

MAY 2017



Real Estate Update

JEFF GERBER

ABR®, GRI®, SRES®, REALTOR®

Hello Everyone,

Here's hoping you had a good dance around the Maypole. I always wondered what that was all about. I checked Wikipedia only to learn that there really did not seem to be a definitive reason for the Maypole tradition. I guess it is the early summer version of Festivus, only this legend has been alive for centuries. Here's hoping there is an enjoyable Summer ahead for you and your family.

The Phoenix Real Estate market is moving along at a very brisk pace. Buyer activity is up. In fact, the first Quarter was the 3rd busiest in the past 2 decades. Are we headed for another Boom/Bust cycle? I agree with most economists that this market isn't setting itself up for another such cycle. While sales (especially in the \$150,000 and nearly so in the under \$300,000 price points) are high, pricing is holding to small to modest gains. The majority of predictions on real estate value appreciation for The Valley in 2017 still seem to peg 5% as a realistic target. If that valuation model continues to hold, then a Bust should not be in our near future. Rent rates continue to climb. The Phoenix Apartment List Report for March has median rates up 2%. That translates to \$870/month for a 1-bed and \$1300/month for a 2-bed apartment in Phoenix. In Scottsdale those rates become \$1300 and \$2400 per month. Those rates still position home ownership as a good financial move vs. renting for most people. We've seen steady to even slightly lowering of interest rates for mortgages. I'm seeing info from Lenders quoting high 3's to low 4's for 30-year mortgages. The high 3's have just reappeared in the past few weeks. Strong (very high 600's for FHA and well into the 700's for Conventional) credit scores are needed by Buyers to satisfy most Lender requirements. It is pleasant to see condo financing starting to get easier, as condo living is a great way to go for many. Lender's also seem to have relaxed some of their policies on Student Debt which is key for many younger potential Buyers. It is exciting to see that Foreclosure rates are now the lowest since 2006. Excellent for home owners, not so good for Investors and Flippers.

Thank you to the Teodorski Family for allowing me to help them sell the family home in Tempe. It proved to be an adventure for all, but the desired outcome came to be and in the appropriate timeframe. Thanks to Janice and Phil for all the effort you had to expend. The very limited market inventory is making it difficult to find the right property for a number of interested Buyer clients. Hopefully your patience will be rewarded soon. 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,

JS Gerber 05/01/2017

Contact me anytime:
Call direct: 602-330-7272
Email: Jeff@jeffgerberrealtor.com
Fax: 877-824-7272
www.jeffgerberrealtor.com

The Empowered Team LLC
3370 N Hayden Road - Suite 123-119
Scottsdale, AZ 85251
AZ License # SA540122000

The Empowered Team, LLC
Real Estate For Today



Visit my website at: www.jeffgerberrealtor.com



March 2017

Arizona Regional MLS

New Listings **11,428**

↑ 20.4% from Feb 2017: 9,492 ↑ 7.1% from Mar 2016: 10,669

YTD	2017	2016	+/-
	30,771	31,048	-0.9%

5-year Mar average: **10,296**

New Contracts **11,408**

↑ 18.6% from Feb 2017: 9,619 ↑ 7.8% from Mar 2016: 10,584

YTD	2017	2016	+/-
	30,577	28,351	7.9%

5-year Mar average: **10,556**

Closed Sales **9,115**

↑ 43.0% from Feb 2017: 6,376 ↑ 8.6% from Mar 2016: 8,395

YTD	2017	2016	+/-
	21,452	19,252	11.4%

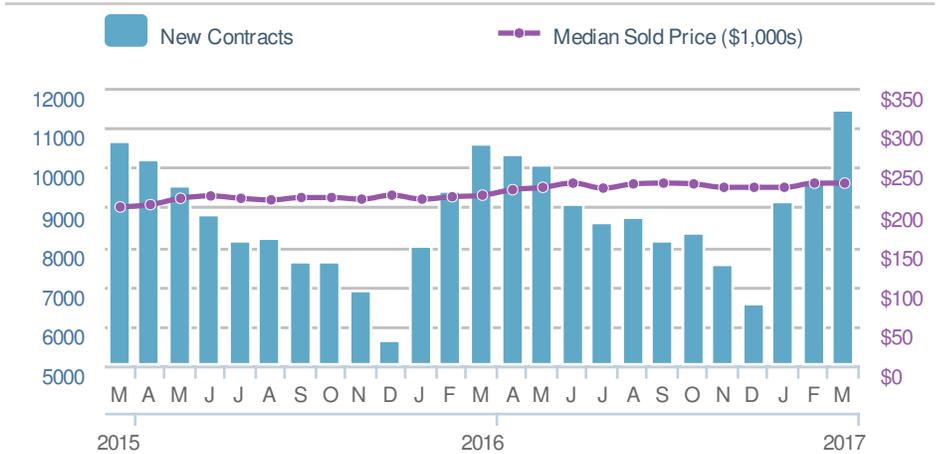
5-year Mar average: **7,988**

Median Sold Price **\$230,000**

↔ 0.0% from Feb 2017: \$230,000 ↑ 7.0% from Mar 2016: \$215,000

YTD	2017	2016	+/-
	\$230,000	\$214,900	7.0%

5-year Mar average: **\$200,060**



Active Listings **18,412**

Min 15,142 Max 25,042 5-year Mar average 20,085

Feb 2017	Mar 2016
18,402	21,005

Avg DOM **75**

Min 73 Max 92 5-year Mar average 80

Feb 2017	Mar 2016	YTD
79	79	77

Avg Sold to OLP Ratio **96.6%**

Min 94.5% Max 96.8% 5-year Mar average 95.8%

Feb 2017	Mar 2016	YTD
96.4%	96.0%	96.4%



Jeff Gerber, ABR, GRI,
SRES

The Empowered Team, LLC
Real Estate For Today



The Empowered Team LLC
Lic. #: SA540122000

Between FRIENDS

Real Estate for Today

Tel: (602) 330-7272, jeff@jeffgerberrealtor.com, www.jeffgerberrealtor.com, Lic. #: SA540122000

The flowers are blooming, the birds are singing, and summer's just around the corner! It's a great time to put a home on the market—call me today for a free consultation.



Do you know the difference between a home warranty and homeowner's insurance? **Home warranties** are *service contracts* that cover the failure of home systems and appliances due to normal wear and use. **Homeowner's insurance** *indemnifies* the homeowner against damage or liability arising from some unknown or contingent event. Both offer valuable budget protection, and they can work in conjunction with one another. For example, if a covered water heater leaks under normal use and floods the home, the home warranty will repair or replace the water heater, while homeowner's insurance may cover the water damage.

I recommend an Old Republic Home Protection Plan with every transaction for complete budget protection. Call me today to learn more about how a home warranty can benefit you.

OLD REPUBLIC HOME PROTECTION



Protect your budget against the high cost to repair or replace home systems and appliances.

People Helping People™



Visit www.orhp.com or talk to your real estate professional to learn more.

Do you have a friend in need? I live and breathe real estate, so let me lend my expertise to guide your family, friends, and colleagues through their next transaction.



