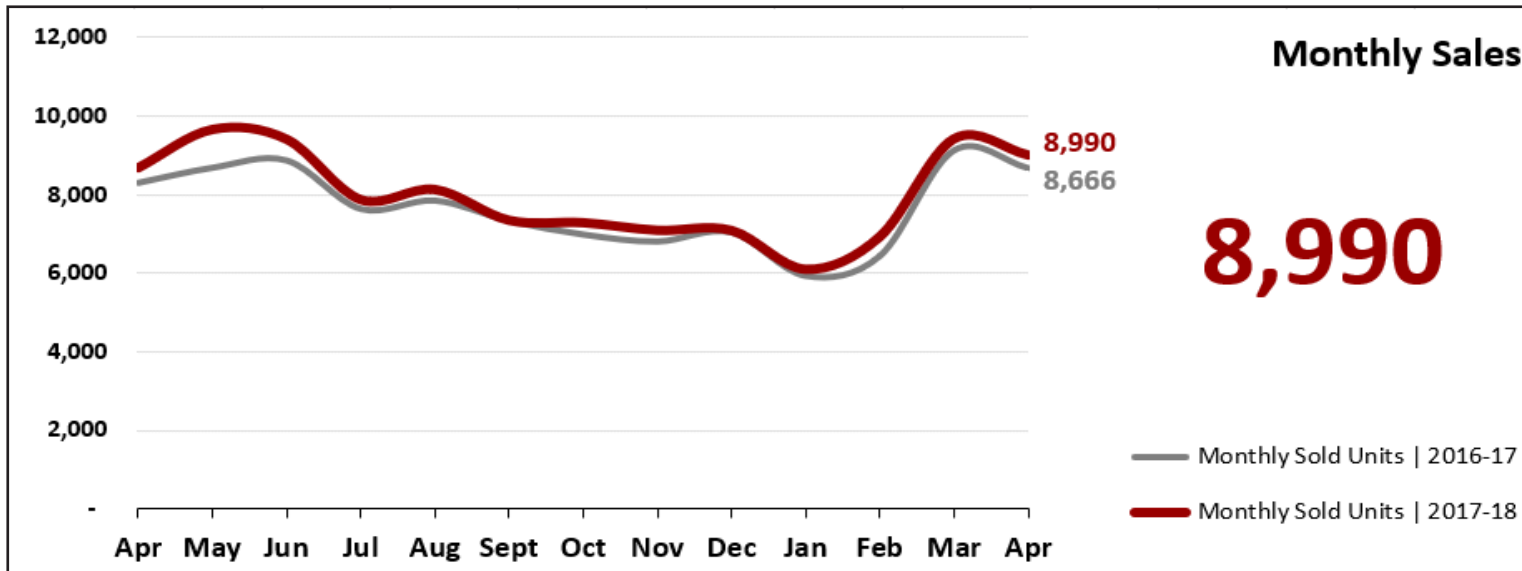




## Your Monthly Statistics for the Phoenix Metro Area



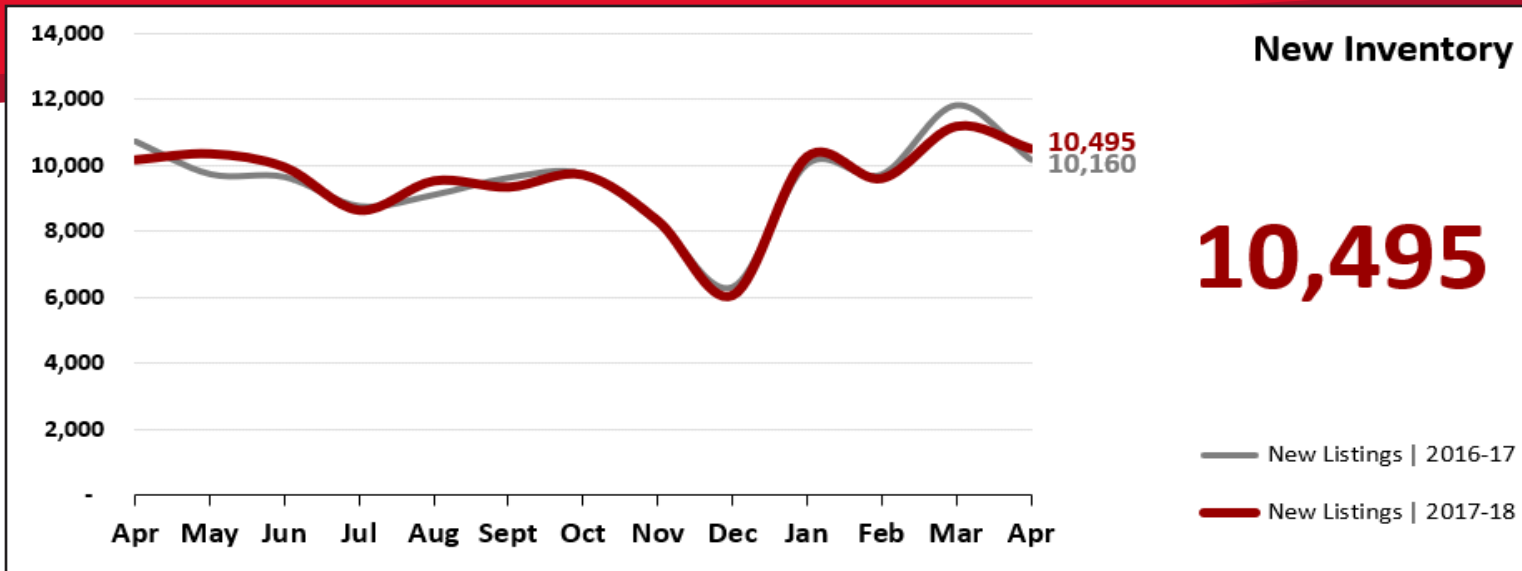
**DATA FOR APRIL 2018** - Published May 15, 2018



Sales are down -4.4% month-over-month. The year-over-year comparison is up +3.7%.

