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March 31, 2016 Presentation at
The Arizona Association of REALTORS
2016 Spring Convention

The Future of Arizona Real Estate



By

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Unless otherwise mentioned, the U.S. Census time period for the data is July 1, 2014 to July 1, 2015



The Future of Arizona



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Today we will review the following factors:

- Population Growth
- Job Growth
- Special Statistics

Let's have some fun and see how much you know about Arizona with some quiz questions.



Forbes Magazine Reinventing America

Mar 28, 2016 @ 02:12 PM
The Sun Belt Is Rising Again, New Census Numbers Show

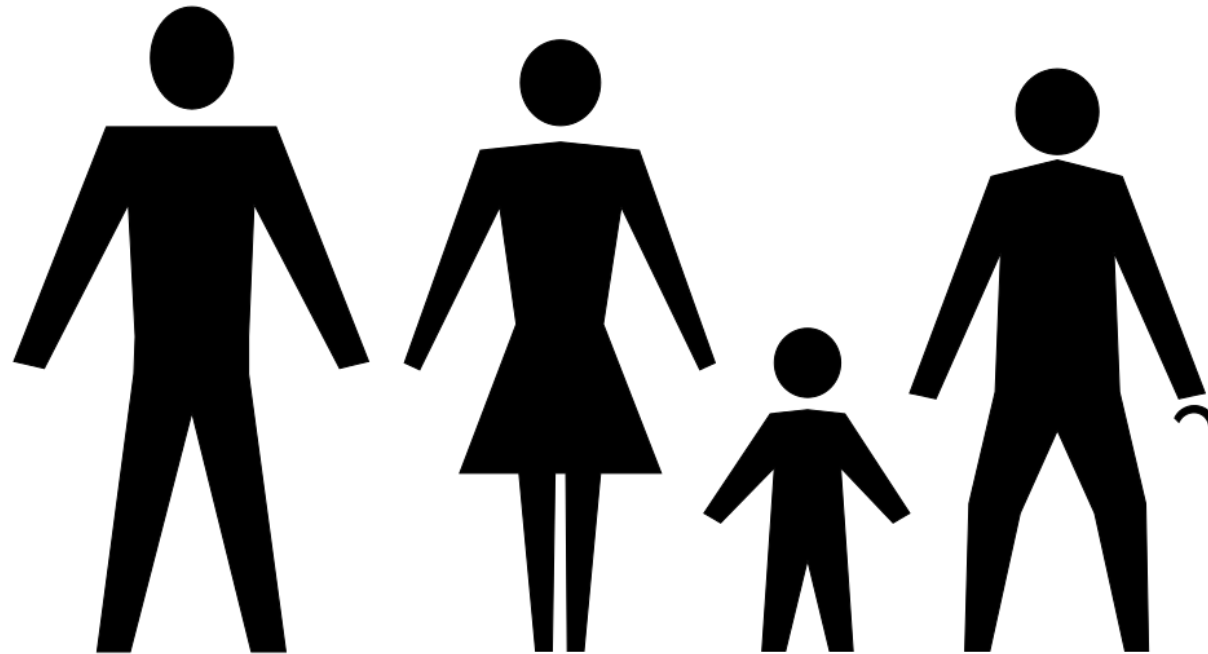


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Population Growth Homes Need People



1880 Arizona Population 40,440





Things and numbers you should know about Arizona
What do you know about Arizona's population?



Do you know where Arizona is ranked amongst the 50 states for population?

Do you know which state Arizona recently overtook in population?

Approximately how many people are in Arizona?

Things and numbers you should know about Arizona
What do you know about Arizona's population?



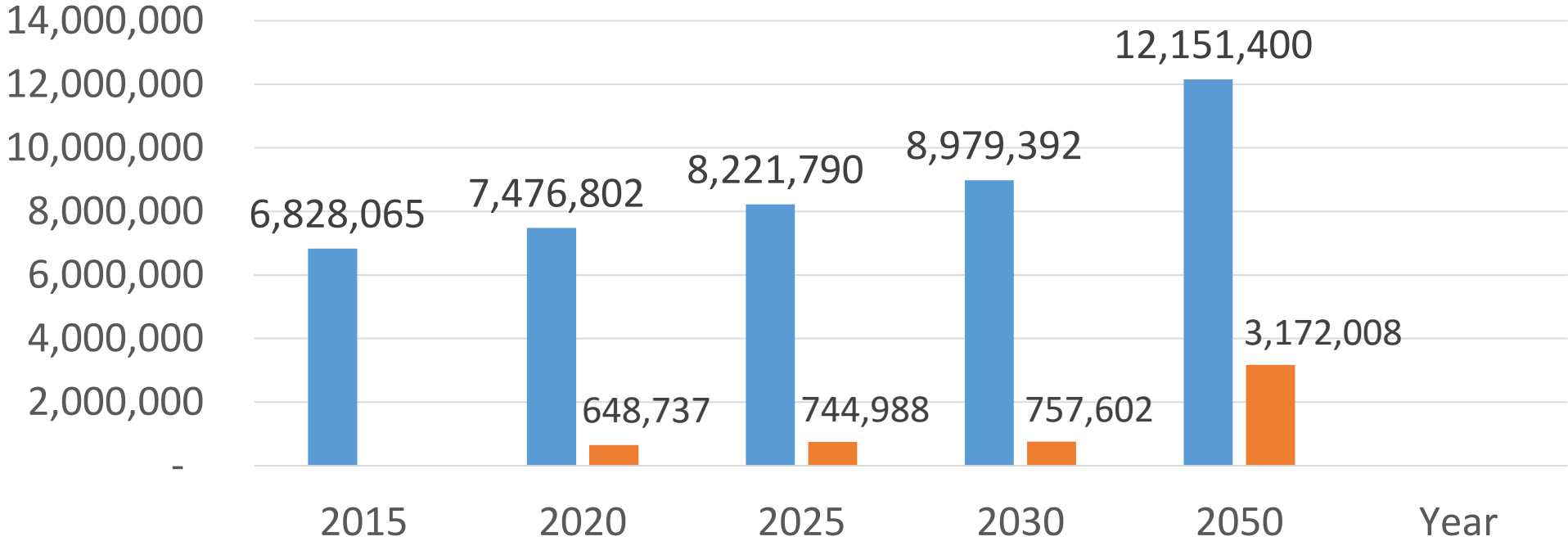
The U.S. Census Bureau in December 2015 released state population estimates.

