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## FRANTIC BUILDERS SLASH HOME PRICES

The fire sale of the century is now under way in the real estate sector, with the prices of thousands of unsold new homes being slashed as much as \$100,000 from typical \$500,000 prices.

Homebuilders across the nation are scrambling to raise cash as their once-booming industry slides deeper into recession, leaving behind the ruins of scores of bankrupt firms.

One major homebuilder in the New York area, Hovnanian Homes, is fighting back the threat of ruin with a brave counterattack.

Hovnanian, the nation's sixth-largest builder, said yesterday it's launching its first-ever national ad campaign to promote a three-day sales blitz next weekend aimed at unloading dozens of unsold homes with as much as 17 percent markdowns.

A one-bedroom condo with a pool and spectacular Manhattan views - nestled on the New Jersey side of the Hudson River near Hoboken - will be reduced by \$44,000 from its \$500,000 price, enough savings to pay for a trendy Audi A6 or BMW.

A beachfront condo in North Wildwood, N.J., had its \$500,000 price slashed by \$106,000. And a \$1.6 million estate in Morris County, N.J., got lowered by nearly \$100,000.

"People are waiting for a big deal from this crisis, and we're going to give them the deal of the century," said Michael Skea, vice president of sales at Hovnanian, based in Red Bank, N.J.

Analysts said the 72-hour sale, which takes place Sept. 14-16 and can be conducted and financed online through Hovnanian's lending arm, is a last-ditch effort to improve cash flows after the fourth-straight quarter of losses.

Other struggling homebuilders are also setting up desperate fire sales later this fall. One of the latest companies in crisis is Atlanta-based Beazer Homes, which yesterday got a formal notice of default on \$1.38 billion in loans. Beazer said the notice is invalid.

Meanwhile, auctioneers are staging sales almost every weekend in major cities to unload vacant homes that have been foreclosed by banks.

One of the nation's biggest home auctioneers, Hudson & Marshall, is putting 700 homes on the block for a mega-auction next weekend in Detroit. Properties range from \$5,000 for small bungalows and fixer-uppers to \$600,000 four-bedroom custom homes.

"Banks are very anxious to find buyers, so the properties are going to auction below their list prices," said auctioneer Dave Webb.

"It's good news for buyers who got priced out of the home market in the past few years," said Webb, who's auctioned 40,000 foreclosed homes this year. "Now they have a chance to grab great deals."

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