

# Median Days on Market Analysis

## Sellers:

In April, the real estate market experienced a 14.1% INCREASE in the median days on market of homes that sold over the prior month. This means that a home is staying on the market an average of 101 days from the time it went under contract until it actually closed.

With the large increase in the number of pending transactions, the DOM statistic will be important to watch when these homes close to see if the number increases or decreases.

## Buyers:

Buyers need to be aware of this number because it is an indicator of how long sellers are having to wait to go under contract and close. The lower the number, the more control a seller normally has. Even if we have an addition of homes to the market via foreclosures, buyers need to understand that competition for great homes will continue to remain very high, especially in the lower price ranges. We are still seeing multiple offer situations with distressed properties, so make sure you are fully qualified with your lender and ready to go when you see the house you want to call home.

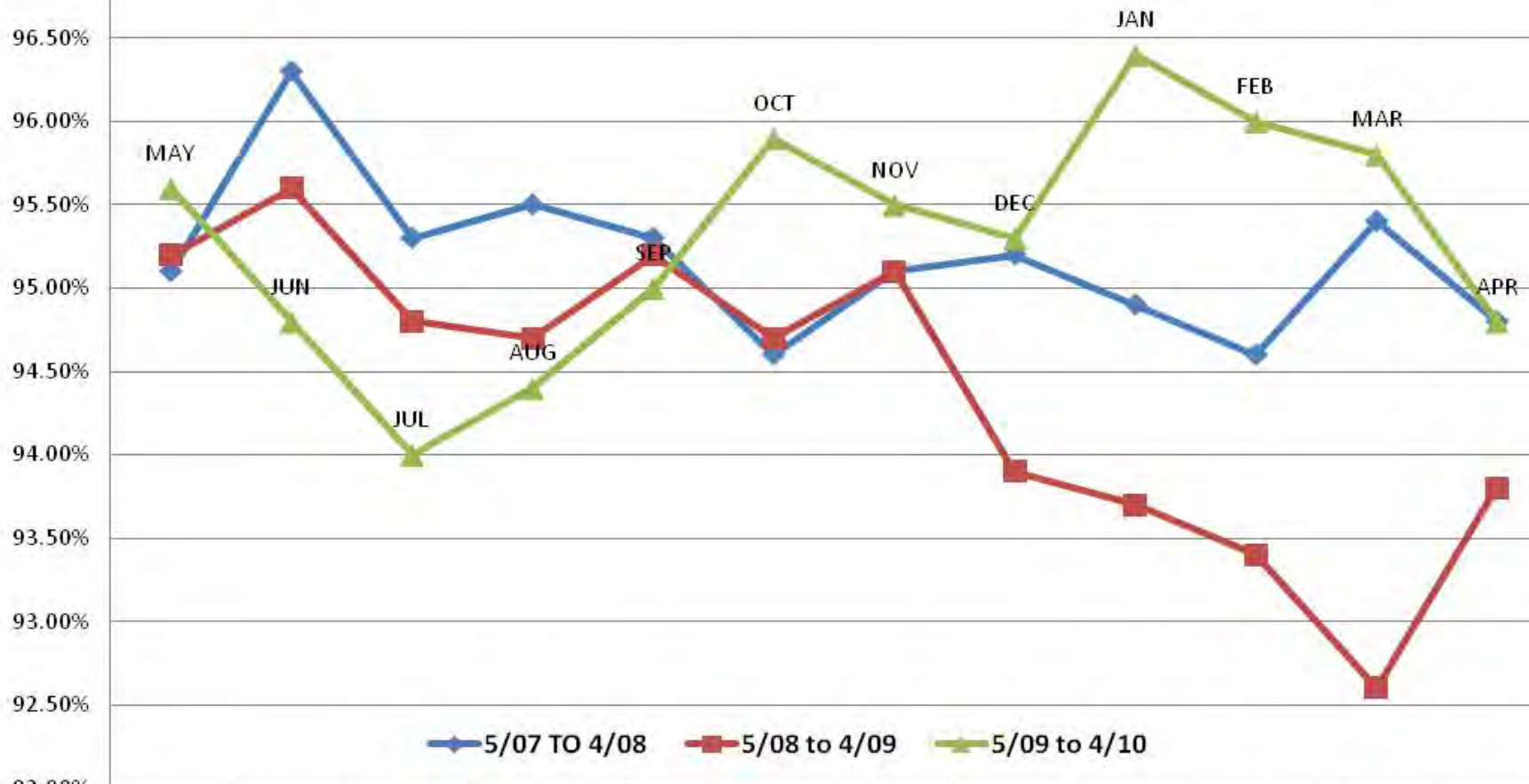




# Median Sales Price to List Price Ratio of Homes Sold in Prescott Area MLS 36 Month Overview

Source: Prescott Area Association of Realtors MLS. Information deemed reliable but not guaranteed.

www.LFTperspective.com



	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR
5/07 TO 4/08	95.10%	96.30%	95.30%	95.50%	95.30%	94.60%	95.10%	95.20%	94.90%	94.60%	95.40%	94.80%
