

JOE SPAKE'S MARKET UPDATE

MEMPHIS, TN 38103

- **Current Real Estate Market Conditions for Condos & Townhomes**
- **Trends in Pricing**
- **Current Levels of Supply and Demand**
- **Value Metrics**

- **Report for the week of
January 11, 2016**

- **Presented by Joe Spake**
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This Week

- The median list price in MEMPHIS, TN this week is \$99,900. The 279 properties have been on the market for an average of 158 days.

Inventory has been lightening lately and the Market Action Index has been trending up. Though days-on-market is increasing, these are mildly positive indications for the market.

Supply and Demand

- The market has shown some evidence of slowing recently. Both prices and inventory levels are relatively unchanged in recent weeks. Watch the Market Action Index for changes as it can be a leading indicator for price changes.

Real-Time Market Profile

Real-Time Market Profile		Trend
Median List Price	\$ 99,900	↔
Average List Price	\$ 143,532	
Asking Price Per Square Foot	\$ 71	↑↑
Average Days on Market (DoM)	158	↑↑
Inventory of Properties Listed	279	↓↓
Most Expensive Listing	\$ 1,995,000	
Least Expensive Listing	\$ 13,000	
Average Age of Listing	49	
Percent of Properties with Price Decrease	25 %	
Percent Relisted (reset DOM)	15 %	
Percent Flip (price increased)	0 %	
Median House Size (sq ft)	1456	
Median Number of Bedrooms	2.0	
Median Number of Bathrooms	2.0	

Altos Research Value Statistics

Market Action Index	Buyer's Advantage	27.4	↔
The Market Action Index answers the question "How's the Market?" by measuring the current rate of sale versus the amount of the inventory. Index above 30 implies a seller's advantage. Below 30, conditions give the advantage to the buyer.			

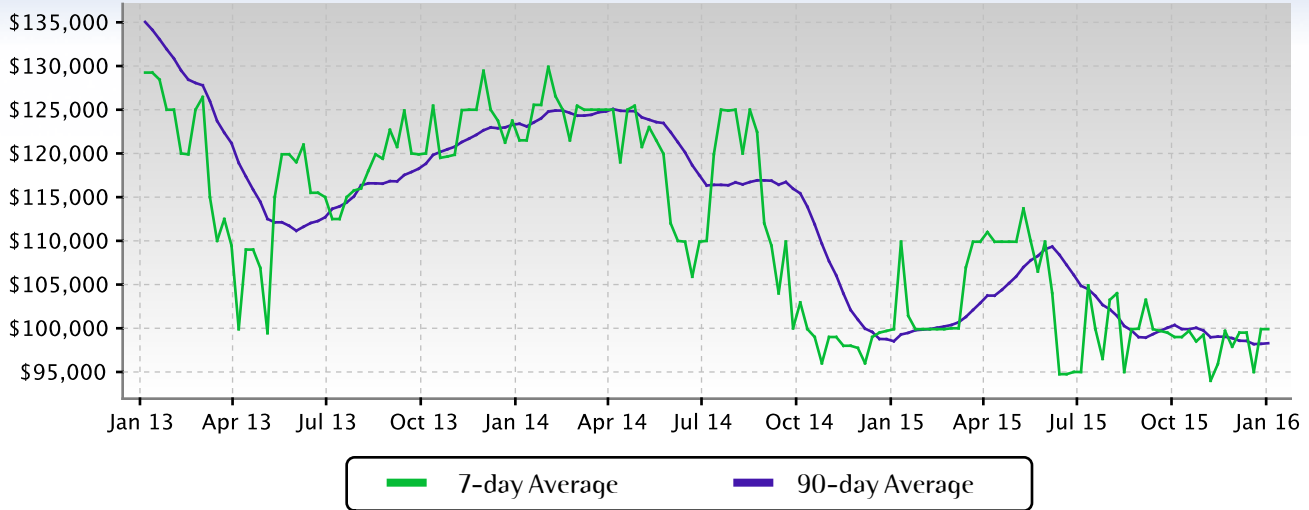
Trend Key: ↑↑ Strong upward trend ↓↓ Strong downward trend
 ↔ No change ↑ Slight upward trend ↓ Slight downward trend

Characteristics per Quartile

Quartile	Median Price	Sq. Ft.	Beds	Baths	Age	Inventory	New	Absorbed	DOM	
Top/First	\$ 259,900	1801	2.0	2.5	33	69	1	3	142	Most expensive 25% of properties
Upper/Second	\$ 128,750	1233	2.0	1.8	47	70	0	6	141	Upper-middle 25% of properties
Lower/Third	\$ 69,900	1372	2.0	2.0	46	70	3	9	174	Lower-middle 25% of properties
Bottom/Fourth	\$ 27,000	1437	3.0	2.0	46	70	0	4	174	Least expensive 25% of properties

