



Thank you for respecting
everyone here tonight by turning
off all things that make noise!

In just a minute...

**Networking
&
Guest Orientation**

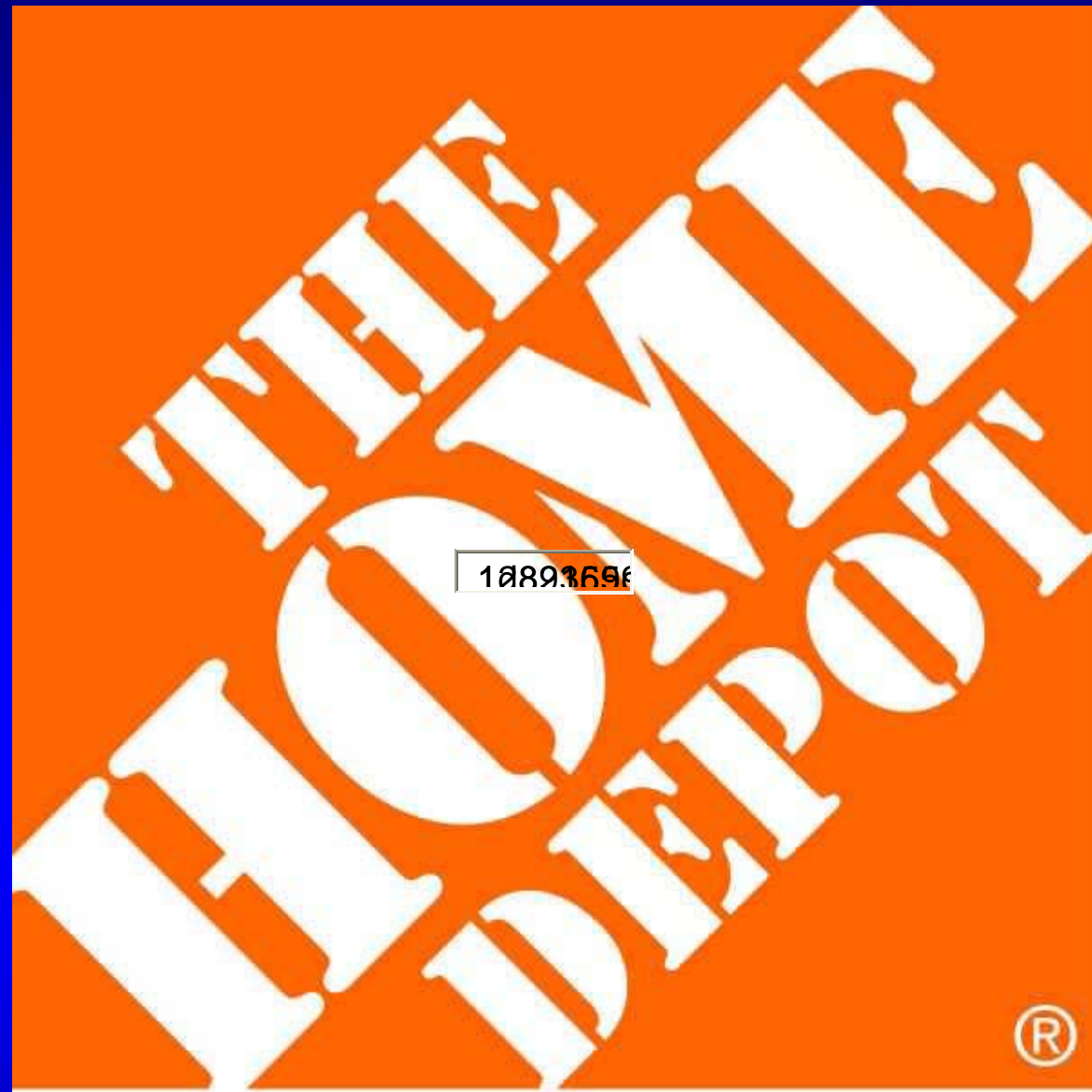
First a few announcements!



New Business Associate

FLIPPING AZ PROPERTIES

- **Property wholesaler**
 - **Fix & Flip**
 - **Rentals**
- **Assistance through rehab process**
- **Hard money on most properties available**
- **Trustee sale bidding service**
- **Special Offer for AZREIA Members**
 - **\$1,000 off first property purchased**
 - **Reduced fee on bidding service**
- **Dave Jacobs**
www.FlippingAZ.com
Phone: 602-809-6622
Email: dave@flippingaz.com



**FREE MONEY
REGISTER & FORGET IT!
GET 2 CHECKS A YEAR**

AZREIA Home Depot Rebate

- **Registered Members Purchased Over \$8.7M in the Second Half of 2012**
- **517 Members Will Receive Checks**
- **Total Rebates for 6 Month Period Will Paid Exceed \$175,000**

Have You Registered to Receive Your Home Depot Rebate?

New, Simple Way to Sign Up! It's Free, Too!

AZREIA Members Receive Huge Discounts at Sherwin Williams



*Paint Applicators Floorcovering Paint Sundries
Wallcovering Spray Equipment Window Treatments*

Pricing:

- **Most paint products will be discounted 30% from our National Account Price List, which is already discounted from our Retail List Price. This represents a total savings of 40% or more.**
- **Paint Sundries will be discounted 30% from list and Applicators will be discounted 35% from list.**
- **We have also identified a number of key products that will most likely make up the bulk of your paint purchases. We have priced these lines to be extremely competitive in your markets, which gives you even more savings when you purchase these products.**

American Rental Property Owners & Landlords Association



www.arpola.org

- **ARPOLA is a professional association for the independent rental property owner. Members of ARPOLA are rental property owners, landlords and property managers of single family residences or small multi-family properties.**
- **The purpose of ARPOLA is to provide its members unsurpassed service to increase profit by:**
 - **Providing Non-Biased Education & Information**
 - **Lowering Cost of Managing Properties**
 - **Simplifying Management Task**
 - **Improving Management Decisions**
 - **Reducing Liability & Exposure**
 - **Minimizing Vacancies**
 - **Giving a Voice to Rental Property Owners**
 - **Government Affairs Program**

Save More Make More Worry Less



www.arpola.org

- **Education & Information**
- **Lowes – Save 7% on Virtually Everything with the LAR Card**
- **Lowes “Move In” Certificate**
- **Legal Center**
 - Free Lease Agreements, Legal Notices & Forms
 - State Specific
- **Tenant Screening**
 - Investigative
 - Instant
- **On-Line Rent Payments**
- **Asset Protection & Estate Planning**
- **Tax Services & Planning**
- **Crime Free Program plus CrimShield**

*Your Solution for Rental Property
Ownership & Management.*



**American Rental Property Owners
& Landlords Association**

**Annual Membership
\$35**

www.ARPOLA.org

Education

Eddie Speed – Wednesday, January 16th 6:00 to 8:00PM

How To Price a Non-Performing Note

- **How to acquire real estate at 30¢ on the dollar!**
 - The few critical things that you are missing that, when learned, will allow you to acquire property at 30¢ on the dollar, too.
- **See and hear how to use our simple techniques to create a passive income in 90 days or less!**
- **How to buy assets at a huge discount without having to understand or apply complicated techniques.**
- **See the case studies that are happening now – in the current market**
- **Yes, it works great for part-time investors. Most people are simply not in a position to pursue real estate investing on a full-time basis.**
- **These techniques are new and unlike anything that you have ever seen before.**
- **How to simplify what you are doing and at the same time get better results.**

Eddie Speed – Thursday, January 17th 6:00 to 8:00PM

Anatomy of a Note Deal

- 6 Things you must look at in order to determine a good buy
- Quick steps you must make in order to avoid missing out on a great deal
- 3 Exit strategies that note pros use:
 - When to modify a loan
 - How to get a Deed in Lieu
 - When to start a foreclosure
- Illustrate the Due Diligence process
 - Valuing a note
 - Valuing the collateral
 - Understanding emotional money
- Why borrower that have declared bankruptcy is a good thing in this business

Non-Performing Notes with Eddie Speed

Saturday, January 19th – All Day

- How to buy Notes at a much greater discount than buying REO's or Short Sales
- How to make huge profits brokering notes by finding, marketing and approaching cash buyers using our time tested strategies
- That you can profit while significantly helping people suffering from the mortgage meltdown
- Make cash flow like a landlord without the hassles of being a landlord
- Use your IRA or 401k to make tax free often double digit returns
- How just one of our students has completed 28 transactions so far this year using little to none of his own money and you can do the same
- Why note investors are making double digit return on investments right now
- See recent eye-opening case studies
- Why owning notes is better than owning properties
- The four key profit centers
- How to purchase notes without using any of your own money
- Why Fannie Mae, Freddie Mac, HUD and FHA see the note business as the solution to the real estate crisis
- And much, much more!

Eddie Speed's Events

| | | | |
|------------------------------|--|--|-------------------------------------|
| Wednesday 6 - 8 PM | How To Price a Non-Performing Note | \$30/\$35 Normal \$20/\$25 Early \$15/\$20 Tonight Only! | Meeting Special Deal |
| Thursday 6 – 8 PM | Anatomy of a Note Deal | \$30/\$35 Normal \$20/\$25 Early \$15/\$20 Tonight Only! | |
| Friday 9AM – 4PM | Tucson <i>Non-Performing Notes</i> | \$80/\$110 Normal \$60/\$80 Early \$40/\$60 Tonight Only! | |
| Saturday 9AM – 4PM | Phoenix <i>Non-Performing Notes</i> | \$80/\$110 Normal \$60/\$80 Early \$40/\$60 Tonight Only! | |

Eddie Speed's Events

| | | | |
|------------------------------|--|--|------------------------------------|
| Wednesday 6 - 8 PM | How To Price a Non-Performing Note | \$30/\$35 Normal \$20/\$25 Early \$15/\$20 Tonight Only! | All Three \$60/\$80 |
| Thursday 6 – 8 PM | Anatomy of a Note Deal | \$30/\$35 Normal \$20/\$25 Early \$15/\$20 Tonight Only! | |
| Friday 9AM – 4PM | Tucson <i>Non-Performing Notes</i> | \$80/\$110 Normal \$60/\$80 Early \$40/\$60 Tonight Only! | |
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**Networking
&
Guest Orientation**

Arizona Real Estate Investors Association

Panelist

- **Mark B. Zinman**
Williams, Zinman & Parham P.C.
mark@wzplegal.com
480-994-4732
- **Bobbie Waymire**
Income Property Subgroup Leader
Realtor
vcwbaw2000@gmail.com
- **Dave Zundel**
HomeLovers
Dave@homelovers.com
602-792-5333
- **Darren Roberts**
Scottsdale CPAs
Darren@scottsdale-cpas.com
480.874.3100



Thank you for respecting
everyone here tonight by turning
off all things that make noise!

Welcome to AZREIA!

“There is no greater achievement than helping someone else succeed.”

Unknown

*The Mission of AZREIA is to Provide Its Members
the Information, Education, Support, and
Networking Opportunities That Will Further
the Member’s Ability to Successfully Invest in
Real Estate.*

Arizona Real Estate Investors Association

Disclaimer

AZ. R.E.I.A., Inc. hereafter called the “Association”, does not render legal, tax, economic, or investment advice. The Association does not investigate its members, nor vouch for nor make representation as to its honesty, integrity, reliability, motives and or resources of its members, officers, directors, employees, agents, and/or contractors. Person should consult his or her own counsel, accountant, and other advisors as to risk and legal, tax, economic, investment and other matters concerning real estate and other investments.

Notice: Products, services, investment opportunities, etc. may be offer by members, guests, business associates and/or speakers during this meeting. The Association does not endorse any product, service, investment opportunity, etc. that may be offered either formally or informally. Attendees should complete their own due diligence and seek advice from their accountant, financial advisor, attorney or others prior to doing business with anyone.

Networking

AZREIA Subgroups

- **Masters** – Laura Kostyo - lkostyo@cox.net
- **Fix & Flip**
 - Bob Gomez - (623) 252-0950
 - Dave Jacobs - dave@flippingaz.com
- **Beginners** – Jack Sharkey - jbs Sharkey@hotmail.com
- **Buy & Hold** - Bobbie Waymire
 - vcwbaw2000@gmail.com
- **Commercial/Multi-Family Subgroup** - *Scott Ferguson*
 - *scottf@azpropertyconcepts.com*

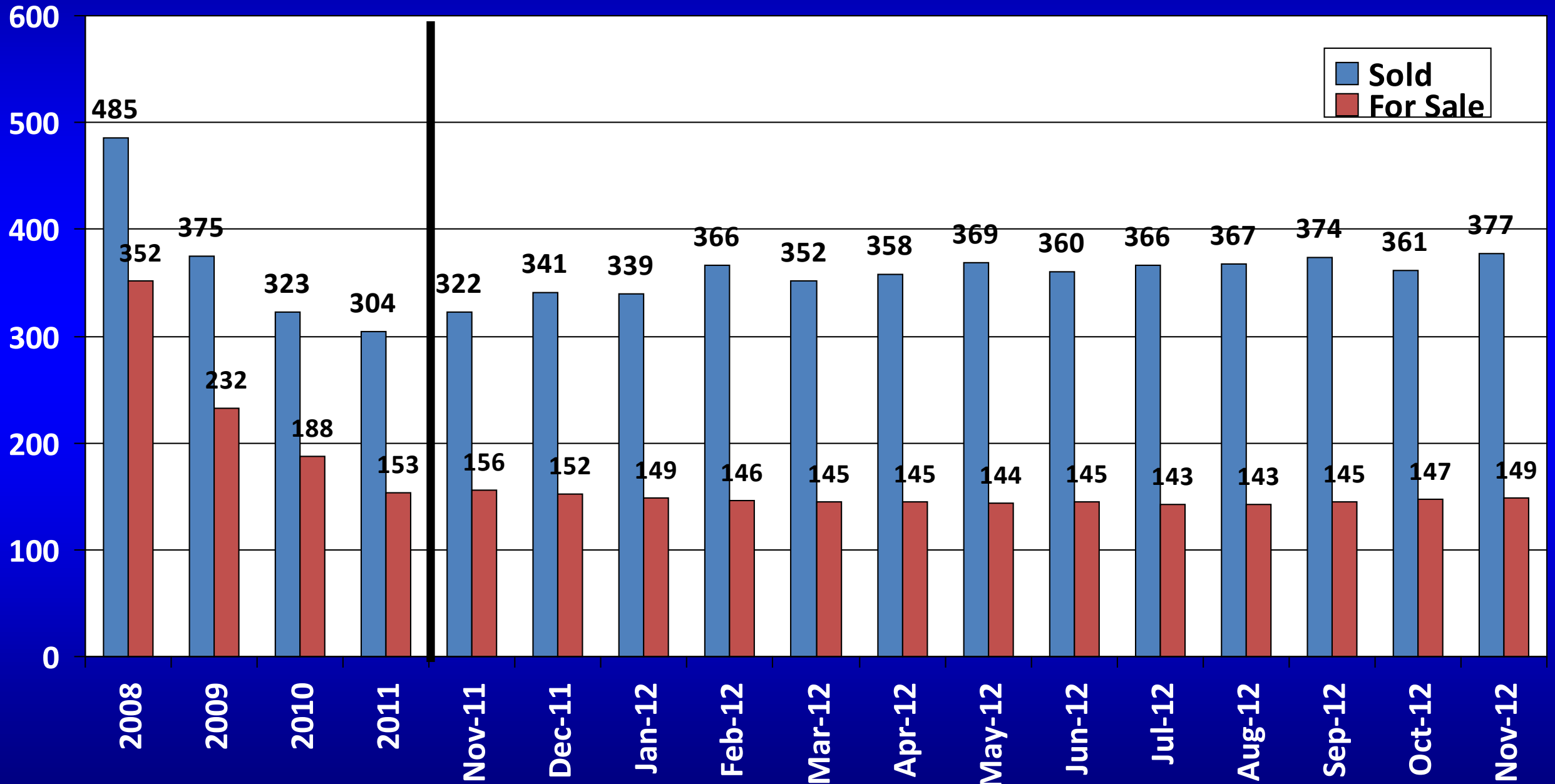
AZREIA Membership

- Investor Membership: \$179 1st Year - \$149 Renewal
 - Family Member at Same Address - \$50/Year
 - Business Partner - \$99
 - Monthly Payment Plan Available - \$15/Mo
 - Committing for a Full Year
- Online Membership - \$69/Year (Guest Fee to Attend Meetings)
- Significant Discounts for Phoenix Real Estate Club Membership – Add for \$76/Year

US & State Market Info

US New Home Sold & For Sale

(Seasonally Adjusted) in 000's

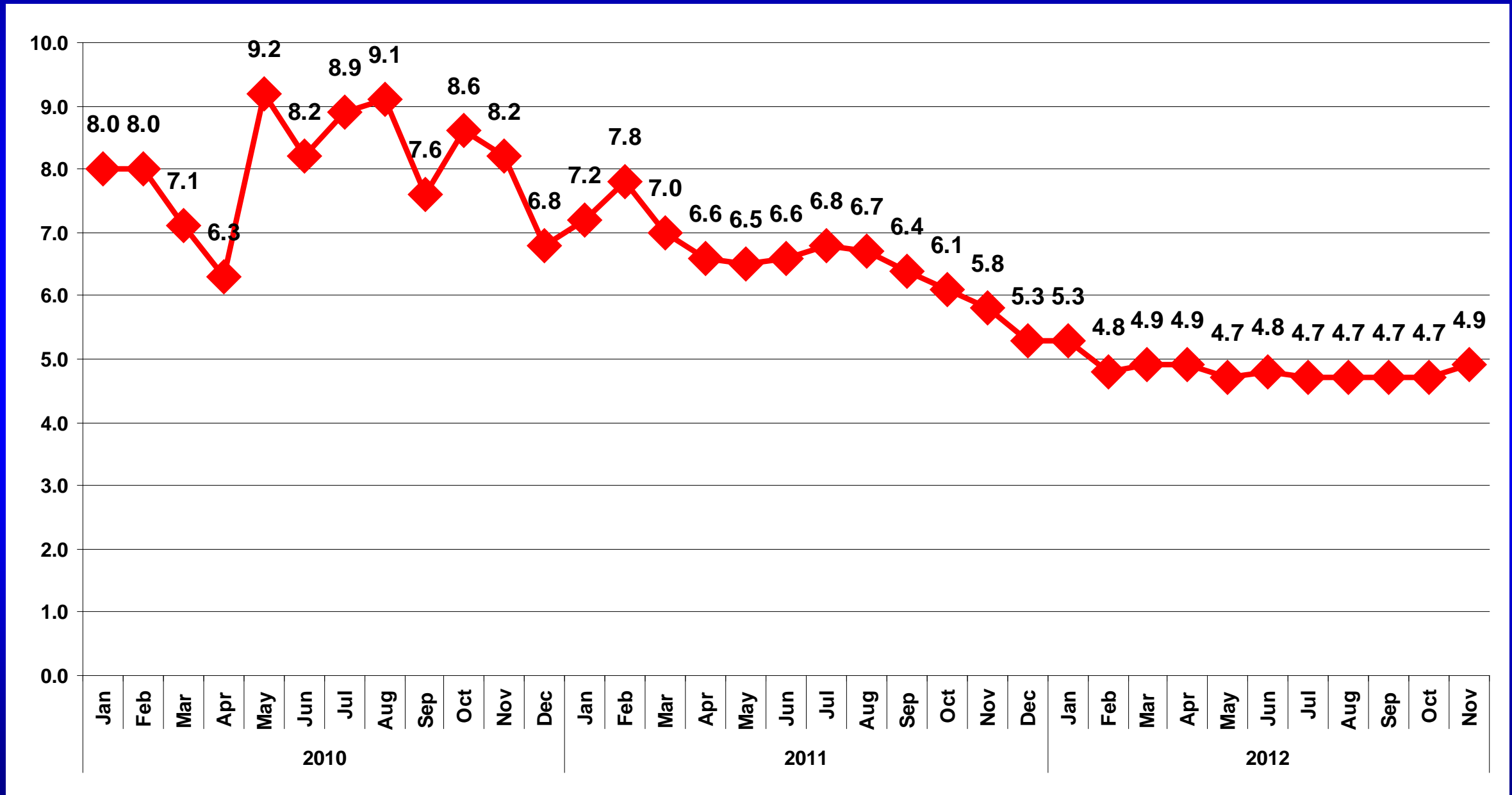


Data may be revised on a rolling four month cycle

<http://www.census.gov/construction/nrs/xls/newressales.xls>

US New Home Inventory

Average of 6.1 MOI Since 1963



Source: U.S. Census Bureau and the Department of Housing and Urban Development

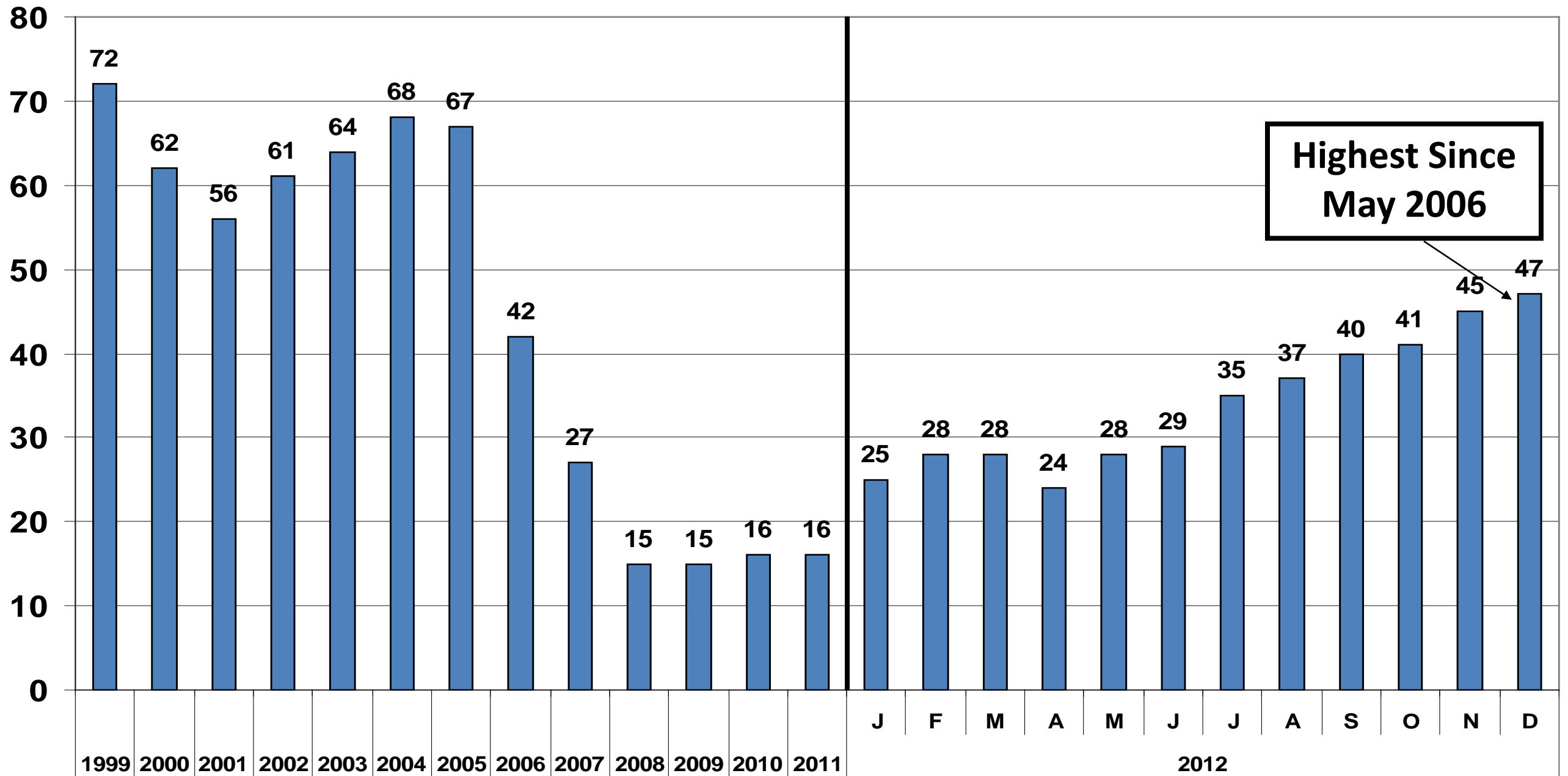
Data may be revised on a rolling four month cycle

<http://www.census.gov/construction/nrs/xls/newressales.xls>

Homebuilder's Confidence Index

Above 50 Indicates a Positive Sentiment About the Market

Last Time Above 50 was April 2006

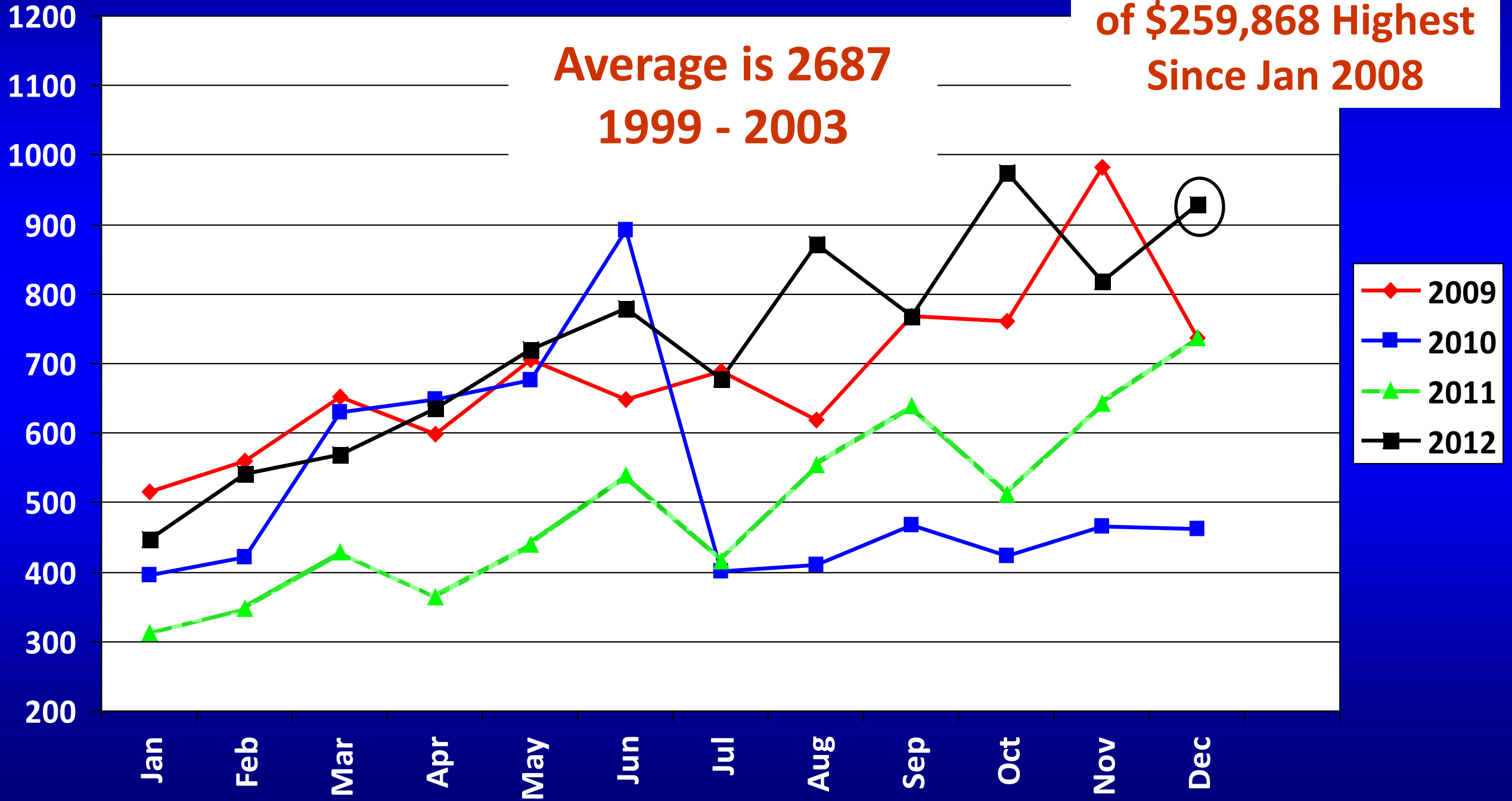


Maricopa County New Home Sales - SF & Condo

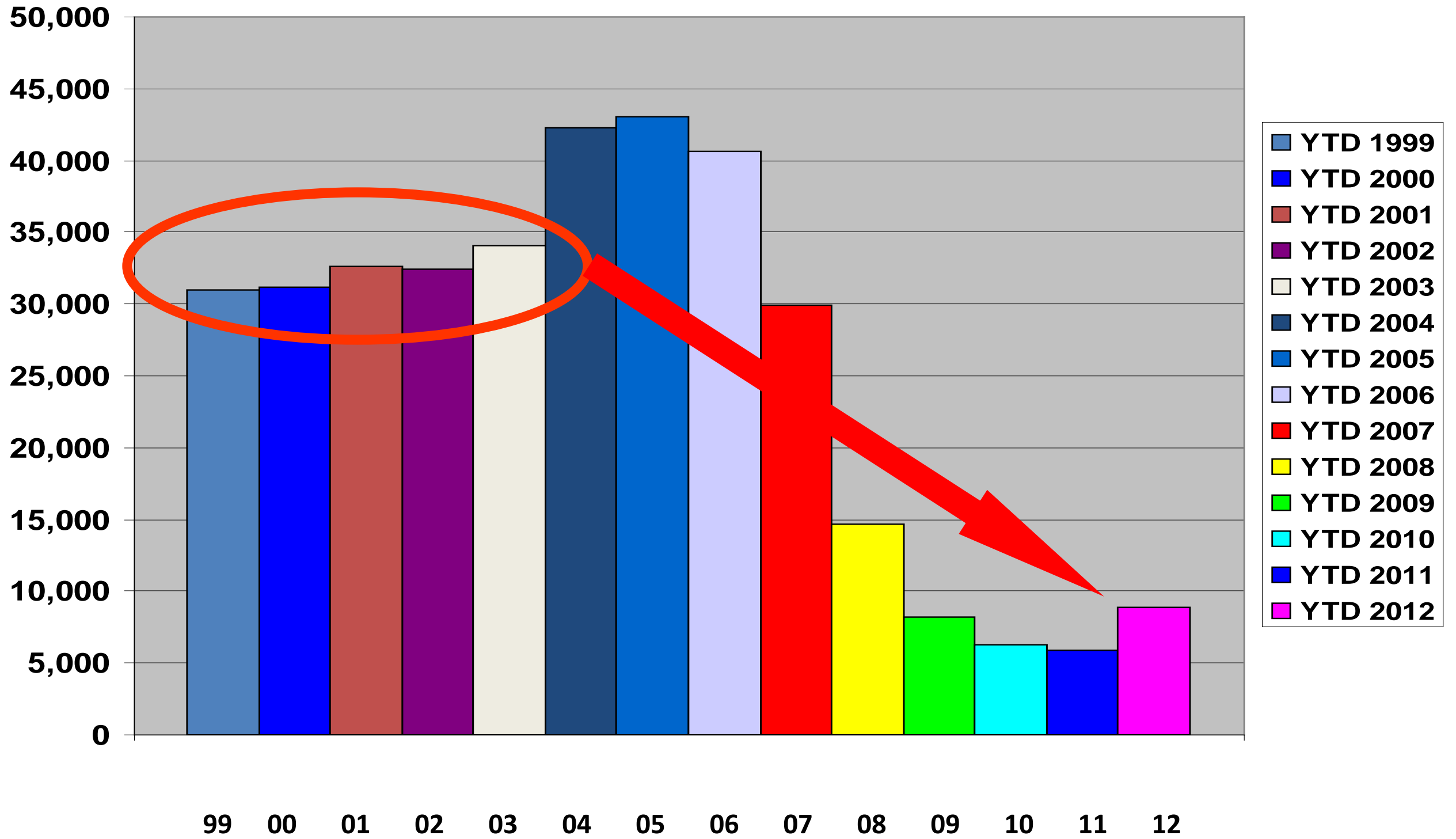
Cromford Report/Information Market

**Median Sales Price
of \$259,868 Highest
Since Jan 2008**

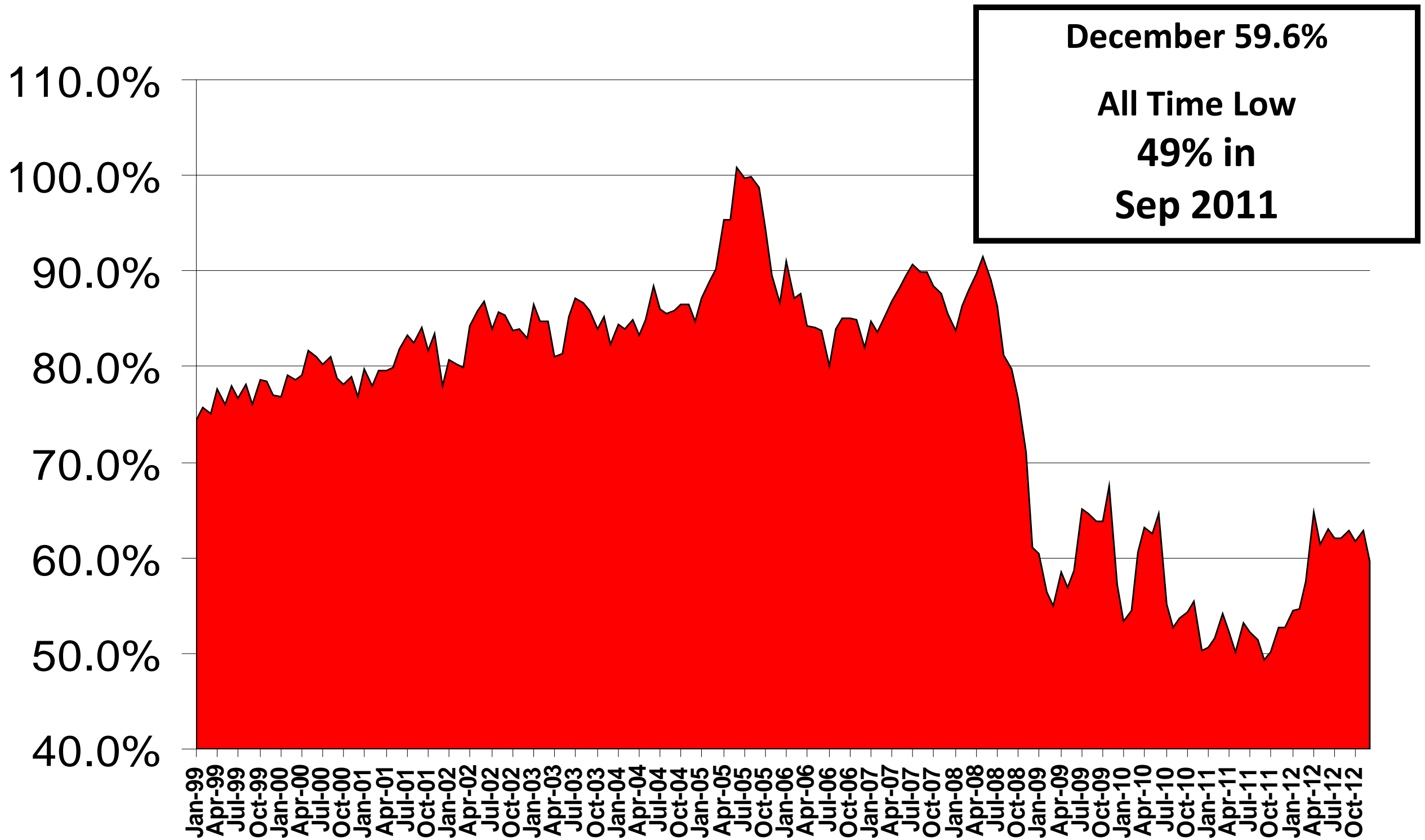
**Average is 2687
1999 - 2003**



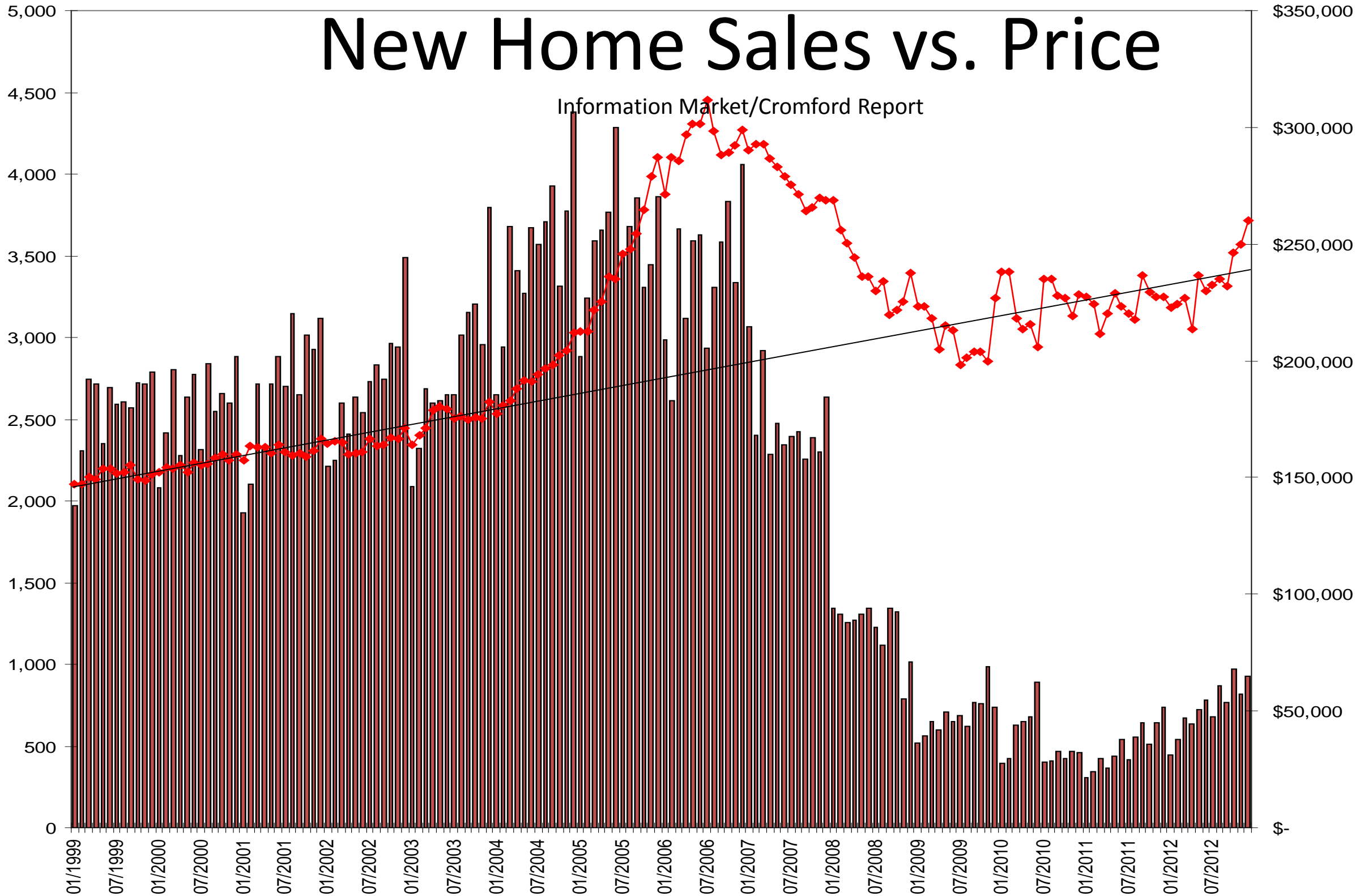
YTD New Home Sales - Maricopa County



Percent Resale Price of New Home Price



New Home Sales vs. Price



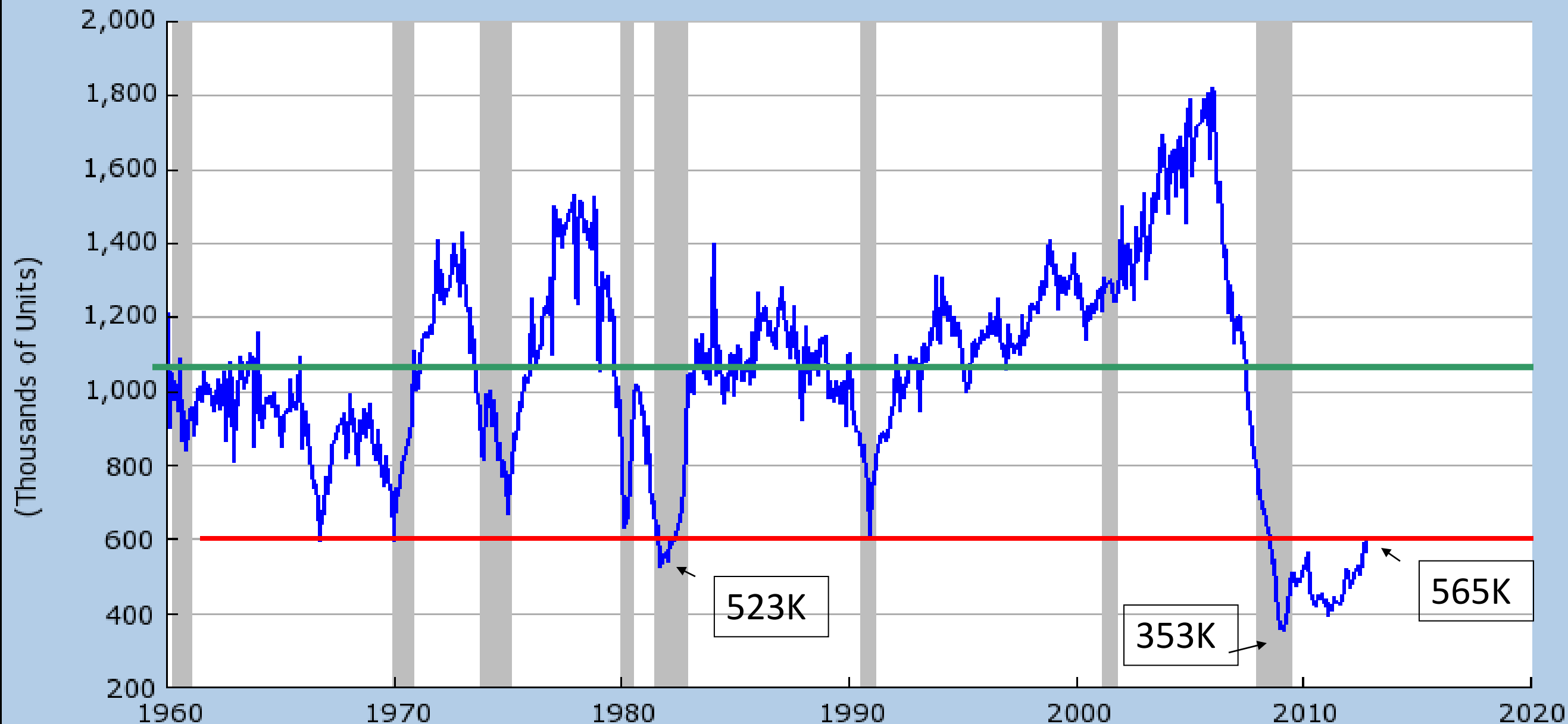
Sales
Price

US Housing Starts – Single Family (SAAR)

Average Rate Since 1960 = 1046

Privately Owned Housing Starts: 1-Unit Structures (HOUST1F)

Source: U.S. Department of Commerce: Census Bureau



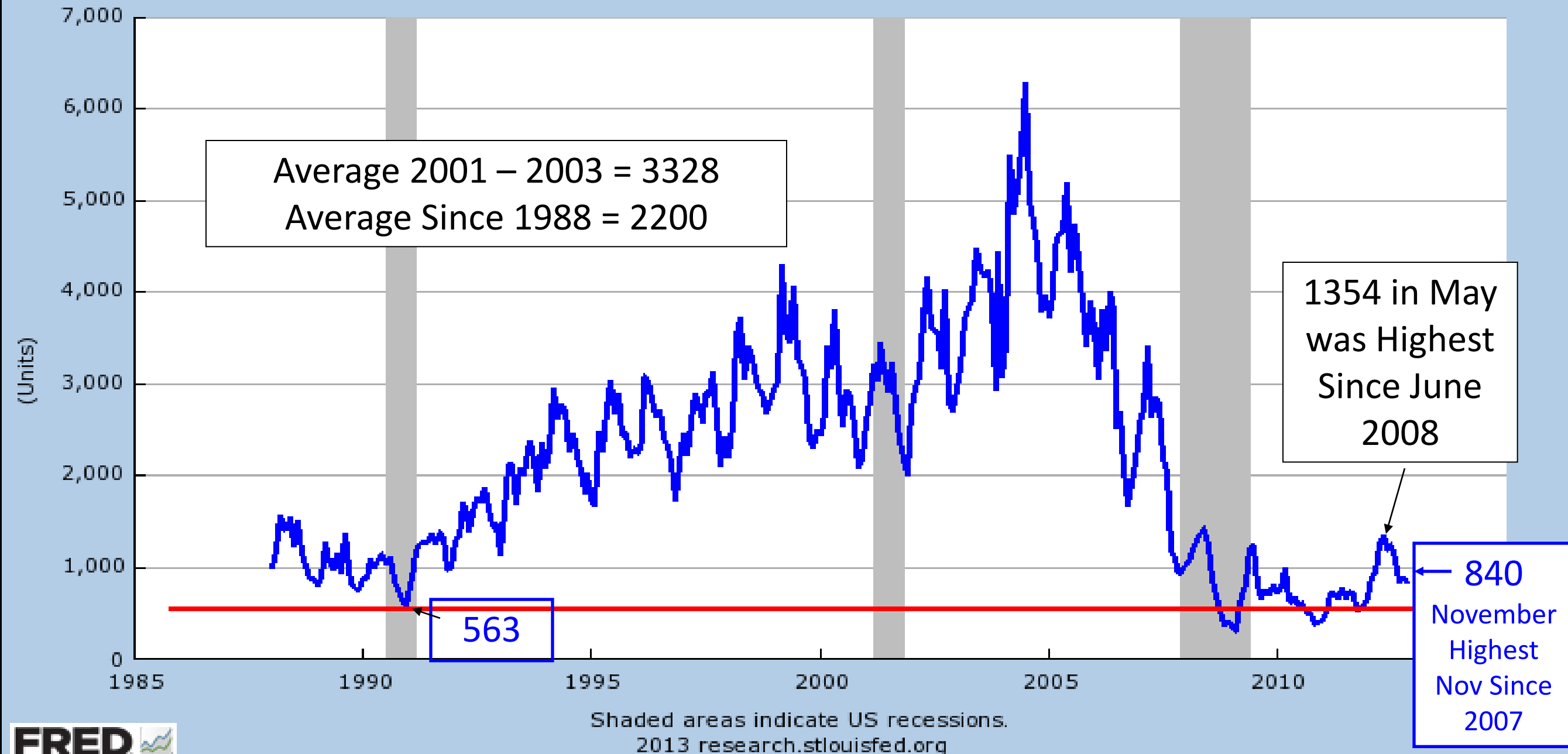
Shaded areas indicate US recessions.

