



# Monthly Market Watch for Maricopa County

An overview of what is happening in the Maricopa County real estate market (using October 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 11/4/11.

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.

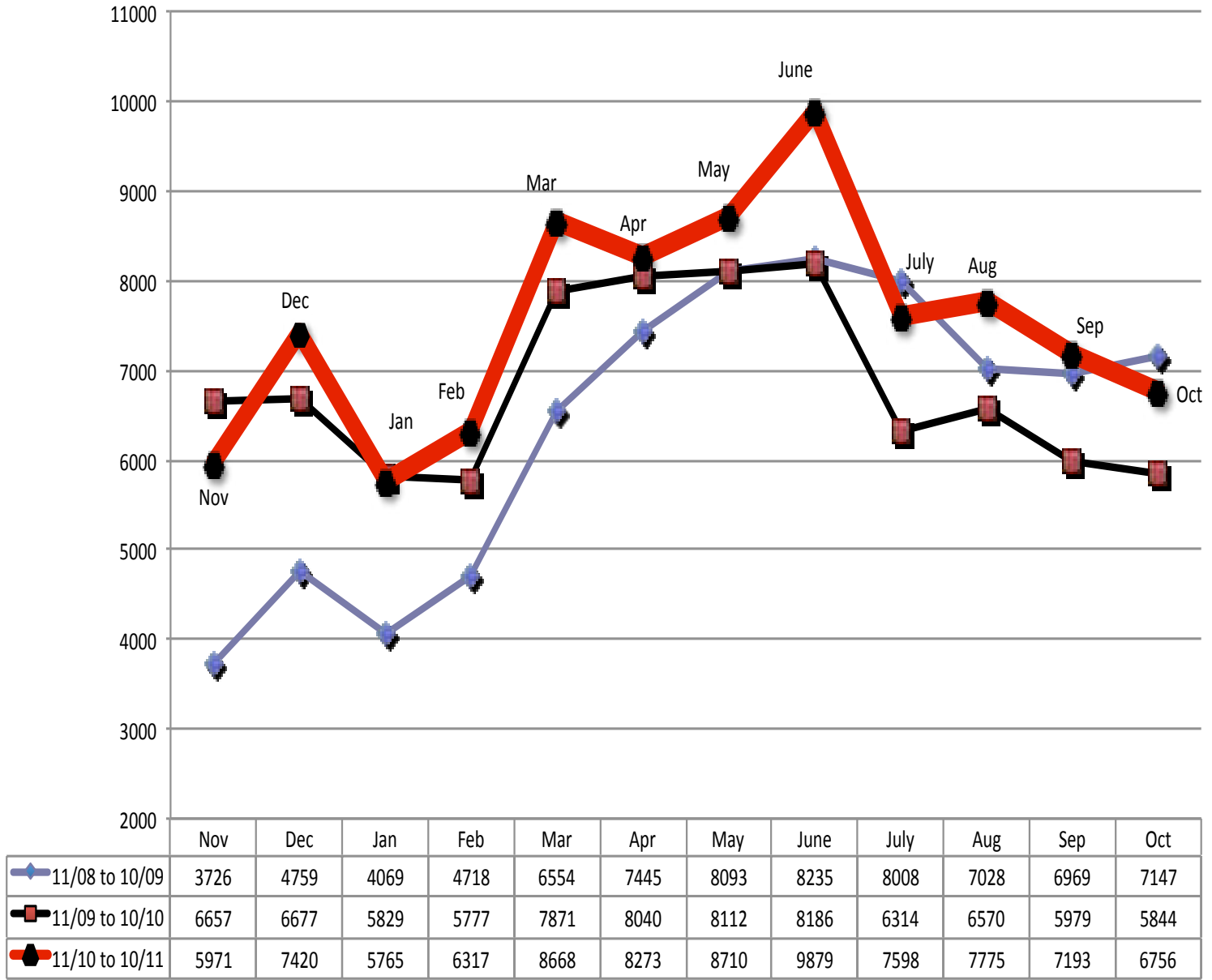




# Closed Sales

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

**Total # of Closed Sales  
(36 month overview)**



# Closed Sales Report Analysis:

## Sellers:

The housing market once again continues to experience the “incredible shrinking inventory.” The month of October saw an increase of 15.61% in the number of homes that closed. The market is not seeing any type of slow down in buyers who are committed to finding and purchasing the best properties.

Sellers should continue to monitor the possibility of new inventory to determine the impact on the sale of their homes.

## Buyers:

Buyers are once again encouraged to pay very close attention to this number. We continue to see a great deal of competition for homes on the market – that could mean multiple offers AND homes selling for above list price because of the competitive nature of the market. 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.

