

4th Quarter, 2014 Fountain Hills Market Summary



**SONORAN
LIFESTYLE
REAL ESTATE**

FOUNTAIN HILLS

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Sonoran Lifestyle Real Estate's
Executive Market Summary
Fountain Hills Area Real Estate
4th Quarter, 2014 Report

The Fountain Hills Real Estate Market was *on fire* during the 4th Quarter of 2014, posting the **highest 4th quarter sales volume** since 2006 with \$73 million (\$78 million in Q4/2006). 4th Quarter saw a total of 180 residential sales, a sales pace we haven't seen since 2005 when 209 residential units sold during 4th Quarter. Year over year results are impressive as well, as we finish 2014 with \$296 million, a volume we haven't seen since 2008 with \$284 million. Fountain Hills booked 722 sales of homes & condos during 2014, a sales pace not reached since 2006 when 712 units were sold...wow! Average sales price of all Fountain Hills homes & condos sold in 2014 is \$410,413 versus 2008 when the average price was \$482,205.

Custom homesites still have not found traction, but with home prices growing at a substantial rate, it's only a matter of time before home buyers turn to the economies of homebuilding as an alternative, yet we believe that construction prices and build times are not yet competitive or stable enough to make buyers comfortable. And, there are currently a lot of very nice homes on the market, providing a reasonably updated option for most folks to choose. The savvy investors, however, will understand that buyers in future years will want more updated options and energy efficient choices...those who purchase homesites for long-term investment will likely be treated well in the future.

Speaking of inventories, total Fountain Hills inventory currently sits at 497 homes (approx. 5% of our total market) versus 426 units one year ago, an increase of only 15%. And, with prices returning to 2008 levels, many folks who've been waiting to recover from purchasing in 2006 and 2007 (at the high of the market) are able to consider moving on to other opportunities.

All of this is so very encouraging for both Sellers and Buyers. For Buyers, there is plenty of inventory to choose from and prices are still reasonable. For Sellers, especially savvy sellers who understand the value of competitive pricing and aggressive staging and marketing, there appear to be many opportunities to capitalize on a strong market during the coming year.

We continue to be encouraged by the number of homes and condos available under \$400,000. Currently there are 199 homes and condos in this price strata, or 40% of the inventory. Many of these present excellent investment value and opportunity for appreciation. If you've ever wondered whether a rental property investment is a good way to plan for your future, contact us to help you understand more about this great opportunity!

And, if you know a family that is looking to enjoy the quality of life in the community, encourage them to contact us at Sonoran Lifestyle Real Estate. Historically, Fountain Hills has always treated its affordable housing owners very well in a reasonably decent market, and we see no signs on the horizon that indicate anything but. There are opportunities for equity gain that will provide a nice future for those with vision!

Quarterly Analysis by Price Stratas:

Fountain Hills Homes, Condos and Lots

4th Quarter, 2014

	< 200k	\$200-300k	\$300-400k	\$400-500k	\$500-600k	\$600-800k	\$800-\$1m	\$1-1.5m	\$1.5 - \$2m	\$2m >	Total	Last Qtr	Last Year
SF Homes Available	1	23	52	43	38	51	26	24	22	14	294	261	270
SF Homes Sold 4th Qtr, 2014	0	32	34	16	14	10	3	9	3	0	121	104	92
SF Homes Sold YTD	12	119	140	73	51	44	13	32	11	4	499		535
Condos Available	70	38	15	9	6	1					139	107	133
Condos Sold 4th Qtr, 2014	38	9	7	4	1						59	47	47
Condos Sold YTD	137	48	31	7	1						224		257
	< \$100K	\$100-\$200	\$200-\$300	\$300-\$400	\$400-\$500k	\$500-\$600k	\$600-\$800k	\$800-\$1m	\$1-1.5m	\$1.5m >	Total	Last Qtr	Last Year
Residential Lots Available	10	77	60	30	13	10	3	0			203	178	156
Lots Sold 4th Qtr, 2014	1	5	4	0	0	0		0			10	11	18
Lots Sold YTD	13	26	9	2	0	1		0			51		74

