

# Phoenix Real Estate Snapshot

## *2006 Home Sales*

Prepared By: Aimee Burrell, GRI  
Prepared For: Our Valued Clients  
Date: January 1, 2007

THE TIPTON TEAM  
RE/MAX POWER REALTY



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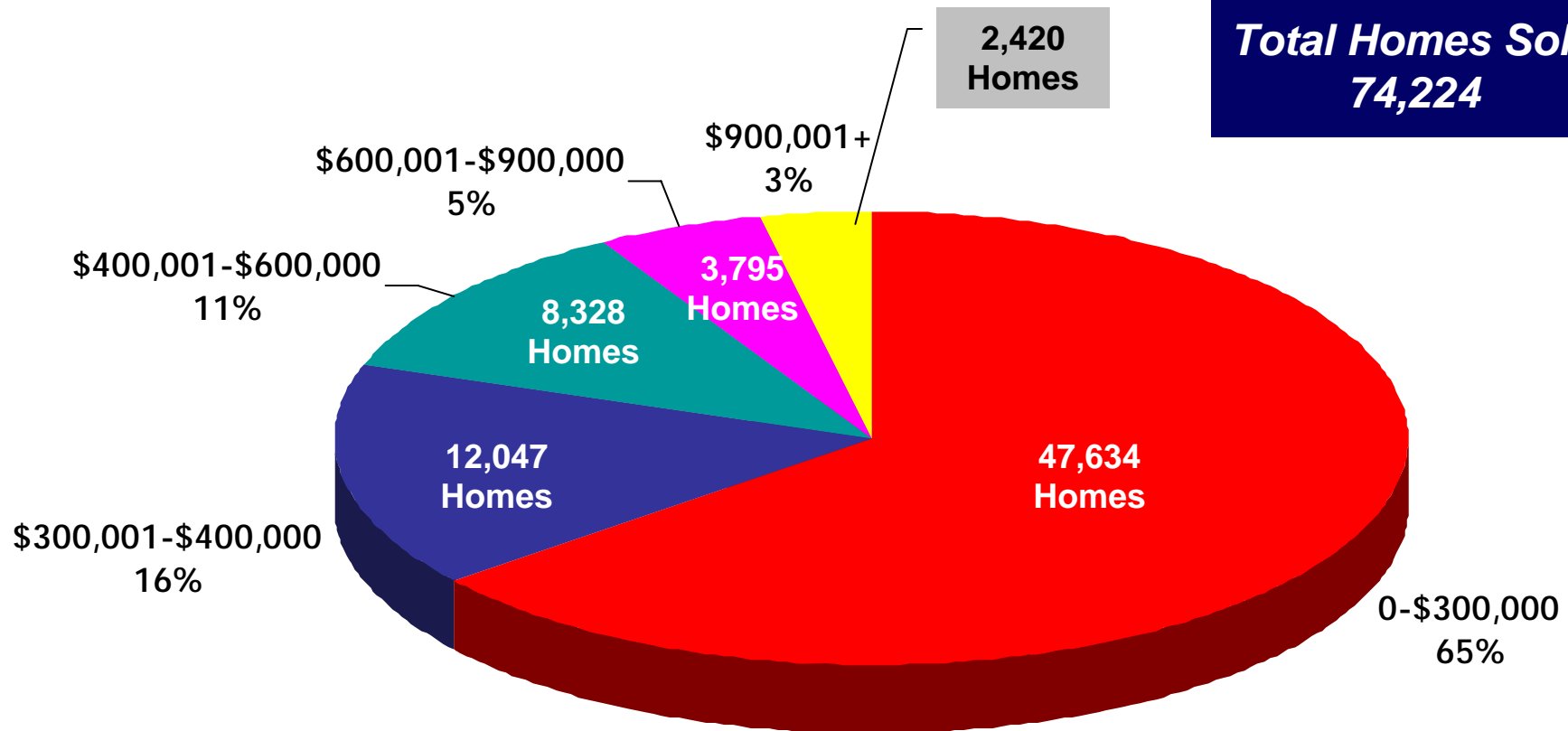


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# Phoenix Market 2006 Home Sales By Price Bracket



**Total Homes Sold  
74,224**



## *According to Data Obtained from the Arizona Regional MLS:*

- 74,224 Homes Sold in the Phoenix Metro Area in 2006, Down -29% versus 2005.
- 81% of These Homes Sold for Under \$600,000, with 65% of Sales Under \$300,000.

Date Sources: Arizona Regional MLS. Information deemed reliable, but not guaranteed.  
Note: Data from the Arizona Regional MLS does not represent all new construction sales.

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# Phoenix Market 2006 Home Sales



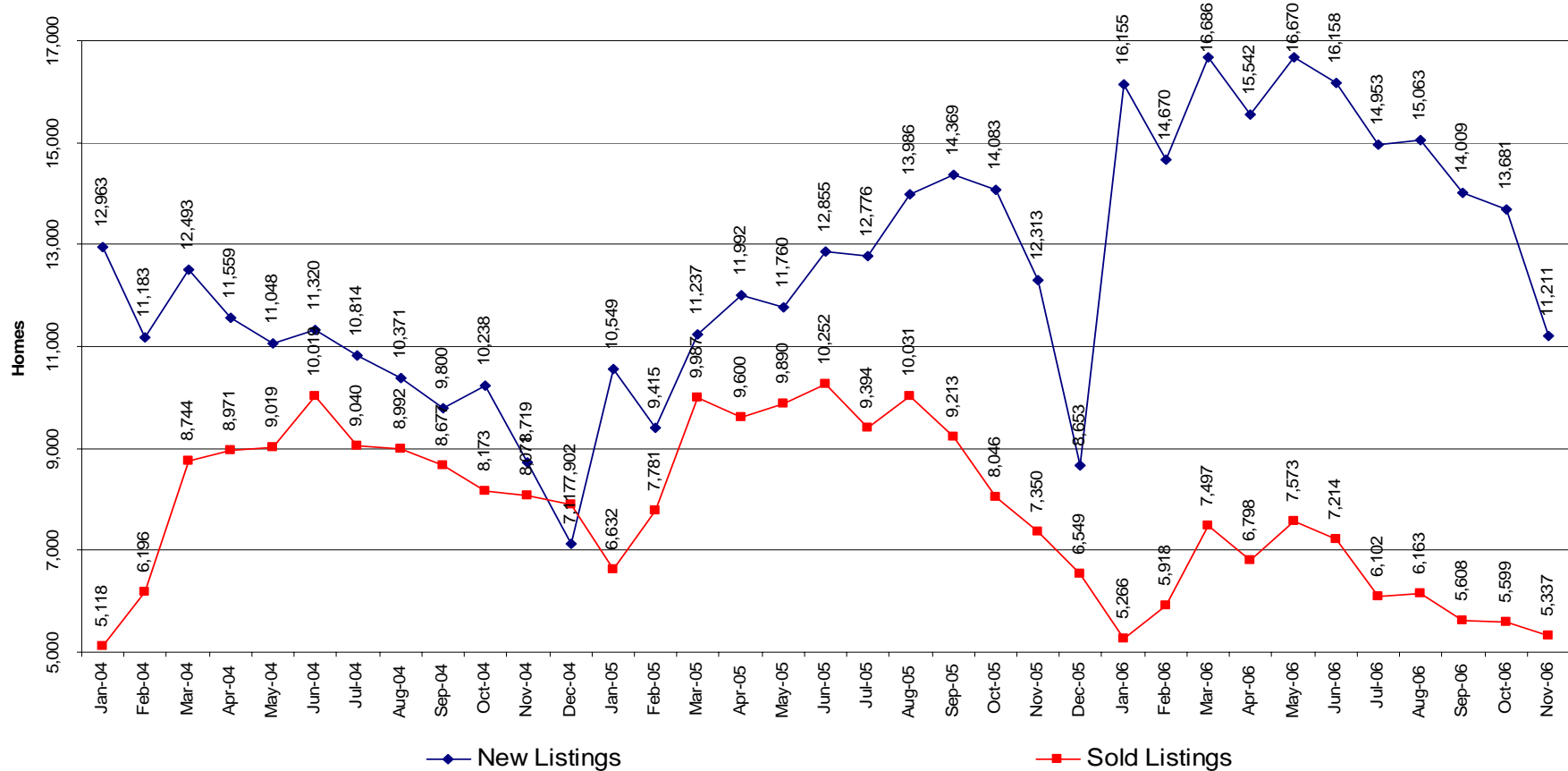
Price Bracket	# of Sales in 2006	% of Sales	% Growth Vs. 2005	# of Homes Available (As of 1/1/2007)	Projected Months of Inventory (As of 1/1/2007)
0-\$300,000	47,634	64.18%	-34%	20,120	5.1
\$300,001-\$400,000	12,047	16.23%	-21%	7,801	7.8
\$400,001-\$500,000	5,342	7.20%	-23%	4,135	9.3
500,001-600,000	2,986	4.02%	-18%	2,589	10.4
\$600,001-\$700,000	1,840	2.48%	-11%	1,630	10.6
\$700,001-\$800,000	1,216	1.64%	-9%	1,174	11.6
\$800,001-\$900,000	739	1.00%	-15%	722	11.7
\$900,001-\$1,000,000	519	0.70%	-15%	551	12.7
\$1,000,001-\$1,100,000	313	0.42%	12%	246	9.4
\$1,100,001-\$1,200,000	284	0.38%	5%	302	12.8
\$1,200,001-\$1,300,000	249	0.34%	0%	284	13.7
\$1,300,001-\$1,400,000	185	0.25%	9%	197	12.8
\$1,400,001+	870	1.17%	-1%	1,488	20.5
<b>Total</b>	<b>74,224</b>		<b>-29%</b>	<b>41,239</b>	<b>6.7</b>

