

2007 Arizona's Housing Market

...a glance



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GOVERNOR'S HOUSING FORUM

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**LEADING
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Arizona Department of Housing



Arizona Association of REALTORS®

Raymond James Tax Credit Funds, Inc.

U.S. Department of Housing & Urban Development

JANET NAPOLITANO
GOVERNOR



SHEILA D. HARRIS, PhD
DIRECTOR

Dear Community Partner,

From 2001-2006, Arizona led much of the nation in population growth, economic expansion, and home appreciation values. With approximately one million new residents, and over 400,000 new job opportunities added to the state economy, Arizona remains a competitive choice for families as well as new and expanding businesses.

Yet for one out of every three new jobs created, accompanying wages are too low for an individual worker to rent an apartment or buy a home. The 2005 American Community Survey data reveal that nearly 34 percent of homeowners and 45 percent of renters in Arizona spend more than 30 percent of their income on housing.

"Leading With Solutions" is much more than a theme for an annual conference. It is also the focus of an ongoing effort to ensure every Arizonan has an affordable home. As Director of the Arizona Department of Housing, I welcome your support and energy toward accomplishing the goal of having homes within reach for all families in Arizona.

Sincerely,

A handwritten signature in black ink that reads 'Sheila D. Harris'.

Sheila D. Harris, PhD
Director

2007

Arizona's Housing Market

...a glance

A growing inventory of unsold homes, reports of rising foreclosures, and a slowdown in new construction are all symptoms of state and national trends signaling a downward cyclical correction in the housing market. Following recent robust years in real estate, a cycle of adjustments that began in the second quarter of 2006 could continue well into 2008.

In the throes of this market adjustment are thousands of Arizona families already struggling to find homes within their financial reach. Housing is considered affordable if the cost does not exceed 30 percent of monthly household gross income. The U.S. Census Bureau's 2005 American Community Survey data reveal that in Arizona, almost half of all renters and close to 34 percent of homeowners spend more than 30 percent of their incomes on housing.

Median home prices in Arizona communities range from a relatively low price of \$88,900 in Douglas to a high price of \$577,500 in the Sedona area. In general, home prices are much higher in urban areas and in communities that attract large numbers of seasonal and recreational tourists.

How well Arizona and the nation respond to market readjustments will be directly related to how long current dynamics are sustained. Readjustment cycles typically prompt price reductions on existing homes. If current falling home prices are sustained, less new home construction and reductions in overall consumer spending could together lead to an economic slowdown.

The analyses and tables in this document are based on data available for 2006 and early 2007 on housing, income, population, employment, and wages by occupation and by industry. To enable equitable comparison and consistency in this report, we have compared communities across the state on affordability reflected in the median home price or fair market rent in each area. Median price refers to the middle of the price range.

2007

General Trends in Arizona's Housing Market

Home Prices vs Median Income

Home prices have been increasing faster than income: According to the data from Federal Housing Finance Board, home prices in Arizona have been steadily on the rise.

- From year 2000 to 2006, the median sales price of homes in Arizona increased by 85%.
- During the same period, median family income increased by only 15%.



Census data by Arizona county for 1990 - 2005 is available in Table 5 in the Appendices.

2007

General Trends in Arizona's Housing Market

Arizona Home Prices vs Other States

Based on the House Price Index (HPI) prepared by the Office of Federal Housing Enterprise Oversight (OFHEO), housing price appreciation in Arizona was the 25th highest nationally for the first quarter of 2006 to the first quarter of 2007. A year ago, Arizona's housing appreciation rate was ranked number one among all 50 states. This is a clear indication of a significant slowdown in Arizona's housing market.

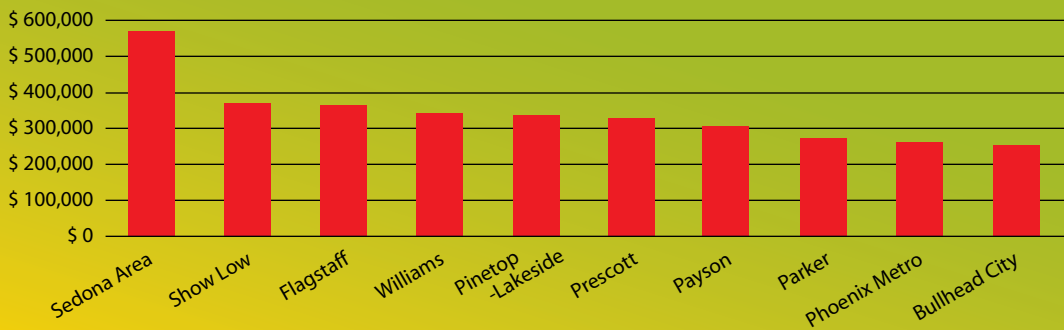
STATE	ANNUAL PRICE INCREASE	RANKING
Utah	17.01%	1
Idaho	12.27%	2
Montana	11.68%	3
Wyoming	11.67%	4
Washington State	11.63%	5
New Mexico	11.21%	6
Oregon	10.77%	7
Texas	6.87%	16
Arizona	5.22%	25
Colorado	3.30%	43
California	1.19%	46
U.S. Average	4.25%	-

