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## Volume III Edition II

Great News for Canadians Investors  
Which Arizona Cities have the most rental demand?  
Price changes by City  
Home Affordability at all Time Highs

### **New U.S. Finance Program Available for Multiple Properties**

We now have access to financing for more than one single family property for investors. The current loan terms are as follows:

#### Fixed Rate Loan

- Fixed rate loan with a 7 year term
- Open to pre-payment at anytime with no penalties
- 15 year amortization period
- 50% loan to value based upon lower of purchase price or appraised value
- Maximum total amount of loans not to exceed \$600,000
- Current interest rate as of February 9<sup>th</sup>, 2012 is 4.8%
- Can be used to purchase or refinance a portfolio of properties

#### Line of Credit

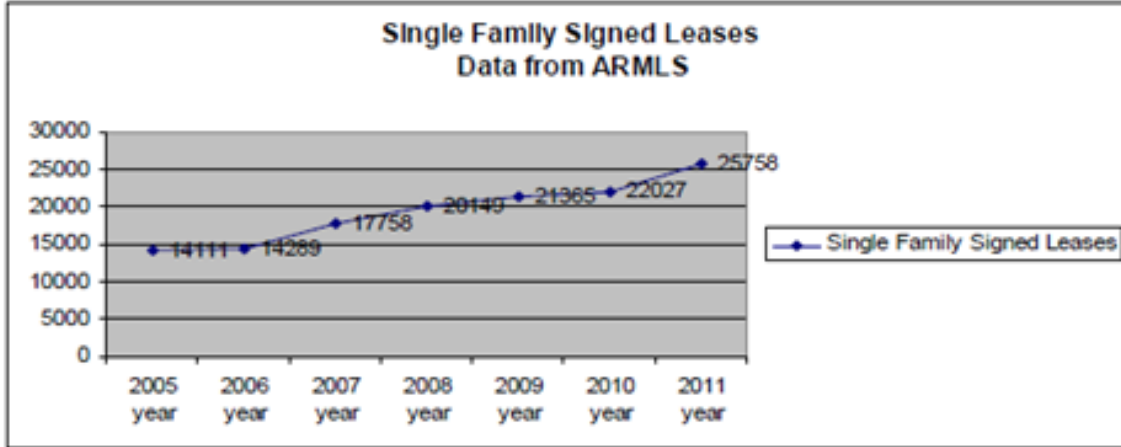
- Available for a single property only
- Rate is U.S. prime rate minus ¾% with a floor rate of 4%. Current U.S. prime rate is 3.25%
- Monthly payments are interest only
- Line must be repaid at the end of 5 years
- Early cancellation penalty of \$300 if cancelled within the first 3 years

## Single Family Rental Market

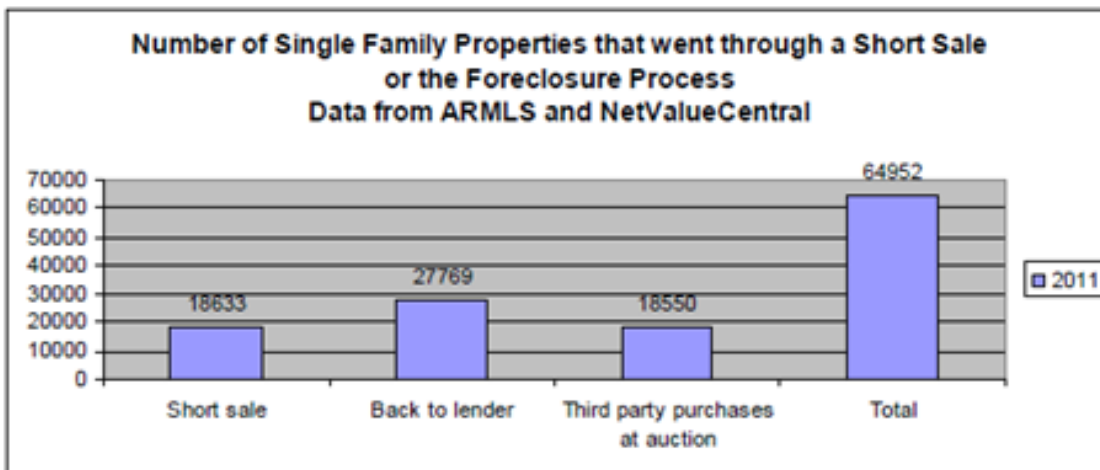
Single family signed leases in 2011 were 25,758 according to Arizona Regional Multiple Listing Services, Inc. (ARMLS) data. This is the highest number of signed leases in a single year. The previous year with the most signed leases was 22,027 in 2010. Chart One below shows the annual number of signed single leases through ARMLS since 2005 (These numbers do not include all single family leases. Some properties are only advertised on websites such as Craigslist).