5/08 to 4/09	95.20%	95.60%	94.80%	94.70%	95.20%	94.70%	95.10%	93.90%	93.70%	93.40%	92.60%	93.80%
5/09 to 4/10	95.60%	94.80%	94.00%	94.40%	95.00%	95.90%	95.50%	95.30%	96.40%	96.00%	95.80%	94.80%

# Sales to List Price Ratio Analysis

## Sellers:

In April, the ratio of the sales price to the list price stayed about the same as the previous month. The sales to list price ratio indicates that sellers are getting 5% LESS for their home than the listed price. This is, of course, only IF the house was already priced close to what a buyer is willing to pay. As a seller, it means you can expect slightly less than you did one month ago. We will carefully monitor this statistic as more foreclosure and short sale properties enter the market.

## Buyers:

Buyers need to pay attention. Although the average is less than 100%, on lower priced/highly desirable properties buyers **may** still have to pay above list price. Since a home must appraise in order to obtain a loan, underwriters are looking very closely at prices and making sure that homes are selling at or below market value. Make sure your real estate professional helps you understand the competitiveness of the list price of the home you are wanting to purchase. You also need to be aware of the interest and sales activity in the area where you are wanting to buy and how the offer you are making competes with the market.

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# **INVENTORY OVERVIEW**

The following charts are an overview of what is happening with the inventory of homes currently available in the Prescott Area MLS.

