

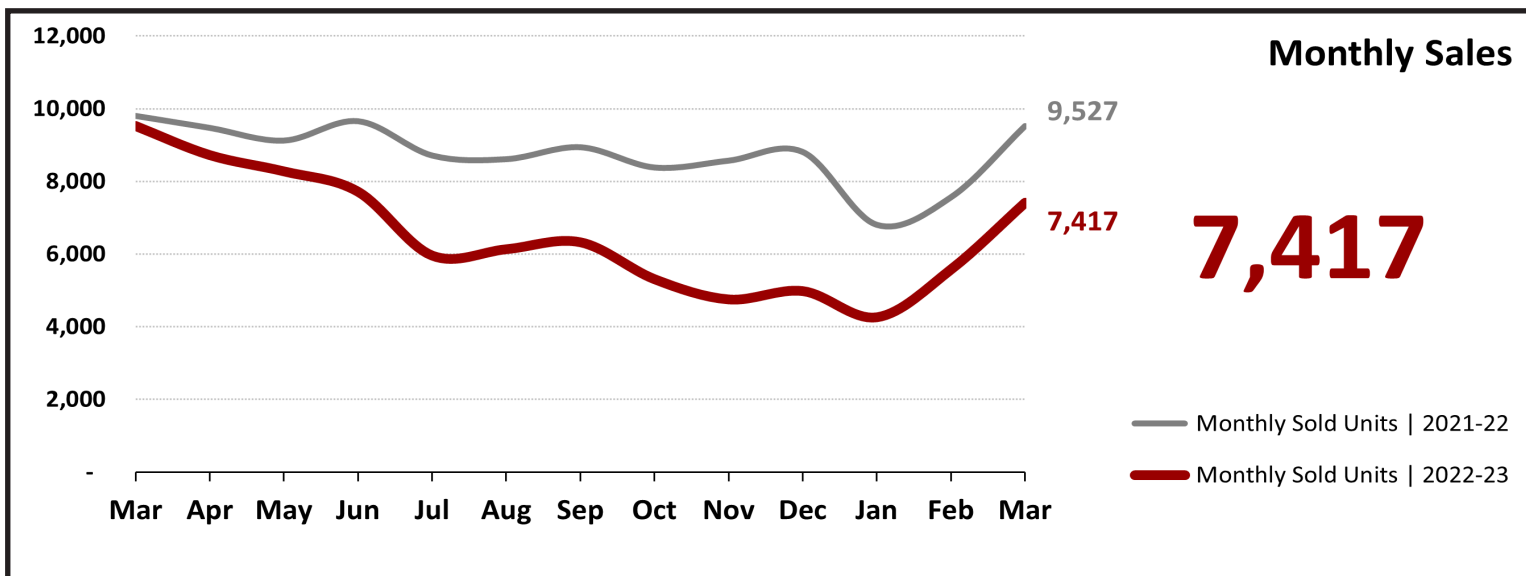
STAT

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



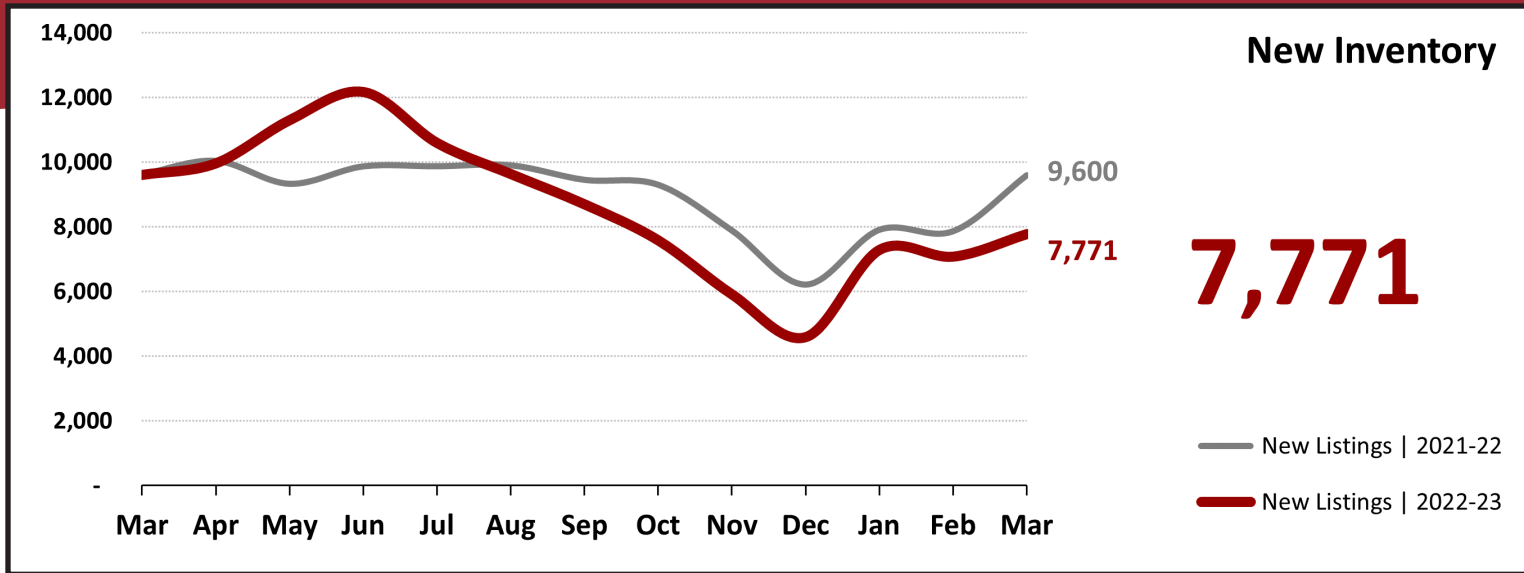
DATA FOR **MARCH 2023**

Published April 18, 2023



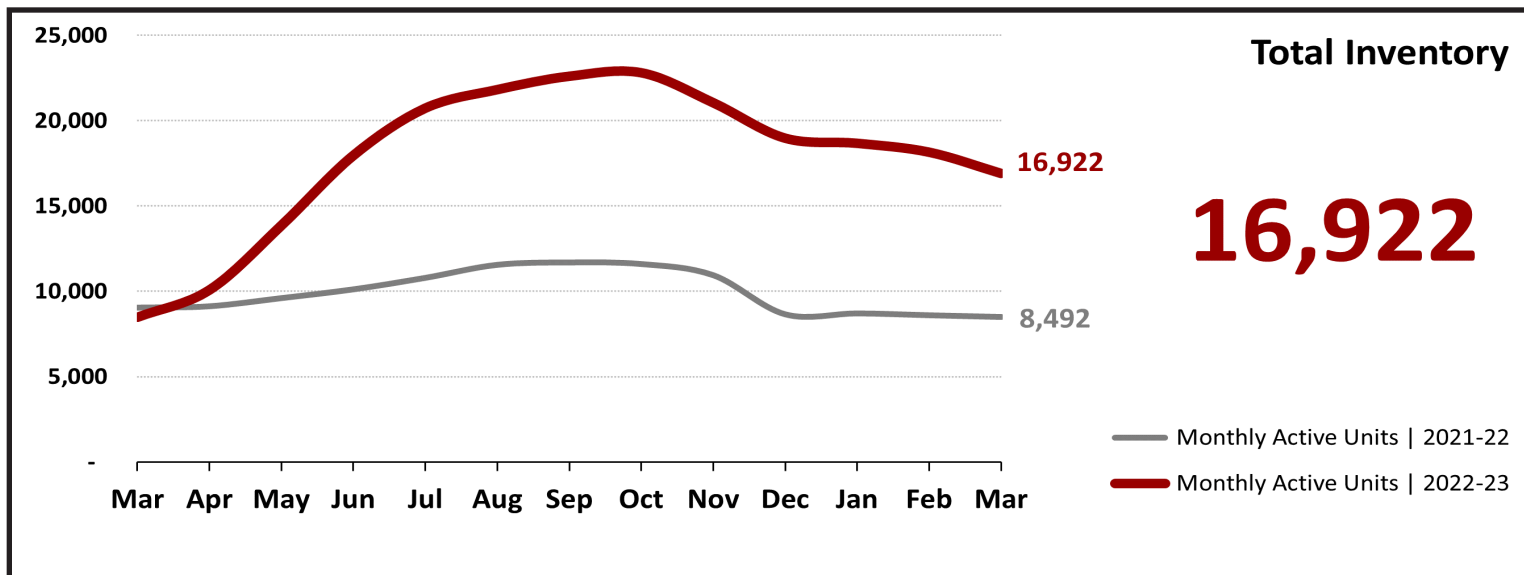
Sales are up **+32.8%** month-over-month. The year-over-year comparison is down **-22.1%**.

