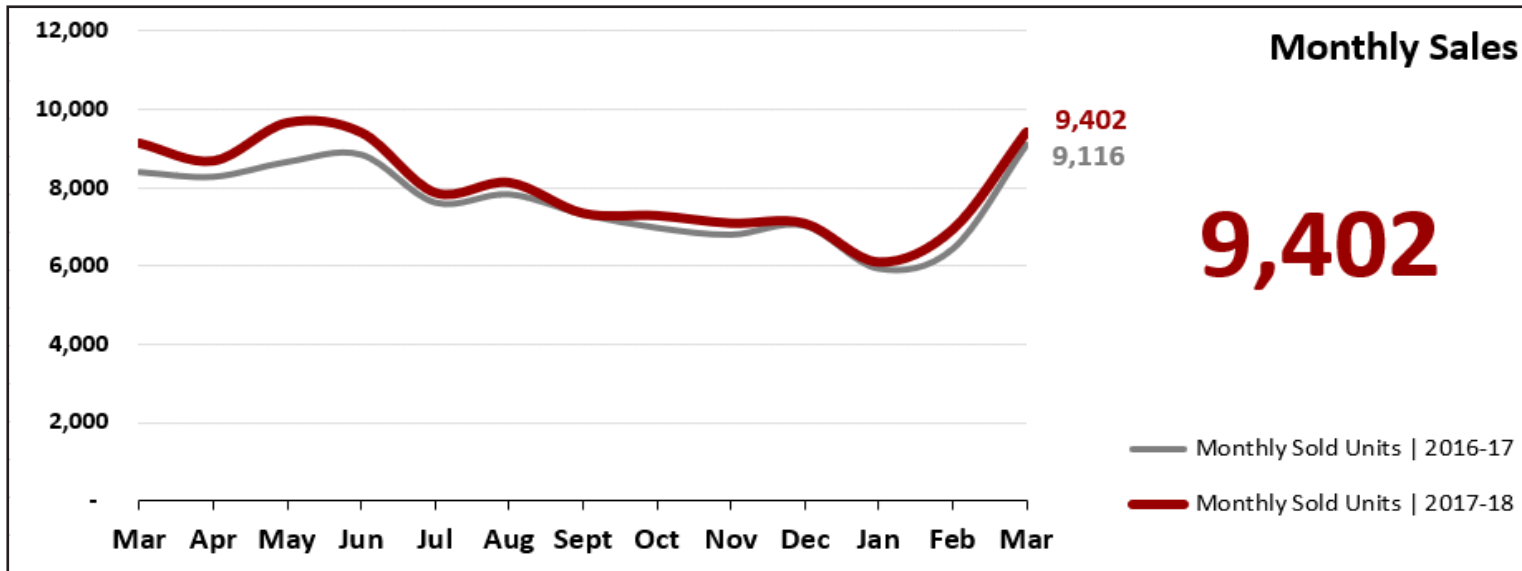




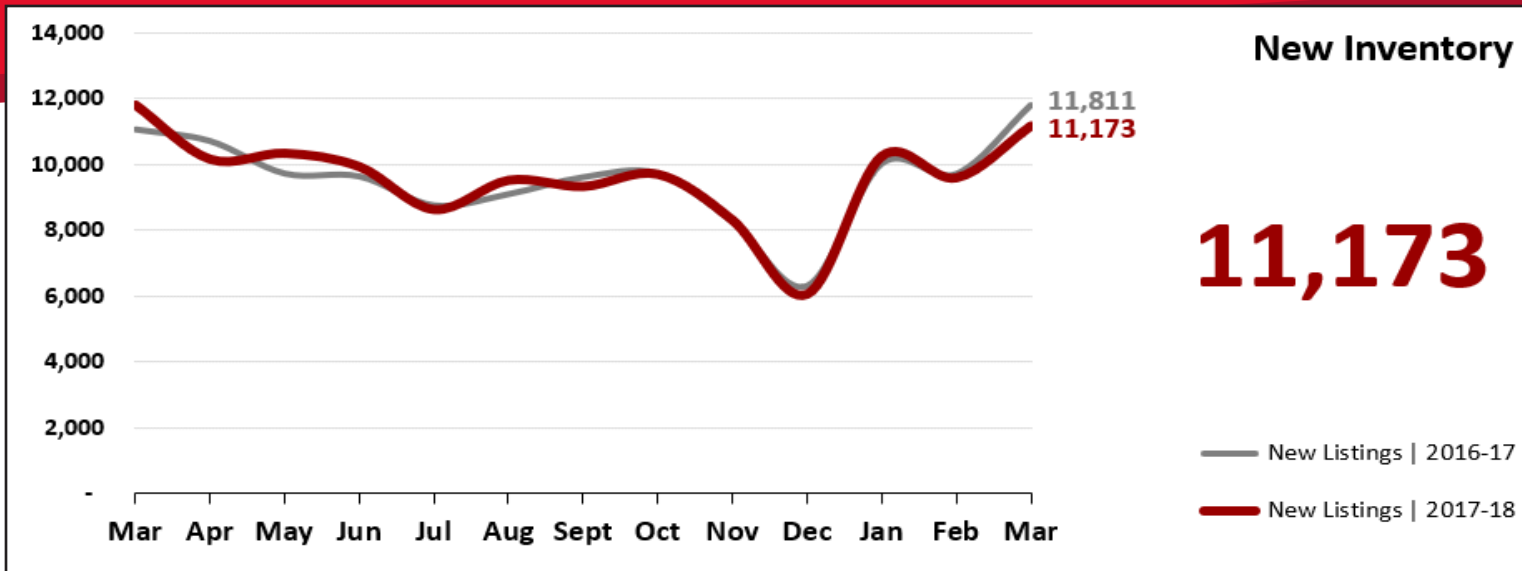
**DATA FOR MARCH 2018** - Published April 23, 2018



Sales are up +36.0% month-over-month. The year-over-year comparison is up +3.1%.