- Phoenix experienced a -29% decline in the number of homes sold vs. 2005.
- Price brackets over \$1,000,000 posted an average +3% increase vs. 2005

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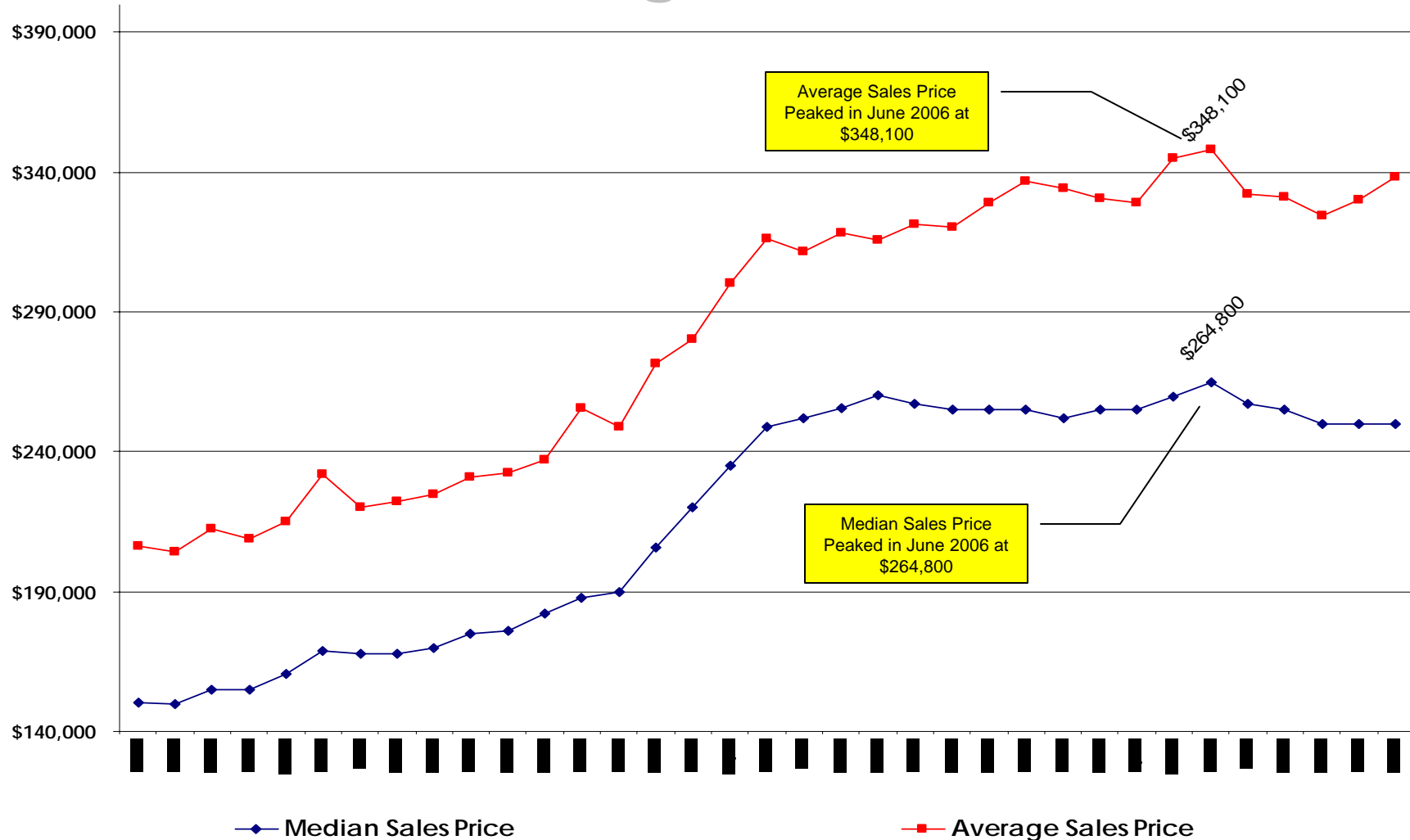
# New & Sold Listings By Month



- Homes sales peaked in June 2005 with 10,252 home sold.
- Homes sales posted steady declines beginning in September 2005 and reached a low In January 2006 with only 5,266 homes sold.
- Inventory began to build in January 2006 when over 16,000 new listings went on the market.



