

MARKET CONDITION REPORT

MARICOPA COUNTY



SEPTEMBER 2010

HISTORICAL INFORMATION PHOENIX AREA

SEPTEMBER 2010

MONTH	CLOSING PRICE	CHANGE	CLOSINGS EVALUATED	CLOSINGS REO	CLOSINGS SHORT	CLOSINGS STANDARD	PERCENT SELLING	PERCENT OF MARKET		
								REO	SHORT	STANDARD
Aug-09	\$130,000		6,910	3,618	1,219	2,073	72%	↑ 52%	↓ 18%	↓ 30%
Sep-09	\$135,000	\$5,000	6,779	3,306	1,233	2,240	69%	↑ 49%	↓ 18%	↓ 33%
Oct-09	\$134,621	-\$379	6,925	3,101	1,308	2,516	69%	→ 45%	↓ 19%	→ 36%
Nov-09	\$135,000	\$379	6,452	2,621	1,256	2,575	70%	↓ 41%	↓ 19%	↑ 40%
Dec-09	\$134,950	-\$50	6,577	2,811	1,494	2,272	69%	→ 43%	→ 23%	→ 35%
Jan-10	\$129,900	-\$5,050	5,105	2,169	1,197	1,739	55%	→ 42%	→ 23%	→ 34%
Feb-10	\$130,000	\$100	5,417	2,205	1,216	1,996	64%	↓ 41%	→ 22%	→ 37%
Mar-10	\$135,000	\$5,000	7,358	2,966	1,397	2,995	67%	↓ 40%	↓ 19%	↑ 41%
Apr-10	\$135,000	\$0	7,683	2,941	1,570	3,172	69%	↓ 38%	↓ 20%	↑ 41%
May-10	\$137,011	\$2,011	7,635	2,865	1,608	3,162	69%	↓ 38%	↓ 21%	↑ 41%
Jun-10	\$135,000	-\$2,011	7,793	2,778	1,970	3,045	69%	↓ 36%	→ 25%	↑ 39%
Jul-10	\$134,900	-\$100	5,917	2,285	1,444	2,188	62%	↓ 39%	→ 24%	→ 37%
Aug-10	\$129,450	-\$5,450	6,252	2,265	1,938	2,049	63%	↓ 36%	↑ 31%	↓ 33%
	TOTALS	-\$550	86,803	35,931	18,850	32,022				
	AVERAGE	-\$46	6,677	2,764	1,450	2,463	67%	41%	22%	37%

Historical Information for Aug-10 is a close estimate only-subject to future revision

OVERALL MARKET (SORTED ON MARKET SPEED)

AREA	ON MARKET (SUPPLY)	CLOSED MONTH (DEMAND)	FAIL MONTH	IN ESCROW	PERCENT SELLING	TIME TO SELL (DAYS)	WEEKS SUPPLY GIVEN DEMAND	MARKET SPEED	MEDIAN ASK PRICE	MEDIAN IN ESCROW PRICE	MEDIAN CLOSE PRICE
Surprise	1,389	317	135	418	70%	97	25	45	\$135	\$127	\$128
Queen Creek	713	160	66	232	71%	102	26	44	\$135	\$125	\$130
Glendale	1,643	358	163	528	69%	84	26	43	\$115	\$111	\$115
Avondale	650	138	64	226	68%	89	27	42	\$110	\$103	\$105
Anthem	233	48	23	68	68%	108	27	40	\$187	\$189	\$184
Goodyear	815	163	75	220	69%	97	28	39	\$155	\$135	\$140
Chandler	1,822	337	186	414	64%	96	29	36	\$200	\$185	\$175
Phoenix	8,040	1,463	897	2,038	62%	91	30	36	\$120	\$99	\$100
Gilbert	2,066	376	238	544	61%	100	30	36	\$185	\$180	\$184
Peoria	1,471	259	165	401	61%	95	31	35	\$165	\$155	\$157
Mesa	2,878	506	266	692	65%	96	31	35	\$140	\$130	\$129
Tempe	583	97	63	77	60%	103	29	33	\$185	\$173	\$169
Sun City	410	66	41	83	62%	99	32	32	\$135	\$128	\$120
Scottsdale	2,939	344	324	435	51%	140	43	23	\$569	\$390	\$375
Fountain Hills	342	30	28	39	51%	172	55	17	\$437	\$340	\$320
TOTALS	25,994	4,661	2,736	6,415	63%	98	30	35	\$150	\$130	\$130

REPORT SORTED ON MARKET SPEED: which measures the rate of conversion of listings to closings. The higher this number, the faster the market is converting. The area with the highest speed is the "quickest" market and is the most desirable to buyers. "Weeks Supply Given Demand" is the ABSORPTION RATE (the number of weeks required to exhaust current supply given current demand).

Note from the Historical Information Table that the level of demand for August 2010 is 652 units less than August 2009. Overall, supply is increasing, demand is in slow decline, and failures are increasing slightly. Notice also that the median price indicator has posted three consecutive declines (June-July-August). This overall price weakness is caused by declines in the REO price schedule which comprises 36% of total demand. Short Sale (31%) and Standard prices (33%) have begun to weaken. This is a reversal of trend. Weeks Supply Given Current Demand (Absorption Rate) continues to rise, and Market Speed continues to turn down. These movements are consistent with a slowing market and weakening prices, and are in line with other areas surveyed.

Notice the "bulge" in demand between March 2010 and June 2010 (Historical Information Table). It is likely (but not proven) this increase in demand is due to governmental intervention in the market (tax incentive). If this theory is correct, the market is now reverting to its more natural state in terms of demand consistent with current market realities. This strongly suggests continued price weakness ahead.

