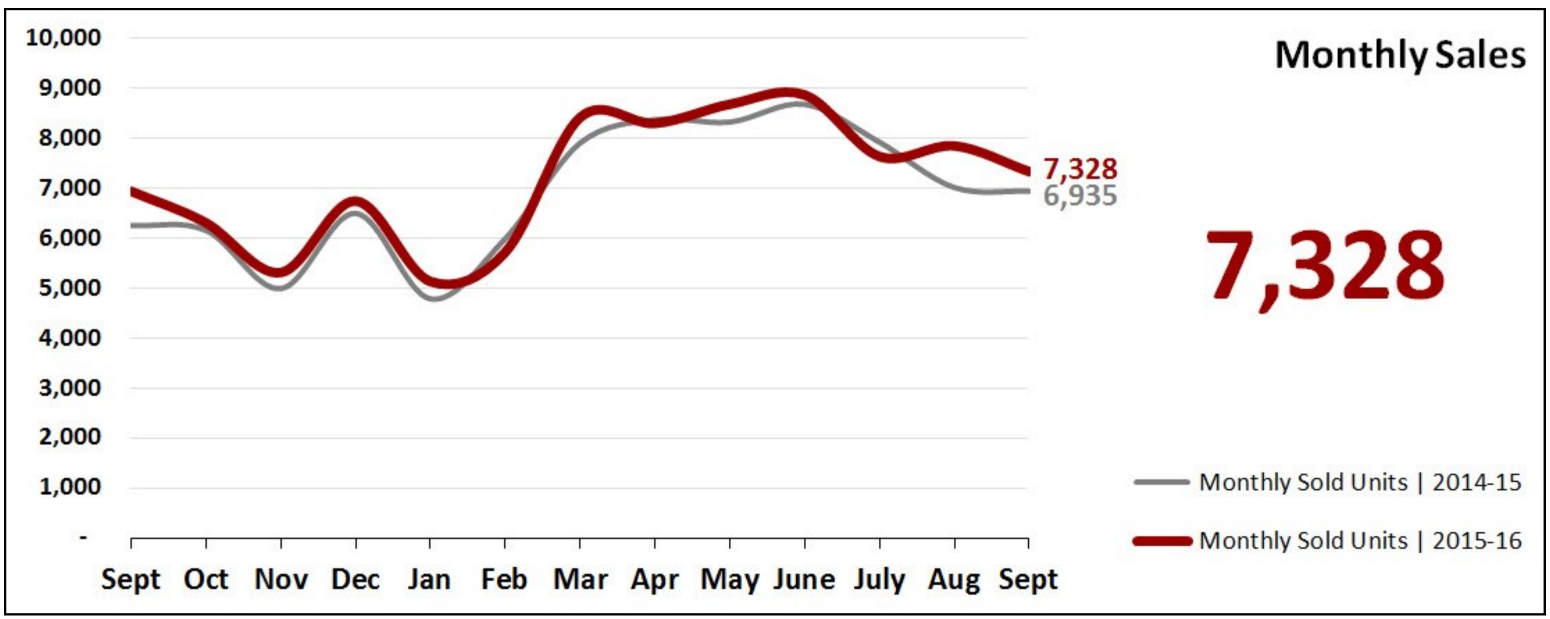
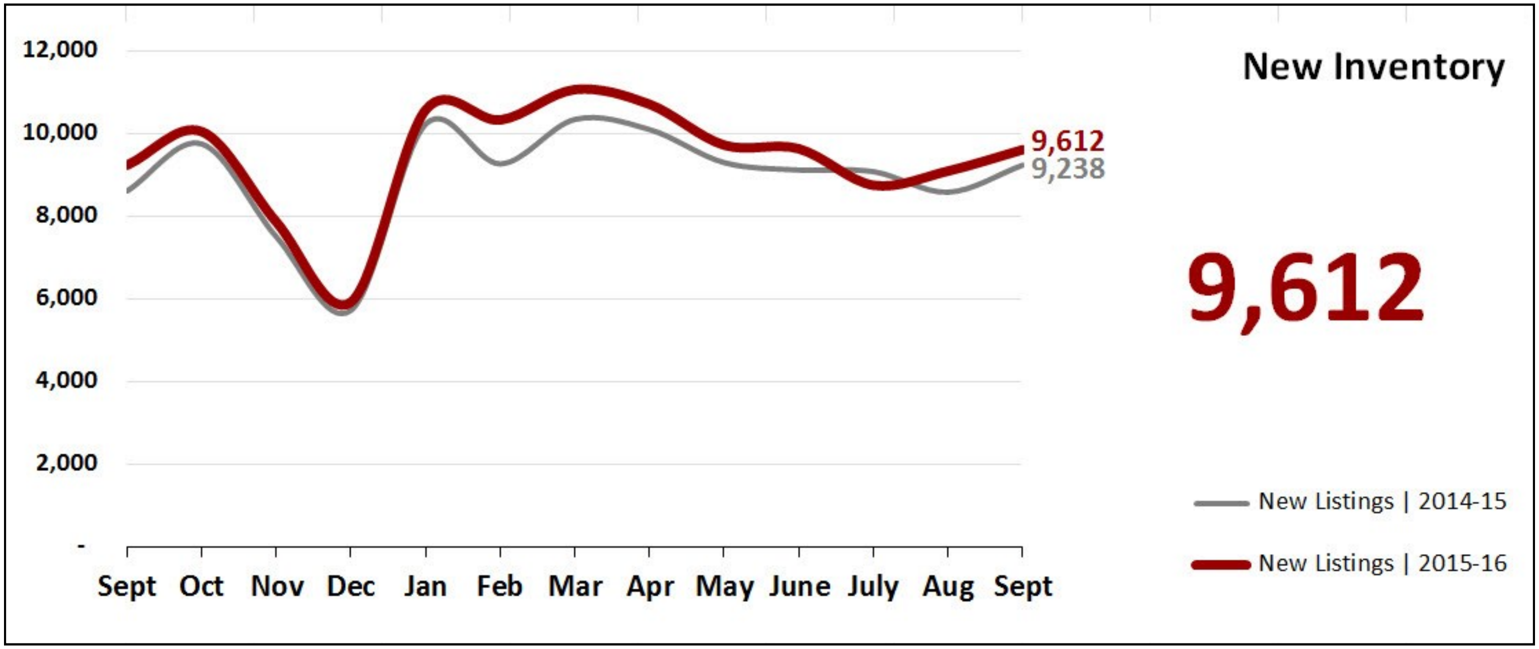