Health & Safety

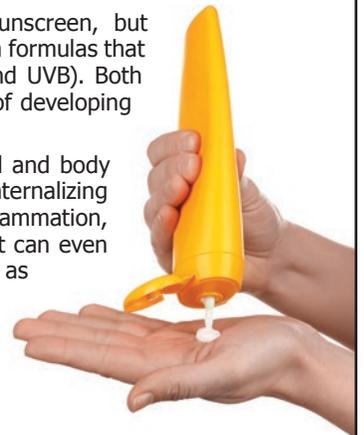
Healthy Skin from the Inside Out

Weighing in at nine pounds and covering roughly 20 square feet of surface area on the average human body, skin is your largest organ and your first line of defense against infection. On a more superficial level, vibrant, healthy skin can boost self-esteem and improve your overall sense of well-being.

Dermatologists have long championed the virtues of sunscreen, but they're not all created equal. Be sure to use broad-spectrum formulas that protect against both types of ultraviolet radiation (UVA and UVB). Both types of UV light can damage skin and increase your risk of developing skin cancer.

Stress is a lesser-known danger to healthy skin. The mind and body are integrally connected, so whatever emotions you're internalizing may eventually rise to the surface. Stress can intensify inflammation, and according to clinical psychologist Karen Mallin, PsyD, it can even trigger episodes in people with autoimmune disorders, such as vitiligo or psoriasis.

Finally, a healthy diet is vital to healthy skin. For skin that glows, the Mayo Clinic recommends eating antioxidant- and vitamin-rich fruits, nuts, and vegetables while avoiding sugar, processed carbohydrates, and unhealthy fats.



Helpful Hints

Trade in Your Tech

Technology is constantly evolving, and the promise of new gadgets is always on the horizon. Here are three ways to get rid of your used, working electronics.

Sell: Selling old devices directly on sites, such as eBay or Amazon, will likely get you the biggest payout, even with depreciation. But it can be a bit of a hassle; it's up to you to create a listing, pack and ship the device, and deal with potentially flaky buyers.



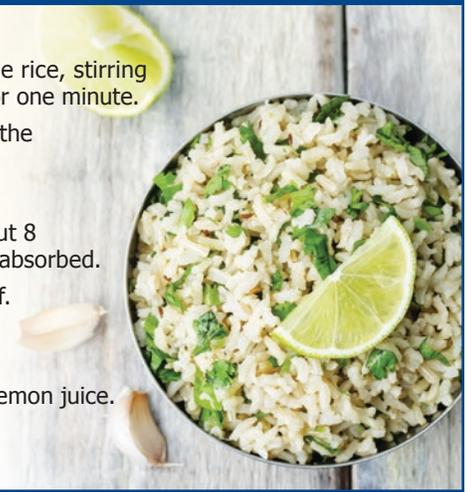
Trade-in: Companies like Gazelle and NextWorth let you trade your obsolete gadget for cash that you can put toward something new, and many will send you a shipping kit with a box and label. Some of these services offer only gift cards, but others pay you via check or PayPal.

Donate: Want to fill your wallet with karma instead of cash? Schools, libraries, and charities are often eager to take old tech off your hands. Check with your local organizations for details.

Remember to remove any personal data from your devices before selling, trading in, or recycling.

2 cups basmati or other long-grain rice, rinsed
2 Tbsp. olive oil
1 clove garlic, minced
2 tsp. salt
1 bay leaf
1 tsp. grape seed oil, optional
2 Tbsp. cilantro, finely chopped
2 Tbsp. fresh lime juice
1 Tbsp. fresh lemon juice
Lime zest, to taste
Sea salt, to taste

Heat olive oil in a large pot on medium high heat. Add the raw rice and stir to coat with oil. Brown the rice, stirring occasionally. Add the garlic and continue cooking for one minute. Pour 8 cups of water into the pot. Add the salt and the bay leaf and bring to a boil. Boil uncovered for 12-15 minutes. Place a lid on the pot and cook on low heat for about 8 minutes more, or until rice is tender and water has absorbed. Remove the pot from heat and take out the bay leaf. Fluff rice with a fork. Transfer rice to a serving bowl. Stir in grape seed oil (optional), cilantro, lime, and lemon juice. Season with lime zest and sea salt to taste. Serve hot or at room temperature.



Jeff Gerber, ABR, GRI, SRES

The Empowered Team LLC
3370 N Hayden Road - Suite 123-119
Scottsdale, AZ 85251
Tel: (602) 330-7272
www.jeffgerberrealtor.com

The Empowered Team, LLC
Real Estate For Today



Household Tips

Saving Money without Changing Your Life

Lowering household expenses without diminishing quality of life can be a challenge! But saving money doesn't have to mean penny-pinching. These simple tips could save you hundreds of dollars a year—no major lifestyle changes necessary!

Install a programmable thermostat: A programmable thermostat allows you to automatically adjust your home's temperature when you're away or asleep. It can even learn your schedule, saving you nearly \$200 a year in energy costs.

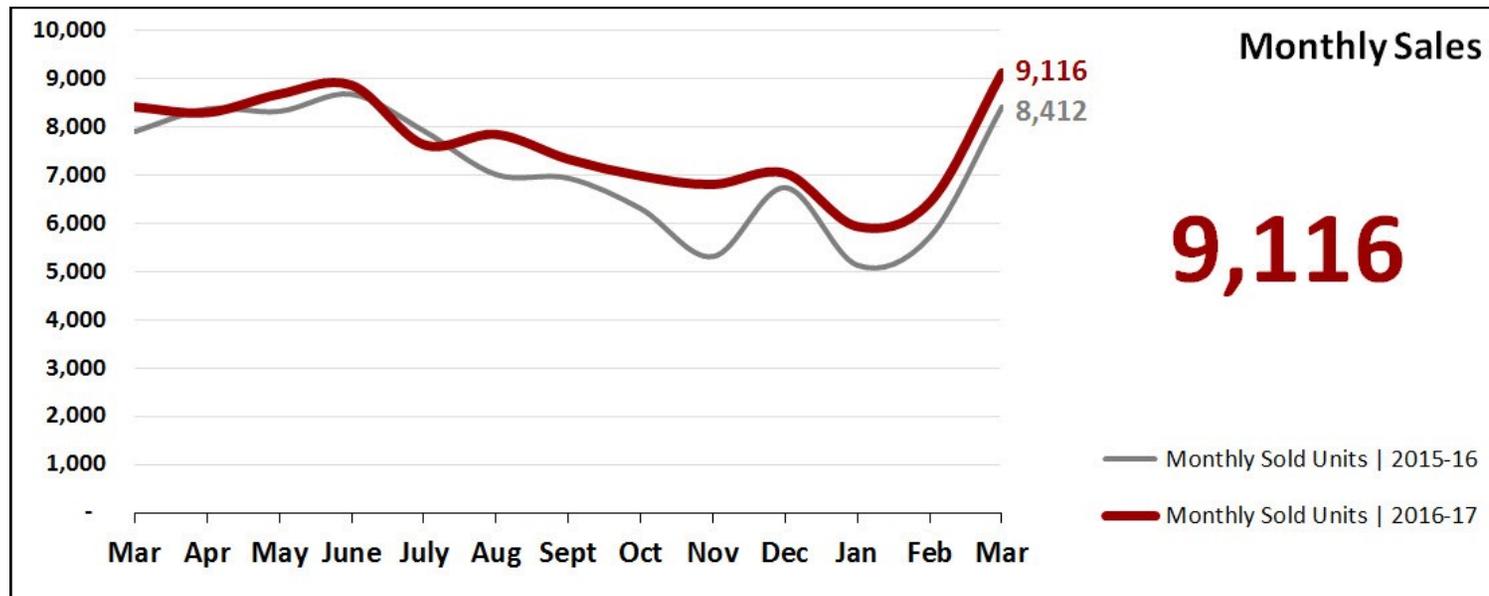
Bundle your entertainment: Your cable company likely offers a package combining your television, internet, and phone services for one monthly fee. Bundling your subscription can lower your cable bill. Don't be afraid to haggle for better deals. Consumer Reports found that 92% of people surveyed successfully negotiated with their cable company.

