



The Real Story



OCTOBER 2008

Pending home sales up in Arizona

Southern California market posts strongest sales gain in 12 months

Pending sales

- According to Lawrence Yun, chief economist for the National Association of REALTORS® (NAR), pending home-sales activity surged in August as buyers took advantage of low home prices and affordable interest rates. Yun noted that **pending sales were up strongly in Arizona, Nevada, California and Florida.**

The Pending Home Sales Index (PHSI) is a forward-looking indicator based on contracts signed in August. The PHSI for the Western United States **surged 18.4 percent and remains 37.8 percent above the August 2007 level.** Nationwide, the PHSI jumped 7.4 percent, **the highest increase since June 2007.**

California sales

- The California real estate market is a bellwether for the Arizona market. In September, **home sales in Southern California soared 65 percent** compared to the same period last year, according to MDA DataQuick, an information provider to the financial industry. September sales were also **six percent higher** than those in August 2008.

Other bright spots

- Housing and Urban Development Secretary Steve Preston said this week that, despite reports of credit markets being "frozen," FHA, Freddie Mac and Fannie are **"open for business."** In fact, **FHA's loan volume has tripled recently,** and the agency is now insuring well over 100,000 new loans a month.
- **The price of oil hit a 16-month low** this week, selling at \$66.20 a barrel. That's a **54 percent drop in price** from the all-time high of \$143 a barrel set July 11. Lower energy prices benefit real estate by lowering utility and transportation costs and by stimulating economic growth and investment.



This market offers unprecedented buying opportunities that could disappear in the weeks and months ahead. Now's the perfect time to be looking for your next home!