



STAT

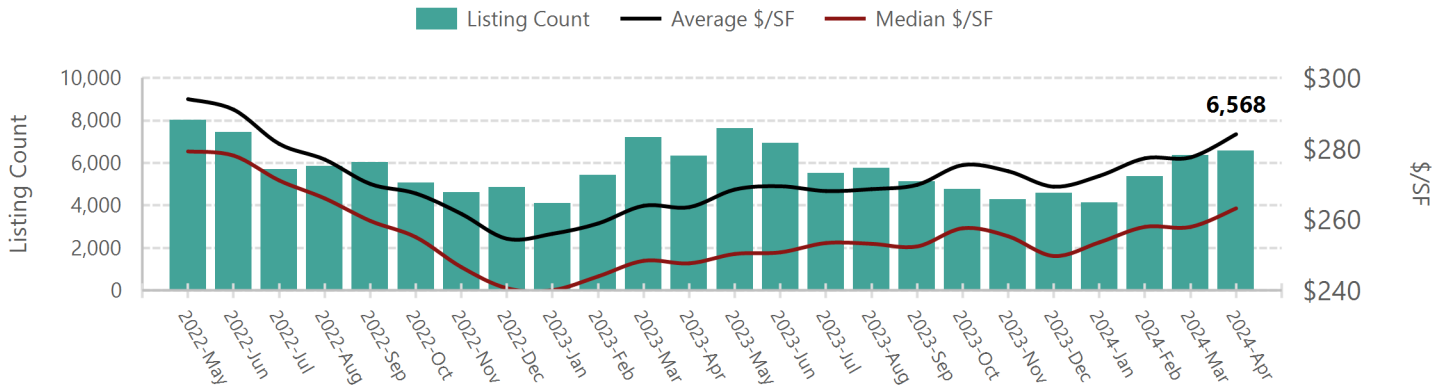
Your Monthly Statistics for the **Phoenix Metro Area**



