

Regional Housing Foreclosure Summit

Foreclosures in the Washington Metropolitan Region

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FORECLOSURE



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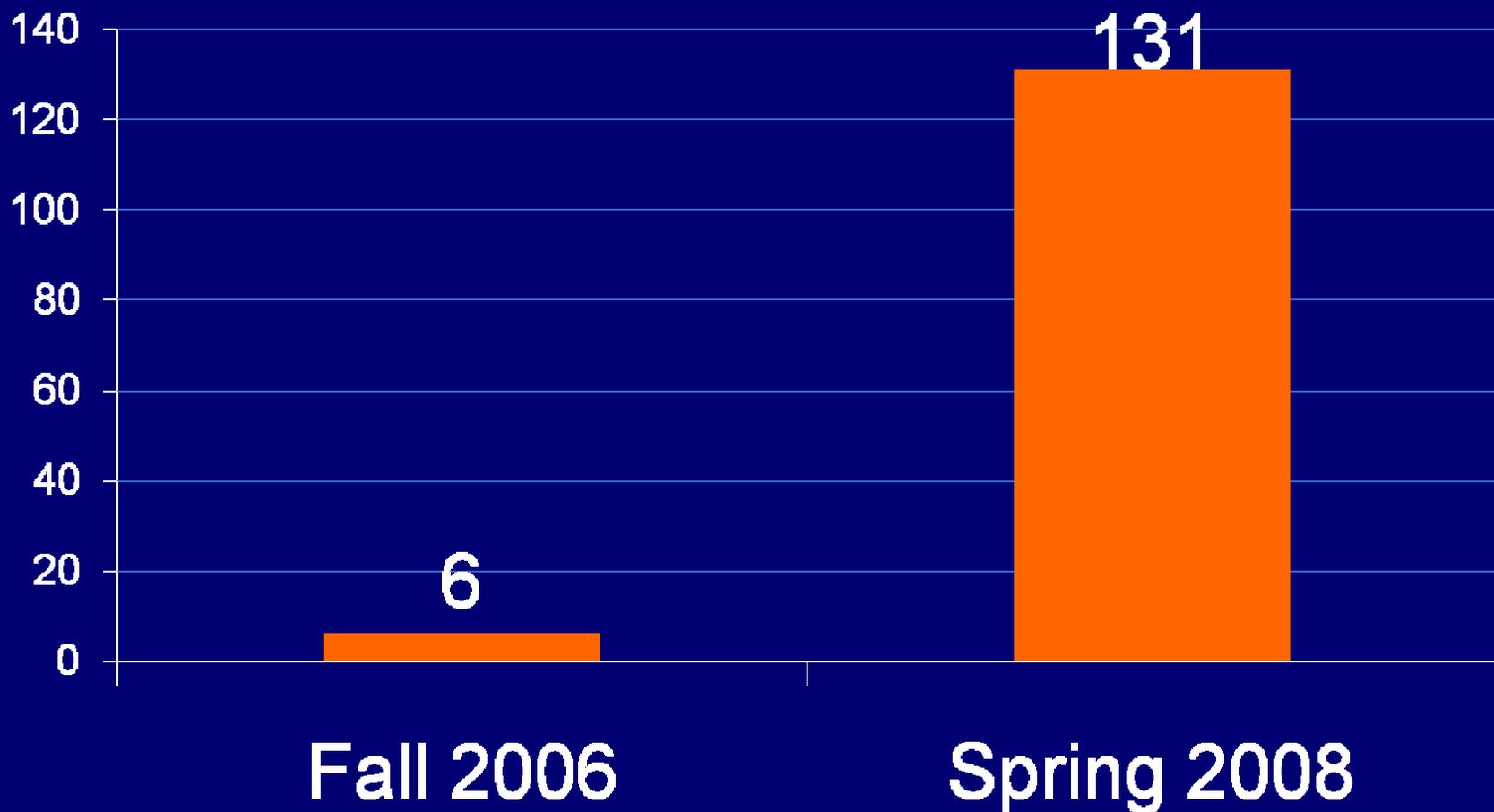
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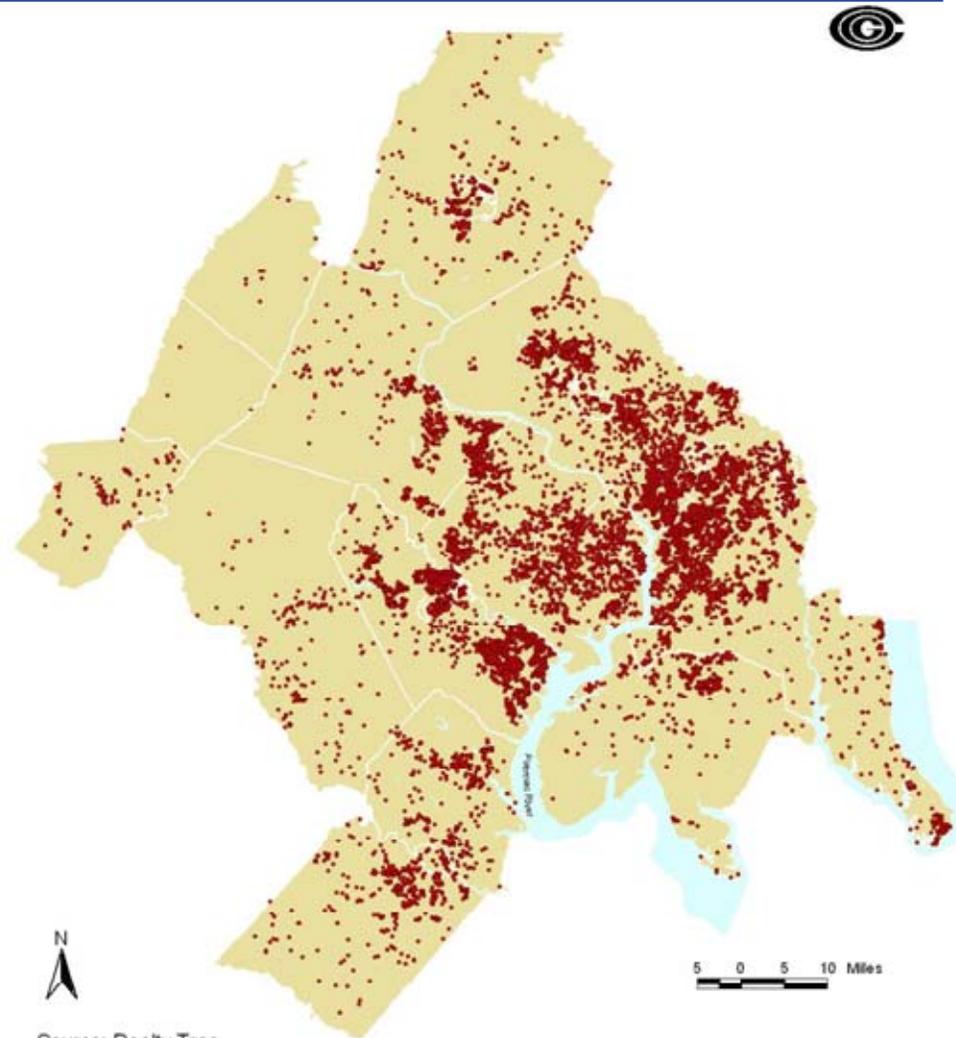
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Metro Washington Foreclosure Rate