Do you know where Arizona is ranked amongst the 50 states for population? **14th**

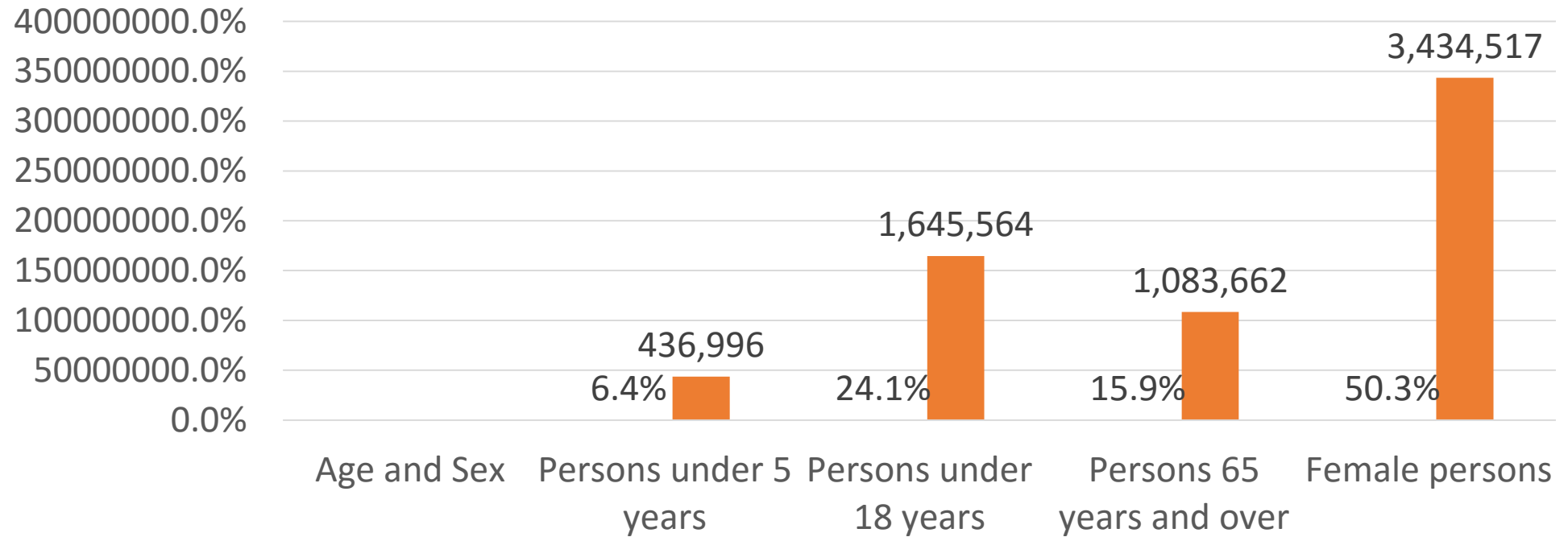
Do you know which state Arizona overtook in population? **Massachusetts**

Approximately how many people are in Arizona? **6,828,065**

Projected Population of Arizona U.S. Census Bureau



Arizona Population By Age and Sex





According to the U.S. Census Bureau how many babies were born in Arizona for the period of July 1, 2014 to July 1, 2015?

- a. 45,000
- b. 90,000
- c. 110,000
- d. 145,000





87,385

What is Arizona's veteran population?



What is Arizona's veteran population?

532,206



Arizona total veterans	532,206
Wartime veterans	401,951
Gulf War	159,896
Vietnam Era	185,867
Korean Conflict	53,727
World War II	25,577
Peacetime	130,255
Female	54,221
Male	477,985



How many counties in Arizona



Arizona County Population Totals

Geography	2014	2015	Number	Percent
Arizona	6,728,783	6,828,065	99,282	1.5
Apache County	71,858	71,474	-384	-0.5
Cochise County	127,321	126,427	-894	-0.7
Coconino County	137,637	139,097	1,460	1.1
Gila County	53,139	53,159	20	0
Graham County	37,958	37,666	-292	-0.8
Greenlee County	9,323	9,529	206	2.2
La Paz County	20,314	20,152	-162	-0.8
Maricopa County	4,090,022	4,167,947	77,925	1.9
Mohave County	203,331	204,737	1,406	0.7
Navajo County	108,119	108,277	158	0.1
Pima County	1,004,244	1,010,025	5,781	0.6
Pinal County	396,521	406,584	10,063	2.5
Santa Cruz County	46,661	46,461	-200	-0.4
Yavapai County	218,852	222,255	3,403	1.6
Yuma County	203,483	204,275	792	0.4



Cumulative Estimates of the Components of Population Change July 1, 2014 to July 1, 2015

Geography	Total Population Change	Natural Increase	Vital Events		Net Migration			Other
			Births	Deaths	Total	International	Domestic	
Apache County, Arizona	-384	447	1,089	642	-784	26	-810	-47
Cochise County, Arizona	-894	377	1,580	1,203	-1,370	355	-1,725	99
Coconino County, Arizona	1,460	879	1,691	812	589	175	414	8
Gila County, Arizona	20	-157	620	777	118	27	91	59
Graham County, Arizona	-292	338	608	270	-644	12	-656	-14
Greenlee County, Arizona	206	106	143	37	117	17	100	-17
La Paz County, Arizona	-162	-39	210	249	-169	46	-215	46
Maricopa County, Arizona	77,925	26,690	55,671	28,981	49,490	11,820	37,670	1,745
Mohave County, Arizona	1,406	-935	1,854	2,789	2,175	62	2,113	166
Navajo County, Arizona	158	634	1,597	963	-529	55	-584	53
Pima County, Arizona	5,781	2,797	12,048	9,251	2,797	2,636	161	187
Pinal County, Arizona	10,063	1,886	4,625	2,739	8,732	1,103	7,629	555
Santa Cruz County, Arizona	-200	327	628	301	-550	93	-643	23
Yavapai County, Arizona	3,403	-812	1,914	2,726	4,105	221	3,884	110
Yuma County, Arizona	792	1,614	3,107	1,493	-799	696	-1,495	0

Cumulative Estimates of the Components of Population Change July 1, 2010 to July 1, 2015