DATA FOR April 2024

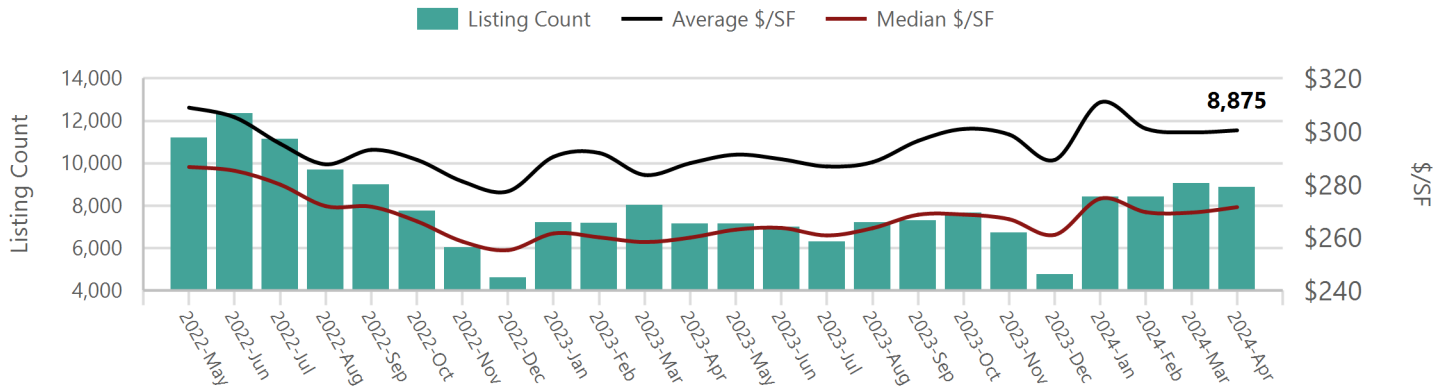
Published May 16, 2024

Sold Listings



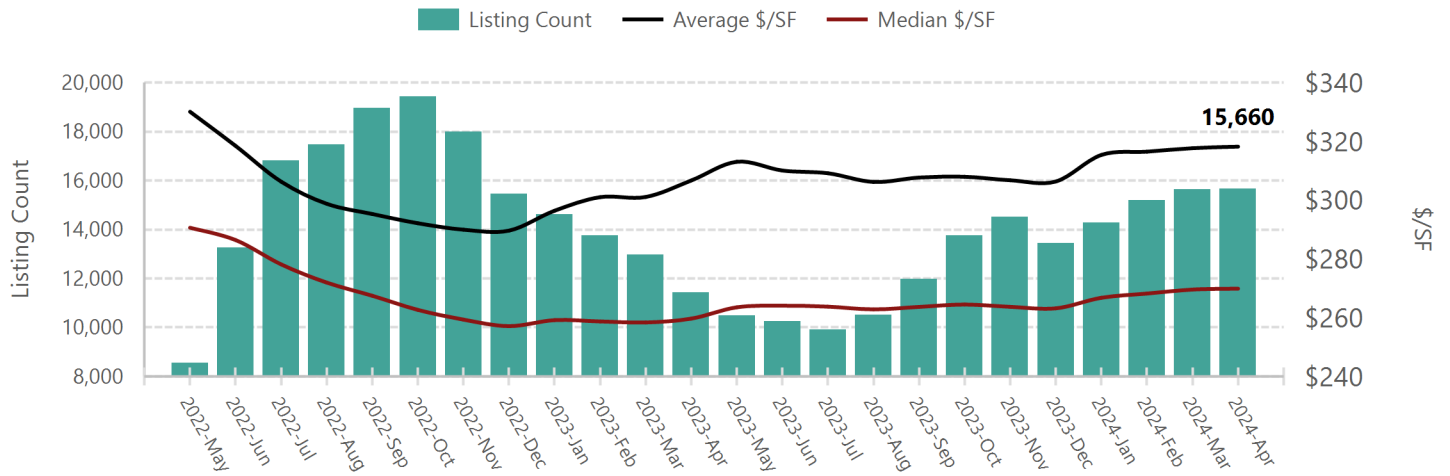
Metric	Monthly Values					Current Month Value vs Prior Monthly Values			
	Current	1M Pr	3M Pr	6M Pr	12M Pr	1M Pr	3M Pr	6M Pr	12M Pr
Listings	6,568	6,352	4,142	4,759	6,341	3.40% ▲	58.57% ▲	38.01% ▲	3.58% ▲
Average \$/SF	\$284.13	\$277.60	\$272.36	\$275.43	\$263.55	2.36% ▲	4.32% ▲	3.16% ▲	7.81% ▲
Median \$/SF	\$263.21	\$257.96	\$253.62	\$257.59	\$247.69	2.04% ▲	3.78% ▲	2.18% ▲	6.26% ▲

New Listings



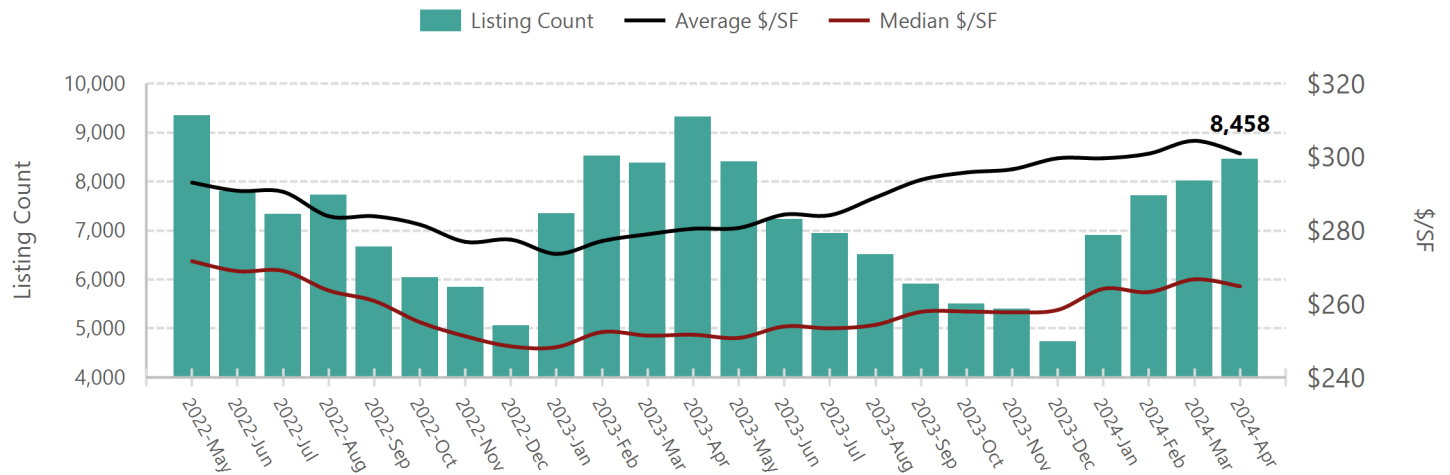
Metric	Monthly Values					Current Month Value vs Prior Monthly Values			
	Current	1M Pr	3M Pr	6M Pr	12M Pr	1M Pr	3M Pr	6M Pr	12M Pr
Listings	8,875	9,058	8,427	7,652	7,160	-2.02% ▼	5.32% ▲	15.98% ▲	23.95% ▲
Average \$/SF	\$300.43	\$299.66	\$311.01	\$300.94	\$288.08	0.26% ▲	-3.40% ▼	-0.17% ▼	4.29% ▲
Median \$/SF	\$271.49	\$269.44	\$274.73	\$268.71	\$260.02	0.76% ▲	-1.18% ▼	1.04% ▲	4.41% ▲