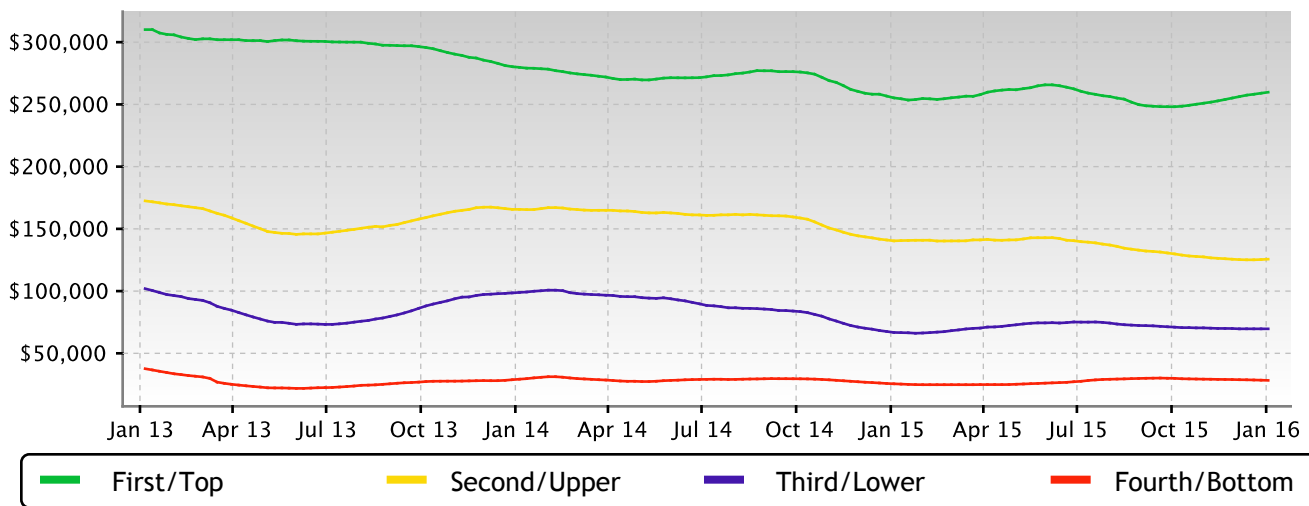
Median Price

The market seems to have paused around this plateau. The Market Action Index is a good leading indicator for the durability of this trend.



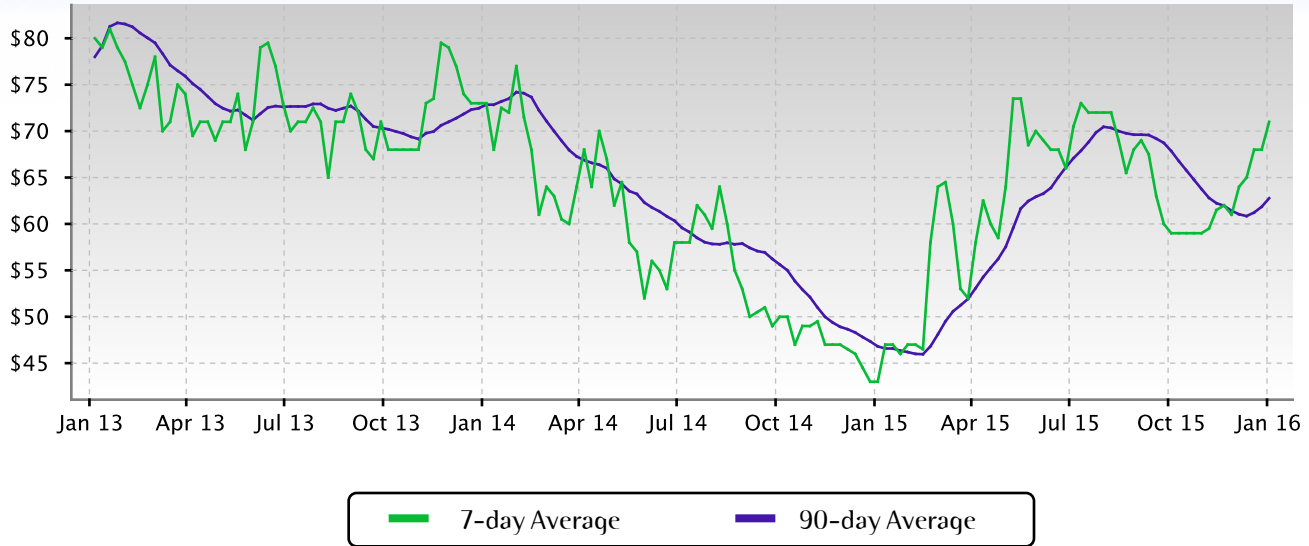
Quartile Prices

Prices have settled at a price plateau across the board. Prices in all four quartiles are basically mixed. Look for a persistent shift (up or down) in the Market Action Index before prices move from these current levels.



