

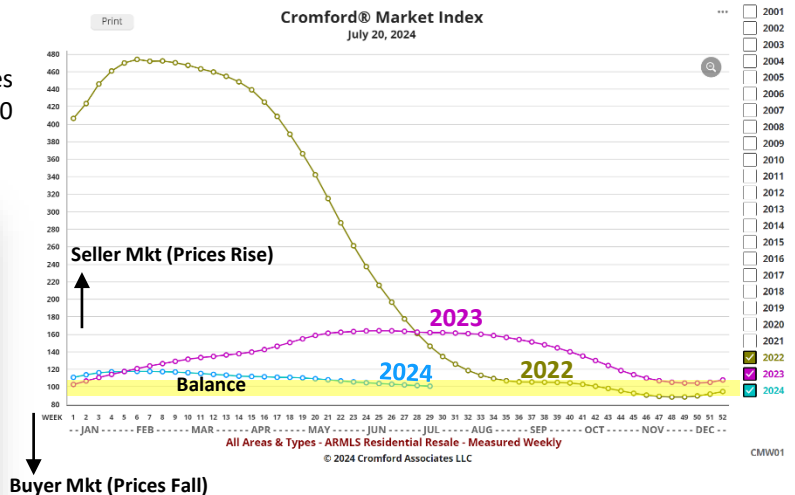
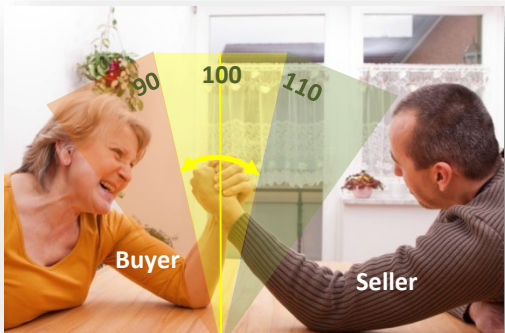
The Real State®

A Snapshot of the Greater Phoenix Residential Real Estate Market



June to July 2024, the supply-demand index dropped 2.7 points, from 103.4 to 100.7. The Supply Index fell 0.2 points from 74.6 to 74.4 and the Demand Index decreased 2.1 points from 77.1 to 75.0. The real estate market got some unexpected good news in July, as the CPI inflation report came out much lower than expected at 3.0%. This caused mortgage rates to drop once again, this time to 6.81%, as headlines reflected unusual optimism about further drops. Ironically, the optimism is fueled by pessimism in the job market. As Wall Street gets nervous about unemployment numbers creeping up, possibly triggering a recession and a decline in the stock market, some investors will opt for the safety of bonds. If that trend manifests, then bond rates could decline and so will mortgage rates. When the Federal Reserve concludes their meeting on July 31, what they say may have more effect on rates than what they do. After this, the next meeting is September 17-18.

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.



Comparing 2024 to 2023: ACTIVE LISTINGS

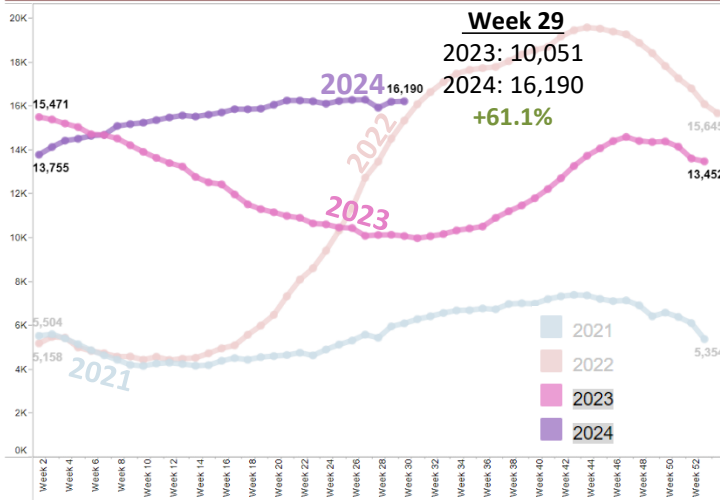
Supply is up 61% over last year now but has remained stagnant for 10 weeks. Numerous headlines in mainstream news this month have been quoting a controversial YouTube influencer, Nick Gerli, suggesting Greater Phoenix is amid a price crash, ranking #8 on his catastrophic list. His claim is that list prices are rapidly declining in Phoenix due to a massive spike in price reductions and it's just a matter of time before the sales price line reflects its inevitable doom. There is a fundamental flaw in Gerli's analysis, however. Average list price measures decline every year from May through July due to high cancellation rates in the luxury market. When wealthy sellers take their ball and go home to cooler weather, those high-priced listings are no longer in the active listing pool, which pulls down the overall average list price.

