

the \$279,900 they paid two years ago after commission and closing costs.

But they made the right call. As painful as it might be to realize that your house isn't worth what you thought, asking too much in a slow market is a mistake. "Trying to get last year's price is wishful thinking," says Hessam Nadji, managing director with real estate advisory firm Marcus & Millichap. "Often you're unable to sell your house, which compounds itself, and you keep chasing the market down." Just ask

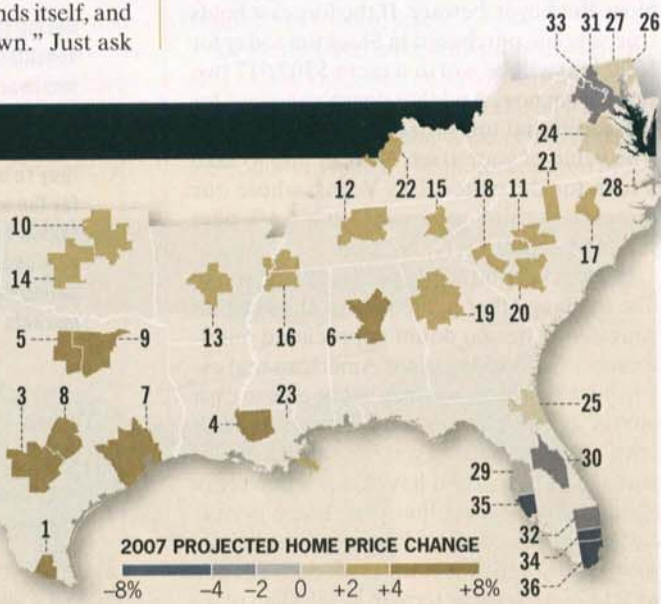
Rob Sakey, 46, of Northampton, Mass. He and his siblings put their grandparents' Victorian in Cambridge, Mass., on the market for \$2.1 million last year, when real estate in the area was starting to slide. After four months they lowered the price to \$1.9 million. Then \$1.7 million. At \$1.5 million, they started getting bites. The house is now in escrow for \$1.2 million.

REGIONAL FORECAST

THE SOUTHEAST

The housing market looks healthy for the region, which may boast 12 of the 20 hottest markets for 2007.

Regional rank	Metro area <sup>1</sup>	Projected price change		Median home price <sup>2</sup>	National rank
		2007	2008		
1	McAllen–Mission, Texas	8.5%	9.8%	\$69,660	1
2	El Paso	7.1%	4.4%	\$124,410	2
3	San Antonio	4.8%	3.5%	\$139,830	6
4	Baton Rouge	4.5%	2.8%	\$170,240	8
5	Fort Worth–Arlington	4.4%	3.8%	\$127,470	9
6	Birmingham, Ala.	4.4%	3.5%	\$165,740	10
7	Houston	4.1%	3.1%	\$149,720	11
8	Austin	4.1%	2.8%	\$171,250	12
9	Dallas–Irving	4.1%	3.9%	\$161,210	13
10	Tulsa	4.0%	3.9%	\$134,120	15
11	Charlotte	3.8%	2.3%	\$187,010	17
12	Nashville	3.8%	1.9%	\$175,010	19
13	Little Rock	3.7%	2.7%	\$124,640	21
14	Oklahoma City	3.7%	2.8%	\$126,280	23
15	Knoxville, Tenn.	3.5%	1.6%	\$149,310	24
16	Memphis	3.4%	2.8%	\$143,040	26
17	Raleigh	3.0%	2.5%	\$204,640	32
18	Greenville, S.C.	2.9%	2.3%	\$149,470	36
19	Atlanta–Marietta	2.7%	2.2%	\$172,620	39
20	Columbia, S.C.	2.7%	2.5%	\$144,690	40



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		2007	2008		
21	Greensboro–High Point, N.C.	2.5%	2.7%	\$147,490	43
22	Louisville	2.4%	2.2%	\$135,980	44
23	New Orleans	2.4%	-0.2%	\$173,980	45
24	Richmond	1.9%	0.3%	\$219,660	51
25	Jacksonville	1.7%	-1.0%	\$195,900	52
26	Wilmington, Del.	1.1%	0.3%	\$245,450	56
27	Baltimore	0.1%	-1.4%	\$267,620	63
28	Virginia Beach–Norfolk	-0.3%	-2.8%	\$238,370	69
29	Tampa–St. Petersburg	-1.9%	-2.8%	\$229,870	73
30	Orlando–Kissimmee, Fla.	-2.1%	-3.3%	\$264,110	77
31	Bethesda–Gaithersburg, Md.	-2.7%	-4.3%	\$468,150	80
32	W. Palm Beach–Boca Raton	-3.7%	-1.1%	\$393,290	88
33	Washington, D.C.	-3.8%	-3.2%	\$416,510	89
34	Fort Lauderdale	-4.3%	-4.3%	\$366,860	91
35	Sarasota–Bradenton, Fla.	-4.8%	-0.8%	\$312,720	94
36	Miami–Miami Beach	-4.9%	-7.5%	\$371,660	95

<sup>1</sup> Metro areas often include surrounding towns and occasionally cross state borders; for the full town listing see fortune.com. <sup>2</sup>The median home price as of second quarter 2006.