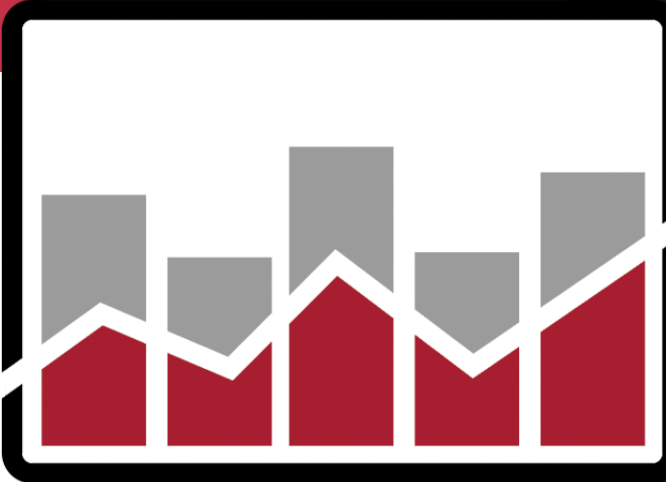


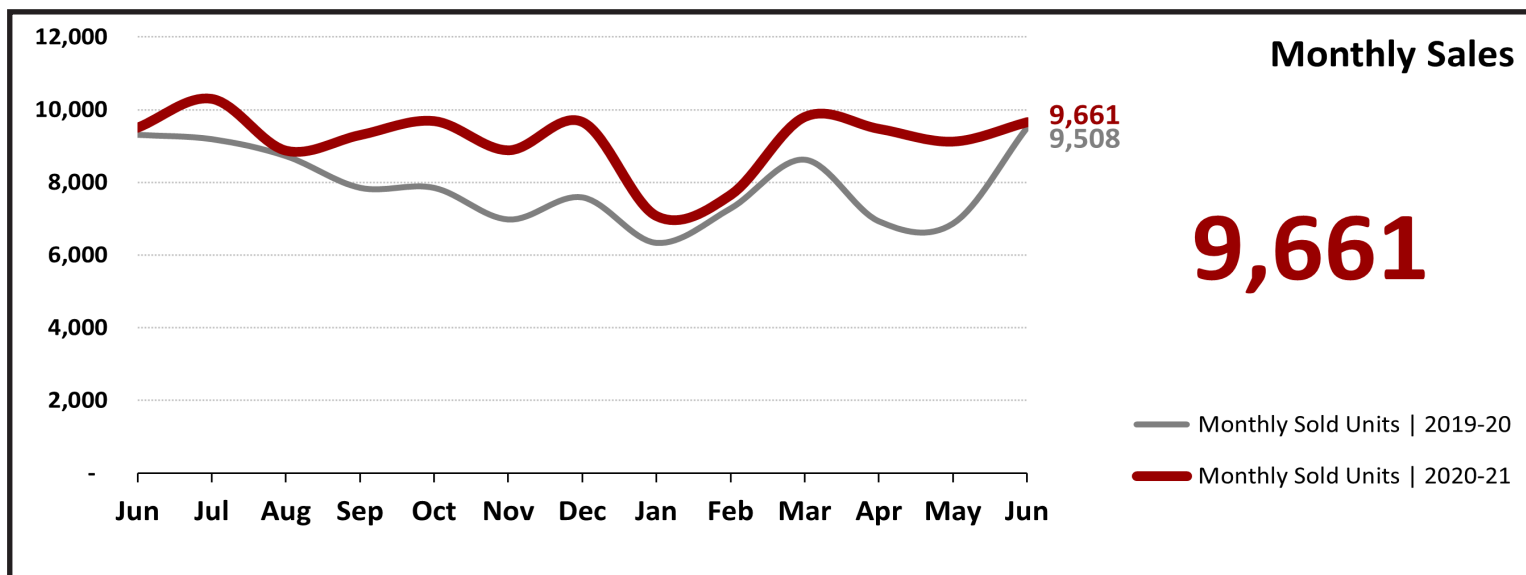
STAT

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



DATA FOR **JUNE 2021**

Published July 19, 2021

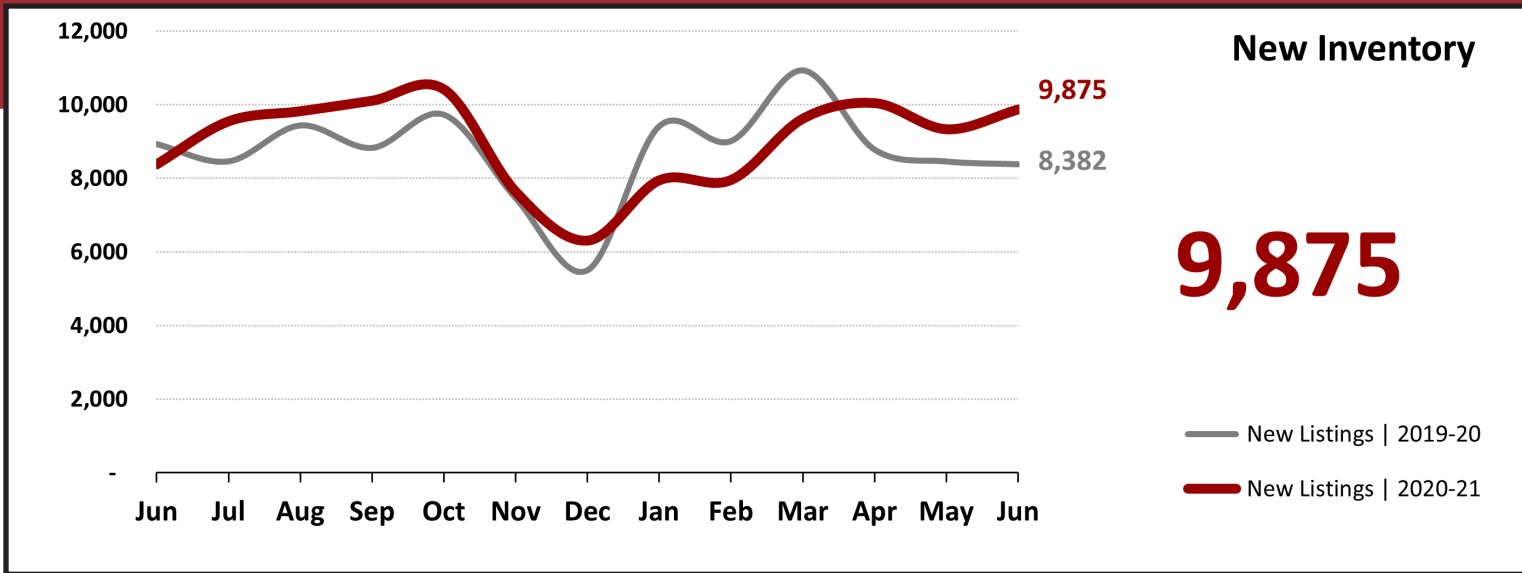


Sales are up **+5.9%** month-over-month. The year-over-year comparison is up **+1.6%**.

