



ARIZONA REGIONAL MULTIPLE LISTING SERVICE, INC.

STAT

your monthly statistics
for the Phoenix Metro area

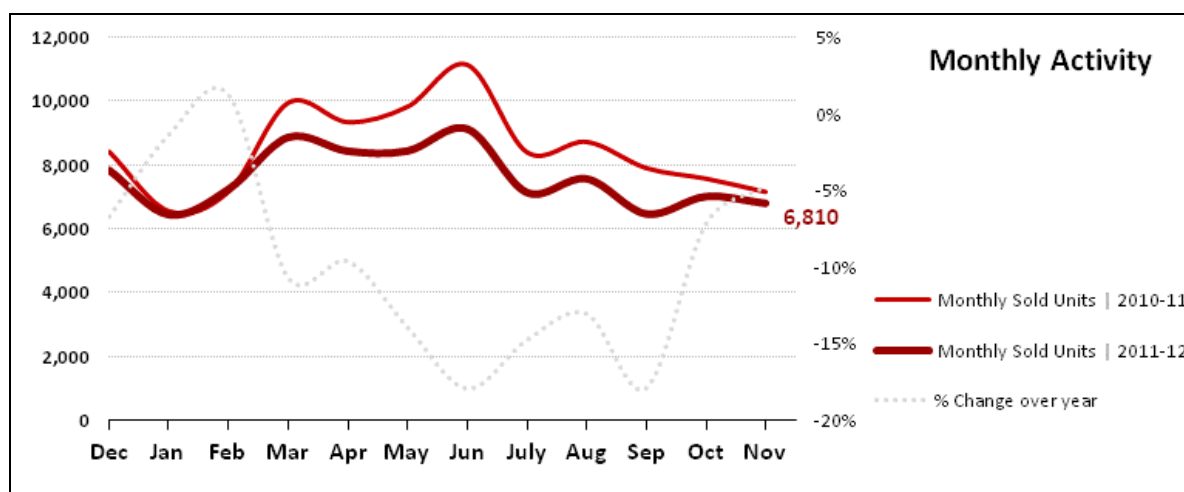
ARMLS® STAT - December 5, 2012

SALES Month over Month

Sales in November fell 3% to 6,810. This is slightly below (4.95%) the current 2012 monthly average of 7,165. With the exception of 2001 and 2010, the decline in Sales from October to November is typical of every year in the past decade.

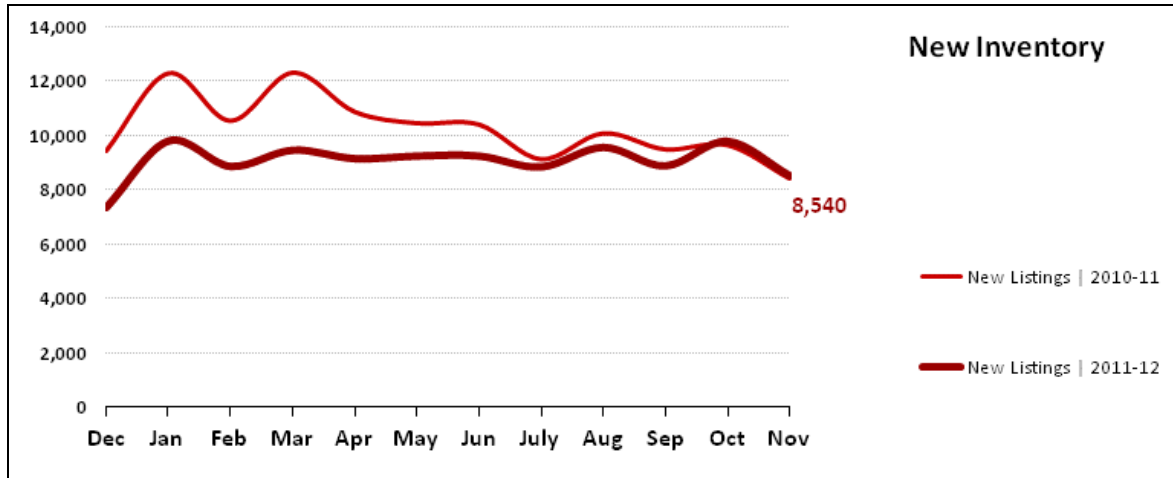
SALES Year over Year

November Sales (6,810) fell 4.7% below the same month in 2011. This follows the pattern for all of 2012 which showed declines in year over year figures for every month. Decreases in the 2012 year over year Sales figures parallel similar year over year declines in total inventory.



