

February 3 - Market Summary for the Beginning of February

Starting with the basic ARMLS numbers for February 1, 2019 and comparing them with February 1, 2018 for **all areas & types**:

- Active Listings (excluding UCB): 19,040 versus 17,211 last year - up 10.6% - and up 9.8% from 17,339 last month
- Active Listings (including UCB): 22,655 versus 21,209 last year - up 6.8% - and up 13.8% compared with 19,900 last month
- Pending Listings: 5,012 versus 6,041 last year - down 17.0% - but up 34.0% from 3,740 last month
- Under Contract Listings (including Pending, CCBS & UCB): 8,627 versus 10,039 last year - down 14.1% - but up 36.9% from 6,301 last month
- Monthly Sales: 5,467 versus 6,208 last year - down 11.9% - and down 15.5% from 6,471 last month
- Monthly Average Sales Price per Sq. Ft.: \$167.60 versus \$160.84 last year - up 4.2% - and up 1.5% from \$165.15 last month
- Monthly Median Sales Price: \$262,000 versus \$245,000 last year - up 6.9% - and up 0.6% from \$260,500 last month

January is always a slow month for closings and this year it was even slower than normal thanks to the low number of contracts signed during Q4 of 2018. Indeed closings were down almost 12% from January 2018 while active listings excluding UCB were almost 11% higher than at the start of February 2018. This means the market is more favorable for buyers than it was last year, but not enough to achieve balance. The Cromford® Market Index stood at 128.5 at the beginning of February compared with 158.1 at the same point in 2018. We have experienced many years of a seller's market, so a move in this direction can prompt fears of a buyer's market. We are still a long way from that point. This is why sales prices continue to rise. We are seeing a high level of list price cuts, but these are not translating into falls in average closing prices and are unlikely to do so without substantial additional supply.

Demand picked up during the last 2 weeks of January, with listings under contract almost 37% higher than at the start of the year. Last year the same measurement read 32.4%, so this is an encouraging trend for those hoping for a strong spring. There were slightly more new listings added during January so buyers have so fresh choices and with higher FHA loan limits and lower interest rates than during late 2018, there are several good

reasons for demand to pick up. The next few weeks are probably the crucial test and we are keeping a close watch on listings under contract.

Appreciation is slowly moderating so sellers need to be realistic in setting their selling prices. Homes that are in good condition and well presented and priced should have no difficulty in finding a buyer, at least for those priced up to \$1 million. The very high end of the market was rather weak in January and a lot of high end supply was added, so homes over \$3 million will probably require a lot more patience.

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