LONG REALTY
A BERKSHIRE HATHAWAY AFFILIATE

TUCSON AND SOUTHERN ARIZONA

Mid-Year State of the Market

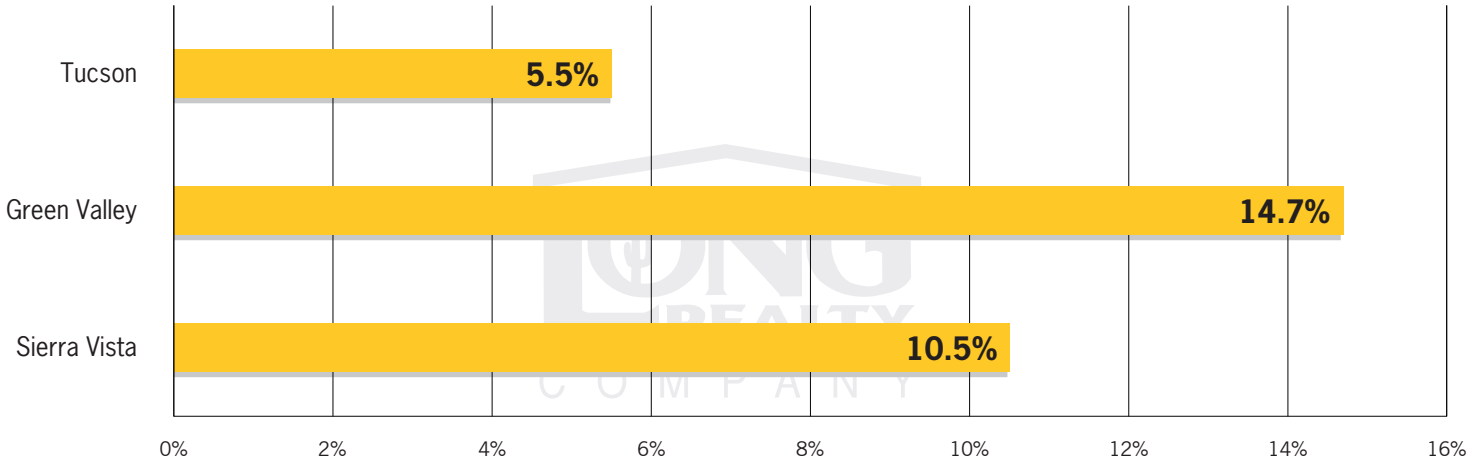
Moreita Chapman, The Tucson Homes Team | (520) 603-5453
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July 2015

Improvements in consumer sentiment and a rise in interest rates in 2015 prompted more buyers to take action, resulting in an increase in closed sales activity versus 2014. Listing inventories dipped in 2015 as the rate of sales outpaced homes coming on the market.

RESIDENTIAL CLOSED SALES GROWTH – JAN-JUN 2015 VS. JAN-JUN 2014



Data Obtained 07/06/2015 from TARMLS, GVSAHMLS and SAMLS for all closed residential sales units between 01/01/2015 – 06/30/2015 and deemed to be correct.

Percent Change in Closed Sales is a generalization of the market. Some price points and neighborhoods may differ, so contact me to receive information pertinent to your property.

ACTIVE LISTING INVENTORY – JUNE 2015 VS. JUNE 2014

Area	2015	% Change from 2014	Trend
Tucson	5,151	-5.4%	↘
Green Valley	640	-4.9%	↘
Sierra Vista	850	-13.3%	↘

Statistics based on information obtained from TARMLS, GVSAHMLS and SAMLS on 07/06/2015. Information is believed to be reliable, but not guaranteed.

