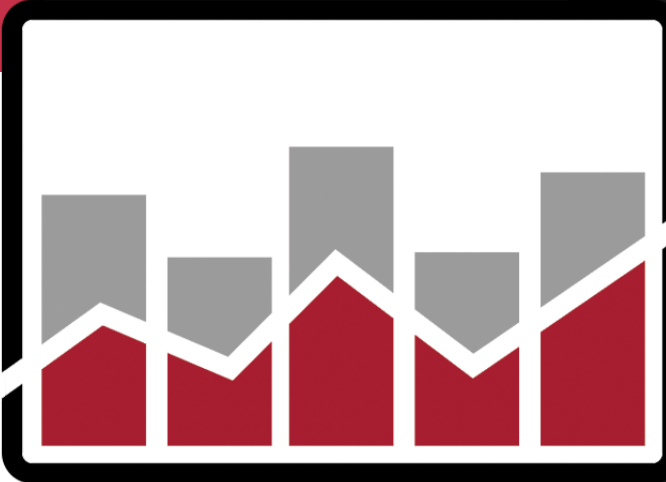


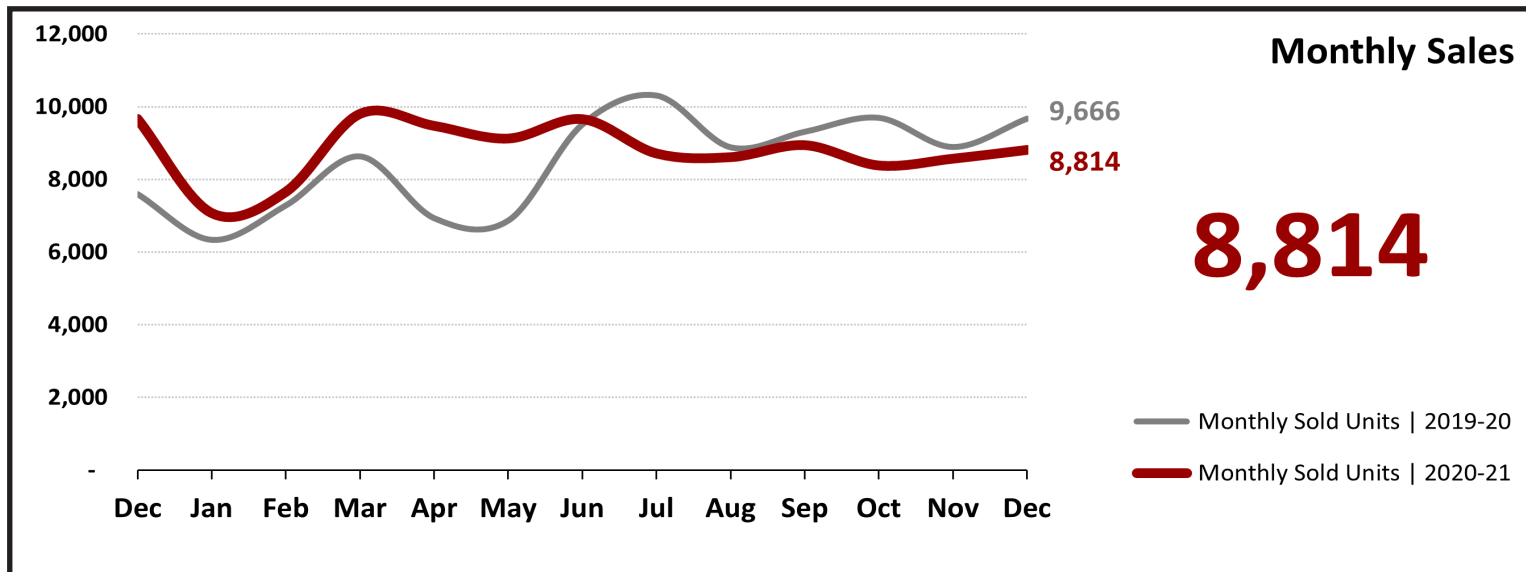
STAT

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



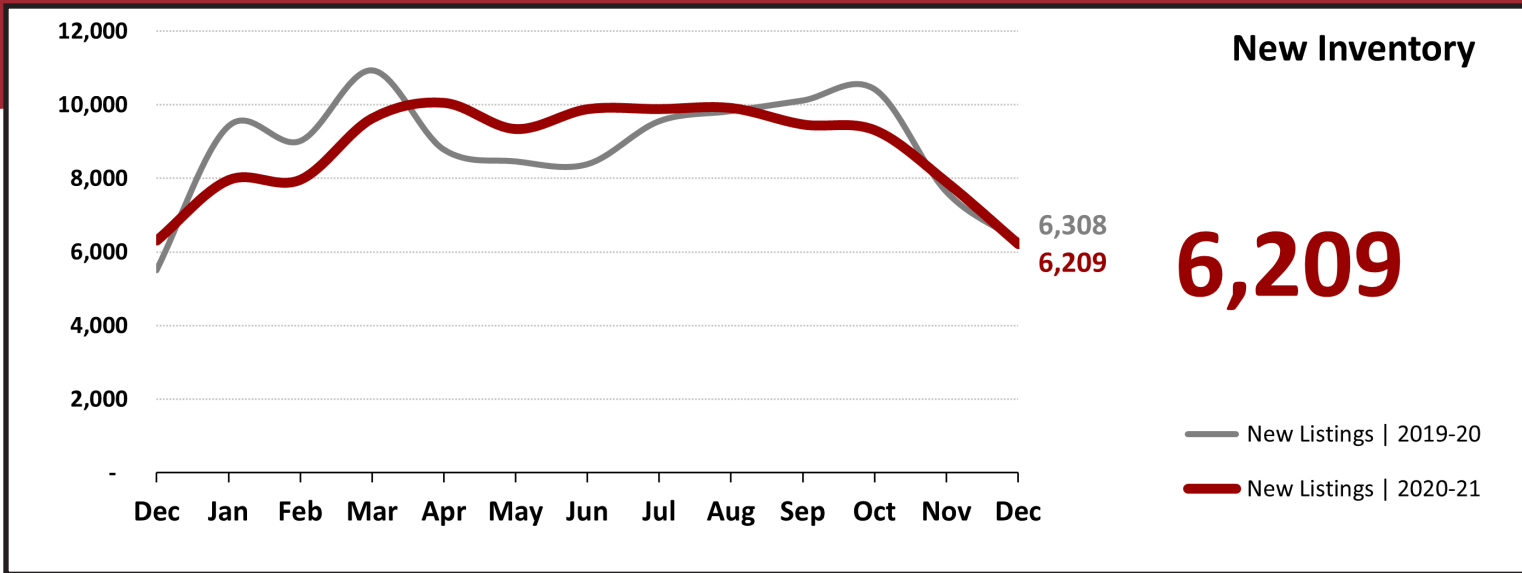
DATA FOR **DECEMBER 2021**

Published January 19, 2022



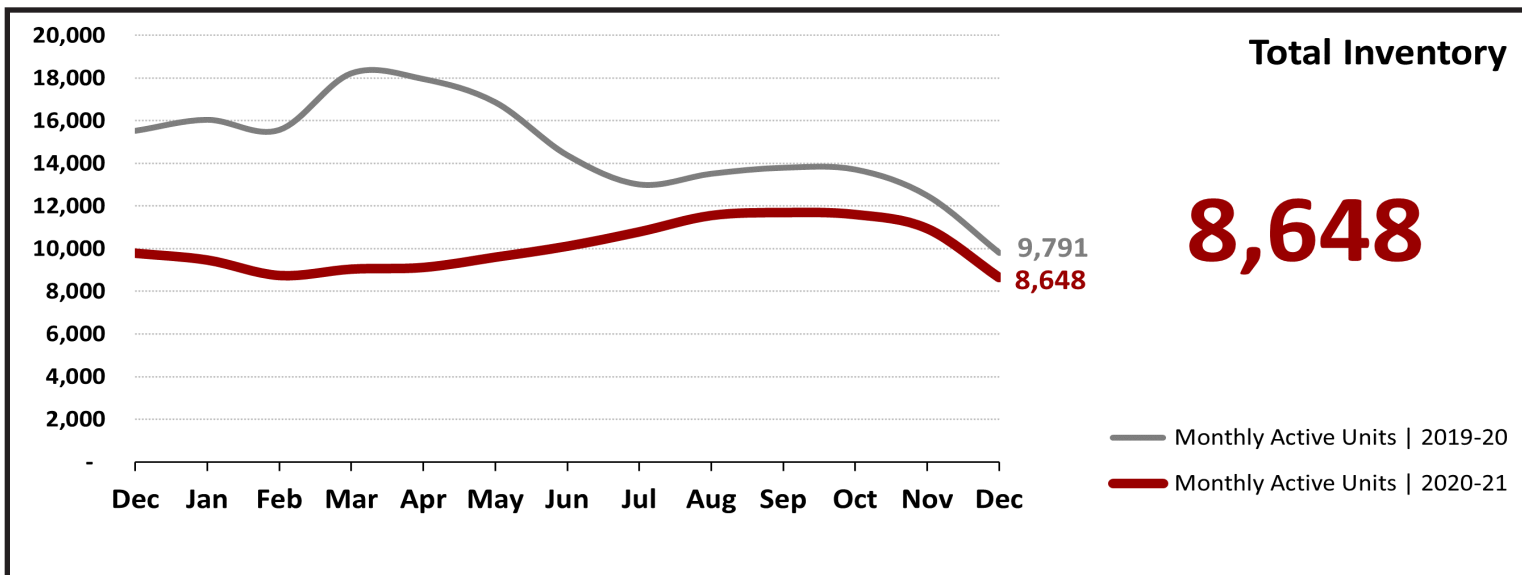
Sales are up **+2.8%** month-over-month. The year-over-year comparison is down **-8.8%**.

