



ARIZONA REGIONAL MULTIPLE LISTING SERVICE, INC.

ARMLS PPI™

your monthly statistics
for the Phoenix Metro area

January 5, 2011

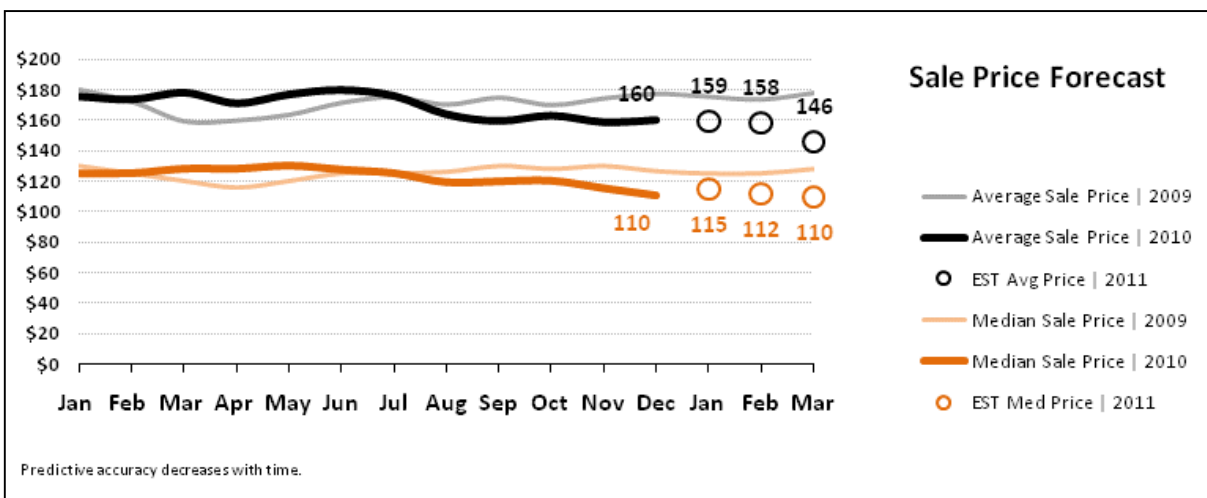
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THE ARMLS PENDING PRICE INDEX™

The ARMLS Pending Price Index is a predictive tool unique to ARMLS which forecasts Median and Average Sales Prices for the coming three months based on the pending sales data in MLS. The PPI’s predictive accuracy naturally declines the further into the future it goes, as the number of transactions in the forecast lessens. The actual Median Sales Price for December was \$110,200, which was 4.17% below the December figure predicted in November. The Average Sales Price for December was \$160,400, or 1.47% below the December Average predicted in November. While the actual numbers may deviate from predicted values, the forecast value for the direction of market pricing remains true.

The three month prediction for Median Sales Price for January, February and March are \$115,000, \$112,000 and \$110,000 respectively, indicating continuing downward pricing pressures well into the first quarter. Likewise, Average Sales Price predictions follow a similar downward forecast for January, February and March of \$159,400, \$158,200, and \$145,800 respectively.

Downward pricing pressure in the Valley is influenced by the large, steady supply of homes (42,463) and the disproportionate percentage (69.6%) of Distressed Sales relative to the Total Sales.



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