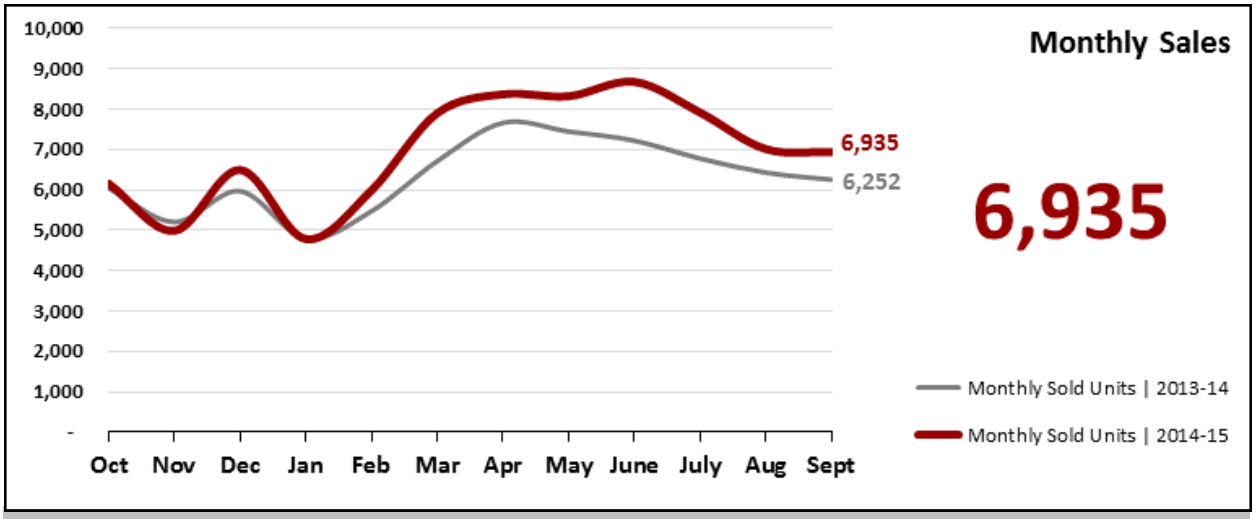
ARMLS® STAT

your monthly statistics for the Phoenix Metro area

ARMLS® STAT - October 16, 2015

MONTHLY SALES



+10.9% year-over-year

