

April 12, 2013

The Wilcox Report™

**Reporting on Real Estate, Lending and Job Growth Trends in Greater Phoenix**

By

Fletcher Wilcox, Grand Canyon Title Agency, Inc.



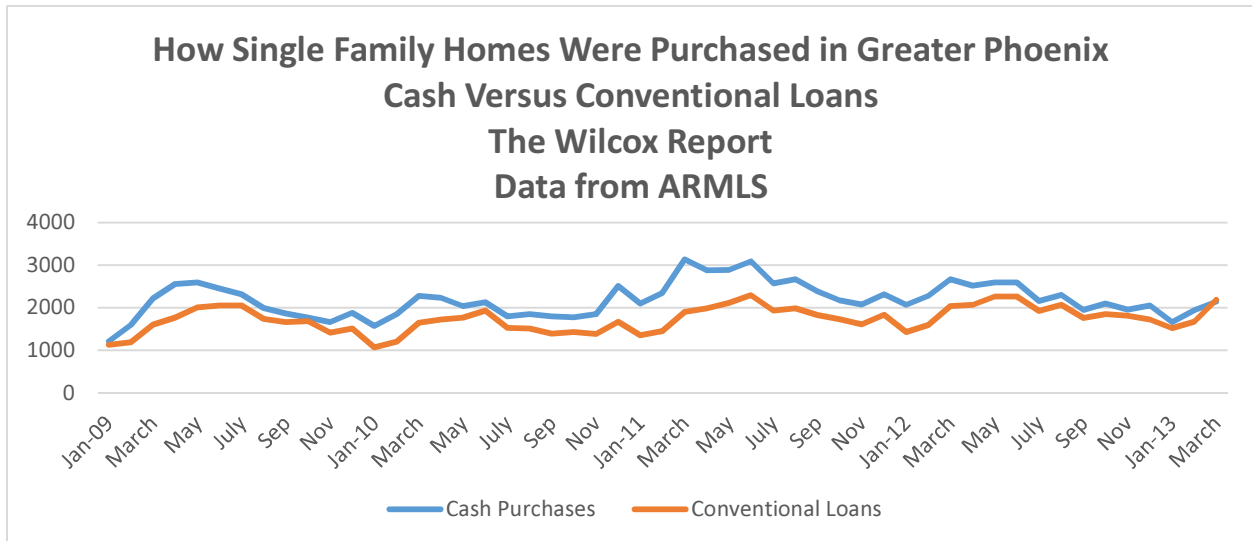
**March 2013 Results:**

- Purchases with conventional loans outnumber cash purchases for first time in over four years.
- Median sales price per square foot breaks \$100 in March. First time since September 2008.
- Number of sales is seven percent lower in March 2013 than March 2012. March 2013 sales twenty-two percent higher than February 2013.

**Cash Reign Ends in March 2013**

In March 2013, for the first time since December 2008, more existing single family homes were purchased with conventional loans than with cash, ending 51 consecutive months of cash purchases ruling over conventional loan purchases. The Phoenix Business Journal reported on this paper on April 10.

<http://www.bizjournals.com/phoenix/news/2013/04/10/for-the-first-time-in-4-years-cash.html>



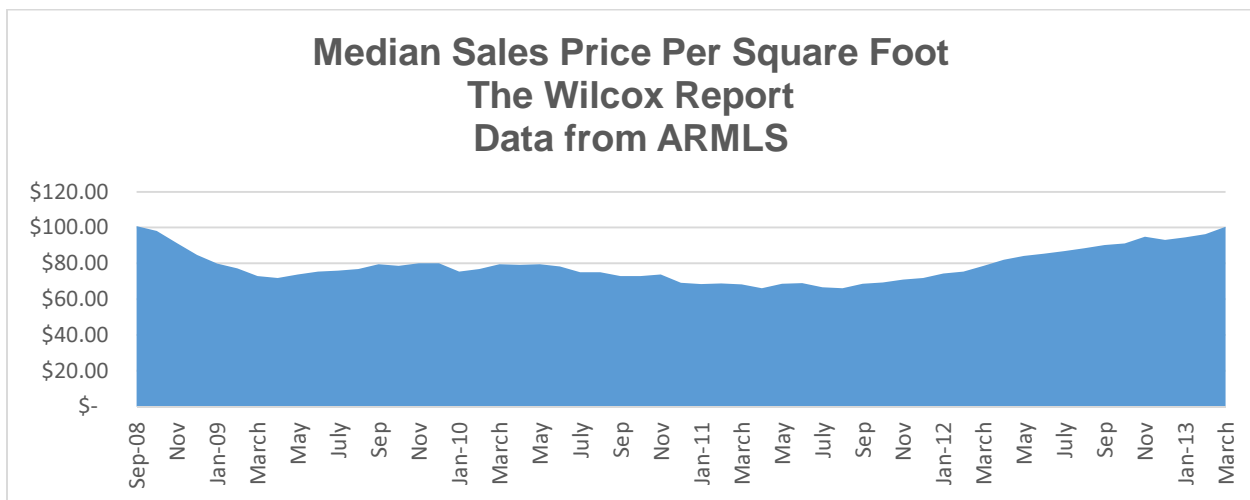
In March 2013, there were 2,188 conventional loan purchases compared to 2,144 cash purchases. The gap between cash purchases and conventional loan purchases has been narrowing. The largest gap between cash and conventional purchases was in March 2011 when cash represented 3,134 purchases compared to 1,904 purchases with a conventional loan.