Unplug electronics: Most household electronics use a small amount of electricity when plugged in. Unplug items you don't use often to save money on your monthly electric bill. Alternatively, use power strips with a switch feature. Just flip the switch to cut electricity to any appliances or devices plugged into the strip.





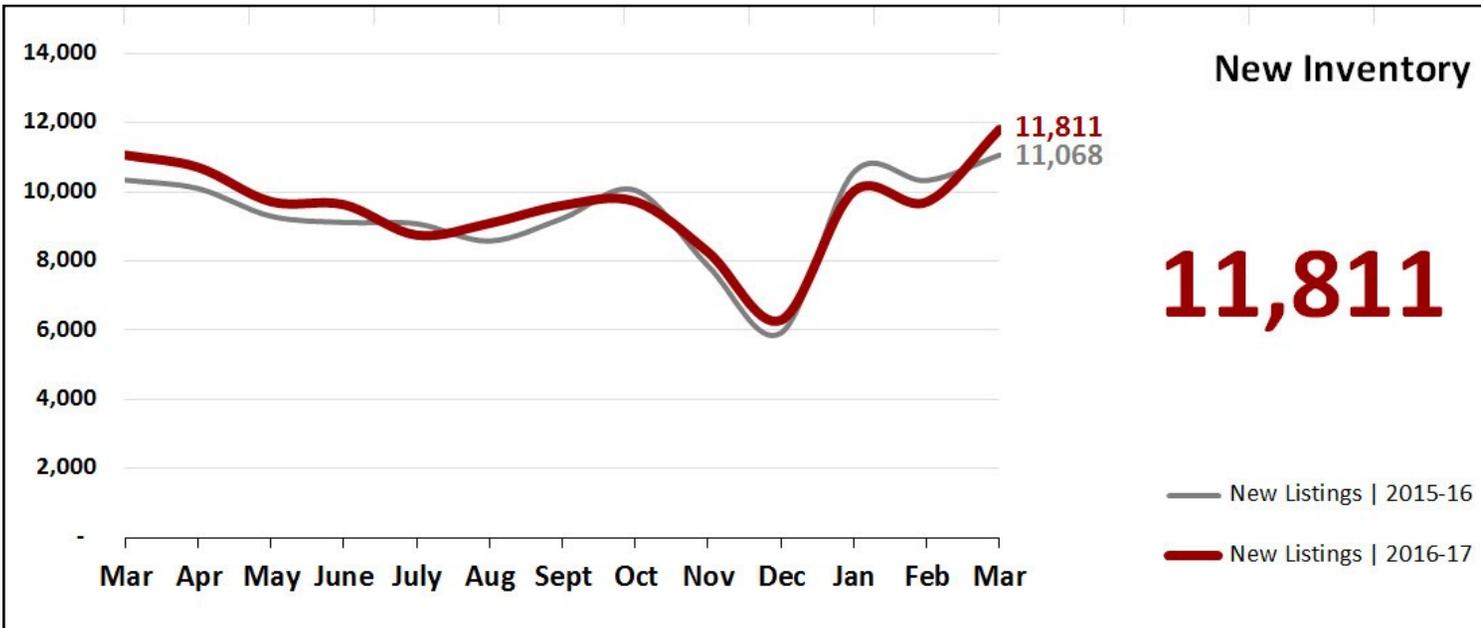
DATA for MARCH 2017 - Published April 21, 2017



Sales are up +41.7% month-over-month. The year-over-year comparison shows an increase of +8.4%.

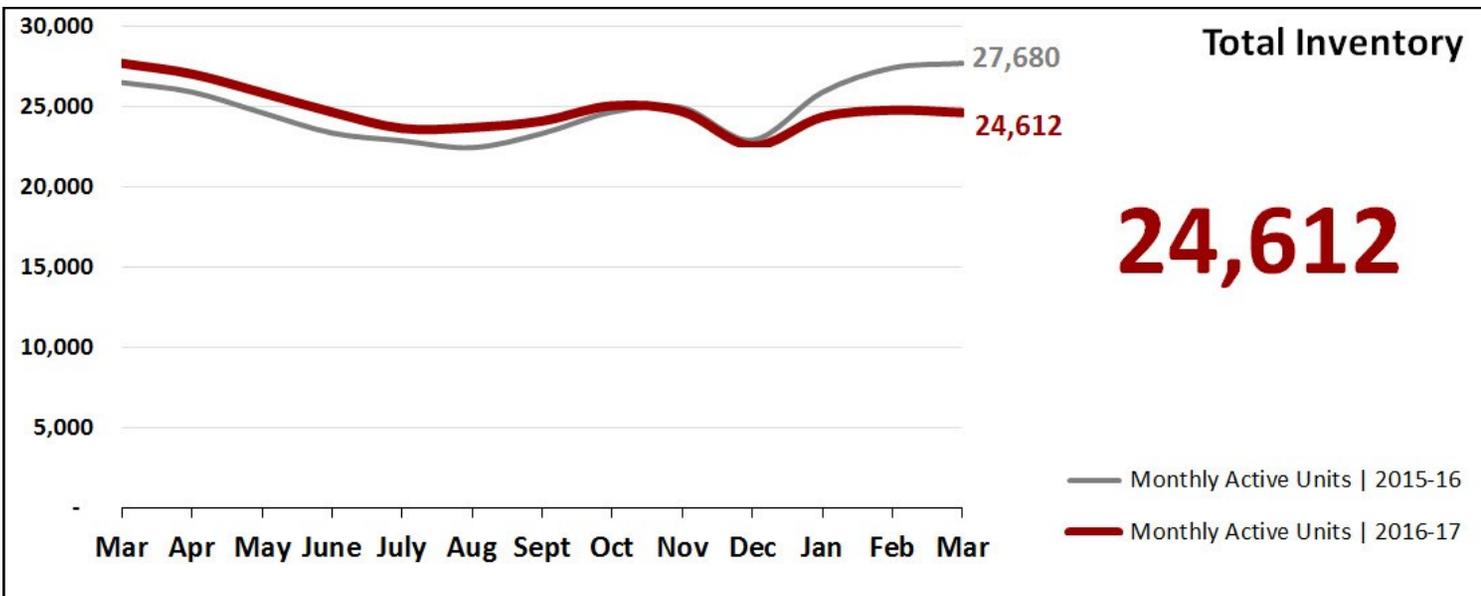
9,116

Closed MLS sales with a close of escrow date from 3/1/2017 to 3/31/2017, 0 day DOM sales removed



