

# Jeff's market update

**SCOTTSDALE**  
**85266**

Current prices for homes on the market  
Trends in pricing  
Current levels of supply and demand  
Value metrics

Report for the week of  
2008-01-11

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# City Overview

Real-Time Market Profile		Trend
Median List Price	\$ 794,900	
Average List Price	\$ 1,228,366	
Least Expensive Listing	\$ 98,000	
Most Expensive Listing	\$ 11,995,000	
Asking Price per Square Foot	\$ 276	
Average Days on Market	119	
Total Inventory	3856	
Sold This Week	231	
Percent of Properties with Price Decrease	44 %	
Percent Relisted (reset DOM)	12 %	
Percent Flip (price increased)	3 %	
Median House Size (sq ft)	2,875	
Median Lot Size	0.25 - 0.50 acre	
Median Number of Bedrooms	4.0	
Median Number of Bathrooms	3.0	
Median Age	15	

Altos Research Value Statistics		
Market Action Index	<b>Cold! Buyer's</b>	18

Altos Research calculates the Market Action Index which measures available supply relative to the current level of demand. Index value above 30 indicates conditions favor the seller. See the section below for full details.

Trend Key

	Last Month's Trend		Last Quarter's		No Clear Monthly/Quarterly
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\*Metric "Absorbed this Week" covers properties sold and those taken off the market for other reasons. Since sales sometimes take months to close, it is impossible to discern in real-time exactly which properties sold.

## Characteristics per Quartile

Quart	Median Price	Med. Sqft.	Med. Lot Size	Bed	Bath	Med. Age	Inven.	New	Ab-sorbed	Avg. DoM
1	\$ 2,382,500	5,000	0.50 - 1.0 acre	4.0	4.5	8	964	66	32	139
2	\$ 995,000	3,250	0.25 - 0.50 acre	4.0	3.0	10	964	58	51	123
3	\$ 649,000	2,625	8,001 - 10,000 sq ft	4.0	2.5	14	964	66	68	113
4	\$ 399,000	1,900	Less than 4,500 sq ft	3.0	2.0	26	964	74	80	103

## SCOTTSDALE

### THIS WEEK

The median single family home price in SCOTTSDALE this week is \$794900. The 3856 homes have been on the market for an average of 119 days.

The Market Action Index has been trending down lately, while inventory and days-on-market are climbing. The trends imply a weakening market.

### QUARTILES

To get a tightly targeted understanding of homes in the market, we break each locale into quartiles. Each quartile is 25% of the homes listed.

