



November 2007 Newsletter



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Area's Home Sales a Mixed Bag

While many see modest price increase, total sales drop in 30 of 45 areas

Dallas Morning News October 19, 2007

By Steve Brown

Most Dallas area neighborhoods continue to see modest price growth during the first nine months of 2007. On average, median house sale prices in North Texas are up a scant 1% so far this year, according to statistics from the North Texas Real Estate Information System. But some residential areas have experienced soaring prices—including North Dallas, where prices are up 21% this year.

Demand for close-in residential properties has pushed prices higher in many neighborhoods, said Mary Frances Burlison, president of Ebby Halliday Realtors. "People are valuing their time in the lifestyle those neighborhoods offer," Ms. Burlison said. "The price of gasoline has gone up," she said. "If you work downtown or along the tollway and LBJ, it's a piece of cake to commute from North Dallas."

Other close-in residential districts in East Dallas and the Park Cities have also had significant home price growth this year. But citywide home sales have trended downward in 2007. More than 30 of the 45 residential areas the Dallas Morning News tracks have had declines in home sales this year. The biggest declines have been in Coppell—where listings are low—and Westlake, which has almost an eight-month supply of homes on the market. Citywide, there is about a 6.5 month supply of pre-owned homes for sale.

Real estate agents say that sales of moderate to low-priced houses has declined because of turmoil in the mortgage markets. Many buyers who relied on subprime loans are now out of the market. "It has lowered our sales some, and some of the people can't get in," said Al Herron of Century 21 Galloway-Herron Realtors. "But it's going to be good for the housing market in the long run".

Mr. Herron said many of the former subprime borrowers are now getting loans from the Federal Housing Administration. Even with the decline in sales this year, economists give Dallas area housing markets high marks.

Dr. James Gaines of Texas A&M University's Real Estate Center said, that while the local housing market may be somewhat slower, the market is still, relatively speaking, strong."

The economy is still doing well, employment is still growing, there are people moving to the D-FW area in fairly large numbers," Dr.

"Gaines said. "And there is plenty of mortgage money available, but not under the ridiculously easy standards of the past several years.

D-FW Home Prices Stable, Study Says

Dallas Morning News October 10, 2007

By Steve Brown

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., 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.

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