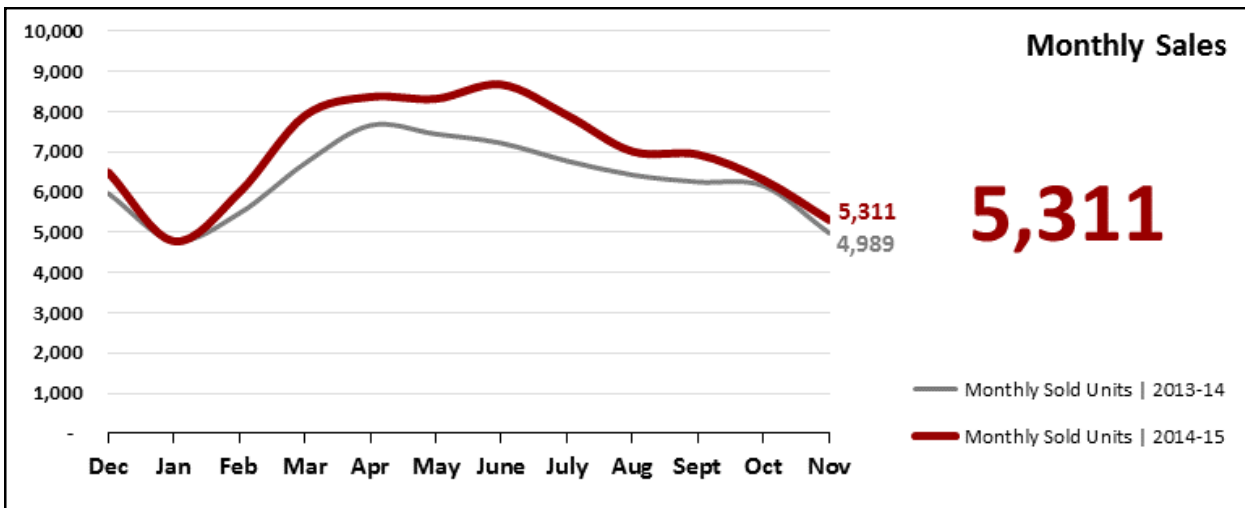




## ARMLS® STAT - December 21, 2015

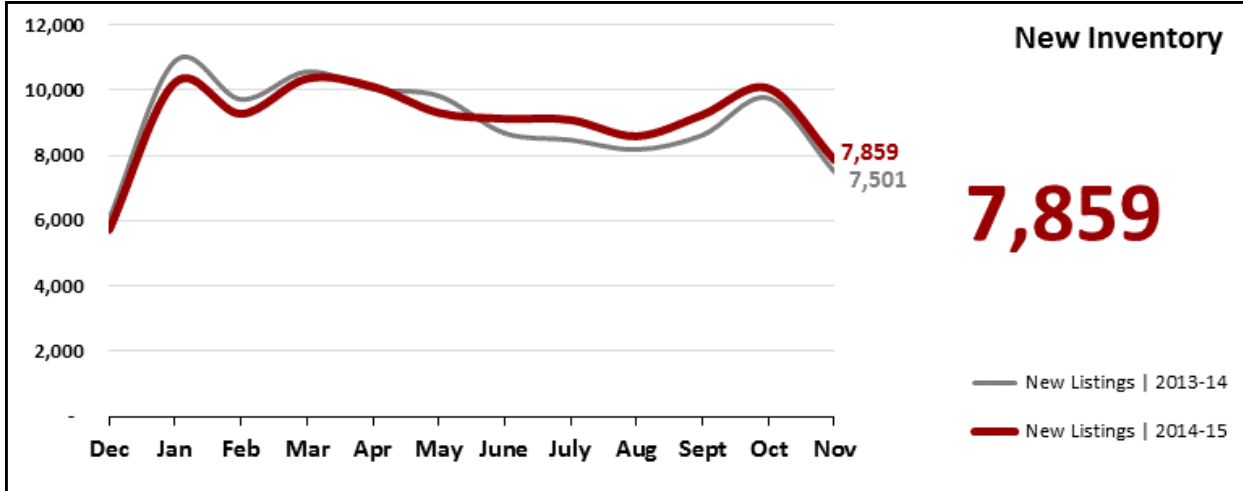
### MONTHLY SALES



**+6.5%** year-over-year  
**-15.8%** month-over-month

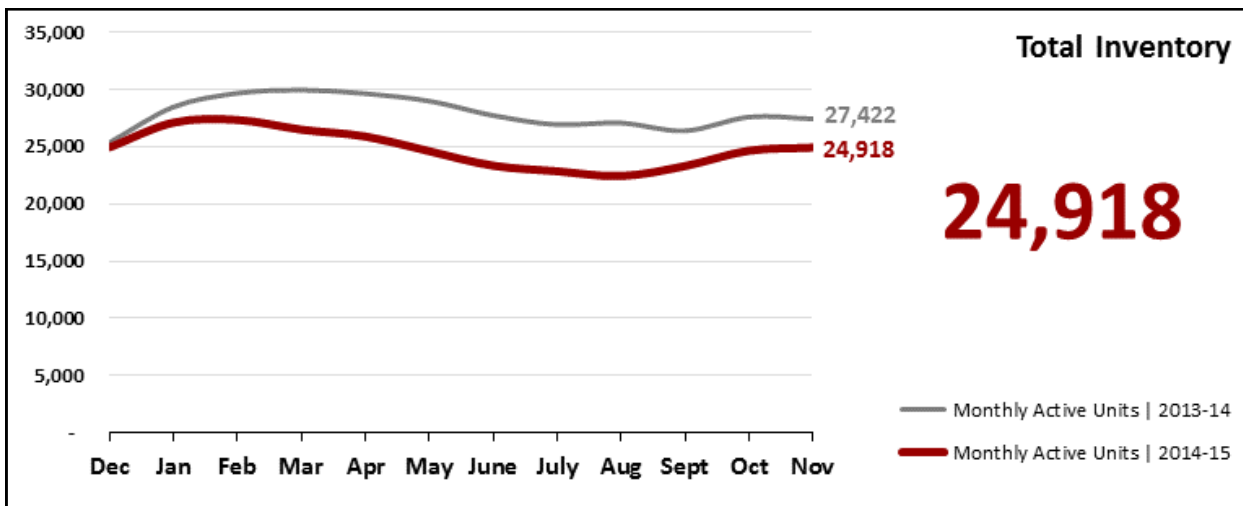
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## NEW INVENTORY



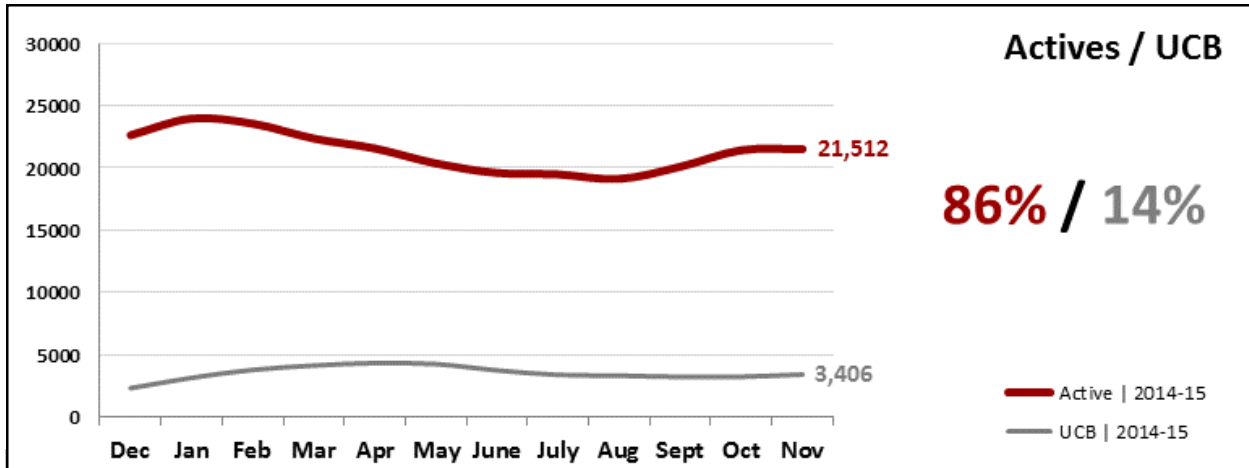
**+4.8%** year-over-year  
**-21.8%** month-over-month