**9,402**

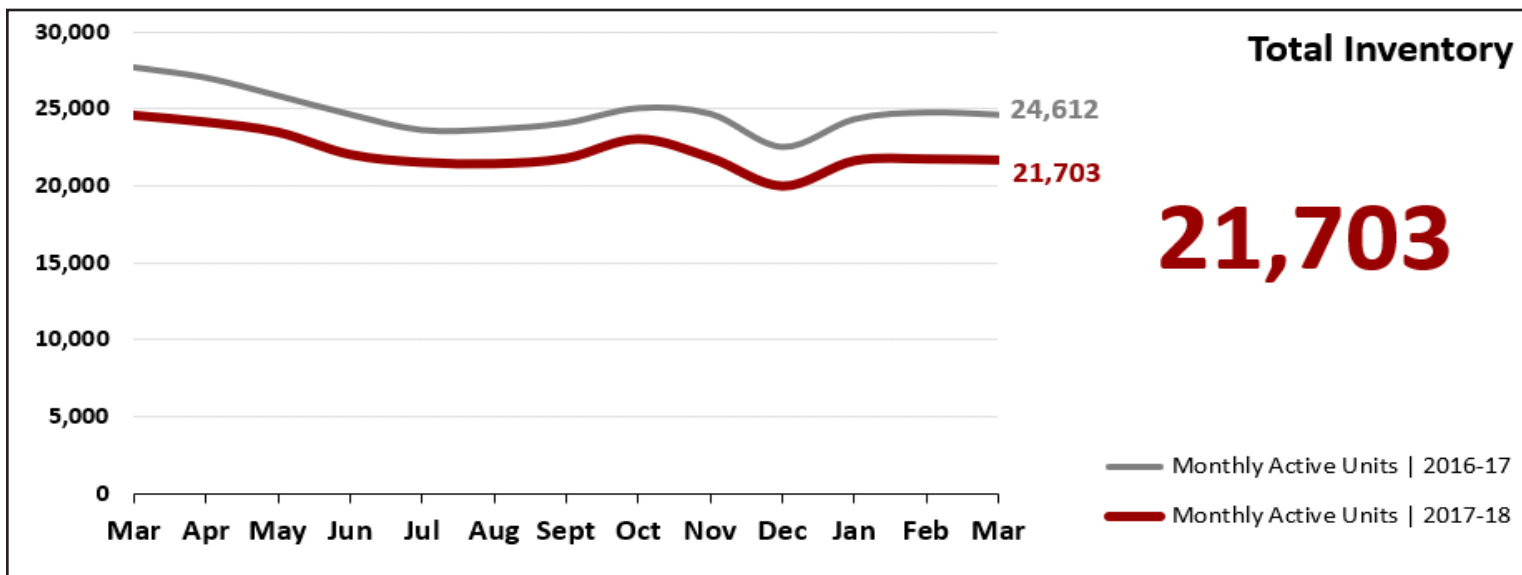
Closed MLS sales with a close of escrow date from 3/1/2018 to 3/31/2018, 0 day DOM sales removed



New inventory is up +16.5% month-over-month while the year-over-year comparison shows a decrease of -5.4%.

**11,173**

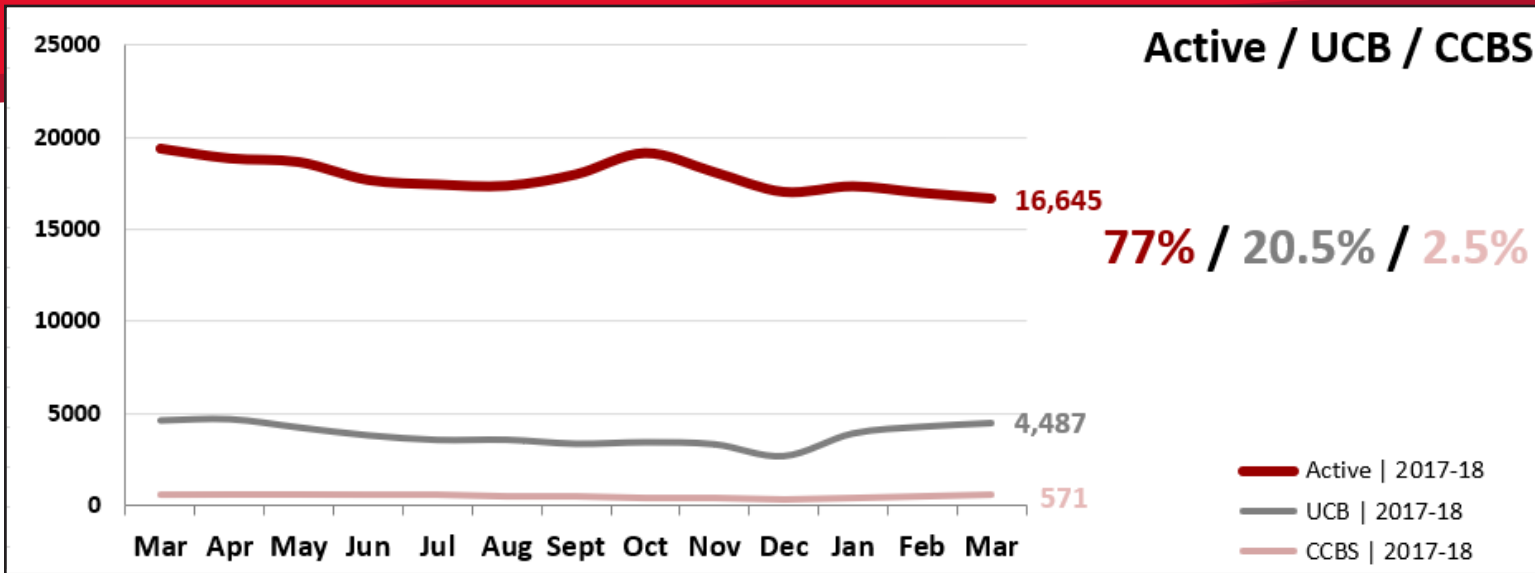
New MLS listings that were active for at least one day from 3/1/2018 to 3/31/2018, 0 day DOM sales removed



Total inventory has a month-over-month decrease of -0.3% while year-over-year reflects a decrease of -11.8%.

