STAT
Your Monthly Statistics for the Phoenix Metro Area
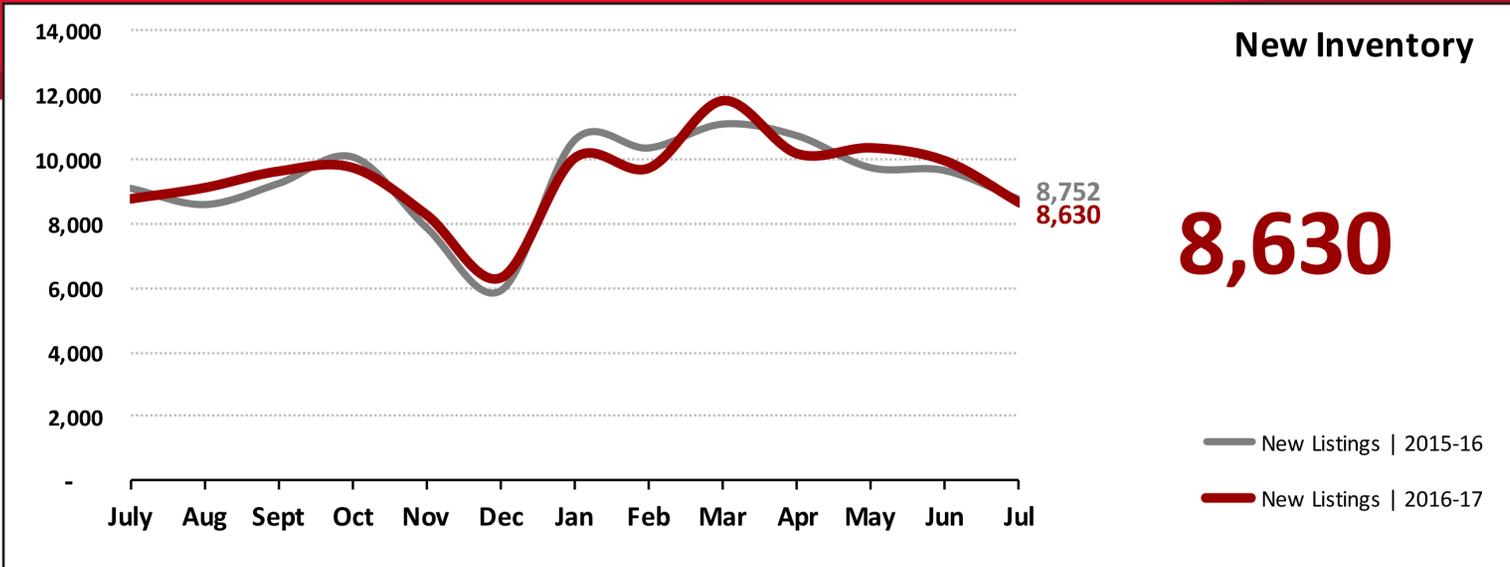
ARMLS®

DATA FOR JULY 2017 - Published August 25, 2017
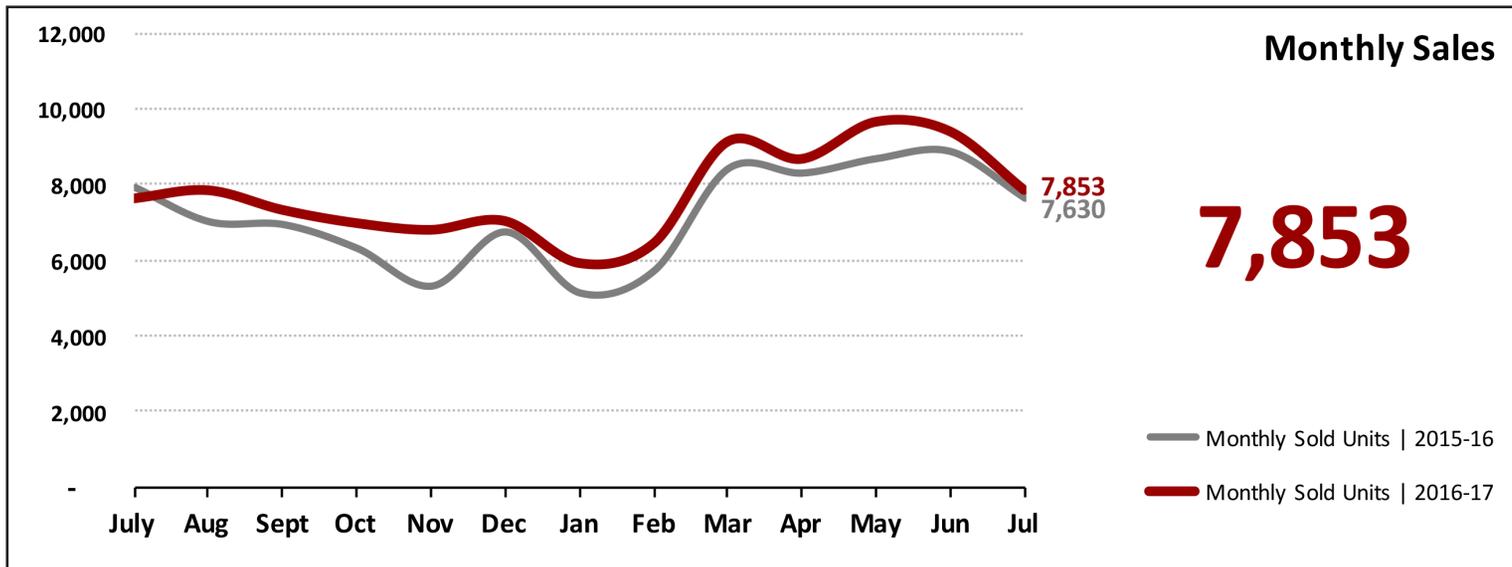
Monthly Sales

7,853

Sales are down -16.4% month-over-month. The year-over-year comparison shows an increase of +2.9%.

