

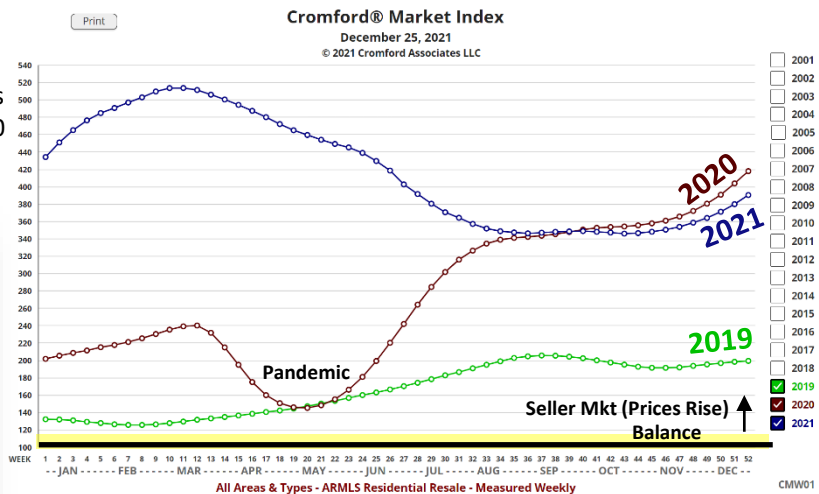
The Real State®

A Snapshot of the Greater Phoenix Residential Real Estate Market



From November to December 2021, the Cromford® Market Index (CMI) rose 37.6 points from 354.9 to 392.5. The Supply Index dropped 3.4 points from 34.7 to 31.3 and the Demand Index dropped 0.5 points from 123.2 to 122.7. Both indicators have dropped, but mostly Supply dropped while Demand barely moved, which pushed the market higher into a Seller Market. Last month, both indicators increased, but mostly Demand increased while Supply barely moved, also pushing the market higher into a Seller Market. The result is a 47pt increase in the CMI in favor of sellers over the past 2 months. As national housing predictions for 2022 flood the headlines, it's easy to get caught up in the unknown and unpredictable, such as interest rates for example. While that's valid, it's also important to lean into the math and what we know. A decline in sale prices may happen some day, but current measures show they will go up first for at least 3-6 months in Greater Phoenix.

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 2021 to 2020 – ACTIVE LISTINGS

SUPPLY

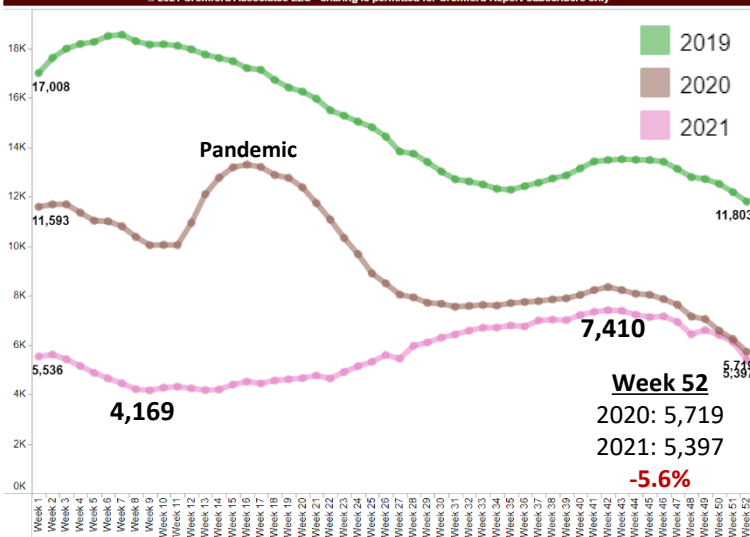
Supply counts started off 2021 with 5,536 active listings, dropped 25% to 4,165 by February, and increased 78% to 7,410 by October. Then dropped seasonally to 5,397, 2.5% below its starting point. While it's been an exciting ride this year, supply is still at a record low. Even during the weaker seller markets of 2015-2018 there were between 17,000-21,000 active listing in the Arizona Regional MLS in the last week of the year.

