



ARIZONA REGIONAL MULTIPLE LISTING SERVICE, INC.

ARMLS PPI™

your monthly statistics
for the Phoenix Metro area

December 7, 2011

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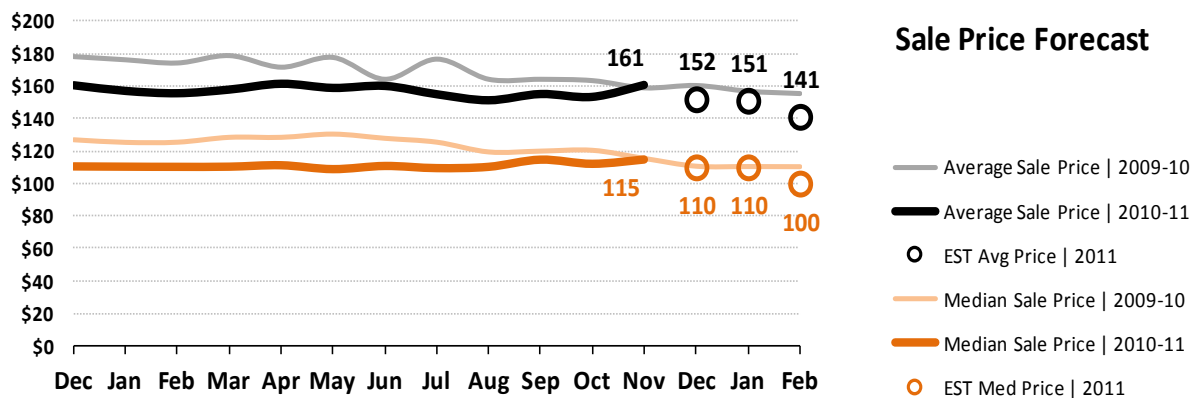
THE ARMLS PENDING PRICE INDEX™

The ARMLS Pending Price Index (PPI) is a forecasting tool unique to ARMLS which uses pending sales data in MLS to predict the average and median sales price 30, 60 and 90 days into the future. Last month PPI predicted the average sales price to be \$155,900, missing the actual average of \$160,600 by 3.01%. The median sales price predicted last month was \$114,000, missing the actual of \$115,000 by .88%.

In the December / January issue of *WAVE*, ARMLS examined the behavior of individual properties in the pending property pool inside MLS. Predictive accuracy of the PPI declines the further into the future it goes as the makeup of the pool grows heavily weighted with unclosed short sales. [Learn more.](#)

PPI predicts that the December average sales price will fall to \$152,000 followed by \$151,000 and \$141,000 in January and February respectively. The median sales price is expected to fall to \$110,000 in December, remain steady at \$110,000 in January and drop to \$100,000 in February.

Unfortunately predictions for the next 90 days show little improvement in the Valley’s lackluster pricing.



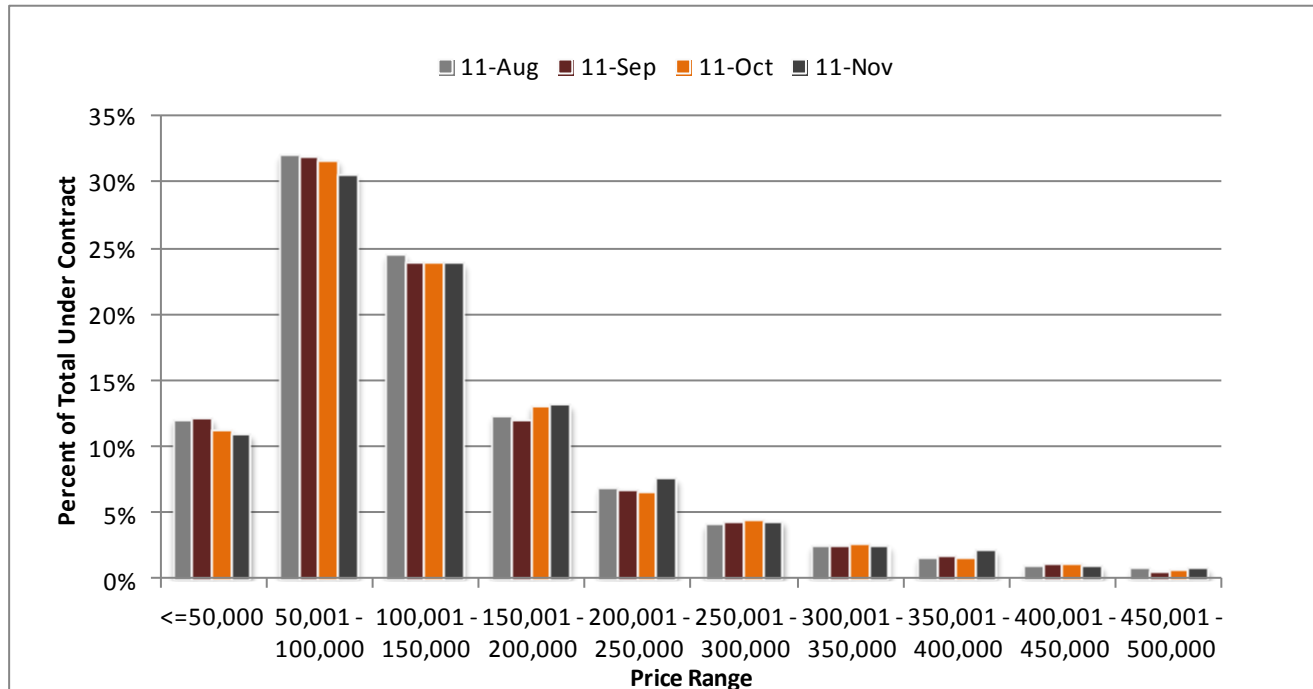
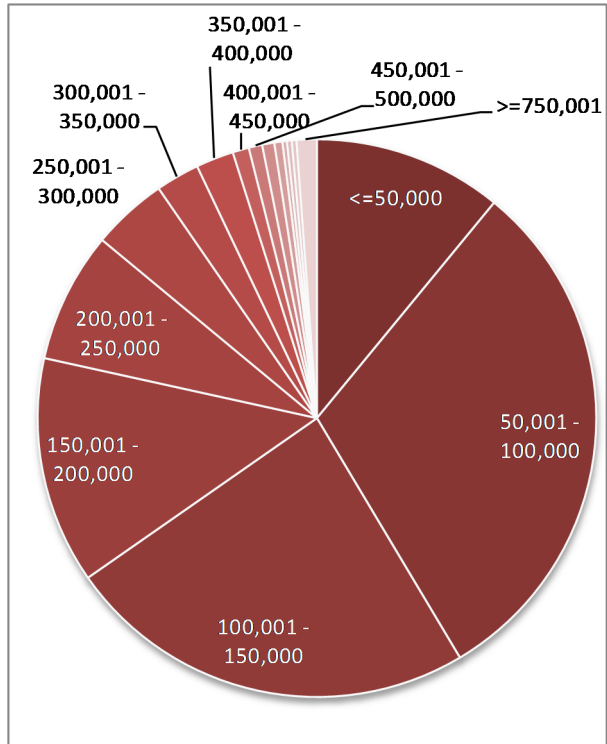
Predictive accuracy decreases with time.