Partially fuelling the demand for single family rentals were the 18,633 previous owners of single family properties whose properties were sold through a short sale in 2011. And in 2011 there were 46,319 single family homes that went back to the lender or were sold to a third party at the trustee's auction. Some of these properties sold at the trustee's sale were owner occupied, others were vacant properties owned by investors. Chart Two shows the number of properties going back to the lender, sold to a third party and the number that went through a short sale.

**Chart One**



**Chart Two**



Note: The foreclosure process in this chart is defined as the trustee's sale and not a judicial foreclosure.

## Twenty-Five Cities Rental Report

Gilbert is the hottest single family rental market when measured by estimated months of supply at 1.2 months. Following at 1.4 months of estimated supply is Mesa, Chandler and Queen Creek. When comparing the monthly median rental rate for December 2010 to December 2011 the median rental rate went down in eleven cities, went up in thirteen cities and stayed the same in one city. Coolidge/Florence had the lowest median rate at \$743 while Paradise Valley was the highest at \$4,400.

**Table One**  
**December 2011 Single Family Signed Leases**  
**Estimated Months of Supply and Median Rental Payment**  
**Data from ARMLS**

City	January 23 Number of active single family rental properties	January 23 Estimated months of supply	December 2010 number of leases signed	December 2011 number of leases signed	Year to year percentage difference	December 2010 median rental payment	December 2011 median rental payment	Year to year percentage difference
1. Gilbert	197	1.2	120	161	+34%	1250	1235	-1%
2. Mesa	249	1.4	124	170	+37%	1095	1095	0%
3. Chandler	205	1.4	114	146	+28%	1350	1295	-4%
4. Queen Creek	56	1.4	17	38	+123%	895	1062	+18%
5. Tempe	82	1.6	40	51	+27%	1150	1250	+8%
6. Laveen	101	1.7	23	60	+160%	1075	1030	-4%
7. Maricopa	140	1.8	50	78	+56%	895	875	-2%
8. Casa Grande	9	1.8	2	5	+150%	1022	875	-16%
9. Glendale	228	1.9	98	119	+21%	1072	1095	+2%
10. Tolleson	87	2.0	16	44	+175%	912	944	+3%
11. Phoenix	972	2.0	381	476	+24%	1150	1100	-4%
12. Goodyear	167	2.1	57	78	+36%	995	1050	+5%
13. El Mirage	87	2.1	30	42	+40%	800	824	+3%
14. Surprise	298	2.2	96	133	+38%	1025	995	-3%
15. Avondale	181	2.2	56	79	+41%	975	950	-2%
16. Litchfield Park	61	2.2	18	28	+55%	1098	1150	+4%
17. Peoria	237	2.3	67	101	+50%	1000	1159	+15%
18. Coolidge/Florence	36	2.4	7	15	+50%	798	743	-7%
19. San Tan Valley	155	2.5	41	64	+56%	850	875	+2%
20. Buckeye	157	2.7	54	57	+5%	838	895	+6%
21. Scottsdale	431	2.8	173	153	-11%	2100	1995	-5%
22. Sun City West	24	3.4	2	7	+250%	900	995	+10%
23. Paradise Valley	43	4.3	12	10	-16%	4750	4400	-7%
24. Fountain Hills	42	4.8	18	9	-50%	2000	1650	-21%
25. Sun City	74	10.1	8	7	-12%	938	995	+6%

