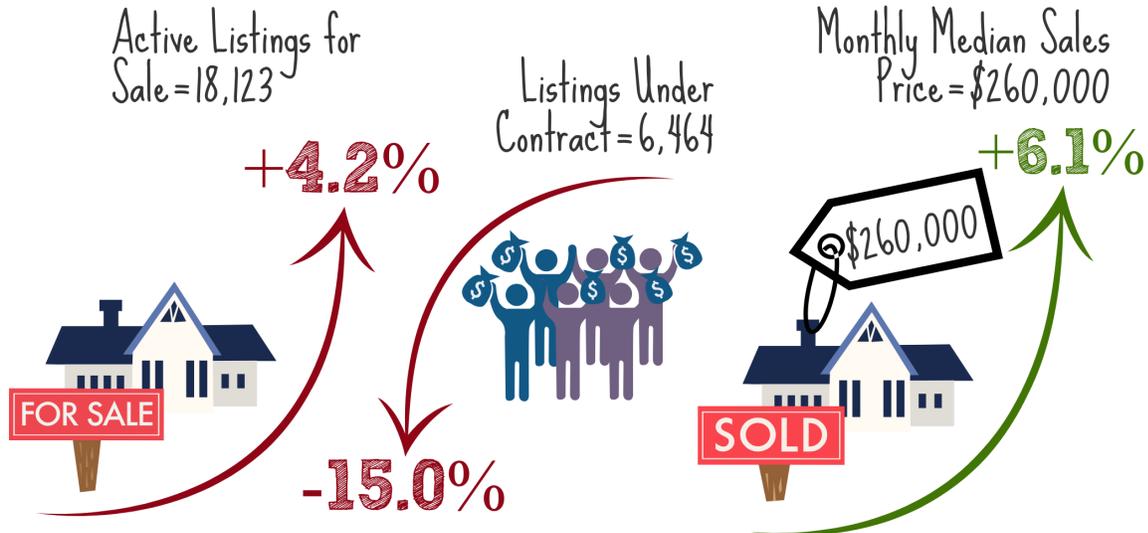


PHOENIX METRO

RESIDENTIAL REAL ESTATE

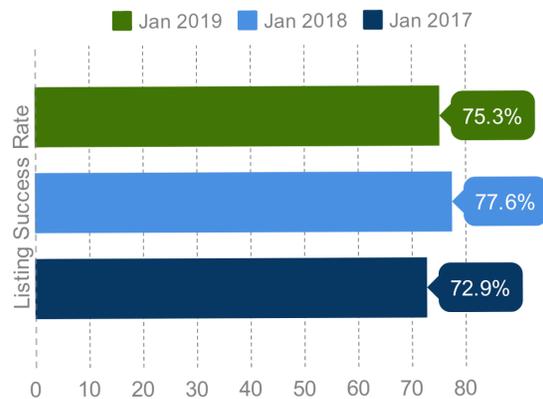
Annual Changes from January 6th, 2018 to January 6th, 2019



CLOSED SALES
Total Monthly Sales = 6,413



LISTING SUCCESS RATE



Of the Listings that came off of Active or Pending Status, 75.3% successfully closed escrow while 24.7% cancelled or expired.

MONTHS OF SUPPLY



If no new listings were to come on the market, at the current monthly rate of sales, inventory would run out in 3.2 months.

Encompassing the Arizona Regional MLS area, which includes Maricopa County, Pinal County and a small part of Yavapai County

Greater Phoenix Buyer Contracts Down 15%

It's Still a Good Time to Sell... For Now

For Buyers:

The monthly average interest rate rose to 4.64% in December 2018, up 0.69% from the previous December's 3.95%. For buyers who will purchase at the current median sales price of \$260,000, that equates to approximately \$100 added to their monthly payment compared to last year. Buyers averaged 1,845 square feet at this price; nearly 100 square feet smaller than if they had purchased last year. It doesn't help matters by renting either. As single family homes appreciated 8.1% per square foot, single family lease payments also rose 8.6% during the same time frame. With that, buying is still a good option over renting if only to stabilize one's monthly housing expense. Sale prices will continue rising in the first half of 2019, but at a slower rate and they're not expected to decline at this juncture. Instead, buyers may see a little more flexibility from sellers in the form of repairs, closing costs, and possibly interest rate buy-downs in the higher price ranges.

For Sellers:

The market continues to favor sellers entering into 2019, but not nearly as much as it did at the beginning of 2018. Supply is still 34% below normal compared to 36% below normal this time last year. It's buyer demand that has shifted as buyers grapple with affordability and concerns about an overvalued market. Demand at this time last year was measured 1% above normal; today it's 13% below normal. While it may feel like a buyers market compared to the last four years, it is far from one. Greater Phoenix is still in a seller's market, however it's weaker out of the gate. This means there is still more demand than supply, but multiple offers will not be as common, there will be fewer sales overall and scenarios will vary widely depending on price range. Demand could change in either direction depending on interest rates, however for the time being buyers and sellers have to play the hand they've been dealt. For those wondering if it's still a good time to sell, the answer is "yes" for now.

Commentary written by Tina Tamboer, Senior Housing Analyst with The Cromford Report

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