The Real State®

A Snapshot of the Greater Phoenix Residential Real Estate Market

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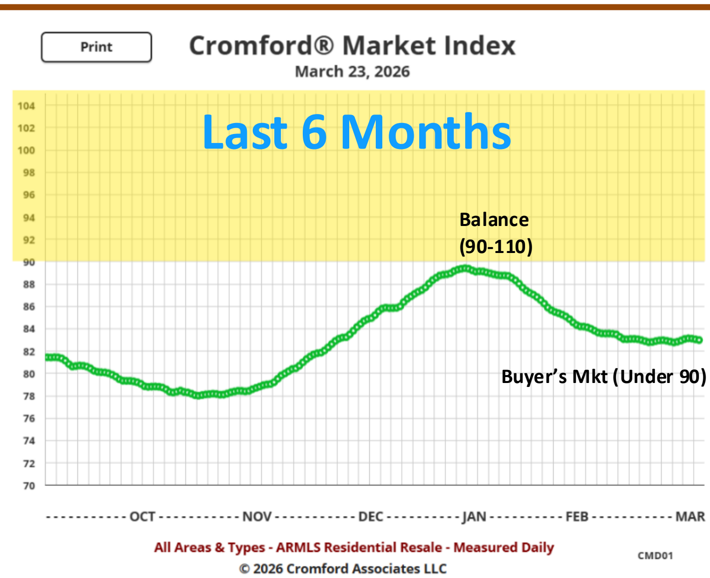
March 24, 2026

From February to March 2026, the supply-demand index decreased just 0.8 points, from 83.8 to 83.0. The supply index increased 3.7 points, while the demand index increased 2.3 points. It's an understatement to say it's been an eventful month. The military action against Iran started on February 28; as of this writing, it's just over 3.5 weeks old and starting to put stress on the housing market. Specifically, the increased cost of gas is leading to expectations that the CPI inflation for March will be significantly higher than the 2.4% measured in February. Upward pressure on the cost of goods causes stress to consumers, and investors worry about a recession when employment is not strong. These conditions have led to investors hedging their risk. The 10-Year Treasury yield rose by 0.33 points, and the spread with the 30-year mortgage rose another 0.17 points. This pushed mortgage rates from 6% to 6.5%.

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.



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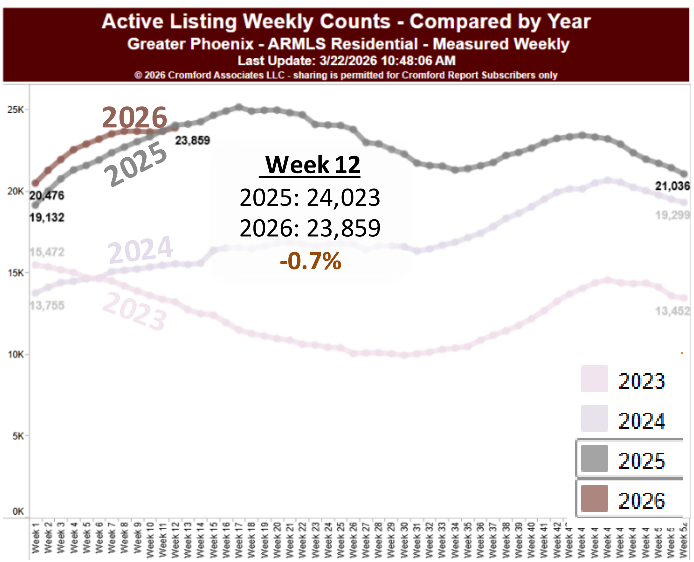
Comparing 2026 to 2025: ACTIVE LISTINGS

Last month, total active listings were up 4.3% over last year, and now they're down -0.7%. This is attributed in part to a 7% decline in new listings added to inventory in February combined with a 10% increase in expired listings. The stagnation in the supply count is mostly in listings between $500K-$600K, where new listing counts were down 17% in February, and those between $600K-$800K, where they were down 14%. Listings under $300K are up nearly 15% over last year, but new listings slowed by 7% in February. New condo/townhome listings, which make up 45% of listings in this price range, were down 10% in February. The listing success rate under $300K is 67%, which means that out of all the properties that came off an active or contract status, 67% closed escrow and 33% cancelled or expired. This is the lowest success rate of all the price ranges, which could be reflecting increasing problems with closing on condos due to unmet HOA lending requirements.

