

JUNE 2016

Real Estate Update



JEFF GERBER

ABR®, GRI®, SRES®, REALTOR®

Hello Everyone,

Here comes summer! Most of the kiddo's are either out of school, or are in their last few days, for the 2016 school year. If you live in the Phoenix area, you've probably heard that the first weekend of this June is likely to be one for the record books with multiple days well above 110. I truly love Phoenix and our weather, but anything over 108 is just uncomfortably hot. I could do without our average of 19 days a year above 110. In case you were wondering, there are an average of 110 days a year where we are above 100 degrees. Here's hoping you have good plans in place to deal with or escape some of our summer heat. Remember those friends and relatives who came to visit from up north last winter? Many of them deserve a visit from you this summer.

The Phoenix housing's market is drawing many of the different types of buyers needed to propel it to a full recovery from the crash. More first-timers, buyers returning from foreclosure, new-home purchasers and Baby Boomers are in the market for Valley houses now than at any time since the crash. Home prices are up about 11% from last year (still 10% below the 2006 peak) with nice/well priced listings generally selling quite quickly. These overall facts kind of obscure the real fact that there are some areas that are hot and some that are not. My eyes and opinion suggests that some hot areas have cooled over the past 4 to 6 weeks. Some cool markets have heated, a bit. Pricing, Staging/Presentation and Patience are the keys for Sellers today. Those concepts combined with continuing low mortgage interest rates are also key points for prospective. Our inventory is up from a year ago, but that doesn't necessarily mean that Buyers have multiple good choices. The lower inventory also translates to continuing trend for home sale prices to be, on average, above 95% of the list price. In other words, lowball offers "to see if the Seller wants to negotiate" isn't one of the best plans in the current market. Similarly, setting a high list price "to test the waters" isn't a good working strategy in the current market for Sellers. The balance of the year still looks like a good and pretty active market to me. I'm hopeful to see the usual seasonal pick-up of business happen for the next month or so as families move up and/or over before the new school year begins. Interesting times ahead!

It's been a busy May helping Todd and family search for a home in the East Valley. We're under contract, hopefully all goes right, on a nice SW Mesa home that will likely be their new home by the end of the month. We listed Julie's NE Mesa home earlier in the month. Now it just a matter of finding the right Buyer. Then we put the plan for a new place for Julie & son's to call home. We're working on the final details, with Diane, to get her Dreamland Villa (adult community) home in Mesa on the market in the near future. Someone will inherit an amazing garden oasis! Do you know anyone looking to buy or sell a home? I could use your help with a referral. Thanks, in advance, for helping me grow my business!