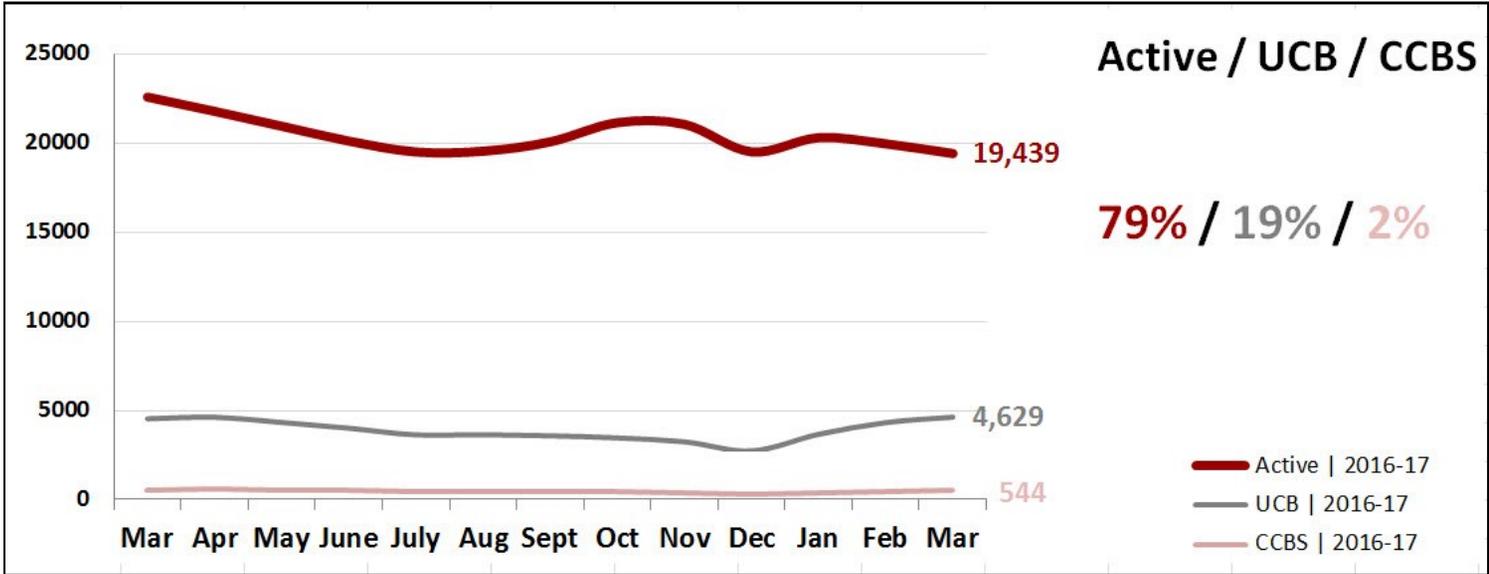
New inventory is up +21.6% month-over-month while the year-over-year comparison shows an increase of +6.7%.

New MLS listings that were active for at least one day from 3/1/2017 to 3/31/2017, 0 day DOM sales removed



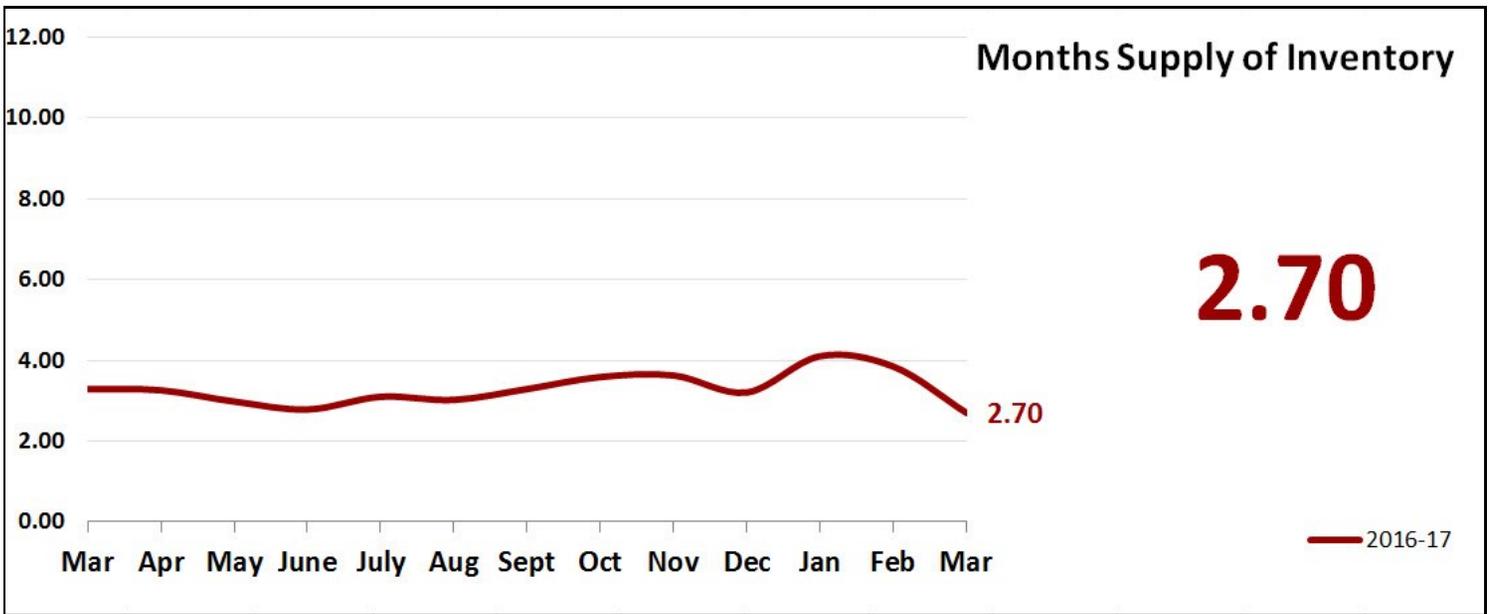
Total inventory has a month-over-month decrease of -0.6% while year-over-year reflects a decrease of -11.1%.

