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No Bottom to Housing Market Yet, Poll Says

According to a recent survey conducted by USA TODAY, 91% of the 55 economists involved believe that the housing market slump saw its lowest point last year.

Most predicted that the bottoming out will be seen sometime in 2007, with 42% forecasting housing will start to recover after the first half of the year, and 45% saying the market will take until the last half to start climbing out of the slump.

While the slowdown in the housing market has taken a toll on economic growth, overall the 2006 economy was healthy due to a tight job market and increasing wages. Many who feared that the housing crash would lead to a national recession have seen the market fall slower than expected, bolstered by historically low interest rates and an unusually warm winter home-buying season.

Still, one sign that the housing market may continue on its descent is the growing number of foreclosures around the country. As homebuyers face resetting adjustable rate mortgage (ARM) payments that they cannot make, more and more succumb to foreclosure, placing more homes on the already saturated market.

Plus, after years of skyrocketing home appreciation, and a market where housing has become simply unaffordable in many areas for the majority of the residents, there is likely more room for correction.