-1.1% month-over-month

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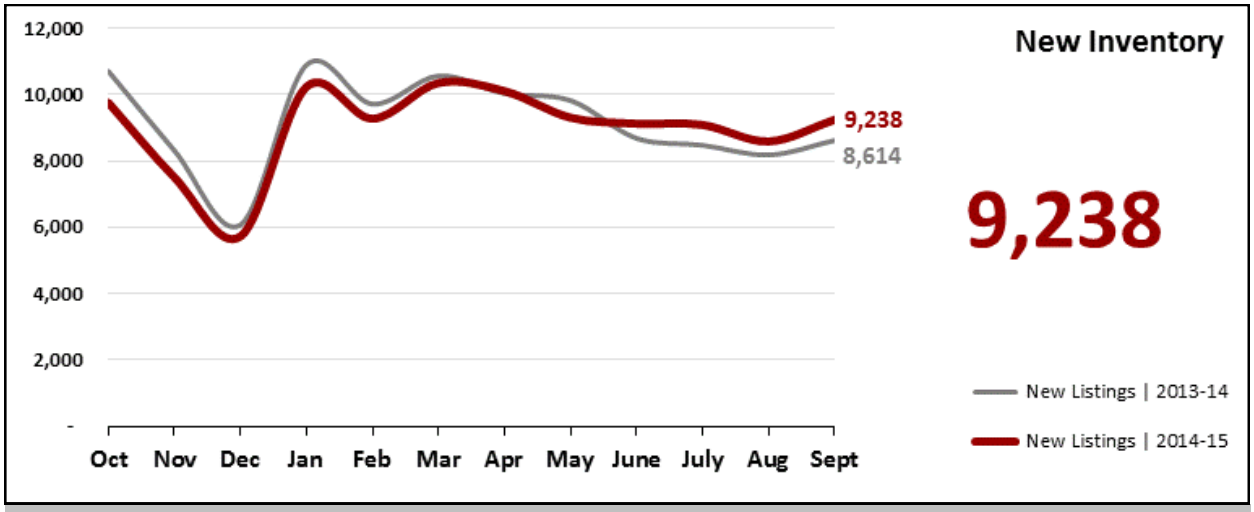
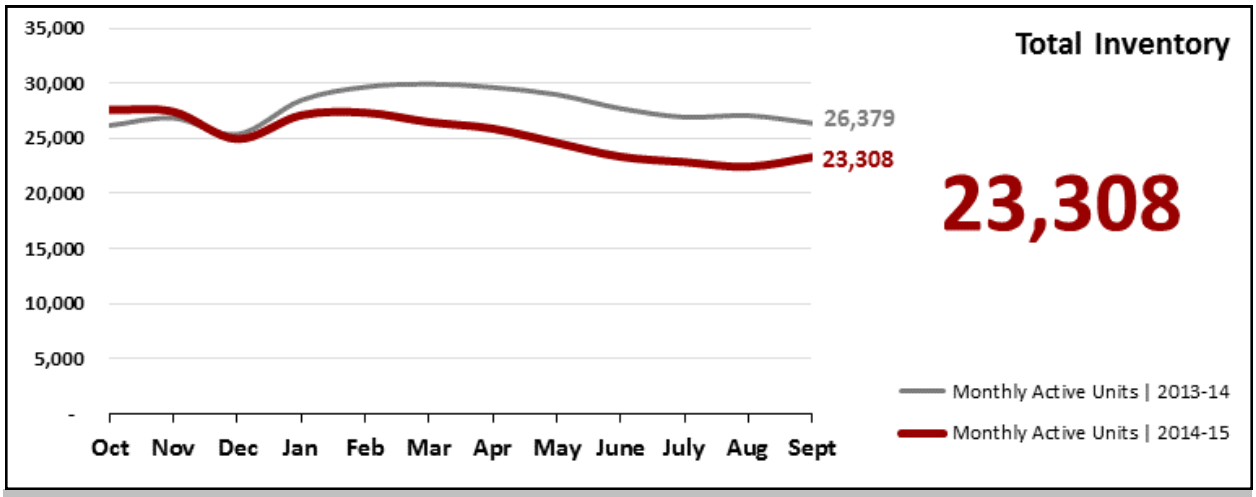
NEW INVENTORY



