

April 15 - Mid Month Pricing Update and Forecast

Each month about this time we look back at the previous month, analyze how pricing has behaved and report on how well our forecasting techniques performed. We also give a forecast for how pricing will move over the next 30 days.

For the monthly period ending April 15, we are currently recording a sales \$/SF of \$162.61 averaged for all areas and types across the ARMLS database. This is up 1.7% or \$2.74 from the \$159.87 we now measure for March 15. Our forecast range midpoint was \$162.26, with a 90% confidence range of \$159.01 to \$165.51. The actual result was slightly higher than the mid-point, and well within our 90% confidence range. As expected, we saw a very strong rise over the past month.

On April 15 the pending listings for all areas & types shows an average list \$/SF of \$165.25, down 0.5% from the reading for March 15. Among those pending listings we have 96.6% normal, 1.2% in REOs and 2.2% in short sales and pre-foreclosures. This mix is little changed from last month. REO activity is well below normal at the moment compared to historic rates. Short sale activity remains slightly elevated caused by negative equity as a prolonged after-effect of the housing crash.

Our mid-point forecast for the average monthly sales \$/SF on May 15 is \$161.80, which is 0.5% below the April 15 reading. We have a 90% confidence that it will fall within $\pm 2\%$ of this mid point, i.e. in the range \$158.56 to \$165.04.

After a strong rise over the last month we anticipate prices dropping back slightly between April and May.

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