



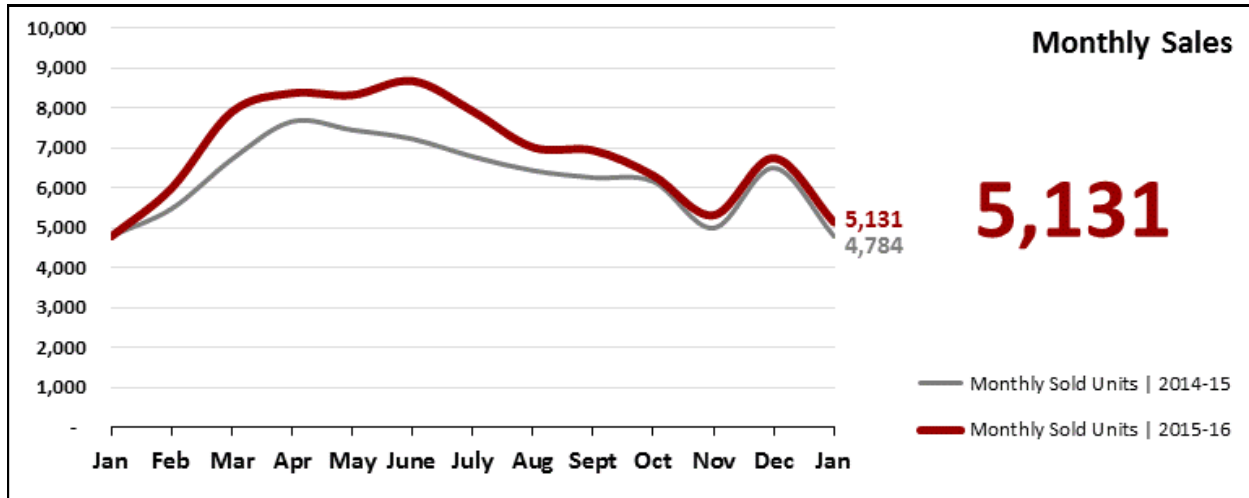
JANUARY 2016 ARMLS® STAT - Published February 23, 2016

Letter From The Editor

Before we dive into this issue of STAT, we have a few announcements. We have always titled each issue of STAT based on when it was published. A July STAT had data from June. Starting with this issue, we changed the title to reflect the month of the data, regardless of the publish date. For example, this is the January 2016 STAT, published in February 2016.

We also improved the graphs. Graphs now show 13 months of data, so it's easier to see year-over-year changes. We also added a new trend line for CCBS in our UCB vs. Active graph. And last, a big thank you to our Subscribers for their great suggestions over the years. —James Marcus, ARMLS Brand Manager