9,661

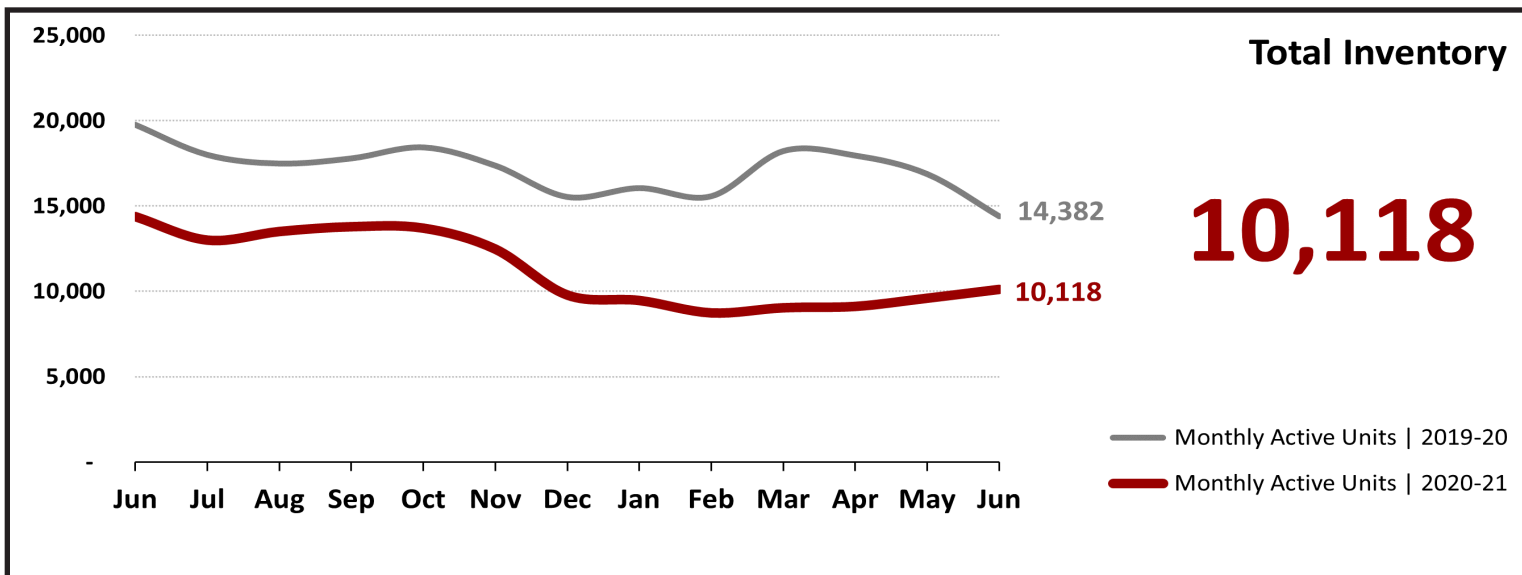
— Monthly Sold Units | 2019-20
— Monthly Sold Units | 2020-21

Closed MLS sales with a close of escrow date from 6/1/21 to 6/30/21, 0 day DOM sales removed



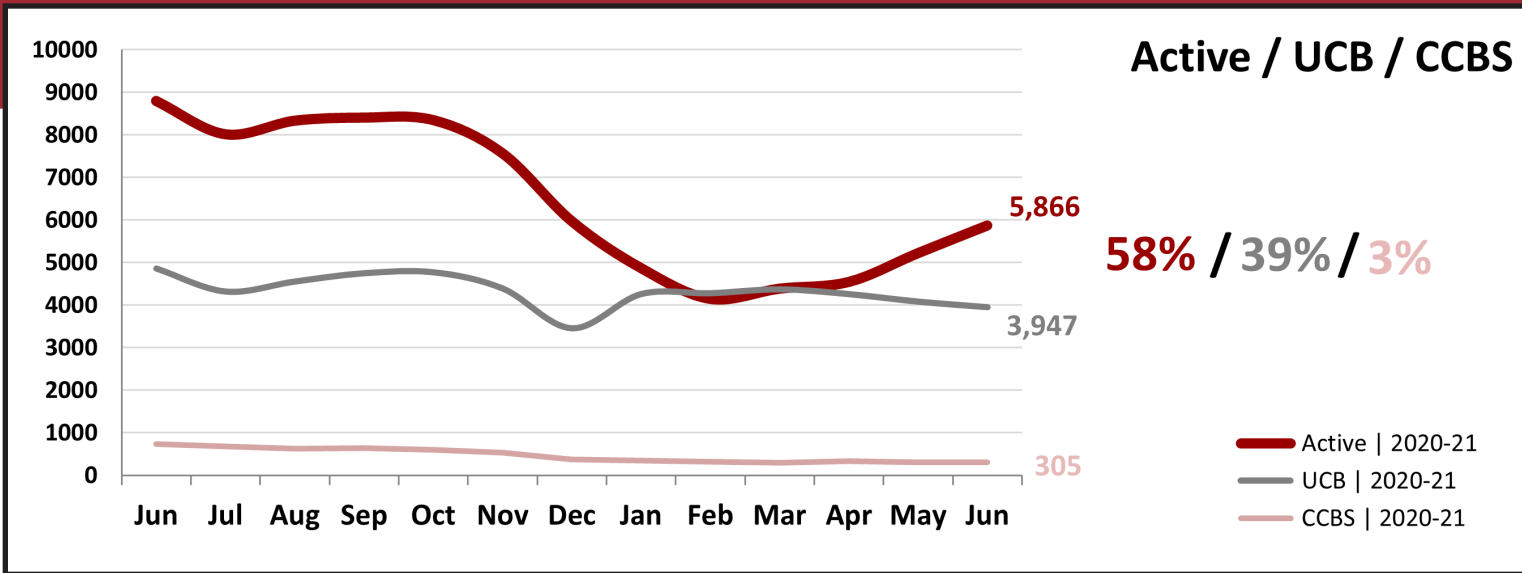
New MLS listings that were active for at least one day from 6/1/21 to 6/30/21, 0 day DOM sales removed

New inventory is up **+5.8%** month-over-month while the year-over-year comparison increased by **+17.8%**.



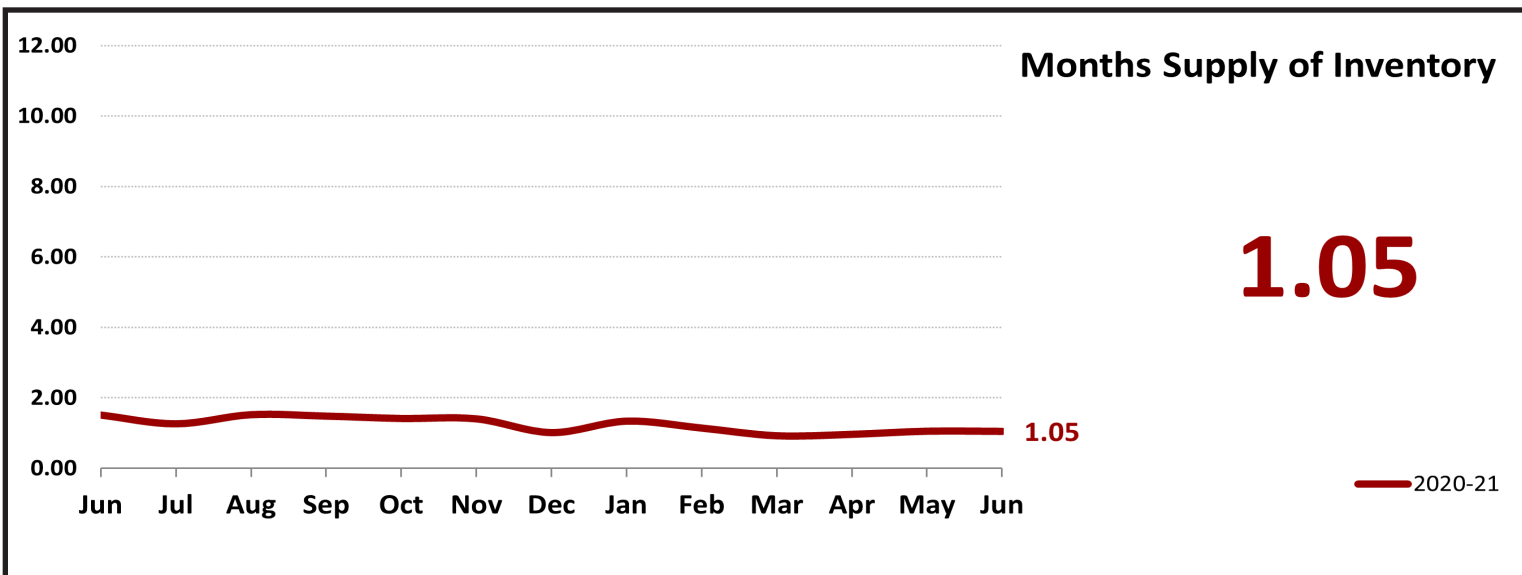
Snapshot of statuses on 6/30/21

Total inventory has a month-over-month increase of **+5.4%** while year-over-year reflects a decrease of **-29.6%**.