ALL NEW LISTINGS ADDED in Q1:
As of Mar. 22, 2026 vs. 2025: 26,951 (-0.4%)

- Under $300K: 3,732 (+7.2%)
- $300K–$600K: 14,164 (-6.5%)
- $600K–$1M: 5,484 (-7.9%)
- $1M–$2M: 2,341 (-0.0%)
- Over $2M: 1,230 (+1.0%)

Changes to FHFA lending guidelines came out this month that focused on HOAs in relation to condominiums specifically. The upside for this segment is the new requirement that HOAs insure the current value instead of the replacement value of a roof. This option is much less expensive and could put condos within reach for more homebuyers. The downside is an increase from 10% to 15% in reserves set aside for capital improvements and maintenance, in addition to more lender requests to see the financials of the HOA prior to funding. This could cause some deals to fall through if the HOA boards are not compliant by January 2027.

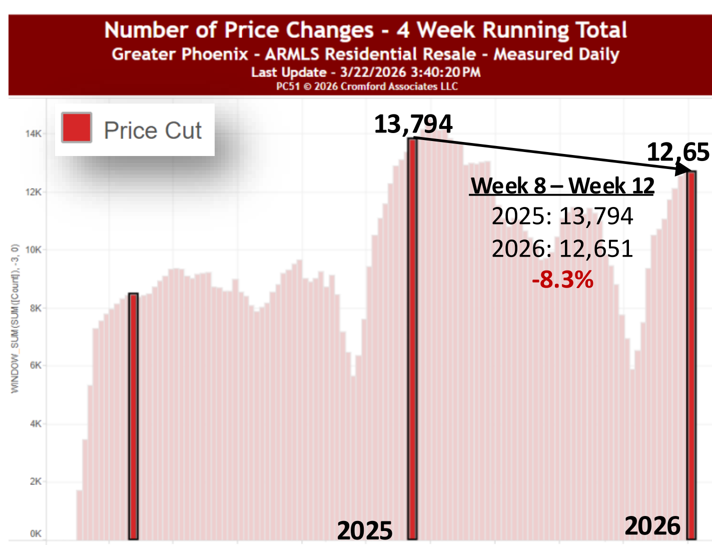


% Change in Active Supply: Week 12, 2026 vs. 2025

Price Range	# Active	Δ From Last Year	Listing Success Rate
Under $300K	4,048	+14.5%	67%
$300K–$400K	4,490	+1.5%	78%
$400K–$500K	4,477	-3.7%	76%
$500K–$600K	2,787	-9.3%	77%
$600K–$800K	2,948	-12.2%	76%
$800K–$1M	1,484	-6.4%	73%
$1M–$2M	2,127	+6.5%	76%
Over $2M	1,498	+6.6%	72%

% Change in Average Asking Prices per SF: Week 12, 2026 vs. 2025

Price Range	Active $/SF	YOY % Chg	Median Reduction
Under $300K	$179.12	-0.5%	-$5,500
$300K–$400K	$230.53	-1.8%	-$7,400
$400K–$500K	$239.89	-1.5%	-$10,000
$500K–$600K	$255.48	-1.4%	-$10,000
$600K–$800K	$284.18	-1.8%	-$10,010
$800K–$1M	$327.98	+0.6%	-$19,000
$1M–$2M	$496.11	+1.3%	-$40,000
Over $2M	$870.48	+2.6%	-$100,000



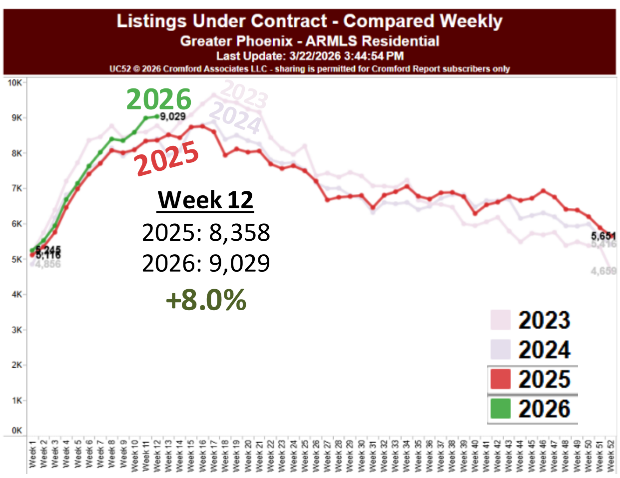
Comparing 2026 to 2025: SALES VOLUME & PRICE

February closings were down just slightly at -0.9% below February 2025 sales. However, contract activity began to pull away from last year and currently listings in escrow are the highest they've been for this time of year in three years. This correlates with conventional mortgage rates dropping to 5.99% and maintaining that level for the last two weeks of February. At the same time, the CPI inflation report for January had come in at a favorable 2.4%, providing a level of optimism that buyer demand and affordability was on its way up and mortgage rates could normalize below 6%. Things were looking up in the housing market. Then the military action in Iran began and thus began a period of uncertainty. Despite assurances that the war will be short lived, wars are inherently unpredictable. In the absence of certainty regarding the Strait of Hormuz, its influence on future inflation rates, and the risk of a recession, mortgage rates subsequently rose from 5.99% to 6.55%. Abrupt movement in mortgage rates often shocks buyers and can stun them temporarily into inaction.