Regards,

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April 2016

Arizona Regional MLS

New Listings **10,371**

↓ -2.8% from Mar 2016: 10,669
 ↑ 7.2% from Apr 2015: 9,676

YTD	2016	2015	+/-
	41,440	38,517	7.6%

5-year Apr average: **9,542**

New Contracts **10,325**

↓ -2.4% from Mar 2016: 10,584
 ↑ 1.5% from Apr 2015: 10,173

YTD	2016	2015	+/-
	38,811	38,244	1.5%

5-year Apr average: **10,173**

Closed Sales **8,246**

↓ -1.8% from Mar 2016: 8,395
 ↑ 0.2% from Apr 2015: 8,231

YTD	2016	2015	+/-
	27,437	26,401	3.9%

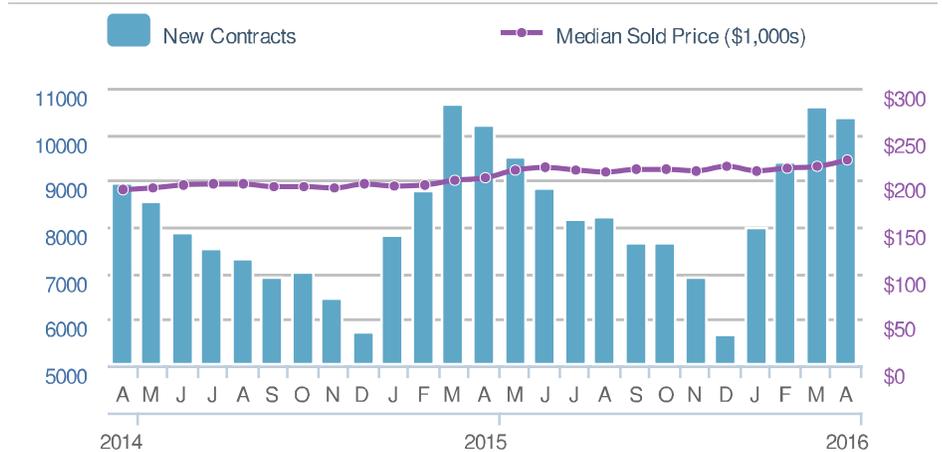
5-year Apr average: **8,187**

Median Sold Price **\$222,000**

↑ 3.3% from Mar 2016: \$215,000
 ↑ 8.9% from Apr 2015: \$203,900

YTD	2016	2015	+/-
	\$216,000	\$200,000	8.0%

5-year Apr average: **\$185,102**



Active Listings **20,761**

Min 11,756 | 18,253 | 20,761 | Max 24,698

5-year Apr average

Mar 2016	Apr 2015
21,005	19,921

Avg DOM **76**

Min 70 | 80 | Max 86

5-year Apr average

Mar 2016	Apr 2015	YTD
79	84	78

Avg Sold to OLP Ratio **96.3%**

Min 94.5% | 95.9% | Max 96.9%

5-year Apr average

Mar 2016	Apr 2015	YTD
96.0%	95.8%	96.0%



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Health & Safety

The Inside Scoop on Coffee



When you understand the process of buying or selling a home, you're equipped to make the best decision. Call me today! I will guide you every step of the way.

Does the prospect of an expensive home repair keep you up at night? A Home Warranty Plan is a service contract that helps safeguard your budget against unexpected repair or replacement costs caused by the breakdown of covered heating, plumbing, electrical systems, and most built-in appliances. Home warranties offer peace of mind to home buyers and sellers alike—paving the way for a smooth, seamless, worry-free transaction.

Hollywood director David Lynch once said, "Bad coffee is better than no coffee at all," and many share his passion for this popular caffeinated beverage. In fact, over half of all Americans depend on their morning coffee to wake up and focus, and most of them have experienced the angst-ridden feeling that comes from too many cups.

According to the Mayo Clinic, it's safe for adults to consume up to 400 mg of caffeine per day, but anything more could cause anxiety, irritability, and insomnia. Teens should keep it under 100 mg per day, and children should avoid caffeine entirely.

It takes roughly four cups of coffee (32 ounces total) to hit the 400 mg caffeine limit, but that means a large coffee at your favorite café could approach your daily limit. In fact, the coffee in that massive paper cup may even exceed your limit if it's strongly brewed... and many popular chains brew it to the max!

Also, be aware that caffeine content can vary depending on the type of bean used and how those beans are roasted. Dark roasts have been roasted longer, and they tend to contain *less* caffeine than lighter roasts. Keep in mind, however, that we all metabolize chemicals at different rates, and one cup could leave you bouncing in your cubicle if you're a lightweight.



Real Estate Today

Tips for Pet Owners Looking to Sell their Home

We all love our furry friends, but when it comes to other people's pets, we can be a little more discerning—especially when we're shopping for a home! In order to get top dollar for your home, consider having a friend or a relative take care of your pets. Otherwise, potential buyers might imagine all the hidden damage your pet may have caused over the years. Of course, you *don't* want to lie about being a pet owner, but there's no reason to flaunt it.

Once you've removed your pets from the premises, tuck away any litter boxes, pet toys, etc. Next, have a friend or neighbor step inside and give your home a thorough sniff test. Don't trust your own nose because you may have grown accustomed to the smell. An outsider can tell if you've got an odor problem in an instant, and if you do, you can try enzyme cleaners, such as Simple Solution or Nature's Miracle. If no miracle occurs, it's time to call a professional!



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Do you know anyone buying or selling a home? A savvy real estate professional can help with all the fine points—home staging, aid with financing, and more... so send them my way!



- 1/4 cup fat-free vanilla yogurt
- 2 Tbs. pineapple juice
- 1/4 tsp. Caribbean jerk (or Jamaican jerk) seasoning
- 1 tsp. fresh lime juice
- 1 Tbs. mango chutney
- 1 pkg. (10 oz.) angel hair coleslaw
- 1/4 cup seedless raisins
- 1 small, fresh mango, diced (about 1 cup)

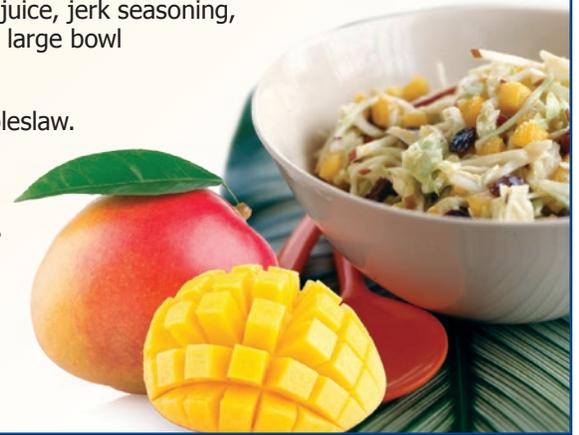
Combine yogurt, pineapple juice, jerk seasoning, lime juice, and chutney in a large bowl until well blended.

Stir in apple, raisins, and coleslaw.

Mix together.

Fold diced mango into slaw.

Cover and refrigerate for 1 hour to blend flavors.



