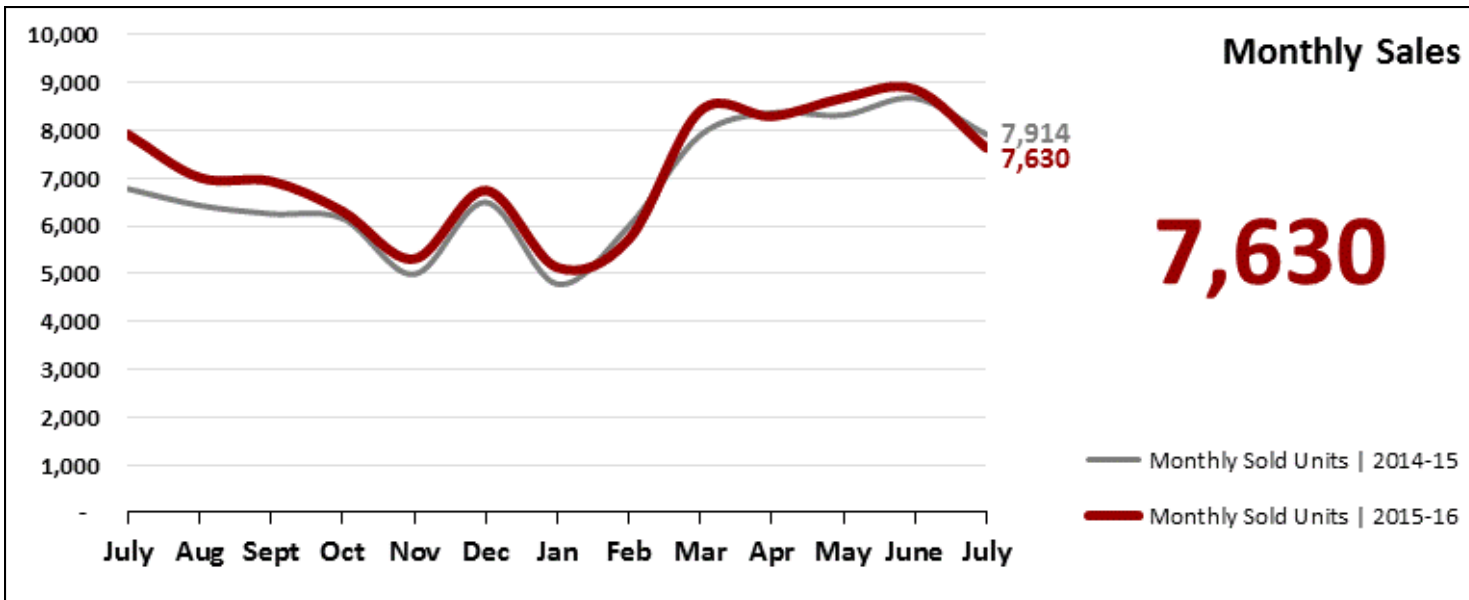


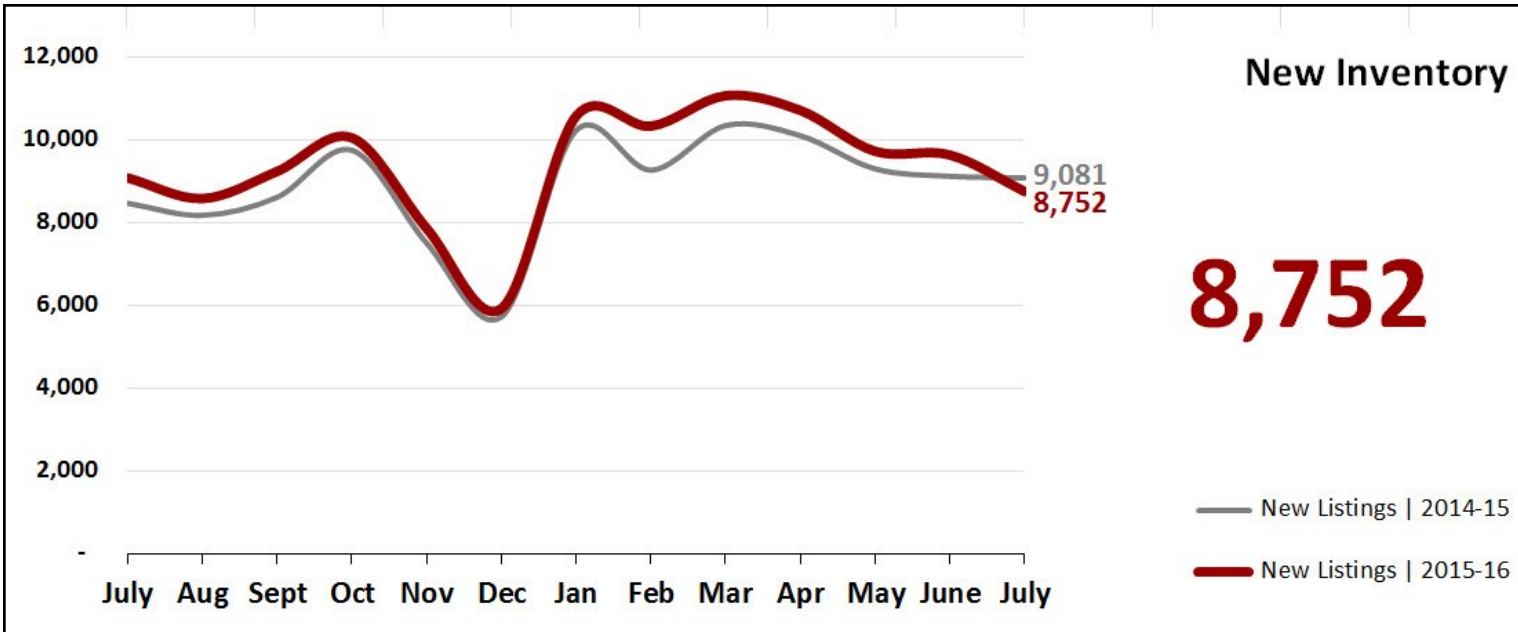


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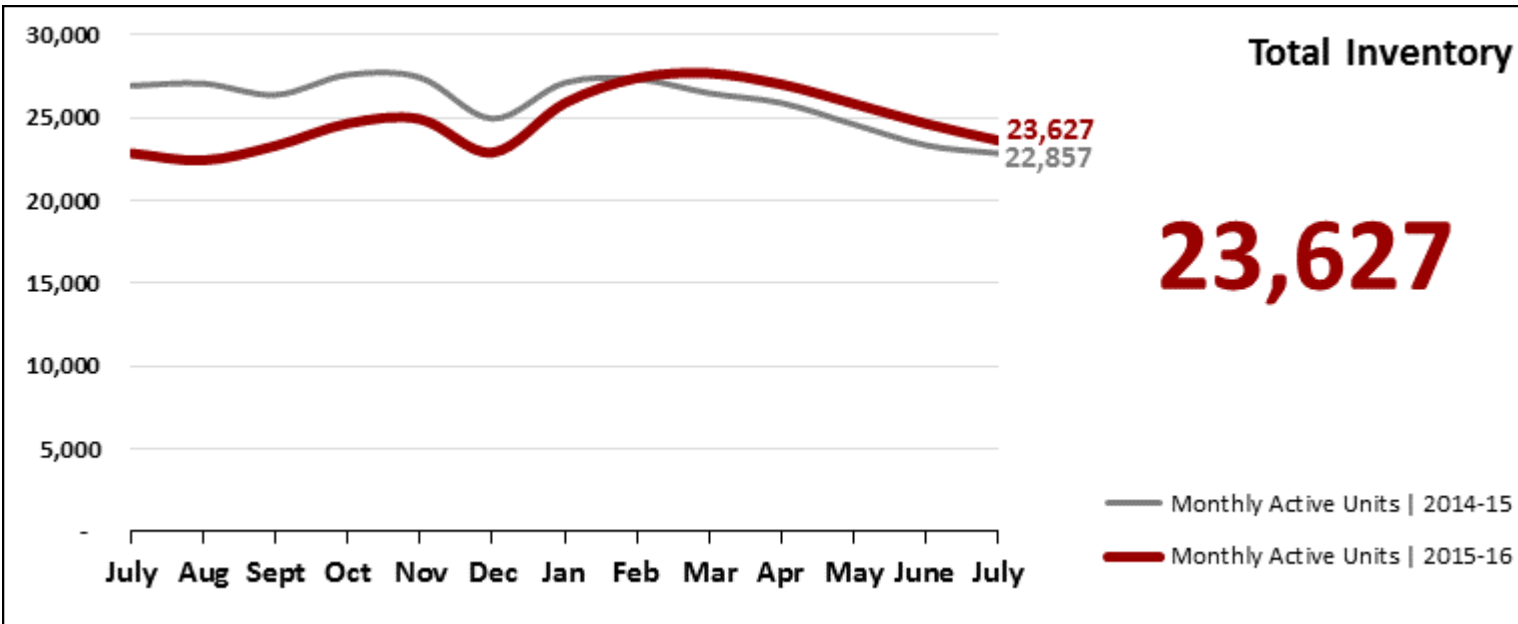
Sales are down -13.9% month-over-month. The year-over-year comparison shows a decrease of -3.6%.

Closed MLS sales with a close of escrow date from 7/1/2016 to 7/31/2016, 0 day DOM sales removed