Active Listings (excluding UCB/CCBS)



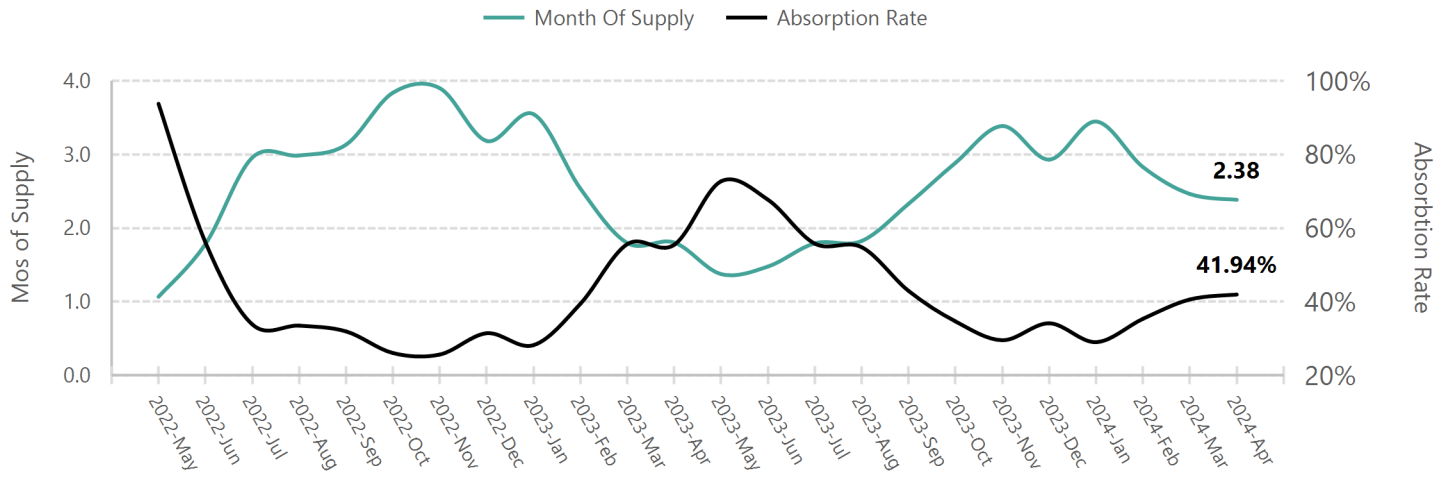
Metric	Monthly Values					Current Month Value vs Prior Monthly Values							
	Current	1M Pr	3M Pr	6M Pr	12M Pr	1M Pr	3M Pr	6M Pr	12M Pr				
Listings	15,660	15,644	14,282	13,740	11,436	0.10%	▲	9.65%	▲	13.97%	▲	36.94%	▲
Average \$/SF	\$318.21	\$317.68	\$315.39	\$307.95	\$306.70	0.17%	▲	0.90%	▲	3.33%	▲	3.75%	▲
Median \$/SF	\$269.88	\$269.58	\$266.79	\$264.48	\$259.69	0.11%	▲	1.16%	▲	2.04%	▲	3.92%	▲