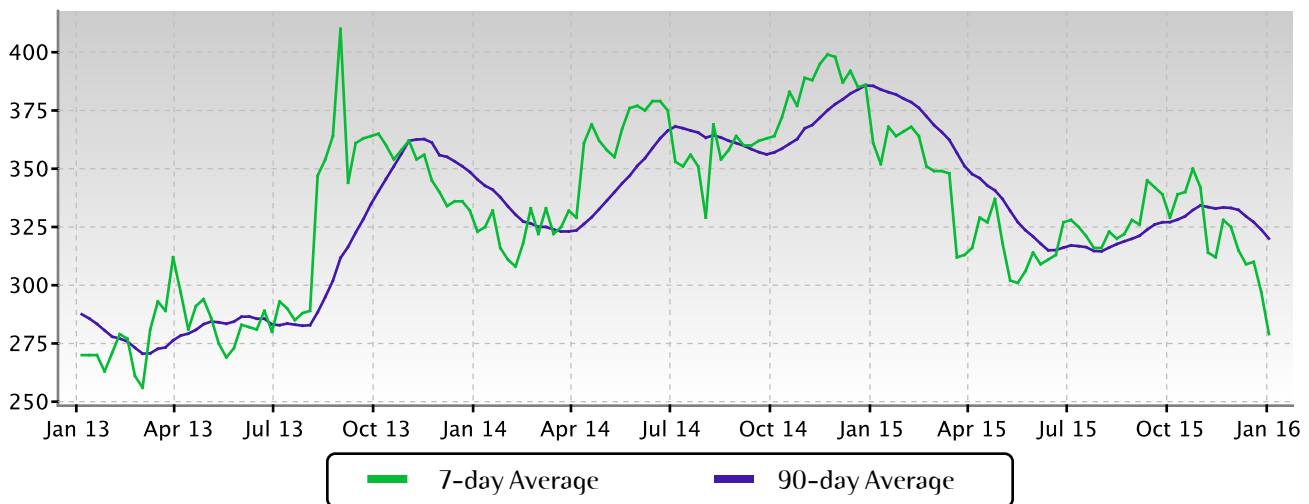
Price per Square Foot

The value placed on homes continues to increase, despite the fact that prices in general have remained basically flat. These conditions can arise when inventory is light and more, smaller homes have more influence on overall prices.



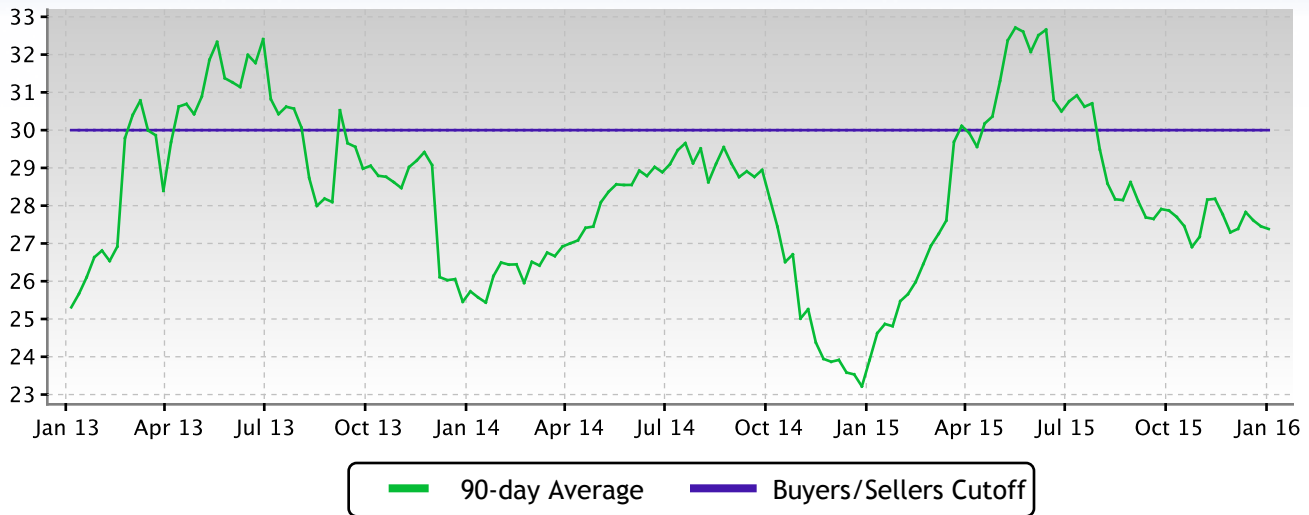
Inventory of Properties Listed for Sale

Inventory has been falling in recent weeks. Note that declining inventory alone does not signal a strengthening market. Look to the Market Action Index and Days on Market trends to gauge whether buyer interest is changing with the available supply.