7,853
7,630

—— Monthly Sold Units | 2015-16
—— Monthly Sold Units | 2016-17

Closed MLS sales with a close of escrow date from 7/1/2017 to 7/31/2017, 0 day DOM sales removed

New Inventory

8,630

8,752
8,630

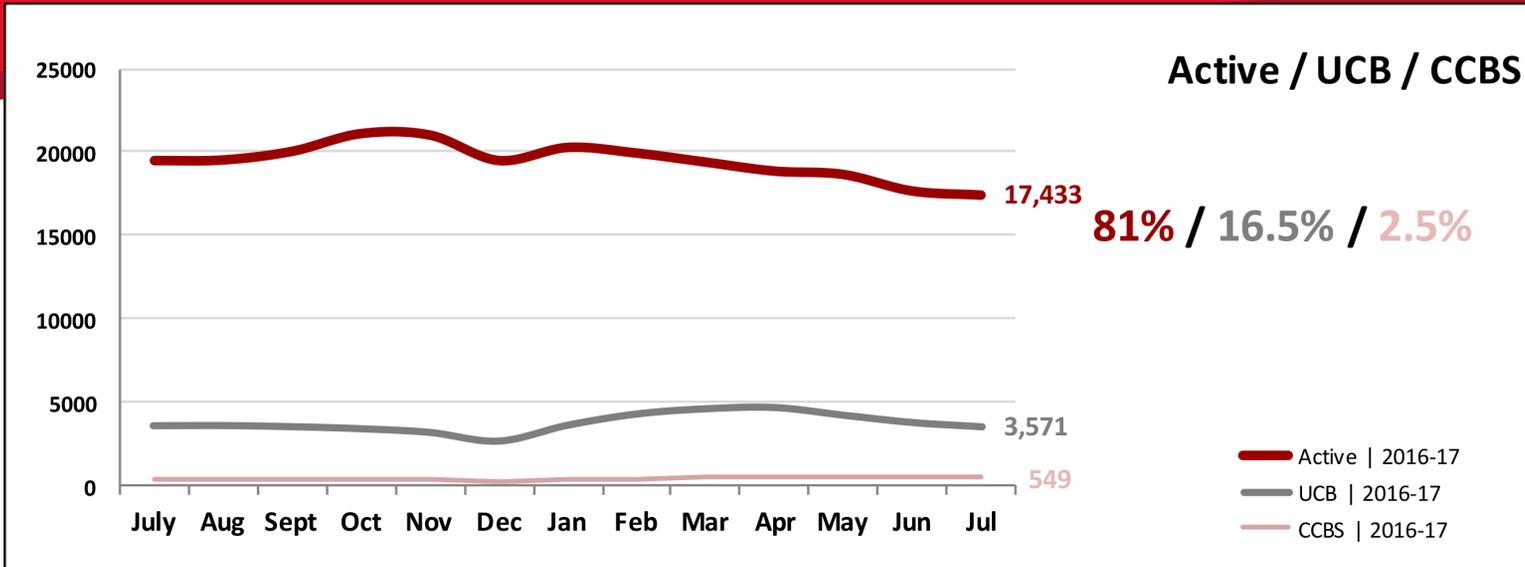New Listings | 2015-16
New Listings | 2016-17

New MLS listings that were active for at least one day from 7/1/2017 to 7/31/2017, 0 day DOM sales removed

New inventory is down -13.1% month-over-month while the year-over-year comparison shows a decrease of -1.4%.

