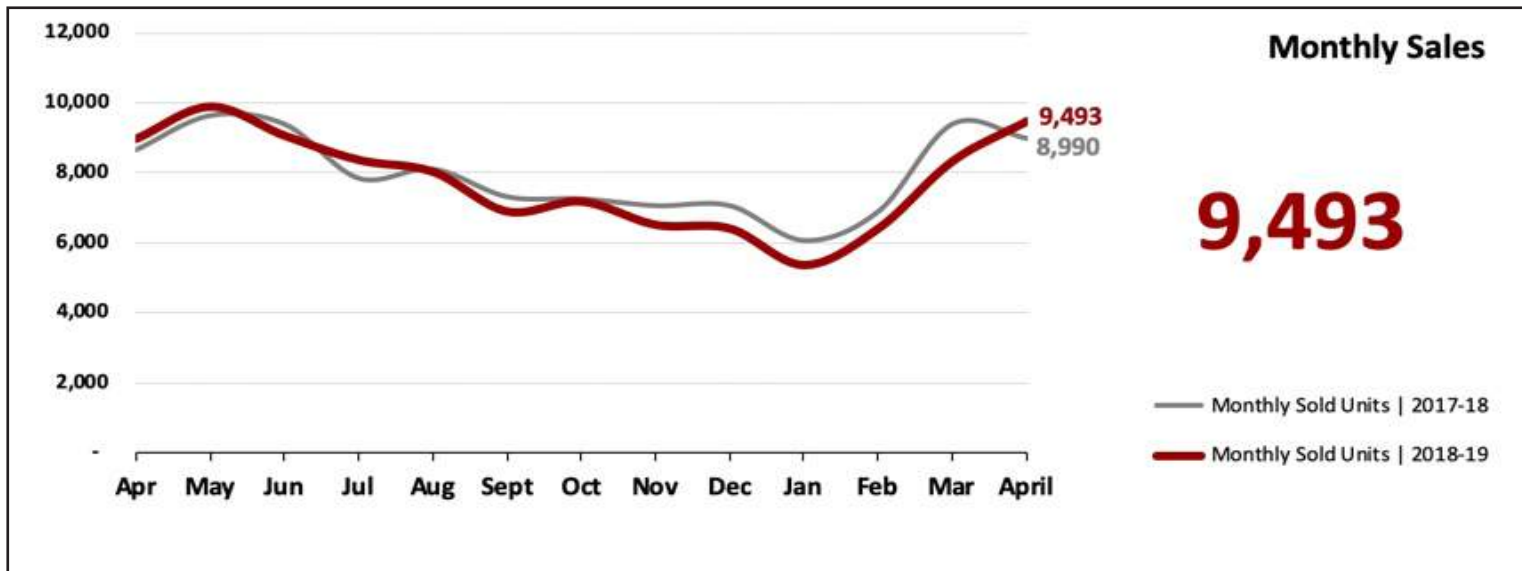




Your Monthly Statistics for the Phoenix Metro Area



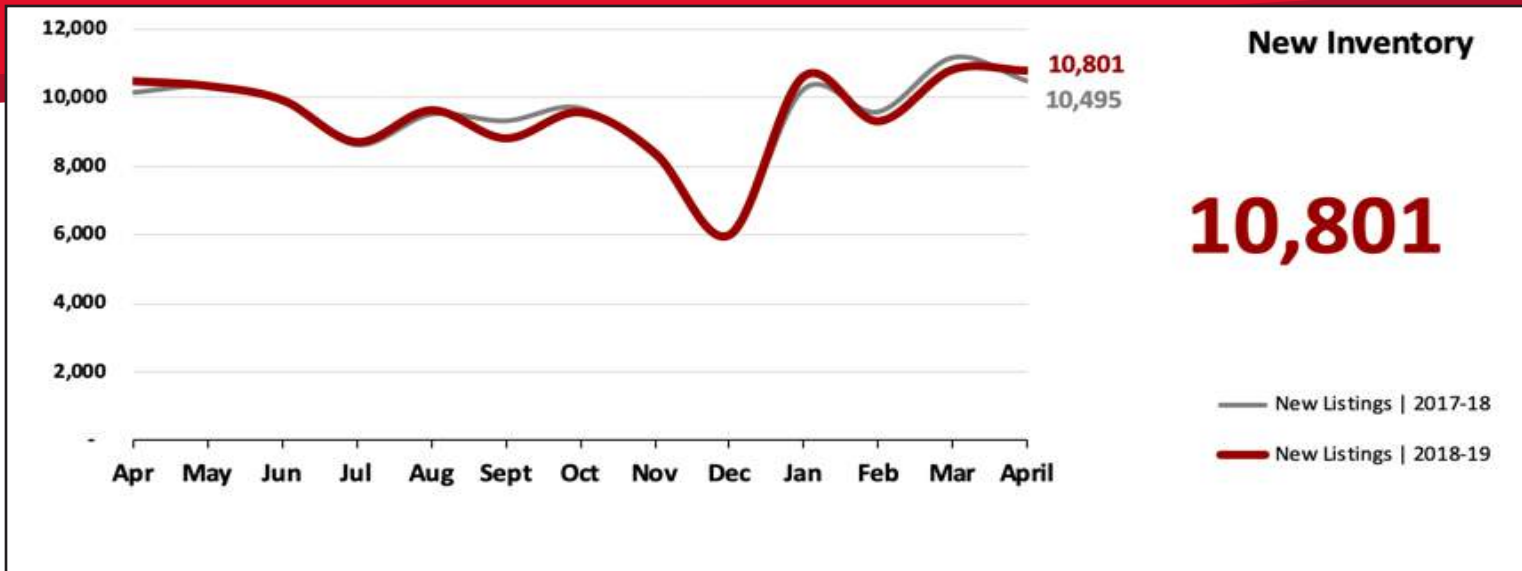
DATA FOR APRIL 2019 - Published May 16, 2019



