

Jump Start Guide

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Preparing for a Listing Presentation

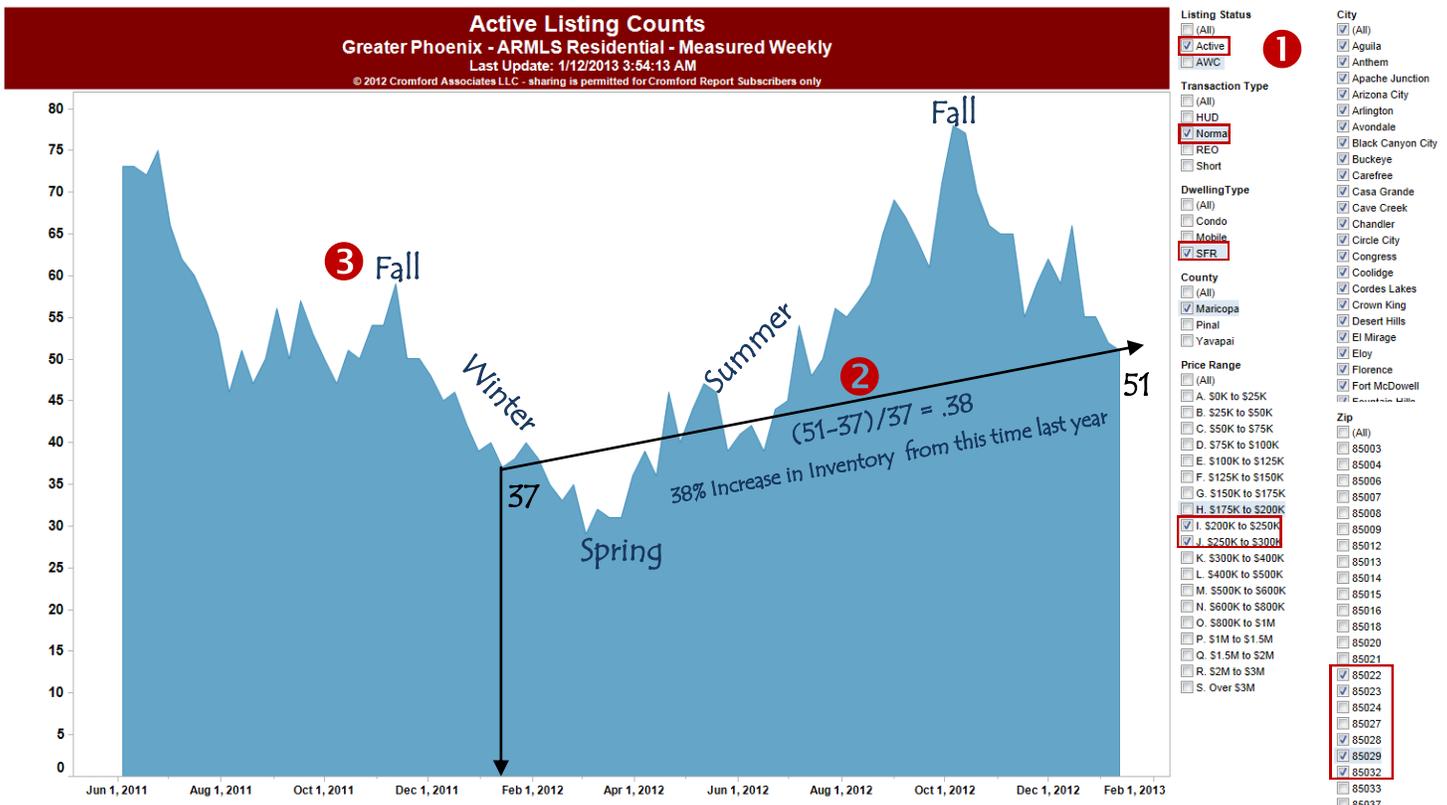
When pulling statistics for a listing presentation, it's important to remember that The Cromford Report charts are not for determining market value of a home. That's what your Comparative Market Analysis (CMA) is for. These charts are specifically used to show your seller what the overall activity is 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



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.

