



Housing Prices Plunge

Realtors say it's a buyer's market, but the significant supply of homes is just too much for the diminishing demand.

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One home in East Lansing has dropped \$12,000 over the past two months, and Realtor Jeff Thornton says the drop in prices is bringing in a whole new demographic of buyers.

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"Grad students that used to rent that are now coming in buying homes, because they're such great prices and they're going to be here four or five years," Thornton said.

Thornton says lower interest rates are also an added bonus, but what other factors are causing the drastic drops? □

"A lot of the decline in house prices is caused by the jump in foreclosures and people have been forced into a position where they need to sell their homes," said Cameron Van Wyngarden of Anderson Economic Group.

And Realtors say the plummeting housing prices mean buyers are picking and choosing among even more homes than usual.

"Instead of showing 10 to 12 homes I'm probably showing 16 to 20, they're not necessarily taking longer to search, we're just out looking at a few more homes, we're going out one extra time," Thornton said.

But if the deals are just too hot to handle, why are houses still on the market?

Van Wyngarden says tighter loan restrictions means just because it's a buyer's market doesn't mean, buyers are actually in the market for a home.

"It's going to be a lot of pressure on the seller's side to decrease prices and it makes it a buyer's market, but with not many buyers in the market right now, prices will continue to decrease," Van Wyngarden said.

"That's part of the problem, you see an over supply and an under demand," Thornton said.

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