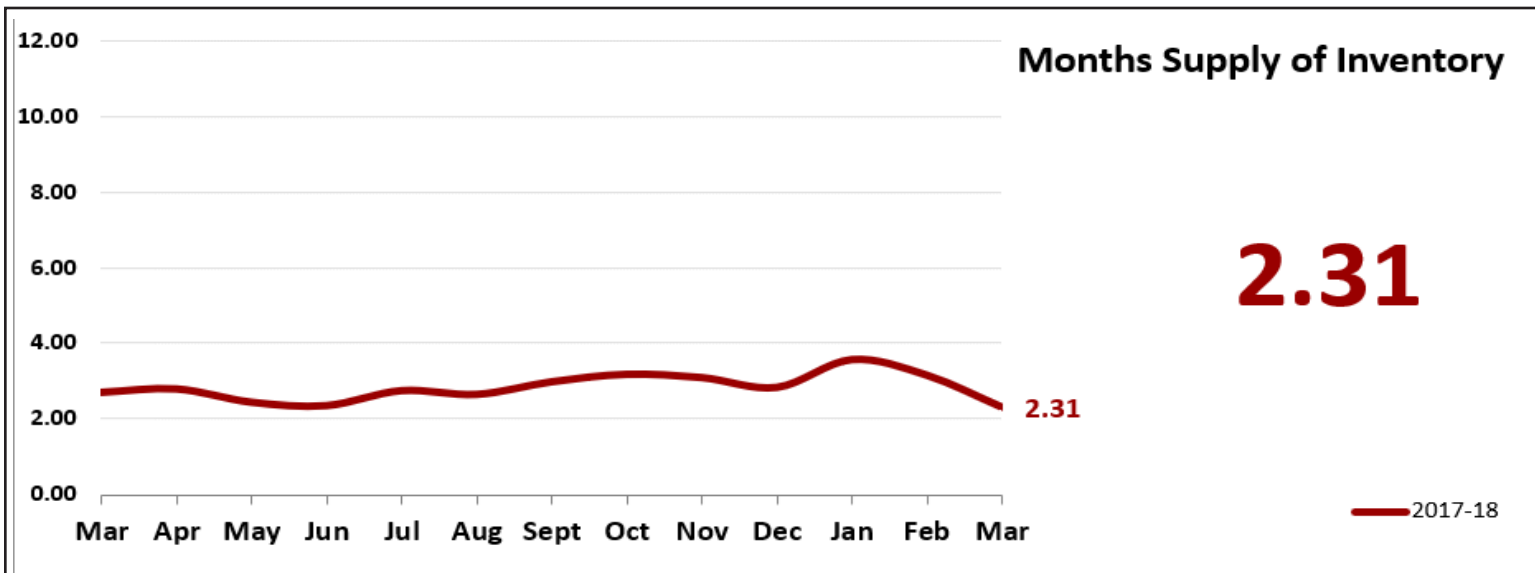
**21,703**

Snapshot of statuses on 3/31/2018



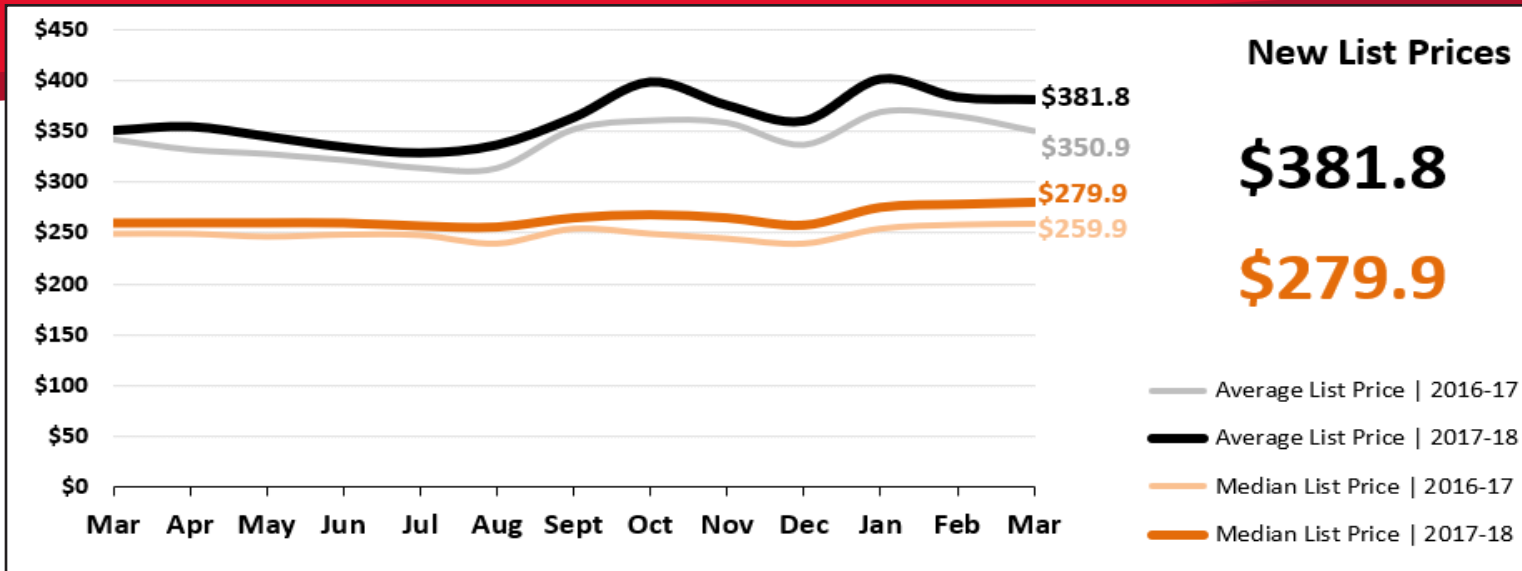
March UCB listings percent of total inventory was 20.5% with March CCBS listings at 2.5% of total inventory.

