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Insight on sales of previously owned single family homes, mortgage and job growth trends in the Phoenix area

February 2015 Results

Signs and numbers point to a heated housing market in Phoenix this spring

Purchases with a mortgage are increasing – decreasing are new monthly listings

- **February 2015 purchases with a mortgage were the highest for a February since February 2006**
- **5,945 less new monthly listings for the last nine months year-to-year**
- **Changes coming to residential real estate closing process starting on August 1, 2015. See page seven.**

**By
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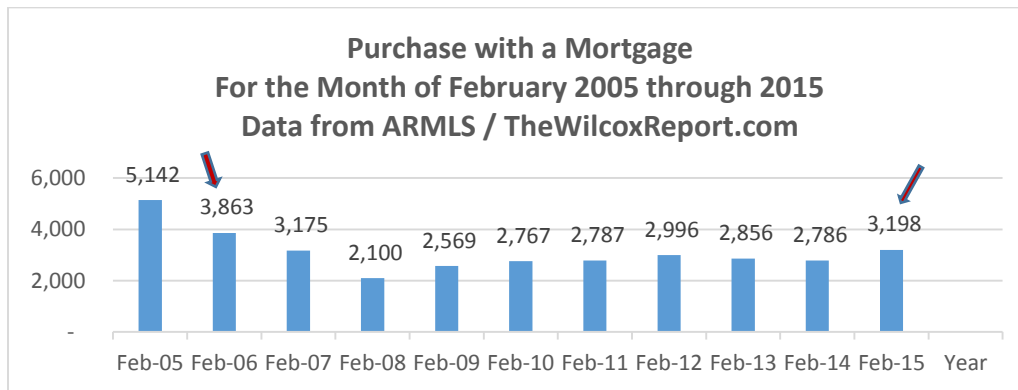


FNTA is a subsidiary of FNF #316 on the list of Fortune 500 companies

Signs and numbers point to a growing number of potential buyers, while new listings decrease

Sales in which a buyer purchased with a mortgage in February 2015 were 15% higher than February 2014. February 2015 purchases with a mortgage were the highest for a month of February since 2006, which was before the great real estate recession.

February 2015 Mortgage Purchases were the highest for a month of February Since 2006



Is the February 2015 increase in purchases with a mortgage a sign that demand to own is growing? Maybe. There are some other recent signs. Mike Orr Director of the Center for Real Estate Theory and Practice at the W. P. Carey School of Business at Arizona State University said [that “During February it became clear that from watching contract rates that the market was starting to take off.”](#) Philip Haldiman from the Rose Law Group Reporter wrote that [people are camping out to buy homes](#) at a Mesa subdivision. The subdivision is the new Mulberry Community, by builder Blandford Homes. Purchase prices start in the low \$200,000 and range from 1,700 to 4,300-square feet.



More signs and numbers pointing to an increase in purchases with a mortgage

Increasing are job growth, and population growth, and boomerang buyers. While job growth and population growth are lower than their historic norm, and could be better, both are growing. At the same time job and population numbers grow, growing is the number of possible boomerang buyers. These three factors should contribute to an increase in purchases with a mortgage.

Increasing job growth. You have to have a job to get a loan. Greater Phoenix lost 302,100 non-farm jobs from December 2007 to July 2010 (December 2007 is the record month for most non-farm jobs, while July 2010 was the month with the least non-farm jobs since the start of the great real estate recession). Greater Phoenix has gained back 266,500 jobs from July 2010 to December 2014. From December 2014 to December 2015, jobs should grow by another 50,000.


Increasing population growth. The population grew by approximately 46,000 in 2014 over 2013. 2015 population growth is projected to increase by 57,000 over 2014. And from 2015 through 2020 projections are 327,800 more people. More people mean more housing.

