

ARIZONA REGIONAL MULTIPLE LISTING SERVICE, INC.

ARMLS PPI™

your monthly statistics
for the Phoenix Metro area

September 6, 2011

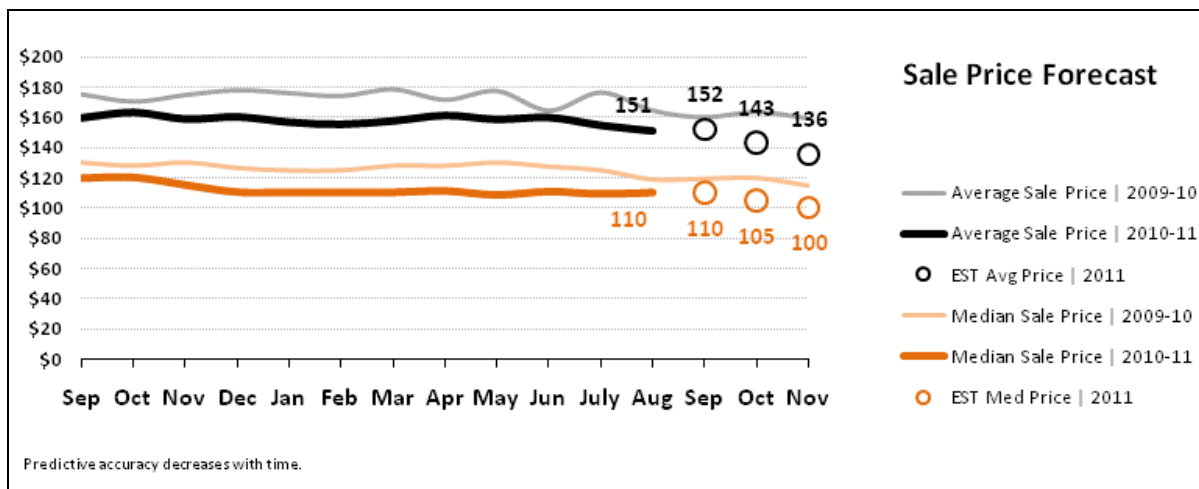
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THE ARMLS PENDING PRICE INDEX™

The ARMLS Pending Price Index is a predictive tool unique to ARMLS which uses pending sales data in the MLS system to forecast the median and average pricing trends ninety days into the future. Its predictive accuracy diminishes with time as new pending properties are added to the system. As a harbinger of future pricing, it is a useful tool for future strategic decision making by Brokers, Agents, Buyers and Sellers.

In looking at the PPI’s predictive accuracy in August, it shows July’s prediction of August’s median sales price was \$110,000, right on for the actual \$109,900. Last month’s prediction of August’s average sales price was \$152,000, .92% off from the actual of \$151,000.

This month PPI predicts the median sales prices to be \$110,300 in September, drop to \$105,000 in October and fall again to \$100,000 in November. Average sales prices are expected to be \$152,000 in September, and follow the double drop pattern of the median pricing with a decline in October to \$143,000 and a further fall in November to \$136,000.



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PPI SUPPLEMENT

The PPI Supplement focuses on newly pending properties added each month to the total pending pool in the MLS system. The preponderance of sales in the lower ranges has been characteristic of the market since 2009. By comparing the new pending figures in rolling four month increments, we are able to detect the more subtle changes in the market's buying preferences.

A shift in the range below 50,000 and 50,001-100,000 shows a slight decline in the number of new pendings in those ranges. In fact, the number of pendings in the 50,001 - 100,000 range declined for three months in a row. During the same period, however, the new pendings in the \$100,001-\$150,000 increased three months in a row. Month over month small percentage gains were also seen in the pendings in the ranges of \$150,001 - \$200,000, \$200,001 - \$250,000 and \$300,001 - \$350,000.

As the number of available properties in the lower ranges declines, Buyers will shift their buying preferences to the next closest range which will eventually drive pricing higher. On such subtle changes over time is a market recovery formed.

| Pending Contracts Signed In August | | | | |
|------------------------------------|-----------|-----------|-----------|------------------|
| Price Range | PPI Avg | PPI Med | PPI Units | Units % of Total |
| <=50,000 | 35,097 | 36,000 | 1,165 | 12.08% |
| 50,001 - 100,000 | 76,686 | 77,000 | 3,091 | 32.04% |
| 100,001 - 150,000 | 124,798 | 124,900 | 2,361 | 24.47% |
| 150,001 - 200,000 | 173,583 | 172,000 | 1,184 | 12.27% |
| 200,001 - 250,000 | 226,508 | 225,000 | 666 | 6.90% |
| 250,001 - 300,000 | 276,227 | 275,000 | 395 | 4.09% |
| 300,001 - 350,000 | 326,867 | 325,000 | 243 | 2.52% |
| 350,001 - 400,000 | 375,151 | 375,000 | 155 | 1.61% |
| 400,001 - 450,000 | 427,395 | 425,000 | 91 | 0.94% |
| 450,001 - 500,000 | 479,553 | 475,000 | 75 | 0.78% |
| 500,001 - 550,000 | 527,308 | 525,000 | 41 | 0.43% |
| 550,001 - 600,000 | 580,021 | 582,600 | 34 | 0.35% |
| 600,001 - 650,000 | 629,586 | 630,000 | 22 | 0.23% |
| 650,001 - 700,000 | 678,229 | 680,000 | 14 | 0.15% |
| 700,001 - 750,000 | 732,889 | 732,500 | 18 | 0.19% |
| >=750,001 | 1,174,813 | 1,000,320 | 92 | 0.95% |

