

August 3 - Market Summary for the Beginning of August

Starting with the basic ARMLS numbers for August 1, 2018 and comparing them with August 1, 2017 for **all areas & types**:

- Active Listings (excluding UCB): 15,686 versus 17,412 last year - down 9.9% - and down 2.6% from 16,101 last month
- Active Listings (including UCB): 19,415 versus 21,484 last year - down 9.6% - and down 5.1% compared with 20,464 last month
- Pending Listings: 5,655 versus 6,085 last year - down 7.1% - and down 7.2% from 6,092 last month
- Under Contract Listings (including Pending, CCBS & UCB): 9,384 versus 10,157 last year - down 7.6% - and down 10.2% from 10,455 last month
- Monthly Sales: 8,533 versus 8,024 last year - up 6.3% - but down 7.5% from 9,229 last month
- Monthly Average Sales Price per Sq. Ft.: \$160.69 versus \$148.75 last year - up 8.0% - but down 1.7% from \$163.54 last month
- Monthly Median Sales Price: \$265,000 versus \$242,000 last year - up 9.5% - but down 1.1% from \$268,000 last month

The supply of active listings without a contract dropped 2.6% during the month of July, while total active listings fell by 5.1%. The fall in supply was greatest at the top end of the market, and homes with active listings over \$600,000 fell by 9.5%.

The sales count for July 2018 looks very strong, up 6.3% from last year, but this is mostly due to July 2018 having 21 working days, a 5% advantage over July 2017. After adjusting for this, we still see a 1.3% advantage for July 2018, an improvement over the flat result from a similar analysis last month. Above \$300,000, sales were 27% higher than a year ago reflecting much stronger activity at the mid and high end of the market. Only the very top, over \$3 million, had a weak month in July. Below \$300,000, sales were down 5%, largely due to insufficient supply of homes under \$200,000.

The strong sales number halted the decline in the annual sales rate and took it slightly higher again.

Pricing was noticeably weaker in July, but followers of the Cromford Report, know to expect this in July every year. It does not reflect any weakness in price pressure, and is merely a seasonal effect.

Progress Residential continue to add to their rental portfolio by buying 46 homes in Maricopa County while Cerberus eased up and only acquired 9.

iBuyers purchased a total of 384 homes in Maricopa County during July 2018, down only slightly from their June total of 392. Closed sales were identical for both June and July at 311. For Maricopa County, Opendoor had a 72% share of iBuyer purchases while OfferPad had 20% and Signpost (Zillow) 8%. Signpost has now sold 5 of the 47 homes they have purchased. Signpost has yet to enter the Pinal County iBuyer market where OfferPad is the largest player.

The balance between supply and demand still favors sellers almost everywhere. However there was a major swing in favor of sellers in the Northeast Valley during July. The rest of the valley saw a mild movement in favor of buyers, mainly thanks to a slight easing of demand, but this was nowhere near enough to wipe out the sellers' big advantage, one they have enjoyed since 2014. It will take a strong increase in supply to rebalance the market and in July new listing counts were slightly weaker than expected, so there is no sign as yet of any serious change in favor of buyers.

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