

August 2026



KCM

**Monthly
Market
Report**



Shambreskis and Howard, DeLex Realty





Buyers Can Benefit from Recent Seller Trends



Every trend we tracked through the spring carried into June: **New listings up, especially in the Northeast; pending sales up for a seventh straight month; and asking prices down, due to seller realism rather than distress.**

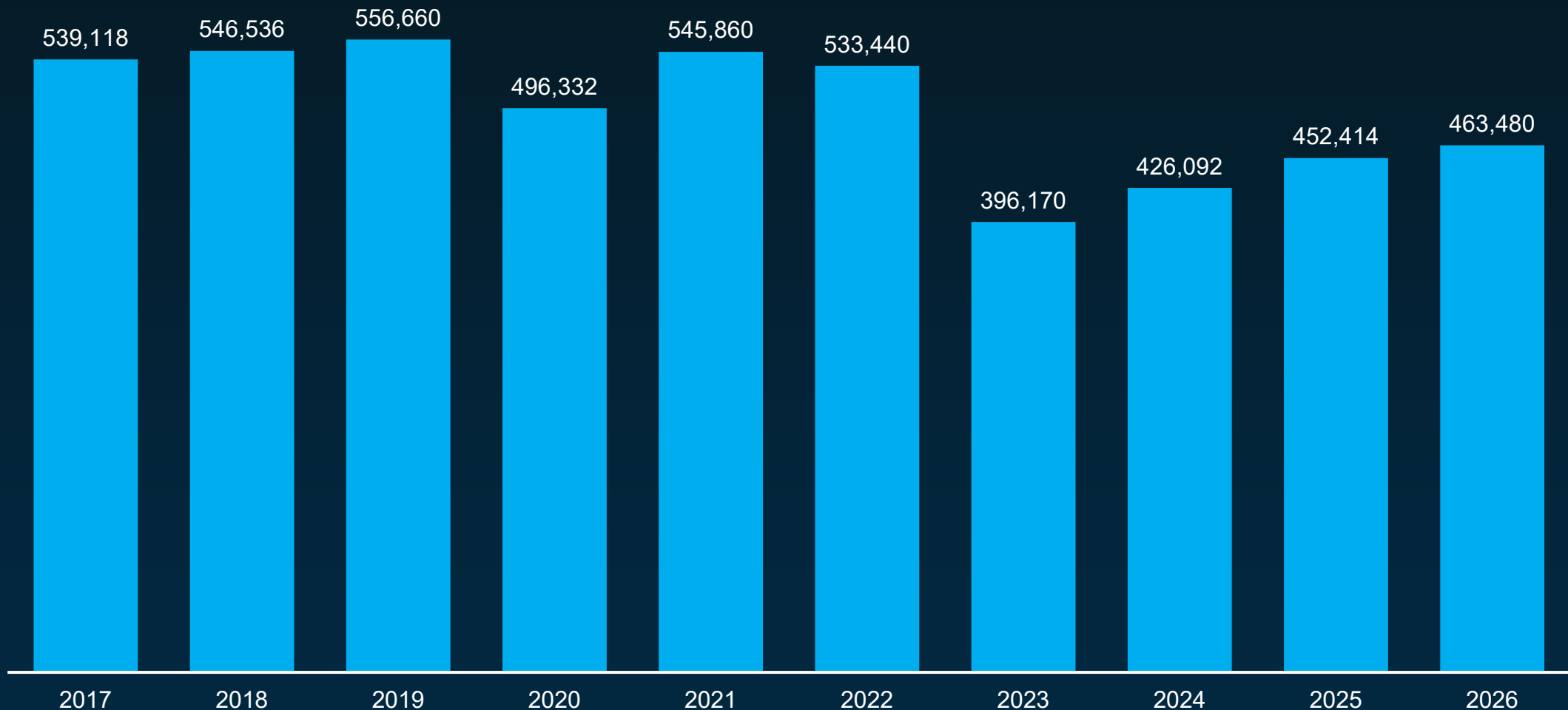


New listings rose 2.4% year over year in June,
closing out strongest Spring since 2022.

Jake Krimmel
Senior Economist, Realtor.com

Homeowners Are Listing at the Fastest Pace Since 2022

June of Each Year





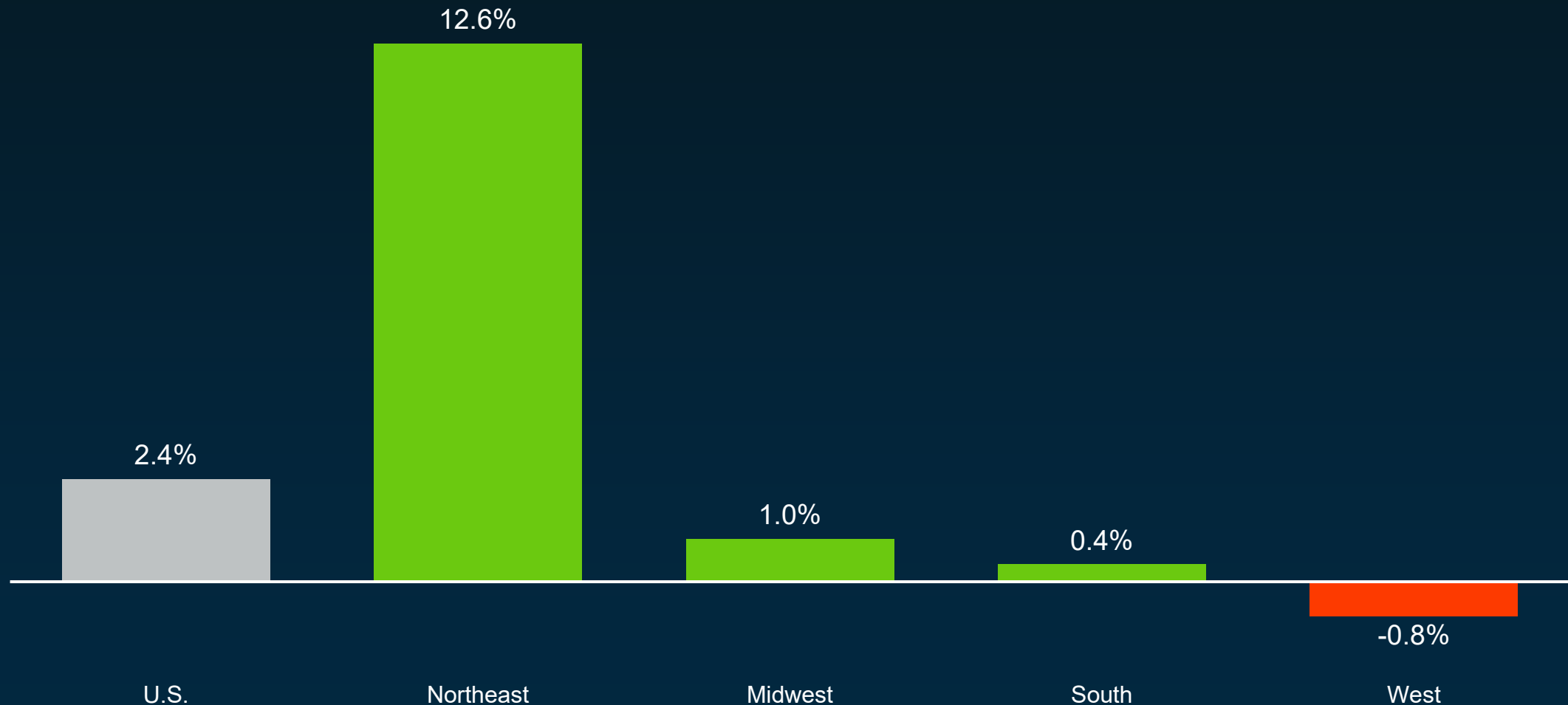
While the Northeast and Midwest remain the most supply-constrained regions in the country, they are posting the strongest inventory growth. . .

In other words, **the regions that have historically struggled with inventory shortages are adding supply, while the regions that led the inventory recovery are beginning to tighten again.**

