



STAT

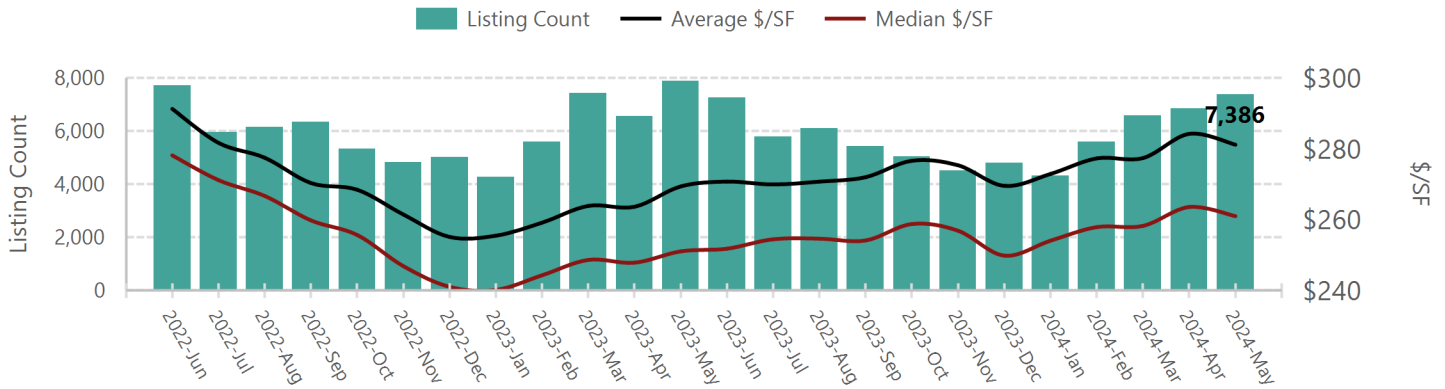
Your Monthly Statistics for the **Phoenix Metro Area**



