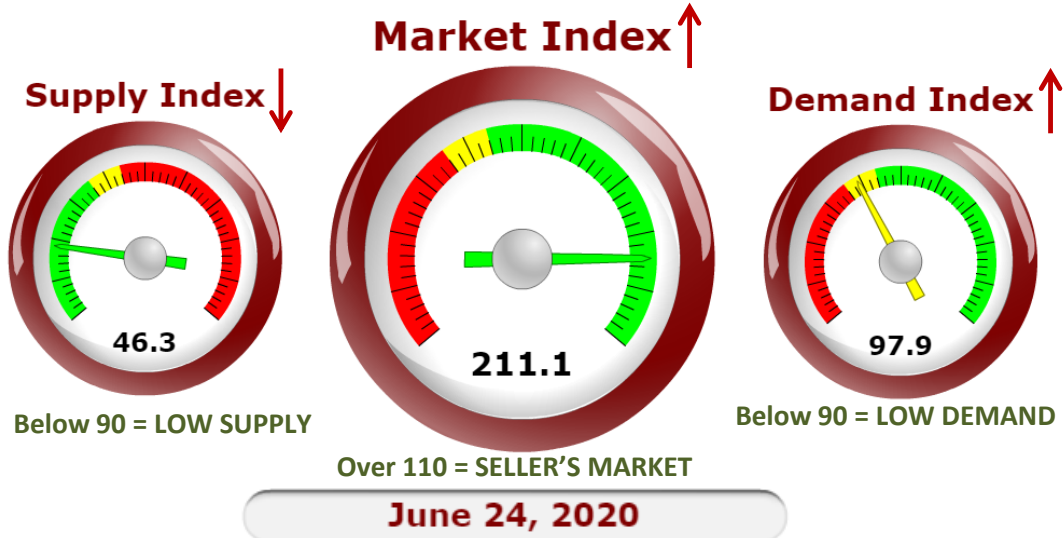


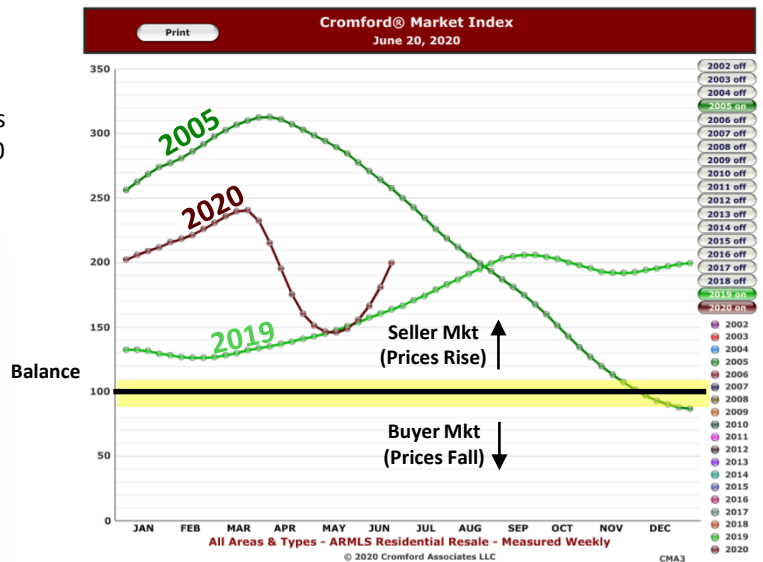
The Real State®

A Snapshot of the Greater Phoenix Residential Real Estate Market



This year's wild ride is not over yet. From May to June 2020, the supply-demand index reversed course and rose nearly as fast as it fell in April, escalating 61.8 points from 149.3 to 211.1, due to both dropping supply and increasing demand. When stay-home orders were implemented in March, it "bent the hose" on the housing market—resulting in pent-up supply and demand during what are typically peak months for contract activity. Although R.O.I. Properties believes Phoenix will fare better than most metro areas, several underlying factors may cause significant changes in the market going forward. The most significant unknowns include the expiration of extended unemployment benefits on July 25, the depletion of PPP funds, the extension of mortgage forbearance rules (currently scheduled through the end of 2020), and housing affordability.

