

[TheWilcoxReport.com](http://TheWilcoxReport.com)

Released July 16, 2013

**Single Family Distressed Property Trends:**

**All Distressed Property Numbers Are Down in Greater Phoenix, Way Down  
Distressed Property Results for five years**

**By**

**Fletcher Wilcox, Grand Canyon Title Agency, Inc.**



*Grand Canyon Title is a locally owned title agency in Greater Phoenix closing transactions for thirty-three years.*

- *See page seventeen for a list of our eighteen offices.*
- *See page five as to why use GCTA for real estate marketing.*

## Single Family Distressed Property Trends:

### All Distressed Property Numbers Are Down in Greater Phoenix, Way Down

In June 2009, lenders took title to 4,203 single family properties at trustee's sale auctions (foreclosure auctions), but in June 2013, the number was 278. But there are still advertisements saying thousands of lender owned properties are going to flood the market. Not the Greater Phoenix market. There was a flood of properties, cheap properties, at one time. In 2009, 86,315 single family properties in Greater Phoenix went into the foreclosure process leading to a property dumping. For the first half of 2013, only 8,776 properties went into foreclosure. While the distressed property market will be with Greater Phoenix for a while, it will be mild, compared to where we were.

This report compares seven distressed property categories for the last five years, for the month of June, and quarterly since 2009. All seven distressed categories are down influenced by rising home values and improving job numbers. The median single family sales price in June 2013 was \$205,000 compared to \$164,000 in June 2012 for an increase of 25%. In May 2013, Greater Phoenix had 95,900 more non-farm jobs than in May 2010. And early on in the real estate recession Greater Phoenix got through the foreclosure mess faster than many states because Arizona allows for a non-judicial process as opposed to a judicial process, which takes more time to complete a foreclosure. See page three for the seven distressed property categories.

**Note:** Unless otherwise stated, the properties analyzed in this paper are single family detached properties located in Greater Phoenix. Greater Phoenix is defined as the cities of Maricopa County, Arizona.

**Distressed Title Transfers Continue Downward Path:** Distressed title transfers (DTTs) are defined as the number of short sales added to the number of foreclosed on properties. In June 2013, DTTs were 1,451 or 76% less than June 2009, when there were 5,997. See page six for quarterly DTTs.

**Foreclosure Starts:** June 2013, had 1,469 foreclosure starts compared to 3,148 in June 2012 for a decrease of 53%. See page six for quarterly foreclosure starts. A foreclosure start is defined as when a Notice of Trustee's Sales (N.O.T.S.) is recorded against a property.

## Snapshot of Last Five Years for the Month of June Distressed Single Family Property Trends in Greater Phoenix

	June 2009	June 2010	June 2011	June 2012	June 2013	June 2009 compared to June 2013 Percentage Change
1. Foreclosure Starts	7,266	4,997	3,664	3,219	1,164	-84%
2. Auctioned Properties*	5,126	4,488	3,271	1,382	749	-85%
3. Auctioned Properties Purchased by Third Party**	923	1,092	1,263	763	471	-49%
4. Auctioned Properties to Lender**	4,203	3,396	2,008	619	278	-93%
5. Lender Owned Sales***	4,247	2,384	3,008	720	348	-92%
6. Short Sales	871	1,627	1,740	1,766	702	-19%
7. Distressed Title Transfers****	5,997	6,115	5,011	3,148	1,451	-76%
Median Sales Price for Existing Single Family Properties	\$136,000	\$145,000	\$126,500	\$164,000	\$205,000	+51%

\*Auctioned properties by trustee's sale.

\*\*Auctioned Properties Purchased by Third Party and Auctioned Properties to Lender add up to the number of Auctioned Properties.

\*\*\*Lender Owned Sales are Auctioned Properties a lender took title to and then sold.

\*\*\*\*Distressed Title Transfers are the combined total of Auctioned Properties and Short Sales.

### **Brief explanation of Arizona Foreclosure Processes**

In Arizona there are two ways a lender may foreclose on a property: Either by a judicial foreclosure or by a non-judicial foreclosure. The non-judicial foreclosure process is called a trustee's sale. A judicial foreclosure requires a judge's approval, while a trustee's sale does not. A judicial foreclosure cost a lender more money and takes more time to complete than a trustee's sale. Because of the cost and time to do a judicial foreclosure, ninety-nine percent of all foreclosures go through the non-judicial trustee's sale process. The trustee's sale process is guided by Arizona Revised Statute (A.R.S.). Once a property owner is behind on their mortgage payment(s)

and after a lender fulfills certain A.R.S. requirements, a lender may record a Notice of Trustee's Sale (N.O.T.S.). The N.O.T.S. is to be recorded in the county in which the property is located. A property is formerly in the foreclosure process once the N.O.T.S. is recorded against it. The N.O.T.S. will list the auction date and location. Ninety-days must pass after the recording of the N.O.T.S. before the property may be auctioned. If the property is auctioned, one of two events occurs: either the property is sold to a third party, who takes title, or the property goes to the lender, who takes title. When a lender takes title to a property, the property is then categorized as a lender owned or REO property.

**Auction Results or the Number of Properties Foreclosed On:** In June 2013, 749 properties were either sold to a third party or the lender took title compared to 5,126 in June 2009. See page seven for quarterly results.