Information Supplied Courtesy of Arizona Regional Multiple Listing Service

FOUNTAIN HILLS SINGLE FAMILY AND PATIO HOMES SALES BY QUARTER

	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total Units
2002 Units	129	187	152	185	653
2002 Volume	\$39,626,831	\$59,103,850	\$50,961,565	\$62,096,119	\$211,788,365
2002 Average	\$307,185	\$316,063	\$335,273	\$370,952	\$324,331
2003 Units	146	220	183	161	710
2003 Volume	\$46,552,990	\$75,794,467	\$62,098,048	\$59,723,258	\$244,168,763
2003 Average	\$318,856	\$344,520	\$339,334	\$370,952	\$343,900
2004 Units	226	256	202	155	839
2004 Volume	\$86,057,797	\$113,281,947	\$88,903,221	\$73,438,045	\$361,681,010
2004 Average	\$380,787	\$442,508	\$473,794	\$473,794	\$431,086
2005 Units	177	218	164	131	690
2005 Volume	\$100,434,579	\$127,222,675	\$107,761,158	\$88,305,971	\$423,724,383
2005 Average	\$567,427	\$583,590	\$657,080	\$674,091	\$614,093
2006 Units	140	151	87	95	473
2006 Volume	\$92,975,220	\$98,713,360	\$58,770,234	\$66,627,856	\$317,086,670
2006 Average	\$664,109	\$653,731	\$675,520	\$701,346	\$670,374
2007 Units	139	124	77	70	410
2007 Volume	\$87,533,422	\$78,814,894	\$50,663,111	\$46,562,933	\$263,574,360
2007 Average	\$629,737	\$635,604	\$657,962	\$665,185	\$642,864
2008 Units	105	95	89	80	369
2008 Volume	\$79,276,957	\$65,390,454	\$45,591,277	\$39,882,069	\$230,140,757
2008 Average	\$755,019	\$688,321	\$512,262	\$498,526	\$623,688
2009 Units	92	147	100	121	460
2009 Volume	\$47,412,441	\$76,067,639	\$48,409,660	\$50,183,175	\$222,072,915
2009 Average	\$515,353	\$517,467	\$484,097	\$414,737	\$482,767
2010 Units	129	147	93	113	482
2010 Volume	\$70,179,696	\$71,139,599	\$36,924,675	\$37,015,267	\$215,259,237
2010 Average	\$544,029	\$483,943	\$397,040	\$327,569	\$446,596
2011 Units	149	157	112	100	518
2011 Volume	\$58,679,959	\$70,121,024	\$42,419,879	\$36,301,201	\$207,522,063
2011 Average	\$393,825	\$446,631	\$378,749	\$363,012	\$400,622
2012 Units	148	171	123	119	561
2012 Volume	\$52,929,055	\$72,312,801	\$55,544,504	\$53,954,071	\$234,740,431
2012 Average	\$357,629	\$422,882	\$451,581	\$453,396	\$418,432
2013 Units	159	164	125	93	541
2013 Volume	\$71,700,792	\$84,824,409	\$54,128,165	\$40,712,809	\$251,366,175
2013 Average	\$450,948	\$517,222	\$433,025	\$437,772	\$464,632
2014 Units	125	149	104	121	499
2014 Volume	\$59,463,913	\$78,523,399	\$52,550,896	\$61,074,631	\$251,612,839
2014 Average	\$475,711	\$527,003	\$505,297	\$504,749	\$504,234

