



STAT

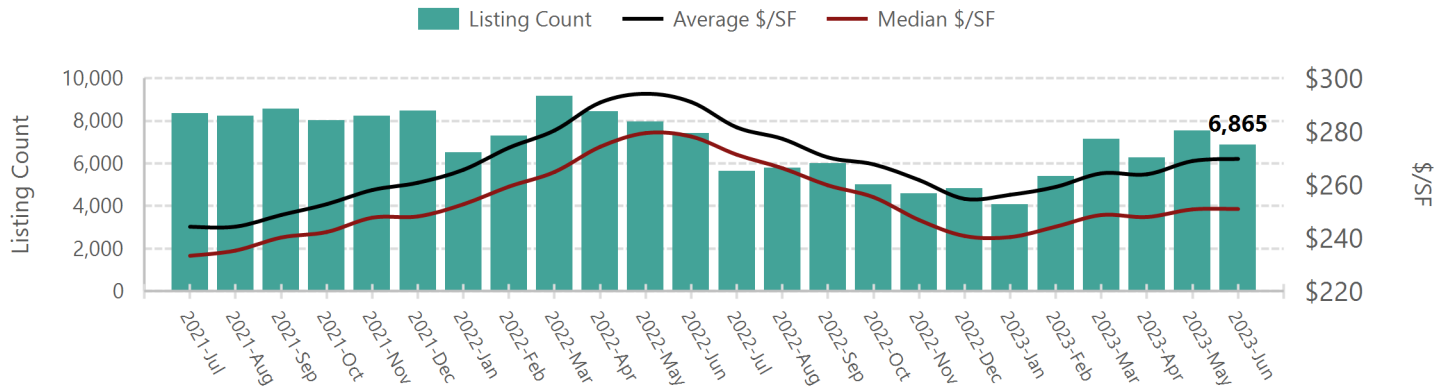
Your Monthly Statistics for the **Phoenix Metro** Area



DATA FOR June 2023

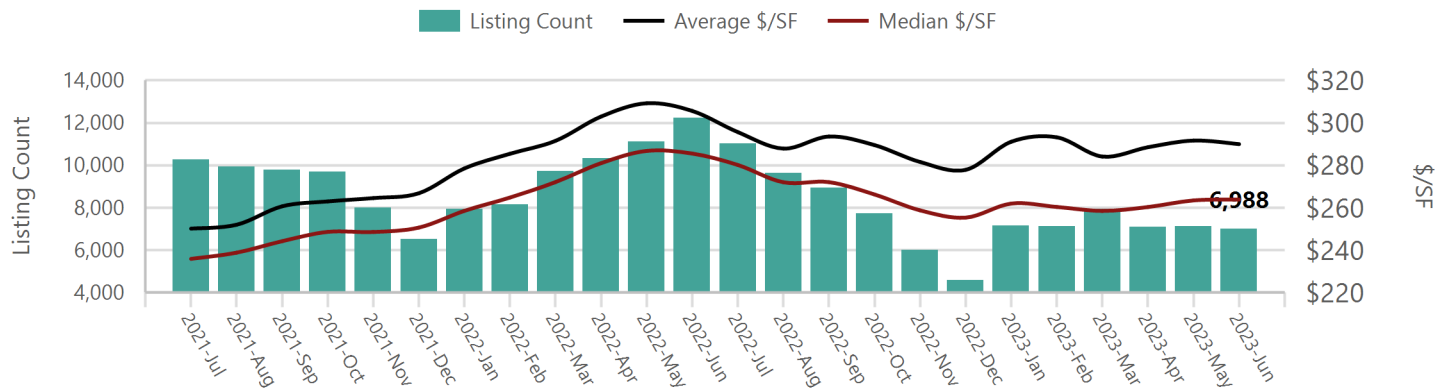
Published July 17, 2023

Sold Listings



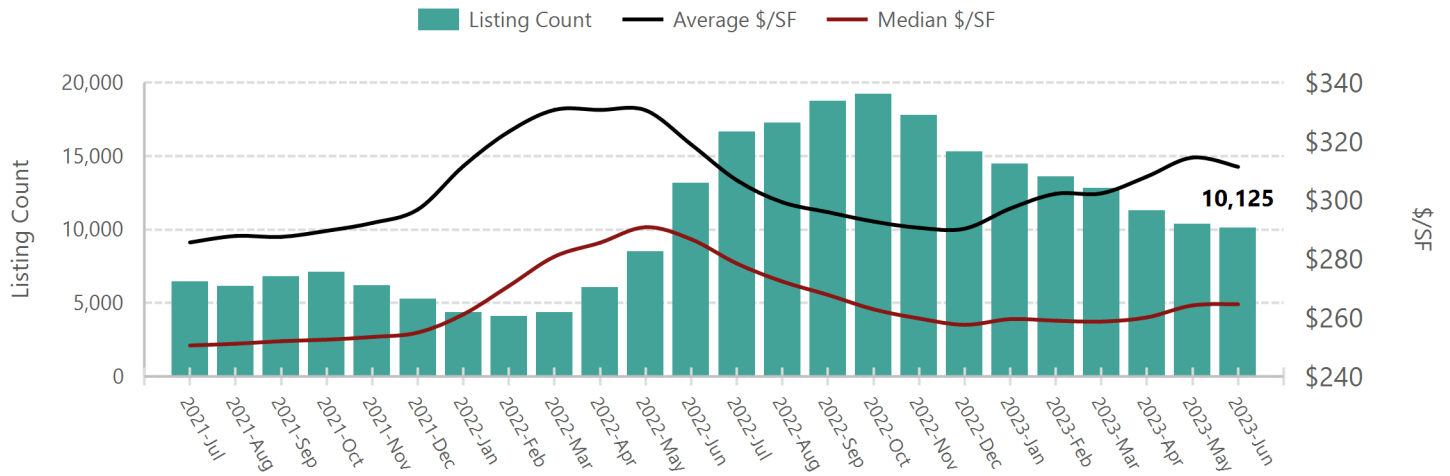
Metric	Monthly Values					Current Month Value vs Prior Monthly Values							
	Current	1M Pr	3M Pr	6M Pr	12M Pr	1M Pr	3M Pr	6M Pr	12M Pr				
Listings	6,865	7,551	7,160	4,829	7,404	-9.08%	▼	-4.12%	▼	42.16%	▲	-7.28%	▼
Average \$/SF	\$269.74	\$268.95	\$264.33	\$254.72	\$291.11	0.29%	▲	2.05%	▲	5.90%	▲	-7.34%	▼
Median \$/SF	\$250.91	\$250.78	\$248.67	\$240.77	\$278.16	0.05%	▲	0.90%	▲	4.21%	▲	-9.80%	▼