**Auction Results: Are more properties being sold to third parties or going to the lender?** In June 2013, 471 properties were purchased at auction by third parties compared to 278 going to the lender. It was not until the fourth quarter 2011 that more properties were sold to third parties than went to lenders. In first quarter 2009, 11,226 properties went to lenders compared to 1,409 to third parties. See pages seven through ten for quarterly results.

**Lender Owned Sales:** Lender owned sales are properties that lenders took title to at the trustee's auction and then sold. In June 2009, there were 4,247 lender owned sales compared to 348 in June 2013. See page eleven for quarterly results.

**Lenders Owned Sales Led to Cheap Sales – Cheap Sales Demolished Home Values:** In 2009, ARMLS reported 7,734 single family sales under \$50,000. Not all of the 7,734 were lender owned sales, but cheap lender owned sales pulled down non lender owned property values. According to ARMLs, in 2007 there were six (6) single family sales under \$50,000, 7,728 less than 2009. See page eleven for annual results.

**Short Sales:** June 2013, short sales were 702, or 60% less than the 1,766 in June 2012. See page twelve for quarterly results.



## WHY USE GCTA FOR REAL ESTATE MARKETING?

Real estate marketing has changed. It has changed in response to a shift in consumer behavior towards the Internet.

Traditional marketing methods are becoming less effective. Look at your own behavior. Where do you go when you have a need? A print brochure? The yellow pages? Your mailbox? If you are like us {and we're betting you are} you turn to the Internet. Grand Canyon Title recognized this shift.

In response, we created a technology team or "Tech Team" to help real estate professionals just like you to prepare for the shift. Today the majority of consumers start their home search online. This is also where they are likely to find their next real estate agent. Our technology team helps real estate professionals get found online, where a consumer would naturally look for you. Our skills include WordPress, Content Creation, Video, Video Editing, Syndication and Optimization and social media not for entertainment, but for business. We help our clients stand out from their competitors. We help our clients grow their business with technology.

Schedule your green room self promo video today or your HD listing video today, [click here](#) if you are ready to embrace the future of real estate marketing. Want to attend a class? [Click here](#) to see what classes we are teaching. [gctatechteam.com](http://gctatechteam.com)

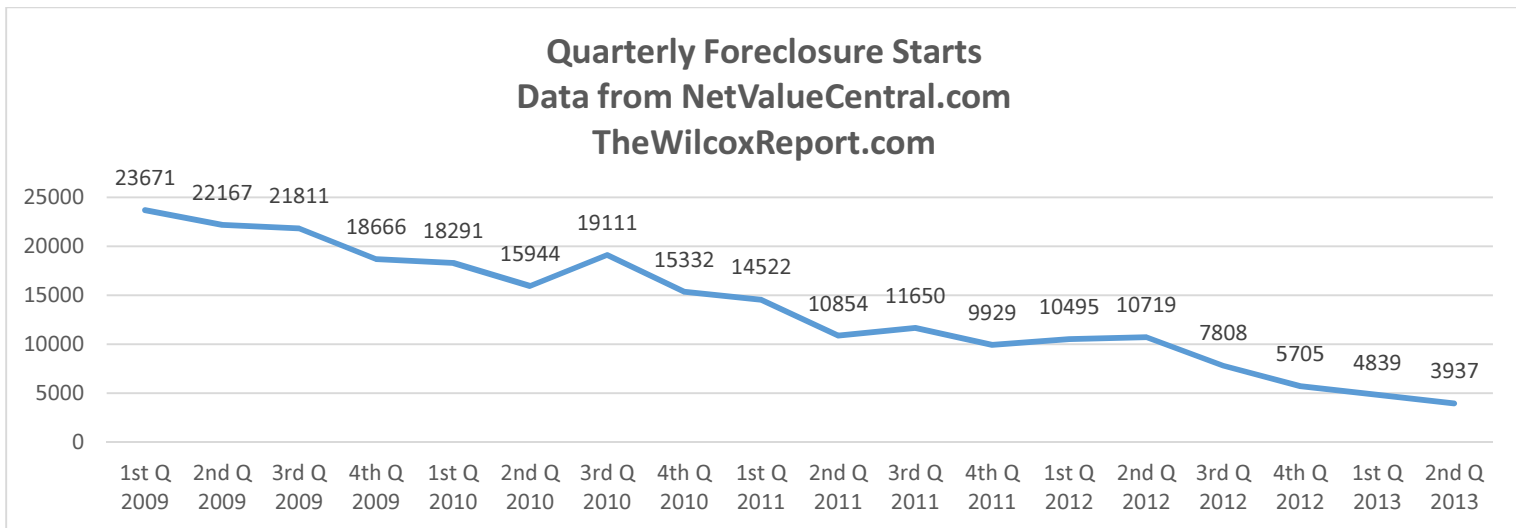
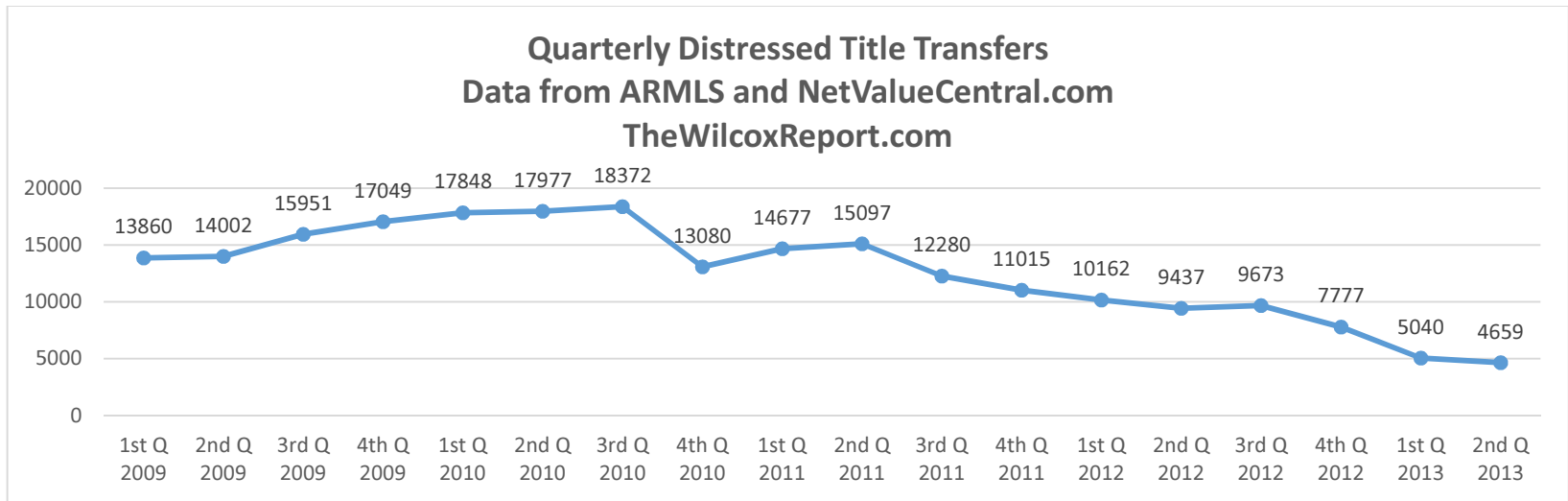
Like us, Tweet Us, Connect With Us, Watch Us here...