## TOTAL INVENTORY



**-9.1%** year-over-year  
**+1.1%** month-over-month

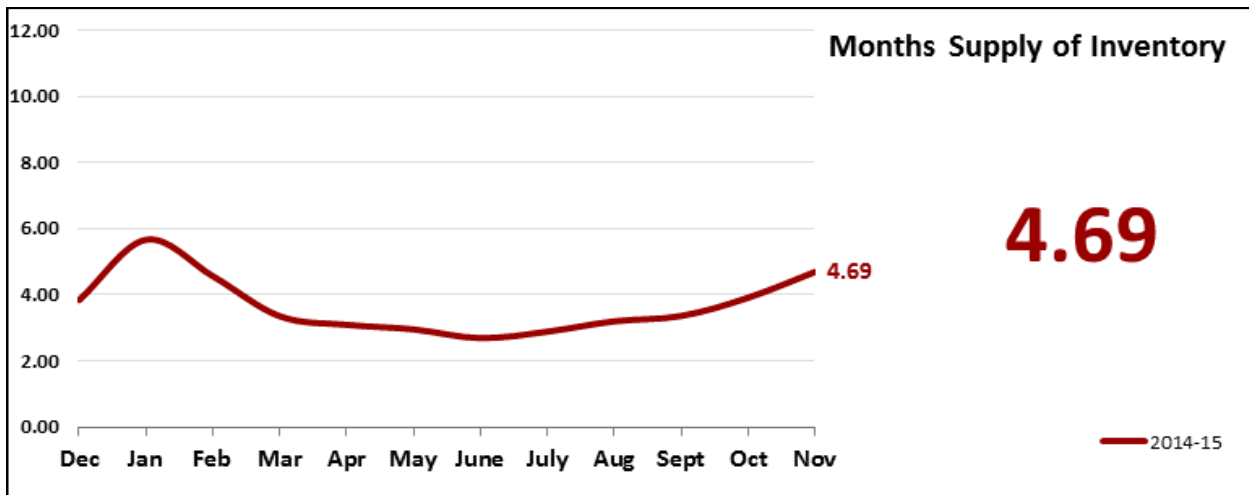
## ACTIVES / UCB



**13.1%** OCT 2015 UCB percent of total Active

**13.7%** NOV 2015 UCB percent of total Active

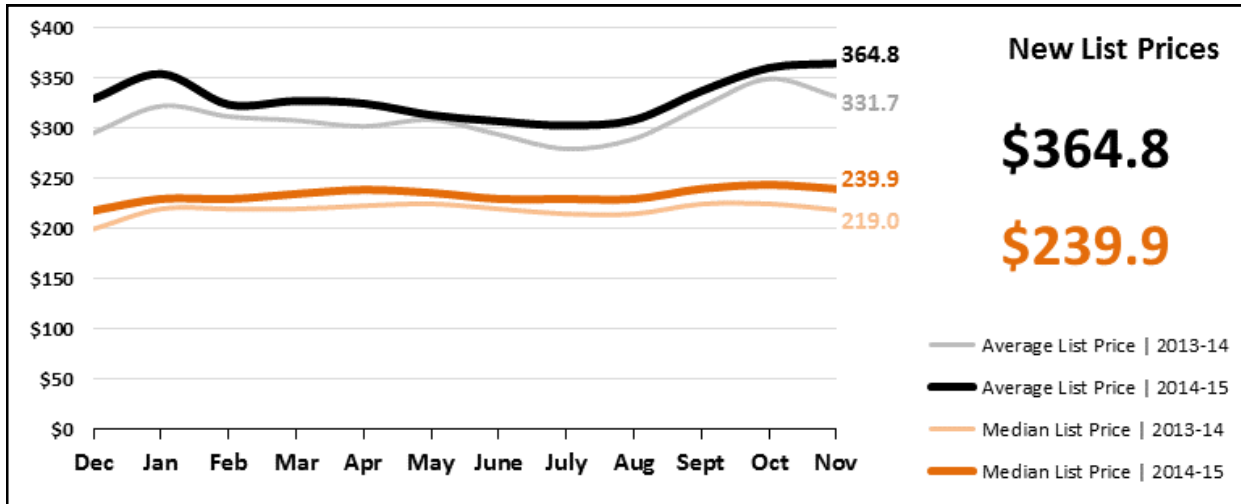
## MONTHS SUPPLY OF INVENTORY



**3.91** MSI OCT 2015

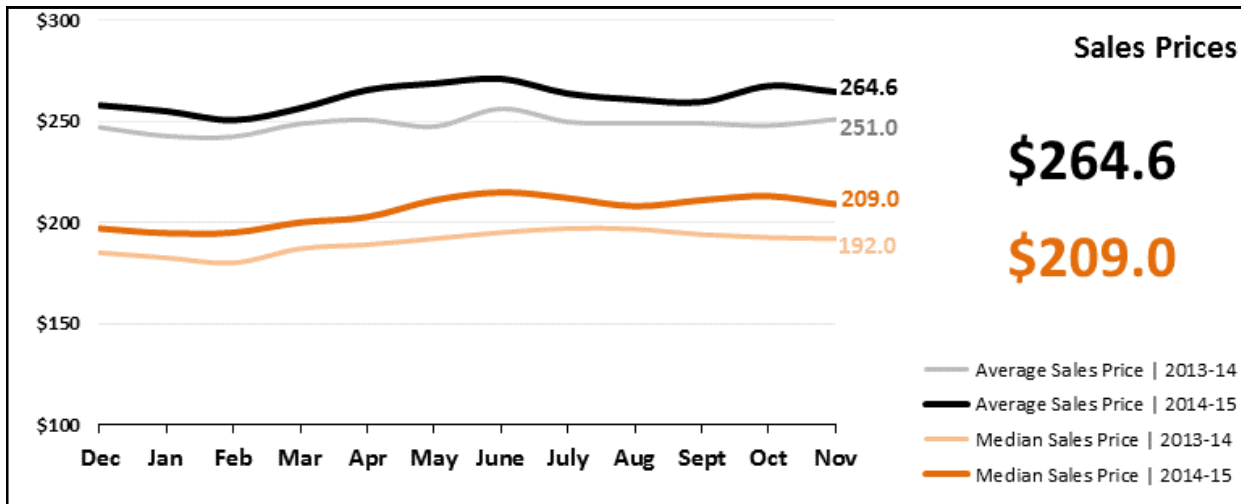
**4.69** MSI NOV 2015

## NEW LIST PRICES



**+10.0%** year-over-year average  
**+9.5%** year-over-year median

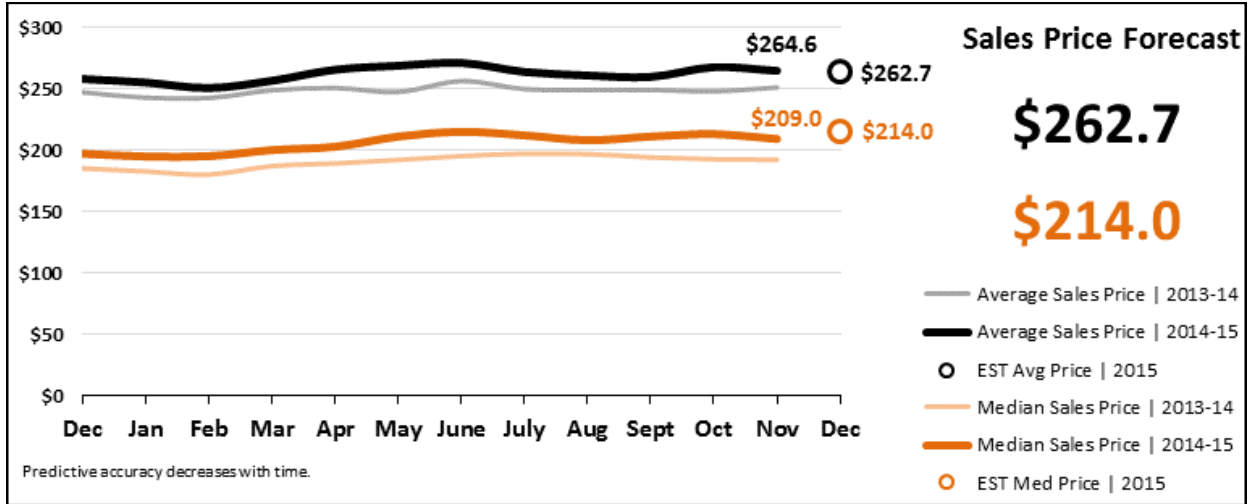
## SALES PRICES



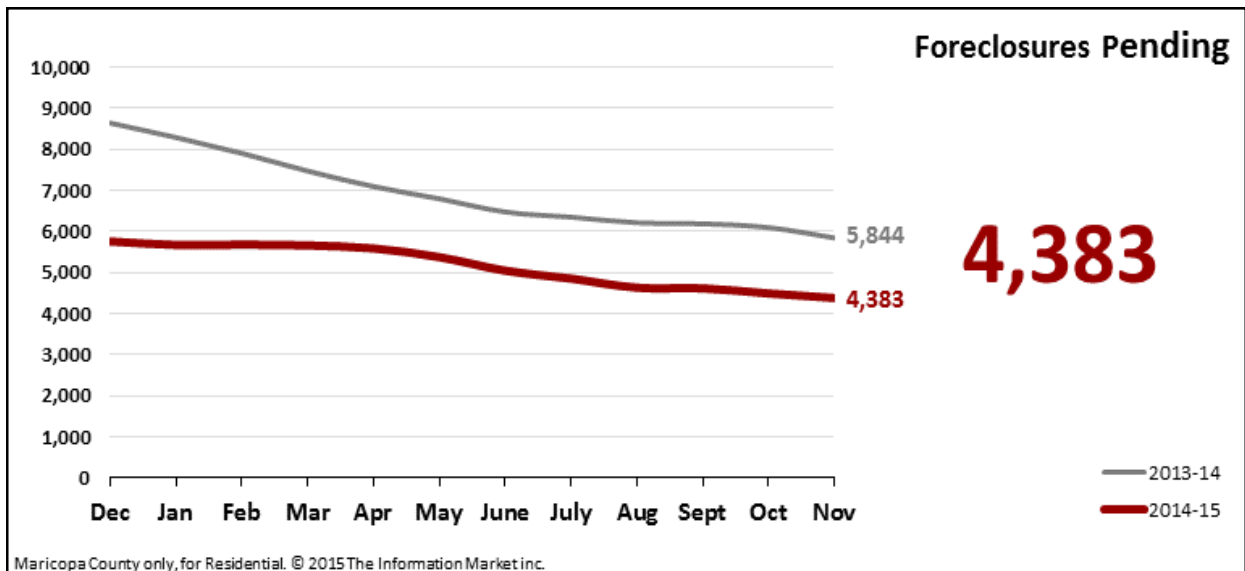
**+5.4%** year-over-year average  
**+8.9%** year-over-year median

