



STAT

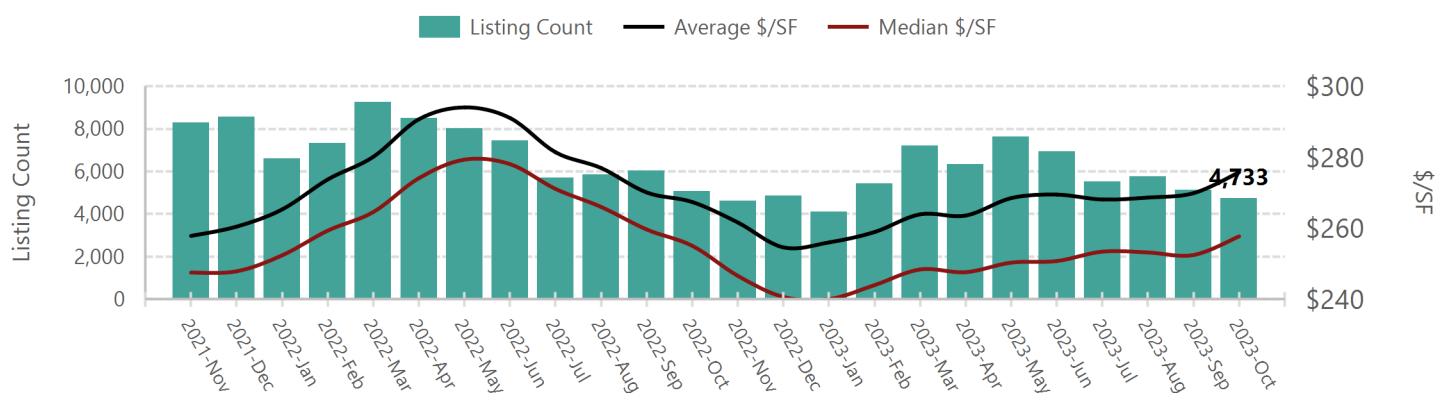
Your Monthly Statistics for the **Phoenix Metro Area**



DATA FOR October 2023

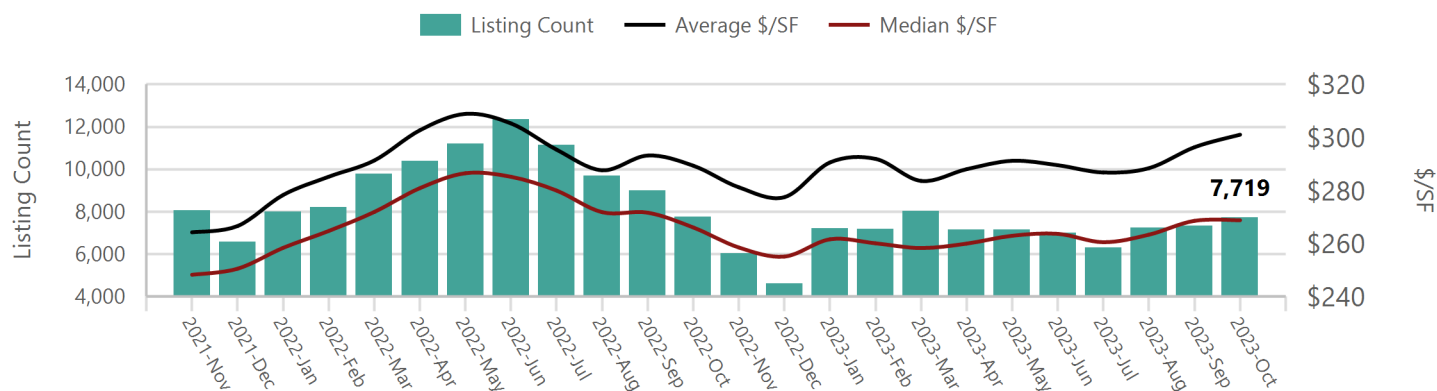
Published November 16, 2023

Sold Listings



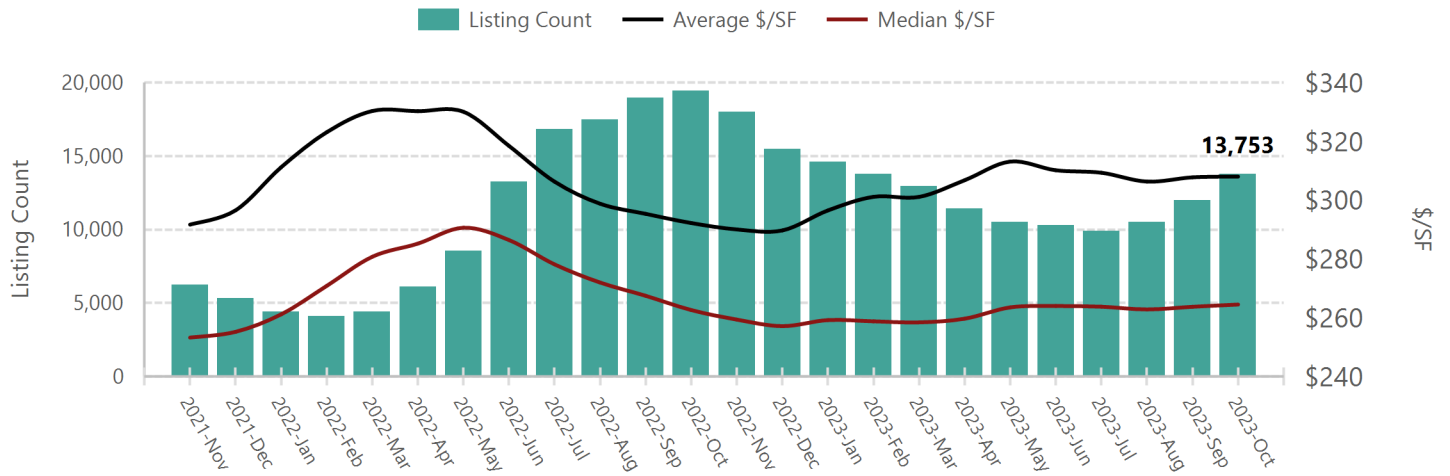
Metric	Monthly Values					Current Month Value vs Prior Monthly Values				
	Current	1M Pr	3M Pr	6M Pr	12M Pr	1M Pr	3M Pr	6M Pr	12M Pr	
Listings	4,733	5,140	5,520	6,341	5,059	-7.92%	▼ -14.26%	▼ -25.36%	▼ -6.44%	
Average \$/SF	\$275.78	\$269.91	\$268.12	\$263.59	\$267.42	2.18%	▲ 2.86%	▲ 4.62%	▲ 3.13%	
Median \$/SF	\$257.73	\$252.48	\$253.44	\$247.64	\$255.07	2.08%	▲ 1.69%	▲ 4.07%	▲ 1.04%	