Or email us at [techteam@gcta.com](mailto:techteam@gcta.com) to get started today.

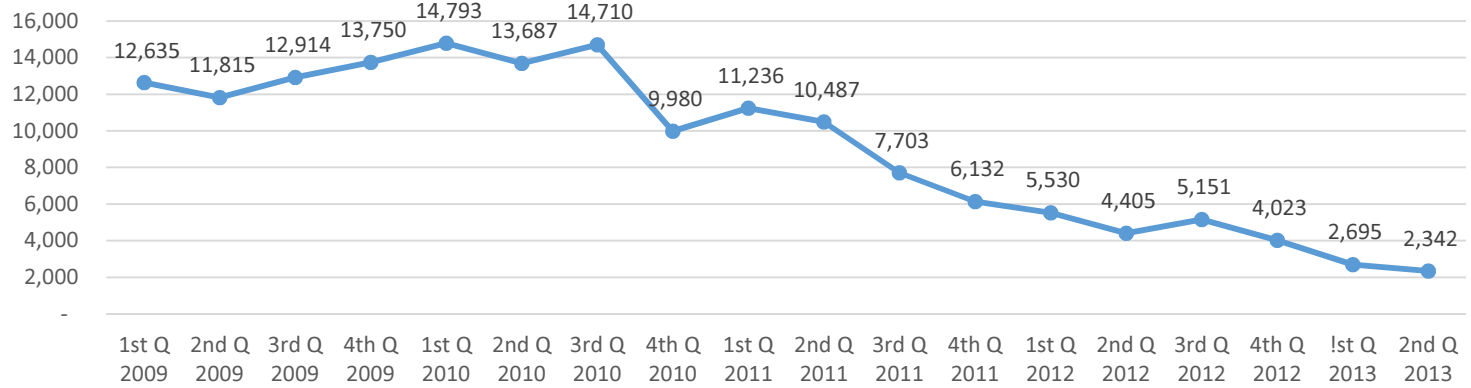


Check out this video by the GCTA tech Team

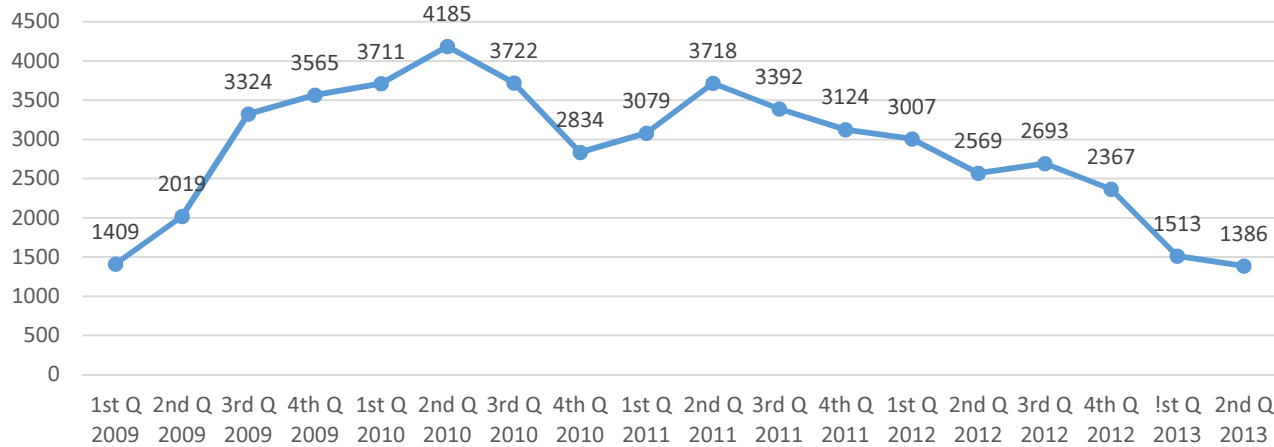
<http://www.youtube.com/watch?v=K8qLI0P0ic&feature=youtu.be>



