

Tucson Housing Outperforming National Averages: Hot Time, Summer in the City



Sales of single family homes jumped 7% in June compared to May and were strongly ahead of June 2015.

Sales totaled 1,639; 11% more than in June 2015. Year-to-date sales of 8,140 homes are an increase of 12% over the first six months of 2015.

Total sales volume for June was \$384,524,826! That's 18% more than June 2015.

Our most popular sales price point in June was \$200,000 to \$299,000, accounting for 26% of total sales. This is the typical purchase price of a home for a "move up buyer" and demonstrates that market segment is performing strongly.

The price range of \$100,000 to \$159,000 accounted for 25% of total sales; followed by \$160,000 to \$199,000 with 19%.

In March we sold fifteen (15) homes for more than \$1 million; thirteen (13) more are pending.

Tucson home sales are solidly outperforming the national averages.

Pending sales, our only forward looking indicator, were 2,412 at the end of June. This is an increase of 14% from 2015 and down 5% from May. Pending sales are those transactions that did not close in the previous month but will likely close in

the next.

The average home took 57 days to sell in June, two days than in more than in May.

Sellers, in part recognizing the current housing inventory shortage, are increasing overall listing prices. In June the average listing price was \$337,000; up 18% over June 2015. In January 2016, the average listing price was \$292,000. By June it was 15% higher.

However, this strong pricing is still closely tied to the home's estimated value. In June, the average listing price represented just 107% of the average home's estimated value. In June of 2015 the average listing price represented 103% of the estimated value.

In annual Buyer/Seller surveys conducted by the National Association of REALTORS®; "assistance in pricing my home for sale" was listed a key benefit of working with a REALTOR®.

In June the average sales price was 97% of the average listing price; exactly the same as in June 2015.

Eric Gibbs, 2016 President of the Tucson Association of REALTORS® noted, "We've had a strong six months with robust sales over 2015. There are a number of signs that indicate our market is healthy and thriving."

The median sales price in June was \$190,000, an increase of 9.8% over June 2015, and up 6% over May 2016. Historically, median price increases between January and June an average of 5.3%. In 2016 the increase is 12%.

The Tucson market has seen healthy, sustainable price appreciation over the last three years without interruption. The jump in June is likely a factor of the continuing inventory contraction. The forecast for 2016 is continued price appreciation averaging 3-6%.

The number of actively listed homes continues its downward decline.

At the end of June we had 4,175 actively listed single-family homes. This is down 17% from June 2015 and down 6% from May 2016.

We continue to add new listings at a rate slower than in 2015. Combining that with our increased sales level forecasts continued shortages

This represents less than three months of inventory. We define a market "in equilibrium" (not unfairly favoring buyers or sellers) as six months of inventory.

There was a decrease in the number of actively listed homes across the entire price spectrum.

Gibbs added, "Like sustainable price appreciation, increasing median price and decreasing DOM, inventory is very much a concern as it continues to decline month over month."

"Days on Market" continues to fall steadily this year from 66 days in January to 57 days in June.