New Listings



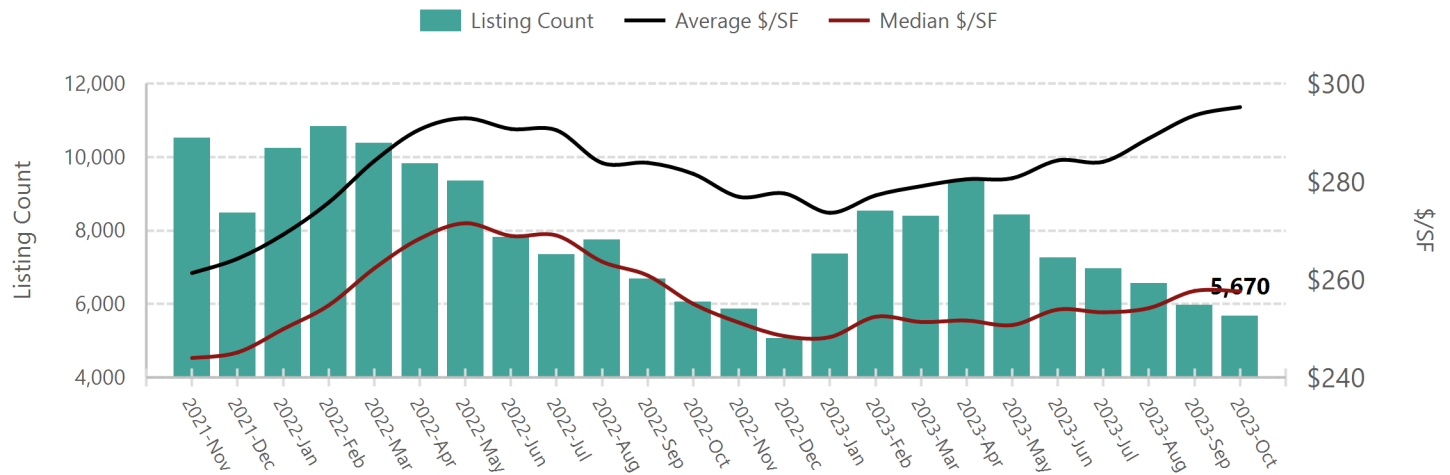
Metric	Monthly Values					Current Month Value vs Prior Monthly Values				
	Current	1M Pr	3M Pr	6M Pr	12M Pr	1M Pr	3M Pr	6M Pr	12M Pr	
Listings	7,719	7,321	6,321	7,166	7,769	5.44%	▲ 22.12%	▲ 7.72%	▼ -0.64%	
Average \$/SF	\$301.06	\$296.34	\$286.81	\$288.06	\$289.37	1.59%	▲ 4.97%	▲ 4.52%	▲ 4.04%	
Median \$/SF	\$268.82	\$268.61	\$260.55	\$260.03	\$266.11	0.08%	▲ 3.17%	▲ 3.38%	▲ 1.02%	

Active Listings (excluding UCB/CCBS)



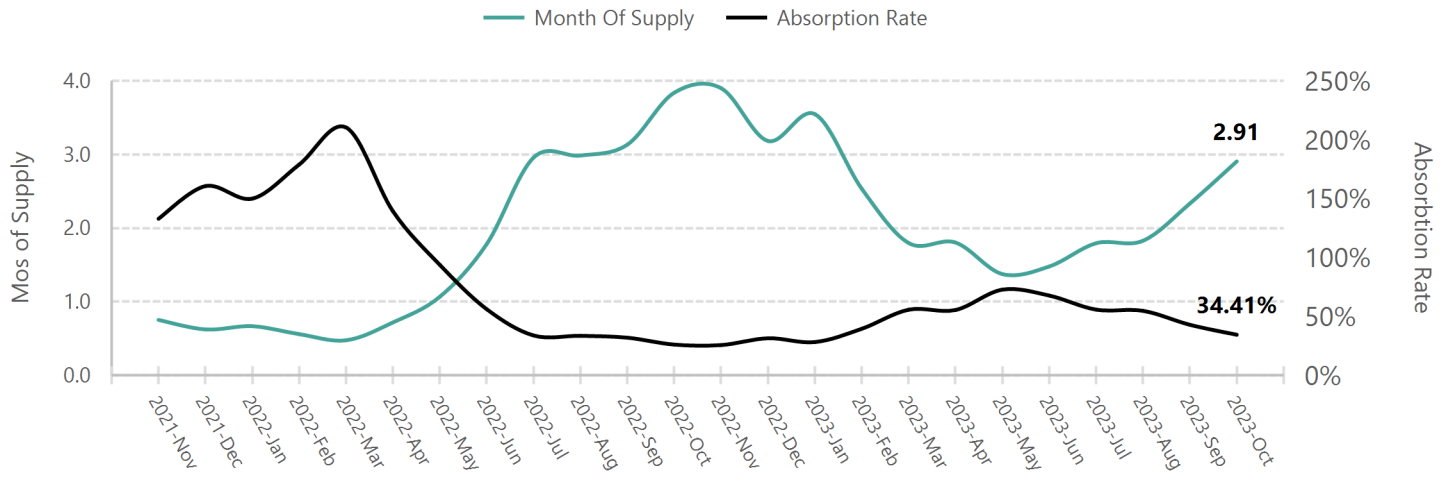
Metric	Monthly Values					Current Month Value vs Prior Monthly Values							
	Current	1M Pr	3M Pr	6M Pr	12M Pr	1M Pr	3M Pr	6M Pr	12M Pr				
Listings	13,753	11,995	9,904	11,437	19,422	14.66%	▲	38.86%	▲	20.25%	▲	-29.19%	▼
Average \$/SF	\$308.02	\$307.77	\$309.33	\$306.79	\$292.21	0.08%	▲	-0.42%	▼	0.40%	▲	5.41%	▲
Median \$/SF	\$264.48	\$263.72	\$263.75	\$259.67	\$262.61	0.29%	▲	0.28%	▲	1.85%	▲	0.71%	▲

