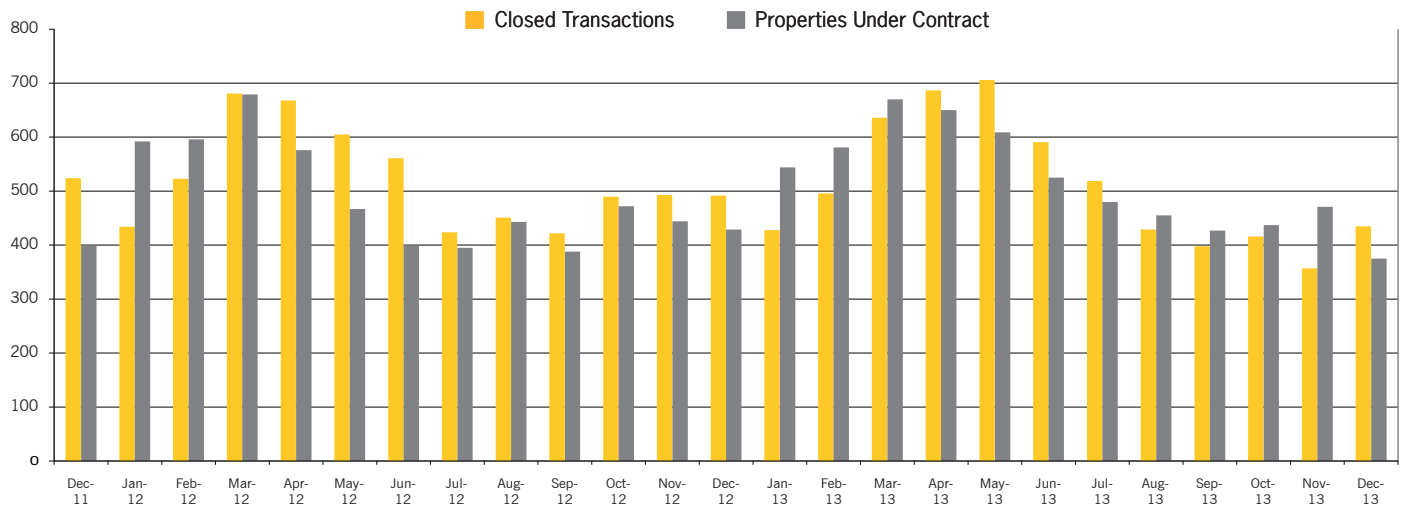




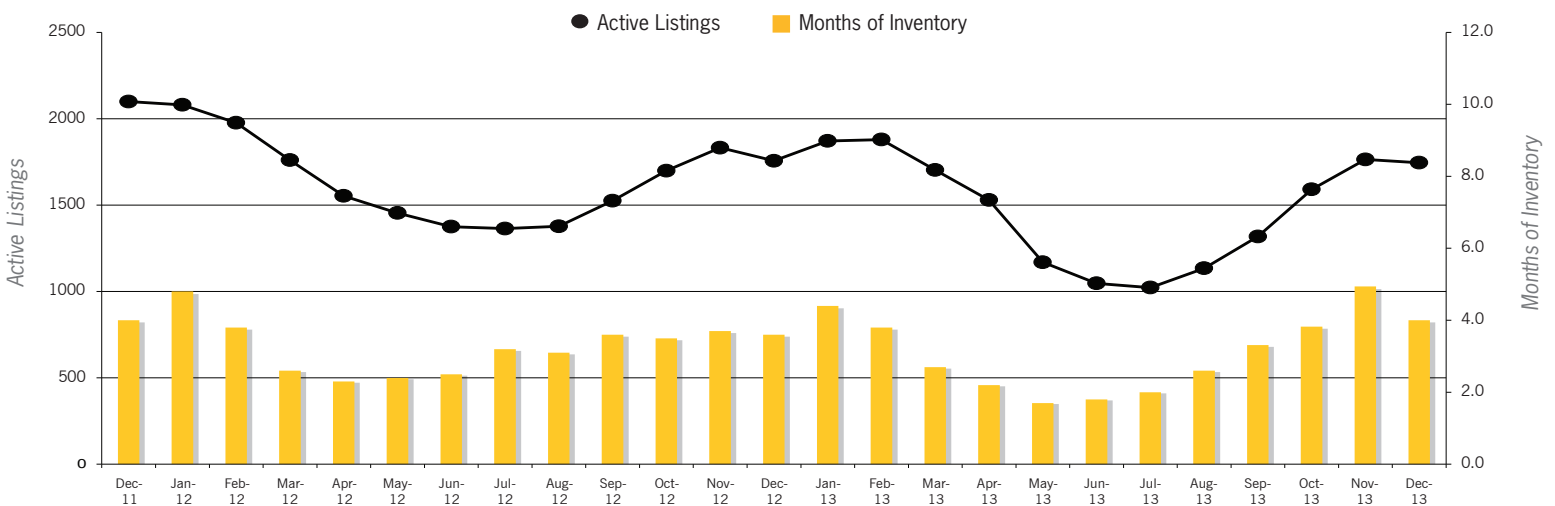
Sun Cities Area | January 2014

In the Phoenix Sun Cities area, December 2013 active inventory was 1,745, a 1% decrease from December 2012. There were 435 closings in December 2013, a 12% decrease from December 2012. Months of Inventory was 4.0, up from 3.6 in December 2012. Median price of sold homes was \$149,900 for the month of December 2013, up 15% from December 2012. The Phoenix Sun Cities area had 375 new properties under contract in December 2013, down 13% from December 2012.

CLOSED SALES AND NEW PROPERTIES UNDER CONTRACT – SUN CITIES AREA



ACTIVE LISTINGS AND MONTHS OF INVENTORY – SUN CITIES AREA



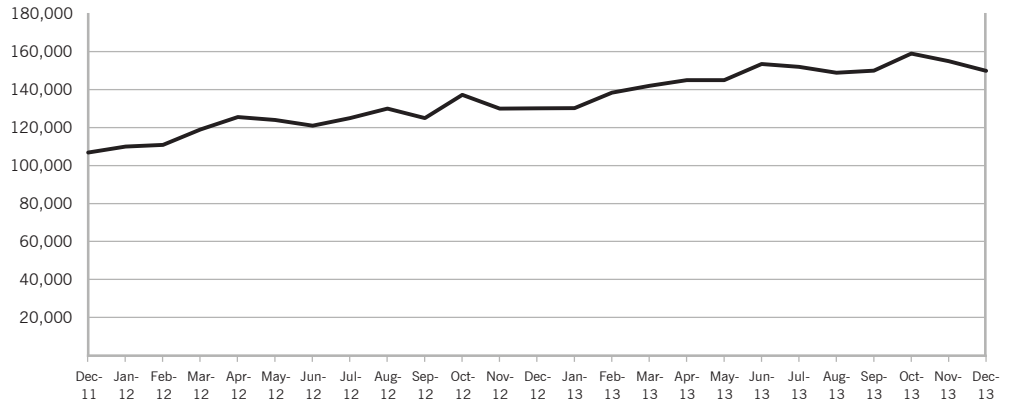
Properties under contract and Home Sales data is based on information obtained from the ARMLS using Brokermetrics software.