Sales are up +13.8% month-over-month. The year-over-year comparison is also up +5.6%.

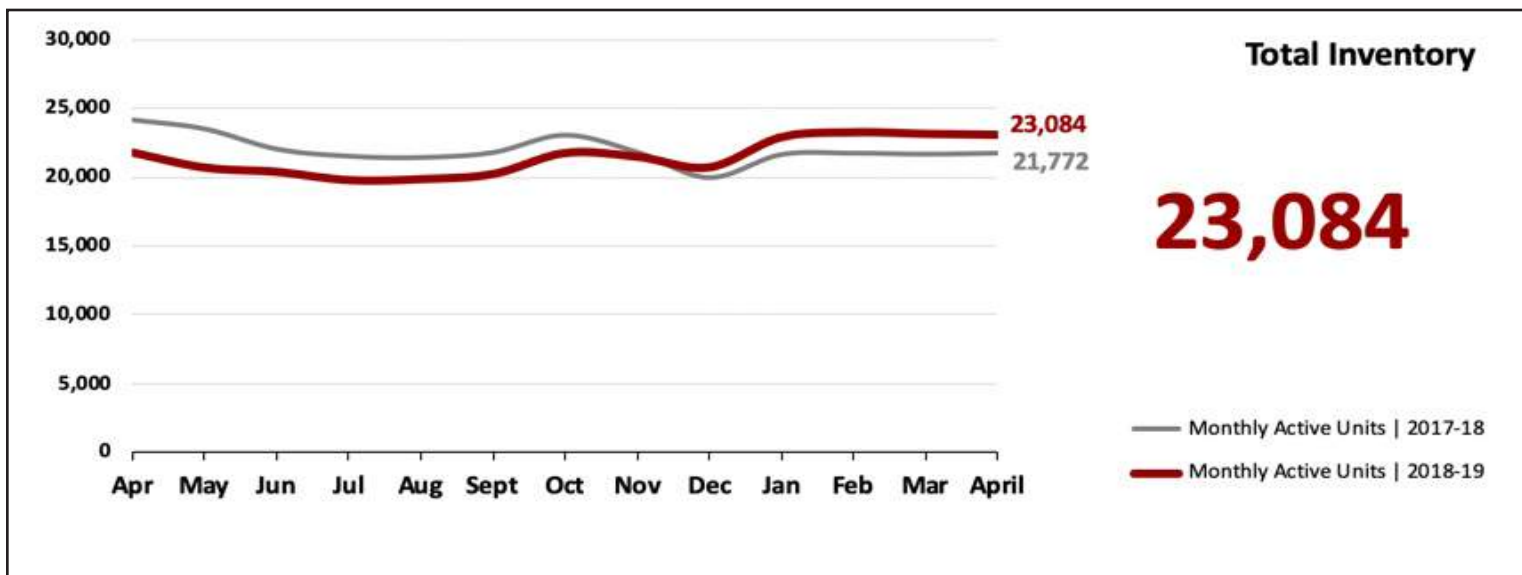
9,493

Closed MLS sales with a close of escrow date from 4/1/2019 to 4/30/2019, 0 day DOM sales removed