Increasing Boomerang Buyers: A boomerang buyer is defined as someone who buys after going through a foreclosure or short sale. As time goes on, more and more people will have reached the minimum wait periods or penalty boxes for being able to buy again with an FHA, Fannie Mae or Freddie Mac loan. I estimate that from 2009 through 2014, 220,536 homeowners that were owner occupants, not investors, either went through a foreclosure or short sale. The minimum wait period to buy again after a foreclosure or short sale is three years with an FHA insured loan; four years after a short sale with a Fannie Mae or Freddie Mac loan; and seven years after a foreclosure to purchase with a Fannie Mae or Freddie Mac loan. As time goes on, more and more people will meet the required wait periods, and if they have the necessary credit score, and down payment, and closing costs they will purchase with a mortgage. Let's hope there will be enough inventory for them.

New Monthly Inventory of Single Family Homes

June of 2014 was the first month last year, to have less new monthly listings when compared to the same month of the previous year. February 2015 was the ninth consecutive month year-to-year, that there were less new monthly listings, resulting in 5,945 less listings.

| New Monthly Listings | 2014 | 2015 | Change | % Change |
|----------------------|-------|-------|--------|----------|
| January | 7,977 | 7,422 | -555 | -7.0% |
| February | 7,193 | 6,661 | -532 | -7.4% |



| New Monthly Listings | 2013 | 2014 | Change | % Change |
|----------------------|--------|--------|--------|----------|
| January | 7,034 | 7,977 | 943 | 13.4% |
| February | 6,290 | 7,193 | 903 | 14.4% |
| March | 7,114 | 7,831 | 717 | 10.1% |
| April | 7,224 | 7,487 | 263 | 3.6% |
| May | 7,344 | 7,392 | 48 | 0.7% |
| June | 7,048 | 6,670 | -378 | -5.4% |
| July | 6,903 | 6,373 | -530 | -7.7% |
| August | 7,310 | 6,123 | -1,187 | -16.2% |
| September | 7,091 | 6,360 | -731 | -10.3% |
| October | 7,996 | 6,985 | -1,011 | -12.6% |
| November | 6,033 | 5,393 | -640 | -10.6% |
| December | 4,441 | 4,060 | -381 | -8.6% |
| Total | 81,828 | 79,844 | -1,984 | -2.4% |

Data from ARMLS

Sales by sold price range, median sale price, total volume

The sold price range with the largest increase in sales year-to-year was between \$200,000 and \$249,999 with 185 more sales. The sold price range with highest year-to-year increase in percentage was between \$300,000 and \$349,999 with a 34% increase. There were thirteen more sales over \$1,000,000 for an 18% increase.

The February 2015 median sale price was \$220,000 or \$10,000 higher than February 2014. Total sales volume was \$101,569,653 higher.

Comparison of Sales by Sold Price Range

February 2014 to February 2015 Single Family Previously Owned Homes Data from ARMLS

| Sold Price Range | 2014 Feb | 2015 Feb | Change | % Change |
|------------------------|-------------|-------------|------------|-----------|
| Under \$50,000 | 17 | 17 | 0 | 0% |
| 50,000 to 99,999 | 193 | 146 | 47 | 24% |
| 100,000 to 149,999 | 730 | 671 | 59 | 8% |
| 150,000 to 199,999 | 883 | 938 | 55 | 6% |
| 200,000 to 249,999 | 606 | 791 | 185 | 31% |
| 250,000 to 299,999 | 469 | 543 | 74 | 16% |
| 300,000 to 349,999 | 257 | 345 | 88 | 34% |
| 350,000 to 399,999 | 200 | 231 | 31 | 16% |
| 400,000 to 499,999 | 236 | 221 | 15 | 6% |
| 500,000 to 599,999 | 101 | 114 | 13 | 13% |
| 600,000 to 699,999 | 67 | 39 | 28 | 42% |
| 700,000 to 799,999 | 42 | 44 | 2 | 5% |
| 800,000 to 899,999 | 25 | 20 | 5 | 20% |
| 900,000 to 999,999 | 13 | 17 | 4 | 31% |
| 1,000,000 to 1,499,999 | 39 | 46 | 7 | 18% |
| 1,500,000 to 1,999,999 | 20 | 21 | 1 | 5% |
| 2,000,000 to 2,999,999 | 13 | 20 | 7 | 54% |
| 3,000,000 to 3,999,999 | 3 | 3 | 0 | 0% |
| 4,000,000 to 4,999,999 | 3 | 1 | 2 | 67% |
| 5,000,000 to 9,999,999 | 1 | 1 | 0 | 0% |
| Over 10,000,000 | 0 | 0 | 0 | 0% |
| Total | 3918 | 4229 | 311 | 8% |