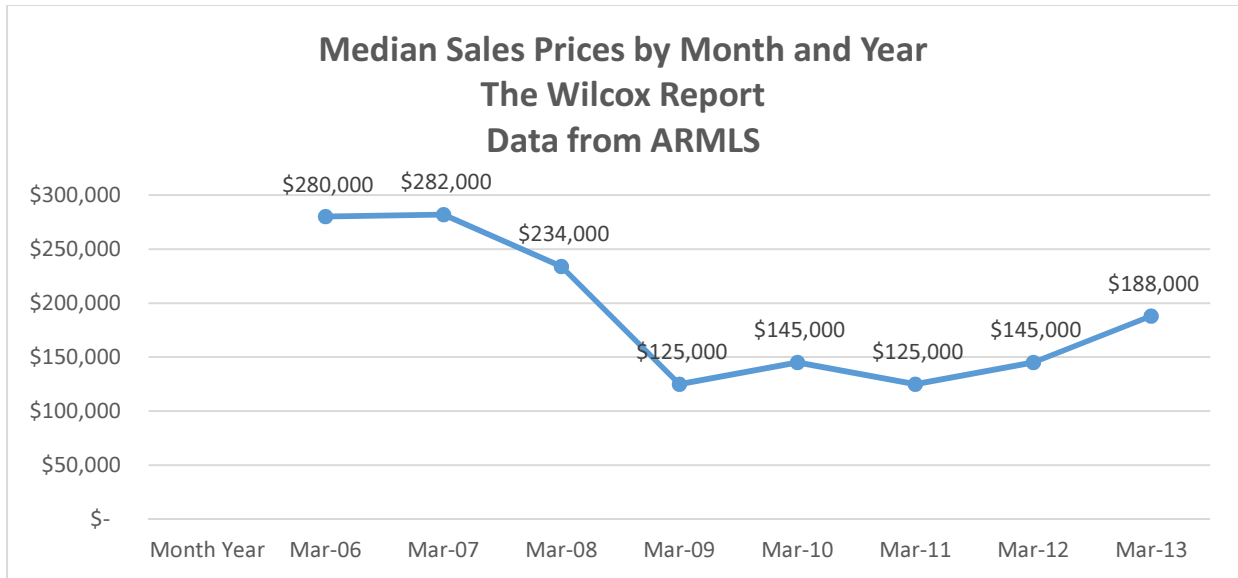
Month & Year	March 2004	March 2008	March 2011	March 2012	March 2013
Cash purchases	947	497	3,134	2,671	2,145
Conventional loan purchases	4,424	1,790	1,904	2,037	2,188

Most cash buyers are investors. Investors recently slowed down their investing in single family properties in Greater Phoenix, but the percentage of sales still being bought with cash is high by historical standards. In March 2013, 36% of purchases were with cash compared to 41.5% in March 2012. In March 2008, 16.1% of purchases were cash and in March 2004, 14%.

