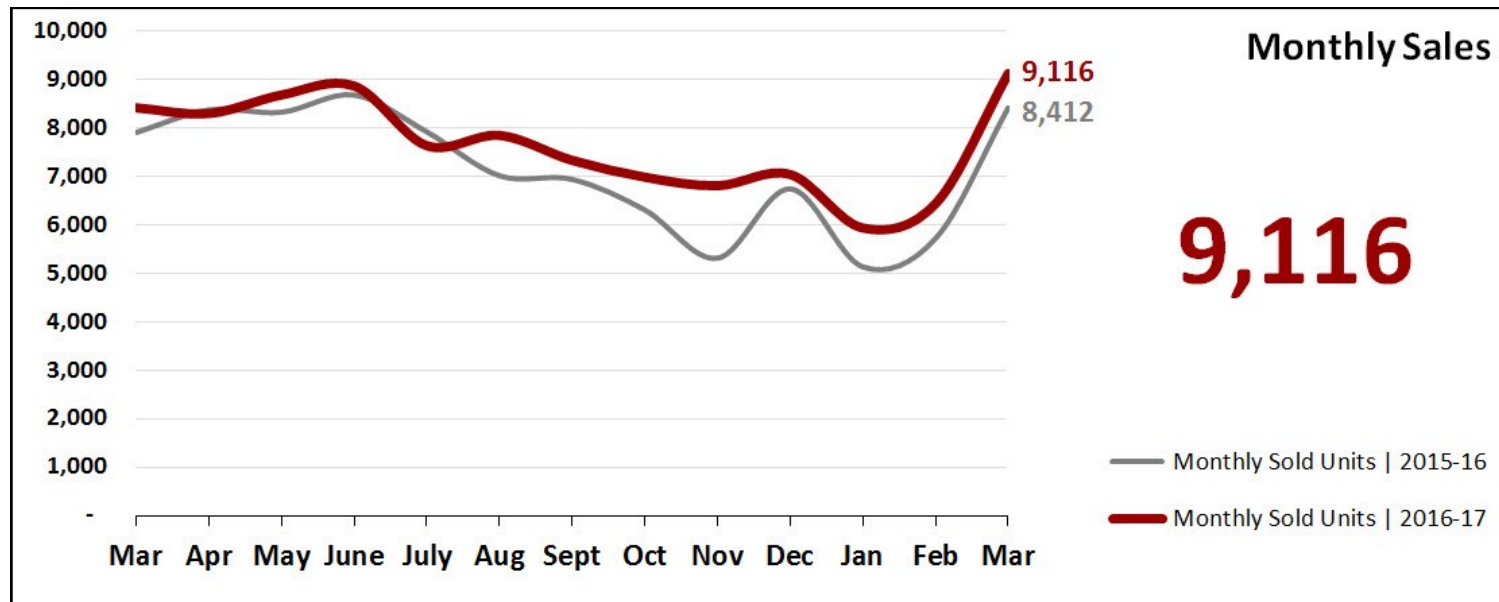


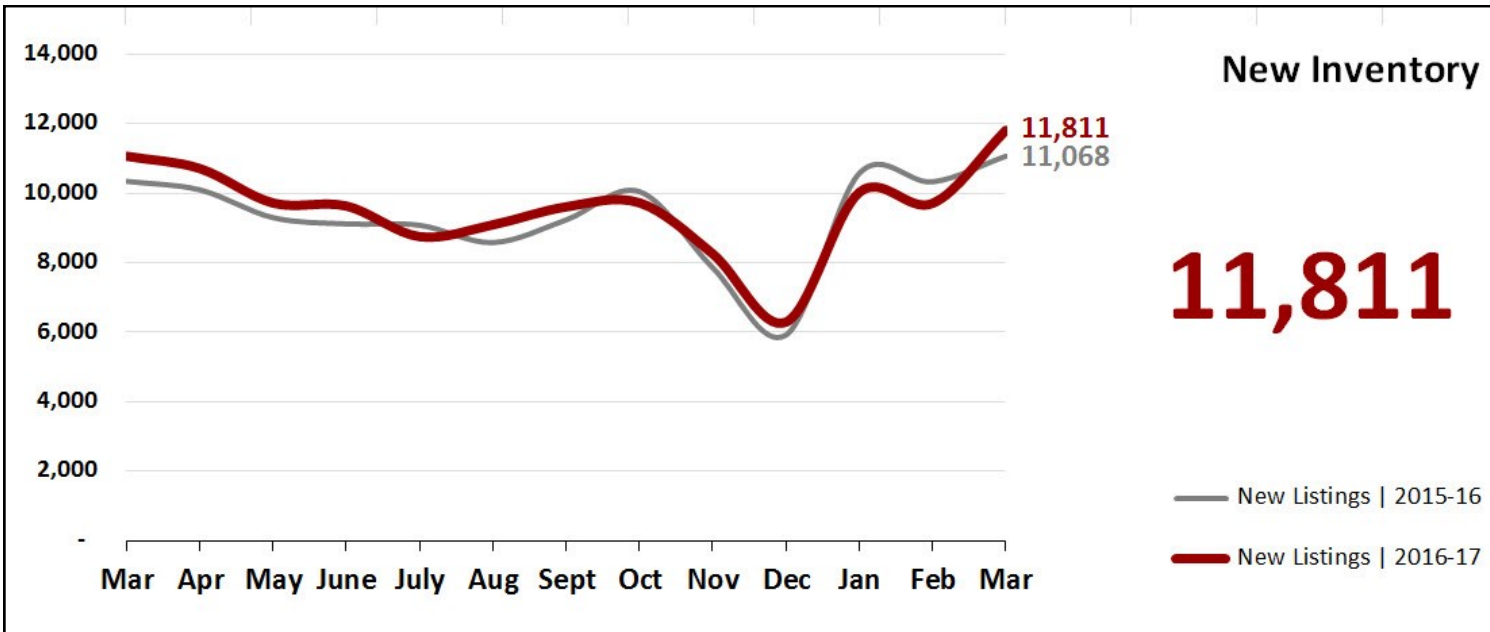


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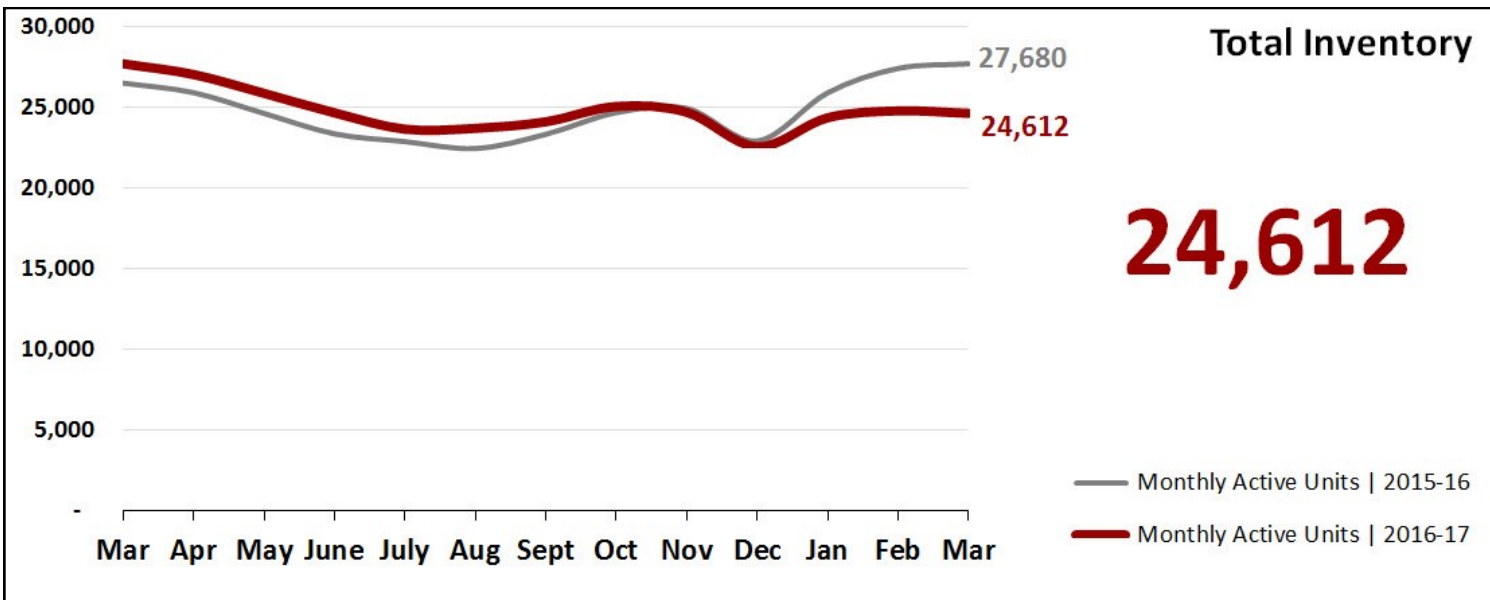
Sales are up +41.7% month-over-month. The year-over-year comparison shows an increase of +8.4%.