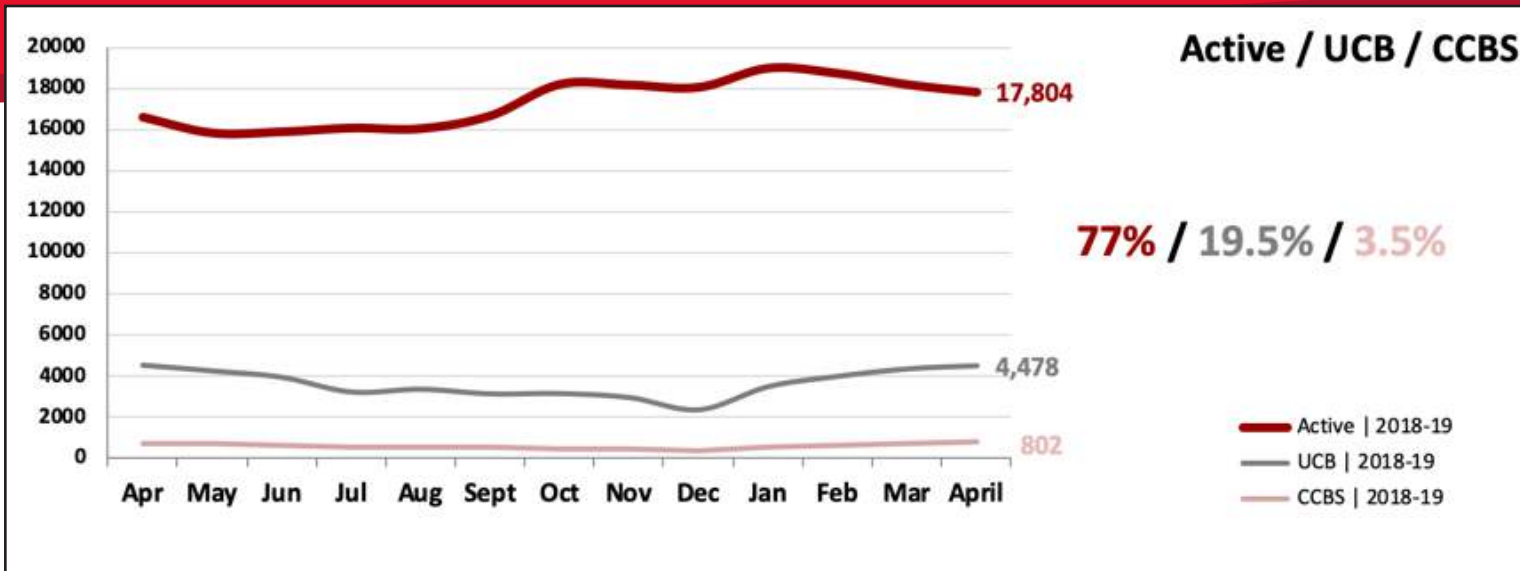
New inventory is down -0.3% month-over-month while the year-over-year comparison increased by +2.9%.

New MLS listings that were active for at least one day from 4/1/2019 to 4/30/2019, 0 day DOM sales removed



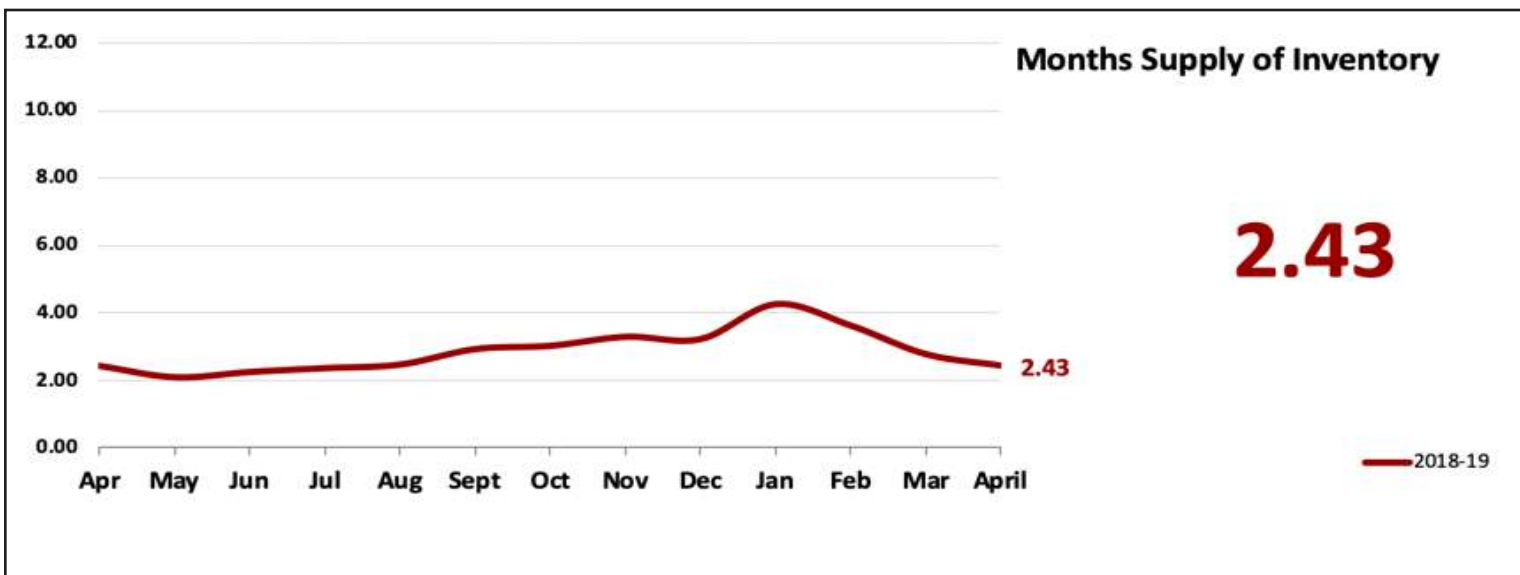
Total inventory has a month-over-month decrease of -0.3% while year-over-year reflects an increase of +6.0%.