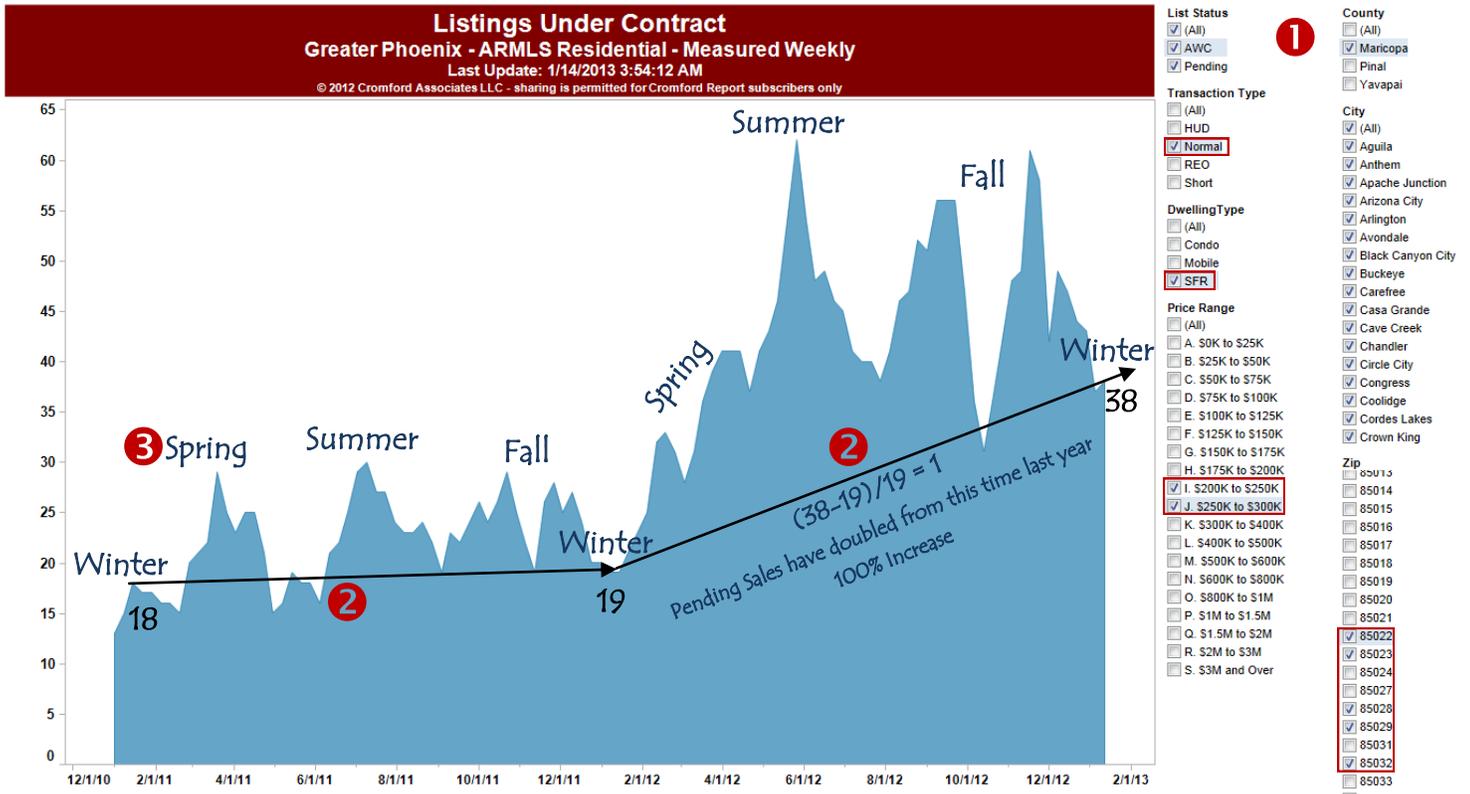
****If your chart has months where there are zero actives, then either expand your price range or widen your area.****

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?