2013 research.stlouisfed.org

Housing Starts – Phoenix MSA (NSA)

Privately Owned Housing Starts Authorized by Building Permits: 1-Unit Structures for Phoenix-Mesa-Scottsdale, AZ (MSA) (PHOE004BP1FH)

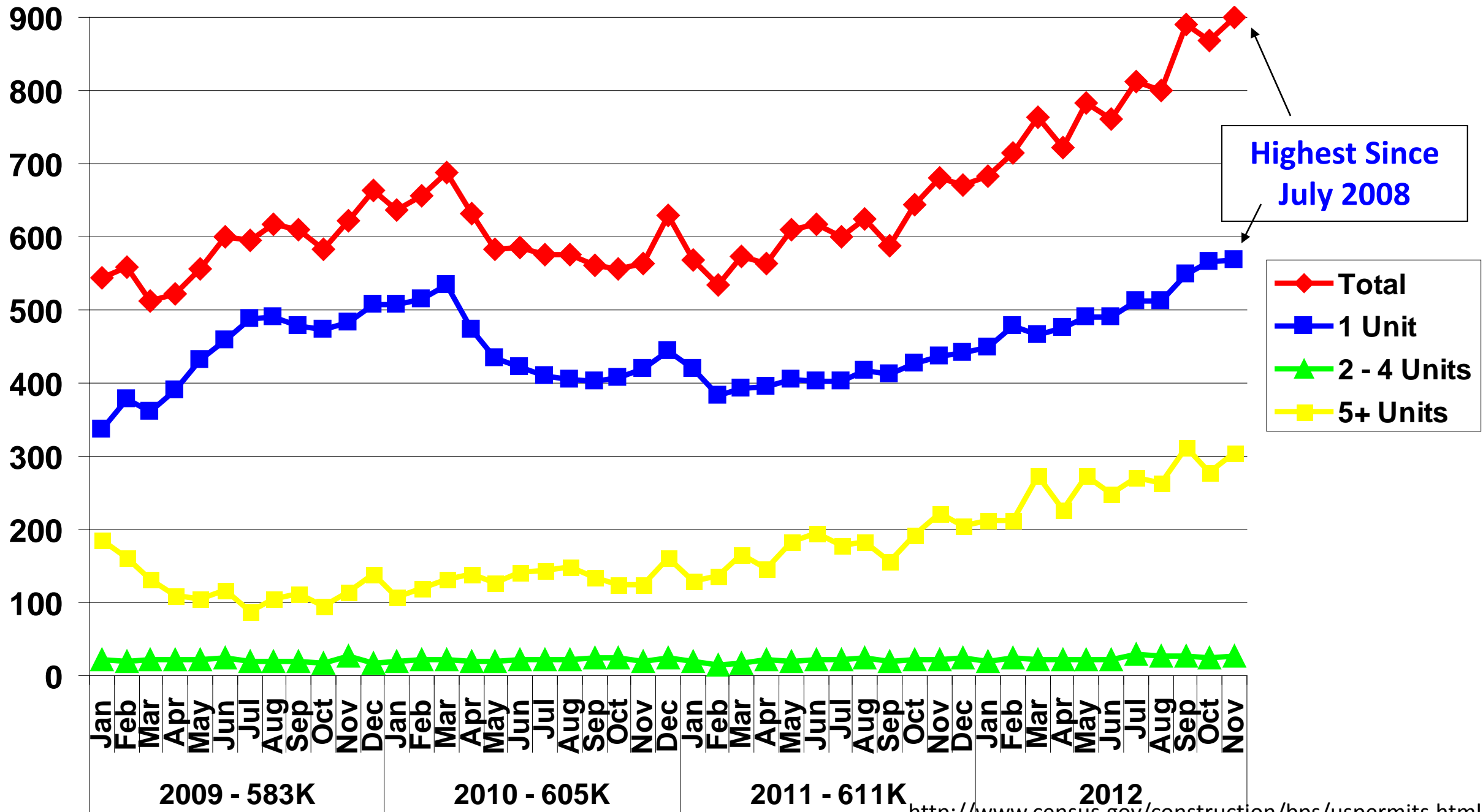
Source: U.S. Department of Commerce: Census Bureau



US Building Permits – Seasonally Adjusted Annual Rate

Average is 1430 Since 1994

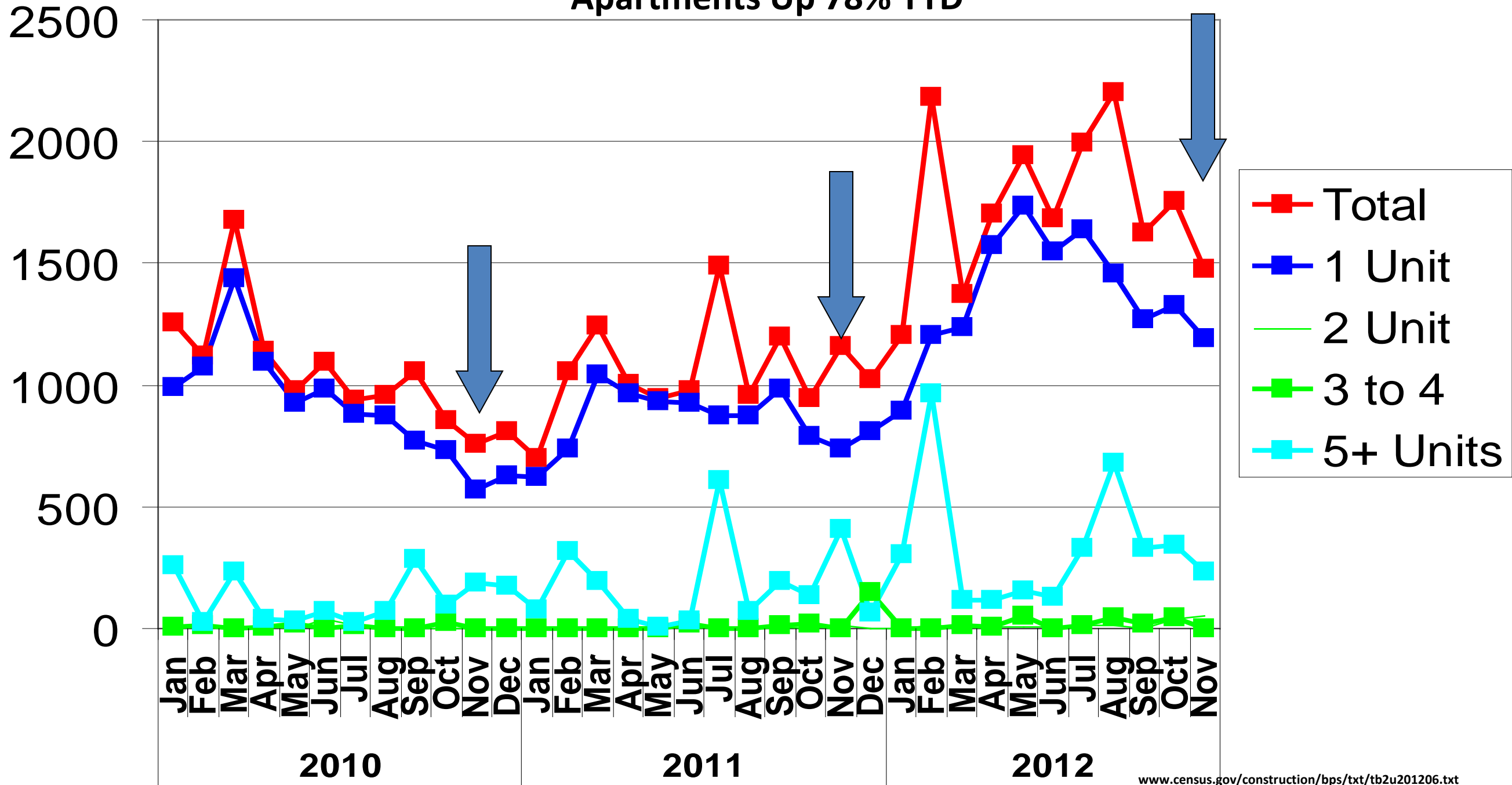
s d n a s o h t



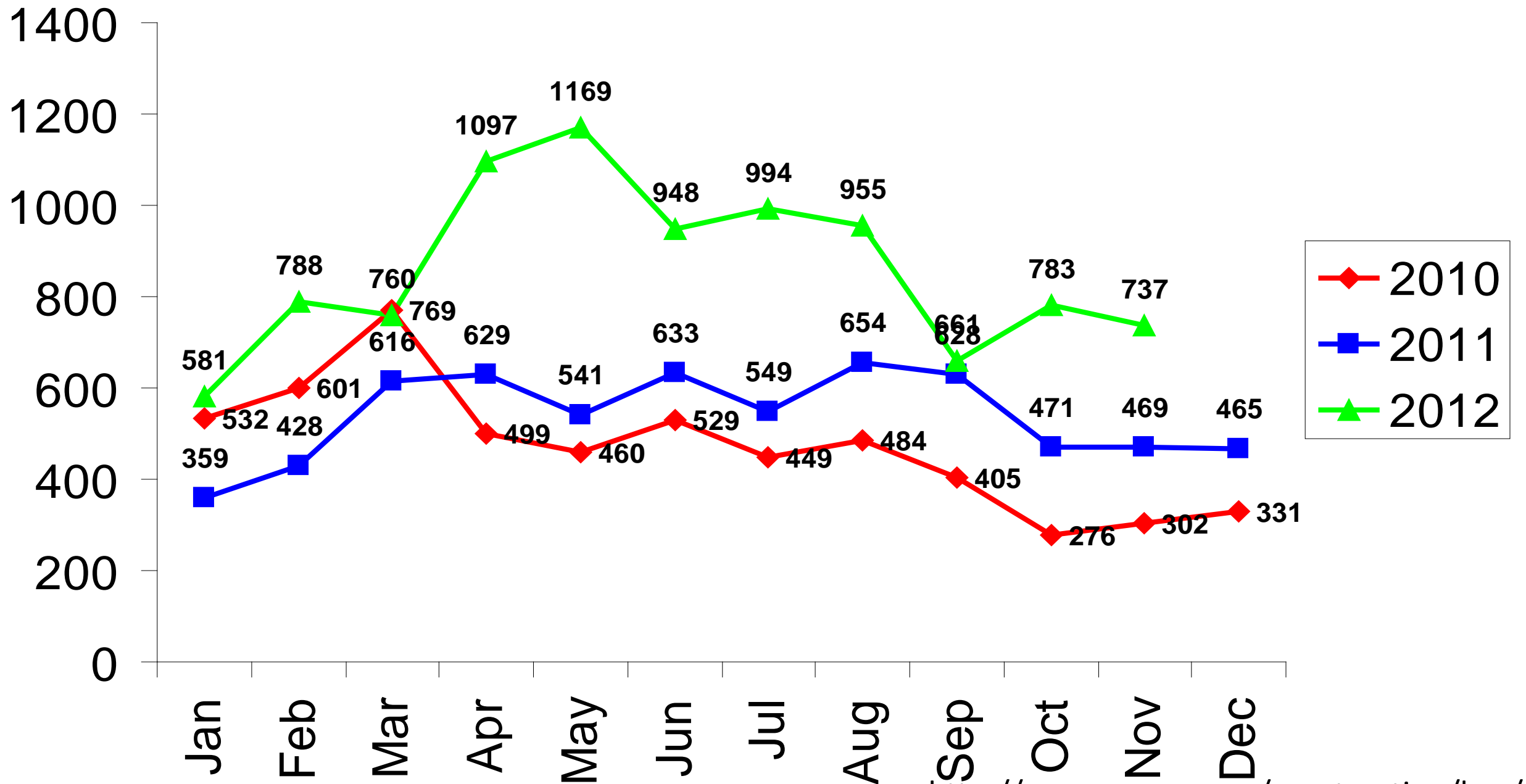
Arizona Building Permits

Single Family Up 59 YTD

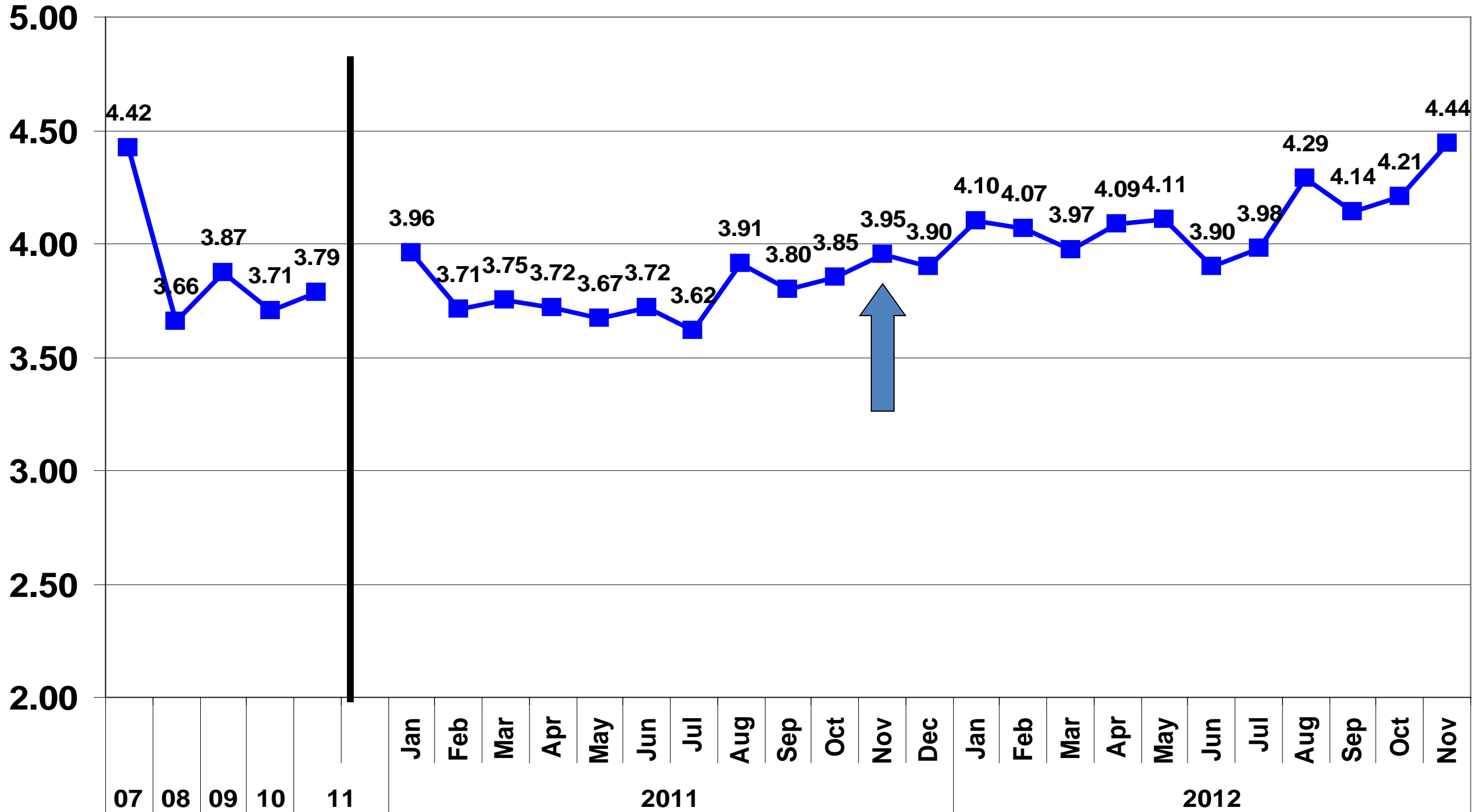
Apartments Up 78% YTD



Maricopa County Single Family Building Permits Up 58% Over 2011 YTD

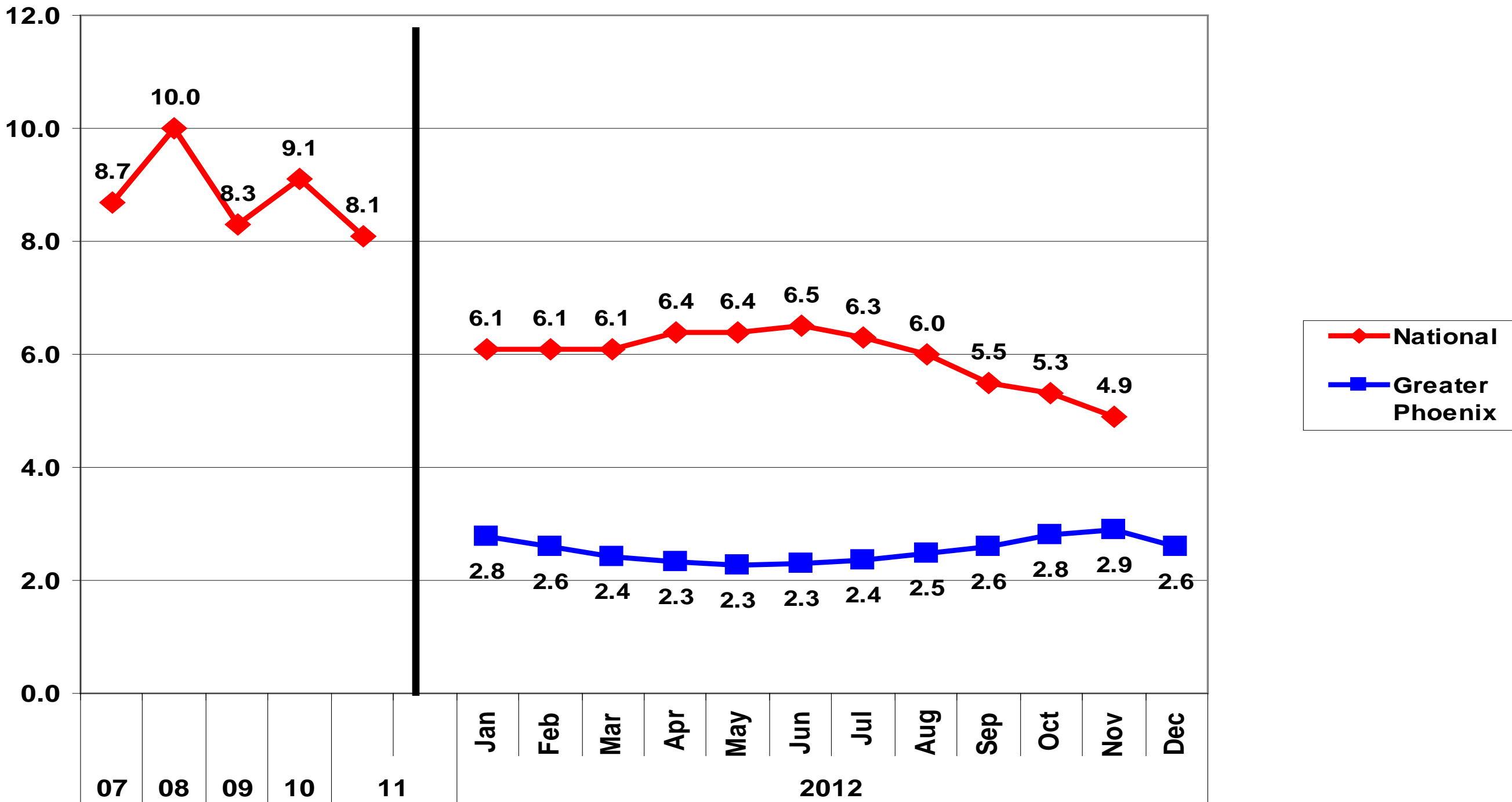


US Existing Home Sales – SF - Millions of Units – Seasonally Adjusted



Source: NAR – Data revised on a rolling 60 days

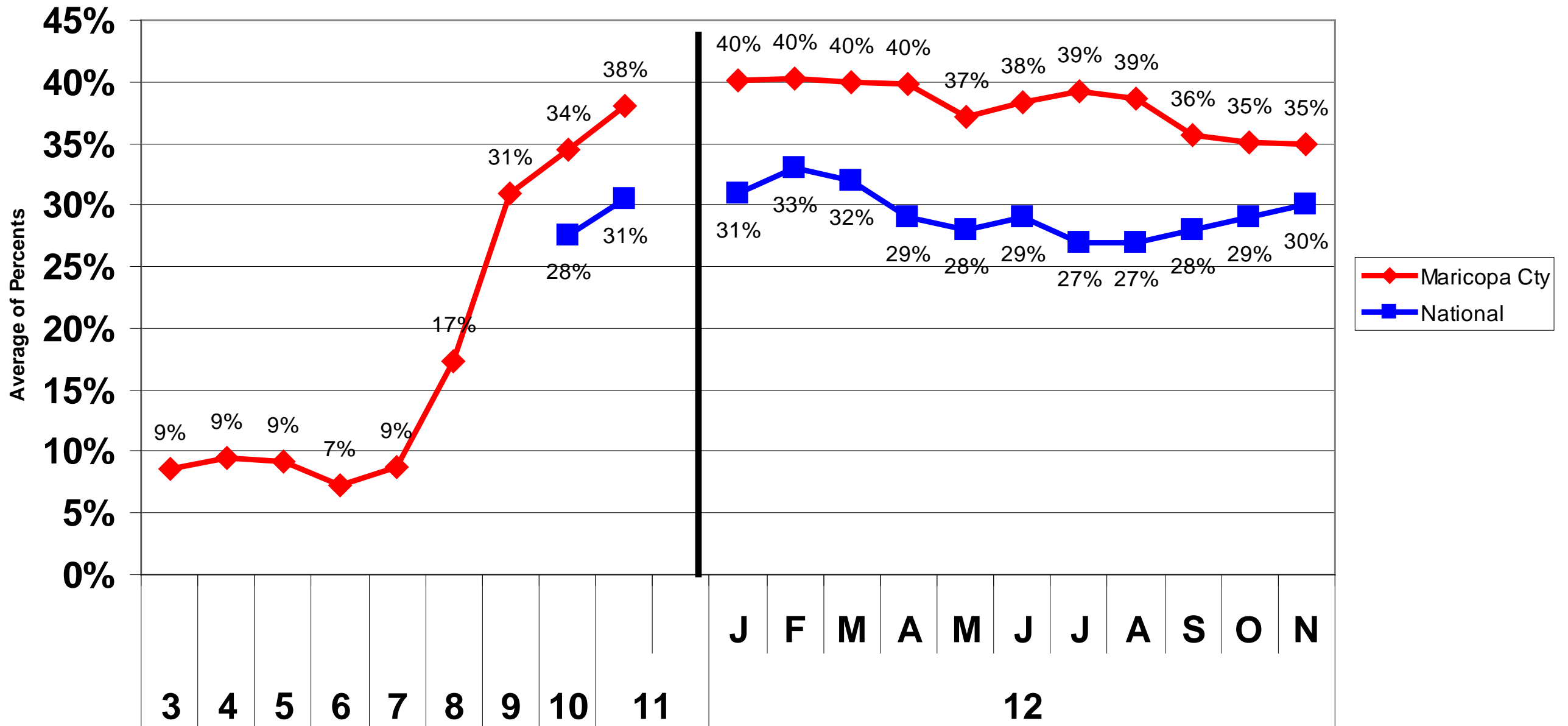
Single Family Mos. Supply



Source: NAR – Data revised on a rolling 60 days/Cromford Report

Percentage - Cash Sales

Narional vs. Maricopa County - All Types



Cash Buyers

Cash purchases are most dominant at the lowest end of the market:

- • Under \$150,000 48.4% cash (48.6% last month)
- • \$150,000 and \$500,000 23.9% cash (24.0% last month)
- • \$500,000 and over 31.9% cash (30.4% last month)

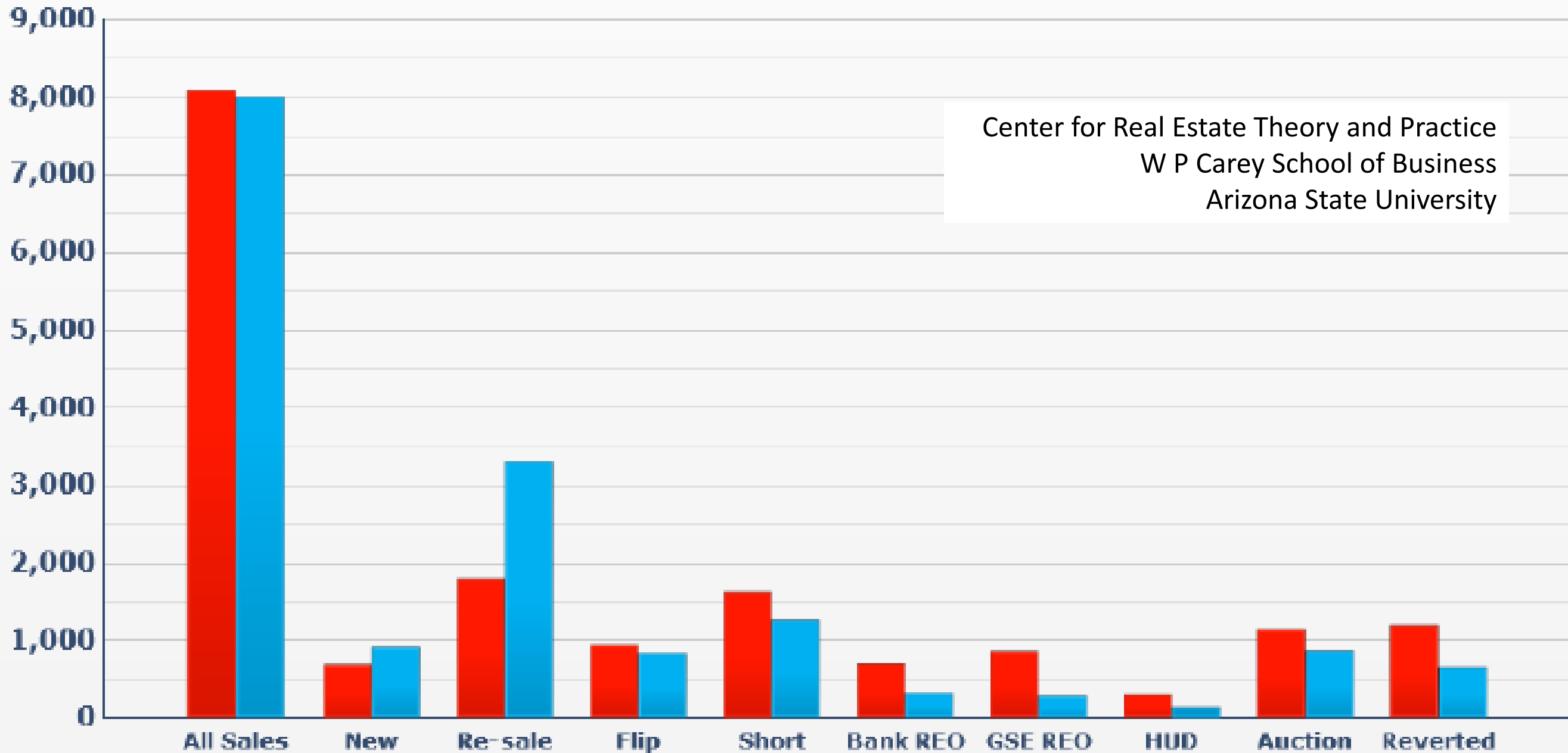
This analysis excludes bulk sales between investors and third party purchases at trustee sales.

Local Market Numbers

Monthly Home Sales

Single Family

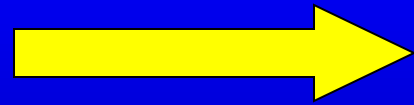
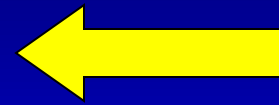
■ November 2011 ■ November 2012



Center for Real Estate Theory and Practice
W P Carey School of Business
Arizona State University

Note: 'Reverted' homes are excluded from 'All Sales'.

| Single Family Median Sales Price | Median \$ Nov 2012 | Median \$ Nov 2011 | % Change |
|--|--------------------|--------------------|----------|
| New Home Sales | \$238,791 | \$219,945 | +8.6% |
| Normal Re-sales | \$178,250 | \$159,900 | +11.5% |
| Investor Flips | \$157,000 | \$129,900 | +20.9% |
| Short Sales & Pre-foreclosures | \$135,000 | \$110,000 | +22.7% |
| Bank Owned Sales | \$135,000 | \$95,949 | +40.7% |
| GSE REO Sales | \$145,000 | \$103,000 | +40.8% |
| HUD Sales | \$115,000 | \$72,500 | +58.6% |
| Trustee Sales to 3 rd Party | \$118,450 | \$85,800 | +38.1% |
| All Sales | \$162,500 | \$120,000 | +35.4% |

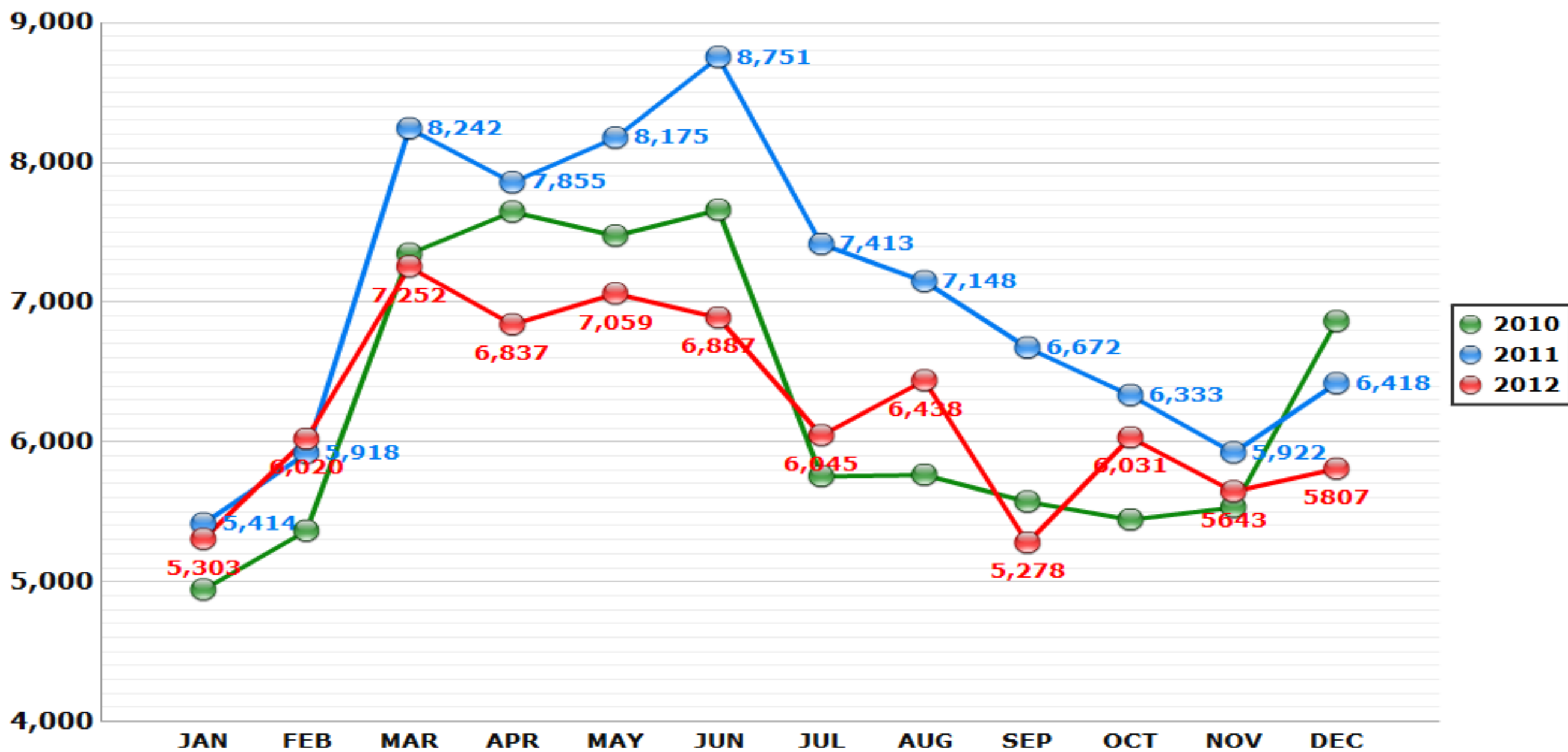


| Single Family Average Price per Sq Ft | \$/SF Nov 2012 | \$/SF Nov 2011 | % Change |
|--|----------------|----------------|----------|
| New Home Sales | \$116.49 | \$104.86 | +11.1% |
| Normal Re-sales | \$119.75 | \$112.33 | +6.6% |
| Investor Flips | \$99.79 | \$78.33 | +27.4% |
| Short Sales & Pre-foreclosures | \$86.11 | \$71.71 | +20.1% |
| Bank Owned Sales | \$94.84 | \$72.40 | +31.0% |
| GSE REO Sales | \$84.14 | \$64.28 | +30.9% |
| HUD Sales | \$68.78 | \$46.21 | +48.9% |
| Trustee Sales to 3 rd Party | \$75.44 | \$58.44 | +29.1% |
| All Sales | \$104.34 | \$81.92 | +27.4% |

Source: Arizona State University

Sales per Month - Greater Phoenix

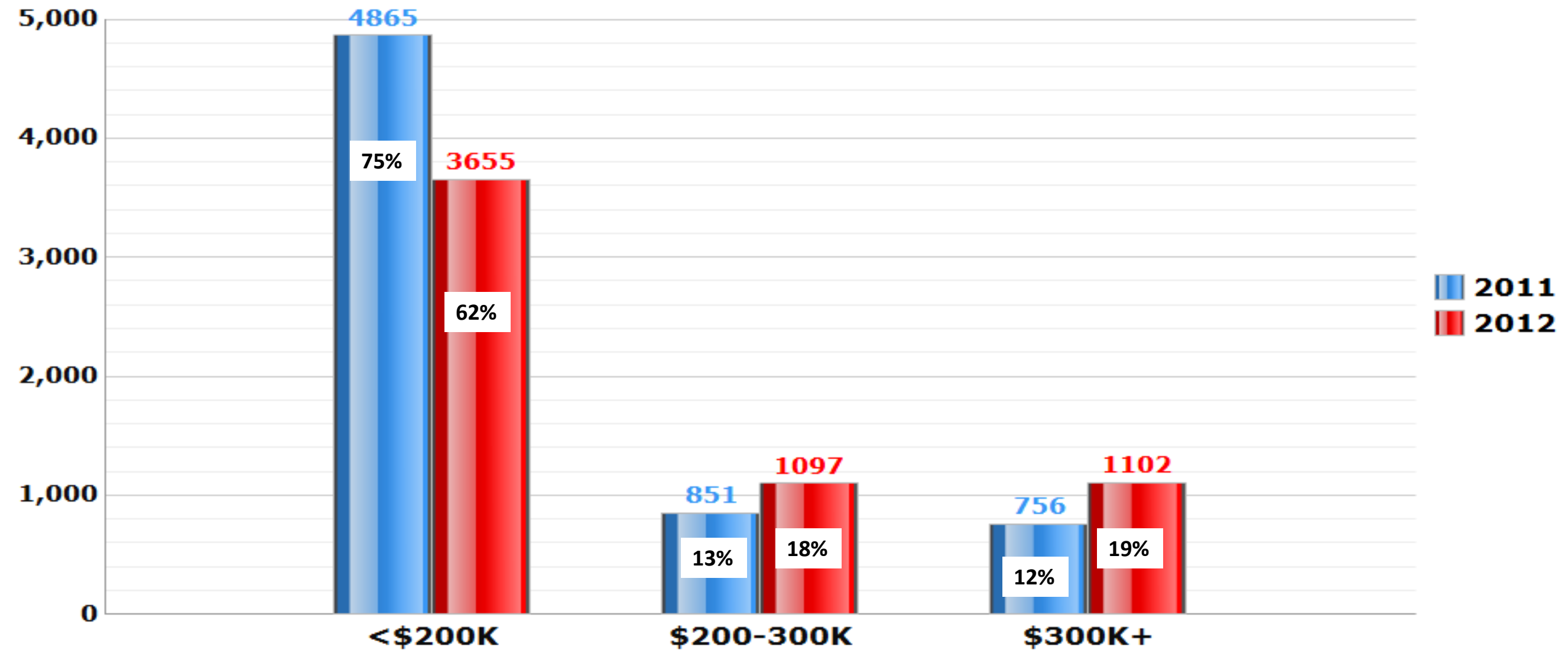
January 7, 2012



Single Family Detached - Greater Phoenix - Measured Monthly

© 2013 Cromford Associates LLC

Sales by Price Range December



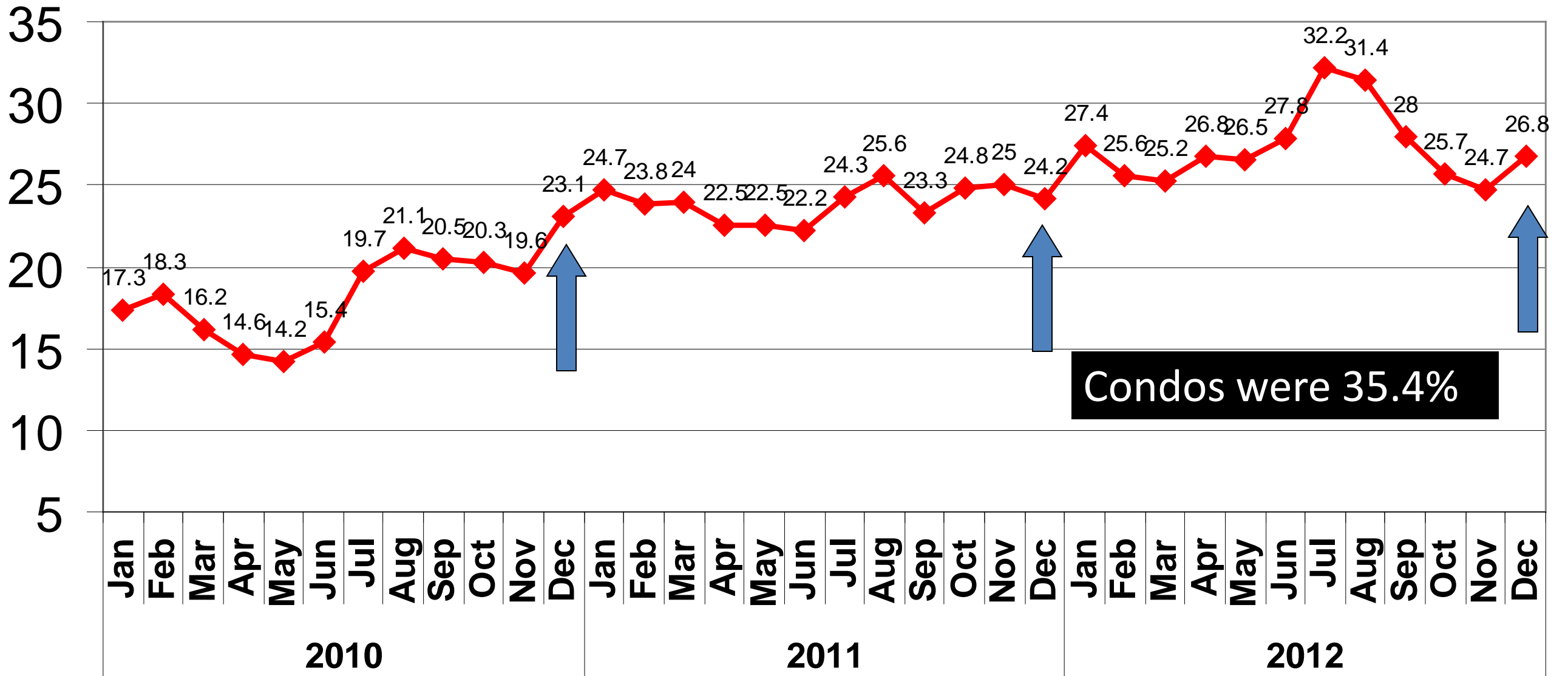
Single Family Detached - ARMLS Residential Resale - Greater Phoenix