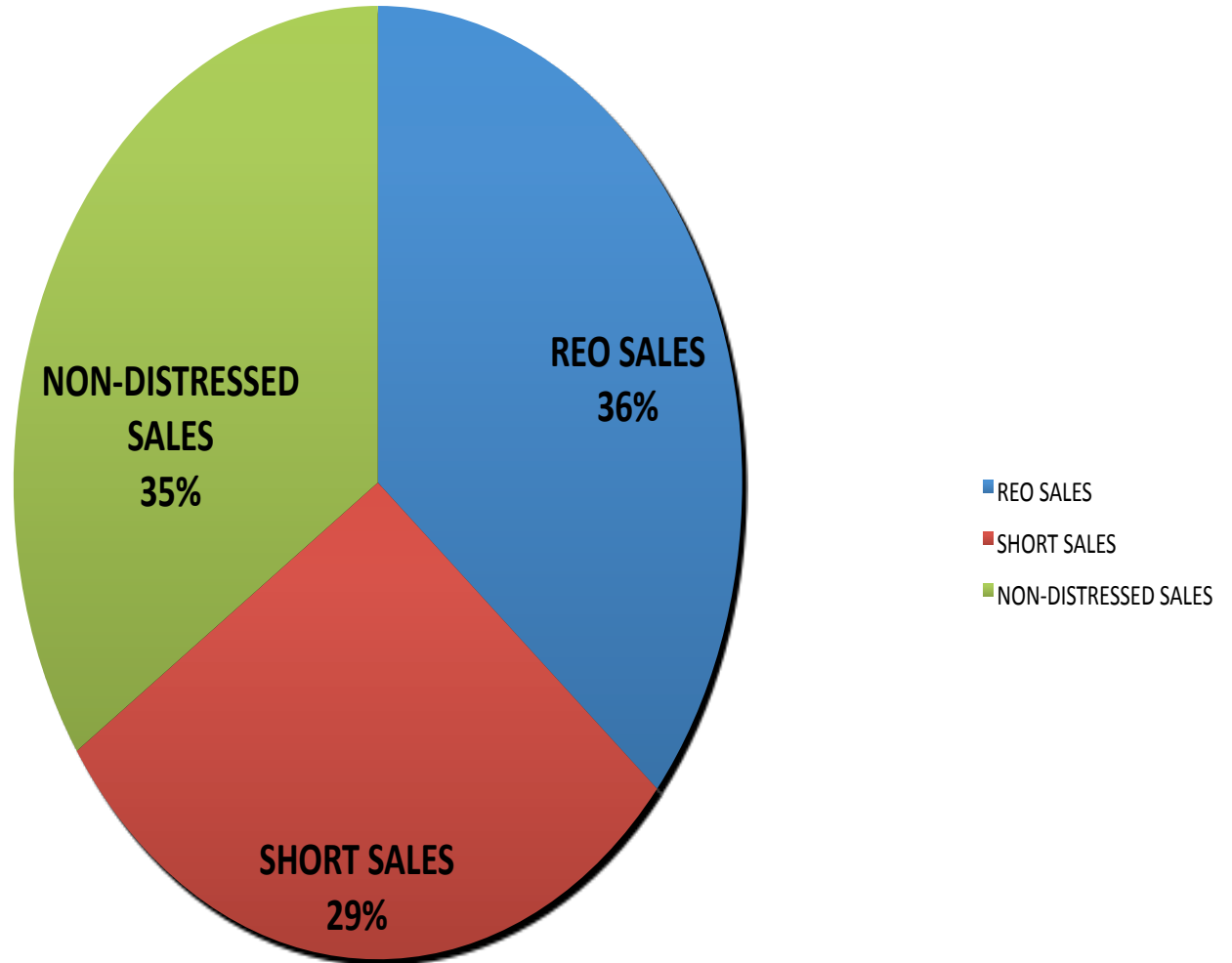




# Distressed Sales

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

## REO, SHORT SALE & NON-DISTRESSED SALES COMPARISON October 2011





## **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.**

**October statistics saw bank owned/foreclose sales DECREASE by 1.5%, short sales INCREASE by 2.2%, and traditional sales DECREASE by just under 1% when compared to the month of September. Sellers and buyers need to monitor this trend to see how the market continues to respond to the current inventory.**

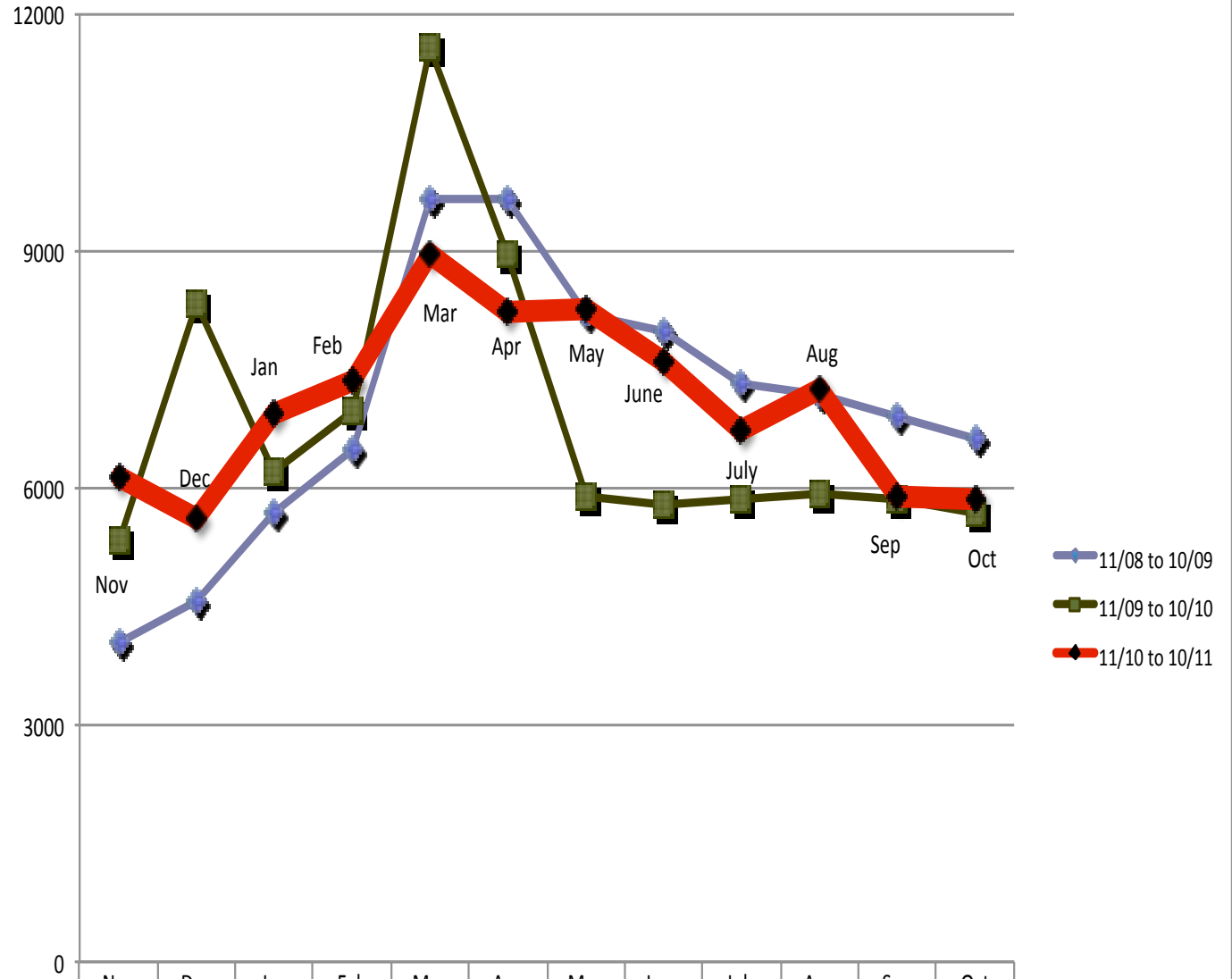




# Pending Sales

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

## Total # of Pending Sales (36 month overview)



|                | Nov  | Dec  | Jan  | Feb  | Mar   | Apr  | May  | June | July | Aug  | Sep  | Oct  |
|----------------|------|------|------|------|-------|------|------|------|------|------|------|------|
| 11/08 to 10/09 | 4031 | 4552 | 5662 | 6470 | 9641  | 9641 | 8190 | 7969 | 7300 | 7179 | 6882 | 6624 |
| 11/09 to 10/10 | 5321 | 8331 | 6204 | 6975 | 11584 | 8946 | 5905 | 5772 | 5855 | 5936 | 5861 | 5674 |
| 11/10 to 10/11 | 6125 | 5595 | 6932 | 7350 | 8969  | 8207 | 8252 | 7603 | 6710 | 7246 | 5901 | 5862 |



# Pending Sales Report Analysis:

## Sellers:

The month of October actually saw a 3.3% INCREASE in the number of homes that moved to pending status. There has been a downward trend in the number of homes since March of this year. More than likely, this is because of the decrease in available homes/inventory. Sellers should continue to monitor these numbers to determine what type of activity there should be on their homes.