Closed MLS sales with a close of escrow date from 12/1/21 to 12/31/21, 0 day DOM sales removed



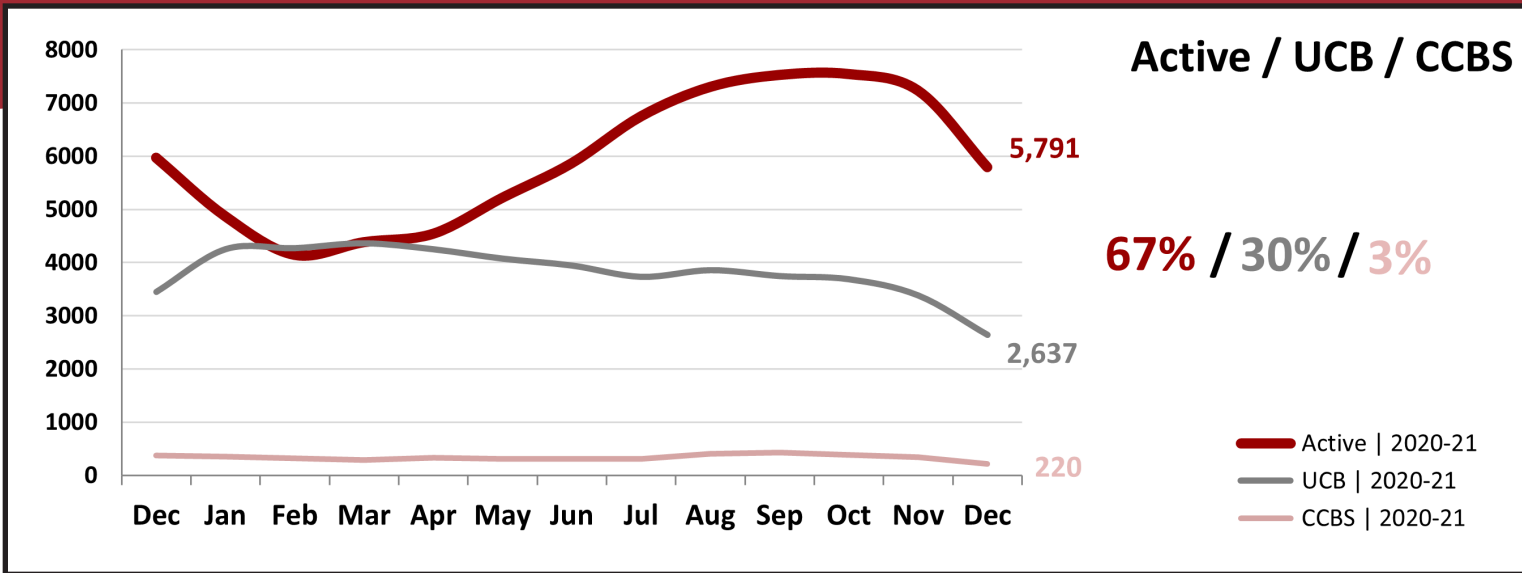
New MLS listings that were active for at least one day from 12/1/21 to 12/31/21, 0 day DOM sales removed

New inventory has a month-over-month decrease of **-21.3%** while the year-over-year comparison decreased by **-1.6%**.



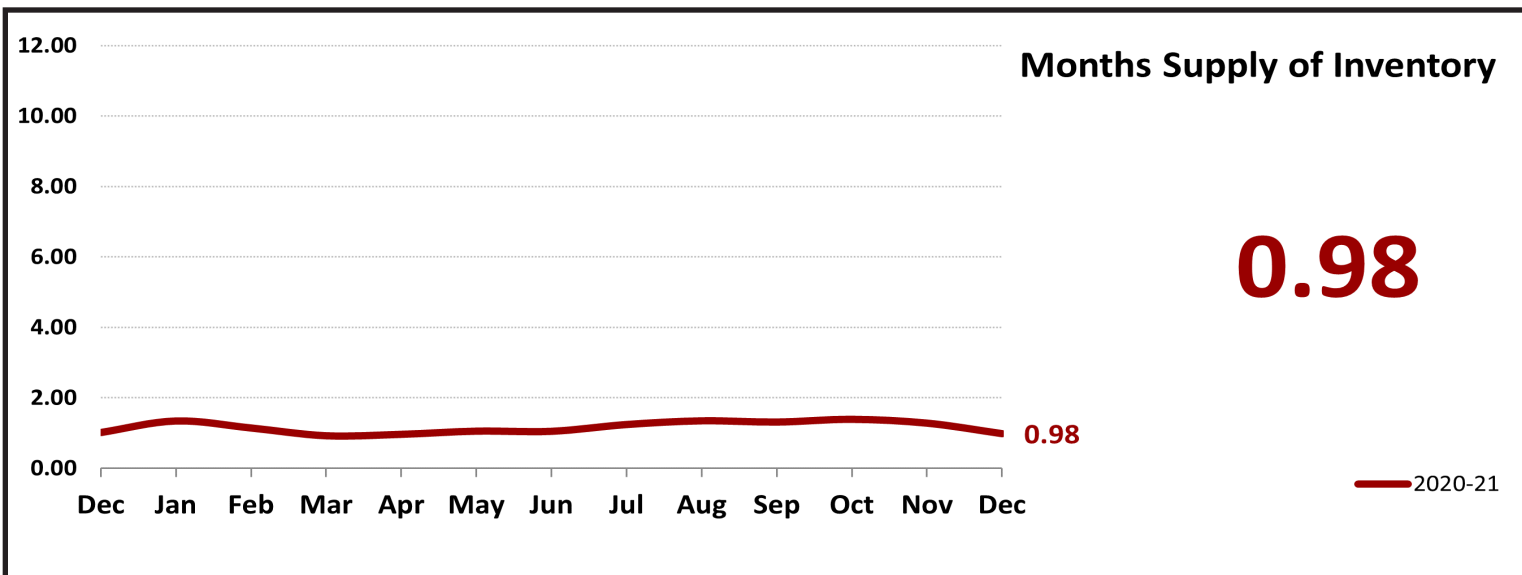
Snapshot of statuses on 12/31/21

Total inventory has a month-over-month decrease of **-21.0%** while year-over-year reflects a decrease of **-11.7%**.



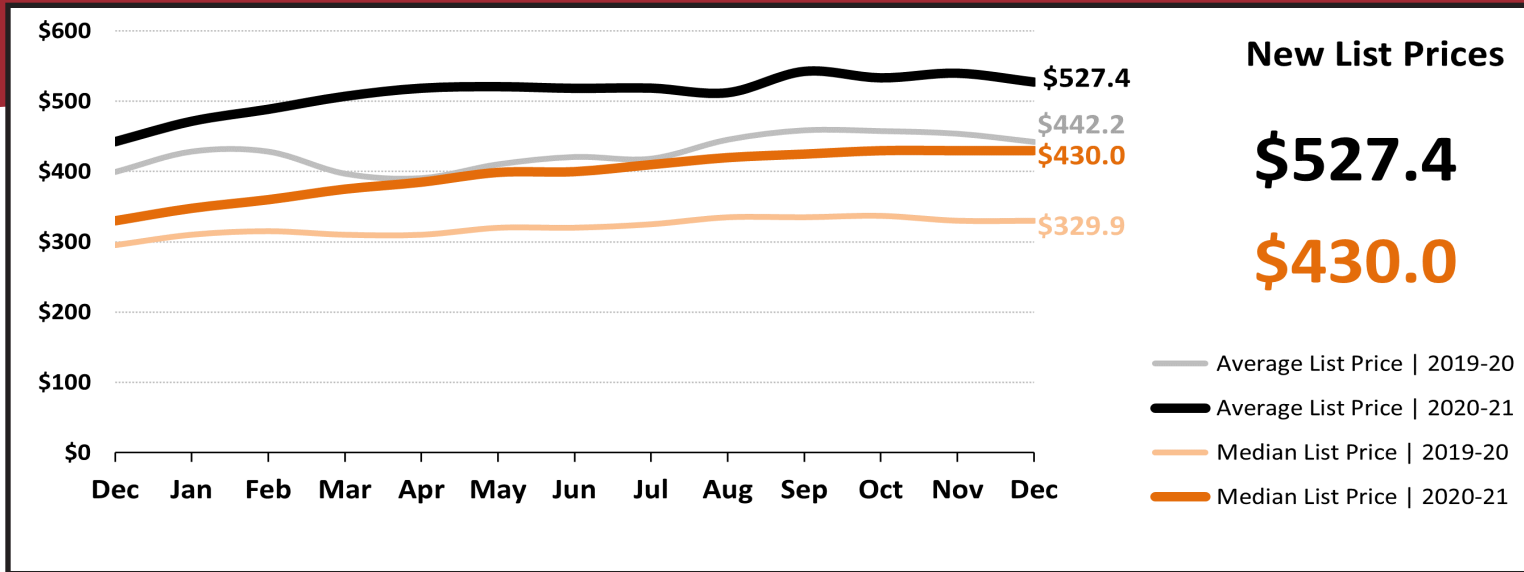
December UCB listings percent of total inventory was **30.5%** with December CCBS listings at **2.5%** of total inventory.

