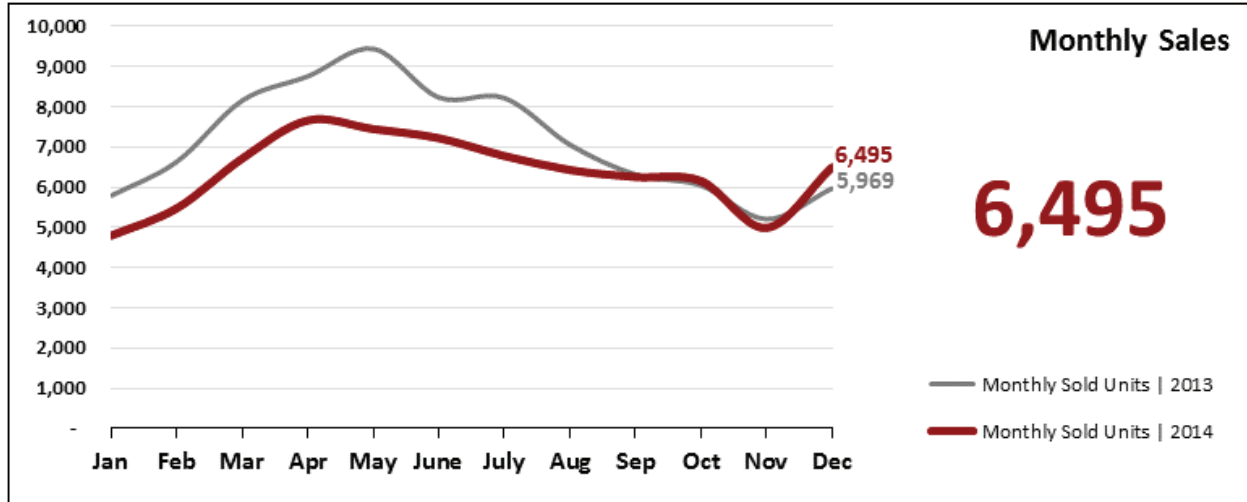




ARMLS® STAT - January 15, 2015

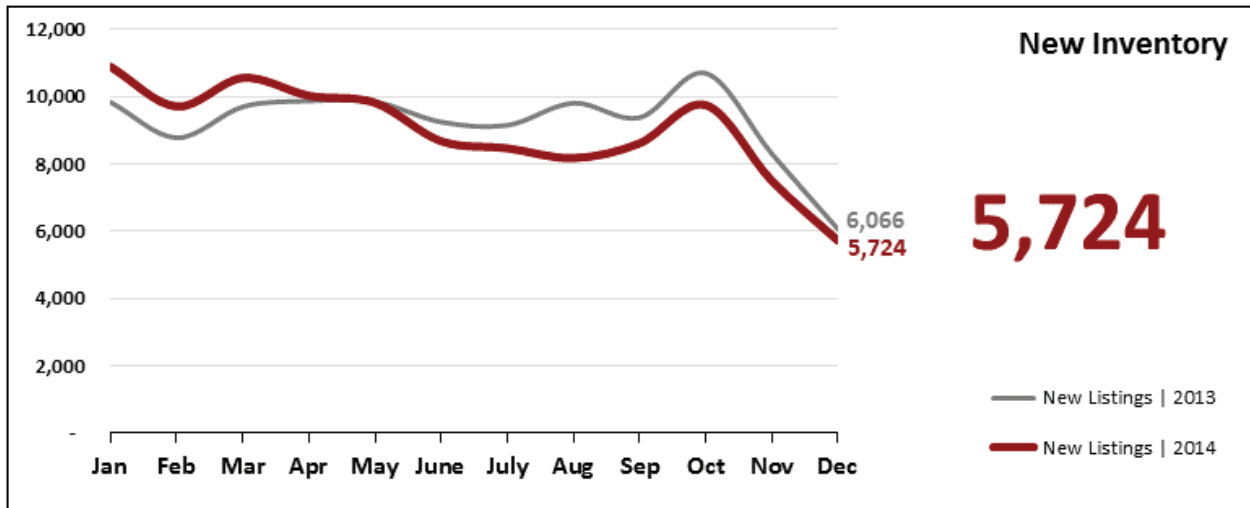
MONTHLY SALES



+8.8%, year-over-year
+30.2%, month-over-month

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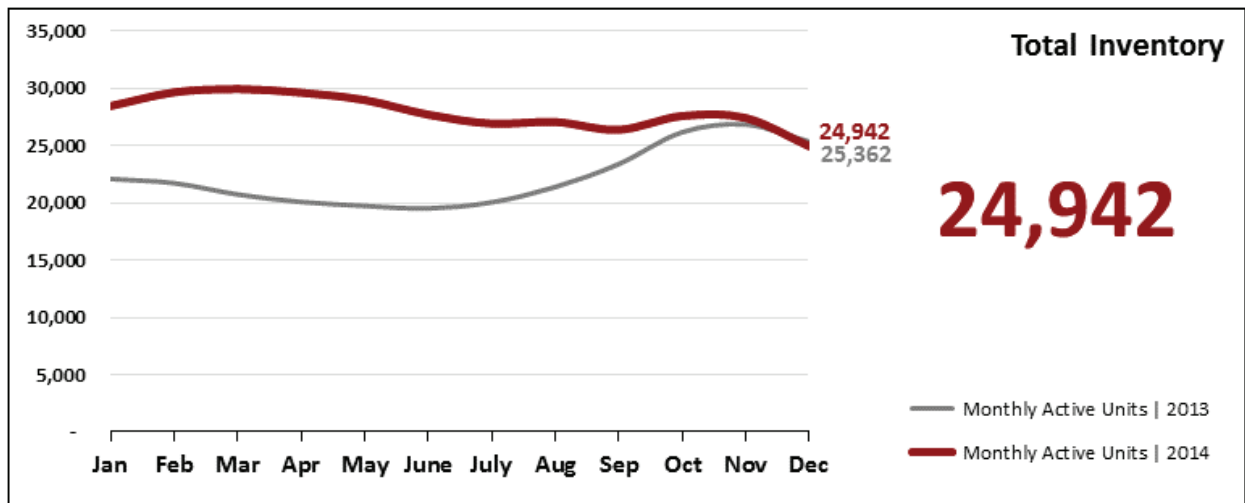
NEW INVENTORY