# THE ARMLS® PENDING PRICE INDEX™

## SALES PRICE FORECAST

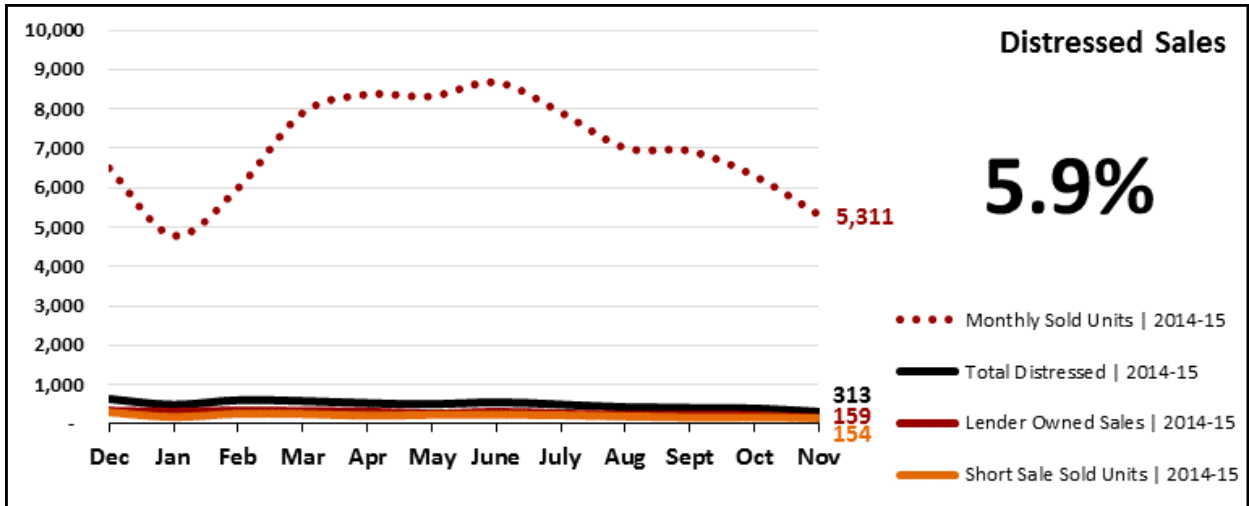


## FORECLOSURES PENDING



**-25.0%** year-over-year  
**-2.5%** month-over-month

## DISTRESSED SALES

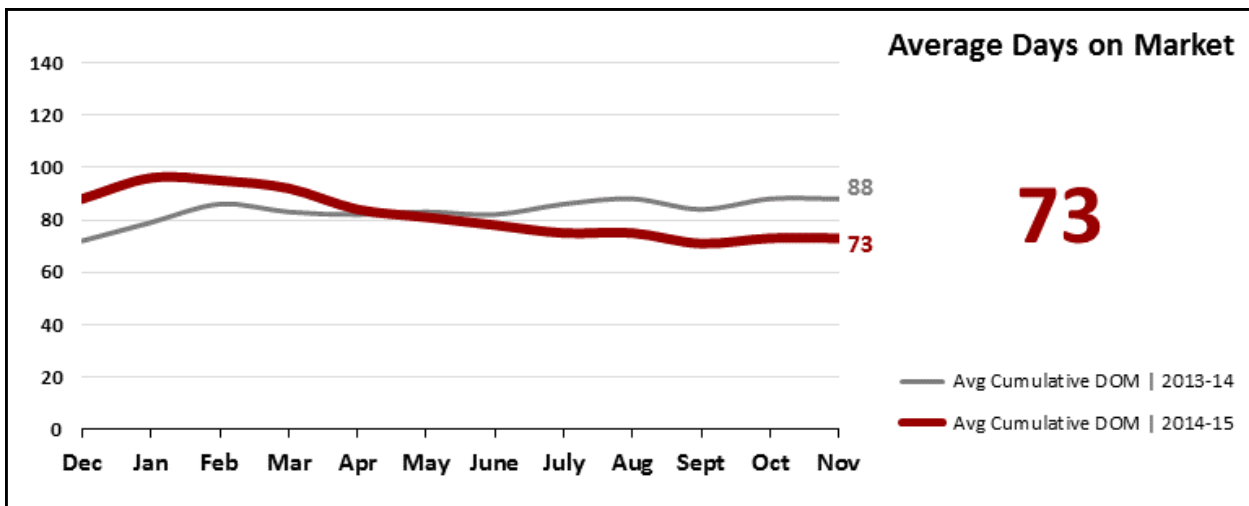


**-24.5%** short sale units year-over-year

**-43.6%** lender owned units year-over-year

**-35.6%** total year-over-year

## AVERAGE DAYS ON MARKET



**-15** year-over-year

**0** month-over-month

## COMMENTARY

by Tom Ruff of The Information Market

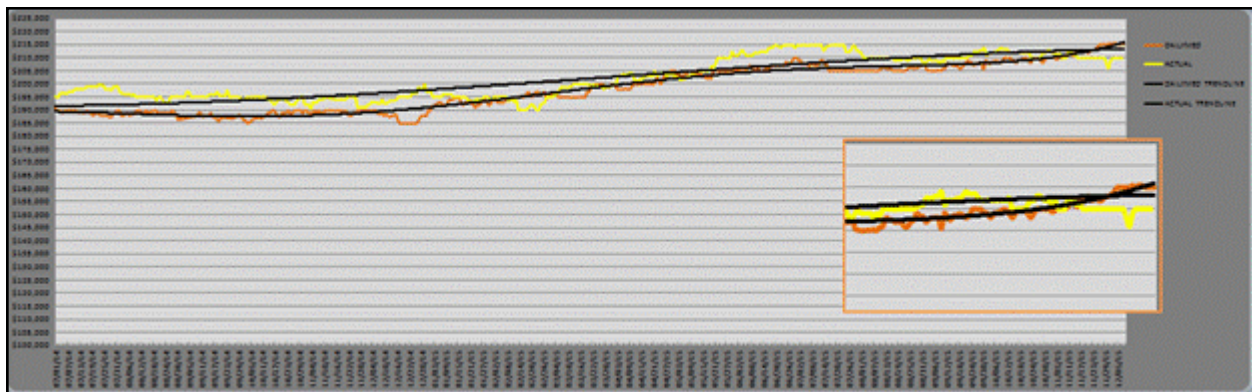
November was both very typical and very interesting. When we looked back at the historical data, most metrics landed exactly as we expected, but something odd was brewing with the median sales price. In our last issue of STAT, we were scratching our heads when we reviewed our prediction for prices:

*“Our math on the PPI is projecting lower numbers than logically acceptable, leaning more on the model than the logical prediction. The ARMLS Pending Price Index projects a median sales price of \$206,400 for November. Using more ARMLS secret sauce and my own logic, I predict a median of \$210,000. We’ll see if our model holds up.”* — STAT November 2015 (analysis of data for October 2015)

Our median sales prices landed at \$209,000, which confirmed that something went haywire in our model. Conversely, our secret sauce prediction was off by a tiny 0.5% difference. What is in the ARMLS secret sauce that is missing in our model? TRID!

The data in November points out a temporary disruption in volume and the median sales price. This was a surprise as the conventional wisdom found through various Facebook groups was that a few closings were taking longer, but the overall consensus was *much ado about nothing*. In reality, we believe TRID has pushed back several hundred closings causing lower than expected sales volumes as well as a decline in the median sales price.