Logan Mohtashami
Lead Analyst, HousingWire

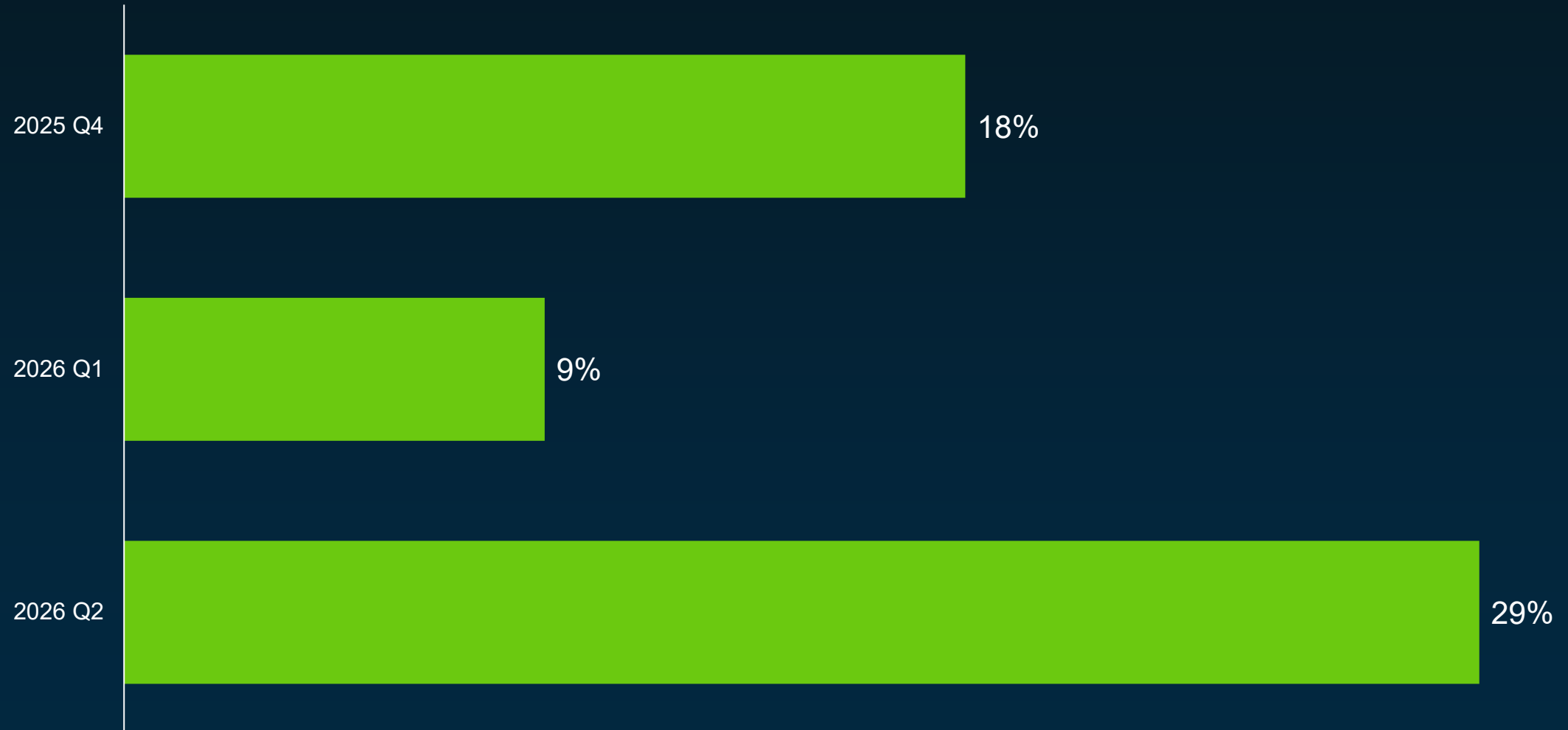
Fresh Inventory Is Growing, Especially in the NE

Percent Change in New Listing Count, Year-Over-Year



Concern About Home Prices Is Rising

Share of Buyers Who Are Most Concerned About Prices





Summer is officially here and homebuyers are jumping into the market, lured by **listing prices that are falling at the fastest clip in at least nine years** as sellers finally accept a new, slow-and-steady reality.

Realtor.com



Asking prices fell again at a record pace—down 2.5% year over year. That's the steepest annual drop in Realtor.com data since 2017 and the eighth straight month of declines.

Today's Sellers Are Pricing To Attract Buyers

Median Listing Price, June of Each Year





The lowest price tiers are exhibiting some softness in terms of price, they also had the most listing-activity growth, **the first time since 2022 that's been the case.**

Mischa Fisher
Chief Economist, Zillow



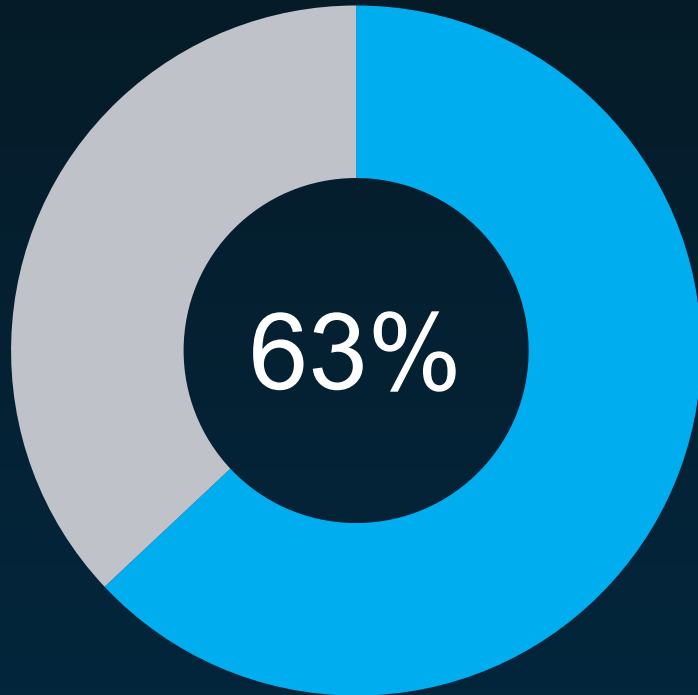
Sellers are reading market conditions and are pricing accordingly from the start rather than listing high and cutting later, and buyers are taking note and making bids. This is a welcome sign that we are in a functioning market.

Danielle Hale
Chief Economist, Realtor.com

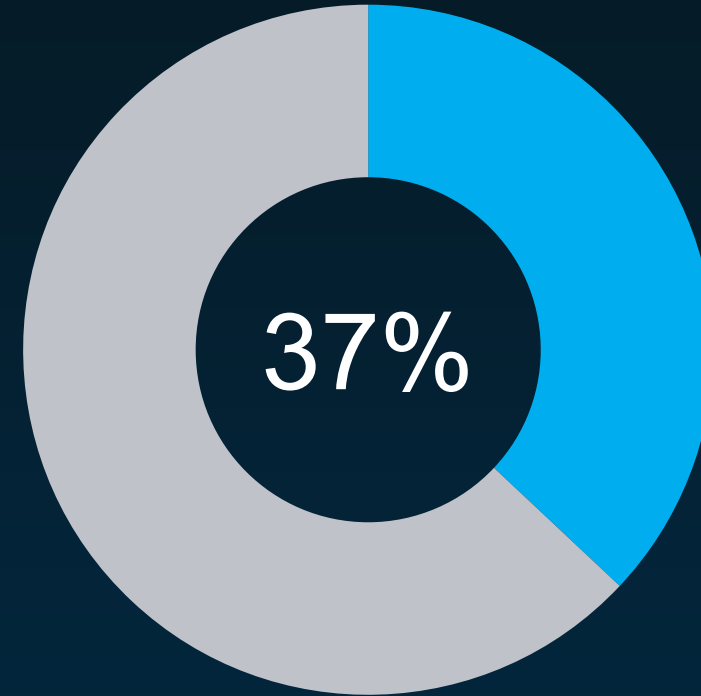


Why Buyers Shouldn't Wait for Lower Rates – And What They Can Do Instead

Buyers Still Define a “Good” Rate as Under 5%



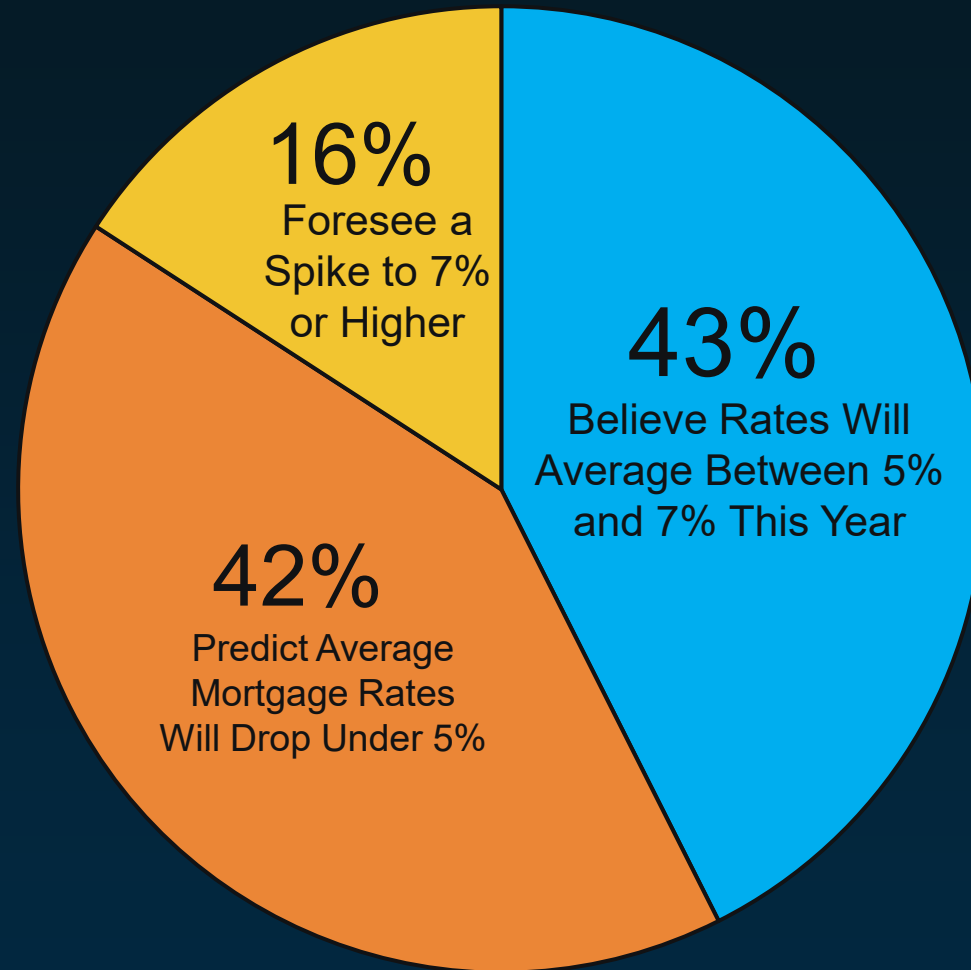
say a “good” mortgage rate is below **5%**.



don't consider rates “good” until they're back in the **3%** range.

