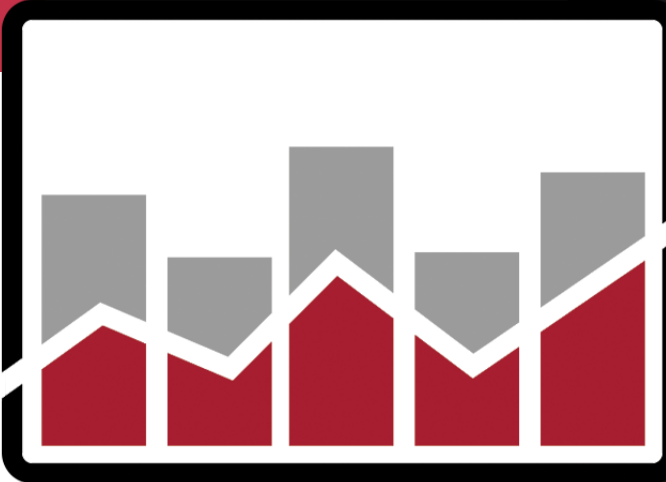


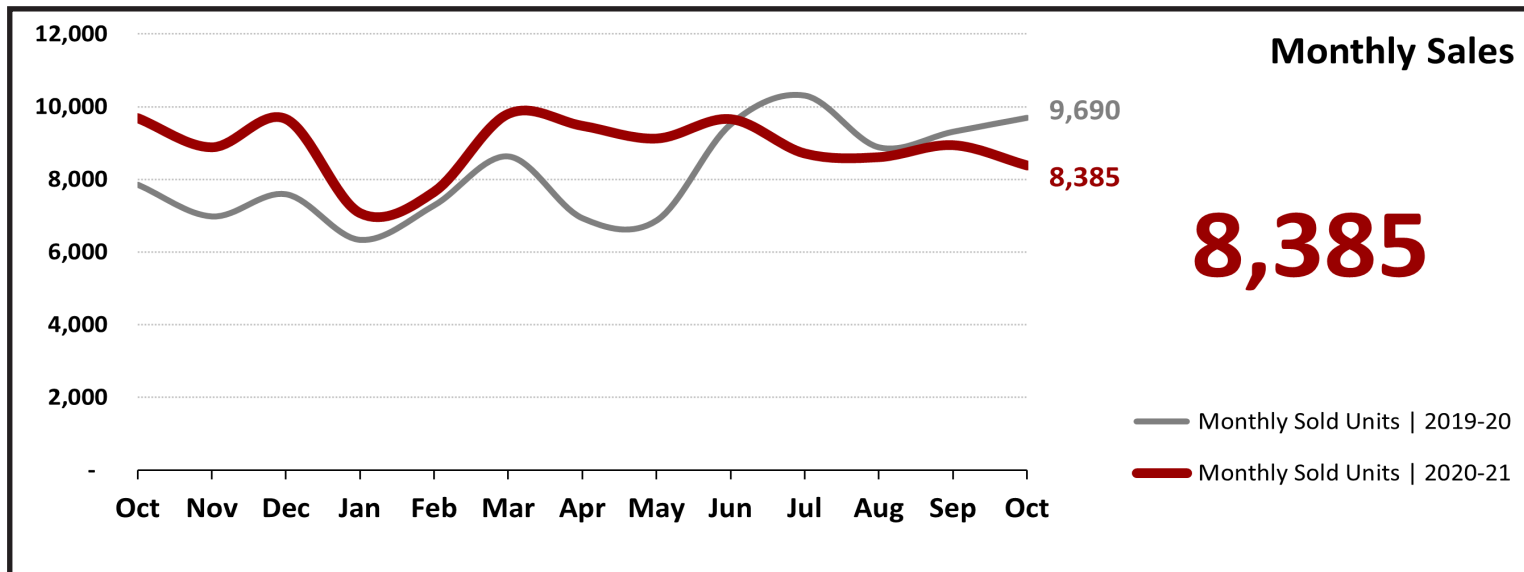
STAT

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



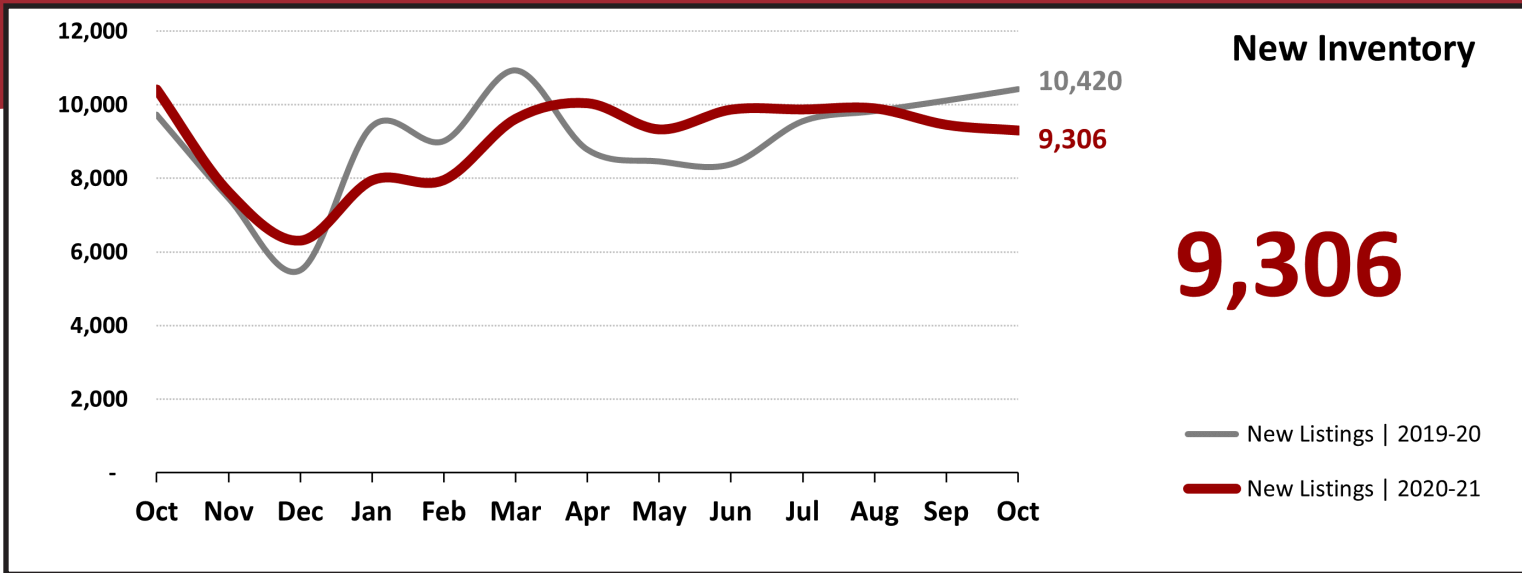
DATA FOR **OCTOBER 2021**

Published November 17, 2021



Sales are down **-6.3%** month-over-month. The year-over-year comparison is down **-13.5%**.

