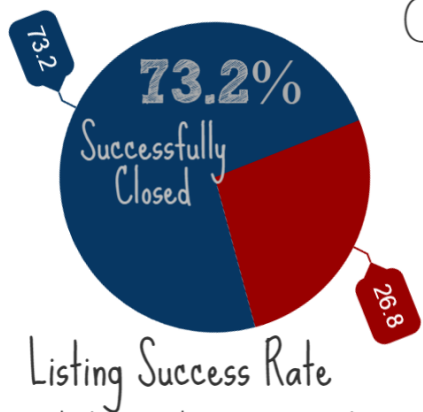
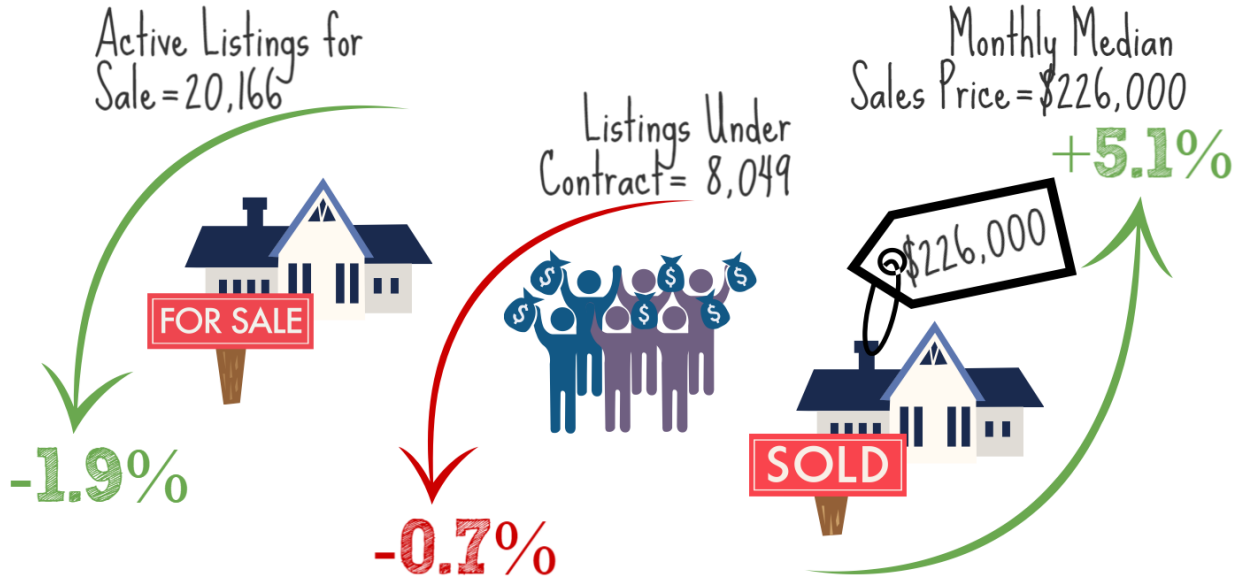


# PHOENIX METRO

## RESIDENTIAL REAL ESTATE

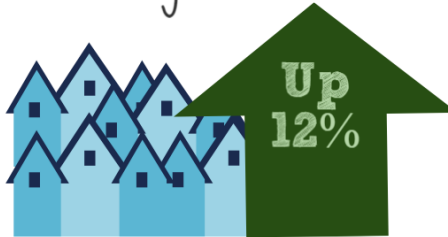
Annual Changes from January 7th, 2016 to January 7th, 2017



Of the Listings that came off of Active or Pending Status, 73.2% successfully closed escrow while 26.8% cancelled or expired.

