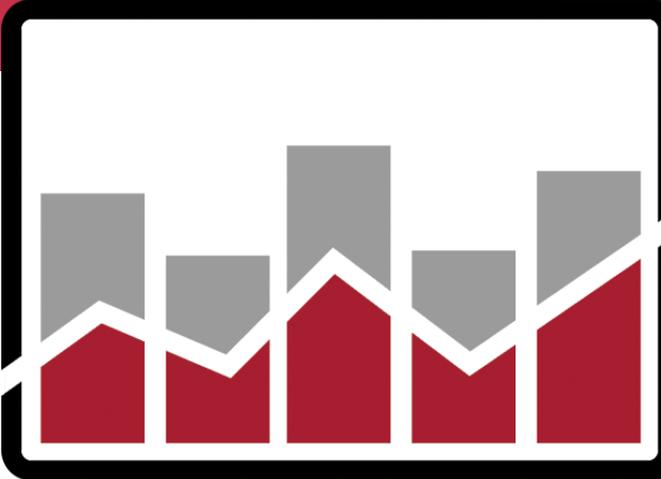


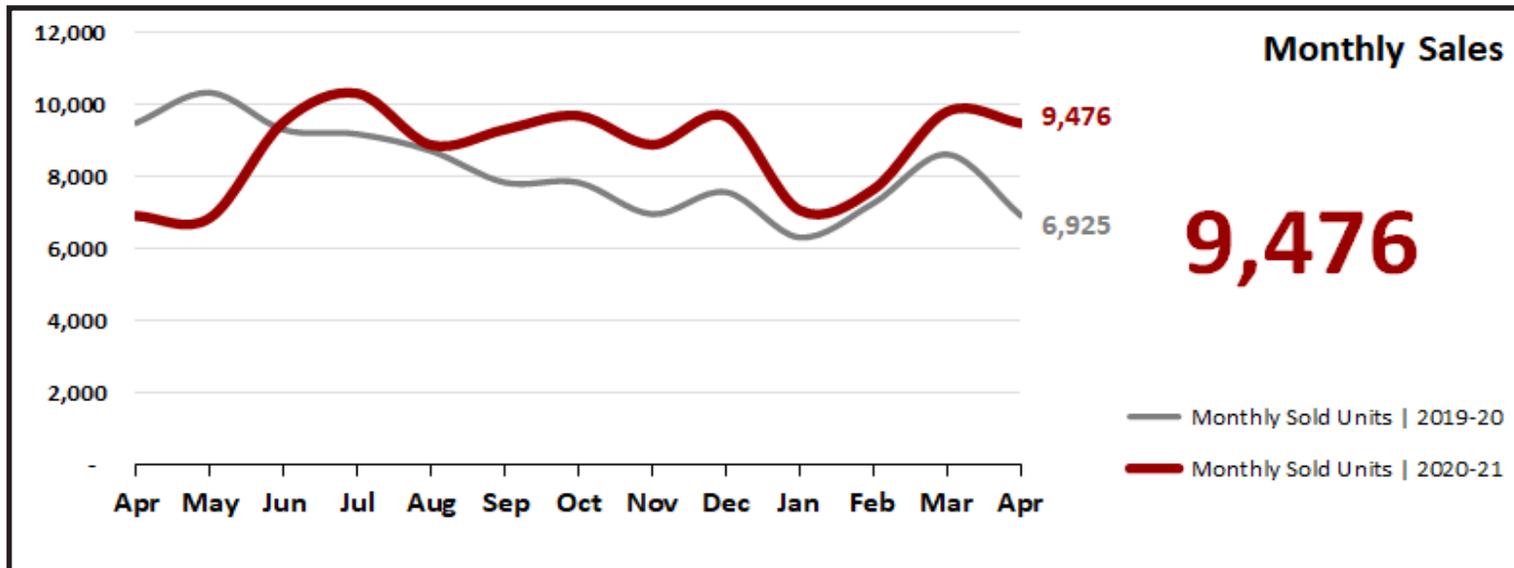
# STAT

Your Monthly Statistics for the **Phoenix Metro** Area



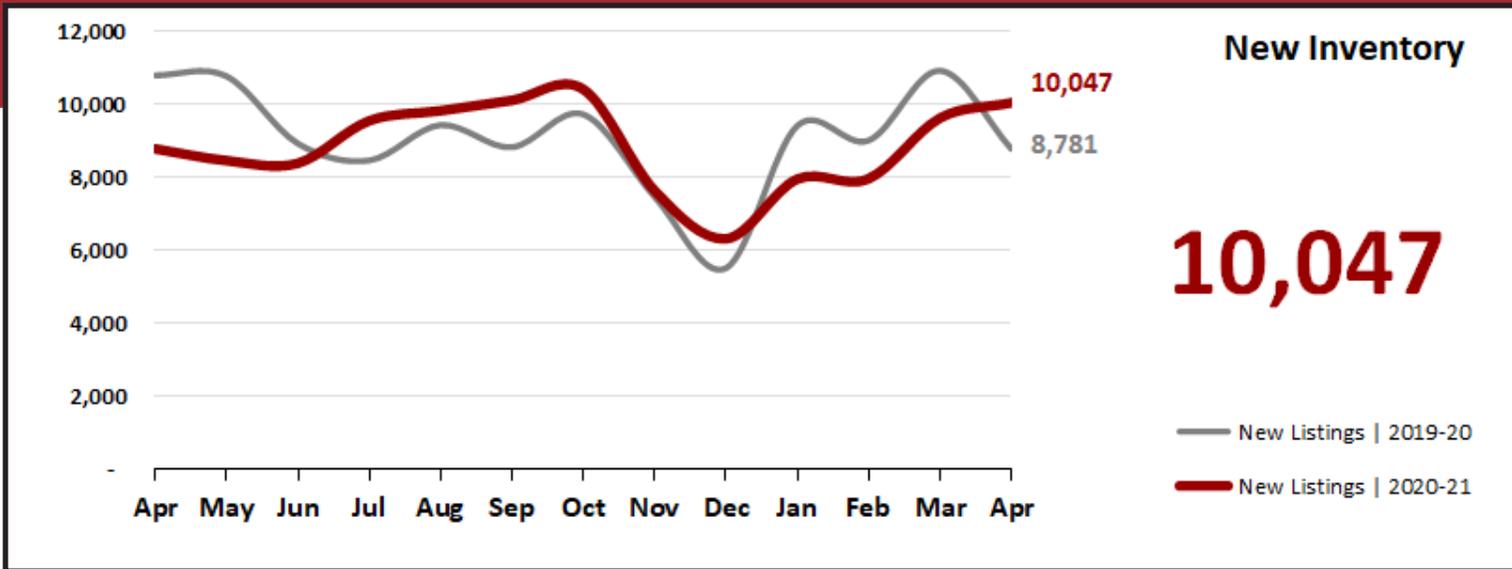
DATA FOR **APRIL 2021**

Published May 20, 2021



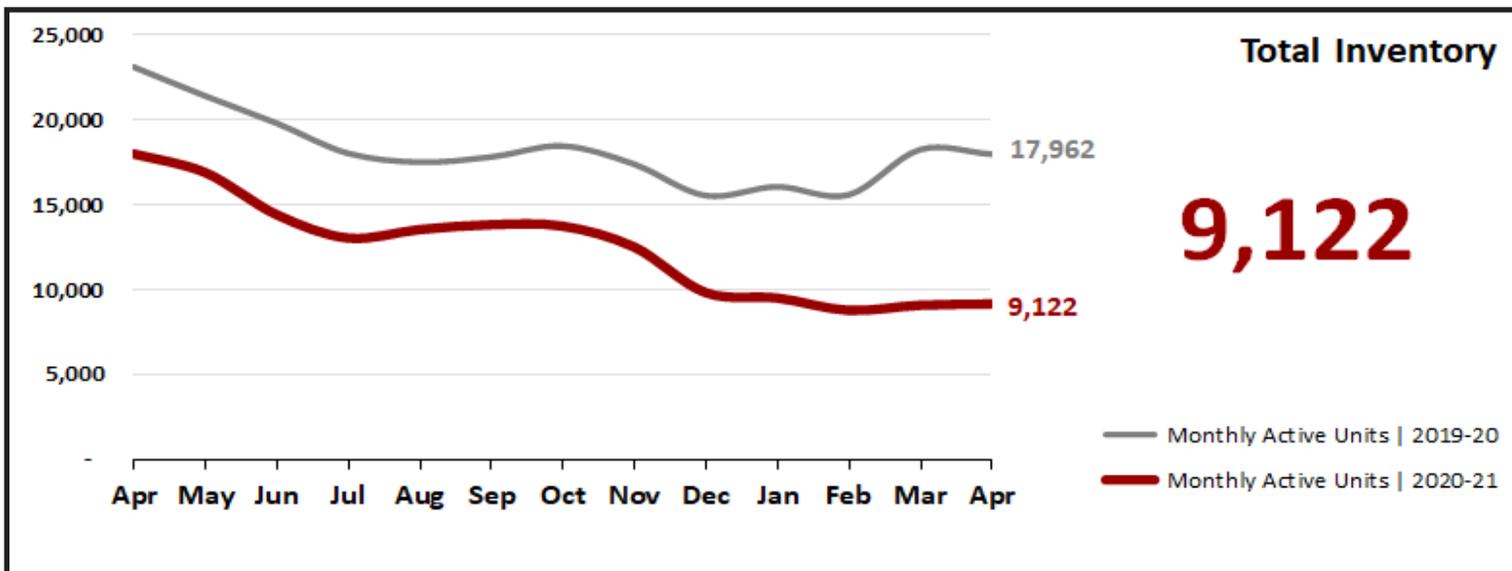
Sales are down **-3.4%** month-over-month. The year-over-year comparison is up **+36.8%**.