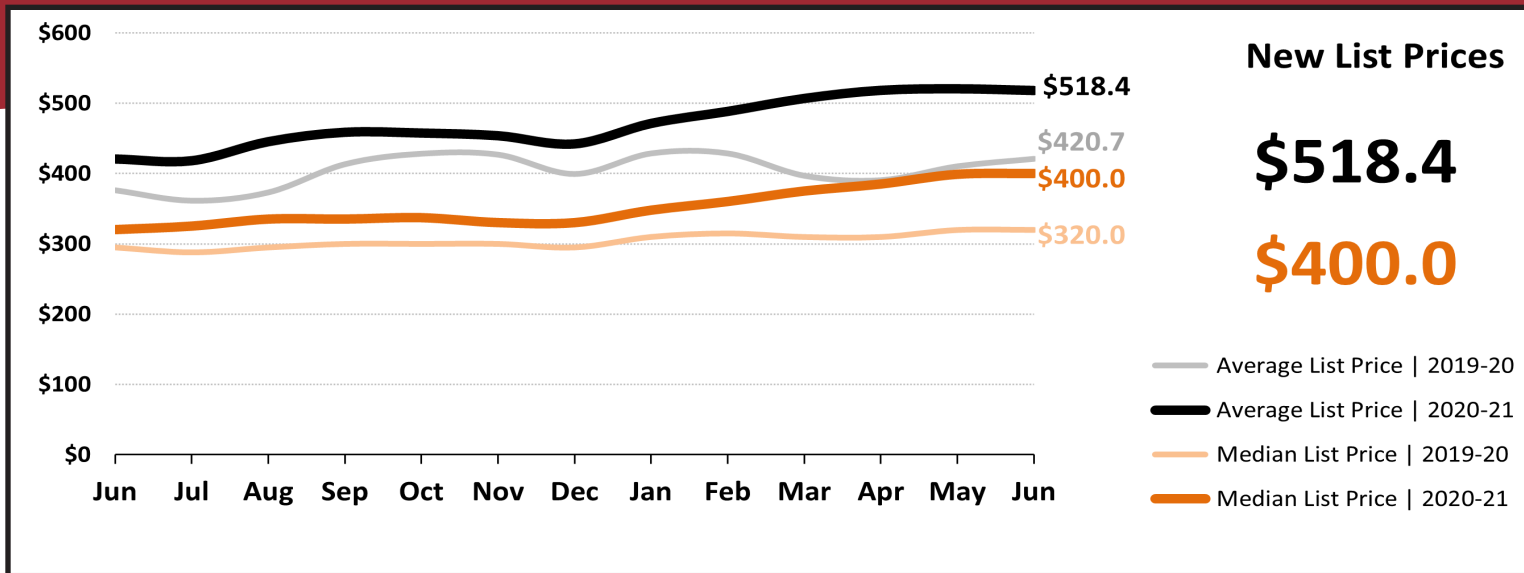
June UCB listings percent of total inventory was **39.0%** with June CCBS listings at **3.0%** of total inventory.

Snapshot of statuses on 6/30/21



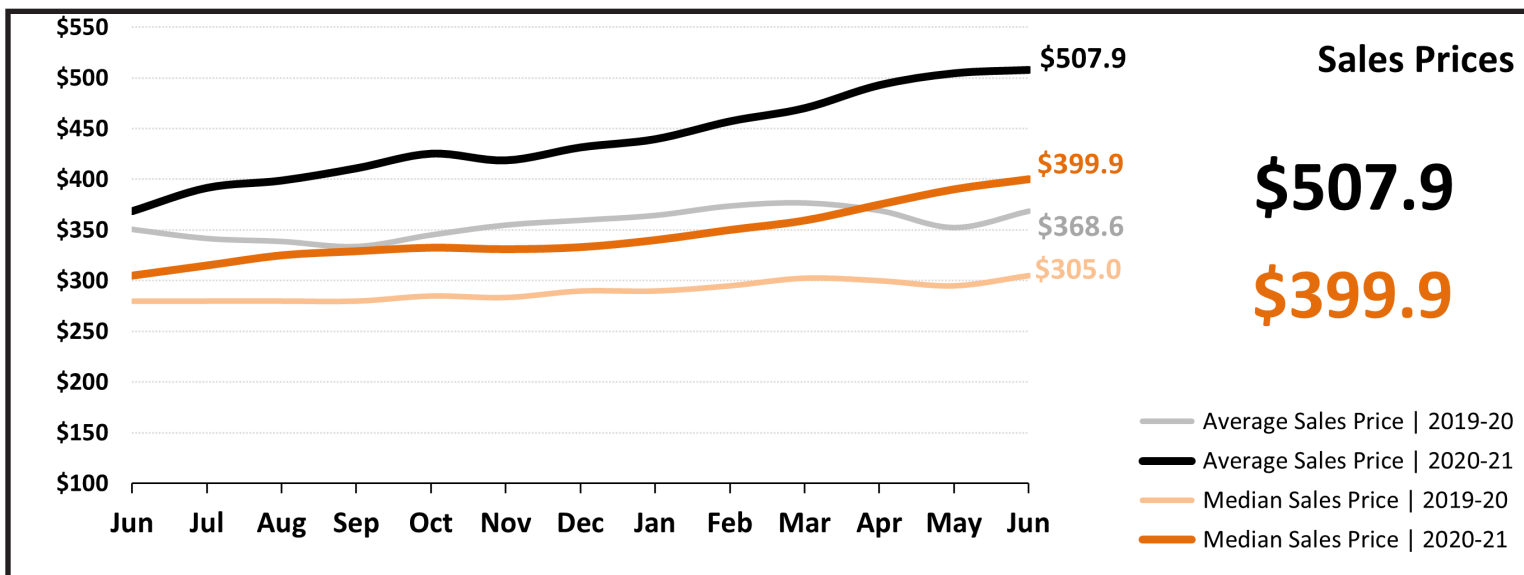
Months supply of inventory for May was **1.05** with June staying the same.

