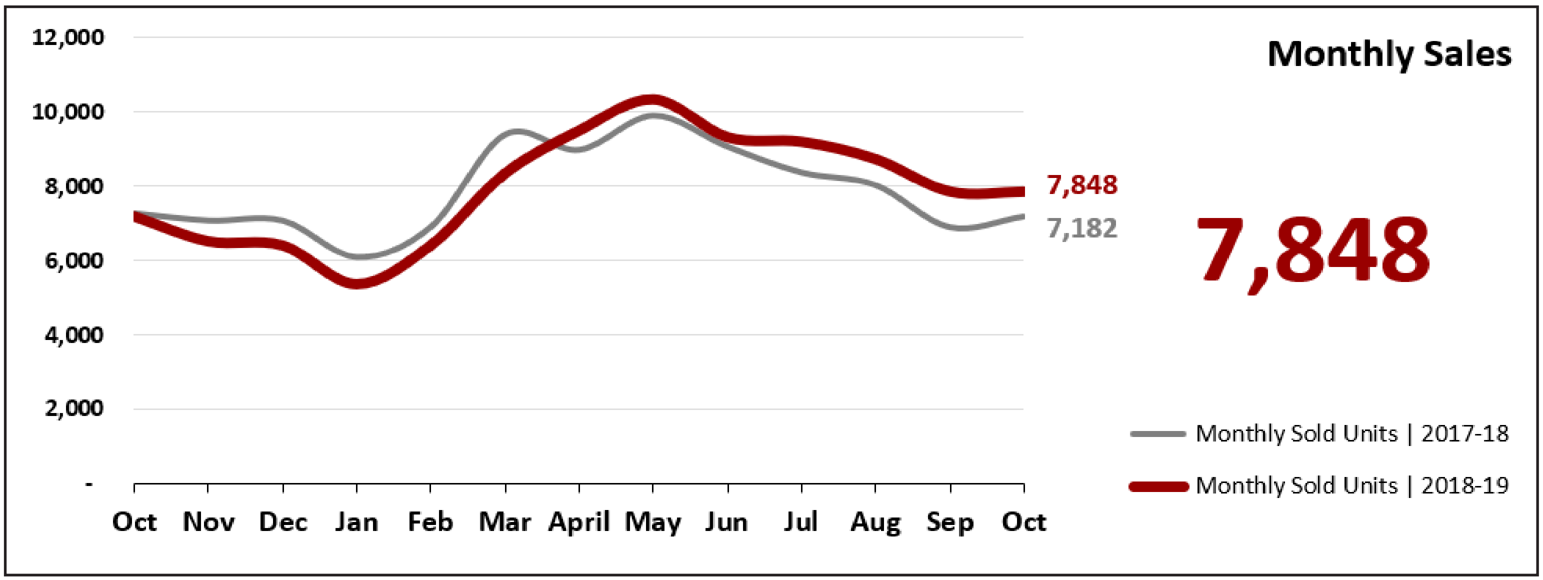
# STAT
## Your Monthly Statistics for the Phoenix Metro Area

