



ARIZONA REGIONAL MULTIPLE LISTING SERVICE, INC.

ARMLS PPI™

your monthly statistics
for the Phoenix Metro area

January 4, 2012

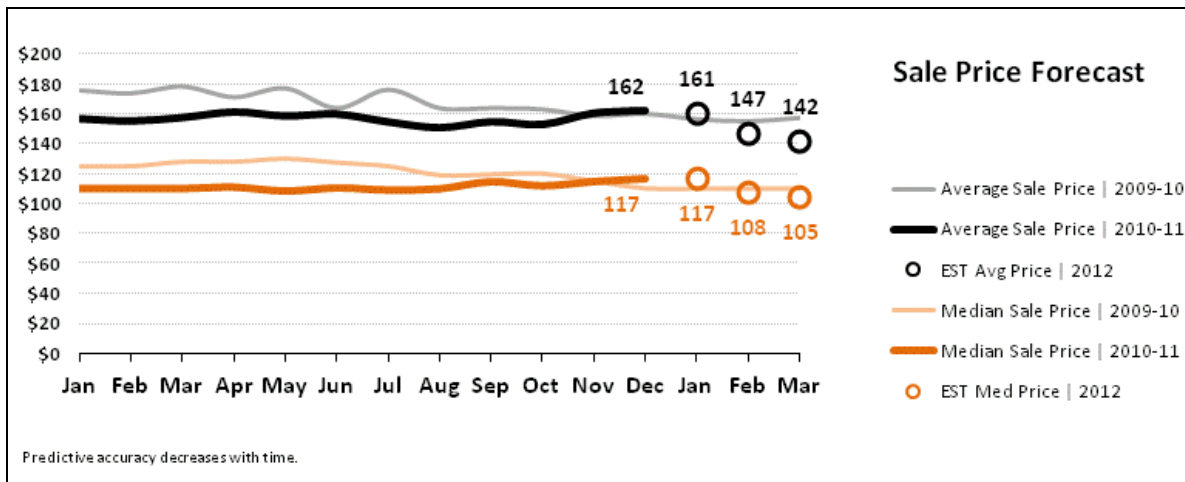
“ARMLS PPI™” is a trademark of Arizona Regional MLS.

THE ARMLS PENDING PRICE INDEX™

The ARMLS Pending Price Index is a forecasting tool unique to ARMLS, which uses pending sales data inside the MLS system to predict sales prices ninety days into the future. Last month, the PPI predicted that average sales price would be \$151,900, missing the actual December median of \$162,200 by 6.78%. The median sales price predicted in November for December was \$110,000, missing the actual December median sales price, \$117,000, by 6.36%.

This month the PPI forecasts the median sales price will remain stable in January at \$117,000 and then decline in February to \$108,000, and to \$105,000 in March. The average sales price is expected to decline slightly to \$161,000 in January and then continue the downward projection to \$147,000 in February and \$142,000 in March. Note that PPI’s accuracy declines the further into the future it predicts.

Despite the positive, yet slight, increases in the median and average sales prices in this month’s STAT, pending data in MLS forecasts similar lackluster pricing performance at least through Q1.