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



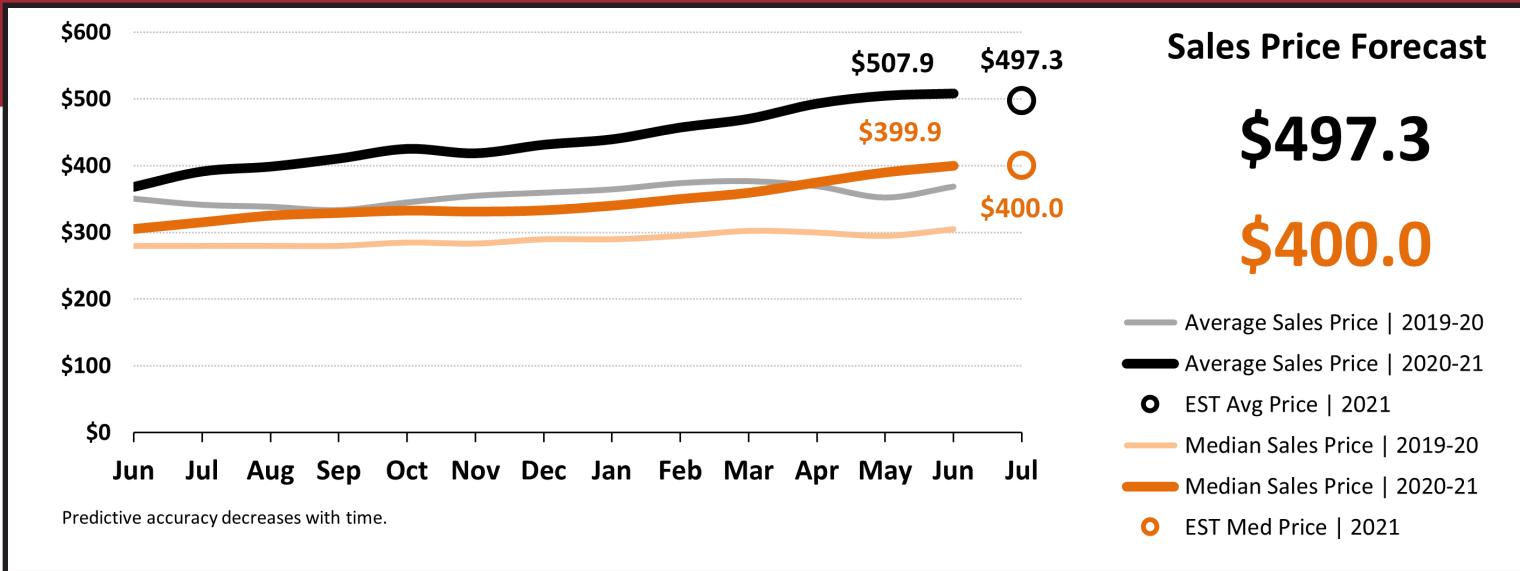
Average new list prices are up **+23.2%** year-over-year. The year-over-year median is up **+25.0%**.

List prices of new listings with list dates from 6/1/21 to 6/30/21, 0 day DOM sales removed



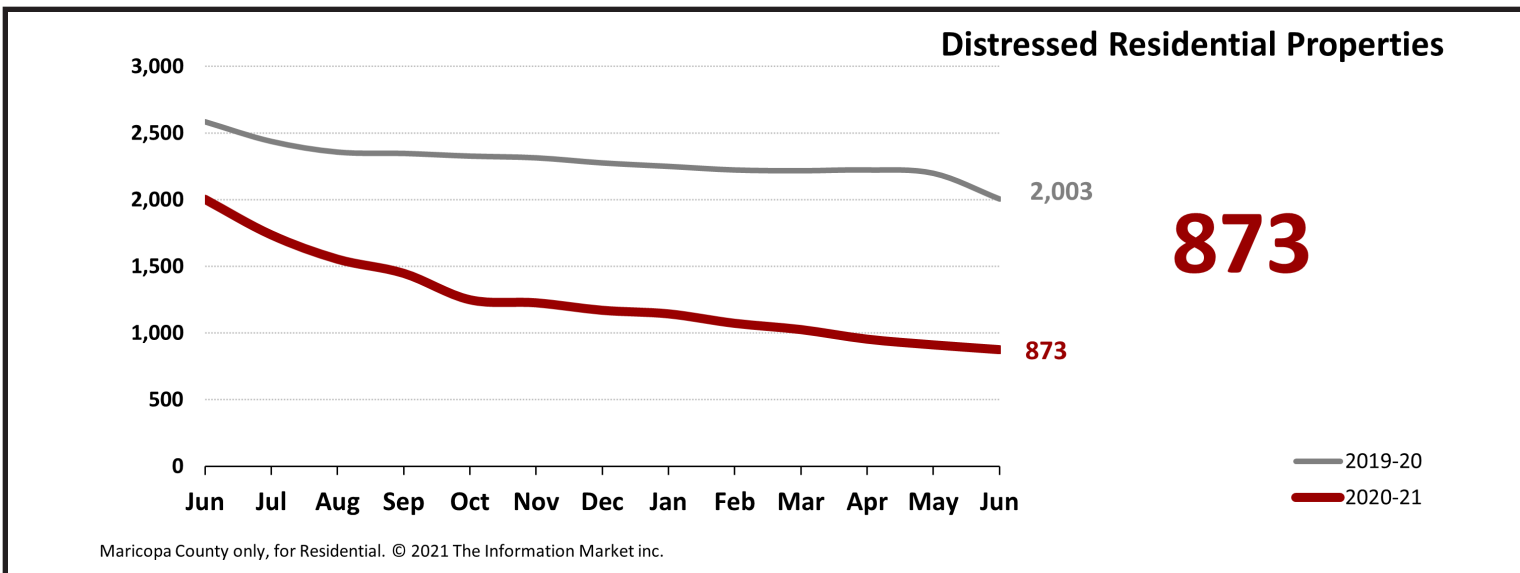
The average sales price is up **+37.8%** year-over-year while the year-over-year median sales price is also up **+31.1%**.

MLS sales prices for closed listings with a close of escrow date from 6/1/21 to 6/30/21, 0 day DOM sales removed



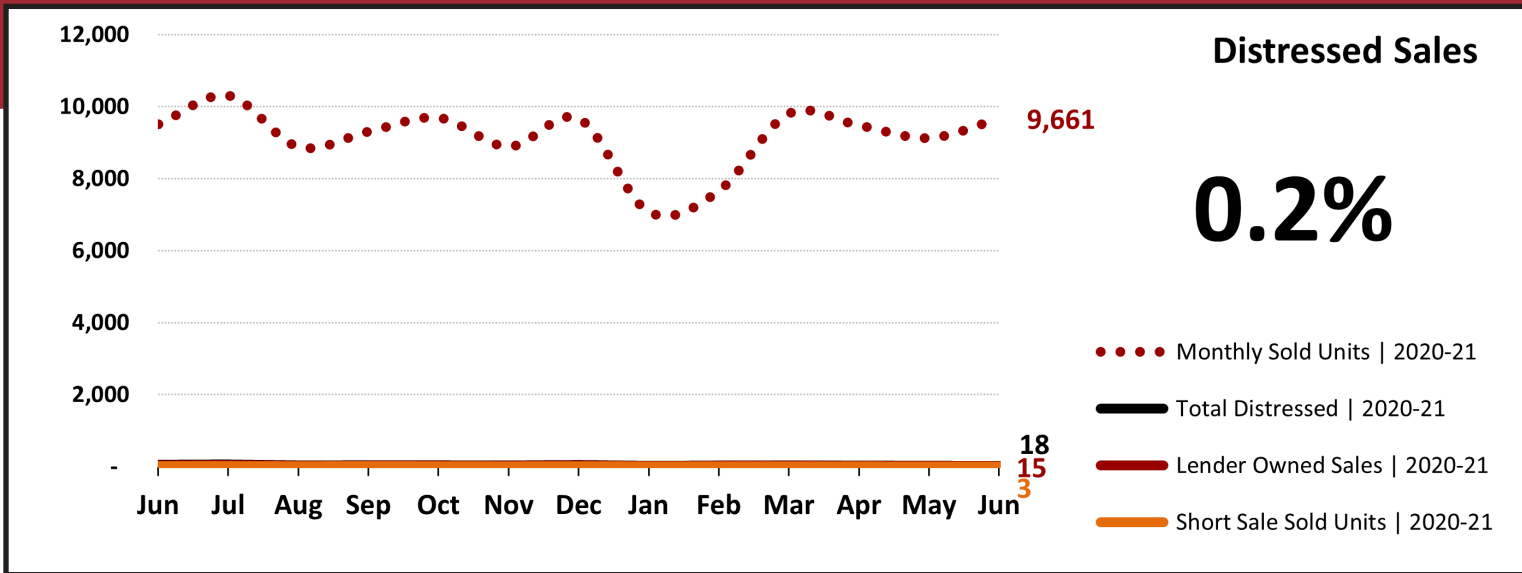
A **decrease** is forecasted in July for average sale prices while a **slight increase** is forecasted for median sales prices.

