

May 23, 2013

Rising Prices Raise Inventory and Rise Sales:

April Results for Existing Home Sales in Greater Phoenix

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The number of existing home sales in April hit their highest number in thirteen months. Rising prices have prompted more homeowners to put their properties on the market, thus increasing inventory and increasing opportunities for buyers.

The median sales price of a single family resale up again in April. The median sales price of \$195,500 in April was the highest since August 2008 when it was \$198,000. The sales price has increased \$75,500 or 63% since it bottomed out at \$120,000 in August 2011. It peaked in June 2006 at \$287,500.

The consistent rise of home values has caused some previously underwater homeowners to sell their homes. Many homeowners who could afford their mortgage payment though underwater, did not want to sell because if they did, they would have to do a short sale. By doing a short sale they would not be able to own again for a minimum of two years. Wanting to own and not rent, they chose to wait. Since values have increased many homeowners no longer owe more than what their home is worth, so now they may sell and buy immediately.

More Sales Likely for Remainder of Year than for Same Period Last Year: Shadow Buyers Coming Out of the Shadows

April 2013 existing sales were 3.9% higher than April 2012. This was the first time in fourteen months there were more sales in a month than for the same month of the previous year. See Chart One below. Because of increased inventory and pent up demand to own, sales most likely for the remaining months of the year will increase over the same period last year. This is as long as interest rates stay low and job growth remains steady in Greater Phoenix. With rising inventory, many shadow buyers, those financing buyers who for the last couple of years tried to own but were beaten by the competition, especially by cash buyers, may finally have opportunity.

Also, April 2013 sales were 6.5% higher than March 2013, making April the fourth consecutive month the number of existing sales increased.

Inventory

Inventory is up 23% year to date with the price range of \$200,000 to \$249,999 showing the greatest increase of listings at 46%. This is an affordable price range for many buyers.

Chart One

Comparison of Existing Sales by Month and Year

Month & Year	Number of Sales	Month & Year	Number of Sales	Number Change	Percent Change
Feb-2011	5136	Feb-2012	5277	141	2.7%
Mar-2011	7134	Mar-2012	6430	-704	-9.9%
Apr-2011	6889	Apr-2012	6096	-793	-11.5%
May-2011	7201	May-2012	6305	-896	-12.4%
Jun-2011	7791	Jun-2012	6279	-1512	-19.4%
Jul-2011	6392	Jul-2012	5312	-1080	-16.9%
Aug-2011	6566	Aug-2012	5665	-901	-13.7%
Sep-2011	6118	Sep-2012	4880	-1238	-20.2%
Oct-2011	5625	Oct-2012	5246	-379	-6.7%
Nov-2011	5244	Nov-2012	5042	-202	-3.5%
Dec-2011	5745	Dec-2012	5059	-686	-11.9%
Jan-2012	4701	Jan-2013	4270	-431	-9.1%
Feb-2012	5277	Feb-2013	4803	-474	-8.9%
Mar-2012	6430	Mar-2013	5926	-504	-7.7%
Apr-2012	6096	Apr-2013	6343	247	4.1%

Chart Two

April 2013 Existing Home Sales Highest Since March 2012

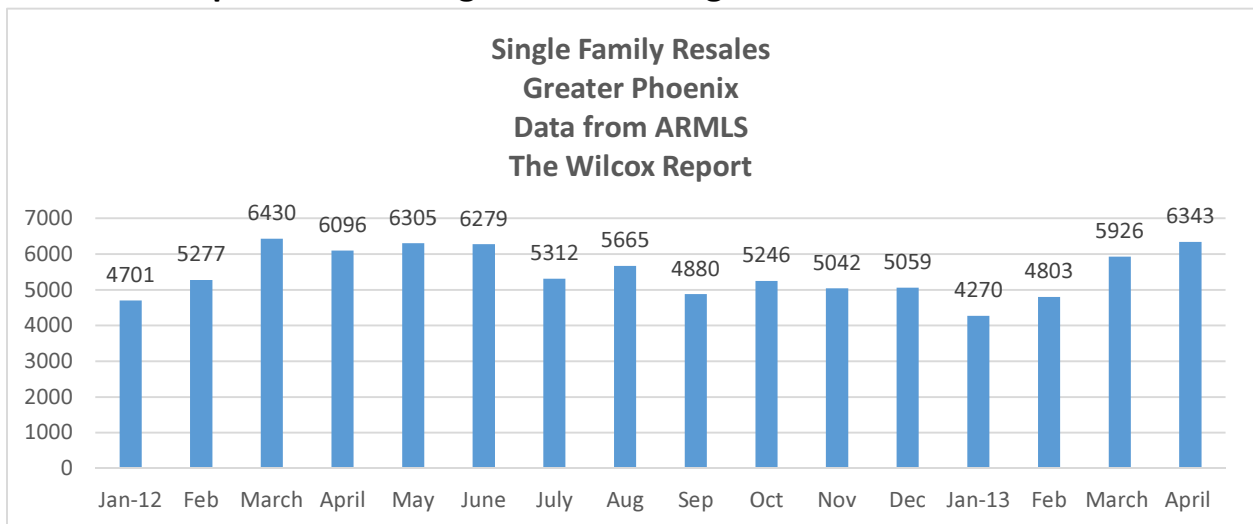


Chart Three

Listing Comparison Year to Date

Listing Price Range	May 23, 2012 Active Listings	May 23, 2013 Active Listings	Change in Numbers	Percent Change
Under \$50,000	86	38	48	56%
50,000 to 99,999	390	303	87	22%
100,000 to 149,999	827	877	50	6%
150,000 to 199,999	1,017	1,262	245	24%
200,000 to 249,999	767	1,121	354	46%
250,000 to 299,999	721	946	225	31%
300,000 to 349,999	574	737	163	28%
350,000 to 399,999	508	685	177	35%
400,000 to 499,999	616	830	214	35%
500,000 to 599,999	396	531	135	34%
600,000 to 699,999	265	347	82	31%
700,000 to 799,999	226	291	65	29%
800,000 to 899,999	203	224	21	10%
900,000 to 999,999	144	167	23	16%
1,000,000 to 1,499,999	339	436	97	29%
1,500,000 to 1,999,999	244	294	50	20%
2,000,000 to 2,999,999	266	254	12	5%
3,000,000 to 3,999,999	91	103	12	13%
4,000,000 to 4,999,999	36	45	9	25%
Over 5,000,000	61	72	11	18%
Total	7777	9563	1786	23%

Chart Four

**Single Family Median Sales Price
Greater Phoenix
Data from ARMLS
The Wilcox Report**