All data obtained 01/06/2014 is believed to be reliable, but not guaranteed.



Sun Cities Area | January 2014

MEDIAN PRICE – SUN CITIES AREA

This graph represents the median sold home prices over the past two years.



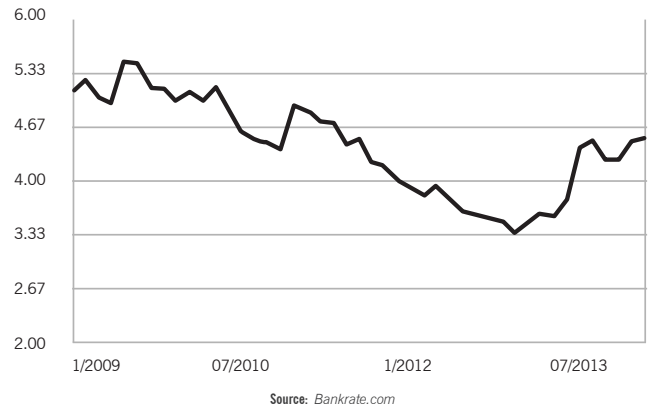
MONTHLY PAYMENT ON A MEDIAN PRICED HOME – SUN CITIES AREA

Year	Median Price	Int. Rate	MO. Payment
2006	\$232,250	6.70%	\$1,446.21
2012	\$130,150	3.50%	\$555.21
2013	\$149,900	4.25%	\$700.55

Source: Residential median sales prices. Data obtained 01/06/2014 from ARMLS using Brokermetrics software. 2006 Monthly payments based on an FHA mortgage with a 3.5% down payment on a median priced home, 2012 and 2013 amounts based on 5% down payment. All data obtained is believed to be reliable, but not guaranteed.

