



STAT

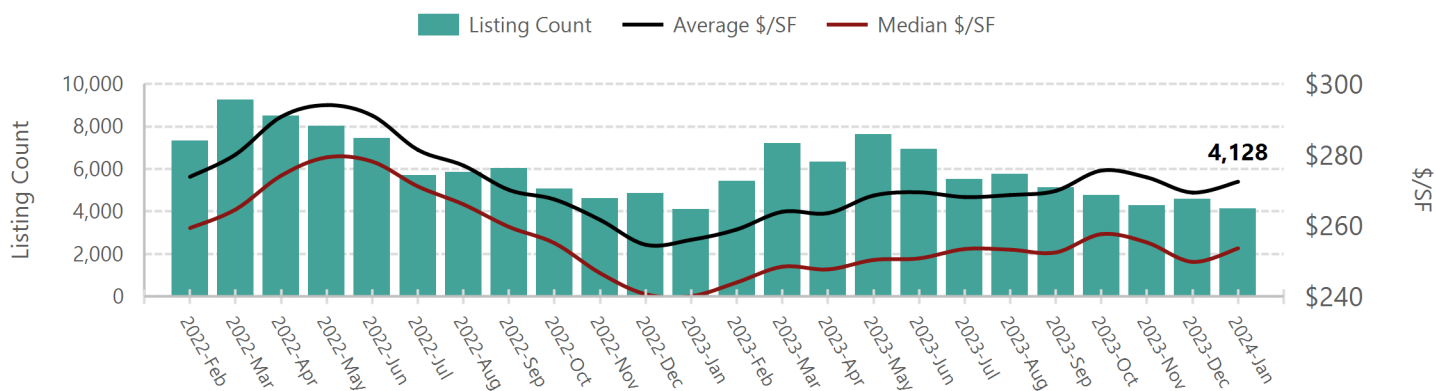
Your Monthly Statistics for the **Phoenix Metro Area**



DATA FOR January 2024

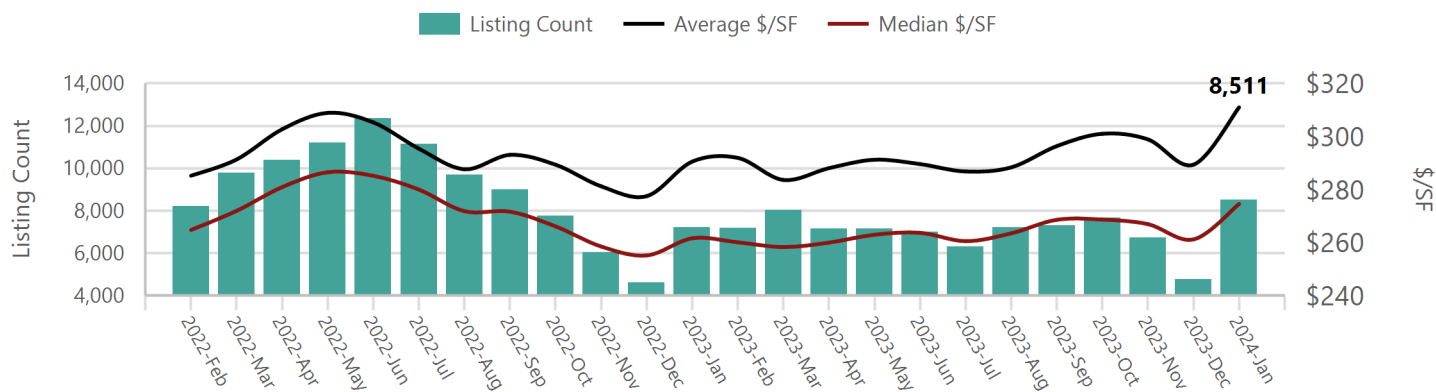
Published February 16, 2024

Sold Listings



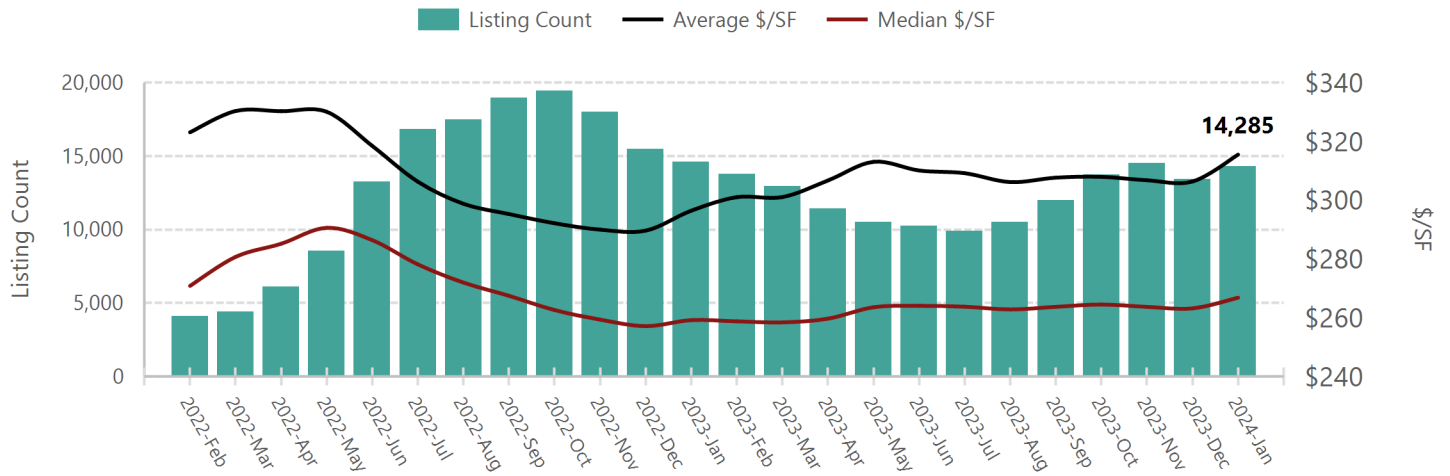
Metric	Monthly Values					Current Month Value vs Prior Monthly Values				
	Current	1M Pr	3M Pr	6M Pr	12M Pr	1M Pr	3M Pr	6M Pr	12M Pr	
Listings	4,128	4,586	4,761	5,521	4,118	-9.99% ▼	-13.30% ▼	-25.23% ▼	0.24% ▲	
Average \$/SF	\$272.43	\$269.35	\$275.59	\$268.10	\$256.03	1.14% ▲	-1.15% ▼	1.61% ▲	6.40% ▲	
Median \$/SF	\$253.62	\$249.80	\$257.63	\$253.42	\$240.12	1.53% ▲	-1.56% ▼	0.08% ▲	5.62% ▲	