Foreclosures: Mar 07 – Feb 08



Source: Realty Trac

- The Housing Market:
Brief Update
- Foreclosures
- The Outlook

The Washington Area Housing Market

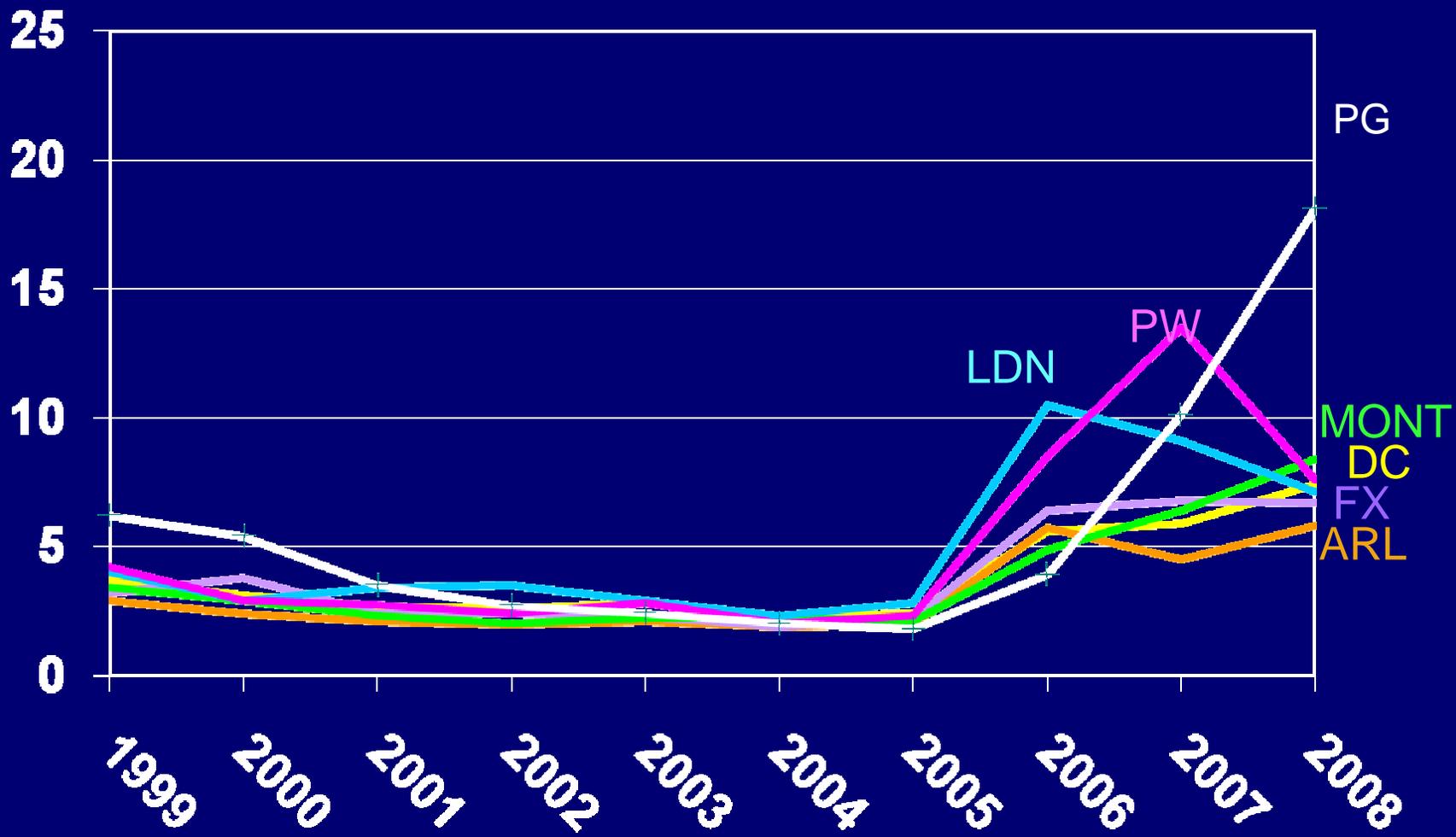
Sales and Total Active Listings Washington MSA, June Each Year