## Buyers:

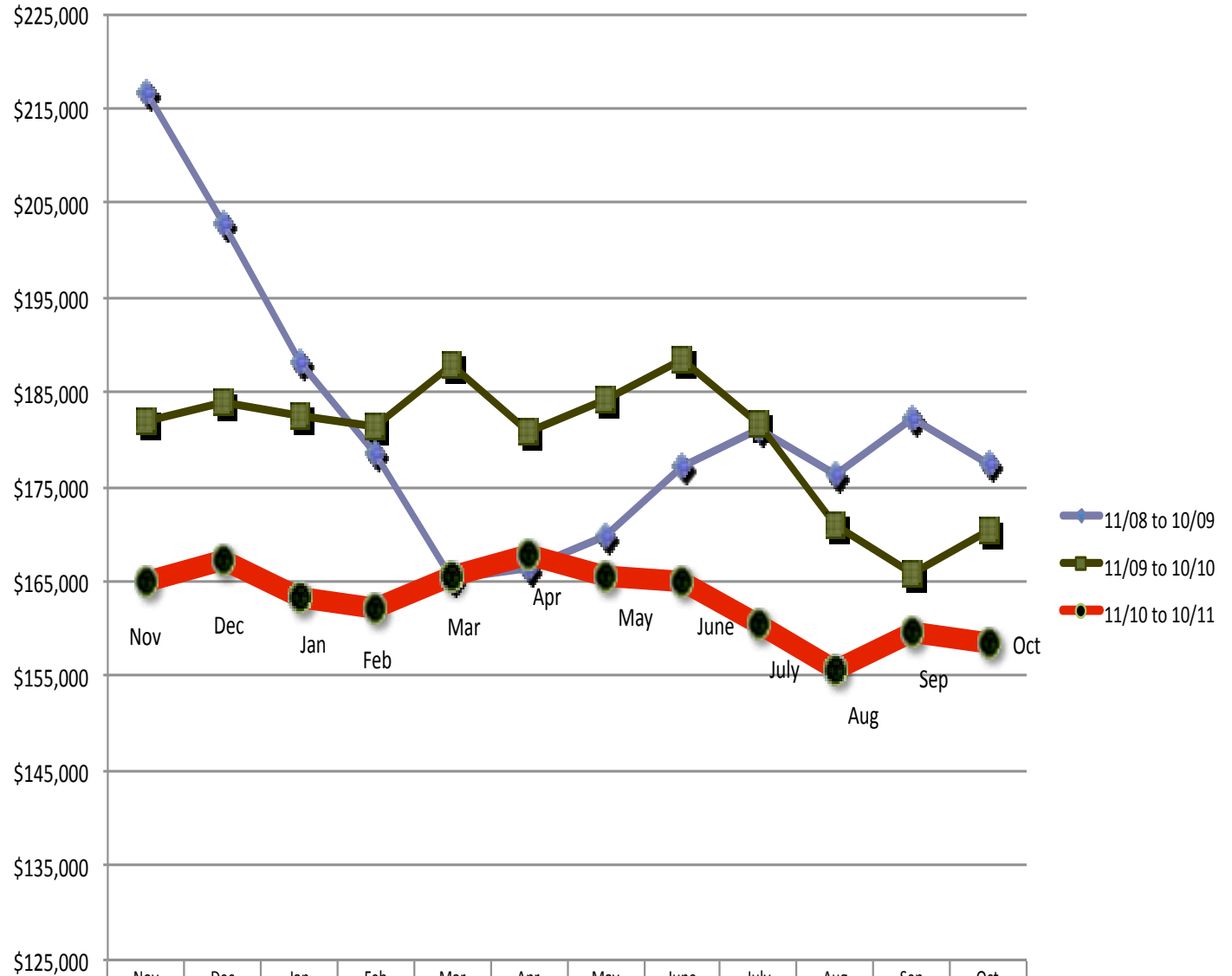
Buyers continue to take advantage of the current real estate market... they are hearing about great prices, homes that offer the amenities they want, and great loan rates and programs. Buyer activity has remained very high. For buyers who are waiting for prices to drop or to find that perfect home, the 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 October 2011 MLS

# Average Sales Price Analysis

## Sellers:

After an increase in September, October saw a \$1,245 decrease in the average sales price of homes that sold. The average of \$158,517 is a drop of just under 1% over the month of September. Even though buyer activity remains high, the statistics seem to validate that buyers are still purchasing in the lower price range. Sellers need to pay very careful attention to local market activity to ensure that homes are competitively priced to appeal to buyers who are ready to buy because of the amazing values.

## Buyers:

For buyers, it is important to be careful about this shift in the price of homes. Although the average price did decrease, this probably does not mean that buyers have more bargaining power. Rather, it is more likely an indicator that buyers in the market remain focused on homes priced near the \$150,000 range. 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 and to carefully monitor this trend to see how it will impact the availability, pricing, and terms associated with purchasing a home.

