

## TUCSON REAL ESTATE UPDATE

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The real estate statistics for December may not be very impressive on the surface but, when you factor in some honest interpretation and look at the year to year trends, it is easy to feel comfortable that we are turning the corner to steady recovery and a more normal and stable future in residential real estate. The important data from the Tucson Association of REALTORS Multiple Listing Service are as follows:

**Home Sales Volume** in December 2006 was down 22.55% from December 2005 but nearly identical to November 2006 and only 6.3% less than it was in December 2004. That definitely shows stability.

With all of these statistics, it just isn't fair to compare everything to where we were this time last year. Those numbers were not realistic and sustainable. The real estate market last year was insane here locally and just about everywhere else. And, to a large degree locally, the upshot in home prices was long overdue. Property here had been undervalued for quite some time.

**Home Sales Units** were down 20.95% from December 2005.

**Average Sales Price** of all residential types decreased by 2.02% and **Median Sales Price** decreased 2.27% to \$215,000.

The **Average Days on Market** increased dramatically from 39 days in December 2005 to 64 days in December 2006 but, in more normal times (December 2003) it was 52 days.

One number that is disappointing is **Pending Contracts**, having decreased 45.15% from December 2005— however it must be noted (contrary to popular opinion) that seasonal influence is for lower sales in the winter months. This number may not climb back up until February. The strongest months for home sales in Tucson have always been May through August.

Another big increase occurred in the number of **Active Listings** – up 56%. However, that number has declined slightly for the last three months – this is an important fact.

The number of **New Listings** is also up 9.28% to 1,790 in December 2006.

So, as stated earlier, the numbers themselves are not cause for wild celebration but they really give this writer reason to be very optimistic for the immediate and foreseeable future of residential real estate in the Greater Tucson Metropolitan Area.  
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