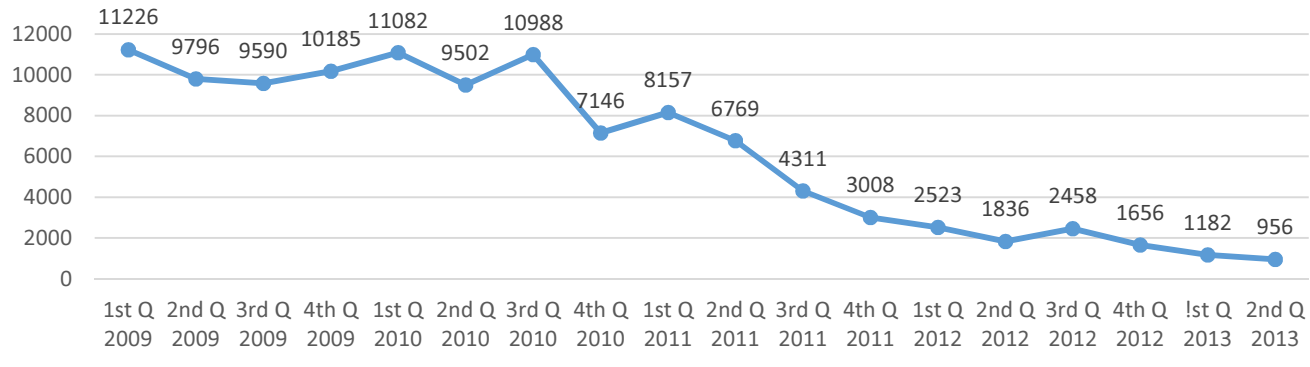
**Quarterly Foreclosed on or Auctioned Properties**  
**Data from NetValueCentral.com**  
**TheWilcoxReport.com**



**Quarterly Third Party Purchases**  
**Data from NetValueCentral.com**  
**TheWilcoxReport.com**



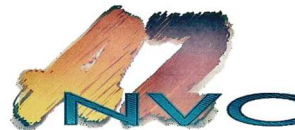
**Property to Lender**  
**Data from NetValueCentral.com**  
**TheWilcoxReport.com**





Check out Net Value Central's new site on property information

<http://www.aznvc.com/>



**Article on NetValueCentral By Catherine Reagor The Republic | azcentral.com Fri Jul 5, 2013 4:29**

Rising home prices in metro Phoenix are making many homeowners even more curious about what houses are selling for in their neighborhoods.

Most prospective homebuyers want to see the latest comparable sales in an area as soon as the deals close.

Local real-estate [data](#) firm Netvaluecentral has launched a new free website where people can find information on the past eight home sales in a neighborhood and what rental properties are in foreclosure.