New Listings



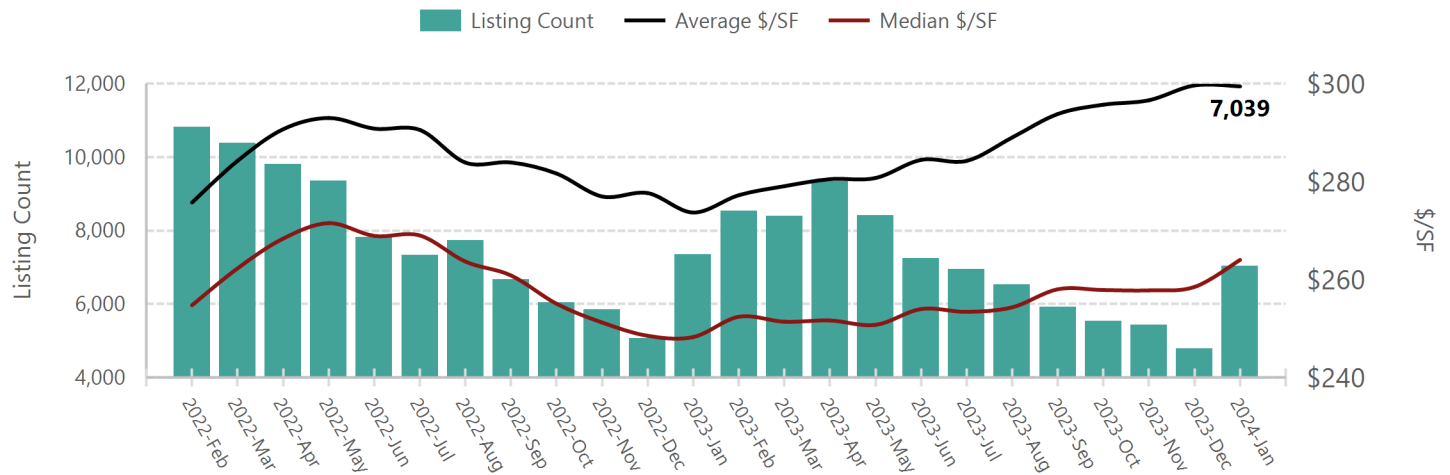
Metric	Monthly Values					Current Month Value vs Prior Monthly Values				
	Current	1M Pr	3M Pr	6M Pr	12M Pr	1M Pr	3M Pr	6M Pr	12M Pr	
Listings	8,511	4,771	7,655	6,320	7,211	78.39% ▲	11.18% ▲	34.67% ▲	18.03% ▲	
Average \$/SF	\$310.97	\$289.37	\$301.01	\$286.80	\$290.55	7.46% ▲	3.31% ▲	8.42% ▲	7.03% ▲	
Median \$/SF	\$274.61	\$261.23	\$268.70	\$260.57	\$261.65	5.12% ▲	2.20% ▲	5.39% ▲	4.95% ▲	

Active Listings (excluding UCB/CCBS)



