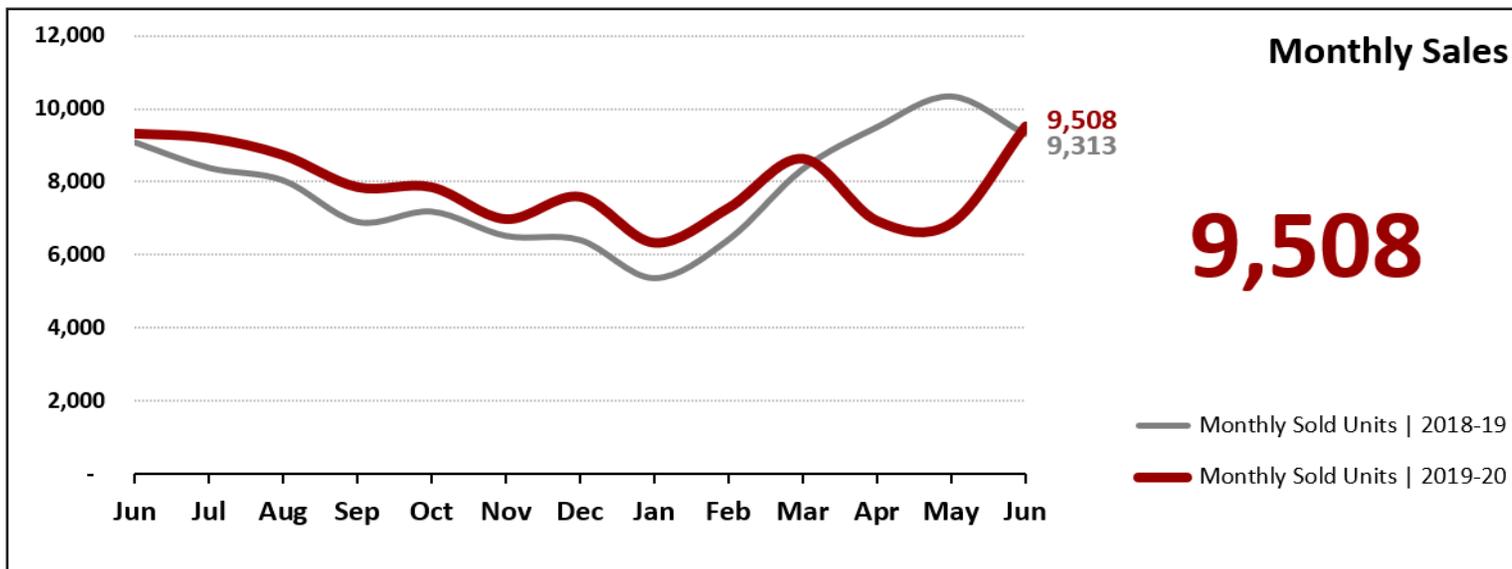




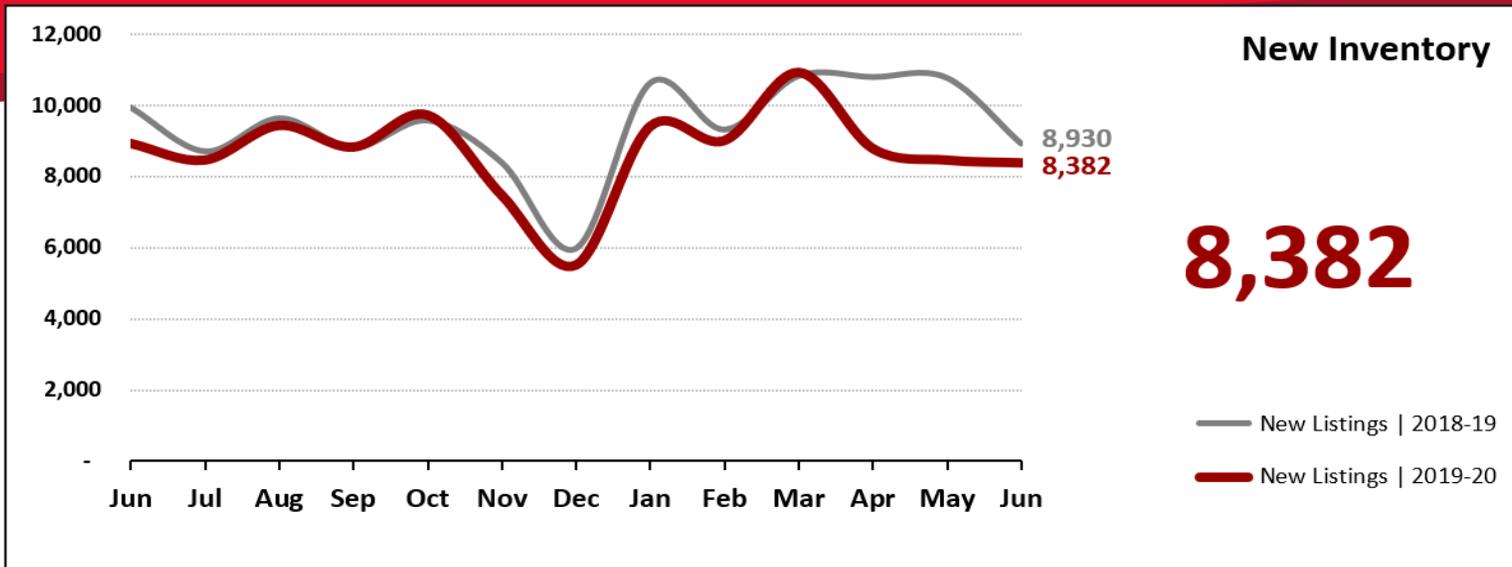
DATA FOR JUNE 2020 - Published July 17, 2020



Sales are up +38.6% month-over-month. The year-over-year comparison is up +2.1%.