Under Contract Listings (Pending/UCB/CCBS)



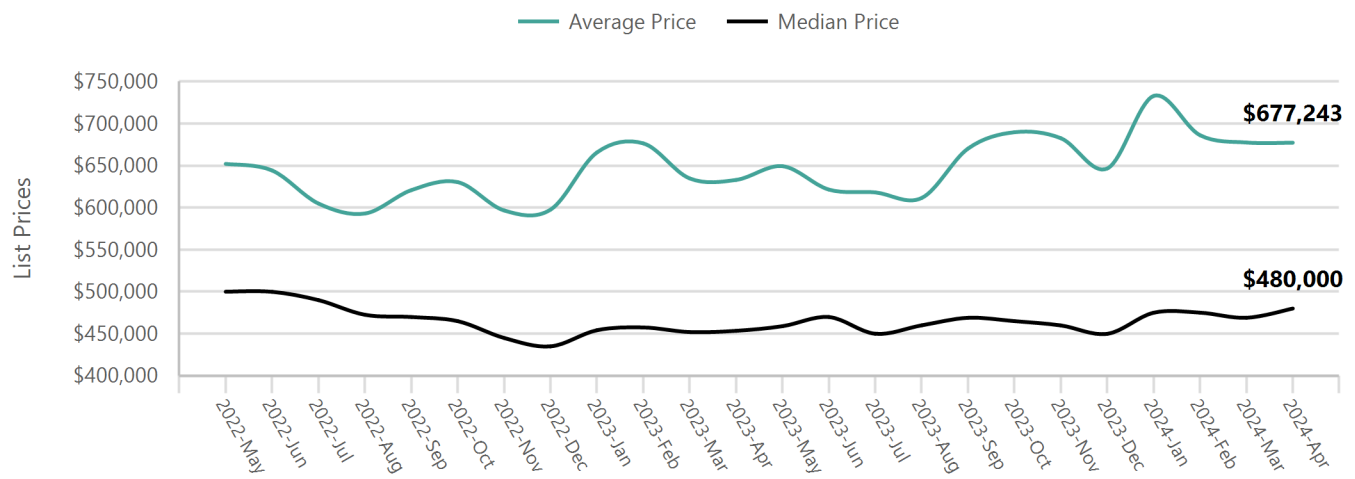
Metric	Monthly Values					Current Month Value vs Prior Monthly Values							
	Current	1M Pr	3M Pr	6M Pr	12M Pr	1M Pr	3M Pr	6M Pr	12M Pr				
Listings	8,458	8,016	6,898	5,506	9,326	5.51%	▲	22.62%	▲	53.61%	▲	-9.31%	▼
Average \$/SF	\$300.99	\$304.45	\$299.67	\$295.81	\$280.49	-1.14%	▼	0.44%	▲	1.75%	▲	7.31%	▲
Median \$/SF	\$264.82	\$266.72	\$264.15	\$257.95	\$251.65	-0.71%	▼	0.25%	▲	2.66%	▲	5.23%	▲

