



Monthly Market Watch for Maricopa County

An overview of what is happening
in the Maricopa County
real estate market
(using May 2011 statistics)



Report overview:

This report includes MLS data for the past 36 months in Maricopa County only as provided by the FlexMLS system.

Please note that searches fluctuate daily when running these reports; these figures were obtained on 6/3/11.

A reminder that you need to meet with a real estate professional to see how statistics impact the area where you are considering selling or buying – blended statistics will not be as accurate as a more detailed report that your real estate professional can provide to help you with your decision making.

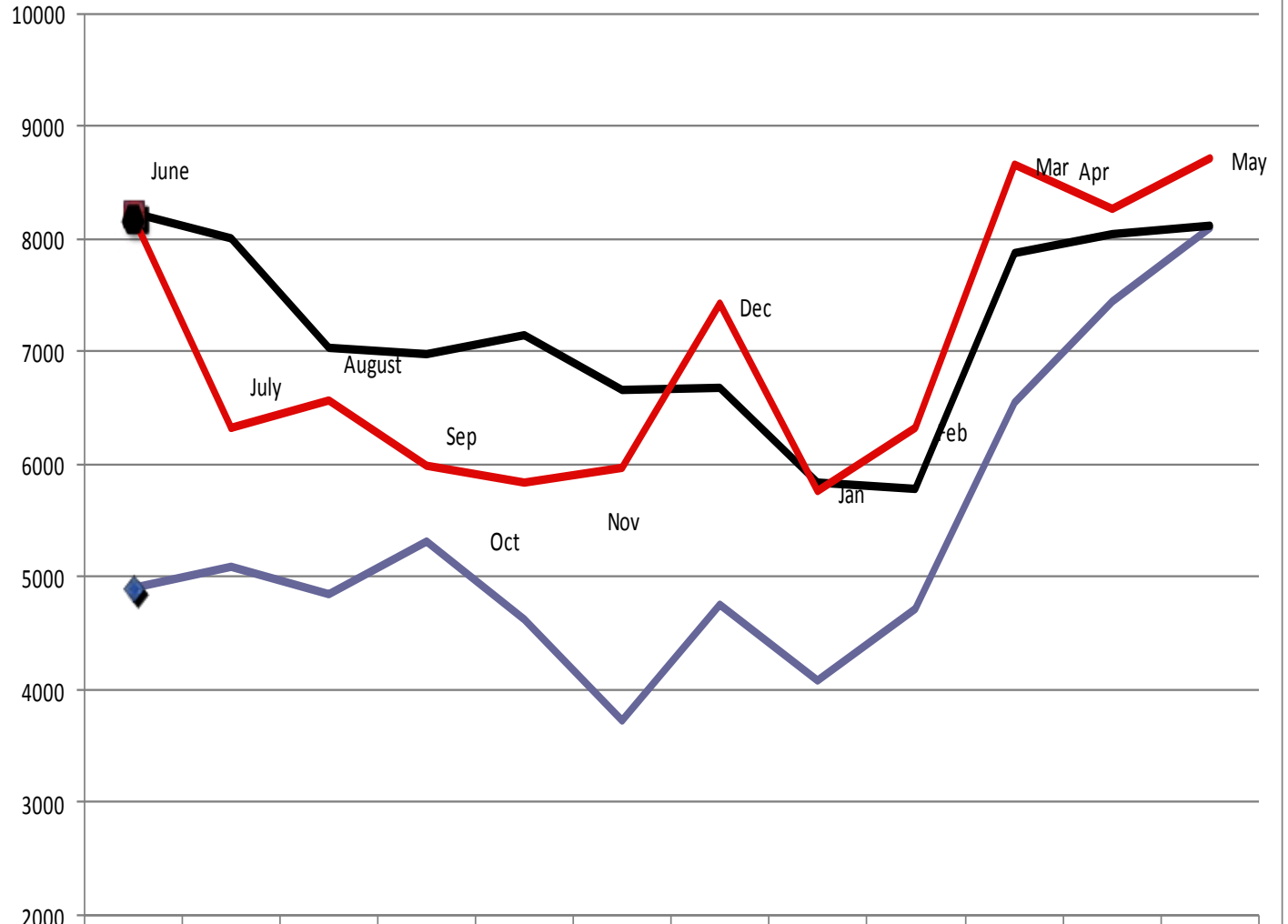




Closed Sales

Provided by Keller Williams Realty Professional Partners -
 Statistics from May 2011 MLS

Total # of Closed Sales (36 month overview)



	June	July	August	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
6/08 to 5/09	4900	5089	4847	5306	4613	3726	4759	4069	4718	6554	7445	8093
6/09 to 5/10	8235	8008	7028	6969	7147	6657	6677	5829	5777	7871	8040	8112
6/10 to 5/11	8186	6314	6570	5979	5844	5971	7420	5765	6317	8668	8273	8710

Closed Sales Report Analysis:

Sellers:

Buyer activity continues to remain extremely high. May saw the highest number of closed sales in the 36-month reporting period. The low inventory means that buyers are once again in a competitive mode to be the ultimate owner of homes that are available.

For sellers, this could mean that a home will sell more quickly and at a price that is much closer or even above current market value.

Buyers:

This will come as no surprise to buyers that there is a substantial amount of competition when searching for homes. This becomes even more noticeable when a buyer is competing with a cash buyer. Although there is increased activity and competition, lenders are remaining very cautious about underwriting requirements.

