KELLERWILLIAMS. REALTY
SONORAN LIVING

MARKET UPDATE

REAL TALK. REAL STATS.
REAL ESTATE.

JAN 2026
EDITION

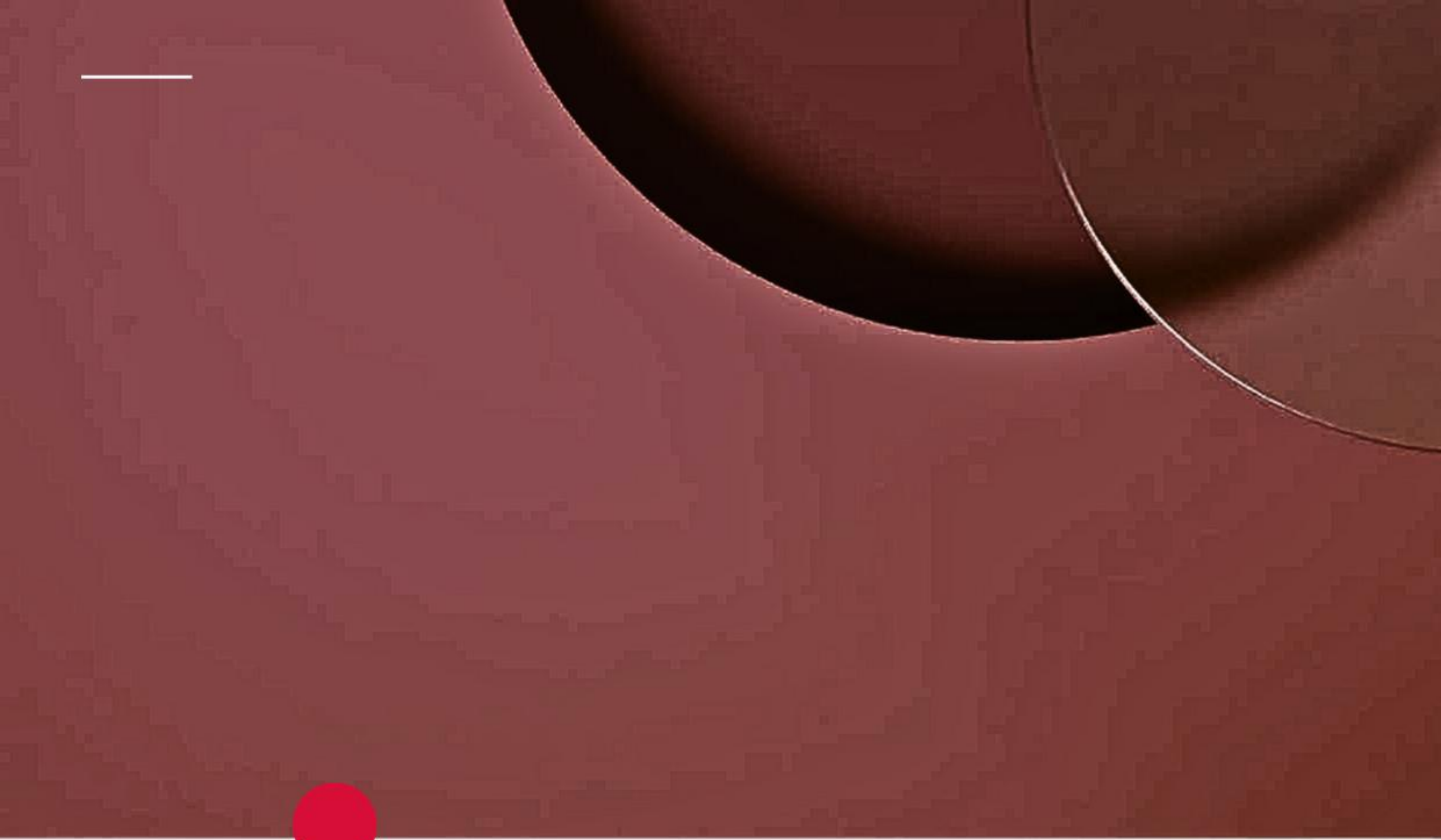
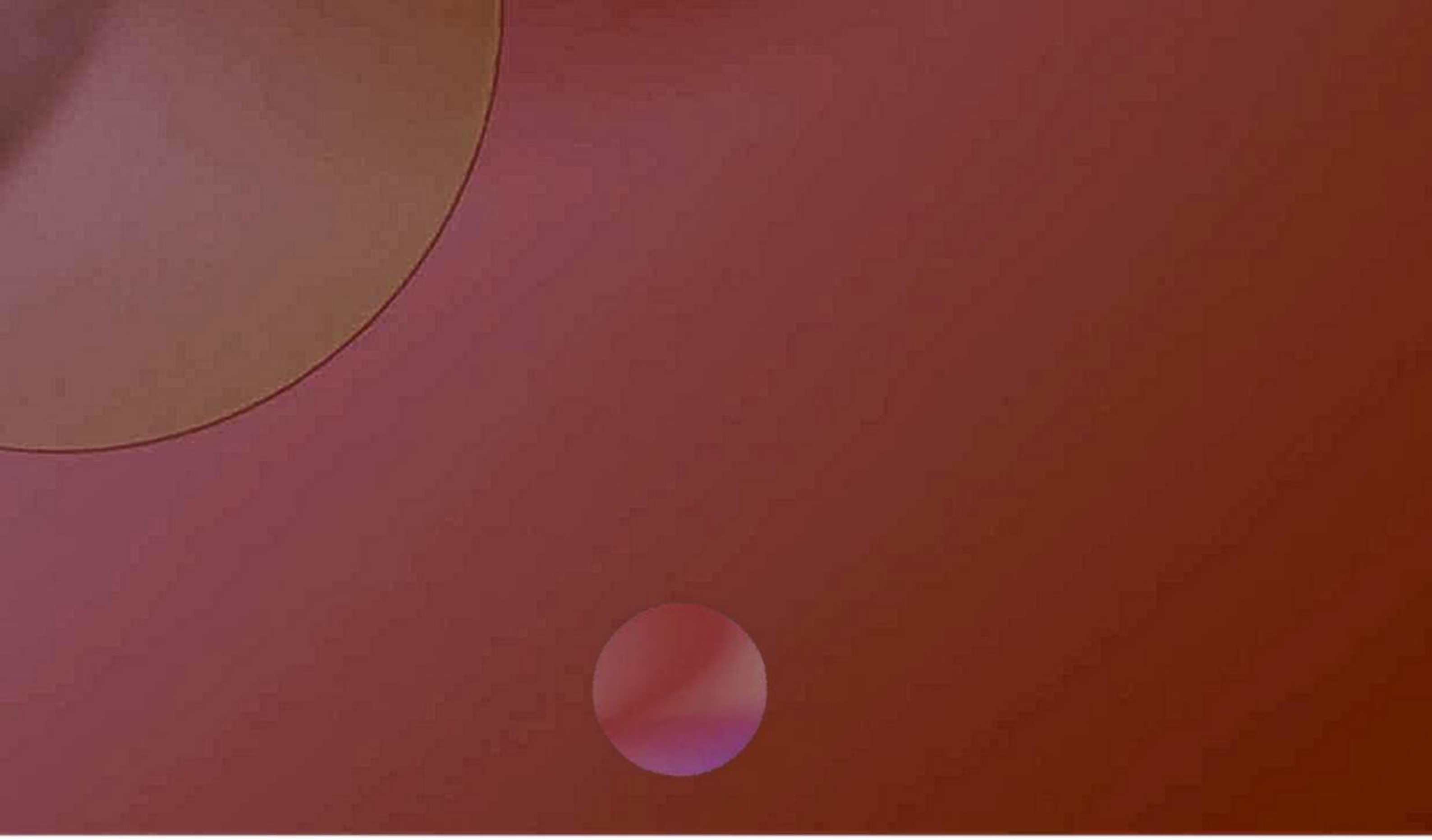


TABLE OF **CONTENT**



In other news, Phoenix and Maricopa continues to see strong job growth, and topping nationwide lists for it's economic developments.

