

MARKET REPORT

FOUNTAIN HILLS, AZ
REAL ESTATE
YEAR-END 2015



“Slow and Steady Wins the Race”

Aesop’s Tortoise and the Hare fable has a few lessons for the Arizona real estate market. And it seems Fountain Hills’ buyers and sellers are paying attention! Overall there were 775 total sales of Homes and Condos, an increase of 7% year-over-year 2014, with prices increasing in the range of 1% across the board. Of course, there are some variations in pace and appreciation, depending on which product or price strata you’re in.

As we enter 2016, one price range we’re watching is the inventory and sales pace of homes over \$1 million. During 2015, there were 32 sales in this category, vs. 47 sales in 2014 (a 32% decrease Year-Over-Year), accompanied by a 27% increase of inventory at the end of 2015 over 2014. The 2016 selling season will tell the tale, as it always does, but the fact that there were 32 sales in 2015 with a current inventory of 60 homes available in this price range might indicate a need for better pricing. The decrease in the amount of purchasing power of the Canadians and those involved in the farming industry from American’s Midwest might have an impact on pricing strength, although our market is bolstered by other buyer profiles, not the least of which is the retiring Baby Boomer from across the country.



**SONORAN
LIFESTYLE
REAL ESTATE**

FOUNTAIN HILLS

BY THE NUMBERS ...

↑ 775

TOTAL RESIDENTIAL SALES

AVERAGE PRICE OF HOMES
AND PATIO HOMES:

\$510,295



AVERAGE APPRECIATION
OF HOMES AND
PATIO HOMES

+1%

↑ \$201,556

AVERAGE PRICE OF
CONDOS/TOWNHOMES

32 HOME SALES
OVER \$1 MILLION

60 HOMESITE SALES



\$189

AVERAGE PRICE/FT OF
SINGLE FAMILY HOMES

12% FEWER

HOMES AVAILABLE UNDER \$400,000



On the other end of the pricing spectrum, it might look the same ... but not! Sales of homes less than \$400,000 totaled 236 in 2015 and account for 46% of the local market; the 2015 rate of sales is a **13% decrease from 2014's rate of 271 units. Yet, this decrease is due to a shortage of inventory!** To understand this, consider the current inventory of homes under \$400,000 with only 67 homes at the end of 2015, while the end of 2014 saw 76 homes available ... a 12% decrease Y-O-Y. We are likely to continue seeing this trend as inventories of homes shift upwards and the "bottom of the market" disappears.

Where we've seen sales absorption increase markedly, year-over-year, is the range of \$400,000 to \$1 million; all price stratas experienced higher sales volumes in 2015 versus 2014. Inventory in this price range has remained relatively static, and early sales activity is very positive. Now, in January 2016, Pending Sales are 41% higher than 2015.

Single Family Price Per Foot: One other measure in our marketplace is the average price per square foot of single family homes. The current price/foot equates to an overall average of \$189/ft., an increase of only \$1 per foot

New Homes Inventories & Sales: The continued strengthening of the market has brought back the Spec Home Builders to our market. New home sales totaled 17 in 2015 versus only 12 in 2014. At the beginning of 2016 there are currently 20 new homes available for sale, nine of those over \$1 million.

Condos and Townhomes: While 2015 condo and townhome sales numbers of 266 Units sold is 13% ahead of 2014, the average price of condos stayed fairly static with a less than 1% increase in price. And, the same dynamic exists year-over-year with approximately 60% of the condo sales priced below \$200,000, while inventory at the end of 2015 is 28% lower than 2014. Stay tuned for interesting times in this market!

Custom Homesites: Custom homesite sales activity rebounded in 2015 with 60 total sales, a 15% increase over the 51 sold in 2014, and prices in 2015 approx. 16% ahead of 2014.

The "Good" Old Days:

(Well, maybe not so much!) A frequent question we get is "where are we in price relative to the "top of the market?" In 2006, the Average Sale Price of Homes/Patio Homes averaged \$670,374. Currently, at the end of 2015, average price of the same product is \$510,295, and has been on a slow and steady increase for the past 5 years since the bottom of the market in 2011 when prices averaged \$400,622.