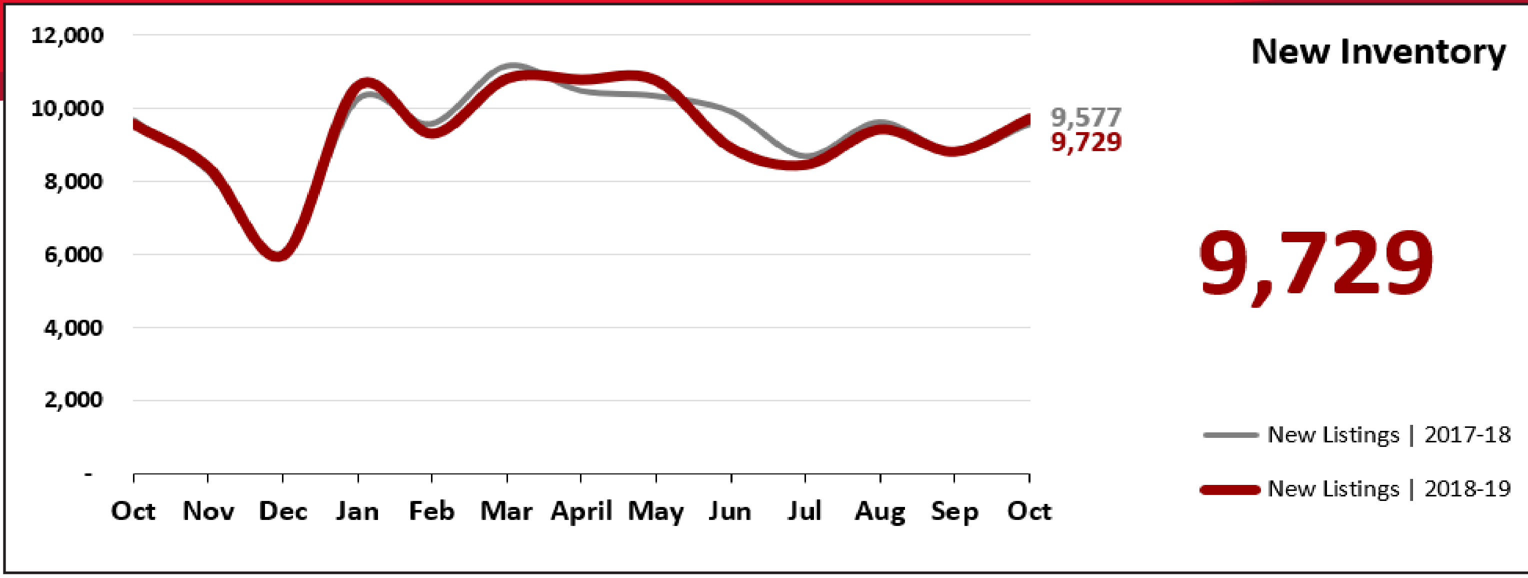
ARMLS®

**DATA FOR OCTOBER 2019** - Published November 19, 2019



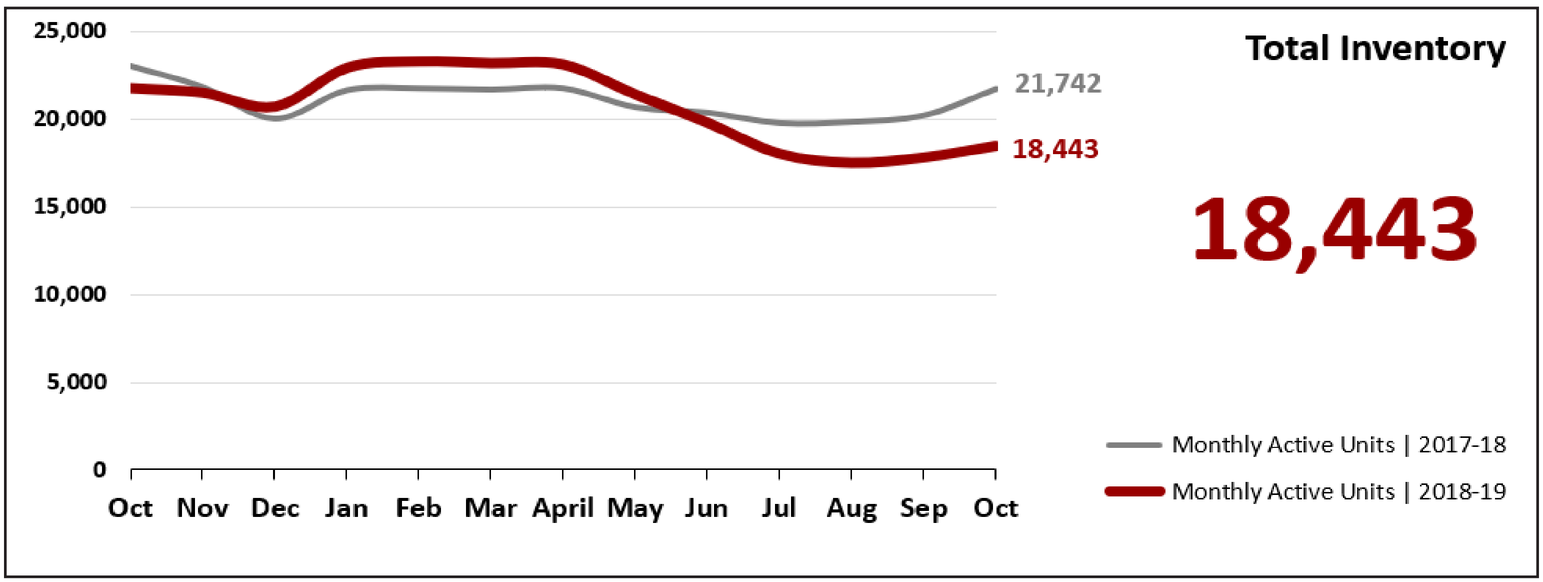

Sales have 0% change month-over-month. The year-over-year comparison is up +9.3%.

Closed MLS sales with a close of escrow date from 10/1/2019 to 10/31/2019, 0 day DOM sales removed