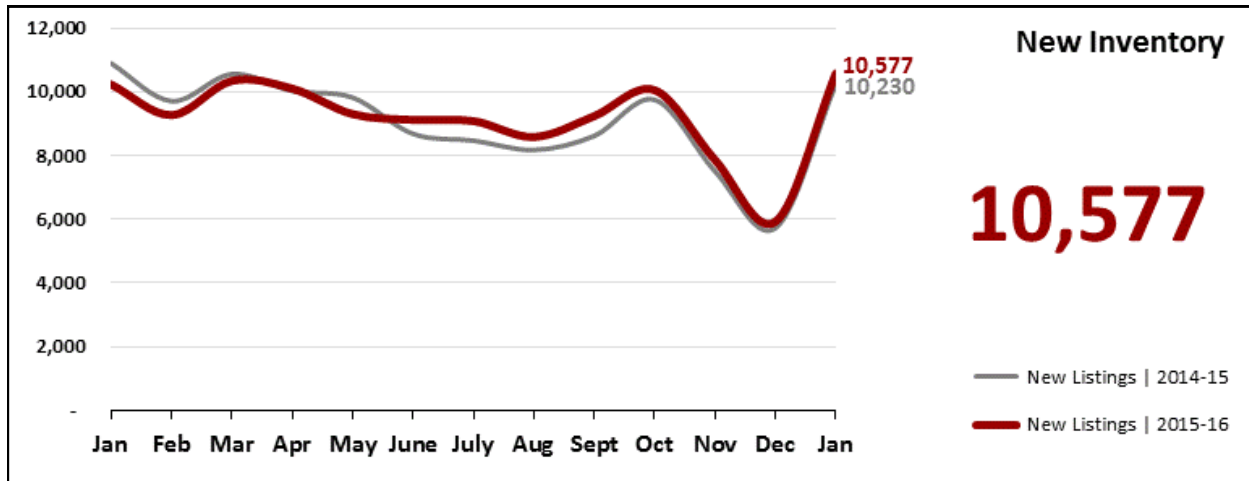
MONTHLY SALES



+7.3% year-over-year
-23.9% month-over-month

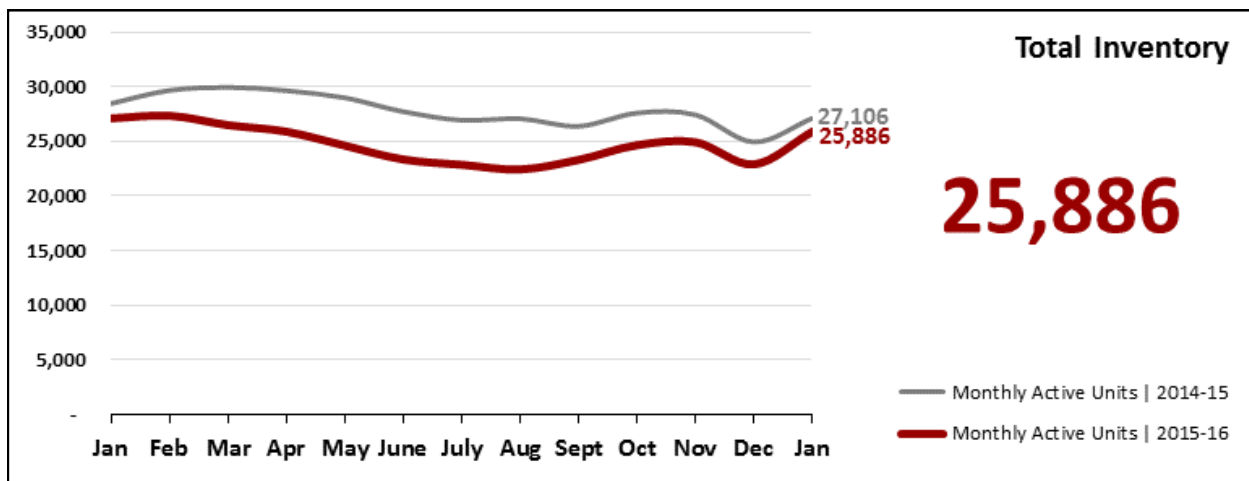
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NEW INVENTORY



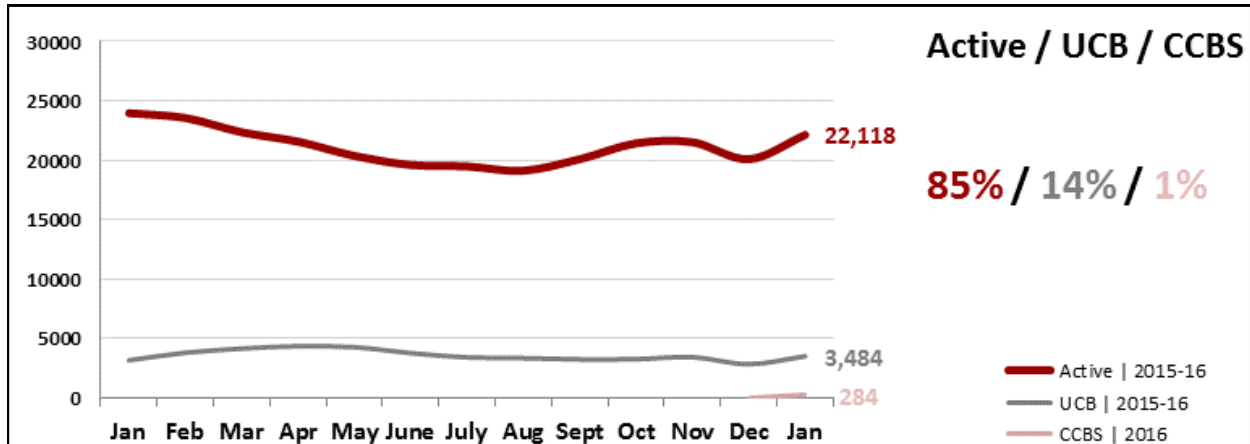
+3.4% year-over-year
+78.5% month-over-month