Just like measuring the weather, many of our metrics are daily. Two of these daily metrics involve the median sales price for pending home sale contracts as well as monthly homes sold. It’s a little bit counter intuitive but the daily measurements of the median sales price of all pending contracts will trend slightly below the daily measurements of the monthly closed contracts, as evidenced in the chart below:

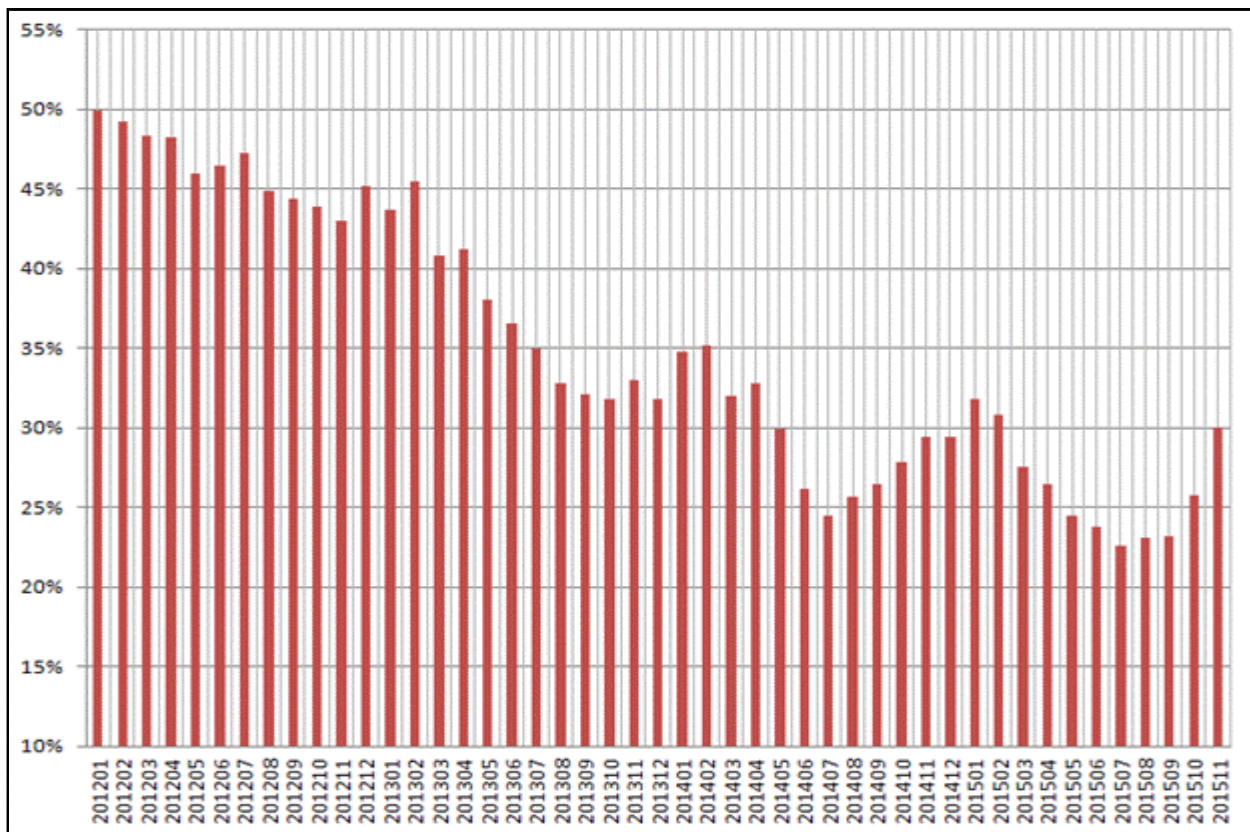


As you can see by the chart, the gap between the monthly median sales price and the median sales price for all pending contracts narrows in October with the lines crossing in November. The disruption in these numbers can be attributed to TRID.

Why? TRID only affects purchases with a mortgage, in some instances delaying them. This causes a temporarily higher cash to mortgage ratio. Public records for November in Maricopa County tell us the price of a median resale home where the buyer paid cash was \$173,000 while the median price for a resale home where the buyer obtained a mortgage was \$215,000. This negative pricing pressure from the increase in cash sales in the cash to mortgage ratio accounted for the “*lower numbers than logically acceptable*” drop we talked about last month in the PPI. This will be a temporary disruption with numbers returning to their normal patterns.

If our hypothesis is correct we should expect to see the percentage of cash sales increase and they did. Here’s where it gets tricky! There are seasonal patterns that also affect the percentage of cash sales, however, the chart below shows that the percentage increase this year is clearly higher than normal seasonal trends.

