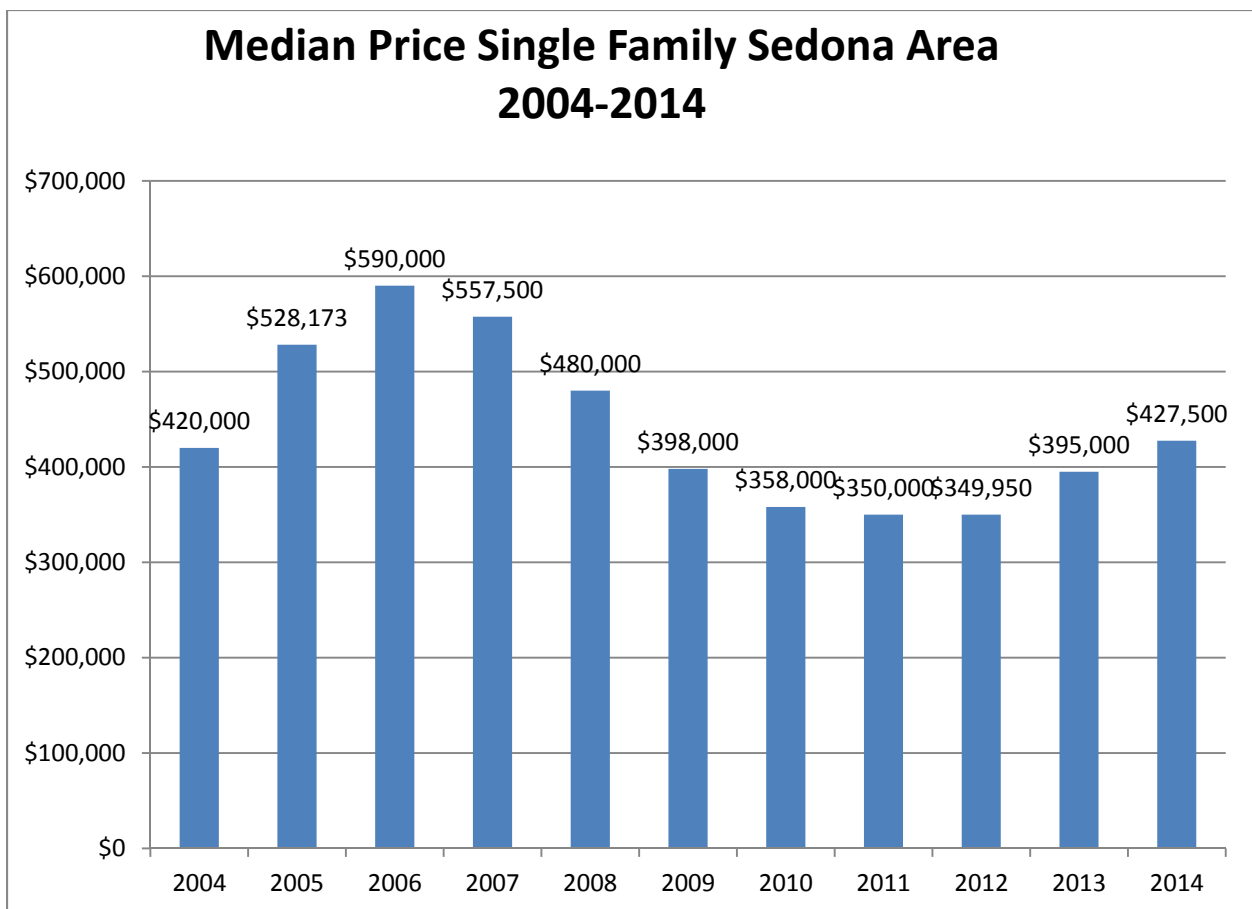


# Sedona and Verde Valley Real Estate

## 2014 in Review

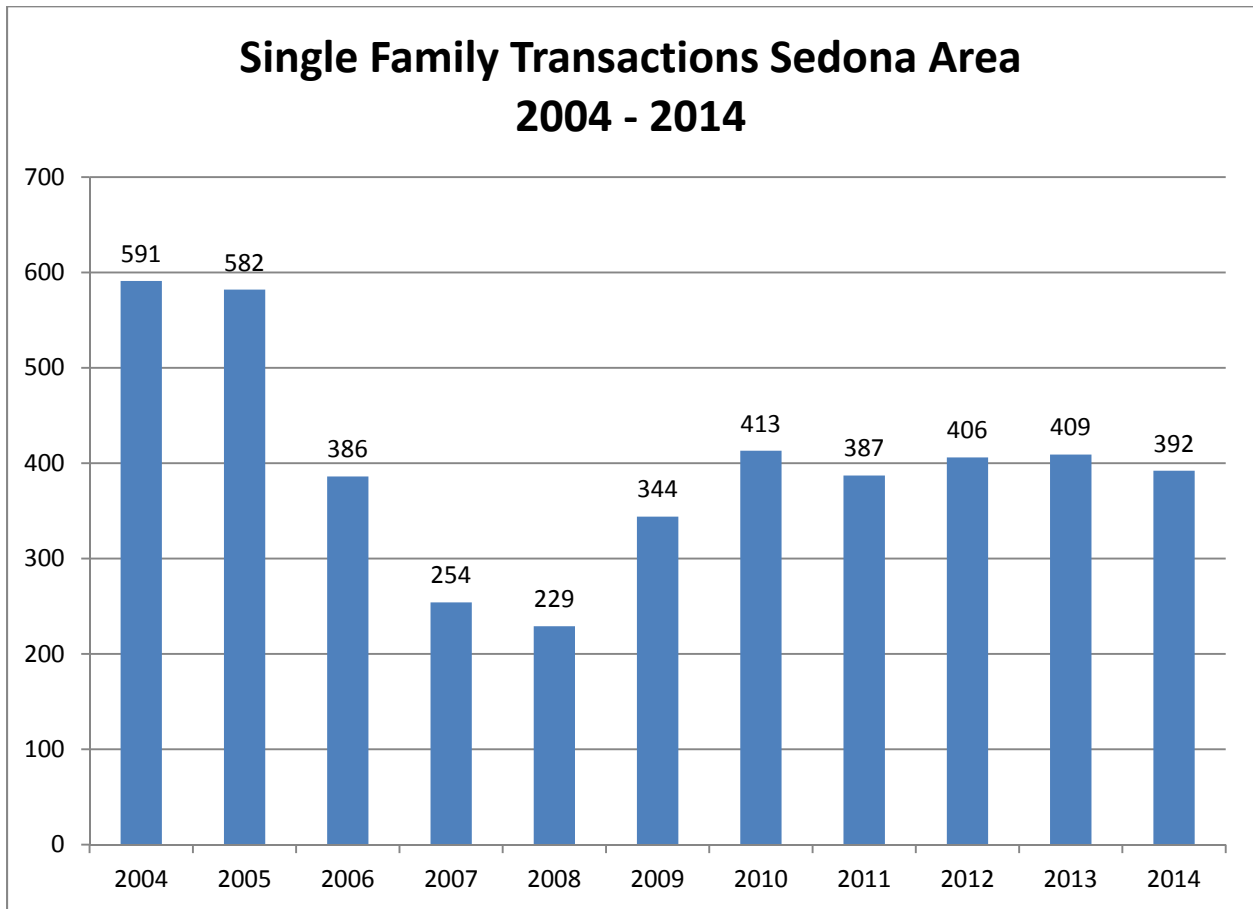
**Continued upward pressure was the buzz for 2014 in the Sedona and Verde Valley Real Estate market.** The median price for a single family home in the Sedona area rose 8.2% in 2014. Combine that with the 12.8% rise in 2013 and we have a 21% increase in prices over the 2012 bottom. This brings the median sales price in the Sedona area above the median price in 2004. There was a time many people predicted that this phenomenon would never occur again, but it did take 10 years.



With the rebound in prices over the last several years, many experts are predicting that we will see a continued slowing in the appreciation rate in 2015. With a median sales price in the Sedona area of \$427,400 once again the question of affordability comes in to play. Interest rates right now are in the 4% range for a 30 year fixed rate loan and are expected to increase in 2015 again impacting affordability.

The Sedona area was not the only area in the Verde Valley to see prices increase. In the Cottonwood and Cornville area the median price of a single family home rose to \$200,000, a 25% increase over 2013 and like the Sedona area, above 2004 prices. Price increases were also seen in the Camp Verde and Rimrock and Lake Montezuma area but not quite so dramatically at 21% and 17% respectively.

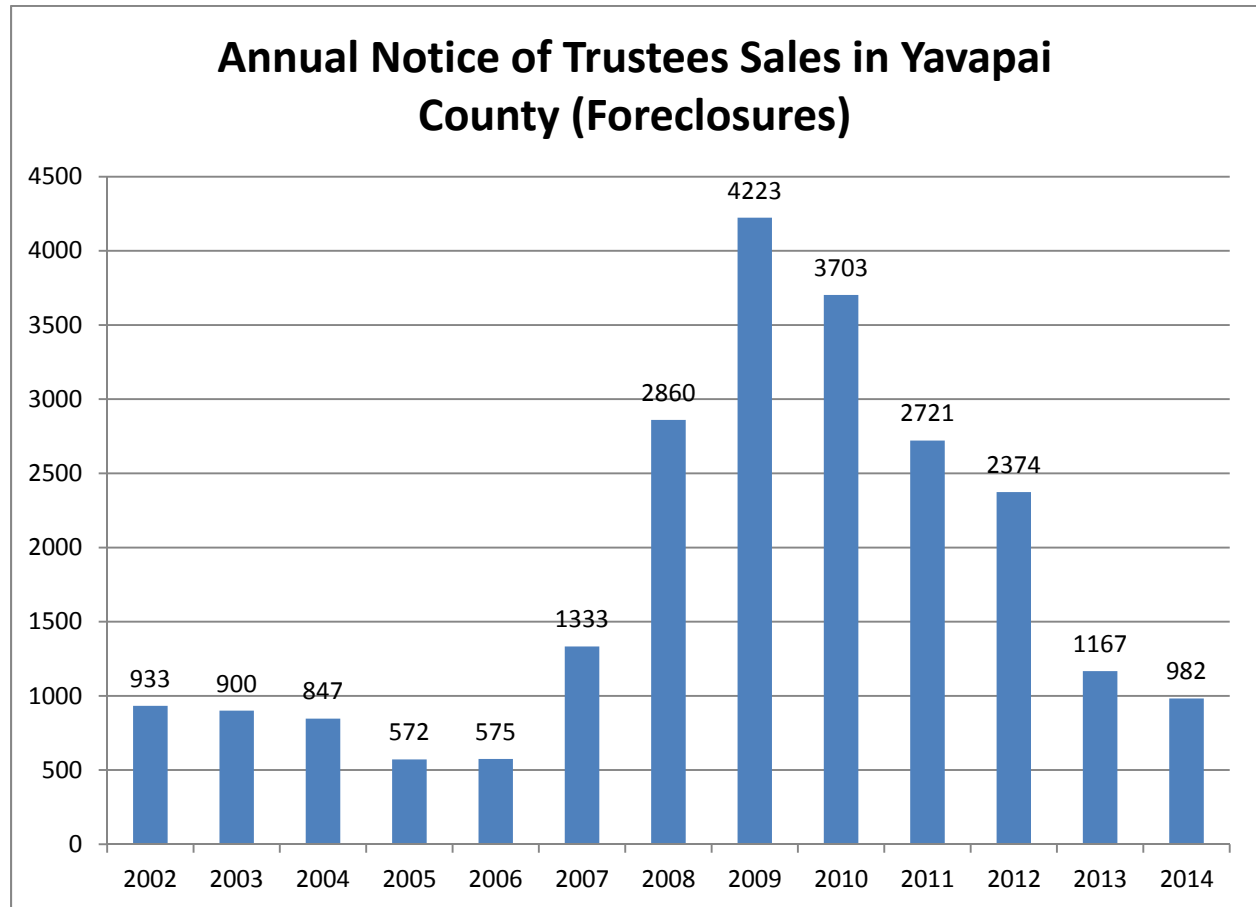
From the graph below you can see that the number of transactions in the Sedona area had been **REALLY** steady for the last 5 years. Given how steady these numbers have been, this is something to keep track of. A change in either direction will signal a change in the market. These numbers have remained steady in spite of decreasing inventory and increasing prices.



The number of transactions in the other areas of the Verde Valley were off 20% in the Camp Verde area, off 8% in the Cottonwood and Cornville area and were steady in the Rimrock - Lake Montezuma area. So in spite of soft sales numbers we continue to see price increases due primarily to the decreased amount of inventory especially in the lower price range in all areas of our market.

We are truly finally to the point that foreclosed and short sales are not having an impact on the market. Distressed inventory is now 5% of the listing inventory compared to 30% in the ugly days of 2010 and 2011.

Distressed sales now make up less than 10% of the sales compared to 50% in those bleak days of 2011. With the Notice of Trustees sales at pre-recession levels and prices on the increase we will see fewer distressed homes on the market.



Residential inventory has been on a downward slide since it reached its peak in early 2009. The current Sedona area residential inventory at 361 units, is down 44% from 638 units in February of 2009. Based on the sales for 2014 and current inventory levels for sales under \$500,000 we have just under a 6 months' supply of homes for sale, which puts us at a market in balance for this price range. For the entire range of inventory we have just over an 8 month supply. Homes priced over \$1,000,000 have an oversupply of 2 years' worth of inventory at this time.

#### **Just the Facts:**

**Sedona area:** The median price of a single family home rose 8.2% in 2014 over 2013. The number of transactions remains steady at around 400 single family sales per year as it has been for the last five years.

Vacant land transactions for 2014 came in at 134 with a median sales price of \$155,000 up 5.8% over 2013. This was not a strong increase but it is an increase. Inventory of

vacant land for sale remains at about a 2.5 year supply, with most of the demand being for lots under \$200,000.

The luxury market, over \$1,000,000, for 2014 had another solid year with 31 sales, the same number as 2013. The strongest segment of this market is in the 1 to 1.5 million range with 24 sales in 2014. It still remains a long wait for homes priced above this range with an over three year supply of homes for sale.

Cumulative days on the market saw a small increase to 131 days for 2014. As prices increase I think we will continue to see a small increase in the time on market, unless we see an increase in the number of buyers that are coming into the market which I am not really expecting for 2015.

The median sales price for Condos and Townhomes in the Sedona area rose to \$240,000 for 2014 a 13.5% increase over 2013, their highest level since 2003. The number of transactions for the last 12 month period is 90, down from 96 in 2013. Again more of the same story, decreased inventory, decreased sales and an increase in pricing.

#### **Camp Verde:**

The median sales price for single family homes in the Camp Verde area for 2014 was \$172,000 up 21% from 2013. The number of transactions is down to 84 from the 104 in 2013.

#### **Lake Montezuma and Rimrock:**

The median sales price for single family homes in the Rimrock and Lake Montezuma area for 2014 was \$129,550 up 17% from 2013. The number of sales remained the same as 2013 at 80 sales.

#### **Cottonwood and Cornville:**

The median sales price for single family homes in the Cottonwood and Cornville area for 2014 was \$200,000 up 25% over 2013. The number of transactions was down about 8% to 449 sales.

**The Bottom Line:** Prices will increase in 2015 but like 2014 we will see a continued slowing of the appreciation rate due to most of the rebound in pricing from recession lows having already occurred, an increase in interest rates, and overall decrease in home affordability. Inventory will remain at similar levels but we could see an increase in inventory as those sellers waiting for prices to increase will think the time is right to put their homes on the market. The Fed is going to raise rates in the early summer but home loan rates need to stay down to keep the real estate recovery on solid footing. Getting a home loan will still be a financial colonoscopy without anesthesia and rates should stay below 5%, still a great deal. So overall 2015 will look a lot like 2014 which should bode well for home buyers, sellers and their real estate agents.

2014 Verde Valley Residential Sold vs Active

Price Range	Sedona		Cottonwood		Camp Verde		Rimrock Lake Montezuma		Verde Valley	
	Sold	Active	Sold	Active	Sold	Active	Sold	Active	Sold	Active
0 - 199K	65	20	324	109	99	50	101	49	589	228
200K - 299K	104	30	154	109	17	22	9	8	284	169
300K - 399K	122	72	48	41	10	10	0	8	180	131
400K - 499K	74	55	20	18	5	8	0	1	99	82
500K - 749K	96	81	6	8	1	5	0	0	103	94
750K - 999K	21	42	3	5	0	2	0	0	24	49
1 Mil - 1.49 Mil	24	37	0	4	0	0	0	0	24	41
1.5 Mil - 1.99 Mil	3	13	0	3	0	1	0	0	3	17
2 Mil - 2.49 Mil	1	3	0	0	0	0	0	0	1	3
2.5 Mil & Over	3	8	0	0	0	0	0	1	3	9
Sold vs Active 0 - 499,999	365	177	546	277	131	90	110	66	1152	610
Sold vs. Active 500K - 999,999	117	123	9	13	1	7	0	0	127	143
Sold vs Active 1 Mil & Over	31	61	0	7	0	1	0	1	31	70
Totals	513	361	555	297	132	98	110	67	1310	823

