



January 2011

Monthly Market Watch for
the Prescott Quad City Area



Report overview:

This report includes MLS data for the past 36 months in the Prescott Area only as provided by the Innovia system for the Prescott Area Association of Realtors.

Please note that searches fluctuate daily when running these reports. Data was compiled on February 7, 2011. All information is deemed reliable but not guaranteed.





Total Number of Homes Sold in Prescott Area MLS 36 Month Overview

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



	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN
02/08 to 01/09	135	126	167	176	187	248	189	176	191	120	141	115
02/09 to 01/10	117	135	154	160	239	261	235	213	272	192	199	166
02/10 to 01/11	173	206	307	235	299	233	245	255	275	243	236	188



Closed Sales Report Analysis:

Sellers:

As is typical with the seasonality in Prescott area, the total number of closed sales decreased for the third month in a row to a total number of closed home sales of 188.

With all of the inventory on the market, if your home needs to sell quickly, it is imperative that it is priced competitively and staged to allow potential buyers to envision themselves in the home.

Buyers:

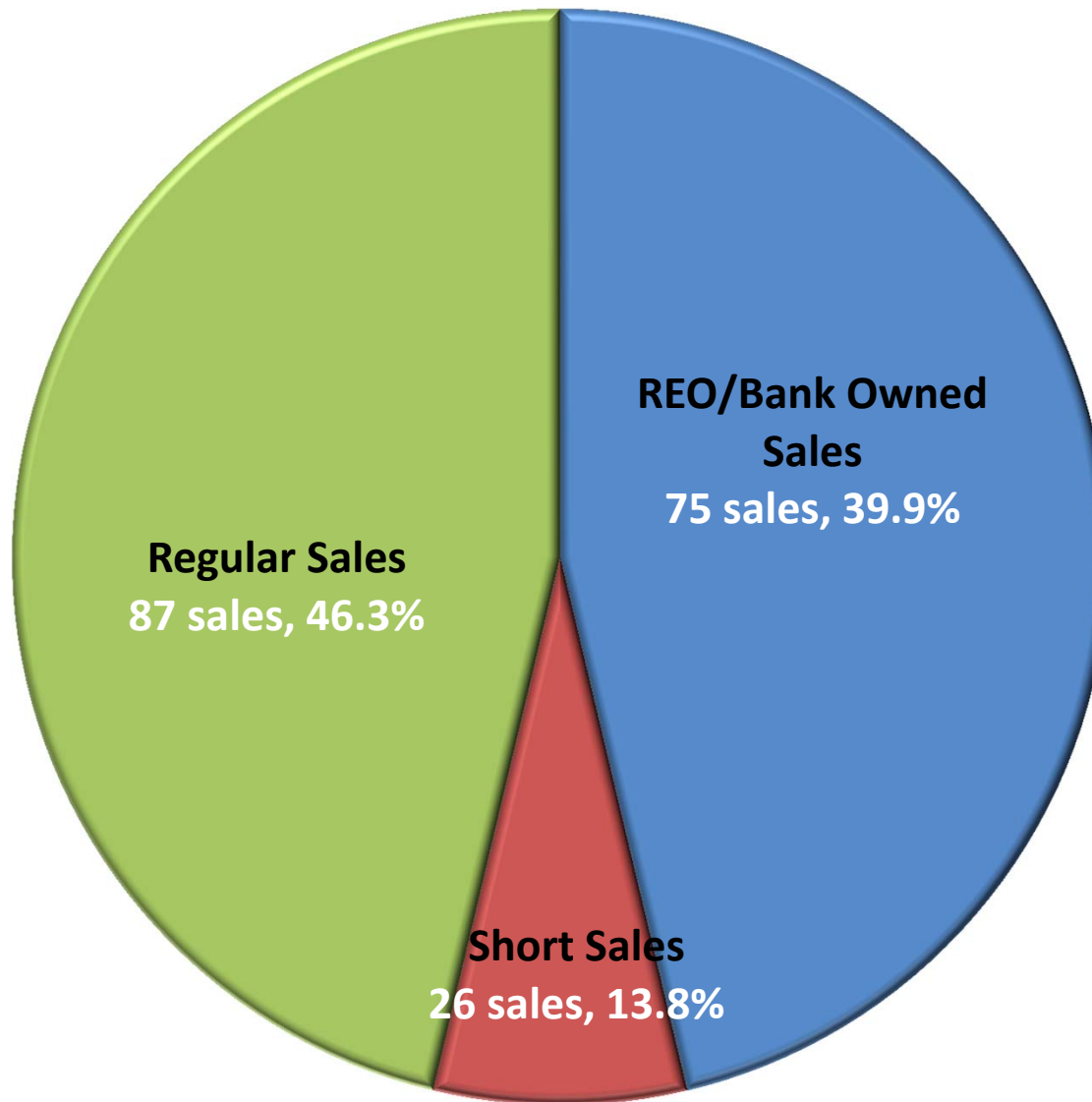
For buyers, this means that about 20% fewer buyers were successful in finalizing the sale of their home in January as in December. It is still important for you and your real estate professional to monitor the competition for well-priced homes. With interest rates continuing to be very low AND the average price still decreasing in many neighborhoods, buyers need to make sure they are looking at the long-term impact of waiting to purchase a home.





