

## The Market Has Turned. It's Time For Buyers To Get Off The Fence!

This is an excellent time to invest in real estate with a 20% downward price correction in the last year. RL Brown of the Phoenix Housing Market Letter states: "It's the best time to buy a house that we've seen in at least the last three years." And though prices have been somewhat stable for the past few months, there could still be a small adjustment to the averages due to the foreclosures and bank owned properties being bought up by investors and first time home buyers who have been able to break into the market. But keep in mind, the market is beginning to stabilize and **in some cases properties are selling for more than the list price**. The weekend of May 10 our Buyer Specialist, Donna Whittaker, representing a client, discovered a property they wanted to acquire that had 8 offers and some above list price. A recent listing that we sold in Tempe had 2 offers after languishing for months.

### By the numbers

- Several indicators show that the inventory of resale homes in Maricopa County has remained constant since September of 2007 at 55,000+/- 1000 homes for sale.
- More importantly the following numbers have steadily increased:
  - Sold properties** have been at around 3000/mth for 6 months (Sept-Feb) and jumped to 4200 in March and nearly 5000 in April. As a result of those numbers, the **absorption rate** (time for the inventory to be sold and the current monthly sold rate) **has dropped from 18 months to 10 months**.
  - For Tempe the pattern has been the same.
  - Another important number are the "**pendings**" (properties under contract that will become sold within 30 days). These numbers were constant for 4 months and then preceded the jump in solds by 30 to 60 days. They **have jumped from mid 3000's during the September to January period**. But at the end of January they started increasing: January 4133, February 5460, March 5803, April 7216.
  - I think it is safe to predict that the solds for May and June will see a commensurate increase.

### Foreclosures

Since I started tracking foreclosures and pre-foreclosures in the Maricopa County back in December the numbers have been fairly **constant with a 10% jump at the beginning of the year**. Since February the numbers have also remained fairly constant with Foreclosures at 5000+/- 500 and Preforeclosures at 13,500 +/- 800. This factor is the big unknown. We hear stories of more foreclosures coming. And the banks are not helping the situation by dragging their feet with short sales and foreclosure sales, sometimes keeping 5-6 buyers on the hook for months before they finally decide to accept an offer. It is no surprise to me that **many of our clients are choosing rather to go with a privately owned property, even if a little more in price, to avoid the great unknown of going down the foreclosure or short sale path.**

**The market has turned! Prices will lag as the bank inventory is cleared out but then expect a dramatic up tick.** There has been a pent up buyer demand as buyers have sat on the fence fearful that prices would drop further. Buyers are starting to come off the fence. If you are thinking of buying in the next few months then now is the time to start the process. There is still a huge inventory of homes to choose from, but the **deals (price and quality of property) will soon be gone**. If you are ready to buy then be ready to pull the trigger immediately because if we discover the right property for you, rest assured it will be under contract very soon. The only question remains: **Will it be yours or someone else's?**



*And by the way... if you know of someone who would appreciate the level of service I provide, please call me with their name and contact information. I'd be happy to follow up with them and take care of their real estate needs!*



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