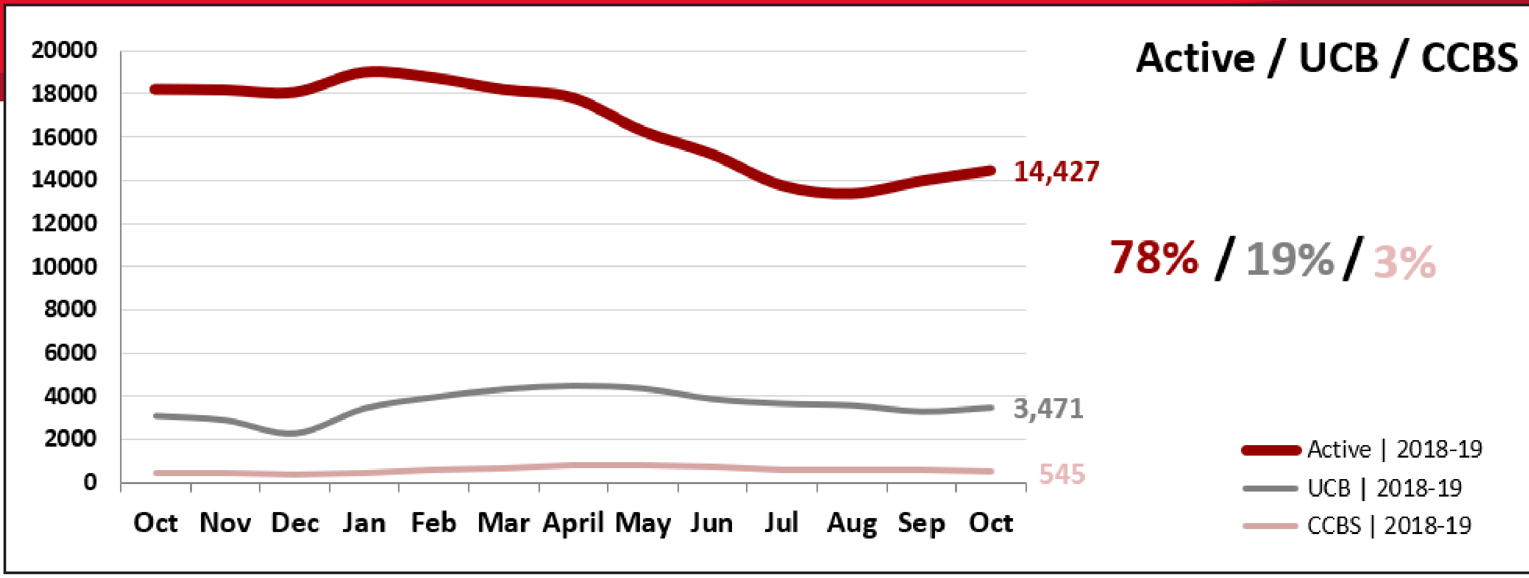

New inventory is up +10.2% month-over-month while the year-over-year comparison increased by +1.6%.

New MLS listings that were active for at least one day from 10/1/2019 to 10/31/2019, 0 day DOM sales removed



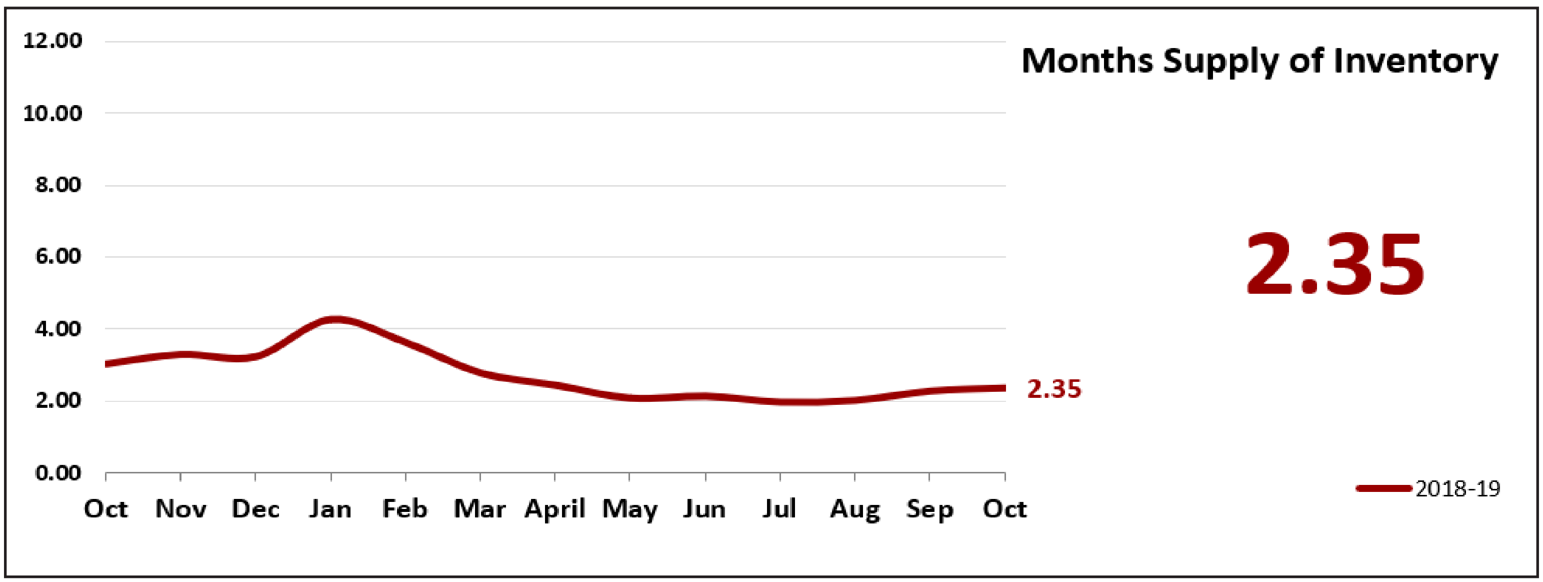

Total inventory has a month-over-month increase of +3.7% while year-over-year reflects a decrease of -15.2%.