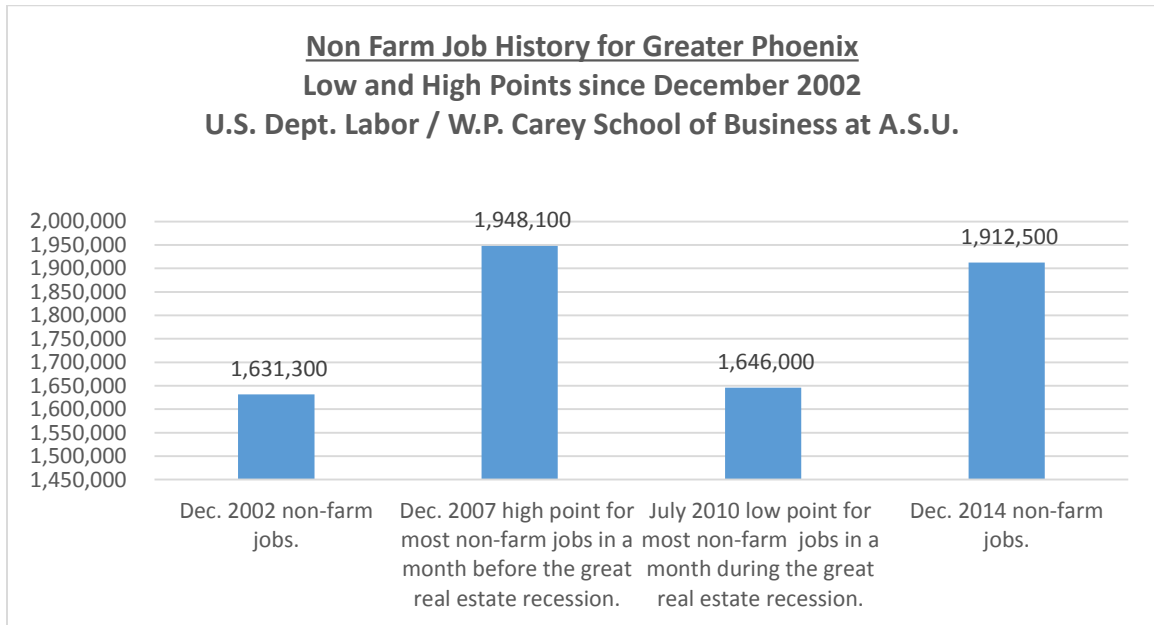
February 2014 compared to February 2015

| Previously Owned Homes | 2014 February | 2015 February | Change | % Change |
|------------------------|-----------------|-----------------|---------------|----------|
| Overall Sales | 3,918 | 4,229 | 311 | 8% |
| Median Purchase Price | \$210,000 | \$220,000 | \$10,000 | 5% |
| Total Sales Volume | \$1,091,707,259 | \$1,193,276,912 | \$101,569,653 | 9% |
| Cash Sales | 1,132 | 1,031 | 101 | 9% |
| Mortgage Purchases | 2,786 | 3,198 | 412 | 15% |
| New Monthly Listings | 7,193 | 6,661 | 532 | 7% |
| Foreclosure Starts | 761 | 722 | 39 | 5% |
| Auctioned Properties | 441 | 279 | 162 | 37% |