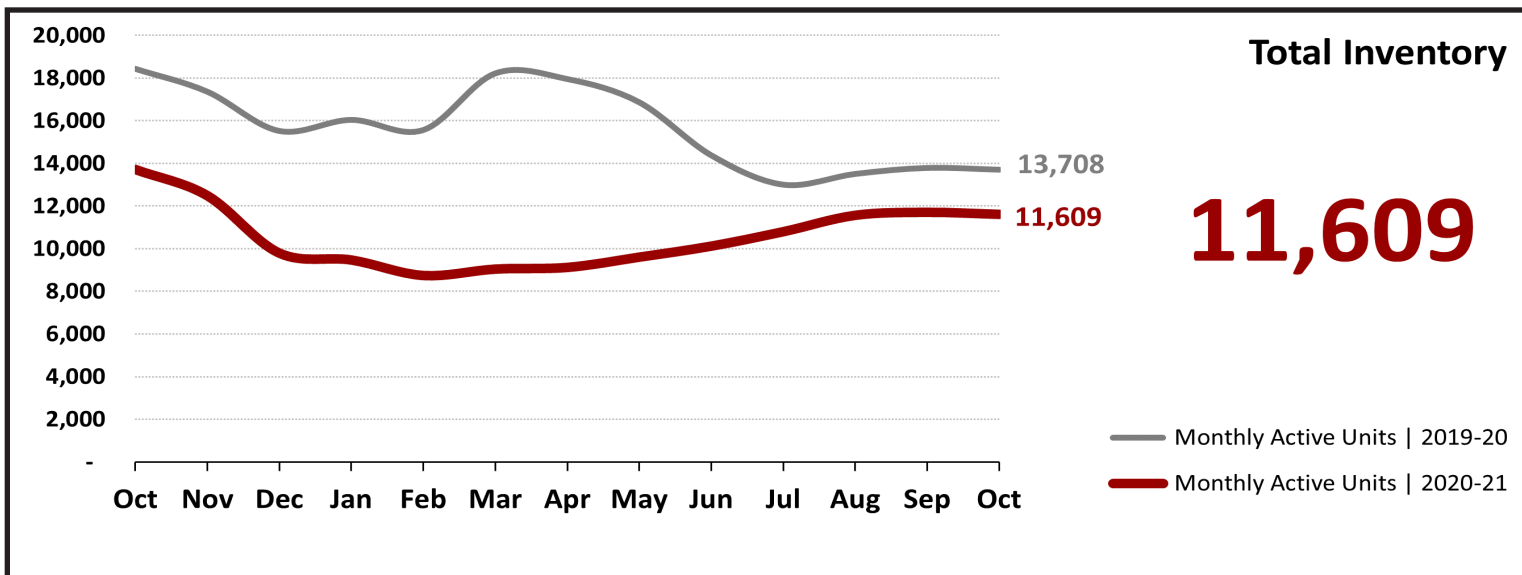
Closed MLS sales with a close of escrow date from 10/1/21 to 10/31/21, 0 day DOM sales removed



New MLS listings that were active for at least one day from 10/1/21 to 10/31/21, 0 day DOM sales removed

New inventory has a month-over-month decrease of **-1.6%** while the year-over-year comparison decreased by **-10.7%**.

