

AUGUST 2017

Real Estate Update



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

Hello Everyone,

Hi! Kiddo's heading back to school here in Phoenix means it's high time for Wanda and I to take a vacation. By the time you're reading this, we should be in the UP of Michigan and NE Wisconsin enjoying a Great Lakes version of summer. If you need me, I will be checking messages and emails, or give my (thanks for being the BEST Broker) Broker, Brenda Breit a call at 480-970-0079. I'm out August 3 and back at work on Monday the 14th. Here's hoping you and your family have (or will have) an excellent summer vacation.

Real Estate news is primarily about status quo. Actually, that's not a bad thing. Sales have slowed a bit, but much of that simply follows a seasonal pattern. Very limited inventory (below \$350,000) remains a problem. Hopefully that inventory will grow slightly with the lighter sales pressure likely through the balance of the summer. Projections are that 2017 will likely be one of the Top 5 sales years in history, here in Phoenix. Property values are likely to show a 5% to 7% rise from last year. That has things falling back into long term pattern, which is a good sustainable thing. The Fed chose not to adjust their 'Overnight' rate, as had been anticipated, at last week's meeting. In fact, they indicated that the next rise in that rate might wait till 2018. Good news for mortgage rates. They continue to hold around 4% for a 30-year fixed. Fannie Mae announced that they are changing policy to allow for an increase in home mortgage Debt-to-Income ratio. They will start allowing up to 50% D/I, up from 45%. This is another help for home Buyers. I did see that the FHA will be disallowing some current home loan products that have allowed Buyers to purchase with less than 3.5% down. Sorry, but I think this is a positive move. Skin in the game is an important property for a home buyer, in my opinion. We should have learned that lesson back in the mid-2000's. The PHX Business Journal had an interesting report from a Smart Asset study the other week. The report listed Phoenix as having the cheapest to live costs of the Top 15 US cities. Not surprisingly, San Francisco, New York City and Los Angeles were the most expensive cities. The survey appeared to be heavily weighted with rental rates, but it confirms what most of already know. There are lots of great reasons to live here in The Valley of the Sun. One of my favorites...October...isn't too far away!

I feel fortunate to have a number of very patient prospective Buyers who understand the limited supply of available properties makes it very difficult to find that "just right" property. Patience will bring the desired result, but you'll need to act swiftly and decisively when that property presents itself. I'm looking forward to helping a few Buyers take a look at the market plus hopefully help a Seller list a home in a 55+ community, when I get back from vacation. Do you know of anyone thinking of Selling or Buying a home, especially in the East Valley? I would really appreciate a referral to that person. Thanks to you, my business grows each year.

Regards,

JSGerber 07/31/2017

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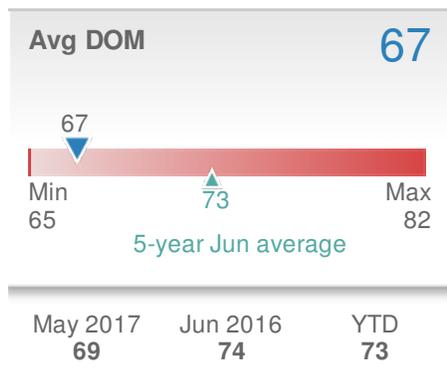
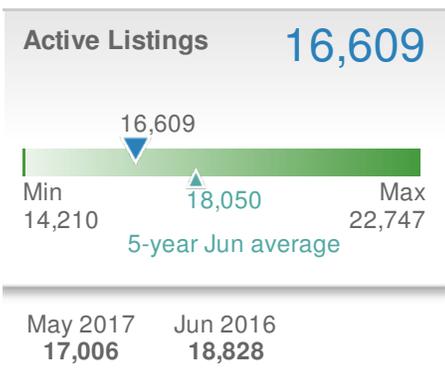
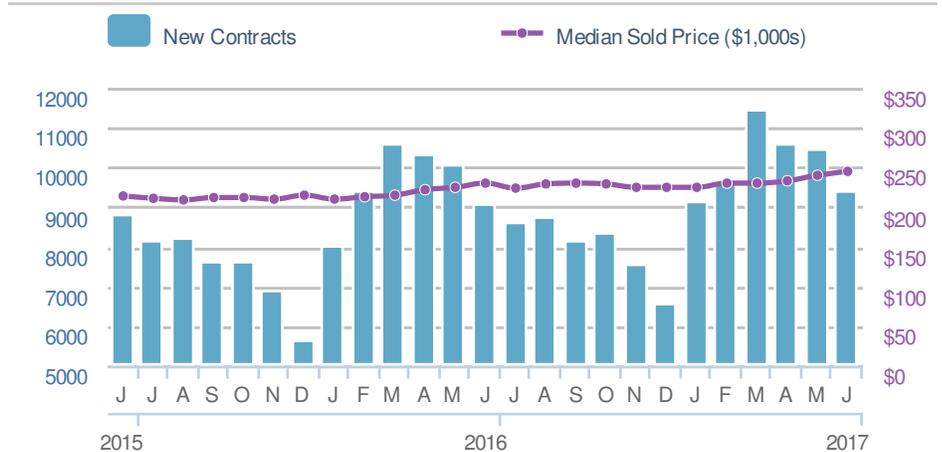


Visit my website at: www.jeffgerberrealtor.com



June 2017

Arizona Regional MLS





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Between FRIENDS

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Buying or selling a home on your own can be a bit overwhelming. Contact me to learn how my knowledge and experience can guide you through your next transaction.



Are 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 homeownership 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.

Health & Safety

Garage Door Safety

A garage door is perhaps the largest, heaviest moving object in your home, and it's likely used every day. The following tips will help ensure that your garage door is properly maintained and operated at all times.



A safe garage door begins with maintenance—clean and oil the hinges, rollers, and tracks every six months. Conduct a visual inspection monthly for signs of damage or wear, and call a trained repair technician to diagnose any issues. For automatic opener systems, the Consumer Product Safety Commission (CPSC) recommends testing the reversing mechanism once a month by placing a roll of paper towels in the path of the door. If the door touches the roll and does not reverse, call a technician. If your opener system is more than 10 years old, consider a replacement that includes standard safety features like auto-reverse.

The CPSC and the National Safety Council also have guidelines for families with young children. Warn children that garage doors can be dangerous and do not let them play around or under doors. Adults should keep remote and wall controls out of the reach of children. Consult the owner's manual for instructions on how to use the emergency release feature in case of an emergency.

Real Estate Today

What Makes a Home a Good Buy?



Home buyers spend a lot of time searching for a home that meets their current needs, but don't always take into account the property's future salability.

