

# Bill Ryan's Real Estate Update

September 2011

## Market Summary for the Beginning of September



*Trust the #1 Real Estate Company!*

August was similar to July but different from the first half of 2011. Apparently spooked by the debt crisis and the corresponding turmoil in the stock market, the middle and upper end of the market went quiet in July and August, especially for homes over \$2,000,000, but the demand for homes under \$100,000 continued to go from strength to strength and supply is now very low in several of the lower priced locations.

Looking into the ARMLS data across all areas and types we see the following:

**Sales per Month:** 8,734 in August - up nearly 3% from July and up 26.5% from this time last year.

**Active Listings (including AWC):** 26,820 on September 1 - down 3.5% from August 1 and down 37% from this time last year.

**Active Listings (excluding AWC):** 19,216 on September 1 - down 4.8% from August 1 and down 47% from this time last year.

**Pending Sales:** 11,508 on September 1, up 0.2% from August 1, and up 17% compared with this time last year.

**Listing Success Rate:** 74.4% on September 1 - almost the same as on August 1 and up significantly from 57.5% on September 1, 2010.

**Contract Ratio:** 99.5 on September 1, up from 94.5 on August 1 and 41.3 last year at this time.

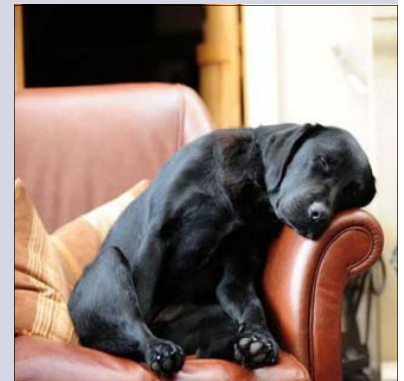
**Days Inventory:** 99 on September 1, down from 105 on August 1 and 172 at this time last year

**Cromford Market Index™:** 155.6 on September 1, up from 151.5 on August 1 and 85.5 on September 1, 2010.

**Sales Price as a Percentage of List:** 96.79% on September 1, up from 96.55% on August 1 and 95.75% on September 1, 2010



**Time For a FaceLift.**



**THE RYAN TEAM**

(480)  
726-  
7000





Scan with your Smart  
Phone to view our  
website!

Please don't waste time looking for negative signals among these numbers. There aren't any.

The numbers say the market is in very good shape with demand far outstripping supply. However most potential homeowners (understandably) would disagree. Normal home buyers tend to pay far more attention to their emotions than local housing market data. Most people are still experiencing too much fear to consider home ownership or upgrading, with an uncertain economy, poor employment statistics and the psychology of crowds discouraging them from taking advantage of the lowest pricing in over a decade, even with low interest rates as the icing on the cake. In addition we have some very real factors keeping pricing down. Appraisals are almost universally conservative, often coming in lower than the buyer is willing to pay. Lending is highly constrained by extremely cautious underwriting. A large number of homeowners have negative equity putting a damper on their financial plans. In fact almost everything is the exact opposite of the first half of 2006, when the numbers indicated clearly that the market was headed for disaster but nobody paid any attention. Then we could see appraisals supporting ever increasing prices, lending policies were more relaxed than ever and everybody seemed to believe that prices could only go up. Indeed they believed this right up to the point of collapse.

Now it seems to be popular to believe that prices will fall further. Indeed with the current negative sentiment it is certainly possible they may fall a little further for a short while, especially if the upper end of the market stays quiet. However it is also inevitable that they will at some point increase from the current level and the market statistics indicate that this may be sooner than most people think. When demand is well above normal and supply is well below normal, prices cannot fall indefinitely. In the past the laws of supply and demand have only been ignored for about 18 months at maximum. Then we have seen them cut in with a vengeance. We have gone 9 months so far with the market indicators and pricing going in opposite directions.

**So where is pricing now?**

The lowest point so far for the monthly average sales price on ARMLS is \$150,448 on August 25. The lowest point for the overall monthly average \$/SF is \$78.79, also on August 25. We are currently very slightly above that low point and drifting aimlessly.

The lowest point so far for overall monthly median sales price is \$107,000 reached on February 22, with August 9, 17 and 18 all matching that level. We are currently above that low point - back around \$110,000 with no clear sign of direction.

The pricing averages are lower than February but the medians are not. This is caused by the relative weakness of the mid to high end market, a weakness which drags the averages down but has only marginal effect on medians.