### Percentage of Cash Sales



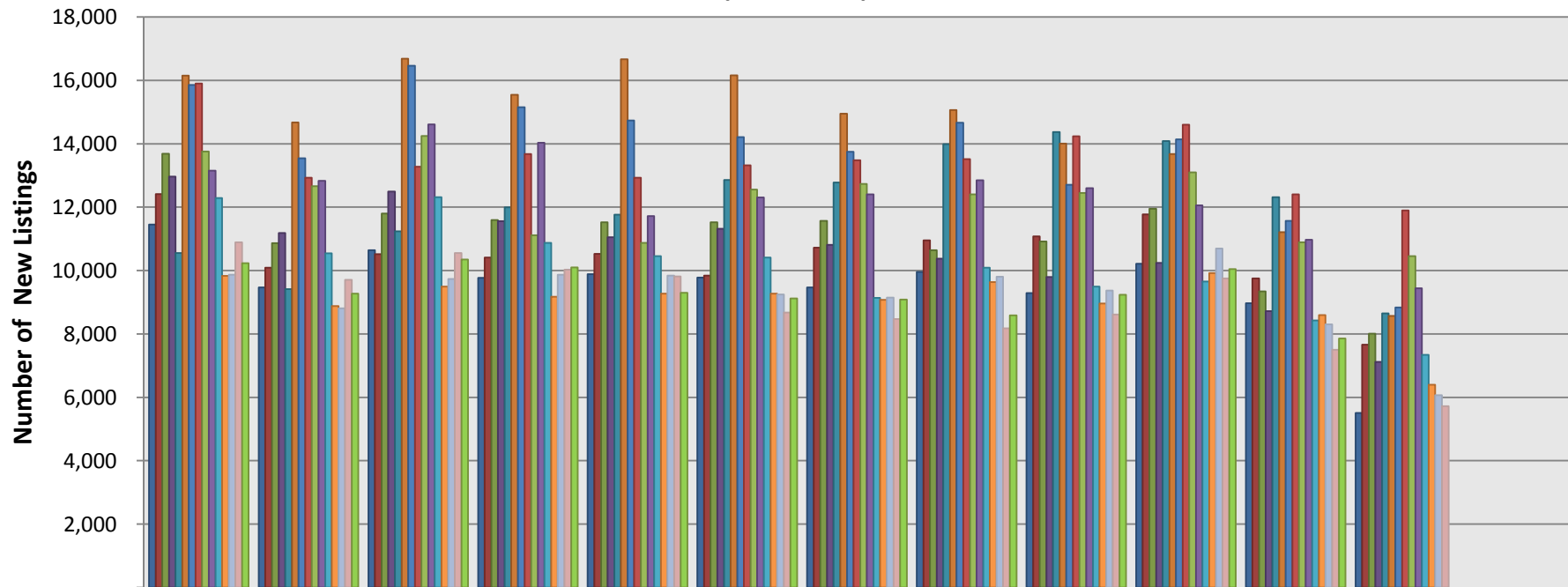
### ARMLS Pending Price Index (PPI)

We expect the lagging sales from November to record in December as the TRID effect wears off. We predict sales volume will improve to 6,750 and the median sales price will land around \$214,000 in December 2015.





**ARIZONA REGIONAL MULTIPLE LISTING SERVICE, INC.**  
**New Residential Listings Per Month**  
**For 1/2001 to 11/2015**

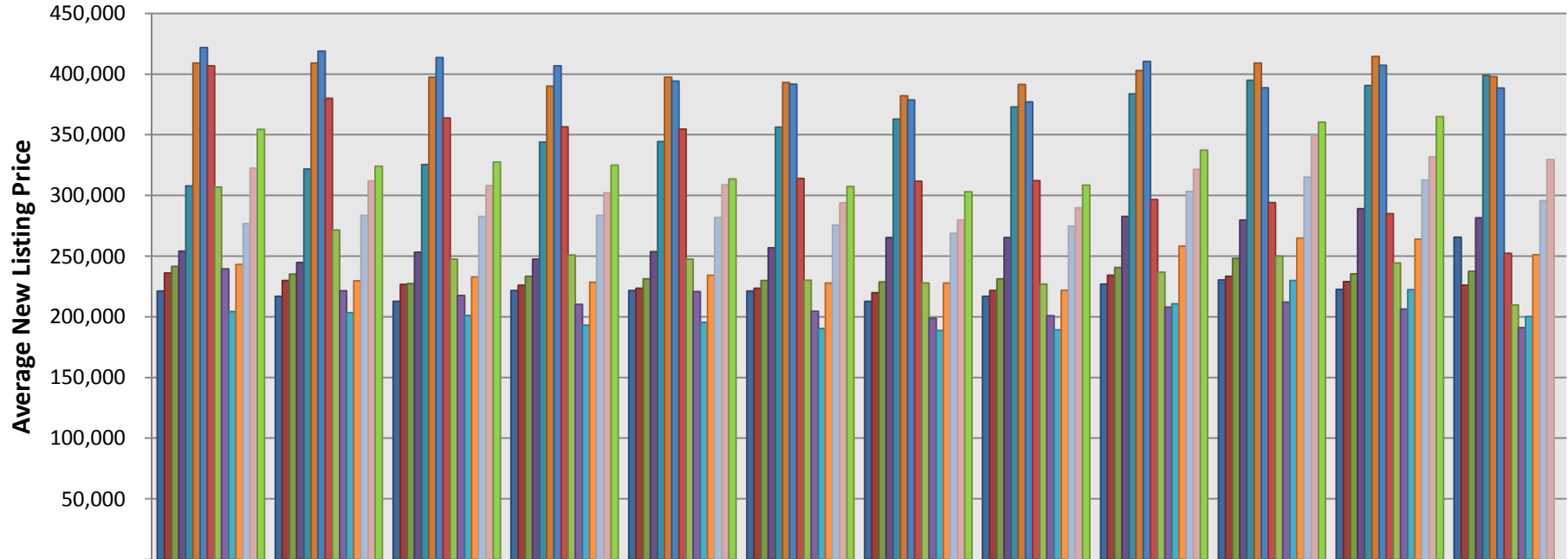


	January	February	March	April	May	June	July	August	September	October	November	December	Total
2001	11,455	9,469	10,638	9,773	9,886	9,777	9,465	9,957	9,288	10,216	8,969	5,509	114,402
2002	12,412	10,089	10,514	10,411	10,526	9,843	10,724	10,955	11,076	11,772	9,753	7,663	125,738
2003	13,687	10,865	11,799	11,591	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	9,269	10,345	10,099	9,299	9,120	9,081	8,583	9,238	10,050	7,859		103,173

Data is for Residential Property Class 1 Listings in the MLS. This representation is based in whole or in part on the data supplied by Arizona Regional Multiple Listing Service, Inc. Copyright ARMLS 2015. ARMLS does not guarantee nor is in any way responsible for its accuracy. Data maintained by ARMLS may not reflect all real estate activity in the market.



**ARIZONA REGIONAL MULTIPLE LISTING SERVICE, INC.**  
**Average New Residential Listing Price Per Month**  
**For 1/2001 to 11/2015**

