Jump Start Guide

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By Tina Tamboer-Glatfelter
Cell: 480-250-0587
Tina@CromfordReport.com
Preparing for a Listing Presentation

When pulling statistics for a listing presentation, it’s important to remember that The Cromford Report charts are not for determining market value of a home. That’s what your Comparative Market Analysis (CMA) is for. These charts are specifically used to show your seller what the overall activity is in their zip code, in their price range. We recommend that you do your CMA first, before you pull the larger area activity. The next few charts should take you less than 15 minutes to add to your presentation.

These charts will help you quickly answer questions such as:

1. Is the competition going up or down in my price range, in my zip code? Is it seasonal?
2. Are more or fewer people writing contracts in my price range, in my zip code? Is the demand seasonal?
   When is the best time to list my home?
3. Are more or fewer transactions closing?
4. What are they selling for? Are prices going up over time or going down? What are buyers expecting for their money?

A. YOUR COMPETITION (Active Listings)

The following chart is located under the Tableau menu, under Active Listings, Medium Term

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**Step 1:** Select your criteria. The chart will update with each selection.

**Step 2:** Compare this week to last year at this time. Is it up, down or even with last year’s inventory level?

**Step 3:** Look to see if there’s a seasonal trend between the peaks and valleys.

**If your chart has months where there are zero actives, then either expand your price range or widen your area.**

This chart tells us that inventory, in this price range and zip code range, tends to decline noticeably from Fall to Spring. It then increases in the summer until peaking again in the fall.

Current inventory in this price range and zip code range is 38% higher than it was last year at this time. This can be attributed to higher asking prices and improved consumer confidence.
B. DEMAND (Listings Under Contract)
The following chart is located under the Tableau menu, Listings Under Contract

Step 1: Select your criteria. The chart will update with each selection.
Step 2: Compare this week to last year at this time. Is it up, down or even with last year’s level?
Step 3: Look to see when pending contracts tend to peak. Bear in mind that pending sales often will drop towards the end of each month as they (hopefully) turn into closed sales. These numbers can be used to project next month’s closed sales.

**Avoid criteria that results in months with zero pending sales. If your chart doesn’t have enough data to give you a good trend line, either expand your price range or widen your area.**

This chart tells us that pending sales, in this price range and zip code, were flat in 2011 and dramatically improved in 2012. Peak times for contracts are spring and early summer, then again in the late fall.
C. DEMAND (Monthly Sales)
Located under the Tableau menu, Sales, Monthly, Long Term

Step 1: Select your criteria. The chart will update with each selection.
Step 2: Compare this week to last year at this time. Is it up, down or even with last year’s level?
Step 3: Look to see if there’s a seasonal trend. Bear in mind that sales often peak the month AFTER pending sales peak.

**Avoid having months with zero closings. If your chart doesn’t have enough data to give you a good trend line, then either expand your price range or widen your area.**

This chart tells us that sales, in this price range and zip code, are seasonal with the low points typically in January and February, typical after a slow month of December for pending sales.

December was the last completed month and was a 48% increase from December of 2012, after already increasing 67% from 2010-2011. Over the last two years, December closings have more than doubled. As of January 15th there are 12 sales so far for the month, very close to last years monthly total of 14 and already exceeding 2010 and 2011. With 38 under contract (from chart on page 3), it’s reasonable to expect this January to exceed the last 3 years in successful closings.

With 51 active (page 2), 38 under contract (page 3) and 12 closed, you can be confident telling your client that there is strong demand for the inventory available in these zip codes for properties between $200k-$300k.
**D. PRICE (3-, 6-, 12– Month Moving Averages)**

Located under the Tableau menu, Sales Price per Square Foot

**Step 1:** Select your criteria. The chart will update with each selection.

**Step 2:** Compare this week to last year at this time. Is it up, down or even with last year’s level?

**Step 3:** Look to see if there’s a seasonal trend or an obvious bottom/peak. Bear in mind that this is a 3-month moving average, so December’s number is an average of sales $/SF for December, November and October. January is for month-to-date January, December, November. It is done this way to provide a smoother trend line for smaller datasets.

