

Market Update Summary

June 2026





- **HB 2999 Enactment & Implications**
- **Supply**
- **Demand**
- **Sales**
- **Prices**
- **North Surprise**
- **Notes from the Field**
- **SPRING! March 5, 2027**

An aerial photograph of a residential construction site in a desert environment. Several houses are in various stages of completion. Some have orange-tiled roofs and white walls, while others are just wooden skeletons. A road and utility lines are visible in the background.

Metro Phoenix Supply

“We are going to pare down inventory and focus on new builds. The inventory is just discounting, discounting, discounting... With build-to-suits, the option / upgrade margins drive higher profit”

Builder Executive, April 2024

4,381

Total Inventory Homes

2,712

Total QD Inventory Homes

7.9

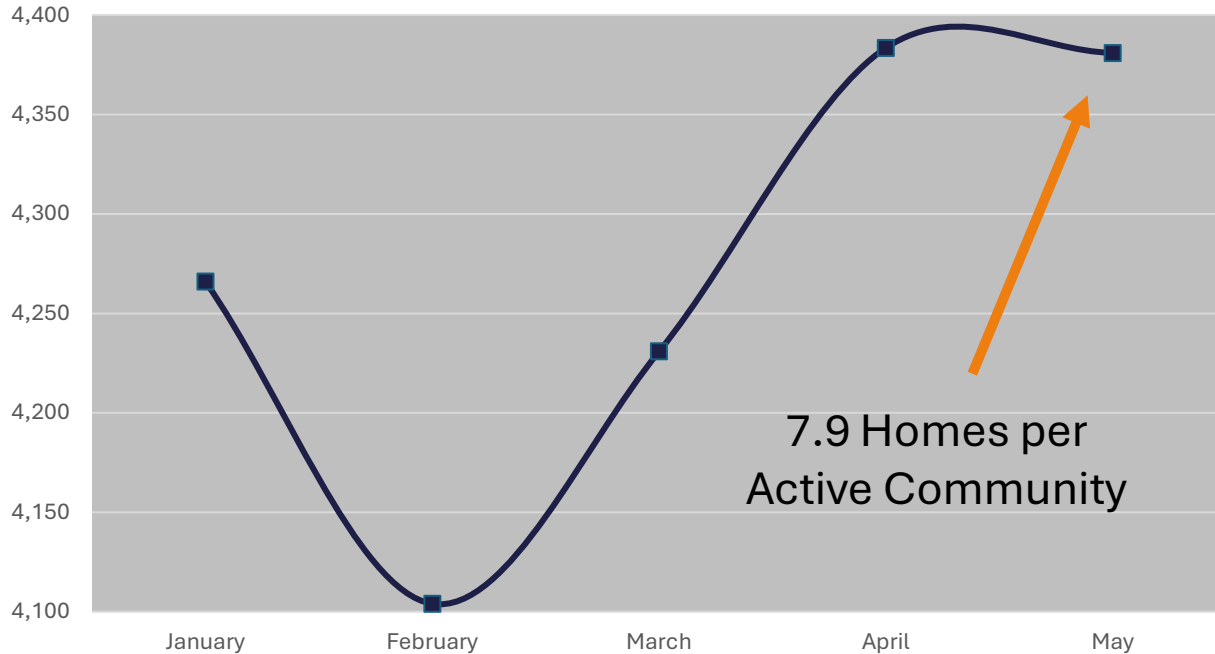
Inv Homes Per Subdivision

2.8

Mos of Supply

Source: Belfiore Analytics

Metro Phoenix Area
of Inventory Homes



Speculative Inventory

Specs – Most Supply

Arcadia / PV / Scottsdale (20.2 Mos)

1.7 11.0

North Scottsdale / Fountain Hills (10.6 Mos)

1.2 13.1

North Mesa (9.7 Mos)

