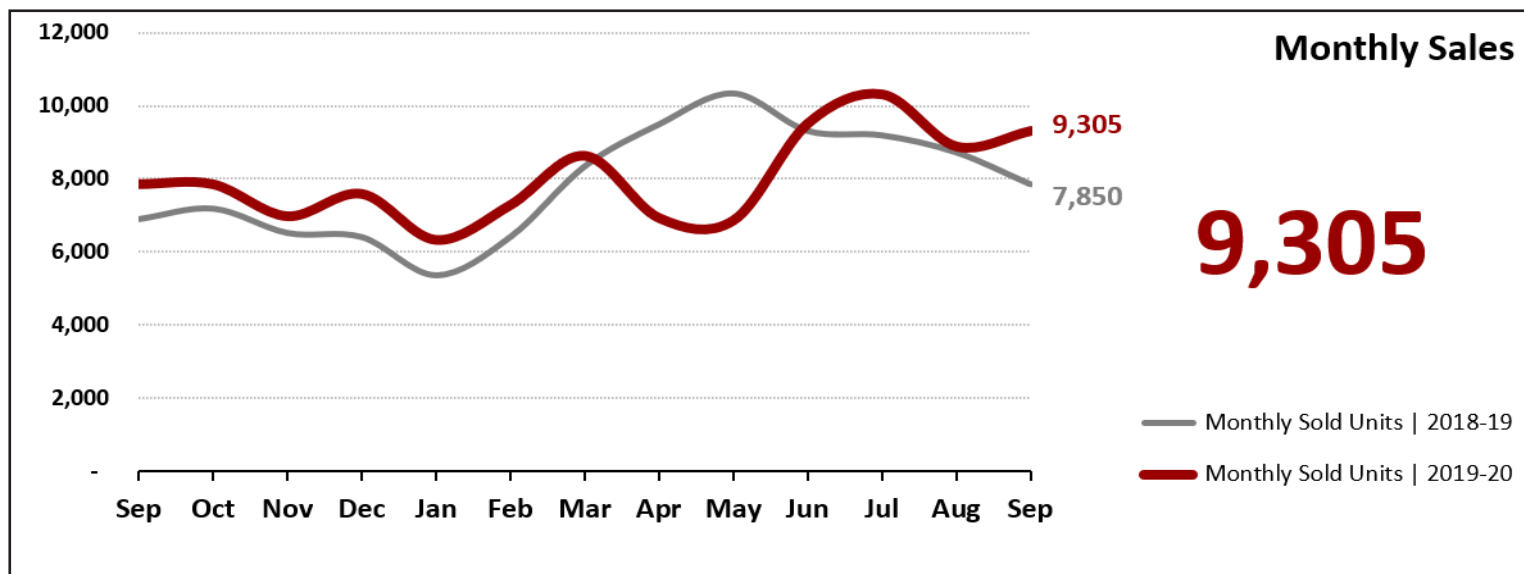




Your Monthly Statistics for the Phoenix Metro Area



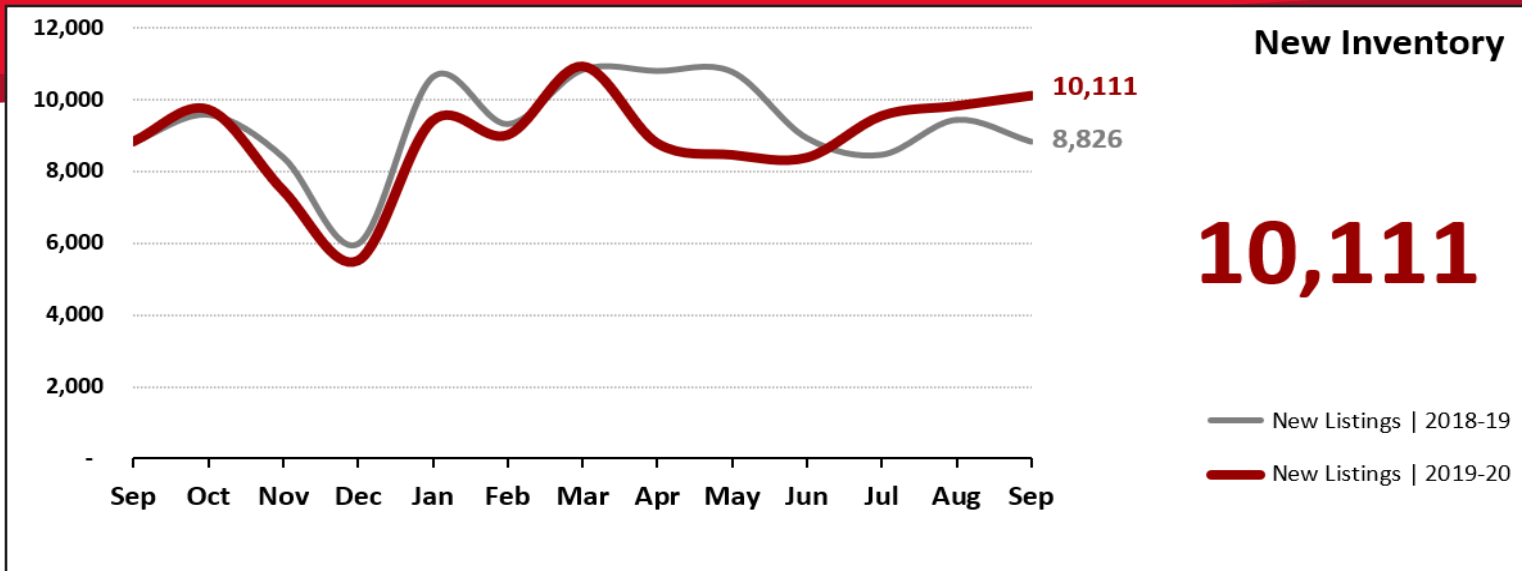
DATA FOR SEPTEMBER 2020 - Published October 20, 2020