## **DATA SEPTEMBER 2016** - Published October 18, 2016



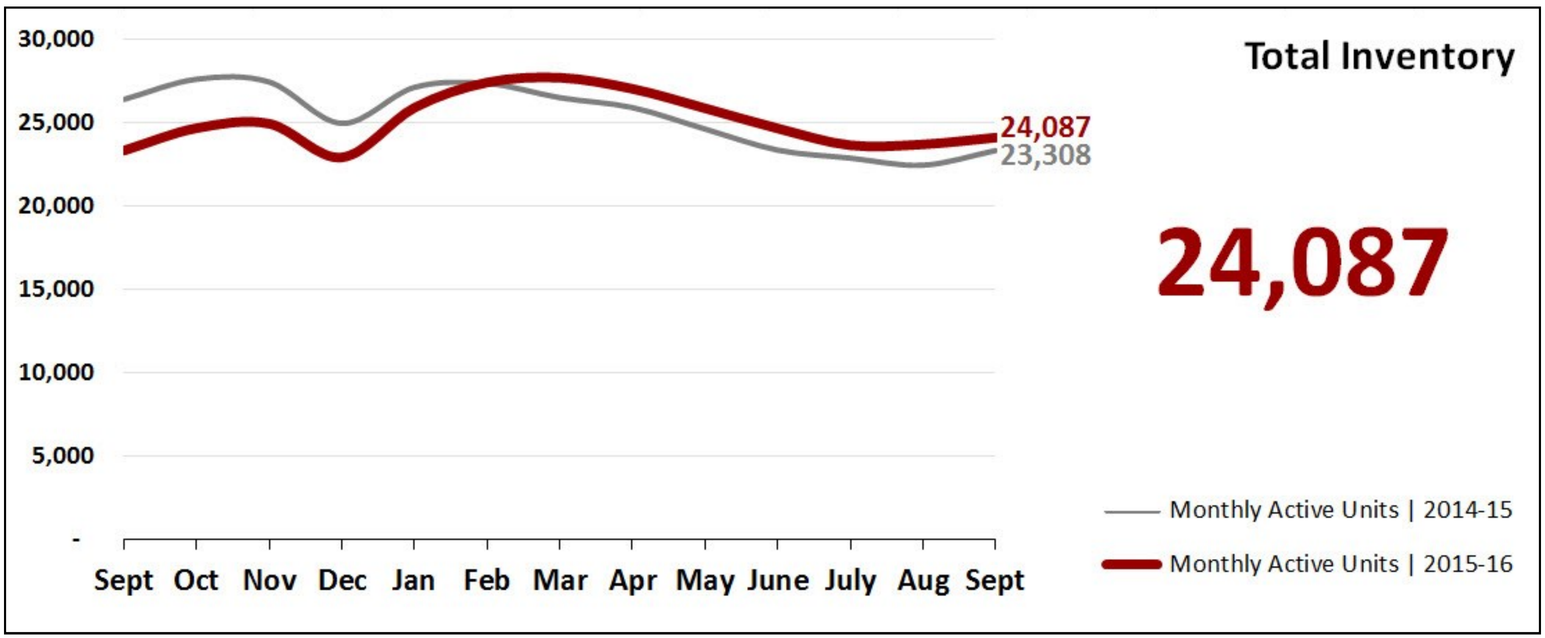

Sales are down -6.6% month-over-month. The year-over-year comparison shows an increase of +5.7%.

Closed MLS sales with a close of escrow date from 9/1/2016 to 9/30/2016, 0 day DOM sales removed



