



Signs of Change in the Nation's Foreclosure Capital

STOCKTON CALIFORNIA, FORECLOSURES, REAL ESTATE, REALTY, STOCKTON, FORCLOSURE CAPITAL, WORST FORECLOSURES IN THE US
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It's 6am in Stockton, and the sun rises again on a town I've been [visiting for three years](#) for one purpose: this is where housing cratered first and worst.

This community in California's Central Valley gave birth to the phrase "foreclosure brown" to describe the dead lawns at abandoned houses.

Things are still awful, but they are changing.

Instead of dead lawns and foreclosures, there are more green lawns and short sales.

Instead of people losing homes to the banks as balloon payments on their "liar loans" outpaced income, people are selling homes for less than the mortgage is worth with the bank's permission because they've lost their jobs.

So-called short sales are the norm, and often homes on the market don't even have "For Sale" signs up.

You don't want the neighbors to know you're forced to sell...better to do this discreetly online.

In the first quarter last year, [RealtyTrac](#) says 85 percent of all sales in Stockton's San Joaquin County were foreclosures. That has fallen to 68 percent. [DataQuick](#) says notices of default fell 43 percent in the second quarter.

The Stockton Record reports the median home price is around \$174,000, the highest in three years.

But sales have dried up with the end of the federal tax credit and one builder told me he still thinks prices will fall another five to ten percent.

With an unemployment rate of over 16 percent, and real unemployment estimated closer to 25 percent, Stockton faces a long, rough road ahead.

Here are three voices from the front lawns of the housing crisis.

Art Godi is a veteran realtor [describes in this video one house that went from short sale to foreclosure](#).

Stacy Marks is selling his home for less than he owes because he has to—he's got a new job in Oregon and has to move.

The house, bought new for \$140,000 in 1998, is now on the market for \$150,000, a gain of only \$10,000 over 12 years.

But as home values ballooned a few years back, he took out equity, and now he's upside down.

Finally, realtor Jack Mossman says just when he thinks he's seen it all, he's still surprised. [Here's his description of a short sale deal which is on the brink of falling apart](#).

Previous Coverage From Stockton:

[As Goes Stockton....Signs Of Hope And Fear In 'Foreclosure Central'](#)

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