Snapshot of statuses on 10/31/2019



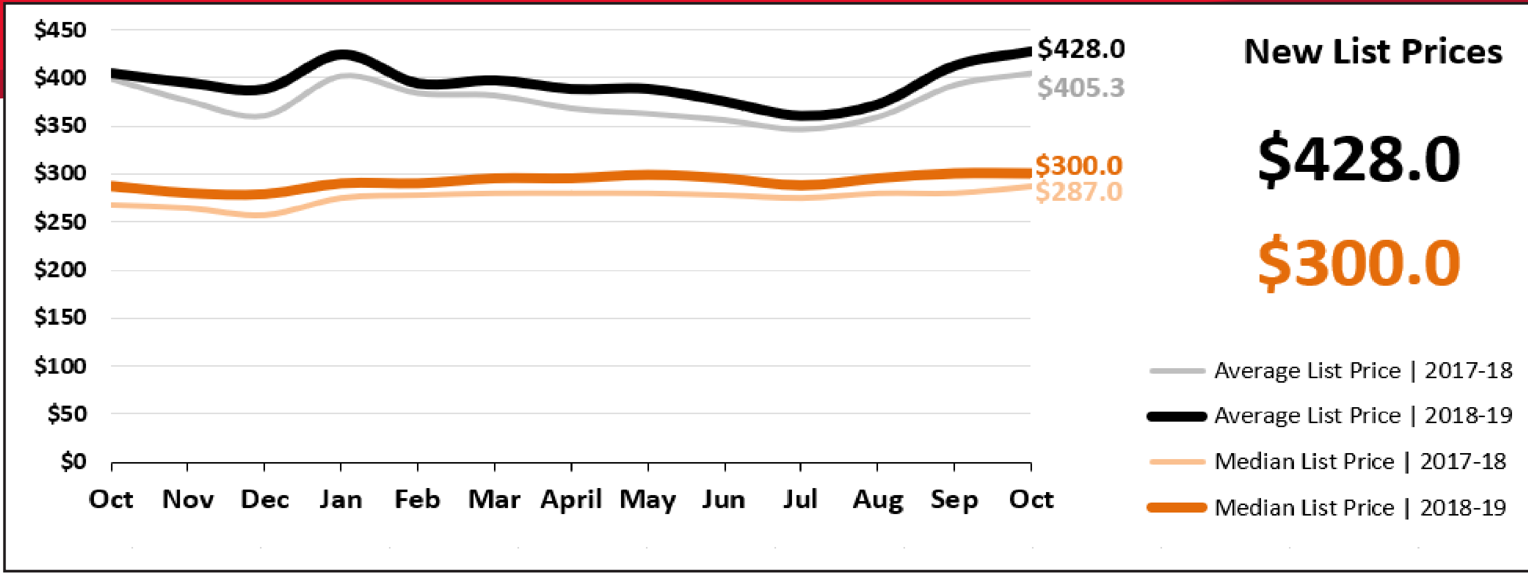

Snapshot of statuses on 10/31/2019

October UCB listings percent of total inventory was 18.8% with October CCBS listings at 3.0% of total inventory.



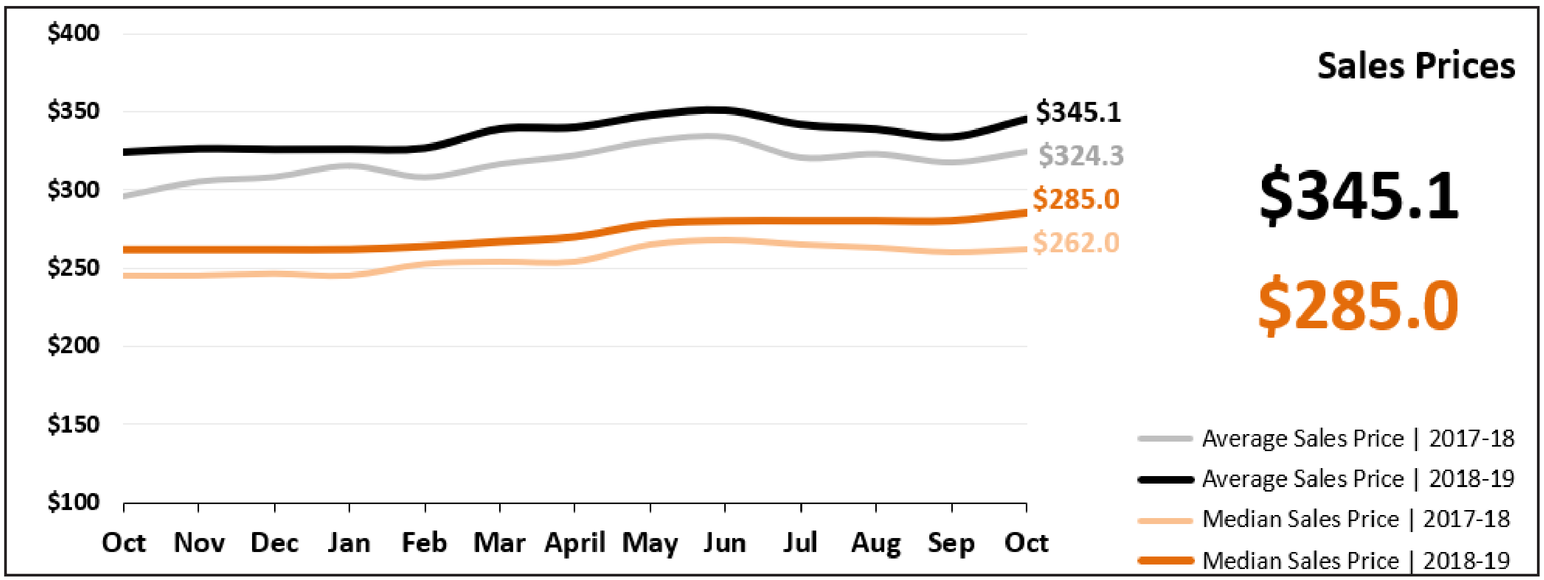

Current inventory of Active/UCB/CCBS divided by the monthly sales volume of OCTOBER 2019, 0 day DOM sales removed

Months supply of inventory for September was 2.27 with October at 2.35.