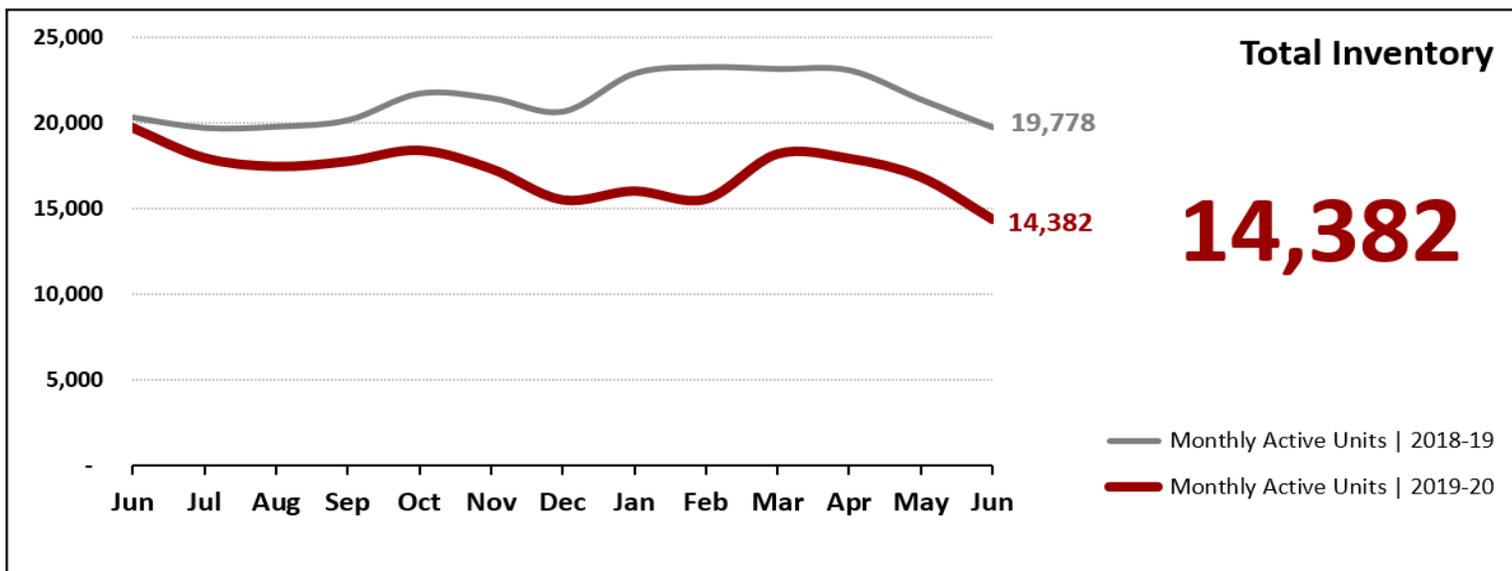
9,508

Closed MLS sales with a close of escrow date from 6/1/2020 to 6/30/2020, 0 day DOM sales removed



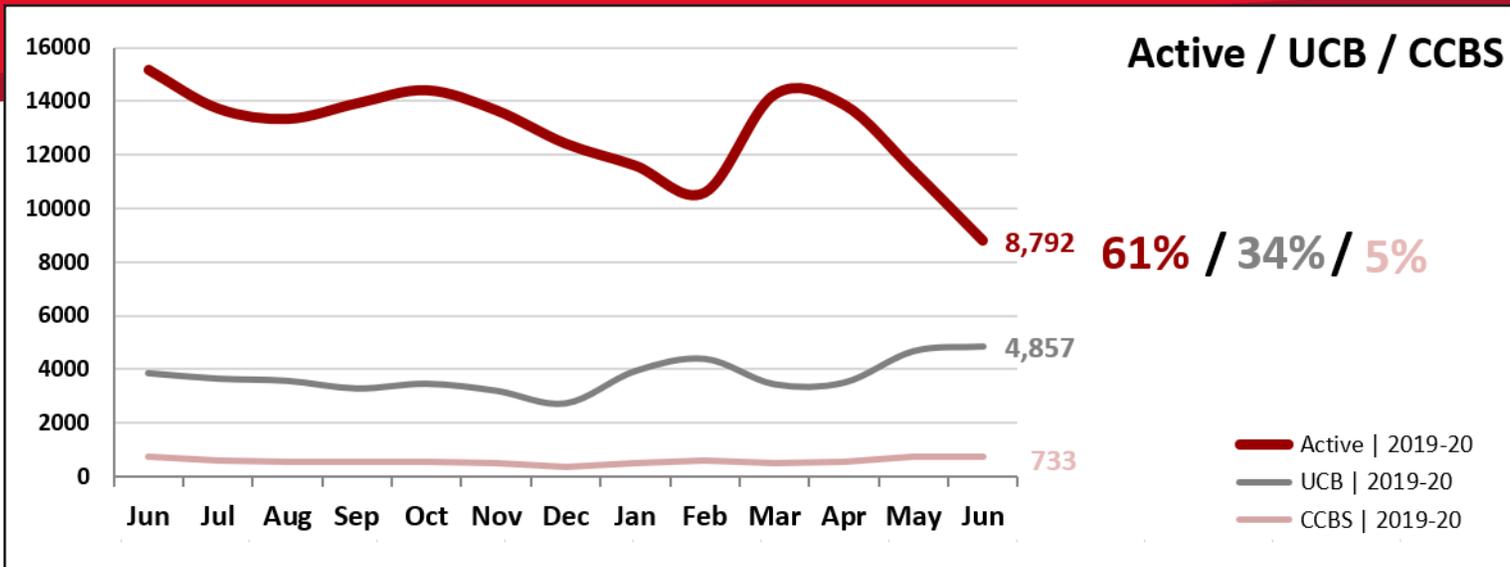
New inventory is down -0.9% month-over-month while the year-over-year comparison decreased by -6.1%.

New MLS listings that were active for at least one day from 6/1/2020 to 6/30/2020, 0 day DOM sales removed