New Listings



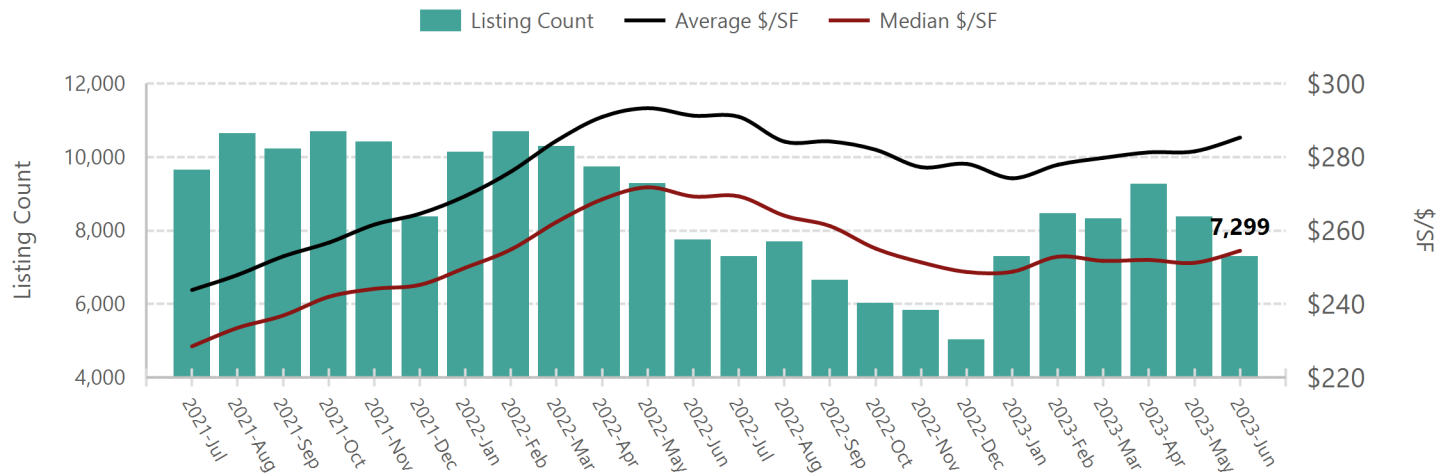
Metric	Monthly Values					Current Month Value vs Prior Monthly Values							
	Current	1M Pr	3M Pr	6M Pr	12M Pr	1M Pr	3M Pr	6M Pr	12M Pr				
Listings	6,988	7,108	7,942	4,573	12,234	-1.69%	▼	-12.01%	▼	52.81%	▲	-42.88%	▼
Average \$/SF	\$289.99	\$291.66	\$284.13	\$277.88	\$305.61	-0.57%	▼	2.06%	▲	4.36%	▲	-5.11%	▼
Median \$/SF	\$263.88	\$263.49	\$258.55	\$255.38	\$285.55	0.15%	▲	2.06%	▲	3.33%	▲	-7.59%	▼

Active Listings (excluding UCB/CCBS)



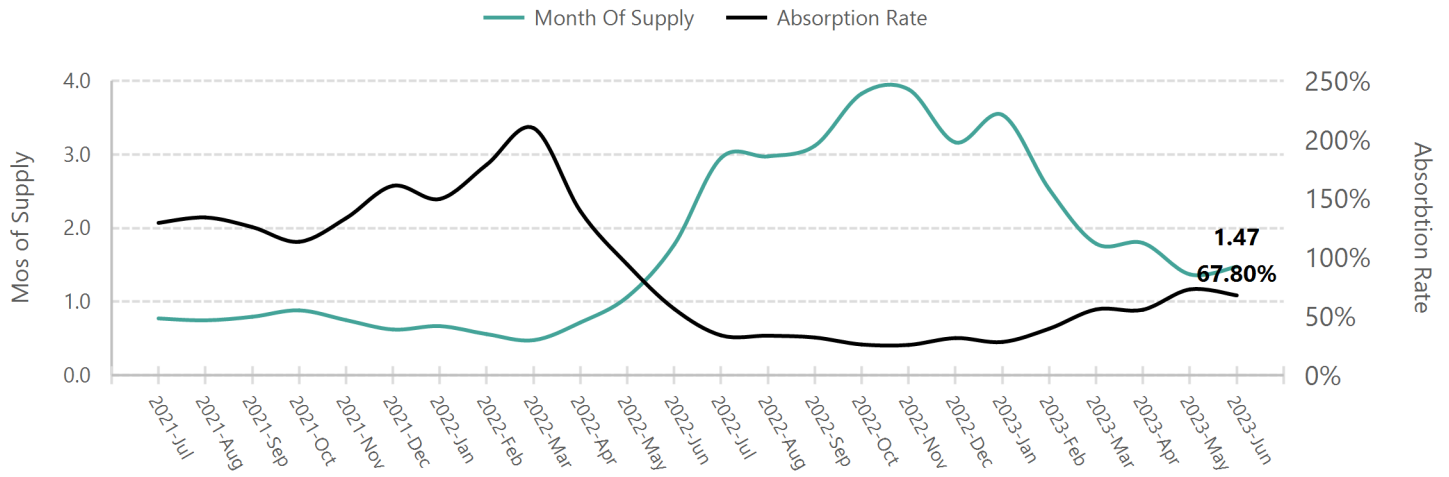
Metric	Monthly Values					Current Month Value vs Prior Monthly Values							
	Current	1M Pr	3M Pr	6M Pr	12M Pr	1M Pr	3M Pr	6M Pr	12M Pr				
Listings	10,125	10,352	12,802	15,279	13,139	-2.19%	▼	-20.91%	▼	-33.73%	▼	-22.94%	▼
Average \$/SF	\$311.35	\$314.51	\$302.30	\$290.29	\$318.92	-1.01%	▼	2.99%	▲	7.25%	▲	-2.37%	▼
Median \$/SF	\$264.57	\$264.19	\$258.69	\$257.58	\$286.69	0.14%	▲	2.28%	▲	2.71%	▲	-7.72%	▼