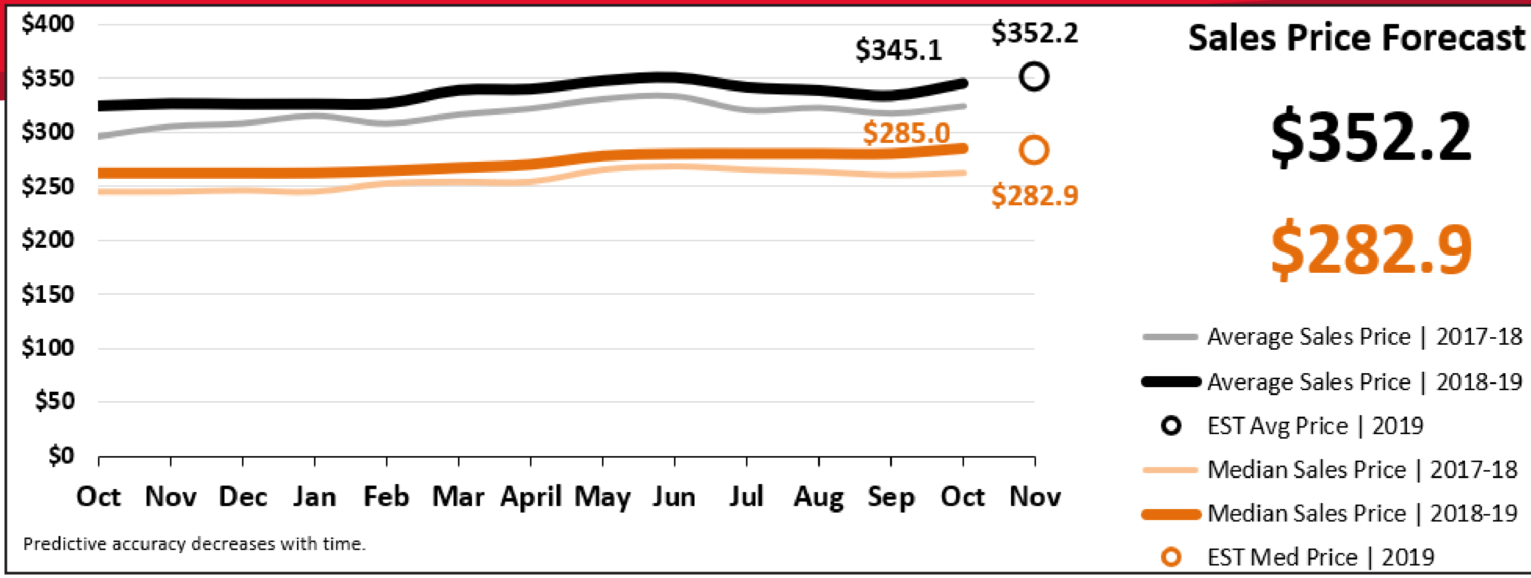

List prices of new listings with list dates from 10/1/2019 to 10/31/2019, 0 day DOM sales removed

Average new list prices are up +5.6% year-over-year. The year-over-year median is up +4.5%.



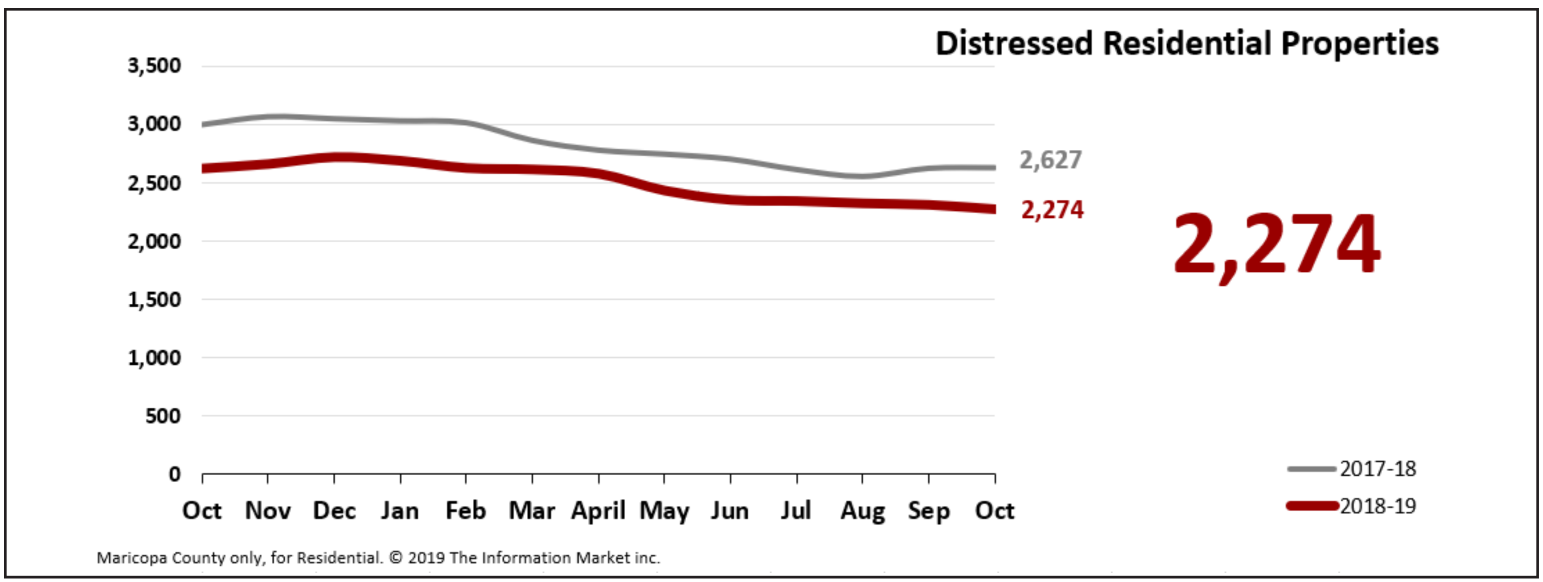

MLS sales prices for closed listings with a close of escrow date from 10/1/2019 to 10/31/2019, 0 day DOM sales removed

The average sales price is up +6.4% year-over-year while the year-over-year median sales price is also up +8.8%.