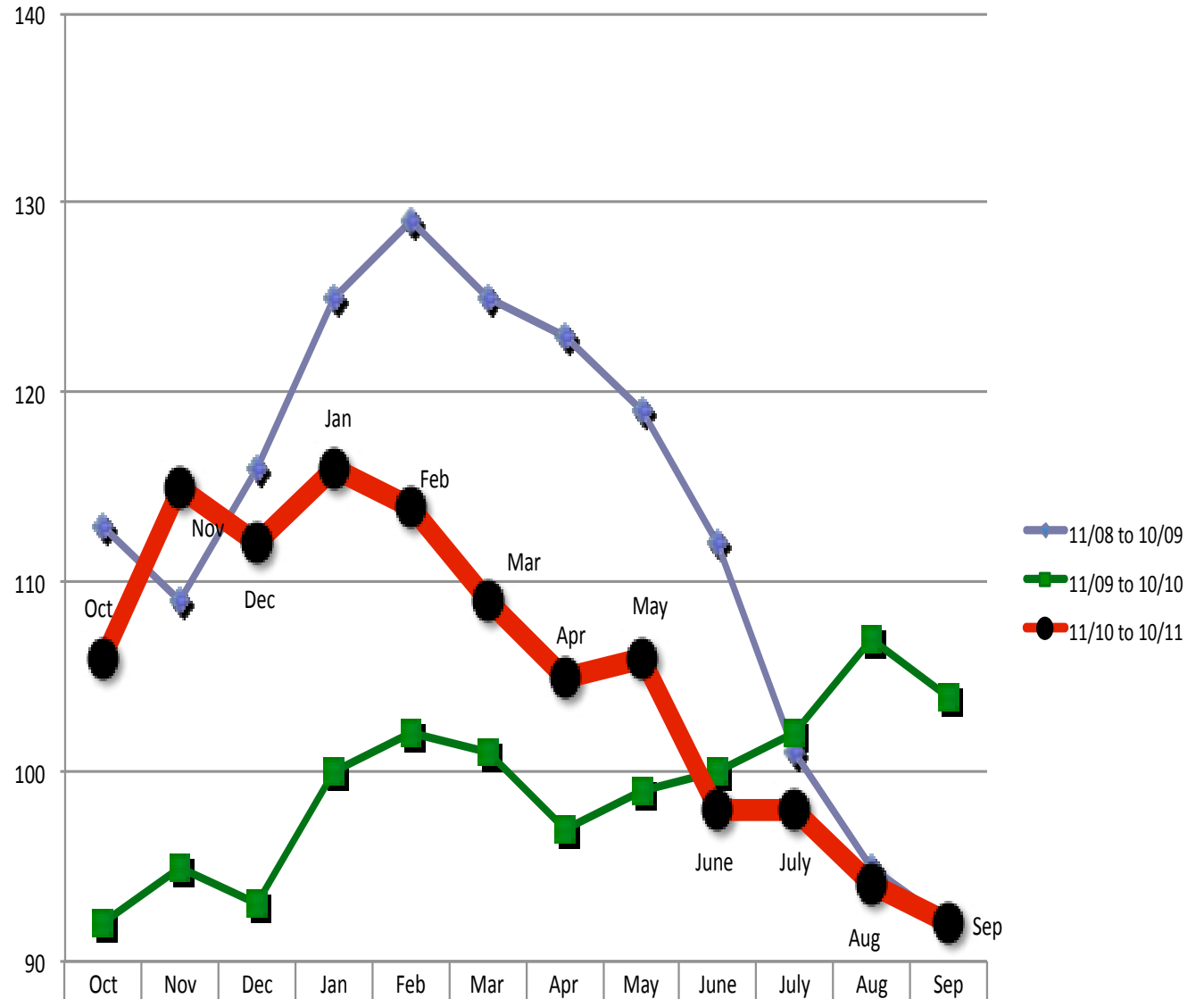




# Average Days on Market

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

## Average Days on Market (36 month overview)



|                |     |     |     |     |     |     |     |     |     |     |     |     |
|----------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| 11/08 to 10/09 | 113 | 109 | 116 | 125 | 129 | 125 | 123 | 119 | 112 | 101 | 95  | 92  |
| 11/09 to 10/10 | 92  | 95  | 93  | 100 | 102 | 101 | 97  | 99  | 100 | 102 | 107 | 104 |
| 11/10 to 10/11 | 106 | 115 | 112 | 116 | 114 | 109 | 105 | 106 | 98  | 98  | 94  | 92  |

# Average Days on Market Analysis

## Sellers:

Prices are up, inventory is down – so it should come as no surprise that once again the average days that a home was on the market in October DECREASED over the prior month by 2 days. On average, it took 92 days for a home to remain on the market before moving to pending status. This is the lowest average since January of 2010. This decrease in the average days on market shows that sellers were able to move to pending status much more quickly – a sign that buyer demand for inventory continues to remain very high.