Here are three factors to consider when house hunting:

Value – The first thing to consider before you buy a home is its future monetary potential. Talk with your real estate agent about the current market and how changes might affect the home's value over time to ensure you're making a good investment.

Location – A house might be the ugly duckling on the block, but if it's located in a good school district with high neighborhood walkability and low crime, that house instantly becomes a swan to potential buyers.

Demand – Home features that are popular and trendy today may not be down the line when you're ready to sell. Keep in mind that real estate trends are like fashion fads: one day they're in and the next day they're out. Opting for more conventional features when house hunting might increase future demand for your home.

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Is someone you know thinking about buying or selling a home? Send them my way! I can offer advice for staging a home, securing financing, negotiating contracts, and more.



Savor the Flavor

Simple Sugar Cookies

**1 cup unsalted butter,
warmed to room temperature**

**1 1/2 cup granulated
white sugar, divided**

1 cup packed brown sugar

2 tsp vanilla extract

1 large egg

3 cups all-purpose flour

3/4 tsp baking powder

1/4 tsp salt

Beat butter, 1 cup of white sugar, brown sugar, and vanilla extract in a stand mixer with a paddle attachment until light and fluffy.

Add egg and beat to mix. Beat on low speed and slowly add the flour, baking powder, and salt.

Wrap the dough and chill in the refrigerator for at least two hours.

Preheat oven to 375° and line a baking sheet with parchment paper or a silicone mat.

Remove the dough from the refrigerator.

Roll dough between the palms of your hands to form 1 1/2 inch balls.

Roll the balls of dough in remaining sugar and place on the baking sheet about 2 inches apart.

Press the balls into disks and sprinkle a little extra sugar on each.

Bake at 375° for 12 minutes, or until edges turn golden brown.

Cool for 10 minutes on the baking sheet, then transfer to a wire rack to cool completely.



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Household Tips Back-to-School Safety Tips for Parents

The start of a new school year can be an exciting and stressful time for children and parents. Send kids off to school safely by going over these safety topics as a family.

Transportation – Warn children of the potential safety hazards when getting on and off the bus, and when walking to the bus stop. Kids who ride their bikes to school should use hand signals, follow traffic rules, and wear helmets. Teach children who walk to school to always use crosswalks, watch for cars making sudden turns into and out of driveways, and never walk while texting or talking on the phone.

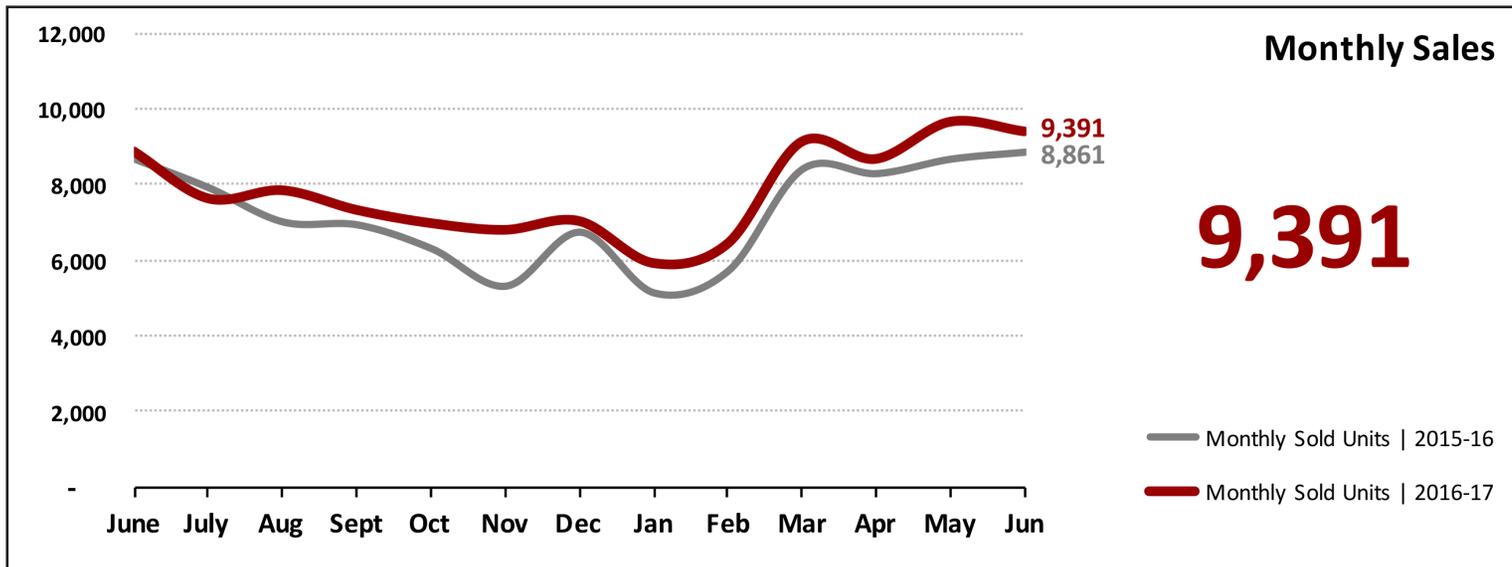
Bullying – To protect your child from being bullied, or becoming a perpetrator, help them understand that acting in abusive ways is unacceptable and harmful to all involved. Remind your child to express his or her feelings and emotions with kind words instead of destructive behaviors.

Violence – All schools work to prevent school violence and ensure schools are very safe places. Be familiar with your child's school emergency plan, and verify that it properly monitors all who enter and exit the school grounds.