Month Of Supply/Absorption Rate



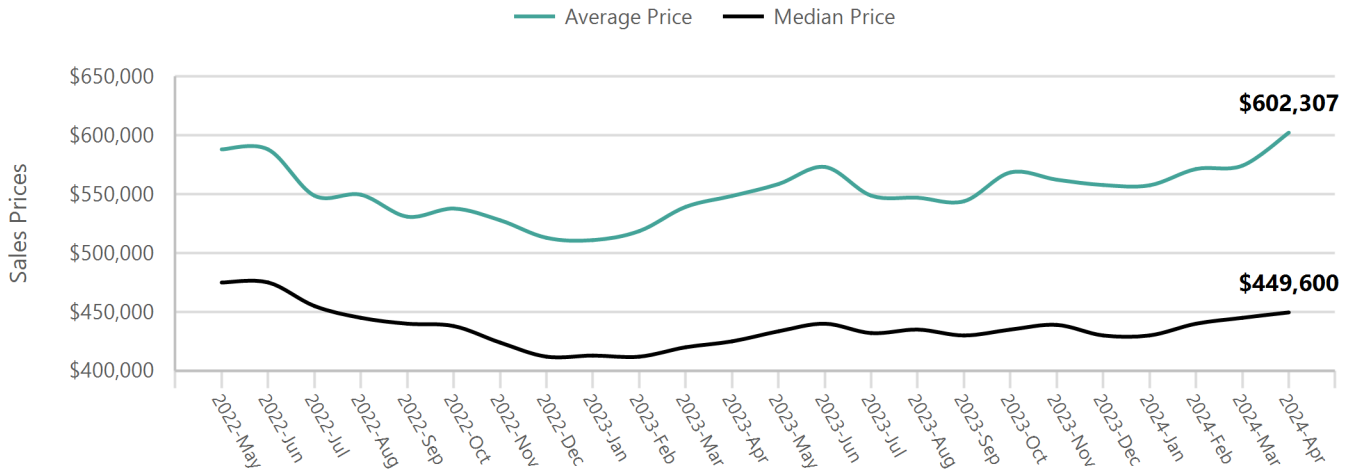
Metric	Monthly Values					Current Month Value vs Prior Monthly Values							
	Current	1M Pr	3M Pr	6M Pr	12M Pr	1M Pr	3M Pr	6M Pr	12M Pr				
Supply	2.38	2.46	3.45	2.89	1.80	-3.19%	▼	-30.85%	▼	-17.42%	▼	32.20%	▲
Absorption Rate	41.94%	40.60%	29.00%	34.64%	55.45%	3.29%	▲	44.62%	▲	21.09%	▲	-24.36%	▼

New List Prices



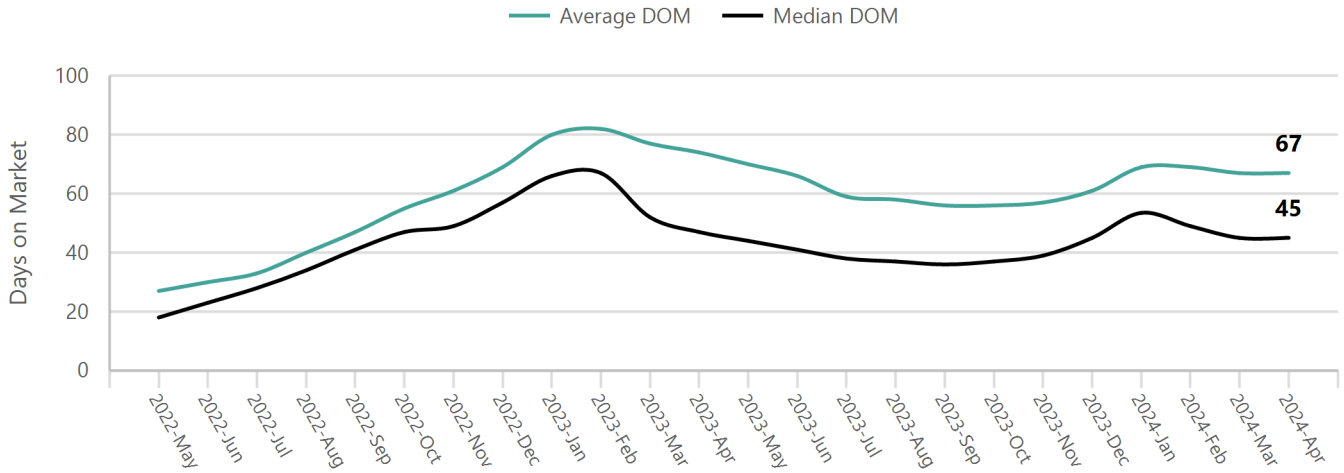
Metric	Monthly Values					Current Month Value vs Prior Monthly Values							
	Current	1M Pr	3M Pr	6M Pr	12M Pr	1M Pr	3M Pr	6M Pr	12M Pr				
Average List Price	\$677,243	\$677,464	\$732,847	\$689,720	\$632,947	-0.03%	▼	-7.59%	▼	-1.81%	▼	7.00%	▲
Median List Price	\$480,000	\$468,995	\$475,000	\$465,000	\$453,495	2.35%	▲	1.05%	▲	3.23%	▲	5.84%	▲

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	\$602,307	\$574,286	\$557,586	\$568,544	\$548,542	4.88% ▲	8.02% ▲	5.94% ▲	9.80% ▲	
Median Sales Price	\$449,600	\$445,000	\$430,000	\$435,000	\$425,000	1.03% ▲	4.56% ▲	3.36% ▲	5.79% ▲	

