The Real State®

A Snapshot of the Greater Phoenix Residential Real Estate Market

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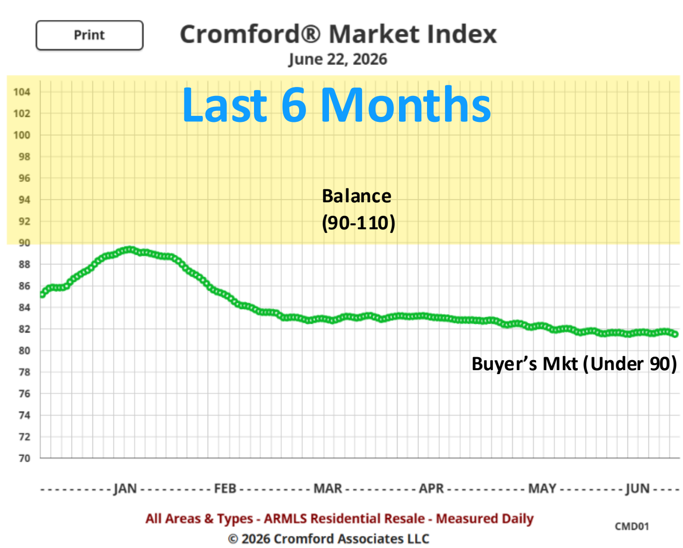
From May to June 2026, the supply-demand index decreased 0.6 points from 82.0 to 81.4. The supply index dropped 2.9 points from 107.2 to 104.3, while the demand index fell 3.0 points from 87.9 to 84.9. Since both indexes declined by roughly the same amount, there was little change in overall index. The past 30 days have seen mortgage rates remain stable, roughly between 6.5-6.6%. The Federal Reserve also left the Federal Funds Rate unchanged after their meeting on June 17. New Federal Reserve Chair Kevin Warsh acknowledged an “uneven” restrictive effect monetary policy has had on the housing market compared to the financial markets. As the unemployment rate also remains unchanged since March, the Federal Reserve is turning their attention towards inflation but are not committing to rate hikes.

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 2026 to 2025: ACTIVE LISTINGS

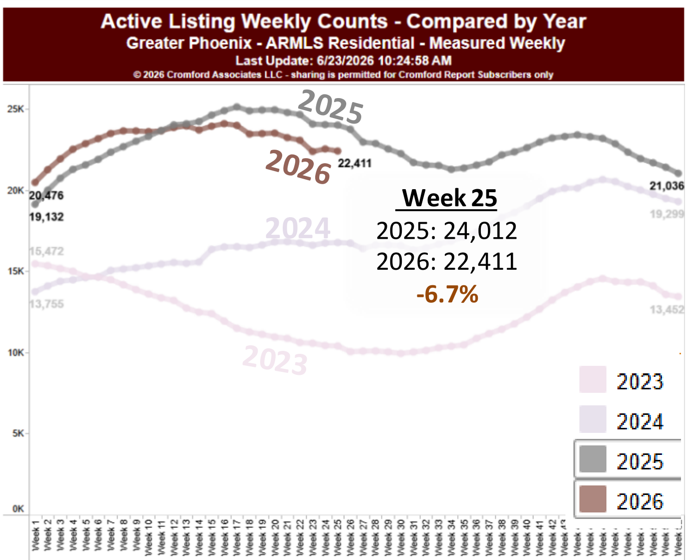
New listings in May totaled 8,331 in the Arizona Regional MLS, down 7.1% from last May's count of 8,963 and down 11.5% from April. It is normal for new listings to decline from March through July, so a decline month over month is not unusual. However, 11.5% is a higher drop in both percentage and number than what would be expected for new listings this time of year. Only 2025 and 2010 had similar drops between April and May in the past 26 years. Comparing all May counts, this May was the second-lowest new listing count historically, with May 2023 being the lowest.

There were 1,839 cancelled listings in May. As expected, this was up 5.1% from April, but down 13.9% from May 2025. While cancellation counts are elevated, they are better than last year. Since September, cancellations have been running roughly 7-8% of supply. That's an improvement from June to August last summer, when they were running 9-10% of supply.

ALL NEW LISTINGS ADDED in Q2:
As of June 21, 2026 vs. 2025: 23,134 (-6.6%)

- Under $300K: 3,024 (0%)
- $300K–$600K: 12,849 (-7.6%)
- $600K–$1M: 4,717 (-10.1%)
- $1M–$2M: 1,741 (-3.3%)
- Over $2M: 803 (+2.0%)

Low new listing counts and higher cancellation rates are useful regulators that can keep supply from growing too fast and property values from falling rapidly. They also can reflect frustrations amongst some sellers, which has been highlighted in headlines from various news outlets. Seller frustrations are rooted in unmet expectations. Phoenix has been in a seller's market for most of the past 26 years, but selling in a buyer's market is a different experience in both time and cost. Sellers waiting or cancelling is not a warning sign, it's normal.