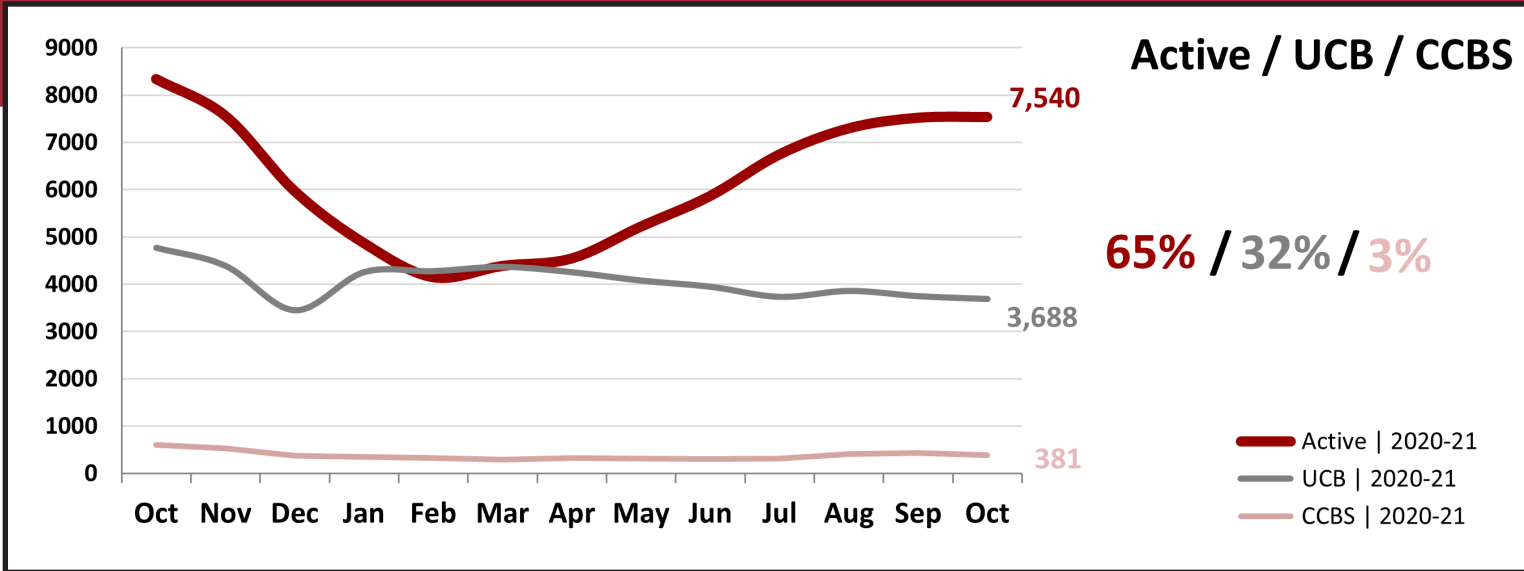
9,306



Snapshot of statuses on 10/31/21

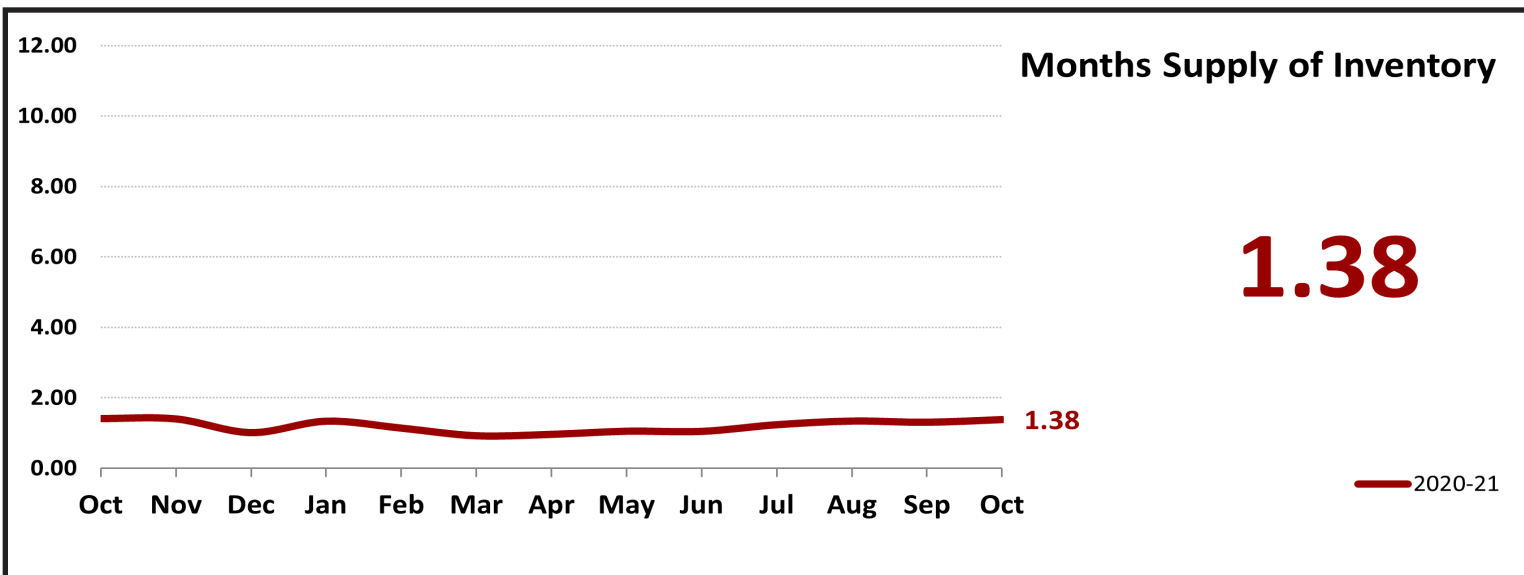
Total inventory has a month-over-month decrease of **-0.8%** while year-over-year reflects a decrease of **-15.3%**.

11,609



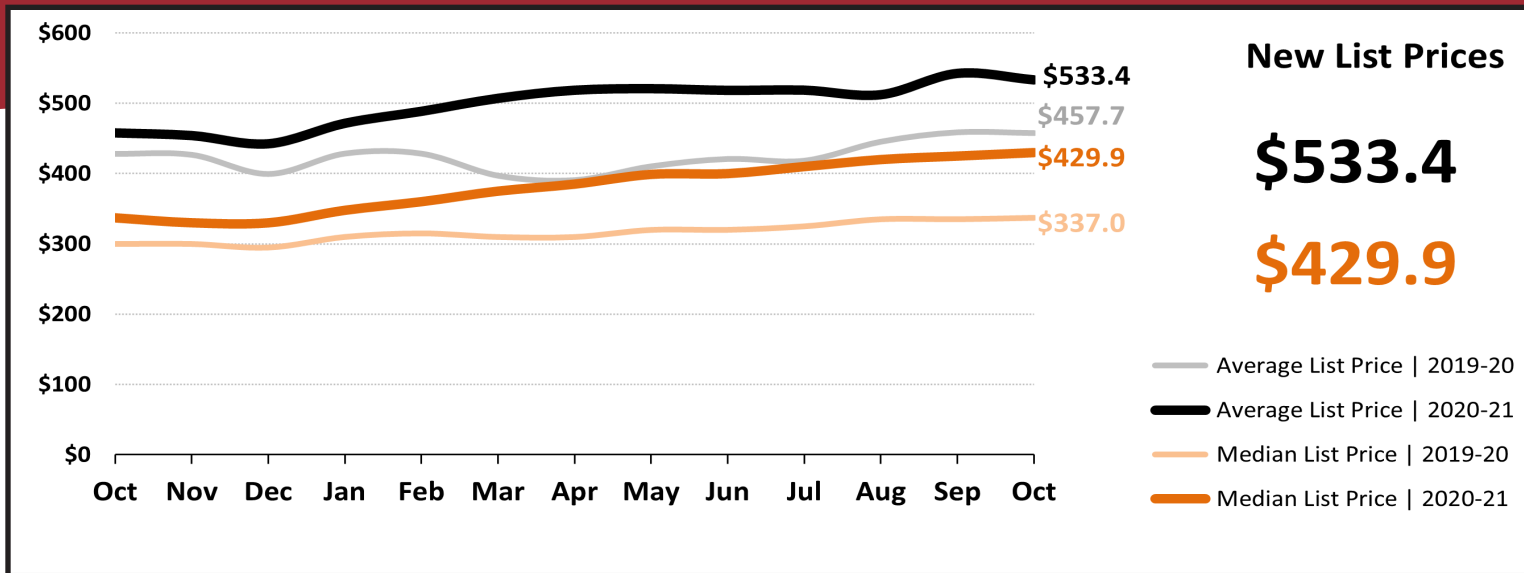
Snapshot of statuses on 10/31/21

October UCB listings percent of total inventory was **31.8%** with October CCBS listings at **3.3%** of total inventory.



