# The Real State®

A Snapshot of the Greater Phoenix Residential Real Estate Market

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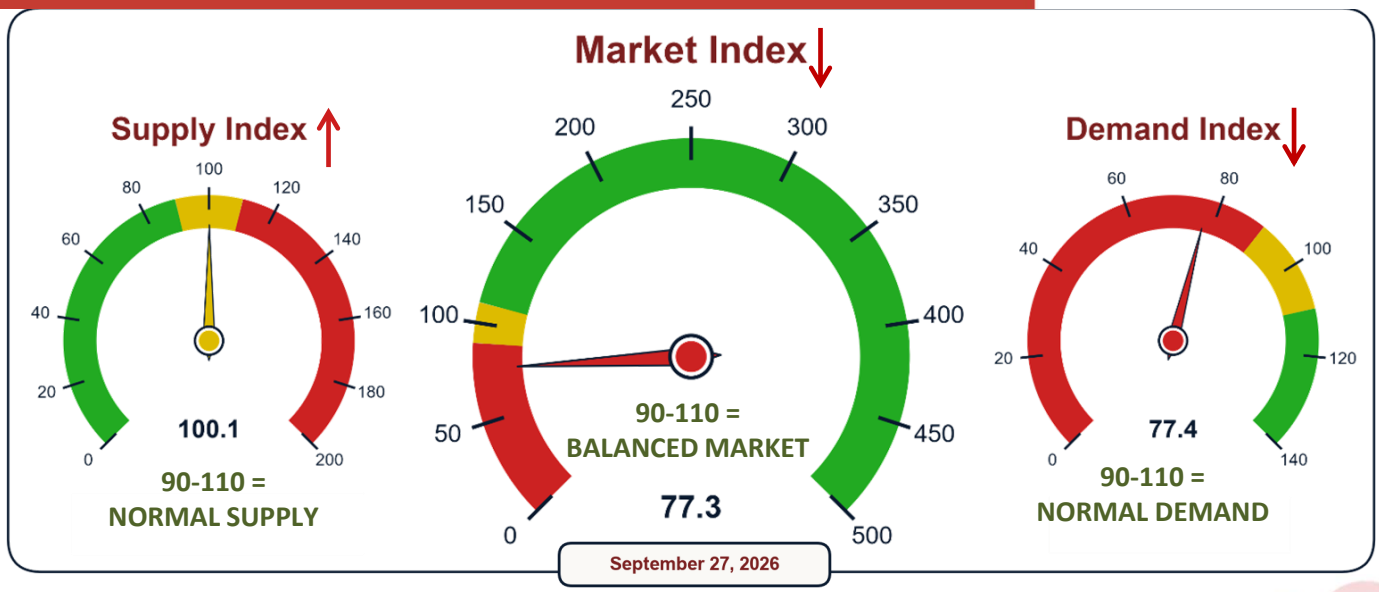
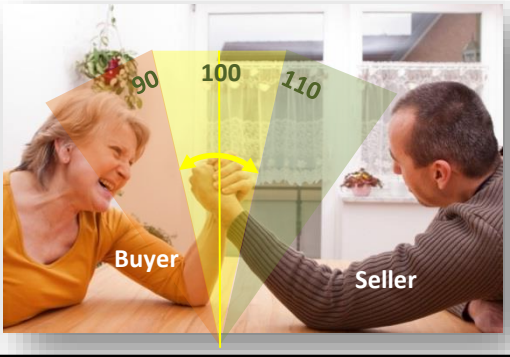
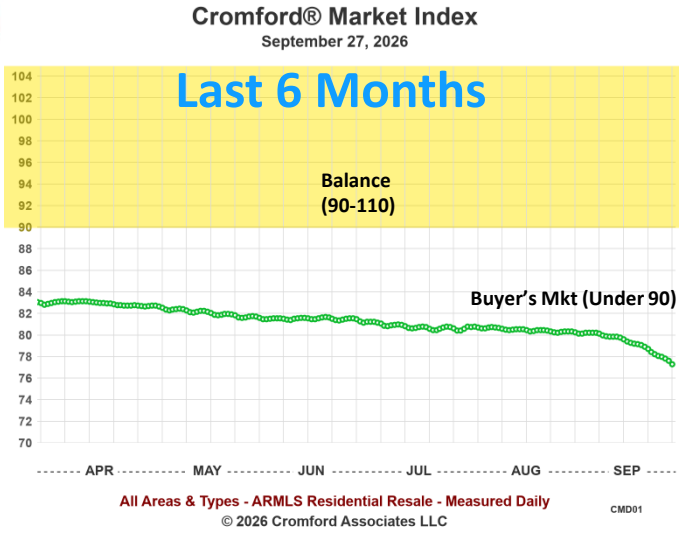



