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November 17, 2006

## A Phoenix housing bust: now whole subdivisions are in bankruptcy auction



I posted last week that [Frank Owens](#), a pivotal player in the Phoenix housing market, estimated that volumes for the major builders there would be halved next year compared to 2005 -- and I later noted that it would actually be the third- and fourth-tier home builders who are going to be fighting for survival.

A proof to the theory surfaced this week. Turner Dunn Homes had [filed for bankruptcy protection in the summer](#) -- after [stranding a pipeline with hundreds of homes in various stages of completion](#).

They'd promised buyers, sub-contractors and creditors they'd get their act together in four months. They failed. Instead, an

auctioneer is now liquidating ["FIVE" entire Turner Dunn subdivisions](#). The newspapers don't seem to have picked up on this yet.

A local agent, [Tracy Thompson, flagged this turn of events](#) -- and told me that she can't recall a builder collapse of this magnitude in the region during two decades in the real estate business. The subdivisions are in the vast Maricopa-Casa Grande "green field" south of the city of Phoenix. The tragic fallout of the saga is that [home buyers who put down deposits, former company employees and tradesmen may end up with cents on the dollars](#) that are owed to them -- if anything.

This area, by the way, is where John Wayne famously owned two ranches -- later purchased by [Mike Ingram, our November, 2005 cover subject](#) who made tens of millions dollars by banking raw land in Maricopa.

The Turner Dunn auction is scheduled for Dec. 14 in Phoenix's bankruptcy court. Presumably the assets will also include Turner Dunn's [domain name, which the trustee has apparently parked](#) to collect pennies from type-in traffic.

Posted by Paul Kaihla on November 17, 2006 at 05:31 PM in [Real estate, no additives or antibiotics](#) | [Permalink](#)

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The issues with Turner Dunn were in the paper months ago down her in Phoenix.

Posted by: [Kim](#) | [November 18, 2006 at 08:09 AM](#)

The entire situation is sad for all involved. I really feel for those who are living in a home in one of these subdivisions.

Kim, the issues with the builder have been in the paper but I believe Paul was referencing the fact the newspapers have not yet picked up on the Bankruptcy Auction.

Posted by: [Tracy Thompson](#) | [November 18, 2006 at 08:41 PM](#)

Kim, Tracy; that's exactly right.

I'm well aware that Arizona newspapers wrote about Turner Dunn filing for bankruptcy protection months ago: in fact, I linked to three of those stories in my post.

What they have not reported is that Turner Dunn's assets will now be liquidated in an auction on Dec. 14.

Posted by: [Paul](#) | [November 19, 2006 at 03:31 PM](#)

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