Closed MLS sales with a close of escrow date from 3/1/2017 to 3/31/2017, 0 day DOM sales removed



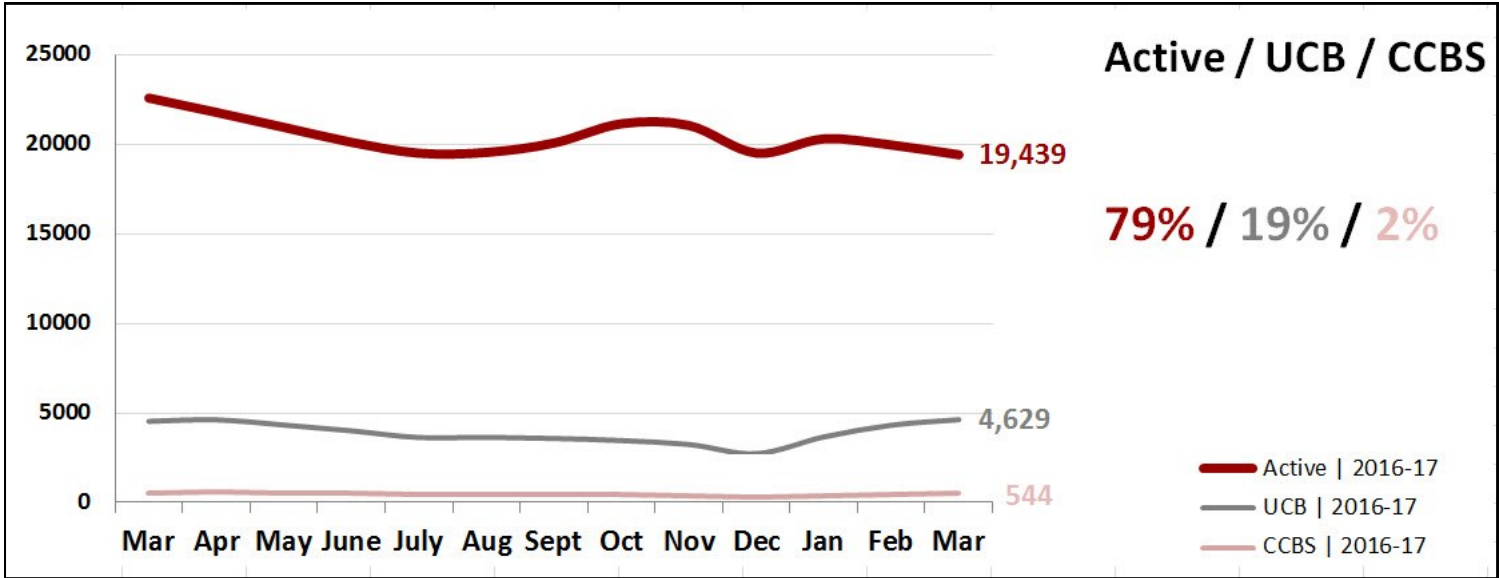
New inventory is up +21.6% month-over-month while the year-over-year comparison shows an increase of +6.7%.