Total Inventory

21,553

23,627
21,553

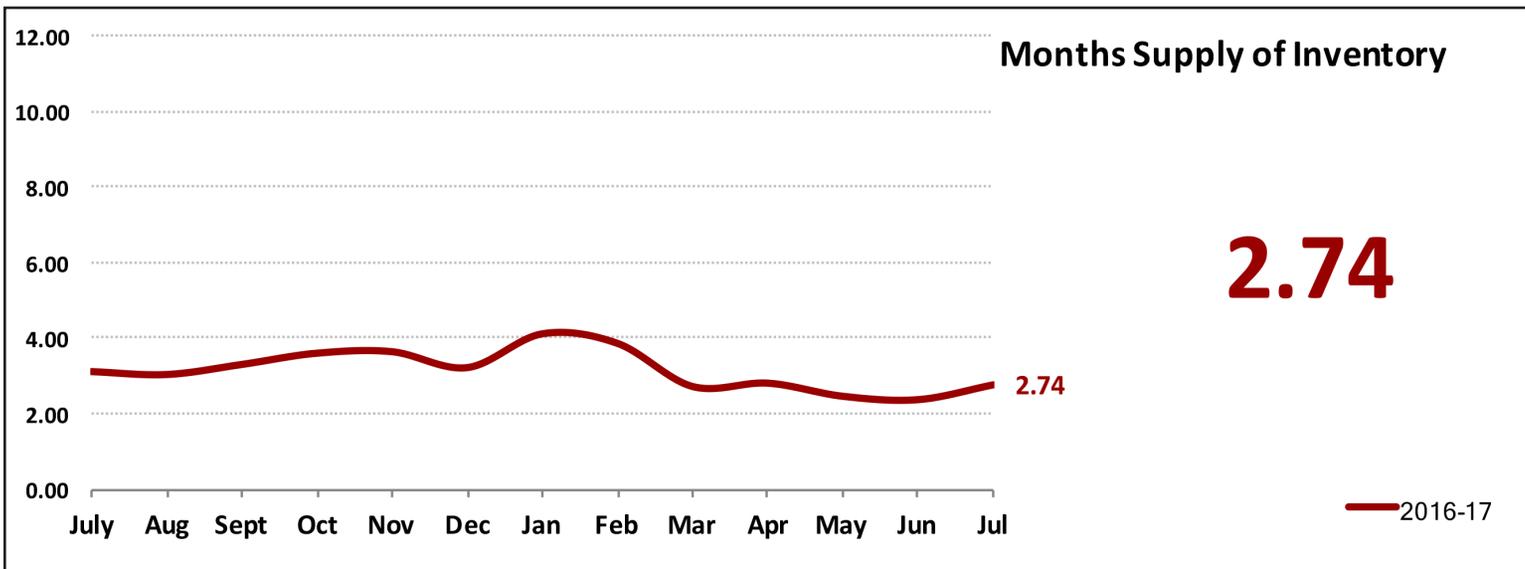Monthly Active Units | 2015-16
Monthly Active Units | 2016-17
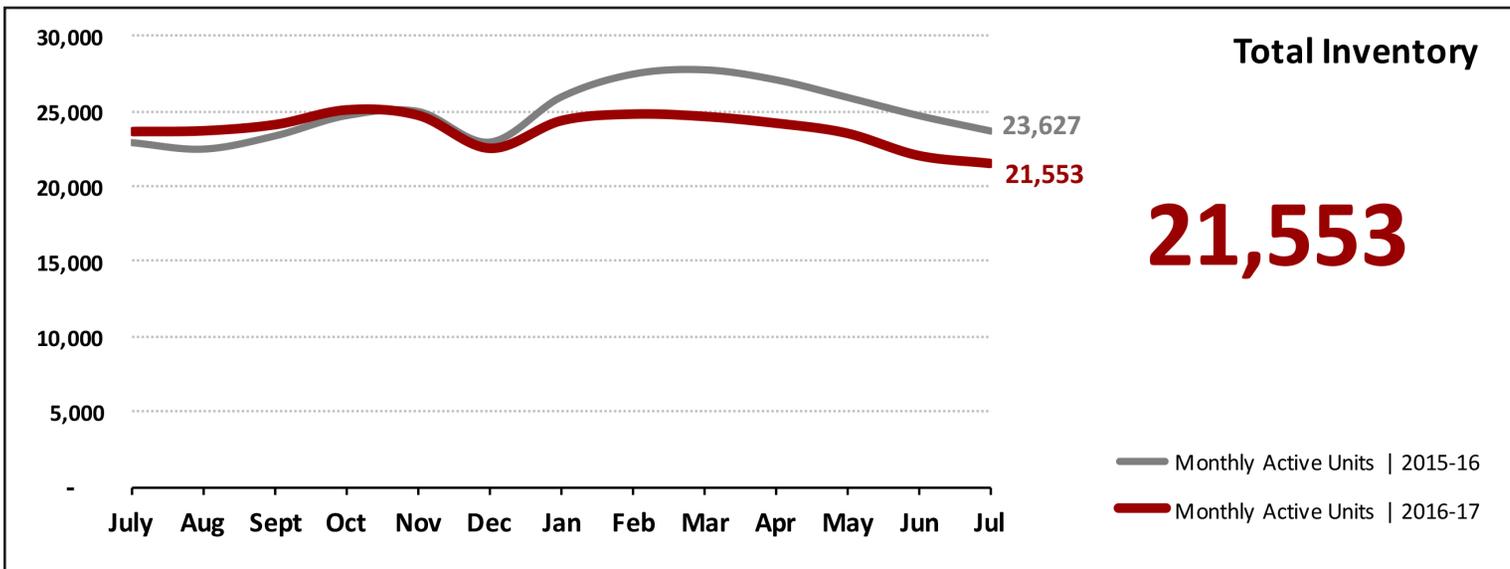
Snapshot of statuses on 7/31/2017

Total inventory has a month-over-month decrease of -2.3% while year-over-year reflects a decrease of -8.8%.