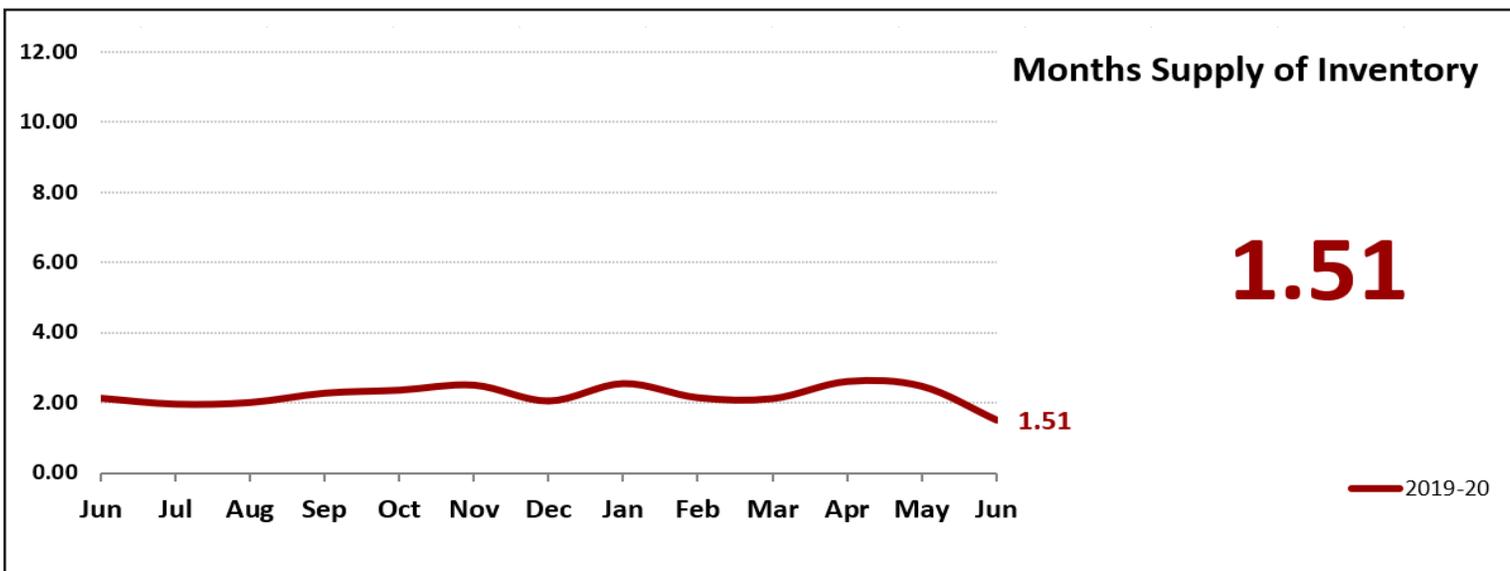
Total inventory has a month-over-month decrease of -14.7% while year-over-year reflects a decrease of -27.3%.

Snapshot of statuses on 6/30/2020



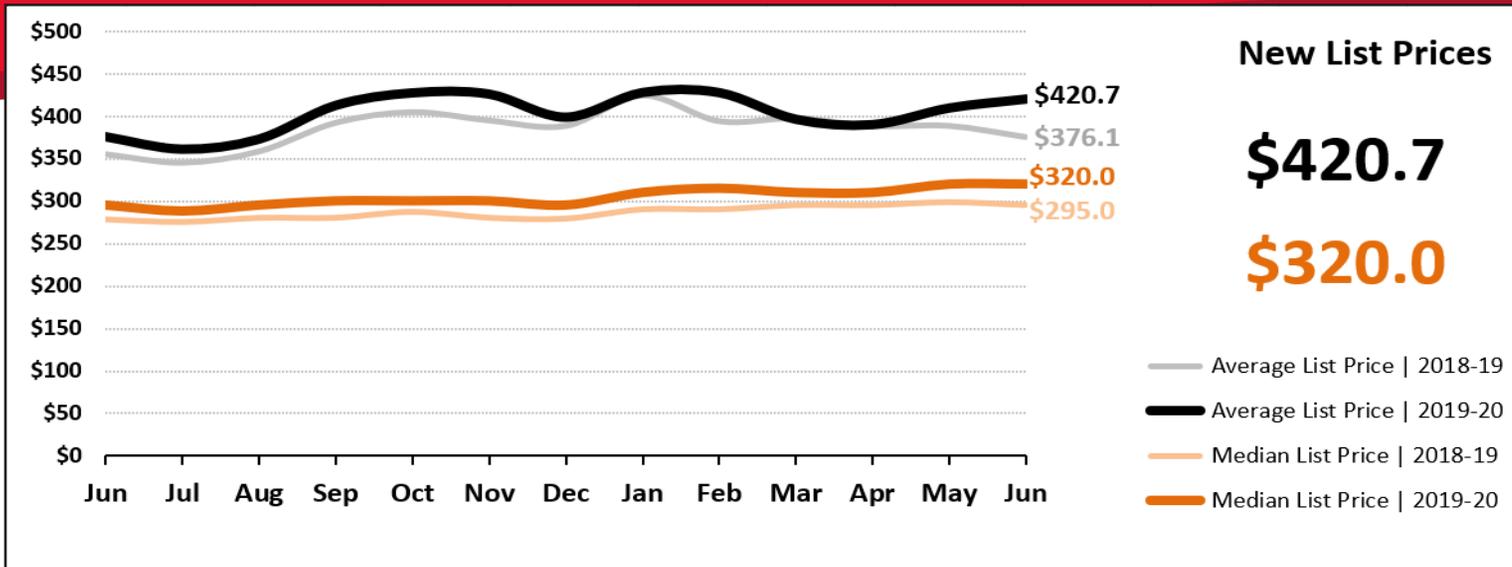
June UCB listings percent of total inventory was 33.8% with June CCBS listings at 5.1% of total inventory.