Q4 2021 NEW LISTINGS ADDED AS OF 12/23/2021 vs. LAST YEAR:

- Under \$250K: 2,098 (-61.2%)
- \$250K - \$500K: 12,996 (-5.3%)
- \$500K - \$800K: 5,538 (+64.8%)
- \$800K - \$1M: 924 (+47.8%)
- Over \$1M: 1,352 (+7.8%)

As of December 23rd, the total number of new listings added to the MLS in 2021 is 113,205; the highest number of new listings added since 2011. While this may seem impressive, this number of annual new listings is not remotely close to the peak year of 2006 when over 171,000 were listed; followed by 2007 and 2008 with 162,000 and 159,000. These were the years immediately prior to and during the housing crash. The running supply count rose from 27,000 to 58,000 in that time frame, which is vastly different from the current supply count of 5,536. At this point supply counts could quadruple, and Greater Phoenix would still be a seller market.

Active Listing Weekly Counts - Compared by Year
Greater Phoenix - ARMLS Residential - Measured Weekly
Last Update: 12/26/2021 8:43:19 AM
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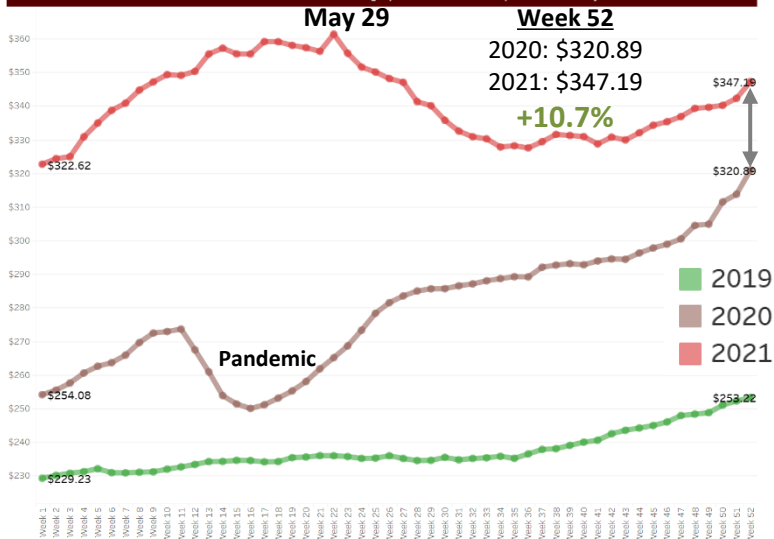
% Change in Active Supply Week 52, 2020 vs 2021

Price Range	# Active	Δ From Last Year	New in 30 Days
Under \$250K	428	-64.9%	585
\$250K - \$300K	220	-60.6%	446
\$300K - \$400K	918	-2.3%	1,717
\$400K - \$500K	1,261	+95.8%	1,577
\$500K - \$600K	778	+67.7%	803
\$600K - \$1M	1,091	+29.4%	934
\$1M - \$2M	354	-32.8%	239
Over \$2M	347	-33.9%	88

% Change in Average Asking Prices Week 52, 2020 vs 2021

Price Range	\$/SF	Since Last Year
Under \$250K	\$157	+3.3%
\$250K - \$300K	\$220	+21.1%
\$300K - \$400K	\$232	+19.9%
\$400K - \$500K	\$232	+9.7%
\$500K - \$600K	\$249	+9.4%
\$600K - \$1M	\$278	+9.4%
\$1M - \$2M	\$404	+15.3%
Over \$2M	\$738	+26.8%

Average List Price per Square Foot - Active Listings
Greater Phoenix - ARMLS Residential - Measured Weekly
Last Update: 12/26/2021 11:07:01 AM
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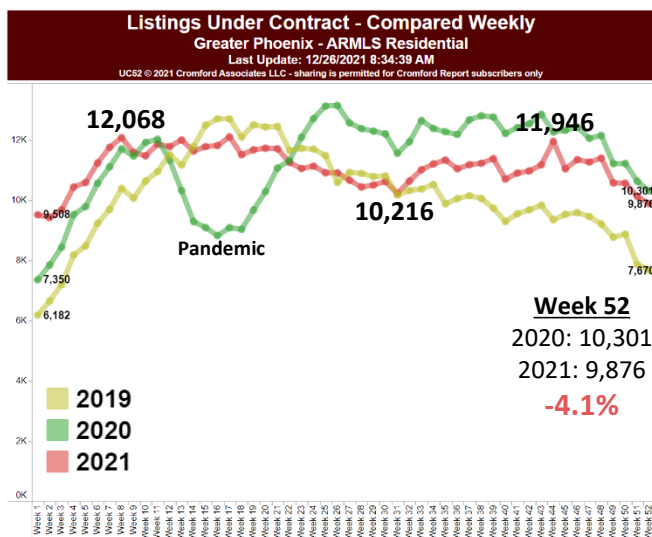
Comparing 2021 to 2020 – SALES VOLUME & PRICE

