



PHOENIX AND CASA GRANDE Mid-Year State of the Market

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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 in Phoenix and Casa Grande. 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 ARMLS 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
Phoenix	19,929	-19.4%	↓
Casa Grande	1,031	-20%	↓

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



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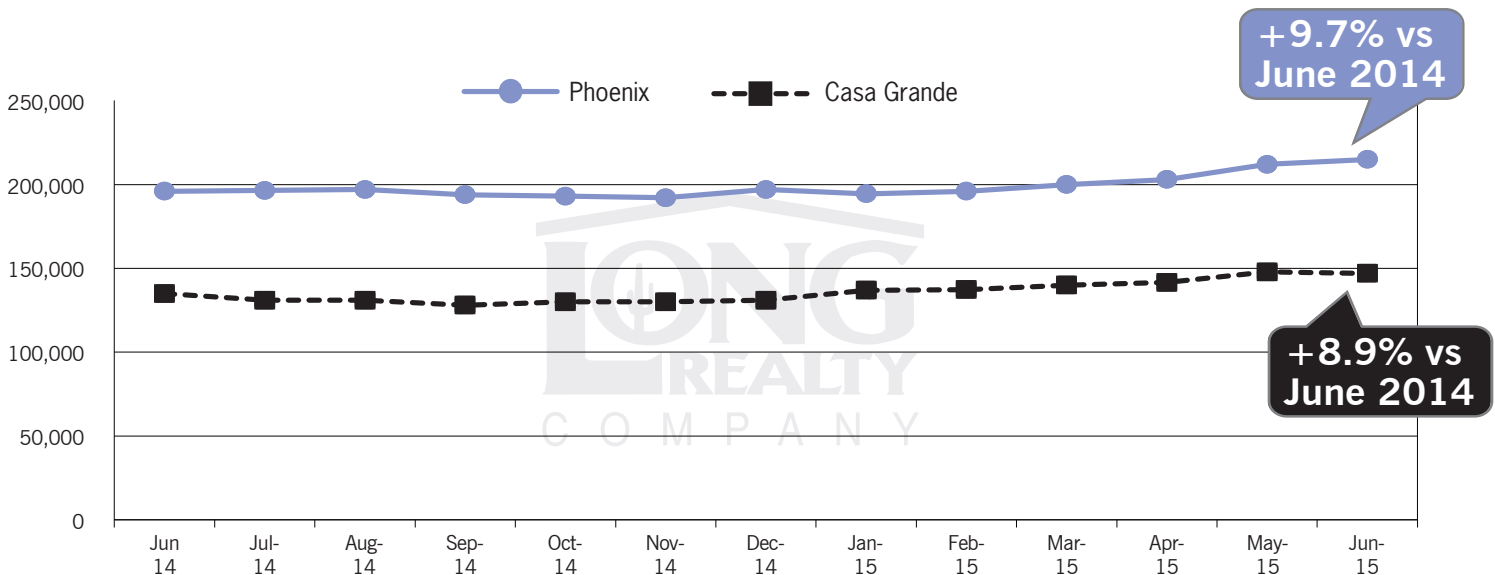
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In Phoenix and Casa Grande, sales prices increased from 2014. Monthly principal and interest payments increased from 2014. A possible trend in higher sales prices and a predicted increase in interest rates may impact future affordability.

MEDIAN SALES PRICE TREND – RESIDENTIAL



MONTHLY MORTGAGE PAYMENT – JUNE 2015 VS. JUNE 2014

Area	2015	% Change from 2014	Trend
Phoenix	\$984.56	7.5%	▲
Casa Grande	\$673.17	6.7%	▲



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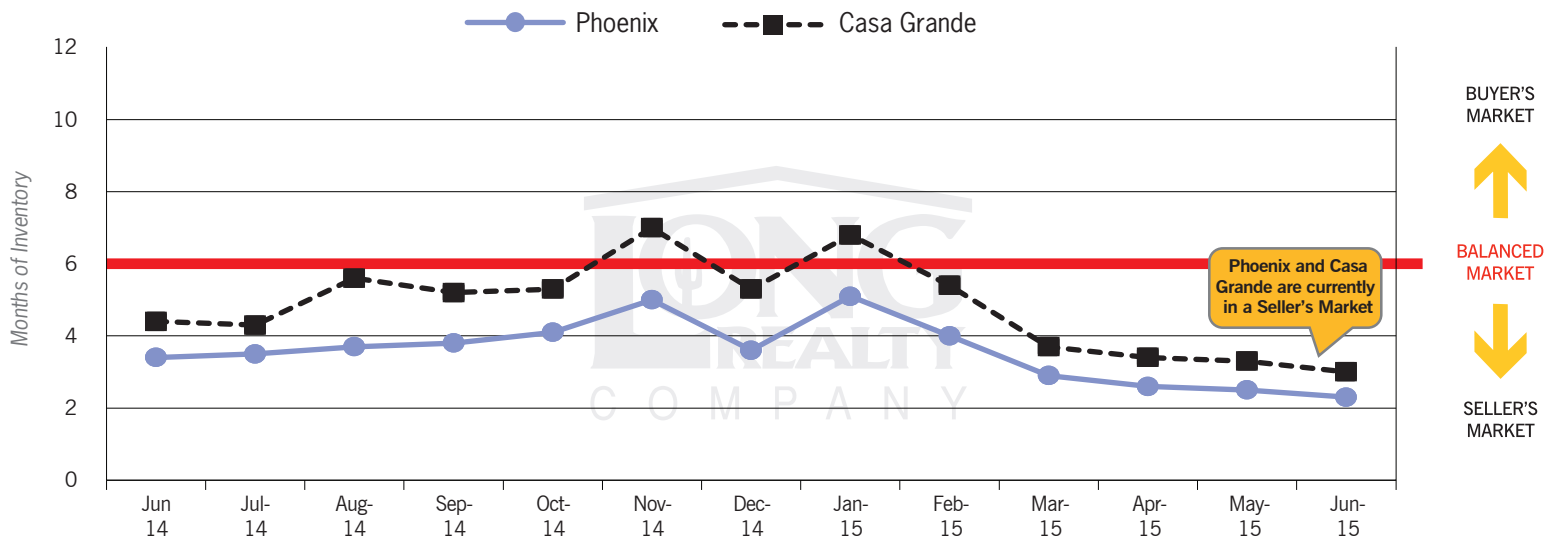
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With an increase in sales and reduction in available inventory, Months of Inventory declined in Phoenix and Casa Grande. Months of Inventory reflects the ratio between inventory and sales and is a good indicator of the overall health of the market. 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