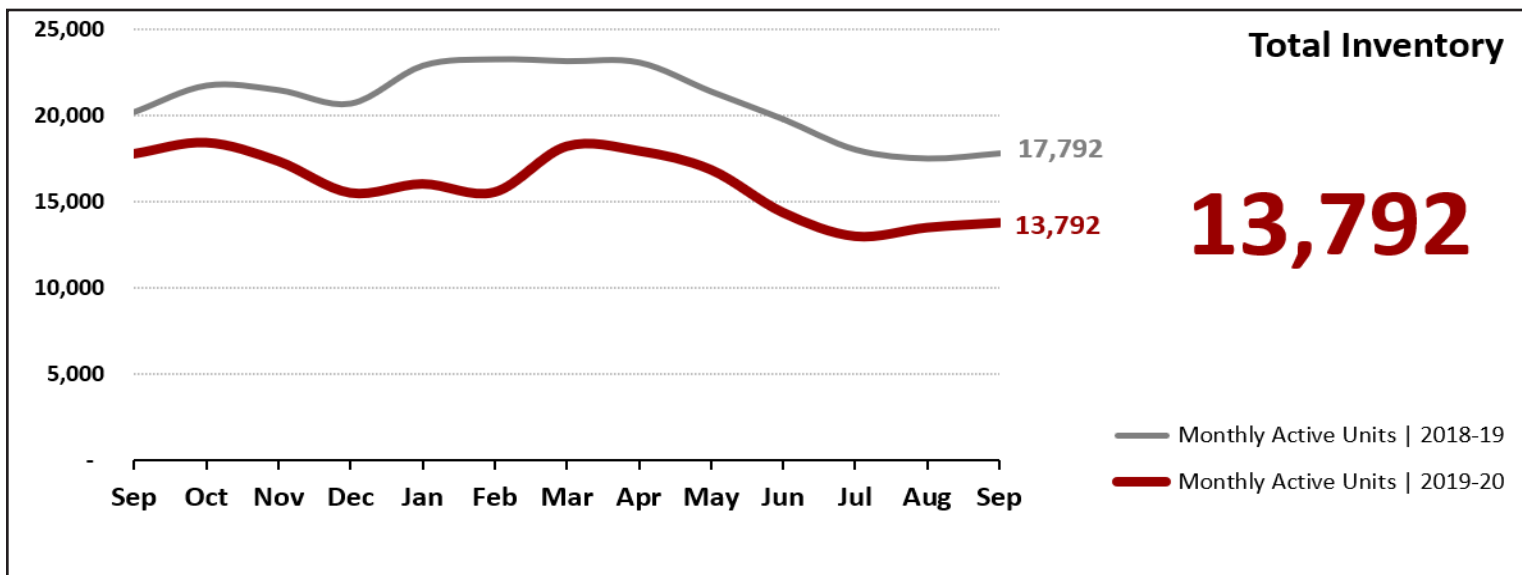
Sales are up +4.8% month-over-month. The year-over-year comparison is up +18.5%.

9,305

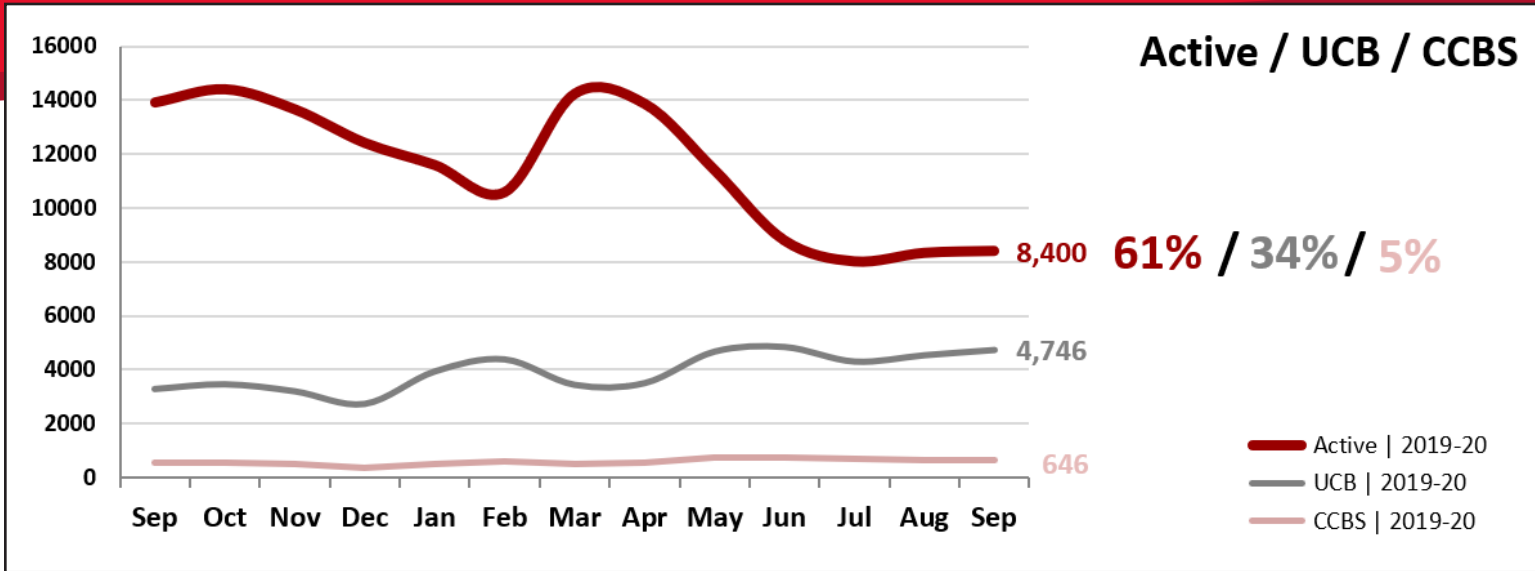
Closed MLS sales with a close of escrow date from 9/1/20 to 9/30/20, 0 day DOM sales removed