+7.2% year-over-year

+7.6% month-over-month

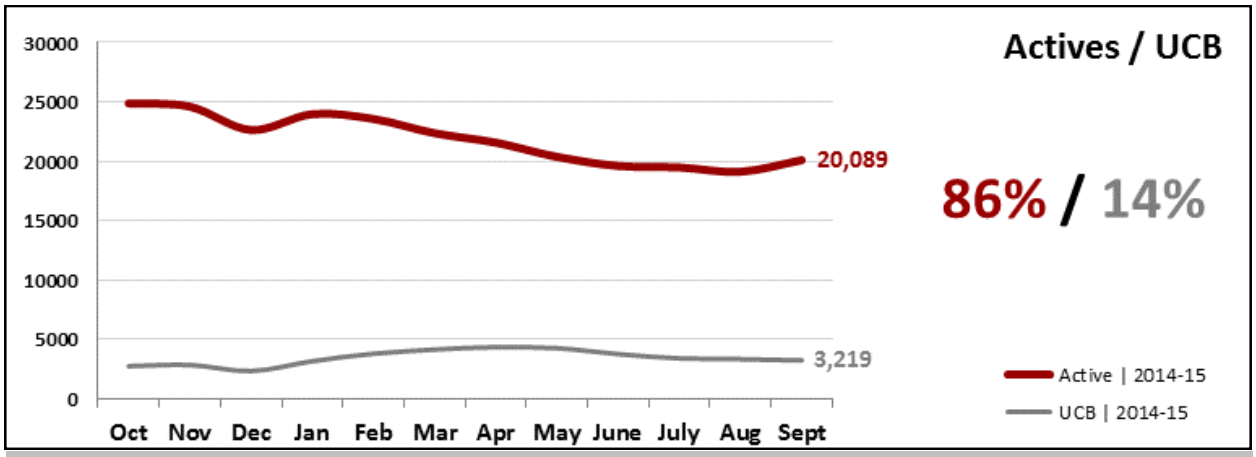
TOTAL INVENTORY



-11.6% year-over-year

+3.9% month-over-month

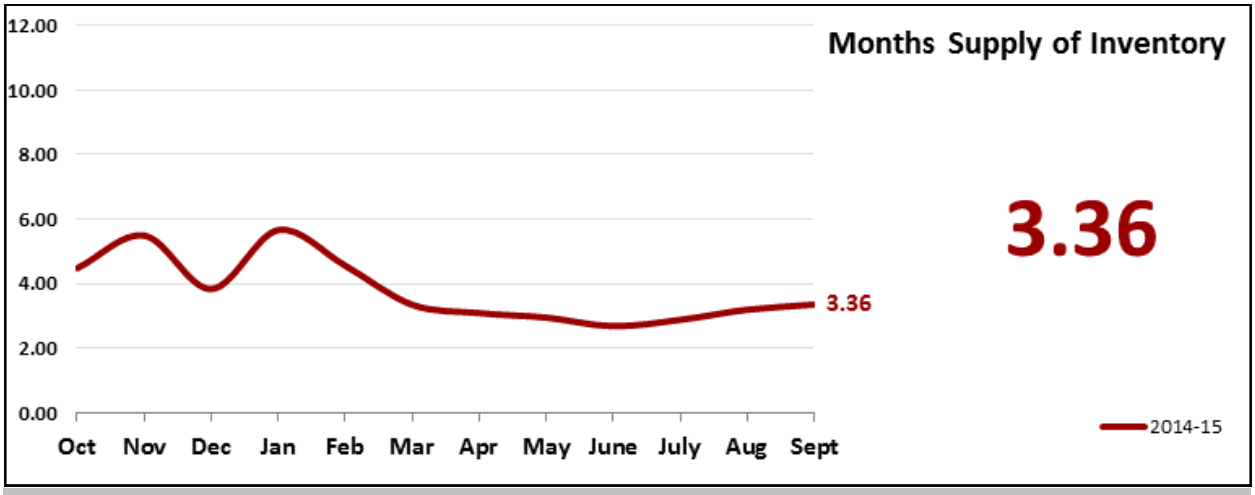
ACTIVES / UCB



14.8% AUG 2015 UCB percent of total Active

13.8% SEPT 2015 UCB percent of total Active

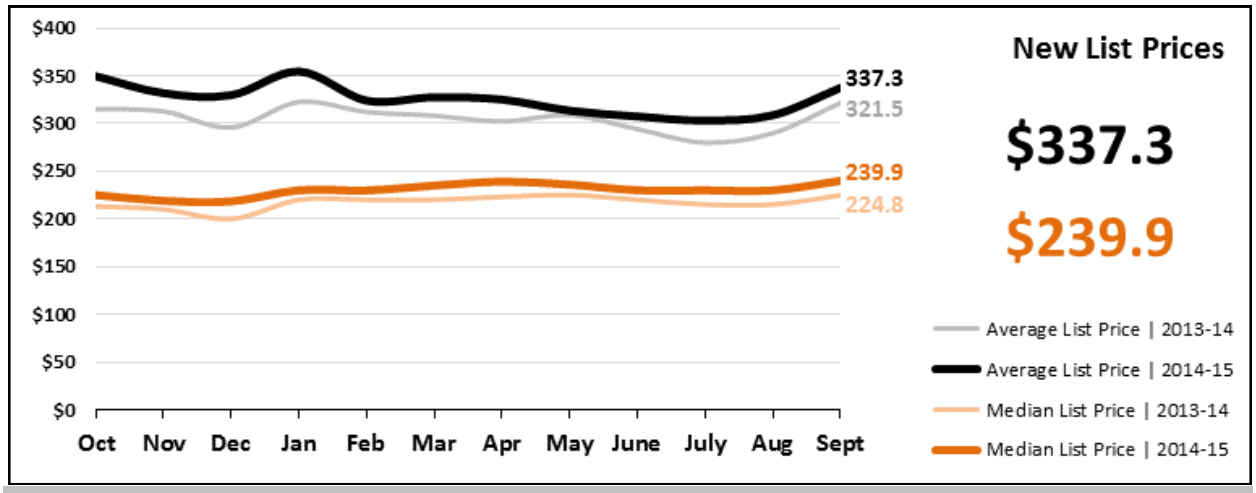
MONTHS SUPPLY OF INVENTORY



3.20 MSI AUG 2015