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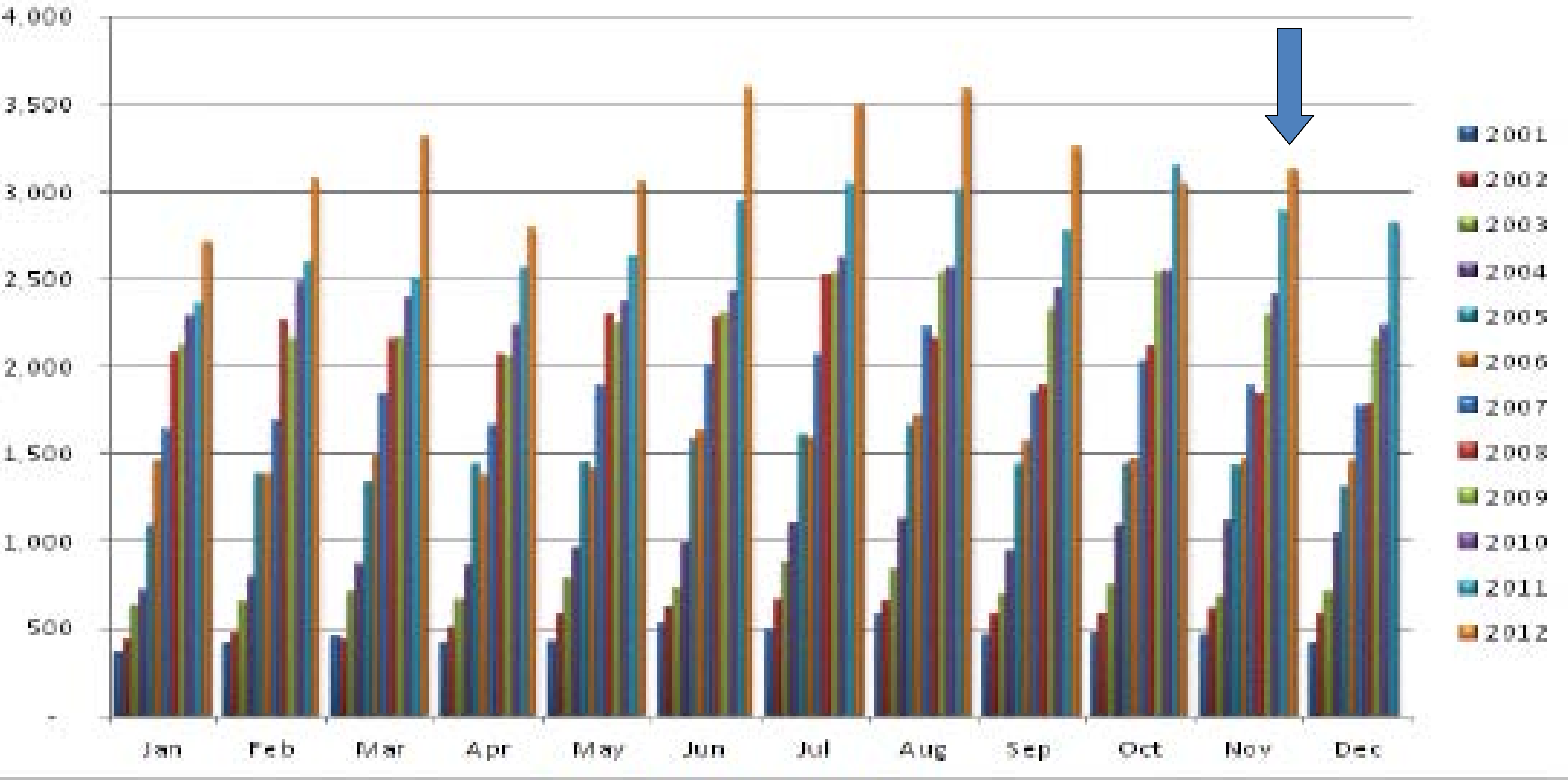
Percent Sold to Landlords

Single Family

Cromford Report

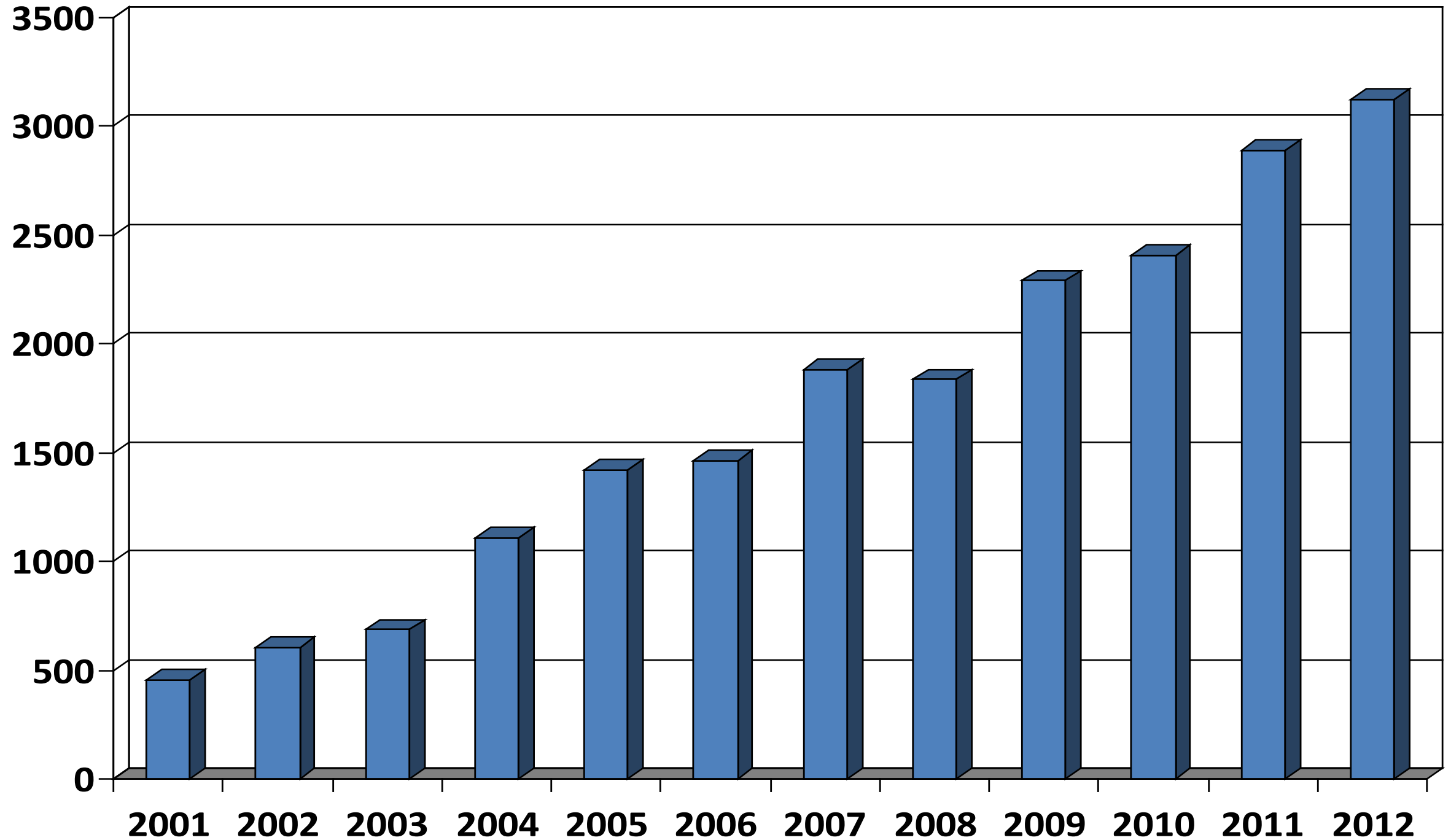


ARMLS - Closed Rental Contracts by Month

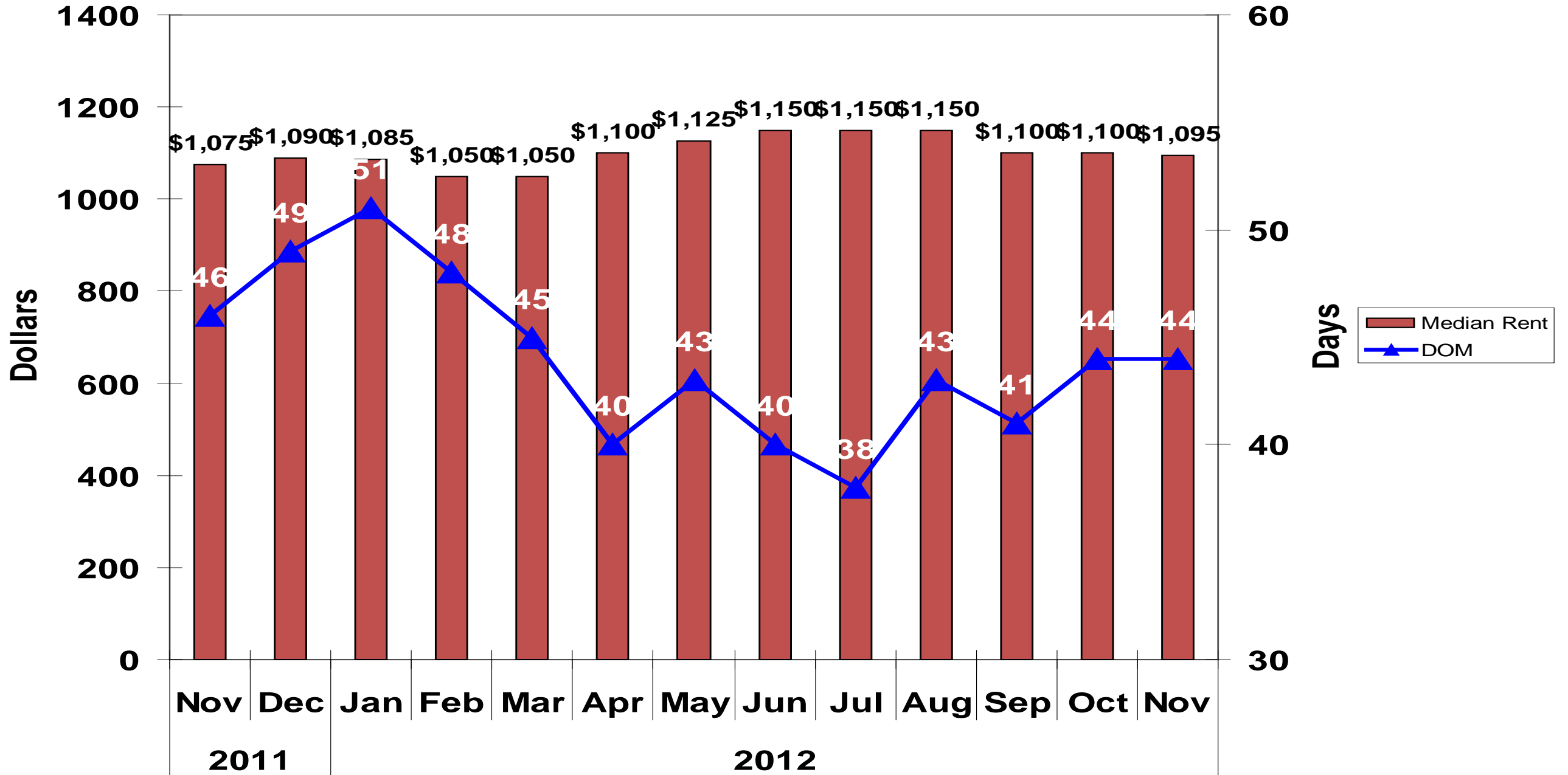


Closed Rental Units Per Month

ARMLS November Closed Rentals Contracts

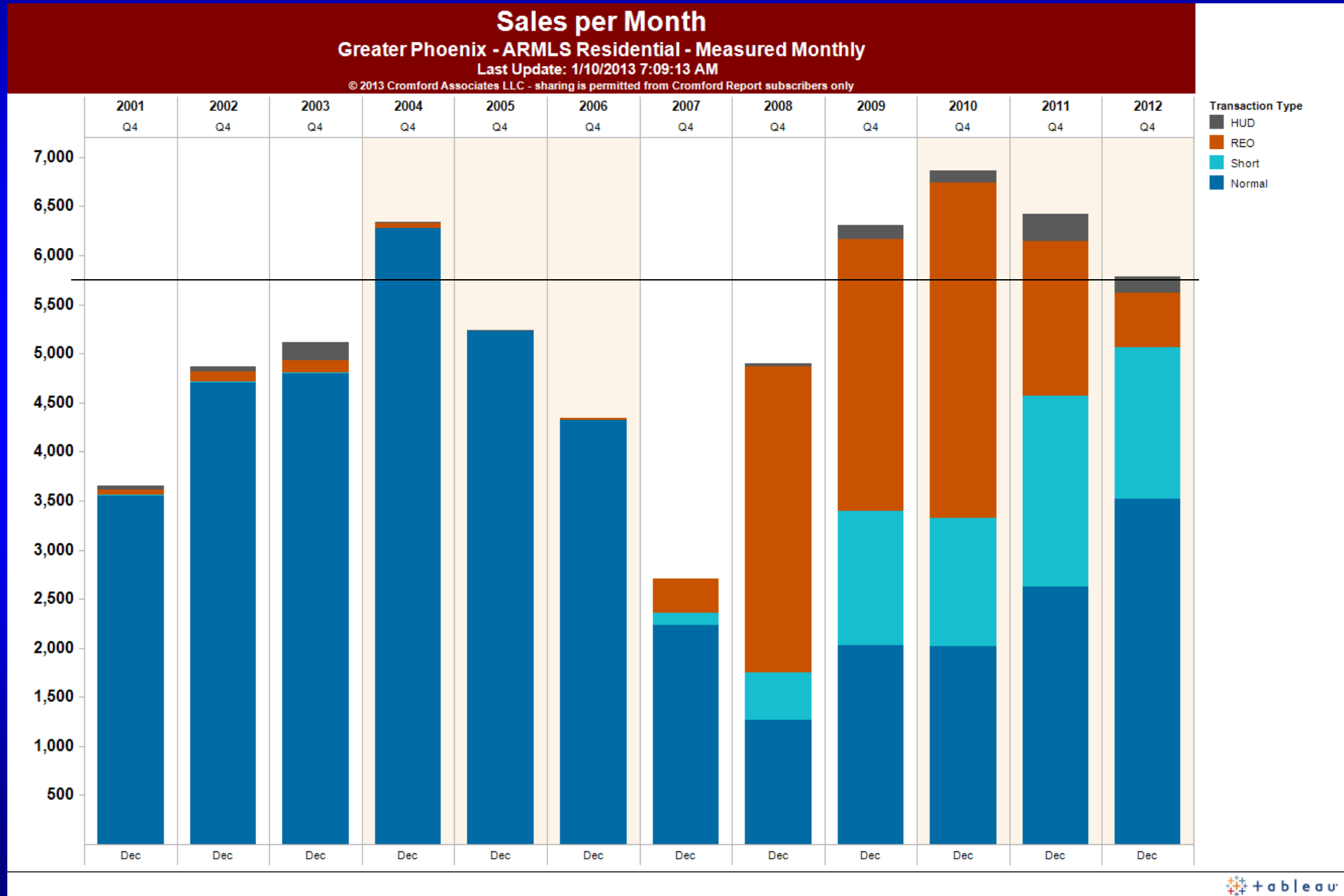


ARMLS Lease Rates & DOM



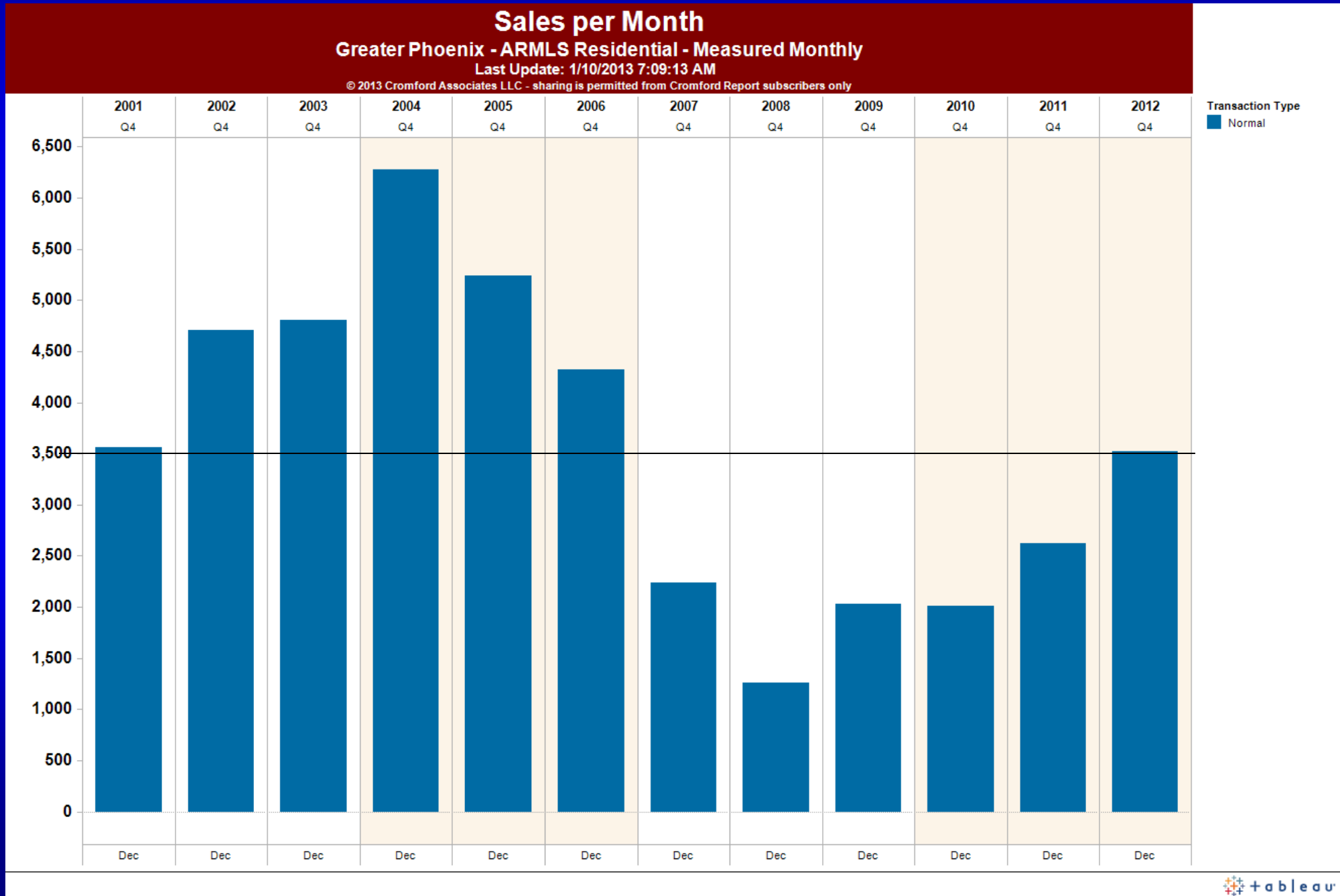
Single Family – Volume: All \$

December 2001 - 2012

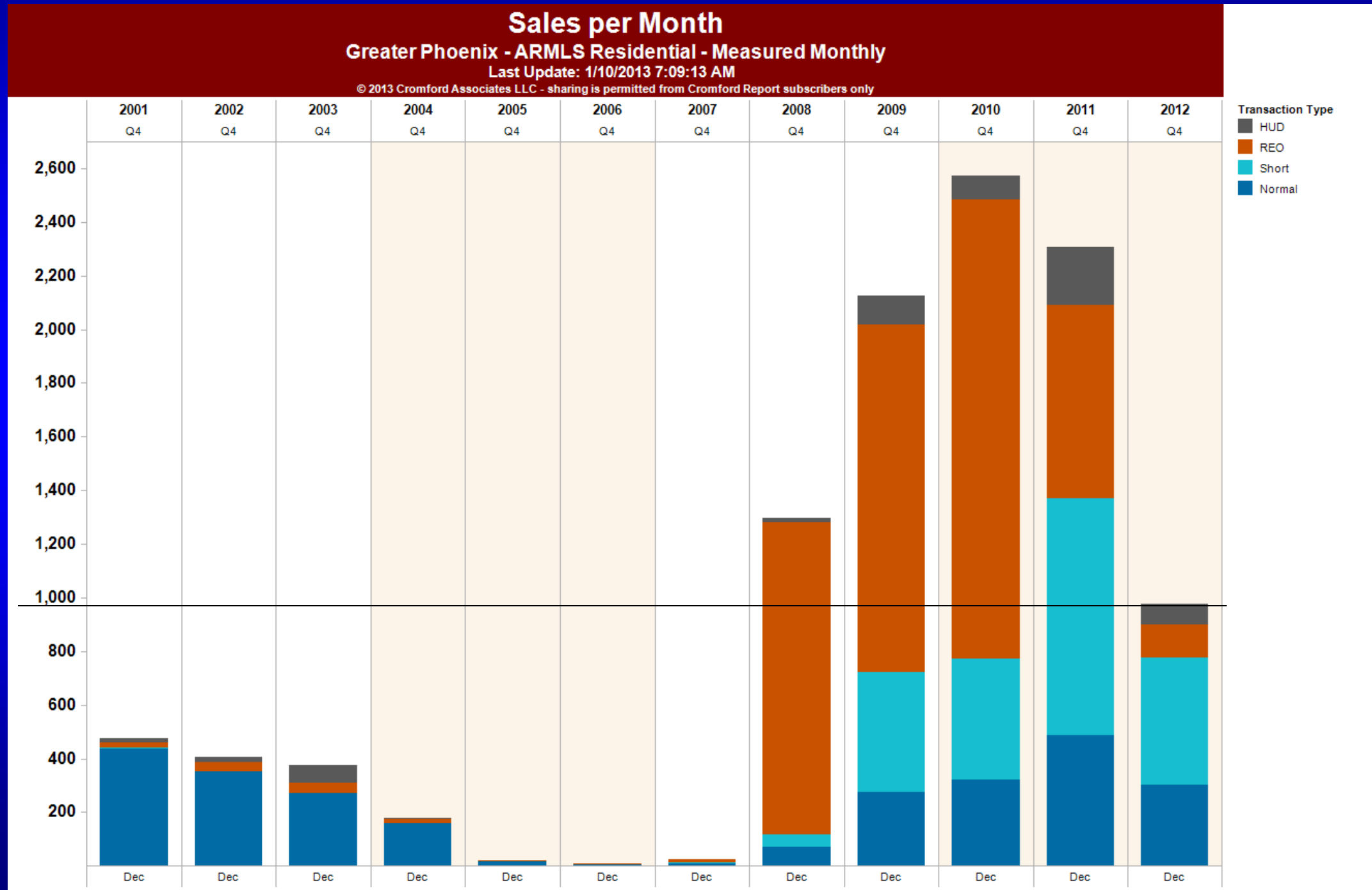


Single Family – Volume: All \$ - Normal

December 2001 – 2012

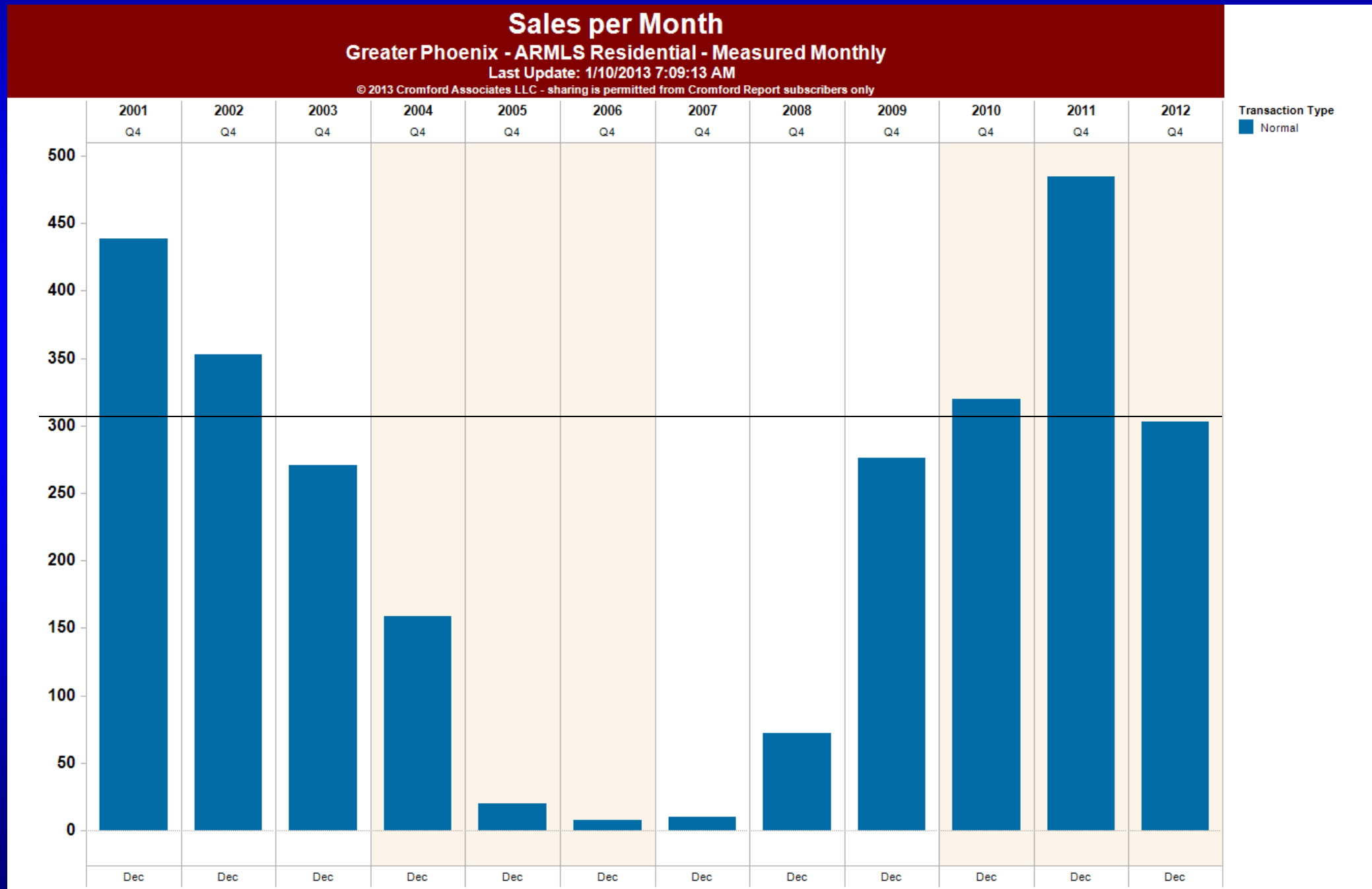


Single Family – Volume: < \$100K December 2001 - 2012

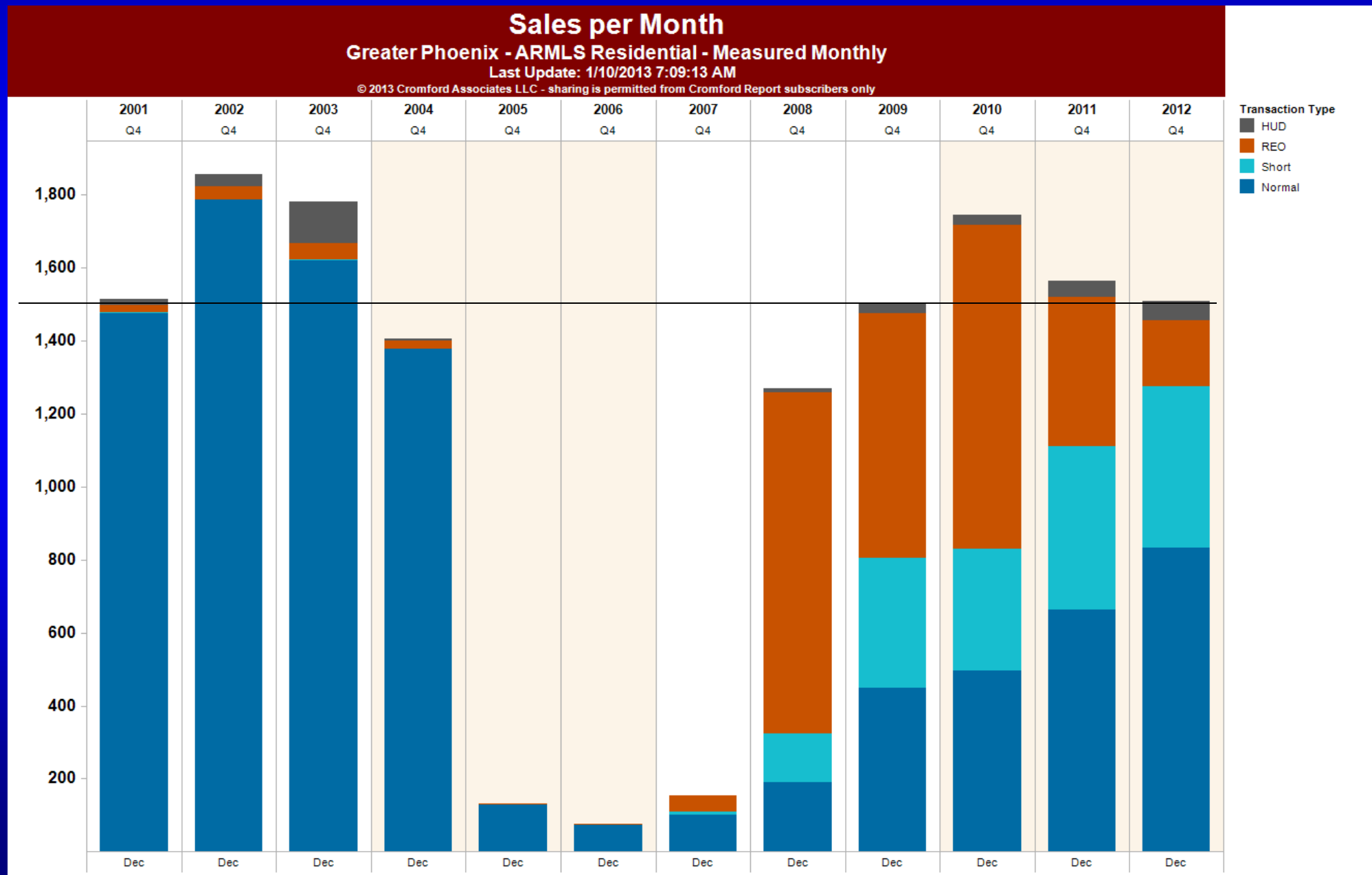


Single Family – Volume: < \$100K - Normal

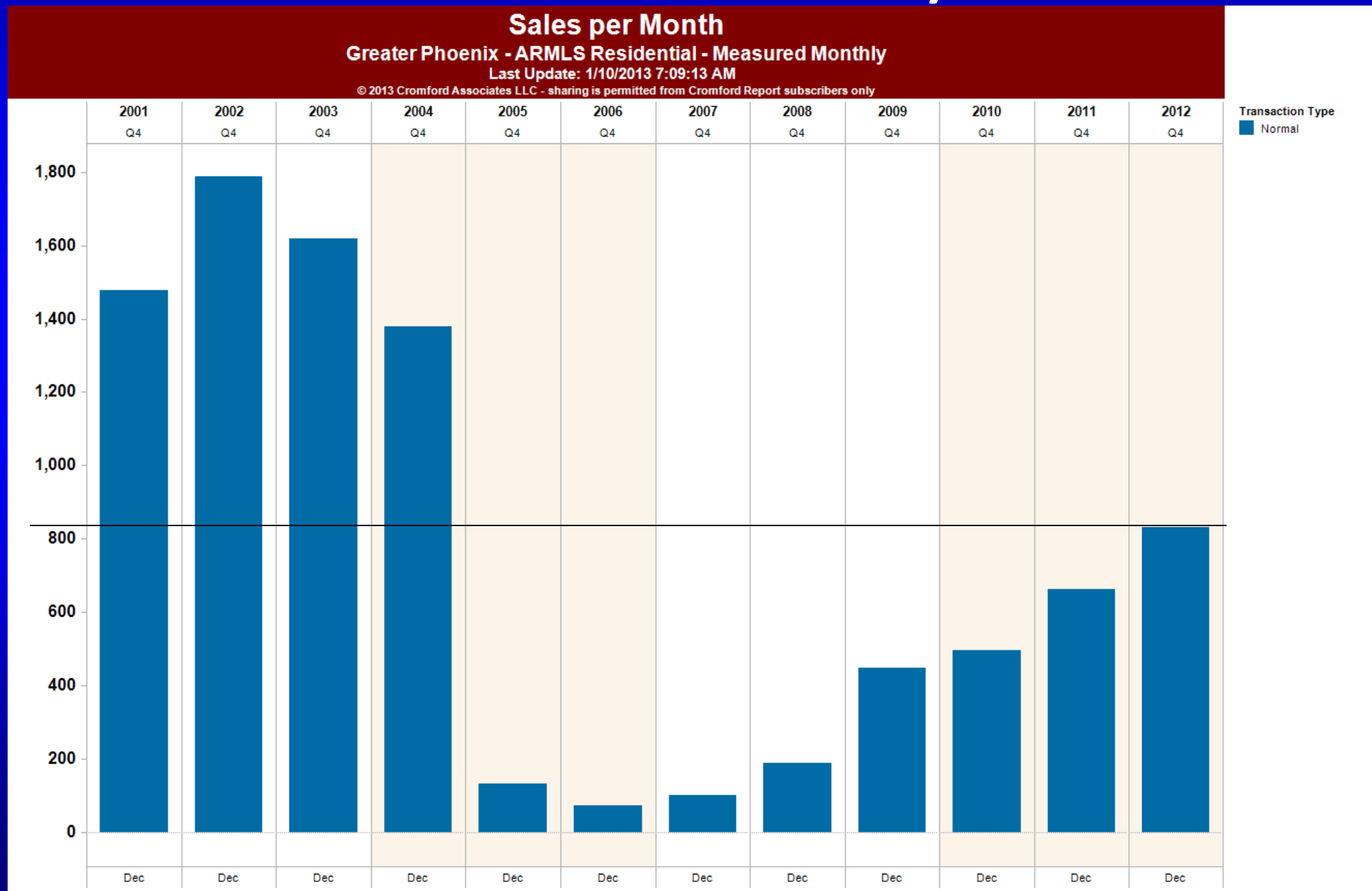
December 2001 – 2012



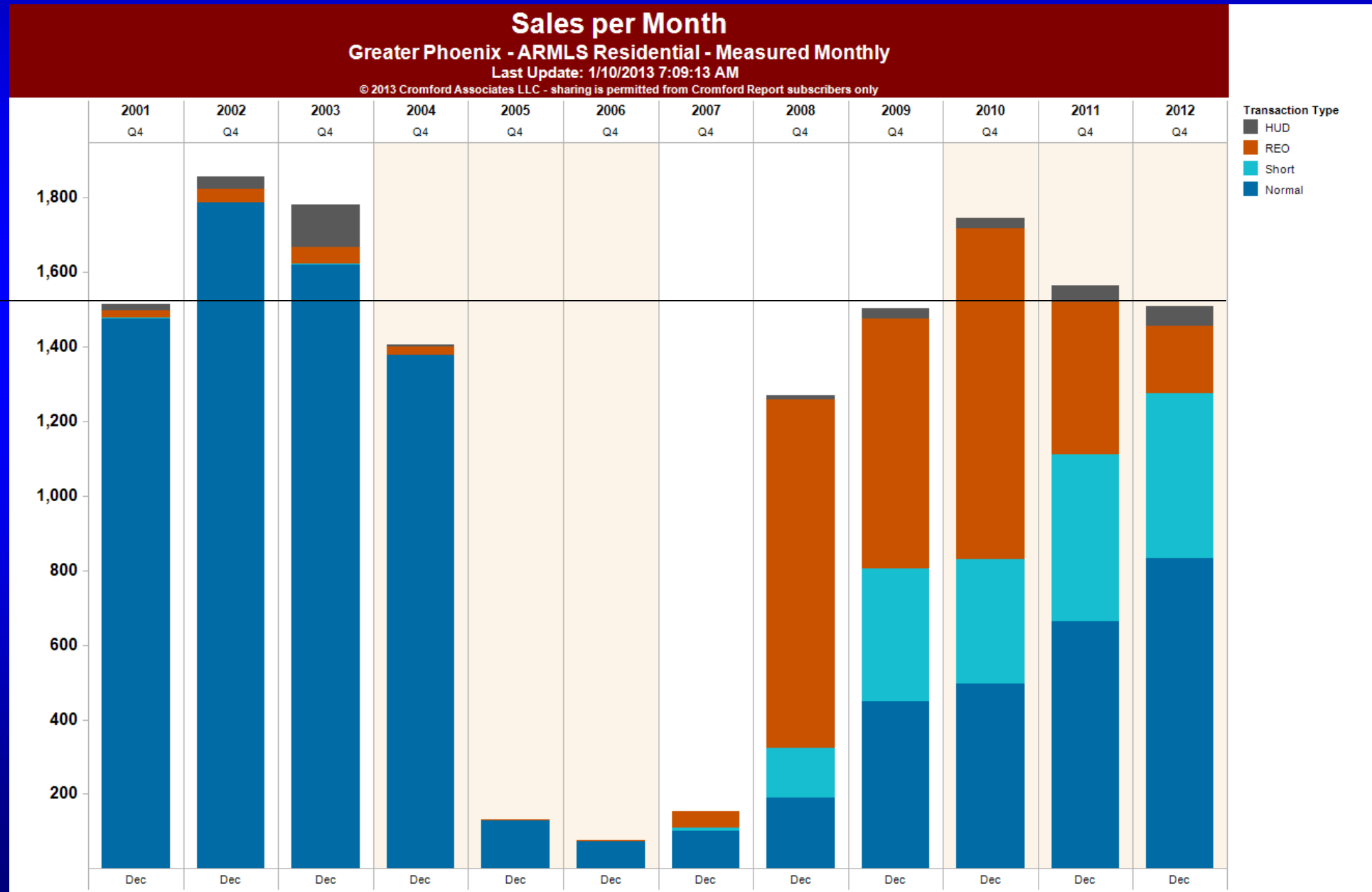
Single Family – Volume: \$100 - \$150K December Only



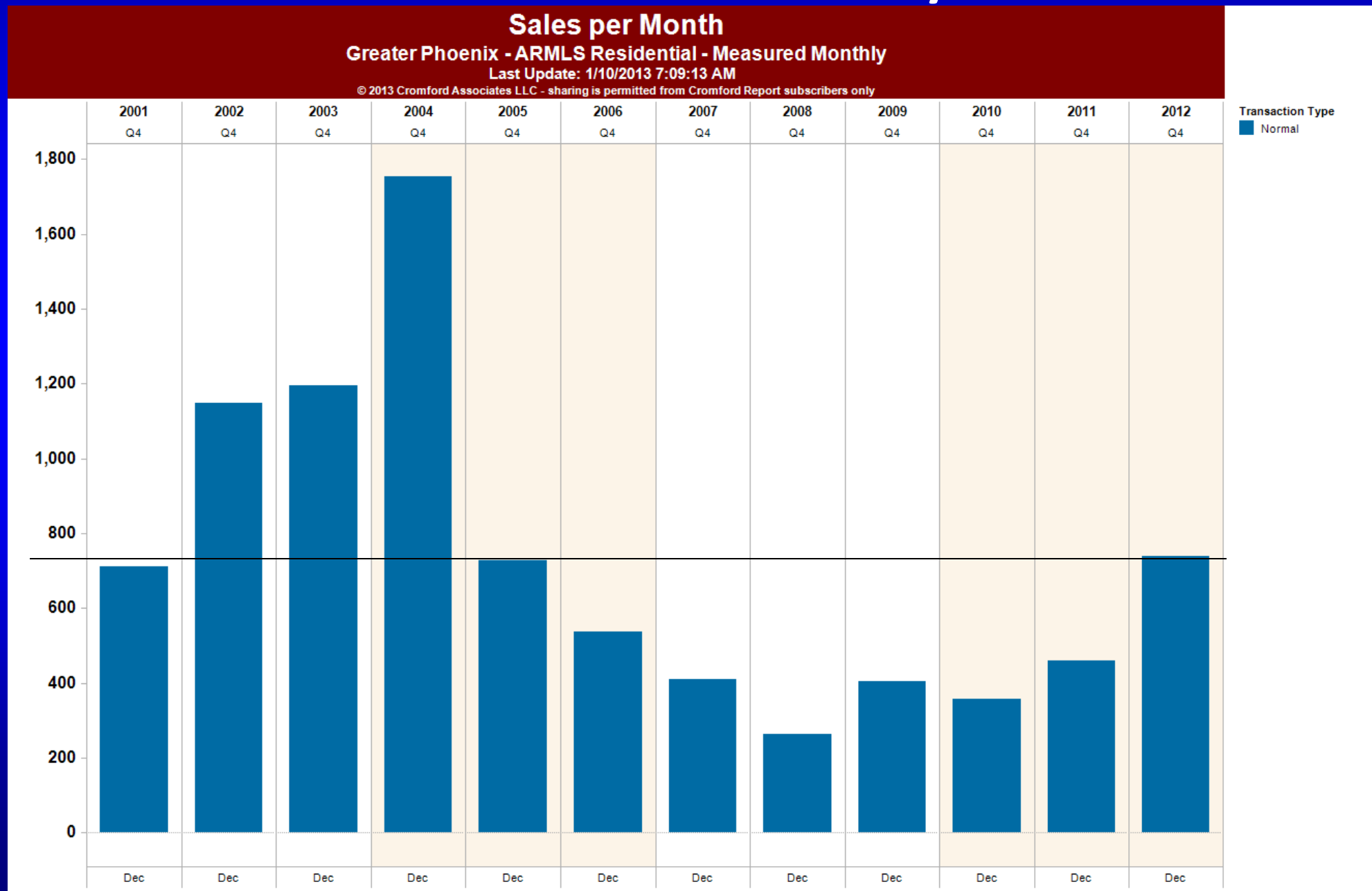
Single Family – Volume: \$100 - \$150K December Only



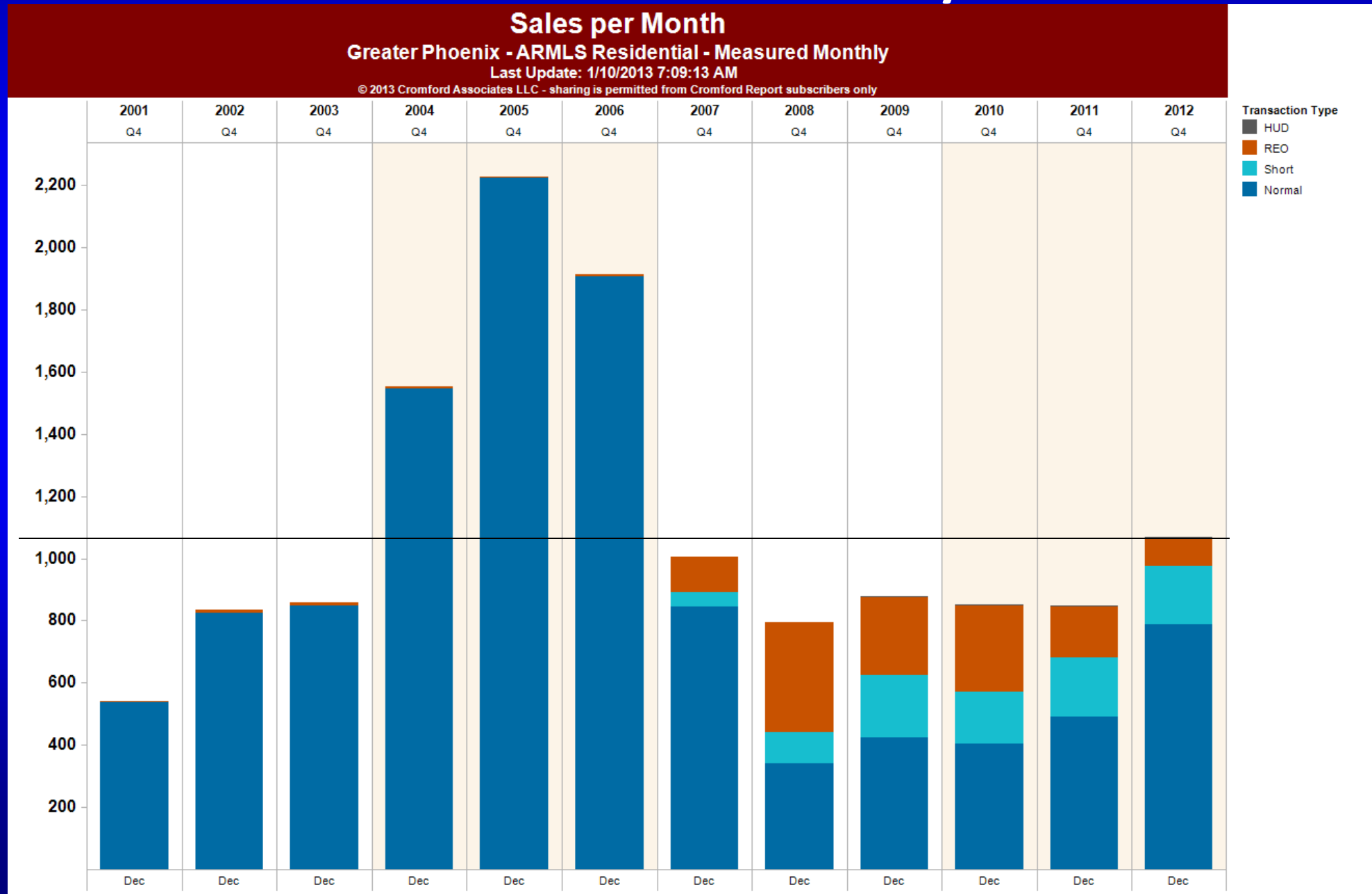
Single Family – Volume: \$150 - \$200K December Only