ARMLS proprietary predictive model forecast, 0 day DOM sales removed



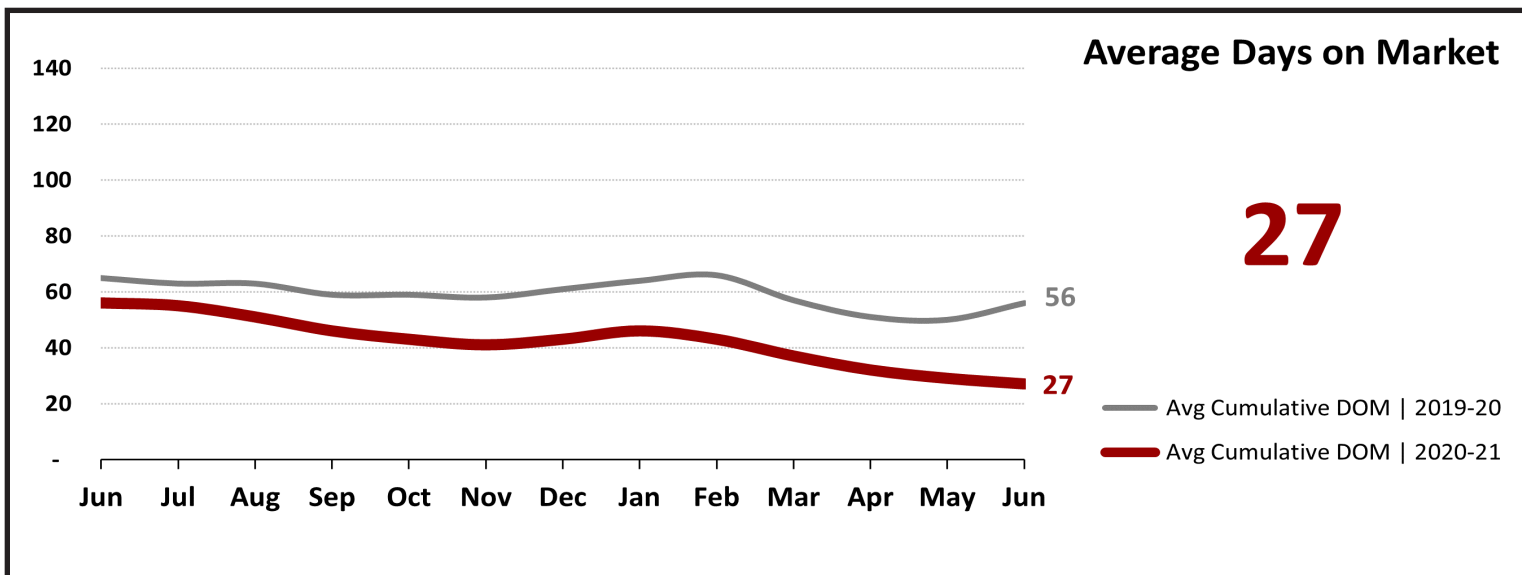
Foreclosures pending month-over-month showed a decrease of **-4.0%** while the year-over-year figure was down **-56.4%**.

Snapshot of public records data on 6/30/21 active residential notices and residential REO properties.



Distressed sales accounted for **0.2%** of total sales, down from the previous month of **%0.3**. Short sales went down **-75.0%** year-over-year. Lender-owned sales dropped **-63.4%** year-over-year.

New MLS listings that were active for at least one day from 6/1/21 to 6/30/21, 0 day DOM sales removed



Days on market were down **-29** days year-over-year while month-over-month went down **-2** days.

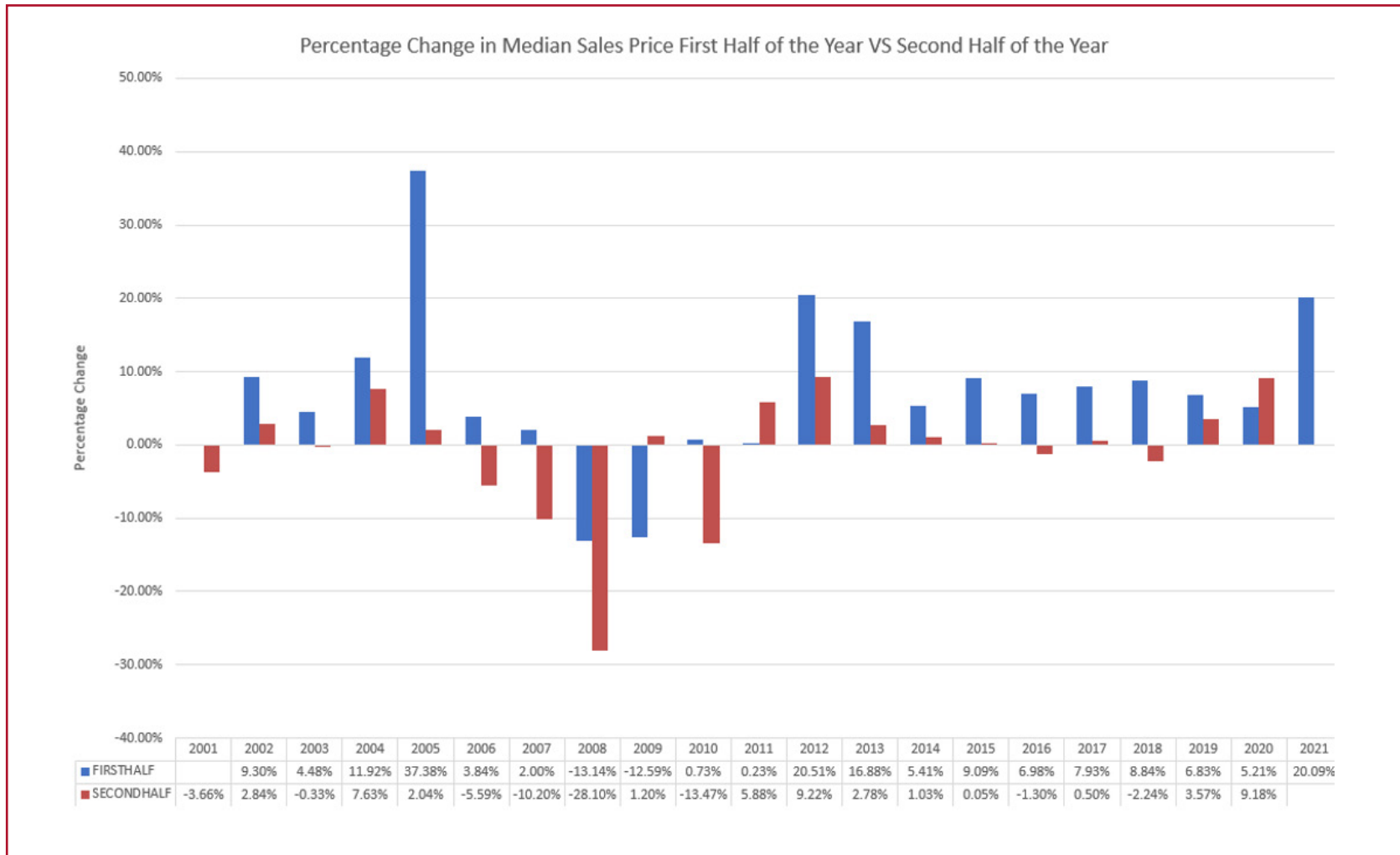
MLS sales prices for closed listings with a close of escrow date from 6/1/21 to 6/30/21, 0 day DOM sales removed

Market Update

This month in STAT, with the first half of the year now reporting, we will take a look back at not only the first half of 2021, but also the last 365 days. Also on the list, our expectations for the second half of 2021. No one could of imagined, that during a world-wide pandemic, our housing market would turn white-hot, but that's exactly what happened. The charts and graphs presented in this report will be based on ARMLS data, homes listed and sold on the MLS.