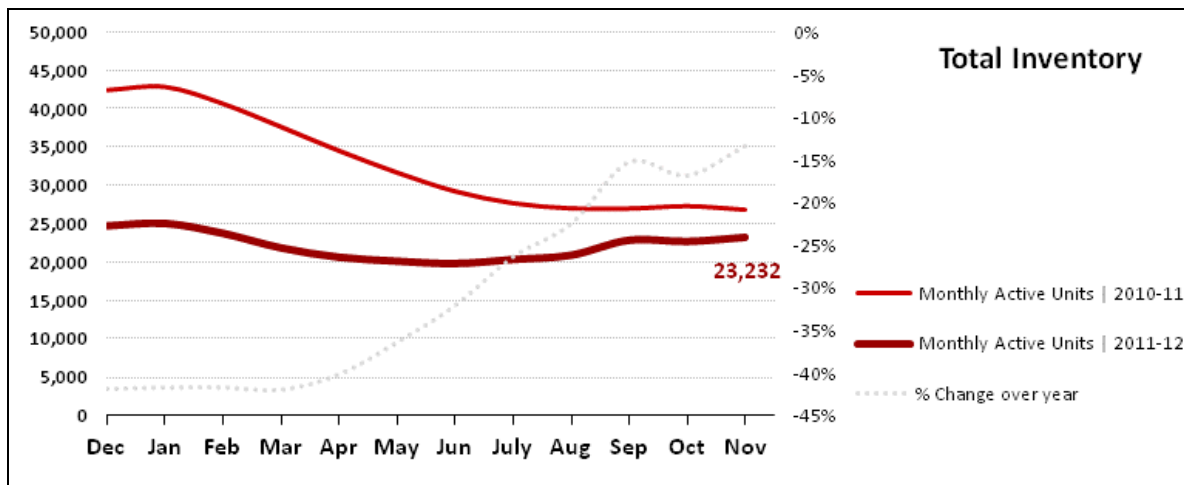
NEW INVENTORY

New inventory fell 13% in November to 8,540 new listings. This is 5% below the 2012 monthly new inventory average of 9,311. This is typical of every year of this decade which showed new inventory declines from October to November.



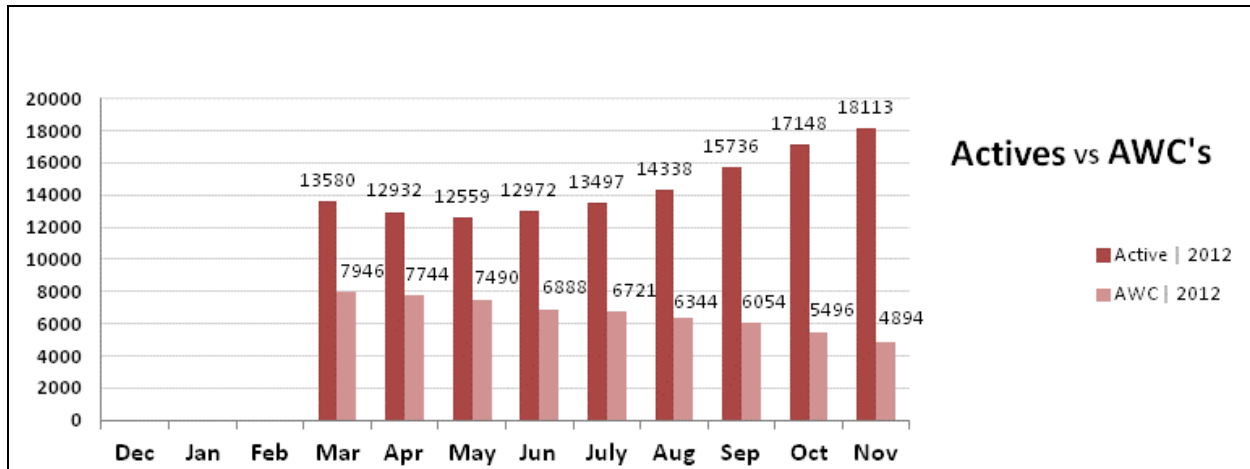
TOTAL INVENTORY

Total inventory rose 2.3% in November to 23,232, representing an increase in total inventory for four out of the last five months. November's inventory figure is 17% above the 2012 total inventory low of 19,857 reached in June.



