

HOUSING

Foreclosure silver lining: Mantecans can now afford to buy a home

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Tony and Crystal Davenport once thought homeownership was something that might occur after 10 years or so of marriage — if that.

“Home prices in Manteca were between \$400,000 and \$500,000 when we first got together,” Crystal recalled.

This month the couple moved into their own home on Wedgewood Way in north Manteca. Their home is costing them \$40 a month more to buy that it did to rent a one-bedroom apartment

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HIME ROMERO/The Bulletin

First-time home buyers Tony and Crystal Davenport talk about their purchase Thursday evening while holding their dog “BeBe” in the living room of their new North Manteca home.

HOME

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for \$1,025 a month previously at Paseo Villas.

"There is a lot more space here than in our one bedroom apartment," Tony said as he walked through the 1,476-square-foot home that also has a two-car garage. "I can change my own oil or wash my car here. You couldn't do that at the apartments. I can have all our friends over instead of just a few at a time."

They are among an estimated 600 to 900 Manteca families in the past 13 months who have gone from renting to buying a home thanks to the affordability index that hasn't been this high since the early 1970s once income and housing prices are factored into the equation. There have been 1,296 resale homes sold in Manteca during the past 13 months with investors buying up what buyers who are looking to own to live in a home don't purchase.

Based on trends over the years, 2008 arguably was the best year for Manteca-based buyers in sheer numbers since the 1970s as both those buying to live in homes or buy them as an investment dominated the local market that up until the foreclosure crisis was comprised primarily of those coming out of the Bay Area with fatter paychecks.

Many of those taking the plunge are couples and individuals in their 20s who came of age believing buying a home in Manteca would be next to impossible for them to do. The



Tony and Crystal Davenport in the family room of their new home that is costing them just \$40 more a month to buy than it did to rent a one-bedroom apartment. Additional photo on page 1.

Davenports thought it was out of the question for them since they have a baby on the way and Crystal is going to school full-time in addition to a full-time job in retail.

"We didn't want to raise our baby in an apartment," Tony, 24, said.

Couple beats out another buyer

The couple started out in

December working with Realtor Tom Wilson after getting pre-approved for a loan up to \$180,000 on the strength of his full-time job with Turlock Irrigation District.

They made it clear that they wanted to leave wriggle room so things wouldn't be so tight that they'd have to be even more careful on how they spent money than they currently were.

That brought them to Wedgewood with a \$150,000 list price.

They would have preferred granite counter tops in the kitchen but they figure they will get that in time and do the work themselves for a lot less money. They ended up in a mini-bidding war. They made the offer on Christmas Eve only to have Wilson call them back to let them know there was another

pre-approved buyer but that buyer was maxed out.

"We ended up getting it for just \$500 more," Tony said.

To walk through their home, you'd have a hard time visualizing that it had been trashed as a foreclosure. They said neighbors told them that there were more than a dozen holes in the walls and that other things had been damaged. You couldn't tell that, though, after the bank

got through. The interior was painted, 6-inch baseboard put in place as well as crown molding throughout. Tony has already made improvements to one bathroom in the three-bedroom home and is ready to do the master suite bathroom next.

The Davenports quickly learned that finding the "ideal house" with desired bells and whistles for a low price wasn't realistic. One such home they were interested was available for less than the one they bought but by the time bidding got through it sold for tens of thousands more than they paid for their Wedgewood Way home.

Looking forward to paying off home

That's fine with Tony who said he's gotten "the new car thing" out of his system.

He noted by not going to the max of what they were approved for, they were able to buy things they needed for the house such as major appliances that they didn't have as renters.

"I'm looking forward to the day in 30 years when I don't have a housing payment," he said.

Tony said he liked the idea of not "writing a check at the first of the month to send money down a hole" and that instead they were buying something to call their own.

Tony and Crystal said one of the best things besides having a place of their own that they can improve as they wish is the fact they now know what their housing costs will be each month for the next 30 years instead of worrying about rent increases.

Buying a home with what seems to be non-stop bad economic news fed by cable TV channels didn't worry the couple.

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"I figured if I lost my job I'd find some way to feed my family and (make the mortgage payments) whether it is flipping burgers, driving a diesel or whatever I needed to do," Tony said.

Both Crystal and Tony think that anyone that is renting should check into buying as soon as possible noting that the current prices aren't going to last forever.

At the market's peak in 2006, the median housing price hit \$443,000 in Manteca or 7.1 times the city's household median income of \$62,000. Today's median selling price so far in 2009 is \$179,900 or 2.9 times the median household income.

It reflects a trend throughout California where just three years ago less than 29 percent of households could afford to buy based on housing prices. Today, that number who can afford to own their own home if they so chose has soared to over 53 percent thanks to falling prices triggered by the foreclosure mess.

He was particularly impressed with Wilson who at the outset told them that he had no worries about feeding his children or keeping a roof over his head if he didn't sell them a house.

"I liked hearing that," Tony said. "I don't like pushy people. He was upfront, no clouds, and no curtains."

Tony said Wilson was great at helping educate them about the market. He even stepped in and checked things such as wall sockets to get an idea of a house's electrical system's condition. He also interceded and got the bank to replace a dishwasher that was stolen while the home was in escrow and got the bank to make repairs to the garage door.

"That's pretty good since the home was being sold 'as is,'" Tony noted.

The couple appreciated their families who have helped them but especially Jeff and Tevani Liotard.

They said they have no regrets and aren't going to worry whether they bought too soon if prices even drop a little bit more.

"The home works for us," he said, noting they're happy with the deal, the tax advantages they're getting, and the fact they can start building their family.

"It felt good," Tony said when escrow closed on Jan. 29 and the keys to their own home were placed in their hands. "It felt real good."