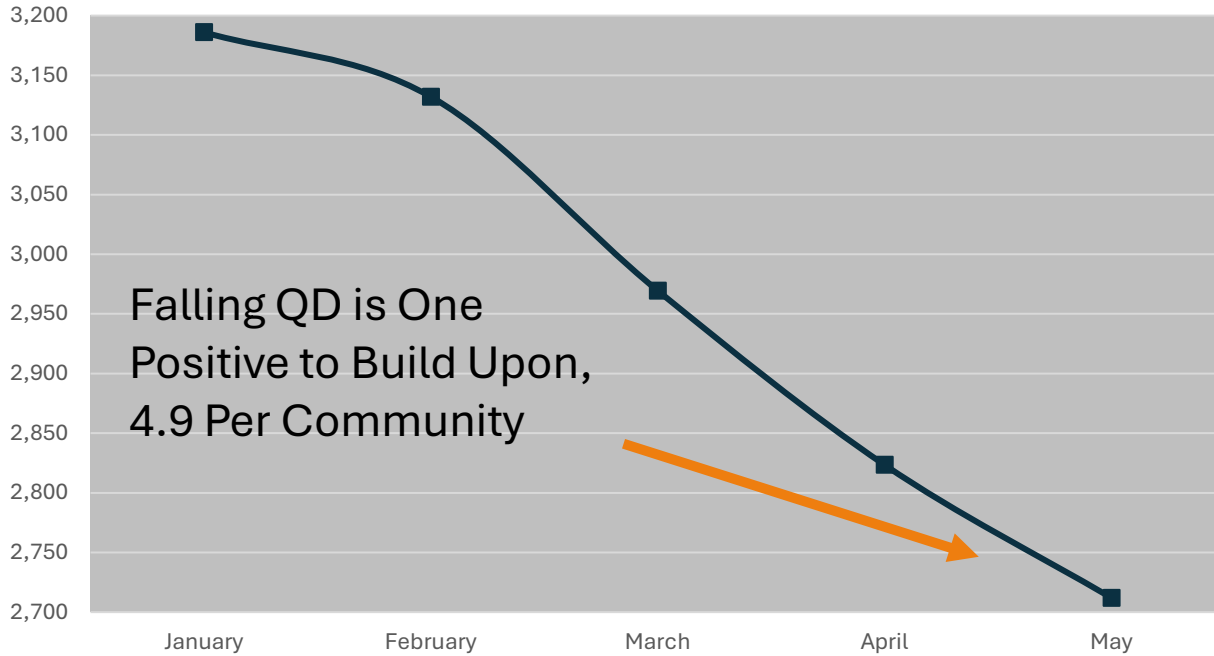
4.7 9.7

Litchfield Park / Loop 303 (4.2 Mos)

7.6 9.3

Source: Belfiore Analytics

Metro Phoenix Area
of Quick Delivery Inventory Homes



Speculative Inventory

Specs – Least Supply

Laveen North (1.4 Mos)

2.8 **5.0**

North Phoenix (1.5 Mos)

3.5 **5.5**

Williams Gateway / AJ (1.7 Mos)

8.0 **4.1**

Gilbert (1.9 Mos)

4.9 **5.0**

Source: Belfiore Analytics

Resales



- **Total Listings Falling**
 - **28,788 vs 29,932 Month Ago and 29,144 QOQ**
 - **Listings Less UCB at 25,006 (FLAT)**
- **Hope for Resellers / Positive Momentum Gone**
- **RATES, Ugh! 9 Month Peak...**
- **Distress- PF at 1% / Foreclosures <2%**

Sources: Cromford Report, ARMLS

Metro Phoenix Demand

“Spring is nature’s way of
Saying, ‘Let’s party!’”

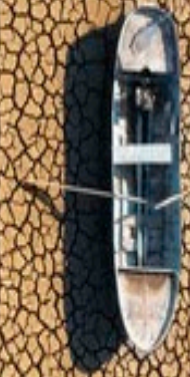
Robin Williams

“Where flowers bloom so
does hope.