From August to September 2026, the supply-demand index decreased 3.1 points from 80.4 to 77.3. The supply index moved up 2.6 points from 97.5 to 100.1, while the demand index dropped 1.0 point from 78.4 to 77.4. Supply and demand moved in opposite directions this month, pushing Greater Phoenix further into a buyer's market. Mortgage rates became more volatile in September, peaking at 7.5% as of this writing, as the Federal Reserve raised the Federal Funds Rate by 0.25% on September 16 and hinted at another future hike. Since employment remains stable at this juncture, the Federal Reserve is focusing monetary policy on curbing inflation, specifically the Personal Consumption Expenditure Index (PCE) inflation measure at 3.7%, which is showing rising costs for computer software/accessories, healthcare, and financial services.

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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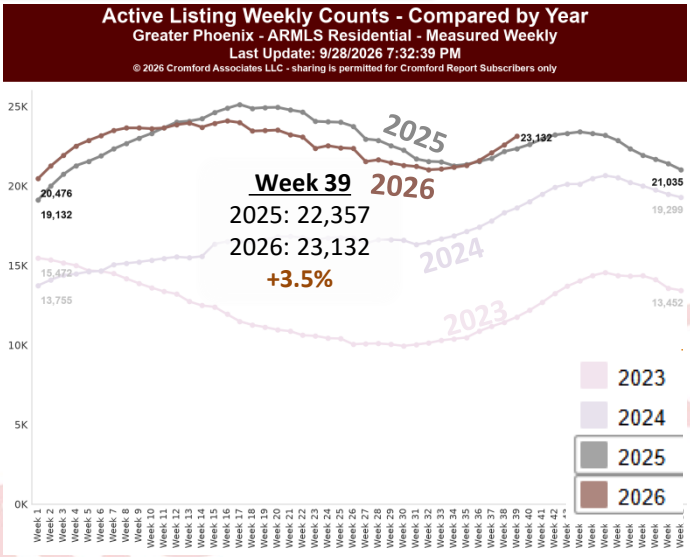
# Comparing 2026 to 2025: ACTIVE LISTINGS

New listings in August totaled 7,709 in the Arizona Regional MLS, down 1.3% from last August's count of 7,814. September has followed the same pattern, with 7,655 new listings added through September 26, also down 1.3% from last year. That puts the third quarter down just 0.3%, while week 39's overall listing count is up 3.5% from last year. Good news for first-time homebuyers: Inventory is up significantly in the most affordable price ranges, as higher mortgage rates knock out other competing buyers. The shock and awe of mortgage rate increases also spurred a wave of price reductions mid-September, pushing asking prices down 2.2% in the $300-400K price range. At 7.5%, average conventional mortgage rates have now increased more than a half point since the beginning of September. That's an increase of roughly 5% on a quoted principal and interest payment. A decline of 2.2% in asking price is a 2.2% decline in payment if the buyer drops their loan amount by the same percentage. This means that sellers of affordable homes under $400K are willing to meet the buyers nearly halfway.

**ALL NEW LISTINGS ADDED in Q3:**
**As of Sept. 27, 2026 vs. 2025: 22,791 (-0.3%)**

- Under $300K: 3,127 (+2.4%)
- $300K–$600K: 12,705 (-1.7%)
- $600K–$1M: 4,422 (+0.1%)
- $1M–$2M: 1,699 (+2.5%)
- Over $2M: 838 (+4.4%)

Active listings have climbed off their summer low point, and supply is now rising faster than last year. Retirement communities still hold the top three spots for seller's markets—Anthem, Sun City West, and Sun Lakes—but luxury markets are cooling quickly. Paradise Valley has slipped from the #1 seller's market to #5 over the past month, and Fountain Hills from #3 to #6. Expect this shift to continue into October as new listings increase and higher mortgage rates weigh on demand.