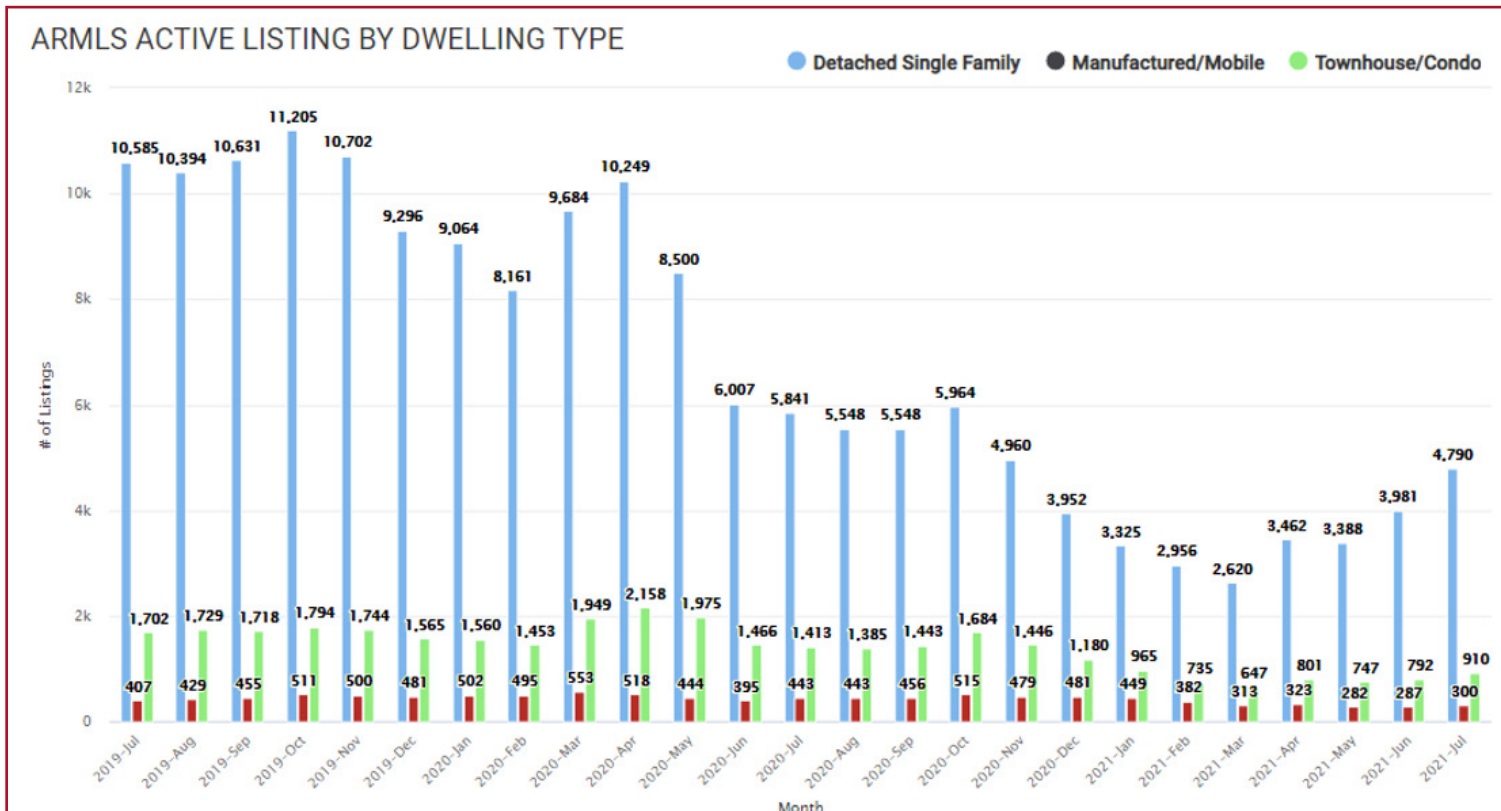
Let's begin with home prices. The first chart I'd like to share displays the percentage change in the median sales price for the first half of the year as well as the second half of each year from 2001 to present. Historically, home prices rise during our home selling season, February to June, and then taper off the second half of the year. We've only seen three times in our history where the change in the median sales price was greater the second half of the year than the first. This occurred in 2009 with the federal first-time homebuyer tax credit, in 2011 when a coiled market made a strong move upward after having been pushed to the bottom in the aftermath of the housing bubble, and again in 2020 as we emerged from the COVID recession. In the case of the first-time tax credit, the gains were only momentary, in the other two instances prices jumped substantially in the subsequent cycle. We saw the median sales price rise 9.18% in the last half of 2020 followed by a 20.09% increase in the first half of this year. The increase in the median sales price for the first half of 2021 was the third highest in our history, eclipsed only by 2005 and 2012. In 2005 the bubble was forming due to lax lending requirements, in 2012 we were seeing the market bounce from it's 2011 bottom.

Percentage Change in Median Sales Price First Half of the Year vs Second Half



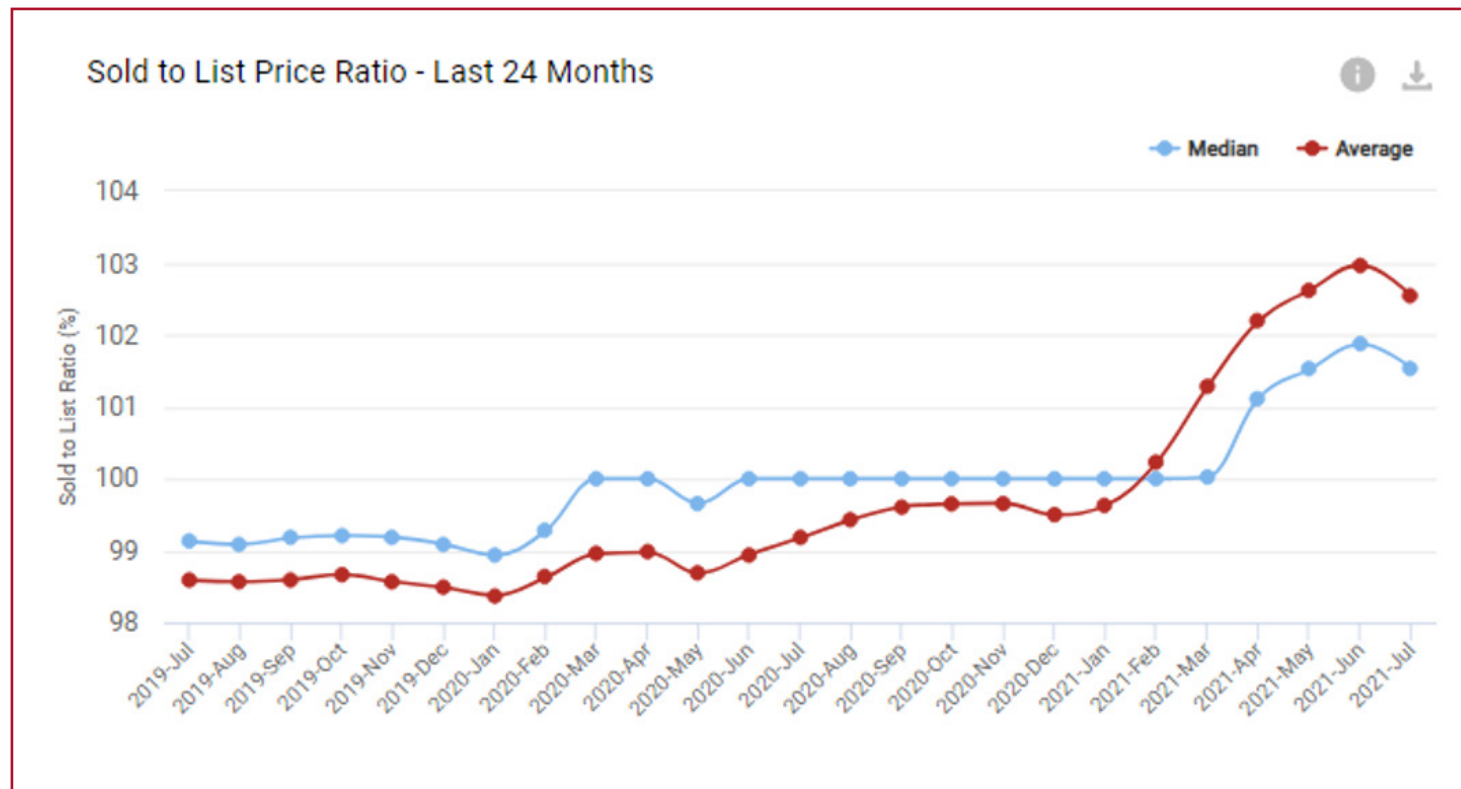
The run up in sales prices has been fueled by a scarcity of for-sale homes and historically low interest rates and a major shortage of housing supply relative to our population. A major contributing factor, from 2010-2019 was that we had the lowest amount of homes built than in any decade since the 1960's. The chart below shows our active listings for the past two years. Supply hit it's low water mark in March of this year and has gradually improved the last four months, however, our inventory is still 22% lower than last year at this time. To put these numbers in perspective, the listing counts on the left side of the chart are less than 50% of what would be considered a balanced market.

