

C.A.R.: Fresno distressed sales drop sharply

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Vastly improved home prices over the past five years have shrunk California's distressed housing market including home sales in Fresno County.

Distressed sales are now just a fraction of what they were during the Great Recession, the California Association of Realtors (C.A.R.) reported today.

In Fresno County, 84.2 percent of homes sold were classified distressed sales in January 2009, compared to 26.3 percent in January 2014. In Tulare County, 45.8 percent of sales were distressed in January 2009, compared to 20 percent in January 2014.

A distressed sale is a sale of a foreclosed home that is usually under a foreclosure order or is advertised for sale by its mortgagee. Often it is sold for less than what is owed.

In January 2009, 69.5 percent of all homes sold in California were distressed, which includes short sales and real estate-owned (REOs) properties. Five years later, that figure has shrunk to 15.6 percent. More specifically, REOs comprised 60 percent of all sales in January 2009, while short sales made up 9.1 percent of all sales but rose to as high as 25.6 percent in January 2012. Short sales currently make up 9.2 percent of all sales.

During the same time period, California's median home price has soared more than 64 percent from \$249,960 in January 2009 to \$410,990 in January 2014.

"The dramatic drop in the share of distressed sales throughout the state reflects a market that is fully transitioning from the housing downturn," said Kevin Brown, C.A.R. president in a release. "Significant home price appreciation over the past five years has lifted the market value of many underwater homes and as a result, many homeowners have gained significant equity in their homes, resulting in fewer short sales and foreclosures."

The statewide share of equity sales hit a high of 86.4 percent in November 2013 and has been above 80 percent for the past seven months.

Of the reporting counties, San Luis Obispo, Orange, Santa Clara, and San Mateo counties held the lowest share of distressed sales in January 2014 at 10.2 percent, 9.5 percent, 7.7 percent, and 6.8 percent, respectively.