New MLS listings that were active for at least one day from 3/1/2017 to 3/31/2017, 0 day DOM sales removed



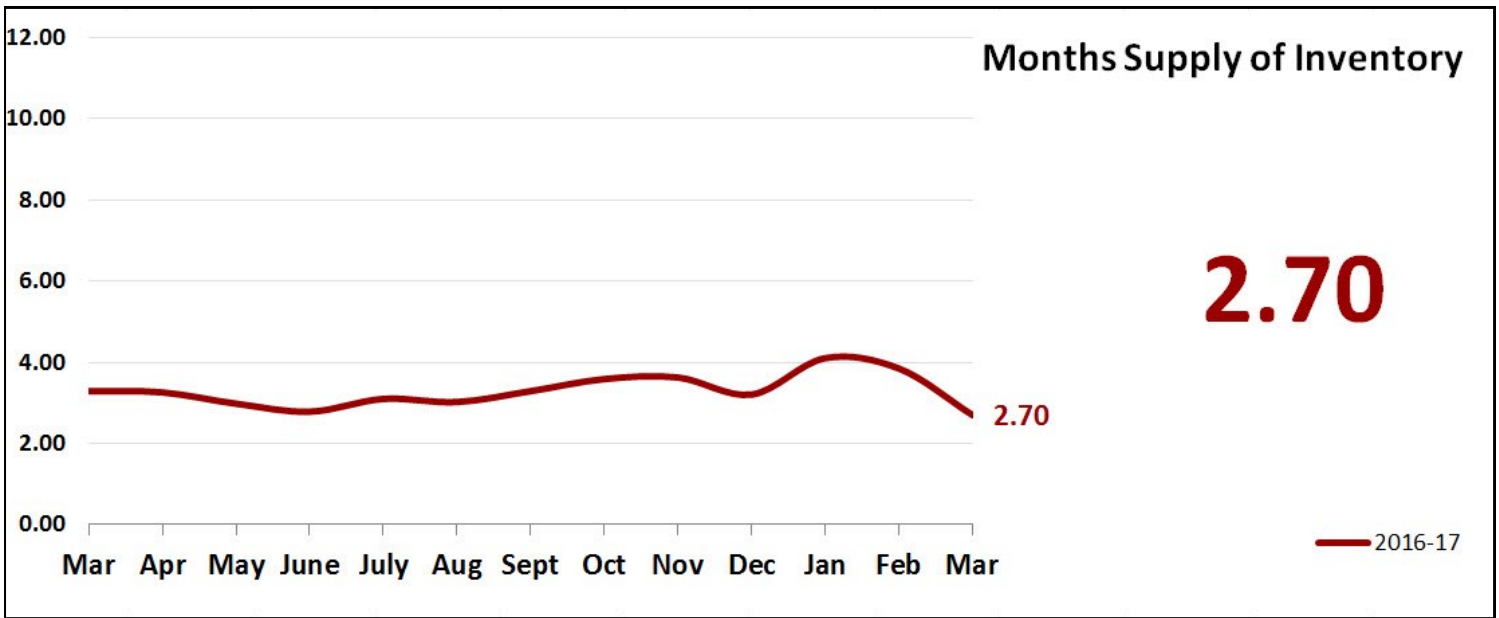
Total inventory has a month-over-month decrease of -0.6% while year-over-year reflects a decrease of -11.1%.