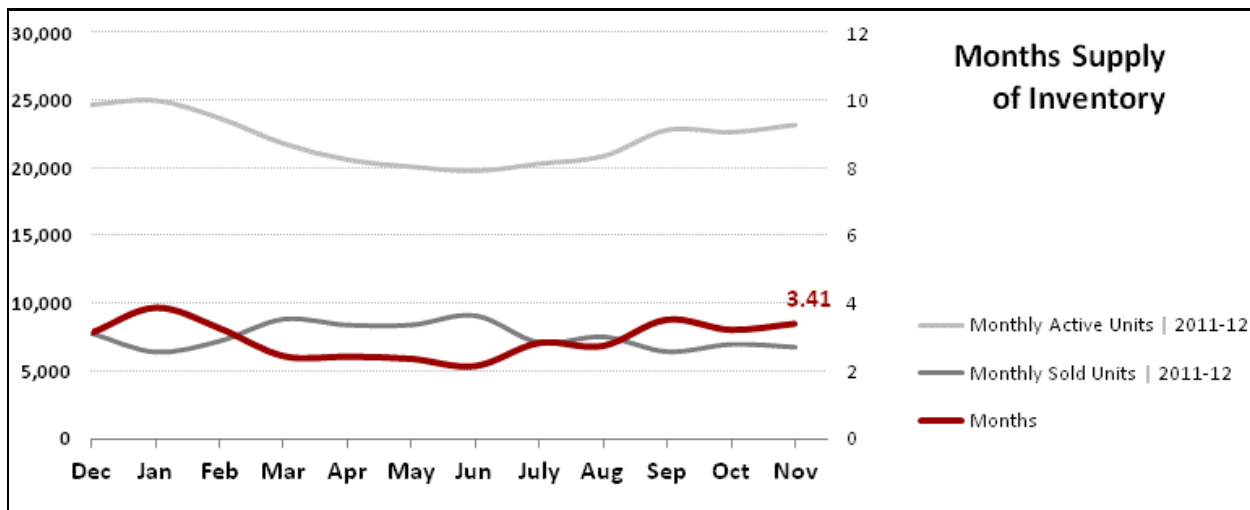
ACTIVES and AWCs

Since March, ARMLS has been tracking the Active with Contingency (AWC) makeup in the Active inventory. On December 5, ARMLS renamed the AWC status in MLS to Under Contract – Backups (UCB), to eliminate some of the confusion and frustration over the correct state of listings in the AWC status. Listings in the former AWC, now UCB status, are listings where the Seller has requested, *in writing*, that the Listing Agent continue to market the property for backup offers. If a Seller has not requested the property continue to be marketed for additional offers, then the listing should be changed to Pending status, regardless of any contingencies.



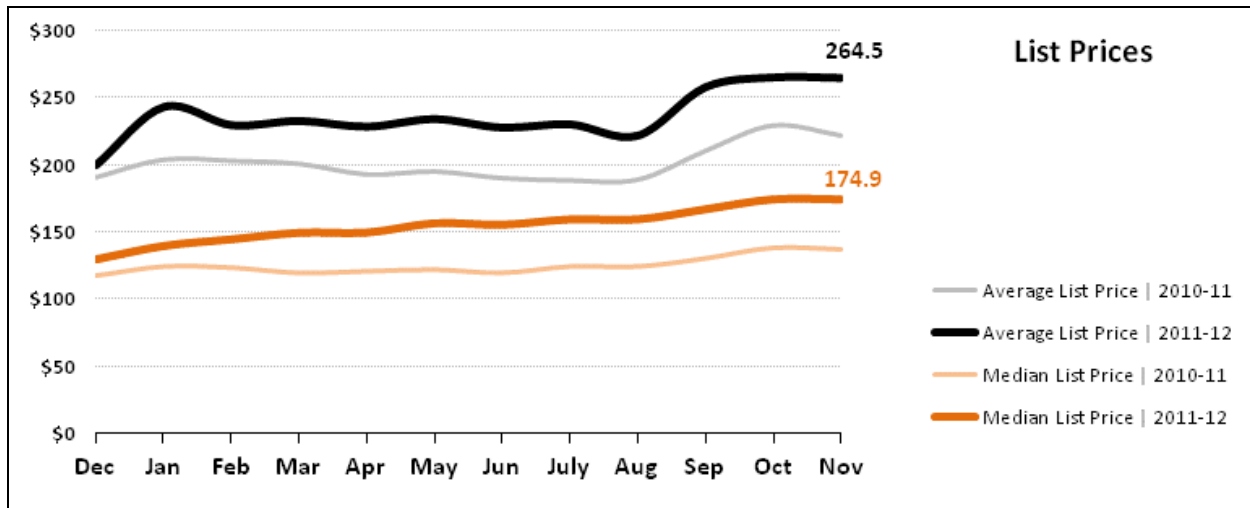
MONTHS SUPPLY OF INVENTORY (MSI)

MSI ticked up slightly in November to 3.41, remaining well in the range of a Seller's market. Market wide MSIs are tracked as a barometer of overall market health, and should not be used to gauge MSI in smaller market niches. Each market niche has its own MSI based on the unique supply and demand in the respective niche.