Under Contract Listings (Pending/UCB/CCBS)



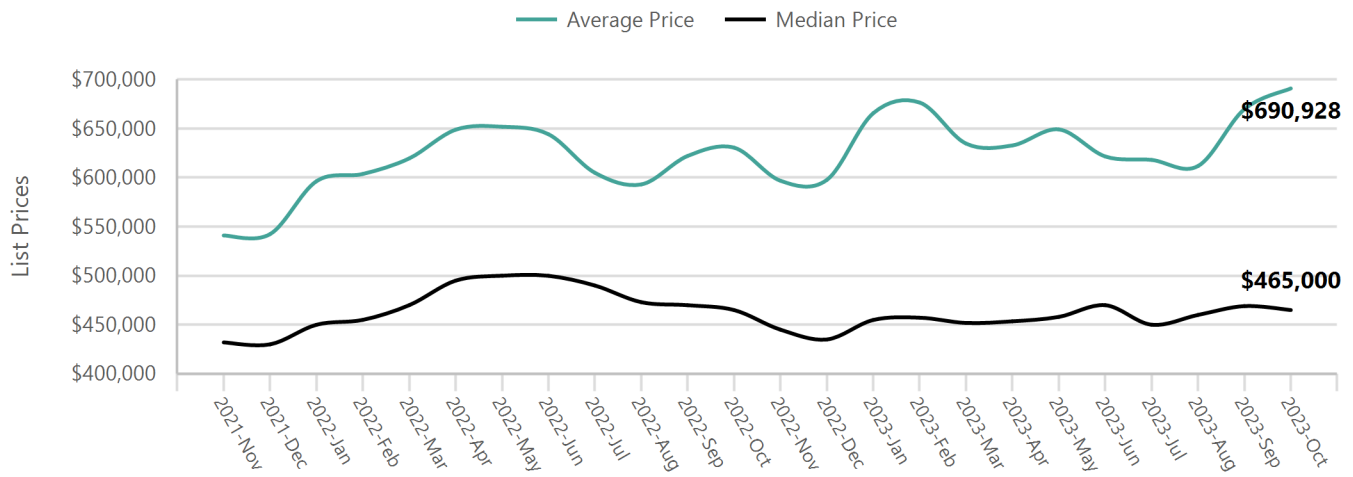
Metric	Monthly Values					Current Month Value vs Prior Monthly Values							
	Current	1M Pr	3M Pr	6M Pr	12M Pr	1M Pr	3M Pr	6M Pr	12M Pr				
Listings	5,670	5,971	6,969	9,346	6,054	-5.04%	▼	-18.64%	▼	-39.33%	▼	-6.34%	▼
Average \$/SF	\$295.20	\$293.49	\$284.05	\$280.48	\$281.57	0.58%	▲	3.93%	▲	5.25%	▲	4.84%	▲
Median \$/SF	\$257.58	\$257.67	\$253.31	\$251.63	\$255.03	-0.03%	▼	1.69%	▲	2.37%	▲	1.00%	▲

Month Of Supply/Absorption Rate



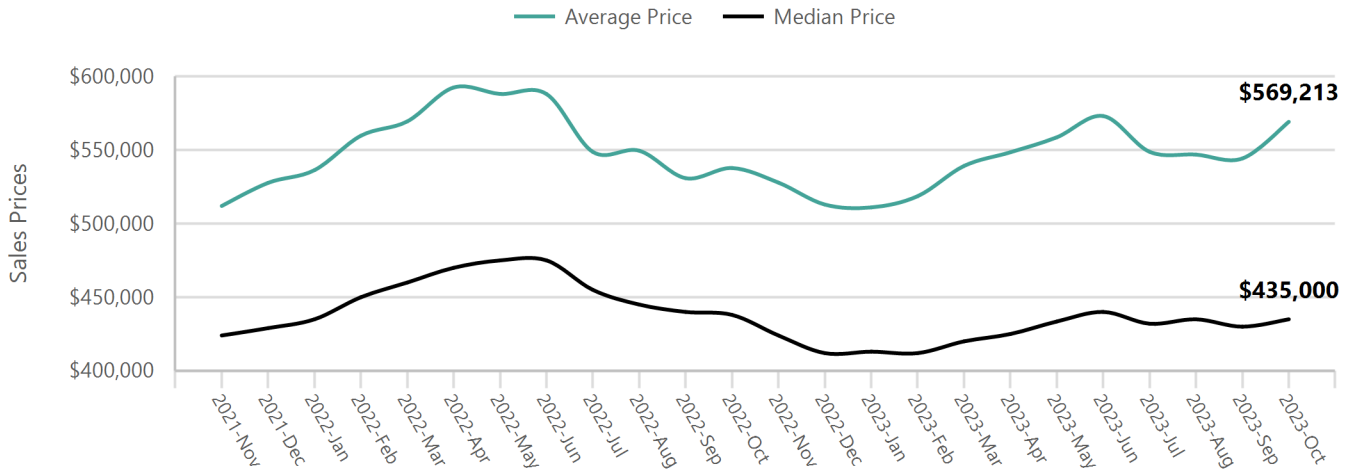
Metric	Monthly Values					Current Month Value vs Prior Monthly Values							
	Current	1M Pr	3M Pr	6M Pr	12M Pr	1M Pr	3M Pr	6M Pr	12M Pr				
Supply	2.91	2.33	1.79	1.80	3.84	24.52%	▲	61.95%	▲	61.10%	▲	-24.31%	▼
Absorption Rate	34.41%	42.85%	55.74%	55.44%	26.05%	-19.69%	▼	-38.25%	▼	-37.93%	▼	32.12%	▲

