

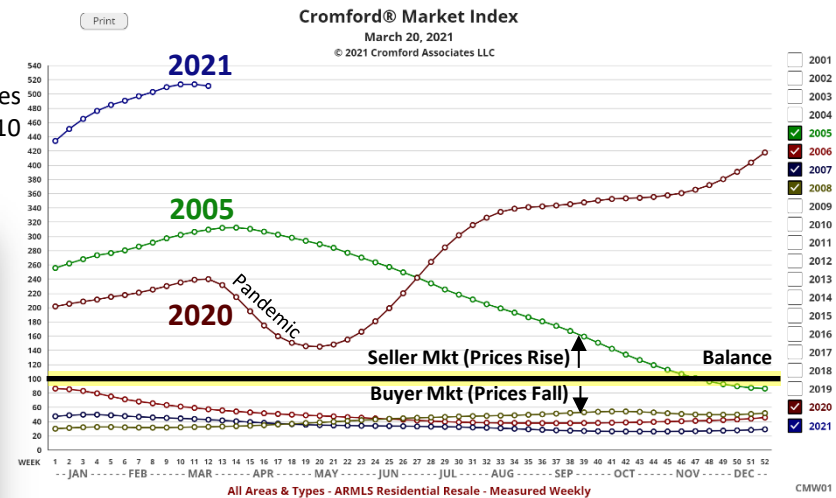
The Real State®

A Snapshot of the Greater Phoenix Residential Real Estate Market



From February to March 2021, the supply-demand index rose just 2.4 points, from 505.5 to 507.5. The supply index dropped 1.7 points, from 23.9 to 22.2, while the demand index dropped 8.1 points, from 120.7 to 112.6. The most significant development this month was the decline in the overall supply-demand index during the past 2 weeks, after peaking at 514.9 on March 11. At the current rate of decrease, demand could reach a normal level within 2 months and drop below normal by June. However, June is also the expected expiration date for many homes in forbearance and the foreclosure moratorium, which could result in supply increasing. Will demand stay constant with potentially increasing inventory and a slight bump in interest rates? Stay tuned!

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

The supply level in the Arizona Regional MLS stopped its decline over the past 4 weeks and stabilized. New listings have been added to the MLS at an average of 2,124 per week since the beginning of 2021; contracts have been accepted at an average of 2,299 per week, with a significant number of them selling before they're able to be counted in supply.

Q1 2021 NEW LISTINGS ADDED AS OF 3/25/2021 vs. LAST YEAR:

- Under \$250K: 4,376 (-45.5%)
- \$250K-\$500K: 14,387 (+2.4%)
- \$500K-\$800K: 4,029 (+21.0%)
- \$800K-\$1M: 776 (+14.1%)
- Over \$1M: 1,566 (+25.9%)

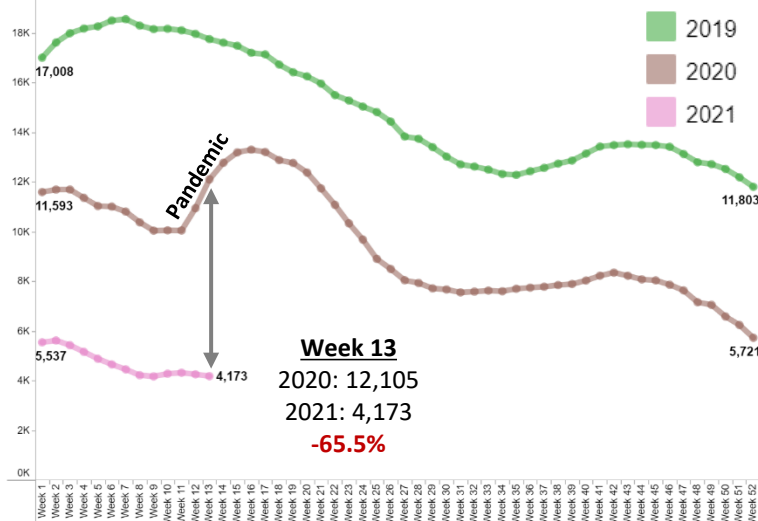
New listings continue to be historically low. Seasonally, this time of year would expect a range of 2,300-2,500 new listings per week. There were 2,700 new listings in week 12 of 2020, a direct result of vacation rentals hitting the market in response to COVID-19 travel restrictions. This year, that's not expected to happen, but once the moratorium on foreclosures expires and more homeowners exit forbearance, there could be a similar boost in a few months. Like 2020, however, any boost in inventory is not expected to last long, given today's level of demand: 50% of properties are going under contract within 5 days of listing.