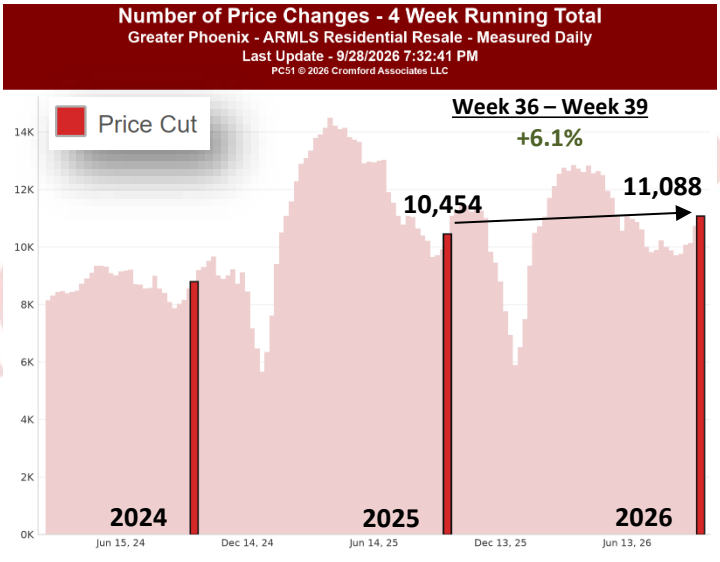



## % Change in Active Supply: Week 39, 2026 vs. 2025

| Price Range | # Active | Δ From Last Year | Listing Success Rate |
|---|---|---|---|
| Under $300K | 3,863 | +8.7% | 63% |
| $300K–$400K | 4,772 | +6.9% | 71% |
| $400K–$500K | 4,583 | +5.6% | 72% |
| $500K–$600K | 2,720 | -2.9% | 73% |
| $600K–$800K | 2,985 | -0.8% | 71% |
| $800K–$1M | 1,346 | +0.8% | 66% |
| $1M–$2M | 1,783 | +2.2% | 68% |
| Over $2M | 1,080 | -2.5% | 57% |

## % Change in Average Asking Prices per SF: Week 39, 2026 vs. 2025

| Price Range | Active $/SF | YOY % Chg | Median Reduction |
|---|---|---|---|
| Under $300K | $176.89 | -1.1% | -$5,000 |
| $300K–$400K | $225.32 | -2.2% | -$9,000 |
| $400K–$500K | $239.28 | -0.3% | -$9,000 |
| $500K–$600K | $251.86 | -1.9% | -$10,000 |
| $600K–$800K | $286.85 | +1.4% | -$10,000 |
| $800K–$1M | $318.79 | -1.1% | -$14,000 |
| $1M–$2M | $430.29 | +0.0% | -$49,000 |
| Over $2M | $895.19 | +5.3% | -$100,500 |



# Comparing 2026 to 2025: SALES VOLUME & PRICE

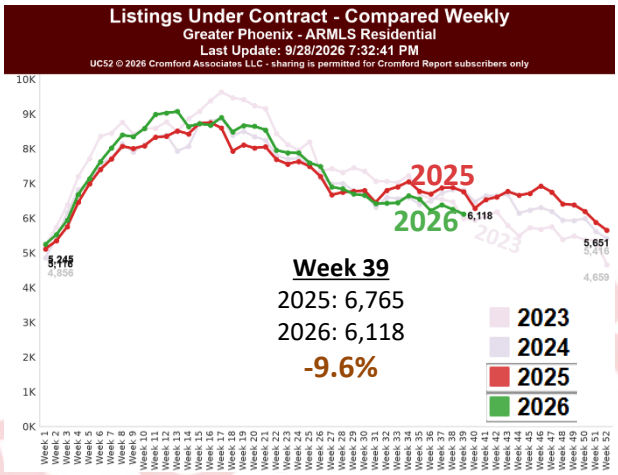
August sales closed at 5,057, down 6.3% from last August, as the low contract activity after the 4th of July fed through to closings. September is holding up better so far, running 1.7% ahead of last year with 18 of 21 closing days counted, but listings under contract are now 9.6% below last year. This indicates that October closings will come up short in year over year comparisons, and the third quarter is down 5.5% so far. The buyers' shock and awe, caused by the most recent spike in the average mortgage rate to 7.5%, has caused contract activity under $800K to plummet below last year and track with 2023. Ironically, in 2023 mortgage rates also spiked from 7% to 7.5% in September, so buyer activity may not be as unpredictable as it might seem. By October 2023 rates peaked at 8%, but they were back to 6.6% by the end of the year, allowing many of those loans to be refinanced and payments to be reduced by 10% or more. The 7% rate isn't new. In fact, it remained between 7-7.5% in the first half of 2024 and buyer demand was similar to the first half of 2025, despite lower rates at that time. Buyers who can shoulder the rate today will enjoy more choice and less competition in these conditions.

