

## TEXAS' HOME PRICES CONTINUE TO IMPROVE

COLLEGE STATION (Real Estate Center) – When it comes to home price appreciation, Texas is standing strong, said Real Estate Center Chief Economist Dr. Mark Dotzour.

Dotzour was responding to the Federal Housing Finance Agency's (FHFA) second quarter 2010 home price index, which ranked Texas third in the nation in home price appreciation for the year ending June 30, 2010.

FHFA reported a 1.43 percent increase in Texas home prices during that period versus 1.6 percent nationally.

"The strong price trends in Texas are because we didn't have a price bubble in the previous decade," Dotzour said. "For several years, Texans were asking why their homes were increasing only 3 to 5 percent per year, when Arizona was going up 30 percent."

In addition, Dotzour said the credit crisis virtually ended new home construction lending all over the country, abruptly shutting off the pipeline of new supply in 2008 and reducing any chance of heavy overbuilding in the single-family market.

Research Economist Dr. Jim Gaines noted that Texas was one of only ten states that reported increases in home prices during the past year, and it was one of only five states where prices had more than a 15 percent increase over the past five years.

Prices in Texas increased by 15.88 percent since 2005, landing it fourth on FHFA's ranking of states based on five-year price appreciation.

"What that means is that Texas home values fared better than all of the high-appreciation states over the five-year period that included the recession," Gaines said.

Among Metropolitan Statistical Areas (MSAs), Amarillo came out smelling like a yellow rose. It was the only Texas MSA to land on FHFA's list of 20 MSAs with the highest rates of home price appreciation.

Amarillo ranked 16th with a one-year price increase of 0.42 percent.

FHFA's latest home price index is available [online](#).

*Courtesy of*  
**RECON**

Real Estate Center Online News  
August 27, 2010