

Study: Dallas at low risk for home-price slide

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By STEVE BROWN / The Dallas Morning News

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The chances of a slide in U.S. home prices are increasing, according to the latest industry measure.

But Dallas and other Texas cities are among the least-affected cities, the study shows.

There is about a 33 percent chance that overall U.S. home prices will fall during the next two years, according to PMI Mortgage Insurance Co., one of the nation's largest home loan insurance firms.

And more than a dozen major home markets have more than a 50 percent likelihood that residential values will drop, the report released Tuesday said.

But Dallas isn't one of the markets faced with a price bubble. Indeed, Dallas and other major Texas cities are among markets with the lowest risk of home price declines.

In Dallas and its suburbs, the odds are less than 10 percent, PMI estimates.

Dallas has fared well for more than a year in the mortgage insurance giant's risk surveys.

Texas' performance in the latest report is a sharp contrast to conditions in some coastal markets where housing prices have already begun to soften.

"No one should be surprised by the slowdown we're seeing," Mark F. Milner, chief risk officer of PMI, said in the report. "Over the past five years, home prices appreciated much faster than incomes, and that can't continue forever.

"Over the past five years, house prices in the United States have appreciated more than 56 percent, on average, and much more in some areas," he said. "In the same time period, incomes increased just 25 percent."

But Texans "should feel pretty comfortable," he said.

"From the statistics we look at, there doesn't seem to be much to be concerned about where you are," Mr. Milner said. "In Texas, the appreciation you have seen is in line with the long-term national averages."

Home values in the Dallas-Fort Worth area have risen by an average of less than 4 percent during the last five years, according to the latest government statistics.

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RATING THE RISK

An index of 500 means a 50 percent chance of home prices falling in the next two years.

Area	Index
Most risky	
San Diego-Carlsbad-San Marcos, Calif.	603
Sacramento-Arden-Arcade-Roseville, Calif.	601
Oakland-Fremont-Hayward, Calif.	600
Santa Ana-Anaheim-Irvine, Calif.	599
Nassau-Suffolk, N.Y.	598
Riverside-San Bernardino-Ontario, Calif.	596
Boston-Quincy, Mass.	596
Providence-New Bedford-Fall River, R.I.-Mass.	590
Los Angeles-Long Beach-Glendale, Calif.	590
San Jose-Sunnyvale-Santa Clara, Calif.	589
San Francisco-San Mateo-Redwood City, Calif.	587
U.S. average	328
Least risky	
Pittsburgh	61
Indianapolis-Carmel, Ind.	63
Memphis, Tenn.	68
Cincinnati-Middletown, Ohio-Ky.-Ind.	72
Cleveland-Elyria-Mentor, Ohio	74
Columbus, Ohio	74
Fort Worth-Arlington	76
San Antonio	78
Nashville-Davidson-Murfreesboro, Tenn.	86
Houston	88
Dallas-Plano-Irving	89

SOURCE: PMI Group