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Counties in valley among best in state for housing affordability

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Home affordability has set a record in the Northern San Joaquin Valley.

Families can afford a higher percentage of homes in Stanislaus, Merced and San Joaquin counties than in any other region in California. And nearby Madera is the most affordable county in the state, data released Wednesday show.

In Stanislaus, for example, median-income families could afford 83.6 percent of the homes sold in April, May and June.

That's an amazing change from 2005, when the typical Stanislaus family could afford only 3 percent of the homes sold.

The National Association of Home Builders/Wells Fargo Housing Opportunity Index statistics demonstrate how the housing boom-then-bust cycle has altered the ability of regular folks to attain the American dream.

While the foreclosure crisis and plummeting prices have hurt homeowners, they've created more opportunities for first-time buyers.

"It's crazy. I'm only 22, and I bought a home," said Latosha DeHart of Modesto, who works for the U.S. Postal Service. "I never thought I would be able to do it."

But she and thousands of other first-time buyers landed great deals this spring.

DeHart paid \$110,000 for a three-bedroom, 1,366-square-foot home that had sold in 2006 for \$295,000. The previous owner defaulted on the mortgage, the bank foreclosed in the fall, then sold it to DeHart in April.

"Everybody is shocked when I tell them about it," said DeHart, whose monthly payment is \$850, including taxes and insurance. "Anybody really can buy a house now, as long as they have a job."

That's about right, according to some valley mortgage brokers.

"Someone making \$9 an hour at 40 hours per week can almost afford a home in the \$90,000 range, if they had no other debt," said John Anaya, a mortgage adviser at Century 21 Mortgage in Modesto.

While \$90,000 Stanislaus homes in a decent neighborhood aren't as easy to find this summer as they were this spring, Anaya said there are still some out there.

Median-priced homes in Stanislaus this spring sold for \$138,000, while the county's median-income family earned \$59,600 per year, according to the building association.

Anaya said families earning \$56,000 can afford to buy a \$150,000 home. Using a Federal Housing Administration-insured loan, Anaya said, the monthly payment for such a home would be less than \$1,100.

"I'm getting a lot of first-time buyers under 25 years old coming in for mortgages," Anaya said. He said many single adults, not just families, are able to qualify for mortgages, especially since first-time buyers can collect \$8,000 tax credits from the federal government.

Nationwide, 72.3 percent of the homes sold this spring were affordable to median-income families, which was down just slightly from earlier this year. U.S. families earned a median \$64,000, and homes sold for a median \$177,000 this spring.

In California, 62.7 percent of homes were affordable. Families in the state earned \$70,400, and homes sold for \$225,000.

While state and national affordability rates declined a bit, they continued to rise and set records throughout the



In this June 23, 2009 photo, a "sold" sign is seen on a home for sale in Los Angeles. A real estate group's report says sales of previously occupied homes rose 3.6 percent from May to June, the third consecutive monthly increase and a sign that a housing recovery is under way in much of the country. (Reed Saxon / The Associated Press) - -

Northern San Joaquin Valley.

In Merced, 84.3 percent of homes were affordable. Merced families earned \$50,400, and homes sold for \$110,000.

In San Joaquin, 80.7 percent of homes were affordable. San Joaquin families earned \$63,600, and homes sold for \$150,000.

Madera replaced Stanislaus as the most affordable California county this spring. Families there could afford 84.4 percent of homes. Madera families earned \$52,600, and homes sold for \$134,000.

The state's least affordable county was San Francisco, where median- income families could afford 26.9 percent of the homes. Families there earned \$96,800, and homes sold for \$580,000.

The nation's most affordable region was Kokomo, Ind., where 97.5 percent of homes were affordable. Families there earned \$61,800, and homes sold for \$79,000.

In determining which homes families can afford, the housing index assumes families spend 28 percent of their gross income on housing. That includes what must be paid toward principal and interest on a 30-year fixed-rate mortgage, and it assumes a 10 percent down payment.

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