Geography	Total Population Change	Natural Increase	Vital Events		Net Migration			Other
			Births	Deaths	Total	International	Domestic	
Apache County, Arizona	-44	2,379	5,393	3,014	-2,312	124	-2,436	111
Cochise County, Arizona	-4,930	2,306	8,722	6,416	-7,351	1,780	-9,131	115
Coconino County, Arizona	4,660	5,064	8,997	3,933	-477	756	-1,233	73
Gila County, Arizona	-438	-537	3,277	3,814	22	122	-100	77
Graham County, Arizona	446	1,584	3,026	1,442	-1,163	36	-1,199	25
Greenlee County, Arizona	1,092	361	646	285	739	79	660	-8
La Paz County, Arizona	-337	-135	1,041	1,176	-218	200	-418	16
Maricopa County, Arizona	350,590	143,327	286,150	142,823	201,223	52,791	148,432	6,040
Mohave County, Arizona	4,551	-3,827	9,767	13,594	7,699	170	7,529	679
Navajo County, Arizona	786	3,664	8,600	4,936	-2,931	228	-3,159	53
Pima County, Arizona	29,762	16,275	62,878	46,603	12,769	11,894	875	718
Pinal County, Arizona	30,814	11,040	24,465	13,425	18,888	4,895	13,993	886
Santa Cruz County, Arizona	-959	2,004	3,482	1,478	-3,054	433	-3,487	91
Yavapai County, Arizona	11,240	-4,412	9,717	14,129	15,180	880	14,300	472
Yuma County, Arizona	8,525	9,185	16,490	7,305	-1,204	3,076	-4,280	544

Business Data for Engaging in International Real Estate Transactions in Arizona

NATIONAL ASSOCIATION OF REALTORS®
Research Department
October 2014



NATIONAL ASSOCIATION OF REALTORS® Research Department
October 2014

	Arizona
Total Population in 2013	6,626,624
Foreign Born	896,310
Percent of Foreign Born	13.5%

NATIONAL ASSOCIATION OF REALTORS® Research Department
October 2014

Arizona total foreign born pop. in 2013	896,310
Born in Europe	80,703
Born in Africa	28,661
Born in Asia	161,708
Born in Oceania	4,258
Born in Latin America	576,420
Born in Northern America	44,560

Speak a language other than English 1,660,866 or 27%. This number includes foreign born and U.S. born.

What the heck does FIRPTA mean 



On February 17, 2016 the FIRPTA withholding tax rate increased up to 15% as demonstrated in the chart below:

Buyer intends to use property as a residence. <i>(Seek a qualified tax expert such as a CPA or tax attorney as to residence qualifications)</i>	Yes	No
Sales price \$300,000 and under	0	15%
Sales price \$300,001 - \$1,000,000	10%	15%
Sales price over \$1,000,000	15%	15%

RESIDENTIAL RESALE REAL ESTATE PURCHASE CONTRACT

Document updated:
September 2015

- 3i. 135. **IRS and FIRPTA Reporting:** Seller agrees to comply with IRS reporting requirements. If applicable, Seller agrees to complete, 136. sign, and deliver to Escrow Company a certificate indicating whether Seller is a foreign person or a non-resident alien pursuant to 137. the Foreign Investment in Real Property Tax Act ("FIRPTA"). Buyer and Seller acknowledge that if the Seller is a foreign person, the 138. Buyer must withhold a tax equal to 10% of the purchase price, unless an exemption applies. >>

Residential Resale Real Estate Purchase Contract • Updated: September 2015
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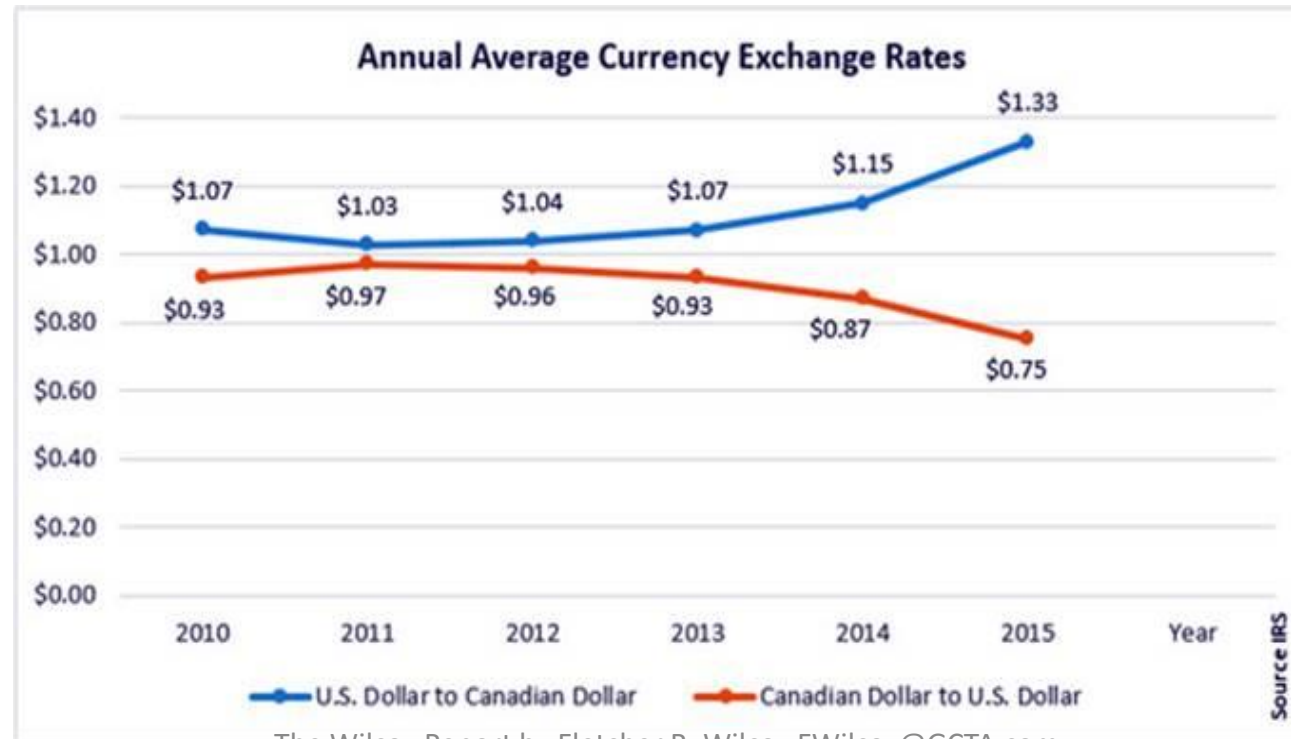
R RESIDENTIAL SELLER'S PROPERTY DISCLOSURE STATEMENT (SPDS) *(To be completed by Seller)*

Document updated:
June 2014

13. Is the legal owner(s) of the Property a foreign person or a non-resident alien pursuant to the Foreign Investment in Real Property
14. Tax Act (FIRPTA)? Yes No If yes, consult a tax advisor; mandatory withholding may apply.

