

## Arizona Sets New Home Sales Records!

ARMLS reported **10,868** residential sales last month, surpassing the record of 10,252 set in June 2005. Ironically, June also set a record with **2,280** single family leases signed and the highest number of short sales reported in at **2,734!** Historically, the residential sales and lease sectors of the Arizona market have inverse relationships. So, the question remains, who is buying property today when there are so many people leasing? The Greater Phoenix real estate market offers phenomenal affordability which is attracting **Investors, First Time Home Buyers and Move Up Buyers** that are able to sell or rent out their existing home (rental rates are up) and buy their dream home. In fact, CNN Money ranked Phoenix in the top 10 cities in the nation to invest in rental property, click here for details: [CNN Money Rental Property Rankings](#).

Fletcher Wilcox, V.P. Grand Canyon Title Agency, does a fantastic job of summarizing ARMLS numbers and I found the following statistics helpful in understanding the current climate we are working in:

- 9,340 (86%) of the sales were single family detached homes
- 77% of the single family sales were under \$199,999 ~ limited supply in these price points!
  - Under \$50,000 ~ negative supply
  - \$50,000 - \$99,999 ~ 1.2 months of supply
  - \$100,000 - \$149,999 ~ 1.4 months of supply
  - \$150,000 - \$199,999 ~ 1.7 months of supply
- **Average** months of supply for all single family detached houses is currently 1.8 months
- Median sales price is \$111,000 ~ up from that reported in May of \$109,000
- How were single family homes purchased?
  - 41% with **Cash** ~ typically investors buying to flip or rehab and lease/sell.
  - 29% with a **Conventional** mortgage ~ includes HomePath Loans. Reminder, with 3% down conventional mortgages are once again available and with FHA's loan limit set to decrease Oct 1, 2011 we expect to see Conventional mortgage financing numbers to increase over the coming months.
  - 24% with an **FHA** loan ~ we only have a couple more months before the max eligible loan amount reduces to \$271,050 from \$346,250!
  - 4% with a **VA** loan ~ ZERO down payment and NO monthly mortgage insurance to a 620 fico.
  - 2% with **other** mortgage financing ~ outside of seller carry backs and bond loans, USDA Rural home loans fall into this category. USDA Home Loans also offer 100% financing, no mortgage insurance!
- All sales combined; 37% were lender owned (REO), 25% were short sales, 5% were HUD REO sales & 32% were "other" sales which include investor flipped properties which were recently lender owned.
- Estimated months of supply for a single family **lease** is also 1.8 ~ The Arizona rental market remains strong as many people who have lost their home to foreclosure or short sale need to rent for a period of time until they are eligible to obtain a home loan again. Click here, [Waiting Period Chart](#), to learn more about the waiting periods to buy a house after a Bankruptcy, foreclosure, or Short sale.

While we may find the business of being an Arizona Realtor and Arizona lender to be frustrating at times, there is no doubt the housing market in Arizona is thriving and opportunity exists!

My focus remains the constant ~ stay current with the many changes occurring in the Arizona mortgage markets AND provide a smooth, on time closing for our clients. Today, more than ever, it's vital to work with an experienced Arizona lender who thinks through each client's unique set of circumstances and creates a proactive strategy to ensure a successful closing. The lending process doesn't have to be heart wrenching.....I promise!

Don't hesitate to reach out to me with any mortgage questions you may have. I look forward to working with you!

~ Kelly

**Quote of the week: We shall never know all the good that a simple smile can do.~ Mother Teresa**

I've recently updated my [Foreclosure, Short Sale & Bankruptcy Waiting Period Chart!](#) It's available on my website at [www.kellyzitlow.com](http://www.kellyzitlow.com) or you can e-mail me and I'll send you a copy!

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