

## December 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 month.

For the monthly period ending December 15, we are currently recording a sales \$/SF of \$166.85 averaged for all areas and types across the ARMLS database. This is up 0.8% or \$1.37 from the \$165.48 we now measure for November 15. Our forecast range mid-point was \$167.89, with a 90% confidence range of \$164.42 to \$171.14. The actual result was just over a dollar lower than the mid-point, but well within the 90% confidence range.

On December 15 the pending listings for all areas & types shows an average list \$/SF of \$172.88, up 0.7% from the reading for November 15. Among those pending listings we have 96.8% normal, 1.3% in REOs and 1.9% in short sales and pre-foreclosures. This mix shows slightly more distressed properties than last month but far fewer than the historical average.

Our mid-point forecast for the average monthly sales \$/SF on January 15 is \$167.94, which is 0.6% above the December 15 reading. We have a 90% confidence that it will fall within  $\pm 2\%$  of this mid point, i.e. in the range \$164.58 to \$171.30.

We are experiencing the usual rebound during the fourth quarter, conforming to an established seasonal pattern. Sales are expected to be light over the next 31 days but our forecast is for average price per sq. ft. to continue rising, albeit at a slightly reduced pace.

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