Snapshot of statuses on 12/31/21



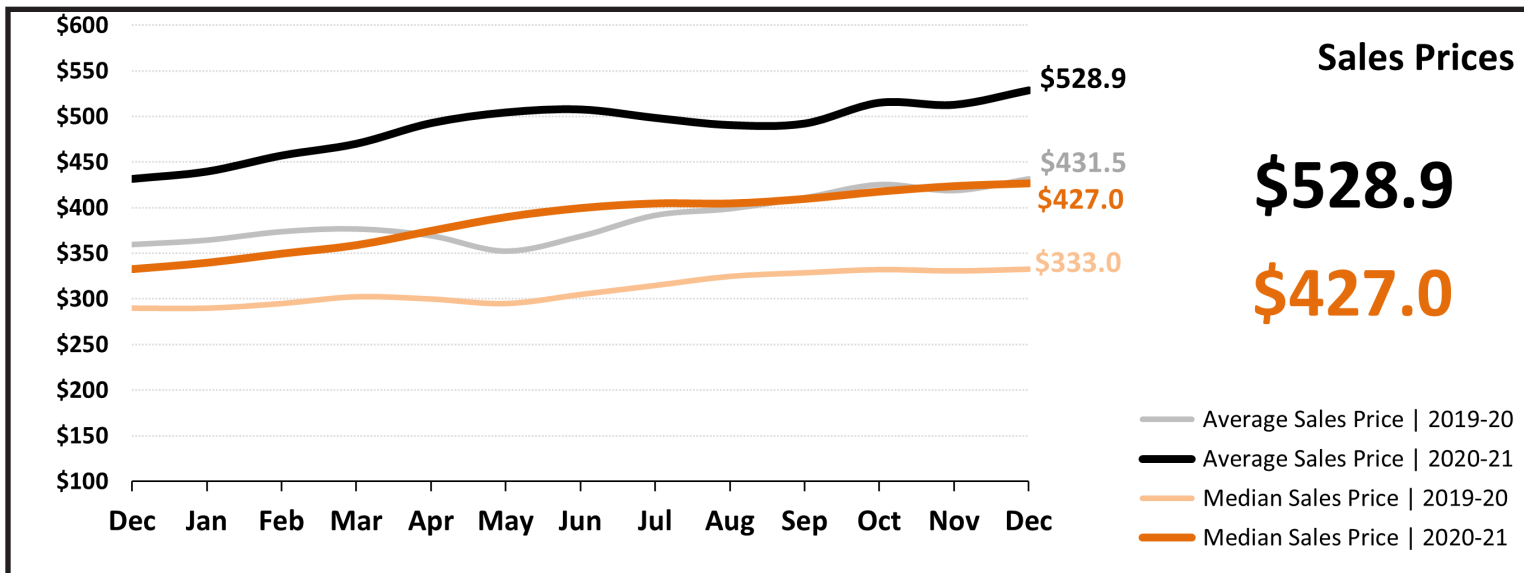
Months supply of inventory for November was **1.28** with December at **0.98**.

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



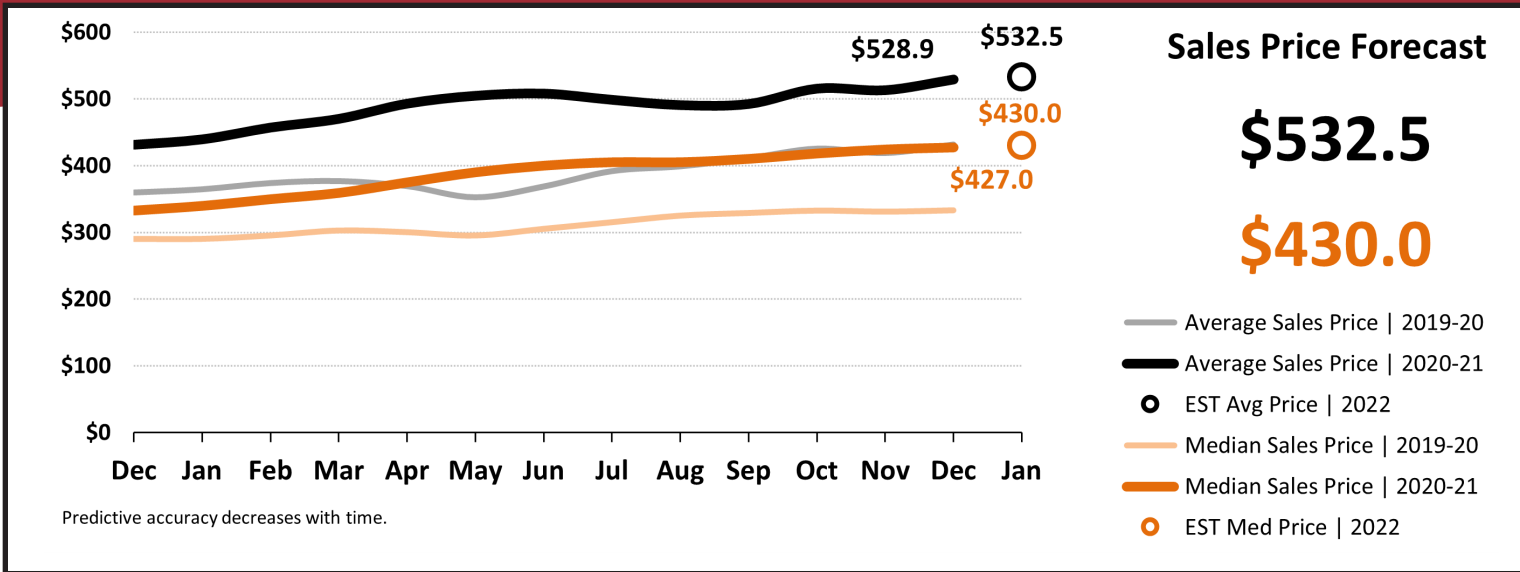
List prices of new listings with list dates from 12/1/21 to 12/31/21, 0 day DOM sales removed

Average new list prices are up **+19.3%** year-over-year. The year-over-year median is up **+30.3%**.



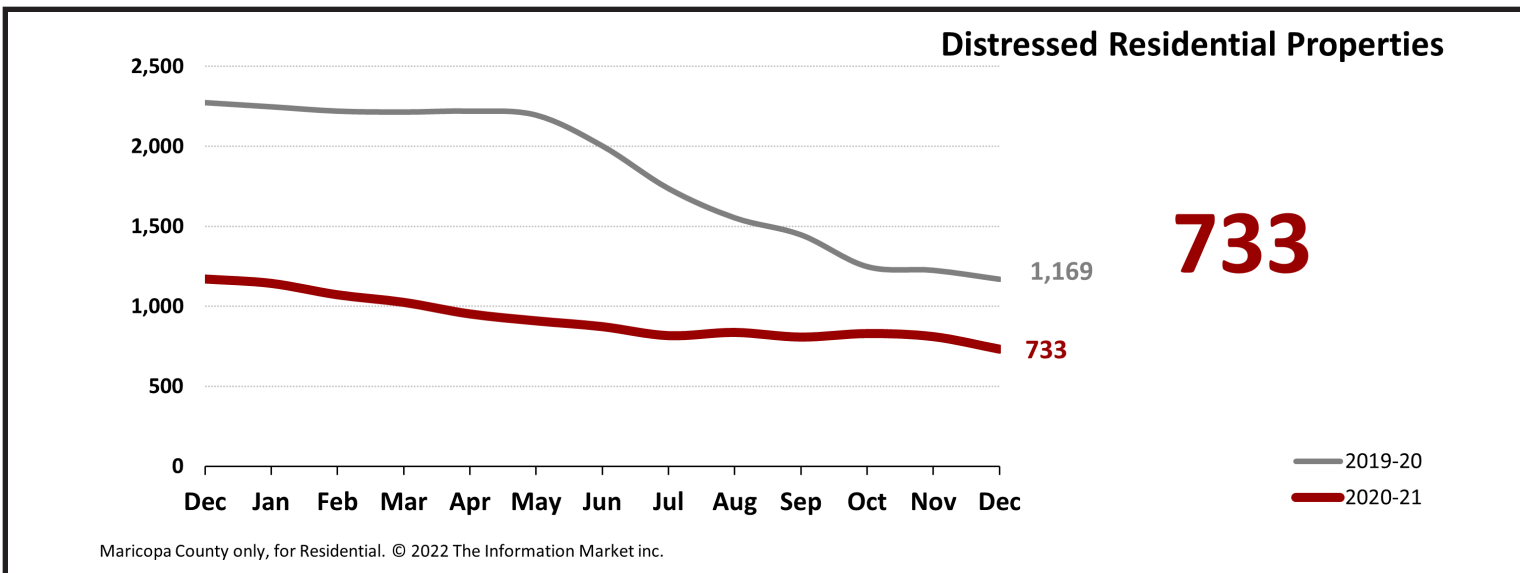
MLS sales prices for closed listings with a close of escrow date from 12/1/21 to 12/31/21, 0 day DOM sales removed

The average sales price is up **+22.6%** year-over-year while the year-over-year median sales price is also up **+28.2%**.



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

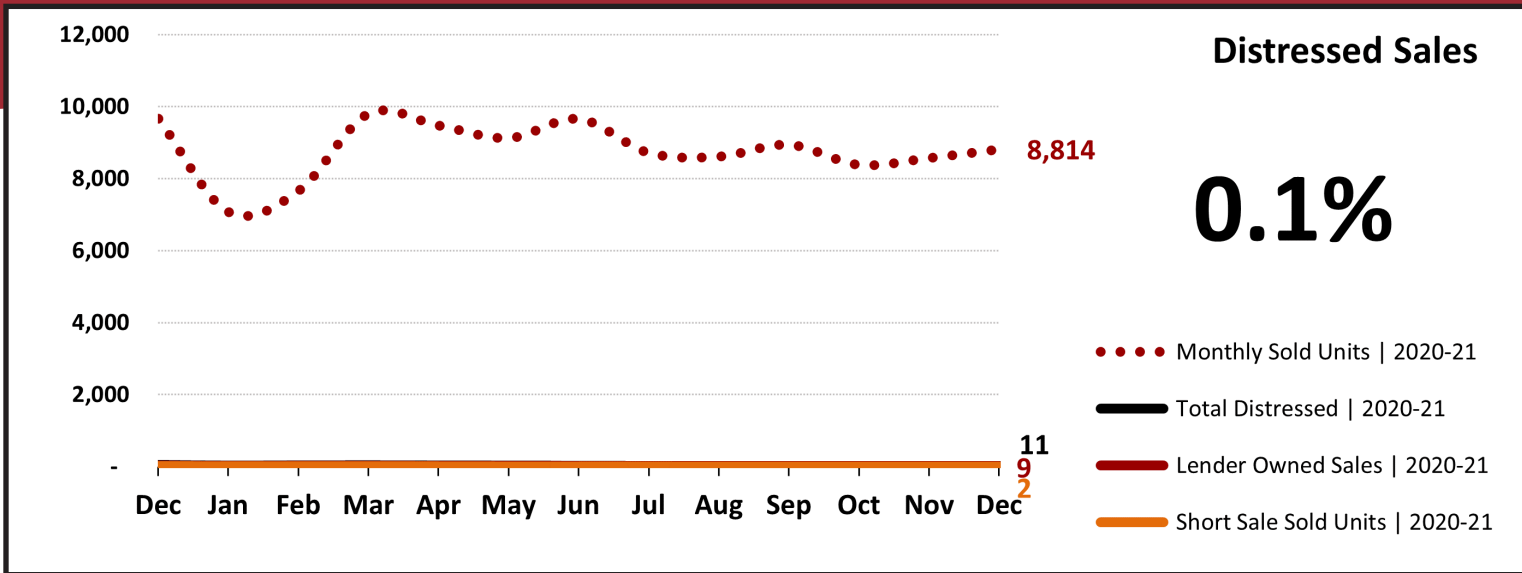
ARMLS proprietary predictive model forecast, 0 day DOM sales removed



