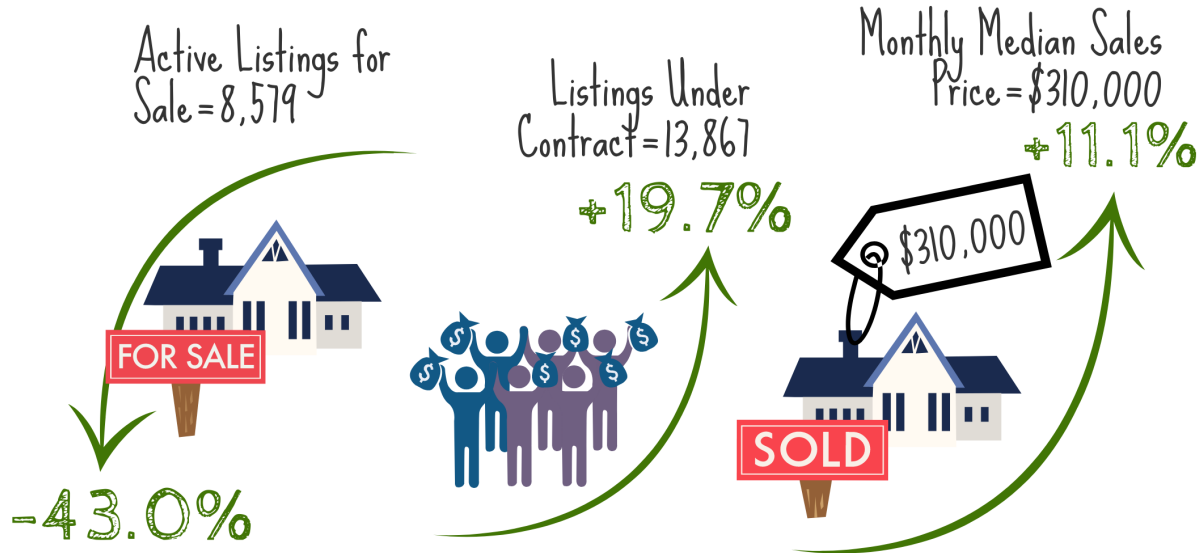


PHOENIX METRO

RESIDENTIAL REAL ESTATE

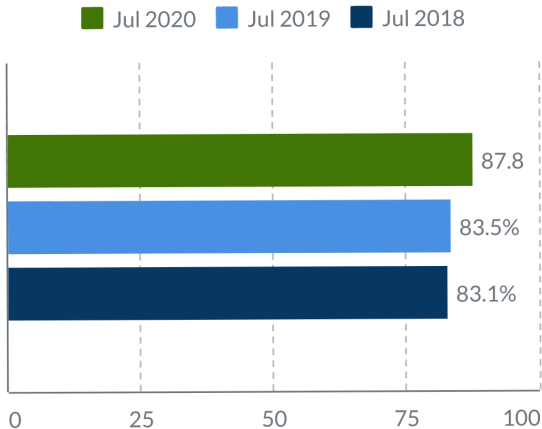
Annual Changes from July 8th, 2019 to July 8th, 2020



CLOSED SALES
 Total Monthly Sales = 9,652

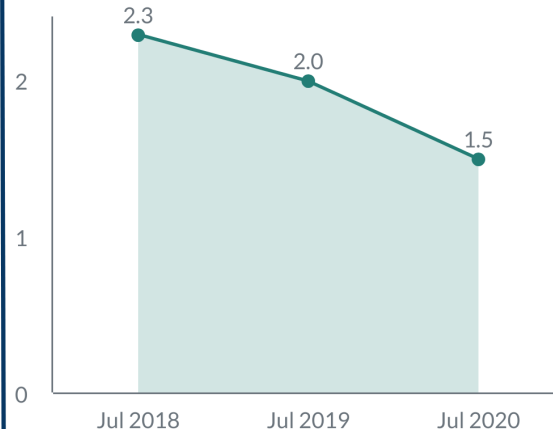


LISTING SUCCESS RATE



Of the Listings that came off of Active or Pending Status, 87.8% successfully closed escrow while 12.2% 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 1.5 months.

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

Top 5 Cities Selling Over Asking Price

Contracts Accepted in 8 Days or Less Under \$400K

For Buyers:

Greater Phoenix has a population of approximately 4.8 million people and 1.4 million single family homes, condos and townhomes in total inventory. As of July 8th, only 8,579 of these units were available for sale through the Arizona Regional MLS. If that number doesn't cause you to gasp, then this might: only 1,023 are single family homes under \$300,000 and that number is diminishing every day.

The last month has seen a surge of buyer activity, but it was not met with an equivalent surge of new listings. New listings overall compared to last year were down 7.8% while contracts in escrow soared 24% higher. For buyers under \$300K however, new listings were down 22% in June compared to last year and are down 38% so far in July. This is causing an extreme amount of buyer competition in this price range.

When buyers expand to over \$300K, then new home construction starts supplementing inventory and providing some much needed alternatives. The top 3 cities for single family home permits are Phoenix, Mesa and Buckeye with notable spikes in building permits issued in Surprise, Maricopa and Queen Creek. Most new homes are selling between \$300K-\$500K, but buyers looking for a brand new single family home under \$300K still have some options. Their best bet is in Pinal County or Buckeye with average sizes between 1,800-2,000 square feet for their budget.

Conversely, new listings over \$500K saw a spike last month, up 20% over last year. 1,596 new listing came on the market and 2,046 contracts were accepted in this price range in June.

For Sellers:

Brace yourselves. Half of the sellers who accepted contracts under \$400K in the first week of July were on the market for just 8 days or less with their agent prior to contract acceptance. Sellers who took contracts between \$400K-\$600K had a median of 14 days on the market with their agent and those who landed contracts between \$600K-\$1M had a median of 41 days. It's a good time to be a seller.

While 28% of all sales in July so far have closed over asking price, that percentage peaks at 41% for those between \$200K-\$300K. Top cities for closings over asking price are Tolleson, Avondale, Glendale, Gilbert and Youngtown. Gilbert is the only city in that list with a median sale price over \$300K.

Seller-assisted closing costs remain popular and were involved in 23% of all sales in the first week of July. That percentage increases to 33% on transactions closed between \$150K-\$300K. Top areas where 50%-60% of sales involved seller accepted closing cost assistance were Youngtown, West Phoenix, Aguila, Glendale, and Tolleson.

This supports the theory that sellers receiving offers over asking price in the West Valley and other affordable areas are still open to accepting closing cost assistance if a contract meets their most important needs.

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