Why More Canadians May Sell U.S. Properties in 2016

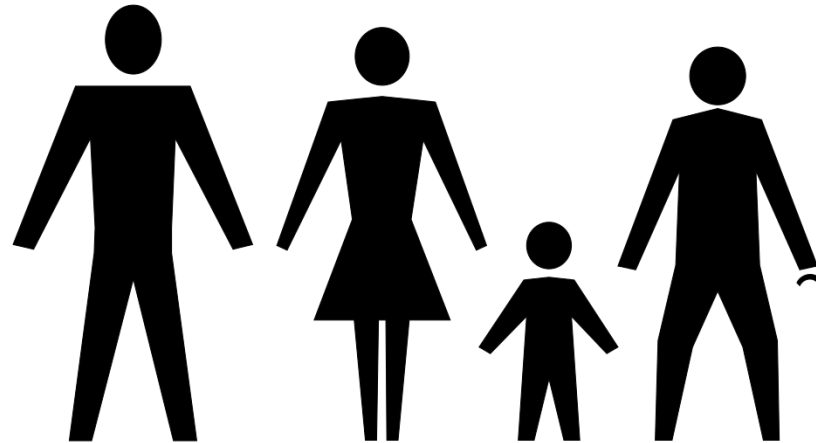
2011 Purchased	2015 Sold
\$150,000 USD	\$225,000 USD
\$155,000 CAD	\$300,000 CAD



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On March 24, 2016 the U.S. Census Bureau released their population estimates for metro areas and counties. They breakout their population estimates by 381 metropolitan statistical areas and 3,142 counties.



Numeric population gain from July 1, 2014 to July 1, 2015 U.S. Census Bureau

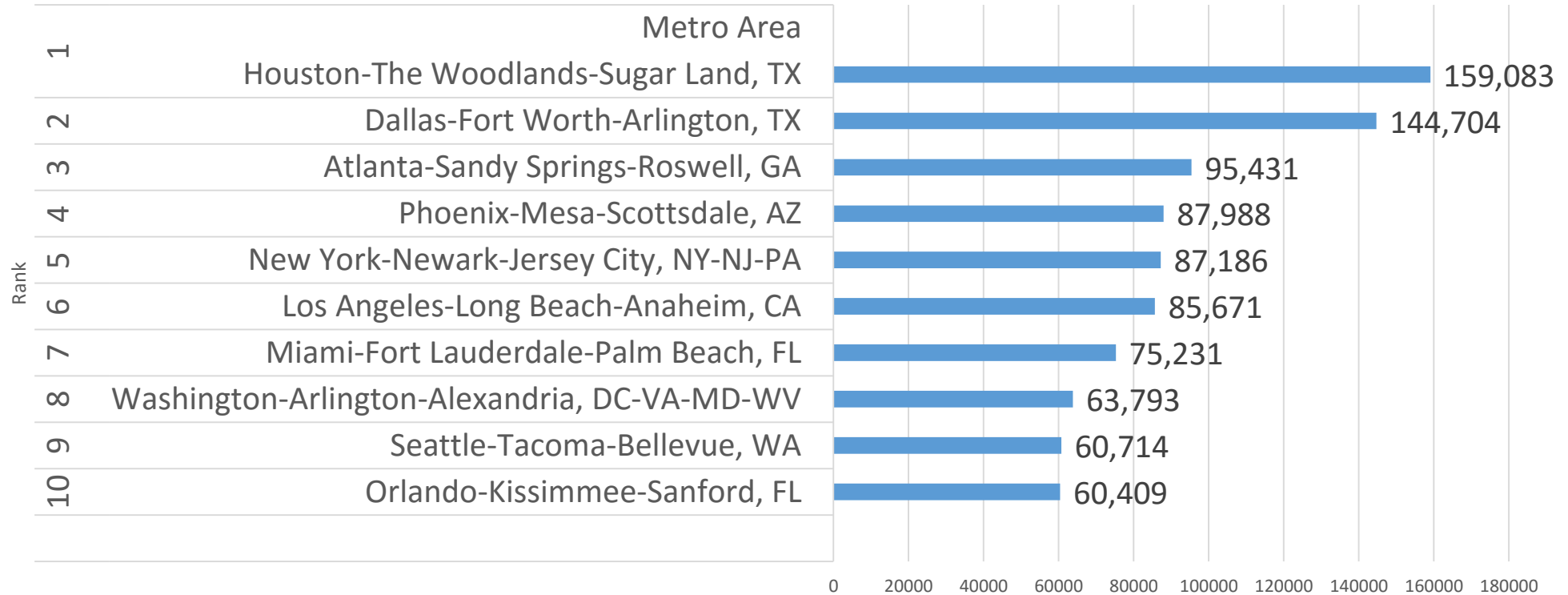


Chart prepared by www.TheWilcoxReport.com



Maricopa County # 1 in Net Domestic Migration with an increase of 37,670

Segmentation of Maricopa County's Population Increase from July 1, 2014 to July 1, 2015

www.TheWilcoxReport.com

Category	Number	
Natural Increase	+26,690	(55,671 births minus 28,981 deaths=26,690)
Domestic Migration	+37,670	Domestic migration is the difference between U.S. citizens moving into or out of a particular state.
International Migration	+11,820	This category includes the net international migration of the foreign born; the net migration between the U.S. and Puerto Rico; the net migration of natives to and from the U.S.; the net movement of the Armed Forces between the U.S. and overseas.
Other	+1,745	This residual represents the change in population that cannot be attributed to any specific demographic component.
Total Increase	+77,925	

Jobs

Some really good news!