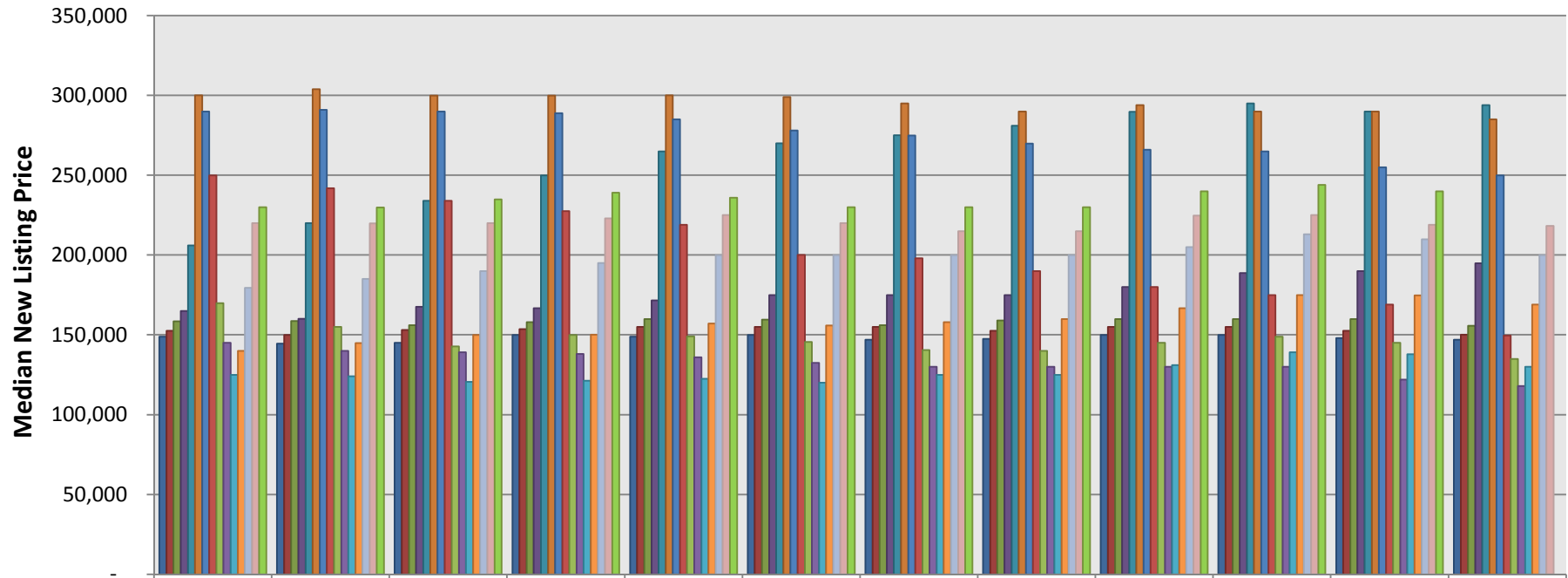


	January	February	March	April	May	June	July	August	September	October	November	December
■ 2001	221,194	216,879	212,779	221,655	221,731	221,192	212,702	216,915	226,980	230,439	222,518	265,610
■ 2002	236,113	229,964	226,805	225,948	223,547	223,390	219,857	221,569	234,208	233,262	228,869	225,938
■ 2003	241,603	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	323,932	327,473	324,999	313,419	307,275	303,115	308,594	337,255	360,425	364,831	

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**ARIZONA REGIONAL MULTIPLE LISTING SERVICE, INC.**  
**Median New Residential Listing Price Per Month**  
**For 1/2001 to 11/2015**

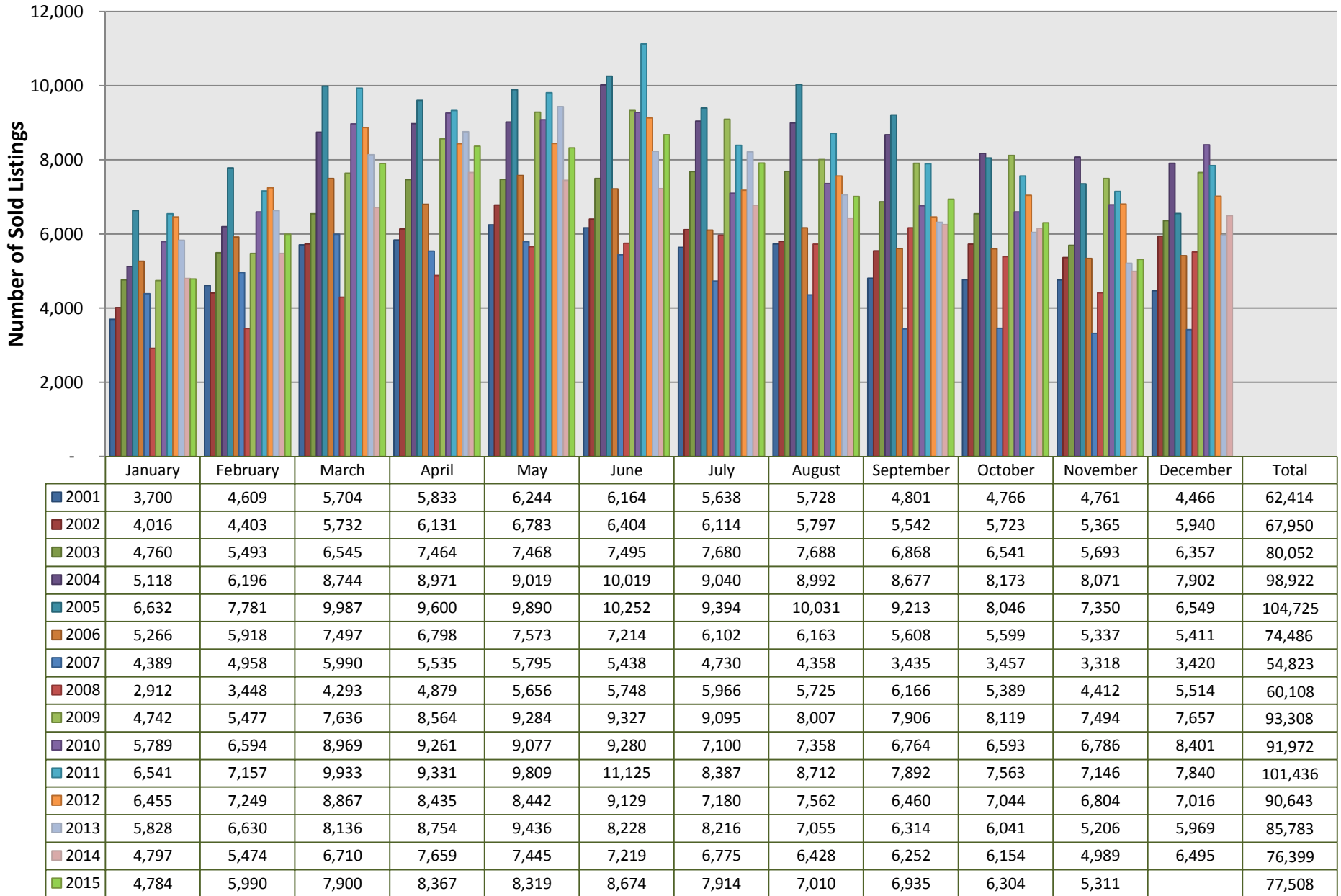


	January	February	March	April	May	June	July	August	September	October	November	December
2001	148,900	144,500	145,000	149,900	148,900	149,900	147,000	147,500	149,900	149,900	148,000	146,900
2002	152,500	149,900	153,000	153,500	154,900	155,000	154,900	152,500	155,000	155,000	152,500	150,000
2003	158,500	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	229,800	234,900	239,000	235,950	230,000	229,900	229,900	239,900	244,000	239,900	

