Welcome, bjzeitzer@roipropertiesaz.com | Account | Email Alerts | Sign Out

Phoenix Business Journal - January 12, 2009
/phoenix/stories/2009/01/12/daily12.html

PHOENIX Business Journal

Monday, January 12, 2009

Hudson and Marshall, Real Estate Disposition Corp. to auction homes

Phoenix Business Journal - by Matt Culbertson

Hudson and Marshall will auction off nearly 600 foreclosed Phoenix-area homes in late January, continuing a trend of increasing auction activity amid the slumping housing market.

The homes, valued from $21,000 to almost $600,000, will be sold between Jan. 20 and Jan. 25 by the Texas company. In addition, Irvine, Calif.-based **Real Estate Disposition Corp.** looks to auction off more than 900 foreclosed homes in Phoenix, Tucson and other areas of Arizona between Jan. 24 and Jan 31.

Beth Jo Zeitzer, owner of the real estate brokerage firm R.O.I. Properties, said she has noticed an uptick in activity for a small segment of the housing market — properties valued below $70,000, usually in need of rehabilitation work.

“It looks like if we’re not at a bottom, we’re very close to a bottom in that specific segment,” she said. “I think we’re going to see very specific segments of the market recover.”

For instance, Zeitzer said, the next segment of homes to improve could be properties that are worth below $150,000.

Lenders are not getting good returns from auctions, Zeitzer said. Currently, she said, only about half of Phoenix-area houses going up for auction close, and those are auctioned for about 70 to 75 percent of their assessed value.

“We’re not seeing huge success with a lot of the auctions,” Zeitzer said. R.O.I. Properties will auction off about 10 homes this month with REDC, she said.

Her company sends about 5 percent of its assets to auction each month, while the rest are marketed on a retail basis.

While it is unclear how many housing auctions take place each month, there was a definite increase in housing auctions in mid-2008, said Jay Butler, Director of Realty Studies at ASU Polytechnic.

“You won’t see auctions much in a healthy market. You don’t need it,“ Butler said. “The traditional way of selling the home isn’t working, so you go to Plan B, which is an auction.”

In 2008, Phoenix home prices had an annual decline of 32.7 percent, according to S&P/Case Shiller Home Price Indices.

For those attending foreclosure auctions, Butler said he recommends checking on the physical condition of the home and the type of neighborhood it’s in, and not making bids above a set price.

Zeitzer said that in her more than 20 years of real estate experience, she has never seen a market more favorable to home buyers. “This is probably the best time to buy that I’ve ever seen in our market,“ she said.

For more on the January foreclosure auctions: www.hudsonandmarshall.com and www.ushomeauction.com.

All contents of this site © American City Business Journals Inc. All rights reserved.