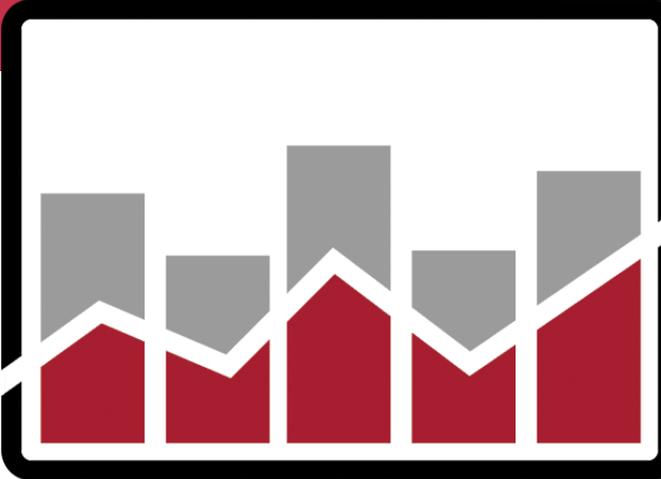


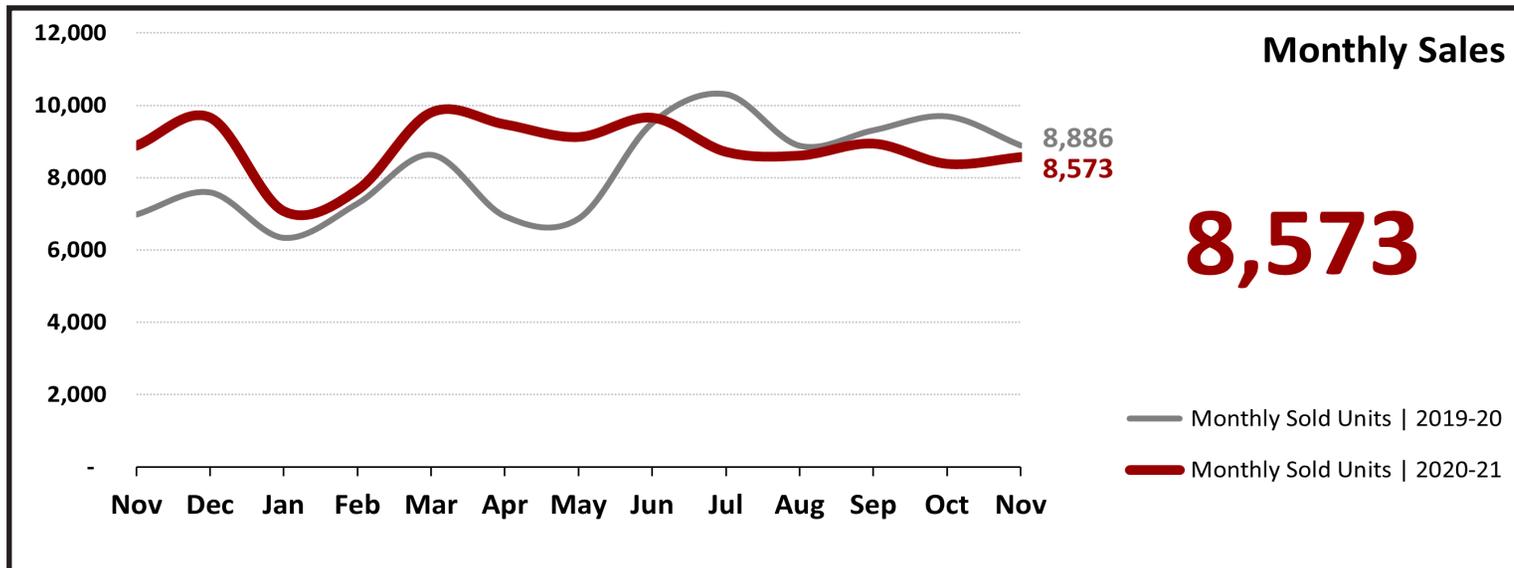
STAT

Your Monthly Statistics for the **Phoenix Metro** Area



DATA FOR **NOVEMBER 2021**

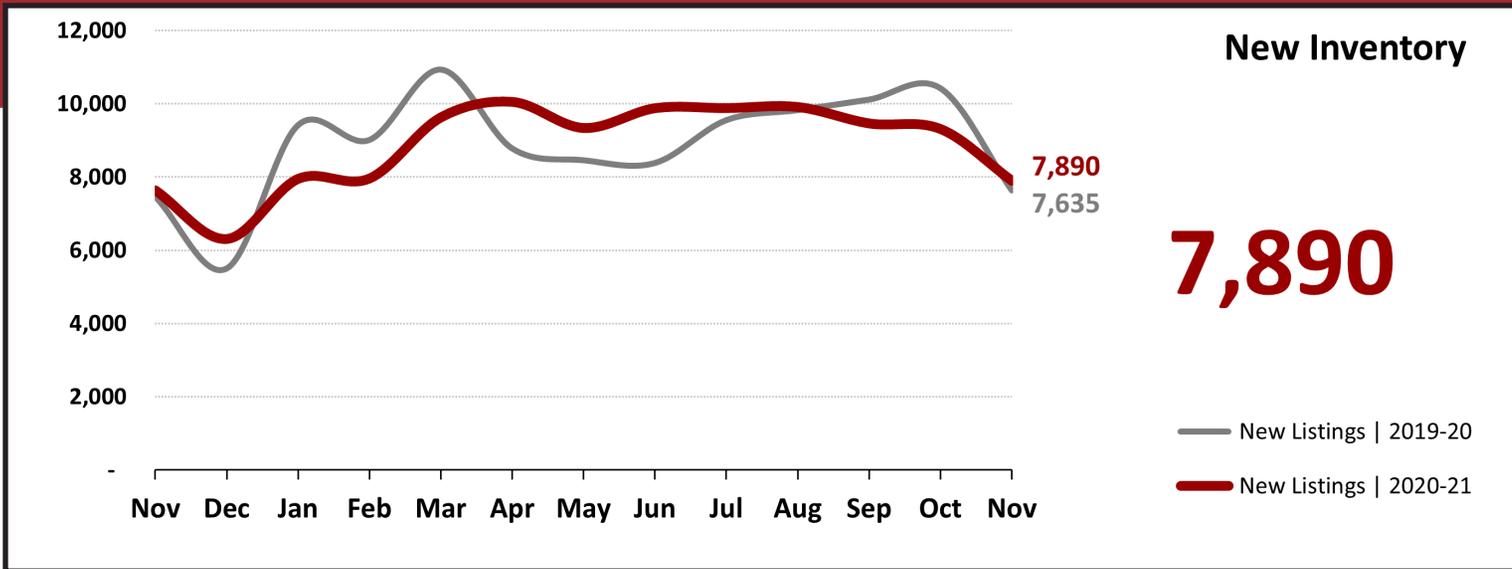
Published December 21, 2021