ALL NEW LISTINGS ADDED in Q3 As of July 19, 2024 vs. 2023:

- Under \$300K: 476 (0%)
- \$300K-\$600K: 2,644 (+19.8%)
- \$600K-\$1M: 899 (+15.9%)
- \$1M-\$2M: 258 (+8.9%)
- Over \$2M: 96 (-15.8%)

It is true that the average list price per square foot has declined 9.5% since the start of May and price reductions are up 91% over last year. However, when listings over \$1M are removed, the measure changes to just 0.5% lower than the start of May; that's not exactly headline material. In fact, referring to the annual list price changes below by price range, list prices under \$600K are higher than last year, while those over \$600K are just barely lower. How can this be, with so many price reductions? The pool of active listings is constantly turning over; for every listing with a reduction or cancellation, another brand-new high-priced listing appears to offset it.

Active Listing Weekly Counts - Compared by Year
Greater Phoenix - ARMLS Residential - Measured Weekly
Last Update: 7/21/2024 10:05:39 AM
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% Change in Active Supply: Week 29, 2024 vs 2023

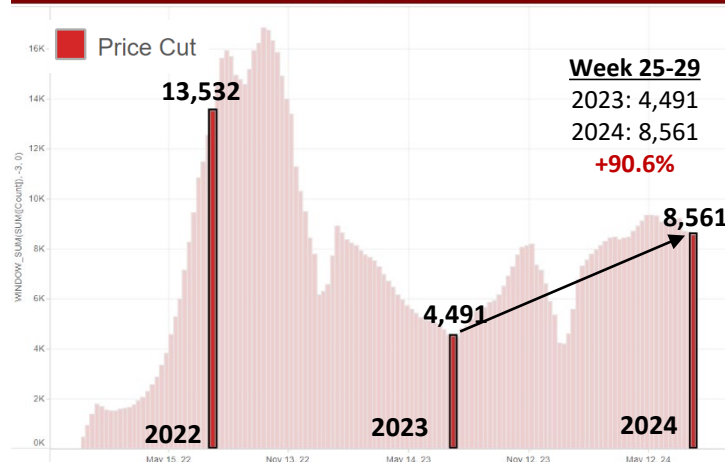
Price Range	# Active	Δ From Last Year	4-Week Sum Price Drops
Under \$300K	2,088	+75.6%	953
\$300K-\$400K	2,950	+62.2%	1,733
\$400K-\$500K	3,207	+73.4%	1,905
\$500K-\$600K	2,249	+78.2%	1,270
\$600K-\$800K	2,349	+44.6%	1,309
\$800K-\$1M	1,168	+45.5%	587
\$1M-\$2M	1,359	+58.8%	648
Over \$2M	820	+26.5%	156

% Change in Average Asking Prices per SF: Week 29, 2024 vs. 2023

Price Range	Active \$/SF	YOY % Chg	Median Reduction
Under \$300K	\$175.67	+4.8%	-\$5,000
\$300K-\$400K	\$235.09	+3.5%	-\$6,000
\$400K-\$500K	\$243.27	+2.3%	-\$6,300
\$500K-\$600K	\$258.28	+1.2%	-\$10,000
\$600K-\$800K	\$282.50	-0.2%	-\$10,500
\$800K-\$1M	\$320.46	-0.7%	-\$14,900
\$1M-\$2M	\$420.59	-1.4%	-\$31,001
Over \$2M	\$844.32	+0.6%	-\$100,000

Number of Price Changes - 4 Week Running Total

Greater Phoenix - ARMLS Residential Resale - Measured Daily
Last Update - 7/21/2024 11:28:00 AM
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Comparing 2024 to 2023: SALES VOLUME & PRICE

Demand is struggling this year, but even a mild decline in rates could make a difference during the remainder of summer. For example, the unseasonal bumps in contracts in August 2021 and 2022 were both fueled by brief declines in mortgage rates. Recent rate history indicates that demand could see a mild increase if rates declined just below 6.5%, less than a 0.4% difference from where they are now. In the meantime, Greater Phoenix continues to glide further into a balanced market, a perfect market for the not-so-perfect buyer. Buyers with a contingent home sale, those utilizing downpayment assistance, low- or no-downpayment loans, or wishing to assume an existing sub-5% FHA or VA mortgage are finding more sellers willing to consider their offers—whereas a year ago they would've been rejected outright. Sales with seller concessions had 51% market share of all sales in both June and July, up from 43% last year, with a median contribution to the buyer of \$9,600.

While Greater Phoenix is in balance overall, it varies by city.

