



STAT

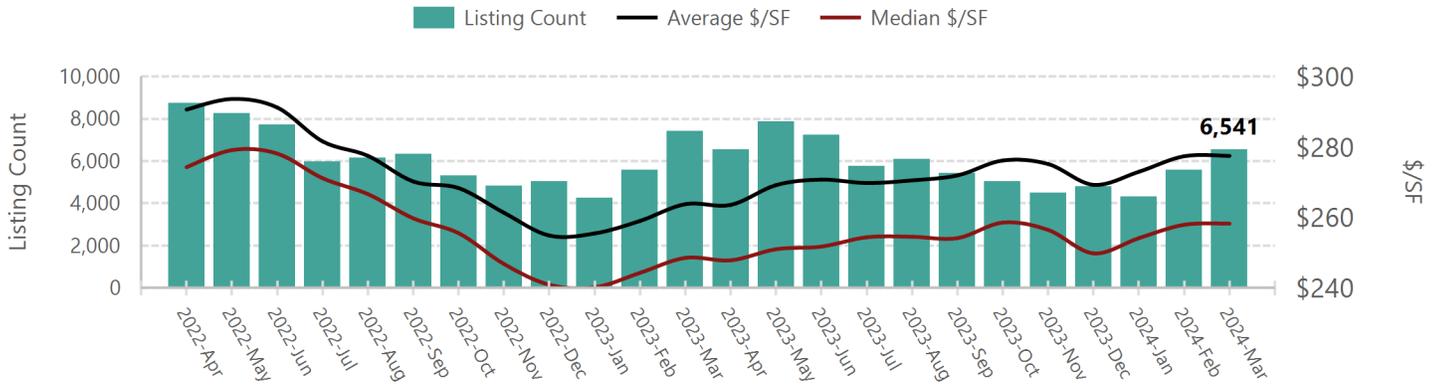
Your Monthly Statistics for the **Phoenix Metro Area**