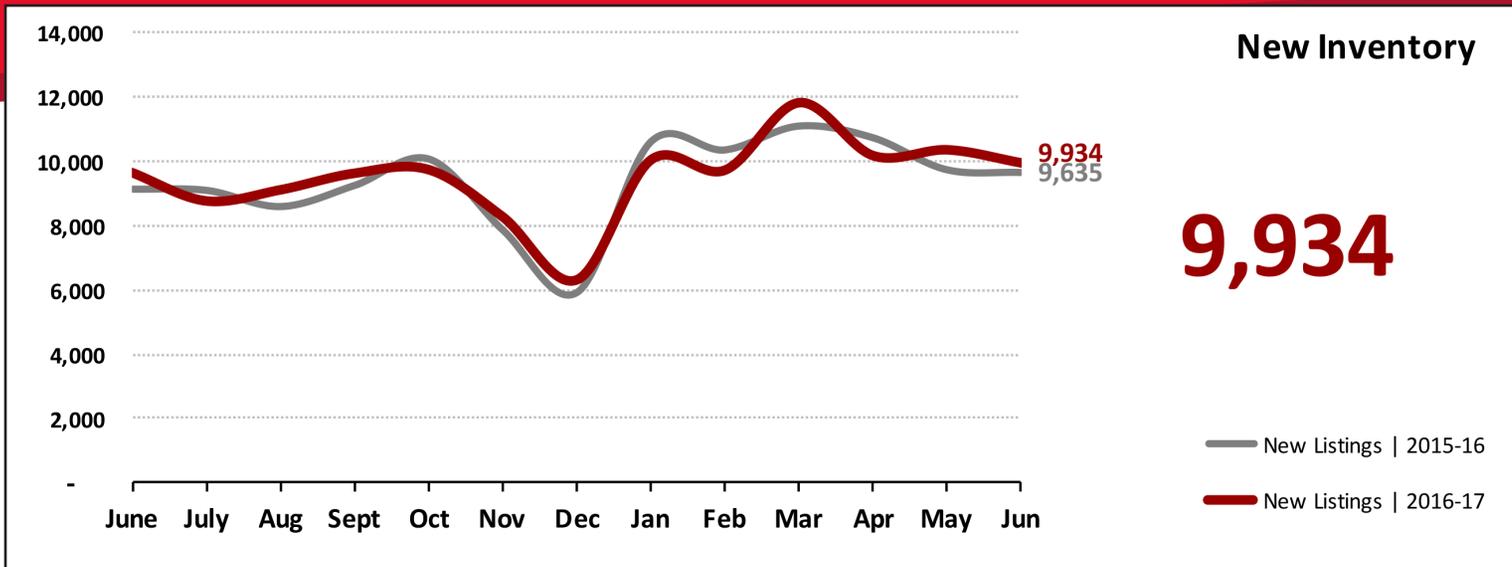
DATA FOR JUNE 2017 - Published July 26, 2017



Sales are down -2.6% month-over-month. The year-over-year comparison shows an increase of +6.0%.

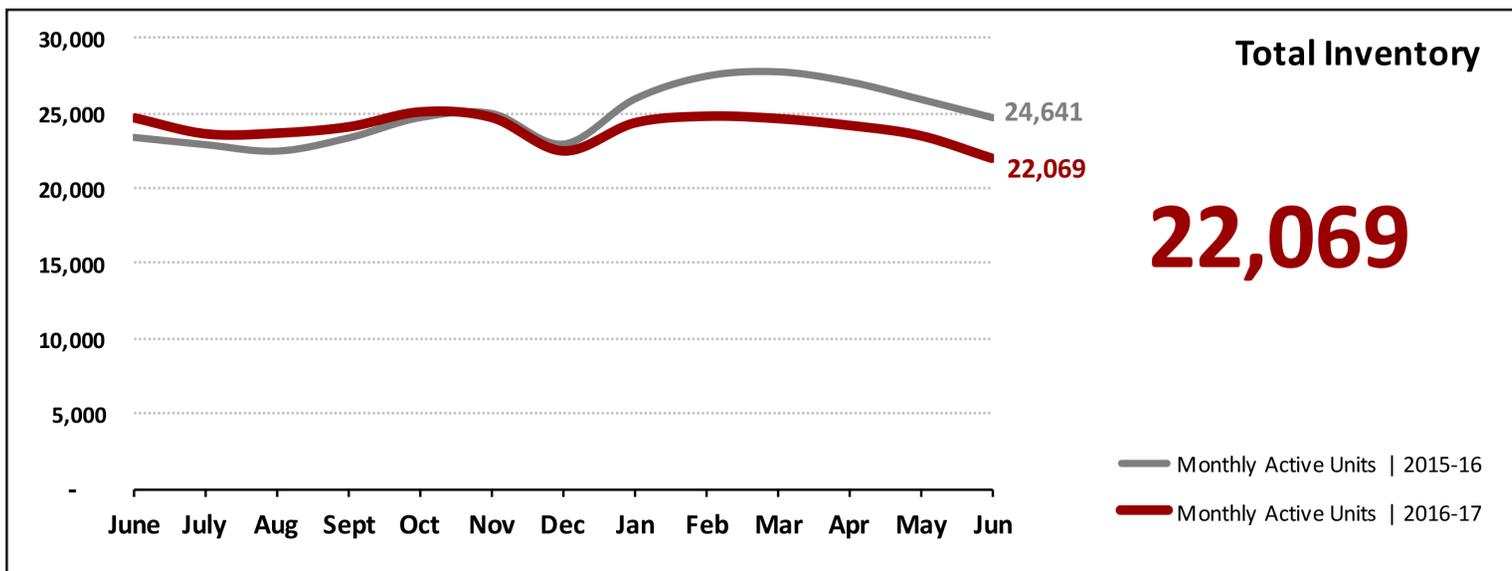
9,391

Closed MLS sales with a close of escrow date from 6/1/2017 to 6/30/2017, 0 day DOM sales removed



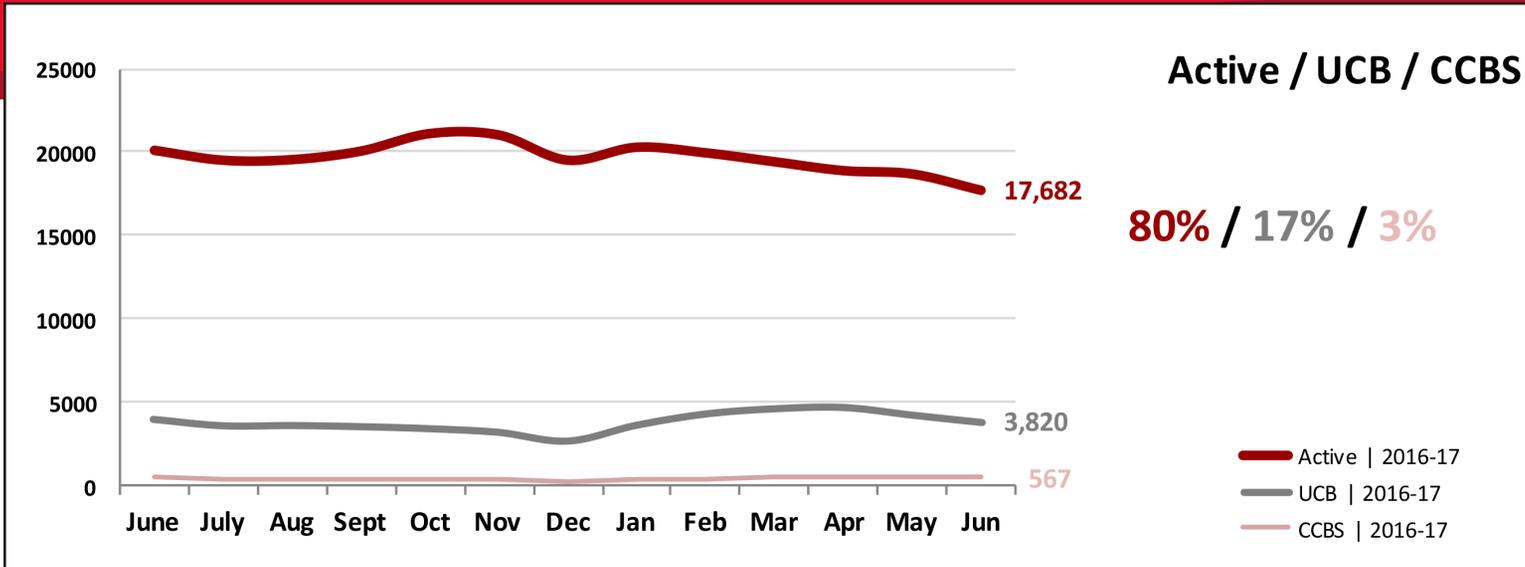
New inventory is down -4.0% month-over-month while the year-over-year comparison shows an increase of +3.1%.