Do not learn for learning sake, learn for doing sake. Leverage the data in this report to educate your database, current clients and more. Become their local economist of choice.

OUR PERSPECTIVE

The Disconnect

December's headlines celebrated momentum—sales up 14%, sixteen cities shifting toward sellers. Finally, good news. But peel back one layer and the story fractures.

Adjust for December's 22 working days versus November's 18, and year-over-year growth was essentially flat. The calendar created an illusion. Meanwhile, new home sales collapsed 21% while resales climbed 6%—ending years of builder dominance.

Sixteen cities moved toward sellers, but not because buyers flooded back. Inventory contracted 9% as competition quit. Demand remains "weaker than normal." Sellers are winning by default, not buyer enthusiasm. It's a real advantage, but fragile.

The contract pipeline reveals what headlines hide: down 11-18% across every timeframe. December's strong closings came from contracts written when conditions were different. What's being written *now* suggests softness ahead.

This edition unpacks the disconnect. We'll expose how luxury sales skewed statistics, why Trump's housing proposals miss the mark, what the 64% success rate means for your listing, and why spring's inventory wave threatens today's advantage. The market isn't what it appears.

LOCAL
MARKET

ACTIVE & NEW LISTINGS
GREATER PHOENIX DATA

ACTIVE LISTINGS

As of Jan 10th, 2026*

Current:		20,591
1M Pr:	-2.83%	21,190
3M Pr:	-7.91%	22,360
6M Pr:	-8.29%	22,452
12M Pr:	6.74%	19,291

NEW LISTINGS

As of Jan 10th, 2026*

Current:		5,826
1M Pr:	-12.57%	6,664
3M Pr:	-31.54%	8,510
6M Pr:	-23.56%	7,622
12M Pr	2.53%	5,682

Sellers are benefiting from the inventory contraction, with 16 cities shifting in their favor—but the improvement stems from supply tightening, not surging buyer demand. Activity remains subdued across most segments. For those considering selling, entering the market now positions you ahead of the spring inventory rush.

* Data by Cromford Report.

HERE'S 4 FACTS TO DISCUSS

Whether Buying or Selling, here are things to consider.

- **Trump Proposes Institutional Investor Ban:** Trump plans to ban institutional investors from buying homes. However, only 82 such purchases occurred in 2025, down from 8,555 in 2021—the issue has largely resolved itself.
- **Fannie/Freddie Bond Purchase:** Trump directed $200 billion in mortgage bond purchases, potentially lowering rates by 0.25-0.30% and saving borrowers $80-100 monthly on typical loans.
- **Working Days Skew Performance:** December's 22 working days versus November's 18 created a 22% advantage. Adjusted for this, year-over-year growth was essentially flat.
- **New Home Market Cooled:** New home closings dropped 21% year-over-year (adjusted) while resales climbed 6%. The era of new homes outperforming resales has ended.

WHAT THE HECK IS EXACTLY GOING ON ?

December's headlines promised momentum, but dig deeper and you'll find bizarre contradictions unfolding beneath the surface.

Trump's housing proposals sound bold—banning institutional investors and directing $200 billion in mortgage bond purchases. But institutions already abandoned the market years ago. Only 82 purchases occurred in 2025 versus 8,555 in 2021. The bond purchase may shave just 0.25-0.30% off rates, saving buyers roughly $80-100 monthly. Neither addresses the fundamental affordability crisis.

December's 17% month-over-month growth looks impressive until you account for the calendar. With 22 working days versus November's 18, year-over-year performance was essentially flat. Strip the calendar advantage and December significantly underperformed.