Comparison of REO, Short, and Regular Homes Sold in Prescott Area MLS January 2011 Overview

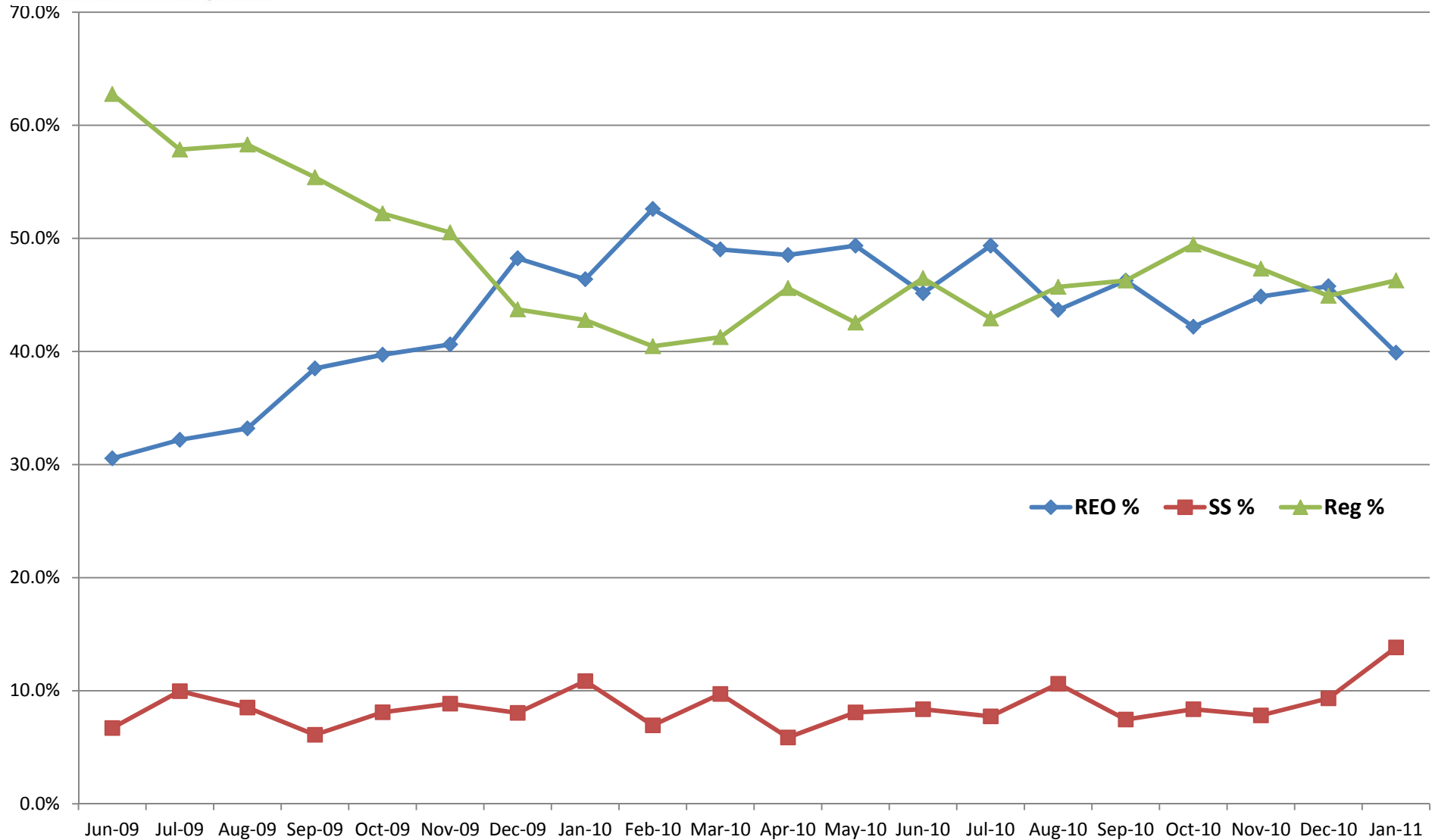
Source: Prescott Area Association of Realtors MLS. Information deemed reliable but not guaranteed.





Percentage of REO, Short, and Regular Homes Sold in Prescott Area MLS June 2009 to January 2011 Overview

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





Distressed Sales Analysis:

This has become an even more important part of the market report, as it shows the percentage of sales that were bank owned/foreclosed, short sales, and regular sales.

A bank owned/foreclosure home is one that the seller no longer owns – it has been taken over by the lender(s) who had a note on the home. Short sales are homes where the seller owes more money to the bank than the home is worth and the home owner is negotiating with the bank to “forgive” a portion of the debt in order to avoid foreclosure.

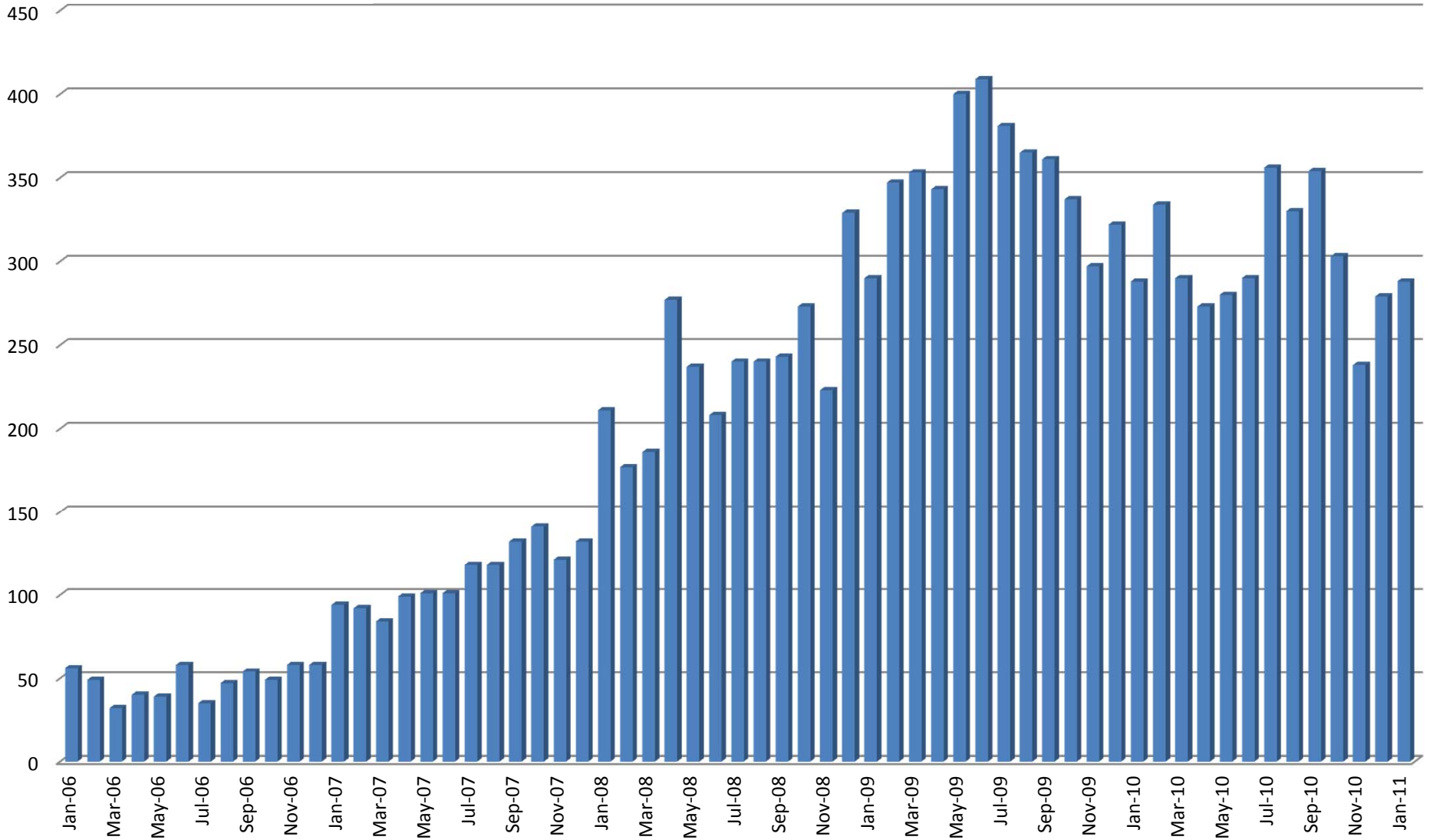
The percentage of the market represented by equity sales did not change much over the previous month. Continue to monitor this whether you are a buyer OR a seller, as it provides the information on trends in home sales that will impact your real estate success.





