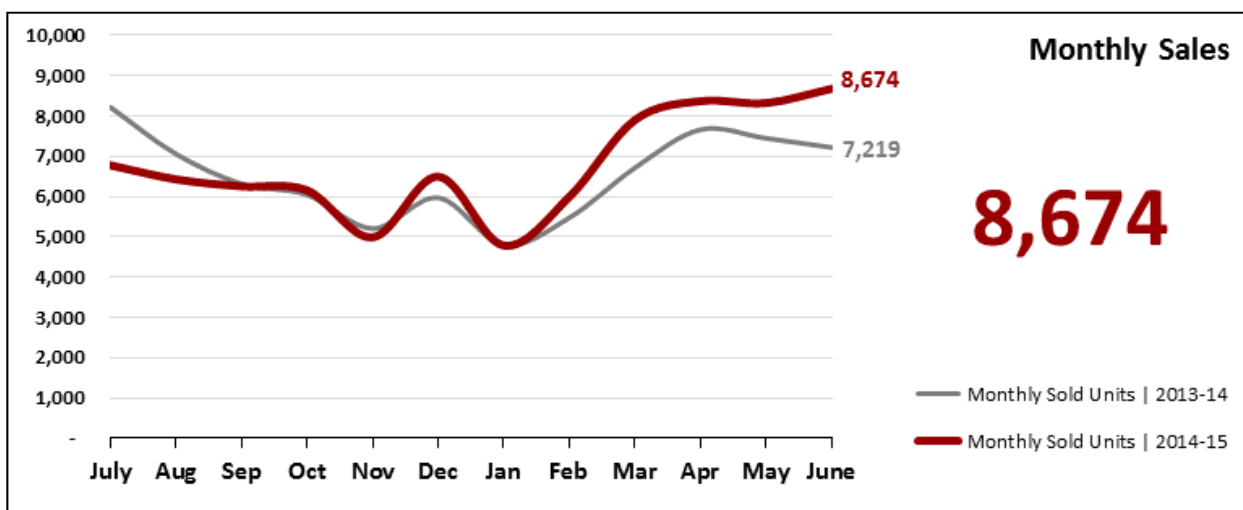




ARMLS® STAT - July 16, 2015

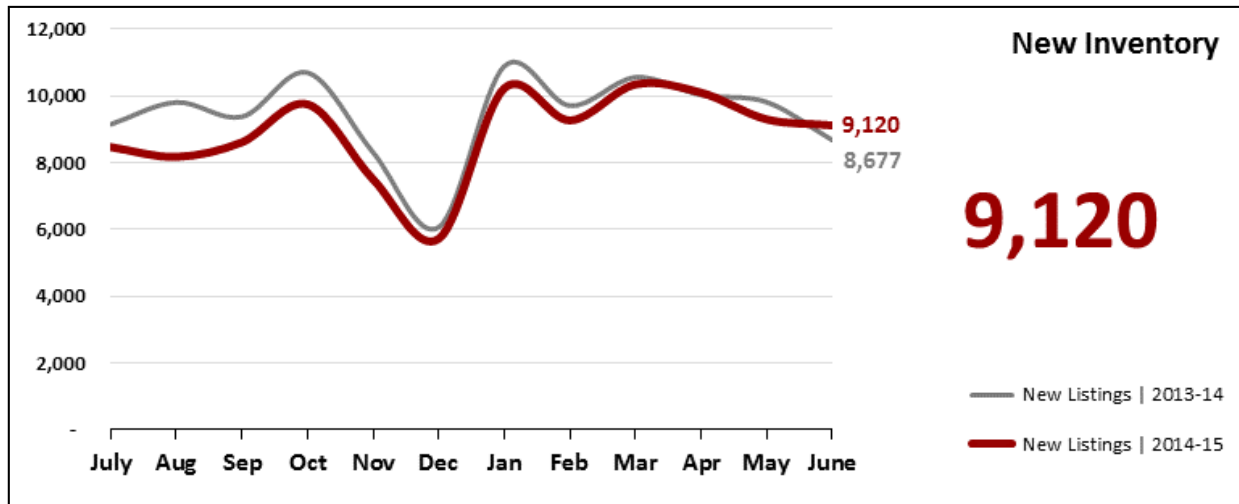
MONTHLY SALES



+20.2% year-over-year