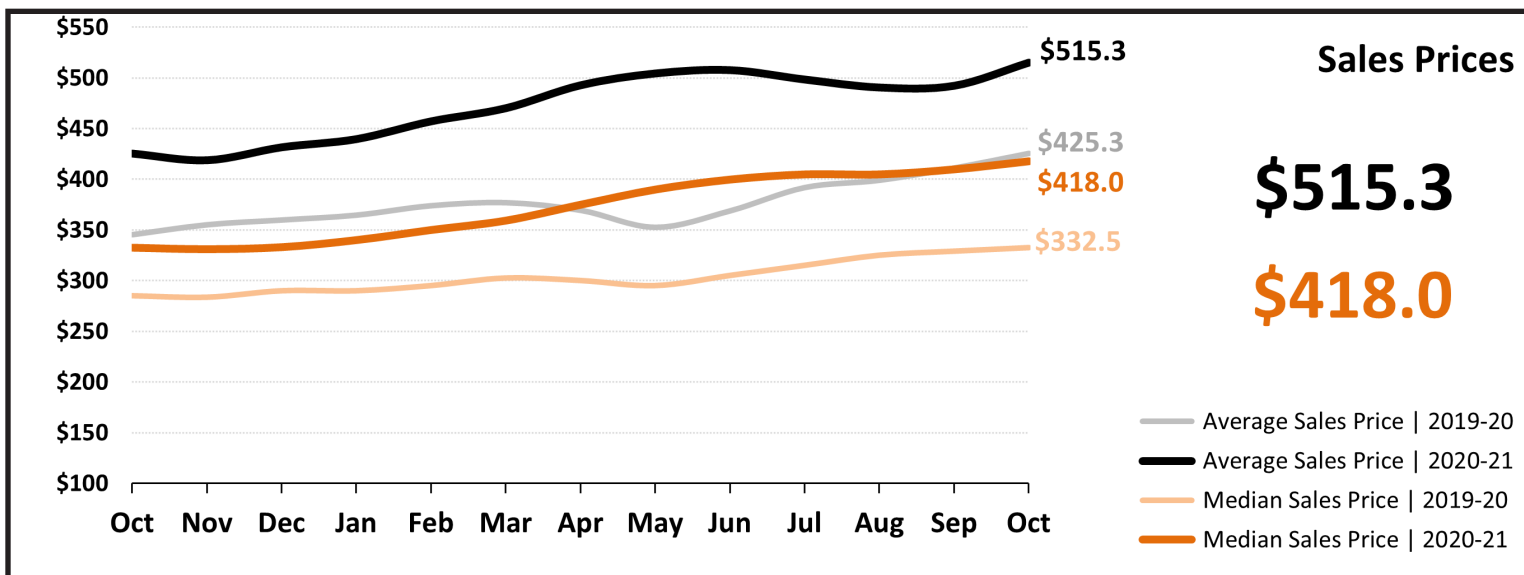
Current inventory of Active/UCB/CCBS divided by the monthly sales volume of OCTOBER 2021, 0 day DOM sales removed

Months supply of inventory for September was **1.31** with October at **1.38**.



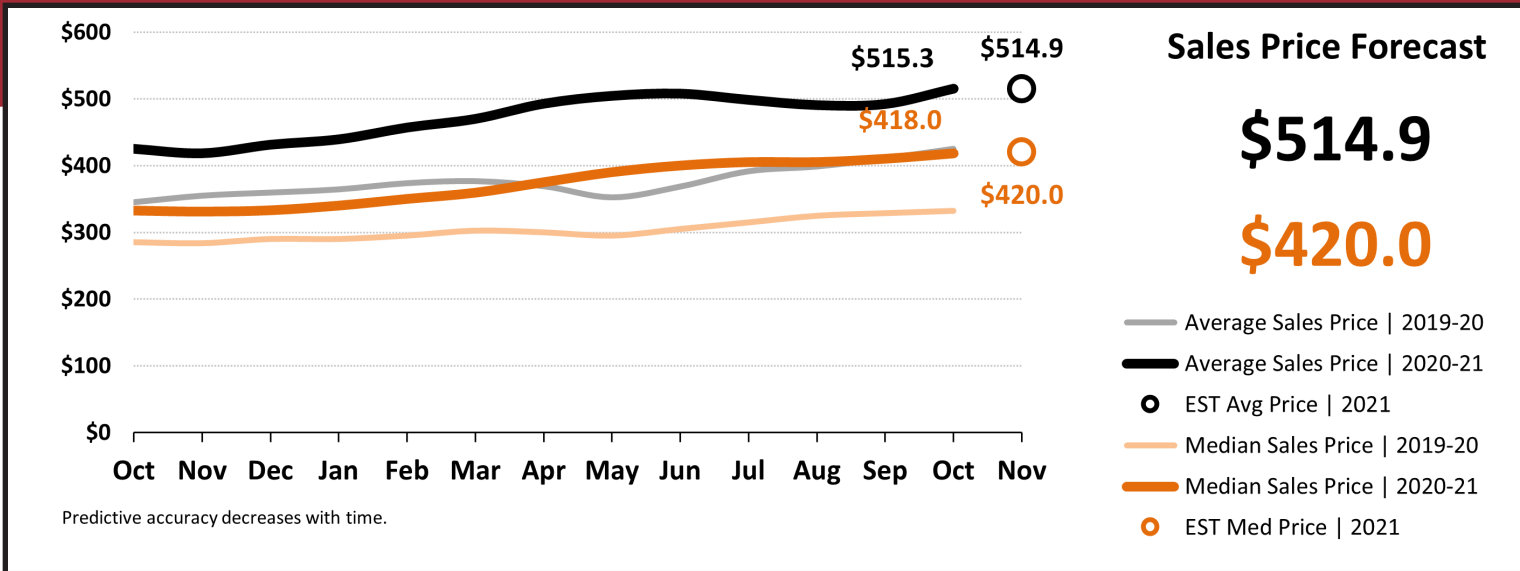
List prices of new listings with list dates from 10/1/21 to 10/31/21, 0 day DOM sales removed

Average new list prices are up **+16.5%** year-over-year. The year-over-year median is up **+27.6%**.