Foreclosures pending month-over-month showed a decrease of **-9.6%** while the year-over-year figure was down **-37.3%**.

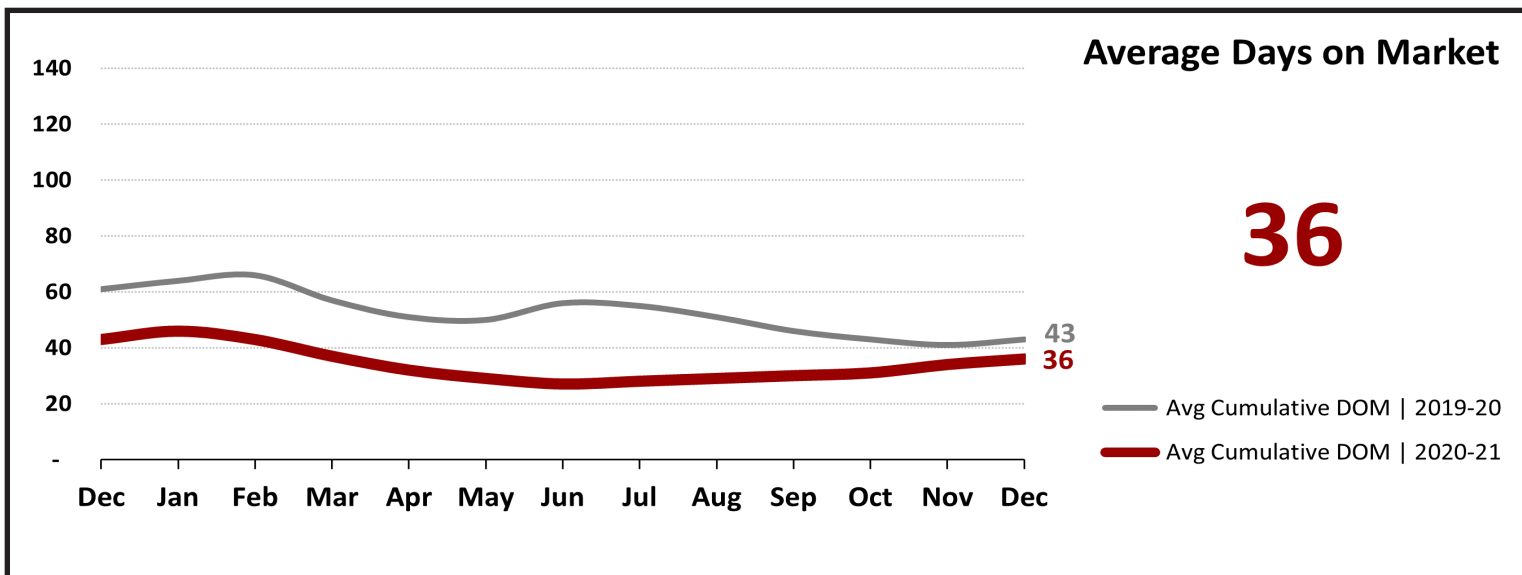
Maricopa County only, for Residential. © 2022 The Information Market inc.

Snapshot of public records data on 12/31/21 active residential notices and residential REO properties.



Distressed sales accounted for **0.1%** of total sales, the same as the previous month. Short sales went down **-81.8%** year-over-year. Lender-owned sales dropped **-75.0%** year-over-year.

New MLS listings that were active for at least one day from 12/1/21 to 12/31/21, 0 day DOM sales removed



Days on market were down **-7** days year-over-year while month-over-month went up **+2** days.

MLS sales prices for closed listings with a close of escrow date from 12/1/21 to 12/31/21, 0 day DOM sales removed

STAT: 2021 in Review

We began 2021 in the throes of a pandemic with record-setting home sales metric. We ended 2021 the same way. As the pandemic trudges forward, ARMLS is happy to report its best year on record, shattering every housing metric 2020 established and then some. There were a few questions entering 2021, most notably, what would happen when the foreclosure and eviction moratoriums ended. But these were never really questions in our mind with 2021 playing out as anticipated. In our analysis, we anticipated a trickle at best but never a flood of new listings with the moratoriums ending. As 2021 concluded, not even a trickle materialized. 2021 reported the lowest foreclosure activity on record.

Regarding prices, in last year's year in review, we shared the following quote from Michael Orr of the Cromford Report, *"Buyers cannot be blamed if they're in despair about the lack of supply. We have less than half the number of active listings without a contract than we had a year ago. This time last year (2019), we described the lack of supply as shocking, so what do we call the current situation? We saw more new listings arrive during 2020 than during 2019, but only 1.4% more. The annual sales rate increased by 6%, so the extra supply proved thoroughly inadequate in the face of demand. Prices have accelerated due to the huge imbalance between supply and demand, yet we have only seen part of that reaction. Sales prices are a trailing indicator and lag the leading indicators by up to 15 months. We can therefore expect to see prices move even higher during the next 12 to 15 months with appreciation rates possibly rising over 20%."* Michael put the hammer on the nail as the median sales price rose 28.23% between December 2020 and December 2021.

At the start of every year, there are always conversations about what the next year will have in store and the unknowns that may play a part. There are always many housing predictions ranging from a crash to a boom. It's called human nature, and this year is no different. Heading into 2022, new conversations emerge around inflation, the potential impact of rising interest rates, and the continued active presence of Wall Street monies and their impact on our market. But that's what these are, unknowns. The potential rise in interest rates will be a hot topic this year. But predicting future mortgage rates is a fool's errand. For the last four years, the expert consensus was for rising interest rates. In each of those years, the interest rates fell, however. Interest rates, inflation, heavy Wall Street activity in our market could impact our housing market in 2022 in subtle or maybe even not so subtle ways. Right now, it's all just speculation.

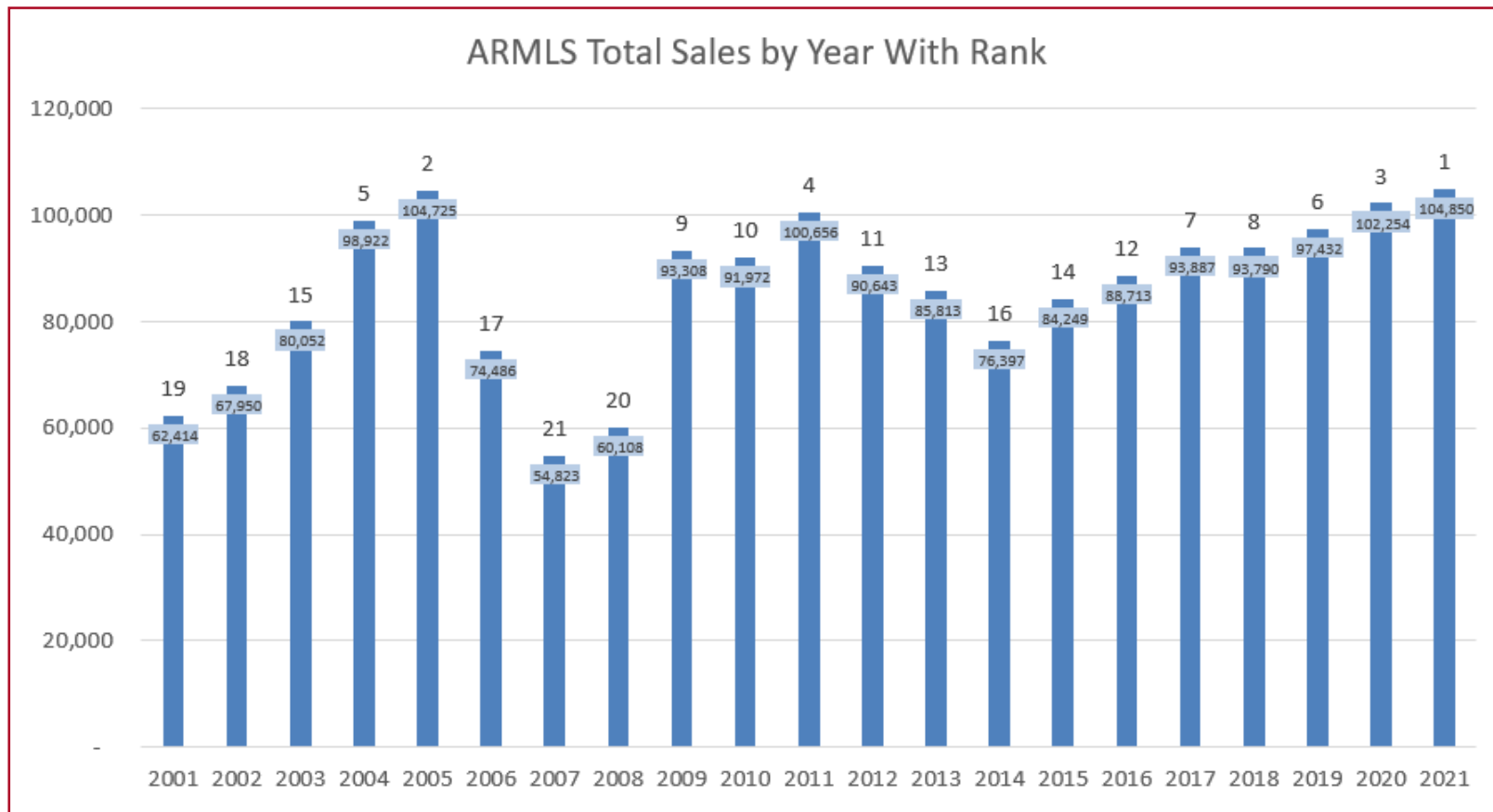
What we do know, we begin 2022 with the lowest number of active listings at year's end on record. And, while we all know the 28% year-over-year increase in the median sales price last year is unsustainable, there is nothing holding back continued price gains in the short term. We know a change is coming, but there are two questions I can't answer: When will our market moderate? Where will the increase in supply come from? We do know, it isn't going to moderate tomorrow. New construction and distressed sales will not increase our supply as new construction did in 2004 and 2005, and distressed properties did in 2009, 2010 and 2011.