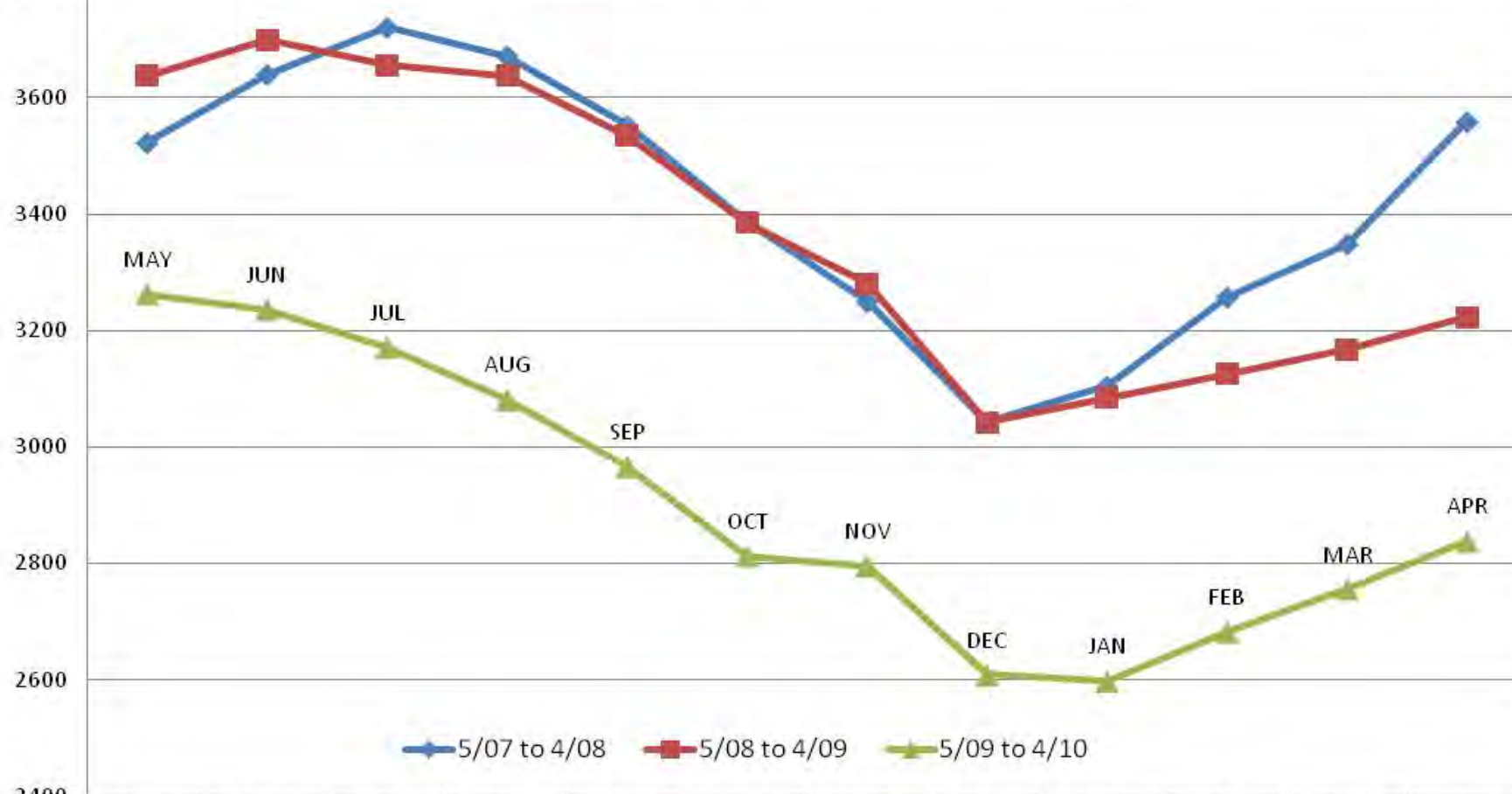




# Active Residential Listings in Prescott Area MLS 36 Month Overview

Source: Prescott Area Association of Realtors MLS. Information deemed reliable but not guaranteed.

www.LFTperspective.com



	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR
5/07 to 4/08	3523	3640	3721	3672	3552	3387	3250	3043	3105	3258	3349	3559
5/08 to 4/09	3638	3699	3656	3638	3534	3385	3280	3042	3085	3125	3167	3223
5/09 to 4/10	3263	3236	3171	3081	2966	2813	2796	2609	2598	2683	2756	2838

# Active Listings Analysis

## Sellers:

The MLS saw a slight increase in the number of new homes coming on to the market for a total of 2,838 residential homes in all of the MLS. Continue to carefully monitor this chart, as it will be a strong indicator of the amount of competition sellers will have from new and fresh inventory entering the market.

## Buyers:

Buyers still have homes from which to choose, but the inventory is significantly less than it was a year ago. Using a real estate professional is more important than ever to make sure you find out about new homes FIRST and know what you need to offer in order to be competitive and appealing to sellers. Continue to monitor this statistic, as it WILL be the statistic that indicates how much new inventory you that is available to preview... the lower the number, the more likely the competitiveness for lower priced homes will remain part of the current market. AND, the prediction of increased interest rates means now is the time to get serious about buying.

