REAL ESTATE

Less distress for Texas cities

■ They have smaller supply of homes at risk of foreclosure

NANCY SARNOFF

The Houston area has one of the lower supplies of distressed properties in the nation, according to a study released last week by real estate data firm CoreLogic.

In fact, markets with the smallest supply of homes at risk of foreclosure are all in Texas, a state that "largely bypassed the housing boom and subsequent bust," the report said.

Santa Ana, Calif.-based CoreLogic found that the highest levels of distressed supply are in Flordia, Michigan and California.

The Houston area had a 7.3-month supply.

Here are how the other Texas markets stacked up:

- Dallas — 6.7 months
- Fort Worth — 6.3 months
- San Antonio — 4.7 months
- Austin — 4.2 months

The news came in a report that was more troubling for the nation as a whole.

As of August, the overall inventory of so-called "shadow properties" hit 2.1 million units, or eight months of supply. That's up from a five-month supply a year earlier.

CoreLogic estimates shadow inventory, which is also called pending supply, by calculating the number of properties at least 90 days delinquent, in foreclosure and bank-owned that are not listed on Multiple Listing Services. The company considers six to seven months typically to be a normal amount of supply.

"The weak demand for housing is significantly increasing the risk of further price declines in the housing market," Mark Fleming, chief economist for CoreLogic, said in the report. "This is being exacerbated by a significant and growing shadow inventory that is likely to persist for some time due to the highly extended time-to-liquidation that servicers are currently experiencing."

Collaborating on hospital

A $25 million rehabilitation hospital will be under construction by next year in The Vintage, a north Houston development with shops, homes, a hotel and other health care facilities, including a St. Luke's Hospital set to open next month.

The 65,000-square-foot, 60-bed hospital will be a collaboration between Dallas-based hospital operator Reliant Hospital Partners and the Cirrus Group, a health care real estate development firm that's also Dallas-based.

The project, expected to be open in early 2012 near Texas 249 and Chasewood Park Drive, will be called Reliant Rehabilitation Hospital-Houston Northwest.

It will be the second joint venture between Reliant and Cirrus. The Cirrus Group also developed and owns a 60-bed Reliant-operated hospital in Dallas.

Reliant already runs one hospital in the Houston area — Reliant Rehabilitation Hospital-North Houston in Shenandoah.

The groups said the hospital could employ as many as 150 people once it reaches capacity in three years.

Auction in Montrose

Generally speaking, the days of being able to buy in Montrose for less than $200,000 have been gone since well before the last real estate boom. Even today, with Houston-area home sales declining and prices stressed, the popular neighborhood hasn't depreciated much.

For an hour next month, a property auction will test that notion.

On Dec. 12 at downtown's Hilton Americas-Houston, 19 condos will be up for sale in 510 Lovett. Starting bids will range from $75,000 to $200,000 on units previously priced from $189,900 to $469,900, according to Beverly Hills-based Kennedy Wilson, the company handling the 1 p.m. auction.

The condos range from one-bedroom, one-bath units with just over 1,000 square feet to two-bedroom, two-bath units twice as big.

The four-story brick, stucco and stone veneer building, which was built last year, even has a little pop culture history. It was the former site of legendary Houston rock radio station KLOL-FM.

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KENNEDY WILSON

ROCK VENEER, ROCK HISTORY: The condos at 510 Lovett stand on the former site of radio station KLOL-FM.

HOUSTON MORTGAGE MONITOR

INDIVIDUAL LENDER RATES

The mortgage interest rate list represents a sampling of rates as quoted by lenders in the Houston market on Friday. Rates, which may change on Monday, are for 90 percent loans and do not include origination fees. The numbers in parentheses after the rates are discount points. A point is equal to 1 percent of the loan amount.

Lender	15 yr loans up to $417K	30 yr loans up to $417K	15 yr loans over $417K	30 yr loans over $417K	Days Locked