DATA FOR May 2024

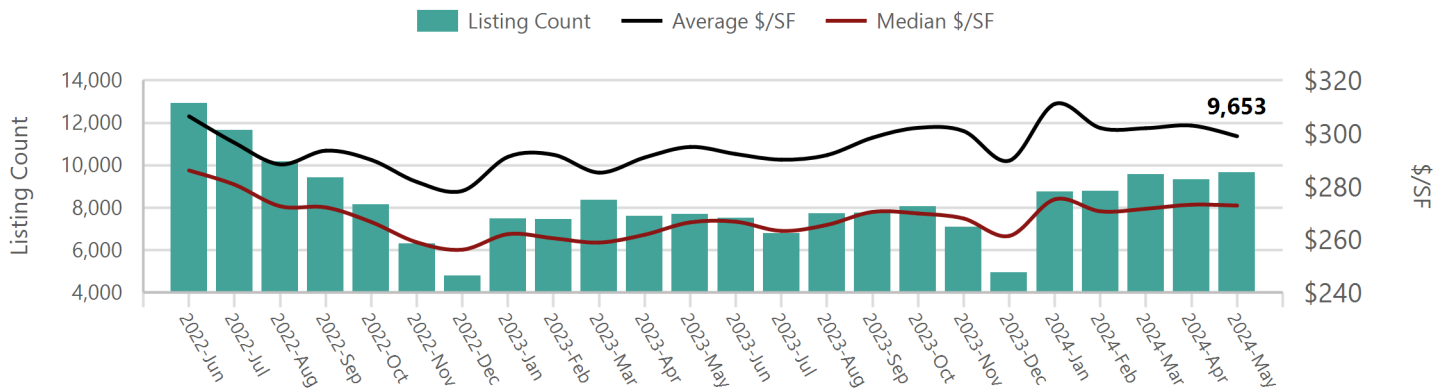
Published June 17, 2024

Sold Listings



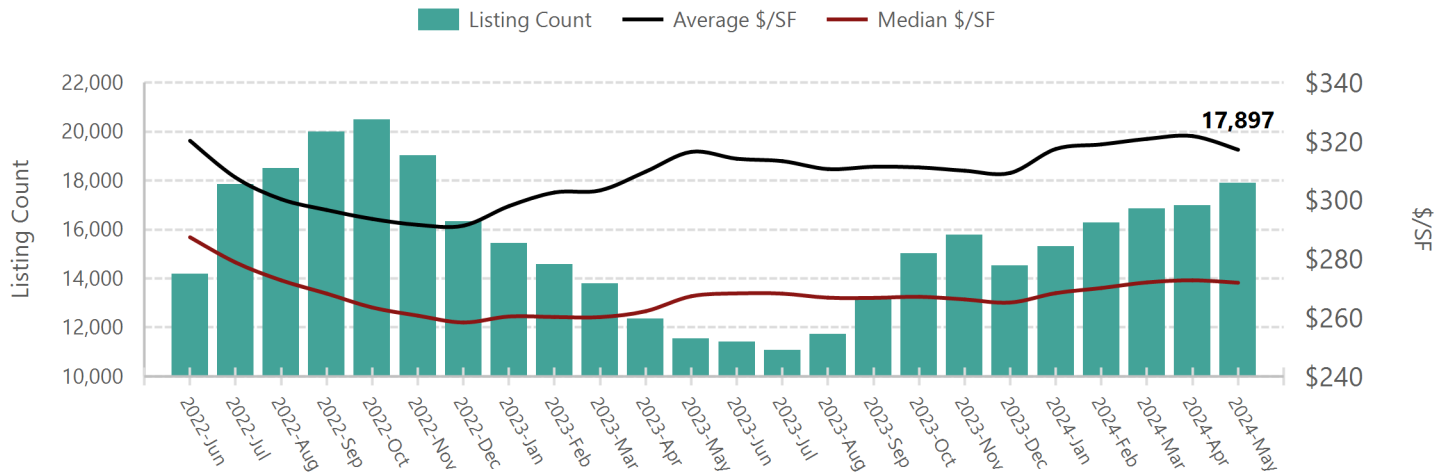
Metric	Monthly Values					Current Month Value vs Prior Monthly Values				
	Current	1M Pr	3M Pr	6M Pr	12M Pr	1M Pr	3M Pr	6M Pr	12M Pr	
Listings	7,386	6,859	5,602	4,504	7,897	7.68% ▲	31.85% ▲	63.99% ▲	-6.47% ▼	
Average \$/SF	\$281.19	\$284.25	\$277.33	\$275.38	\$269.41	-1.08% ▼	1.39% ▲	2.11% ▲	4.38% ▲	
Median \$/SF	\$261.02	\$263.60	\$257.92	\$256.90	\$251.07	-0.98% ▼	1.20% ▲	1.60% ▲	3.96% ▲	

New Listings



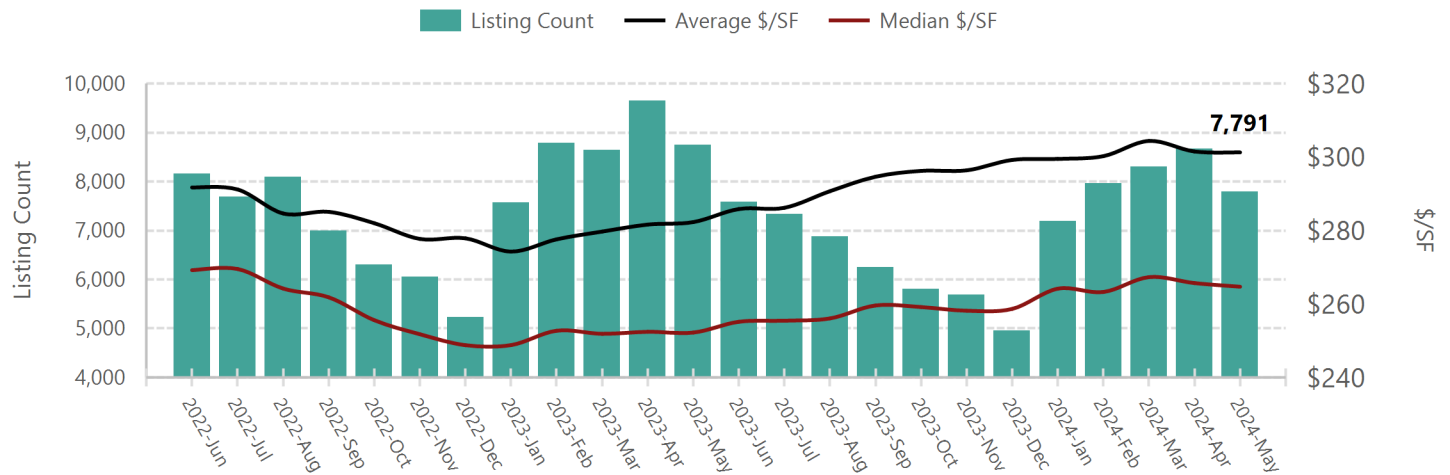
Metric	Monthly Values					Current Month Value vs Prior Monthly Values				
	Current	1M Pr	3M Pr	6M Pr	12M Pr	1M Pr	3M Pr	6M Pr	12M Pr	
Listings	9,653	9,336	8,798	7,088	7,687	3.40% ▲	9.72% ▲	36.19% ▲	25.58% ▲	
Average \$/SF	\$298.98	\$303.00	\$302.05	\$300.91	\$294.93	-1.32% ▼	-1.02% ▼	-0.64% ▼	1.37% ▲	
Median \$/SF	\$272.85	\$273.17	\$270.68	\$267.98	\$266.53	-0.12% ▼	0.80% ▲	1.82% ▲	2.37% ▲	

Active Listings (excluding UCB/CCBS)