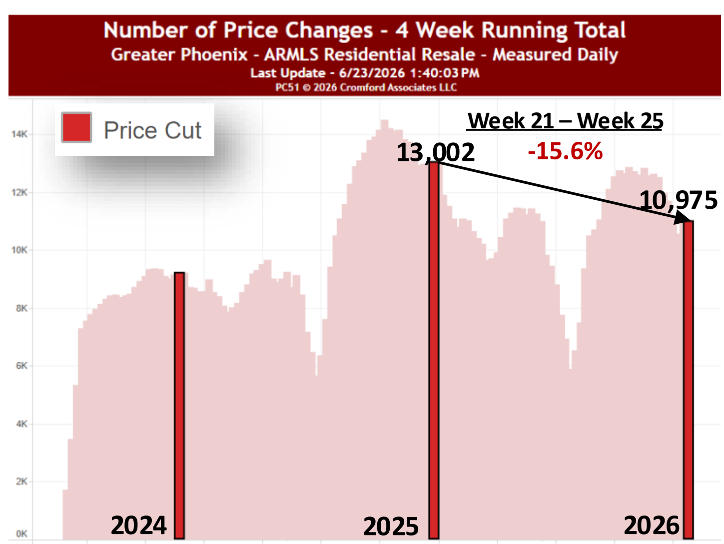


% Change in Active Supply: Week 25, 2026 vs. 2025

Price Range	# Active	Δ From Last Year	Listing Success Rate
Under $300K	3,702	**+7.1%**	**67%**
$300K–$400K	4,202	**-5.1%**	**75%**
$400K–$500K	4,464	**-5.0%**	**73%**
$500K–$600K	2,699	**-15.1%**	**69%**
$600K–$800K	2,890	**-17.1%**	**68%**
$800K–$1M	1,449	**-9.2%**	**66%**
$1M–$2M	1,798	**-6.5%**	**64%**
Over $2M	1,207	**-3.0%**	**50%**

% Change in Average Asking Prices per SF: Week 25, 2026 vs. 2025

Price Range	Active $/SF	YOY % Chg	Median Reduction
Under $300K	$176.77	**-2.7%**	**-$6,000**
$300K–$400K	$229.20	**-1.7%**	**-$6,000**
$400K–$500K	$239.27	**-1.2%**	**-$8,000**
$500K–$600K	$253.19	**-2.2%**	**-$10,000**
$600K–$800K	$284.30	**+0.4%**	**-$10,000**
$800K–$1M	$322.34	**-0.7%**	**-$20,000**
$1M–$2M	$428.04	**+0.9%**	**-$39,995**
Over $2M	$860.49	**+1.4%**	**-$100,000**



Comparing 2026 to 2025: SALES VOLUME & PRICE

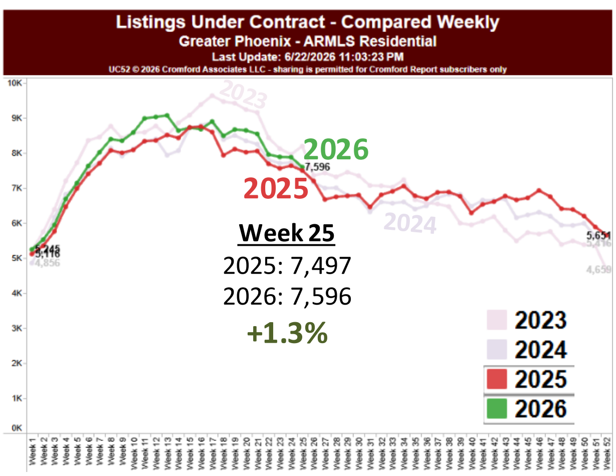
May sales closed at 6,952, up 4.1% over last May's count of 6,680. June sales to date are also up 4.1% over last June as of this writing. The primary driver of the increase in sales is demand for homes over $800,000, up nearly 20% over last June, with an extra 141 sales. There have been 17 extra sales under $800,000 so far in June, which is only a 0.5% improvement. This has caused the median sales price to rise, while appreciation rates by price range remain flat. The metrics often change in the last week of the month, the busiest time for closings. As the pipeline slows (see Listings Under Contract below), the next 4-6 weeks are not expected to significantly outperform. Contract activity typically slows at this time of year; the question is whether it will continue slowing down through the end of the year like 2023 and 2024, or will the market find a spot and stabilize through November like 2025. In 2026 there are two factors pointing to stabilization, and possibly a small rebound. One is mortgage rates; buyer activity has reliably shown to rebound when rates fall into the low-6% range. While rates are not there currently, recent reports of lower oil prices could send them on their way.