+4.3% month-over-month

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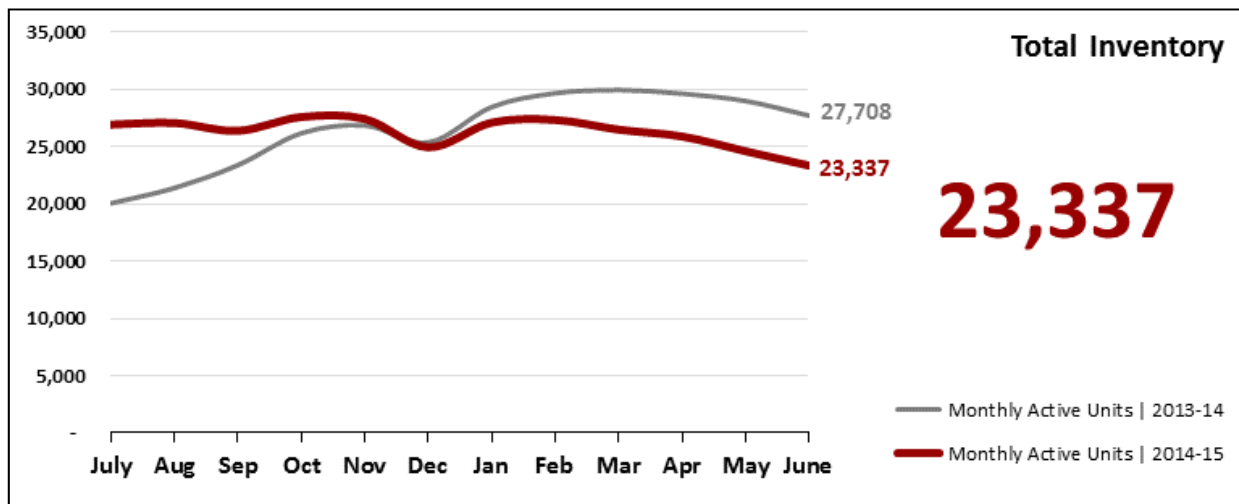
NEW INVENTORY