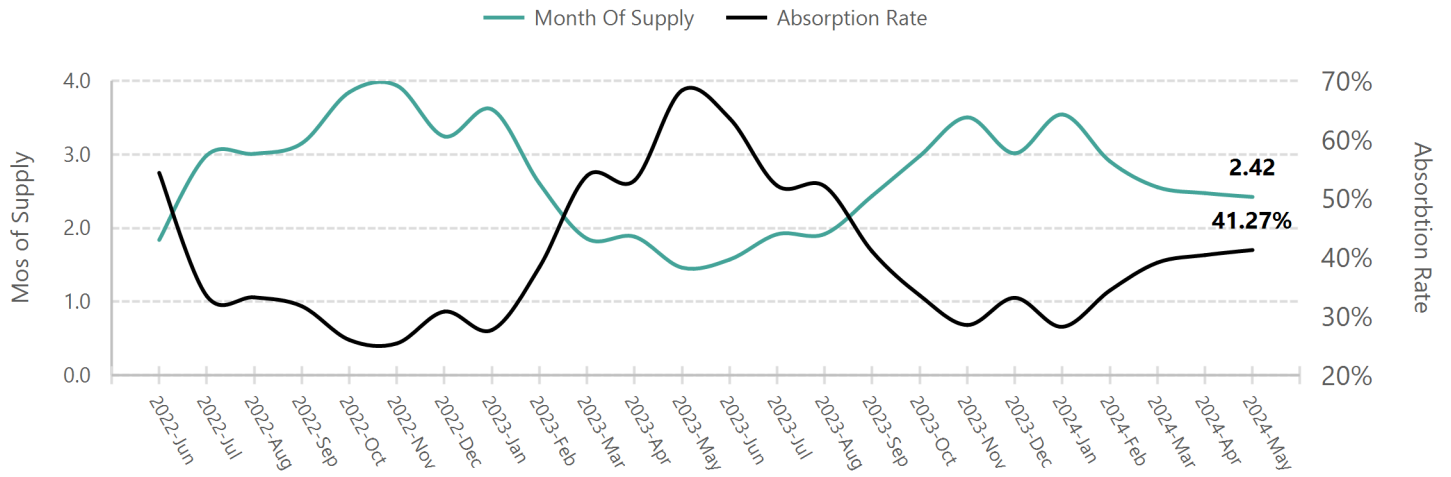
Metric	Monthly Values					Current Month Value vs Prior Monthly Values							
	Current	1M Pr	3M Pr	6M Pr	12M Pr	1M Pr	3M Pr	6M Pr	12M Pr				
Listings	17,897	16,974	16,282	15,784	11,546	5.44%	▲	9.92%	▲	13.39%	▲	55.01%	▲
Average \$/SF	\$317.17	\$321.80	\$318.97	\$310.03	\$316.44	-1.44%	▼	-0.57%	▼	2.30%	▲	0.23%	▲
Median \$/SF	\$271.91	\$272.73	\$270.10	\$266.23	\$267.30	-0.30%	▼	0.67%	▲	2.14%	▲	1.72%	▲

Under Contract Listings (Pending/UCB/CCBS)



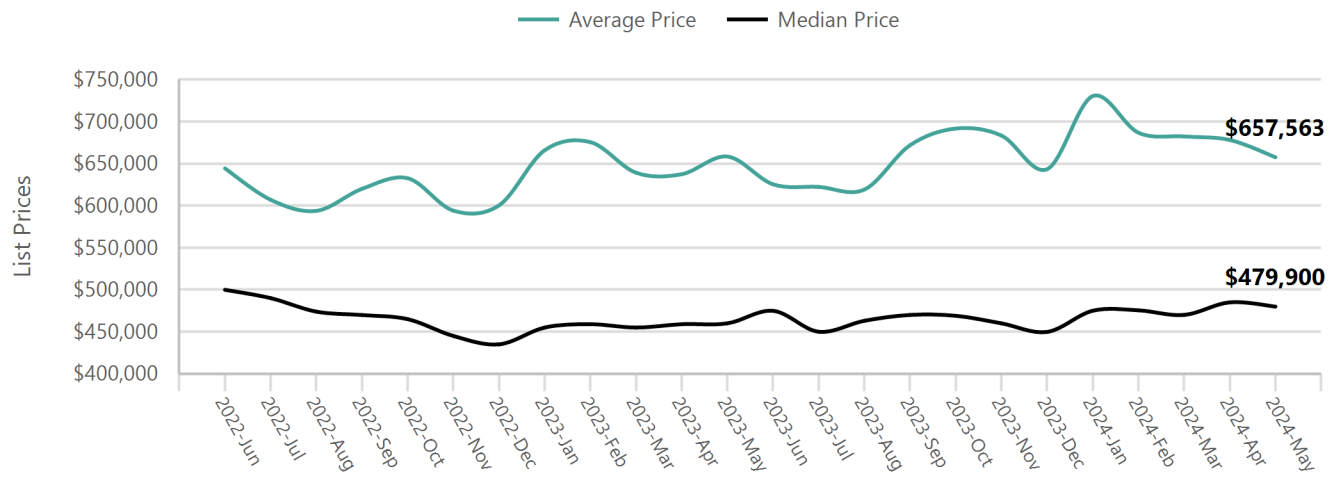
Metric	Monthly Values					Current Month Value vs Prior Monthly Values							
	Current	1M Pr	3M Pr	6M Pr	12M Pr	1M Pr	3M Pr	6M Pr	12M Pr				
Listings	7,791	8,670	7,958	5,686	8,748	-10.14%	▼	-2.10%	▼	37.02%	▲	-10.94%	▼
Average \$/SF	\$301.27	\$301.53	\$300.25	\$296.40	\$282.30	-0.09%	▼	0.34%	▲	1.64%	▲	6.72%	▲
Median \$/SF	\$264.71	\$265.70	\$263.28	\$258.17	\$252.23	-0.37%	▼	0.55%	▲	2.53%	▲	4.95%	▲