Sales are up **+2.2%** month-over-month. The year-over-year comparison is down **-3.5%**.

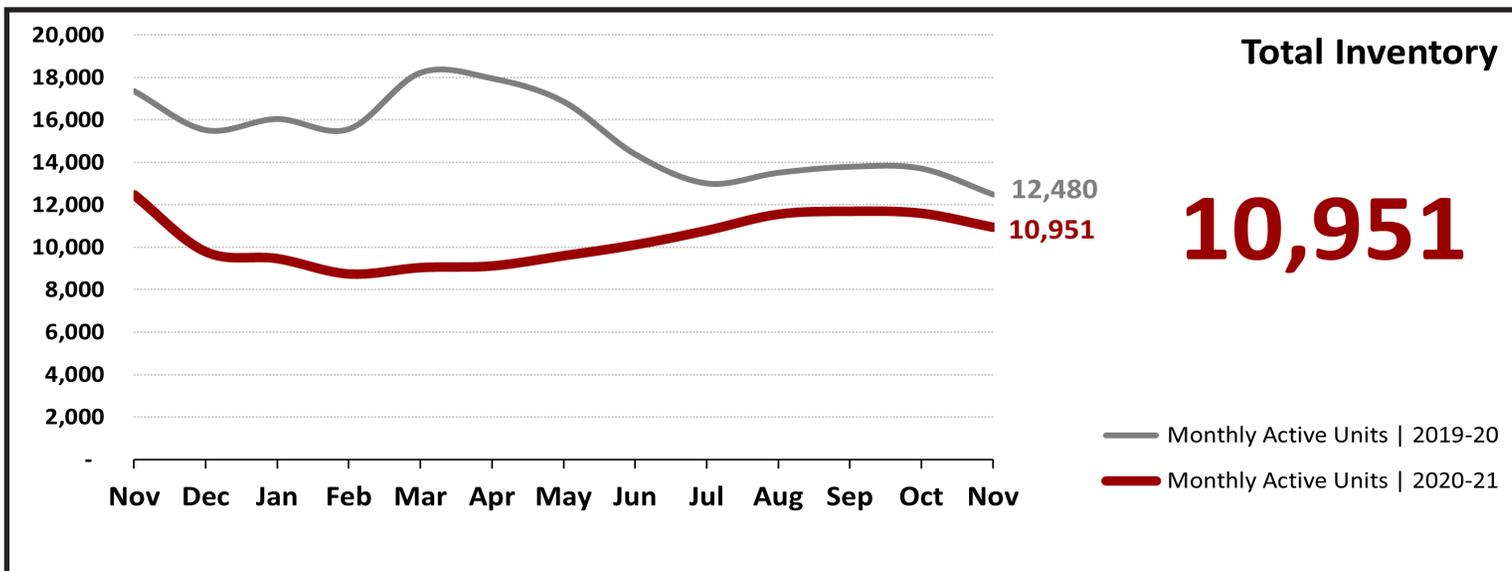
8,573

Closed MLS sales with a close of escrow date from 11/1/21 to 11/30/21, 0 day DOM sales removed