The most dramatic shift is happening in new construction. Sales plummeted 21% year-over-year while resales surged 6%. After years of dominance, the builder era has abruptly ended.

Meanwhile, luxury closings in early December artificially inflated statistics. A handful of $2M+ sales dramatically skew medians and averages. The average price per square foot climbed 2.4% while typical homes remained flat. Don't mistake luxury-driven headlines for momentum in your price range.

PROPERTY MOVEMENT
UNDER CONTRACT & SOLD DATA

Seller Momentum Continues – But Cooling: Sixteen cities strengthened for sellers, led by Gilbert and Phoenix (both 16%). The average CMI climbed 8.1%, down from 9.7% the prior week. Critically, inventory contraction is driving the shift—not buyer enthusiasm. Demand remains subdued, **meaning sellers benefit from shrinking supply** rather than robust activity.

- Cromford Report

GREATERPHOENIX DATA

Listings Under Contract - UCB/CCBS & Pending

	Units	VS%
Current	5,528	
1M Pr	6,199	-10.82%
3M Pr	6,651	–16.88%
6M Pr	6,774	-18.39%
12M Pr	5,348	3.37%

As of Jan 10th, 2026

Sold Homes

	Units	VS%
Current	5,829	
1M Pr	4,590	26.99%
3M Pr	5,615	3.81%
6M Pr	6,176	-5.62%
12M Pr	5,188	12.36%

As of Dec 31st, 2025

December closings in Maricopa County reached 6,098 transactions, up 5% year-over-year. The story beneath reveals a stark divergence: resale closings jumped 11% while new home sales plummeted 13%. Resale median prices climbed to $470,000 (up 2.6%), outperforming new homes at $539,087 (up just 1.1%). The resale market is holding steady while builders face significant headwinds.

Closed - AVG $/Sqft

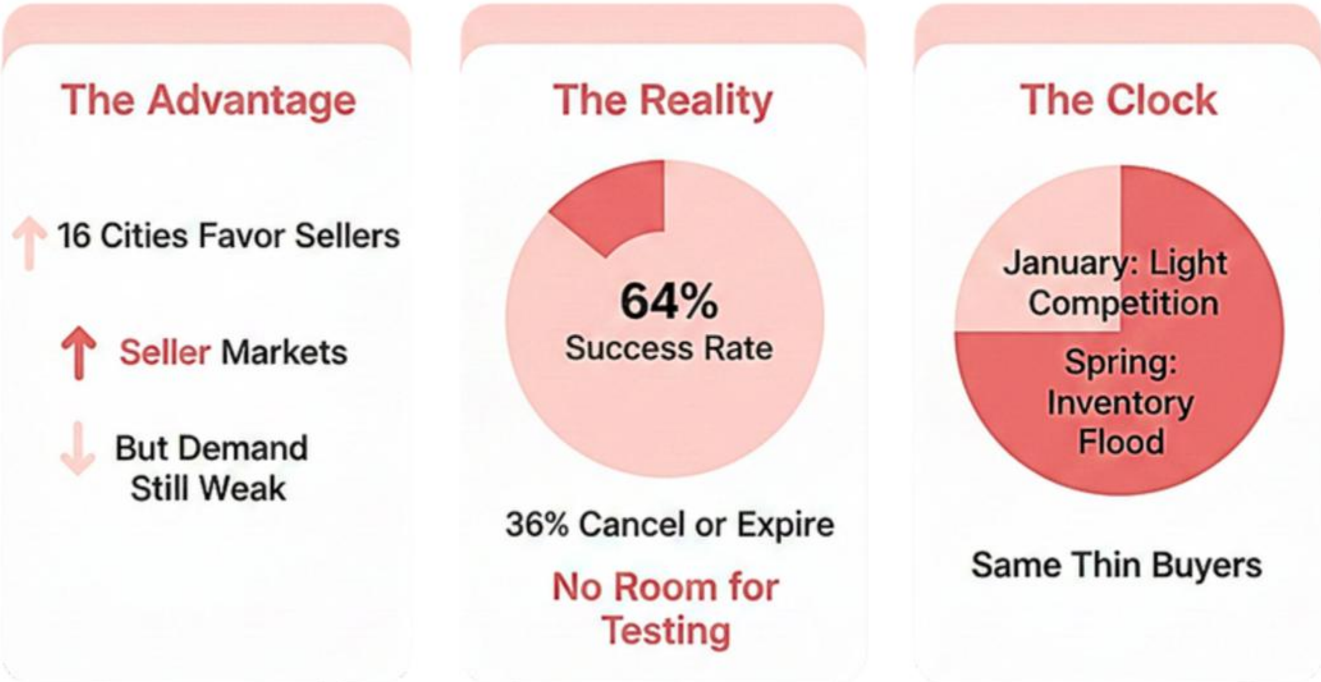
	$/Sqft:	VS%
Current:	**$303.72**	
1M Pr:	**$297.44**	**2.11%**
3M Pr:	**$287.68**	**5.58%**
6M Pr:	**$293.84**	**3.36%**
12M Pr:	**$305.04**	**-0.43%**