New MLS listings that were active for at least one day from 9/1/20 to 9/30/20, 0 day DOM sales removed

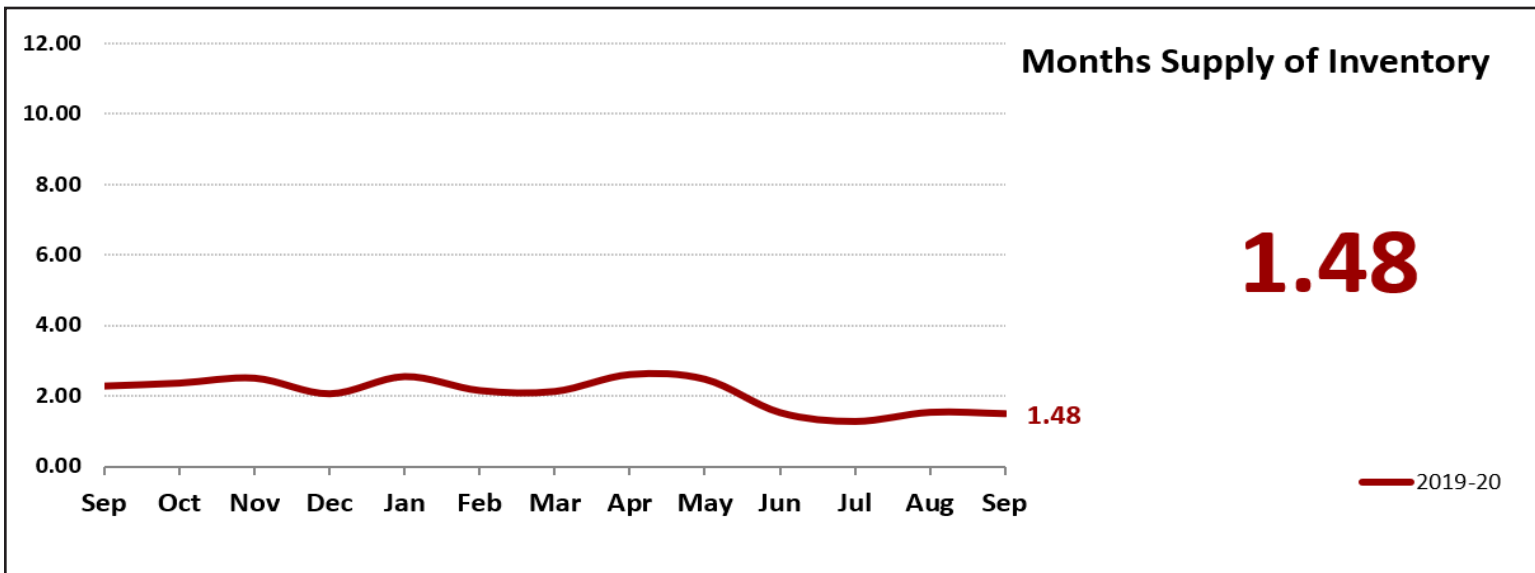


Snapshot of statuses on 9/30/20



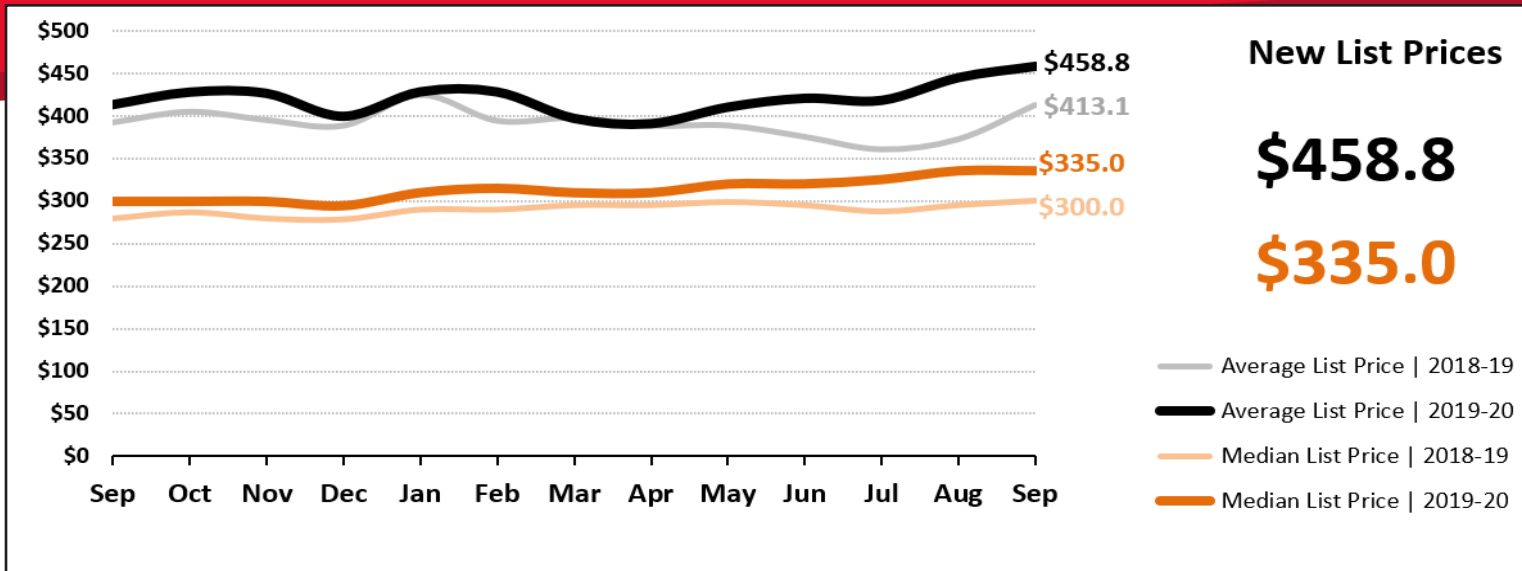
September UCB listings percent of total inventory was 34.4% with September CCBS listings at 4.7% of total inventory.