Closed MLS sales with a close of escrow date from 3/1/23 to 3/31/23, 0 day DOM sales removed



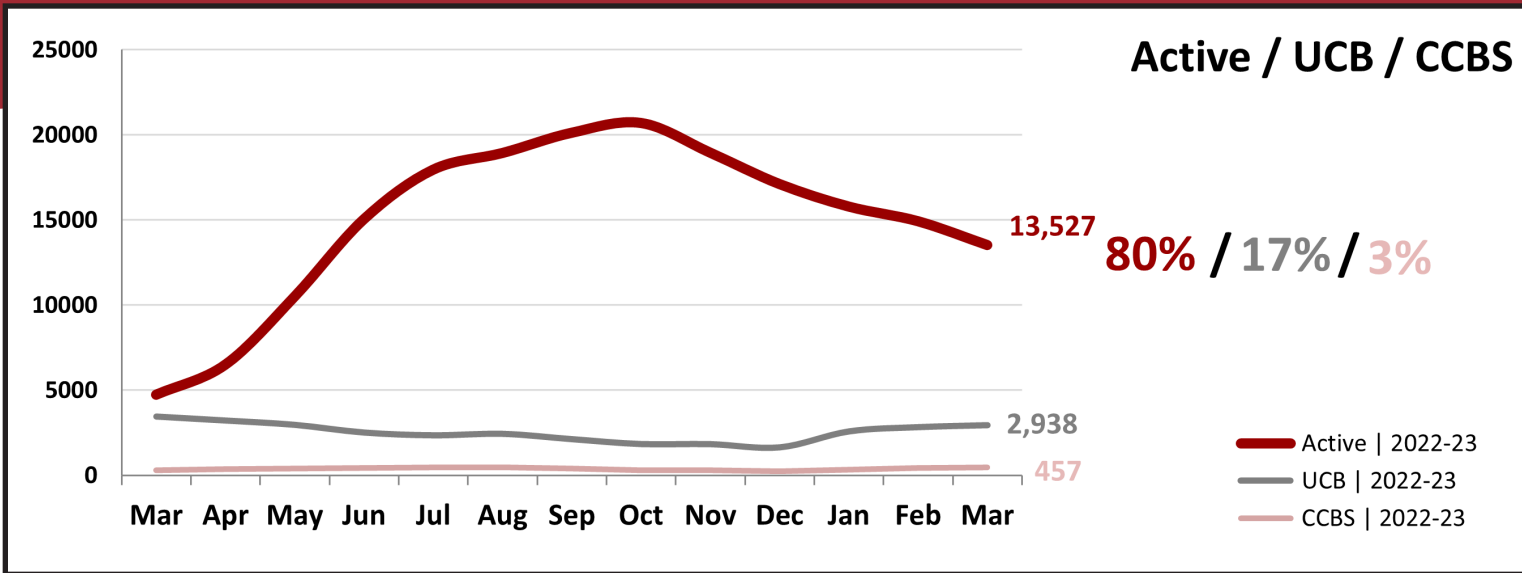
New MLS listings that were active for at least one day from 3/1/23 to 3/31/23, 0 day DOM sales removed

New inventory has a month-over-month increase of **+9.9%** while the year-over-year comparison decreased by **-19.1%**.