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

Area	2015	% Change from 2014	Trend
Closed Sales (YTD)	1,123	+14.4%	➔
Listing Inventory (June)	2,266	+6.0%	➔
Months of Inventory (June)	10.6	-8.6%	➔
Median Sales Price (June)	\$1,125,000	0%	➔

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MARKET INSIGHTS

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

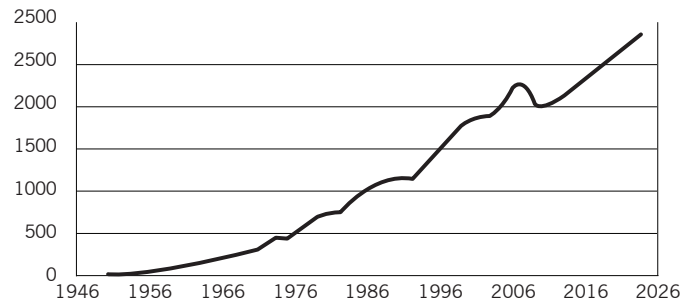
30 YEAR FIXED MORTGAGE RATES TICK UP



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.

PHOENIX BOASTS BEST JOB GROWTH SINCE 2007

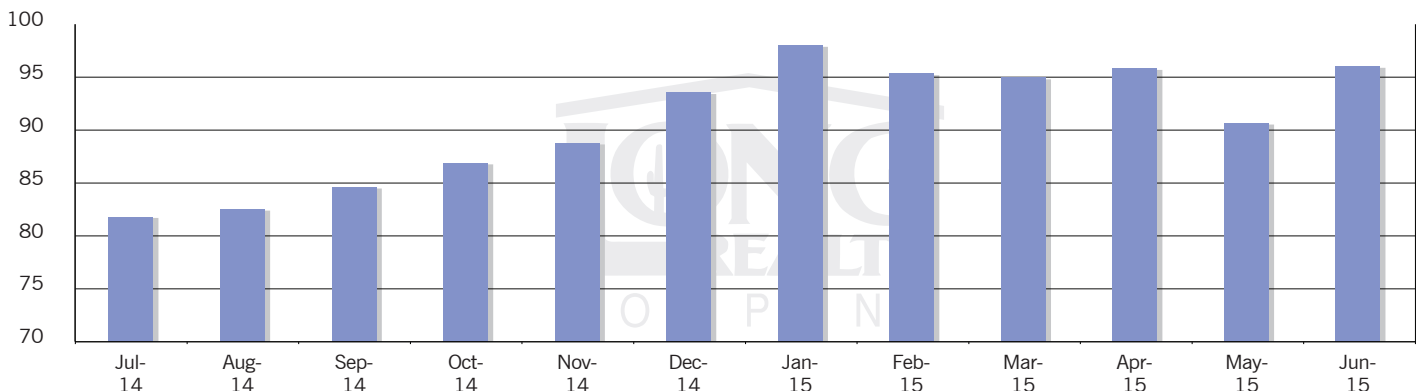


Source: bizjournals.com and azeconomy.org

There have been 61,400 new hires in Maricopa and Pinal counties since February 2014, according to the Arizona Department of Administration, a 3.3 percent increase. The Phoenix metro increased its workforce by 1.2 percent from January, a pace higher than the average number of new jobs created during February over the last 10 years.

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 Phoenix, which should help attract buyers. Time to list? Contact me for more information.



Phoenix Traffic Better Than Any Other Metropolis in the Country

<http://www.phoenixnewtimes.com/news/phoenix-traffic-better-than-any-other-metropolis-in-the-country-6649334>



Top Ranked AZ Schools in AZ are in Phoenix

<http://www.usnews.com/education/best-high-schools/arizona>



Phoenix is the #1 Best City to Retire in

<http://www.usatoday.com/story/money/2015/06/08/bankrate-best-cities-to-retire/28481565/>



Scottsdale Ranks #4 City for Staycations

<http://www.bizjournals.com/phoenix/blog/business/2015/05/scottsdale-a-top-spot-for-staycations.html>



Phoenix Ranks 38th Among Top 100 Communities in a Well-being Study

<http://www.bizjournals.com/phoenix/blog/business/2015/04/phoenix-ranks-among-top-50-cities-in-well-being.html>



Phoenix Ranks 11th on EPA's Energy Star Top Cities

<http://yosemite.epa.gov/opa/admpress.nsf/0/C4F015EBE2F91EEA85257E13005E49BC>



Buckeye, Queen Creek, Gilbert, Surprise and Chandler Named Best Cities for Young Families in Arizona

<http://www.nerdwallet.com/blog/cities/best-cities-young-families-arizona-2015/>



4 Phoenix-area Cities are Tops for Finding a Job

<http://www.azcentral.com/story/money/business/2015/01/06/four-phoenix-area-cities-make-list-of-top-cities-for-finding-a-job/21327931/>

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.