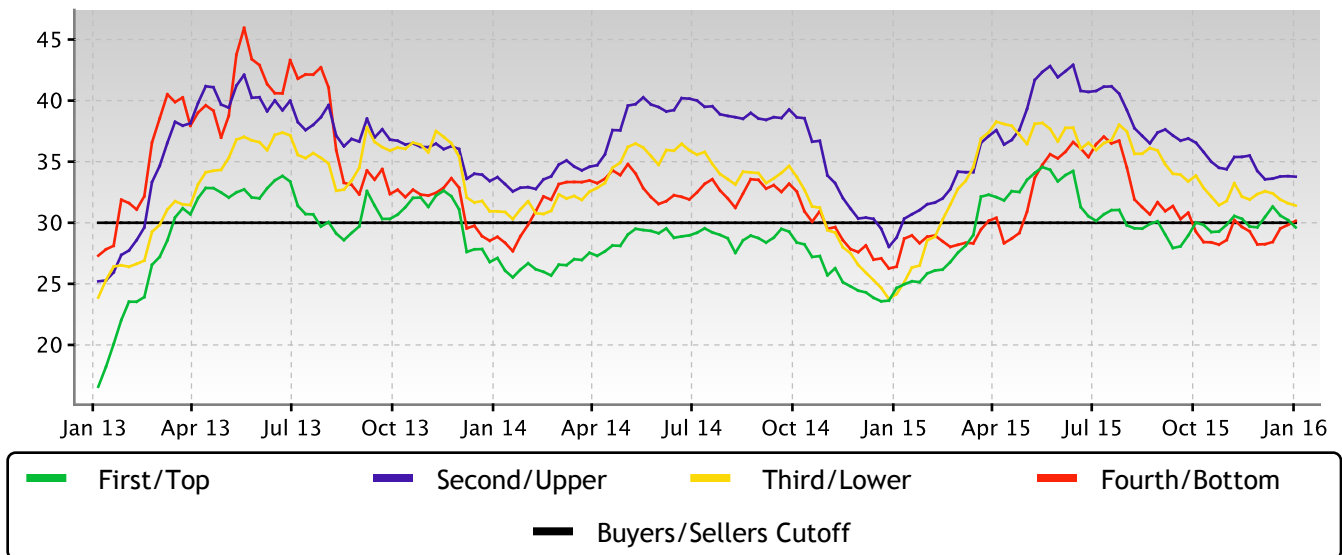
Market Action Index

The MEMPHIS market is currently in the Buyer's Advantage zone (below 30), though not strongly so. The 90-day Market Action Index stands this week at 27.38 so buyers should expect to find reasonable levels of selection.



Market Action Index per Quartile

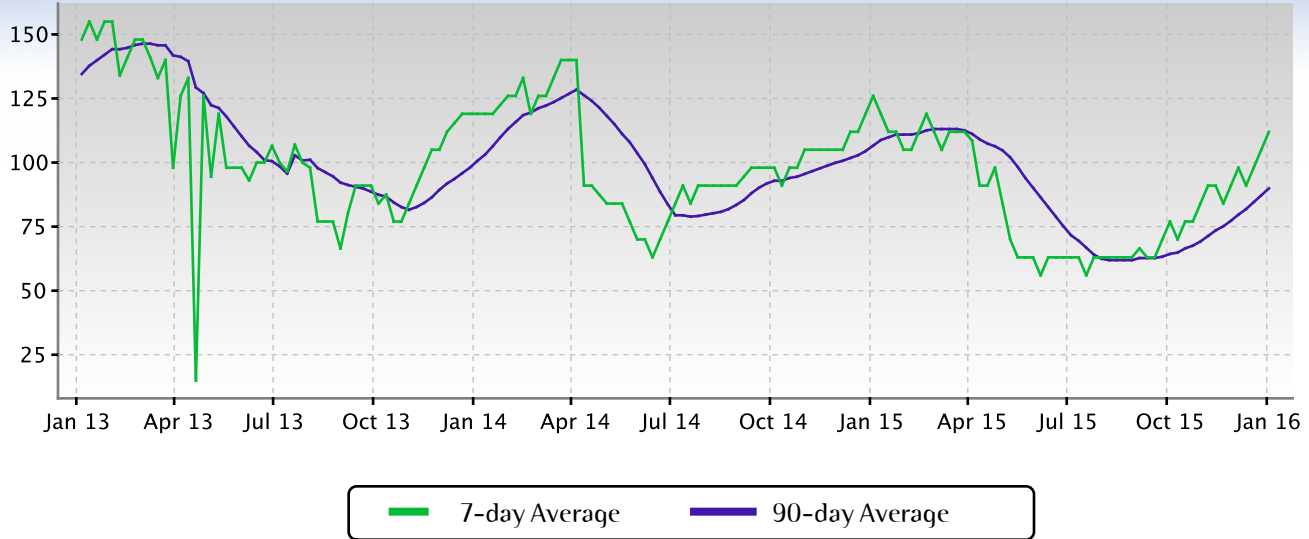
Three of the four quartiles of the market are in the Seller's Market zone with relatively low amounts of inventory given the current rate of demand for homes in the quartile. Notice that Quartile 1 (the highest-end price group) is showing weaker demand than the others. It's not uncommon that the premium segment of the market takes longer to sell than the rest of the group.



Residential house prices are a function of supply and demand, and market conditions can be characterized by analyzing those factors. Watch this index for sustained changes: if the index falls into the Buyer's Advantage zone (below 30) for a long period, prices are likely in for a downward correction.

