



# APRIL 2017

## Real Estate Update

**JEFF GERBER**  
 ABR®, GRI®, SRES®, REALTOR®

**Hello Everyone,**

Spring Training and most things “Spring” (loving the beautiful flowers everywhere), except for the allergies, are nearly over for their 2017 season In The Valley. Soon we get to say to most of our Snowbird friends and visitors for another year. Easter and Passover are just around the corner. Here’s hoping you and your Family find the Blessings of the Season!

Our Phoenix Real Estate market has a bit of a “Groundhog Day” feel to it. That’s actually not a bad thing overall. Inventory, especially that part priced at/below \$200,000. Demand, again especially below \$300,000, remains quite strong. Interest rates for mortgages have risen slightly, but are still bargain priced vs. history. MLS sales for the first 2 months of 2017 are up 14% above 2016. Interest rates are around 4.25%. New home sales continue to grow, but there’s a wider than previously seen gap between the price of a similar sized new home versus a fairly recently built resale home. I’m beginning to get that “beach” feeling about Phoenix. It’s getting crowded, but there is always room for one more. The US Census Bureau says Maricopa County is the fastest growing (July 15/July 16) in the US. We welcome 222 new residents per DAY! Harris (Houston) Co Texas is #2. Interesting results from a recent Fannie Mae monthly housing survey. Consumers said: ‘It’s a good time to buy.’ ‘It’s a good time to sell.’ ‘Home prices will go up.’ ‘Mortgage interest rates will go up.’ ‘More people are now less concerned about the loss of their job.’ ‘Household income is up.’ How do these opinions compare to your thoughts? I’m in agreement with most of the things revealed in this survey, but not sure I can agree with incomes being up. That doesn’t really ring true to me. With that info in mind, I will say that I think this is a good time to be (or at least consider being) a home owner versus a renter. It’s also a good time to be a ‘move-up’ or a ‘right sizing’ home Buyer. It’s certainly a good time to be a realistically (market priced) home Seller.

Congratulations to David & Desarae on the purchase of their Gilbert home. Thank you for allowing me to work for you! Things appear on-track for us to complete the “T-family” Tempe home sale later this month. It’s been a learning lesson (It is a good idea to have someone work with aging parents to make sure home ownership paperwork is kept up-to-date.) I’m hoping a similar project I expect to be helping Lynne & Alan with later this month goes smoother for them. A quick “Get Well” wish to Karen and her new hip in CO. Hopefully she and Lee will make this the last winter in cold and snowy CO! I appreciate the patience shown by Cabot and by Cindy & David as we continue to find the right home in today’s low inventory market. I’m pleased to have met with Todd & Francie (from MI’s UP) and Joe from WI (Go Pack Go) and discuss the possibility of enjoying our sunny and warm climate. If you know anyone thinking of Selling or Buying a home, I would really appreciate the referral. Thanks to you, my business grows each year.

**Regards,**

**JSGerber 04/03/2017**

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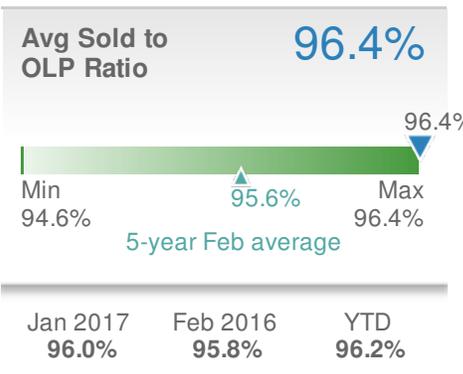
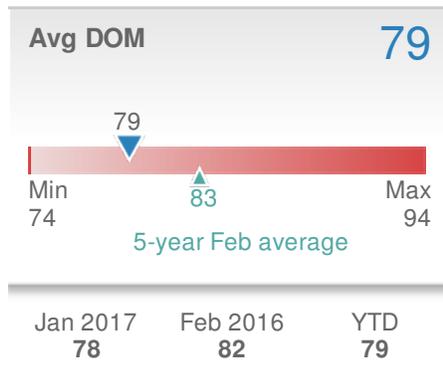
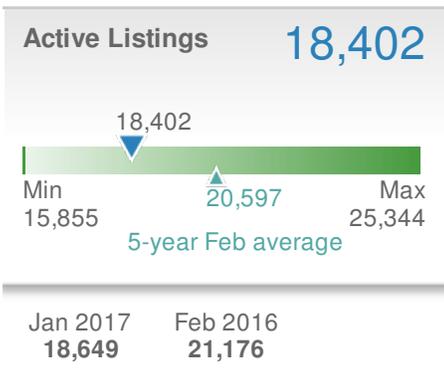
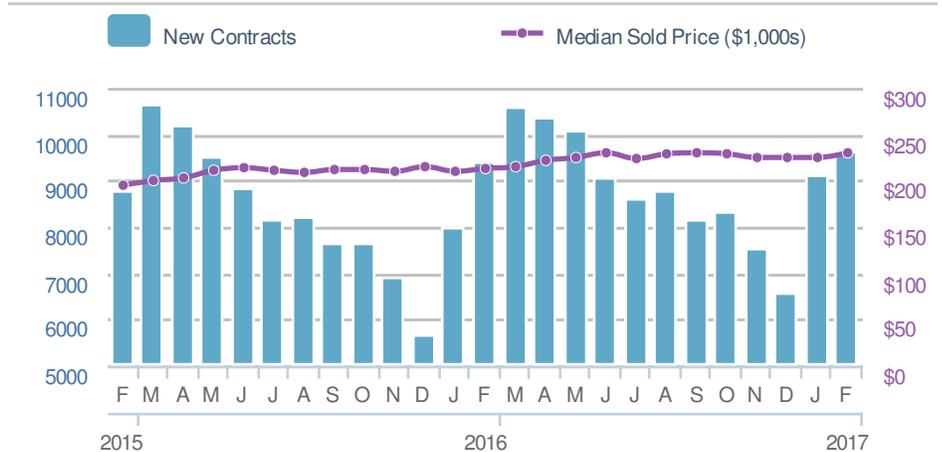
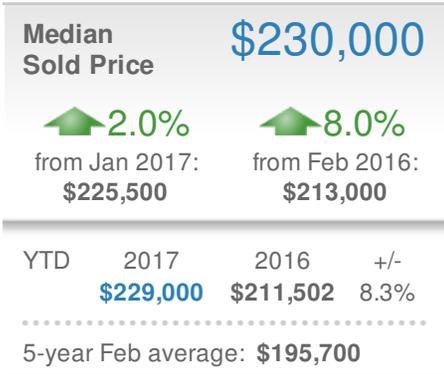
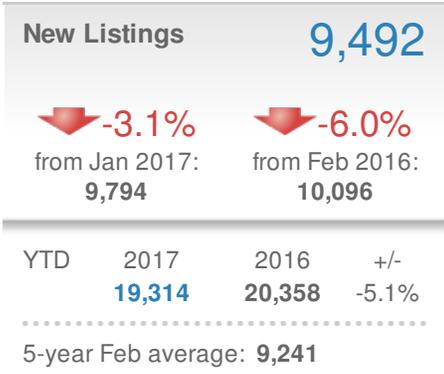


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# February 2017

## Arizona Regional MLS





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# Between FRIENDS

Real Estate for Today

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**A**re you curious about current real estate trends? I've got my finger on the pulse of the local market. Call me today for a free, insightful analysis!



