



D-FW home prices are unlikely to fall, study says

11:39 PM CDT on Tuesday, October 9, 2007

By **STEVE BROWN** / The Dallas Morning News
stevebrown@dallasnews.com

Dallas-Fort Worth continues to rate as one of the most stable markets in the country for home values.

A study released Tuesday by home mortgage insurer PMI Group predicts there is less than a 10 percent chance D-FW prices will fall during the next two years. Nationwide, the odds are more than 30 percent of a decrease in home prices.

The mortgage insurance company, based in Walnut Creek, Calif., analyzes housing price trends in 50 U.S. metropolitan areas for its quarterly report.

Major Texas cities in the study are considered among the least likely in the country to see home price declines.

California, Nevada and Florida housing markets got red flags. Riverside, Calif., Las Vegas, Santa Ana, Calif., and Phoenix are considered the most high-risk markets, with more than a 50 percent chance of falling home prices during the next two years.

Prices have already begun to slide in some of these areas, while North Texas' housing market is seeing small overall home price gains.

"If you look at the Texas cities, you have seen very low price volatility," said PMI chief risk officer Mark Milner. "Home prices in Texas didn't skyrocket" the way they did in many other U.S. cities.

Through the first nine months of 2007, North Texas pre-owned home prices are up 1 percent.

"There has been very little change in your price appreciation," he said. "Affordability remains really strong, and the local employment situation remains strong."

Mr. Milner said that subprime mortgages – which dominated many high-price coastal communities – also weren't as big a factor in Texas. Many of those loans are now winding up in foreclosure.

While foreclosures have risen dramatically in Dallas-Fort Worth in recent years, Mr. Milner said it's too early to predict how this will affect home values.

"Those are certainly statistics to watch for," he said.

HOW RISKY IS THE HOUSING MARKET?

Markets with the most and least risk of a home price decline, based on price appreciation, economic

growth and affordability according to PMI Group, one of the country's largest mortgage insurance firms. An index of 500 means there is a 50 percent chance of home prices falling in the next two years.

MOST RISKY

Riverside-San Bernardino, Calif.	608
Las Vegas-Paradise	587
Santa Ana-Anaheim-Irvine, Calif.	579
Phoenix-Mesa-Scottsdale	575
Los Angeles-Long Beach-Glendale	536

LEAST RISKY

Pittsburgh	85
Fort Worth-Arlington	89
Houston-Sugar Land-Baytown	94
Dallas-Plano-Irving	95
Indianapolis-Carmel, Ind.	101

SOURCE: PMI Group