## 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.

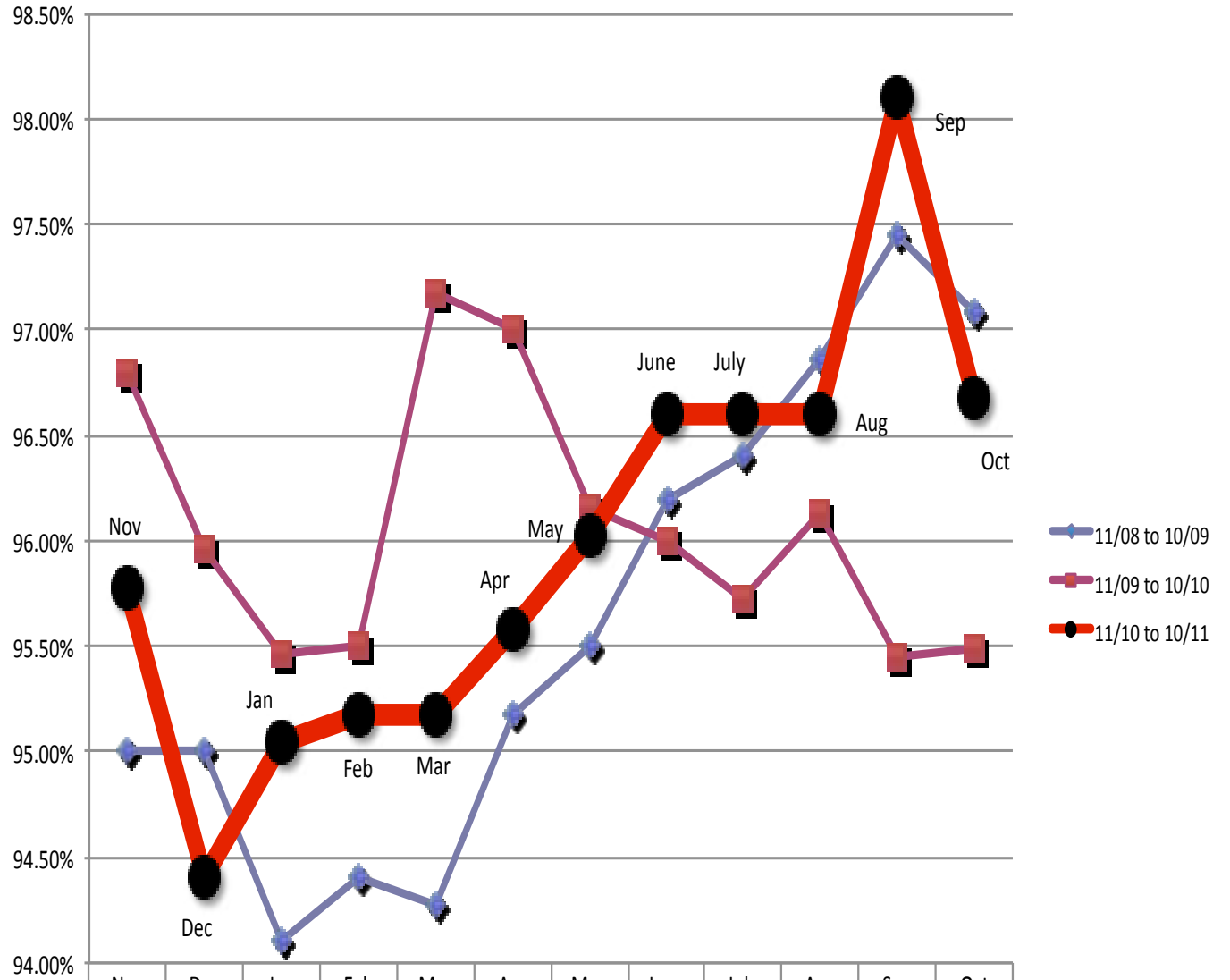




# Average List to Sales Price Ratio

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

## Average List to Sales Price Ratio (36 month overview)



|                |        |        |        |        |        |        |        |        |        |        |        |        |
|----------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| 11/08 to 10/09 | 95.00% | 95.00% | 94.10% | 94.40% | 94.28% | 95.18% | 95.50% | 96.20% | 96.40% | 96.87% | 97.45% | 97.08% |
| 11/09 to 10/10 | 96.80% | 95.96% | 95.46% | 95.50% | 97.17% | 97.01% | 96.16% | 96.00% | 95.72% | 96.13% | 95.45% | 95.49% |
| 11/10 to 10/11 | 95.78% | 94.40% | 95.05% | 95.18% | 95.18% | 95.58% | 96.03% | 96.60% | 96.60% | 96.60% | 98.10% | 96.68% |

# List to Sale Price Ratio Analysis

## Sellers:

The average price a seller received decreased by 1.42% to 96.68% during the month of October.

This is a little bit of a surprise because of the competition for desirable properties.

With the competitive nature of the market, an increase in this statistic would be expected.

It could mean that higher priced homes are selling, with the banks and/or sellers wanting to make sure a property sells as we enter the fourth and final quarter of the year. Continue to watch this trend, as it will continue to impact how homes should be priced in the current market in order to appeal to the buyers.

## Buyers:

Buyers need to pay attention. As this average inches closer to 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.

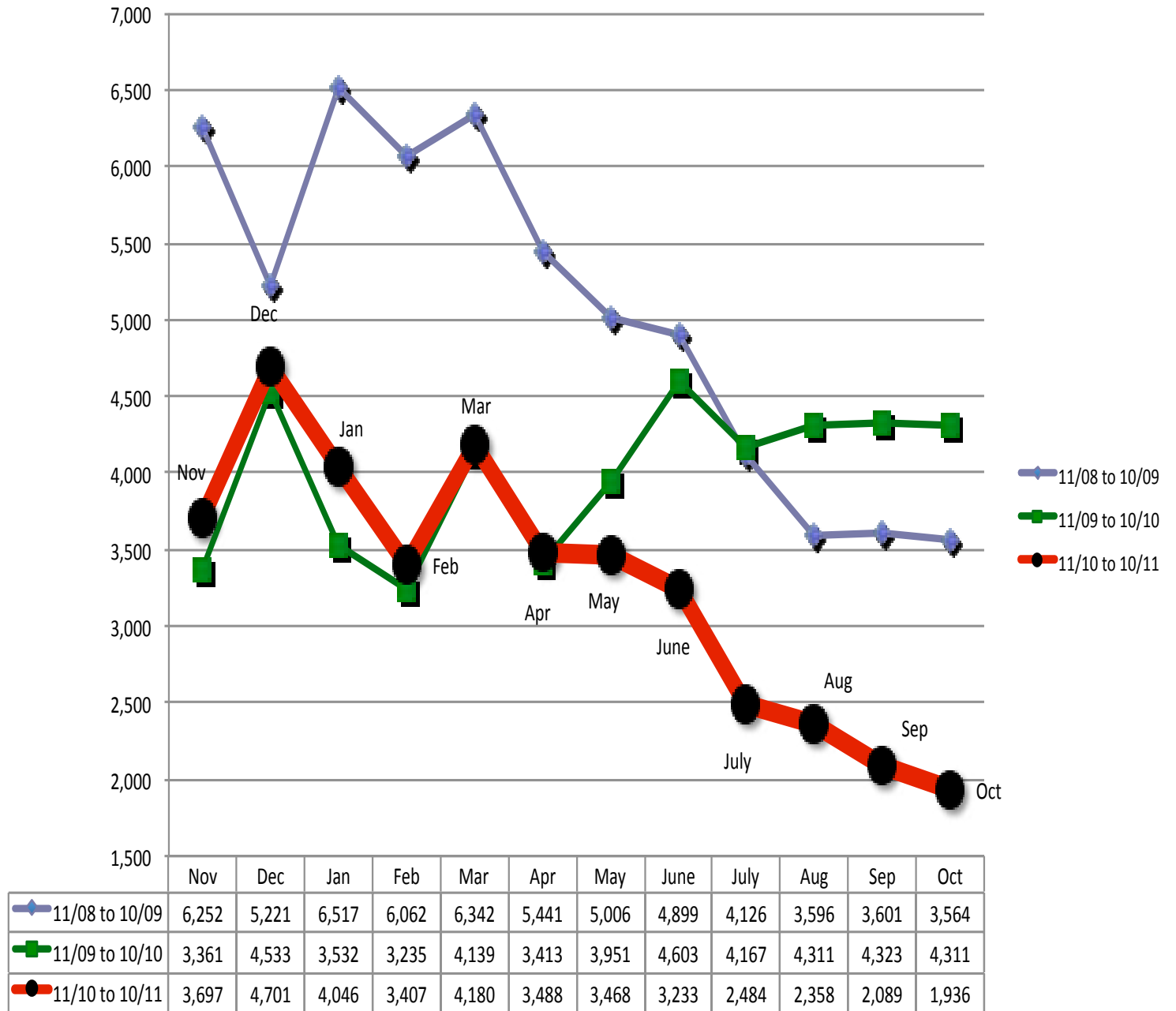




# Monthly Expired & Cancelled Listings

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

## Monthly Expired and Cancelled Listings (36 month overview)



# Expired & Cancelled Listings Analysis

## Sellers:

For the 7<sup>th</sup> month in a row, we have been seeing the number of expired and cancelled listings decrease. October saw a decrease of 7.3% over the month of September – 1,936 homes left the market last month!!! This should come as no surprise since the inventory has been shrinking, but it is by far, the lowest number in the 36-month reporting period.