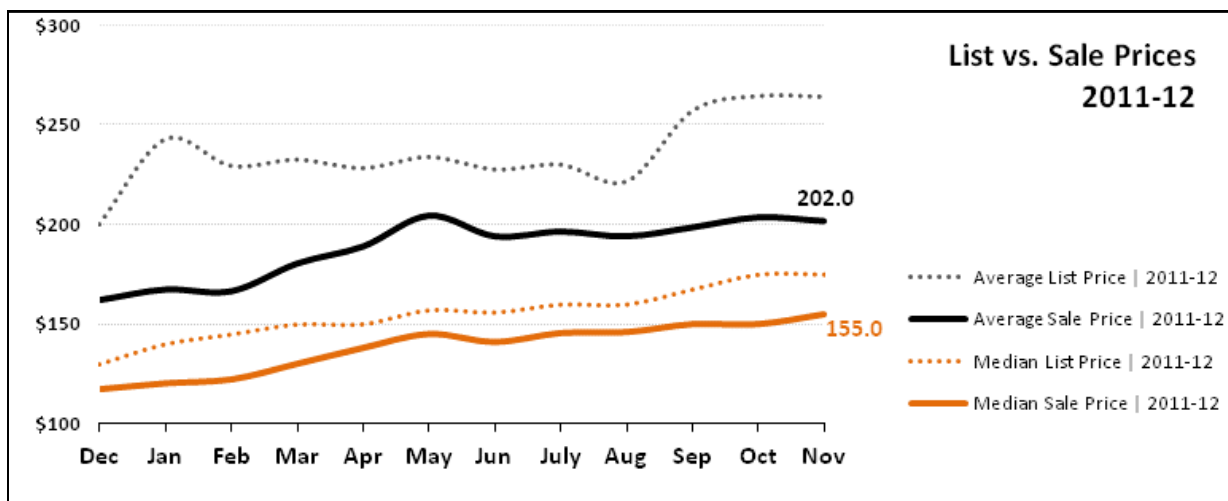
NEW LIST PRICES

New list prices remained static in November. The median new list price of \$174,900 remained unchanged, while average new list price showed an inconsequential 0.1% decline to land virtually unchanged at \$264,500. Over the last 12 months median new list price rose 34.64% from \$129,900 to the current \$174,900. Similarly, average new list price rose 32.12% from \$200,200 to \$264,500 for the same period.



SALES PRICES

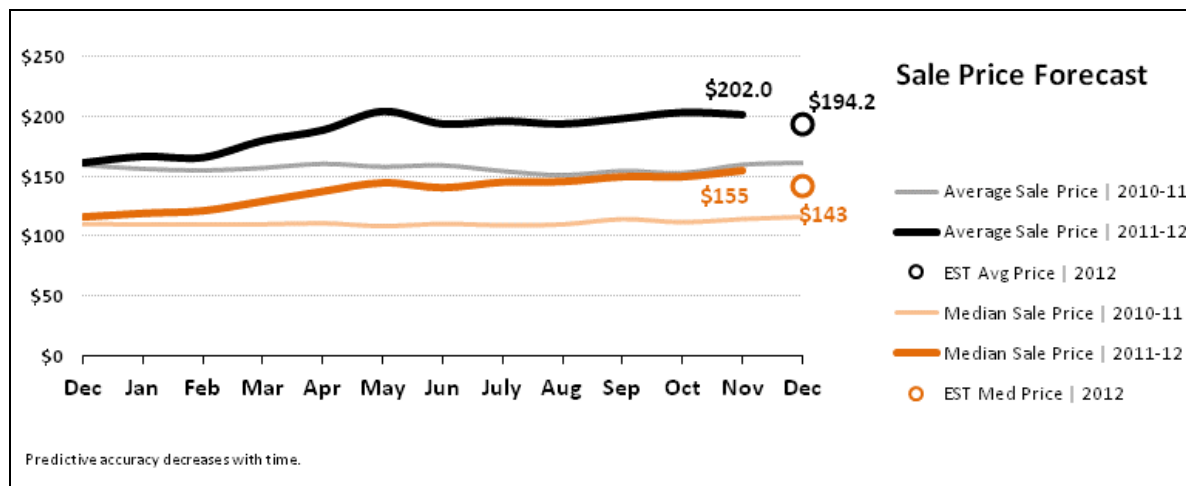
Median Sales price rose 3.3% in November to \$155,000, while average Sales price declined 0.9% to \$202,000. Overall, the Sale price trend lines for both median and average remain upward. Median Sales price rose 32.48% from \$117,000 in December 2011 to the current \$155,000. Average Sales price rose 24.54% from \$162,200 in December 2011 to the current \$202,000.



THE ARMLS PENDING PRICE INDEX™

The ARMLS Pending Price Index is a metric unique to ARMLS which uses the Pending Sales data inside MLS to predict median and average Sales prices 30 days into the future. Last month the PPI predicted the median Sales price to land at \$150,000, missing the actual median (\$155,000) by 3.33%. The PPI prediction for average Sales price last month (\$196,900) missed the actual of \$202,000 by 2.58%.