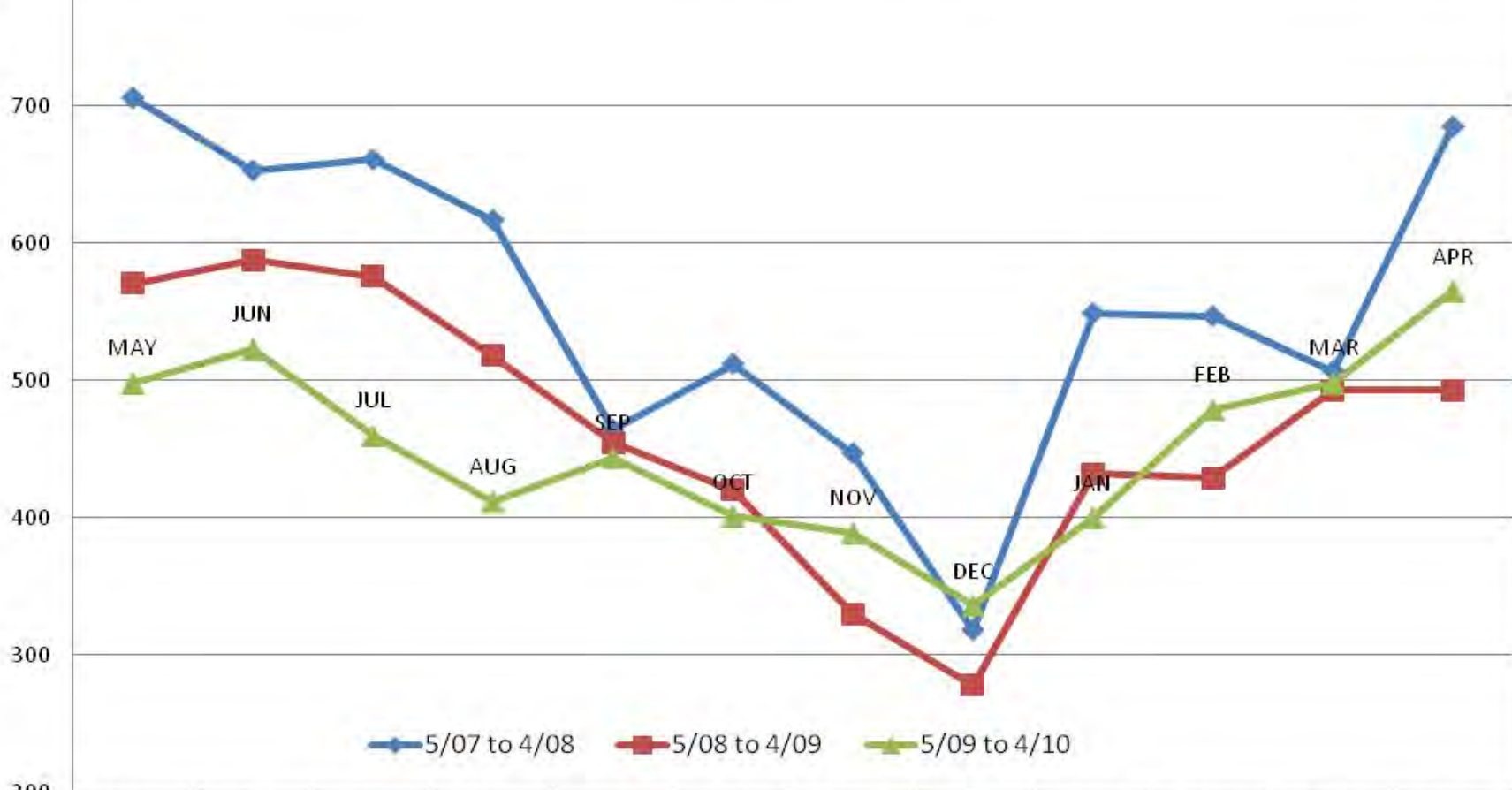
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# Total Number of New Residential Listings in Prescott Area MLS 36 Month Overview

Source: Prescott Area Association of Realtors MLS. Information deemed reliable but not guaranteed.

