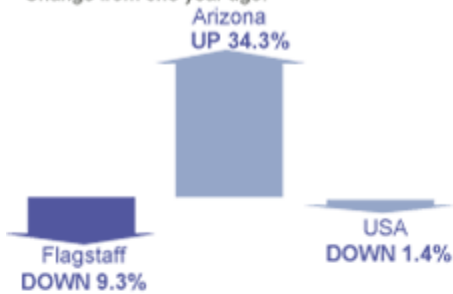


▪ **Location**  
**Flagstaff, Arizona**

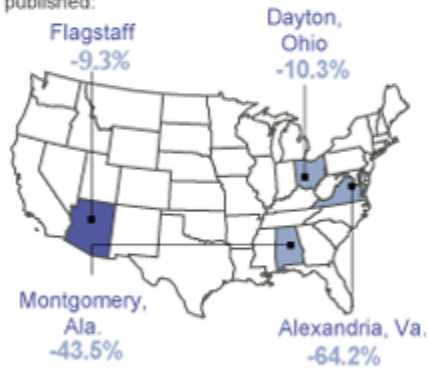
▪ **Monthly sales volume**

Change from one year ago:



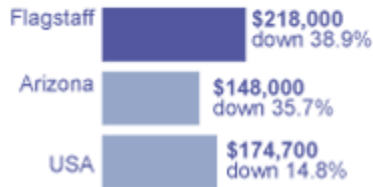
▪ **Comparing sales volume**

The four most-recent cities in the USA TODAY Close to Home series and their one-year change in monthly sales volume when originally published:



▪ **Median home price**

Change from one year ago:



Sources: Northern Virginia Association of Realtors, MDA DataQuick, National Association of Realtors.

# Flagstaff looks to second-home buyers, tourists for recovery

By Christine Dugas, USA TODAY

**Second-home buyers may be the only glimmer of hope in the near term for the Flagstaff, Ariz., housing market.**

**"We're a winter play land for people in the Phoenix area," says Deidre Craig, president of the Northern Arizona Association of Realtors. "If people want a second home, they are seeing a real bargain now."**

The city is celebrating its annual Winterfest this month. With the snow coming down in buckets, hope abounds that the event may help attract buyers from warmer parts of the state.

"We're heavily dominated by tourism," says Ronald Gunderson, economics professor at Northern Arizona University. "We are also heavily dependent on the second-home industry."

**In December, home prices were down 38.9% from a year earlier.**

But unlike the nearby Phoenix metro area, Flagstaff has not been hit by a dramatic decline in home sales, Gunderson says. In December, the city's home sales were down 9.3%.

Flagstaff has been a more stable market because it's insulated from rapid growth. The city is surrounded by the largest Ponderosa pine forest in the world, as well as other forest service property and state trust land, Craig says.

Yet, even that can't totally shield the city from the housing crisis. In recent years, several new subdivisions were put on hold, Craig says.

"Obviously, we have been hurt like everybody else," Gunderson says. "Construction has been a very important sector in our community, and that sector is basically stuck right now."

Foreclosures are starting to rise in the Flagstaff area, Craig says. And investment property has been hardest hit.

But the increase is minor compared with the foreclosure rate in the Phoenix and Mesa area, which ranked No. 5 among the top metro areas of the nation last year, according to RealtyTrac.com.

Given the gloomy economy, even the popular ski slopes may not help attract many home buyers to Flagstaff.

Gunderson says he expects a recovery with an economy uptick, but, "it's just a matter of how long it's going to take."

## The most expensive



Pine Canyon Club is selling a new, custom-built home with views of San Francisco Peak and the 18th fairway of the golf course.

**Price:** \$4.95 million

**Bedrooms:** 5

**Bathrooms:** 5

**Size:** 7,011 square feet

**Features:** Den, hobby studio, great room with a cathedral ceiling, master suite with his-and-her bathrooms, steam room, billiards room, theater, six fireplaces, private massage room, wine room and wet bar, open patio, guest quarters.

## Median-price home



This multilevel home, built in 1945 and remodeled in 2000, is on the market.

**Price:** \$217,500

**Bedrooms:** 3

**Bathrooms:** 1

**Size:** 1,070 square feet

**Features:** Kitchen with maple cabinets and ceramic tile countertops, master bedroom with walk-in cabinet, partially fenced backyard with deck, dog run.