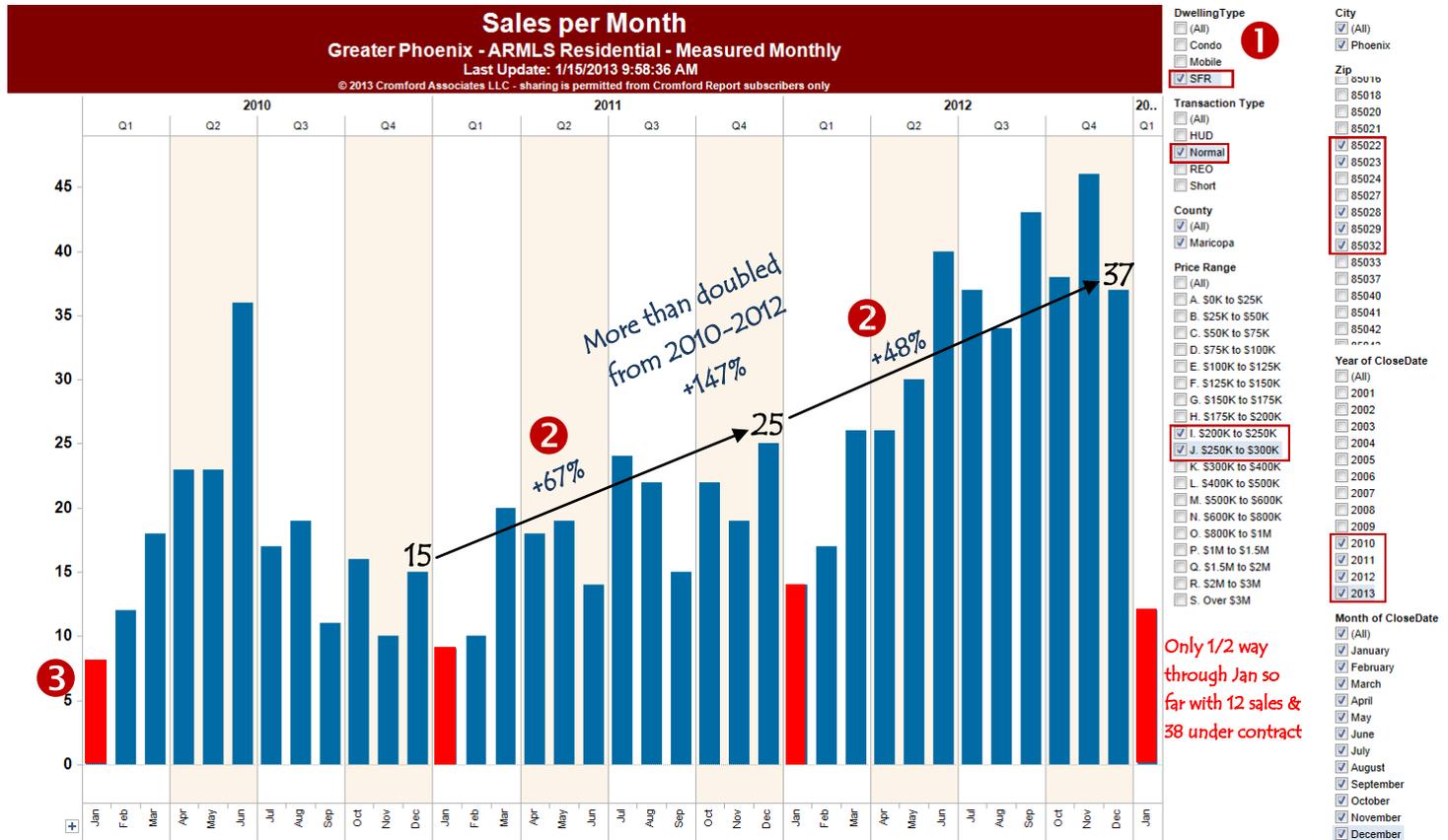
Step 3: Look to see when pending contracts tend to peak. Bear in mind that pending sales often will drop towards the end of each month as they (hopefully) turn into closed sales. These numbers can be used to project next month's closed sales.