2007 General Trends in Arizona's Housing Market

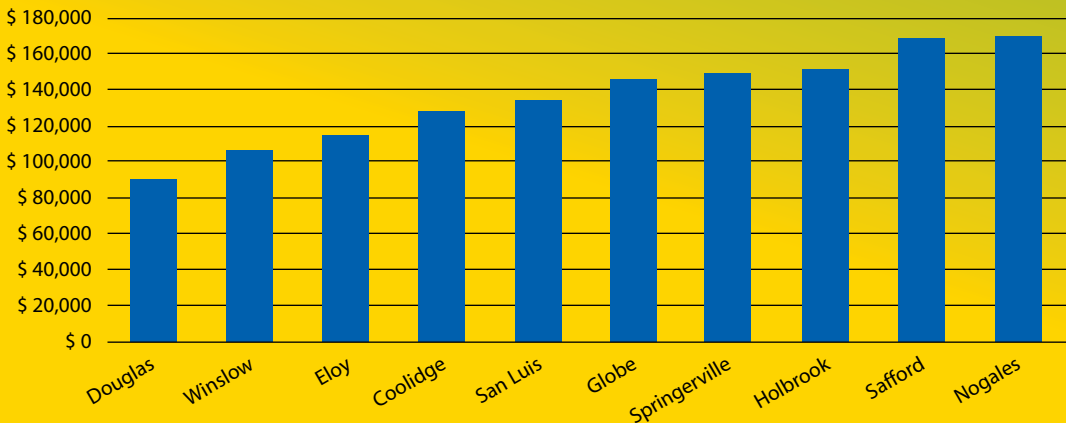
Median Home Prices - 2007

Median home prices in Arizona communities range from \$88,900 in Douglas to nearly \$600,000 in the Scottsdale and Sedona areas. In general, home prices are much higher in communities that attract tourists, those with a relatively higher percentage of seasonal, recreational, or occasional use homes, and in urban areas.

High-Price Housing Areas



Low-Price Housing Areas



Data Source: Arizona Department of Housing, Local Realtors and Realty Studies at ASU Polytechnic.

2007 Workforce Housing Affordability

Police Officers, Teachers, Nurses and Firefighters

The following table shows the ability of a police officer to own a median price home which is affordable in selected communities. Similar details for other occupations such as firefighter, teacher, retail worker, and waiter/waitress are presented in Table 1 in the Appendices.

- **One Income Earner per Household:** A police officer would be able to afford to buy a house in only two out of 13 of the following communities in Arizona, assuming he/she is the only income earner in the household.
- **Two Income Earners per Household:** A police officer, with the financial help of another income earner in the household, would be able to buy a house in nine out of the 13 following jurisdictions.

Selected Areas	Hourly Wage Needed to Buy a Median Price House	One Income Earner Per Household		Two Income Earners Per Household	
		Median Hourly Wage of a Police Officer	Affordability Status	Hourly Wage of a Police Officer and Another Income Earner*	Affordability Status
Sedona	\$84.50	\$21.55	Not Affordable	\$36.64	Not Affordable
Flagstaff	\$54.14	\$22.78	Not Affordable	\$38.73	Not Affordable
Pinetop-lakeside	\$48.23	\$17.30	Not Affordable	\$29.41	Not Affordable
Payson	\$43.90	\$20.39	Not Affordable	\$34.66	Not Affordable
Phoenix (Maricopa County)	\$38.42	\$24.06	Not Affordable	\$40.90	Affordable
Sierra Vista	\$31.05	\$22.13	Not Affordable	\$37.62	Affordable
Tucson (Pima County)	\$30.73	\$25.00	Not Affordable	\$42.50	Affordable
Kingman	\$29.85	\$22.59	Not Affordable	\$38.40	Affordable
Casa Grande	\$26.34	\$22.34	Not Affordable	\$29.89	Affordable
Yuma	\$25.60	\$17.58	Not Affordable	\$29.89	Affordable
Nogales	\$24.73	\$25.53	Affordable	\$43.40	Affordable
Douglas	\$13.01	\$19.78	Affordable	\$37.98	Affordable
State Average	\$33.52	\$23.74	Not Affordable	\$40.36	Affordable

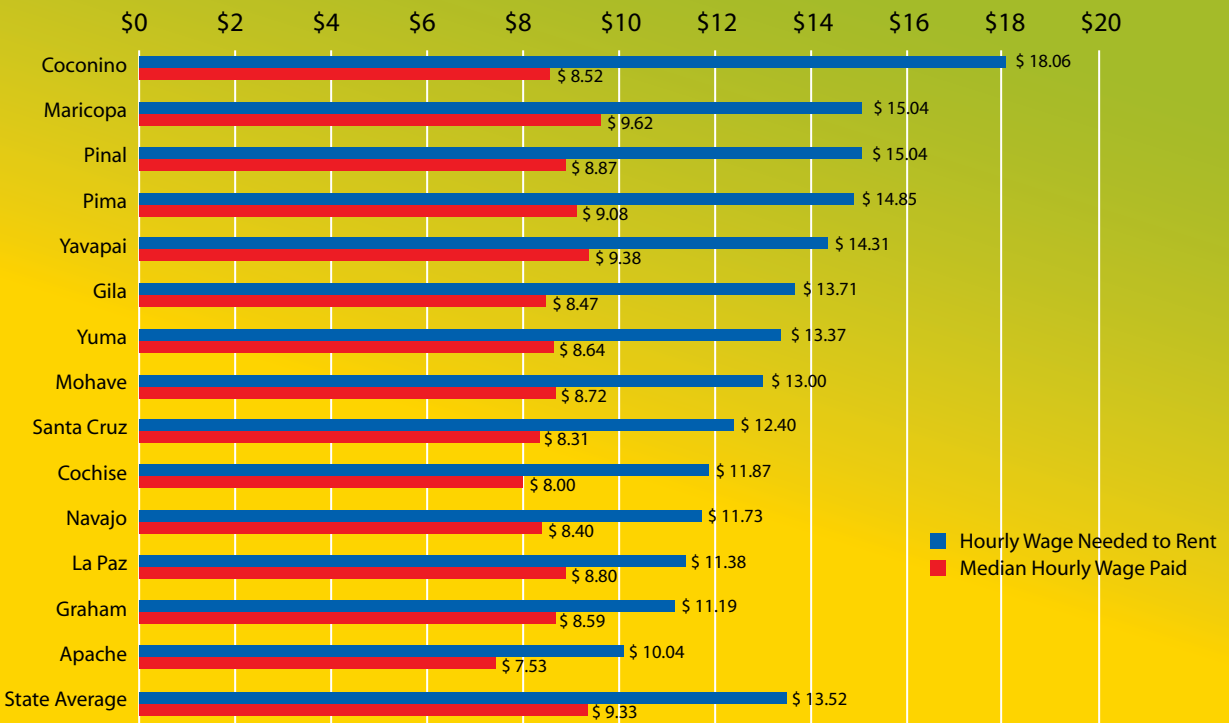
* Assuming that the hourly income of the second income earner in the household is 70% of the police officer's income.