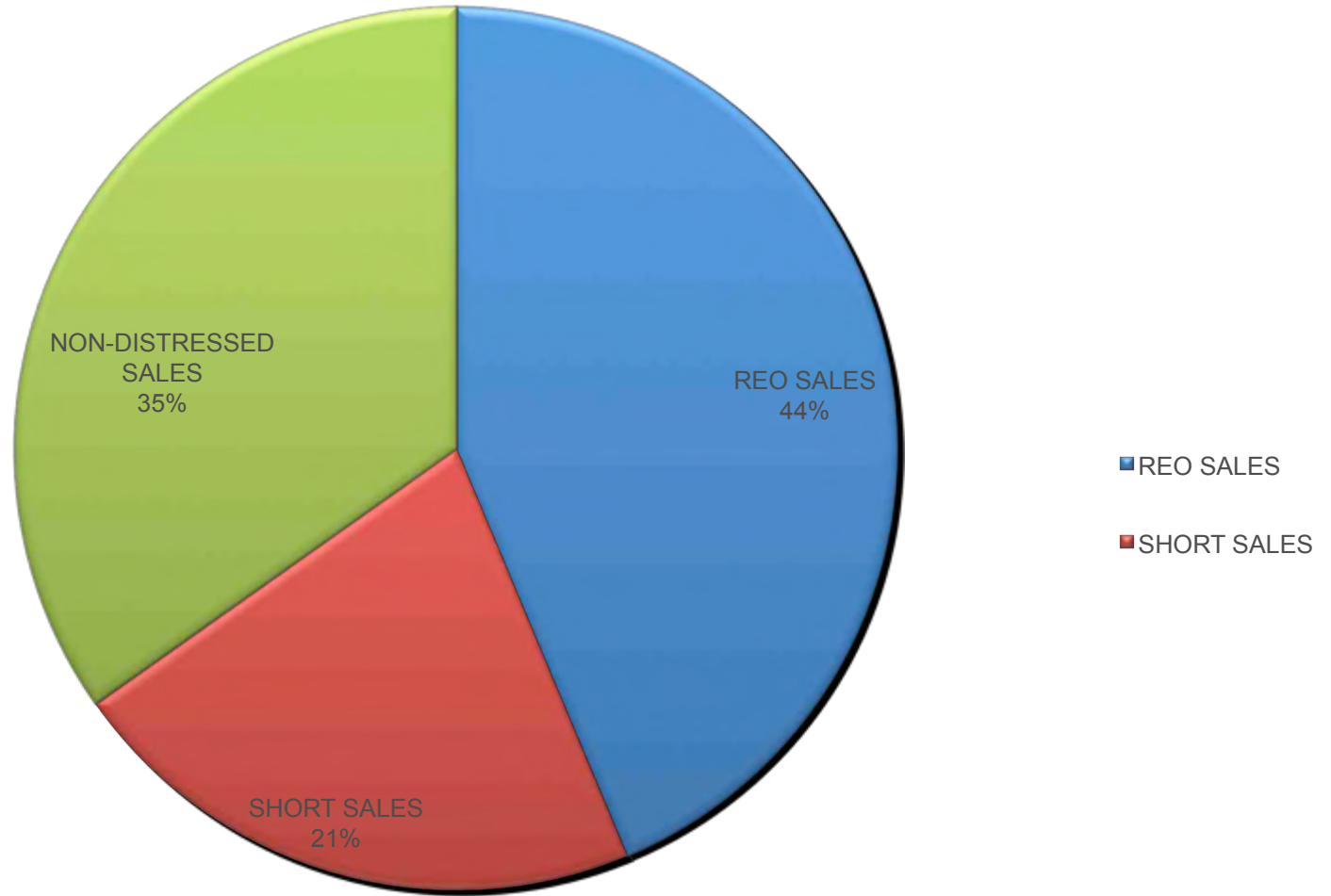
Buyers MUST carefully work with their real estate professional to understand the market AND to understand how they can compete with the market demand and other buyers who may be in a financial position that is more appealing to the seller.



REO, SHORT SALE & NON-DISTRESSED SALES COMPARISON May 2011

Distressed Sales

Provided by Keller Williams Realty Professional Partners –
Statistics from May 2011 MLS





Distressed Sales Analysis:

A bank owned/foreclosure home is one that the seller no longer owns – it has been taken over by the lender(s) who had a note on the home. Short sales are homes where the seller is negotiating with the bank to “forgive” a portion of the debt in order to avoid foreclosure.

May statistics saw very little change in the distribution of closed sales. Short sales increased by .7%, and foreclosures sales dropped .3% over the prior month. Traditional sales saw a decrease of 1%. Sellers and buyers need to monitor this trend to see how the market continues to respond to the current inventory.

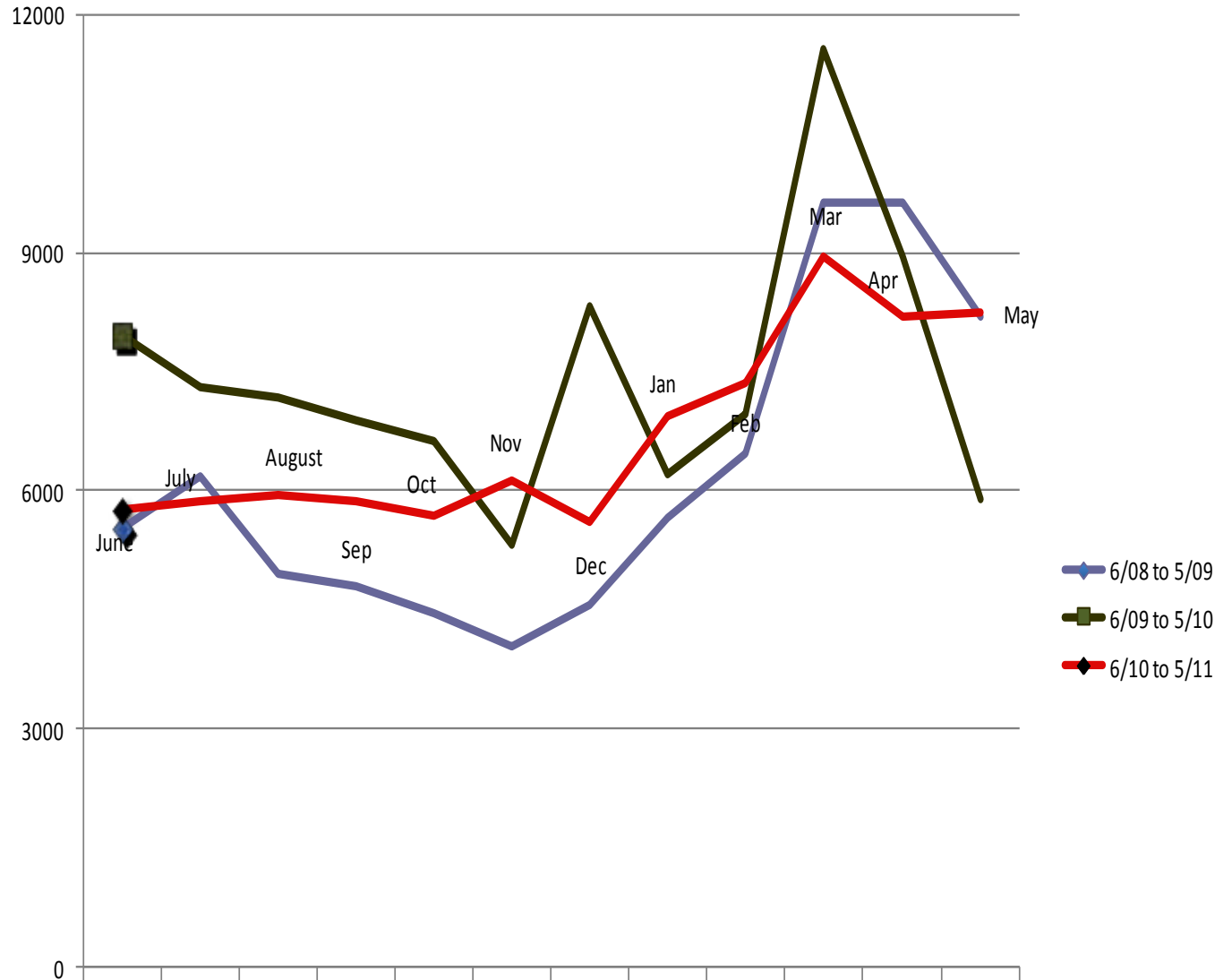




Pending Sales

Provided by Keller Williams Realty Professional Partners -
Statistics from May 2011 MLS

Total # of Pending Sales (36 month overview)



	June	July	August	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
6/08 to 5/09	5539	6177	4963	4796	4449	4031	4552	5662	6470	9641	9641	8190
6/09 to 5/10	7969	7300	7179	6882	6624	5321	8331	6204	6975	11584	8946	5905
6/10 to 5/11	5772	5855	5936	5861	5674	6125	5595	6932	7350	8969	8207	8252

Pending Sales Report Analysis:

Sellers:

The month of May saw an increase of over 45 homes that moved to pending status over the month of April. This is the 4th highest number in the 36-month reporting period.

