

# Valley of the Sun Real Estate Update

July, 2005

## Has the market reached a peak?

Unless you have been vacationing in Siberia for the last year and a half, you are very likely aware of the rapid appreciation in pricing we have seen here in the Valley over that time. Many areas have seen year-over-year rises of 20%, 30%, or even 40%, leading most observers to comment that such rates simply can not be sustained indefinitely. Still, after months of such warnings, you could be forgiven for wondering if there would ever be an end to this run-up in pricing.

The sales data released for June, the latest month available, gives us some reason to think that the market has begun to flatten out. While the number of sales in the area continues to grow—9,600 sales in April, 9,890 in May, and 10,252 in June—the more significant number is the increase in available listings. This has risen from 8,598 in April, to 9,451 in May, and 11,134 in June. As the number of listings begins to match the number of sales, the backlog of buyers begins to ease, homes stay on the market longer, and the number of competitive bids decreases. The market begins to move away from conditions that dramatically favor sellers, and towards a more stable and balanced condition that allows buyers to take a more reasoned approach to the home-search process. Still the housing inventory is still well below the level we were at a few years ago.

At the same time, though, the median sales price has continued to move up rapidly. This figure jumped from \$220,000 in April to \$235,000 in May, and again to almost \$250,000 in June. So the increase in housing inventory has not had much of an impact on the price gains we have become accustomed to—at least, not yet. We will have to continue watching the market trends for a few more months to see if the pricing plateau expected by many market watchers has finally come.

The housing market is a very complex system, and it is not always possible to tease out all the factors

that will influence its future direction. Summer has traditionally been a slower time in the Phoenix area, as families spend vacation time out of state, and the heat convinces many of those who stay in town to forego all but the most essential of tasks. Political and economic news from around the country, and around the world, could still push the market in one direction or another.

If you are thinking of buying or selling in the next few months, I would be happy to talk with you and discuss how changing market conditions might affect your plans. The more you know about the local market, and the more I know about your real estate goals, the better we can do together to design a plan of action that will allow you to accomplish everything you set out to do.

## On the Home Front



Taran is doing great, which means Jill & I are doing great, too. Our flurry of travel is mostly behind us, so we are looking forward to spending some time at home—or maybe at the ballpark. Taran has already been to 4 games, including one while we were in San Diego.



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## Recipe of the Month Alsatian Plum Cake

This recipe comes from the resort at Canyon Ranch, and it takes just a little effort to create a nice impression at the end of a meal. Give the finished cakes a little time to cool before serving, since the ramekins and the liquid in the plums will get quite hot.

4 Tablespoons almond paste  
2 Tablespoons butter  
2 Tablespoons nonfat sour cream  
1 large whole egg  
3/4 teaspoon vanilla extract  
1/4 cup all-purpose flour  
4 Tablespoons granulated sugar  
3 fresh plums  
2 Tablespoons brown sugar

1. Preheat oven to 350°.
2. In a medium bowl, cream together almond paste, butter, and sour cream. Stir in egg and vanilla extract. Gradually stir in flour & sugar. Set aside.
3. Cut plums in half & remove pits. Scoop 3 Tablespoons of paste mixture into each of 6 ramekins, and place 1/2 plum on top of paste, cut side down. Sprinkle each with 1 teaspoon of brown sugar.
4. Bake for 25-30 minutes, or until plum is roasted & tender, and cake is spongy.

Makes 6 servings.

Here's a tip: Especially in our climate, the almond paste may be very dry & stiff when you open the package. Follow the directions to soften it up, and allow a day for that to happen. If you're on a tight schedule, you can mix the paste in a blender or food processor.

For convenience, you can prepare the cakes ahead of time and keep them in the fridge until dinner time. Start baking when you serve dinner and they'll be ready to go when you are.

## Culture Corner

Quick reviews of some recent favorites

**TV:** Now in its 2nd season on FX, **Rescue Me** is one of the best programs on TV. Denis Leary stars as a firefighter whose troubles include alcohol, his ex-wife, and visions of dead people (last season, they were fire victims; this year, Jesus has been a regular.) The writing is top-notch, the ensemble cast is great, and a brilliant sense of humor winds through even the darkest plot lines. TiVo it.

**Books:** Here's a nice twist for a breezy summer read: you get to root \*for\* the psychopath. The title character of Jeff Lindsay's **Darkly Dreaming Dexter** is witty, insightful, and a serial killer. The story is fast & simple, but manages to comment on the ties that bind us to family and friends and the wedges that drive us apart—some further than others.

**Food:** Hidden in a restored bungalow at 24th & Osborn, **Sophie's Bistro** serves first-class French cuisine in a restored bungalow at 24th & Osborn. The casually elegant ambiance includes soft music from the piano player in the bar, and table-side visits from the owner. A great choice for a special meal.



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