****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.****

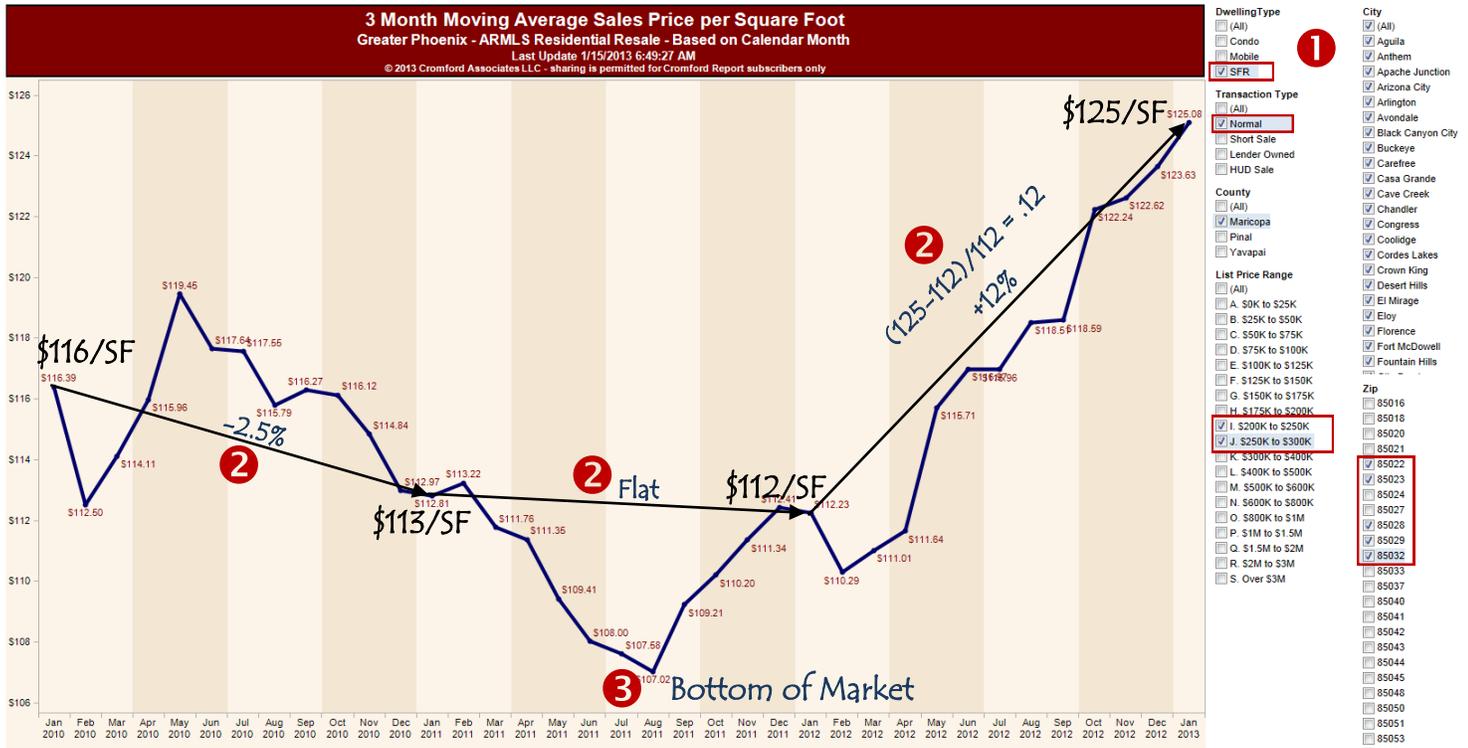
This chart tells us that sales, in this price range and zip code, are seasonal with the low points typically in January and February, typical after a slow month of December for pending sales.