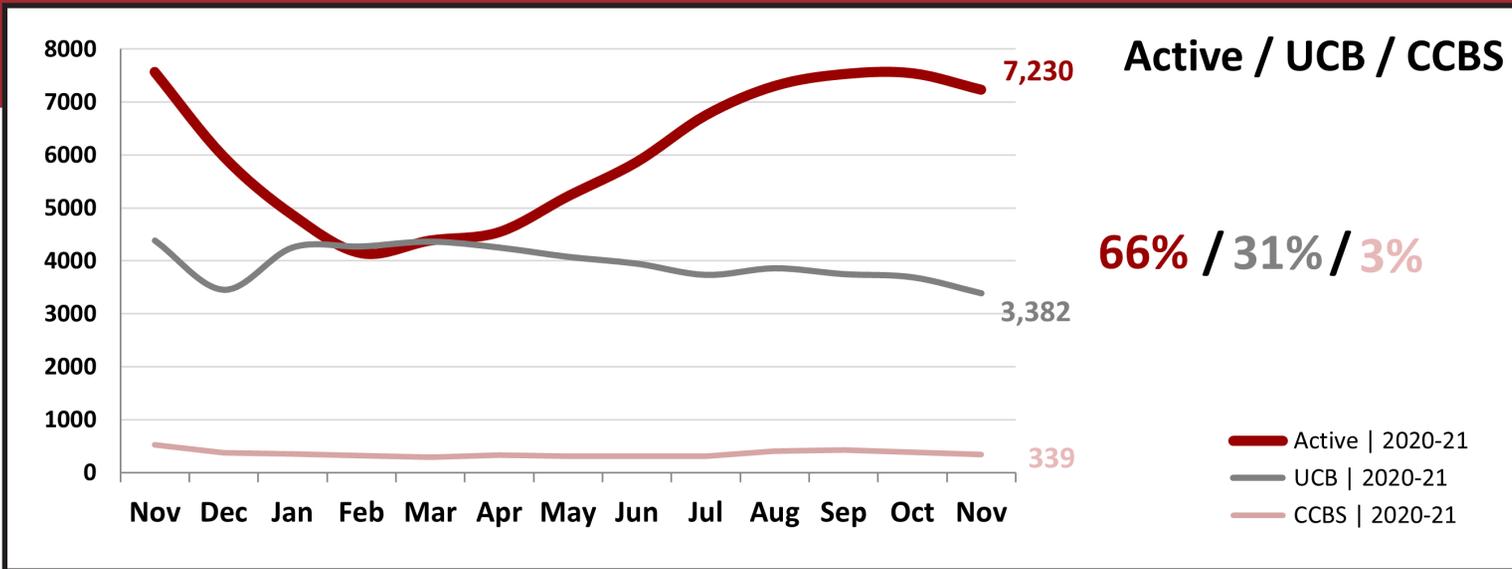
New MLS listings that were active for at least one day from 11/1/21 to 11/30/21, 0 day DOM sales removed

New inventory has a month-over-month decrease of **-15.2%** while the year-over-year comparison increased by **+3.3%**.



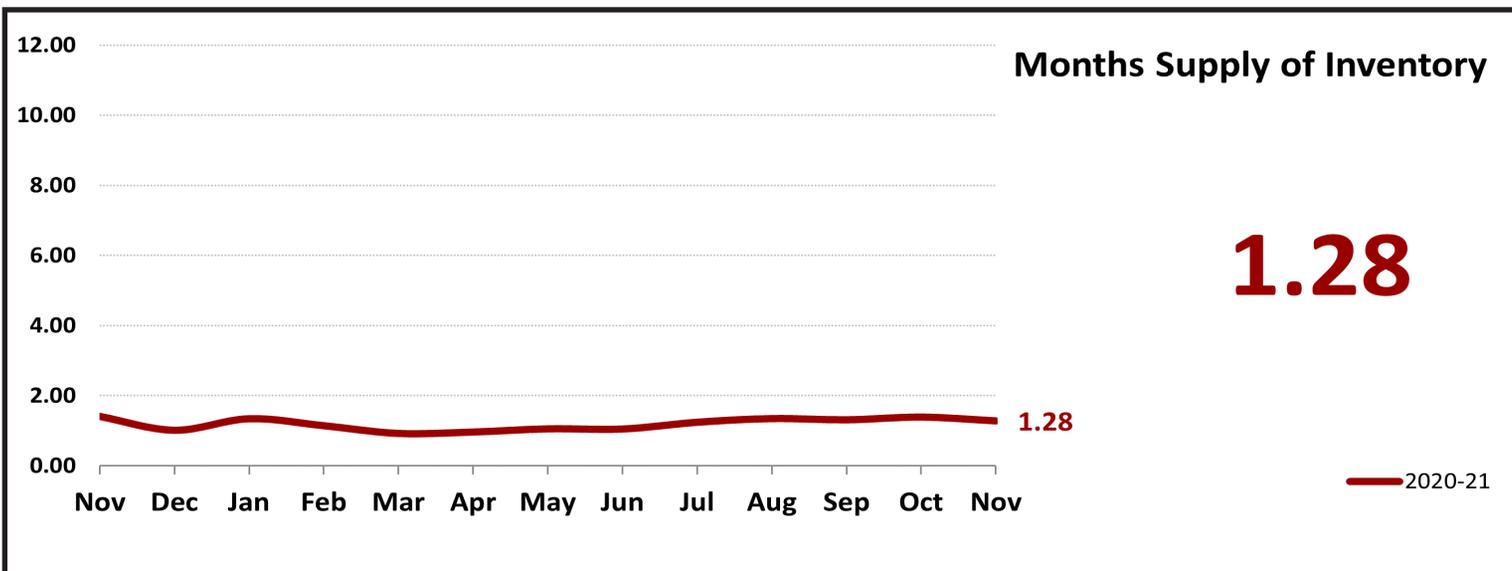
Snapshot of statuses on 11/30/21

Total inventory has a month-over-month decrease of **-5.7%** while year-over-year reflects a decrease of **-12.3%**.



