

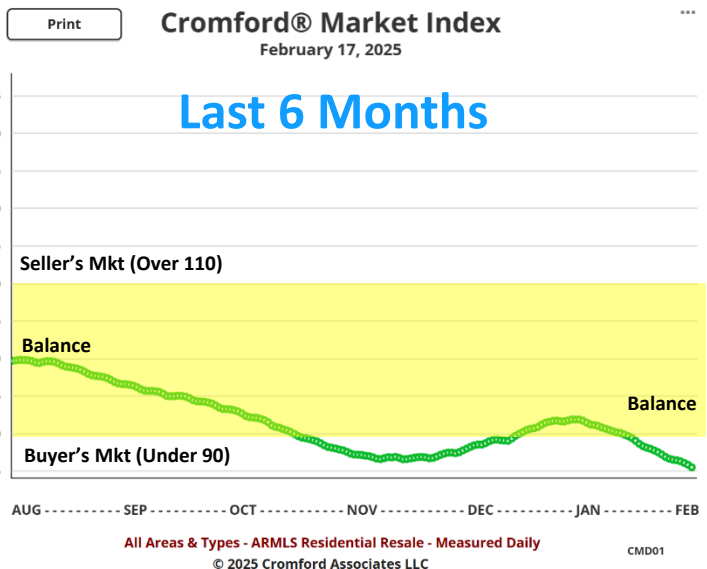
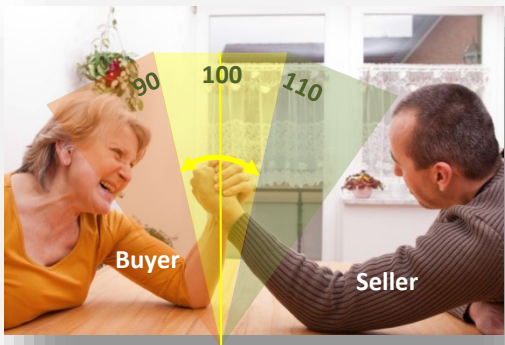
The Real State®

A Snapshot of the Greater Phoenix Residential Real Estate Market



January to February 2025, the supply-demand index decreased 90.6 to 84.7, with a whopping 8.7 point increase from 84.2 to 92.9 in supply. The demand index rose from 76.3 to 78.7, but it wasn't enough to offset the rise in inventory—putting Greater Phoenix back into a buyer's market. This means the local housing market has been in a buyer's market for 3 out of the past 4 months, but it's been in a buyer's advantage (overall index under 100) for 6 months. The beginning stages of a buyer's market typically involve sustained prices and an increase in buyer incentives. The more a buyer's market is prolonged, the higher probability of a downward glide in price measures, as negotiations slice a little more off the list price. While buyer demand is low, it's not declining overall. Current market conditions are driven by a level of new listings entering the market not seen since 2019, which is providing existing buyers a plethora of quality choices.

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 2025 to 2024: ACTIVE LISTINGS

New listings are now up 17.5% year-to-date compared to last year, with new listings between \$600K–\$1M having the highest percent increase. The argument that there is little supply under \$300K no longer holds true today, as available supply is up nearly 60% over last year. New listings of mobile homes are in line with last year, putting 2025 on track to possibly be the highest year recorded for mobile home listings added to supply, pushing available units for sale up 36% over last year. However, that doesn't compare to active condos under \$300K—which are up 85% in supply—and active single family homes under \$300K, up 81%. In Maricopa County, 47% of single family listings under \$300k are in age-restricted communities, but total counts are still low while condo/mobile home supply has surpassed all counts over the past 5 years.

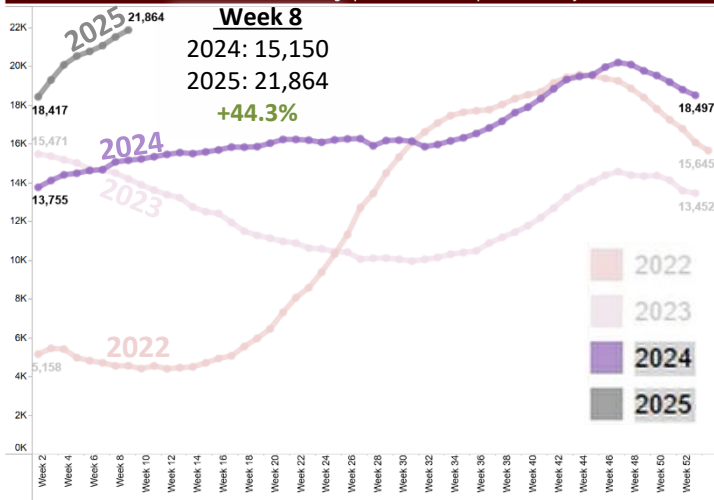
ALL NEW LISTINGS ADDED in Q1:

As of Feb. 22, 2025 vs. 2024: 17,875 (+17.5%)

- Under \$300K: 2,203 (+12.1%)
- \$300K–\$600K: 9,485 (+15.4%)
- \$600K–\$1M: 3,844 (+23.6%)
- \$1M–\$2M: 1,520 (+25.1%)
- Over \$2M: 823 (+16.7%)

Supply is up within all price ranges, not just the lowest tiers. This means that price reductions are also on the rise, up 54% over last year with 56% of active supply experiencing a price drop over the past 4 weeks. This simply means that sellers, who are always testing the market on price, are continually unsuccessful in this environment and are pressured to bring their asking prices down. The average list price per square foot on all properties under \$1M is an exact 0% change over last year's measure for week 8, and over \$1M asking prices are down -2.8%.