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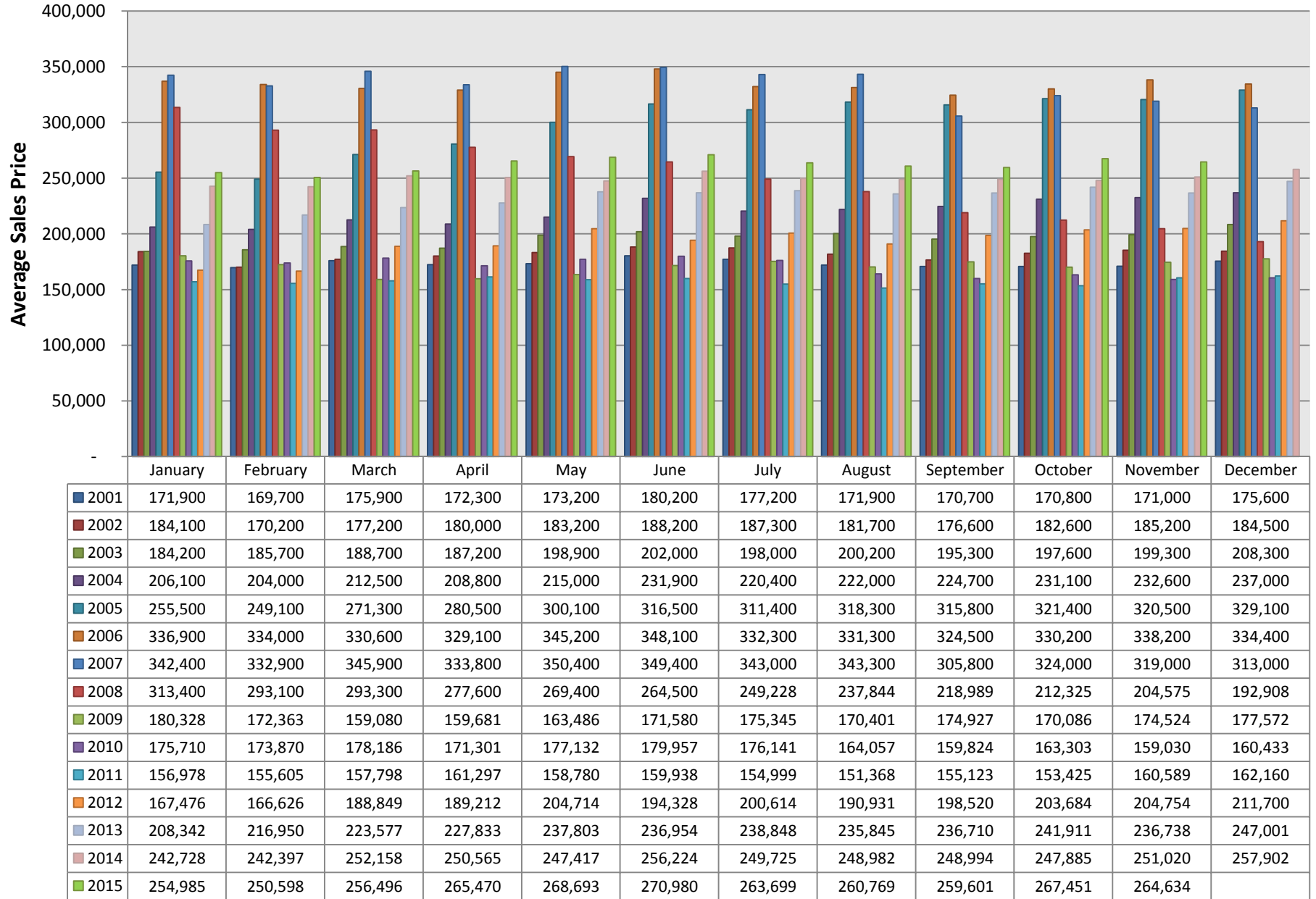
**ARIZONA REGIONAL MULTIPLE LISTING SERVICE, INC.**  
**Residential MLS Sales Per Month**  
**For 1/2001 to 11/2015**



Data is of Residential Property Class 1 Sales in the MLS. This representation is based in whole or in part on the data supplied by Arizona Regional Multiple Listing Service, Inc. Copyright ARMLS 2015. ARMLS does not guarantee nor is in any way responsible for its accuracy. Data maintained by ARMLS may not reflect all real estate activity in the market.



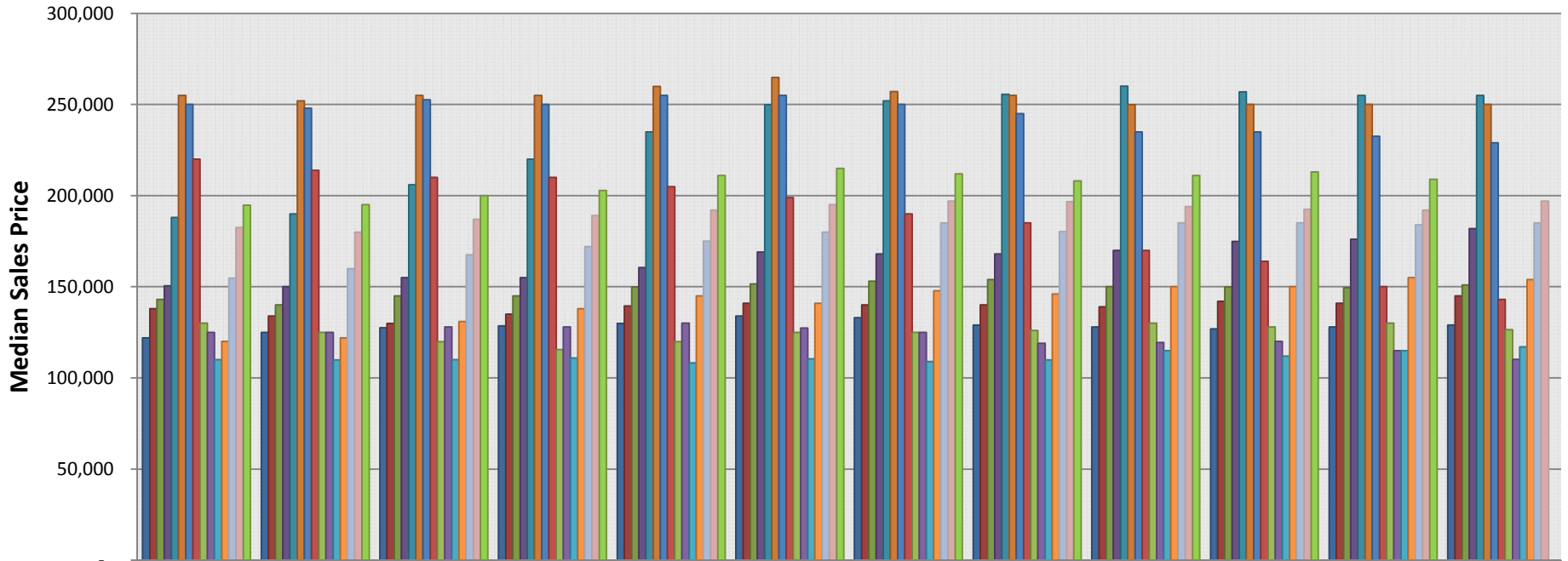
**ARIZONA REGIONAL MULTIPLE LISTING SERVICE, INC.**  
**Average MLS Sales Price Per Month**  
**For 1/2001 to 11/2015**



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**ARIZONA REGIONAL MULTIPLE LISTING SERVICE, INC.**  
**Median MLS Sales Price Per Month**  
**For 1/2001 to 11/2015**