TOTAL INVENTORY



-4.5% year-over-year
+13.1% month-over-month

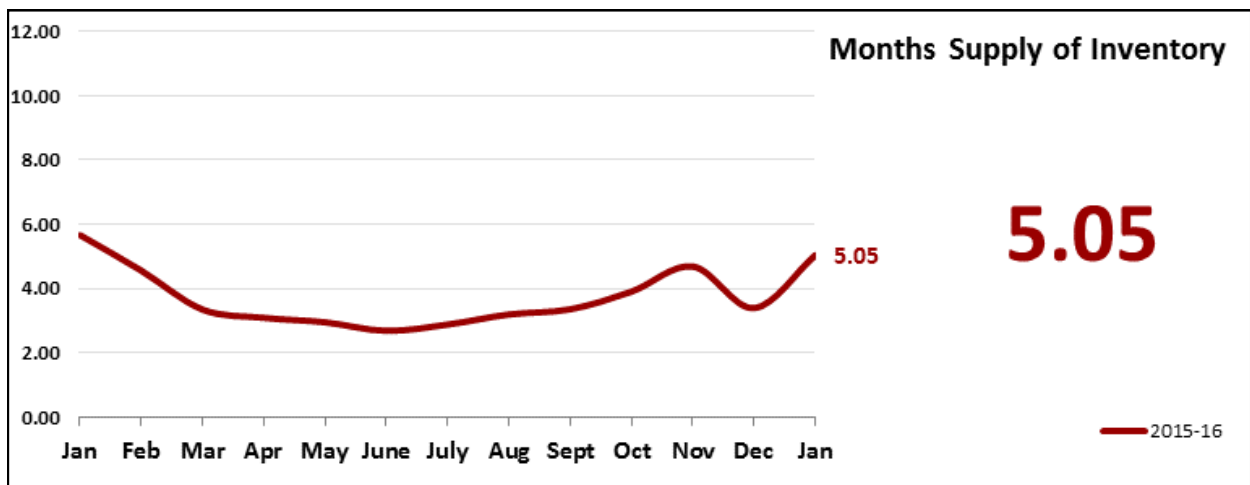
ACTIVES / UCB / CCBS



13.5% JAN 2016 UCB percent of total Active

1.1% JAN 2016 CCBS percent of total Active

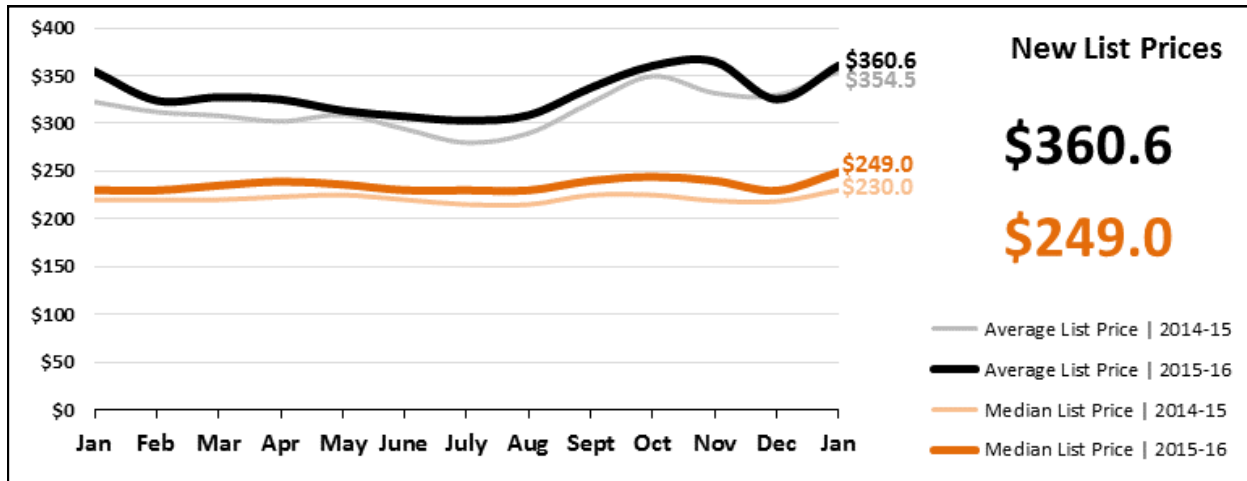
MONTHS SUPPLY OF INVENTORY



3.40 MSI DEC 2015

5.05 MSI JAN 2016

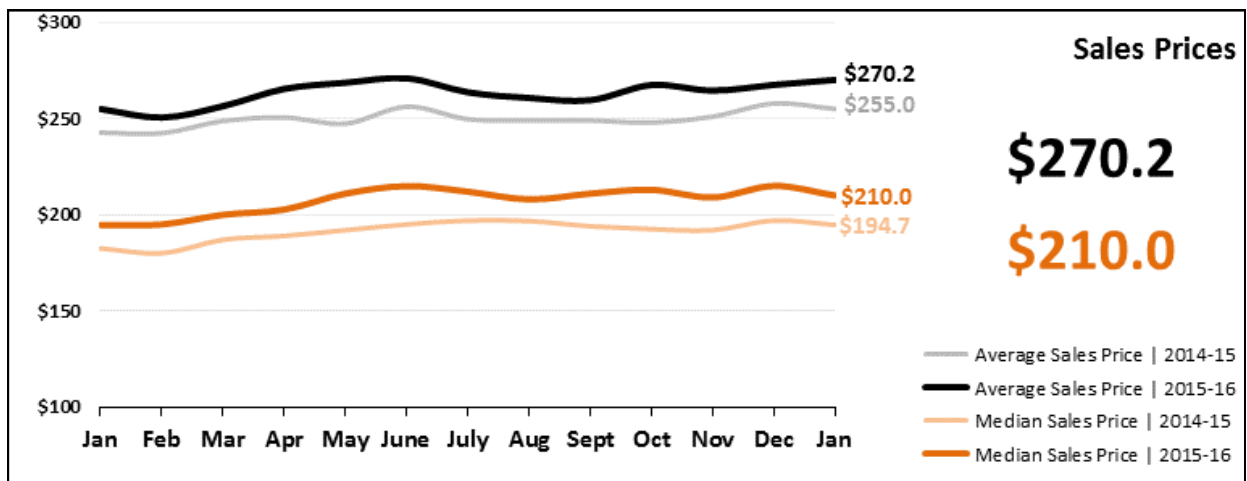
NEW LIST PRICES



+1.7% year-over-year average