This statistic shows that homes continue to move to under contract status AND eventually to SOLD status. We are definitely NOT seeing a slow down in buyer activity. If a home isn't selling in this market, it will almost always mean that it is about price.

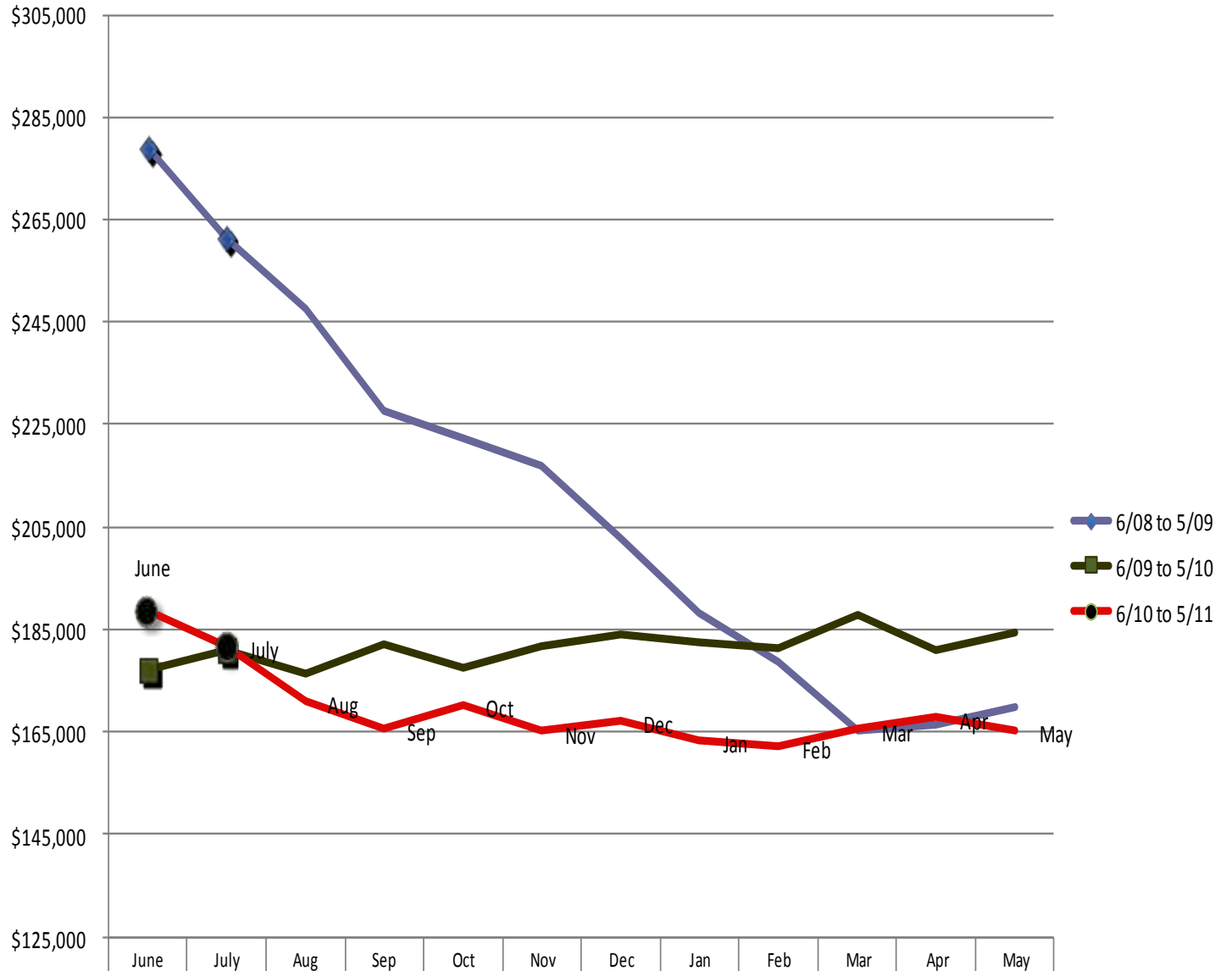
Buyers:

Buyers continue to take advantage of the current real estate market... they are hearing about great prices, homes that offer the amenities they want, and great loan rates and programs. Buyer activity has remained very high. For buyers who are waiting for prices to drop or to find that perfect home, the market is definitely not offering those options.

It is essential that buyers are studying these statistics in the location and area where they are searching to determine what is their best course of action.



Average Sales Price (36 month overview)



Average Sales Price

Provided by Keller Williams Realty Professional Partners –
Statistics from May 2011 MLS

6/08 to 5/09	\$278,957	\$261,238	\$247,587	\$227,672	\$222,284	\$216,819	\$202,801	\$188,174	\$178,659	\$165,298	\$166,355	\$169,800
6/09 to 5/10	\$177,246	\$181,038	\$176,326	\$182,231	\$177,512	\$181,895	\$184,008	\$182,387	\$181,472	\$187,979	\$180,896	\$184,312
6/10 to 5/11	\$188,568	\$181,730	\$171,036	\$165,730	\$170,326	\$165,108	\$167,154	\$163,403	\$162,283	\$165,559	\$167,850	\$165,431

Average Sales Price Analysis

Sellers:

May saw a decrease of over \$2,000 in the average sales price to \$165,431. This is the lowest average price since February of this year. Because there is still a lot of buyer activity, this could mean that buyers are buying at a lower list price because of affordability issues OR, for investors, it may mean that they are taking advantage of homes that have a better return on investment.

Buyers:

For buyers, it is important to be careful about thinking this means that prices are decreasing. Instead, understand that this could mean that homes in the lower price range are selling. More than ever, you need to work with your real estate professional to make sure you have the best possible information regarding the market value of homes.

