

State housing statistics bleak

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House foreclosures were up 127 percent in the commonwealth last year compared to 2007, [Austin J. Jaffe](#) said this afternoon. Jaffe is an economist for the Swatara Township-based [Pennsylvania Association Of Realtors](#) (PAR) and chair of Penn State University's [Smeal College Of Business](#)' Department of Insurance and Real Estate.

House sales also skidded 23 percent across the state and the average house price dropped 2.2 percent from 2007 to 2008. The average price of a house in Pennsylvania last year was \$195,500.

Pennsylvania has yet to bottom out, Jaffe said. As foreclosures spread and more businesses cut jobs, the situation is expected to get worse, he said. In December, the commonwealth had the 32nd highest number of foreclosures in the U.S.

The state's real estate market could start rebounding by the end of the year, but there will not be a rapid return to normalcy, Jaffe said. Foreclosures have to decrease and income-to-debt ratios must improve to trigger a rebound, he said.

The real estate market needs federal stimulus money, Jaffe said. But figuring out how to use those dollars is tough, he added.

PAR wants Congress and President Barack Obama to erase a rule attached to the \$7,500 house credit that was included in the last stimulus package, said Greg Herb, association president. Homeowners that received the credit have to repay the \$7,500. The federal government should not make homeowners pay back the credit, and the credit should be extended through the end of this year to help rejuvenate the market, Herb said.