3.36 MSI SEPT 2015

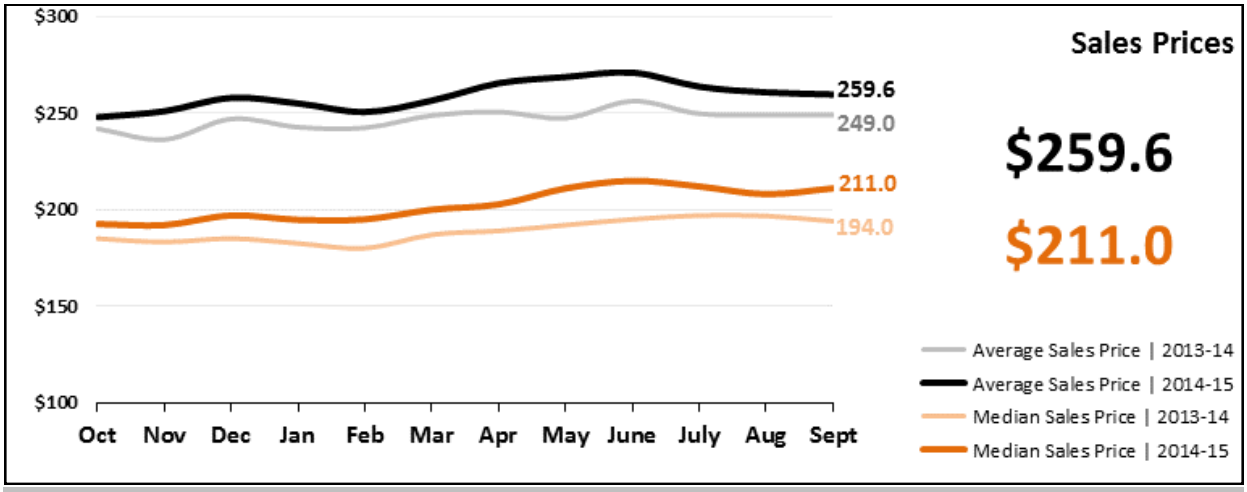
NEW LIST PRICES



+4.9% year-over-year average

+6.7% year-over-year median

SALES PRICES

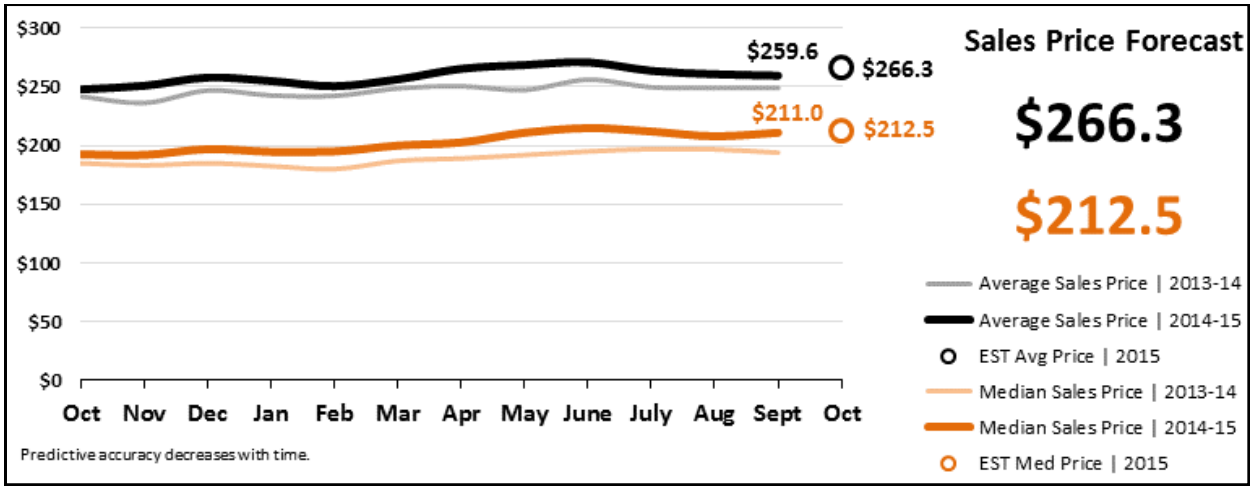


+4.3% year-over-year average

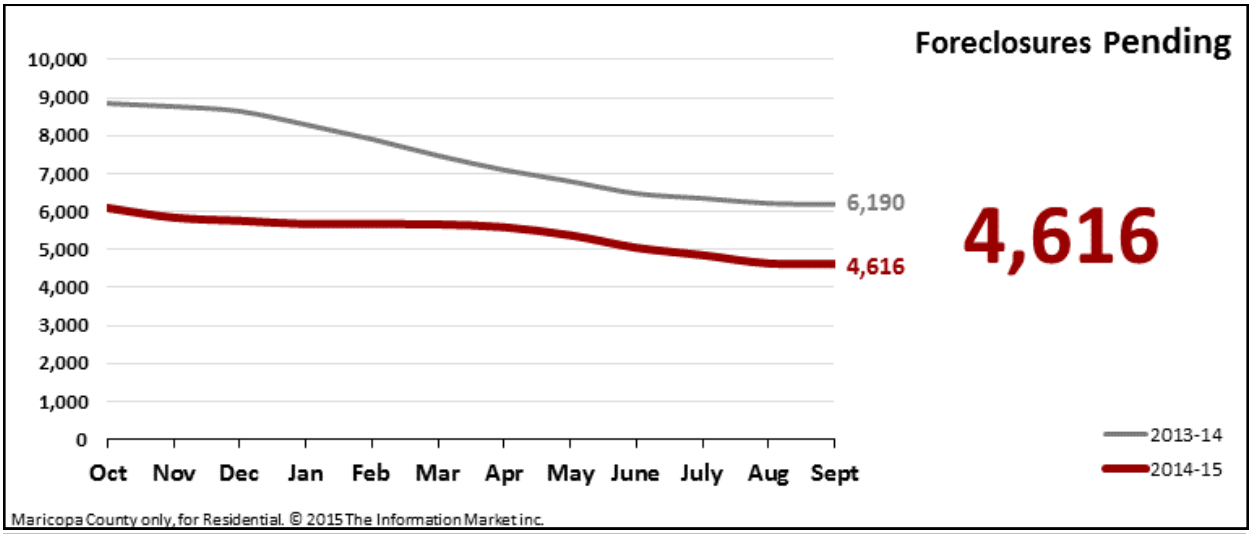
+8.8% year-over-year median

THE ARMLS® PENDING PRICE INDEX™

SALES PRICE FORECAST



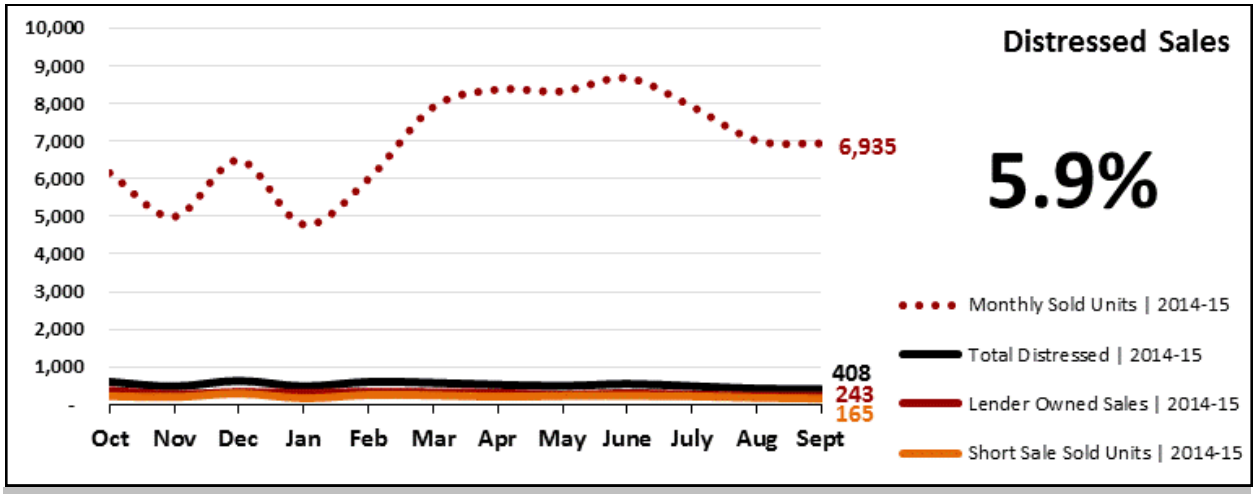