**If your chart doesn’t have enough data to give you a good trend line, then either expand your price range or widen your area.**

*Price is a trailing indicator, meaning that it’s a result of leading indicators such as supply and demand. Assume that a peak in January is a response to the low supply/high demand environment from October-December. Likewise, the bottom in August 2011 was a response to high supply/weak demand from May-July 2011 (see page 2).*

This chart tells us that prices, in this price range and zip code, are up 12% from this time last year and increasing. The bottom for price in this market was hit nearly 1.5 years ago in August of 2011.

As a listing agent, this upward price trend combined with the current strong demand/low inventory environment gives confidence in shooting a little higher in list price to achieve the highest sales price for the client. As a buyer’s agent, it gives the buyer some clarity for the area and price range they’re shopping in and may give them perspective on what constitutes a fairly priced listing.
E. Listing Presentation Dashboard (AKA Summary Market Conditions)

Located under the Tableau menu, Listing Presentation Dashboard

1. Enter your name here
2. Enter your contact details here
3. Enter your company name here

**Summary Market Conditions**

ARMLS Data for Maricopa & Pinal Counties

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**Custom Selections**

- **Dwelling Type**
  - SFR
  - Minimum Price
  - Maximum Price
  - Include UCBI

- **Transaction Type**
  - HUD
  - Normal
  - REO
  - Short

**Active Listing Counts**

- Last Updated: 11/5/2014 10:13:56 PM

**Sales per Month**

- Last Update: 11/5/2014 10:18:33 PM

**6 Month Moving Average Sales Price per Square Foot**

- Last Update 11/5/2014 10:13:14 PM

**Step 1:** Enter your contact info
**Step 2:** Enter your criteria
**Step 3:** Select your area
**Step 4:** Click on the Export icon and select PDF. Follow the steps and either save or print the resulting PDF file.

Usage Note: Each individual real estate profession in order to view, modify, share or print this information with their personal clients only. All other users must follow the instructions in this document.
The charts are located under the DASHBOARDS menu selection.

The key to using charts in your marketing materials is to keep them as simple and clean as possible. Too many colors or lines will confuse your target or distract from the overall piece. Using the Snipping Tools within Windows or MAC (See Page 8), you can pick out individual charts that will spark conversation without detracting from the overall piece.

You can choose to use the entire dashboard or only segments (see below). Be sure to put the Cromford Report copy write text and symbol on each piece that utilizes Cromford data.
Social Media and Newsletter Content

Michael Orr’s Daily Observations & Bi-Weekly Summaries
Located Under NEWS & COMMENTARY in the Menu

Recent News & Commentary - Bi-Weekly Summary

Michael Orr’s Market Summary and Daily Observations are perfect to fill space for newsletters, blog posts and social media updates, or just to keep up on the market. Copy/paste segments or the entire piece, you have permission as a subscriber so long as you give credit to The Cromford Report and Michael Orr. If you do choose to post this content on social media, you may want to consider putting the text in a graphic with your name and contact information to drive traffic back to you as it is shared.

Daily Observations

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**January 2013**

**January 7:** The all-areas & types monthly average price per sq ft has retracted from a peak of $199.70 on December 24 to $195.00 today, with most of that decline in the last 7 days. We saw a similar pattern in the first half of January 2012. The prices peaked on December 30 at $205.23 only to return to $203.37 on January 17 before they started to recover.

**January 6:** I’ve looked at the normal seasonal pattern which filters out all the lender owned properties, short sales, HUO sales and pre-foreclosures. We see that the situation today is much the same as from January 2012.

- The contract ratio is up to 24.8 to 31.0
- Listing success rate up from 67 to 72.1%
- Average days on market for sales down from 67 to 63
- Average days on market for active listings is down from 170 to 124
- Days inventory is down from 180 to 188
- Average sale price percentage of 101.04 up from 94.51 to 95.65%

We saw a steady good shaped up last year, but the situation for sellers of normal real estate houses is more than it has been for any January since 2005. Having said that, if I were buying, I'd be out looking to close a contract now, not waiting until February when the competition will get much stronger.

**January 5:** The direction of the market depends largely on how many new homes enter the market at the pace, and how many demand will continue to outpace another busy spring with demand outpacing supply, and prices rising accordingly. It is important to watch how the new listings and Active Listings charts behave. So far in January we have seen 5,171 new listings in Greater Phoenix across all dwelling types. In the same period of 2011 we saw 1,092. That’s a 7% increase. Not exactly large, but not small either, as look like we are heading for middle ground – a moderate increase in supply which suggests prices will rise modestly and spring will be less frenzied than 2012 was. Mind you, we are still looking at 4 days of stock, so it’s a bit early to be drawing firm conclusions. We should see a clearer picture emerge over the next few weeks.