Snapshot of statuses on 3/31/2017



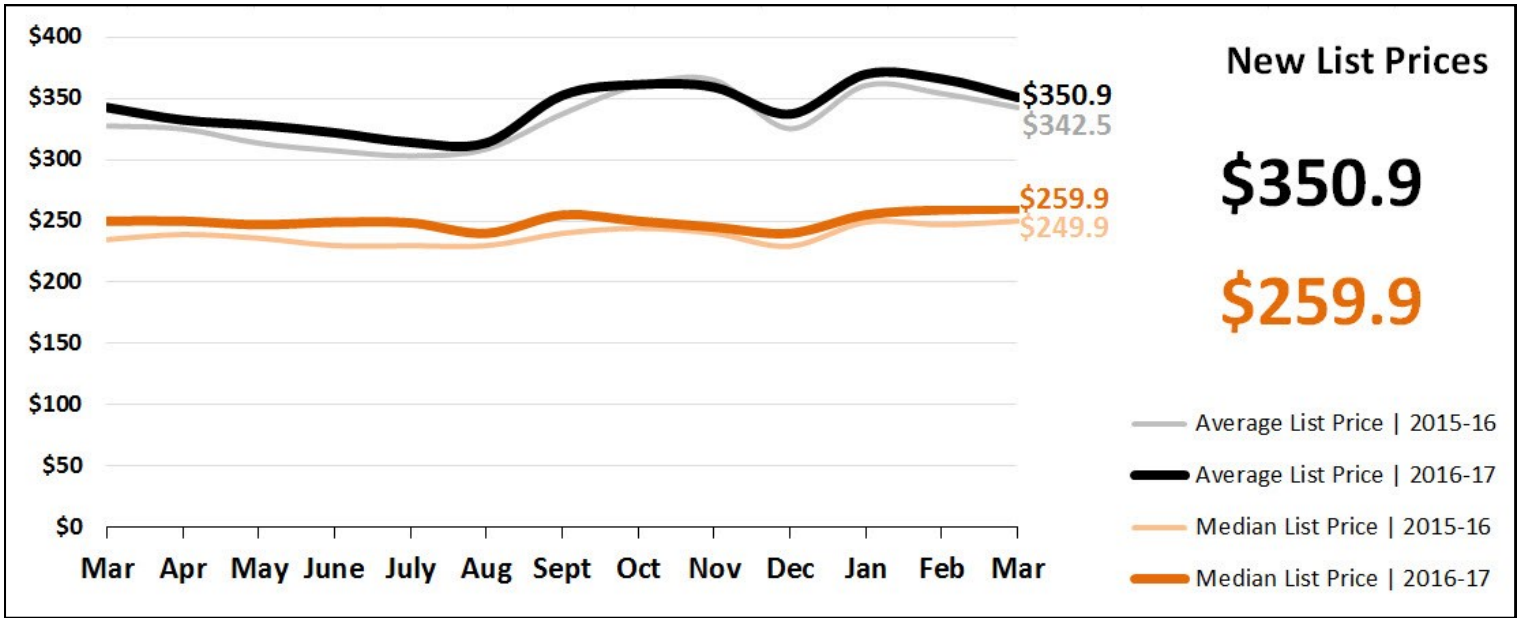
March UCB listings percent of total inventory was 18.8% with March CCBS listings at 2.2% of total inventory.

Snapshot of statuses on 3/31/2017



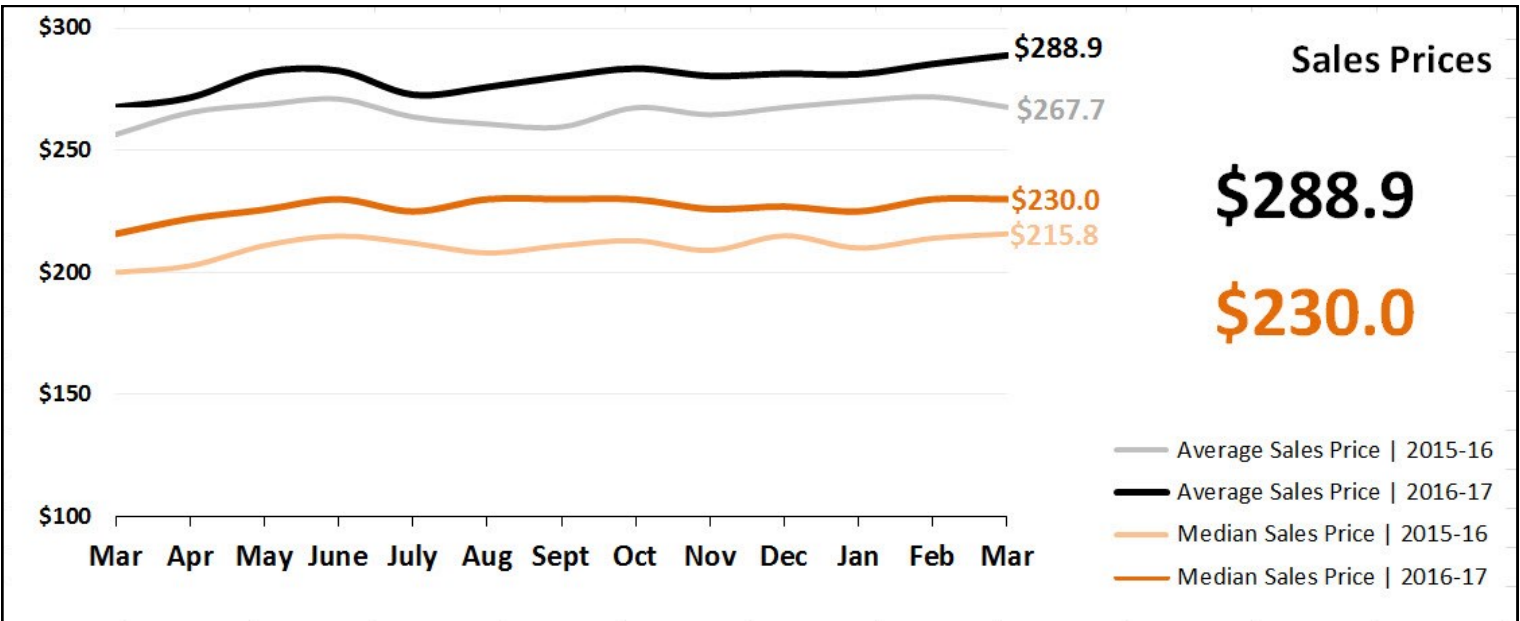
Months supply of inventory for February was 3.85 with March at 2.70.