Closed MLS sales with a close of escrow date from 4/1/21 to 4/30/21, 0 day DOM sales removed



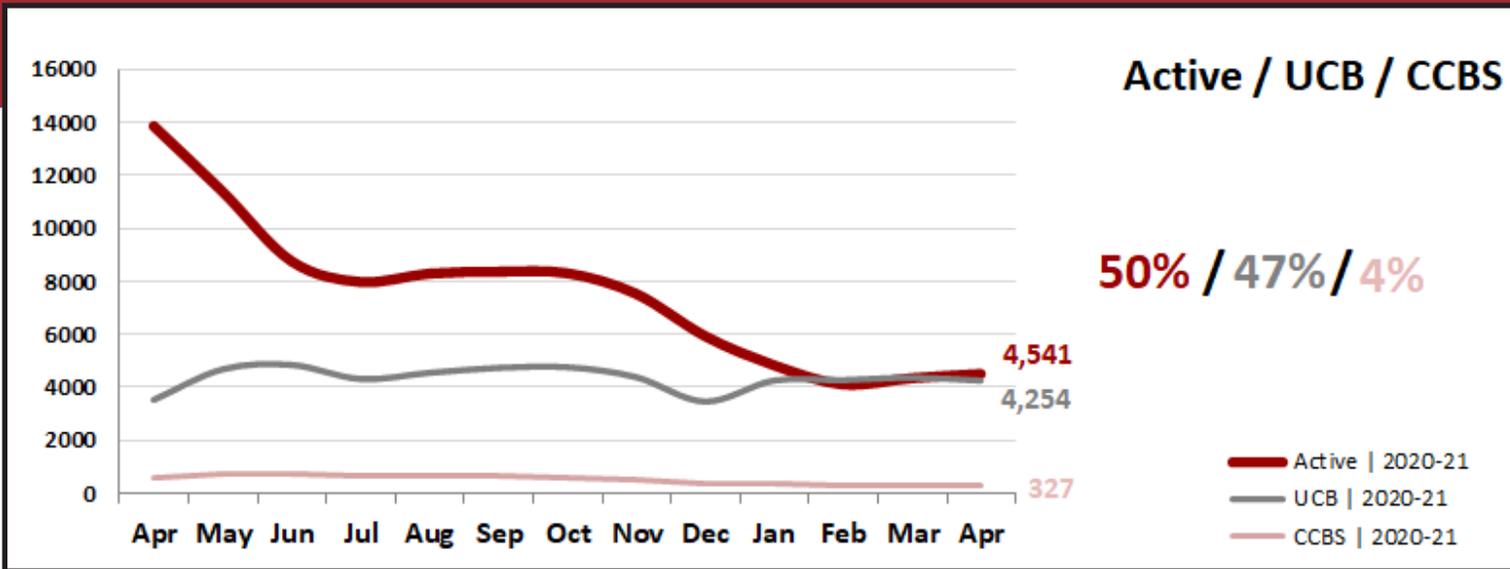
New MLS listings that were active for at least one day from 4/1/21 to 4/30/21, 0 day DOM sales removed

New inventory is up **+4.4%** month-over-month while the year-over-year comparison increased by **+14.4%**.