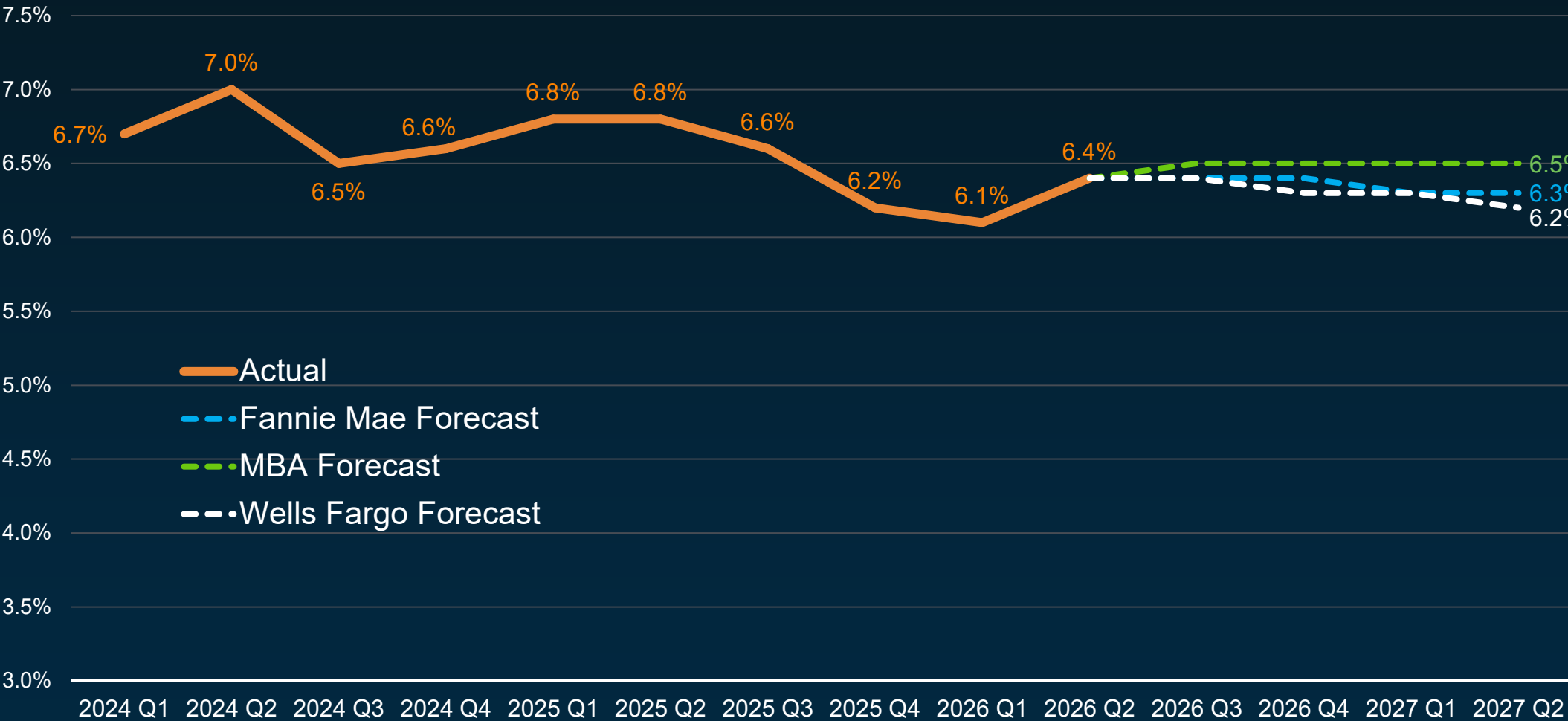
Many Buyers Have Unrealistic Expectations

4 in 10
buyers think
rates will
drop below
5% this year.



Mortgage Rates Are Expected To Remain Relatively Stable

30-Year Fixed Mortgage Rate and Rate Projections, as of 7/30/2026



Mortgage Rates Are Expected To Remain Relatively Stable

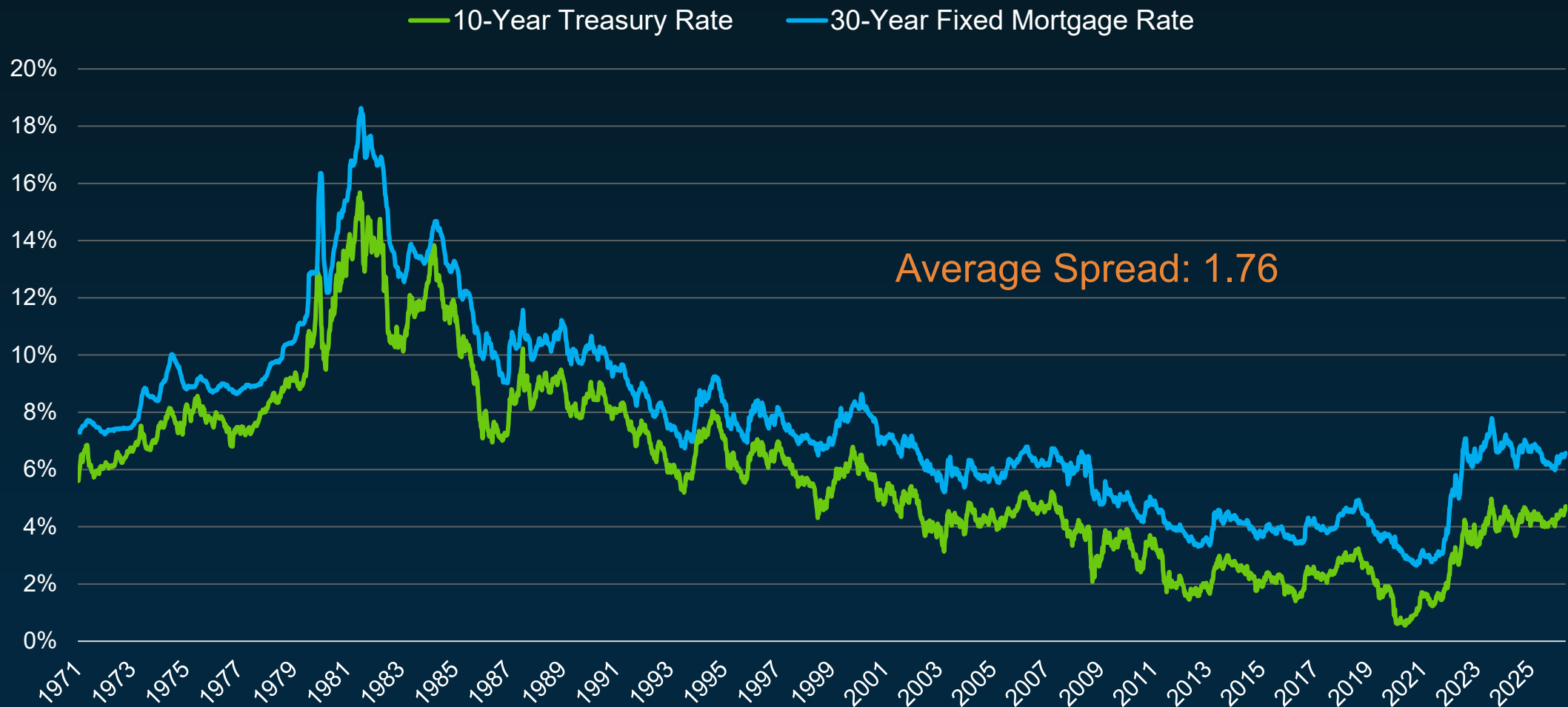
30-Year Fixed Mortgage Rate Projections, as of 7/30/2026

Quarter	Fannie Mae	MBA	Wells Fargo	Average of All 3
2026 Q3	6.4%	6.5%	6.4%	6.43%
2026 Q4	6.4%	6.5%	6.3%	6.40%
2027 Q1	6.3%	6.5%	6.3%	6.37%
2027 Q2	6.3%	6.5%	6.2%	6.33%

What Buyers Need To Know

1. Why rates won't be going significantly lower anytime soon
2. What people can do to make homeownership more affordable even with rates where they are

For Over 50 Years, the 30-Year Mortgage Rate Has Moved in Unison With the 10-Year Treasury Yield



How Could Rates Go Lower?