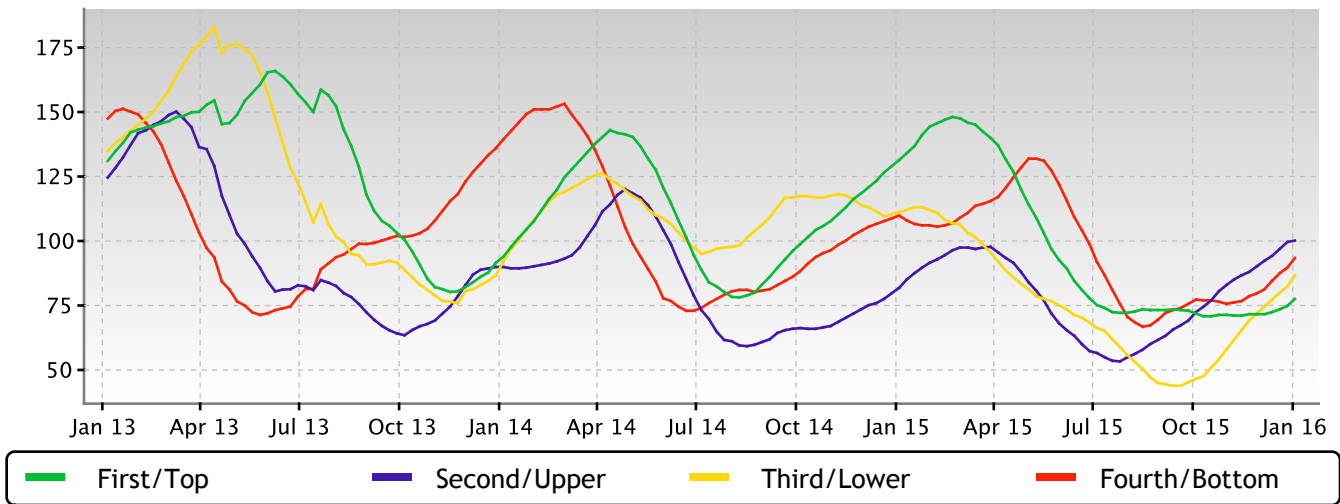
Days on Market

The properties have been on the market for an average of 158 days. Half of the listings have come newly on the market in the past 112 or so days.



Days on Market per Quartile

It is not uncommon for the higher priced homes in an area to take longer to sell than those in the lower quartiles.



This Week

- The median list price in MEMPHIS, TN 38103 this week is \$180,000. The 75 properties have been on the market for an average of 149 days.

Inventory has been decreasing lately but the Market Action Index is falling also. With days-on-market climbing, these are relatively negative implications for the market.

Supply and Demand

- The market has been consistently cool for several weeks. Demand level are low relative to the available inventory. It's a Buyer's market and prices continue to fall. Look for a persistent shift in Market Action before prices plateau or begin to rise again.

Real-Time Market Profile

Real-Time Market Profile		Trend
Median List Price	\$ 180,000	↔
Average List Price	\$ 221,996	
Asking Price Per Square Foot	\$ 150	↔
Average Days on Market (DoM)	149	↑↑
Inventory of Properties Listed	75	↓↓
Most Expensive Listing	\$ 1,175,000	
Least Expensive Listing	\$ 69,500	
Average Age of Listing	59	
Percent of Properties with Price Decrease	28 %	
Percent Relisted (reset DOM)	29 %	
Percent Flip (price increased)	0 %	
Median House Size (sq ft)	1256	
Median Number of Bedrooms	2.0	
Median Number of Bathrooms	1.5	

Altos Research Value Statistics

Market Action Index Buyer's Advantage 23.4 ↓↓

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Characteristics per Quartile

Quartile	Median Price	Sq. Ft.	Beds	Baths	Age	Inventory	New	Absorbed	DOM
Top/First	\$ 343,500	2072	2.0	2.0	11	18	0	0	182
Upper/Second	\$ 225,000	1474	2.0	2.0	69	19	1	0	144
Lower/Third	\$ 158,000	1093	1.0	1.0	92	19	0	1	147
Bottom/Fourth	\$ 110,000	831	1.0	1.0	89	19	0	0	124