+5.1% year-over-year

-1.9% month-over-month

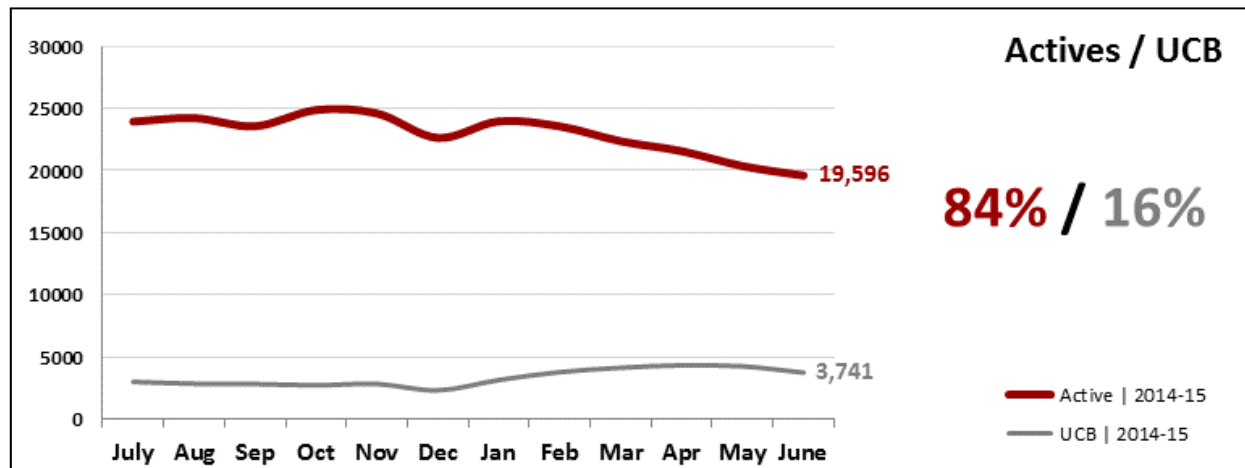
TOTAL INVENTORY



-15.8% year-over-year

-5.1% month-over-month

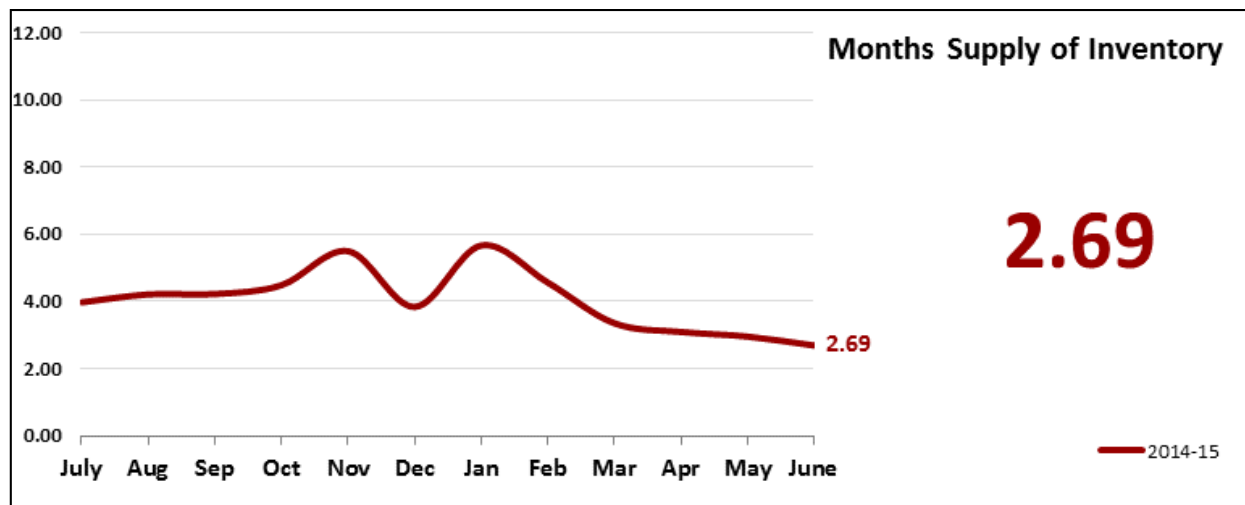
ACTIVES / UCB



17.2% MAY 2015 UCB percent of total Active

16.0% JUN 2015 UCB percent of total Active

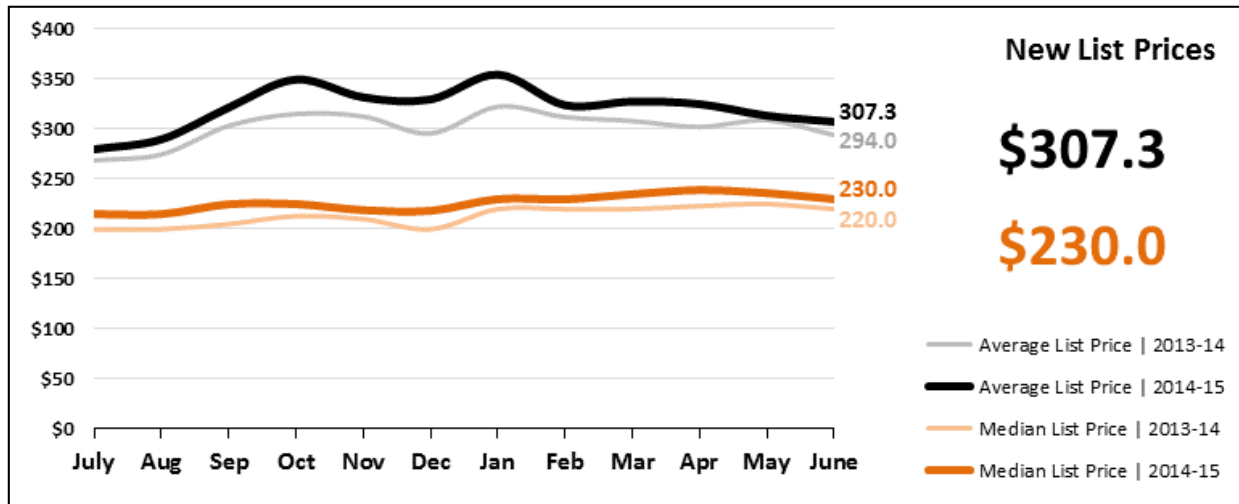
MONTHS SUPPLY OF INVENTORY



2.96 MSI MAY 2015

2.69 MSI JUN 2015

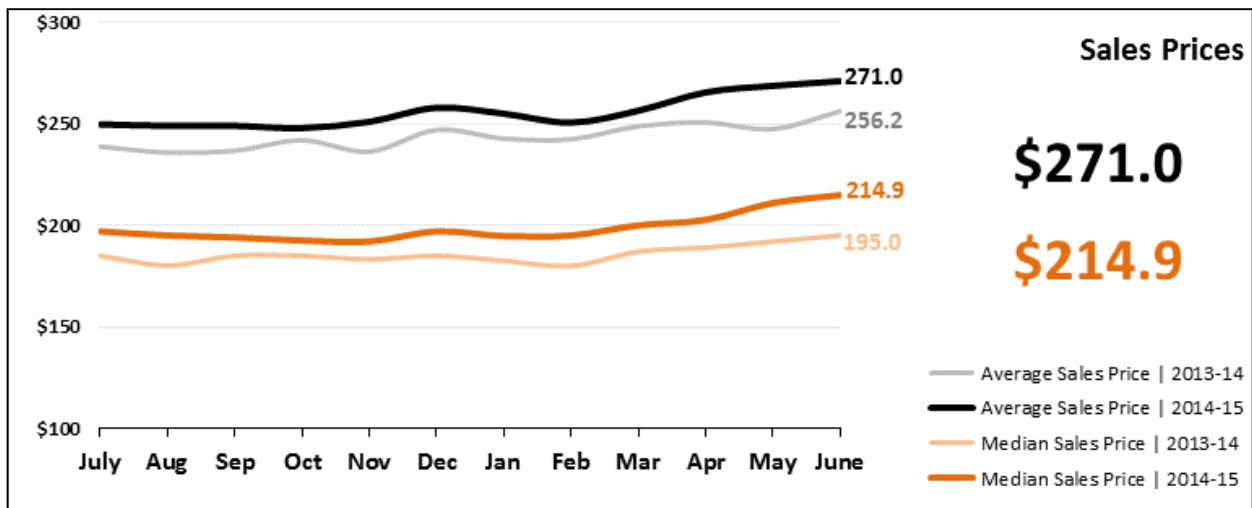
NEW LIST PRICES



+4.5% year-over-year average

+4.5% year-over-year median

SALES PRICES

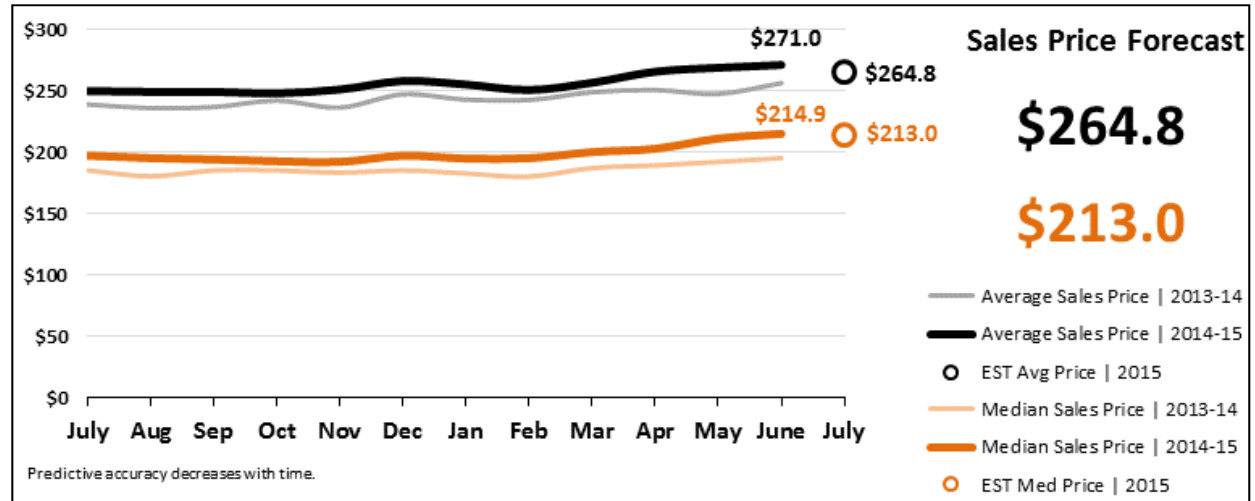


+5.8% year-over-year average

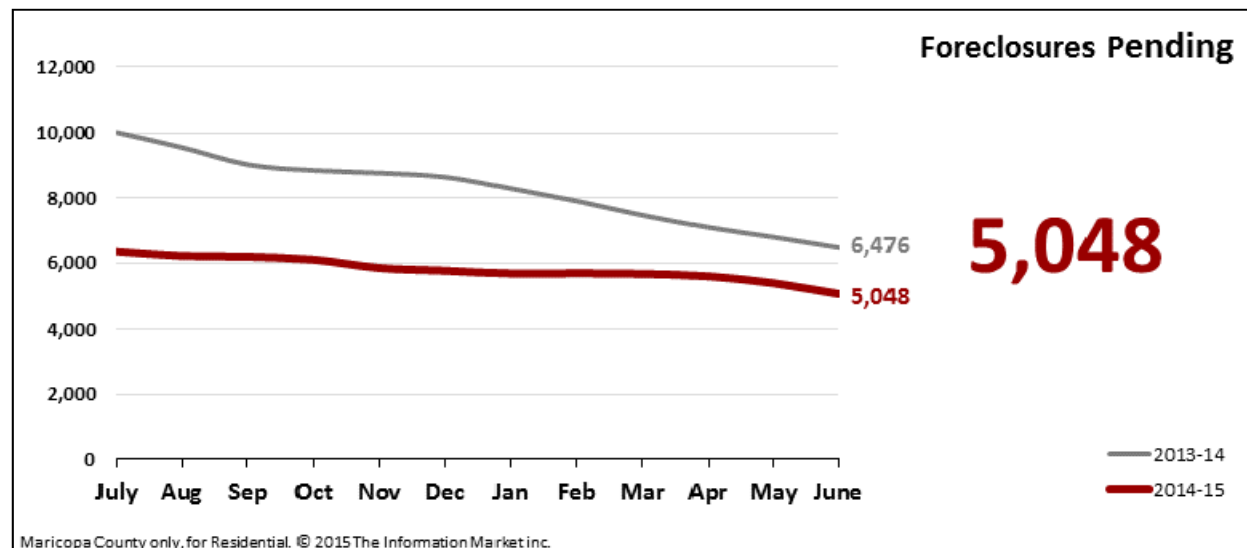
+10.2% year-over-year median

THE ARMLS® PENDING PRICE INDEX™

SALES PRICE FORECAST



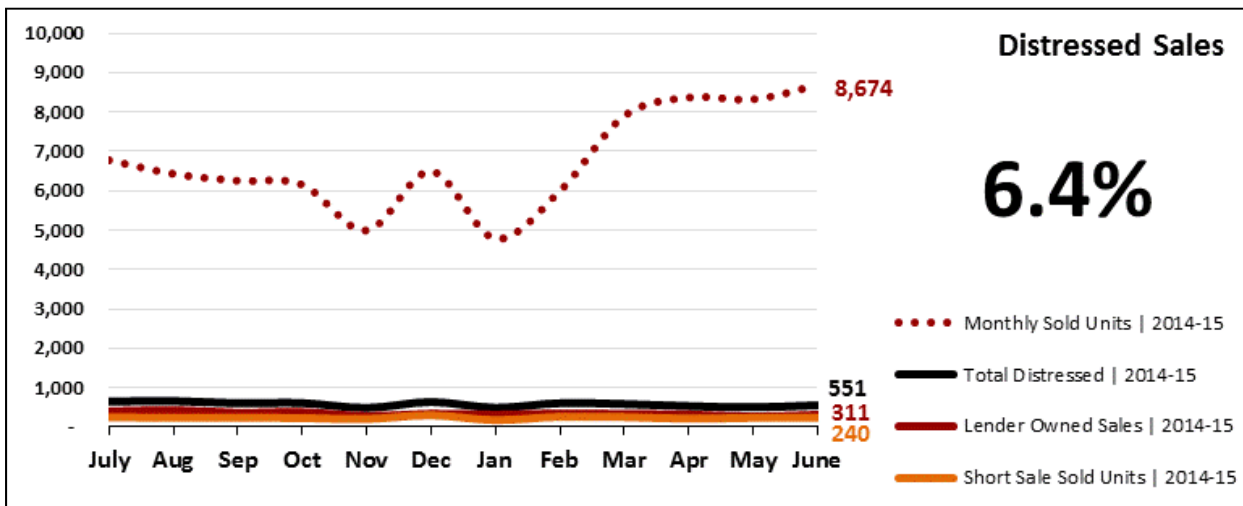
FORECLOSURES PENDING



-22.1% year-over-year

-6.1% month-over-month

DISTRESSED SALES

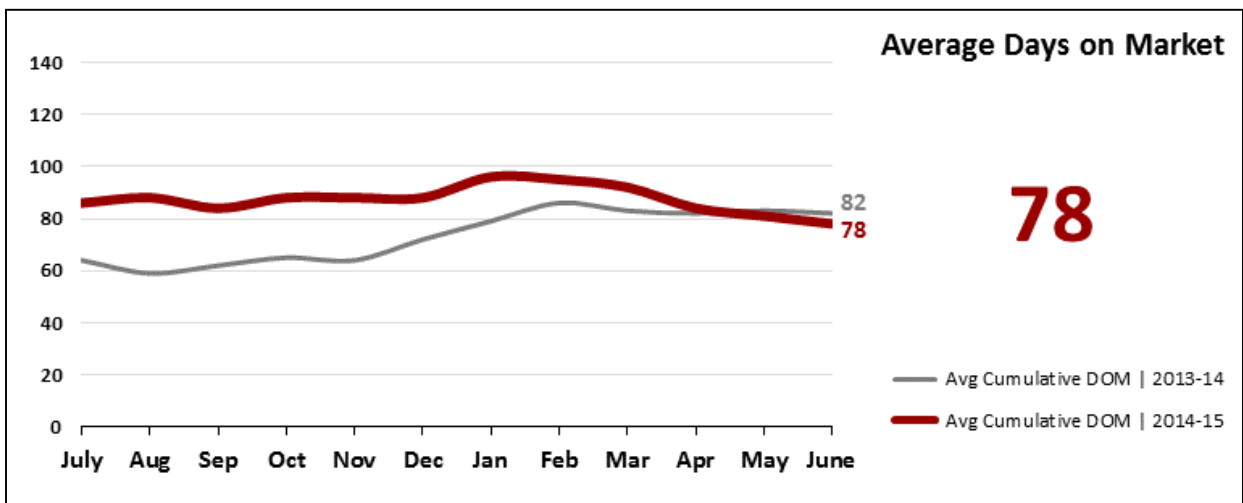


-12.4% short sale units year-over-year