2007 Workforce Housing Affordability

Renting A Two Bedroom Apartment in Selected Counties

Despite the emphasis on homeownership, renter households comprise almost one-third (32%) of the total occupied homes according to Census 2000 and American Community Survey, 2005. The following graph shows the amount a household must earn to afford a two bedroom rental unit at the area's Fair Market Rent, based on the generally accepted affordability standard of paying no more than 30% of a family's income for housing costs.

The median hourly wage used in this analysis is that of Retail Sales Workers in the corresponding county. Similar details for other selected occupations are presented in Table 1 in the Appendices.



Data Source: Arizona Department of Housing and Arizona Department of Economic Security.

2007

Rural & Urban Growth 2001-2006

Employment and Population Growth 2001 — 2006

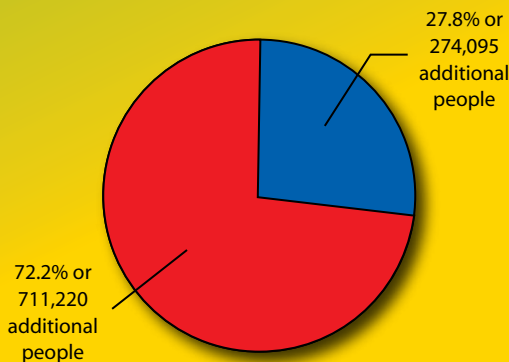
Most of the economic growth in Arizona, in terms of employment and population, occurred in the urban areas from 2001 -2006.

Statewide employment increased by 378,800 jobs during that period. Of the total increase, 332,400 jobs (87.8%) were attributed to employment growth in the urban areas. The remaining 46,400 jobs (12.2%) went to the rural areas. One out of every three additions to total employment statewide occurred in the low-wage industries. Workers in these industries, on average, do not make enough money to buy a median price house or rent an apartment as a single income earner. Examples of such industries include retail trade, leisure and hospitality, real estate rental and leasing, and other services (i.e., repair shops and barber shops). Further details are presented in Tables 2, 3 and 4, at the end of the report.

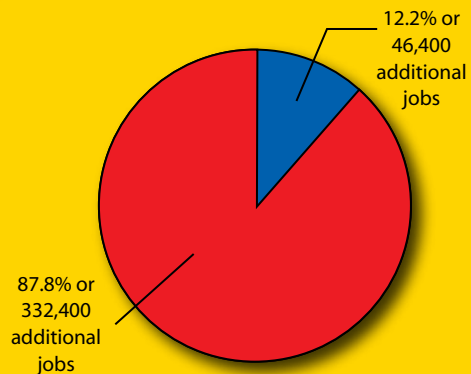
Population in the state increased by 985,315 persons during the 2001-2006 period. Close to two-thirds (72.2% or 711,220 persons) became residents of urban areas. The remaining 27.8% (274,095 persons) chose to live in one of the 13 rural counties of Arizona.

The following pie charts illustrate that the share of employment growth in rural counties (12.2%) has been smaller than their population growth share (27.8%). It is very likely that limited employment opportunities in the rural counties are a contributing factor to this variation.

Population Growth: 2001-2006



Employment Growth: 2001-2006



■ Rural
■ Urban

Data Source: Arizona Department of Housing and Arizona Department of Economic Security.

Appendices

Table 1:
Housing Affordability for Home Buyers and Renters for Common Occupations in Selected Arizona Communities