-5.6%, year-over-year

-23.7%, month-over-month

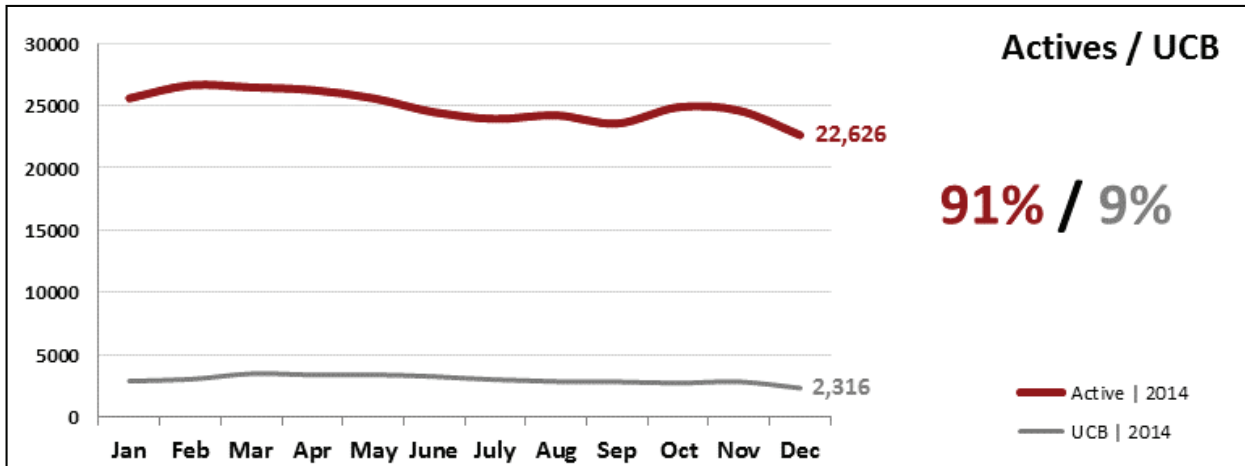
TOTAL INVENTORY



-1.7%, year-over-year

-9.0%, month-over-month

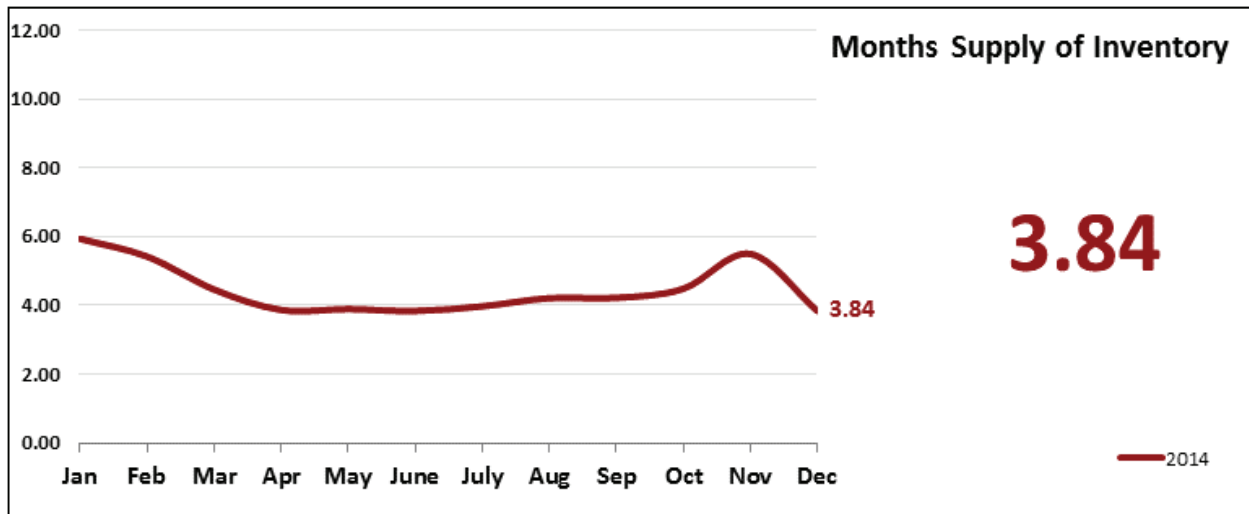
ACTIVES / UCB



+10.3%, NOV 2014 UCB percent of total Active

+9.3%, DEC 2014 UCB percent of total Active

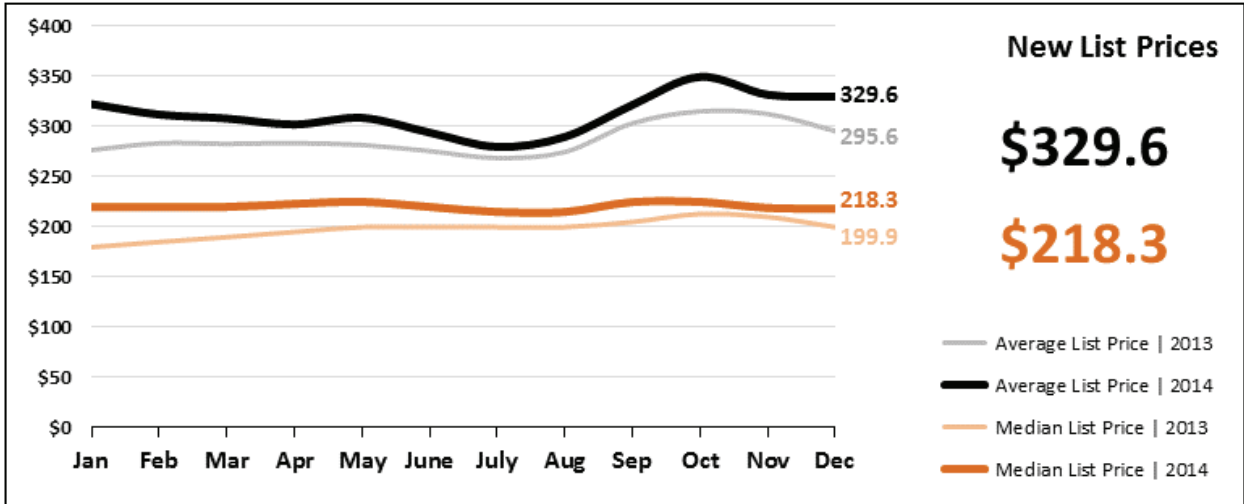
MONTHS SUPPLY OF INVENTORY



5.50, MSI NOV 2014

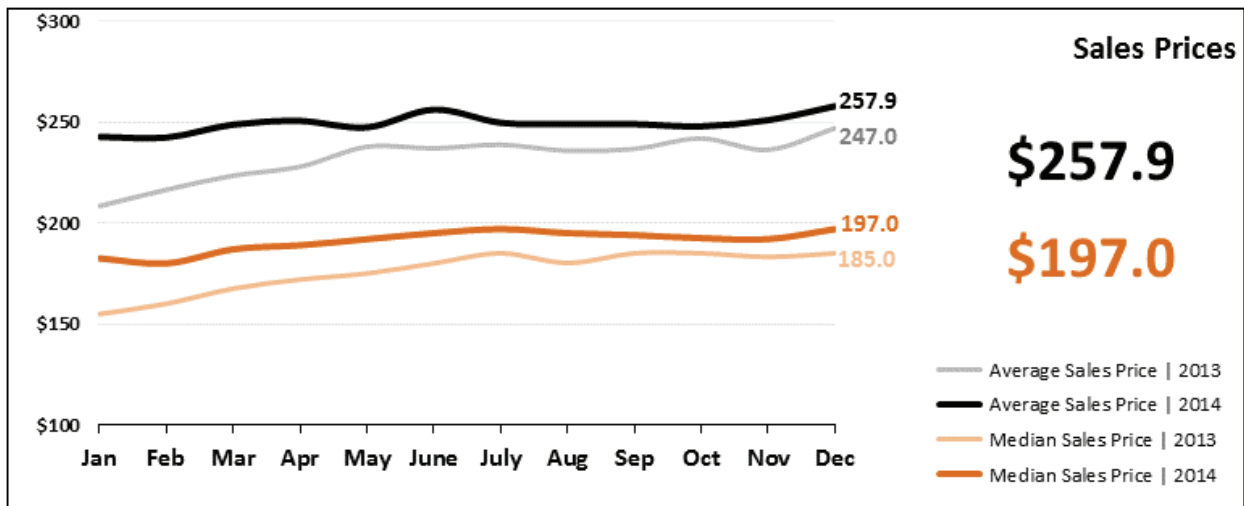
3.84, MSI DEC 2014

NEW LIST PRICES



+11.5%, year-over-year average
+9.2%, year-over-year median

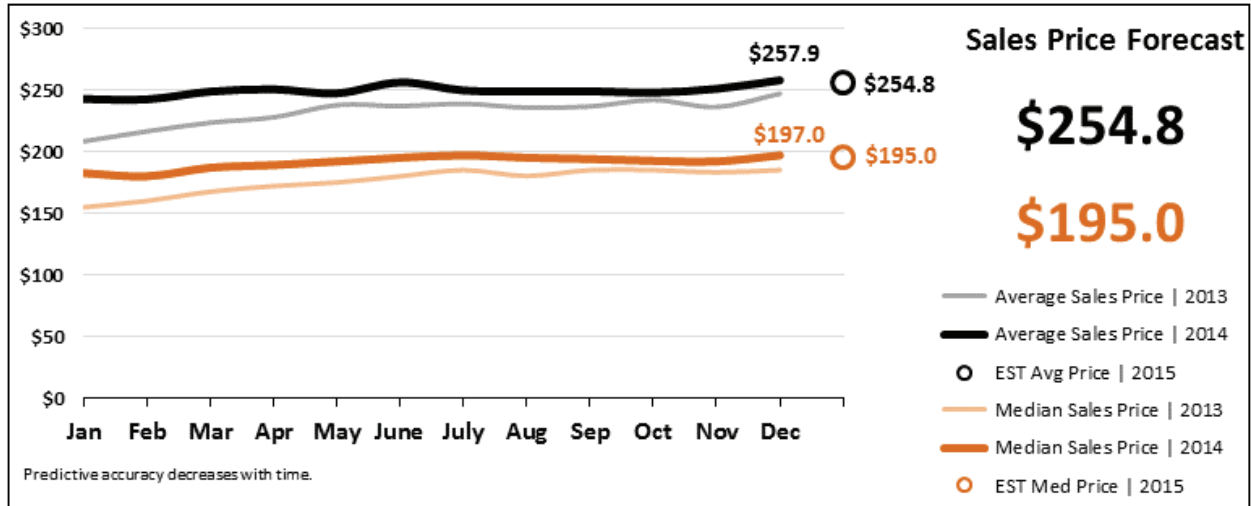
SALES PRICES



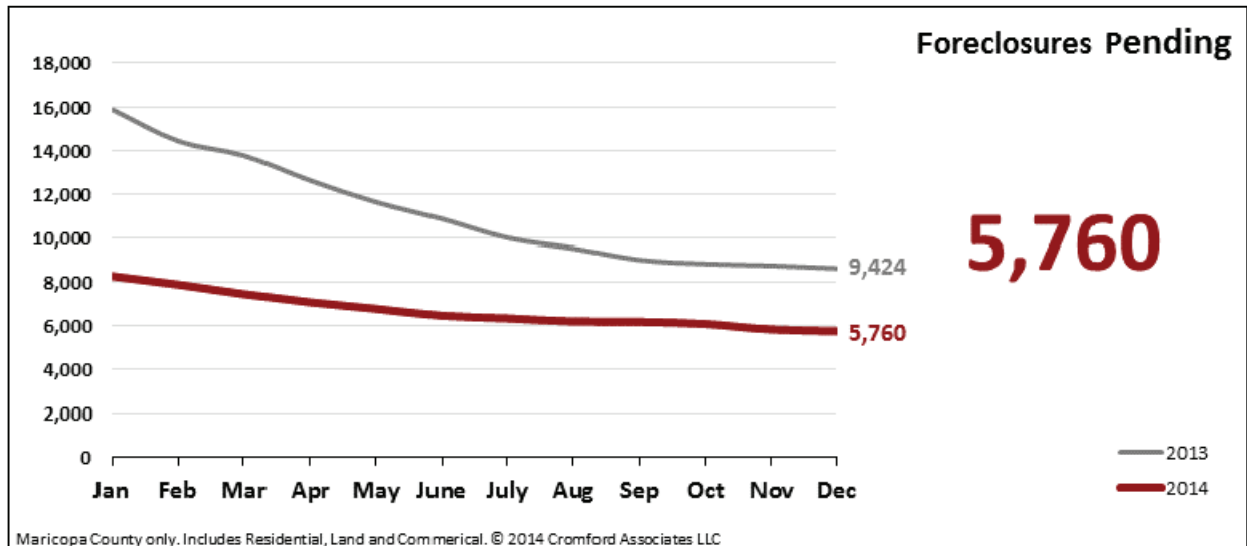
+4.4%, year-over-year average
+6.5%, year-over-year median

THE ARMLS® PENDING PRICE INDEX™

SALES PRICE FORECAST



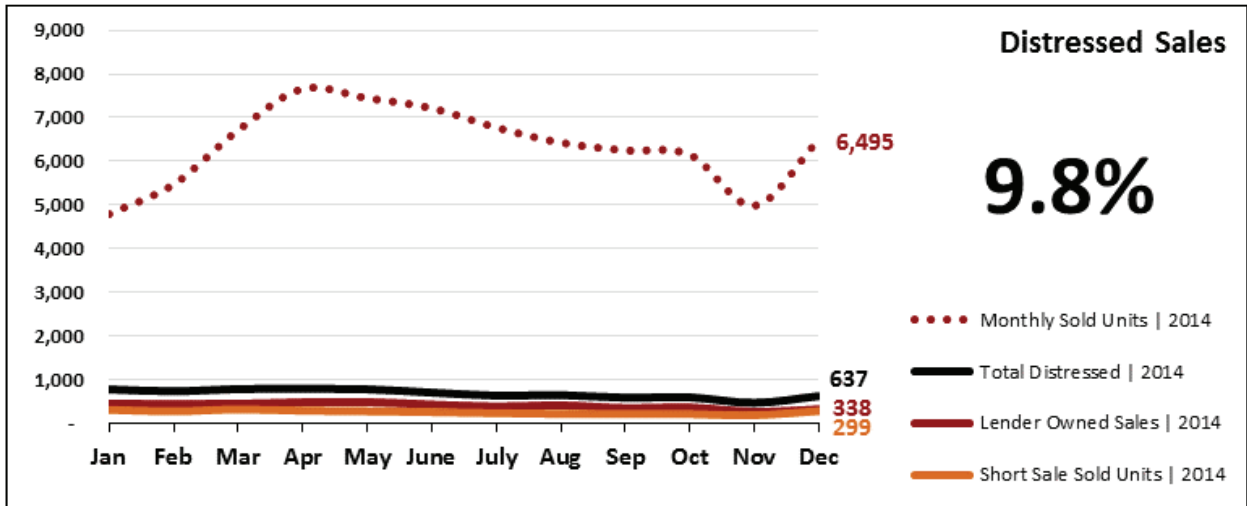
FORECLOSURES PENDING



-33.4%, year-over-year

-1.4%, month-over-month