Snapshot of statuses on 6/30/2020



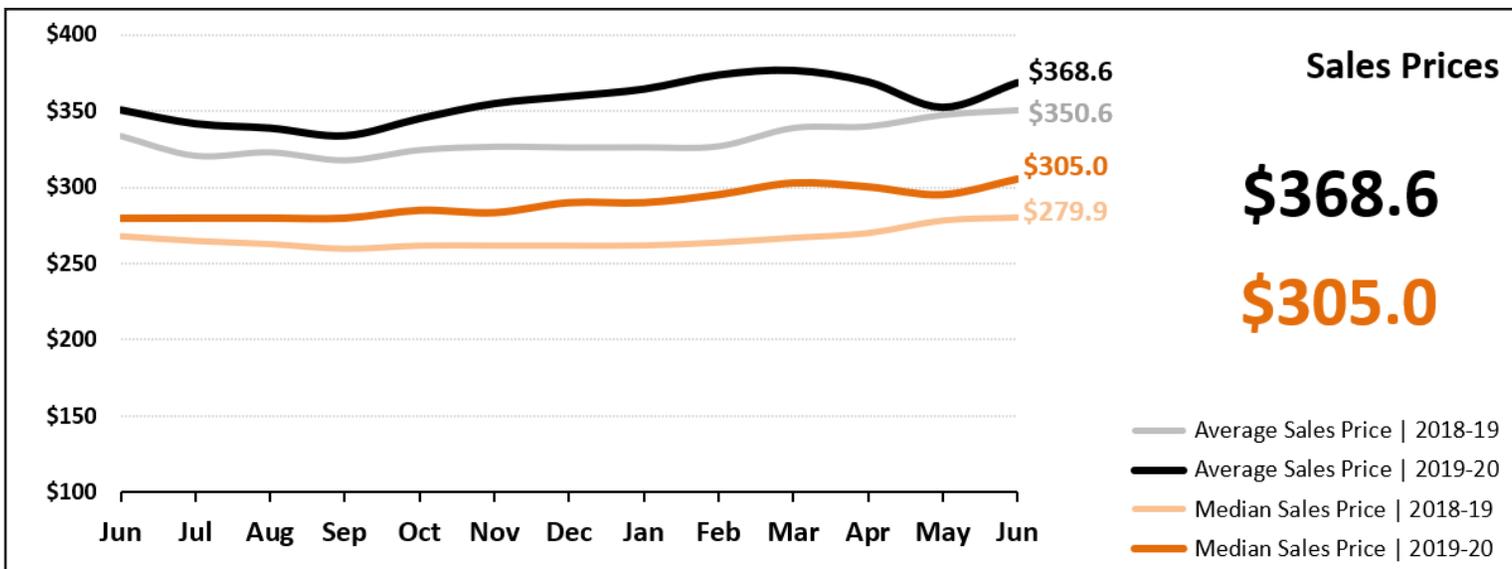
Months supply of inventory for May was 2.46 with June at 1.51.

Current inventory of Active/UCB/CCBS divided by the monthly sales volume of JUNE 2020, 0 day DOM sales removed



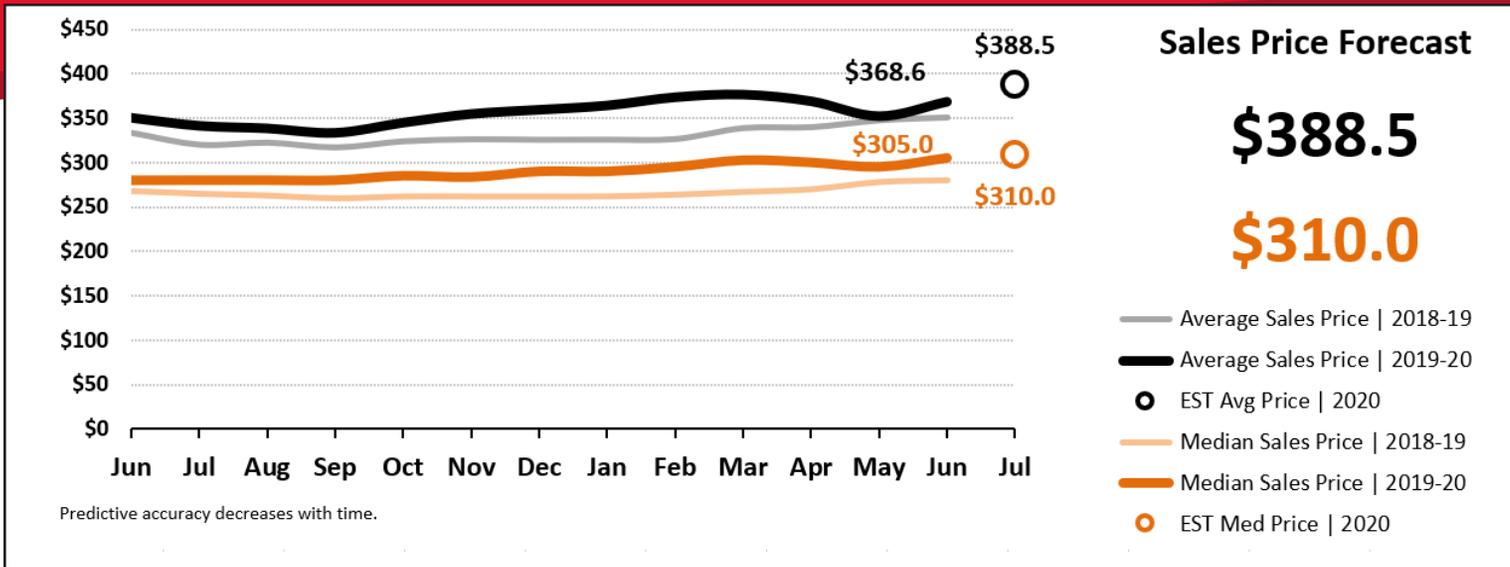
Average new list prices are up +11.9% year-over-year. The year-over-year median is up +8.5%.

List prices of new listings with list dates from 6/1/2020 to 6/30/2020, 0 day DOM sales removed



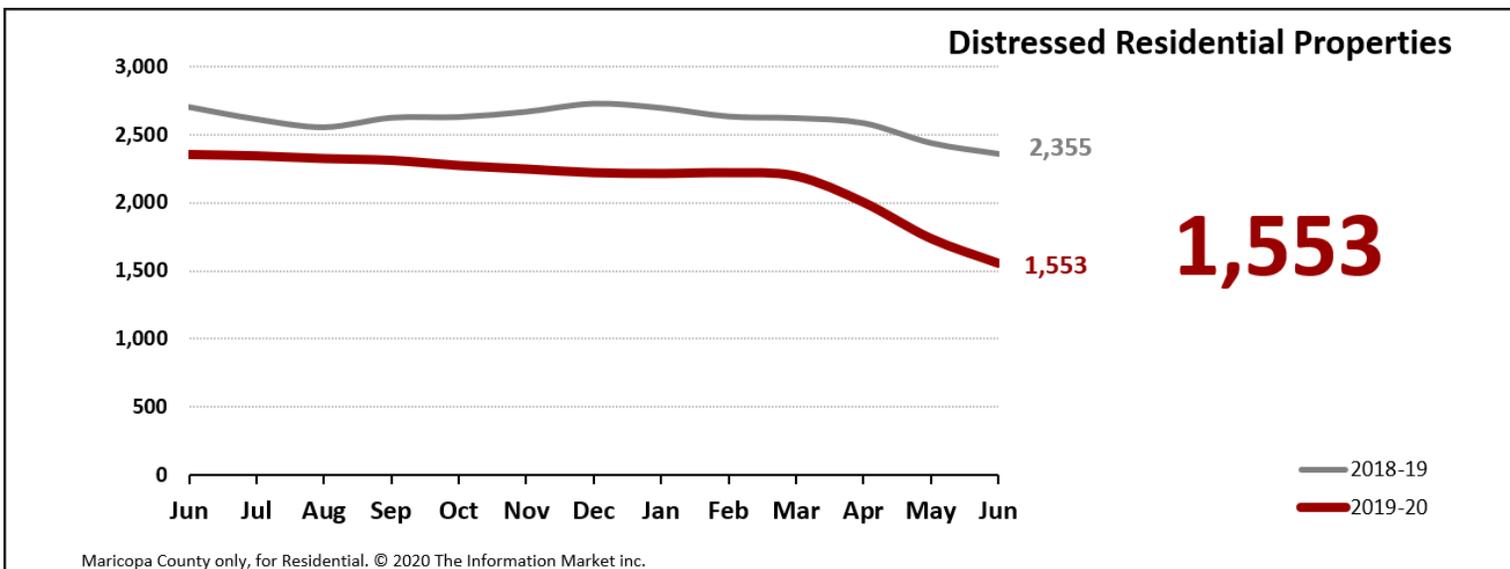
The average sales price is up +5.1% year-over-year while the year-over-year median sales price is also up +9.0%.