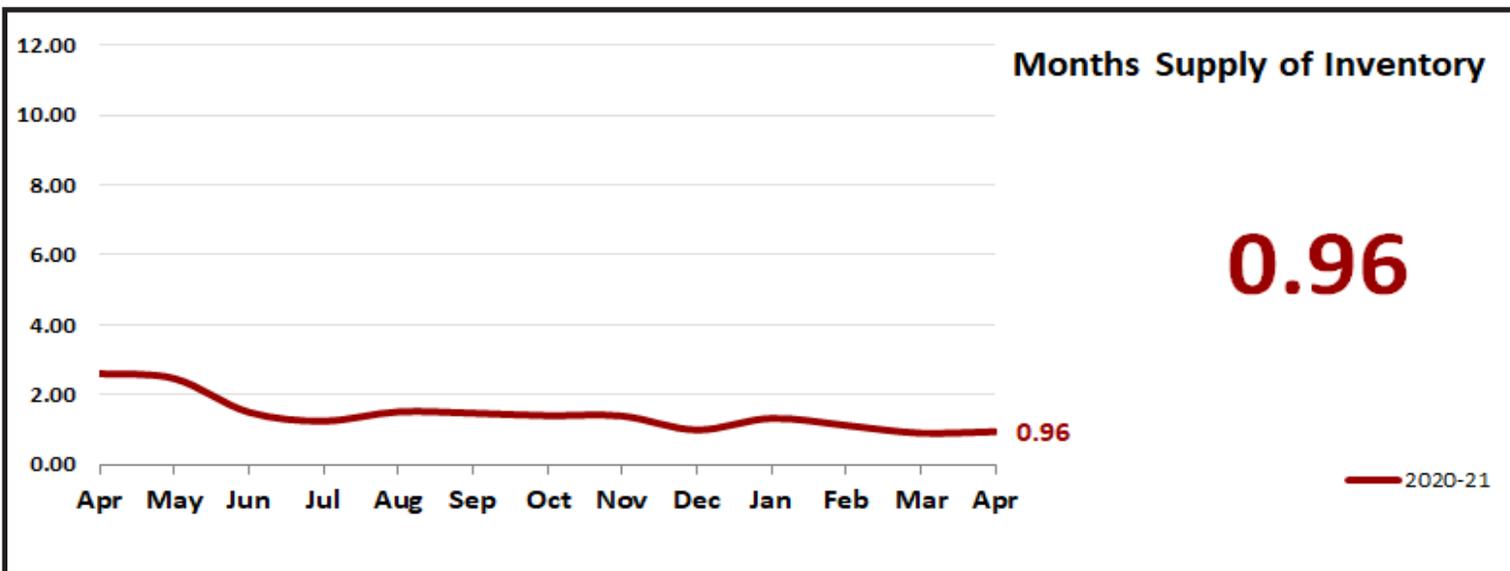
Snapshot of statuses on 4/30/21

Total inventory has a month-over-month increase of **+0.9%** while year-over-year reflects a decrease of **-49.2%**.



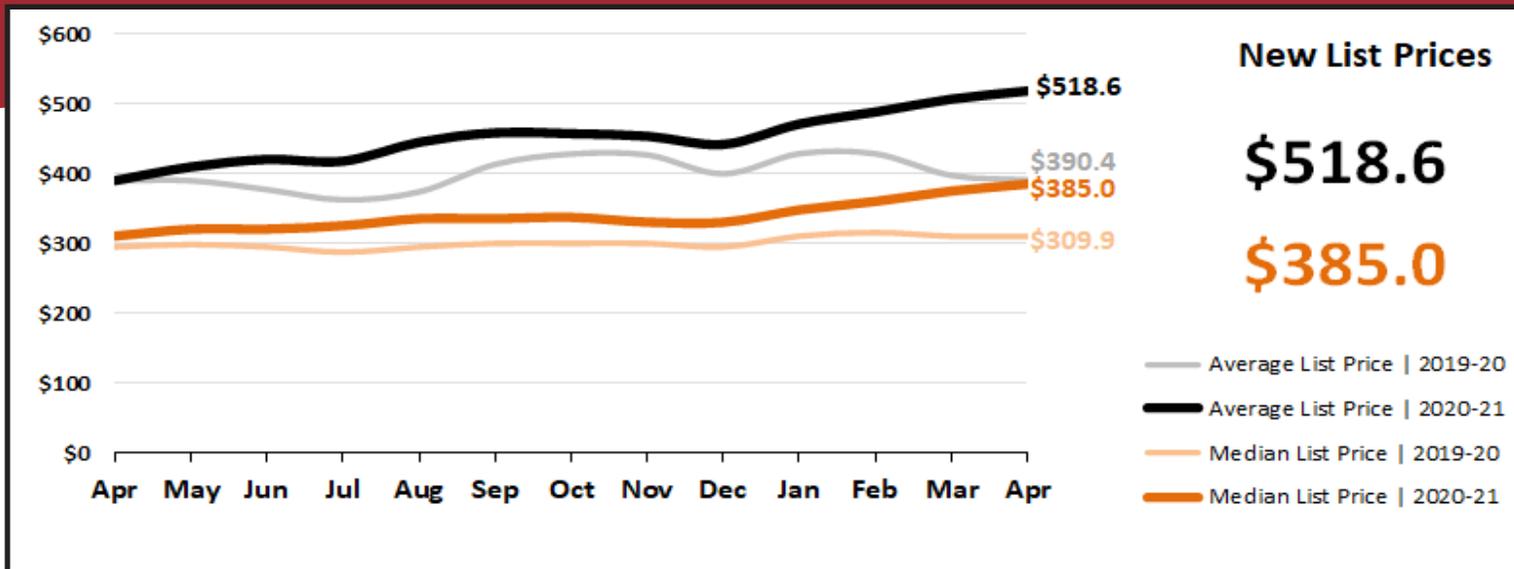
April UCB listings percent of total inventory was **46.6%** with April CCBS listings at **3.6%** of total inventory.