# City Rankings

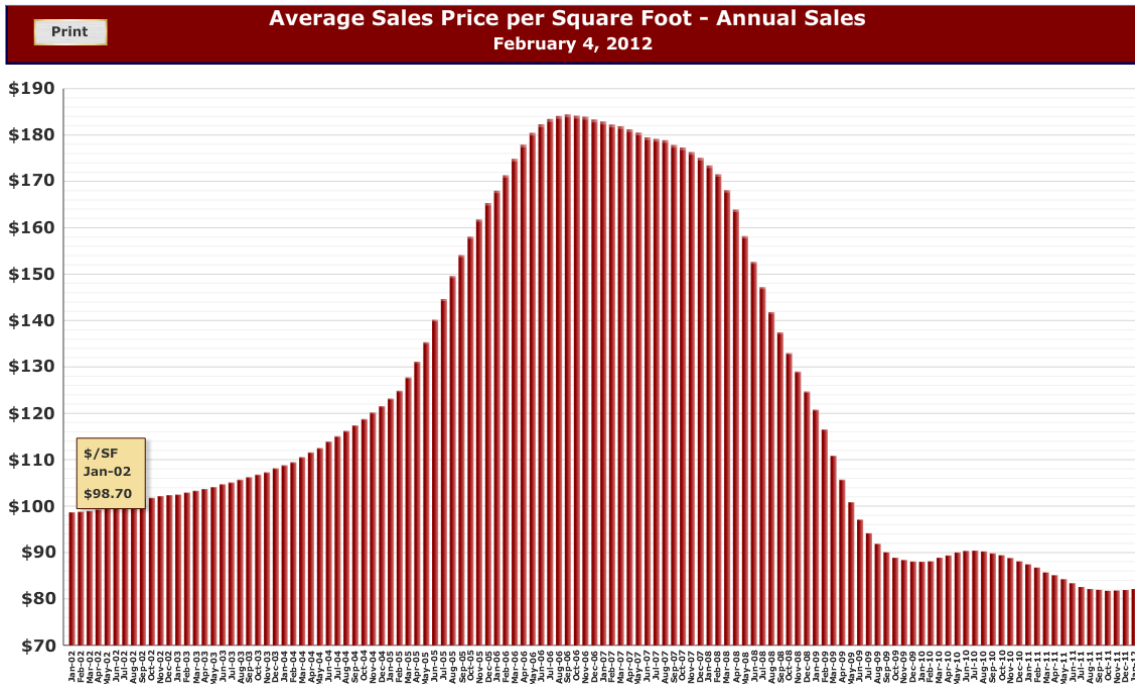
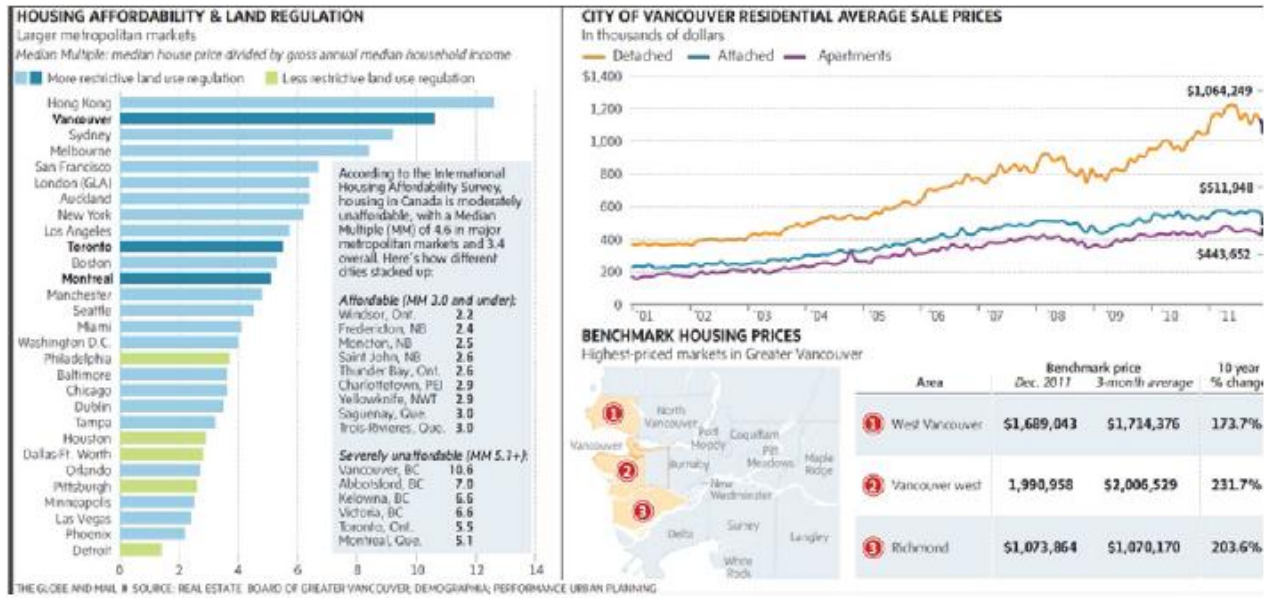
Year over year price per square foot changes by City are below