New List Prices



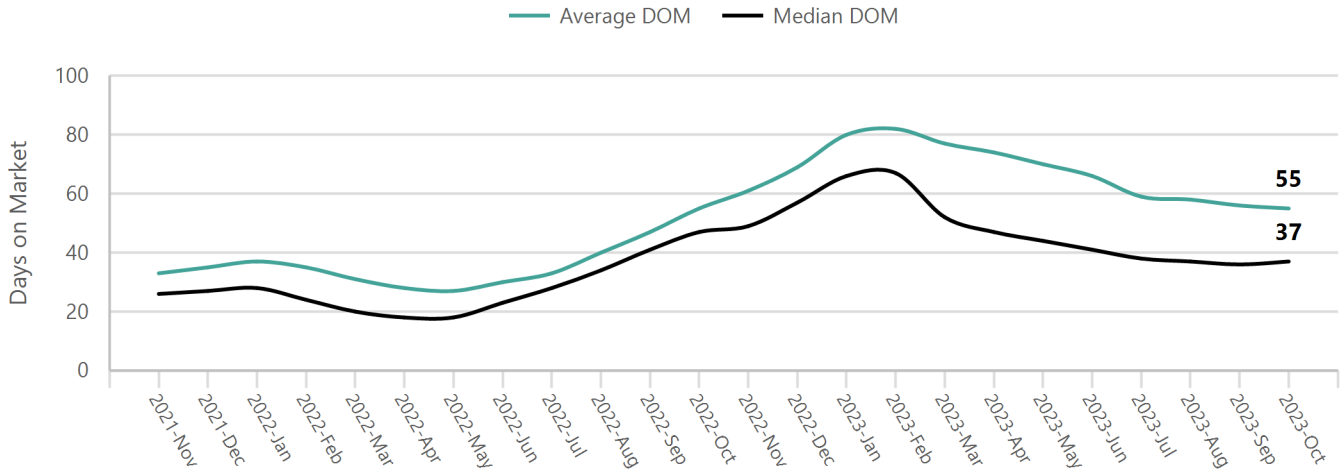
Metric	Monthly Values					Current Month Value vs Prior Monthly Values							
	Current	1M Pr	3M Pr	6M Pr	12M Pr	1M Pr	3M Pr	6M Pr	12M Pr				
Average List Price	\$690,928	\$669,814	\$618,074	\$632,816	\$630,555	3.15%	▲	11.79%	▲	9.18%	▲	9.57%	▲
Median List Price	\$465,000	\$469,000	\$450,000	\$453,495	\$465,000	-0.85%	▼	3.33%	▲	2.54%	▲	0.00%	▬

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	\$569,213	\$544,329	\$548,841	\$548,533	\$537,828	4.57% ▲	3.71% ▲	3.77% ▲	5.84% ▲
Median Sales Price	\$435,000	\$430,000	\$432,000	\$425,000	\$438,000	1.16% ▲	0.69% ▲	2.35% ▲	-0.68% ▼

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	55	56	59	74	55	-1.79% ▼	-6.78% ▼	-25.68% ▼	0.00% ▬
Median DOM	37	36	38	47	47	2.78% ▲	-2.63% ▼	-21.28% ▼	-21.28% ▼

Hodge podge: a confused mixture. Leftovers: something remaining after the rest has been used. At ARMLS, we attempt to provide you with timely, accurate and informative real estate data in a coherent format with STAT. Throughout the past year, there have been data points that I wanted to cover but either I couldn't figure how to weave the data into the context of which I was writing, or I just didn't know enough about the subject matter I was viewing to report on it. This month, I have no such perturbations. Without hesitancy, this month's STAT will contain some subject matter of which I have little to no knowledge. It will also be in a rambling format with little cohesiveness. We will begin with October's market update, then move on to interest rates (because you kind of have too), how buyers are searching for alternative methods of financing, rental trends, a just released NAR report, Ted Oakley's annual interview with Ivy Zelman and, saving the best for last, Tina Tamboer's advice for buyers and sellers in a challenging environment.

October's Market Update:

- Sales volume was down 5.4% year over year and 7.3% month over month.
- The inventory of homes for sale is down 21.3% year over year but has risen 14.2% from last month.
- Rental inventory, as reported by ARMLS, is up 28.23% year over year.
- Rental rates on the MLS are flat year over year.
- The median sales price was down 0.2% year over year.
- When November median sales price is reported, we will show year-over-year gains for the first time this year.
- The Cromford demand index is currently 69.7.
- The Cromford supply index is currently 62.3.
- Supply and demand are well below what would best be defined as typical.
- The Cromford Index is currently 111.9 and falling. We are trending towards a balanced market in the next few weeks.
- Last year at this time, we were in a buyers' market. One year ago today, the Cromford Index was at 90.

- Maricopa County saw 7,948 eviction filings, setting a new record. The previous monthly record was 7,902, set in September 2005.

Other than a recent jury decision, interest rates and affordability continue to dominate housing conversations. With the 30-year fixed mortgage rates persisting at 20-year highs, low inventory and high prices are keeping both sellers and buyers on the sidelines.

As Treasury Yields Decline, Mortgage Rates Move Down -

MCLEAN, Va., Nov. 09, 2023 (GLOBE NEWSWIRE) -- [Freddie Mac](#) (OTCQB: FMCC) today released the results of its [Primary Mortgage Market Survey®](#) (PMMS®), showing the 30-year fixed-rate mortgage (FRM) averaged 7.5 percent.

“As Treasury yields decline, the 30-year fixed-rate mortgage dropped a quarter of a percent, the largest one-week decrease since last November,” said Sam Khater, Freddie Mac’s Chief Economist. “Incoming data shows that household debt continues to rise, primarily due to mortgage, credit card and student loan balances. Many consumers are feeling strained by the high cost of living, so unless mortgage rates decrease significantly, the housing market will remain stagnant.”

News Facts

- 30-year fixed-rate mortgage averaged 7.5 percent as of November 9, 2023, down from last week when it averaged 7.76 percent. A year ago, at this time, the 30-year FRM averaged 7.08 percent.
- 15-year fixed-rate mortgage averaged 6.81 percent, down from last week when it averaged 7.03 percent. A year ago, at this time, the 15-year FRM averaged 6.38 percent.

With high interest rates, all-cash transactions are gaining traction. The two data snippets below show the method of financing as reported on the recorded affidavits of value for Maricopa County. The first snippet reports purchases for traditional buyers, where the buyer is either a single male, single female, or husband and wife (MFWR). The second chart, All Sales, reports the financing for all purchases, this includes traditional buyers as well as homes purchased by companies. The percentage of traditional buyers

COMMENTARY

BY TOM RUFF

purchasing with cash has risen from 14.55% in October 2020 to 21.60% this October. With higher mortgage rates, home buyers are seeking alternative ways to finance their home purchases. In October of this year, we even saw a handful of wraps. Can you say 1980s?