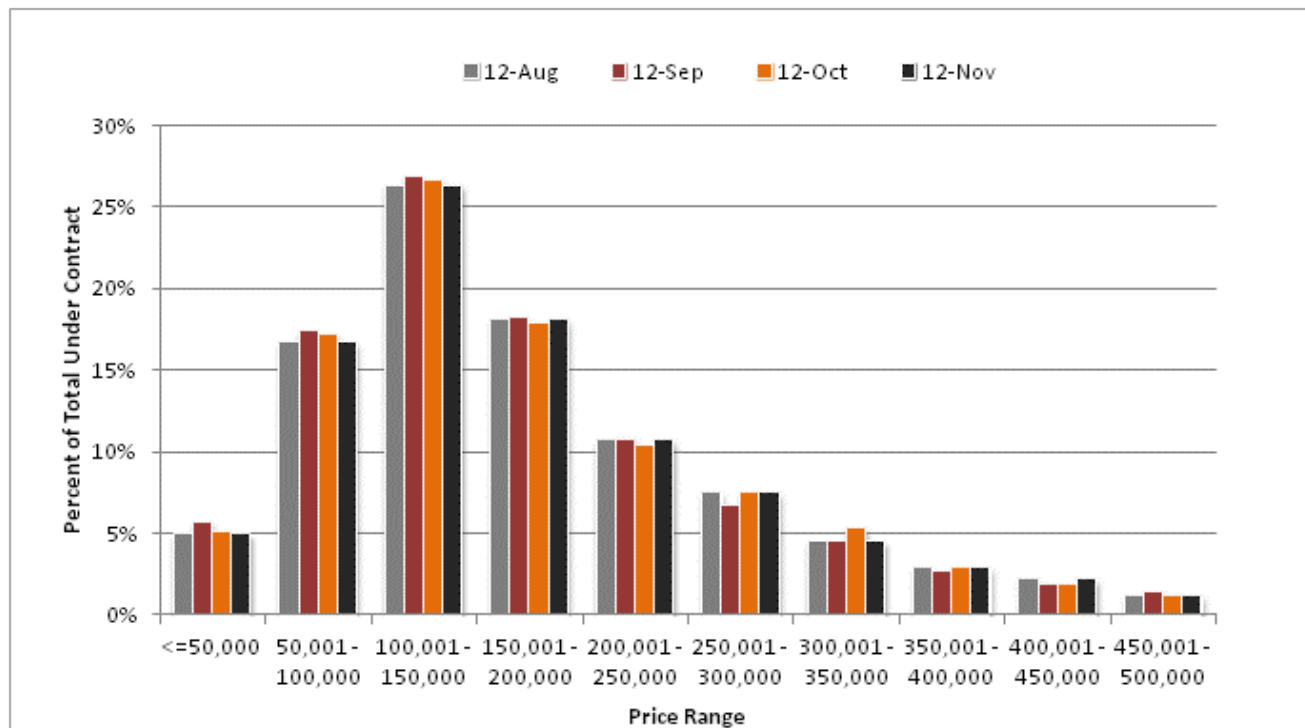
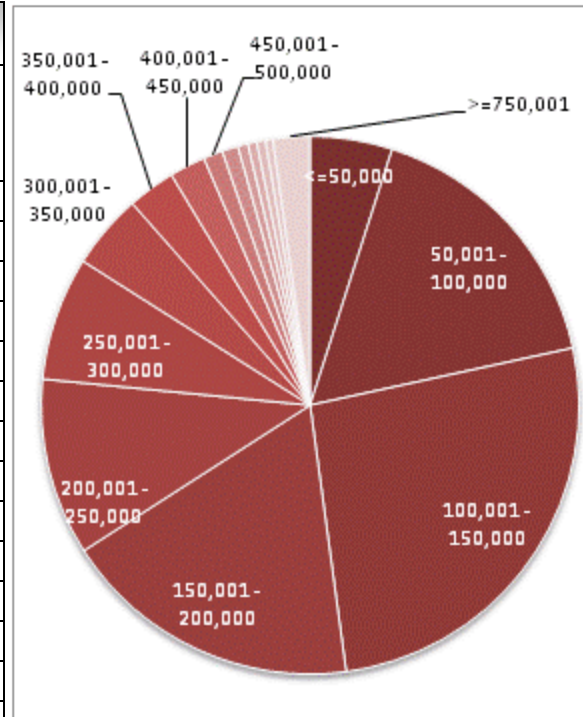
This month PPI predicts the December median Sales price to decline to \$143,000. Its forecast for the average Sales price is \$194,200.



PPI SUPPLEMENT

The PPI Supplement focuses on newly pended properties added to the total Pending pool each month on a rolling four month view. The percentages of Pending properties in each price range displayed no significant trending from the previous month. This is typical of a slow yet steady recovery.

