

October 5, 2011

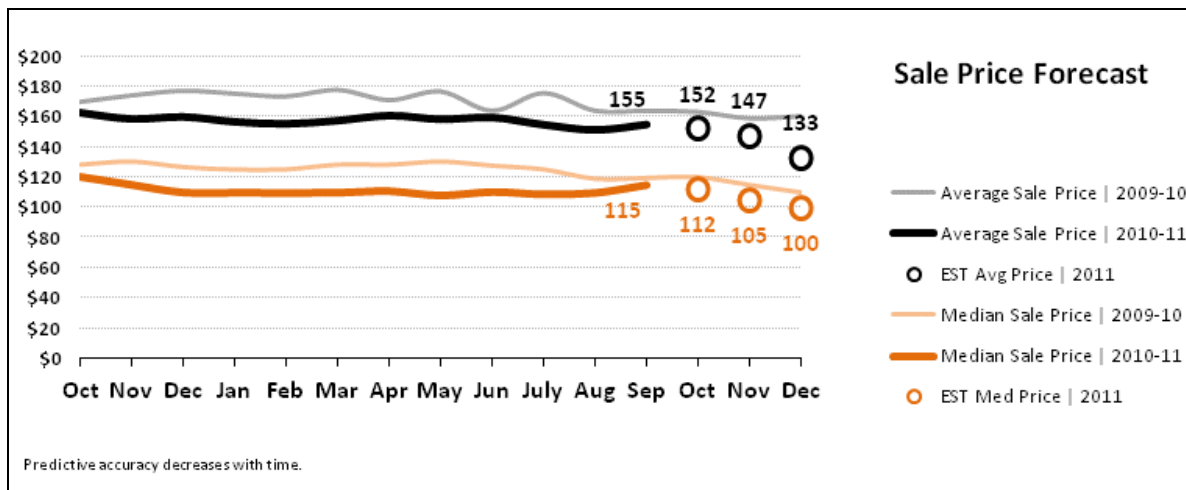
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THE ARMLS PENDING PRICE INDEX™

The ARMLS Pending Price Index (PPI) is a forecasting tool unique to ARMLS which uses the prices of pending properties in the MLS system to predict median and average sales prices up to 90 days into the future. Last month PPI predicted that the September median sale price of \$110,300. In fact the actual median was \$114,900, missing the mark by 4.17% in a positive direction. The predicted September average sales price from last month PPI was \$152,400. The actual September average price was \$155,100, missing the prediction by only 1.77% but again in a positive direction.

The median sales price predictions for the next 90 days steadily decline with \$112,000 in October, \$105,000 in November and \$100,000 in December. The average sales price predictions follow a similar downward trend of \$152,000 in October, \$147,000 in November and \$133,000 in December.

The accuracy of the PPI diminishes the further into the future it goes, as the size of the pool of pending properties gets smaller.

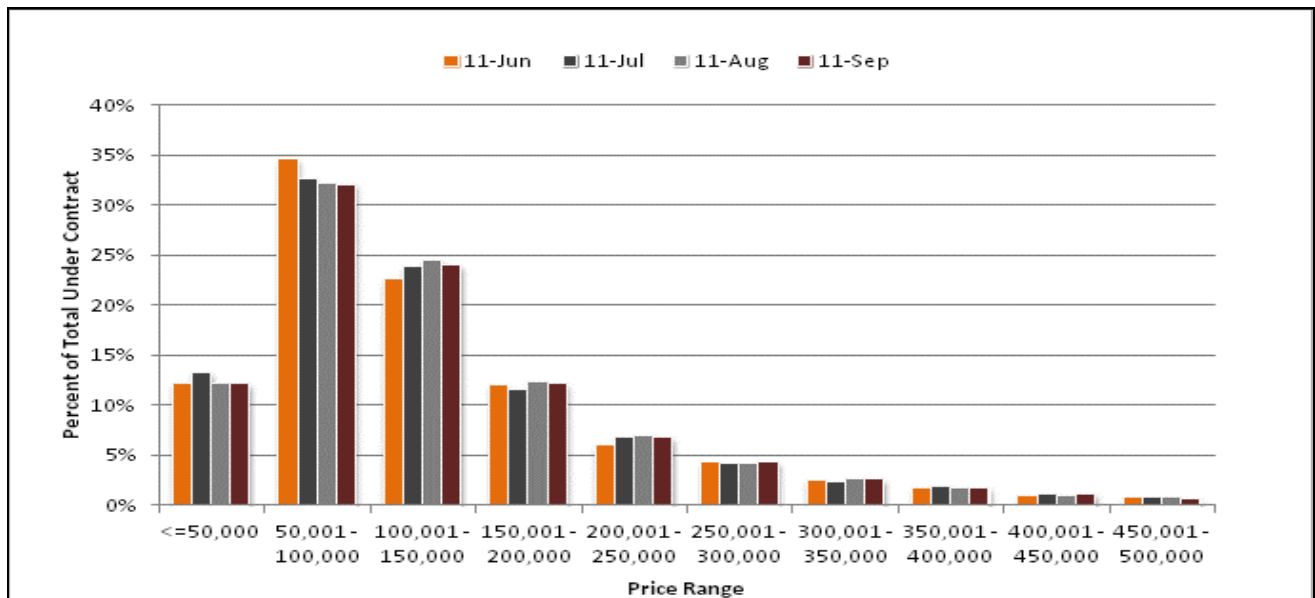
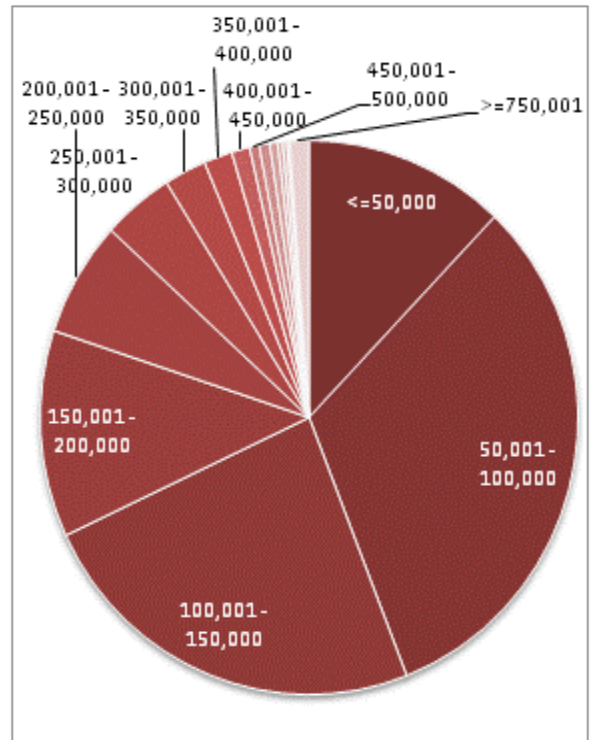