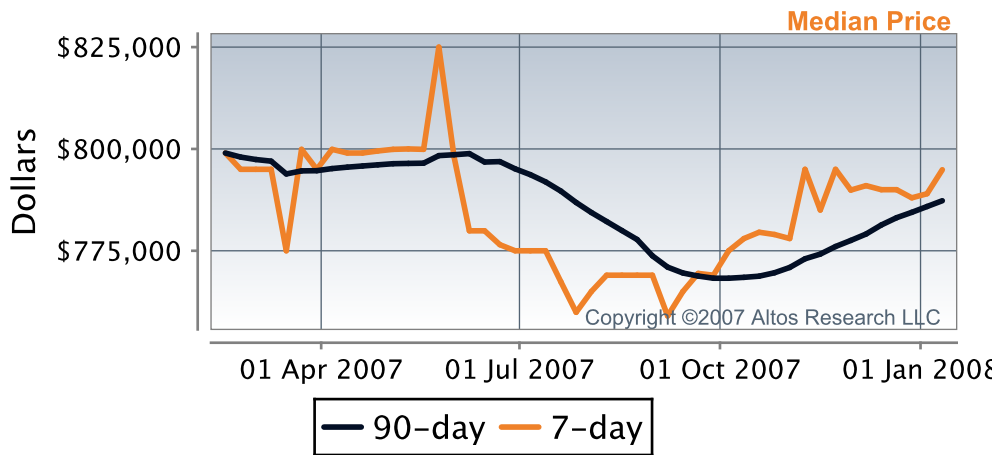
Most expensive 25% of homes

Upper-middle 25% of homes

Lower-middle 25% of homes

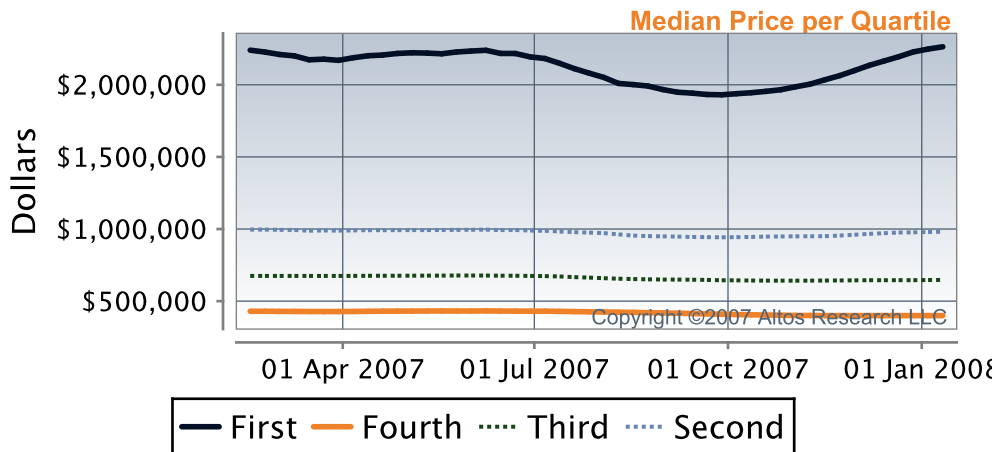
Least expensive 25% of homes

We'll refer to the quartiles in the trend graphs below.



### PRICE

The market seems to have paused around this plateau. The Market Action Index is a good leading indicator for the durability of this trend.

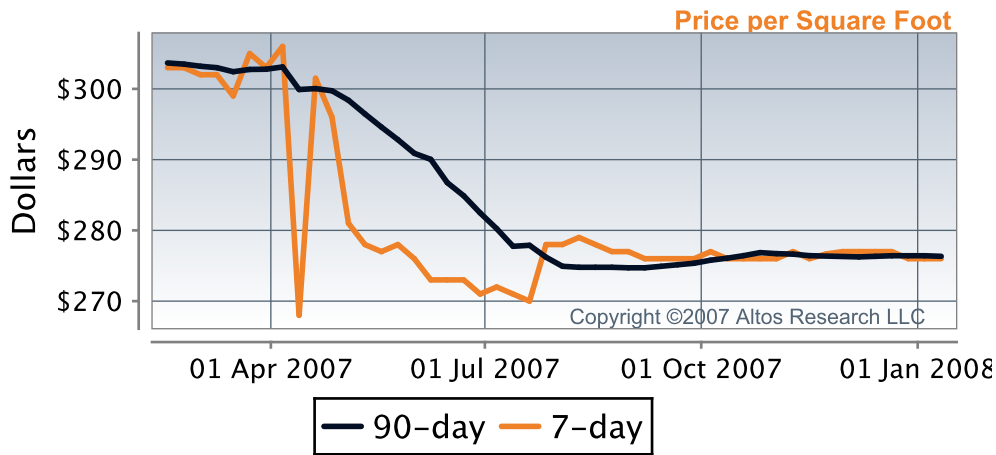


### QUARTILE PRICES

Often, we find insights by watching pricing trends within the quartile segments. Prices have generally settled at a plateau, although Quartile 1 is on a bit of an up trend in recent weeks. We'll need to see a persistent shift in the Market Action Index before we see prices across the board move from these levels.

