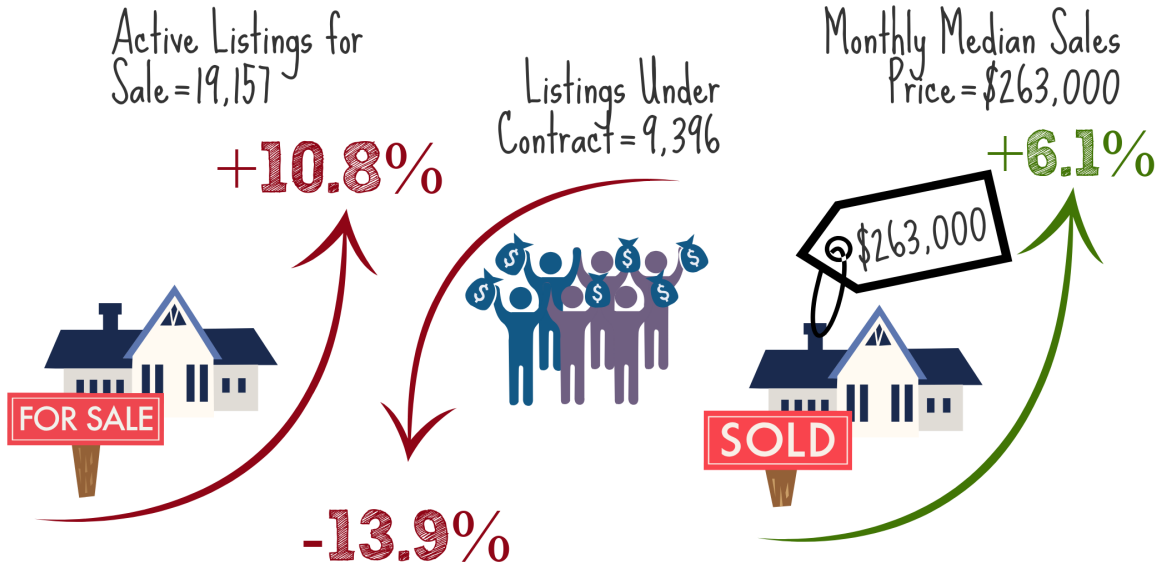


PHOENIX METRO

RESIDENTIAL REAL ESTATE

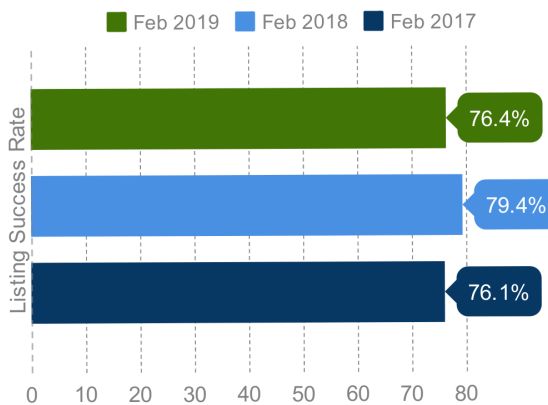
Annual Changes from February 7th, 2018 to February 7th, 2019



CLOSED SALES
Total Monthly Sales = 5,580

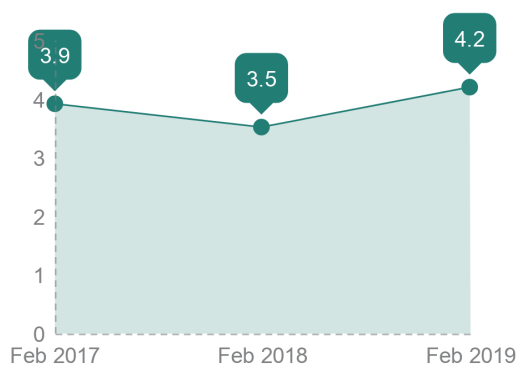


LISTING SUCCESS RATE



Of the Listings that came off of Active or Pending Status, 76.4% successfully closed escrow while 23.6% 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 4.2 months.

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

List Price Reductions up 24% in Greater Phoenix, Up 42% in Some Areas

Sellers: Stop Trying to Time the Market

For Buyers:

A weak 4th quarter for sales in 2018 has resulted in 11,874 price reductions in the first 5 weeks of 2019. That's 24% higher than this same time last year. Price reductions on listings between \$200K-\$500K specifically are up 40%. The most notable price range with a 42% increase is \$200K-\$250K. This may come as a surprise to some because this price range is below the median sales price of \$263K. However this area is currently a battleground of competition between traditional sellers, flip investors and new construction as inventory is up 26% and contracts are down 10%. Flip investors acquire and sell over 50% of their inventory in this price range. New home builders increased their sales by 22% in this range last year. Traditional sellers are now under more pressure to improve the condition of their home and provide incentives for buyers in order to compete.

For Sellers:

This isn't a good time for sellers to get caught up in timing the market so as to sell their home at the ideal "peak of price". While it's understandable for sellers not to want to leave any money on the table, the reality is that price peaks don't happen in seller markets. They occur in balanced markets. Balanced markets are fine to sell in, but they're not as fun or profitable for sellers as they expect; especially if their property is hard to sell due to condition or location. As the seller market continues to weaken, it's more important than ever for sellers to list their property while they still have the advantage of low competition, price it competitively and don't spit on the first contract. Buyer activity, while lower, will continue to accelerate through May. This is go time.

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

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