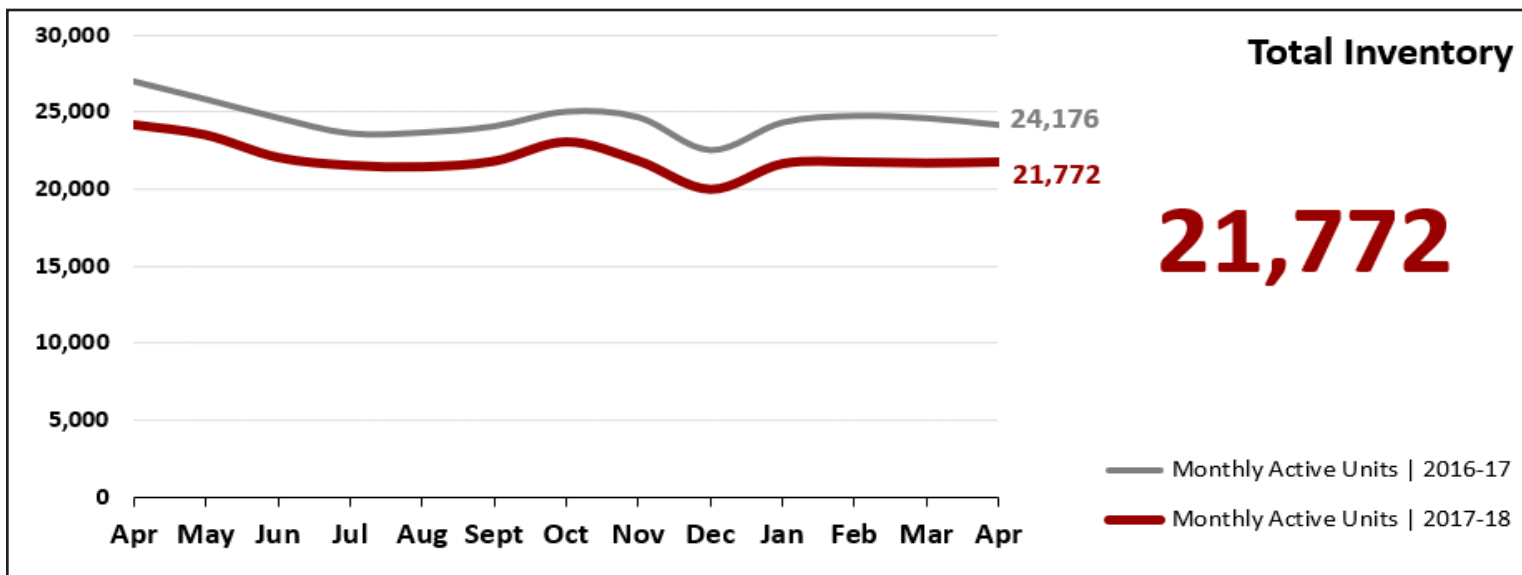
**8,990**

Closed MLS sales with a close of escrow date from 4/1/2018 to 4/30/2018, 0 day DOM sales removed



