

Show Appeal's market update

GILBERT

Current prices for homes on the market
Trends in pricing
Current levels of supply and demand
Value metrics

Report for the week of
Sunday October 17, 2010

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City Overview

Real-Time Market Profile		Trend
Median List Price	\$ 181,950	← →
Average List Price	\$ 217,650	
Least Expensive Listing	\$ 64,900	
Most Expensive Listing	\$ 1,550,000	
Asking Price per Square Foot	\$ 88	← →
Average Days on Market	118	← →
Total Inventory	2028	↑ ↑
Absorbed This Week*	118	
Percent of Properties with Price Decrease	55 %	
Percent Relisted (reset DOM)	8 %	
Percent Flip (price increased)	8 %	
Median House Size (sq ft)	2,089	
Median Lot Size	6,501 - 8,000 sq ft	
Median Number of Bedrooms	4.0	
Median Number of Bathrooms	2.5	
Median Age	8	

Altos Research Value Statistics		
Market Action Index	Cold! Buyer's Market	16 ← →

Altos Research calculates the Market Action Index which measures available supply relative to the current level of demand. Index value above 30 indicates conditions favor the seller. See the section below for full details.

Trend Key

Last Month's Trend
 Last Quarter's Trend
 No Clear Monthly/Quarterly Trend

*Metric "Absorbed this Week" covers properties sold and those taken off the market for other reasons. Since sales sometimes take months to close, it is impossible to discern in real-time exactly which properties sold.

Characteristics per Quartile

Quart	Median Price	Med. Sqft.	Med. Lot Size	Bed	Bath	Med. Age	Inven.	New	Ab-sorbed	Avg. DoM
1	\$ 300,000	3,162	8,001 - 10,000 sq ft	4.0	3.0	8	507	30	28	130
2	\$ 210,000	2,320	6,501 - 8,000 sq ft	4.0	2.5	9	507	34	29	118
3	\$ 159,900	1,872	6,501 - 8,000 sq ft	3.0	2.0	10	507	36	28	109
4	\$ 123,900	1,515	4,501 - 6500 sq ft	3.0	2.0	10	507	35	33	118

GILBERT

THIS WEEK

The median single family home price in GILBERT this week is \$181,950. The 2028 homes have been on the market for an average of 118 days.

With inventory trending up but days-on-market and the Market Action Index essentially flat recently, conditions don't seem to have strong up or down pull.

QUARTILES

To get a tightly targeted understanding of homes in the market, we break each locale into quartiles. Each quartile is 25% of the homes listed.

