

November 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 November 15, we are currently recording a sales \$/SF of \$165.49 averaged for all areas and types across the ARMLS database. This is up 2.1% or \$3.39 from the \$162.10 we now measure for October 15. Our forecast range midpoint was \$165.15, with a 90% confidence range of \$161.85 to \$168.45. The actual result was just a little higher than the mid-point, but only by 34 cents or 0.2%.

On November 15 the pending listings for all areas & types shows an average list \$/SF of \$171.65, up 1.1% from the reading for October 15. Among those pending listings we have 97.3% normal, 1.1% in REOs and 1.6% in short sales and pre-foreclosures. This mix shows even fewer distressed properties than last month and far fewer than average.

Our mid-point forecast for the average monthly sales \$/SF on December 15 is \$167.89, which is 1.4% above the November 15 reading. We have a 90% confidence that it will fall within $\pm 2\%$ of this mid point, i.e. in the range \$164.42 to \$171.14.

We are experiencing a fast rebound during the fourth quarter, conforming to the normal seasonal pattern and unaffected by weakness in demand.

Asking prices are being reduced but so far this has not resulted in any drop in average closed \$/SF. This is exactly what we would expect.

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