KELLERWILLIAMS. REALTY
SONORAN LIVING

MARKET UPDATE

REAL TALK. REAL STATS.
REAL ESTATE.

DEC 2025
EDITION

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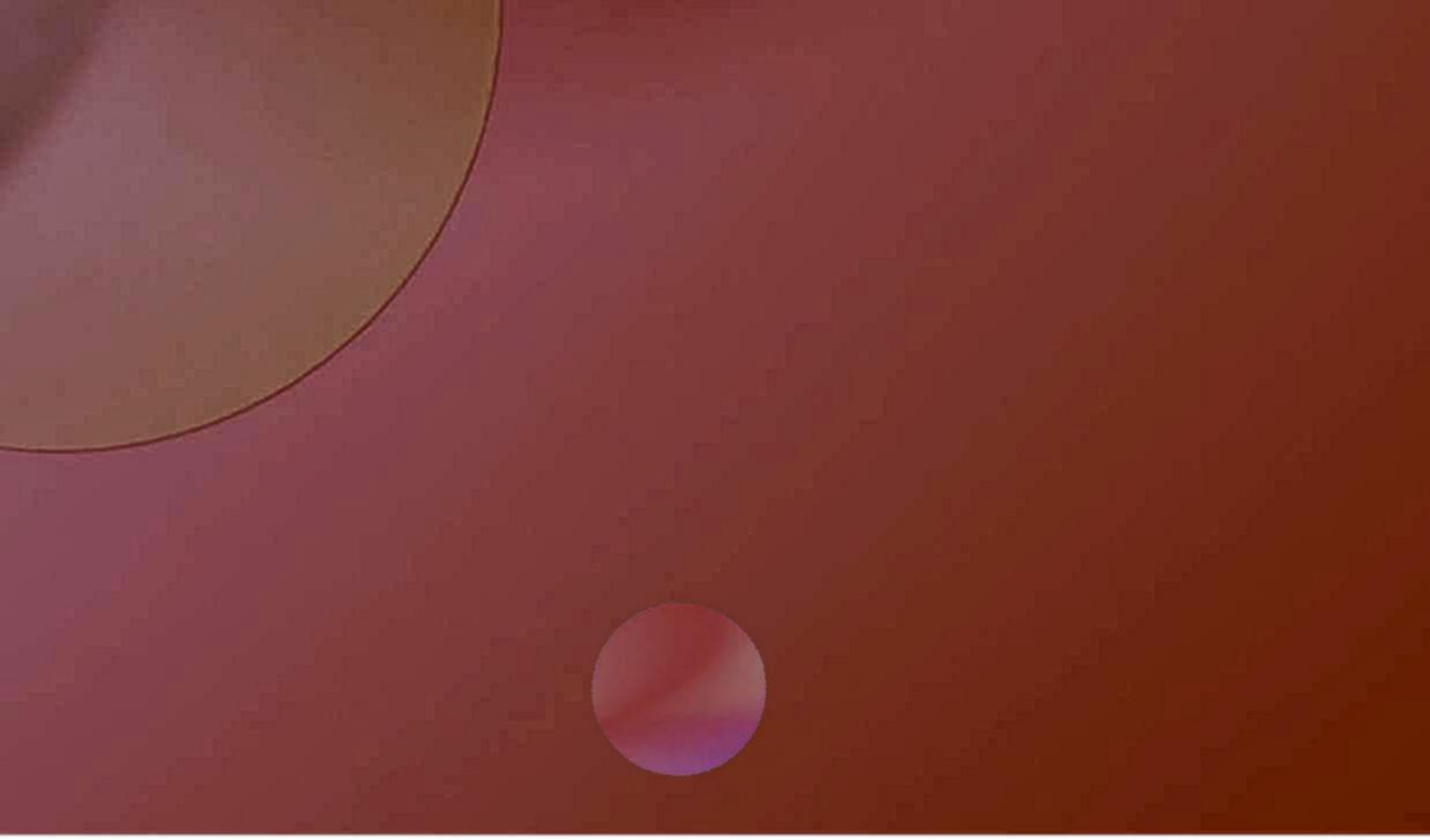


In other news, Phoenix and Maricopa continues to see strong job growth, and topping nationwide lists for it's economic developments.

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 Great Reset

The Phoenix market is tightening faster than usual for this time of year. Active listings dropped in late November because sellers are frustrated rather than from high sales volume. New listings are down and cancellations are high as many sellers decided to wait until 2026.

This seller exit is actually helping the market stabilize. With less competition on the market, the remaining sellers have a better chance of success. At the same time, lower interest rates are bringing buyers back. November sales were up 11% compared to last year.