New MLS listings that were active for at least one day from 6/1/2017 to 6/30/2017, 0 day DOM sales removed



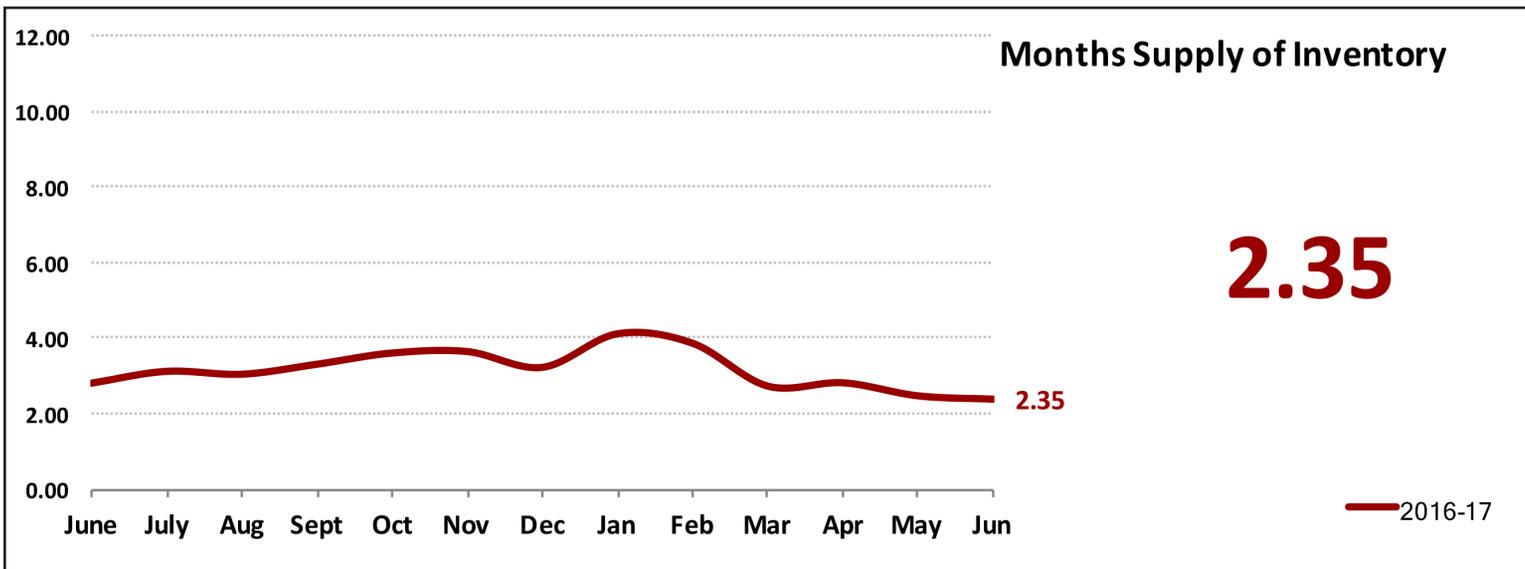
Total inventory has a month-over-month decrease of -6.2% while year-over-year reflects a decrease of -10.4%.

Snapshot of statuses on 6/30/2017



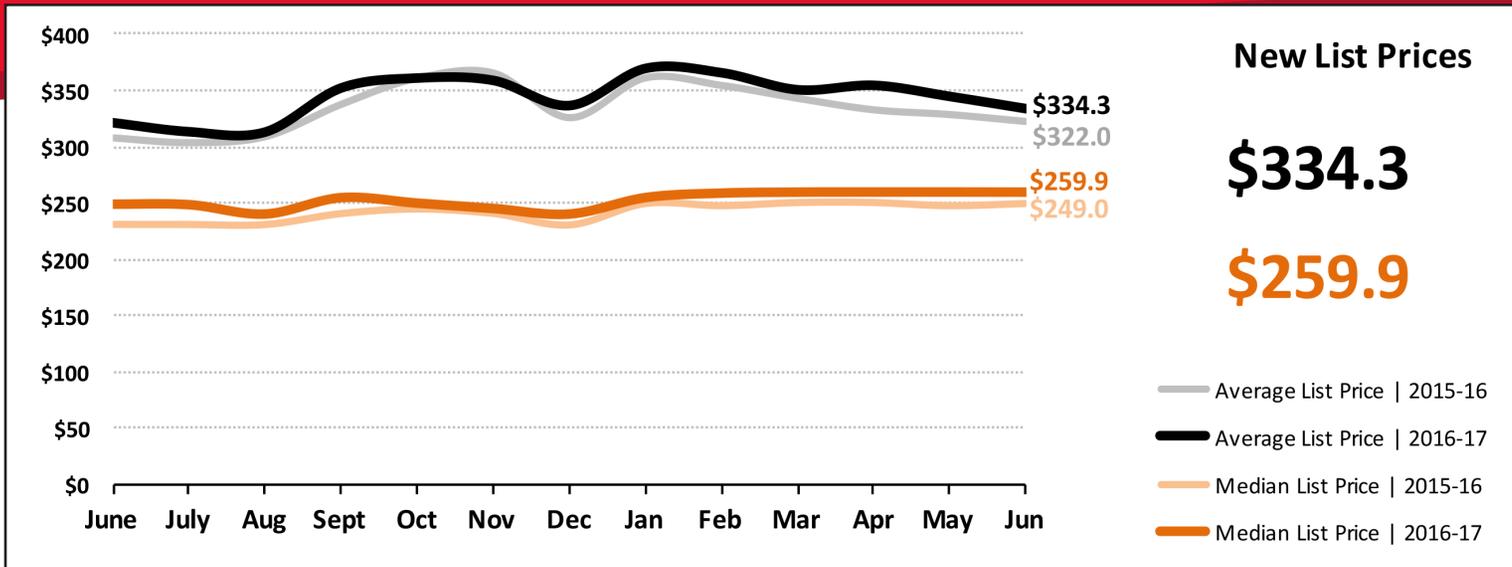
June UCB listngs percent of total inventory was 17.3% with June CCBS listngs at 2.6% of total inventory.

