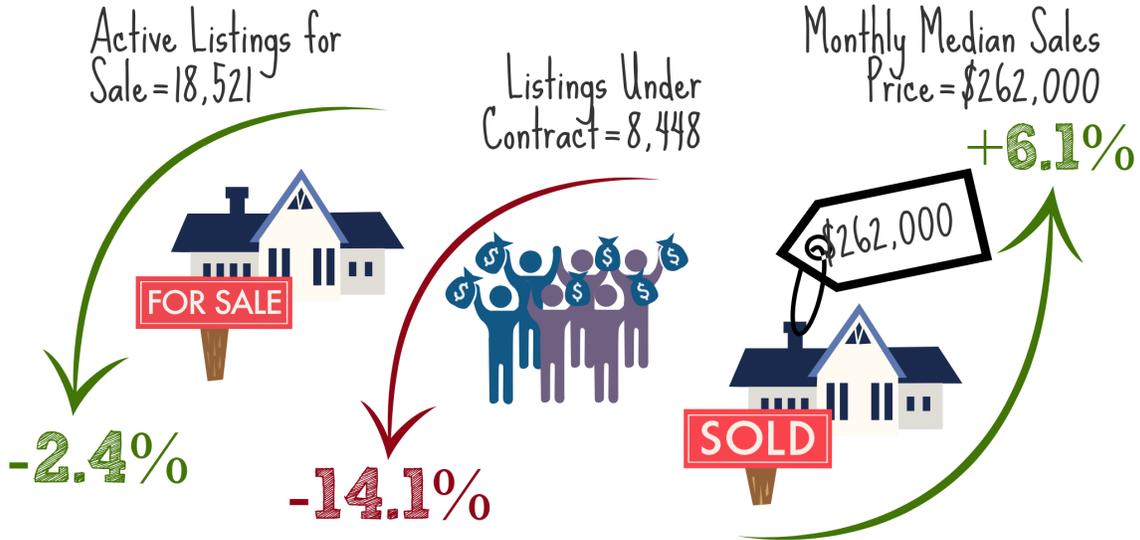


PHOENIX METRO

RESIDENTIAL REAL ESTATE

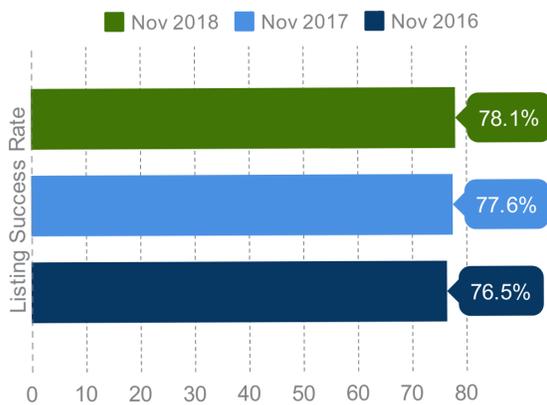
Annual Changes from November 9th, 2017 to November 9th, 2018



CLOSED SALES
 Total Monthly Sales = 7,256



LISTING SUCCESS RATE



Of the Listings that came off of Active or Pending Status, 78.1% successfully closed escrow while 21.9% 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 3.1 months.

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

New Listings Up 18% in October between \$250K-\$400K

The 4th Quarter is Seasonally the Best Time to be a Buyer

For Buyers:

Seasonally the 4th Quarter is the best time to be a buyer and this year is no exception. Typically buyer contract activity is at its strongest from March through May and weakest between November and January. Buyers who were out-bid by competing offers last Spring will have a different experience now. October saw 18% more new listings hit the market between \$250K-\$400K compared to last October while buyer contracts are about the same within the same price range. There was only a 1% increase in new listings in the lower price range between \$200K-\$250K but a 12% drop in buyer contracts which caused overall supply to rise another 11%. The market is still a seller's market, but more seller competition for fewer buyers translates into more price reductions and seller concessions until the Spring "Buyer Season" is upon us once again.

For Sellers:

The market may be softening between \$200K-\$400K (which accounts for over 56% of MLS sales), but that doesn't mean sellers are getting a raw deal. Monthly average sale prices per square foot in this price range have appreciated 5% since October last year and nearly 19% in last 5 years. Under \$200K, the appreciation rate is 9.5% in the past year and 44% in 5 years. \$400K-\$800K has appreciated 6% in the last year and 14% in 5 years and the annual average sale price per square foot* over \$800K has appreciated 3% in the last year and 10.5% in 5 years. What's happening underneath that contract price, however, is an increased cost to sell at "top dollar". That cost can take the shape of longer days on market with multiple price reductions, repairs, needed upgrades to the home prior to list and closing cost assistance.

*Annual averages are used in the higher price ranges to mitigate the sharp price fluctuations that affect this market.

Commentary written by Tina Tamboer, Senior Housing Analyst with The Cromford Report

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