FORECLOSURES PENDING



-25.4% year-over-year

-0.4% month-over-month

DISTRESSED SALES

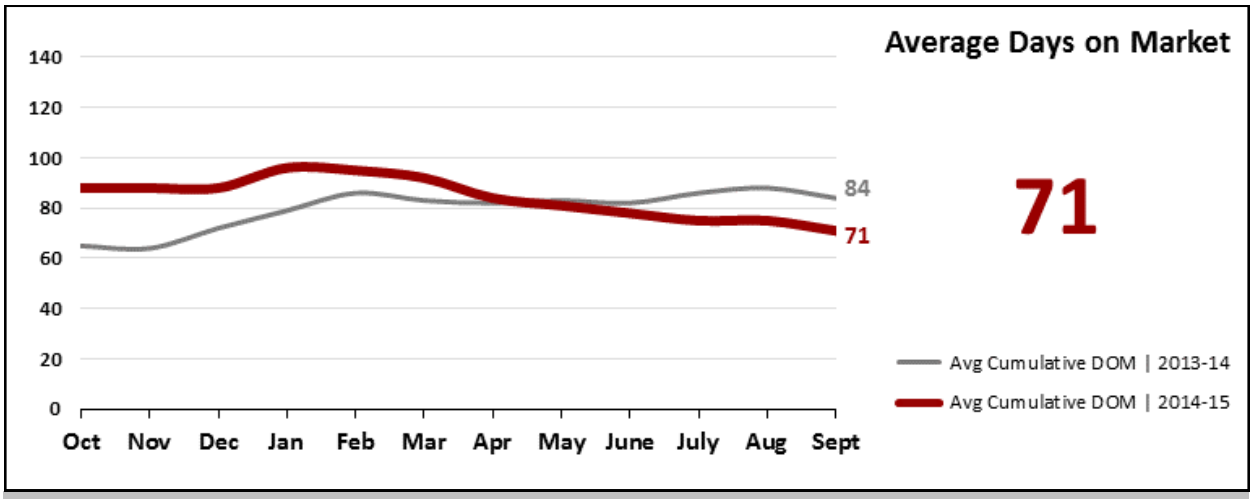


-30.7% short sale units year-over-year

-33.4% lender owned units year-over-year

-32.3% total year-over-year

AVERAGE DAYS ON MARKET



-13 year-over-year

-4 month-over-month

COMMENTARY

by Tom Ruff of The Information Market

Fall has started and while the temperatures may not reflect the season, we are well into seasonal patterns for our market. September 2015 ended with 6,935 MLS sales, a -1.1% decline over August 2015 which was better than the expected -2% seasonal decline. Sales prices and new list prices increased 4.3% and 4.9% year-over-year respectively. Overall, September 2015 looked better than September 2014.