DISTRESSED SALES

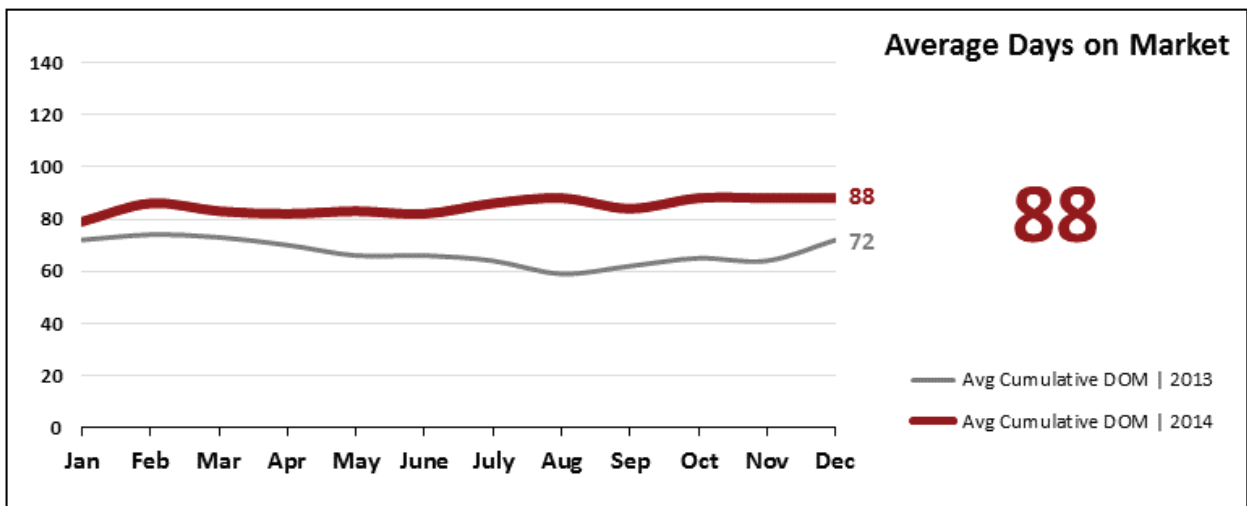


-47.5%, short sale units year-over-year

-24.9%, lender owned units year-over-year

-37.5%, total year-over-year

AVERAGE DAYS ON MARKET



+16, year-over-year

0, month-over-month

COMMENTARY

by Tom Ruff of The Information Market

2014: Year in Review

Each month in STAT our charts and commentary reflect on the previous month. For example, a December STAT issue will have November's numbers. This month our commentary will focus on year 2014 in review.

We always saw 2014 as a transitional year where our market would evolve from a cash-driven, bargain-priced, investor-based market to a healthier more sustainable market driven by the conventional home buyer. We envisioned this transition being led by two major groups: millennials and boomerang buyers with both groups needing just a bit more time to get moving.

