



CITIEA



# Greater Phoenix Market Update September 2024

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A comprehensive analysis of the latest market trends and insights for the Greater Phoenix metropolitan area.

# Overview



## MARKET SNAPSHOT

The Greater Phoenix real estate market saw a 28% fall-out rate in 2024, with a Cromford Market Index (CMI) still declining at -23.0, indicating a buyer's market.



## SUPPLY VS. DEMAND

Months of Supply increased 17% month-over-month to 3.2 months, while the Absorption Rate decreased 15% to 31.2%, reflecting the current market conditions.



## MEDIAN SALES PRICES

The median sales price in Greater Phoenix decreased across all price points, with the largest decline of \$44,695 in the 121+ days category.



## MORTGAGE RATES

If the spread between mortgage rates and the 'normalized' rate were reduced, the average 30-year fixed mortgage rate would be 5.40% instead of the current 6.20%.

**THE GREATER PHOENIX REAL ESTATE MARKET IS EXPERIENCING A SHIFT TOWARDS A BUYER'S MARKET, WITH INCREASED SUPPLY, DECREASED DEMAND, AND DECLINING MEDIAN SALES PRICES. MORTGAGE RATES REMAIN A KEY FACTOR IMPACTING AFFORDABILITY AND MARKET DYNAMICS.**

# Key Metrics

Metric	Value
Median Sales Price	\$470,000
Days on Market	49
Percentage of Original List Price	96.1%

\*ARMLS, 8/25/24 through 9/21/24 Closings - Single Family Only

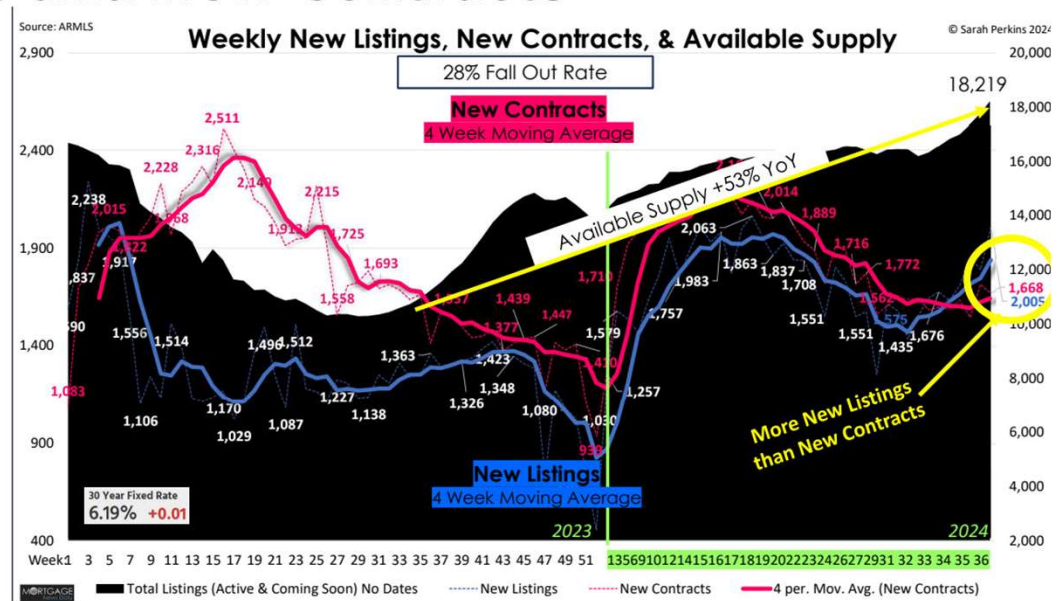
# Cromford Market Index

The Cromford Market Index (CMI) for Greater Phoenix is currently indicating a buyer's market. The average change in CMI over the past month is -1.3%, with a decline of -0.7% seen last week. This suggests that while there are some small signs of improving demand, supply is growing faster, tilting the balance in favor of buyers.