Snapshot of statuses on 3/31/2018

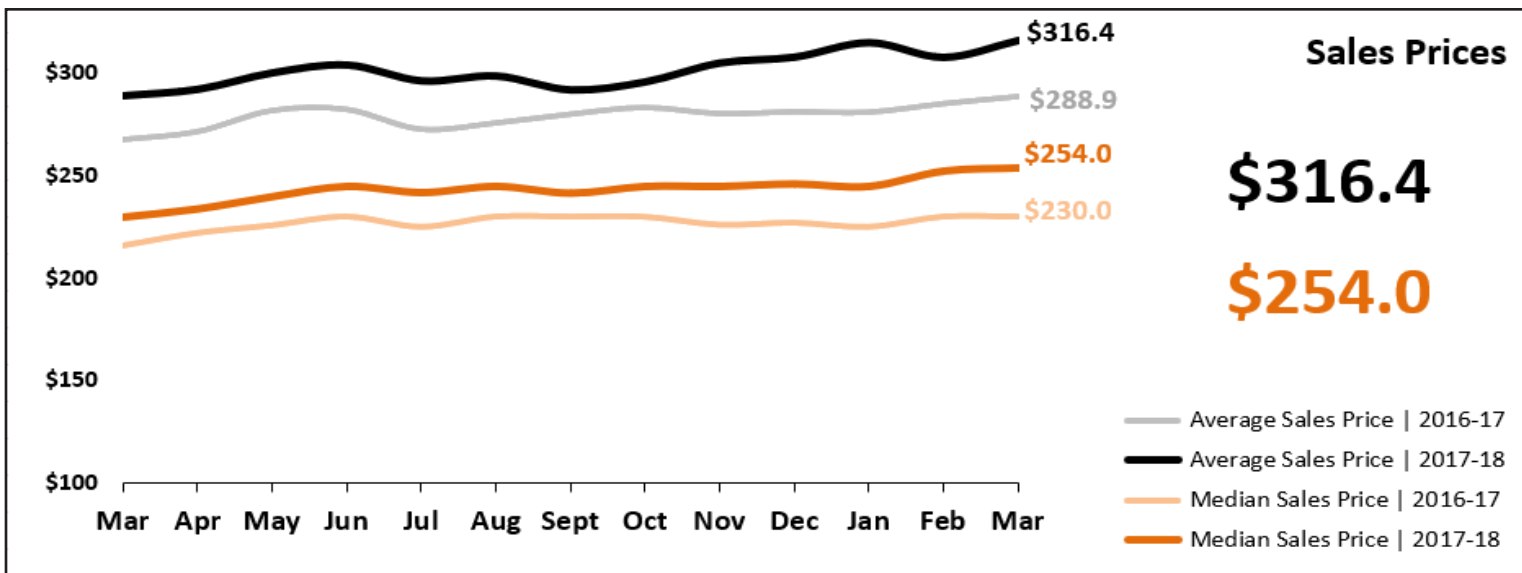


Months supply of inventory for February was 3.15 with March at 2.31

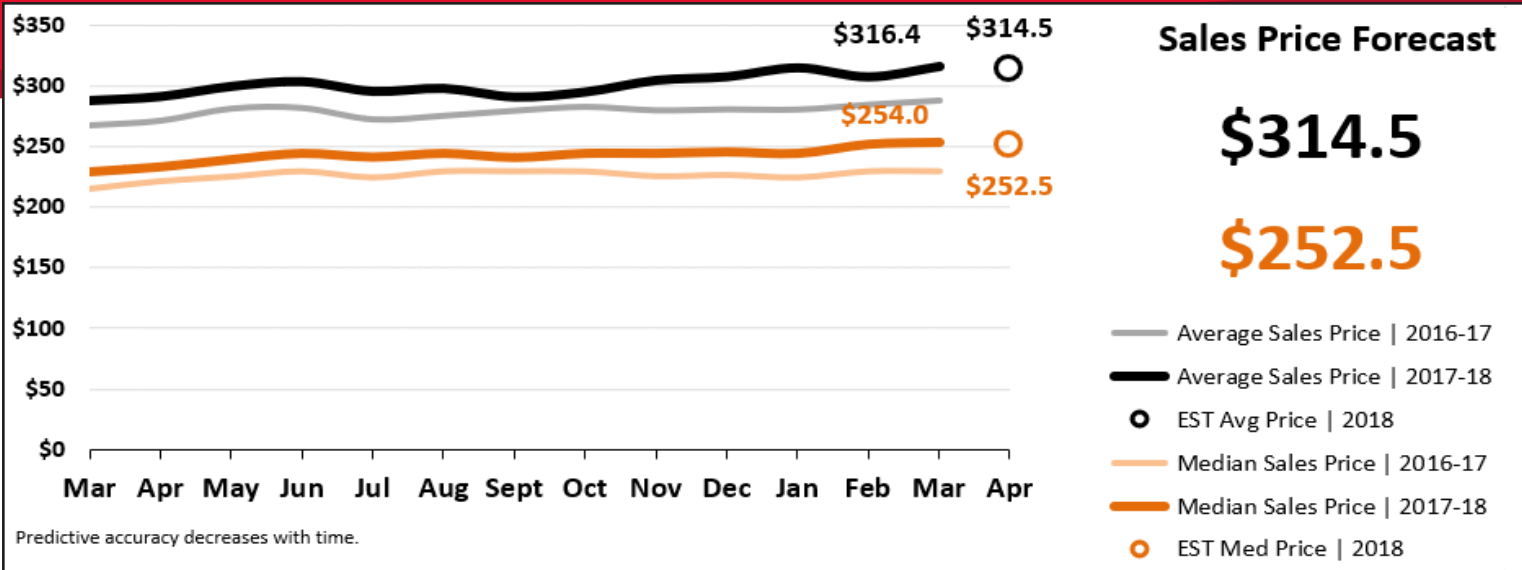
Current inventory of Active/UCB/CCBS divided by the monthly sales volume of MARCH 2018, 0 day DOM sales removed



