

Investors snap up big deals in Detroit

Metro home sales rise, but state is 8th in foreclosures

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Detroit home sales shot up 30.8% in March, spurred by investors taking advantage of low prices on foreclosed properties.

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Overall, metro Detroit home sales rose 2.5% in March compared with March 2007, according to figures released Monday by Realcomp Inc., a Farmington Hills-based multiple-listing service.

Sales for the month were down in Macomb, Oakland and Livingston counties, however. Sales fell by 12.6% in Livingston, 4.6% in Macomb, 4% in Oakland and 5.4% in the St. Clair area, which includes areas in the Thumb. Wayne County sales rose 17%.

"There are a lot of out-of-state investors coming in to town to buy homes. They seem to be aware of the fact that there are good deals in the city of Detroit," said Bryant Harris, an agent with 20th Century Real Estate in Detroit. "The market affords people the opportunity to own a home for as little as a couple thousand dollars."

With homes prices now adjusting for sales and interest rates low, Realcomp expects the market to improve despite still-tightened credit.

Harris said he expects sales to continue to climb in April and May, as the peak home-selling season begins. Yet, he also sees a continued high level of foreclosure activity.

"The foreclosure rate is still high because the unemployment rate is still high," Harris said.

Foreclosure reports

On the foreclosure front, Michigan ranked eighth nationwide in March as the number of properties in some stage of foreclosure fell 13.35% from February, but were up 10% from the same month in 2007, according to figures released Monday by RealtyTrac Inc., a foreclosure Web site based in Irvine, Calif.

Foreclosure filings rose 5% nationwide in March, the report said. One in every 538 U.S. households received a foreclosure filing during the month, compared with one of every 475 Michigan households.

Michigan had 9,494 foreclosure filings in March, including 1,140 notices of default, 6,056 notices of sale and 2,298 bank repossessions.

"The March numbers show that overall foreclosure activity, so far this year, continues to run nearly 60% above the levels we saw last year," said James J. Saccacio, RealtyTrac CEO.

He said auction notices were up just 32%, while bank repossessions rose 129%, indicating that more people were just walking away from properties and deeding them back to the bank. The deed transfer means the lender does not have to put a property up for public auction.

Nevada, California and Florida had the highest foreclosure rates in March.

A separate foreclosure report by www.ForeclosureS.com indicated that 14,472 Michigan properties were seized by banks in the first 3 months of the year.

"A lot of these people never should have gotten mortgages. It's not the real estate causing all these foreclosures. It's the people who got these mortgages," said Russell Raftary, a certified general appraiser in Dearborn.

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