MLS sales prices for closed listings with a close of escrow date from 6/1/2020 to 6/30/2020, 0 day DOM sales removed



An increase is forecasted in July for both average and median sales prices.

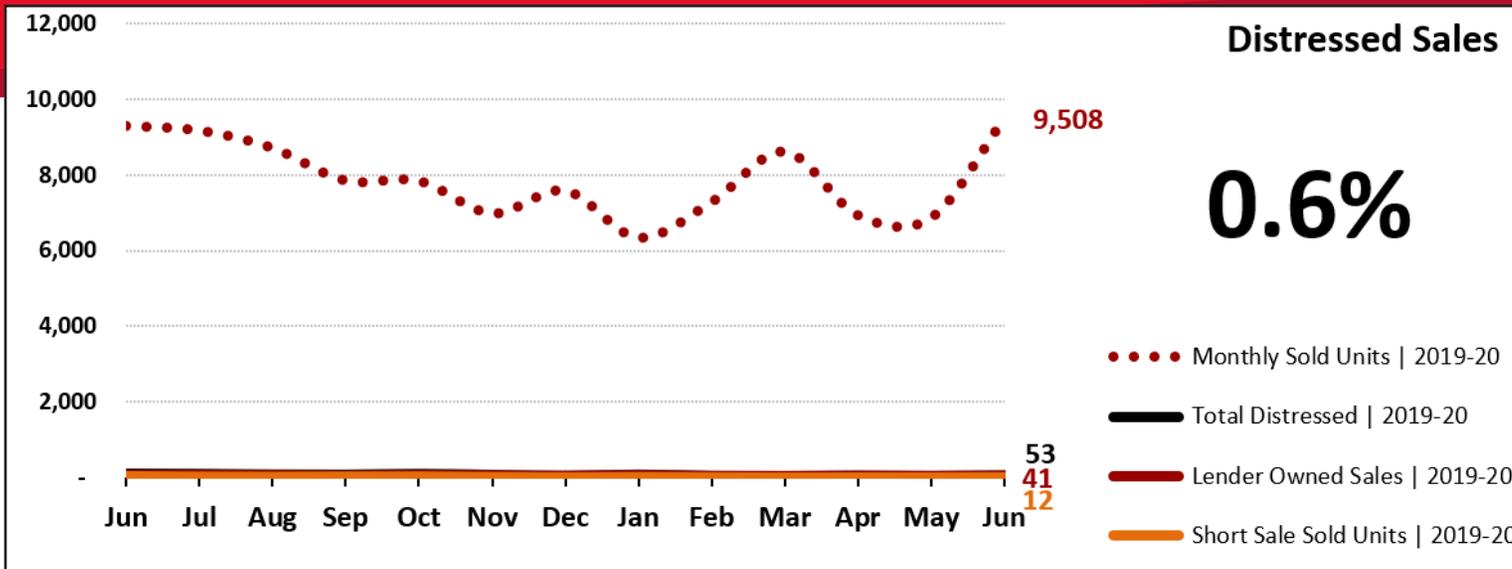
ARMLS proprietary predictive model forecast, 0 day DOM sales removed



Foreclosures pending month-over-month showed a decrease of -10.5% while the year-over-year figure was down -34.1%.

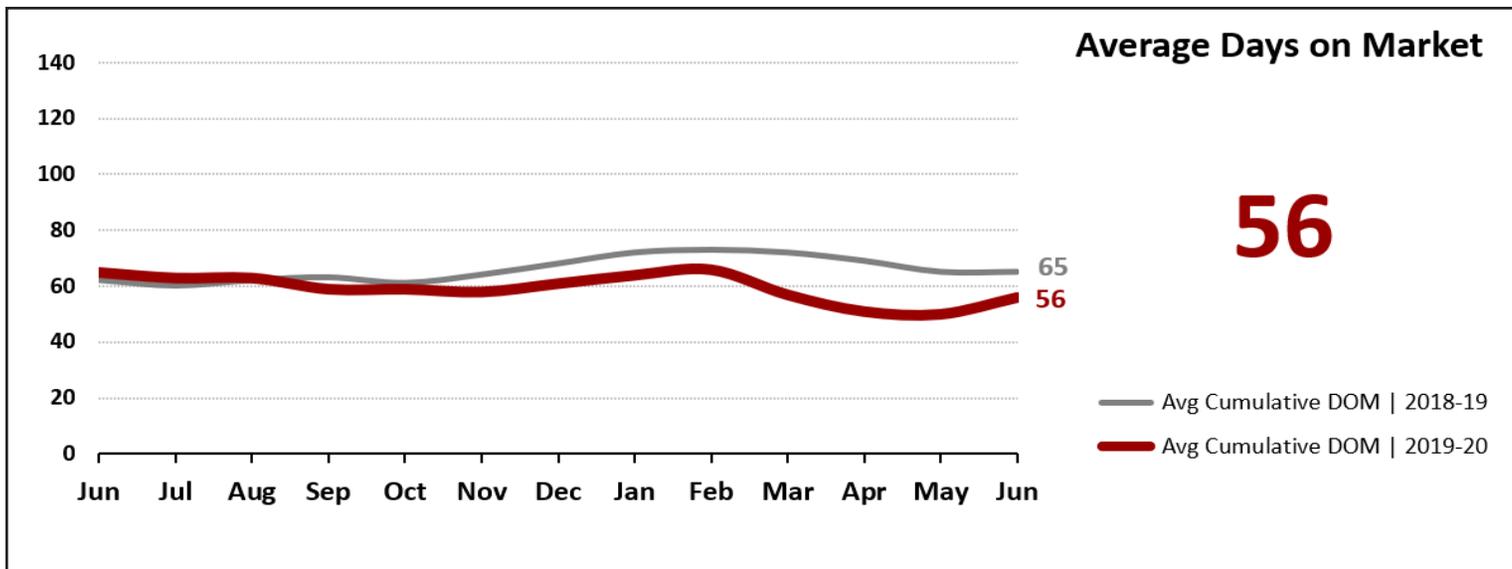
Maricopa County only, for Residential. © 2020 The Information Market inc.