+8.3% year-over-year median

SALES PRICES

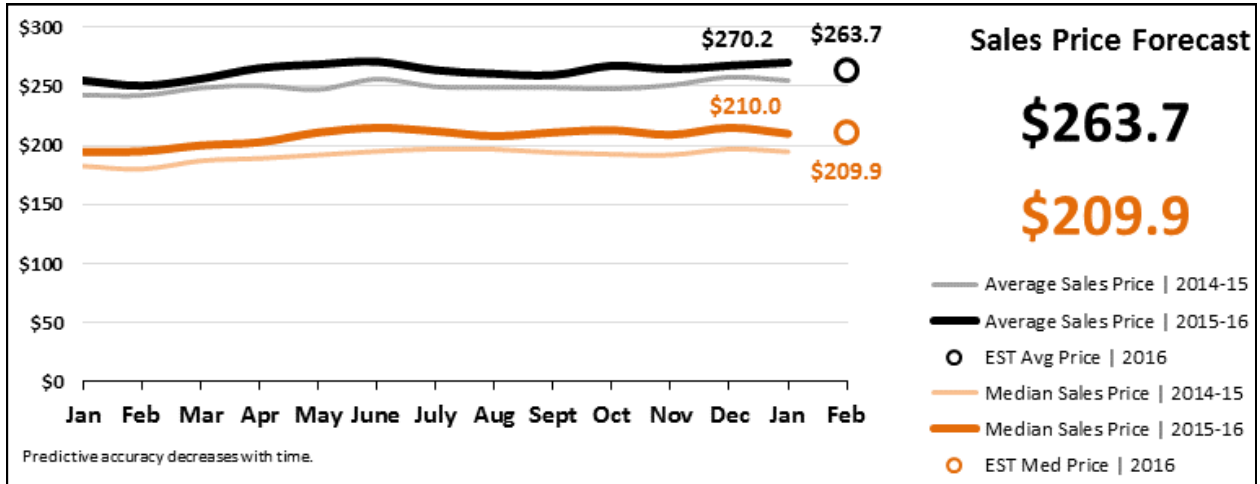


+6.0% year-over-year average

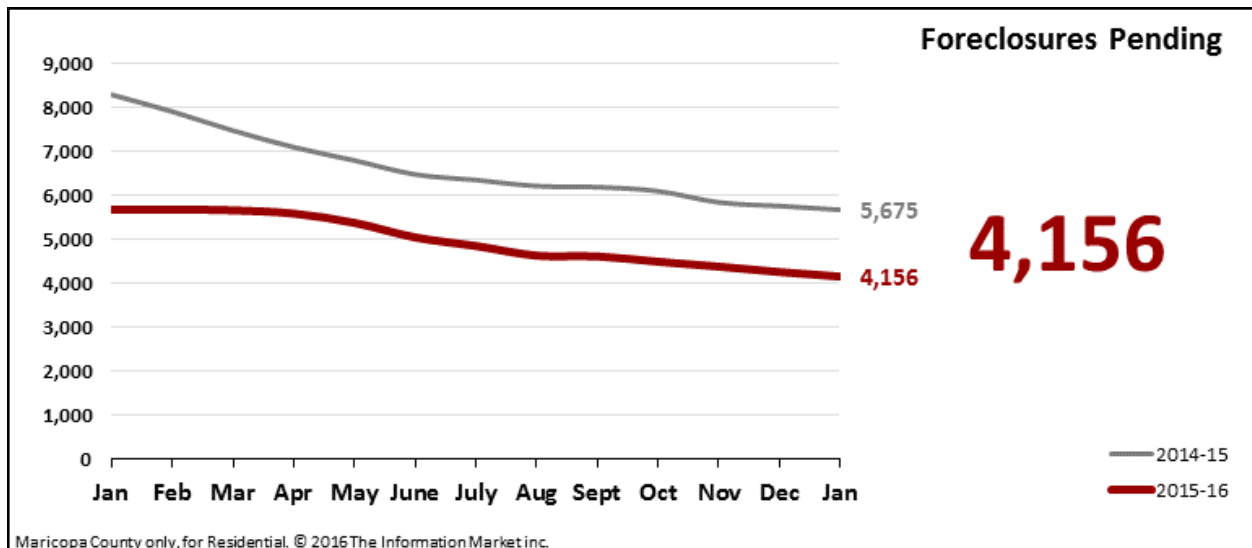
+7.9% year-over-year median

THE ARMLS® PENDING PRICE INDEX™

SALES PRICE FORECAST

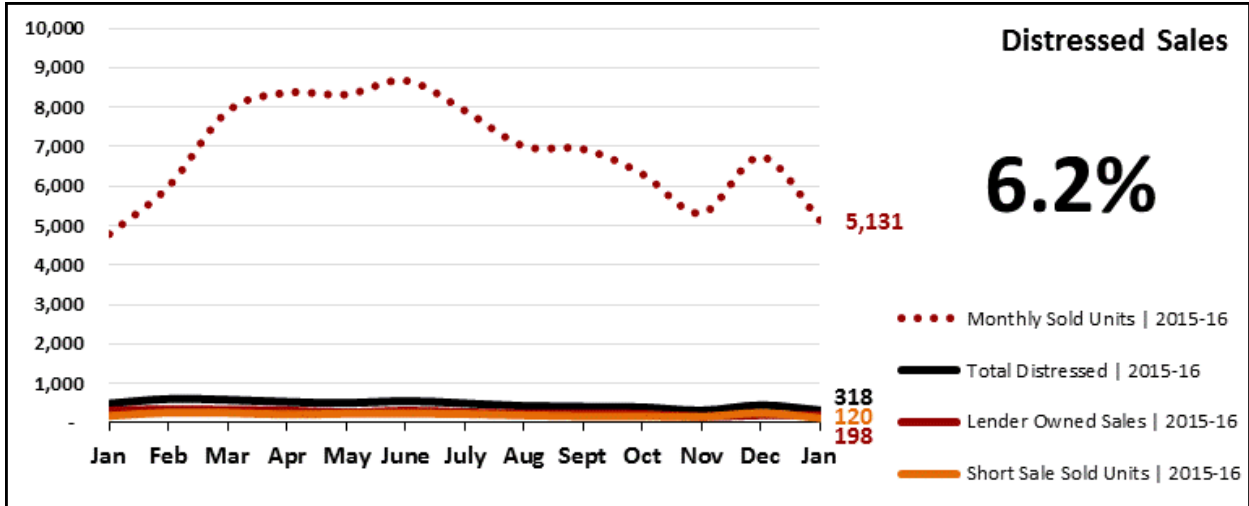


FORECLOSURES PENDING



-26.8% year-over-year
-2.5% month-over-month

DISTRESSED SALES

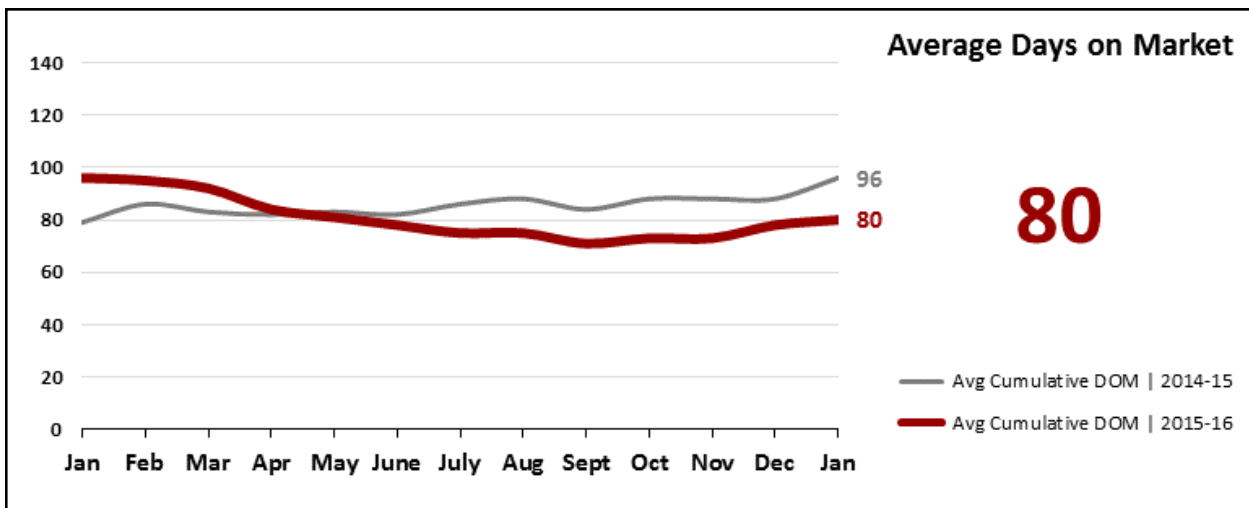