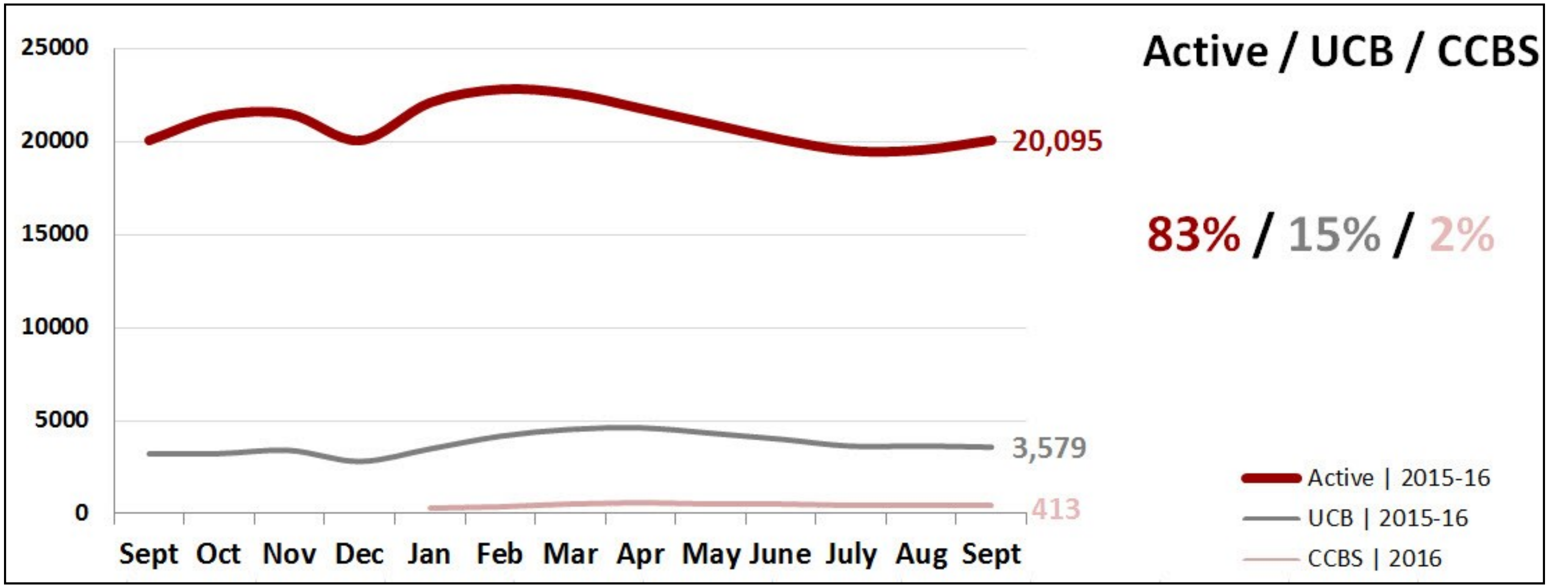

New MLS listings that were active for at least one day from 9/1/2016 to 9/30/2016, 0 day DOM sales removed

New inventory is up +5.7% month-over-month while the year-over-year comparison shows an increase of +4.0%.



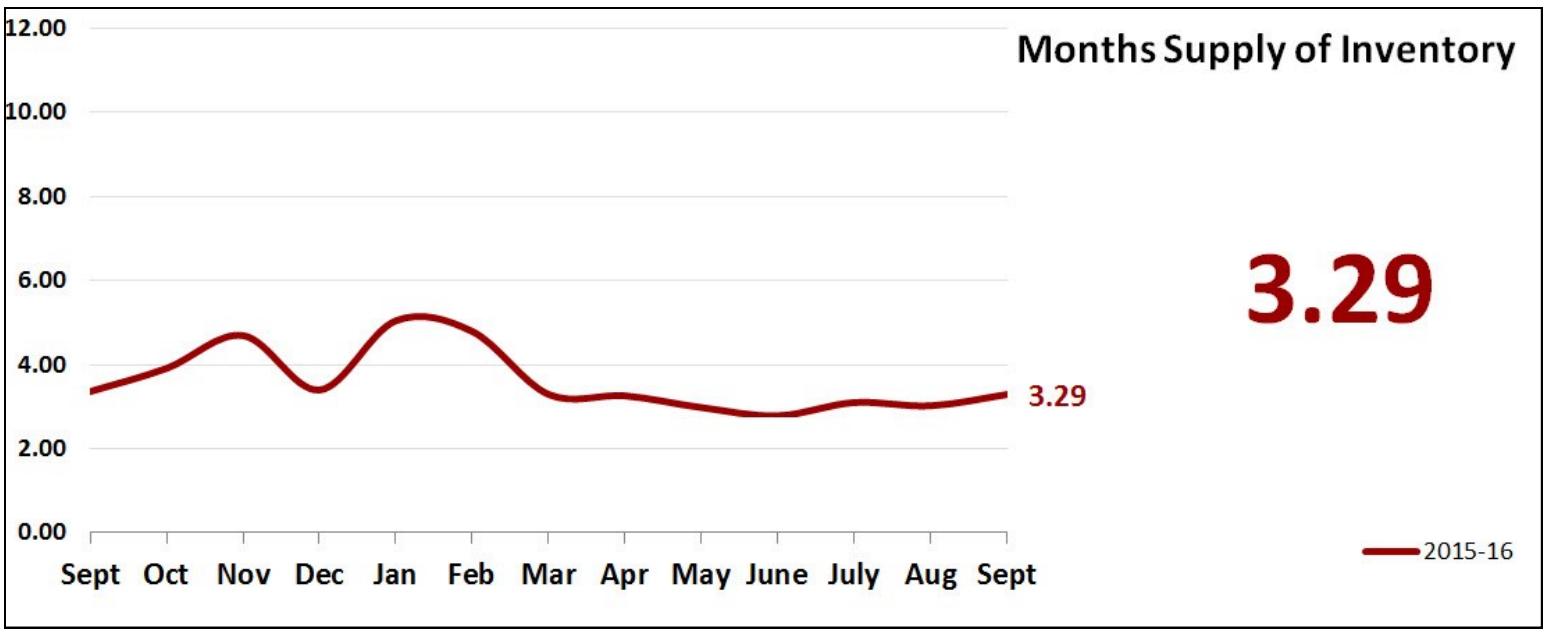

Snapshot of statuses on 9/30/2016

Total inventory has a month-over-month gain of +1.7% while year-over-year reflects an increase of +3.3%.