Number of Notice of Trustee's Sales in Yavapai County January 2006 to Present

Source: Yavapai County iCRIS system. <http://icris.co.yavapai.az.us>. Information deemed reliable but not guaranteed



Notice of Trustee's Sales Analysis:

A Notice of Trustees Sale is constructive notice to a property owner that their property is scheduled to be sold by the lien holder to recover debt owed to the lien holder by the property owner. The notice is public information and typically includes the date, time and location of the public sale.

January's filings of Trustee's Sales (NoTS) increased by 3.1% as compared to December 2010. An increase in the number of NoTS correlates to a increase in the number of foreclosures, which is one key indicator of the housing market. Keep in mind that many of the homes that received their NoTS, up to 12+months ago, have yet to be foreclosed and placed on the market for sale. Also, many of the financial institutions implement a moratorium on foreclosures during the holiday season.

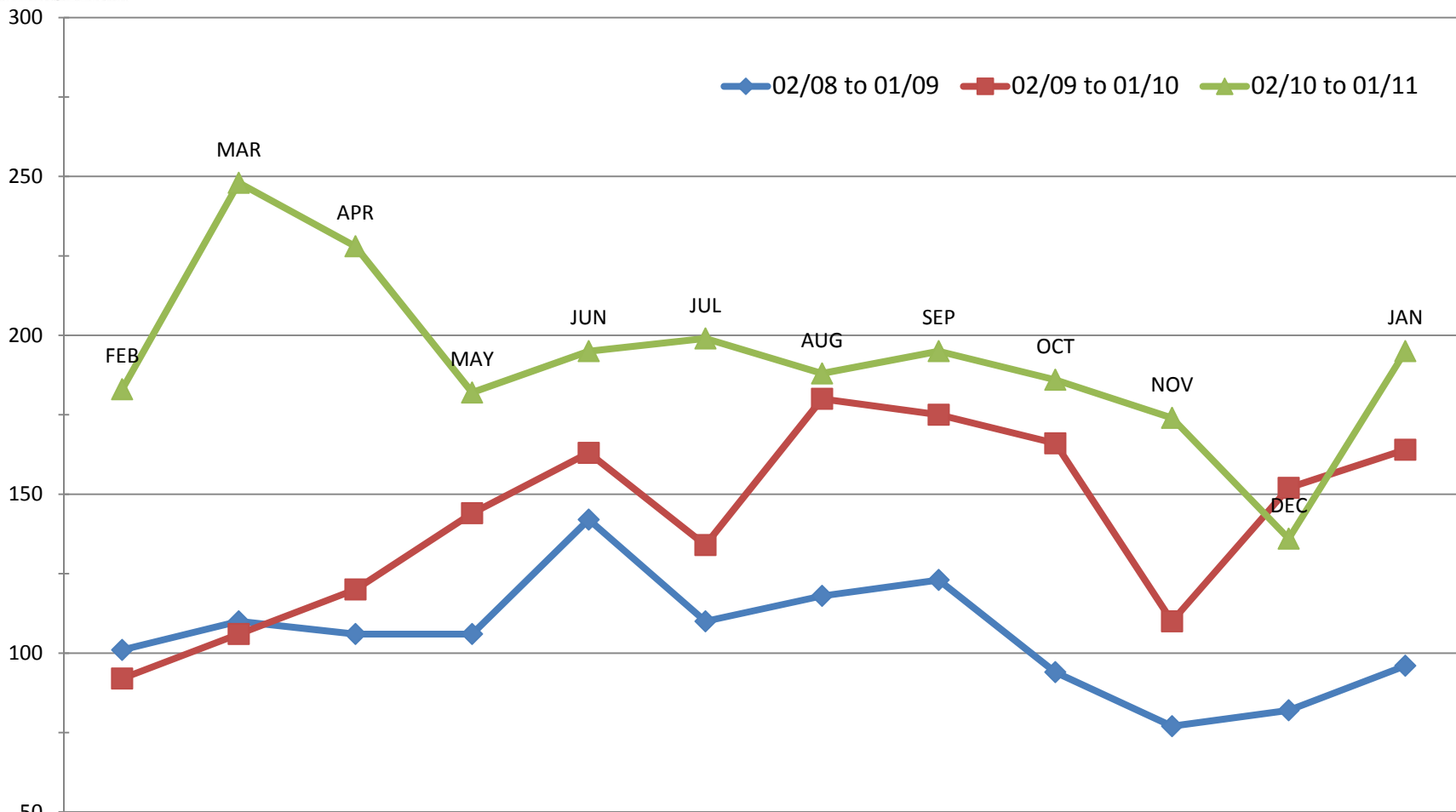
Every person's situation is unique. If you have questions regarding loan modifications, refinancing, foreclosures, or short sales, please contact your Real Estate Professional.





