

# Median home prices fall 9% in third quarter

By Alan Zibel, AP Real Estate Writer

WASHINGTON — Home prices fell in a record four out of five cities in the third quarter as low-cost foreclosures flooded the market and the decline spread through the country.

**Of 152 metropolitan areas in the National Association of Realtors survey, 120 posted declines in median home sale prices vs. a year ago. Sales volume fell almost 8% in the quarter compared with the period a year ago.**

**Sales of foreclosures and other distressed properties comprised about 40% of transactions in the quarter, bringing the median sale price down 9% from a year ago, to \$200,500.**

**Sales fell in all but four states in the Realtors' report: Nevada, California, Arizona and Virginia, where buyers have been able to snap up foreclosed homes at a bargain.**

"A very large proportion of distressed home sales are taking place at discounted prices compared to more normal conditions a year ago," Charles McMillan, the Realtors group's president, said.

That's especially true in places like Sacramento and Riverside, Calif., where prices were down 37% and 39%, respectively, from last year. The two California cities had the largest annual price declines in the report.

A nasty brew of strict lending standards, falling home values and a tough economy is filtering through the housing market. By the end of the year, foreclosure listing service RealtyTrac expects more than a million bank-owned properties to have piled up on the market, representing about a third of all properties for sale.

Many economists believe the economy has fallen into a recession that could be the worst downturn in more than two decades. As layoffs accelerate, that's likely to put further downward pressure on housing prices.

Mortgage financier Freddie Mac said last week that rising unemployment, tight credit and deteriorating economic conditions "contributed to a substantial increase in the number of delinquent loans," including loans to borrowers with strong credit.

Freddie Mac has 28,000 foreclosed properties on its books, while its sister company, Fannie Mae has 67,500.

On Tuesday, Rep. Barney Frank, D-Mass., chairman of the House Financial Services Committee, said "it is essential" to use some of the money in the government's \$700 billion financial rescue program to stem the tide of foreclosures.

**Biggest median price losses and gains**

<b>Metro area</b>	<b>Q3 2007 median price</b>	<b>Q3 2008 median price</b>	<b>Change</b>
Riverside-San Bernardino-Ontario, CA	\$375,100	\$227,200	-39.40%
San Diego-Carlsbad-San Marcos, CA	\$589,300	\$377,300	-36.00%
Los Angeles-Long Beach-Santa Ana, CA	\$602,900	\$391,400	-35.10%
CapeCoral-Fort Myers, FL	\$236,700	\$163,300	-31.00%
Las Vegas-Paradise, NV	\$295,500	\$211,600	-28.40%
Anaheim-Santa Ana, CA (Orange Co.)	\$714,200	\$517,300	-27.60%
Phoenix-Mesa-Scottsdale, AZ	\$255,500	\$185,100	-27.60%
San Francisco-Oakland-Fremont, CA	\$824,200	\$615,700	-25.30%
Washington-Arlington-Alexandria, DC-VA-MD	\$438,000	\$332,700	-24.00%
San Jose-Sunnyvale-Santa Clara, CA	\$850,000	\$650,000	-23.50%
Lansing-E. Lansing, MI	\$133,700	\$102,600	-23.30%
Tampa-St.Petersburg-Clearwater, FL	\$218,300	\$173,400	-20.60%
Palm Bay-Melbourne-Titusville, FL	\$182,400	\$145,300	-20.30%
Reno-Sparks, NV	\$317,300	\$253,400	-20.10%
Orlando, FL	\$266,800	\$213,400	-20.00%
Tucson, AZ	\$244,800	\$199,300	-18.60%
Sarasota-Bradenton-Venice, FL	\$287,400	\$237,400	-17.40%
Miami-Fort Lauderdale-Miami Beach, FL	\$346,300	\$287,800	-16.90%
Deltona-Daytona Beach-Ormond Beach, FL	\$195,000	\$162,300	-16.80%

<b>Metro area</b>	<b>Q3 2007 median</b>	<b>Q3 2008 median</b>	<b>Change</b>
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	<b>price</b>	<b>price</b>	
Elmira, NY	\$93,300	\$105,000	12.50%
Decatur, IL	\$85,900	\$93,400	8.70%
Bloomington-Normal, IL	\$155,800	\$168,400	8.10%
Wichita, KS	\$118,800	\$125,300	5.50%
Tulsa, OK	\$133,000	\$139,800	5.10%
Amarillo, TX	\$123,100	\$128,300	4.20%
Trenton-Ewing, NJ	\$328,600	\$342,500	4.20%
New Orleans-Metairie-Kenner, LA	\$160,200	\$166,800	4.10%
Charleston, WV	\$123,400	\$127,700	3.50%
Buffalo-Niagara Falls, NY	\$110,900	\$114,200	3.00%
Houston-Baytown-Sugar Land, TX	\$155,800	\$160,200	2.80%
Champaign-Urbana, IL	\$142,600	\$146,400	2.70%
Syracuse, NY	\$124,900	\$127,300	1.90%
Mobile, AL	\$136,300	\$138,700	1.80%
Farmington, NM	\$190,400	\$193,600	1.70%
Oklahoma City, OK	\$130,000	\$132,100	1.60%
Austin-Round Rock, TX	\$188,200	\$190,900	1.40%
Des Moines, IA	\$153,900	\$155,400	1.00%
Columbia, MO	\$149,900	\$151,300	0.90%
Lincoln, NE	\$138,800	\$140,100	0.90%

**Source: National Association of Realtors**

**Courtesy of JB Goodwin**