Snapshot of statuses on 9/30/20



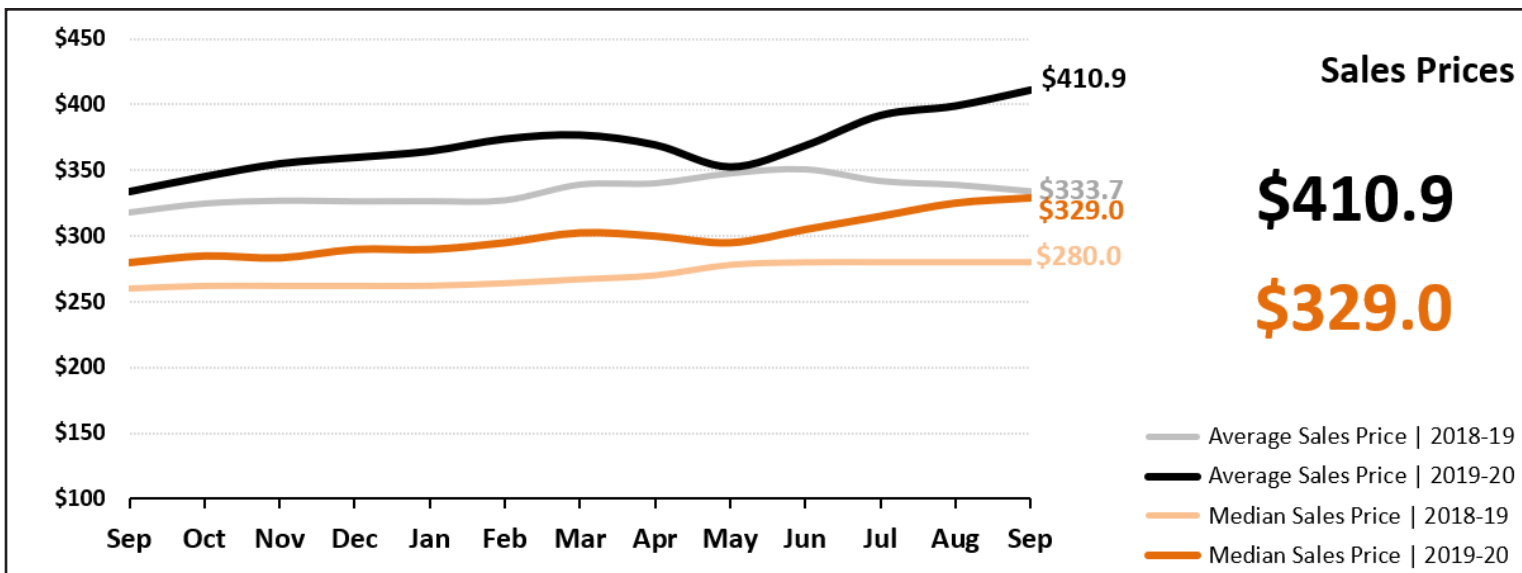
Months supply of inventory for August was 1.52 with September at 1.48.

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



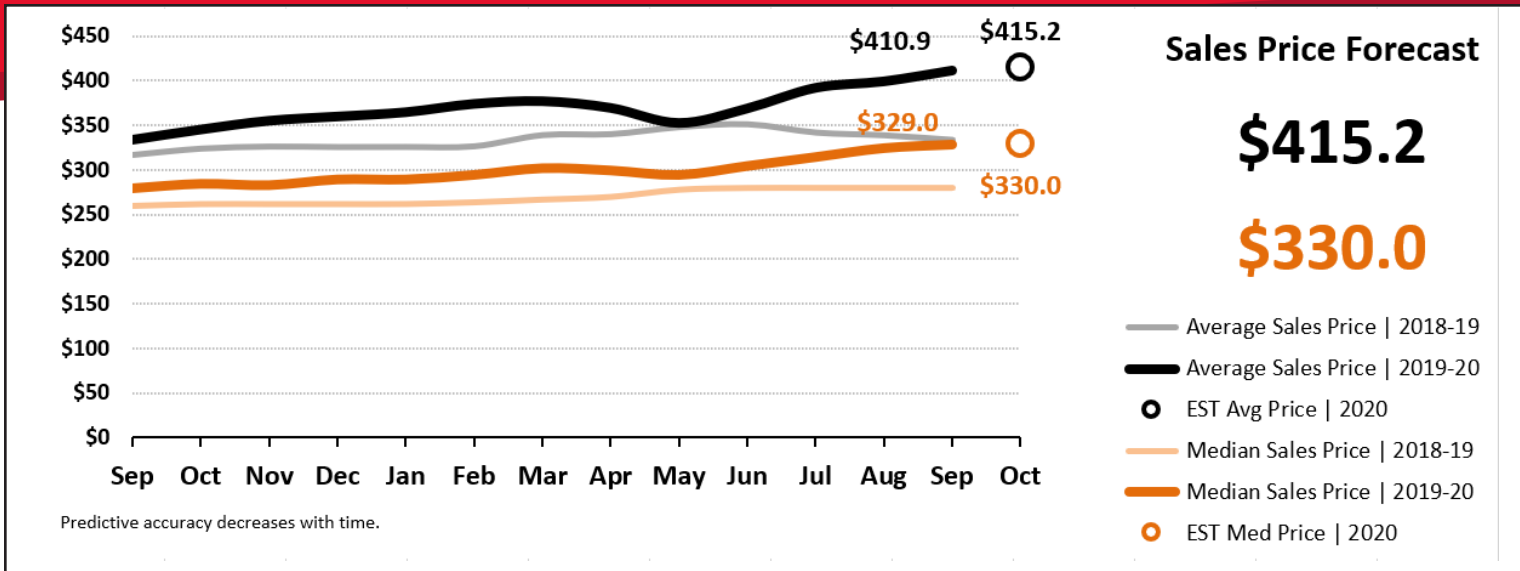
Average new list prices are up +11.1% year-over-year. The year-over-year median is up +11.7%.