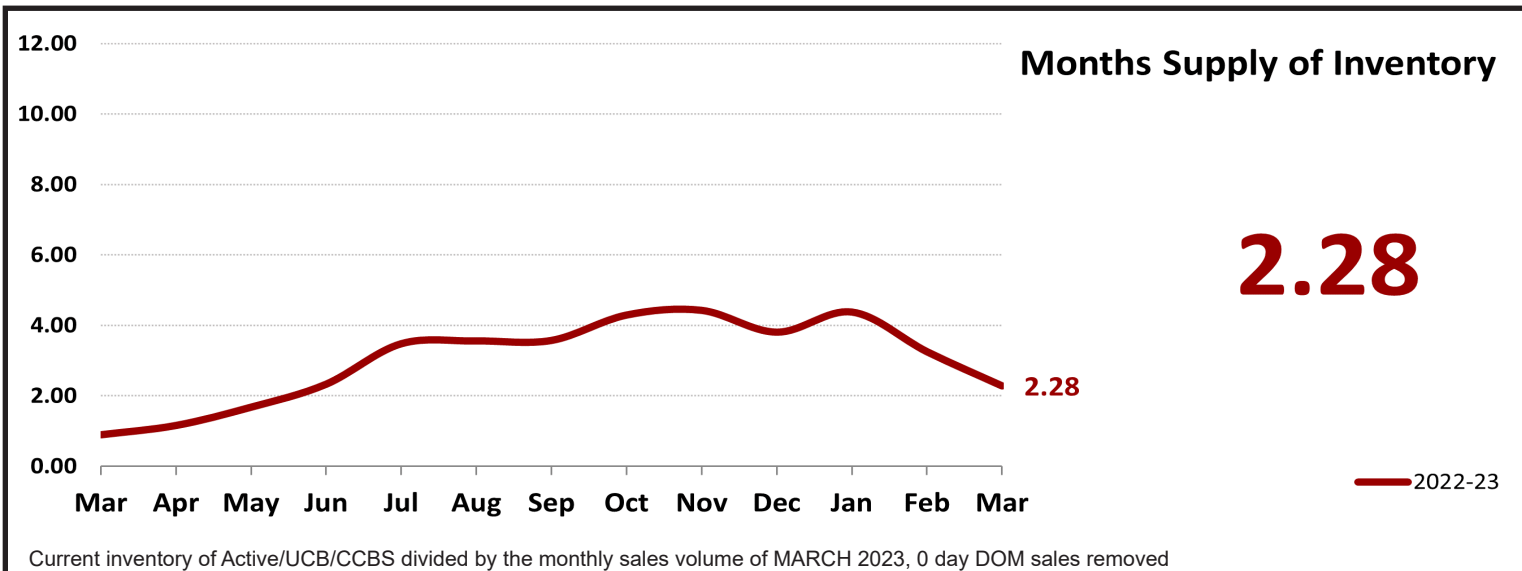
Snapshot of statuses on 3/31/23

Total inventory has a month-over-month decrease of **-6.9%** while year-over-year reflects an increase of **+99.3%**.



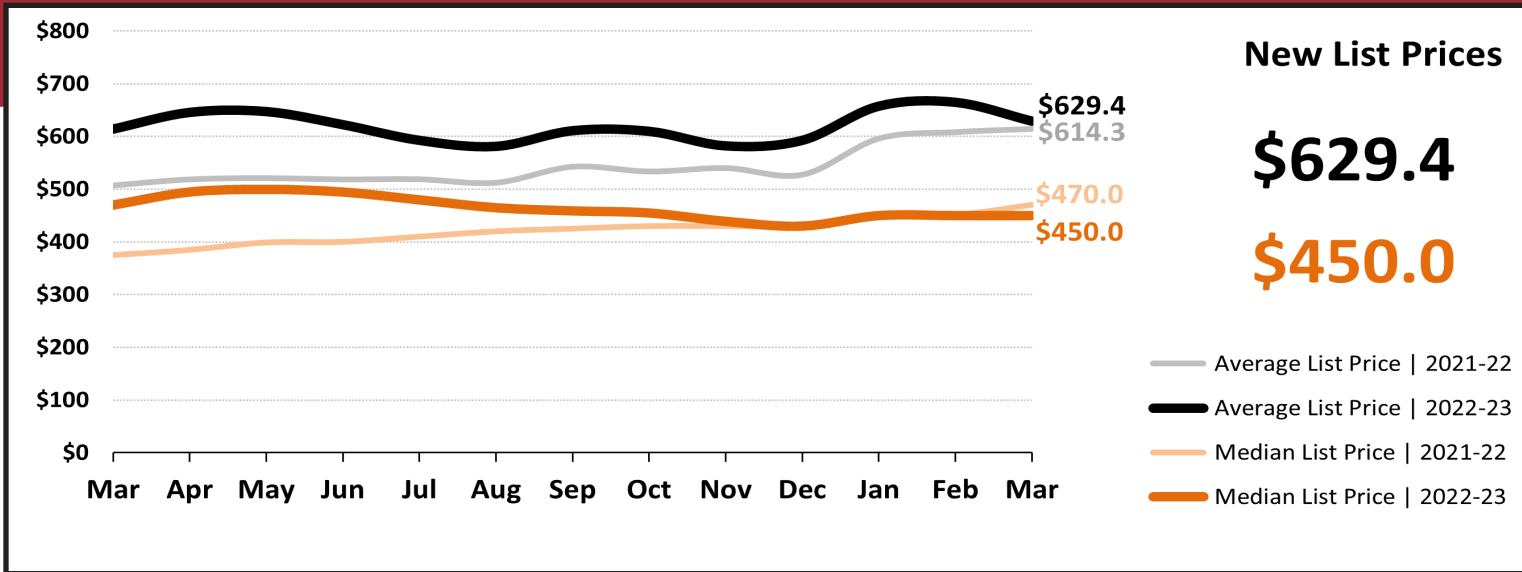
March UCB listings percent of total inventory was **17.4%** with March CCBS listings at **2.7%** of total inventory.

Snapshot of statuses on 3/31/23



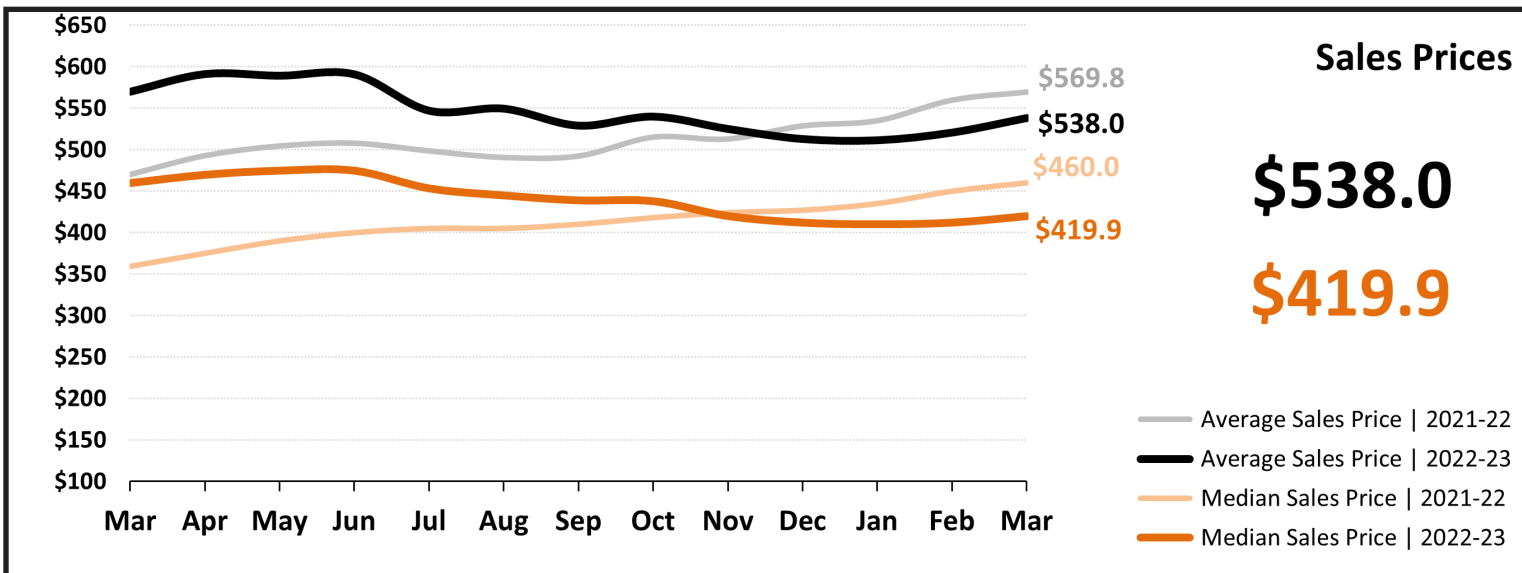
Months supply of inventory for February was **3.25** with March at **2.28**.