FOUNTAIN HILLS CONDOMINIUM AND TOWNHOMES

SALES BY QUARTER

	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total Units
2002 Units	70	94	75	68	307
2002 Volume	\$11,681,328	\$15,551,622	\$11,626,046	\$9,687,644	\$48,546,640
2002 Average	\$166,876	\$165,442	\$155,014	\$142,465	\$158,132
2003 Units	74	100	94	93	361
2003 Volume	\$10,709,762	\$15,735,280	\$14,202,245	\$17,865,766	\$58,513,053
2003 Average	\$144,727	\$157,353	\$151,088	\$192,105	\$162,086
2004 Units	125	165	120	108	518
2004 Volume	\$26,332,459	\$30,674,628	\$23,746,161	\$22,343,737	\$103,096,985
2004 Average	\$210,660	\$185,907	\$197,885	\$206,886	\$199,029
2005 Units	142	121	121	78	462
2005 Volume	\$35,389,107	\$37,564,262	\$36,983,088	\$25,509,405	\$135,445,862
2005 Average	\$249,219	\$310,448	\$305,645	\$327,044	\$293,173
2006 Units	82	72	48	37	239
2006 Volume	\$27,934,411	\$21,394,890	\$12,598,505	\$11,943,462	\$73,871,268
2006 Average	\$340,664	\$297,151	\$262,469	\$322,796	\$309,085
2007 Units	66	103	41	41	251
2007 Volume	\$22,653,029	\$31,411,910	\$12,273,945	\$13,008,416	\$79,347,300
2007 Average	\$343,228	\$304,970	\$299,365	\$317,278	\$316,125
2008 Units	47	84	59	26	216
2008 Volume	\$13,718,364	\$20,552,972	\$13,820,916	\$5,786,000	\$53,878,252
2008 Average	\$291,880	\$244,678	\$234,253	\$222,538	\$249,436
2009 Units	28	63	63	36	190
2009 Volume	\$6,182,450	\$13,689,328	\$12,243,310	\$6,076,499	\$38,191,587
2009 Average	\$220,802	\$217,291	\$194,338	\$168,792	\$201,008
2010 Units	66	82	46	38	232
2010 Volume	\$13,188,023	\$15,475,219	\$7,637,671	\$6,409,345	\$42,710,258
2010 Average	\$199,819	\$188,722	\$166,036	\$168,667	\$184,096
2011 Units	78	83	50	69	280
2011 Volume	\$12,679,578	\$13,992,775	\$7,360,985	\$9,981,901	\$44,015,239
2011 Average	\$162,559	\$168,588	\$147,220	\$144,665	\$157,197
2012 Units	80	92	44	57	273
2012 Volume	\$12,979,899	\$14,946,477	\$6,352,210	\$9,135,050	\$43,413,636
2012 Average	\$162,249	\$162,462	\$144,368	\$160,264	\$159,024
2013 Units	73	93	34	47	247
2013 Volume	\$13,521,900	\$19,634,580	\$6,594,400	\$8,471,400	\$48,222,280
2013 Average	\$185,232	\$211,125	\$193,953	\$180,243	\$195,232
2014 Units	43	74	47	59	223
2014 Volume	\$8,427,600	\$15,398,850	\$8,501,250	\$12,378,239	\$44,705,939
2014 Average	\$195,991	\$208,093	\$180,878	\$209,801	\$200,475