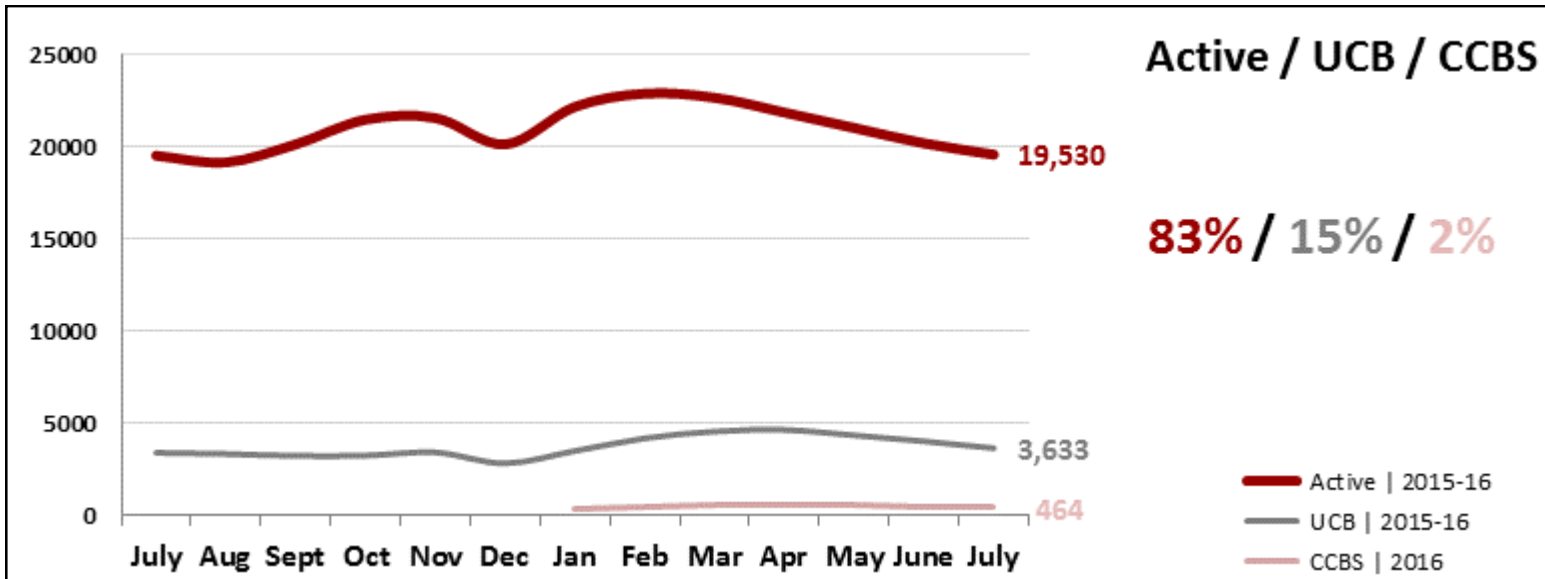
New inventory is down -9.2% month-over-month while the year-over-year comparison shows a decrease of -3.6%.

New MLS listings that were active for at least one day from 7/1/2016 to 7/31/2016, 0 day DOM sales removed



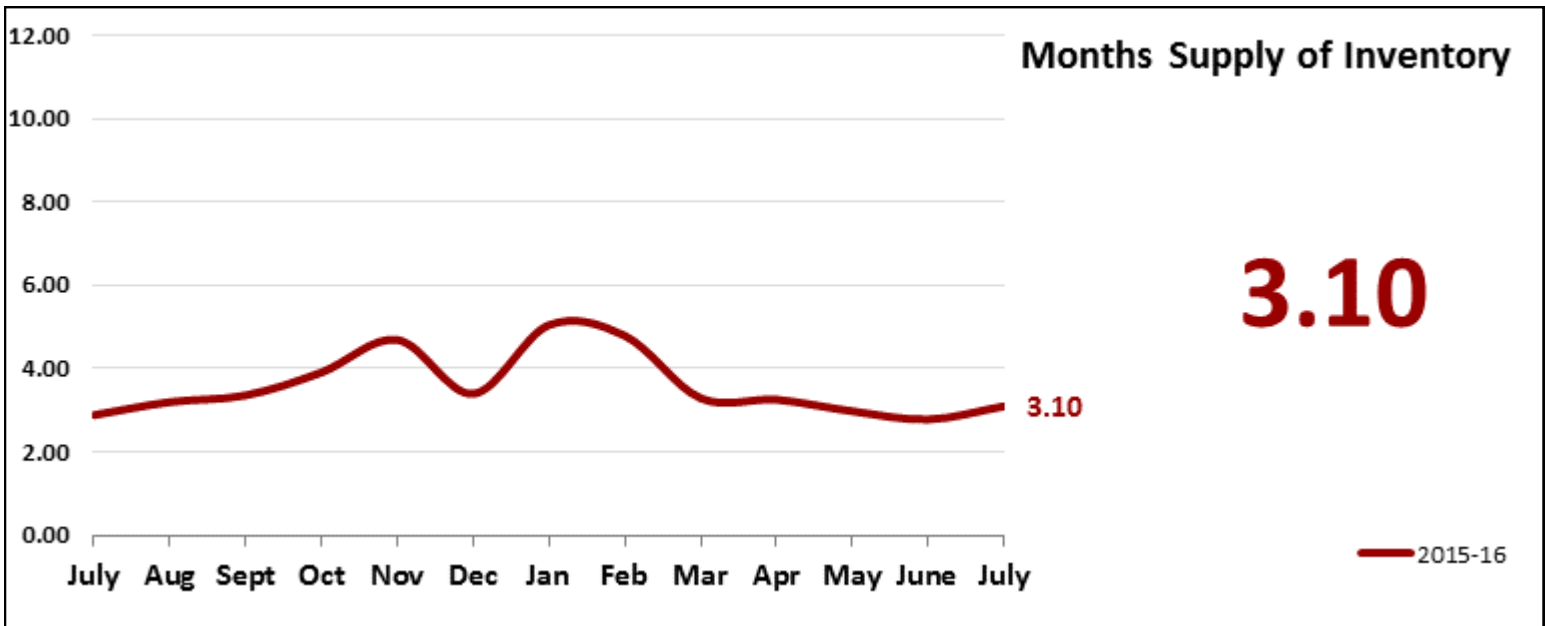
Total inventory has a month-over-month loss of -4.1% while year-over-year reflects an increase of +3.4%.