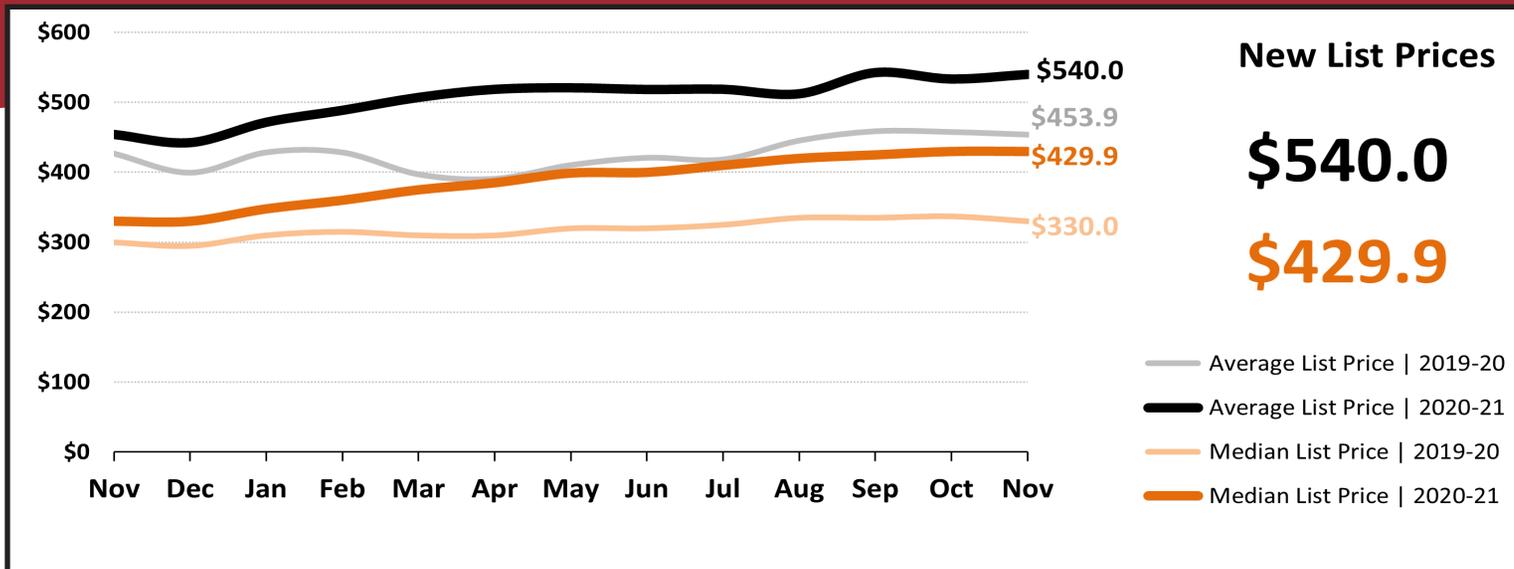
November UCB listings percent of total inventory was **30.9%** with November CCBS listings at **3.1%** of total inventory.

Snapshot of statuses on 11/30/21



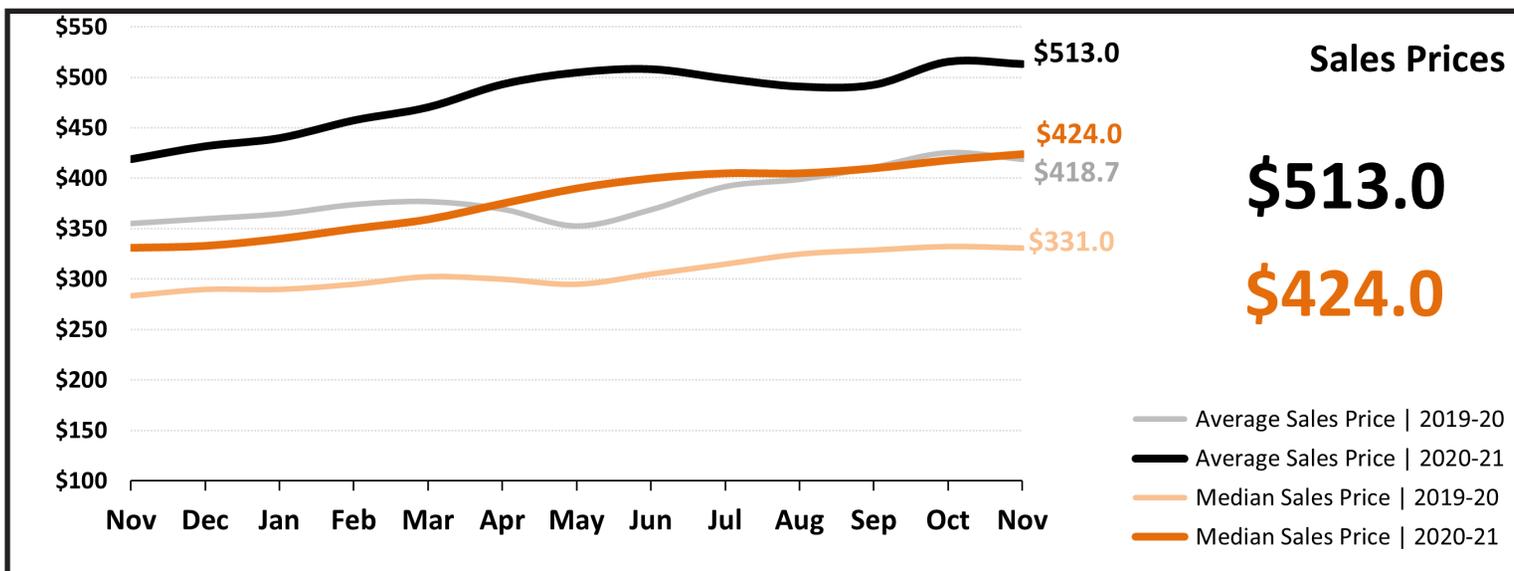
Months supply of inventory for October was **1.38** with November at **1.28**.