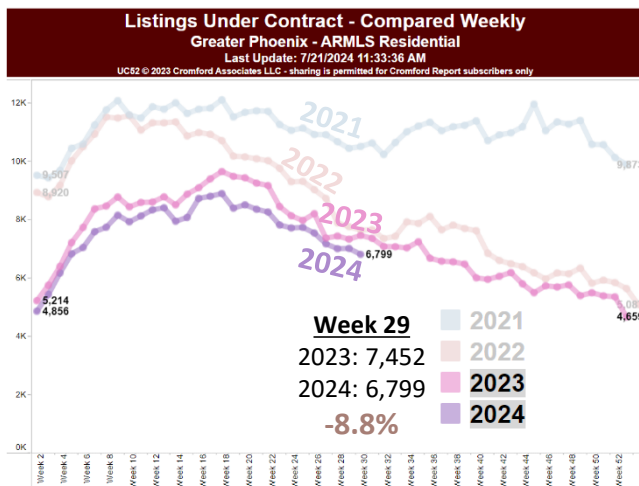
Seller's Markets (strong to weak): Tolleson, Sun Lakes, Chandler, Avondale, Fountain Hills, Apache Junction, Anthem, Phoenix, Mesa, El Mirage, Scottsdale, Glendale, Gilbert, Tempe, Sun City West

Balanced Markets: Gold Canyon, Peoria, Paradise Valley, Laveen

Buyer's Markets (weak to strong): Arizona City, Litchfield Park, Surprise, Goodyear, Sun City, Cave Creek, Queen Creek, Maricopa, Casa Grande, Buckeye

ALL CLOSED SALES IN Q3 to Date As of July 19, 2024 vs. 2023:

- Under \$300K: 392 (+1.3%)
- \$300K–\$600K: 1,846 (-1.0%)
- \$600K–\$1M: 586 (+12.7%)
- \$1M–\$2M: 218 (+32.1%)
- Over \$2M: 81 (+72.3%)

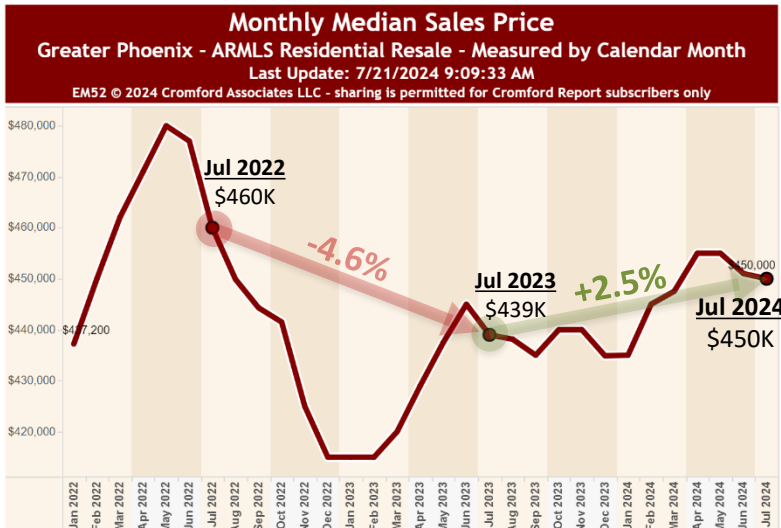


Contract and Sales Activity: Week 29, 2024 vs. 2023

Price Range	Week 29 In Escrow	Δ From 2022	Sales \$/SF	Annual Price Chg.
Under \$300K	774	-9.7%	\$194.15	-0.2%
\$300K–\$400K	1,670	-13.4%	\$239.94	+3.9%
\$400K–\$500K	1,569	-7.8%	\$246.76	+1.9%
\$500K–\$600K	828	-2.8%	\$260.98	+2.4%
\$600K–\$800K	904	-8.5%	\$282.49	+1.0%
\$800K–\$1M	376	-5.3%	\$311.16	+0.9%
\$1M–\$2M	419	-11.0%	\$404.43	+5.0%
Over \$2M	259	+1.2%	\$706.45	+5.1%

Concessions and DOM: July 2024 to Date

Price Range	% Incl. Concessions	Median \$ Concession	Days On Mkt
Under \$300K	41.0%	\$7,000	39
\$300K–\$400K	64.8%	\$9,450	28
\$400K–\$500K	59.4%	\$10,000	31
\$500K–\$600K	50.8%	\$10,000	39
\$600K–\$800K	44.5%	\$10,000	32
\$800K–\$1M	38.7%	\$9,000	40
\$1M–\$2M	25.2%	\$10,000	54
Over \$2M	14.8%	\$22,200	65



ARTICLES OF INTEREST:

July 2, 2024 – US News

[Mortgage Forecast: Will Rates Go Down in 2024?](#)

July 3, 2024 – PBS

[U.S. continuing jobless claims rise for 9th straight week, though unemployment stays historically low](#)

July 4, 2024 – NBC 12 News

[Tired of renting? Here's how to achieve the American Dream through assumable loans](#)

July 5, 2024 – Reuters

[June US job growth moderates, unemployment rate ticks up](#)

July 17, 2024 – Times Union

[Interest in assumable mortgages on the rise](#)

July 25, 2024 – ABC 15 Arizona

[Amazon announces 500 new jobs in Goodyear](#)

July 26, 2024 – Phoenix Business Journal

[Amkor awarded \\$400 million CHIPS Act grant for advanced packaging facility](#)