Total Number of Homes Pending in Prescott Area MLS 36 Month Overview

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



	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN
02/08 to 01/09	101	110	106	106	142	110	118	123	94	77	82	96
02/09 to 01/10	92	106	120	144	163	134	180	175	166	110	152	164
02/10 to 01/11	183	248	228	182	195	199	188	195	186	174	136	195



Pending Sales Report Analysis:

Sellers:

January saw a 43.3% increase in the number of pending sales over December of 2010. The total number of homes that went under contract was 195 in the month of January.

Without buyer incentives, this is inline with the local seasonality. Sellers need to continue to monitor this number because this is one indicator of how willing and able buyers are to purchase a home.

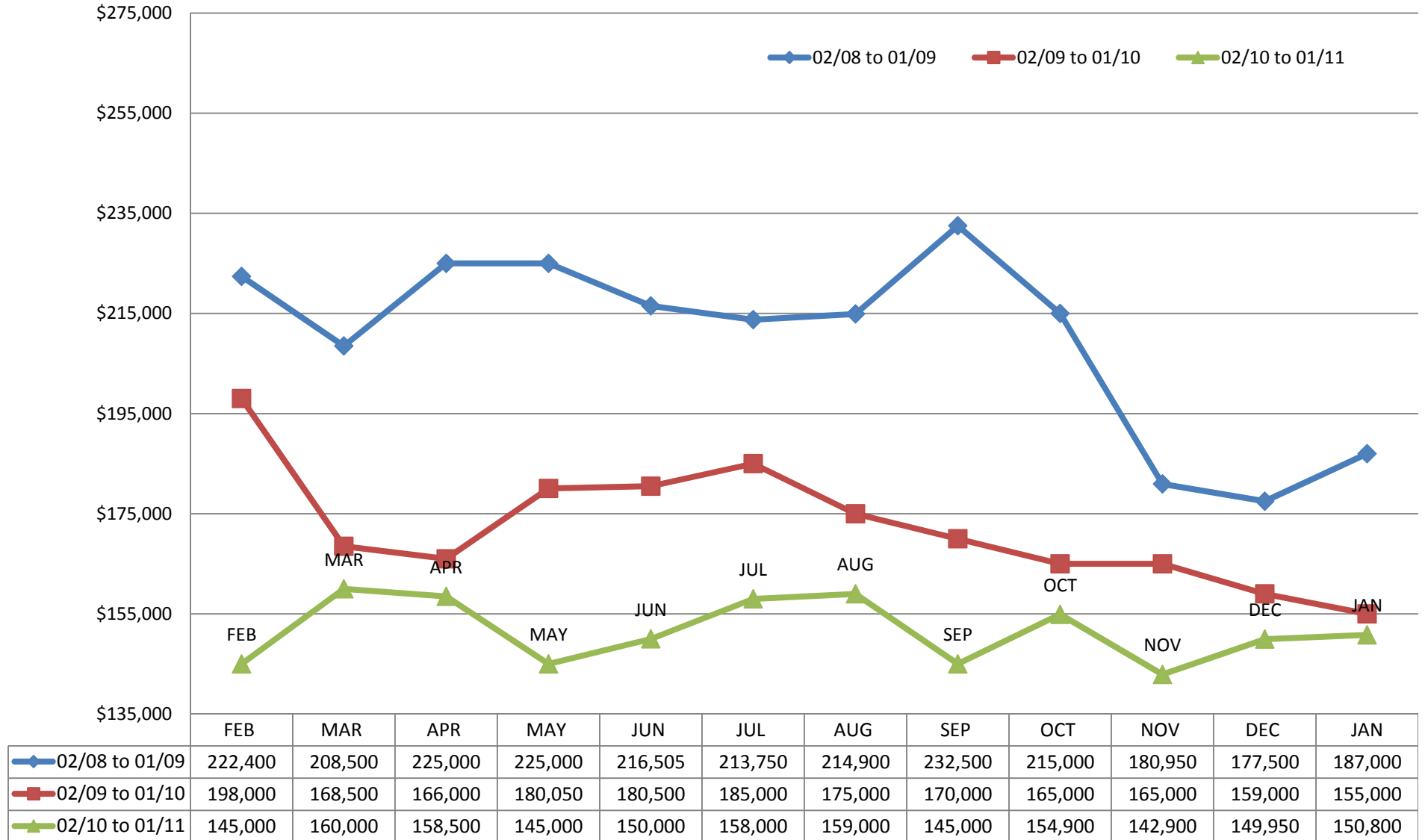
Buyers:

Although the home buyer credit is no longer available, buyers should still be diligent in searching for a home – prices and interest rates continue to be favorable, and without the pressure of the competition for this credit, this might be the perfect time to find a home without competing with dozens of other buyers. Continue to work with your real estate professional to make sure you are benefiting as well from the fantastic opportunities that are still available to you.



Median Sales Price of Homes Sold in Prescott Area MLS 36 Month Overview

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





Median Sales Price Analysis

Sellers:

January saw a very slight increase in the median sales price over the prior month to \$150,800. This is a 5.2% increase from November, which was the lowest median sales price that the Prescott area has experienced in the last 36 months. Sellers need to continue to monitor this, as it means buyers are looking for great values and not eager to overpay. To be competitive, sellers need to ensure that their properties are priced in the market and are in the most favorable condition possible. Foreclosure and short sale properties continue to be a seller's competition for buyers AND for pricing.