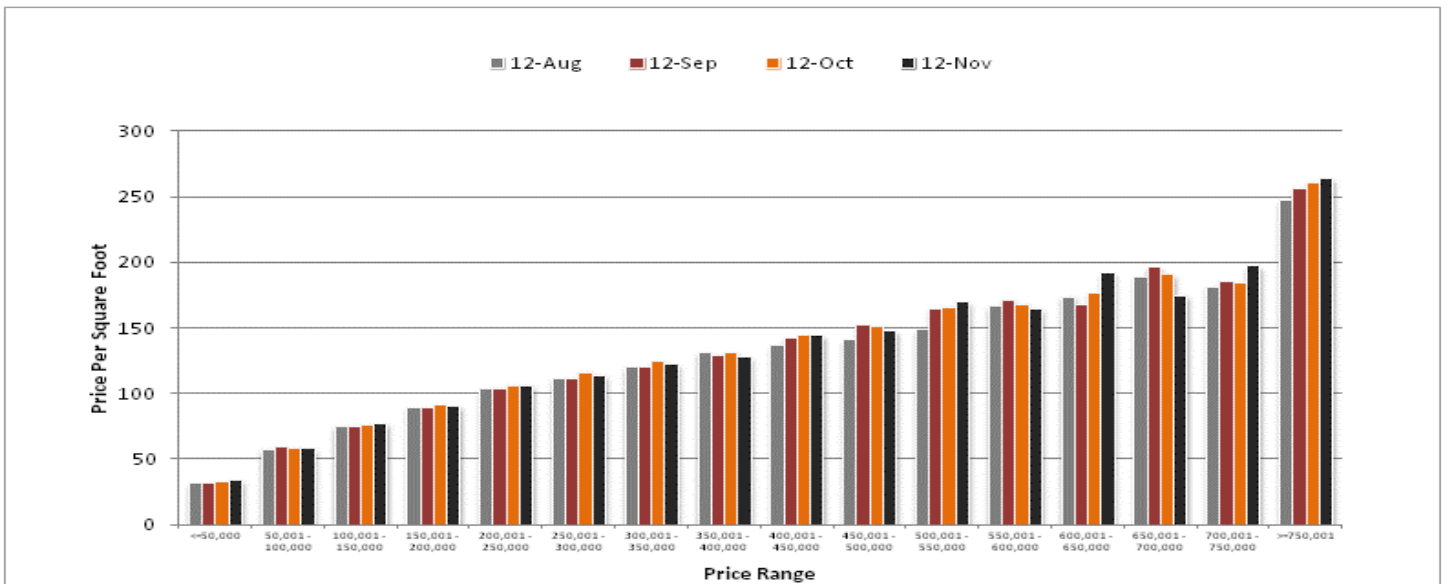
Pending Contracts Signed In November				
Price Range	PPI Avg	PPI Med	PPI Units	Units % of Total
<=50,000	36,902	38,000	311	4.93%
50,001 - 100,000	78,724	80,000	1,050	16.65%
100,001 - 150,000	126,882	126,800	1,657	26.28%
150,001 - 200,000	173,833	171,900	1,138	18.05%
200,001 - 250,000	225,785	225,000	672	10.66%
250,001 - 300,000	274,639	274,900	469	7.44%
300,001 - 350,000	325,458	325,000	284	4.50%
350,001 - 400,000	373,569	372,000	181	2.87%
400,001 - 450,000	426,454	425,000	136	2.16%
450,001 - 500,000	477,680	479,000	74	1.17%
500,001 - 550,000	526,042	525,000	61	0.97%
550,001 - 600,000	576,921	575,000	38	0.60%
600,001 - 650,000	627,908	625,000	34	0.54%
650,001 - 700,000	678,327	679,000	33	0.52%
700,001 - 750,000	727,341	725,000	28	0.44%
>=750,001	1,266,478	997,500	140	2.22%



PPI SUPPLEMENT - \$/SQ FT

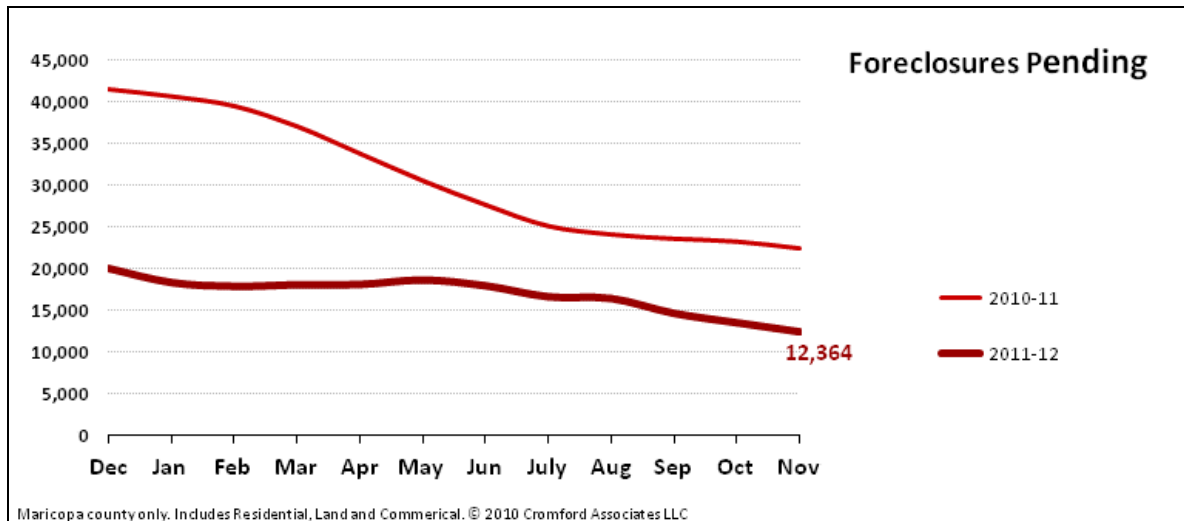
The PPI Supplement - \$/SQ FT report examines incremental gains or losses over a rolling four months in the price per square foot of newly pended properties added to the Pending pool each month. Gains made last month in the \$100,001 through \$450,000 ranges were erased in November with declines in the \$150,001 through \$500,000 ranges. Changes in \$/SQ FT for ranges above \$500,000 are less reliable because these higher price ranges can be unduly influenced by outliers, since the total units in each price break above \$500,000 is relatively small.