Snapshot of statuses on 6/30/2017



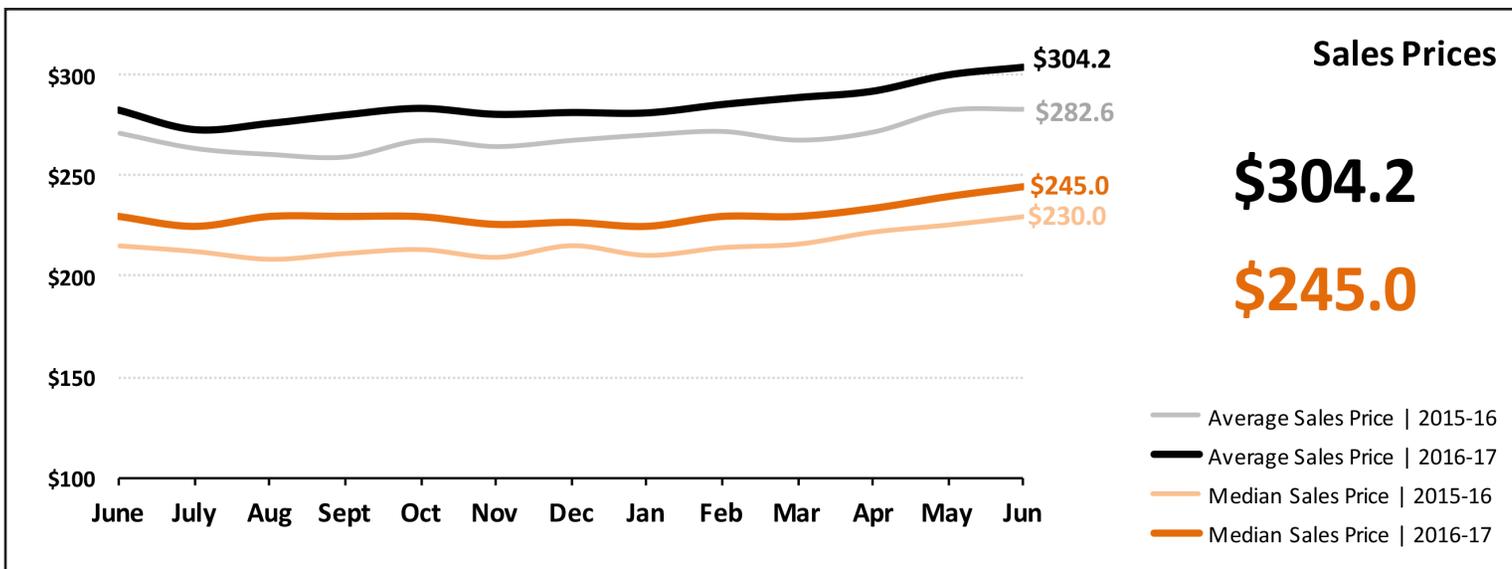
Months supply of inventory for May was 2.44 with June at 2.35.

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



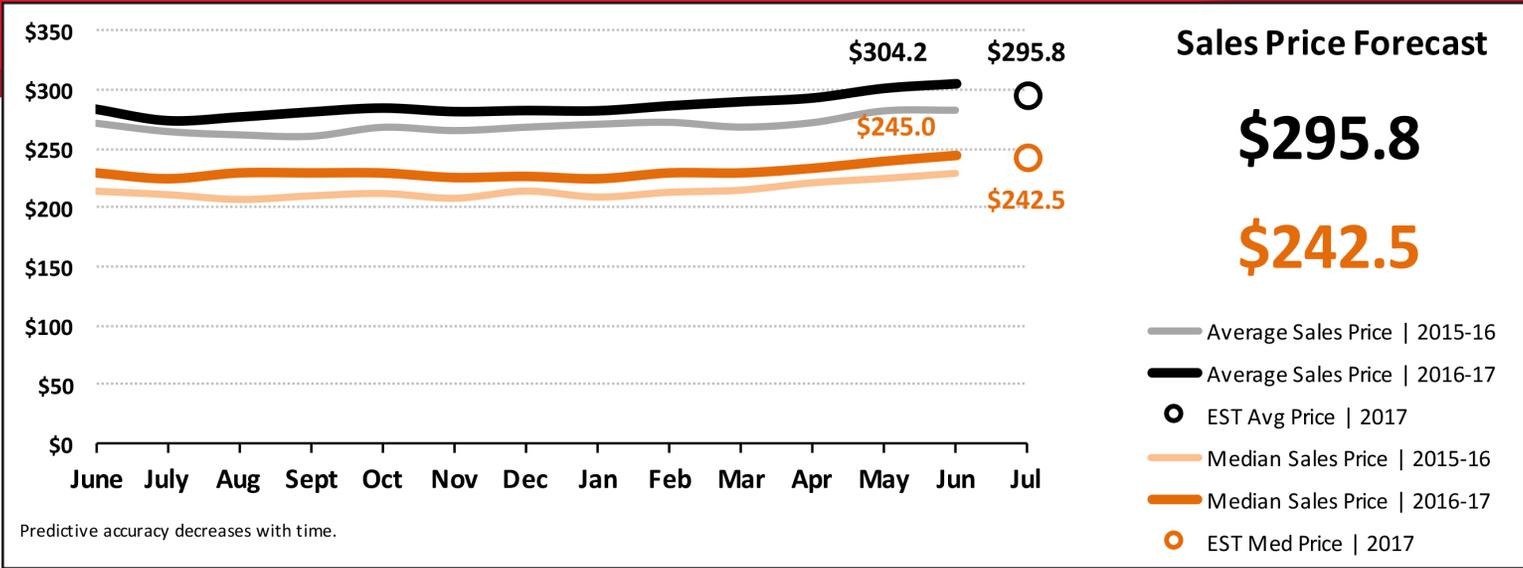
Average new list prices are up +3.8% year-over-year. The year-over-year median is 4.4%.