Snapshot of statuses on 4/30/2019



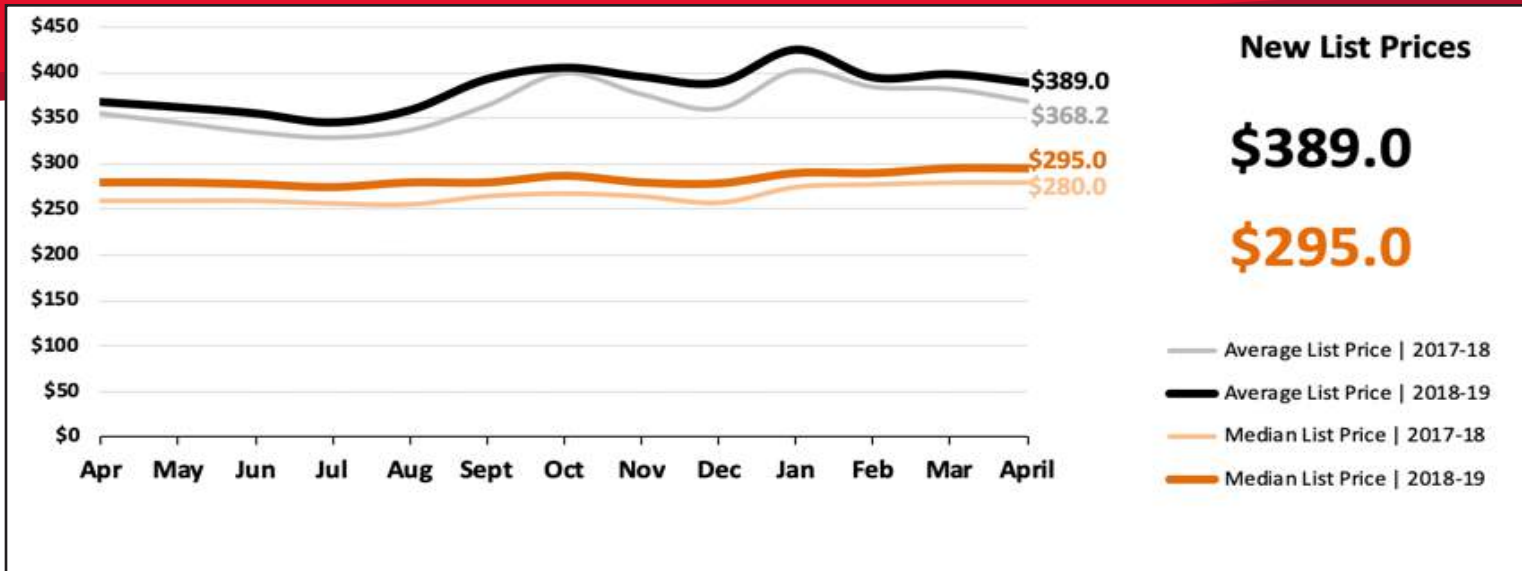
April UCB listings percent of total inventory was 19.4% with April CCBS listings at 3.5% of total inventory.

Snapshot of statuses on 4/30/2019

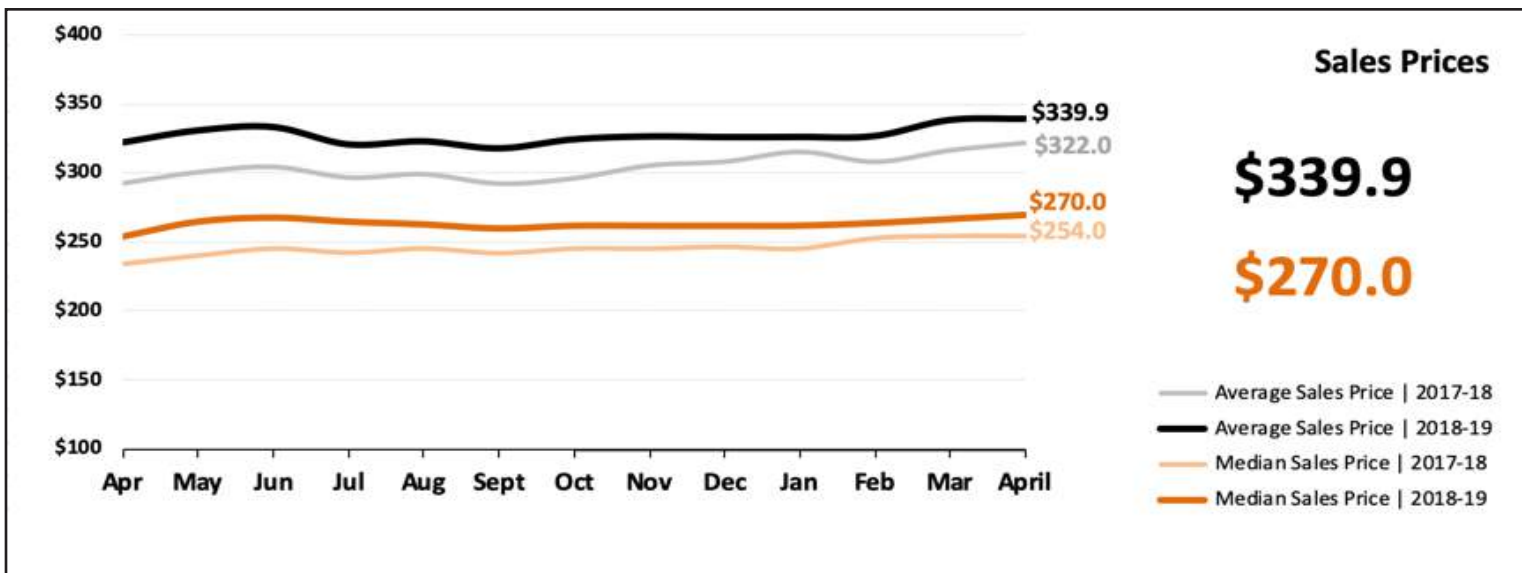


Months supply of inventory for March was 2.78 with April at 2.43.