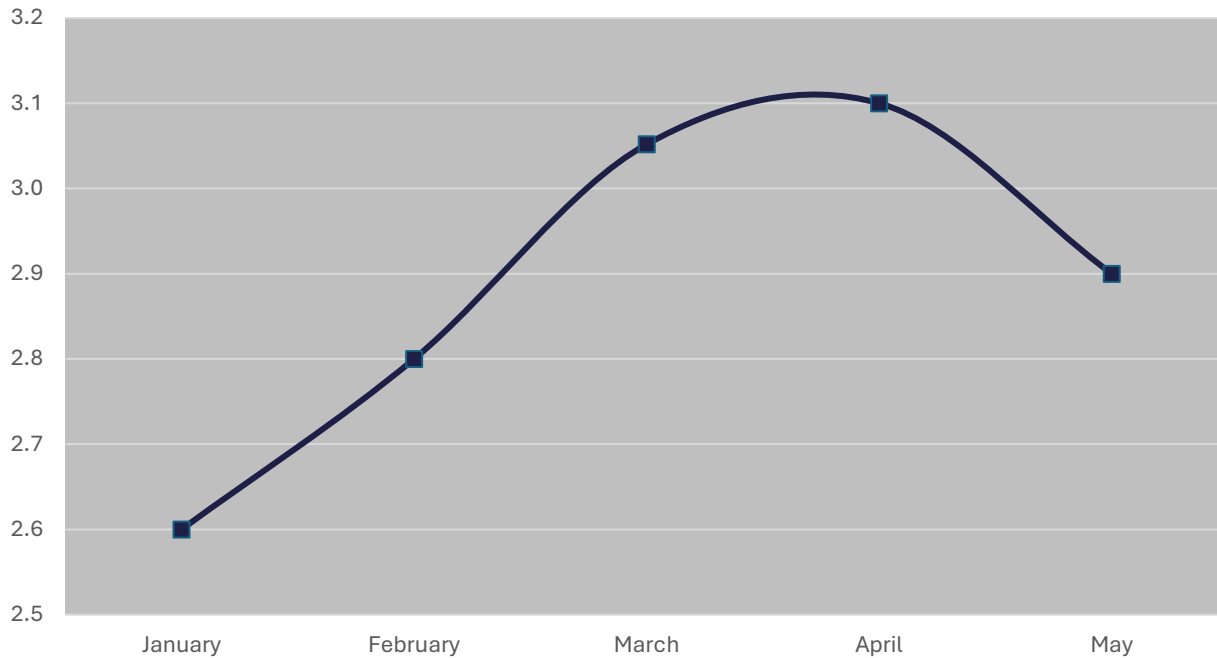
Lady Bird Johnson



Sales Have Peaked & Are Headed Lower



Metro Phoenix Area
Average Monthly Sales Per Community



Typical Peak Month is April,
May, or June... This Year
April 3.1; now 2.9 / Mo

Sales per Subdivision

Fewest

Arcadia / PV / Scottsdale

0.3 0.5

Gilbert

0.4 2.6

Cave Creek / Carefree

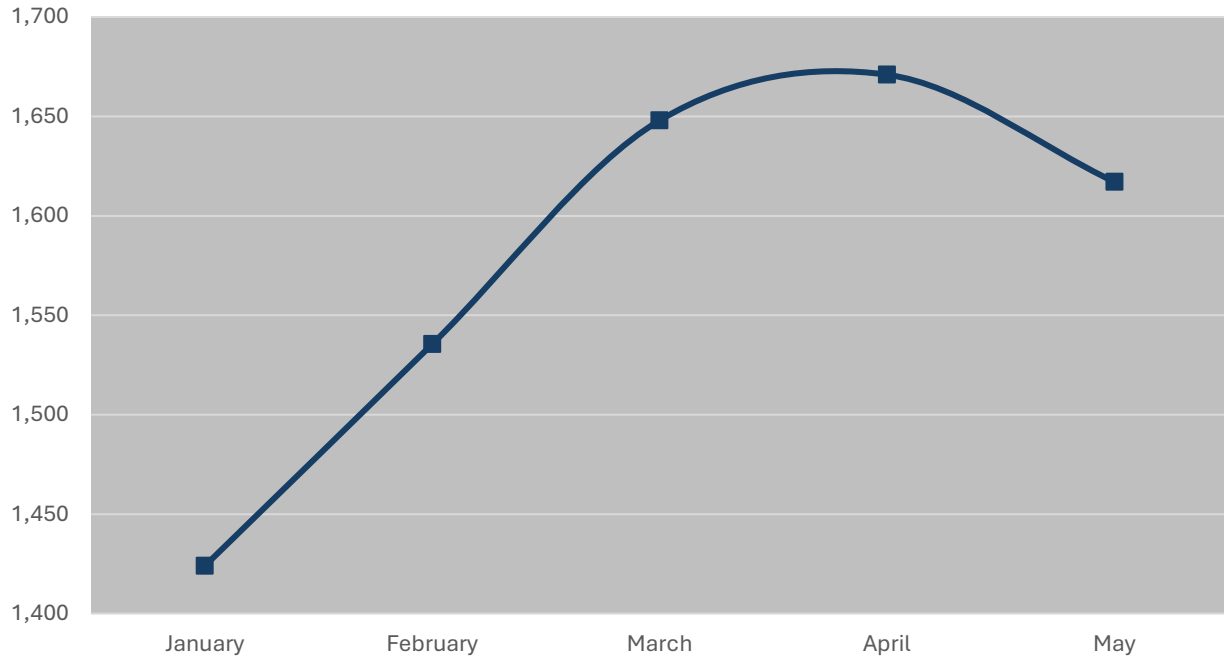
0.6 0.7

North Scottsdale / Fountain Hills

1.0 1.2

Source: Belfiore Analytics

**Metro Phoenix Area
Monthly New Home Sales**



MTM Dropoff – 3.3%, Steeper Metro Area Decline Likely Coming...