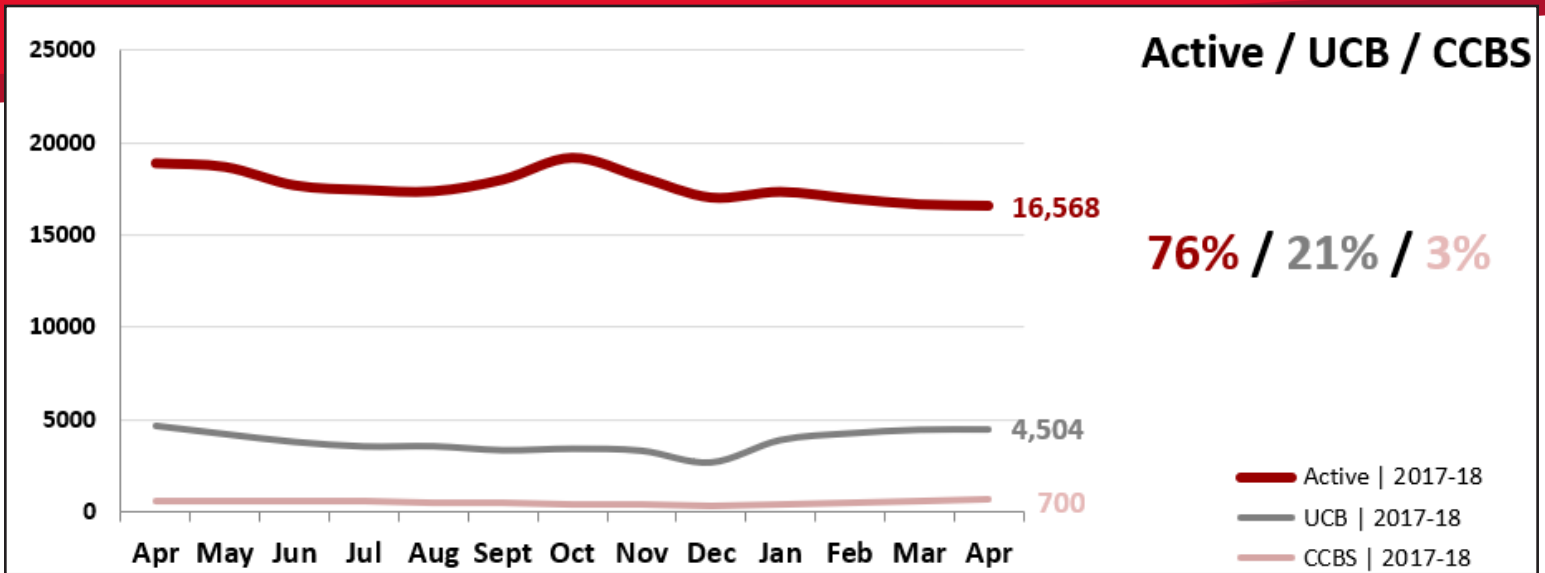
New inventory is down -6.1% month-over-month while the year-over-year comparison shows an increase of +3.3%.

New MLS listings that were active for at least one day from 4/1/2018 to 4/30/2018, 0 day DOM sales removed



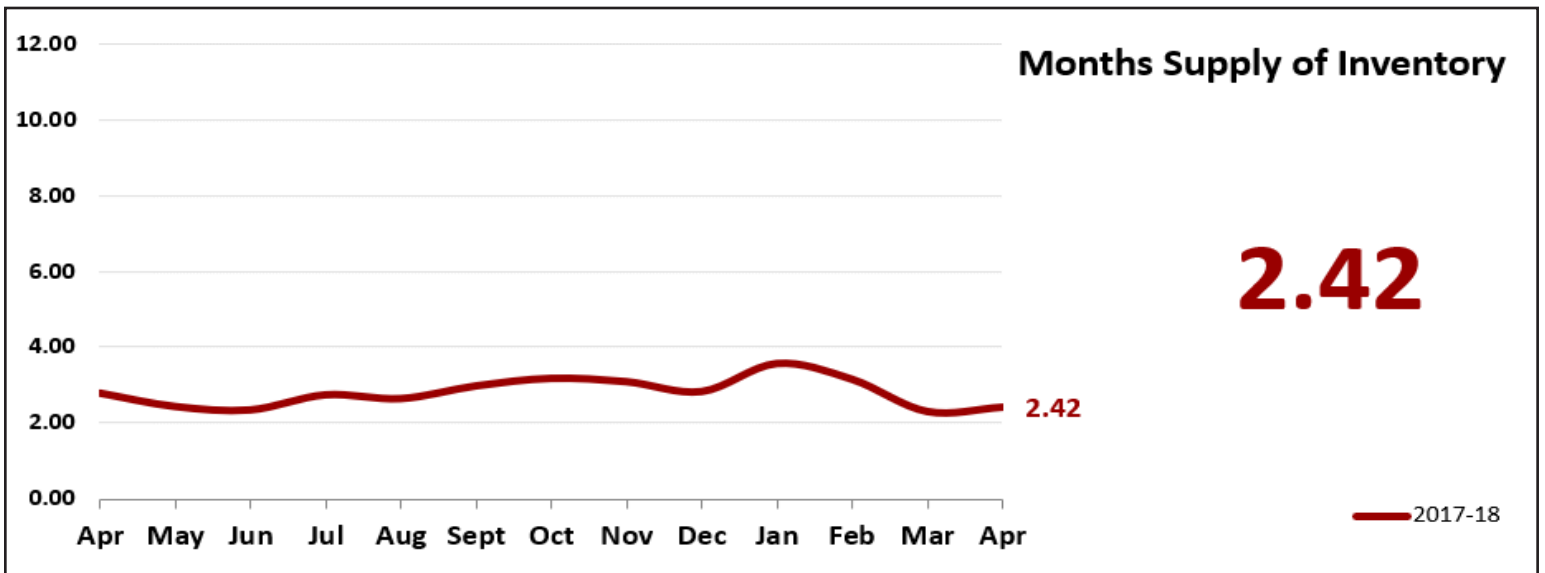
Total inventory has a month-over-month increase of +0.3% while year-over-year reflects a decrease of -9.9%.