SEPTEMBER 2010

REO ONLY (SORTED ON MARKET SPEED)

SEPTEMBER 2010

AREA	ON MARKET (SUPPLY)	CLOSED MONTH (DEMAND)	FAIL MONTH	IN ESCROW	PERCENT SELLING	TIME TO SELL (DAYS)	WEEKS SUPPLY GIVEN DEMAND	MARKET SPEED	MEDIAN ASK PRICE	MEDIAN IN ESCROW PRICE	MEDIAN CLOSE PRICE
Surprise	217	129	9	154	93%	78	12	117	\$121	\$122	\$120
Avondale	126	68	6	91	92%	79	14	106	\$105	\$103	\$98
Goodyear	137	60	7	88	89%	73	16	86	\$125	\$124	\$125
Chandler	284	121	13	137	90%	82	15	84	\$165	\$170	\$148
Queen Creek	101	41	2	64	95%	104	18	79	\$135	\$132	\$132
Glendale	375	146	13	219	92%	79	18	77	\$105	\$109	\$101
Gilbert	320	118	7	154	94%	82	17	73	\$166	\$159	\$160
Peoria	291	101	15	143	87%	80	19	68	\$122	\$130	\$120
Phoenix	1,713	577	86	736	87%	79	18	66	\$90	\$85	\$75
Scottsdale	273	87	18	99	83%	112	19	63	\$328	\$300	\$285
Mesa	597	189	21	265	90%	87	20	62	\$122	\$122	\$112
Sun City	65	20	4	29	83%	92	21	60	\$120	\$110	\$99
Tempe	94	28	4	25	88%	91	18	60	\$140	\$185	\$149
Fountain Hills	41	11	1	12	91%	126	22	51	\$260	\$252	\$250
Anthem	25	6	2	19	79%	116	34	44	\$175	\$186	\$155
TOTALS	4,659	1,701	209	2,235	89%	83	18	72	\$124	\$130	\$134

SHORT SALE ONLY (SORTED ON MARKET SPEED)

AREA	ON MARKET (SUPPLY)	CLOSED MONTH (DEMAND)	FAIL MONTH	IN ESCROW	PERCENT SELLING	TIME TO SELL (DAYS)	WEEKS SUPPLY GIVEN DEMAND	MARKET SPEED	MEDIAN ASK PRICE	MEDIAN IN ESCROW PRICE	MEDIAN CLOSE PRICE
Anthem	129	25	12	33	67%	136	28	38	\$170	\$169	\$180
Queen Creek	347	57	44	65	57%	148	31	33	\$120	\$125	\$130
Goodyear	382	55	41	70	57%	139	35	29	\$130	\$140	\$127
Glendale	786	107	95	154	53%	114	38	27	\$109	\$105	\$111
Surprise	701	95	82	155	54%	133	39	27	\$116	\$128	\$120
Chandler	811	102	92	136	52%	135	40	25	\$168	\$178	\$175
Scottsdale	716	90	85	159	51%	185	42	25	\$363	\$390	\$365
Tempe	184	22	25	17	47%	156	39	24	\$150	\$155	\$150
Sun City	84	10	10	14	50%	136	42	24	\$128	\$133	\$138
Peoria	677	82	91	157	47%	128	44	24	\$150	\$169	\$173
Gilbert	1,052	124	137	193	48%	139	44	23	\$165	\$180	\$172
Mesa	1,161	136	136	201	50%	128	43	23	\$120	\$125	\$125
Phoenix	3,325	384	421	672	48%	125	45	23	\$104	\$98	\$109
Avondale	395	44	48	83	48%	118	47	22	\$105	\$103	\$100
Fountain Hills	65	7	8	8	46%	168	48	20	\$330	\$295	\$240
TOTALS	10,815	1,340	1,327	2,117	50%	134	42	24	\$130	\$135	\$138

STANDARD ONLY (SORTED ON MARKET SPEED)

AREA	ON MARKET (SUPPLY)	CLOSED MONTH (DEMAND)	FAIL MONTH	IN ESCROW	PERCENT SELLING	TIME TO SELL (DAYS)	WEEKS SUPPLY GIVEN DEMAND	MARKET SPEED	MEDIAN ASK PRICE	MEDIAN IN ESCROW PRICE	MEDIAN CLOSE PRICE
Queen Creek	265	62	20	103	75%	58	26	46	\$160	\$125	\$127
Glendale	483	106	56	155	66%	59	26	43	\$138	\$125	\$133
Anthem	79	17	9	16	65%	66	24	43	\$250	\$285	\$240
Avondale	131	26	10	52	73%	67	30	40	\$129	\$104	\$122
Surprise	472	94	44	109	68%	84	27	39	\$188	\$138	\$155
Gilbert	694	134	94	197	59%	80	29	38	\$230	\$210	\$219
Phoenix	3,007	504	390	632	56%	79	31	33	\$170	\$115	\$135
Mesa	1,124	182	110	226	62%	80	32	32	\$180	\$155	\$150
Goodyear	297	48	26	62	64%	77	33	32	\$210	\$172	\$182
Chandler	728	114	81	141	58%	75	33	31	\$260	\$212	\$215
Tempe	305	46	34	35	58%	85	32	30	\$230	\$200	\$195
Peoria	503	76	59	101	56%	78	34	30	\$239	\$179	\$180
Sun City	261	37	26	40	58%	92	36	28	\$145	\$145	\$126
Scottsdale	1,951	168	221	177	43%	131	55	17	\$715	\$440	\$415
Fountain Hills	236	13	20	19	39%	212	87	11	\$500	\$460	\$375
TOTALS	10,536	1,626	1,201	2,065	58%	84	34	30	\$240	\$160	\$170