

# The Real State®

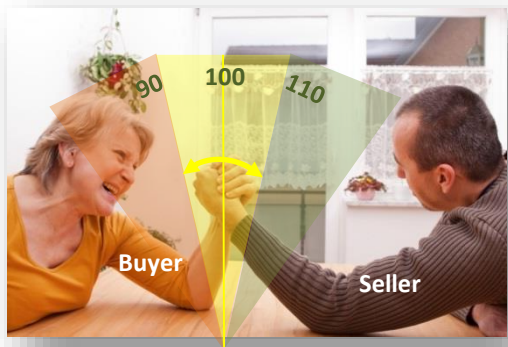
A Snapshot of the Greater Phoenix Residential Real Estate Market

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ENHANCING REAL ESTATE ASSETS®



From November to December 2025, the supply-demand index increased from 79.2 to 84.1. The supply index decreased from 104.9 to 101.0, while the demand index increased from 83.1 to 85.0. The Federal Reserve dropped the Fed Funds Rate by 0.25 point once again on December 10 and announced that it would begin purchasing short-term bonds. These moves don't directly affect mortgage rates, but they will help reduce short-term rates on credit cards, auto loans, and HELOCs. Notable legislative changes due to take effect in early 2026 include the Arizona Middle Housing Law and the FinCEN Residential Real Estate Rule. The former is a state law that addresses housing affordability by squeezing more units into city centers. The latter is a federal law expanding disclosure requirements of all individual parties behind legal entities and/or trusts in cash transactions to combat money laundering.

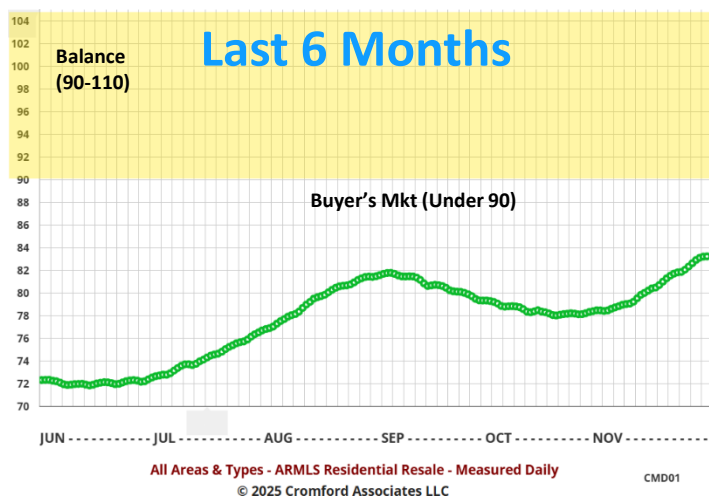
The adjacent graph illustrates the relationship between supply and demand over time and indicates shifts between seller's and buyer's markets. A measurement between 90 to 110 indicates equal advantage for both buyers and sellers, over 110 indicates distinct seller advantage, and below 90 indicates distinct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



Print

## Cromford® Market Index

December 15, 2025



# Comparing 2025 to 2024: ACTIVE LISTINGS

On December 16, the Pew Research Center published an article titled [“Housing Shortage Takes Center Stage”](#) that promotes ideas to tackle an estimated national shortage of 4 to 7 million homes, which has been blamed for unaffordable rents and home prices. Studies like this have spurred multiple municipalities across the nation to change zoning laws so that more housing units can be built. In response, the state of Arizona passed the Middle Housing Law (HB2721) that will take effect on January 1, 2026. This state law outranks existing local regulations for cities with at least 75,000 residents and decrees all single family lots within one mile of a city’s central business district eligible for building townhomes, du-, tri-, and 4-plexes with fewer restrictions on height, parking, and building codes. There is no requirement that units built in these areas adhere to a specific legal definition of “affordable” in terms of cost to rent or purchase, which suggests its purpose is to drive down the cost of housing simply by building excess supply for the existing demand.