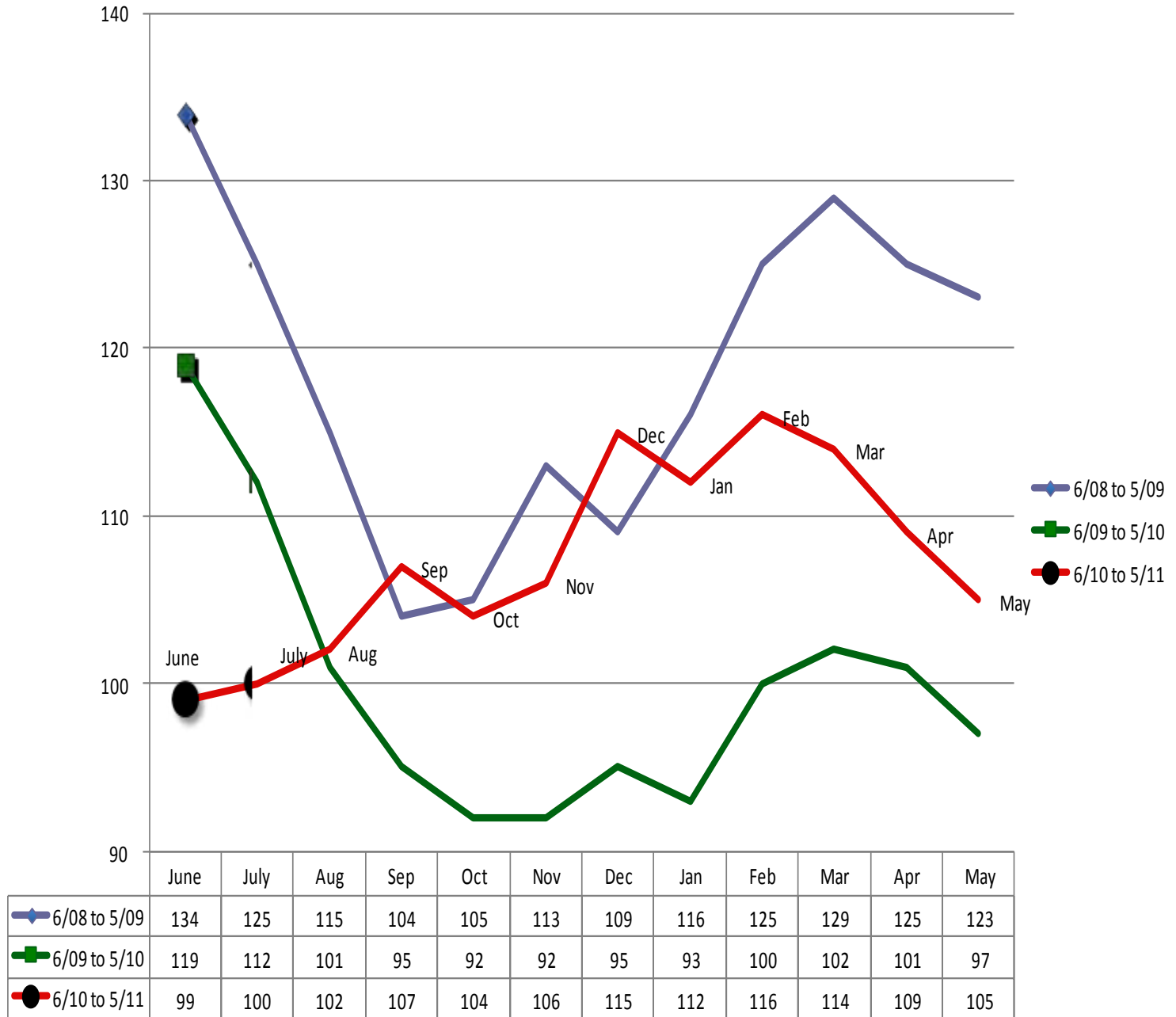




Average Days on Market

Provided by Keller Williams Realty Professional Partners -
 Statistics from May 2011 MLS

Average Days on Market (36 month overview)





Average Days on Market Analysis

Sellers:

With the decreased inventory AND the increased buyer demand, it should come as no surprise that the average number of days on a CLOSED home once again dropped last month to an average of 105 days. Although this is typical to see a drop in May, May showed the lowest # of days since October of last year.

Buyers:

Buyers need to be aware of this number because it is an indicator of how long sellers are having to wait to go under contract and close. The lower the number, the less control a buyer normally has. Buyers need to be aware that competition for great homes continues to remain very high, especially in the lower price ranges. The importance of having a reliable lender AND real estate professional to guide you through this process has never been more important.

