

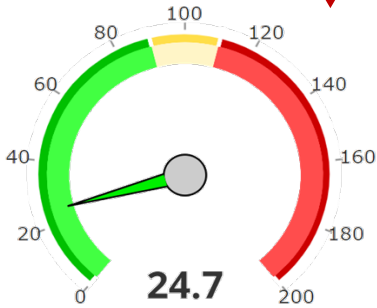
The Real State®

A Snapshot of the Greater Phoenix Residential Real Estate Market

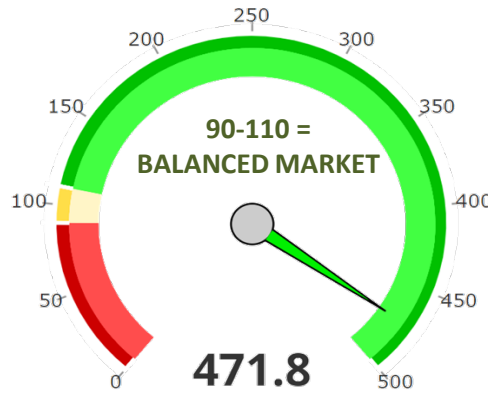


Market Index ↑

Supply Index ↓

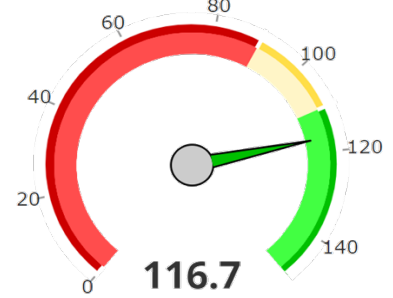


90-110 =
NORMAL SUPPLY



February 22, 2022

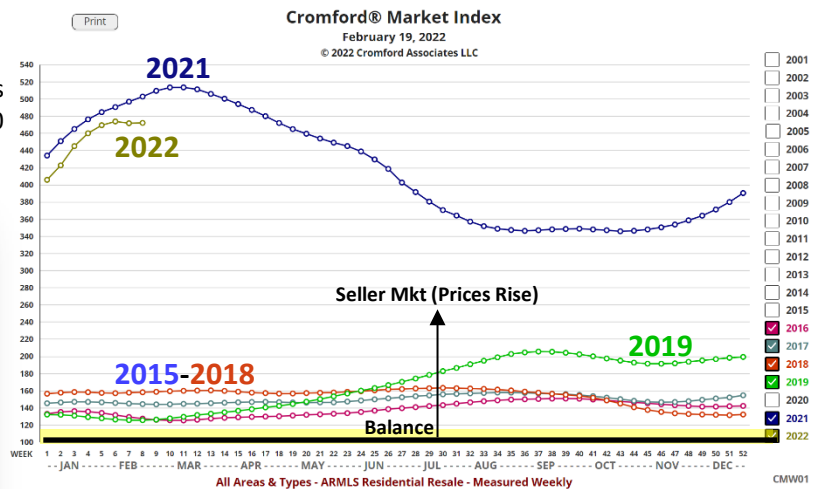
Demand Index ↓



90-110 =
NORMAL DEMAND

From January to February 2022, the supply-demand index rose 7.7 points, from 464.1 to 471.8, with a 1.7-point drop in supply and 5.8-point decrease in demand. Interest rates have risen to 3.89% as of this week. The median cost of an average-sized home is now \$437,000, with an estimated mortgage payment at nearly \$2,300/month that requires a family to make roughly \$99,000 per year to afford that by general standards. Meanwhile, monthly rent for a similar home is running \$105 less at \$2,195 through the Arizona Regional MLS, and the median cost for an apartment unit with 3+ bedrooms is \$2,041/month according to RealData Inc. As properties are becoming less affordable with increased prices and higher interest rates, it's creating a double whammy for buyers. Ongoing lack of supply equates to sellers being able to call their price at the moment, but this may change, if property owners get scared that demand may cool.

