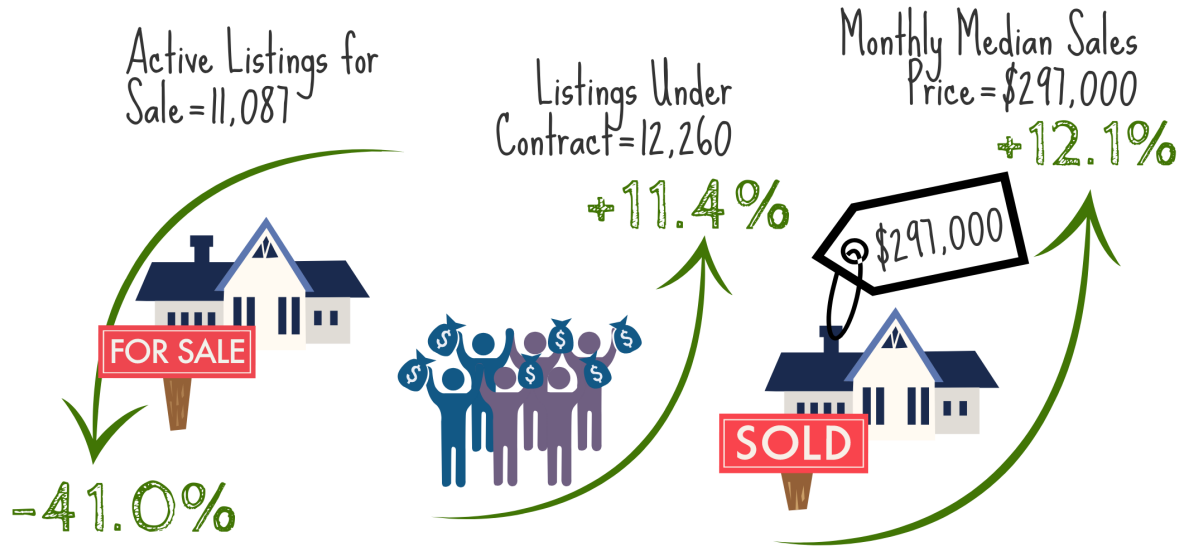


# PHOENIX METRO

## RESIDENTIAL REAL ESTATE

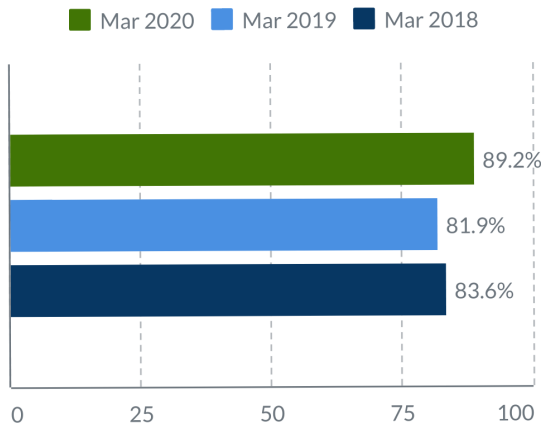
Annual Changes from March 7th, 2019 to March 7th, 2020



CLOSED SALES  
Total Monthly Sales = 8,253

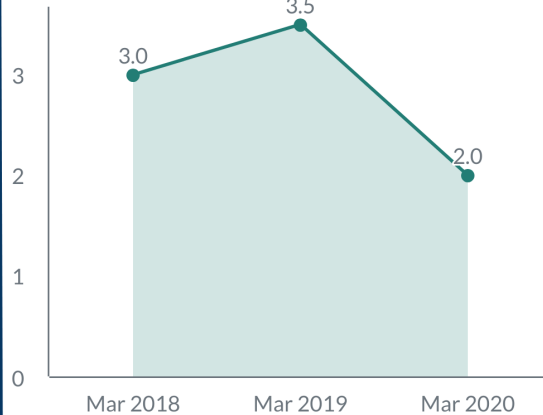


### LISTING SUCCESS RATE



Of the Listings that came off of Active or Pending Status, 89.2% successfully closed escrow while 10.8% 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 2.0 months.

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

# Officially a Frenzy: 11% More Contracts Than Listings For Sale

## Contracts Over \$1M up 60% Over Last Year

### For Buyers:

Not even the COVID-19 coronavirus can slow down the Greater Phoenix housing market. For every 100 active listings in the Arizona Regional MLS there are 111 that are already under contract. Greater Phoenix is officially a frenzy and it's only March. We can expect to see this continue at least through May without relief as buyer demand is typically highest in the Spring.

It's even more dramatic in the Southeast Valley, West Valley and North Phoenix and all areas where prices land between \$175K-\$300K. For a stark example, on March 7th in Glendale there were 3 properties for sale between \$175K-\$200K and 25 under contract. In Chandler there were 3 properties active between \$200K-\$250K and 37 under contract. In the North Phoenix Moon Valley area there were 8 properties for sale between \$250K-\$300K and 30 under contract.

There is a reason why people continue to pounce on what's available for sale. The average price for a 1,500-2,000sf home is now \$331K and continues to rise. That may seem alarming considering it was \$324K at the peak in 2006, but contrary to popular belief it's more affordable today because of the interest rates. In April 2006, with an average of 6.51% the monthly principle and interest payment on a 30-year fixed loan with 10% down was \$1,854. Today at an average of 3.45% the same home is \$1,331, a savings of \$523. More recently, over the last 16 months despite prices having risen 9.4% for median-sized homes the monthly payment dropped by approximately \$112/month.

### For Sellers:

There's not much more to say to sellers under \$500k, frankly their homes may be sold before we're done saying it. The stark gap between supply and demand doesn't ease up until budgets go over \$600K. Sellers in areas such as North Scottsdale, Paradise Valley, the Camelback Corridor and Downtown Phoenix still have plenty of competition to contend with, but well-priced, updated, move-in ready homes will still see heightened buyer interest.

The luxury market is doing exceptionally well, however sellers should not expect the stampedes seen in the rest of the market. There are 522 properties under contract over \$1M, up a whopping 60% over last year at this time. However there are still 1,657 competing properties for sale in this price range and those that sold in February averaged 5-6 months on the market.

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