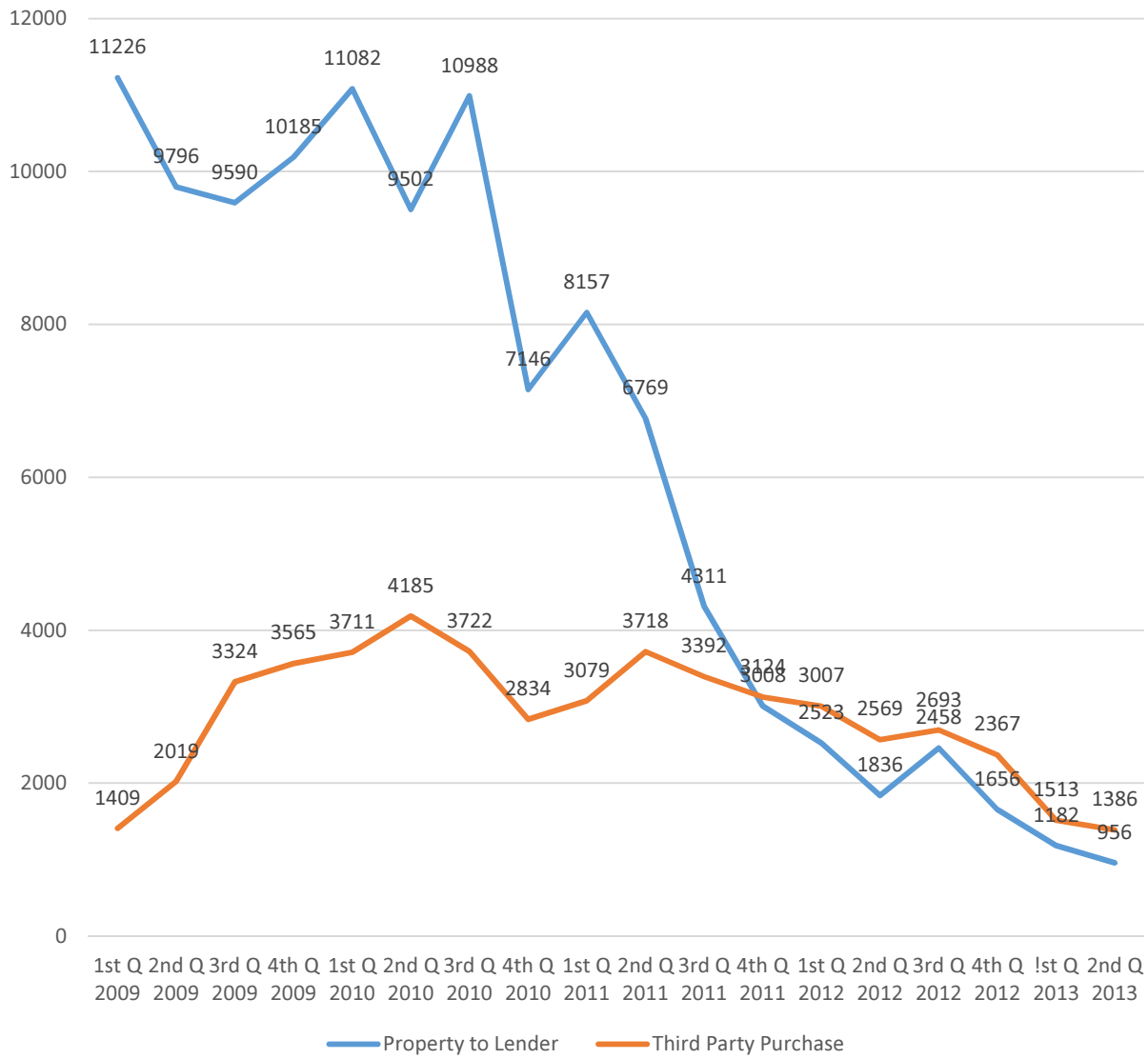
The free website, [www.aznvc.com](http://www.aznvc.com), is sponsored by real-estate agents and other real-estate groups. The easiest way to search on the free site is by address. Comps for the area where a home is located are at the bottom of the page.

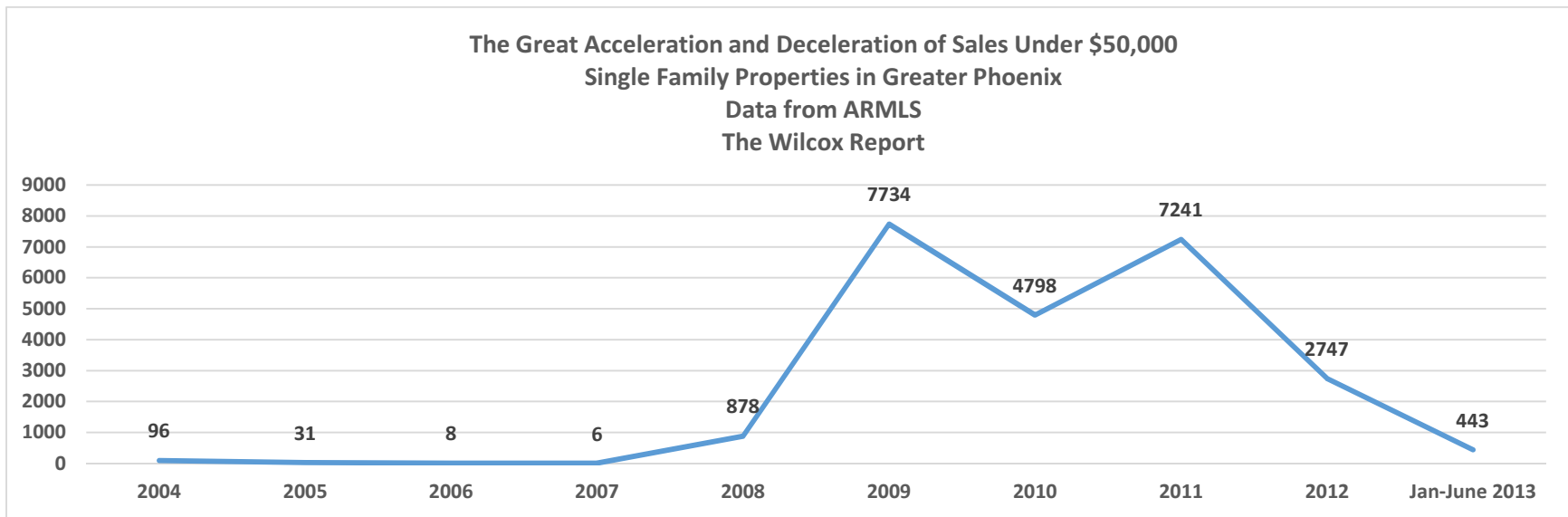
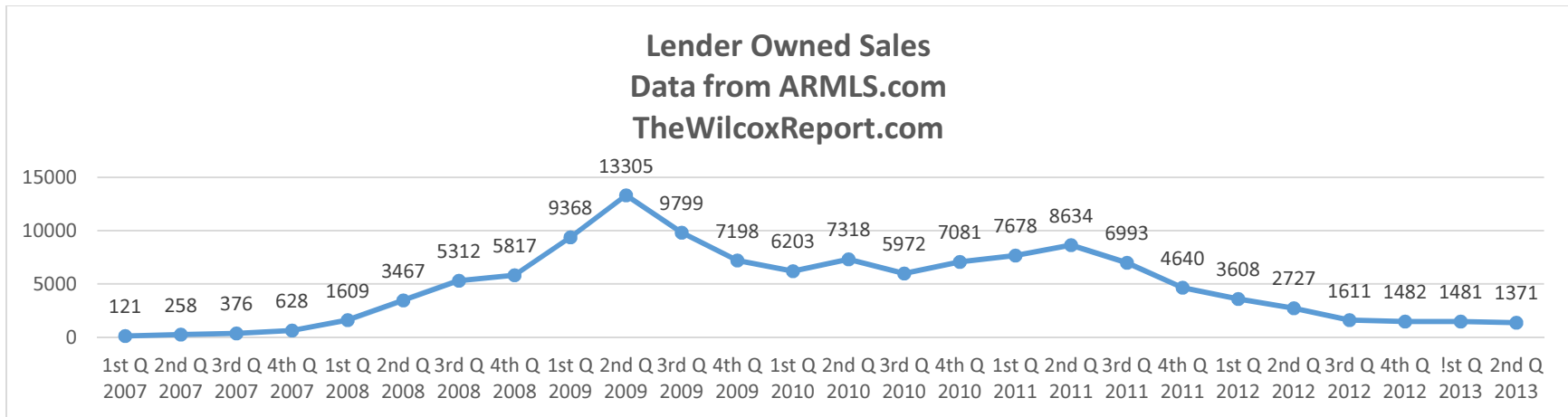
David Bignoli, president of Netvaluecentral, said homeowners or rentals checking out the free website can also sign up to receive e-mail notifications of new comps or rental foreclosures in their neighborhood.