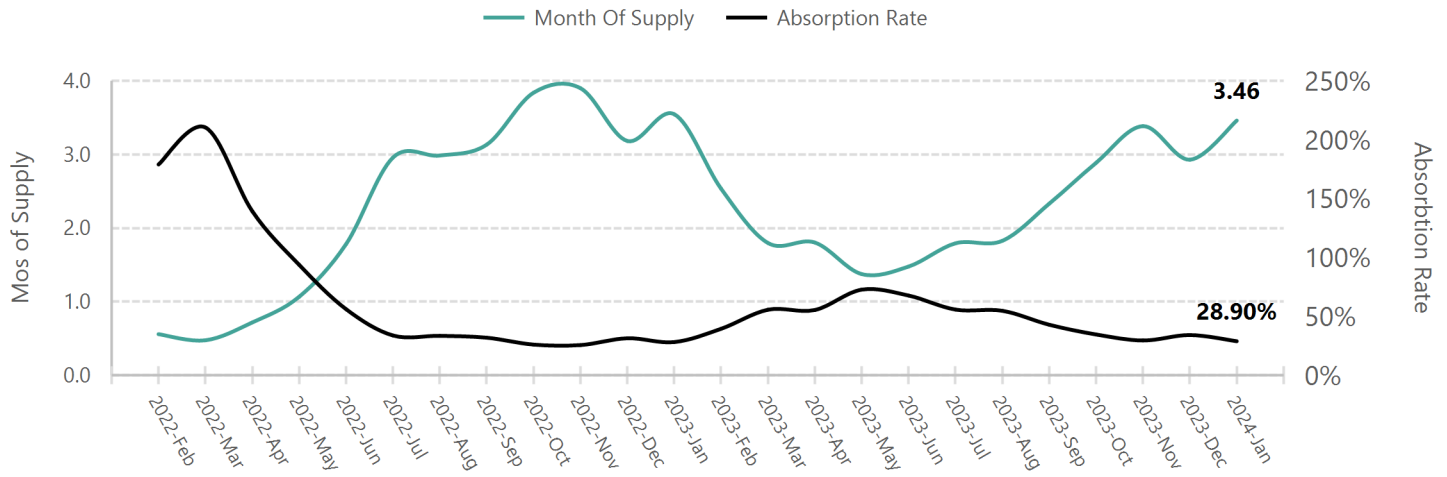
Metric	Monthly Values					Current Month Value vs Prior Monthly Values							
	Current	1M Pr	3M Pr	6M Pr	12M Pr	1M Pr	3M Pr	6M Pr	12M Pr				
Listings	14,285	13,433	13,744	9,902	14,607	6.34%	▲	3.94%	▲	44.26%	▲	-2.20%	▼
Average \$/SF	\$315.48	\$306.34	\$307.94	\$309.18	\$296.42	2.98%	▲	2.45%	▲	2.04%	▲	6.43%	▲
Median \$/SF	\$266.81	\$263.18	\$264.48	\$263.75	\$259.18	1.38%	▲	0.88%	▲	1.16%	▲	2.94%	▲

Under Contract Listings (Pending/UCB/CCBS)



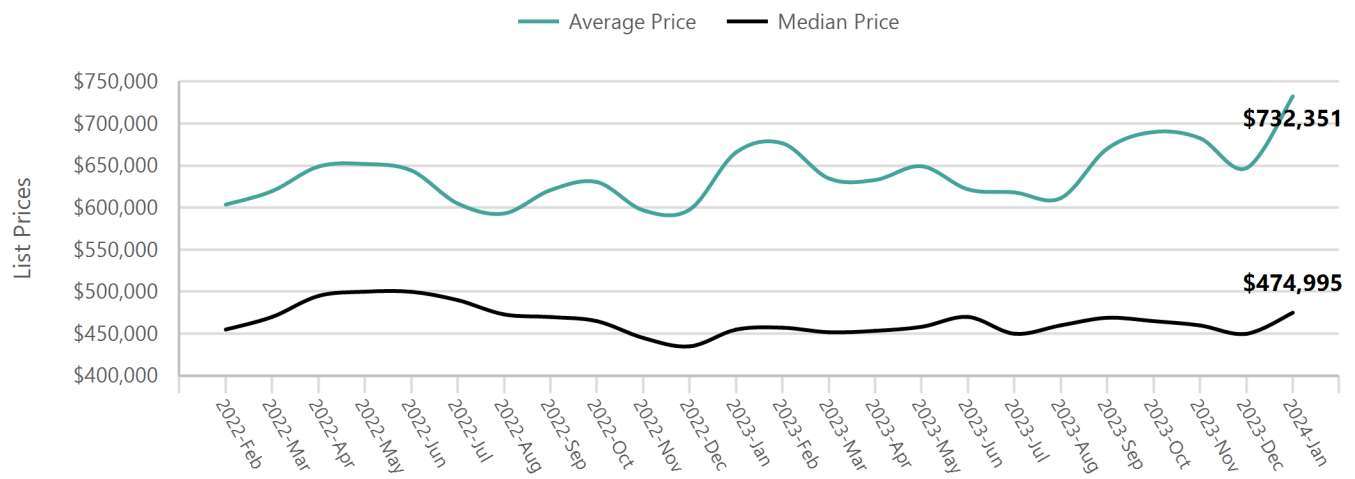
Metric	Monthly Values					Current Month Value vs Prior Monthly Values							
	Current	1M Pr	3M Pr	6M Pr	12M Pr	1M Pr	3M Pr	6M Pr	12M Pr				
Listings	7,039	4,779	5,528	6,952	7,350	47.29%	▲	27.33%	▲	1.25%	▲	-4.23%	▼
Average \$/SF	\$299.43	\$299.63	\$295.70	\$284.22	\$273.68	-0.07%	▼	1.26%	▲	5.35%	▲	9.41%	▲
Median \$/SF	\$264.01	\$258.48	\$257.86	\$253.40	\$248.25	2.14%	▲	2.39%	▲	4.19%	▲	6.35%	▲