Snapshot of public records data on 6/30/2020 active residential notices and residential REO properties.



Distressed sales accounted for 0.6% of total sales, the same as the previous month. Short sales dropped -60.0% year-over-year. Lender-owned sales decreased -26.8% year-over-year.

New MLS listings that were active for at least one day from 6/1/2020 to 6/30/2020, 0 day DOM sales removed



Days on market were down -9 days year-over-year while month-over-month were up +6 days.

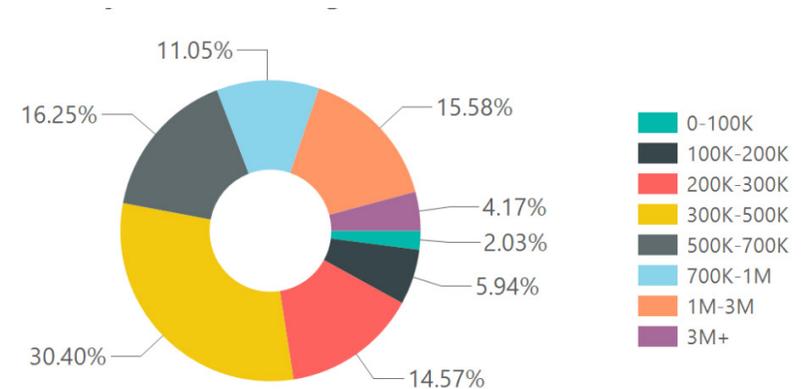
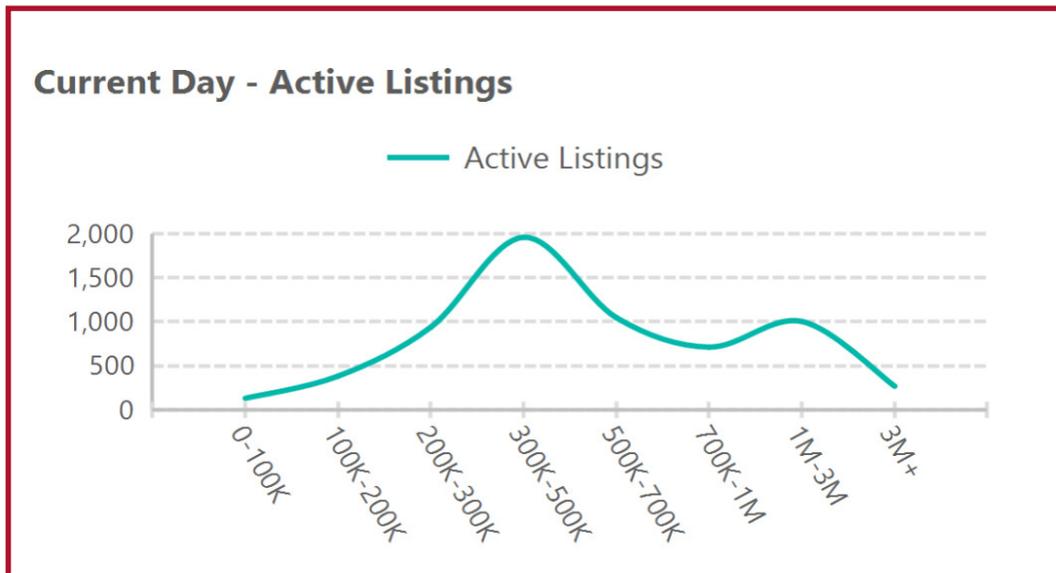
MLS sales prices for closed listings with a close of escrow date from 6/1/2020 to 6/30/2020, 0 day DOM sales removed

RAPID REPORT

A GLIMPSE AT THE CURRENT MARKET

POWERED BY  **RapidStats**

Current Listings by Price Range in Maricopa County



The following graph is a snapshot of Maricopa data as of 12:00am on 07/15/2020

RapidStats is a data-driven reporting and analytics tool created by ARMLS that helps agents and brokers understand their markets, pricing and opportunities to make decisions. **RapidStats reports can be filtered by City, County or Zip Code!**

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COMMENTARY by Tom Ruff

For years we've talked about the millennial home buyer and their expected impact on housing demand, and we kept waiting and waiting and waiting. As the oldest millennials approach 40, the wait may finally be over. According to Frank Nothaft, chief economist at CoreLogic, "Pending sales and home-purchase loan applications are higher than in June of last year and reflect the buying activity of millennials." It's clear, record-low mortgage rates and millennials are driving home sales.

The first six months of 2020 are in the books and the numbers speak for themselves. My, what a year it's been. Sales volume, as reported by ARMLS, is off 7.57% year-over-year. What makes this number remarkable is how we got here. In January, February and March we saw nice gains. The April and May numbers were dismal, and then as projected, June closings came roaring back. We're only halfway through 2020 and if this year has taught us anything, it's that anything is possible. Looking ahead we already know the second half of 2020 is off to a good start. July 2020 sales volume will easily surpass the 2019 total.

