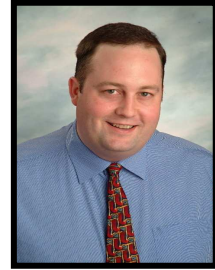


Tucson News & Views—October 6, 2010



Market Update
Courtesy of The Murray Group
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www.GoTucsonRealEstate.com is New and Improved!

We have torn apart our website and completely redesigned it to make it easier to use and much more smooth to navigate. We have many different options for how buyers can search for homes in Tucson. There is a Map Search, where you can simply click on the area of town you want to search. We have a side bar with many of the areas our clients ask about: you can select one, click on it then find the price range you want to be in. And we also have a more advanced search option for those who want to be more precise in searching for specifics.

We have developed our new website for you, our valued clients. We want to be your real estate source and this is a large step forward to giving you all of the resources possible to be knowledgeable on all aspects of the Tucson market. There are many links throughout our site to interesting and valuable resources for information on the Tucson area. Please give us your feedback and let us know how you feel it works.

We also want to thank you for all of the generous referrals we have received this year so far. Our business is based on referrals and we value each and every one. With this in mind, we have also engineered our new website to be easier for you to point your family members, friends and co-workers to, as it is a wonderful resource and an easy way to introduce them to us, if they are not yet ready to sit down for a free consultation. Now you can have them call us, email us or work through **www.GoTucsonRealEstate.com** to create an online working relationship. We are here for you and all of those close to you whom you wish to refer our services to.

Where are we in Tucson's market cycle?

It is a simple question that does not have a short and simple answer in today's ever changing economy. Tucson, as all major cities in this real estate cycle, hit a bit of a wall when the June 30th tax credit deadline expired, as many of the buyers in the market moved their purchases up to take advantage of the tax credit. What we have seen since July 1st, however, is a week after week growth in the number of pending sales. With the exception of Labor Day, each week

since the tax credit expired we have had more homes sell than the week before. This is definitely a positive sign that buyers are still out there and actively buying homes in Tucson.

Here are some statistics on the current state of the Tucson Market:

- Tucson, as a whole has 7,170 homes on the market as of the end of August
- There are just over 8 months of inventory, down from almost 14 months supply in January of 2009
- Our median sale price is \$152,250, down 6% from August of 2009 but up from May of this year
- In August, there were 1,525 new properties under contract up from just over 1,000 August of 2009 and up month after month since May of this year (April 30th was the deadline for the tax credit)
- Tucson's Luxury Market (homes over \$800,000) has an inventory of 324, down 22% from August of 2010
- 9 Luxury Homes sold in August, down from 18 in August of 2009
- The median sale price for Luxury Properties in Tucson was \$1,000,000 and there were 20 new Luxury Properties under contract, up 43% from August 2009
- Oro Valley has an inventory of 398 homes on the market
- There were 51 homes sold in August in Oro Valley, a 4% increase from a year ago
- The median sale price in Oro Valley this August was \$274,000, down 4% from 2009
- In Saddlebrooke there are 143 homes on the market up 10% from August 2009
- There is also a 15.9 month supply of homes in Saddlebrooke
- There were 9 closings, down 18% from a year ago and the median sold price was \$340,000 which is down 6% from last year
- In the Catalina Foothills there are currently 439 homes on the market with an 8.6 month supply of homes
- There were 51 closed sales in August for the Catalina Foothills, up 4% from a year ago
- In Vail, there is an active inventory of 336 homes up 47% from August 2009
- There were 31 closings in Vail, 21% less from last year
- The median sale price for sold homes was \$189,900, 12% less than a year ago

Opportunities and Incentives are EVERYWHERE!

With the interest rates as low as they are, 4.5% and lower, and prices that seem to have steadied, opportunities for move up purchases and investment possibilities are everywhere. Builders are also offering some fantastic incentives and lowered price points in their new communities -- they must compete with the short sales and foreclosures. Stable builders are moving into communities where other builders had gone under or stopped building. In Northwest Tucson at Sky Ranch, Meritage Homes has moved in and is offering homes from 1652 square feet starting at \$184,900 to a larger 3,118 two-story home starting at \$263,900. Base prices three years ago would have started in the \$300,000's. This pricing for a Northwest Tucson gated community is an amazing opportunity. Further northwest, in Catalina, DR Horton is still building in Eagle Crest and homes are starting at 1345 square feet with a base price of \$139,900 with spec homes available from \$155,000. The area where they are currently building in has some sensational views. Moving to the Southeast? In Rancho Del Lago, Richmond American has taken over at The Bluffs and is offering nice floor plans starting with 1717 square feet for around \$165,000.