2005

City/Town	County	Median Home Price*	2 BDRM Aptmnt Monthly Rent**	Wage Needed to Buy	Wage Needed to Rent	Hourly Median Wage						Total of All Occupations
						Police Officer	Teacher	Retail Worker	Nurse	Firefighter	Waitperson	
Bullhead City	Mohave	\$123,000	\$673	\$17.12	\$12.94	\$17.52	\$15.87	\$10.15	\$15.10	\$15.61	\$6.21	\$11.15
Casa Grande	Pinal	\$140,947	\$770	\$19.62	\$14.81	\$17.87	\$15.54	\$8.35	\$16.48	\$13.03	\$6.37	\$12.37
Coolidge	Pinal	\$119,000	\$770	\$16.56	\$14.81	\$17.87	\$15.54	\$8.35	\$16.48	\$13.03	\$6.37	\$12.37
Douglas	Cochise	\$68,333	\$577	\$9.51	\$11.10	\$21.88	\$15.33	\$8.02	\$15.49	\$15.10	\$6.21	\$11.66
Eloy	Pinal	\$80,000	\$770	\$11.13	\$14.81	\$17.87	\$15.54	\$8.35	\$16.48	\$13.03	\$6.37	\$12.37
Flagstaff	Coconino	\$252,000	\$878	\$35.07	\$16.88	\$17.08	\$15.13	\$8.06	\$15.38	\$13.76	\$6.45	\$11.04
Florence	Pinal	\$109,450	\$770	\$15.23	\$14.81	\$17.87	\$15.54	\$8.35	\$16.48	\$13.03	\$6.37	\$12.37
Globe	Gila	\$81,200	\$667	\$11.29	\$12.83	\$17.25	\$15.60	\$7.23	\$17.07	\$11.49	\$6.38	\$11.57
Holbrook	Navajo	\$85,000	\$570	\$11.83	\$10.96	\$16.26	\$16.54	\$9.63	\$14.90	\$11.54	\$6.31	\$11.61
Kingman	Mohave	\$127,000	\$673	\$17.68	\$12.94	\$17.52	\$15.87	\$10.15	\$15.10	\$15.61	\$6.21	\$11.15
Lake Havasu City	Mohave	\$264,000	\$673	\$36.74	\$12.94	\$17.52	\$15.87	\$10.15	\$15.10	\$15.61	\$6.21	\$11.15
Nogales	Santa Cruz	\$110,250	\$603	\$15.34	\$11.60	\$15.87	\$15.38	\$7.48	\$15.38	\$11.54	\$6.25	\$10.92
Parker	La Paz	\$81,000	\$609	\$11.27	\$11.71	\$15.87	\$15.38	\$10.15	\$15.38	\$11.54	\$6.82	\$9.87
Payson	Gila	\$163,000	\$667	\$22.69	\$12.83	\$17.25	\$15.60	\$7.23	\$17.07	\$11.49	\$6.38	\$11.57
Phoenix - Resale	Maricopa	\$203,000	\$817	\$28.25	\$15.71	\$23.00	\$15.86	\$9.41	\$17.89	\$20.94	\$6.34	\$13.26
Phoenix - New	Maricopa	\$218,195	\$817	\$30.37	\$15.71	\$23.00	\$15.86	\$9.41	\$17.89	\$20.94	\$6.34	\$13.26
Pinetop-Lakeside	Navajo	\$205,000	\$570	\$28.53	\$10.96	\$16.26	\$16.54	\$9.63	\$14.90	\$11.54	\$6.31	\$11.61
Prescott	Yavapai	\$186,000	\$696	\$25.89	\$13.38	\$17.55	\$16.02	\$8.68	\$17.58	\$12.20	\$6.58	\$13.28
Safford	Graham	\$90,000	\$544	\$12.53	\$10.46	\$15.87	\$15.38	\$7.21	\$15.38	\$11.54	\$7.76	\$10.80
San Luis	Yuma	\$115,000	\$650	\$16.01	\$12.50	\$18.82	\$16.14	\$8.34	\$15.49	\$13.17	\$6.22	\$9.81
Sedona	Yavapai/Coconino	\$454,500	\$696	\$63.26	\$13.38	\$17.55	\$16.02	\$8.68	\$17.58	\$12.20	\$6.58	\$13.28
Show Low	Navajo	\$140,000	\$570	\$19.49	\$10.96	\$16.26	\$16.54	\$9.63	\$14.90	\$11.54	\$6.31	\$11.61
Sierra Vista	Cochise	\$153,902	\$577	\$21.42	\$11.10	\$21.88	\$15.33	\$8.02	\$15.49	\$15.10	\$6.21	\$11.66
Springerville	Apache	\$95,999	\$537	\$13.36	\$10.33	\$15.87	\$16.30	\$6.64	\$15.77	\$11.54	\$6.35	\$12.12
Tucson	Pima	\$190,000	\$673	\$26.44	\$12.94	\$21.88	\$18.24	\$8.60	\$16.91	\$16.65	\$6.31	\$12.62
Winslow	Navajo	\$80,000	\$570	\$11.13	\$10.96	\$16.26	\$16.54	\$9.63	\$14.90	\$11.54	\$6.31	\$11.61
Yuma	Yuma	\$124,900	\$650	\$17.38	\$12.50	\$18.82	\$16.14	\$8.34	\$15.49	\$13.17	\$6.22	\$9.81
Arizona	-	\$191,600	\$644	\$26.67	\$12.38	\$22.08	\$16.21	\$9.09	\$17.27	\$17.51	\$6.34	\$12.85

Affordability Calculation Assumptions: 30% of income is allocated to housing. For buying a house additional assumptions included 5% down payment 6% interest rate at 30-years fixed, plus allocation of 21% of the monthly payments to property taxes, insurance and other costs such as PMI.

* Most home prices are median, but a few are average prices. Some prices are for 2005, others are for 2004.

** Apartment Rents - HUD 2005 Fair Market Rents. Rents shown are for 2-bedroom units.

The information in these three tables illustrates the affordability of owning a home or renting an apartment in various communities around Arizona based on median home prices and hourly wages of workers in those communities. While affordability in all categories between the 2005 and 2006 figures was widely disparate, the figure for 2007 when compared to 2006 indicates a leveling of those priced out of the housing market.