Month Of Supply/Absorption Rate



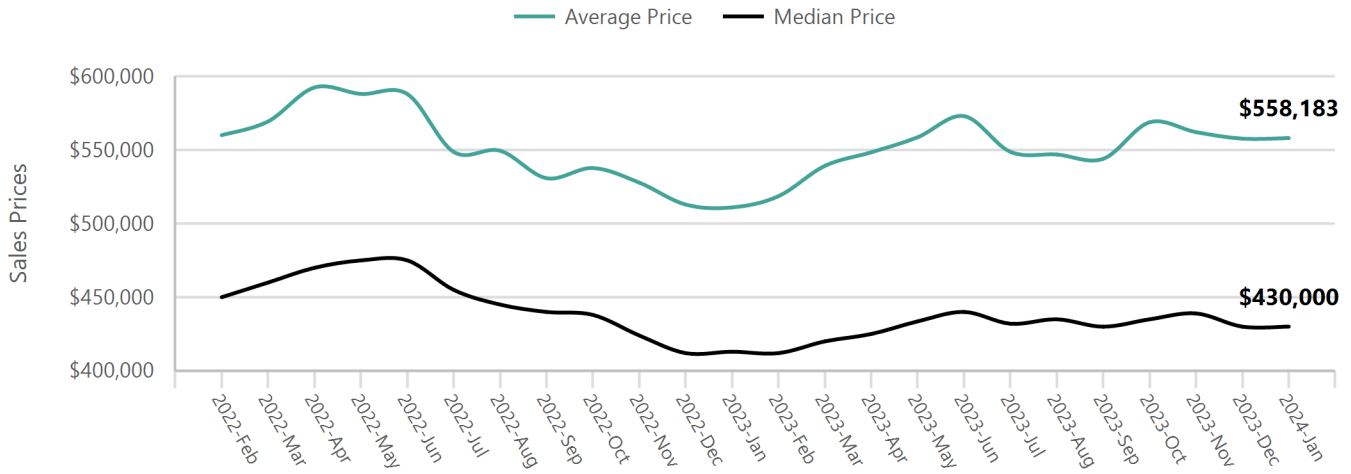
Metric	Monthly Values					Current Month Value vs Prior Monthly Values							
	Current	1M Pr	3M Pr	6M Pr	12M Pr	1M Pr	3M Pr	6M Pr	12M Pr				
Supply	3.46	2.93	2.89	1.79	3.55	18.14%	▲	19.87%	▲	92.95%	▲	-2.44%	▼
Absorption Rate	28.90%	34.14%	34.64%	55.76%	28.19%	-15.36%	▼	-16.58%	▼	-48.17%	▼	2.50%	▲

New List Prices



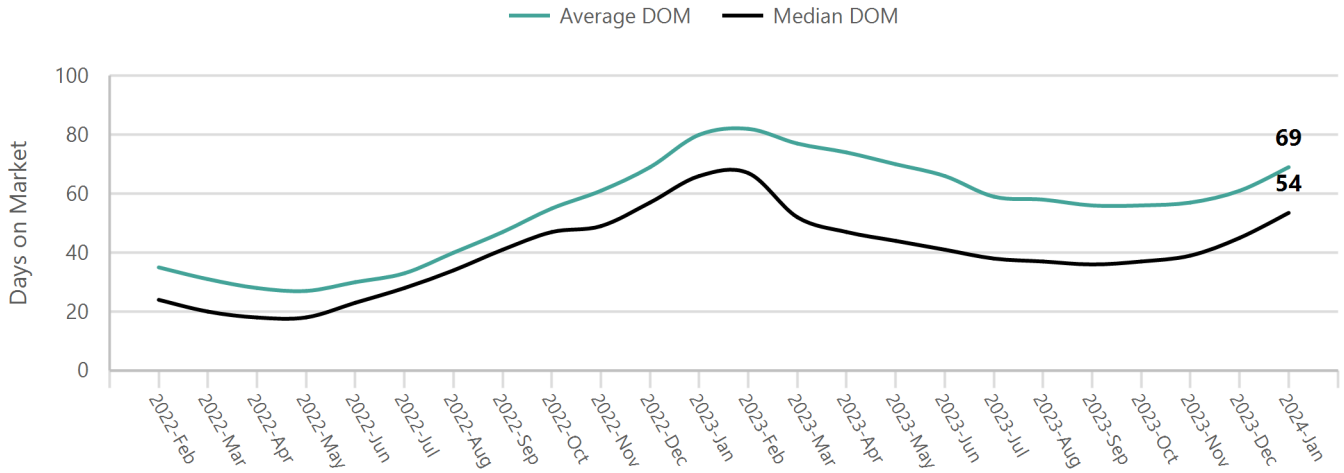
Metric	Monthly Values					Current Month Value vs Prior Monthly Values							
	Current	1M Pr	3M Pr	6M Pr	12M Pr	1M Pr	3M Pr	6M Pr	12M Pr				
Average List Price	\$732,351	\$646,951	\$689,949	\$618,149	\$665,747	13.20%	▲	6.15%	▲	18.47%	▲	10.00%	▲
Median List Price	\$474,995	\$449,900	\$465,000	\$450,000	\$454,900	5.58%	▲	2.15%	▲	5.55%	▲	4.42%	▲

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	\$558,183	\$557,785	\$568,960	\$548,821	\$511,019	0.07% ▲	-1.89% ▼	1.71% ▲	9.23% ▲	
Median Sales Price	\$430,000	\$430,000	\$435,000	\$432,000	\$412,950	0.00% ▬	-1.15% ▼	-0.46% ▼	4.13% ▲	

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	69	61	56	59	80	13.11% ▲	23.21% ▲	16.95% ▲	-13.75% ▼	
Median DOM	54	45	37	38	66	18.89% ▲	44.59% ▲	40.79% ▲	-18.94% ▼	

Introduction

Before we get started with this month's STAT, let's talk a little bit about the report itself and the data within the various reports. As you can see, STAT has been updated, or in language you might prefer, renovated or remodeled. STAT charts are now being pulled directly from our in-house product, RapidStats. Something you should understand: the RapidStats charts are dynamic. Translation: as agents report the status of their listings, the charts change, and I can assure you, not all agents are diligent in how they report their listing's status. Some agents may update their listings daily, some weekly and others maybe monthly. Some agents may report the status of their listing as closed before the publicly recorded conveyance, or they may report closings weeks or even months after the Maricopa County Recorder reports the sale.

It should be noted that the majority of agents report their closing in a timely manner. The two statuses that tend to be the least reliable are Pending and UCB, with the pending status underreported and the UCB status over reported. This phenomenon began with the advent of the public listing portals. The ARMLS listing database is a marketing database, and agents will change their reporting habits to give themselves and their clients what they perceive to be a marketing advantage.

