May 2026

# KCM Monthly Market Report

DPR REALTY LLC
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Shambreskis and Howard, DPR Realty

# The Myth About Mortgage Rates

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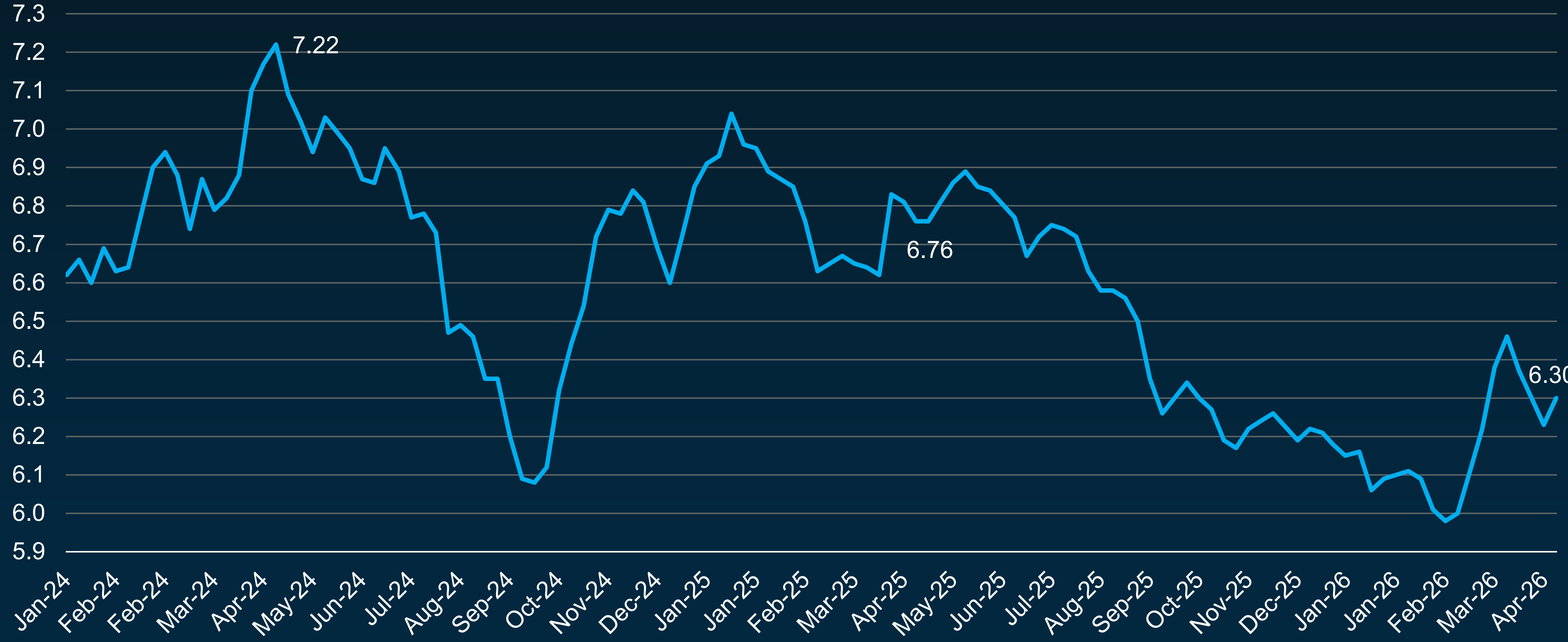
**Rates currently stand at their lowest level in the last three spring homebuying seasons.** This improvement, coupled with a pickup in purchase applications and refinance activity, as well as an increase in monthly pending home sales, underscores signs of improving momentum in the market.

**Sam Khater**
Chief Economist, Freddie Mac

# Rates Currently Stand at Their Lowest Level in the Last 3 Spring Homebuying Seasons

30-Year Fixed-Rate Mortgage



# In Just One Year, Rates Are Down

## Here's What That Saves You

| Fixed Mortgage Rate | Home Loan Amount | Monthly Mortgage P&I* | Savings Per Month |
|---|---|---|---|
| January 13, 2025: **7.26%** | $400K | $2,731 | – |
| May 4, 2026: **6.52%** | $400K | $2,534 | **$197** |
| **5.99%** | $400K | $2,396 | **$335** |
| | | **Difference at a 5.99% Rate** | **$138/month** |

*Principal and Interest Payment. Total monthly payment may vary based on loan specifications such as property taxes, insurance, HOA dues, and other fees. Consult your licensed mortgage advisor for current rates.