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Real Estate For Today

Household Tips Caring for Crystal and Glassware

Glassware has been around since 3,500 B.C., captivating the people of ancient Egypt and Rome. Artisans across Europe refined the formula over many generations, but it wasn't until the 17th century that the English added lead oxide to the mix—giving crystal its characteristic sparkle and shine!

In other words, those wine glasses in your cupboard represent *thousands* of years of innovation... and the following tips can keep them pristine for years to come.

Lemon Peel Shine: When life gives you lemons, save the peels and drop them in the rinse water. The acid cuts through grease and gives it a clear shine.

Avoid Extreme Temperatures: Very cold and very hot water can compromise the underlying structure.

Twist to Dry: To dry a wine glass, wrap the towel gently around it, hold it at the stem, and twist the stem at the base until the towel has absorbed the moisture. Squeezing the top of a delicate glass can break it!

Polishing: Create a thin paste with water and baking soda, then rub the mixture on the glass or crystal in a small circular motion. Rinse thoroughly, and repeat if necessary.

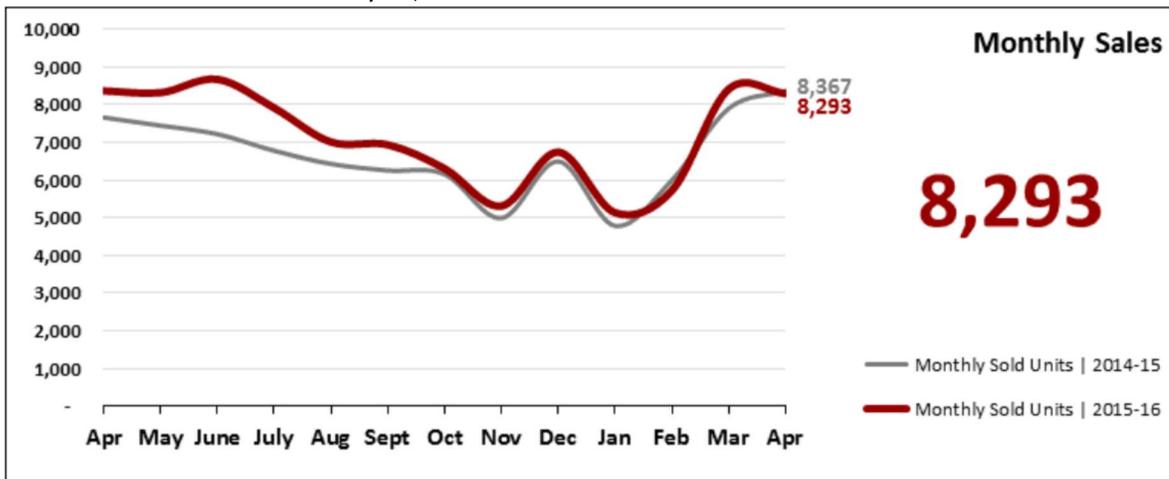




YOUR MONTHLY STATISTICS FOR THE PHOENIX METRO AREA STAT



APRIL 2016 - Published May 18, 2016

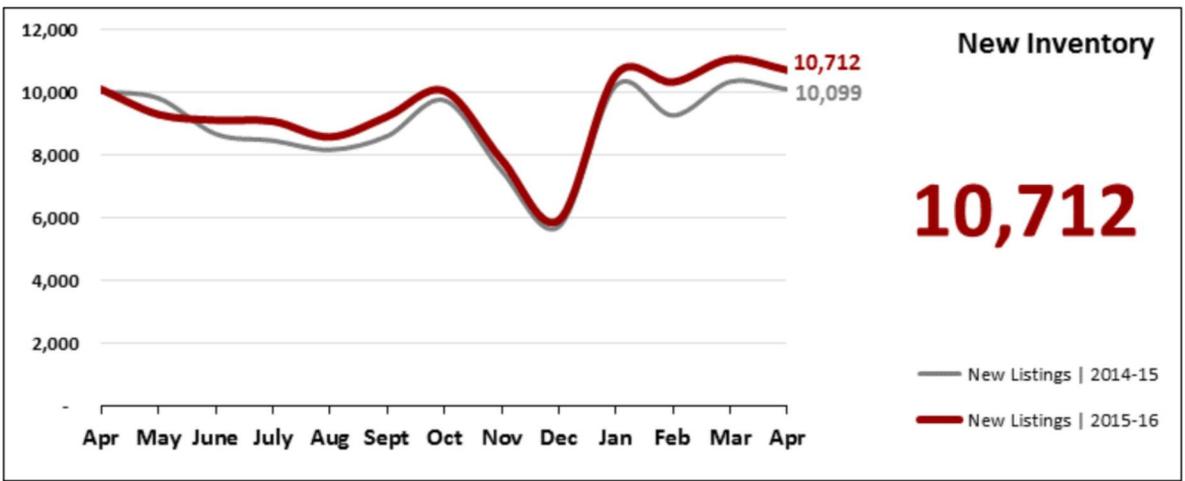


Monthly Sales

8,293

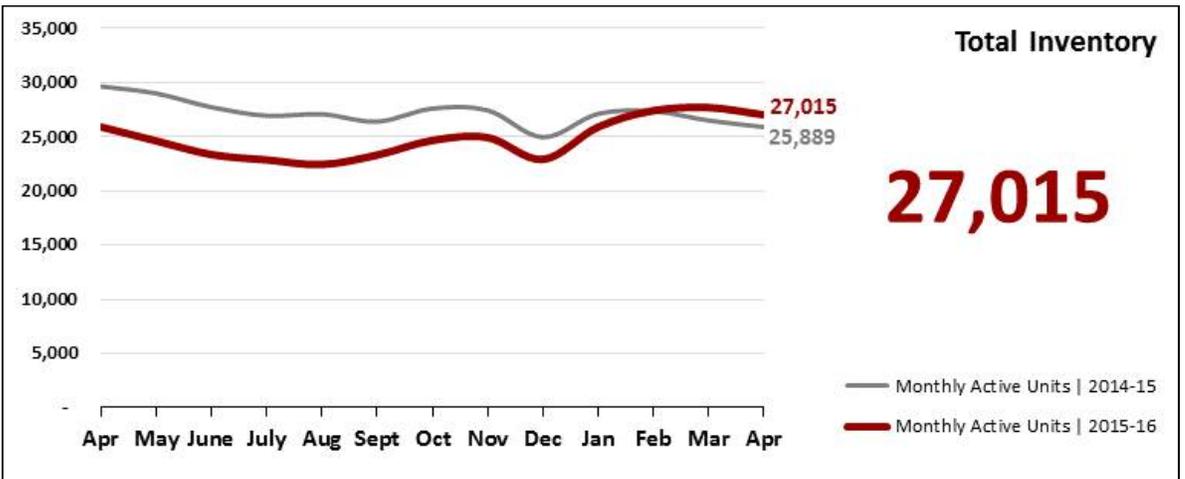
Monthly sales are down -1.4% month-over-month. The year-over-year comparison shows a decrease of -0.9%.

Closed MLS sales with a close of escrow date from 4/1/2016 to 4/30/2016, 0 day DOM sales removed



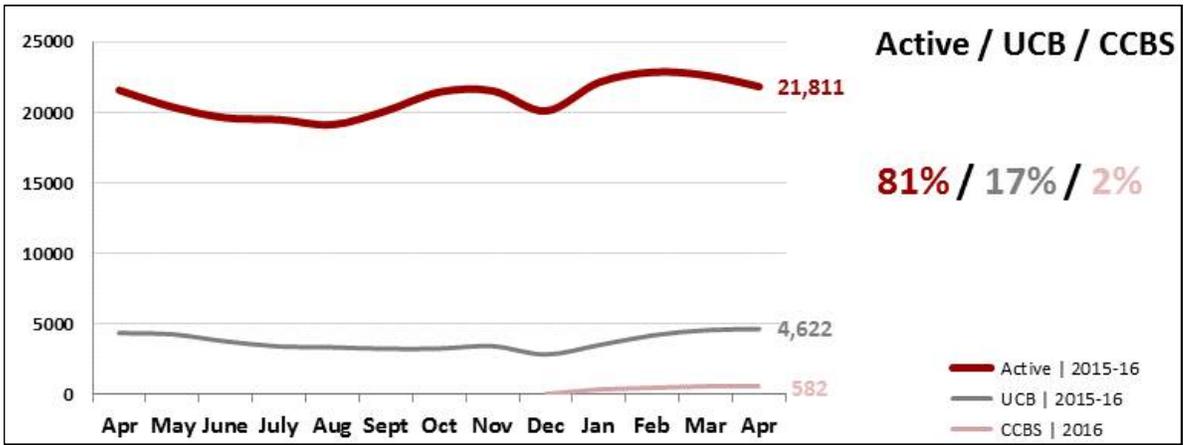
New inventory is down -3.2% month-over-month while the year-over-year comparison shows an increase of +6.1%.

New MLS listings that were active for at least one day from 4/1/2016 to 4/30/2016, 0 day DOM sales removed