It's time for your year in review records:

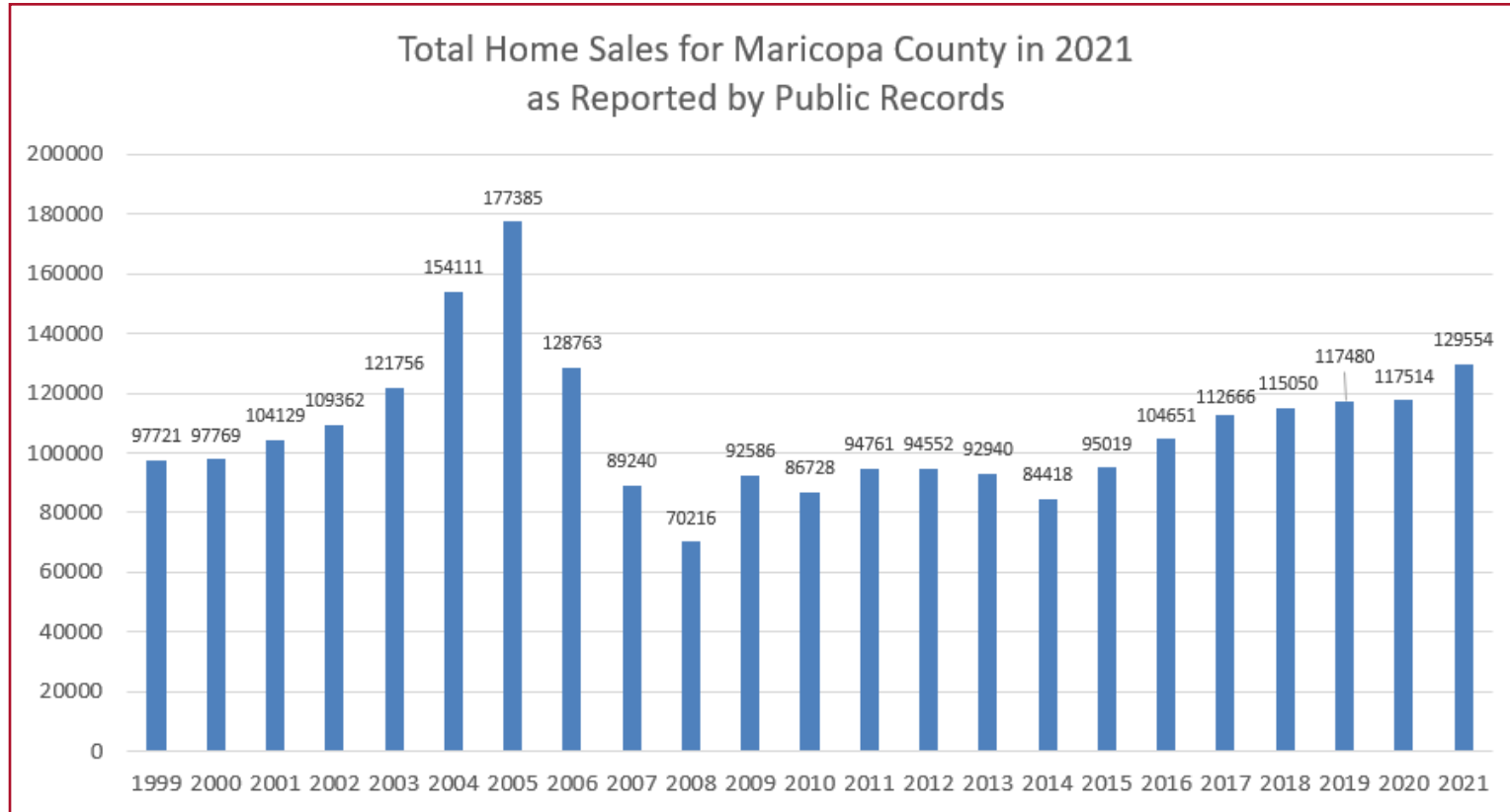
- Highest year-end sales volume sales volume: 104,850
- Highest year-end average sales price: \$528,940
- Highest year-end gross dollar sales volume: \$51.763 Billion
- Highest year-end median sales price: \$427,000
- 11 consecutive years with year-end gain in the median sales price
- The number of new builds sold in Maricopa County declined this year after increasing 6 straight years
- Lowest foreclosure activity in history
- iBuyer and institutional investors both increased their activity in 2021
- Zillow left the iBuyer market
- Highest year-end sales volume sales volume: 104,850

2021 saw the highest sales volume in history, as reported by ARMLS. The 104,850 sales surpassed 2005's previous record. It should be noted that when viewing public records data, 2005's total is and will remain the undisputed champion for the foreseeable future. In 2005, there were a significant number of new builds sold that were never listed on the MLS. The two charts below display this data.