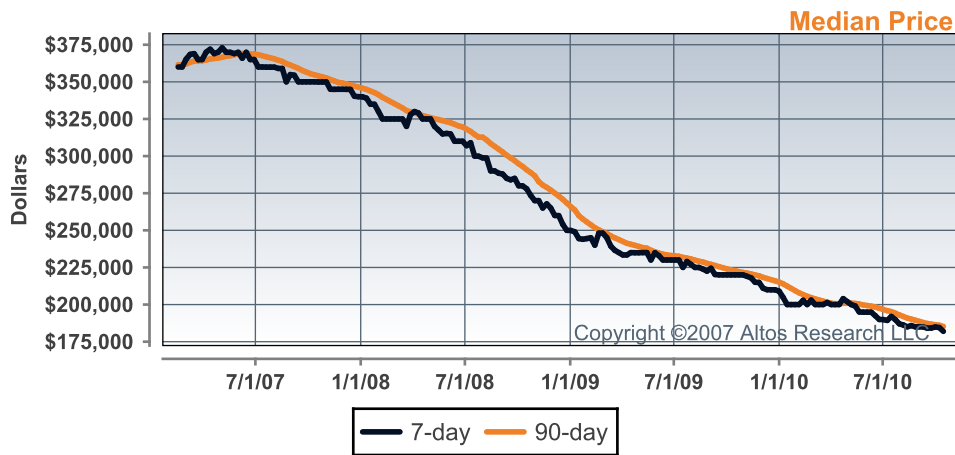
Most expensive 25% of homes

Upper-middle 25% of homes

Lower-middle 25% of homes

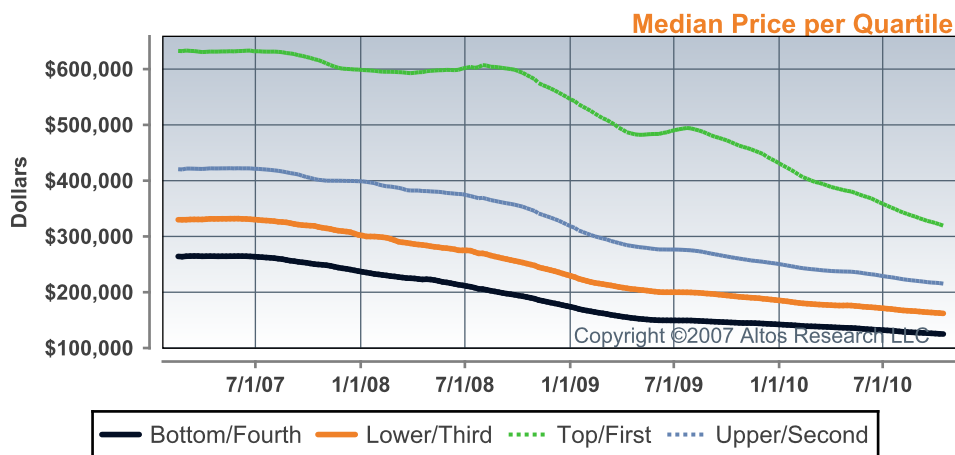
Least expensive 25% of homes

We'll refer to the quartiles in the trend graphs below.



PRICE

Despite this week's down tic, the market seems to have paused around this plateau. The Market Action Index is a good leading indicator for the durability of this shift.

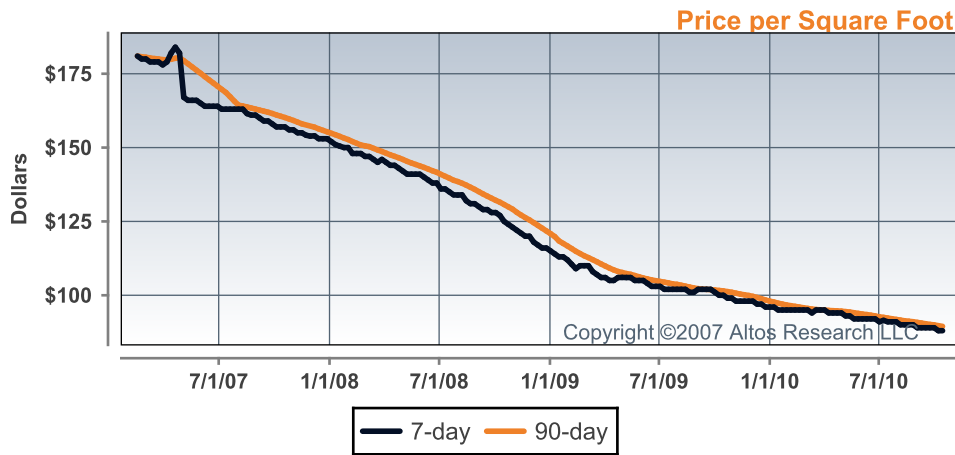


QUARTILE PRICES

Often, we find insights by watching pricing trends within the quartile segments. Prices have settled at a price plateau across the board. Prices in all four quartiles are basically mixed. Look for a persistent shift (up or down) in the Market Action Index before prices move from these current levels.

