



Monthly Market Watch for Maricopa County

An overview of what is happening
in the Maricopa County
real estate market
(using December 2010 statistics)



Report overview:

This report includes MLS data for the past 36 months in Maricopa County only as provided by the FlexMLS system.

Please note that searches fluctuate daily when running these reports; these figures were obtained on 1/3/11.

A reminder that you need to meet with a real estate professional to see how statistics impact the area where you are considering selling or buying – blended statistics will not be as accurate as a more detailed report that your real estate professional can provide to help you with your decision making.

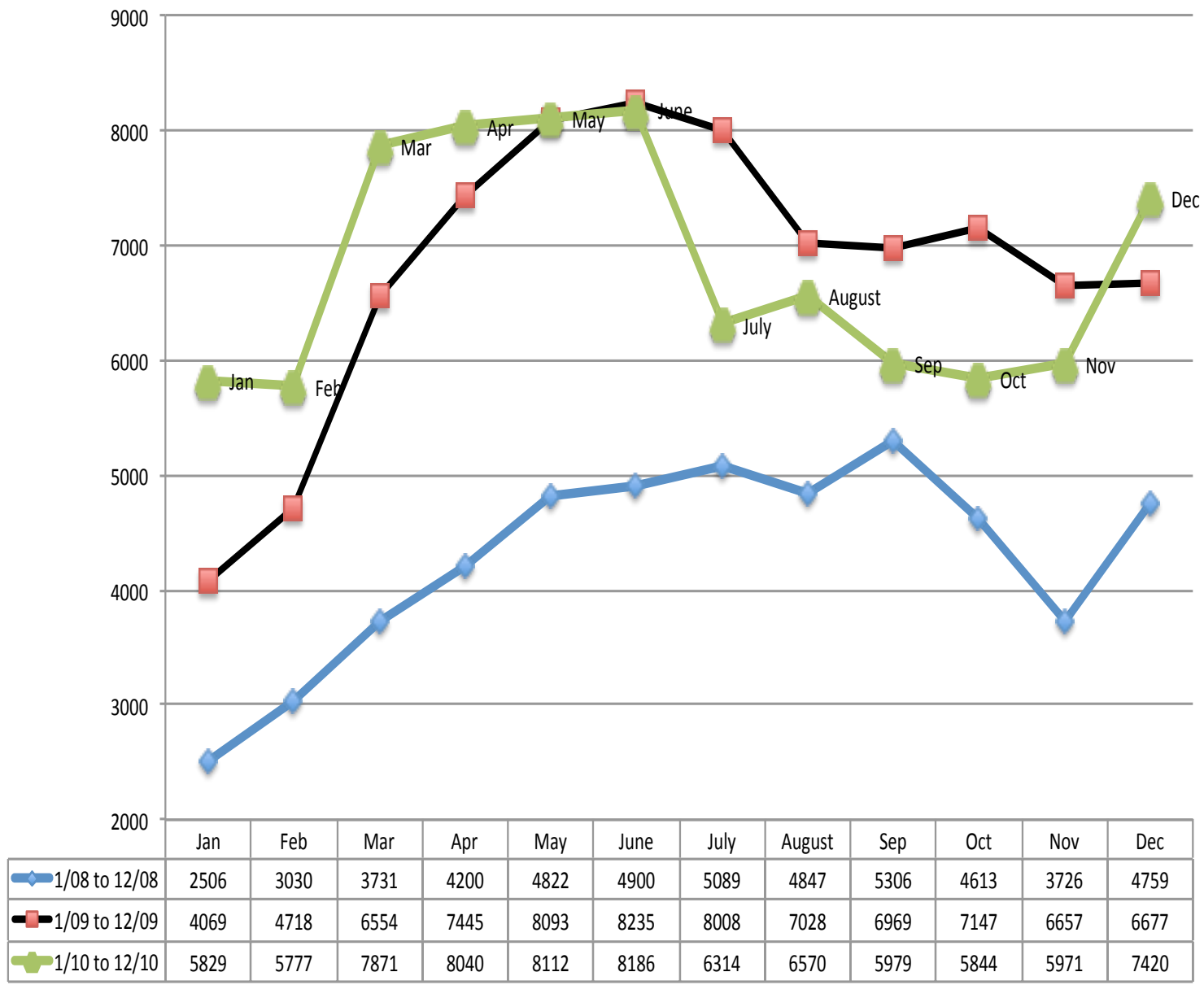




Closed Sales

Provided by Keller Williams Realty Professional Partners –
 Statistics from December 2010 MLS

Total # of Closed Sales (36 month overview)



Closed Sales Report Analysis:

Sellers:

The month of December showed an amazing **24.3% INCREASE** in the number of closed sales over the prior month. This is the highest number since June of 2010.

There is no doubt that banks were anxious to close out not just the month but the quarter AND year with closed transactions, resulting in a larger number of homes finding new owners. It will be important to monitor this trend as we move into a new year.

Buyers:

