



Analysts see Metroplex boom, despite housing gloom

BY JOHN-LAURENT TRONCHE

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The Metroplex can expect sunny skies for years to come, even while other states experience the clouds of depreciating home values brought on by the subprime lending mortgage crisis.

Texas' slower home appreciation rate and a continued, global interest in the state as a place for business contribute to the Dallas-Fort Worth area's evading of a housing crisis, according to real estate groups.

"With the influx of population into the Metroplex, people have to have homes," said Sherry Matina, CEO of the Greater Fort Worth Association of Realtors. "Different Metropolitan areas around the country have had their day in the sun, we are having ours now. We've waited a long time for it."

Unlike many other parts of the country, the Dallas-Fort Worth area has not become saturated with too many homes because companies continue to seek out the Dallas-Fort Worth area, Matina said. Those companies, she said, bring jobs and people, who eventually become homebuyers.

The Dallas-Fort Worth area experienced a 7 percent drop in units sold from last year for the January to October period, said John Holley, CEO of the North Texas Real Estate Information System. At last count, 74,918 units had been sold, contributing more than \$16 billion to the economy, but Holley stressed those numbers will change as information is continually updated and revised. 80,338 units were sold during the same time last year.

Despite the drop, Holley said he isn't seeing a "slump here in the Metroplex or anywhere else in Texas," adding the dip is just part of the "cyclical" nature of real estate.

"The Texas economy remains very strong and the Metroplex remains very strong," Holley said.

Local real estate companies echo that sentiment.

"Last year, 2006, was the best real estate market Dallas-Fort Worth has ever had," said Sue Meyer, Coldwell Banker Dallas/Fort Worth president. "This year will be the second-best. How could you call that a slump?"

Like Matina, Holley said Texas' business-friendly approach to industry helps stabilize our

economy during tough times, and ensures the state and Metroplex see increasing property value.

“We continue to see fair home appreciation although our levels remain in the single-digit mode,” Holley said, “maybe that’s why we never see the value changes as they do in California, Nevada and Florida. Their pendulum may tend to swing a little bit further than ours back home.”

Additionally, Texas’ appreciation rates over the past 10 years have never gone out of control, Matina said, usually hovering between the 4 percent and 6 percent range.

“There have been other parts of the country that have experienced double-digit inflation over the last 10 to 15 years, and we never have,” Matina said. “Ours has been in the 6 percent range – very low inflation rate. And so now, as those areas fall value-wise, we are

not only staying constant but seeing appreciation.”

The average price of those units sold so far this year is \$201,070, a 4.4 percent increase over the 2006 average price tag of \$192,582.

Fort Worth’s conservative nature should spare the city from significant housing troubles, said Marshall Boyd, a partner at Fort Worth-based Williams Trew Real Estate Services.

“There has been no great peak, which means there will be no great valley,” Boyd said, citing the latest PMI Mortgage Insurance Co. risk index report.

The Fall 2007 report from PMI Mortgage ranked Fort Worth/Arlington second-to-last, just above Pittsburgh, in terms of susceptibility to market depreciation on the group’s list of the 50 largest metropolitan areas. The San Bernardino, Calif., area ranked No. 1.

“The market’s changing tide doesn’t necessarily mean it is a bad time to buy or own a house, but it is a reminder that homeownership is a long-term investment,” Mark F. Milner, chief risk officer of PMI Mortgage Insurance Co., said in the report. “People who are considering buying, as well as those who already own, need to take the long-term view.”

Despite the all-around rosy picture, Matina said “there are pockets of Tarrant County where the foreclosure rates were very high, but that really doesn’t happen that much in the inner city. It’s usually outlying areas of brand-new construction.”

First-time homebuyers who never should have qualified for loans, as well as out-of-state investors, are the victims of foreclosures in those areas, she said.

Still, many agree a booming population and steady inflation rates will keep the state and Metroplex comfortable for years to come.

“The Metroplex and Dubai seem to be where all the interest is,” Matina joked.

Contact Tronche at jtronche@bizpress.net

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