We would expect that fewer homes would be leaving the market because of the opportunity for buyer response.

## Buyers:

For buyers, be aware that there are 1,936 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.**

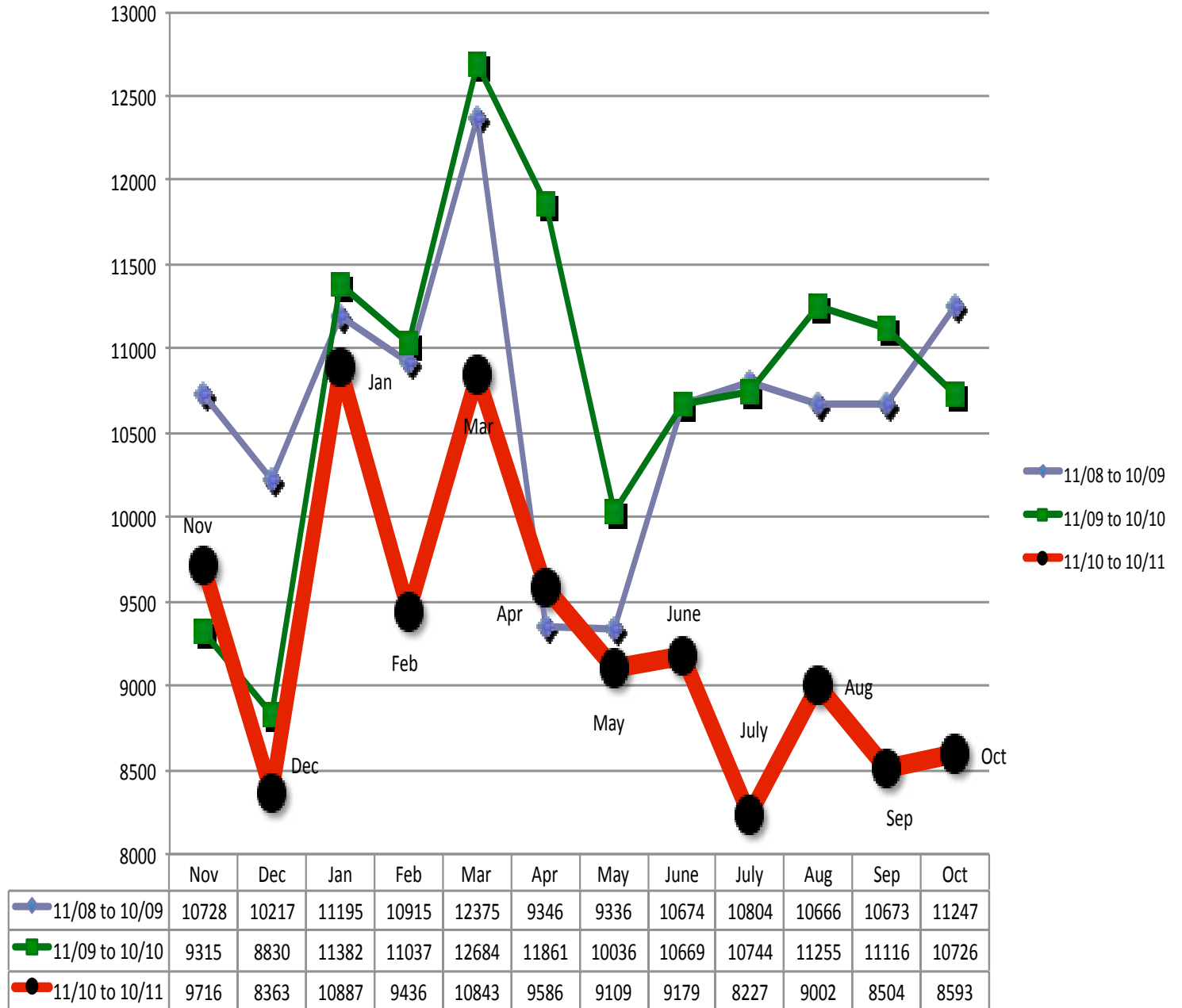




# New Listings

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

## New Listings (by month)





# New Listings Analysis

## Sellers:

The month of October remained fairly consistent over the prior month as far as the number of new listings entering the market. October saw 8,593 new listings enter the market. At a time when buyers are competing to find a home, this number means they will have slightly more choices than in the prior month. However, sellers should monitor this new inventory to see how it might impact the sale of their home. In this great market, it is even more important that sellers need to make sure they remain as the top choice for active buyers in the marketplace.

## Buyers:

Buyers pay attention! 8,593 new listings entered the market in October – this is the 4<sup>th</sup> lowest monthly number in the 36 month reporting period. More than ever, it is essential that you spend time with and listen to your real estate professional to develop your strategy for succeeding in a market that is constantly changing.

