The Real State®

A Snapshot of the Greater Phoenix Residential Real Estate Market

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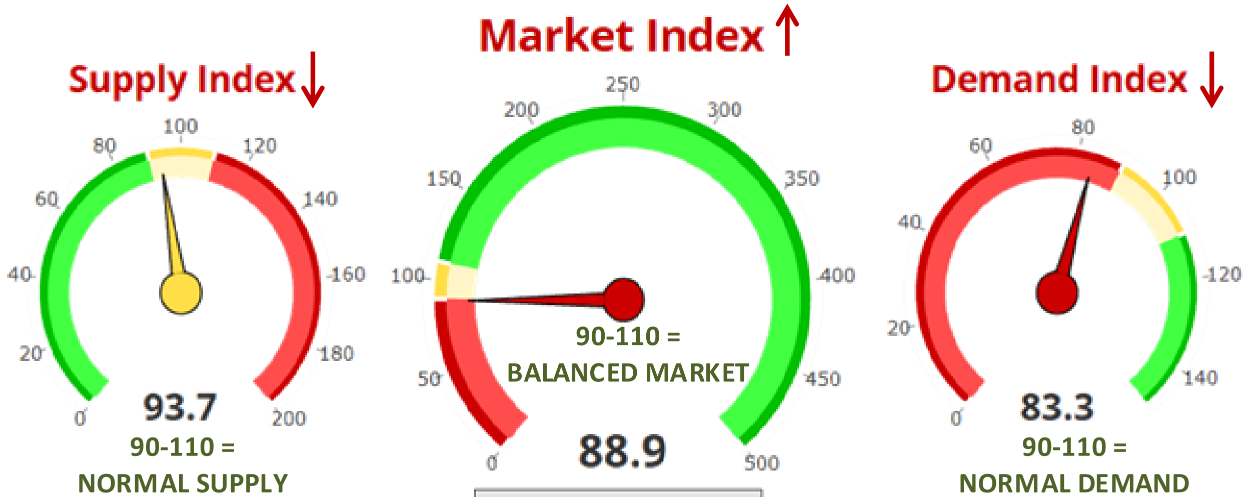
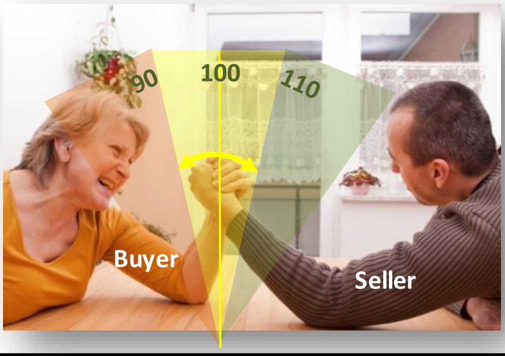
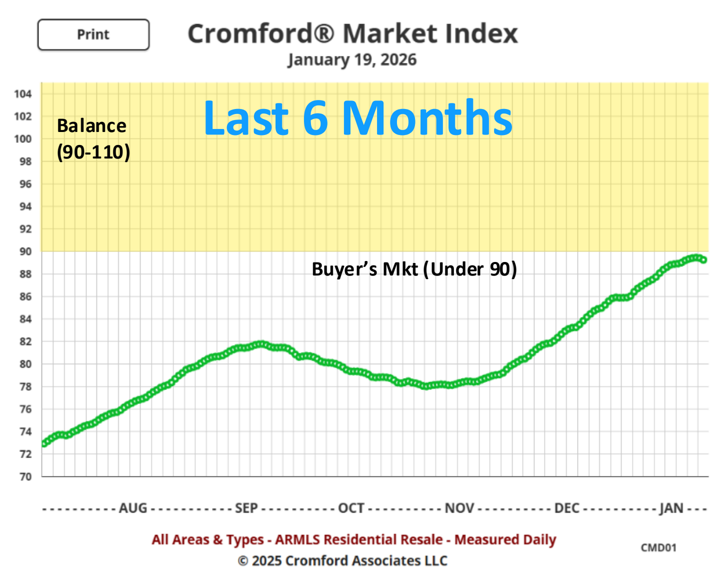


January 25, 2026

From December 2025 to January 2026, the supply-demand index increased from 84.1 to 88.9, with the supply index down from 101.0 to 93.7 and the demand index up from 85.0 to 88.9. The overall index is close to balance but has stalled just before breaking the barrier, giving buyers a little more time in a buyer's market. Mortgage rates have now remained stable for 5 months straight, but optimism for more demand is being tested. There are signs that better days are ahead as Mortgage News Daily reported the index that measures mortgage purchase applications is up 156% over this time last year. The time between applying for a mortgage and closing on a home can be 2-3 months, depending on whether the applicant needs to sell an existing home first or if it's still in the process of being built. Patience and time is still the top advice as spring approaches.