Provided Courtesy of Randy Crewse ERA Real Estate Professionals

Data Source: SVVAR MLS as of January 6, 2015

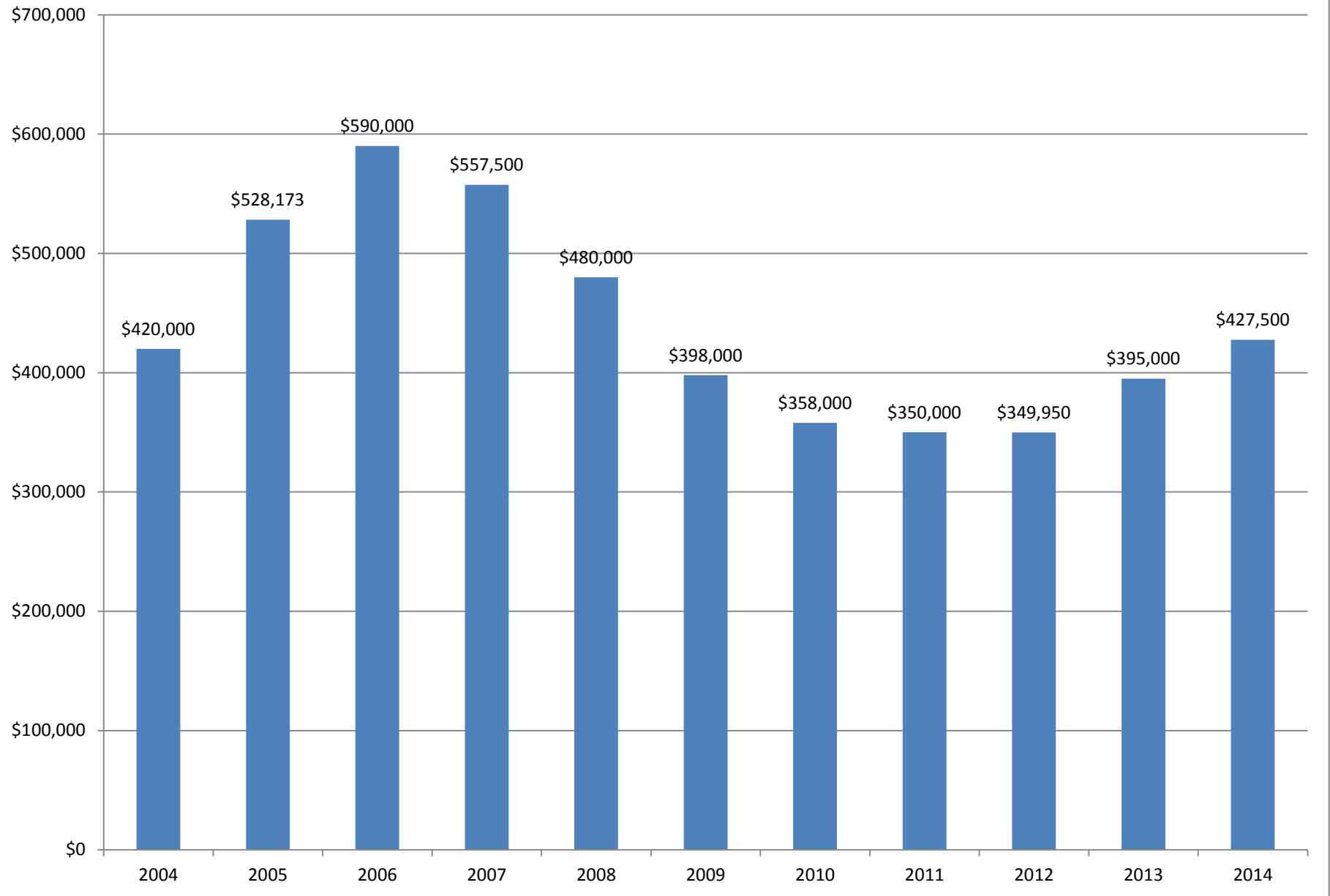
2014 Verde Valley Vacant Land Sold vs Active

Price Range	Sedona		Cottonwood		Camp Verde		Rimrock Lake Montezuma		Verde Valley	
	Sold	Active	Sold	Active	Sold	Active	Sold	Active	Sold	Active
0 - 99K	21	39	75	181	22	82	27	146	145	448
100K - 199K	69	107	6	93	1	21	1	7	77	228
200K - 299K	20	73	1	14	0	7	0	2	21	96
300K - 399K	15	22	1	9	0	3	0	1	16	35
400K - 499K	2	24	0	3	0	3	0	1	2	31
500K - 749K	2	22	0	6	0	3	0	0	2	31
750K - 999K	4	13	0	8	0	0	0	0	4	21
1 Mil - 1.49 Mil	0	9	1	3	0	2	0	0	1	14
1.5 Mil - 1.99 Mil	1	6	0	3	0	2	0	0	1	11
2 Mil - 2.49 Mil	0	2	0	0	0	0	0	0	0	2
2.5 Mil & Over	0	4	0	5	0	2	0	0	0	11
Sold vs Active 0 - 499,999	127	265	83	300	23	116	28	157	261	838
Sold vs. Active 500K - 999,999	6	35	0	14	0	3	0	0	6	52
Sold vs Active 1 Mil & Over	1	21	1	11	0	6	0	0	2	38
Totals	134	321	84	325	23	125	28	157	269	928

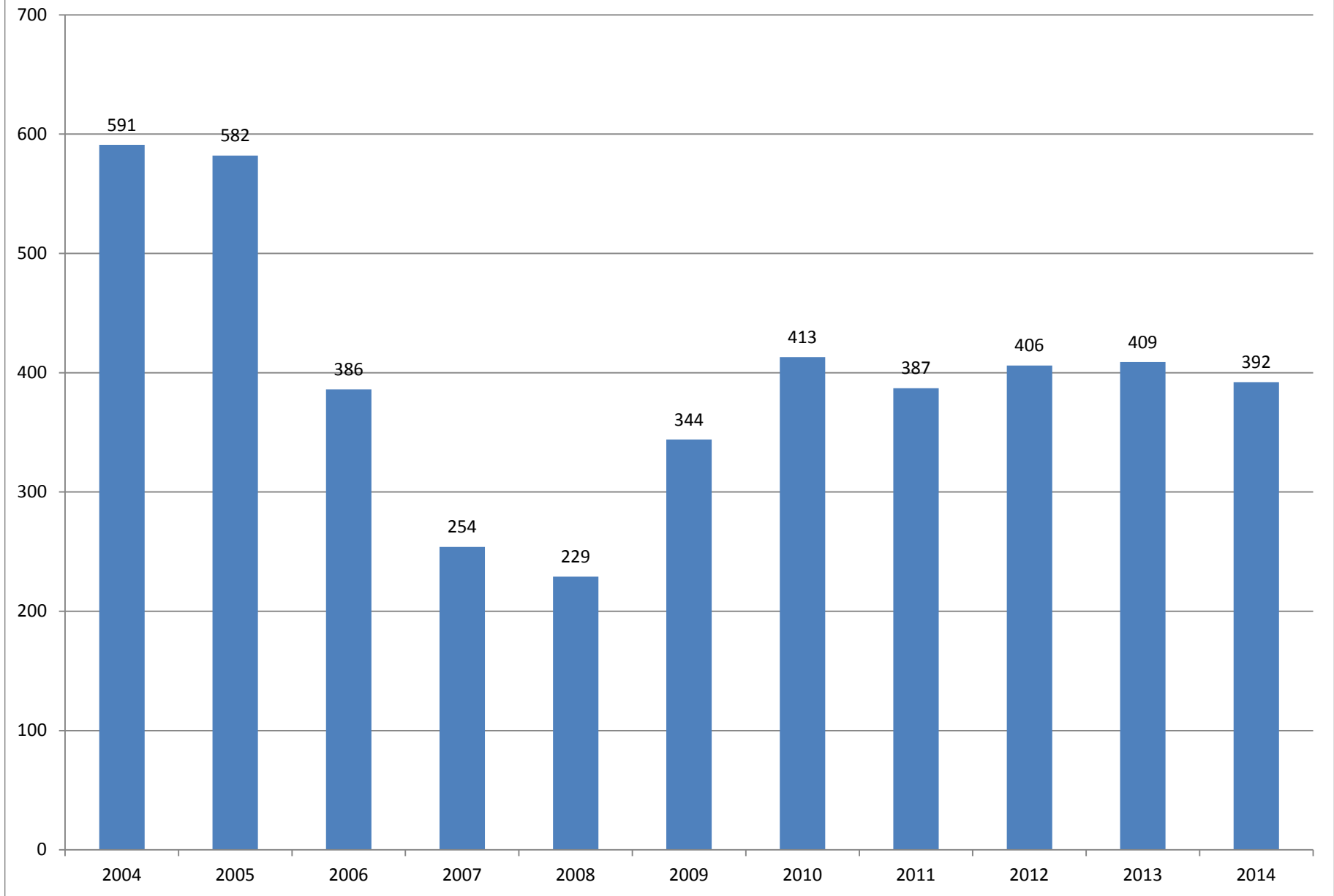
Provided Courtesy of Randy Crewse ERA Real Estate Professionals

Data Source: SVVAR MLS as of January 6, 2015

## Median Price Single Family Sedona Area 2004-2014

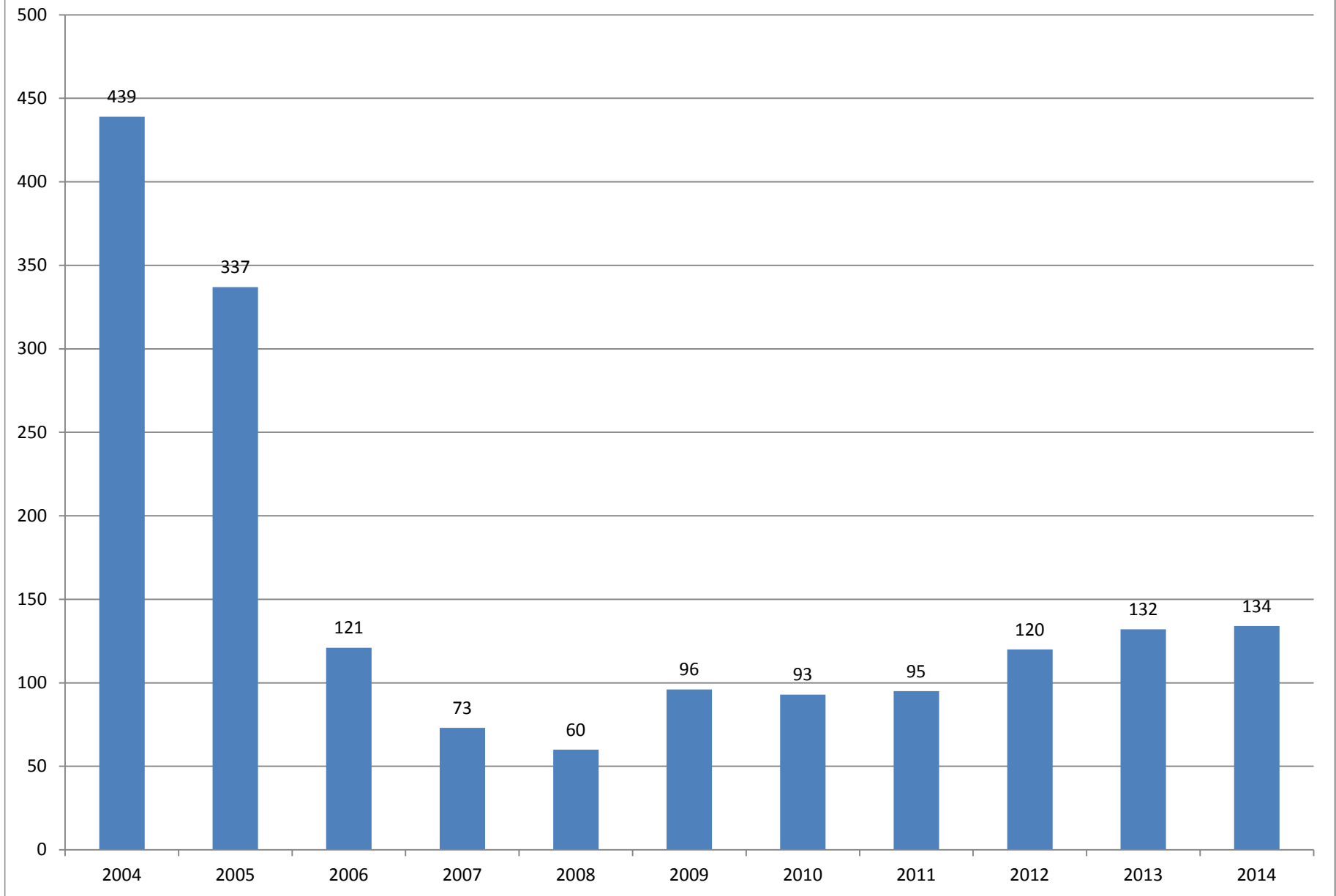


## Single Family Transactions Sedona Area 2004 - 2014

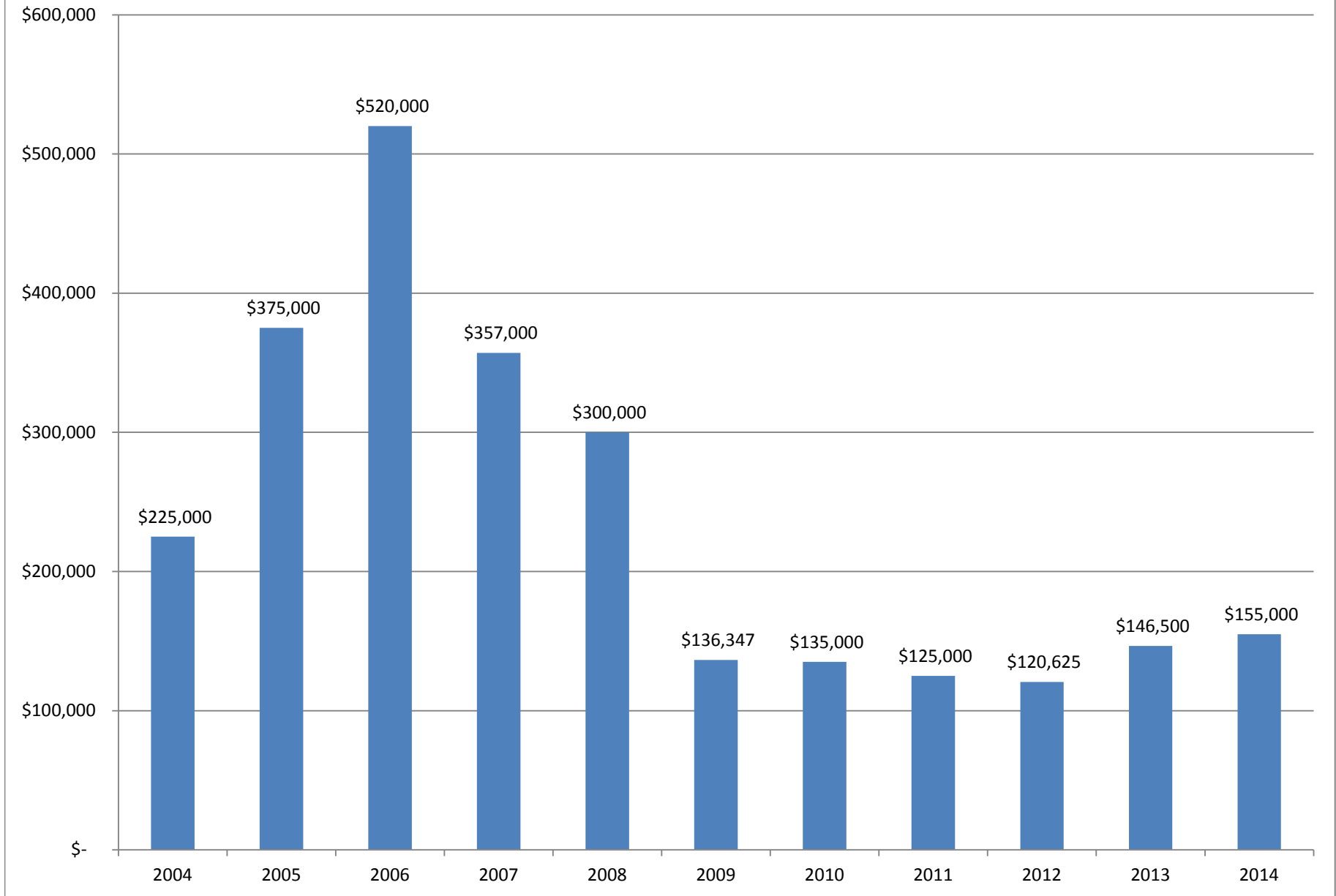




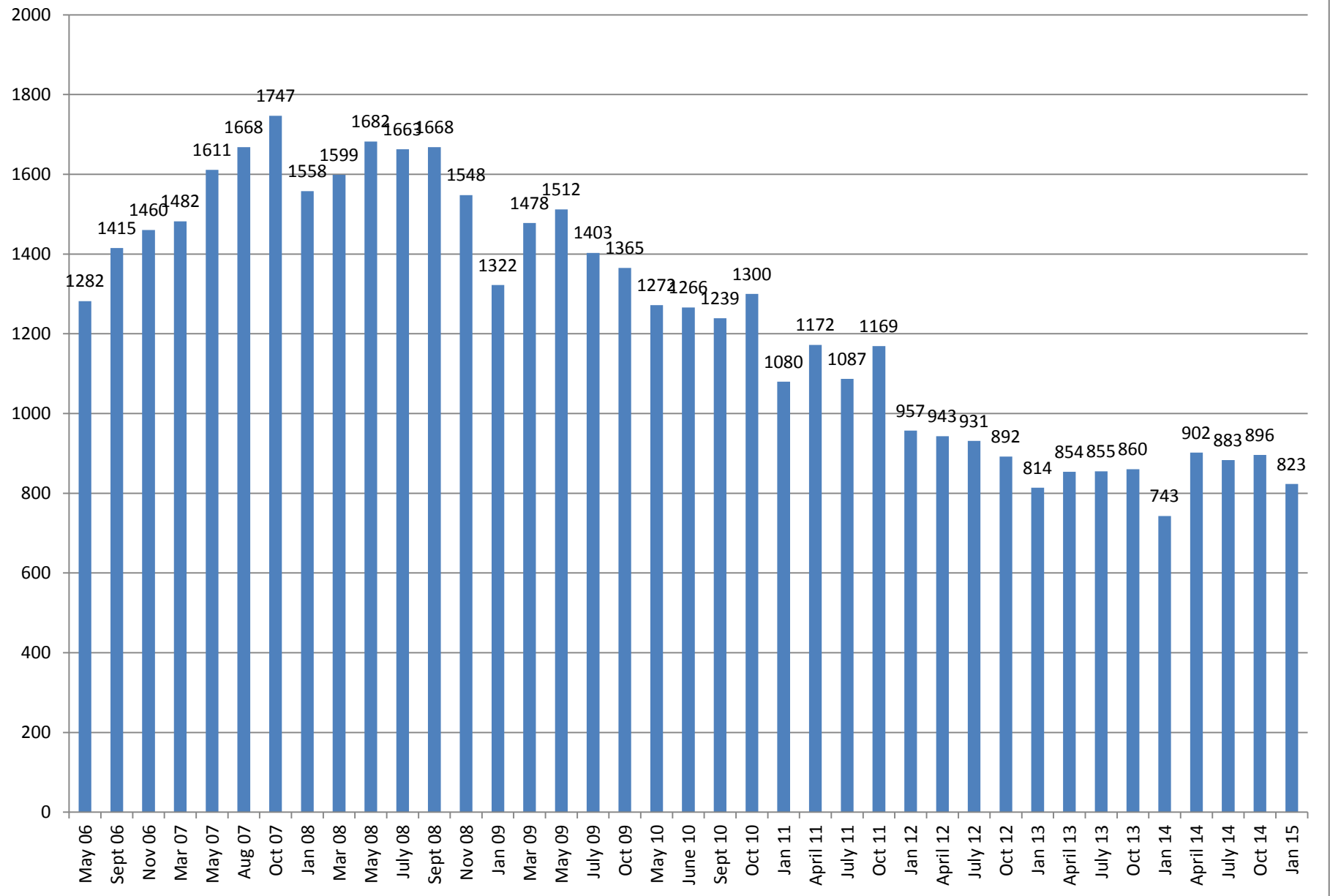
## Vacant Land Transactions Sedona Area 2004-2014