**A**re you in the market for a new home? The time is right to make the move, as prices and interest rates are attractive. Of course, investing in a home is more than a financial decision—the pride that comes with home-ownership is truly invaluable.

I recommend that my clients include an Old Republic Home Warranty Plan with their home purchase or sale. A home warranty helps protect your budget from unexpected repair or replacement costs caused by the breakdown of your home's heating, plumbing, electrical systems, and most built-in appliances. Optional coverage choices are available for buyers to custom-fit the warranty to the unique needs of their home.

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**D**o you know anyone looking to buy or sell a home? Send them my way! I'll put my expertise to work to guide your family and friends through their next real estate transaction.



## Health & Safety

### Need a Nap?

**T**he U.S. Centers for Disease Control and Prevention reports that 30 percent of American adults suffer from insufficient sleep. Although a power nap during the day won't completely make up for the sleep we lose at night, a brief doze might improve our overall daily functioning.

A short nap can be beneficial to adults who already sleep well at night. Studies show that snoozing for 10-30 minutes may increase alertness and reduce the likelihood of making mistakes. Power naps taken before 2 p.m. won't interfere as much with nighttime sleep. Just remember, the earlier in the day you schedule a nap, the better!

On the other hand, napping for longer than 30 minutes can lead to restless nights. Naps can also increase grogginess because you risk falling into a deeper stage of the sleep cycle. If you have trouble sleeping at night, avoid daytime napping.

For some healthy adults, catching forty winks during the day can improve overall functioning, but napping's not for everybody. Whether you're a napper or not, don't let your busy lifestyle get in the way of sleep. Even if you can't fit a nap into your day, make getting a good night's rest a priority. Your body and brain will thank you!



## Real Estate Today

### Maximum Curb Appeal = Maximum Value

**A**ny REALTOR® will tell you that when it comes to selling your home, first impressions matter. In fact, renovation expert Bob Vila estimates that first impression could add as much as 20 percent to your home's value.

Here are a few clever ideas that will impress the neighbors today and entice more buyers when you're ready to sell.

**Let there be light:** Illuminating a pathway with decorative, low-voltage exterior lighting adds a healthy dose of charm and makes your walkway a little safer at night.

**A splash of color:** Painting the front door a different, complementary color can add a little flavor to spice things up.

**Balance is key:** Renaissance artists were enamored with it, and the human brain craves it. Arrange everything with symmetry in mind.

**Install window boxes:** Add a burst of color and life by installing window boxes filled with flowers and plants. Pick a window box that matches your home's architecture for a seamless addition to your home's façade.



**16 oz. cream cheese, softened  
at room temperature**

**1/2 cup granulated sugar**

**1 1/2 cups heavy  
whipping cream**

**2 tsp. vanilla extract**

**1 graham cracker pie crust,  
homemade or store-bought**

In an electric mixer, whisk heavy whipping cream until it forms stiff peaks. Transfer to a different bowl and set aside.

Beat cream cheese using the electric mixer on low speed until smooth. Gradually add in the sugar. Combine the sugar and cream cheese on medium speed, about two minutes.

Scrape the batter off the sides of the mixing bowl and add the vanilla extract. Beat for an additional 15 seconds.

Using a rubber spatula, gently fold the heavy whipping cream into the cream cheese batter until combined.

Pour cheesecake batter into the pie crust and cover.

Refrigerate for at least 8 hours before serving.



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*Real Estate For Today*

## Household Tips **6 Easy Ways to Save Water at Home**

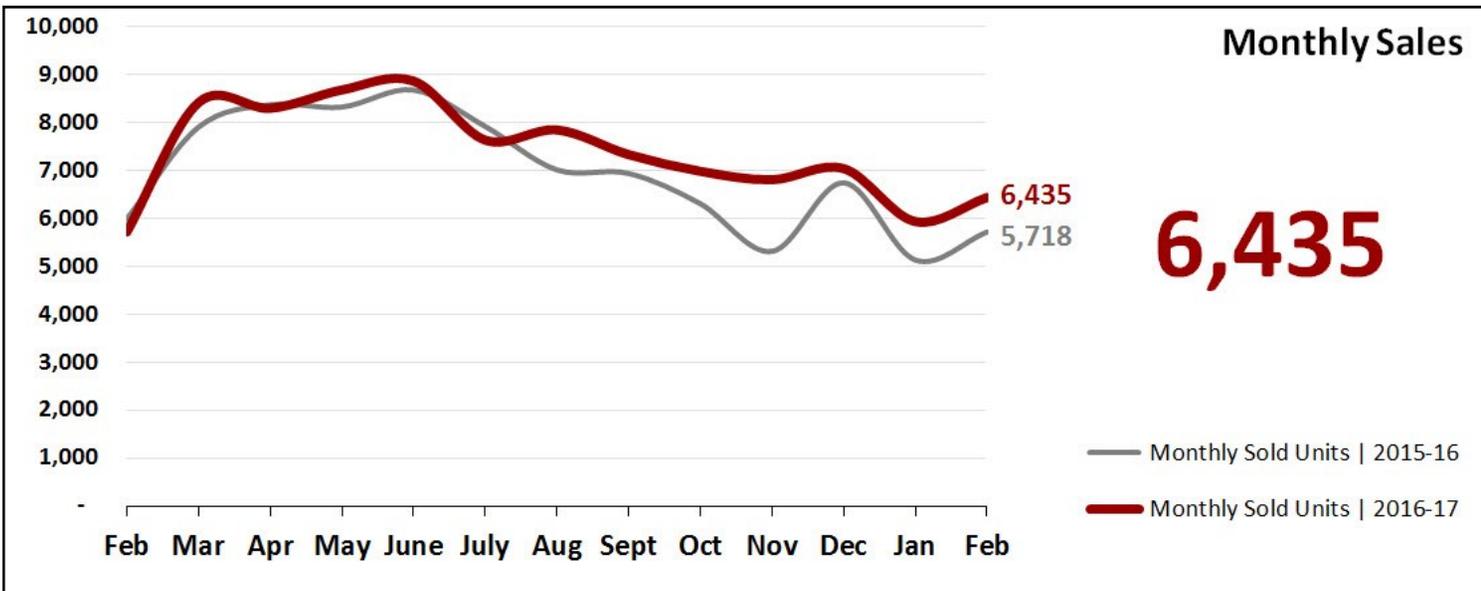
**T**he average American household uses more than 300 gallons of water a day, and the Environmental Protection Agency (EPA) reports that 40 out of 50 states will experience some form of water shortage over the next 10 years. Reduce your family's water use by following these simple water-smart practices in your home:

- Invest in water-efficient household products, such as shower heads, faucets, toilets, lawn irrigation controllers, and appliances. Look for the EPA's WaterSense label before you buy!
- Avoid flushing the toilet unnecessarily. Dispose of tissues, insects, and other such waste in the trash can.
- Fix all dripping faucets; replacing the worn washers is often the quickest and cheapest remedy.
- Use a timer to avoid watering your lawn and plants longer than necessary. Check your sprinklers for leaks, and redirect the spray so you're not watering the house, driveway, or sidewalks.
- Defrost food in the refrigerator overnight or in the microwave instead of running cold water over the frozen food.
- Operate washing machines and dishwashers only when fully loaded.