Listings in escrow started 2021 at 9,508, rose 27% to 12,068 by February, bounced between 11,500-12,000 until May before dropping 15% to 10,216 at the end of July. Then contract activity took a turn and rose 17% to 11,946 in October before dropping seasonally to 9,876 as of December 26th, up 3.9% from where it started. Despite the decline since October, contract activity is still very high for this time of year. From 2015-2019, Greater Phoenix typically measured between 7,500-9,000 properties in escrow waiting to close at the end of December. The worst year ever was 2007 with only 3,750 in escrow and 58,000 active in the MLS.

As of December 22nd, there have been 102,795 sales closed through the Arizona Regional MLS; up 4.7% from 2020 and 1.2% higher than the peak year of 2005 to date. This puts 2021 on track to be the #1 year for MLS sales. With another week to go, Annual appreciation is running at 26.2% so far. Looking forward to 2022, it's reasonable to expect the market to eventually cool down with added inventory from new home development. However, the large gap between supply and demand tells us that the market hasn't even begun to cool at this stage and prices will continue to rise in the immediate future. When the market does cool, the first indicators to show it will be list price reductions, seller concessions and sales over asking price; not sales price.

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

- Under \$250K: + 10.4%
- \$250K - \$500K: + 27.6%
- \$500K - \$800K: + 18.5%
- \$800K - \$1M: + 10.6%
- Over \$1M: + 12.7%



Contract and Sales Activity - Week 52, 2021 vs. 2020

Price Range	Week 52 In Escrow	Δ From 2020	Annual Price Chg.	SP/LP Ratio
Under \$250K	774	-61.4%	+15.4%	100.6%
\$250K - \$300K	686	-63.2%	+31.8%	101.5%
\$300K - \$400K	2,618	-6.0%	+25.1%	101.0%
\$400K - \$500K	2,274	+79.5%	+18.1%	100.5%
\$500K - \$600K	1,203	+53.8%	+20.1%	100.2%
\$600K - \$1M	1,589	+53.8%	+13.8%	99.9%
\$1M - \$2M	481	+22.4%	+24.2%	98.5%
Over \$2M	251	+45.1%	+28.2%	97.7%

Sales Over Asking Price – Dec 2021 to Date

Price Range	# Total Sales	% Closed Over List	Median \$ Over List	Max \$ Over List
Under \$250K	596	39.3%	\$6,100	\$65,500
\$250K - \$300K	503	50.5%	\$10,000	\$98,100
\$300K - \$400K	1,842	51.9%	\$10,000	\$120,001
\$400K - \$500K	1,540	42.5%	\$10,000	\$81,729
\$500K - \$600K	743	34.9%	\$10,375	\$100,001
\$600K - \$1M	1,082	33.6%	\$15,000	\$353,475
\$1M - \$2M	293	21.5%	\$50,000	\$550,000
Over \$2M	91	11.7%	\$103,000	\$324,946

Median Amount Over List - Sales Over List Price

Arizona Regional MLS | Updated 12/24/2021 1:42:16 PM
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ARTICLES OF INTEREST:

Nov 30, 2021 – Brookings Institute

[Despite the pandemic narrative, Americans are moving at historically low rates](#)



Dec 10, 2021 – Black Knight

[FORBEARANCE PLAN EXITS DROP SIGNIFICANTLY](#)

Dec 10, 2021 – Arizona Republic | AZCentral.com

[‘This is a promise’: Thousands of Arizona students can now go to ASU, NAU and UA for free](#)

Dec 14, 2021 – Phoenix Business Journal

[Canadian homebuilder buys 72 acres for master-planned community in West Valley](#)

Dec 21, 2021 – ABC15 News

[Arizona has recovered all jobs lost during the pandemic](#)

Dec 22, 2021 – 3TV/CBS 5 News | AZFamily.com

[More than 500 Amazon jobs coming to Tempe with office expansion](#)

Dec 27, 2021 – Phoenix Business Journal

[Behind the deal: Mayo Clinic, ASU to lead development of biotechnology corridor in north Phoenix](#)