Meanwhile, Netvaluecentral.com, a longtime real-estate-data website, provides detailed information on historical sales of a property, down payment and tax information and links to property records and maps. Thousands of subscribers, mostly in the real-estate industry or with government agencies, pay for the detailed information. Rates vary by usage.

<http://www.azcentral.com/business/realestate/articles/20130703new-site-provides-data-real-estate.html>

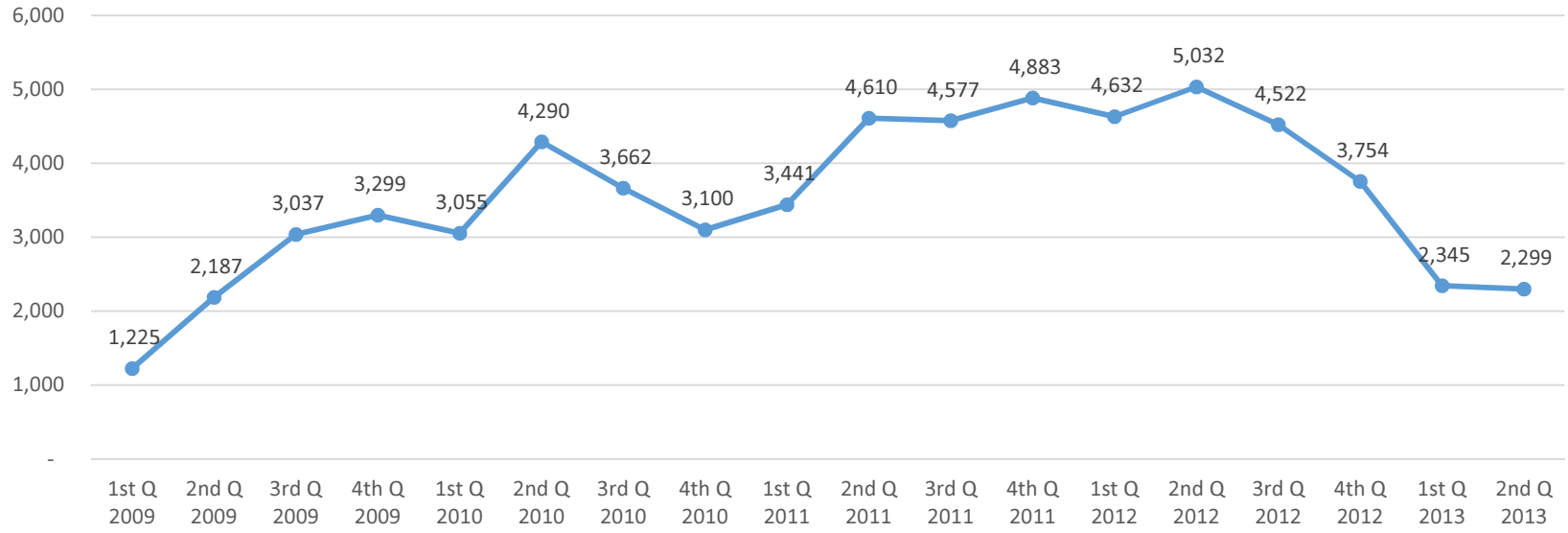
## Auction Results: Third Party Purchase or Property to Lender TheWilcoxReport.com