Maricopa County Public Records Method of Financing

MFWR:

Year	Allsales	Mfwrsales	Percentagemfwf	Cash	Barter	Assumption	Sellercarry	Conventional	Hud	Va	Other	Percash	Perbarter	Perassumption	Persellercarry	Perconventional	Perhud	Perva	Perother
2020	11469	10195	0.8889	1483	1	0	56	6444	1343	680	188	0.1455	0.0001	0.0000	0.0055	0.6321	0.1317	0.0667	0.0184
2021	10496	7988	0.7611	1208	2	0	21	5326	749	522	160	0.1512	0.0003	0.0000	0.0026	0.6668	0.0938	0.0653	0.0200
2022	6181	5282	0.8546	905	2	1	27	3208	645	395	99	0.1713	0.0004	0.0002	0.0051	0.6073	0.1221	0.0748	0.0187
2023	5670	4755	0.8386	1027	2	12	39	2521	774	279	101	0.2160	0.0004	0.0025	0.0082	0.5302	0.1628	0.0587	0.0212

All Sales:

Year	Allsales	Mfwrsales	Percentagemfwf	Cash	Barter	Assumption	Sellercarry	Conventional	Hud	Va	Other	Percash	Perbarter	Perassumption	Persellercarry	Perconventional	Perhud	Perva	Perother
2020	11469	10195	0.8889	2369	3	4	65	6565	1344	681	438	0.2066	0.0000	0.0003	0.0057	0.5724	0.1172	0.0594	0.0382
2021	10496	7988	0.7611	3230	2	1	27	5476	749	522	489	0.3077	0.0000	0.0001	0.0026	0.5217	0.0714	0.0497	0.0466
2022	6181	5282	0.8546	1480	2	1	42	3386	645	395	230	0.2394	0.0000	0.0002	0.0068	0.5478	0.1044	0.0639	0.0372
2023	5670	4755	0.8386	1552	4	18	53	2657	775	279	332	0.2737	0.0000	0.0032	0.0093	0.4686	0.1367	0.0492	0.0586

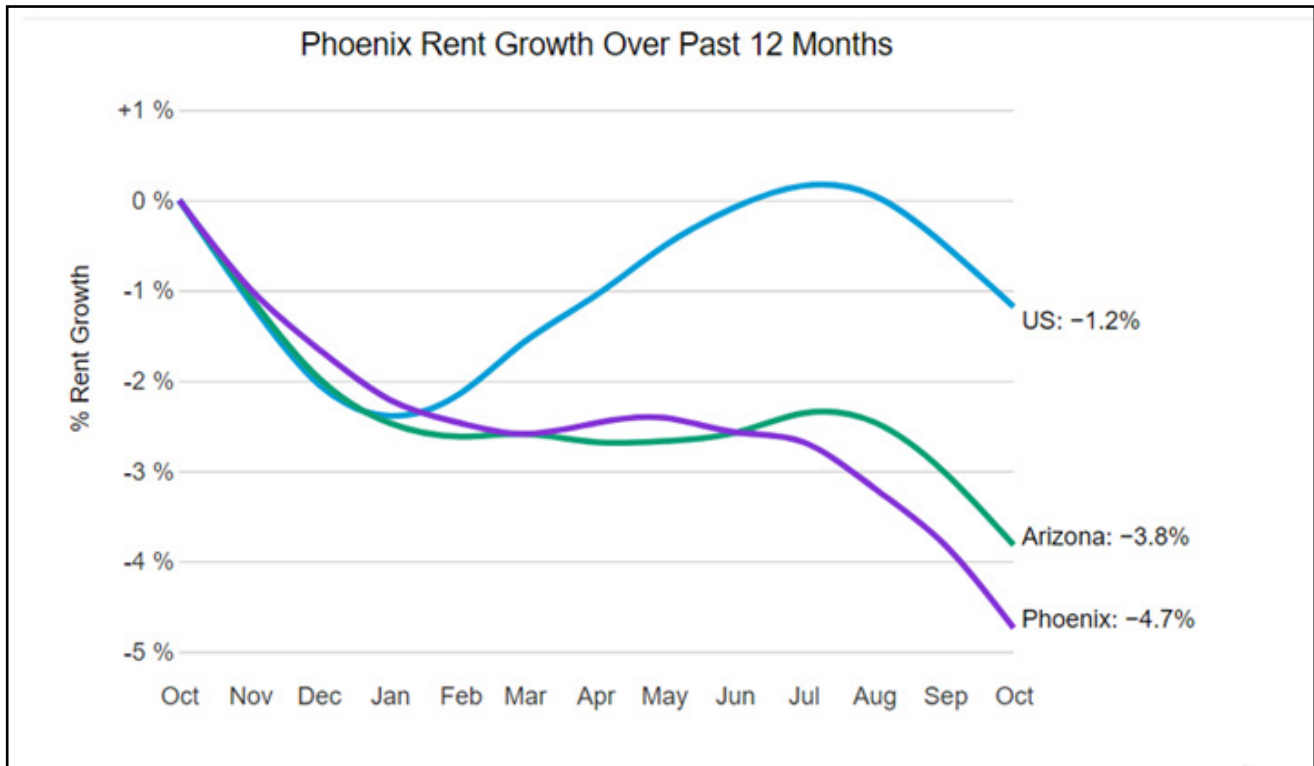
Housing is shelter, and when it comes to shelter, you can buy, or you can rent. While ARMLS is the go-to source for listing and public records data, we are somewhat limited in terms of rental data. At STAT, we have access to the best local analysts on public records data, MLS data and builder data, just not apartment data. It is often reported that Maricopa County is experiencing a severe housing shortage. I find these reports highly suspicious. I would agree that we have an affordable housing shortage, but an overall housing shortage, I'm not so sure.

In their [November 2023 Rent Report for Phoenix](#), Apartment List reported the overall median rent in the city stands at \$1,422, after falling 1.0% last month. Prices are now down 4.7% year over year. Citywide, the median rent currently stands at \$1,155 for a one-bedroom apartment and \$1,397 for a two-bedroom. Across all bedroom sizes, the median rent is \$1,422. By comparison, the current closing median rent for homes listed on the MLS in Phoenix is \$2,195. The first three charts that follow are from Apartment List. The first chart shows the decline in apartment rent growth over the past year and the second chart compares Phoenix's rent growth to Arizona and the rest of the U.S.

