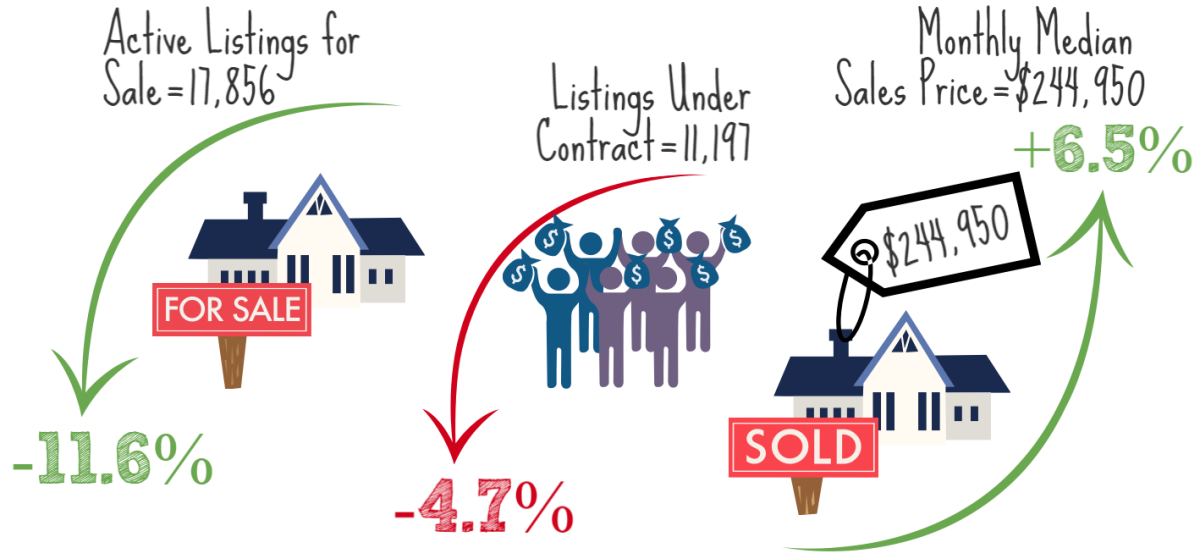


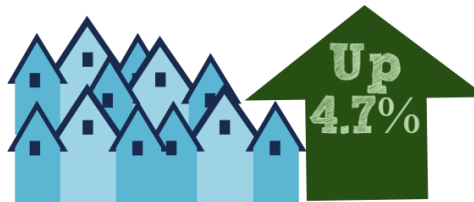
PHOENIX METRO

RESIDENTIAL REAL ESTATE

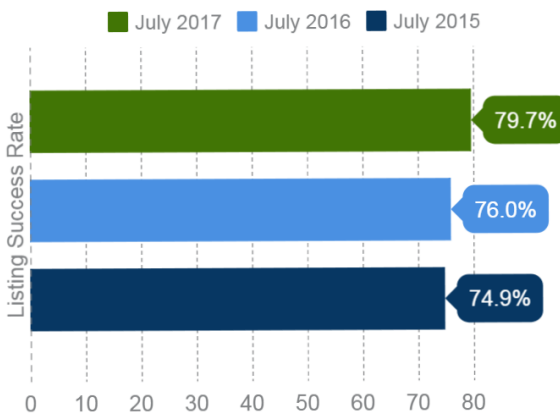
Annual Changes from July 7th, 2016 to July 7th, 2017



CLOSED SALES
Total Monthly Sales = 8,940

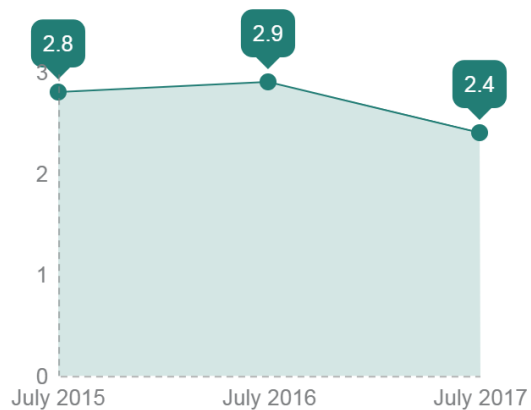


LISTING SUCCESS RATE



Of the Listings that came off of Active or Pending Status, 79.7% successfully closed escrow while 20.3% cancelled or expired.

MONTHS OF SUPPLY



If no new listings were to come on the market, at the current monthly rate of sales, inventory would run out in 2.4 months.

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

Metro Phoenix Lease Rates Decline 11% For Certain Types of Rentals Supply Stops Declining Between \$150K-\$300K

For Buyers:

Good news for buyers, listings for sale between \$150K and \$300K stopped declining over the past 4 weeks. This is good news because as the summer progresses, there are fewer buyers to compete with in the marketplace which offers a seasonal relief for those still willing to brave high temperatures and scalding door knobs to view homes. Supply is still extremely low, but this slight improvement gives as much relief as a hot breeze on a July afternoon. It's not much, but it's something. Meanwhile, luxury buyers may notice fewer properties to look at this summer as demand was higher during the Spring season and overall inventory has been dropping due to a higher number of closings and seasonal cancellations/expirations. Expect inventory in price ranges above \$500K to continue declining seasonally until settling into a stagnant level in August and early-September.

For Sellers:

There has been a lot of talk about the increased production of luxury apartments and what impact they will have on the residential real estate market. One segment that is starting to see their influence is apartment-style condominium rentals leased through the Arizona Regional MLS. While rents on single family homes and town-houses continue to rise, successful leases of apartment-style condominiums have dropped 11% in average rates from a high of \$1.26/sf in January 2017 to \$1.12/sf by June. The drop is consistent across all lease price ranges for this type of rental and is not seasonal. Areas that have been particularly affected are Tempe, Old Town Scottsdale and the Central Corridor including Downtown Phoenix. Considering the lack of supply for sale in affordable price ranges and the added competition from brand new apartment complexes, this may be a good time for landlords of apartment-style rentals to consider selling if they're unwilling or unable to reduce their rental rate.