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 2020 to 2019: ACTIVE LISTINGS

SUPPLY

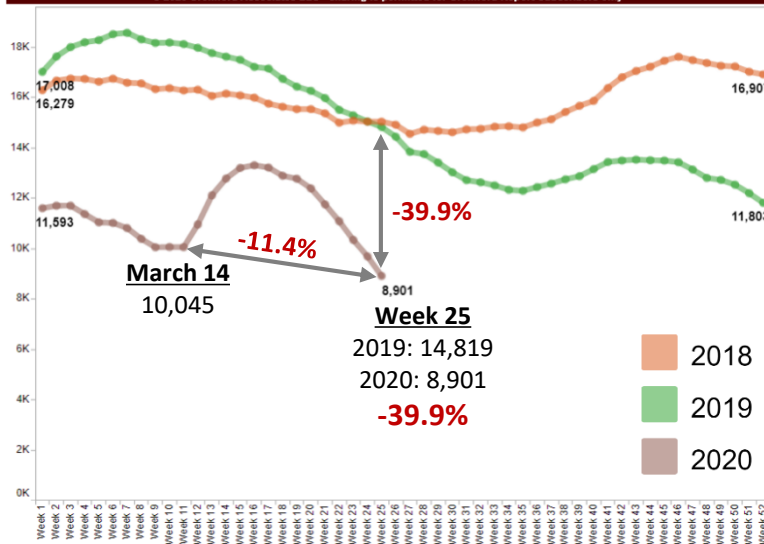
April and May were weak for new listings due to the stay-home orders and pandemic safety measures. June has offered little relief, running 12% lower than last year. Any boost in supply that was fueled by the vacation rental market has now been absorbed; the only price range that saw a surge in new listings was the over \$1M market, up 34% over June 2019.

Q2 2020 NEW LISTINGS ADDED AS OF 6/20/20 vs. LAST YEAR:

- Under \$200K: 2,488 (-41.3%)
- \$200K-\$400K: 13,450 (-16.0%)
- \$400K-\$600K: 3,968 (-10.0%)
- \$600K-\$1M: 1,750 (-6.2%),
- Over \$1M: 835 (-8.9%)

As of June 20, there were only 8,901 listings for sale through the Arizona Regional MLS and only 3,644 of those listings were single family homes under \$500K. There have been 10,916 single family permits filed so far between January and May this year, up 9.8% from this time last year—but it has not been enough to satisfy the surge of demand. Queen Creek is up 42% in new single family permits, followed by Buckeye (up 25%) and the Town of Maricopa (up 18%). Multifamily permits are up 36% so far this year, but it's unclear what percentage of these projects will be apartments vs. units for sale at this time.

Active Listing Weekly Counts - Compared by Year
Greater Phoenix - ARMLS Residential - Measured Weekly
Last Update: 6/21/2020 5:22:08 AM
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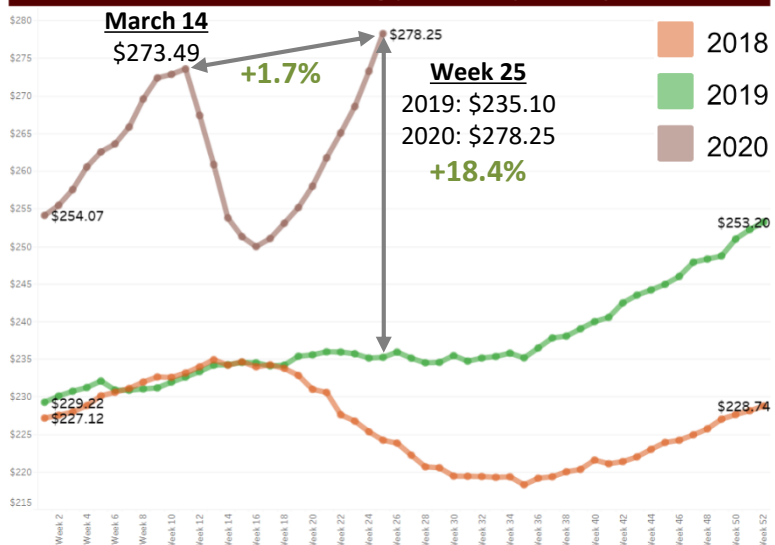
% Change in Active Supply: Week 25, 2019 vs. 2020