## ALL NEW LISTINGS ADDED in Q4: As of Dec 16, 2025 vs. 2024: 19,314 (+1.0%)

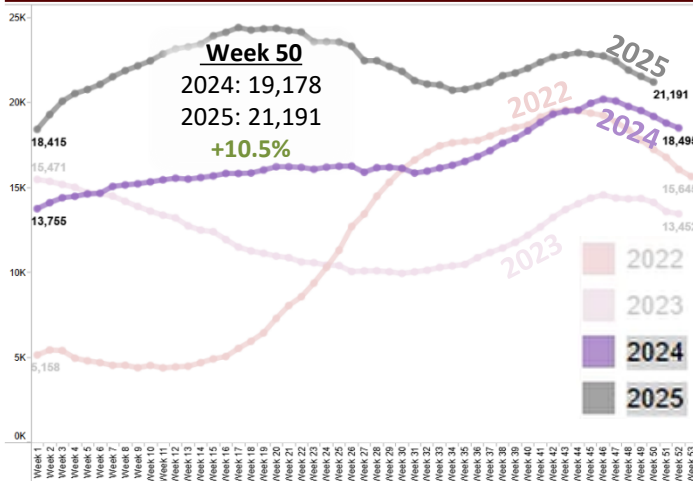
- Under \$300K: 2,847 (+9.6%)
- \$300K–\$600K: 10,411 (-3.2%)
- \$600K–\$1M: 3,574 (-0.7%)
- \$1M–\$2M: 1,605 (+11.3%)
- Over \$2M: 877 (+18.0%)

However, local statistics suggest the housing shortage in Maricopa County may already be alleviated. [Apartment List’s December Report](#) showed vacancy rates for 1- and 2-bedroom apartments soared from just 3% in 2021 to more than 8% last month. This caused monthly median rents to decline by \$214 from a 2022 peak of \$1,570 to \$1,356 in November 2025, which is affordable for a household making \$58K per year. The resale market is seeing similar effects as active listings are within normal range for the first time since 2014 and list prices are declining.

## Active Listing Weekly Counts - Compared by Year Greater Phoenix - ARMLS Residential - Measured Weekly

Last Update: 12/14/2025 11:32:40 AM

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## % Change in Active Supply: Week 50, 2025 vs. 2024

Price Range	# Active	Δ From Last Year	Listing Success Rate
Under \$300K	3,774	<b>+35.4%</b>	59%
\$300K–\$400K	4,226	<b>+10.2%</b>	68%
\$400K–\$500K	4,077	<b>+4.8%</b>	66%
\$500K–\$600K	2,535	<b>+4.5%</b>	67%
\$600K–\$800K	2,564	<b>+1.0%</b>	66%
\$800K–\$1M	1,189	<b>-2.9%</b>	66%
\$1M–\$2M	1,628	<b>+12.5%</b>	69%
Over \$2M	1,198	<b>+16.8%</b>	56%

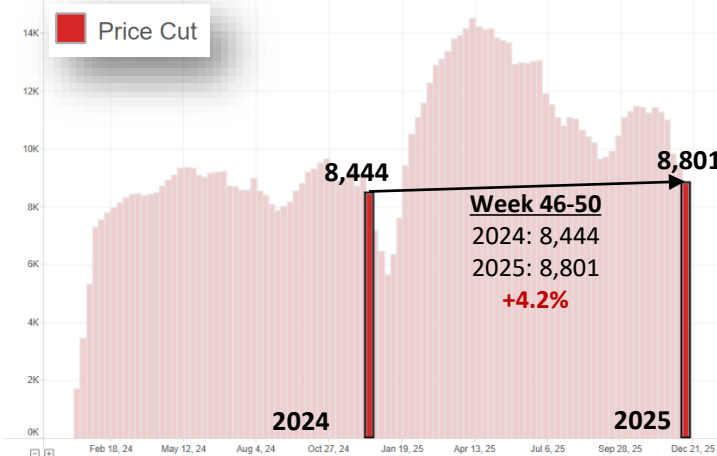
## % Change in Average Asking Prices per SF: Week 50, 2025 vs. 2024