# Median & Average Sales Price Trends



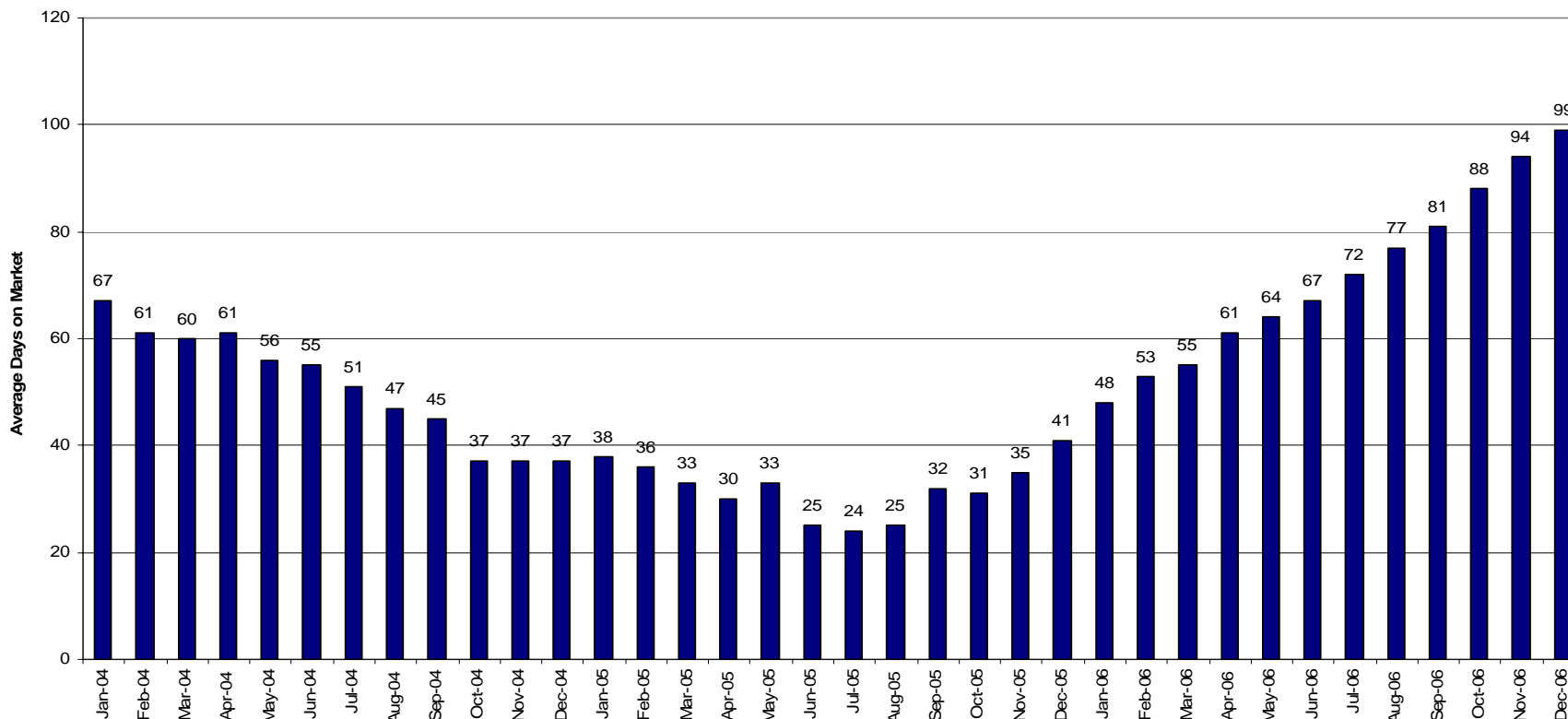
The Median Sale Price represents the midway point between the least expensive and the most expensive home sold during a given timeframe. During that time, half the buyers bought homes that cost more than the median price and half bought homes that cost less than the median price. Changes in median price measure changes in market activity. When there are more buyers buying more expensive homes than there are buyers buying less expensive homes, the median price rises.

Date Sources: Arizona Real Estate Center (AREC). Information deemed reliable, but not guaranteed.

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# Average Days on Market For Sold Homes in the Phoenix Market



- The Average Days it took a home to sell in the Phoenix Market more than doubled from January 2006 to December 2006.
- It takes almost 4 times as long to sell a home as it did in the summer of 2005 when the Average Days on market was 24.

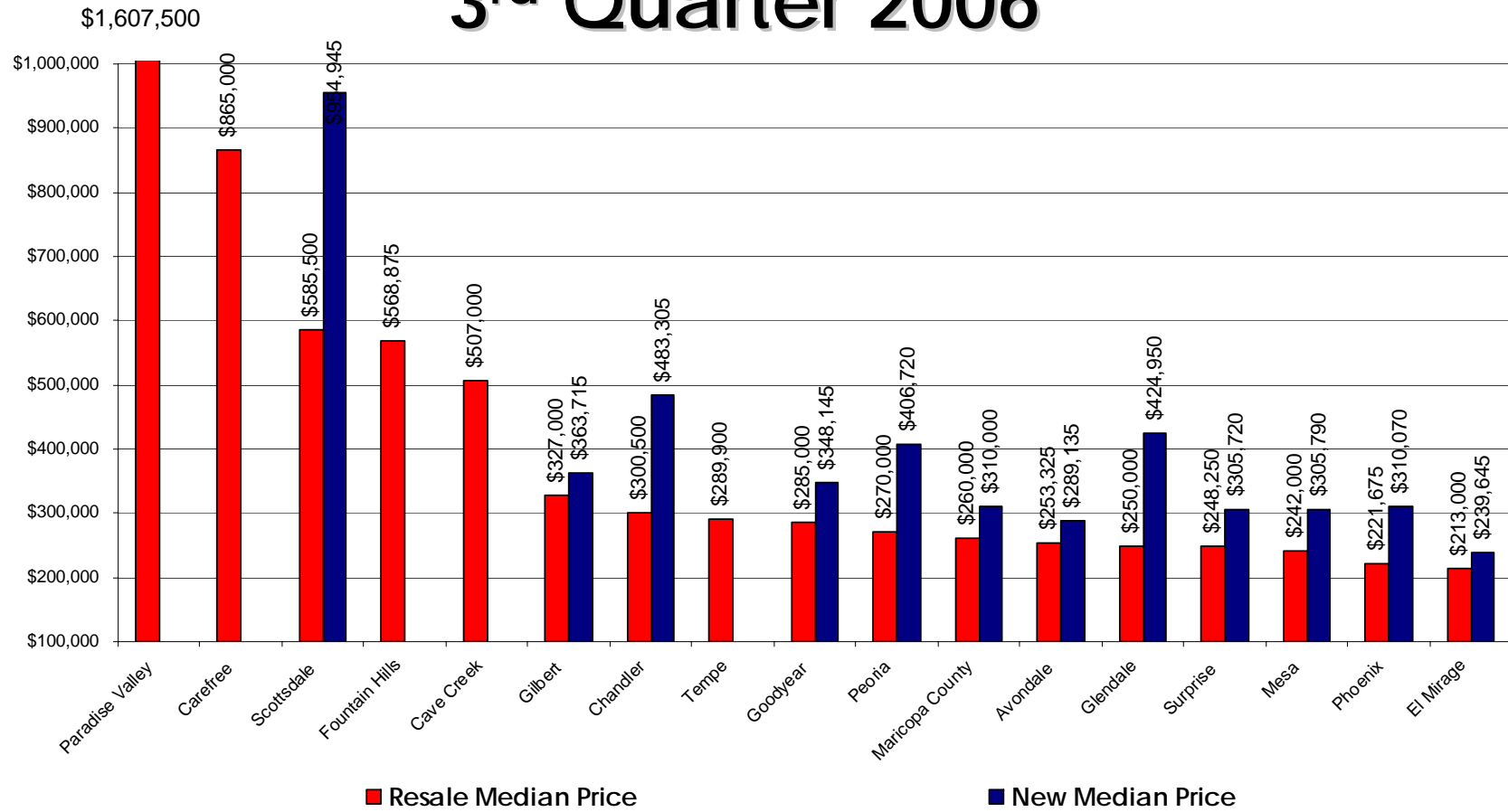
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# Median Sales Price By City