List prices of new listings with list dates from 6/1/2017 to 6/30/2017, 0 day DOM sales removed



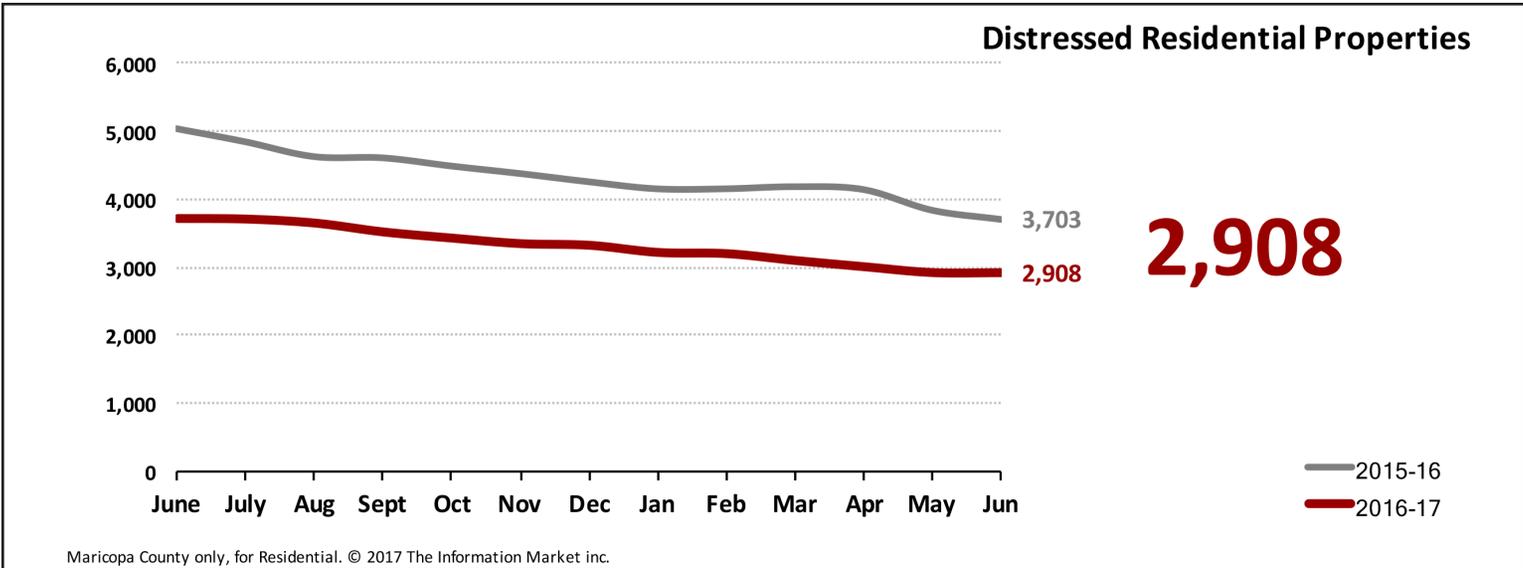
The average sales price is up +7.6% year-over-year while the year-over-year median sales price is also up +6.5%.

MLS sales prices for closed listings with a close of escrow date from 6/1/2017 to 6/30/2017, 0 day DOM sales removed



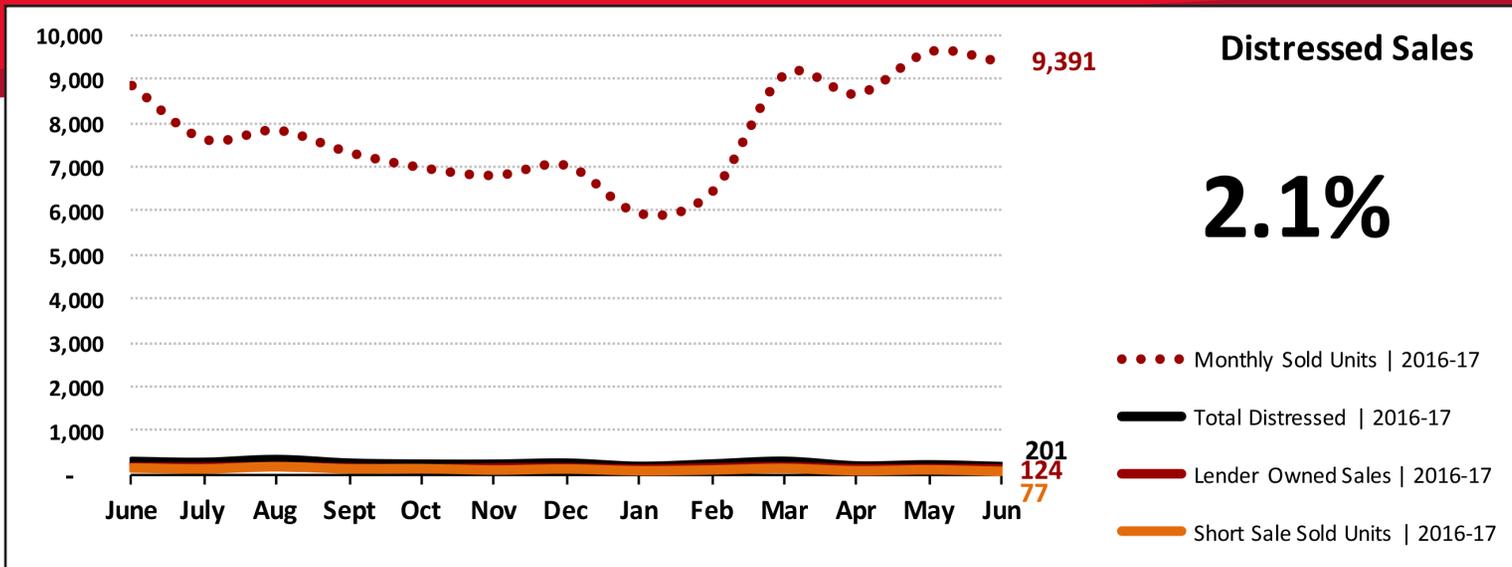
A slight decrease is forecasted for average sales price with median sales price also decreasing in July.