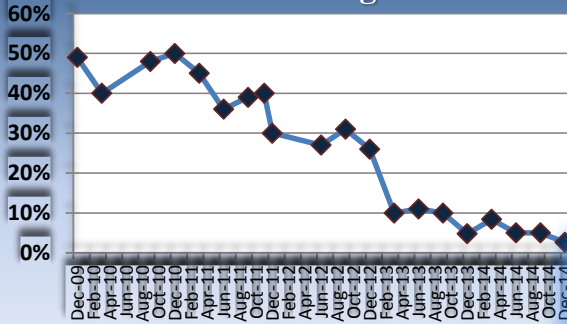
FOUNTAIN HILLS LOTS AND HOMESITES

SALES BY QUARTER

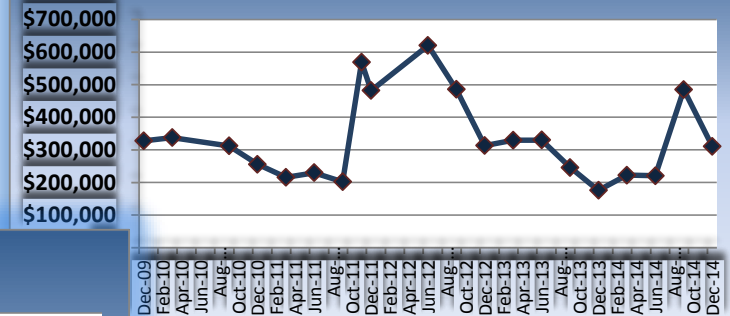
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total Units
2002 Units	48	57	28	43	176
2002 Volume	\$9,263,900	\$12,086,150	\$5,210,000	\$10,004,650	\$36,564,700
2002 Average	\$192,998	\$212,038	\$186,071	\$232,666	\$207,754
2003 Units	39	65	52	43	199
2003 Volume	\$7,234,400	\$11,715,725	\$10,116,900	\$14,211,250	\$43,278,275
2003 Average	\$185,497	\$180,242	\$194,556	\$212,108	\$217,479
2004 Units	95	120	95	87	397
2004 Volume	\$20,730,750	\$24,649,956	\$22,800,310	\$28,179,191	\$96,360,207
2004 Average	\$218,218	\$205,416	\$240,003	\$323,889	\$242,721
2005 Units	96	84	58	26	264
2005 Volume	\$35,790,376	\$40,715,155	\$27,836,000	\$11,862,450	\$116,203,981
2005 Average	\$372,816	\$484,704	\$479,931	\$456,248	\$440,167
2006 Units	20	16	8	14	58
2006 Volume	\$9,141,975	\$8,445,500	\$4,003,000	\$7,211,250	\$28,801,725
2006 Average	\$457,099	\$527,844	\$500,375	\$515,089	\$496,581
2007 Units	18	21	2	10	51
2007 Volume	\$7,827,700	\$10,293,300	\$620,000	\$4,049,800	\$22,790,800
2007 Average	\$434,872	\$490,157	\$310,000	\$404,980	\$446,878
2008 Units	4	15	4	3	26
2008 Volume	\$3,012,500	\$11,708,750	\$2,579,000	\$799,000	\$18,099,250
2008 Average	\$753,125	\$780,583	\$644,750	\$266,333	\$696,125
2009 Units	4	12	10	4	30
2009 Volume	\$417,000	\$2,740,325	\$1,721,952	\$687,250	\$5,566,527
2009 Average	\$104,250	\$228,360	\$172,195	\$171,813	\$185,551
2010 Units	11	15	12	20	58
2010 Volume	\$1,441,300	\$2,892,000	1901900	\$2,340,398	\$8,575,598
2010 Average	\$131,027	\$192,800	\$158,492	\$117,020	\$147,855
2011 Units	10	17	20	11	58
2011 Volume	\$859,000	\$2,830,560	1660900	\$1,037,500	\$6,387,960
2011 Average	\$85,900	\$166,504	\$83,045	\$94,318	\$110,137
2012 Units	25	10	17	10	62
2012 Volume	\$3,412,128	\$1,476,400	\$2,043,500	\$1,406,000	\$8,338,028
2012 Average	\$136,485	\$147,640	\$120,206	\$140,600	\$134,484
2013 Units	17	30	9	18	74
2013 Volume	\$2,421,300	\$5,499,640	\$1,656,500	\$3,201,900	\$12,779,340
2013 Average	\$142,429	\$183,321	\$184,056	\$177,883	\$172,694
2014 Units	17	13	11	10	51
2014 Volume	\$2,359,500	\$2,382,010	\$1,728,000	\$1,788,000	\$8,257,510
2014 Average	\$138,794	\$183,232	\$157,091	\$178,800	\$161,912

Is it a Good Time to Buy in Fountain Hills?

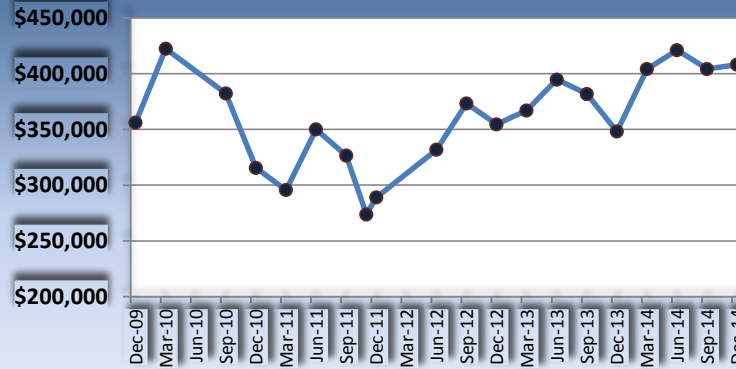
Distressed Closings as % of Market



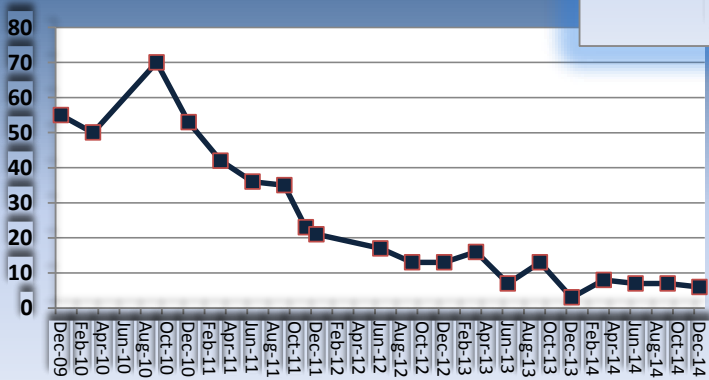
Average Price-Bank Owned Closings



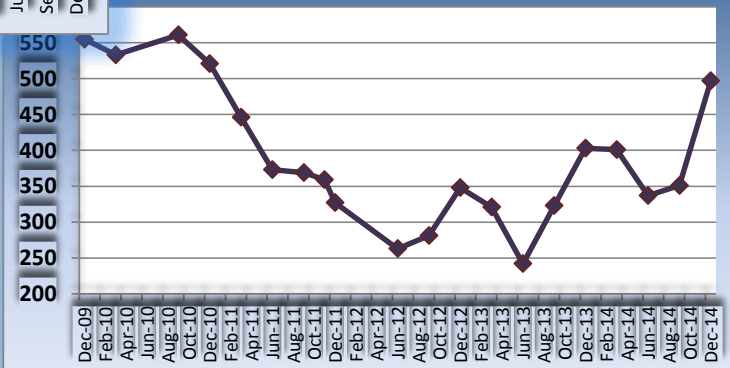
Avg Price of All FH Residential Closings