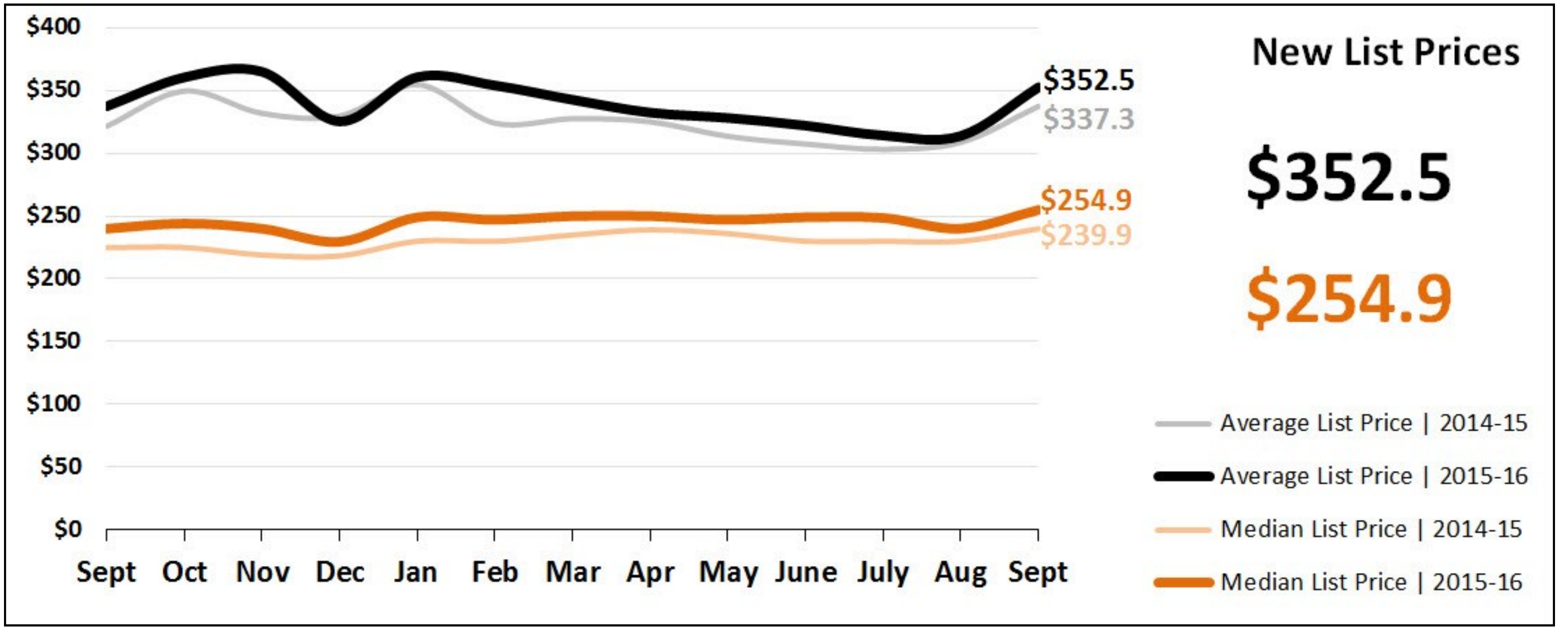

Snapshot of statuses on 9/30/2016

September UCB listings percent of total actives was 14.9% with September CCBS listings at 1.7% of total inventory.



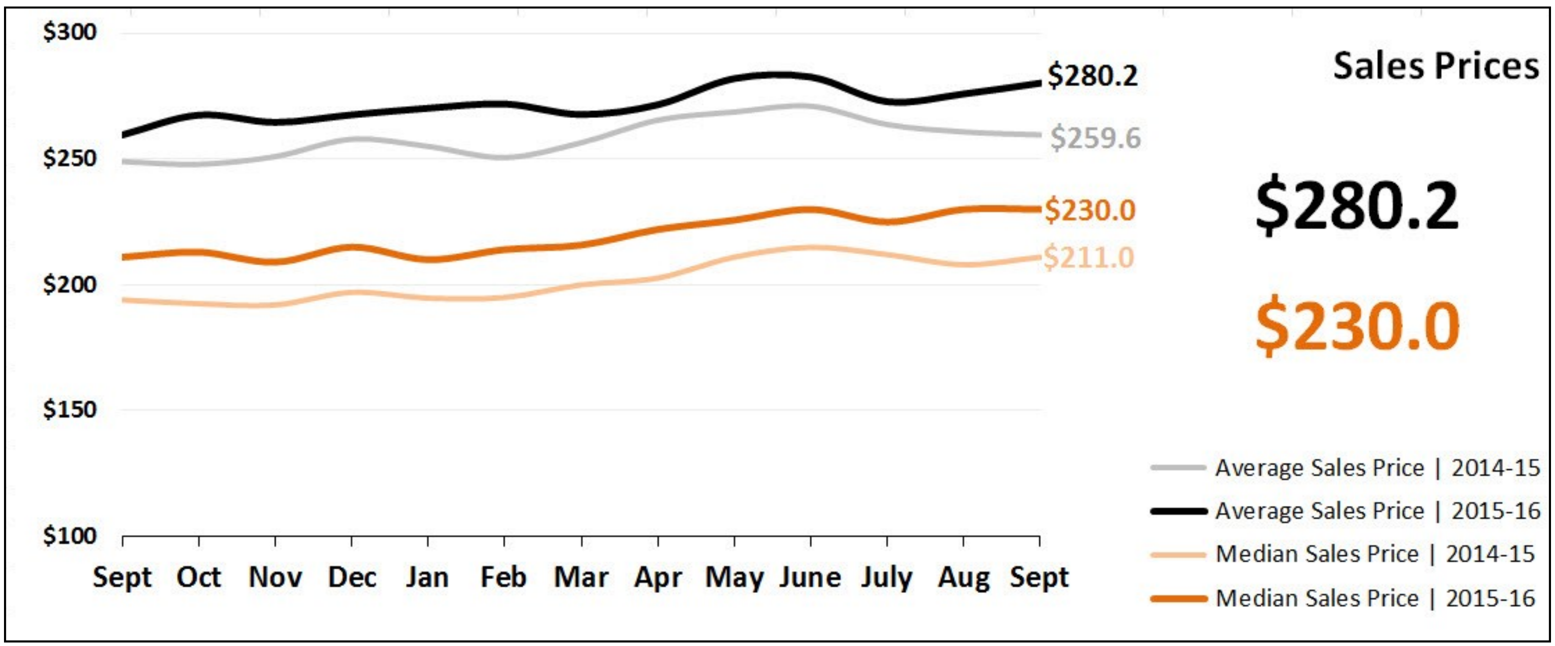

Current inventory of Active/UCB/CCBS divided by the monthly sales volume of September 2016, 0 day DOM sales removed

Months supply of inventory for August was 3.02 with September currently at 3.29.