### **Median Price Per Square Foot Reaches \$100**

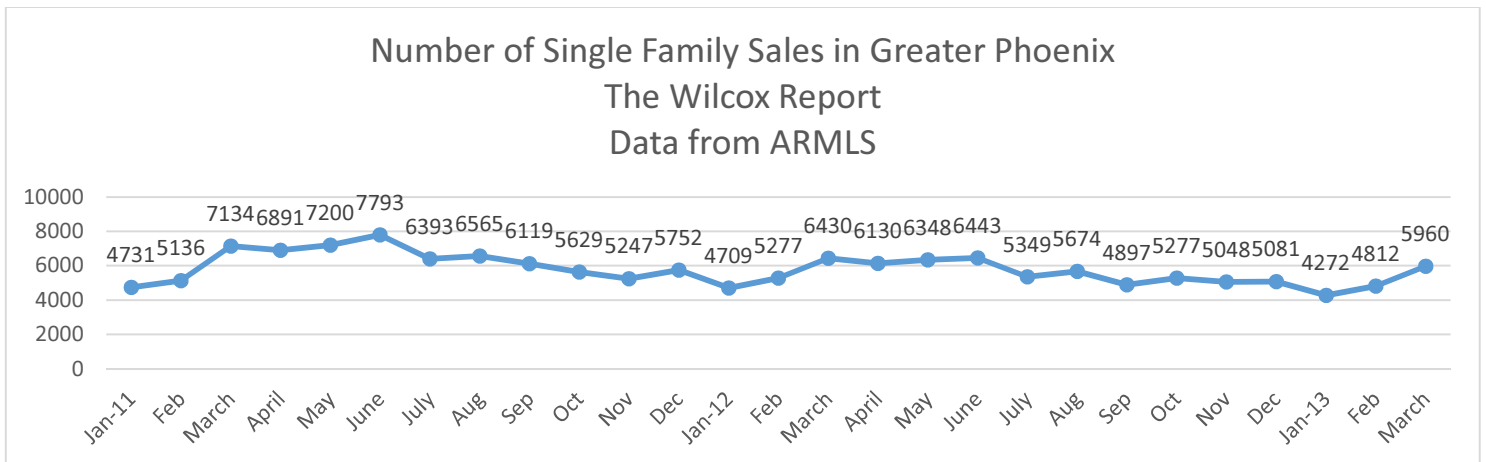
The median sales price per square foot in March 2013 for existing homes in Greater Phoenix was \$100.48. The last time it was over \$100 was in September 2008 when it was \$100.88. The median sales price in March 2013 was \$188,000.





### Number of Single Family Sales

Limited inventory is limiting single family sales. In March 2013, sales were seven percent lower than March 2012, but twenty-four percent higher than February 2013.



The information in this report is for existing single family sales in Greater Phoenix which is defined as the cities in Maricopa County, AZ. ARMLS stands for Arizona Regional Multiple Listing Service, Inc.



## **Seminar: 2013 Trends for Single Family Real Estate**

Grand Canyon Title will host a seminar on real estate, job growth and listing strategies. There will be a discussion on trends for sale prices, inventory, financing, investors, rentals, short sales and more, and how knowledge of trends may give you an advantage. There will be a discussion on listing strategies using video, youtube, Google and quality content. RSVP to [Fwilcox@gcta.com](mailto:Fwilcox@gcta.com) or 602-648-1230.

When: April 30 from 10:00 a.m. to 12:00 p.m.

Where: Arizona School of Real Estate located at 7142 E. 1<sup>st</sup> Street, Scottsdale 85251

## **Trends: Job Growth, Lender Owned Sales, Cash Sales & Rising Prices**

### **Job Losses and Lender-Owned Sales Drove Down Property Values**

### **Now Job Losses and Lender-Owned Sales Down, Property Values Up**

The chart below combines two numbers: job growth percentage and lender owned sales (also called REO sales). The line in the chart represents job growth percentage and the bars represent the number of lender owned sales.