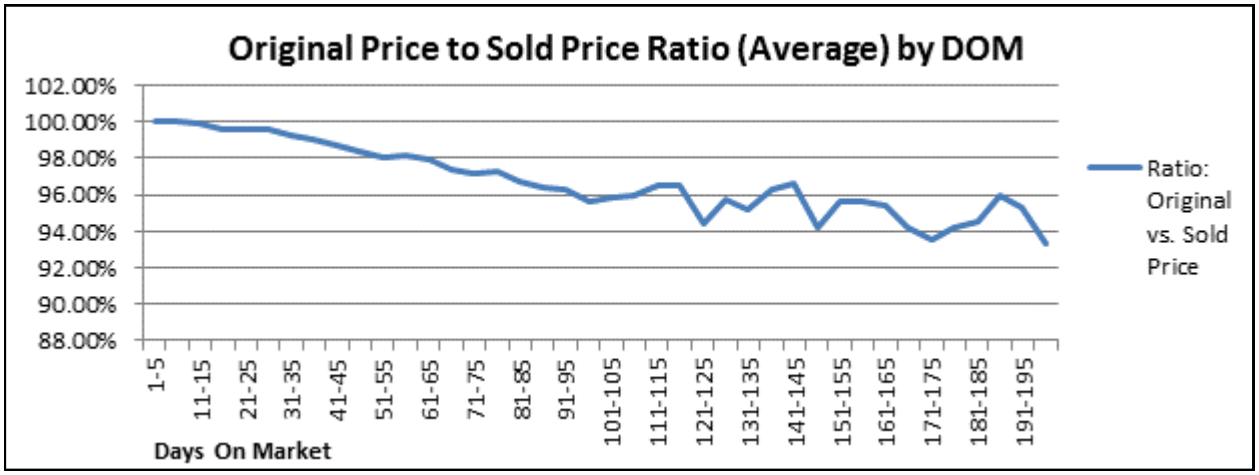
Each month we look at successful sales but what should we make of the existing inventory – a.k.a the listings that *didn't* sell? Today's new listing contracts become tomorrow's sales contracts. This month we are going to take a look at the listings that did and didn't sell in September 2015. From this perspective, there were 6,935 sales and 18,356 unsold listings in September.

For the purposes of this article, unsold listings are listings that were in active status during the month of September 2015 excluding UCB status.

Our unsold listings have 130 days on market on average whereas the average closed listing in September had 71 days on market. Even when we exclude the 65 listings that have more than 1,000 days on market, our average for unsold listings only falls to 125 days. We expect a higher DOM for unsold listings, but it is surprising that we have so many long-haul listings in such a DOM sensitive market. In fact, there are a few listings that have been on the market for more than eight years. Some properties need that special unique snowflake of a buyer and this isn't a knock against those properties, but more so a statement concerning how older listings are not moving off the market.

Looking at price changes, MLS listings that sold nearer to their original list price sold faster on average. Of the 6,935 residential MLS sales in September 2015, 65% sold within 5% (+/-) of their original list price with an average DOM of 50 days, 21 days faster than the average sale. 32% of

closed listings went for greater than 5% of their original list price but ended up with a DOM of 111 days on average. Only 2% of listings in September sold below 94% of their original list price, they landed at 67 days. This highlights the importance of correct pricing. 22% of unsold listings are already listed 5% above or below their original list prices.



The relationship between prices and days on market displays nicely on a chart. For example, listings which sold between 11-15 days went for 99.9% of their original price. Conversely, listings in the 101-105 day range went for 95.8% of their original list price. We need further study to draw additional conclusions on this relationship, but the conventional wisdom is to price it right to sell it faster.

ARMLS Pending Price Index

Our last Pending Price Index projected a September median price of $210,000 with the actual median reporting at $211,000. Our sales volume projection was 6,850 with actual sales of 6,935. Looking ahead to October, the ARMLS Pending Price Index projects a median sales price of $212,500. In the last 14 years the median sales price has risen five times, fallen eight times and had no change once between October and November. We begin October with 5,801 pending listings and 3,219 UCB listings giving us a total of 9,020 residential listings under contract. This compares to 9,595 listings under contract at the beginning of September. The October 2015 sales volume should exceed October 2014 (6,154), but should be lower than the total of 7,010 in August 2015. STAT is projecting 6,650 home sales in October. This forecast is not without a little TRIDidation as there were 23 business days last year and only 22 business days this year. Based on the historical average sales volume in past Octobers we predict October 2015 will be 2.98% lower than September 2015.