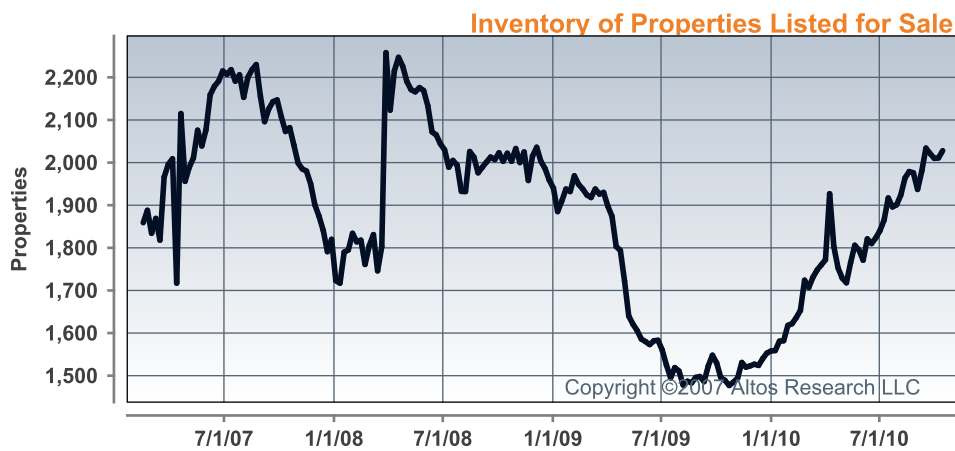
PRICE AND VALUE

The market plateau is seen across the price and value. The price per square foot and median list price have both been reasonably stagnant. Watch the Market Action Index for persistent changes as a leading indicator before the market moves from these levels.

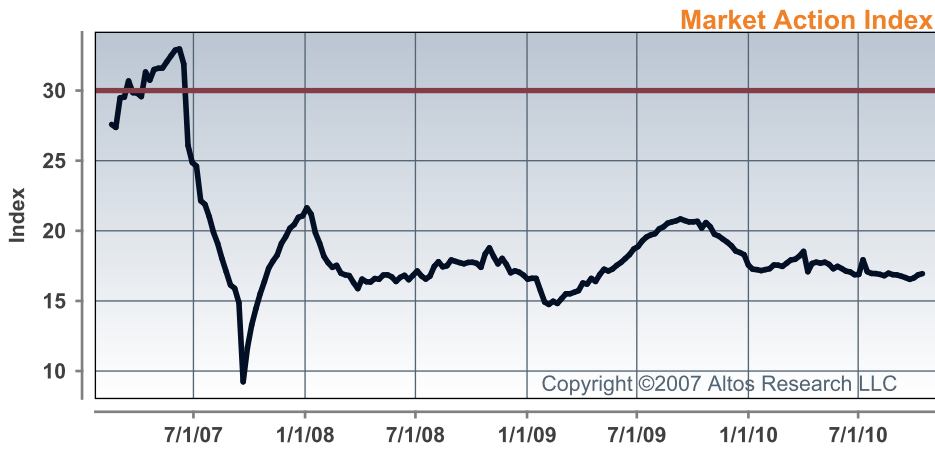


INVENTORY

Inventory has been climbing lately. Note that rising inventory alone does not signal a weakening market. Look to the Market Action Index and Days on Market trends to gauge whether buyer interest is keeping up with available supply.



Residential house prices are a function of supply and demand, and market conditions can be characterized by analyzing those factors. Watch this index for sustained changes: if the index falls into the Buyer's Market zone for a long period, prices are likely in for a downward correction.



The Market Action Index (MAI) illustrates the balance between supply and demand using a statistical function of the current rate of sale versus current inventory.

An MAI value greater than 30 typically indicates a "Seller's Market" (a.k.a. "Hot Market") because demand is high enough to quickly gobble up available supply. A hot market will typically cause prices to rise. MAI values below 30 indicate a "Buyer's Market" (a.k.a. "Cold Market") where the inventory of already-listed homes is sufficient to last several months at the current rate of sales. A cold market will typically cause prices to fall.

