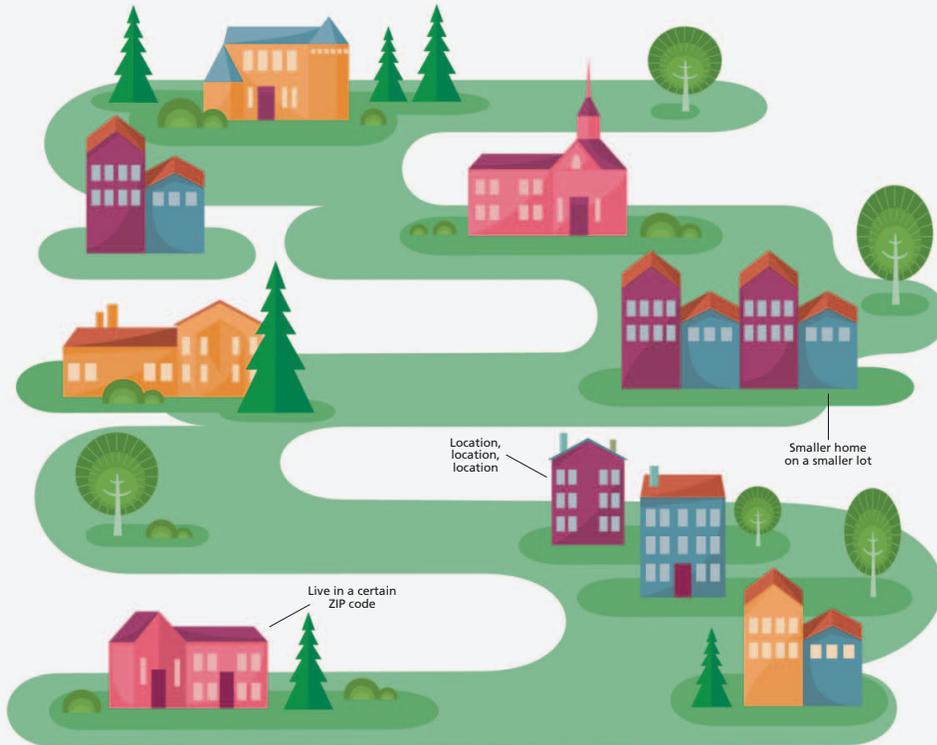




AZ Real Estate

REACH US || PENNY WALKER, PENNY.WALKER@ARIZONAREPUBLIC.COM || BUSINESS.AZCENTRAL.COM

A TALE of 3 BUYERS



The ideal home looks a little different to everybody

SUE DOERFLER
THE REPUBLIC • AZCENTRAL.COM

We all have different thoughts about what makes a house a home. Our home. Our version of the American dream.

For some of us, it's the location. For others, it's a gourmet kitchen or backyard oasis. For those with kids, it may be the number of bedrooms.

Real-estate agent Steve Skarphol, associate

broker with HomeSmart Elite Group's Paradise Valley office, has found that the neighborhood and its proximity to the buyer's work, church, conveniences, friends and family rank highest. Other factors include the quality and functionality of the house and the likelihood it will hold its value.

"Bottom line for today's buyers, in my opinion, is that buyers are focusing on the utility of

See **BUYERS**, Page R3

CATHERINE REAGOR
REAL ESTATE



Housing market treading water

Metro Phoenix's housing market is slowing and stabilizing. In July, home sales and prices dipped, prompting housing analyst Mike Orr to repeat that he sees no sign of a bubble-and-bust scenario in the near future.

Sales fell 4.5 percent from June and 18 percent from July 2013. The Valley's median sales price was \$210,000 in July 2014, down \$1,000 from the previous month, according to a report from the W.P. Carey School of Business at Arizona State University. A year earlier, the area's median was \$194,000.

"Most of the median-price increase over the last 12 months is because a greater percentage of the homes being sold are in the luxury market, not because home values overall are increasing," said Orr, director of the Center for Real Estate Theory and Practice at the W.P. Carey School of Business.

At the moment, both demand and supply are low in the Phoenix area. A closer look at the area's housing market beyond overall sales and price numbers from Orr's latest report:

Supply: Housing inventory is shrinking again. Supply fell 3 percent in July to 24,994. Too many houses on the market in a region with declining sales can push down prices. Last summer, supply was too tight for a healthy market. The number of houses for sale is 36 percent lower now than a year earlier.

High-end houses: In July, 553 houses with price tags of \$500,000 or higher sold. That's flat from June. Luxury sales accounted for about 23 percent of metro Phoenix sales in July, up from 21 percent a year earlier.

See **REAGOR**, Page R3

THINKSTOCK

AZ Real Estate



Buyers

Continued from Page R1

the home in meeting the family's day-to-day lifestyle demands," he said.

Also part of the equation is what's available on the market.

Lately the selection has been larger, said Neil Brooks, an agent with HomeSmart's Hayden Road office.

"The lackluster first half of the 2014 residential real-estate market has evened the playing field between sellers and buyers, giving buyers many more choices than in the recent past," he said. "With interest rates remaining low for the foreseeable future, being a buyer is much more fun than it was at this time last year."

However, buyers looking for particular criteria, such as north/south orientation or proximity to major streets, may find their choices are narrowed, Skarphol said.

Here's a look at three homebuyers, what they purchased, how long they looked and why they chose what they did.

Joanie and Dave Drumwright

The Drumwrights wanted to move into a smaller home on a smaller lot.

They were spending too much time doing yard work and were tired of it.