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



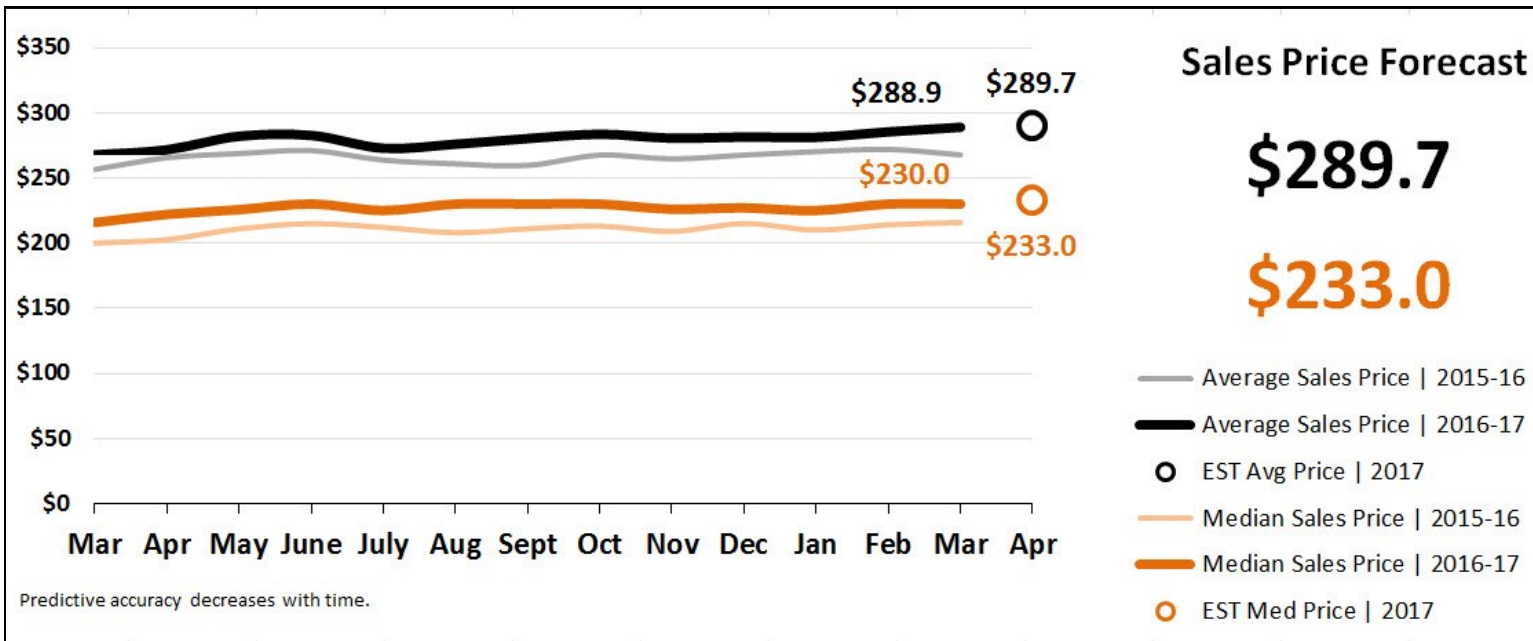
Average new list prices are up +2.5% year-over-year. The year-over-year median is up +4.0%.

List prices of new listings with list dates from 3/1/2017 to 3/31/2017, 0 day DOM sales removed



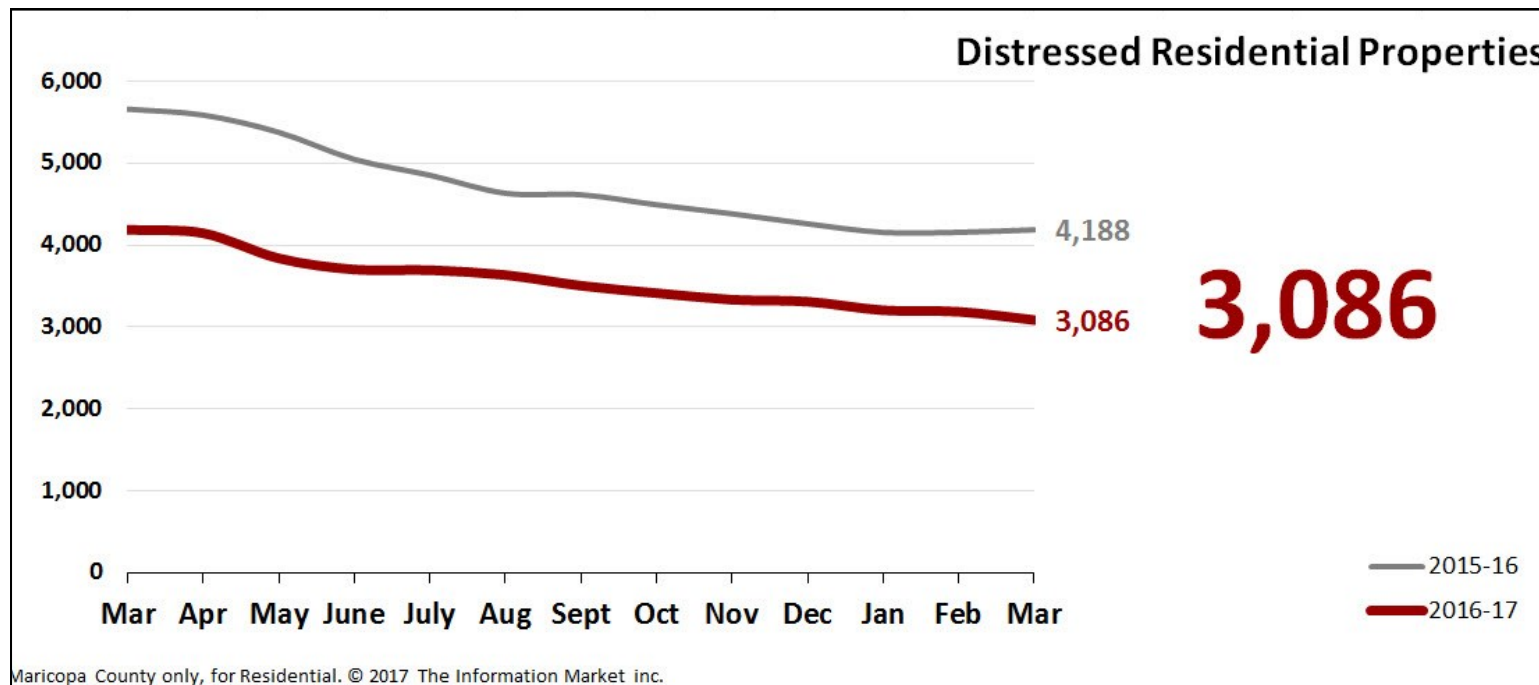
The average sales price is up +7.9% year-over-year while the year-over-year median sales price is also up +6.6%.