Most expensive 25% of properties

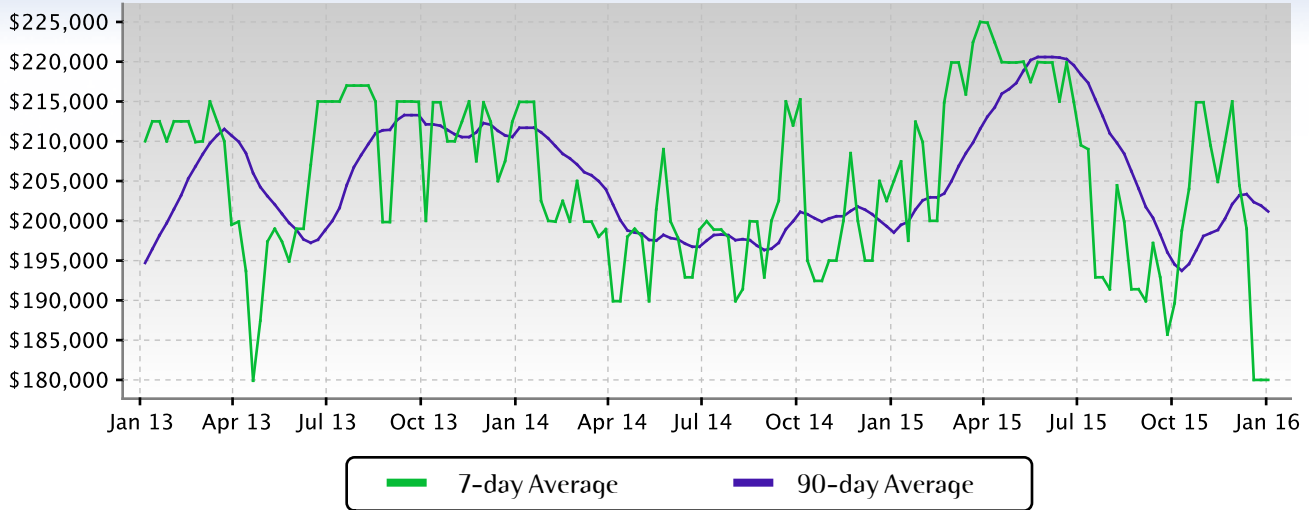
Upper-middle 25% of properties

Lower-middle 25% of properties

Least expensive 25% of properties

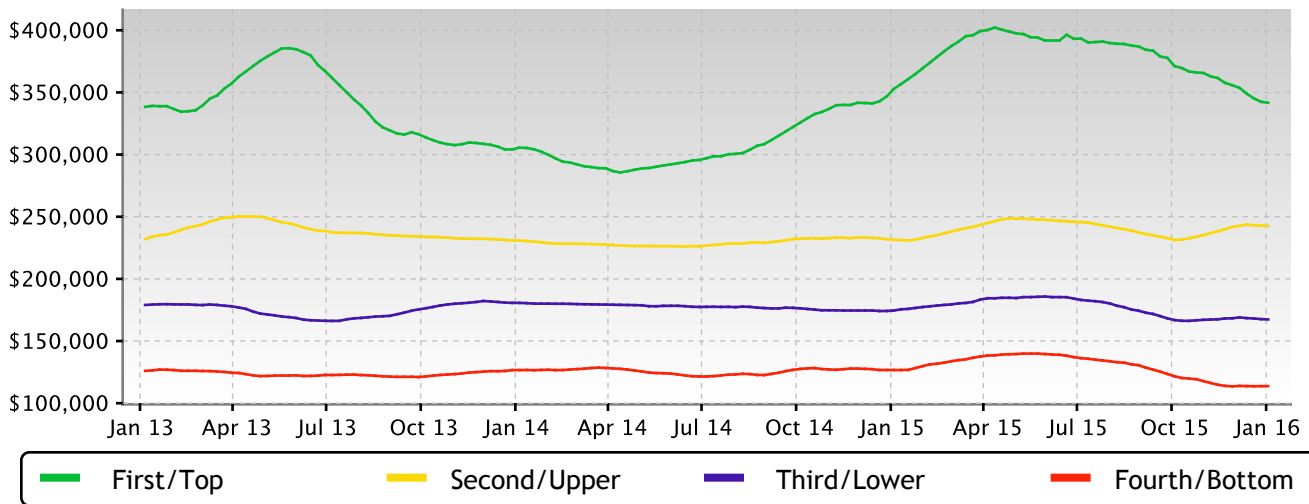
Median Price

Prices in this zip code have been on a downward trend recently and this week, while essentially flat, doesn't break us out of that cycle.



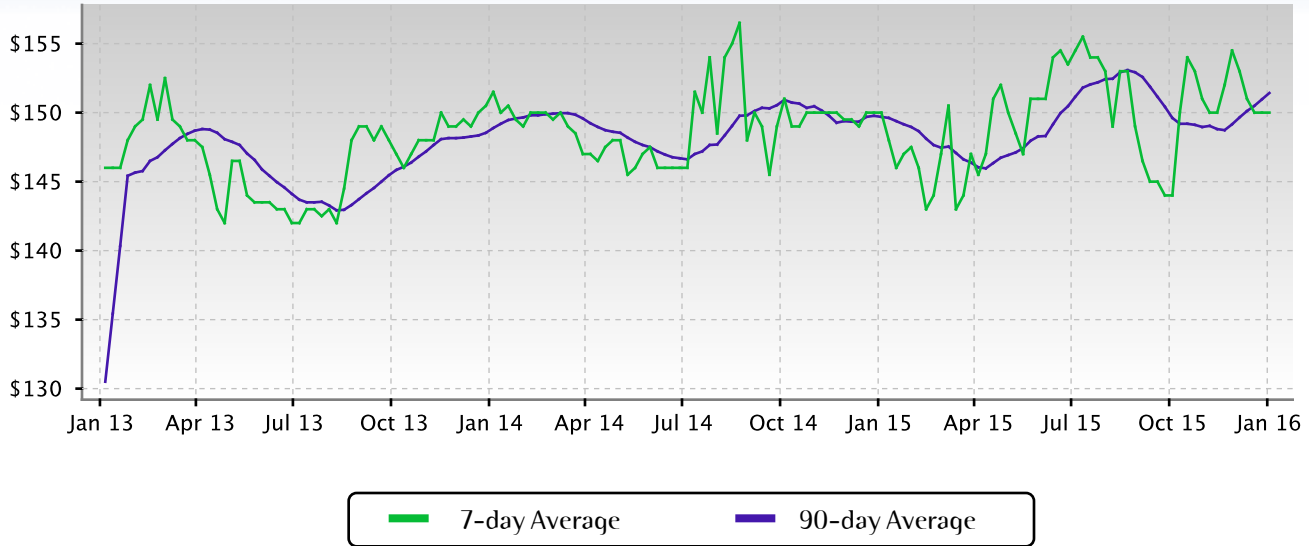
Quartile Prices

In the quartile market segments, we see prices in this zip code have generally settled at a plateau, although Quartile 1 has been trending a bit downward in recent weeks. We'll need to see a persistent shift in the Market Action Index before we see prices across the board move from these levels.



