# PHOENIX METRO
## RESIDENTIAL REAL ESTATE
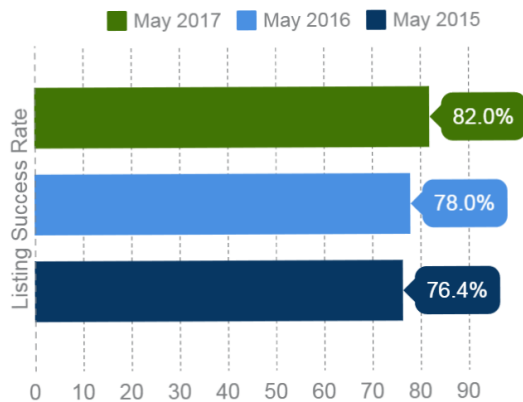
Annual Changes from May 7th, 2016 to May 7th, 2017

Active Listings for Sale = 19,417

**FOR SALE**

**-12.5%**

Listings Under Contract = 12,958

**-1.9%**

Monthly Median Sales Price = $233,600

**+5.2%**

$233,600

**SOLD**
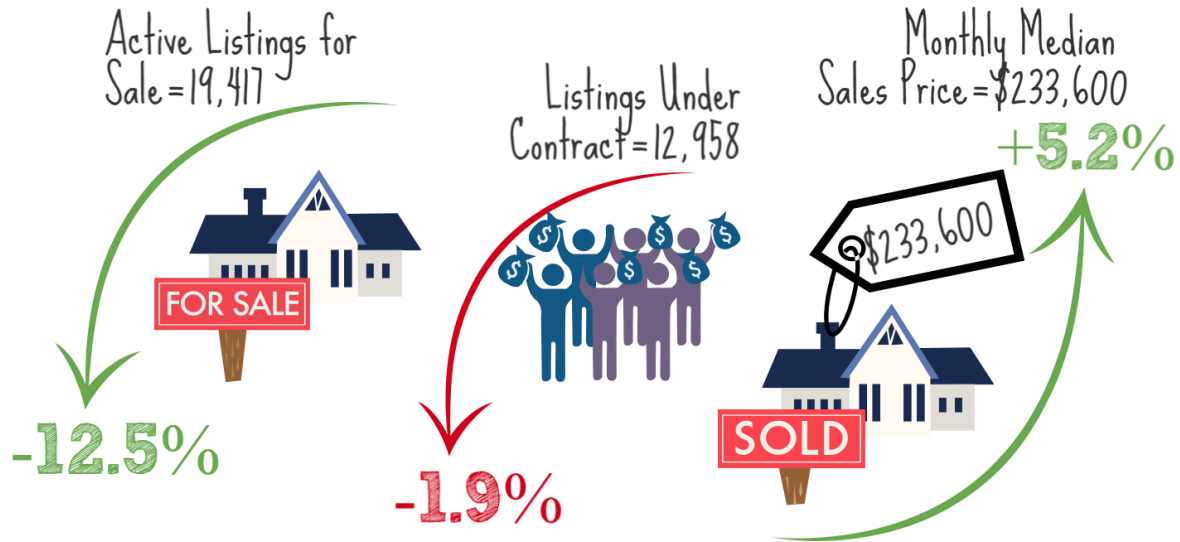
## CLOSED SALES
Total Monthly Sales = 9,346

**Up 4.0%**

## LISTING SUCCESS RATE

■ May 2017  ■ May 2016  ■ May 2015

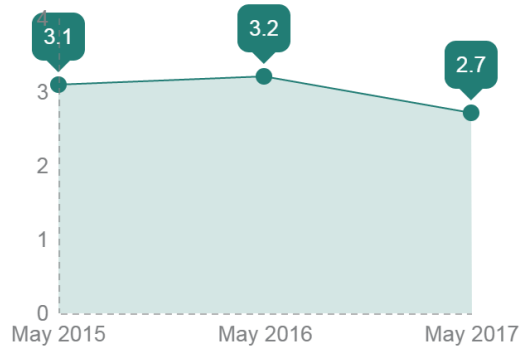Listing Success Rate

82.0%
78.0%
76.4%

0  10  20  30  40  50  60  70  80  90

Of the Listings that came off of Active or Pending Status, 82.0% successfully closed escrow while 18.0% cancelled or expired.

## MONTHS OF SUPPLY

3.1
3.2
2.7

4
3
2
1
0

May 2015    May 2016    May 2017

If no new listings were to come on the market, at the current monthly rate of sales, inventory would run out in 2.7 months.

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

# Phoenix is Hot, a Bubble It's Not

## For Buyers:

Multiple offer situations and homes selling for more than list price have been making home buyers nervous over the past month.  Returning boomerang buyers, having already suffered a short sale or foreclosure during the recession, are especially sensitive to memories of the infamous 2005 "bubble" where multiple offers over list price were a common everyday occurrence.  Flash sales, properties sold within a day or less on the MLS, saw the highest volume last March since August 2013.  However, a measure of 210 does not come remotely close to the 1,032 flash sales measured in March 2005.  There is a growing number of properties selling over list price as well.  But again, April 2017 only saw 16% of sales fit this category while April 2005 saw 37%.  So while our real estate environment is indeed competitive for buyers right now, thankfully it doesn't resemble the same level of insanity experienced during the 2005 bubble.

## For Sellers:

Annual appreciation rates* have been consistently averaging close to 5% for nearly 2 years.  Compare this to the two years between August 2003 and August 2005 where the annual appreciation rate rose from 5% to a ridiculous 45%.  Between January and July 2005, unprecedented appreciation ranged between 4-7% PER MONTH compared to an average of 1% per month thus far in 2017.  Current prices are the highest they've been since  January 2008, over 9 years ago, and they're comparable to April 2005, over 12 years ago.  However at an average of $152 per square foot, sale prices would need to appreciate another 25% to compare to the highest peak achieved in May 2006.  At the current rate, that could take another 4 years to reach.

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

*Comparing the average sales price per square foot for the most recent 12-month period to the prior 12-month period*