2006

City/Town	County	Median Home Price*	Hourly Wage Needed to Buy	2 BDRM Aptmnt Monthly Rent**	Hourly Wage Needed to Rent	Hourly Median Wage						Total of All Occupations
						Police Officer	Teacher	Retail Worker	Nurse	Firefighter	Waitperson	
Bullhead City	Mohave	\$180,260	\$26.15	\$653	\$12.56	19.92	15.16	9.99	17.74	14.78	6.48	11.68
Casa Grande	Pinal	\$175,000	\$25.38	\$770	\$14.81	21.08	18.75	8.76	19.36	10.90	6.42	12.57
Coolidge	Pinal	\$114,000	\$16.54	\$770	\$14.81	21.08	18.75	8.76	19.36	10.90	6.42	12.47
Douglas	Cochise	\$76,500	\$11.10	\$596	\$11.46	22.75	15.49	7.79	16.39	14.27	6.08	12.69
Eloy	Pinal	\$119,900	\$17.38	\$770	\$14.81	21.08	18.75	8.76	19.36	10.90	6.42	12.47
Flagstaff	Coconino	\$395,000	\$57.31	\$907	\$17.44	19.96	16.73	8.41	16.39	13.00	6.47	11.98
Florence	Pinal	\$195,950	\$28.44	\$770	\$14.81	21.08	18.75	8.76	19.36	10.90	6.42	12.57
Globe	Gila	\$126,400	\$19.35	\$689	\$13.25	19.89	17.13	9.40	16.86	14.41	6.29	12.70
Holbrook	Navajo	\$140,750	\$20.42	\$589	\$11.33	17.12	17.28	9.21	17.84	14.78	6.64	12.55
Kingman	Mohave	\$170,350	\$24.71	\$653	\$12.56	19.92	15.16	9.99	17.74	14.78	6.48	11.68
Lake Havasu City	Mohave	\$269,950	\$39.17	\$653	\$12.56	19.92	15.16	9.99	17.74	14.78	6.48	11.68
Nogales	Santa Cruz	\$172,000	\$24.96	\$623	\$11.98	23.38	15.81	7.85	16.64	14.78	6.18	10.27
Parker	La Paz	\$245,000	\$35.56	\$572	\$11.00	21.88	15.04	11.33	17.74	14.41	7.66	10.05
Payson	Gila	\$242,250	\$35.15	\$689	\$13.25	19.89	17.13	9.40	16.86	14.41	6.29	12.70
Phoenix Metro - Resale	Maricopa	\$264,900	\$38.44	\$770	\$14.81	23.81	15.04	10.04	19.27	22.86	6.49	13.65
Phoenix Metro - New	Maricopa	\$268,232	\$38.92	\$770	\$14.81	23.81	15.04	10.04	19.27	22.86	6.49	13.65
Pinetop-Lakeside	Navajo	\$297,000	\$43.10	\$589	\$11.33	17.12	17.28	9.21	17.84	14.78	6.64	12.55
Prescott	Yavapai	\$340,000	\$49.35	\$719	\$13.83	19.31	15.81	9.60	17.33	11.04	6.59	12.07
Safford	Graham	\$99,545	\$14.44	\$562	\$10.81	16.22	16.20	8.93	16.39	14.41	6.49	11.16
San Luis	Yuma	\$163,000	\$23.65	\$672	\$12.92	19.92	17.87	8.88	16.64	14.78	6.24	10.64
Sedona	Yavapai/Coconino	\$513,000	\$74.44	\$719	\$13.83	19.31	15.81	9.60	17.33	11.04	6.59	12.07
Show Low	Navajo	\$150,000	\$21.77	\$589	\$11.33	17.12	17.28	9.21	17.84	14.78	6.64	12.55
Sierra Vista	Cochise	\$165,000	\$23.94	\$596	\$11.46	22.75	15.49	7.79	16.39	14.27	6.08	12.69
Springerville	Apache	\$135,000	\$19.60	\$504	\$9.69	15.28	18.20	6.64	18.07	14.27	6.23	11.99
Tucson	Pima	\$211,502	\$30.69	\$746	\$14.35	23.11	18.87	9.72	18.37	18.38	6.16	13.24
Winslow	Navajo	\$129,000	\$18.02	\$589	\$11.33	17.12	17.28	9.21	17.84	14.78	6.64	12.55
Yuma	Yuma	\$224,900	\$32.63	\$672	\$12.92	19.92	17.87	8.88	16.64	14.78	6.24	10.64
Arizona	-	\$244,000	\$35.40	\$674	\$12.96	23.05	15.78	9.80	18.92	15.25	6.42	13.31

Affordability Calculation Assumptions: 30% of income is allocated to housing. For buying a house additional assumptions included 5% down payment, 6.5% interest rate at 30-years fixed, plus allocation of 21% of the monthly payments to property taxes, insurance and other costs such as PMI.