Snapshot of statuses on 4/30/21



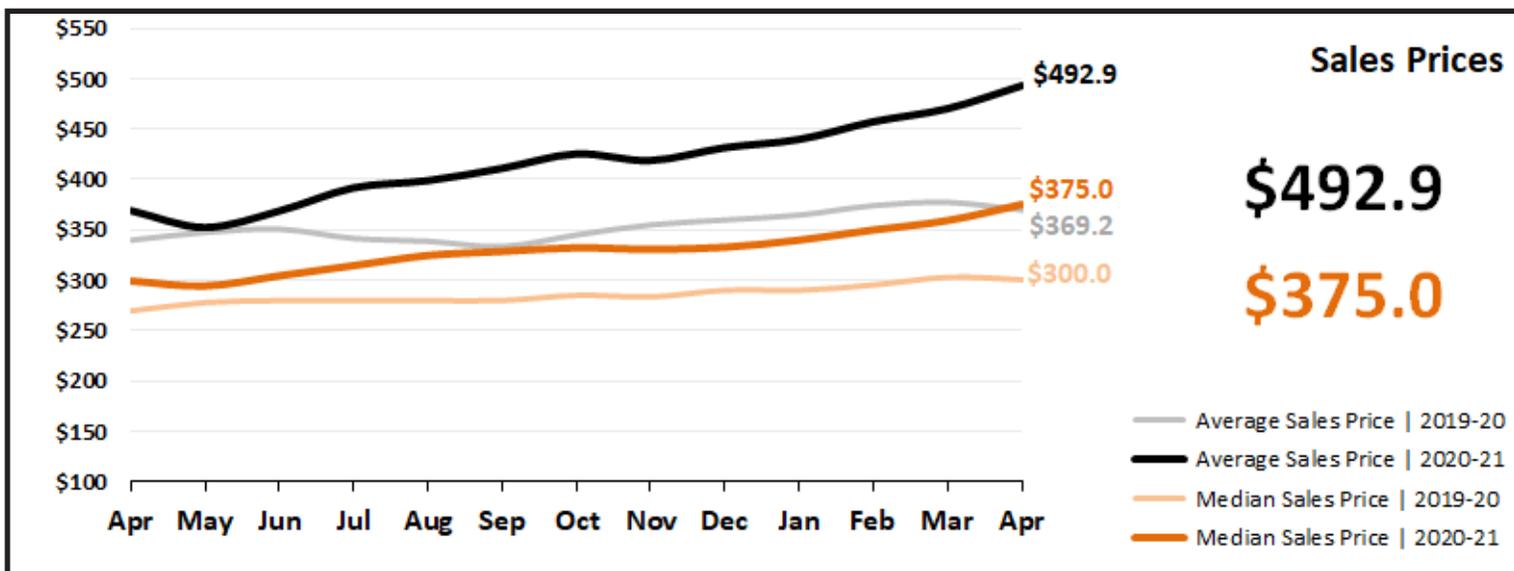
Months supply of inventory for March was **0.92** with April at **0.96**.

Current inventory of Active/UCB/CCBS divided by the monthly sales volume of APRIL 2021, 0 day DOM sales removed



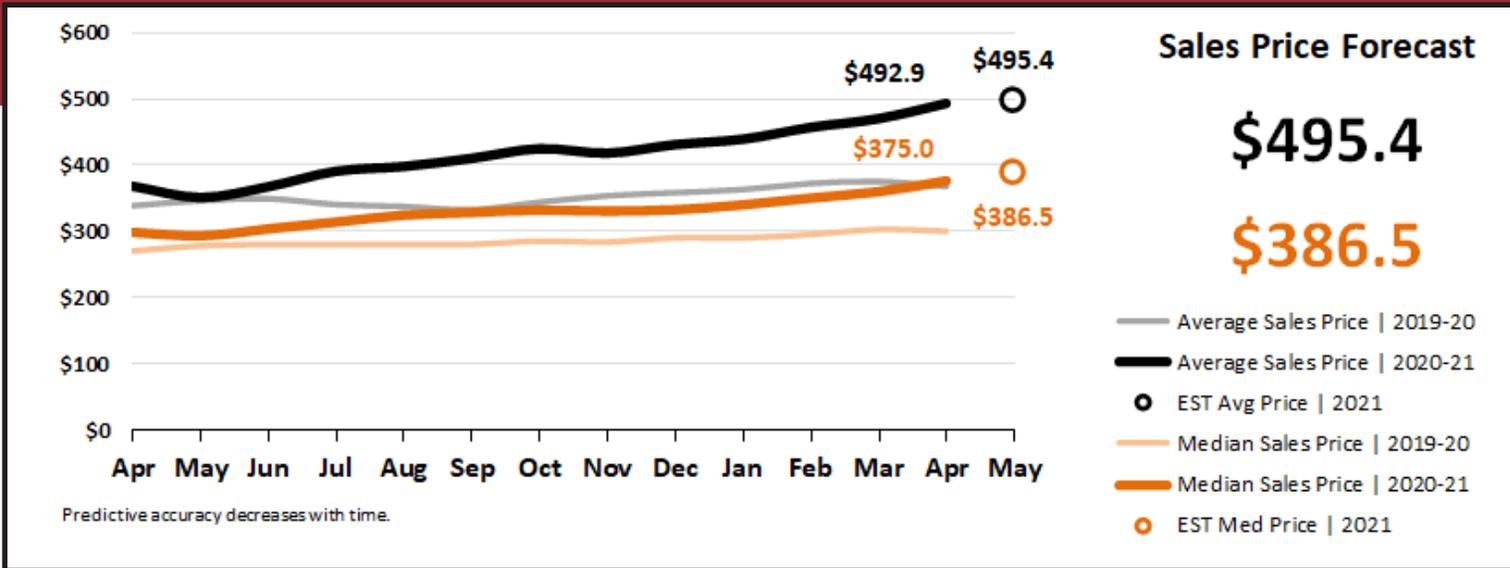
Average new list prices are up **+32.8%** year-over-year. The year-over-year median is up **+24.2%**.

List prices of new listings with list dates from 4/1/21 to 4/30/21, 0 day DOM sales removed



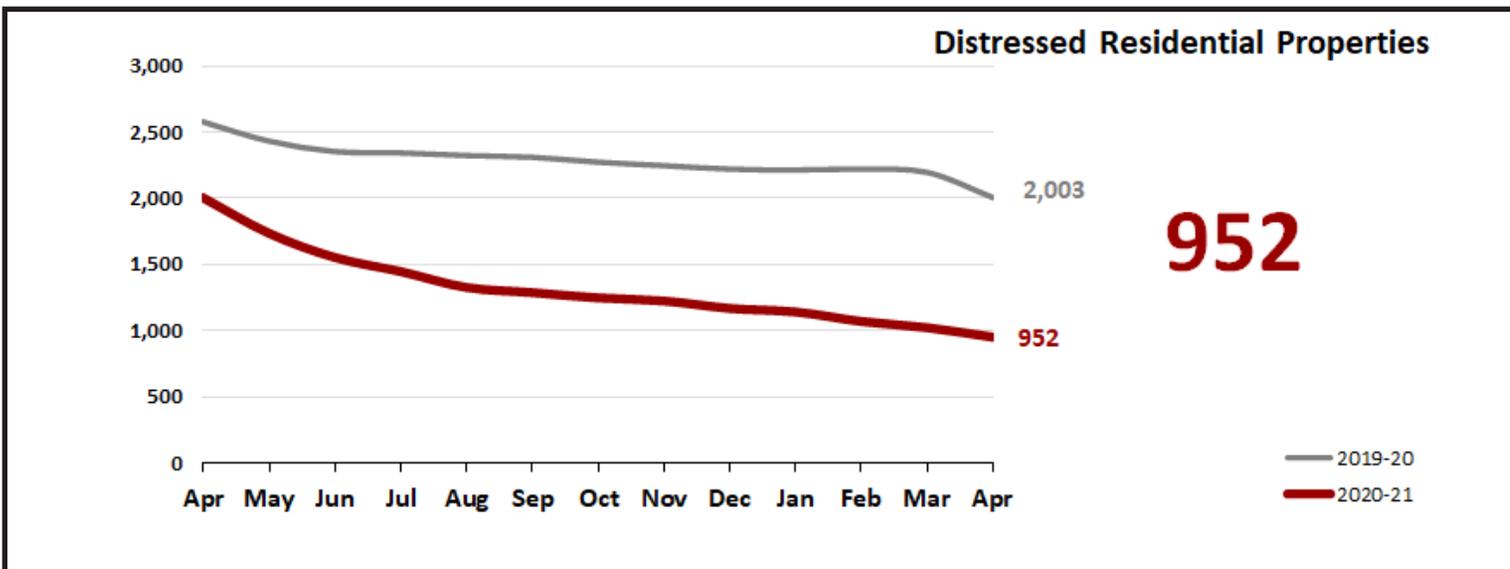
The average sales price is up **+33.5%** year-over-year while the year-over-year median sales price is also up **+25.0%**.