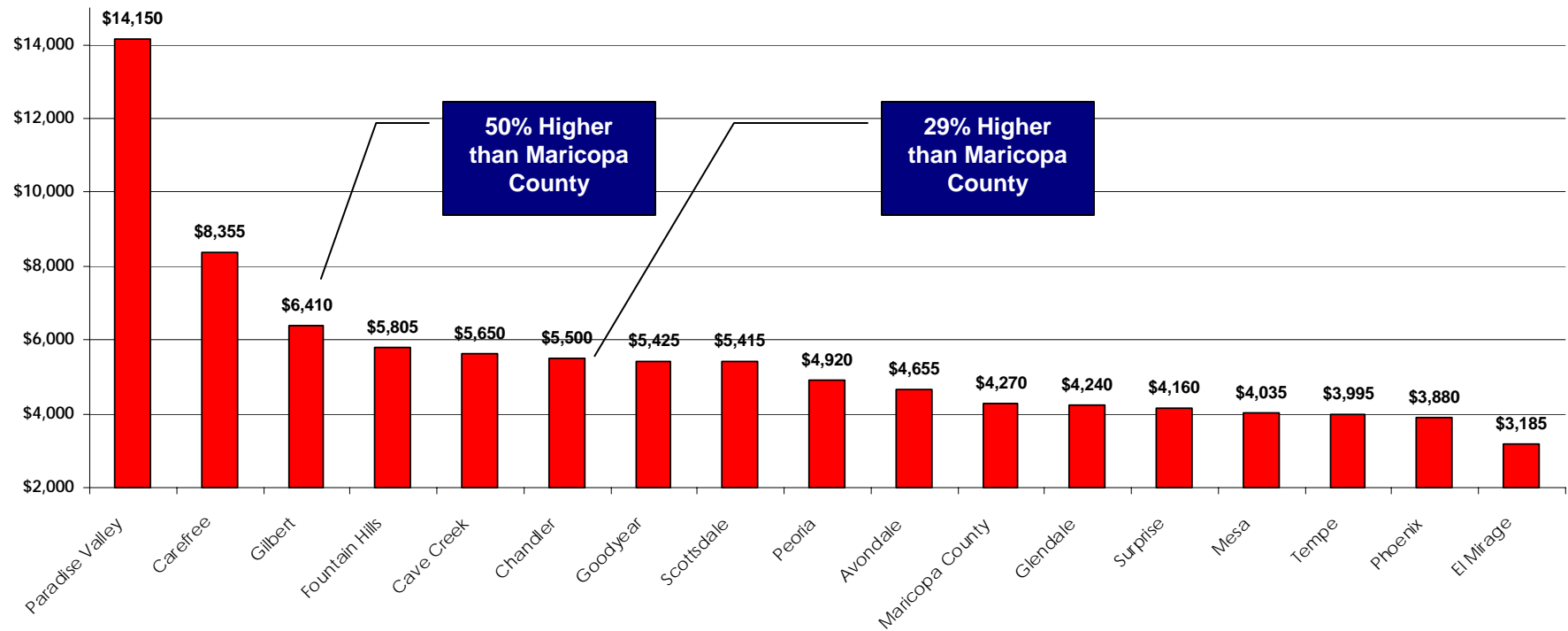
## 3<sup>rd</sup> Quarter 2006



*The Median Sale Price represents the midway point between the least expensive and the most expensive home sold during a given timeframe. During that time, half the buyers bought homes that cost more than the medina price and half bought homes that cost less than the median price. Changes in median price measure changes in market activity. When there are more buyers buying more expensive homes than there are buyers buying less expensive homes, the median price rises.*



# Median Gross Monthly Income City 3<sup>rd</sup> Quarter 2006

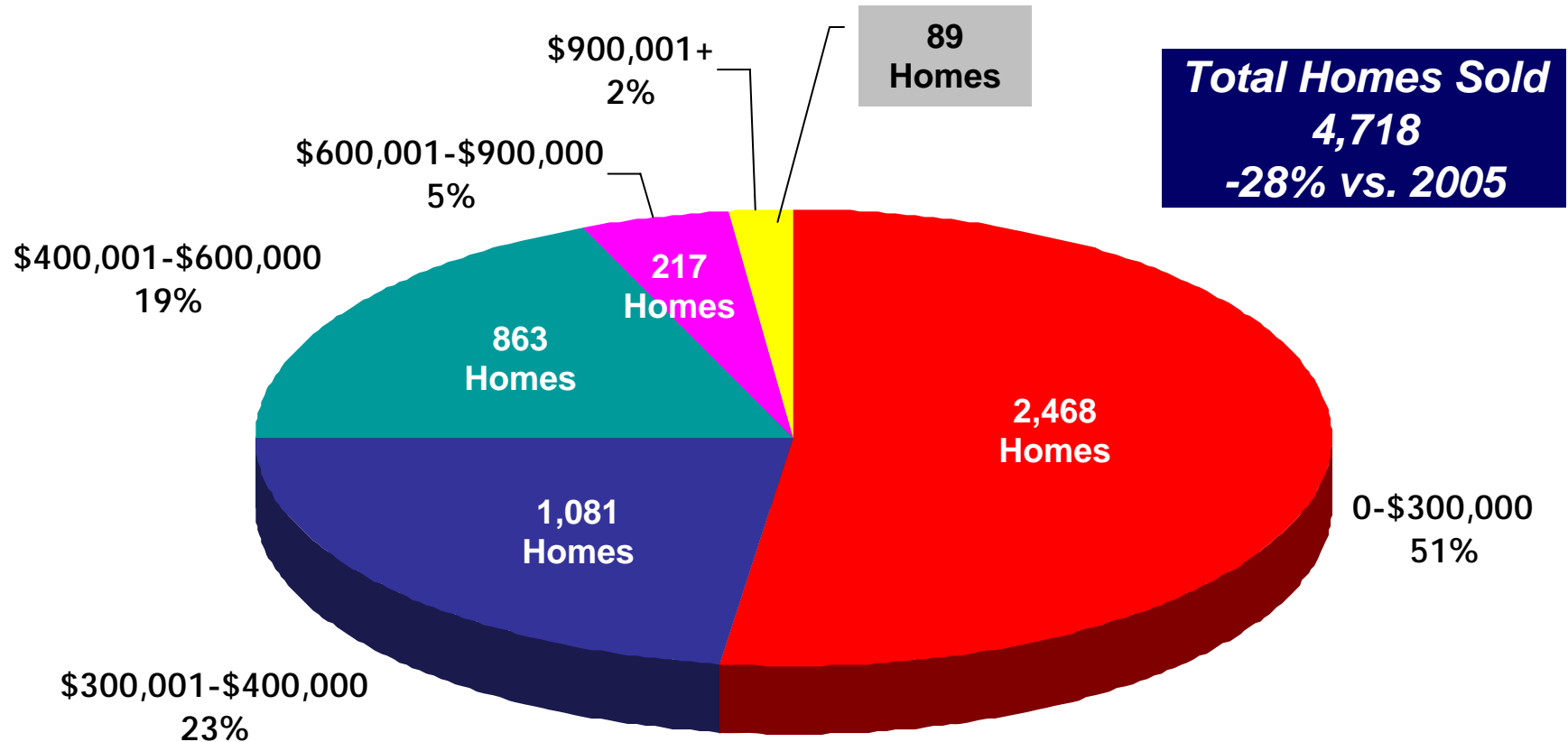


■ Median Gross Monthly Income

*East Valley cities like Gilbert and Chandler have strong median income levels. Gilbert residents have the 3<sup>rd</sup> highest median income levels behind the affluent cities of Paradise Valley and Carefree.*



# Chandler 2006 Home Sales By Price Bracket



*According to Data Obtained from the Arizona Regional MLS:*

- 4,718 Chandler homes sold in 2006, down -28% from 2005.
- 93% of Chandler homes sold in 2006 were under \$600,000.