Month Of Supply/Absorption Rate



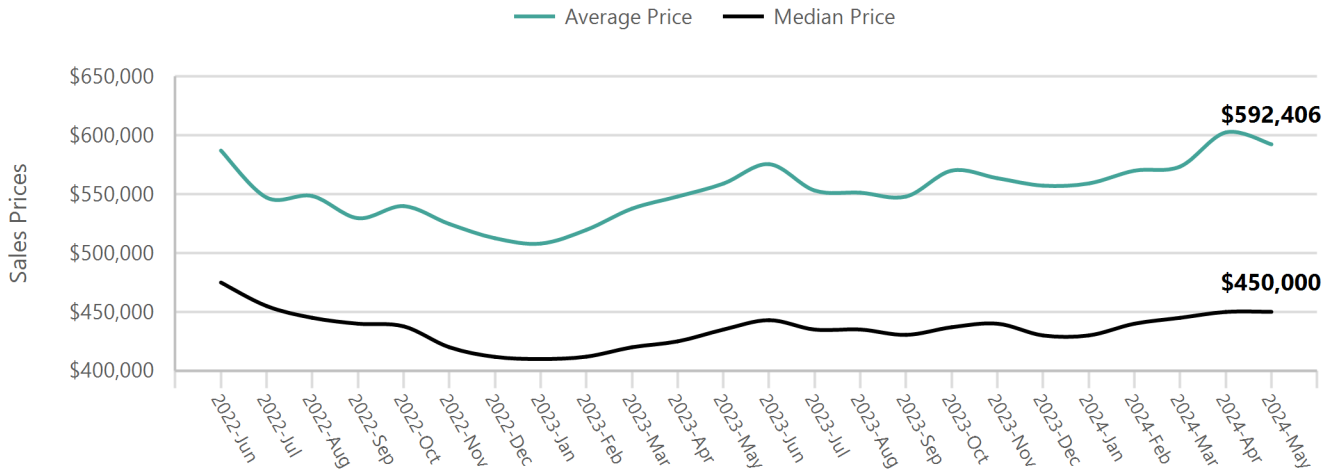
Metric	Monthly Values					Current Month Value vs Prior Monthly Values							
	Current	1M Pr	3M Pr	6M Pr	12M Pr	1M Pr	3M Pr	6M Pr	12M Pr				
Supply	2.42	2.47	2.91	3.50	1.46	-2.09%	▼	-16.63%	▼	-30.86%	▼	65.73%	▲
Absorption Rate	41.27%	40.41%	34.41%	28.54%	68.40%	2.13%	▲	19.95%	▲	44.63%	▲	-39.66%	▼

New List Prices



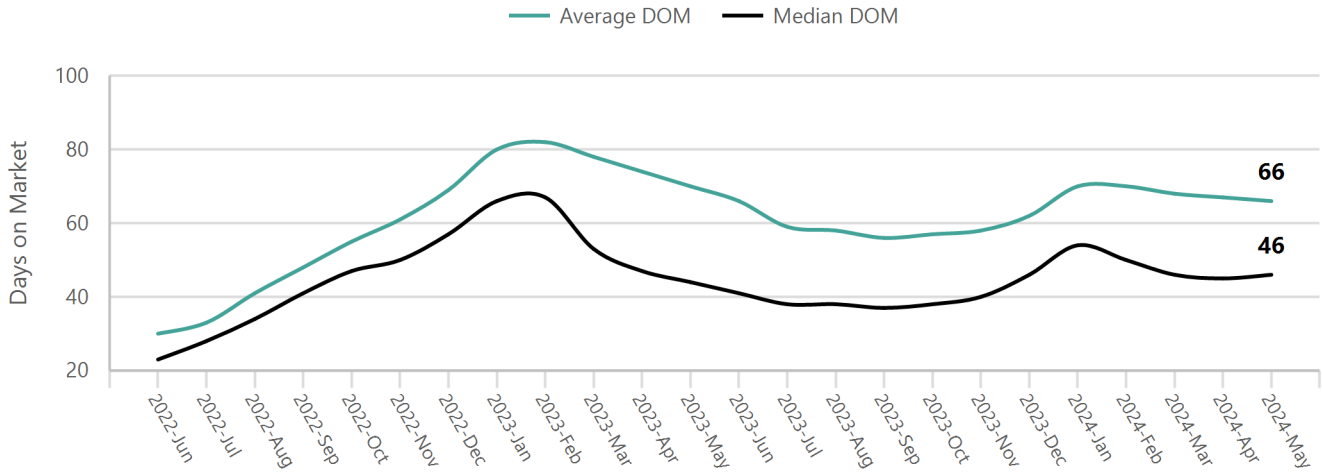
Metric	Monthly Values					Current Month Value vs Prior Monthly Values							
	Current	1M Pr	3M Pr	6M Pr	12M Pr	1M Pr	3M Pr	6M Pr	12M Pr				
Average List Price	\$657,563	\$678,157	\$686,731	\$683,375	\$658,443	-3.04%	▼	-4.25%	▼	-3.78%	▼	-0.13%	▼
Median List Price	\$479,900	\$485,000	\$475,500	\$459,990	\$460,000	-1.05%	▼	0.93%	▲	4.33%	▲	4.33%	▲