Current inventory of Active/UCB/CCBS divided by the monthly sales volume of NOVEMBER 2021, 0 day DOM sales removed



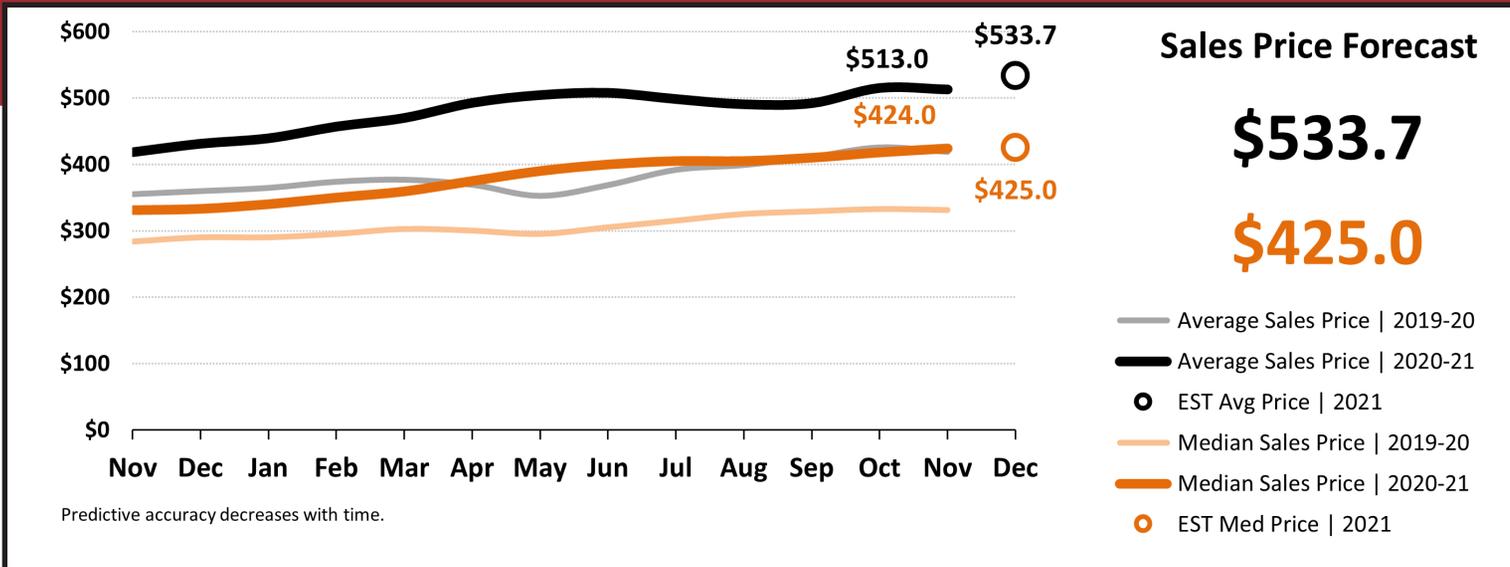
List prices of new listings with list dates from 11/1/21 to 11/30/21, 0 day DOM sales removed

Average new list prices are up **+19.0%** year-over-year. The year-over-year median is up **+30.3%**.



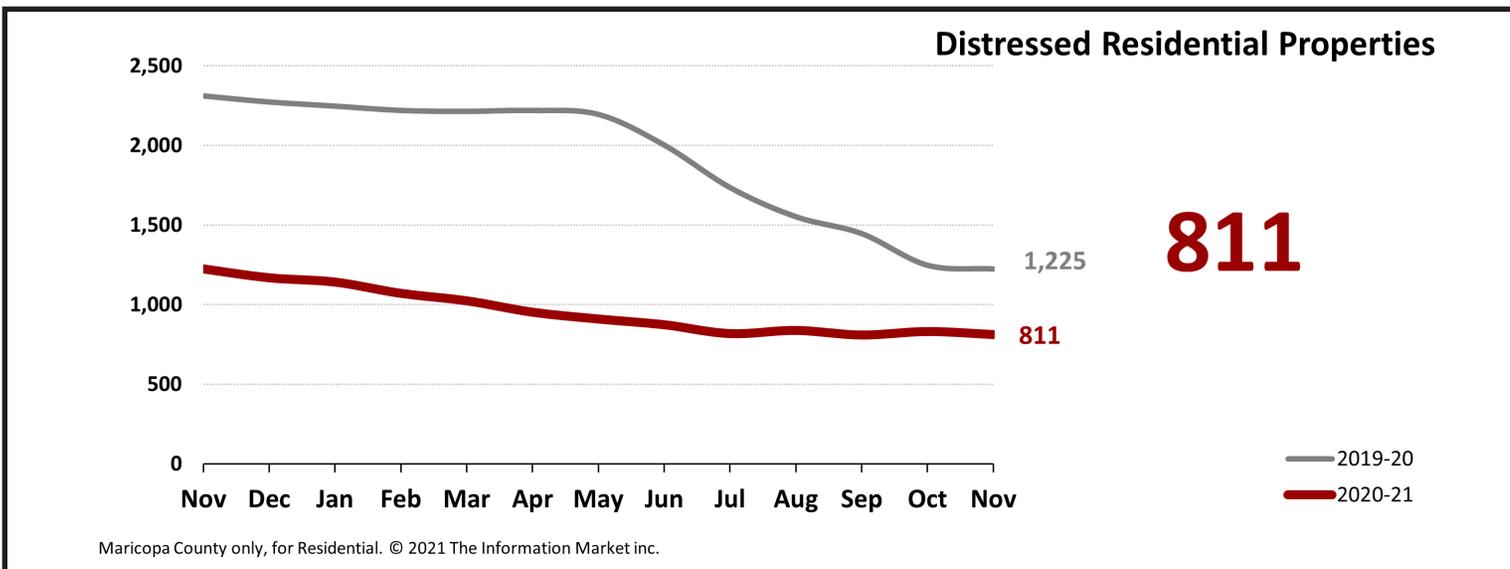
MLS sales prices for closed listings with a close of escrow date from 11/1/21 to 11/30/21, 0 day DOM sales removed