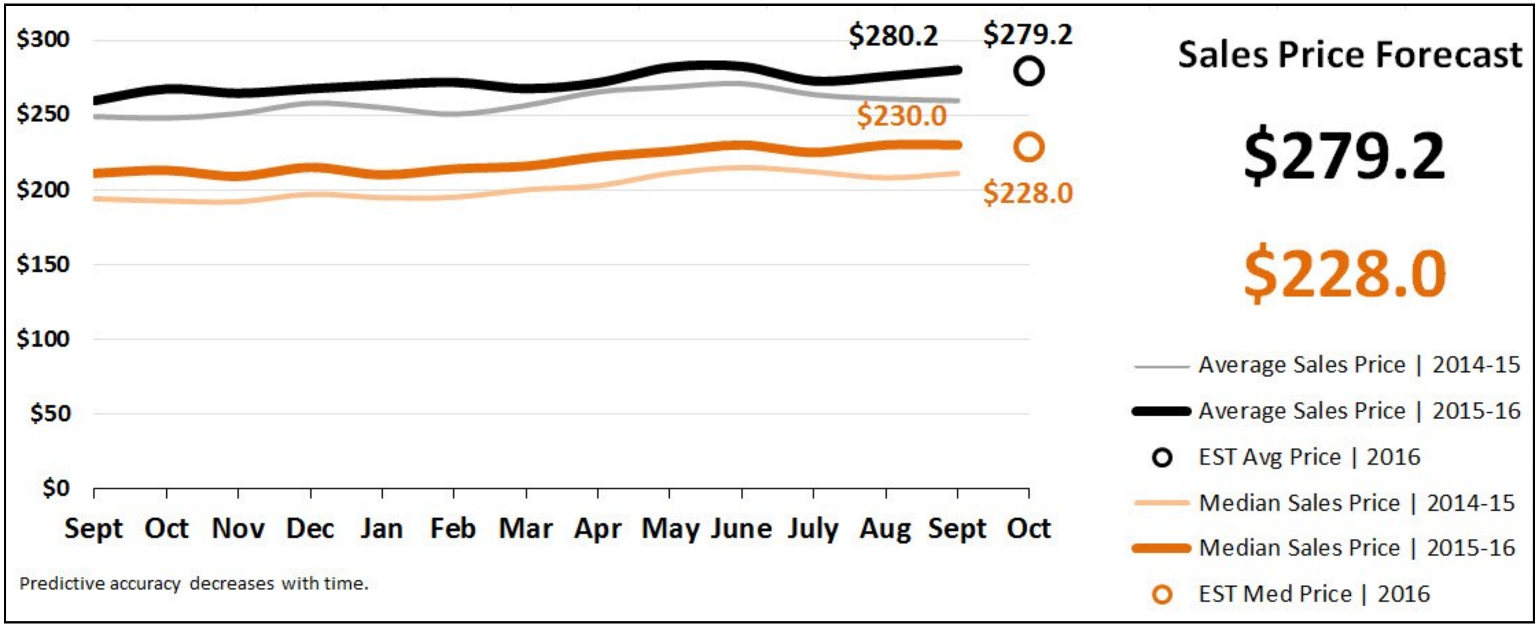

List prices of new listings with list dates from 9/1/2016 to 9/30/2016, 0 day DOM sales removed

New average list prices are up +4.5% year-over-year. The year-over-year median is up +6.3%.



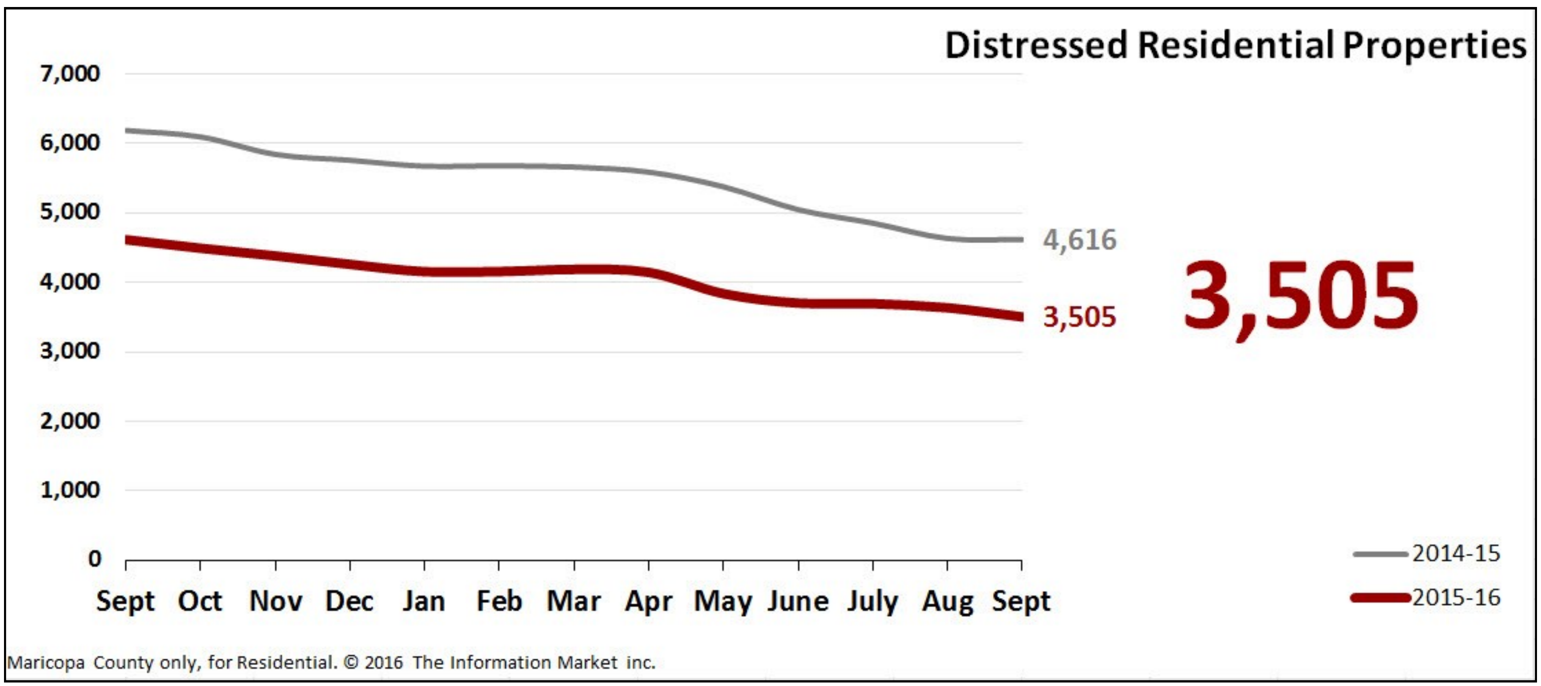

MLS sales prices for closed listings with a close of escrow date from 9/1/2016 to 9/30/2016, 0 day DOM sales removed

The average sales price is up +7.9% year-over-year while the year-over-year median sales price is also up +9.0%.