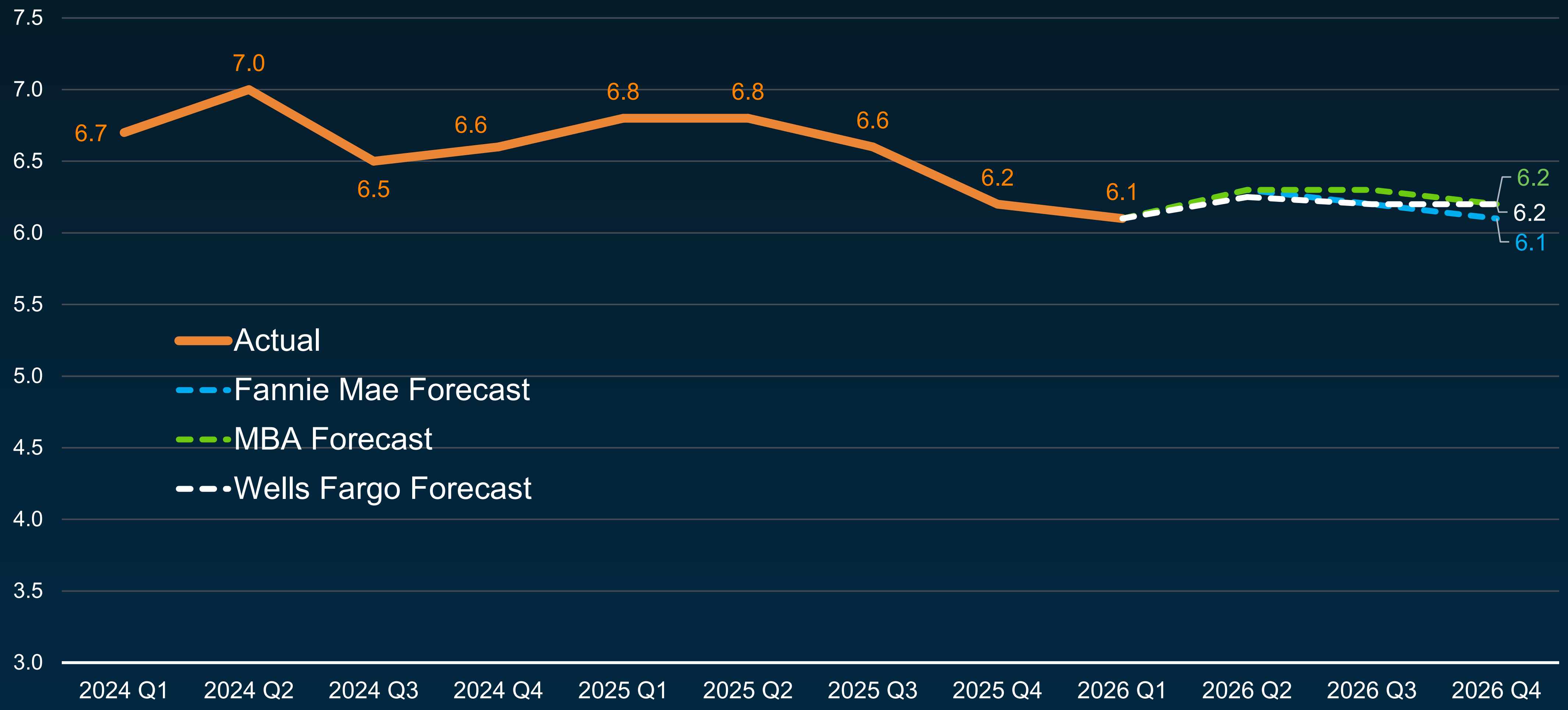
# Mortgage Rates Projections

30-Year Fixed Mortgage Rate Projections, as of 5/4/2026

| Quarter | Fannie Mae | MBA | Wells Fargo | Average of All 3 |
|---|---|---|---|---|
| Q2 2026 | 6.30% | 6.30% | 6.25% | **6.28%** |
| Q3 2026 | 6.20% | 6.30% | 6.20% | **6.23%** |
| Q4 2026 | 6.10% | 6.20% | 6.20% | **6.17%** |
| Q1 2027 | 6.10% | 6.20% | 6.20% | **6.17%** |
| Q2 2027 | 6.10% | 6.20% | 6.20% | **6.17%** |

# Mortgage Rates Projections

30-Year Fixed Rate + Projections, as of 5/4/2026




Keeping Current Matters

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Sources: Freddie Mac, Fannie Mae, MBA, Wells Fargo

**Mortgage rates aren't expected to change much over the next several quarters,** which has implications for prospective homebuyers and sellers.

**U.S. News**

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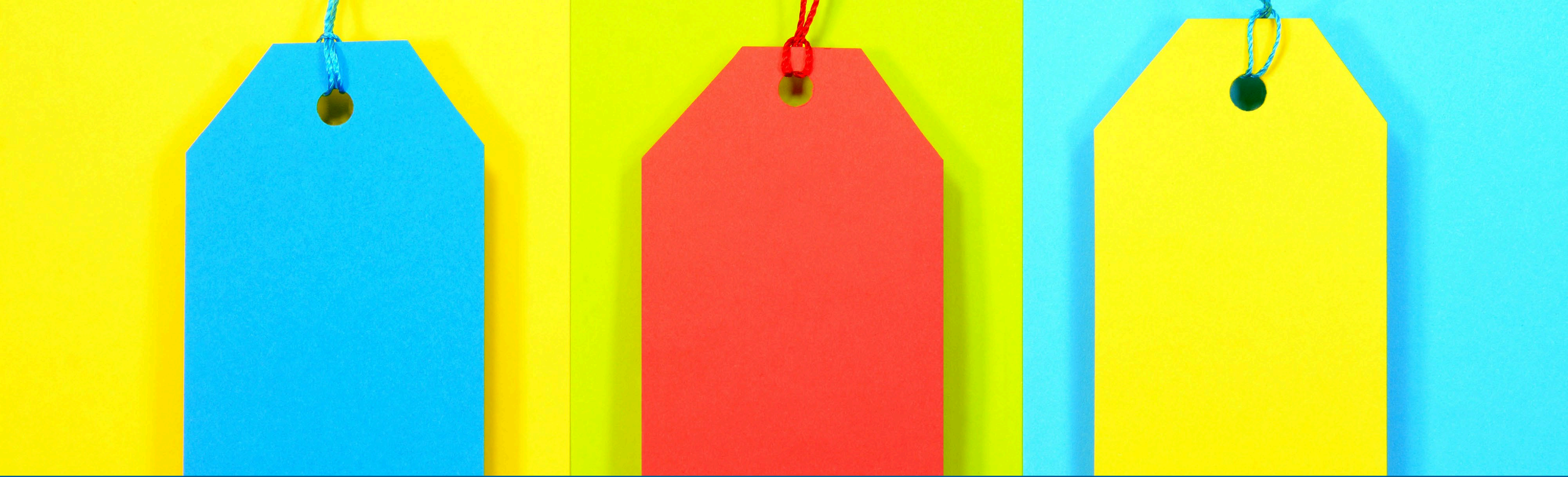

# In This Market, Price It Right… or Be Ready To Adjust

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Despite the economic headwinds whipped up by the ongoing Iran conflict and cooling consumer sentiment, **most home sellers are brimming with optimism this spring and expect their properties to fetch top dollar.**

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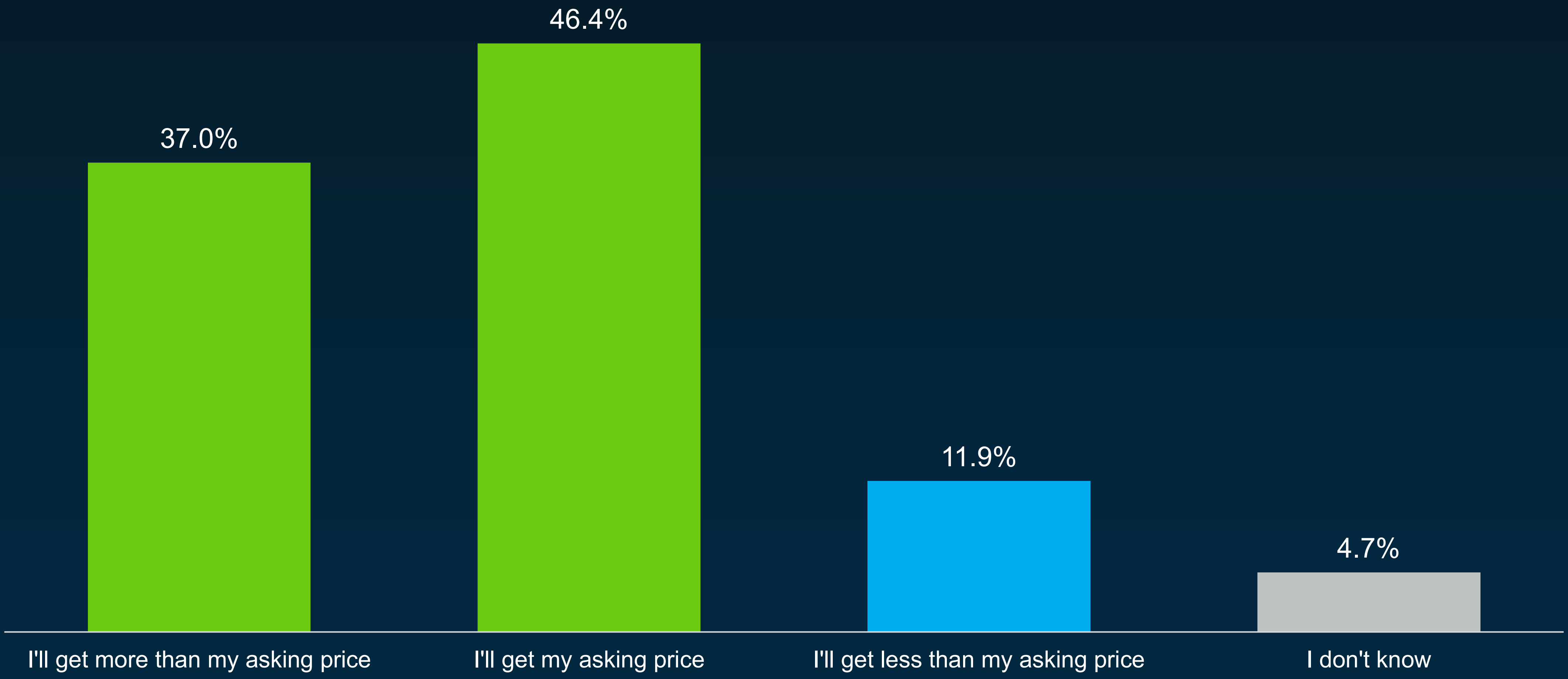
Realtor.com

