

Home Prices Fall in 22 U.S. Cities as Foreclosures Reach Record

By Brian Louis



May 2 (Bloomberg) -- Home prices fell in 22 U.S. metropolitan areas in February, led by Sacramento and Las Vegas, as record foreclosures deepened the housing slump.

The price per square foot in Sacramento, California's capital, dropped 29.8 percent to \$161 from a year earlier, according to a report released today by New York-based Radar Logic Inc., a real estate data company. Las Vegas declined 26.2 percent to \$133 a square foot.

New foreclosures hit an all-time high at the end of 2007 as borrowers with adjustable-rate loans walked away from properties before their payments increased, according to the Mortgage Bankers Association. The median **price** of an existing home dropped 7.7 percent from a year earlier in March, the **National Association of Realtors** said on April 22.

The report shows "weakness in most markets," Radar Logic said. "The increasing number of foreclosures occurring throughout the country has introduced a new supply of homes" and an "unusually motivated seller who is influenced by a desire for greater liquidity rather than obtaining a higher price."

U.S. foreclosure filings more than doubled in the first quarter as payments rose for subprime adjustable mortgages and **falling home prices** left property owners unable to sell or refinance without losing money, Irvine, California-based **RealtyTrac Inc.**, a seller of foreclosure data, said in an April 29 report.

California Declines

Almost 650,000 properties were in some stage of foreclosure during the quarter, or 1 in every 194 U.S. households, RealtyTrac said. The number was 112 percent above a year ago.

California, Nevada and **Florida** accounted for 9 of the 25 cities measured by Radar Logic in its monthly report.

California existing single-family home sales fell 25 percent in March from a year earlier, the state association of realtors said April 25. **Nevada** existing home sales

dropped 44 percent in the fourth quarter of 2007 to 34,400 from a year earlier, the biggest decline in the U.S., according to the National Association of Realtors.

San Diego was the third-worst U.S. market in the Radar Logic report, with prices dropping 24.7 percent to \$254 a foot, and Phoenix was fourth, with a 19.4 percent decline. Los Angeles was fifth with a 19.3 percent drop.

Miami recorded a 17.7 percent decline and Tampa, Florida, fell 16.4 percent. San Francisco slumped 14.1 percent.

Few Price Gains

Only three areas saw price increases in February from a year earlier. Charlotte, **North Carolina**, increased 3.6 percent, the most of the 25 cities surveyed; Milwaukee, **Wisconsin**, rose 3.4 percent and **New York** gained 1.1 percent.

A record 18.6 million U.S. homes stood **empty** in the first quarter as lenders took possession of a growing number of properties in foreclosure. The figure is 5.7 percent higher than a year ago, when 17.6 million properties were vacant, the U.S. Census Bureau said in a report on April 28.

The vacancy rate, the share of homes empty and for sale, rose to 2.9 percent, the highest since the bureau started keeping count in 1956. About 2.3 million empty homes were for sale, compared with 2.2 million a year earlier, the report said.

Radar Logic's monthly housing report tracks the 28-day aggregated value of a daily index the company compiles based on home sales that is used to trade property derivatives. Using a price-per-square-foot number reduces the influence of property size when calculating price changes, the closely held company said.

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