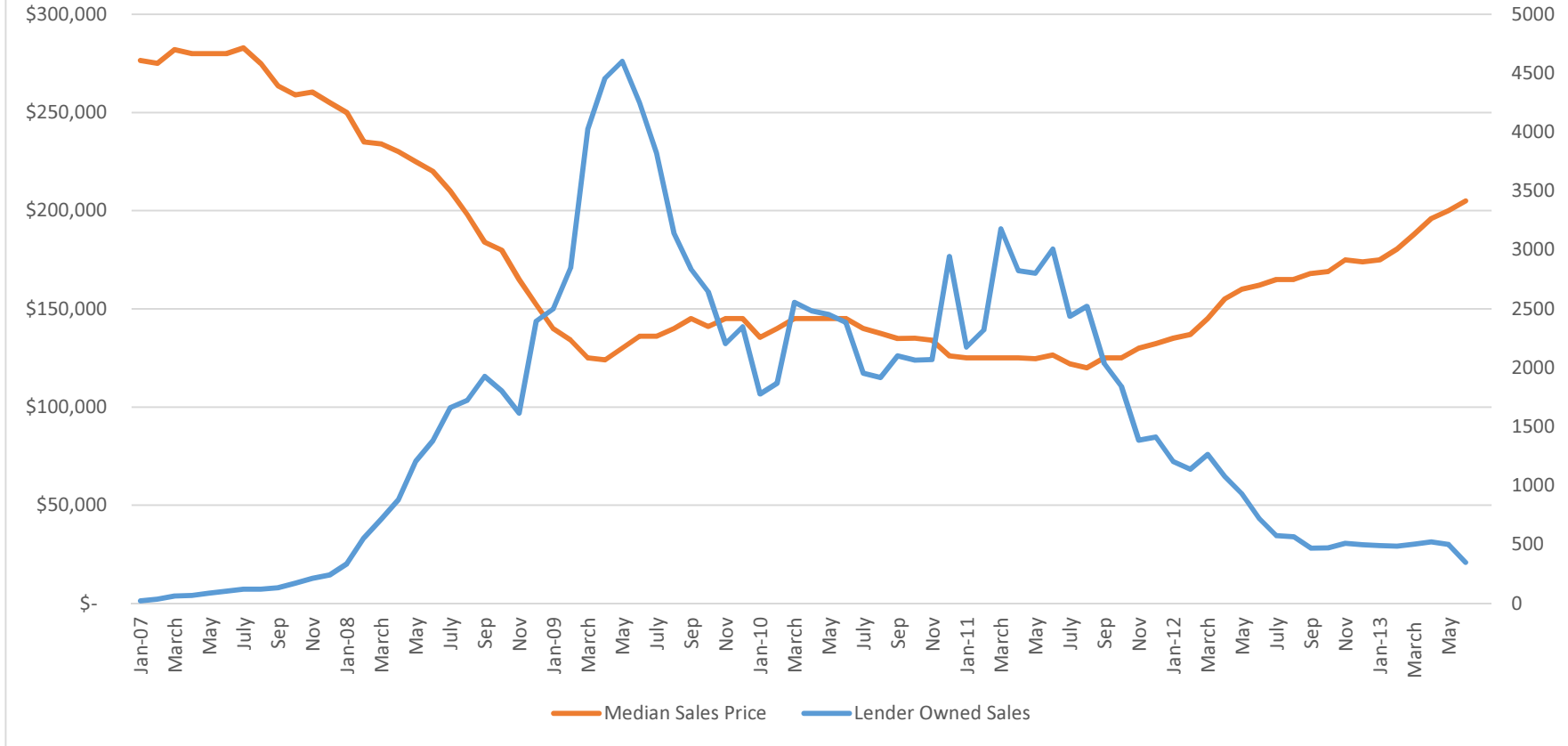


According to ARMLS in 2007 there were only six (6) single family sales in Greater Phoenix under \$50,000. Two years later there were seven-thousand seven-hundred and thirty-four (7,734). **Note:** not every sale under \$50,000 was a lender owned sale, but the acceleration of lender owned sales under \$50,000 pulled down the value of non-lender owned sales.

**Short Sales by Quarter**  
**Data from ARMLS**  
**TheWilcoxReport.com**



**Median Sales Price and the Number of Lender Owned Sales**  
**Data from ARMLS**  
**TheWilcoxReport.com**



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, NetValueCentral.com, Homebuilders Association of Central Arizona, and Freddie Mac.

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.

### **Grand Canyon Title in the News**

July 12 Phoenix Business Journal

**Real estate: Housing prices sneak past \$200K median by Kristena Hansen**

<http://www.bizjournals.com/phoenix/print-edition/2013/07/12/real-estate-housing-prices-sneak.html>

June 6 Housing Wire

**Shifting market turns investors shy on housing by Megan Hopkins**

<http://www.housingwire.com/news/2013/06/06/shifting-market-turns-investors-shy-housing>

April 12 Housing Wire

**Investor activity dissipates in Phoenix market by Megan Hopkins**

<http://www.housingwire.com/fastnews/2013/04/12/investor-activity-dissipates-phoenix-market>

March 21 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>

[TheWilcoxReport.com](http://TheWilcoxReport.com) by Fletcher Wilcox, Grand Canyon Title Agency, Inc. [Fwilcox@gcta.com](mailto:Fwilcox@gcta.com) 602-648-1230



**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>

## **Grand Canyon Title Office Locations**

### Arrowhead

17235 N. 75th Ave #A-125  
Glendale, AZ 85308  
\* 75<sup>th</sup> Ave. & Bell (facing 75<sup>th</sup> Ave) across from Arrowhead mall