Pending Contracts Signed In October					Pending Contracts Signed In November				
Price Range	PPI Avg	PPI Sq Ft	PPI Units	Avg Pending Price SqFt	Price Range	PPI Avg	PPI Sq Ft	PPI Units	Avg Pending Price SqFt
<=50,000	36,430	1,125	363	32	<=50,000	36,902	1,102	311	33
50,001 - 100,000	79,816	1,372	1,245	58	50,001 - 100,000	78,724	1,357	1,050	58
100,001 - 150,000	126,489	1,659	1,926	76	100,001 - 150,000	126,882	1,650	1,657	77
150,001 - 200,000	173,858	1,904	1,294	91	150,001 - 200,000	173,833	1,922	1,138	90
200,001 - 250,000	226,226	2,135	751	106	200,001 - 250,000	225,785	2,129	672	106
250,001 - 300,000	275,520	2,374	541	116	250,001 - 300,000	274,639	2,411	469	114
300,001 - 350,000	327,370	2,634	384	124	300,001 - 350,000	325,458	2,659	284	122
350,001 - 400,000	374,075	2,859	212	131	350,001 - 400,000	373,569	2,927	181	128
400,001 - 450,000	428,230	2,958	133	145	400,001 - 450,000	426,454	2,955	136	144
450,001 - 500,000	474,441	3,147	83	151	450,001 - 500,000	477,680	3,232	74	148
500,001 - 550,000	524,266	3,160	55	166	500,001 - 550,000	526,042	3,101	61	170
550,001 - 600,000	574,702	3,418	51	168	550,001 - 600,000	576,921	3,511	38	164
600,001 - 650,000	628,215	3,565	35	176	600,001 - 650,000	627,908	3,272	34	192
650,001 - 700,000	681,644	3,572	32	191	650,001 - 700,000	678,327	3,884	33	175
700,001 - 750,000	729,529	3,962	24	184	700,001 - 750,000	727,341	3,689	28	197
>=750,001	1,227,310	4,707	127	261	>=750,001	1,266,478	4,800	140	264



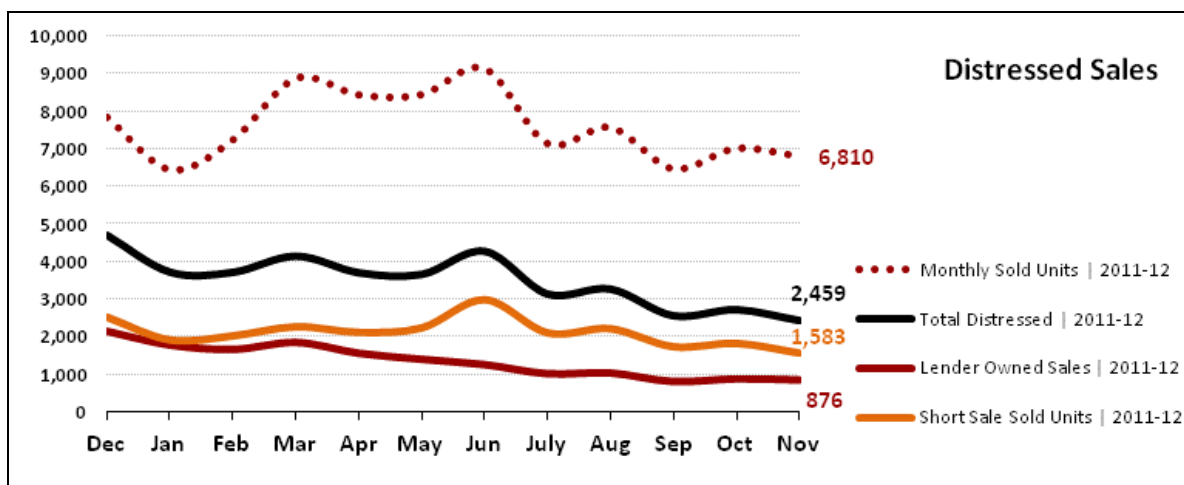
FORECLOSURES PENDING

Foreclosures pending fell again in November to 12,363 continuing the steady downward trend begun from its high of 50,568 in November 2009. Since its peak, foreclosures pending have fallen 75.5%. Foreclosures pending in the 4,000-6,000 range are widely considered typical of a normal market in the Valley.