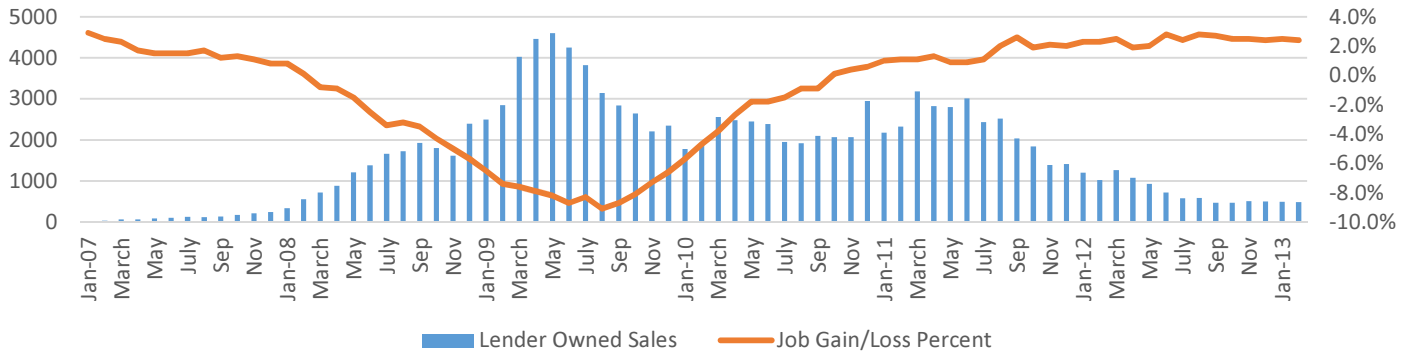
In March 2008, job growth goes negative for thirty-one months until October 2010.

In January 2007, job growth was 2.9% and lender owned sales were 23.

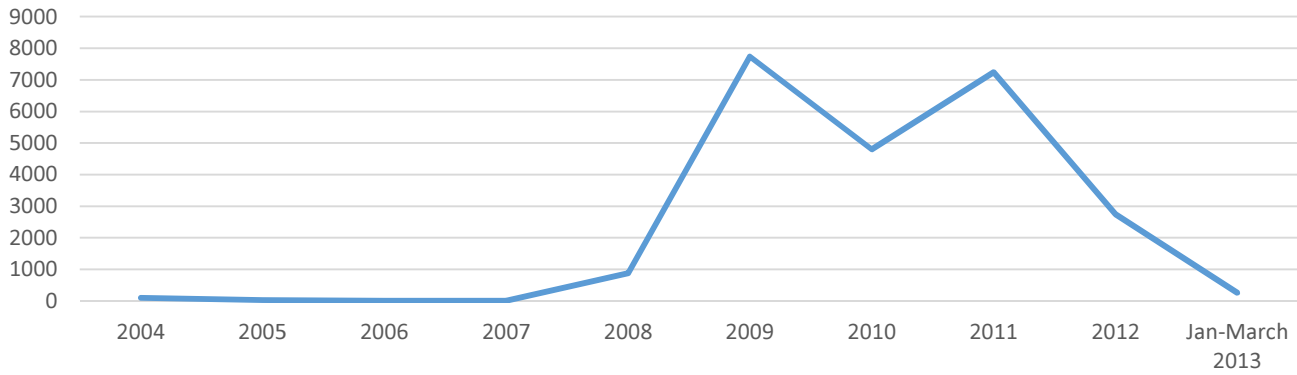
In May 2009, job growth was negative -8.2% and lender owned sales were 4,600.

In January 2013, job growth was 2.5% and lender owned sales were 492.

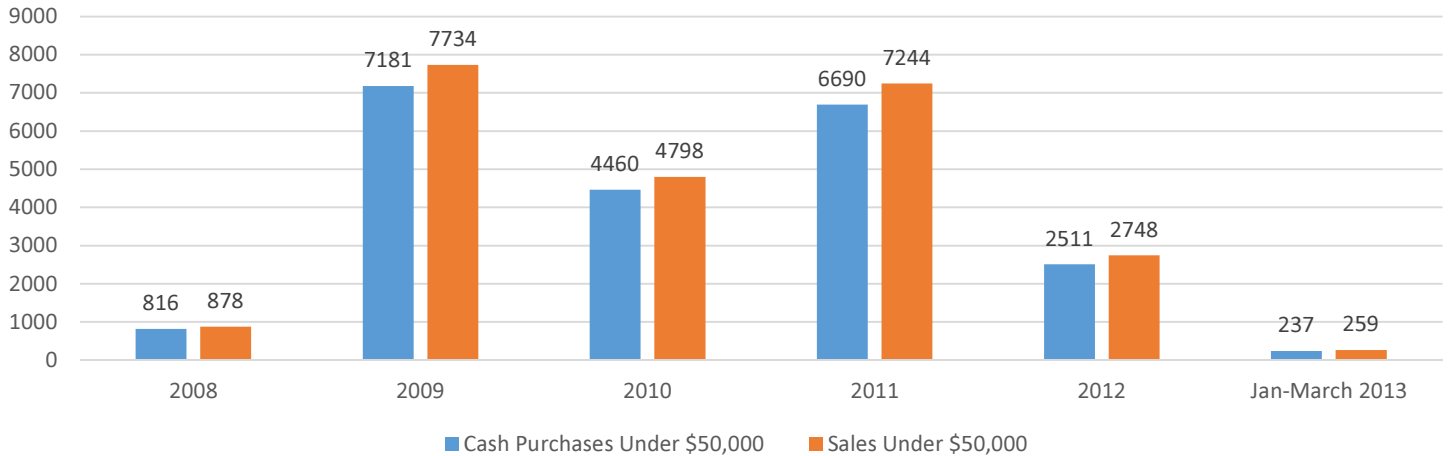
**Job Losses Led to Lender Owned Sales**  
**Job Percentage Change and Lender Owned Sales**  
**The Wilcox Report / Data from ARMLS**