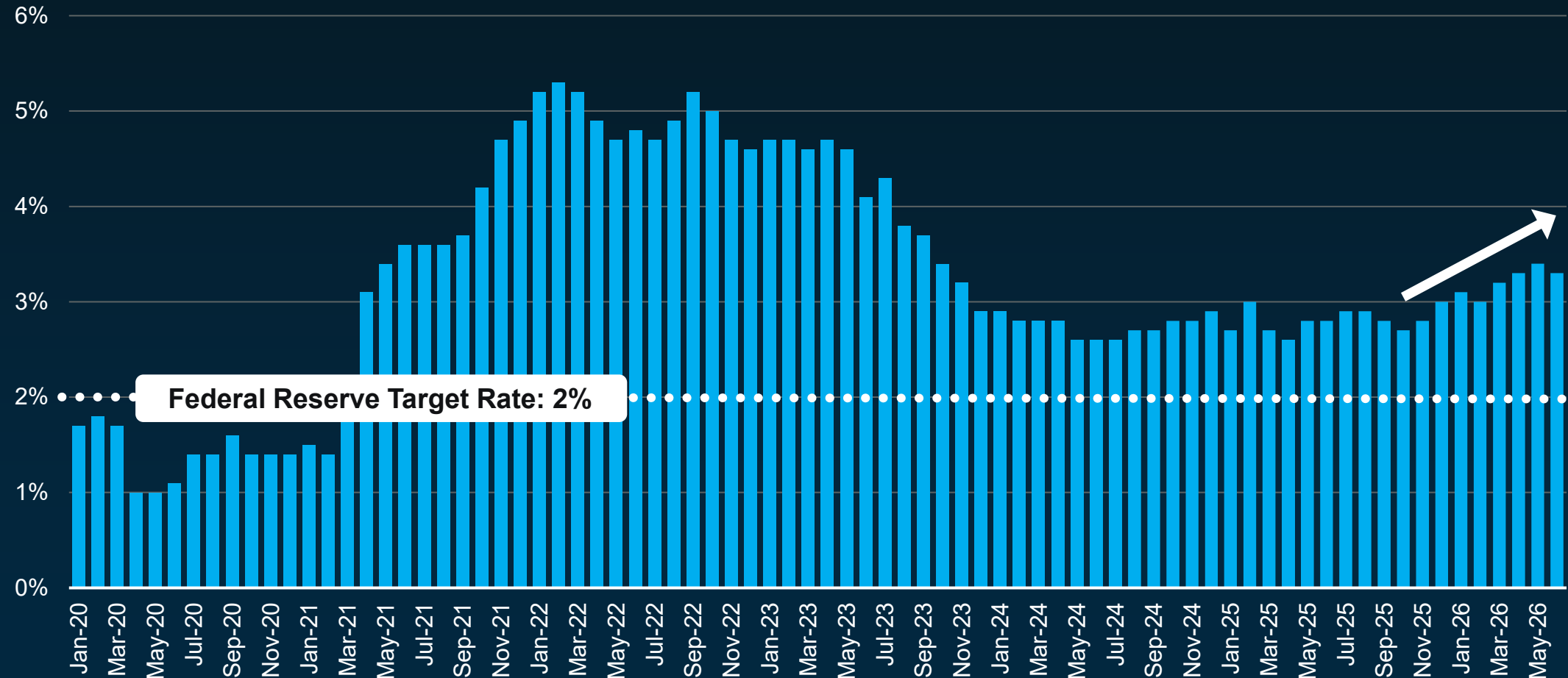
1. The 10-Year Treasury Yield would have to go lower.

OR

2. The spread would have to shrink.

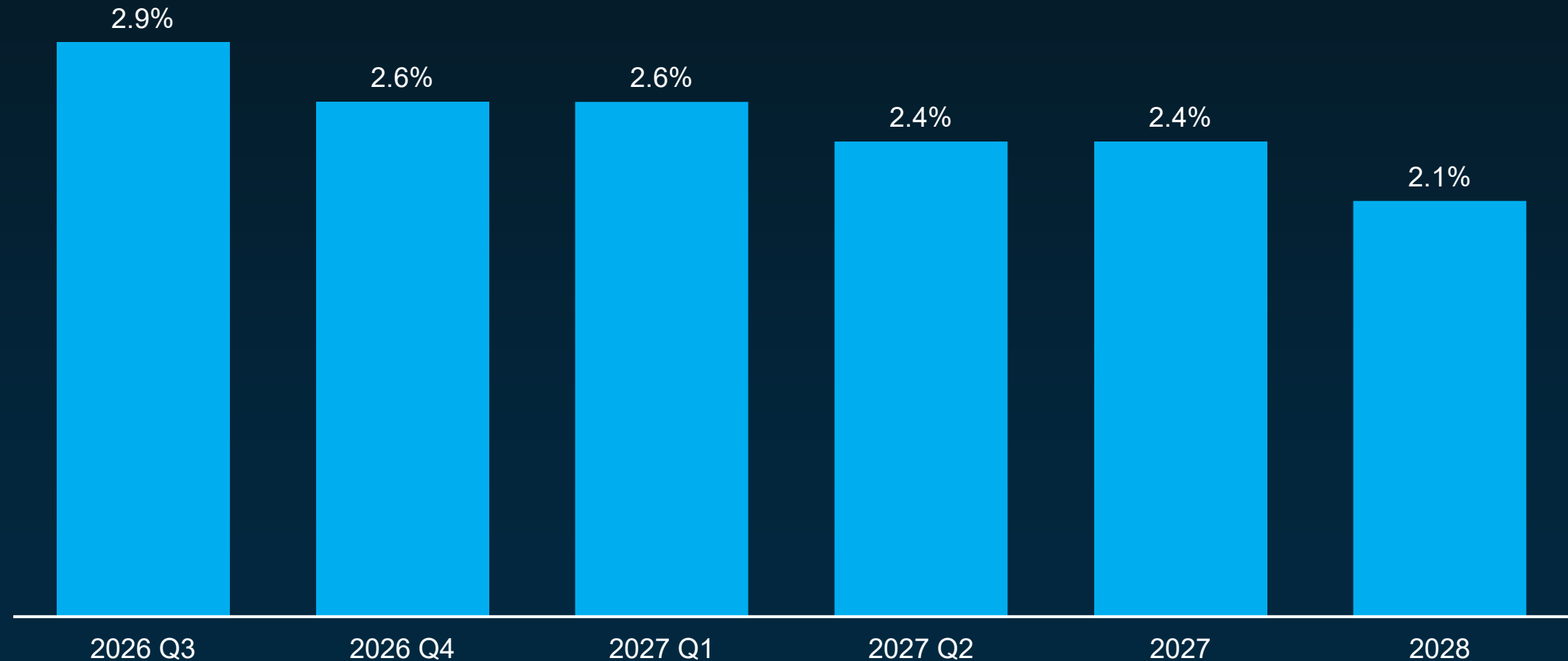
Inflation's Been Trending in the Wrong Direction

Core Personal Consumption Expenditures (PCE) Price Index
(Percent Change Year-Over-Year, Seasonally Adjusted)



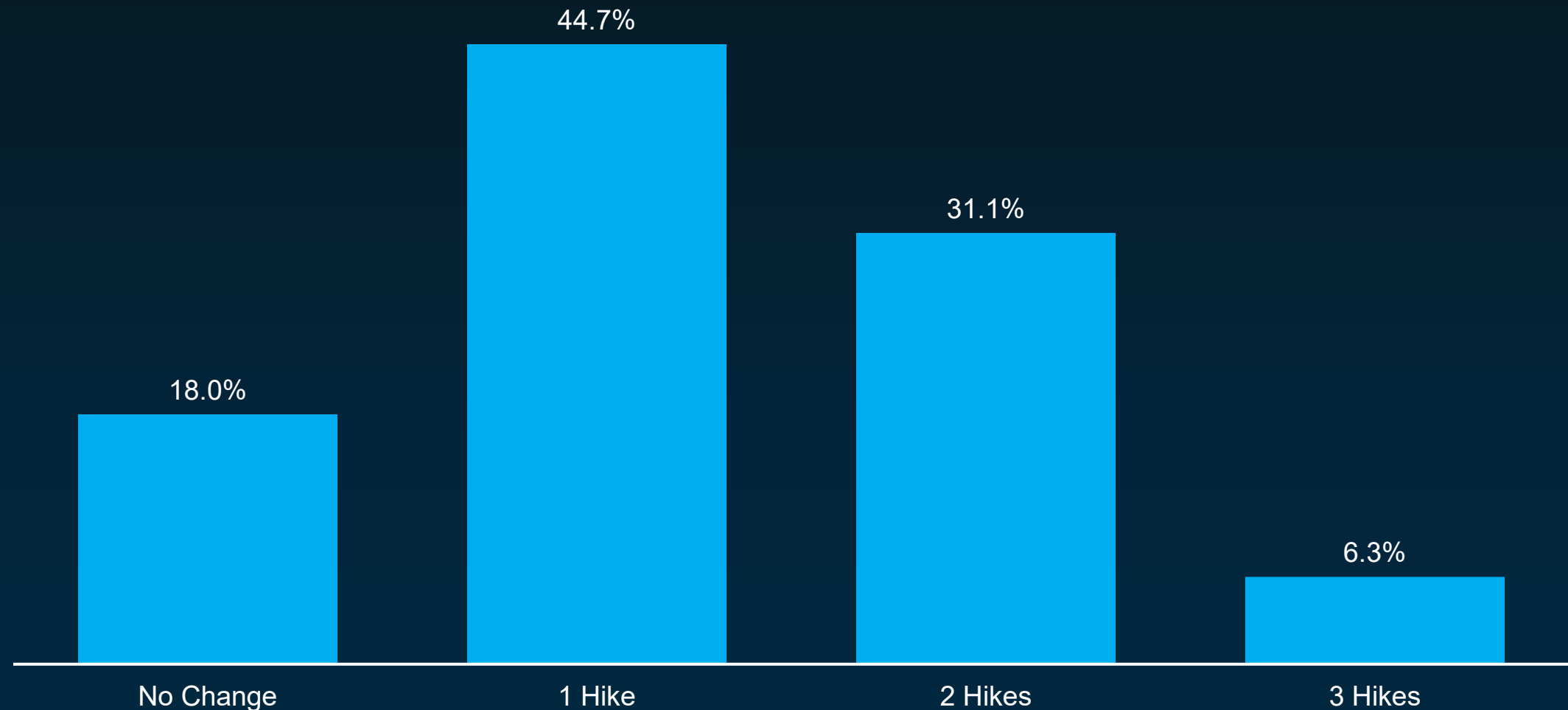
Experts Forecast Inflation To Stay Elevated