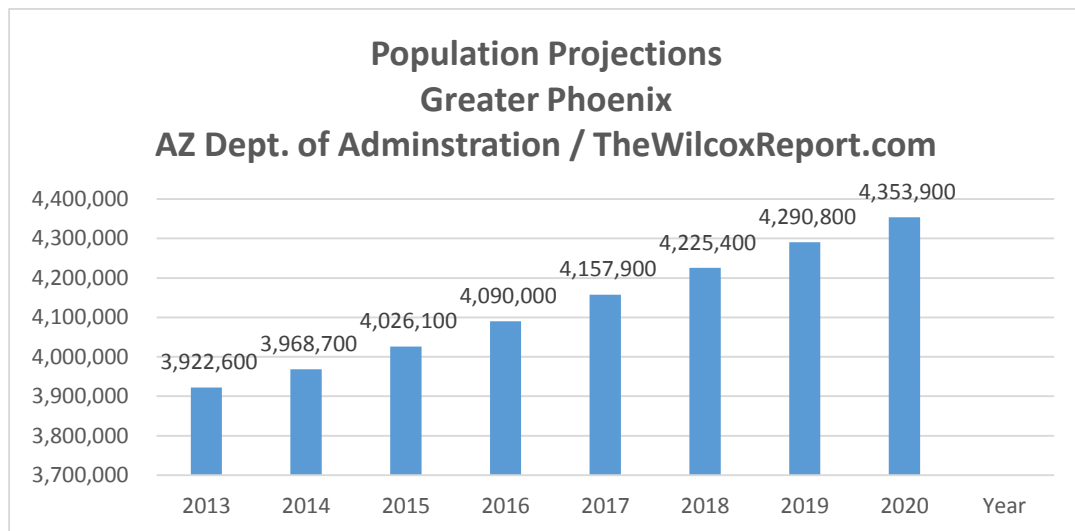
Data from ARMLS and NetValueCentral.com

Job Growth, Population Growth, Boomerang Buyers

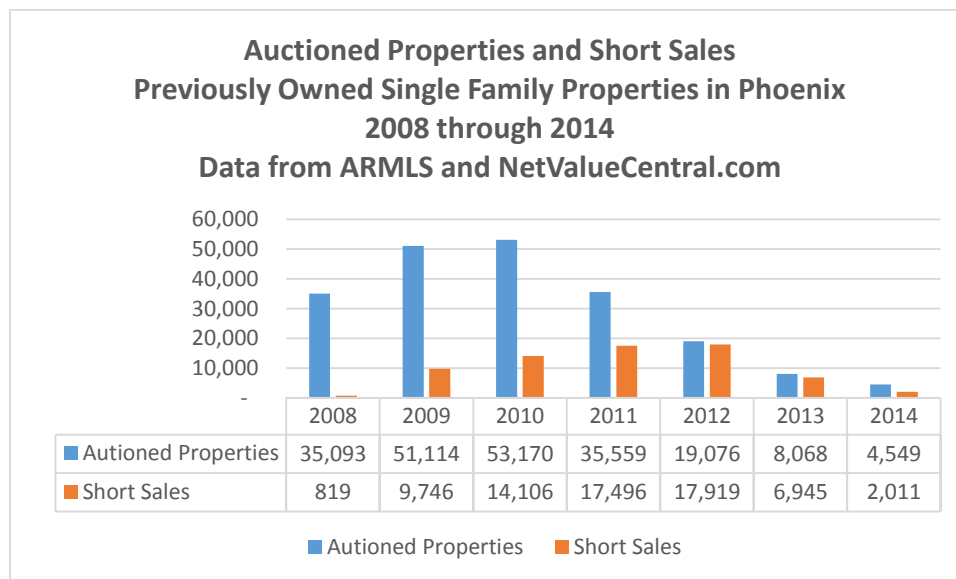
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NOTE:

This report covers previously owned single family homes in Greater Phoenix. The terms Greater Phoenix and Phoenix area are defined as the geographic area of Maricopa County. The data in this report, unless otherwise mentioned, is from the Arizona Regional Multiple Listing Services, Inc., also known as ARMLS.