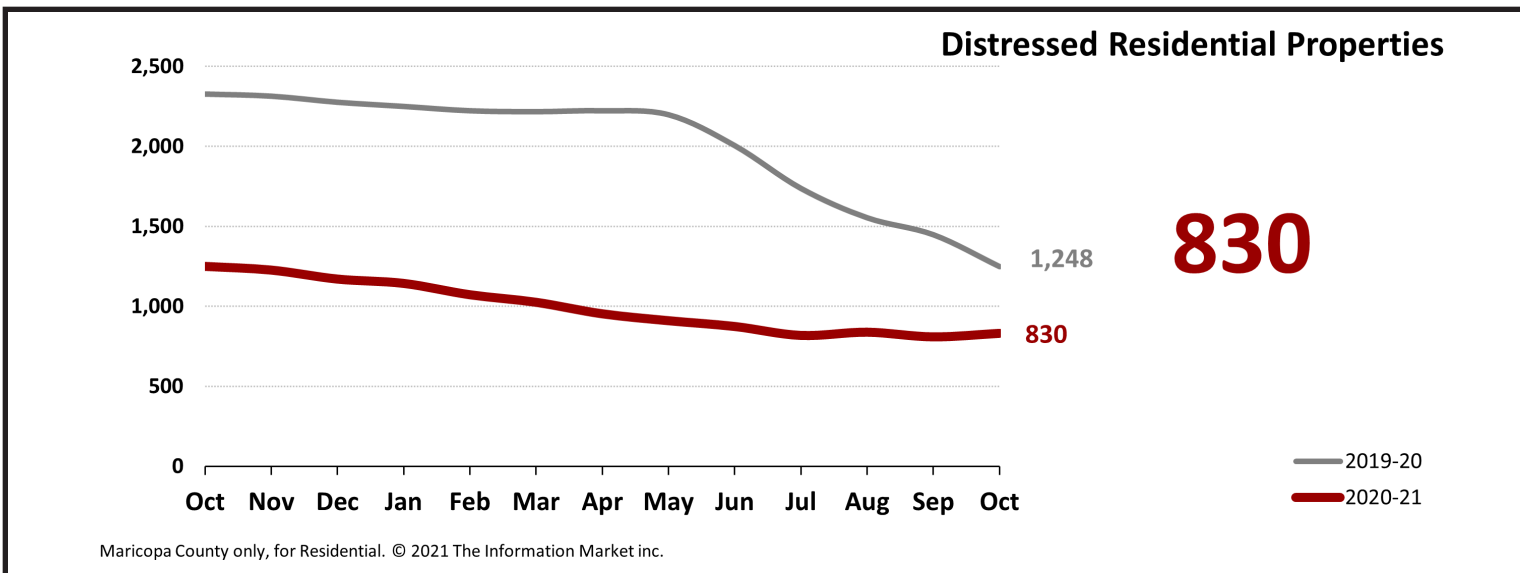


MLS sales prices for closed listings with a close of escrow date from 10/1/21 to 10/31/21, 0 day DOM sales removed

The average sales price is up **+21.2%** year-over-year while the year-over-year median sales price is also up **+25.7%**.

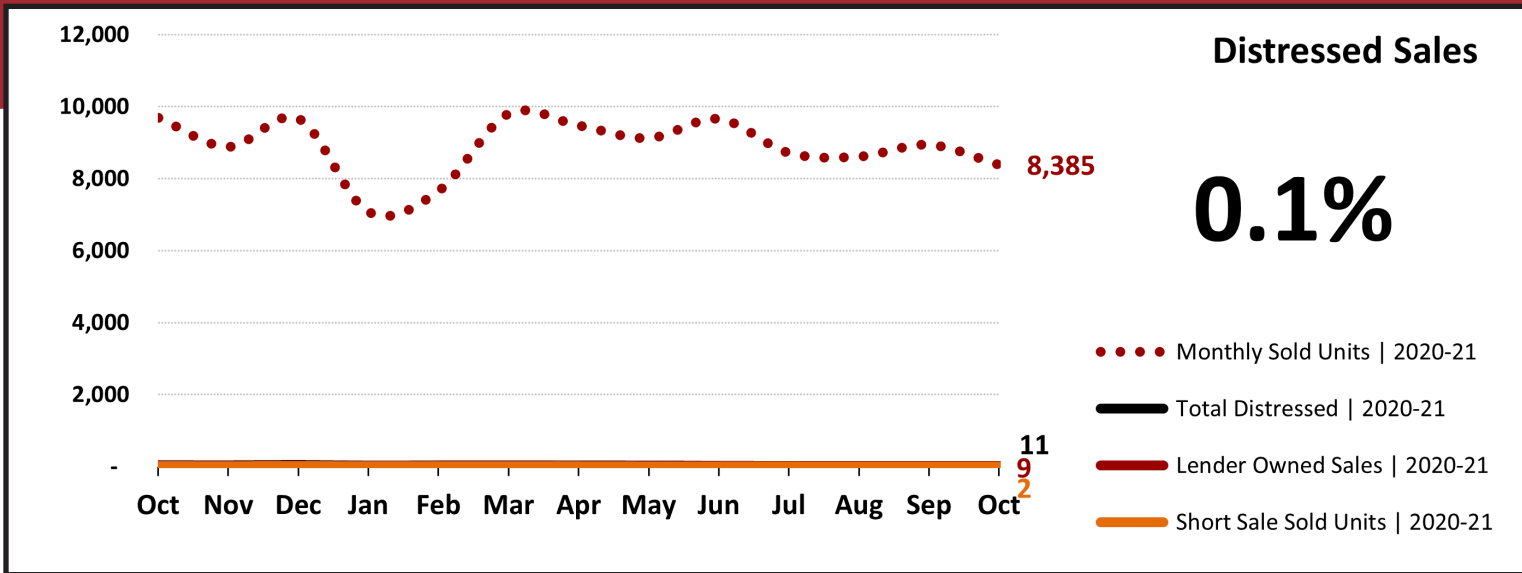


A slight **decrease** is forecasted in November for average sale prices while an **increase** is forecasted for median sale prices.



