

December 3 - Market Summary for the Beginning of December

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

- Active Listings (excluding UCB): 18,563 versus 18,422 last year - up 0.8% - and up 3.4% from 17,953 last month
- Active Listings (including UCB): 21,736 versus 22,019 last year - down 1.3% - but up 2.0% compared with 21,311 last month
- Pending Listings: 4,562 versus 5,579 last year - down 18.2% - and down 4.4% from 4,770 last month
- Under Contract Listings (including Pending, CCBS & UCB): 7,735 versus 9,176 last year - down 15.7% - and down 4.8% from 8,128 last month
- Monthly Sales: 6,642 versus 7,202 last year - down 7.8% - and down 9.7% from 7,355 last month
- Monthly Average Sales Price per Sq. Ft.: \$166.46 versus \$154.91 last year - up 7.5% - and up 0.6% from \$165.39 last month
- Monthly Median Sales Price: \$260,000 versus \$245,000 last year - up 6.1% - but down 1.1% from \$263,000 last month

The supply of active listings without a contract rose 3.4% during the month of November, while total active listings increased by 2.0%. These increases are in contrast to this time last year when we saw decreases of 1.2% and 1.7% respectively. Just like last month, there has been a definite improvement in available supply, although the improvement varies a lot by price range.

The increases in supply are not due to a rise in new listings, because we saw 0.6% fewer new listings during November compared with 2017. The supply is higher because of a significant decline in demand. We can see the drop in demand most clearly from the pending listing count and under contract count, both down dramatically from last year. In October, sales were slightly lower than in 2017, but in November the difference is more striking. A decline of almost 8% has not been seen since August 2014 and represents the arrival of the steep drop in demand that we have been anticipating for a long time. We do not have to apply any adjustment to these sales counts because both November 2017 and November 2018 had 19 working days.

Although demand is down, it remains in excess of the chronically low supply and we are still in a seller's market in almost all markets. However the advantage for sellers is less than it has been for the past two years which means we are seeing more cuts in asking prices and greater willingness to agree to buyer requests during contract negotiations.

The additional supply is stopping the median sales price from rising, but the average price per square foot still has upwards momentum.

The Cromford® Market Index is still falling, but only slowly now, unlike the steep decline in October and November. In the low 130's it represents a mild seller's market and it would have to drop below 110 to represent a roughly balanced market, as last seen in early 2015. While this is always possible, at the moment it does not look very likely in the short term.

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