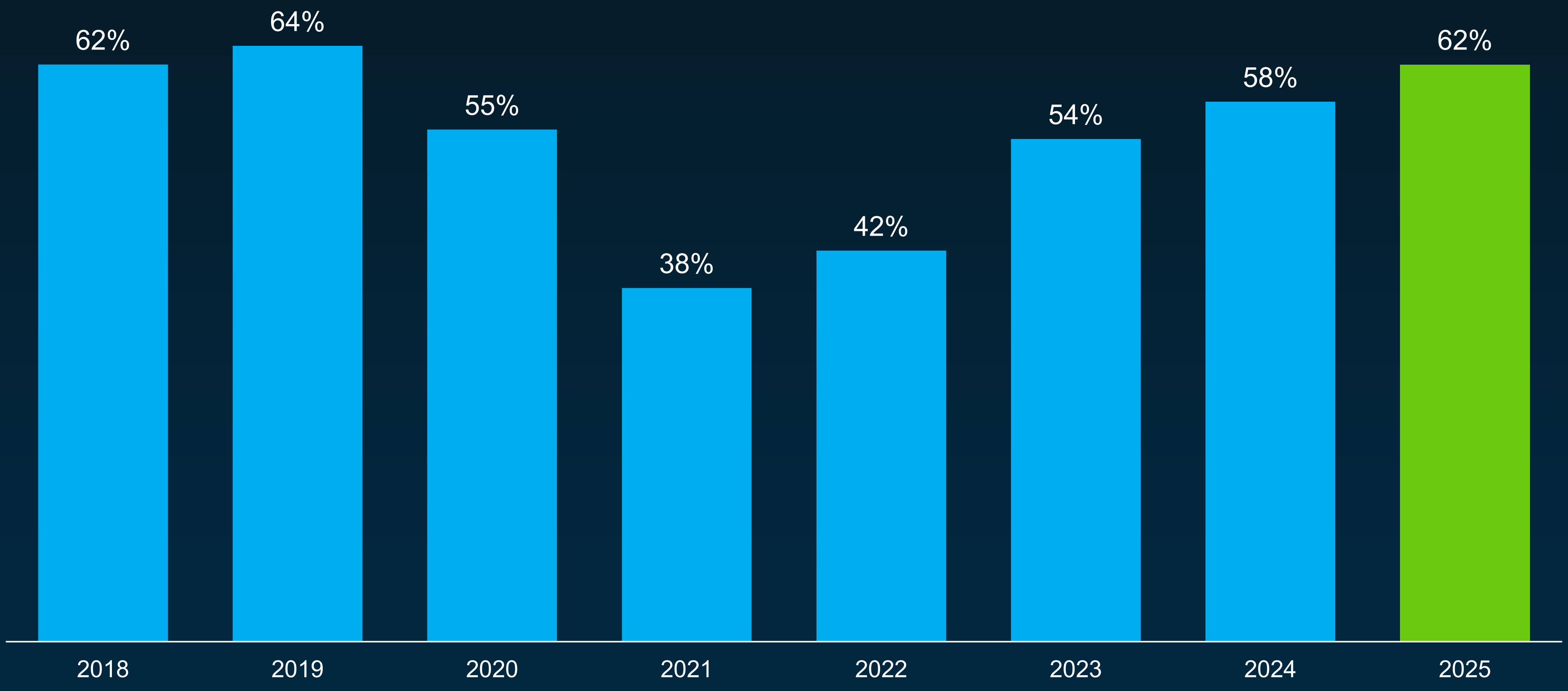
# 80% of Sellers Think They'll Get Their Asking Price or More

*Which of the following price scenarios do you expect to happen when selling your home?*



# More Homes Are Selling For Less Than the List Price

Percent of Homes That Sell for Less Than Asking



**The listing price is one of the first details potential buyers notice when browsing properties.** A well-priced home can generate more interest and increase showings. On the other hand, if a home is priced too high compared to similar properties in the area, it may struggle to attract buyers and remain on the market longer.