Active Listing Weekly Counts - Compared by Year

Greater Phoenix - ARMLS Residential - Measured Weekly

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% Change in Active Supply: Week 13, 2020 vs 2021

Price Range	# Listed	Δ From Last Year	New in 30 Days
Under \$250K	666	-73.8%	1,373
\$250K-\$300K	373	-75.1%	1,241
\$300K-\$400K	772	-66.2%	2,326
\$400K-\$500K	540	-62.7%	1,328
\$500K-\$600K	295	-71.1%	640
\$600K-\$1M	697	-58.4%	1,002
\$1M-\$2M	391	-59.1%	373
Over \$2M	439	-35.9%	180

% Change in Average Asking Prices: Week 13, 2020 vs 2021

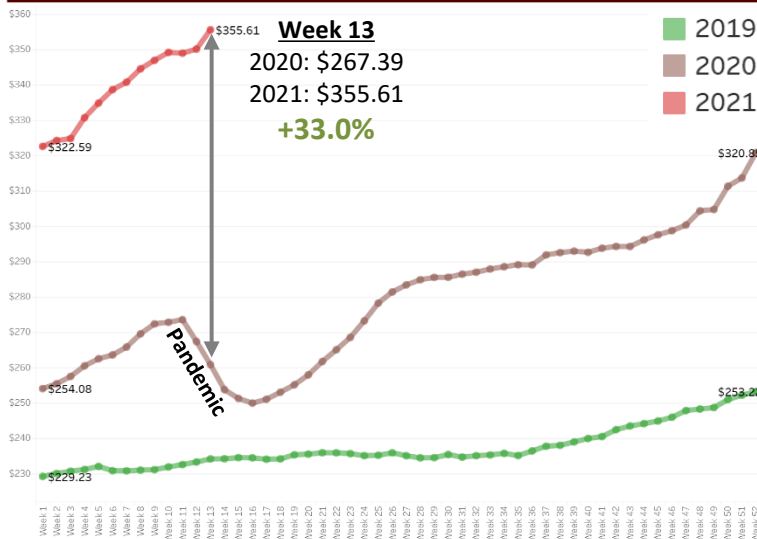
Price Range	\$/SF	Since Last Year
Under \$250K	\$152.77	+7.6%
\$250K-\$300K	\$192.77	+25.3%
\$300K-\$400K	\$202.55	+17.1%
\$400K-\$500K	\$221.25	+18.5%
\$500K-\$600K	\$237.62	+15.7%
\$600K-\$1M	\$269.95	+12.7%
\$1M-\$2M	\$375.44	+13.9%
Over \$2M	\$625.05	+16.5%

Average List Price per Square Foot - Active Listings

Greater Phoenix - ARMLS Residential - Measured Weekly

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Comparing 2021 to 2020: SALES VOLUME & PRICE

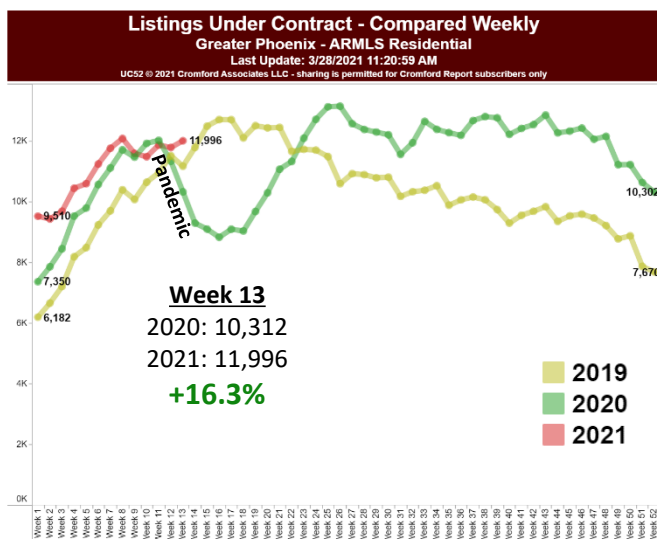
Currently 49% of all listings in the Arizona Regional MLS are selling over asking price. The average sales price per square foot for March 2021 to date is \$232.24, up 24.4% over last March and \$0.77 higher than the average list price per square foot (at contract) of \$231.47. That is a price ratio of 100.3%, which hasn't been seen since in decades (if ever), and is the culmination of the long-term disparity between population growth and housing unit growth in Greater Phoenix since 2010. Every price range up to \$1M is seeing extraordinary percentages of homes selling over asking price, but the highest levels are between \$250K-\$400K. The median amount over asking price is currently \$10,500, with a range of \$1-\$700,001.