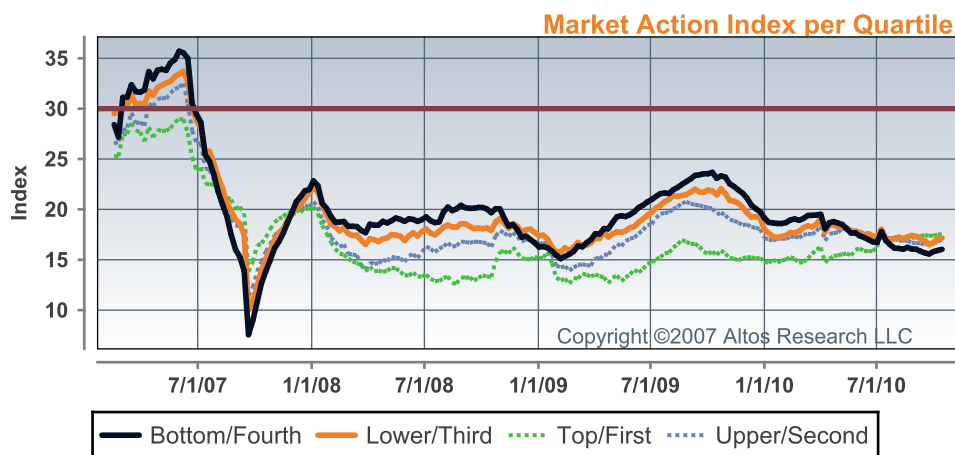
MARKET ACTION INDEX

The GILBERT market is currently quite strongly in the Buyer's Market zone (below 30). The 90-day Market Action Index stands at 16. With several months of inventory available at the current sales rate, buyers should find ample choice.

The market has shown some evidence of slowing recently. Both prices and inventory levels are relatively unchanged in recent weeks. Watch the Market Action Index for changes as it can be a leading indicator for price changes.

MARKET ACTION QUARTILES

Not surprisingly given the overall Market Action Index, all quartiles are in the Buyer's Market zone with several months of inventory given the current rate of demand for homes in the quartile. Watch the quartile for changes before the overall market shifts. Often one end of the market (e.g. the low end) will improve and signal a strengthening market before the whole group changes.

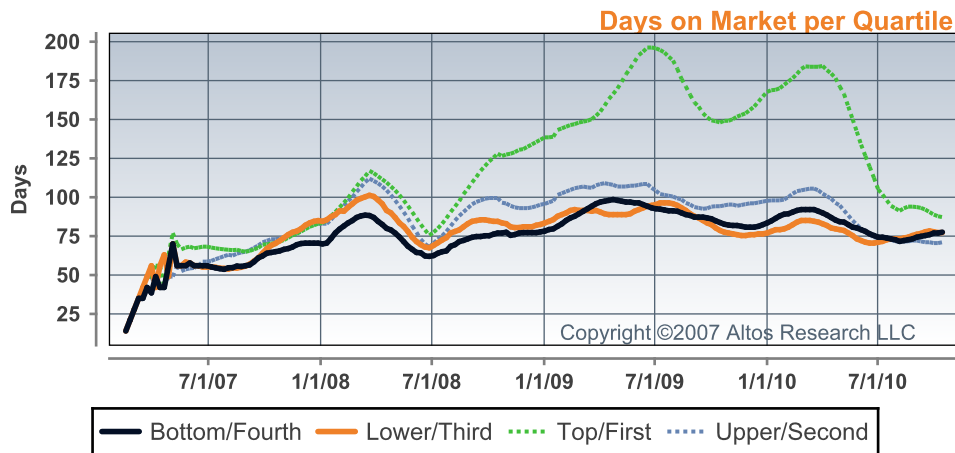


The quartiles can help you answer the question, "How hot is the market for homes in my price range?"



DAYS ON MARKET (DOM)

The properties have been on the market for an average of 118 days. Half of the listings have come newly on the market in the past 77 or so days.



DOM PER QUARTILE

It is not uncommon for the higher priced homes in an area to take longer to sell than those in the lower quartiles.

About Altos Research Corporation

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