Snapshot of statuses on 4/30/2018



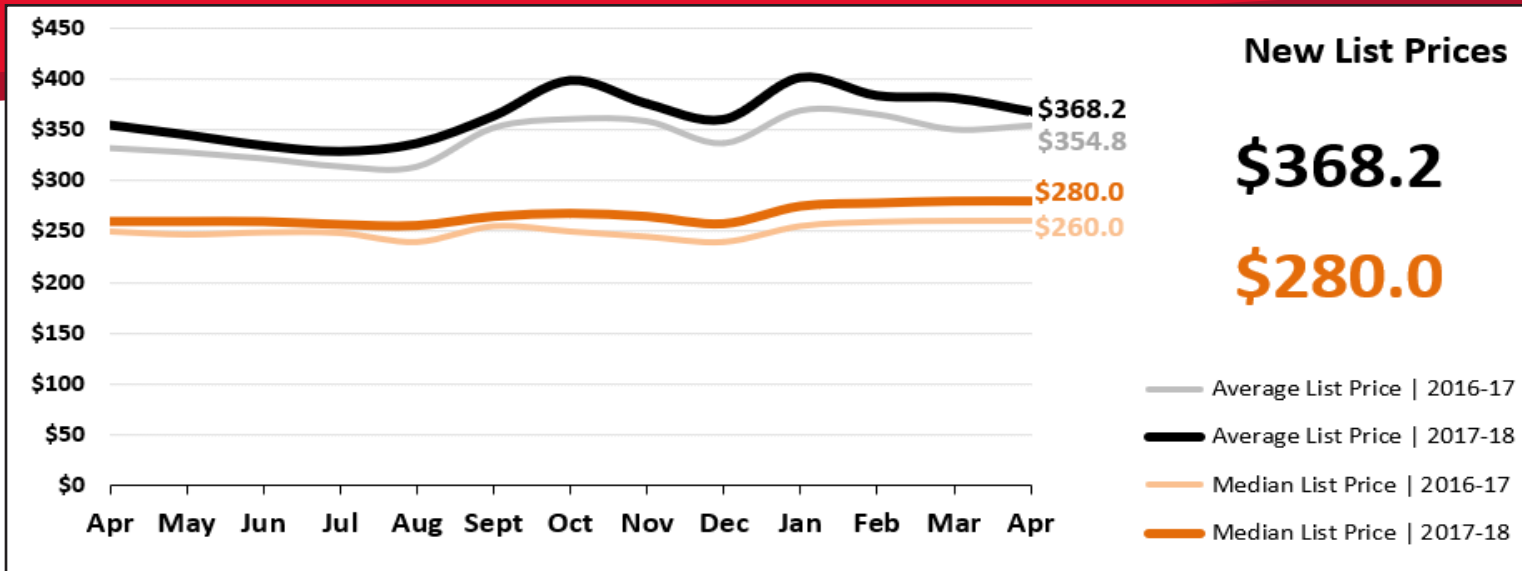
April UCB listings percent of total inventory was 20.7% with April CCBS listings at 2.6% of total inventory.

Snapshot of statuses on 4/30/2018

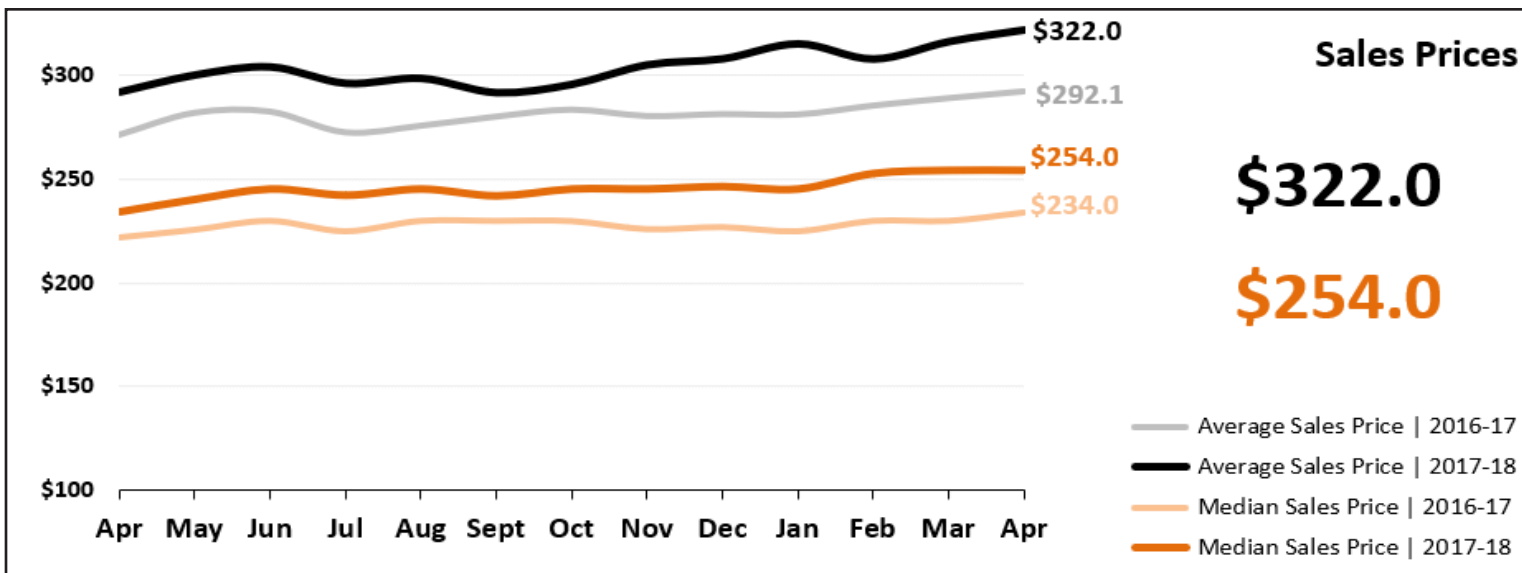


Months supply of inventory for March was 2.31 with April at 2.42.