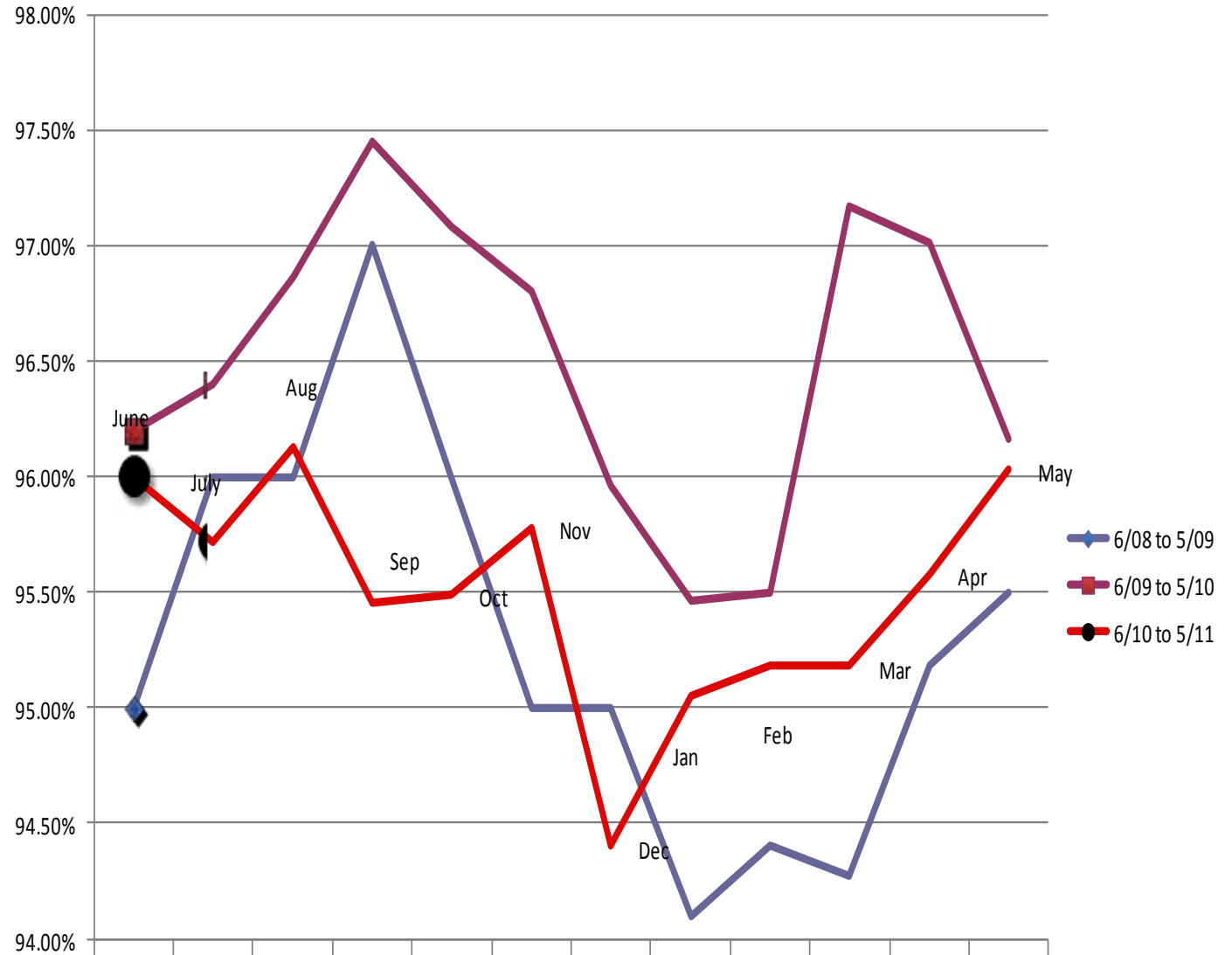




Average List to Sales Price Ratio

Provided by Keller Williams Realty Professional Partners -
Statistics from May 2011 MLS

Average List to Sales Price Ratio (36 month overview)



	June	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
6/08 to 5/09	95.00%	96.00%	96.00%	97.00%	96.00%	95.00%	95.00%	94.10%	94.40%	94.28%	95.18%	95.50%
6/09 to 5/10	96.20%	96.40%	96.87%	97.45%	97.08%	96.80%	95.96%	95.46%	95.50%	97.17%	97.01%	96.16%
6/10 to 5/11	96.00%	95.72%	96.13%	95.45%	95.49%	95.78%	94.40%	95.05%	95.18%	95.18%	95.58%	96.03%



List to Sale Price Ratio Analysis

Sellers:

For the 4th month in a row, we have seen an INCREASE in list to sales price ratio. May saw the average seller receiving 96.03% of the price at which the home was listed. Continue to watch this trend, as it will impact how homes should be priced in the current market in order to appeal to the buyers.

Buyers:

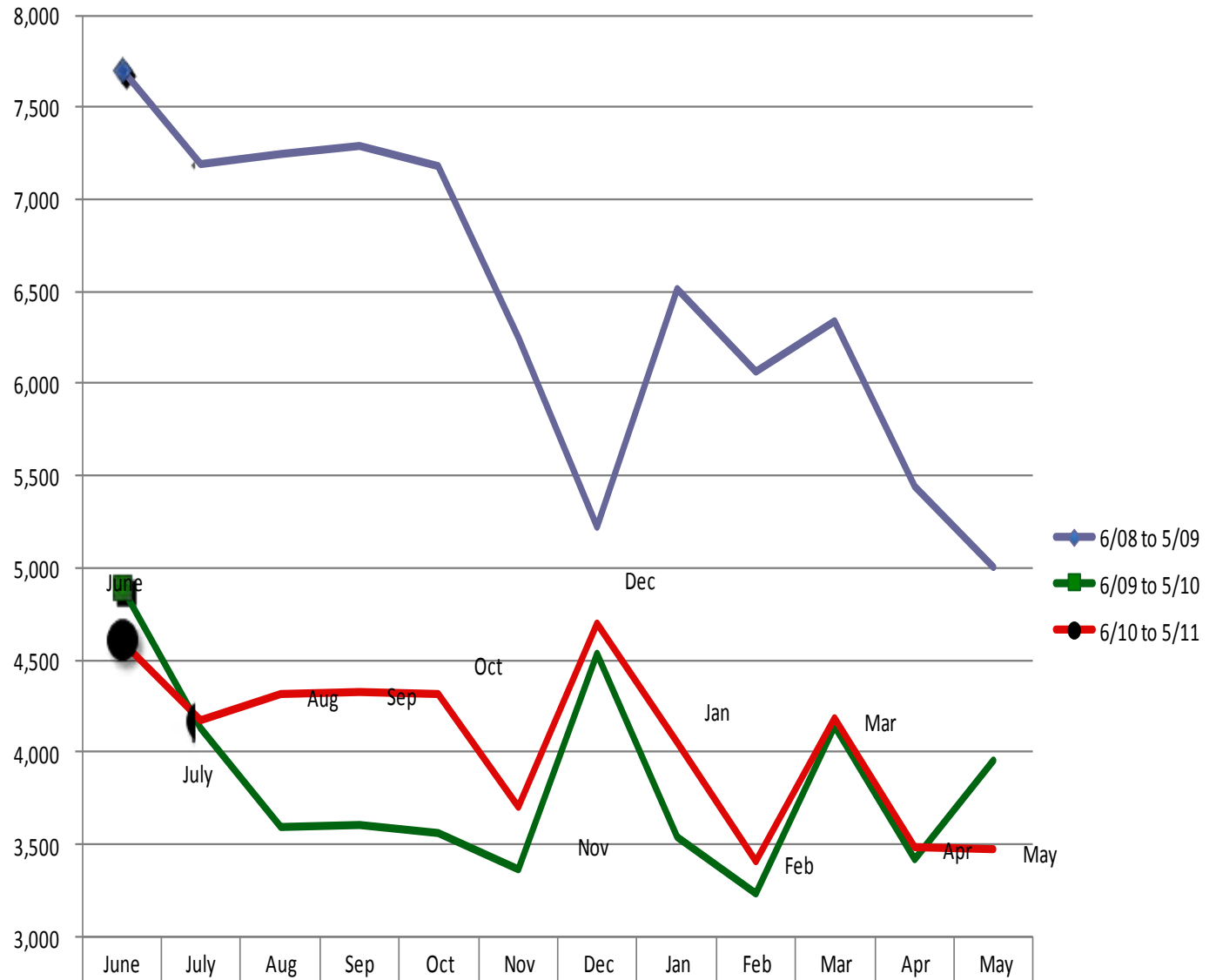
Buyers need to pay attention. This number means that once again, buyers have a little less buying power than they did in the months of December, January, February, March, April and May. Although the average is less than 100%, on lower priced/highly desirable properties buyers **may** still have to pay above list price. Since a home must appraise in order to obtain a loan, underwriters are still looking very closely at prices and making sure that homes are selling at or below market value. Make sure your real estate professional helps you understand the competitiveness of the list price of the home you are wanting to purchase. You also need to be aware of the interest and sales activity in the area where you are wanting to buy and how the offer you are making competes with the market AND with trends relative to the price where homes are selling in the areas you have an interest.