List prices of new listings with list dates from 3/1/2018 to 3/31/2018, 0 day DOM sales removed

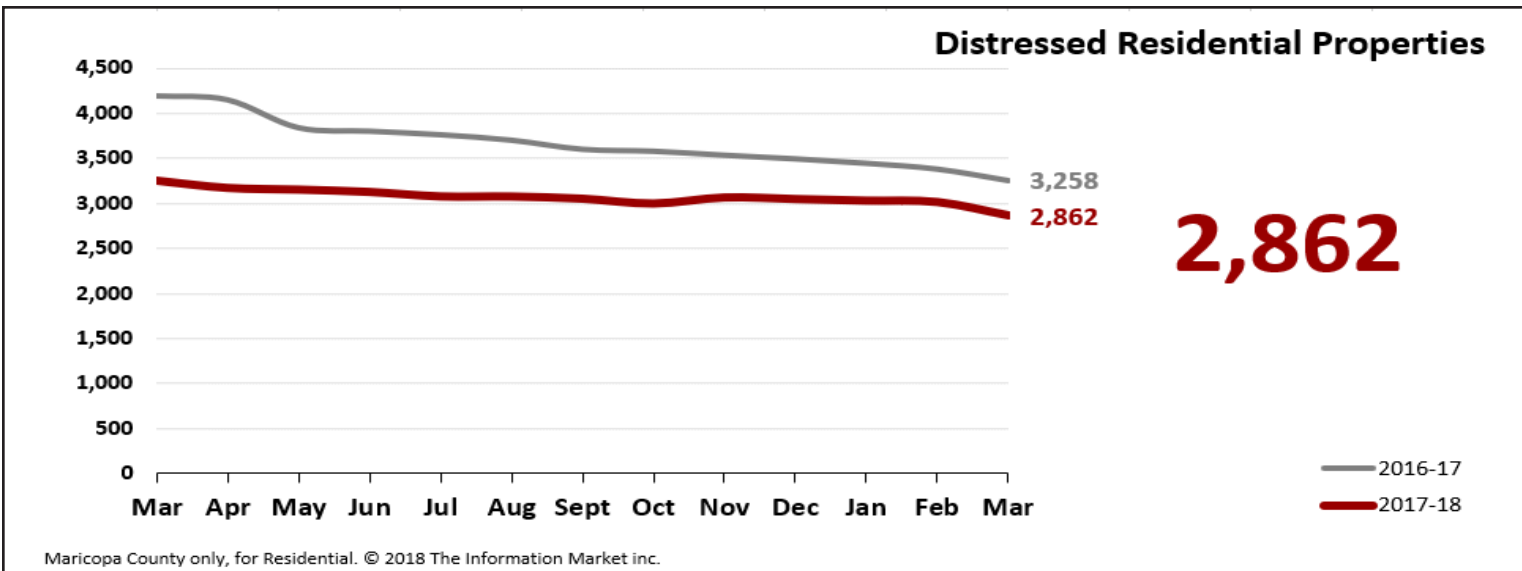


MLS sales prices for closed listings with a close of escrow date from 3/1/2018 to 3/31/2018, 0 day DOM sales removed



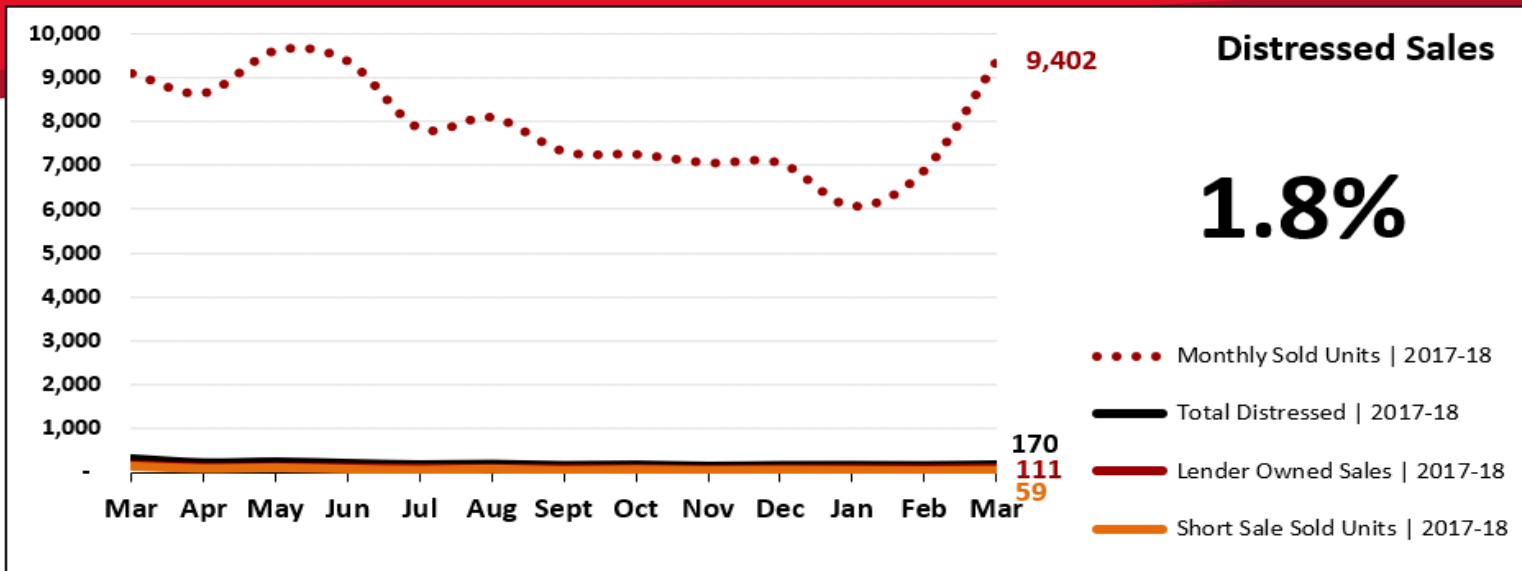
A slight decrease is forecasted for average sales price while March is predicted to have a decrease in median sales price.

