

Report: Dallas-Fort Worth won't see big home price declines

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While North Texas' housing market decline has accelerated in recent months, analysts are still betting that the Dallas-Fort Worth area won't see measurable price declines.

Indeed, the latest report from mortgage insurance firm PMI Group says that D-FW is one of the last places in the country likely to see a drop in home prices during the next couple of years.

There's less than a 1 percent chance that home prices will fall here, according to PMI's spring risk index report, which was released Thursday.

At the same time, PMI says that 13 of the nation's top housing markets have more than a 60 percent likelihood of home price declines.

The cities with the biggest price risks are in California, Florida, Nevada and Arizona, and in most cases are already experiencing sharp home price declines.

"Excess supply is responsible for much of the risk we're seeing in the market," David W. Berson, PMI's chief economist and strategist, said in Thursday's report.

"The excess supply of housing in the United States is 9.2 months for existing homes (the 20-year average has been six) and 9.8 months for new homes (the 20-year average has been 5.5), which will continue to depress prices."

In North Texas, there is just over a six-month supply of pre-owned homes on the market and about a seven-month supply of new homes for sale.

During the first quarter of 2008, the median sales price of pre-owned homes was down about 1 percent in North Texas. That follows a 1 percent increase in sales prices for all of 2007.

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's spring risk index. An index of 100 means there is a 100 percent chance of home prices falling in the next two years.

MOST RISKY

Riverside, Calif	93
Las Vegas	91
Orlando	85
Ft. Lauderdale	84
Phoenix	84

LEAST RISKY

Fort Worth	Less than 1
Pittsburgh	Less than 1

Dallas	Less than 1
Houston	Less than 1
Indianapolis	Less than 1

SOURCE: PMI Group