Under Contract Listings (Pending/UCB/CCBS)



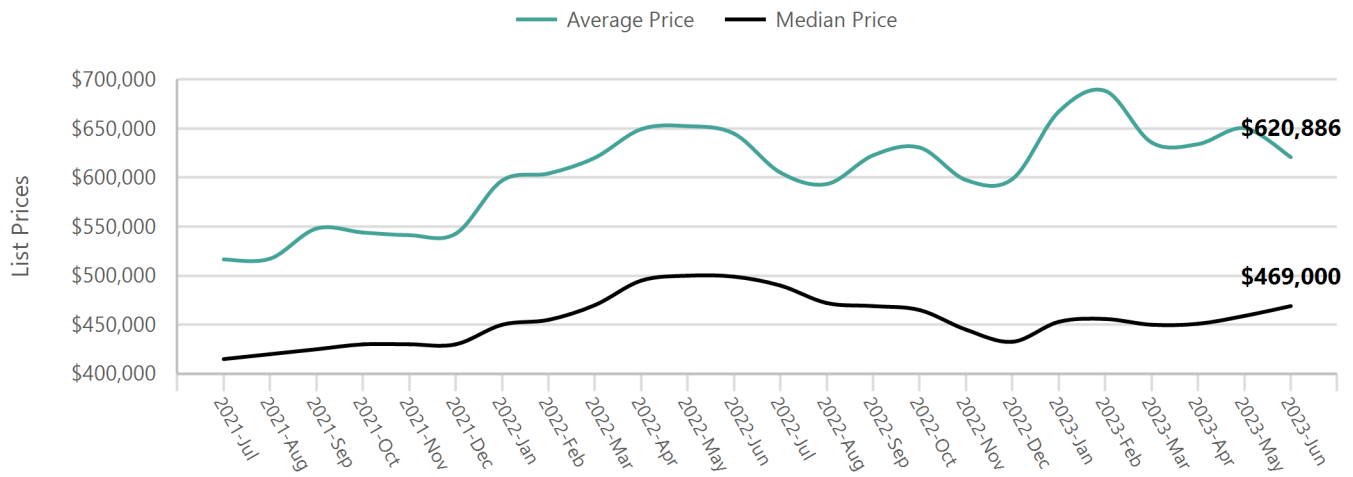
Metric	Monthly Values					Current Month Value vs Prior Monthly Values							
	Current	1M Pr	3M Pr	6M Pr	12M Pr	1M Pr	3M Pr	6M Pr	12M Pr				
Listings	7,299	8,375	8,320	5,027	7,740	-12.85%	▼	-12.27%	▼	45.20%	▲	-5.70%	▼
Average \$/SF	\$285.31	\$281.55	\$279.79	\$278.14	\$291.28	1.33%	▲	1.97%	▲	2.58%	▲	-2.05%	▼
Median \$/SF	\$254.49	\$251.21	\$251.74	\$248.73	\$269.27	1.31%	▲	1.09%	▲	2.32%	▲	-5.49%	▼

Month Of Supply/Absorption Rate



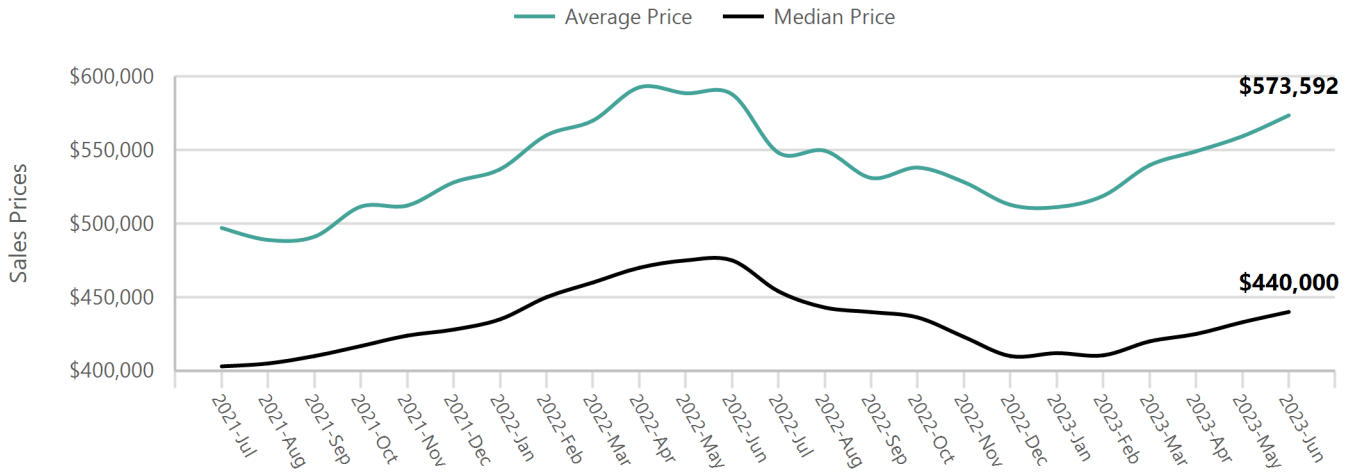
Metric	Monthly Values					Current Month Value vs Prior Monthly Values				
	Current	1M Pr	3M Pr	6M Pr	12M Pr	1M Pr	3M Pr	6M Pr	12M Pr	
Supply	1.47	1.37	1.79	3.16	1.77	7.58% ▲	-17.51% ▼	-53.39% ▼	-16.89% ▼	
Absorption Rate	67.80%	72.94%	55.93%	31.61%	56.35%	-7.05% ▼	21.23% ▲	114.53% ▲	20.32% ▲	