Source: MRIS, GMU Center for Regional Analysis

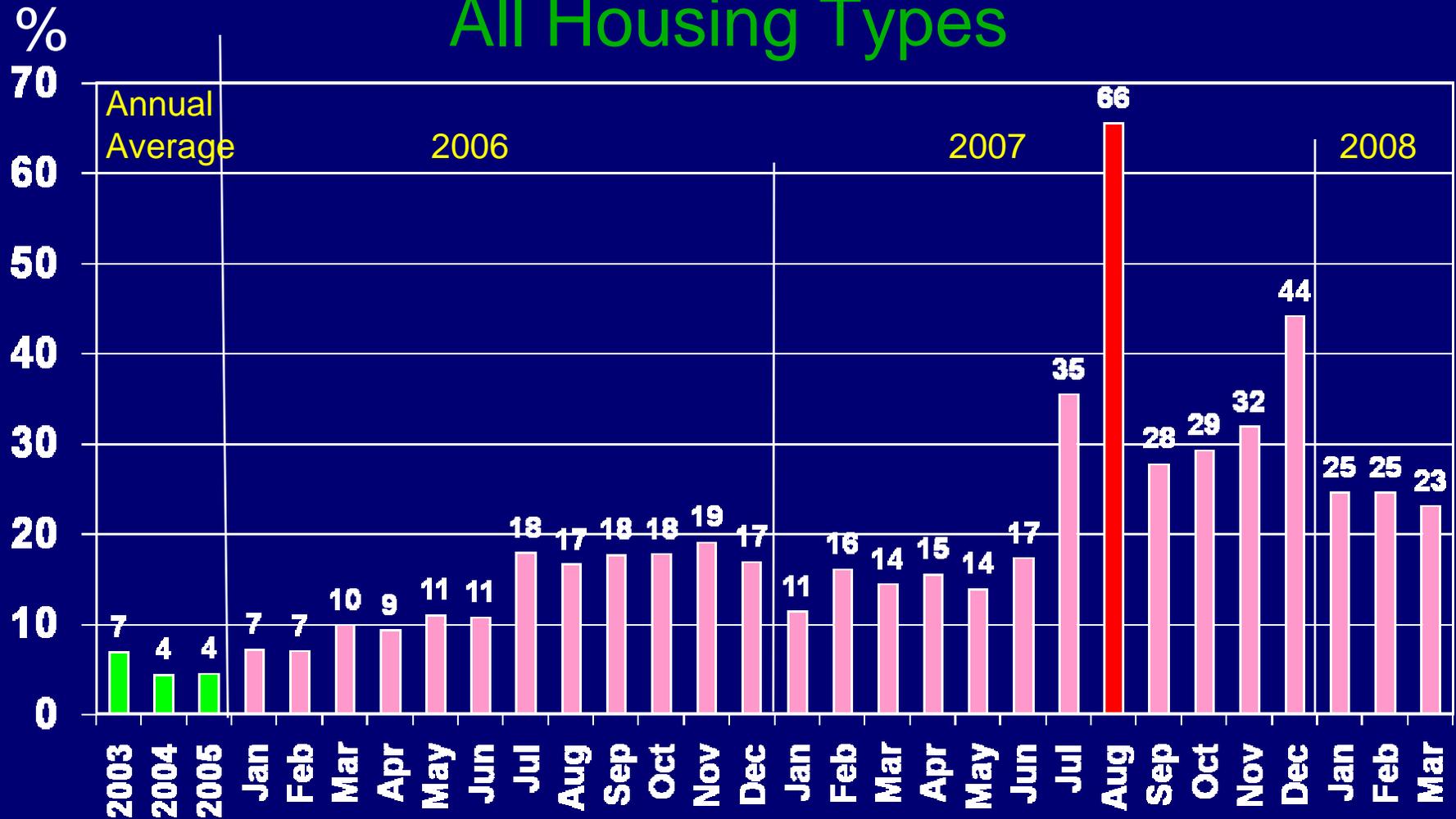
Total Active Listings per Sale

May Each Year



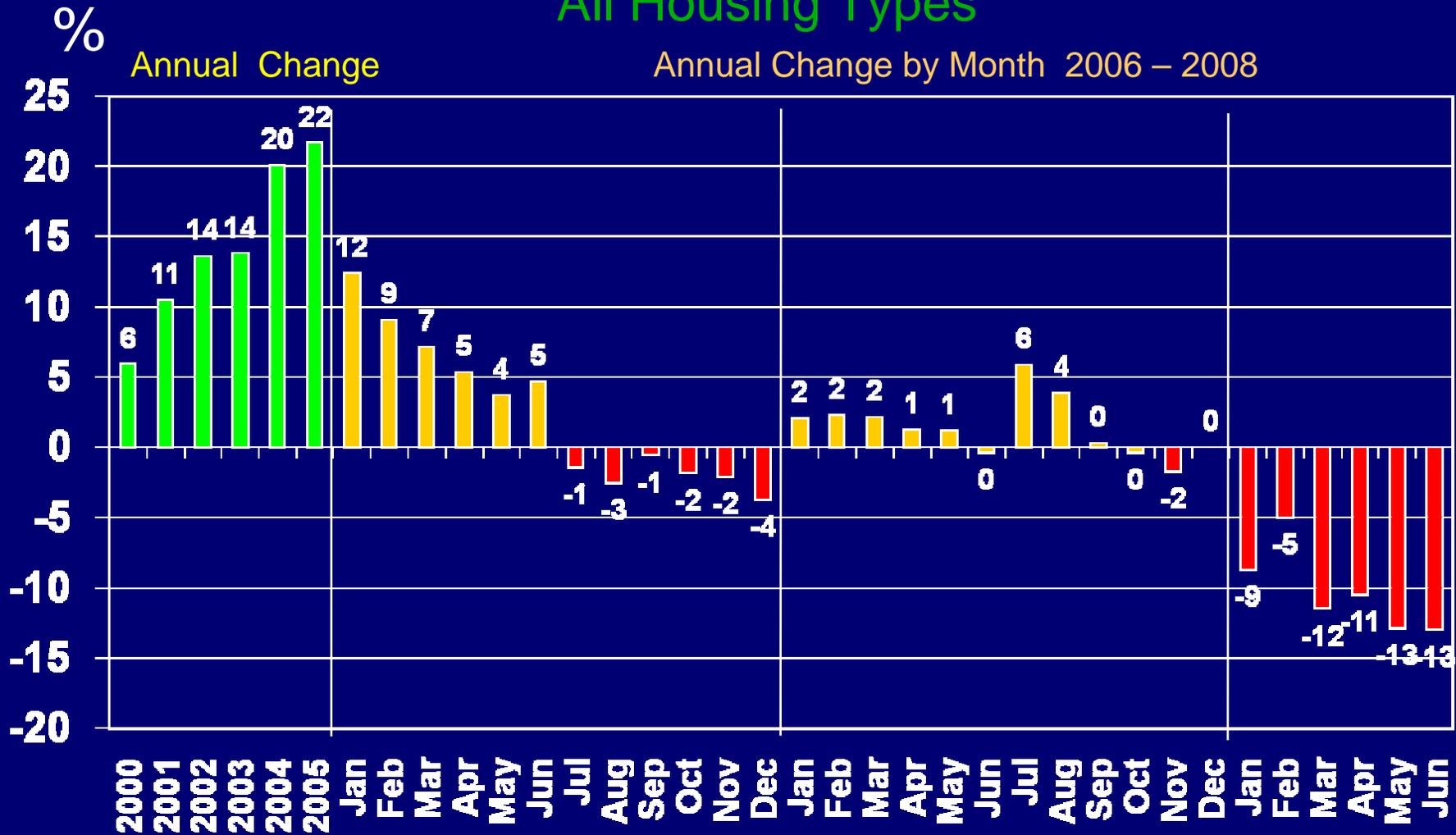
Source: MRIS, GMU Center for Regional Analysis