The adjacent graph illustrates the relationship between supply and demand over time and indicates shifts between seller's and buyer's markets. A measurement between 90-110 indicates equal advantage for both buyer and seller, over 110 indicates distinct seller advantage, and below 90 indicates distinct buyer advantage.





3333 E Camelback Road ● Suite 252 Phoenix, Arizona 85018 ● 602.319.1326 ● Fax 602.794.6389 ● roiproperties.com

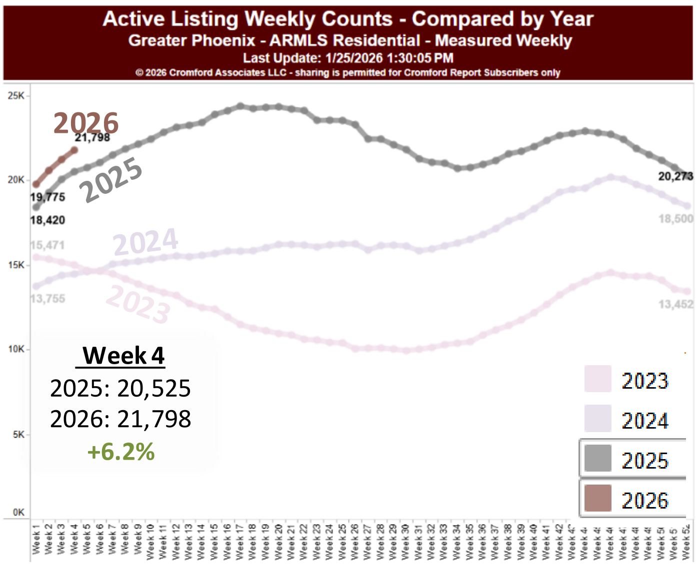
Comparing 2026 to 2025: ACTIVE LISTINGS

New listings are subdued so far in January, down 3.2% from last year, while total inventory is up 6.2%. 2025 saw a total of 102,971 new listings hit the Arizona Regional MLS, up 6.9% over 2024. The biggest increase in new listings and total supply continues to be in the most affordable range under $300K, composed mostly of condominiums and mobile homes. Buyers still have more to choose from between $300K-$500K overall, but new listings are down in these price points, which could cause inventory to dwindle later as fewer sold listings are replaced. Builders were reluctant to add too much inventory last year as annual permits were down 21% year-over-year (per RL Brown, a local analytic firm specializing in new construction). Monthly median price measures of newly constructed homes remained stable throughout 2025, with most months hitting the $490Ks while the resale single-family median was $481K and $340K for condo/townhomes.

ALL NEW LISTINGS ADDED in Q1:
As of Jan. 24, 2026 vs. 2025: 7,994 (-3.2%)

- Under $300K: 1,123 (+11.9%)
- $300K–$600K: 4,116 (-4.9%)
- $600K–$1M: 1,636 (-8.4%)
- $1M–$2M: 711 (-4.8%)
- Over $2M: 408 (+4.3%)

Active list prices are noticeably dropping between $300K-$600K, down 2-2.5% from this time last year. For a buyer looking at monthly payments around $2,500 last year for a home, this equates to roughly $50 off from the drop in price, on top of a $250 drop from the 1% drop in mortgage rate, putting the same home at $2,200 this year. On the opposite side of the spectrum, luxury and pre-luxury inventory is up, as are asking prices, in preparation for the peak buying season. As new listings continue to load up, it's typical and expected to see price reductions ramp up too. So far, 2026 is looking a lot like 2025.

