

## Home sales indexes show mixed bag for Dallas-Fort Worth

By **STEVE BROWN** / The Dallas Morning News

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So whom do you believe?

Dallas-area home prices were down 4.3 percent in the fourth quarter of 2008 from a year earlier, according to the latest Standard & Poor's/Case-Shiller Home Price Index.

But just minutes after Case-Shiller disclosed its estimates for the area Tuesday morning, home market analysts at the Federal Housing Finance Agency said prices in the Dallas area were up 1.86 percent in the fourth quarter compared with a year ago.

Two weeks ago, another closely watched report from the National Association of Realtors said area home prices were down 4.8 percent percent in the fourth quarter.

No wonder local homeowners – and economists – are scratching their heads over the flurry of year-end housing market studies that rarely agree.

Of five recent home price studies, three have shown small declines, while two other reports suggest home values in the area may have inched up.

"I would suggest looking at all of them and reporting the range," said Dr. James Gaines, an economist with Texas A&M University's Real Estate Center. "Typically, they move in the same general direction.

"And when they don't – as now – the obvious conclusion is that overall, the market is flat, say plus or minus a couple of percentage points."

In the Case-Shiller index's just-released price report, Dallas' decline was steeper than in previous monthly reports. But it was still just a fraction of the record overall 18.5 percent drop in the 20 U.S. markets that Case-Shiller surveys.

"The broad downturn in the residential real estate market continues," Standard & Poor's David M. Blitzer said in the report. "There are very few, if any, pockets of turnaround that one can see in the data.

"Most of the nation appears to remain on a downward path, with all of the 20 metro areas reporting annual declines."

And eight of the markets Case-Shiller compared had more than a 20 percent drop in December prices compared with a year earlier.

Denver and Dallas were the only home markets that saw prices drop less than 5 percent.

The largest year-end plunges in price were recorded in Phoenix, down 34 percent; Las Vegas, down 33 percent; and San Francisco, where prices were off 31.2 percent, according to Case-Shiller's closely watched index.

Standard & Poor's analysts said that Dallas is now down "a relatively mild 8.6 percent from its peak in June 2007."

The Case-Shiller survey tracks over time the prices of specific single-family homes in each metropolitan area. The survey does not include condominiums and townhouses, and it only covers pre-owned properties – no new construction.

David Berson, an economist with California-based mortgage insurance firm PMI Group, said the Case-Shiller index is a "broader measure" of local home values.

"The Federal Housing Finance Agency index is a better measure of the change in values for prime conventional conforming loans," Berson said.

The FHFA price index includes only homes financed by government-owned agencies, including Fannie Mae and Freddie Mac.

Nationwide, the FHFA index was down 3.4 percent.

"Price declines continued in the fourth quarter, although not as rapidly as some had expected," said FHFA Director James B. Lockhart said in a statement.

Two other year-end home price studies by the National Association of Realtors and the North Texas Real Estate Information System showed that home prices here at the end of 2008 were down 3 percent to almost 5 percent.

Those home value measures use the median prices of homes sold through local multiple listing services. So they do not include some foreclosed houses that are resold at auction or homes sold without an agent.

Some of the differences in the price indexes have to do with how the researchers define the market geographically, said Dallas appraiser Chuck Dannis.

The monthly data from the North Texas Real Estate Information System includes home sales in more than two dozen counties.

"That doesn't really portray our local housing market at all, in my opinion," Dannis said.

With much of the country suffering through the worst housing sector downturn in generations, the losses in D-FW home values are shown to be relatively mild in some studies, said Dallas housing analyst Ted Wilson.

"The main point is that housing inventory in D-FW remains fairly balanced for both new and existing homes," said Wilson, with Residential Strategies Inc. "This balance has kept housing prices relatively stable, regardless of which index you follow."

Even when the numbers don't line up, economists are happy to have the information.

"No measure is perfect, and each has its benefits and limitations," said D'Ann Petersen, a business economist with the Federal Reserve Bank of Dallas. "But really, even though it may be overwhelming at times, more information is usually better than less information."

## **FEUDING FIGURES**

Year-end 2008 estimates of North Texas home prices were all over the place. Analysts say the differences in the home price indexes is usually because they measure changes in home values differently or count only certain types of properties in the estimates.

**S&P/Case-Shiller Index:** Down 4.3%

**Federal Housing Finance Agency:** Up 1.86%

**First American CoreLogic:** Up 1.92%

**National Association of Realtors:** Down 4.8%

**North Texas Real Estate Information System:** Down 3%