-30.3% lender owned units year-over-year

-23.5% total year-over-year

AVERAGE DAYS ON MARKET



-4 year-over-year

-3 month-over-month

COMMENTARY

by Tom Ruff of The Information Market

In each of the last three months, there has been one metric that jumps off the spreadsheet! In April it was lower than expected new builds, May saw a 4.1% increase in the median sales price and this month we saw the highest monthly sales volume in the last two years. Total MLS sales volume in June landed at 8,674. The last time sales volume was higher was in May 2013 when 9,436 home sales closed. Even though the sales total was aided with 22 business days, sales volume in June was still impressive.

“Supply tightens, demand holds steady” might not be the most glamorous headline but it perfectly describes the first 6 months of 2015 as our inventory numbers have declined every single month. STAT is currently reporting only 19,596 Active (excluding UCB) listings, down 20% from last year at this time. We currently have only 2.69 months of inventory. The low number of homes available for purchase, particularly listings below the \$200,000 price level, has lead to a significant increase in the median home price this year.

The median sales price ended 2014 at \$197,000 and our current median sales price is \$214,900. The median sales price in June was 9% higher than in December 2014. The current pricing pressures for entry level buyers caused by low inventory numbers are now appearing in newspaper articles as well as Facebook discussions. Three articles in the last week have used the phrases “multiple offers,” “bidding wars,” “below \$200,000” and “tight supply”. The general public is now becoming aware of what industry insiders have known for months.

Tina Tamboer Glatfelter from The Cromford Report says it well: *“The imbalance is not caused by too much demand ironically as we have a normal level of demand. It's caused by too little supply, which is primarily