Snapshot of statuses on 7/31/2016



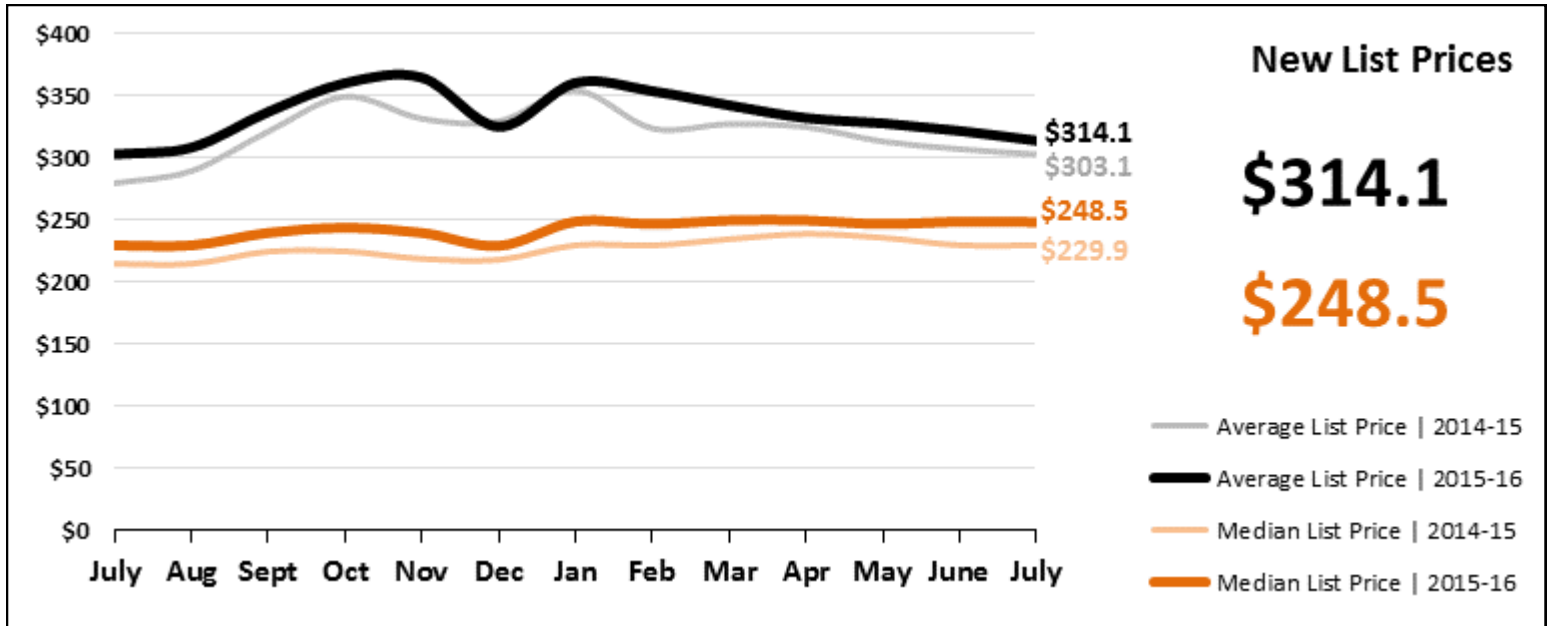
July UCB listings per cent of total actives was 15.4% with July CCBS listings at 2.0% of total actives.