The average sales price is up **+22.5%** year-over-year while the year-over-year median sales price is also up **+28.1%**.



ARMLS proprietary predictive model forecast, 0 day DOM sales removed

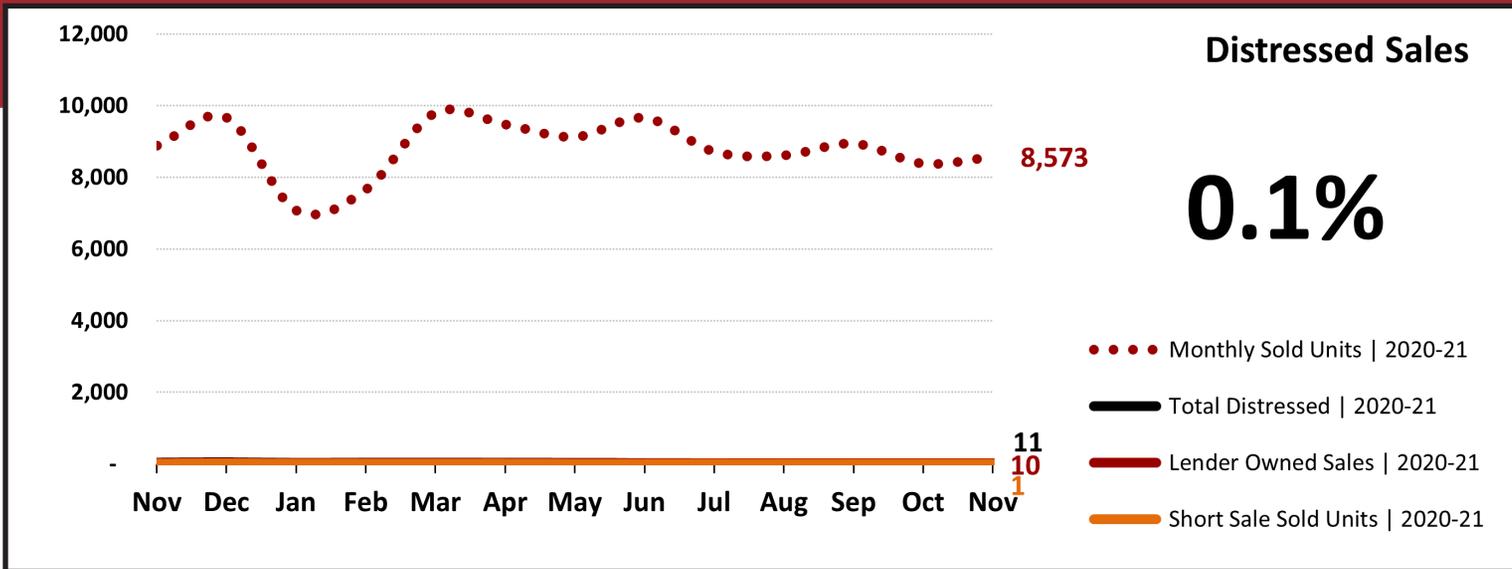
An **increase** is forecasted in December for both average sale prices and median sale prices.



Maricopa County only, for Residential. © 2021 The Information Market inc.