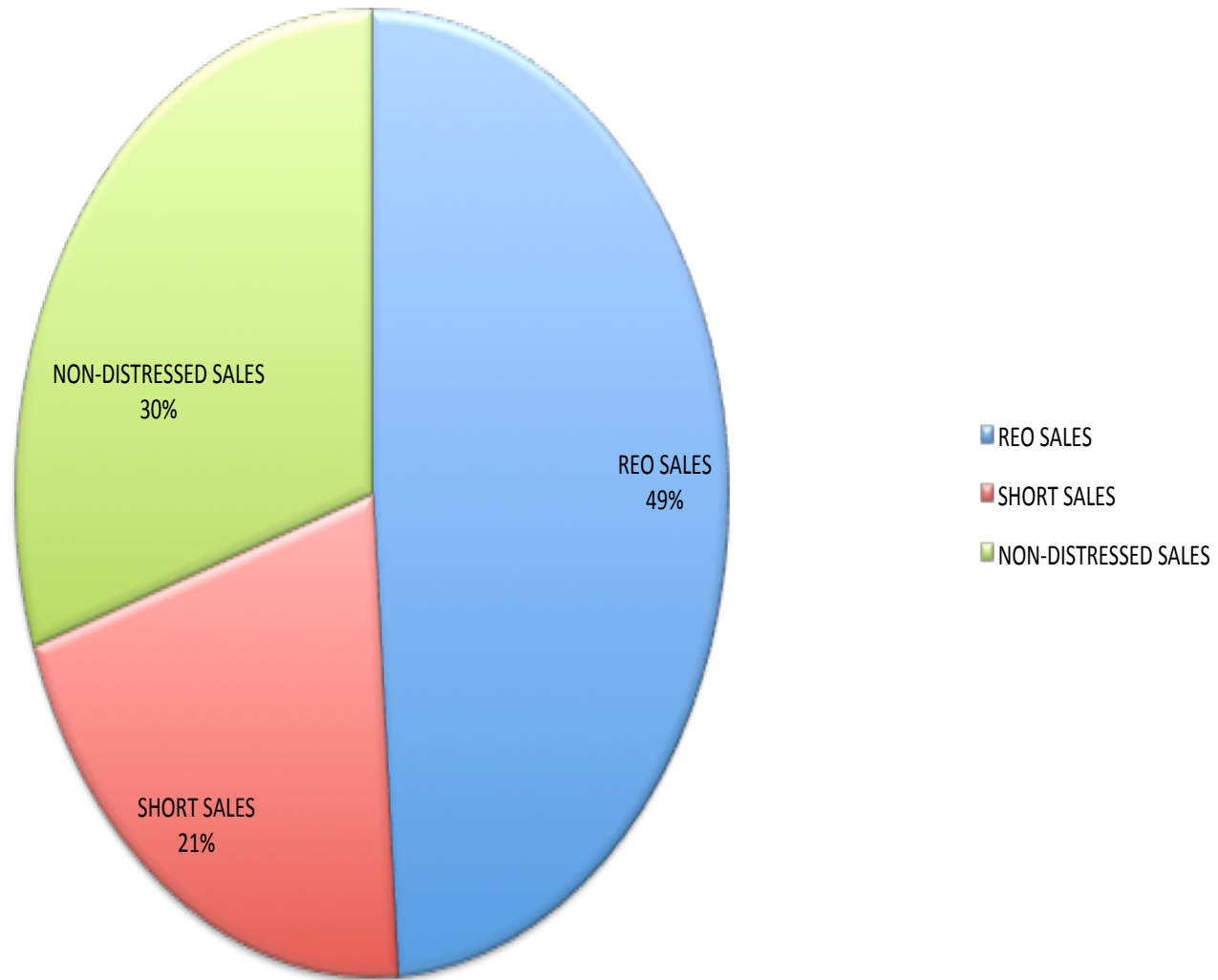
For buyers, this means that buyers are no longer waiting. They realize the recent increase in interest rates could continue and wanted to make sure they were able to take advantage of the current rates. Buyers need to pay careful attention to the long-term cost of waiting vs. finding a home in today's market. Continue to watch these numbers, as it will help you and your real estate professional understand what type of incentives and assistance you may or may not be able to request.





REO, SHORT SALE & NON-DISTRESSED SALES COMPARISON

December 2010



Distressed Sales

Provided by Keller Williams Realty Professional Partners –
Statistics from December 2010 MLS



Distressed Sales Analysis:

A bank owned/foreclosure home is one that the seller no longer owns – it has been taken over by the lender(s) who had a note on the home. Short sales are homes where the seller is negotiating with the bank to “forgive” a portion of the debt in order to avoid foreclosure.

December statistics saw the % of foreclosures and short sales increase, resulting in the % of non-distressed homes sales decreasing in Maricopa County. Banks were no doubt eager to close out their books for 2010 with fewer homes on the market, resulting in more closed sales last month. Sellers and buyers need to monitor this trend to see how the banks respond in 2011 AND how they treat the shadow inventory that currently exists but has not yet been made available to buyers.