Active / UCB / CCBS

81% / 16.5% / 2.5%

17,433

3,571

549

Active | 2016-17
UCB | 2016-17
CCBS | 2016-17

Snapshot of statuses on 7/31/2017
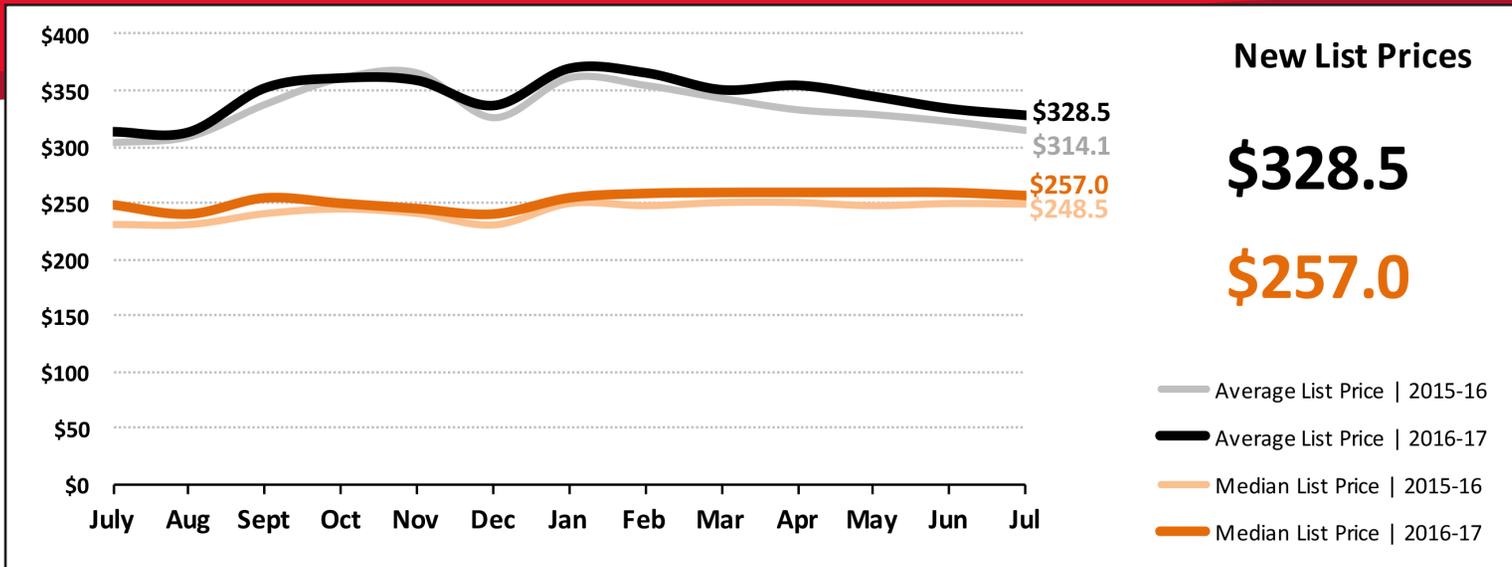
July UCB listings percent of total inventory was 16.5% with July CCBS listings at 2.5% of total inventory.

Months Supply of Inventory

2.74

2.74

2016-17

Current inventory of Active/UCB/CCBS divided by the monthly sales volume of JULY 2017, 0 day DOM sales removed

Months supply of inventory for June was 2.35 with July at 2.74.

New List Prices

$328.5

$257.0

- Average List Price | 2015-16
- Average List Price | 2016-17
- Median List Price | 2015-16
- Median List Price | 2016-17

(chart values: $328.5, $314.1, $257.0, $248.5)

List prices of new listings with list dates from 7/1/2017 to 7/31/2017, 0 day DOM sales removed

Average new list prices are up +4.6% year-over-year. The year-over-year median is up +3.4%.

Sales Prices

$296.3

$242.0

- Average Sales Price | 2015-16
- Average Sales Price | 2016-17
- Median Sales Price | 2015-16
- Median Sales Price | 2016-17

(chart values: $296.3, $272.8, $242.0, $225.0)

MLS sales prices for closed listings with a close of escrow date from 7/1/2017 to 7/31/2017, 0 day DOM sales removed
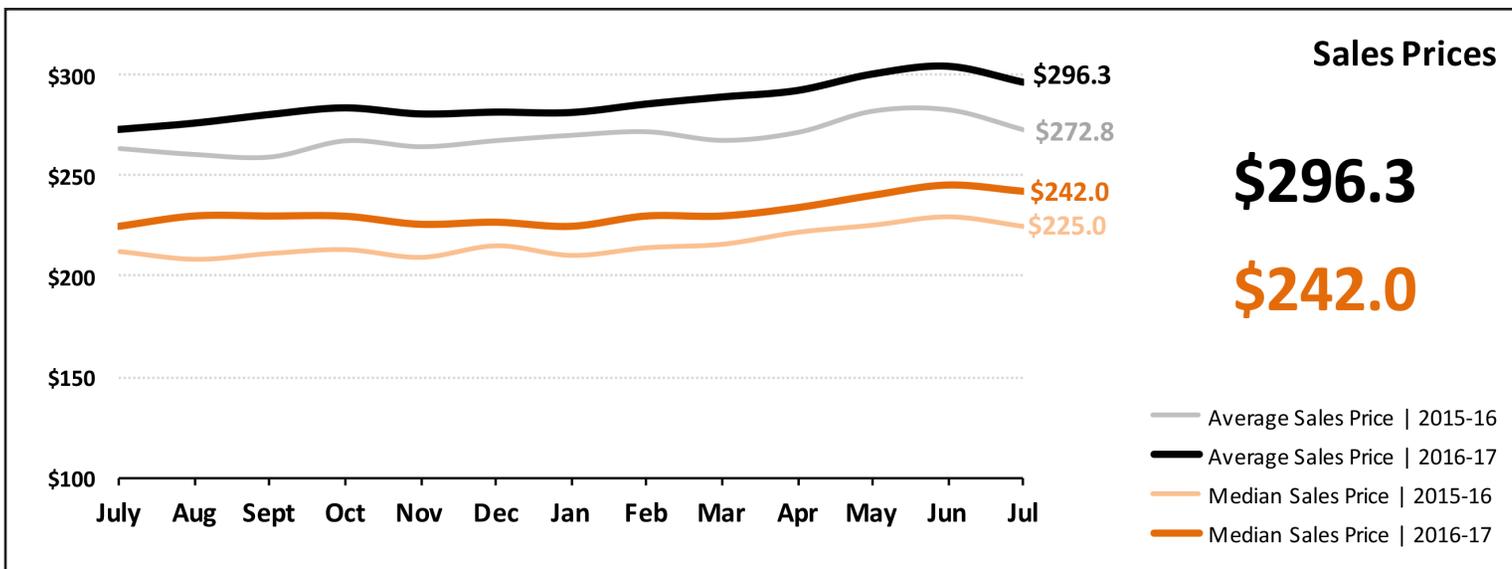
The average sales price is up +8.6% year-over-year while the year-over-year median sales price is also up +7.6%.

