



## TUCSON REAL ESTATE UPDATE

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Hello Tucson! Welcome to a brand new regular column about real estate in the greater Tucson metropolitan area. We hope to bring you timely information about the real estate market that will help keep you informed and provide useful information about buying and selling residential properties.

Real Estate continues to be one of the hottest topics of conversation just about everywhere you go. It's no wonder though given the incredible run up in property values last year - both nationally and especially locally here in the Tucson metropolitan area. Even now, after prices have flattened out and are perhaps ready to move back down a bit people are still talking about it all. What a run we did have! But it sure seems to be over. There is no doubt about it. We have moved from a fevered "sellers' market" to a solid "buyers' market".

The Tucson Association of REALTORS<sup>®</sup> (TAR) Multiple Listing Service (MLS) maintains a 24-hour market watch on all activity on properties in that system. On a recent day, just as an example, there were 156 new listings, 132 price reductions on existing listings, and 68 properties sold. This type of profile has been continuing over the last several months causing the inventory of properties for sale to increase dramatically. At that same moment in time, there were 5,951 single-family homes listed for sale in MLS. That means that there is almost a 90 day supply of homes for sale. Though it is safe to say that most property is sold through the MLS, there are also a large number of homeowners trying to sell their own houses that aren't reflected in these numbers. Nor do these numbers accurately reflect new construction sales.

TAR also publishes a *Monthly Statistical Digest* – the latest one available at this writing was for July 2006. It reveals that though total sales dollar volume and the number of houses sold are both down from the same period last year, the median sale price (on all residential types) actually did increase slightly by 2.27% bringing the median sale price of a Tucson home to \$225,000.

Another number that plays a vital role in the real estate market is of course the interest rate for home loans. Though interest rates are up from the peak of the market last year, current rates are very affordable at about 6.5%. This will certainly help real estate values through this adjustment period.