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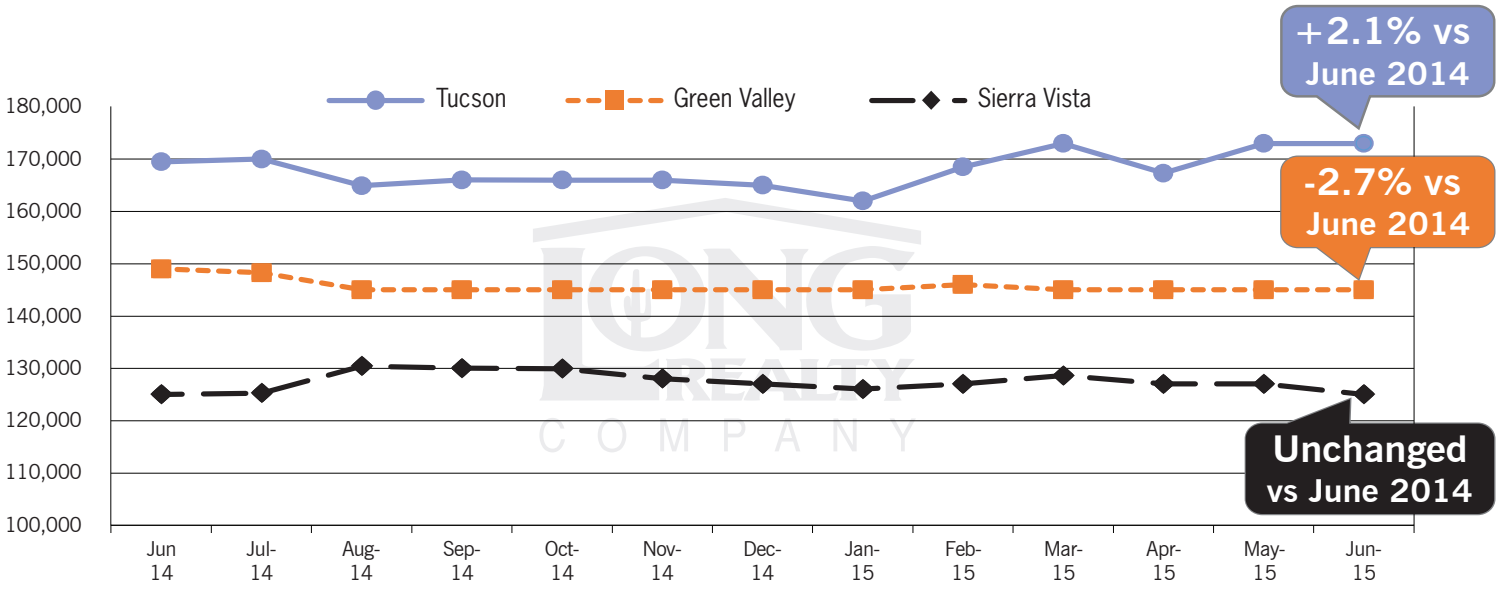
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July 2015

In Tucson, sales prices increased slightly from 2014. Green Valley and Sierra Vista continued with relatively flat pricing environments. Monthly principal and interest payments remained relatively unchanged since 2014. A possible trend in higher sales prices and a predicted increase in interest rates may impact future affordability.

MEDIAN SALES PRICE TREND – RESIDENTIAL



MONTHLY MORTGAGE PAYMENT – JUNE 2015 VS. JUNE 2014

Area	2015	% Change from 2014	Trend
Tucson	$792.23	0%	→
Green Valley	$664.01	-4.6%	↘
Sierra Vista	$572.42	-2.0%	↘

Statistics based on information obtained from TARMLS, GVSAHMLS and SAMLS on 07/06/2015. Monthly payments based on a 30 year fixed mortgage on a median priced home with a 5% downpayment. Information is believed to be reliable, but not guaranteed.

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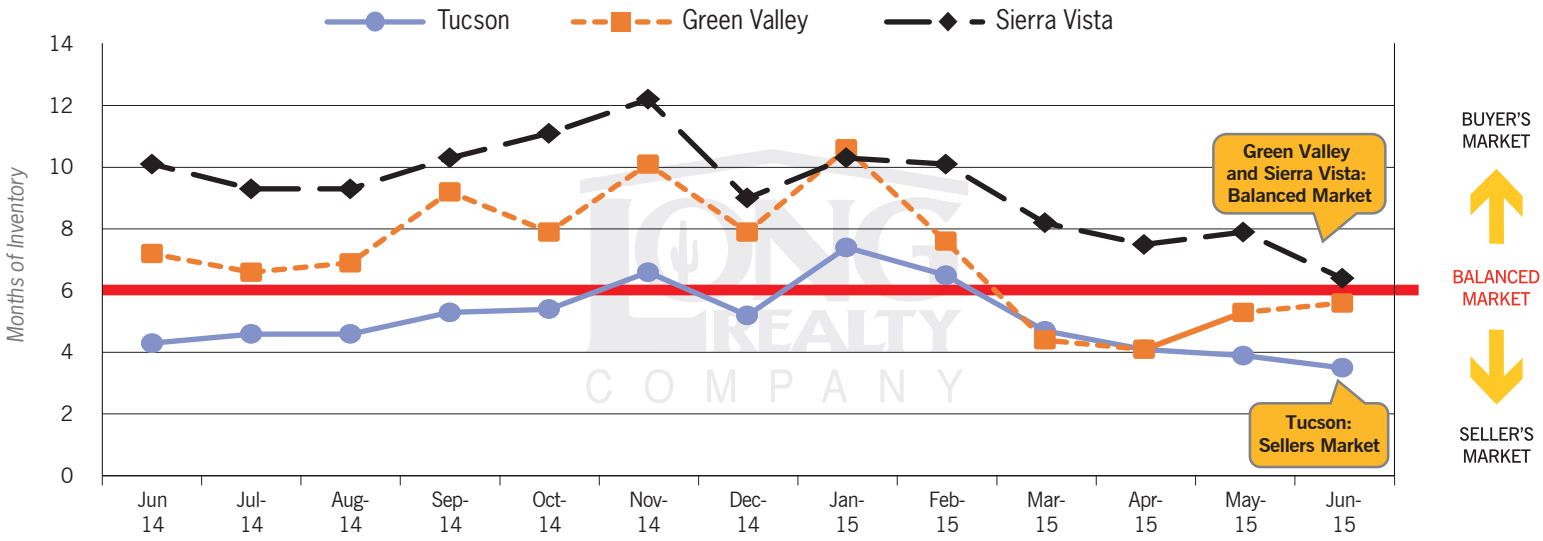
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July 2015