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	\$592,406	\$602,540	\$570,016	\$563,626	\$559,022	-1.68%	▼	3.93%	▲	5.11%	▲	5.97%	▲
Median Sales Price	\$450,000	\$450,000	\$440,000	\$440,000	\$435,000	0.00%	▬	2.27%	▲	2.27%	▲	3.45%	▲

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	66	67	70	58	70	-1.49%	▼	-5.71%	▼	13.79%	▲	-5.71%	▼
Median DOM	46	45	50	40	44	2.22%	▲	-8.00%	▼	15.00%	▲	4.55%	▲

Summer is here. Our perfect weather is over. Everything slows down, especially our housing market. If you see someone rushing, it's probably because they're in a hurry to get the hell out of Dodge. As Valley peeps head north to escape the heat, our housing market trends south. It is no secret that our just completed "home buying/selling" season did not perform as well as we'd hoped, nor did it perform as well as it typically does. We saw little movement in terms of buying, selling or prices. Mike Orr of the Cromford Report summed it up best, "*sellers are nervous, and buyers are unenthusiastic.*" After two years of rapidly rising mortgage rates, from a low of 2.65% in January 2021 to rates approaching 8% in late 2023, a lock-in effect has occurred. Our current market is characterized by sellers that can't afford to give up their existing low rate and buy something new, and by prospective buyers that simply can't afford to buy. You might say we're stuck in a wee bit of a rut, and it's beginning to look like we'll be in this rut for a while.

Seasonality in real estate refers to the fluctuation in market activity, prices and demand for properties based on the time of year. Seasonality in our market is dictated by the weather and the holiday season. This month, STAT will be focusing on Maricopa County public records data. I'm going to attempt to show what a typical year looks like in terms of sales volume and median sales price appreciation. We'll also share the most recent Fannie Mae Home Purchase Sentiment Index. Lastly, we will answer the question, when should I buy a home? We'll be demonstrating the Rule of 72 to spotlight the number one reason you should buy a home if you can. But first, here is your key market data for May.

Key Market Data for May:

- The median sales price was \$450,000, reflecting a 3.5% year-over-year (YoY) change.
- The median asking price was \$479,900, representing a 4.3% (YoY) change.
- In a recent national Redfin report: The median monthly mortgage payment was \$2,829 at a 6.99% mortgage rate, representing an 8.6% YoY change.
- “Pending Sales” Contracts are down 10.94% (YoY).
- New listings in May totaled 9,653, representing a +25.58% (YoY) change.
- Active listings were at 17,897, representing a +55.01% (YoY) change.
- There were 7,386 homes sold as reported by ARMLS, down 6.47% (YoY).
- The Cromford Index is currently at 106 but is dropping.
- We are what is best described as a balanced market.
- As reported by Cromford, we are not in a buyer’s market overall, but some significant markets are.
- According to Tina Tamboer, 55% of sales are closing with seller incentives compared to 49% last year. The median incentive to the buyer is currently \$9,400, up \$1,200 from a year ago.
- According to public records data, in terms of resale homes, May of 2024 was the third worst May since we began aggregating sales data in 1999.
- Sales in May were lower only in 2020 and 2008, the outbreak of COVID and The Great Recession.

COMMENTARY

BY TOM RUFF

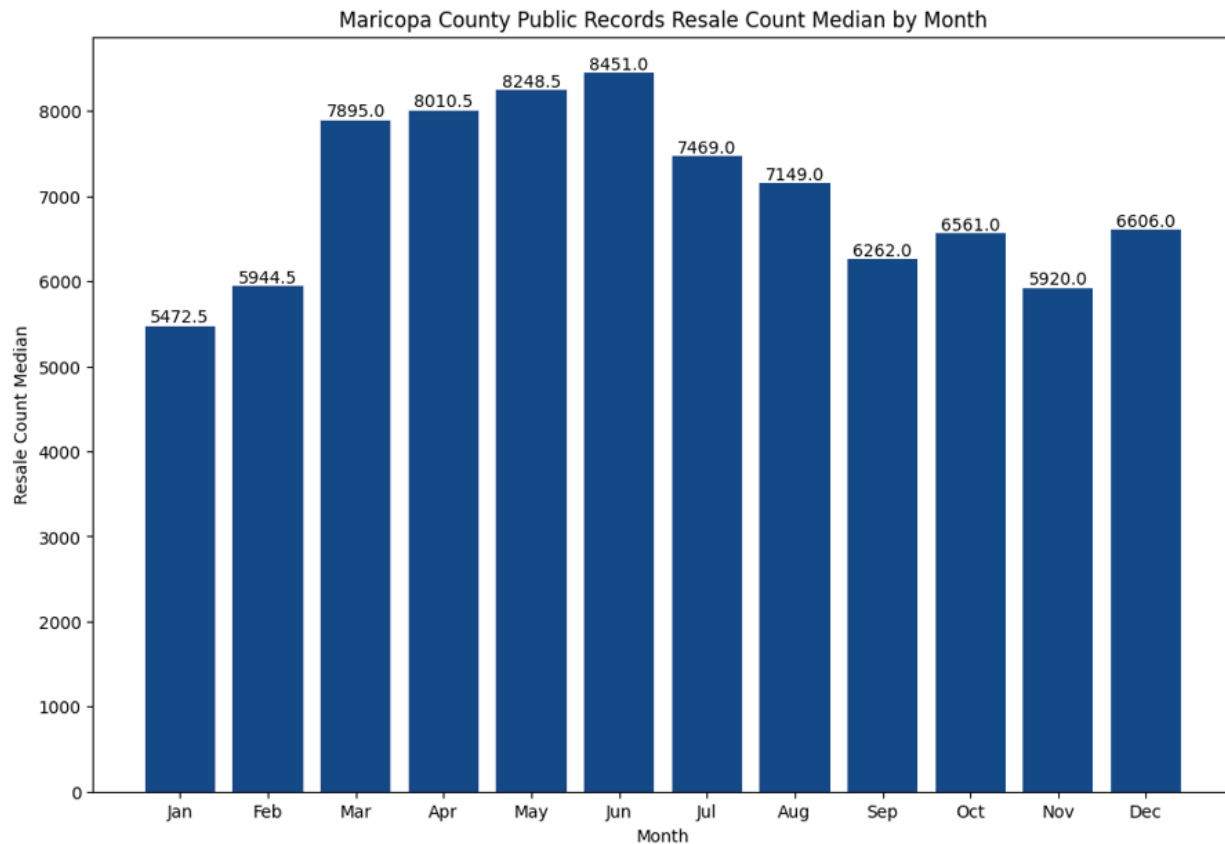
Resale Median last 25 years via Maricopa County Public Records