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 2022 to 2021: ACTIVE LISTINGS

New listings continue to be weak year-to-date with a total of 14,720 added so far; a normal range based on 2015-2019 would be between 17,000 and 18,000. Accepted contracts dropped sharply when mortgage rates peaked at 3.92%, however, the impact was only enough to cause the supply line to stop dropping for now. While supply levels between \$400K-\$800K look promisingly high compared to last year, they are still 38% below 2020 levels and continue to drop.

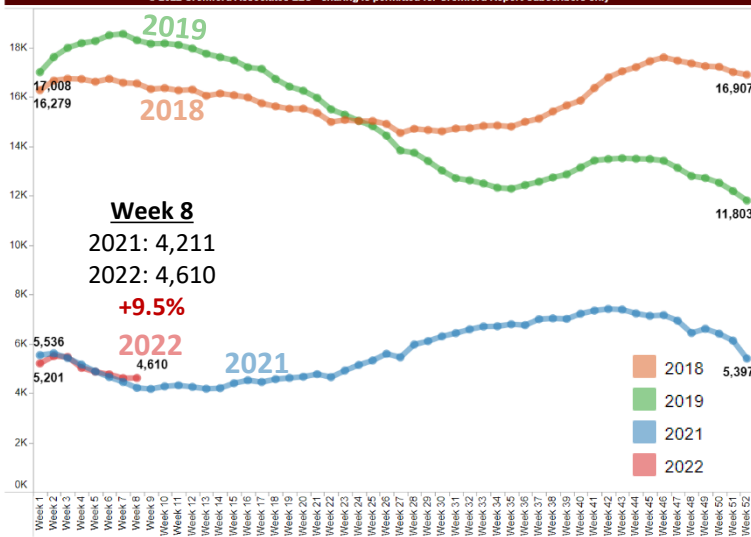
ALL NEW LISTINGS ADDED YTD

As of Feb. 22, 2022 vs. 2021:

- Under \$300K: 1,982 (-61.9%)
- \$300K-\$600K: 8,522 (+12.1%)
- \$600K-\$1M: 2,524 (+51.2%)
- \$1M-\$2M: 729 (+21.1%)
- Over \$2M: 377 (+19.7%)

New construction continues to lag, with build times running between 12-14 months. Single family permits for January were 2,986 for Maricopa and Pinal counties combined, up 12% from last January. Annually, there have been 34,837 permits submitted. However, with some builders quoting 16-24 months for completion, permit counts will provide little relief for buyers who need a place this year. Multi-family permits continue to grow with an annual count of 16,447 for Maricopa and Pinal, up 18% from the previous year. The median sale prices for new homes closed in December were \$420K for single family and \$432K for townhomes/condos.

Active Listing Weekly Counts - Compared by Year
Greater Phoenix - ARMLS Residential - Measured Weekly
Last Update: 2/19/2022 9:50:20 PM
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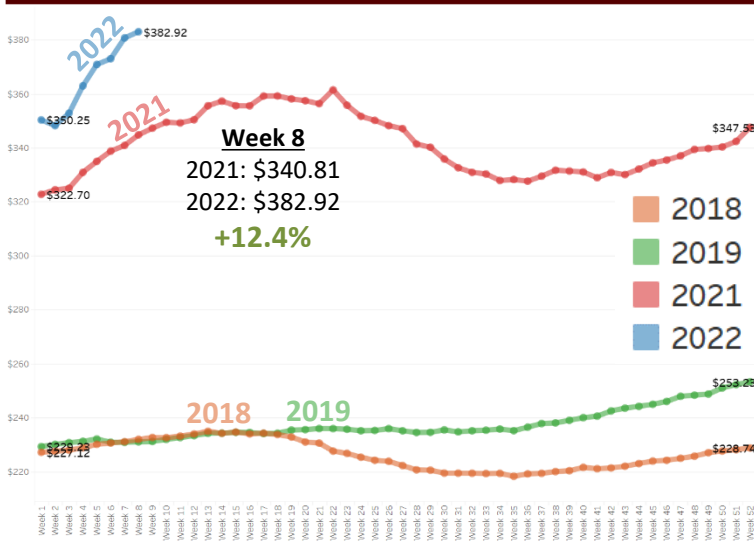
% Change in Active Supply: Week 8, 2020 vs 2021