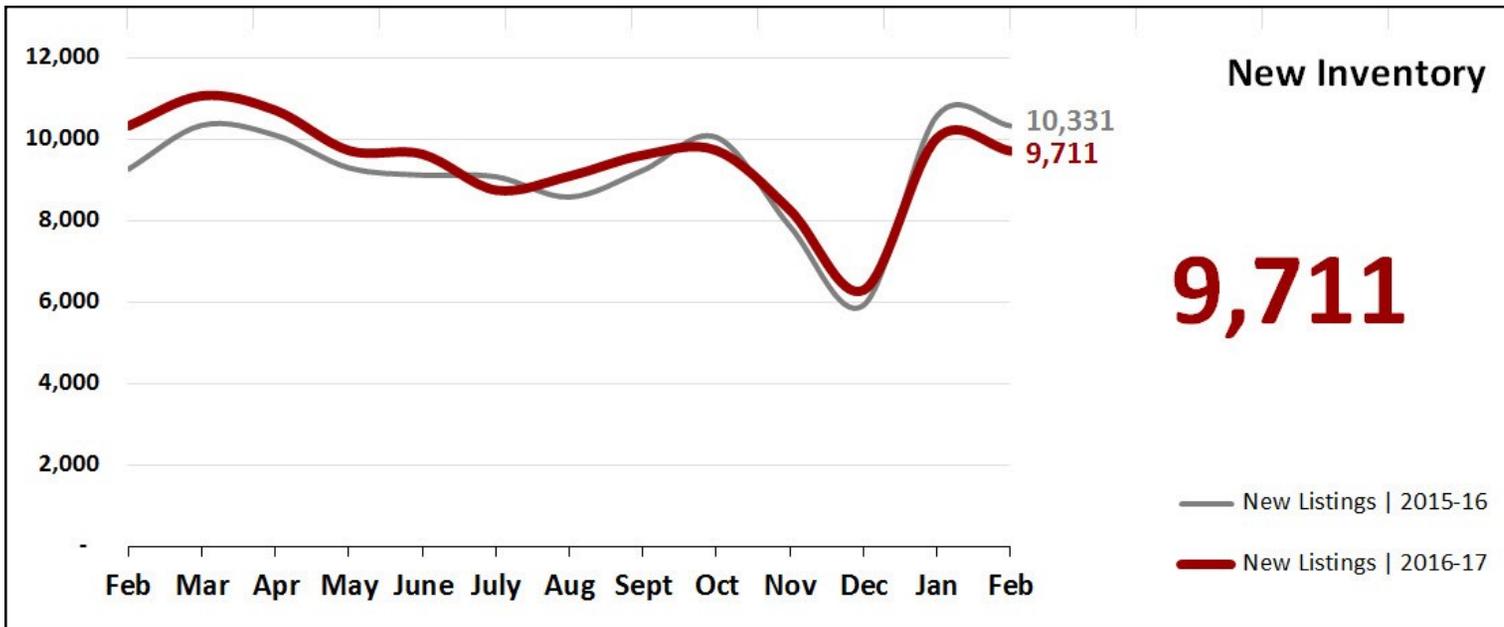


**DATA for FEBRUARY 2017** - Published March 20, 2017



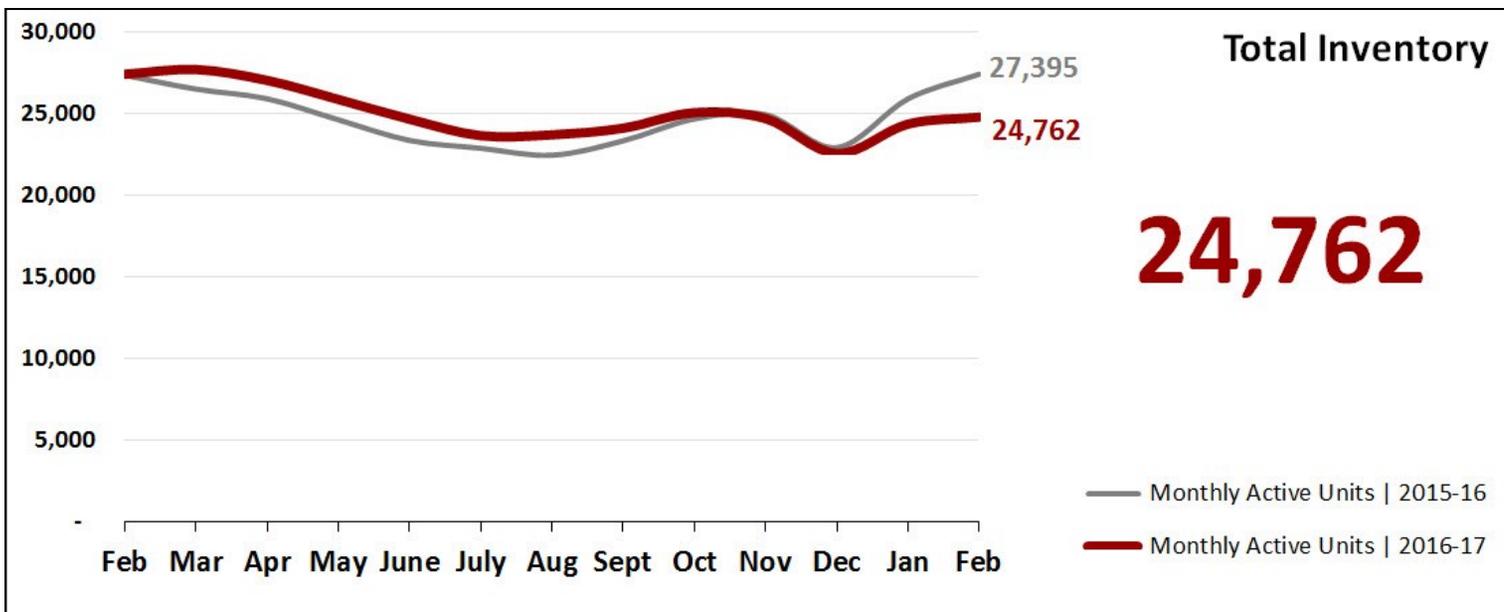
Sales are up +8.5% month-over-month. The year-over-year comparison shows an increase of +12.5%.