New List Prices



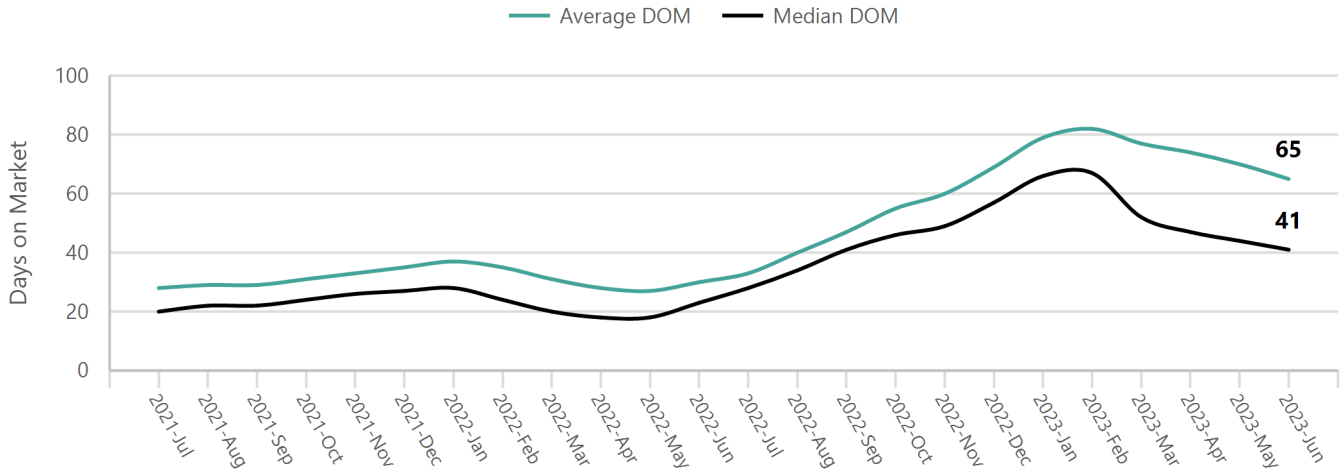
Metric	Monthly Values					Current Month Value vs Prior Monthly Values				
	Current	1M Pr	3M Pr	6M Pr	12M Pr	1M Pr	3M Pr	6M Pr	12M Pr	
Average List Price	\$620,886	\$650,343	\$635,820	\$598,559	\$644,819	-4.53% ▼	-2.35% ▼	3.73% ▲	-3.71% ▼	
Median List Price	\$469,000	\$459,000	\$450,000	\$432,605	\$499,036	2.18% ▲	4.22% ▲	8.41% ▲	-6.02% ▼	

Sales Prices



Metric	Monthly Values					Current Month Value vs Prior Monthly Values			
	Current	1M Pr	3M Pr	6M Pr	12M Pr	1M Pr	3M Pr	6M Pr	12M Pr
Average Sales Price	\$573,592	\$559,384	\$539,701	\$512,810	\$587,971	2.54% ▲	6.28% ▲	11.85% ▲	-2.45% ▼
Median Sales Price	\$440,000	\$433,000	\$419,990	\$410,000	\$475,000	1.62% ▲	4.76% ▲	7.32% ▲	-7.37% ▼

Days on Market



Metric	Monthly Values					Current Month Value vs Prior Monthly Values			
	Current	1M Pr	3M Pr	6M Pr	12M Pr	1M Pr	3M Pr	6M Pr	12M Pr
Average DOM	65	70	77	69	30	-7.14% ▼	-15.58% ▼	-5.80% ▼	116.67% ▲
Median DOM	41	44	52	57	23	-6.82% ▼	-21.15% ▼	-28.07% ▼	78.26% ▲

Our home buying/selling season starts each year in early February and ends when the thermometer says it's over, and the thermometer is shouting, it's **OVER**. Phoenix has now seen a record-tying 18 consecutive days (and counting) where our afternoon high temperatures have reached or surpassed 110 degrees. It's understandable why an agent might prefer to think about the beaches of Mexico or California instead of hosting that open house. It's also easy to understand why a housing analyst's focus might be compromised, as it's easier to daydream about a northern trip to the mountains than writing STAT. Are we being lazy, or should we blame the heat? I'll defer to an expert. In a recent [ABC News article](#), Dr. Beth Oller discussed how a person's mental health is affected by the heat, "*increased irritability and frustration, a shorter attention span, delayed memory and recall and taking longer than usual to complete tasks.*" Check, check, check, check and check. If this month's STAT report does not meet our established standards, blame it on the weather. With that in mind, let's get started.

Sale Prices as Reported by ARMLS:

- Both the average sales price and median sales price rose for the fifth consecutive month.
- The median sales price (\$443,000) rose 1.8% month over month.
- The average sales price (\$577,700) rose 2.9% month over month.
- The median sales price has risen 7.5% since January 1.
- The average sales price has risen 12.7% since January 1.
- The median sales price is currently down 6.7% year over year.
- The average sales price is currently down 2.2% year over year.

As we transition from our "buying season" to the "off season," I expect prices to "wobble" throughout the remainder of 2023. STAT is projecting the median sales price for July to be \$430,000. Our recent projections have been slightly lower than the reported median price. Our reported median sales price of \$443,000 in June may very well be the high-water mark for 2023.

COMMENTARY

BY TOM RUFF

When 2023 closing numbers are reported, it is not unreasonable to expect a modest year-over-year increase in the median sales price. Reports of our housing values collapsing in 2023 look extremely foolish.

Gross Dollar Sales Volume:

For the first half of 2023, ARMLS reported gross dollar volume sales of approximately \$21.3 billion. This ranks as the third-highest total in ARMLS's reporting history, trailing 2021 and 2022. This year's gross dollar volume is approximately \$6.6 billion, 23.7% lower than last year's record first-half totals.