Snapshot of statuses on 3/31/2017



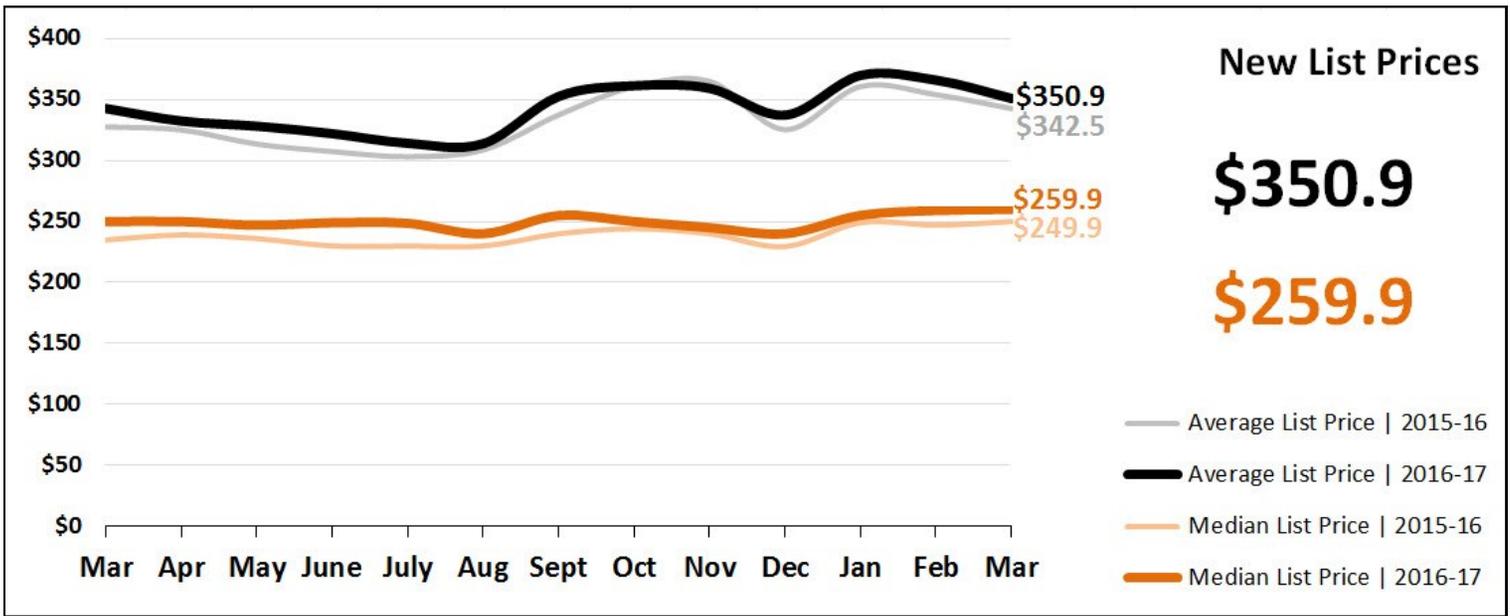
March UCB listings percent of total inventory was 18.8% with March CCBS listings at 2.2% of total inventory.

Snapshot of statuses on 3/31/2017

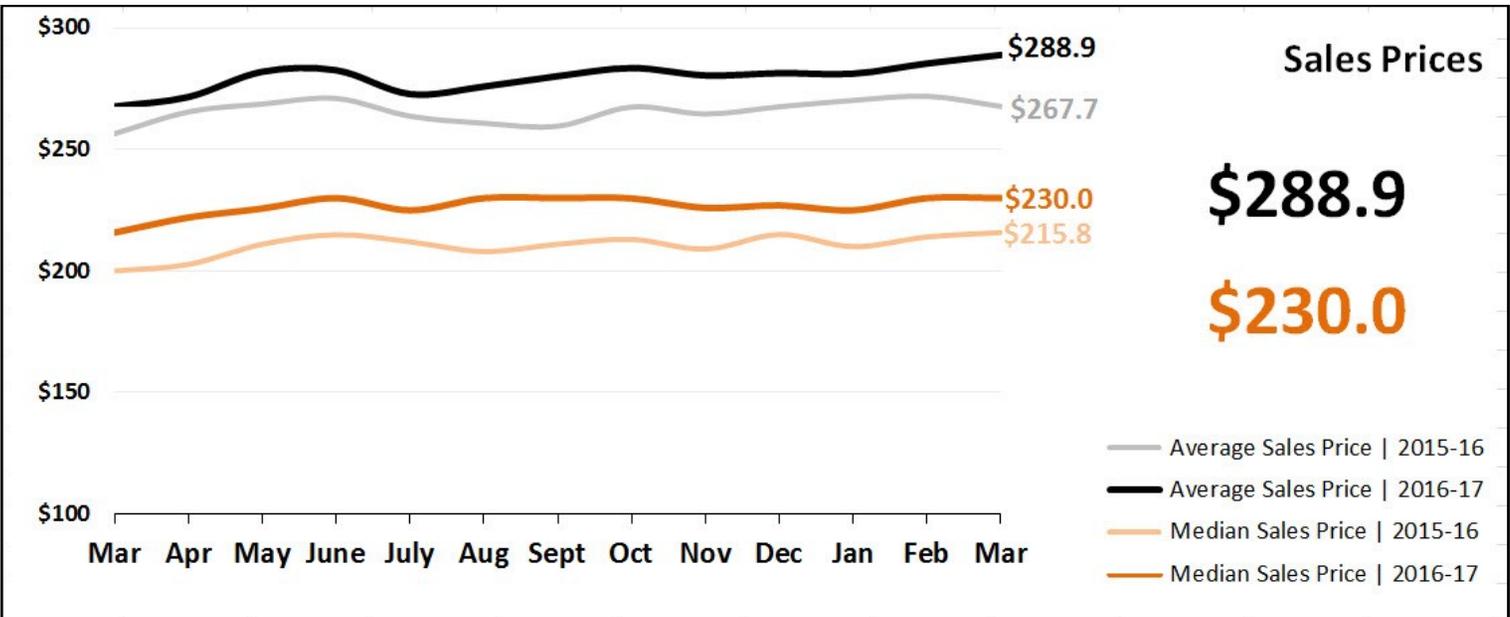


Months supply of inventory for February was 3.85 with March at 2.70.