Rank	January 13, 2012	Annual Average \$/SF Now	Annual Average \$/SF Last Year	% Change
1	Paradise Valley	\$267.19	\$276.64	-3.4%
2	Carefree	\$185.23	\$196.27	-5.6%
3	Scottsdale	\$168.80	\$180.23	-6.3%
4	Fountain Hills	\$153.22	\$157.84	-2.9%
5	Rio Verde	\$144.62	\$131.88	9.7%
6	Cave Creek	\$127.63	\$134.12	-4.8%
7	Gold Canyon	\$110.39	\$114.94	-4.0%
8	Sun Lakes	\$109.71	\$118.77	-7.6%
9	Wickenburg	\$108.24	\$118.75	-8.9%
10	Desert Hills	\$106.00	\$105.08	0.9%
11	Sun City West	\$95.64	\$105.27	-9.1%
12	Anthem	\$95.62	\$95.45	0.2%
13	Chandler	\$92.98	\$100.50	-7.5%
14	Tempe	\$92.28	\$106.96	-13.7%
15	Gilbert	\$85.91	\$92.28	-6.9%
16	New River	\$83.46	\$83.91	-0.5%
17	Peoria	\$78.29	\$83.51	-6.2%
18	Mesa	\$75.36	\$84.45	-10.8%
19	Litchfield Park	\$74.95	\$78.10	-4.0%
20	Phoenix	\$73.14	\$80.02	-8.6%
21	Goodyear	\$70.54	\$74.71	-5.6%
22	Wittmann	\$68.23	\$68.76	-0.8%
23	Surprise	\$67.10	\$70.50	-4.8%
24	Sun City	\$66.17	\$71.86	-7.9%
25	Waddell	\$63.86	\$70.31	-9.2%
26	Glendale	\$63.36	\$70.81	-10.5%
27	Apache Junction	\$63.10	\$69.16	-8.8%
28	Eloy	\$58.59	\$54.75	7.0%
29	Queen Creek	\$55.04	\$59.57	-7.6%
30	Avondale	\$51.31	\$56.88	-9.8%
31	Laveen	\$50.94	\$57.32	-11.1%
32	Buckeye	\$50.78	\$55.26	-8.1%
33	Casa Grande	\$47.97	\$51.67	-7.2%
34	Florence	\$45.56	\$46.81	-2.7%
35	Tolleson	\$43.98	\$50.21	-12.4%
36	El Mirage	\$43.45	\$47.71	-8.9%
37	Maricopa	\$42.97	\$47.72	-10.0%
38	Youngtown	\$39.82	\$45.29	-12.1%
39	Arizona City	\$38.10	\$41.67	-8.6%
40	Tonopah	\$37.98	\$40.35	-5.9%
41	Coolidge	\$30.50	\$33.81	-9.8%

# Home Affordability

When comparing home affordability statistics, Phoenix is the second most affordable large city in the world. Only Detroit has more affordable housing based upon median household income but it's unemployment rate of 10.5% is 33% higher than Phoenix at 7.9% which is well below the National unemployment rate of 8.5%.

Comparing Phoenix's home median price of 2 times median household income to Canadian cities such as Vancouver, Toronto and Montreal, it is easy to see which markets carry the most risk for a downturn in real estate values. While Vancouver's home prices have increased over 200% in the last 10 years. Phoenix's average home price has actually dropped by 17% from \$98.70 per sf to about \$82 per sf today.



## Steps in the Buying Process

- **Determine primary use for the home**
- **Arrange financing**
- **Determine price range**
- **Determine best locations and amenities desired**
- **Get set up on a listing search**
- **Plan trip to view homes (2-3 days minimum)**
- **Write a Purchase Offer**
- **Negotiate and Write Counter Offers**
- **Open Escrow with Title Company**
- **Wire Earnest Money Deposit**
- **Setup U.S. bank account**
- **Home Inspection/ Issue Request for Repairs**
- **Order Homeowner's Insurance Policy**
- **Wire closing funds**
- **Close Escrow**
- **Set up home**
- **Contract for Property Management if appropriate**

## **Services we provide our Canadian clients**

- **Specialists in Vacation homes and vacation rentals**
- **Investment properties – Rental and Lease Option**
- **Trustee Auction services**
- **Property Management**
- **Financing for Canadians**
- **Cross Border Tax and Estate Planning**
- **Home and Auto Insurance**
- **House sitting services**
- **Lawn and Pool services**
- **Home renovation**
- **Listing services**

**We have been featured in major media stories in Canada in the Toronto Star, Globe & Mail, CBC National News, CTV, Canadian Real Estate Magazine, The Business News Network and in the U.S. on Fox News, NPR Radio, USA Today and The Arizona Republic.**