Monthly Expired & Cancelled Listings

Provided by Keller Williams Realty Professional Partners -
Statistics from May 2011 MLS

Monthly Expired and Cancelled Listings (36 month overview)



6/08 to 5/09	7,707	7,193	7,247	7,291	7,179	6,252	5,221	6,517	6,062	6,342	5,441	5,006
6/09 to 5/10	4,899	4,126	3,596	3,601	3,564	3,361	4,533	3,532	3,235	4,139	3,413	3,951
6/10 to 5/11	4,603	4,167	4,311	4,323	4,311	3,697	4,701	4,046	3,407	4,180	3,488	3,468

Expired & Cancelled Listings Analysis

Sellers:

May saw very little change in the number of expired and cancelled listings. 3,468 homes were removed from the market. Although this means that current sellers have less competition, it is still vital that serious sellers pay attention to all of the numbers in the future... days on the market, the average sales price, and homes expiring from having a market presence can change quickly. As a result, it is important that sellers don't become too confident with the great market news this month.

Buyers:

For buyers, be aware that there are 3,468 fewer homes to consider. At a time when inventory continues to shrink, this could mean a tighter market for buyers. If that happens, buyers can expect more competition and less room for negotiation on price and/or concessions from sellers. This means buyers will have to be more patient with homes still active AND be prepared to act quickly on available homes. Continue to watch this trend, as this, combined with price, days on market, and list to sales price ratio are an important indicator of what buyers need to do in order to be successful in closing on the home of their dreams.



INVENTORY OVERVIEW

Following is an overview of what is happening with the inventory of homes currently available in Maricopa County and the MLS.

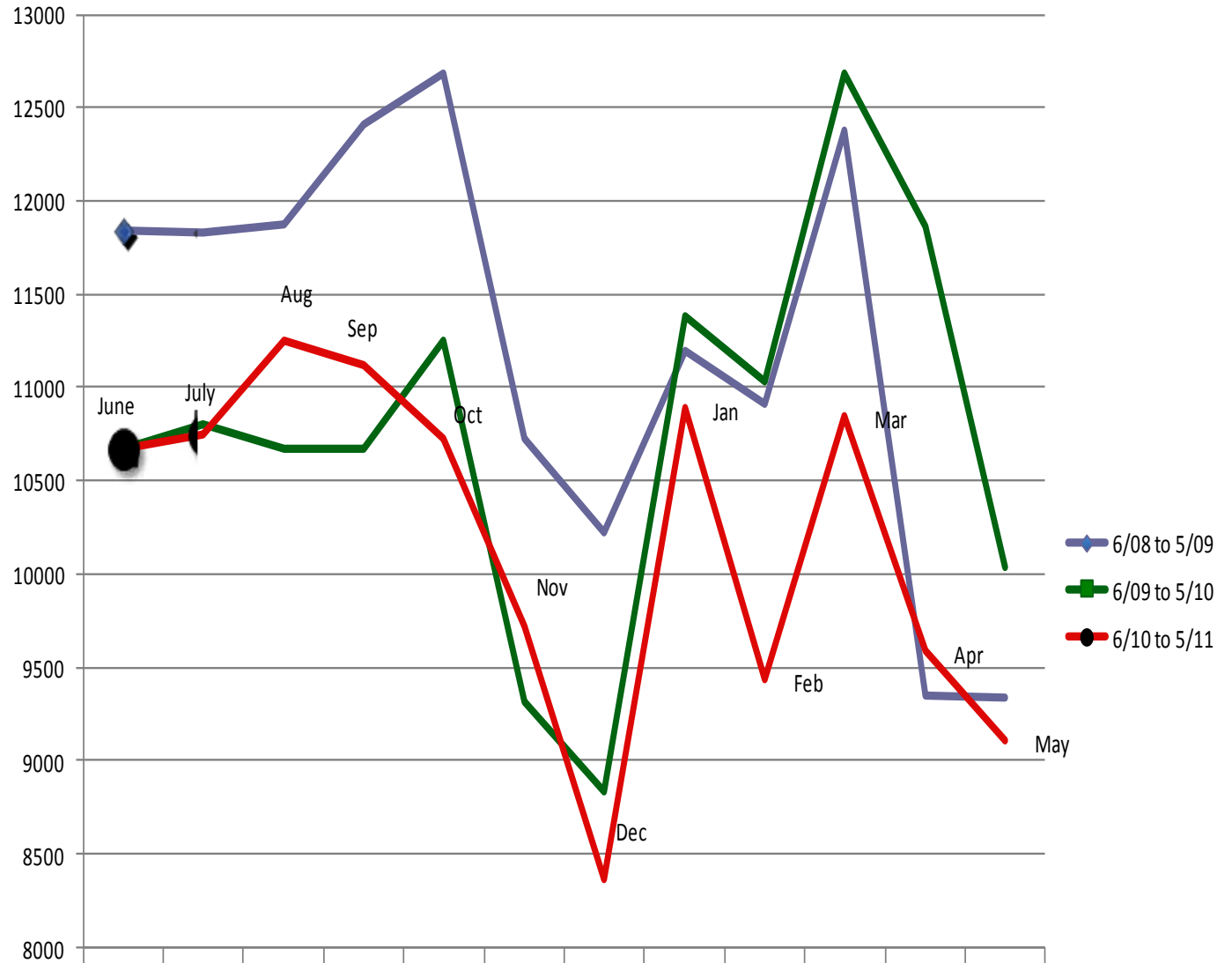




New Listings

Provided by Keller Williams Realty Professional Partners –
Statistics from May 2011 MLS

New Listings (by month)



	June	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
6/08 to 5/09	11845	11831	11872	12412	12682	10728	10217	11195	10915	12375	9346	9336
6/09 to 5/10	10674	10804	10666	10673	11247	9315	8830	11382	11037	12684	11861	10036
6/10 to 5/11	10669	10744	11255	11116	10726	9716	8363	10887	9436	10843	9586	9109



New Listings Analysis

Sellers:

May normally sees a decrease in new listings entering the market. Last month followed this trend with a 6.16% decrease in new homes entering the market. This means there were 9,109 NEW properties available to buyers – they could be traditional sales OR they could be distressed sales. May traditionally sees a decrease in new inventory, so the numbers should not come as any surprise. However, sellers need to continue monitoring this statistic to see how market fluctuations impact the sale of their home.

Buyers:

This is important news for buyers, as it means there was a decrease in the number of homes entering the market, as is normal during this time of year. It is very important that you continue to spend time with and listen to your real estate professional to develop your strategy for succeeding in a market that is constantly changing. Be prepared: a change in the number of new listings could be great news if there are more homes from which to choose OR it could present challenges if the inventory continues to decrease.