Consensus Core PCE Forecast

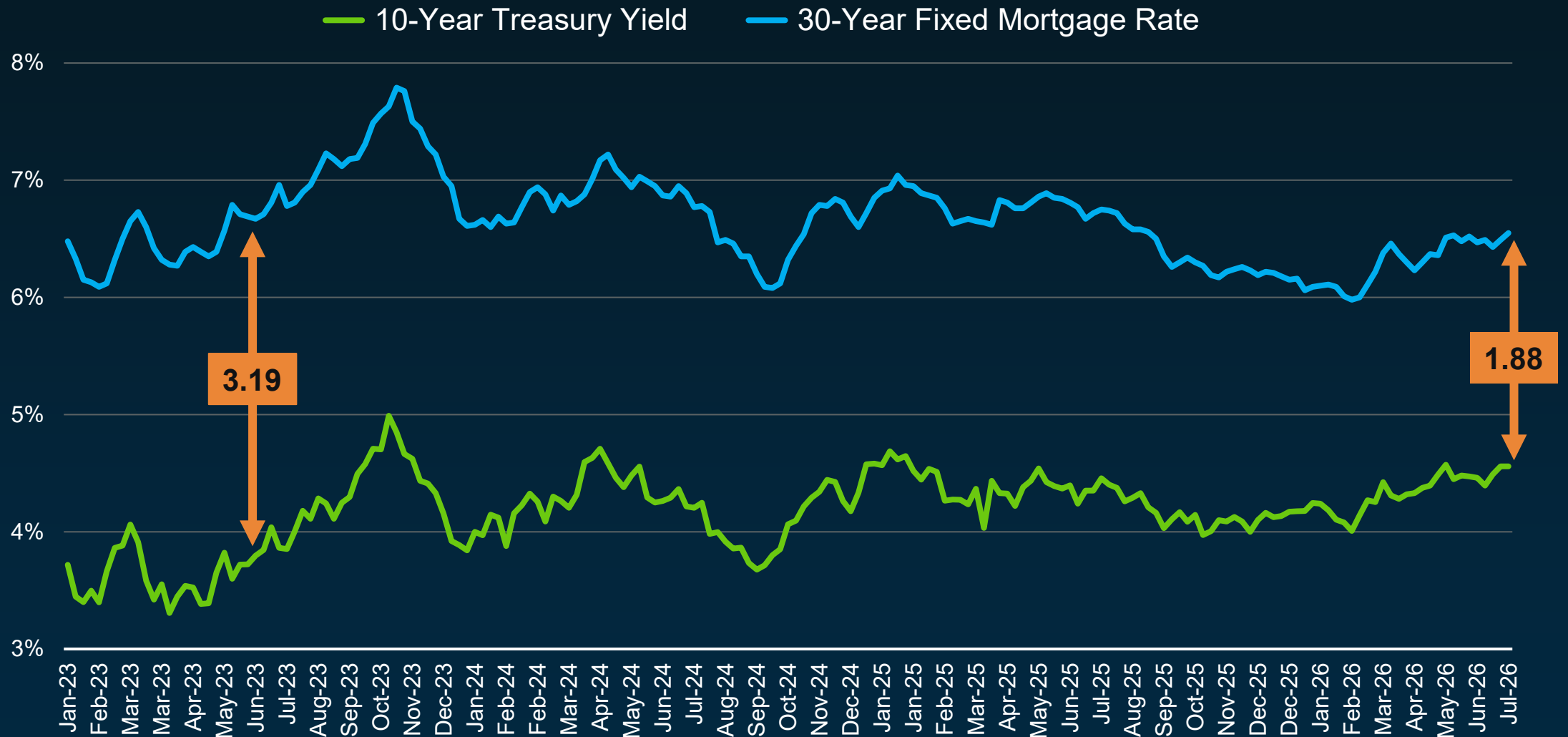


Expect the Fed To Raise the Fed Funds Rate This Year

Federal Funds Rate Probabilities by the End of 2026 (as of 7/30)



The Spread Has Narrowed Over the Past Few Years

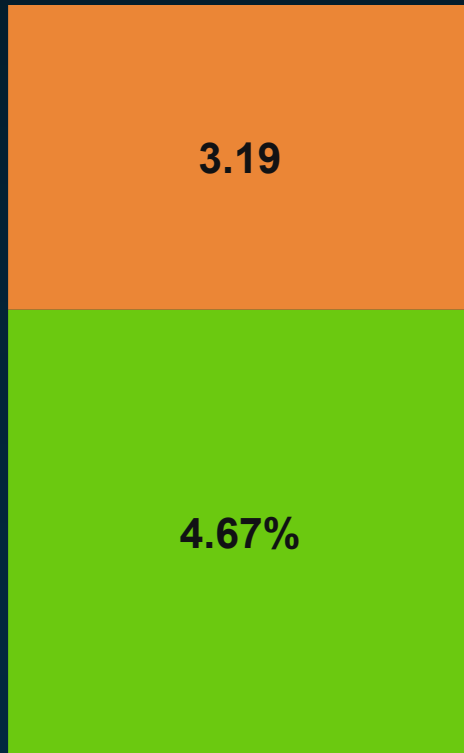


Why Aren't Rates Likely To Go Much Lower?

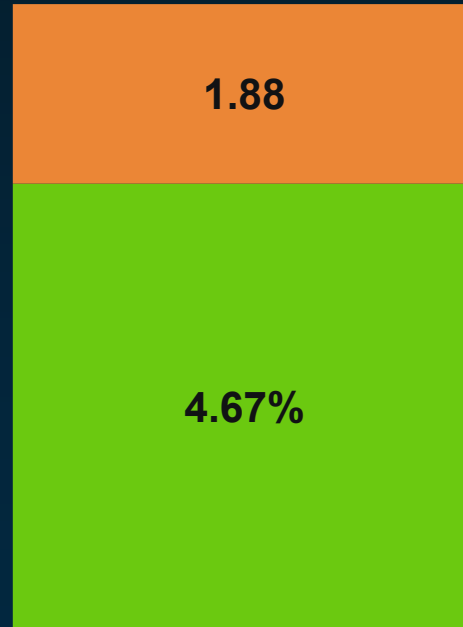
The Spread Is Almost Back to Normal

■ 10-Year Treasury Yield ■ Spread (Difference Between the Mortgage Rate and the 10-Year Yield)

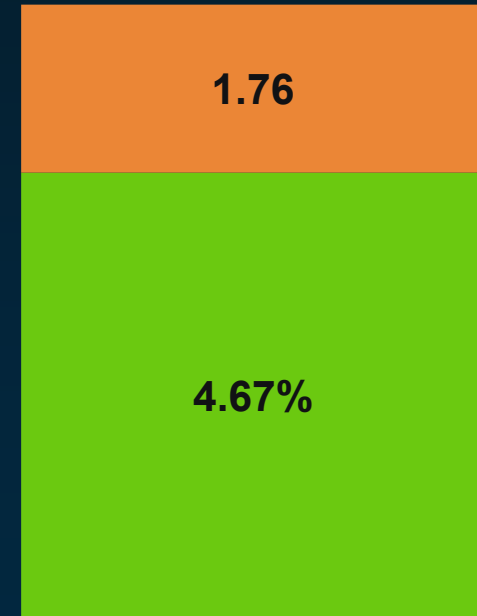
Mortgage Rate: 7.86%



Mortgage Rate: 6.55%



Mortgage Rate: 6.43%



Today if Mid-2023 Spread

Today

Today if Average Spread

What Would It Take To Get To 5%?

Spoiler: It's Very Unlikely

- Spread (Difference Between the Mortgage Rate and the 10-Year Yield)
- 10-Year Treasury Yield

Mortgage Rate: 5%



Figurative Scenario To Get to 5%

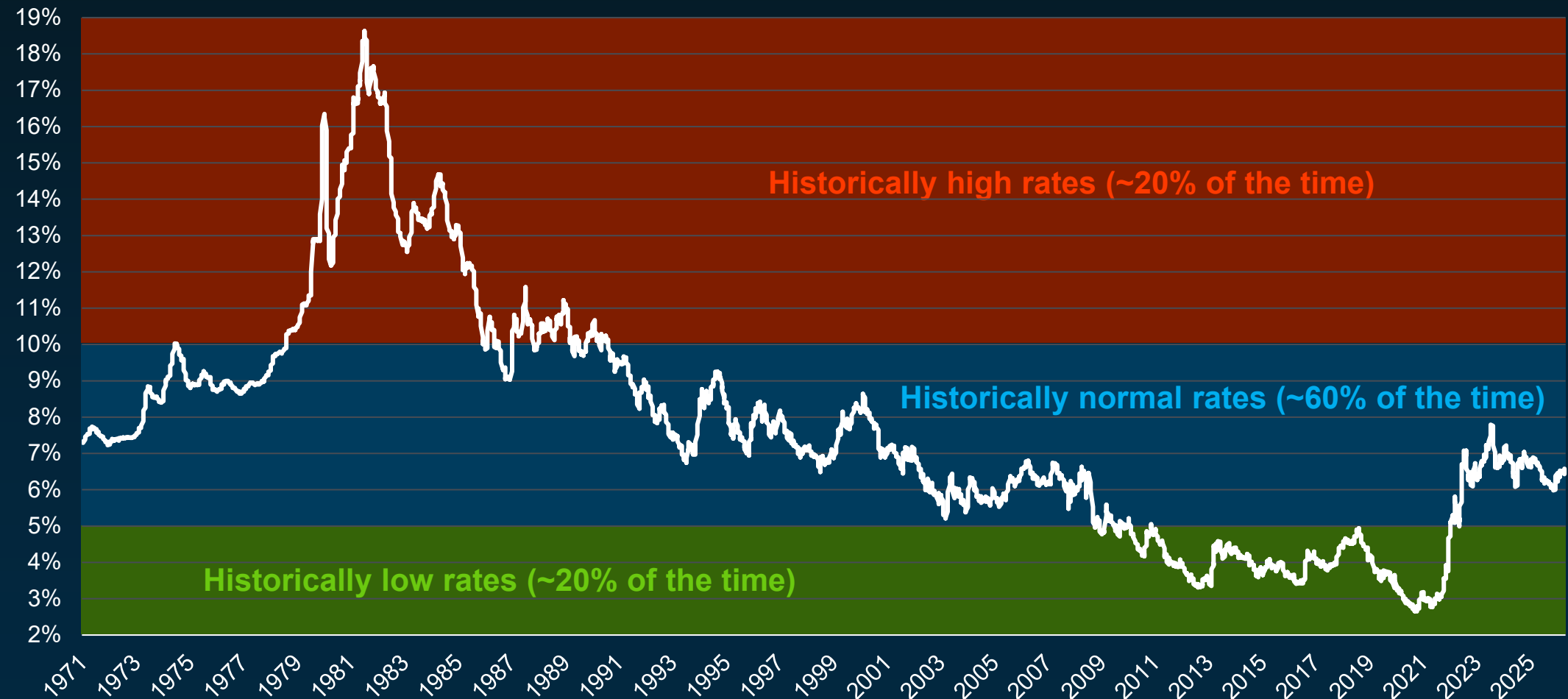
Since 1971, the spread between the 30-year fixed mortgage rate and the 10-Year Treasury Yield has been **1.5 or less only 31% of the time.**