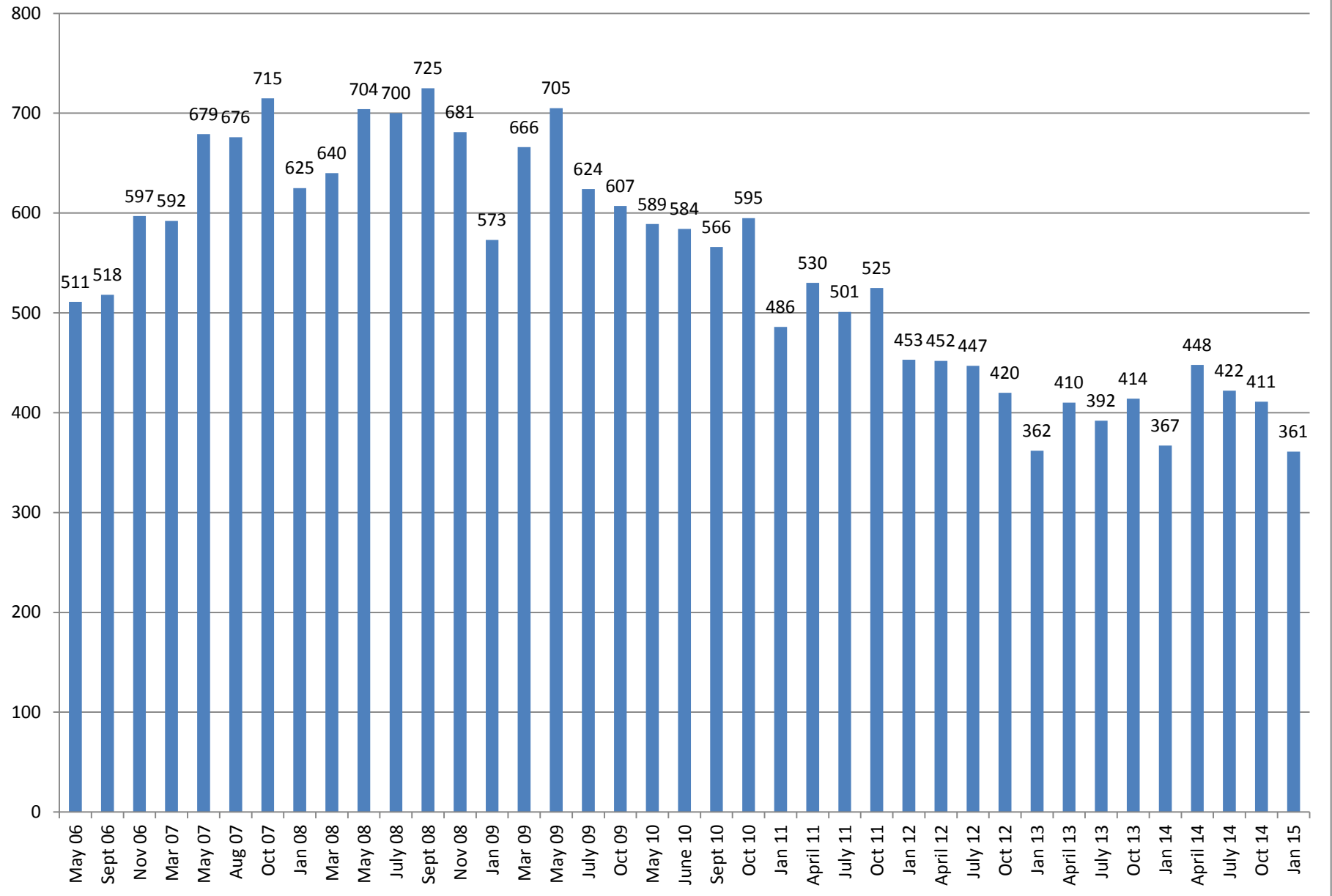
## Median Sales Price Vacant Land Sedona Area 2004-2014