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

- Under \$250K: **+14.2%**
- \$250K-\$500K: **+17.0%**
- \$500K-\$800K: **+11.7%**
- \$800K-\$1M: **+14.0%**
- Over \$1M: **+10.4%**

The COVID-19 pandemic severely restricted the ability of homebuilders to add new inventory in 2020, and they are feverishly catching up. The state of Arizona released more state land last year to be used for development, which will be helpful, but lumber costs are still extremely high due to an extreme shortage. The National Association of Home Builders was successful in lobbying to get the 20% tariff on Canadian lumber reduced to 9% last December, but wood remains at a premium. The NAHB estimates that the increase in the price of lumber has added \$24,000 to the cost of the average single-family home in the U.S.

Contract and Sales Activity: Week 13, 2021 vs. 2020



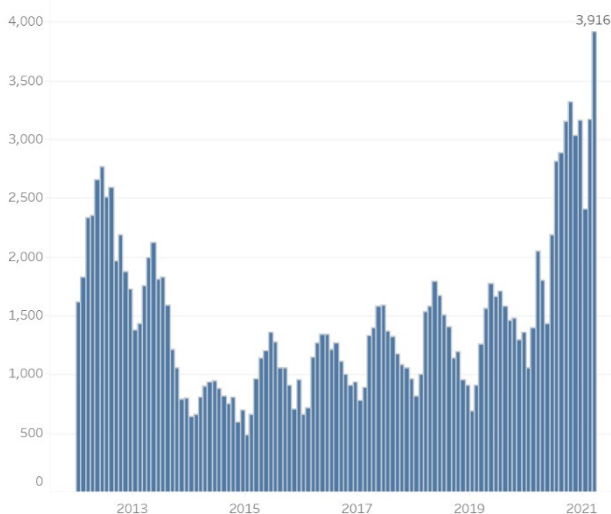
Price Range	Week 13 In Escrow	Δ From 2020	Sale \$/SF	SP/LP Ratio
Under \$250K	1,804	-40.7%	\$165	100.6%
\$250K-\$300K	1,754	-8.6%	\$189	102.1%
\$300K-\$400K	3,345	+39.0%	\$194	101.9%
\$400K-\$500K	1,731	+50.4%	\$208	101.3%
\$500K-\$600K	958	+46.9%	\$226	100.9%
\$600K-\$1M	1,510	+97.9%	\$254	100.5%
\$1M-\$2M	569	+92.2%	\$338	98.1%
Over \$2M	325	+291.6%	\$533	96.5%

Sales Over Asking Price: March 2021 to Date

Price Range	# Total Sales	% Closed Over List	Median \$ Over List	Max \$ Over List
Under \$250K	1,505	42%	\$5,500	\$137,050
\$250K-\$300K	1,254	62%	\$10,000	\$74,300
\$300K-\$400K	2,190	57%	\$11,000	\$150,100
\$400K-\$500K	1,090	49%	\$15,000	\$90,100
\$500K-\$600K	632	45%	\$16,000	\$110,000
\$600K-\$1M	838	42%	\$20,000	\$177,000
\$1M-\$2M	322	23%	\$30,000	\$300,000
Over \$2M	112	14%	\$50,000	\$700,001

Monthly Closings Over List Price

Arizona Regional MLS | Updated 3/27/2021 1:41:36 PM
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ARTICLES OF INTEREST:

March 3, 2021 – Phoenix Business Journal

[First land parcel of new East Valley community sells for future home sites](#)

March 7, 2021 – Arizona Republic | AZCentral.com

[Metro Phoenix home prices hit another record, expected to keep climbing in 2021](#)

March 13, 2021 – Phoenix Business Journal

[Housing crisis in the making? Industry experts offer predictions on Valley residential market \(Video\)](#)

March 18, 2021 – 3TV/CBS5 | AZFamily.com

[Just how insane is the real estate market in the Phoenix metro?](#)

March 22, 2021 – National Association of Home Builders | NAHB.org

[Lumber Prices Stalling Much Needed Multifamily and Affordable Housing Supply](#)

March 23, 2021 – FOX 10 Phoenix

[Intel announces \\$20 billion expansion in Arizona; will create over 3,000 jobs](#)

March 23, 2021 – Phoenix Business Journal

[GPEC: Valley could add 5,400 manufacturing jobs in next four years](#)

