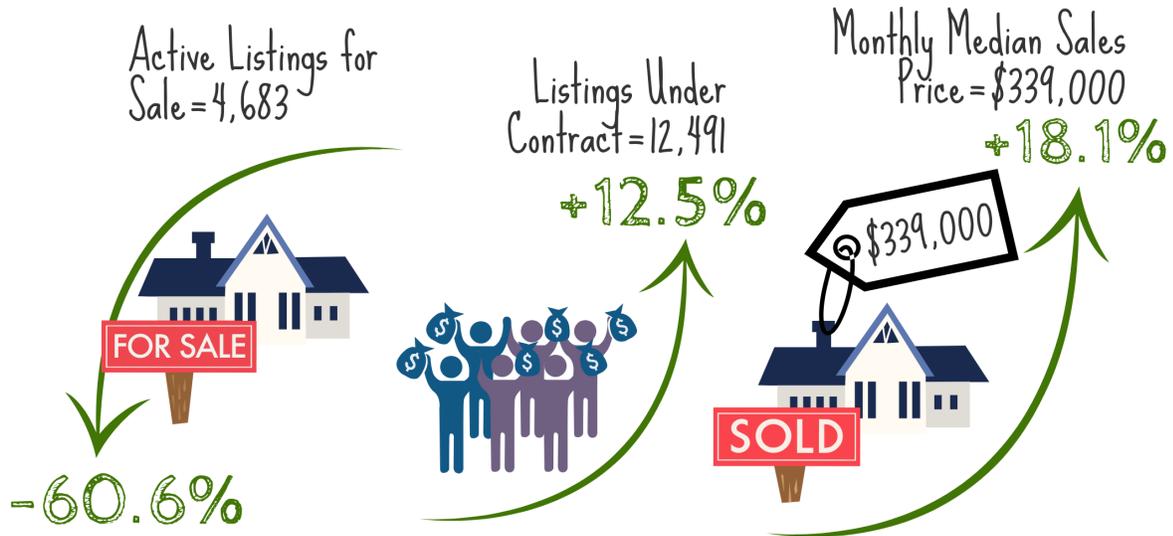


PHOENIX METRO

RESIDENTIAL REAL ESTATE

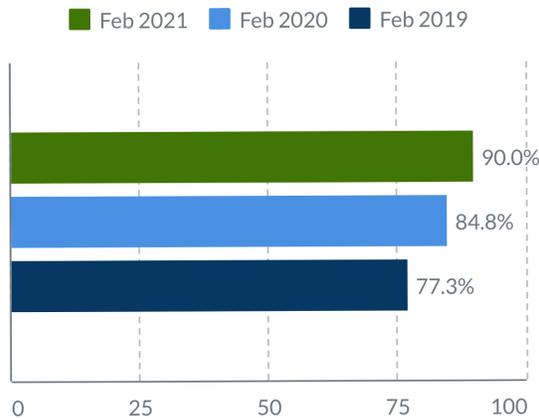
Annual Changes from February 9th, 2020 to February 9th, 2021



CLOSED SALES
 Total Monthly Sales = 7,381

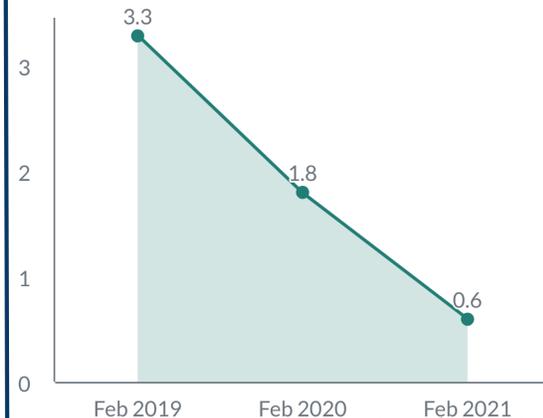


LISTING SUCCESS RATE



Of the Listings that came off of Active or Pending Status, 90% successfully closed escrow while 10% cancelled or expired.

MONTHS OF SUPPLY



If no new listings were to come on the market, at the current monthly rate of sales, inventory would run out in 0.6 months.

Encompassing the Arizona Regional MLS area, which includes Maricopa County, Pinal County and a small part of Yavapai County

Median Sales Price Up 18%, Inventory Down 61%

Luxury Sales Over \$3M up 140%

For Buyers:

Yes, it's still a good time to buy. Is it fun? No.

Inventory is down 61% from this time last year and competition among buyers is steep. New listings are not keeping up with demand and the purchase experience can be stressful, disappointing and heartbreaking; but it's a good time to buy.

The median sales price has risen 18% to \$339,000 and the median monthly rental rate through the Arizona Regional MLS has also risen 18%. A 1,500-2,000 square foot home is roughly \$1,600-\$1,700 per month to purchase with 10% down while that same home rents at a median of \$1,850 per month, up \$250 over last year at this time. For those who would like to reduce and stabilize their monthly housing expense with a historically low 30-year fixed mortgage rate, it's a good time to buy.

According to the National Association of Home Builders, a family making the median annual income of \$72,300 in Greater Phoenix could afford 60.6% of what sold in the 4th Quarter of 2020. That rate has been steadily declining, but it's still within the normal range of 60-75% for now. In San Francisco, the median sales price is \$1,350,000 and a family making the median annual income of \$130,900 can only afford 11% of what's selling there. For those who can work from home and no longer need to live in the same expensive city as their employer, it's a good time to buy.

Finally, it's a good time to buy because Greater Phoenix is experiencing a housing shortage. Over the past decade a gap between the total number of housing units built and the total number of people to be housed has been growing wider and developers have not been able to bridge it. This is not something that will be solved this year, and probably not next year either. As affordability wanes, it's a good time to stake your claim on a home while it's still an option.

For Sellers:

Brace yourself, the showings are coming. It's not uncommon these days to see a stampede of buyers through a home within the first day or so on the market. It doesn't matter the price range, all areas and types of homes are flying off the market and so far this month 37% of closings are over asking price.

The most impressive development has been in the luxury market. After California announced it was considering raising income and other taxes last summer, contracts over \$1M surged in Greater Phoenix. So far in 2021, sales between \$1M-\$3M are up 102% and sales over \$3M are up 140% over last year and there is little sign of a slow down.

Appreciation rates based on annual sales between \$1M-\$2M range between 5%-6.5% and 2%-5% over \$2M. While the northeast cities of Paradise Valley and Scottsdale have long been associated with luxury real estate, Gilbert has emerged in the top 5 cities for sales over \$1M in 2020.

Appreciation rates for homes sold below \$600K range from 7%-11% annually and 5%-7% for sales between \$600K-\$1M.



480-621-6828
info@nexthomevalleywide.com