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	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR
5/07 to 4/08	706	653	661	617	464	512	447	318	549	547	507	685
5/08 to 4/09	571	588	576	518	455	420	330	278	432	429	493	493
5/09 to 4/10	498	523	460	412	444	401	389	336	400	479	498	565

# New Listings Analysis

## Sellers:

New listings increased by about 13.5% in the month of April. It will be interesting to see if these properties are REO, short sales, or regular listings and how the market receives them. Sellers need to pay attention. The addition of aggressive competition will result in fewer showings, fewer offers, and more competition for the attention of serious buyers.

## Buyers:

This is great news for buyers, as it means that there are more homes entering the market. It is very important that you continue to spend time with and listen to your real estate professional to develop your strategy for succeeding in a market that is constantly changing. Be prepared. As more homes enter the market, more buyers may become active again as well.

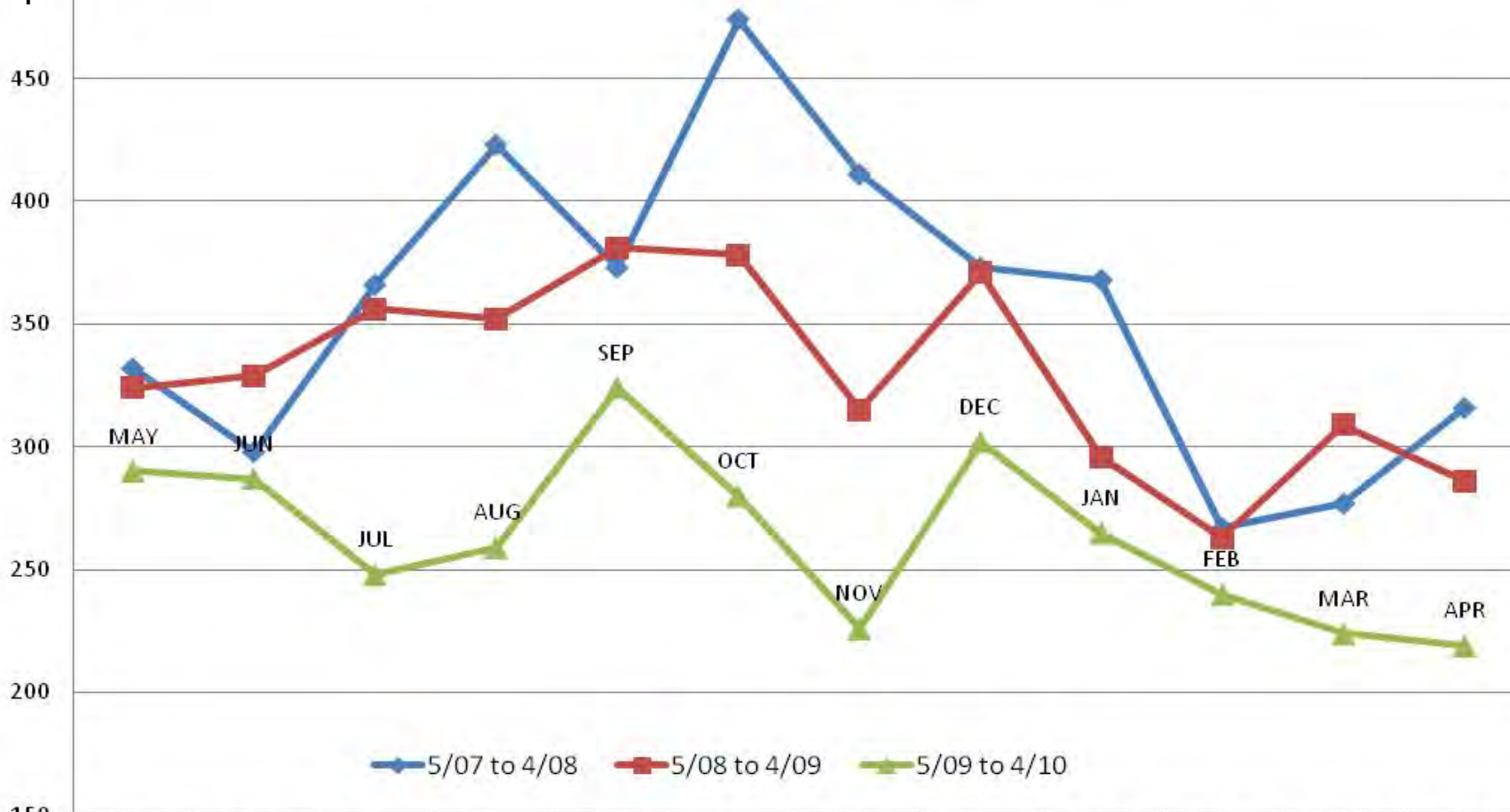




# Total Number of Expired & Cancelled Residential Listings in Prescott Area MLS 36 Month Overview

Source: Prescott Area Association of Realtors MLS. Information deemed reliable but not guaranteed.

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	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR
5/07 to 4/08	332	298	366	423	373	474	411	373	368	267	277	316
5/08 to 4/09	324	329	356	352	381	378	315	371	296	263	309	286
5/09 to 4/10	290	287	248	259	324	280	226	302	265	240	224	219

# Expired & Cancelled Listings Analysis

## Sellers:

April saw a decrease in the number of expired and cancelled listings – a 2.2% drop over March. This is the lowest number of cancelled/expired listings in the last 36 months. An expired or cancelled listing means less competition for active sellers if those properties have not been re-listed or moved into foreclosure status.

## Buyers:

For buyers, this means that there are 219 fewer homes to consider. Buyers will have to be prepared to act quickly on available homes that are priced competitively. Continue to watch this trend, as this, combined with price, days on market and sales to list price ratio are an important indicator of what buyers need to do in order to be successful in closing on the home of their dreams.