Sales Price Forecast
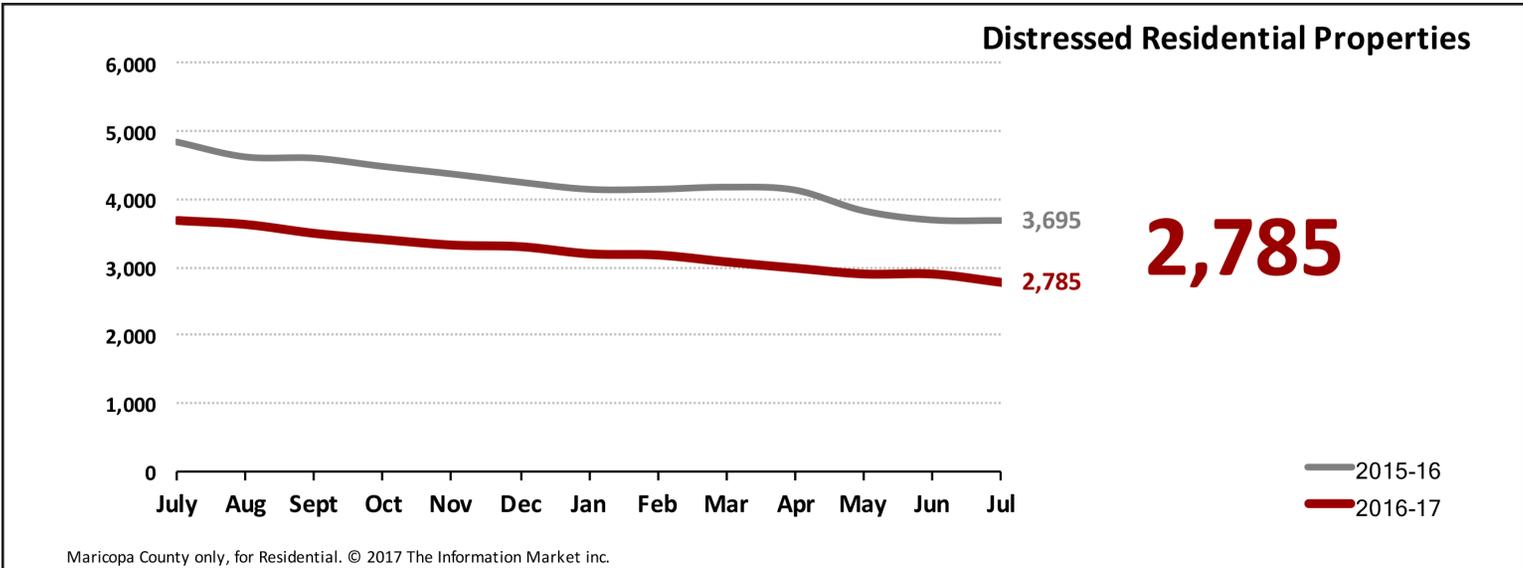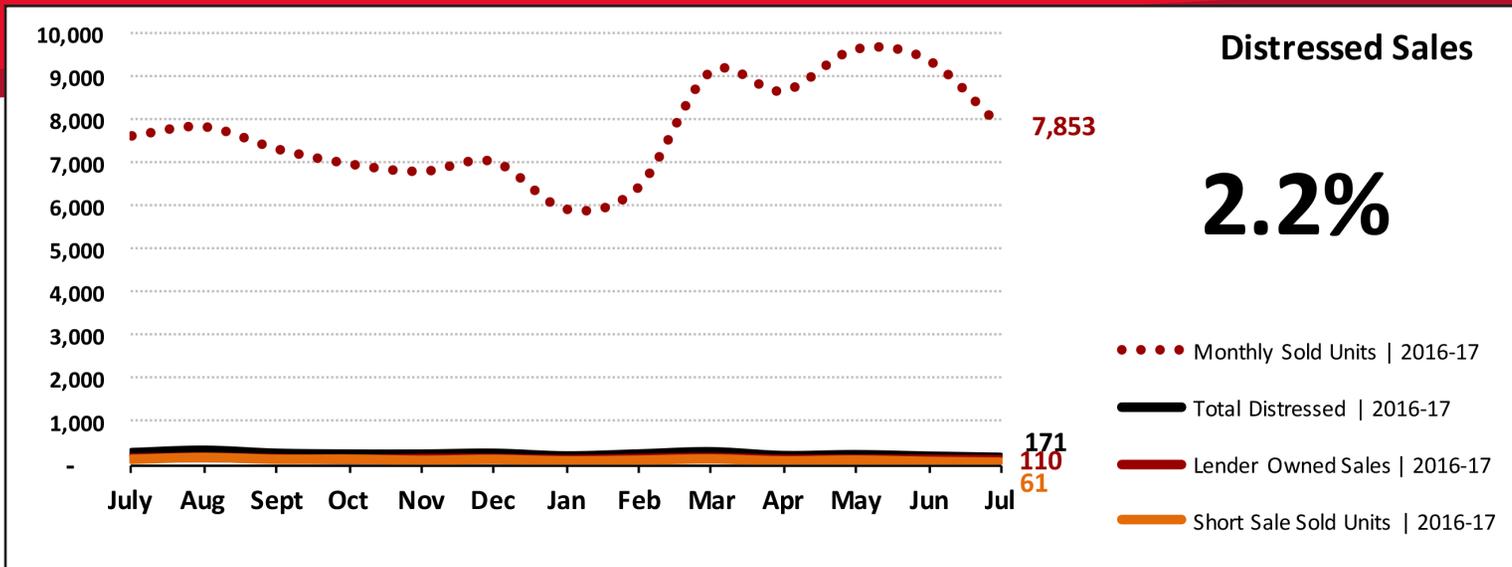
$294.1