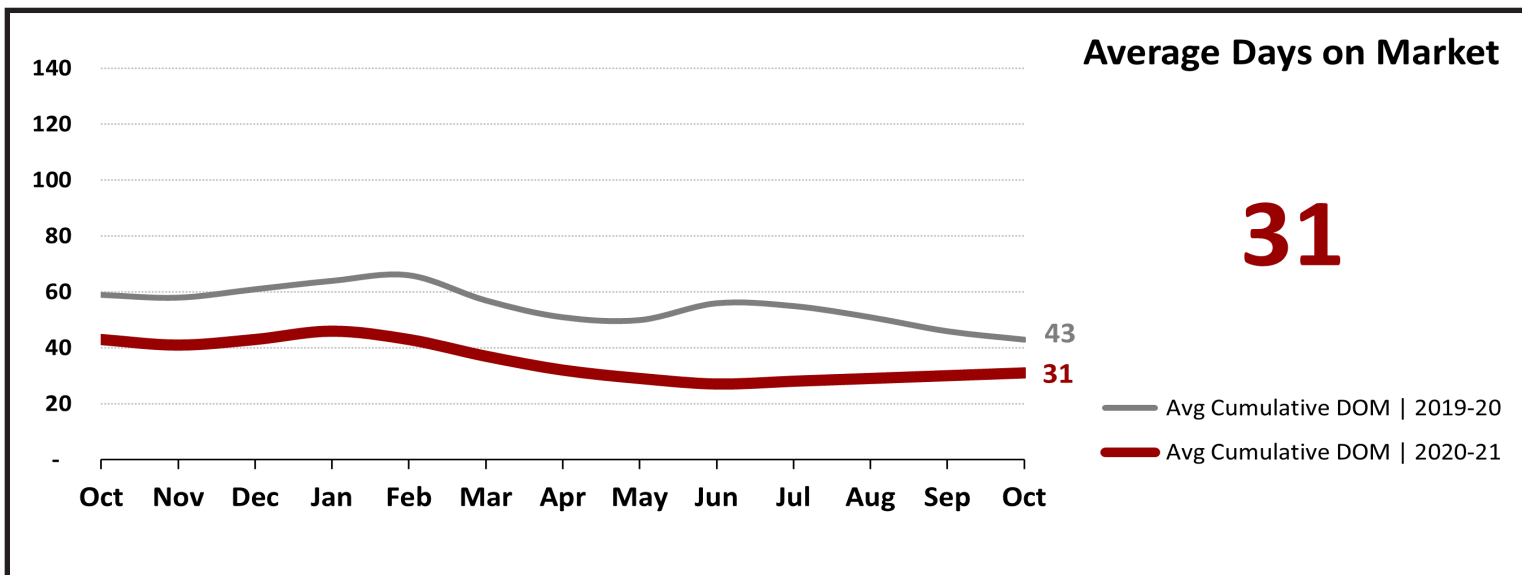
Foreclosures pending month-over-month showed an increase of **+2.7%** while the year-over-year figure was down **-33.5%**.

Snapshot of public records data on 10/31/21 active residential notices and residential REO properties.



New MLS listings that were active for at least one day from 10/1/21 to 10/31/21, 0 day DOM sales removed

Distressed sales accounted for **0.1%** of total sales, down from the previous month of **0.2%**. Short sales went down **-80%** year-over-year. Lender-owned sales dropped **-69.0%** year-over-year.



MLS sales prices for closed listings with a close of escrow date from 10/1/21 to 10/31/21, 0 day DOM sales removed

Days on market were down **-12** days year-over-year while month-over-month went up **+1** day.

MARKET UPDATE

In October, as reported by ARMLS, we saw a year-over-year decline in sales volume, new listings, and the total number of active listings. We saw an increase in the year-over-year median sales price of 25.7% and the average sales price of 21.2%. The median sales price rose 2% month-over-month and the average price gain increased 4.7% month-over-month. October reported a median sales price of \$418,000 with an average sales price of \$515,300. With limited supply and steady demand, prices will continue to rise the remainder of 2021. Our PPI price index projects a median sales price for November of \$420,000, while my daily charts indicate the median price will rise to \$425,000 by year-end. The charts below speak for themselves.