MLS sales prices for closed listings with a close of escrow date from 3/1/2017 to 3/31/2017, 0 day DOM sales removed



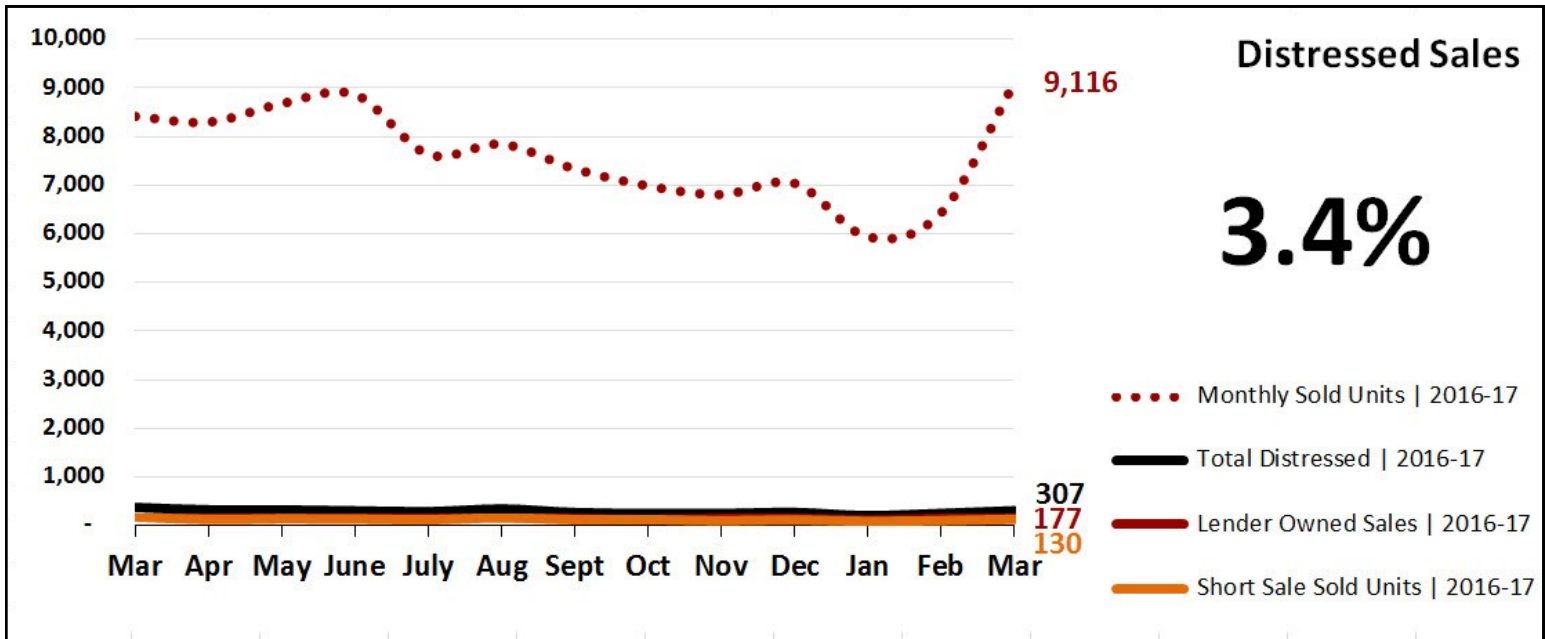
A slight increase is forecasted for average sales price with median sales price also increasing in April.