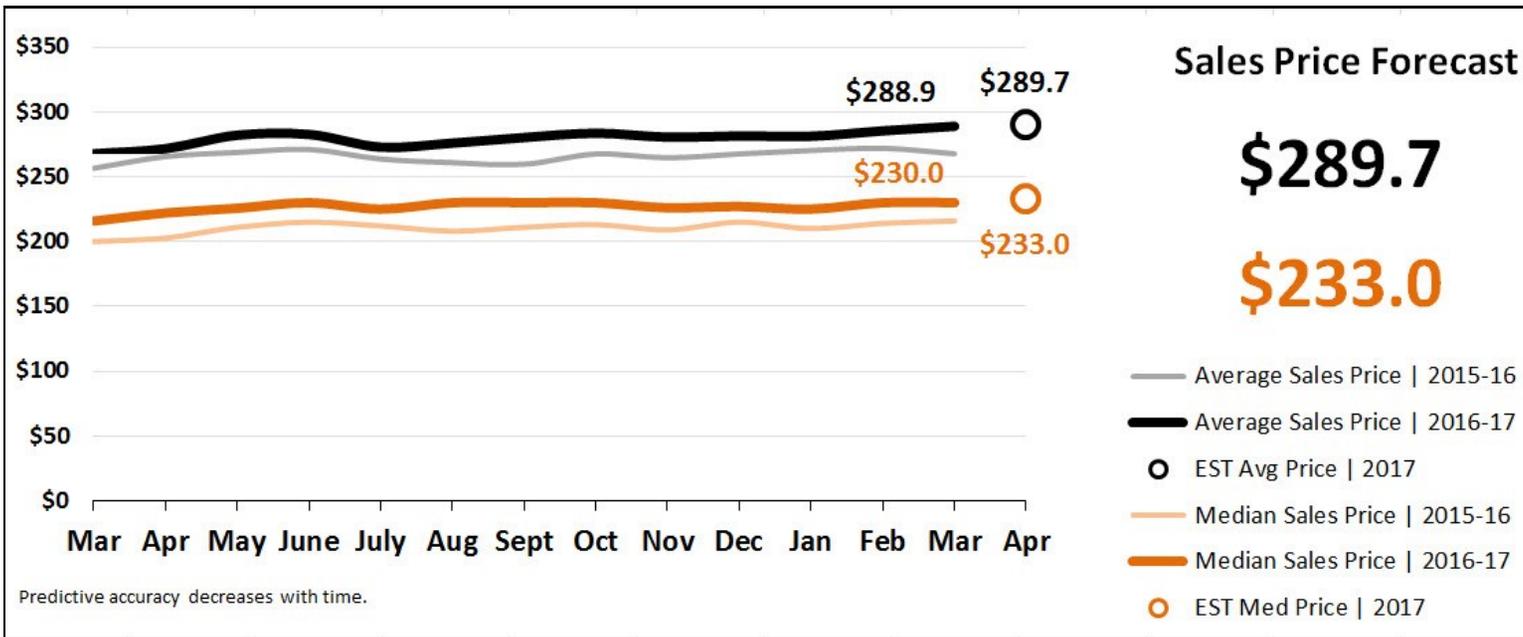
Current inventory of Active/UCB/CCBS divided by the monthly sales volume of March 2017, 0 day DOM sales removed



List prices of new listings with list dates from 3/1/2017 to 3/31/2017, 0 day DOM sales removed

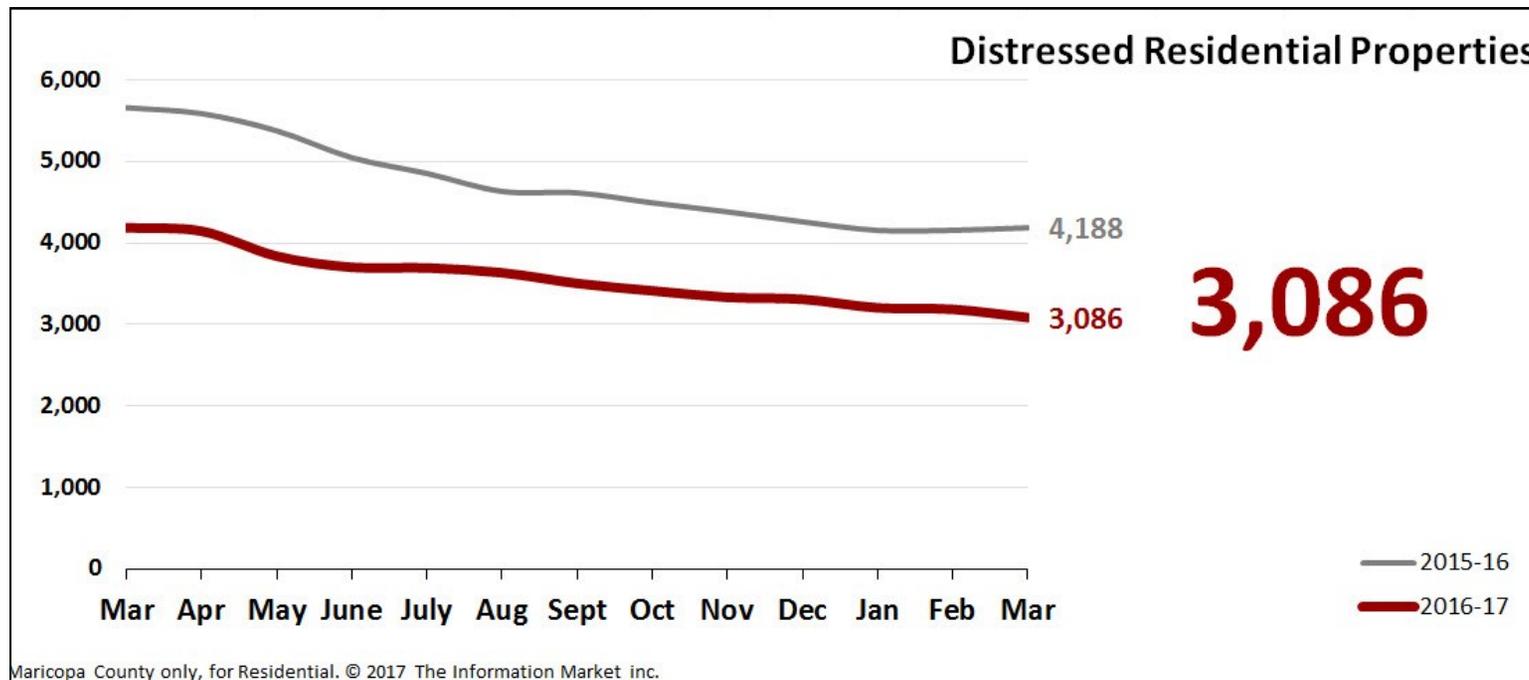


MLS sales prices for closed listings with a close of escrow date from 3/1/2017 to 3/31/2017, 0 day DOM sales removed



A slight increase is forecasted for average sales price with median sales price also increasing in April.