ALL CLOSED SALES IN Q2

As of June 22, 2026 vs. 2025: 18,210 (+4.1%)

- Under $300K: 2.468 (+9.7%)
- $300K–$600K: 10,441 (+0.6%)
- $600K–$1M: 3,393 (+4.5%)
- $1M–$2M: 1,356 (+17.4%)
- Over $2M: 552 (+20.5%)

The second factor is rising income. While household income measures for 2025 from the US Census will not be released until September, hourly wage measures are released monthly and show consistent growth equating to a 31% increase since 2020 (and 60% since 2014). At the current average of $37.62/hour, a full-time employee would make just over $78,000/year. That's enough for a dual-income household to afford a median-priced home. As price appreciation remains flat, incomes are catching up and affordability measures are improving.

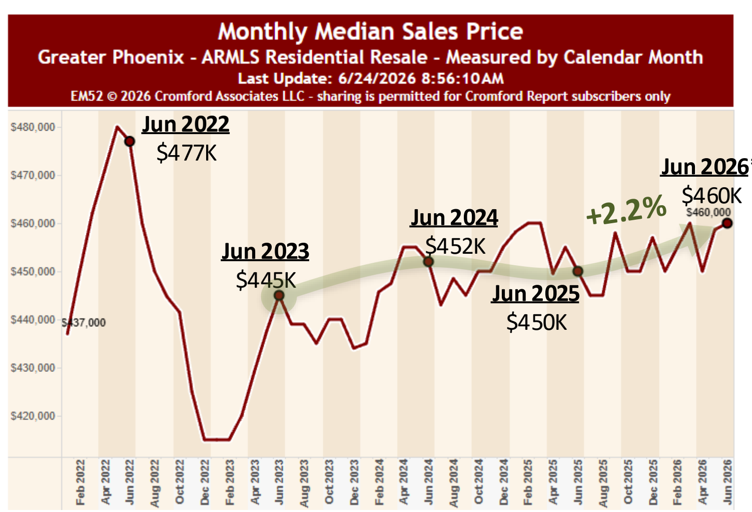


Contract and Sales Activity: Week 25, 2026 vs. 2025

Price Range	Week 25 In Escrow	Δ From Last Year	Sales $/SF	Annual Price Chg.
Under $300K	969	+9.1%	$181.66	-1.2%
$300K–$400K	1,753	-1.2%	$226.14	-0.4%
$400K–$500K	1,613	-3.4%	$236.57	-1.3%
$500K–$600K	939	+1.2%	$255.02	+0.2%
$600K–$800K	940	-6.1%	$280.55	-0.7%
$800K–$1M	473	+10.3%	$305.02	-2.2%
$1M–$2M	620	+19.9%	$406.62	+1.3%
Over $2M	289	0%	$701.61	-0.1%

Concessions and DOM: May 2026 to Date

Price Range	% Incl. Concessions	Median $ Concession	Days On Mkt
Under $300K	47.3%	$7,000	54
$300K–$400K	68.9%	$10,100	38
$400K–$500K	63.2%	$11,000	40
$500K–$600K	56.4%	$11,000	38
$600K–$800K	48.8%	$11,500	43
$800K–$1M	38.3%	$14,400	41
$1M–$2M	27.8%	$12,000	56
Over $2M	15.4%	$22,500	75



June is measuring 15 of 21 closing days to date

ARTICLES OF INTEREST:

June 4, 2026 – KTAR News
Report shows Arizona added jobs, ranking third in the nation despite economic slowdown

June 18, 2026 – AZ Office of Economic Activity
Arizona Employment Increased by 16,000 Jobs Since May 2025

June 23, 2026 – Ahwatukee Foothills News
Phoenix landlords feeling sting of falling rents

June 24, 2026 – AZ Family | Channel 3/5 News
Canada opens consulate in Phoenix after more than decade-long hiatus

June 24, 2026 – AZ Big Media
Phoenix emerges as top U.S. hotspot for Canadian homebuyers

June 25, 2026 – AZ Big Media
Phoenix housing market stuck in a stalemate as buyers and sellers wait

June 25, 2026 – Mortgage Bankers Assoc.
Mortgage Application Payments Increased in May