ARMLS proprietary predictive model forecast, 0 day DOM sales removed



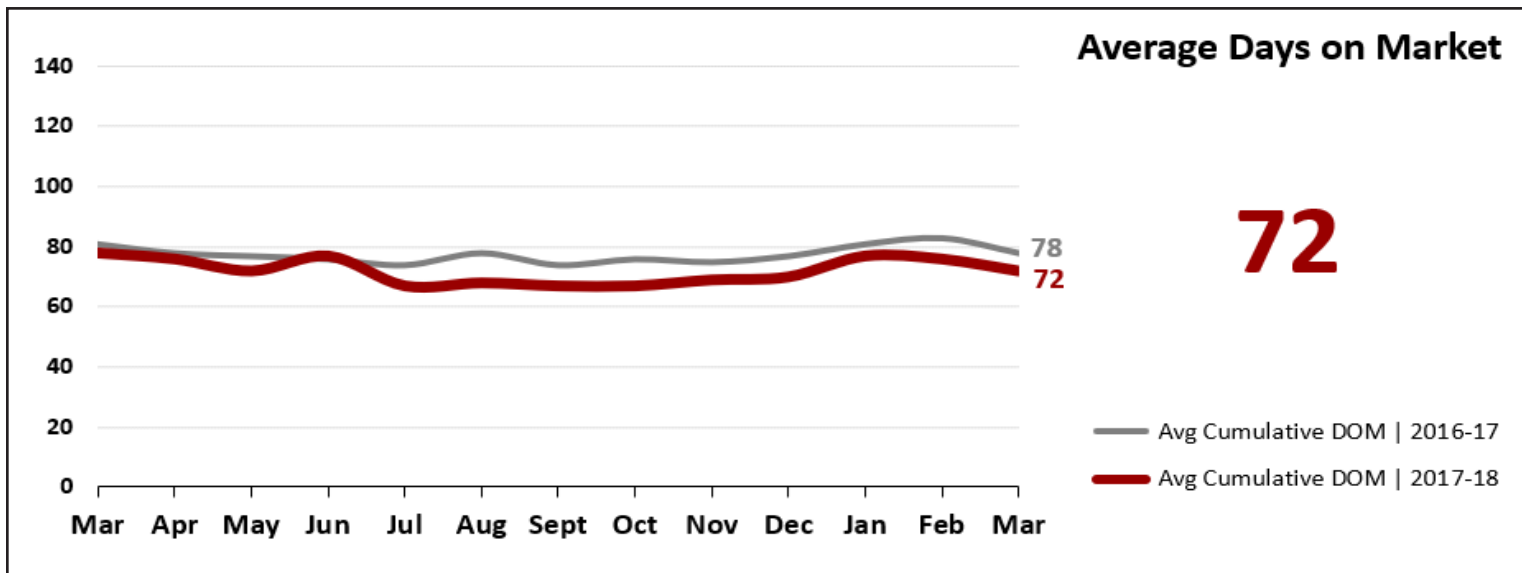
Foreclosures pending month-over-month showed a decrease of -5.0% while the year-over-year figure was down -12.2%.

Snapshot of public records data on 3/31/2018 active residential notices and residential REO properties. Note: this graph was adjusted as total foreclosure counts were under reported for the last 14 months.



Distressed sales accounted for 1.8% of total sales, down from the previous month of 2.2%. Short sales dropped -54.6% year-over-year. Lender owned sales dropped -37.3% year-over-year.

New MLS listings that were active for at least one day from 3/1/2018 to 3/31/2018, 0 day DOM sales removed



Days on market were down -6 days year-over-year while month-over-month decreased by -4.

MLS sales prices for closed listings with a close of escrow date from 3/1/2018 to 3/31/2018, 0 day DOM sales removed

NAR's progressive action to redesign its 45-year-old logo has inspired me to take an equally daring step in the redesign of our STAT commentary. I've decided to shake things up and instead of ending my commentary with the Pending Price Index, I'm going to put it out front. I'm certain you'll love this bold new approach.