With an increase in sales and reduction in available inventory, Months of Inventory declined in Southern Arizona markets. Months of Inventory reflects the ratio between inventory and sales and is a good indicator of the overall health of the market. However, Months of Inventory may vary greatly by price point or specific area. Now may be an excellent time for potential sellers to bring their home on the market.

MONTHS OF INVENTORY



TUCSON LUXURY MARKET ($800,000+) – JUNE 2015 VS. JUNE 2014

Area	2015	% Change from 2014	Trend
Closed Sales (YTD)	82	+6.5%	↗
Listing Inventory (June)	252	-6.3%	↘
Months of Inventory (June)	13.3	-6.3%	↘
Median Sales Price (June)	$987,000	+1.8%	↗

Statistics based on information obtained from TARMLS, GVSAHMLS and SAMLS on 07/01/2015. Information is believed to be reliable, but not guaranteed.

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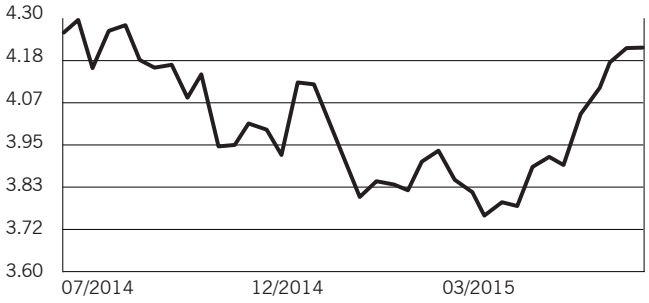


July 2015

MARKET INSIGHTS

In addition to supply and demand, local real estate is influenced by other factors including interest rates, employment conditions and consumer confidence.

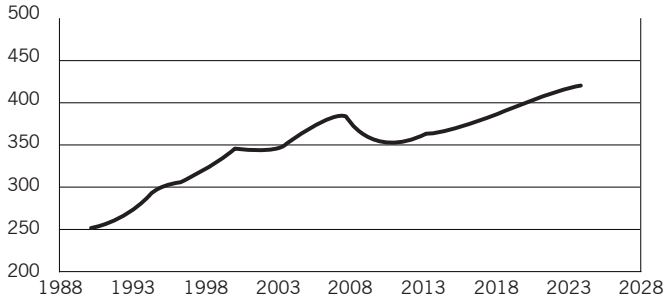
30 YEAR FIXED MORTGAGE RATES TICK UP



Source: *Bankrate.com*

While mortgage rates had dropped late 2014 into early 2015, they increased in the second quarter to about 4.2%. This may have provided an incentive to home buyers to lock in their rates and purchase, to avoid an increase in monthly payments.