**HAR**

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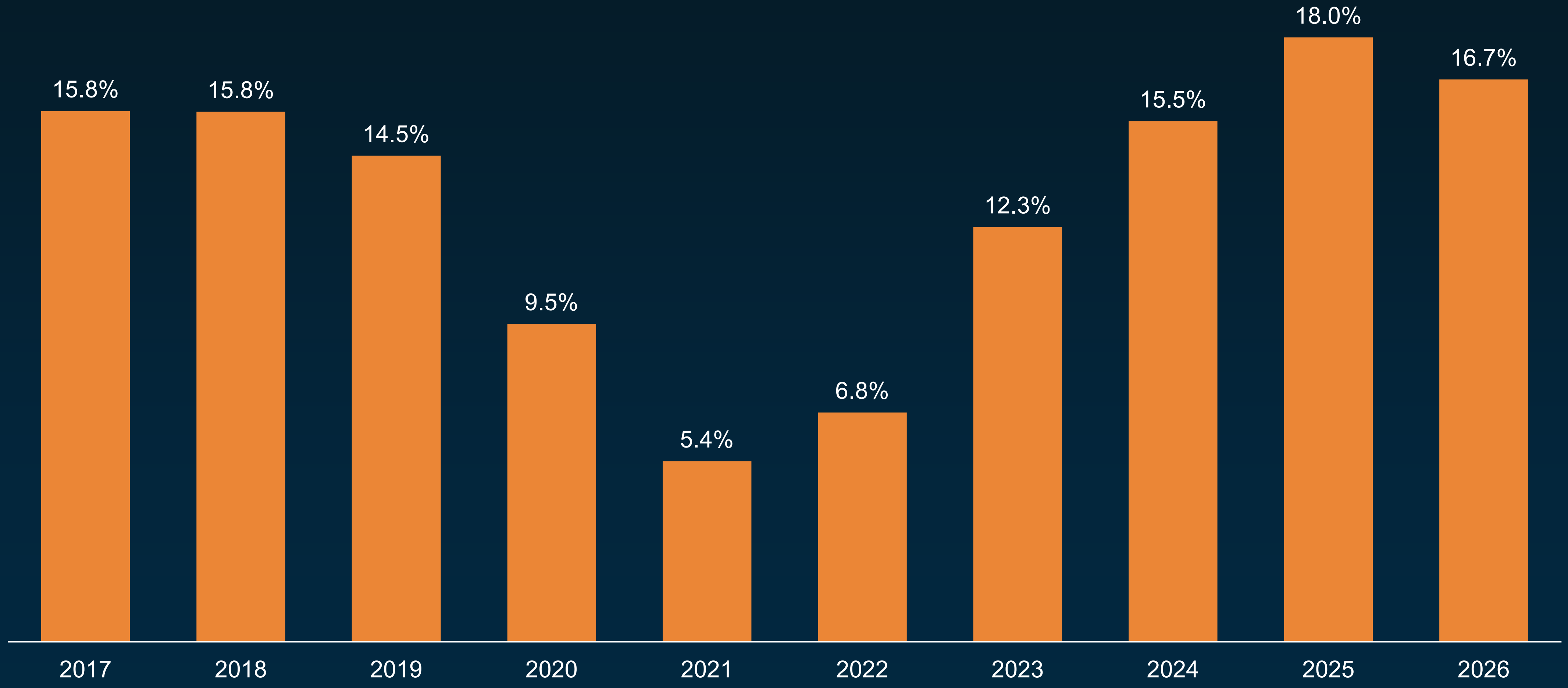
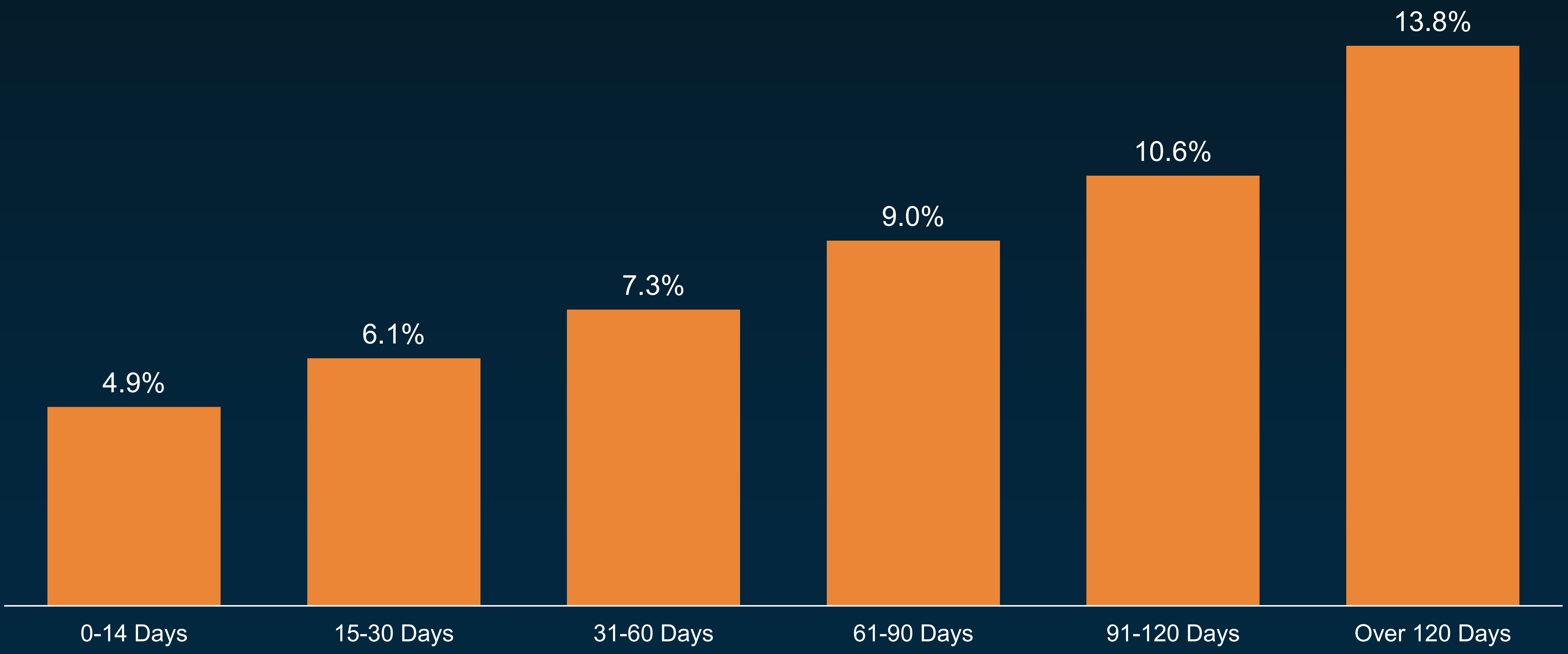
# Sellers Who Overprice Are Having to Adjust

Share of Listings with Price Reductions, April of Each Year



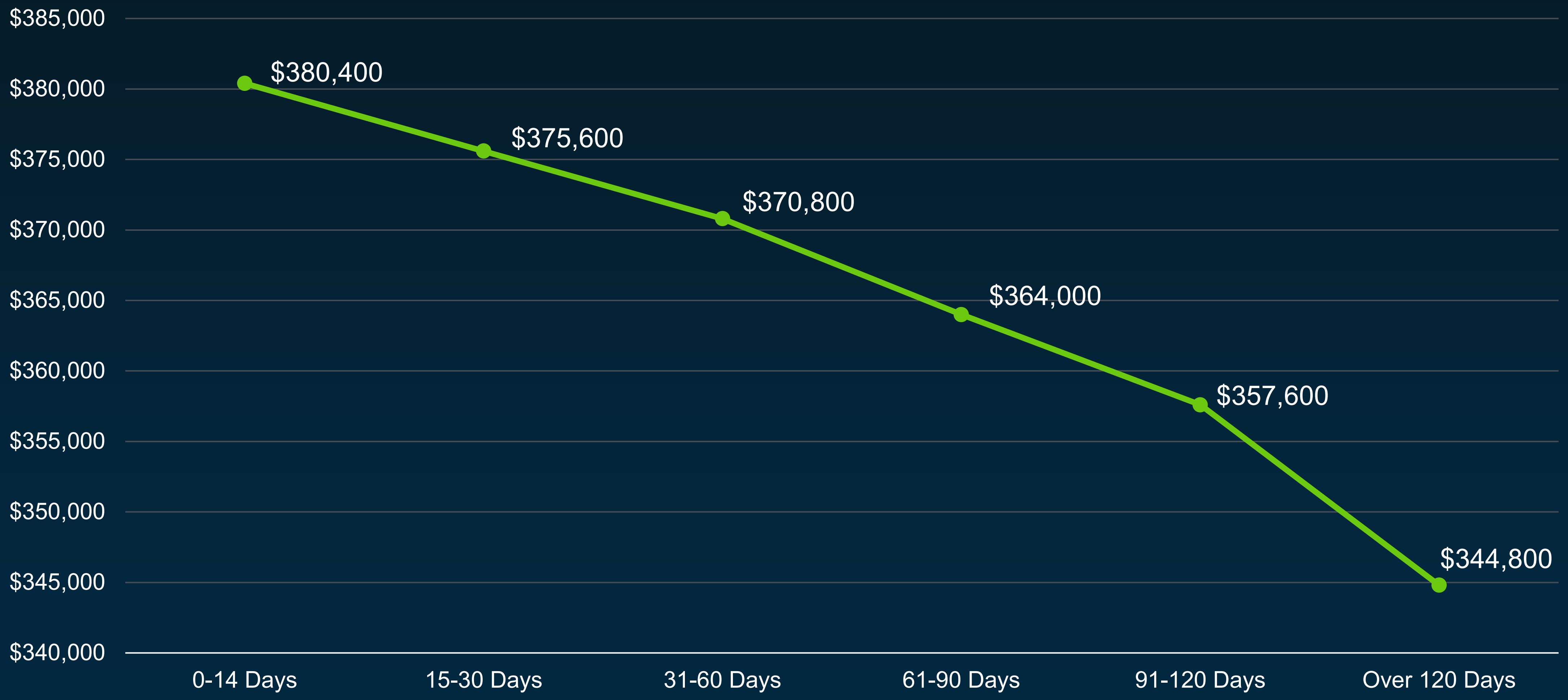
# Price Cuts Get Bigger as Listings Linger

Average Percent a Listing Price Is Reduced Based on Days on Market



# Price Cuts Get Bigger as Listings Linger

Average Sale Price of a Home Listed at $400k Based on Days on Market



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Source: NAR, KCM Analysis

**Properties that sit on the market and go through multiple price cuts can develop a sense of staleness.** Today’s buyers are not only aware of that, they are actively tracking it in real time. When a listing lingers or undergoes reductions, buyers begin to question the asset itself, even when the issue is simply initial pricing.