DATA FOR March 2024

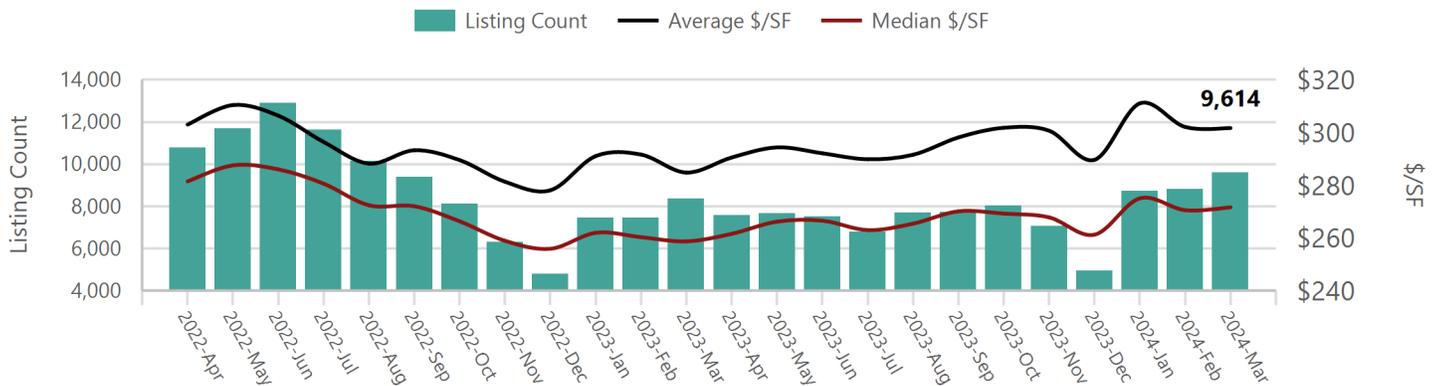
Published April 16, 2024

Sold Listings



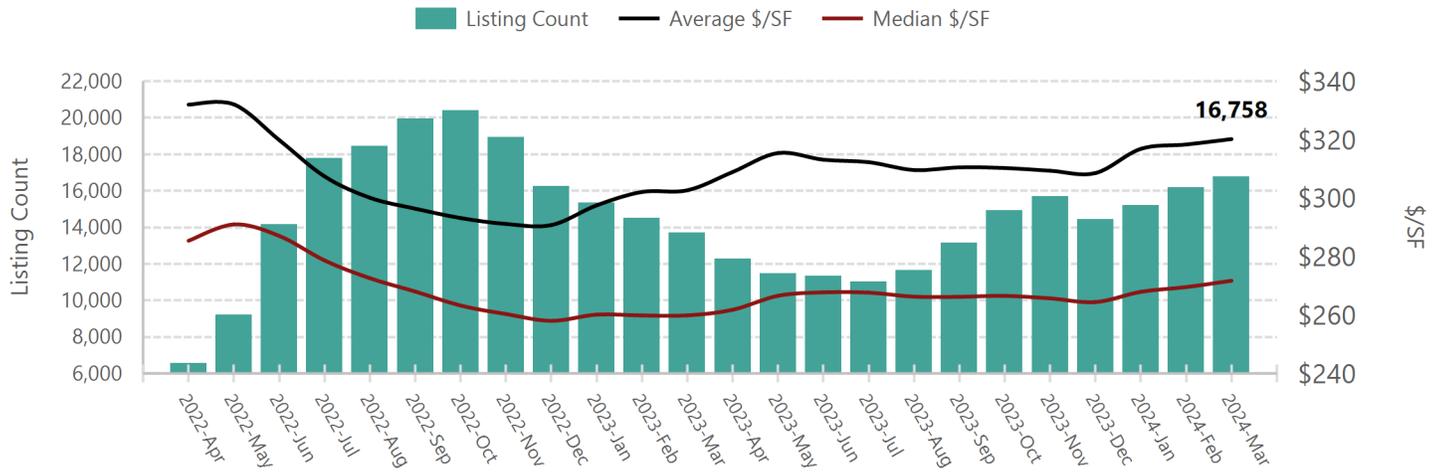
Metric	Monthly Values					Current Month Value vs Prior Monthly Values							
	Current	1M Pr	3M Pr	6M Pr	12M Pr	1M Pr	3M Pr	6M Pr	12M Pr				
Listings	6,541	5,590	4,796	5,425	7,421	17.01%	▲	36.38%	▲	20.57%	▲	-11.86%	▼
Average \$/SF	\$277.49	\$277.40	\$269.29	\$271.95	\$263.80	0.03%	▲	3.05%	▲	2.04%	▲	5.19%	▲
Median \$/SF	\$258.26	\$257.95	\$249.83	\$254.14	\$248.54	0.12%	▲	3.37%	▲	1.62%	▲	3.91%	▲

New Listings



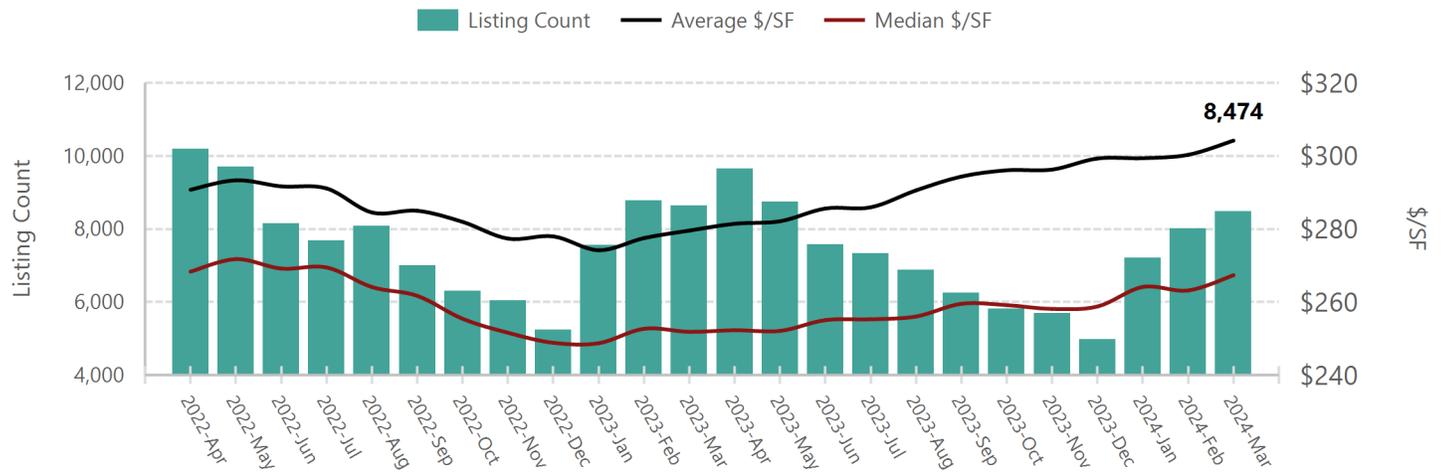
Metric	Monthly Values					Current Month Value vs Prior Monthly Values							
	Current	1M Pr	3M Pr	6M Pr	12M Pr	1M Pr	3M Pr	6M Pr	12M Pr				
Listings	9,614	8,813	4,945	7,732	8,355	9.09%	▲	94.42%	▲	24.34%	▲	15.07%	▲
Average \$/SF	\$301.67	\$302.11	\$289.64	\$298.15	\$284.83	-0.14%	▼	4.15%	▲	1.18%	▲	5.91%	▲
Median \$/SF	\$271.67	\$270.58	\$261.28	\$270.16	\$258.76	0.40%	▲	3.97%	▲	0.56%	▲	4.99%	▲

