

Local Market Monitor

Up From The Ruins?

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Editor's Note: Real estate market success is closely tied to job creation and a healthy economy.

Cities with industries that require intense physical labor, energy and transportation have lost large portions of their economies to overseas markets where people will do this often low-paying and mind-numbing work for less.

The United States is beginning to feel the downside of dependence on others for essential elements of our economy. Now there are attempts to retreat from dependence on offshore sources.

It is no surprise that markets with large manufacturing sectors have been poor bets for real estate investors for decades. Foreign competition has devastated one industry after another, from steel to apparel to cars.

Happily, all bad things come to an end. Now political attitudes are turning in favor of domestic production and housing prices for investment properties are at rock bottom. Perhaps the end of the national recession is the right time for real estate investors to take another look at the brighter economic prospects of those former manufacturing towns.

Local Market Monitor has pulled together a list of 10 manufacturing markets with good potential for investors. These are markets where they expect home prices to hit bottom soon, if they haven't already done so.

Local Market Monitor expects these markets to show a price increase in the 3 percent to 5 percent range by 2013. Most importantly, manufacturing jobs in these markets are increasing, providing the underpinning for higher housing values.



TOP 10 FORMER MANUFACTURING MARKETS
WITH POSITIVE PROJECTED GROWTH

	Market Areas	Job Growth in Manufacturing 2010	Change in Home Prices		
			2010 Actual	2011 Forecast	2013 Forecast
1	Lansing-East Lansing, MI	14.8 %	-4%	-1%	3%
2	Youngstown-Warren-Boardman, OH-PA	7.2 %	0	1%	4%
3	Fort Wayne, IN	4.3%	1%	2%	5%
4	Detroit-Livonia-Dearborn, MI	3.6%	-4%	1%	2%
5	Toledo, OH	3.6%	0	1%	4%
6	Flint, MI	2.1%	-7%	-2%	3%
7	Grand Rapids-Wyoming, MI	1.7%	0	3%	4%
8	San Antonio, TX	1.4%	-1%	-2%	3%
9	Modesto, CA	0.5%	-3%	1%	5%
10	Reading, PA	0.4%	0	0	4%