Buyers:

There continue to be great purchase opportunities for all buyers. For buyers thinking that they can continue to wait as prices continue to drop need to remember that potential gains seen in price will likely be offset by rising financial costs. It is more important than ever that buyers are working with their real estate professional to really understand the price point they need to be at in order to purchase a home.



Median Days on Market of Homes Sold in Prescott Area MLS

36 Month Overview

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



Median Days on Market Analysis

Sellers:

In January, the real estate market experienced a 8.85% decrease 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 103 days from the time it went under contract until it actually closed. This is not a large change in the days on market, but it is an important number for sellers to keep in mind if they have a date that they must move by.

Buyers:

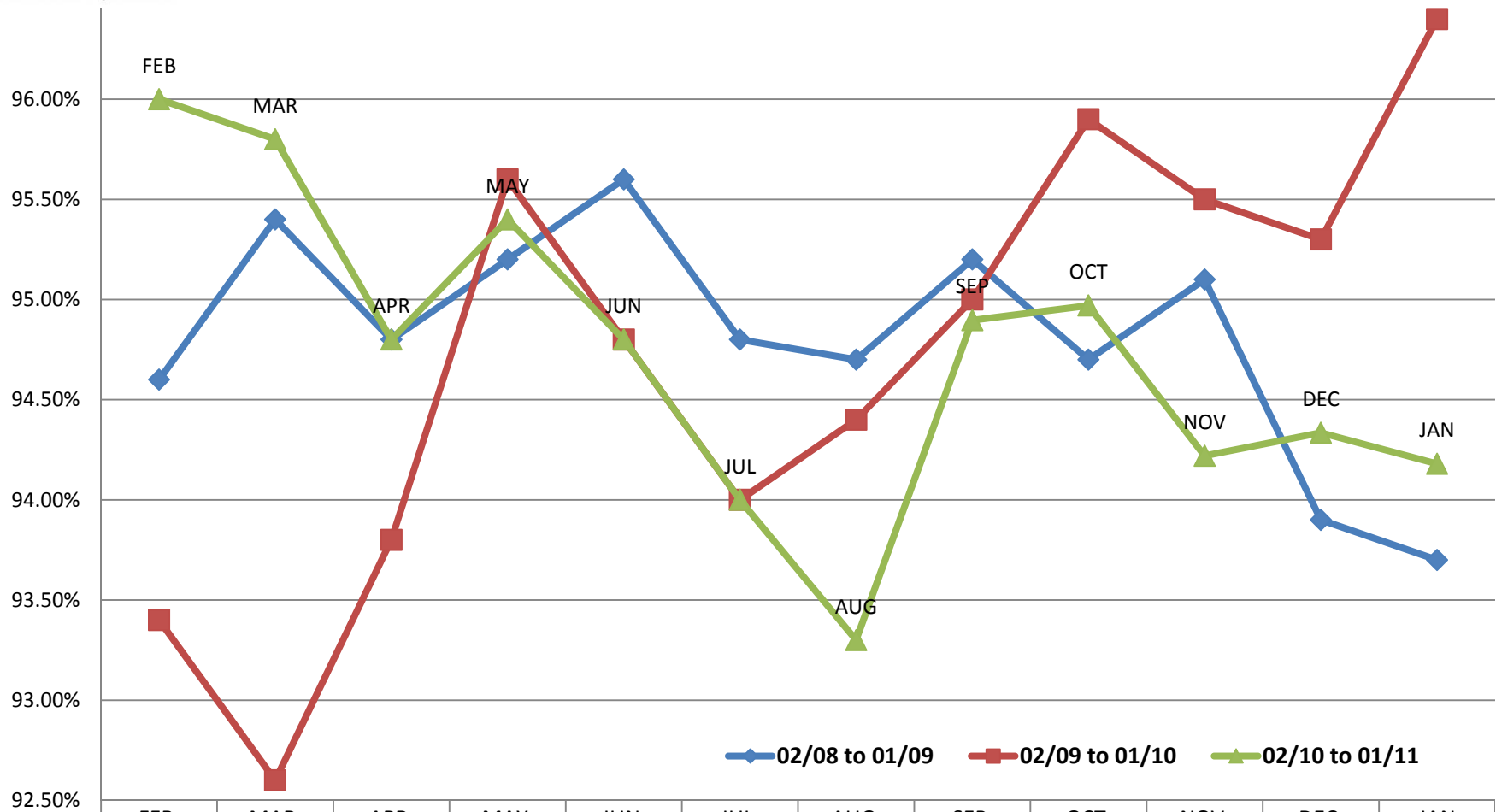
Buyers need to be aware of this number because it is an indicator of how long sellers are having to wait to go under contract and close. The lower the number, the more control a seller normally has. Even if we have an addition of homes to the market via foreclosures, buyers need to understand that competition 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.



	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN
02/08 to 01/09	94.60%	95.40%	94.80%	95.20%	95.60%	94.80%	94.70%	95.20%	94.70%	95.10%	93.90%	93.70%
02/09 to 01/10	93.40%	92.60%	93.80%	95.60%	94.80%	94.00%	94.40%	95.00%	95.90%	95.50%	95.30%	96.40%
02/10 to 01/11	96.00%	95.80%	94.80%	95.40%	94.80%	94.00%	93.30%	94.90%	94.97%	94.22%	94.34%	94.18%



Sales to List Price Ratio Analysis

Sellers:

In January, the ratio of the sales price to the list price stayed about the same as the previous month; just a slight drop. The sales to list price ratio indicates that sellers are getting about 6% 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 are finding that they often have to pay above list price to complete the purchase of their home. 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.