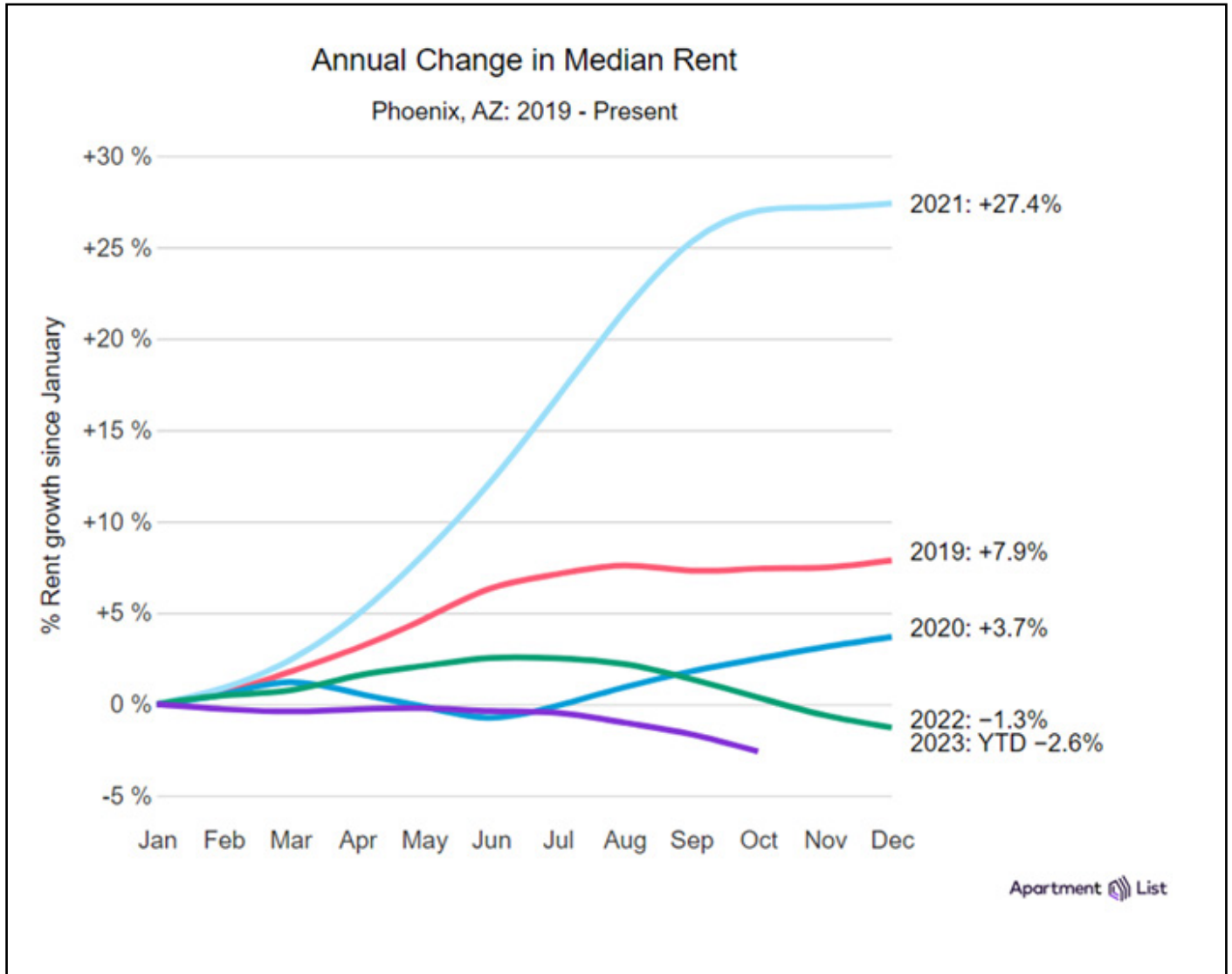
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BY TOM RUFF