Active Listing Weekly Counts - Compared by Year Greater Phoenix - ARMLS Residential - Measured Weekly Last Update: 2/23/2025 12:21:14 PM © 2025 Cromford Associates LLC - sharing is permitted for Cromford Report Subscribers only



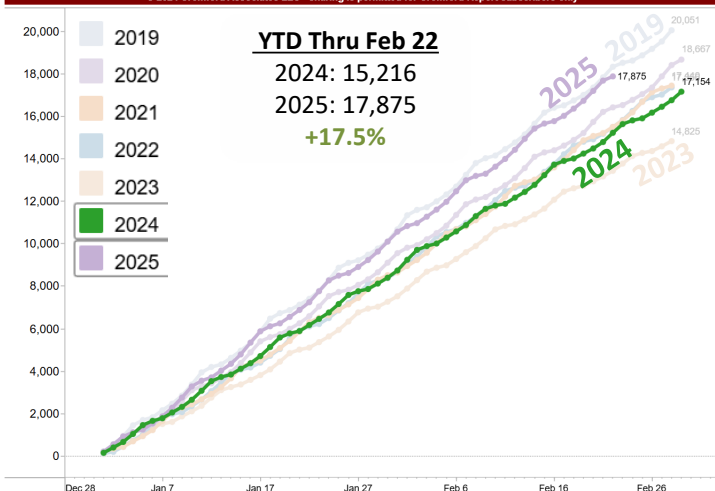
% Change in Active Supply: Week 8, 2025 vs. 2024

Price Range	# Active	Δ From Last Year	4-Week Sum Price Drops
Under \$300K	3,301	+59.7%	1,809 (55%)
\$300K–\$400K	4,151	+52.5%	2,665 (64%)
\$400K–\$500K	4,209	+49.1%	2,554 (61%)
\$500K–\$600K	2,713	+45.2%	1,561 (58%)
\$600K–\$800K	2,996	+39.7%	1,722 (57%)
\$800K–\$1M	1,433	+33.1%	758 (53%)
\$1M–\$2M	1,759	+29.0%	811 (46%)
Over \$2M	1,302	+20.0%	413 (32%)

% Change in Average Asking Prices per SF: Week 8, 2025 vs. 2024

Price Range	Active \$/SF	YOY % Chg	Median Reduction
Under \$300K	\$178.65	+1.0%	-\$5,000
\$300K–\$400K	\$236.23	+1.6%	-\$7,000
\$400K–\$500K	\$243.12	+1.1%	-\$9,000
\$500K–\$600K	\$259.00	-0.4%	-\$10,000
\$600K–\$800K	\$290.83	+0.9%	-\$10,000
\$800K–\$1M	\$330.06	0%	-\$15,000
\$1M–\$2M	\$435.07	+0.6%	-\$46,000
Over \$2M	\$852.65	-2.6%	-\$105,000

New Listings Year-to-Date Daily Greater Phoenix - ARMLS Residential Resale Last Update: 2/24/2025 12:48:16 PM © 2024 Cromford Associates LLC - sharing is permitted for Cromford Report subscribers only



Comparing 2025 to 2024: SALES VOLUME & PRICE

Contract activity continues to be suppressed in the lower price ranges, where buyers are more dependent on mortgage rates to be lower in order to purchase a home. In contrast, the upper price ranges have been offsetting that suppression and year-to-date closings are up 6% over last year. This continuing phenomenon in a high-rate environment is causing average and median appreciation measures to skew high, greater than the rate of inflation, which is not indicative of what most homeowners are experiencing. Under \$600K, appreciation rates are not outperforming the rate of inflation, but above \$600K appreciation rates are higher than the rate of inflation, a byproduct of sustaining a mild seller's market in upscale and luxury communities. Once mortgage rates decline, it's likely that sales on the lower end will pick up and could ironically pull the median and average measures down. This is why it's important to examine appreciation rates by price range and area year-over-year: to eliminate the skewing effects of properties on the high or low end gaining or losing market share.

