

# THE REAL DEAL

## U.S. housing prices haven't hit bottom and foreclosures will hamper economy for five years, experts say

September 28, 2011 09:00AM



Paul Ballew, chief economist of Nationwide Mutual Insurance, accompanied attorney **Adam Leitman Bailey** on CNBC yesterday to diagnose the state of the housing recovery. Each of their statements proved grimmer than the last. **Bailey** started by noting the three markets, the well-performing luxury market, the muddling lower market that could be damaged by the conforming loan limit and the foreclosure market, which he said may not be sorted through for another five years. Meanwhile, Ballew said housing prices have yet to hit bottom and it may not be until 2013 that they actually do. Housing will continue to drag on an overall recovery for at least five years, according to Ballew. Finally, **Bailey** ended the segment with perhaps the gloomiest statement of all: "I think that homeowners greatest investment, and the way they can retire on money, being housing is a dinosaur," he said. "We may not have appreciation or equity in our homes for 30 years."