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	67	67	69	56	74	0.00% ▼	-2.90% ▼	19.64% ▲	-9.46% ▼	
Median DOM	45	45	54	37	47	0.00% ▼	-15.89% ▼	21.62% ▲	-4.26% ▼	

Ah, the days of vinyl records, when a scratch on the surface would cause the needle to skip and replay the audio repeatedly, over, and over, and with that, the proverbial “broken record” came to life. Today, if someone repeats the same opinion over and over again, to the point of annoyance and frustration, without offering anything new or productive, they become that broken record. Currently, STAT is scratched vinyl. We can’t change the market narrative as it remains the same, so let’s change the dialect, say a Bishop Auckland, England dialect. As always, no one presents the market in a more precise manner than the founder of the Cromford Report and Oxford alum, Mike Orr. This is his market summary for May:

“Once again, supply continued to grow over the last month, which is seasonally abnormal. However, it only grew 0.6% and remains below normal. Buyers have 37% more homes to choose from than they had last year but still face 30-year mortgage rates of over 7% which is limiting demand.

Some signs are starting to look slightly positive. We have more pending listings than last month and under contract listings comfortably exceed 9,000 at last, up 8.5% from last month, though they are still down 6.3% from this time last year. The closed sales count for April was higher than both last year and last month, which is reassuring at first sight. However, we had 22 working days in April 2024 and only 20 in April 2023, so the comparison is weighted in favor of the month that just completed. If we compute the number of closed sales per working day, we are actually down 4.7% to 319 from 334 a year ago.

Pricing is the brightest spot for sellers, and advanced further than expected over the last 30 days. The mix of homes that closed favors larger, more luxurious properties, as evidenced by the average sq. ft. rising from 1,975 in March to 1,996 in April. The price per square foot is up almost 10% from this time last year while the median sale price is up almost 6%. On top of stubbornly high interest rates (at least compared to the last decade), these higher prices are keeping a lid on demand. In these circumstances, the under-contract count is proving to be quite resilient so far.

Various reports suggest that more buyers are looking for homes that are move-in ready and are less willing to consider homes that need a lot of work to bring up-to-spec. This trend may partially explain why new home sales remain

robust and far healthier than re-sales, and it also opens up an increased opportunity for fix-and-flip investors. They should be seeing less competition from iBuyers, institutional investors looking for homes to rent and ordinary home buyers. The consequence is that they may be able to get better gross margins between their buying and selling prices than in the market that prevailed over the last several years. However, this effect is balanced by inflation causing fix-up costs to increase.

Given the recent trend in mortgage rates, the current market is holding up a little better than expected. The Cromford® Market Index stands a point above the balanced zone (90 to 110) and has barely declined over the past 2 weeks. Being stuck at just over 110 is superior to being stuck at 100 from a seller's perspective. Areas closer to the center of the valley still have the advantage of tight supply to keep sellers in control. However, several re-sale markets are much more favorable to buyers, especially Maricopa, Buckeye, and San Tan Valley, all of which suffer strong competition from new homes.

The outlook for May is more of the same, but the housing market remains very sensitive to any significant change in mortgage rates.”

In this month's STAT, we'll feature a brief discussion on mortgage rates, how we see our peak home-buying season unfolding, offer a couple of life hacks and, finally, share two brief articles from Real Estate News.

We're in a Rate Sensitive Environment

Mortgage rates remain “sticky,” meaning that they tend to change slowly in response to shifts in broader economic factors such as inflation rates and central bank policies. Unlike some other interest rates that fluctuate more rapidly, mortgage rates often remain relatively stable over short periods, adjusting gradually over time. Overall, the stickiness of mortgage rates means that borrowers and lenders alike should anticipate relatively gradual changes in interest rates over time, rather than rapid fluctuations.

Sam Khater's, Freddie Mac's Chief Economist, views echo our reoccurring market narrative, *“An environment where rates continue to hover above seven percent impacts both sellers and buyers. Many potential sellers remain hesitant to list their home and part with lower mortgage rates from years prior, adversely impacting supply and keeping house prices elevated. These elevated house prices add to the overall affordability*

challenges that potential buyers face in this high-rate environment.”