Phoenix Rent Growth over past 12 Months via Apartment List



Annual Change in Median Rent via Apartment List

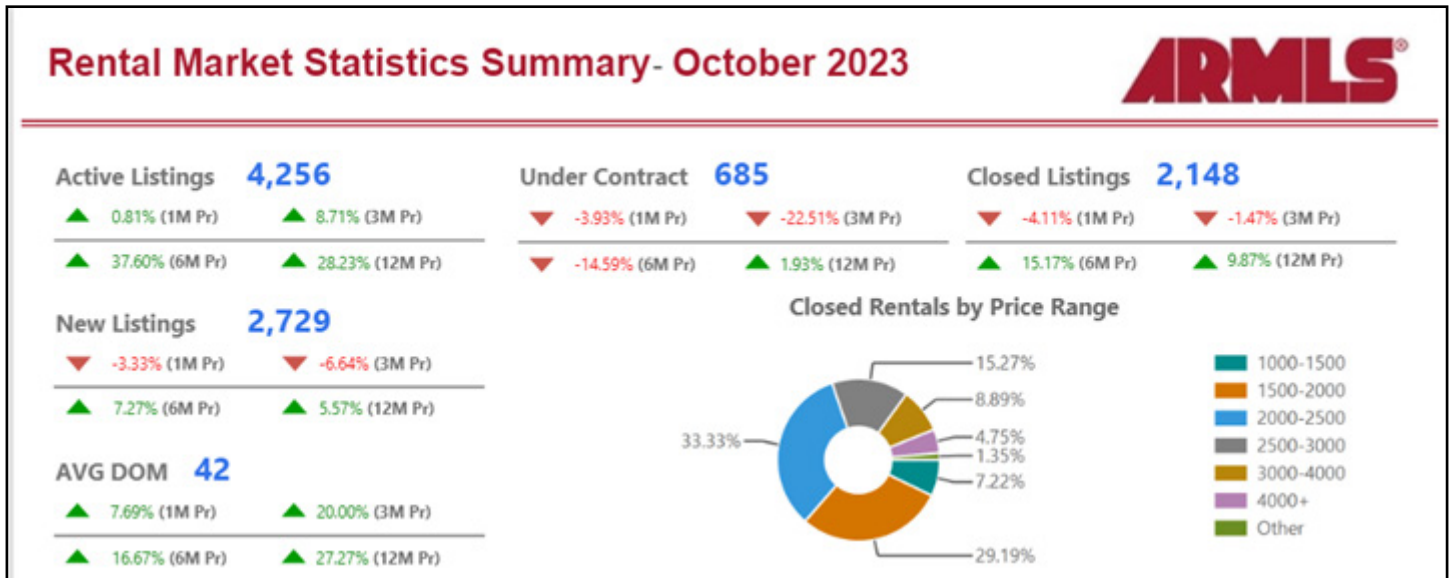


Apartment List does not tell us the number of apartments for rent, but if we go to [forrent.com](https://www.forrent.com), we see 34,309 apartments, condos, houses and town homes currently for rent in Maricopa County. I don't have last year's totals, so I can't tell you the year-over-year change in rental listings, but I can tell you ARMLS's rental listings are up 28.23% year-over-year. The decline in rental rates, as reported by Apartment List, would be indicative of an increase in available apartment units.

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Rental Market Statistics Summary via ARMLS

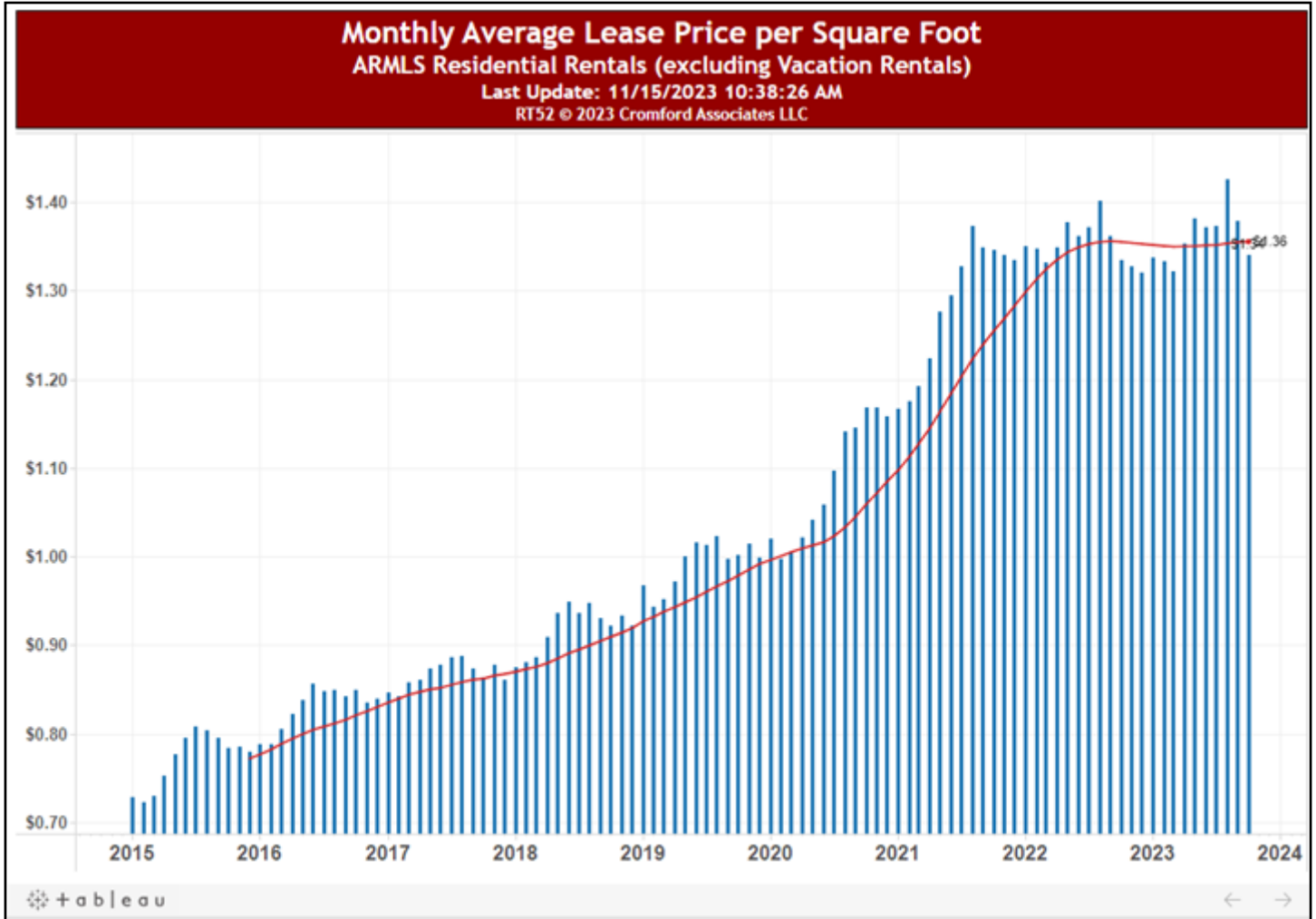


Our final rental chart comes from the Cromford Report and is based on ARMLS rental data. Like the Apartment List data, you see the rapid rise in rental rates post Covid. MLS rental prices have remained relatively flat over the past year.

COMMENTARY

BY TOM RUFF

Monthly Average Lease Price per Square Foot via Cromford (ARMLS data)



According to [NAR'S 2023 Profile of Buyers and Sellers](#), 89% of buyers and sellers in the last year used a real estate agent. That's up from 86% from the previous year. When we compare public records with MLS data in Maricopa, we get a slightly lower percentage of sellers using a real estate agent. However, we do agree with NAR's findings that the use of a real estate agent increases the more challenging the market, and we are definitely in a challenging market.

COMMENTARY

BY TOM RUFF

Buyers say the top items for which they seek help from a real estate agent include:

- Finding the right home.
- Understanding the homebuying process.
- Pointing out unnoticed property features and faults.
- Connecting with home service providers.
- Negotiating better terms in the home sale contract.

At this time each year, Ted Oakley does an interview with Ivy Zelman as they discuss the housing market. Ivy, in my opinion, is the best national analyst by far. You'll enjoy the insights Zelman offers, as well as the demeanor of Oakley. I personally look forward to this interview every year.

[Ted Oakley - Oxbow Advisors - Interview Series - Ivy Zelman - November 2023 - YouTube - 30 mins](#)

In Conclusion:

Advice from Tina Tamboer, Senior Housing Analyst with The Cromford Report.