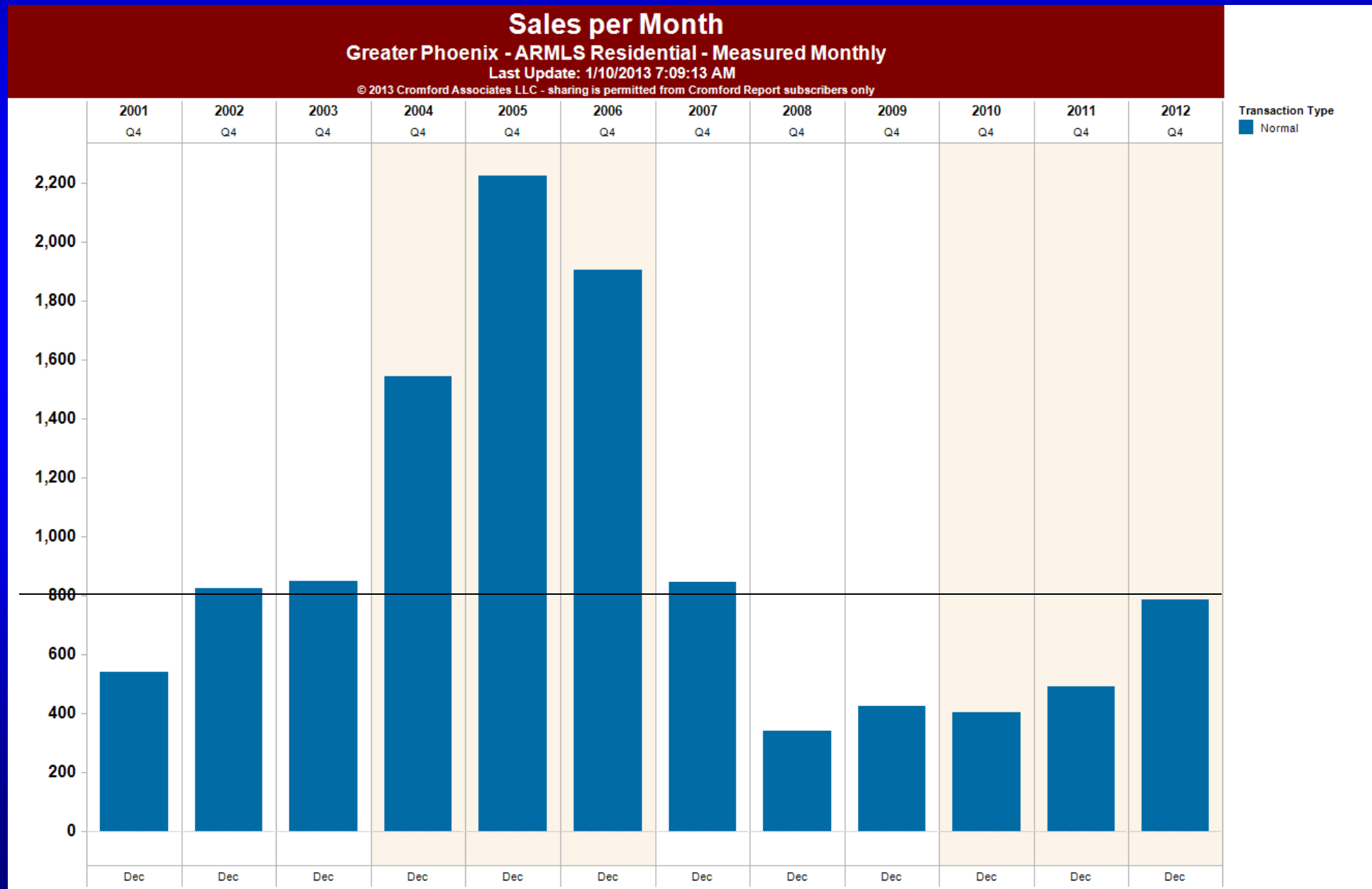
Single Family – Volume: \$150 - \$200K December Only



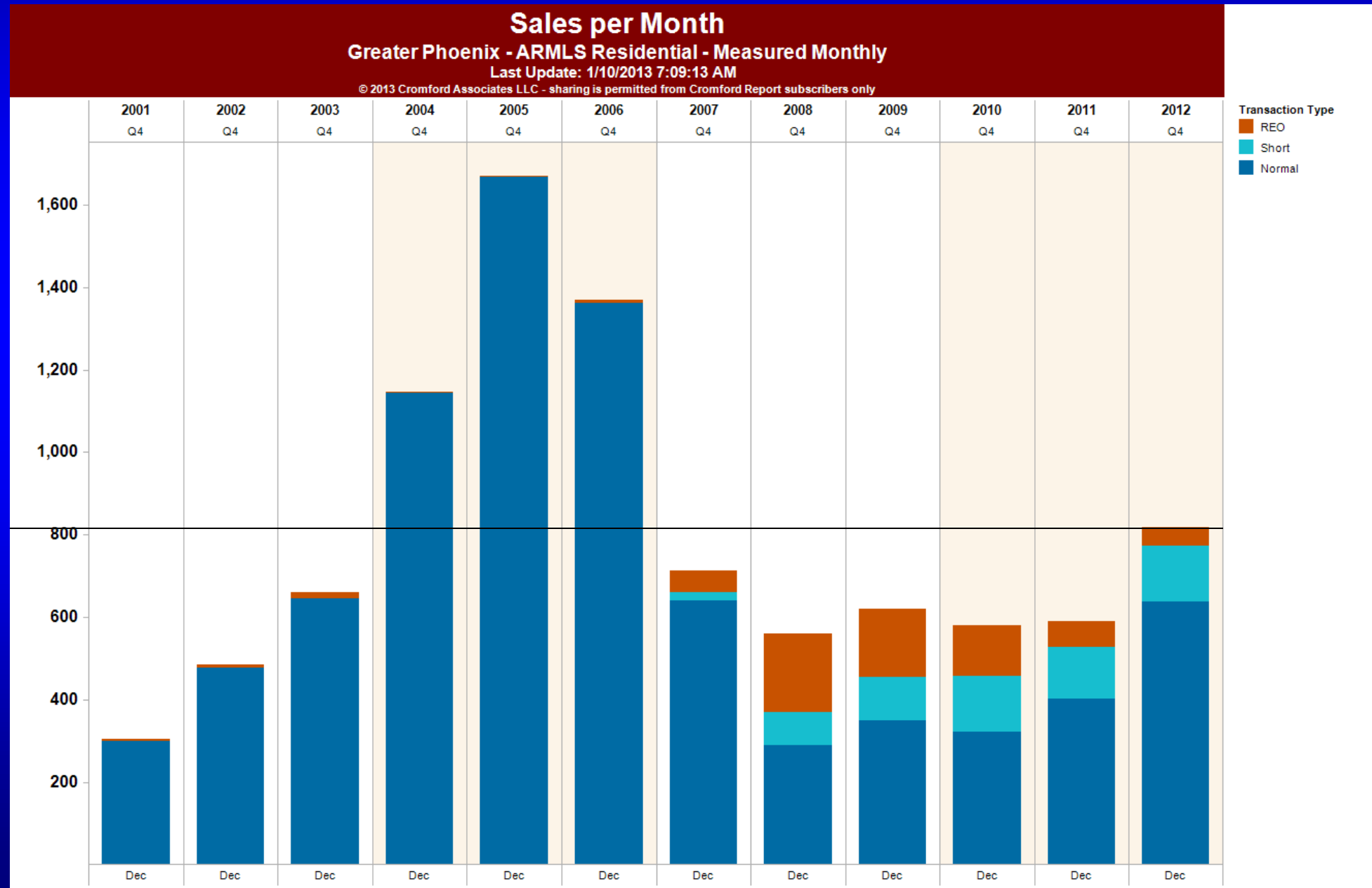
Single Family – Volume: \$200 - \$300K December Only



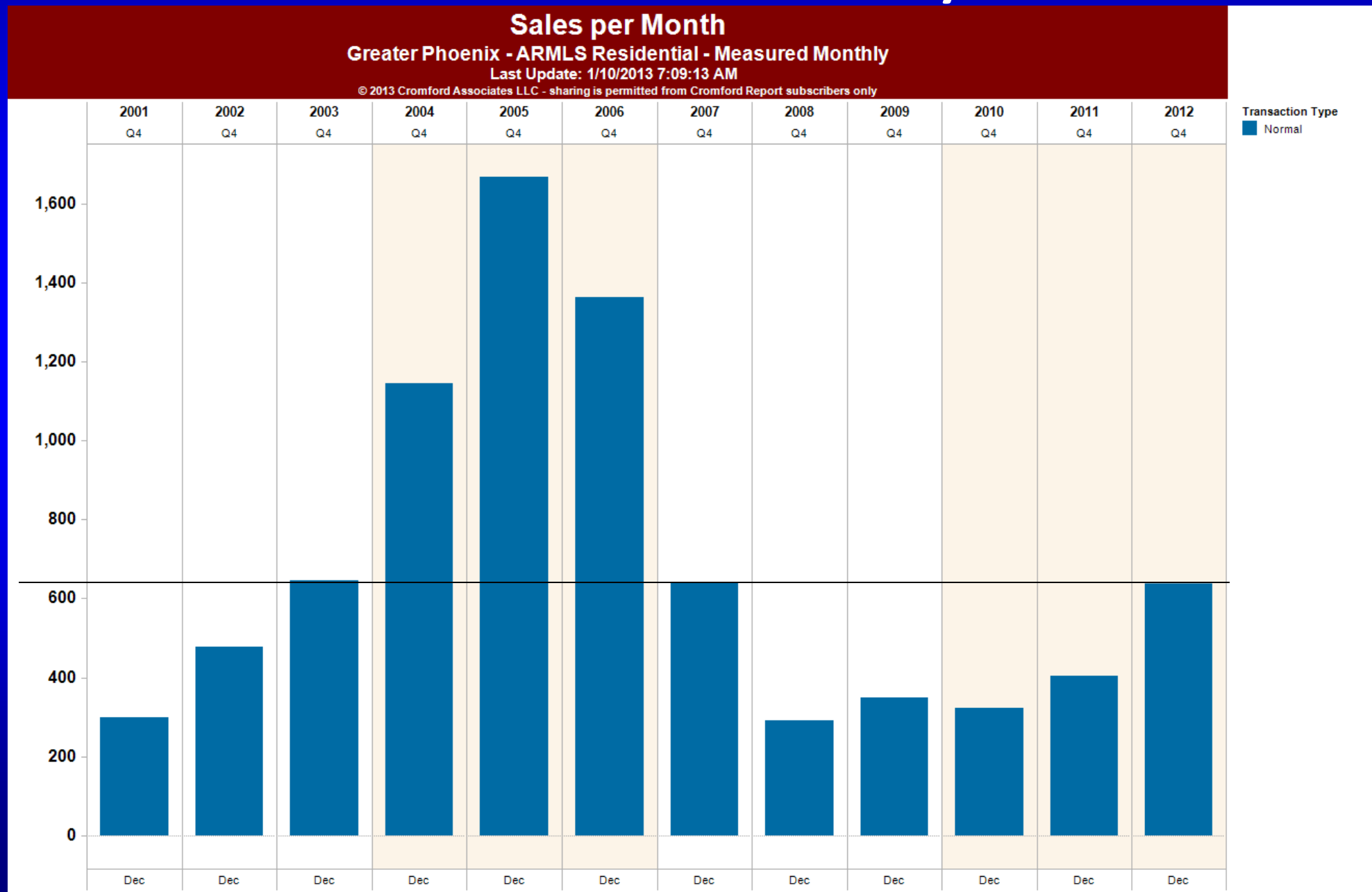
Single Family – Volume: \$200 - \$300K December Only



Single Family – Volume: \$300 - \$600K December Only



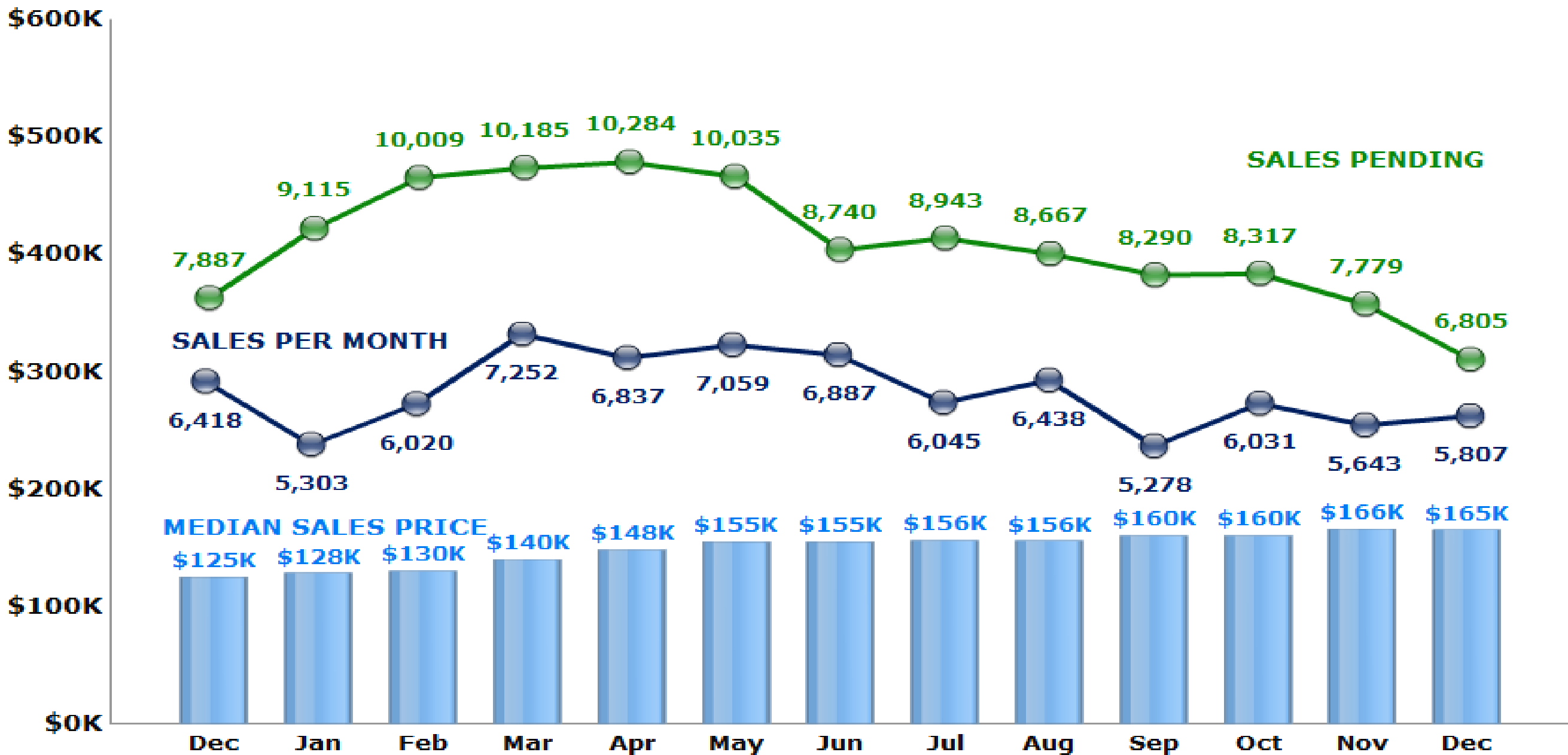
Single Family – Volume: \$300 - \$600K December Only



Median Price / Sales Volume / Sales Pending

January 8, 2013

Greater Phoenix

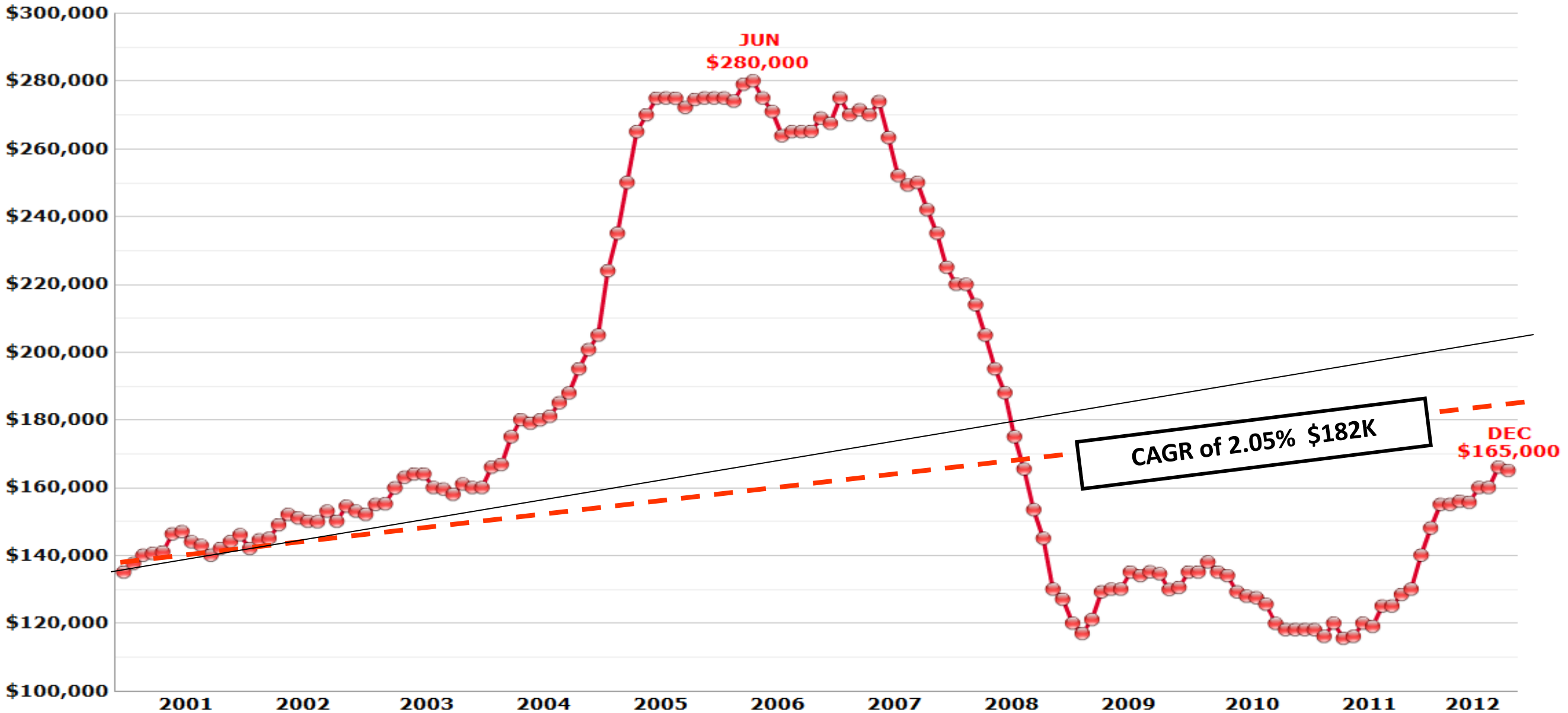


Single Family Detached - ARMLS Residential Resale - Measured Monthly
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Pricing

Monthly Median Sales Price - Greater Phoenix

January 7, 2013

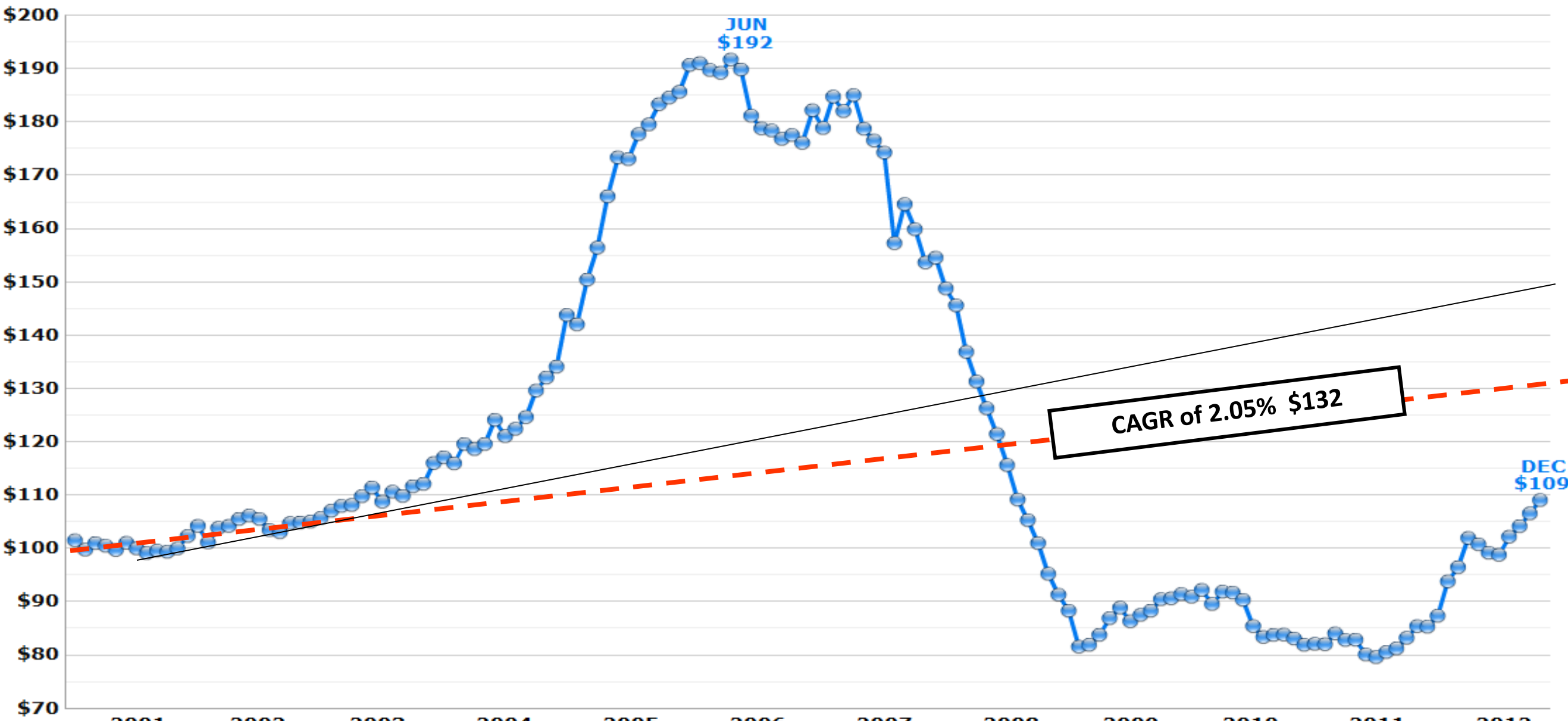


Single Family Detached - ARMLS Residential Resale - Measured Monthly

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Monthly Average Sales Price per Square Foot - Greater Phoenix

January 8, 2013



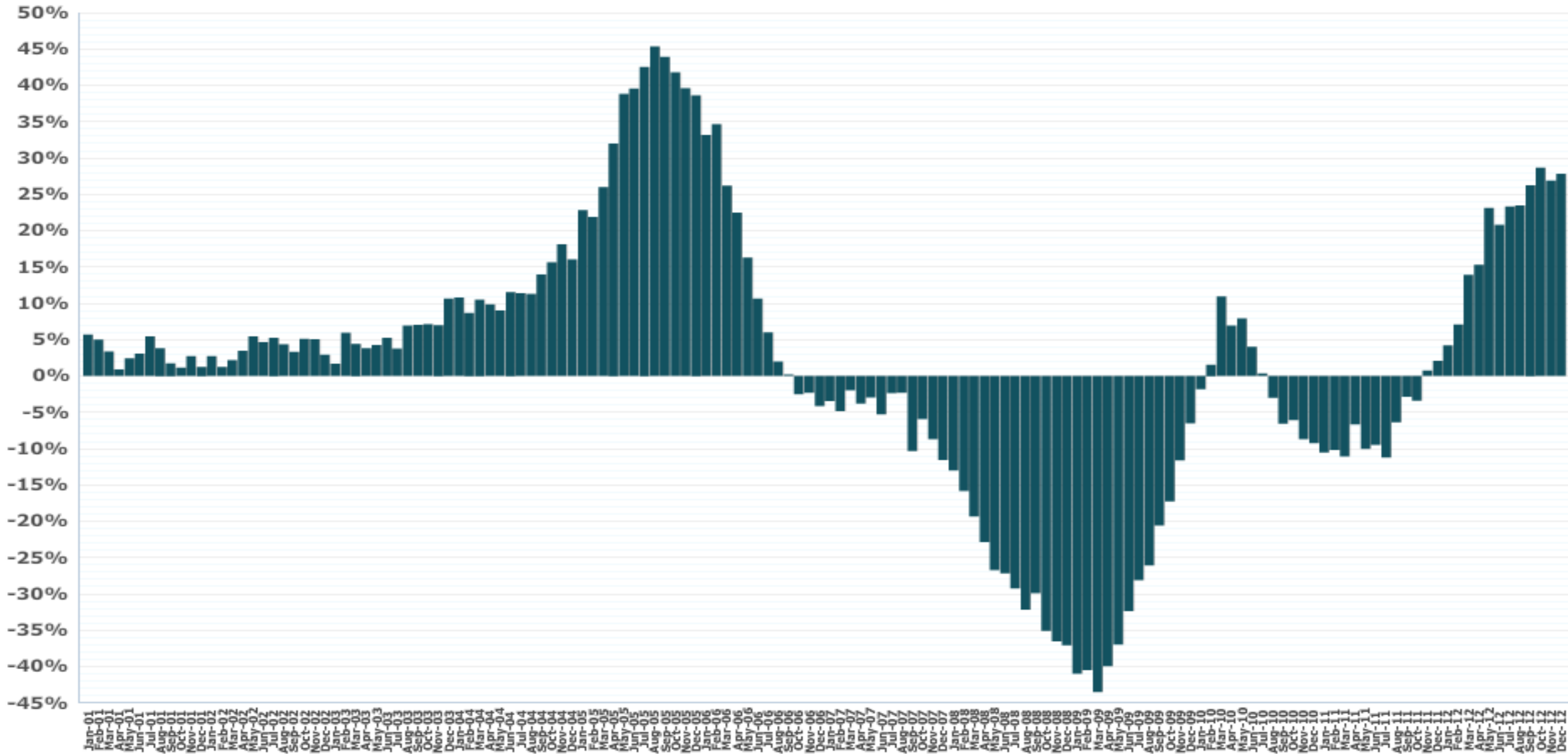
Single Family Detached - ARMLS Residential Resale - Measured Monthly

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Print

Average Annual Appreciation (Based on Monthly Average Sales \$/SF)

January 4, 2013



All Areas & Types - ARMLS Residential Resale - Measured Monthly

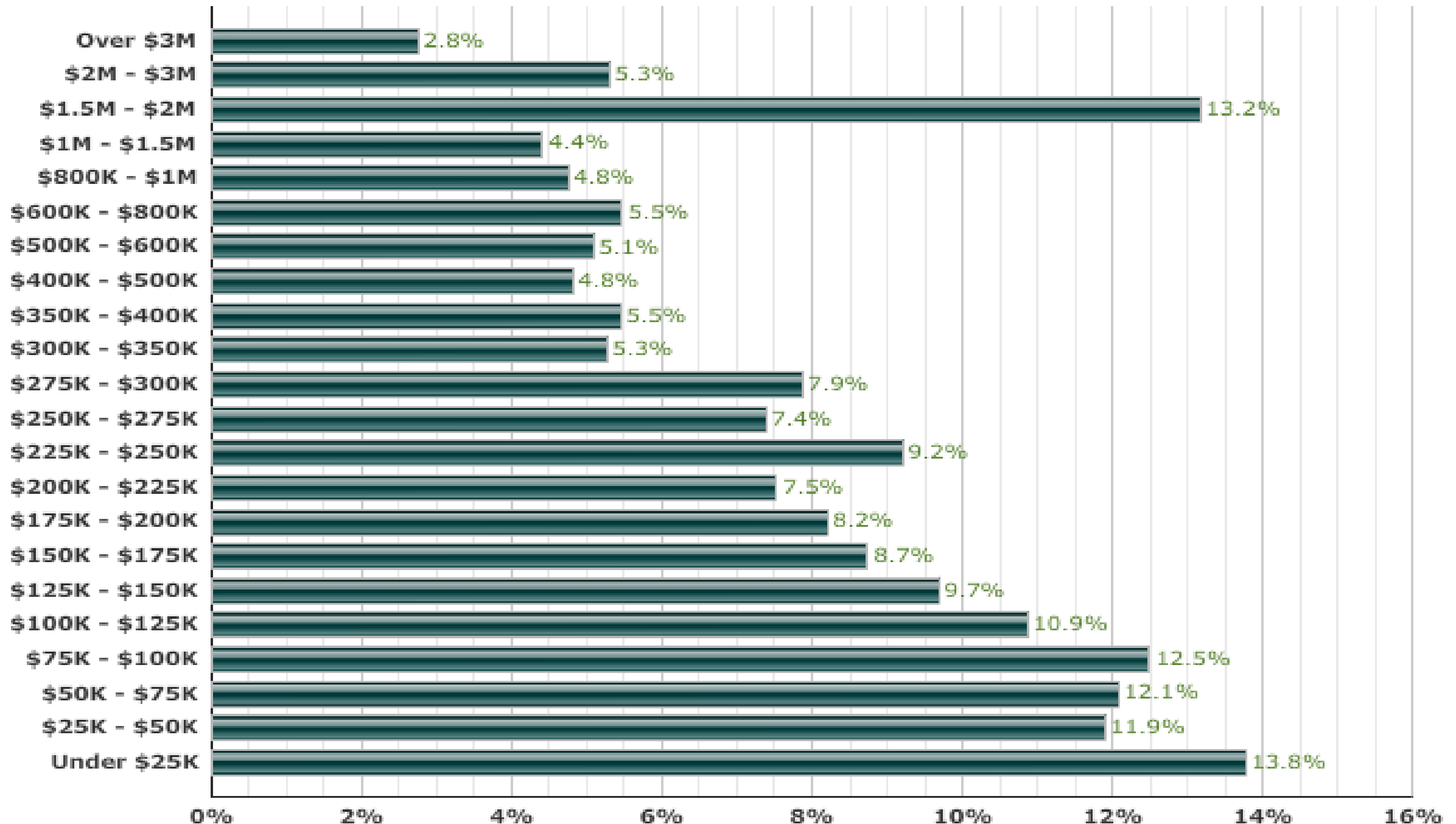
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AMA5

Change in Annual Average \$ per Sq Ft by List Price Range

January 1, 2013

Print



Single Family Detached - ARMLS Residential Resale - Measured Monthly

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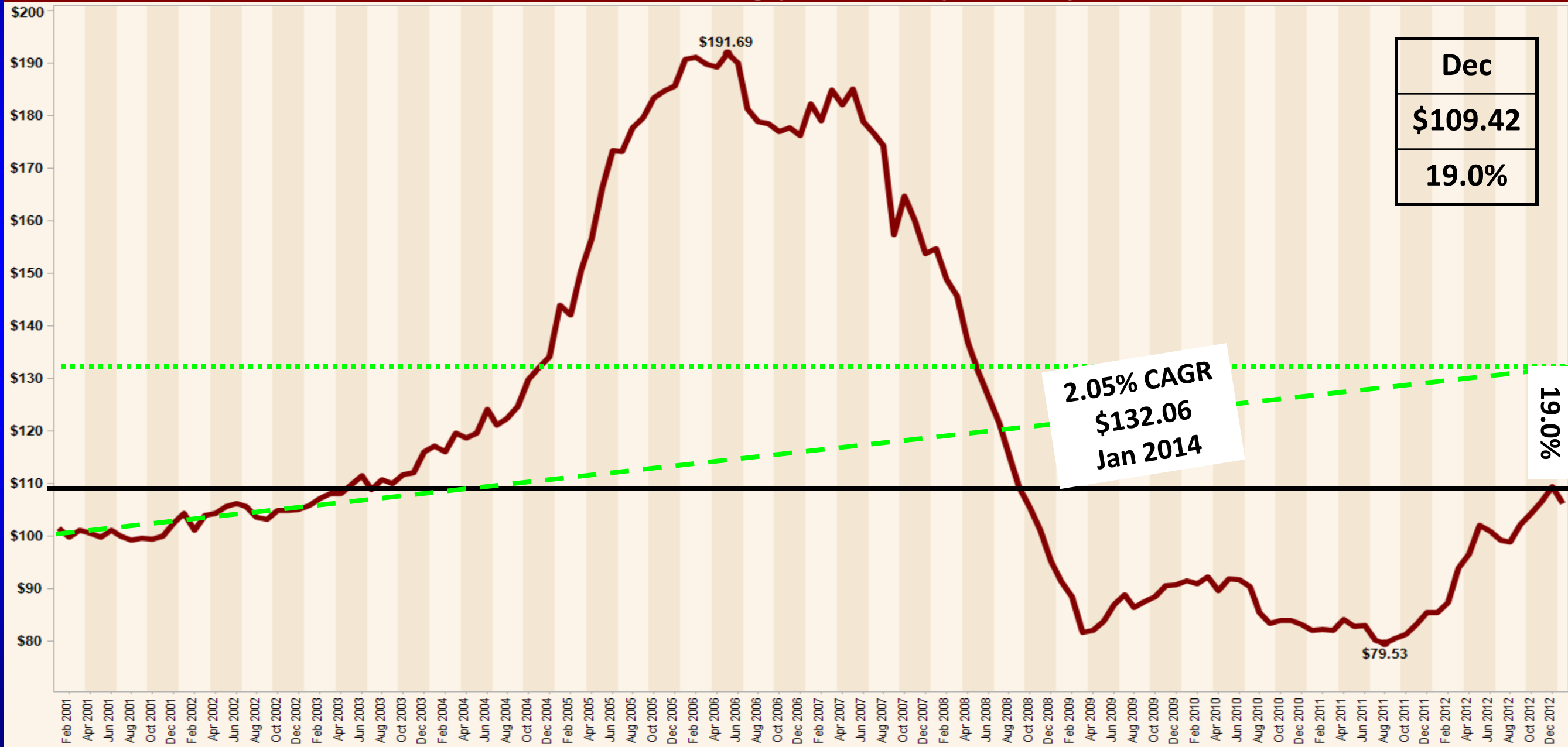
AMP2

Single Family Sale Price/SF All Price Ranges

Monthly Average Sales Price per Square Foot
Greater Phoenix - ARMLS Residential Resale - Measured Monthly

Last Update: 1/9/2013 6:07:54 AM

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| |
|----------|
| Dec |
| \$109.42 |
| 19.0% |

2.05% CAGR
\$132.06
Jan 2014

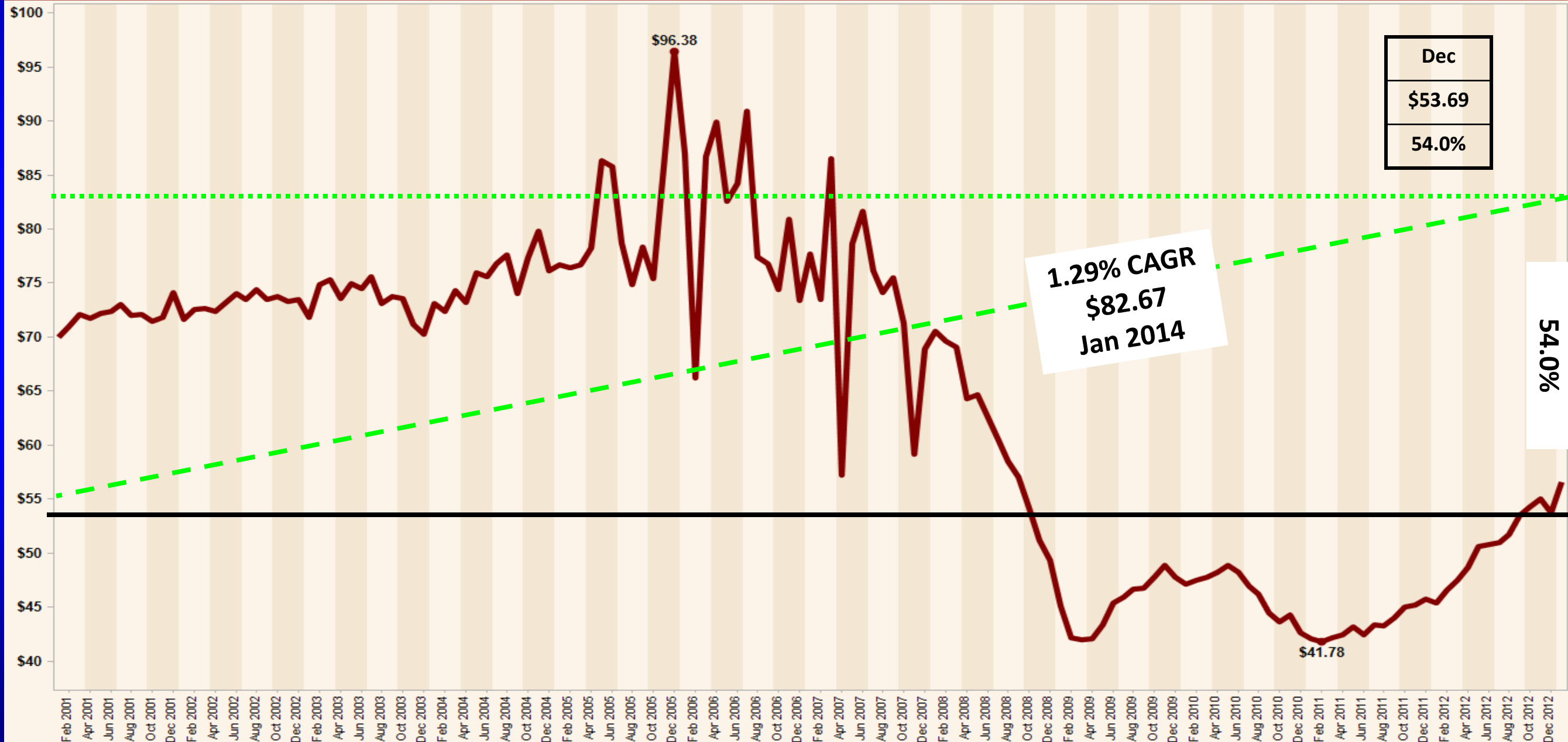
19.0%

Single Family Sale Price/SF Under \$100K

Monthly Average Sales Price per Square Foot
Greater Phoenix - ARMLS Residential Resale - Measured Monthly

Last Update: 1/9/2013 6:07:54 AM

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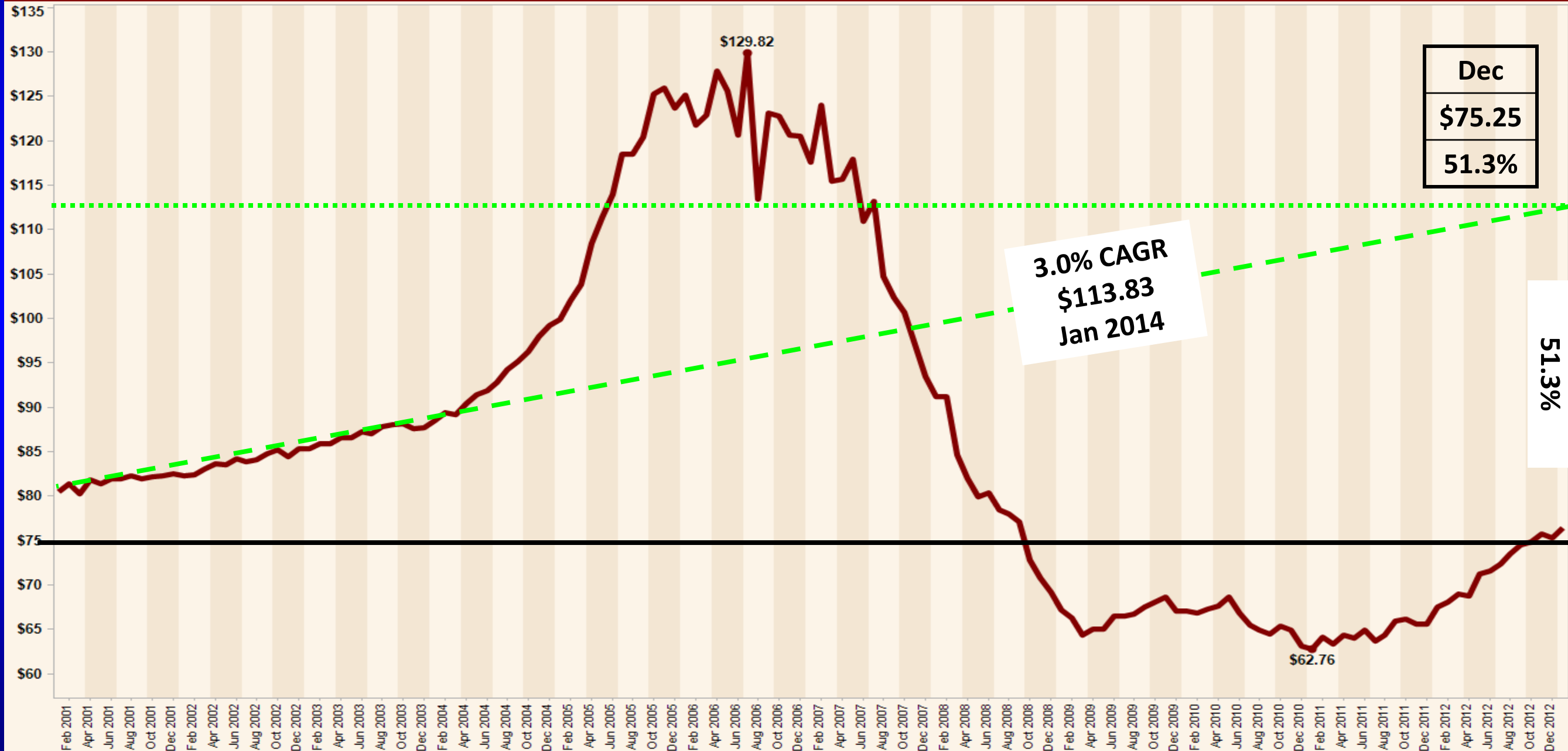