Sales per Subdivision

Most

Williams Gateway / AJ

5.6 4.8

Casa Grande

5.5 2.4

Avondale / Tolleson

4.5 3.9

North Phoenix

4.0 3.7

Source: Belfiore Analytics

New Home Sales – Why These??



New Home Sales & Average Home Prices by Submarket			
Submarket	Avg Monthly Sales Rate Last Two Months	Avg Monthly Sales Rate Since Inception	Average Base Price in Active Submarket Communities
Williams Gateway / AJ	5.6	4.8	\$539,793
Casa Grande	5.5	2.4	\$375,811
Avondale / Tolleson	4.5	3.9	\$470,815
North Phoenix	4.0	3.7	\$895,733
Gold Canyon	3.9	2.9	\$590,068
South Phoenix	3.8	2.4	\$606,183
Goodyear / South Buckeye	3.4	3.3	\$450,273
Maricopa	3.1	2.5	\$366,943

Sources: Belfiore Analytics

Top Ten Subdivisions by Volume



Top 10 Selling Subdivisions by Volume

Subdivision Name	Builder	Avg Monthly Sales Rate Last Two Months	Avg Monthly Sales Rate Since Inception	Average Base Price
Radiance at Superstition Vistas 40'	D.R. Horton	25.5	27.5	\$450,990
Radiance at Superstition Vistas 50'	D.R. Horton	15.0	16.0	\$532,157
Tradition at Aloravita	D.R. Horton	14.0	7.8	\$674,590
Express at Remington	D.R. Horton	13.0	7.6	\$392,490
Express at Rio Rancho Estates	D.R. Horton	12.0	6.0	\$397,990
Four Seasons at Victory Village and Cottages	K. Hovnanian Homes	11.5	5.0	\$425,142
Crest at Ventana Ranch	Lennar	11.0	4.8	\$398,140
Majestic at Mystic	Lennar	10.5	4.0	\$530,990
Agave Trails	Starlight Homes	10.0	6.6	\$415,990
Tradition at Remington	D.R. Horton	9.0	3.6	\$426,657

Resale Demand



- **Was Rising Much Faster than New... BUT**
- **Demand (Closings) Halved from 2021 to 2023, but moved up 3% from 2024 to 2025**
- **BA projection unchanged at Moment but Downward Vision Likely in Coming Mos: 4.4% Increase in Closings in 2026 and 8.7% in 2027**
- **Cromford Report data suggest highest number of sales per month in May, 76,724 in the trailing 12 months- most since 2021... BUT**
- **Listings Under Contract, down 6% MOM, up 9% YOY, up 9% YO2Y**

Sources: Belfiore Analytics, Information Market, Cromford Report, ARMLS

Metro Phoenix Prices

“We know the reason [for low demand]: record high home prices hitting affordability, and also mortgage rates much higher compared to a couple of years ago.”