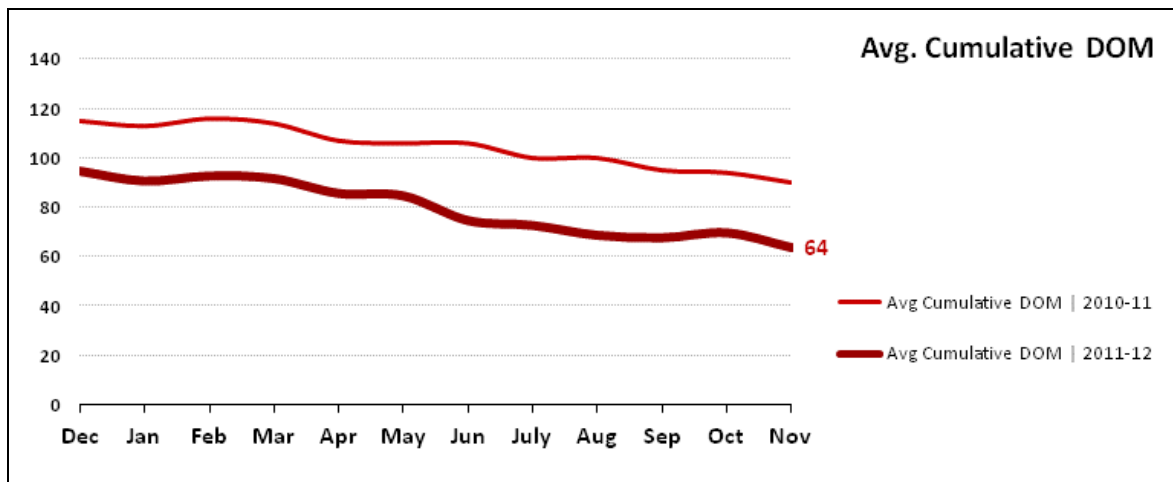
DISTRESSED SALES

Distressed Sales, comprised of lender owned Sales plus short Sales, as a percentage of total Sales fell again in November to 36.1%. This trend line has moved steadily downward from its high of 74.1% in September 2010. This month lender owned Sales of 876 accounted for 12.9% of total Sales, while short Sales of 1,583 accounted for 23.2% of total Sales. The ratio of short Sales to lender owned is approximately 2 to 1, indicating stronger lender appetite for negotiating a work out through short Sale, rather than taking a property back through foreclosure.



AVERAGE DAYS ON MARKET (DOM)

Average days on market fell six days in November to 64, a level last seen in the brisk run up of the housing bubble in May 2006. Market wide DOM is tracked as a barometer of overall market health, and should not be used to predict selling time in smaller market niches. These smaller niches have their own DOM based on specific supply and demand in the area.



COMMENTARY

This month STAT reports positive gains which, while not monumental, kept the pace of the Valley's recovery alive and steady. While total Sales declined, inventory rose 2.3%. Although new list prices remained static, the median Sales price rose 3.3%, and the average Sales price declined only slightly (0.9%). Overall, all four pricing metrics continued on their upward trend line. Foreclosures pending continued their downward trend to 12,363, a level not seen since December 2007/January 2008. Also notable is the continued decline of distressed properties as a percentage of total Sales, to 36.1%, the lowest level since STAT began tracking this metric in January 2010.

With the presidential election behind us, a significant element of uncertainty has been tamed, leaving two more with which to grapple. The fiscal cliff is currently being wrestled with by the President and Congress, and its resolution, whether temporary or permanent, should relieve some additional uncertainty. The third, the debt crisis in Europe and its influence on the economy, will take longer.

The Valley's resale inventory shortage is gaining some momentum, but will need new construction to supply enough inventory to meet demand. Ken Simpson, chief economist for Associated General Contractors of America reported, "Construction employment in Arizona bottomed out in September 2010 at 109,500, seasonally adjusted, a drop of 134,800 (55 percent) from the peak of 244,300 set in June 2006," and "since then, employment has edged up on a year-over-year basis, but has been erratic month-to-month."¹ Many holding construction jobs before the recession moved on to other occupations. Thus rebuilding that workforce will take time, but is vital to construction's role in fueling the recovery. Large gains in Arizona's construction employment (13,100 jobs) are predicted for 2013 based on a 12% gain realized in 2012 over 2011.² A recent US Bureau of Labor Statistics report cites construction jobs as one of the best paying.³ The Arizona Department of Administration predicts 93,000 construction jobs in the Phoenix MSA in 2013, up 6% from 2012.⁴

With the national unemployment rate at 7.9%⁵ and Arizona's at 8.1%⁶, Phoenix metro ranks 20th among cities over 1,000,000 in population at 6.9%.⁷ Projected job growth for Arizona in 2013 is 2.5%, up from the 1% in 2011, and 2.1% in 2012. The 2013 projection for Phoenix MSA, which includes both Maricopa and Pinal Counties is 2.8%, up from 1.4% in 2011, and 2.1% in 2012. The job gain forecast for Phoenix MSA is 49,300 jobs, compared to 3,600 for Tucson and 8,000 for the balance of the state.⁸

While remaining well below prerecession levels on many economic fronts, the Valley is gaining momentum and moving in the right direction. STAT's focus is monthly, but standing back to look through a wider lens, reminds us how far we have come, so watch for STAT's Year in Review coming in mid January.

¹ <http://www.bizjournals.com/phoenix/news/2012/11/20/arizona-gained-construction-jobs-last.html>

² http://www.azstats.gov/pubs/labor/Forecast_11-01-12.pdf

³ <http://www.bls.gov/ooh/About/Projections-Overview.htm>

⁴ http://www.azstats.gov/pubs/labor/Forecast_11-01-12.pdf

⁵ <http://www.bls.gov/cps/>

⁶ <http://www.azfamily.com/news/Arizonas-unemployment-rate-declines-to-81-percent-179685621.html>

⁷ <http://www.bls.gov/web/metro/laurgma.htm>

⁸ http://www.azstats.gov/pubs/labor/Forecast_11-01-12.pdf