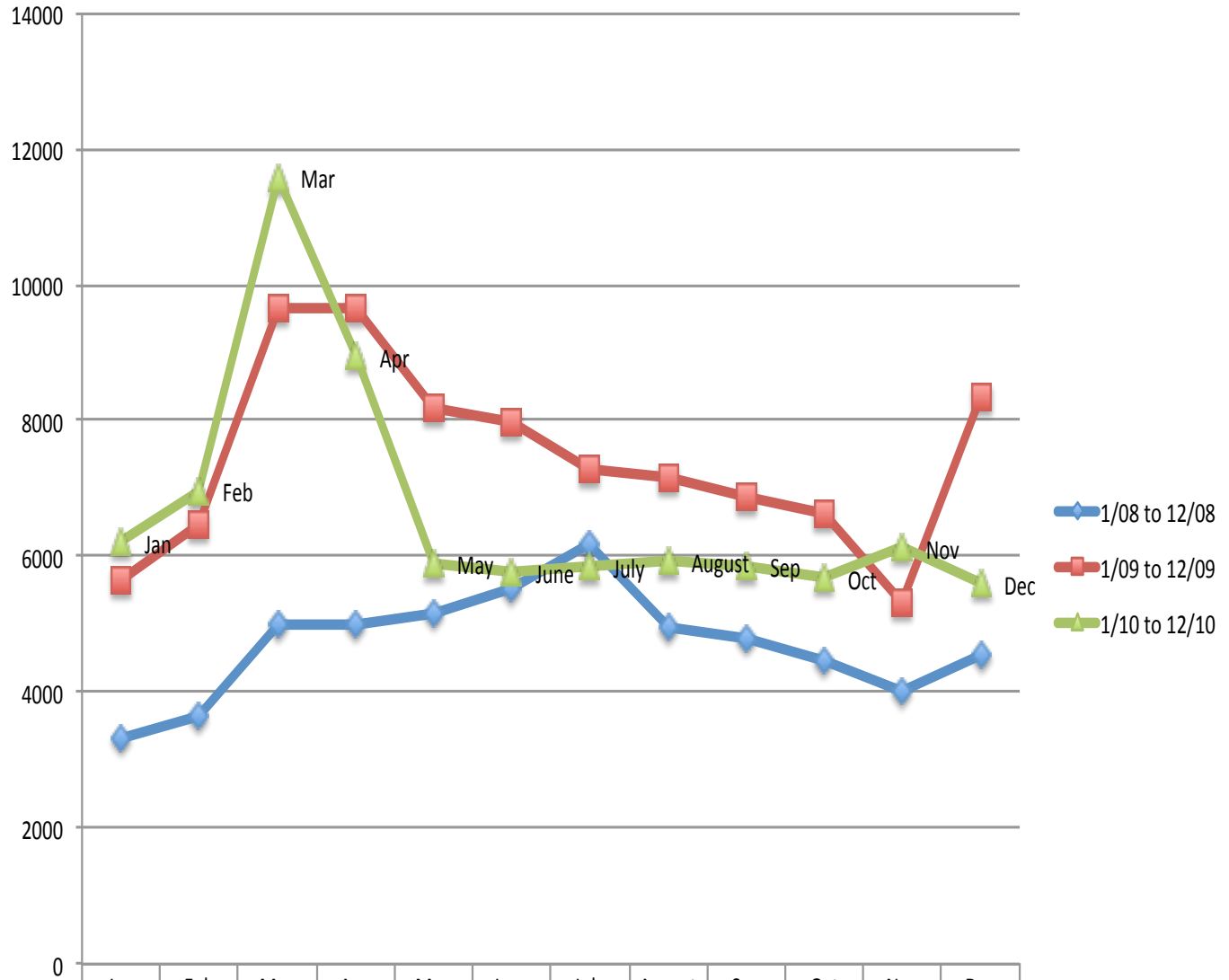


Pending Sales

Provided by Keller Williams Realty Professional Partners –
 Statistics from December 2010 MLS



Total # of Pending Sales (36 month overview)



	Jan	Feb	Mar	Apr	May	June	July	August	Sep	Oct	Nov	Dec
1/08 to 12/08	3316	3654	5012	5012	5164	5539	6177	4963	4796	4449	4031	4552
1/09 to 12/09	5662	6470	9641	9641	8190	7969	7300	7179	6882	6624	5321	8331
1/10 to 12/10	6204	6975	11584	8946	5905	5772	5855	5936	5861	5674	6125	5595

Pending Sales Report Analysis:

Sellers:

Over the past 7 months, pending sales have remained fairly consistent. During the prior 2 years, the market saw an increase in the number of pending sales during the month of December. However, last month saw a **decrease** of 8.65% in the number of homes that entered pending status. This is the lowest number since November of 2009. Sellers should monitor this information to see what impact, if any, it might have on future sales.

Buyers:

Buyers need to pay careful attention to projected market trends. Experts are projecting that interest rates will continue to rise ... late November already has shown an increase. If that is the case, buyers need to be diligent in finding the right home in order to lock in the lowest possible interest rate. Continue to work with your real estate professional to make sure you are aware of trends in more homes entering the market as the banks move forward with selling their foreclosure inventory.

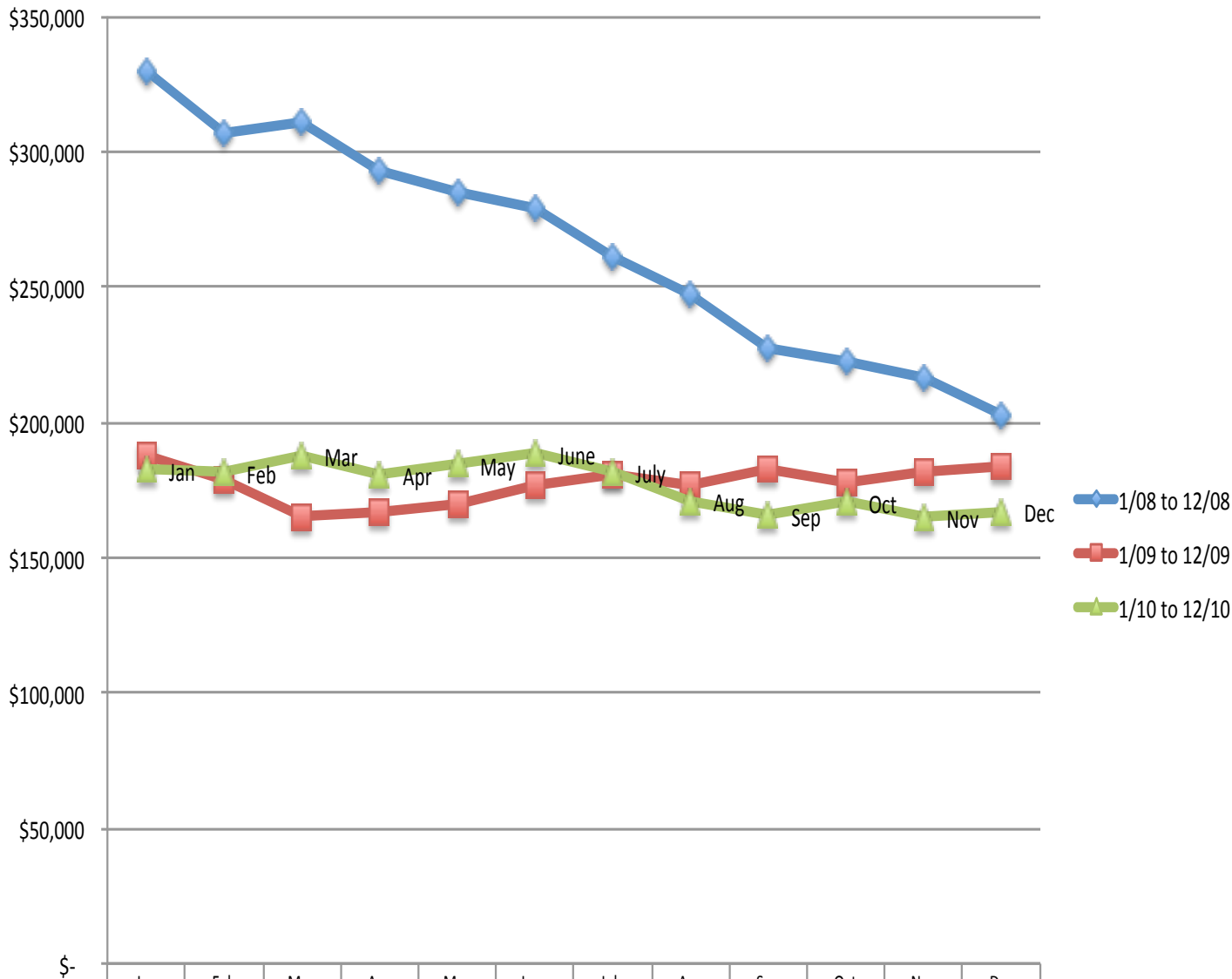




Average Sales Price

Provided by Keller Williams Realty Professional Partners –
 Statistics from December 2010 MLS

Average Sales Price (36 month overview)



	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec
1/08 to 12/08	\$329,909	\$307,045	\$310,472	\$293,464	\$284,632	\$278,957	\$261,238	\$247,587	\$227,672	\$222,284	\$216,819	\$202,801
1/09 to 12/09	\$188,174	\$178,659	\$165,298	\$166,355	\$169,800	\$177,246	\$181,038	\$176,326	\$182,231	\$177,512	\$181,895	\$184,008
1/10 to 12/10	\$182,387	\$181,472	\$187,979	\$180,896	\$184,312	\$188,568	\$181,730	\$171,036	\$165,730	\$170,326	\$165,108	\$167,154

Average Sales Price Analysis

Sellers:

The month of December saw a slight increase in the average sales price of homes that closed during that month. This was a 1.2% increase meaning that the average closed sales price was \$167,154 last month. Continue to watch this graph to see how interest rates, inventory, and changing lender requirements impact this price.