List prices of new listings with list dates from 9/1/20 to 9/30/20, 0 day DOM sales removed



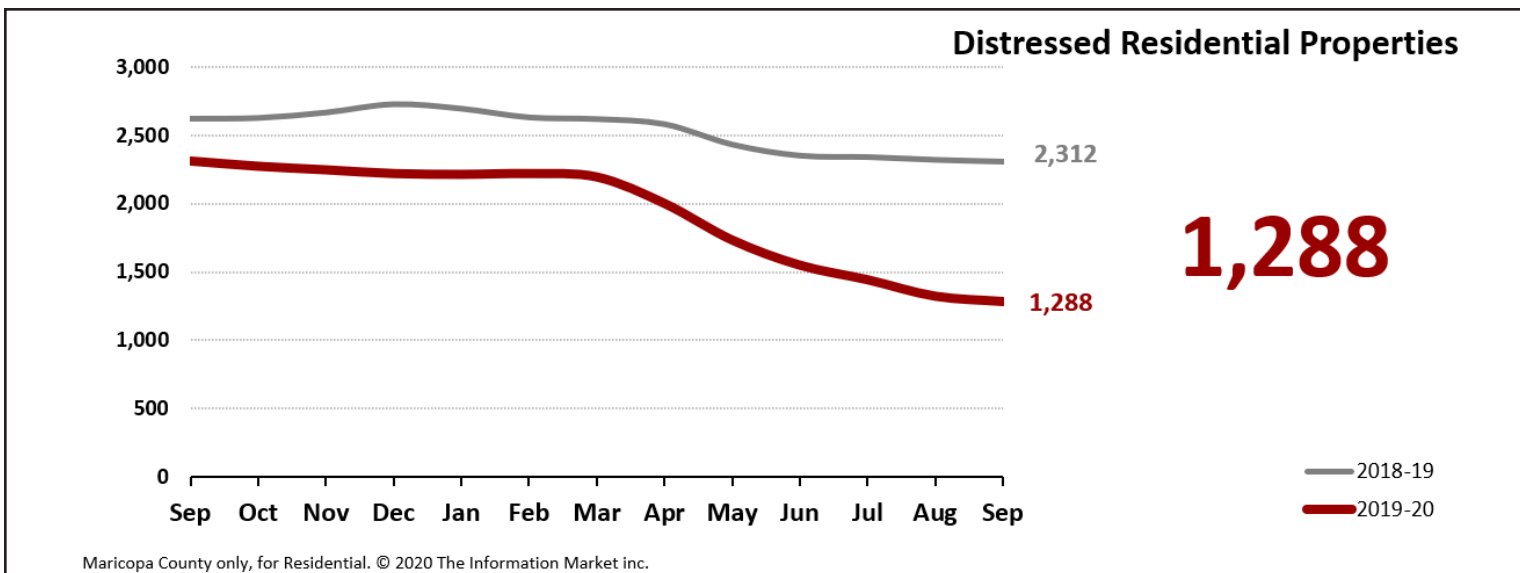
The average sales price is up +23.1% year-over-year while the year-over-year median sales price is also up +17.5%.

MLS sales prices for closed listings with a close of escrow date from 9/1/20 to 9/30/20, 0 day DOM sales removed