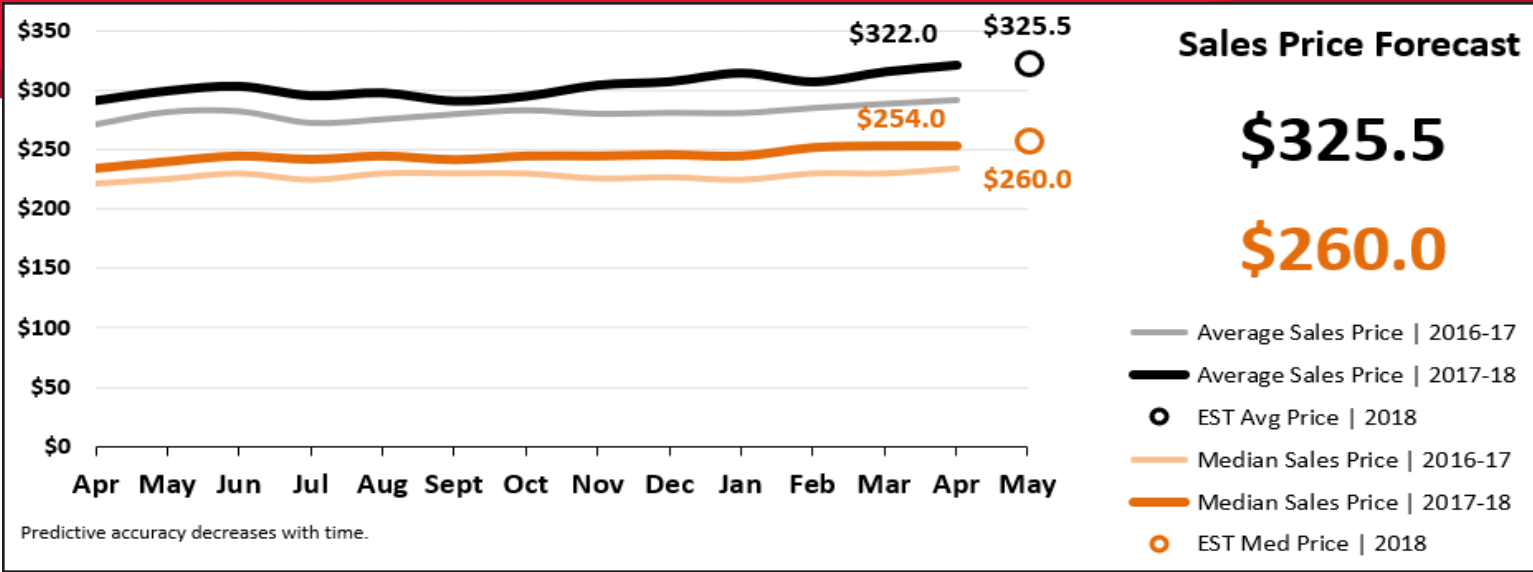
Current inventory of Active/UCB/CCBS divided by the monthly sales volume of APRIL 2018, 0 day DOM sales removed



List prices of new listings with list dates from 4/1/2018 to 4/30/2018, 0 day DOM sales removed