New Housing Contract Kick-Out Rate Washington MSA All Housing Types

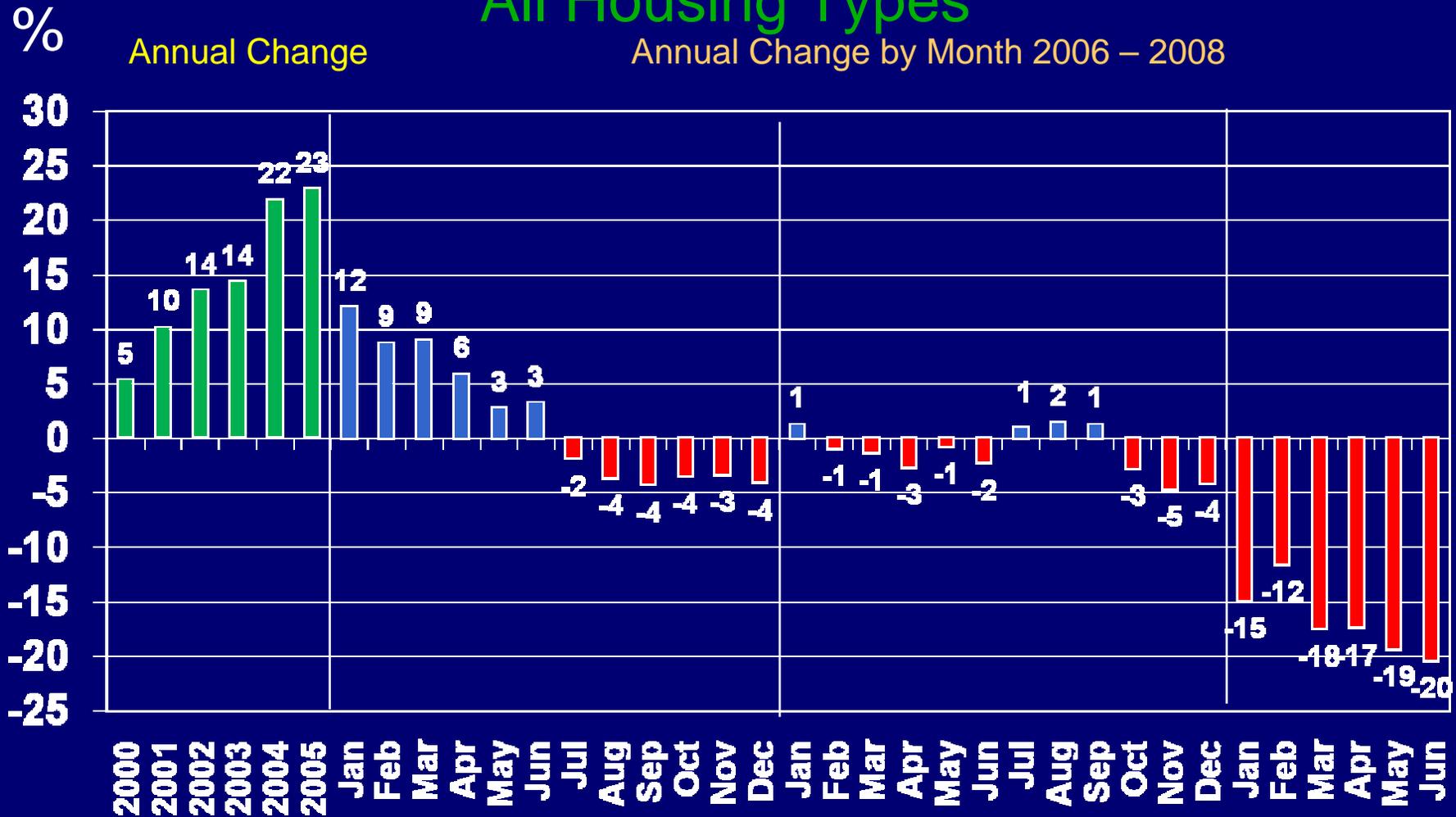


Average Sales Price Percent Change Washington MSA

All Housing Types



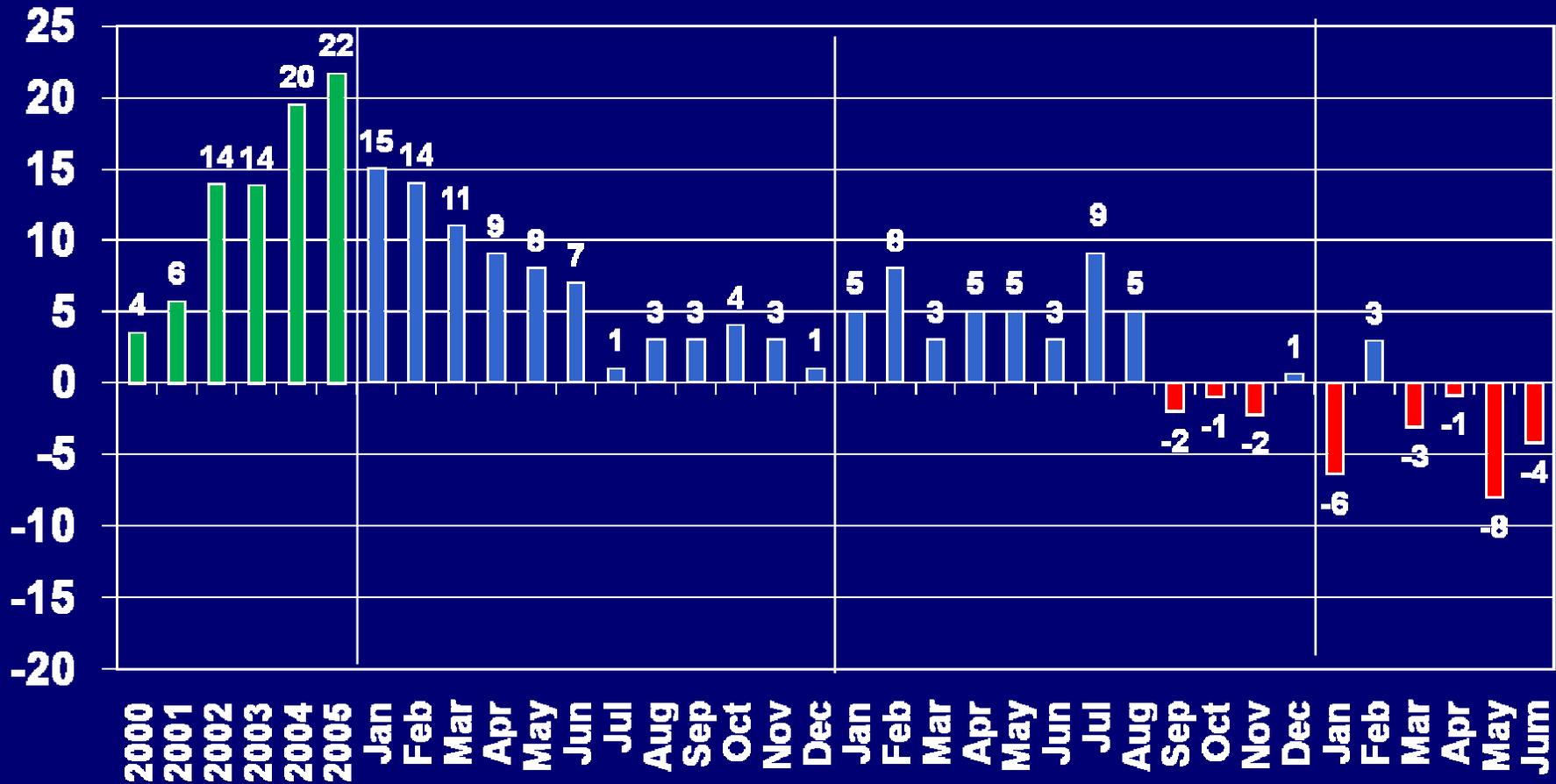
Average Sales Price Percent Change Northern Virginia All Housing Types



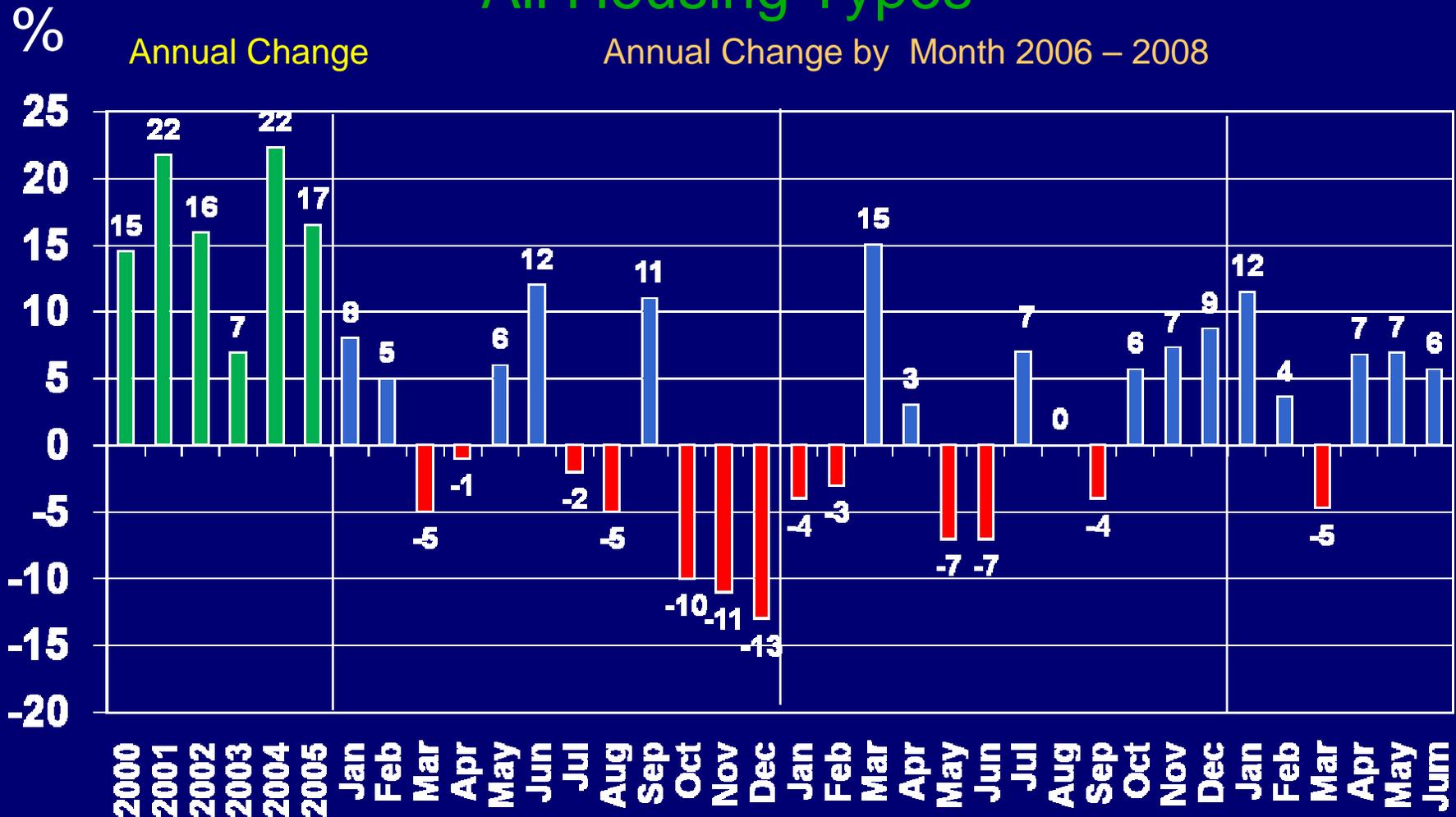
Average Sales Price Percent Change Suburban Maryland All Housing Types