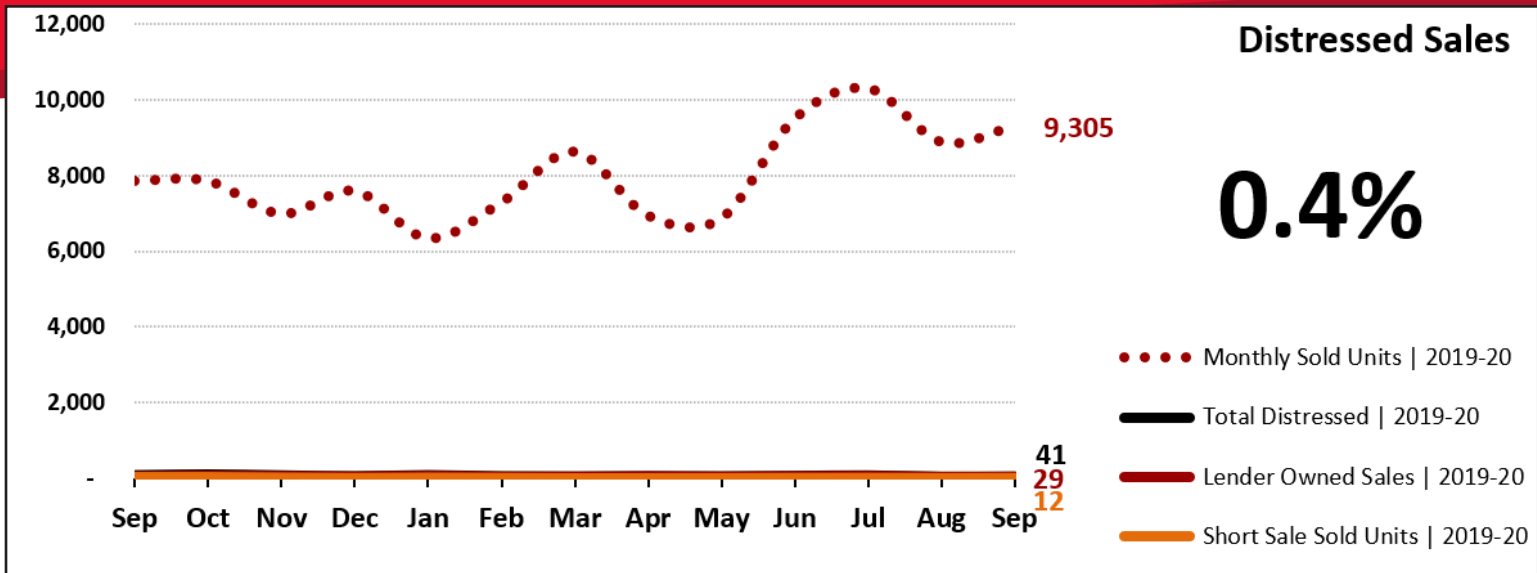
A slight increase is forecasted in October for both average sales prices and median sales prices.

ARMLS proprietary predictive model forecast, 0 day DOM sales removed



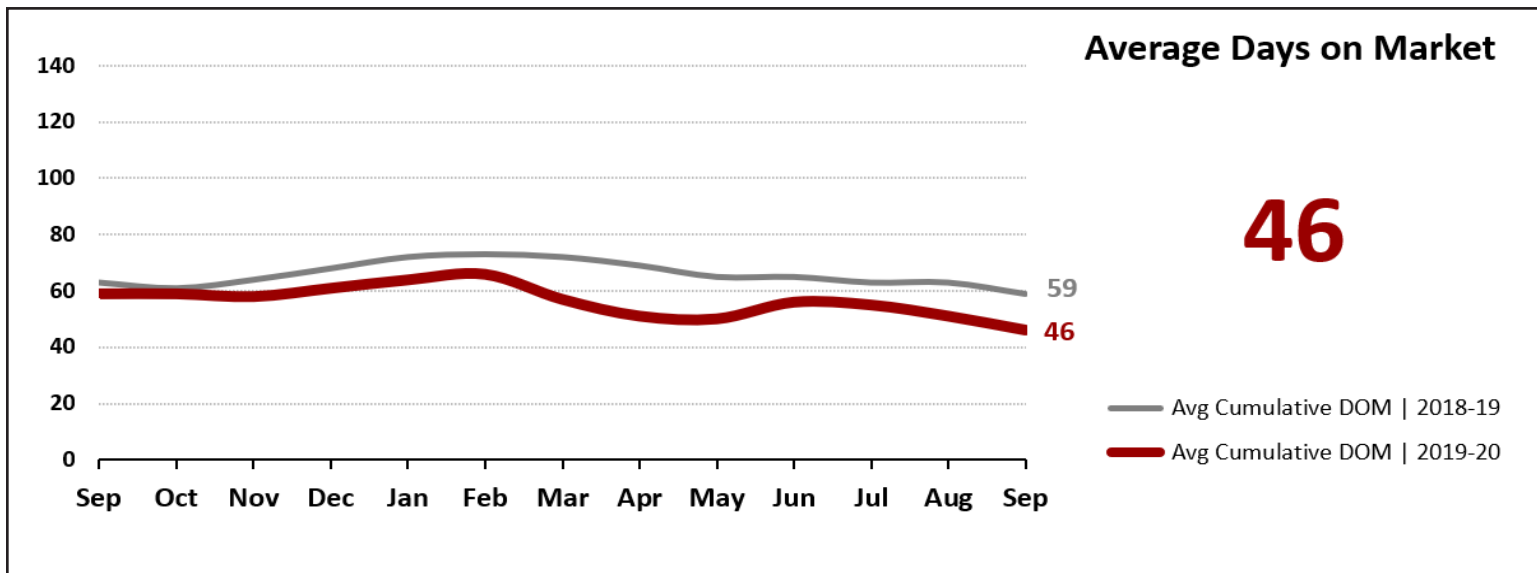
Foreclosures pending month-over-month showed a decrease of -2.9% while the year-over-year figure was down -44.3%.

Snapshot of public records data on 9/30/20 active residential notices and residential REO properties.



Distressed sales accounted for 0.4% of total sales, same as the previous month. Short sales dropped -52.0% year-over-year. Lender-owned sales decreased -29.3% year-over-year.

New MLS listings that were active for at least one day from 9/1/20 to 9/30/20, 0 day DOM sales removed



Days on market were down -13 days year-over-year while month-over-month went down -5 days.

