

10 best places for house bargains

ORLANDO, Fla. – Feb. 12, 2008 – The best place to get a bargain on a home is an area where there is healthy job growth and more houses available than people to buy them.

These are markets “where you have high inventories but pliable borrowers, with lenders willing to deal,” says Anthony Sanders, a professor of finance at Arizona State University.

Forbes magazine went looking for markets where the damage from risky lending hasn’t been as dramatic as in some parts of the country and where employment growth will burn off an over-abundance of inventory quickly.

Here are the magazine’s 10 best cities for bargain house hunters.

1. Salt Lake City, Utah. Developers have gotten ahead of the demand, but the city is adding jobs more quickly than practically any place else in the country.
2. Raleigh, N.C. Another place where building got ahead of the curve, but the economy is expanding quickly.
3. Orlando, Fla. This part of the state had fewer speculators than Miami and Tampa, and it’s adding jobs faster than those cities as well.
4. Charlotte, N.C. The financial industry is moving here, adding jobs, but the inventory of unsold homes is still significant.
5. Phoenix. This city had a high foreclosure rate, but the economy is growing and people are still moving here in large numbers.
6. Seattle. The city’s port has profited from the weak dollar, but the housing price growth has slowed.
7. Las Vegas. This market was hit hard by foreclosures, but the growing economy makes the huge inventory less toxic than it is many places.
8. Jacksonville, Fla. The foreclosure rate is slower than the rest of the Florida cities, making the large inventory likely to improve.
9. Richmond, Va. There is only one foreclosure per 1,103 households here (compared to 1 in 33 in Detroit). Still, there are plenty of homes on the market.
10. Houston. Homes in Houston have long been a bargain. While there have been plenty of foreclosures, the population and the economy are expanding.

Source: Forbes, Matt Woolsey (02/07/08)

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