COMMENTARY

BY TOM RUFF

	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
Monthly Sold Units 2019-20	7,848	6,974	7,585	6,328	7,279	8,626	6,925	6,860	9,508	10,303	8,878	9,305	9,690
Monthly Sold Units 2020-21	9,690	8,886	9,666	7,076	7,659	9,806	9,476	9,127	9,661	8,715	8,614	8,944	8,385
% Change over year	23.5%	27.4%	27.4%	11.8%	5.2%	13.7%	36.8%	33.0%	1.6%	-15.4%	-3.0%	-3.9%	-13.5%
% Change per month	4.1%	-8.3%	8.8%	-26.8%	8.2%	28.0%	-3.4%	-3.7%	5.9%	-9.8%	-1.2%	3.8%	-6.3%
New Listings 2019-20	9,729	7,470	5,503	9,411	9,010	10,930	8,781	8,458	8,382	9,550	9,825	10,111	10,420
New Listings 2020-21	10,420	7,635	6,308	7,949	7,957	9,625	10,047	9,335	9,875	9,878	9,908	9,459	9,306
% Change over year	7.1%	2.2%	14.6%	-15.5%	-11.7%	-11.9%	14.4%	10.4%	17.8%	3.4%	0.8%	-6.4%	-10.7%
% Change per month	3.1%	-26.7%	-17.4%	26.0%	0.1%	21.0%	4.4%	-7.1%	5.8%	0.0%	0.3%	-4.5%	-1.6%
Monthly Active Units 2019-20	18,443	17,370	15,526	16,045	15,566	18,226	17,962	16,870	14,382	13,006	13,510	13,792	13,708
Monthly Active Units 2020-21	13,708	12,480	9,791	9,470	8,744	9,043	9,122	9,602	10,118	10,793	11,562	11,701	11,609
% Change over year	-25.7%	-28.2%	-36.9%	-41.0%	-43.8%	-50.4%	-49.2%	-43.1%	-29.6%	-17.0%	-14.4%	-15.2%	-15.3%
% Change per month	-0.6%	-9.0%	-21.5%	-3.3%	-7.7%	3.4%	0.9%	5.3%	5.4%	6.7%	7.1%	1.2%	-0.8%
Median Sales Price 2019-20	\$285.0	\$283.5	\$289.9	\$289.9	\$295.0	\$302.5	\$300.0	\$295.0	\$305.0	\$315.0	\$325.0	\$329.0	\$332.5
Median Sales Price 2020-21	\$332.5	\$331.0	\$333.0	\$340.0	\$350.0	\$359.3	\$375.0	\$390.0	\$399.9	\$405.0	\$405.0	\$410.0	\$418.0
EST Med Price 2021													
% Change over year	16.7%	16.8%	14.9%	17.3%	18.6%	18.8%	25.0%	32.2%	31.1%	28.6%	24.6%	24.6%	25.7%
% Change per month	1.1%	-0.5%	0.6%	2.1%	2.9%	2.7%	4.4%	4.0%	2.5%	1.3%	0.0%	1.2%	2.0%
Average Sales Price 2019-20	\$345.1	\$354.9	\$359.6	\$364.4	\$373.7	\$376.7	\$369.2	\$352.4	\$368.6	\$391.6	\$398.8	\$410.9	\$425.3
Average Sales Price 2020-21	\$425.3	\$418.7	\$431.5	\$439.6	\$457.2	\$470.2	\$492.9	\$504.6	\$507.9	\$498.6	\$490.7	\$492.4	\$515.3
EST Avg Price 2021													
% Change over year	23.2%	18.0%	20.0%	20.6%	22.3%	24.8%	33.5%	43.2%	37.8%	27.3%	23.0%	19.8%	21.2%
% Change per month	3.5%	-1.6%	3.1%	1.9%	4.0%	2.8%	4.8%	2.4%	0.7%	-1.8%	-1.6%	0.3%	4.7%

I also wanted to share with you our public records data for October 1999 to today. The two tables below display resale and new construction metrics for Maricopa County. As with ARMLS data, we saw declines in year-over-year sales volume. New Construction volume was down 23% from last October, with the median sales price up 20.59% for resale and 18.95% for newly built sales. I believe we're all in agreement that these price gains are unsustainable.

Resale Median via Public Records

All Date	Resale Median						
	Resale Count	Low Qtr	Low Qtr Prev YearΔ	Middle	Middle Prev YearΔ	High Qtr	High Qtr Prev YearΔ
202110	8,996	\$ 339,900	30.73%	\$ 420,000	25.37%	\$ 549,900	20.59%
202010	9,563	\$ 260,000	17.81%	\$ 335,000	19.64%	\$ 456,000	20.32%
201910	8,224	\$ 220,700	10.35%	\$ 280,000	8.53%	\$ 379,000	8.29%
201810	7,652	\$ 200,000	10.19%	\$ 258,000	5.95%	\$ 350,000	6.06%
201710	7,580	\$ 181,500	6.76%	\$ 243,500	8.22%	\$ 330,000	6.45%
201610	7,234	\$ 170,000	13.33%	\$ 225,000	7.14%	\$ 310,000	3.68%
201510	6,561	\$ 150,000	11.11%	\$ 210,000	9.38%	\$ 299,000	6.60%
201410	6,107	\$ 135,000	5.55%	\$ 192,000	4.35%	\$ 280,500	0.18%
201310	6,184	\$ 127,900	27.90%	\$ 184,000	21.05%	\$ 280,000	17.65%
201210	6,921	\$ 100,000	41.84%	\$ 152,000	32.17%	\$ 238,000	28.65%
201110	6,615	\$ 70,500	-4.08%	\$ 115,000	-7.03%	\$ 185,000	-8.42%
201010	5,781	\$ 73,500	-8.13%	\$ 123,700	-4.99%	\$ 202,000	0.50%
200910	7,405	\$ 80,000	-31.91%	\$ 130,200	-23.41%	\$ 201,000	-20.63%
200810	5,268	\$ 117,500	-34.72%	\$ 170,000	-27.64%	\$ 253,250	-24.06%
200710	3,586	\$ 180,000	-9.77%	\$ 234,945	-4.49%	\$ 333,500	-3.19%
200610	6,349	\$ 199,500	7.84%	\$ 246,000	-1.56%	\$ 344,500	0.15%
200510	10,213	\$ 185,000	37.04%	\$ 249,900	42.80%	\$ 344,000	35.97%
200410	8,921	\$ 134,999	17.39%	\$ 175,000	18.64%	\$ 253,000	19.91%
200310	7,687	\$ 115,000	5.50%	\$ 147,500	5.36%	\$ 211,000	8.21%
200210	6,559	\$ 109,000	9.11%	\$ 140,000	8.11%	\$ 195,000	10.17%
200110	5,541	\$ 99,900	8.59%	\$ 129,500	3.60%	\$ 177,000	1.43%
200010	5,329	\$ 92,000	5.50%	\$ 125,000	6.84%	\$ 174,500	9.06%
199910	5,155	\$ 87,203	0.00%	\$ 117,000	0.00%	\$ 160,000	0.00%