Price Range	# Active	Δ From Last Year	New in 30 Days
Under \$300K	561	-52.2%	1,139
\$300K-\$400K	774	-3.4%	1,903
\$400K-\$500K	1,025	+103.8%	1,976
\$500K-\$600K	617	+105.0%	1,080
\$600K-\$800K	676	+74.7%	1,071
\$800K-\$1M	245	+16.7%	426
\$1M-\$2M	330	-14.9%	419
Over \$2M	382	-14.5%	226

% Change in Average Asking Prices: Week 8, 2020 vs 2021

Price Range	\$/SF	Since Last Year
Under \$300K	\$173.34	+5.1%
\$300K-\$400K	\$239.19	+22.2%
\$400K-\$500K	\$238.97	+10.9%
\$500K-\$600K	\$256.87	+10.0%
\$600K-\$800K	\$280.18	+10.9%
\$800K-\$1M	\$320.51	+7.8%
\$1M-\$2M	\$412.89	+15.6%
Over \$2M	\$783.67	+29.9%

Average List Price per Square Foot - Active Listings
Greater Phoenix - ARMLS Residential - Measured Weekly
Last Update: 2/22/2022 5:43:50 AM
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Comparing 2022 to 2021: SALES VOLUME & PRICE

While affordability is clearly suffering, there is little impact at this stage on price and volume of sales. Year-to-date closings through the Arizona Regional MLS, while down 6% from last year, are still the second-highest count in MLS history with plenty in the pipeline waiting to close. So far in February, appreciation rates are pushing 27% year-over-year and sale prices are averaging 100.9% of list. The market is only slightly weaker compared to the start of 2021, which means most active buyers and sellers will not notice any difference in their experiences. The median number of days before an accepted contract is 7 days, compared to 6 last year, and prices are rising at an average of 2% per month compared to 3%.

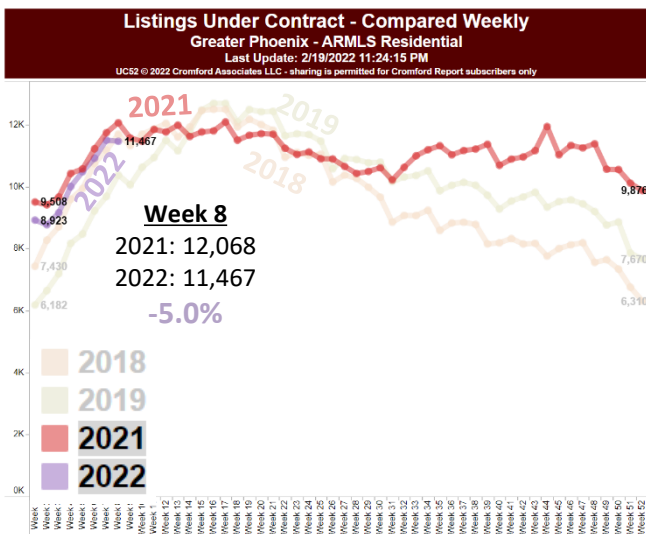
When a shift occurs in the housing market, whether it's caused by interest rates, lending practices, new construction or a multitude of other issues, price is the last measure to move. By the time there's a noticeable change in price, the shift has typically been occurring for months, and sometimes it's already over. While affordability used to have a significant impact on demand, short-term rental investors and institutional buyers are filling the gap. However, these buyers could be impacted if the stock market fails to perform or tourism wanes for any reason. If affordability, tourism and stocks all fall at the same time, the housing market will respond faster.