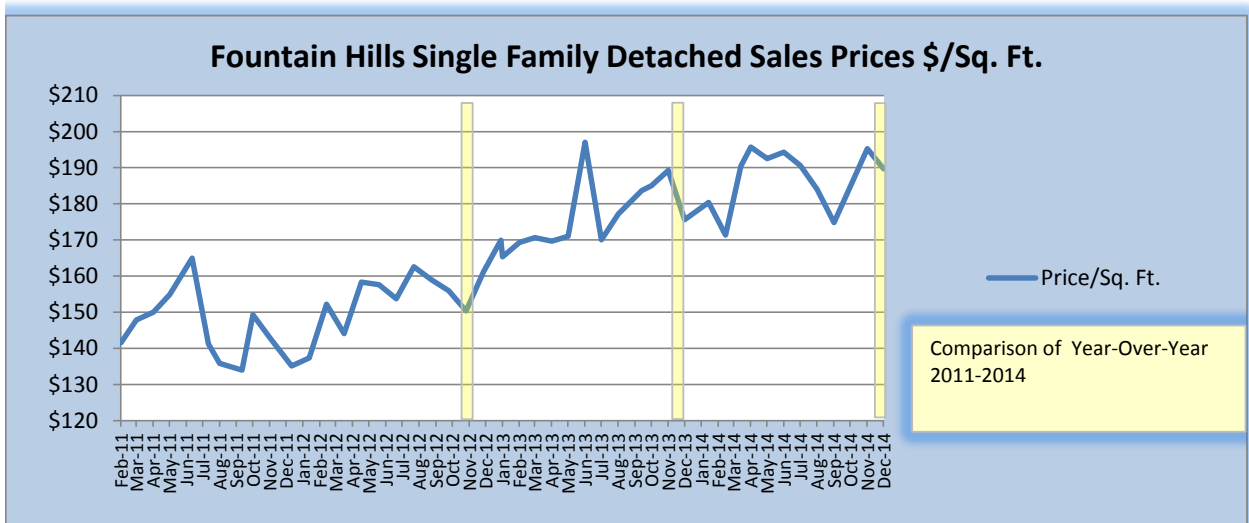
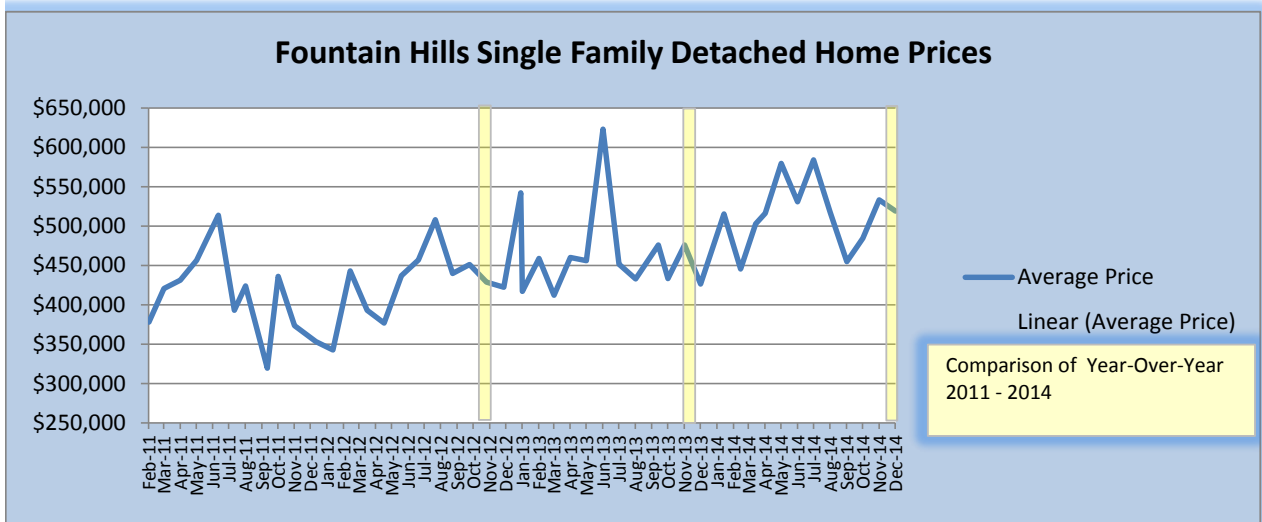
Inventory of FH Bank-Owned Property (# Units)