Total Sales via ARMLS

Total Sales							Total:
Year	January	February	March	April	May	June	
2001	3,700	4,609	5,704	5,833	6,244	6,164	32,254
2002	4,016	4,403	5,732	6,131	6,783	6,404	33,469
2003	4,760	5,493	6,545	7,464	7,468	7,495	39,225
2004	5,118	6,196	8,744	8,971	9,019	10,019	48,067
2005	6,632	7,781	9,987	9,600	9,890	10,252	54,142
2006	5,266	5,918	7,497	6,798	7,573	7,214	40,266
2007	4,389	4,958	5,990	5,535	5,795	5,438	32,105
2008	2,912	3,448	4,293	4,879	5,656	5,748	26,936
2009	4,742	5,477	7,636	8,564	9,284	9,327	45,030
2010	5,789	6,594	8,969	9,261	9,077	9,280	48,970
2011	6,541	7,157	9,933	9,331	9,809	10,345	53,116
2012	6,455	7,249	8,867	8,435	8,442	9,129	48,577
2013	5,828	6,630	8,136	8,754	9,436	8,228	47,012
2014	4,797	5,474	6,710	7,659	7,445	7,219	39,304
2015	4,784	5,990	7,900	8,367	8,319	8,674	44,034
2016	5,131	5,718	8,412	8,293	8,676	8,861	45,091
2017	5,932	6,435	9,116	8,666	9,641	9,391	49,181
2018	6,082	6,911	9,402	8,990	9,913	9,079	50,377
2019	5,357	6,409	8,344	9,493	10,341	9,313	49,257
2020	6,328	7,279	8,626	6,925	6,860	9,508	45,526

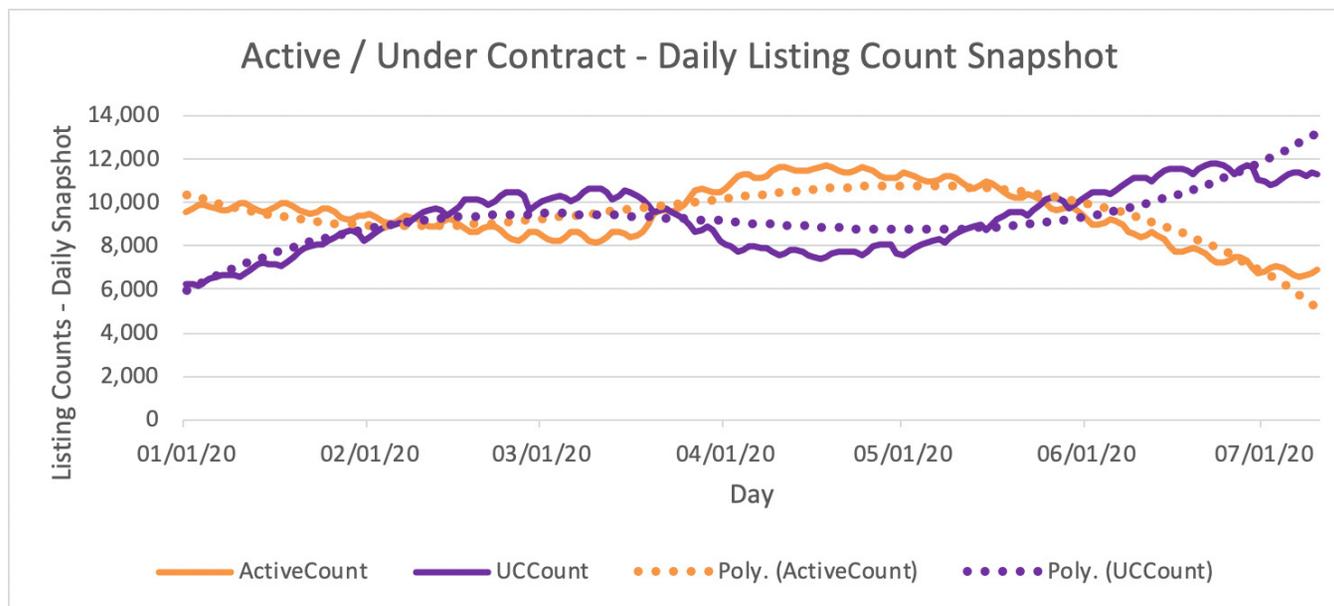
In a commissioned-based profession, the gross dollar sales volume becomes a key metric. It seems impossible, but if just one more average priced home had sold in the first six months, 2020 would have reported the highest dollar sales volume in its history. Yes, with just one more sale, the first half of 2020 would have gone down as the best start to any year ever. How is that even possible? When we repeat the chart below in 30 days, I promise you 2020 will rank number 1.

Gross Dollar Sales Volume via ARMLS

Year	January	February	March	April	May	June	Total:	Rank:
2001	636,030,000	782,147,300	1,003,333,600	1,005,025,900	1,081,460,800	1,110,752,800	5,618,750,400	20
2002	739,345,600	749,390,600	1,015,710,400	1,103,580,000	1,242,645,600	1,205,232,800	6,055,905,000	19
2003	876,792,000	1,020,050,100	1,235,041,500	1,397,260,800	1,485,385,200	1,513,990,000	7,528,519,600	17
2004	1,054,819,800	1,263,984,000	1,858,100,000	1,873,144,800	1,939,085,000	2,323,406,100	10,312,539,700	11
2005	1,694,476,000	1,938,247,100	2,709,473,100	2,692,800,000	2,967,989,000	3,244,758,000	15,247,743,200	4
2006	1,774,115,400	1,976,612,000	2,478,508,200	2,237,221,800	2,614,199,600	2,511,193,400	13,591,850,400	6
2007	1,502,793,600	1,650,518,200	2,071,941,000	1,847,583,000	2,030,568,000	1,900,037,200	11,003,441,000	9
2008	912,620,800	1,010,608,800	1,259,136,900	1,354,410,400	1,523,726,400	1,520,346,000	7,580,849,300	16
2009	855,115,376	944,032,151	1,214,734,880	1,367,508,084	1,517,804,024	1,600,326,660	7,499,521,175	18
2010	1,017,185,190	1,146,498,780	1,598,150,234	1,586,418,561	1,607,827,164	1,670,000,960	8,626,080,889	14
2011	1,026,793,098	1,113,664,985	1,567,407,534	1,505,062,307	1,557,473,020	1,654,558,610	8,424,959,554	15
2012	1,081,057,580	1,207,871,874	1,674,524,083	1,596,003,220	1,728,195,588	1,774,020,312	9,061,672,657	13
2013	1,214,217,176	1,438,378,500	1,819,022,472	1,994,450,082	2,243,909,108	1,949,657,512	10,659,634,850	10
2014	1,164,366,216	1,326,881,178	1,691,980,180	1,919,077,335	1,842,019,565	1,849,681,056	9,794,005,530	12
2015	1,219,848,240	1,501,082,020	2,026,318,400	2,221,187,490	2,235,257,067	2,350,480,520	11,554,173,737	8
2016	1,386,160,174	1,554,632,712	2,252,287,764	2,252,727,106	2,447,013,744	2,504,331,264	12,397,152,764	7
2017	1,668,131,788	1,836,735,615	2,633,156,600	2,531,633,244	2,895,066,967	2,857,014,539	14,421,738,753	5
2018	1,917,861,388	2,128,816,063	2,974,463,730	2,894,348,480	3,281,341,782	3,029,099,402	16,225,930,845	3
2019	1,746,890,915	2,094,275,339	2,827,447,840	3,226,528,305	3,593,145,906	3,265,463,755	16,753,752,060	1
2020	2,306,144,680	2,719,900,256	3,248,991,526	2,556,446,850	2,417,731,540	3,504,211,432	16,753,426,284	2