Price Range	Active \$/SF	YOY % Chg	Median Reduction
Under \$300K	\$177.25	<b>+0.6%</b>	-\$5,100
\$300K–\$400K	\$229.54	<b>-3.1%</b>	-\$6,000
\$400K–\$500K	\$237.33	<b>-2.5%</b>	-\$9,001
\$500K–\$600K	\$254.20	<b>-2.1%</b>	-\$10,000
\$600K–\$800K	\$285.45	<b>-0.9%</b>	-\$10,000
\$800K–\$1M	\$323.93	<b>-0.5%</b>	-\$15,000
\$1M–\$2M	\$436.38	<b>+0.5%</b>	-\$30,000
Over \$2M	\$886.65	<b>+5.1%</b>	-\$100,000

## Number of Price Changes - 4 Week Running Total Greater Phoenix - ARMLS Residential Resale - Measured Daily

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# Comparing 2025 to 2024: SALES VOLUME & PRICE

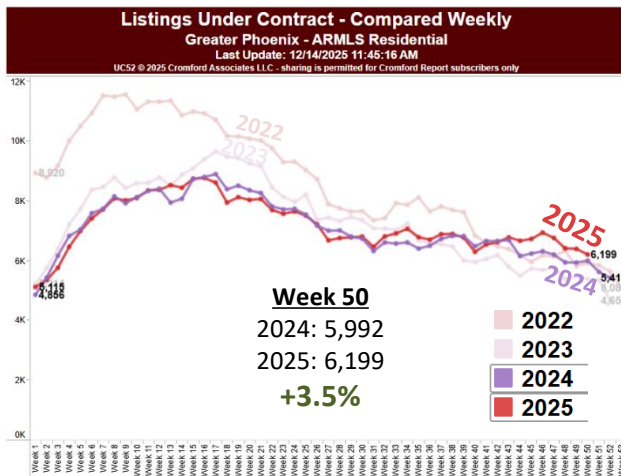
Affordability for homes depends on three major factors: the cost of the home, the mortgage rate, and the buyer's income. As prices of non-luxury homes have declined and/or stabilized over the past year, so has the average mortgage rate. These two factors combined have helped bring mortgage payments down in the lower price ranges by hundreds of dollars already. At the same time, incomes in Maricopa County grew by 34% over the four years spanning 2020-2024. Median family annual income, which measures only households with two or more people related by blood or marriage, was \$108,000 in 2024 for Maricopa County. Using a general guideline that an affordable payment is 28 to 33% of gross income, a typical family should be able to afford \$2,500-\$3,000 per month. That payment coincides with homes purchased in the mid-\$300K and mid-\$400K range, which is exactly the range where active listings have been rising the most and sales prices have seen the strongest declines. The fourth quarter of 2025 so far has been the strongest year end for sales and contract activity in 3 years, coinciding with mortgage rates stabilizing for 4 months in the low 6% range for only the third time in 3 years. This provides hope for Q1 2026.

## ALL CLOSED SALES IN Q4

As of Dec 16, 2025 vs. 2024: 13,475 (+5.2%)

- Under \$300K: 1,742 (+17.2%)
- \$300K-\$600K: 7,812 (+0.1%)
- \$600K-\$1M: 2,526 (+6.7%)
- \$1M-\$2M: 995 (+15.3%)
- Over \$2M: 400 (+37.0%)

The big surprise this quarter has been the surge in sales over \$1M, up 22% combined from last year and a large portion closing in December. Closed sales under \$300K have also seen notable growth, up 17% over last year, but not enough to offset the luxury surge. This caused the overall median sales price to spike this month, even as sub-\$500K home prices continued to glide down. Fringe influencers continue to predict a crash, but the reality here is more stable and subtle. As annual incomes grow, affordability and demand are slowly improving.

