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PHOENIX Business Journal

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ASU home sales report gives cause for optimism

Phoenix Business Journal

A monthly report produced by **Arizona State University's W.P. Carey School of Business** suggests that the Valley housing market may be showing signs of a slight rebound following two years of tanking sales and home values.

According to the Repeat Sales Index April 2009, released Wednesday, the margin of decline in home values is narrowing, but only by a percentage point. For instance homes sold for 35 percent less in January 2009 than the same homes sold for in January 2008. That number jumped to 37 percent less in February 2009 as compared to the previous February. In March of this year the drop in value was 36 percent less than March of 2008. The improvement in home values between February and March, however slight, is a reason for optimism, said Karl Guntermann, an ASU professor.

"This may be the long-awaited signal that the housing market may be beginning to change course," Guntermann said. "Another positive here is that home affordability has increased in the Phoenix area. It is now possible to buy houses at 1999 prices."

Some additional findings:

- The steepest drop in home values from 2006 to 2008 by overall area occurred in the southwest valley with a 53 percent in price. The smallest drop is in the northeast valley with a decline of 28 percent.
- The steepest drop in home values from 2006 to 2008 by municipality occurred in the cities of Glendale and Peoria with a 47 percent drop in price. The least drop in home values occurred in Tempe with a 25 percent decline.

For more: wpcarey.asu.edu.

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