Closed MLS sales with a close of escrow date from 2/1/2017 to 2/28/2017, 0 day DOM sales removed



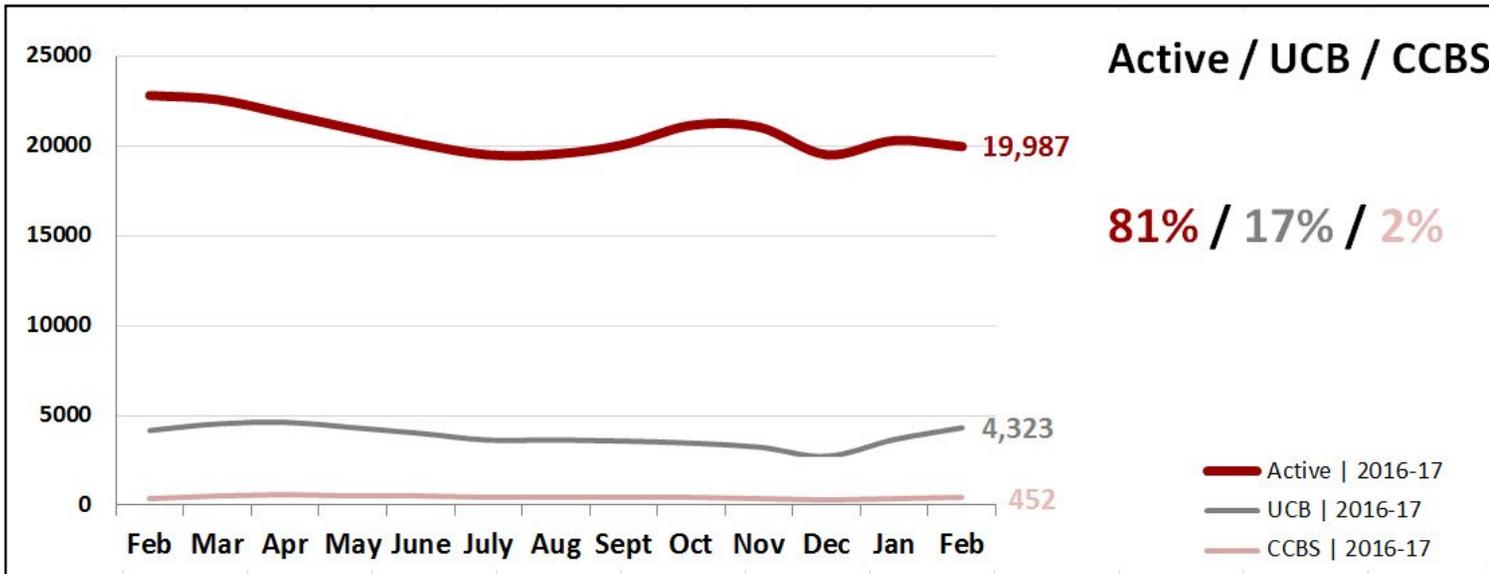
New inventory is down -3.2% month-over-month while the year-over-year comparison shows a decrease of -6.0%.

New MLS listings that were active for at least one day from 2/1/2017 to 2/28/2017, 0 day DOM sales removed



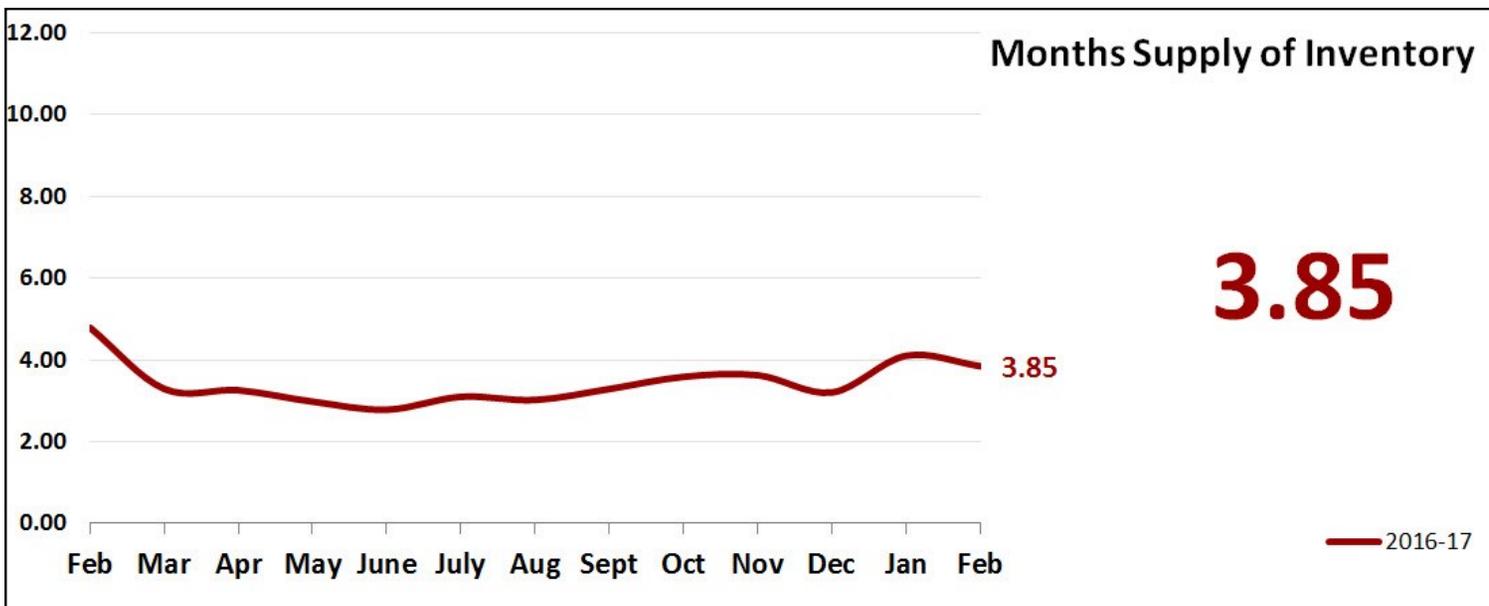
Total inventory has a month-over-month increase of +1.7% while year-over-year reflects a decrease of -9.6%.