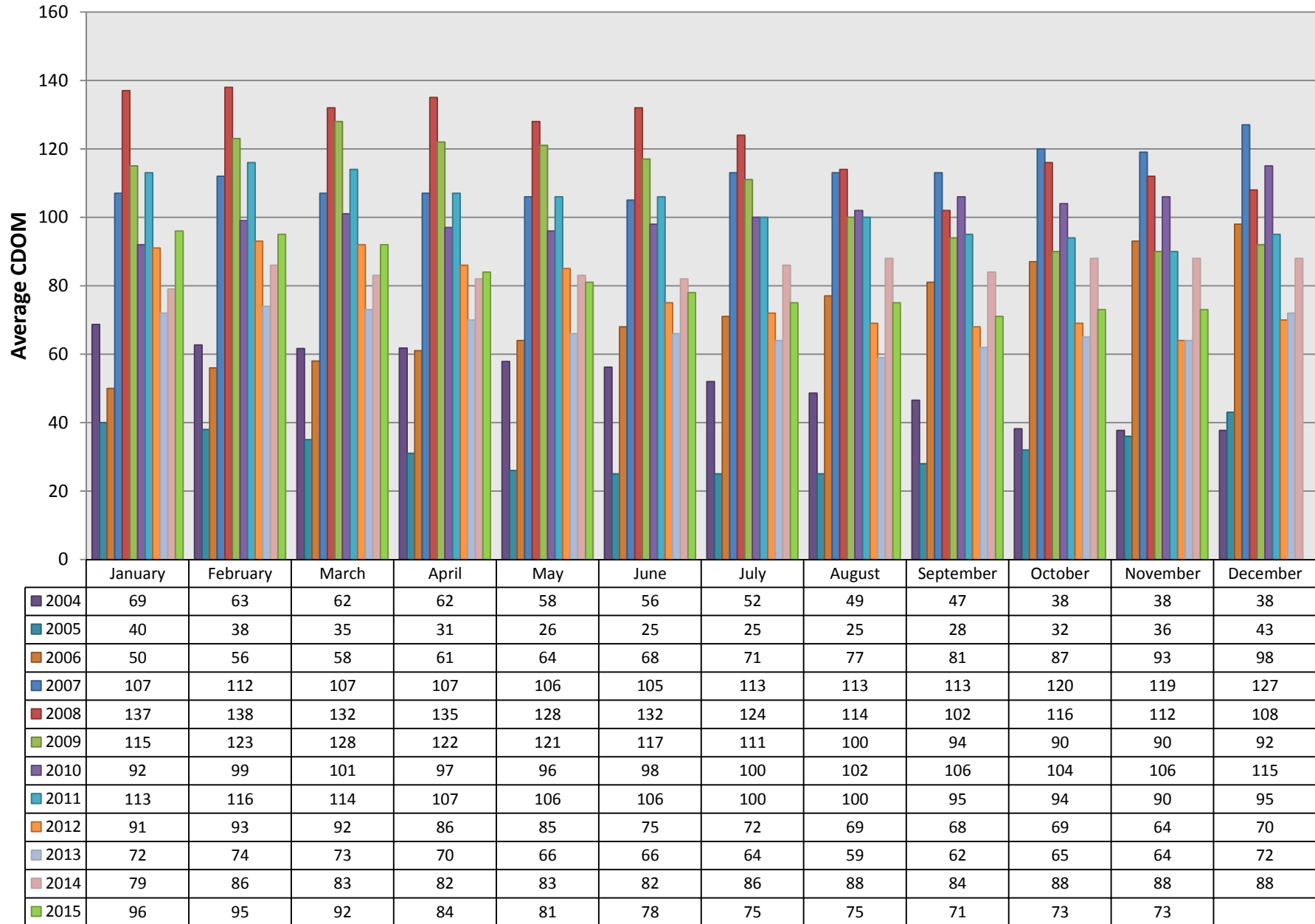


	January	February	March	April	May	June	July	August	September	October	November	December
■ 2001	122,000	124,900	127,500	128,500	129,900	133,900	133,000	129,000	128,000	126,900	128,000	129,000
■ 2002	138,000	134,000	129,900	135,000	139,500	141,000	140,000	140,000	139,000	142,000	141,000	145,000
■ 2003	143,100	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	195,000	200,000	202,745	211,000	214,900	212,000	208,000	211,000	213,000	209,000	

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**ARIZONA REGIONAL MULTIPLE LISTING SERVICE, INC.**  
**Average Cumulative Days on Market for Sold Listings**  
**For 1/2004 to 11/2015**



Data is of Residential Property Class 1 Sales in the MLS. This representation is based in whole or in part on the data supplied by Arizona Regional Multiple Listing Service, Inc. Copyright ARMLS 2015. ARMLS does not guarantee nor is in any way responsible for its accuracy. Data maintained by ARMLS may not reflect all real estate activity in the market.



**Arizona Regional Multiple Listing Service, Inc.**  
**ARMLS Total Sales Report**  
**For 11/1/2015 to 11/30/2015**

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	1	1	4	5			5	2			2	10	9	19	3	3	7
\$30,000-\$39,999.99	4	2	1	7	20	2		22	2	2	1	5	19	13	18	8	6	4
\$40,000-\$49,999.99	2	7		9	27	2		29	5	6		11	24	37	35	9	19	7
\$50,000-\$59,999.99	3	4		7	14	1	1	16	12		1	13	31	69	78	7	17	11
\$60,000-\$69,999.99	6	5		11	29	3		32	12	5		17	46	71	78	17	26	12
\$70,000-\$79,999.99	11	12	1	24	27	1		28	10	4	2	16	38	79	96	22	25	14
\$80,000-\$89,999.99	7	14	2	23	35			35	7	2		9	77	101	74	26	53	11
\$90,000-\$99,999.99	7	22	6	35	38	5		43	10	6		16	73	117	72	40	45	19
\$100,000-\$119,999.99	37	52	20	109	83	22		105	6	9	4	19	269	218	125	117	104	24
\$120,000-\$139,999.99	61	145	56	262	79	16	3	98	5	8	3	16	564	260	119	316	99	25
\$140,000-\$159,999.99	66	237	85	388	58	14	2	74	4	10		14	906	224	81	480	98	13
\$160,000-\$179,999.99	68	266	134	468	43	14		57	1	6	1	8	1278	272	54	523	72	12
\$180,000-\$199,999.99	47	217	111	375	24	18		42		5	2	7	1242	264	36	437	63	9
\$200,000-\$249,999.99	101	452	274	827	45	28	3	76	1	1	1	3	2776	468	52	982	110	3
\$250,000-\$299,999.99	47	251	279	577	24	13	1	38		3		3	2487	361	31	720	68	1
\$300,000-\$399,999.99	45	204	359	608	24	16	1	41				0	3510	403	21	755	51	
\$400,000-\$499,999.99	14	83	174	271	18	7		25				0	1956	252	6	341	35	
\$500,000-\$549,999.99	3	13	46	62	4	5		9				0	577	79		96	7	
\$550,000-\$749,999.99	5	33	109	147	7	3		10	1			1	1601	153	1	189	16	
\$750,000-\$999,999.99		17	49	66	2	2		4				0	1093	70	4	84	3	
\$1,000,000-\$1,249,999.99		3	20	23		2		2				0	390	27	1	25	4	
\$1,250,000-\$1,499,999.99		4	12	16				0				0	358	22		20		
\$1,500,000-\$1,999,999.99	1	3	11	15		1	1	2				0	389	22		23	5	
\$2,000,000-\$2,999,999.99		1	13	14		1		1				0	404	9	1	22	2	
\$3,000,000 and over		1	5	6				0				0	296	1	5	5	1	
***Totals***	537	2049	1768	4354	606	176	12	794	78	67	15	160	20414	3601	1007	5267	932	172
***Average***	201,280	236,871	369,420	286,304	153,992	249,949	317,000	177,726	89,534	122,794	121,193	106,430	517,977	281,540	283,130	297,650	206,503	106,746
***Median***	177,100	202,000	282,200	224,000	125,000	189,000	140,000	136,600	75,000	118,500	112,900	93,000	312,900	209,900	106,000	230,000	154,900	103,395

Property Type	Volume	Median Sold Price
Single Family - Detached	1,246,569,681	224,000
All Other	141,114,115	136,600
Manufactured	17,028,736	93,000
<b>All</b>	<b>1,404,712,532</b>	<b>209,000</b>

Unit Sales by Financing Type			
	-Sgl Fam-	-Other-	-Mfg-
Bond/IDA	5	0	0
Carryback	14	5	6
Cash	1044	401	97
Cash to Loan	17	2	0
Conventional	1823	288	26
Exchange	5	3	1
FHA	1108	71	29
FMHA	9	0	0
Rent/Lease	1	0	0
SBA	1	0	0
VA	326	23	1
Wrap	1	1	0
<b>Total Sales</b>	<b>4354</b>	<b>794</b>	<b>160</b>

Unit Sales by Time on Market			
	-Sgl Fam-	-Other-	-Mfg-
1-30 Days	2297	437	50
31-60 Days	786	123	35
61-90 Days	412	70	24
91-120 Days	284	36	12
More Than 120 Days	575	128	39
<b>Total Sales</b>	<b>4354</b>	<b>794</b>	<b>160</b>