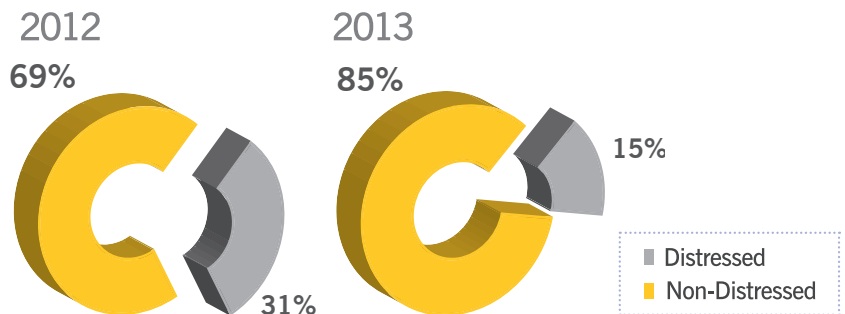
30 YEAR FIXED MORTGAGE RATE

While mortgage rates have increased slightly recently, they are still well below 2009 levels.



DISTRESSED VS. NON-DISTRESSED SALES – SUN CITIES AREA

The percentage of property sales that are distressed, meaning bank owned or short sales, for the current year as compared to the same time period last year. A lower percentage of distressed sales can lead to improving market conditions.





The Housing Report



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Sun Cities Area | January 2014

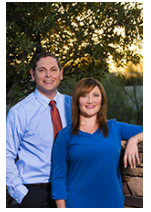
MARKET CONDITIONS BY PRICE BAND – SUN CITIES AREA

	Active Listings	Last 6 Months Closed Sales						Current Months of Inventory	Last 3 Month Trend Months of Inventory	Market Conditions
		Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13			
\$1 - 49,999	13	14	9	16	6	4	9	1.4	2.1	Seller
\$50,000 - 74,999	73	23	34	23	19	19	29	2.5	2.9	Seller
\$75,000 - 99,999	141	36	40	47	37	33	47	3.0	3.5	Seller
\$100,000 - 124,999	135	50	46	37	62	38	50	2.7	2.6	Seller
\$125,000 - 149,999	260	115	83	66	55	75	85	3.1	3.7	Seller
\$150,000 - 174,999	257	93	68	70	71	47	64	4.0	4.0	Slightly Seller
\$175,000 - 199,999	240	52	47	40	46	41	48	5.0	5.2	Balanced
\$200,000 - 224,999	135	45	27	28	37	30	38	3.6	3.9	Seller
\$225,000 - 249,999	126	30	20	20	25	21	18	7.0	6.0	Balanced
\$250,000 - 274,999	91	9	14	15	16	9	11	8.3	7.0	Slightly Buyer
\$275,000 - 299,999	91	10	16	12	13	14	8	11.4	7.2	Slightly Buyer
\$300,000 - 349,999	62	12	7	6	18	7	9	6.9	5.8	Balanced
\$350,000 - 399,999	49	8	7	10	6	8	8	6.1	6.3	Balanced
\$400,000 - 499,999	42	4	3	5	5	3	4	10.5	9.3	Buyer
\$500,000 - 599,999	18	3	1	1	0	2	4	4.5	10.0	Buyer
\$600,000 - 699,999	7	0	1	1	1	1	1	7.0	8.3	Slightly Buyer
\$700,000 - 799,999	2	1	0	0	0	0	2	1.0	3.0	Seller
\$800,000 - 899,999	2	0	0	0	0	0	0	n/a	n/a	n/a
\$900,000 - 999,999	0	0	0	0	0	0	0	n/a	n/a	n/a
\$1,000,000 - and over	1	0	0	0	0	0	0	n/a	n/a	n/a
TOTAL	1,745	505	423	397	417	352	435	4.0	4.2	Slightly Seller



Statistics based on information obtained from ARMLS and using Brokermetrics software on 01/06/2014.