All Date	Resale Median						
	Resale Count	Low Qtr	Low Qtr Prev YearΔ	Middle	Middle Prev YearΔ	High Qtr	High Qtr Prev YearΔ
202405	6,286	\$ 360,000	2.86%	\$ 460,000	2.68%	\$ 659,850	5.58%
202305	6,467	\$ 350,000	-10.26%	\$ 448,000	-7.82%	\$ 625,000	-3.85%
202205	8,653	\$ 390,000	27.45%	\$ 486,000	23.66%	\$ 650,000	19.27%
202105	9,703	\$ 306,000	30.21%	\$ 393,000	31.44%	\$ 545,000	37.97%
202005	6,271	\$ 235,000	9.30%	\$ 299,000	8.73%	\$ 395,000	3.95%
201905	10,506	\$ 215,000	7.50%	\$ 275,000	5.85%	\$ 380,000	5.85%
201805	10,116	\$ 200,000	11.73%	\$ 259,800	8.70%	\$ 359,000	7.49%
201705	9,908	\$ 179,000	8.48%	\$ 239,000	6.22%	\$ 334,000	6.03%
201605	8,812	\$ 165,000	10.00%	\$ 225,000	7.14%	\$ 315,000	3.28%
201505	8,283	\$ 150,000	11.11%	\$ 210,000	8.25%	\$ 305,000	7.02%
201405	7,462	\$ 135,000	6.30%	\$ 194,000	6.59%	\$ 285,000	0.00%
201305	8,883	\$ 127,000	39.56%	\$ 182,000	25.52%	\$ 285,000	22.58%
201205	8,214	\$ 91,000	30.00%	\$ 145,000	26.09%	\$ 232,500	22.37%
201105	8,365	\$ 70,000	-18.60%	\$ 115,000	-14.75%	\$ 190,000	-9.16%
201005	7,860	\$ 86,000	28.36%	\$ 134,900	10.12%	\$ 209,150	4.63%
200905	7,982	\$ 67,000	-58.64%	\$ 122,500	-43.29%	\$ 199,900	-35.51%
200805	5,182	\$ 162,000	-18.59%	\$ 216,000	-13.60%	\$ 309,975	-13.66%
200705	6,415	\$ 199,000	-0.50%	\$ 250,000	-1.35%	\$ 359,000	1.56%
200605	8,730	\$ 200,000	21.95%	\$ 253,418	12.63%	\$ 353,500	9.10%
200505	12,806	\$ 164,000	31.31%	\$ 225,000	38.46%	\$ 324,000	35.00%
200405	9,943	\$ 124,900	11.02%	\$ 162,500	10.54%	\$ 240,000	14.83%
200305	8,439	\$ 112,500	7.14%	\$ 147,000	7.30%	\$ 209,000	10.00%
200205	7,791	\$ 105,000	3.96%	\$ 137,000	5.38%	\$ 190,000	6.44%
200105	7,464	\$ 101,000	9.19%	\$ 130,000	4.08%	\$ 178,500	1.42%
200005	6,831	\$ 92,500	6.32%	\$ 124,900	6.84%	\$ 176,000	8.64%
199905	6,450	\$ 87,000	0.00%	\$ 116,900	0.00%	\$ 162,000	0.00%

Sales Volume Seasonality:

For the following exercise, we'll be charting Maricopa County public records data. The first chart below shows a typical yearly pattern for home sales volume in Maricopa County. We define home sales as the total number of single-family residences, town homes and condos sold in Maricopa County in their given month. We first charted Maricopa County home closing data from January 1, 1999, to the present. We then charted the median sales volume for each month for the 25 plus years and derived the following visual. I think it does a nice job of showing the sales volume patterns for a typical year. The chart is for closed sales. In our primary season, contracts are written between February and May and report as closed sales from March to June. Spring is our busiest season, the weather is warm and pleasant, making it an ideal time for both buyers and sellers to engage in transactions. The market slows over the holiday season which translates into modest closing activity in January and February. We will see homes sales decline over the next few months based on seasonal patterns alone, combine seasonality with a down real estate cycle, and poor sales volume will appear magnified. Our current market cycle is performing well below historical trends. As an example, in May of this year, according to public records, 6,286 homes sold in Maricopa County, which is only 76.21 percent of what might be considered a typical May (8248.5).