Listing Success Rate

	%	VS%
Current:	**64%**	
1M Pr:	**66%**	**-3.03%**
3M Pr:	**70%**	**-8.57%**
6M Pr:	**66%**	**-3.03%**
12M Pr:	**67%**	**-4.48%**

Seller Reality Check: January '26

The market is shifting in your favor, but don't mistake the cause. Sixteen cities moved toward seller conditions in January—not because buyers are rushing in, but because your competition is walking away. Active inventory dropped 9% as discouraged sellers canceled or let listings expire. This creates a real advantage, but it's fragile. Understanding what's driving this shift and how temporary it is will determine whether you capitalize or miss the window entirely.



Right now you're operating in a rare environment: reduced competition, a captive buyer audience, and momentum moving your direction. But spring is predictable. History shows inventory floods the market in March and April as optimistic sellers emerge simultaneously. Those dozens of fresh listings will compete for the same thin buyer pool we have today. The 64% success rate isn't improving—it's a warning. You either price as the clear value winner and move now while competition is light, or you become part of the spring crowd fighting for attention. The choice is yours, but the clock is running.

HYPER FOCUSED
MARKET

Let's take a look into segments of our market.

East Valley Market:
(Ahwatukee, Chandler, Chandler Heights, Gilbert, Tempe, Mesa, AJ, QC, STV)

Price Range	Active / Coming Soon	Sold in Dec	Months Supply
$0-$250K	834 ↓ 18	123 ↑ 4	6.78 ↓ 0.38
$250K-$400K	1,021 ↓ 64	399 ↑ 64	2.56 ↓ 0.68
$400K-$500K	1,018 ↓ 31	376 ↑ 7	2.71 ↓ 0.13
$500K-$600K	822 ↓ 3	306 ↑ 52	2.69 ↓ 0.56
$600K-$800K	821 ↓ 32	286 ↑ 55	2.87 ↓ 0.73
$800K-$1M	322 ↓ 7	97 ↑ 26	3.32 ↓ 1.31
$1M+	428 ↑ 20	93 ↑ 14	4.60 ↓ 0.56

Active Days on Market: 95 ↑ 3
Under Contract DOM: 82 ↑ 2
Closed DOM: 80 ↑ 5
52.98% Sold in 60 Days or Less
70.54% in 90 Days or Less

Cash accounted for 20.6% of all East Valley Dec sales.
Down 0.7%.