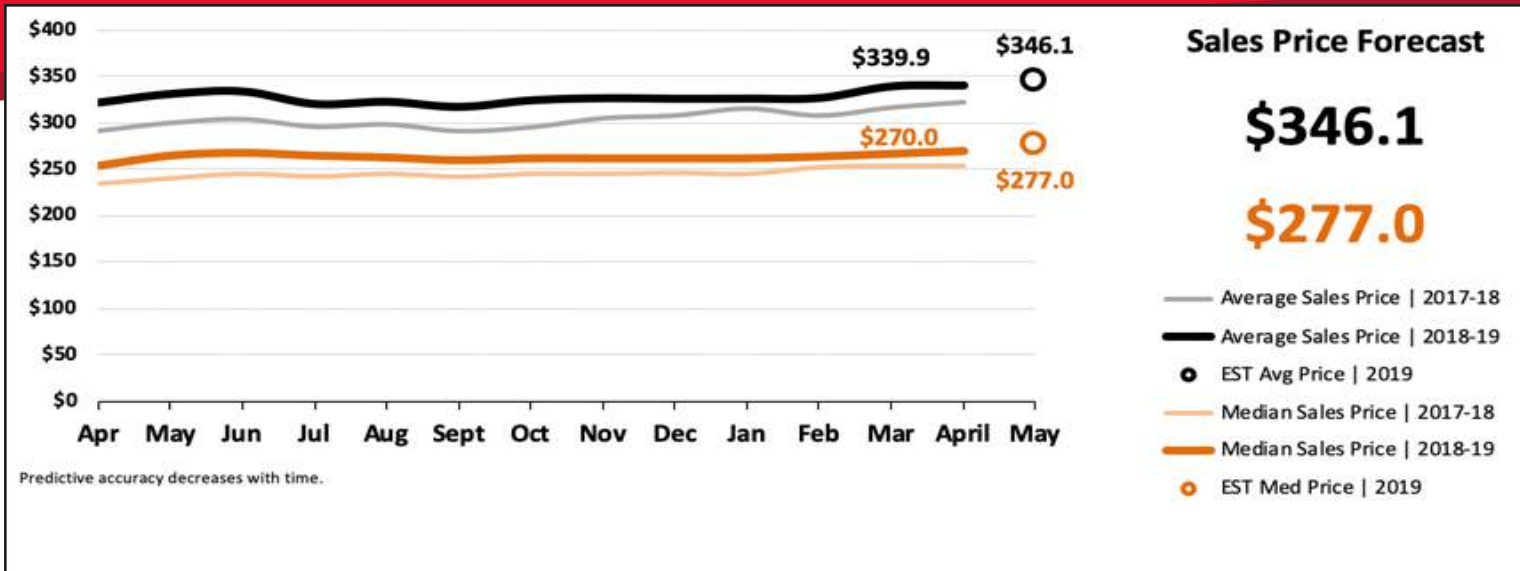
Current inventory of Active/UCB/CCBS divided by the monthly sales volume of APRIL 2019, 0 day DOM sales removed



List prices of new listings with list dates from 4/1/2019 to 4/30/2019, 0 day DOM sales removed