** Most home prices are median, but a few are average prices. Most prices are for April 2006.*

*** Apartment Rents - HUD 2006 Fair Market Rents. Rents shown are for 2-bedroom units.*



Cannot afford to buy or rent

Can afford to only rent

Can afford to buy or rent

2007

City/Town	County	Median Home Price*	Hourly Wage Needed to Buy	2 BDRM Aptmnt Monthly Rent**	Hourly Wage Needed to Rent	Hourly Median Wage						Total of All Occupations
						Police Officer	Teacher	Retail Worker	Nurse	Firefighter	Waitperson	
Bullhead City	Mohave	\$260,985	\$38.19	\$676	\$13.00	22.59	15.83	8.72	18.24	19.71	6.43	12.09
Casa Grande	Pinal	\$180,000	\$26.34	\$782	\$15.04	22.13	21.39	8.87	20.26	15.37	6.61	12.88
Coolidge	Pinal	\$125,900	\$18.42	\$782	\$15.04	22.13	21.39	8.87	20.26	15.37	6.61	12.88
Douglas	Cochise	\$88,900	\$13.01	\$617	\$11.87	19.78	17.23	8.00	17.23	13.16	6.24	13.36
Eloy	Pinal	\$118,450	\$17.49	\$782	\$15.04	22.13	21.39	8.87	20.26	15.37	6.61	12.88
Flagstaff	Coconino	\$370,000	\$54.14	\$939	\$18.06	22.78	17.28	8.52	19.88	15.62	6.72	12.54
Florence	Pinal	\$157,270	\$23.01	\$782	\$15.04	22.13	21.39	8.87	20.26	15.37	6.61	12.88
Globe	Gila	\$142,000	\$20.78	\$713	\$13.71	20.39	17.14	8.47	18.48	14.38	6.43	12.87
Holbrook	Navajo	\$149,500	\$21.88	\$610	\$11.73	17.30	17.51	8.40	19.09	13.43	6.49	12.92
Kingman	Mohave	\$204,000	\$29.85	\$676	\$13.00	22.59	15.83	8.72	18.24	19.71	6.43	12.09
Lake Havasu City	Mohave	\$249,000	\$36.77	\$676	\$13.00	22.59	15.83	8.72	18.24	19.71	6.43	12.09
Nogales	Santa Cruz	\$169,000	\$24.73	\$645	\$12.40	25.53	17.81	8.31	14.08	13.16	6.83	11.02
Parker	La Paz	\$279,000	\$40.83	\$592	\$11.38	21.55	15.83	8.80	17.24	15.37	6.70	11.30
Payson	Gila	\$300,000	\$43.90	\$713	\$13.71	20.39	17.14	8.47	18.48	14.38	6.43	12.87
Phoenix Metro - Resale	Maricopa	\$262,570	\$38.42	\$782	\$15.04	24.06	15.59	9.62	20.04	21.26	6.77	14.07
Phoenix Metro - New	Maricopa	\$296,425	\$43.38	\$782	\$15.04	24.06	15.59	9.62	20.04	21.26	6.77	14.07
Pinetop-Lakeside	Navajo	\$329,593	\$48.23	\$610	\$11.73	17.30	17.51	8.40	19.09	13.43	6.49	12.92
Prescott	Yavapai	\$319,000	\$48.68	\$744	\$14.31	21.55	17.68	9.38	19.71	12.97	6.78	13.33
Safford	Graham	\$168,500	\$24.66	\$582	\$11.19	18.64	16.25	8.59	18.48	13.11	6.53	13.04
San Luis	Yuma	\$136,000	\$19.90	\$695	\$13.37	17.58	15.11	8.64	17.12	15.37	6.60	10.06
Sedona	Yavapai/Coconino	\$577,500	\$84.50	\$744	\$14.31	21.55	17.68	9.38	19.71	12.97	6.78	13.33
Show Low	Navajo	\$337,144	\$49.33	\$610	\$11.73	17.30	17.51	8.40	19.09	13.43	6.49	12.92
Sierra Vista	Cochise	\$212,228	\$31.05	\$617	\$11.87	22.13	21.39	8.87	20.26	15.37	6.61	12.88
Springerville	Apache	\$148,900	\$21.79	\$522	\$10.04	18.02	17.88	7.53	20.02	13.43	6.40	13.34
Tucson	Pima	\$210,000	\$30.73	\$772	\$14.85	25.00	17.35	9.08	19.37	20.23	6.38	12.56
Williams	Coconino	\$335,000	\$49.02	\$939	\$18.06	22.78	17.28	8.52	19.88	15.62	6.72	12.54
Winslow	Navajo	\$112,000	\$16.39	\$610	\$11.73	17.30	17.51	8.40	19.09	13.43	6.49	12.92
Yuma	Yuma	\$174,950	\$25.60	\$695	\$13.37	17.58	15.11	8.64	17.12	15.37	6.60	10.06
Arizona***	-	\$260,000	\$38.04	\$703	\$13.52	23.74	16.16	9.33	19.72	17.59	6.67	12.97

Affordability Calculation Assumptions: 30% of income is allocated to housing. For buying a house additional assumptions included 5% down payment, 6.6% interest rate at 30-years fixed, plus allocation of 21% of the monthly payments to property taxes, insurance and other costs such as PMI.

* Most home prices are median, but a few (Pinetop-Lakeside, Show Low, Springerville) are average prices. Most prices are for April 2007 and some are for May, June, or for Q1, 2007.

** Apartment Rents - HUD 2007 Fair Market Rents. Rents shown are for 2-bedroom units.

*** The Federal Housing Finance Board has revised the Median Home Prices for 2005 and 2006 from those reported in the 2006 Arizona's Housing Market at a Glance.