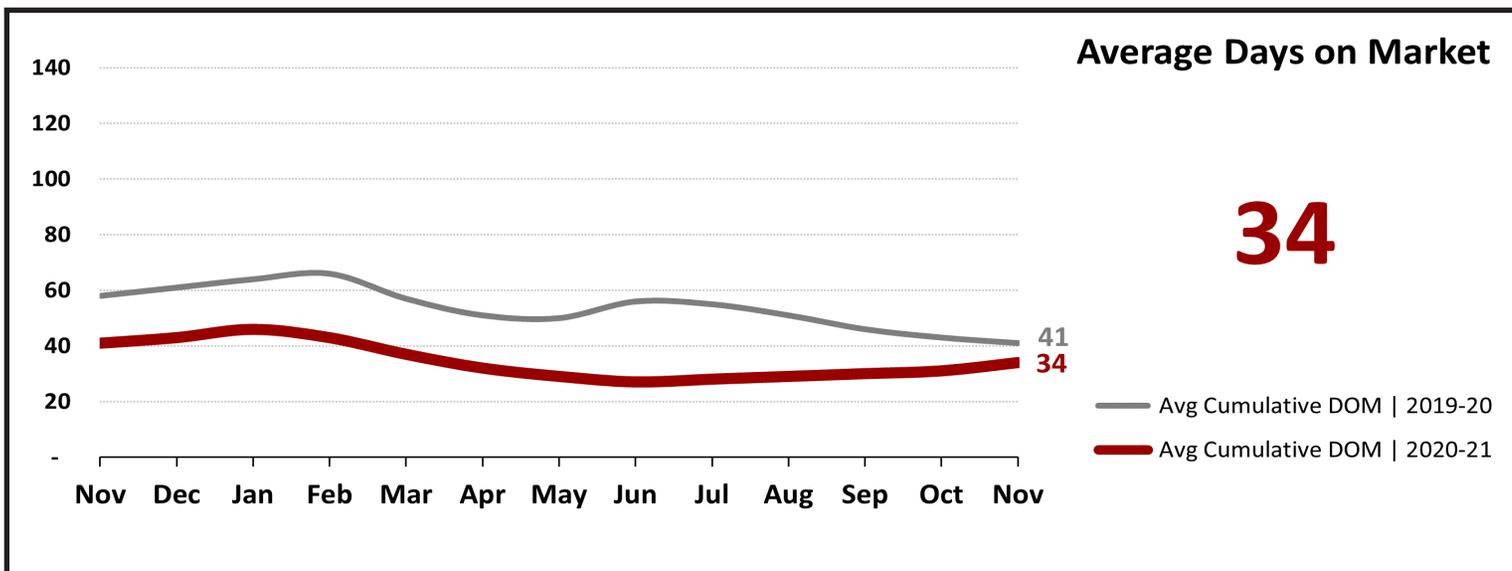
Snapshot of public records data on 11/30/21 active residential notices and residential REO properties.

Foreclosures pending month-over-month showed a decrease of **-2.3%** while the year-over-year figure was down **-33.8%**.



New MLS listings that were active for at least one day from 11/1/21 to 11/30/21, 0 day DOM sales removed

Distressed sales accounted for **0.1%** of total sales, the same as the previous month. Short sales went down **-85.7%** year-over-year. Lender-owned sales dropped **-63.0%** year-over-year.



MLS sales prices for closed listings with a close of escrow date from 11/1/21 to 11/30/21, 0 day DOM sales removed

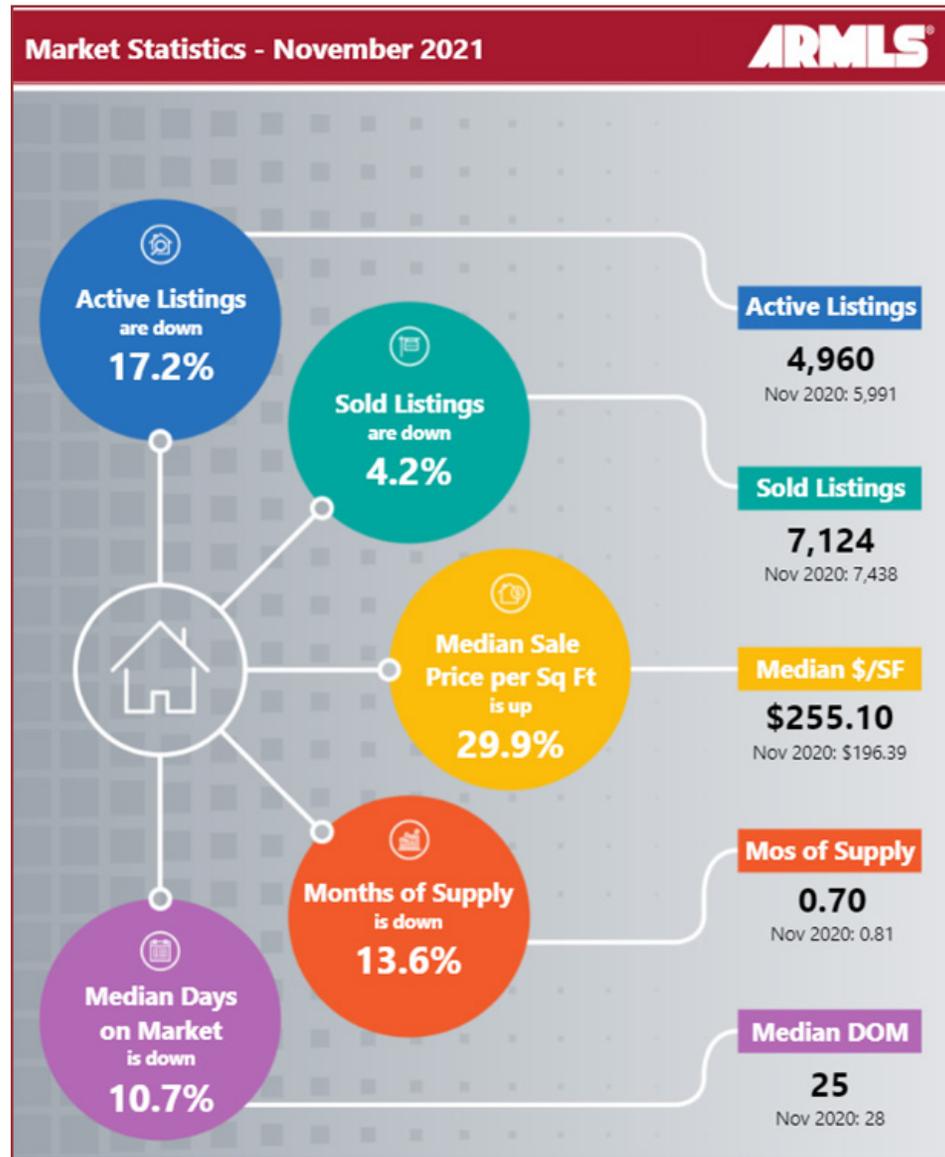
Days on market were down **-7** days year-over-year while month-over-month went up **+3** days.