We expected 2014 prices to remain flat and demand to remain low. We waited for the millennials to become adults and for the boomerang buyers to restore their credit. As 2014 progressed, the market trends that started back in August 2013 rolled on and on through 2014. Month after month, the biggest challenge was finding unique ways to describe the dull consistency we faced.

Our 2014 in review focuses on 5 main areas:

1.) Home Prices

There are three prominent means for tracking home prices: average sales price, median sales price and price per-square-foot. Many make the argument for one method over another. I was always a median sales price person. But 2014 taught us that we need to pay attention to all three metrics.

Median sales prices can be swayed by lower volumes and tend to congregate around round numbers.

Average sales prices and price per-square-foot bounce as luxury sales strengthen and cluster.

So, what did the three primary pricing metrics tell us about 2014?

	December 2013	December 2014	% Change
Average	247,001	257,902	4.4%
Median	185,000	197,000	6.5%
Price Per SqFt.	127.58	131.70	3.2%

Another facet of our composite pricing is something we commonly refer to as blend, the composition of types of sales. In December of 2013 (17.1%) of our sales were distressed and in December 2014 (9.8%) of our sales were distressed. As we all know, distressed sales sell at a discount, so it is no surprise when sales prices increase as the blend changes. Wisdom comes from correctly attributing changes in sales prices.

Throughout 2014 we advised our readers to eliminate the noise and not to jump to rash conclusions in either direction as pricing metrics bounced up and down. We continually reiterated our position that prices are flat and remarkably stable. Probably the best example of how stable prices were in 2014 can be demonstrated by adding a fourth pricing metric, more of an apples to apples approach. By removing all the distressed sales and comparing only the “normal” sales between December 2013 and December 2014, we see the price per-square-foot rose only slightly, 1.7% from \$133.10 to \$135.41. After a decade of insane yearly price movements, 2014 reminded us that sustainable normal annual price movements are not only possible, but are a good thing.

2.) Sales Volume

ARMLS reported 79,399 homes sold in 2014, coming in 11% below the total last year of 85,813. The year-over-year decreases in sales volume occurred in the first 8 months of 2014. Not by coincidence, the decreases happened at the same moment both local and institutional investors curtailed their buying appetite. Sales were actually 5.8% higher in the last four months of 2014 than the last four months of 2013. Even with the year end improvement, sales volume in 2014 was still a four letter word, drab. The visible decline in investor activity coupled with the decline in the number of distressed sales clearly showed the anticipated transition to a healthier more sustainable market, driven by the conventional home buyer.

3.) Inventory

As 2014 began, inventory levels were rising and demand was extremely low. This was good news for the buyer but not so much for the seller. My personal pessimism at the outset of 2014 was harbored within these supply/demand metrics. Just when it appeared we were headed into a full blown buyers’ market, a fascinating thing happened. Supply and demand began to balance not by an increase in demand, but by a decrease in the rate new listings came onto the market.

In the last 7 months of 2014, all but two of those months reported the lowest number of new listings in the 14 years ARMLS has been tracking new inventory. The final numbers for 2014 show only 107,902 new listings. In spite of the low sales volume in 2014, we begin 2015 with 1.7% fewer homes listed for sale than last year at this time.

4.) Foreclosure Activity

Every foreclosure housing metric was down in 2014. This was great news for the overall health of our market but extremely bad news for all parties offering foreclosure services, investors buying at auction, and all agents specializing in distressed sales. As we're going on nine years removed from the peak of home prices in 2006 and adding together strong appreciation gains since 2010, there just isn't any fuel to rekindle the foreclosure fire (barring a catastrophic event). Foreclosure activity will decline again in 2015.

Think about this for a moment:

If a property received a notice in 2014, there was a 45% chance that property would end in foreclosure.

The banks aren't dragging their feet to finish the foreclosure process, as 50% of those that end in foreclosure will be completed in less than 97 days after the notice is filed. 75% of those will lose their home within 125 days. With that said, in 2013 there were 4,290 active notices and in 2014 there were 1,371. Roughly 62% of the foreclosures were from the 2005-2007 boom/bust years.

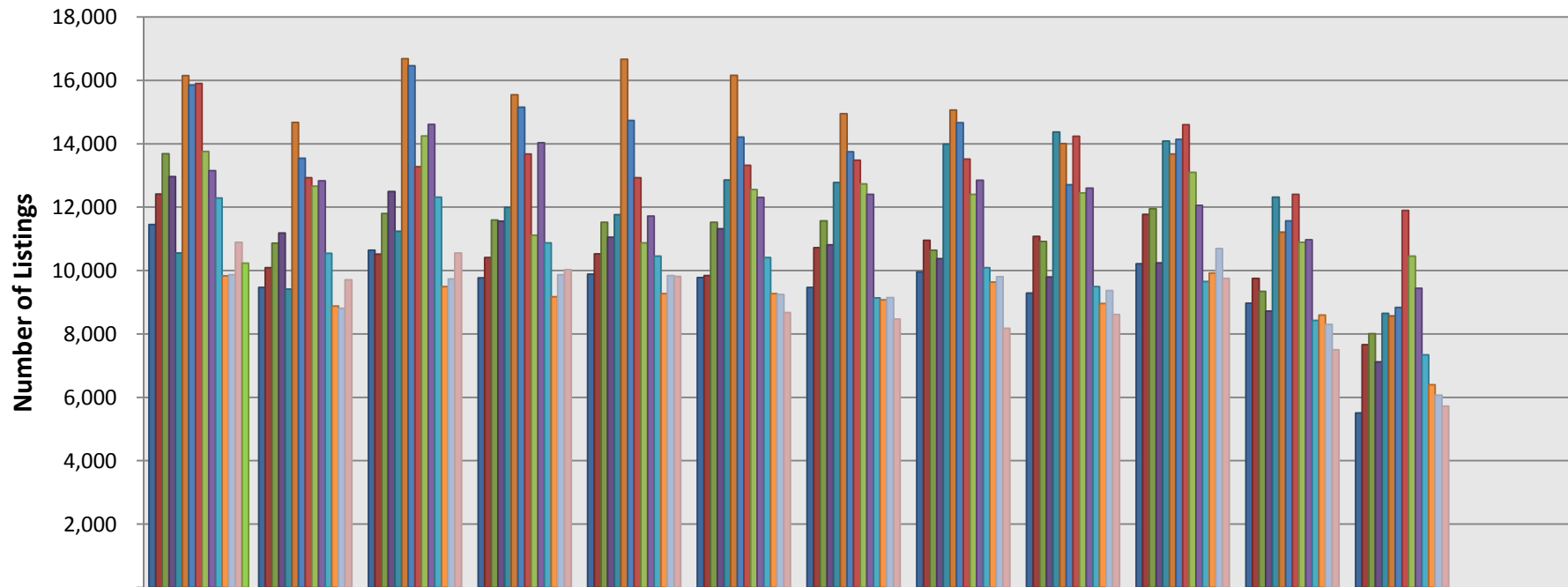
Looking Forward at 2015

I'm quietly optimistic as 2015 begins. Even though inventory numbers are very similar to where they were last year at this time, we have a little more wind in our sails. Put simply, our market is healthier. The price increases we've seen in the last 18 months are characteristic of a normal sustainable market, interest rates are at historical lows (3.86% Dec. 2014), the millennials are one year older, births are increasing, gas prices are low (\$2.04 national average), boomerang buyers have had one more year to repair their credit and conventional buyers are making up a larger percentage of home purchases.

People are feeling better about themselves. I feel it's a safe bet to say 2015 sales volume will exceed 2014. I don't think it will be the breakout year we've been awaiting, but in terms of sales volume, it will definitely be better.