$242.0

$296.3 $294.1

$242.0

$242.0

— Average Sales Price | 2015-16
— Average Sales Price | 2016-17
○ EST Avg Price | 2017
— Median Sales Price | 2015-16
— Median Sales Price | 2016-17
○ EST Med Price | 2017

Predictive accuracy decreases with time.

ARMLS proprietary predictive model forecast, 0 day DOM sales removed
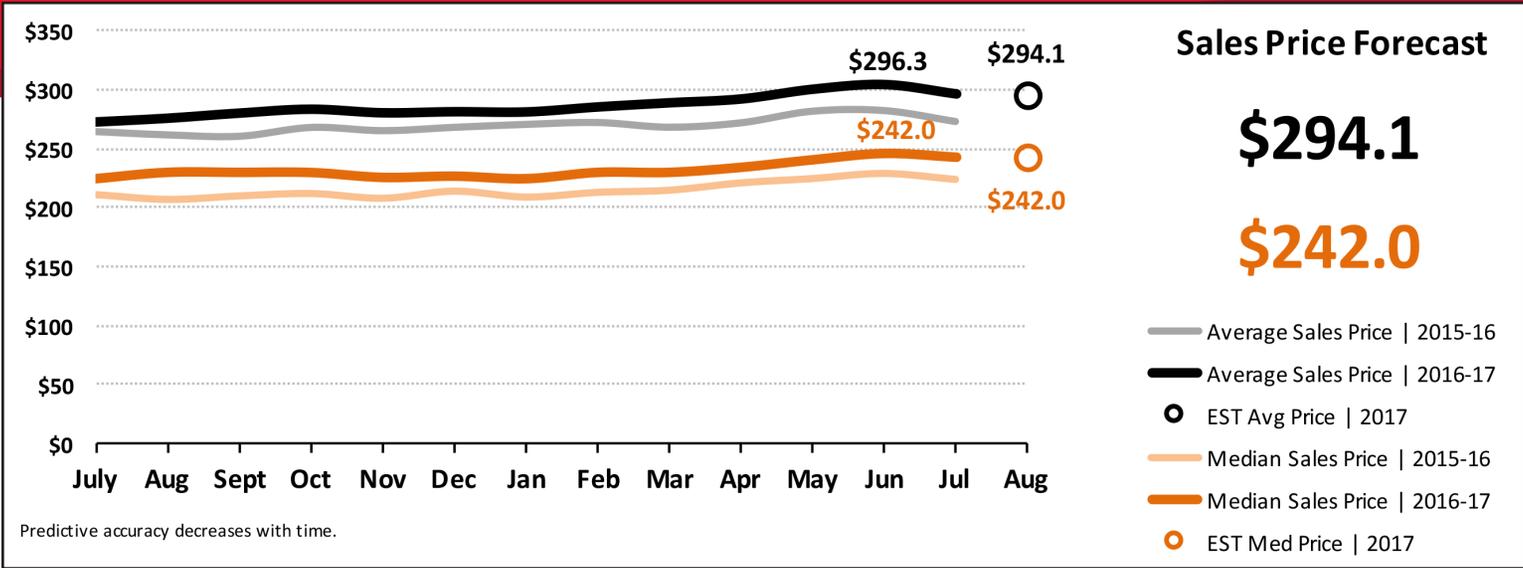
A slight decrease is fore-casted for average sales price while median sales price had no change in July.

Distressed Residential Properties

2,785

3,695

2,785

— 2015-16
— 2016-17

Maricopa County only, for Residential. © 2017 The Information Market inc.