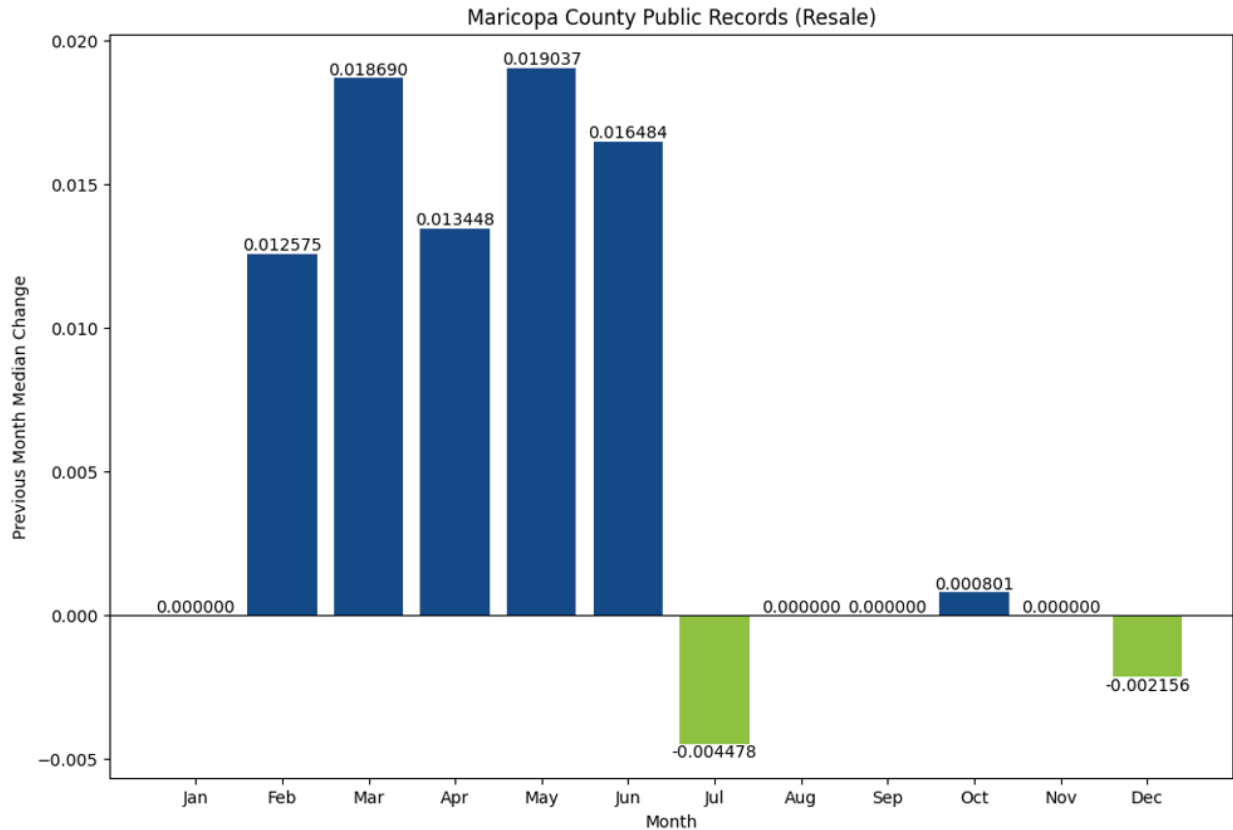
Resale Median by Month via Maricopa County Public Records



Sale Price Appreciation Seasonality:

If you're a frequent reader of STAT, then you're familiar with my seasonal description of home prices. At the close of each month, we chronicle the median sales price, compare the current median sales price to the prior month and catalog the percentage increase or decrease. When I chart the median percentage increase/decrease of the percentage change in prices, we see the following pattern emerge. In a typical year during our buying/selling season, home prices rise, and in our "off season", sometimes they modestly rise, sometimes they modestly decline and sometimes they remain flat, hence the term wobbles. The chart below presents a pretty good snapshot of the typical way in which median home prices evolve throughout the year. The data in the chart below was derived from the last 25 years of Maricopa County public records data.

Resale Median Percent Change per Month via Maricopa County Public Records



Is it a good time to buy a home?

“The [Fannie Mae Home Purchase Sentiment Index® \(HPSI\)](#) decreased 2.5 points in May to 69.4 as the component measuring consumer attitudes toward homebuying conditions fell markedly, reaching an all-time survey low. This month, only 14% of consumers indicated that it’s a good time to buy a home, down from 20% last month, while the share believing it’s a good time to sell fell from 67% to 64%. Meanwhile, consumers continue to believe affordability will remain tight for the foreseeable future, as respondents believe that, on net, home prices and mortgage rates will go up over the next year. Among the positives from the survey: A growing share of respondents, now 20%, indicated that their household income is significantly higher than it was a year ago.”