Buyers:

For buyers, this means the average buyer paid MORE for a home in December than in the prior month. For buyers who are waiting for prices to drop OR who want to make offers well below list price, it is vital that you are consulting with a real estate professional to watch this trend and determine what price is appropriate for a home based on what the seller is asking. As inventory decreases, sellers may be able to ask more for homes than they have been able to in the past.

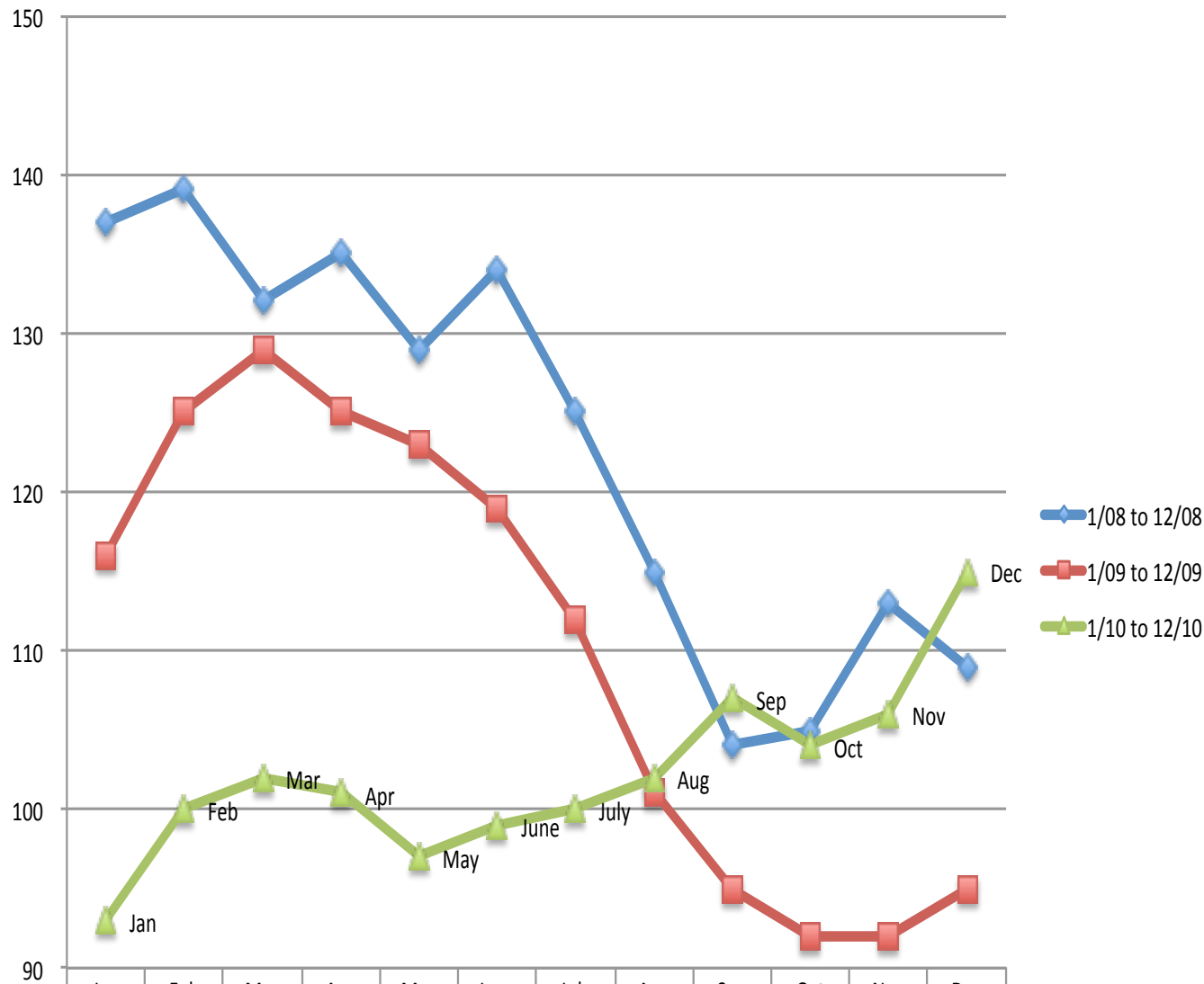




Average Days on Market

on Market
 Provided by Keller Williams Realty Professional Partners –
 Statistics from December 2010 MLS

Average Days on Market (36 month overview)



	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec
1/08 to 12/08	137	139	132	135	129	134	125	115	104	105	113	109
1/09 to 12/09	116	125	129	125	123	119	112	101	95	92	92	95
1/10 to 12/10	93	100	102	101	97	99	100	102	107	104	106	115

Average Days on Market Analysis

Sellers:

After 8 months of seeing this average decrease, December saw an average increase of 9 days. This increase means that the average home is taking 115 days to close from the time it is shown being under contract. This is the highest this number has been since June of 2009. Sellers need to watch this trend ... the higher the number, the longer it is taking for a home to close.

Buyers:

Buyers need to be aware of this number because it is an indicator of how long sellers are having to wait to go under contract and close. The higher the number, the more control a buyer normally has. Even if we have an addition of homes to the market via foreclosures, buyers need to understand that competition for great homes continues to remain very high, especially in the lower price ranges. The importance of having a reliable lender AND real estate professional to guide you through this process has never been more important.

