



TUCSON REAL ESTATE UPDATE

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November statistics are just out from the Tucson Association of REALTORS[®] (TAR) Multiple Listing Service (MLS) and continue to indicate a very strong buyers' market but, they also continue to show some beginning signals of stabilization in the overall housing market.

Sellers can take some encouragement from the fact that the number of new listings placed into the MLS decreased for the third month in a row to 2380 new listings. However, the number of units sold in November was only 982 - down by almost 25% from November 2005- also down every month since our 2006 peak of 1526 units sold in May. Compare that to the 2005 Boom peak of 1694 in June.

The median price of a home in Tucson rose very slightly again from October to November by almost 3% to \$218,000. To dissect that number a little further: Single Family Residence median price was \$230,500, Townhouse/Condo median price was \$157,000, and Manufactured/Mobile Home median price was \$70,000.

The average time on market continues to increase however - due to the large inventory of properties currently available. That statistic is now up to 60 days. Compare that to 34 days average time on market in November 2005. To make matters worse, that statistic is very much manipulated by some real estate agents - presumably acting in the best interest of their seller clients. If a listed property doesn't sell for a long period of time - say more than 60 days for example. The seller can instruct the agent (sometimes at the agent's urging) to temporarily withdraw the listing for a short while and then list it again. This resets the clock and really screws up the statistics. Though the "official" statistical average is 60 days - the real average time on market for many properties is much, much longer. REALTOR[®] members have access to the true history for each individual property, but the public does not. And nobody knows what the true average is overall. The TAR Board of Directors are currently looking into the feasibility of making changes in the system to ensure that the public has access to accurate information.

Many pundits believe that the Pending Sales (more properly called Total Listings Under Contract) number is the leading indicator of what the real estate market is going to do. If so, get ready for some recovery as there were 891 in November - an increase of almost 14% from the previous month and up for the second month in a row following six months of decline from March, 2006. Also noteworthy is that during the same October/November 2005 time frame, pending contracts actually decreased by 238 properties. That sure seems like a pretty good predictor in hindsight (which is always 20/20 isn't it?).

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