ALL CLOSED SALES IN Q1

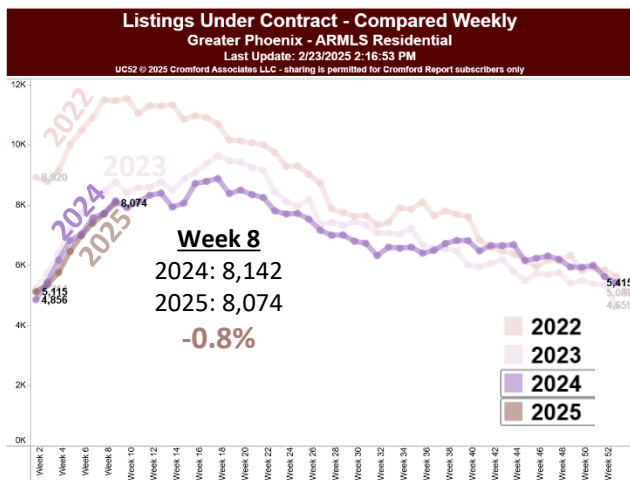
As of Feb. 21, 2025 vs. 2024: 7,796 (+6.0%)

- Under \$300K: 935 (-0.7%)
- \$300K-\$600K: 4,532 (+0.7%)
- \$600K-\$1M: 1,467 (+11.1%)
- \$1M-\$2M: 581 (+35.1%)
- Over \$2M: 279 (+78.8%)

The flurry of administrative changes in the federal government can cause volatility within the stock markets, employment reports, GDP measures, and investors' emotions. Change, even when it's embraced and welcomed, usually involves chaos and uncertainty. If stocks, cryptos, corporate profits, and exchange rates become too volatile, then the luxury market could stall as buyers wait for the dust to settle. This was experienced in 2018 during tariff negotiations. On the flip side, if investors look to bonds for security, then mortgage rates could decline and mainstream buyers activated. It's too early to tell...but get the popcorn and stay tuned.

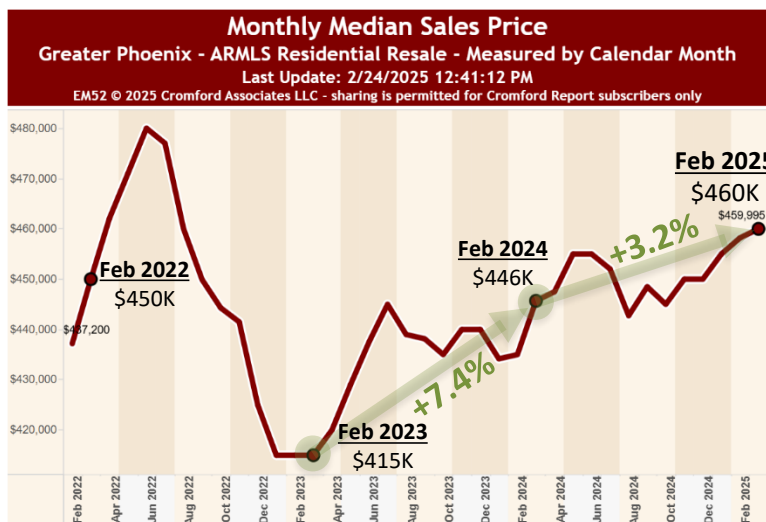
Contract and Sales Activity: Week 8, 2025 vs. 2024

Price Range	Week 8 In Escrow	Δ From Last Year	Sales \$/SF	Annual Price Chg.
Under \$300K	896	-2.8%	\$186.35	-1.7%
\$300K-\$400K	1,775	-7.4%	\$235.12	+0.5%
\$400K-\$500K	1,711	-5.7%	\$248.97	+2.6%
\$500K-\$600K	1,060	+8.4%	\$263.87	+1.3%
\$600K-\$800K	1,103	+1.4%	\$290.26	+4.0%
\$800K-\$1M	518	+3.6%	\$317.50	+0.5%
\$1M-\$2M	658	+12.5%	\$506.67	+7.0%
Over \$2M	353	+4.1%	\$747.42	+5.0%



Concessions and DOM: Feb. 2025 to Date

Price Range	% Incl. Concessions	Median \$ Concession	Days On Mkt
Under \$300K	40.8%	\$6,750	39
\$300K-\$400K	56.2%	\$9,900	37
\$400K-\$500K	57.5%	\$10,000	34
\$500K-\$600K	51.6%	\$10,671	29
\$600K-\$800K	41.8%	\$10,000	29
\$800K-\$1M	32.5%	\$10,000	32
\$1M-\$2M	21.3%	\$10,000	27
Over \$2M	16.7%	\$21,000	39



ARTICLES OF INTEREST:

Feb. 2, 2025 – KTAR News

[Home prices hold steady in metro Phoenix, but expect more gains](#)



Feb. 14, 2025 – AZ Big Media

[Metro Phoenix median home prices continue to climb](#)

Feb. 20, 2025 - Newsweek

[Map Shows 5 US Cities Where House Prices Set to Fall](#)

Feb. 20, 2025 – NAHB.org | Eye On Housing Blog

[Single-Family Built-for-Rent Construction Falls Back](#)

Feb. 20, 2025 – AZ Office of Economic Opportunity

[Total Arizona Employment Projected to Grow by 67,079 Jobs Through 2026](#)

Feb. 24, 2025 – Arizona's Family Channel 3/5 | AZFamily.com

[Apple to invest \\$500 billion in U.S. manufacturing, including new TSMC plant in Phoenix](#)

Feb. 24, 2025 – Phoenix Business Journal

[Canadian wearable tech company to establish US headquarters in Valley](#)