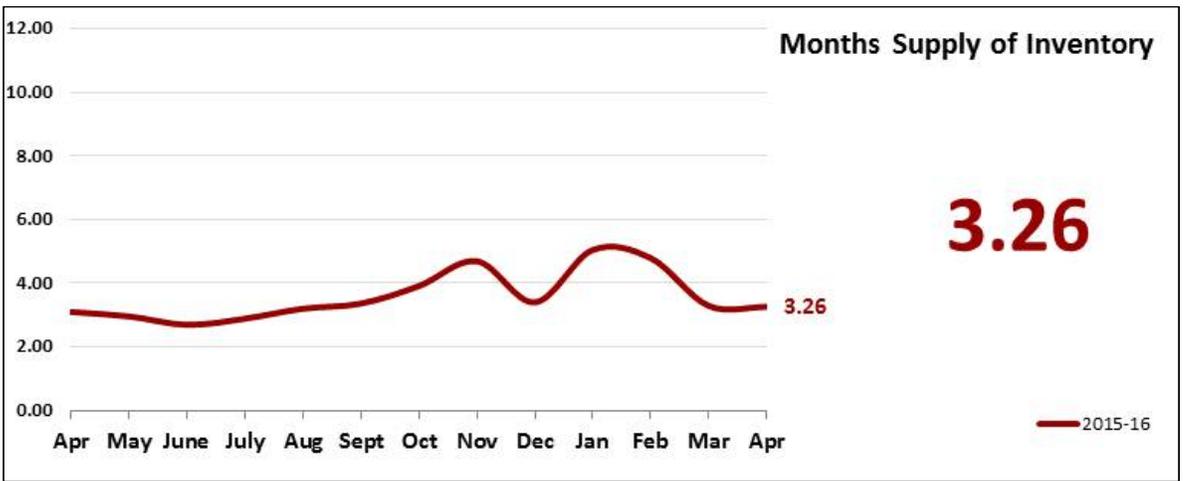
Total inventory has a month-over-month loss of -2.4% while year-over-year reflects an increase of +4.3%.

Total MLS listings that were active for at least one day from 4/1/2016 to 4/30/2016, 0 day DOM sales removed



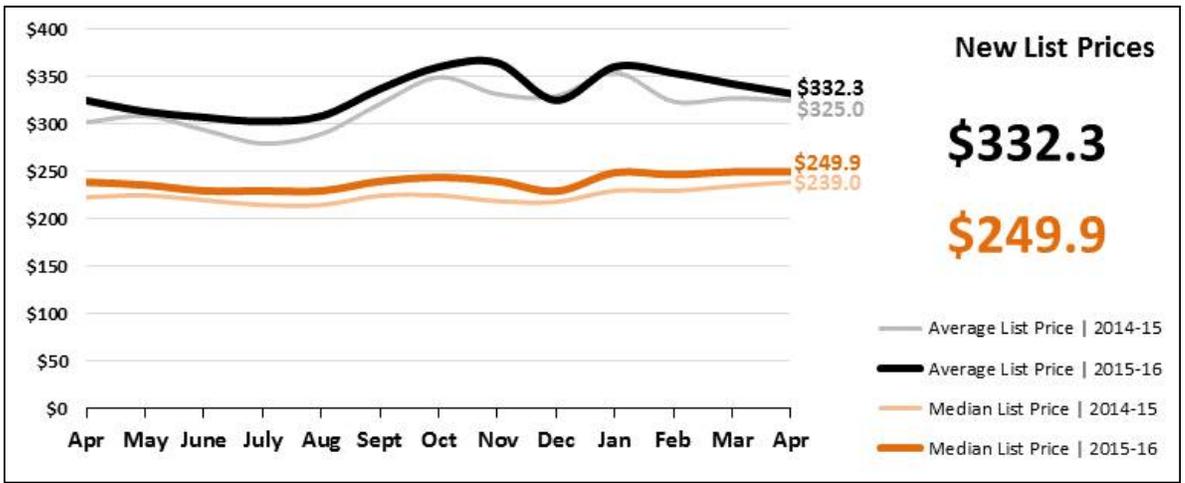
April UCB listings percent of total actives was 17.1% with CCBS listings at 2.2% of total actives.

Snapshot of statuses on 4/30/2016



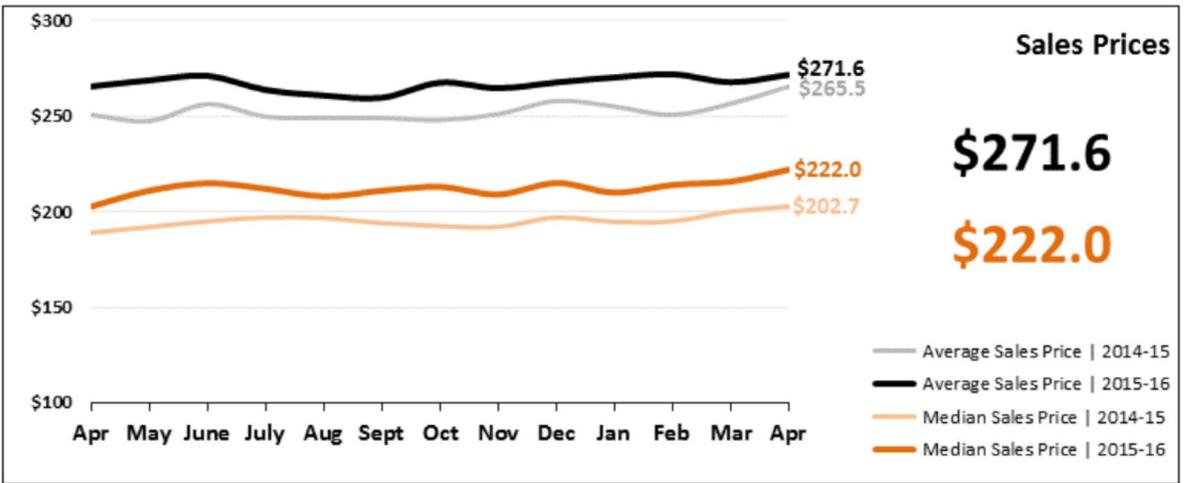
Months supply of inventory for March was 3.29 with April currently at 3.26.