Snapshot of statuses on 7/31/2016



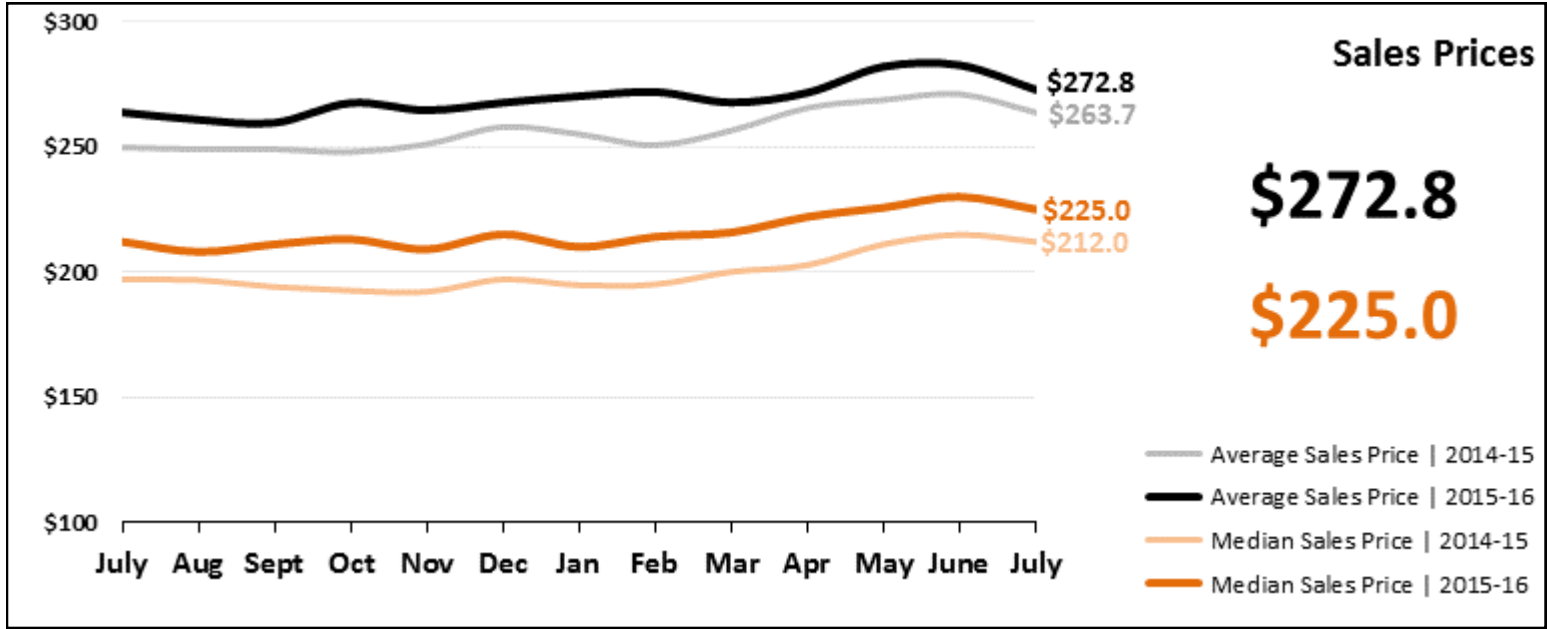
Months supply of inventory for June was 2.78 with July currently at 3.10.

Current inventory of Active/UCB/CCBS divided by the monthly sales volume of July 2016, 0 day DOM sales removed



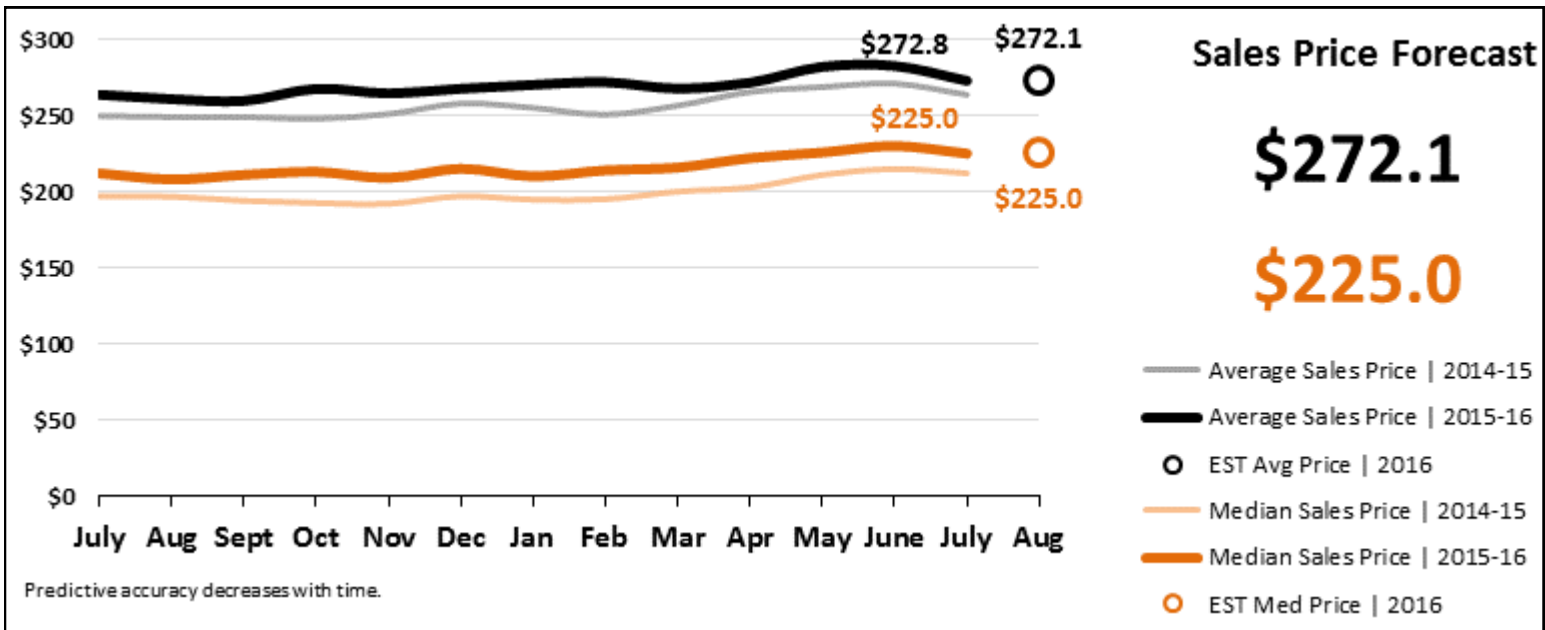
New average list prices are up +3.6% year-over-year. The year-over-year median is up +8.1%.