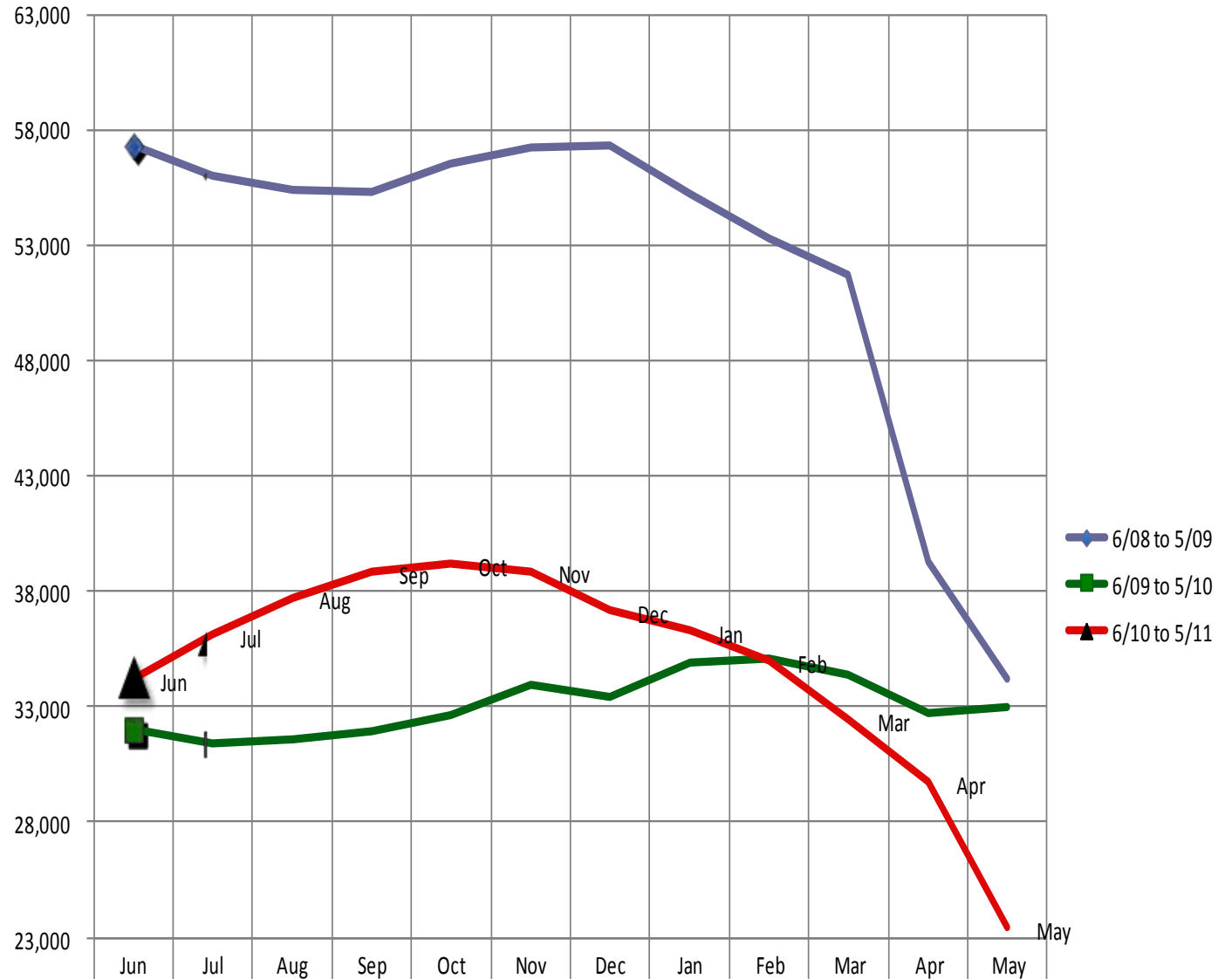




Active Listings

Provided by Keller Williams Realty Professional Partners -
Statistics from May 2011 MLS

Active Listings in ARMLS (36 month Summary - Residential in ARMLS)



	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
6/08 to 5/09	57,342	56,005	55,400	55,323	56,561	57,264	57,350	55,247	53,313	51,679	39,286	34,195
6/09 to 5/10	32,010	31,375	31,591	31,962	32,658	33,962	33,460	34,906	35,114	34,426	32,728	32,970
6/10 to 5/11	34,224	36,097	37,754	38,838	39,176	38,876	37,159	36,299	34,991	32,485	29,785	23,477



Active Listings Analysis

Sellers:

For the 7th month in a row, the number of active residential listings has decreased. The drop in May was a dramatic 21% reduction! This is by far the lowest we have seen in the 36 month reporting period. Sellers need to make sure that they continue to watch this trend to determine how their homes should be priced in order to be competitive AND the terms that will need to be available for prospective buyers.

Buyers:

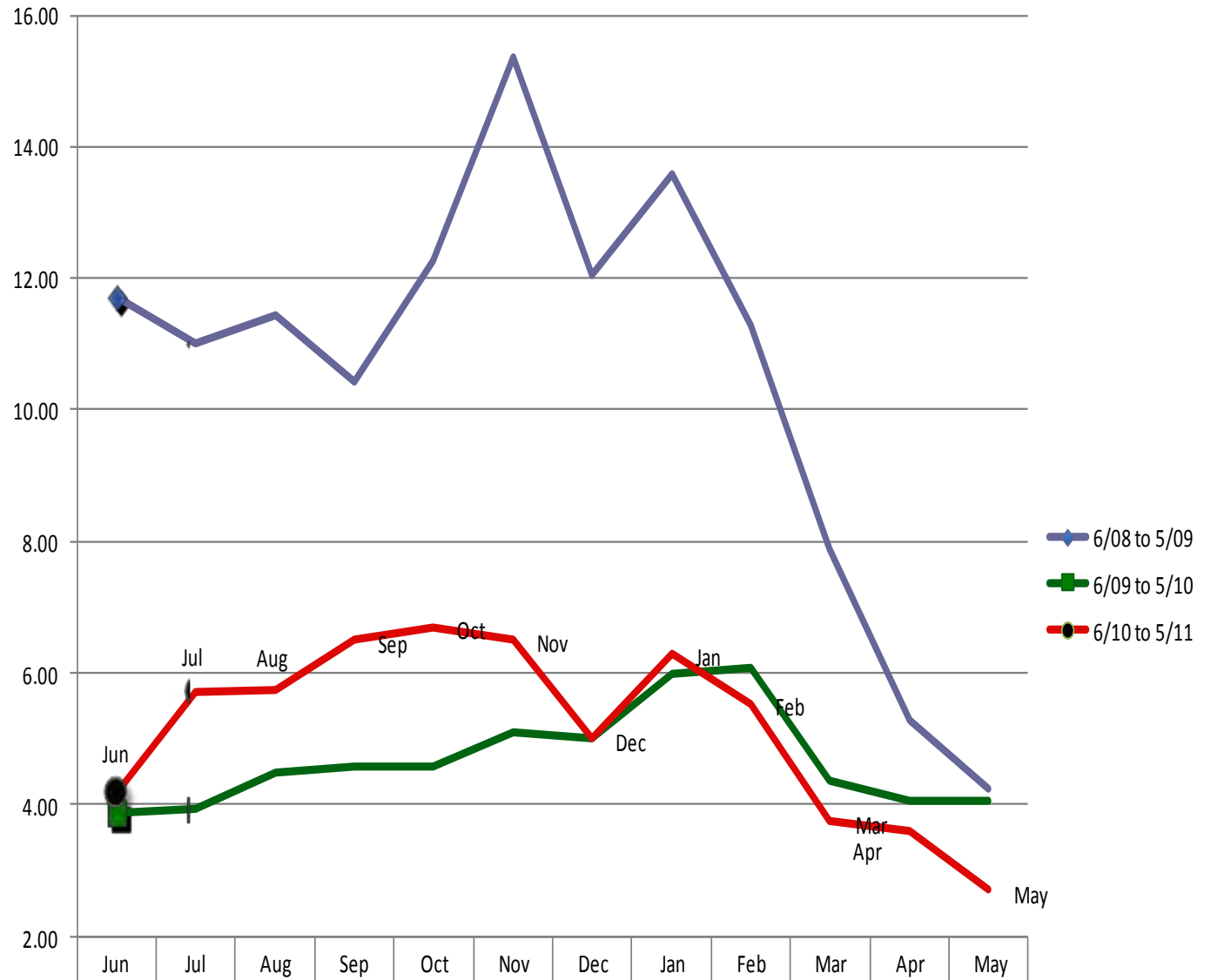
Buyers still have inventory to preview, but that amount is trending downward. Continue to monitor this statistic, as it WILL be the statistic that indicates how much new inventory you will have to preview ... the lower the number, the more likely the competitiveness for lower priced homes will remain part of the current market.