The Five C's are: Copper, Cattle, Cotton,
Citrus and Climate.

What is the sixth C



Colangelo



A question on jobs



From October 2007 through September 2010 approximately how many non-farm were lost in Arizona?

- a. 260,000
- b. 310,000
- c. 410,000
- d. 510,000

Another question on jobs

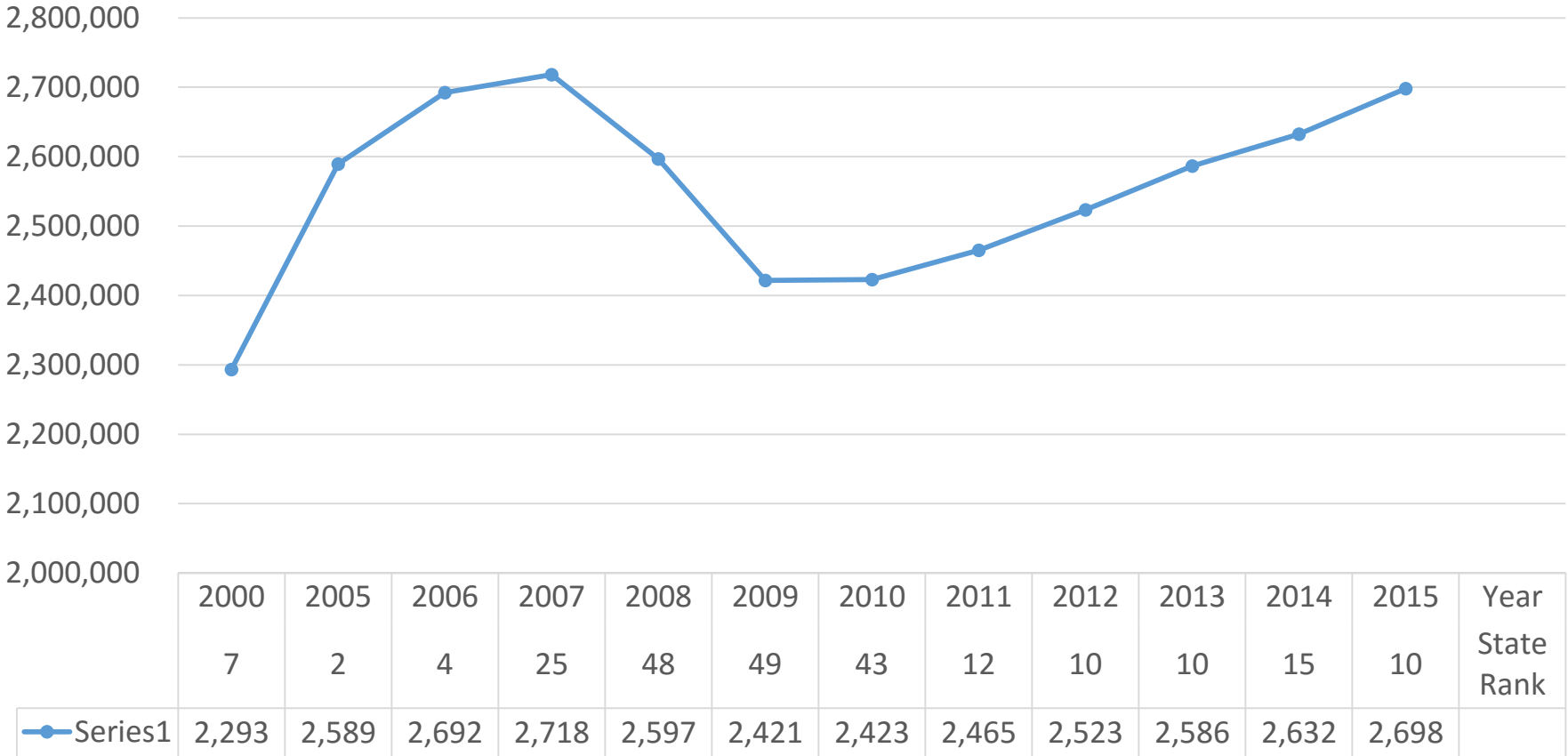


Since September 2010 through February how many jobs been gained back in Arizona?