In this month's STAT, we will look at each of the new charts and share with you how we view the data. The data for this report was pulled from RapidStats on Feb. 6, 2024. Without further ado, this is your January 2024 STAT Report.

Sold Listings via RapidStats

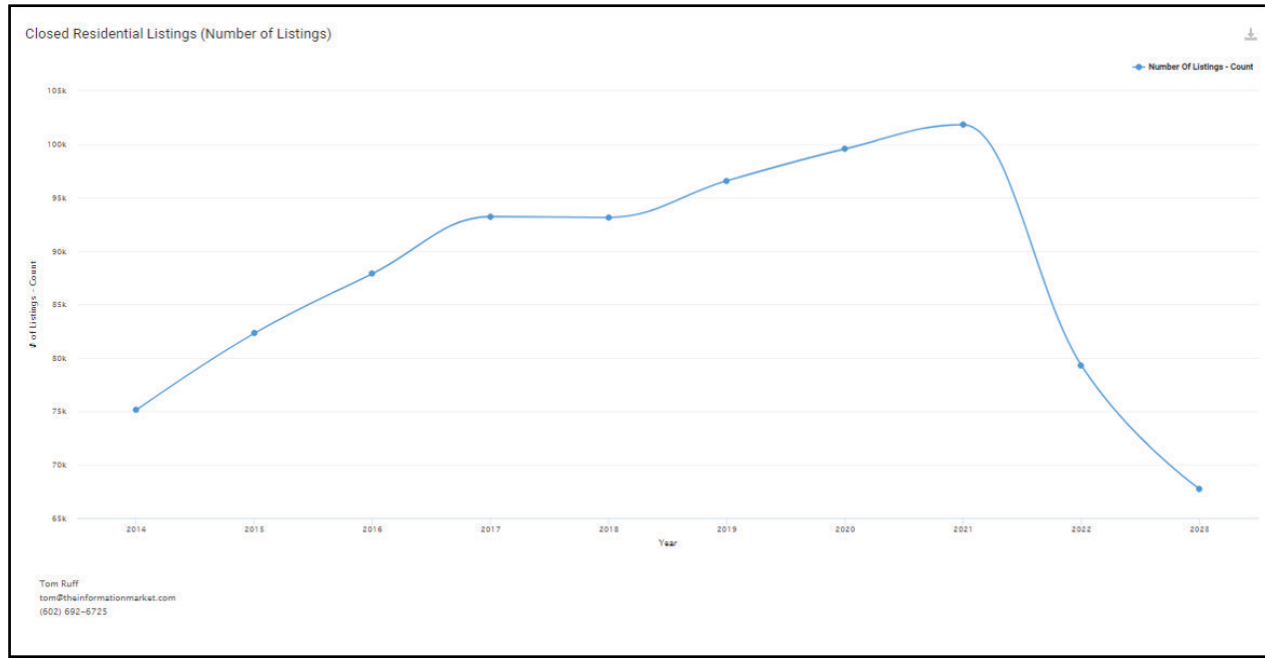
Metric	Monthly Values					Current Month Value vs Prior Monthly Values						
	Current	1M Pr	3M Pr	6M Pr	12M Pr	1M Pr	3M Pr	6M Pr	12M Pr			
Listings	4,122	4,586	4,761	5,521	4,118	-10.12% ▼	-13.42% ▼	-25.34% ▼	0.10% ▲			
Average \$/SF	\$272.44	\$269.35	\$275.59	\$268.10	\$256.03	1.15% ▲	-1.14% ▼	1.62% ▲	6.41% ▲			
Median \$/SF	\$253.59	\$249.80	\$257.63	\$253.42	\$240.12	1.52% ▲	-1.57% ▼	0.07% ▲	5.61% ▲			

This chart combines two separate metrics, sales volume and price per sq foot. Let's start with the price per square foot. The Average \$/SF and Median\$/SF, 1M Pr, 3M Pr, 6M Pr and 12M Pr (M meaning Month, Pr meaning Previous) all offer relevant insights. The average price per square foot was up 6.41% year over year, while the median price per square foot was up 5.61%.

On the other hand, sales volume is greatly influenced by seasonal patterns, and on an annual basis, January consistently reports the fewest sales within any given year. For this very reason, the 12M Pr metric offers the most meaningful comparison. This January's sales volume was nearly identical to last year's total. However, there was one more business day this January compared to last, and the number of business days in any given month will proportionately impact sales volume.

While this year's sales volume in January was up 0.1%, it could be argued that year-over-year sales were down slightly. Higher mortgage rates have affected affordability and, in turn, demand. If we were to define this January's housing numbers in terms of the type of year a major entertainer, a football player and an NFL franchise had, it would be a Lizzo Mitch Trubisky Arizona Cardinals kind of month. The graph below shows you what a Taylor Swift Travis Kelce Kansas City kind of year would look like, which was 2021. To look at the last two Januarys from a historical perspective, over the last two decades, only 2008 saw a lower sales volume. Affordability matters.