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

- Under \$300K: **+17.7%**
- \$300K-\$600K: **+23.2%**
- \$600K-\$1M: **+17.2%**
- \$1M-\$2M: **+22.6%**
- Over \$2M: **+18.5%**

Contract and Sales Activity: Week 8, 2022 vs. 2021

Price Range	Week 8 In Escrow	Δ From 2021	Annual Price Chg.	SP/LP Ratio
Under \$300K	1,479	-63.5%	+17.7%	101.0%
\$300K-\$400K	2,680	-15.5%	+28.2%	101.5%
\$400K-\$500K	2,661	+65.5%	+18.0%	100.8%
\$500K-\$600K	1,606	+61.2%	+17.2%	100.6%
\$600K-\$800K	1,556	+52.5%	+17.8%	101.1%
\$800K-\$1M	584	+46.4%	+17.2%	101.5%
\$1M-\$2M	582	+2.8%	+22.6%	100.6%
Over \$2M	319	+23.6%	+18.5%	98.9%

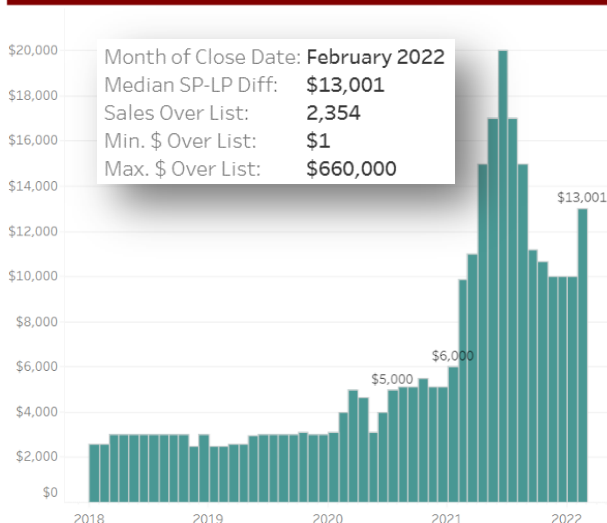


Sales Over Asking Price: Feb. 2022 to Date

Price Range	# Total Sales	% Closed Over List	Median \$ Over List	Max \$ Over List
Under \$300K	672	44.2%	\$10,000	\$113,000
\$300K-\$400K	1,313	55.1%	\$10,600	\$114,000
\$400K-\$500K	1,246	46.9%	\$11,000	\$100,000
\$500K-\$600K	621	42.8%	\$15,000	\$201,000
\$600K-\$800K	641	45.7%	\$20,000	\$175,000
\$800K-\$1M	214	40.7%	\$36,000	\$300,570
\$1M-\$2M	219	36.5%	\$77,500	\$660,000
Over \$2M	85	28.2%	\$100,000	\$520,000

Median Amount Over List - Sales Over List Price

Arizona Regional MLS | Updated 2/23/2022 12:59:35 PM
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ARTICLES OF INTEREST:

Jan. 29, 2022 – KTAR News

[Paradise Valley revises amendments addressing short-term rentals](#)

Feb. 5, 2022 – MSN.com

[Fastest growing cities in Arizona](#)

Feb. 9, 2022 – Maricopa Association of Governments

[Median Apartment Rent in Maricopa County, Through Q4 2021](#)

(Interactive Chart – Also includes sales, evictions, cost-burdened and distressed properties by city)

Feb. 9, 2022 – Thomasnet.com

[Swiss Solar Panel Maker's First U.S. Factory Will Create 500 Jobs in Arizona](#)

Feb. 10, 2022 – Phoenix Business Journal

[Behind the deal: Pinal County pitched for semiconductor hub as suppliers jockey for space](#)

Feb. 24, 2022 – Phoenix Business Journal

[Single-family home rental rate growth in metro Phoenix double national average](#)

Feb. 24, 2021 – Phoenix Business Journal

[Still Truckin': Nikola to deliver 300 vehicles, hire hundreds and open hydrogen fueling in 2022](#)