Active Listings by Dwelling Type via ARMLS

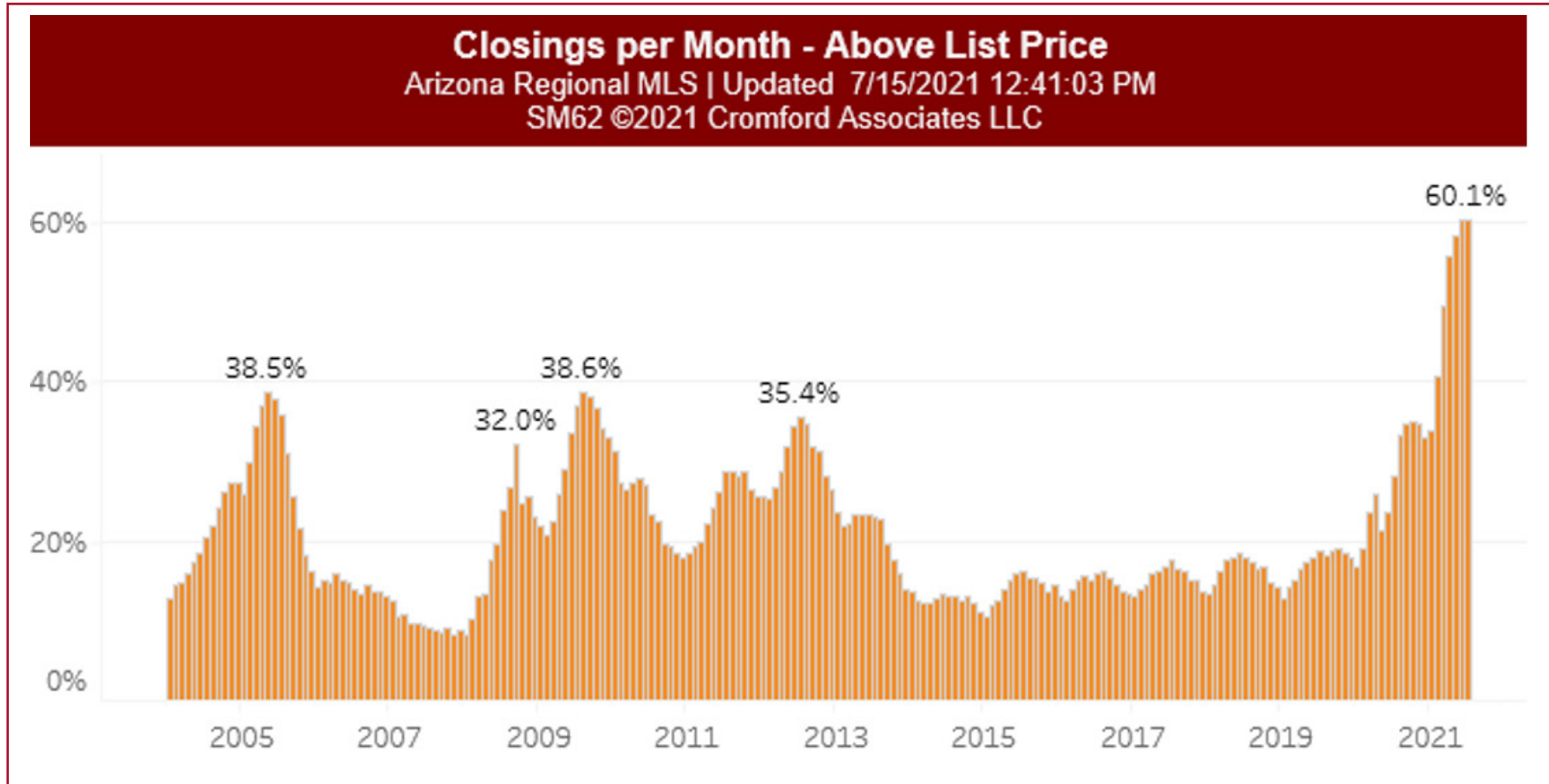


What's the end result? Multiple offers and bidding wars. Beginning in February of this year, both the median sales price and the average sales price exceeded the asking price. We saw these numbers peak in June, the decline seen in July might very well signal a new trend as high prices are likely deterring increasing numbers of prospective buyers, especially first time and low-income buyers. On a historical basis, the typical average sold to list price ratio is 97.55%. The next two charts will show these trends from two different perspectives.