Closed Residential Listings (number) Year-Over-Year via RapidStats



New Listings via RapidStats

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	1M Pr	3M Pr	6M Pr	12M Pr
Listings	8,511	4,771	7,655	6,320	7,211	78.39%	▲	11.18%	▲	34.67%	▲	18.03%	▲
Average \$/SF	\$310.95	\$289.37	\$301.02	\$286.80	\$290.55	7.46%	▲	3.30%	▲	8.42%	▲	7.02%	▲
Median \$/SF	\$274.57	\$261.23	\$268.70	\$260.57	\$261.65	5.11%	▲	2.18%	▲	5.37%	▲	4.94%	▲

Just like sales volume, there is a seasonality as to when new listings appear on the MLS, with few sellers wanting to list their homes over the holidays. Again, the 12M Pr comparison is the metric you want to keep an eye on, and in this case, new listings were up a healthy 18.03% year over year. Supply matters, and if we are to see a rise in overall supply, we'll likely see a rise in new listings first. Again, in terms of new listings, the 1,3 and 6M Pr metrics should be taken with a grain of seasonality and, in multiple instances, best ignored.

COMMENTARY

BY TOM RUFF

Active Listings (Excluding UCB/CCBS) via RapidStats

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	1M Pr	3M Pr	6M Pr	12M Pr
Listings	14,284	13,433	13,744	9,902	14,607	6.34%	▲	3.93%	▲	44.25%	▲	-2.21%	▼
Average \$/SF	\$315.49	\$306.34	\$307.94	\$309.18	\$296.42	2.98%	▲	2.45%	▲	2.04%	▲	6.43%	▲
Median \$/SF	\$266.81	\$263.18	\$264.48	\$263.75	\$259.18	1.38%	▲	0.88%	▲	1.16%	▲	2.94%	▲

If you're driving your car, green means go and red means stop. Red often produces a warning effect. However, in RapidStats charts, red simply means numbers are lower, and green simply means numbers are higher. Do not equate green and red with good and bad. Believe me, in late October 2007 when active listings surpassed 58,000, that was not a good thing. Currently, year-over-year supply numbers are remarkably similar.

Under Contract Listings (Pending/UCB/CCBS) via RapidStats

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	1M Pr	3M Pr	6M Pr	12M Pr
Listings	7,045	4,779	5,528	6,952	7,350	47.42%	▲	27.44%	▲	1.34%	▲	-4.15%	▼
Average \$/SF	\$299.40	\$299.63	\$295.70	\$284.22	\$273.68	-0.08%	▼	1.25%	▲	5.34%	▲	9.40%	▲
Median \$/SF	\$263.99	\$258.48	\$257.86	\$253.40	\$248.25	2.13%	▲	2.38%	▲	4.18%	▲	6.34%	▲

Listings under contract can be used to forecast sales volume for the upcoming month by applying the percentage change to the prior year's sales volume. The only additional variable you need to take into consideration is the number of business days. Again, focus on the 12M Pr metric. In this case, under contract listings are down -4.5% year over year. With 2024 being a leap year, we will have one additional day of production. We expect February 2024 sales volume numbers to closely resemble those of February 2023.

Months 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	1M Pr	3M Pr	6M Pr	12M Pr
Supply	3.47	2.93	2.89	1.79	3.55	18.30%	▲	20.04%	▲	93.21%	▲	-2.31%	▼
Absorption Rate	28.86%	34.14%	34.64%	55.76%	28.19%	-15.47%	▼	-16.69%	▼	-48.24%	▼	2.36%	▲

COMMENTARY

BY TOM RUFF

We've talked about demand (Sold Listings) and supply (Active Listings), but it's really the relationship between the two that matters most. I've harvested the following discussion regarding Absorption Rate from an article written by Andrew Dehan on behalf of Rocket Mortgage. "Absorption rate is a term used in real estate to describe the speed homes are sold in a specific market in a specific time frame."

$$\text{Absorption Rate} = \frac{\text{Average Number Of Sales Per Month}}{\text{Total Number Of Available Properties}}$$

"A high absorption rate means there's a high demand for homes and that homes don't stay on the market for long. A market with an absorption rate at or above 20% is typically called a seller's market, whereas an absorption rate below 15% signals a buyer's market." "Absorption rates are an important metric for both sellers and buyers. They can indicate how long the home will be on the market by comparing it to the rate at which comparable homes are selling. It also can play into the price of the home. A home in a market with a high absorption rate will command a higher price than the same home in a market with a low absorption rate."

Textbooks throughout American Universities all define an absorption rate of 20% as being indicative of a balanced market. I believe, through observation, an absorption rate of 25% is a better metric for defining a balanced market within our marketplace. I would define 20% as a buyer's market. As reported on Feb. 6 our current absorption rate is 28.86%, a market that slightly favors sellers.

New List Prices via RapidStats

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	\$732,351	\$646,951	\$689,949	\$618,149	\$665,747	13.20% ▲	6.15% ▲	18.47% ▲	10.00% ▲	
Median List Price	\$474,995	\$449,900	\$465,000	\$450,000	\$454,900	5.58% ▲	2.15% ▲	5.55% ▲	4.42% ▲	