In this report we compare performance for sales, sales volume, cash purchases, mortgage purchases, and new monthly listings. The report includes the Distressed Property Index covering foreclosure starts, auctioned properties, lender owned sales and short sales for the last twelve years. Most of the comparisons are year-over-year, comparing a time period in 2014 to the same time period in 2013. Year-over-year comparisons are an effective way to measure performance, highlight differences, and negates the effect of seasonality.



**On August 1, 2015 new rules apply to residential real estate closings.
Do you know what they are?**



On August 1, 2015 new rules apply to most closed-end consumer mortgages. The rules effect existing and new home purchases, refinances, loans secured by vacant land, construction only loans, and timeshare loans. Excluded are reverse mortgages, home equity lines of credit, mortgages secured by a mobile home or a dwelling that is not attached to real property.

The Consumer Financial Protection Bureau or the CFPB a creation of the Dodd-Frank Act, has integrated mortgage disclosures and created new forms. For loans originated on August 1, 2015 or later, the Good Faith Estimate and the Truth in Lending will be replaced with a new document called the Loan Estimate. And the final Truth in Lending and Settlement Statement are replaced with a new document called the Closing Disclosure.

How will this affect the closing of real estate transactions? The timing of workflow and closings will be impacted by the new rules. The Closing Disclosure has new time tables associated with it. There is a Delivery Period and a Waiting Period before the borrower is allowed to sign loan documents.

Ken Trepeta of Government Affairs for the National Association of REALTORS suggests adding fifteen more days to the normal closing process time in this video.

<http://www.realtor.org/videos/hud-1-going-away-understand-new-closing-forms-procedures>

There is much more to the upcoming changes, for more detailed information contact me, Fletcher Wilcox, at FWilcox@gcta.com or 602.648.1230. I will be representing Grand Canyon Title Agency in meeting with real estate designated brokers and their agents, and builders, and banks and lenders and their loan officers. Don't wait to learn about the changes, but find out what you need to know, what you need to do, and how the changes impact your clients.



On January 1, 2015 Grand Canyon Title Agency was acquired by a Fortune 500 company. Grand Canyon Title became a division of Fidelity National Title Agency (FNTA). FNTA is a subsidiary of Fidelity National Financial (FNF). FNF is ranked 316 on the Fortune 500.

<http://fortune.com/fortune500/fidelity-national-financial-inc-316/>

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<http://fidelitydfw.com/page/Financial-Strength.aspx>

Disclaimer

While deemed accurate 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.

Note: Included in some of the charts of this report may be a small number of new home sales and listings.



TheWilcoxReport.com™

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A division of FNTA

Fletcher is proud to be part of Grand Canyon Title Agency. The company has been closing escrows in Greater Phoenix for thirty-five years and has sixteen escrow offices. 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 his first property, 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

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

Arizona Mortgage Lenders Association www.azmortgagelenders.com

Scottsdale Area Association of Realtors www.saaronline.com

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

Homebuilders Association of Central Arizona www.hbaca.org

Scottsdale Chapter Women's Council of REALTORS www.scottsdalewcr.com

Fletcher is author of **TheWilcoxReport.com**. This report provides statistics and analysis on 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 3, 10, 12, channel 8's Horizon show, Square Off Arizona and the Willis Report on Fox Business News. His residential analysis has been mentioned in the Wall Street Journal, Arizona Republic, AZCentral.com, Phoenix Business Journal, East Valley Tribune, Bloomberg News, Dow Jones MarketWatch, HousingWire.com 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.