Single Family Sales Price/SF \$100K to \$150K

Monthly Average Sales Price per Square Foot
Greater Phoenix - ARMLS Residential Resale - Measured Monthly

Last Update: 1/9/2013 6:07:54 AM

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Dec
\$75.25
51.3%

3.0% CAGR
\$113.83
Jan 2014

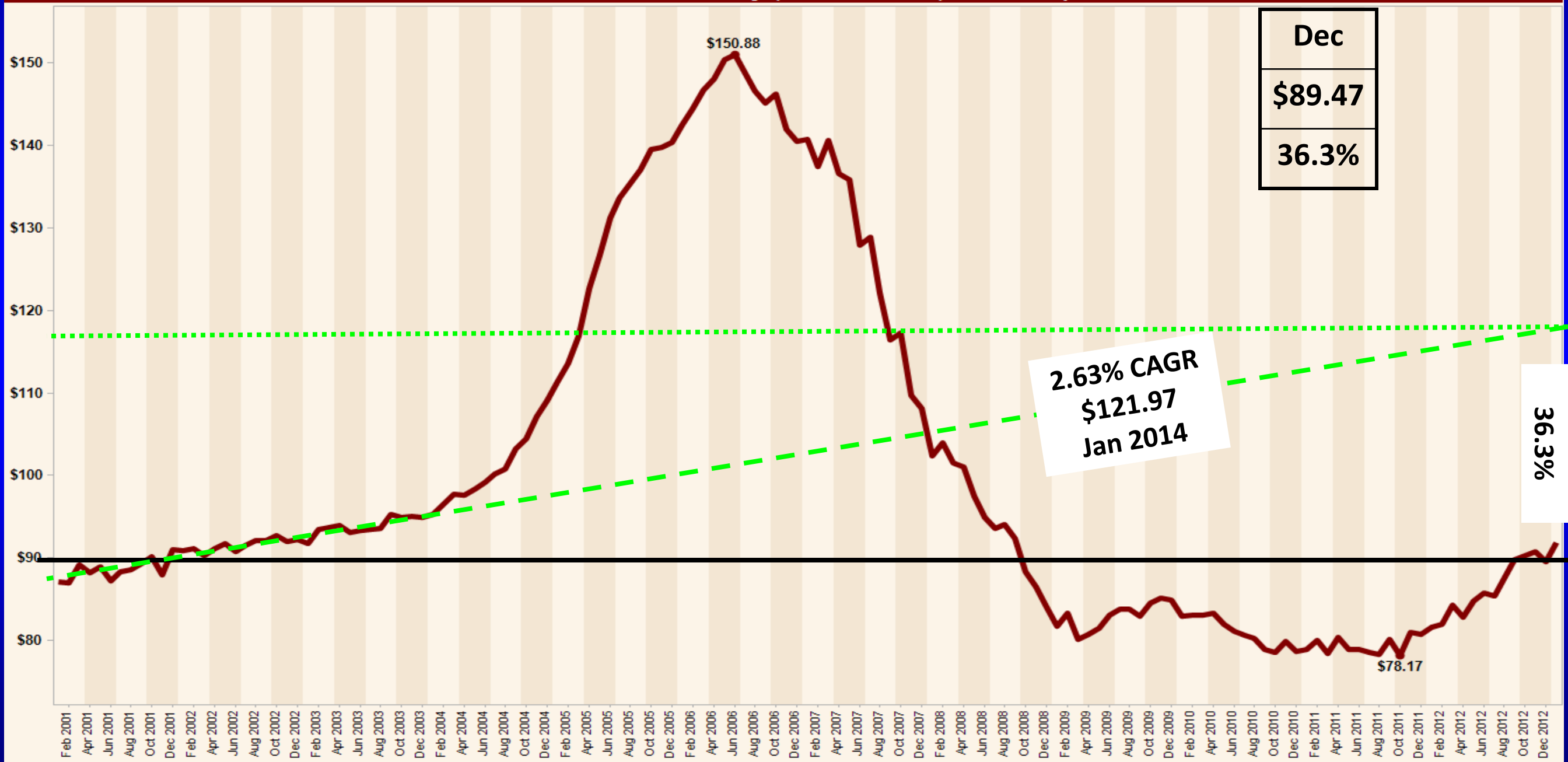
51.3%

Single Family Sales Price/SF \$150K to \$200K

Monthly Average Sales Price per Square Foot
Greater Phoenix - ARMLS Residential Resale - Measured Monthly

Last Update: 1/12/2013 8:32:03 AM

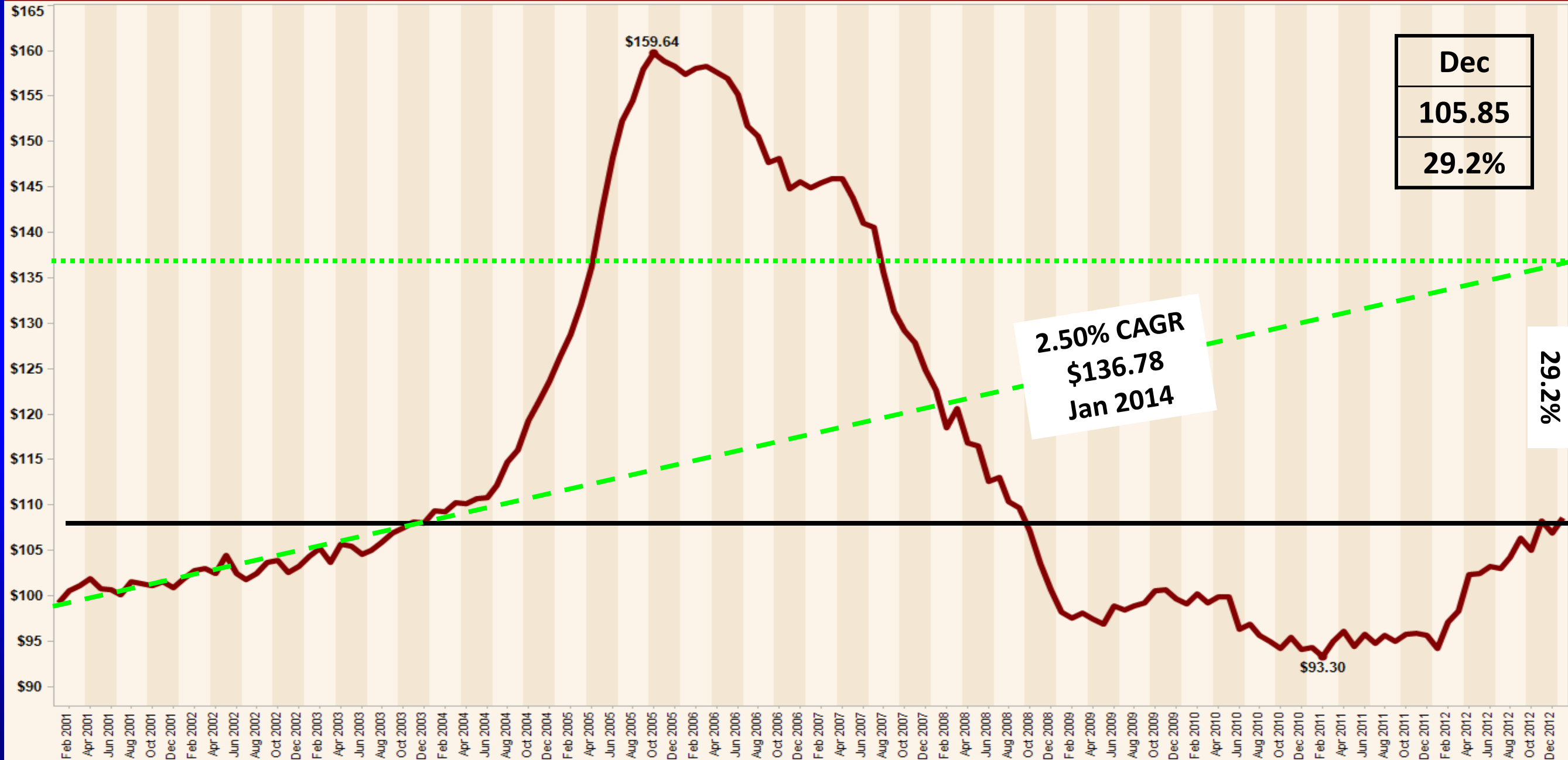
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Single Family Sales Price/SF \$200K to \$300K

Monthly Average Sales Price per Square Foot
 Greater Phoenix - ARMLS Residential Resale - Measured Monthly
 Last Update: 1/12/2013 8:32:03 AM

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| |
|--------|
| Dec |
| 105.85 |
| 29.2% |

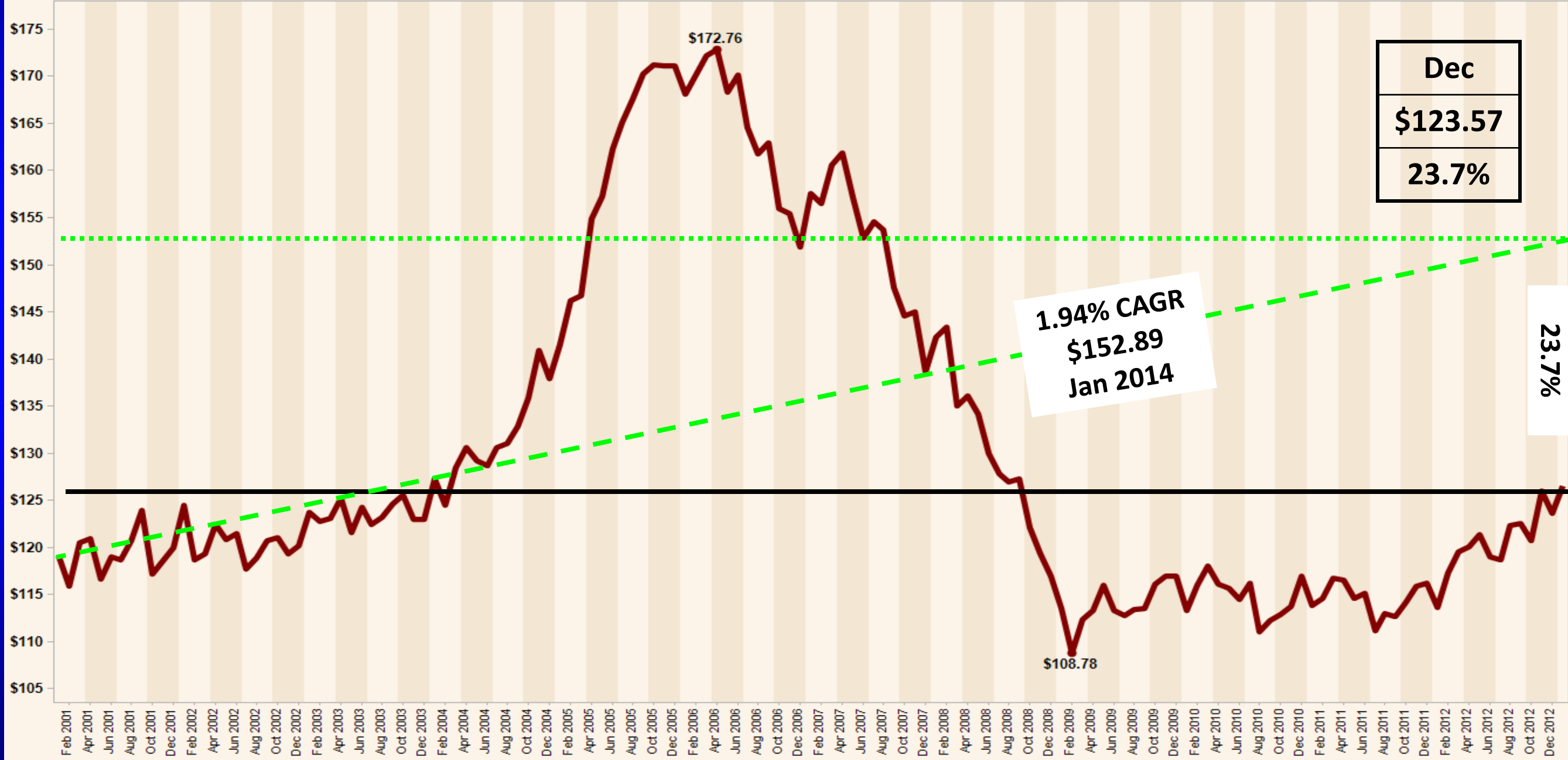
2.50% CAGR
 \$136.78
 Jan 2014

29.2%

Single Family Sales Price/SF \$300K to \$400K

Monthly Average Sales Price per Square Foot
 Greater Phoenix - ARMLS Residential Resale - Measured Monthly
 Last Update: 1/12/2013 8:32:03 AM

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| |
|----------|
| Dec |
| \$123.57 |
| 23.7% |

1.94% CAGR
 \$152.89
 Jan 2014

23.7%

Single Family - Other Price Ranges

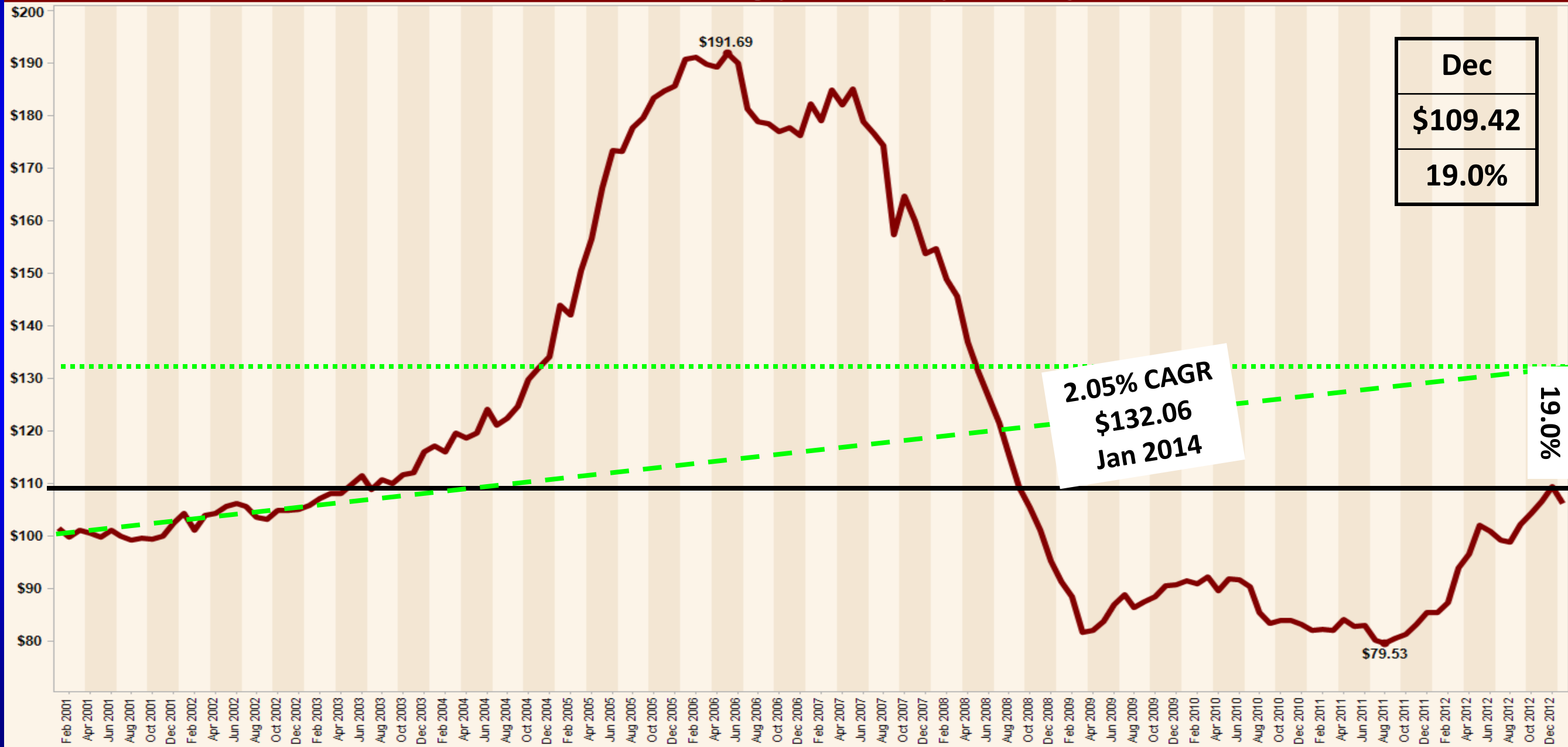
- \$400 - \$500K: Trending Up
- \$500 - \$600K: Trending Up
- \$600 - \$800K: Trending Up
- \$800 - \$1M: Trending Up
- \$1M - \$1.5M: Trending Up
- \$1.5M - \$2M: Trending Up
- \$2M - \$3M: Flat
- Over \$3M: Trending Down

Single Family Sale Price/SF All Price Ranges

Monthly Average Sales Price per Square Foot
Greater Phoenix - ARMLS Residential Resale - Measured Monthly

Last Update: 1/9/2013 6:07:54 AM

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| |
|----------|
| Dec |
| \$109.42 |
| 19.0% |

2.05% CAGR
\$132.06
Jan 2014

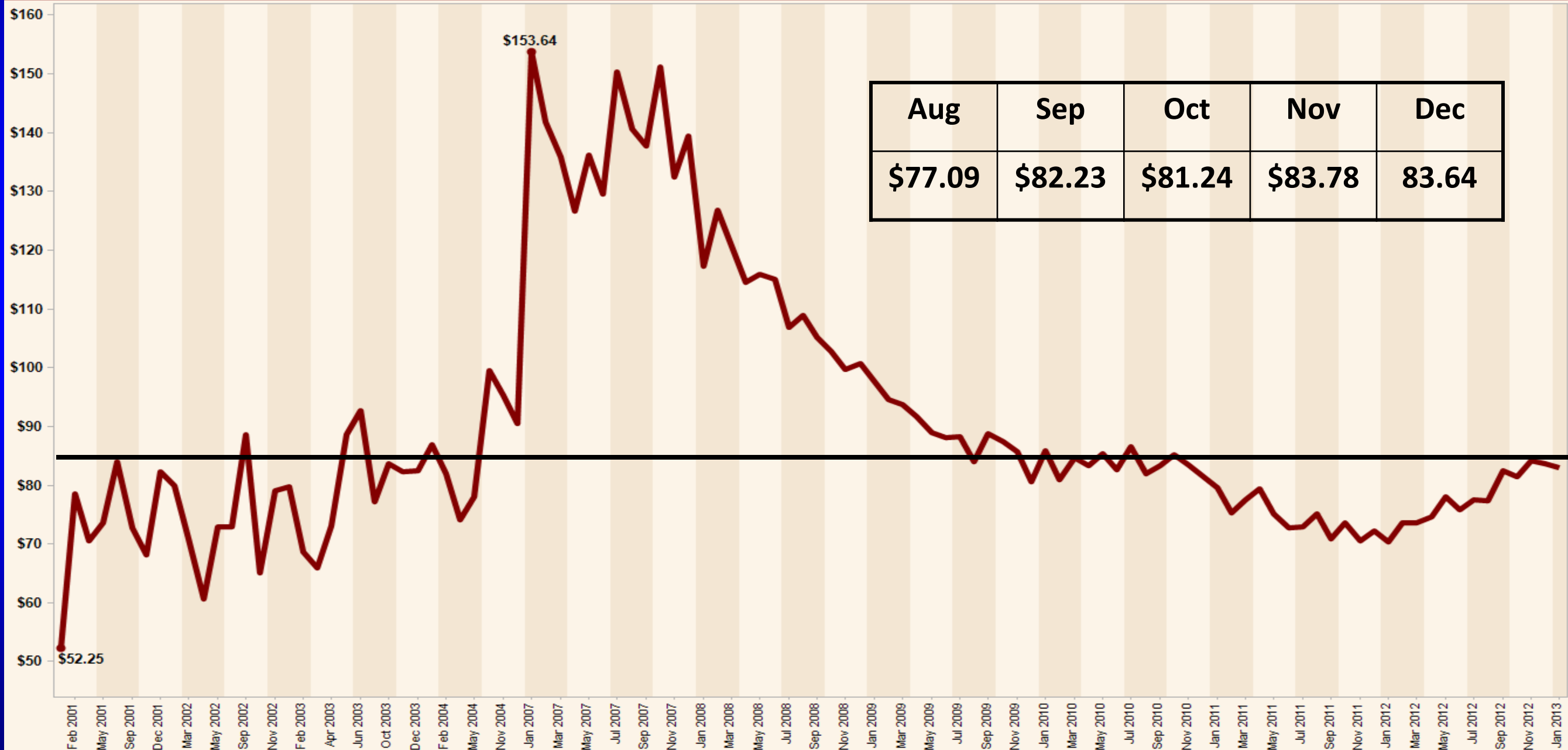
19.0%

Single Family – Price/SF – SS Sales

Monthly Average Sales Price per Square Foot
Greater Phoenix - ARMLS Residential Resale - Measured Monthly

Last Update: 1/12/2013 8:32:03 AM

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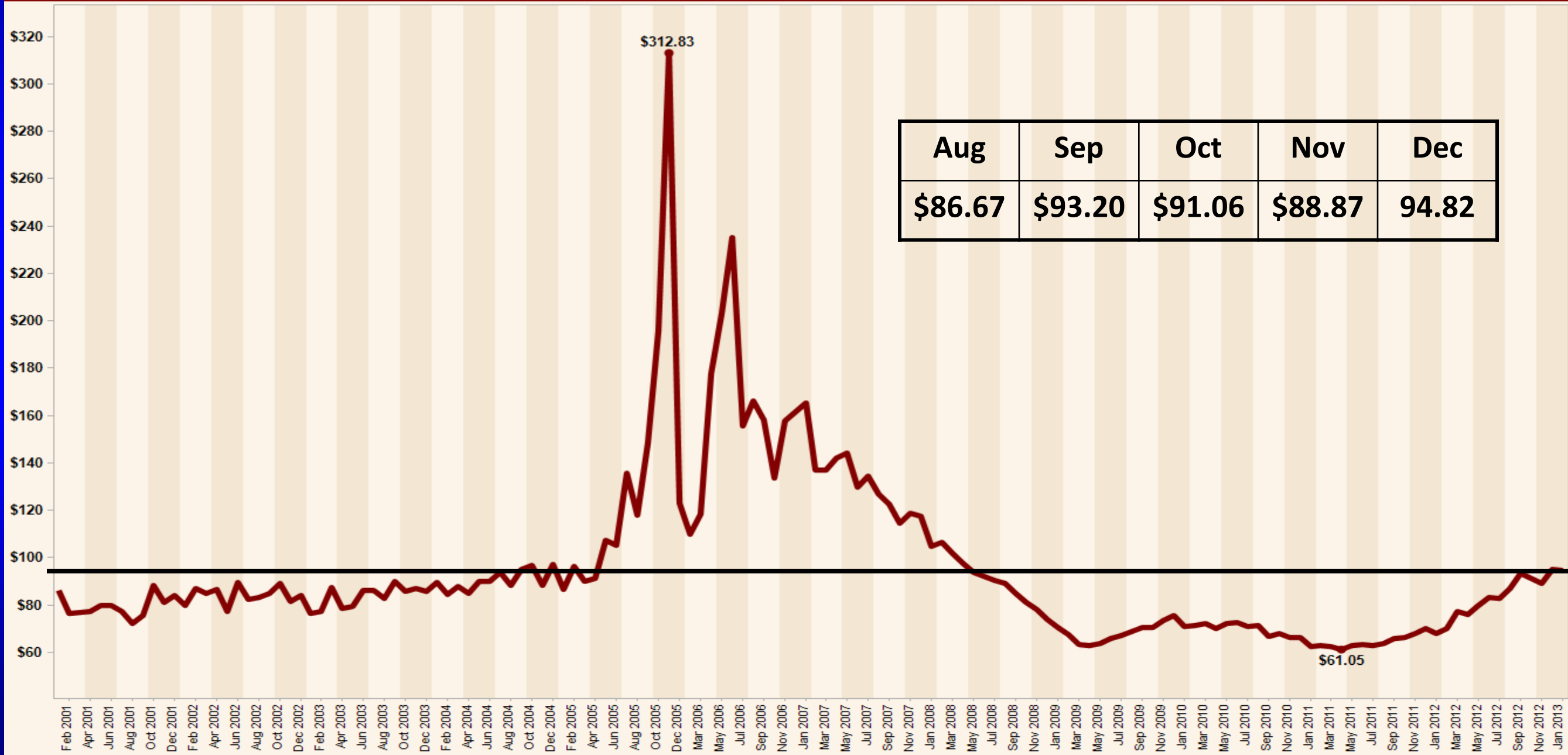


Single Family – Price/SF – REO Sales

Monthly Average Sales Price per Square Foot
Greater Phoenix - ARMLS Residential Resale - Measured Monthly

Last Update: 1/12/2013 8:32:03 AM

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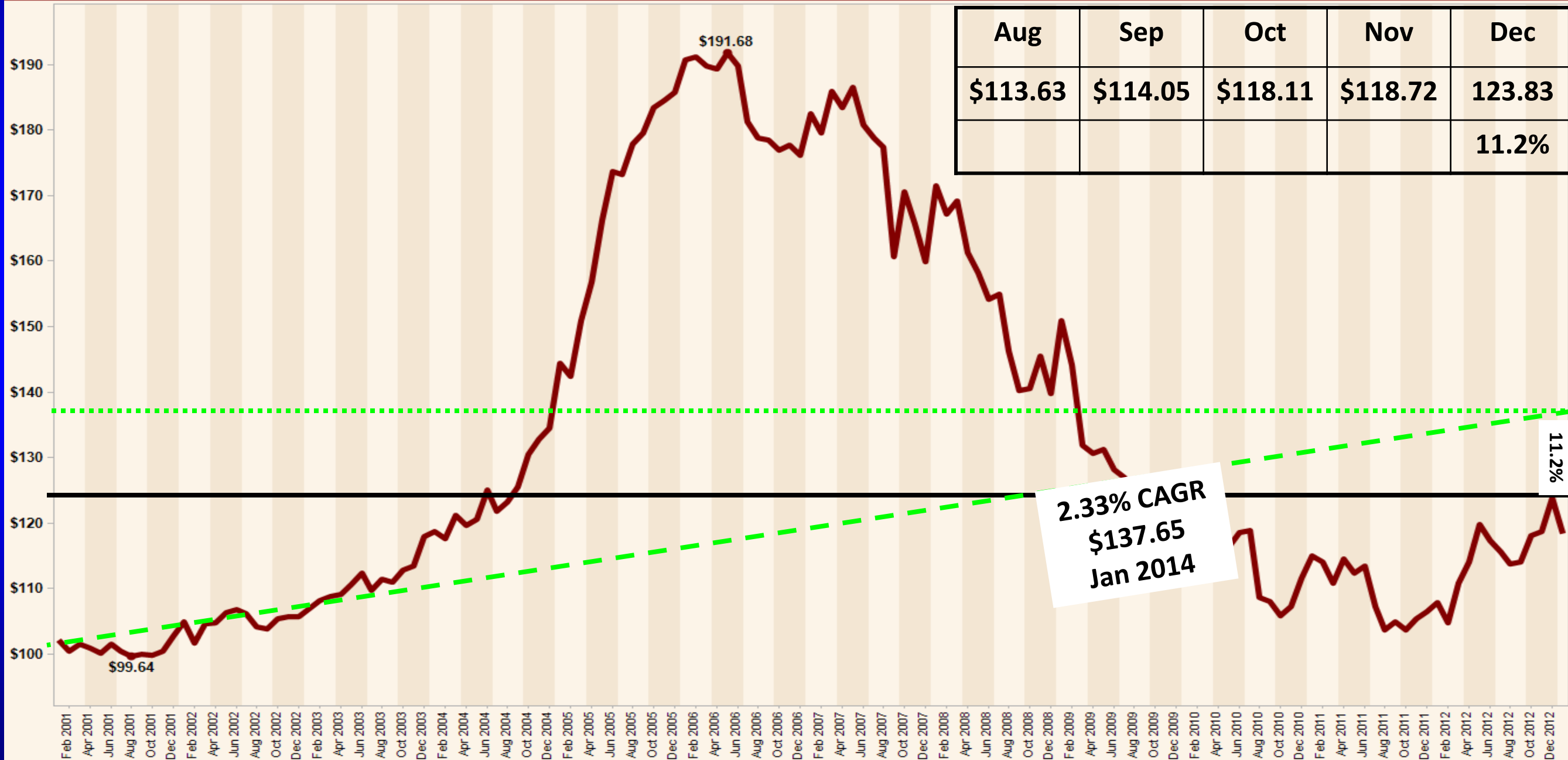


Single Family – Price/SF – Normal Sales

Monthly Average Sales Price per Square Foot
Greater Phoenix - ARMLS Residential Resale - Measured Monthly

Last Update: 1/12/2013 8:32:03 AM

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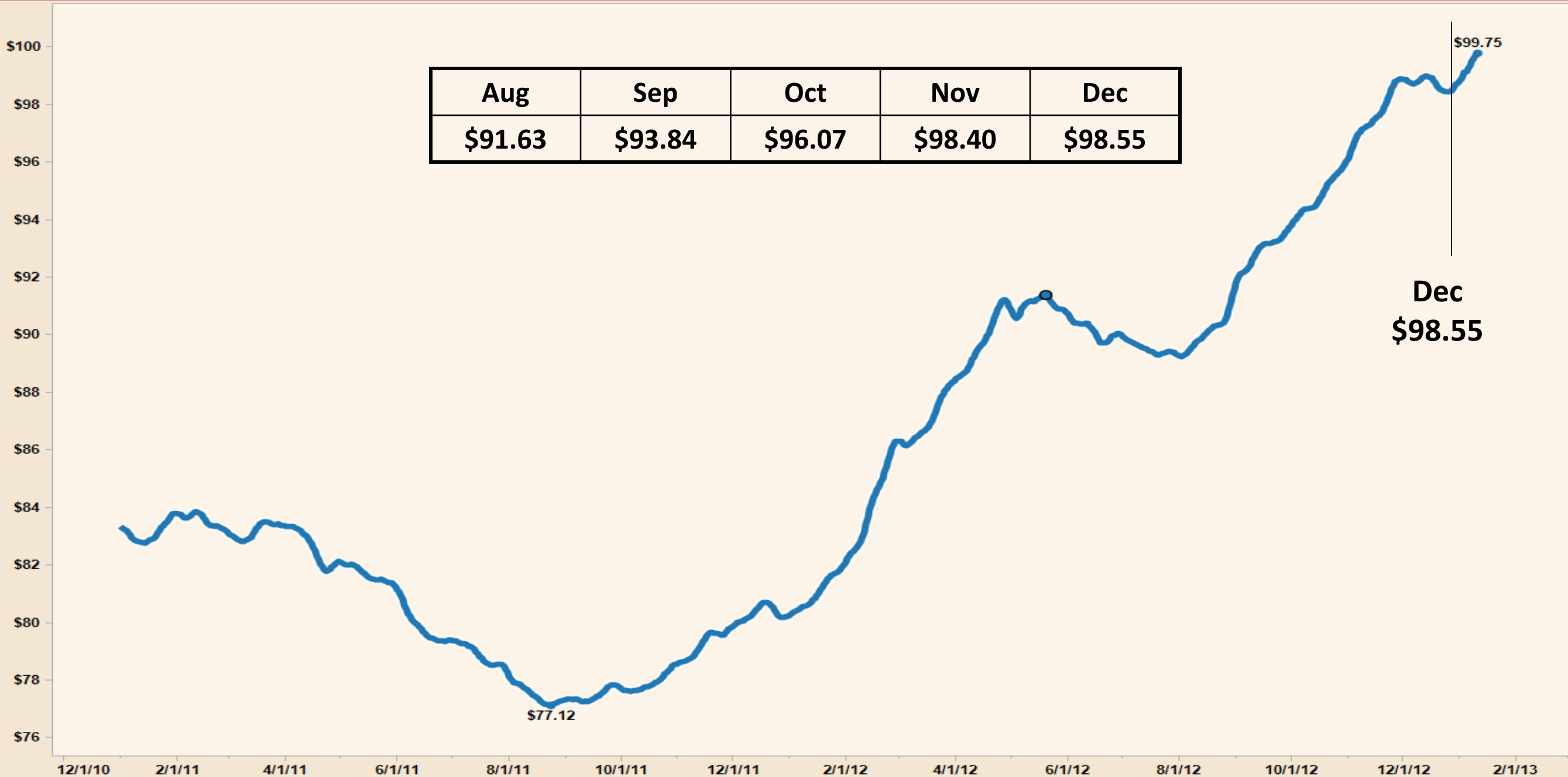
Under Contract - Weekly Average List Price – SF - All

Under Contract - Weekly Average List Price per Sq. Ft.

Greater Phoenix - ARMLS Residential Resale - Measured Daily

Last Update: 1/11/2013 4:53:53 AM

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Under Contract - Weekly Average List Price – SF - Normal

Under Contract - Weekly Average List Price per Sq. Ft.
Greater Phoenix - ARMLS Residential Resale - Measured Daily
Last Update: 1/11/2013 4:53:53 AM
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Under Contract - Weekly Average List Price – SF - SS

Under Contract - Weekly Average List Price per Sq. Ft.

Greater Phoenix - ARMLS Residential Resale - Measured Daily

Last Update: 1/11/2013 4:53:53 AM

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| Aug | Sep | Oct | Nov | Dec |
|---------|---------|---------|---------|-------|
| \$77.19 | \$78.16 | \$78.53 | \$78.80 | 79.68 |



Under Contract - Weekly Average List Price – SF - REO

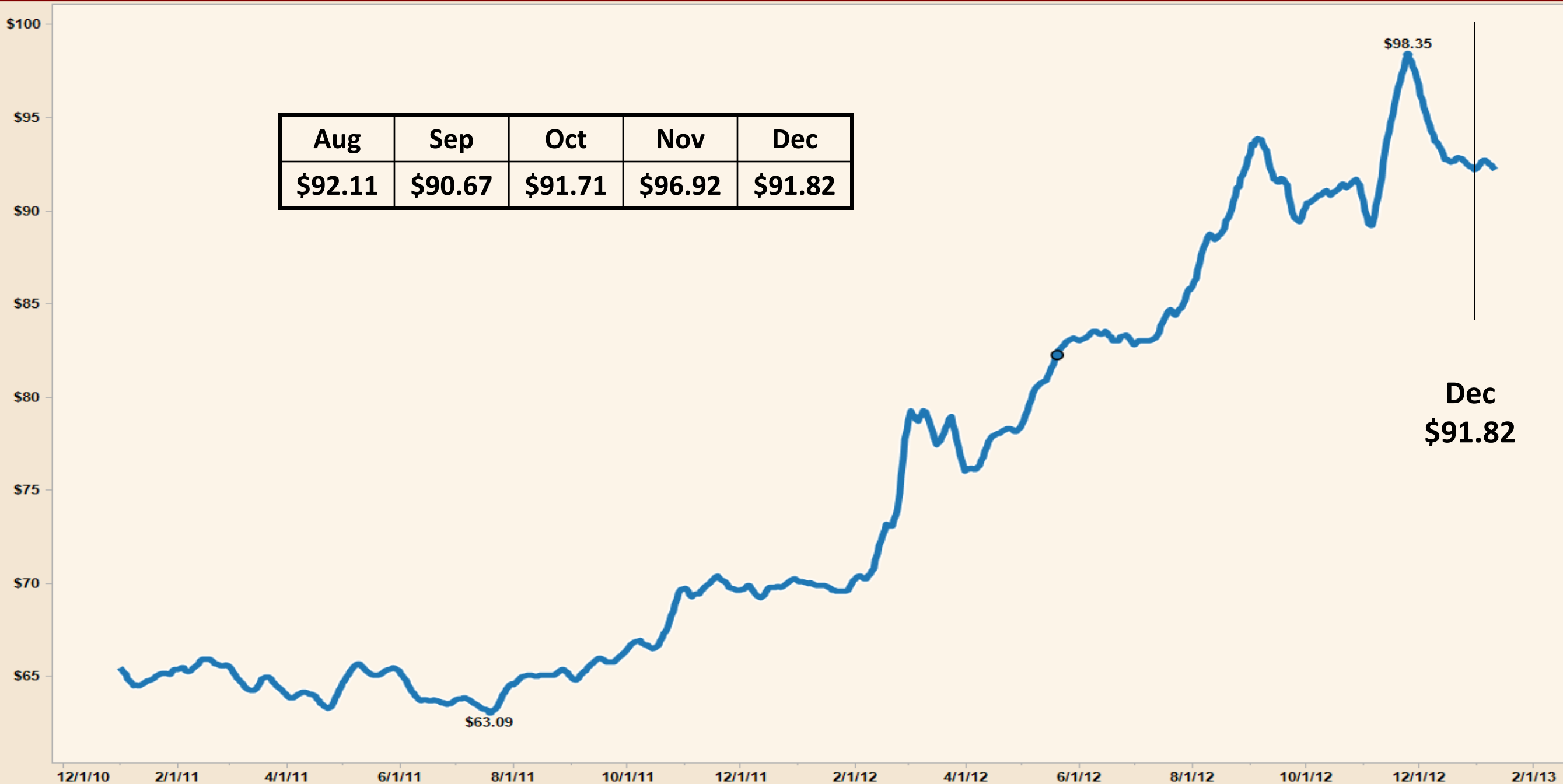
Under Contract - Weekly Average List Price per Sq. Ft.