Current inventory of Active/UCB/CCBS divided by the monthly sales volume of April 2016, 0 day DOM sales removed



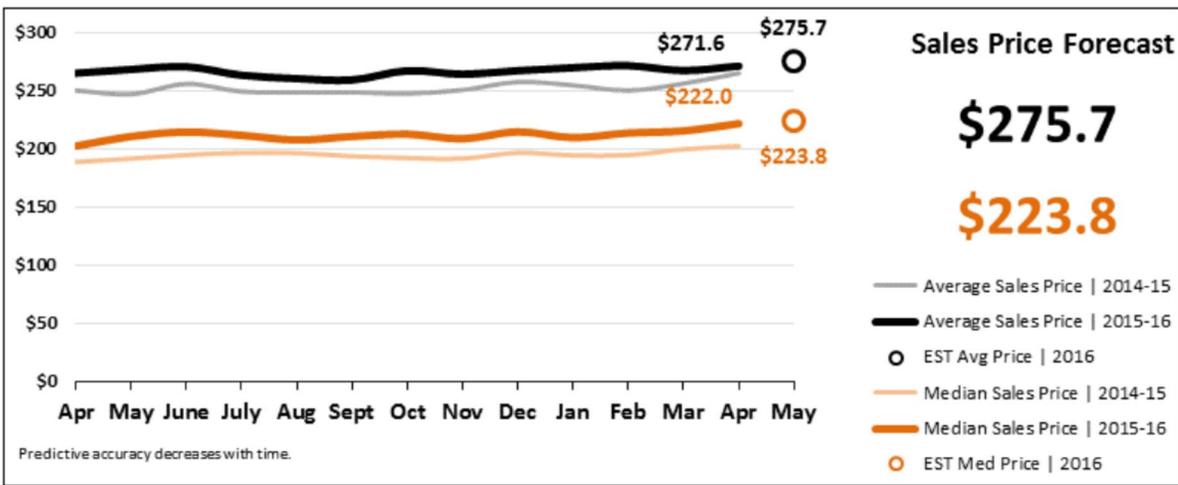
New average list prices are up +2.2% year-over-year average. The year-over-year median is up +4.6%.

List prices of new listings with list dates from 4/1/2016 to 4/30/2016, 0 day DOM sales removed



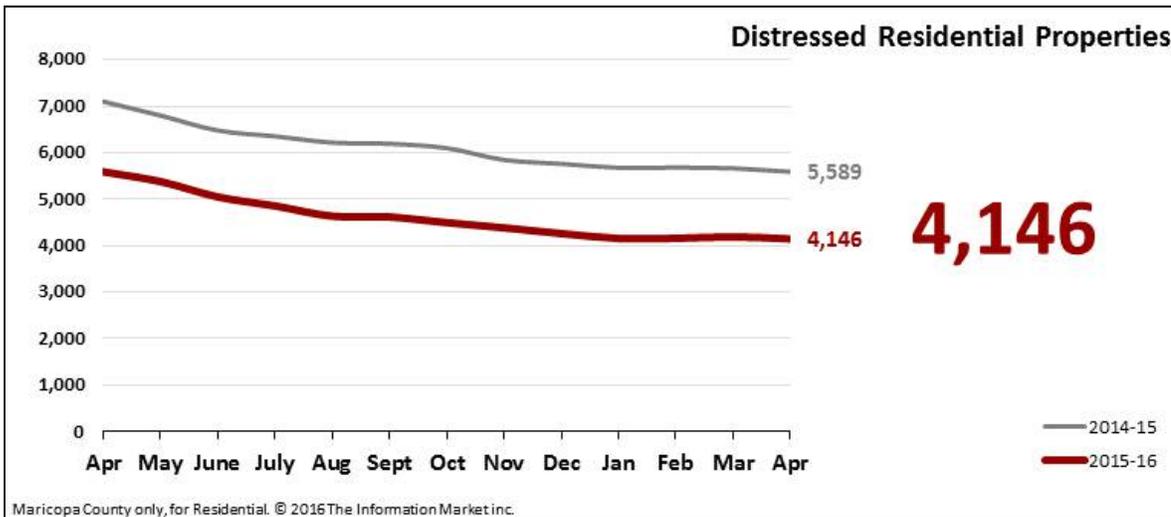
Sales prices are up +2.3% year-over-year on average while the year-over-year median is also up +9.5%.