2007

General Trends in Arizona's Housing Market



Appendices

Table 2:

Employment Growth and Housing Affordability by Industry - Arizona

Industry	Employment 2001	Employment 2006	Employment Change 2001-2006 Numbers	Employment Change 2001-2006 Percent	Median Hourly Wages Statewide 2006	Can Afford to Buy Median Priced House	Can Afford to Rent 2-BDRM Apartment
Natural Resources and Mining	9,600	9,900	300	3.1%	\$18.64	No	Yes
Construction	173,600	245,500	71,900	41.4%	\$15.27	No	Yes
Manufacturing	201,700	187,300	(14,400)	-7.1%	\$16.44	No	Yes
Wholesale Trade	95,900	105,600	9,700	10.1%	\$16.29	No	Yes
Retail Trade (Retail store workers)	268,100	321,800	53,700	20.0%	\$10.54	No	No
Transportation, Warehousing and Utilities	76,600	83,400	6,800	8.9%	\$17.72	No	Yes
Information (Publishing, motion pictures and videos, radio and TV stations, and telecommunications)	53,900	44,800	(9,100)	-16.9%	\$18.24	No	Yes
Finance and Insurance	109,300	131,200	21,900	20.0%	\$17.24	No	Yes
Real Estate Rental and Leasing	44,100	51,900	7,800	17.7%	\$12.86	No	No
Professional and Business Services (Legal services, management services, computers services, accounting services, engineering services, payroll services)	319,900	394,700	74,800	23.4%	\$19.81	No	Yes
Educational Services (Businesses that provide educational services to schools, colleges, and universities plus specialized schools such as computer training, language schools, flight training, cosmetology)	28,300	43,200	14,900	52.7%	\$15.31	No	Yes
Health Care and Social Assistance	191,600	247,300	55,700	29.1%	\$14.23	No	Yes
Leisure and Hospitality	230,000	266,700	36,700	16.0%	\$10.07	No	No
Other Services (Auto repair shops, barber shops, other repair shops)	84,700	100,600	15,900	18.8%	\$11.26	No	No
Government - Federal, State and Local (All government employees including teachers, police)	377,800	410,000	32,200	8.5%	\$17.76	No	Yes
Total Employment	2,265,100	2,643,900	378,800	16.7%	\$12.97	No	No

Data Source: Arizona Department of Housing and Arizona Department of Economic Security.

Appendices

Table 3:

Employment Growth and Housing Affordability by Industry - Urban Arizona*

Industry	Urban Employment 2001	Urban Employment 2006	Urban Employment Change 2001-2006 Numbers	Urban Employment Change 2001-2006 Percent	**Urban Median Hourly Wages	Can Afford to Buy Median Priced House	Can Afford to Rent 2-BDRM Apartment
Natural Resources and Mining	4,200	4,300	100	2.4%	\$17.86	No	Yes
Construction	151,000	212,800	61,800	40.9%	\$15.58	No	Yes
Manufacturing	186,200	169,100	(17,100)	-9.2%	\$16.57	No	Yes
Wholesale Trade	87,000	96,400	9,400	10.8%	\$16.47	No	Yes
Retail Trade (Retail store workers)	224,900	271,400	46,500	20.7%	\$11.22	No	No
Transportation, Warehousing and Utilities	67,800	73,500	5,700	8.4%	\$17.90	No	Yes
Information (Publishing, motion pictures and videos, radio and TV stations and telecommunications)	49,300	39,900	(9,400)	-19.1%	\$19.02	No	Yes
Finance and Insurance	107,900	128,000	20,100	18.6%	\$15.81	No	Yes
Real Estate Rental and Leasing	36,200	43,600	7,400	20.4%	\$14.73	No	No
Professional and Business Services (Legal services, management services, computers services, accounting services, engineering services, payroll services)	300,700	369,700	69,000	22.9%	\$19.86	No	Yes
Educational Services (Businesses that provide educational services to schools, colleges, and universities, plus specialized schools such as computer training, language schools, flight training, cosmetology)	26,188	41,200	15,012	57.3%	\$15.25	No	Yes
Health Care and Social Assistance	159,312	206,900	47,588	29.9%	\$14.92	No	No
Leisure and Hospitality	190,700	221,400	30,700	16.1%	\$10.23	No	No
Other Services (Auto repair shops, barber shops, other repair shops)	73,600	88,900	15,300	20.8%	\$11.31	No	No
Government - Federal, State and Local (All government employees including teachers, police)	277,200	307,500	30,300	10.9%	\$18.29	No	Yes
Total Employment	1,942,200	2,274,600	332,400	17.1%	\$14.07	No	No

* Urban Arizona is comprised of the Phoenix-Mesa-Scottsdale and Tucson Metropolitan Areas.

** Maricopa County hourly wages by industry data was used as a substitute for the same category of data in the urban areas of Arizona.

Appendices

Table 4:

Employment Growth and Housing Affordability by Industry - Rural Arizona*

Industry	Rural Employment 2001	Rural Employment 2006	Rural Employment Change 2001-2006 Numbers	Rural Employment Change 2001-2006 Percent	**Rural Median Hourly Wages	Can Afford Buying a Median-Priced House	Can Afford Renting a 2-BDRM Apartment
Natural Resources and Mining	5,400	5,600	200	3.7%	---	---	---
Construction	22,600	32,700	10,100	44.7%	\$13.97	No	Yes
Manufacturing	15,500	18,200	2,700	17.4%	\$13.44	No	Yes
Wholesale Trade	8,900	9,200	300	3.4%	\$14.20	No	Yes
Retail Trade (Retail store workers)	43,200	50,400	7,200	16.7%	\$10.04	No	No
Transportation, Warehousing and Utilities	8,800	9,900	1,100	12.5%	\$15.26	No	Yes
Information (Publishing, motion pictures and videos, radio and TV stations and telecommunications)	4,600	4,900	300	6.5%	\$13.14	No	Yes
Finance and Insurance	1,400	3,200	1,800	128.6%	\$13.00	No	Yes
Real Estate Rental and Leasing	7,900	8,300	400	5.1%	\$11.82	No	No
Professional and Business Services (Legal services, management services, computers services, accounting services, engineering services, payroll services)	19,200	25,000	5,800	30.2%	\$16.23	No	Yes
Educational Services (Businesses that provide educational services to schools, colleges and universities plus specialized schools such as computer training, language schools, flight training, cosmetology)	2,112	2,000	(112)	-5.3%	\$13.98	No	Yes
Health Care and Social Assistance	32,288	40,400	8,112	25.1%	\$13.61	No	Yes
Leisure and Hospitality	39,300	45,300	6,000	15.3%	\$8.67	No	No
Other Services (Auto repair shops, barber shops, other repair shops)	11,100	11,700	600	5.4%	\$9.66	No	No
Government - Federal, State and Local (All government employees including teachers, police)	100,600	102,500	1,900	1.9%	\$17.43	No	Yes
Total Employment	322,900	369,300	46,400	14.4%	\$12.09	No	No

*Rural Arizona is comprised of Arizona minus Phoenix-Mesa-Scottsdale and Tucson Metropolitan Areas.

**Mohave County hourly wages by industry data was used as a substitute for the same category of data in the rural areas of Arizona.

Appendices

Table 5:

Median Home Values and Household Income Data by Arizona Counties

County	Median Home Value					Median Household Income					Median Home Value Increased Faster Than Median Household Income*	
	1990	2000	2005	% Increase 1990-2000	% Increase 2000-2005	1990	2000	2005	% Increase 1990-2000	% Increase 2000-2005	% Net Increase 1990 - 2000	% Net Increase 2000 - 2005
Apache	\$16,600	\$41,700	\$76,600	151.2%	83.7%	\$14,100	\$23,344	\$23,545	65.6%	0.9%	85.6%	82.8%
Cochise	\$59,700	\$88,200	\$115,400	47.7%	30.8%	\$22,425	\$32,105	\$36,027	43.2%	12.2%	4.6%	18.6%
Coconino	\$82,600	\$142,500	\$213,500	72.5%	49.8%	\$26,112	\$38,256	\$41,184	46.5%	7.7%	26.0%	42.2%
Gila	\$58,600	\$100,100	NA	70.8%	NA	\$20,964	\$30,917	NA	47.5%	NA	23.3%	NA
Graham	\$50,300	\$80,900	NA	60.8%	NA	\$18,455	\$29,668	NA	60.8%	NA	0.1%	NA
Greenlee	\$40,700	\$62,700	NA	54.1%	NA	\$27,491	\$39,384	NA	43.3%	NA	10.8%	NA
La Paz	\$56,800	\$86,500	NA	52.3%	NA	\$16,555	\$25,839	NA	56.1%	NA	-3.8%	NA
Maricopa	\$84,700	\$129,200	\$212,700	52.5%	64.6%	\$30,797	\$45,358	\$48,711	47.3%	7.4%	5.3%	57.2%
Mohave	\$74,900	\$95,300	\$157,500	27.2%	65.3%	\$24,002	\$31,521	\$35,477	31.3%	12.6%	-4.1%	52.7%
Navajo	\$51,500	\$77,000	\$94,100	49.5%	22.2%	\$19,452	\$28,569	\$31,272	46.9%	9.5%	2.6%	12.7%
Pima	\$76,500	\$114,600	\$167,400	49.8%	46.1%	\$25,401	\$36,758	\$41,521	44.7%	13.0%	5.1%	33.1%
Pinal	\$53,400	\$93,900	\$131,000	75.8%	39.5%	\$21,301	\$35,856	\$41,164	68.3%	14.8%	7.5%	24.7%
Santa Cruz	\$71,500	\$94,700	NA	32.4%	NA	\$22,066	\$29,710	NA	34.6%	NA	-2.2%	NA
Yavapai	\$85,300	\$138,000	\$192,500	61.8%	39.5%	\$22,060	\$34,901	\$40,746	58.2%	16.7%	3.6%	22.7%
Yuma	\$63,700	\$85,100	\$106,800	33.6%	25.5%	\$23,635	\$32,182	\$35,956	36.2%	11.7%	-2.6%	13.8%
State of Arizona	\$79,700	\$121,300	\$185,400	52.2%	52.8%	\$27,540	\$40,558	\$44,282	47.3%	9.2%	4.9%	43.7%

*These numbers were derived by subtracting the percent increase in "median household income" from the percent increase in "median home values" for the 1990-2000 and 2000-2005 periods.

The American Community Survey data was used for the 2005 home value estimates and median household income numbers. The 2005 data from American Community Survey is in 2005 inflation-adjusted dollars.

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Sources

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Arizona Department of Housing
1110 W. Washington, Suite 310
Phoenix, AZ 85007
(602) 771-1000
www.housingaz.com

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The goal of the Arizona Department of Housing is to alleviate many of the issues raised in this document through strategic public investment and technical assistance. If you would like additional information, please contact:

Dr. Sheila Harris, Director
Dr. Fred Karnas
Center for Housing Affordability & Livable Communities Administrator
(602) 771-1035 fredk@housingaz.com