ARIZONA REGIONAL MULTIPLE LISTING SERVICE, INC.
New Listings Per Month

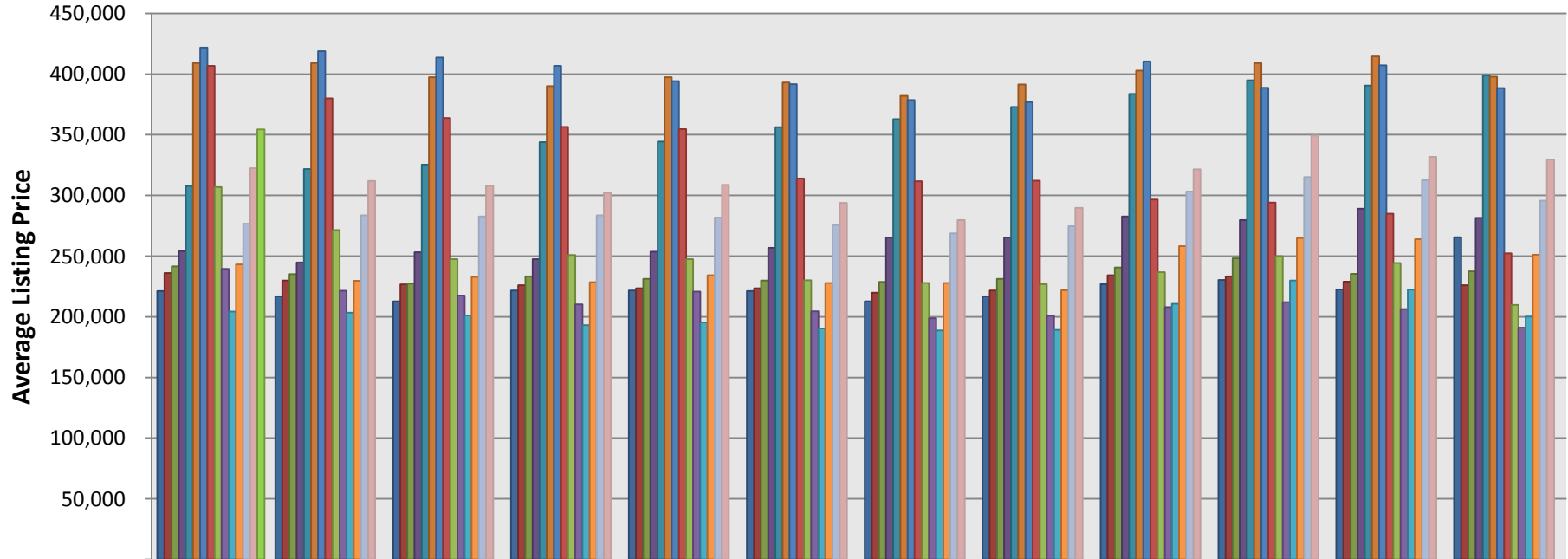


	January	February	March	April	May	June	July	August	September	October	November	December	Total
2001	11,455	9,469	10,638	9,773	9,886	9,777	9,465	9,957	9,288	10,216	8,969	5,509	114,402
2002	12,412	10,089	10,514	10,411	10,526	9,843	10,724	10,955	11,076	11,772	9,753	7,663	125,738
2003	13,687	10,865	11,799	11,591	11,521	11,521	11,572	10,641	10,919	11,954	9,346	8,008	133,424
2004	12,963	11,183	12,493	11,559	11,048	11,320	10,814	10,371	9,800	10,238	8,719	7,117	127,625
2005	10,549	9,415	11,237	11,992	11,760	12,855	12,776	13,986	14,369	14,083	12,313	8,653	143,988
2006	16,155	14,670	16,686	15,542	16,670	16,158	14,953	15,063	14,009	13,681	11,211	8,565	173,363
2007	15,857	13,539	16,459	15,153	14,736	14,212	13,751	14,662	12,705	14,137	11,567	8,837	165,615
2008	15,903	12,932	13,274	13,678	12,931	13,322	13,484	13,518	14,241	14,602	12,402	11,894	162,181
2009	13,756	12,661	14,242	11,118	10,876	12,558	12,736	12,403	12,448	13,099	10,889	10,453	147,239
2010	13,148	12,831	14,614	14,032	11,717	12,303	12,407	12,849	12,601	12,054	10,969	9,443	148,968
2011	12,290	10,547	12,312	10,875	10,459	10,410	9,140	10,089	9,498	9,654	8,428	7,339	121,041
2012	9,833	8,884	9,492	9,176	9,270	9,271	9,079	9,640	8,963	9,920	8,597	6,397	108,522
2013	9,872	8,807	9,736	9,869	9,842	9,246	9,148	9,807	9,374	10,695	8,304	6,066	110,766
2014	10,888	9,707	10,557	10,027	9,815	8,677	8,468	8,175	8,614	9,749	7,501	5,724	107,902
2015	10,230												10,230

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ARIZONA REGIONAL MULTIPLE LISTING SERVICE, INC.
Average New Listing Price Per Month

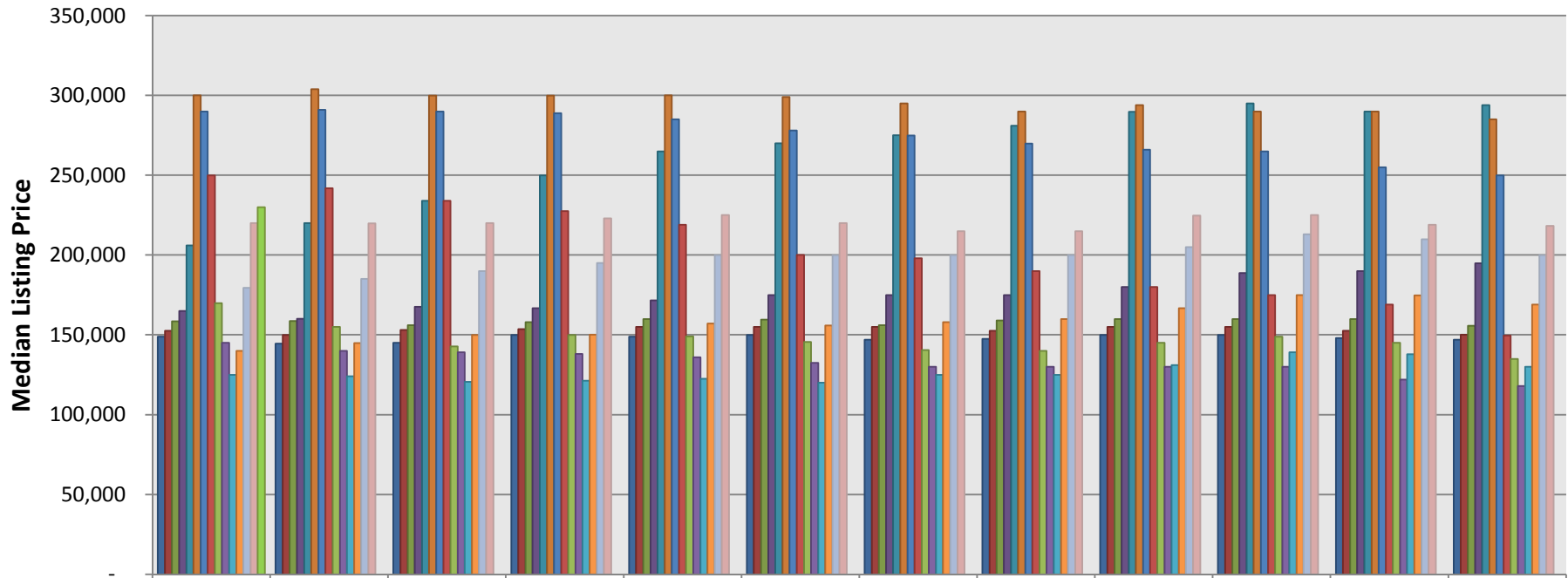


	January	February	March	April	May	June	July	August	September	October	November	December
2001	221,194	216,879	212,779	221,655	221,731	221,192	212,702	216,915	226,980	230,439	222,518	265,610
2002	236,113	229,964	226,805	225,948	223,547	223,390	219,857	221,569	234,208	233,262	228,869	225,938
2003	241,603	235,124	227,433	233,431	231,359	229,847	228,788	231,182	240,688	248,131	235,396	237,446
2004	254,139	244,717	253,186	247,455	253,566	256,852	265,287	265,396	282,714	279,791	289,056	281,537
2005	307,705	321,777	325,340	343,995	344,320	356,169	362,887	372,839	383,733	394,893	390,576	398,924
2006	409,109	409,022	397,379	390,142	397,402	392,978	382,057	391,438	402,809	409,135	414,424	397,837
2007	421,951	418,832	413,683	406,669	394,119	391,602	378,638	377,096	410,398	388,713	407,104	388,402
2008	406,647	379,928	363,753	356,392	354,586	314,081	311,586	312,114	296,607	294,164	284,990	252,310
2009	306,994	271,490	247,507	251,019	247,508	230,070	227,877	226,811	236,680	250,054	244,400	209,773
2010	239,599	221,551	217,559	210,141	220,860	204,581	198,715	200,763	207,858	212,035	206,389	190,959
2011	204,337	203,390	201,149	193,168	195,415	190,414	188,698	189,162	210,808	229,902	222,386	200,245
2012	243,152	229,699	232,865	228,582	234,190	227,910	227,801	221,795	258,182	264,938	263,859	251,219
2013	276,659	283,591	282,700	283,483	281,670	275,608	268,675	274,624	303,235	315,150	312,598	295,627
2014	322,414	312,000	308,124	302,116	308,705	293,972	279,804	289,694	321,502	349,453	331,725	329,581
2015	354,497											