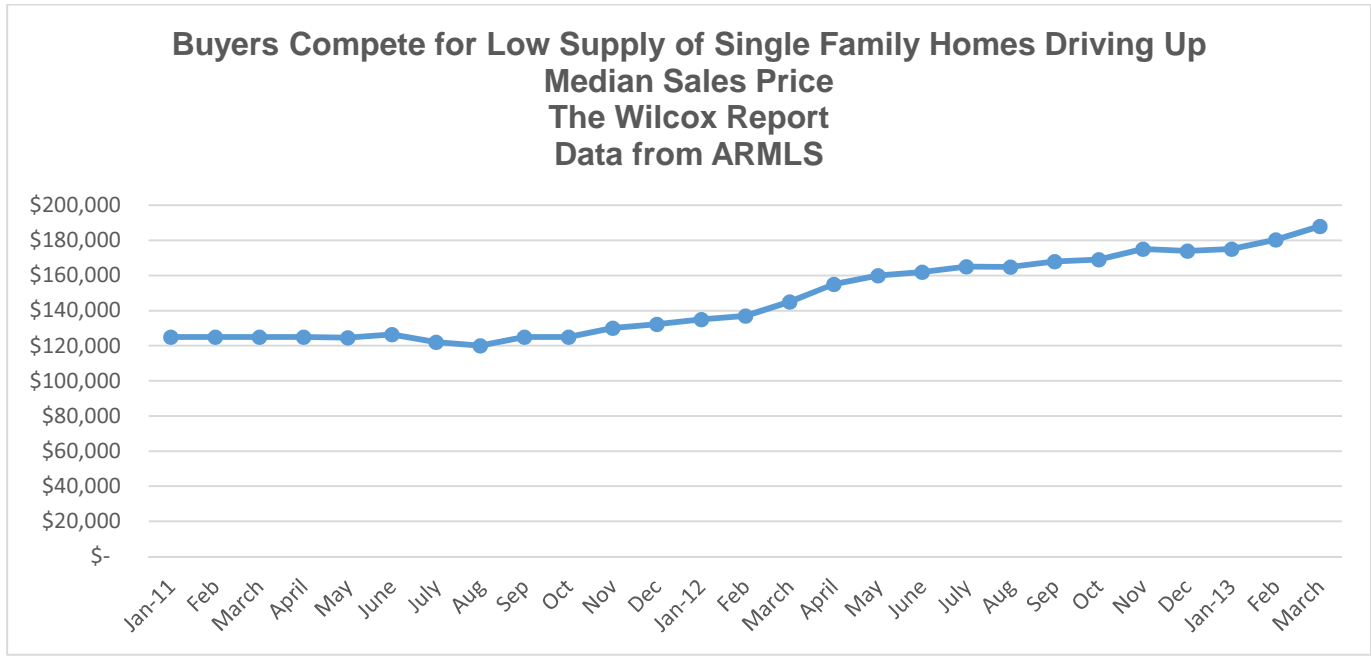
**Lender Owned Sales Led to Cheap Sales**  
**The Acceleration and Deceleration of Sales Under \$50,000**  
**The Wilcox Report / Data from ARMLS**



**Cheap Sales Led to Cash Sales**  
**Majority of Sales Under \$50,000 Purchased with Cash**  
**The Wilcox Report / Data from ARMLS**