As always, market activity is local and should be researched with your real estate professional to determine the activity and desirability of the homes that are of interest to you.





Months of inventory (36 month overview)



6/08 to 5/09	11.70	11.01	11.43	10.43	12.26	15.37	12.05	13.58	11.30	7.89	5.28	4.23
6/09 to 5/10	3.89	3.92	4.50	4.59	4.57	5.10	5.01	5.99	6.08	4.37	4.07	4.06
6/10 to 5/11	4.18	5.72	5.75	6.50	6.70	6.51	5.01	6.30	5.54	3.75	3.60	2.70

Months of Inventory

Provided by Keller Williams Realty Professional Partners –
Statistics from May 2011 MLS

Months of Inventory Analysis:

(This report has been generated by taking the number of active listings and dividing it by SALES for the past month)

Sellers:

The available months of inventory should also not come as no surprise to anyone. With fewer available properties, more closed and pending sales, the available months of inventory has once again hit a 36-month low – only 2.7 months – a drop of .9 months just since April! This statistic means, that on average, we are in now in what is called a very strong “seller’s market” that is identified when this statistic reflects less than 5 months of inventory. Although this traditionally means that sellers will have more control in a sales transaction than the buyer, it is essential that you are meeting with your real estate professional to determine the ACTUAL market in your area. You may find that you have more or less control than the average.

Buyers:

Buyers will want to seriously monitor this, as it indicates a deeper shift into a sellers’ market – a seller’s market traditionally gives less control to buyers and can create significant competition for the current inventory. However, the type of market will vary from price range to price range and even area to area. Work with your real estate professional to make sure you understand the type of market you are in.



Total Market Overview:

Sellers:

This report provides a detailed breakdown of homes in Maricopa County based on price ... by determining the price range where your home SHOULD sell, you can see what the average list to sales price ratio is, the average days on market, and more importantly, the percentage of homes selling in that price range. Note that as the price increases, so does the days on market AND the list to sales price ratio decreases. You will also see a lower percentage of homes selling as the price increases.

Buyers:

By reviewing the price range where you are purchasing, you can determine what the average home is selling for vs. list price. This should help you make better and more acceptable offers based on the current market.





Total Market Overview

Provided by Keller Williams Realty Professional Partners –
 Statistics from May 2011 MLS

Maricopa Cty

TOTAL MARKET OVERVIEW

MAY 2011

1 MONTH OVERVIEW					1 month averages					
Price range 1,000s	# of Active Listings	# of Pendings & AWC	Pending Ratio	# of Expired & Cancelled listings	# of Closings Last month	Average List Price of Sold Homes	Average Sold Price	List to Sales Price Ratio	Days on Market (Agent)	Days on Market (Cumul)
0 - 99,999	6,003	8,279	137.9%	1,171	3,757	\$ 62,796	\$ 61,650	98.2%	73	93
100,000- 124,999	1,755	2,249	128.1%	308	962	\$ 113,399	\$ 110,895	97.8%	82	107
125,000- 149,999	1,750	1,980	113.1%	294	878	\$ 137,824	\$ 134,895	97.9%	80	100
150,000- 174,999	1,198	1,349	112.6%	210	597	\$ 162,245	\$ 158,012	97.4%	88	109
175,000- 199,999	1,175	1,046	89.0%	201	509	\$ 188,233	\$ 183,807	97.6%	90	113
200,000- 224,999	724	606	83.7%	102	256	\$ 212,525	\$ 205,276	96.6%	81	95
225,000- 249,999	807	644	79.8%	154	374	\$ 237,516	\$ 229,270	96.5%	90	108
250,000- 299,999	1,251	859	68.7%	200	428	\$ 275,854	\$ 265,828	96.4%	97	115
300,000- 349,999	794	501	63.1%	129	246	\$ 326,520	\$ 315,750	96.7%	92	108
350,000- 399,999	711	386	54.3%	122	173	\$ 376,210	\$ 364,761	97.0%	110	125
400,000- 449,999	442	187	42.3%	70	107	\$ 423,713	\$ 407,131	96.1%	125	153
450,000- 499,999	402	177	44.0%	63	82	\$ 476,467	\$ 462,090	97.0%	113	124
500,000- 749,999	977	403	41.2%	175	180	\$ 604,806	\$ 572,808	94.7%	143	169
750,000- 999,999	595	179	30.1%	93	58	\$ 853,960	\$ 806,618	94.5%	132	167
1 million +	1,193	163	13.7%	174	99	\$ 1,926,189	\$ 1,722,817	89.4%	205	248



Summary Comments

Provided by Keller Williams Realty Professional Partners -
Statistics from May 2011 MLS

IMPORTANT INFORMATION:

Although these reports are beneficial in understanding the general market in Maricopa County, it is essential that you meet with your real estate professional to study these same figures in your area, as statistics will vary from neighborhood to neighborhood.

As you make decisions related to the purchase or sale of a home, it is important that you understand how the current real estate trends will impact your decisions. Your real estate professional is available to help you monitor and interpret them to make sure that you are taking advantage of the current market whether you are selling OR buying.