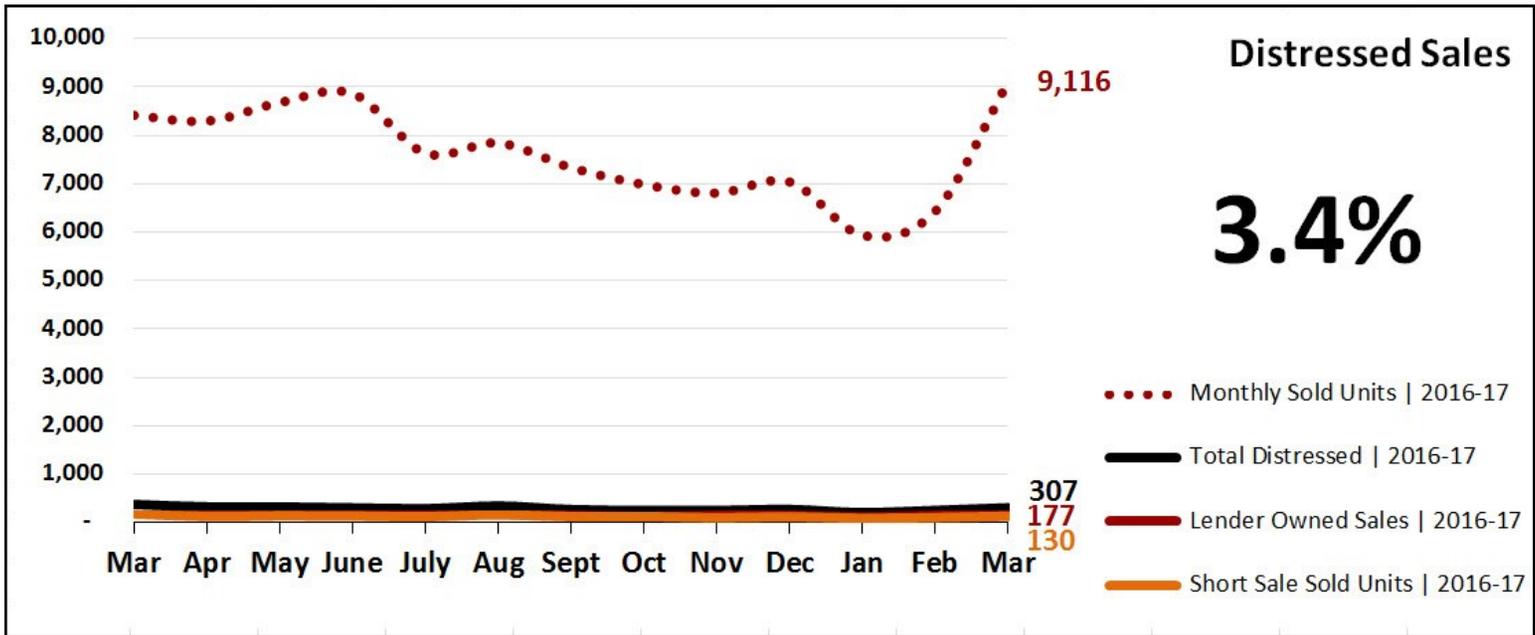
ARMLS proprietary predictive model forecast, 0 day DOM sales removed



Foreclosures pending month-over-month showed a decrease of -3.2% while the year-over-year figure was down -26.3%.

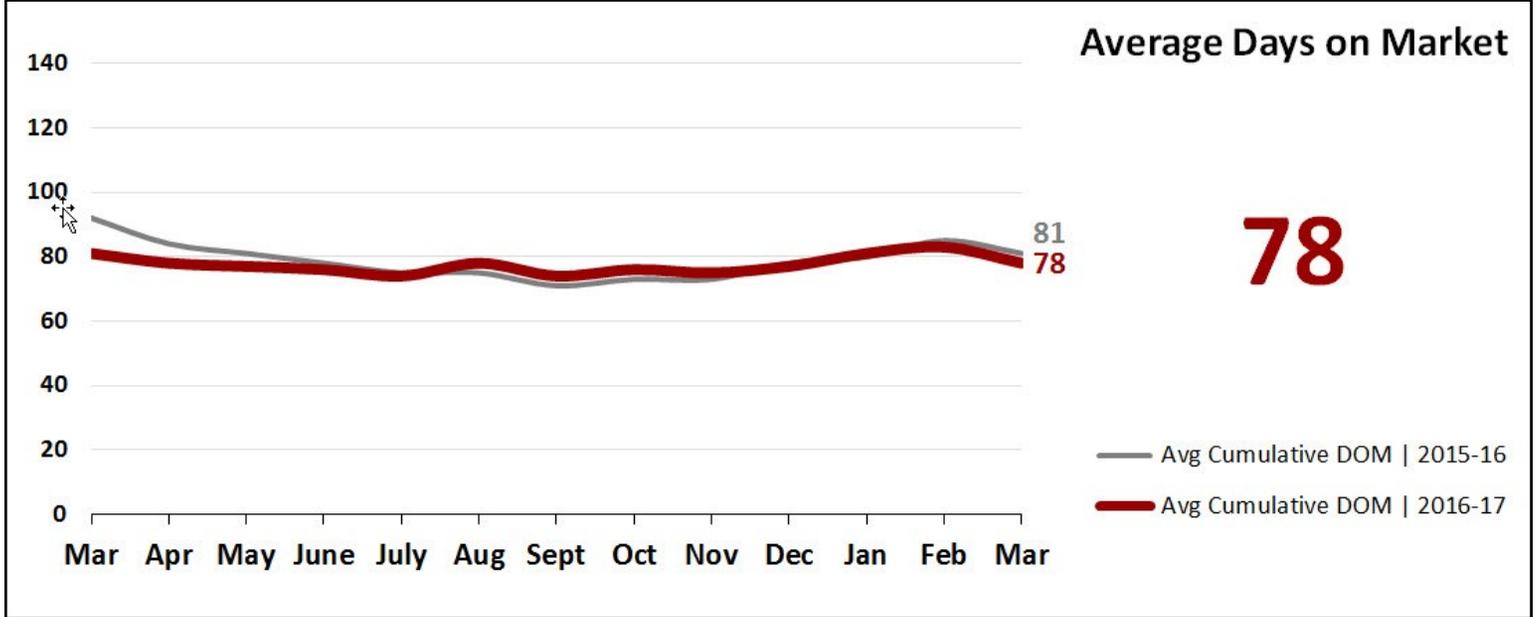
Maricopa County only, for Residential. © 2017 The Information Market inc.

Snapshot of public records data on 3/31/2017 active residential notices and residential REO properties



Distressed sales accounted for 3.4% of total sales, down from the previous month of 3.9%. Short sales dropped -27.4% year-over-year. Lender owned sales dropped -10.2% year-over-year.

Lender owned sales are MLS sales 3/1/2017 to 3/31/2017 where *Lender Owned/REO, HUD Owned Property* special listing conditions were selected
 Short sales are MLS sales 3/1/2017 to 3/31/2017 where *Short Sale Aprvl Req, Previously Aprved SS or Lender Approved SS* special listing conditions were selected



Days on market were down -3 days year-over-year while month-over-month decreased -5 days.

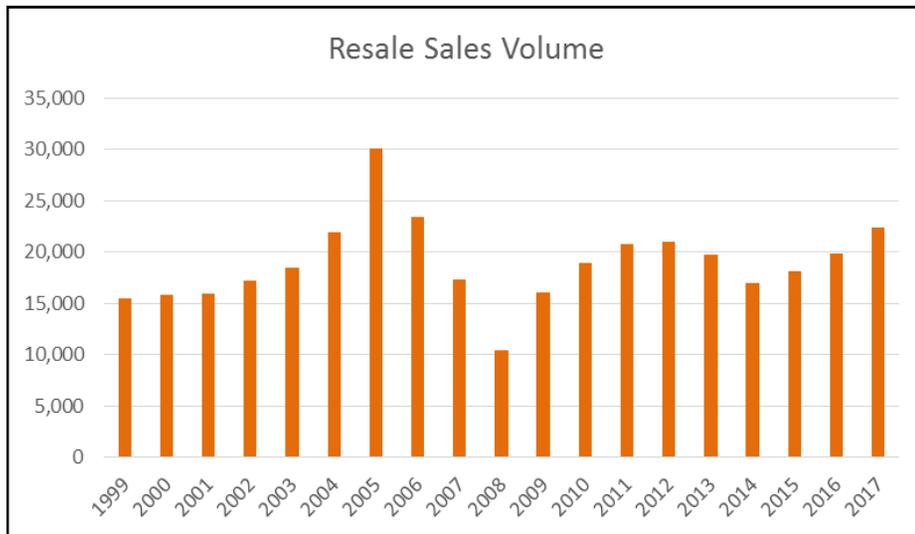
Average of all closed listings 3/1/2017 to 3/31/2017 where DOM was greater than 0

COMMENTARY

by Tom Ruff of The Information Market

Sales continue to be hot, even taking into consideration the fact that we are in the high season. MLS sales volume for the first three months of 2017 was 11.54% higher than 2016. There were 21,483 sales reported in Q1 2017 compared to 19,261 for the first quarter of 2016.