Over that same time, the 10-Year Treasury has been **3.5% or lower for only 24% of the time.**

That means historically, the odds of the **spread being 1.5 or lower AND the 10-Year Treasury Yield being 3.5% or lower** are about **7%.**

Rates Are Rarely Below 5%... Much Less 2% or 3%

Weekly 30-Year Fixed Mortgage Rate



So, What Can Buyers Do?

1. Explore lower rates with newly built homes.
2. Ask for seller concessions.
3. Consider an ARM.
4. Look into rate buydowns.

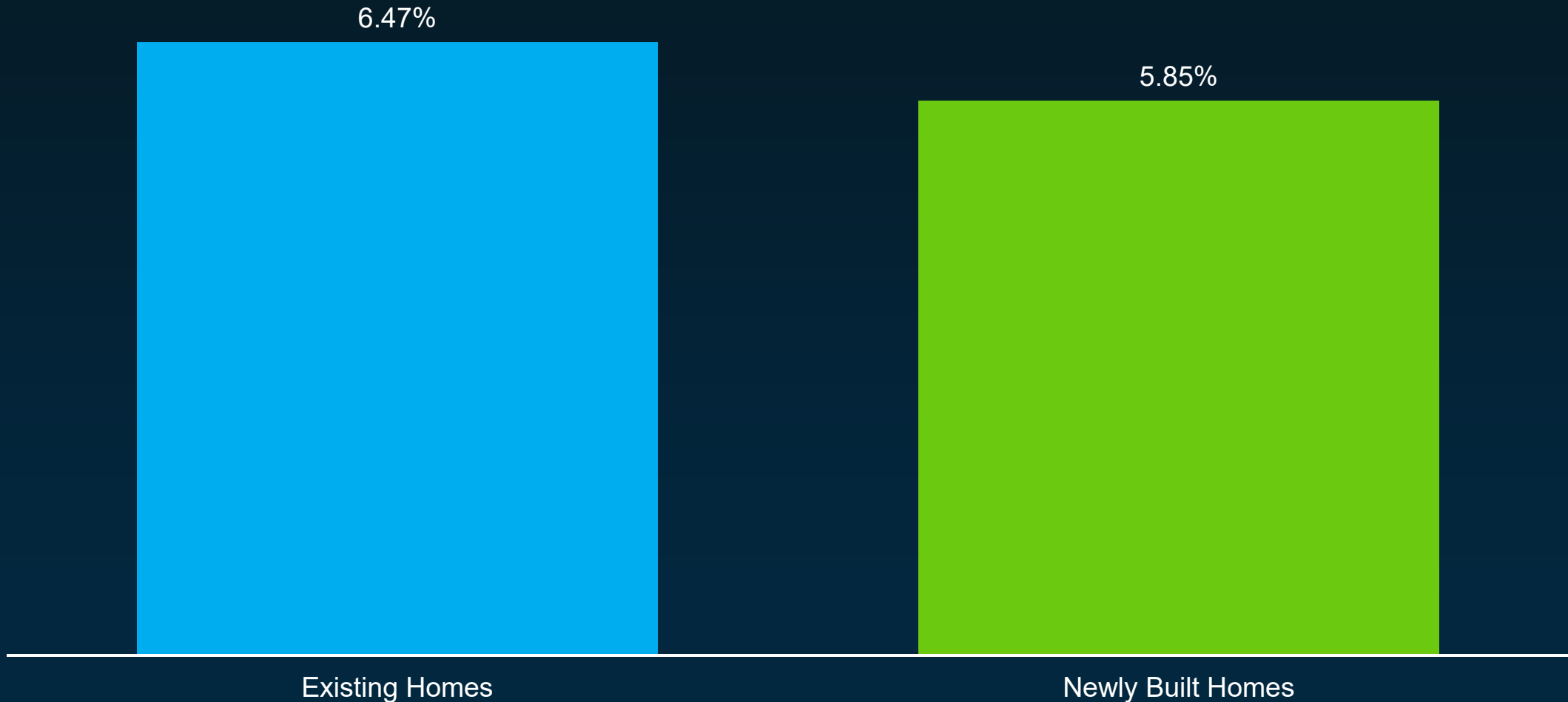


New builds on the market saw price reductions at a higher rate than existing homes for a second quarter, reflecting demand weakness and active price management by builders to account for it.

Realtor.com

Buyers of Newly Built Homes Pay a Lower Rate

Average Mortgage Rate by Home Type



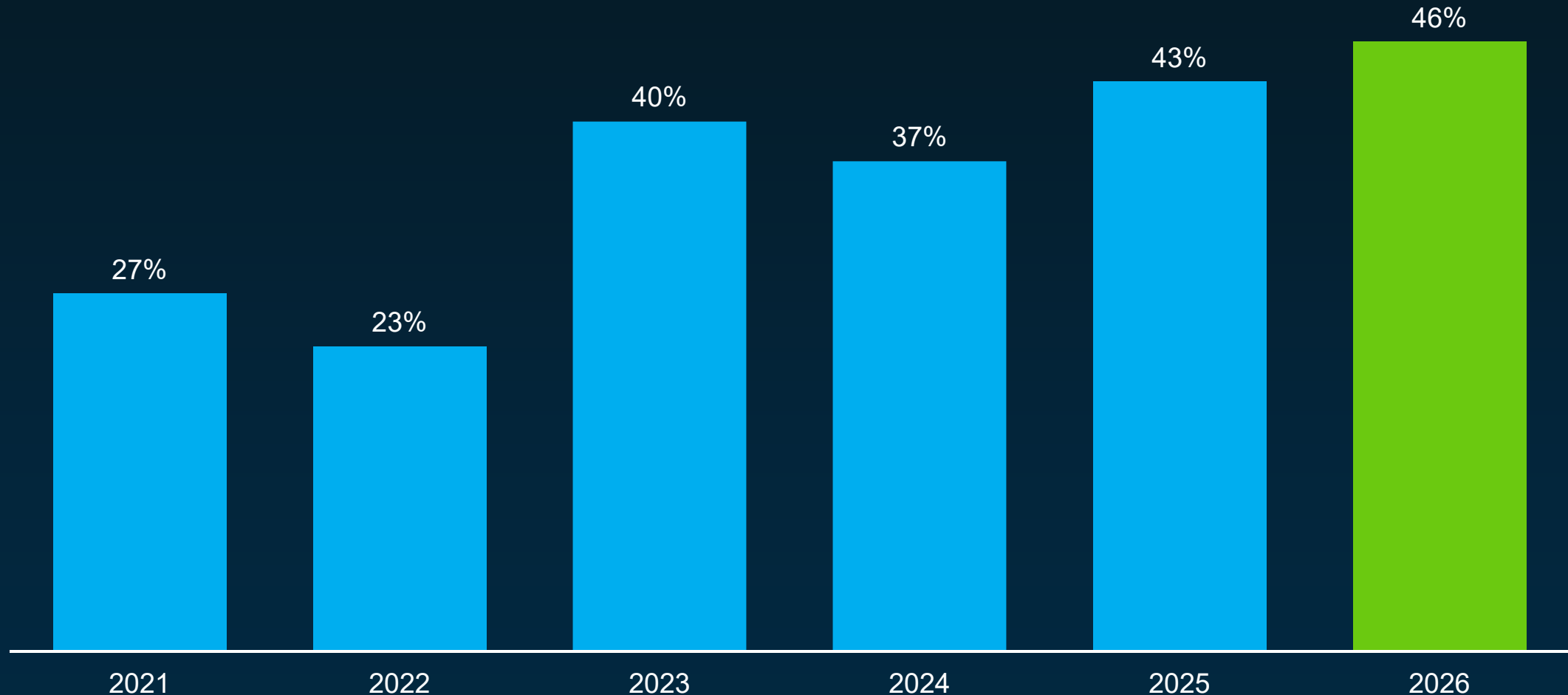


Nearly half of U.S. home sellers gave concessions to buyers in May, the highest May share in our records. . .