**Ana Bozovic**
Founder, Analytics Miami

# Today’s Foreclosure Situation Explained

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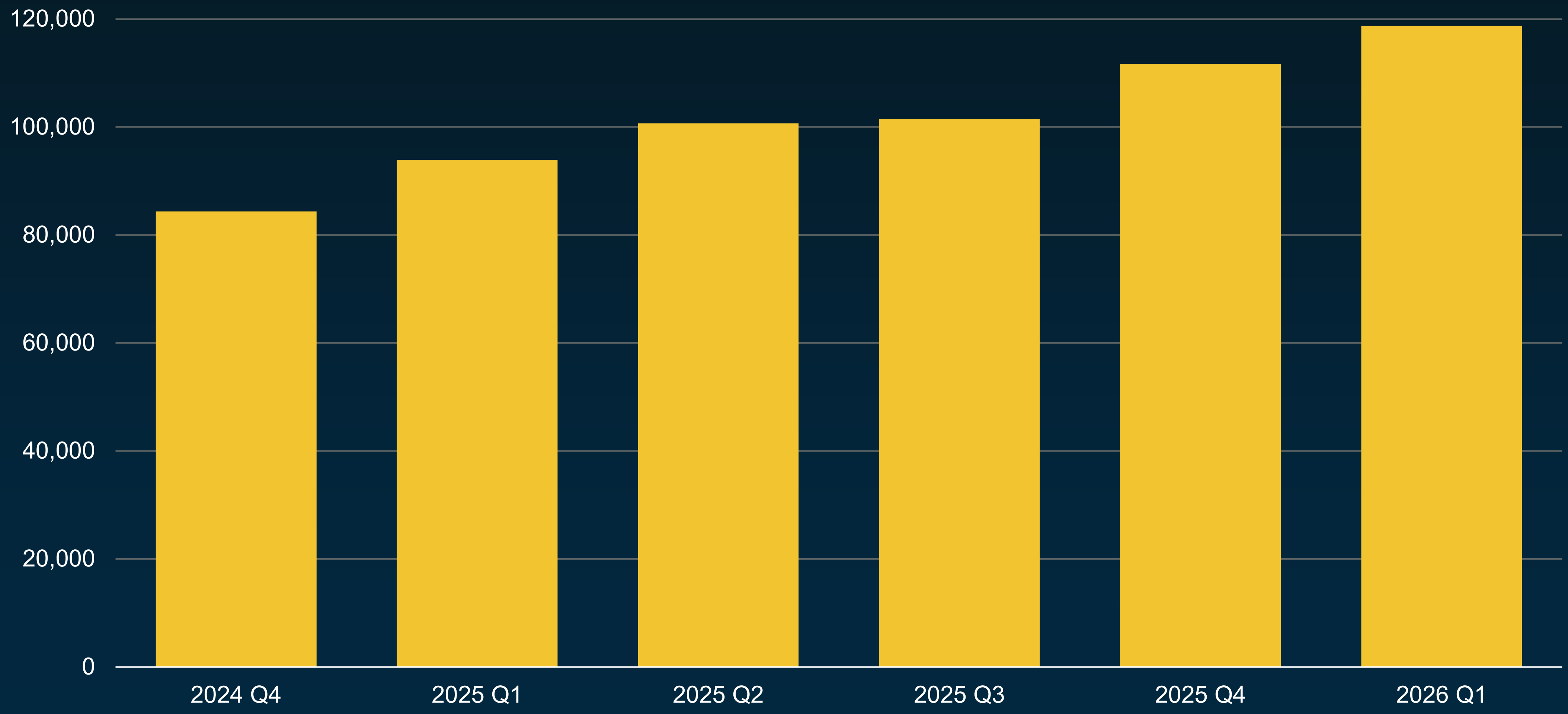
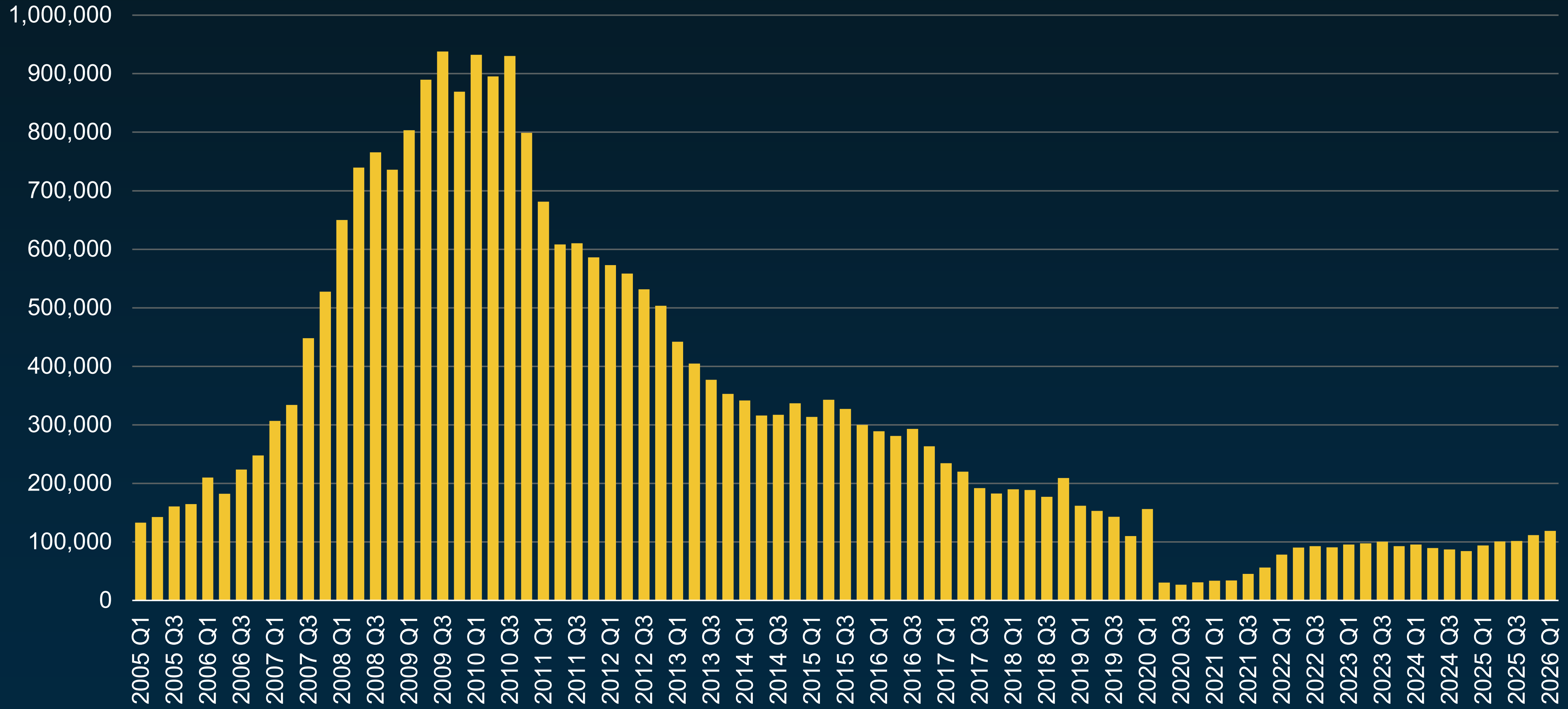
# Foreclosure Activity Is Rising

## Properties with Foreclosure Filings



# Foreclosure Activity Is Rising… as the Market Normalizes

Properties with Foreclosure Filings



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While volumes remain below historical peaks, the continued rise, especially in starts and bank repossessions, suggests **financial pressure may be building for some homeowners and could signal shifting housing market dynamics.**

**Rob Barber**
CEO, ATTOM

**More than 3 in 4 Americans (78%) report that they do not feel financially secure.** The top culprit is the rising cost of living (47%), followed by the current state of the economy (42%).

