

Report: Carson City home market recovery looks good



By Venessa Wong, Bloomberg Businessweek

A housing market rebound seems tenuous following the expiration of the home buyer tax credit, and consumer confidence remains weak due to lackluster employment, but David Stiff, chief economist at Fiserv, says the bottom is near. Home prices in the U.S. have declined 29.5 percent over the past four years, according to the Fiserv Case-Shiller Indexes. Stiff says prices should form a trough early next year, when median prices will be down an estimated 32.9 percent from the 2006 peak.

By early 2014, they will have climbed about 7.2 percent from 2010 levels, according to the indexes. Fiserv and Moody's Economy.com base the housing forecast on factors that include income growth, demographic trends, unemployment rates, foreclosure rates, and construction costs. Of 384 places surveyed, the Bremerton-Silverdale area in Washington State had the highest four-year growth forecast, with prices expected to increase 44.7 percent from 2010 to 2014. Other leading growth markets: Bend, Ore., where prices are expected to jump 33.6 percent by 2014, and Detroit, with a 33.1 percent forecast. Markets with the weakest projections: Miami and Naples in Florida and Atlantic City, N.J., where prices are expected to continue to fall over the next four years.

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5. Nevada

Biggest home price increase projected in 2014: Carson City metro

Forecast 4-year price increase: 31.6 percent

Current median price: \$141,524*

Prices to reach trough in: 2011 Q2

Median family income: \$63,100

Population: 55,180

By the second quarter of 2011, prices in the Carson City area are expected to have fallen 34.4 percent from peak levels, according to the Fiserv and Moody's Economy.com. Recovery will depend on job creation, as the unemployment rate was 13.4 percent in June, according to the BLS. While expectations for near-term economic growth have diminished recently and competition for jobs is extremely high, opportunities exist, even in a declining labor market, according to Nevada's Employment, Training, & Rehabilitation Dept.

Index used to calculate historical home price changes: FHFA

* Source: John Burns Real Estate Consulting, April 2010

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