Gross Dollar Sales Volume via ARMLS

Year	Avg x Total						Total:	Rank
	January	February	March	April	May	June		
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	20
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	14
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	7
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	9
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	12
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	19
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	21
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	17
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	18
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	16
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	13
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	15
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	11
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	10
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	8
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	6
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	4
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	5
2021	3,110,751,120	3,501,993,501	4,610,467,408	4,670,985,728	4,605,082,612	4,907,285,628	25,406,565,997	2
2022	3,641,672,808	4,234,622,019	5,428,027,304	5,157,607,012	4,876,801,584	4,561,060,920	27,899,791,647	1
2023	2,180,046,220	2,905,404,366	3,990,494,340	3,594,361,095	4,434,545,346	4,192,035,078	21,296,886,445	3

Sales Volume:

While sales prices rose in each of the last five months, year-over-year sales volume has declined in each of the last 13 months.

Sales Volume Year-Over-Year via ARMLS

	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
MONTHLY SALES VOLUME													
Monthly Sold Units 2021-22	9,661	8,715	8,614	8,944	8,385	8,573	8,814	6,806	7,563	9,527	8,726	8,278	7,720
Monthly Sold Units 2022-23	7,720	5,962	6,136	6,328	5,313	4,756	4,985	4,265	5,583	7,417	6,535	7,898	7,257
% Change over year	-20.1%	-31.6%	-28.8%	-29.2%	-36.6%	-44.5%	-43.4%	-37.3%	-26.2%	-22.1%	-25.1%	-4.6%	-6.0%

When we compare the total sales volume for the first six months of 2023 to historical totals, 2023 ranks 19th out of the 21 years ARMLS has been reporting this data. Only 2007 and 2008 reported fewer sales. I’m certain that we all remember 2007 and 2008, unless we choose to forget. Sales volume for the first half of 2023 is down 20% year over year.

COMMENTARY

BY TOM RUFF

Sales Volume Last 20 Years via ARMLS

Year	Total Sales						Total:	Rank
	January	February	March	April	May	June		
2003	4,760	5,493	6,545	7,464	7,468	7,495	39,225	18
2004	5,118	6,196	8,744	8,971	9,019	10,019	48,067	10
2005	6,632	7,781	9,987	9,600	9,890	10,252	54,142	1
2006	5,266	5,918	7,497	6,798	7,573	7,214	40,266	16
2007	4,389	4,958	5,990	5,535	5,795	5,438	32,105	20
2008	2,912	3,448	4,293	4,879	5,656	5,748	26,936	21
2009	4,742	5,477	7,636	8,564	9,284	9,327	45,030	14
2010	5,789	6,594	8,969	9,261	9,077	9,280	48,970	7
2011	6,541	7,157	9,933	9,331	9,809	10,345	53,116	2
2012	6,455	7,249	8,867	8,435	8,442	9,129	48,577	9
2013	5,828	6,630	8,136	8,754	9,436	8,228	47,012	11
2014	4,797	5,474	6,710	7,659	7,445	7,219	39,304	17
2015	4,784	5,990	7,900	8,367	8,319	8,674	44,034	15
2016	5,131	5,718	8,412	8,293	8,676	8,861	45,091	13
2017	5,932	6,435	9,116	8,666	9,641	9,391	49,181	6
2018	6,082	6,911	9,402	8,990	9,913	9,079	50,377	4
2019	5,357	6,409	8,344	9,493	10,341	9,313	49,257	5
2020	6,328	7,279	8,626	6,925	6,860	9,508	45,526	12
2021	7,076	7,659	9,806	9,476	9,127	9,661	52,805	3
2022	6,806	7,563	9,527	8,726	8,278	7,720	48,620	8
2023	4,265	5,583	7,417	6,535	7,898	7,257	38,955	19

Inventory levels:

When we view new listings, we see they have fallen for 11 consecutive months on a year-over-year basis, while the total number of homes for sale fell eight consecutive months. Homeowners are not willing to trade in their extremely low interest rates for rates 3-4% higher, leaving the housing market trapped in a state of low supply.