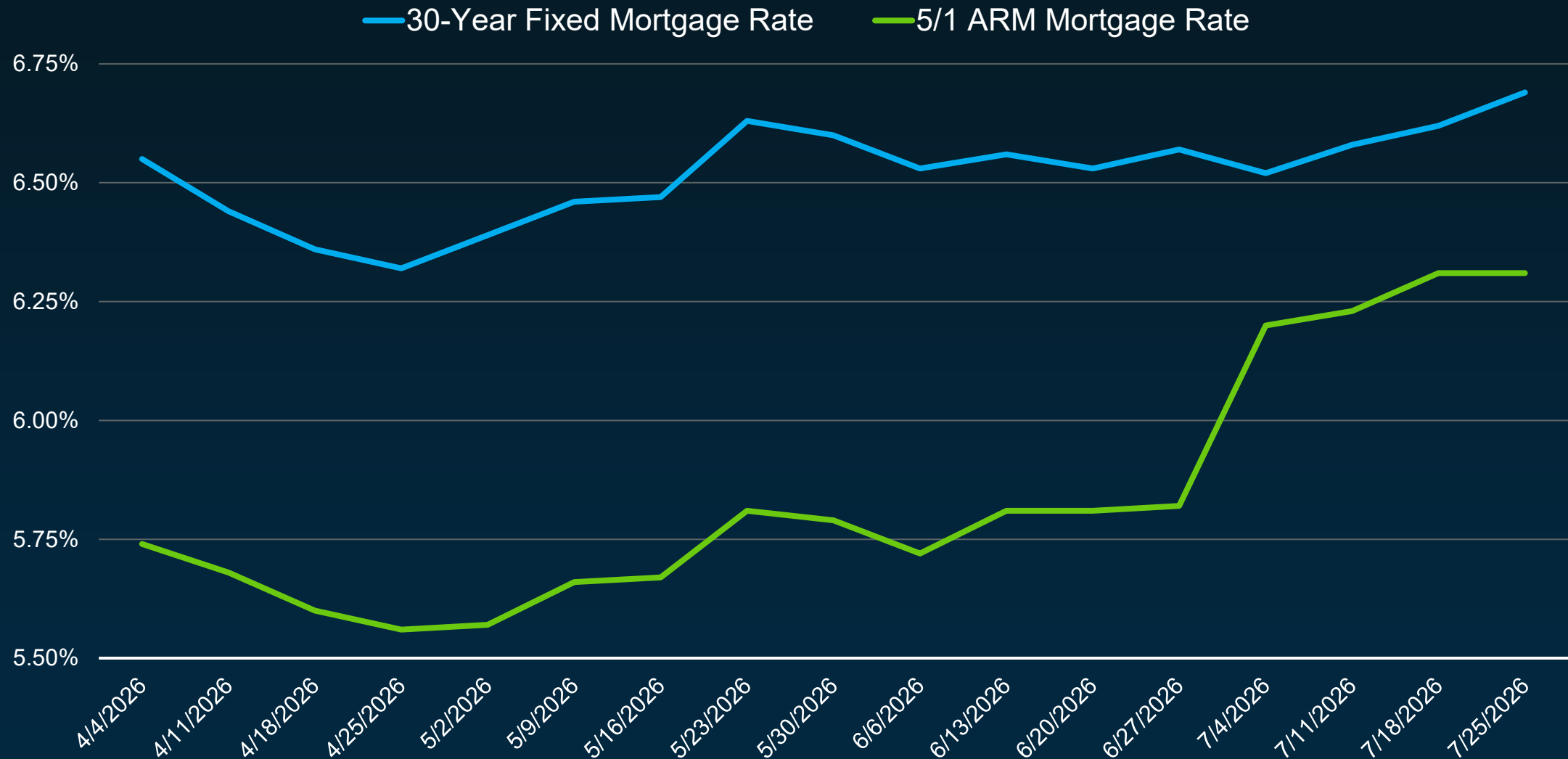
16% of May's home sales had both a concession and a price drop, also the highest May share on record.

Nearly Half of Sellers Gave Concessions

Share of Sales in Which the Seller Gave a Concession to the Buyer, May of Each Year



ARMs Offer a Lower Initial Mortgage Rate





Big Investors Are Pulling Back and First-Time Homebuyers Can Step In

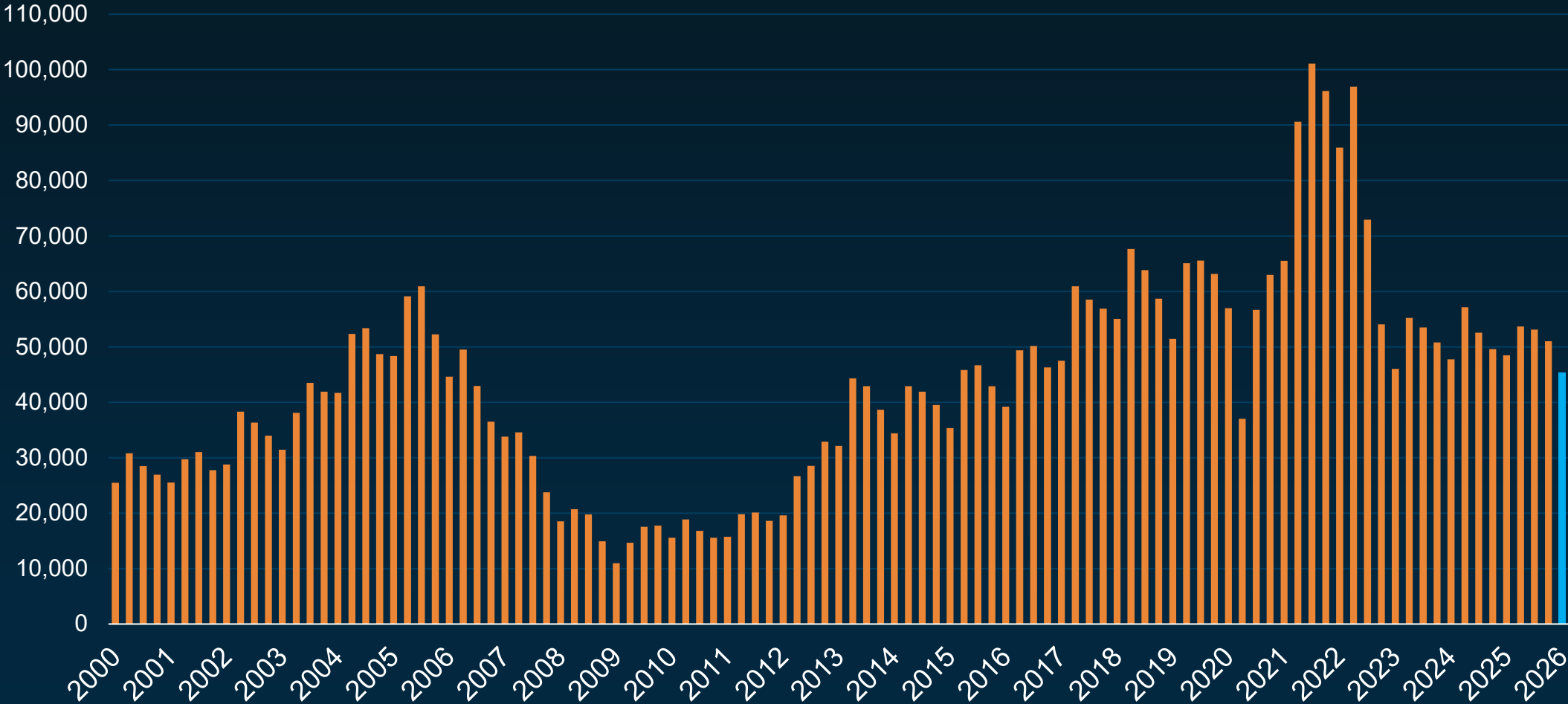
Shambreskis and Howard, DeLex Realty



U.S. investor home purchases fell 6% year over year in the first quarter to their lowest level since 2020, when the start of the pandemic ground homebuying to a halt. Prior to 2020, **the last time investors bought so few homes was in 2016.**

Investor Home Purchases Fall To Lowest Level Since 2020

Investor Home Purchases by Quarter





When Washington announced its intention to curb institutional investors' homebuying, the market reacted. Although that ban has not yet taken effect, Cotality data shows that **investment by mega investors who own 1,000 or more properties retracted almost instantly.**