% Annual Change

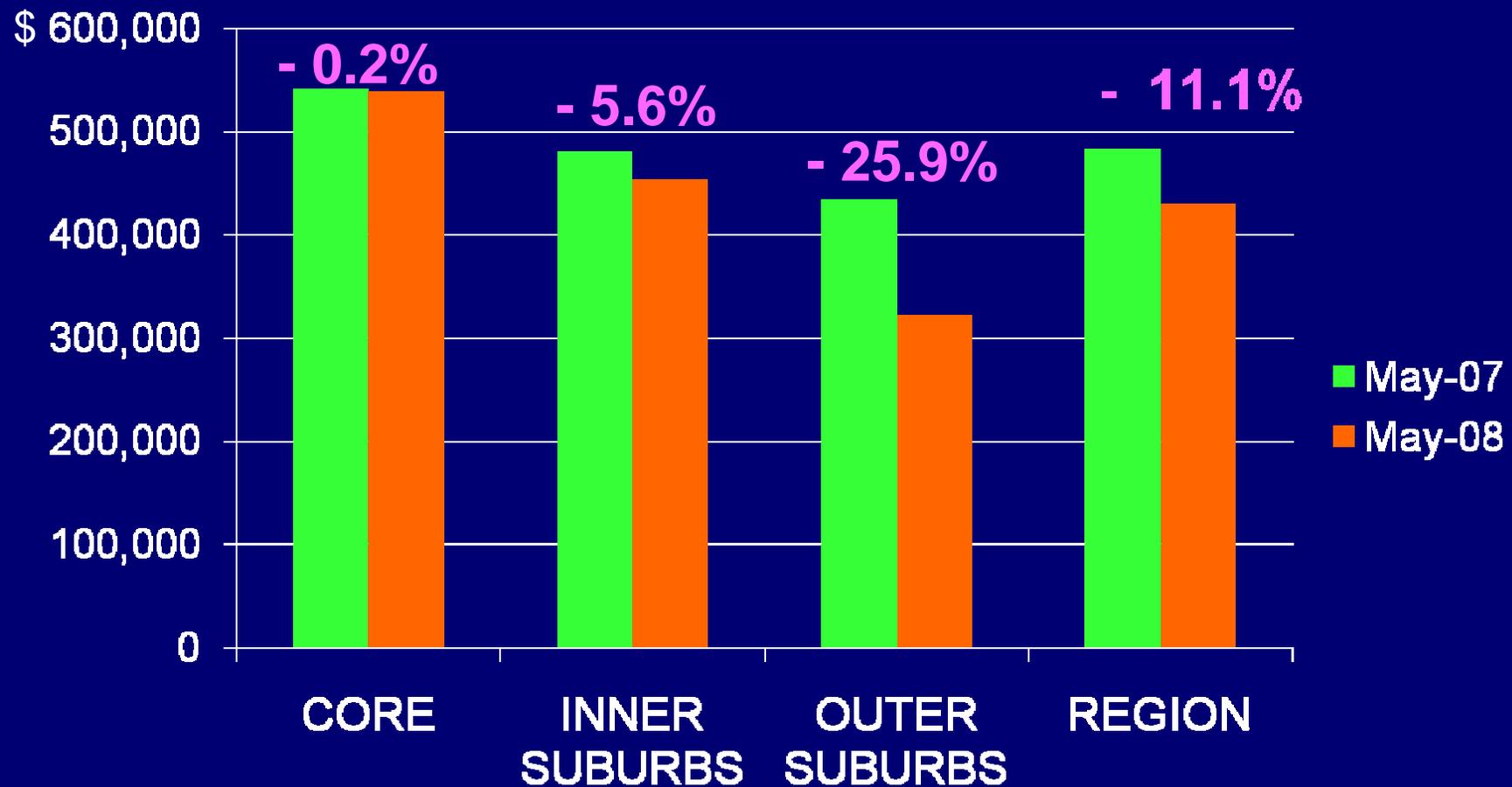
Annual Change by Month 2006 – 2008



Average Sales Price Percent Change District of Columbia All Housing Types

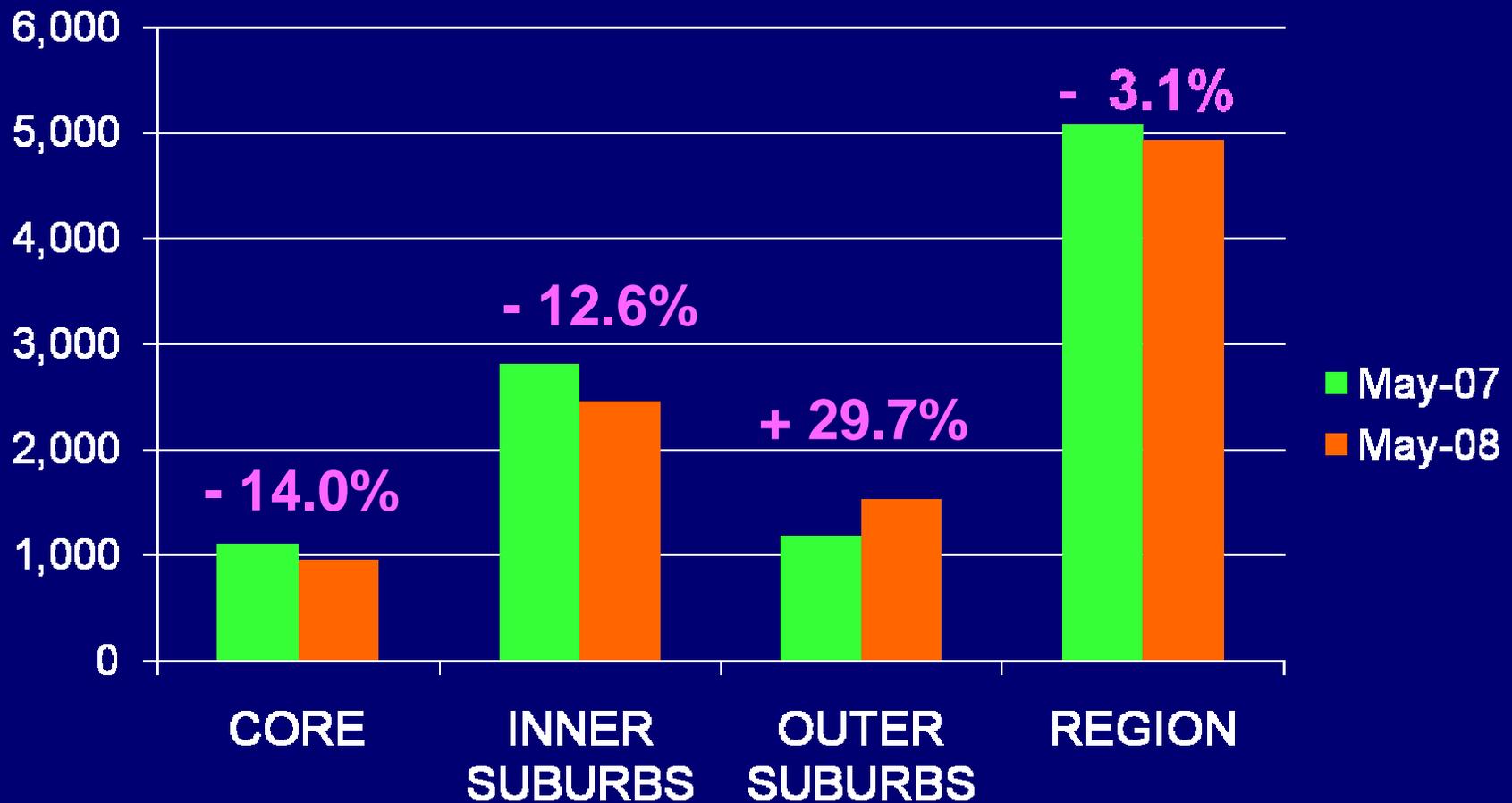


Existing Homes – Average Sales Prices May 2007 – May 2008



Source: MRIS, GMU Center for Regional Analysis

Existing Homes – Sales May 2007 – May 2008



Source: MRIS, GMU Center for Regional Analysis

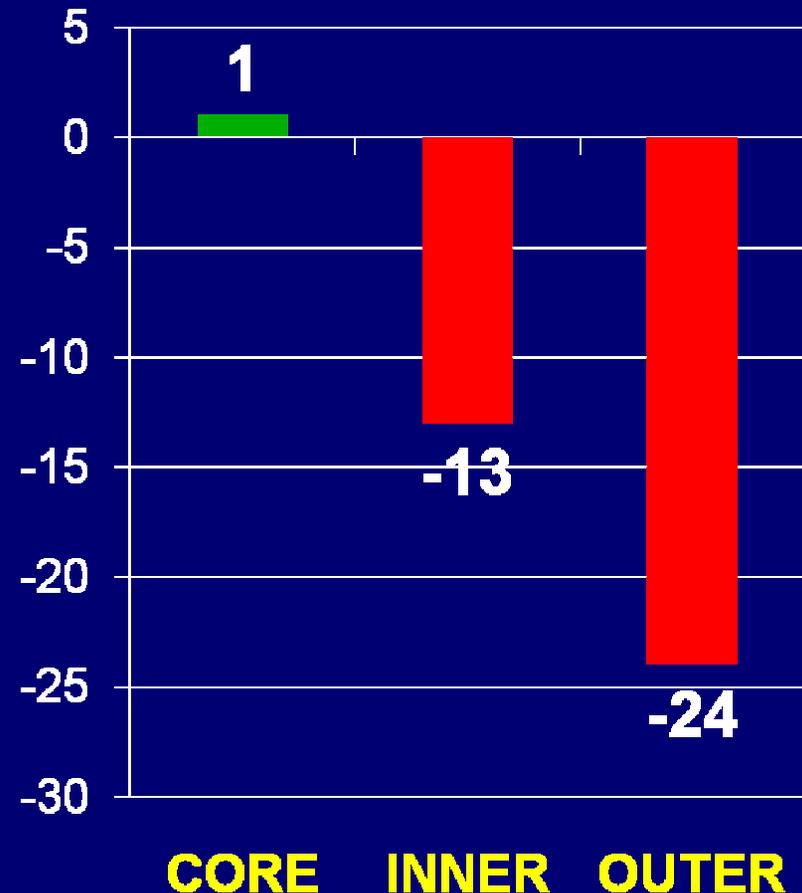
Foreclosures