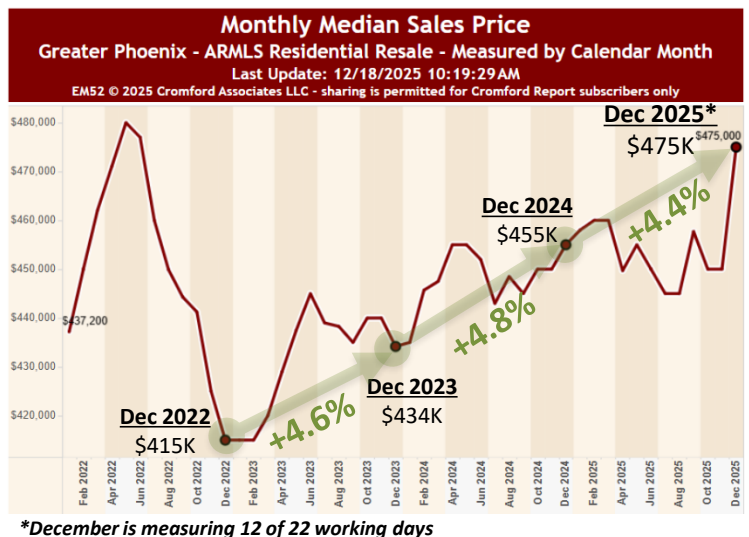


## Contract and Sales Activity: Week 50, 2025 vs. 2024

Price Range	Week 50 In Escrow	Δ From Last Year	Sales \$/SF	Annual Price Chg.
Under \$300K	797	<b>+22.4%</b>	\$182.33	<b>-1.7%</b>
\$300K-\$400K	1,459	<b>+4.1%</b>	\$222.65	<b>-4.8%</b>
\$400K-\$500K	1,231	<b>-4.2%</b>	\$236.17	<b>-2.2%</b>
\$500K-\$600K	767	<b>+3.0%</b>	\$258.50	<b>-0.6%</b>
\$600K-\$800K	830	<b>+5.5%</b>	\$281.93	<b>-0.8%</b>
\$800K-\$1M	330	<b>-2.9%</b>	\$323.20	<b>+0.7%</b>
\$1M-\$2M	501	<b>+7.5%</b>	\$425.05	<b>+2.1%</b>
Over \$2M	284	<b>-10.1%</b>	\$781.45	<b>+12.1%</b>

## Concessions and DOM: Dec. 2025 to Date

Price Range	% Incl. Concessions	Median \$ Concession	Days On Mkt
Under \$300K	<b>47.3%</b>	<b>\$7,633</b>	<b>53</b>
\$300K-\$400K	<b>63.1%</b>	<b>\$10,050</b>	<b>46</b>
\$400K-\$500K	<b>64.7%</b>	<b>\$11,289</b>	<b>43</b>
\$500K-\$600K	<b>56.3%</b>	<b>\$10,200</b>	<b>52</b>
\$600K-\$800K	<b>49.6%</b>	<b>\$11,838</b>	<b>51</b>
\$800K-\$1M	<b>45.8%</b>	<b>\$12,500</b>	<b>47</b>
\$1M-\$2M	<b>23.2%</b>	<b>\$10,000</b>	<b>57</b>
Over \$2M	<b>11.5%</b>	<b>\$15,000</b>	<b>65</b>



## ARTICLES OF INTEREST:

Dec. 10, 2025 – National Association of REALTORS®

[NAR 2026 Forecast Summit Predicts Positive Recovery, With Regional Affordability Hurdles](#)

Dec. 10, 2025 – Arizona Commerce Authority

[BREAKING: Arizona Adds 97,044 Residents Over the Past Year](#)

Dec. 11, 2025 – Arizona Office of Economic Opportunity

[Arizona Employment Increased by 37,200 Jobs Since September 2024](#)

Dec. 14, 2025 – AZ Big Media

[5 best cities for smart investors in 2025](#)

Dec. 15, 2025 – Arizona Republic | AZCentral.com

[This small city is Arizona's top boomtown. Why it's growing so fast](#)

Dec. 16, 2025 – Real Estate News

[No big mortgage rate shifts expected after mixed jobs report](#)

Dec. 17, 2025 – Yahoo! Finance

[Housing market predictions for 2026:  
What buyers, renters, and homeowners  
can expect](#)