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

Enter your name here **1**

Enter your contact details here

Enter your company name here

Summary Market Conditions
 ARMLS Data for Maricopa & Pinal Counties
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Custom Selections

Dwelling Type **2**

SFR

Minimum Price \$0

Maximum Price \$35,000,000

Include UCB? No

Transaction Type

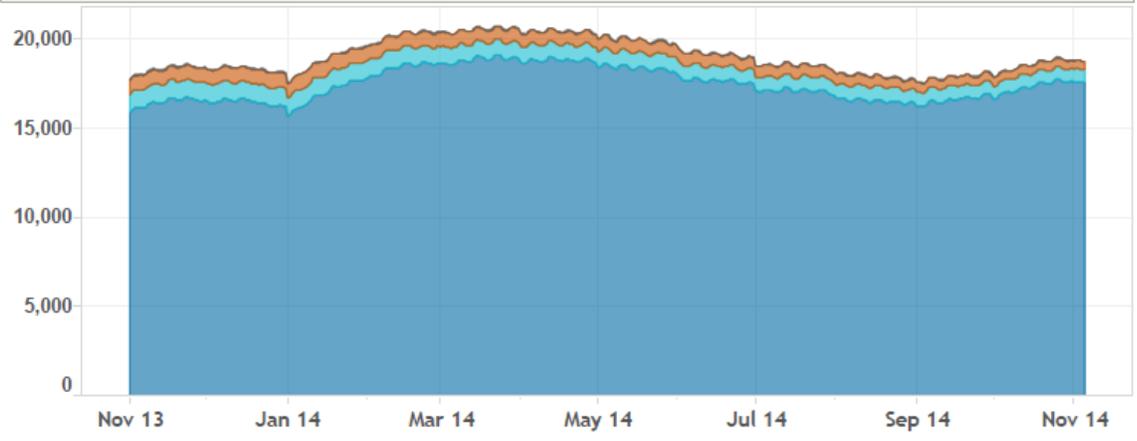
HUD

Normal

REO

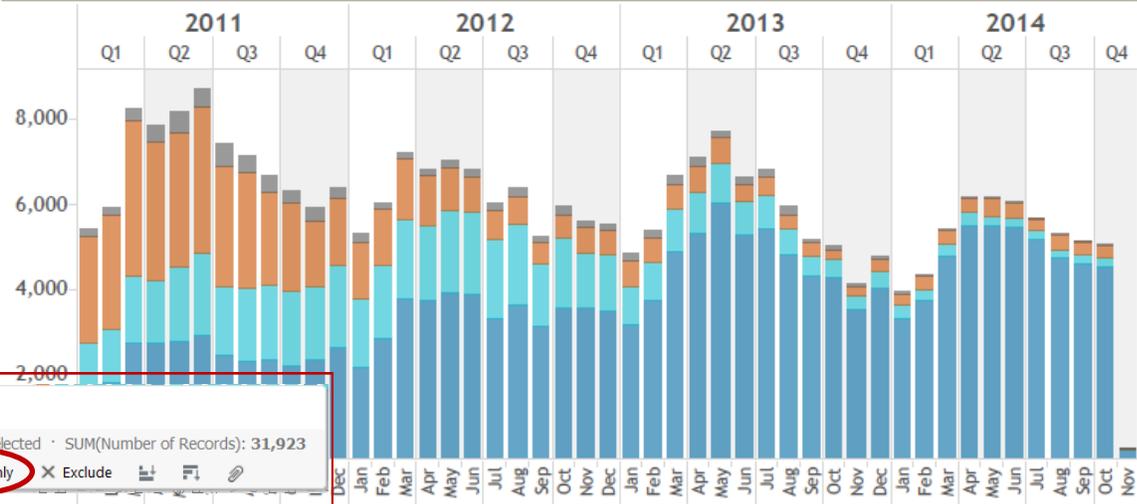
Short

Active Listing Counts
 Last Update: 11/5/2014 10:13:56 PM



Sales per Month
 Last Update: 11/5/2014 10:18:53 PM

City	Zip
Apache Junction	85119
	85120
Arizona City	85123
Arlington	85322
Avondale	85323
	85392
Buckeye	85326
	85396
Carefree	85377
Casa Grande	85122
	85143
	85193
	85225
Cave Creek	85225
Chandler	85225
	85226
	85248
	85249
	85286
Coolidge	85128
Desert Hills	85086
El Mirage	85335
Eloy	85131
Florence	85132
Fort McDowell	85264
Fountain Hills	85268
Gila Bend	85337
Gilbert	85233
	85234