When should you buy a home?

There are many good reasons to buy a home, and a few good reasons to rent. Choosing to buy a home can depend on various factors, including your financial situation, lifestyle and long-term goals. Whenever asked about buying a home, my answer never changes: If you can afford it, love it and can see yourself living there for at least five to seven years, buy it. The reason: *“The number one way most people build wealth in the US is through homeownership.”*

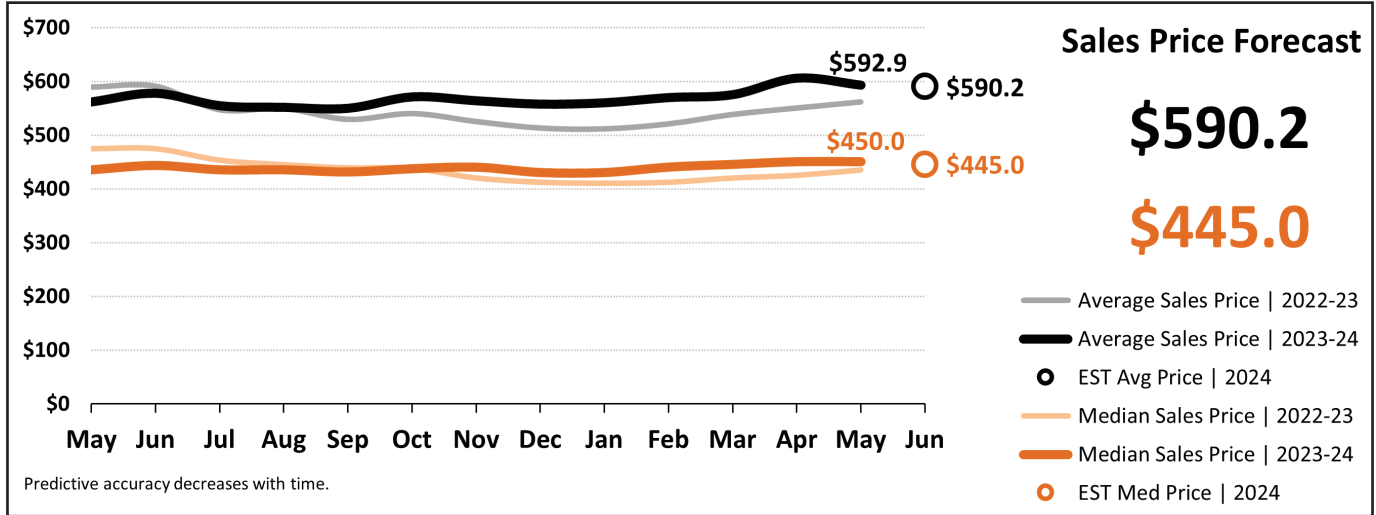
Homeownership has historically been considered a significant way for many people to build wealth, primarily due to the potential for home values to appreciate over time. If we go back to the Resale Median spreadsheet presented above, the annual appreciation rate for a median priced home has increased at an annual rate of 5.6326% over the last 25 and a half years.

For those of you not familiar, let me introduce you to the Rule of 72. The Rule of 72 is a quick and simple way to estimate the time it takes for a home to double in value, given a fixed annual rate of return. To use the Rule of 72, you divide the number 72 by the annual rate of return expressed as a percentage. The result will approximate the number of years it will take for your investment to double. To determine how many years it would take for your home to double with an annual appreciation rate of 5.6326% compounded annually, you can use the Rule of 72. The Rule of 72 provides a quick estimate of the number of years required to double your investment based on the given rate. So, it would take approximately 12.77 years for your home to double in value at an annual interest rate of 5.6326%.

Conclusion

Our housing market is transitioning from our peak season to our offseason. As we approach the second half of 2024, the challenges faced earlier in the year will be magnified in the second half of 2024, as real estate activity slows. In conclusion, I'd like to share with you the following maxim, one that our data has supported repeatedly, *“As our housing market becomes more challenging, the percentage of homes sold on the MLS increases as the importance and value of the buyer's agent increases.”*

Sales Price Forecast



A **decrease** is forecasted in June for both Average sales prices and Median sales price.

ARMLS PENDING PRICE INDEX (PPI)

Last month STAT’s mathematical model projected the median sales price for May at \$449,000; the actual number was \$450,000. Looking ahead to June, the ARMLS Pending Price Index is expected to drop, our projection, \$445,000. In June of 2022 we reported the highest monthly median sales price ever recorded, \$475,000. If our mathematical model is correct, June’s median sales price will be 0.45 percent higher year-over-year and down 6.32% from our record high.

We began June with 7791 residential listings practically under contract. This compares to 8,748 of the same type of listings one year ago. At the beginning of June, ARMLS is reporting 957 fewer “pending” contracts compared to last year at this time. There were 22 business days in June of 2023 and 20 this year. ARMLS reported 7,257 sales in June of 2023. The highest sales volume over the last 20 years in June occurred in 2011 when 10,345 home sales were reported. With “pending contracts” 10.94% lower year-over-year, June’s sales volume will definitely decline year over year. We are anticipating June’s home closings as reported by ARMLS to be in the 6,200 range.