Wide-reaching Impacts of the Foreclosure Situation

- Families and Households
- National and Local Economies
- Budgets of Local Jurisdictions
- Well-being of Neighborhoods
- Homeowners
- Potential Homebuyers

- Residential Real Estate Tax = 10-25-40%, DC-MD-VA, of Total Tax Revenue
- Assuming House Price Change of May 07 – May 08 = Change in Assessed Value
- Assuming All Else Constant

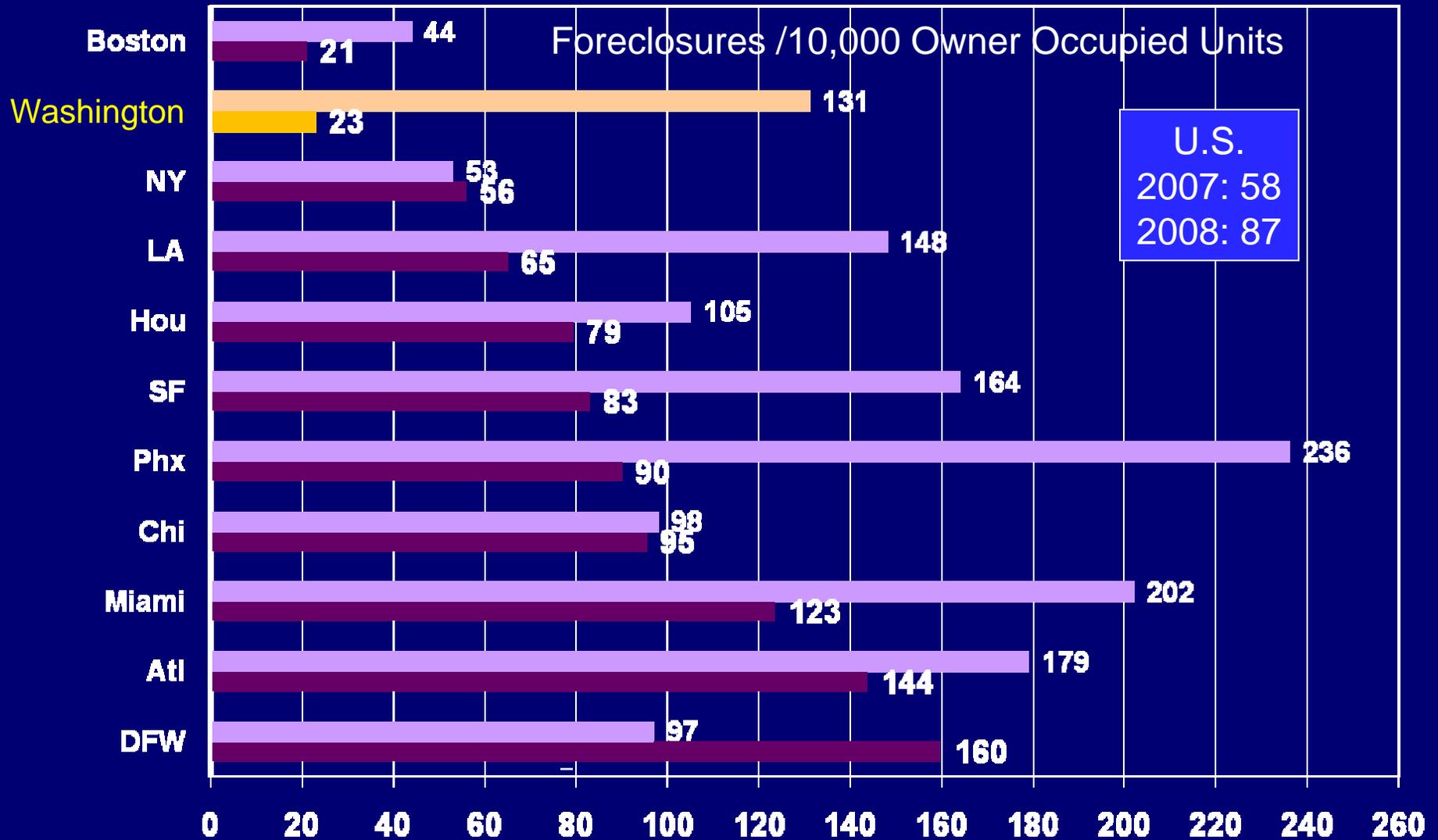
Projected Theoretical % Change in Residential RE Tax Revenues, 2007 - 2008