Active Listings (excluding UCB/CCBS)



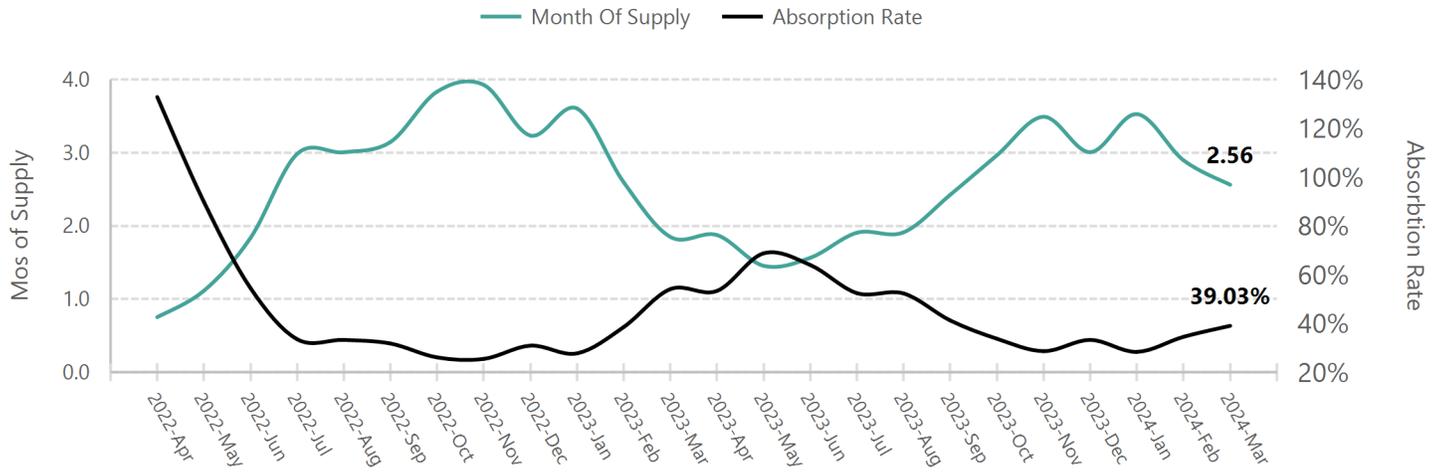
Metric	Monthly Values					Current Month Value vs Prior Monthly Values			
	Current	1M Pr	3M Pr	6M Pr	12M Pr	1M Pr	3M Pr	6M Pr	12M Pr
Listings	16,758	16,189	14,421	13,162	13,720	3.51% ▲	16.21% ▲	27.32% ▲	22.14% ▲
Average \$/SF	\$320.22	\$318.36	\$308.58	\$310.53	\$302.69	0.58% ▲	3.77% ▲	3.12% ▲	5.79% ▲
Median \$/SF	\$271.74	\$269.57	\$264.43	\$266.23	\$259.87	0.80% ▲	2.76% ▲	2.07% ▲	4.57% ▲

Under Contract Listings (Pending/UCB/CCBS)