This is the time of year when thoughts about real estate take a back seat to the holidays. This month's STAT will begin with an abbreviated look at the housing market, and then touch on some random musings. Next month, we will have an extensive edition of STAT, STAT 2021 Year in Review, where we'll look back at 2021 and ahead to 2022.

MARKET UPDATE

During most years, active listings decline in November and December, and this year was no exception. As reported by ARMLS, sales volume was slightly lower this year, remembering last November's sales were the highest in ARMLS history. With extremely low supply and above-average demand, prices continued to surge, with the median sales price up 28.1% year-over-year and 1.5% month-over-month. What do these metrics mean for our market? With a simple phrase, Michael Orr of the Cromford Report explains, "*We remain convinced that prices will rise again over the next month and unless the situation changes significantly the same can be said for the next 6 months.*" The following RapidStats infographic provides a visual representation of our current market metrics for Maricopa County.

Market Statistics Summary November 2021 via RapidStats



RANDOM MUSINGS

Interest Rates:

The current 30-year mortgage rate is lower than the current inflation rate. Today's combination of low mortgage rates and high inflation is exceedingly rare. The inflation rate hit 6.8% in November, while the 30-year fixed-rate mortgage averaged 3.12% last week. A year ago, the average mortgage was 2.67%. *"Mortgage rates inched up because of economic improvement and a shift in monetary policy guidance,"* said Sam Khater, Freddie Mac's chief economist. *"While house price growth is slowing, prices remain high due to solid housing demand and low supply. We expect rates to continue to increase into 2022, which may leave some potential homebuyers with less room in their budgets on the sideline."* While I would never predict interest rates, this article discusses what high inflation could potentially mean for mortgage rates.

The Suns:

The Suns were 16-0 in November, you can't do any better than that.

National Foreclosure Data Coupled with large equity gains:

According to Core Logic, the share of delinquent borrowers plunged to its lowest level since the onset of the pandemic, down to 3.9% of all delinquent mortgages in September. This represents a 2.4% drop from September 2020, when the overall delinquency rate was 6.3%. Comparatively, it was 3.8% in September 2019. The foreclosure numbers are national, and I would suspect that they are even lower in our market.

“Record home equity levels have been a boon to many homeowners navigating the cross-currents of the pandemic,” said Frank Martell, president, and CEO of CoreLogic. “Not only have homeowners used this equity to fuel a record level of home improvements and renovation, but it has also proven to be a vital factor in helping families ward off foreclosure, pay down existing debt and weather changing market conditions.”

CoreLogic provides the chart on the next page. Arizona borrowers have seen their equity increase on average \$92,000 in the last year. The average equity gain they are displaying is in line with the numbers we are reporting.

Let's close our random musings with thoughtful market insights recently shared by Tina Tamboer of the Cromford Report:

“Over the past 21 years, Greater Phoenix has been in a buyer market for a combined total of 43 months (3.6 years), a balanced market for 55 months (4.6 years) and a seller market for 155 months (12.9 years). This is important to discuss because the longer seller markets last, the more human beings change their definition of what “normal” looks and feels like. “Normal” for Greater Phoenix is not a balanced market, it’s a seller market. So, when national analysts suggest the housing market will cool off in 2022, many (if not most) local housing analysts believe it will remain a seller market, but a weaker one. Prices don’t decline in seller markets, but listings may stay active for a few more days before accepting a contract. A full price offer may be enough to win a home. Buyers may have less pressure to waive appraisal and repairs.

However, after the last 18 months of extreme seller market conditions, anything less than sheer lunacy could feel like the sky is falling.

Even if demand were to decline tomorrow, sale price measures are the last to change in a shifting market. The first thing to go up would be the cost of the sale for the seller. For example, days on market will increase, list price reductions will increase and then eventually seller concessions will increase before anything is reflected in the final sales price. The pattern goes like this; homes are on the market longer than expected as sellers push the boundaries on price. If the market resists in the form of zero offers, a price reduction is recorded in response. If demand dwindles to where only one offer is received instead of multiple offers, more pressure is placed on sellers to offer home warranties, do repairs, or consent to closing cost assistance to secure closing at their desired price. None of these indicators appear to be shifting now, but that could change. The key for sellers in 2022 is to stay on top of current market trends, listen to your REALTOR®, and be the first to shift expectations if buyer demand drops.”

ARMLS PENDING PRICE INDEX (PPI)

Last month STAT's mathematical model projected the median sales price for November at \$420,000, the actual number was \$424,000. Looking ahead to December, the ARMLS Pending Price Index is projecting a median sales price of \$425,000. If December's median sales price projection is correct, we will see a year-over-year gain of 27.63%.

We began December with 6,968 pending contracts, 3,382 UCB listings and 339 CCBS listings, giving us a total of 10,689 residential listings practically under contract. This compares to 11,678 of the same type of listings one year ago. At the beginning of December, the "pending" contracts were 8.47% lower than last year. There were 22 business days in December 2020 and 22 this year. ARMLS reported 9,666 sales in December 2020. The highest sales volume ever in December occurred last year. Sales volume will be lower this December.