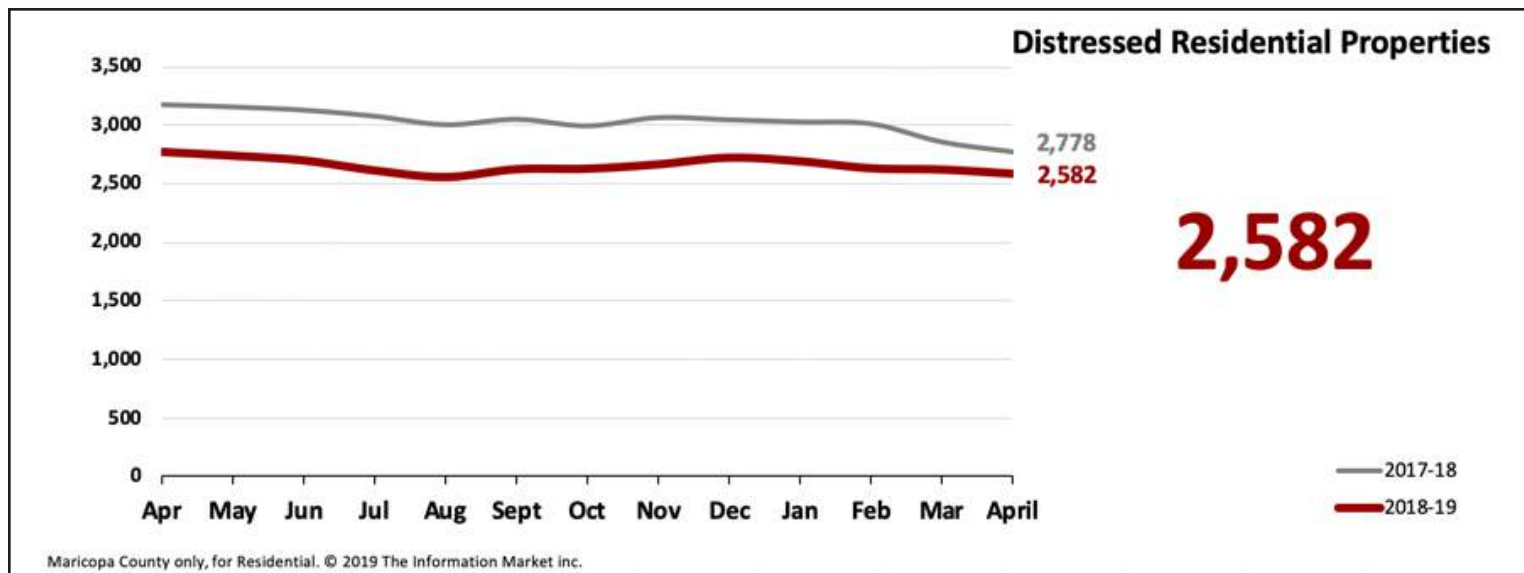


MLS sales prices for closed listings with a close of escrow date from 4/1/2019 to 4/30/2019, 0 day DOM sales removed



A slight increase is forecasted in April for both average and median sales prices.

ARMLS proprietary predictive model forecast, 0 day DOM sales removed



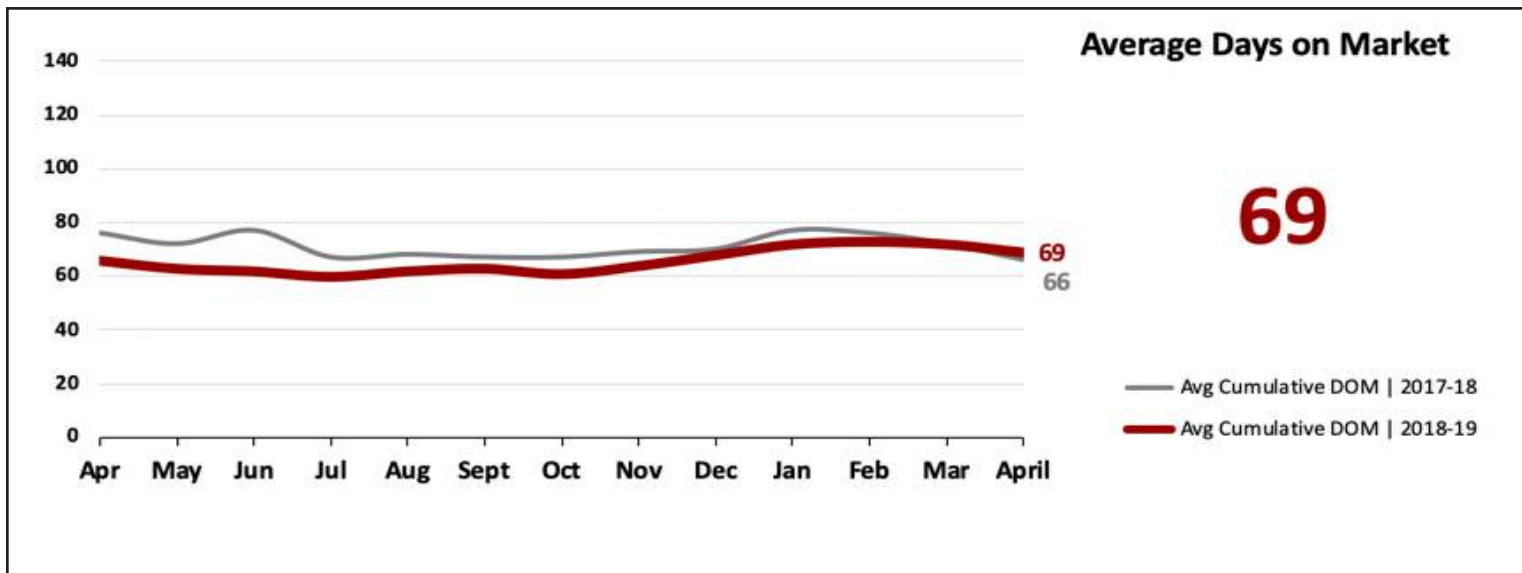
Foreclosures pending month-over-month showed a decrease of -1.4% while the year-over-year figure was down -7.1%.

Snapshot of public records data on 4/30/2019 active residential notices and residential REO properties. Note: this graph was adjusted as total foreclosure counts were under reported for the last 2 months.



Distressed sales accounted for 0.9% of total sales, the same as the previous month. Short sales dropped -57.8% year-over-year. Lender owned sales dropped -27.1% year-over-year.

New MLS listings that were active for at least one day from 4/1/2019 to 4/30/2019, 0 day DOM sales removed



Days on market were up +3 days year over year while month-over-month decreased by -3 days.