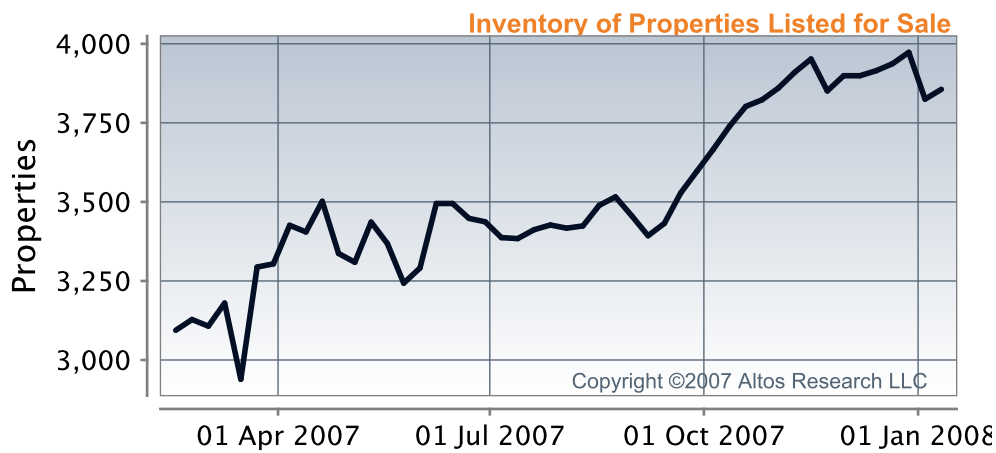
### PRICE AND VALUE

The market plateau is seen across the price and value. The price per square foot and median list price have both been reasonably stagnant. Watch the Market Action Index for persistent changes as a leading indicator before the market moves from these levels.

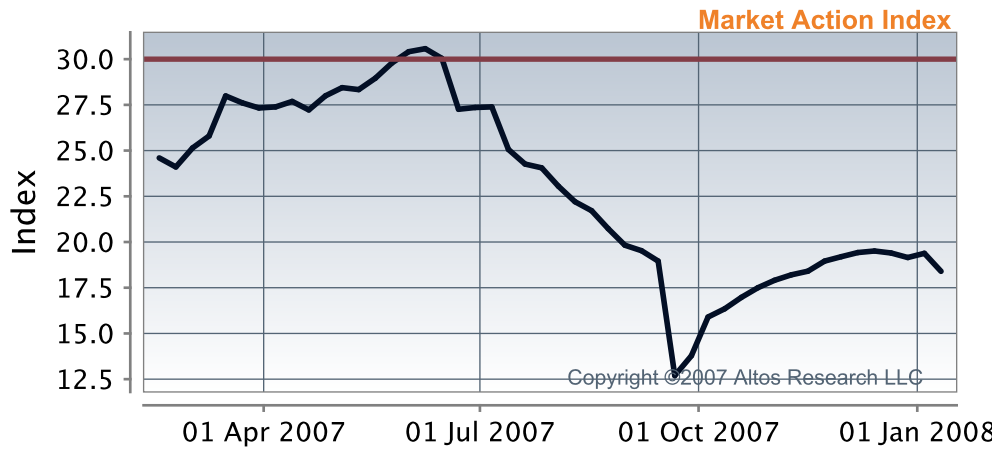


### INVENTORY

Inventory has been climbing lately. Note that rising inventory alone does not signal a weakening market. Look to the Market Action Index and Days on Market trends to gauge whether buyer interest is keeping up with available supply.



Residential house prices are a function of supply and demand, and market conditions can be characterized by analyzing those factors. Watch this index for sustained changes: if the index falls into the Buyer's Market zone for a long period, prices are likely in for a downward correction.



The Market Action Index (MAI) illustrates the balance between supply and demand using a statistical function of the current rate of sale versus current inventory.

An MAI value greater than 30 typically indicates a "Seller's Market" (a.k.a. "Hot Market") because demand is high enough to quickly gobble up available supply. A hot market will typically cause prices to rise. MAI values below 30 indicate a "Buyer's Market" (a.k.a. "Cold Market") where the inventory of already-listed homes is sufficient to last several months at the current rate of sales. A cold market will typically cause prices to fall.