MLS sales prices for closed listings with a close of escrow date from 4/1/21 to 4/30/21, 0 day DOM sales removed



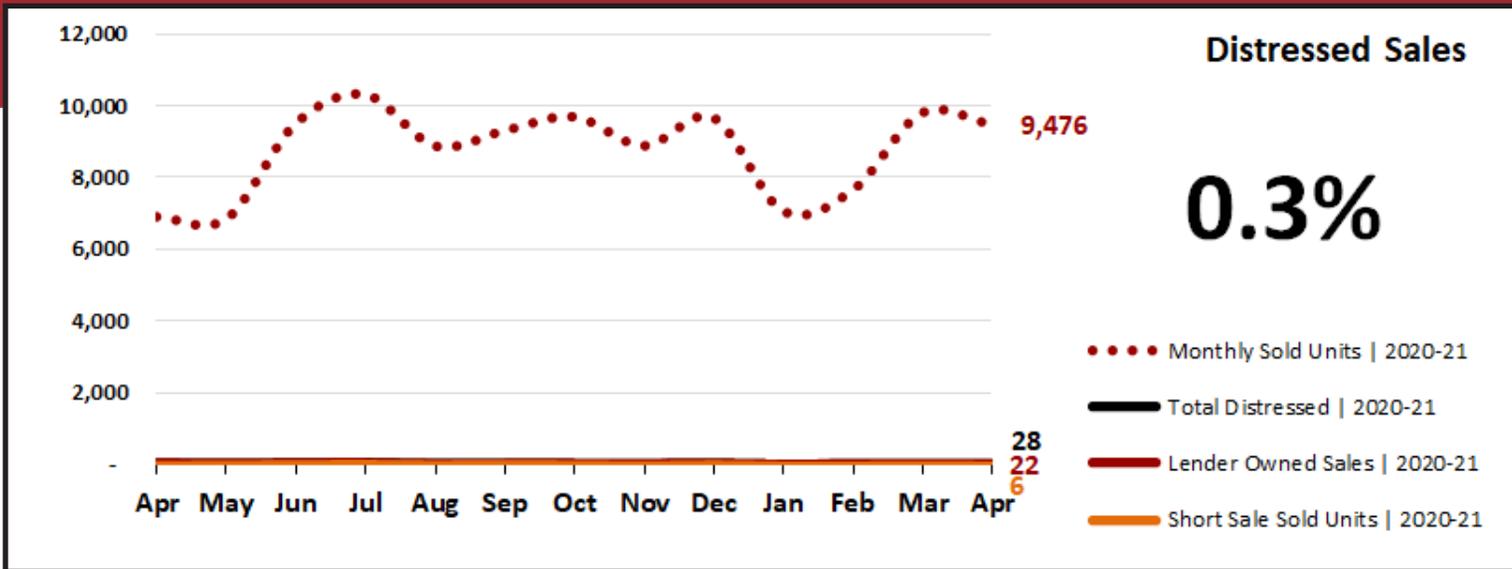
An **increase** is forecasted in May for both average and median sales prices.

ARMLS proprietary predictive model forecast, 0 day DOM sales removed



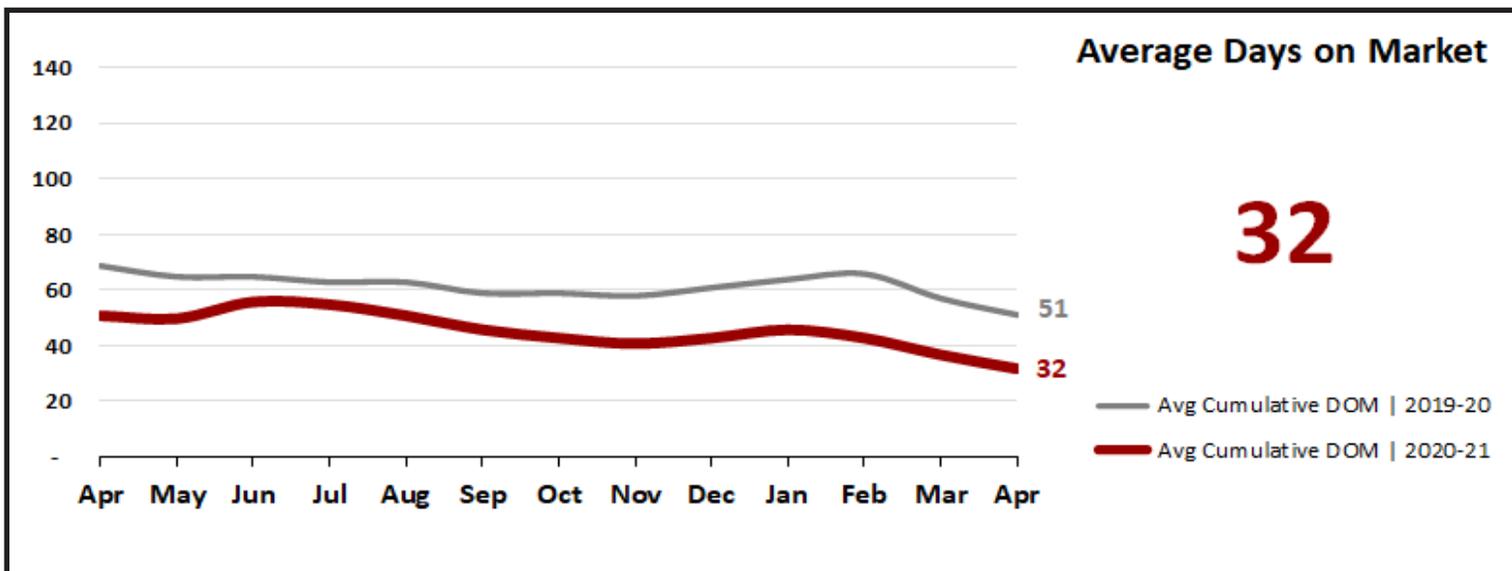
Foreclosures pending month-over-month showed a decrease of **-7.0%** while the year-over-year figure was down **-52.5%**.