List prices of new listings with list dates from 7/1/2016 to 7/31/2016, 0 day DOM sales removed



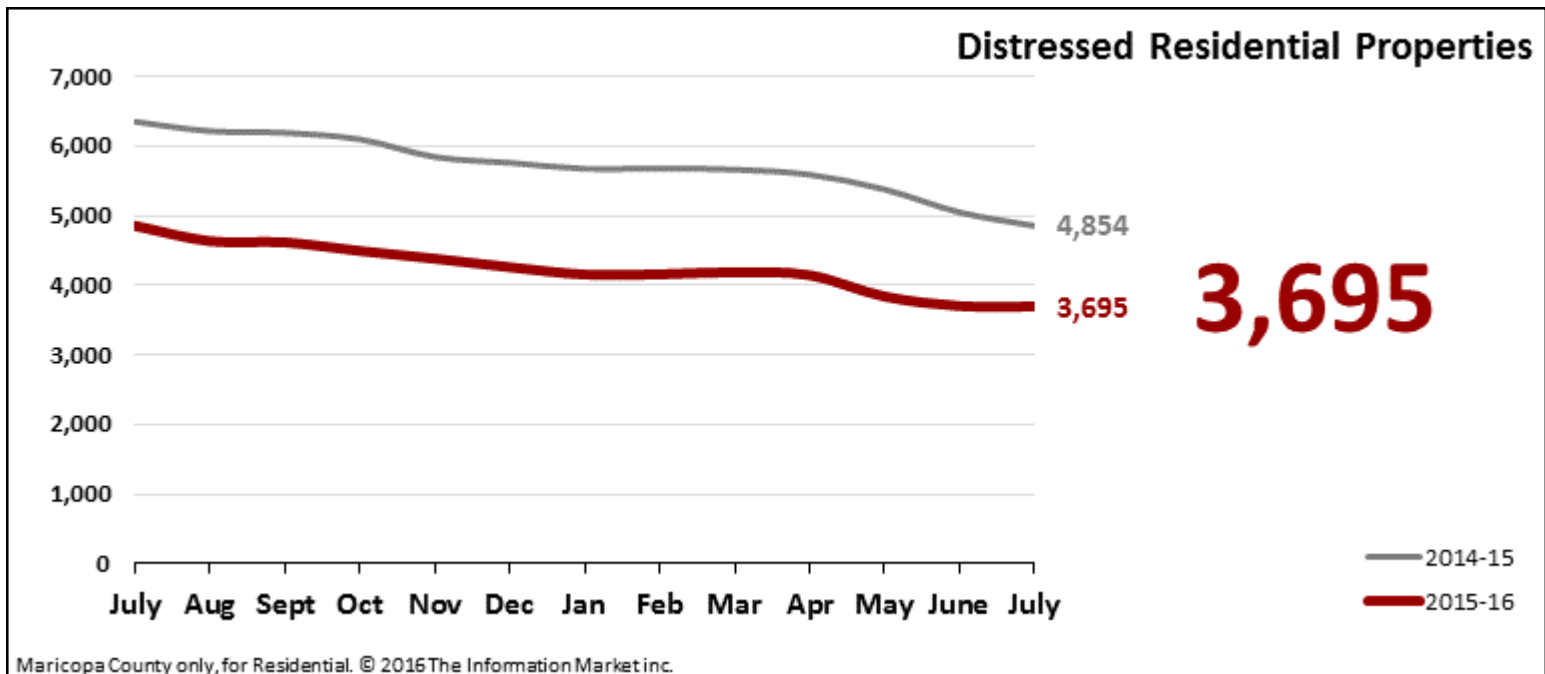
Sales prices are up +3.5% year-over-year on average while the year-over-year median is also up +6.1%.

MLS sales prices for closed listings with a close of escrow date from 7/1/2016 to 7/31/2016, 0 day DOM sales removed