New Median via Public Records

All	New Median						
	Date	New Count	Low Qtr	Low Qtr Prev YearΔ	Middle	Middle Prev YearΔ	High Qtr
202110	1,350	\$ 373,012	20.06%	\$ 447,352	17.99%	\$ 591,860	18.95%
202010	1,740	\$ 310,686	5.42%	\$ 379,132	2.56%	\$ 497,560	2.74%
201910	1,456	\$ 294,701	6.08%	\$ 369,660	5.92%	\$ 484,280	3.09%
201810	1,389	\$ 277,799	3.35%	\$ 348,990	4.79%	\$ 469,777	10.04%
201710	1,312	\$ 268,798	1.32%	\$ 333,031	1.60%	\$ 426,931	2.43%
201610	1,175	\$ 265,285	4.63%	\$ 327,794	5.73%	\$ 416,794	2.32%
201510	913	\$ 253,543	1.75%	\$ 310,015	-4.11%	\$ 407,350	-1.57%
201410	820	\$ 249,180	8.29%	\$ 323,306	7.58%	\$ 413,862	0.12%
201310	902	\$ 230,104	26.66%	\$ 300,522	22.15%	\$ 413,380	24.83%
201210	974	\$ 181,675	6.02%	\$ 246,037	7.28%	\$ 331,154	-5.28%
201110	519	\$ 171,352	1.37%	\$ 229,337	1.19%	\$ 349,605	13.78%
201010	428	\$ 169,028	3.70%	\$ 226,642	11.15%	\$ 307,265	14.41%
200910	761	\$ 162,990	-4.93%	\$ 203,909	-7.95%	\$ 268,574	-11.47%
200810	1,323	\$ 171,446	-19.93%	\$ 221,524	-16.59%	\$ 303,380	-17.39%
200710	2,385	\$ 214,115	-7.53%	\$ 265,600	-8.15%	\$ 367,250	-7.20%
200610	3,829	\$ 231,539	10.31%	\$ 289,169	9.30%	\$ 395,742	12.61%
200510	3,307	\$ 209,900	29.87%	\$ 264,568	30.79%	\$ 351,432	25.30%
200410	3,316	\$ 161,618	11.43%	\$ 202,280	15.15%	\$ 280,468	14.59%
200310	3,201	\$ 145,042	6.28%	\$ 175,667	5.03%	\$ 244,764	6.51%
200210	2,960	\$ 136,469	5.35%	\$ 167,256	5.30%	\$ 229,812	7.67%
200110	3,013	\$ 129,535	2.37%	\$ 158,835	-0.65%	\$ 213,435	-1.92%
200010	2,656	\$ 126,530	2.37%	\$ 159,870	7.30%	\$ 217,604	5.93%
199910	2,722	\$ 123,602	0.00%	\$ 148,991	0.00%	\$ 205,428	0.00%

The National Lens

National housing analyst Ivy Zelman has proclaimed Phoenix as the No. 1 market in the U.S. for institutional and iBuyer activity. Our numbers for October show institutional buyers accounted for 7.8% of all homes purchased in Maricopa County. They purchased 814 homes in the price range of \$250,000 to \$500,000, totalling \$321,768,000. iBuyers accounted for 7.3% of October purchases, totaling \$338,604,379. In a recent Bloomberg article, Mike DelPrete, a real estate tech strategist and scholar-in-residence at the University of Colorado Boulder, stated, *“The bigger these numbers get, the worse I feel about it. I get that there are business considerations.”* The Bloomberg article goes on to further state: *“As they’ve matured, buying thousands of homes a month, the iBuyers have allowed Wall Street firms to buy properties before they hit the open market, letting landlords jump ahead of regular buyers waiting for inventory to be listed. There is new urgency to these questions as soaring home prices shut many potential first-time buyers out of the real estate market. iBuyers argue selling to investors allows them to serve more customers and helps them gain economies of scale and pass on better prices to home sellers. For single-family landlords, working with tech companies lets them boost supply and satisfy the rampant demand that’s driving up rents.”*

More Ivy

According to Freddie Mac, the U.S. needs around 3.8 million housing units to meet demand due to years of nondevelopment following the housing collapse. Ivy Zelman believes these estimates ignore broader trends like slowing population growth and the formation of low rates of new households. She believes the housing market isn’t nearly as strong as it seems and that we aren’t in a housing shortage. Instead, we are in a position of overproduction, potentially putting the market we know at risk for a correction. She believes low-interest rates have inflated demand, creating a false reality of a housing shortage. Here’s a montage of her comments at a recent Inman event.

“The market has started to show some moderation. It’s still extremely strong, and we expect that we’re going to see that reversion to the mean and normalization come to fruition in 2022, barring no large increase in mortgage rates. One of the primary reasons for the looming cool down is the current situation’s ultimate lack of sustainability. In some regions, mortgage payments on a medium-priced home have gone up in double digits because of an ever-increasing percentage of investors and fix-and-flip buyers hoping to tap into rising home prices. The market then becomes oversaturated to an extent where people who own only the home they live in cannot afford to buy at all, finally bringing down demand for all. You have the people who have real jobs and need a place to shelter their families, and you have non-primary buyers. When you’re competing with cash and investors paying above appraised value, at some point, the music stops. Pricing is not elastic, and affordability matters. Too many homeowners are getting too comfortable in the belief that this situation will last forever. Some are hoping to see their property grow by more, while others are simply worried that, even if they sell well, prices have soared so much that they won’t be able to find another home to move into. The problem with such a market is that it does not work when there are no primary buyers. When only investors can afford properties and everyone else holds off on buying, the market ultimately stagnates for everybody. As a result, agents need to convince homeowners who are on the fence about selling their homes to do it quickly. It’s the incremental buyer that you need to worry about. You, as a Realtor, need to convince the existing prospective seller that now is a good time to sell. If your clients thought they could double what they paid, that opportunity is going to start to compress.”

IN CONCLUSION

In STAT, we try to stay in the present and simply share what we see, but sometimes it’s difficult not to try and peak ahead when you see things you cannot wrap your head around. It’s easy to share what is, and it’s much more difficult to guess what lies ahead. I don’t believe, nor does Zelman believe there will be another collapse in housing prices like the last time. But as I see vast amounts of Wall Street money pouring into the Phoenix market, my heart goes out to those first-time buyers trying to compete.

ARMLS PENDING PRICE INDEX (PPI)

Last month STAT's mathematical model projected the median sales price for October at \$415,000. The actual number was \$418,000. Looking ahead to November, the ARMLS Pending Price Index projected a median sales price of \$420,000. If November's median sales price projection is correct, we will see a year-over-year gain of 26.89%.

We began November with 7,216 pending contracts, 3,688 UCB listings and 381 CCBS, giving us a total of 11,285 residential listings practically under contract. This compares to 12,852 of the same type of listings one year ago. At the beginning of November, the "pending" contracts were 12.19 % lower than last year. There were 18 business days in November 2020 and 19 this year. ARMLS reported 8,886 sales in November 2020. The highest sales volume ever in November occurred last year. Sales volume will be lower this November.