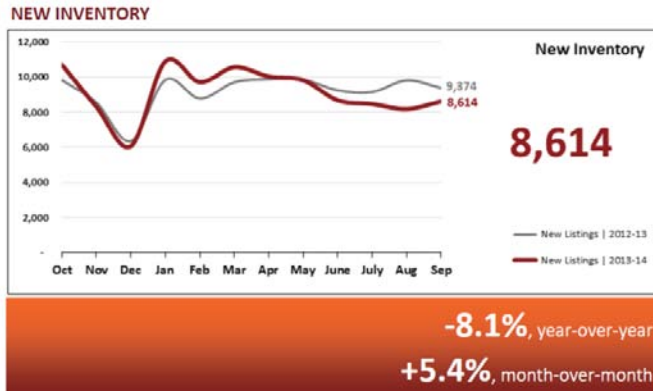


# The Valley of the Sun Market Report — Mixed Signals

by Ron LaMee, AAR Senior VP of Research and Member Value

Our monthly check on real estate among the ARMLS market areas yields little new information. Note that this report is based on data you can easily get from ARMLS's STAT publication (<http://www.armls.com/statistics/stat-library>). In short, there's not much change in recent months, but we'll take a quick look at inventory, demand and pricing.

## New Listings/Total Inventory



In September, New Inventory perked up a bit, reversing the recent few month's trend with a 5% month-over-month gain. At the same time, Total Inventory continued to shrink 2.5% from last month, decreasing the overall inventory. This is a switch from last month, when New Listings dropped slightly, while Total Inventory inched up. No one should be surprised if New Listings drop off in November and December, as this is the seasonal norm.

This is our first example of mixed signals, but I find it encouraging that sellers still seem to be willing to put their properties up for sale.

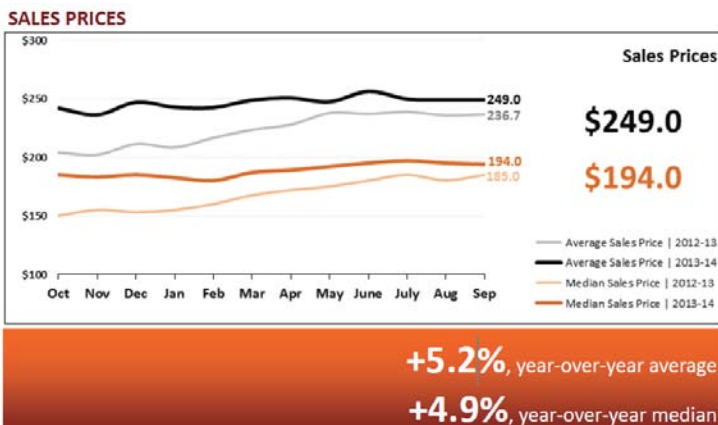
## Monthly Sales

At right, we once again see Monthly Sales slip a little from the previous month, decreasing about 3% in September. Clearly, weak demand is continuing.

Let's look back at the New Inventory chart above for a moment... Notice how new listings dropped quickly in November and December in both 2013 and 2012? Now, look at October through December in the Sales chart at the right—sales remained fairly flat in both 2013 and 2012. If sales firm up and listings continue to drop in the fourth quarter, we might see the market move slightly toward sellers for a change.



## Sales Prices/New List Prices/Sales Price Forecast



The stats in the chart to the left don't provide the whole picture. While prices are indeed higher than in 2013, September 2014's Average Sales price is static at \$249,000 and the Median Sales price has decreased \$1,000 to \$194,000. More mixed signals.

To underscore the seeming confidence of sellers, their asking prices (New List Prices) increased while actual sales prices were flat or decreasing. However, before we draw any conclusions from this, let's remember last month's discussion how shifts in high or low price ranges can distort our market-wide averages. This is just something to think about.

Pulling this all together, we are in a stagnant market that will probably continue to provide mixed signals. At the same time, we're talking about a market that's barely changing, NOT one that's barely alive—in fact, this market is decent. Our Valley of the Sun market has returned to "normal": distressed properties are not much of a factor; cash buyers are still around, but the bargain hunters have left; credit is tight, but interest rates are low; and neither buyers nor sellers have a significant advantage. In the bigger scope of things, the U.S. economy continues to recover, consumer confidence has been rising and employment is increasing. Essential technology like phones, tablets and computers are not cheap, but they aren't expensive, either.

This is the time to take stock of your real estate skills and resources. Learn more about market statistics by reading local market reports and subscribing to the Cromford Report (<http://cromfordreport.com>) if you are an ARMLS user. Learn how to use mobile and social media tools to enhance your business. Get active in your office meetings and MLS tours. Take the steps you need to take now, so you are up-to-date and prepared for what the market brings you.

I welcome your comments about this report—email me your thoughts and share your ideas about other topics to discuss. I'm Ron LaMee, [ronlamee@aaronline.com](mailto:ronlamee@aaronline.com).