Snapshot of public records data on 4/30/21 active residential notices and residential REO properties.



New MLS listings that were active for at least one day from 4/1/21 to 4/30/21, 0 day DOM sales removed

Distressed sales accounted for **0.3%** of total sales, down from the previous month of **0.4%**. Short sales went down **-25.0%** year-over-year. Lender-owned sales dropped **-45%** year-over-year.



MLS sales prices for closed listings with a close of escrow date from 4/1/21 to 4/30/21, 0 day DOM sales removed

Days on market were down **-19** days year-over-year while month-over-month went down **-5** days.

In mid-March last year at the onset of the coronavirus outbreak, fear and panic took hold of our housing market. In the last two weeks of March 2020 we saw new listings and cancelled contracts momentarily spike while pending contracts collapsed. Although the initial market reaction was not clearly seen in the March 2020 closing numbers, it was readily apparent through April and May. When we view the 2021 year-over-year sales volume (which increased 36.8%), it's all about the 27.1% decline from last April. The exact same scenario will play out again this year when the May closing numbers are reported. In May 2020 sales volume fell 33.7% from the previous year. Our market began to recover last June and by the time July rolled around ARMLS reported month-after-month of record or near-record monthly sale volumes. When May 2020 sales numbers fall from the books and are replaced by 2021 totals, ARMLS will set a new record for the highest annual sales volume in our reporting history.

Turning to home prices, April saw new records in both the average sales price (\$492,900) as well as the median sales price (\$375,000). In the chart below, take a look at the percentage changes per month beginning in December.

## Average/Median Percentage Change per month via ARMLS

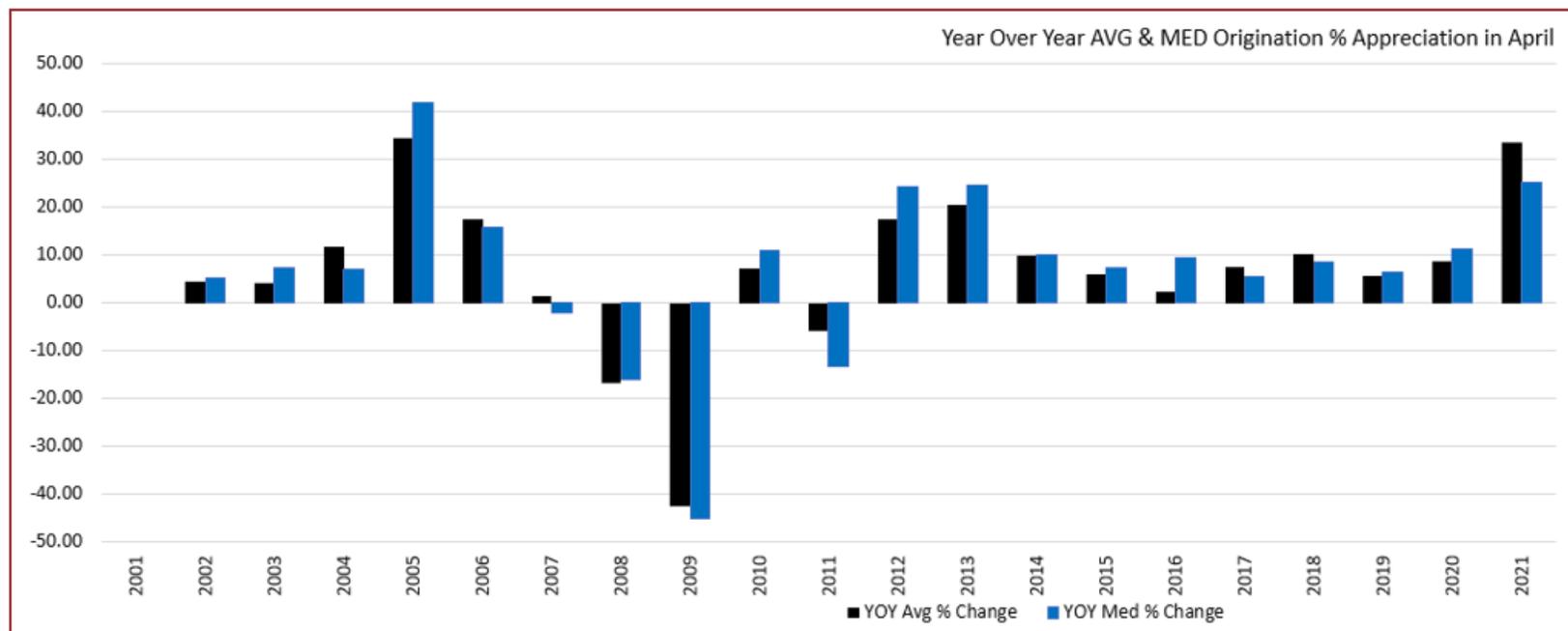
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Average Sales Price   2019-20	\$339.9	\$347.5	\$350.6	\$341.6	\$338.7	\$333.7	\$345.1	\$354.9	\$359.6	\$364.4	\$373.7	\$376.7	\$369.2
Average Sales Price   2020-21	\$369.2	\$352.4	\$368.6	\$391.6	\$398.8	\$410.9	\$425.3	\$418.7	\$431.5	\$439.6	\$457.2	\$470.2	\$492.9
<b>EST Avg Price   2021</b>													
% Change over year	8.6%	1.4%	5.1%	14.6%	17.7%	23.1%	23.2%	18.0%	20.0%	20.6%	22.3%	24.8%	33.5%
% Change per month	-2.0%	-4.6%	4.6%	6.2%	1.8%	3.0%	3.5%	-1.6%	3.1%	1.9%	4.0%	2.8%	4.8%
Median Sales Price   2019-20	\$270.0	\$278.0	\$279.9	\$280.0	\$280.0	\$280.0	\$285.0	\$283.5	\$289.9	\$289.9	\$295.0	\$302.5	\$300.0
Median Sales Price   2020-21	\$300.0	\$295.0	\$305.0	\$315.0	\$325.0	\$329.0	\$332.5	\$331.0	\$333.0	\$340.0	\$350.0	\$359.3	\$375.0
<b>EST Med Price   2021</b>													
% Change over year	11.1%	6.1%	9.0%	12.5%	16.1%	17.5%	16.7%	16.8%	14.9%	17.3%	18.6%	18.8%	25.0%
% Change per month	-0.8%	-1.7%	3.4%	3.3%	3.2%	1.2%	1.1%	-0.5%	0.6%	2.1%	2.9%	2.7%	4.4%