PPI SUPPLEMENT

The PPI Supplement focuses on the number and percentage of newly pended properties added to the total pending pool each month. By focusing on the newly pending properties on a rolling four month basis we can perceive subtle changes in pricing which are precursors to recovery.

Over the past four months the Supplement has reported declines in the number of newly pending properties in the below \$50,000 and \$50,001-100,000 ranges, while the \$100,001-\$150,000 range appears to have leveled out. Other ranges showing increases in the number of newly pended properties are \$150,001-200,000 and \$350,001-400,000. On such incremental changes a recovery is built.

Pending Contracts Signed In November				
Price Range	PPI Avg	PPI Med	PPI Units	Units % of Total
<=50,000	35,250	36,000	842	10.94%
50,001 - 100,000	77,475	78,050	2,348	30.51%
100,001 - 150,000	125,193	125,000	1,836	23.85%
150,001 - 200,000	173,568	172,000	1,013	13.16%
200,001 - 250,000	226,453	225,000	583	7.57%
250,001 - 300,000	275,797	275,000	337	4.38%
300,001 - 350,000	326,649	325,500	195	2.53%
350,001 - 400,000	376,735	375,000	168	2.18%
400,001 - 450,000	426,097	425,000	73	0.95%
450,001 - 500,000	476,761	475,500	60	0.78%
500,001 - 550,000	526,209	525,000	54	0.70%
550,001 - 600,000	580,908	579,500	36	0.47%
600,001 - 650,000	627,475	625,000	20	0.26%
650,001 - 700,000	678,119	675,000	21	0.27%
700,001 - 750,000	728,905	730,000	21	0.27%
>=750,001	1,299,930	1,050,000	90	1.17%



PPI SUPPLEMENT - \$/SQ FT

The PPI \$/SQ FT Supplement examines incremental gains and losses in the price per square foot of new pendings added to the pending property pool each month. Price per sq ft in the under \$50,000 and \$50,001 - \$100,000 ranges appear to have stabilized showing very little movement over the past four months. In the prices ranges above \$100,000, six of the ranges showed gains in price per sq ft and eight showed losses, with no clear pattern emerging yet.

Pending Contracts Signed In October					Pending Contracts Signed In November				
Price Range	PPI Avg	PPI Sq Ft	PPI Units	Avg Pending Price SqFt	Price Range	PPI Avg	PPI Sq Ft	PPI Units	Avg Pending Price SqFt
<=50,000	34,788	1,197	941	29	<=50,000	35,250	1,222	842	29
50,001 - 100,000	77,030	1,554	2,628	50	50,001 - 100,000	77,475	1,549	2,348	50
100,001 - 150,000	124,771	1,858	1,981	67	100,001 - 150,000	125,193	1,830	1,836	68
150,001 - 200,000	173,988	2,135	1,091	81	150,001 - 200,000	173,568	2,121	1,013	82
200,001 - 250,000	226,212	2,435	541	93	200,001 - 250,000	226,453	2,455	583	92
250,001 - 300,000	275,454	2,768	373	100	250,001 - 300,000	275,797	2,711	337	102
300,001 - 350,000	327,801	2,892	218	113	300,001 - 350,000	326,649	3,059	195	107
350,001 - 400,000	375,412	3,026	130	124	350,001 - 400,000	376,735	3,174	168	119
400,001 - 450,000	427,335	3,124	98	137	400,001 - 450,000	426,097	3,267	73	130
450,001 - 500,000	476,318	3,346	63	142	450,001 - 500,000	476,761	3,223	60	148
500,001 - 550,000	527,658	3,328	45	159	500,001 - 550,000	526,209	3,622	54	145
550,001 - 600,000	576,686	3,863	37	149	550,001 - 600,000	580,908	3,781	36	154
600,001 - 650,000	631,357	3,506	24	180	600,001 - 650,000	627,475	3,740	20	168
650,001 - 700,000	678,720	4,013	22	169	650,001 - 700,000	678,119	4,186	21	162
700,001 - 750,000	728,687	3,689	15	198	700,001 - 750,000	728,905	4,032	21	181
>=750,001	1,265,537	5,134	101	246	>=750,001	1,299,930	5,072	90	256

