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Real Estate by Joseph Barrios : Conflicting forecasts buffet columnist

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My favorite comment during all of last year went something like this: "The market would be doing better if only the media wouldn't be so negative."

Buncha' negative newspaper naysayers. Not me. Time to turn over a shiny, very positive new leaf.

You can forget about all those stories that say housing prices are going to tank: Tucson's housing prices are going straight up about 13.5 percent this year.

Says who? Says Arizonataxiens.com. The Web site, which sells lists of homes with delinquent taxes, collected thoughts from 5,000 Internet users about how housing markets in Arizona will fare this year. Tucson is predicted to have the highest appreciation at 13.5 percent while Phoenix will increase 11.1 percent. The survey says 1,508 "buyers" are planning on buying here this year while 344 sellers plan to sell here this year.

The company, based in Los Gatos, Calif., near San Jose, offered a free tax lien list to Internet users who took the survey. Responses came from a "qualified pool of resident and nonresident buyers and sellers," said Brian Cornerstone, a company spokesman. Zoomerang.com, the Web site used to gather responses, accepted only one survey from an individual computer.

So there it is. Tucson is boomin.' Buy, buy, buy.

Yeah, sure. Moody's Economy.com predicted that Tucson will see the eighth-largest price decline, of 13.4 percent, out of 133 metropolitan areas included in a recent study. It said our market reached its peak in the first quarter of 2006 and would bottom out in second-quarter 2008.

OK, University of Arizona economist Marshall Vest said in his recent economic outlook that home prices in Arizona could decline 10 percent or more this year. But really, does Marshall know what he's talking about?

And, yeah, average prices of homes sold through the Tucson Association of Realtors Multiple Listing Service have declined 5 percent since the end of 2005 (although prices have increased 85 percent over the last five years, according to Vest).

Hmmm, starting to talk myself out of this. Some national statistics have ticked up these last couple of months and new-home inventories have been falling, right?. But 13.5 percent appreciation this year?

Vest looked at the study results and questioned how the survey was conducted.

"We don't really know who's responding to and what their motivations are. Are these investors who bought some property last year who would like to think prices are going up?" Vest said.

The results appeared "out of step with the other data and reports that we see," Vest said. Predictions are difficult, especially when some real estate weather vanes are pointing in different directions. While MLS figures show a decline of about 5 percent, third-quarter 2006 statistics from the Office of Federal Housing Enterprise Oversight show prices increasing by about 4 percent.

Blaming the messenger

Let's get back to the start of this column. That housing slump last year? Not our fault.

A recent National Association of Home Builders survey of 2,000 home buyers suggests that press reports are not a deciding factor in whether people buy a home, according to a story by The Associated Press.

The things that matter far more for potential home buyers are price, mortgage interest rates and housing needs, according to Thomas Riehle, a partner with RT Strategies, which conducted the research for NAHB. Of eight factors, news stories on real estate ranked second from the bottom, with 28 percent saying that it was an important factor behind their decisions to buy. In the same survey, 61 percent said the media are "sometimes trustworthy" as a source of information on the housing market while others gave us low credibility marks.

So what does this say? That people only sometimes listen to the media and when they do, it doesn't factor much into their home-buying decisions.

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