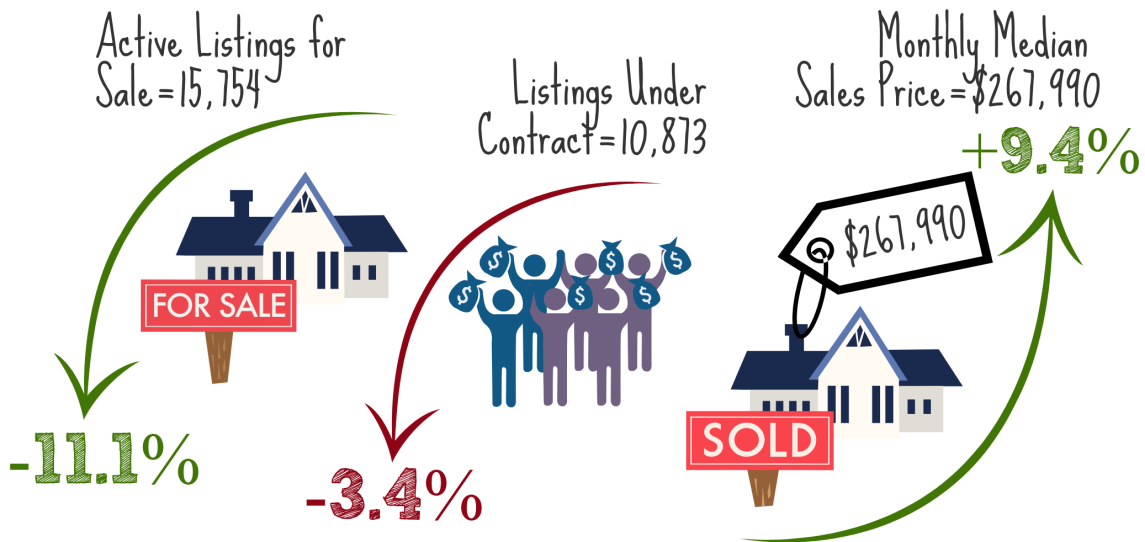


PHOENIX METRO

RESIDENTIAL REAL ESTATE

Annual Changes from July 6th, 2017 to July 6th, 2018

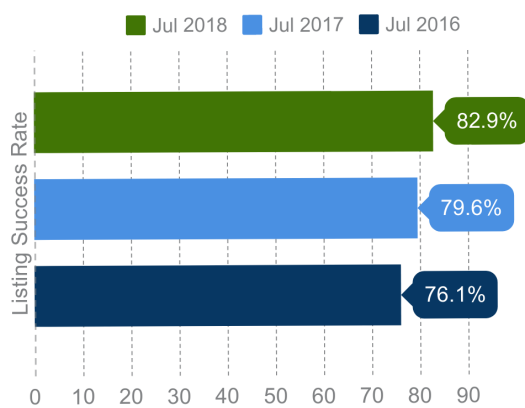


CLOSED SALES

Total Monthly Sales = 8,898

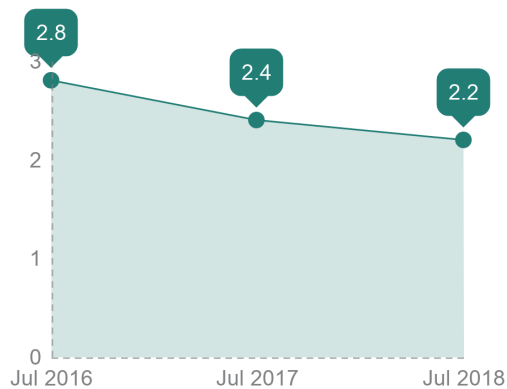


LISTING SUCCESS RATE



Of the Listings that came off of Active or Pending Status, 82.9% successfully closed escrow while 17.1% 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 2.2 months.

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

Cost of Waiting to Buy Means Less Closet Space or Higher Payment More New Homes Sell in Low \$200's This Year

For Buyers:

Hearing cries for more affordable housing supply, developers have sold more new homes in the low \$200's this year; selling 35% more than they did last year within the same time frame. However, the under \$200,000 market remains neglected for additional supply. As of May 2018, only 6% of new homes sold were under \$200,000, 37% were between \$200,000 and \$300,000 and 41% were between \$300,000 and \$500,000. This means that properties under \$200,000 will continue to appreciate faster than any other price point and homes sold in this price range are only getting smaller. The annual average home size sold between \$100K -\$200K, new and resale combined, is currently 1,390sf compared to 1,454sf last year. That's a loss of 64sf and roughly the size of a couple of closets. Since 2014, the annual average home size sold has consistently hovered around 1,975sf. Those buyers who didn't want to sacrifice living space paid an average of \$22,000 more for a 1,975sf home in the past year.

For Sellers:

Greater Phoenix is officially in the seasonal summer slowdown and contracts in escrow are expected to continue declining overall until the end of the year. The peak of the market for contract activity usually hits at the end of April, as it did both this year and last year. So far levels have dropped 17% from the peak, which is closely following last year's drop of 18% between April and July. If the 2018 market follows last year and previous years, we can expect contracts in escrow to drop about 4% per month until the end of the year. This would be considered perfectly normal, anything more could indicate a non-seasonal drop in demand.

Commentary written by Tina Tamboer, Senior Housing Analyst with The Cromford Report

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