



Calling All Home Buyers: How You Can Bag a Real Estate Bargain in 2011

'GMA' and Zillow.com Partner to Identify Top 10 Cities to Buy a Home

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Home values **have fallen 26 percent** since the market's peak in 2006 -- and as much as 50 percent in some areas. But if you have good credit and plan to buy a home and live there for at least 5 years, it can be a great time to bag a real estate bargain.

So GMA partnered with real estate web site Zillow.com to figure out the top 10 places to buy in 2011.

Zillow looked at four factors to determine the top 10.

Affordability: How many years of income does the median home cost? If the median home costs 2.5 years of salary that area gets a better rank than a city where a home costs 4.5 years of salary.

Unemployment: Zillow looked at areas with low unemployment, using that as a gauge of the health and stability of the local economy. Zillow also looked at the change in unemployment over the past year. This is used as a proxy for the "direction" that a local economy is moving. A city where the unemployment rate dropped 2 percent in the past year will rank better than a city that's had no change.

Foreclosures: Zillow also analyzed the percentage of homes in each marketplace that have fallen into foreclosure in the past 12 months. Of course, lower is better because it suggests that the local real estate market is healthier.

Price Increases: Zillow looked at areas that have seen an increase in home values over the past quarter and the past year.

Here are the Top 10 Best Places to Buy in 2011 after analyzing those four factors:

1. Utica, N.Y.
2. Oklahoma City, Okla.
3. Rochester, N.Y.
4. Pittsburgh, Pa.
5. Tulsa, Okla.
6. Albany, N.Y.
7. Lancaster, Pa.
8. Madison, Wis.
9. Green Bay, Wis.
10. Lincoln, Neb.



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Now here is more detail about each metro area and why Zillow considers it a healthy real estate market in which to buy:

1. Utica, N.Y.

Utica has the lowest foreclosure rate of any city Zillow looked at. The foreclosure rate there was almost nonexistent at .07 percent.

In addition, home prices are up 5 percent from year to year, compared to home values nationally, which are down.

You can get a house in Utica for about two years' worth of wages. The median home price is \$104,000, which means half of houses cost more than that, and half cost less.

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2. Oklahoma City, Okla.

Oklahoma City has a strong job market that's only getting better. And home values are improving, too, up 3 percent from 2009 to 2010. The median home price in Oklahoma City is \$117,800.

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3. Rochester, N.Y.

Rochester is an affordable market with a median home value of \$121,000. And here's an interesting stat: 91 percent of Rochester area homes sold for a gain in October 2010. That's an indicator of a healthy market. Compare that to 70 percent nationwide. Plus, the unemployment rate in Rochester is falling, down half a percent this past year.

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4. Pittsburgh, Pa.

What's interesting about Pittsburgh is that it is one of the few markets Zillow found where home values are increasing on not just a yearly basis, but on a quarterly basis. So they're climbing upward fast enough to see the progress in three-month chunks. In fact, Zillow discovered that half of homes there are increasing in value. Nationwide, only about a quarter of homes are going up in value. The median home price in Pittsburgh is \$110,300.

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5. Tulsa, Okla.

Tulsa is the most affordable housing market on the

top 10 list. It takes just 2.15 years of median income to purchase a home at the median value of \$112,300.

That is some good bang for your buck with a median value per square foot of \$73. Compare that to \$108 a square foot nationally.

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6. Albany, N.Y.

Albany's median home value is \$193,100. It's a stable real estate market. Home values in Albany have remained flat this year -- a good thing in times like these. Albany prices were down less than 1 percent at the end of the third quarter of 2010, the most recent quarter for which data is available. Albany also has a low rate of foreclosures, another good sign.

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7. Lancaster, Pa.

The median home value in Lancaster, Pa., is \$179,300. Home values are down slightly this year, nearly 3 percent, but Lancaster has a relatively strong economy and low foreclosure rate.

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8. Madison, Wis.

In Madison, average home prices went down from 2009 to 2010, but then went up in the third quarter of 2010, which means Madison real estate is showing encouraging signs that it could be close to a bottom. The median home price in Madison is \$206,700.

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