ARMLS Total Sales by Year with Rank

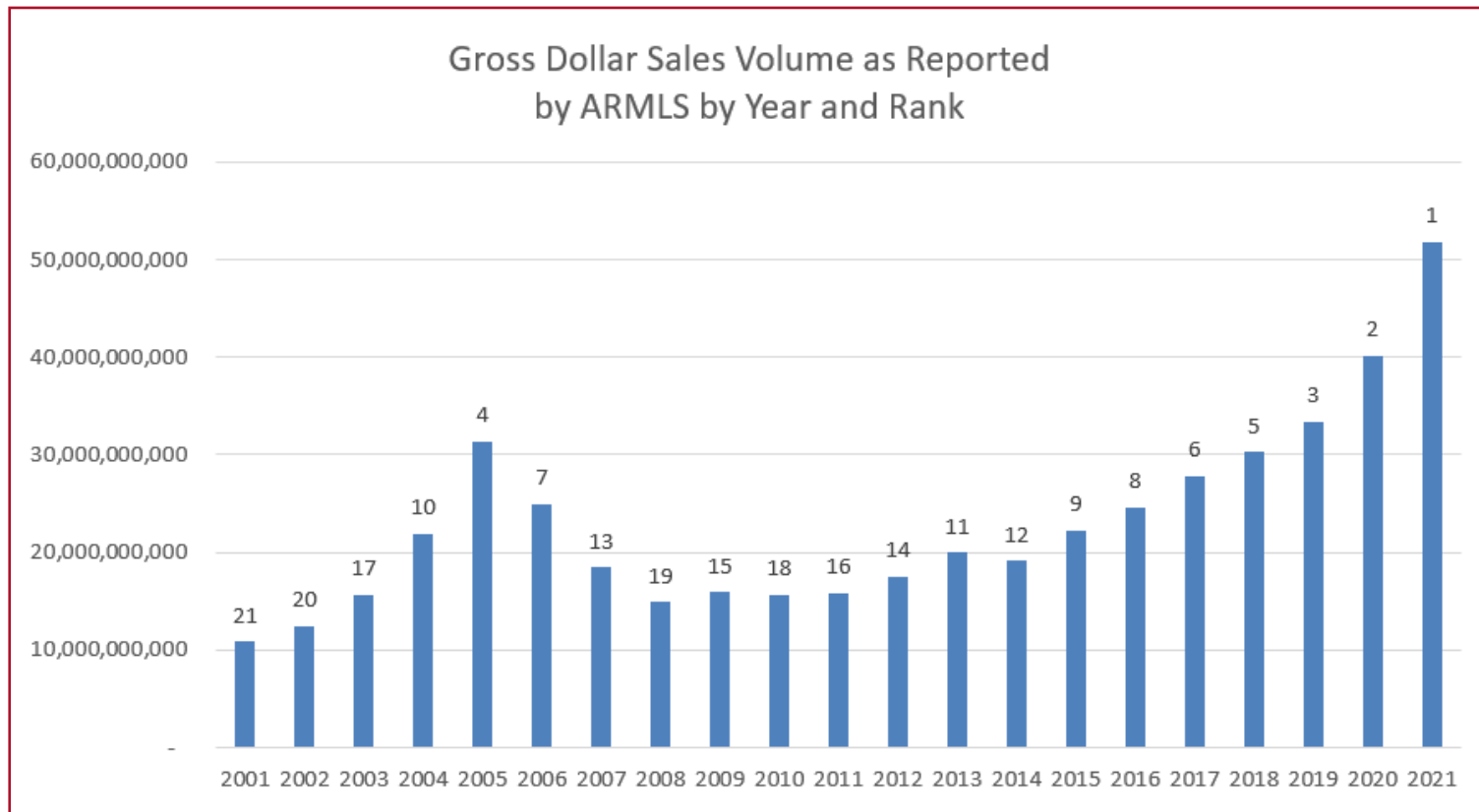


Total Home Sales for Maricopa County in 2021 via Public Records



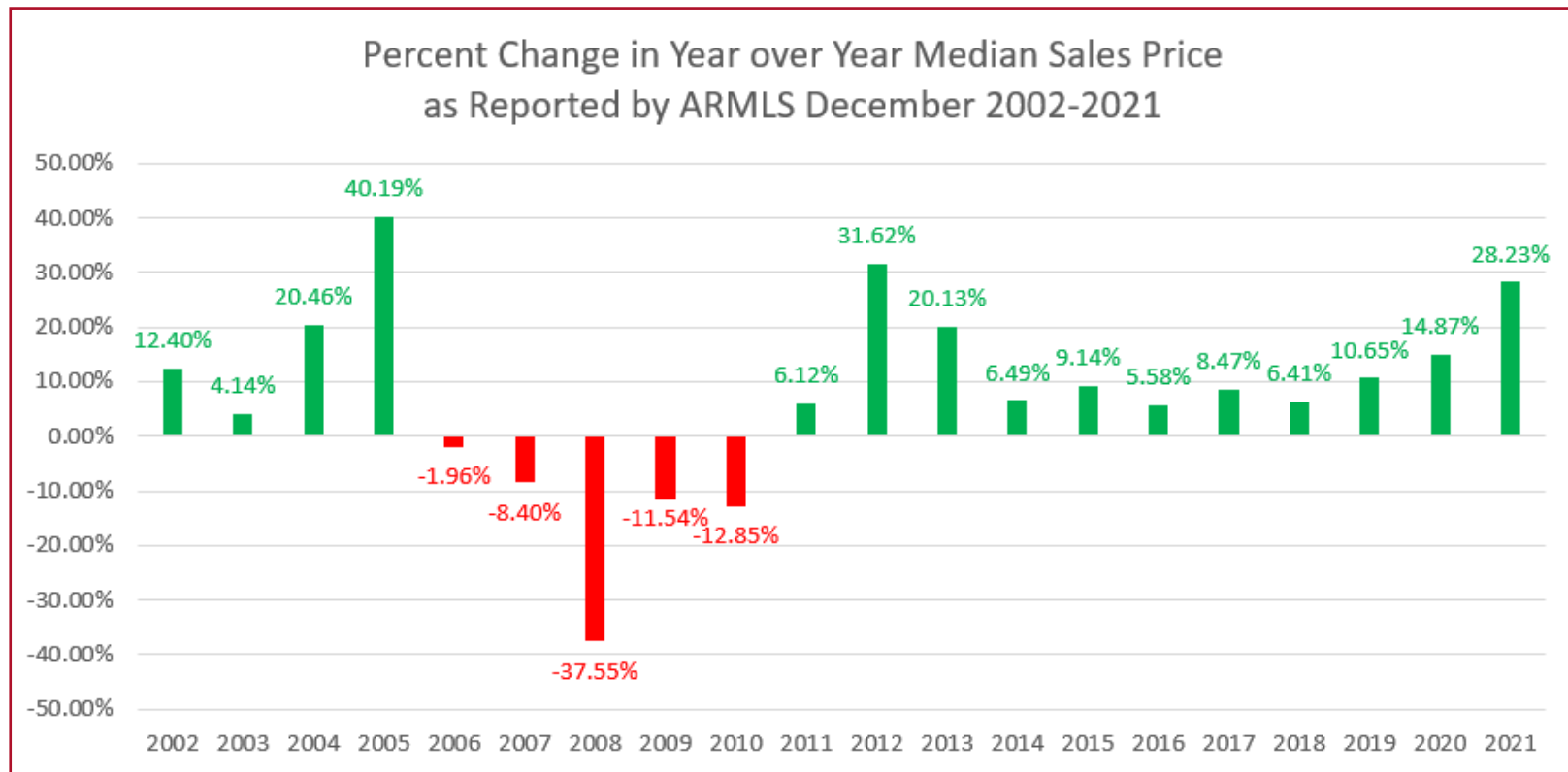
Highest year-end gross dollar sales volume: **\$51.763 Billion**. When you set records in sales volume and sales price, you're going to shatter the gross dollar volume sales figure.

Gross Dollar Sales Volume Year over Year Rank via ARMLS



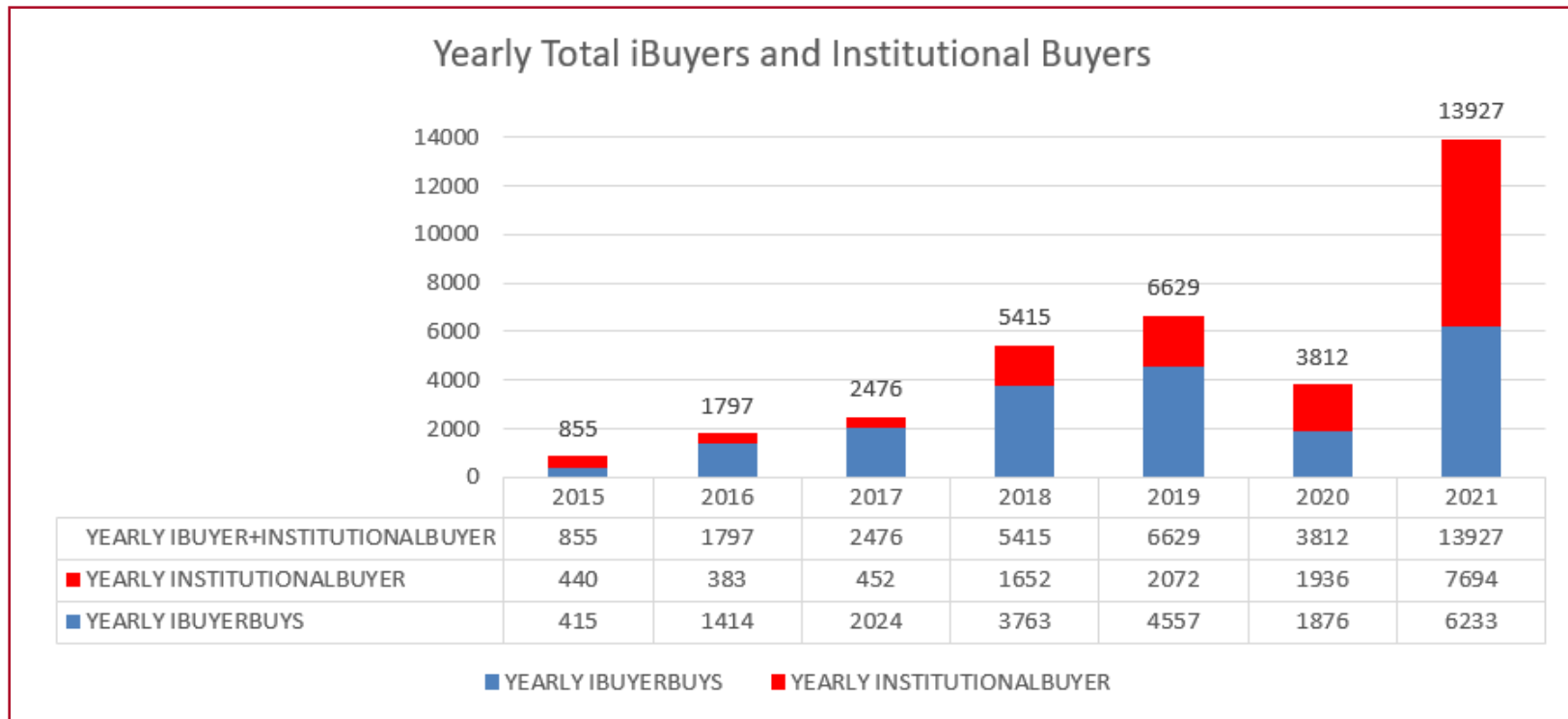
Highest year-end median sales price: **\$427,000**. Our next chart shows the year-over-year percentage gain/loss in our year-end median sales prices. The median sales price increased for the 11th consecutive year.