Current inventory of Active/UCB/CCBS divided by the monthly sales volume of MARCH 2023, 0 day DOM sales removed



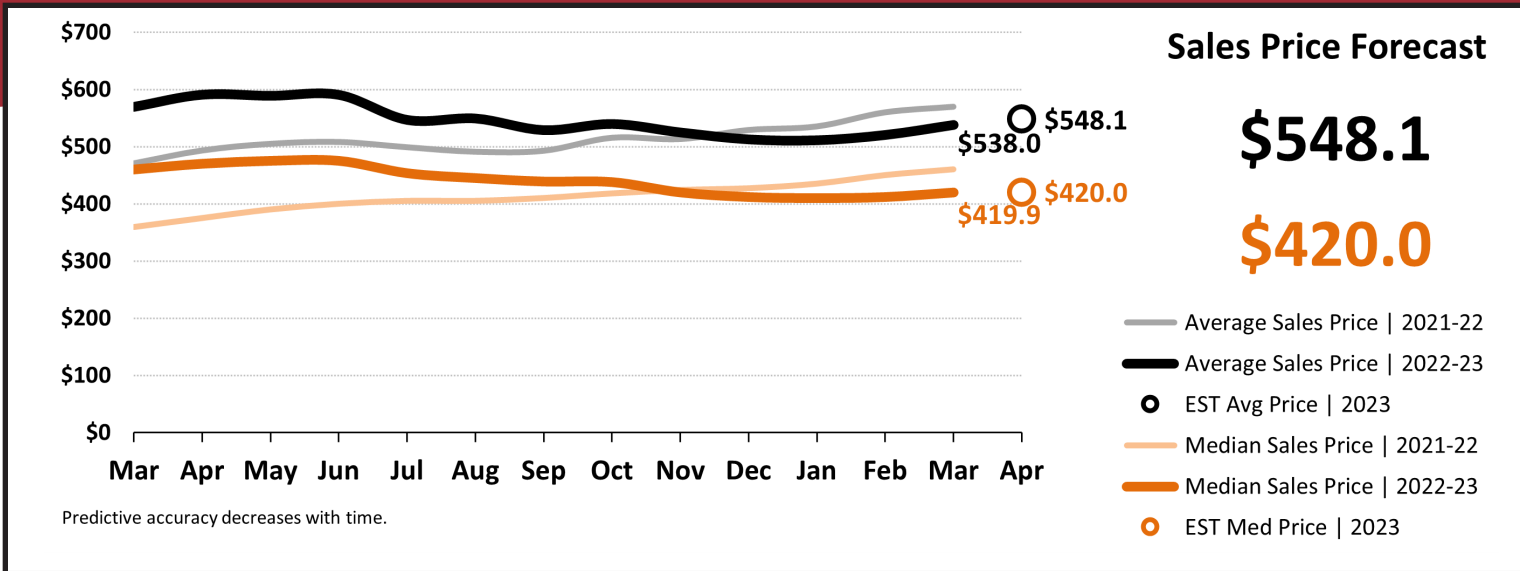
Average new list prices are up **+2.5%** year-over-year. The year-over-year median list prices went down **-4.3%**.

List prices of new listings with list dates from 3/1/23 to 3/31/23, 0 day DOM sales removed



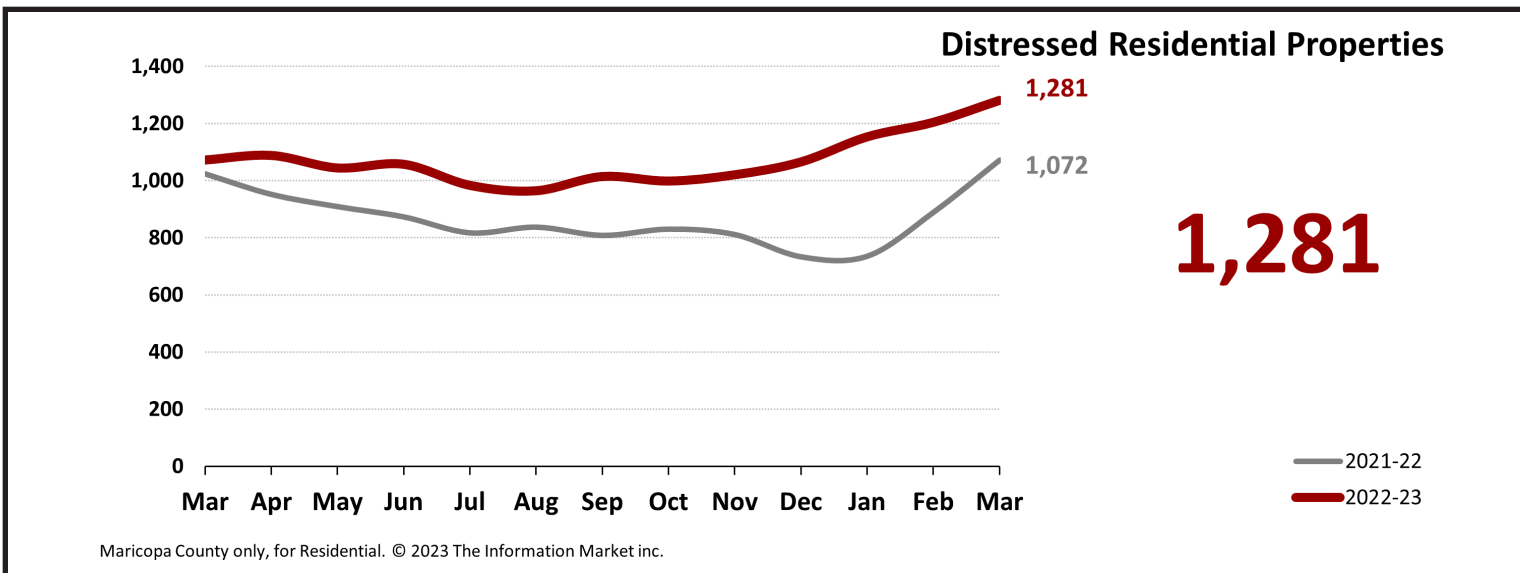
The average sales price is down **-5.6%** year-over-year while the year-over-year median sales price is down **-8.7%**.