- a. 150,000
- b. 220,000
- c. 310,000
- d. 390,000

Arizona Non-Farm Jobs

U.S. Department of Labor
www.TheWilcoxReport.com



Unemployment Rate

	2015 February	2016 February
U.S.	5.5%	4.9%
Arizona	6.3%	5.5%

Arizona Non-Farm Jobs

	2015 February	2016 February	Gain	% Gain
Arizona	2,620,900	2,700,100	79,200	3%

Breakdown of Job Categories February 2015 Compared to February 2016

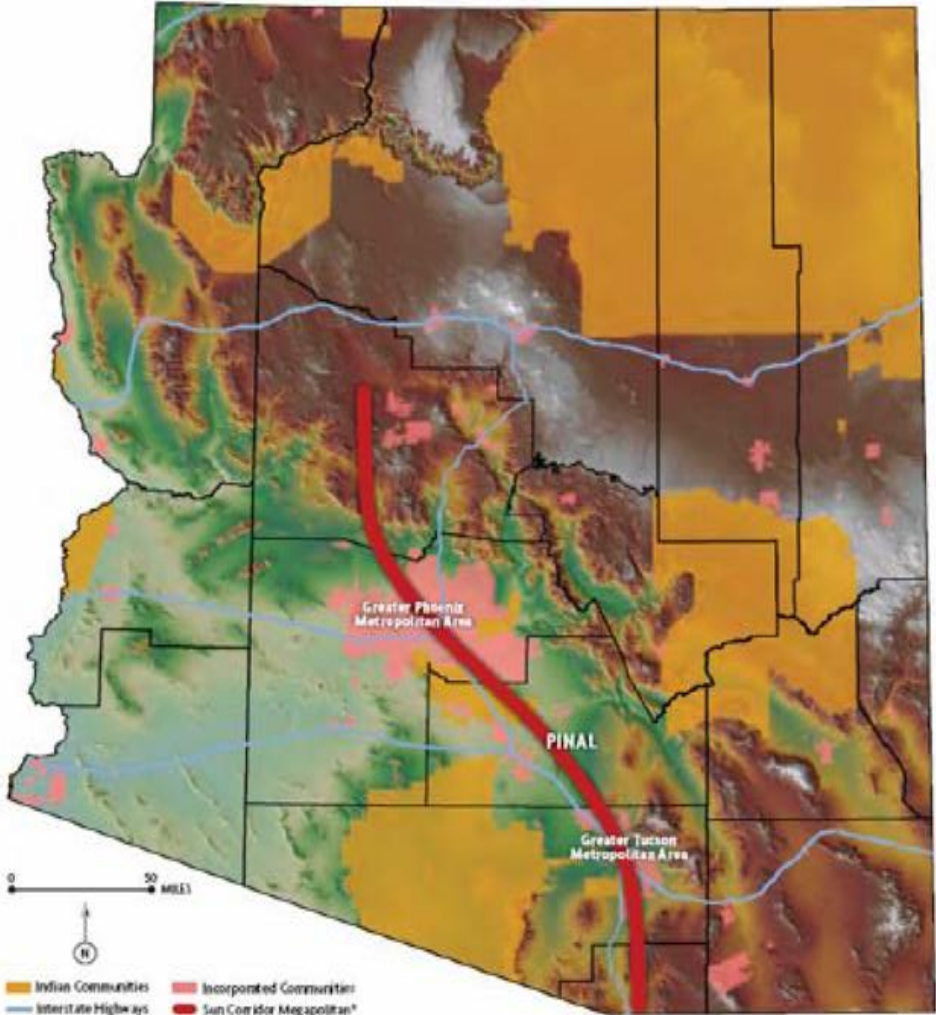
Private Sector	81,600
Government Employment	2,400
Total	79,200
Education & Health Services	19,600
Professional & Business Services	16,800
Trade, Transportation & Utilities	12,200
Financial Activities	12,100
Leisure & Hospitality	8,400
Construction	8,100
Information	2,200
Manufacturing	2,100
Other Services	1,300
Natural Mining	1,200
Total	81,600

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Where is the growth corridor



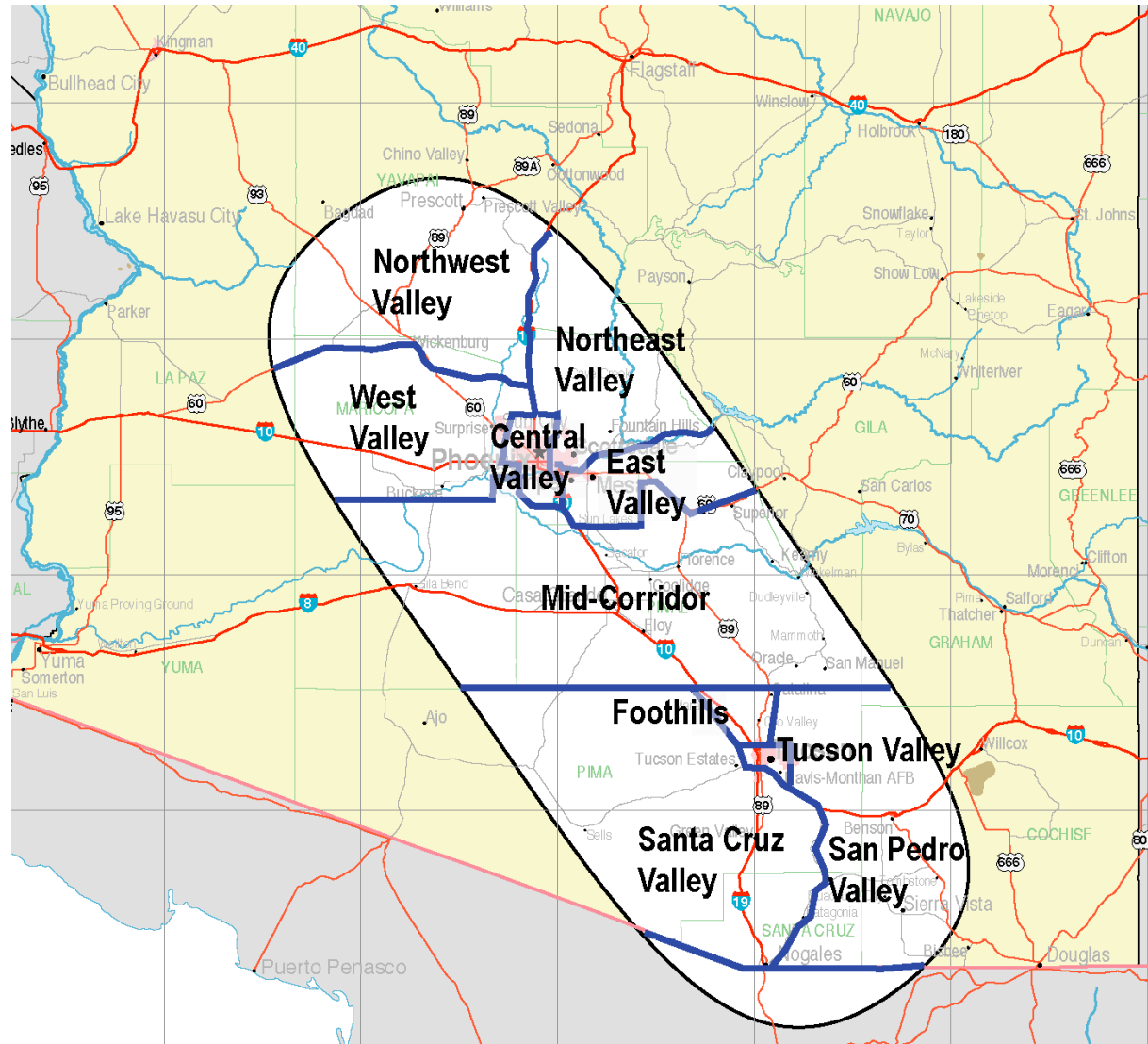
“Sun Corridor” Megapolitan Arizona State University



* Megapolitans are urban areas that combine at least 2 metropolitan areas and show substantial economic and other connections. The Sun Corridor is Arizona's emerging megapolitan as metro Phoenix and metro Tucson begin to merge and economic ties strengthen. The Sun Corridor includes all or part of 6 counties and 37 municipalities from the border with Mexico to the middle of Yavapai County. Pinal County is in the center of the megapolitan area, which is expected to have about 10 million people by 2040.