Snapshot of statuses on 2/28/2017



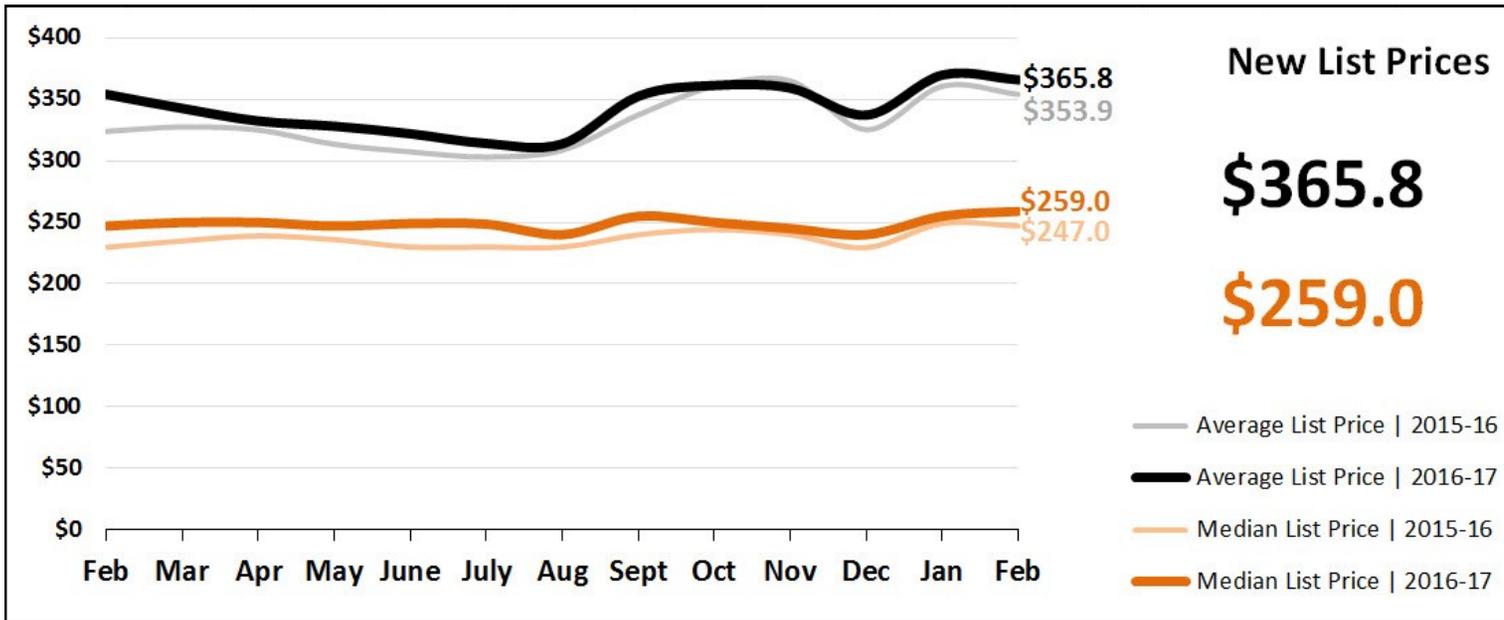
February UCB listings percent of total inventory was 17.5% with February CCBS listings at 1.8% of total inventory.

Snapshot of statuses on 2/28/2017

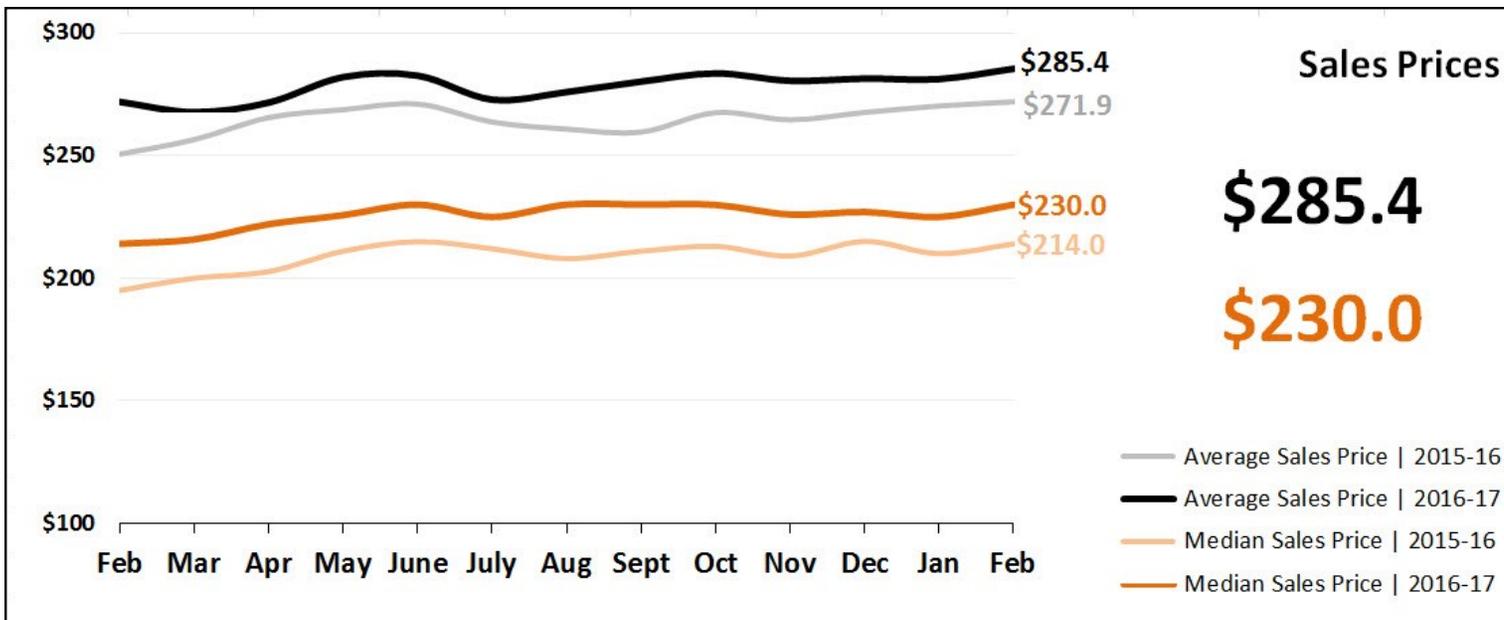


Months supply of inventory for January was 4.10 with February at 3.85.