New Inventory Year-Over-Year via ARMLS

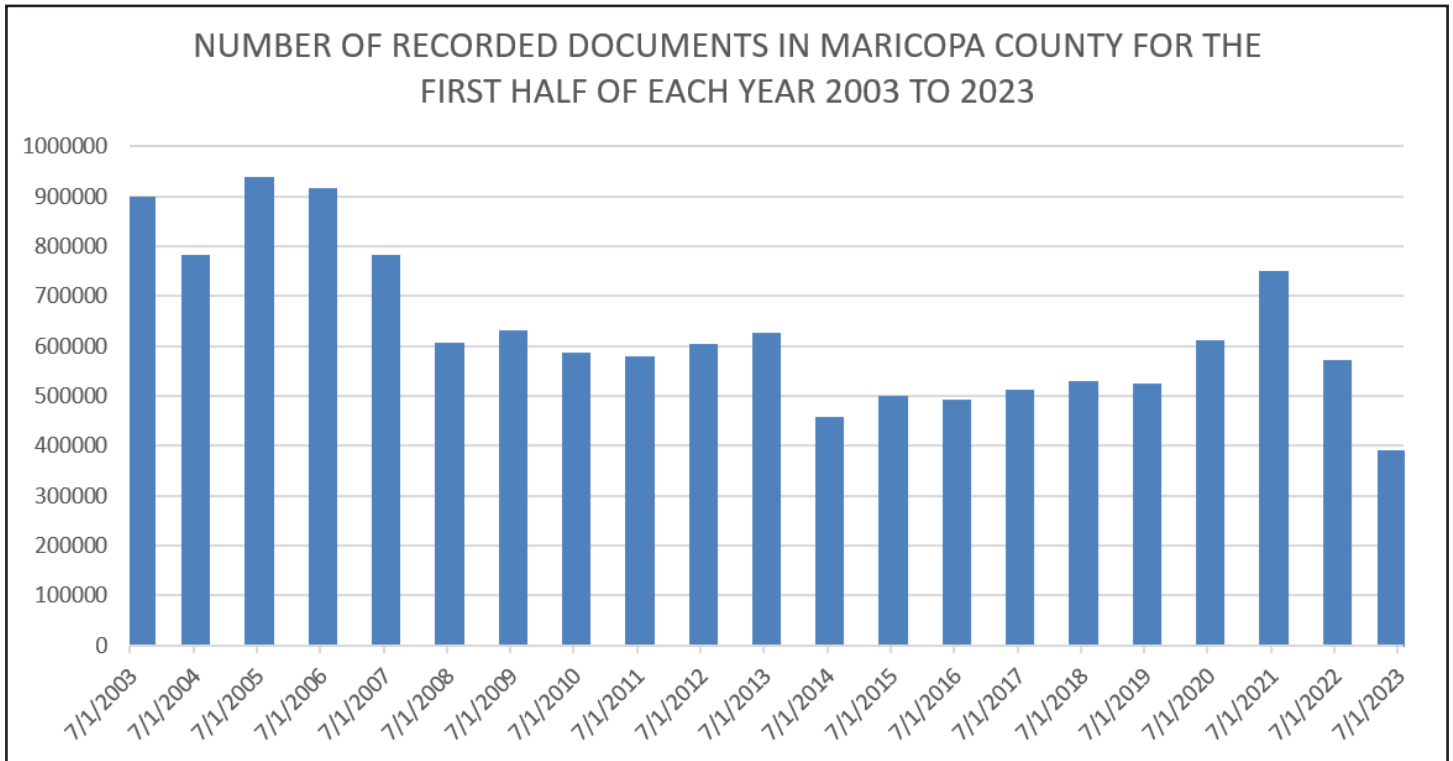
(from Austin's New List Chart)											
New Listings 2021-22	9,875	9,878	9,908	9,459	9,306	7,890	6,209	7,908	7,862	9,600	
New Listings 2022-23	12,165	10,588	9,627	8,690	7,575	5,903	4,584	7,282	7,072	7,771	
% Change over year	23.2%	7.2%	-2.8%	-8.1%	-18.6%	-25.2%	-26.2%	-7.9%	-10.0%	-19.1%	
% Change per month	7.7%	-13.0%	-9.1%	-9.7%	-12.8%	-22.1%	-22.3%	58.9%	-2.9%	9.9%	
TOTAL INVENTORY											
(From total of Active VS UCB)											
Monthly Active Units 2021-22	10,118	10,793	11,562	11,701	11,609	10,951	8,648	8,702	8,593	8,492	
Monthly Active Units 2022-23	17,973	20,746	21,832	22,617	22,823	21,067	18,988	18,688	18,167	16,922	
% Change per month	29.6%	15.4%	5.2%	3.6%	0.9%	-7.7%	-9.9%	-1.6%	-2.8%	-6.9%	

Federal policy and its obvious impact:

One of the primary mandates of the Federal Reserve is to keep inflation in check. By raising interest rates, the Federal Reserve aims to reduce borrowing and spending. Higher interest rates make borrowing more expensive, discouraging businesses and individuals from taking out loans or making big purchases, thereby reducing overall spending in the economy and, in turn, lowering inflation. On March 16, 2022, the Federal Open Market Committee enacted the first of what was to be 10 straight interest rate increases. Can we see the impact of their policy in our data? You bet your sweet bibby (an idiom used to show just how old yet immature I am).

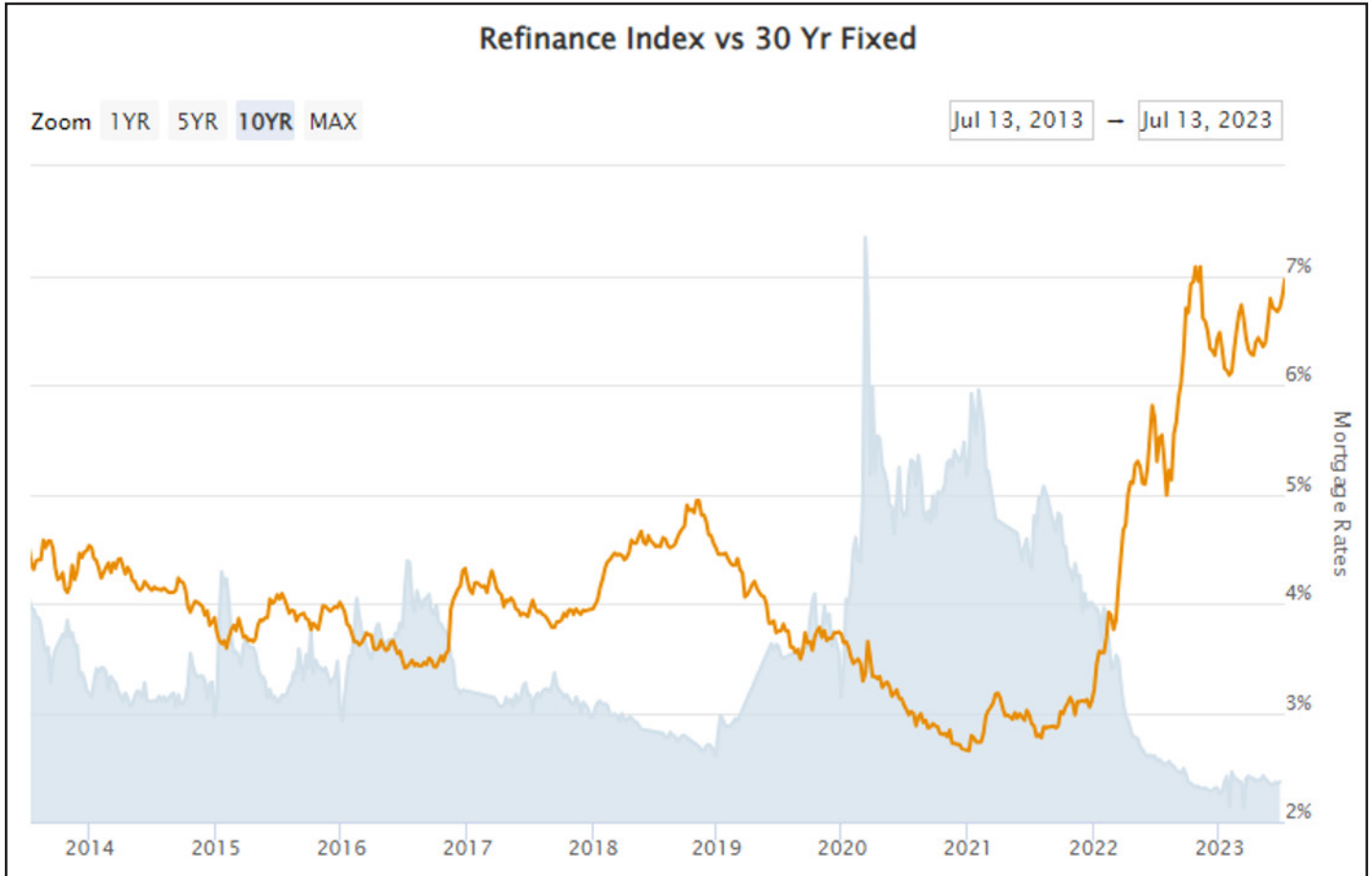
Allow me to present you with a unique barometer of real estate transactional activity in Maricopa County. The graph below displays the number of recorded documents for the first half of each year, spanning from 2003 to the present. This insightful data is unlikely to be found anywhere else. For example, this year there have been 346,556 recordings in Maricopa County, an average of 2,750 per day. Now compare 2023 to 2021, when in the first six months we saw 722,261 recordings or 5,778 per day. Recorded activity this year is less than half of the activity we saw in 2021. The first half of 2023 has given us the fewest number of recordings for the first half of any year this century. The low transaction volumes displayed below affect not only lenders, but also title companies, home inspectors, warranty companies and appraisers.

