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Phoenix-area median home prices increasing slowly

Phoenix Business Journal - by [Jan Buchholz](#)

The median price for a new home sold in the Phoenix metro area is increasing, according to data released Monday by RL Brown Reports, a Phoenix research firm.

The median new-home sales price in February was \$210,000. That figure has been moving slowly upward since August 2008, when the median was about \$200,000. Even so, the increase is far below the \$242,000 median price recorded in December 2007 for new home closings.

Analysts at RL Brown are optimistic, however.

“The stabilization and hint of improvement have been accomplished in the face of a continued decline in resale median prices and the extreme numbers of bank-owned distressed property sales that are occurring in the market, making it even more significant,” the report stated.

There are significant differences among the median prices of new homes in various Phoenix-area submarkets, ranging from \$595,000 in Scottsdale to \$155,300 in west Pinal County. Scottsdale was the only submarket that posted median new-home sales above the \$255,000 mark.

The average price in February for all new-home sales across the Valley is higher, however, at about \$313,000 — significantly higher than the average price of a previously owned home, which was about \$166,000. The median price of a resale home bottomed out even lower, at \$120,000.

Resales are trading at a much faster clip.

There were 5,381 resales posted in February, compared with 713 new home sales. In February 2008, there were 3,372 resales and 1,183 new home sales. So, while the median price for new homes may be going up slightly, the number of sales dropped by nearly 61 percent from February 2008 to February 2009. Resales, however, increased by nearly 60 percent during that period.

Meanwhile, building permits issued have dropped by 80 percent, from 1,297 issued in February 2008 to 248 in February 2009.

The data suggest a recovery could be around the bend, according to RL Brown's *Phoenix Housing Market Letter* .

“We can't tell for sure, but it is becoming more likely that we are at or near the bottom of the new housing crash here in metro Phoenix,” the report stated.

For more: www.rlbrownreports.com .