MLS sales prices for closed listings with a close of escrow date from 3/1/23 to 3/31/23, 0 day DOM sales removed



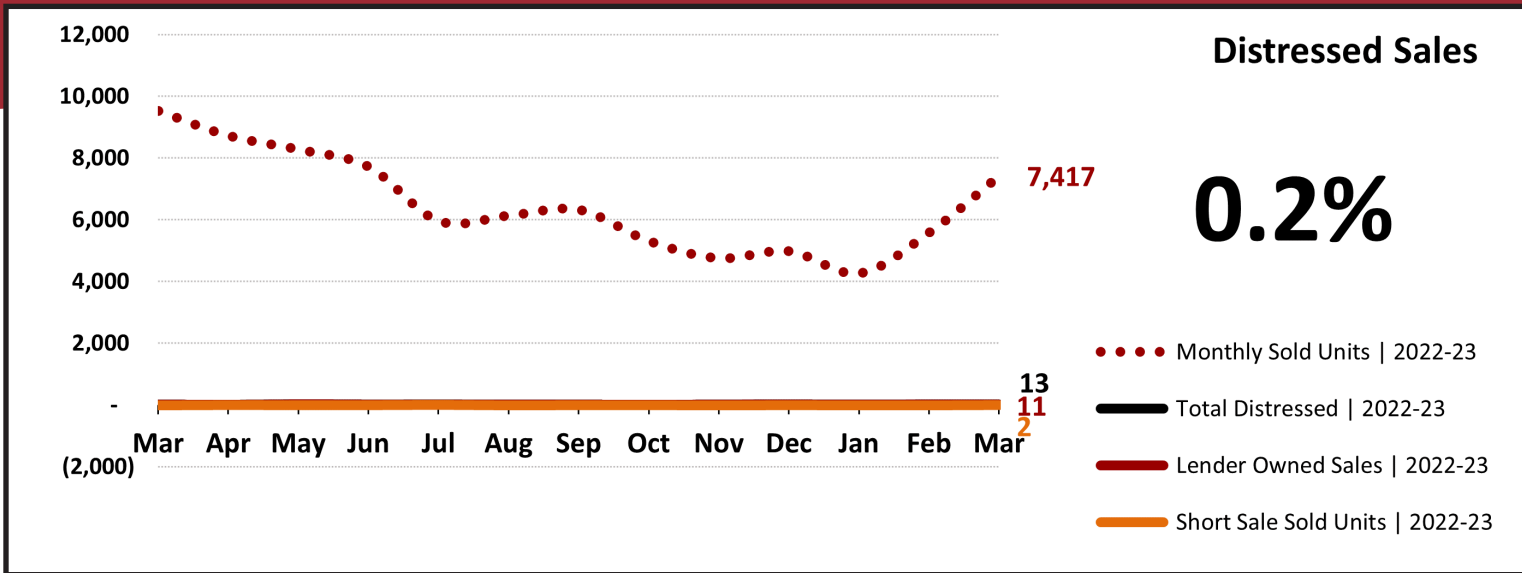
An **increase** is forecasted in April for both average sale prices and median sale prices.

ARMLS proprietary predictive model forecast, 0 day DOM sales removed



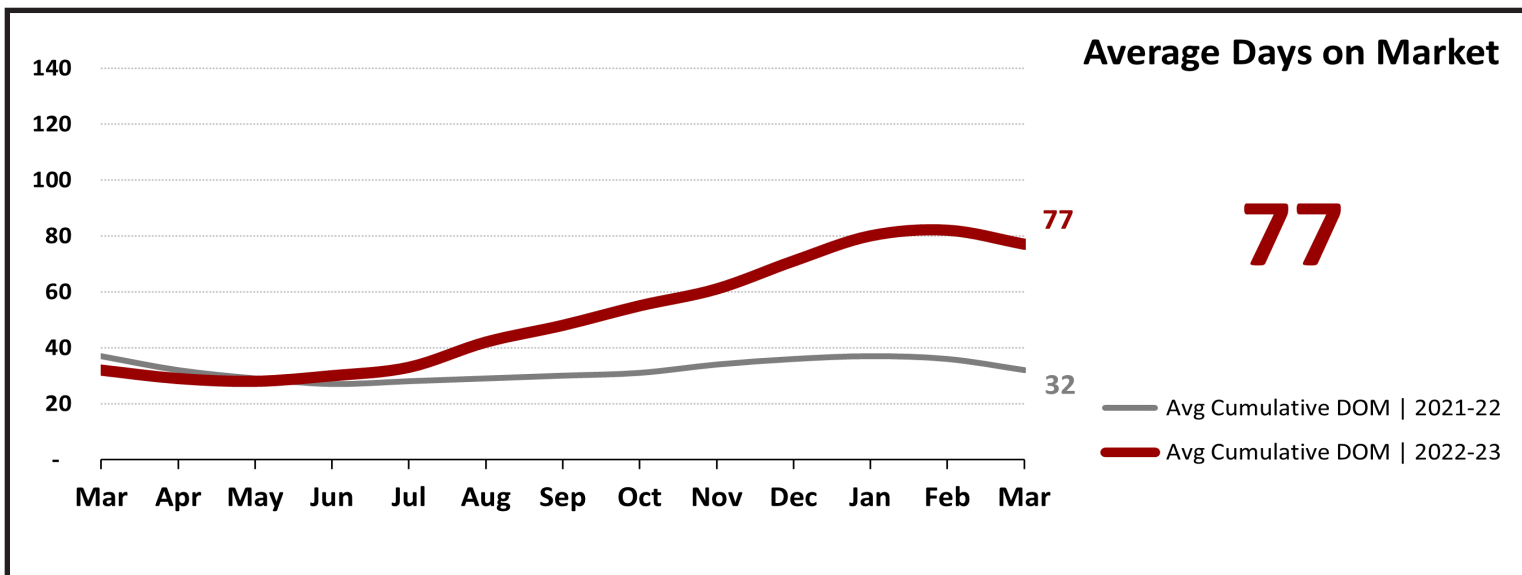
Foreclosures pending month-over-month showed an increase of **+6.4%** while the year-over-year figure was up **+19.5%**.

Snapshot of public records data on 3/31/23 active residential notices and residential REO properties.



New MLS listings that were active for at least one day from 3/1/23 to 3/31/23, 0 day DOM sales removed

Distressed sales accounted for **0.2%** of total sales, the same as the previous month. Short sales went from 0 to **2** year-over-year. Lender-owned sales remained the same at **11** year-over-year.