ALL CLOSED SALES IN Q1
As of Mar 22, 2026 vs. 2025: 14,295 (+1.4%)

- Under $300K: 1,997 (+16.8%)
- $300K–$600K: 7,998 (-1.4%)
- $600K–$1M: 2,684 (-1.1%)
- $1M–$2M: 1,092 (+1.0%)
- Over $2M: 524 (+8.5%)

This increase in rates equates to a 5-6% increase in quoted mortgage payments (for example, from $2,500 to $2,625), or a 5-6% drop in purchasing power (i.e., from $500K to $475K). The housing market is no stranger to 6.5% rates; in fact, rates were in a similar place in 2023 and the April/May season still saw elevated contract activity. The median sales price at that time was $429K, which is coincidentally 5-6% lower than February's median of $455K. Who would've thought that a tiny 2-mile strait on the other side of the world could have such an impact locally? The quicker this is resolved, the better for home buyers and sellers.

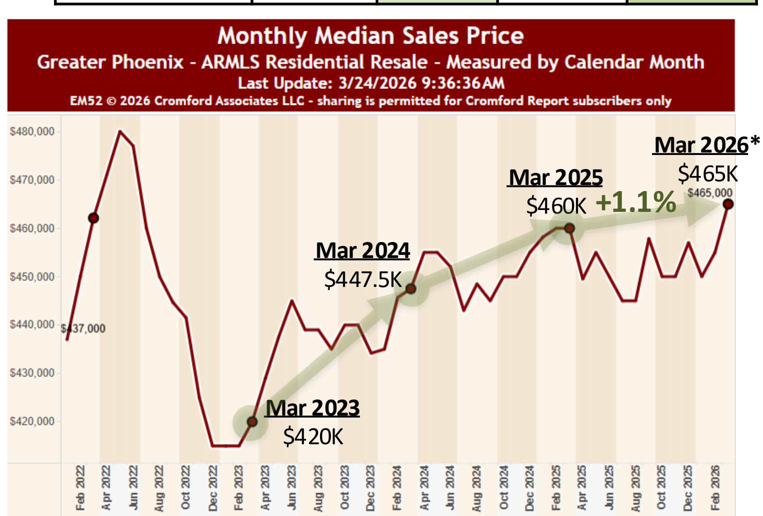


Contract and Sales Activity: Week 12, 2026 vs. 2025

Price Range	Week 12 In Escrow	Δ From Last Year	Sales $/SF	Annual Price Chg.
Under $300K	1,162	+18.7%	$178.43	-3.0%
$300K–$400K	1,988	+2.8%	$227.70	-1.9%
$400K–$500K	1,973	+10.3%	$236.84	-4.6%
$500K–$600K	1,071	+0.8%	$255.90	-1.0%
$600K–$800K	1,228	+6.4%	$283.40	-1.7%
$800K–$1M	560	+13.8%	$316.66	-0.4%
$1M–$2M	700	+13.8%	$429.95	+2.6%
Over $2M	347	+4.2%	$784.58	+6.7%

Concessions & DOM: March 2026 to Date

Price Range	% Incl. Concessions	Median $ Concession	Days On Mkt
Under $300K	49.9%	$6,870	49
$300K–$400K	62.4%	$10,000	35
$400K–$500K	60.8%	$11,000	33
$500K–$600K	55.4%	$10,650	33
$600K–$800K	48.0%	$11,900	30
$800K–$1M	35.3%	$10,000	28
$1M–$2M	24.6%	$11,355	41
Over $2M	14.1%	$8,300	46



*March is measuring 15 of 22 working days to date

ARTICLES OF INTEREST:

March 5, 2026 – AZ Big Media
Arizona adds the most U.S. construction jobs over past year

March 14, 2026 – National Assoc. of Home Builders | NAHB.org
Trump’s Executive Orders on Housing Would Ease Affordability Crisis

March 18, 2026 – Federal Housing Finance Agency | FHFA.gov
Fannie Mae and Freddie Mac Remove Certain Homeowners Insurance Requirements That Will Reduce Costs

March 17, 2026 – Fox10 Phoenix
Here’s where rents are falling the most as US prices hit a four-year low

March 24, 2026 – Hoodline
Surprise Sizzles, Desert Ridge Crashes National 'Hottest Zip' List

March 26, 2026 – Realtor.com
Paychecks Are Outpacing Home Prices in These Counties, Offering a ‘Welcome Shift’ for Families

March 26, 2026
Mortgage rates now closer to 7% than 6% as the Iran war escalates