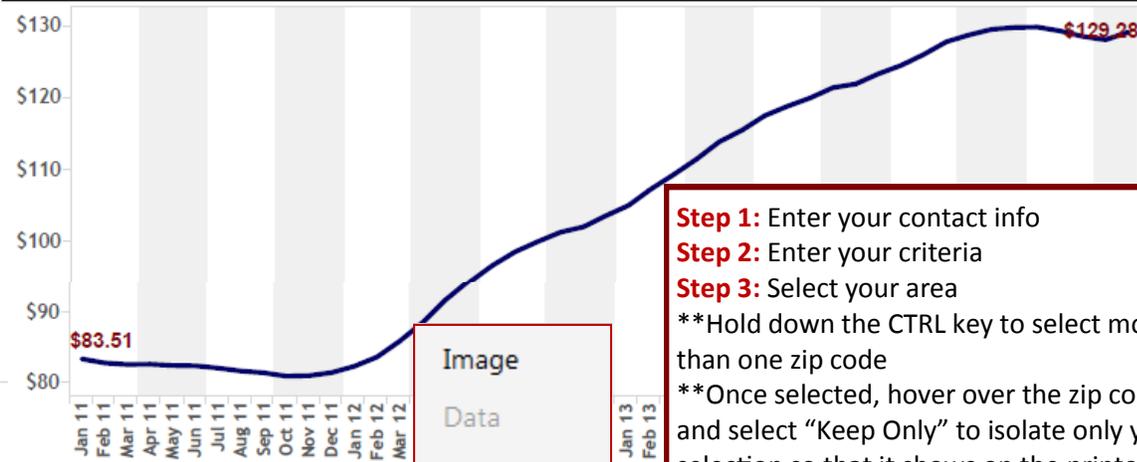


2 items selected · SUM(Number of Records): 31,923

Keep Only Exclude

3

6 Month Moving Average Sales Price per Square Foot
 Last Update 11/5/2014 10:13:14 PM



Legend:

- HUD
- REO
- Short
- Normal

Usage Note: Each individual real estate professional is responsible for ensuring that this information is used only for their personal clients only. All other use is prohibited.

Image

Data

Crosstab

PDF

Step 1: Enter your contact info

Step 2: Enter your criteria

Step 3: Select your area
 **Hold down the CTRL key to select more than one zip code
 **Once selected, hover over the zip code and select "Keep Only" to isolate only your selection so that it shows on the printout.

Step 4: Click on the Export icon and select PDF. Follow the steps and either save or print the resulting PDF file.

4

Charts to Use for Marketing Pieces

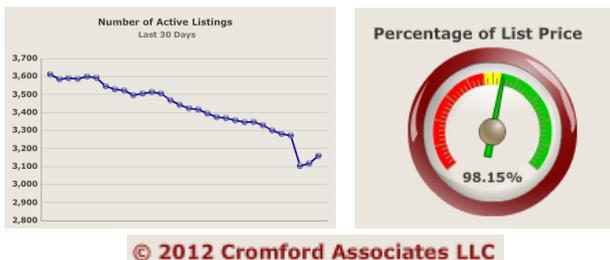
The following charts are located under the **DASHBOARDS** menu selection.