-32.2% short sale units year-over-year

-36.7% lender owned units year-over-year

-35.1% total year-over-year

AVERAGE DAYS ON MARKET



-16 year-over-year

+2 month-over-month

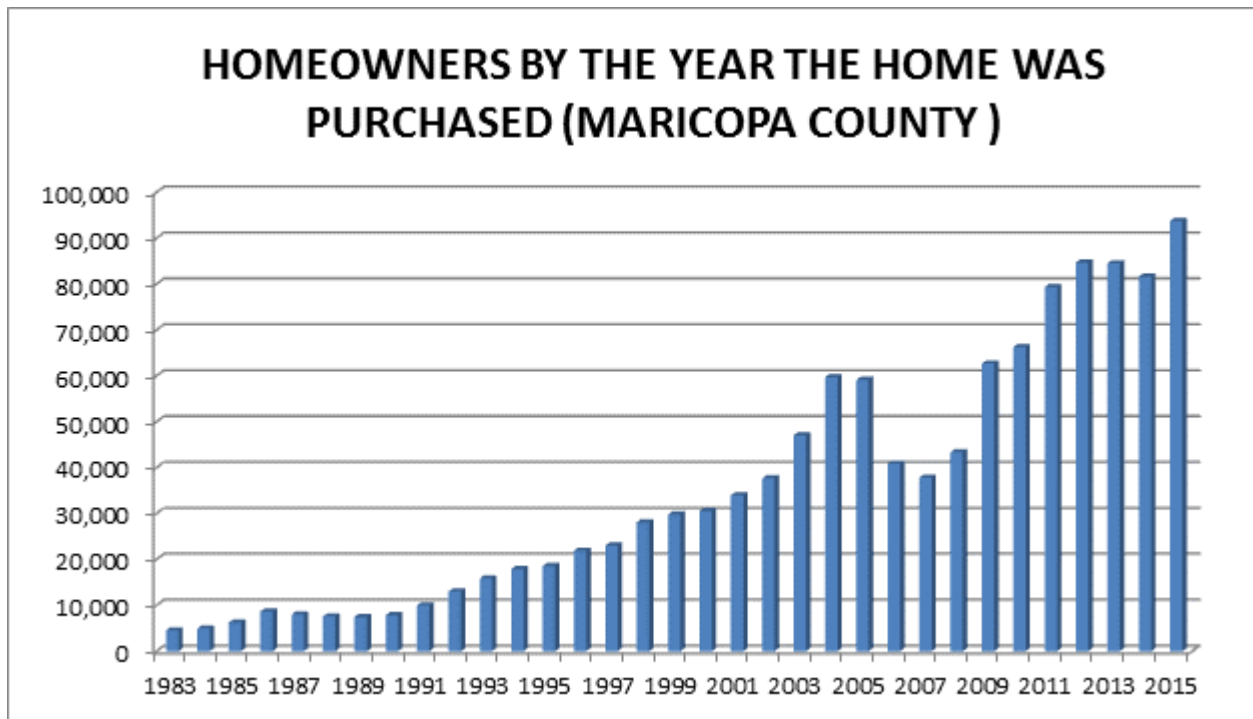
COMMENTARY

by Tom Ruff of The Information Market

Our selling season starts when the Super Bowl kicks off. This wisdom is reflected in the number of pending contracts currently in the MLS. Historically, pending contracts hit their low water mark in early January. Pending contracts are increasing daily and this ascent will continue through the next three months. Traditionally, pending contracts peak between late April and early May. It's too early to project what's in store for 2016 but we'll have a much clearer picture when March and April sales numbers are reported.