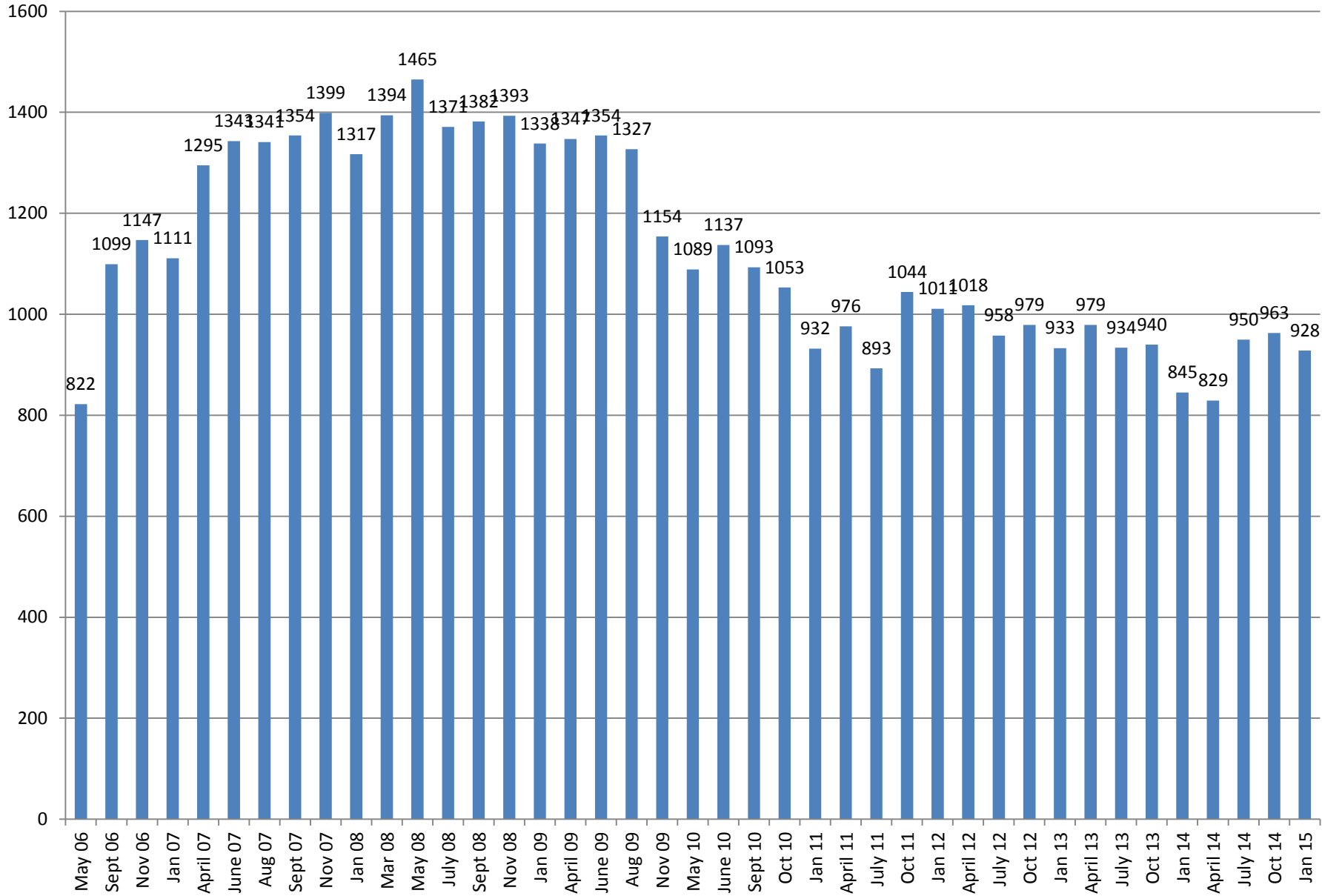
# Verde Valley Residential Inventory



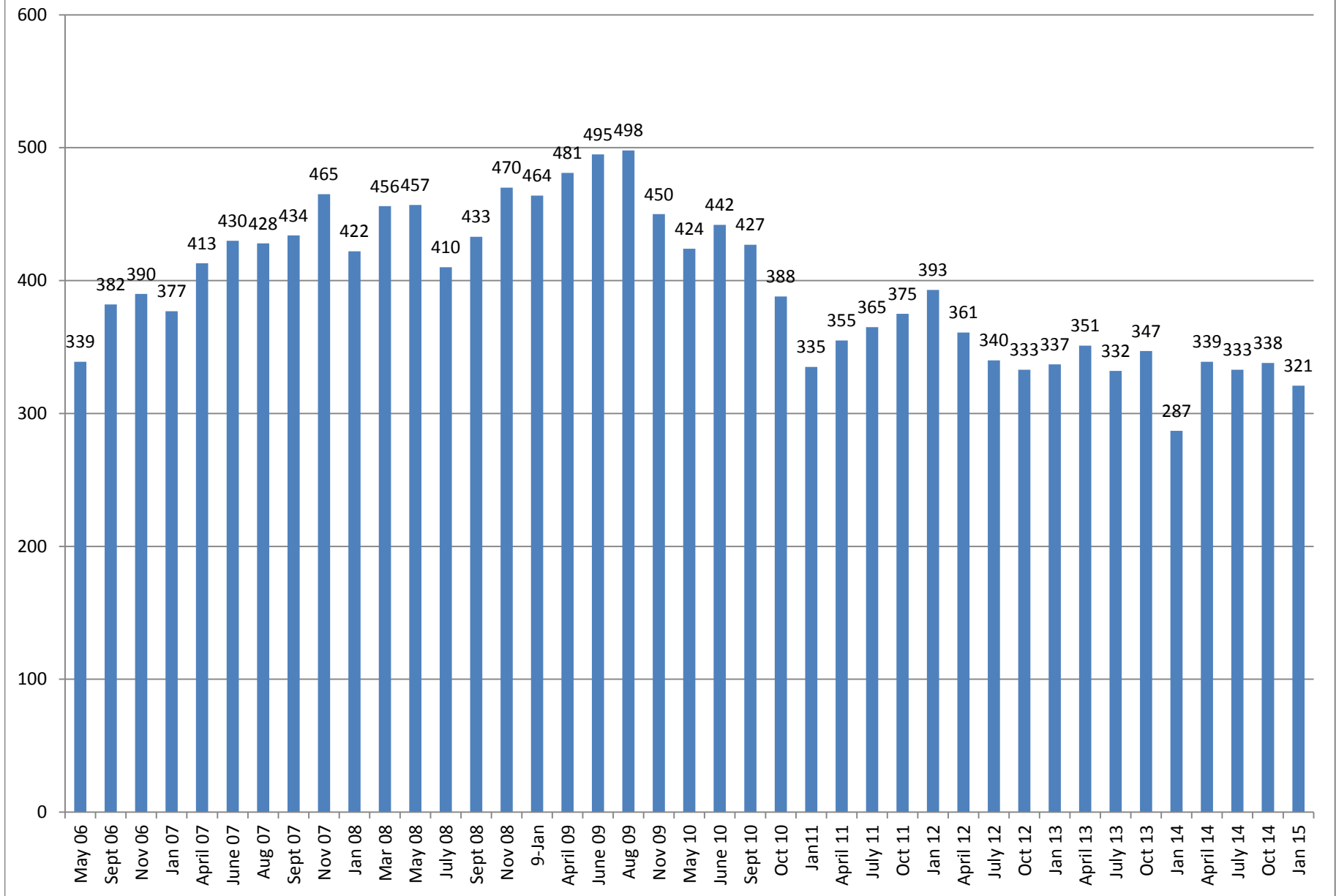
# Sedona Residential Inventory



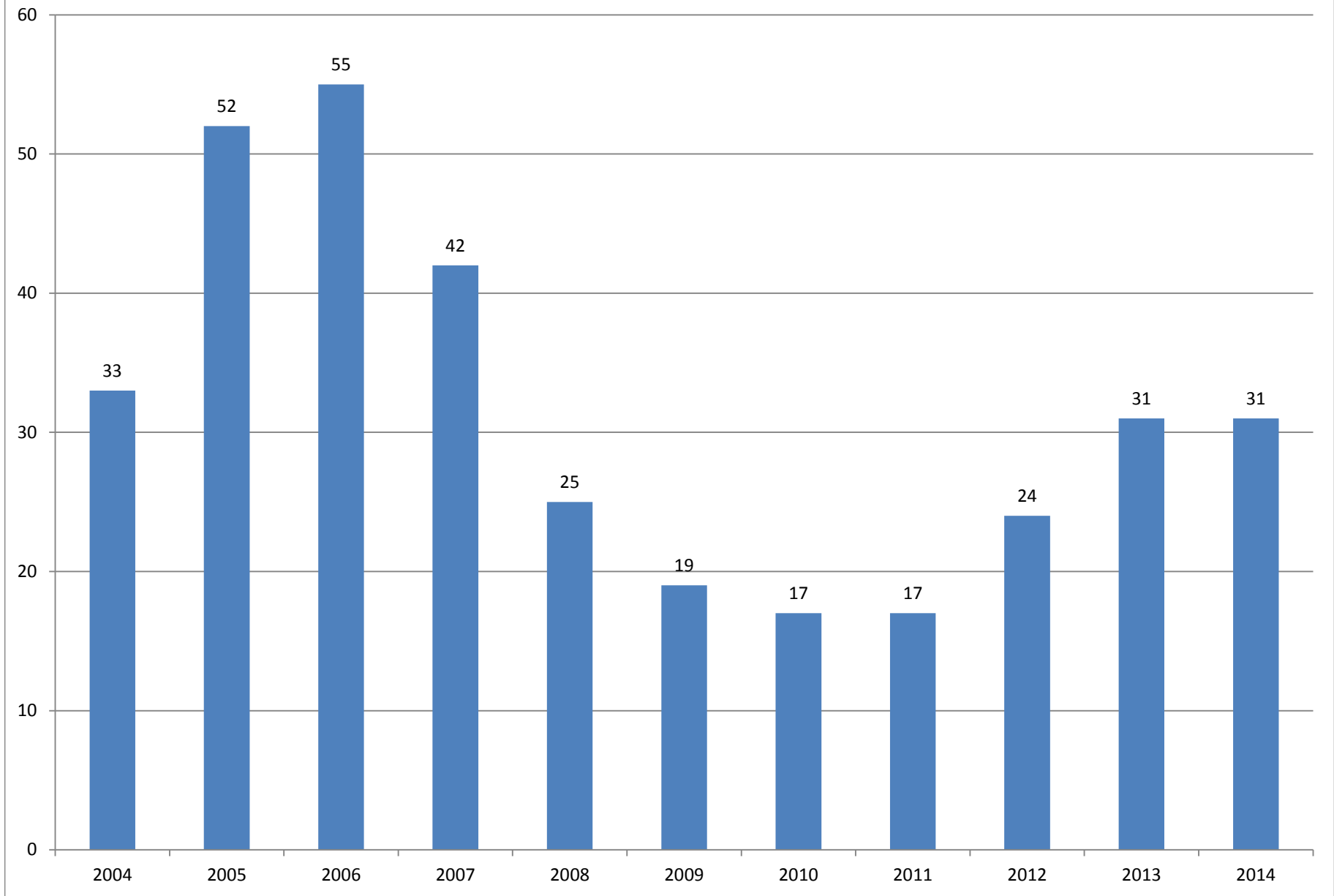
# Verde Valley Vacant Land Inventory



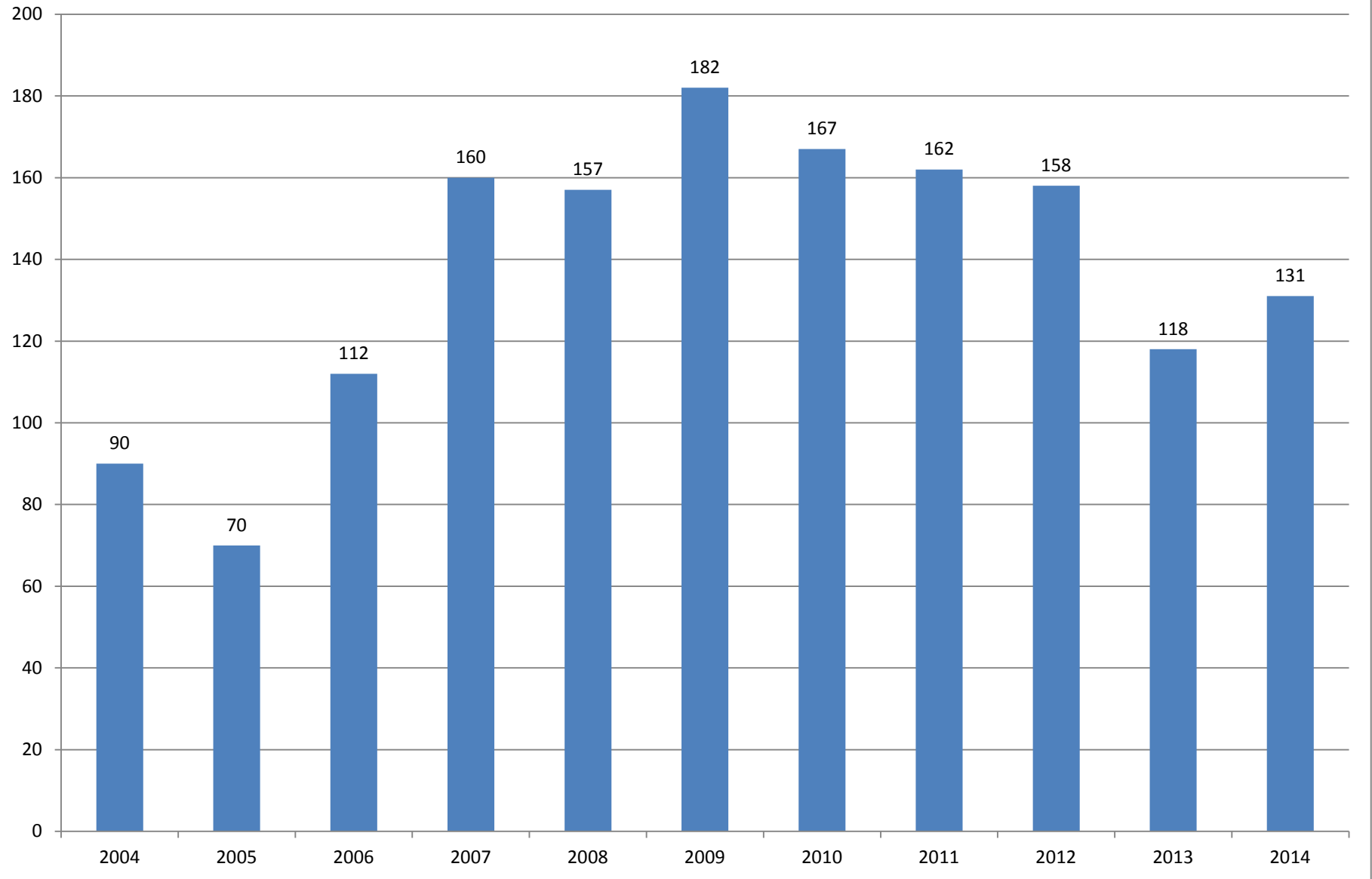
# Sedona Vacant Land Inventory



## Single Family Transactions Above \$1,000,000 Sedona Area 2004-2014

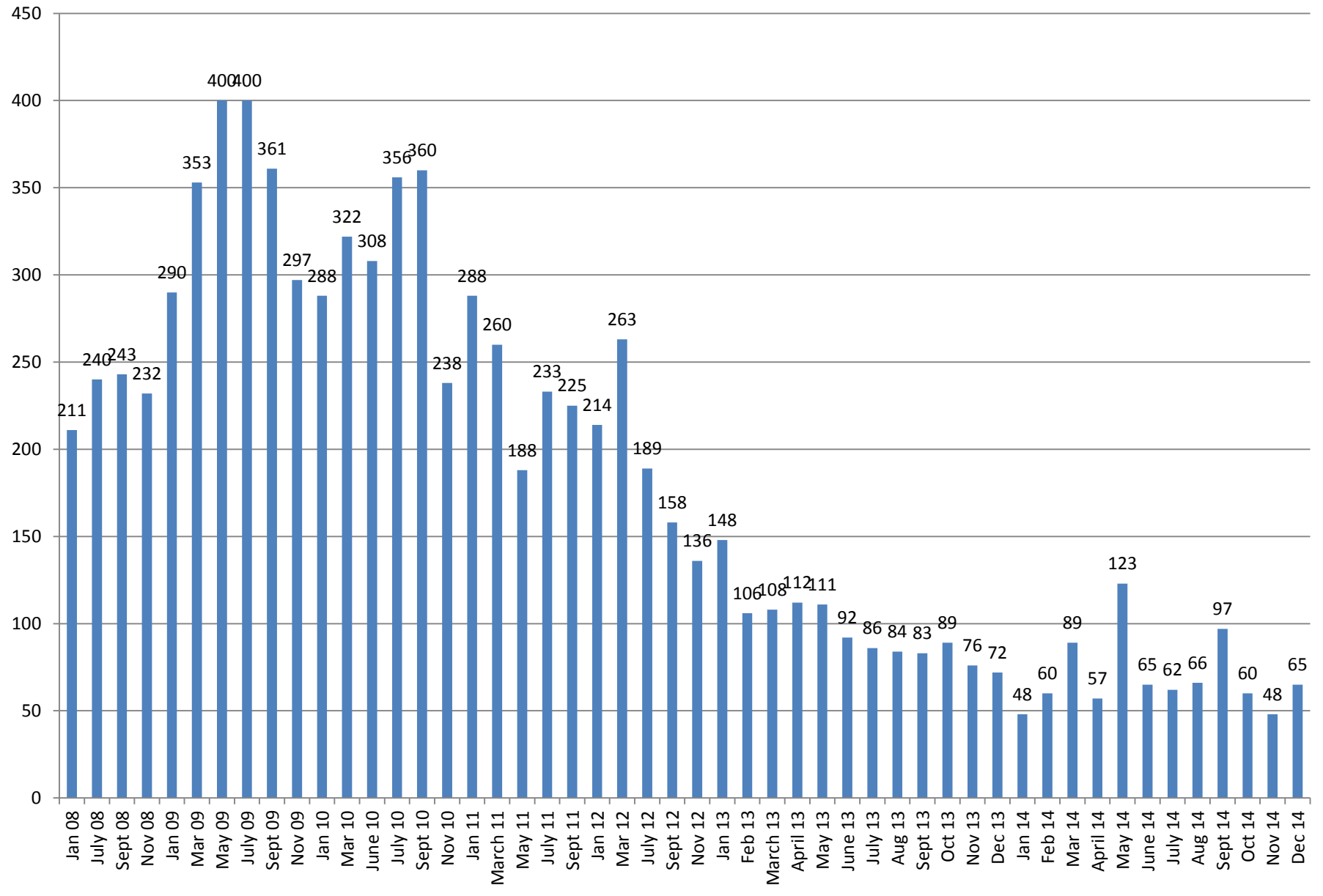


## Cumulative Median Days on Market for Single Family Sedona Area 2004-2014

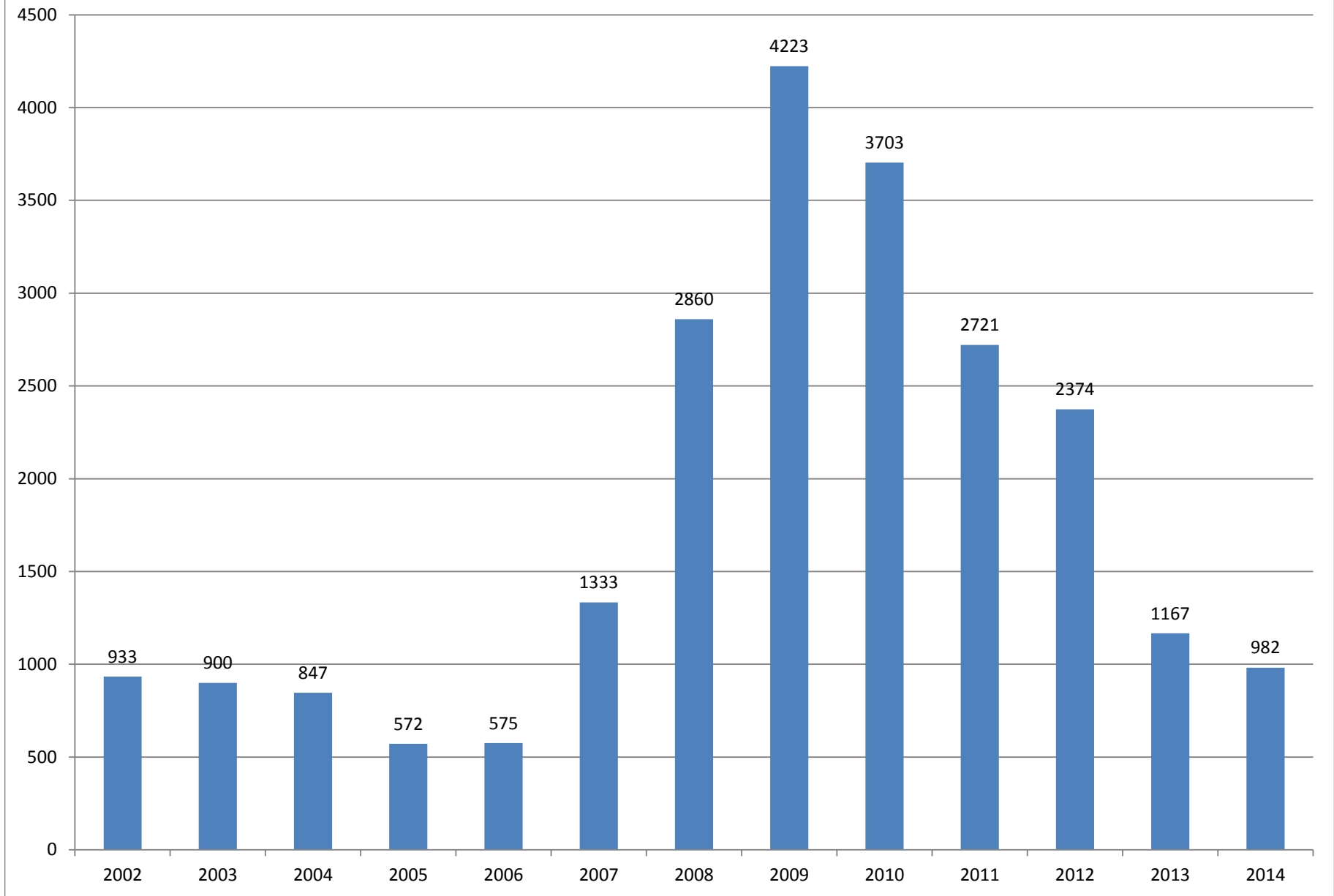




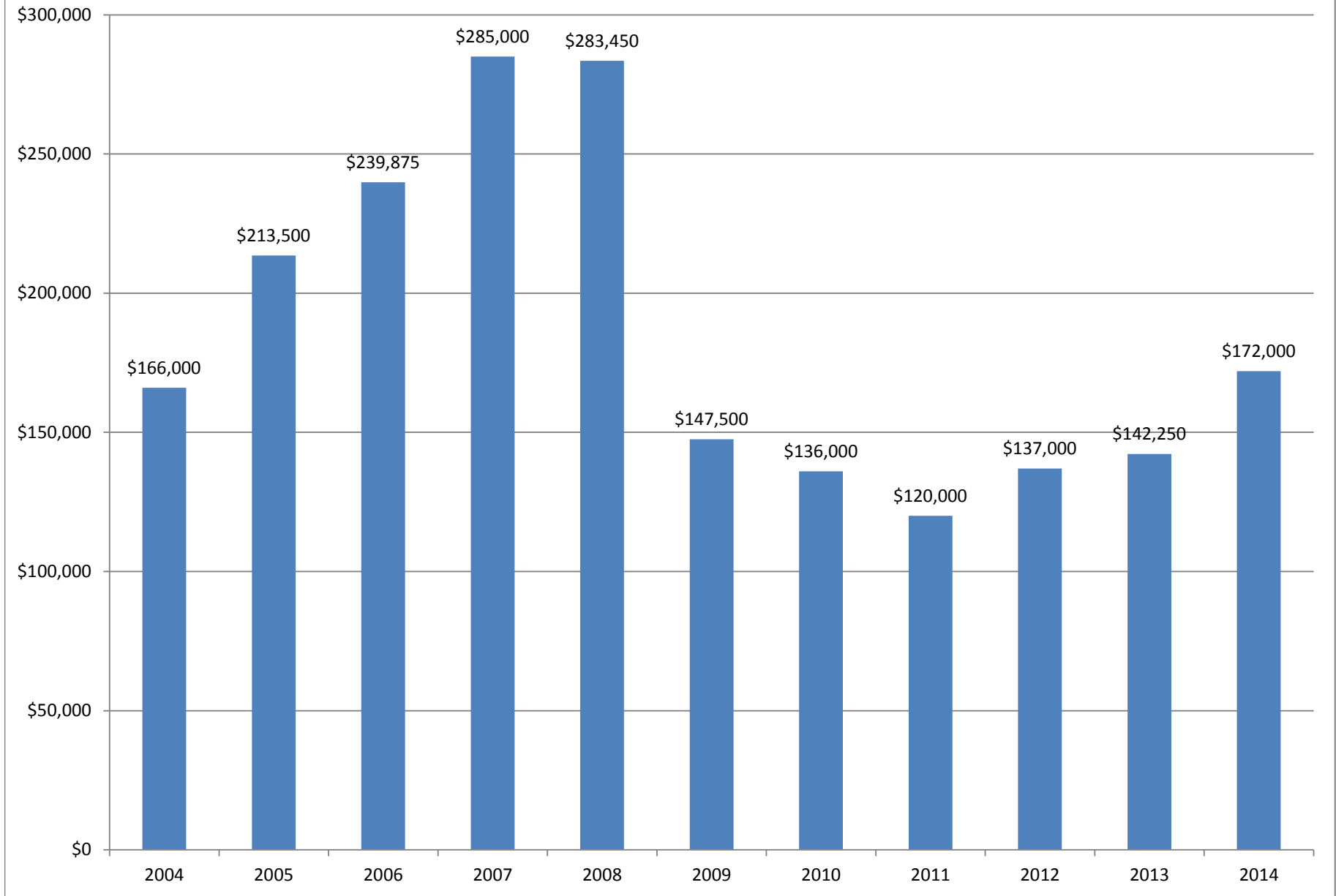
## Yavapai County Notice of Trustees Sales (Foreclosures Initiated)



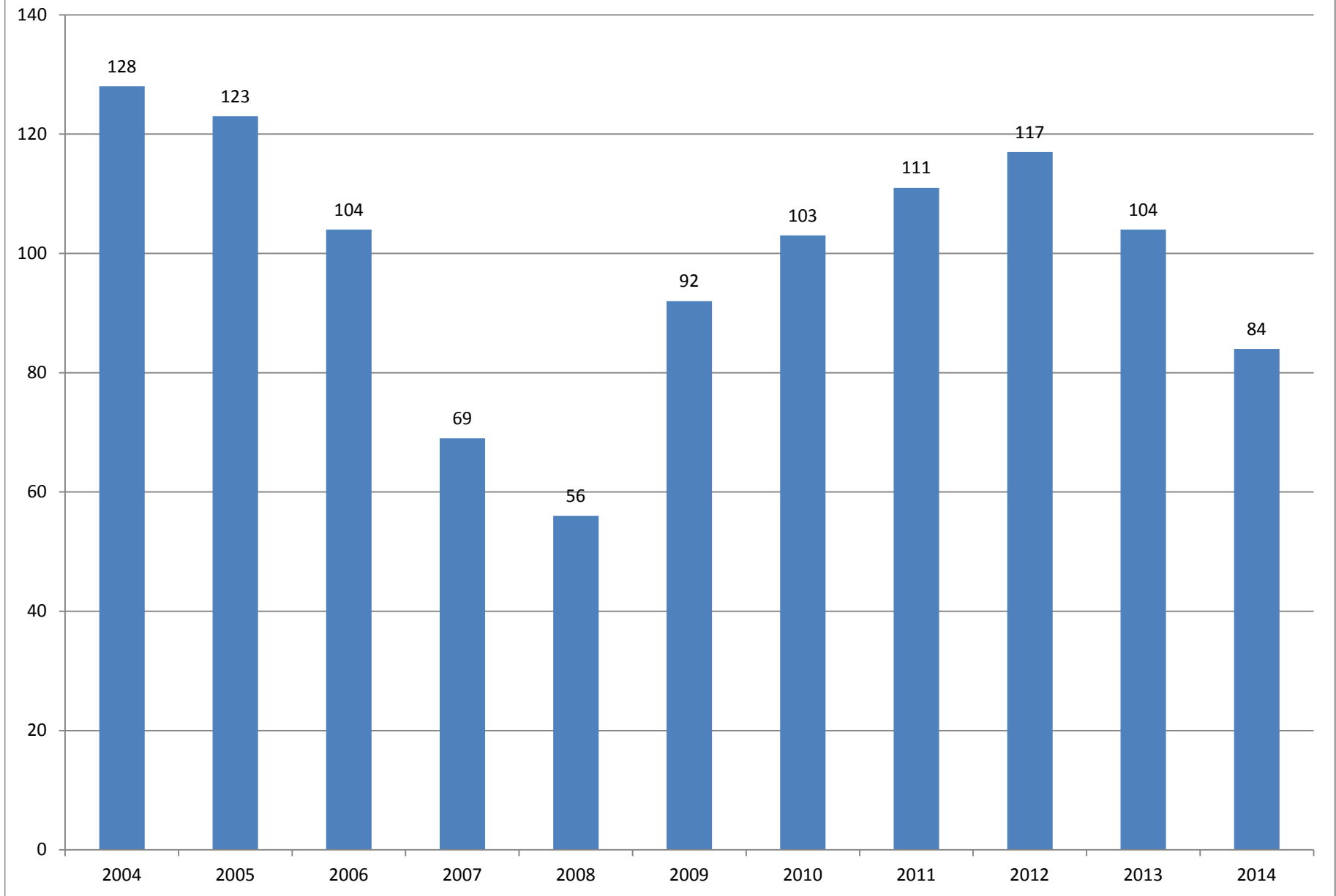
## Annual Notice of Trustees Sales in Yavapai County (Foreclosures)



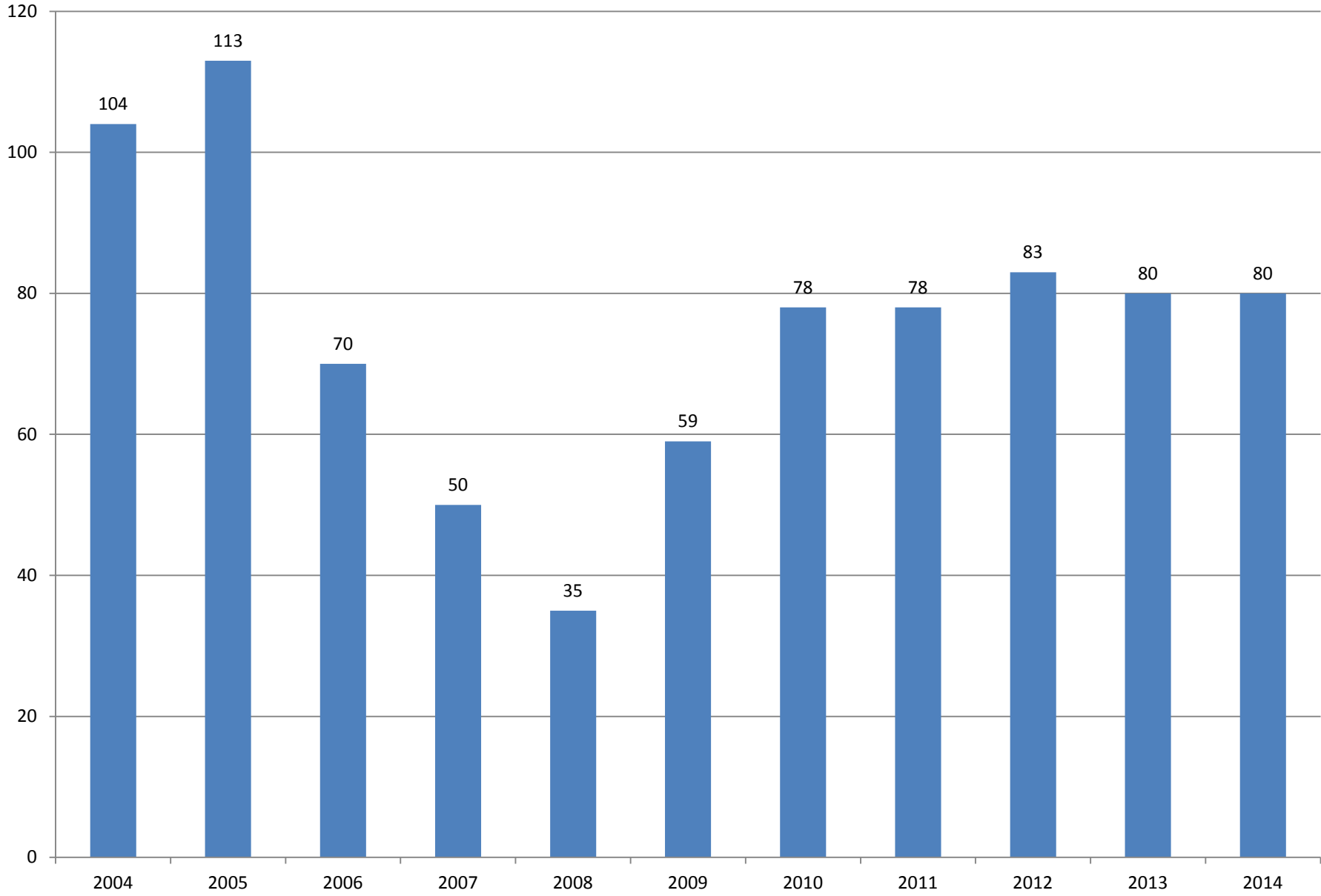
## Median Price Single Family Camp Verde Area 2004-2014