MLS sales prices for closed listings with a close of escrow date from 4/1/2016 to 4/30/2016, 0 day DOM sales removed



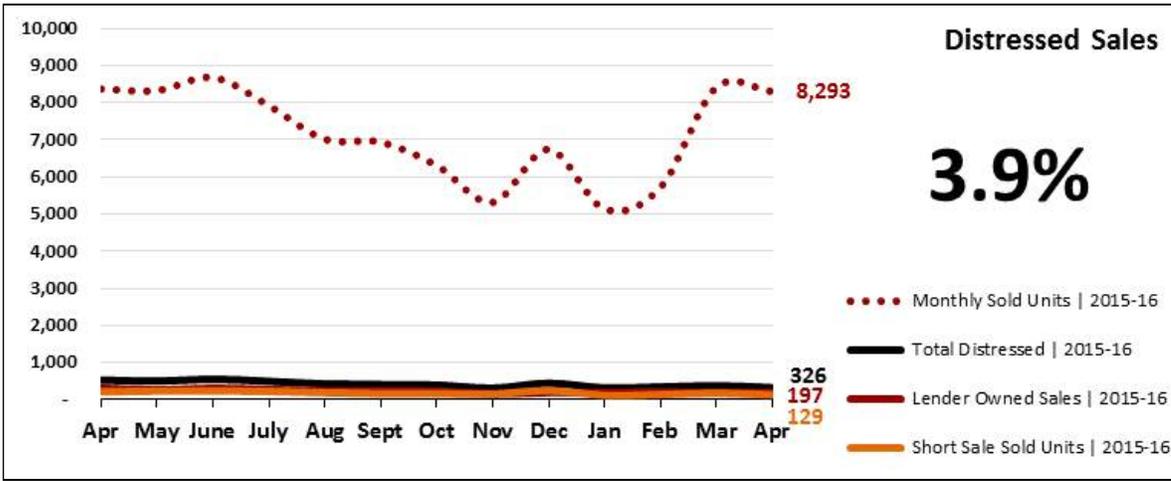
A slight increase is forecast for both median and average Sale prices in May.

ARMLS proprietary predictive model forecast, 0 day DOM sales removed



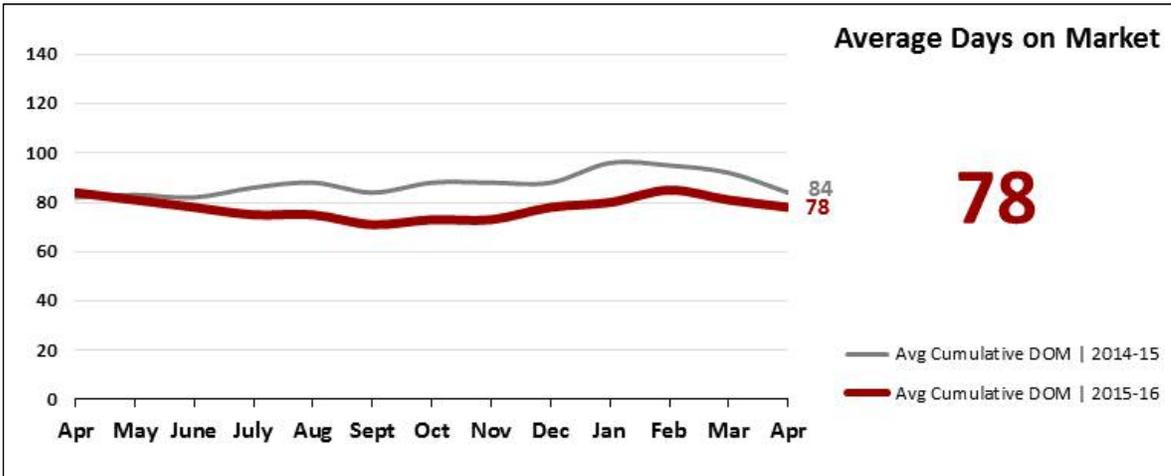
Foreclosures pending month-over-month showed -1.0% while the year-over-year figure was down -25.8%.

Snapshot of public records data on 4/30/2016 active residential notices and residential REO properties



Short sales dropped -39.4% year-over-year. Lender owned sales dropped -37.9% year-over-year. The total year-over-year changed to -38.5%.

Lender owned sales are MLS sales 4/1/2016 to 4/30/2016 where *Lender Owned/REO, HUD Owned Property* special listing conditions were selected
 Short sales are MLS sales 4/1/2016 to 4/30/2016 where *Short Sale Aprvl Req, Previously Aprvd SS or Lender Approved SS* special listing conditions were selected



Days on market fell -6 days year-over-year while month-over-month saw a drop of -3 days.