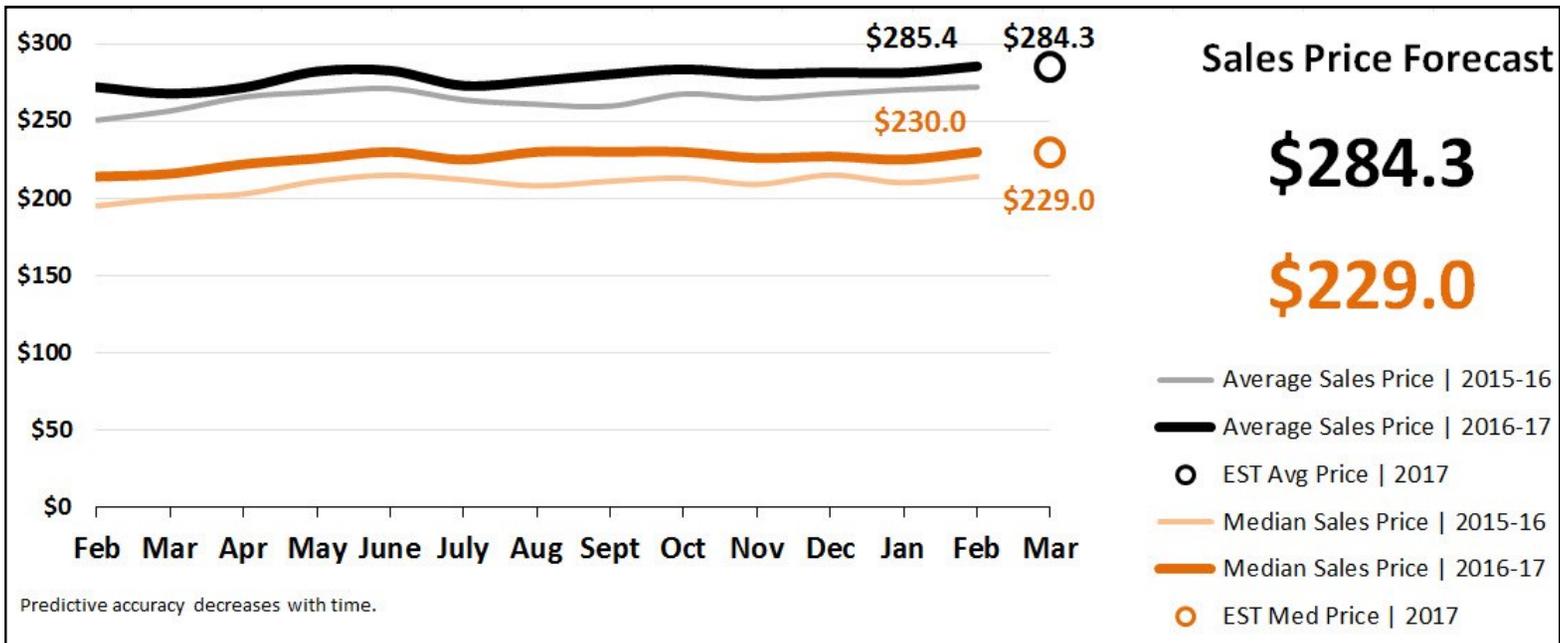
Current inventory of Active/UCB/CCBS divided by the monthly sales volume of February 2017, 0 day DOM sales removed



List prices of new listings with list dates from 2/1/2017 to 2/28/2017, 0 day DOM sales removed

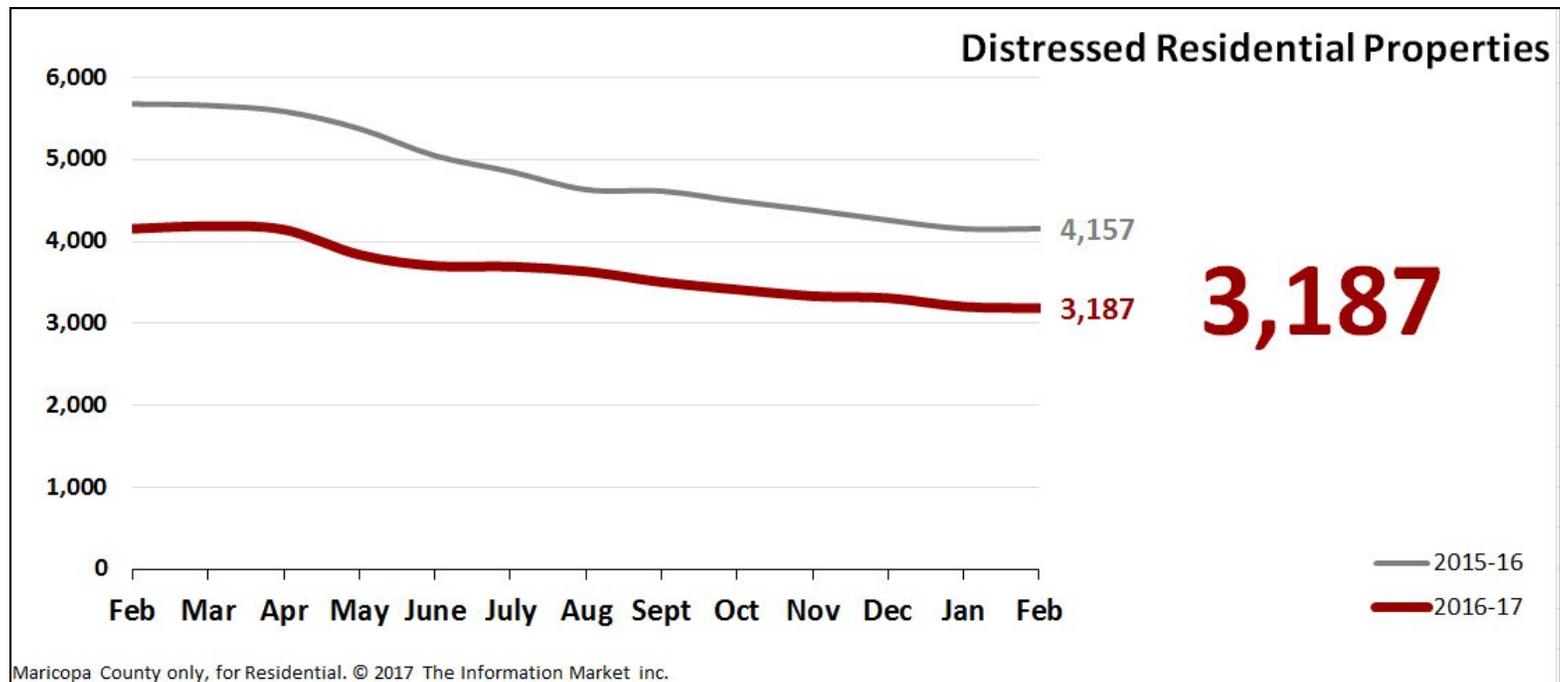


MLS sales prices for closed listings with a close of escrow date from 2/1/2017 to 2/28/2017, 0 day DOM sales removed



A slight decrease is forecasted for average sales price with median sales price also decreasing in March.