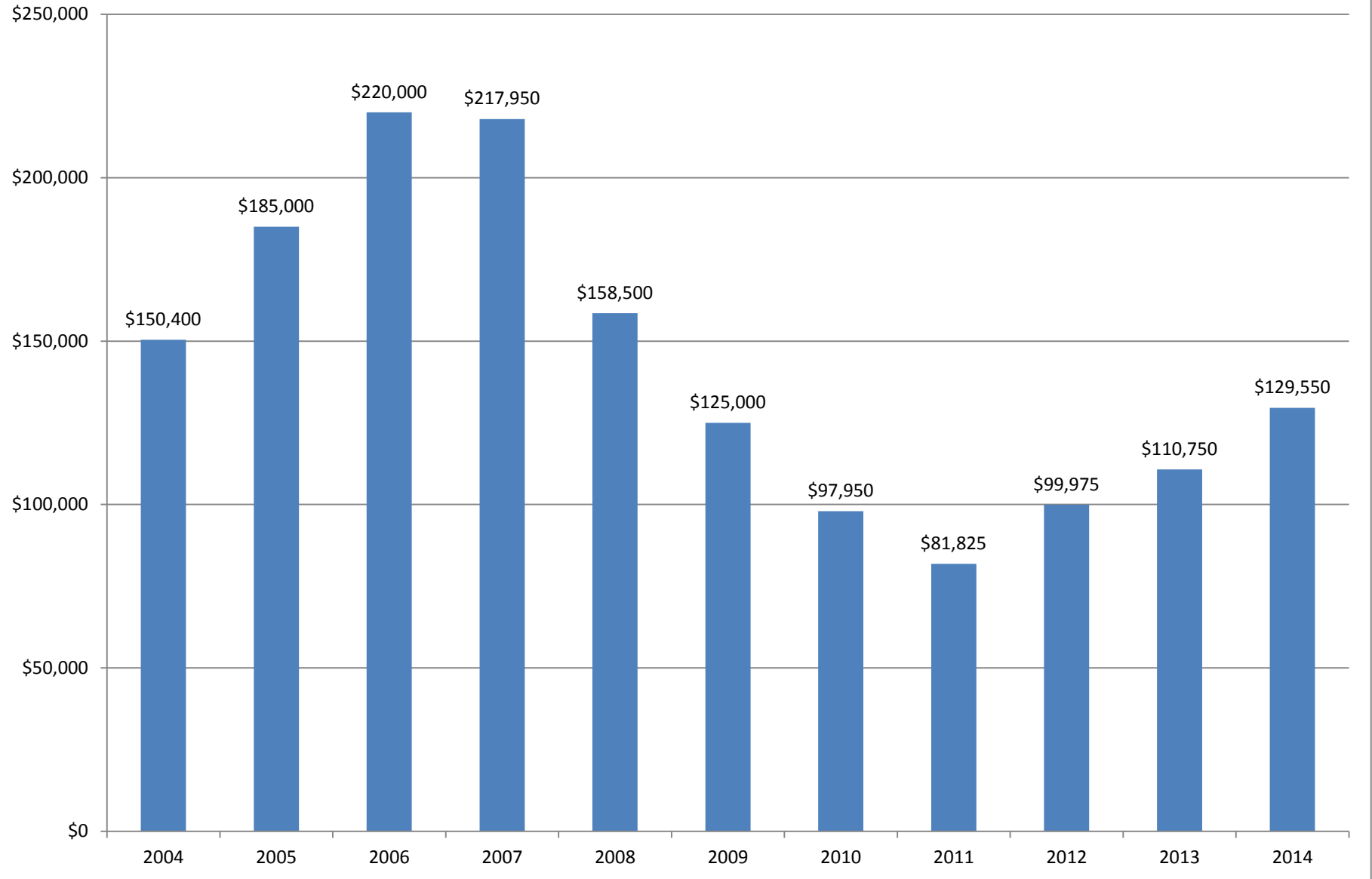
## Single Family Transactions Camp Verde Area 2004-2014



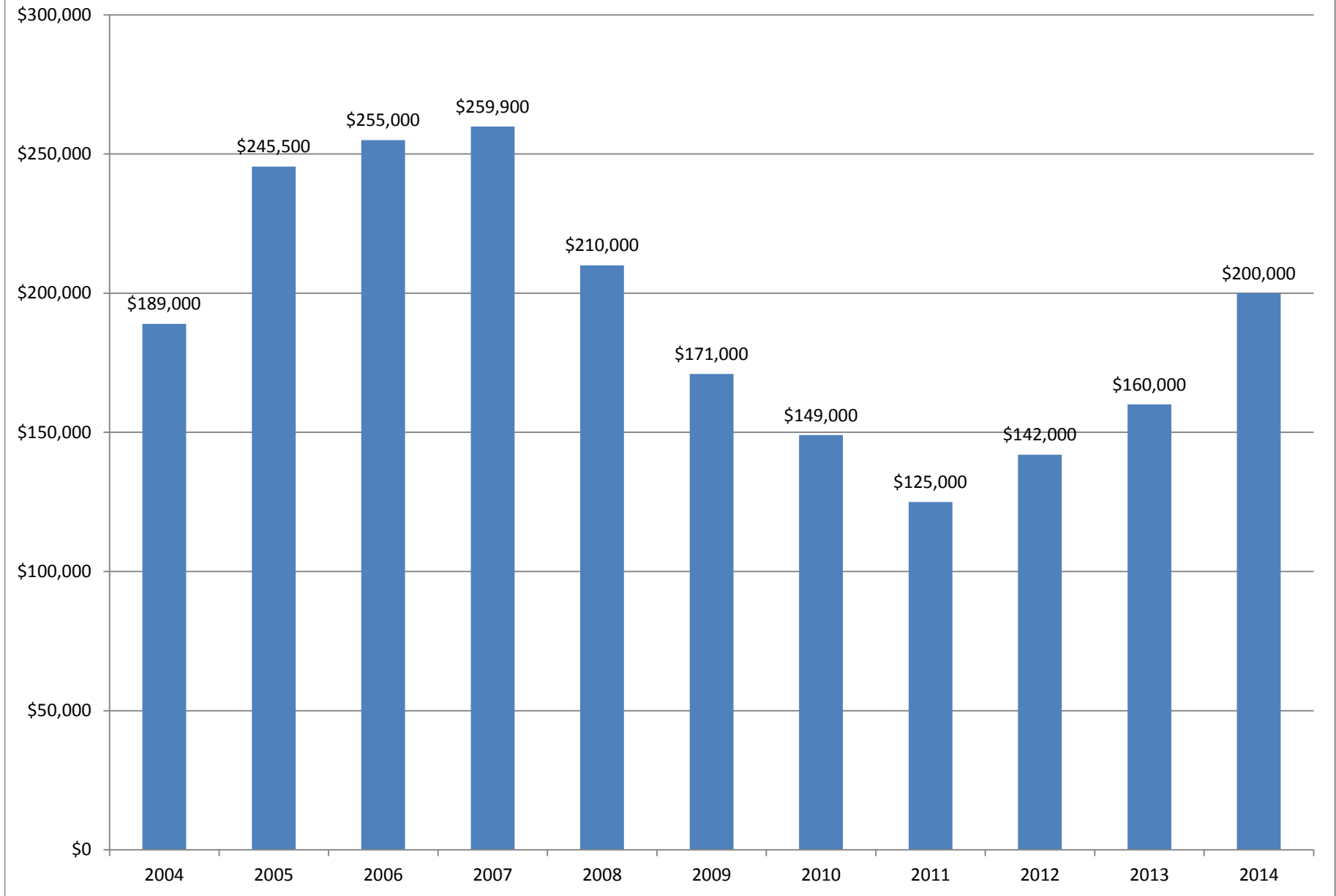
# Single Family Transactions Lake Montezuma and Rimrock 2004-2014



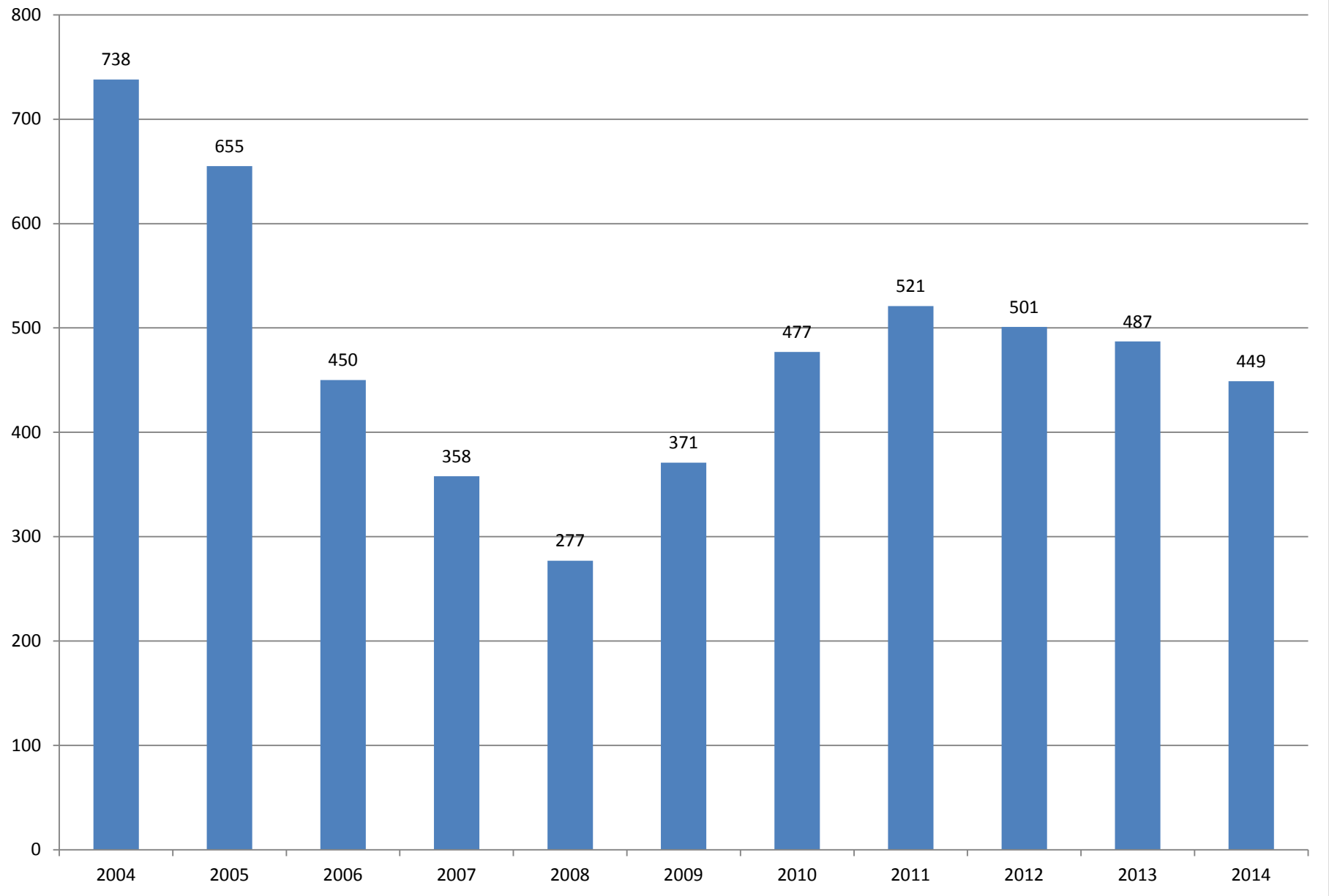
## Median Sales Price Single Family Lake Montezuma and Rimrock 2004-2014



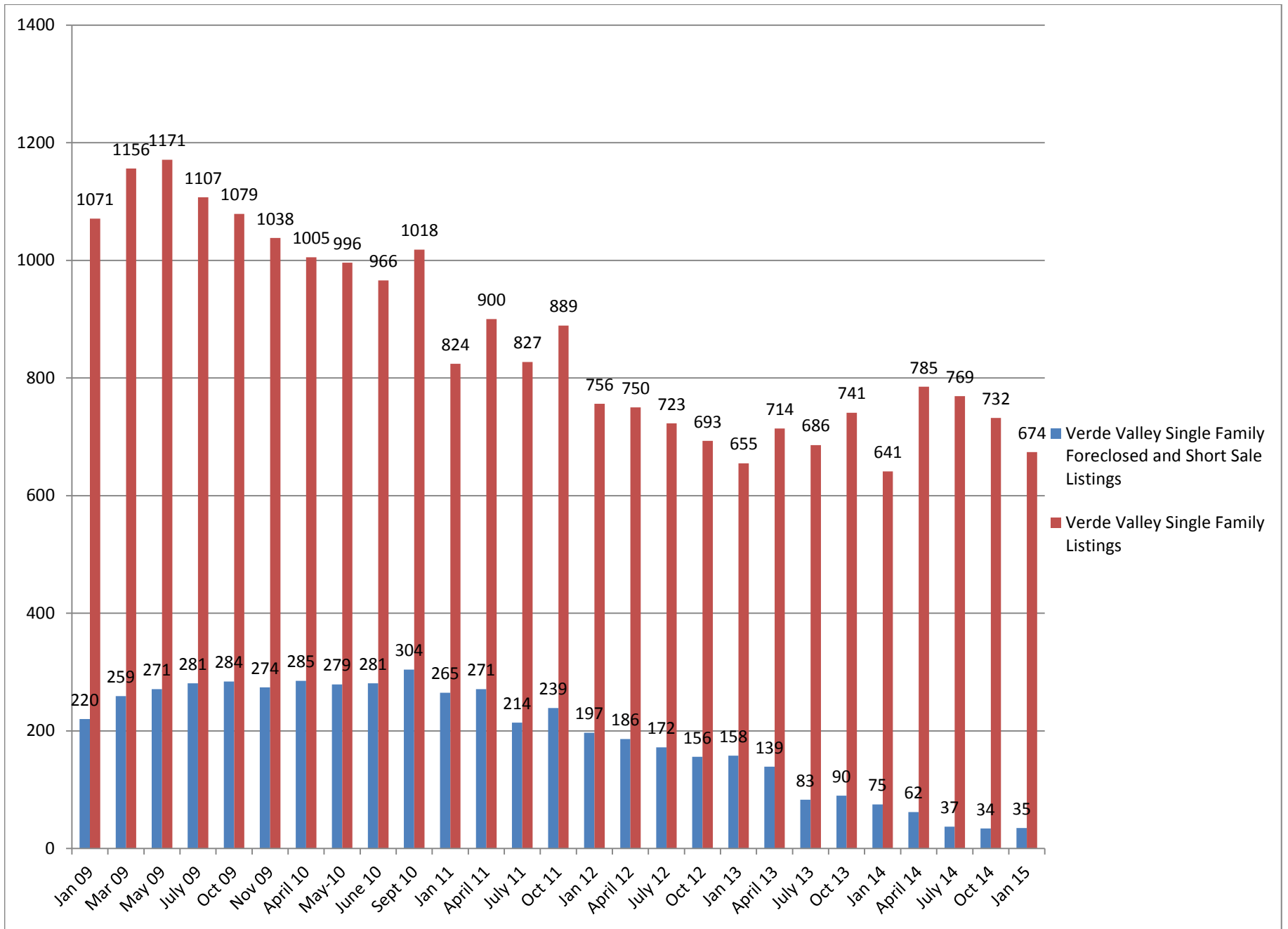
## Median Price Single Family Cottonwood - Cornville Areas 2004-2014