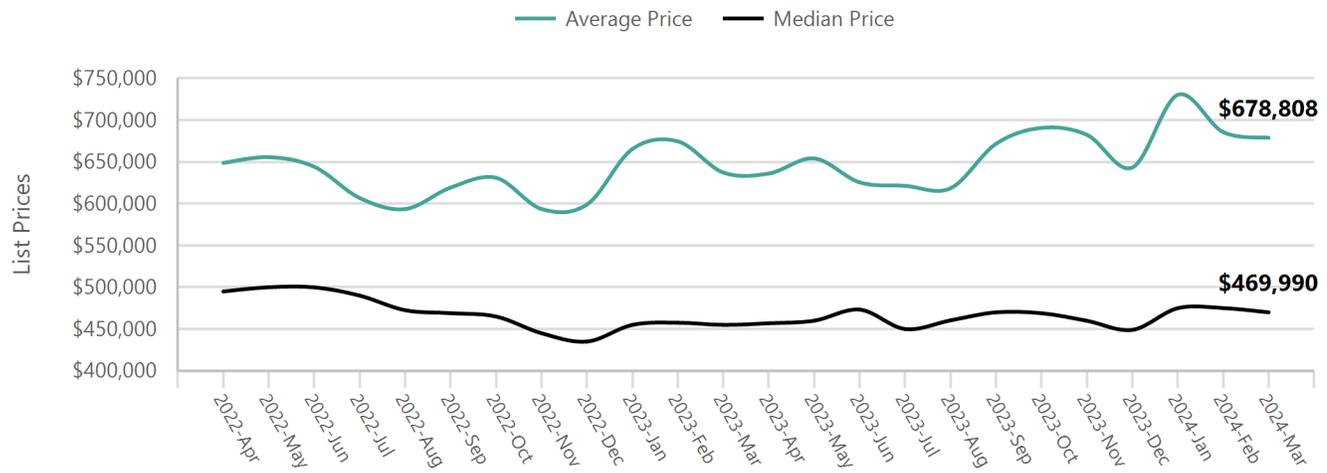
Metric	Monthly Values					Current Month Value vs Prior Monthly Values			
	Current	1M Pr	3M Pr	6M Pr	12M Pr	1M Pr	3M Pr	6M Pr	12M Pr
Listings	8,474	8,005	4,974	6,245	8,637	5.86% ▲	70.37% ▲	35.69% ▲	-1.89% ▼
Average \$/SF	\$304.20	\$300.30	\$299.30	\$294.35	\$279.56	1.30% ▲	1.64% ▲	3.34% ▲	8.81% ▲
Median \$/SF	\$267.34	\$263.16	\$258.77	\$259.52	\$251.84	1.59% ▲	3.31% ▲	3.01% ▲	6.15% ▲

Month Of Supply/Absorption Rate



Metric	Monthly Values					Current Month Value vs Prior Monthly Values			
	Current	1M Pr	3M Pr	6M Pr	12M Pr	1M Pr	3M Pr	6M Pr	12M Pr
Supply	2.56	2.90	3.01	2.43	1.85	-11.54% ▼	-14.80% ▼	5.60% ▲	38.58% ▲
Absorption Rate	39.03%	34.53%	33.26%	41.22%	54.09%	13.04% ▲	17.36% ▲	-5.30% ▼	-27.84% ▼

New List Prices



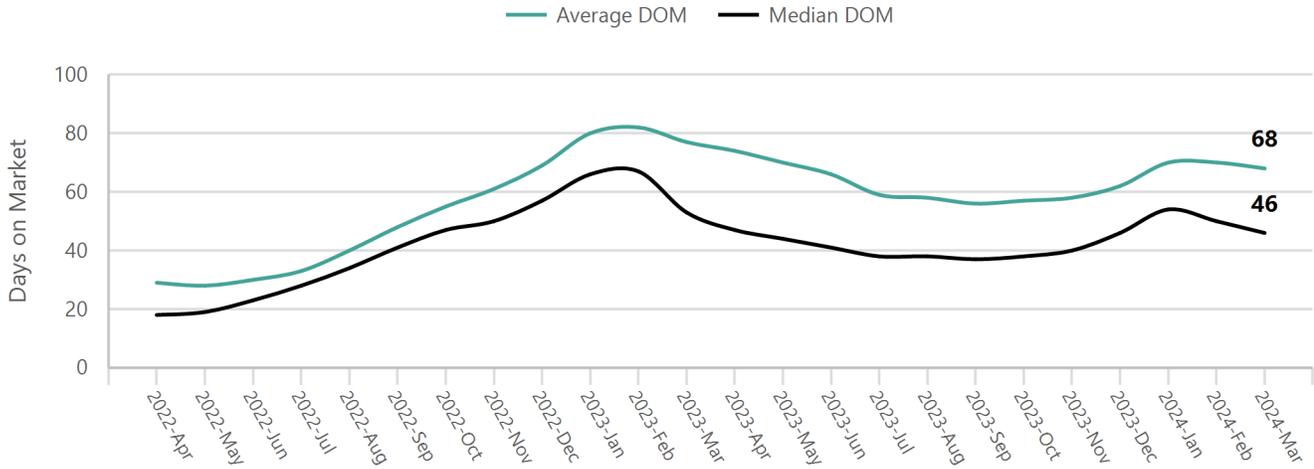
Metric	Monthly Values					Current Month Value vs Prior Monthly Values			
	Current	1M Pr	3M Pr	6M Pr	12M Pr	1M Pr	3M Pr	6M Pr	12M Pr
Average List Price	\$678,808	\$685,547	\$643,202	\$671,597	\$637,184	-0.98% ▼	5.54% ▲	1.07% ▲	6.53% ▲
Median List Price	\$469,990	\$475,000	\$449,000	\$470,000	\$454,990	-1.05% ▼	4.67% ▲	0.00% ▼	3.30% ▲