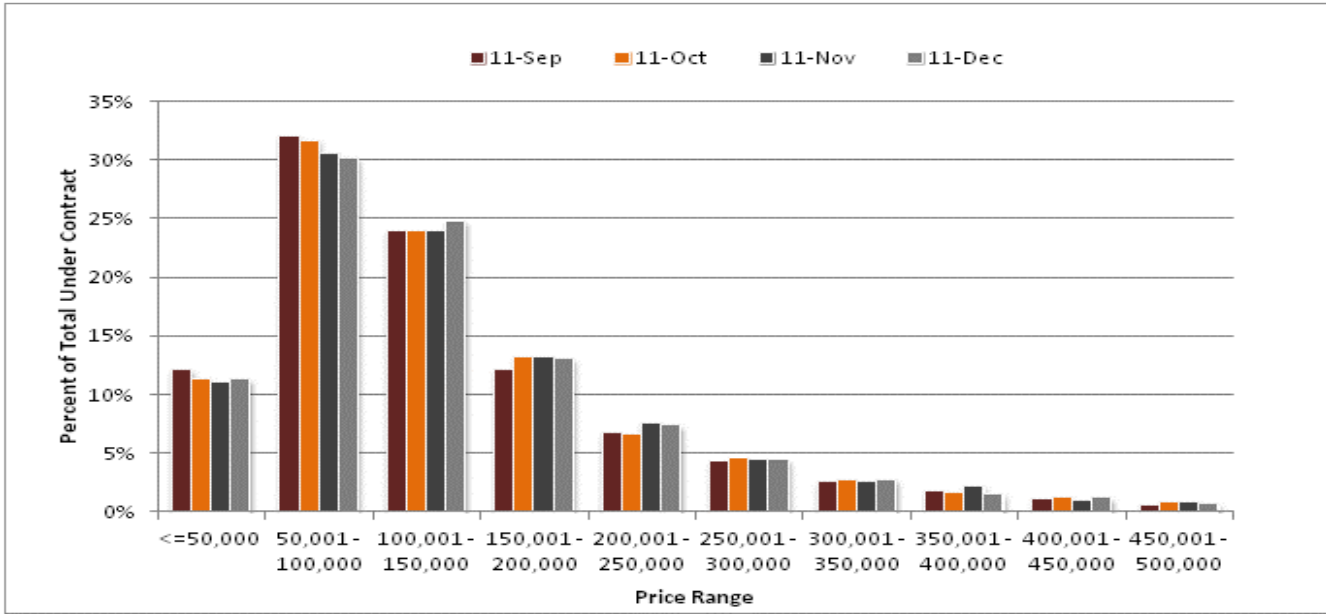
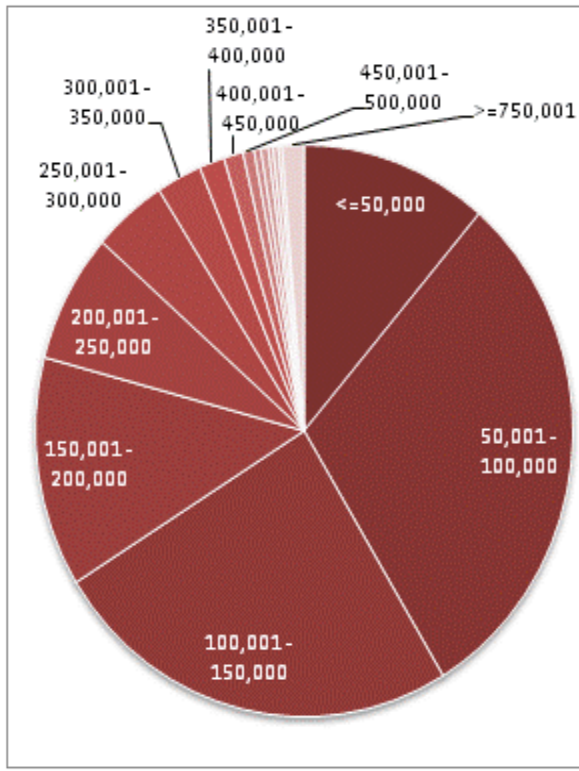


PPI SUPPLEMENT

The PPI Supplement focuses on new pending properties added each month to the total pending property pool in MLS. By focusing on the newly pended properties on a rolling four month basis, we can perceive subtle changes in pricing, which are precursors to recovery.

This month the Supplement detects no significant changes to indicate a shift in specific price range recovery. Lower end range (\$50,000 and below and \$50,001-\$100,000) trend lines over the previous four months continue to decline. Other price ranges offer no changes significant enough to indicate an altered trend, paralleling the lackluster pricing performance reported in the PPI.

| Pending Contracts Signed In December | | | | |
|--------------------------------------|-----------|-----------|-----------|------------------|
| Price Range | PPI Avg | PPI Med | PPI Units | Units % of Total |
| <=50,000 | 35,050 | 35,101 | 764 | 11.27% |
| 50,001 - 100,000 | 77,607 | 78,500 | 2,040 | 30.09% |
| 100,001 - 150,000 | 124,820 | 124,900 | 1,678 | 24.75% |
| 150,001 - 200,000 | 172,982 | 170,000 | 883 | 13.03% |
| 200,001 - 250,000 | 226,436 | 225,000 | 497 | 7.33% |
| 250,001 - 300,000 | 274,543 | 274,500 | 302 | 4.45% |
| 300,001 - 350,000 | 325,446 | 325,000 | 185 | 2.73% |
| 350,001 - 400,000 | 377,305 | 375,000 | 103 | 1.52% |
| 400,001 - 450,000 | 427,325 | 425,000 | 79 | 1.17% |
| 450,001 - 500,000 | 477,665 | 475,000 | 45 | 0.66% |
| 500,001 - 550,000 | 527,407 | 525,000 | 28 | 0.41% |
| 550,001 - 600,000 | 577,602 | 575,950 | 30 | 0.44% |
| 600,001 - 650,000 | 636,185 | 640,000 | 19 | 0.28% |
| 650,001 - 700,000 | 683,909 | 685,000 | 22 | 0.32% |
| 700,001 - 750,000 | 736,633 | 737,500 | 15 | 0.22% |
| >=750,001 | 1,292,730 | 1,000,000 | 89 | 1.31% |