Average of all closed listings 4/1/2016 to 4/30/2016 where DOM was greater than 0

COMMENTARY

by Tom Ruff of The Information Market

The metric I'm most frequently asked about in STAT is also the metric I never mention in my commentary: Days on Market. The acronyms ADOM (Agent Days on Market) and CDOM (Cumulative Days on Market) are used by ARMLS to describe how many days a property has been available for sale. A property has to be off the MLS for at least 90 days for the CDOM to restart, even if it is listed by a different agent.

We report the average days on market for properties sold based on CDOM. The number of days a home sits on the market can tell us a lot about pricing. A high CDOM is commonly a strong indicator that the home is overpriced. On an individual listing basis, CDOM can be significant. While the CDOM can be extremely important property by property, the overall market average of these numbers tells us very little. This month in STAT I'm going to tell you very little, simply because you've asked.

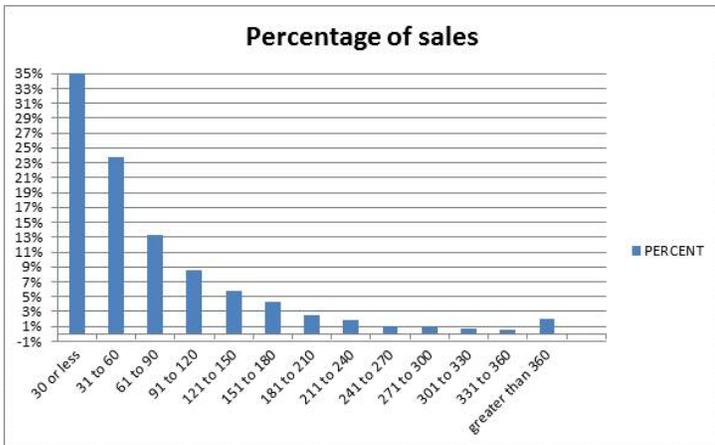
Outliers are the first issue to deal with every time I embark on a data study. A listing date, a contract date and a closing date offer multiple opportunities for errors. When viewing an individual property, the inconsistencies are obvious and correctable. When viewing the data set as a whole, we rely on the size of the sample to overcome the data inconsistencies. For the purpose of this study, we're looking at ARMLS sales for the first four months of 2016 in Maricopa County. In our research we've added a median metric.

If you want a modest tool to set seller expectations or compare your personal average CDOM to the collective of agents, the table below affords you the opportunity. It should be repeated - this is closed data, meaning the seller and buyer agreed on value.

CDOM by Sold Price

Range	Median DOM	Average DOM
Greater than \$750,000	112	174
\$500,000 to \$750,000	80	126
\$250,000 to \$500,000	61	90
Less than \$250,000	40	61
Less than \$200,000	38	60
Less than \$175,000	37	59
Less than \$150,000	36	61

Breaking down CDOM in 30 day increments for the first four months of 2016



CDOM highlights by the numbers

- 17.80 - the percentage of homes sold this year within the first 10 days
- 1.94 - the percentage of homes sold this year that were on the market for over a year
- 2,739 - the highest CDOM for any home sold this year
- 0 - the lowest CDOM for any home sold this year
- 140 - the highest average CDOM occurred in February 2008
- 25 - the lowest average CDOM occurred in July 2005
- 78 - the historical norm for the average CDOM
- 78 - the average CDOM for homes selling in 2016

CDOM can make for an interesting conversation and is important on an individual listing basis. As for the average Days on Market as reported in STAT, the metric is about as interesting as a dinner conversation with a housing analyst, which may be best avoided. The metric can give individual agents a means to compare their personal statistics to others for advertising purposes. As a means for judging the temperature of the market, supply and demand are a much more telling indicator.

The ARMLS Pending Price Index (PPI)

Our last Pending Price Index projected an April median price of \$220,000 with the actual median coming in at \$222,000, off by 0.91%. MLS sales volume in April landed at 8,293, 107 fewer sales than our projected volume of 8,400. Looking ahead to May, the ARMLS Pending Price Index projects a median sales price of \$223,839. We begin May 2016 with 7,911 pending and 4,622 UCB listings giving us a total of 12,533 residential listings practically under contract. This compares to 12,291 of the same type of listings at this time last year. We expect sales volume in May to be slightly higher than the numbers last year with an accompanying increase in the median sales price. There will be 21 business days this May compared to 20 business days in May 2015. Our projected sales volume for May is 8,500.

Sean Beckett says our final thought for this month best: "*Disappointing April employment data once again kept a lid on Treasury yields, which have struggled to stay above 1.8 percent since late March. As a result, the 30-year mortgage rate fell 4 basis points to 3.57 percent, a new low for 2016 and the lowest mark in 3 years. Prospective homebuyers will continue to take advantage of a falling rate environment that has seen mortgage rates drop in 14 of the previous 19 weeks.*" — Sean Beckett, Chief Economist, Freddie Mac.