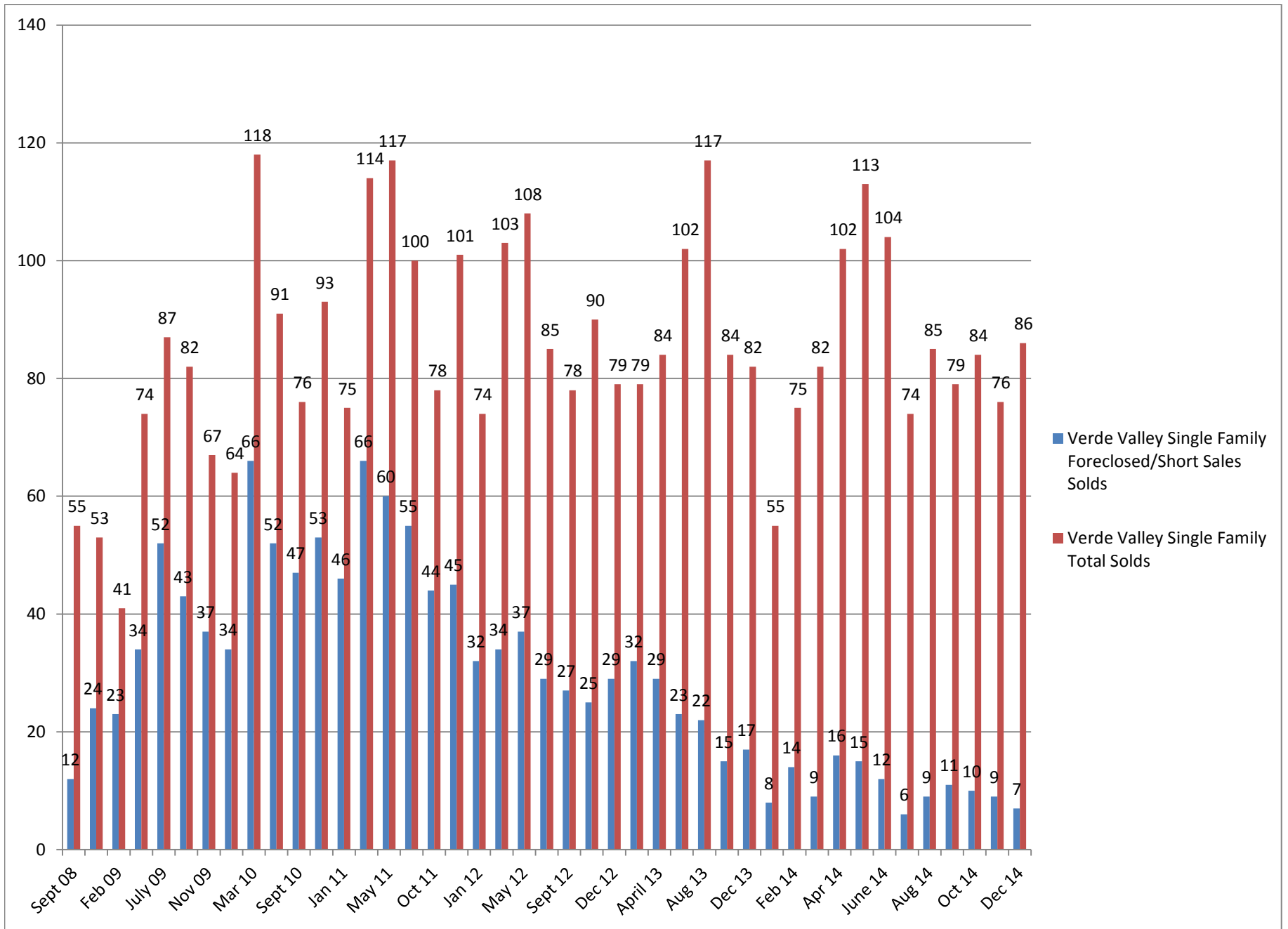


## Single Family Transactions Cottonwood - Cornville Areas 2004-2014

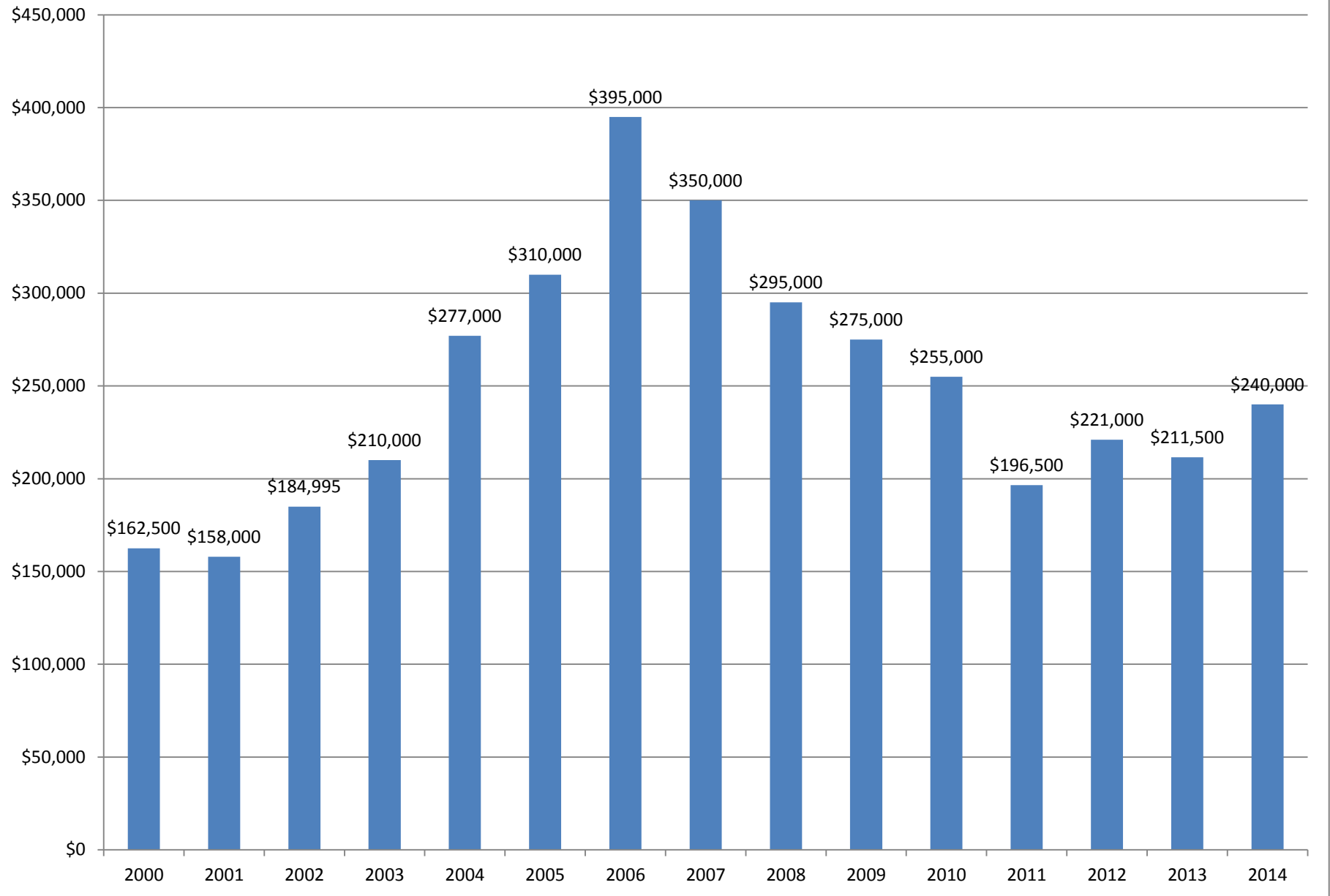




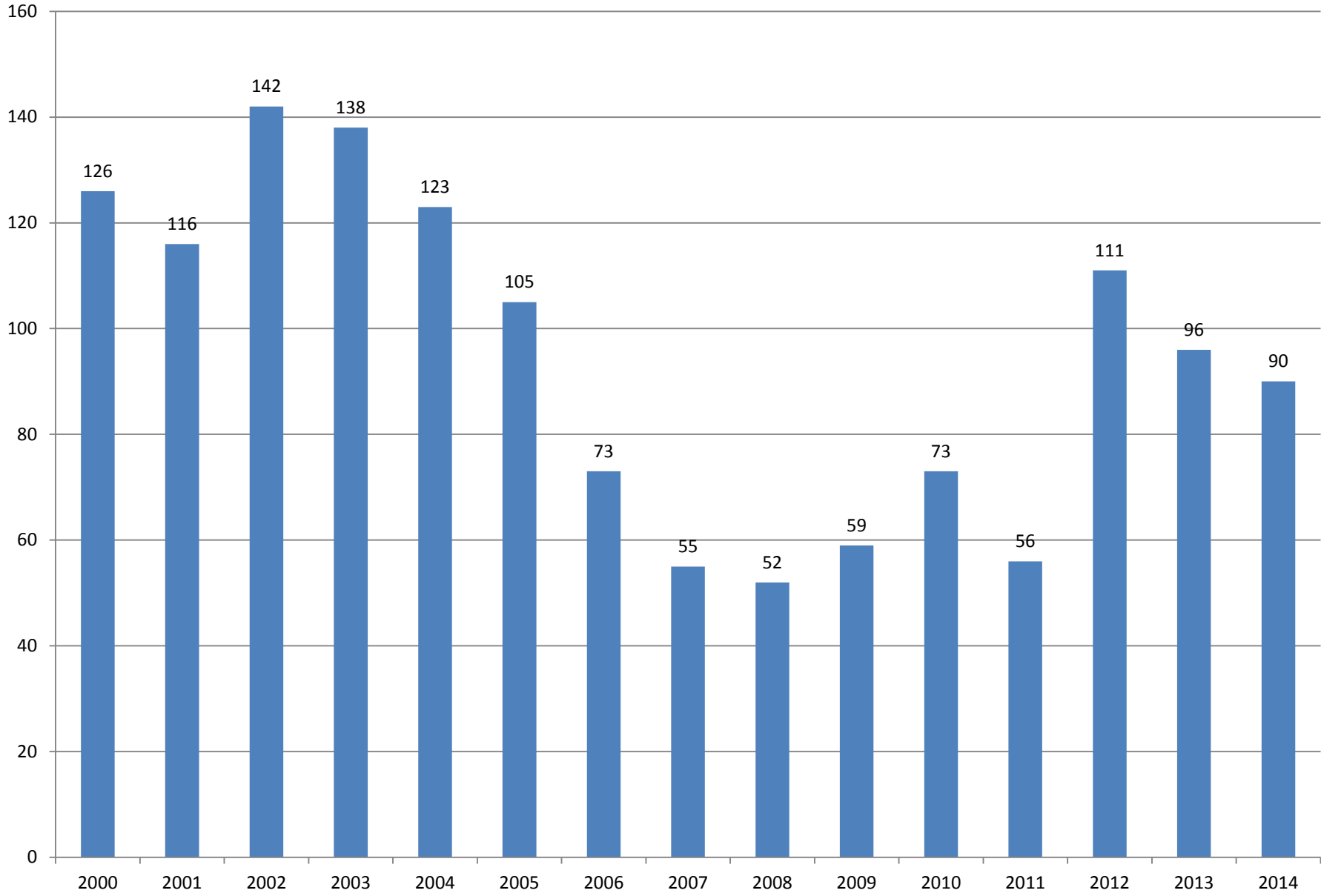




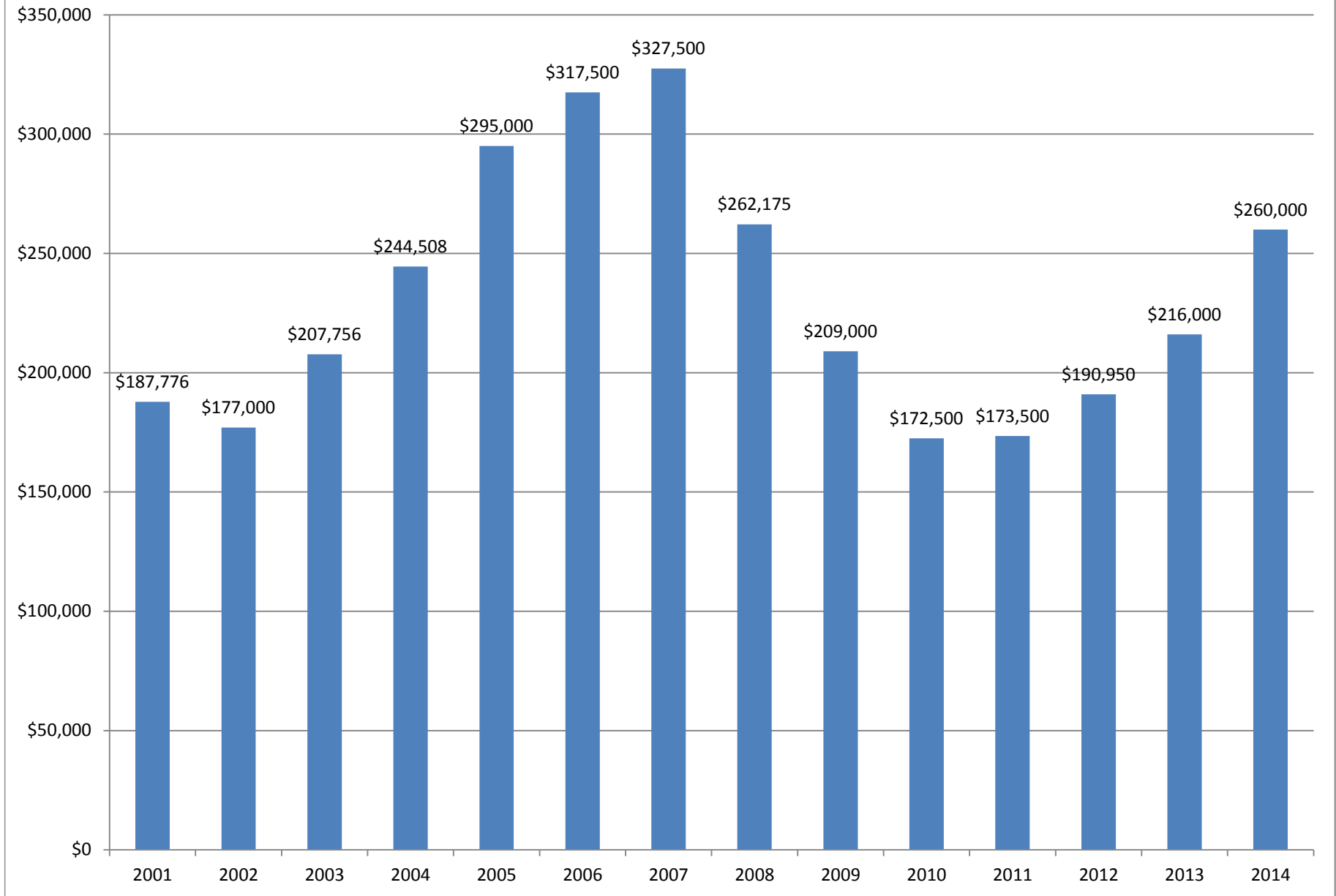
## Median Sales Price Condominiums and Townhomes Sedona Area



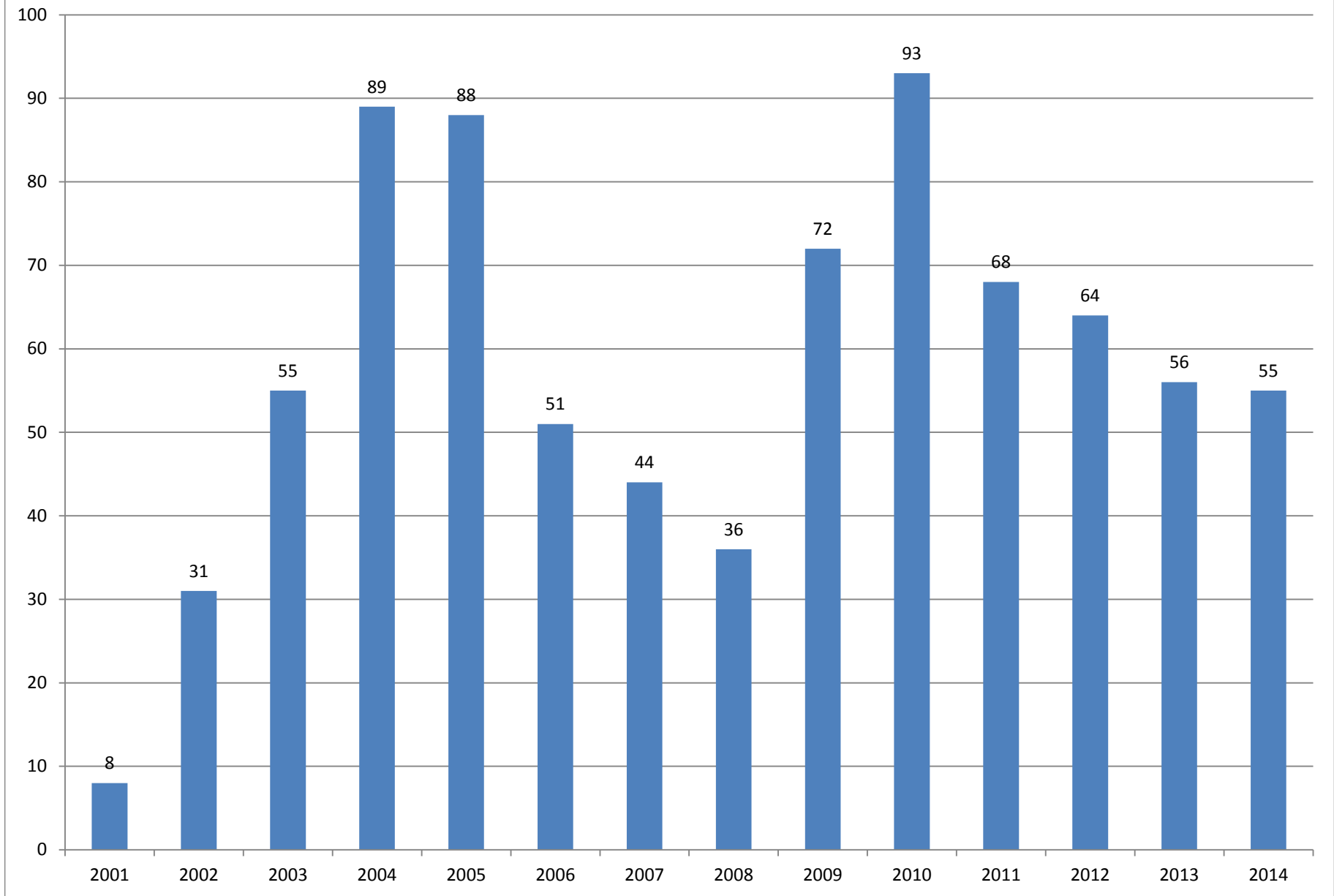
# Number of Condominuims and Townhomes Sold Sedona Area