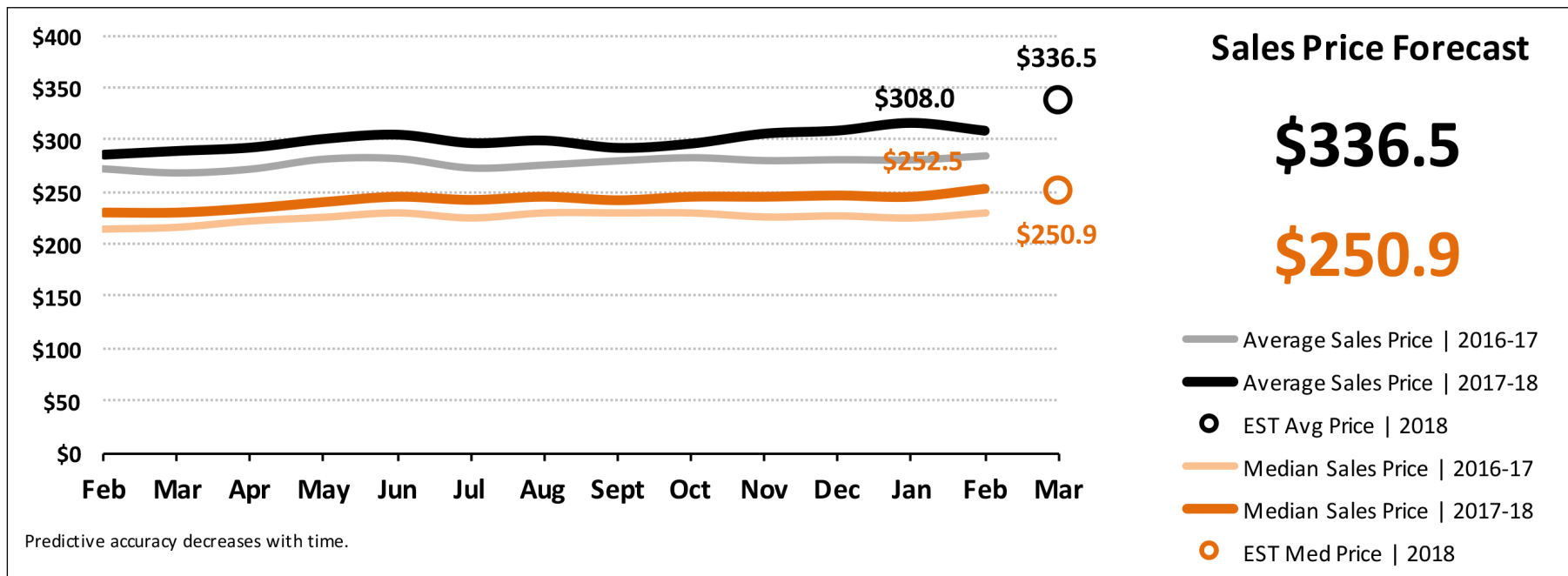
### **The ARMLS Pending Price Index (PPI)**

In the previous issue of STAT, we projected a median sales price for March of \$250,900. The actual median sales price was \$254,000. Our sales volume projection for March was 9,130 with actual sales coming in at 9,402. Looking ahead to April, the ARMLS Pending Price Index anticipates the median sales price will be \$252,500. It should be noted that through the first three months of 2018, we underestimated both median price and sales volume. Our market has been hotter than our mathematical models anticipated. I suspect our forecasted median will again undershoot the reported median in April. A median price of \$255,000 or slightly higher seems reasonable.

Sales volume for the first three months of 2018 was 4.25% higher than 2017, with 22,395 sales in 2018 compared to 21,483 in 2017. We begin April with 7,261 pending contracts, 4,487 UCB listings and 571 CCBS giving us a total of 12,319 residential listings practically under contract. This compares to 12,789 of the same type of listings one year ago. ARMLS reported 8,666 sales in April of 2017. With one more business day this year than last, I expect 2018 volume to be higher. We have 21 business days this year compared to 20 last year. Our best guess for April is that sales volume will be in the 9,000 range.

Last month we projected the average sales price for March to be \$336,500. This was clearly a mistake in our programmed algorithm due to an error that we have since identified and fixed.

### Sales Price Forecast from February STAT



The average sales prices for the last 18 years are listed below. We project the average sales price in April to be \$319,900, a much more reasonable number than the March forecast.



## Average Sales Price for the Past 10 Years

Year	January ▼	February ▼	March ▼
2001	171,900	169,700	175,900
2002	184,100	170,200	177,200
2003	184,200	185,700	188,700
2004	206,100	204,000	212,500
2005	255,500	249,100	271,300
2006	336,900	334,000	330,600
2007	342,400	332,900	345,900
2008	313,400	293,100	293,300
2009	180,328	172,363	159,080
2010	175,710	173,870	178,186
2011	156,978	155,605	157,798
2012	167,476	166,626	188,849
2013	208,401	216,950	223,577
2014	242,728	242,397	252,158
2015	254,985	250,598	256,496
2016	270,154	271,884	267,747
2017	281,209	285,429	288,850
2018	315,334	308,033	316,365

## First Quarter Recap

In an industry where an individual agent's income is commissioned based, but taboo to discuss, the total sales dollar volume for any given period is our best "measurement" for determining the cumulative financial success of ARMLS subscribers. With the positive March report, the total dollar sales volume for the first quarter of 2018 was the highest on record. If you liked the 2017 reported sales of \$6,138,024,003, you'll love the 2018 volume of \$7,021,141,181. In the first quarter of this year we saw a 14.39% increase in total dollar volume. While STAT is reporting a March volume just slightly below \$3 billion, Michael Orr of the Cromford Report reported residential sales through ARMLS exceeding \$3 billion. Orr further reports it was only the third time a single month had exceeded \$3 billion in home sales. The two previous months were nearly 13 years ago in June and August of 2005. The difference between STAT and Cromford's calculations is not one involving math but is reflective of the time at which the measurements were taken. Whether slightly above or slightly below \$3 billion, March was a very good month for our subscribers. If you have followed my commentary for a period of years, you'll know that I see March as a bellwether month. If my axiom holds true, 2018 is going to be another great year for the real estate community.

## Total Dollar Sales Volume by Year as Reported by ARMLS

Year	Avg x Total			Total:	Rank:
	January	February	March		
2001	636,030,000	782,147,300	1,003,333,600	2,421,510,900	18
2002	739,345,600	749,390,600	1,015,710,400	2,504,446,600	17
2003	876,792,000	1,020,050,100	1,235,041,500	3,131,883,600	15
2004	1,054,819,800	1,263,984,000	1,858,100,000	4,176,903,800	10
2005	1,694,476,000	1,938,247,100	2,709,473,100	6,342,196,200	2
2006	1,774,115,400	1,976,612,000	2,478,508,200	6,229,235,600	3
2007	1,502,793,600	1,650,518,200	2,071,941,000	5,225,252,800	5
2008	912,620,800	1,010,608,800	1,259,136,900	3,182,366,500	14
2009	855,115,376	944,032,151	1,214,734,880	3,013,882,407	16
2010	1,017,185,190	1,146,498,780	1,598,150,234	3,761,834,204	12
2011	1,026,793,098	1,113,664,985	1,567,407,534	3,707,865,617	13
2012	1,081,057,580	1,207,871,874	1,674,524,083	3,963,453,537	11
2013	1,214,561,028	1,438,378,500	1,819,022,472	4,471,962,000	8
2014	1,164,366,216	1,326,881,178	1,691,980,180	4,183,227,574	9
2015	1,219,848,240	1,501,082,020	2,026,318,400	4,747,248,660	7
2016	1,386,160,174	1,554,632,712	2,252,287,764	5,193,080,650	6
2017	1,668,131,788	1,836,735,615	2,633,156,600	6,138,024,003	4
2018	1,917,861,388	2,128,816,063	2,974,463,730	7,021,141,181	1