**Credit Karma**

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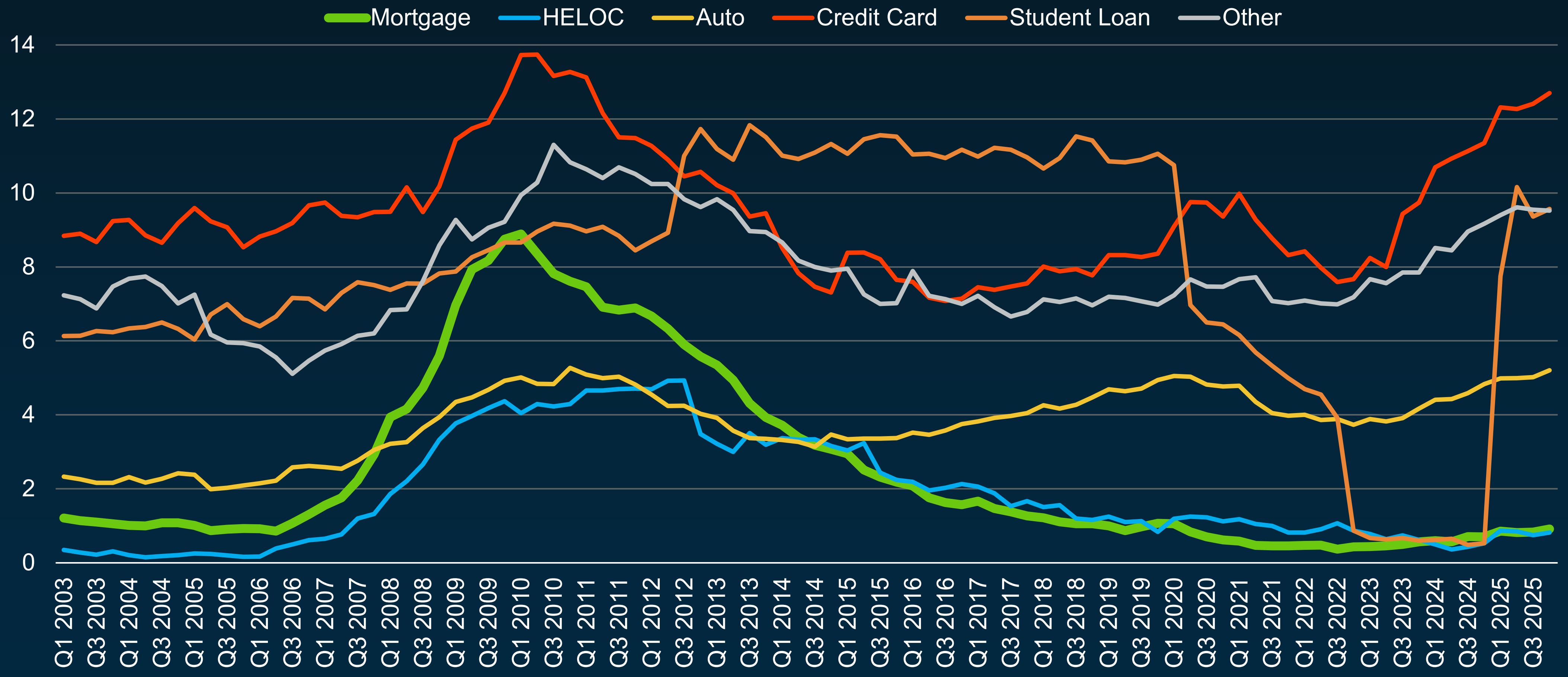
# Struggling Homeowners Are Prioritizing Their Mortgage Payments

Percent of Loans That Are 90+ Days Delinquent, by Loan Type

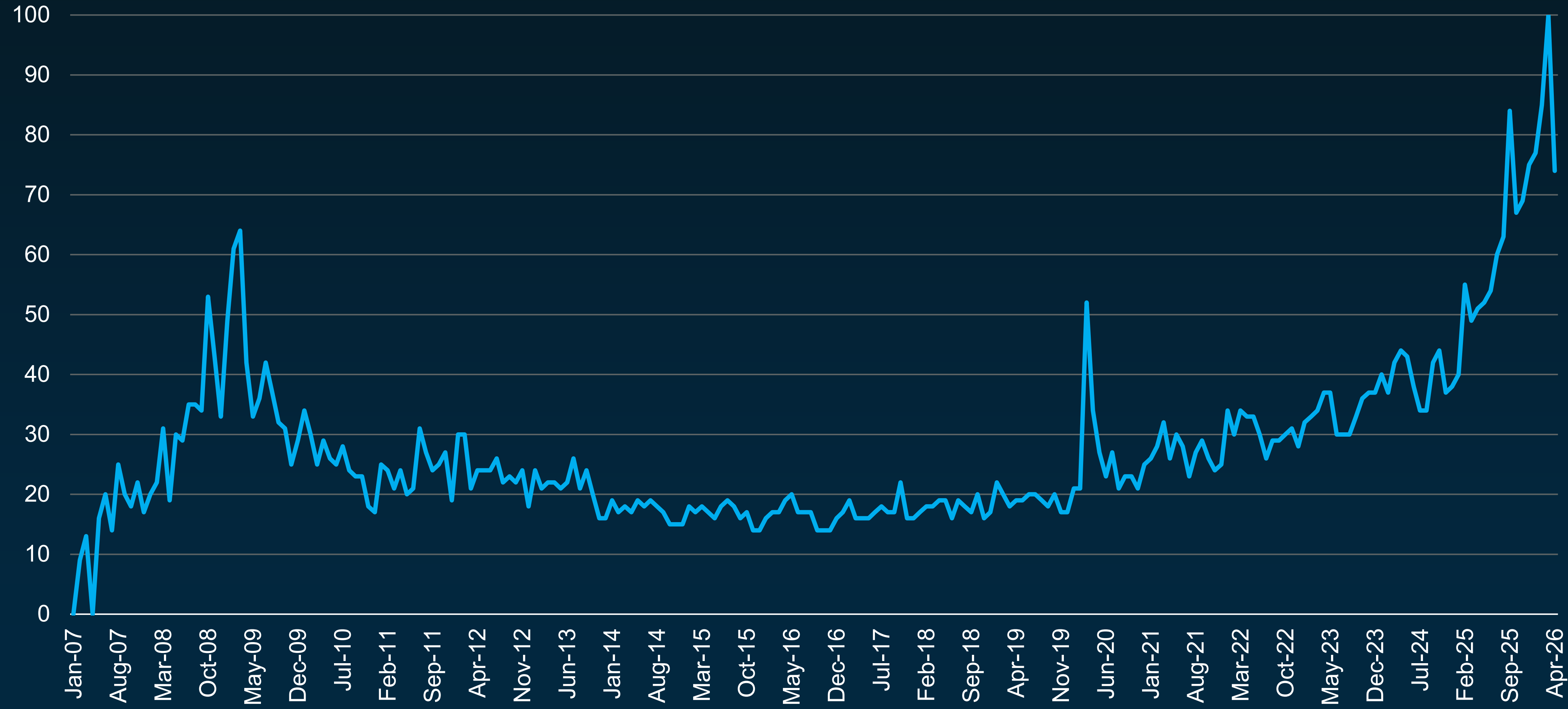


Properties foreclosed in Q1 2026 had been in the foreclosure process for an average of 577 days. **This was down 3% from the previous quarter and 14% from the same time last year, marking six consecutive quarters of decline.**