It's surreal to look back at national housing analysts and their home pricing forecasts for 2021. A prominent and highly respected national source in December projected a 2.3% appreciation rate for Phoenix in 2021, calling our market "overvalued". At the same time, based on analysis from Michael Orr of the Cromford Report, he stated, *"people will be shocked when June's numbers are reported."* Orr is not a headline grabber, quite the contrary. His analysis is thoughtful and conservative. When the June numbers are reported, they will surpass even our expectations.

What does all this mean for the current homeowner? First, if you place your home on the market it will sell quickly. Second, if you haven't pulled money out of your home equity and you don't need to buy something else, you will make bank. Using ARMLS median and average sales price data dating back to 2001, when ARMLS first began publishing data, we've constructed the following charts. The black bars show the average changes and the blue bars display the changes in median home prices.

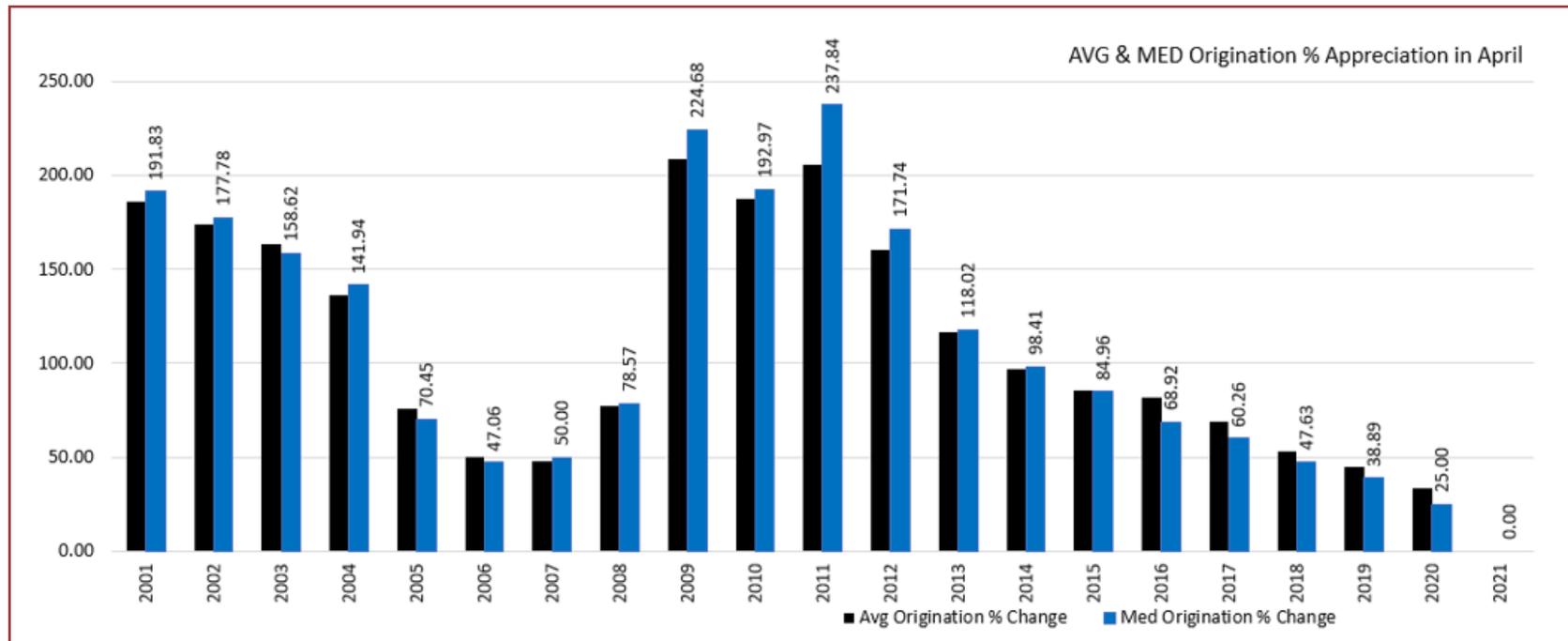
The first chart shows year-over-year appreciation for each of the last 20 years of reported data for April. The chart depicts the year-over-year changes in the average sales price as well as the year-over-year change in the median sales price. The average sales price increased 17 out of 20 years while the median sales price increased 16 out of 20 years. The largest year-over-year increases took place in 2005 with the largest decline occurring in 2009. The median sales price rose 41.94% in 2005 and fell over 45% in 2009. In 2007, the year-over-year average price rose slightly while the median moved slightly downward.