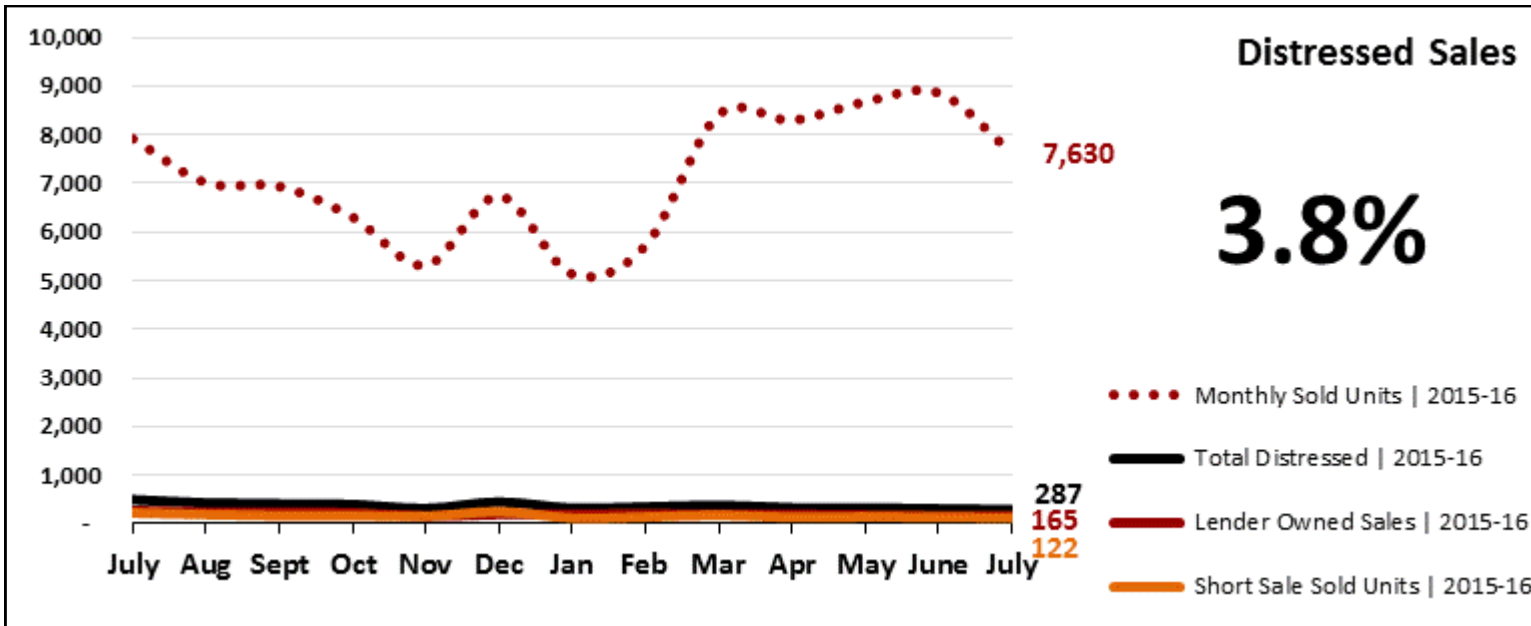
A very slight decrease is forecasted for average sales price while median sales price in August remains steady.

ARMLS proprietary predictive model forecast, 0 day DOM sales removed



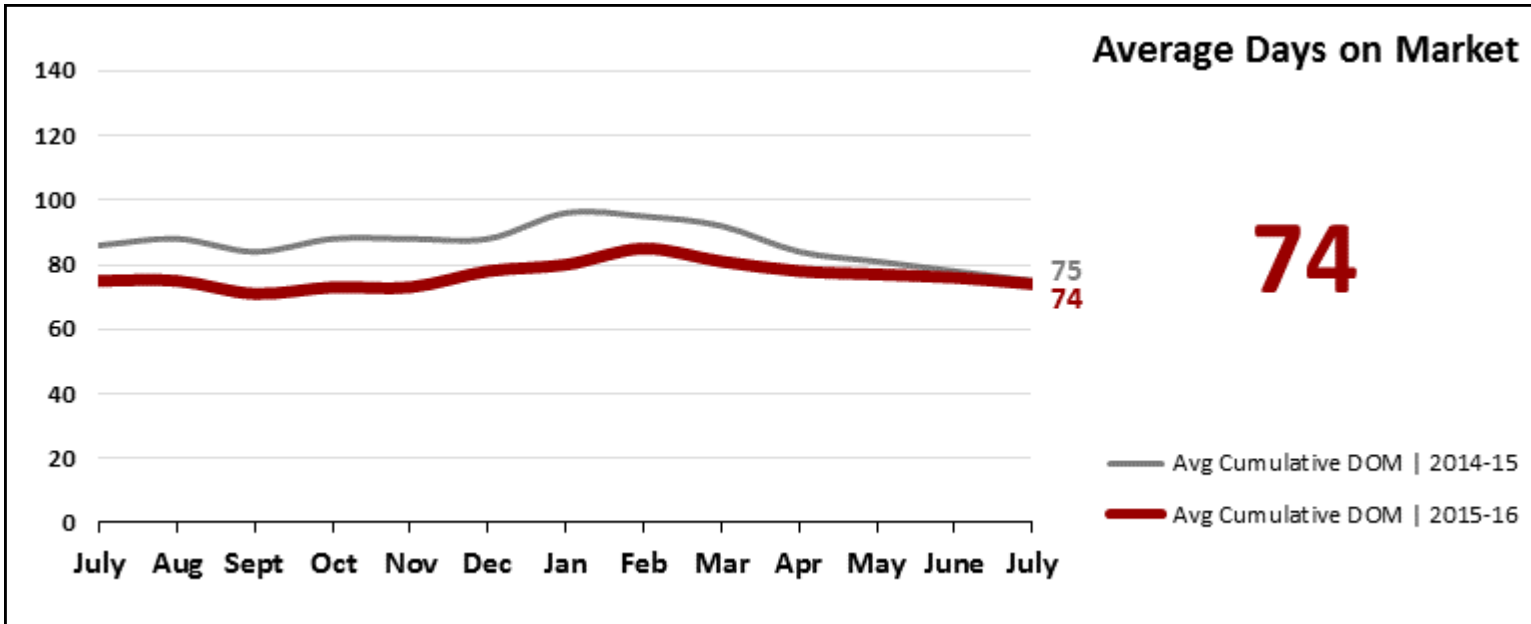
Foreclosures pending month-over-month showed -0.2% while the year-over-year figure was down -23.9%.