ARMLS proprietary predictive model forecast, 0 day DOM sales removed



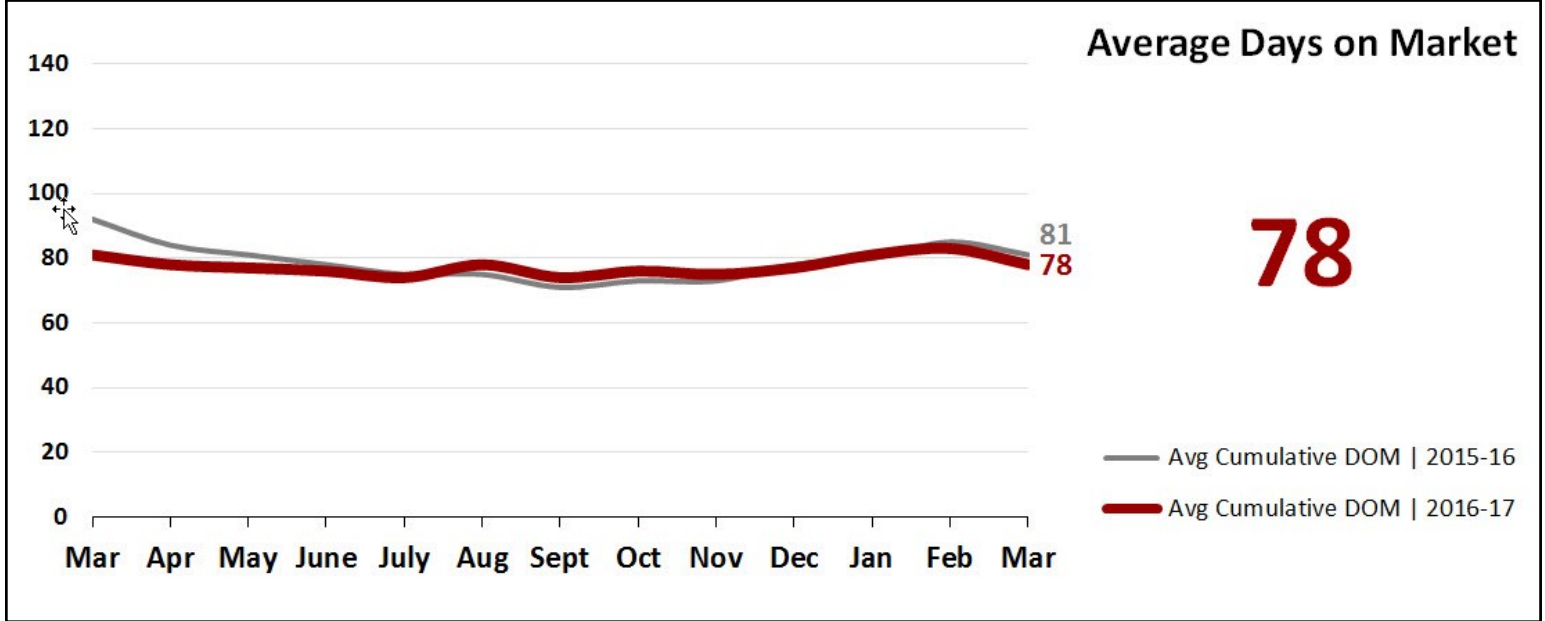
Foreclosures pending month-over-month showed a decrease of -3.2% while the year-over-year figure was down -26.3%.

Snapshot of public records data on 3/31/2017 active residential notices and residential REO properties



Distressed sales accounted for 3.4% of total sales, down from the previous month of 3.9%. Short sales dropped -27.4% year-over-year. Lender owned sales dropped -10.2% year-over-year.

Lender owned sales are MLS sales 3/1/2017 to 3/31/2017 where Lender Owned/REO, HUD Owned Property special listing conditions were selected
 Short sales are MLS sales 3/1/2017 to 3/31/2017 where Short Sale Aprvl Req, Previously Aprved SS or Lender Approved SS special listing conditions were selected



Days on market were down -3 days year-over-year while month-over-month decreased -5 days.

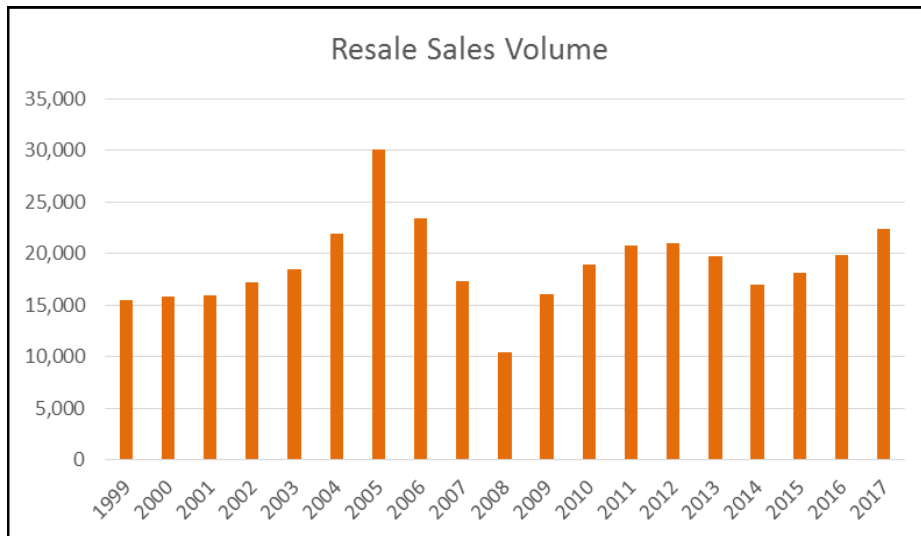
Average of all closed listings 3/1/2017 to 3/31/2017 where DOM was greater than 0

COMMENTARY

by Tom Ruff of The Information Market

Sales continue to be hot, even taking into consideration the fact that we are in the high season. MLS sales volume for the first three months of 2017 was 11.54% higher than 2016. There were 21,483 sales reported in Q1 2017 compared to 19,261 for the first quarter of 2016.

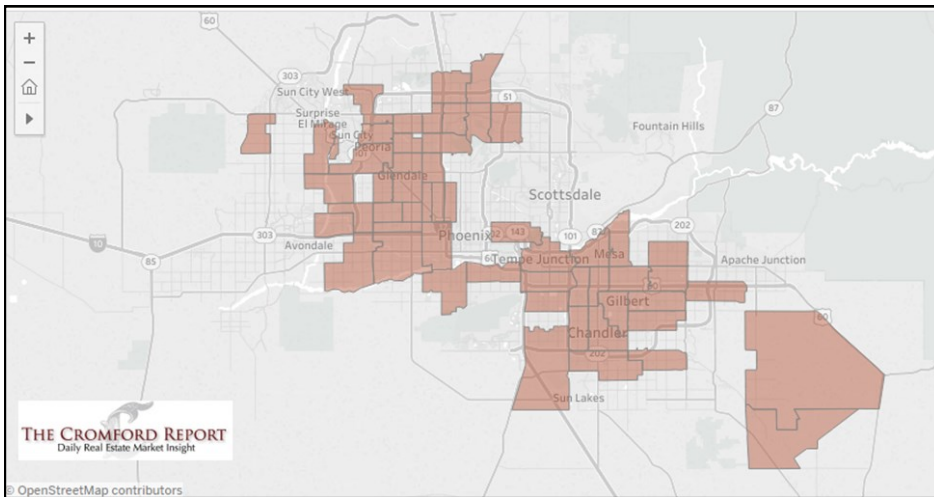
Looking at public record resale sales volume in Maricopa County for the first quarter of 2017, we see that it was the third highest volume in the 19 years we've reported data. Only the peak bubble years of 2005 and 2006 had higher resale sales volume.