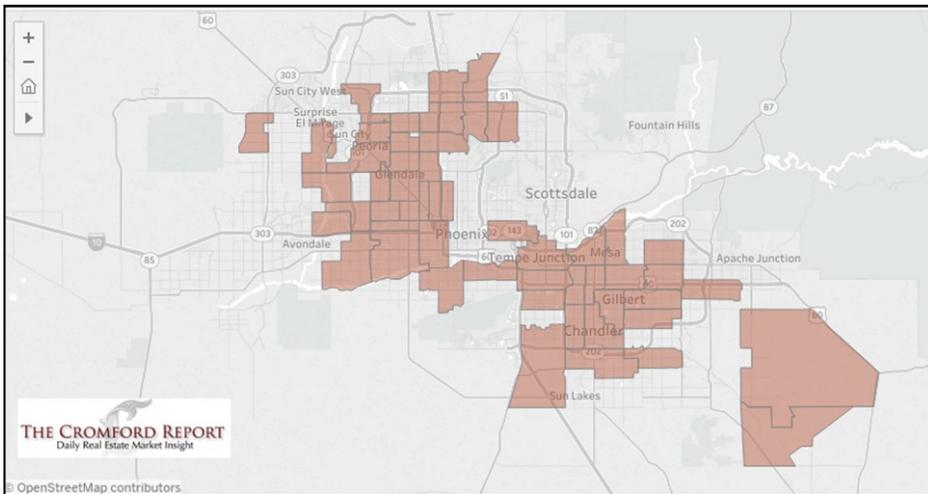
Looking at public record resale sales volume in Maricopa County for the first quarter of 2017, we see that it was the third highest volume in the 19 years we've reported data. Only the peak bubble years of 2005 and 2006 had higher resale sales volume.



A cool top and a smoking hot bottom doesn't just describe my upcoming summer wardrobe, it's also an apt description of the current state of our resale housing market. This month in STAT we take a closer look at our feverish bottom price ranges.

Contract ratios were created by Michael Orr of the Cromford Report as a means to communicate the relationship between supply and demand in a given market area. Cromford translates the contract ratio as: 0-20 is Cool, 21-40 is Warm, 41-74 is Warmer, 75-99 is Hot and 100+ is a FRENZY!

The next map below shows the contract ratio by ZIP code for the frenzied markets in the Phoenix Metropolitan Area. The contract ratio is calculated by dividing the number of homes under contract by the number of active listings. The map below also identifies the areas where the contract ratio is greater than 100, meaning the number of homes under contract is greater than the number of active listings. An example would be 85033 where currently there are 108 homes under contract and 73 active listings leaving a contract ratio of 147. Also displayed are the frenzied ZIP codes, not to be confused with the friend zone.

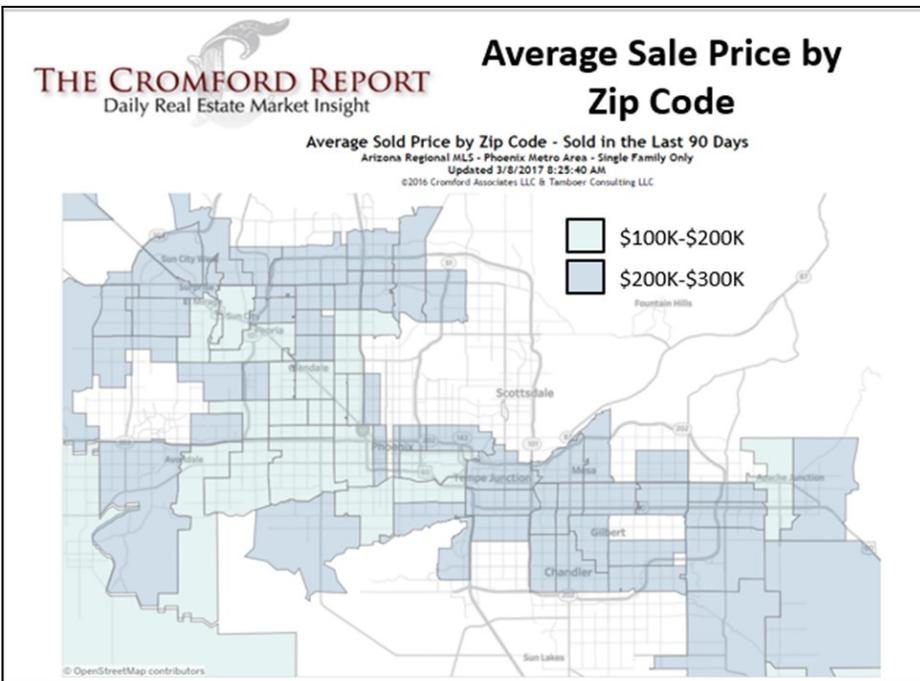


With insufficient supply and strong demand from entry level buyers, I see no relief in sight. We are just now seeing the beginning ground swell of millennial buyers. Couple a large population base of looming buyers with a median new build price of \$320,000 and I see little to no immediate relief of added inventory for homes priced below \$300,000. Home prices in these areas will continue to rise as will our overall median sales price. Properties listed in these areas and price points find the selling agents confident and the buying agents frantic.

The common thread for the hottest of the hot sectors of our market is price point. When we view a zip code map showing the average sales price between \$100,000 and \$200,000 and then again \$200,000 to \$300,000, we see a remarkable similarity between the two maps.

The ARMLS Pending Price Index (PPI)

Last month STAT projected a median sales price for March of \$229,000. The actual median sales price was \$230,000, \$1,000 higher than the \$229,000 projected by our mathematical model. In 2016 our mathematical projections tended to be lower than the actual results for most of the year, it appears our model is following a similar path in 2017. Looking ahead to April, the ARMLS Pending Price Index projects a median sales price of \$233,000. With limited supply and steady demand, particularly at the lower price points, I fully expect the median in April to exceed March.



MLS sales volume in March was 9,116 or 8.4% higher than the total of 8,412 last year, accounting for 166 more sales than our projected total of 8,950. Sales volume for the first three months of 2017 is 11.54% higher than 2017, with 21,483 sales in 2017 compared to 19,261 in the first quarter of 2016. We begin April with 7,616 pending contracts, 4,629 UCB listings and 544 CCBS giving us a total of 12,789 residential listings practically under contract. This com-

compares to 12,545 of the same type of listings at this time last year suggesting the sales volume in April 2017 will surpass the 8,293 of April 2016. STAT is projecting 8,800 sales in April. Note, there were 21 business days in 2016 and only 20 business days this year.