Source: Morrison Institute for Public Policy, Arizona State University; data from the Central Arizona Association of Governments, 2007.
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Source: Arizona State University

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What are other factors affect the buying and selling of residential real estate?



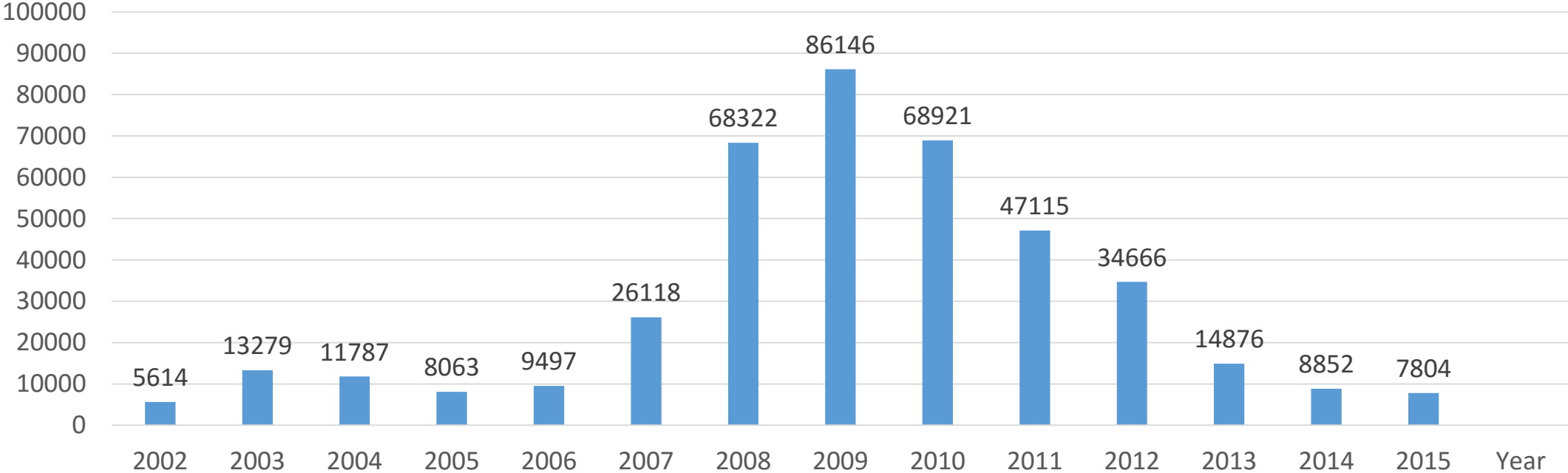


During the great real estate recession, which year had the most single family property foreclosure starts in Maricopa County?

- a. 2008
- b. 2009
- c. 2010
- d. 2011
- e. 2012



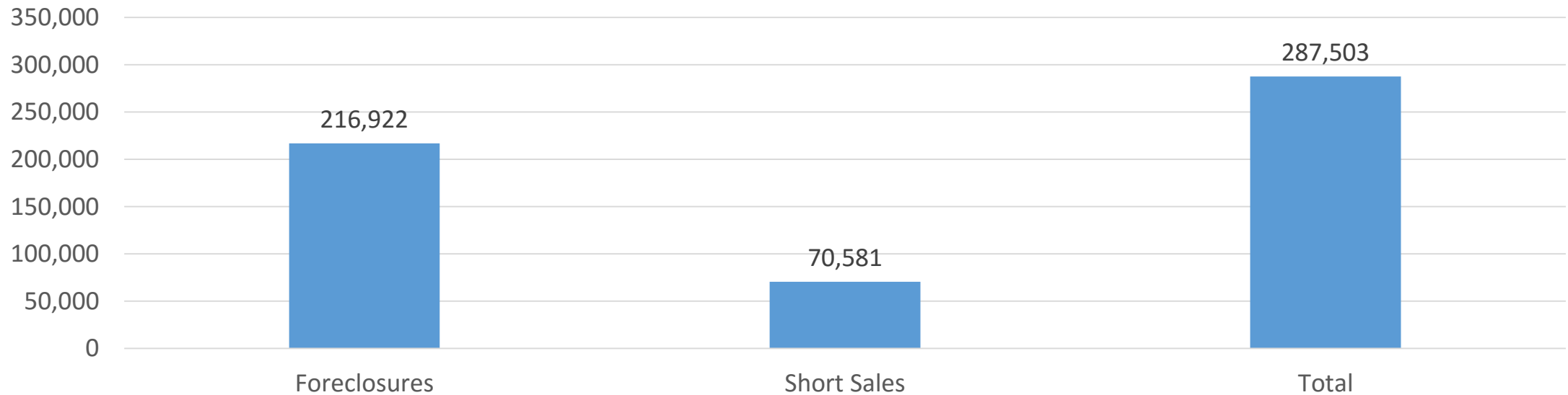
Foreclosure Starts or Notices of Trustee's Sale Single Family Properties in Maricopa County www.TheWilcoxReport.com



Data from NetValueCentral.com

Number of Single Family Properties Foreclosed On (Auctioned) or Short Sold from 2007 through 2015 in Maricopa County

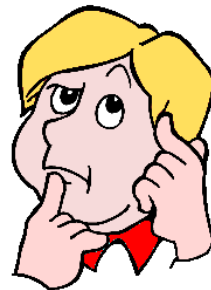
Compiled by www.TheWilcoxReport.com



Data from NetValueCentral.com and ARMLS

Ninety-two percent (92%) or 263,745 of foreclosures and shorts sales occurred before January 2013

What is the significance of this number?