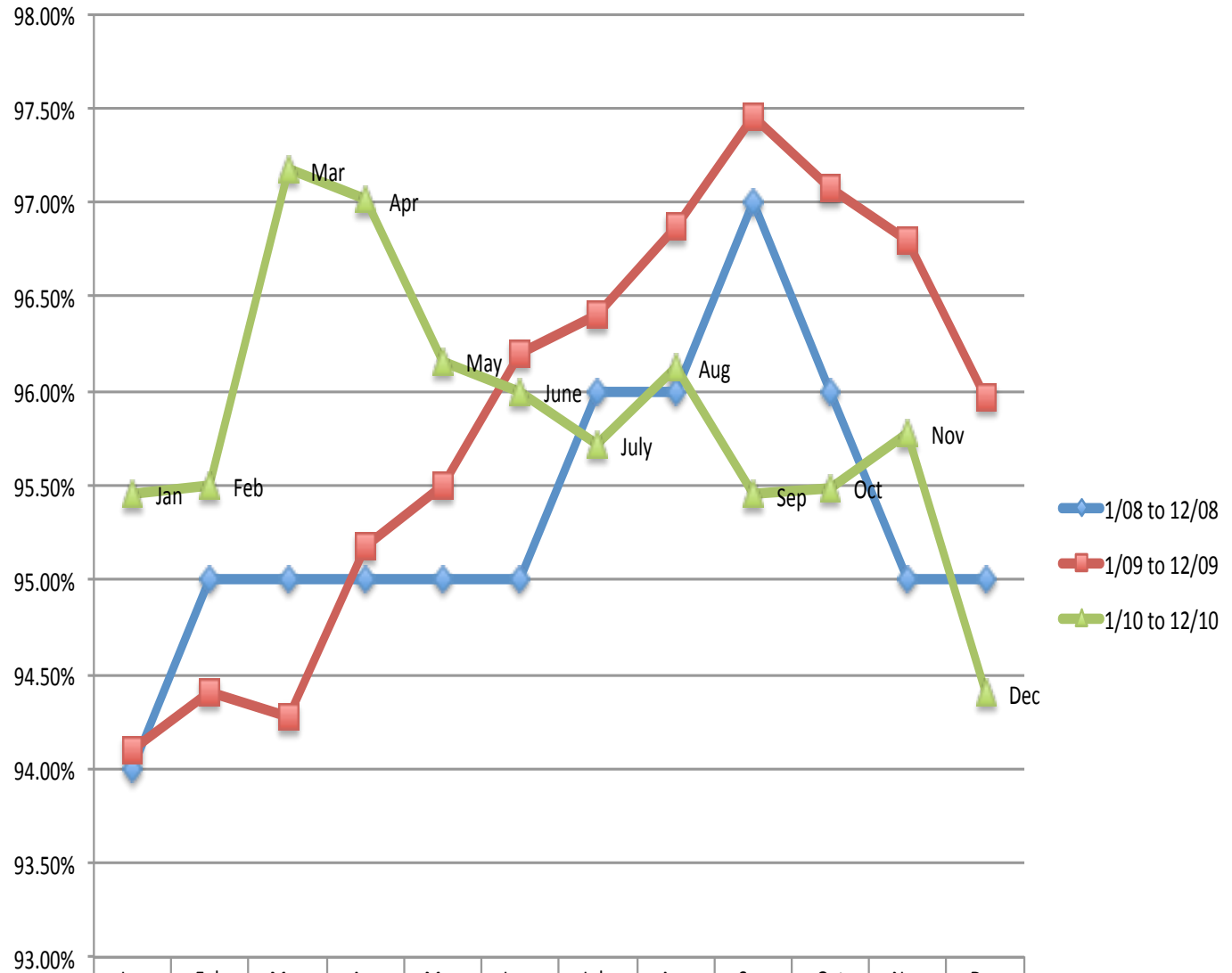




Average List to Sales Price Ratio

Provided by Keller Williams Realty Professional Partners –
 Statistics from December 2010 MLS

Average List to Sales Price Ratio (36 month overview)



	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec
1/08 to 12/08	94.00%	95.00%	95.00%	95.00%	95.00%	95.00%	96.00%	96.00%	97.00%	96.00%	95.00%	95.00%
1/09 to 12/09	94.10%	94.40%	94.28%	95.18%	95.50%	96.20%	96.40%	96.87%	97.45%	97.08%	96.80%	95.96%
1/10 to 12/10	95.46%	95.50%	97.17%	97.01%	96.16%	96.00%	95.72%	96.13%	95.45%	95.49%	95.78%	94.40%

List to Sale Price Ratio Analysis

Sellers:

The month of December saw a dramatic decrease of 1.38% in the list to sales price ratio ... the lowest this number has been since February of 2009. This statistic reveals how close the actual sales price was to the list price on a home. In November, the average was 95.78% -- December was 94.4%. Continue to watch this trend, as it will impact how homes should be priced in the current market in order to appeal to the buyers.

Buyers:

Buyers need to pay attention. This number means that buyers have a little more buying power than they have for several months. Although the average is less than 100%, on lower priced/highly desirable properties buyers **may** still have to pay above list price. Since a home must appraise in order to obtain a loan, underwriters are looking very closely at prices and making sure that homes are selling at or below market value. Make sure your real estate professional helps you understand the competitiveness of the list price of the home you are wanting to purchase. You also need to be aware of the interest and sales activity in the area where you are wanting to buy and how the offer you are making competes with the market AND with any trends relative to the price at which homes are actually selling in the areas you have an interest.