## MARKET ACTION INDEX

The SCOTTSDALE market is currently quite strongly in the Buyer's Market zone (below 30). The 90-day Market Action Index stands at 18. With several months of inventory available at the current sales rate, buyers should find ample choice.

While prices have been at a plateau for a number of weeks, this is a Buyer's market and the supply of homes listed has started growing relative to demand. This indicates that prices could easily resume a downward trend in conjunction with the MAI. Prices are unlikely to move significantly higher until there is a persistent upward shift in the MAI.

### MARKET ACTION

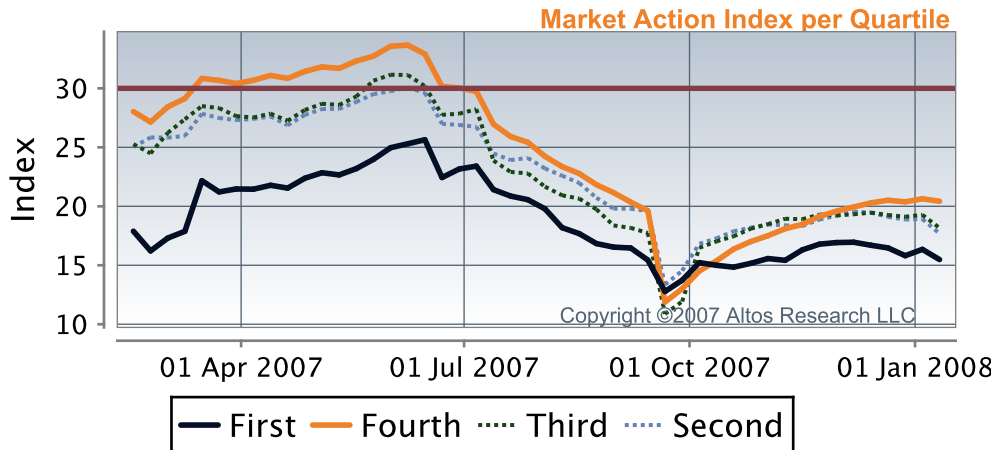
Not surprisingly given the overall Market Action Index, all quartiles are in the Buyer's Market zone with several months of inventory given the current rate of demand for homes in the quartile. Watch the quartile for changes before the overall market shifts. Often one end of the market (e.g. the low end) will improve and signal a strengthening market before the whole group changes.

### DAYS ON MARKET (DOM)

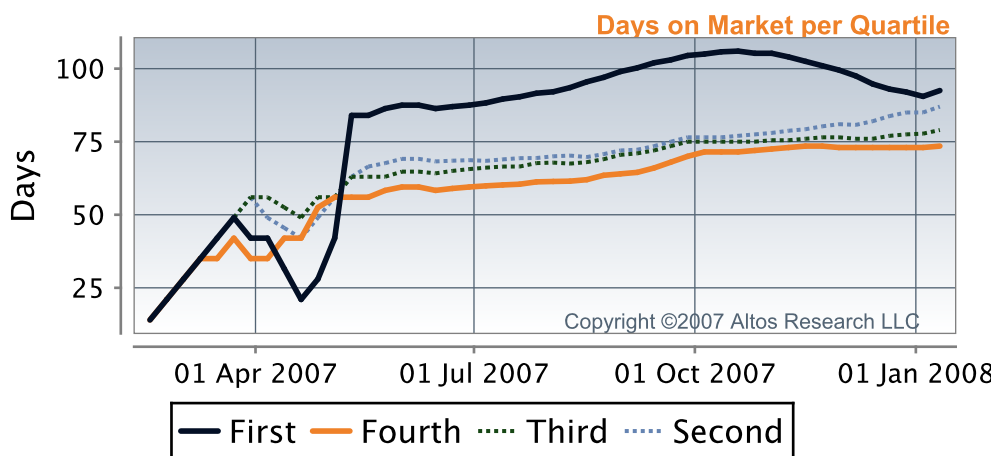
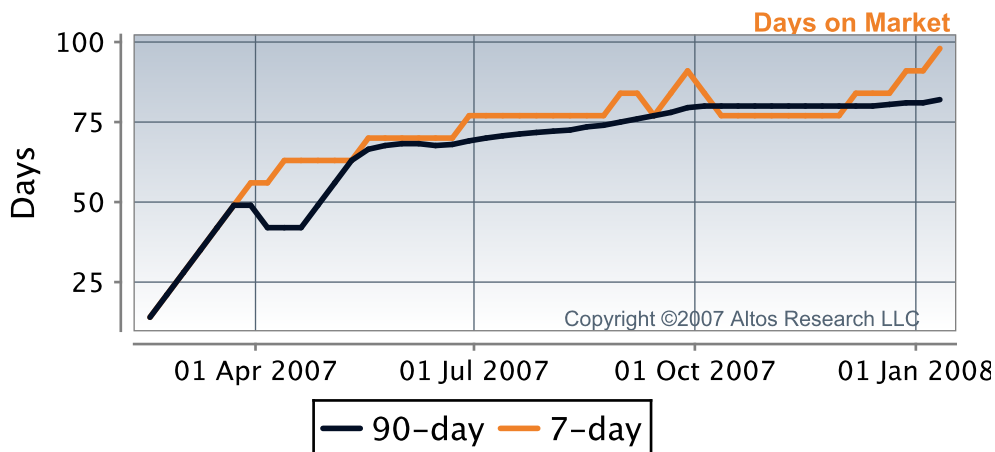
The properties have been on the market for an average of 119 days. Half of the listings have come newly on the market in the past 98 or so days.