Slow and Steady Wins the Race:

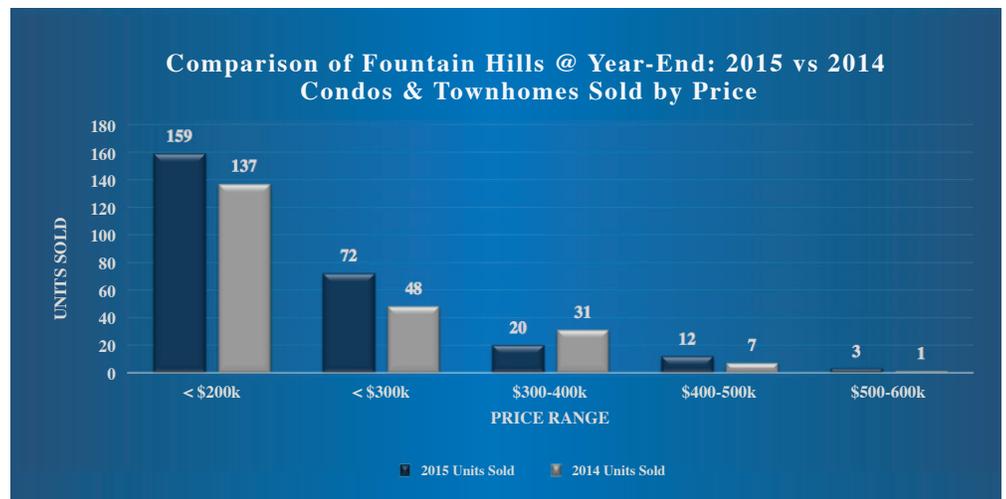
At Sonoran Lifestyle Real Estate, we believe Aesop was right ... "slow and steady" indicates a strong market. We are currently seeing a nice, balanced "supply" of buyers and sellers. At times, the balance of these might skew one way or the other, providing an opportunity for market forces to work their magic and provide for a gentle adjustment ... sometimes up ... sometimes down. Of course, each price strata and product is different, and we look forward to customizing a market study to help you form the perfect investing or sales strategy for you!

Happy New Year!



MARKET REPORT

FOUNTAIN HILLS, AZ REAL ESTATE
YEAR-END 2015



Welcome to Fountain Hills

Stunning sunrises and 300 days of sunshine; friendly people and lots of fun activities to share with them; a healthy lifestyle of creative local eateries and outdoor recreation, beautiful scenery, flowers and critters found nowhere else in the world. That's Fountain Hills and we're delighted to share it with you!

Incorporated as a town in 1989, the community has a total area of 18.2 square miles. With a population of 22,235, the density of 1.9 person per acre is one of the lowest in Maricopa County! The hilly terrain with its beautiful arroyos and canyons provides dramatic views of the eastern mountain ranges including the Mazatzals, Goldfields, McDowells and Superstitions.

The boundaries of the community are completely natural, with mountains, Indian Communities and the McDowell Mountain Regional Park the backdrop for this world-class community. Of course, the World Famous Fountain is its centerpiece, providing a reminder at the top of every hour throughout the daytime of how lucky folks are to live and work here.



About Sonoran Lifestyle Real Estate

Sonoran Lifestyle Real Estate is a specialty real estate firm focused on high intensity residential marketing and property management in Fountain Hills, Arizona. The company also assists clients in Scottsdale, Rio Verde, Goldfield Ranch and the Valley of the Sun. In these lifestyle-oriented markets, a high degree of familiarity with the product, the people and the local environment is necessary to achieve success. The sales team is experienced and effective, always willing to go the extra mile for clients that become, more often than not, good friends!

Situated in the heart of Fountain Hills, only ½ block from the World Famous Fountain, Sonoran Lifestyle offers a unique office environment that is elegant and comfortable, designed with state of the art technology to quickly educate clients about the unique character of the community. We invite you to take advantage of the company's extensive array of tools, including the "Market Report" as well as the "Sonoran Lifestyle Relocation Guide" and its insert "150 Ways to Enjoy the Sonoran Desert Lifestyle", a publication designed to promote the area, its activities and its real estate.

For more information about homes, condos, rental properties or homesites in Fountain Hills, AZ, please contact one of our local associates. Be sure to check out our Relocation Guide at: www.MoveToFountainHills.com.

SHOWCASE

CUSTOM HOMES



MLS #5370669 | \$500,000

HOMESITES

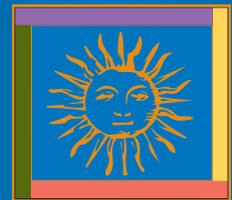


MLS #5280239 | \$199,700

CONDOS/TOWNHOMES



MLS #5318953 | \$209,000



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