Recorded Documents in Maricopa County for First Half of Year Last 20 Years via RapidStats



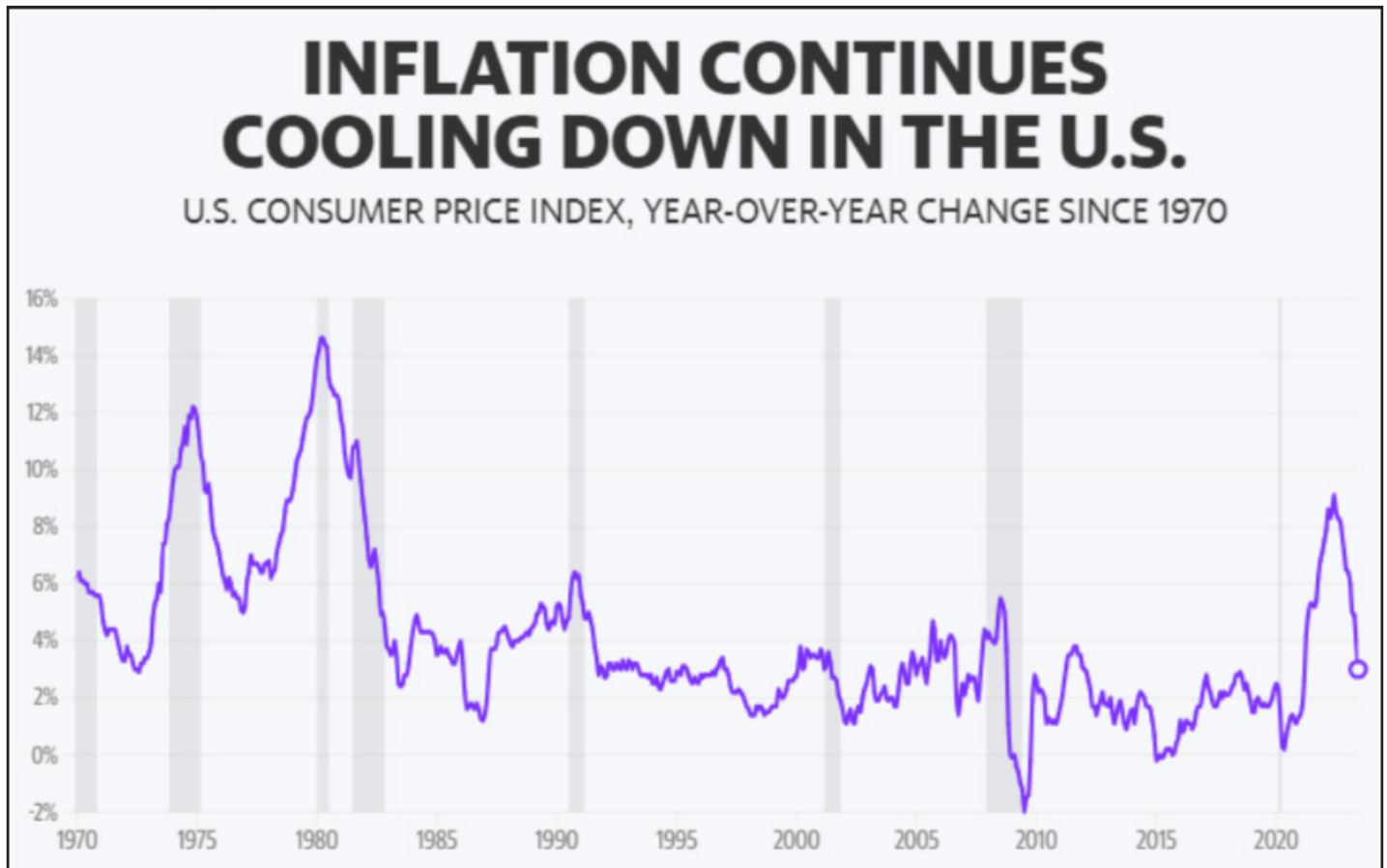
The Sales Volume chart and Recorded Documents chart clearly display the effectiveness of the Federal Reserve policies. Let me share one more thing, which is even more telling, on refinance activity. The [Mortgage News Daily](#) chart below not only shows the relationship between refinance volume and interest rates, but also shows just how we got to where we are today. Rock bottom interest rates and rapid home appreciation in 2020 and 2021 allowed homeowners to not only pull out equity, but also lower their monthly payments. At the same time, both current and prospective homeowners received COVID-19 stimulus checks, totaling 814 billion dollars. Dire Straits would refer to these occurrences as “money for nothing.” The chart below clearly displays how monies flow into the economy when rates are low, and in turn, how the flow of monies stop when rates rise.