Dr. Lawrence Yun, NAR Chief Economist

\$610,827

Average New Base
Offering Price

\$614,017

Average Resale Sales
Price – Last 30 Days

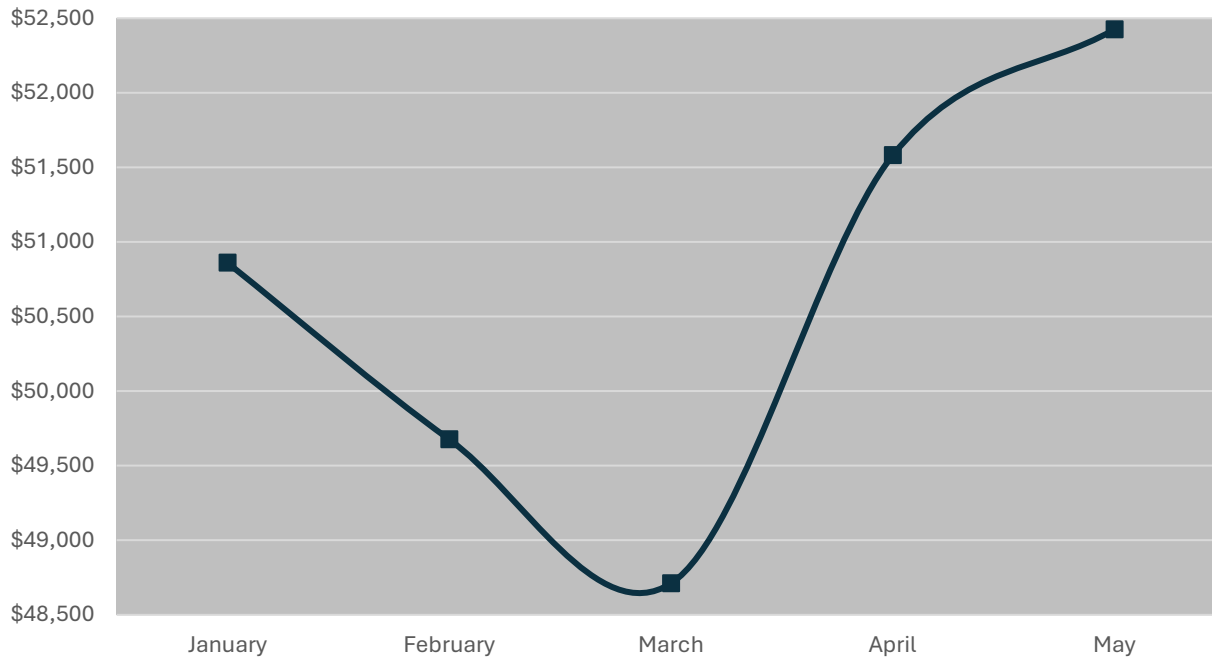
\$30,820

Average New Build
Incentive Value

\$52,425

Average QD Inventory
Incentive Value

**Metro Phoenix Area
Quick Delivery Inventory Incentive Average Value**



Nearly 92% of Actively Selling Communities are Offering Inventory Homes...

Incentive Values by Submarket

Highest

North Scottsdale / Fountain Hills

\$133,816 **\$54,250**

Cave Creek / Carefree

\$108,266 **\$71,667**

North Peoria

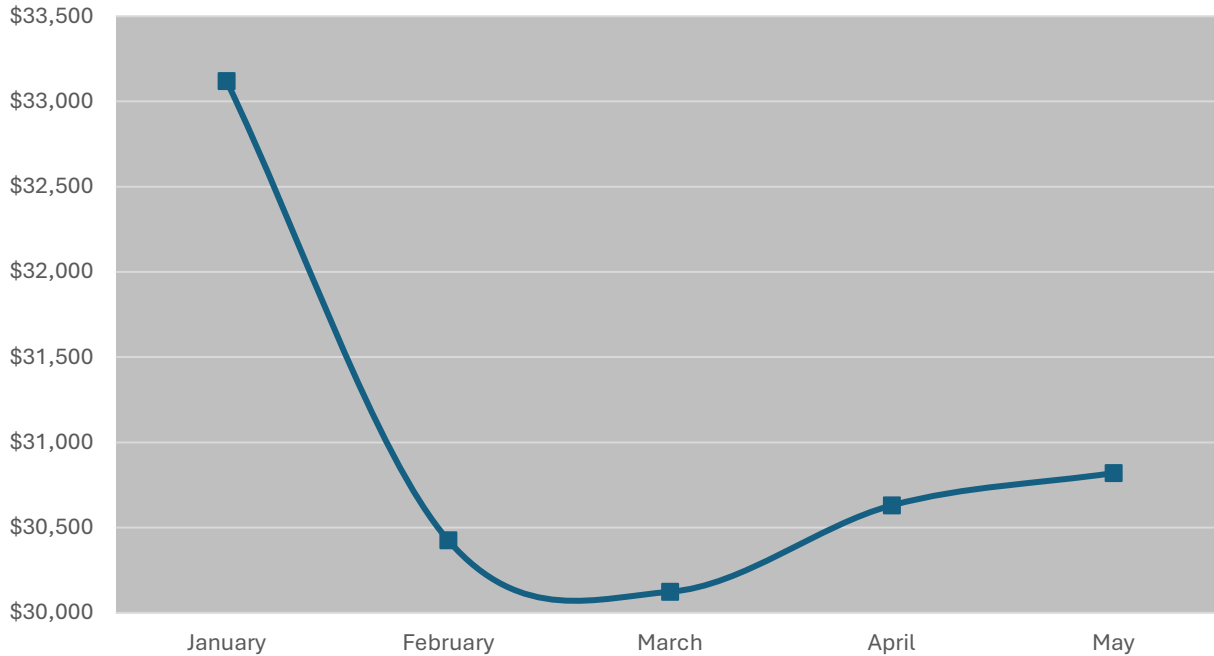
\$72,453 **\$43,844**

North Mesa

\$65,901 **\$32,500**

Source: Belfiore Analytics

**Metro Phoenix Area
New Build Incentive Average Value**



71% of Actively-Selling Communities are offering New Builds but Many are almost exclusively Selling Inventory...