To the Buyers:

Buyers who felt they lost out on the buyer's market last year will be getting another chance this year. The Greater Phoenix housing market, on the whole, only has a few days left before it enters a balanced market. However, as 18 cities are still in seller's markets, there are 11 that are either already in balance or in buyer's markets.

What does a buyer's market mean for buyers? Most buyers assume it means that sales prices will come down, but by the time sales price measures show a decline the buyer's market could be 2 months old, or already over like it was last year. The first thing to move isn't a sales price, but a list price combined with higher seller incentives for buyers.

Over the past two months, as mortgage rates peaked at 8%, weekly price reductions increased in number by 33%. Meanwhile, the median seller incentive to

COMMENTARY

BY TOM RUFF

buyers increased from \$8,000 to a new high of \$9,900 so far this November, the previous high was recorded last January at \$9,700. Increases in the dollar amount and percentage of sales with incentives were most noticeable in the first-time home-buyer price range of \$300K-\$400K and also in cities with a significant number of competing new home communities.

How long this trend will last is unclear as conventional mortgage rates fell sharply this month to 7.3% and FHA/VA fell to 6.7%. The higher mortgage rates are, the higher the cost to the seller to buy them down. Mortgage rates have been near impossible for experts to predict over the past 18 months, however there are strong feelings that the end is near for rate hikes by the Federal Reserve. If mortgage rates decline in response, then the current market decline will be short lived.

In short, it's a good idea for buyers to stay engaged and vigilant in identifying opportunities in November and December. Once 2024 begins, the peak home-buying season is back in swing with more buyer competition.

And for the sellers:

This is not a good time to test a price higher than market value for your home. As the seller's market weakens on a daily basis, it's the outskirts of town that are affected first as the interior cities follow quickly. As of Nov. 9, the following cities are in buyer's markets: Surprise, Litchfield Park, Goodyear, Buckeye, Maricopa, Casa Grande, Gold Canyon, and Queen Creek. Balanced markets are Cave Creek, Peoria, and Sun City. All others are still seller's markets but weakening fast.

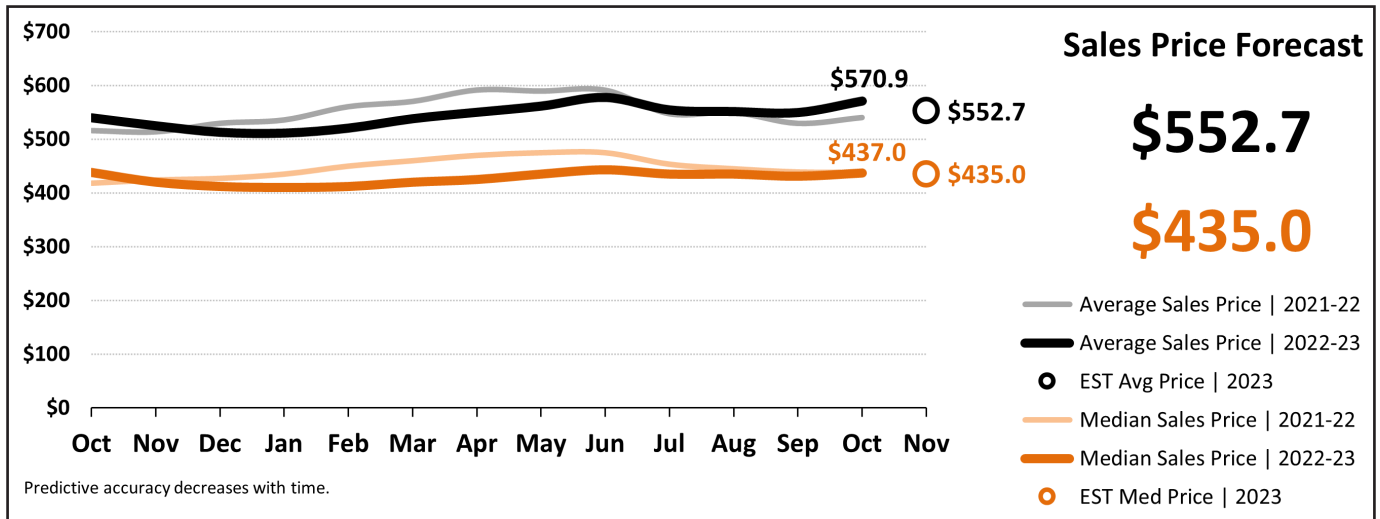
Seasonally, the best time to list your home is not in the fourth quarter. However, sellers always want to be selling in a seller's market. While it's not a bad idea to wait until the first quarter typically, under these circumstances the benefit could be offset by a weaker buyer's market. That means more competition from new listings, more days on market, and more price reductions. The determining factor that could change the course of the current market trend is mortgage rates, which have been unpredictable and volatile this year.

COMMENTARY

BY TOM RUFF

For those who need to sell, you may get your asking price, but at a higher expense as long as rates are elevated. As a result, sales price measures will not show a decline, but the sellers' net proceeds will be squeezed. It may not be the market we love, but it's the market we're with.

Sales Price Forecast



A **decrease** is forecasted in November for both average and median sale prices.

ARMLS PENDING PRICE INDEX (PPI)

Last month, STAT's mathematical model projected the median sales price for October at \$435,000; the actual amount was \$437,000. Looking ahead to November, the ARMLS Pending Price Index is projecting the median sales price will remain relatively flat. STAT is projecting a median sales price in November of \$435,000. In June 2022, we recorded the highest monthly median sales price ever reported at \$475,000. If our projections are correct, the median sales price will be 3.57% higher year over year and down 8.42% from our record high. If our projections are correct, November will show positive year-over-year growth for the first time in 2023.

We began November with 3,761 pending contracts, 1,819 UCB listings and 309 CCBS, giving us a total of 5,889 residential listings practically under contract. This compares to 6,212 of the same type of listings one year ago. At the beginning of November, "pending" contracts are 5.20% lower than last year. There were 19 business days in November 2022 and 19 this year. ARMLS reported 4,756 sales in November 2022. The highest sales volume ever in November occurred in 2020 with 8,886. When November's numbers are reported, we expect to see a drop in both year-over-year sales volume as well as month-over-month. If our models are correct, year-over-year sales volume will be in the 4,500 range.