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.



The Information Market	Recent News & Commentary
News & Commentary	Daily Observations
Definitions	Good News!
Subscriptions	Tom Ruff's Housing Opinion
Special Reports	Presentations & Education
FAQ	News Archive
Downloads	
The Cromford Forum	
Contact Us	

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

January 2 - Market Summary for the Beginning of 2013

Market Summary for the Beginning of 2013

Here are the basic ARMLS numbers for January 1, 2013 relative to January 1, 2012 for all areas & types:

- Active Listings (excluding AWC): 17,121 versus 18,221 last year - down 6.0% - and down 5.5% from 18,122 last month
- Active Listings (including AWC): 20,942 versus 24,788 last year - down 15.5% - and down 9.0% from 23,012 last month
- Pending Listings: 8,026 versus 9,086 last year - down 11.7% - and down 12.3% from 9,170 last month
- Monthly Sales: 7,069 versus 7,626 last year - down 7.3% - but up 3.7% from 6,820 last month
- Monthly Average Sales Price per Sq. Ft.: \$107.66 versus \$84.75 last year - up 27% - and up 1.6% from last month
- Monthly Median Sales Price: \$153,000 versus \$118,150 last year - up 28.7% - but down 1.9% from last month

We have reservations about the accuracy of the sales counts in that we suspect a few hundred of the short sales currently shown for December did not in fact get closed. These were closed automatically by ARMLS because the scheduled close date was reached. Those that did not actually close will probably have their status changed later as agents fix their listings. It is likely to be a couple of weeks before these numbers settle down. As we receive details from the county records we update our listings database with more accurate information, rather than relying exclusively on the ARMLS records.

The first half of December was dominated by strong sales of luxury homes while the last week saw a surge in lower end homes especially short sales. Pricing therefore surged upwards strongly by the third week of December only to drop sharply in the last few days.

Good news for sellers is that the Cromford Market Index™, having eased to a low point of 158.1 on December 3 is now rising again and has reached 166.0, its highest level since October 12. The Cromford Supply Index™ adjusts for seasonal effects and its move from 70.9 to 69.4 tells us that supply is getting tighter again, while the Cromford Demand Index™ is still moving gradually higher to 115.2, telling us that demand is getting slightly stronger.

At this point it is not clear what the active listing trend will be in coming months. We will certainly see some growth in January as many of the listings that expired at the end of December are re-submitted. The new listing counts were very weak for December but the sales numbers were nothing special either, so the message is inconclusive. We advise watching this number closely to determine how strong the market will be in the critical spring period. At the moment we see supply getting weaker in several mid-range areas while it recovers in some of the lowest cost areas. It would not be unreasonable to expect the recovery to affect the low end first (as it has), followed by the mid range and finally by the luxury sector.

December was a bad month for people who like foreclosures. New Notices of Trustee Sale for Maricopa County came in at 2,112 in total which included 1,994 for residential properties. The last time we had fewer than 2,000 residential notices in a month was May 2007. Recorded Trustee Deeds totaled 1,399 of which 1,302 were residential. This is the lowest monthly number of Trustee Deeds since November 2007. As a sign of the times there were almost as many residential foreclosure notices canceled (1,881) as new ones filed (1,994). There were 8,758 residential notices active (i.e. pending foreclosures) as of January 1. This is 82% below the peak level of 47,606 in December 2009. Total distressed residential inventory (active notices plus REO) stands at 14,547, down 77% from the peak of 62,123 in February 2010. We are clearly almost at the end of the foreclosure wave in Greater Phoenix.

We expect to see overall \$/SF pricing staying roughly flat in the immediate future as the pending \$/SF has been leveling out. The odds are that an upward trend will resume shortly, given the continued imbalance between supply and demand.