INVENTORY OVERVIEW

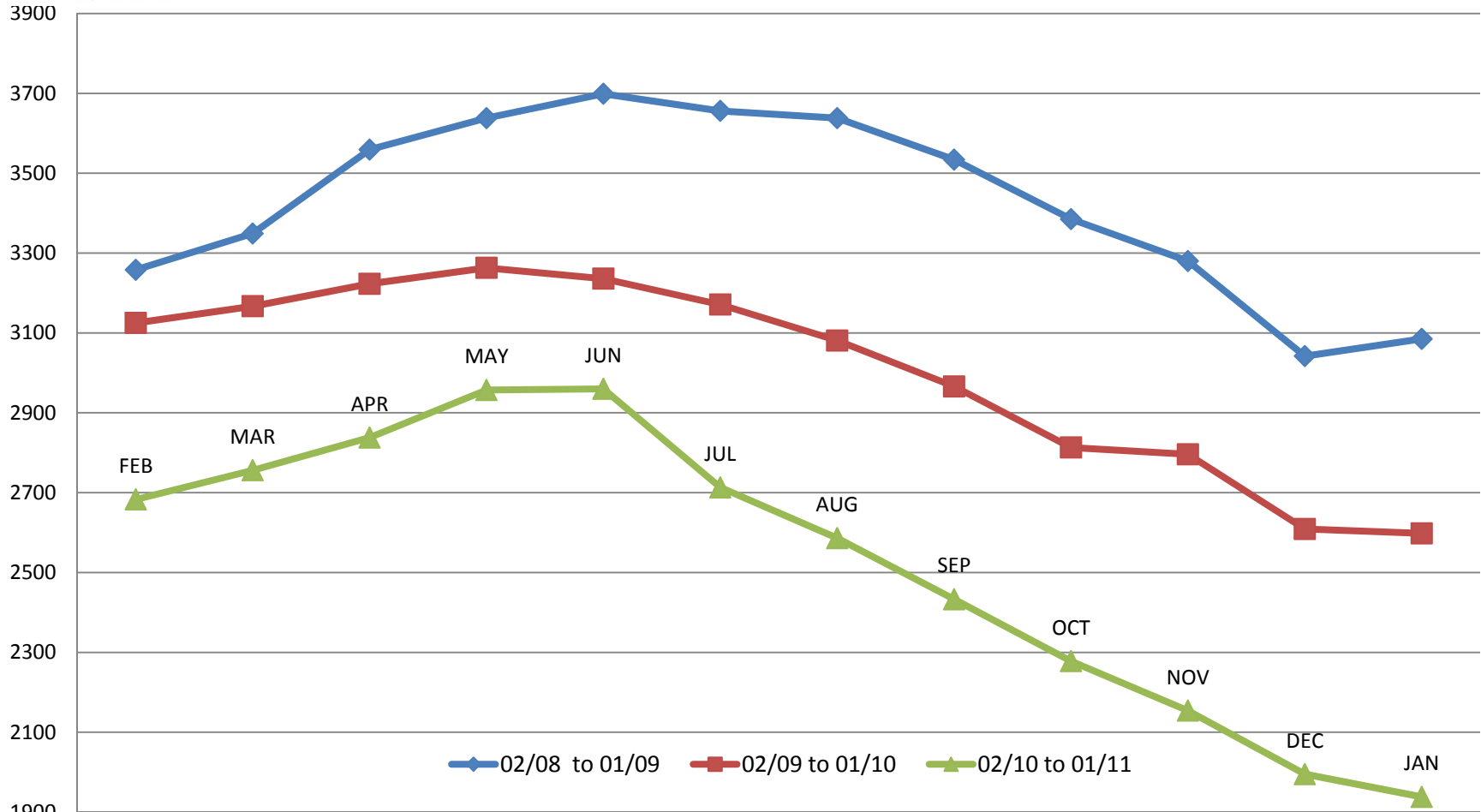
The following charts are an overview of what is happening with the inventory of homes currently available in the Prescott Area MLS.





Active Residential Listings in Prescott Area MLS 36 Month Overview

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



	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN
02/08 to 01/09	3258	3349	3559	3638	3699	3656	3638	3534	3385	3280	3042	3085
02/09 to 01/10	3125	3167	3223	3263	3236	3171	3081	2966	2813	2796	2609	2598
02/10 to 01/11	2683	2756	2838	2957	2960	2713	2586	2433	2278	2154	1995	1938



Active Listings Analysis

Sellers:

The MLS experienced another decrease in the number of active listings in January. The number of active listings at the end of the month totaled 1,938 residential homes in all of the MLS, which was a 2.86% change. 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:

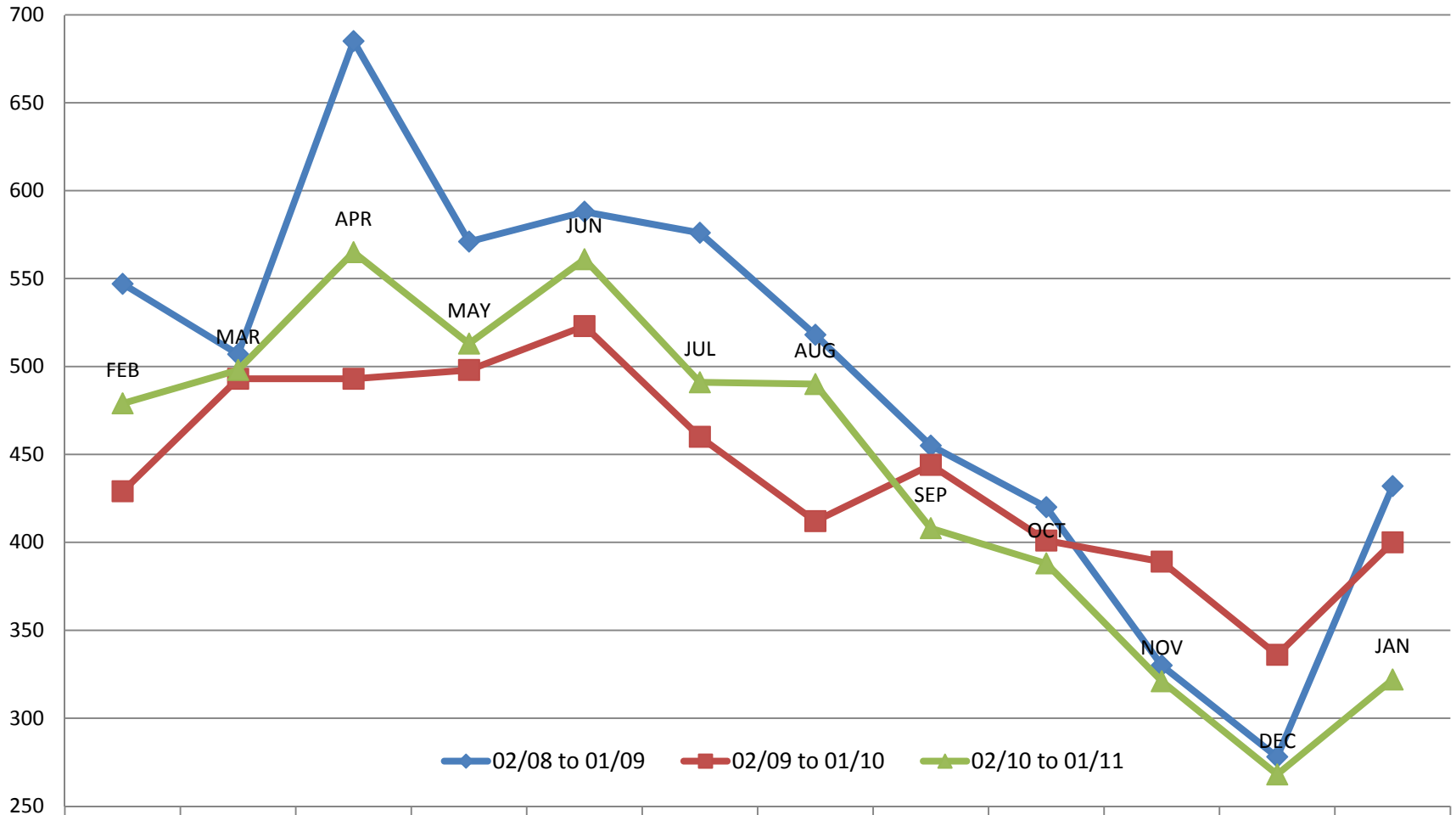
Buyers still have many homes from which to choose, but the inventory is significantly less than it was a year ago. Using a real estate professional is more important than ever to ensure you find out about new homes FIRST and know what you need to offer in order to be competitive and appealing to sellers. 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.





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.



	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN
02/08 to 01/09	547	507	685	571	588	576	518	455	420	330	278	432
02/09 to 01/10	429	493	493	498	523	460	412	444	401	389	336	400
02/10 to 01/11	479	498	565	513	561	491	490	408	388	321	268	322



New Listings Analysis

Sellers:

New listings saw a 20.1% increase in the month of January as compared to December. A total of 322 new homes came on the market. Sellers need to continue to watch what the banks are doing with foreclosed properties – more properties entering the market will mean more competition for sellers who are wanting to sell their home.

Buyers:

This is important news for buyers, as it means there are fewer 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 fewer homes enter the market, there will definitely be more competition for the best values. Be prepared. As more homes enter the market, more buyers will 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.





Expired & Cancelled Listings Analysis

Sellers:

January saw a decrease in the number of expired and cancelled listings – a 24.1% decrease over December. An expired or cancelled listing means less competition for active sellers if those properties have not been re-listed or moved into foreclosure status. Talk with your Real Estate Professional about what you can do to avoid having your home become an expired listing.

Buyers:

For buyers, this means that there are 204 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.