Incentive Values by Submarket

Lowest

Arcadia / PV / Scottsdale

\$12,500 **\$10,000**

Casa Grande

\$32,095 **\$15,464**

Gilbert

\$34,411 **\$22,500**

South Phoenix

\$43,178 **\$22,500**

Source: Belfiore Analytics

Additional Incentives?



- **Most New Closings: Discounted Further \$10,000 to \$50,000 from Lowest Advertised Price...**
- **New Report Coming... From Permit to Closing**
- **KEY TO GOOD DEAL / BAD DEAL**

New Homes – Fun Facts



- **All Incentives are Discounts...**
- **Options / Upgrades Revenue Helps, as does Lot Premium Revenue**
- **Average Option / Upgrade Range Today: \$68,699 to \$83,324**
- **Purchasing Land and Want it to Potentially Pen- DIAL INTO OPTION / UPGRADE and LOT PREMIUM POTENTIAL**
- **Adding More Into Inventory is NOT likely resulting in higher closing prices...**

Sources: Belfiore Analytics

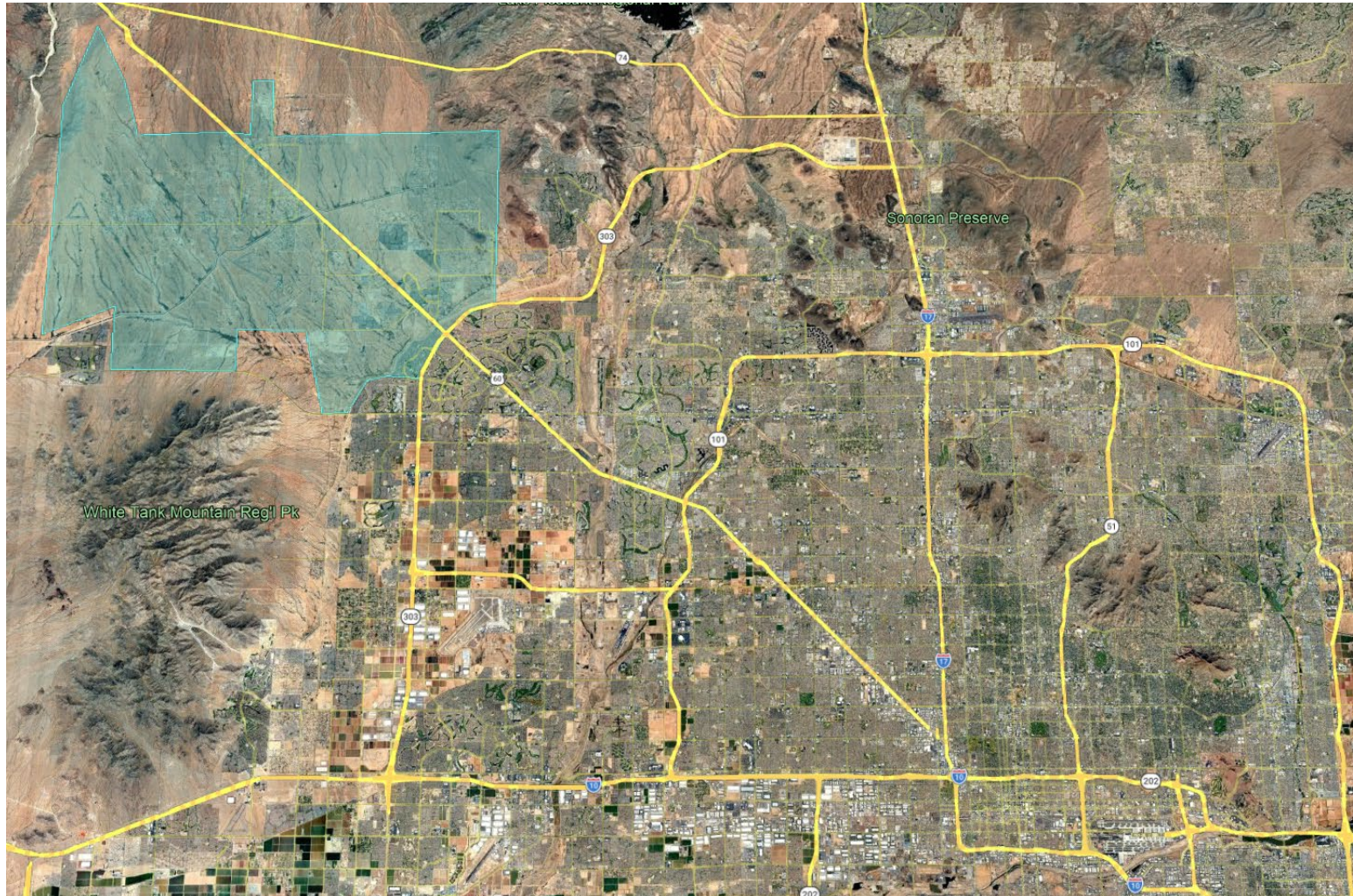
Resale Prices



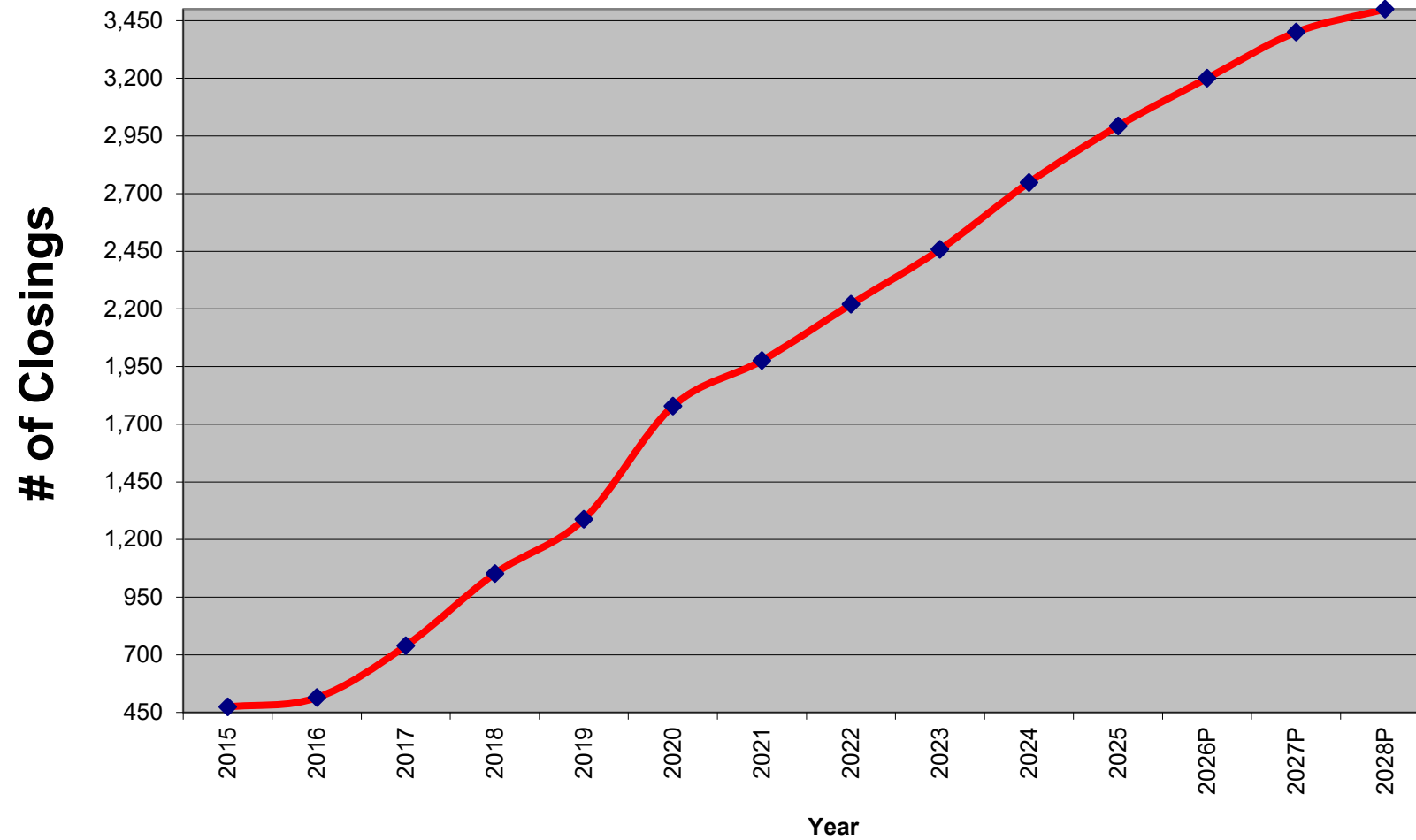
- Higher end sales have skewed average sales prices higher- \$614,017 now
- The Median Monthly Sales Price (Same Month), per Cromford Report, has varied very little over the last two years, ranging from \$450K to \$455K.
- Homes have sold for 97% to 98% of List for Two Consecutive Years
- THE BENEFICIARY OF LOWER RATES (IF) WILL BE RESELLERS AS IT RELATES TO VOLUME... ALTHOUGH MARGINS WILL BE BETTER FOR HOMEBUILDERS...