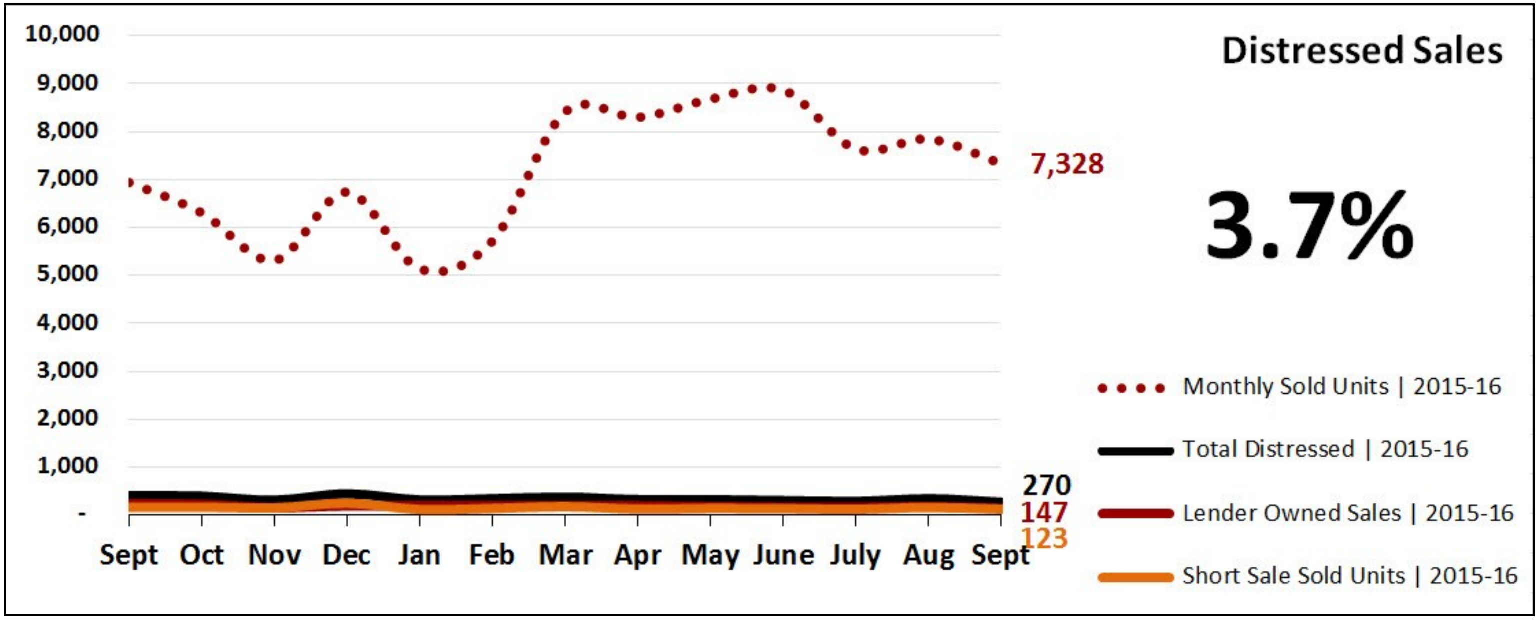

ARMLS proprietary predictive model forecast, 0 day DOM sales removed

A very slight dip is forecast for average sales price with median sales price in October also dropping.