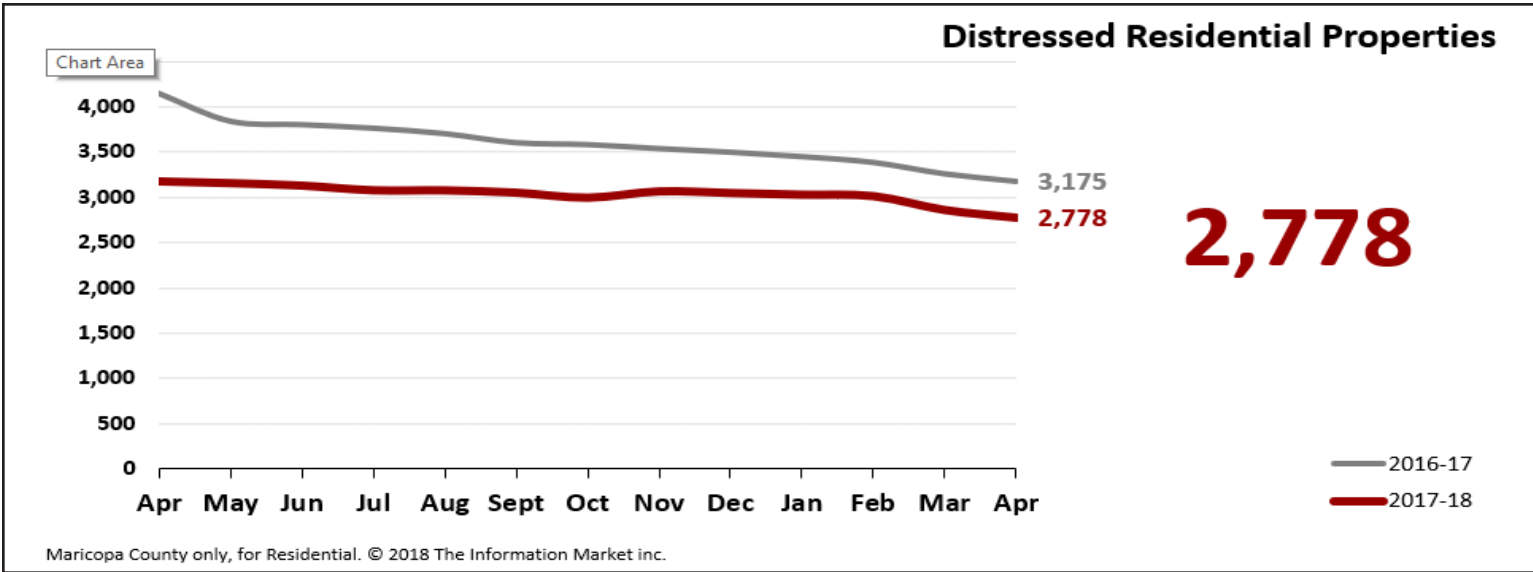


MLS sales prices for closed listings with a close of escrow date from 4/1/2018 to 4/30/2018, 0 day DOM sales removed



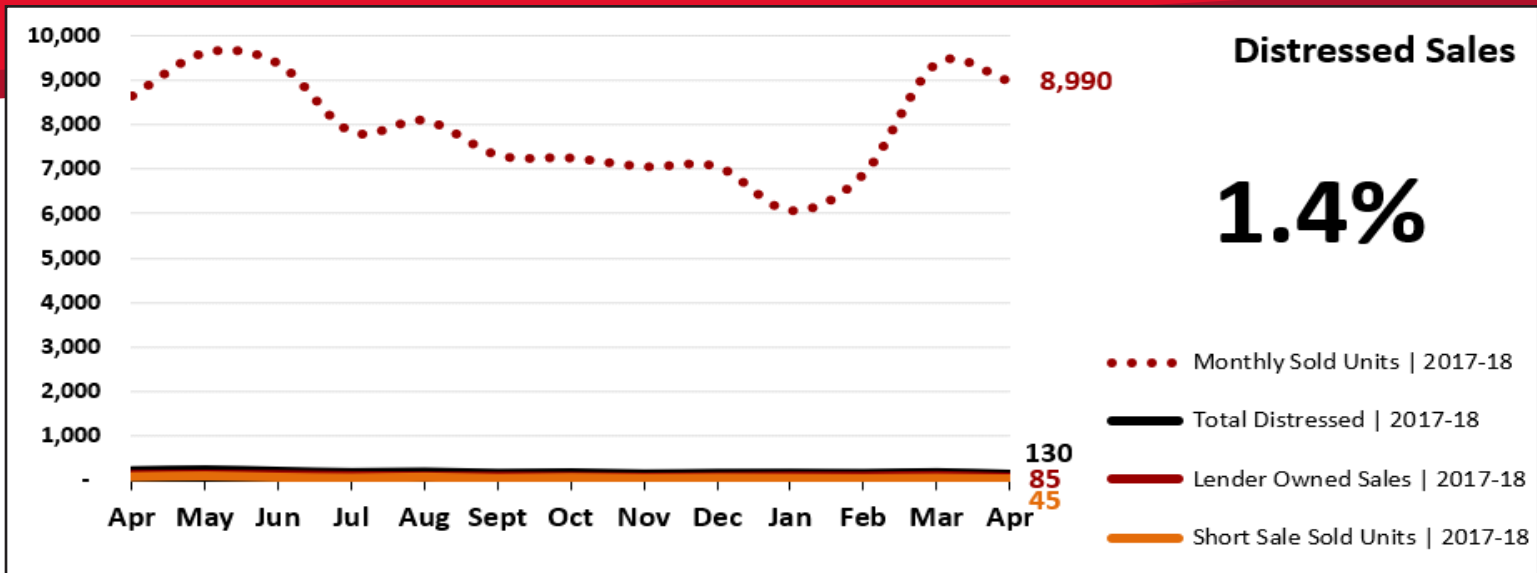
A slight increase is forecasted for average sales price while April is predicted to have an increase in median sales price.