### ALL CLOSED SALES IN Q3

**As of Sept. 27, 2026 vs. 2025: 14,957 (-5.5%)**

- Under $300K: 1,999 (-1.9%)
- $300K–$600K: 8,792 (-7.5%)
- $600K–$1M: 2,771 (-6.3%)
- $1M–$2M: 1,007 (-1.1%)
- Over $2M: 388 (+24.4%)

The release for Greater Phoenix median family income measures from the Census has been delayed, but average hourly earnings from the Bureau of Labor Statistics measured $38.11 for August. Assuming 40-hour work weeks and 52 weeks paid per year, that equates to roughly $79,000/year. That is a 9.5% increase from August 2024, outpacing the 3.9% rate of inflation for Greater Phoenix over the same time span. This means that although home appreciation is flat, homes have become more affordable when adjusted for inflation and income over the past 2 years.

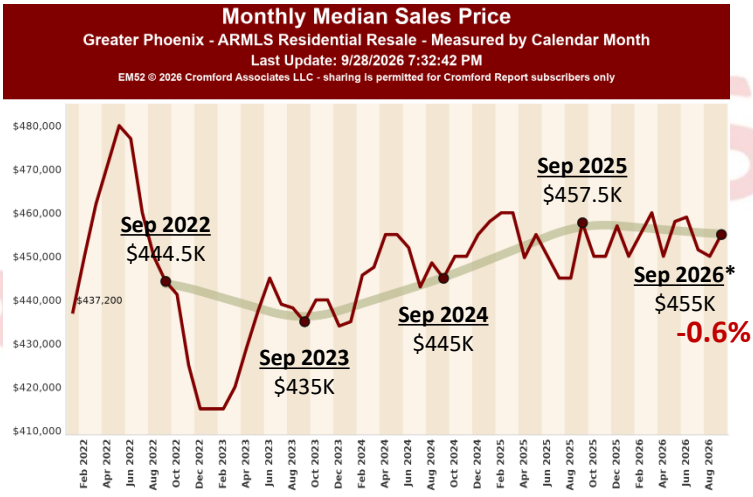



## Contract and Sales Activity: Week 39, 2026 vs. 2025

| Price Range | Week 39 In Escrow | Δ From Last Year | Sales $/SF | Annual Price Chg. |
|---|---|---|---|---|
| Under $300K | 865 | +6.4% | $177.79 | -2.1% |
| $300K–$400K | 1,417 | -9.3% | $225.43 | +0.6% |
| $400K–$500K | 1,257 | -14.4% | $237.30 | +0.1% |
| $500K–$600K | 710 | -19.7% | $252.62 | +0.4% |
| $600K–$800K | 759 | -15.0% | $277.57 | +1.0% |
| $800K–$1M | 396 | +3.4% | $315.50 | +2.7% |
| $1M–$2M | 483 | -1.8% | $423.08 | +6.4% |
| Over $2M | 231 | -14.1% | $724.30 | -1.2% |

## Concessions and DOM: Sept. 2026 to Date

| Price Range | % Incl. Concessions | Median $ Concession | Cromford® Days on Mkt |
|---|---|---|---|
| Under $300K | 51.4% | $7,650 | 66 |
| $300K–$400K | 69.3% | $10,200 | 48 |
| $400K–$500K | 66.4% | $12,000 | 46 |
| $500K–$600K | 58.8% | $10,800 | 51 |
| $600K–$800K | 50.8% | $12,050 | 56 |
| $800K–$1M | 44.6% | $10,000 | 58 |
| $1M–$2M | 28.9% | $19,966 | 66 |
| Over $2M | 22.1% | $20,000 | 67 |




***Sept. is measuring 18 of 21 closing days to date***

## ARTICLES OF INTEREST:

Sept. 4, 2026 – U.S. Bureau of Labor Statistics
County Employment and Wages in Arizona — First Quarter 2026

Sept. 17, 2026 – AZ Office of Economic Opportunity
Arizona Employment Increased by 17,400 Jobs Since August 2025

Sept. 24, 2026 – Yahoo! Finance
When will mortgage rates go down? Right now, 8% may be closer than 6%

Sept. 24, 2026 – CNBC
Philadelphia Fed's Anna Paulson says 'modest' rate moves likely ahead to tame inflation

Sept. 27, 2026 – Arizona Republic | AZCentral.com
How Phoenix homebuyers can get $60,000 in builder incentives

Sept. 28, 2026 – National Assoc. of Home Builders | NAHB.org
New Home Sales Rise as Affordability Challenges Continue

Sept. 28, 2026 – AZ Big Media
Here's how Arizona workforce boom is colliding with talent shortage

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