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ARIZONA REGIONAL MULTIPLE LISTING SERVICE, INC.
Median New Listing Price Per Month

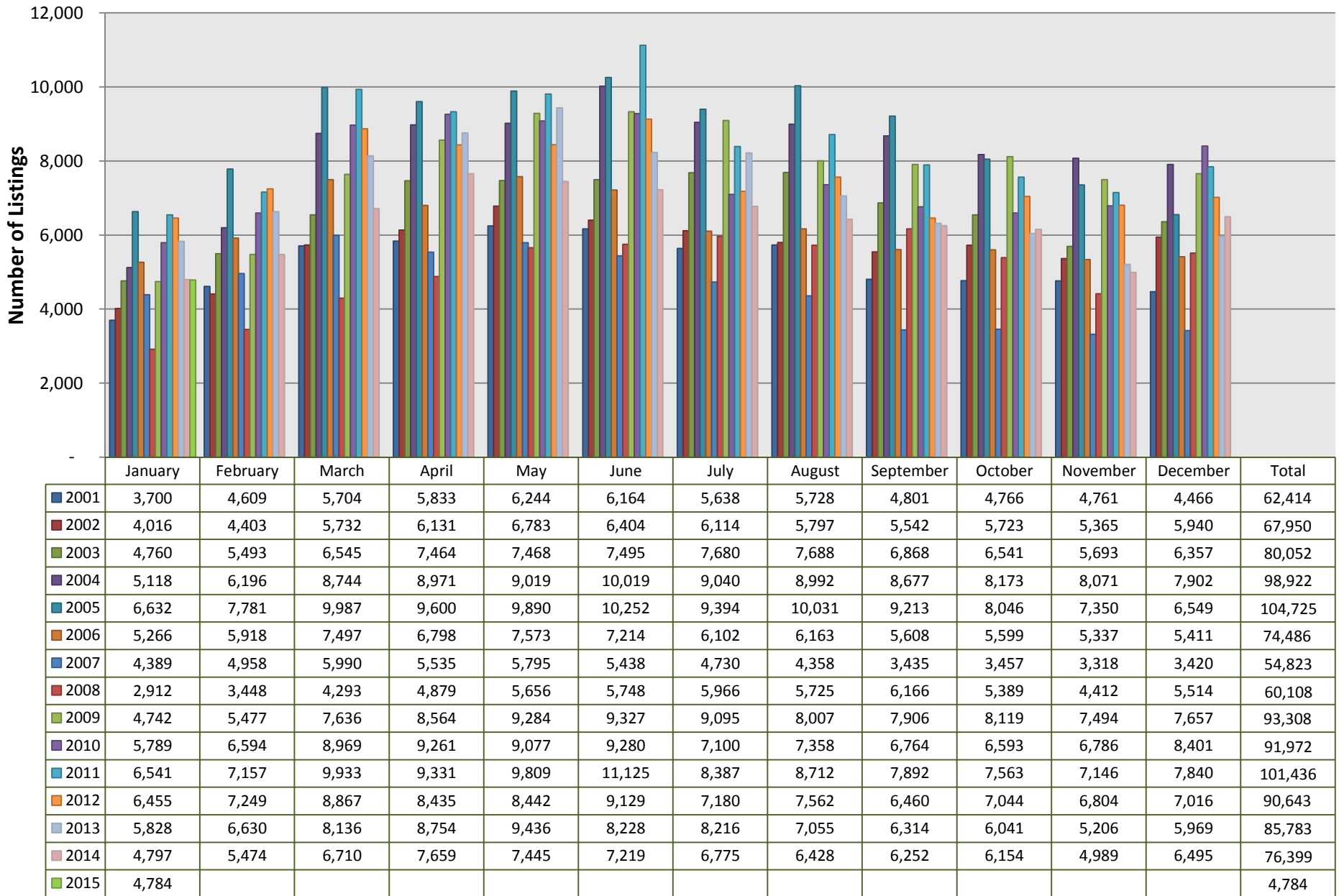


	January	February	March	April	May	June	July	August	September	October	November	December
2001	148,900	144,500	145,000	149,900	148,900	149,900	147,000	147,500	149,900	149,900	148,000	146,900
2002	152,500	149,900	153,000	153,500	154,900	155,000	154,900	152,500	155,000	155,000	152,500	150,000
2003	158,500	158,600	156,000	158,000	159,900	159,500	156,000	159,000	159,900	159,900	159,900	155,748
2004	164,900	160,000	167,500	166,735	171,500	174,900	174,900	174,900	179,900	188,700	189,900	194,900
2005	206,000	220,000	234,000	249,900	264,900	270,000	275,000	281,000	289,800	295,000	290,000	293,900
2006	300,000	303,900	299,900	299,900	300,000	299,000	295,000	290,000	294,000	290,000	289,900	285,000
2007	289,900	291,000	290,000	288,900	285,000	278,000	274,850	269,900	265,906	264,900	255,000	249,900
2008	249,900	241,900	234,000	227,500	219,000	200,000	198,000	189,900	180,000	174,900	169,000	149,500
2009	169,900	155,000	142,700	149,900	149,000	145,500	140,450	140,000	145,000	148,844	145,000	134,900
2010	145,000	139,900	139,000	138,000	136,000	132,500	130,000	129,900	130,000	129,900	121,900	118,000
2011	124,900	124,000	120,475	121,300	122,500	120,050	124,900	124,900	131,000	139,000	137,900	129,900
2012	140,000	144,900	149,900	150,000	157,000	155,900	158,000	159,900	166,620	174,900	174,800	169,000
2013	179,500	185,000	189,900	195,000	199,900	199,900	199,900	199,900	205,000	213,000	209,900	199,900
2014	220,000	219,900	220,000	223,030	225,000	220,000	215,000	215,000	224,800	225,000	219,000	218,250
2015	230,000											