ARMLS proprietary predictive model forecast, 0 day DOM sales removed



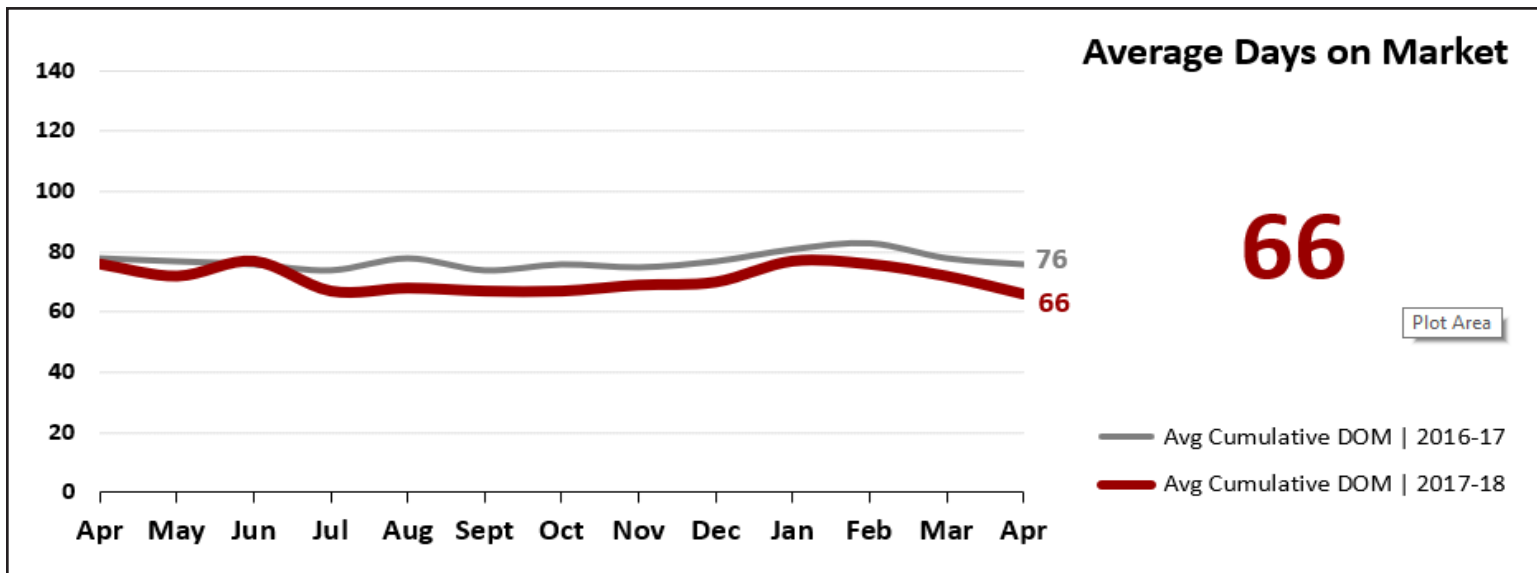
Foreclosures pending month-over-month showed a decrease of -2.9% while the year-over-year figure was down -12.5%.

Snapshot of public records data on 4/30/2018 active residential notices and residential REO properties. Note: this graph was adjusted as total foreclosure counts were under reported for the last 13 months.



Distressed sales accounted for 1.4% of total sales, down from the previous month of 1.8%. Short sales dropped -48.9% year-over-year. Lender owned sales dropped -32.5% year-over-year.

New MLS listings that were active for at least one day from 4/1/2018 to 4/30/2018, 0 day DOM sales removed



Days on market were down -10 days year-over-year while month-over-month decreased by -6.

MLS sales prices for closed listings with a close of escrow date from 4/1/2018 to 4/30/2018, 0 day DOM sales removed

In 1557 an English estate agent (a precursor to the modern day real estate agent) by the name of Thomas Tusser compiled a collection of writings called “Five Hundred Points of Good Husbandry” which contained the following couplet:

*“Sweet April showers  
Do spring May flowers”*

Okay, Tusser was not a real estate agent. He was probably a farmer (albeit a gentleman farmer). Nonetheless, if Tusser had been in real estate he would have eloquently defined the seasonality of our market.

The number of pending contracts historically hits its annual peak in the last week of April. Just as the Tusser Theory of Seasonality would suggest, peak pending contract numbers in April translate into higher sales volume in May and June. In fact, the highest sales volume has appeared in either May or June in 13 out of the 17 years ARMLS has been reporting sales volume. The highest month for sales volume last year was May when 9,641 sales were reported. The four years where May or June did not rule clearly had no respect for Tusser’s theories or his poetry. Plus, they were closely associated with either the bubble forming or collapsing.

The number of pending contracts this year peaked on April 25. This will most likely be the high-water mark for 2018. Remember that historically, the top four months for writing contracts are February, March, April and May. The top four months for closings are March, April, May and June. Glancing at the thermometer and seeing temperatures 100+ can mean only one thing; our peak season is coming to a close. Each year it amazes me how long it seems to take for our peak selling/buying season to arrive, and then in turn, how quickly it passes.

As purchase contracts begin their annual descent, closed contracts are just now approaching their annual peak, commonly called pay day. April reported 8,990 sales, a 3.7% increase over last year. It should be noted that even though there was a 3.7% year-over-year increase, there were 21 business days this year compared to only 20 in 2017. Viewing sales on a business day basis, there were 433 sales per day in 2017 compared to 428 this year. We saw an 8.5% increase in the year-over-year median sales price. If prices continue to rise at accelerated rates, eventually supply will increase and demand will weaken. Could the April sales volume be the first indication of this predictable drop in demand? As we've often said, one month does not constitute a trend and the April daily volume shows only a modest drop. So what do the April sales volume numbers mean? They mean we'll be keeping a much closer eye on May and June.

Now let's turn to total dollar volumes. With a 10.2% yearly increase in the average sales price coupled with the 3.7% increase in volume, the total April sales dollar volume was impressive. Subscribers in April saw their total sale dollars increase 14.3% over last year. Even better news, ARMLS subscribers are off to their best start in history with nearly \$10 billion in sales through the first four months of 2018. With its \$9.9 billion in reported dollar sales, the first four months of 2018 registered as the best start in the history of ARMLS. Nothing feels as good as being number 1.