	Rank	September 19, 2024	Cromford® Market Index Now		Chg	Cromford® Market Index Last Month
Seller	1	Fountain Hills	192.7	↑	10%	174.7
	2	Paradise Valley	142.5	↑	25%	114.3
	3	Chandler	136.0	↓	-11%	153.2
	4	Scottsdale	133.0	↑	2%	129.9
	5	Avondale	124.5	↓	-16%	148.8
	6	Glendale	122.1	↑	4%	116.9
	7	Mesa	117.8	↓	-1%	119.5
	8	Phoenix	113.0	↓	-10%	125.4
	9	Gilbert	112.7	↓	-3%	116.1
Balanced	10	Cave Creek	101.0	↑	2%	99.0
	11	Peoria	95.6	↓	-10%	106.0
	12	Tempe	93.3	↓	-5%	97.8
Buyer	13	Goodyear	84.7	↓	-4%	88.1
	14	Surprise	82.3	↑	2%	80.8
	15	Queen Creek	70.7	↓	-1%	71.4
	16	Buckeye	67.4	↑	0%	67.2
	17	Maricopa	66.4	↓	-8%	71.8

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# New Listings and New Contracts



## WEEKLY NEW LISTINGS

The chart shows the weekly new listings in the Greater Phoenix market over the past year. The trend line indicates a seasonal pattern with peaks in the spring and summer months.

## WEEKLY NEW CONTRACTS

The chart shows the weekly new contracts in the Greater Phoenix market over the past year. The trend line indicates a seasonal pattern with peaks in the spring and summer months, mirroring the new listings trend.

## AVAILABLE SUPPLY

The chart shows the weekly available supply, or active and coming soon listings, in the Greater Phoenix market over the past year. The supply has been steadily increasing over the past year as new listings have outpaced new contracts.

## 4-WEEK MOVING AVERAGE

The chart includes a 4-week moving average line for new contracts, smoothing out the weekly volatility and highlighting the broader trends in buyer demand over time.



# Supply and Demand

## MONTHS OF SUPPLY

The data shows that the Months of Supply in the Greater Phoenix market is 3.2, up 17% month over month. This indicates that if no new listings hit the market, the current supply would be exhausted after 3.2 months.

## ABSORPTION RATE

The Absorption Rate, which represents the percentage of available listings that sold in August, is 31.2%, down 15% month over month. This suggests a slowing in demand compared to the previous month.

