



## Risk of drastic home price drop still 'minimal' in Dallas-Fort Worth

By STEVE BROWN / The Dallas Morning News

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The risk of a home price decline in the Dallas-Fort Worth area crept up a bit in the final months of 2008.

But the likelihood of lasting, significant drops in residential value here is still "minimal," according to the latest report from mortgage insurance firm PMI Group.

The California-based firm estimates that the D-FW area has less than a 3 percent chance that overall home prices will be lower two years from now than they are today, the report released Wednesday said.

That's up from less than a 1 percent risk of home price decline in PMI Group's third-quarter report.

PMI economist David Berson said the slight increase in risk in the North Texas housing markets is due to "deterioration in the job market in the metroplex."

"Unemployment is up to around 7 percent, and there are declines in year-over-year job growth," Berson said.

Preliminary numbers show that the D-FW area lost more than 31,000 jobs during the 12-month period ending in February.

The PMI Group study looks at housing market conditions in more than 300 U.S. markets.

Most Texas cities were clustered at the bottom of the ranking of housing markets expected to see home price declines.

By comparison, many California, Florida and Arizona markets had almost a 100 percent risk of falling home prices over the next 24 months, the report shows.

The D-FW area has rated low on PMI Group's risk index for more than two years.

Another widely followed home price study by Standard & Poors/Case-Shiller said this week that Dallas-area home prices have fallen more than 10 percent since the market peak in mid-2007.

But that report uses different measures than the PMI Group research, which focuses on where the market will be two years from now.

### **HOUSING MARKET RISKS**

The likelihood of home price declines over the next 24 months.

#### **Area Chance**

Lakeland-Winter Haven, Fla.	99.9%
Fort Lauderdale, Fla.	99.9%
Los Angeles	99.9%
Lake Havasu City-Kingman, Ariz.	99.9%
Miami	99.9%
<b>Dallas-Fort Worth</b>	<b>2.5%</b>

SOURCE: PMI Group