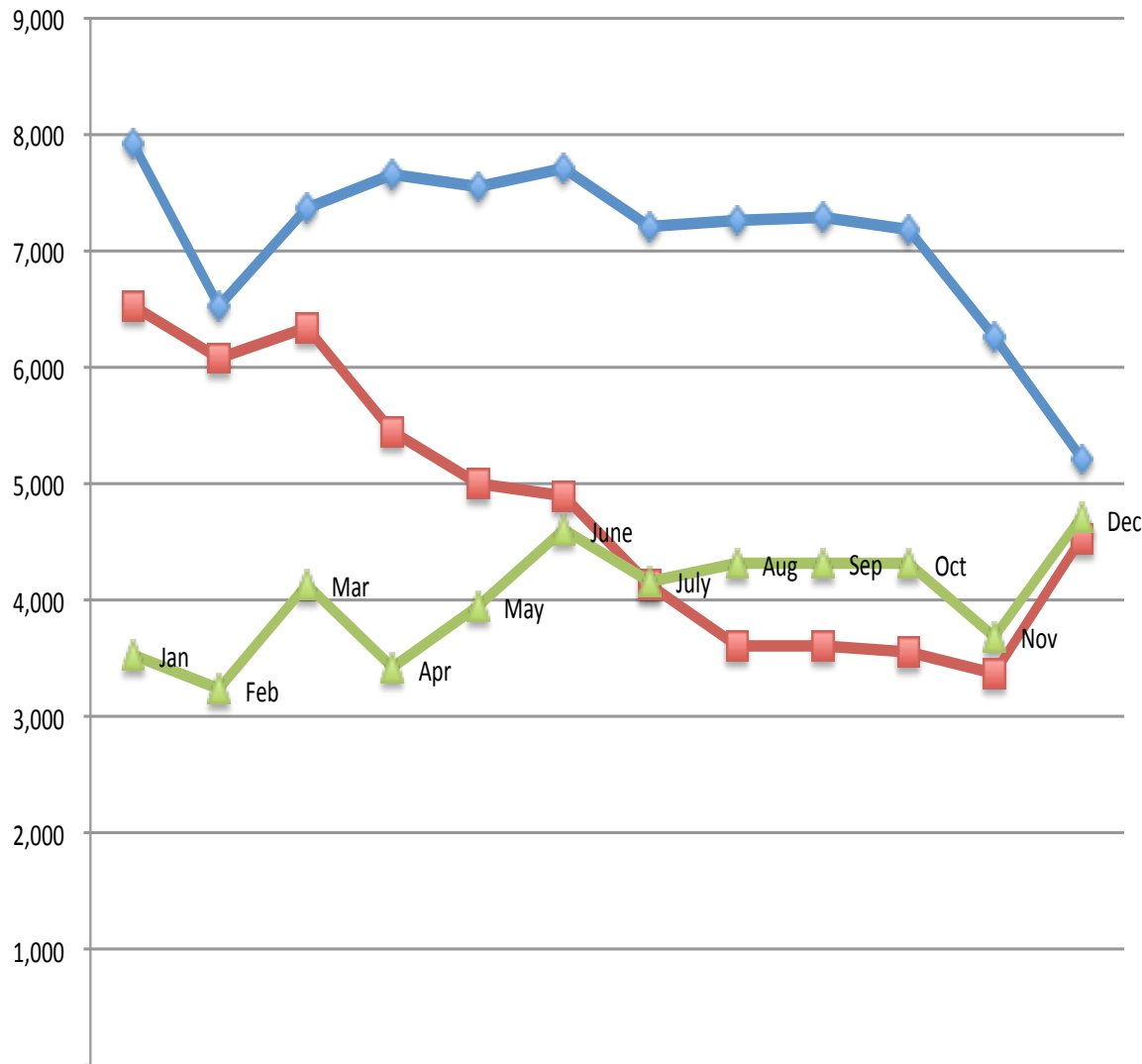




Monthly Expired & Cancelled Listings

Provided by Keller Williams Realty Professional Partners –
 Statistics from December 2010 MLS

Monthly Expired and Cancelled Listings (36 month overview)



	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec
1/08 to 12/08	7,924	6,511	7,357	7,657	7,546	7,707	7,193	7,247	7,291	7,179	6,252	5,221
1/09 to 12/09	6,517	6,062	6,342	5,441	5,006	4,899	4,126	3,596	3,601	3,564	3,361	4,533
1/10 to 12/10	3,532	3,235	4,139	3,413	3,951	4,603	4,167	4,311	4,323	4,311	3,697	4,701

Expired & Cancelled Listings Analysis

Sellers:

The month of December saw the number of expired and cancelled listings increase by 27.16% over the prior month. This means 4,701 homes were removed from the market, the highest number since June of 2009. This could be the result of homes being removed from the market because of unsuccessful short sales; traditionally, December 31 is one of the most active dates for expired listings. Serious sellers need to pay attention to all of the numbers this month ... days on the market, the average sales price, and more homes expiring from a market presence due to lack of buyer interest means sellers need to pay very careful attention to how homes are priced so they can be the first choice of buyers.

Buyers:

For buyers, be aware that there are 4,701 fewer homes to consider. This means buyers will have to be more patient with homes still active AND be prepared to act quickly on available homes. Continue to watch this trend, as this, combined with price, days on market, and list to sales price ratio are an important indicator of what buyers need to do in order to be successful in closing on the home of their dreams.





INVENTORY OVERVIEW

Following is an overview of what is happening with the inventory of homes currently available in Maricopa County and the MLS.





New Listings

Provided by Keller Williams Realty Professional Partners –
 Statistics from December 2010 MLS

New Listings (by month)



	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec
1/08 to 12/08	14115	11469	11864	12010	11334	11845	11831	11872	12412	12682	10728	10217
1/09 to 12/09	11195	10915	12375	9346	9336	10674	10804	10666	10673	11247	9315	8830
1/10 to 12/10	11382	11037	12684	11861	10036	10669	10744	11255	11116	10726	9716	8363

New Listings Analysis

Sellers:

Statistics for the month of December showed a significant decrease of 1,353 new listings over the prior month. This means there were 8,363 NEW properties entering the market – they could be traditional sales OR they could be distressed sales. This follows the normal trend in December where fewer new listings enter the market in the last month of the year. It will be important to watch this statistic to see how sellers introduce new inventory in 2011.