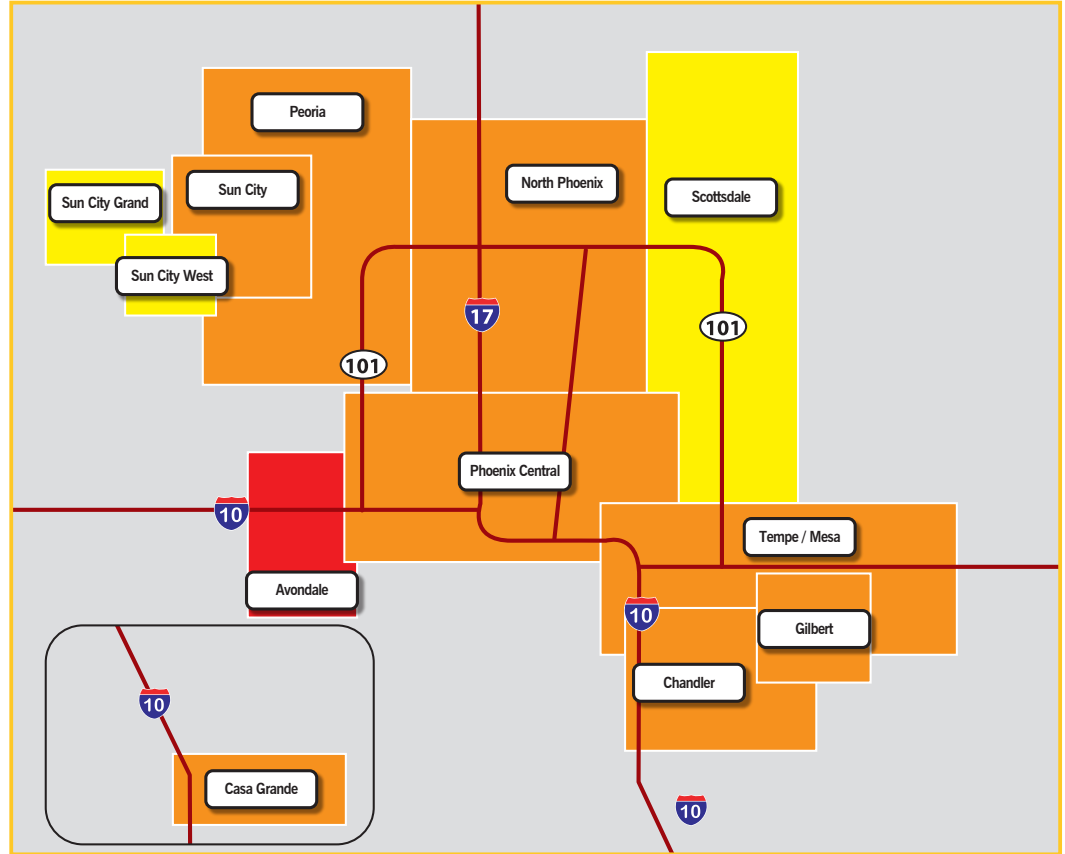
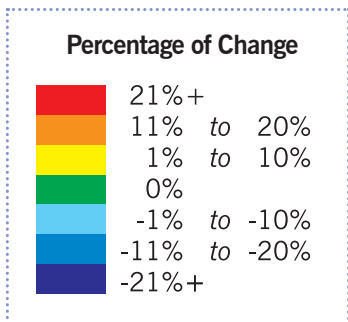
3 month trend in months of inventory is the average of closed sales and active listing data from 10/01/2013 - 12/31/2013. Information is believed to be reliable, but not guaranteed.



CHANGE IN MEDIAN SALES PRICE BY AREA

DECEMBER 2012 TO DECEMBER 2013

This heat map represents the percentage of change in Phoenix metro median sales prices from December 2012 to December 2013 by area.



PHOENIX LUXURY

The luxury segment of the Phoenix housing market is represented by residential sales \$800,000 and above.

Data Obtained 01/06/2014 from ARMLS using BrokerMetrics software for all closed residential sales volume between 01/01/2013 - 12/31/2013 rounded to the nearest tenth of one percent and deemed to be correct.

CLOSED UNITS JAN - DEC 29.4%



UNDER CONTRACT JAN - DEC 29.3%



MONTHS OF INVENTORY 13.2%



The Phoenix Sun Cities Area Housing Report is comprised of data for residential properties in the zip codes 85351, 85353, 85374, 85375, 85379 & 85387. Real Estate remains very localized and market conditions can vary greatly by not only geographic area but also by price range. Please feel free to contact me for a more in-depth analysis.