## Low Supply and High Demand Drive Rising Prices



### Grand Canyon Title in the News

March 21, front page story in Arizona Republic

**Rising home values in metro Phoenix spur refinance boom by Catherine Reagor**

<http://www.azcentral.com/business/realestate/articles/20130305phoenix-refinance-home-values-boom.html>

March 19, KTAR

**Phoenix housing prices increase, sales decrease, News Desk**

<http://ktar.com/22/1619071/Phx-housing-prices-increase-sales-decrease>

March 18, Bloomberg News

**Blackstone Crowds Housing Market as Rental Gains Slowing, by Prashant Gopal**

<http://www.bloomberg.com/news/2013-03-18/rent-gains-trail-as-blackstone-crowds-u-s-with-homes.html>

March 4, National Mortgage News

**Phoenix Rising Like...Well, a Phoenix, by Ted Cornwell**

<http://www.nationalmortgagenews.com/blogs/hearing/phoenix-rising-like-a-phoenix-1034875-1.html>

**Housing Vacancy Rate. Ted Simons, Arizona State University Channel 8 Horizon.**

<http://www.azpbs.org/horizon/detailvid.php?id=3001>

**Homebuilding permits up 79% in Scottsdale.** Peter Corbett, AzCentral.com.

<http://www.azcentral.com/community/scottsdale/articles/20121211homebuilding-permits-up-scottsdale.html>

**Arizona economy will continue to improve in 2013.** Megan Hopkins, Housing Wire.com.

<http://www.housingwire.com/content/arizona-economy-will-continue-improve-2013>

**Arizona housing prices outpace the nation.** Jared Dillingham, Channel 3 TV.

<http://www.azfamily.com/video/?id=181117501&sec=507087>

**Phoenix housing gains lead country.** Peter O'Dowd, KJZZ / NPR Radio.

<http://www.kjzz.org/content/1211/phoenix-housing-gains-lead-country>

**City home prices up 27 percent from 2011.** Philip Haldiman, AzCentral.com.

[http://www.azcentral.com/community/phoenix/articles/20121023city-home-prices-up-percent-from.html?nclick\\_check=1](http://www.azcentral.com/community/phoenix/articles/20121023city-home-prices-up-percent-from.html?nclick_check=1)

**Phoenix in midst of mortgage refinance boom.** Kristena Hansen, Phoenix Business Journal.

<http://www.bizjournals.com/phoenix/news/2012/08/30/phoenix-in-midst-of-mortgage-refinance.html?page=all>

**Harder for non-investors to buy foreclosures.** Amy Hoak, Dow Jones Marketwatch.

[http://articles.marketwatch.com/2012-03-06/finance/31124636\\_1\\_short-sale-distressed-properties-realtytrac/2](http://articles.marketwatch.com/2012-03-06/finance/31124636_1_short-sale-distressed-properties-realtytrac/2)

**Lower home inventory means it's a seller's market.** Hailey Frances, Channel 12 TV.

<http://www.azcentral.com/video/#!/Lower+home+inventory+means+it%2019s+a+seller%2019s+market/1683251784001>

**New report shows improving housing market.** Kristena Hansen, Phoenix Business Journal.

[http://www.bizjournals.com/phoenix/morning\\_call/2012/06/new-report-shows-improving-housing.html](http://www.bizjournals.com/phoenix/morning_call/2012/06/new-report-shows-improving-housing.html)

**Phoenix home prices climb 35% in one year.** Jon Prior, HousingWire.com.

<http://www.housingwire.com/news/phoenix-home-prices-climb-35-one-year>

*Shadow inventory in Greater Phoenix* interview with Stephen Garner, Director of Sales Technology, Grand Canyon Title

[http://www.youtube.com/watch?v=U2CE6\\_I6Mo&feature=youtube\\_gdata\\_player](http://www.youtube.com/watch?v=U2CE6_I6Mo&feature=youtube_gdata_player)

**Phoenix housing market showing more improvements.** Jan Buchholz, Phoenix Business Journal.

<http://www.bizjournals.com/phoenix/blog/business/2012/03/phoenix-housing-market-showing-more.html>

**Phoenix Realtors seeing bidding wars as foreclosures get snatched up.** Cathy Luebke, Phoenix Business Journal.

<http://www.bizjournals.com/phoenix/print-edition/2012/04/20/phoenix-realtors-seeing-bidding-wars.html>