ATTOM

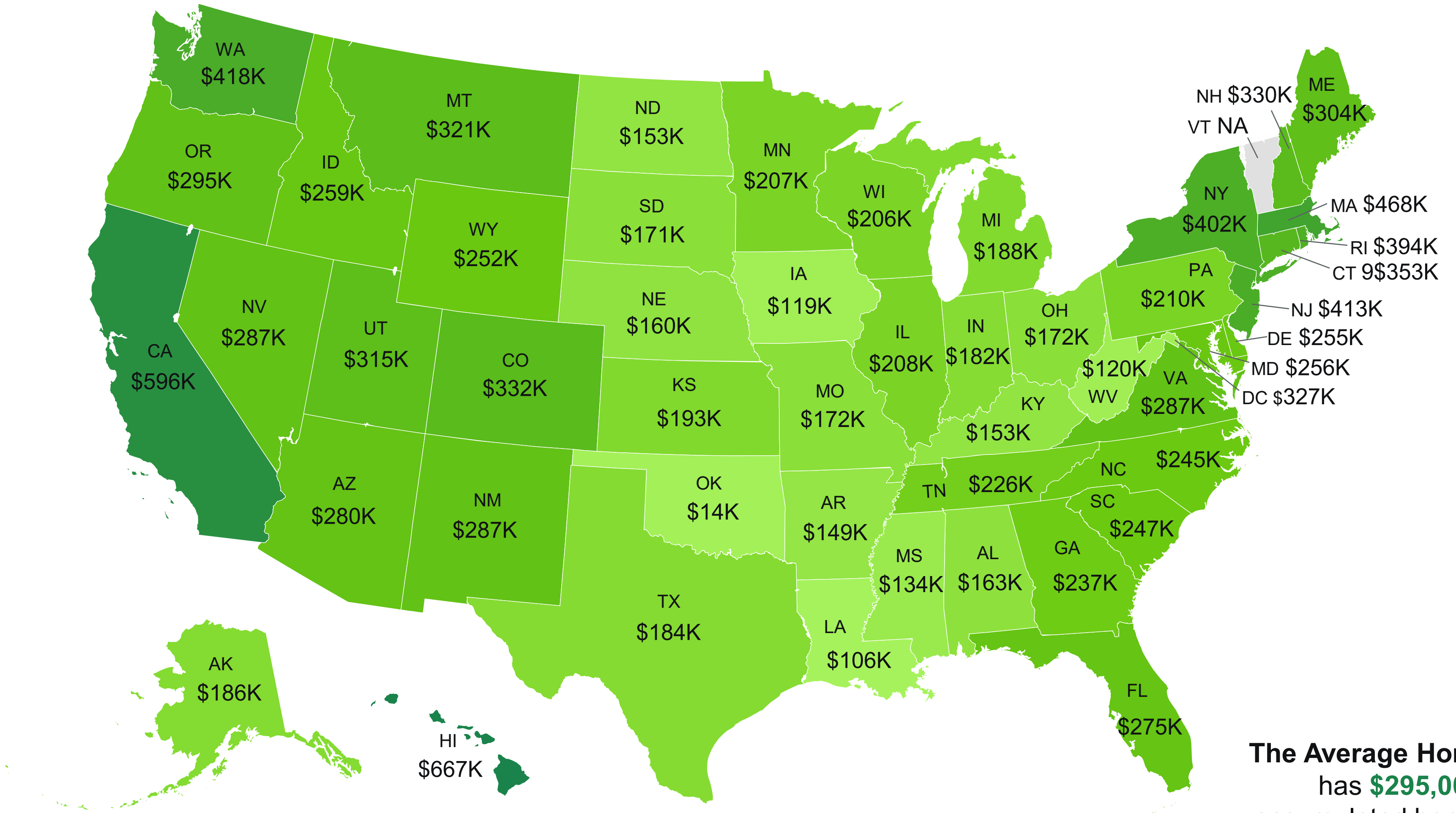
# Demand for Mortgage Assistance Is Rising Sharply

## Index of People Searching for "Help With Mortgage"



# Homeowner Equity Remains Historically High

Average Equity per Homeowner, Q4 2025




**The Average Homeowner** has **$295,000** in accumulated home equity.

Keeping Current Matters

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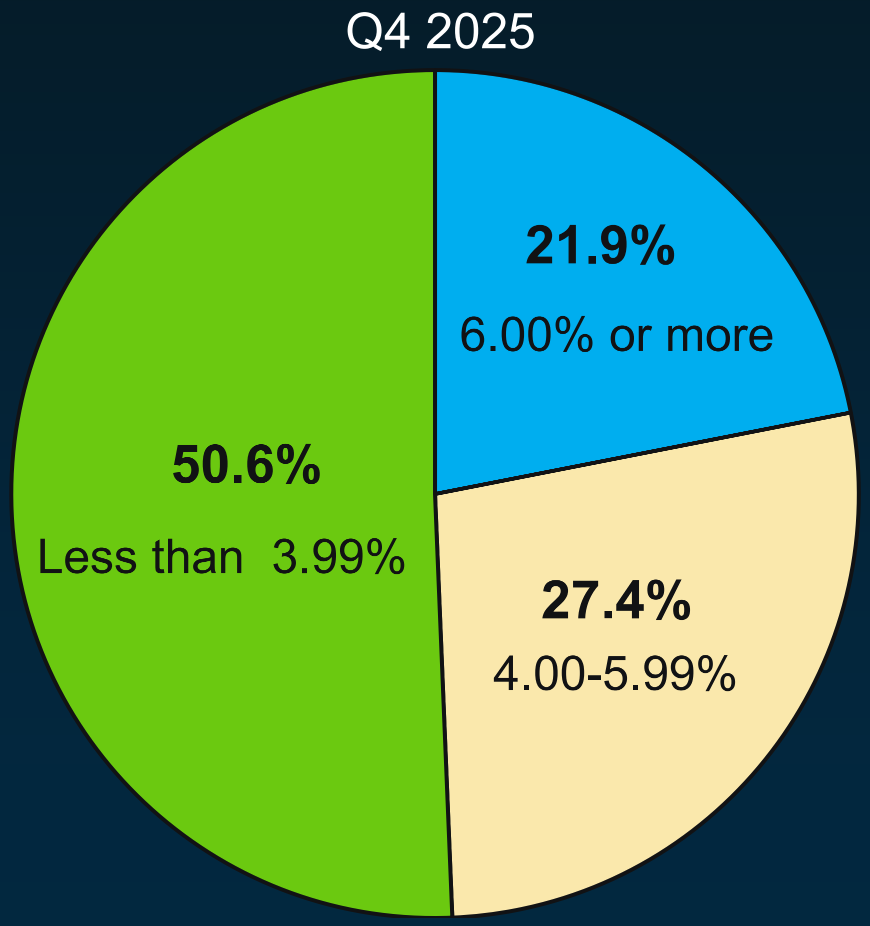
Source: Cotality