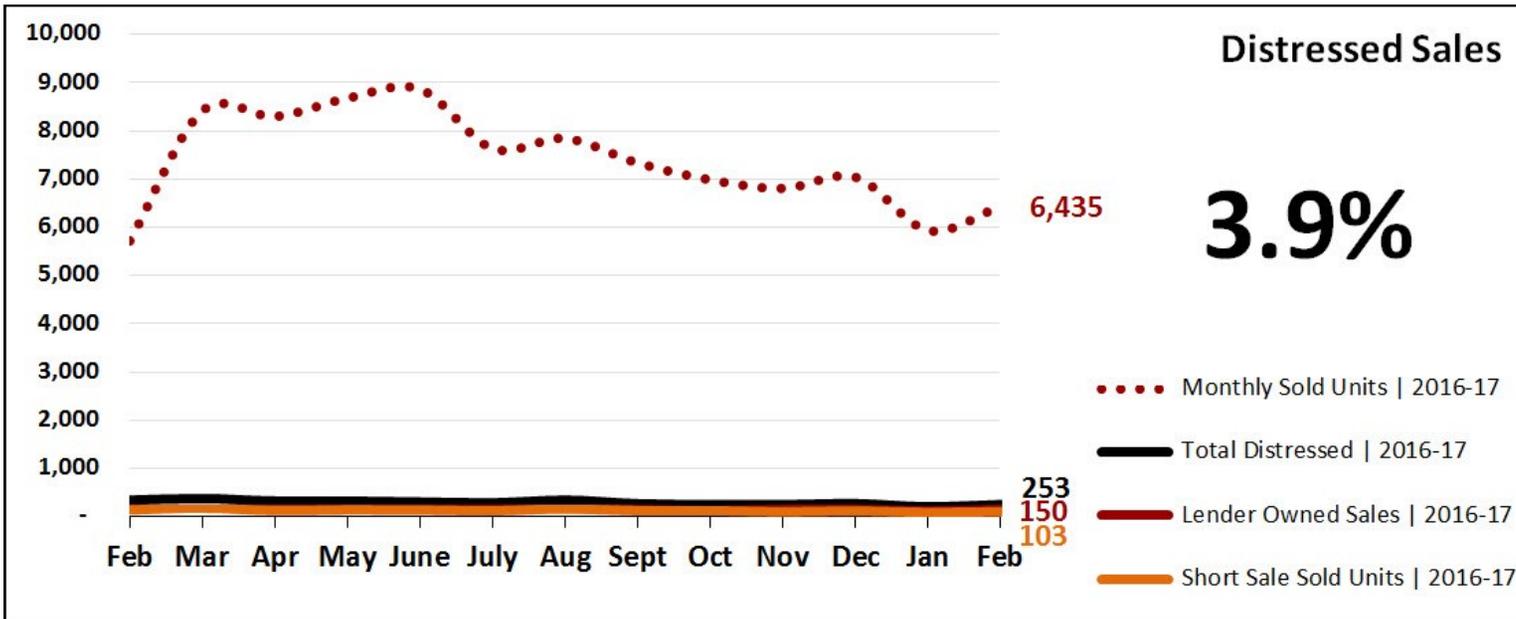
ARMLS proprietary predictive model forecast, 0 day DOM sales removed



Foreclosures pending month-over-month showed a decrease of -0.6% while the year-over-year figure was down -23.3%.

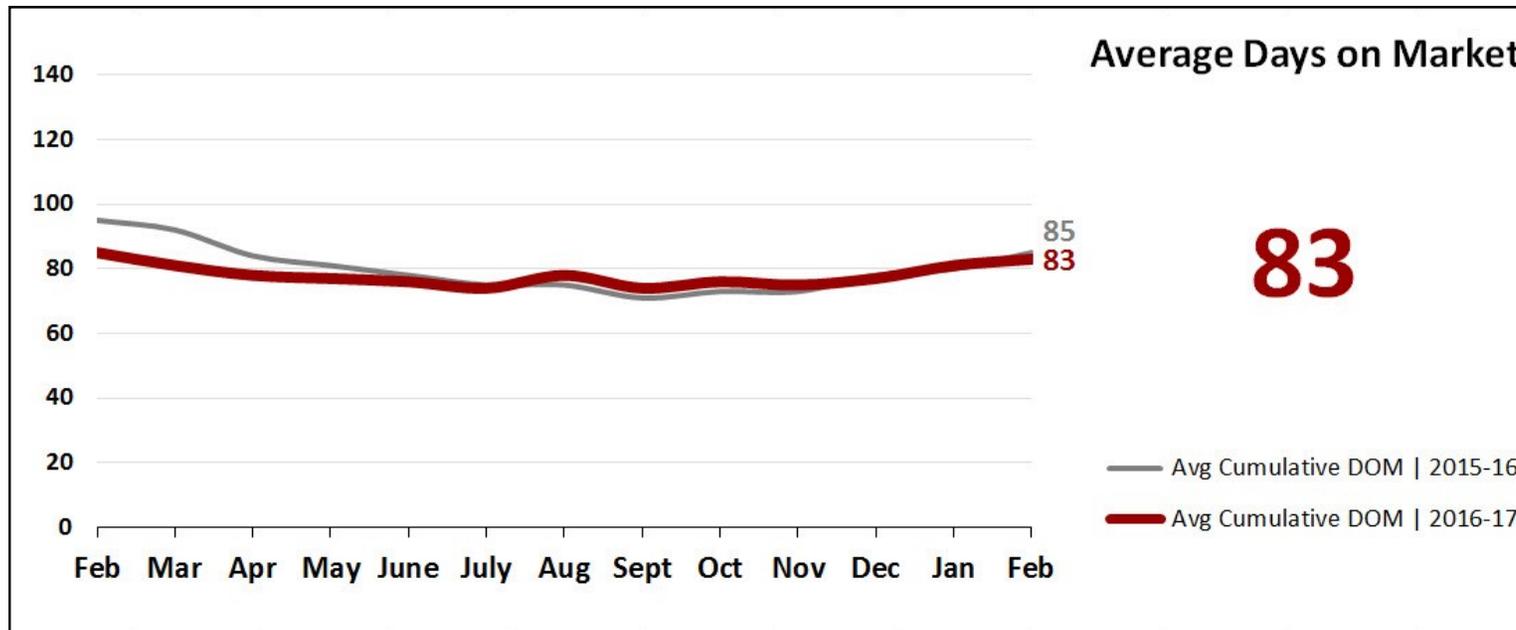
Maricopa County only, for Residential. © 2017 The Information Market inc.

Snapshot of public records data on 2/28/2017 active residential notices and residential REO properties



Distressed sales accounted for 3.9% of total sales, up from the previous month of 3.5%. Short sales dropped -27.0% year-over-year. Lender owned sales dropped -26.1% year-over-year.

Lender owned sales are MLS sales 2/1/2017 to 2/28/2017 where *Lender Owned/REO, HUD Owned Property* special listing conditions were selected  
 Short sales are MLS sales 2/1/2017 to 2/28/2017 where *Short Sale Aprvl Req, Previously Aprved SS or Lender Approved SS* special listing conditions were selected  
 0 day DOM sales removed



Days on market were down -2 days year-over-year while month-over-month increased +2 days.