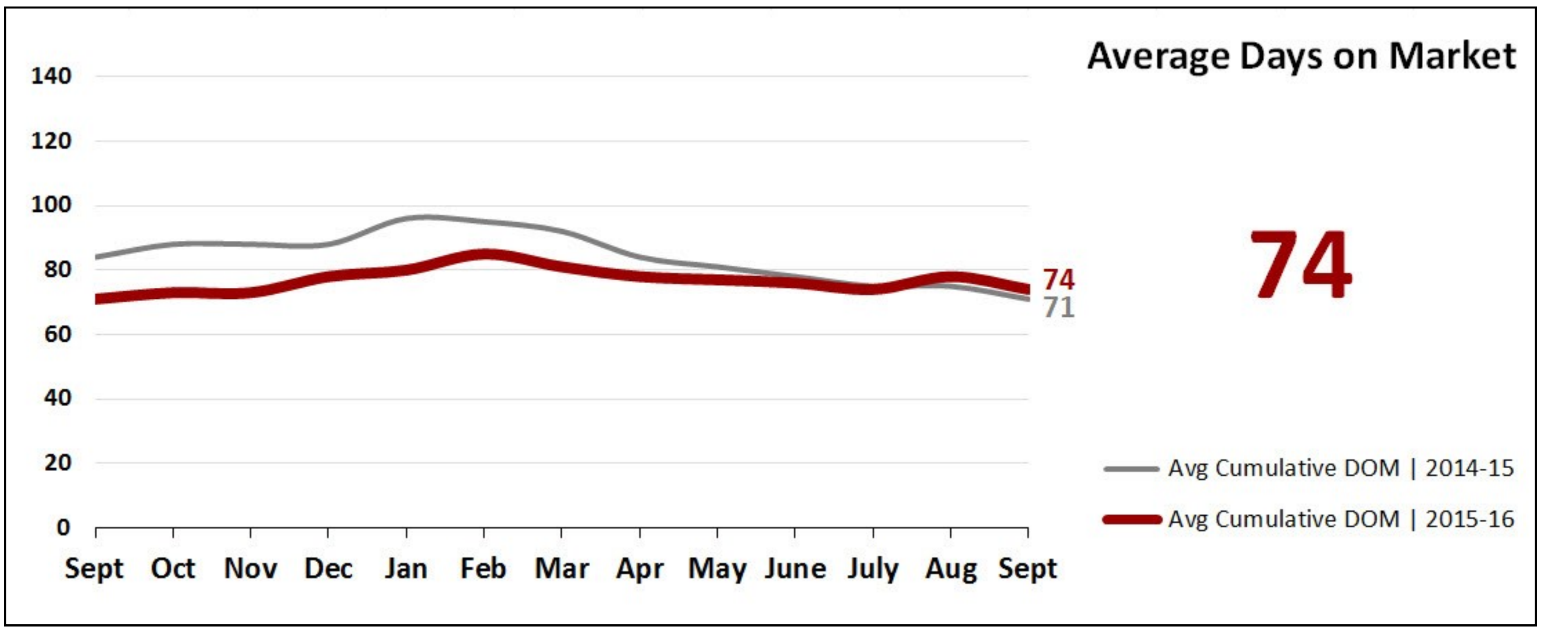

Snapshot of public records data on 9/30/2016 active residential notices and residential REO properties

Foreclosures pending month-over-month showed -3.6% while the year-over-year figure was down -24.1%.




Short sales dropped -25.5% year-over-year. Lender owned sales dropped -39.5% year-over-year. Total distressed year-over-year changed to -33.8%.

Lender owned sales are MLS sales 9/1/2016 to 9/30/2016 where *Lender Owned/REO, HUD Owned Property* special listing conditions were selected
Short sales are MLS sales 9/1/2016 to 9/30/2016 where *Short Sale Aprvl Req, Previously Aprved SS* or *Lender Approved SS* special listing conditions were selected
0 day DOM sales removed



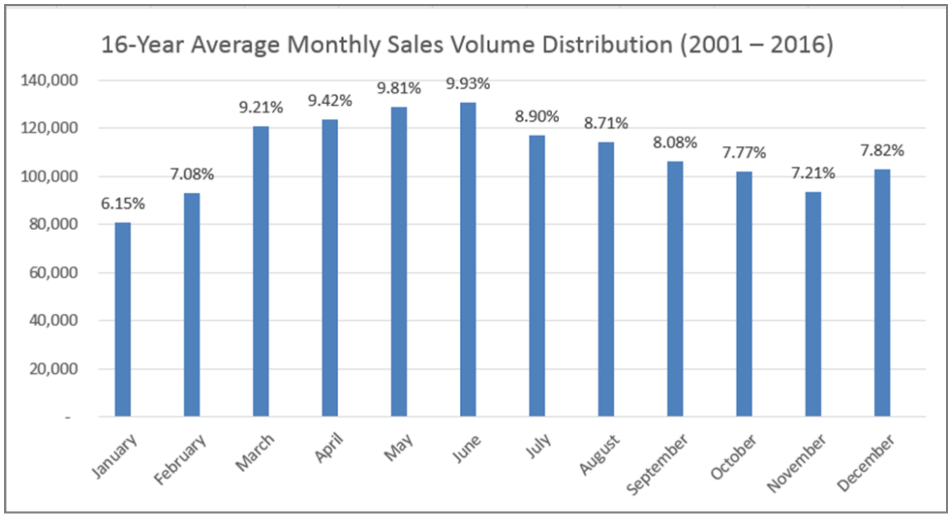

Days on market rose +3 days year-over-year while month-over-month dropped -4 days.

Average of all closed listings 9/1/2016 to 9/30/2016 where DOM was greater than 0

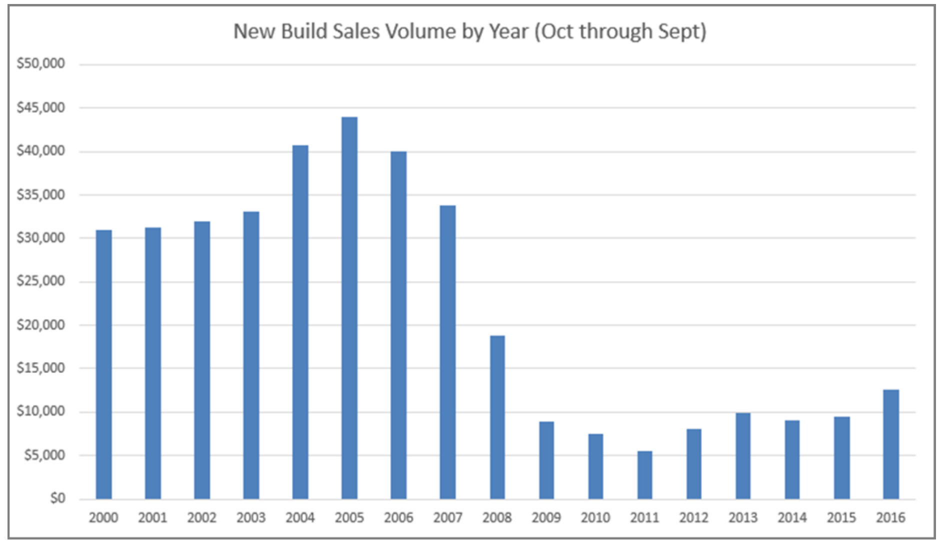
# COMMENTARY

by Tom Ruff of The Information Market

With the premature smell of pumpkin spice in the air, September 2016 sales volume was up 5.7% year-over-year. Our housing supply is best viewed by price range. We see constraint at the lower price points and gains as list prices increase with more than enough supply at the high end of our market. Month-over-month sales volume was down 6.6%. The decline in month-over-month sales volume can be directly attributed to seasonal patterns. As the chart below demonstrates, we will continue to see month-over-month declines in both October and November. 'Tis the season.




While we ride the seasonal wave, the largest percentage increase in sales is taking place in new construction. Newly constructed homes for the first nine months of this year are up 33.3%. As the chart below demonstrates, new construction is improving, but we are still well below historical standards.