Snapshot of public records data on 7/31/2016 active residential notices and residential REO properties



Short sales dropped -45.8% year-over-year. Lender owned sales dropped -39.1% year-over-year. Total distressed year-over-year changed to -42.1%.

Lender owned sales are MLS sales 7/1/2016 to 7/31/2016 where *Lender Owned/REO, HUD Owned Property* special listing conditions were selected
 Short sales are MLS sales 7/1/2016 to 7/31/2016 where *Short Sale Aprvl Req, Previously Aprved SS or Lender Approved SS* special listing conditions were selected
 0 day DOM sales removed



Days on market fell -1 day year-over-year while month-over-month saw a drop of -2 days.

Average of all closed listings 7/1/2016 to 7/31/2016 where DOM was greater than 0

COMMENTARY

by Tom Ruff of The Information Market

The charts in STAT are mostly self-explanatory but sometimes they need context when market conditions change or even when the calendar falls funny. July 2016 was one of those months. On the surface, MLS sales numbers were disappointing with volume down 3.6% year-over-year and down 13.9% month-over-month. However, the decline in sales is more a factor of the calendar as opposed to declining demand this month. If you compare the sales volumes of July 2015 to July 2016 in the context of business days, you have your culprit! There were 359.7 sales per day in 2015 and 381.5 sales per day in 2016.

I have already seen early reports talking about how market conditions contributed to slowing July numbers. When viewing the closing numbers in July I can almost guarantee you , the missing sales in July simply got pushed into August closings. When August numbers are reported, they'll be talking about stronger numbers but for both months it was simply the calendar.

Over the past few weeks our team has been working on various Automatic Valuation Models. An AVM is mathematical modeling based on market forces to make predictions. I would like to share with you some of our early observations derived from our modeling efforts.

Statistical Models

Zestimates can sometimes cause uproar with agents. We also create models but make no mistake; no model can outperform the price opinion of an ARMLS Subscriber on an individual property basis, period. If you want to know what your property is worth, ask an ARMLS Subscriber. Our analysis is based on listing prices and at the moment properties are selling at 97.5% of the list price on average. Our model can't take into consideration the condition, curb appeal or other factors at play but we need to work at making predictions to better help our Subscribers.

The Full Cash Value (FCV) as determined by the County Assessor is based on mathematical models that are clearly meeting their objectives of accurate, fair and equitable. In our analysis based on recent sales by price range, we determined that 1.25 is the best multiplier to determine the value of a property using the FCV model. A restricted supply of homes and consistent demand for homes in the lower price ranges are causing strong appreciation gains, while higher priced homes are seeing limited price gains due to an increase in supply. According to the model, here are the expected valuations based on price ranges equally divided by volume:

AVERAGE MODELED VALUATIONS BY PRICE RANGE

Price Range	June/July 2015	June/July 2016	Percentage Change	Properties Listed
Less than \$134,000	1.2440	1.4358	15.42%	1144
\$134,000 to \$163,000	1.2658	1.4316	13.10%	922
\$163,000 to \$185,000	1.2693	1.3919	9.67%	1056
\$185,000 to \$210,000	1.2555	1.3719	9.27%	1430
\$210,000 to \$235,000	1.2661	1.3661	7.90%	1523
\$235,000 to \$262,000	1.2626	1.3539	7.23%	1315
\$262,000 to \$299,000	1.2460	1.3127	5.35%	1860
\$299,000 to \$355,000	1.2317	1.2846	4.30%	2138
\$355,000 to \$465,000	1.2253	1.2643	3.18%	2869
Over \$465,000	1.2474	1.2670	1.57%	5125

Leaving the FCV model and looking at price per square foot models, the two biggest challenges are properly defining the geography which identifies similar properties and having a large enough sample size to garner meaningful results. Regardless of how strong your data set is, bad data always exists and incorrect data will garner incorrect results.

In conclusion, coming up with a good AVM is a daunting challenge, but to be honest, it's kind of fun. I believe the greatest value of an AVM is that it creates an interesting tool for investors wanting to identify undervalued assets, but for the individual homeowner they simply provide water cooler conversation, some boasting, some complaining and some agreeing. Again, the best way to know the true value of a home is to consult with a real estate professional.

The ARMLS Pending Price Index (PPI)

Last month STAT projected a median sales price for July of \$223,000 with the added caveat that our mathematical projections have been coming in slightly lower than the actual results for most of this year. We expected a decline in the median sales price in July, but we also thought it would probably not be as low as our projection of \$223,000. The actual median sales price in July was \$225,000, 0.9% higher than the \$223,000 projected by our mathematical model. Looking ahead to August, the ARMLS Pending Price Index projects a median sales price of \$225,000.

MLS sales volume in July 2016 was at 7,630, which was 284 fewer sales than July 2015 at 7,914. STAT had expected July sales volume to be lower than the total last year as there were only 20 business days this year compared to 22 business days last year. We begin August with 6,705 pending and 3,633 UCB listings giving us a total of 10,338 residential listings practically under contract. This compares to 9,726 of the same type of listings at this time last year. There are 23 business days in August this year compared to 21 business days in August of 2015. August 2016's sales volume will definitely be higher than last year's total of 7,010 and because of the calendar nuances I'm expecting August sales volume to also surpass July's sales total of 7,630.