Average of all closed listings 2/1/2017 to 2/28/2017 where DOM was greater than 0

## COMMENTARY

by Tom Ruff of The Information Market

There's an old adage in local real estate - "As March goes, so goes the year." Whether this is a tried and true aphorism or something I've made up and convinced myself is a thing, it tends to hold its weight. While we're waiting for March to offer scintillating insight as to how 2017 will unfold, I thought it would be the perfect opportunity for me to share a potpourri of personal notions and market observations. Welcome to this month's hodgepodge of STAT news.

An early theme for 2017 is that sales are up and inventory is down. January home closings were up 15.6% year-over-year. February sales were up 12.5%. MLS sales for the first two months of 2017 are 14% higher than 2016, which is a nice start to 2017 indeed. If March is truly a bellwether month, the table will be set for a very good year. Anecdotally, we're seeing reports of properties selling quickly. The personal accounts we're hearing are supported by our data primarily for homes priced under \$200,000 where constricted inventory levels continue to fall. The Listing Success Rate, published by the Cromford Report, is the percentage of listings that closed with a sale rather than expiring or being canceled. The Listing Success Rate for properties listed for \$200,000 or less is around 87%. Our entry level buyers are coming face to face with a full-blown sellers' market.

The previous paragraph is chock-full of positive signs so when I browse for my morning news and see reports that conflict with our data, I have to ask - "Am I taking crazy pills?" I ran all the numbers a fourth time and that's when I figured out what's going on. From the wise writer [Felix Salmon](#):

*"Even with the best-crafted headline in the world, for every person who clicks on it, there are hundreds, if not thousands, who see it, digest it, and simply move on. People get their news from headlines now in a way they never did in the past."*

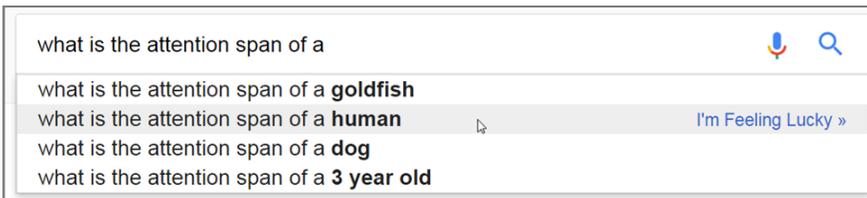
I can't tell you how often I read a housing related article where the headline for the story is in no way representative of the content within the piece. A case in point is a recent DSnews article entitled, "[Fed Report Shows Stagnant Real Estate Market](#)." The story published March 2 covered the [Federal Reserve's Beige Book report](#) issued the prior day. Here is the actual content from the Real Estate and Construction portion for the Twelve District (the district is comprised of Alaska, Arizona, California, Hawaii, Idaho, Nevada, Oregon, Utah, Washington):

*"Real estate market activity grew at a vigorous pace as in the previous reporting period. On balance, activity in the housing market remained strong, but conditions varied by region. Shortages of land, labor, and materials in many major cities in the West somewhat tempered the rapid pace of construction activity, while a few rural regions noted that tight financial conditions remained a barrier to new construction. House prices edged up further*

*in much of the District, with contacts in Los Angeles reporting that many communities expect significant gentrification in the coming years. Rents continued to climb in parts of the District, making homeownership relatively more attractive.”*

You be the judge. Did DSnews fairly cover the Federal Beige Book report? Felix Salmon continues his statement on news headlines: *“Because most of the time, it turns out, they aren’t read at all. Instead, it’s just the headline which gets shared and shared again, by people who never bothered to click on the story. Which means that in 2017, more than ever, it’s going to be the headline which really matters.”*

I googled:



The answer is eight seconds for a human, nine seconds for a goldfish and twenty seconds for a dog. The results showed the average human attention span has fallen from 12 seconds in 2000, or around the time the mobile revolution began.

Pulling another topic from the potpourri list, let’s address the apartment boom we’ve witnessed in Phoenix the last several years. It’s nice to see beautiful structures on the previously vacant corners throughout central Phoenix, but knowing our history, did we overbuild again? My guess is that we most likely have. We’re Phoenix! It’s our birthright so it’s what we do. If you can finance it, we will build it and they will come eventually. Bill McBride

in his Calculated Risk blog post [“Demographics: Renting vs. Owning”](#) touched on this topic.

*“It was almost 7 years ago that we started discussing the turnaround for apartments. Then, in January 2011, I attended the NMHC Apartment Strategies Conference in Palm Springs, and the atmosphere was very positive. The drivers in 2011 were 1) very low new supply for apartments, and 2) strong demand (both favorable demographics, and people moving from owning to renting).*

*“The move ‘from owning to renting’ is mostly over, and demographics for apartments are much less favorable than six years ago. Also much more supply has come online. Slowing demand and more supply for apartments is why I think growth in multi-family starts will be flat or slow further this year.*

*“On demographics, a large cohort had been moving into the 20 to 29 year old age group (a key age group for renters). Going forward, a large cohort will be moving into the 30 to 39 age group (a key for ownership).”*

In the second quarter of 2016 the Census Bureau reported a national ownership rate of 62.9%, a 51-year low. The Census Bureau also reported that the fourth quarter rate inched up two basis points to 63.7. I believe as rents continue to rise people are beginning to realize that home ownership is a better choice and the national homeownership rate will quite possibly rise in 2017.

My third topic this month are the number two questions every broker asks: Is it a good time to buy? Is it a good time to sell?

Fannie Mae's monthly National Housing Survey® is a nationally representative telephone survey polling 1,000 consumers a month about owning and renting a home, home and rental price changes, the economy, household finances and overall consumer confidence. It is designed to provide signals on future housing outcomes. The survey indicated that the respondents felt:

- It's a good time to buy
- Good time to sell
- Prices will be up
- Mortgage Rates will go up
- Americans not as concerned about losing their jobs
- Household income up

### **The ARMLS Pending Price Index (PPI)**

Last month STAT projected a median sales price for February 2017 of \$228,000. The actual median sales price was \$230,000, 0.009% higher than the \$228,000 projected by our mathematical model. In 2016 our mathematical projections tended to be lower than the actual results for most of the year. Looking ahead to March, the ARMLS Pending Price Index projects a median sales price of \$229,000, a slight decline from February 2017. I suspect our model may be reverting to its 2016 pattern and I expect the median sales price in March 2017 to eclipse our mathematical model.

MLS sales volume in February 2017 was 6,435, 12.5% higher than the total of 5,718 last year. This accounted for 232 more sales than our projected total of 6,200. Sales volume for the first two months of 2017 is 14% higher than 2016. We begin March 2017 with 7,104 pending listings, 4,323 UCB listings and 452 CCBS giving us a total of 11,879 residential listings practically under contract. This compares to 11,783 of the same type of listings at this time last year, suggesting that sales volume in March 2017 will surpass the volume of 8,412 in March 2016. STAT is projecting 8,950 sales in March 2017.