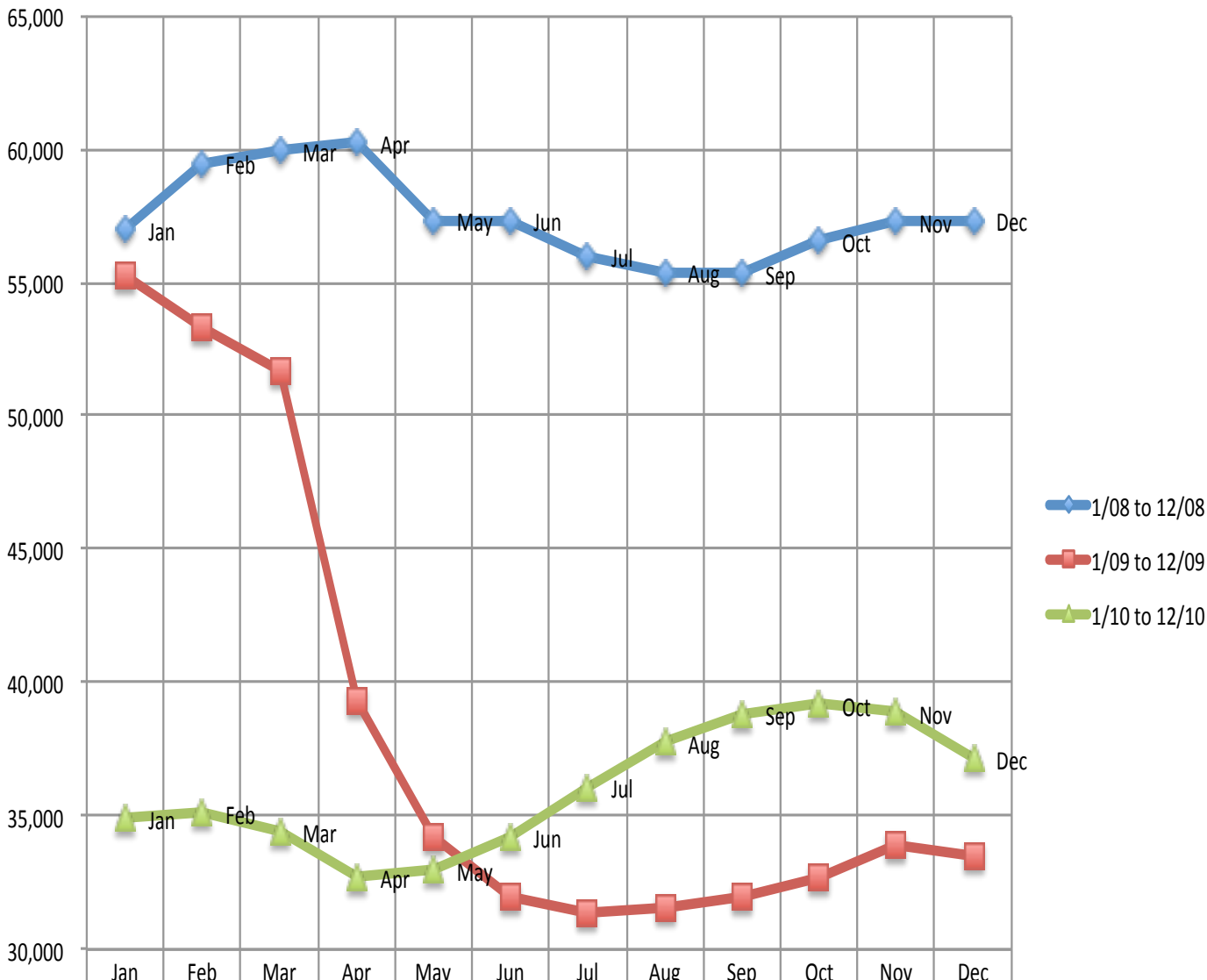
Buyers:

This is important news for buyers, as it means there are still more homes entering the market, but the pace has slowed, as is normal during this time of year. It is very important that you continue to spend time with and listen to your real estate professional to develop your strategy for succeeding in a market that is constantly changing. Be prepared: as fewer homes enter the market, there will definitely be more competition for the best values.

A red and white 'FOR SALE' sign is positioned in the bottom right corner of the slide, tilted at an angle.



Active Listings in ARMLS (36 month Summary - Residential in ARMLS)



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
1/08 to 12/08	56,995	59,495	59,954	60,227	57,342	57,342	56,005	55,400	55,323	56,561	57,264	57,350
1/09 to 12/09	55,247	53,313	51,679	39,286	34,195	32,010	31,375	31,591	31,962	32,658	33,962	33,460
1/10 to 12/10	34,906	35,114	34,426	32,728	32,970	34,224	36,097	37,754	38,838	39,176	38,876	37,159

Active Listings

Provided by Keller Williams Realty Professional Partners -
 Statistics from December 2010 MLS

Active Listings Analysis

Sellers:

Following the trend of the prior 2 years, December saw a slight decrease in the number of active listings. This is due to the increased number of closed sales AND expired/cancelled listings. Sellers need to make sure that they continue to watch what the banks are doing with foreclosed properties and how they are responding to short sales to ensure that homes are competitive with other homes on the market.

Buyers:

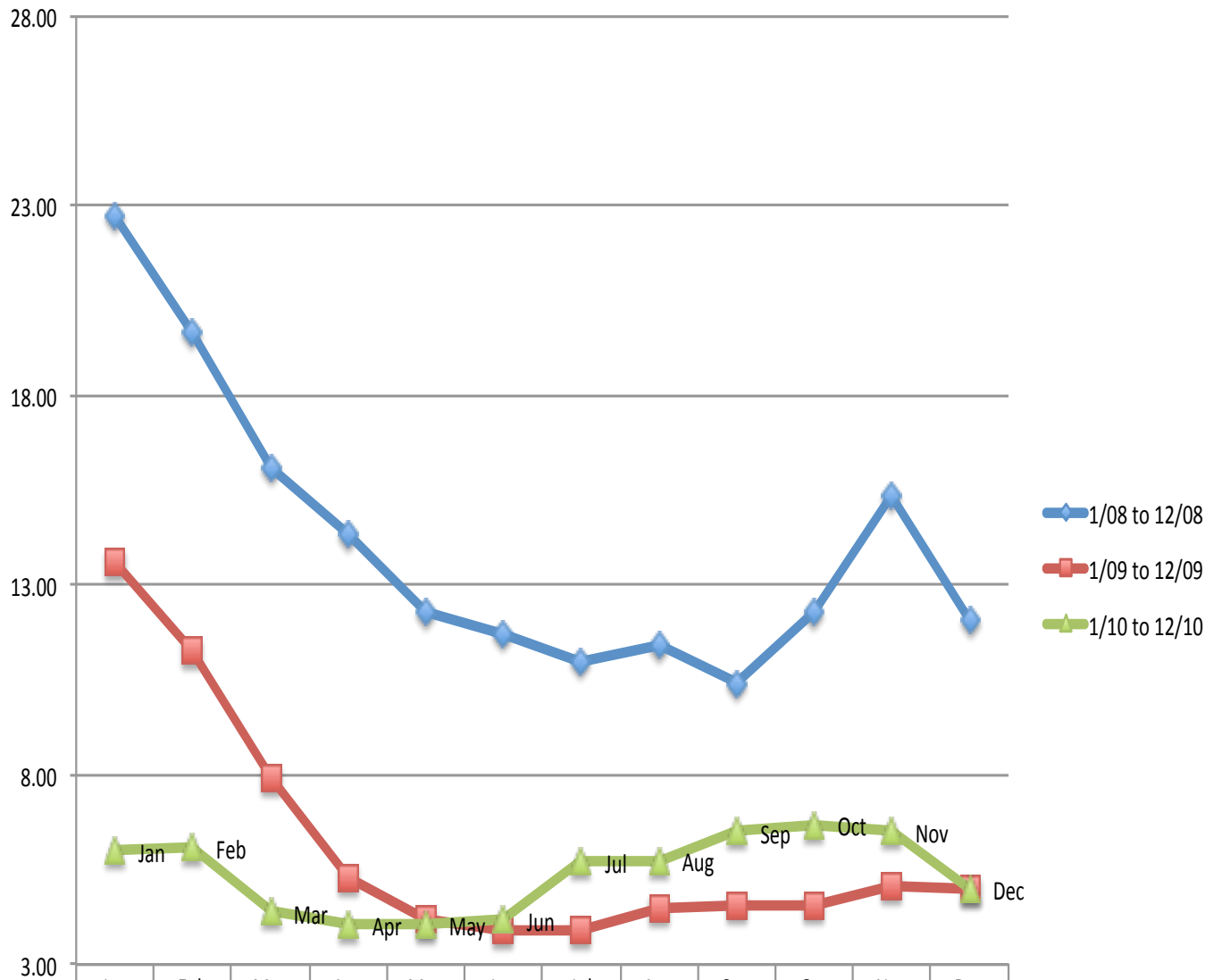
Buyers still have inventory to preview. Continue to monitor this statistic, as it WILL be the statistic that indicates how much new inventory you will have to preview ... the lower the number, the more likely the competitiveness for lower priced homes will remain part of the current market. As always, market activity is local and should be researched with your real estate professional to determine the activity and desirability of the homes that are of interest to you.