Greater Phoenix - ARMLS Residential Resale - Measured Daily

Last Update: 1/11/2013 4:53:53 AM

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| Aug | Sep | Oct | Nov | Dec |
|---------|---------|---------|---------|---------|
| \$92.11 | \$90.67 | \$91.71 | \$96.92 | \$91.82 |



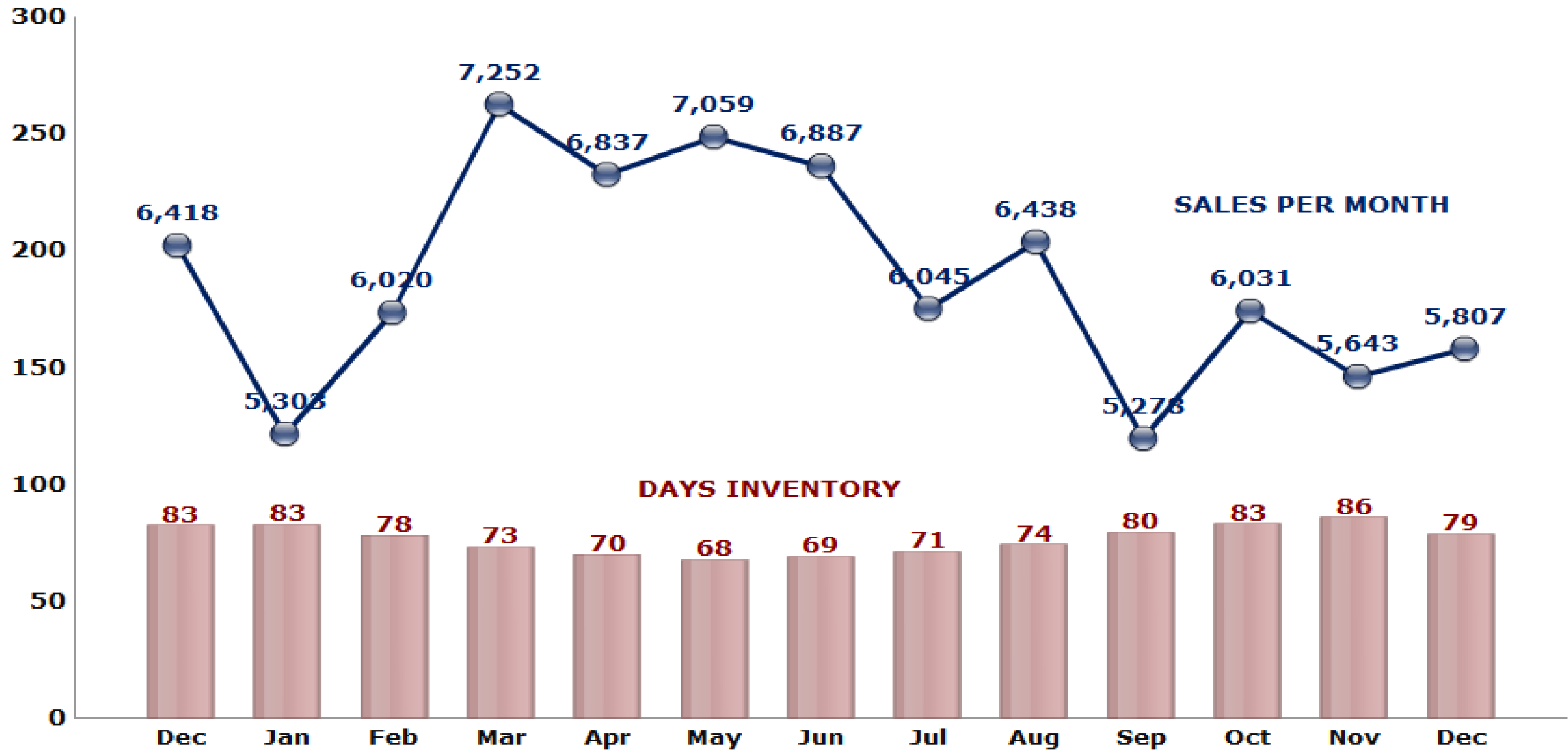
Dec
\$91.82

Inventory

Days Inventory / Sales Volume Comparison

January 8, 2013

Greater Phoenix



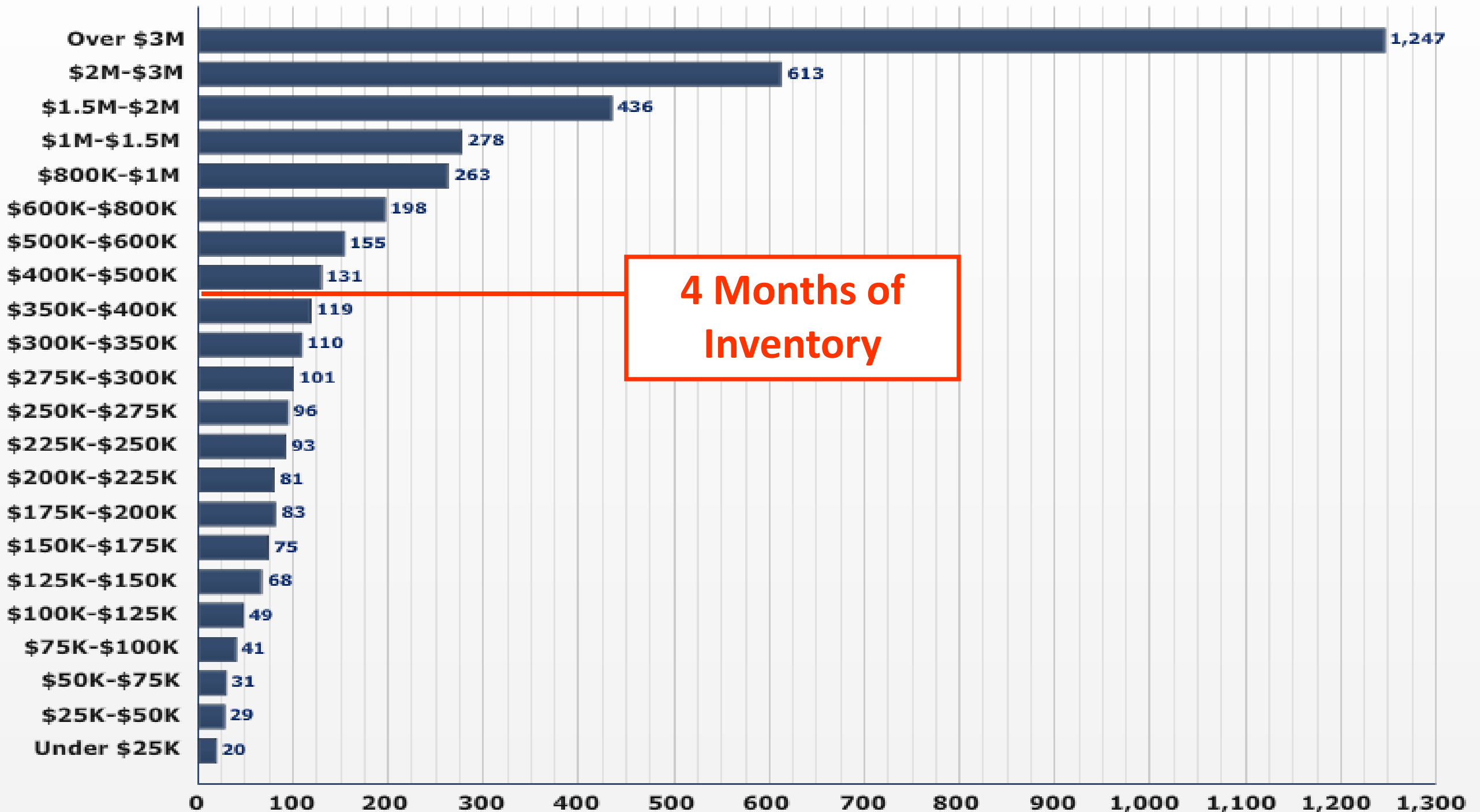
Single Family Detached - ARMLS Residential Resale - Measured Monthly

© 2013 Cromford Associates LLC

Print

Days Inventory by Price Range (Based on Sales per Year)

January 1, 2013



4 Months of Inventory

Greater Phoenix - Single Family Detached - ARMLS Residential Resale

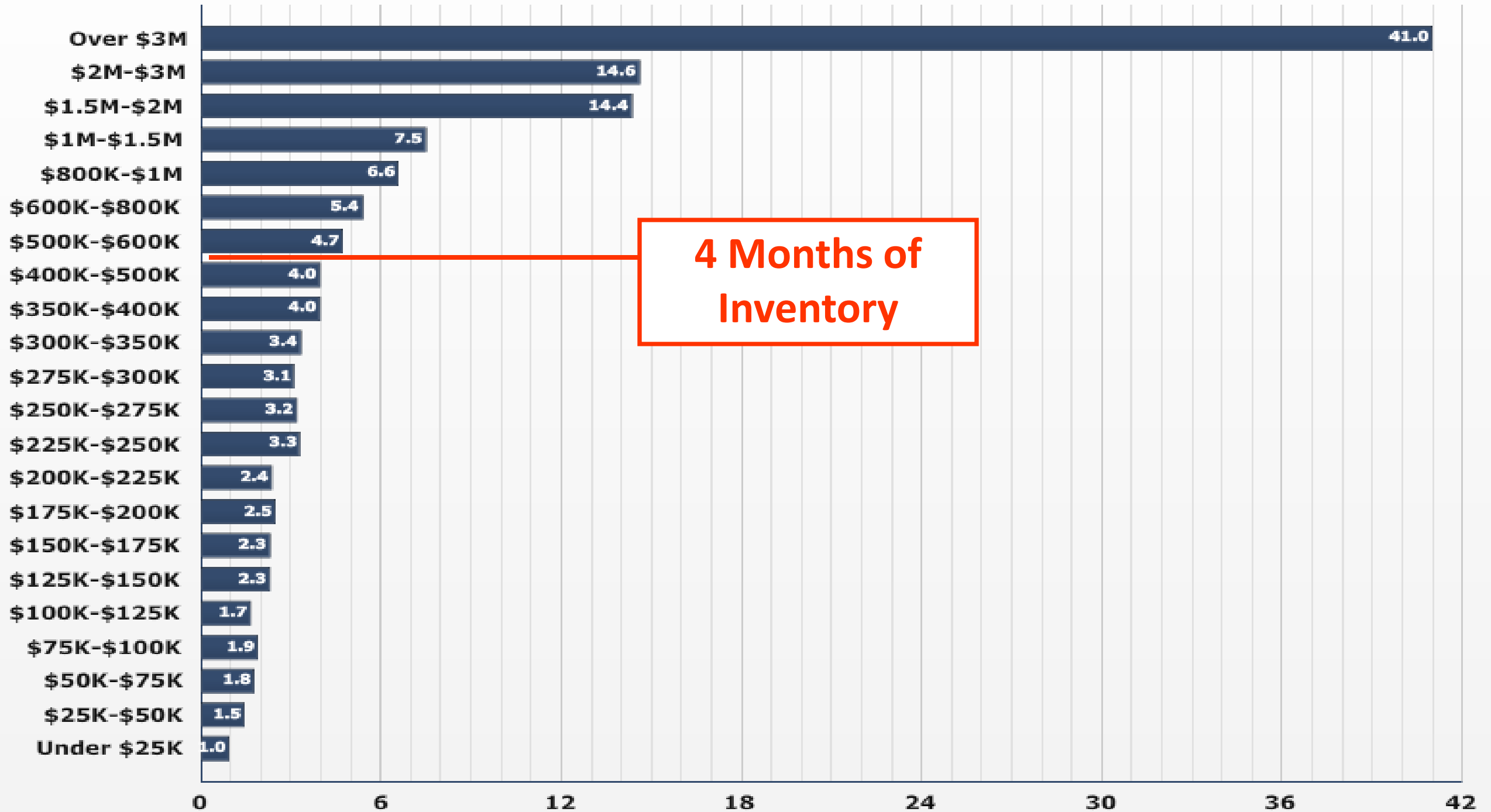
© 2013 Cromford Associates LLC

DIP2

Print

Months Supply by Price Range (Based on Sales per Month)

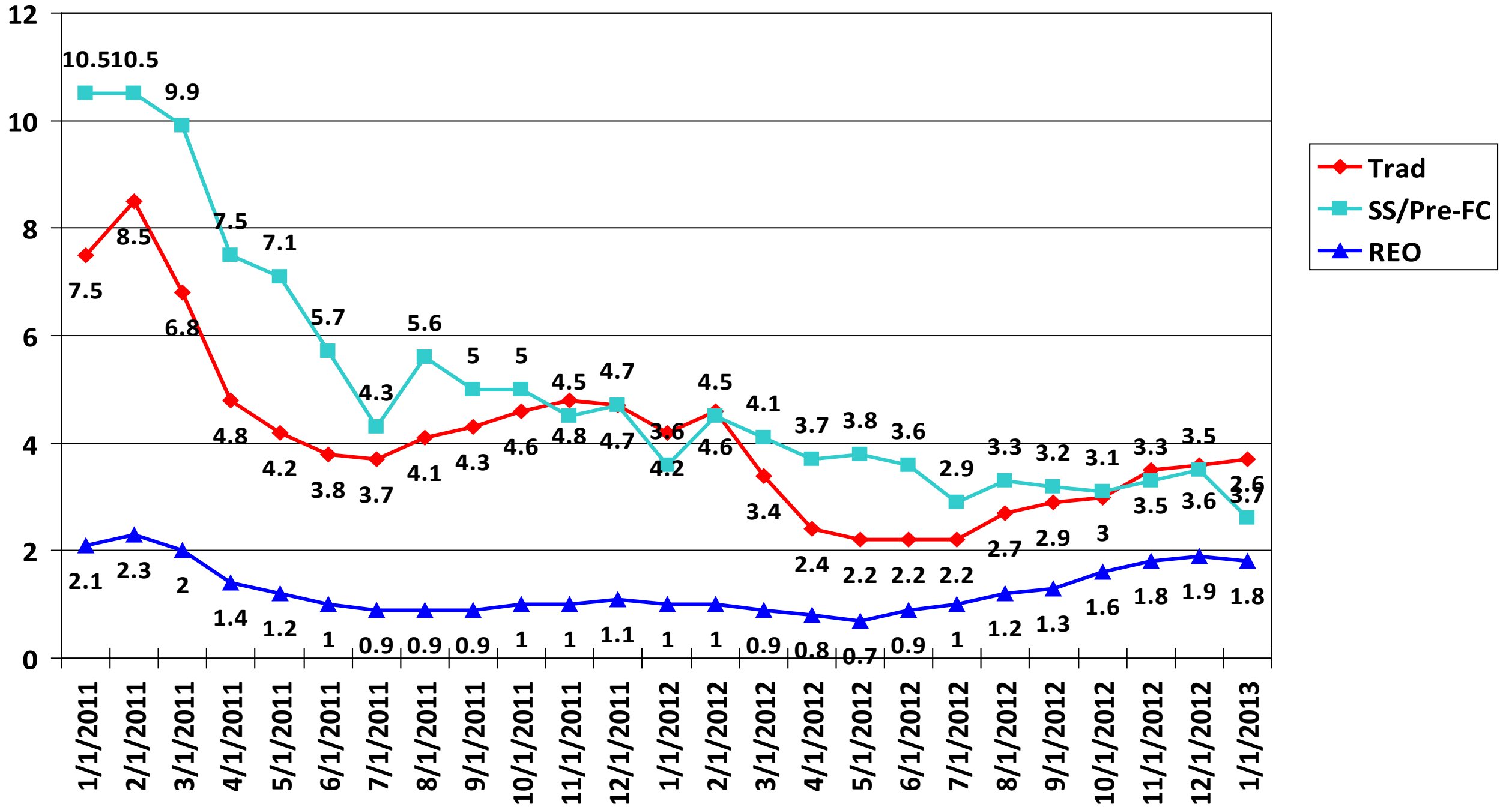
January 1, 2013



4 Months of Inventory

Greater Phoenix - Single Family Detached - ARMLS Residential Resale

Months of Supply - All Types



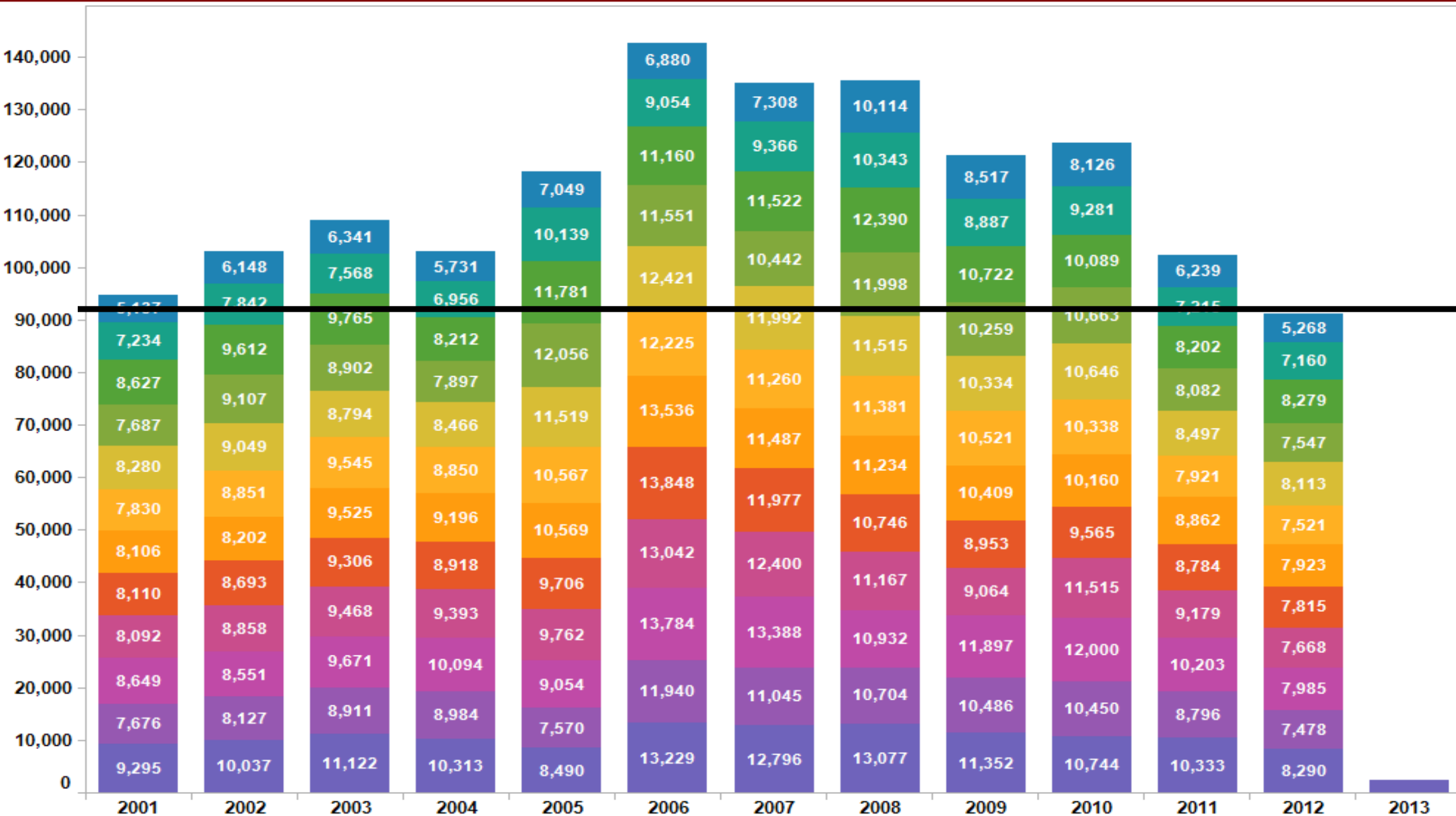
Single Family - New Listing By Month - All

New Listings By Month Greater Phoenix - ARMLS Residential Resale

Last Update: 1/11/2013 4:17:59 AM

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- Listing Month**
- December
 - November
 - October
 - September
 - August
 - July
 - June
 - May
 - April
 - March
 - February
 - January



Every Month in 2012 has Fewer Listing Than Same Month of Any Year in Last 12 Years

Until Now! Dec 2012 exceeded Dec 2001

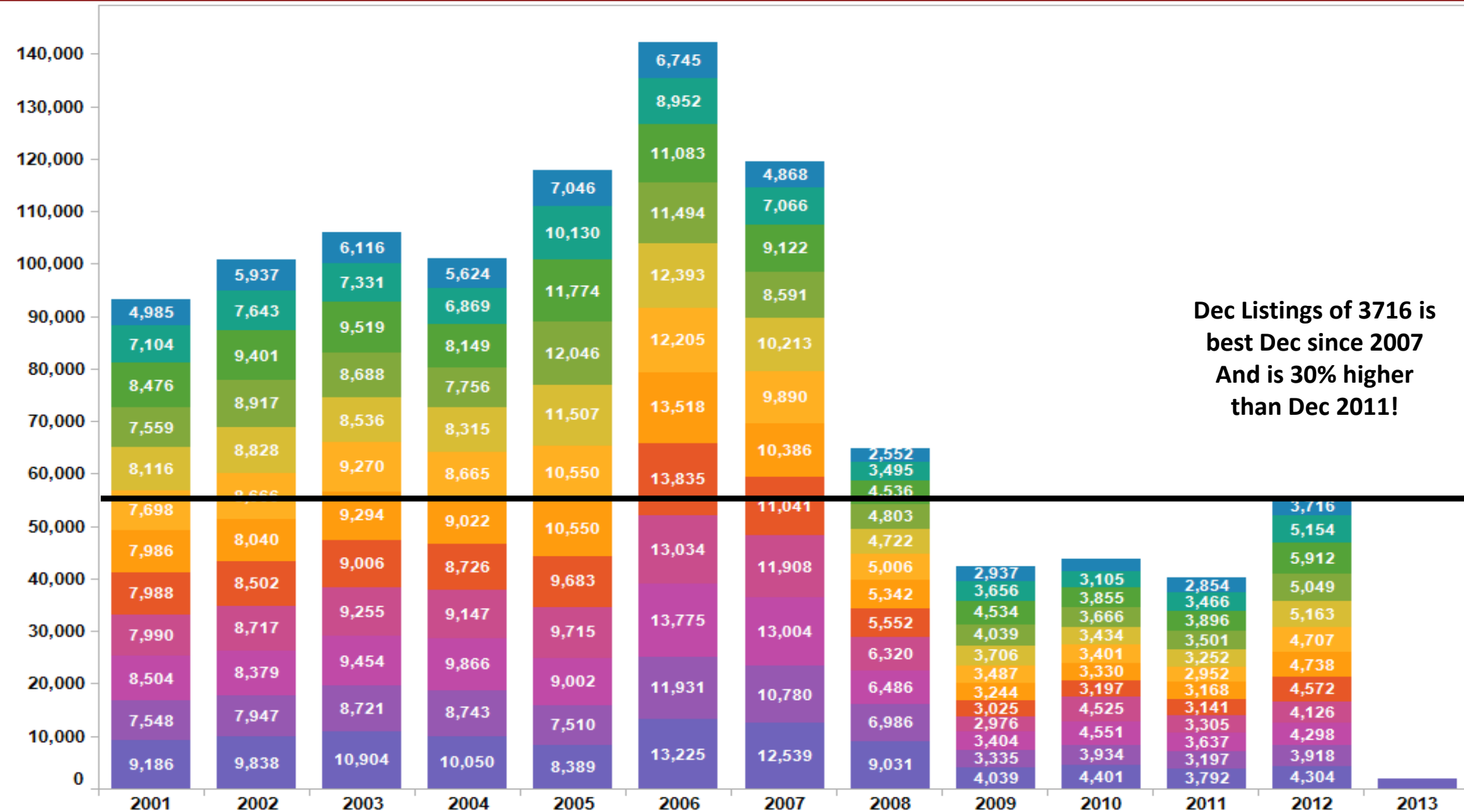
Single Family - New Listing By Month – Normal

New Listings By Month Greater Phoenix - ARMLS Residential Resale

Last Update: 1/11/2013 4:17:59 AM

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- Listing Month**
- December
 - November
 - October
 - September
 - August
 - July
 - June
 - May
 - April
 - March
 - February
 - January



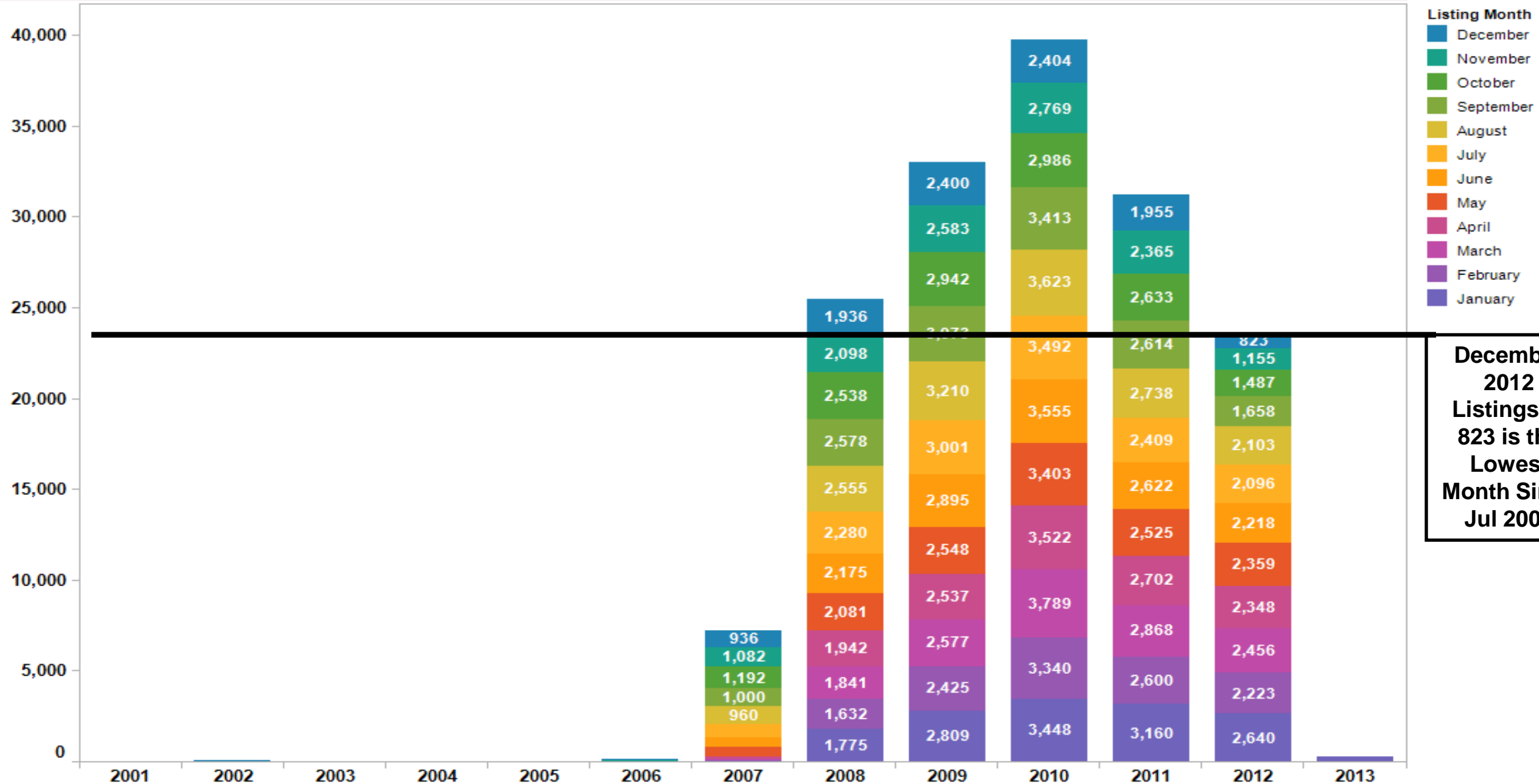
**Dec Listings of 3716 is best Dec since 2007
And is 30% higher than Dec 2011!**

Single Family - New Listing By Month - SS

New Listings By Month Greater Phoenix - ARMLS Residential Resale

Last Update: 1/11/2013 4:17:59 AM

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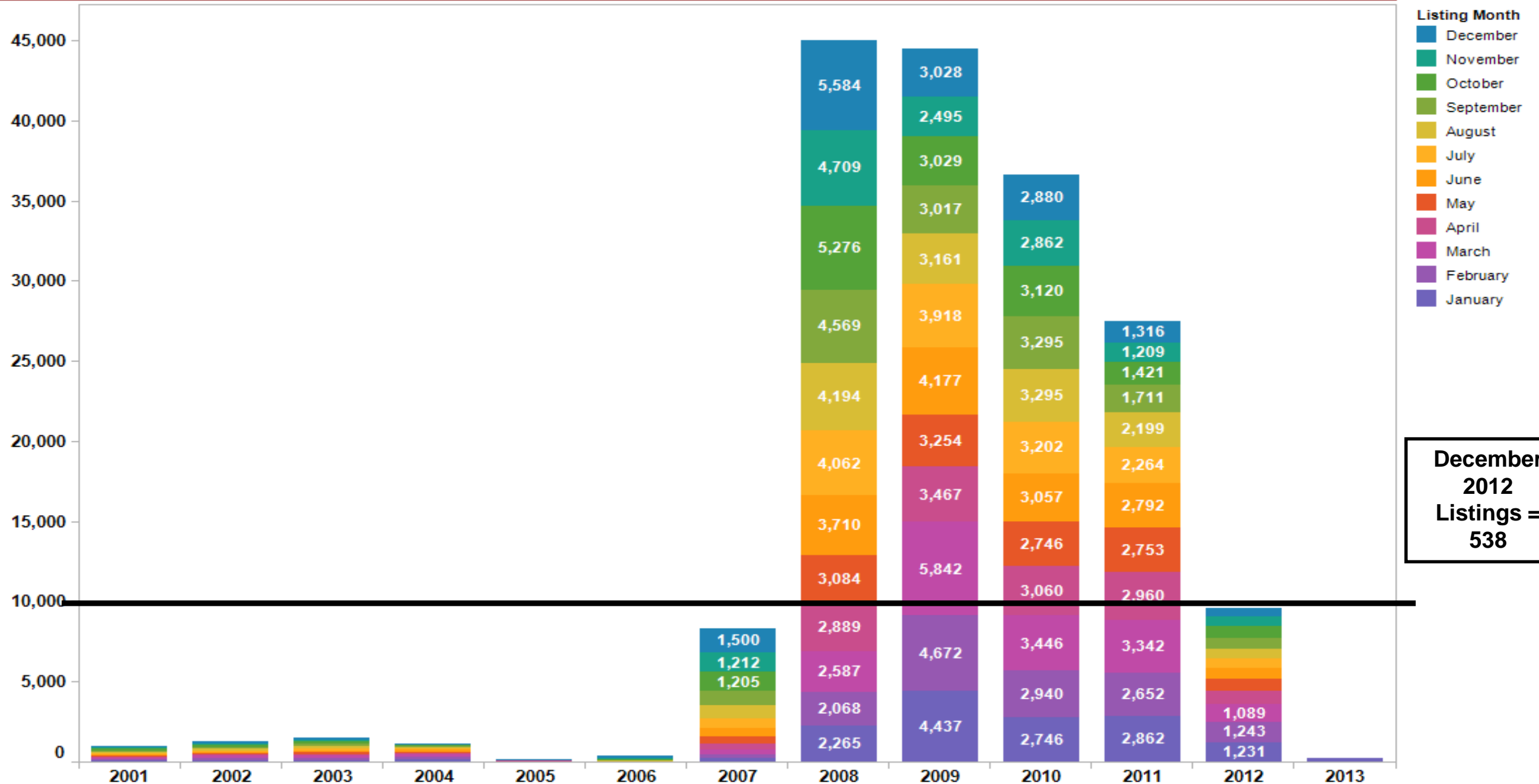
December 2012 Listings of 823 is the Lowest Month Since Jul 2007

Single Family - New Listing By Month - REO

New Listings By Month Greater Phoenix - ARMLS Residential Resale

Last Update: 1/11/2013 4:17:59 AM

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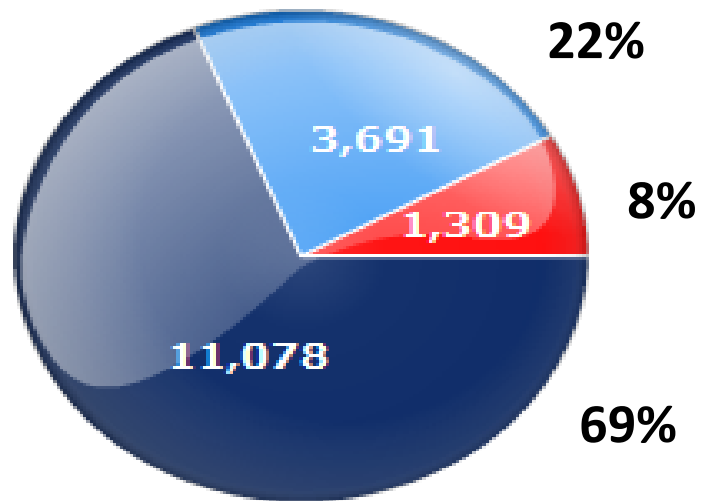