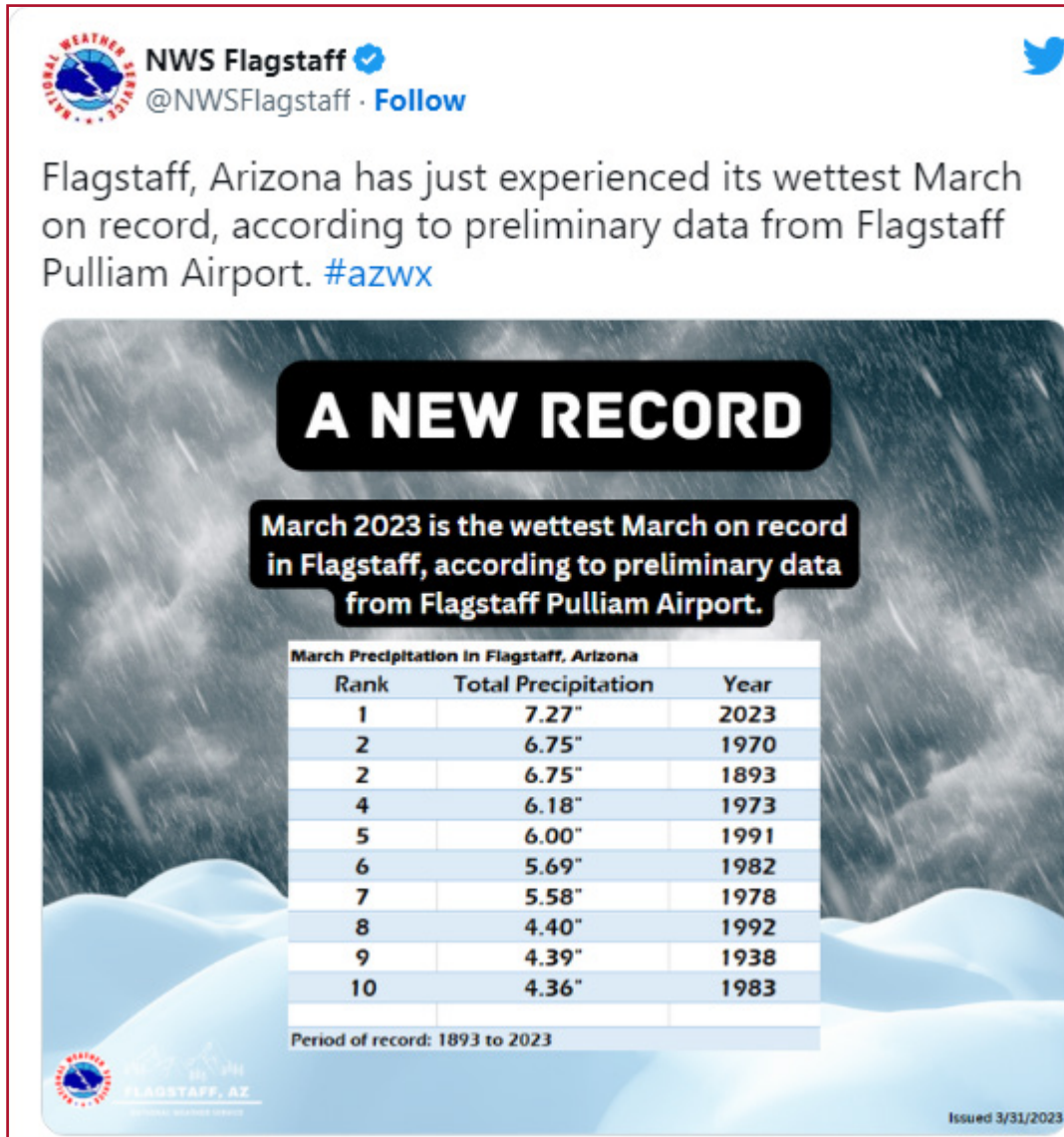





MLS sales prices for closed listings with a close of escrow date from 3/1/23 to 3/31/23, 0 day DOM sales removed

Days on market were up **+45 days** year-over-year while month-over-month went down **-5 days**.

I haven't felt this cool since 1998. Ah, remember '98 cool? Jennifer Aniston, Michael Jordan and the Spice Girls. Their fame, their fortune and their influence on fashion. A coolness that could only be gauged by the attention they received from others.

On the other hand, my coolness, in true STAT fashion, is quantifiable by cold, hard data. According to the National Weather Service, in the first three months of this year, Phoenix's average daily temperature of 57.6°F was the coolest since 57.6°F back in 1998. We also received above-normal precipitation. While Phoenix was experiencing the coolest temperatures in 25 years, Flagstaff experienced the wettest March on record in 130 years. Our rivers and streams are flowing, Roosevelt Lake is at full capacity and the desert, well, it is just plain showing off. Perfect weather conditions have delivered a perfect super bloom. Unable to resist the allure of predictive analytics, STAT is projecting a short but severe allergy season.



 **NWS Flagstaff** 
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Flagstaff, Arizona has just experienced its wettest March on record, according to preliminary data from Flagstaff Pulliam Airport. [#azwx](#)

A NEW RECORD

March 2023 is the wettest March on record in Flagstaff, according to preliminary data from Flagstaff Pulliam Airport.

March Precipitation in Flagstaff, Arizona		
Rank	Total Precipitation	Year
1	7.27"	2023
2	6.75"	1970
2	6.75"	1893
4	6.18"	1973
5	6.00"	1991
6	5.69"	1982
7	5.58"	1978
8	4.40"	1992
9	4.39"	1938
10	4.36"	1983

Period of record: 1893 to 2023

 **FLAGSTAFF, AZ**
NATIONAL WEATHER SERVICE

Issued 3/31/2023



March Sales Volume and Sales Prices, as reported by ARMLS.

Sales volume, as expected, was down 22.1% year over year.

The average sales price of a home increased for the second consecutive month, rising 3.4% month over month, an increase of \$17,600. The median sales price of a home also increased for the second consecutive month, rising 1.9% month over month, an increase of \$7,900.