Percent Change in Year over Year Median Sales Prices via ARMLS



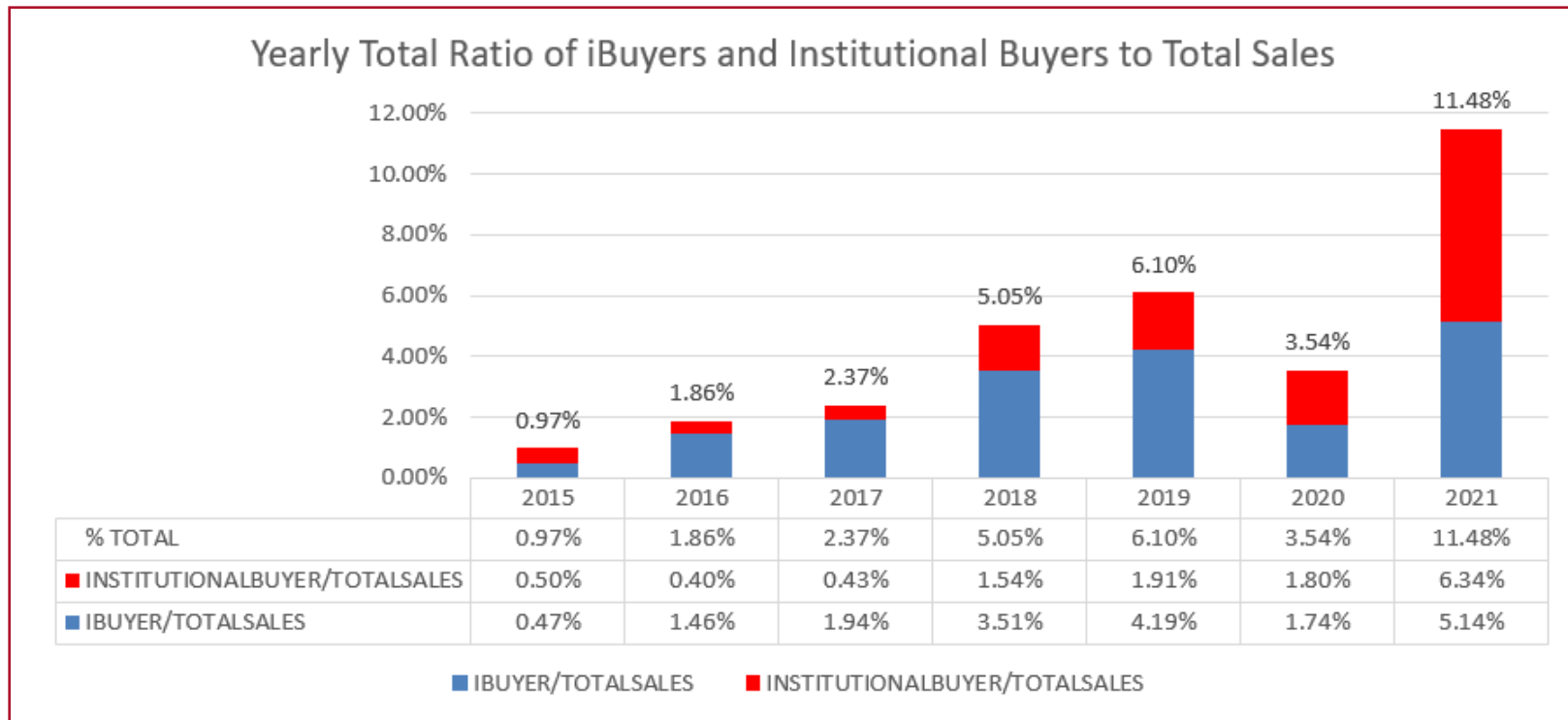
iBuyers and institutional investors both saw significant increases in purchasing activity in 2021.

Yearly Total iBuyers and Institutional Buyers



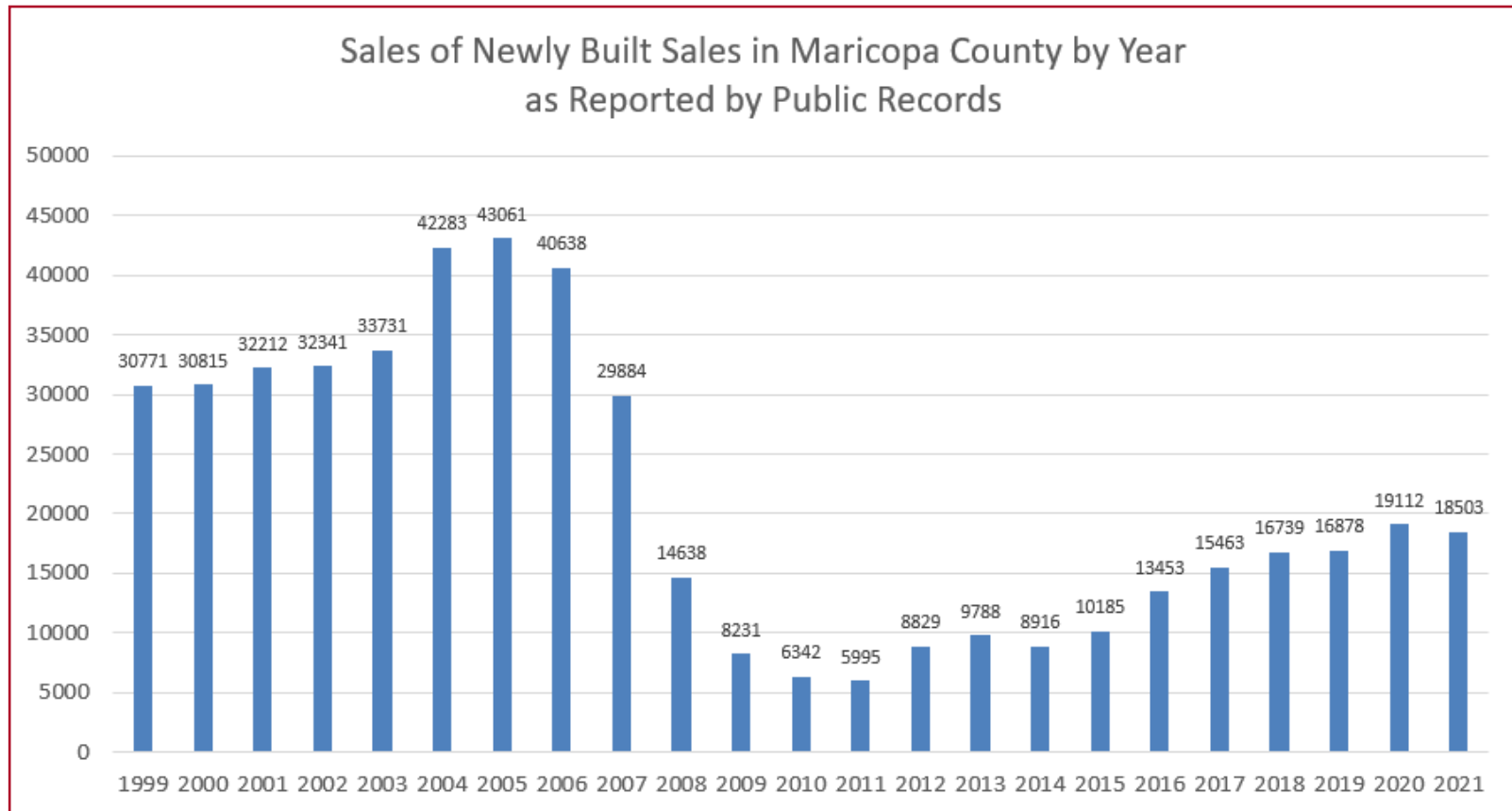
Institutional buyers accounted for 6.34% of all homes purchased in Maricopa County in 2021.

Yearly Total Ratio of iBuyers and Institutional Buyers to Total Sales



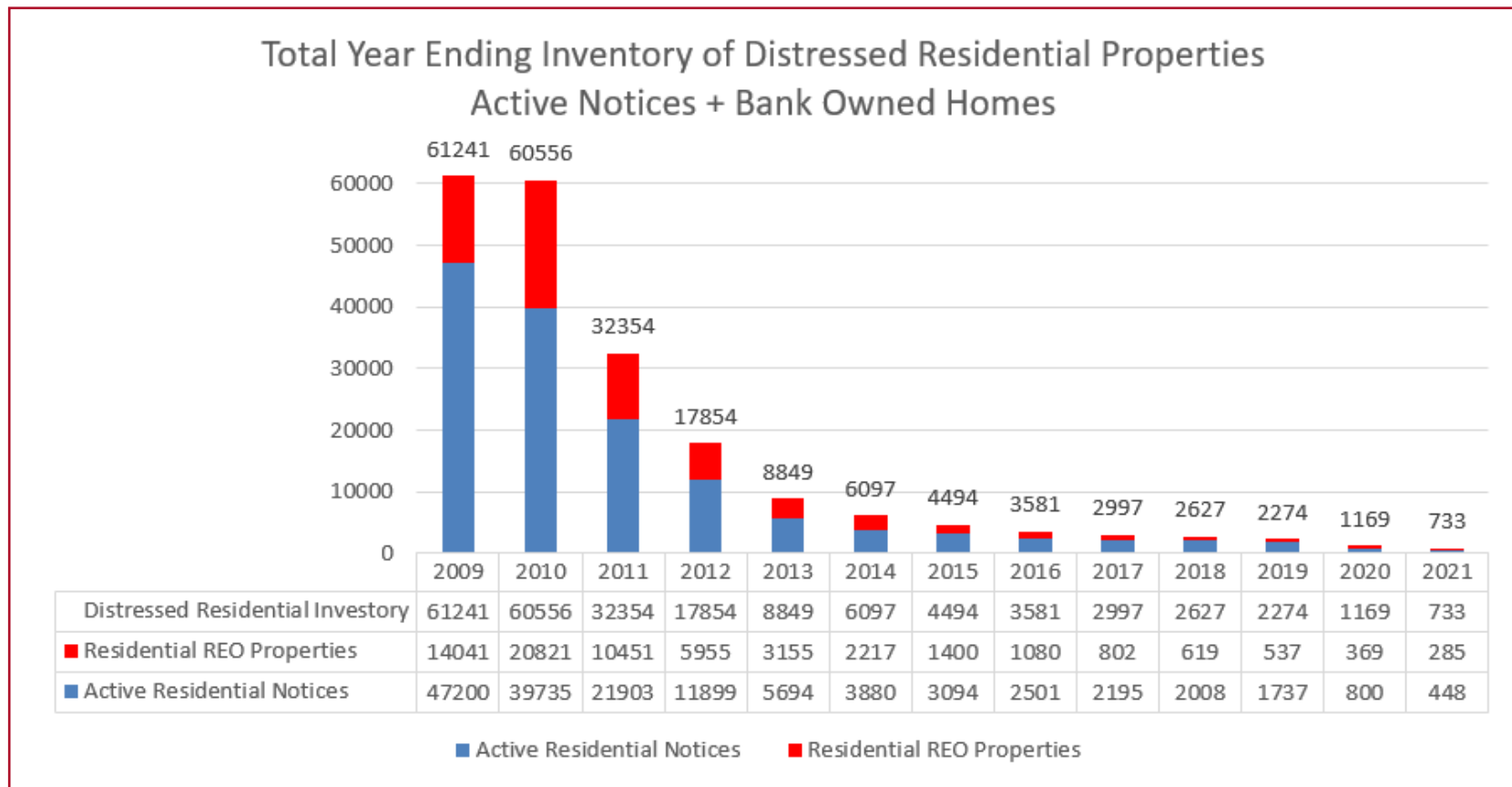
The number of new builds sold in Maricopa County declined this year after increasing six straight years. Labor and supply chain issues have been blamed. 2022 will offer further insight.