LOCAL EMPLOYMENT EXPECTED TO IMPROVE

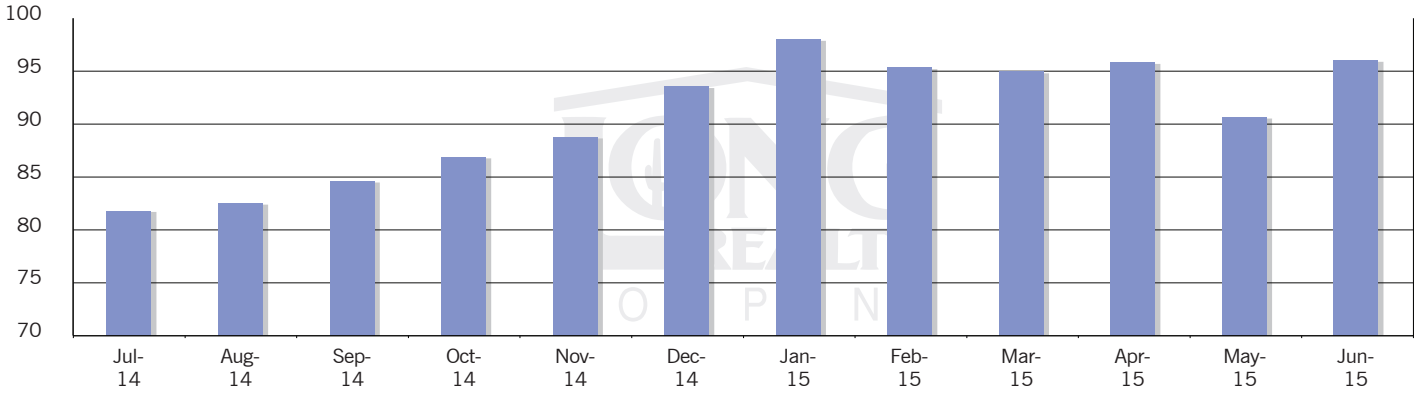


Source: *www.eller.arizona.edu*

Tucson's economic growth is expected to outpace the national economy by 2017. UA Eller Economist George Hammond says job growth in Tucson is predicted to accelerate from 0.5 percent in 2014 to 0.9 percent this year, and rise again to 1.4 percent in 2016. Job growth is expected to continue in 2017, helping to fuel Tucson's economy as it then is forecast to outpace the national economy.

CONSUMER CONFIDENCE IMPROVES

Consumer confidence is on the rise this year. What does this mean for our market? As consumers feel more confident, they are more comfortable in making large purchase decisions.



Source: *TradingEconomics.com, U.S. Consumer Sentiment from University of Michigan*

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SPOTLIGHT ON OUR COMMUNITY

Here are links to recent articles featuring Tucson and Southern Arizona communities, which should help attract buyers. Time to list? Contact me for more information.

Tucson Ranked in 25 Best Places to Retire - Forbes
http://www3.forbes.com/investing/the-25-best-places-to-retire-in-2014/2/

Tucson Ranked #4 in USA Today's Top 10 Best Cities to Retire
http://www.usatoday.com/story/money/2015/06/08/bankrate-best-cities-to-retire/28481565/

Corona de Tucson, Vail, Sahuarita and Sierra Vista Named Best Cities for Young Families in Arizona
http://www.nerdwallet.com/blog/cities/best-cities-young-families-arizona-2015/

Bisbee, Tombstone and Tubac Included in The 10 Most Beautiful Towns in Arizona
http://theculturetrip.com/north-america/usa/arizona/articles/the-10-most-scenic-historical-towns-in-arizona/

Tucson is the 11th Best City for Staycations
http://www.tucsonnewsnow.com/story/29166390/study-tucson-is-the-11th-best-city-for-staycations

University of Arizona Places Five Graduate Programs in Top 10
http://uanews.org/story/ua-places-five-graduate-programs-in-top-10

Tucson Strikes Gold with Two Wheels – Tucson receives Gold recognition by the League of American Bicyclists.
http://mapazdashboard.arizona.edu/article/tucson-strikes-gold-two-wheels

Which U.S. Cities Have the Most Bike Lanes? Tucson Named #2
http://www.forbes.com/sites/niallmccarthy/2014/09/26/which-u-s-cities-have-the-most-bike-lanes-infographic

The local housing market has shown improvement in 2015. We expect for the balance of 2015 a continuation of this stability. What does this market mean for buyers and sellers?

- *Buyers – better confidence in housing and the economy will mean more home buyers, and competition. Lower inventories mean slightly less choice and an uptick in prices and rates may impact affordability. Improving home values will help buyers with long term equity gains.*
- *Sellers – more buyers and less inventory may increase opportunities for owners to put their home on the market and attract buyers. Higher price points still lag and should be priced aggressively.*

For market conditions in your neighborhood or to get a professional estimate on the current value of your home, please contact me today.

Long Realty is outperforming the market this year, helping over 4,000 people buy and sell homes in the first half of 2015. Thank you to our many clients for their confidence in our brand and sales associates.