### DOM PER QUARTILE

It is not uncommon for the higher priced homes in an area to take longer to sell than those in the lower quartiles.



The quartiles can help you answer the question, "How hot is the market for homes in my price range?"



# Neighborhood Detail

**SCOTTSDALE**  
**85266**

Real-Time Market Profile		Trend
Median List Price	\$ 1,030,000	↔
Average List Price	\$ 1,383,599	
Least Expensive Listing	\$ 449,000	
Most Expensive Listing	\$ 5,800,000	
Asking Price per Square Foot	\$ 303	
Average Days on Market	73	↑
Total Inventory	156	
Absorbed This Week	5	
Median House Size (sq ft)	3,500	
Median Lot Size	0.25 - 0.50 acre	
Median Number of Bedrooms	3.0	
Median Number of Bathrooms	3.1	
Median Age	11	
Altos Research Value Statistics		
Market Action Index	<b>Cold! Buyer's</b>	10 ↓

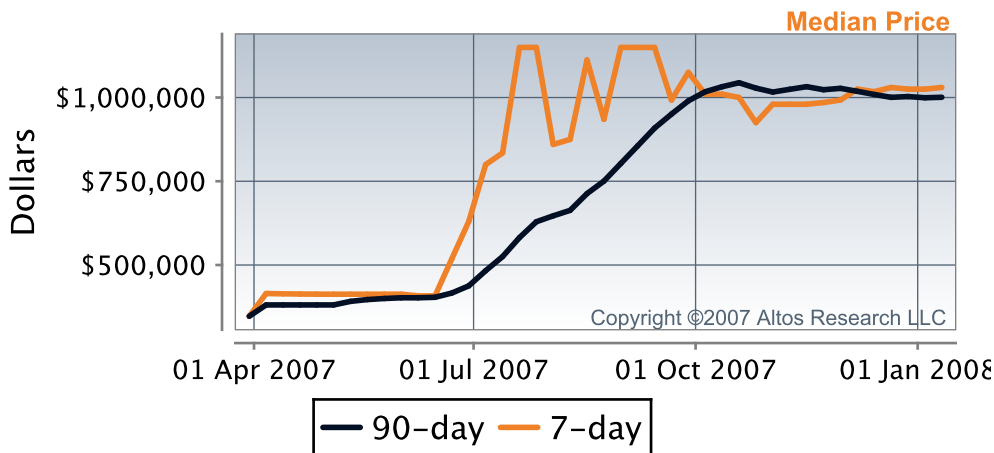
## THIS WEEK

The median single family home price in SCOTTSDALE 85266 this week is \$1030000.