Average and Median Sales Prices Year-Over-Year via ARMLS

	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
SALES PRICES														
Average Sales Price 2021-22	\$470.2	\$492.9	\$504.6	\$507.9	\$498.6	\$490.7	\$492.4	\$515.3	\$513.0	\$528.9	\$535.2	\$560.0	\$569.8	\$591.1
Average Sales Price 2022-23	\$569.8	\$591.1	\$589.1	\$590.8	\$546.8	\$549.3	\$528.8	\$539.7	\$524.8	\$512.6	\$511.1	\$520.4	\$538.0	\$548.1
EST Avg Price 2023														
% Change over year	21.2%	19.9%	16.7%	16.3%	9.7%	11.9%	7.4%	4.7%	2.3%	-3.1%	-4.5%	-7.1%	-5.6%	
% Change per month	1.7%	3.7%	-0.3%	0.3%	-7.4%	0.5%	-3.7%	2.1%	-2.8%	-2.3%	-0.3%	1.8%	3.4%	
Median Sales Prices														
Median Sales Price 2021-22	\$359.3	\$375.0	\$390.0	\$399.9	\$405.0	\$405.0	\$410.0	\$418.0	\$424.0	\$427.0	\$435.0	\$449.9	\$460.0	\$470.0
Median Sales Price 2022-23	\$460.0	\$470.0	\$475.0	\$475.0	\$453.5	\$445.0	\$439.0	\$438.0	\$420.0	\$412.0	\$410.0	\$412.0	\$419.9	\$420.0
EST Med Price 2023														
% Change over year	28.0%	25.3%	21.8%	18.8%	12.0%	9.9%	7.1%	4.8%	-0.9%	-3.5%	-5.7%	-8.4%	-8.7%	
% Change per month	2.2%	2.2%	1.1%	0.0%	-4.5%	-1.9%	-1.3%	-0.2%	-4.1%	-1.9%	-0.5%	0.5%	1.9%	

There were 17,265 homes reported sold in the first quarter of 2023, which ranks 17th in the 21 years ARMLS reported sales data.

COMMENTARY

BY TOM RUFF

Total Sales last 20 years via ARMLS

Total Sales					
Year	January	February	March	Total:	
2003	4,760	5,493	6,545	16,798	19
2004	5,118	6,196	8,744	20,058	12
2005	6,632	7,781	9,987	24,400	2
2006	5,266	5,918	7,497	18,681	14
2007	4,389	4,958	5,990	15,337	20
2008	2,912	3,448	4,293	10,653	21
2009	4,742	5,477	7,636	17,855	16
2010	5,789	6,594	8,969	21,352	9
2011	6,541	7,157	9,933	23,631	4
2012	6,455	7,249	8,867	22,571	5
2013	5,828	6,630	8,136	20,594	10
2014	4,797	5,474	6,710	16,981	18
2015	4,784	5,990	7,900	18,674	15
2016	5,131	5,718	8,412	19,261	13
2017	5,932	6,435	9,116	21,483	8
2018	6,082	6,911	9,402	22,395	6
2019	5,357	6,409	8,344	20,110	11
2020	6,328	7,279	8,626	22,233	7
2021	7,076	7,659	9,806	24,541	1
2022	6,806	7,563	9,527	23,896	3
2023	4,265	5,583	7,417	17,265	17

The gross dollar volume (average price multiplied by the number of homes sold) for homes sold in the first quarter totaled \$9,075,944,926. This is the third highest total in the 21 years ARMLS has reported data. We have not adjusted these totals for inflation.

Average Sales Prices Multiplied by Total Homes Sold Last 20 Years via ARMLS

Avg x Total					Rank:
Year	January	February	March	Total:	
2003	876,792,000	1,020,050,100	1,235,041,500	3,131,883,600	20
2004	1,054,819,800	1,263,984,000	1,858,100,000	4,176,903,800	15
2005	1,694,476,000	1,938,247,100	2,709,473,100	6,342,196,200	7
2006	1,774,115,400	1,976,612,000	2,478,508,200	6,229,235,600	8
2007	1,502,793,600	1,650,518,200	2,071,941,000	5,225,252,800	10
2008	912,620,800	1,010,608,800	1,259,136,900	3,182,366,500	19
2009	855,115,376	944,032,151	1,214,734,880	3,013,882,407	21
2010	1,017,185,190	1,146,498,780	1,598,150,234	3,761,834,204	17
2011	1,026,793,098	1,113,664,985	1,567,407,534	3,707,865,617	18
2012	1,081,057,580	1,207,871,874	1,674,524,083	3,963,453,537	16
2013	1,214,217,176	1,438,378,500	1,819,022,472	4,471,618,148	13
2014	1,164,366,216	1,326,881,178	1,691,980,180	4,183,227,574	14
2015	1,219,848,240	1,501,082,020	2,026,318,400	4,747,248,660	12
2016	1,386,160,174	1,554,632,712	2,252,287,764	5,193,080,650	11
2017	1,668,131,788	1,836,735,615	2,633,156,600	6,138,024,003	9
2018	1,917,861,388	2,128,816,063	2,974,463,730	7,021,141,181	5
2019	1,746,890,915	2,094,275,339	2,827,447,840	6,668,614,094	6
2020	2,306,144,680	2,719,900,256	3,248,991,526	8,275,036,462	4
2021	3,110,751,120	3,501,993,501	4,610,467,408	11,223,212,029	2
2022	3,641,672,808	4,234,622,019	5,428,027,304	13,304,322,131	1
2023	2,180,046,220	2,905,404,366	3,990,494,340	9,075,944,926	3

STAYING PUT

New inventory was down 19.1% year-over-year. We have seen a year-over-year decline for eight consecutive months.

New Inventory Year-Over-Year via ARMLS

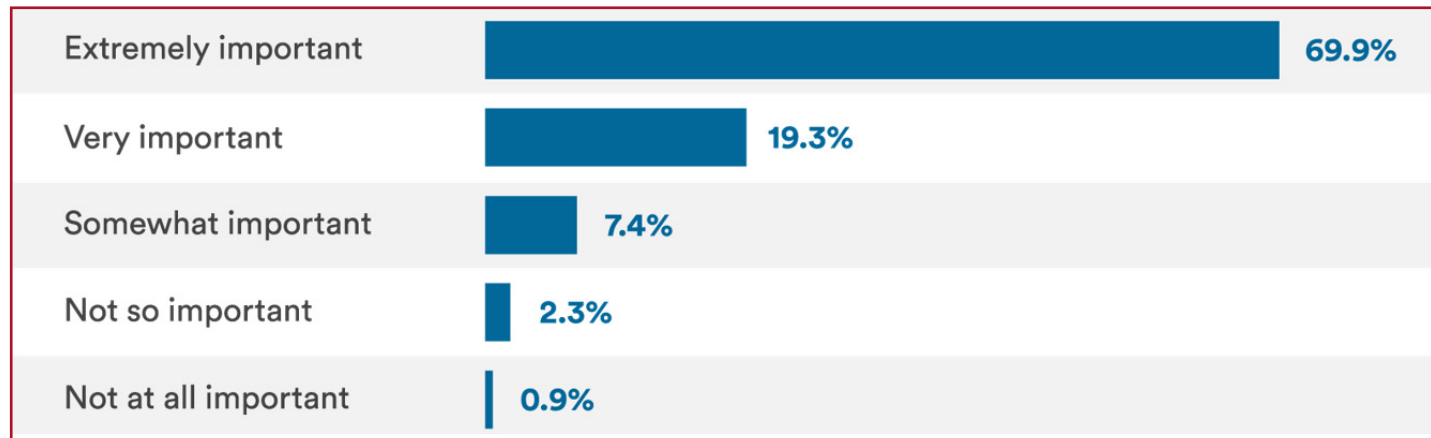
	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
New Listings 2021-22	9,625	10,047	9,335	9,875	9,878	9,908	9,459	9,306	7,890	6,209	7,908	7,862	9,600
New Listings 2022-23	9,600	9,956	11,292	12,165	10,588	9,627	8,690	7,575	5,903	4,584	7,282	7,072	7,771
% Change over year	-0.3%	-0.9%	21.0%	23.2%	7.2%	-2.8%	-8.1%	-18.6%	-25.2%	-26.2%	-7.9%	-10.0%	-19.1%
% Change per month	22.1%	3.7%	13.4%	7.7%	-13.0%	-9.1%	-9.7%	-12.8%	-22.1%	-22.3%	58.9%	-2.9%	9.9%