ARMLS proprietary predictive model forecast, 0 day DOM sales removed



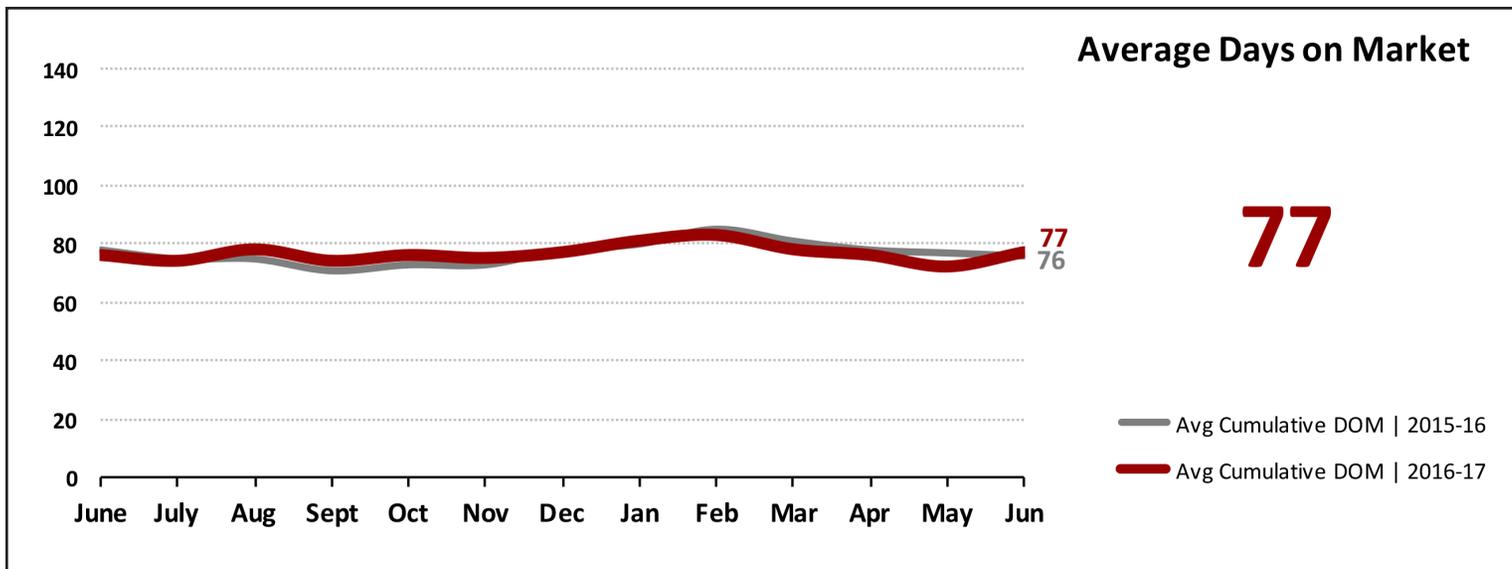
Foreclosures pending month-over-month showed no change at 0.0% while the year-over-year figure was down -21.5%.

Snapshot of public records data on 6/30/2017 active residential notices and residential REO properties



Distressed sales accounted for 2.1% of total sales, down from the previous month of 2.4%. Short sales dropped -44.2% year-over-year. Lender owned sales dropped -25.7% year-over-year.

Lender owned sales are MLS sales 6/1/2017 to 6/30/2017 where Lender Owned/REO, HUD Owned Property special listing conditions were selected
 Short sales are MLS sales 6/1/2017 to 6/30/2017 where Short Sale Aprvl Req, previously Aprvrd SS or Lender Approved SS special listing conditions were selected 0 day DOM sales removed



Days on market were up +1 day year-over-year and up +5 days month-over-month.

MLS sales prices for closed listings with a close of escrow date from 6/1/2017 to 6/30/2017, 1 day DOM sales removed

With the first half of 2017 in the books, this month's STAT will look at the first six months of 2017 in a historical context. Plus, I'll give my opinion as to what the second half of the year might look like. For this analysis, we'll look at the basic charts in STAT that provide the meat and potatoes of demand housing statistics: sales volume and sales pricing.

For the first half of 2017, we reported the third highest sales volume in the 17 years we've been reporting sales numbers. The 49,181 sales reported in 2017 were less than only the 2005 total of 54,142 and the 2011 total of 53,896. We should not lose sight of the significance of the two years that surpassed this year's total. First, 2005 went down in the history books as the year our housing bubble rapidly inflated.

Second, 2011 was the year housing prices bottomed out after the housing market collapse and cash investors began seizing the opportunity. This leaves 2017 as the very best year for valley resale homes in our history not influenced by some freakish market outlier. Our current market strength is driven by traditional and first-time home buyers.

SALES VOLUME BY MONTH AND YEAR – JANUARY TO JUNE

Year	January	February	March	April	May	June	TOTAL
2001	3,700	4,609	5,704	5,833	6,244	6,164	32,254
2002	4,016	4,403	5,732	6,131	6,783	6,404	33,469
2003	4,760	5,493	6,545	7,464	7,468	7,495	39,225
2004	5,118	6,196	8,744	8,971	9,019	10,019	48,067
2005	6,632	7,781	9,987	9,600	9,890	10,252	54,142
2006	5,266	5,918	7,497	6,798	7,573	7,214	40,266
2007	4,389	4,958	5,990	5,535	5,795	5,438	32,105
2008	2,912	3,448	4,293	4,879	5,656	5,748	26,936
2009	4,742	5,477	7,636	8,564	9,284	9,327	45,030
2010	5,789	6,594	8,969	9,261	9,077	9,280	48,970
2011	6,541	7,157	9,933	9,331	9,809	11,125	53,896
2012	6,455	7,249	8,869	8,435	8,442	9,129	48,579
2013	5,828	6,630	8,136	8,754	9,436	8,228	47,012
2014	4,797	5,474	6,712	7,659	7,445	7,219	39,306
2015	4,784	5,990	7,900	8,367	8,319	8,674	44,034
2016	5,131	5,718	8,412	8,293	8,676	8,861	45,091
2017	5,932	6,435	9,116	8,666	9,641	9,391	49,181

When we combine the average sales prices with the average sales volume, we come up with the number most important to listing and selling agents: dollar sales volume. The dollar sales volume for the first half of 2017 was \$14,421,738,753, the second highest total ARMLS has ever reported. The dollar volume in the first half of 2017 was 95% of the record dollar volume of 2005 at \$15,247,743,200.