Sales Prices



Metric	Monthly Values					Current Month Value vs Prior Monthly Values							
	Current	1M Pr	3M Pr	6M Pr	12M Pr	1M Pr	3M Pr	6M Pr	12M Pr				
Average Sales Price	\$573,447	\$569,882	\$556,293	\$547,922	\$537,515	0.63%	▲	3.08%	▲	4.66%	▲	6.69%	▲
Median Sales Price	\$445,000	\$440,000	\$429,990	\$430,000	\$419,990	1.14%	▲	3.49%	▲	3.49%	▲	5.95%	▲

Days on Market



Metric	Monthly Values					Current Month Value vs Prior Monthly Values							
	Current	1M Pr	3M Pr	6M Pr	12M Pr	1M Pr	3M Pr	6M Pr	12M Pr				
Average DOM	68	70	62	56	77	-2.86%	▼	9.68%	▲	21.43%	▲	-11.69%	▼
Median DOM	46	50	46	37	53	-8.00%	▼	0.00%	■	24.32%	▲	-13.21%	▼

Taken from STAT December 2023 on setting housing expectations for 2024:

“I would say a case for (very) mild optimism can be made. There is certainly no sign whatsoever of a housing market crash. What the market needs most now is higher transaction volumes. I do not yet know if that is coming, but to hope for it is legitimate.” And with that, our word for entering 2024 – “HOPE!”

When we talked about hope in January, we were talking about housing in the coming year, but we could just as easily have been referencing seniors falling in love. The hope Gerry Turner and Theresa Nist of Golden Bachelor fame gave tens of millions of single seniors was palatable. We watched as they dated, fell in love and got married. A match made in heaven, it was real, not just TV entertainment, love is possible after 70, happy ever after. So, how do things stand just three short months later? The first quarter housing numbers are in the books and the hoped-for increase in transactional sales volume has not come to fruition. Housing demand, as reported by ARMLS, for Q1 was down approximately 5% year over year. With pesky inflation holding ground, the hope that the Federal Reserve would implement three rate cuts this year is dimming. With mortgage rates in the 7% range, we expect Q2’s upcoming sales volume to remain challenged, with total sales volume remaining lower year over year, most likely seeing year-over-year declines in the 5-7% range. While three months is too soon to judge our 2024 housing market, it was obviously more than enough time for two seniors to say, “no mas”. In their Good Morning America interview announcing their very personal and private divorce, they stressed they did not want other seniors to lose hope. They never said they were sorry, because as everyone over 70 knows, love means never having to say you’re sorry.

In this month’s STAT, with an assist from ChatGPT, we’ll discuss the cyclical nature of housing and it’s four phases. Letting the data speak for itself, we’ll view daily sales volume charts to see which phase best defines our current market, and how our current market is and isn’t reflective of this textbook definition. But first, here’s your March 2024 housing market review.

March 2024 Housing Numbers

- The Cromford Index is currently reporting 111.6, a modest nod towards sellers.
- In the first quarter, demand was approximately 5% lower year over year.
- In February and March, in terms of sales per day, there were 15 fewer sales per day this year compared to last.
- Demand is down approximately 26.02% from the first quarter of 2020. (pre-COVID)
- Sales volume for Q1 2024 is down 31.61% from Q1 2021. (COVID buying frenzy)
- The median sales price is 5.65% higher year over year, home prices are stable.
- As reported by Freddie Mac, the 30-year FRM averaged 6.88% as of April 11, 2024.
- The 30-year FRM is up .06% from last week and .61% year over year.
- Historically, ARMLS reports the highest yearly total for accepted contracts in the 30-day window between late March and late April.
- Late March and April's contracts become May and June's closings.

STAT asked ChatGPT: *“What are the different phases and characteristics of the residential real estate cycle.”*

ChatGPT:

The residential real estate cycle typically moves through four main phases:

1. Expansion/Recovery Phase:

- *Characterized by increasing demand for housing, rising prices and decreasing inventory.*
- *Economic growth, low-interest rates and favorable demographic trends often drive this phase.*
- *Builders increase construction activity to meet rising demand, leading to new developments. Builder activity has changed little.*

2. Peak Phase:

- *At the peak, the market experiences the highest prices and sales activity.*
- *Demand remains strong, but signs of saturation start to appear.*
- *Speculative buying may increase, and affordability becomes a concern.*
- *Construction reaches its highest levels, leading to an oversupply in some markets.*

3. Contraction/Correction Phase:

- *Demand begins to decline, leading to a slowdown in sales and price growth.*
- *Inventory starts to accumulate as supply outpaces demand.*
- *Prices may stabilize or decrease slightly.*
- *Speculative activity decreases, and investors become cautious.*
- *Construction slows down as builders react to weaker demand.*

4. Trough Phase:

- *The market hits its lowest point in terms of prices, sales and construction activity.*
- *Inventory remains high, and sellers face challenges in finding buyers.*
- *Prices may continue to decline or stabilize at this stage.*
- *Foreclosure rates may increase as homeowners struggle to meet mortgage payments.*
- *Economic factors like job growth and consumer confidence play crucial roles in determining the duration of this phase.*

These phases are not always distinct or uniform across different markets. Factors such as government policies, interest rates, economic conditions and local market dynamics can influence the timing and intensity of each phase. Additionally, the real estate cycle can be affected by external events such as recessions, natural disasters or changes in consumer preferences.