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# Chandler 2006 Home Sales



Price Bracket	# of Sales in 2006	% of Sales	% Growth Vs. 2005	# of Homes Available <i>(As of 1/1/2007)</i>	Projected Months of Inventory <i>(As of 1/1/2007)</i>
0-\$300,000	2,468	52.31%	-37%	836	4.1
\$300,001-\$400,000	1,081	22.91%	-22%	480	5.3
\$400,001-\$500,000	576	12.21%	-8%	290	6.0
500,001-600,000	287	6.08%	-10%	190	7.9
\$600,001-\$700,000	118	2.50%	9%	84	8.5
\$700,001-\$800,000	65	1.38%	-16%	47	8.7
\$800,001-\$900,000	34	0.72%	-15%	25	8.8
\$900,001-\$1,000,000	29	0.61%	21%	25	10.3
\$1,000,001-\$1,100,000	13	0.28%	44%	13	12.0
\$1,100,001-\$1,200,000	13	0.28%	225%	15	13.8
\$1,200,001-\$1,300,000	12	0.25%	100%	12	12.0
\$1,300,001-\$1,400,000	7	0.15%	133%	8	13.7
\$1,400,001+	15	0.32%	114%	21	16.8
<b>Total</b>	<b>4,718</b>		<b>-28%</b>	<b>2,046</b>	<b>5.2</b>

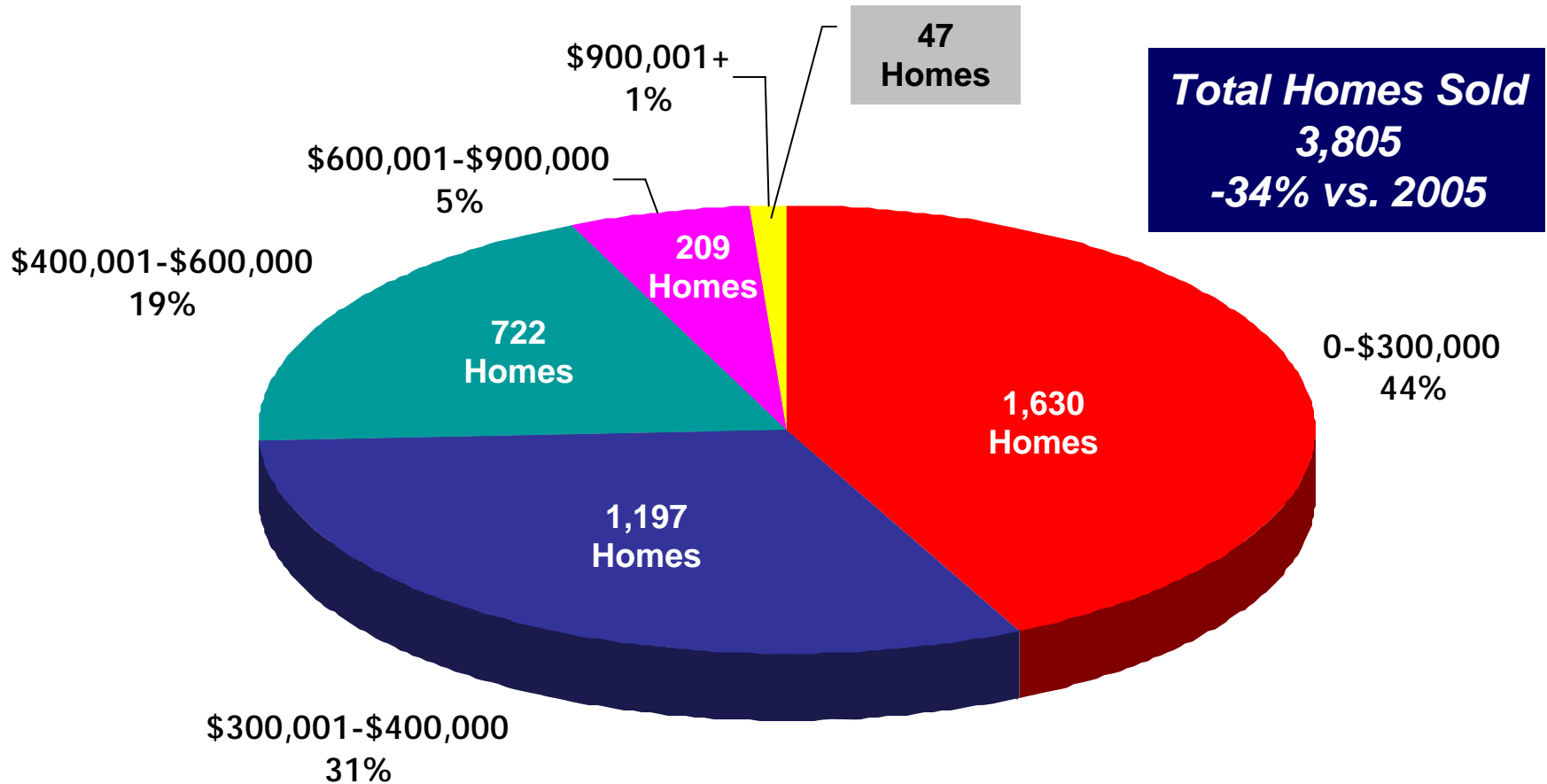
- Home sales over \$900,000 were up 68% versus 2005, while all other price brackets posted an average decline of -29%.
- There are currently 2,046 homes available in Chandler, which is a projected 5 month supply based on 2006 sales volume.

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# Gilbert 2006 Home Sales By Price Bracket



*According to Data Obtained from the Arizona Regional MLS:*

- 3,805 Gilbert homes sold in 2006, down -34% from 2005.
- 94% of Gilbert homes sold in 2006 were under \$600,000.