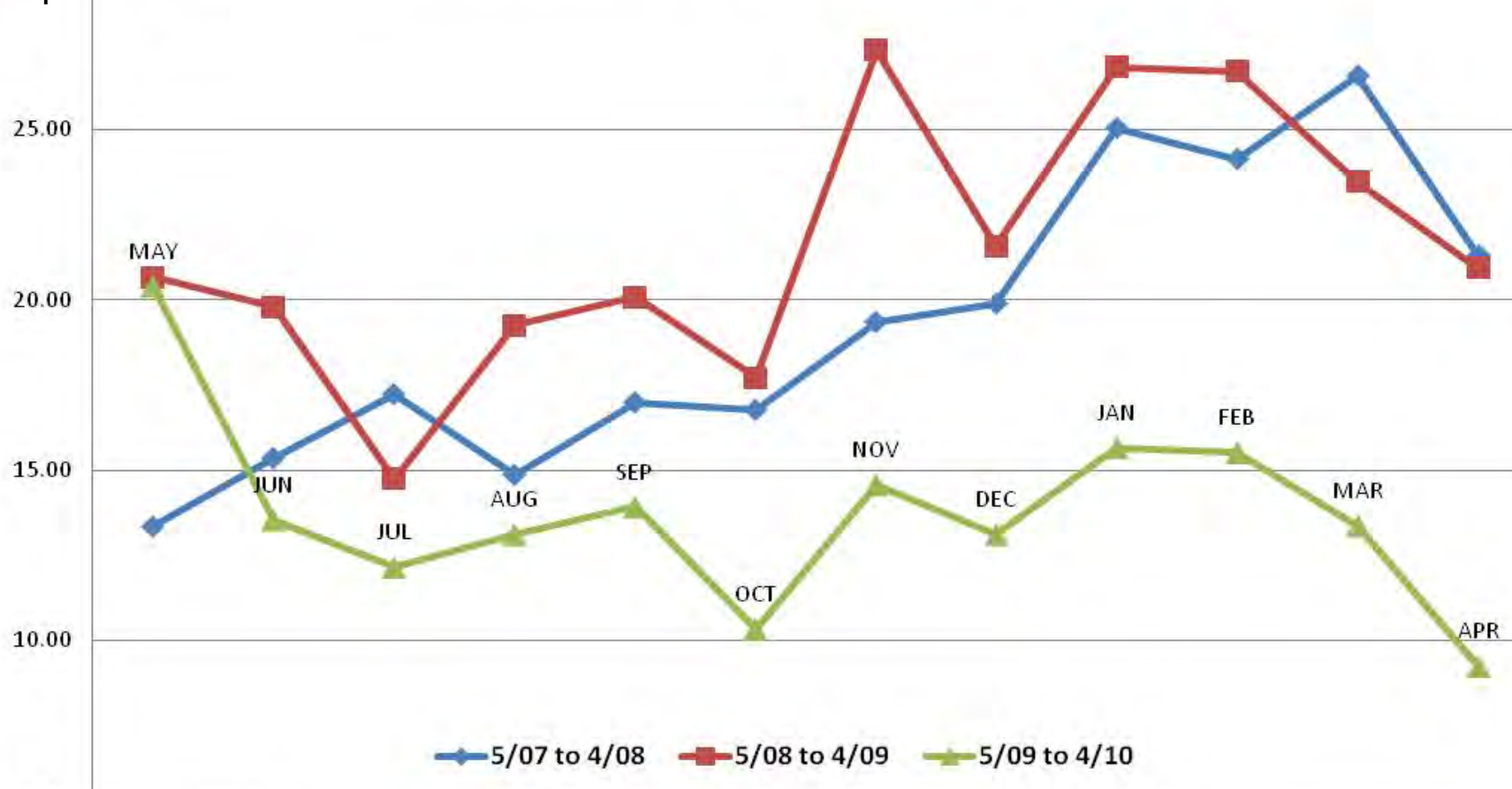


# Months of Residential Inventory in Prescott Area MLS

## 36 Month Overview

Source: Prescott Area Association of Realtors MLS. Information deemed reliable but not guaranteed.

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	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR
5/07 to 4/08	13.34	15.36	17.23	14.87	17.00	16.77	19.35	19.89	25.04	24.13	26.58	21.31
5/08 to 4/09	20.67	19.78	14.74	19.25	20.08	17.72	27.33	21.57	26.83	26.71	23.46	20.93
5/09 to 4/10	20.39	13.54	12.15	13.11	13.92	10.34	14.56	13.11	15.65	15.51	13.38	9.24

# Months of Inventory Analysis:

(This report has been generated by taking the number of active listings and dividing it by SALES for the past month)

## Sellers:

In April, the number of months of inventory decreased by 31% to about 9 months of inventory. This is still greater than the 6 month barrier that would indicate a seller's market. Having so much inventory means there are relatively MORE homes available for fewer buyers. For a seller, this means there are fewer buyers AND it will take longer to sell their home. It will be very important for you and your real estate professional to monitor this number so that you can make sure your home is priced and staged accordingly.

## Buyers:

Buyers typically have more control in a Buyer's market, which is defined as a market having more than 6 months of inventory. However, the type of market will vary from price range to price range and even area to area. Work with your real estate professional to make sure you understand the type of market you are in.

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# Total Market Overview:

## Sellers:

This report provides a detailed breakdown of homes in the Prescott Area based on price. By determining the price range where your home SHOULD sell, you can see what the average sales to list price ratio is, the median days on market, and more importantly, the percentage of homes selling in that price range. Note that as the price increases, the sales to list price ratio and the number of homes selling decreases while the days on the market increases.

## Buyers:

By reviewing the price range where you are purchasing, you can determine what the average home is selling for vs. list price. This should help you make better and more acceptable offers based on the current market.

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# IMPORTANT INFORMATION:

Although these reports are beneficial in understanding the general market in the Prescott Area, it is essential that you meet with your real estate professional to study these same figures in your area, as statistics will vary from neighborhood to neighborhood.

As you make decisions related to the purchase or sale of a home, it is important that you understand how the current real estate trends will impact your decisions. Your real estate professional is available to help you monitor and interpret them to make sure that you are taking advantage of the current market whether you are selling OR buying.



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