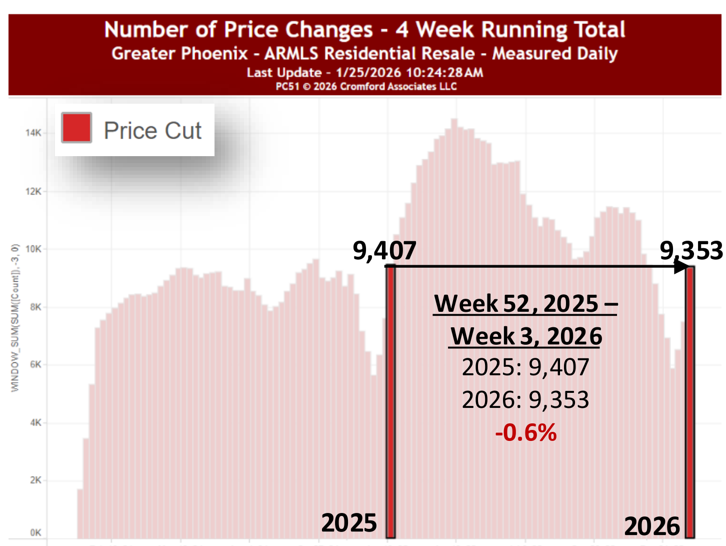


% Change in Active Supply: Week 4, 2026 vs. 2025

Price Range	# Active	Δ From Last Year	Listing Success Rate
Under $300K	3,808	+25.0%	57%
$300K–$400K	4,150	+4.5%	72%
$400K–$500K	4,224	+4.4%	71%
$500K–$600K	2,561	+0.1%	70%
$600K–$800K	2,665	-2.4%	72%
$800K–$1M	1,285	-5.0%	60%
$1M–$2M	1,780	+8.1%	68%
Over $2M	1,335	+12.8%	69%

% Change in Average Asking Prices per SF: Week 4, 2026 vs. 2025

Price Range	Active $/SF	YOY % Chg	Median Reduction
Under $300K	$177.75	+0.2%	-$5,500
$300K–$400K	$230.80	-2.1%	-$6,000
$400K–$500K	$238.10	-2.5%	-$6,400
$500K–$600K	$256.19	-2.5%	-$10,000
$600K–$800K	$287.01	-0.7%	-$10,000
$800K–$1M	$332.33	+1.4%	-$15,000
$1M–$2M	$440.07	+1.9%	-$42,500
Over $2M	$894.16	+6.9%	-$100,000

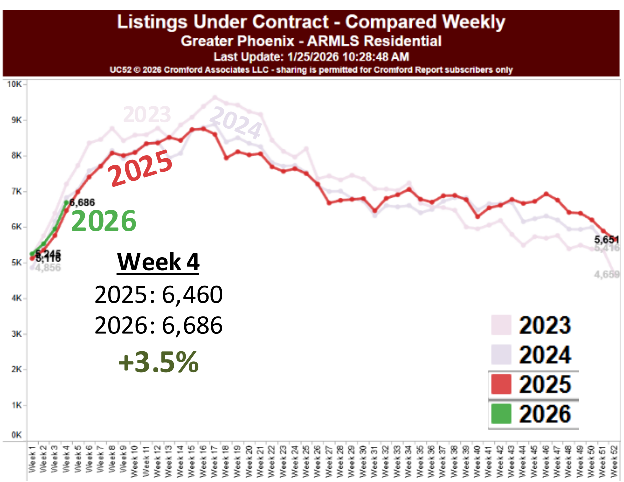


Comparing 2026 to 2025: SALES VOLUME & PRICE

Closed sales totaled 69,483 at the end of 2025, up 3.5% over 2024 and up 2.1% over 2023. New home sales were down 5.9% according to RL Brown, which explains why permits were down 21%. Annual sales are far from recovered and would need to see an 8% gain in 2026 just to match 2014, but at this stage the real estate industry will take what it can get. Listings under contract are just up 3.5% over last year but need more gas to catch up to 2024 or 2023. Prices continuing to drop could provide that needed boost. All price ranges below $2M are down anywhere from 0.8% to 5.1% compared to this time last year, which coincides with a median price down 1.8% from $458K to $450K. While these price reductions are modest and welcomed by buyers, there was a recent headline from the *Phoenix New Times* that stated, "Arizona home prices have plummeted in the last year." Once clicked, the article references a 3.1% drop in home values across the state based on Zillow estimated values, which hardly qualifies as a "plummet."