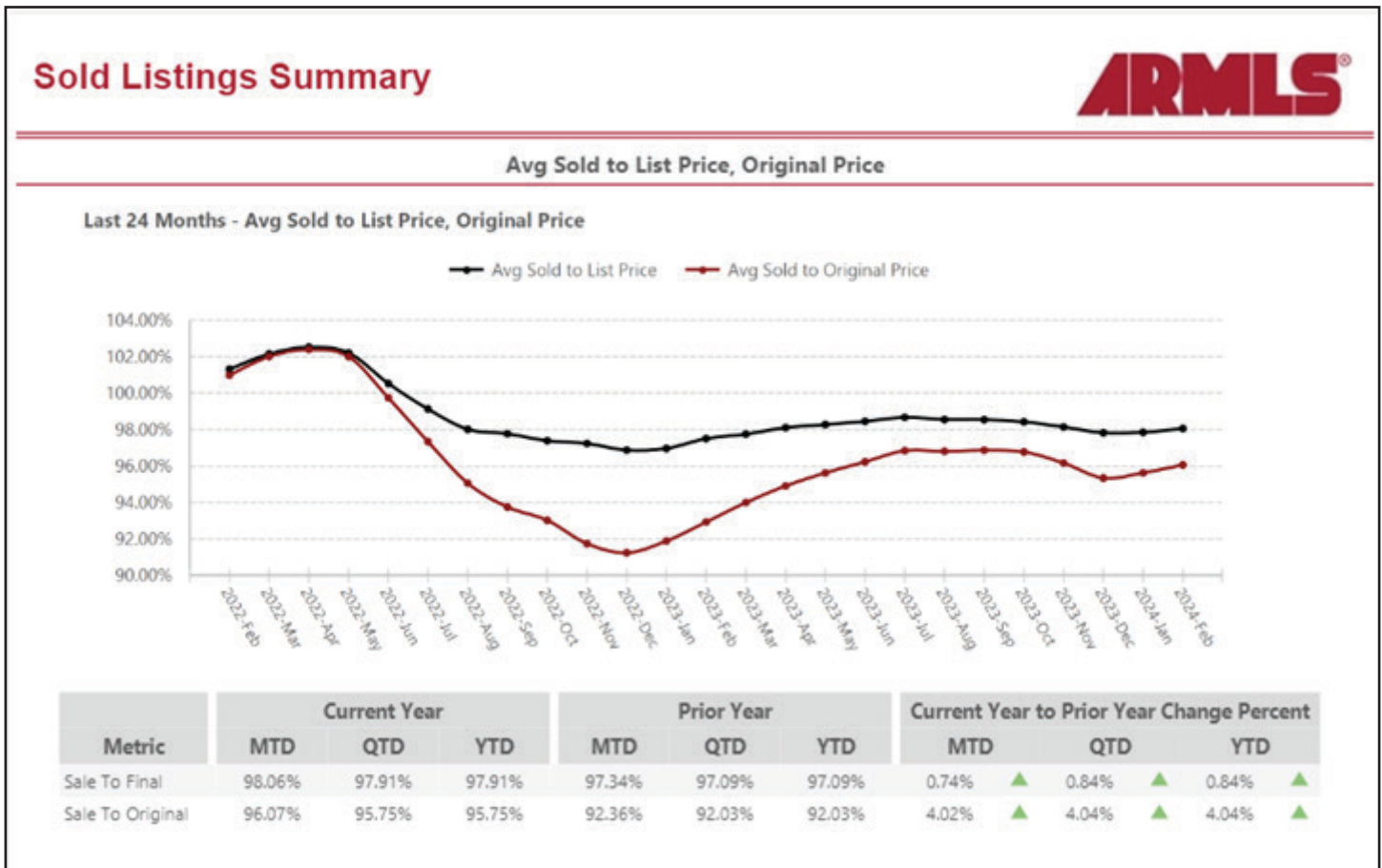
The new List Prices chart shows you the current Average List Price and the Median List Price and the changes in these prices chronologically. This chart will show current trends when pricing a listing. A chart inside RapidStats that is not displayed in the STAT report explains the relationship between list prices and sales prices. Currently, year to

COMMENTARY

BY TOM RUFF

date, closed listings are reporting 95.75% of their original list price and 97.91% of their final list price. For the few readers out there that appreciate math, you can combine the intelligence presented within the two charts and give a pretty good estimate of what the average sales price and median sales price might look like in the coming month. Of course, we at STAT cheat when making our projections, as we have access to propriety closing price data when the listing goes under contract. The math I suggested should only be used for gambling purposes or when betting against someone that does not like or understand math. As an added word of caution, never bet against someone with access to ARMLS's proprietary data.

Sold Listings Summary via ARMLS



COMMENTARY

BY TOM RUFF

Sales Prices via RapidStats

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	\$558,339	\$557,785	\$568,959	\$548,821	\$511,019	0.10% ▲	-1.87% ▼	1.73% ▲	9.26% ▲
Median Sales Price	\$430,000	\$430,000	\$435,000	\$432,000	\$412,950	0.00% ■	-1.15% ▼	-0.46% ▼	4.13% ▲

This chart is self-explanatory. The average home price is up 9.26% year over year, and the median sales price is up 4.13% year over year. In the prior section, New List Prices, we mentioned ARMLS's proprietary pending sales data. This is something I monitor on a daily basis. The median sales price for January was \$430,000, as reported. I can tell you the median sales price, based on reported pending contracts, began to rise at the onset of January and has been rising steadily since. Spoiler alert, confirming our daily observations, ARMLS's PPI is projecting a median sales price of \$440,000 when February's closings are reported. Viewing today's listing on Feb. 14 (yes, this is what I do on Valentines Day, don't judge), the median sales price for new contracts is reporting at \$445,000. Translation: The median home price as reported by ARMLS is expected to rise from today's median of \$430,000 to \$445,000 by mid-March.

Days on Market via RapidStats

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	69	61	56	59	80	13.11% ▲	23.21% ▲	16.95% ▲	-13.75% ▼
Median DOM	54	45	37	38	66	20.00% ▲	45.95% ▲	42.11% ▲	-18.18% ▼

Last but not least, Days on Market (DOM). If you follow STAT, you'll seldom if ever see me mention DOM. Historically, these numbers used to mean something, to me, today, they have little to no relevance. There are just too many ways to game the listing, in both directions. However, this is a go-to metric for many, so we show the average DOM and median DOM. I can understand viewing this data for an individual property to glean insight, but as for gathering overall market intelligence, not so much.