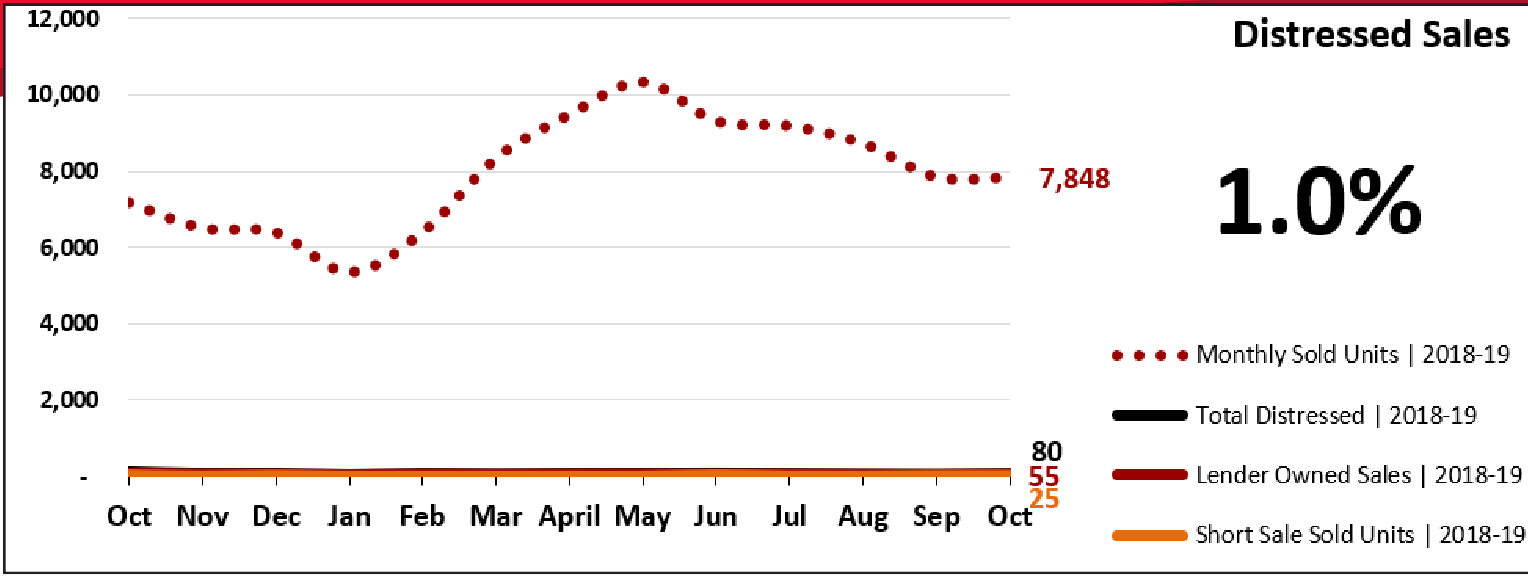

ARMLS proprietary predictive model forecast, 0 day DOM sales removed

An increase is forecasted in November for average sale prices while a slight decrease is forecasted for median sales prices.



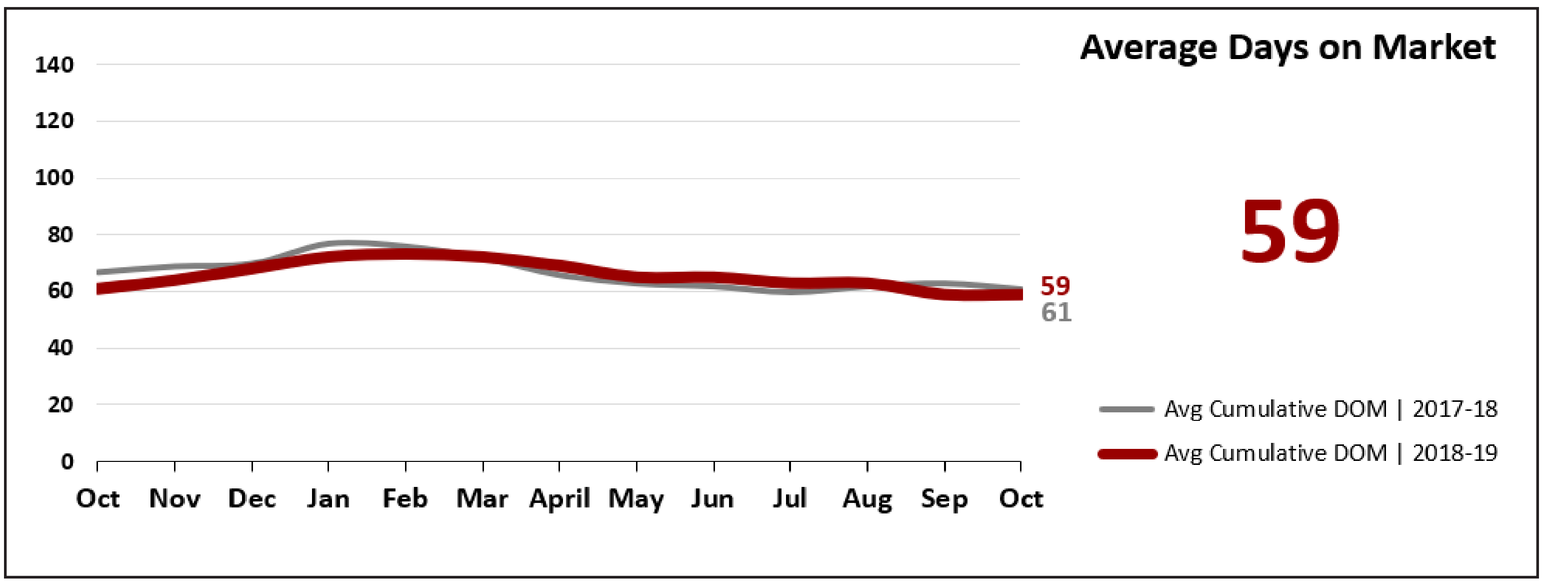

Snapshot of public records data on 10/31/2019 active residential notices and residential REO properties.