Date Sources: Arizona Regional MLS. Information deemed reliable, but not guaranteed.  
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# Gilbert 2006 Home Sales



RE/MAX  
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Price Bracket	# of Sales in 2006	% of Sales	% Growth Vs. 2005	# of Homes Available (As of 1/1/2007)	Projected Months of Inventory (As of 1/1/2007)
0-\$300,000	1,630	42.84%	-43%	615	4.5
\$300,001-\$400,000	1,197	31.46%	-32%	620	6.2
\$400,001-\$500,000	472	12.40%	-20%	330	8.4
500,001-600,000	250	6.57%	-3%	171	8.2
\$600,001-\$700,000	110	2.89%	-6%	85	9.3
\$700,001-\$800,000	64	1.68%	12%	54	10.1
\$800,001-\$900,000	35	0.92%	6%	31	10.6
\$900,001-\$1,000,000	15	0.39%	15%	23	18.4
\$1,000,001-\$1,100,000	9	0.24%	29%	8	10.7
\$1,100,001-\$1,200,000	11	0.29%	175%	11	12.0
\$1,200,001-\$1,300,000	7	0.18%	40%	8	13.7
\$1,300,001-\$1,400,000	1	0.03%	0%	3	36.0
\$1,400,001+	4	0.11%	Infinite	25	75.0
<b>Total</b>	<b>3,805</b>		<b>-34%</b>	<b>1,984</b>	<b>6.3</b>

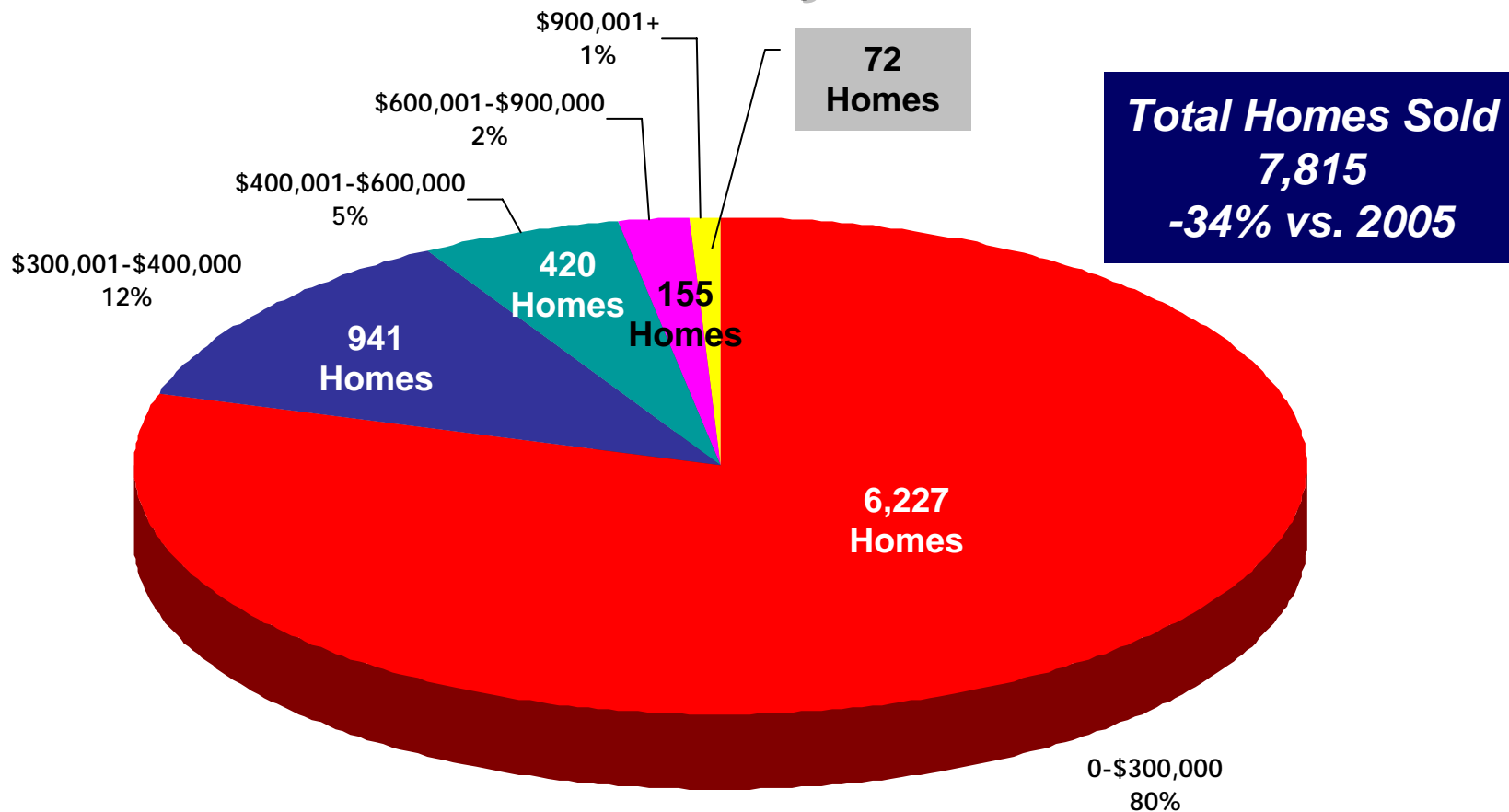
- Home sales over \$700,000 were up +22% versus 2005, while all other price brackets posted sales declines.
- Current inventory levels on homes over \$700,000 are up dramatically.

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# Mesa 2006 Home Sales By Price Bracket



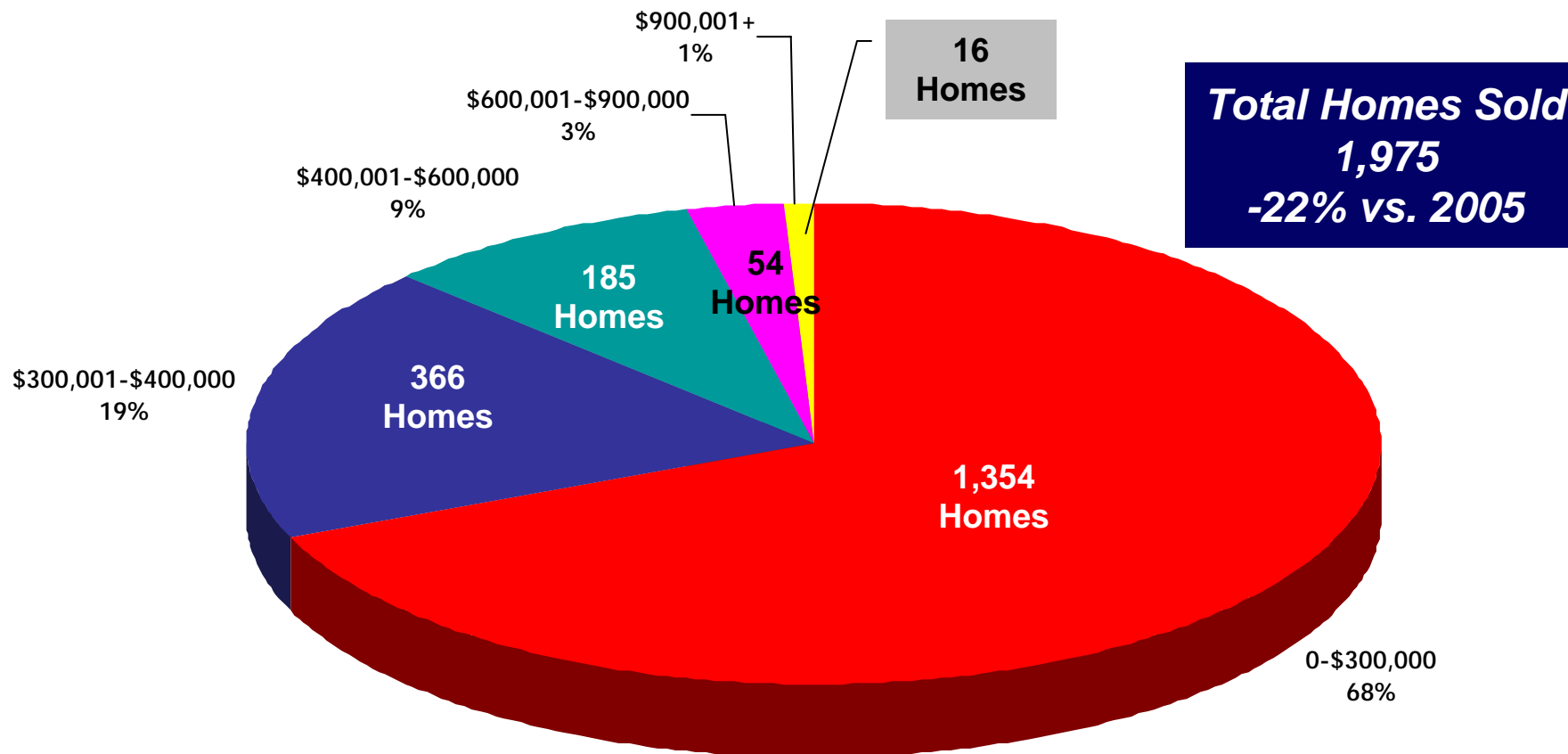
*According to Data Obtained from the Arizona Regional MLS:*

- 7,815 Mesa homes sold in 2006, down -34% from 2005.
- 92% of Mesa homes sold in 2006 were under \$400,000.