Odds 'N Ends

Your ARMLS membership now allows you [free access to Real Estate News](#), it's worth looking into. It's funny how, as you get older, the way your mind initially views headlines changes. In a recent Real Estate News article, it was announced that a Carfax for homes startup had secured funding. My mind read the headline Carvana and immediately imagined mobile homes in a vending machine.

On Feb. 2, Punxsutawney Phil was pulled from a stump and didn't see his shadow, which means he's predicting an early spring. On Feb. 13, the Federal Reserve pulled their CPI data from a stump and saw its shadow, predicting mortgage rates would rise in the next hour.

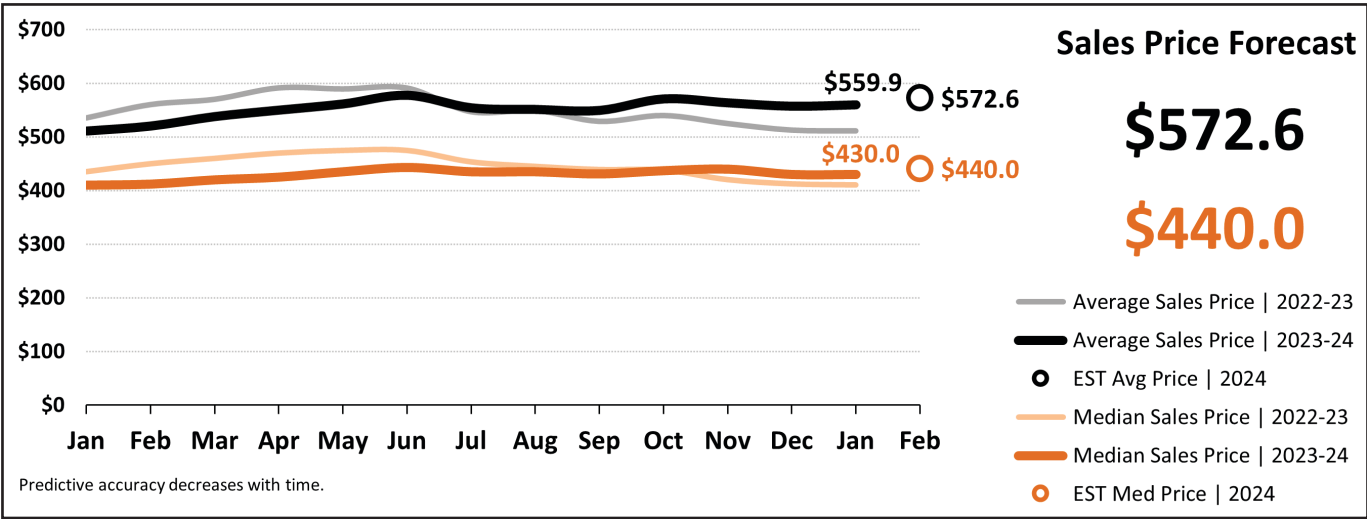
“On the heels of consumer prices rising more than expected, mortgage rates increased this week,” said Sam Khater, Freddie Mac's Chief Economist. *“The economy has been performing well so far this year and rates may stay higher for longer, potentially slowing the spring homebuying season. According to our data, mortgage applications to buy a home so far in 2024 are down in more than half of all states compared to a year earlier.”* In an article that only NAR could write about [FISBO's](#) and their regrets at not using a Realtor, one point made in the article states, *“Half of home sellers who did not use an agent admit to crying at some point in the process.”*

It's a leap year. Feb. 29, sometimes known as Ladies' Privilege Day, is an Irish tradition by which women are allowed to propose to men, based on a legend of Saint Bridget and Saint Patrick. This is wonderful, as this will afford women the opportunity to experience the same rejection men experienced the prior 1,460 days.

Conclusion:

January historically has the lowest sales volume of any month during the year. Each year at this time, we use the same analogy, ARMLS’s home buying/selling season starts when the Super Bowl kicks off. This year, it was Usher-ed in at halftime. We enter “our season” with very similar metrics to what we saw last year. The wild card again this year, for what will be the third year in a row, interest rates. We’ll be monitoring their impact on affordability and demand, with a watchful eye on supply. In closing, we spoke a lot about RapidStats and the newly remodeled graphics. There is one feature inside the platform that maybe you’re not aware of. I often see discussions within the Arizona Real Estate Agents Forum which incidentally just celebrated its 10th anniversary, regarding agent and broker production. There are two portals inside the platform, one for Agent Metrics and one for Office Metrics, each with a plethora of data and analytics.

Sales Price Forecast



An **Increase** is forecasted in February 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 January at \$429,900, the actual amount was \$430,000. Looking ahead to February, the ARMLS Pending Price Index is projecting the median sales price to rise, projecting a median sales price of \$440,000. In June 2022, we reported the highest monthly median sales price ever recorded, \$475,000. If our mathematical model is correct, February's median sales price will be 6.80% higher year over year and down 7.37% from our record high.

We began February with 4,636 pending contracts, 2,655 UCB listings and 408 CCBS, giving us a total of 7,699 residential listings practically under contract. This compares to 8,134 of the same type of listings one year ago. At the beginning of February, ARMLS is reporting 435 fewer "pending" contracts. There were 19 business days in February 2023 and 20 this year. ARMLS reported 5,583 sales in February 2023. The highest sales volume ever in February occurred in 2005 with 7,781. With one extra business day this year and with "pending contracts" 5.35% lower year over year, this February's sales volume is expected to be similar. We are anticipating February's home closings as reported by ARMLS to be in the 5,500 range.