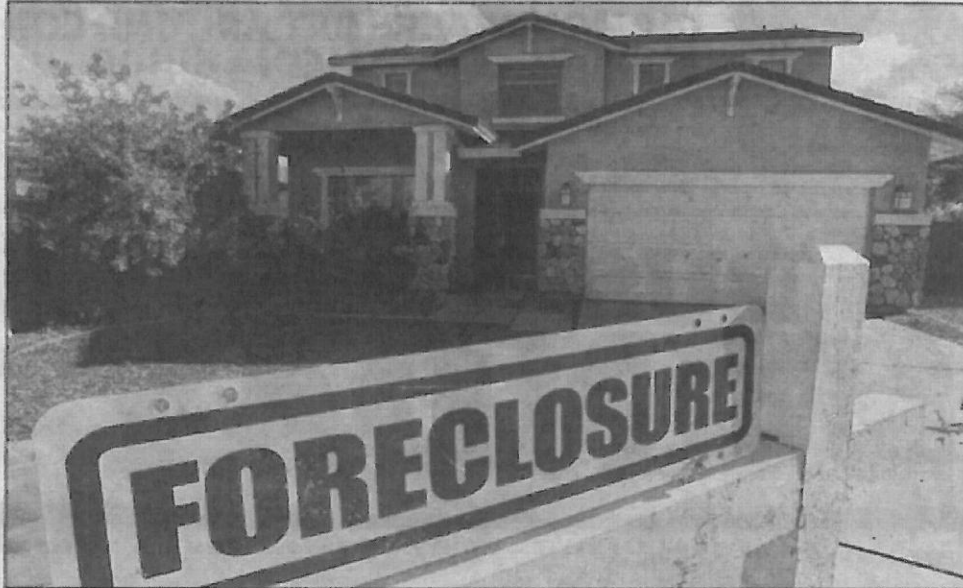


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A foreclosure sign marks a home in Phoenix. Foreclosures have a rippling effect, housing analyst RL Brown said.

Expert: Housing nearing low

By Marjon Rostami
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azcentral.com

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The Valley housing market may be nearing its bottom, analyst RL Brown believes. In what he termed "a doomsday scenario," Brown said it's possible a second tsunami similar to the housing meltdown that started in 2006 could devastate the market in the next few



RL Brown

years, bringing even more serious troubles than the current downturn.

But that won't happen if the federal government continues along the path it's undertaken, he said.

The housing economist and analyst, publisher of the "Phoenix Housing Market Letter," spoke Thursday night at Trilogy at Vistancia master-planned community. Residents there said they live in a bubble, far removed from foreclosures that are making housing values plummet.

"Your neighborhoods out here are a piece of cake," Brown said. "It's the neighborhoods in some communities that are devastated."

However disconnected from the damage, Brown reminded residents that foreclosures have a rippling effect and urged attendees to take care of their neighbors to avoid lowering property values across the board.

In February, eight foreclosed houses were sold in Vistancia. Prices ranged from \$170,000 to \$350,000.

"I guarantee you that those are lower prices than what you paid," Brown said. "Foreclosed prices are setting the prices on your street, and you need to be cognizant of that."

A significant part of the problem is lack of consumer confidence, which Brown

said could take years to improve.

He predicted that the housing market is near the bottom, saying consumer confidence has shown signs of improvement over the past three weeks.

Jeff Mitchell, a Trilogy resident, was a home builder in Oregon for 30 years before his company "pretty much self-terminated" last year.

"People miss the impact here. If a property here has been foreclosed, you couldn't tell by driving past it," he said. "Feeling like we've really hit a bottom here is a really good sign that will help stimulate deals. Consumers need to stop sitting on their wallet and being so conservative. This is the time to buy."

Brown told the crowd not to lose sight of the fact that Arizona is in an enviable position.

"It's so easy to believe some of the stuff that is being said by economists who have never been west of the Hudson," Brown said. "This place will continue to be one of the best housing markets in the world. Arizona will flourish once again."