Foreclosures pending month-over-month showed a decrease of -1.6% while the year-over-year figure was down -13.4%.




Distressed sales accounted for 1.0% of total sales, up from the previous month of 0.8%. Short sales dropped -13.8% year-over-year. Lender owned sales dropped -35.3% year-over-year.

New MLS listings that were active for at least one day from 10/1/2019 to 10/31/2019, 0 day DOM sales removed

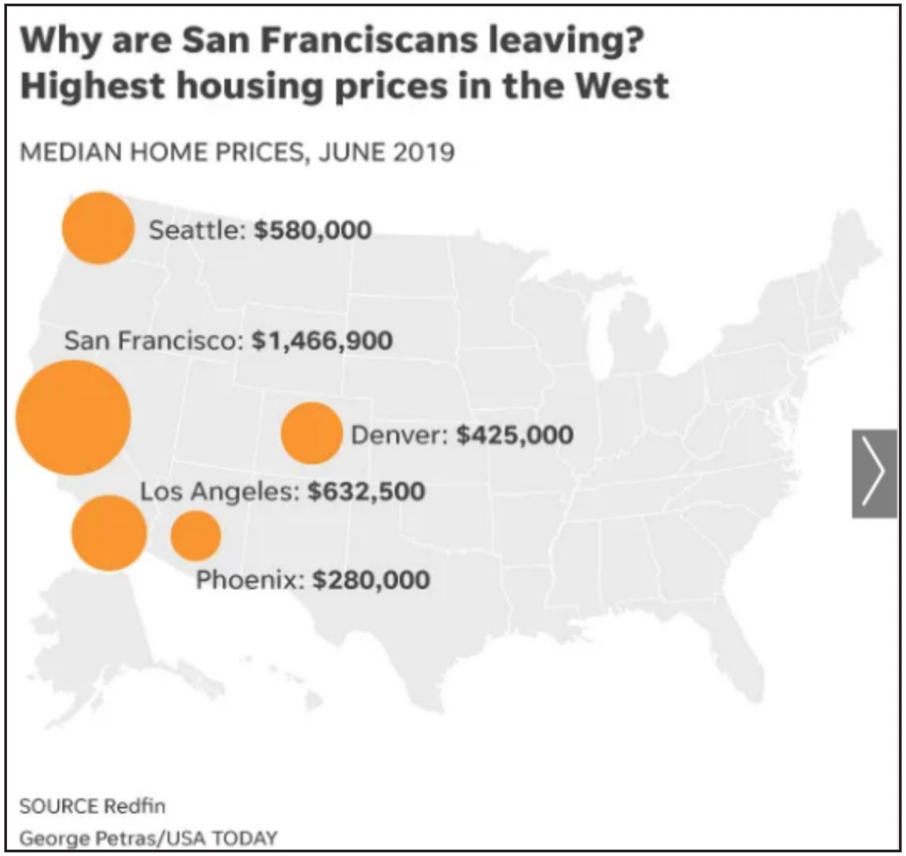



Days on market were down -2 days year-over-year while month-over-month stayed the same.

MLS sales prices for closed listings with a close of escrow date from 10/1/2019 to 10/31/2019, 0 day DOM sales removed

Just back from the NAR convention in San Francisco, and my oh my how the city has changed. The once bohemian/hippie mecca now lays claim to the most expensive housing in the West with a median home price of $1.4 million. At the gas pump, prices are $5 a gallon. Even the language has changed. The Berkeley City Council has voted unanimously to revise the city municipal code with gender-neutral language. A manhole is now known as a maintenance hole and manpower is now human effort. Just an observation, but officials there need to summon all the human effort they can to resolve their very visible housing inequities.

At the convention, Lawrence Yun, the NAR chief economist, described San Francisco as a city of haves and have nots using the example of two schoolteachers, one who purchased a median price home in 2000 for $400,000 and the other who chose to rent. The homeowner is now a millionaire and the renter is paying $3,700 per month in rent and has nothing. All because one chose to buy and the other chose to rent. This level of inequity is not conducive to a community, which explains the flood of recent articles about people fleeing not only San Francisco, but California in general. The San Francisco Bay area is second only to New York when it comes to people leaving. Why is this important to us? Arizona, specifically Phoenix metro, is one of the California migrants' top 5 destinations of choice.




### What Our Data Tells Us

When we look at public records data by The Information Market for this year, we see approximately 1 in 20 homebuyers and 1 in 10 "million-dollar plus" homebuyers came from California. The median purchase price for California buyers in our market was $325,000, well above our annual median. For the purposes of this study we viewed only homes purchased where the buyer was defined as either a single male, single female or married couple. This was done to eliminate institutional and investor purchases.

The one metric that defines the overall success of our industry is total dollar sales volume. It's quite remarkable when we reconcile the market expectations from last October with the reality of today. Just one year ago interest rates were rising, the stock market was on the verge of a 20% drop, housing was in the doldrums and national news reports were loud and negative. With all the negative momentum, who would have believed that 2019 would account for the highest gross dollar sales volume in ARMLS history? I'm here today to say when the final numbers are counted, 2019 will beat out 2005 and rank number 1.