**Manager: Tony Tice, A.V.P.**  
(602) 474-5104 / Fax: (602) 474-5105

### Arrowhead Fountains

16150 N. Arrowhead Fountains Center Dr#175  
Peoria, AZ 85382  
\* 83<sup>rd</sup> Ave & Bell (on Arrowhead Fnts. Cnt. Dr.) Right off the 101

**Manager: Heidi Velarde, A.V.P.**  
(602) 474-5126 / Fax: (602) 474-5127

### Biltmore Residential Office

2730 East Camelback Road, #105  
Phoenix, AZ 85016  
\* 28<sup>th</sup> Street and Camelback (Camelback Lakes Building)

**Manager: Diana Olson, A.V.P.**  
(602) 468-7761 / Fax: (602) 474-5661

**Biltmore Commercial**

2720 E. Camelback Rd. #100  
Phoenix, AZ 85016  
\* 28<sup>th</sup> Street & Camelback Rd.

**Manager: Linda Duval, A.V.P.**  
(602) 468-7759 / Fax: (602) 474-5659

**Camelback Commercial Division**

2730 E. Camelback Rd. #110  
Phoenix, AZ 85016  
\* 28<sup>th</sup> Street & Camelback Rd.

**Manager: Sally Hevier, A.V.P.**  
(602) 343-3425 / Fax: (602) 474-5645

**Fountain Hills**

17100 E. Shea Blvd. Ste. 200  
Fountain Hills, AZ 85268  
\* Beeline Hwy & Shea Blvd.

**Manager: Toni Kusnerz, A.V.P.**  
(602) 343-3462 / Fax: (602) 474-5662

Gilbert

890 W. Elliot Rd. Ste. 111

Gilbert, AZ 85233

\* Cooper & Elliot in Villa Siena

**Manager: Tiffany Malcom, A.V.P.**

(602) 474-5210 / Fax: (602) 474-5211

Hayden Park

10607 N. Hayden Rd. #F-102

Scottsdale, AZ 85260

\* NE Corner of Hayden & Shea (look for Bldg. # and Ste)

**Manager: Kirstin Fuller, A.V.P.**

(602) 474-5136 / Fax: (602) 474-5137

Main Office – HUD ADMINISTRATION

2720 E. Camelback Rd. Ste. 100

Phoenix, AZ 85016

**Manager: Jody Black, A.V.P.**

(602) 474-5158 / Fax: (602) 474-5159

Marketplace at Arrowhead

20329 N. 59<sup>th</sup> Ave. #A4

Glendale, AZ 85308

\* 101 (Agua Fria) & 59<sup>th</sup> Ave. (N.E. corner / Albertsons Plaza)

**Manager: Judi Gonshak, A.V.P.**

(602) 474-5148 / Fax: (602) 474-5149

Mesa Fairways

2420 S. Power Rd. Ste. 101  
Mesa, AZ 85209

\* Power & So. Of Baseline (Behind the Wells Fargo)—Please note this is technically a Gilbert address and Gilbert must be used on GPS to correctly find this location if you need to give address info to your clients

**Manager: Melissa Armstrong, A.V.P.**

(602) 474-5214 / Fax: (602) 474-5215

Queen Creek (68)

22717 S. Ellsworth Rd. Ste. B101  
Queen Creek, AZ 85142

\*Ellsworth & Ocotillo in the Serrano's Shopping Center

**Manager: Patrick Bailey, A.V.P.**

(602) 474-5122 / Fax: (602) 474-5123

Scottsdale North

6910 E Chauncey Lane #120  
Phoenix, AZ 85054

\* 101 / Scottsdale Rd. (South of the 101)

**Co-Managers: Marilyn Zembsch, A.V.P.**

(602) 474-5168 / Fax: (602) 474-5169

**Peggi Mathews, A.V.P.**

(602) 474-5140 / Fax: (602) 474-5141

Sonoran Village

34406 N. 27<sup>th</sup> Dr. Bldg. 9 Ste. 196

Phoenix, AZ 85085 \* 27<sup>th</sup> Dr. and The Carefree Highway

**Manager: Cathy Weir, A.V.P.**

(602) 474-5170 / Fax: (602) 474-5171

Stapley Center

1640 S. Stapley Drive Ste. 125

Mesa, AZ 85204

\*60 & Stapley

**Manager: Liz Laney, A.V.P.**

(602) 474-5384 / Fax: (602) 474-5385

Sun City

10001 West Bell Road, #107

Sun City, AZ 85351

Located in the **Promenade Shopping Center (SW Corner)**

\* 99<sup>th</sup> Ave & Bell Rd near the Starbucks

**Manager: Kathy Brooks, A.V.P.**

(602) 474-5184 / Fax: (602) 474-5185

Surprise Office

14239 W. Bell Road #108  
Surprise, AZ 85374  
\*SE Corner of Civic Center and Bell Rd.

**Manager: Jennifer Williams, A.V.P.**  
(602) 474-5186 / Fax: (602) 474-5187

Tempe

2055 E. Warner Rd. #103  
Tempe, AZ 85284  
\* 101 & Warner

**Manager: Steve Gowler, A.V.P.**  
(602) 474-5202 / Fax: (602) 474-5203



***The Wilcox Report***

***by***

**Fletcher Wilcox V. P. Business Development, Real Estate Analyst at Grand Canyon Title Agency, Inc.**

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 <http://www.alicecoopersolidrock.com/the-rock/> 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.