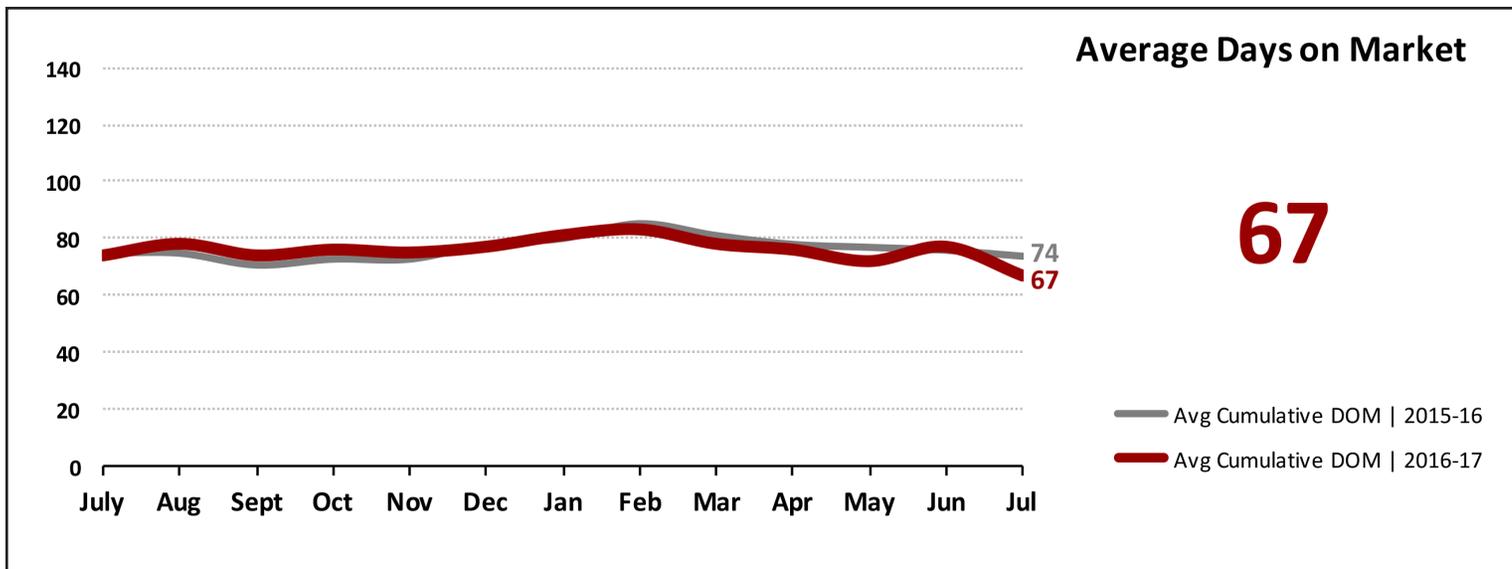Snapshot of public records data on 7/31/2017 active residential notices and residential REO properties

Foreclosures pend-ing month-over-month showed a decrease of -4.2% while the year-over-year figure was down -24.6%.

Distressed Sales

2.2%

- • • • • Monthly Sold Units | 2016-17
- ——— Total Distressed | 2016-17
- ——— Lender Owned Sales | 2016-17
- ——— Short Sale Sold Units | 2016-17

7,853

171
110
61

New MLS listings that were active for at least one day from 7/1/2017 to 7/31/2017, 0 day DOM sales removed

Distressed sales accounted for 2.2% of total sales, down from the previous month of 2.1%. Short sales dropped -50.0% year-over-year. Lender owned sales dropped -33.3% year-over-year.

Average Days on Market

67

74
67

- ——— Avg Cumulative DOM | 2015-16
- ——— Avg Cumulative DOM | 2016-17

MLS sales prices for closed listings with a close of escrow date from 7/1/2017 to 7/31/2017, 0 day DOM sales removed

Days on market were down -7 days year-over-year while month-over-month decreased -10 days.

We like to use STAT as a way to share and promote the observations of other local housing analysts, particularly when they do a fantstic job of expressing what we're seeing. There is no better example than the comments from RL Brown in a recent issue of the Phoenix Housing Market Letter.

> *"Over the course of the last several weeks the national real estate press has reported that millennials are buying homes once again, staying away from the new home side of the market, that sales of homes are up, sales are down, that prices are stabilizing for new homes and climbing for resale homes or visa-versa, that resale inventories are down, that "small" is big, that the real estate market is bubbling again, that mortgages rates are going to stifle the market, that rising rates are adding to the demand for housing, that jobs are fleeing the east and west coasts because of real estate prices, that land prices have topped out, that construction jobs are returning, and just about any take on the markets that you would want to hear, from the good to the not-so-good."*

It is my opinion that far too often national reports are agenda driven and written to support a personal or political opinion. Sensational agenda reporting can create turmoil and uncertainty. There always seems to be some big bad wolf just waiting to steal our porridge. At the Information Market, it's our goal to provide timely, accurate and meaningful data without bias. If we do our jobs correctly, our data will have practical value and our subscribers will be able to act on this data.

When I read the national news reports, I see instability and fear, but when I view our local numbers I see a completely tame and healthy market highlighted by steady consistent growth. What makes our local housing numbers so remarkable the past year is just how consistent they have been.

If our housing numbers were viewed in terms of a personal medical report, most of our reporting numbers would be in the ideal range. Appreciation is outpacing inflation and, while it would be nice to see more new home construction in the entry buyer ranges, our overall numbers are very good. We have seen 68 straight months of year-over-year gains in the median sales price.