Newly Built Sales in Maricopa County by Year via Public Records



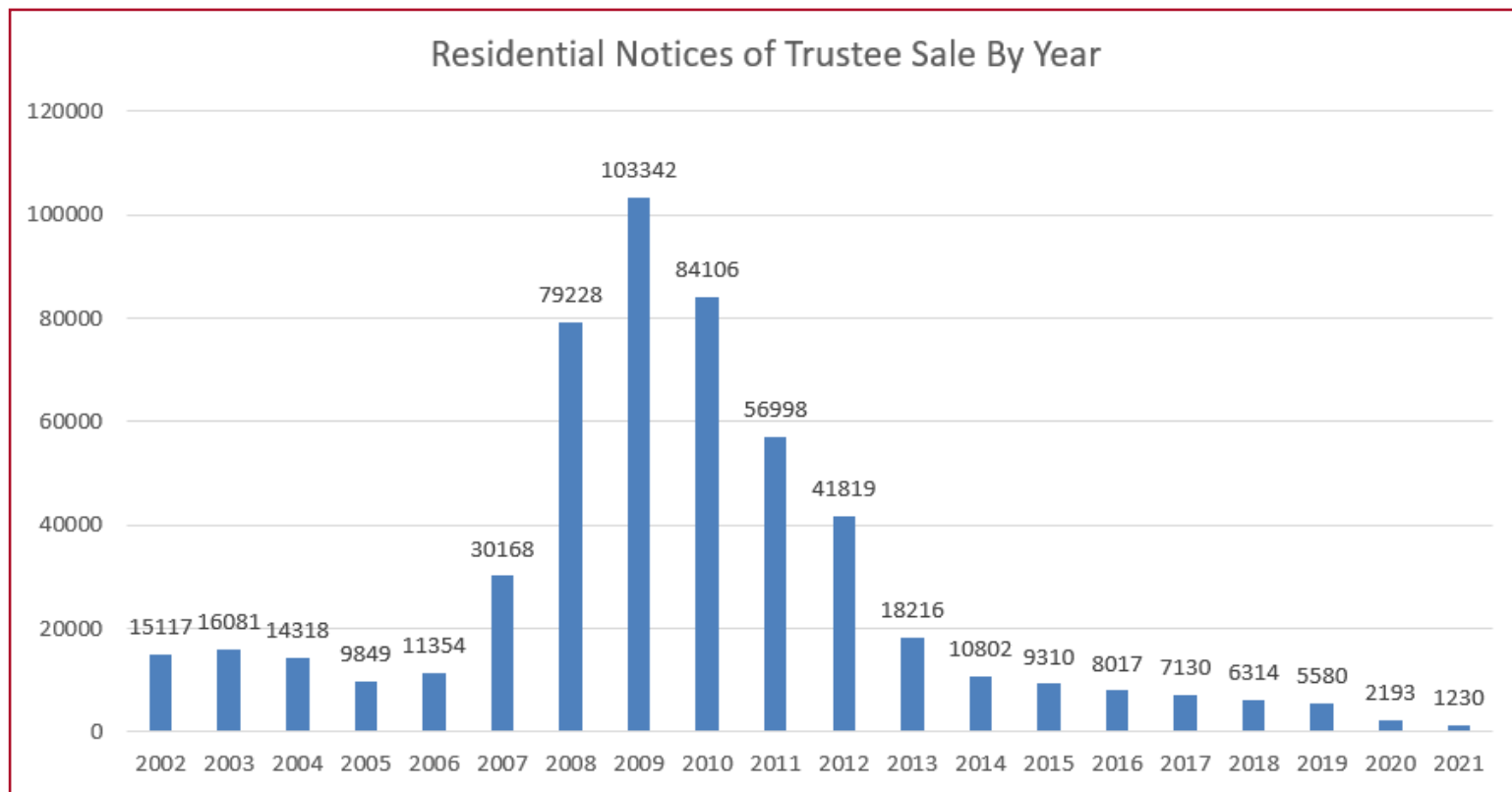
Remember shadow inventory? In STAT, we define distressed inventory as the number of properties in foreclosure (having an active notice), plus homes that are bank owned (REO). Our current distressed inventory is only 733 homes.

Total Year Ending Inventory of Distressed Residential Properties Active Notices and Bank Owned Homes



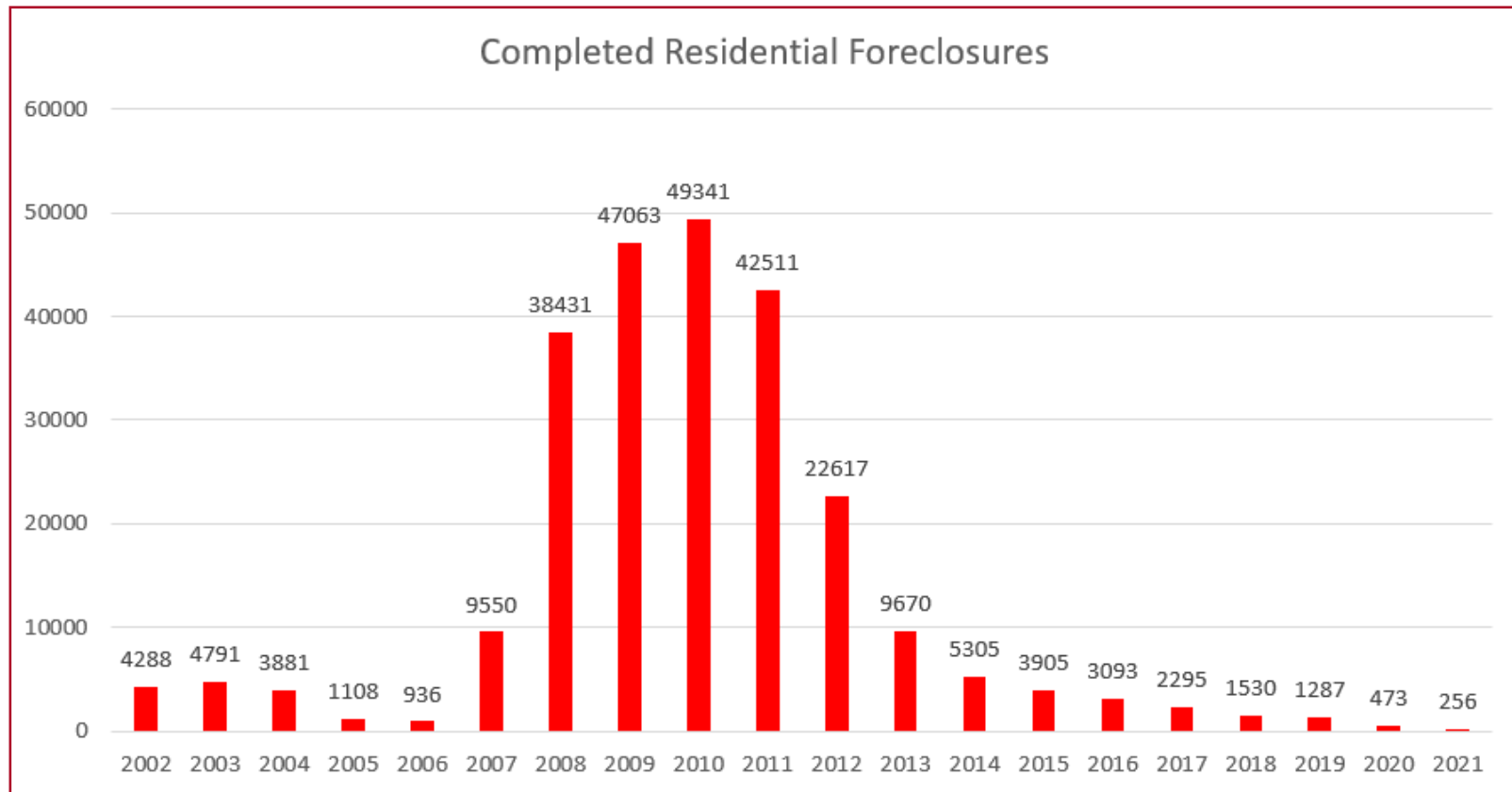
Foreclosure activity declined for the 12th straight year. I expect foreclosures to increase next year, simply because they can't go any lower. Foreclosure activity will still be extremely low in 2022. We saw the lowest foreclosure activity in Maricopa County in modern history. The foreclosure moratorium ended in October.

Residential Notices of Trustee Sale by Year



There were only 256 residential foreclosures in 2021. With equity, homeowners have options.

Completed Residential Foreclosures



I will close with the same remark I made last year, “The story for 2020 is not where we began or where we finished, but in the journey itself. In hindsight, 2020 was beyond remarkable.” The same can be said of 2021, beyond remarkable indeed.

ARMLS Pending Price Index (PPI)

Last month STAT’s mathematical model projected the median sales price for December at \$425,000. The actual number was \$427,000. Looking ahead to January, the ARMLS Pending Price Index is projecting a median sales price of \$430,000. If January’s median sales price projection is correct, we will see a year-over-year gain of 26.47%.

We began January with 5,955 pending contracts, 2,637 UCB listings and 220 CCBS, giving us a total of 8,812 residential listings practically under contract. This compares to 9,730 of the same type of listings one year ago. At the beginning of January, the “pending” contracts are 9.43% lower than last year. There were 19 business days in January 2021 and 20 this year. ARMLS reported 7,076 sales in January 2021. The highest sales volume ever in January occurred last year. Sales volume will be lower this January.