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# Tempe 2006 Home Sales By Price Bracket



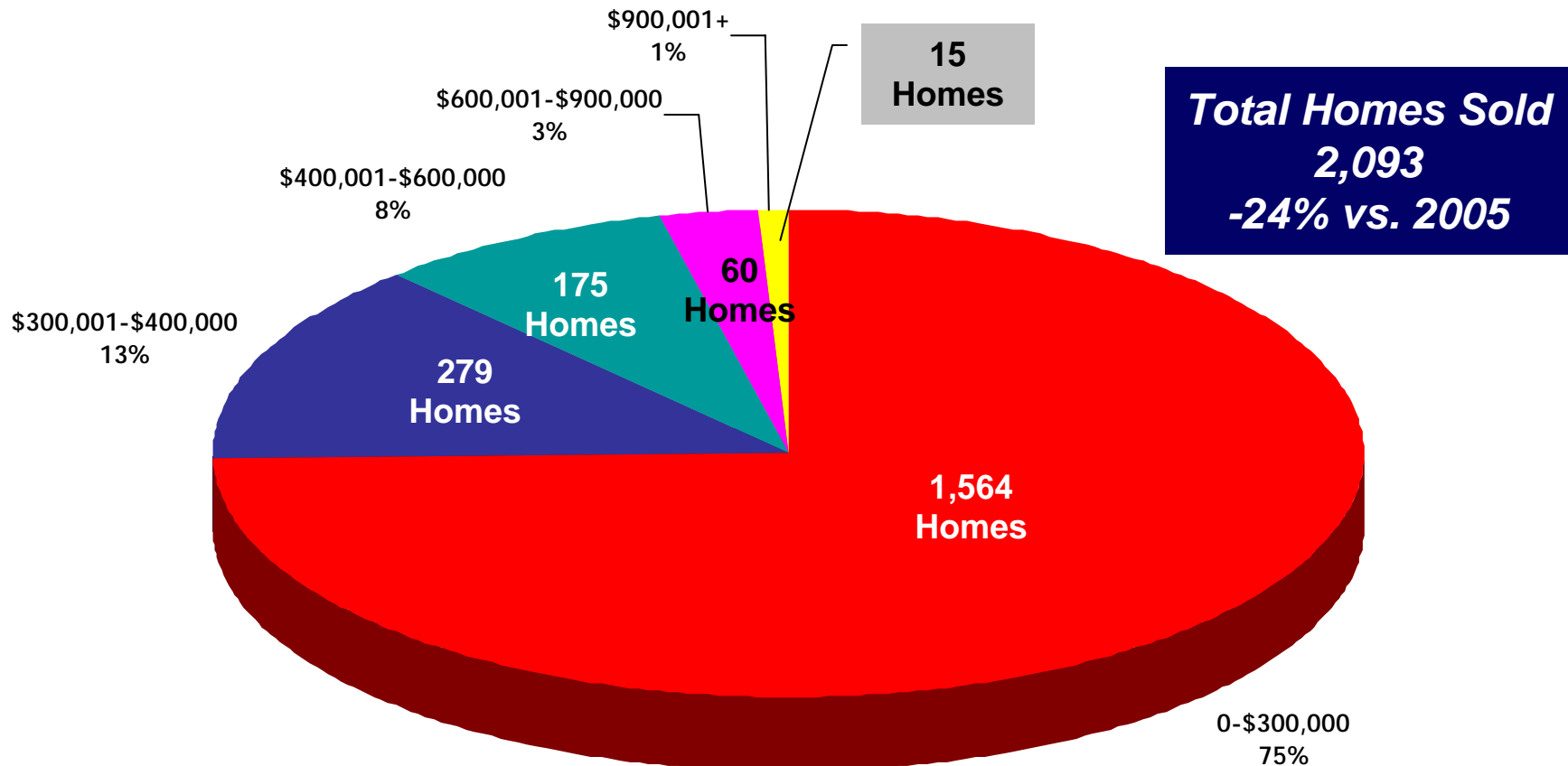
*According to Data Obtained from the Arizona Regional MLS:*

- 1,975 Tempe homes sold in 2006, down -22% from 2005.
- 87% of Tempe homes sold in 2006 were under \$400,000.

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# Queen Creek 2006 Home Sales By Price Bracket



*According to Data Obtained from the Arizona Regional MLS:*

- 2,093 Queen Creek homes sold in 2006, down -24% from 2005.
- 88% of Queen Creek homes sold in 2006 were under \$400,000.