FH Residential Inventory (# Units)



Fountain Hills Month-By-Month Analysis of Home Prices, 2011-2014



Back-up Data for Monthly Single Family Home Sales and Price/Ft Study

Feb-11	35	2494	\$401,663	\$149	\$377,926	\$142
Mar-11	68	2749	\$447,860	\$156	\$420,808	\$148
Apr-11	50	2620	\$451,333	\$158	\$431,114	\$150
May-11	28	2797	\$493,610	\$165	\$456,608	\$155
Jun-11	52	2,970	\$541,663	\$173	\$513,653	\$165
Jul-11	46	2,610	\$431,468	\$151	\$393,187	\$141
Aug-11	34	2924	\$466,048	\$146	\$424,043	\$136
Sep-11	27	2320	\$331,287	\$138	\$319,400	\$134
Oct-11	26	2778	\$469,490	\$159	\$436,193	\$149
Nov-11	31	2478	\$390,875	\$149	\$373,526	\$143
Dec-11	41	2,523	\$367,525	\$140	\$353,183	\$135
Jan-12	34	2,386	\$367,797	\$145	\$342,782	\$137
Feb-12	37	2760	\$477,861	\$162	\$443,178	\$152
Mar-12	64	2592	\$413,795	\$150	\$393,012	\$144
Apr-12	52	2315	\$392,838	\$165	\$376,925	\$158
May-12	62	2652	\$457,923	\$164	\$436,963	\$158
Jun-12	54	2827	\$479,626	\$161	\$457,056	\$154
Jul-12	27	2862	\$532,544	\$170	\$507,910	\$163
Aug-12	45	2724	\$464,081	\$166	\$439,820	\$159
Sep-12	40	2,834	\$473,384	\$163	\$451,220	\$156
Oct-12	34	2823	\$446,459	\$155	\$428,865	\$150
Nov-12	41	2626	\$437,649	\$165	\$422,317	\$161
Dec-12	39	3071	\$563,233	\$176	\$542,141	\$170
Jan-13	51	2382	\$442,102	\$174	\$416,898	\$165
Feb-13	58	2617	\$481,168	\$176	\$458,966	\$169
Mar-13	61	2318	\$430,638	\$177	\$412,043	\$171
Apr-13	64	2627	\$477,198	\$176	\$460,202	\$170
May-13	47	2723	\$468,247	\$175	\$455,939	\$171
Jun-13	40	2913	\$650,319	\$205	\$622,989	\$197
Jul-13	40	2593	\$466,777	\$175	\$451,735	\$170
Aug-13	40	2408	\$447,320	\$183	\$432,883	\$177
Sep-13	35	2527	\$494,852	\$190	\$476,166	\$184
Oct-13	24	2337	\$443,600	\$189	\$433,244	\$185
Nov-13	24	2437	\$493,533	\$196	\$475,858	\$189
Dec-13	39	2451	\$440,649	\$182	\$426,454	\$176
Jan-14	41	2820	\$542,745	\$189	\$515,291	\$180
Feb-14	34	2622	\$468,906	\$180	\$445,354	\$171
Mar-14	43	2505	\$523,277	\$197	\$502,629	\$191
Apr-14	60	2530	\$540,216	\$204	\$516,356	\$196
May-14	37	2876	\$599,297	\$198	\$579,511	\$192
Jun-14	40	2535	\$555,865	\$202	\$530,890	\$194
Jul-14	39	2835	\$609,832	\$198	\$583,965	\$191
Aug-14	32	2663	\$557,003	\$195	\$517,391	\$184
Sep-14	25	2535	\$477,034	\$182	\$454,704	\$175
Oct-14	38	2587	\$504,874	\$192	\$484,608	\$185
Nov-14	27	2607	\$556,378	\$203	\$533,381	\$195
Dec-14	51	2609	\$537,645	\$195	\$518,923	\$190

Information Provided Courtesy of Sonoran Lifestyle Real Estate