Data analysis: Sales Per Day

The two charts we are about to present are based on Maricopa County public records data. The calculations are based on the total number of recorded home sales in Maricopa County in the given month and divided by the number of business days in that month, giving you the average number of homes purchased/sold in Maricopa County on a daily basis. The nice thing about the data below is it's conciliatory, conciliatory as Covid-19 became real in mid-March 2020, so it had little to no impact on the first quarter numbers in 2020; and the Federal Reserve rate hikes began on March 16, 2022, so they had zero impact on the Q1 2022 sales volume.

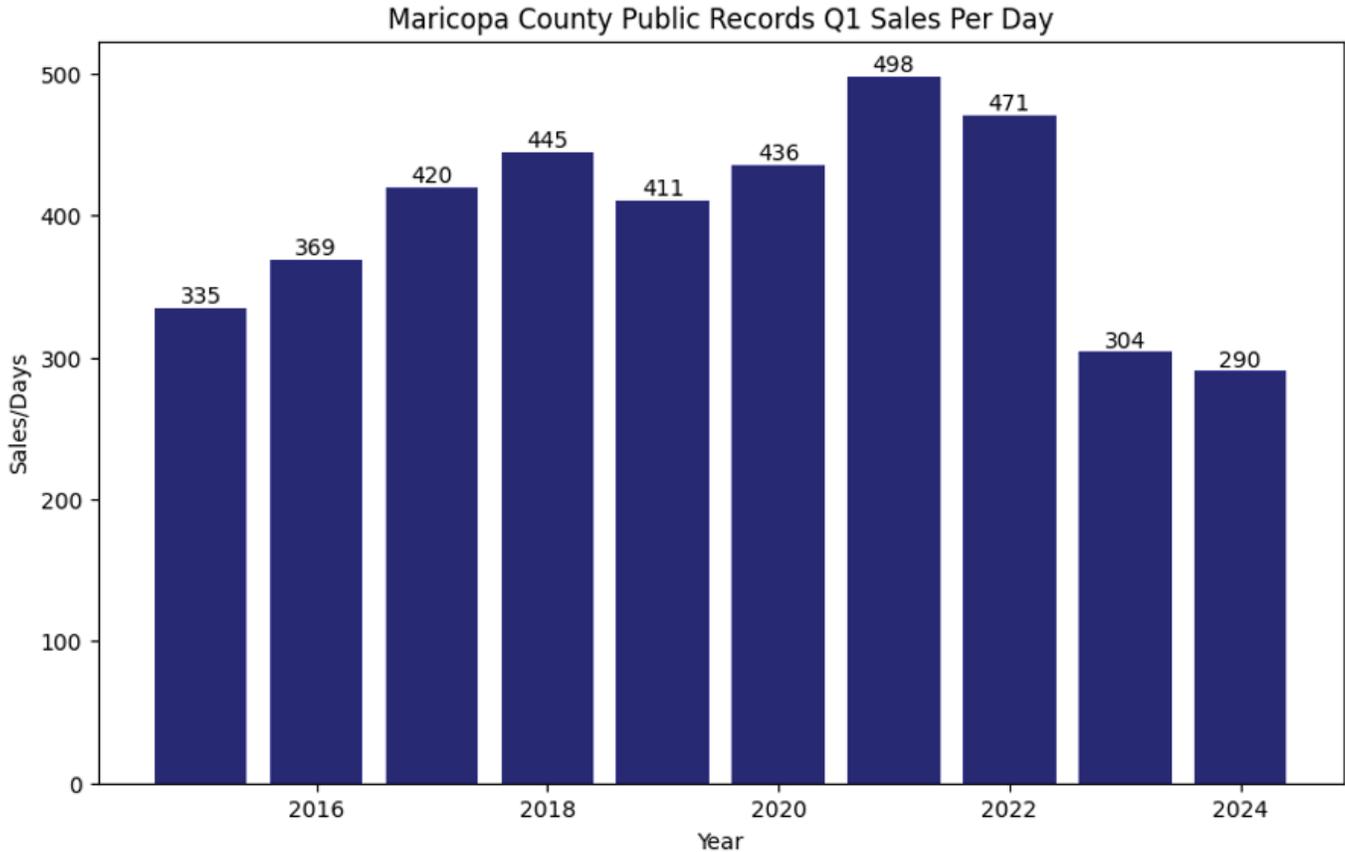
The chart shows consistency in Q1 from 2017 to 2020 (Expansion Phase), shows the Covid-19 spike in 2021 and 2022 (Peak Phase), and the rapid deterioration in demand as mortgage rates began their ascent in 2022 (contraction/correction phase). The simple chart below shows three distinct phases in real estate, and the sudden and abrupt change in each one.