Back to January. January often brings in the lowest monthly sales volume in any given year. This year there were 5,131 home sales in the MLS, a 7.3% increase over last year for January 2016. The monthly median sales price in January was up 7.9% year-over-year and down 2.3% month-over-month.

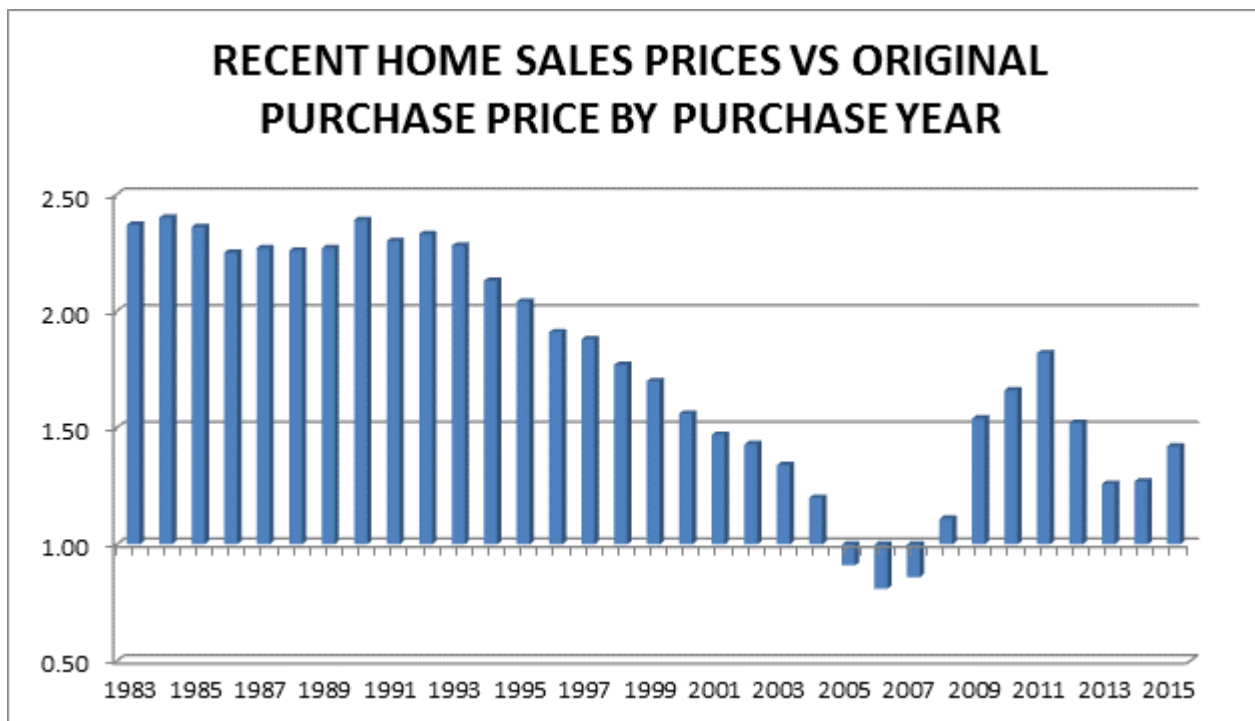
As we wait for our 2016 market to develop, I thought it might be interesting to take a look at a couple of housing metrics in Maricopa County based on the year purchased. The first chart we'll view is a simple summation of all single-family residences currently owned in Maricopa County based on the year they were purchased. The chart clearly demonstrates the disruptive impact of the housing boom, subsequent collapse and finally, our return to traditional patterns. This chart also represents the entire universe of potential sellers.



“Be Fearful When Others Are Greedy and Greedy When Others Are Fearful”

One of the greatest anxieties a potential seller faces is the list price. In analyzing recent ARMLS sales data we know that a home sells for 98% of the list price on average. If a home is over-priced, the seller has to be very patient. If priced too high without a price adjustment, it will probably end up being cancelled or expire.

In this chart we looked at sales in the last four months of Maricopa County compared to what the homeowners originally paid by original purchase year. We are able to do this using our secret sauce of public records data. If a home sold for the same price as its original sales price, it is a “1.00”, meaning 100%.