Serious buyers are taking advantage of this environment. About 54% of recent sales included seller concessions. This helps with affordability, but the window might not last long. The Cromford Market Index is rising again, which means the advantage is shifting back to sellers. We are ending 2025 with a much healthier market than we saw this summer.

LOCAL
MARKET

ACTIVE & NEW LISTINGS
GREATER PHOENIX DATA

ACTIVE LISTINGS

As of Dec 8th, 2025*

Current:		21,526
1M Pr:	-5.70%	22,822
3M Pr:	2.70%	20,952
6M Pr:	-8.60%	23,555
12M Pr:	7.90%	19,949

NEW LISTINGS

As of Dec 8th, 2025*

Current:		6,622
1M Pr:	-28.20%	9,221
3M Pr:	-15.32%	7,814
6M Pr:	-10.03%	8,963
12M Pr	-4.40%	6,926

Supply saw a notable shift between October and November, dropping 5% month-over-month as older listings expired or cancelled at higher rates than usual. While inventory has tightened recently, the year-over-year picture still favors the buyer, with active listings sitting 14% higher than December 2024 levels, ensuring ample choice remains in the market.

* Data by Cromford Report.

HERE'S 4 FACTS TO DISCUSS

Whether Buying or Selling, here are things to consider.

- **The "Barbell" Demand Surge →** Demand is spiking at the market's edges. Year over Year, Contracts for homes under $300K jumped 26%, and the luxury sector $1M to $2M is up 22%, while the mid-range remains steady at 7%.
- **The Hidden Price Discount →** Though the $450,000 median price seems flat, buyers are winning. Adjusted for inflation, prices are effectively 2% lower than last year, meaning "real" home values have actually dipped.
- **The 54% Concession Rule→** Over half of all recent sales (54%) included seller concessions. Sellers are successfully using closing cost credits to buy down rates and secure buyers in a price-stable market.
- **Demand Defies the Season →** Pending listings are up nearly 9% and total accepted contracts up 12% year-over-year. Lower rates are pulling buyers off the sidelines, overriding the typical holiday slowdown.

WHAT THE HECK IS EXACTLY GOING ON ?

If the market feels confusing, you are right. We are not seeing one single "Phoenix Market" right now. We are seeing three distinct realities happening at once.

1. The Geography Gap: Your experience depends entirely on your zip code. While the average market is balanced, areas like Fountain Hills and Chandler have surged into hot Seller's Markets. In contrast, cities like Maricopa and Buckeye sit deep in Buyer's territory. A strategy that works in one city will fail in the other.

2. The "Upside Down" Pricing: Affordable homes usually appreciate the fastest. Right now, it is the opposite. Homes under $300K actually lost 5.2% in value per square foot compared to last year. Meanwhile, the luxury market over $1.5M gained value. The affordable market is getting cheaper while the luxury market is getting more expensive.

3. The Success Rate Volatility: Selling is not guaranteed right now. While the listing success rate typically hovers around 66%, it dipped sharply to 50% between November 19th and November 26th. This volatility shows that even in a stabilizing market, sellers cannot take success for granted and must price accurately to avoid becoming a cancellation statistic.

PROPERTY MOVEMENT
UNDER CONTRACT & SOLD DATA

A Sea of Green for Sellers In a sharp turnaround, 15 cities shifted toward sellers while only 3 moved toward buyers. **Fountain Hills**, **Queen Creek**, and **Peoria** led with double-digit gains. Conversely, **Paradise Valley** was the only significant shift favoring buyers. This confirms market balance is tightening across nearly the entire Valley.

\- Cromford Report

GREATERPHOENIX DATA

Listings Under Contract - UCB/CCBS & Pending

	Units	VS%
Current	6,386	
1M Pr	6,930	-7.85%
3M Pr	6,720	–4.97%
6M Pr	7,637	-16.38%
12M Pr	5,931	7.67%

As of Dec 8th, 2025

Sold Homes

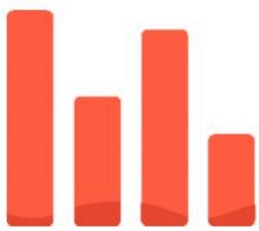
	Units	VS%
Current	4,955	
1M Pr	5,613	-11.72%
3M Pr	5,403	-8.29%
6M Pr	6,682	-25.84%
12M Pr	4,797	3.29%

As of Nov 30th, 2025

We saw a sharp turnround in supply between October and November thanks to 43% more listing expirations and 20% more cancellations than this time last year. Supply is down 5% in a month which is good news for the remaining sellers. Buyers cannot complain because they still have about 14% more choice than last year.

