

Poll: Would-be homebuyers cautious as layoffs rise

Survey finds more than half of potential homebuyers still skittish as layoffs mount

- By Alan Zibel, AP Real Estate Writer
- On Thursday July 9, 2009, 1:21 am EDT

WASHINGTON (AP) -- More than half of potential homebuyers say they're still not prepared to jump into the market, and fear of losing their jobs is the No. 1 reason, a new poll shows.

With unemployment at a 26-year-high and rising, nearly 53 percent of consumers who said they were planning to buy a home in the future cautioned they're not ready to take such a large financial step right now, according to the survey released Thursday by Realtor.com.

Nearly a third of potential homebuyers surveyed cited concern about their jobs as the main reason they would shy away from the housing market. Worries about selling their current home are stopping 16 percent of the prospective buyers surveyed, while just under 8 percent said they fear home prices will keep falling.

Americans recognize there are great deals to be had in the housing market, but many are in too much of a financial pinch at the moment to even think about buying.

"If I was able to buy, I'd definitely buy because this is the time to do it," said Mark Wells, 42, of West Chester, Ohio, who lost his job at FedEx Corp.'s freight division in February and has been looking for a job ever since. His wife makes \$8 an hour working at a day care.

Wells has been renting since he skirted foreclosure two years ago by negotiating a short sale, in which his lender agreed to accept less than the total balance due on the mortgage.

Among those consumers who are interested in buying, the survey found, some believe that prices aren't going to fall further and others are looking to take advantage of government incentives designed to kick-start sales.

Nearly one in five potential buyers said they were interested in a deeply discounted foreclosed home, while nearly 15 percent said they want to receive a new \$8,000 tax credit for first-time buyers or other state incentives. More than 15 percent said they don't expect prices will fall further, but many are still taking their time.

In Auburn, Mass., Chris Chaffee is looking for a lakeside vacation home for his family. Though there are many great deals on the market -- some properties that once sold for more than \$500,000 now listing for around \$300,000 -- he and his wife are in no hurry -- because they don't expect prices to rise dramatically.

"It's a great time to look around," said Chaffee, 39, who feels reasonably secure in his job selling medical equipment. Seeking a bargain, he said, "we're trying to keep our eyes open to any foreclosures."

While foreclosures dominate the housing market in parts of the country, two thirds of those surveyed said they'd be unlikely to buy a foreclosed property, primarily due to concerns about the often-slow process of closing the deal and the potentially high cost of repairs.

To many buyers, purchasing a foreclosure "feels a lot more complex" than other transactions, said Errol Samuelson, president of Realtor.com, an online real estate listing service.

The poll also found that Americans generally are skeptical about President Barack Obama's plan to alleviate the foreclosure crisis by giving the lending industry \$50 billion in incentives to lower borrowers' monthly payments. Only 28 percent of those surveyed said the plan is working, compared with 41 percent who said it isn't and 27 percent who didn't know.

The survey was conducted June 19-21 by research firm GfK and involved phone interviews with 1,004 randomly chosen adults. It had a margin of error of plus or minus 3 percentage points.