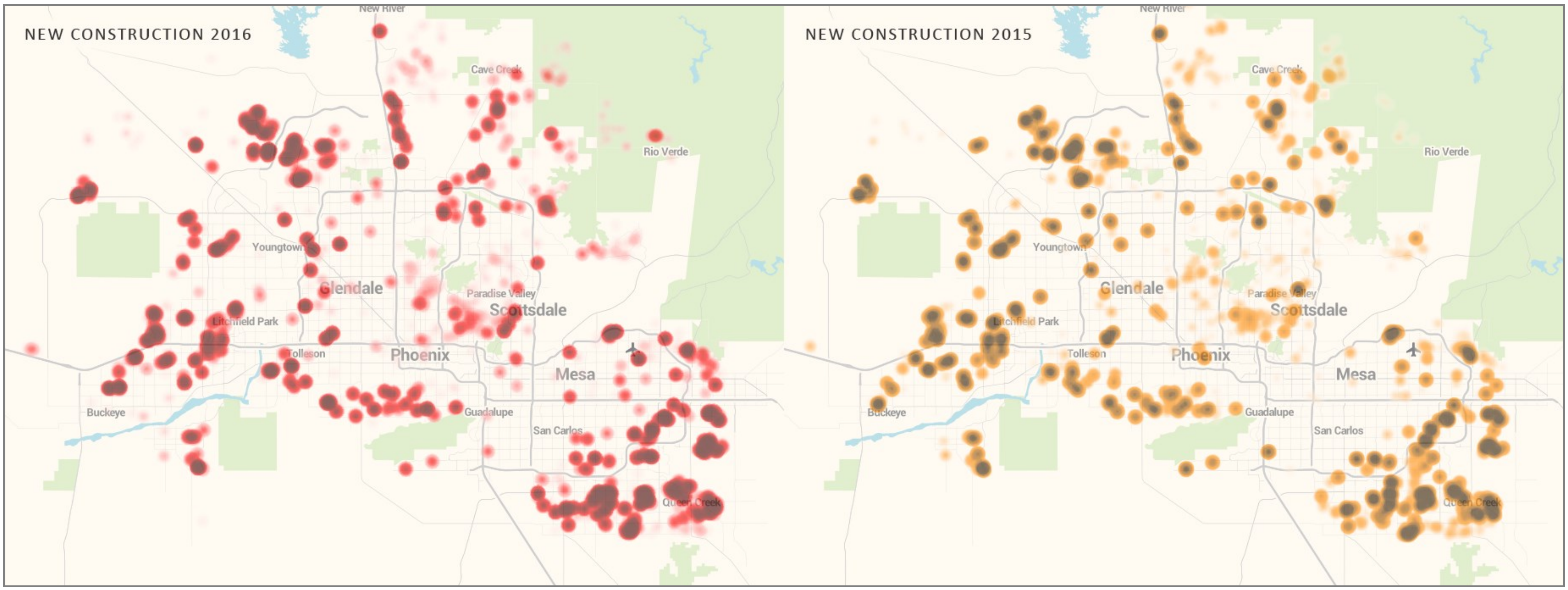



When we view the public records for Maricopa County we see the median price for a newly constructed home is $321,258, while the STAT median price home is $230,000. Only 16.8% of the newly constructed homes are selling at or below $230,000. The primary areas where new homes are being sold in the lower price range are being built are Buckeye, the western outskirts of Phoenix, Peoria and Goodyear. Our shortage of inventory at the lower price points is getting little aid from new construction as only 136 new homes on average are being sold in this price range.

**New Study Finds Most Of Earth's Landmass Will Be Phoenix Suburb By 2050**

A satirical article in The Onion picks up on the fact that the Valley continues to sprawl: [http://www.theonion.com/article/new-study-finds-most-earths-landmass-will-be-phoen-54107](http://www.theonion.com/article/new-study-finds-most-earths-landmass-will-be-phoen-54107)

## The sprawl of new construction continues and is easy to see.




We also created this animation for an easy comparison: [https://goo.gl/BamlTo](https://goo.gl/BamlTo)

It's a fun read and believe it or not, we actually had news outlets asking for data to support urban sprawl. Our data does not support the entire earth's landmass becoming a Phoenix suburb, however, the majority of new construction, as depicted in the maps above, does lie in the suburbs. The ZIP codes with the largest number of newly constructed homes are as follows:

| Zip_code | New_builds_2015 | New_builds_2016 |
|---|---|---|
| 85383 | 726 | 1122 |
| 85142 | 507 | 696 |
| 85298 | 747 | 688 |
| 85212 | 420 | 688 |
| 85396 | 359 | 488 |
| 85338 | 303 | 423 |
| 85326 | 262 | 383 |
| 85286 | 84 | 342 |
| 85249 | 225 | 340 |
| 85085 | 199 | 273 |

**ARMLS Pending Price Index (PPI)**

Last month STAT projected a median sales price for September 2016 of $227,000 and we suggested that a betting man would wager on $230,000. The reported median sales price for September was $230,000. The actual median was 1.3% higher than the $227,000 projected by our model. Our betting man was spot-on. Looking ahead to October 2016, our model projects little change in the median sales price. The ARMLS Pending Price Index projects a median sales price of $228,000 with the betting man doubling down on $230,000 again.

MLS sales volume in September was 7,328, which was 5.7% higher than the 6,935 of September 2016. September sales came in as expected with our projection of 7,175 missing the mark by only 153 sales. We begin September with 6,142 pending and 3,579 UCB listings giving us 9,721 residential listings practically under contract, compared to 9,020 of the same type of listings at this time last year.

There were 21 business days in both years. October 2016 sales should exceed 6,304 from last year. STAT is projecting 6,850 sales. Monthly sales volume will continue its annual descent with declines through November. Sales volume for the first nine months of 2016 is 3.03% higher than 2015 at the same time, ARMLS has reported 67,892 total sales running this year compared to 65,893 sales last year.