

# STAT

your monthly statistics  
for the Phoenix Metro area

September 17, 2010

“ARMLS PPI” is a trademark  
of Arizona Regional MLS.



## The ARMLS Pending Price Index™

The ARMLS Pending Price Index™ is a predictive tool unique to ARMLS. It predicts the Average Sales Price and Median Price four months into the future based on the pending inventory in the Arizona Regional Multiple Listing System.

The Median Price according to the ARMLS PPI should remain relatively flat from August to September at \$120,000. Current pending prices predict that the Median Price will rise to \$126,000 in October only to fall again to \$120,000 in November, and drop 8.3% in December to \$110,000. The predictive value decreases the further into the future it goes, so the discouraging December figure, which is not based on enough sample data to be statistically significant, should have a reprieve as more pendings are added through the fourth quarter. However, an optimistic flourish at year’s end does not appear likely.

The Average Sales Price follows a similar pattern. ARMLS PPI predicts that September and October Average Price to be very close to August at \$164,100 and \$164,800 respectively, with a rise in November to \$166,700. December’s prediction is a drop of 9.5% to \$151,800. As with the Median Price, the December prediction is less accurate since the pool of pending data is much smaller four months out.

In general, optimism generated through gradual market gains over the last twelve months is dampened by predictions in the fourth quarter. Nationally the Pending Home Sales Index\* indicated that pending prices rose in the west 11.6% in July, which is 17.6% below the same figure for 2009. The patterns in 2009 and 2010 are characterized by bursts of optimism and doses of disappointment, typical of recovering markets that adjust and reinvent themselves.