In contrast to the spring, prices are now falling at the higher end of the market. The lower end has achieved stability in sales pricing while asking prices are strongly rising and pending prices are showing early signs of increases in certain markets. Competition among landlords for good rental homes is extremely strong and the markets in their favorite locations are very active. This is also reflected in prices paid at trustee sales. which are more competitive now than at any time since 2005. El Mirage, Maricopa, Tolleson, Avondale, all have extremely low levels of inventory, so low that sales volumes are now being affected. The number of lender owned homes for sale in many of these areas is a tiny fraction of the peak level of the winter of 2008/2009. In fact a comparison of REO single family home inventory in January 2009 and September 2011 is very revealing:

| City        | REOs Active Now | REOs Active Jan 2009 | Change |
|-------------|-----------------|----------------------|--------|
| Queen Creek | 87              | 569                  | -85%   |
| Mesa        | 255             | 946                  | -73%   |
| Gilbert     | 144             | 393                  | -63%   |
| Chandler    | 130             | 329                  | -60%   |
| Tempe       | 45              | 70                   | -36%   |

Please go ahead and show this table to those who still talk of a "huge glut of foreclosed homes for sale".

Information provided by The Cromford Report. For current market value on your home, please call The Ryan Team at 480-726-7000.



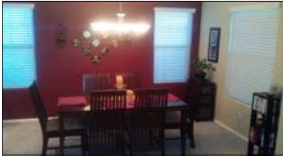
Ryan Estates, 161 W Sparrow Dr. \$1,149,900. 6 bedrooms, 4.5 bathrooms, 5628 square feet, 4 car garage, pool.

Custom home with outstanding features inside and out! Granite counters, vaulted brick ceilings in the kitchen and breakfast areas, outstanding cabinetry. 4 fireplaces (2 in and 2 out), huge pool, oversized garage with storage and work center.



Sun Groves, 4524 E Peach Tree Dr. \$194,900. 5 bedrooms, 3 bathrooms, 2835 square feet, 3 car garage.

Clean and light colors throughout. Beautifully decorated, custom expanded patio area and grassy back yard. Side entry garage, RV gate. Built in 2004 by Fulton Homes. Short sale approval required.



Lyons Gate, 2611 E Bart St. \$94,900. 2 bedrooms, 2.5 bathrooms, 1460 square feet, 2 car garage, community pool.

Well cared for home. Great location within the community which includes pools, parks and a clubhouse. Covered patio and nice side yard. Two bedrooms with private bathrooms upstairs. Attached garage. Single family detached home.



Chandler Heights Estates, 1025 E San Carlos Way. \$184,900. 3 bedrooms, 2 bathrooms, 1778 square feet, 3 car garage.

Model perfect home and not a short sale or REO! Carpet and tile in all of the right places, huge bedrooms plus den. Covered back patio and a green, manicured lawn. Large laundry room. Corner lot. Built by Centex Homes in 2000. Big lot.



1.21 Acre, 23818 S Val Vista Dr. \$419,000. 4 bedrooms, 3 bathrooms, 3410 square feet, 4 car garage, pool.

Amazing custom home with a guest house. Horse privileges, remodeled, newer flooring, paint, vanities and fixtures. Split floor plan with dual master bedrooms, 12X12 hobby room with a sep. entrance, full basement. Built in 1990.



RE/MAX INFINITY - The Ryan Team -  
**WWW.BILLRYANREALTOR.COM**  
 (480) 726-7000



2450 S Arizona Ave 1  
 Chandler AZ 85286

Bill Ryan and The Ryan Team

RE/MAX Infinity, Chandler

**I want to be YOUR  
 REALTOR for life!**  
 (480) 726-7000

If you would like more information about our current market conditions, or a custom analysis of what your home is worth, please call or email us today. Interest rates are super low, and prices are low, making this a great time to buy! We can guide you through all phases of the selling and purchasing processes.

**COOL STUFF!**



**Life is short.  
 Smile while you  
 still have teeth.**

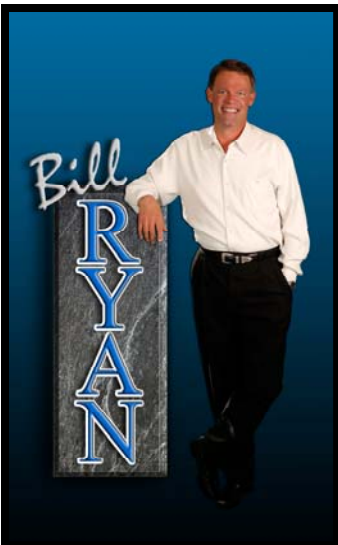
(480) 726-7000

billryanteam@yahoo.com



**NOW THAT'S a great paint job.**

**What are the odds of that?**



**I didn't realize We  
 could choose...**

*This is not intended as a solicitation if your home is currently listed by another broker.*

**BILL RYAN, CRS, CDPE**

**BILLRYANREALTOR.COM**

**(480) 726-7000**