MLS sales prices for closed listings with a close of escrow date from 4/1/2019 to 4/30/2019, 0 day DOM sales removed

I read a recent marketing piece espousing the importance of a great headline regardless of what you're writing. So, I asked Google if headlines are important? Google responded, "*Headlines are the single most important factor when creating great content. Because headlines determine whether or not your target audience is going to read your article.*" While the grammar check in Word found issues with the response from Google, I found the premise sound. An article from 1000WATT echoed that sentiment. "*The right words require a deep understanding of your difference, your special sauce or your flavor of weird that people love.*" In past issues of STAT, I've been extremely critical of misleading headlines, so it was important to me that my headline not only heed the advice given, but it had to be topical, honest and relevant.

"The Effect of Chinese Tariffs on Phoenix Housing is Unknown"

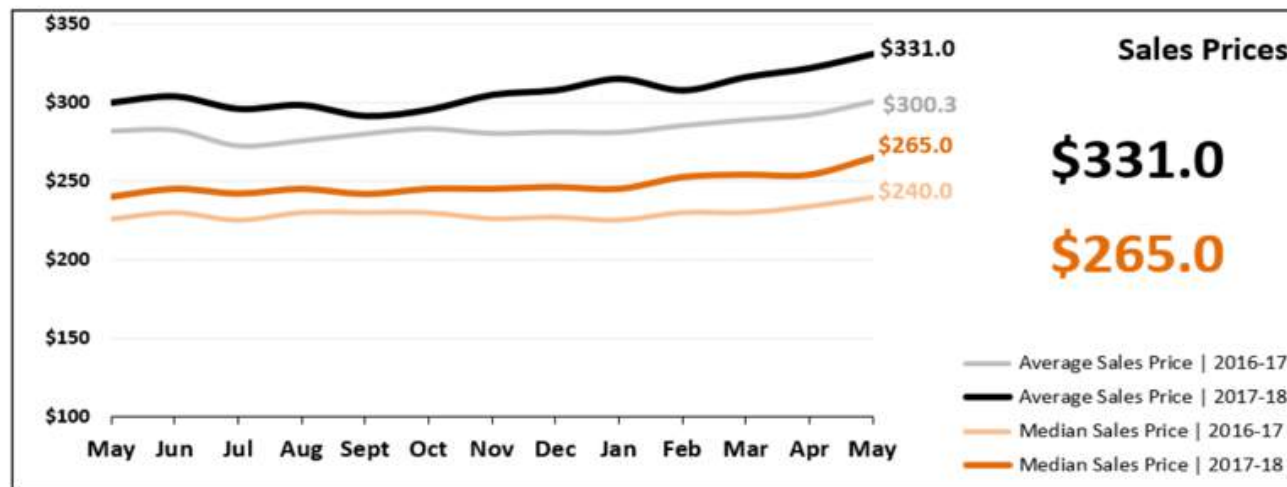
All the economic news this week has centered around Chinese tariffs. I don't know a thing about tariffs and have no idea whether they have any effect on our housing market. What I do know is that April was a very good month for Valley home sales. For the first time in 2019, we saw a year-over-year gain in sales volume. Sales volume this year was 5.6% higher than 2018. It must be noted that there was one more business day this year over last year, so we must temper our enthusiasm a bit. Taking the additional business day into consideration, sales volume was .8% higher year-over-year. In the 19 years ARMLS has been reporting sales, the 2019 total of 9,493 was the second highest sales volume on record, second only to 2005. As we enter the second quarter of 2019, real estate professionals are viewing the market with renewed optimism. The doldrums from the final quarter of 2018 and the first quarter of 2019 are behind us. Lower interest rates and higher loan limits have lifted the market. Looking ahead to May, we again expect strong sales numbers.

It's quite remarkable to view the consistencies within our housing market over the past seven years. Each April somewhere around the 25th, either on a Tuesday or Wednesday, pending sales peak. These peak contracts lead to sales volume peaking in either May or June. Accompanying yearly peak sales volume, the median sales price also

rises. In the past 10 years the median sales price has peaked in June. It then “wobbles” through the end of the year up until our next season begins. In 2018 the median sales price peaked at \$268,000 surpassing its all time high of \$264,800 reached in June 2006. We established a new high this April when ARMLS reported a median sales price of \$270,000.

As the pattern of the past seven years continues, the April high will be short lived, and the May median will clearly surpass it. Spoiler alert, the ARMLS PPI projects a median sales price of \$277,000 in May. Even with the seasonal increase in home prices, overall price increases are moderating. Viewing 2018 STAT for May, the year-over-year increase in the median sales price was 10.4%. If our PPI for this May of \$277,000 is accurate, our increase would be 4.5%. The projected gain in year-over-year average home price is 1.8%. As discussed in prior issues, moderating price increases are linked to affordability, or in other words, what the market can bear.

