

Foreclosure and Mortgage Rate News Shows Little Hope the Housing Crisis is Nearing an End

NEW YORK, N.Y., June 22 (SEND2PRESS NEWSWIRE) – According to ForeclosureWarehouse.com, reports in the media have focused largely on small improvements in the real estate market in order to restore confidence to prospective home buyers. However, careful analysis of the data suggests the sluggish market and reduced home prices are not going anywhere any time soon.



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According to Jacob Christensen, from ForeclosureWarehouse, foreclosure rates in several states between the end of April and the end of May 2009 increased. In Ohio and Arizona, the foreclosure rates increased by more than 3.5 percent while increases in Michigan were close to 2.5 percent.

A few states have seen mild declines in the numbers of foreclosures being reported, but these have frequently been seen in the states that had the higher numbers of foreclosures, such as Florida (-1.99 percent) and California (-1.12 percent). The data continues to suggest the housing market is not yet in recovery.

These findings are contrary to the predicted outcome. Because the high number

of foreclosures has glutted the market with unsold properties, the prices have decreased. In California, for example, the average home price decreased by nearly \$200 just between April 30th and May 30th. Other states have seen similar decreases during that period: Michigan (\$900), Ohio (\$600), Florida (\$300), and Georgia (\$100).

These prices have been steadily falling since the housing market began crashing two years ago. These reduced prices were expected to prompt an increase in home purchases.

The problem is mortgage rates have increased and have made home buying less desirable and less affordable for the average consumer. Mortgage rates for a 15 year loan increased from 4.82 percent in the middle of May 2009 to 5.25 percent just one month later. Thirty-year mortgage rates increased from 4.86 percent to 5.72 percent during the same period. Without a decrease in these rates or a significant reduction in foreclosures by state, the prices for homes should continue to decrease.

More information: www.ForeclosureWarehouse.com.

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