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The Housing Crunch Hitting East Contra Costa Hard



EAST CONTRA COSTA Co, Calif. (KCBS) -- Residents in East Contra Costa County, which is considered the center of growth in the East Bay, are worried about what the next two years might bring for homeowners.

Foreclosures and delinquency notices have been making life miserable for many homeowners in east Contra Costa who thought they were riding the coat-tails of a booming housing market.

"It's true that Contra Costa is probably the worst region in the Bay Area," said economist Christopher Thornberg of Beacon Economics. "In a large part it's because of those new housing developments that have been forming here over the last few years."

He says that homeowners who are able to hold on to their investments will have to tighten their budgets.

"They will have to pull back on spending, which of course has general ramifications for the economy. It will spill into retail, wholesale and transportation," said Thornberg.

Housing prices in the East Bay are expected to slip 20 to 25 percent in the next few years.

(MGO)

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