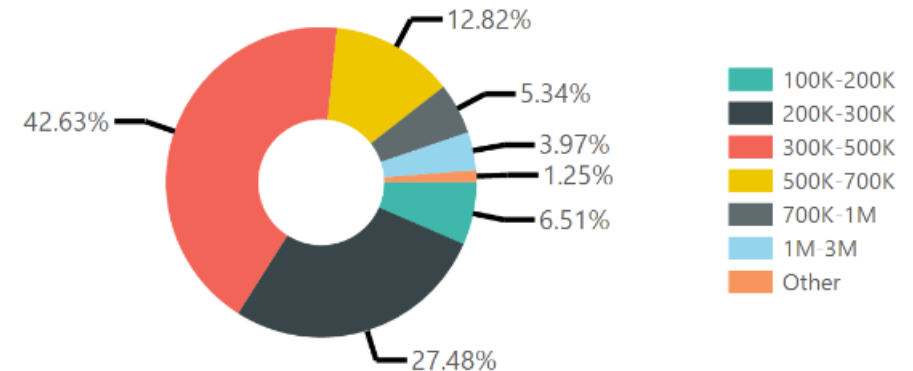
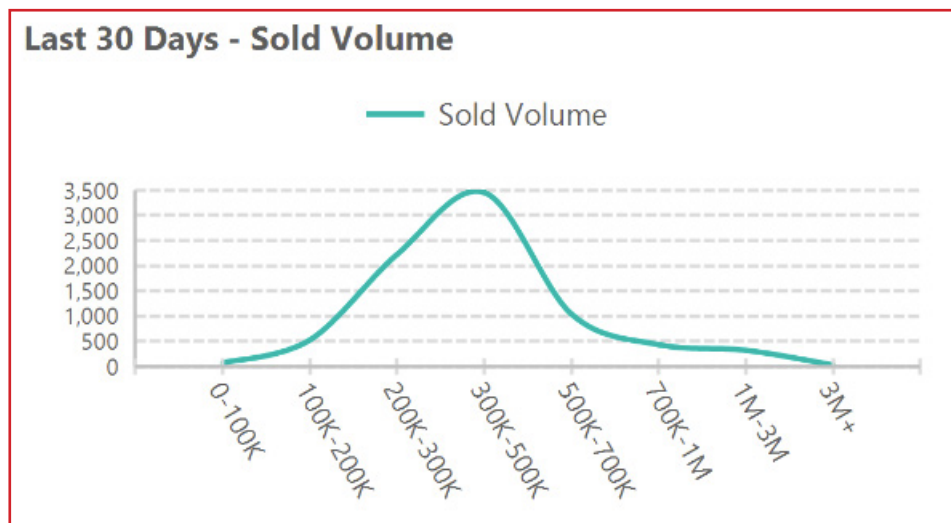
MLS sales prices for closed listings with a close of escrow date from 9/1/20 to 9/30/20, 0 day DOM sales removed

RAPID REPORT

A GLIMPSE AT THE CURRENT MARKET

POWERED BY  **RapidStats**

Sold Listings by Price Range in Maricopa County



The following graph is a snapshot of Maricopa data as of 12:00am on 10/16/2020

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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Market Overview

The year that feels like it will never end has now passed the three quarters pole. With the September numbers now in the books, another set of monthly records are broken: the highest median sales price ever reported, the highest average sales price ever reported and the highest sales volume for any September in ARMLS history. And with the high number of properties currently under contract, there will be no October surprises. Our market is not only primed for the best October in ARMLS history, but also a strong finish to the fourth quarter. The deficit in year-over-year sales in April and May impacted the numbers, but the anomaly will most likely be fully erased in October. And when our final sales figures for the year are reported on January 1, the 2020 real estate market will have surpassed everyone's expectations.

Year-over-year gains in sales volume seemed an impossibility in May and a slight possibility in July. As we now enter October, year-over-year gains in sales volume are now probable. Historically, pending contracts reach their annual peak in late April, a pattern that has repeated itself year after year. This year however, that historical pattern was interrupted. Our high-water mark for pending contracts this year occurred during the last week of September, insuring a strong finish to 2020.

Monthly Sales Volume via ARMLS

Year	January	February	March	April	May	June	July	Aug	Sep	Total:
2001	3,700	4,609	5,704	5,833	6,244	6,164	5,638	5,728	4,801	48,421
2002	4,016	4,403	5,732	6,131	6,783	6,404	6,114	5,797	5,542	50,922
2003	4,760	5,493	6,545	7,464	7,468	7,495	7,680	7,688	6,868	61,461
2004	5,118	6,196	8,744	8,971	9,019	10,019	9,040	8,992	8,677	74,776
2005	6,632	7,781	9,987	9,600	9,890	10,252	9,394	10,031	9,213	82,780
2006	5,266	5,918	7,497	6,798	7,573	7,214	6,102	6,163	5,608	58,139
2007	4,389	4,958	5,990	5,535	5,795	5,438	4,730	4,358	3,435	44,628
2008	2,912	3,448	4,293	4,879	5,656	5,748	5,966	5,725	6,166	44,793
2009	4,742	5,477	7,636	8,564	9,284	9,327	9,095	8,007	7,906	70,038
2010	5,789	6,594	8,969	9,261	9,077	9,280	7,100	7,358	6,764	70,192
2011	6,541	7,157	9,933	9,331	9,809	10,345	8,387	8,712	7,892	78,107
2012	6,455	7,249	8,867	8,435	8,442	9,129	7,180	7,562	6,460	69,779
2013	5,828	6,630	8,136	8,754	9,436	8,228	8,216	7,055	6,314	68,597
2014	4,797	5,474	6,710	7,659	7,445	7,219	6,775	6,428	6,252	58,759
2015	4,784	5,990	7,900	8,367	8,319	8,674	7,914	7,010	6,935	65,893
2016	5,131	5,718	8,412	8,293	8,676	8,861	7,630	7,843	7,328	67,892
2017	5,932	6,435	9,116	8,666	9,641	9,391	7,853	8,113	7,328	72,475
2018	6,082	6,911	9,402	8,990	9,913	9,079	8,380	8,036	6,897	73,690
2019	5,357	6,409	8,344	9,493	10,341	9,313	9,192	8,726	7,850	75,025
2020	6,328	7,279	8,626	6,925	6,860	9,508	10,303	8,878	9,305	74,012

This month in STAT we will look inside Maricopa County publicly recorded data, namely, the recorded affidavits of value. The affidavits of value offer insights into the year-over-year changes that have occurred within our market. In comparing September 2019 sales to September 2020, we can see several noticeable differences in the composition of buyers in our marketplace.

