

4<sup>th</sup> Quarter 2008 Review Edition

### Bucking the Trend, Buyers Respond to Affordable Prices

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## Market PULSE

Snapshot of Bullhead City's real estate market

## Plus

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A year ago, the Bullhead City market closed out its worst month in at least a decade with 35 homes sold in December of 2007. Inventory had grown while demand had diminished. Then foreclosures started hitting the market in waves, and with each wave seemed to drag the market down further. As we limped through the year looking for the bottom of the market, we might not have noticed that market corrections had already started back in December 2007.

#### Fewer Listings Entering the Market

On the supply side, the market responded to reduced demand throughout the year with fewer new listings entering the fold every month compared to the same month in 2007. Still, prices continued to adjust down as buyers waited.

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#### Year-Over-Year Sales Slump, Then Jump

From January through May of 2008, barely half the homes sold compared to the same period in 2007. The bleeding slowed on the supply side with fewer homes hitting the market, but the demand slowed even more. Then a blip hit the radar screen in July of 2008 when 82 homes sold - one shy of matching the 83 homes sold in July 2007. Close, but not quite. Then December came and sales jumped 49% year-over-year, breaking a 33-month streak of declining home sales that started in March of 2006.

#### The Affordability Factor

While many factors likely contribute to the recent change in activity, the bottom line is that homes have reached a level of affordability that we haven't seen in many years and buyers are responding. So have we hit bottom? If you can accept that the bottom is shaped more like a "U" than a "V", the bottom may have started back in December of 2007 and we didn't even know it.

For up-to-date market statistics or to view homes for sale, including foreclosures, visit [www.BullheadCityBlog.com](http://www.BullheadCityBlog.com)

*A Snapshot of Bullhead City's Real Estate Market*

**Mortgage Rates**

	National Average
4 <sup>th</sup> Quarter 2008	6.09%
Previous Quarter	6.32%
4 <sup>th</sup> Quarter 2007	6.23%

The average rate dropped to 5.29% and counting in December as the quarterly average neared 6%.

**Existing Home Sales**

	Site Built	Manufactured	Condo	All Residential
4 <sup>th</sup> Quarter 2008	98	39	4	141
Previous Quarter	122	43	10	175
4 <sup>th</sup> Quarter 2007	59	56	7	122

Homes sold increased from the 4<sup>th</sup> quarter of 2007, as site built homes captured a growing share of the mix.

**Dollar Volume**

	Site Built	Manufactured	Condo	All Residential
4 <sup>th</sup> Quarter 2008	\$16,286,764	\$2,613,550	\$887,500	\$19,787,814
Previous Quarter	\$24,492,462	\$3,830,602	\$2,137,800	\$30,460,864
4 <sup>th</sup> Quarter 2007	\$14,134,391	\$5,242,730	\$1,132,700	\$20,509,821

Lower prices lead to a slight decrease in dollar volume from 4<sup>th</sup> quarter of 2007 despite the greater number of home sold.

**Average Sales Price**

	Site Built	Manufactured	Condo	All Residential
4 <sup>th</sup> Quarter 2008	\$166,191	\$67,014	\$221,875	\$140,339
Previous Quarter	\$200,758	\$89,084	\$213,780	\$174,062
4 <sup>th</sup> Quarter 2007	\$239,566	\$93,620	\$161,814	\$168,113

Average sale prices continued to decline, sparking an increase in activity. Laws of supply and demand on display.

**Median Sales Price**

	Site Built	Manufactured	Condo	All Residential
4 <sup>th</sup> Quarter 2008	\$135,000	\$64,000	\$168,750	\$110,000
Previous Quarter	\$160,000	\$75,000	\$179,000	\$144,000
4 <sup>th</sup> Quarter 2007	\$215,000	\$84,250	\$150,000	\$145,000

Foreclosures dominate 4<sup>th</sup> quarter site built home sales, bringing prices into affordable range for first-time buyers and investors.

**Residential Building Permits**

Oct - Nov 2009 *	7
Previous Quarter	24
4 <sup>th</sup> Quarter 2007	34

\*December permit count unavailable as of this writing. Still, very little new home activity in 4<sup>th</sup> quarter.

Sources: Western Arizona REALTOR Data Exchange, BHC/MV Assn of REALTORS, Freddie Mac, US Census, Freddie Mac, City of Bullhead City

*If you would like detailed market statistics for your neighborhood please give me a call at (928) 704-6700*



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