Closed - AVG $/Sqft

	$/Sqft:	VS%
Current:	**$296.87**	
1M Pr:	**$291.63**	**1.80%**
3M Pr:	**$279.54**	**6.20%**
6M Pr:	**$301.66**	**-1.59%**
12M Pr:	**$291.78**	**1.44%**



Seller Reality Check: December

End of Year Reality: The "Winter Freeze" is a myth. While neighbors withdraw, serious buyers are still hunting. Active listings dropped 5% due to cancellations, not sales. This creates a rare window with fewer rivals—but only if you meet the market where it stands.

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1. Selling is a Coin Flip - Don't let headlines fool you. The listing success rate recently dipped near 50% before recovering. Roughly half of sellers are canceling rather than closing. In this environment, "testing the market" fails. You are either the clear value winner, or you are invisible.

2. Your Competition Quit – Use It. November's wave of cancellations is your advantage. With inventory tightening and contract activity up 12% year-over-year, the buyer-to-home ratio has improved. Stay the course, but ensure your price reflects today's value, not last year's wishful thinking.

3. The "54% Rule" - Stop viewing concessions as "losing." Today, they are the cost of doing business. 54% of recent sales included them because buyers need rate buydowns to qualify. If you aren't offering a concession or pricing aggressively enough to allow for one, you are ignoring half the buyer pool.

4. Know Your "Micro-Market" - Real estate isn't one-size-fits-all. Fountain Hills and Chandler have leverage; Maricopa and Buckeye are deep buyer's markets. Do not price based on regional news—price for your zip code. A hot-market strategy will fail in a cold one.

Waiting for January is a mistake. New Year inventory brings fresh competition. Right now, you have a captive audience and a shrinking list of rivals. Make the deal.

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 Nov	Months Supply
$0-$250K	852 ↑ 36	119 ↓ 5	7.16 ↑ 0.58
$250K-$400K	1,085 ↓ 91	335 ↓ 37	3.24 ↑ 0.08
$400K-$500K	1,049 ↓ 73	369 ↓ 62	2.84 ↑ 0.24
$500K-$600K	825 ↓ 109	254 ↓ 61	3.25 ↑ 0.28
$600K-$800K	853 ↓ 152	231 ↓ 56	3.60 ↑ 0.18
$800K-$1M	329 ↓ 29	71 ↓ 31	4.63 ↑ 1.12
$1M+	408 ↓ 68	79 ↓ 20	5.16 ↑ 0.35

Active Days on Market: 92 ↑ 5
Under Contract DOM: 80 ↑ 5
Closed DOM: 75 ↓ 4
55.76% Sold in 60 Days or Less
70.03% in 90 Days or Less

Cash accounted for 21.3% of all East Valley Nov sales.
Up 2.6%.

689 Listings in the East Valley Expired or Cancelled in Nov.
Up 29.

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

Price Range	Active / Coming Soon	Sold in Nov	Months Supply
$0-$400K	450 ↓ 3	62 ↓ 23	7.26 ↑ 1.93
$400K-$600K	347 ↓ 44	91 ↓ 12	3.81 ↑ 0.01
$600K-$1M	710 ↓ 56	204 ↓ 21	3.48 ↑ 0.08
$1M - $2M	710 ↓ 51	169 ↓ 10	4.20 ↓ 0.05
$2M-$5M	620 ↓ 29	85 ↓ 22	7.29 ↑ 1.22
$5M-$10M	206 ↓ 12	13 ↑ 7	15.85 ↓ 20.48
$10M +	81 ↑ 5	1 = 0	81.00 ↑ 5.00

Active Days on Market: 109 ↑ 5
Under Contract DOM: 83 ↓ 7
Closed DOM: 92 ↑ 2
51.68% Sold in 60 Days or Less
66.72% Sold in 90 Days or Less

Cash accounted for 41.44% of all North East Valley Nov Sales.
Up 3.76%

361 Listings in North East Valley Expired or Cancelled in Nov.
Up 64.

KELLER **WILLIAMS**

HOW DO WE STACK UP?

ALL KELLER WILLIAMS

Coming Soon:	28 ↓ 2
Active Listings:	1,102 ↓ 86
New Listings in Nov:	395 ↓ 68
Contracted:	405 ↓ 44
Closed in Nov:	463 ↓ 93
Market Share:	8.56% ↓ 0.41%

KWSL

Coming Soon:	3 ↓ 1
Active Listings:	142 ↓ 19
New Listings in Nov:	50 ↓ 25
Contracted:	66 ↓ 6
Closed in Nov:	71 ↓ 10
Market Share:	1.31% = 0.00%

NON-CONVENTIONAL **IBUYERS & DISCOUNT BROKERS**

iBuyers Breakdown

Opendoor:

- Active: 80 ↑ 9
- Pending: 25 ↓ 10
- Closed: 30 ↓ 10
- Market Share: 0.55% ↓ 0.10%