PPI SUPPLEMENT - \$/SQ FT

The PPI \$/SQ FT Supplement examines incremental gains and losses in the price per square foot of newly pending properties added to the pending pool each month. The slight gains and losses from one price range to the next followed an inconclusive one step forward two steps back pattern in December, indicating little pricing recovery at the front edge of the pending activity. Gains in the price per sq ft at the higher end ranges are less reliable due to the smaller number of properties used to calculate price per square foot. This wimpy \$/SQ FT performance is in sync with other equally dull pricing metrics reported in the PPI and PPI Supplement.

| Pending Contracts Signed In November | | | | | Pending Contracts Signed In December | | | | |
|--------------------------------------|-----------|-----------|-----------|------------------------|--------------------------------------|-----------|-----------|-----------|------------------------|
| Price Range | PPI Avg | PPI Sq Ft | PPI Units | Avg Pending Price SqFt | Price Range | PPI Avg | PPI Sq Ft | PPI Units | Avg Pending Price SqFt |
| <=50,000 | 35,250 | 1,222 | 842 | 29 | <=50,000 | 35,050 | 1,180 | 764 | 30 |
| 50,001 - 100,000 | 77,475 | 1,549 | 2,348 | 50 | 50,001 - 100,000 | 77,607 | 1,556 | 2,040 | 50 |
| 100,001 - 150,000 | 125,193 | 1,830 | 1,836 | 68 | 100,001 - 150,000 | 124,820 | 1,856 | 1,678 | 67 |
| 150,001 - 200,000 | 173,568 | 2,121 | 1,013 | 82 | 150,001 - 200,000 | 172,982 | 2,128 | 883 | 81 |
| 200,001 - 250,000 | 226,453 | 2,455 | 583 | 92 | 200,001 - 250,000 | 226,436 | 2,425 | 497 | 93 |
| 250,001 - 300,000 | 275,797 | 2,711 | 337 | 102 | 250,001 - 300,000 | 274,543 | 2,762 | 302 | 99 |
| 300,001 - 350,000 | 326,649 | 3,059 | 195 | 107 | 300,001 - 350,000 | 325,446 | 2,950 | 185 | 110 |
| 350,001 - 400,000 | 376,735 | 3,174 | 168 | 119 | 350,001 - 400,000 | 377,305 | 2,966 | 103 | 127 |
| 400,001 - 450,000 | 426,097 | 3,267 | 73 | 130 | 400,001 - 450,000 | 427,325 | 3,317 | 79 | 129 |
| 450,001 - 500,000 | 476,761 | 3,223 | 60 | 148 | 450,001 - 500,000 | 477,665 | 3,420 | 45 | 140 |
| 500,001 - 550,000 | 526,209 | 3,622 | 54 | 145 | 500,001 - 550,000 | 527,407 | 3,457 | 28 | 153 |
| 550,001 - 600,000 | 580,908 | 3,781 | 36 | 154 | 550,001 - 600,000 | 577,602 | 3,828 | 30 | 151 |
| 600,001 - 650,000 | 627,475 | 3,740 | 20 | 168 | 600,001 - 650,000 | 636,185 | 3,766 | 19 | 169 |
| 650,001 - 700,000 | 678,119 | 4,186 | 21 | 162 | 650,001 - 700,000 | 683,909 | 4,226 | 22 | 162 |
| 700,001 - 750,000 | 728,905 | 4,032 | 21 | 181 | 700,001 - 750,000 | 736,633 | 3,632 | 15 | 203 |
| >=750,001 | 1,299,930 | 5,072 | 90 | 256 | >=750,001 | 1,292,730 | 5,131 | 89 | 252 |