The Market Action Index has been trending down lately, while inventory and days-on-market are climbing. The trends imply a weakening market.

## PRICE

Prices in this zip code seem to have settled around a plateau. Look for a persistent down-shift in the Market Action Index before we see prices deviate from these levels.



### PRICE PER QUARTILE

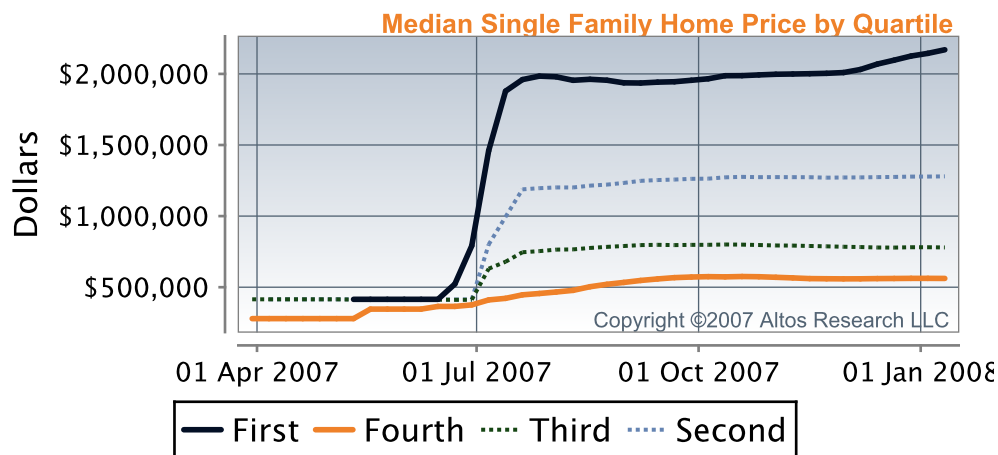
In the quartile market segments, we see prices in this zip code generally settled at a plateau, although Quartile 1 is on a bit of an up trend in recent weeks. We'll need to see a persistent shift in the Market Action Index before we see prices across the board move from these levels.

### QUARTILES

- Most expensive 25% of homes
- Upper-middle 25% of homes
- Lower-middle 25% of homes
- Least expensive 25% of homes

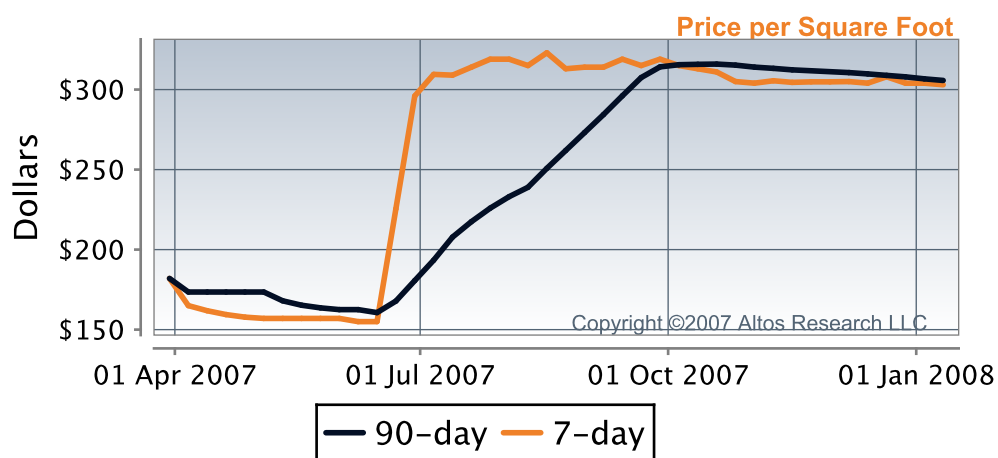
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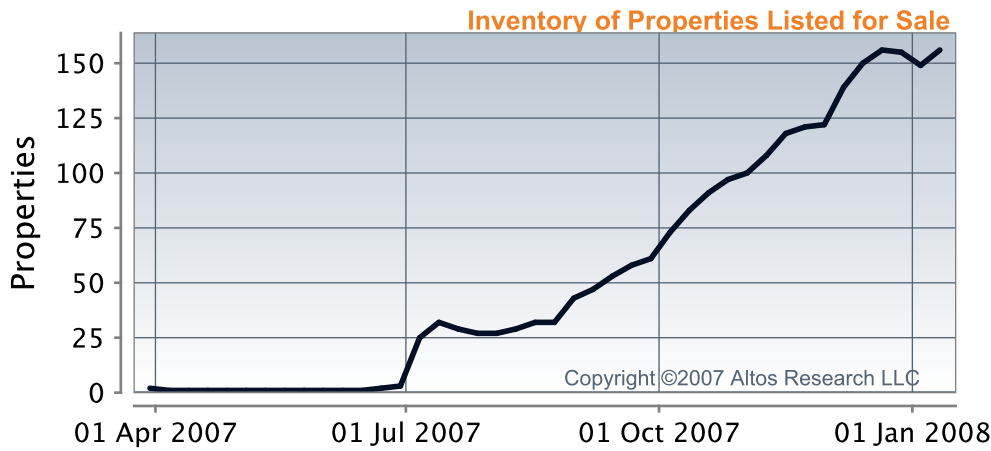
### Characteristics per Quartile