**Phoenix short sale prices flatten on faster liquidations.** Jon Prior, HousingWire.com.

<http://www.housingwire.com/news/phoenix-short-sale-prices-flat-banks-speed-process>

**Cash-buyers making moves in short sales.** East Valley Tribune.

[http://www.eastvalleytribune.com/money/article\\_b14acfc0-a9f0-11e1-8d6c-001a4bcf887a.html?TNNoMobile](http://www.eastvalleytribune.com/money/article_b14acfc0-a9f0-11e1-8d6c-001a4bcf887a.html?TNNoMobile)

**2011 real estate data show potential for Phoenix recovery.** Jan Buchholz, Phoenix Business Journal.

<http://www.bizjournals.com/phoenix/blog/business/2012/01/2011-real-estate-data-show-potential.html>

**Phoenix better for home buyers than renters.** Jan Buchholz, Phoenix Business Journal.

<http://www.bizjournals.com/phoenix/blog/business/2011/09/phoenix-better-for-home-buyers-than.html>

**Real-estate trends round-table with Elliott Pollack, H.L. Buster Quist and Fletcher Wilcox.** Peter Corbett, AzCentral.com.

<http://www.azcentral.com/community/scottsdale/articles/20110422scottsdale-chamber-real-estate-trends-round-table-set-next-week.html>

The numbers in this report are based on information from the Arizona Regional Multiple Listing Service, Inc., the U.S. Department of Labor, W.P. Carey School of Business, the U.S. Census Bureau, Homebuilders Association of Central Arizona, Freddie Mac and Credit Suisse.

This report is for real estate agents only. This report does not guarantee the accuracy of the data. Some numbers will change. Report may not reflect all real estate activity. Information should be verified. This article is of a general nature, and is not intended as investment advice, real estate advice, lending advice or legal advice. Please consult your broker, your lender, your own independent legal counsel, your certified public accountant. The information in this report may not be the opinion of Grand Canyon Title Agency, Inc.





## ***The Wilcox Report***

**By**

**Fletcher Wilcox**

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Fletcher is proud to be part of Grand Canyon Title Agency, Inc. The company has been closing escrows in Greater Phoenix for thirty-two years and has eighteen escrow offices in the Valley. Fletcher was born and raised in Arizona. He received a Bachelor of Science degree and a Master of Arts degree from Arizona State University. He obtained an Arizona Real Estate license in 1985 and co-listed and closed a \$2.5 million dollar commercial property in 1986.

He is a member or past member of the following associations:

Arizona Association of Realtors [www.aaronline.com](http://www.aaronline.com)

Arizona State Escrow Association <http://www.azsea.org>

Scottsdale Area Association of Realtors [www.saaronline.com](http://www.saaronline.com)

Scottsdale Chapter Women's Council of REALTORS [www.scottsdalewcr.com](http://www.scottsdalewcr.com)

Past statistician for the Scottsdale Luxury Tour <http://saaronline.com/marketing/scottsdale.php>

Statistician for the Heart of Scottsdale Tour <http://www.saaronline.com/marketing/scottsdale.php>

Current member and past V.P. of Education Arizona Mortgage Lenders Association  
[www.azmortgagelenders.com](http://www.azmortgagelenders.com)

Fletcher is author of **The Wilcox Report** previously called **Residential Focus**. This report provides statistics and analysis for single family real estate trends in Greater Phoenix; He is a contributing columnist for the *Arizona Journal of Real Estate & Business* and has written for *Arizona Realtor Magazine* a publication by the Arizona Association of Realtors. He has been a guest speaker on KTAR, KJZZ/NPR, KFNN, channel's 3, 10 and 12 and a guest on the Horizon show on channel 8. His residential analysis has been mentioned in the Arizona Republic, AZCentral.com, Phoenix Business Journal, East Valley Tribune, Bloomberg News, Dow Jones MarketWatch, and National Mortgage News.

He teaches renewal courses on the Residential Resale Real Estate Purchase Contract. Fletcher joined Alice Cooper's Solid Rock organization as a board member. The organization promotes music and the arts and has opened a center for teenagers in Phoenix. Fletcher served eleven years as a citizen board member on the Phoenix Police Department's Disciplinary Review & Use of Force Boards. He attends Living Streams Christian Church. Fletcher started snowboarding in 2008. He is not very good.