News Facts

- The [30-year FRM](#) averaged 7.09% as of May 9, 2024, down from last week when it averaged 7.22%. A year ago, at this time, the 30-year FRM averaged 6.35%.
- The [15-year FRM](#) averaged 6.38%, down from last week when it averaged 6.47% . A year ago, at this time, the 15-year FRM averaged 5.75%.

I keep hoping to see the 30-year FRM match the 30-year FRM from one year prior. This would allow year-over-year closing data comparisons with similar affordability constraints. Our current 30-year FRM is 0.74% higher than a year ago at this time. In an USA Today article published earlier this week, Federal Reserve Chair Jerome Powell said, “it may take longer than expected” for high interest rates to lower inflation and gave no hint that a recently slowing labor market could mean earlier rate cuts. “We’ll need to be patient and let restrictive policy do its work,” Powell said during a session at a Foreign Bankers Association meeting in Amsterdam. “It may be that (high interest rates) take longer than expected to do its work and bring inflation down.” He reiterated a rate hike is unlikely. Again, more of the same.

Peak Season

We are currently on the downside of the spring buying season in Greater Phoenix. It is as though we hardly knew ya. When we study ARMLS’s pending contract data, it suggests the following:

- The median sales price, as reported by Cromford, rose to \$454,290 on May 8, this might very well be the high-water mark for the year as we move from our buying season to our “it’s really hot” season, at which time luxury buyers take a hiatus and head to the mountains and beaches.
- The highest number of pending contracts entered in the Flexmls system on a single day this year occurred on March 26, when 305 homes went to pending status.
- The highest yearly total of pending contracts in the pipeline also occurred on March 26, when 5,571 homes were reported with pending contracts.

- Last year, daily pending contracts peaked on April 18 with 359 pending contracts. Total pending contracts in 2023 peaked on April 25, when 6,664 pending contracts were in the pipeline.
- We expect May to report the highest total of closed contracts for any month in 2024.
- May's home closings will most likely be the high-water mark in 2024 in terms of both pricing and sales volume. This is what the tea leaves are indicating, I wouldn't mind being wrong.

House Hacking

A life hack is any shortcut, skill or novelty method that increases productivity and efficiency. They are often simple and practical solutions to common problems or challenges people encounter in their daily lives. They aim to streamline processes, save time or improve outcomes with minimal effort or resources. Let me share with you two life hacks that worked for me. In early 2009, when the sky was falling, foreclosures were soaring, and my bills were piling up. I discovered a simple way to cut my bills by two-thirds... throw away the first two notices. I know, this hack won't work for everyone, but it did make my stack of bills appear more manageable.

Our current market environment is ideal for my second life hack, house hacking. House hacking is an unconventional approach to homeownership where individuals strategically utilize their residential property to generate income or reduce living expenses. This typically involves renting out a portion of the property, such as a spare bedroom, basement or additional unit, to tenants or guests. By doing so, homeowners can offset their mortgage payments or even live rent-free by leveraging rental income from the property. House hacking can be an effective way for first-time homeowners to build equity, generate passive income and achieve freedom through real estate investing while simultaneously enjoying the benefits of homeownership. I have personally benefited from this type of arrangement, as both a renter and a homeowner. In both instances, I was able to dramatically reduce my housing costs, making it a win-win situation. As an added bonus, we had a lot of fun.

In the News:

[Real Estate News is a current ARMLS subscriber benefit](#). Below are excerpts from two recent articles, the first discussing NAR membership numbers, and the second quoting Warren Buffet and Greg Abel as they discuss the recent NAR settlement and their views on real estate agents and their value.

NAR Membership

“After a rough year that included the [founding of a competing trade organization](#), membership at the end of April was 1,509,195 — higher than February or March, when it [dipped below 1.5 million](#). While the numbers are still about 2% lower than a year ago, [membership is several percentage points better](#) than what the association forecasted,” said NAR Treasurer Greg Hrabcak. It’s possible that [NAR’s March 15 settlement](#) contributed to member retention, as the agreement protects individual members from further litigation over the commission antitrust cases.