863 Listings in the East Valley Expired or Cancelled in Dec.
Up 194.

North East Valley:
(Scottsdale, Paradise Valley, Greyhawk, Desert Ridge, Cave Creek Fountain Hills)

Price Range	Active / Coming Soon	Sold in Dec	Months Supply
$0-$400K	468 ↑ 18	70 ↑ 8	6.69 ↓ 0.57
$400K-$600K	361 ↑ 14	97 ↑ 6	3.72 ↓ 0.09
$600K-$1M	741 ↑ 31	238 ↑ 34	3.11 ↓ 0.37
$1M - $2M	792 ↑ 82	237 ↑ 68	3.34 ↓ 0.86
$2M-$5M	673 ↑ 53	115 ↑ 30	5.85 ↓ 1.44
$5M-$10M	224 ↑ 18	18 ↑ 5	12.44 ↓ 3.41
$10M +	85 ↑ 4	5 ↑ 4	17.00 ↓ 64.00

Active Days on Market: 111 ↑ 2
Under Contract DOM: 94 ↑ 11
Closed DOM: 93 ↑ 1
56.61% Sold in 60 Days or Less
71.15% Sold in 90 Days or Less

Cash accounted for 36.92% of all North East Valley Dec Sales.
Down 4.52%

424 Listings in North East Valley Expired or Cancelled in Dec.
Up 63.

KELLER **WILLIAMS**

HOW DO WE STACK UP?

ALL KELLER WILLIAMS

Coming Soon:	47 ↑ 19
Active Listings:	1080 ↓ 22
New Listings in Dec:	357 ↓ 38
Contracted:	385 ↓ 20
Closed in Dec:	548 ↑ 85
Market Share:	8.57% ↑ 0.01%

KWSL

Coming Soon:	1 ↓ 2
Active Listings:	128 ↓ 14
New Listings in Dec:	50 = 0
Contracted:	64 ↓ 2
Closed in Dec:	90 ↑ 19
Market Share:	1.41% ↑ 0.10%

NON-CONVENTIONAL **IBUYERS & DISCOUNT BROKERS**

iBuyers Breakdown

Opendoor:

- Active: 90 ↑ 10
- Pending: 32 ↑ 7
- Closed: 30 = 0
- Market Share: 0.47% ↓ 0.08%

OfferPad

- Active: 17 ↓ 4
- Pending: 6 ↓ 1
- Closed: 8 ↓ 1
- Market Share: 0.13% ↓ 0.04%

72SOLD & Just 990:

CITIEA (New Brokerage Name)

- Active: 263 ↓ 11
- Pending: 63 ↓ 18
- Closed: 123 ↑ 24
- Market Share: 1.92% ↑ 0.09%

Discount Brokers

Redfin

- Active: 127 ↓ 7
- Pending: 16 ↑ 1
- Closed: 137 ↑ 48

Flat Fee

- Active: 131 ↓ 28
- Pending: 24 ↑ 4
- Closed: 23 = 0

Homie (Also Flat Fee)

- Active: 7 ↑ 1
- Pending: 2 = 0
- Closed: 1 = 0

ECONOMIC

DEVELOPMENT & NEWS IN PHOENIX

From infrastructure improvements to job openings, here's this months developments.

Arizona sees big gains in 2026 retirement rankings after placing near bottom a year ago: Arizona's dramatic rise in retirement rankings comes as the state landed in the top 10 nationally for three key factors that matter most to retirees, including its personal income tax rate and average temperature.

- aarp.org

Chicago's AbbVie to acquire Tempe medical device manufacturing facility; AbbVie plans to hire approximately 200 employees at the Tempe site and invest more than $175 million to acquire, as well as modernize and fully integrate it into its global manufacturing network. Transaction anticipated to close in mid-2026