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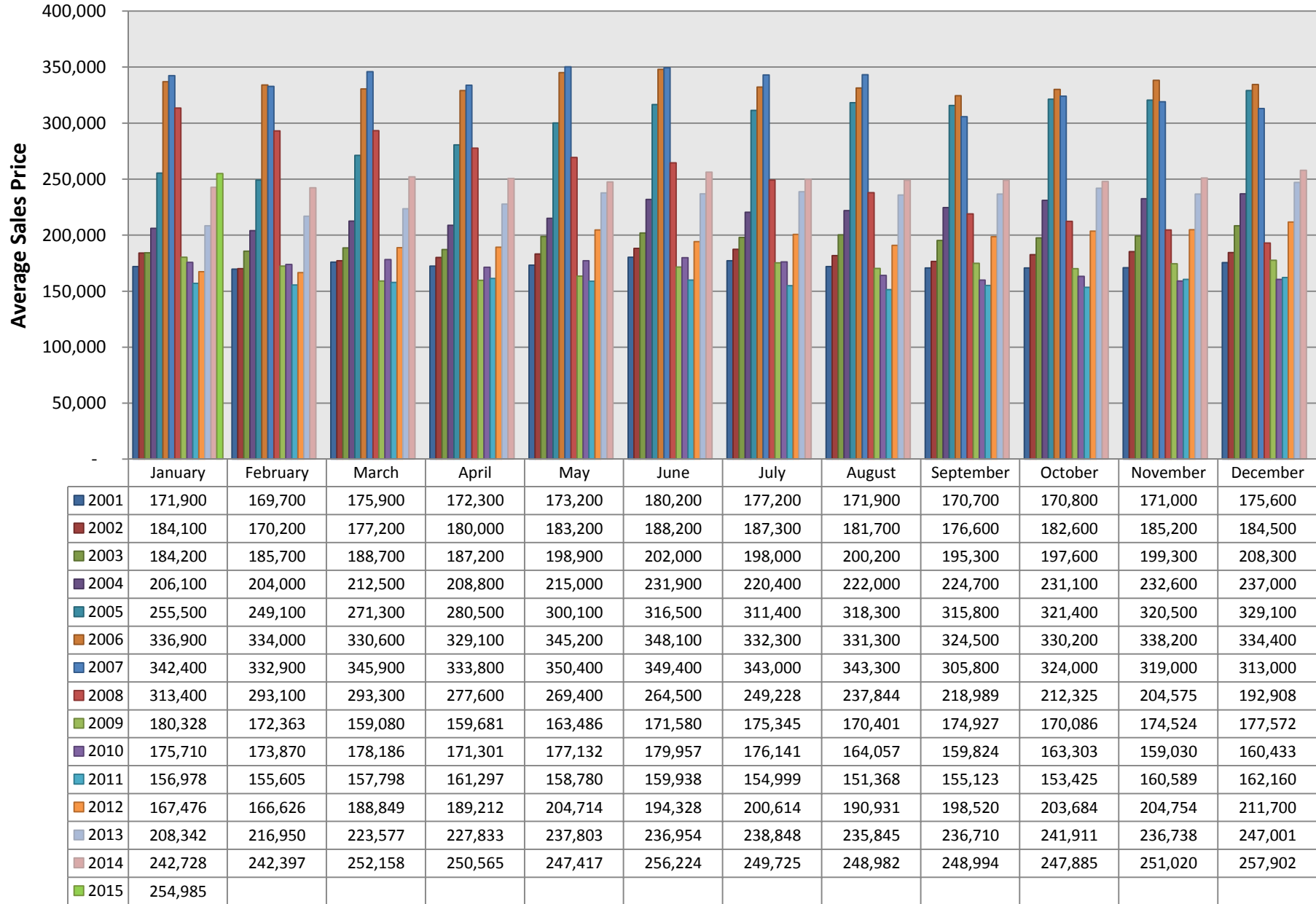
**ARIZONA REGIONAL MULTIPLE LISTING SERVICE, INC.
Home Sales Per Month**



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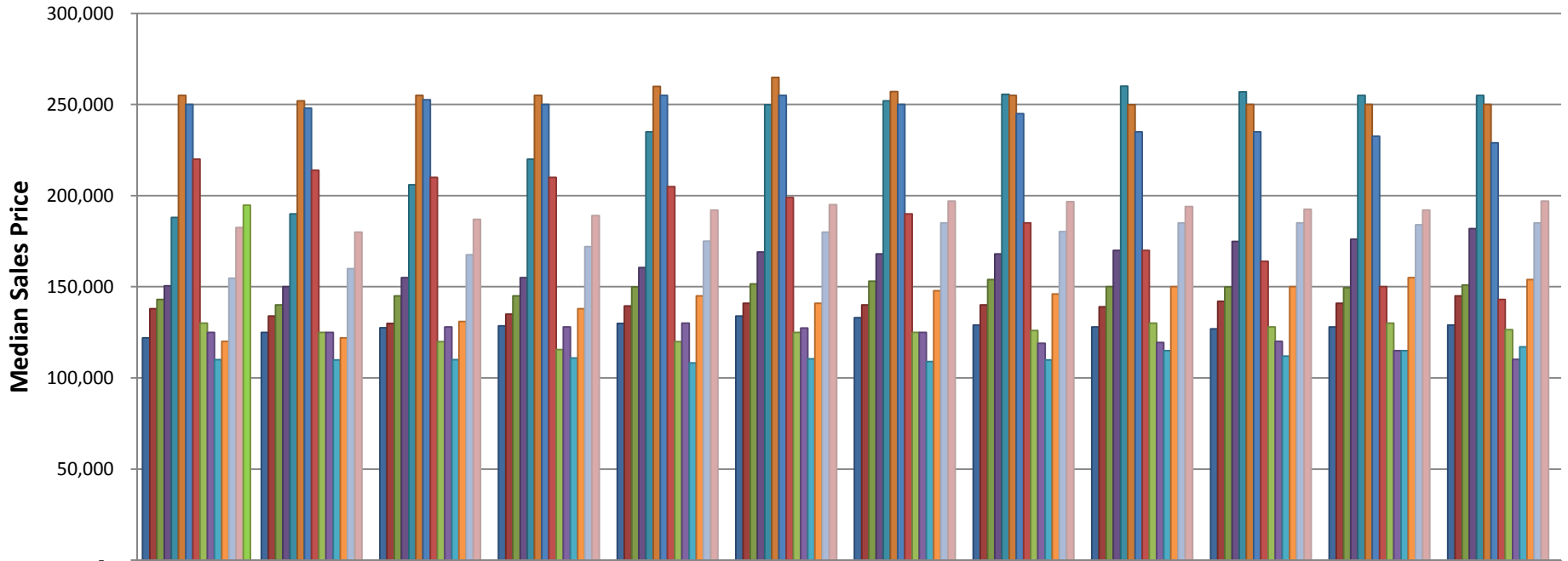
**ARIZONA REGIONAL MULTIPLE LISTING SERVICE, INC.
Average Sales Price Per Month**



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**ARIZONA REGIONAL MULTIPLE LISTING SERVICE, INC.
Home Sales Median Price Per Month**