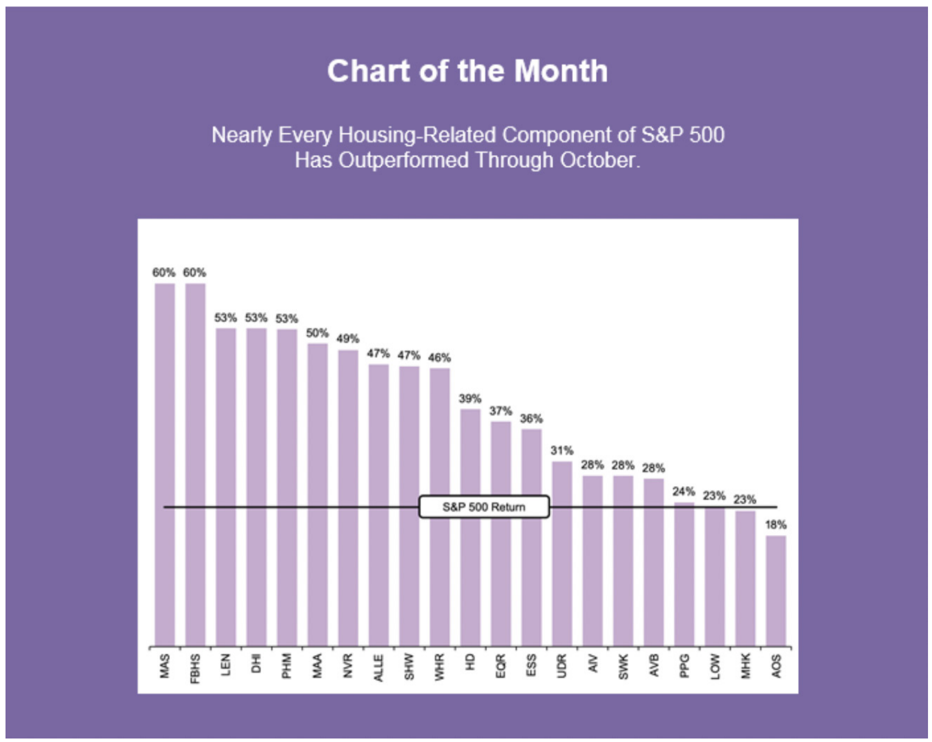
**ARMLS Total Dollar Sales Volume**

| Year | Total: | Rank: |
|---|---|---|
| 2001 | 10,834,371,300 | 19 |
| 2002 | 12,367,637,100 | 18 |
| 2003 | 15,680,897,200 | 15 |
| 2004 | 21,889,770,500 | 8 |
| 2005 | 31,372,302,800 | 2 |
| 2006 | 24,944,344,500 | 5 |
| 2007 | 18,421,325,400 | 11 |
| 2008 | 14,890,185,659 | 17 |
| 2009 | 15,890,137,513 | 13 |
| 2010 | 15,668,494,823 | 16 |
| 2011 | 15,847,141,568 | 14 |
| 2012 | 17,541,524,111 | 12 |
| 2013 | 19,948,674,781 | 9 |
| 2014 | 19,095,955,749 | 10 |
| 2015 | 22,164,926,687 | 7 |
| 2016 | 24,562,482,979 | 6 |
| 2017 | 27,797,477,106 | 4 |
| 2018 | 30,239,487,449 | 3 |
| 2019 | 32,920,087,954 | 1 |

**Predictions for 2020**

In almost every election year (exceptions include the anomaly that was the rise and fall of 2004-2008), we see total dollar sales volume increase significantly from the previous year. I anticipate this trend to continue in 2020. Why this happens, I'm not sure. Part of my reasoning comes from our own data. The other crystal ball I look to is Ivy Zelman. Zelman published a snapshot of housing-related components on the S&P, which shows them out-performing the standard S&P return.

**Zelman and Associates Housing Stock Chart**




Zelman also shares her concerns with affordability in the market.

*“On the forefront of my mind recently is the extreme deficit in affordable housing. One example that our industry needs to address is the severe cost burden put on renters as they face annual rent increases ranging from 2-5%. There are housing alternatives out there and we as an industry need to do a better job educating people about the very real fact that mortgage credit is available and very reasonable. With only a 3.5% down payment, and as low as a 580 FICO score with a debt-to-income ration as high as 50% you can buy a home using a FHA/VA mortgage. In many cases, renters aren’t aware of how much mortgage credit is open to help them pursue the American Dream, and instead are absorbing higher annual housing costs, which can be a difficult cycle to break out of for many young consumers.”* – Ivy Zelman

**The Pending Price Index**

Last month the STAT mathematical model projected a median sales price for October of $285,000. The October reported median was $285,000. Looking ahead to November, the ARMLS Pending Price Index anticipates the median sales price will decrease, projecting a median sales price of $282,868. It’s a common seasonal occurrence for the median sales price to wobble through the last half of the year.

We begin November with 5,934 pending contracts; 3,471 UCB listings and 545 CCBS giving us a total of 9,950 residential listings practically under contract. This compares to 8,307 of the same type of listings one year ago. At the beginning of November, the “pending” contracts are 19.8% higher than last year. There were 19 business days in November of 2018 and 18 this year. ARMLS reported 6,515 sales in November of 2018. We expect sales volume will be higher this year in the 7,100 range.