Quart	Median Price	Med. Sqft	Med. Lot Size	Bed	Bath	Med. Age	Inven.	New	Ab-sorbed	Avg. DoM
1	\$ 2,500,000	5,000	0.50 - 1.0 acre	5.0	5.0	6	39	3	0	71
2	\$ 1,295,000	4,250	0.25 - 0.50 acre	4.0	3.5	7	39	2	1	80
3	\$ 795,000	2,875	0.25 - 0.50 acre	3.0	3.0	12	39	4	2	68
4	\$ 550,000	2,125	8,001 - 10,000 sq ft	3.0	2.0	11	39	3	2	74



### INVENTORY

Inventory has been climbing lately with 156 properties available this week. Note that rising inventory alone does not signal a weakening market. Look to the Market Action Index to gauge whether buyer interest is keeping up with available supply.



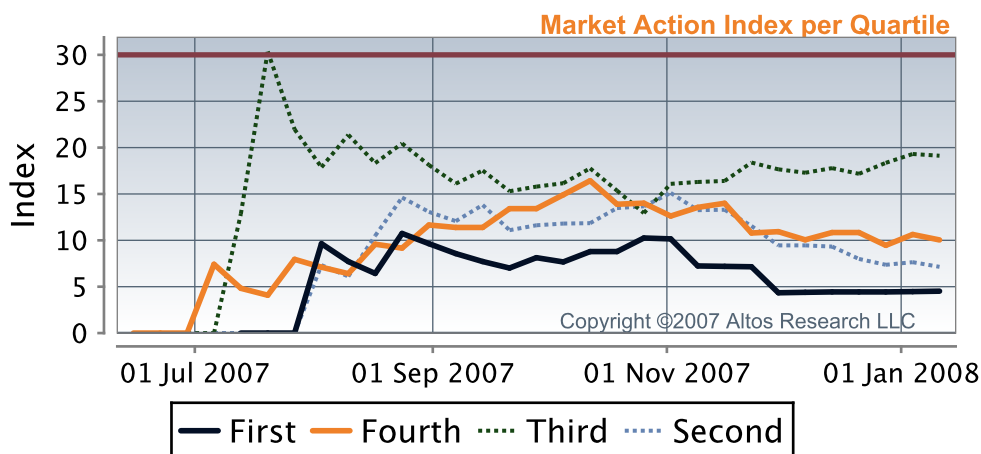
### MARKET ACTION INDEX

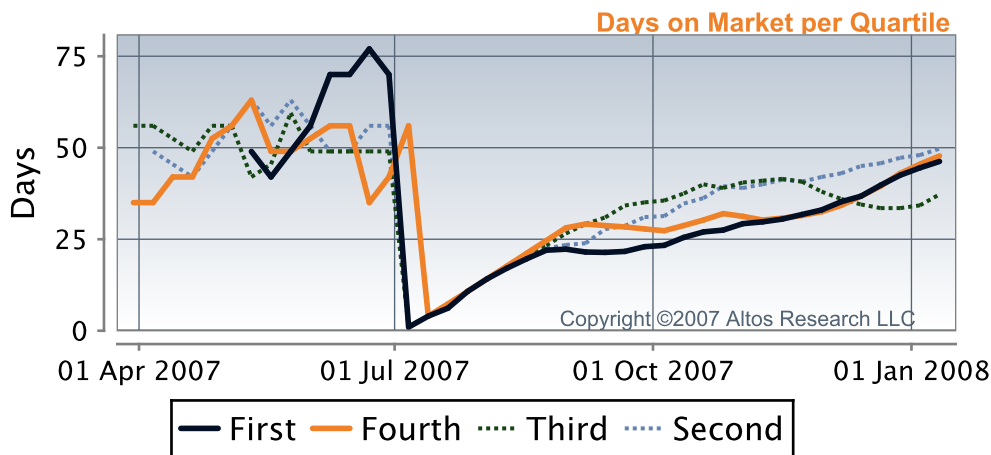
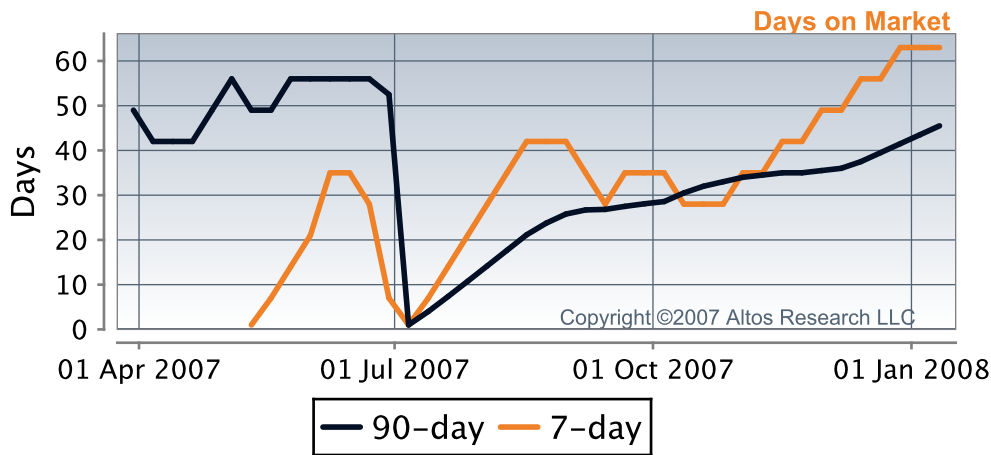
The SCOTTSDALE 85266 is quite strongly in the Buyer's Market zone. The 90-day Market Action Index stands at 10. With several months of inventory available at the current sales rate, buyers should find ample choice.



### MARKET ACTION

Not surprisingly, all quartiles are in the Buyer's Market zone with several months of inventory given the current levels of demand. Watch the quartiles for changes before the overall market shifts.





### About Altos Research Corporation

Altos Research Corp. reports real-time analysis of the residential real estate market in local markets across the country. All information contained herein is based on properties currently listed for sale and available publicly through services like the local multiple listing service. When evaluating a particular property, make sure you use comparable sales data in addition to the market trend information available in this report. The data presented in this report is accurate to the best of our knowledge, but cannot be guaranteed as such. Use this report as one input in the real estate decision making process, but do not rely on it for accuracy. Nothing in this report or any other Altos Research publication is a recommendation to buy or to sell real estate. We recommend you work with a licensed real estate agent or broker.