During a normal year, our home buying/selling season kicks off with the Super Bowl and then slows as our summer temperatures rise with pending contracts peaking in late April and home closings topping out in May and June. This year, pending contracts hit their current high-water mark on June 29, and there is still a good chance we might report an even higher number of pending contracts in the weeks to come. The Zonies are sheltering in place this summer, no beaches, no mountains. So what the heck, why not a home? There is no better way to shake off those extra quarantine pounds than moving in 110 plus degree heat. The buyers that had the courage to venture out in March and April not only faced less competition, they were also able to capitalize on lower prices due to panic selling. Those days are over for now. The chart below compares the number of properties under contract to the number of active listings in Maricopa County. In the words of Michael Orr of The Cromford Report, *“The market is becoming so lop-sided it is approaching absurdity.”*

Maricopa Active/Under Contract via ARMLS



The one segment of our housing market that was unfazed by the “Corona Pause” was new construction. Newly built homes sold in the second quarter of 2020 exceeded the number sold in 2019 for the same period. An amazing result considering the dire March predictions. The spreadsheet below displays both sales volume as well as the median sales price. The median sales price for newly built homes has been rising at a much slower rate over the last several years than the resale market. The gap between a median priced resale home in Maricopa County and a median priced newly built home in Maricopa County is about \$60,000. Put in terms of a monthly payment, with the current extremely low interest rates, the difference is about \$170 per month. Anecdotally, I’ve noticed a savvy “buy and hold” rental investor purchasing new builds for their portfolio telling me “the numbers” work.

Sales Volume and Median Sales Price via Maricopa Public Records

All Date	New Count	Low Qtr	New Median				
			Low Qtr Prev MonthΔ	Middle	Middle Prev MonthΔ	High Qtr	High Qtr Prev MonthΔ
201901	944	\$ 275,872	-0.68%	\$ 342,618	-2.11%	\$ 455,138	-1.76%
201902	1,222	\$ 274,880	-0.36%	\$ 340,308	-0.67%	\$ 462,858	1.70%
201903	1,302	\$ 274,990	0.04%	\$ 350,169	2.90%	\$ 478,852	3.46%
201904	1,406	\$ 284,540	3.47%	\$ 349,560	-0.17%	\$ 461,834	-3.55%
201905	1,535	\$ 290,543	2.11%	\$ 364,990	4.41%	\$ 468,262	1.39%
201906	1,245	\$ 281,865	-2.99%	\$ 355,788	-2.52%	\$ 474,368	1.30%
201907	1,352	\$ 280,268	-0.57%	\$ 356,001	0.06%	\$ 473,320	-0.22%
201908	1,525	\$ 281,011	0.27%	\$ 347,500	-2.39%	\$ 451,461	-4.62%
201909	1,528	\$ 280,000	-0.36%	\$ 352,153	1.34%	\$ 450,518	-0.21%
201910	1,456	\$ 294,701	5.25%	\$ 369,660	4.97%	\$ 484,280	7.49%
201911	1,551	\$ 283,512	-3.80%	\$ 354,990	-3.97%	\$ 456,095	-5.82%
201912	1,812	\$ 300,604	6.03%	\$ 365,995	3.10%	\$ 476,024	4.37%
202001	1,154	\$ 291,394	-3.06%	\$ 365,706	-0.08%	\$ 471,108	-1.03%
202002	1,383	\$ 298,394	2.40%	\$ 362,324	-0.92%	\$ 463,879	-1.53%
202003	1,542	\$ 294,048	-1.46%	\$ 360,950	-0.38%	\$ 465,013	0.24%
202004	1,425	\$ 296,990	1.00%	\$ 362,990	0.57%	\$ 475,000	2.15%
202005	1,552	\$ 300,990	1.35%	\$ 368,310	1.47%	\$ 468,167	-1.44%
202006	1,623	\$ 299,952	-0.34%	\$ 372,306	1.08%	\$ 477,237	1.94%

I would like to point out that even though we project future home closing and sales prices, we are not really forecasting. We are merely counting the properties under contract and their reported contract price. We can also track historical patterns, which in turn define seasonal patterns. In 2020 our leading indicators have given accurate insights as to how closing data will appear in the next month or two. On the other hand, our seasonal patterns are in complete disarray. Historically, we would see sales volume and prices peak in May or July, with volume declining for the remainder of the year while prices remain relatively flat. This year it appears our “season” has been pushed back as the market recoups the losses from April and May. Like the first six months of 2020, the second half will not follow traditional norms. In closing, I’d like to point out that although our market is on fire, a hot market does not necessarily mean we have a healthy market, which I will discuss in the next STAT.

Pending Price Index

Last month in STAT, the mathematical model projected a median sales price for June of \$300,000. The June reported median was \$305,000. Looking ahead to July, the median sales price will increase. The ARMLS Pending Price index is projecting a median sales price of \$310,000. Our mathematical model has underestimated the actual median sales price the last two months. Don’t be surprised if the reported median sales price for July once again exceeds our projection.

We begin July with 7,819 pending contracts; 4,857 UCB listings and 733 CCBS giving us a total of 13,409 residential listings practically under contract. This compares to 10,972 of the same type of listings one year ago. At the beginning of July, the “pending” contracts are 22.2% higher than last year. There were 22 business days in July of 2019 and 22 this year. ARMLS reported 9,192 sales in July of 2019. My guess for this July is 10,325.