## Reported Dollar Sales

<b>Year</b>	<b>January</b>	<b>February</b>	<b>March</b>	<b>April</b>	<b>Total Dollar</b>	<b>Rank</b>
2001	636,030,000	782,147,300	1,003,333,600	1,005,025,900	3,426,536,800	18
2002	739,345,600	749,390,600	1,015,710,400	1,103,580,000	3,608,026,600	17
2003	876,792,000	1,020,050,100	1,235,041,500	1,397,260,800	4,529,144,400	15
2004	1,054,819,800	1,263,984,000	1,858,100,000	1,873,144,800	6,050,048,600	10
2005	1,694,476,000	1,938,247,100	2,709,473,100	2,692,800,000	9,034,996,200	2
2006	1,774,115,400	1,976,612,000	2,478,508,200	2,237,221,800	8,466,457,400	4
2007	1,502,793,600	1,650,518,200	2,071,941,000	1,847,583,000	7,072,835,800	6
2008	912,620,800	1,010,608,800	1,259,136,900	1,354,410,400	4,536,776,900	14
2009	855,115,376	944,032,151	1,214,734,880	1,367,508,084	4,381,390,491	16
2010	1,017,185,190	1,146,498,780	1,598,150,234	1,586,418,561	4,348,252,765	13
2011	1,026,793,098	1,113,664,985	1,567,407,534	1,505,062,307	5,212,927,924	12
2012	1,081,057,580	1,207,871,874	1,674,524,083	1,596,003,220	5,559,456,757	11
2013	1,214,561,028	1,438,378,500	1,819,022,472	1,994,450,082	6,466,412,082	8
2014	1,164,366,216	1,326,881,178	1,691,980,180	1,919,077,335	6,102,304,909	9
2015	1,219,848,240	1,501,082,020	2,026,318,400	2,221,187,490	6,968,436,150	7
2016	1,386,160,174	1,554,632,712	2,252,287,764	2,252,727,106	7,445,807,756	5
2017	1,668,131,788	1,836,735,615	2,633,156,600	2,531,633,244	8,669,657,247	3
2018	1,917,861,388	2,128,816,063	2,974,463,730	2,894,348,480	9,915,489,661	1

## Median Peak Pricing

In June of 2006 the median sales price peaked at \$264,800. I remember that after the crash, in the depths of our market when our median was hovering just below \$110,000, some government reports were forecasting it would take 50 years before prices returned to 2006 levels. Sometimes it feels like 2006 was ions ago and sometimes it seems like it was just yesterday. Either way, 2018 median sale price numbers are closely patterning 2006. If there is anyone out there, either agent or analyst, who stated in 2006 that it's a good time to buy as prices always go up- as early as June or as late as next spring of this year, you'll all be able to finally say, "I told you so!"

Year	January	February	March	April	May	June
2006	254900	252000	255000	255000	259900	264800
2018	245000	252500	254000	254011	260000*	

\*\$260,000 is the PPI forecast for May.

Let's wrap up this issue of STAT by turning to public records now that the first quarter results are in. Anyone that follows STAT knows I always like to look at both the volume and the composition of our transactional sales data as well as our mortgage data. The trend for the last four years is one of steady positive growth and improved health in all facets. Distressed sales have seen a steady decline while new construction and traditional sales have shown continued improvement. An increase in both the volume and market share of conventional loans and the decline in FHA loans portray a consumer with more money for the down payment, thereby avoiding the higher costs associated with an FHA loan.

## Transactional Sales Data

Year	Total	Third_party_auction	Short_sale_distressed	Reo	Fixnflip	Wholesaler	Ibuyers	New_construction	Traditional_sale
2015Q1	20933	478	577	887	943	159	7	1998	15884
2016Q1	23382	488	554	559	1082	240	153	2770	17536
2017Q1	26399	387	483	410	1104	259	537	3469	19750
2018Q1	27879	322	364	271	1243	287	909	3730	20753

## Mortgage Data

Year	Total_sales	Conventional	Va	Fha	Sellercarryback	Privatelender	Allcash	Foreclosurecash	Agreementforsale
2015Q1	20933	8563	1358	4073	265	199	5926	478	71
2016Q1	23382	10331	1499	4518	250	310	5935	488	51
2017Q1	26399	13094	1615	4129	253	354	6537	387	30
2018Q1	27879	14922	1640	3134	204	358	7280	322	19

## The ARMLS Pending Price Index

Last month STAT projected a median sales price for April of \$252,500. The actual median sales price was \$254,011. Our sales volume projection for March was 9,000 with actual sales coming in at 8,990. Looking ahead to May, the ARMLS Pending Price Index anticipates the median sales price will be \$260,000. It should be noted through the first four months of 2018 we have been underestimating the median sales price.

Sales volume for the first four months of 2018 was 4.01% higher than 2017, with 31,385 sales in 2018 compared to 30,149 in 2017. We begin May with 7,105 pending contracts, 4,504 UCB listings and 700 CCBS giving us a total of 12,309 residential listings practically under contract. This compares to 12,711 of the same type of listings one year ago. ARMLS reported 9,641 sales in May of 2018. Our best guess for May sales volume will be in the 9,500 range.