Another impact of the higher price level is that investor’s enthusiasm is waning, making it easier for ordinary homebuyers to complete with financial offers. We expect that effect to be noticeable through the rest of the month.

**January 4:** To put our inventory level into perspective, we are starting off 2013 with 7,701 homes, based on the monthly sales pace. This is the lowest level for any start of the year since we began measurements in 2000, with the relative escalation of 2005. The lack of inventory in 2005 was obvious. 2013 is not as obvious. There are exceptions by area (e.g. Maricopa, San Tan Valley, Carefree, Wickenburg, Glendale, Peoria, Avondale, Fountain Hills, Goodyear, Glendale, Phoenix, Goodyear, Avondale, Peoria, Scottsdale, etc. Where supply is adequate and by price range (e.g. over $450,000), but generally speaking, Greater Phoenix is short of homes for buyers to purchase.

**January 3:** According to a survey by PulteGroup (not exactly independent, but...), about 8 in 10 renters who interviewed plan to buy a home in the next 2 years. This was a fairly small survey of 200 adults and it was conducted long ago in March 2012. If their intentions turn into action this would have a very large impact on the Greater Phoenix market. Unless a large number of bands start to sell their properties to their tenants we don’t have anything like enough homes available for 16% of the tenants to buy. In reality a much smaller number are likely to become owners-occupiers, but the trend could push up the demand for owned homes and significantly drop demand for rental.

**January 2:** At the end of January 2002 we had 8,011 active Notices at Trustee Sale in Maricopa County. Today we have 11,280, just 21% more than in 2002. Yet we have 31% more single family homes in Maricopa County than existed in January 2002. Conclusion: we have a worse pending foreclosure problem in 2002 than we have now. Is there anyone still hanging onto the “shadow inventory” myth? [Note: this observation was reviewed on Jan 7 after receiving connected foreclosure pending counts from Tim Ruff on the information sheet]
Sharing Charts

Paid subscribers have rights to distribute and share the Cromford Report charts. However, ARMLS has strict rules regarding who can have access to the data, not to mention subscribers should want to protect the exclusivity of their accounts. Below are some dos and don’ts for sharing your charts online or via email.

**How NOT to Share Charts**

At the bottom-left of each chart in the TABLEAU menu, you will see the following icons:

*Do not use these icons to embed a live interactive chart on your website or link a live interactive chart to Facebook, Twitter or e-mail. The main reason for this is that these icons go with your live chart, allowing your competition and consumers to snag it (for free) from you without your consent or your branding. This eliminates you from the conversation all together and removes the need for clients to come back to you or your website for updates as it’s linked directly to the Cromford Report updated databases.*

**How TO Share Charts**

At the bottom-middle of each chart in the TABLEAU menu, you will see these icons:

*When you hover your mouse over the arrow, you will get the following options to save the chart as a PNG image or a PDF document.*

**A PNG image** can be used for flyers postcards and quality printing. Bear in mind that the graphic doesn’t come with your criteria, so you’ll want to label the file somehow or document the criteria used in your piece.

**A PDF document** can be used to email a client or print for a presentation. When selecting this option, always choose Landscape for the layout, and you can scale the chart to 60% if you find that it’s cut off. As a bonus, the criteria will always be listed at the bottom of the chart for reference.

**To create a JPG image**, you’ll need to use “screen grabber” software. Luckily, if you have Windows 7 (or Vista) or if you use a MAC you already have one that’s installed with the operating system!

**Snipping Tool** - Windows Vista & Windows 7

Find the Snipping Tool by clicking on the Windows start button and typing “Snipping Tool” in the Search box. Once open, click on New and draw a box around the area on the screen that you want to copy. When the area is captured, it’s automatically copied to the clipboard and is available to paste in an email or save as a JPG for use on Facebook.

**Command + Shift + 4** - Macintosh/Apple Computer

Once you press this keyboard combination and capture your screen area, it will automatically save a JPG image on your desktop.