**December
2012
Listings =
538**

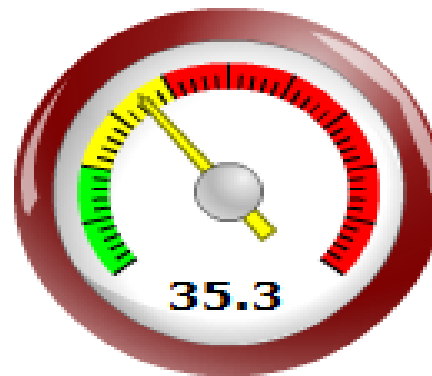
Market
Distress

Normal **Pre-foreclosure** **Lender-owned**
Single Family Detached

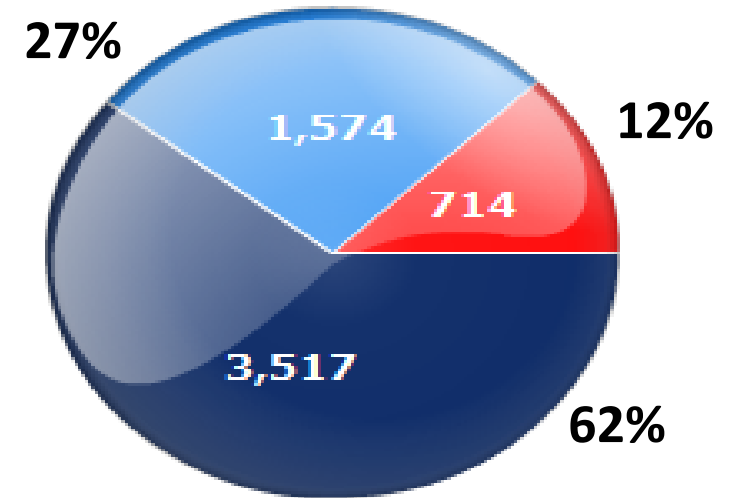
Active Listings



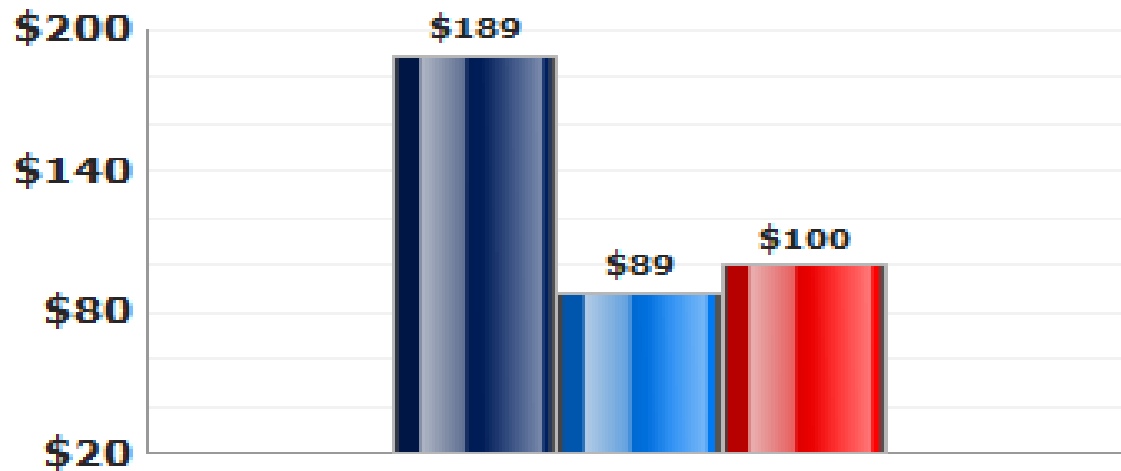
Distress Index



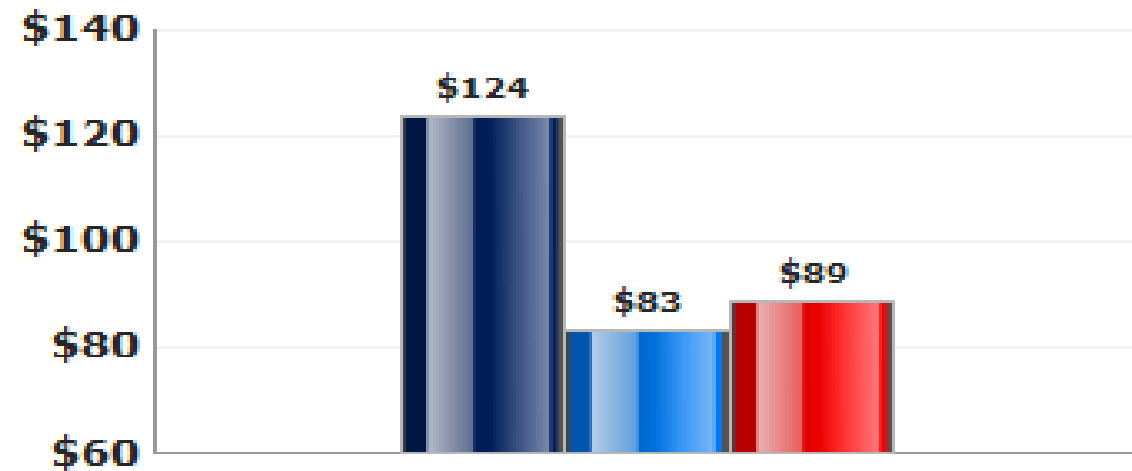
Monthly Sales



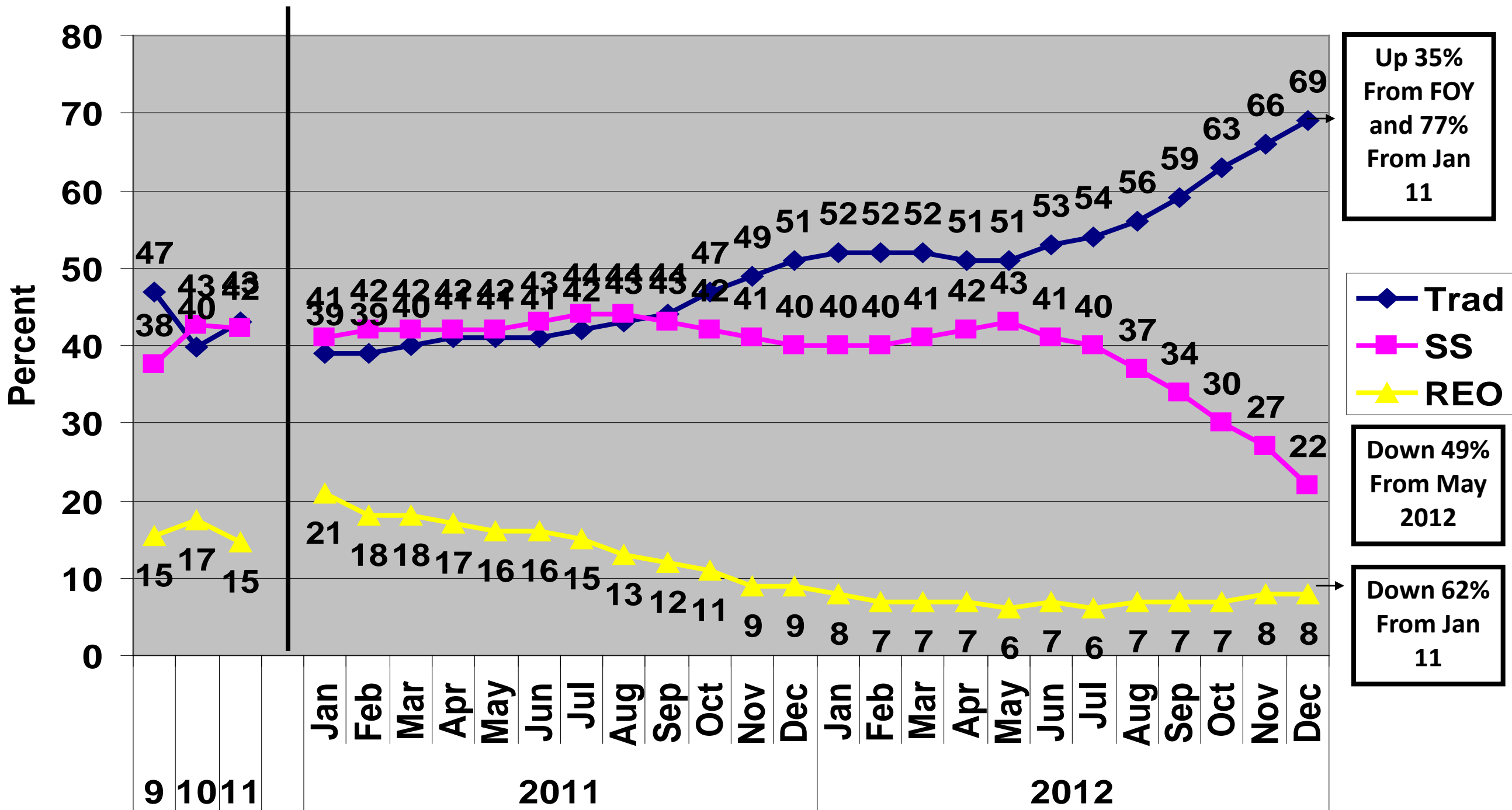
Average \$/SF - Active Listings



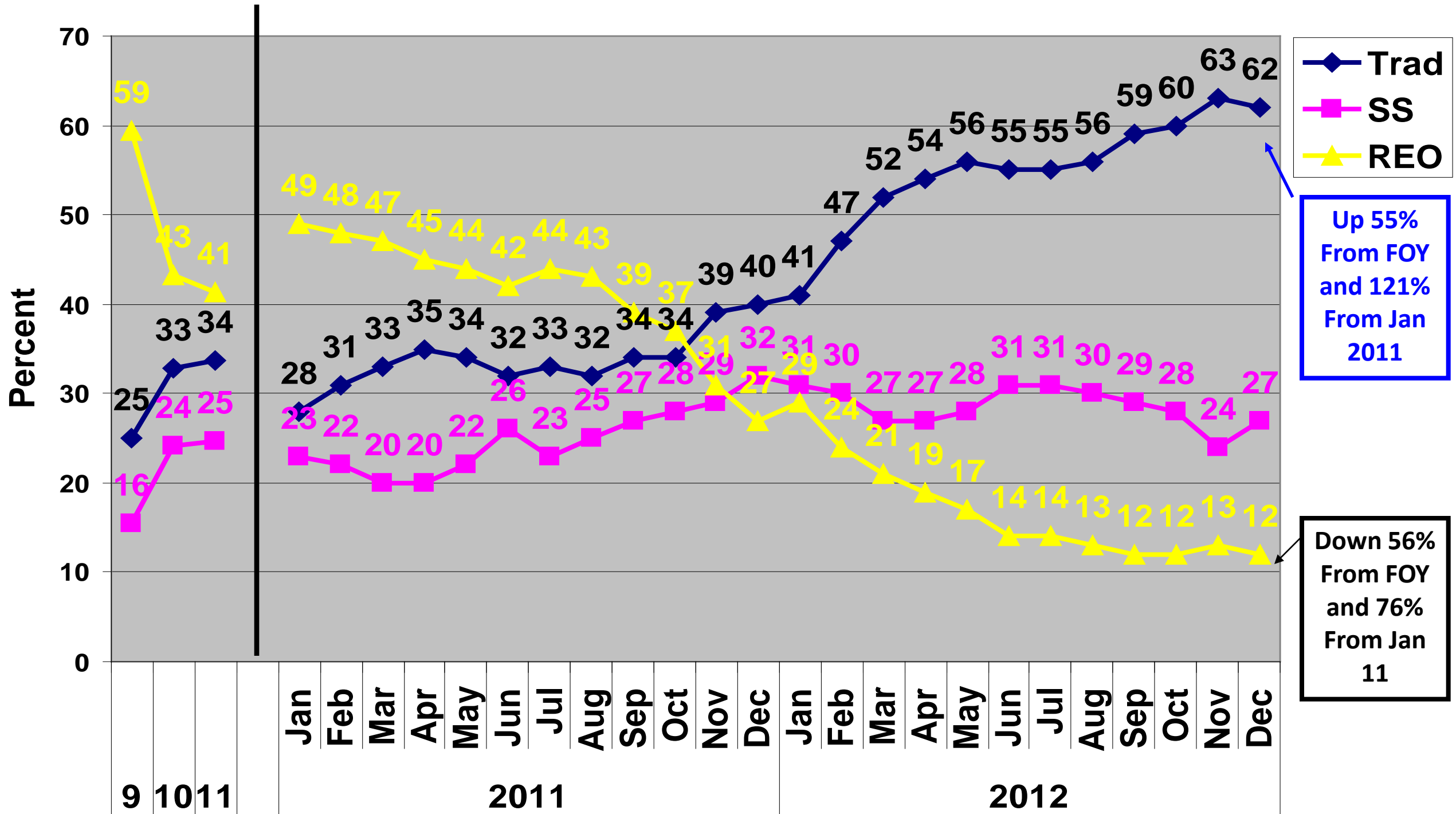
Average \$/SF - Monthly Sales



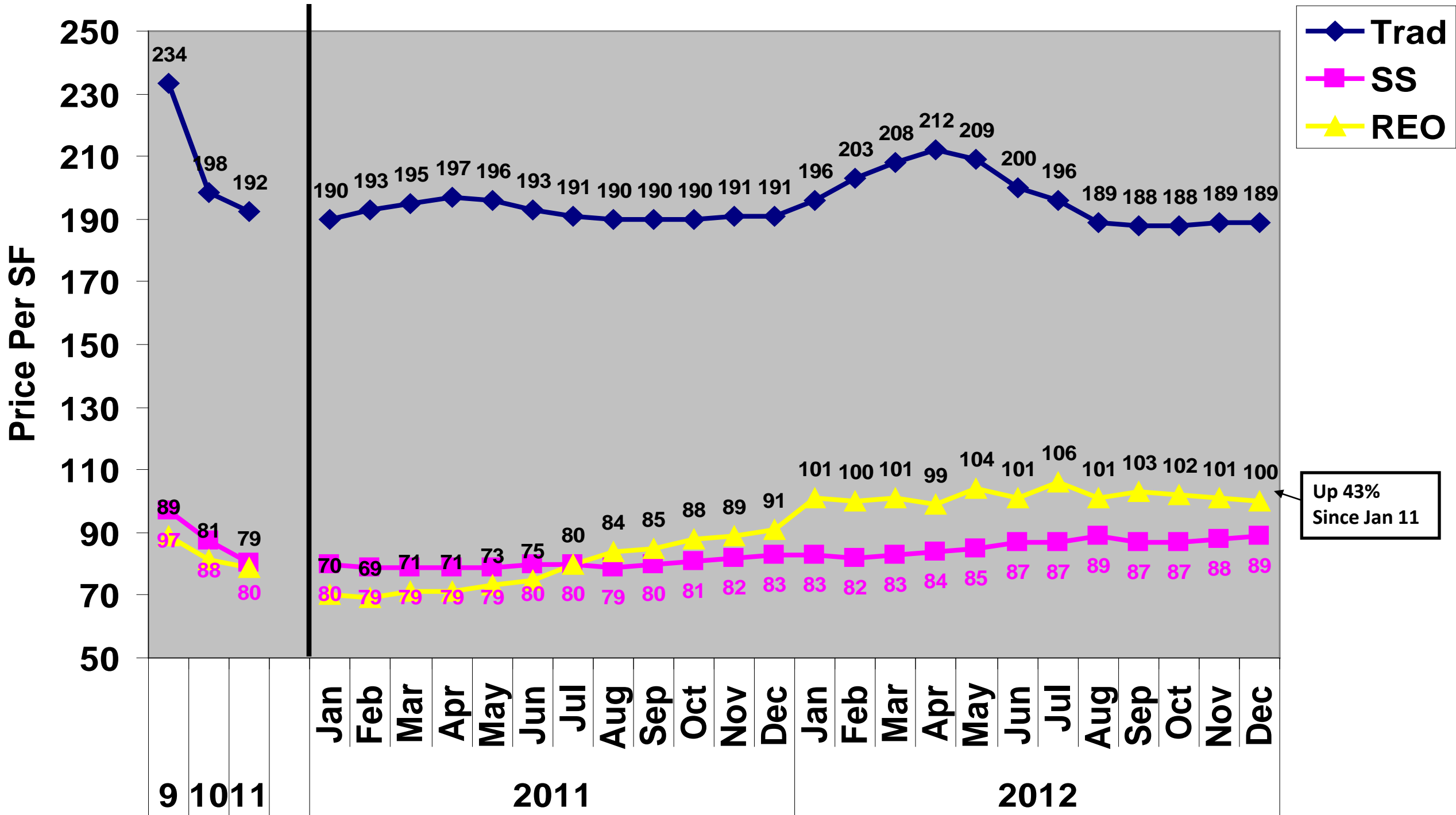
Listings as a Percent of Market by Type



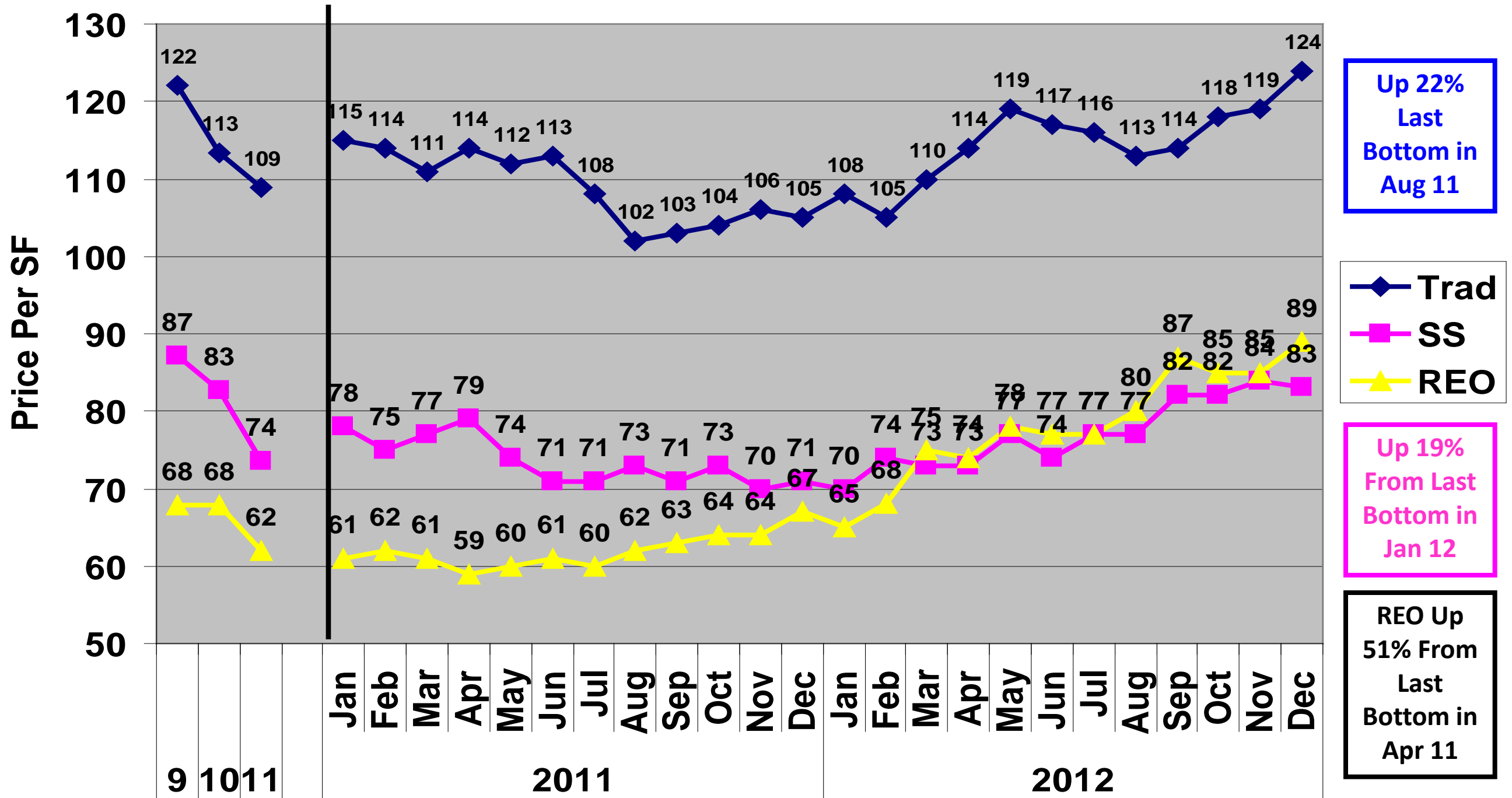
Solds as a Percent of Market by Type



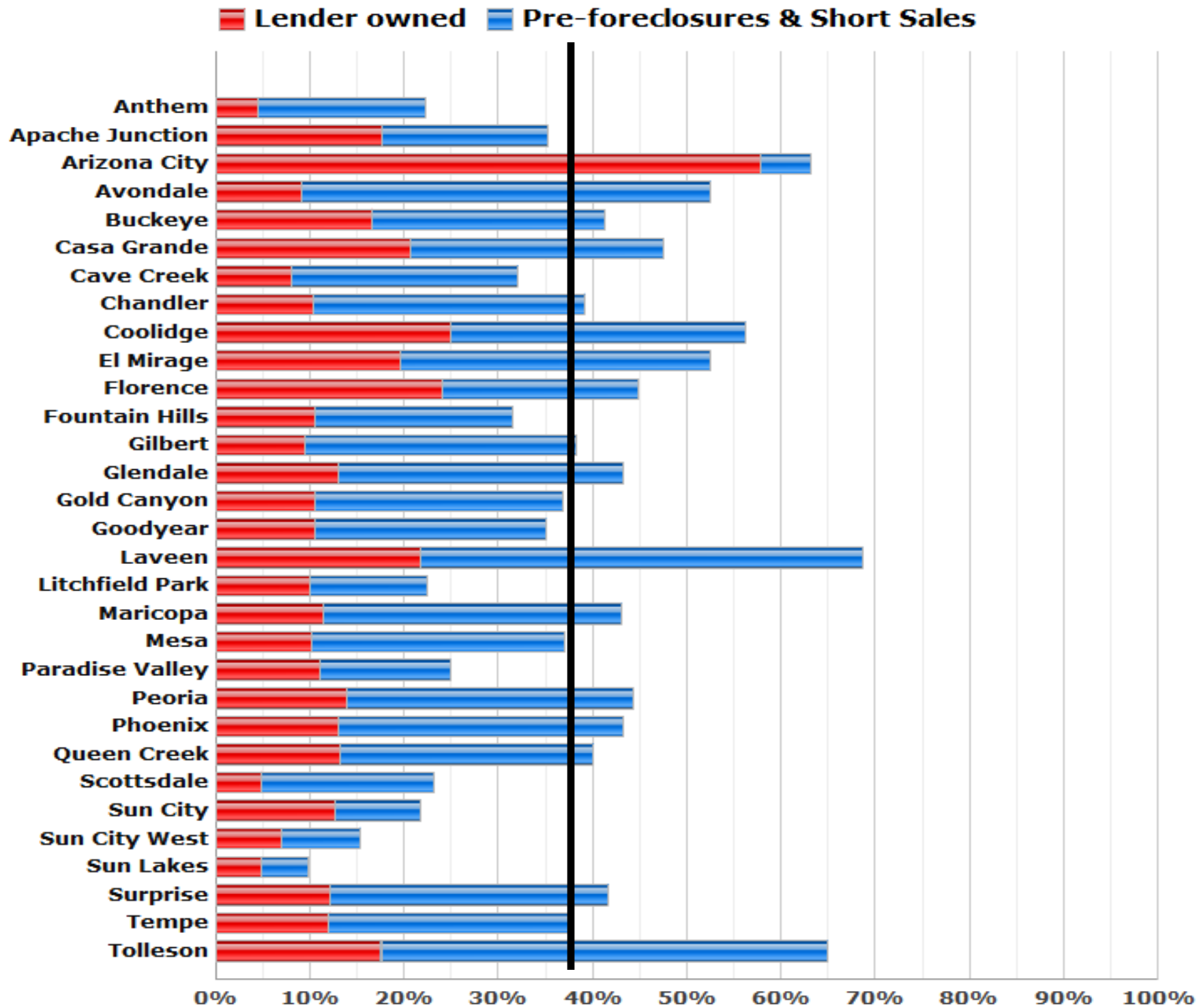
List \$/SF by Type



Sold \$/SF by Type



Print **Distress Sales as a Percentage of Monthly Sales**
During December 2012



Single Family Detached - ARMLS Residential Resale

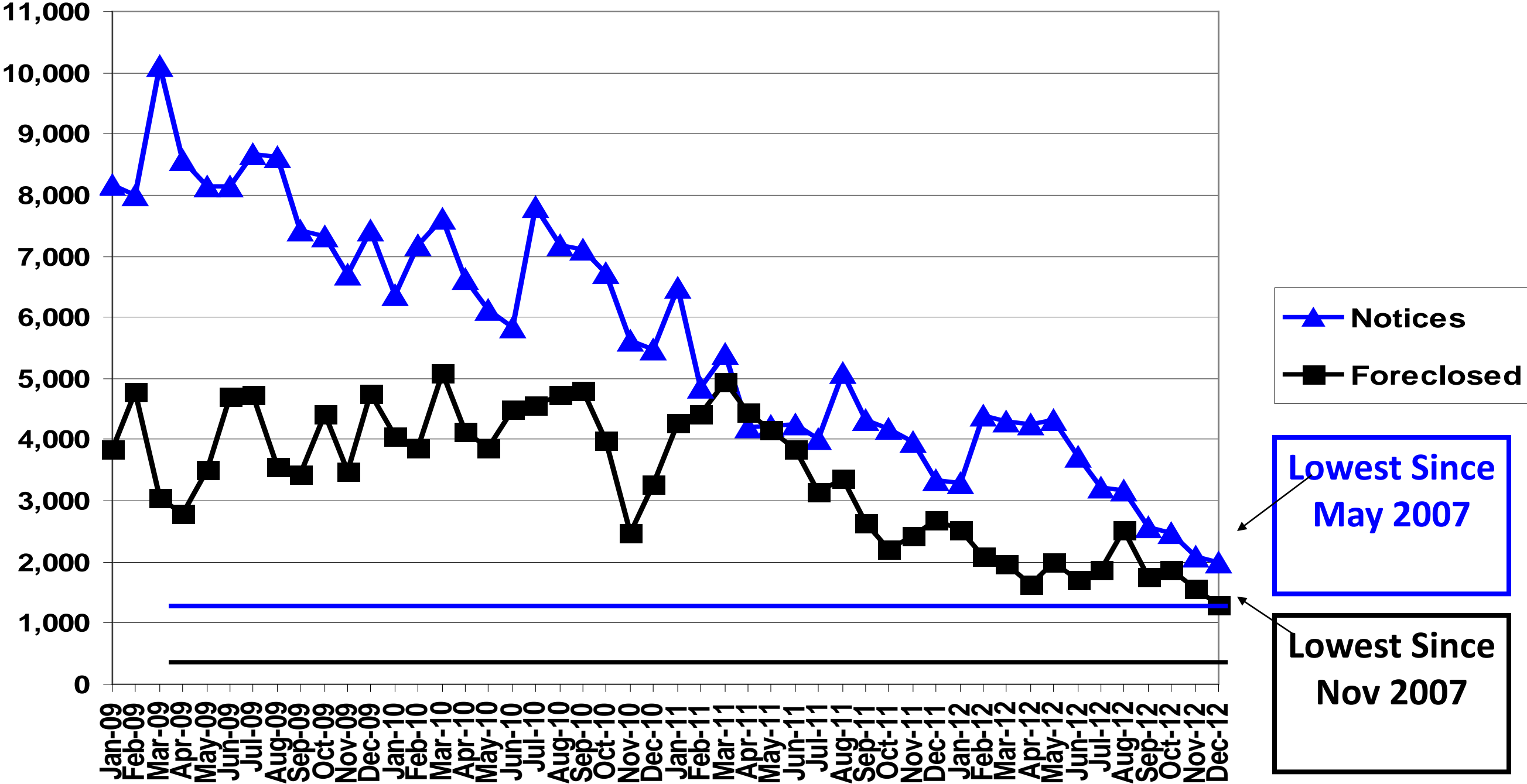
City Level

Download Presentation from Member's Area of AZREIA.org

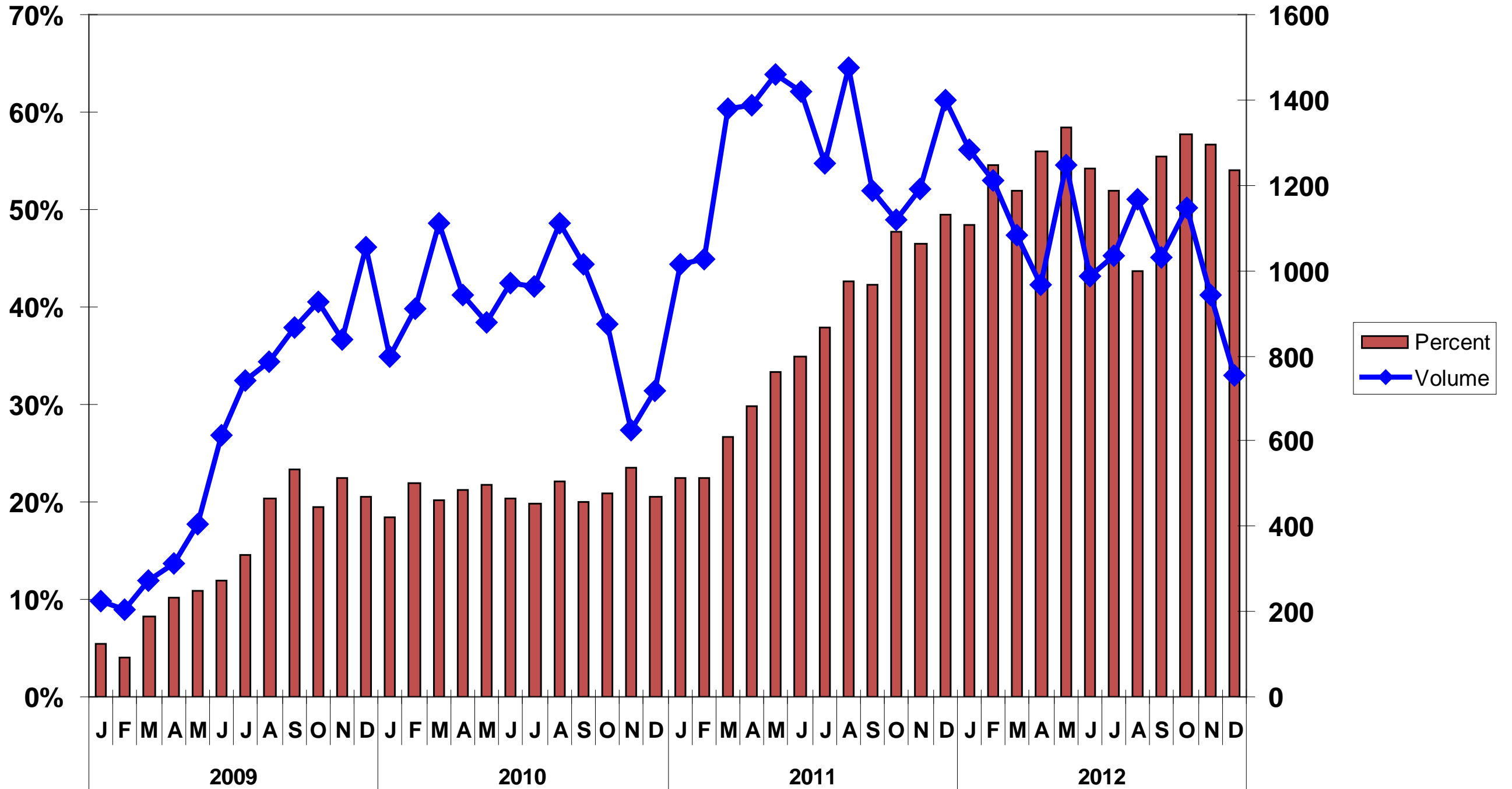
Foreclosures

Residential Foreclosures Maricopa County

Information Market/Cromford Report

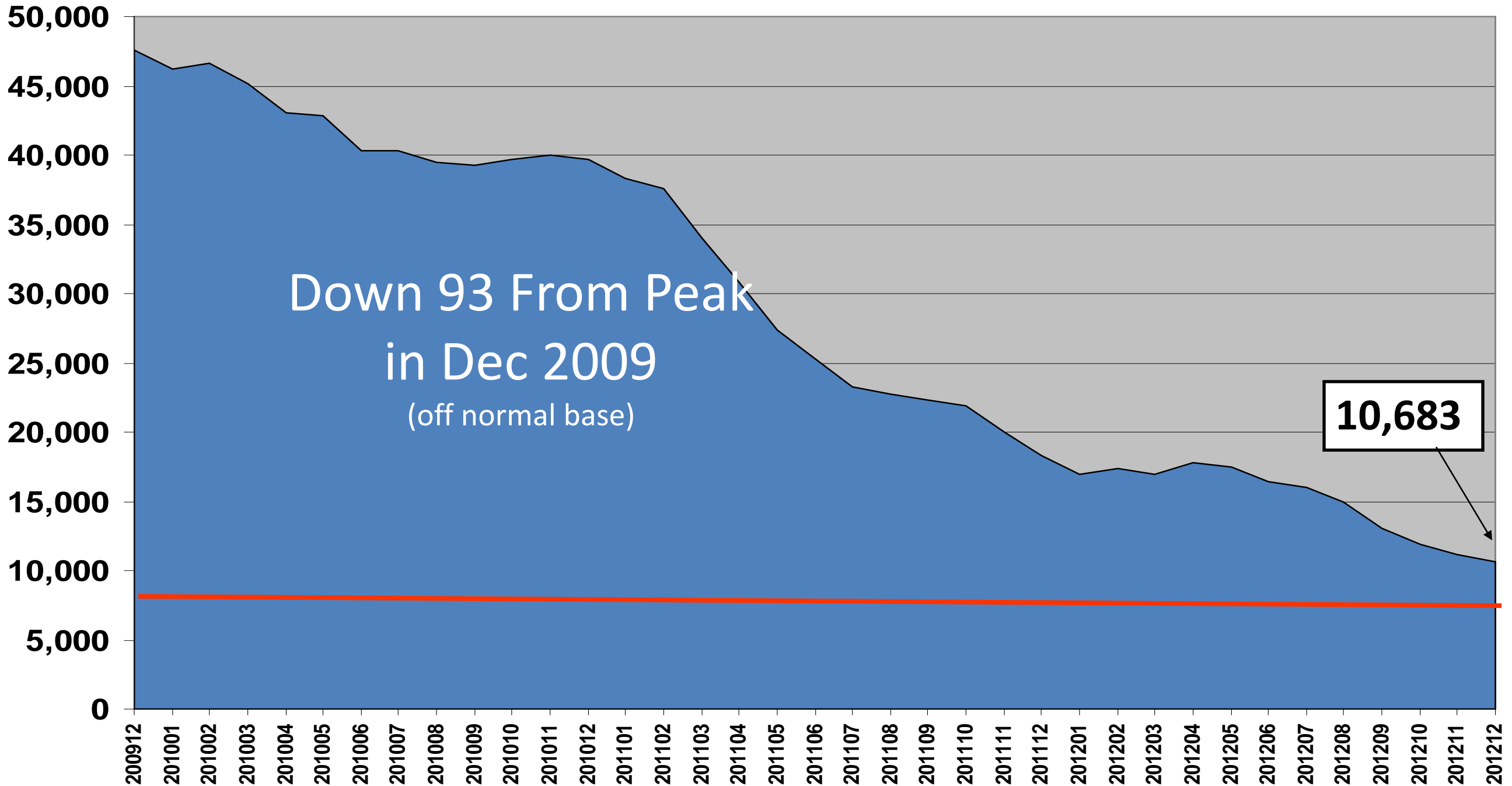


Trustee Sales to 3rd Parties - All Types



Pending Residential Foreclosures - Maricopa County

Information Market/Cromford Report

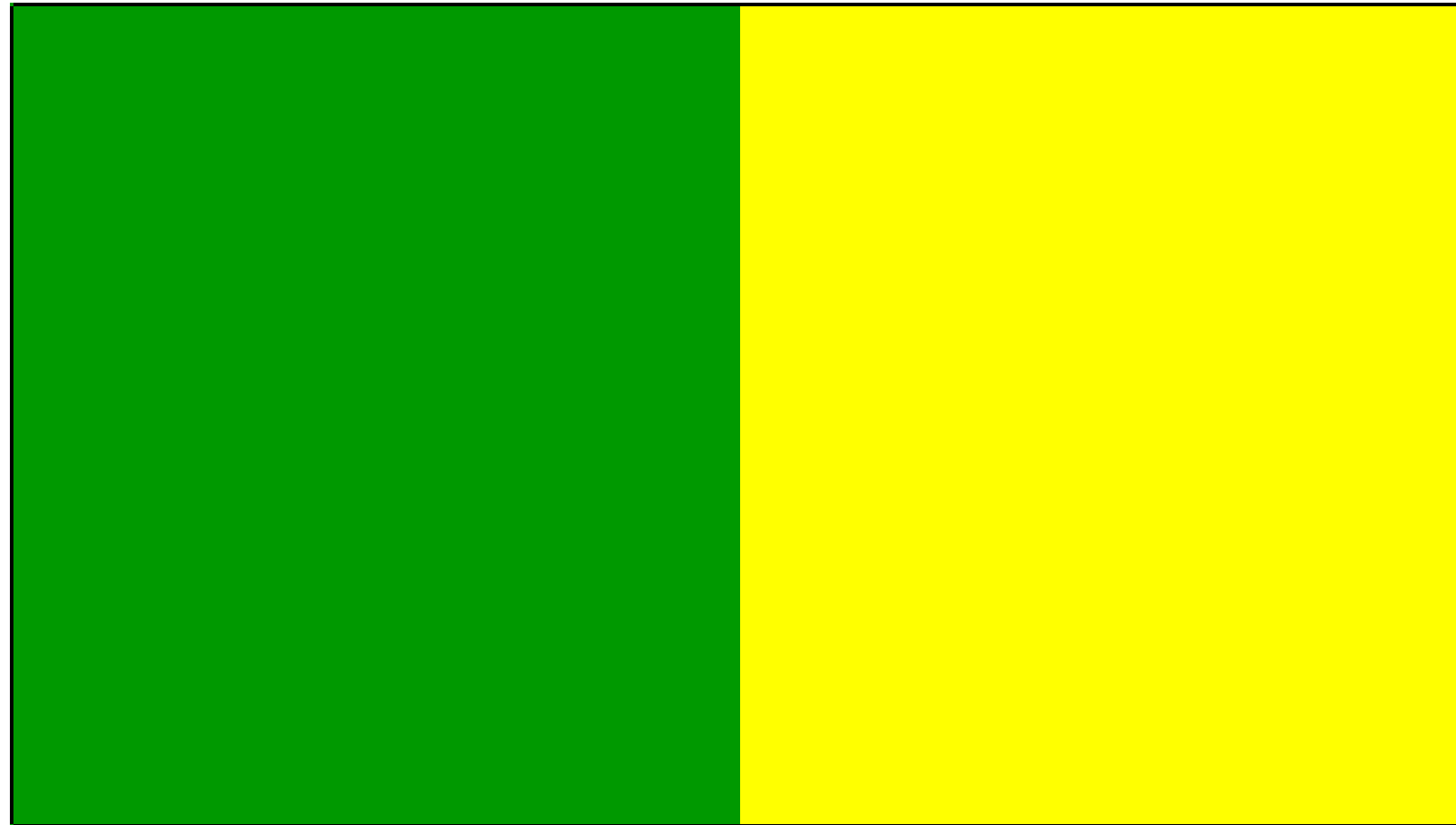


Conclusions

Summary & Conclusion

- Supply is getting tighter
- Demand is starting to strengthen
- Price increases will start to flatten
 - Increasing price is expected over the short term
- Rental Market is very strong
- Market is moving toward normalcy

Market Conditions



**Great Prices – Go on Rentals, Fix & Flip & Wholesaling
Wealth Building, Cash Flow, Income & Cash Strategies All Positive**

News

Arizona District Bankruptcies

TOTAL MONTHLY FILINGS

| | PHOENIX | | | TUCSON | | | YUMA | | | DISTRICT | | |
|---------------|--------------|--------------|--------|-------------|-------------|--------|-------------|-------------|--------|--------------|--------------|--------|
| | 2011 | 2012 | % | 2011 | 2012 | % | 2011 | 2012 | % | 2011 | 2012 | % |
| January | 1985 | 1321 | -33.5% | 478 | 368 | -23.0% | 136 | 106 | -22.1% | 2599 | 1795 | -30.9% |
| February | 1819 | 1623 | -10.8% | 489 | 427 | -12.7% | 132 | 110 | -16.7% | 2440 | 2160 | -11.5% |
| March | 2813 | 2074 | -26.3% | 846 | 547 | -35.3% | 219 | 158 | -27.9% | 3878 | 2779 | -28.3% |
| April | 2748 | 1999 | -27.3% | 683 | 546 | -20.1% | 158 | 158 | 0.0% | 3589 | 2703 | -24.7% |
| May | 2472 | 2080 | -15.9% | 651 | 610 | -6.3% | 188 | 166 | -11.7% | 3311 | 2856 | -13.7% |
| June | 2434 | 1770 | -27.3% | 661 | 501 | -24.2% | 168 | 167 | -0.6% | 3263 | 2438 | -25.3% |
| July | 2153 | 1847 | -14.2% | 561 | 516 | -8.0% | 174 | 112 | -35.6% | 2888 | 2475 | -14.3% |
| August | 2431 | 1809 | -25.6% | 603 | 520 | -13.8% | 190 | 150 | -21.1% | 3224 | 2479 | -23.1% |
| September | 1999 | 1421 | -28.9% | 545 | 413 | -24.2% | 141 | 116 | -17.7% | 2685 | 1950 | -27.4% |
| October | 2074 | 1656 | -20.2% | 511 | 499 | -2.3% | 146 | 129 | -11.6% | 2731 | 2284 | -16.4% |
| November | 1747 | 1380 | -21.0% | 478 | 362 | -24.3% | 116 | 88 | -24.1% | 2341 | 1830 | -21.8% |
| December | 1577 | | | 427 | | | 119 | | | 2123 | | |
| TOTALS | 26252 | 18980 | | 6933 | 5309 | | 1887 | 1460 | | 35072 | 25749 | |

YEAR TO DATE TOTALS

| | PHOENIX | | | TUCSON | | | YUMA | | | DISTRICT | | |
|---------------|--------------|--------------|---------------|-------------|-------------|---------------|-------------|-------------|---------------|--------------|--------------|---------------|
| | 2011 | 2012 | % | 2011 | 2012 | % | 2011 | 2012 | % | 2011 | 2012 | % |
| Chapter 7 | 20827 | 16277 | -21.8% | 5261 | 4288 | -18.5% | 1607 | 1328 | -17.4% | 27695 | 21893 | -20.9% |
| Chapter 9 | 0 | 0 | 0.0% | 0 | 0 | 0.0% | 0 | 0 | 0.0% | 0 | 0 | 0.0% |
| Chapter 11 | 321 | 294 | -8.4% | 78 | 95 | 21.8% | 14 | 17 | 21.4% | 413 | 406 | -1.7% |
| Chapter 12 | 4 | 1 | -75.0% | 5 | 0 | -100.0% | 1 | 0 | -100.0% | 10 | 1 | -90.0% |
| Chapter 13 | 3520 | 2408 | -31.6% | 1162 | 925 | -20.4% | 146 | 114 | -21.9% | 4828 | 3447 | -28.6% |
| Chapter 15 | 0 | 0 | 0.0% | 0 | 1 | n/a | 0 | 1 | n/a | 0 | 2 | n/a |
| TOTALS | 24672 | 18980 | -23.1% | 6506 | 5309 | -18.4% | 1768 | 1460 | -17.4% | 32946 | 25749 | -21.8% |

Phoenix Counties Bankruptcy Filings

YTD Filings Down 23% from 2011

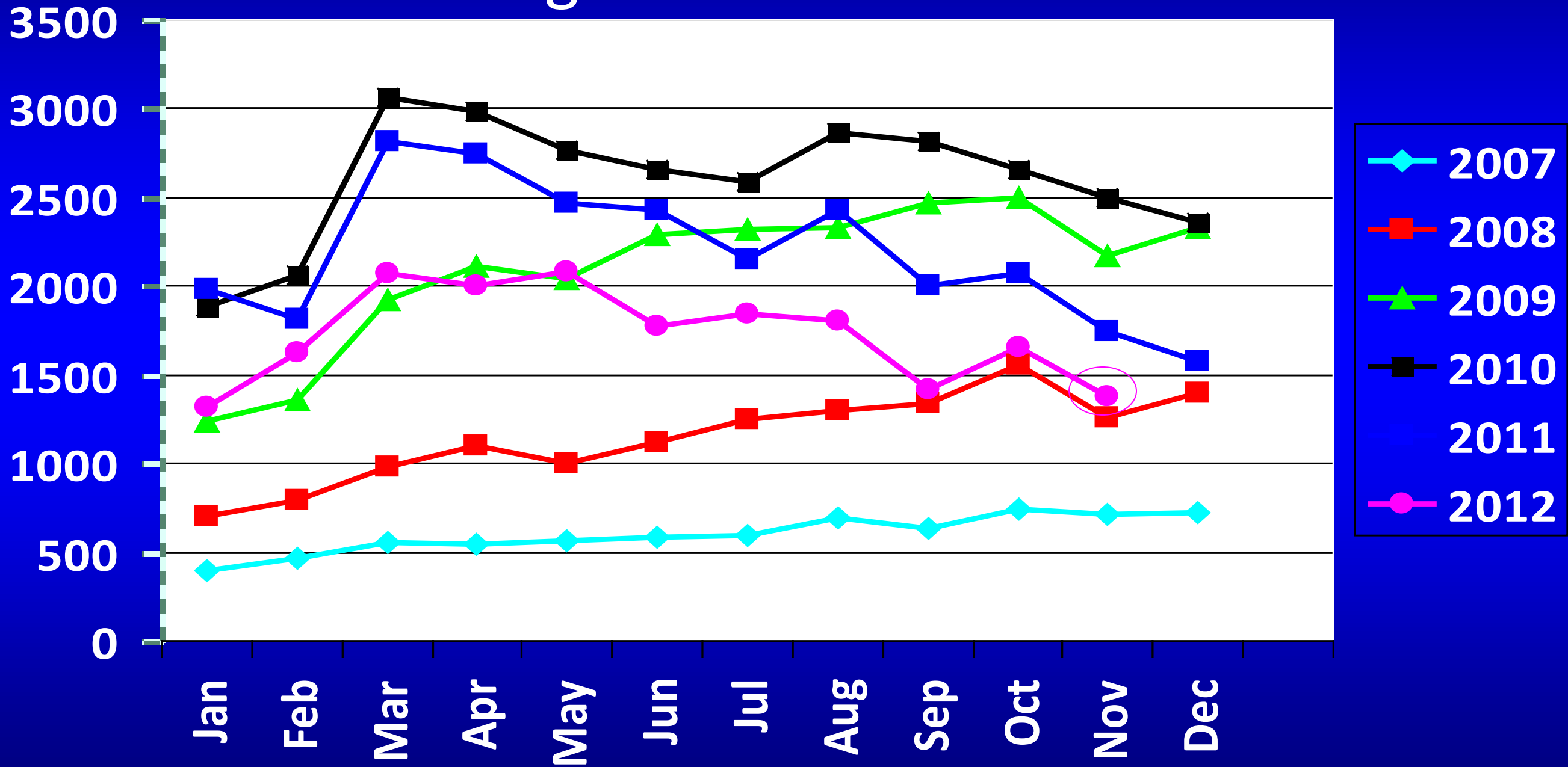
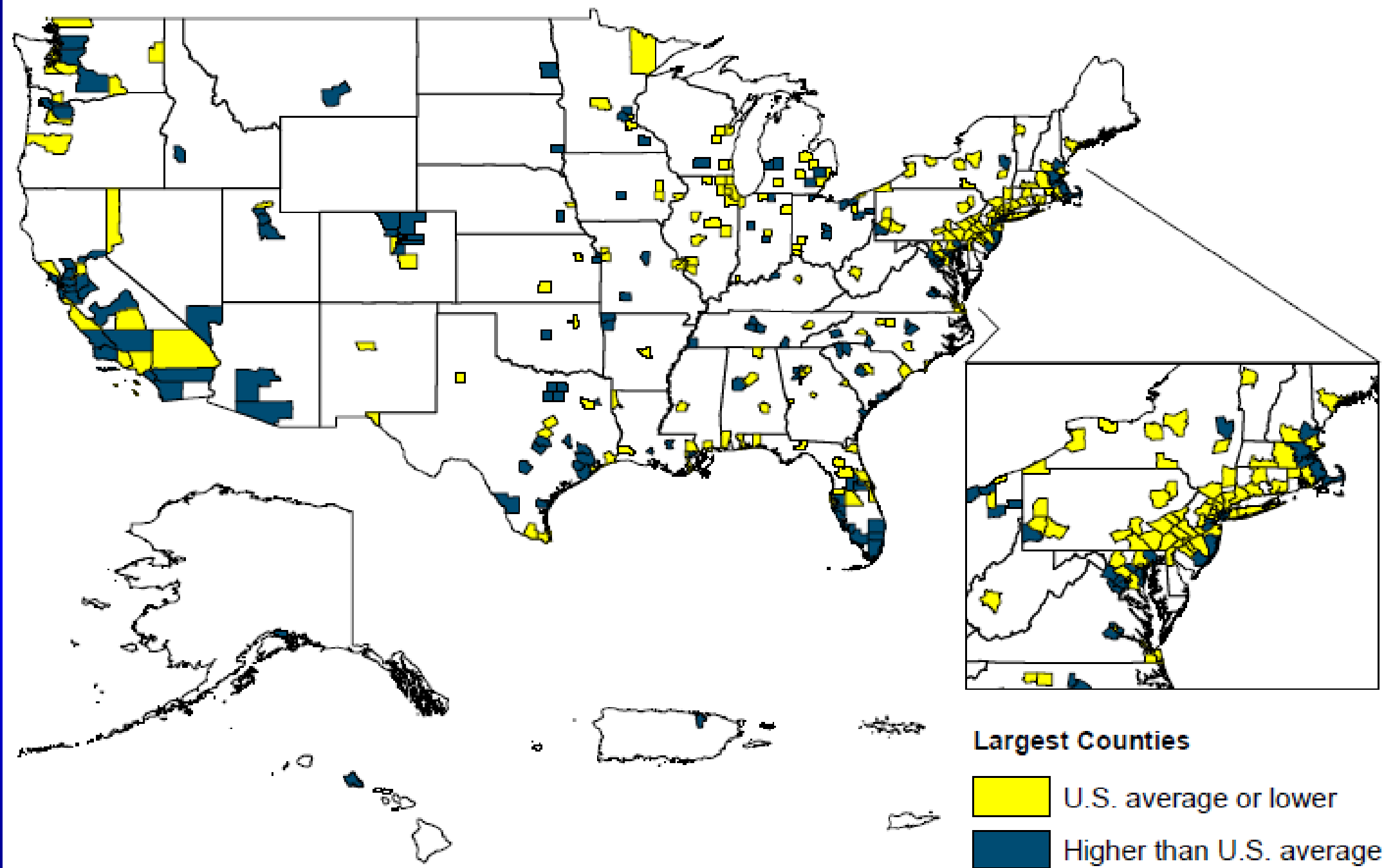
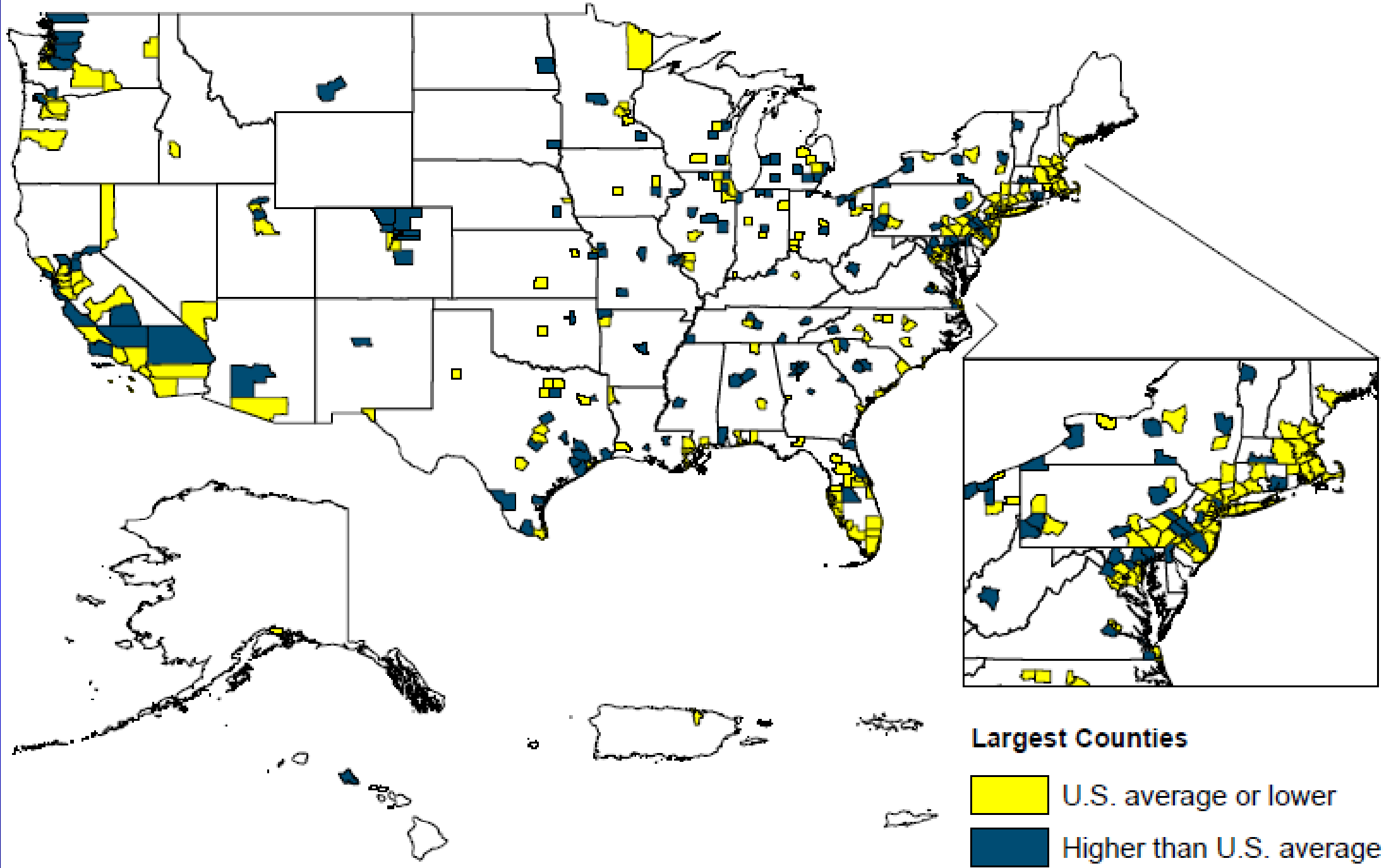


Chart 3. Percent change in employment in counties with 75,000 or more employees, June 2011-12 (U.S. average = 1.8 percent)



Source: Bureau of Labor Statistics
January 2013

Chart 4. Percent change in average weekly wage in counties with 75,000 or more employees, second quarter 2011-12 (U.S. average = 1.3 percent)



Source: Bureau of Labor Statistics
January 2013

Arizona Unemployment Report

Unemployment Rate (Seasonally Adj.)

| | <u>Nov '12</u> | <u>Oct '12</u> | <u>Nov '11</u> |
|--------------------------------|----------------|----------------|----------------|
| <i>United States</i> | 7.7% | 7.9% | 8.7% |
| <i>Arizona</i> | 7.8% | 8.1% | 9.1% |
| <i>Arizona unadjusted rate</i> | 7.5% | 8.1% | 8.7% |

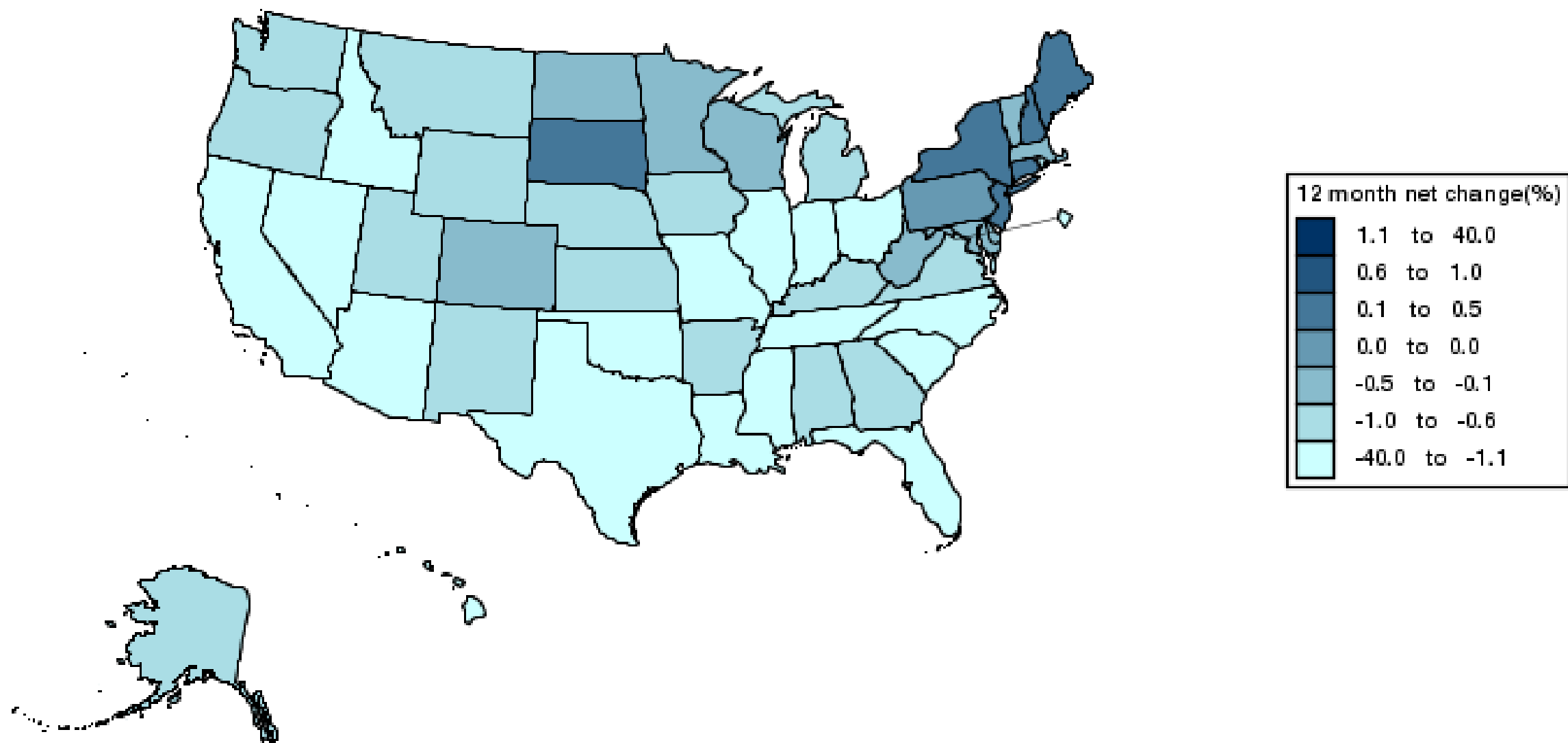
Arizona Nonfarm Employment (in Thousands)

| | <u>Nov '12</u> | <u>Oct '12</u> | <u>Nov '11</u> |
|----------------------------|----------------|----------------|----------------|
| <i>Overall</i> | 2507.1 | 2484.4 | 2447.5 |
| <i>Over-Month % Chg.</i> | 0.9% | 0.5% | 0.4% |
| <i>Year-to-Year % Chg.</i> | 2.4% | 1.9% | 1.2% |

