

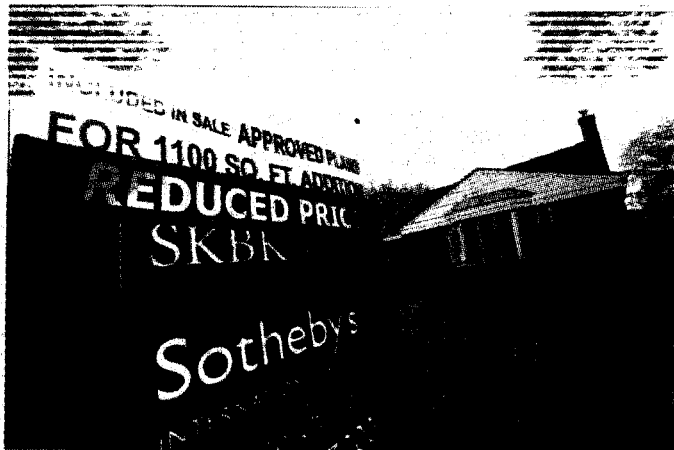
Business

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Section D

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New study finds higher home prices



DANIEL ACKER/Bloomberg News

The nationwide decline in home prices was the biggest drop in 17 years, a new federal report says. This home is in Birmingham, Mich.

3.76% rise in Dallas contrasts with 3.1% decline nationally

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Dallas-Fort Worth home prices are still edging higher, according to a new federal estimate.

The latest nationwide home price report from the Office of Federal Housing Enterprise Oversight conflicts with private industry statistics that show first-quarter home prices fell slightly in North

Texas.

Federal researchers say that overall, Dallas-area housing prices rose 3.76 percent in the first quarter compared with year-earlier levels. Prices were up 0.98 percent from the fourth quarter.

In Fort Worth, prices were up 2.59 percent from a year ago and down 0.22 percent from the end of 2007.

The D-FW gains compare with a 3.1 percent nationwide decline.

Substantial numbers of unsold homes on the market

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Study: D-FW home prices rose

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in many U.S. cities are dragging down real estate values, analysts said.

"The large overhang of real estate inventory awaiting sale continues to force price declines in many areas, but particularly in places that had seen very sharp appreciation in previous periods," the agency's chief economist, Patrick Lawler, said in the report.

But in the D-FW area, housing inventories have declined slightly from a year ago, which has reduced downward pressure on prices.

Dr. James Gaines, an economist with Texas A&M University's Real Estate Center, said "falling inventory is a major plus" for the Dallas-Fort Worth market.

Federal analysts said the nationwide decline in home prices was the biggest drop since they began collecting data 17 years ago.

Prices fell in 43 states.

The greatest declines were in California markets, including Merced (down 24.68 percent), Stockton (down 21.51 percent) and Modesto (down 20.96 percent).

Texas cities significantly outperformed most of the nation.

Austin had the fourth-highest annual price increase in the country — up 7.74 percent.

Statewide prices were up 4.7 percent, according to the federal researchers.

Unlike other housing value measures, the agency index doesn't count all homes.



AMY SANCETTA/The Associated Press

Many U.S. cities have a lot of unsold homes on the market, pushing prices down, analysts said. This home is in Moreland Hills, Ohio.

It is a weighted, seasonally adjusted measure of home prices based on data received from Freddie Mac and Fannie Mae, the government-sponsored mortgage investors.

It doesn't include information on the most expensive homes, priced above \$417,000. And it includes information from both home purchases and refinancings.

Real estate analysts say tight financing for higher-priced housing — not counted in the report — has caused a sharp downturn in that sector.

According to the National Association of Realtors, median home prices in the D-FW area fell 2.1 percent in the first quarter from a year ago.

And local statistics from the North Texas Real Estate Information Systems and Texas A&M University's Real Estate Center show that pre-owned home prices here are down 1 percent through April compared with the same period last year.

Existing-home price changes

Estimated median home price changes for the first quarter of 2008 compared with the same quarter of the previous year and change from the fourth quarter:

BIGGEST INCREASES

| City | Change from last year | Change from Q4 |
|-----------------------|-----------------------|----------------|
| Houma-Bayou Cane, La. | ▲ 11.22% | ▲ 1.01% |
| Grand Junction, Colo. | ▲ 9.08% | ▲ 0.14% |
| Wentzlee, Wash. | ▲ 8.02% | ▼ 0.10% |
| Austin | ▲ 7.74% | ▲ 2.33% |
| Billings, Mont. | ▲ 7.09% | ▲ 1.13% |

BIGGEST DECLINES

| City | Change from last year | Change from Q4 |
|-----------------------------|-----------------------|----------------|
| Merced, Calif. | ▼ 24.68% | ▼ 7.93% |
| Stockton, Calif. | ▼ 21.51% | ▼ 8.66% |
| Modesto, Calif. | ▼ 20.96% | ▼ 8.46% |
| Naples, Fla. | ▼ 18.67% | ▼ 7.76% |
| Cape Coral-Fort Myers, Fla. | ▼ 17.45% | ▼ 6.14% |
| U.S. | ▼ 3.1% | ▼ 1.7% |

TEXAS CITIES

| City | Change from last year | Change from Q4 |
|----------------------|-----------------------|----------------|
| Amarillo | ▲ 4.93% | ▲ 0.75% |
| Beaumont-Port Arthur | ▲ 6.29% | ▲ 0.49% |
| Corpus Christi | ▲ 2.36% | ▼ 0.36% |
| Dallas | ▲ 3.76% | ▲ 0.98% |
| Fort Worth | ▲ 2.59% | ▼ 0.22% |
| El Paso | ▲ 6.29% | ▲ 1.62% |
| Houston | ▲ 4.38% | ▲ 1.25% |
| San Antonio | ▲ 3.47% | ▼ 0.86% |

SOURCE: Office of Federal Housing Enterprise Oversight