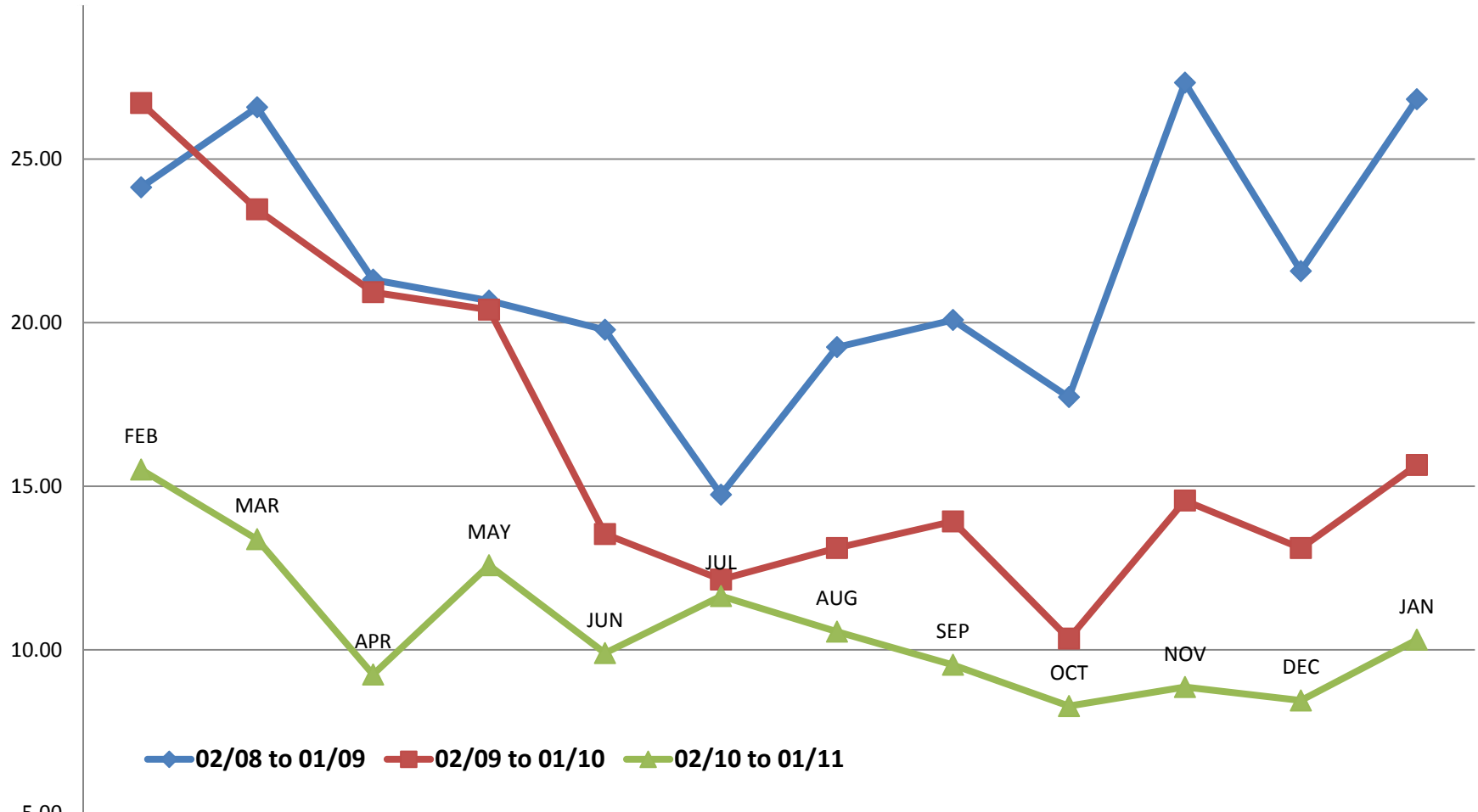




Months of Residential Inventory in Prescott Area MLS

36 Month Overview

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



	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN
02/08 to 01/09	24.13	26.58	21.31	20.67	19.78	14.74	19.25	20.08	17.72	27.33	21.57	26.83
02/09 to 01/10	26.71	23.46	20.93	20.39	13.54	12.15	13.11	13.92	10.34	14.56	13.11	15.65
02/10 to 01/11	15.51	13.38	9.24	12.58	9.90	11.64	10.56	9.54	8.28	8.86	8.45	10.31



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 January, the number of months of inventory increased by 22% to about 10.31 months of inventory. This is greater than the 6 month gauge and indicates that we are still heavily into a buyer'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.





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.



January 2011 - Total Market Overview

January 2011 Overview								6 Month Averages				
Price Range	Number of Active Listings	Months of Inventory	Sold Last Month	Number of Pending Listings	Pending Ratio	Median DOM of Actives	Number of Expired Listings	# Closings Last Six Months	Median List Price of Sold Homes	Median Sold Price	Average Sales to List Price Ratio	Median DOM of Solds
\$0 - \$99,999	348	5.6	46	62	17.8%	118	38	372	\$ 64,950	\$ 60,000	92.3%	90
\$100,000 - \$124,999	164	6.0	20	24	14.6%	120	14	164	\$ 114,900	\$ 110,000	95.5%	95
\$125,000 - \$149,999	192	6.9	25	27	14.1%	136	19	167	\$ 137,500	\$ 130,000	94.6%	94
\$150,000 - \$174,999	156	6.4	18	18	11.5%	134	14	146	\$ 160,000	\$ 157,750	96.7%	99
\$175,000 - \$199,999	168	8.0	16	18	10.7%	160	15	126	\$ 189,250	\$ 180,487	95.6%	113
\$200,000 - \$224,999	89	7.6	9	9	10.1%	114	10	70	\$ 214,950	\$ 208,200	96.4%	108
\$225,000 - \$249,999	131	7.7	12	10	7.6%	109	8	102	\$ 239,000	\$ 226,250	94.2%	125
\$250,000 - \$274,999	63	5.7	5	2	3.2%	167	5	66	\$ 265,000	\$ 251,500	95.2%	125
\$275,000 - \$299,999	103	12.6	5	4	3.9%	165	18	49	\$ 288,850	\$ 274,000	94.1%	108
\$300,000 - \$324,999	42	11.5	3	1	2.4%	208	2	22	\$ 315,600	\$ 299,500	94.4%	126
\$325,000 - \$349,999	59	8.4	10	5	8.5%	126	3	42	\$ 334,400	\$ 322,250	96.1%	94
\$350,000 - \$374,999	36	18.0	1	1	2.8%	107	6	12	\$ 358,250	\$ 342,500	95.2%	130
\$375,000 - \$399,999	63	15.1	3	3	4.8%	167	13	25	\$ 389,900	\$ 364,500	93.5%	155
\$400,000 - \$449,999	41	12.3	5	4	9.8%	210	7	20	\$ 419,600	\$ 400,000	94.6%	116
\$450,000 - \$499,999	57	12.7	2	1	1.8%	228	3	27	\$ 485,000	\$ 452,500	89.0%	187
\$500,000 - \$549,999	29	17.4	1	2	6.9%	198	0	10	\$ 525,000	\$ 480,000	90.6%	131
\$550,000 - \$599,999	37	13.9	1	1	2.7%	237	8	16	\$ 570,000	\$ 550,000	95.9%	145
\$600,000 - \$649,999	14	16.8	2	0	0.0%	165	2	5	\$ 649,000	\$ 600,000	95.7%	146
\$650,000 - \$699,999	29	34.8	0	0	0.0%	166	3	5	\$ 685,000	\$ 600,000	87.6%	501
\$700,000 - \$749,999	19	38.0	2	0	0.0%	193	2	3	\$ 727,900	\$ 692,500	95.3%	90
\$750,000 - \$799,999	26	26.0	1	1	3.8%	256	1	6	\$ 799,200	\$ 745,750	94.3%	299
\$800,000 - \$849,999	7	42.0	1	0	0.0%	242	1	1	\$ 849,000	\$ 780,000	91.9%	0
\$850,000 - \$899,999	11	22.0	0	1	9.1%	124	4	3	\$ 880,000	\$ 790,000	93.3%	456
\$900,000 - \$949,999	0	-	0	0	-	0	0	0	\$ -	\$ -	-	0
\$950,000 - \$999,999	17	25.5	0	0	0.0%	181	2	4	\$ 959,750	\$ 856,250	87.5%	92
\$1 million +	42	252.0	0	1	2.4%	302	5	1	\$ 1,174,900	\$ 1,000,000	85.1%	153



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.