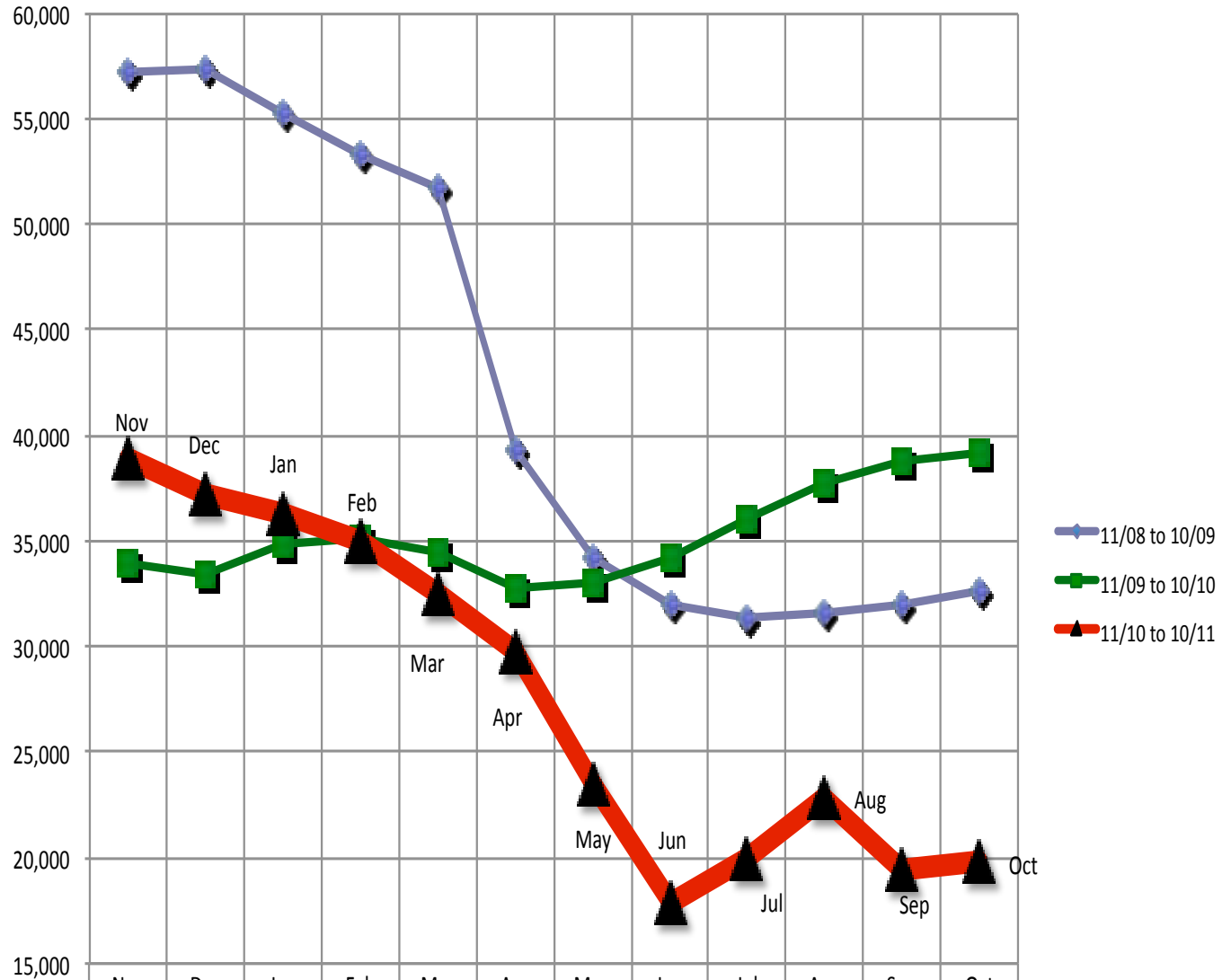
Be prepared: a change in the number of new listings could be great news if there are more homes from which to choose OR it could present challenges if the inventory continues to decrease.



# Active Listings

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

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



|                | Nov    | Dec    | Jan    | Feb    | Mar    | Apr    | May    | Jun    | Jul    | Aug    | Sep    | Oct    |
|----------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| 11/08 to 10/09 | 57,264 | 57,350 | 55,247 | 53,313 | 51,679 | 39,286 | 34,195 | 32,010 | 31,375 | 31,591 | 31,962 | 32,658 |
| 11/09 to 10/10 | 33,962 | 33,460 | 34,906 | 35,114 | 34,426 | 32,728 | 32,970 | 34,224 | 36,097 | 37,754 | 38,838 | 39,176 |
| 11/10 to 10/11 | 38,876 | 37,159 | 36,299 | 34,991 | 32,485 | 29,785 | 23,477 | 17,816 | 19,941 | 22,864 | 19,467 | 19,781 |



# Active Listings Analysis

## Sellers:

After a decrease in active listings last month, October saw a slight increase of 314 homes. This is the 3rd lowest number in the 36-month reporting period, an indicator that inventory still remains low. 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.

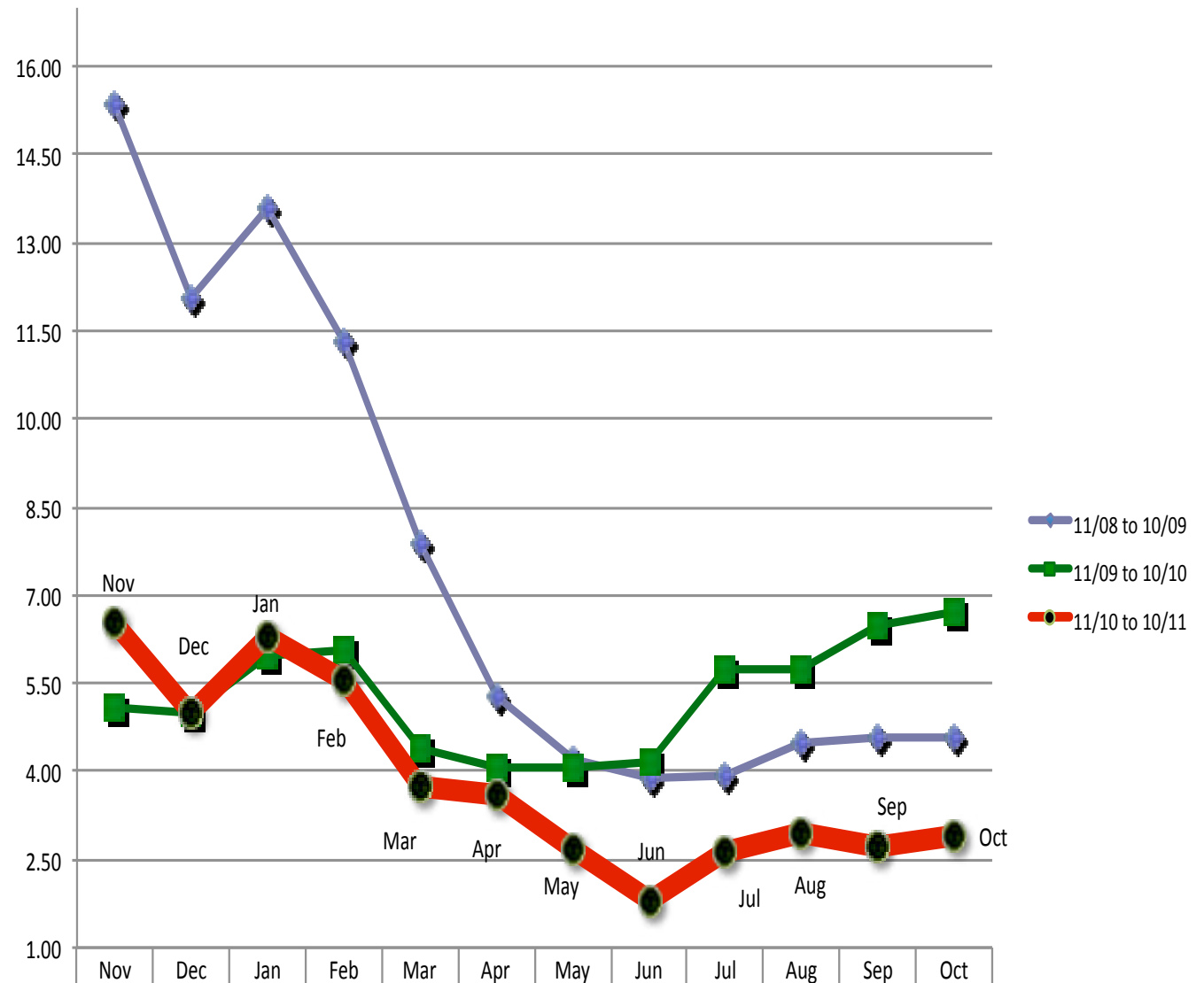
## Buyers:

Buyers still have inventory to preview, but the past few months have not seen this number increase. 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)



|                | Nov   | Dec   | Jan   | Feb   | Mar  | Apr  | May  | Jun  | Jul  | Aug  | Sep  | Oct  |
|----------------|-------|-------|-------|-------|------|------|------|------|------|------|------|------|
| 11/08 to 10/09 | 15.37 | 12.05 | 13.58 | 11.30 | 7.89 | 5.28 | 4.23 | 3.89 | 3.92 | 4.50 | 4.59 | 4.57 |
| 11/09 to 10/10 | 5.10  | 5.01  | 5.99  | 6.08  | 4.37 | 4.07 | 4.06 | 4.18 | 5.72 | 5.75 | 6.50 | 6.70 |
| 11/10 to 10/11 | 6.51  | 5.01  | 6.30  | 5.54  | 3.75 | 3.60 | 2.70 | 1.80 | 2.62 | 2.94 | 2.71 | 2.93 |

# Months of Inventory

Provided by Keller Williams Realty Professional Partners -  
Statistics from October 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:**

October statistics revealed an increase of .23 months of inventory. The months of inventory increased from 2.71 in September to 2.94 months in October. This statistic means, that on average, we continue to remain 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 that there is still low inventory, which results in a seller’s 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 October 2011 MLS

## Maricopa Cty TOTAL MARKET OVERVIEW OCTOBER 2011

| 1 MONTH OVERVIEW      |                      |                        |               |                                      | 1 month averages-----       |                                     |                    |                              |                           |                           |
|-----------------------|----------------------|------------------------|---------------|--------------------------------------|-----------------------------|-------------------------------------|--------------------|------------------------------|---------------------------|---------------------------|
| Price range<br>1,000s | # of Active listings | # of Pendings &<br>AWC | Pending Ratio | # of Expired &<br>Cancelled listings | # of Closings Last<br>month | Average List Price of<br>Sold Homes | Average Sold Price | List to Sales Price<br>Ratio | Days on Market<br>(Agent) | Days on Market<br>(Cumul) |
| 0 - 99,999            | 4,531                | 8,342                  | 184.1%        | 865                                  | 2,823                       | \$ 62,953                           | \$ 62,463          | 99.2%                        | 72                        | 83                        |
| 100,000-<br>124,999   | 1,521                | 2,257                  | 148.4%        | 204                                  | 803                         | \$ 112,871                          | \$ 111,126         | 98.5%                        | 75                        | 87                        |
| 125,000-<br>149,999   | 1,777                | 1,940                  | 109.2%        | 215                                  | 781                         | \$ 137,285                          | \$ 134,449         | 97.9%                        | 75                        | 88                        |
| 150,000-<br>174,999   | 1,354                | 1,280                  | 94.5%         | 154                                  | 478                         | \$ 162,082                          | \$ 158,795         | 98.0%                        | 70                        | 81                        |
| 175,000-<br>199,999   | 1,358                | 985                    | 72.5%         | 157                                  | 369                         | \$ 188,012                          | \$ 183,285         | 97.5%                        | 85                        | 96                        |
| 200,000-<br>224,999   | 780                  | 547                    | 70.1%         | 74                                   | 248                         | \$ 213,846                          | \$ 208,309         | 97.4%                        | 91                        | 102                       |
| 225,000-<br>249,999   | 999                  | 561                    | 56.2%         | 129                                  | 238                         | \$ 237,402                          | \$ 231,564         | 97.5%                        | 78                        | 92                        |
| 250,000-<br>299,999   | 1,507                | 790                    | 52.4%         | 171                                  | 324                         | \$ 275,425                          | \$ 266,732         | 96.8%                        | 90                        | 105                       |
| 300,000-<br>349,999   | 985                  | 398                    | 40.4%         | 112                                  | 171                         | \$ 324,619                          | \$ 314,137         | 96.8%                        | 80                        | 85                        |
| 350,000-<br>399,999   | 836                  | 325                    | 38.9%         | 108                                  | 145                         | \$ 376,464                          | \$ 362,375         | 96.3%                        | 98                        | 111                       |
| 400,000-<br>449,999   | 547                  | 159                    | 29.1%         | 64                                   | 77                          | \$ 425,147                          | \$ 410,210         | 96.5%                        | 79                        | 98                        |
| 450,000-<br>499,999   | 476                  | 153                    | 32.1%         | 54                                   | 65                          | \$ 477,724                          | \$ 456,070         | 95.5%                        | 136                       | 153                       |
| 500,000-<br>749,999   | 1,178                | 288                    | 24.4%         | 124                                  | 131                         | \$ 600,139                          | \$ 569,944         | 95.0%                        | 131                       | 163                       |
| 750,000-<br>999,999   | 693                  | 123                    | 17.7%         | 74                                   | 56                          | \$ 868,026                          | \$ 822,018         | 94.7%                        | 149                       | 162                       |
| 1 million +           | 1,244                | 110                    | 8.8%          | 94                                   | 50                          | \$ 1,704,456                        | \$ 1,518,204       | 89.1%                        | 239                       | 348                       |



# Summary Comments

Provided by Keller Williams Realty Professional Partners -  
Statistics from October 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.