After two months of searching, they found a house that seemed made just for them. It was on a view lot. It was a reasonable commute to work. Their furniture fit into the rooms.

Although it requires less yard work, their new home, which is in Peoria, isn't small. It has 3,224 square feet.

They did downsize their mortgage payments.

"We were able to decrease our monthly payment by 40 percent and our landscaping bill by 85 percent," Joanie Drumwright said.

Home description: 3,224 square feet, four bedrooms, 3.5 bathrooms, den, surround



CHARLIE LEIGHT/THE REPUBLIC

Dave and Joanie Drumwright downsized when they purchased their Peoria home in mid-July.

sound in the family room, heated pool and spa, custom wine closet and upgraded interior features. Built in 2005.

Did the home meet your budget? After negotiating the price, the sales price, \$466,000, fit their budget.

Did you find what you wanted? The home had nearly every feature on their wish list, including mountain views.

But it didn't have as much storage as they wanted.

"Maybe that's a sign we have too much stuff," Drumwright said, laughing. "My husband made a vow: Whatever doesn't fit in the house, goes."

(They got rid of several pieces of furniture, she said.)

"Wow" feature: "When you walk in, you can see the views," she said.

Jerry and Alice Hutson

The Hutsons wanted to live in a certain Scottsdale ZIP code. Having rented an apartment there, they were familiar with the conveniences the locale offered.

"We loved the area," Jerry Hutson said.

They originally looked in Grayhawk, a master-planned community between Scottsdale and Pima roads south of Pinnacle Peak Road.

Their requirements: a three-bedroom, two-bathroom home.

"We literally went out with

Steve (Skarphol) and saw three houses," Hutson said. "The third one was it."

He and his wife were amazed at how quickly they found the home of their dreams.

"It was like stuff you see on HGTV," he said, referring to the network's "House Hunters" show.

But the sale didn't go through. The home was in a flood plain and required flood insurance, something the couple didn't want to pay extra for.

They went out again, this time looking at a dozen homes in nearby subdivisions.

Again, the last home was it. They liked it even more than the previous home.

"It was on a much nicer lot, a much larger home," Hutson said. "It had something I didn't think I wanted: a built-in barbecue. We like to entertain."

Home description: 1,679 square feet, three bedrooms, two bathrooms, stainless-steel appliances, granite kitchen counters, front courtyard and outdoor stereo system. Built in 1996.

Did the home meet your budget? At \$389,000, the home was more than the first house they considered but still within their budget, Hutson said.

Did you find what you wanted? "We got more than we wanted." Unexpected fea-

tures include built-in cabinets in the garage and fireplaces in the house and garage.

"Wow" feature: The yard. Having moved from the Midwest (Alton, Ill.), "we're used to buying a house and getting land," Hutson said. "This one actually made me wonder, 'Is the yard too large?'"

Matt Newport

Having grown up in Mesa, Newport starting looking for a home in the East Valley. But then he considered his commute.

"I don't want to drive in this traffic anymore," he said.

So he started searching in north Phoenix, near his work. It took him more than a month, looking at more than 30 homes, to find what he wanted: a house that's 2 miles from his job.

"Where I settled is perfect," he said. "I love the area. Everything is really convenient."

He's so close to work that he can come home for lunch. He's even thinking about taking a power nap every once in a while, he said, laughing.

Home description: 1,343 square feet, three bedrooms, two bathrooms, open kitchen with granite counters, diving pool, large laundry room, workshop, cul-de-sac lot and RV gate. Built in 1977.

Did the home meet your budget? The home, which sold for \$175,500, fit into Newport's budget.

But it requires work: It needs a new roof.

"I came into it knowing that," he said. "The seller gave me \$3,000 to put toward a new roof."

Did you find what you wanted? In addition to location, the home has other features Newport wanted, including a remodeled interior.

"I didn't want to do a lot of work," he said.

He is looking forward to adding landscaping, including shade trees, on the nearly quarter-acre lot.

"Wow" feature: The granite counters and wood floors.

Reach the reporter at sue.doerfler@arizonarepublic.com.

Reagor

Continued from Page R1

Investors: Higher prices have deterred big investors, who snatched up many bargain foreclosure and short-sale houses in 2011-12. Investors were behind 13.6 percent of the area's sales in July, down from 14.4 percent in June, 27 percent in July 2013 and 40 percent in July 2012.

Short sales: Higher values are helping more struggling homeowners sell without completing a short sale. The number of lender-approved sales for less than what is owed on a house is down 71 percent from a year earlier and accounted for only 3 percent of all Valley sales.

Out-of-state buyers: The number of sales to people living outside of Arizona declined with overall sales. In July, out-of-state buyers were involved in 16.9 percent of all metro Phoenix sales. That compares with 19 percent in June and 17.7 percent in July 2013. Californians are the biggest group of out-of-state buyers, accounting for 4.2 percent of all sales. Canadians are second at 1.9 percent.

Cash buyers: The number of people paying cash for houses instead of financing the purchase with a mortgage has been declining with the number of investment purchases. In July, 20.9 percent of metro Phoenix's sales were closed with cash, down from 29.3 percent in July 2013.

More data available

Orr and W.P. Carey School Business are offering more data on the housing market for a price: \$45 a month, or \$360 a year.

"With the enhanced site, you're able to customize your view to more closely examine data in particular price ranges, specific parts of the Valley, and even certain transaction categories," Orr said.

To subscribe, go to wpcarey.asu.edu/realtyreports.