Sources: Cromford Report, ARMLS

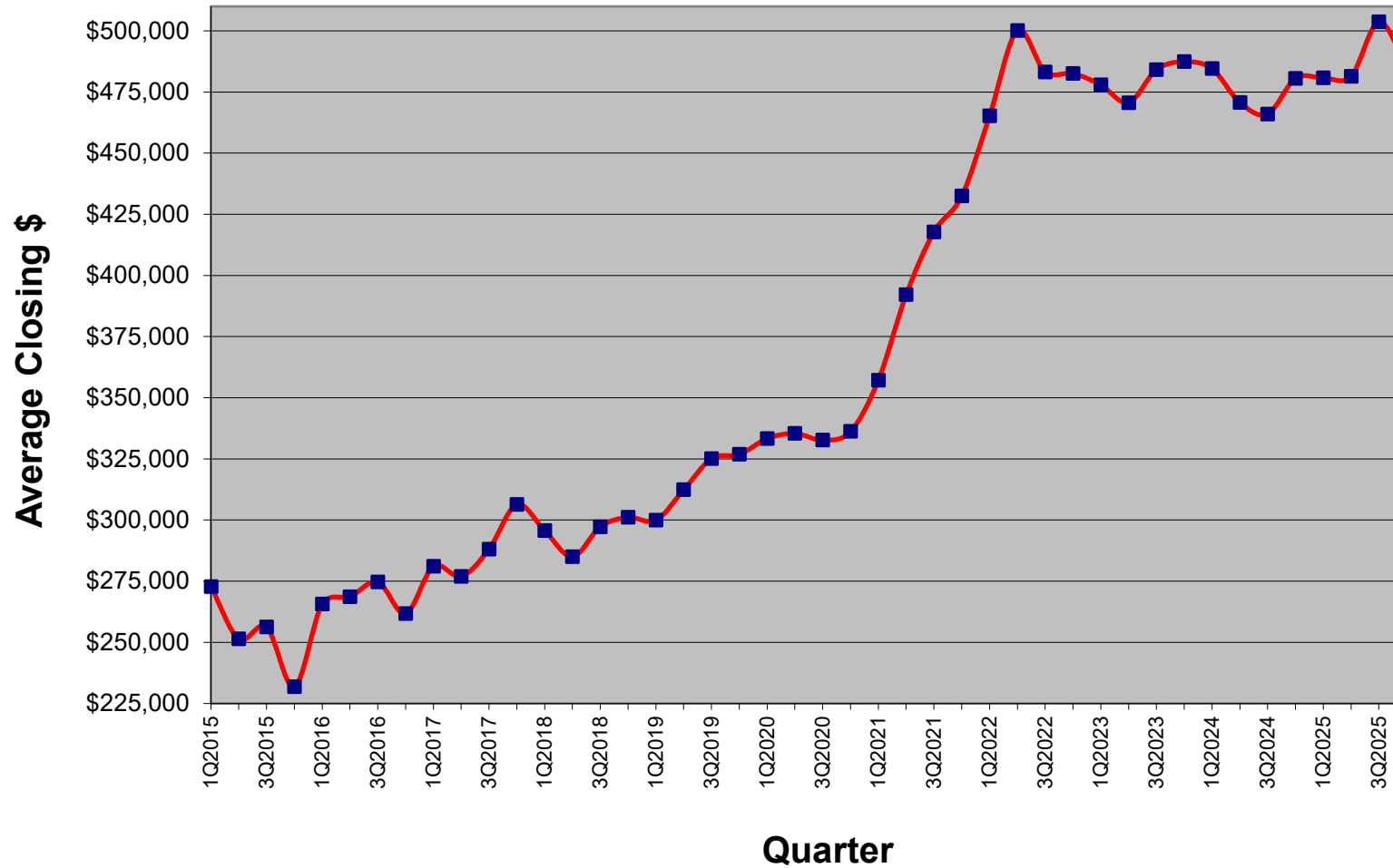
North Surprise / Wittmann



Closings



Home Prices



Amenities



BELFIORE
— ANALYTICS —

Why Now?



- **Continued Growth DESPITE LAST FOUR YEARS**
- **Stagnating Prices...**
- **Commercial, Amenities**
- **Extremely Competitive, Lots of Supply**
- **Bett**

Sources: Cromford Report, ARMLS

1ST ANNUAL

03.05.2027

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SPRING

— BUILT ON INSIGHTS —

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