**Arizona
continues to
improve
faster than
the US as a
whole:**

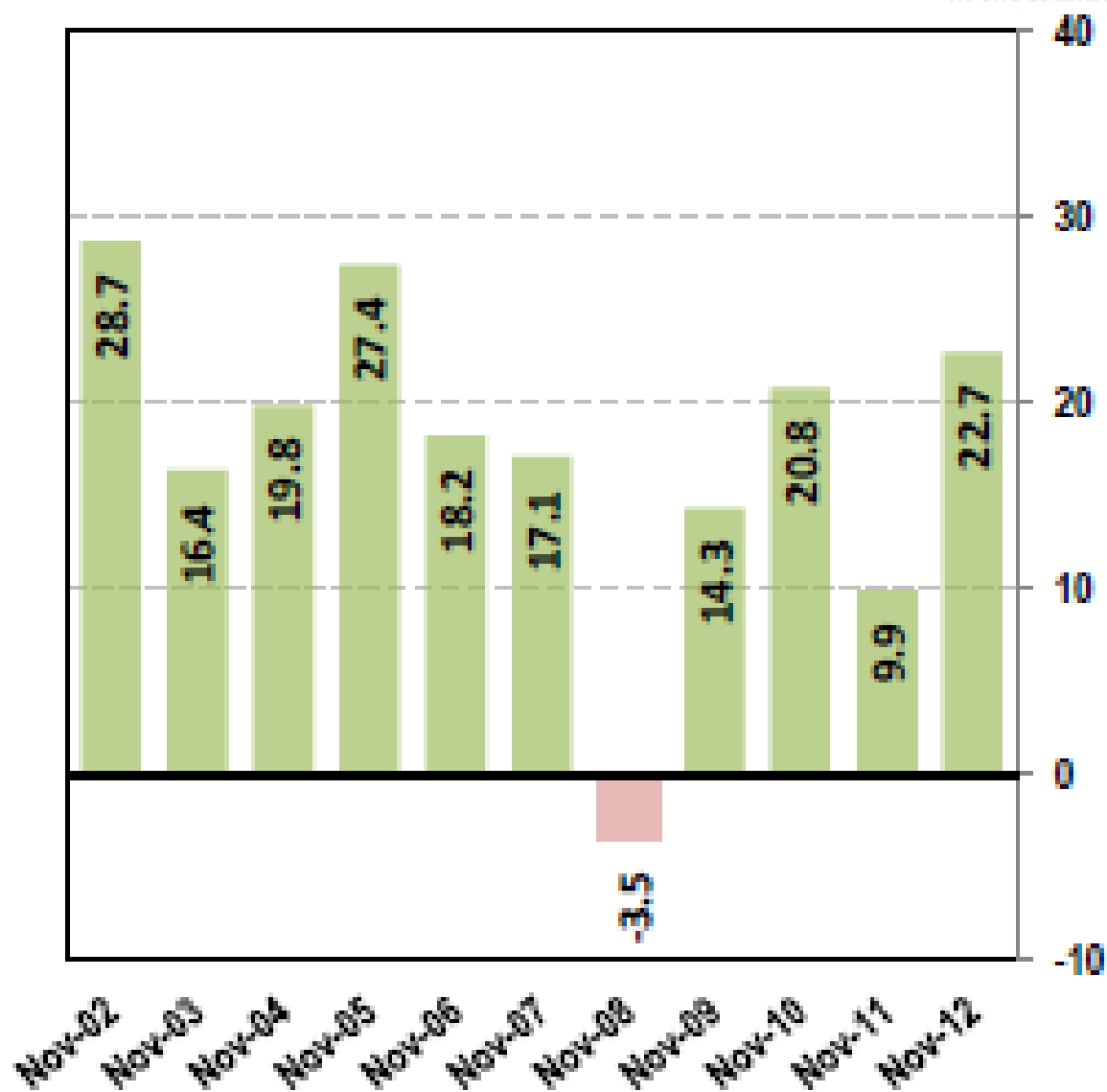
**US + 1.0%
Arizona 1.3%**

12-month change in unemployment rates by State, seasonally adjusted, November 2012



Arizona Total Nonfarm Employment Over-the-Month Job Gain/Loss

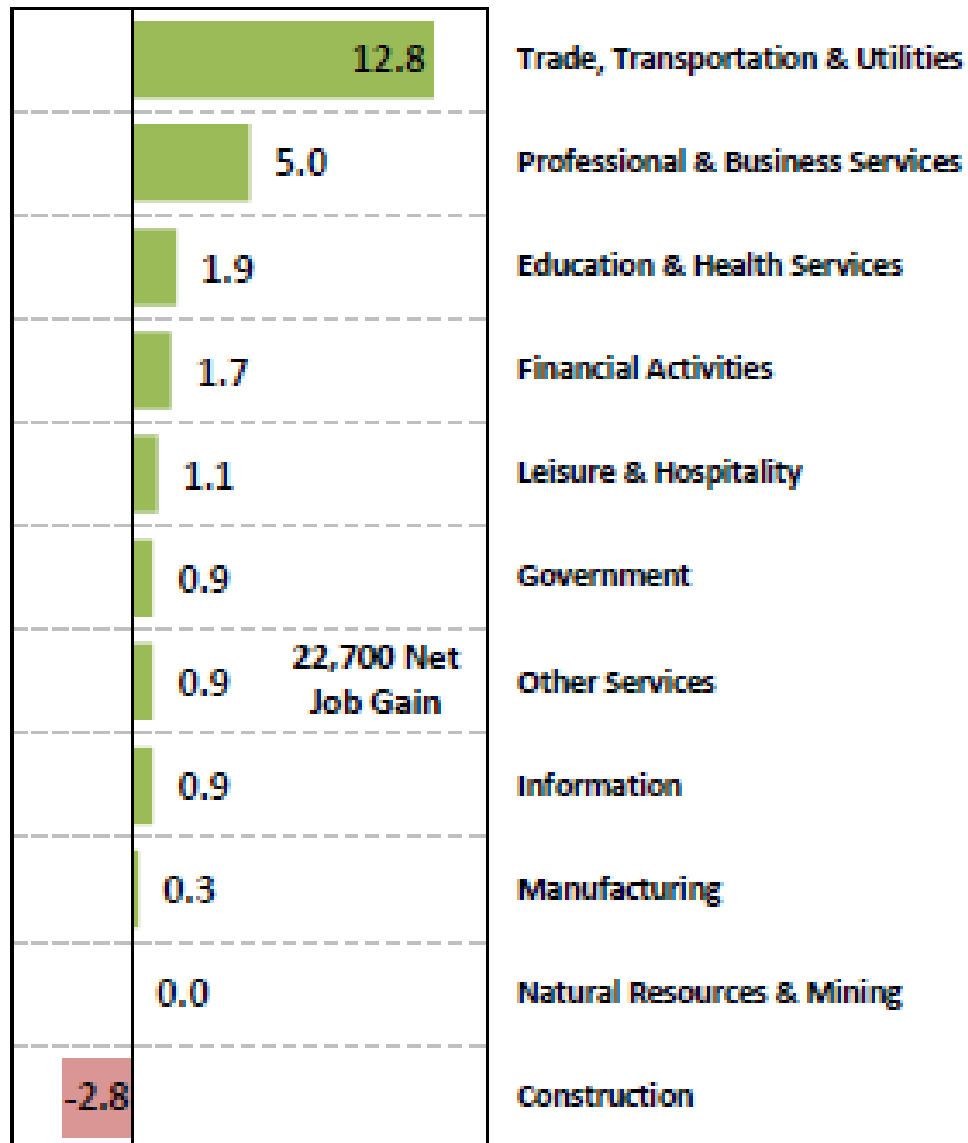
In thousands



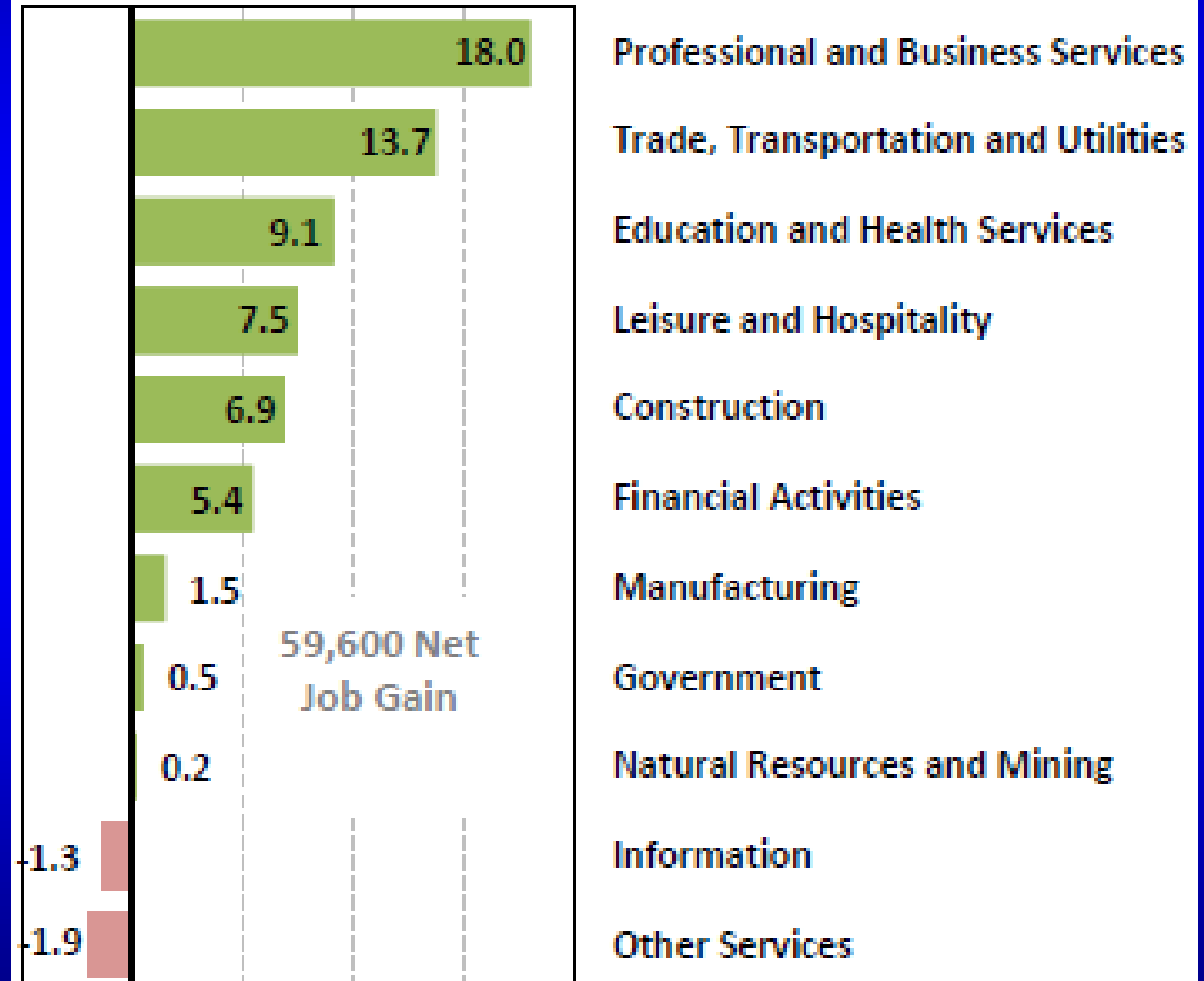
- In the month of November, 22,700 Nonfarm jobs were added to Arizona's economy
- This was the largest November job gain since 2005
 - well above the historical ten-year average (16,900 jobs).
- The Private Sector added 21,800 of the 22,700 Nonfarm jobs (96.0%).
- Gains within Government (900 jobs) accounted for 4.0% of Total Nonfarm job growth.
 - Historically, Government has added 2,100 jobs on average

Sector Comparison - Arizona

Over-the-Month Job Gain or Loss by Sector, in thousands

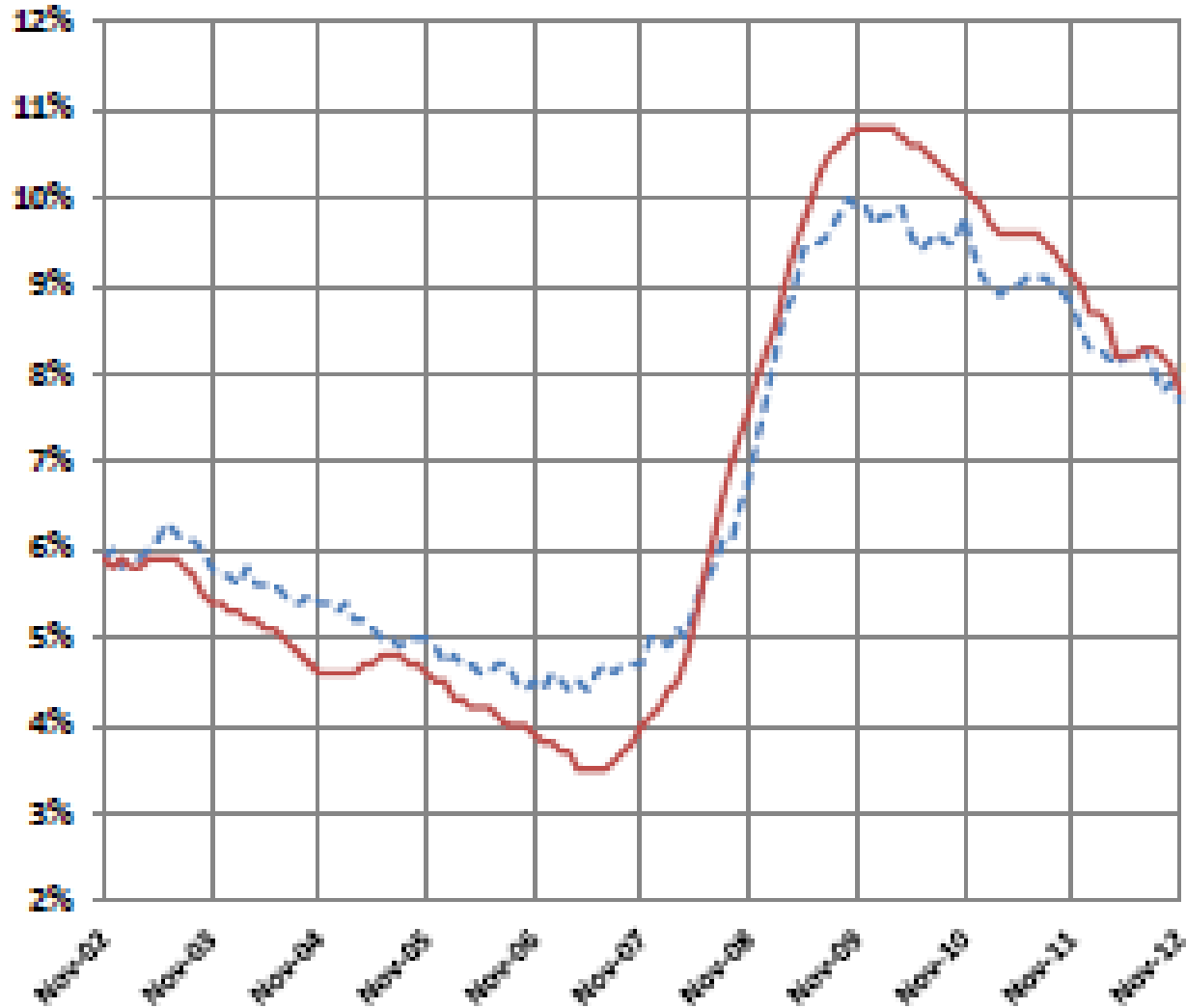


Over-the-Year Job Gain / Loss by Sector in thousands



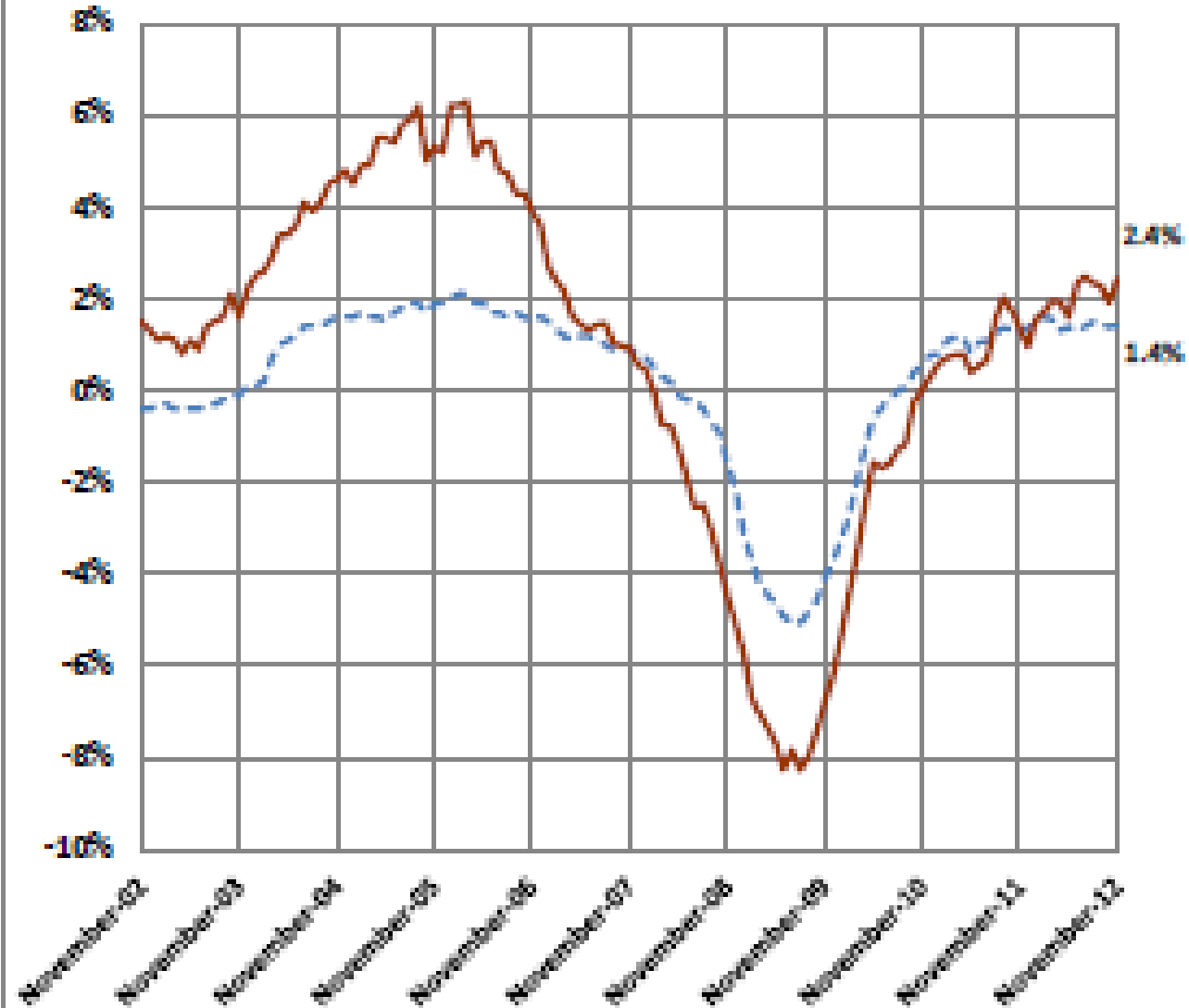
Arizona & U.S. Unemployment Rate Seasonally Adjusted

--- U.S. — AZ



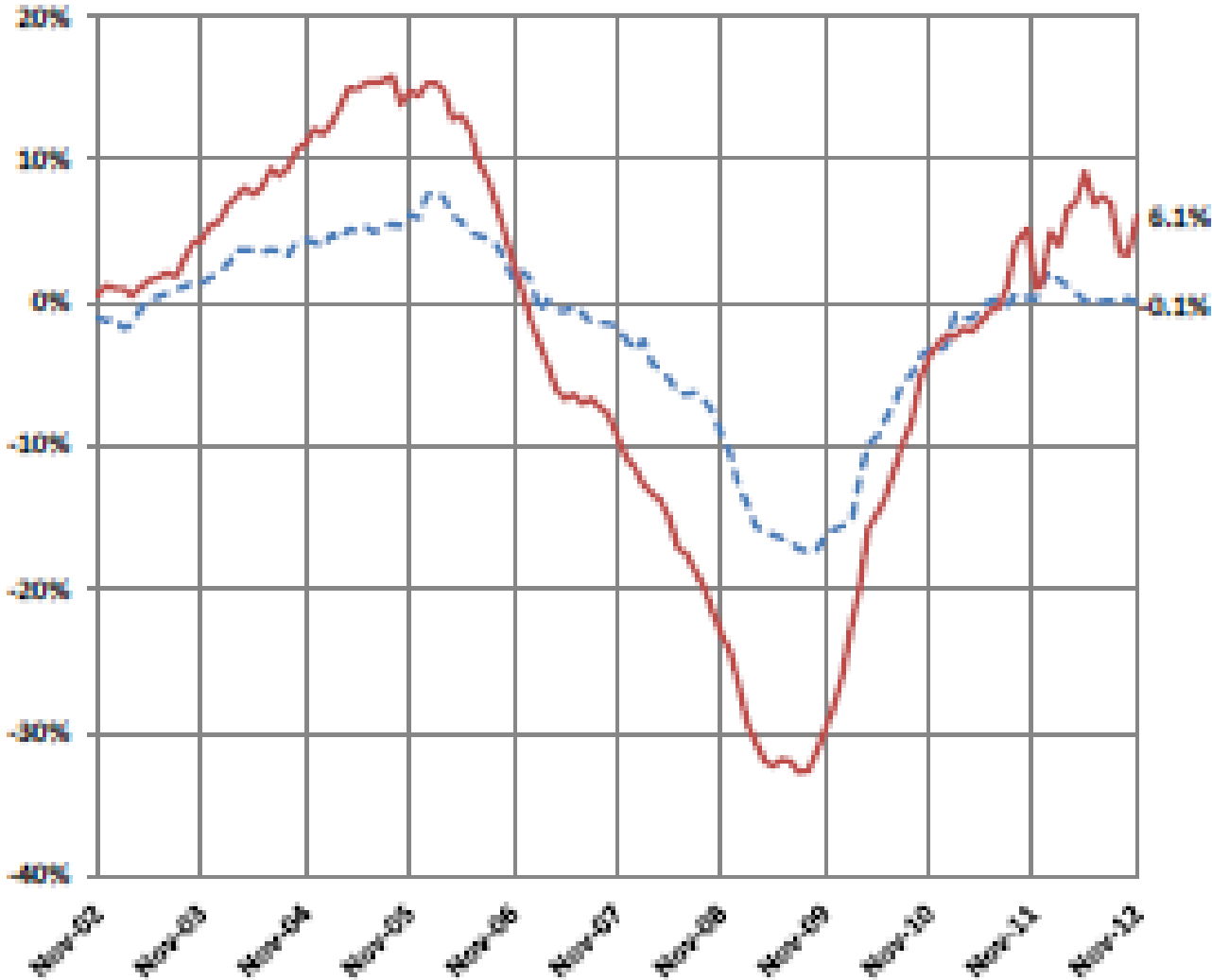
Arizona & U.S. Nonfarm Employment Year-to-Year Percent Change

--- US



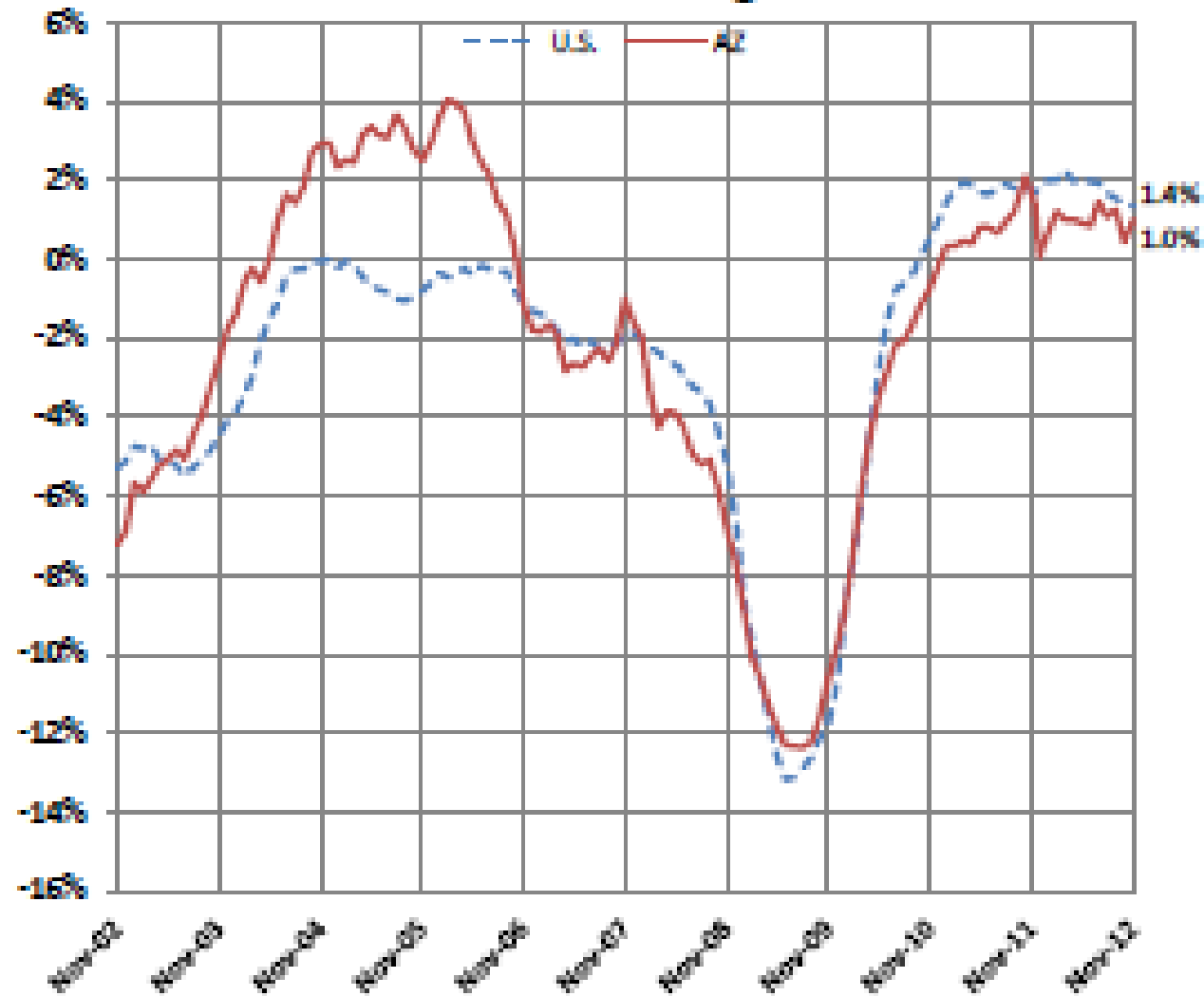
Arizona & U.S. Construction Employment Year-to-Year Percent Change

--- U.S. — AZ



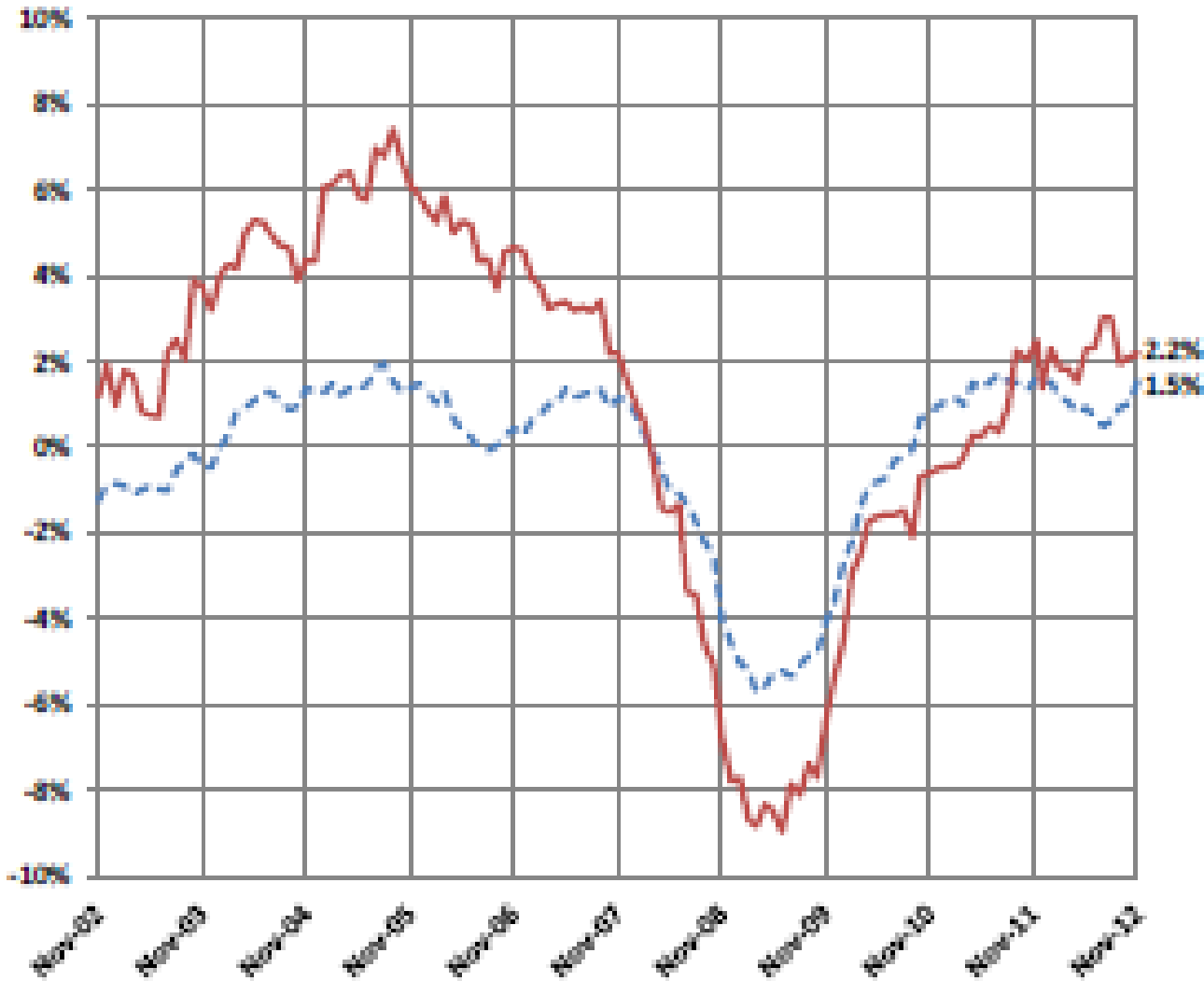
Arizona & U.S. Manufacturing Employment Year-to-Year Percent Change

--- U.S. — AZ



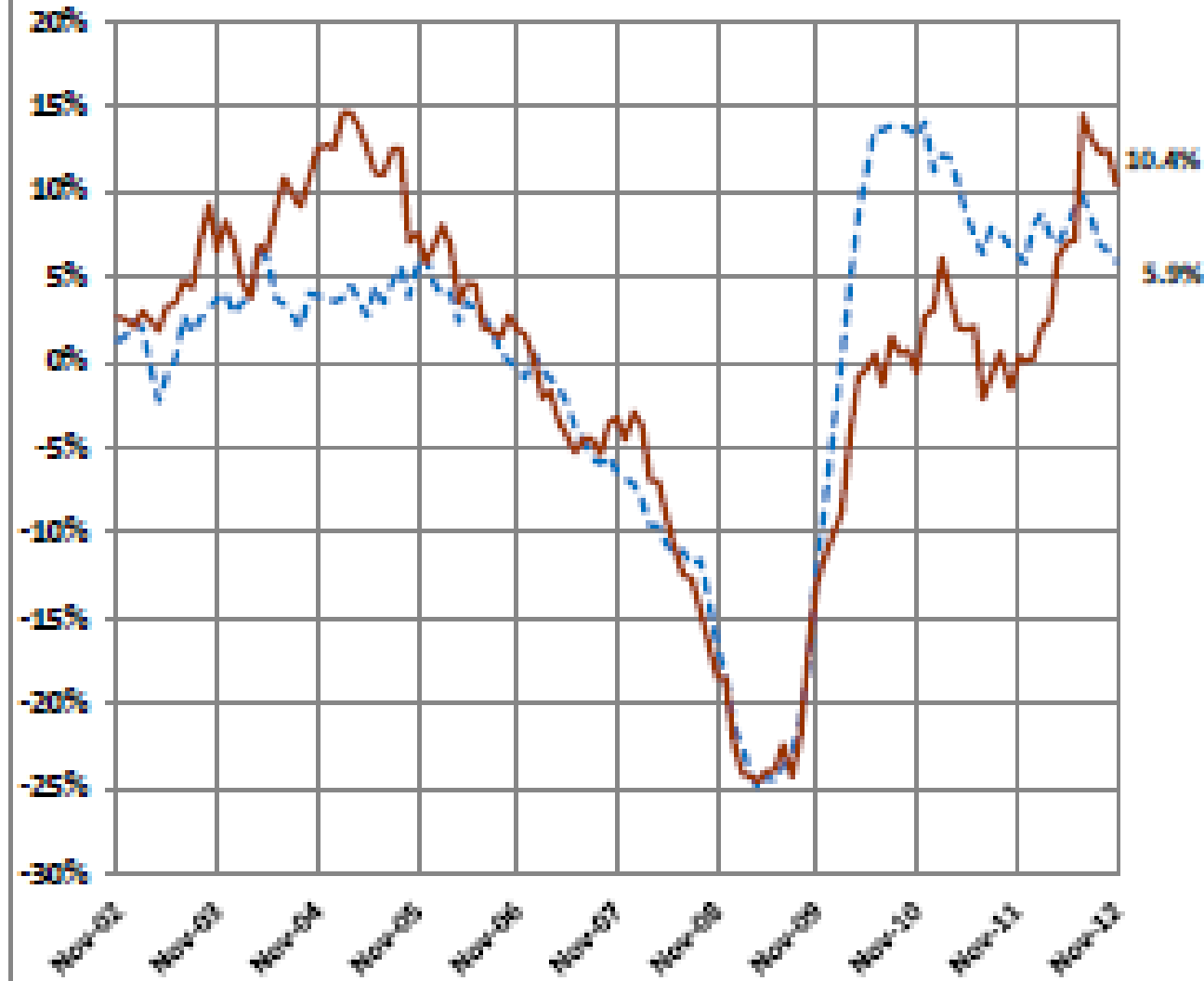
Arizona & U.S. Retail Trade Year-to-Year Percent Change

--- U.S. --- AZ



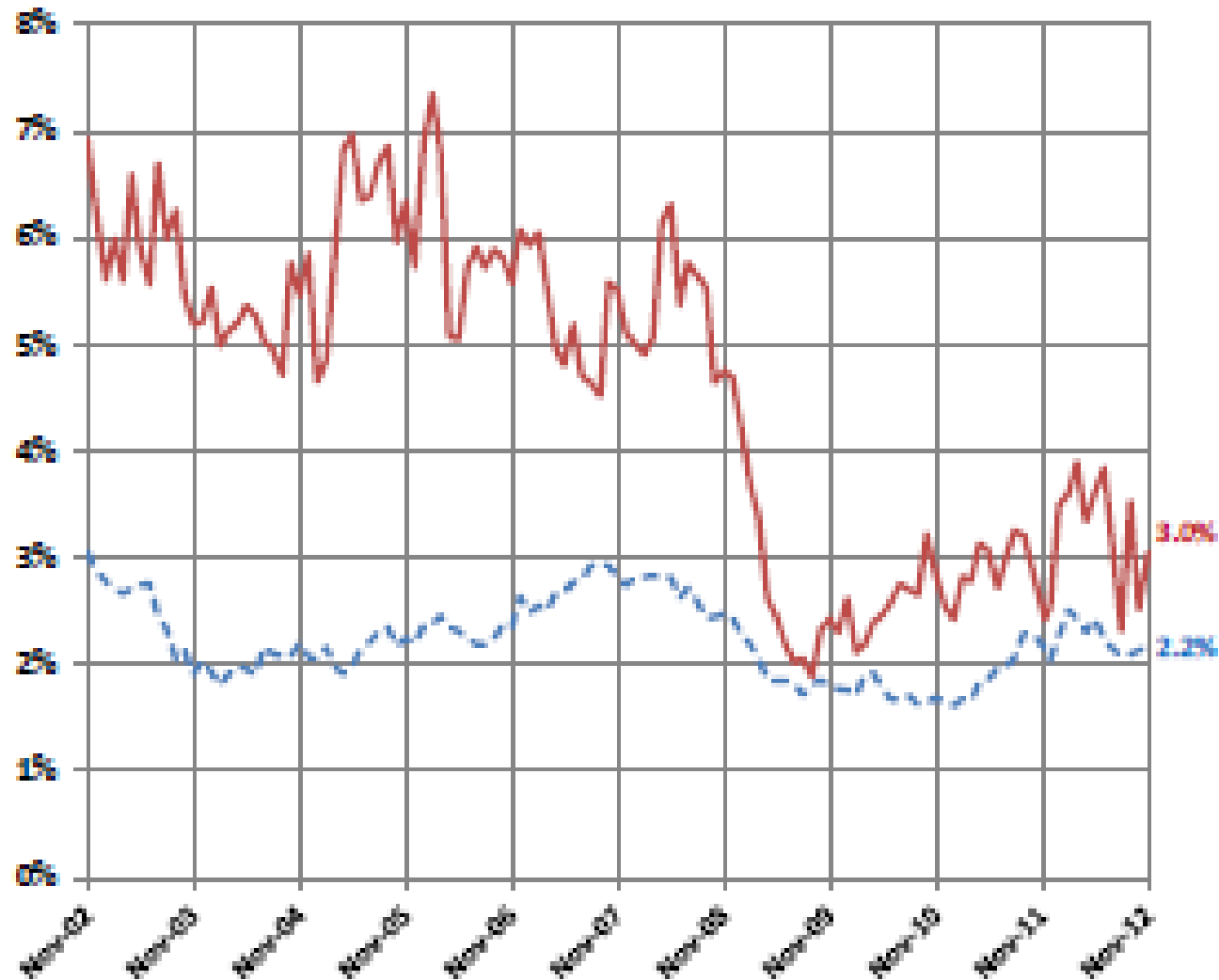
Arizona & U.S. Employment Services Year-to-Year Percent Change

--- U.S. --- AZ



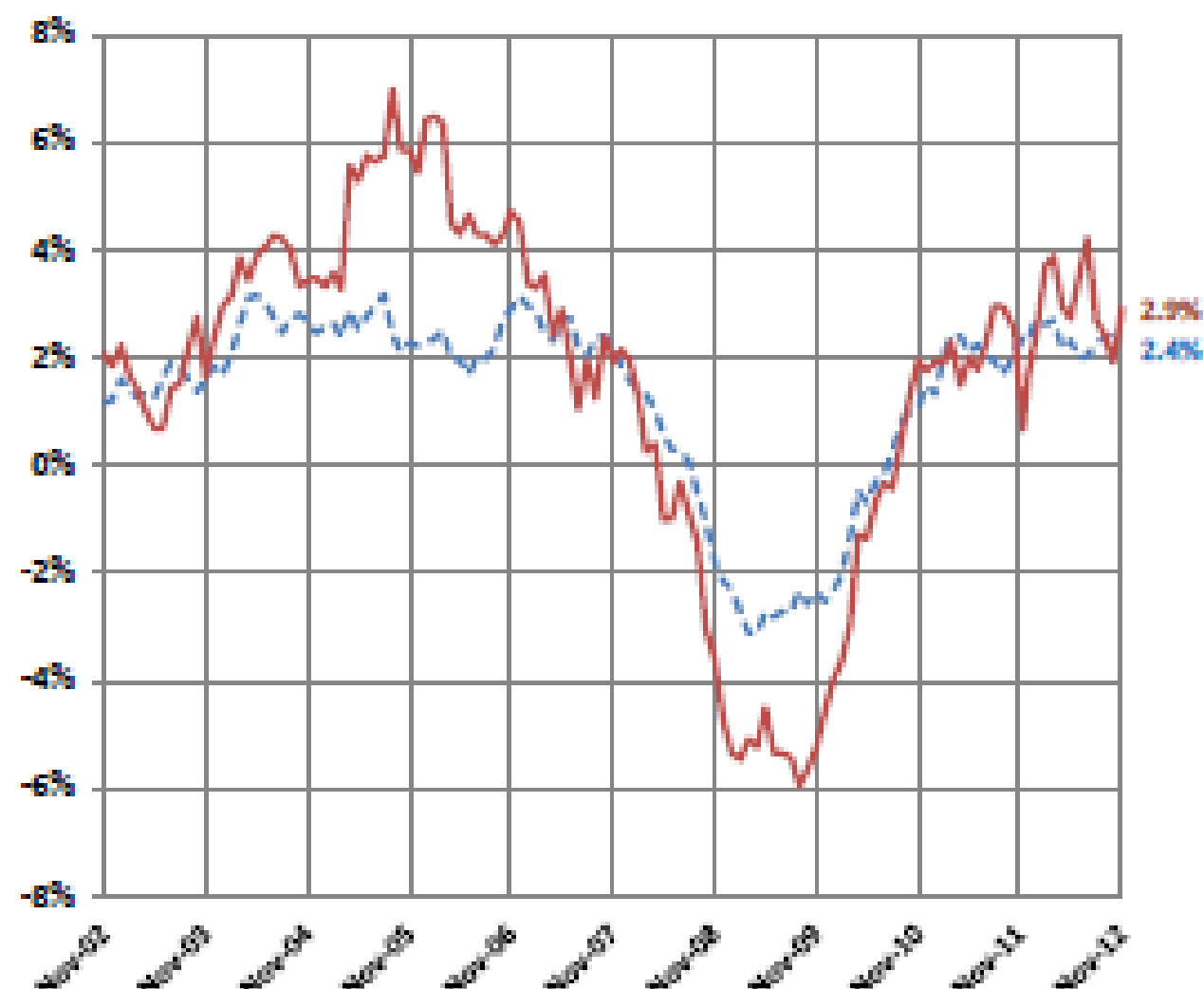
Arizona & U.S. Health Care Year-to-Year Percent Change

--- U.S. — AZ



Arizona & U.S. Leisure & Hospitality Year-to-Year Percent Change

--- U.S. — AZ



Announcements

Phoenix Real Estate Club

Tuesday, January 15th 5:30PM

24th Street Conference Center

Market Discussion

Structured Networking

Haves & Wants

USING OPM vs. BEING DEBT FREE

Phoenix Real Estate Club Members – Free

AZREIA Members - \$10

Non-Members - \$20

AZREIA Meeting
Monday, February 11th
Celebrity Theatre

Mike Orr – Market Analysis
Market Update

Rehabbing with Robyn Thompson

Eddie Speed's Events

| | | | |
|------------------------------|--|--|------------------------------------|
| Wednesday 6 - 8 PM | How To Price a Non-Performing Note | \$30/\$35 Normal \$20/\$25 Early \$15/\$20 Tonight Only! | All Three \$60/\$80 |
| Thursday 6 – 8 PM | Anatomy of a Note Deal | \$30/\$35 Normal \$20/\$25 Early \$15/\$20 Tonight Only! | |
| Friday 9AM – 4PM | Tucson <i>Non-Performing Notes</i> | \$80/\$110 Normal \$60/\$80 Early \$40/\$60 Tonight Only! | |
| Saturday 9AM – 4PM | Phoenix <i>Non-Performing Notes</i> | \$80/\$110 Normal \$60/\$80 Early \$40/\$60 Tonight Only! | |

Housekeeping

- ❑ **Join AZREIA - Guest Fee Applied to Dues**
- ❑ **Join ARPOLA**
- ❑ **Register for Eddie Speed's Events**
- ❑ **New Members – Register for Home Depot Rebate!**
- ❑ **Sign-up for the Education You Need**

PLEASE HELP US KEEP THE THEATER CLEAN

A Final Thought...



Matt Emmons