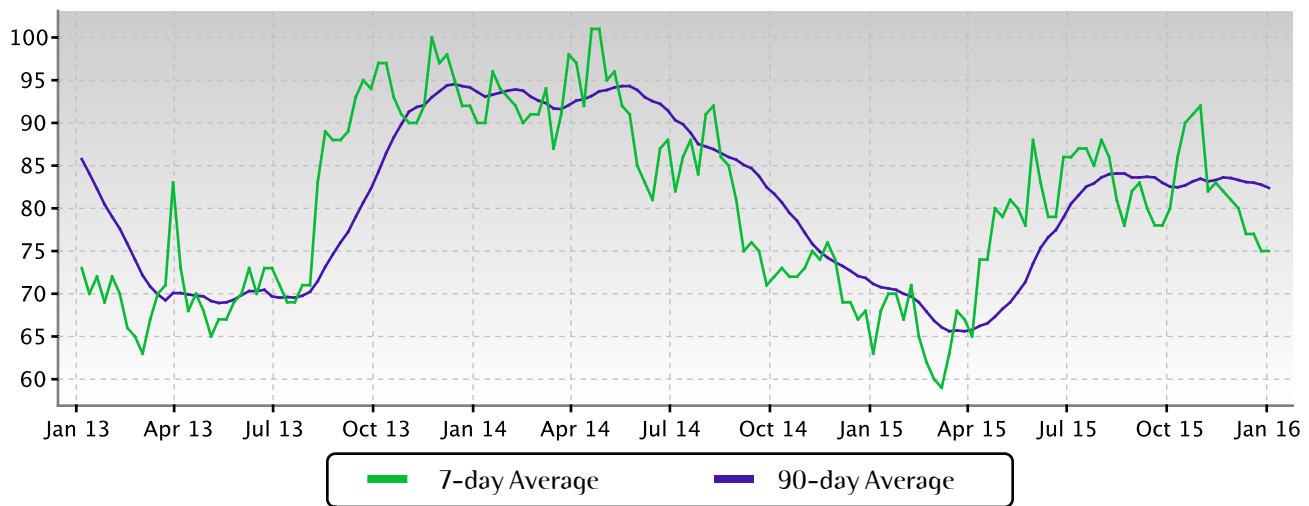
Price per Square Foot

Despite recently falling prices, the price per square foot has stayed reasonably flat. This implies that there's a portion of the market being priced at a premium. You can investigate this condition in the quartile details.