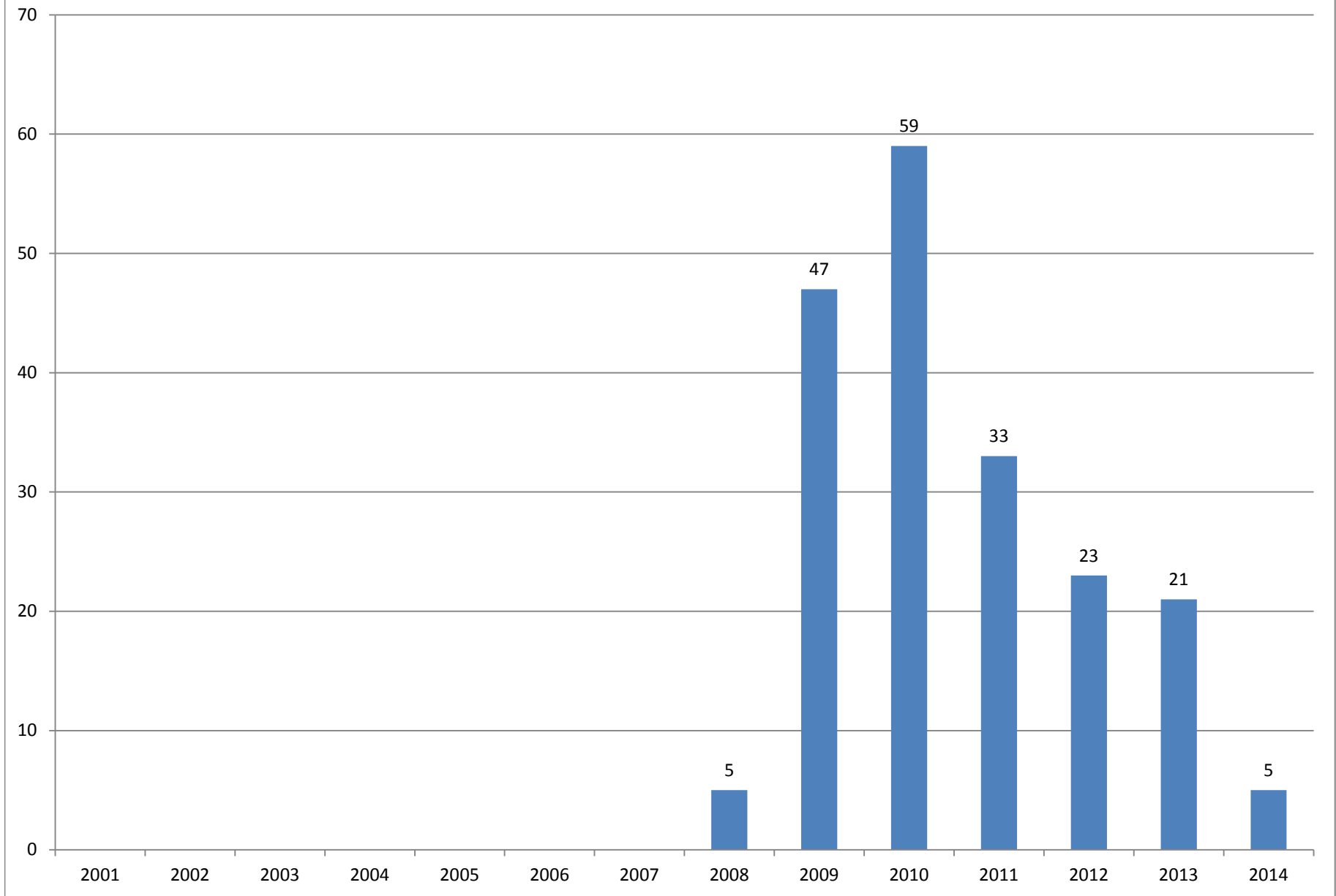
## Verde Santa Fe Median Sales Price 2001 - 2014



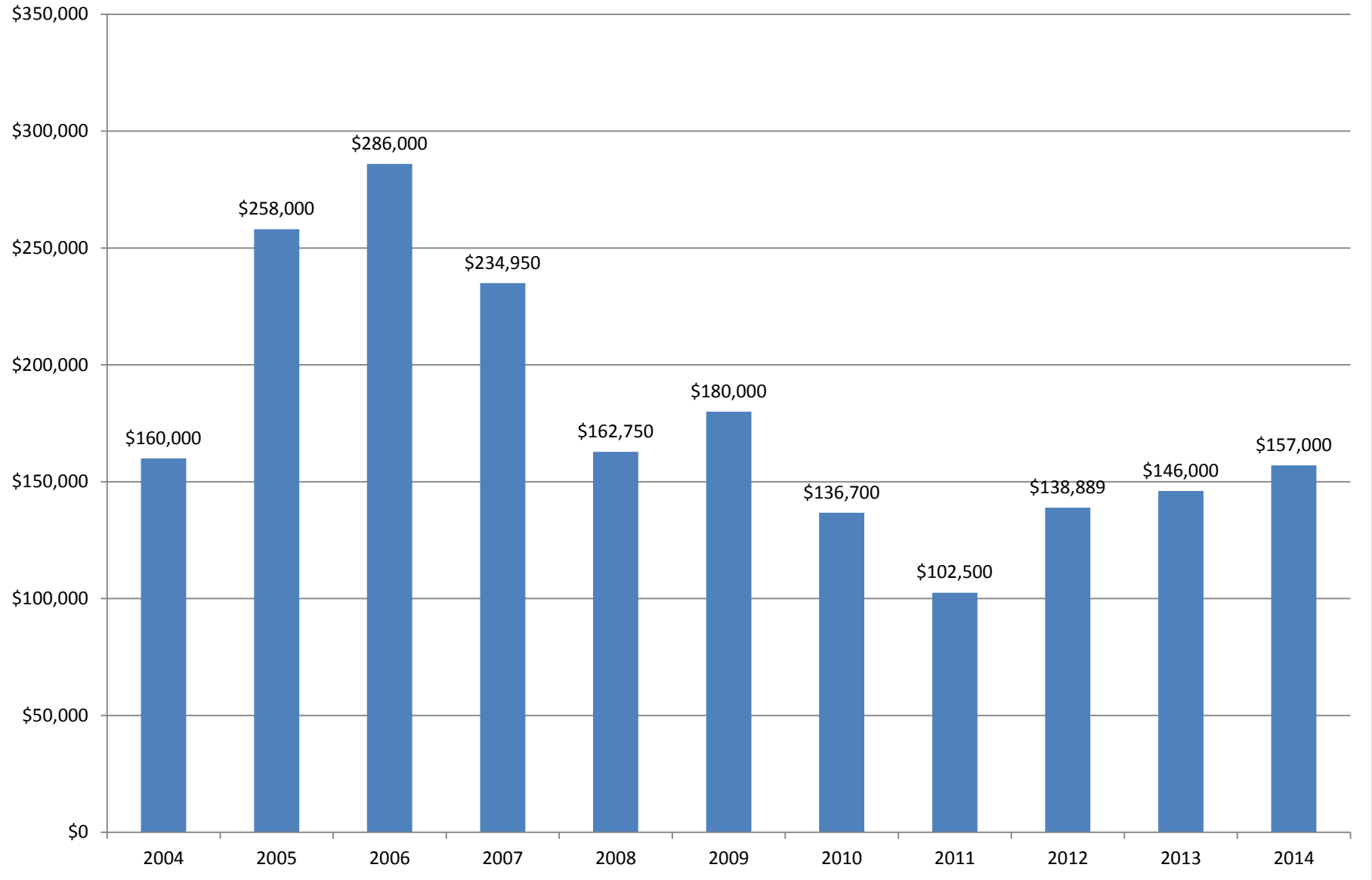
## Verde Santa Fe Number of Sales 2001 - 2014



## Verde Santa Fe Foreclosed and Short Sales 2001 to 2014

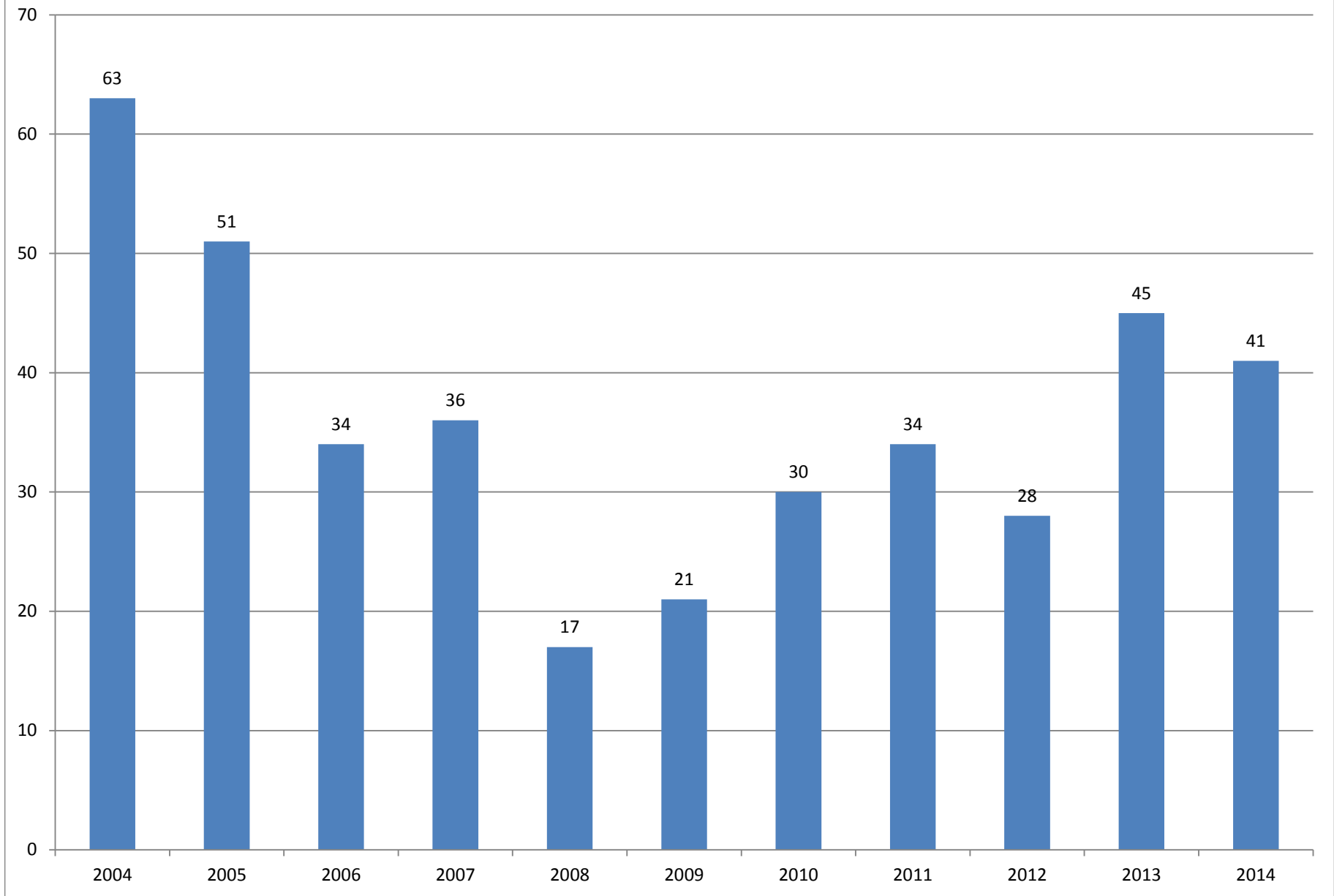


## Median Sales Price Manufactured and Mobile Homes Sedona Area 2004-2014

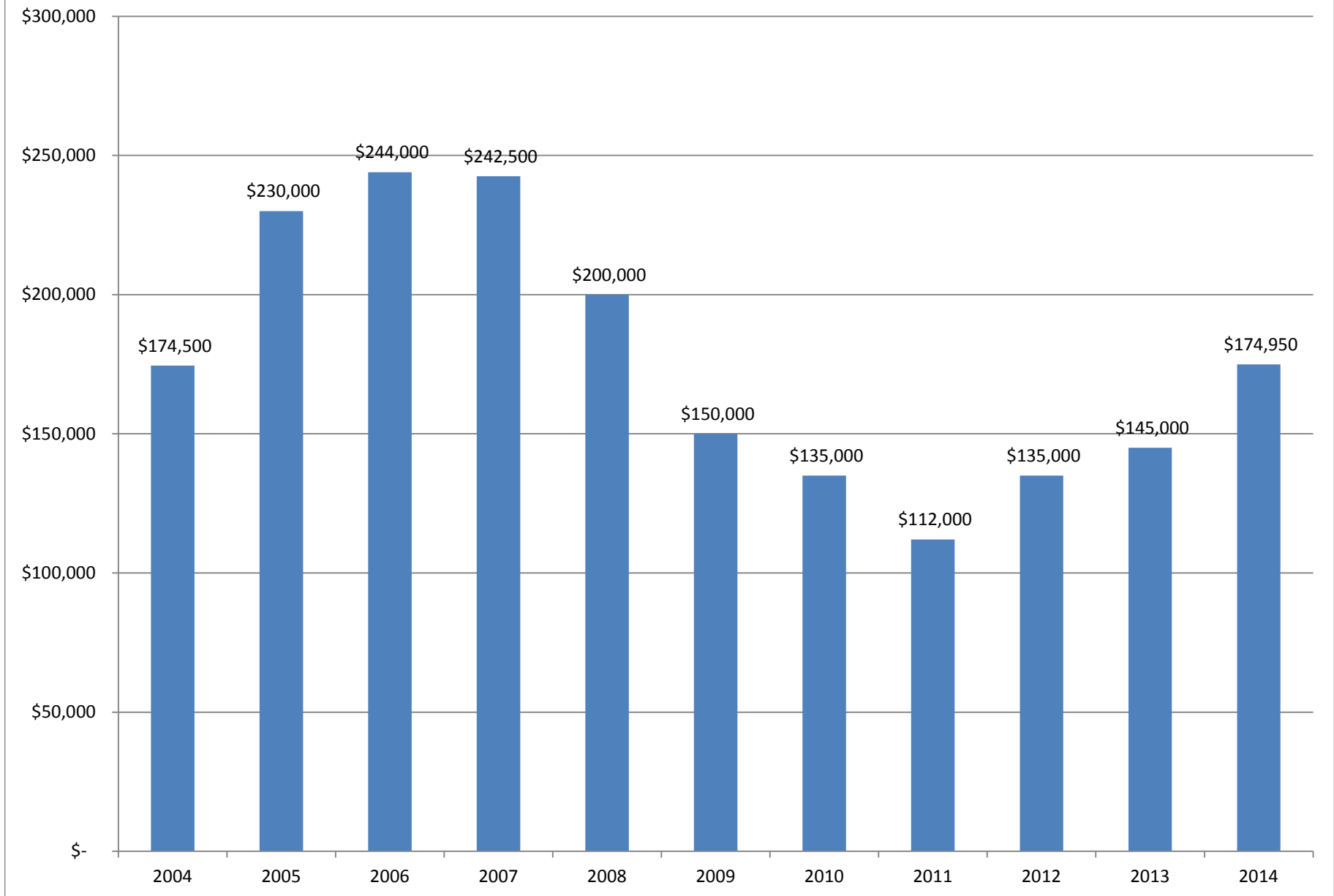




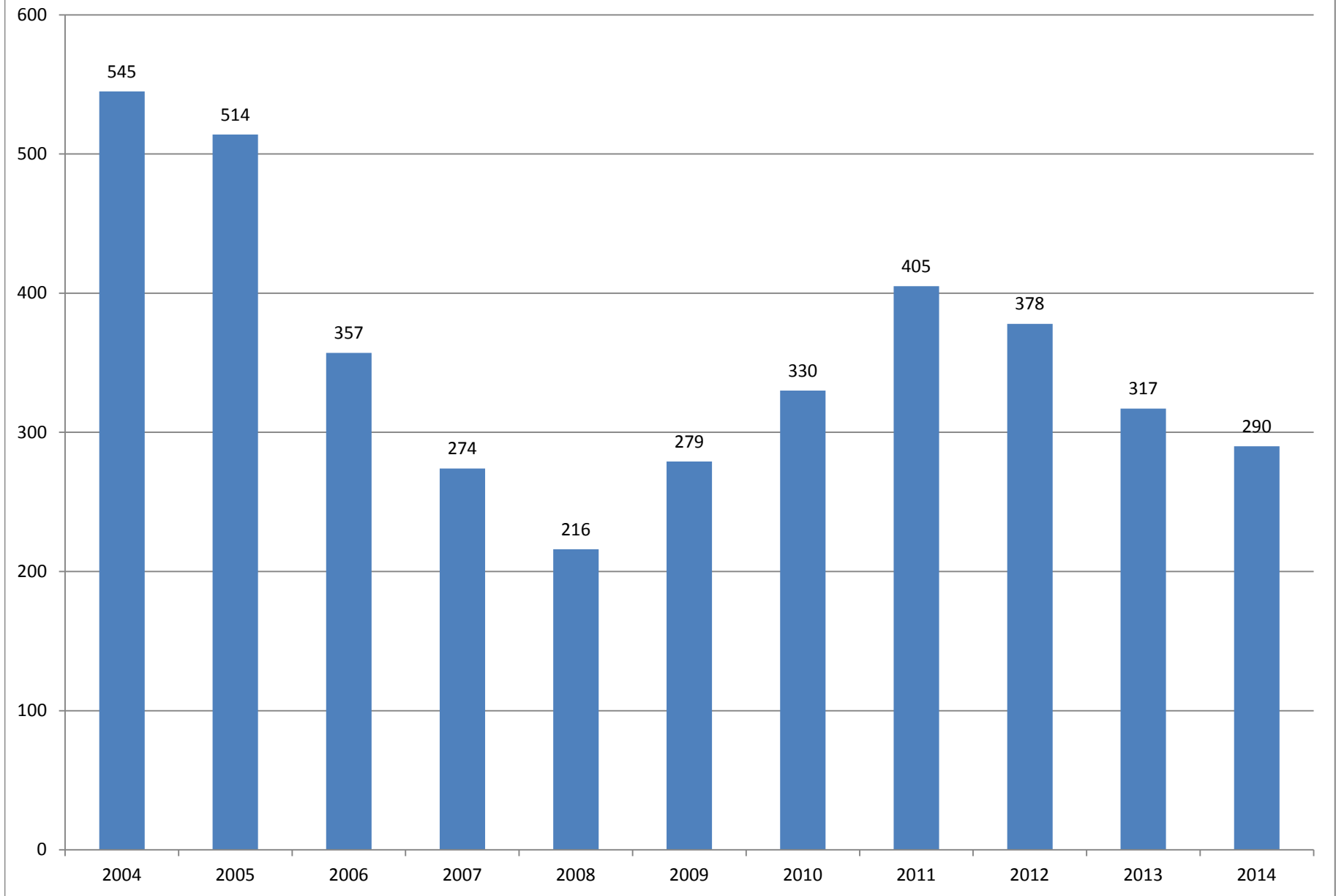
## Manufactured and Mobile Homes Transactions Sedona Area 2004 - 2014