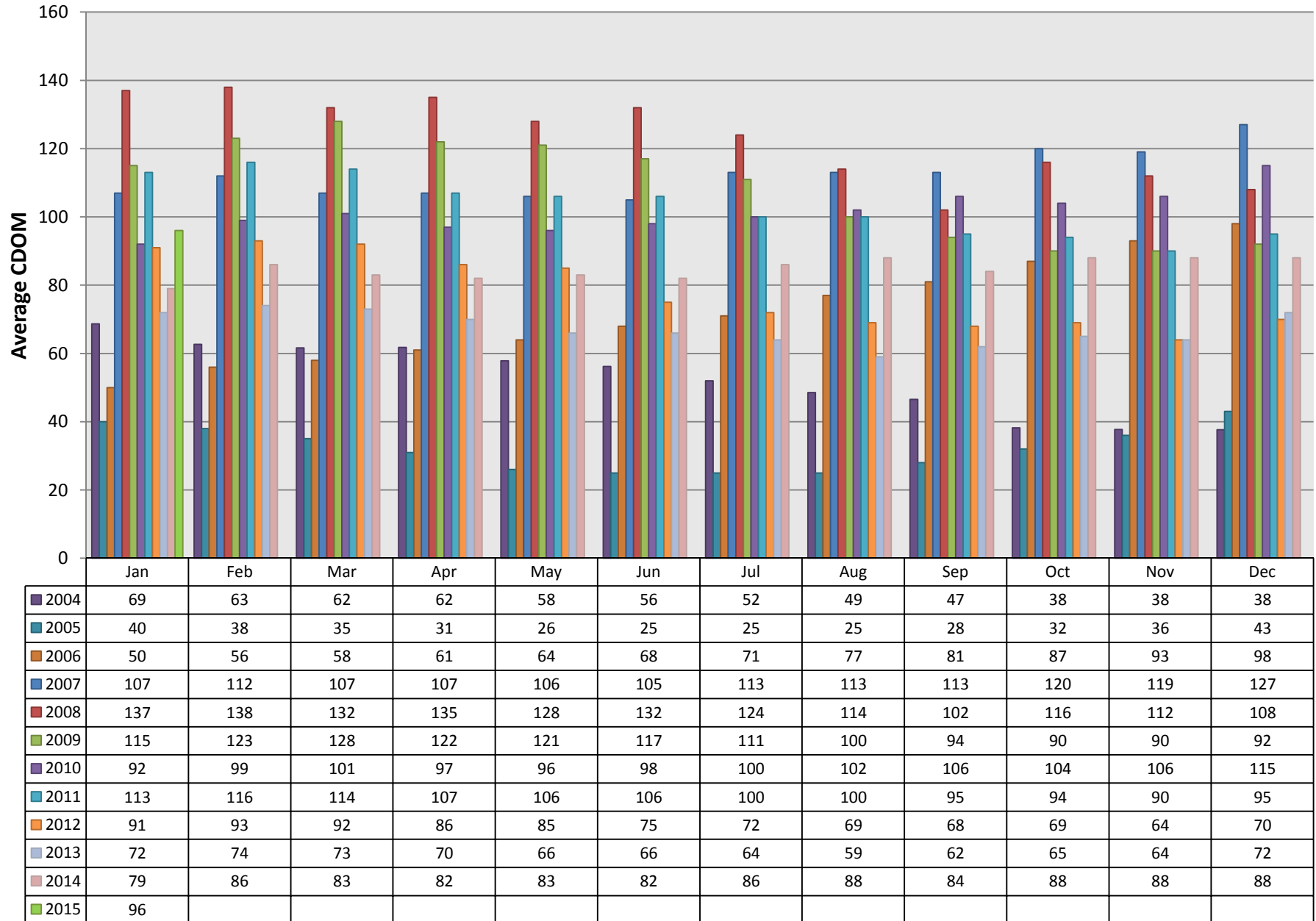


	January	February	March	April	May	June	July	August	September	October	November	December
2001	122,000	124,900	127,500	128,500	129,900	133,900	133,000	129,000	128,000	126,900	128,000	129,000
2002	138,000	134,000	129,900	135,000	139,500	141,000	140,000	140,000	139,000	142,000	141,000	145,000
2003	143,100	140,000	145,000	145,000	149,900	151,500	153,000	153,900	150,000	149,900	149,500	151,000
2004	150,500	150,000	155,000	155,000	160,500	169,000	168,000	168,000	170,000	174,900	176,000	181,900
2005	188,000	190,000	206,000	220,000	235,000	249,900	252,000	255,500	260,000	256,900	255,000	255,000
2006	254,900	252,000	255,000	255,000	259,900	264,800	257,000	254,900	249,900	250,000	250,000	250,000
2007	250,000	247,900	252,500	250,000	255,000	255,000	250,000	245,000	234,900	235,000	232,500	229,000
2008	220,000	213,800	210,000	210,000	204,900	198,900	190,000	185,000	170,000	164,000	150,000	143,000
2009	130,000	125,000	119,900	115,500	119,900	125,000	125,000	126,000	130,000	128,000	130,000	126,500
2010	124,900	125,000	128,000	128,000	130,000	127,419	125,000	119,000	119,500	120,000	115,000	110,250
2011	110,000	109,900	110,000	111,000	108,300	110,500	109,000	109,900	114,900	112,000	115,000	117,000
2012	120,000	122,000	130,900	138,000	145,000	141,000	147,900	146,000	150,000	150,000	155,000	154,000
2013	154,700	160,000	167,500	172,000	175,000	180,000	185,000	180,242	185,000	185,000	184,000	185,000
2014	182,500	180,000	187,000	189,000	192,000	195,000	197,000	196,700	194,000	192,500	192,000	197,000
2015	194,700											

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**ARIZONA REGIONAL MULTIPLE LISTING SERVICE, INC.
Average Cumulative Days on Market for Sold Listings**



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**Arizona Regional Multiple Listing Service, Inc.
Home Sales Report – ARMLS Total
For 1/1/2015 To 1/31/2015**

Price Class	Single Family - Detached Number of Bedrooms				All Other Types Number of Bedrooms				Manufactured Number of Bedrooms				Active Listings			Sales Pending		
	2 or less	3	4 or more	Total	2 or less	3	4 or more	Total	2 or less	3	4 or more	Total	Single Family	All Other	Manu- factured	Single Family	All Other	Manu- factured
\$29,999.99 and under	2	4	2	8	9			9	2	1		3	22	17	18	6	8	4
\$30,000-\$39,999.99	4	3		7	14	2		16	7	1	1	9	21	55	26	10	22	2
\$40,000-\$49,999.99	6	1		7	25	1		26	13	2		15	40	96	49	11	14	9
\$50,000-\$59,999.99	3	10	2	15	31	9		40	1	4	1	6	42	79	82	14	21	14
\$60,000-\$69,999.99	3	16	4	23	23	6	1	30	10	3	1	14	70	111	109	39	33	8
\$70,000-\$79,999.99	11	17	2	30	36	4		40	8	10		18	91	131	106	33	24	18
\$80,000-\$89,999.99	11	21	7	39	39	6		45	8	6	2	16	170	150	103	52	37	17
\$90,000-\$99,999.99	19	39	10	68	32	1		33	6	7	3	16	178	181	83	68	33	20
\$100,000-\$119,999.99	43	103	40	186	67	11	1	79	5	7		12	518	327	125	199	65	13
\$120,000-\$139,999.99	69	185	76	330	70	21		91	1	5	2	8	1104	354	122	406	73	19
\$140,000-\$159,999.99	55	229	130	414	39	13		52	3	4	4	11	1343	313	84	461	75	18
\$160,000-\$179,999.99	56	221	84	361	43	16		59	2	1	1	4	1442	275	66	396	52	9
\$180,000-\$199,999.99	46	155	117	318	25	7		32	1	2	1	4	1353	279	42	383	45	8
\$200,000-\$249,999.99	77	307	235	619	38	25	2	65				0	2872	492	42	745	57	6
\$250,000-\$299,999.99	51	185	195	431	27	17		44		2		2	2423	317	25	496	35	1
\$300,000-\$399,999.99	35	153	265	453	29	16	1	46				0	3502	389	14	575	54	
\$400,000-\$499,999.99	17	74	152	243	13	16		29		1	1	2	1822	230	6	192	29	
\$500,000-\$549,999.99	3	19	41	63	1	3		4				0	537	70		56	7	
\$550,000-\$749,999.99	3	33	89	125	9	5		14				0	1417	161	1	117	9	
\$750,000-\$999,999.99	4	19	52	75	3	2		5				0	1069	82	2	66	4	
\$1,000,000-\$1,249,999.99		5	20	25			1	1				0	396	28		28	3	
\$1,250,000-\$1,499,999.99			13	13				0				0	379	24	1	17	2	
\$1,500,000-\$1,999,999.99		3	14	17		1		1				0	401	22		13	2	
\$2,000,000-\$2,999,999.99		2	5	7				0				0	400	9		17		
\$3,000,000 and over			7	7				0				0	324	2	2	4		
Totals	518	1804	1562	3884	573	182	6	761	67	56	17	140	21936	4194	1108	4404	704	166
Average	196,382	228,027	359,837	276,816	153,853	232,843	345,567	174,256	75,172	106,608	133,322	94,807	494,793	256,296	130,853	270,375	191,613	108,418
Median	172,000	185,000	270,000	208,900	121,500	180,000	200,000	132,500	70,000	90,000	99,900	82,000	288,000	180,000	99,000	210,500	149,000	98,000

Property Type	Volume	Median Sold Price
Single Family - Detached	1,075,153,312	208,900
All Other	132,608,648	132,500
Manufactured	13,273,047	82,000
All	1,221,035,007	194,900

	Unit Sales by Financing Type		
	-Sgl Fam-	-Other-	-Mfg-
Bond/IDA	1	1	0
Carryback	31	13	3
Cash	1068	381	80
Cash to Loan	22	2	1
Conventional	1664	287	30
Exchange	3	0	0
FHA	782	61	16
FMHA	10	0	0
Rent/Lease	1	0	0
SBA	1	0	0
VA	300	16	10
Wrap	1	0	0
Total Sales	3884	761	140

	Unit Sales by Time on Market		
	-Sgl Fam-	-Other-	-Mfg-
1-30 Days	1429	293	52
31-60 Days	768	152	20
61-90 Days	588	123	29
91-120 Days	349	56	13
More Than 120 Days	750	137	26
Total Sales	3884	761	140