Looking for affordable active adult living? Del Webb is also building in Rancho Del Lago in their Four Seasons community with very affordable homes starting around \$150,000.

REMEMBER: If you or anyone you know is interested in buying a new construction home we can and will represent them, as long as we are present on the first visit to the sales office. The builders agree to pay our commissions and keep the price the same so you can have representation on your side. If you buy new and do not have an agent working for you, you are being represented by the seller. That is *not* usually in a buyer's best interest.

Also, remember that there are fantastic buys in resale homes as well as with foreclosures, short sales and 'clean sales' that need to sell. We are always scouting for these great deals so if you know of anyone who is looking to be opportunistic, put them in contact with us so we can help them find their opportunity right away!

Luxury Properties offer enticing opportunities!

We have been previewing luxury properties for a few clients and have seen some remarkable possibilities. Many are 'Builder Spec' homes where the builders speculated that the luxury demand would continue. Now many have since gone into foreclosure. These homes have either never been lived in or are not quite complete. In the northwest, for example, in Honey Bee Canyon, we saw two, one is a 3,455 square foot home that has great views and a wonderful great room floor plan that is now being offered for \$554,000. This house was originally on the market for \$1,399,000 in the peak of the market. Another is a gorgeous contemporary home with first class amenities and upgrades that is 4,337 square feet and is now being offered for \$850,000. There is also a potential steal of a buy in the exclusive gated community of Canyon Pass. Another Builder Spec, it was originally listed at \$2,250,000 and is now at \$799,000.

While foreclosures are offering some remarkable possibilities, there are many great options that are not foreclosed homes. In Ventana Country Club, in the Catalina Foothills, there is a gorgeous Santa Fe home with flagstone flowing through out and beautifully appointed. This property was originally built in 1998 for a cost of \$1,350,000 and it has just been lowered from \$1,699,000 to \$1,199,000. Another in Ventana may just be in the top five homes in all of Tucson for sheer beauty. Carved high into the mountain with breath-taking views it is a Kevin Howard designed home like no other. Originally on the market for \$4,500,000 it is now offered at \$2,595,000. Opportunities are everywhere and we are always on top of them for you!

We are in for more Media Doom and Gloom – But Listen Carefully!

In the next few months we are going to see media headlines stating how real estate sales are down year over year and how much the market has slowed in the fall. It is important to remember that last fall we were in the early stages of the tax credit that was eventually extended through June of this year. Last fall, buyers were told they had to be under contract by the end of

November. This sparked sales and showed, in hindsight, that November sales were higher than they had been in three years. This year with no added incentive and the fact that many buyers moved up to close by the end of June, sales will appear down, but the comparison is not fair and accurate. The media has a tendency to scare us with numbers but does not understand why the numbers show what they show. In a similar way, it is often stated that home values are down 10%, 15% or more when the more accurate statement is that the average or median sale price is down. Simply because more homes in the lower price ranges are selling and fewer homes are selling in the luxury market the numbers reflect the average and median sale price. That does not necessarily mean your home is worth that much less specifically.

The Navigation of Foreclosures and Short Sales

With all of the buzz surrounding the investment possibilities of foreclosures and short sales sometimes the questions and uncertainty are over looked. When you are working with banks, buying a foreclosed home, the counter offer you receive back from the bank may be up to seventeen more pages than the original offer you submitted. It can be overwhelming. Buyers are often looking at a great price on a home that is a short sale situation but not certain of all the steps that they have to take to be able to get the home. These are just two of hundreds of questions and concerns that face buyers in the reality of working with foreclosures and short sales. To help answer our clients' questions and fears, Jack has gone through the training and certification of America Home Rescue's designation of Certified Default Resolution Specialist. Specifically to help buyers work through the mess of short sales to be able to comfortably write an offer and know the entire step-by-step process and what to expect. This training has helped Jack pass on his knowledge and help clients feel at ease in the process. We have also worked with countless banks helping clients buy foreclosed homes and have the experience and knowledge to make sure you get the best possible price and leave yourself exposed to the least amount of risk possible. The banks can be demanding and over-bearing, but we understand what needs to happen to make your investment in a foreclosed home become a reality.

We are here for you, our valued clients, and want to make sure we earn your business and referrals by taking our time to listen and explain the entire real estate process both for selling your home and buying your next home. Thank you for your continued support and referrals as we work to maintain our position as your real estate source.

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