PPI SUPPLEMENT

The PPI Supplement focuses on newly pended properties added each month to the total pool of pending properties in the MLS system. By comparing the pendings in rolling four monthly increments, subtle changes in the pending pool can be predicted.

Last month PPI reported a decline in the number of pending properties in the below \$50,000 and \$50,001-100,000 ranges. This month the units in all price points from below 50,000 up to \$400,000 and \$450,001-\$500,000 and \$700,001-\$750,000 decreased. Pendings in the \$400,001-\$450,000 remained static. Increased units were found in \$500,001-\$700,000 and in the ranges above \$750,001. While this is only one month's pending data, it signals more activity in the higher ranges than has been detected in the recent past. As the number of units in the lower ranges declines, buyers will shift buying preferences to the next higher range.

Pending Contracts Signed In September				
Price Range	PPI Avg	PPI Med	PPI Units	Units % of Total
<=50,000	34,534	35,000	1,005	12.11%
50,001 - 100,000	76,830	77,000	2,653	31.98%
100,001 - 150,000	124,843	125,000	1,984	23.92%
150,001 - 200,000	173,378	171,000	1,001	12.07%
200,001 - 250,000	226,020	225,000	559	6.74%
250,001 - 300,000	275,657	275,000	356	4.29%
300,001 - 350,000	325,465	325,000	210	2.53%
350,001 - 400,000	378,591	378,500	142	1.71%
400,001 - 450,000	427,350	425,000	91	1.10%
450,001 - 500,000	478,982	479,000	48	0.58%
500,001 - 550,000	528,857	529,000	53	0.64%
550,001 - 600,000	582,591	582,501	38	0.46%
600,001 - 650,000	631,955	635,000	25	0.30%
650,001 - 700,000	679,887	677,500	22	0.27%
700,001 - 750,000	735,875	743,750	12	0.14%
>=750,001	1,244,877	1,095,000	97	1.17%



PPI SUPPLEMENT - \$/SQ FT

This month PPI adds another dimension to the property data added to the pending pool for a given month. Over rolling four month increments, PPI will be watching the price per square foot at various price points in the market. Table data compares the two recent months. This month, the price per square foot in the below \$50,000 up to \$200,000 and \$250,001-300,000 ranges appear to have leveled. The ranges from \$200,001-250,000, \$300,001-450,000 and \$650,001 to over \$750,000 showed increases in \$/sq. ft. The ranges from 450,001-650,000 showed declines in \$/sq ft. While this data only looks at new pending data one month at a time, it can reveal subtle changes which are signs of recovery .

Pending Contracts Signed In August					Pending Contracts Signed In September				
Price Range	PPI Avg	PPI Sq Ft	PPI Units	Avg Pending Price SqFt	Price Range	PPI Avg	PPI Sq Ft	PPI Units	Avg Pending Price SqFt
<=50,000	35,280	1,214	1,165	29	<=50,000	34,534	1,194	1,005	29
50,001 - 100,000	76,654	1,576	3,091	49	50,001 - 100,000	76,830	1,556	2,653	49
100,001 - 150,000	124,755	1,883	2,361	66	100,001 - 150,000	124,843	1,882	1,984	66
150,001 - 200,000	173,498	2,168	1,184	80	150,001 - 200,000	173,378	2,171	1,001	80
200,001 - 250,000	226,358	2,488	666	91	200,001 - 250,000	226,020	2,396	559	94
250,001 - 300,000	275,974	2,769	395	100	250,001 - 300,000	275,657	2,752	356	100
300,001 - 350,000	326,455	2,965	243	110	300,001 - 350,000	325,465	2,912	210	112
350,001 - 400,000	374,505	3,111	155	120	350,001 - 400,000	378,591	3,078	142	123
400,001 - 450,000	426,296	3,326	91	128	400,001 - 450,000	427,350	3,182	91	134
450,001 - 500,000	478,220	3,397	75	141	450,001 - 500,000	478,982	3,481	48	138
500,001 - 550,000	524,869	3,465	41	151	500,001 - 550,000	528,857	3,594	53	147
550,001 - 600,000	577,080	3,770	34	153	550,001 - 600,000	582,591	3,933	38	148
600,001 - 650,000	625,041	3,981	22	157	600,001 - 650,000	631,955	4,079	25	155
650,001 - 700,000	671,443	4,247	14	158	650,001 - 700,000	679,887	4,004	22	170
700,001 - 750,000	727,056	4,352	18	167	700,001 - 750,000	735,875	3,987	12	185
>=750,001	1,113,943	4,932	92	226	>=750,001	1,244,877	5,184	97	240