In terms of public sentiment, the fiscal cliff agreement does not resolve too much since we still have the debt ceiling to worry about. The reversion to normal payroll taxes will reduce the net income of most working folks, which may dampen the housing market a little. On the other hand there is now so much positive news about housing in the media that public sentiment is likely to improve overall. It is possible that demand could strengthen quite a bit as a result, but the lenders can easily rain on that parade if they stick to their current underwriting principles. Despite the tempting low interest rates, actually obtaining full approval for a loan remains a process fraught with obstacles (not the least of which is the appraisal) and borrowers face unusually stringent documentation requirements.

The extension of the Mortgage Debt Tax Relief for another year is good for many homeowners in other states, but is unlikely to have much effect in states with non-recourse state laws. Most local lawyers seem to think extinguished debt on qualifying home loans is not taxable because the homeowner is not personally liable if the home is foreclosed or short sold. The guiding principle is that only recourse debt is taxable when forgiven. However, other lawyers seem to disagree. No change there then. Either way, the question is moot for another 12 months. The Cromford Report is definitely NOT a good place to look for tax or legal advice. We just focus on the market and measuring where it is headed.

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

January 2013

January 7 - The all areas & types monthly average price per sq. ft. has retreated from a peak of \$109.78 on December 24 to \$106.69 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 \$85.22 only to retreat to \$83.37 on January 17 before they started to rise again.

January 6 - If we look at the [Normal Snapshot](#), which filters out all the lender owned properties, short sales, HUD sales and pre-foreclosures, we see that the situation today is much improved over January 2012.

- The contract ratio is up from 25.4 to 31.8
- Listing success rate is up from 67.7% to 72.5%
- Average days on market for sales is down from 81 to 58
- Average days on market for active listings is down from 170 to 124
- Days inventory is down from 138 to 108
- Average sales price percentage of list is up from 94.55% to 96.68%

We were in pretty good shape last year, but the situation for sellers of normal re-sale homes is now better 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 sellers emerge now that prices have found a higher level. If they come out in large numbers then the market will quickly stabilize. If they only give us a small number of new listings then the economic laws of supply and demand will cause us to have another busy spring with demand outstripping supply and prices rising accordingly. So it is important to watch how the [New Listings](#) and [Active Listings](#) charts behave. So far in January we have seen 1,171 new listings in Greater Phoenix across all dwelling types. In the same period in 2011 we saw 1,092. That's a 7% increase. Not exactly large, but not small either, so it looks like we are heading for middle ground - a moderate increase in supply which suggests prices will rise modestly and spring will be less frenetic than 2012 was. Mind you, we are only looking at 4 days of data, 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 owner-occupiers to compete with financed offers. We expect that trend back to normality to intensify up over the next several months.

January 4 - To put our inventory level into perspective, we are starting off 2013 with [3.0 months of supply based on the monthly sales rate](#). This is the lowest level for any start of year since we began measurements in 2000, with the notable exception of 2005. The lack of inventory in 2005 was extreme. In 2013 it is only severe. There are exceptions by area (e.g. Maricopa, San Tan Valley, Carefree, Wickenburg, Waddell, Florence, Rio Verde, Arizona City, Eloy) where supply is adequate, and by price range (e.g. over \$800,000), but generally speaking, Greater Phoenix is short of homes for buyers to purchase.

January 3 - According to a [survey by FulteGroup](#) (not exactly independent, but...) about 6 in 10 renters they interviewed plan to buy a home in the next 2 years. This was from a fairly small survey of 506 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 landlords start to sell their properties to their tenants we don't have anything like enough homes available for 60% of the tenants to buy. In reality a much smaller number are likely to become owner-occupiers, but this trend could push up the demand for owned homes and significantly drop demand for rentals.

January 2 - At the end of January 2002 we had 9,061 active Notices of Trustee Sale in Maricopa County. Today we have 11,189, just 23% more than in 2002. Yet we have 31% more single family homes in Maricopa County than existed in January 2002. Conclusion: we had 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 revised on Jan 7 after receiving corrected foreclosure pending counts from Tom Ruff via the Information Market]

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:

Share    

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.