| Price Range | # Listed | Since Last Year | Since March 14 |
|-----------------|----------|-----------------|----------------|
| Under \$200K | 896 | -40.7% | -12.6% |
| \$200K - \$250K | 705 | -61.1% | -21.8% |
| \$250K - \$300K | 932 | -49.5% | -12.3% |
| \$300K - \$400K | 1,692 | -43.2% | -4.8% |
| \$400K - \$500K | 1,056 | -44.0% | -12.1% |
| \$500K - \$1M | 2,197 | -29.0% | -9.0% |
| \$1M - \$2M | 816 | -19.9% | -15.3% |
| Over \$2M | 607 | -10.2% | -13.4% |

Change in Average Asking Prices: Week 25, 2019 vs. 2020

| Price Range | \$/SF | Since Last Year | Since Mar 14 |
|---------------|----------|-----------------|--------------|
| Under \$200K | \$127.12 | -0.2% | +0.8% |
| \$200K-\$250K | \$162.58 | +15.2% | +6.7% |
| \$250K-\$300K | \$163.86 | +11.8% | +7.9% |
| \$300K-\$400K | \$178.07 | +8.9% | +3.6% |
| \$400K-\$500K | \$193.78 | +10.0% | +3.2% |
| \$500K-\$1M | \$233.70 | +8.8% | +2.4% |
| \$1M-\$2M | \$330.82 | +3.9% | +0.2% |
| Over \$2M | \$540.12 | +3.8% | +0.1% |

Average List Price per Square Foot - Active Listings
Greater Phoenix - ARMLS Residential - Measured Weekly
Last Update: 6/21/2020 6:00:13 AM
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Comparing 2020 to 2019: SALES VOLUME & PRICE

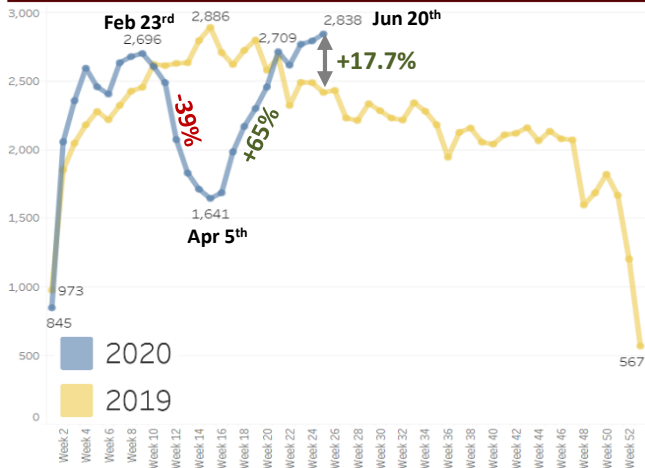
May 2020 ended with an average sale price measuring \$180.32/SF through the MLS, up 5.0% from last May and 2.5% lower than April 2020. Now that the market has surpassed pre-pandemic levels of contract activity, we have changed our chart once again to compare weekly contracts to 2019 levels. Greater Phoenix is now experiencing higher than normal demand for this time of year, most likely as a result of pent-up demand accumulated during the traditional high season of April and May. The result is a rising level of contract activity during a time that the market would typically be declining.

