have plummeted, and jobs out in that area are scarce. People moved there due to lack of affordability in Orange and Los Angeles counties (where their jobs were), so it was a commuter's area. Now that prices in the two counties have dropped, people can live close to their jobs. Although I grew up in Riverside County, I could never recommend it to anyone looking to buy a home.

#### **About Danielle Babb**



***Danielle Babb, PhD, MBA -- Investor, Consultant & Professor***

Dr. Danielle Babb (Dr. Dani) is an enthusiastic professor, speaker, consultant and author helping people achieve their passions and dreams through their work. She has devoted her career and life to engaging with people to make personal goals a reality.

Dr. Dani is passionate about educating consumers on the economy, how to make money in real estate, how to make a living working from home, and how to have the life they want and deserve. Coming from very modest roots, she strongly believes in education as the foundation to every goal and dream we have becoming the life we live each day.

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