## Year-Over-Year AVG/MED Origination & Appreciation % for April via ARMLS



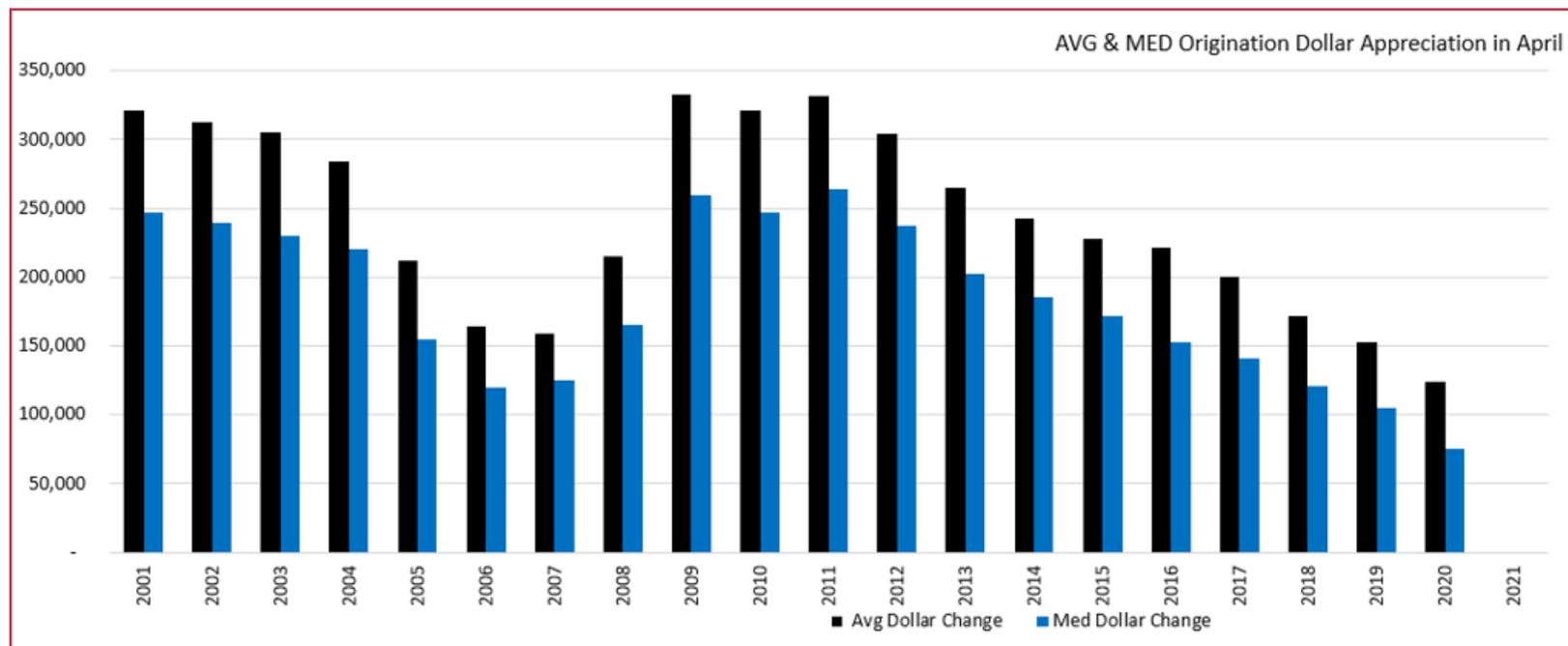
By comparing the reported average and median sale prices for each year to the 2021 metrics, we can see the percentage change in prices based on the year the home was purchased. Anyone who purchased a home in April 2011 has seen an appreciation rate based on the median sales price of 237.84%. The lowest appreciation applies to buyers purchasing at the peak of the market in 2006. Their current appreciation is 47.06%.

## AVG & MED Origination & Appreciation % in April via ARMLS



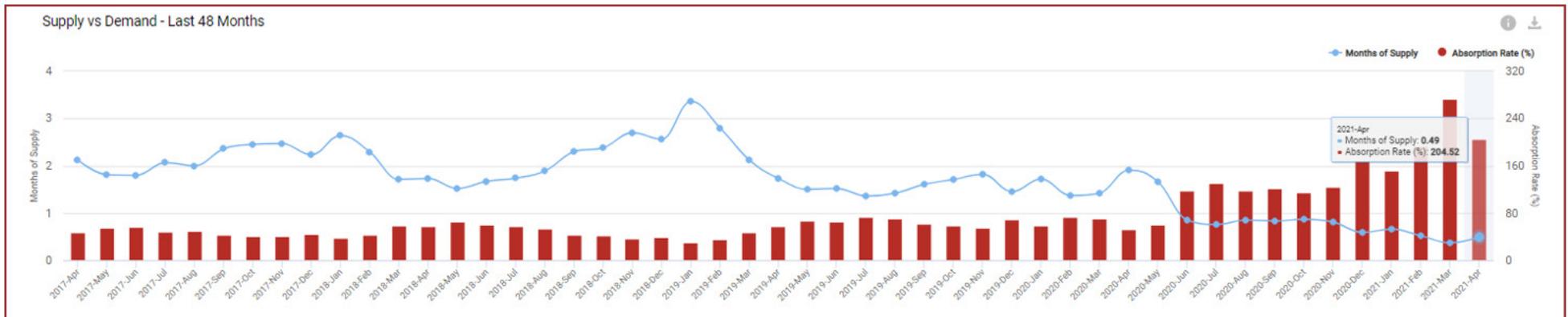
Let's restate the percentage gains in terms of dollars. As the chart below shows, the average sales price in April has increased \$333,247 for those who purchased at the bottom of the market in 2009. I'd like to point out that Michael Orr called the bottom of the market in April 2009. The average sales price has increased \$75,000 in the last year. The lowest average dollar appreciation occurs for those who purchased in April 2006. Since April 2006, the average priced home has increased \$120,000.

## AVG & MED Dollar Origination & Appreciation % in April via ARMLS



As we conclude STAT, let's return to the RapidStats chart we shared with you last month, a chart depicting the relationship between supply and demand. Last month we reported .37 months supply and an absorption rate of 272.62%. Let me remind you, historically a 6-months supply and an absorption rate of 20% are considered a balanced market. Our new chart tells us our market has cooled over the past 30 days, now reporting .49 months and an absorption rate of 204.52%. In fireman terms, we moved from a 13 alarm fire to a 10 alarm fire.

## Supply vs Demand Absorption Rate Last via RapidStats



I'd like to turn to Michael Orr one last time to put this STAT in perspective, with excerpts from the Cromford Report Market Summary for the beginning of May.

*“Markets do not get hotter indefinitely.”*

*“All changes tend to start small and then grow. The current market cooling is like that. We now have supply increasing and demand falling. This will gradually release some of the steam from the over-heating engine and the market can trend back towards normality.”*

*“The primary mechanism by which they cool down is through prices. In hot markets pricing goes up which causes demand to weaken, which means the supply gets a chance to recover. When prices go up, some buyers can no longer afford to buy and drop out. The faster that pricing goes up, the more buyers tend to drop out, at least in a healthy market. If this is not happening, then you probably have a bubble where pure speculation has taken over and demand grows when prices rise. We are not seeing this.”*

*“Even though we have entered a cooling phase, it will probably take several quarters (if not years) to cool down to normal and prices will continue to rise at a brisk pace for quite some time.”*

## **Pending Price Index**

Last month the STAT mathematical model correctly projected a median sales price for April of \$375,000. Looking ahead to May, the ARMLS Pending Price Index is projecting a median sales price of \$386,500. When the May median sales price is reported, we project a year-over-year gain of 31%.

We began May with 7,282 pending contracts, 4,254 UCB listings and 327 CCBS giving us a total of 11,863 residential listings practically under contract. This compares to 9,820 of the same type of listings one year ago. At the beginning of May, the pending contracts were 20.8% higher than last year. Please note, the 2020 numbers were just starting their rapid recovery from the market’s initial response to COVID. There were 20 business days in May of 2020 and 20 this year. ARMLS reported 6,860 sales in May of 2020. The highest sales volume ever in May occurred in 2019 when ARMLS reported 10,341 home sales. I am expecting sales volume this May to be around 9,200.