ALL CLOSED SALES IN Q1
As of Jan. 23, 2026 vs. 2025: 3,019 (+5.6%)
- Under $300K: 426 (+25.7%)
- $300K–$600K: 1,707 (+3.6%)
- $600K–$1M: 520 (-3.0%)
- $1M–$2M: 248 (+8.8%)
- Over $2M: 118 (+10.3%)

Few segments deserve that label in Greater Phoenix except for one, the apartment-style condominium less than 1,000 SF and under $300K. This segment has suffered extensive competition with new apartments and is down 9.4% year-over-year. At the highest price point, over $10M, there were 32 sales in 2025. If that's not impressive enough, 2026 has already seen 8 closings over $10M in the first 4 weeks, driven by record-breaking corporate profit reports and a stock market that continues to perform. Last year's spring luxury buying season was disrupted by tariff announcements; this year already looks promising.

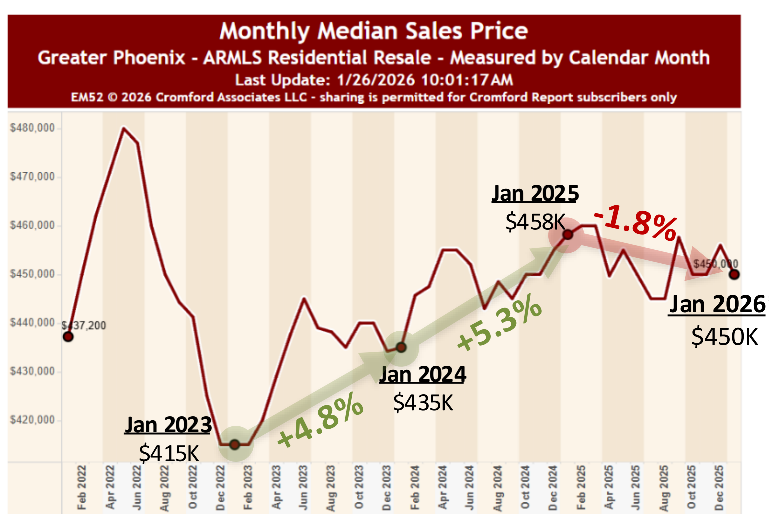


Contract and Sales Activity: Week 4, 2026 vs. 2025

Price Range	Week 4 In Escrow	Δ From Last Year	Sales $/SF	Annual Price Chg.
Under $300K	892	+26.7%	$176.38	-4.3%
$300K–$400K	1,488	+1.9%	$227.26	-2.4%
$400K–$500K	1,378	+1.8%	$242.68	-1.5%
$500K–$600K	785	-8.9%	$256.29	-1.8%
$600K–$800K	882	+2.0%	$283.95	-0.8%
$800K–$1M	418	+3.2%	$306.37	-5.1%
$1M–$2M	552	+8.2%	$413.28	-2.4%
Over $2M	291	-2.7%	$832.46	+12.3%

Concessions and DOM: Jan. 2026 to Date

Price Range	% Incl. Concessions	Median $ Concession	Days On Mkt
Under $300K	41.6%	$6,520	60
$300K–$400K	63.6%	$10,000	55
$400K–$500K	59.9%	$10,000	47
$500K–$600K	58.6%	$10,900	57
$600K–$800K	46.9%	$12,500	50
$800K–$1M	29.0%	$10,000	36
$1M–$2M	26.6%	$14,675	46
Over $2M	11.6%	$12,750	52



**January is measuring 15 of 20 working days*

ARTICLES OF INTEREST:

Jan. 11, 2026 – AZ Big Media
Here is the outlook for Phoenix’s 2026 housing market

Jan. 14, 2026 – AZ Big Media
How 2025 was a transformative year for Arizona economy

Jan. 15, 2026 – Redfin News
Monthly Housing Costs Start the Year Down 5%, the Biggest Decline in Over a Year

Jan. 22, 2026 - National Assoc. of Home Builders | NAHB.org
House Prices Decline in Local Markets Despite National Growth

Jan. 27, 2026 – Arizona Office of Economic Opportunity
Arizona Employment Increased by 24,600 Jobs Since December 2024

Jan. 28, 2026 – National Assoc. of Home Builders | NAHB.org
Holding Pattern for the Fed

Jan. 28, 2026 – AZ Big Media
ERMCO brings new manufacturing facility, 500 jobs to Waddell