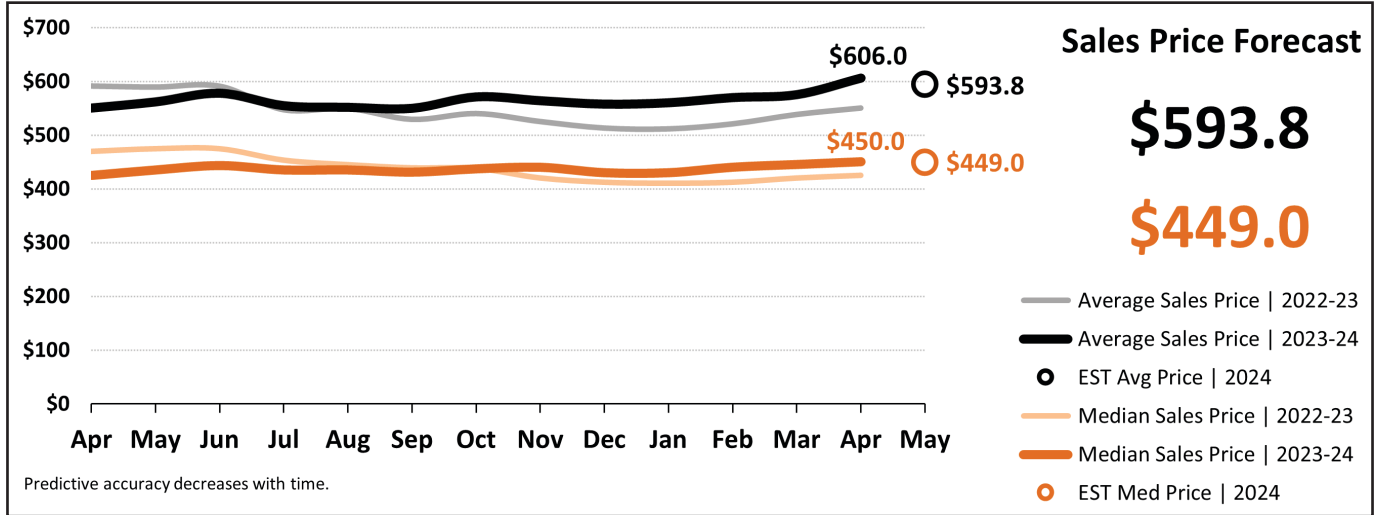
Warren Buffet/Greg Abel:

Warren Buffet, the Berkshire Hathaway CEO, along with Vice Chair Greg Abel, spoke about the HomeServices settlement and more during the [company’s annual shareholder meeting](#). *“Real Estate agents will continue to play a pivotal role in the homebuying process despite the changes coming out of the commissions lawsuits,”* Berkshire Hathaway Vice Chairman Greg Abel said during the company’s annual shareholder meeting on May 4. Abel emphasized that *“the real estate agent is still an important part of these transactions: given their expertise and the size of the investment.”* *“it’s the one time in our lives where we make these massive investments, and having that counsel and guidance is critical,”* Abel said. Buffet was unfazed at the idea of commission fees, noting that he has *“not negotiated down the commission,”* even on a multimillion-dollar sale. *“I’ve looked at the figures, and I think the system has really worked out very well,”* he said.

In conclusion:

As mortgage rates remain elevated, we can expect more of the same.

Sales Price Forecast



A **decrease** is forecasted in May 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 April at \$449,000; the actual amount was \$450,000. Looking ahead to May, the ARMLS Pending Price Index is projecting the median sales price will remain flat, our projection being at \$449,000. In June 2022, we reported the highest monthly median sales price ever recorded at \$475,000. If our mathematical model is correct, May’s median sales price will be 3.22% higher year over year and down 5.47% from our record high.

We began May with 5,007 pending contracts, 3,143 UCB listings and 589 CCBS, giving us a total of 8,739 residential listings practically under contract. This compares to 9,688 of the same type of listings one year ago. At the beginning of May, ARMLS is reporting 949 fewer “pending” contracts compared to last year at this time. There were 22 business days in May of 2023 and 22 this year. ARMLS reported 7,898 sales in May 2023. The highest sales volume over the last 20 years in May occurred in 2019 when 10,341 home sales were reported. With “pending contracts” 9.8% lower year over year, May’s sales volume will decline year over year. We are anticipating May’s home closings as reported by ARMLS to be in the 7,200 range.