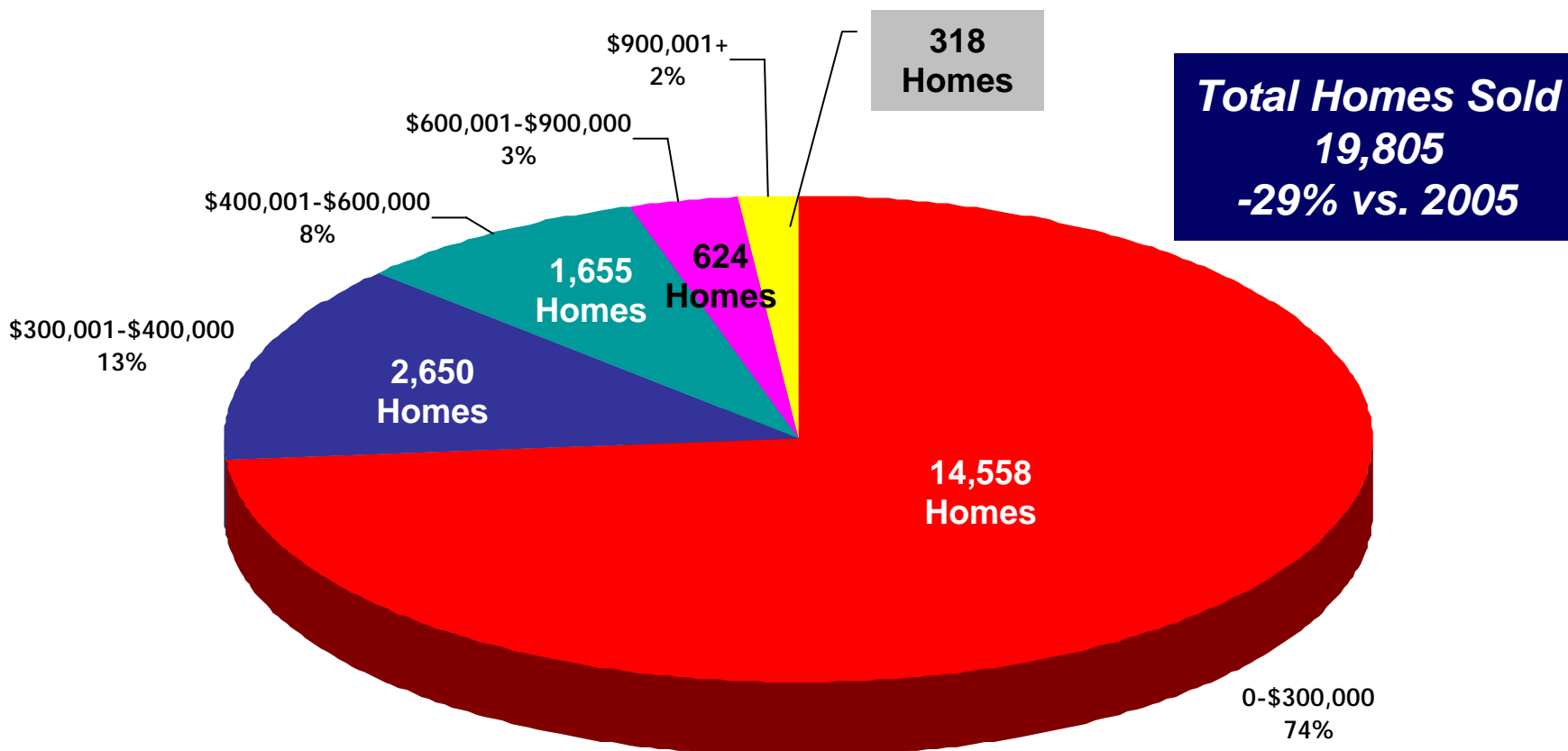
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# Phoenix 2006 Home Sales By Price Bracket



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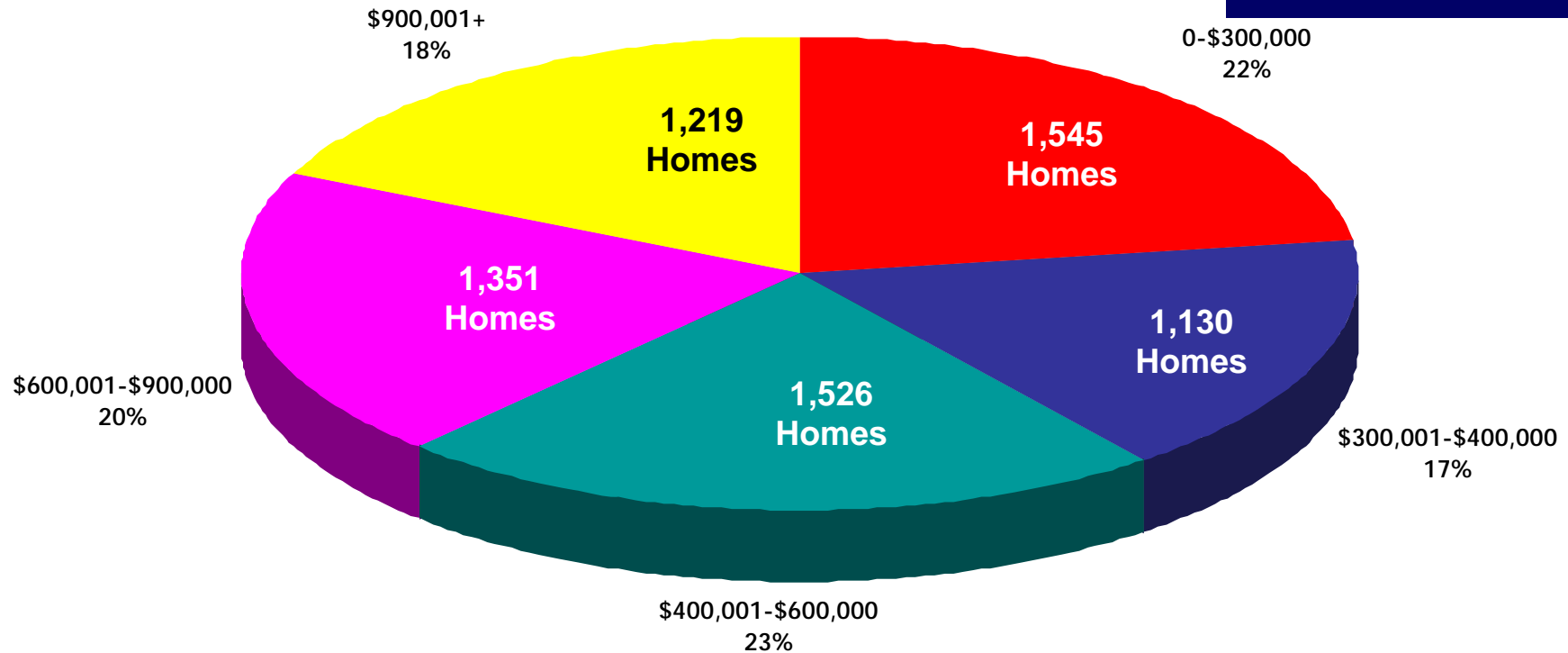
- 19,805 Phoenix homes sold in 2006, down -29% from 2005.
- 87% of Phoenix homes sold in 2006 were under \$400,000.

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Note: Data from the Arizona Regional MLS does not represent all new construction sales.



# Scottsdale 2006 Home Sales By Price Bracket

**Total Homes Sold**  
**6,771**  
**-29% vs. 2005**



*According to Data Obtained from the Arizona Regional MLS:*

- 6,771 Scottsdale homes sold in 2006, down -29% from 2005.
- 39% of Scottsdale homes sold in 2006 were under \$400,000.

Date Sources: Arizona Regional MLS. Information deemed reliable, but not guaranteed.  
Note: Data from the Arizona Regional MLS does not represent all new construction sales.



# Summary & Observations

## Phoenix Market

- 2006 Phoenix homes sales reported in the Arizona Regional MLS were down -29%.
- 96% of the decline occurred in the price brackets under \$500,000 which were heavily shopped by investors in 2005.
- Home sales in the \$1,000,000+ price brackets are up 3%.
- Many sellers, both investors and owner occupants, “tested” the market in 2006 which when coupled with soft demand, created historic levels of inventory.
- In the later months of 2006, the number of new listings going to market each month began to decline.
- Active listings are still above 40,000 which represents an approximate 6 month supply based on last year’s sales volume.

## Gilbert & Chandler

- Like the wider Phoenix Market, Gilbert & Chandler sales were down dramatically in the price brackets under \$400,000.
- The luxury brackets over \$900,000 actually grew but still only represent less than 2% of homes sales.
- According to MLS data, the highest home sale in Gilbert was \$1,499,000 which occurred in 2006. There were 4 Gilbert homes sold in 2006 over \$1,400,000. *There are currently 25 homes for sale in the MLS over \$1,400,000 in Gilbert. Which represents 75 months of supply unless demand increase dramatically from 2006 levels.*
- The growth of high end real estate offerings in Gilbert fits well with the high median income level enjoyed by Gilbert residents. Gilbert has the 3<sup>rd</sup> highest median income level (\$6,410) behind Paradise Valley and Carefree.

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