

Home prices sink in 20 metro areas

Index: Double-digit-percentage declines reported in nine metros

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The price per square foot of homes fell in 20 of 25 U.S. metro areas tracked in December compared to the same month in the previous year, according to a monthly index [report](#) by real estate research and analytics company Radar Logic Inc.

Sacramento, Calif., had the largest index decline during a 28-day period in December 2007 compared to the same period in 2006, with the price per square foot falling 23.7 percent, according to the RPX index report by Radar Logic.

Year-over-year double-digit-percentage declines in the price per square foot were also reported in Las Vegas, down 21 percent; St. Louis, down 20.3 percent; San Diego, down 19 percent; Los Angeles, down 14.7 percent; Miami, down 14.4 percent; Tampa, down 13.6 percent; Atlanta, down 11.3 percent; and Phoenix, down 10.3 percent.

The largest year-over-year gain was in Milwaukee, up 4.9 percent; Washington, D.C., up 2.4 percent; Charlotte, up 2.1 percent; New York, up 1.4 percent; and Seattle, up 0.9 percent.

A separate Standard & Poor's/Case-Shiller home-price [index](#), which is based on multiple sales of the same homes over time, found that prices declined in 17 of 20 metro areas tracked in December compared to the same month a year earlier. And eight metro areas had double-digit-percentage declines in price, led by Miami with a 17.5 percent drop.

According to the RPX report, Washington, D.C., led the list of 25 metro areas with the highest annualized price increases in the past five years, up 10.7 percent. That area was followed by Miami, up 10.3 percent; Seattle, up 10.1 percent; Los Angeles, up 9.4 percent; and Phoenix, up 9.4 percent.

The metro areas tracked in the report with the highest annualized rate of decline in the past five years include St. Louis, down 1.4 percent; Cleveland, down 1 percent; Columbus, down 0.9 percent; and Denver and Detroit down 0.5 percent.

San Jose ranked as the highest-priced metro area, at \$437.18 per square foot, followed by San Francisco at \$394.23 per square foot and Los Angeles at \$331.46 per square foot. The Cleveland metro area had the lowest price per square foot at \$85.37, followed by St. Louis at \$88.71 and Atlanta at \$91.03 per square foot.

Jacksonville, Fla., had the largest improvement in ranking among those metro areas with price declines from November to December, while St. Louis had the largest monthly drop in ranking.

Radar Logic reported that transaction volumes have been a leading indicator for price declines in most cities tracked, and Boston, Cleveland, Detroit, Sacramento and San Diego have experienced an increase in volume after a period of price declines.

"On average, 19 cities experienced a decline in year-over-year transaction volumes 15 months before a comparable string of price declines after accounting for seasonality," according to the report.

RPX price index, December 2007

Metro area	Price per sq. ft.	1-year % change
Milwaukee, Wis.	\$112.53	4.90%
Washington, D.C.	\$229.39	2.40%
Charlotte, N.C.	\$95.93	2.10%
New York, N.Y.	\$286.26	1.40%
Seattle, Wash.	\$216.81	0.90%
Philadelphia, Pa.	\$147.36	-2.00%
Columbus, Ohio	\$91.19	-2.10%
Chicago, Ill.	\$169.63	-4.30%
Jacksonville, Fla.	\$114.40	-4.40%
San Jose, Calif.	\$437.18	-5.20%
Minneapolis, Minn.	\$143.89	-6.20%
Detroit, Mich.	\$101.31	-6.70%
San Francisco, Calif.	\$394.23	-7.00%
Boston, Mass.	\$209.83	-7.50%
Cleveland, Ohio	\$85.37	-8.20%
Denver, Colo.	\$133.21	-8.90%
Phoenix, Ariz.	\$138.76	-10.30%



Atlanta, Ga.	\$91.03	-11.30%
Tampa, Fla.	\$120.88	-13.60%
Miami, Fla.	\$174.13	-14.40%
Los Angeles, Calif.	\$331.46	-14.70%
San Diego, Calif.	\$269.96	-19.00%
St. Louis, Mo.	\$88.71	-20.30%
Las Vegas, Nev.	\$143.29	-21.00%
Sacramento, Calif.	\$172.54	-23.70%

Source: Radar Logic Inc., based on 28-day RPX index value for each area as of Dec. 31, 2007.

Send tips or a Letter to the Editor to glenn@inman.com, or call (510) 658-9252, ext. 137.

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