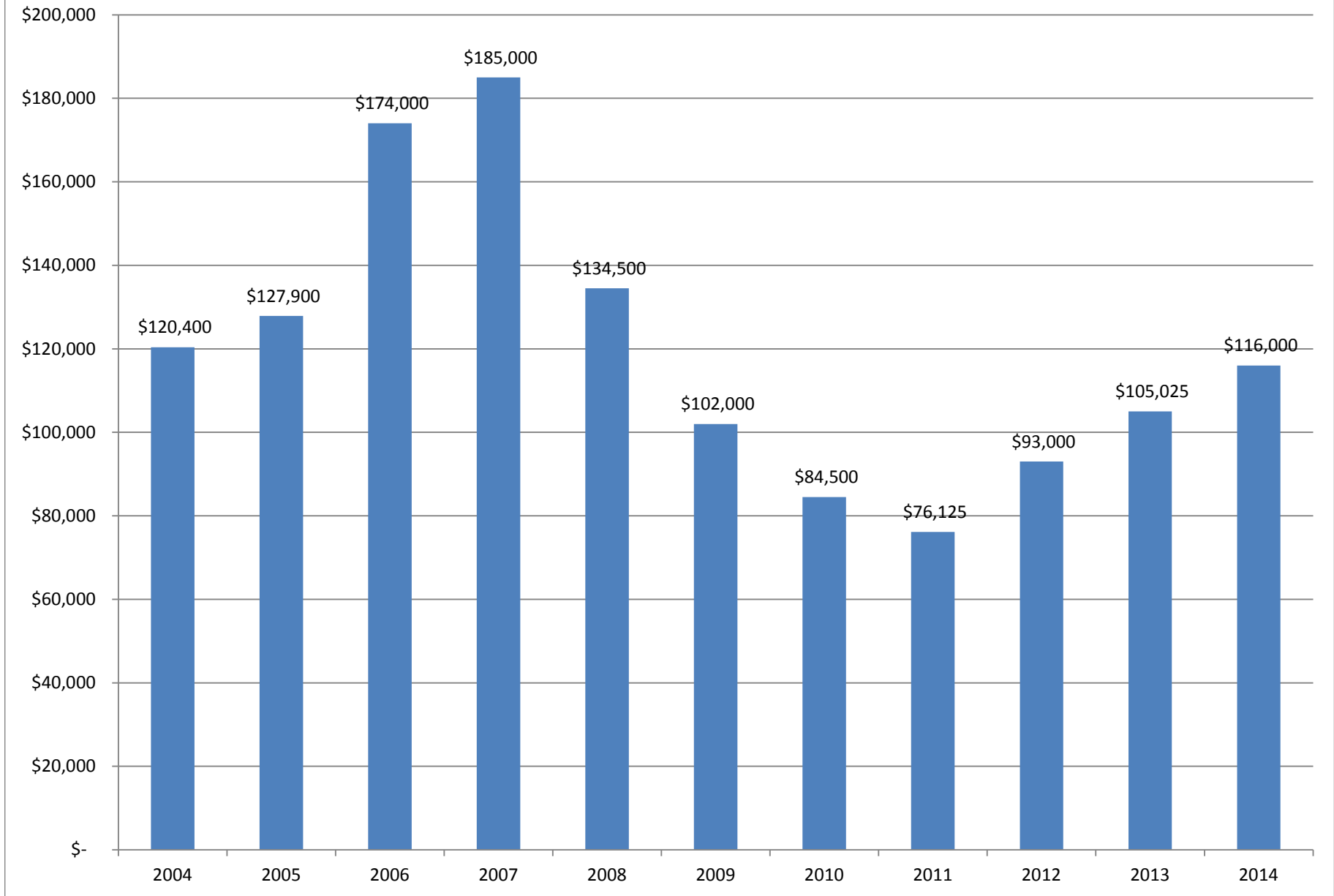
## Median Sales Price Cottonwood Single Family Homes 2004-2014



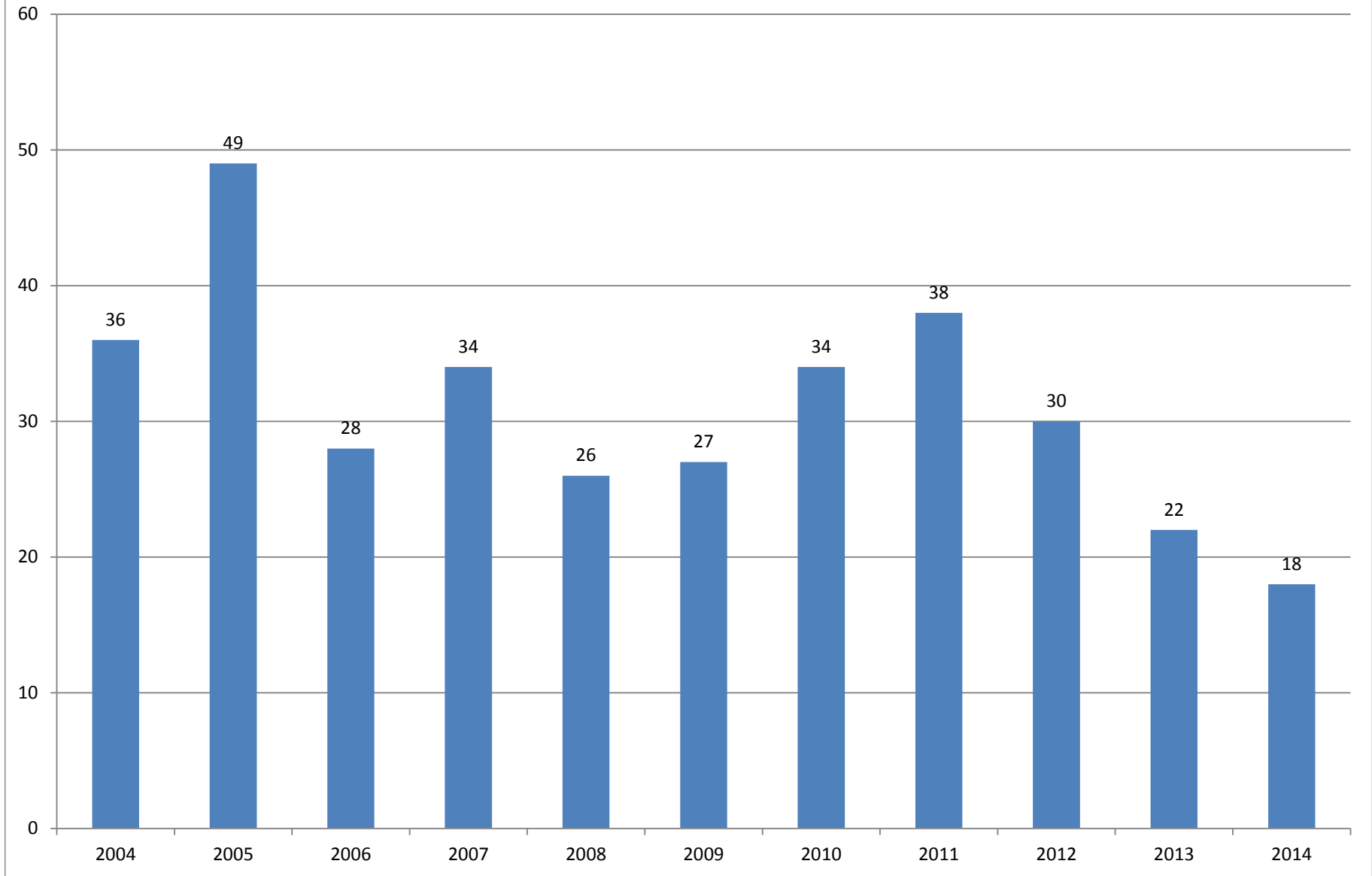
## Cottonwood Single Family Homes number of Transactions 2004-2014



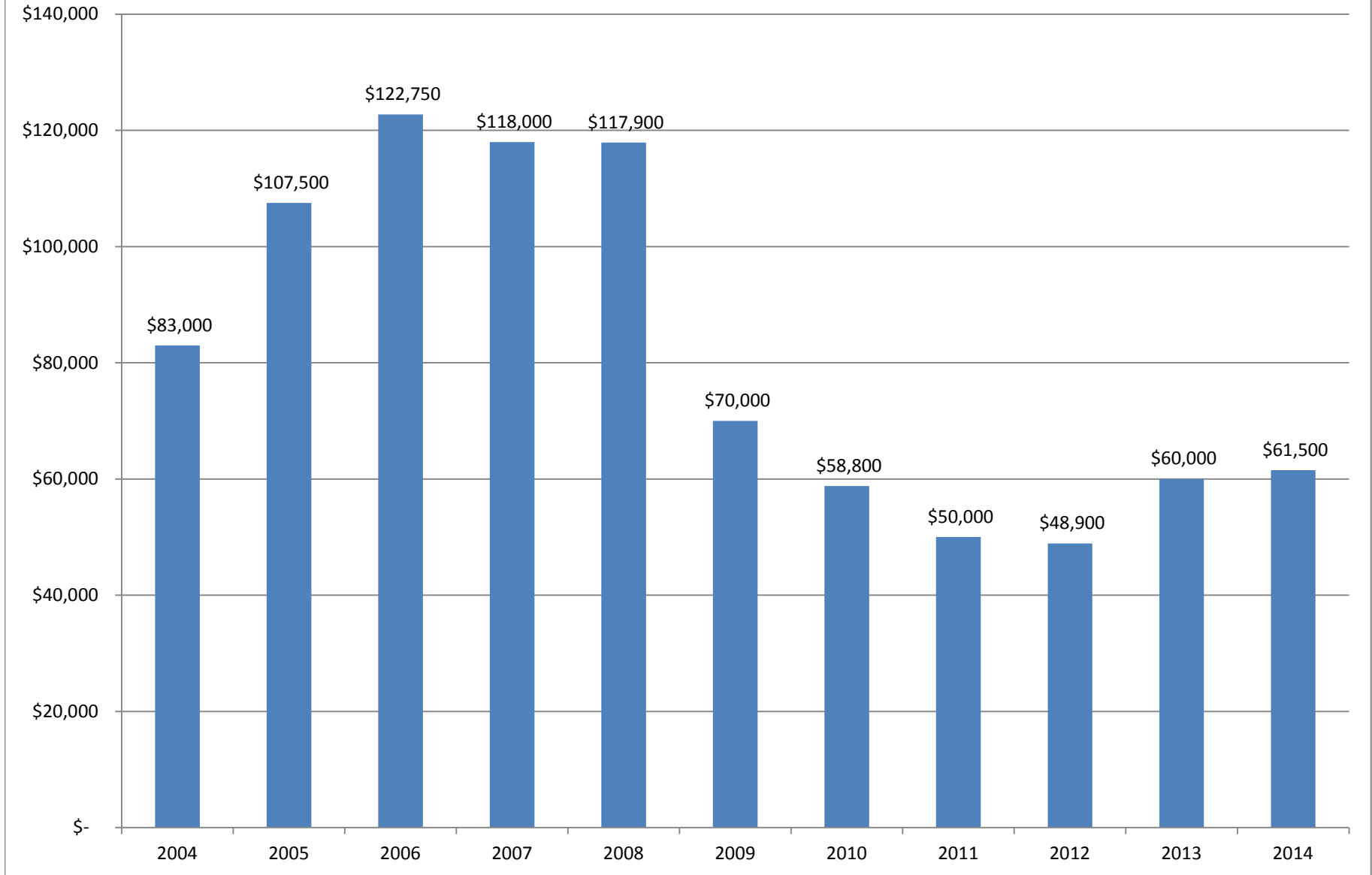
## Median Sales Price Cottonwood Condos and Townhomes 2004-2014



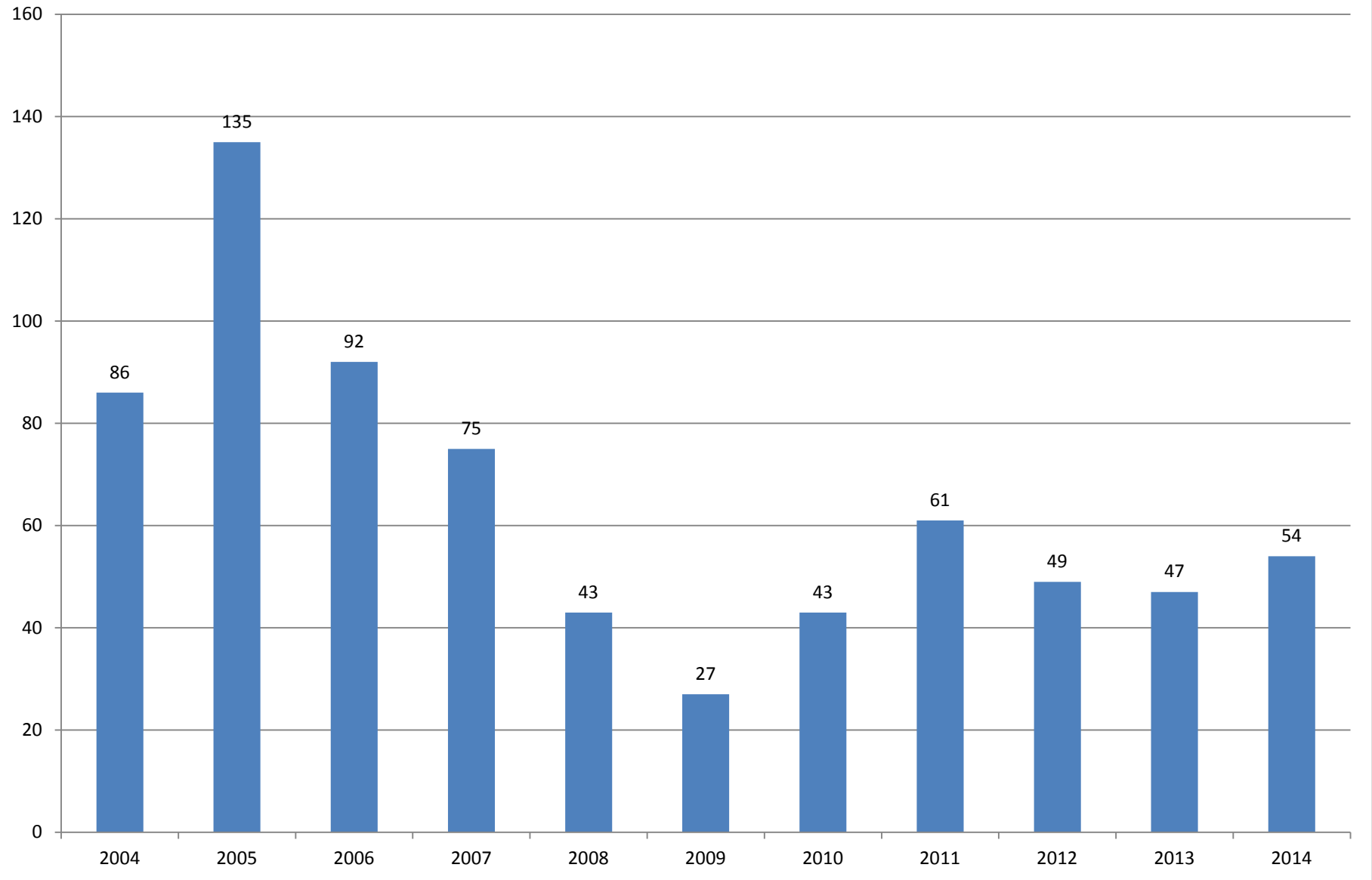
## Cottonwood Condos and Townhomes numbers of Transactions 2004-2014



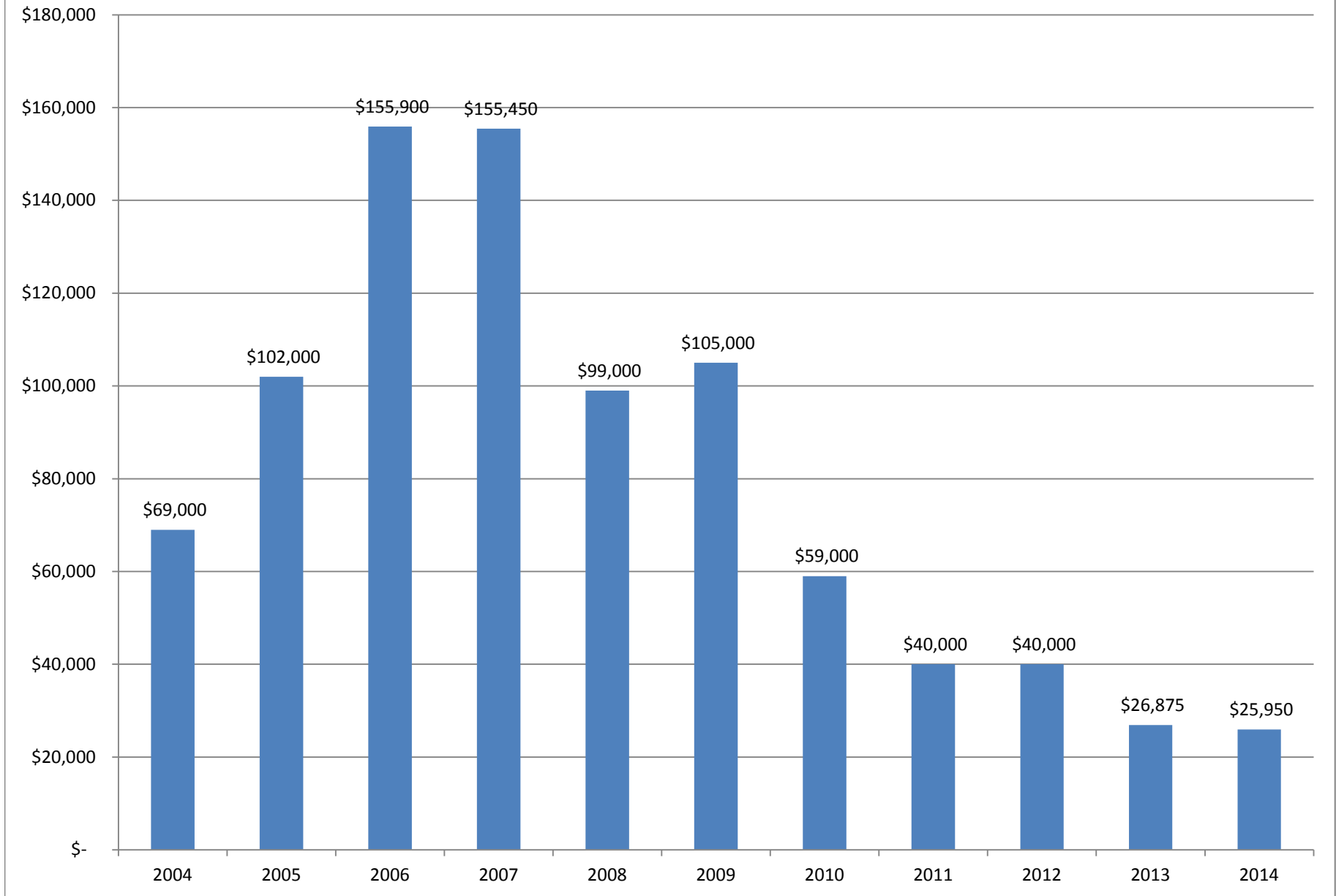
## Median Sales Price Cottonwood Mobile and Manufactured Homes 2004-2014



## Cottonwood Mobile and Manufactured Homes numbers of Transactions 2004-2014



## Median Sales Price Cottonwood Vacant Land 2004-2014





## Cottonwood Vacant Land Numbers of Transaction 2004-2014