MONTHLY ORIGINATION OVERVIEW FOR CLOSED LOANS

	2017						2016										
	Jul	Jun	May	Apr	Mar	Feb	Jan	Dec	Nov	Oct	Sept	Aug	Jul	Jun	May	Apr	Mar
TYPE																	
FHA %	22%	22	23	23	23	23	21	20	20	20	20	20	23	23	23	23	22
CONV %	64%	64	63	63	63	63	66	66	68	68	68	68	65	64	64	64	66
VA %	10%	10	10	10	10	10	9	9	9	9	9	9	9	9	9	9	9
OTHER %	4%	4	4	4	4	4	4	4	3	3	3	3	4	4	4	3	3

With regards to appreciation, I would like to add one last observation. If we take a little closer look at the median sales price, we see that prices tend to move up quickly during our selling season which begins the first of February and runs until our high temperatures arrive. Historically, the median sales price rises through June and then wobbles between July and the start of our next selling season.

Median Sales Price

						Median Sales Price						
Year	January	February	March	April	May	June	July	August	September	October	November	December
2001	122,000	124,900	127,500	128,500	129,900	133,900	133,000	129,000	128,000	126,900	128,000	129,000
2002	138,000	134,000	129,900	135,000	139,500	141,000	140,000	140,000	139,000	142,000	141,000	145,000
2003	143,100	140,000	145,000	145,000	149,900	151,500	153,000	153,900	150,000	149,900	149,500	151,000
2004	150,500	150,000	155,000	155,000	160,500	169,000	168,000	168,000	170,000	174,900	176,000	181,900
2005	188,000	190,000	206,000	220,000	235,000	249,900	252,000	255,500	260,000	256,900	255,000	255,000
2006	254,900	252,000	255,000	255,000	259,900	264,800	257,000	254,900	249,900	250,000	250,000	250,000
2007	250,000	247,900	252,500	250,000	255,000	255,000	250,000	245,000	234,900	235,000	232,500	229,000
2008	220,000	213,800	210,000	210,000	204,900	198,900	190,000	185,000	170,000	164,000	150,000	143,000
2009	130,000	125,000	119,900	115,500	119,900	125,000	125,000	126,000	130,000	128,000	130,000	126,500
2010	124,900	125,000	128,000	128,000	130,000	127,419	125,000	119,000	119,500	120,000	115,000	110,250
2011	110,000	109,900	110,000	111,000	108,300	110,500	109,000	109,900	114,900	112,000	115,000	117,000
2012	120,000	122,000	129,900	138,000	145,000	141,000	145,500	146,000	150,000	150,000	155,000	154,000
2013	154,900	160,000	167,500	172,000	175,000	180,000	185,000	180,242	185,000	185,000	184,000	185,000
2014	182,500	180,000	187,000	189,000	192,000	195,000	197,000	196,700	194,000	192,500	192,000	197,000
2015	194,700	195,000	200,000	202,745	211,000	214,900	212,000	208,000	211,000	213,000	209,000	215,000
2016	210,000	214,000	215,750	222,000	225,700	230,000	225,000	230,000	230,000	229,900	226,000	227,000
2017	225,000	230,000	230,000	234,000	240,000	245,000						

With the exception of our extraordinary years, there is little to no change between the median price we see in June and the median sales price the following February. Big price swings between July and February are indicative of irregular market conditions. For the last four years the median sales price in June is virtually identical to the median sales price for the following February. This was also the case for the three years prior to the formation of the housing bubble. The median price observations above were further substantiated by intel gathered from our AVM modeling.

Below are the seasonality factors by month. What this describes is how any one month relates to the average of all the other months in the year. For instance, May tends to run at 101.87% relative to the rest of the year and September runs at 98.49% relatively. If something normally sells for $100 and there is no growth occurring, it would sell for $101.87 in May and $98.49 in September.

Note that these calculations are based upon the recorded date. Thus, when asking the question, "what month is the best to put an offer on a home?", slide the months back about 45 days. [So at the end of August, the price would be the cheapest and at the end of April the price would be the most expensive.]

Jan	0.999250
Feb	0.995525
Mar	1.010100
Apr	1.017433
May	1.018700
Jun	1.022066
Jul	0.994933
Aug	0.992266
Sep	0.984933
Oct	0.982700
Nov	0.992633
Dec	1.001566

ARMLS Pending Price Index (PPI)

Last month STAT projected a median sales price for July of $242,500. The actual median sales price was $242,000, nearly spot on the projected median. Looking ahead to August, the ARMLS Pending Price Index expects prices to remain flat, projecting a median sales price of $242,000. Seasonal factors are clearly in play.

The MLS sales volume in July was 7,853, roughly 2.9% higher than the 2016 total of 7,630. Sales volume for the first 7 months of 2017 was 8.2% higher than 2016, with 57,034 sales in 2017 compared to 52,721 for the first 7 months of 2016. Like July, we enter August with fewer residential listings practically under contract this year. We begin August with 5,964 pending contracts, 3,571 UCB listings and 549 CCBS giving us a total of 10,084 residential listings practically under contract. This compares to 10,803 of the same type of listings one year ago. Even with fewer "pending" listings this year compared to last, I expect sales in August of this year to be higher than the 7,843 sales in August of 2016.