OfferPad

- Active: 21 ↓ 6
- Pending: 7 ↓ 3
- Closed: 9 ↓ 3
- Market Share: 0.17% ↓ 0.02%

72SOLD & Just 990:

CITIEA (New Brokerage Name)

- Active: 274 ↓ 40
- Pending: 81 ↓ 2
- Closed: 99 ↑ 7
- Market Share: 1.83% ↑ 0.35%

Discount Brokers

Redfin

- Active: 134 ↓ 9
- Pending: 15 ↓ 4
- Closed: 89 ↓ 12

Flat Fee

- Active: 159 ↑ 5
- Pending: 20 ↑ 3
- Closed: 23 ↓ 5

Homie (Also Flat Fee)

- Active: 6 ↓ 1
- Pending: 2 ↑ 1
- Closed: 1 ↓ 1

ECONOMIC

DEVELOPMENT & NEWS IN PHOENIX

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

Hines pivots from office to residential in Tempe's waterfront district; The Houston-based developer is abandoning its plans for an office highrise near Tempe Beach Park and instead looking to build a 110-unit condominium. Hines purchased the parcel from American Airlines for $5 million in 2021. The firm pivoted from its office plans last year after reevaluating the market and finding that office subleasing was weak.

- therealdeal.com

Lennar eyes 473 acres of East Valley land for new housing development; National homebuilder Lennar is looking to scoop up about 473 acres of state land near Mesa where it wants to build new homes. The East Valley property, which is off Meridian and Baseline Roads, is bisected by the U.S. 60. It is in the Mesa area, though it is technically in unincorporated Maricopa County.

- ktar.com

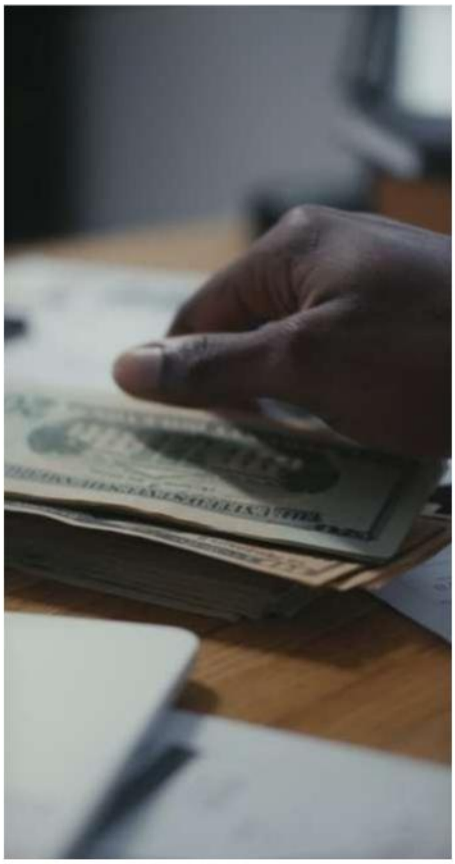
Cognite Announces Global Arizona Headquarters with Grand Opening, Anchoring US Operations; The global leader in Industrial AI, today announced the official grand opening of its new global headquarters in Tempe, Arizona. The relocation from Oslo, Norway marks a milestone in the company's growth strategy and underscores its commitment to the North American market.The move will create more than 100 new jobs n the Phoenix area.

- cognite.com

Let's discuss Interest Rates.

Uncertainty looms as we head into the holidays.

After recent volatility, interest rates found a floor, drifting down slightly from 6.32% to 6.27% in the past month. This minor improvement provides limited purchasing power relief as the market turns its full attention to the Federal Reserve's December 10th meeting. With traders awaiting a definitive signal on the next rate move, we expect rates to remain range-bound, meaning buyers should prioritize budget comfort over gambling on the Fed's next decision.



			Change		52 Week Range	
	Rate	Points	Previous	1 Year	Low	High
Mortgage News Daily - updated daily						as of 12/8/25
30 Yr. Fixed	6.36%	--	+0.09% ↑	-0.32% ↓	6.13%	7.26%
15 Yr. Fixed	5.80%	--	+0.04% ↑	-0.18% ↓	5.60%	6.59%
30 Yr. Jumbo	6.45%	--	+0.05% ↑	-0.53% ↓	6.10%	7.45%
7/6 SOFR ARM	6.05%	--	+0.24% ↑	-0.55% ↓	5.59%	7.25%
30 Yr. FHA	5.92%	--	+0.03% ↑	-0.20% ↓	5.82%	6.59%
30 Yr. VA	5.95%	--	+0.05% ↑	-0.18% ↓	5.85%	6.60%

- mortgagenewsdaily.com on 12/08/2025

Average 30 Year Fixed Mortgage Rates

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

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480-759-4300

kwsl - Scottsdale/PV

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