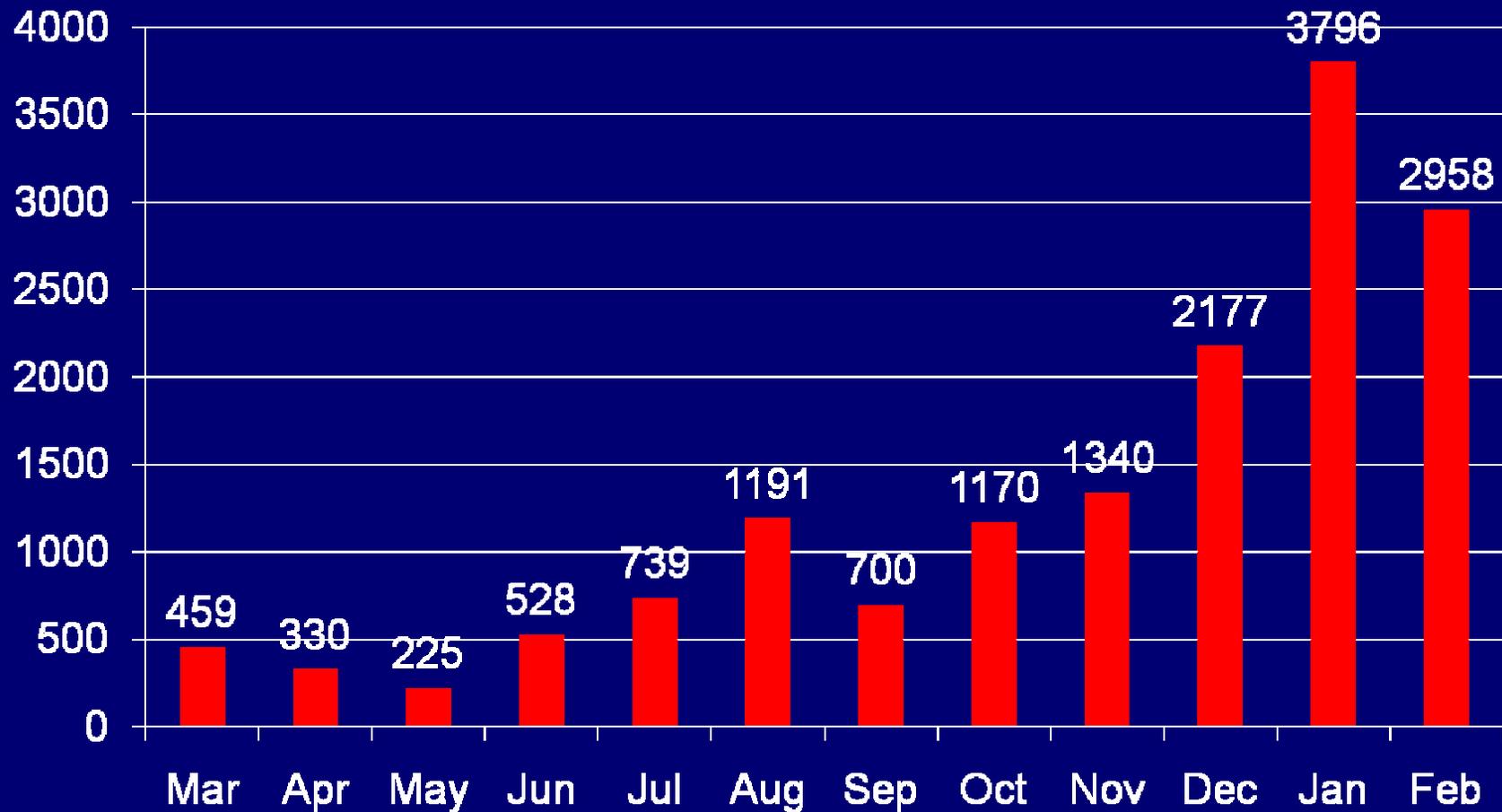
Metro Comparisons

Mortgage Foreclosure Rates

Q1 2007 and Q1 2008



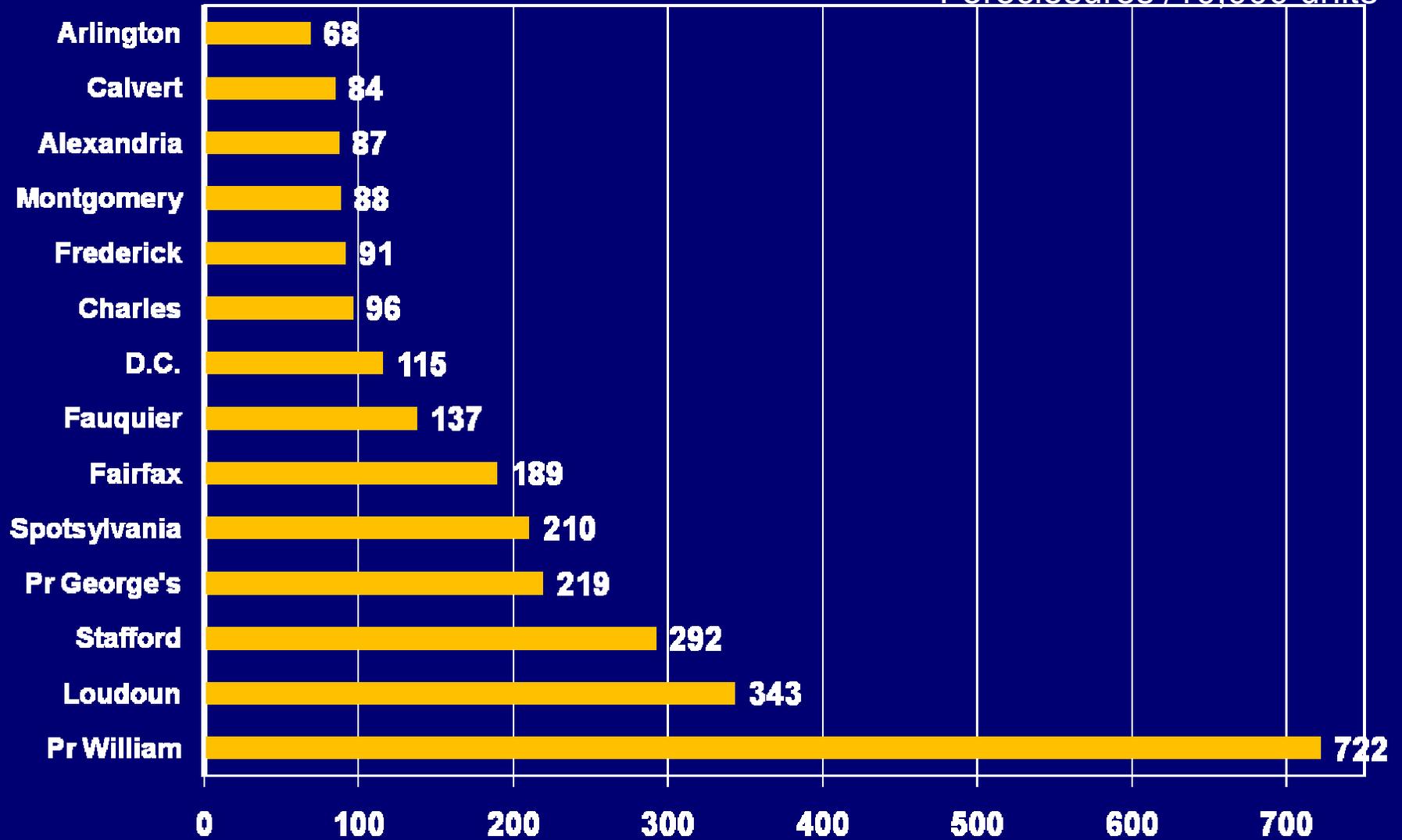
Foreclosures by Month March 2007 – February 2008 Washington Metropolitan Area