YEAR-OVER-YEAR CHANGE IN MAY SALE PRICE/SF:

- Under \$200K: **+3.1%**
- \$200K–\$400K: **+7.7%**
- \$400K–\$600K: **+3.6%**
- \$600K–\$1M: **+4.5%**
- Over \$1M: **-0.6%**

There is no guarantee that demand is going to continue surging upwards for long, and it's reasonable to expect some sort of seasonal decline eventually, but we are in unusual times. Contract activity is 18% higher than it was this time last year, and sellers who intend to sell their home this year should consider taking advantage of the surge while it lasts. Contracts over \$500K have soared 98% higher than this week last year and recovered 178% since April 5. The luxury market has come roaring back and average price measures will rise as a result.

New Accepted Contracts Greater Phoenix - ARMLS Residential - Measured Weekly Last Update: 6/24/2020 4:31:29 AM NC51 © 2020 Cromford Associates LLC - sharing is permitted for Cromford Report Subscribers only



% Change in Weekly Accepted Contracts: Weeks of Feb. 23 to Apr. 5 to June 20, 2020

| Price Range | Week of 6/20 | % Gain Apr-Jun | Net Δ Feb-Jun | Net Δ 2019-20 |
|---------------|--------------|----------------|---------------|---------------|
| Under \$200K | 317 | +40.9% | -10.2% | -19.1% |
| \$200K–\$250K | 427 | +30.2% | -15.9% | -22.8% |
| \$250K–\$300K | 511 | +51.6% | +7.1% | +7.8% |
| \$300K–\$400K | 722 | +80.0% | +16.3% | +37.3% |
| \$400K–\$500K | 354 | +111% | +17.2% | +67.8% |
| \$500K–\$1M | 404 | +171% | +13.5% | +89.7% |
| \$1M–\$2M | 71 | +163% | +18.3% | +103% |
| Over \$2M | 32 | +433% | +68.4% | +300% |

Sale Price Percent of List Price at Contract June 2020

| Price Range | Sale \$/SF | Monthly Change* | % of List \$/SF |
|---------------|------------|-----------------|-----------------|
| Under \$200K | \$135.45 | +\$0.86 | 99.1% |
| \$200K–\$250K | \$152.25 | +\$1.22 | 99.8% |
| \$250K–\$300K | \$155.28 | +\$0.98 | 99.5% |
| \$300K–\$400K | \$168.04 | +\$0.74 | 99.2% |
| \$400K–\$500K | \$181.90 | +\$0.93 | 99.0% |
| \$500K–\$1M | \$212.68 | -\$0.54 | 97.8% |
| \$1M–\$2M | \$306.31 | +\$2.30 | 95.6% |
| Over \$2M | \$491.04 | -\$6.72 | 93.4% |

List Price and Sales Price per Sq Ft - 6 Month Average Greater Phoenix - ARMLS Residential Resale - Measured by Calendar Month Last Update 6/21/2020 6:04:07 AM LP53 © 2020 Cromford Associates LLC - sharing is permitted for Cromford Report subscribers only



Sales price per square foot trends do not immediately respond to shifts in supply and demand due to the length of the sales cycle. It takes anywhere from 3-6 months to see a response in price appreciation as the market must first wait for responses in list prices, listings under contract and finally sales to record.

ARTICLES OF INTEREST:

June 18, 2020 – Fox10 Phoenix

[Arizona unemployment rate down 4.5 percentage points in May](#)

June 18, 2020 – AreaDevelopment.com

[Smead Capital Management To Relocate Corporate Headquarters to Phoenix, Arizona](#)

June 19, 2020 – Arizona Public Media | Arizona 360

[Growing Arizona metros look to rural communities for water](#)

June 21, 2020 – AZ Big Media

[Here's why Phoenix job numbers show bright spots and resilient economy](#)

June 21, 2020 – Phoenix Business Journal

[National homebuilders snapping up lots throughout Valley](#)

June 22, 2020 – Phoenix Business Journal

[Developer aims for mixed-use project after buying north Scottsdale infill site](#)

June 23, 2020 – Phoenix Business Journal

[Nikola sets date for Coolidge factory groundbreaking](#)

