

WHO CONTROLS THE MARKET?

There are two housing markets developing in Arizona, homes for sale by banks and homes for sale by individuals. As you can see by the statistics below the bank owned market is growing and based on the percentage of the bank inventory that is under contract they are a home owner's prime competition for a buyer. To determine the most aggressive sellers in the market we calculated the percentage of those homes in each group that are under contact.

Date	<u>Homeowners Units</u>				<u>Bank Units</u>			
	For Sale	Under Contract	Avg. P Ask\$	Percent Units P	For Sale	Under Contract	Avg. P Ask\$	Percent Units P
3-2-09	38,172	4,803	\$283,961	11.18%	11,204	6,399	\$108,373	36.35%
2-1-09	39,140	3,661	\$286,649	8.55%	12,514	4,857	\$133,500	27.96%
1-5-09	39,380	3,108	\$286,652	7.32%	12,679	3,594	\$140,137	22.09%
12-3-08	44,207	4,138	\$280,811	8.56%	10,410	3,081	\$147,369	22.84%
11-3-08	44,556	4,330	\$254,074	8.86%	9,179	2,675	\$129,042	22.57%
10-1-08	44,529	4,797	\$278,765	9.73%	7,842	2,637	\$154,155	25.16%
9-3-08	44,783	5,071	\$280,408	10.17%	6,982	2,731	\$168,649	28.12%
8-1-08	46,283	5,765	\$306,053	11.08%	6,584	2,716	\$192,253	29.20%
7-2-08	46,266	5,873	\$307,780	11.26%	6,007	2,593	\$177,667	30.15%
6-2-08	47,600	5,957	\$302,759	11.12%	5,229	2,364	\$191,989	31.13%
5-9-08	49,340	6,286	\$306,655	11.30%	5,103	2,236	\$195,614	30.47%
4-1-08	50,807	5,245	\$317,186	9.36%	4,837	1,528	\$209,880	24.01%
3-3-08	51,471	4,913	\$349,262	8.71%	4,266	1,207	\$202,059	22.05%
2-5-08	51,527	4,156	\$364,222	7.46%	3,882	876	\$219,564	18.41%
1-2-08	49,049	3,190	\$385,793	6.11%	3,380	497	\$237,125	12.82%

The statistics above indicate

Average homeowner unit prices have declined in 2008
 $\$385,793 - \$286,652 = \$99,141$ (25.70% = 2.14% per month)

Average bank owned unit prices have declined in 2008
 $\$237,125 - \$140,137 = \$96,988$ (40.90% = 3.41% per month)

Average bank owned unit prices decline Jan 2008 to 3/2/09
 $\$237,125 - \$108,373 = \$128,752$ (54.29% = 3.88% per month)

Average bank owned unit prices decline Jan 2009 to 3/2/09
 $\$140,137 - \$108,373 = \$31,764$ (22.66% = 11.33% per month)