## **Is the Median Resale Home Price in Maricopa County Setting a New Standard?**

When we turn to public records data we see the all-time high median sale price for resale homes in Maricopa County occurred in May 2006 at \$253,418. In the following spreadsheet, we display sales volume by month/year, the median sales price for the first quarter, the median sales price and the median for the third quarter and the year-over-year percentage change for these prices. I will not go as far as saying we are back to peak prices, there are just too many other variables to consider. However, when the April sales are publicly recorded, we'll most likely see the highest resale home median sales price ever reported. The highest median sales price ever reported by ARMLS occurred in June of 2006 when the median sales price topped at \$264,800. ARMLS numbers include properties that sold on the MLS in both Maricopa and Pinal counties, as well as some newly built homes.

## Maricopa County Public Records Sales Data

All Date	Resale Median						
	Resale Count	Low Qtr	Low Qtr Prev YearΔ	Middle	Middle Prev YearΔ	High Qtr	High Qtr Prev YearΔ
199903	6,410	\$ 82,500	0.00%	\$ 112,900	0.00%	\$ 157,000	0.00%
200003	6,652	\$ 89,000	7.88%	\$ 120,950	7.13%	\$ 172,000	9.55%
200103	6,719	\$ 98,000	10.11%	\$ 129,000	6.66%	\$ 177,000	2.91%
200203	6,789	\$ 102,000	4.08%	\$ 131,000	1.55%	\$ 185,000	4.52%
200303	7,090	\$ 112,000	9.80%	\$ 144,650	10.42%	\$ 205,000	10.81%
200403	9,429	\$ 119,500	6.70%	\$ 155,000	7.16%	\$ 228,500	11.46%
200503	13,427	\$ 149,000	24.69%	\$ 200,000	29.03%	\$ 296,000	29.54%
200603	9,481	\$ 190,000	27.52%	\$ 250,000	25.00%	\$ 350,000	18.24%
200703	6,653	\$ 198,000	4.21%	\$ 250,000	0.00%	\$ 355,000	1.43%
200803	4,102	\$ 167,700	-15.30%	\$ 220,000	-12.00%	\$ 320,000	-9.86%
200903	6,899	\$ 65,000	-61.24%	\$ 120,000	-45.45%	\$ 195,000	-39.06%
201003	8,026	\$ 82,000	26.15%	\$ 132,000	10.00%	\$ 210,000	7.69%
201103	8,774	\$ 69,000	-15.85%	\$ 115,000	-12.88%	\$ 192,500	-8.33%
201203	8,275	\$ 81,000	17.39%	\$ 131,000	13.91%	\$ 211,000	9.61%
201303	7,764	\$ 117,000	44.44%	\$ 170,000	29.77%	\$ 263,000	24.64%
201403	6,575	\$ 132,703	13.42%	\$ 189,500	11.47%	\$ 279,900	6.43%
201503	7,762	\$ 142,000	7.01%	\$ 200,000	5.54%	\$ 295,000	5.39%
201603	8,412	\$ 160,000	12.68%	\$ 217,000	8.50%	\$ 305,000	3.39%
201703	9,412	\$ 174,950	9.34%	\$ 230,000	5.99%	\$ 325,000	6.56%
201803	9,739	\$ 190,000	8.60%	\$ 252,000	9.57%	\$ 345,500	6.31%

## A Follow Up on Cerberus

Last month in STAT we briefly discussed Cerberus, a new institutional investor securing single family homes with the intent to rent. In February they purchased 223 homes in Maricopa County, followed by 263 in March. Most of their purchases have been in Phoenix, Glendale and Tempe. It appears they want to be near the center of the Valley. In his April 5th daily observation, Michael Orr made a note-worthy observation.

Price Range	Active SFD (not UCB or CCBS)	Annual Sales Rate	Days of Inventory	Normal Days of Inventory	Worst Affected
Up to \$100K	64	466	50	76	
\$100K - \$125K	38	641	22	81	
\$125K - \$150K	87	2,102	15	79	Yes
\$150K - \$175K	184	5,305	13	78	Yes
\$175K - \$200K	547	9,476	21	81	Yes
\$200K - \$225K	642	8,142	29	103	
\$225K - \$250K	934	9,048	38	113	
\$250K - \$275K	713	6,773	38	116	
\$275K - \$300K	844	6,570	47	128	

*Anything single-detached below \$275K is now extremely hard to find, and remember the above numbers are for the whole of Greater Phoenix. In the more central areas the supply is negligible.”*

\*footnote: Early reports for Cerberus’s April purchases show a dramatic drop off from the February and March numbers. Through April 12th only 19 purchases have been recorded.

## **Conclusion**

Since I announced the evolution of STAT and the new PPI placement earlier in this commentary, I have received a diversity of opinions that ranged from “this is great” to “something is really really really wrong with you”. I can’t tell you how much I appreciate your input. Although the issues that drove me to reevaluate where PPI appears in the commentary will always exist, I may have been hasty in implementing the change. Next month, PPI will return to its historical placement. Having been freed from design evolution, I can now spend more time coming up with actual thought provoking commentary. I might even go as far as contemplating the impact of Zillow, the new iBuyer coming to our market.