# Buyers Are Adjusting to Higher Mortgage Rates

Percent of All Mortgages By Interest Rate

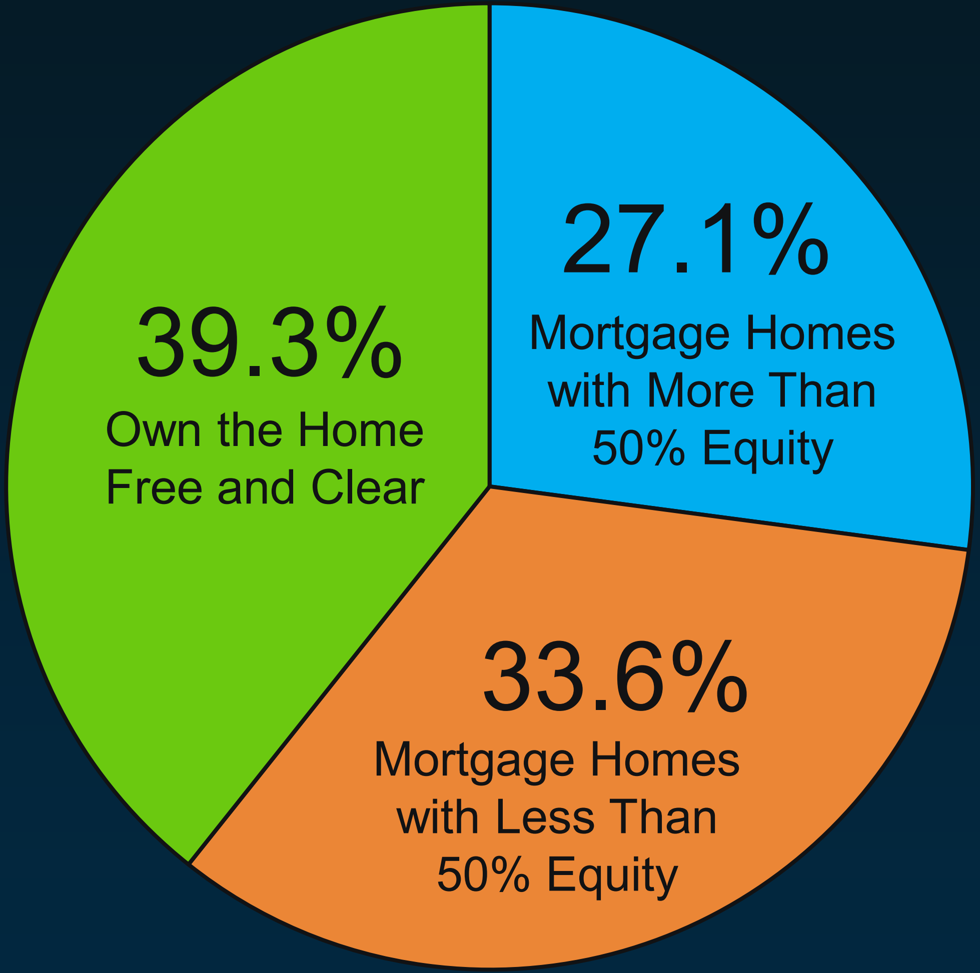





Source: FHFA

# Americans Are Sitting on Tremendous Equity Today

2/3 Have Paid off Their Mortgage or Have at Least 50% Equity






Source: Census, ATTOM

Most agents **know**
what's happening.

Good agents **understand**
what's happening.

Only great agents can **explain**
what's happening.

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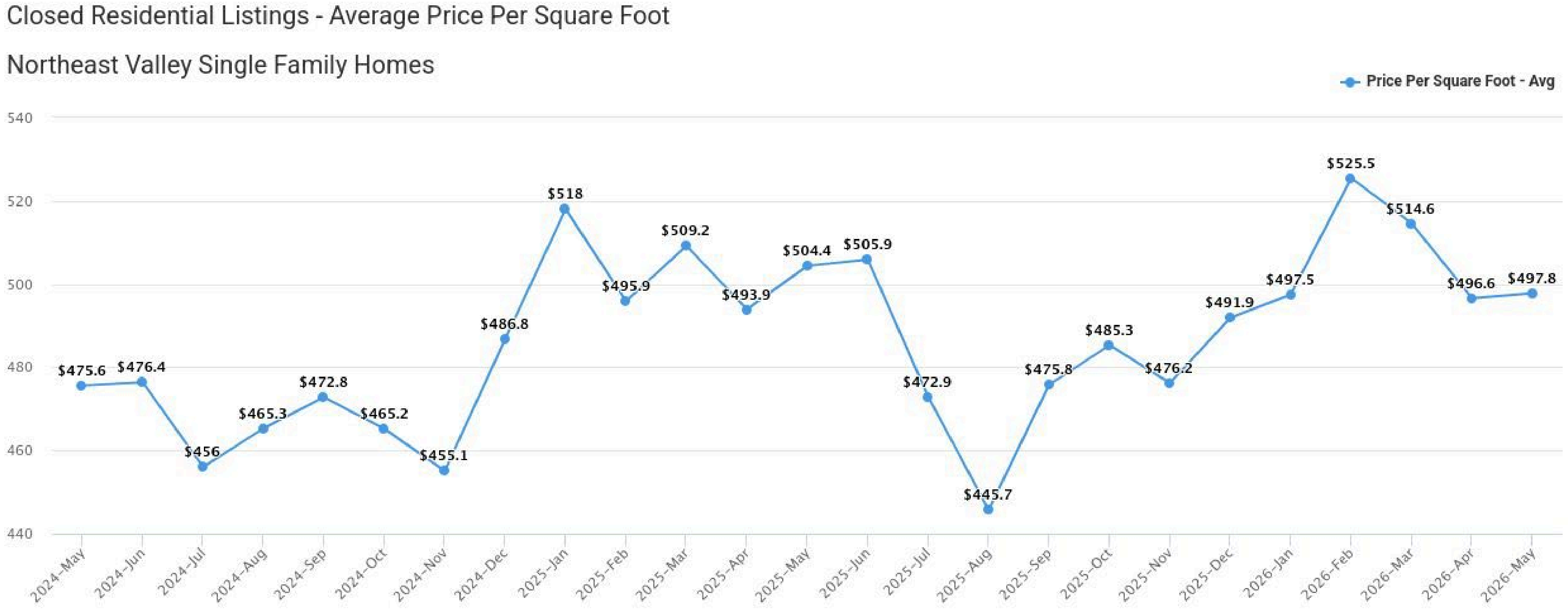
KEEPING CURRENT MATTERS

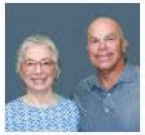
# Housing Market Statistics for Northeast Valley Single Family Homes

in Carefree, Cave Creek, Fort McDowell, Fountain Hills, Paradise Valley, Rio Verde and Scottsdale, Arizona

# Average Price per Sq Ft

## for Sold Northeast Valley Single Family Homes

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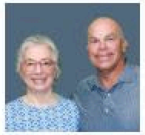
Source: ARMLS

# Average Days on Market

## for Sold Northeast Valley Single Family Homes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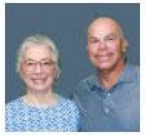
Source: ARMLS

# Number of Active Listings

## for Northeast Valley Single Family Homes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Source: ARMLS

# Average Price per Sq Ft
## for Active Northeast Valley Single Family Listings

# CONTACT US TO DISCUSS YOUR LOCAL ARIZONA REAL ESTATE MARKET


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