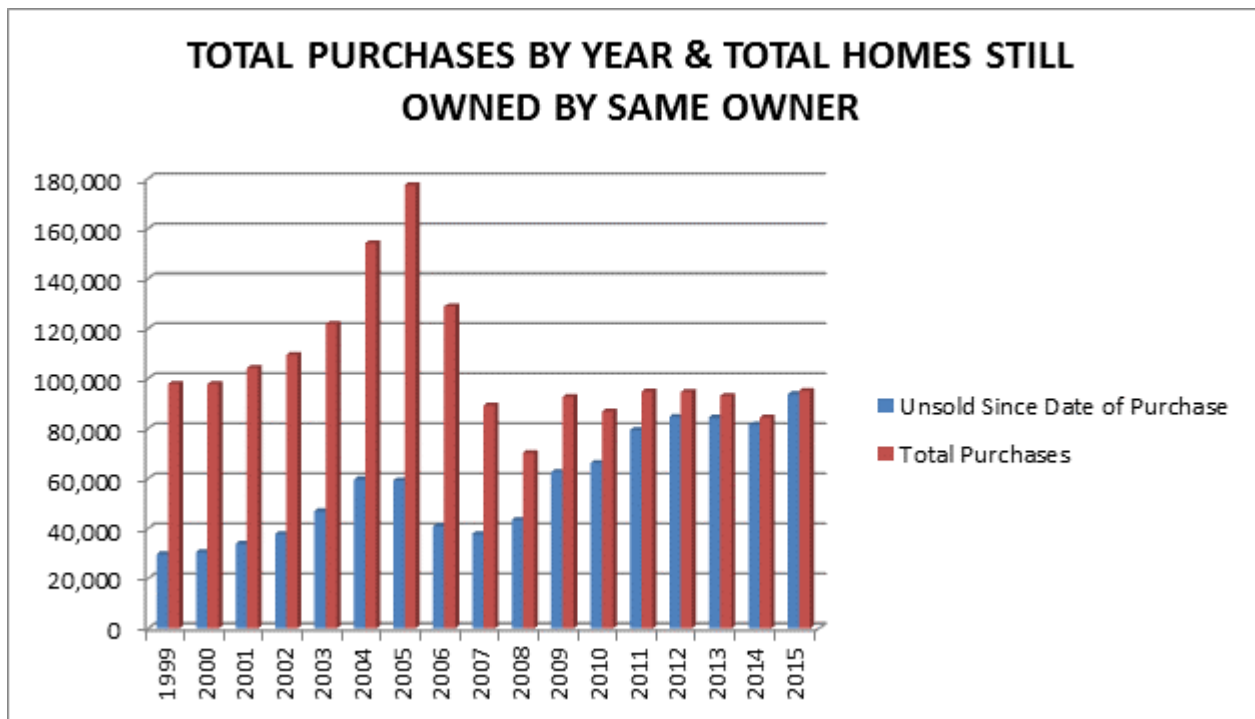
*This chart is based only on purchase prices and does not take into consideration parties that refinanced their home and took “cash out”. If someone purchased their home prior to the housing bubble and “maxed out” their equity by refinancing, they essentially “purchased” their home at that time.

Doing this allows us to calculate the average multiplier current homeowners could expect based on the year they purchased their home. For example, homes purchased in 1990 sold for 2.39 times the original price paid on average. On the other hand, a home purchased in 2006 sold for only 0.81 of the price paid. On average anyone that purchased their home in 2005, 2006 and 2007 can expect to sell their home for less than the price paid.

Homeowners, who purchased in 2011, when market prices bottomed, are selling their homes for 1.82 times their original purchase price. The people who purchased in 2011 also account for the highest percentage by year of current home sales, 8.49% of all home sales over the last four months originally purchased their homes in 2011.

The two years which are not reflective in the chart are 2014 and 2015 where the multipliers for these years are heavily impacted by extensive remodel flipping.

Our final chart compares the total number of homes that were purchased by year to the number of homes currently owned from that time period. This chart demonstrates the challenges that we've overcome as well as the challenges still remaining. In 2005, public record tells us 177,385 homes were purchased. Of the 177,385 purchased in 2005, 59,111 (33%) are still owned. On the flip side, this chart shows a bright side, 79,315 (84%) of the buyers in 2011 still own their home which affords them an excellent opportunity as a move up buyer.



ARMLS Pending Price Index (PPI)

Our last Pending Price Index projected a January median sales price of \$212,000 with the actual median coming in at \$210,000, off by less than 1.0%. Sales volume in January as reported by ARMLS was 5,131, which is 169 fewer sales than our projected volume of 5,300.

Looking ahead to February 2016, the ARMLS Pending Price Index projects a median sales price of \$209,900. We begin February 2016 with 5,877 pending sales and 3,484 UCB listings giving us a total of 9,361 residential listings under contract. This compares to 8,789 listings under contract at this time last year.

STAT is projecting 6,200 sales in February with little to no change in home prices. This year is a leap year, which adds one more working day to our calendar. As a final projection for February, STAT projects the number of women asking men to marry them will spike on February 29th.