Sold to List Price Ratio Last 24 Months via RapidStats

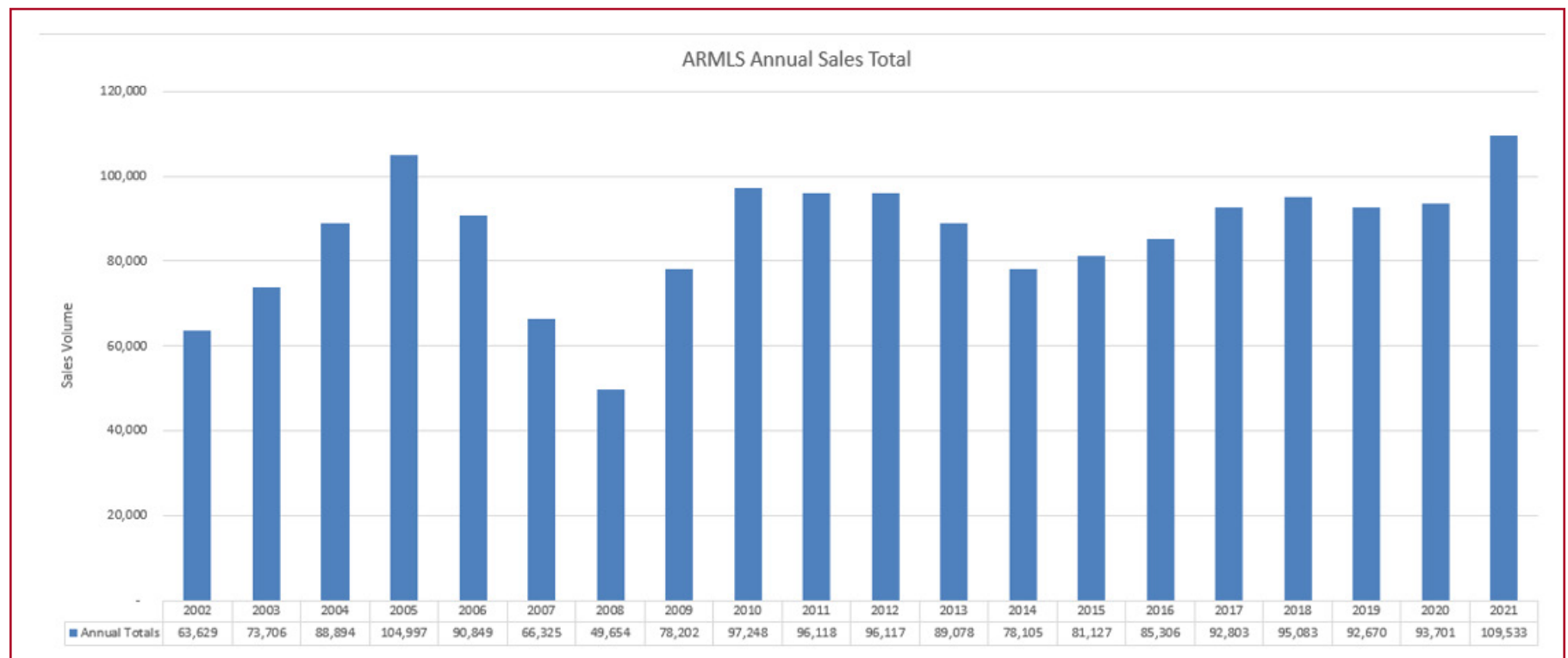


Closings per Month Above List Price via Cromford Report



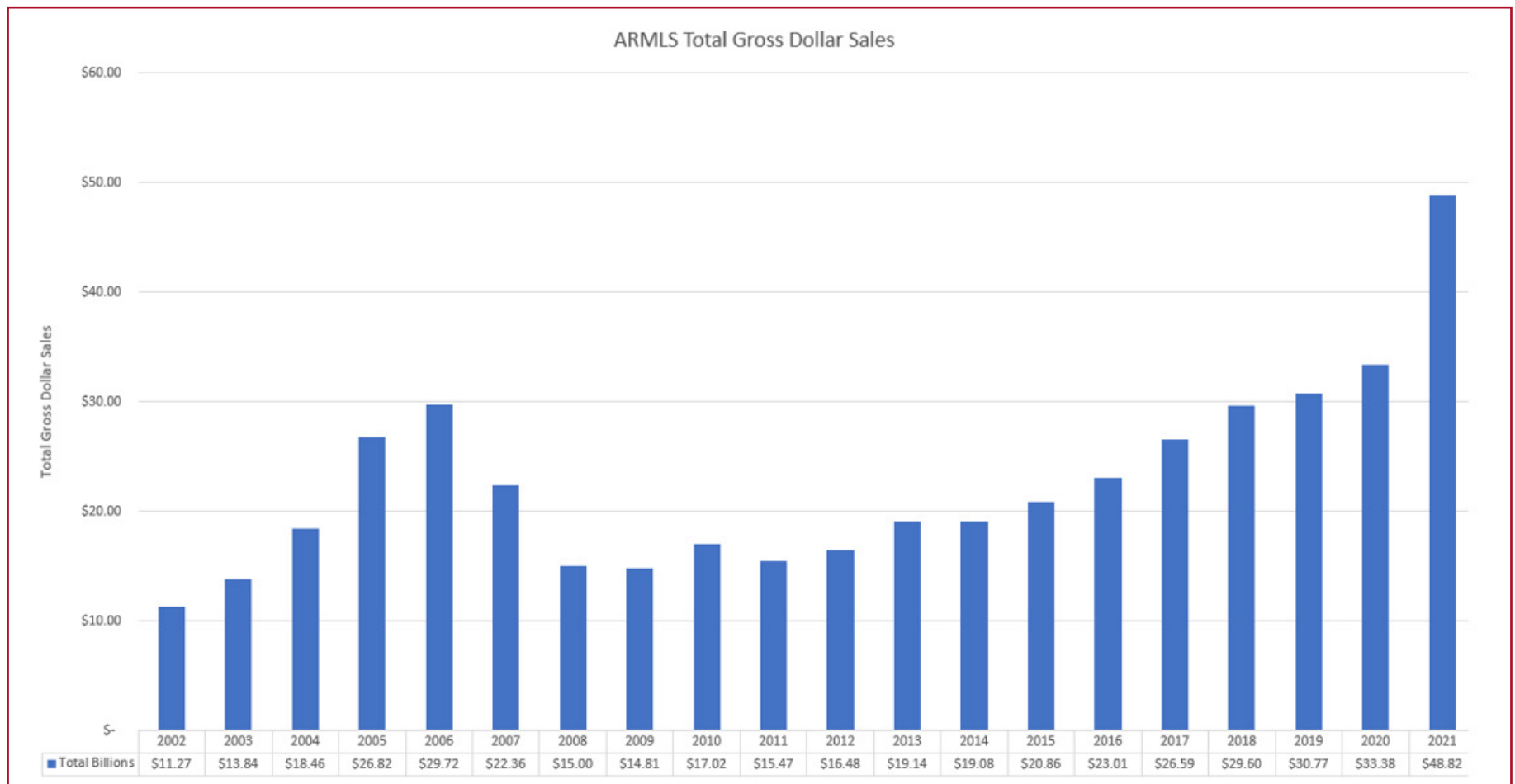
In our next chart we look at sales volume as reported by ARMLS for the last 365 days. Combining the number of sales for the first half of 2021 with sales for the second half of 2020, we see the highest yearly sales volume in ARMLS's history. The 109,533 sales in the past year surpassed 2005 totals for the same time period. I should note we're reporting ARMLS data, public records data will report stronger sales in the 2005 metric as we were in the midst of a building boom in the last half of 2004 and the first half of 2005 where the vast majority of newly built homes were not listed on the MLS. Backing up our numbers, the Cromford Report tracks yearly sales on a daily basis, in their report, the highest annual sales volume occurred on June 19, 2021.

Annual Sales Total via ARMLS



With record sales volume and record prices, ARMLS reported an astounding gross dollar volume of \$48.82 billion, crushing the previous record set in the 2019/2020 cycle of \$33.38 billion. The year over increase was an astounding 46.26%. The current average sales price is \$507,938. The chart below conveys this phenomenon.

Total Gross Dollar Sales via ARMLS



Looking Forward

Over the last decade we've seen lower sales volume in the second half of the year compared to the first half and we've seen the median sales price wobble between July and December. As we've reported, neither of these things occurred last year. I expect the 2nd half of 2021 to return to a more traditional pattern. I expect price increases to moderate with lower year over year sales volume. For only the second time in the last year our Pending Price Index is projecting no gain in the median sales price in the upcoming month.

PPI (Pending Price Index)

Last month STAT's mathematical model projected a median sales price for June of \$400,000 slightly exceeding June's reported median of \$399,900. Looking ahead to July, the ARMLS Pending Price Index is projecting a median sales price of \$400,000. When July's median sales price is reported we are projecting a year over year gain of 26.98%.

We began July with 6,783 pending contracts, 3,947 UCB listings and 305 CCBS giving us a total of 11,035 residential listings practically under contract. This compares to 13,409 of the same type of listings one year ago. At the beginning of July, the "pending" contracts are 17.7% lower than last year. There were 22 business days in July of 2020 and 21 this year. ARMLS reported 10,303 sales in July of 2020. The highest sales volume ever in July occurred last year. I am expecting sales volume this July to be around 9,300.