FOR SALE



Months of inventory (36 month overview)



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
1/08 to 12/08	22.74	19.64	16.07	14.34	12.27	11.70	11.01	11.43	10.43	12.26	15.37	12.05
1/09 to 12/09	13.58	11.30	7.89	5.28	4.23	3.89	3.92	4.50	4.59	4.57	5.10	5.01
1/10 to 12/10	5.99	6.08	4.37	4.07	4.06	4.18	5.72	5.75	6.50	6.70	6.51	5.01

Months of Inventory

Provided by Keller Williams Realty Professional Partners –
 Statistics from December 2010 MLS

Months of Inventory Analysis:

(This report has been generated by taking the number of active listings and dividing it by SALES for the past month)

Sellers:

December showed a significant decrease of 1.5 months of available inventory to an average of 5.01 months after a fairly flat 12-month period. This is the lowest average since June of 2010 and now means, that on average, we have just about re-entered a seller's market that is identified when this statistic reflects 5 months or less of inventory. This means sellers have less competition for buyers. It continues to be very important for you and your real estate professional to monitor this number so that you can make sure your home is priced accordingly in order to become the choice of the buyer pool.

Buyers:

Buyers will want to seriously monitor this, as it indicates a shift away from the balanced market which traditionally gives equal control to the sellers and buyers. We are seeing this in many price ranges, resulting in significant competition for desirable homes. However, the type of market will vary from price range to price range and even area to area. Work with your real estate professional to make sure you understand the type of market you are in.

FOR SALE

Total Market Overview:

Sellers:

This report provides a detailed breakdown of homes in Maricopa County based on price ... by determining the price range where your home SHOULD sell, you can see what the average list to sales price ratio is, the average days on market, and more importantly, the percentage of homes selling in that price range. Note that as the price increases, so does the days on market AND the list to sales price ratio decreases. You will also see a lower percentage of homes selling as the price increases.

Buyers:

By reviewing the price range where you are purchasing, you can determine what the average home is selling for vs. list price. This should help you make better and more acceptable offers based on the current market.

A red and white 'FOR SALE' sign is positioned in the bottom right corner of the slide, tilted at an angle.



Total Market Overview

Provided by Keller Williams Realty Professional Partners –
Statistics from December 2010 MLS

Maricopa Cty

TOTAL MARKET OVERVIEW

DECEMBER

2010

1 MONTH OVERVIEW					1 month averages-----					
Price range 1,000s	# of Active listings	# of Pendlings & AWC	Pending Ratio	# of Expired & Cancelled listings	# of Closings Last month	Average List Price of Sold Homes	Average Sold Price	List to Sales Price Ratio	Days on Market (Agent)	Days on Market (Cumul)
0 - 99,999	10,608	5,238	49.4%	1,678	2,933	\$ 62,959	\$ 59,447	94.4%	79	102
100,000- 124,999	3,412	1,461	42.8%	498	922	\$ 113,339	\$ 106,993	94.4%	90	116
125,000- 149,999	3,101	1,400	45.1%	521	830	\$ 137,928	\$ 132,419	96.0%	91	112
150,000- 174,999	2,147	968	45.1%	303	552	\$ 162,667	\$ 157,223	96.7%	82	112
175,000- 199,999	2,073	766	37.0%	284	443	\$ 188,223	\$ 181,127	96.2%	88	109
200,000- 224,999	1,137	423	37.2%	134	235	\$ 213,739	\$ 207,036	96.9%	88	127
225,000- 249,999	1,291	501	38.8%	202	285	\$ 237,267	\$ 228,611	96.4%	84	110
250,000- 299,999	1,654	632	38.2%	252	388	\$ 276,288	\$ 265,934	96.3%	91	119
300,000- 349,999	1,085	348	32.1%	149	213	\$ 326,221	\$ 313,099	96.0%	115	137
350,000- 399,999	959	281	29.3%	147	171	\$ 377,053	\$ 359,864	95.4%	112	134
400,000- 449,999	540	163	30.2%	72	79	\$ 428,070	\$ 409,184	95.6%	117	126
450,000- 499,999	543	129	23.8%	73	75	\$ 476,028	\$ 452,916	95.1%	119	127
500,000- 749,999	1,288	289	22.4%	162	157	\$ 604,231	\$ 573,682	94.9%	120	159
750,000- 999,999	758	118	15.6%	85	56	\$ 856,178	\$ 802,510	93.7%	159	226
1 million +	1,428	115	8.1%	141	81	\$ 2,043,514	\$ 1,774,904	86.9%	236	304



IMPORTANT INFORMATION:

Although these reports are beneficial in understanding the general market in Maricopa County, it is essential that you meet with your real estate professional to study these same figures in your area, as statistics will vary from neighborhood to neighborhood.

As you make decisions related to the purchase or sale of a home, it is important that you understand how the current real estate trends will impact your decisions. Your real estate professional is available to help you monitor and interpret them to make sure that you are taking advantage of the current market whether you are selling OR buying.

Summary Comments

Provided by Keller Williams Realty Professional Partners –
Statistics from December 2010 MLS