Pre-Covid, characterized by steady demand and low interest rates, had an annual home appreciation in the 6-7% range. Then came Covid-19, where the market temporarily declined (April & May) at the onset and then soared as Federal stimulus monies flooded the market -- speculative buying went crazy, and affordability was rapidly becoming a concern. The median sales price rose 58% in two years, from \$300,000 in April 2020 to \$475,000 in May 2022.

This led us to the Contraction Phase, which we'll define as post-Covid, when the Federal Reserve began their war on inflation by raising interest rates, which in turn prompted a rise in mortgage rates and prices to fall. The median sales price fell \$65,000 from its peak in May of 2022 to \$410,000 by January 2023.

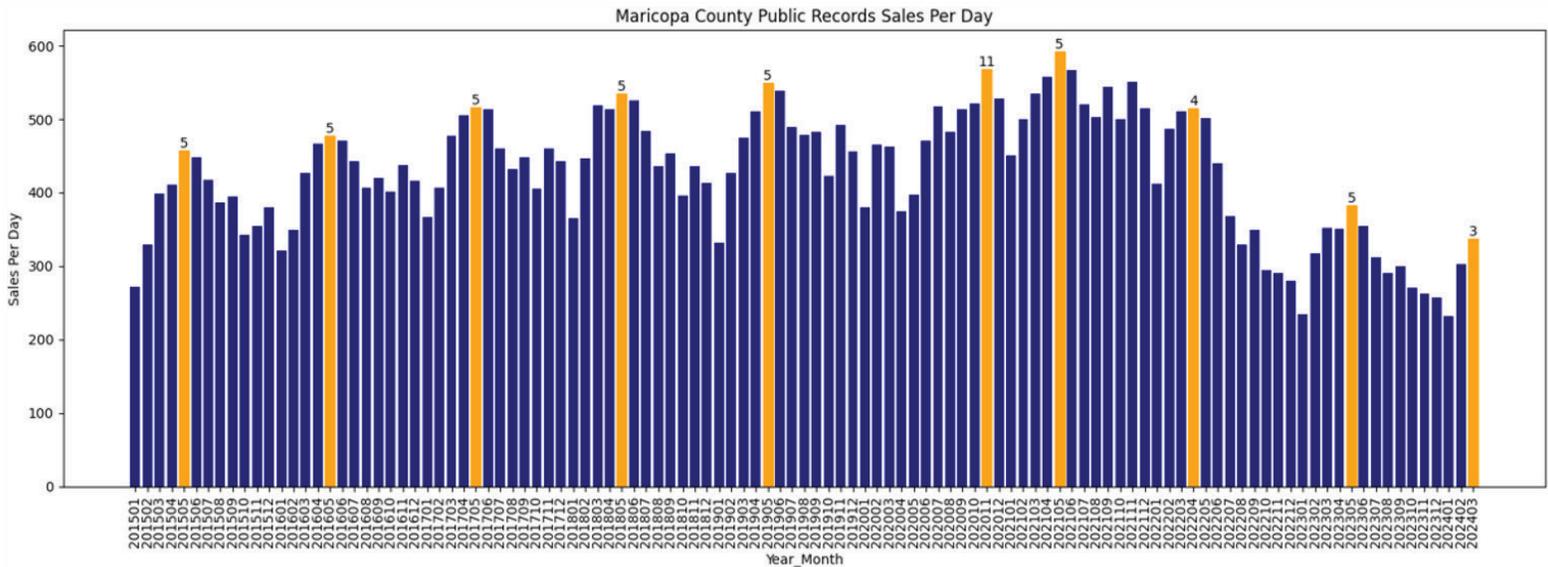
Are we now in the textbook definition of the Trough Phase, or have we already moved on to the Recovery Phase? The market hit its lowest point in terms of prices in January 2023. Since then, prices have stabilized and are rising. As reported earlier, the current median sales price is \$445,000, with foreclosure activity practically nil.