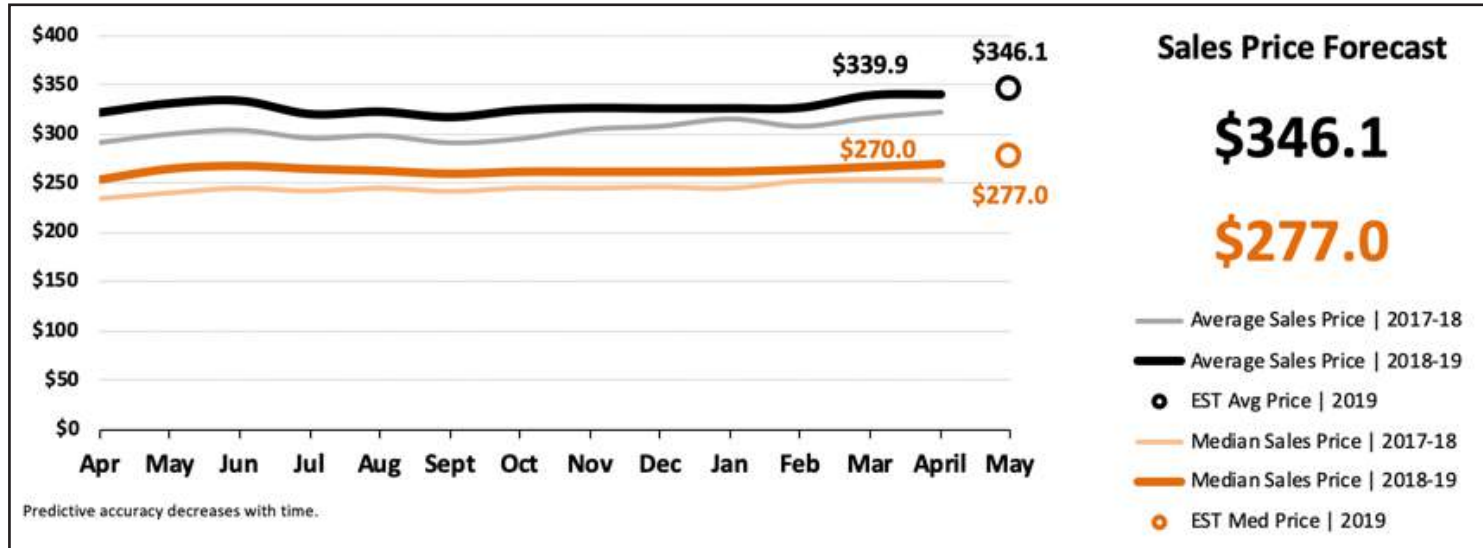
ARMLS STAT REPORT MAY 2018



The average sales price is up +10.2% year-over-year while the year-over-year median sales price is also up +10.4%.

MLS sales prices for closed listings with a close of escrow date from 5/1/2018 to 5/31/2018, 0 day DOM sales removed

ARMLS PPI FOR MAY 2019



One factor that could influence our home prices, either in a positive or negative way depending on your perspective, is an increase in buyers fleeing California. The Information Market data shows the median home price for buyers with a California address was \$38,000 or 14% higher than the ARMLS median of \$270,000. In a recently published Redfin Migration Report, Phoenix was named as the top destination in the country, particularly among Los Angelenos and people looking to leave other expensive high-tax metros. More than a third of people searching Redfin.com for Phoenix homes last quarter were out-of-towners. [Redfin chief economist Daryl Fairweather](#) had this to say about it.

“People are feeling more confident about the economy and now feel financially secure enough to make a cross-country move to a metro where their money will go further. Homeownership may be out of reach for current residents of San Francisco or New York, but there are plenty of affordable homes and lower taxes in places like Phoenix, Atlanta and Austin. As more workers move to these places, there is a chicken and egg phenomenon where more companies open offices, which attracts even more workers.

Phoenix re-took the number one spot on the list of metro areas, beating out Sacramento with the highest net inflow of Redfin users in the first quarter. A net inflow means more people are looking to move in than leave, while a net outflow means there are more people looking to leave than people looking to move in.

Net inflow for Phoenix hit 7,949—the highest net inflow on record not only for Phoenix, but for any metro area to date since Redfin began reporting net migration data in early 2017. The share of homebuyers searching in the Phoenix metro area from other metro areas also hit a new high of 34.5 percent in the first quarter, just edging past the previous high of 34.0 percent in the second quarter of 2018.”



“So many people are coming here from expensive cities like Los Angeles, San Francisco and Seattle for our low cost of living and great weather. The trend is really increasing lately thanks to strong job growth and companies such as Allstate, Intel, Boeing, Microsoft and Facebook moving to the area.”

“When a California resident visits Phoenix and sees how much more home they can afford here, it really gives them something to think about. Plus, Phoenix property taxes are just so much lower.

“Every one of the top migration destinations are attracting big crowds from California and New York—two states with some of the [highest tax burdens in the nation](#). Even when home searchers are looking to leave their metro area, they mostly tend to stick to the same coast. For the west coast its Phoenix and Las Vegas.”

The Pending Price Index

Last month the STAT mathematical model projected a median sales price for April of \$269,000. The April reported median was \$270,000. Looking ahead to May, the ARMLS Pending Price Index anticipates the median sales price will increase, projecting a median sales price of \$277,000.

We begin May with 7,256 pending contracts; 4,478 UCB listings and 802 CCBS giving us a total of 12,536 residential listings practically under contract. This compares to 12,309 of the same type of listings one year ago. At the beginning of May 2019 pending contracts are 1.8% higher than last year. There were 22 business days in May of 2018 and 22 this year. ARMLS reported 9,913 sales in May of 2018. We expect similar sales volume this year, our guess is just over 10,000 sales.