High number of distressed sales led to very cheap sales





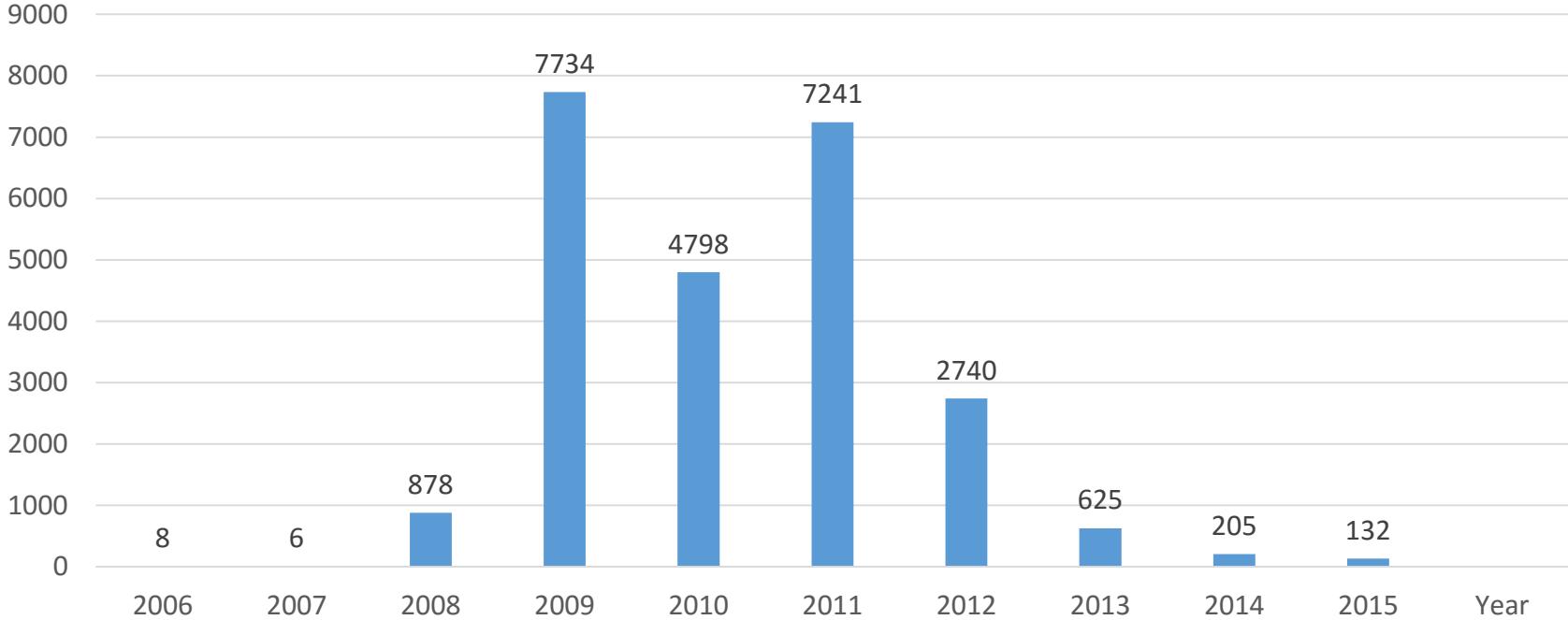
How many existing single family sales occurred in 2007 that were under \$50,000?

- A. 6
- B. 60
- C. 6,000
- D. 60,000



The following data is compiled from the Arizona Regional Multiple Listings Services, Inc.

Single Family Sales Under \$50,000
Maricopa County
www.TheWilcoxReport.com





Existing Single Family Sales Maricopa County

	2014	2015	Change	% Change
January	3,527	3,395	-132	-3.7%
February	3,917	4,178	261	6.7%
March	4,854	5,713	859	17.7%
April	5,590	6,083	493	8.8%
May	5,531	6,076	545	9.9%
June	5,457	6,411	954	17.5%
July	5,143	5,913	770	15.0%
August	4,853	5,197	344	7.1%
September	4,639	5,163	524	11.3%
October	4,552	4,614	62	1.4%
November	3,711	3,862	151	4.1%
December	4,659	4,899	240	5.2%
Total	56,433	61,504	5,071	9.0%



Median Sales Price

	2014	2015	Change	% Change
January	\$ 210,000	\$ 218,000	\$ 8,000	3.8%
February	\$ 210,000	\$ 222,000	\$ 12,000	5.7%
March	\$ 215,000	\$ 225,000	\$ 10,000	4.7%
April	\$ 215,000	\$ 228,000	\$ 13,000	6.0%
May	\$ 217,000	\$ 237,075	\$ 20,075	9.3%
June	\$ 219,500	\$ 240,000	\$ 20,500	9.3%
July	\$ 220,000	\$ 235,000	\$ 15,000	6.8%
August	\$ 220,500	\$ 233,500	\$ 13,000	5.9%
September	\$ 217,500	\$ 237,150	\$ 19,650	9.0%
October	\$ 217,500	\$ 236,000	\$ 18,500	8.5%
November	\$ 216,000	\$ 235,000	\$ 19,000	8.8%
December	\$ 222,900	\$ 237,500	\$ 14,600	6.6%
Total	\$ 217,000	\$ 233,000	\$ 16,000	7.4%

Total Sales Volume as a Market Indicator

2014	2015	Change	% Change
\$ 15,831,421,275	\$ 18,128,539,660	\$ 2,297,118,385.00	14.50%



New Monthly Listings Comparison 2014 to 2015

Number of New Listings				
	2014	2015	Change	% Change
January	7,977	7,417	-560	-7.0%
February	7,192	6,673	-519	-7.2%
March	7,831	7,575	-256	-3.3%
April	7,487	7,545	58	0.8%
May	7,392	7,030	-362	-4.9%
June	6,669	6,797	128	1.9%
July	6,371	6,833	462	7.3%
August	6,124	6,452	328	5.4%
September	6,361	6,897	536	8.4%
October	6,981	7,382	401	5.7%
November	5,388	5,608	220	4.1%
December	4,056	4,231	175	4.3%
Total	79,829	80,440	611	0.8%

Another trend you have to know



How single family homes are being purchased in Maricopa County?

How Purchased	2014	2015	Change	% Change
Cash	13,342	12,426	916	7.0%
Conventional	24,536	27,408	2,872	12.0%
FHA	13,602	16,523	2,921	21.4%
VA	4,298	4,678	380	9.0%
FMHA	142	27	115	8.1%
Other	513	442	71	14.0%
Total	56,433	61,504	5,071	9.0%

What's the conclusion?

- Job growth
- Population growth
- Boomerang buyers
 - Babies
- First-time home buyers
 - Move-up buyers
 - International
 - Retirees
 - Veterans

SALES

If you like this report, please remember Grand Canyon Title Agency on your next resale transaction!



THE
END

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