- prnewswire.com

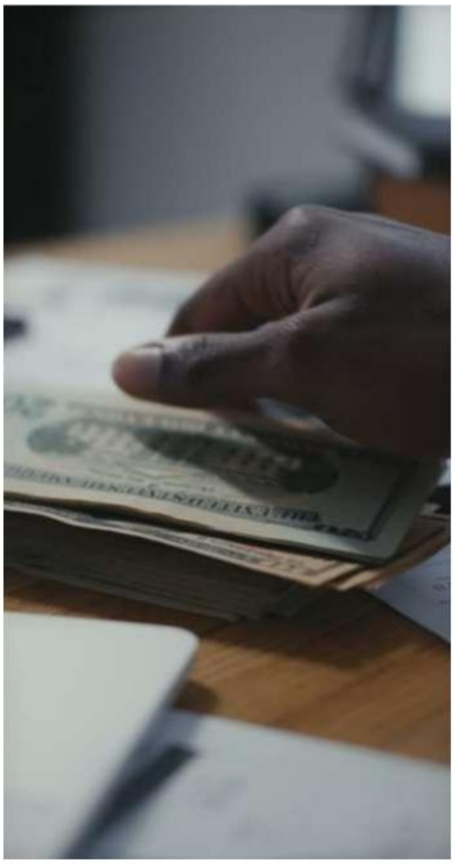
Nvidia finalizes $5B Intel investment to jointly develop AI data center products; Nvidia has closed its $5 billion investment in Intel, buying more than 214 million shares at a significant discount to the chipmaker's recent stock price as the two companies move forward with plans to jointly develop AI infrastructure. The move helps revitalize Intel's strength in the industry, as well as realigning industry power.

- epirus.vc

Let's discuss Interest Rates.

Uncertainty looms as we head into the holidays.

President Trump recently announced plans to leverage Fannie Mae and Freddie Mac's $200 billion cash reserves to purchase mortgage bonds, aiming to improve housing affordability. While industry analysts estimate such interventions could reduce mortgage rates by 0.25% to 0.30%—potentially saving borrowers $80-100 monthly on typical loans—this modest relief addresses only a fraction of the affordability challenges facing today's homebuyers in our current elevated-rate environment.



			Change		52 Week Range	
	Rate	Points	Previous	1 Year	Low	High
Mortgage News Daily - updated daily						as of 1/9/26
30 Yr. Fixed	6.06%	--	-0.15%	-1.09%	6.06%	7.26%
15 Yr. Fixed	5.59%	--	-0.15%	-0.92%	5.59%	6.59%
30 Yr. Jumbo	6.35%	--	+0.00%	-1.03%	6.10%	7.45%
7/6 SOFR ARM	5.72%	--	-0.01%	-1.27%	5.59%	7.25%
30 Yr. FHA	5.69%	--	-0.15%	-0.79%	5.69%	6.59%
30 Yr. VA	5.70%	--	-0.15%	-0.80%	5.70%	6.60%

- mortgagenewsdaily.com on 01/08/2026

MARKETING

HOW TO LEVERAGE THIS DATA.

Blast Out This Market Report

Click here to access the "Consumer Friendly" version to send out to your database and prospects. Great value piece to send BEFORE your appointment for them to review, and you come in and validate the state of the market.

Create A "One Minute Market Update" every week.

Looking to dominate social media? Posting reels frequently is key! Here are 5 done-for-you scripts to create 60 second reels. Pro tip: Post these as "Trials" in Instagram to get views outside of your followers.

Social Media Post Ideas

Video not, your thing? That's okay... for now. While you warm up to the idea, still get a head start by posting these social media post ideas. Just create an image to go with them!

STRATEGIES

Use for this for a YouTube Video

Click this box for a pre-made YouTube Script for a 7 to 8 minute video, all based on the data in this report. Leverage this with StreamYard or Riverside to make a killer video in one single take!

Weekly Email Newsletter

Email every week equals 52 touches a year. Copy and paste our made-for-you emails or upload this report to have the AI of your choice make custom ones for you!

Market Data Scripts To Learn

Confidence is the key to sales. Leverage this month's scripts to sound like the pro at the table! All scripts are designed with this month's data.

Your New Role Play Partner

Did you practice your scripts above? Now use the power of ChatGPT to role play with you. Use it as much as you want without waiting for someone else to practice wise!

kwsl - Ahwatukee/Chandler

15210 S 50th St Suite 130, Phoenix

480-759-4300

kwsl - Scottsdale/PV

9000 N Pima Center Pkwy #170, Scottsdale

480-948-3338