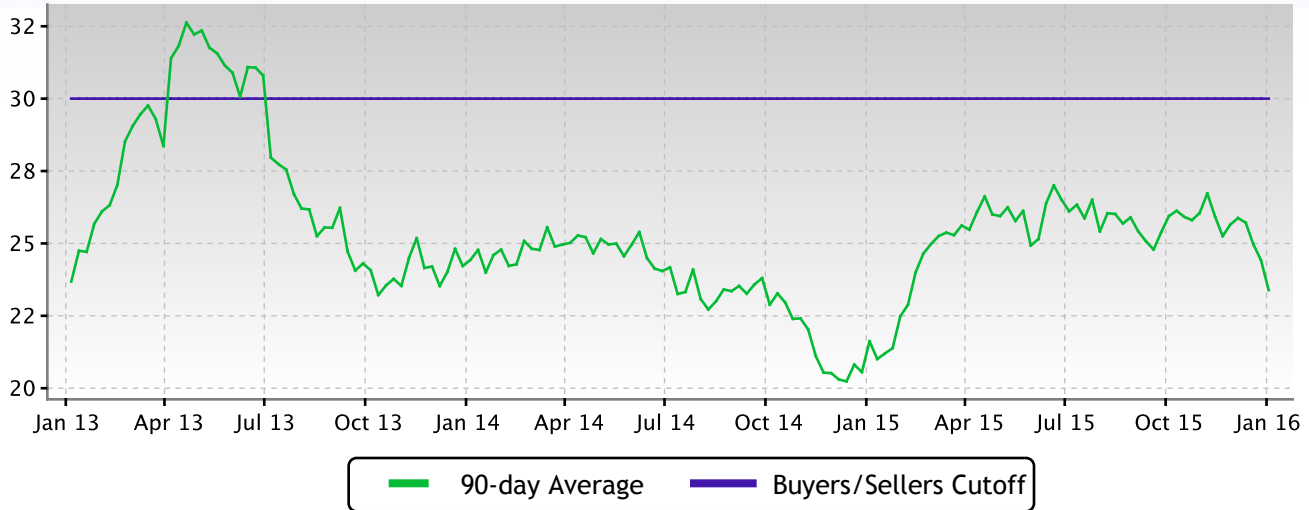
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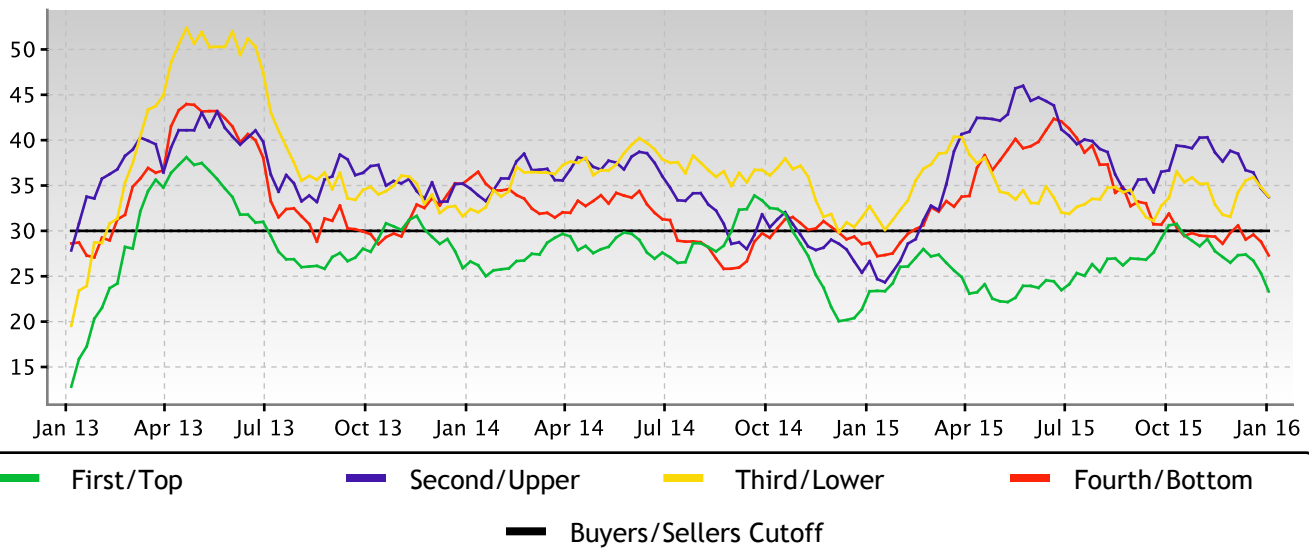
Market Action Index

The MEMPHIS, 38103 market is currently in the Buyer's Advantage zone (below 30), though not strongly so. The 90-day Market Action Index stands this week at 23.39 so buyers should expect to find reasonable levels of selection.



Market Action Index per Quartile

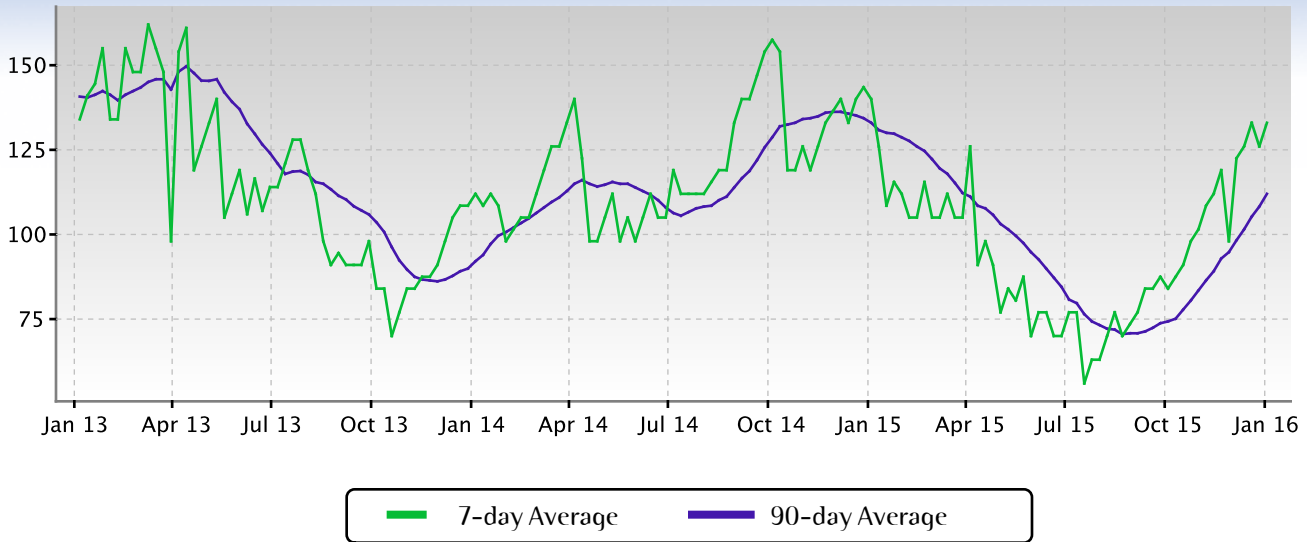
Two of the four quartiles of this zip code are in the Buyer's Market zone with several months of inventory given the current rate of demand. Notice that Quartiles 2 and 3 (the middle of the market) are showing stronger demand than either end, a Seller's market.



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