A cool top and a smoking hot bottom doesn't just describe my upcoming summer wardrobe, it's also an apt description of the current state of our resale housing market. This month in STAT we take a closer look at our feverish bottom price ranges.

Contract ratios were created by Michael Orr of the Cromford Report as a means to communicate the relationship between supply and demand in a given market area. Cromford translates the contract ratio as: 0-20 is Cool, 21-40 is Warm, 41-74 is Warmer, 75-99 is Hot and 100+ is a FRENZY!

The next map below shows the contract ratio by ZIP code for the frenzied markets in the Phoenix Metropolitan Area. The contract ratio is calculated by dividing the number of homes under contract by the number of active listings. The map below also identifies the areas where the contract ratio is greater than 100, meaning the number of homes under contract is greater than the number of active listings. An example would be 85033 where currently there are 108 homes under contract and 73 active listings leaving a contract ratio of 147. Also displayed are the frenzied ZIP codes, not to be confused with the friend zone.

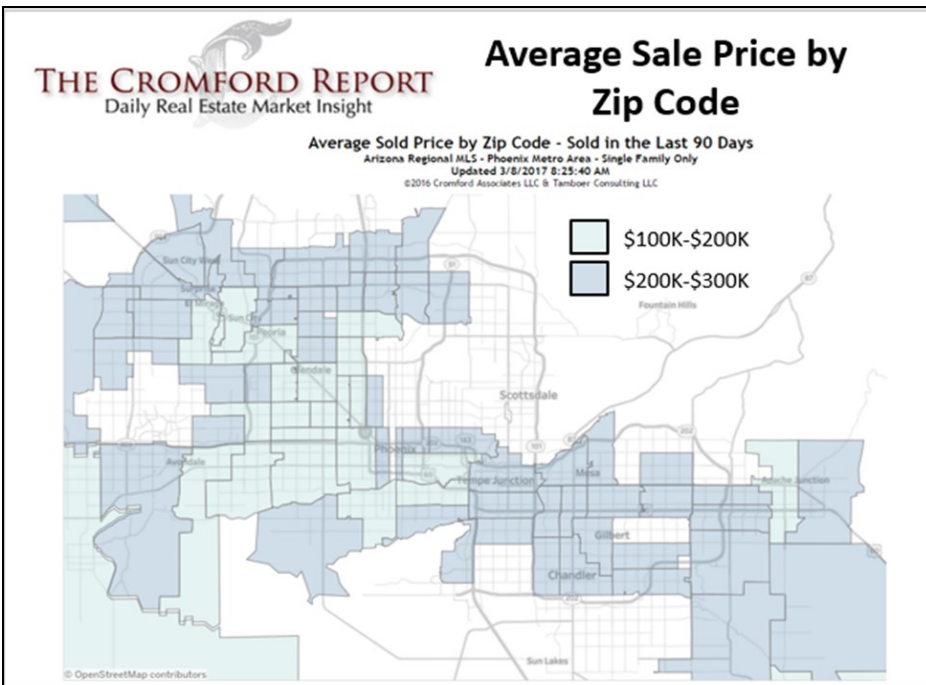


With insufficient supply and strong demand from entry level buyers, I see no relief in sight. We are just now seeing the beginning ground swell of millennial buyers. Couple a large population base of looming buyers with a median new build price of \$320,000 and I see little to no immediate relief of added inventory for homes priced below \$300,000. Home prices in these areas will continue to rise as will our overall median sales price. Properties listed in these areas and price points find the selling agents confident and the buying agents frantic.

The common thread for the hottest of the hot sectors of our market is price point. When we view a zip code map showing the average sales price between \$100,000 and \$200,000 and then again \$200,000 to \$300,000, we see a remarkable similarity between the two maps.

The ARMLS Pending Price Index (PPI)

Last month STAT projected a median sales price for March of \$229,000. The actual median sales price was \$230,000, \$1,000 higher than the \$229,000 projected by our mathematical model. In 2016 our mathematical projections tended to be lower than the actual results for most of the year, it appears our model is following a similar path in 2017. Looking ahead to April, the ARMLS Pending Price Index projects a median sales price of \$233,000. With limited supply and steady demand, particularly at the lower price points, I fully expect the median in April to exceed March.



MLS sales volume in March was 9,116 or 8.4% higher than the total of 8,412 last year, accounting for 166 more sales than our projected total of 8,950. Sales volume for the first three months of 2017 is 11.54% higher than 2017, with 21,483 sales in 2017 compared to 19,261 in the first quarter of 2016. We begin April with 7,616 pending contracts, 4,629 UCB listings and 544 CCBS giving us a total of 12,789 residential listings practically under contract. This com-

compares to 12,545 of the same type of listings at this time last year suggesting the sales volume in April 2017 will surpass the 8,293 of April 2016. STAT is projecting 8,800 sales in April. Note, there were 21 business days in 2016 and only 20 business days this year.