



# SW Valley leads realty rebound, experts say

**David Madrid**

The Arizona Republic

Sept. 4, 2007 12:00 AM

Although home sales in most of the southwest Valley declined from July 2006 to July 2007, there is confidence among real-estate and housing experts that the market is correcting itself and rebounding.

"People are looking at the idea that the market will recover in three to five years, and what were once the hot areas will become hot areas again," said Jay Butler, director of Realty Studies at Arizona State University's Morrison School of Management and Agribusiness.

Many believe the southwest Valley, which has much vacant land, is an indicator of where the overall Valley real-estate market is headed. Goodyear, Avondale and Buckeye are among 2007's 10 fastest-growing suburbs in the U.S.

"So if you're an investor or whatever, you may move into some of these areas because they offer a sort of attractive play, not over the next year or two, but over the next four or five years," Butler said.

And although the sales of new and existing homes and their median price have mostly declined in the southwest Valley when comparing the July numbers, one place that doesn't hold true is Litchfield Park. There, the number of resale homes sold increased, as did the median price of new and resale homes.

But the number of new-home sales decreased from 20 in July 2006 to 10 in July 2007.

Meanwhile, Goodyear saw a 20 percent increase in the median price of a new home, mostly due to some new high-end developments.

Carl Giordano Sr., of Giordano and Giordano RE/MAX Achievers in Goodyear, said he and his wife and business partner, Phyllis, think the housing market is stabilizing.

"Phyllis and I believe this is a good market," Giordano said. "And what I mean by a good market is everything that needed to be weeded out is being weeded out. We're back to old real estate. You've got FHA. You've got VA, and you've got conventional (loans)."

That weeding out of subprime lenders and real-estate agents who entered an overpriced 2005 market to make an easy buck is stabilizing the market, he said.

"The southwest Valley is a great place to live, no question about it," Giordano said. "Litchfield Park, Palm Valley, Avondale are doing good. Buckeye is coming along. Goodyear's doing great. ... The cities in the southwest, in my opinion, have great community camaraderie and spirit."

Sharon DeMoss, a realty agent with Keller Williams Realty Professional Partners in Goodyear, said there is so much new development in the southwest Valley that real-estate agents are feeling optimistic.

Still, because of the subprime meltdown, the market is flooded with listings, she said.

Subprime lenders pushed adjustable-rate mortgages that began with a low interest rate. Once the rate increased, too many people couldn't afford the payments.

"Many of them (resale homes) are overpriced," DeMoss said. "We are sitting with our sellers and saying, 'You guys have to be the lowest price in your subdivision for your floor plan.' And many times that doesn't even do it because many buyers are coming in and saying, 'I don't think the bottom is here yet. If I pay \$250,000 for this house, how do I know that in six months I'm not going to be able to get it for \$200,000?' "

DeMoss said new homes are a great buy now because builders are cutting prices or offering incentives.

"A couple of years ago, these same builders were making people stand in line to get on a list to get a house," she said. "My personal opinion is that during that 2005 frenzy, many builders went out and bought a whole bunch of land, and now they have no choice but to go ahead and build."

**A version of this story may have appeared in your community Republic.**