The increase in mortgage rates is the key reason new listings have declined sharply year over year. Not only were homes purchased in 2020, 2021 and early 2022 at great rates; a large number of refinances also took place. Redfin Deputy Chief Economist Taylor Marr explains it this way, “Elevated mortgage rates are perhaps a bigger deterrent for would-be sellers than for would-be buyers. Giving up a 3% mortgage rate for one in the 6% range is a tough pill to swallow.” Currently, supply registers just below 60% of what would be considered typical or average.

For homeowners with low mortgage rates, it makes perfect sense to stay put, but what about homeowners with either low or no mortgages? That’s right, I’m talking about the boomers. While baby boomers, defined as Americans between the ages of 55 and 74, comprise just over 22% of the U.S. population, they account for nearly 42% of homeowners nationwide.

In a recent point.com survey (I have no idea who they are, what they do or the validity of their data), the question was asked, “How important is it for you to remain living in your home as long as possible?” As a boomer, who knows other boomers and does boomer things, the results of point.com survey made sense to me.

How Important is it to Keep Living in Your Home via Point.com



“By aging in place, boomers will likely follow existing trends among older homeowners. Elderly owners are the least mobile demographic group. Less than three percent of owners aged 65-74 change residences in any given year, and this fraction has been declining, while for owners age 75+, the share that moves in a given year is now about 1.5 percent. Such low mobility rates result in elderly homeowners having increasing durations of residency in their present homes: the older the owner, the higher the proportion with long-term residency. Indeed, according to the American Housing Survey, the majority of homeowners age 65+ have lived in their homes for 20 or more years. These patterns have changed little over the past decade.”

[George Masnick](#), Senior Research Fellow at the Center, Harvard EDU blog post 09/2012.

Demand/Market Composition

There is no denying that sales volume is much lower this year than last. At present, demand, as reported by ARMLS, is running at about 80%. In other words, demand is 20% below what would best be defined as average. At this time a year ago, demand was described as typical, normal or average when the Cromford Demand Index registered at just over 100. So, what changed? Or maybe a better question: who changed? The table below offers a couple of insights. In March 2022, I-buyers purchased 443 homes in Maricopa County while the “Wall Street” institutional buyers purchased 766 homes fitting into their buy, hold and rent strategy. Last March, I-buyers and institutional buyers purchased a combined total of 1,209 homes, compared to only 215 this March. This is down 82.22%, as they purchased nearly 1,000 fewer homes.




I-Buyer and Institutional Buyer Purchases Year-Over-Year

Year_month	Totalsales	New_construciton	Nc_per_cent	I_buys	Ib_per_cent	Instituional_buys	Ins_per_cent	Ib_ins_combined	Ib_ins_per_cent
202203	11738	1578	0.134	443	0.038	766	0.065	1209	0.103
202303	8093	1703	0.210	36	0.004	179	0.022	215	0.027

Due to higher interest rates, demand is also down for normal buyers. The lone bright spot, the purchase of newly built homes was up 7.3% year over year. Mark Fleming, the Chief Economist for First American Financial Corporation, offers this explanation, *“Builders are incentivized to move inventory as quickly as possible and therefore can be more flexible in a higher rate environment... For instance, builders can more easily offer incentives to bolster sales (such as rate buydowns, paying points and offering price reductions), or upgrades on appliances and other quality features. This essentially allows the buyer to get more home for the same amount of money.”*

In Conclusion: It's All About the Relationship of Supply vs Demand

Cromford Supply, Demand and Market Index via Cromford

Cromford® Supply Index	58.9		63.0	68.9
Cromford® Demand Index	81.9		83.4	73.4
Cromford® Market Index	139.2		132.4	106.7

“The balance between supply and demand has been moving consistently in sellers’ favor since mid-November. This confirms we are in the rebound phase of the correction that dominated the second half of last year and created an atmosphere of fear throughout the market. That fear can now be replaced with relief as one market signal after another turns positive and resumes a normal trend. Casual observers tend to worry about factors which can cause weakness in demand, then forget factors that can cause weakness in supply. Right now, supply is weakening much faster than demand.”

“Competition between buyers is starting to warm up because there are too few sellers. This should not surprise us. Supply is just as important as demand.”

“It is time to re-adjust buyers to expect increasing competition from each other as they chase a dwindling number of homes for sale. Sellers have recently been offering generous incentives, including substantial interest rate buy-downs. Those incentives are likely to reduce in value as sellers start to realize they have the upper hand in negotiations.”

Mike Orr, The Cromford Report.

ARMLS PENDING PRICE INDEX (PPI)

Last month, STAT's mathematical model projected the median sales price for March at \$423,700. The actual amount was \$419,900. Looking ahead to April, the ARMLS Pending Price Index is projecting the median sales price will rise ever so slightly to \$420,000. STAT is projecting that April's month-over-month median sales price will be basically flat while the year-over-year median sales price will be 10.64% lower. If our projections are correct, the median sales price will be 11.58% lower than May 2022's record high of \$475,000.

We began April with 5,781 pending contracts, 2,938 UCB listings and 457 CCBS, giving us a total of 9,176 residential listings practically under contract. This compares to 11,169 of the same type of listings one year ago. At the beginning of April, the "pending" contracts are 17.84% lower than last year. There were 21 business days in April 2022 and 20 this year. ARMLS reported 8,726 sales in April 2022. The highest sales volume ever in April occurred in 2005 with 9,600. When April's numbers are reported, we expect to see a drop in year-over-year sales volume with month-over-month home prices left unchanged. If our models are correct, year-over-year sales volume will be about 20% lower.