MONTHLY DOLLAR SALES VOLUME

Year	January	February	March	April	May	June	Total:
2001	636,030,000	782,147,300	1,003,333,600	1,005,025,900	1,081,460,800	1,110,752,800	5,618,750,400
2002	739,345,600	749,390,600	1,015,710,400	1,103,580,000	1,242,645,600	1,205,232,800	6,055,905,000
2003	876,792,000	1,020,050,100	1,235,041,500	1,397,260,800	1,485,385,200	1,513,990,000	7,528,519,600
2004	1,054,819,800	1,263,984,000	1,858,100,000	1,873,144,800	1,939,085,000	2,323,406,100	10,312,539,700
2005	1,694,476,000	1,938,247,100	2,709,473,100	2,692,800,000	2,967,989,000	3,244,758,000	15,247,743,200
2006	1,774,115,400	1,976,612,000	2,478,508,200	2,237,221,800	2,614,199,600	2,511,193,400	13,591,850,400
2007	1,502,793,600	1,650,518,200	2,071,941,000	1,847,583,000	2,030,568,000	1,900,037,200	11,003,441,000
2008	912,620,800	1,010,608,800	1,259,136,900	1,354,410,400	1,523,726,400	1,520,346,000	7,580,849,300
2009	855,115,376	944,032,151	1,214,734,880	1,367,508,084	1,517,804,024	1,600,326,660	7,499,521,175
2010	1,017,185,190	1,146,498,780	1,598,150,234	1,586,418,561	1,607,827,164	1,670,000,960	8,626,080,889
2011	1,026,793,098	1,113,664,985	1,567,407,534	1,505,062,307	1,557,473,020	1,779,310,250	8,549,711,194
2012	1,081,057,580	1,207,871,874	1,601,892,173	1,596,003,220	1,728,195,588	1,774,020,312	8,989,040,747
2013	1,214,561,028	1,435,454,670	1,818,778,392	1,994,616,408	2,243,909,108	1,949,657,512	10,656,977,118
2014	1,164,366,216	1,326,881,178	1,669,710,680	1,919,077,335	1,842,019,565	1,849,681,056	9,771,736,030
2015	1,219,848,240	1,501,082,020	2,026,318,400	2,221,187,490	2,235,257,067	2,350,480,520	11,554,173,737
2016	1,386,160,174	1,554,632,712	2,252,287,764	2,252,727,106	2,447,013,744	2,504,331,264	12,397,152,764
2017	1,668,131,788	1,836,735,615	2,633,156,600	2,531,633,244	2,895,066,967	2,857,014,539	14,421,738,753

Curious on how prices today compare to our all-time high? The average sales price in June 2017 was \$304,229 and the all time high was \$350,400 in May of 2007. We are currently at 87% of our all-time peak price based on the current

Median Sales Price												
Year	January	February	March	April	May	June	July	August	September	October	November	December
2001	122,000	124,900	127,500	128,500	129,900	133,900	133,000	129,000	128,000	126,900	128,000	129,000
2002	138,000	134,000	129,900	135,000	139,500	141,000	140,000	140,000	139,000	142,000	141,000	145,000
2003	143,100	140,000	145,000	145,000	149,900	151,500	153,000	153,900	150,000	149,900	149,500	151,000
2004	150,500	150,000	155,000	155,000	160,500	169,000	168,000	168,000	170,000	174,900	176,000	181,900
2005	188,000	190,000	206,000	220,000	235,000	249,900	252,000	255,500	260,000	256,900	255,000	255,000
2006	254,900	252,000	255,000	255,000	259,900	264,800	257,000	254,900	249,900	250,000	250,000	250,000
2007	250,000	247,900	252,500	250,000	255,000	255,000	250,000	245,000	234,900	235,000	232,500	229,000
2008	220,000	213,800	210,000	210,000	204,900	198,900	190,000	185,000	170,000	164,000	150,000	143,000
2009	130,000	125,000	119,900	115,500	119,900	125,000	125,000	126,000	130,000	128,000	130,000	126,500
2010	124,900	125,000	128,000	128,000	130,000	127,419	125,000	119,000	119,500	120,000	115,000	110,250
2011	110,000	109,900	110,000	111,000	108,300	110,500	109,000	109,900	114,900	112,000	115,000	117,000
2012	120,000	122,000	129,900	138,000	145,000	141,000	145,500	146,000	150,000	150,000	155,000	154,000
2013	154,900	160,000	167,500	172,000	175,000	180,000	185,000	180,242	185,000	185,000	184,000	185,000
2014	182,500	180,000	187,000	189,000	192,000	195,000	197,000	196,700	194,000	192,500	192,000	197,000
2015	194,700	195,000	200,000	202,745	211,000	214,900	212,000	208,000	211,000	213,000	209,000	215,000
2016	210,000	214,000	215,750	222,000	225,700	230,000	225,000	230,000	230,000	229,900	226,000	227,000
2017	225,000	230,000	230,000	234,000	240,000	245,000						

When we view sales prices in the context of median prices we see a 6.5% increase in year-over-year values. Our current median price is \$245,000 with our all time high occurring in June of 2006 at \$264,800. Our current median sales price is 92.5% of our all time peak.

What's Ahead

Our market is stable and healthy and I expect the second half of 2017 to follow recent annual trends. I anticipate sales volume for the second half of the year to be slightly less than what we saw in the first six months and seasonal pricing patterns will begin to take hold. In my personal opinion, a zero price gain or even a slight decline in prices in the second half would be a good thing. Even with no gain or a slight drop in prices, our annual price growth would be between 5% and 7%. When we report our final numbers for 2017, I suspect we'll see the fourth best sales volume numbers in our history. We had a very strong close to 2004 and we'll see the second highest dollar sales volume behind only 2005. All in all, 2017 is shaping up to be an outstanding year for ARMLS subscribers

PPI

Last month STAT projected a median sales price for June of \$245,000. The actual median sales price was \$245,000, proving algorithms sometimes get it right. Looking ahead to July, the ARMLS Pending Price Index projects a median sales price of \$242,500, a slight dip

from June. Overall this year, our mathematical projections have been trending slightly lower than the actual results.

MLS sales volume in June 2017 was 9,391, roughly 6.0% higher than last year (8,861). Sales volume for the first six months of 2017 is 9.1% higher than 2016, with 49,181 sales in 2017 compared to 45,091 for the first six months of 2016. Like June, we enter July with fewer residential listings practically under contract this year. We begin July with 6,619 pending contracts, 3,820 UCB listings and 567 CCBS giving us a total of 11,006 residential listings practically under contract. This compares to 11,493 of the same type of listings to the time last year. With the recent change in the relationship between pending contracts and actual sales, I expect sales volume in July to exceed last year's total, although sales numbers in July will definitely drop from sales numbers in June. A drop in the median sales price and month-over-month sales volume would not be unexpected as seasonal patterns come into play.