Institutional and iBuyers

Let us start with institutional investors. Examples of institutional investors currently buying in our market are Cerberus Holdings, Invitation Homes and Progress Phoenix LLC. In September of 2019 institutional buyers purchased 241 homes, accounting for 2.5% of the total homes purchased in Maricopa County. This September their purchases declined to 100 and accounted for less than 1% of our total purchases. Following a similar pattern, iBuyers purchased 446 homes in September of last year and only 165 this September. The percentage of homes purchased by iBuyers was 4.6% of all homes purchased in September 2019 and only 1.5% this September. When you combine the number of purchases for institutional buyers and iBuyers they accounted for 7.1% of the September purchases in 2019 and only 2.4% this year. With fewer purchases by institutions this September, more traditional buyers were able to buy. With ARMLS reporting a 18.54% increase in year-over-year sales volume, these numbers become significant. Traditional buyers accounted for 1,659 more purchases in September 2020 than in September 2019.

Out-of-State Buyers and Sellers

One of the benefits in studying the affidavits of value is that they give us the buyer's address as well as the seller's address. The top ten states where buyers are moving from are listed in the chart below. In September of this year 1,727 buyers reported an out-of-state address on their affidavit of value, accounting for 16% of all buyers. The highest percentage of out-of-state buyers came from California. We saw 568 California buyers and 339 California sellers last month in Maricopa County. As a sidenote, the median sales price for Californians purchasing a home was \$375,000, and the median purchase price for Californians selling was \$297,000.

Previously Lived States via Maricopa County Records

State	Buyer2019	Buyer2020	Seller2019	Seller2020
CA	391	568	330	339
WA	104	162	72	92
IL	85	129	64	86
CO	90	99	92	89
MN	55	66	30	35
TX	64	58	97	76
OR	37	54	44	46
NV	32	47	23	31
UT	30	35	46	55
NY	40	33	27	24

The top ten cities for buyers relocating to Maricopa County (per the affidavits of value) in September of this year are listed below with San Diego coming in number 1, Los Angeles 4, San Jose 5 and San Francisco number 9.

Previously Lived Cities via Maricopa County Records

Buyercity	Count
SAN DIEGO	29
LAS VEGAS	28
CHICAGO	28
LOS ANGELES	23
SAN JOSE	17
SEATTLE	16
AUSTIN	16
MINNEAPOLIS	15
SAN FRANCISCO	14
DENVER	13

On a less positive note Canadians are selling. In 2011 as our market bottomed, Canadian buyers, at their peak, accounted for nearly 6% of all home purchases in our market. Today, there are far more sellers than buyers with the number of purchases negligible. In September of this year Canadians recorded 13 buys and 124 sells, and in 2019 there were 20 buys and 82 sells. Our collective hockey IQ is clearly in decline.

New Construction

One segment of our market that has gone relatively unscathed by the COVID-19 pandemic has been newly built homes. New builds have seen year-over-year gains in every month this year. In September 2020 the total of 1,807 was the highest number of newly built homes sold in September since 2007.

When viewing public records data, the median price of a new build has only risen 5.18% over the past year while resale homes have climbed 19.13%. Currently, the gap between a median priced new build and a resale is only \$40,397. In September of 2019, the difference was \$75,153. In August of 2005, when homes were contracted 9-12 months prior to build and home prices were witnessing astronomical gains, the median price of a new build was only \$225 higher than a resale. How this impacts our market is best stated by Mike Orr of the Cromford report.

“With the chronic shortage of re-sale homes, many buyers are turning to new-builds. Here they will not face multiple offers, but they may find some builders are not accepting contracts except for homes that are near completion. The reason is that prices are climbing steeply, and some developers do not want to tie themselves to a fixed price until the home is almost complete. The builders are experiencing an extreme seller’s market and buyers (and their agents) are likely to feel a little less appreciated than usual. Developers can also spend less on sales and marketing when they can easily sell all the homes they are able to build. Some (but certainly not all) are reducing the commission they will pay to buyer’s agents.”

Pending Price Index

Last month the STAT mathematical model projected a median sales price for September of \$326,000. The September reported median was \$329,025. For the fifth straight month our mathematical model underestimated our reported median sales price. Looking ahead to October, we expect little to no change in the median sales price. The ARMLS Pending Price index is projecting a median sales price of \$330,000. This is the time of year when prices tend to moderate.

We begin October with 7,670 pending contracts: 4,746 UCB listings and 646 CCBS giving us a total of 13,062 residential listings practically under contract. This compares to 9,694 of the same type of listings one year ago. At the beginning of October, the pending contracts were 34% higher than last year. There were 23 business days in October of 2019 and 22 this year. ARMLS reported 7,848 sales in October of 2019. We will see year-over-year sales gains this October. My guess, sales volume in October will be in the 9,300. The highest sales volume ever in October occurred in 2004 when ARMLS reported 8,173 home sales. When the October sales are reported this year, they will most likely establish a new sales volume record for October.