## PRICE TRENDS

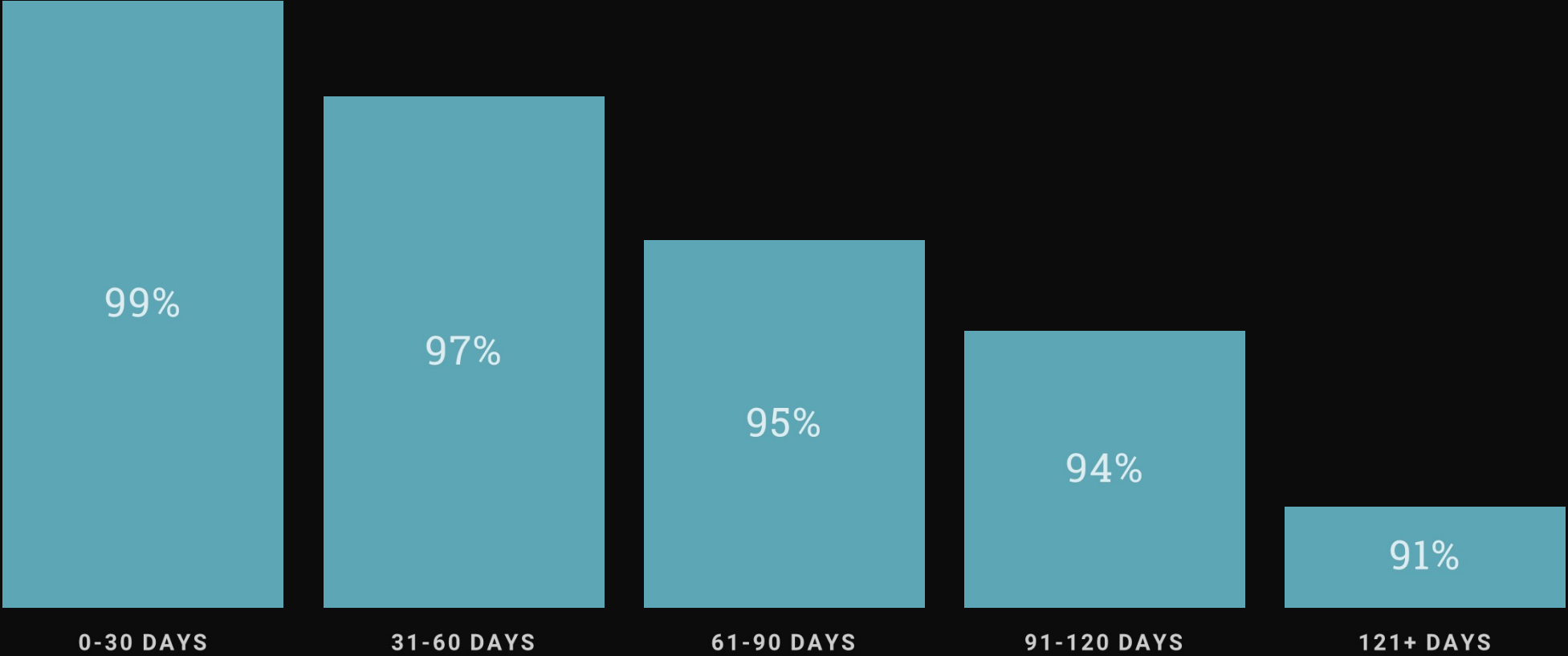
The slide presents data on the percentage of original list price achieved in the Greater Phoenix market across different days on market (DOM) categories. It shows that homes selling in 0-30 days achieved 98.67% of the original list price, while homes selling in 121+ days achieved only 90.86% of the original list price, indicating a market where buyers have more negotiating power.

## CROMFORD MARKET INDEX (CMI)

The Cromford Market Index, a measure of market balance, is still declining, currently at -23.0. This indicates a buyer's market, with supply growing faster than demand. The average change in CMI over the past month is -1.3%, suggesting a continued shift in favor of buyers.

# Median Sales Prices by Days on Market

By Days on Market in Greater Phoenix



# Mortgage Rates

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## CURRENT MORTGAGE RATES IN GREATER PHOENIX

The current 30-year fixed mortgage rate in Greater Phoenix is 6.20%.

## IMPACT ON AFFORDABILITY

The higher mortgage rates have reduced buyer affordability, leading to a decline in home sales and price appreciation.

## NORMALIZATION OF THE 'SPREAD'

If the 'spread' between the 30-year fixed rate and the average rate were normalized to 1.75 percentage points instead of the current 2.55 percentage points, the average 30-year fixed mortgage rate would be 5.40% today.

## EFFECT ON MARKET DYNAMICS

The higher mortgage rates have shifted the market dynamics in favor of buyers, with increased supply and reduced demand compared to the previous year.

## MARKET OUTLOOK

The presentation explores the impact of these mortgage rate changes on the Greater Phoenix real estate market, including trends in sales, inventory, and price appreciation.



# New Construction

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- **CURRENT SUPPLY AND DEMAND**

The supply of new construction homes in Greater Phoenix is 98.67% of demand, indicating a very tight market. Demand remains strong, with 90.86% of new homes sold within the first 120 days.

- **MEDIAN SALES PRICES**

The median sales price for new construction homes in Greater Phoenix is \$489,000, with buyers paying an average of 96.1% of the original list price and the homes selling in an average of 49 days on market.

- **CITIEA METRICS**

In the Citiea community, the median sales price is \$480,000, with buyers paying an average of 99% of the original list price and the homes selling in an average of 20 days on market. 63% of these homes sold in less than 30 days.

- **MARKET TRENDS**

The Cromford Market Index (CMI) for Greater Phoenix is currently -23.0, indicating a buyer's market. However, there are some signs of improving demand, though supply is growing faster, leading to a market more favorable to buyers.