Sales Per Day in Maricopa County Last 8 Years via Maricopa County Public Records



The chart below shows the number of sales per day as reported by Maricopa County public records data from January 2015 to present. The orange bar shows the highwater mark for each year. Look at the consistent nature of the annual patterns from January 2015 through March 2020 (COVID-19 onset) and the sudden change in demand, with May 2020 crashing and November 2020 setting records. Then look at what happens when mortgage rates start to rise in April 2022. Demand, on a daily basis, collapses 25% from April 2022 to May 2023.

Sales Per Day in Maricopa County January 2015-Present via Maricopa County Public Records

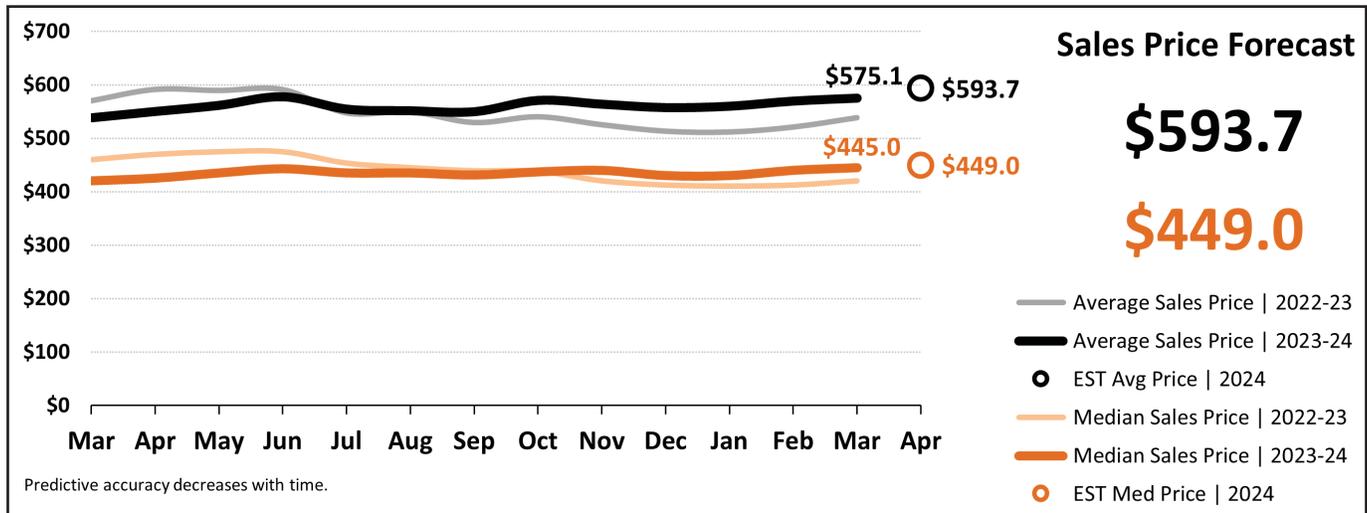


[View larger graphic here](#)

Conclusion:

Real Estate is cyclical, it constantly changes, constantly evolves. Regardless of which phase of the cycle we’re currently in, one phrase will serve you well, “This too shall pass.” It is a proverbial phrase indicating that all material conditions, whether good or bad, are temporary. The phrase is often used as a reminder that difficult times will eventually fade away and that one should remain patient and resilient during challenging situations. Conversely, it also serves as a reminder to cherish and make the most of positive experiences, as they too will eventually come to an end. Finally, I have a suggestion for the next bachelor show, let me pitch The Golden Rebound.

Sales Price Forecast



An **Increase** is forecasted in February for both Average sales prices and Median sales price.

ARMLS PENDING PRICE INDEX (PPI)

Last month, STAT’s mathematical model projected the median sales price for March at \$441,000, the actual amount was \$445,000. Looking ahead to April, the ARMLS Pending Price Index is projecting the median sales price to rise slightly, estimating it to be \$449,000. In June 2022, we reported the highest monthly median sales price ever recorded at \$475,000. If our mathematical model is correct, April’s median sales price will be 5.65% higher year over year and down 5.47% from our record high.

We began April with 4,931 pending contracts, 3,061 UCB listings and 489 CCBS, giving us a total of 8,481 residential listings practically under contract. This compares to 9,176 of the same type of listings one year ago. At the beginning of April, ARMLS is reporting 695 fewer “pending” contracts compared to last year at this time. There were 20 business days in April 2023 and 22 this year. ARMLS reported 6.535 sales in April 2023. The highest sales volume over the last 20 years in April occurred in 2005 with 9,608 home sales reported. With two more business days this year and with pending contracts 7.57% lower year over year, this April’s sales volume will be comparable to last year. The two extra business days will offset the lower number of pending contracts. We are anticipating April’s home closings, as reported by ARMLS, to be in the 6,650 range.