### CLOSED SALES

Total Monthly Sales = 7,049



**Average Days on Market for Sold Listings = 78 Days**



Sun	Mon	Tue	Wed	Thu	Fri	Sat	Sun	Mon	Tue	Wed	Thu	Fri	Sat	Sun	Mon	Tue	Wed	Thu	Fri	Sat
<del>4</del>	<del>5</del>	<del>6</del>	<del>7</del>	<del>8</del>	<del>9</del>	<del>10</del>	<del>1</del>	<del>2</del>	<del>3</del>	<del>4</del>	<del>5</del>	<del>6</del>	<del>7</del>	<del>6</del>	<del>7</del>	<del>8</del>	<del>9</del>	<del>10</del>	<del>11</del>	<del>12</del>
<del>11</del>	<del>12</del>	<del>13</del>	<del>14</del>	<del>15</del>	<del>16</del>	<del>17</del>	<del>8</del>	<del>9</del>	<del>10</del>	<del>11</del>	<del>12</del>	<del>13</del>	<del>14</del>	<del>13</del>	<del>14</del>	<del>15</del>	<del>16</del>	<del>17</del>	<del>18</del>	<del>19</del>
<del>18</del>	<del>19</del>	<del>20</del>	<del>21</del>	<del>22</del>	<del>23</del>	<del>24</del>	<del>22</del>	<del>23</del>	<del>24</del>	<del>25</del>	<del>26</del>	<del>27</del>	<del>28</del>	<del>20</del>	<del>21</del>	<del>22</del>	<del>23</del>	<del>24</del>	<del>25</del>	<del>26</del>
<del>25</del>	<del>26</del>	<del>27</del>	<del>28</del>	<del>29</del>	<del>30</del>	<del>31</del>	<del>29</del>	<del>30</del>						<del>27</del>	<del>28</del>	<del>29</del>	<del>30</del>	<del>31</del>		

Encompassing the Arizona Regional MLS area, which includes Maricopa County, Pinal County and a small part of Yavapai County

## **2016 Sales up 7% over 2015**

## **2016 Annual Appreciation 5.4%**

Welcome 2017! The headlines these days are full of projections and reflections for the Phoenix Metropolitan Area residential real estate market. To complement our monthly measures here are some year-end numbers to reflect on.

### **2016 MLS Sales – Up 7.0% overall compared to 2015**

72.9% of sales were under \$300,000 (# of sales up 3.4%)

19.6% of sales were between \$300,000 and \$500,000 (# of sales up 20.2%)

6.1% of sales were between \$500,000 and \$1,000,000 (# of sales up 15.4%)

1.4% of sales were over \$1,000,000 (# of sales up 8.1%)

### **2016 New Listings – up 4.6% overall compared to 2015**

65.8% of new listings were under \$300,000 (# of new listings up 0.8%)

22.0% of new listings were between \$300,000 and \$500,000 (# of new listings up 13.5%)

9.2% of new listings were between \$500,000 and \$1,000,000 (# of new listings up 13.6%)

3.0% of new listings were over \$1,000,000 (# of new listings up 5.7%)

### **2016 Appreciation based on Annual Sales Price per Square Foot – up 5.4% from 2015**

Under \$300,000 – up 7.6%

\$300,000 - \$500,000 – up 2.0%

\$500,000 - \$1,000,000 – Less than 1% change

Over \$1,000,000 – Less than 1% change

It's been a good news/bad news year for sellers over \$500,000. The good news is that more buyers purchased in the higher price ranges in 2016 than in 2015. The bad news is the neighbors also noticed increased demand and listed their homes too, increasing the number of new listings on the market simultaneously. This increased supply, combined with builders getting in on the action over \$250,000, created a more competitive and balanced market and put price increases in check.

It's been good news/bad news for buyers under \$300,000. The good news is their homes have appreciated nicely over the past year. The bad news, finding move-in ready homes and winning the bid was more stressful and competitive than many expected. Especially for single family homes under \$200,000. (Yes, they do exist.)

Looking forward in the short term, the market can expect more buyers emerging with improved credit scores as we move farther away in time from the foreclosure and short sale crisis. Recent announcements regarding FHA loan limit increases and lower mortgage insurance premium fees signify a loosening up in lending that will contribute to more demand for listings under \$300,000. Higher interest rates will cause some buyers to purchase smaller homes than they anticipated, putting even more pressure on the market under \$300,000; which is already short of supply for existing demand. With nearly 73% of all sales in this price point, it's reasonable to expect appreciation to continue to be positive for the Phoenix Metropolitan Area overall.

*Commentary written by Tina Tamboer, Senior Real Estate Analyst with The Cromford Report*

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