driven by sellers who do not have enough incentive to sell and the fact that builders have not been building entry-level single family homes since the crash. Instead, they have focused their resources on move-up and pre-luxury homes in price ranges and areas that do not lack for inventory.”*

(Public records)	First 6 months of 2014	vs.	First 6 months of 2015	%Change
Foreclosures	2,929		2,029	-30.7%
Sales	44,238		48,500	+9.6%
Sales with mortgages	69.3%		73.6%	+4.3%
Flips	2,732		2,526	-7.5%

The table above illustrates that the mix of buyers is looking more traditional with less investor flips and an increase of purchases with mortgages. Buyers can also take comfort that the 30-year fixed-rate mortgage (FRM) averaged 4.04 percent for the week ending July 9, 2015 when a year ago at this time, the FRM averaged 4.15 percent. Use of the MLS to buy/sell also increased in this period, despite the doomsday disruptor predictions.

The ARMLS Pending Price Index (PPI)

Our last Pending Price Index projected a June median price of \$213,000 with the actual median coming in at \$214,900, an error rate of less than 1%. Looking ahead to July, the ARMLS Pending Price Index projects a median sales price of \$213,000. We begin July with 7,020 pending sales contracts with 3,741 listings in UCB. This gave us a total of 10,761 residential listings under contract, compared to 12,076 listings under contract at the beginning of June 2015. July 2015 sales volume will undoubtedly exceed July 2014 (6,775), but will be lower than June 2015 at 8,674. Our sales volume projection for June missed the mark by 674 sales. I had anticipated sales volume would be in the 8,000 range. June's sales volume was the highest monthly total for the year and I expect the 8,674 homes sold in June will be our highest monthly sales total in 2015. STAT is projecting 7,700 home sales in July 2015. My wish for July is that your reality again exceeds my expectations.