12 Month Total = 15,613

Mortgage Foreclosure Rates by County – April 30, 2008

Foreclosures /10,000 units



Foreclosure Situations - Historical

- Divorce
- Lost Job
- Economic Downturn
- Major Unexpected Expenses (e.g., medical)

And foreclosure rates were very small

Foreclosure Situations - Current

- Greater proportions of sub-prime loans
- Greater new home building activity
 - Purchase by speculators
 - Purchase by first-time/other home buyers using sub-prime mortgages and over-reached.

Refinancing also a phenomenon in which owners refinanced with a sub-prime mortgage, taking money out for other expenditures, and then prices dropped. Nationally this is estimated to be more than 1/2 of all foreclosures.

Foreclosure Activity

- Level of Foreclosures
- Concentrated or Dispersed
- Hot Spots
- Impending Hot Spots
- Potential Hot Spots

Foreclosure Activity by Jurisdiction

- High Level, Concentrated Activity
 - City of Manassass
- High Level, Dispersed Activity
 - District of Columbia, Prince William County, Loudoun County, Prince George's County
- Low Level, Concentrated Activity
 - Fairfax County, Arlington County, City of Alexandria, Montgomery County
- Low Level, Dispersed Activity
 - Frederick County

Foreclosure Activity by Neighborhood

- **Hot Spots:** neighborhoods where foreclosures were most heavily concentrated over the 12-month period
 - City of Manassas
 - Dale City
 - Gainesville/Bristow
 - Accokeek
- **Others:** Woodbridge, Fredericksburg, Leesburg, Upper Marlboro, New York Avenue, Columbia Pike, West End

Foreclosure Activity by Neighborhood

- **Impending Hot Spots:** neighborhoods where the number of foreclosures has spiked in recent months
 - Germantown
 - Centreville
 - Herndon
 - Alexandria (Fairfax County)

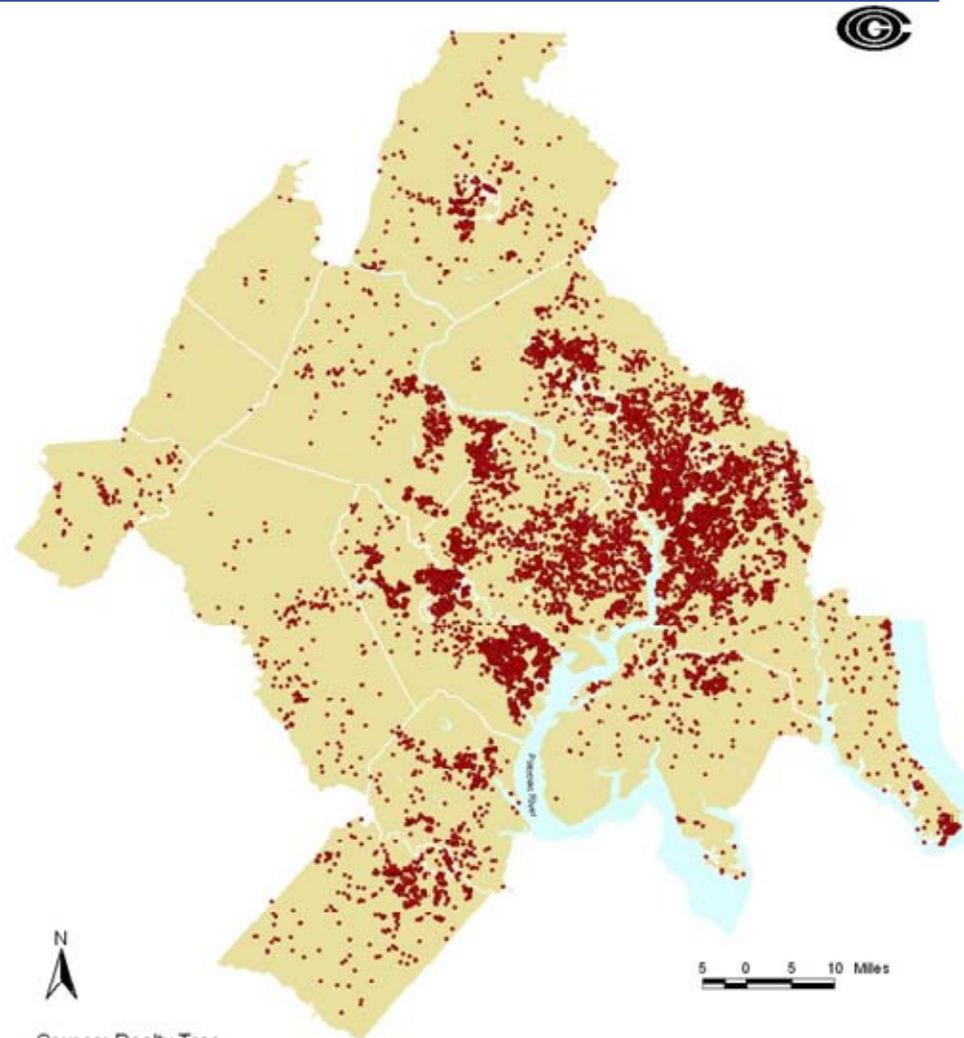
Foreclosure Activity by Neighborhood

- **Potential Hot Spots:** neighborhoods where foreclosure activity is relatively low but the housing market is in decline
 - Olney
 - Falls Church (Fairfax County)
 - Vienna
 - Adams Morgan

THE OUTLOOK

- Housing Market Continuing to Adjust
- Sub-Prime Mortgages Resets Ending Next Several Months
- ARMS Will Continue Longer
- Underlying Economic Fundamentals are Good
- Federal Policy Progress?
- Local Government and Non-Profit Assistance Programs Needed (1-2 yrs)

Foreclosures: Mar 07 – Feb 08



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