

February 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 February 15, we are currently recording a sales \$/SF of \$167.52 averaged for all areas and types across the ARMLS database. This is up 1.5% or \$2.46 from the \$165.06 we now measure for January 15. Our forecast range mid-point was \$165.39, with a 90% confidence range of \$162.08 to \$168.70. The actual result was much higher than expected but within the 90% confidence range.

On February 15 the pending listings for all areas & types shows an average list \$/SF of \$175.57, up 1.3% from the reading for January 15. Among those pending listings we have 97.5% normal, 0.9% in REOs and 1.7% in short sales and pre-foreclosures. This mix shows fewer distressed properties than last month and far fewer than the historical average.

Our mid-point forecast for the average monthly sales \$/SF on March 15 is \$169.20, which is 1.0% above the February 15 reading. We have a 90% confidence that it will fall within $\pm 2\%$ of this mid point, i.e. in the range \$165.82 to \$172.58.

The average \$/SF was stronger than predicted over the last 31 days, but this was largely due to the mix of homes that closed. High end homes were more strongly represented in the month just passed. The average \$/SF for pending listings remains high and continues to trend higher, as is normal for the early spring season.

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