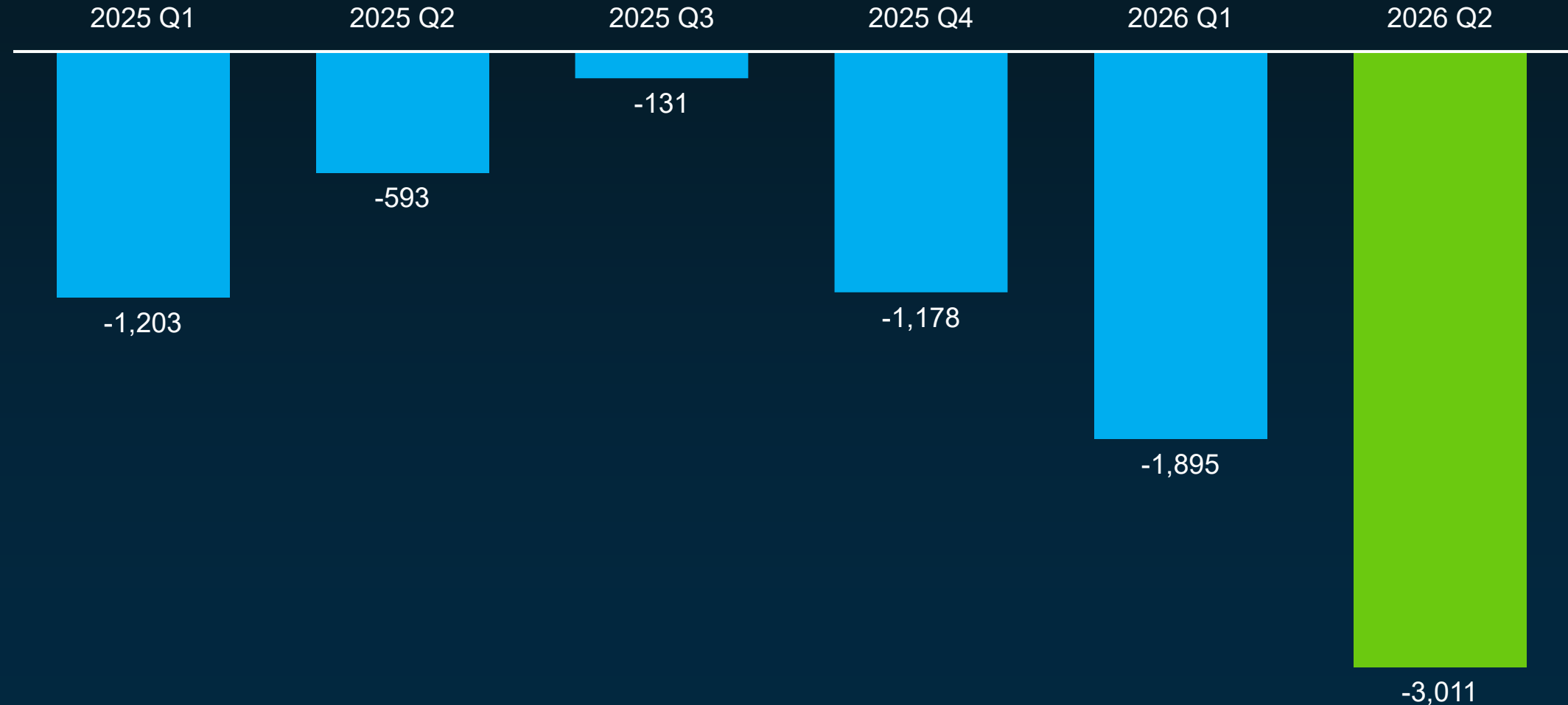


Ever since rates spiked and the Pandemic Housing Boom fizzled out in spring 2022, **institutional single-family rental (SFR) operators have pulled way back from buying up homes on the resale market—the math just isn't as appealing right now.** Home prices and rents are no longer ripping, holding costs (property taxes and insurance) have jumped, capital markets have shifted their attention elsewhere, and elevated materials prices make renovations expensive.

Lance Lambert
CEO, ResiClub

Institutional Investors Are Selling More Than Buying

Aggregated Net Shift in the 8 Major Institutional Landlord Portfolios





... this sudden dropoff in institutional investment is a signal to first-time homebuyers that there's an opening.

Thom Malone
Principal Economist, Cotality

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

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

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



**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



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Average Price per Sq Ft for Sold Northeast Valley Single Family Homes

Closed Residential Listings - Average Price Per Square Foot

Northeast Valley Single Family Homes



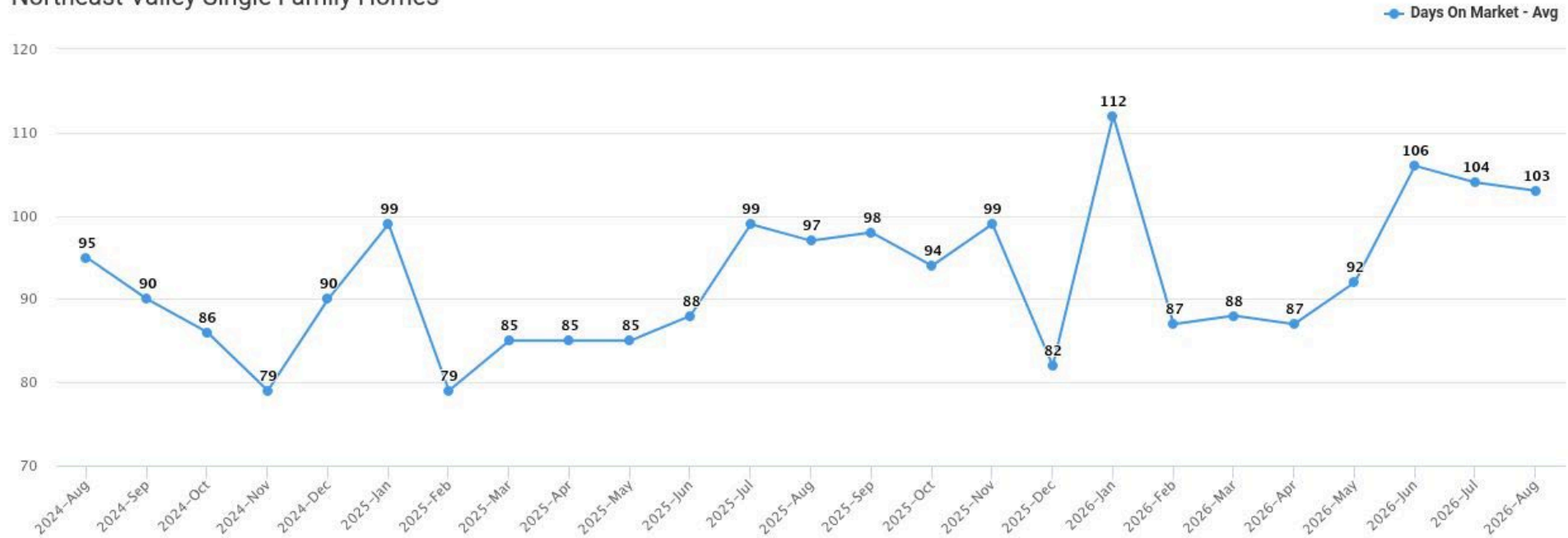
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(480) 229-6468

Source: ARMLS

Average Days on Market for Sold Northeast Valley Single Family Homes

Closed Residential Listings - Average Days On Market

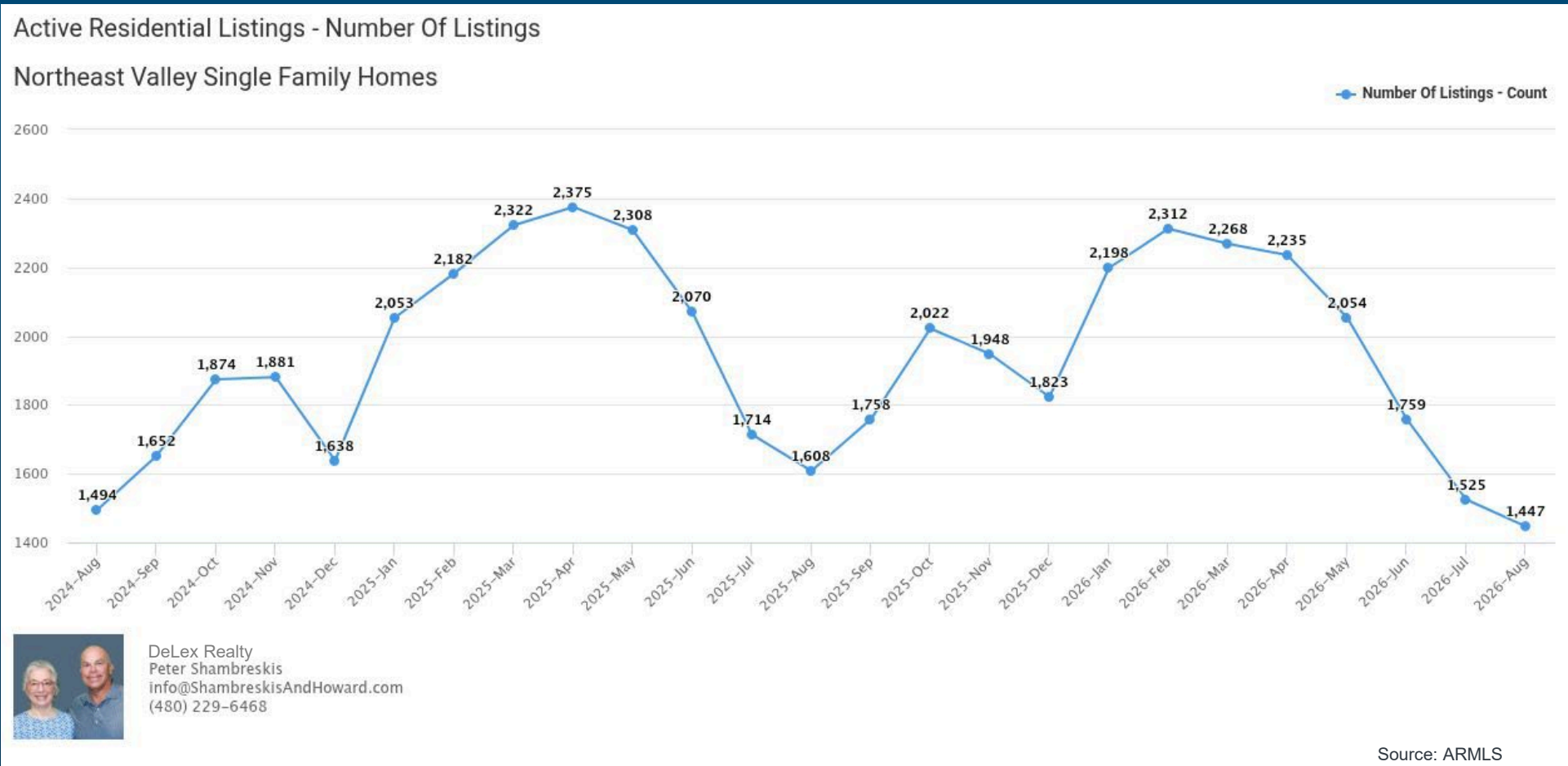
Northeast Valley Single Family Homes



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Source: ARMLS

Number of Active Listings for Northeast Valley Single Family Homes



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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