Refinance Activity Last 30 Years via Mortgage News Daily



The good news, incoming data suggests that the Federal Reserve's policy efforts have taken hold and inflation is softening. According to the U.S. Bureau of Labor Statistics, the recently released Consumer Price Index was up 0.2% in June relative to May, and 3% compared to June 2022. Inflation has cooled to a monthly pace that is very close to the Federal Reserve's inflation target. We most likely are seeing the beginning of the end of rate hikes.

Inflation Rates Year-Over-Year Change Since 1970 via US U.S. BUREAU OF LABOR



Phoenix Named Top Location for Relocating Homebuyers in [Recent Redfin Study](#):

“A record one-quarter (25.4%) of homebuyers nationwide are looking to move to a different metro area, up from 23% a year ago and less than 20% before the pandemic.” “Phoenix is the most popular destination for homebuyers looking to move to a different part of the country, followed by Las Vegas and several Florida metros. Popularity is determined by net inflow, a measure of how many more Redfin.com users looked to move into an area than leave.” “More homebuyers are looking to move away from San Francisco, New York and Los Angeles than any other metro in the country.”

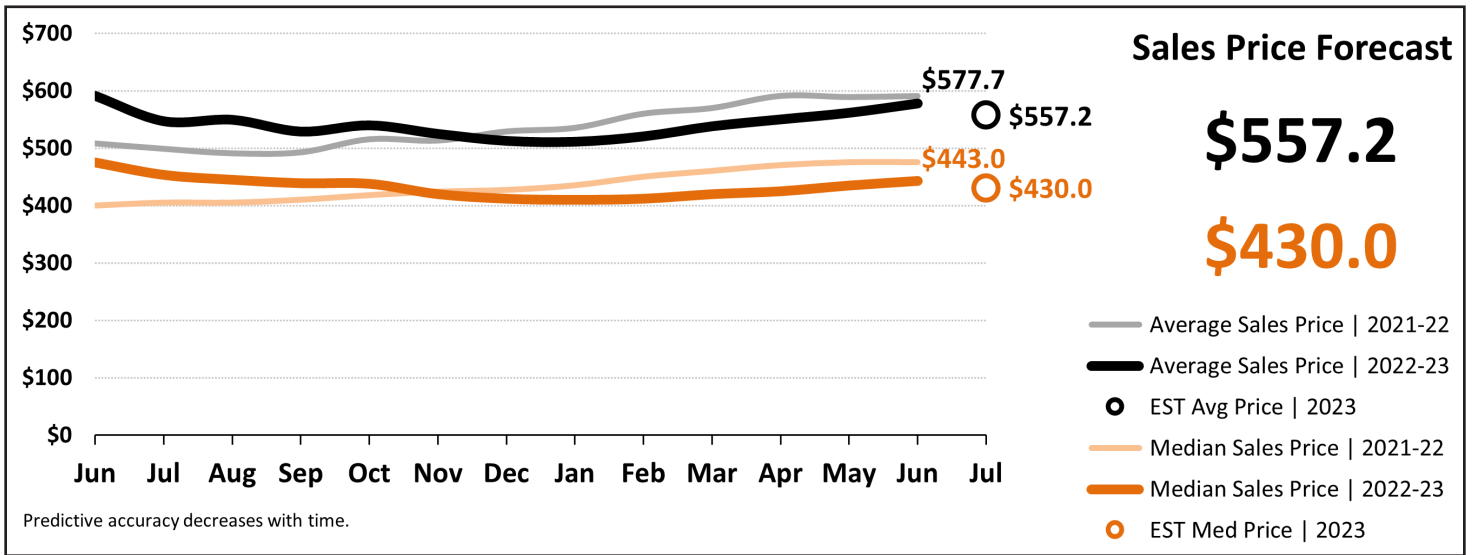
COMMENTARY

BY TOM RUFF

In Conclusion:

It's Phoenix, it's July, it's hot, housing demand is low, supply is lower and home prices are morphing into their seasonal pattern. Mortgage rates recently rose to their highest level since November 2022, when they once again surpassed 7%. The recent rise in rates will hinder demand and supply in the coming weeks. If you're stuck in Phoenix, health experts recommend you stay in an air-conditioned indoor location and drink plenty of fluids. My recommendation would be Durants. If you take my advice, bring a jacket or sweater, it's cold in there.

Sales Price Forecast



A **decrease** is forecasted in June for both average sale prices and median sale prices.

ARMLS PENDING PRICE INDEX (PPI)

Last month, STAT's mathematical model projected the median sales price for June at \$440,000. The actual amount was \$443,000. Looking ahead to July, the ARMLS Pending Price Index is projecting the median sales price will fall to \$430,000. In June 2022, we recorded the highest monthly median sales price ever reported: \$475,000. If our projections are correct, the median sales price will be 5.18% lower year over year and down 9.47% from our record high.

We began July with 4,955 pending contracts, 2,583 UCB listings and 397 CCBS, giving us a total of 7,935 residential listings practically under contract. This compares to 8,180 of the same listing type one year ago. At the beginning of July, the "pending" contracts were 3.0% lower than last year. There were 20 business days in July 2022 and 20 this year. ARMLS reported 5,962 sales in July 2022. The highest sales volume ever in July occurred in 2020 at 10,303. When July's numbers are reported, we expect to see a drop in both year-over-year sales volume as well as the month-over-month median home price. Home prices decreased 2.93%. If our models are correct, year-over-year sales volume will be in the 5,000 range.