



PHOENIX

ANNUAL REPORT

Presented by: Nest Realty

2021

HELLO 2022

Welcome to the 2021 Annual Report! We've scoured the data to bring you relevant information and commentary on the national, regional, and local market trends that matter most.

There's no denying that 2021 was a rollercoaster ride. Housing inventory remained low, while prices - and buyer frustration - seemed to just keep rising. When reflecting on the year that was, we find it helpful to check the data. Numbers are objective and they temper our emotional opinions of the real estate market.

A few words of advice as you read: First, local trends don't always mirror national trends. If you have questions about what's happening in your neighborhood, don't hesitate to reach out. Second, keep a positive attitude. Understanding the data now will help you make an informed decision later. Third, expect to hear more from us. We'll keep you updated on local market activity, send you goodies, and share our local love for the special communities we call home.

Thank you for trusting Nest as your local real estate experts!



NEST REALTY PHOENIX

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MARKET OUTLOOK • national level

You're reading this report because you are interested in when to buy, when to sell, or what is happening in real estate. You haven't had to search very long to find stories in the news throughout the US that tell of inventory shortages, rising prices, low mortgage rates, and frantic buyers. At Nest, we are predicting that the 2022 market will bring much of the same. Covid-19 continues to impact our daily lives. Still, as a country, we seem to have moved into an acceptance (at least economically) that the virus is with us for the foreseeable future—and our homes are our refuge. Sales have been bolstered by this renewed sense of need for personal space.

We comb through data every day in our business and ponder the impact of many indices on our markets. Still, we believe three numbers are the best predictors of market forces: Mortgage Rates, Consumer Confidence, and Unemployment. Individually, these three numbers demonstrate housing affordability, buyer readiness, and the size of the buyer pool (demand). And together, these predictors currently provide us with a positive outlook.

MORTGAGE RATES

Other than final sales prices, nothing impacts affordability like mortgage rates. Purchasers rarely create a budget based on a purchase price, they base a family budget on monthly payments. Over the last 50 years, the average rate for a 30 Year Fixed Rate Mortgage has been just over 7.8%, but it has been over 19 years since we saw that rate. Rates are up a modest 40 basis points since a year ago, but still are barely over 3% for a 30 year note, translating to reasonable monthly payments for many buyers.



CONSUMER CONFIDENCE

If anything could derail this real estate market, consumer confidence is the most likely culprit. In the most recent reported month, confidence fell to a level not seen in ten years. However, the drops are not as dramatic as they were earlier on in the pandemic, nor are they as low as they were when we pulled out of the Great Recession. But they are worrisome, nonetheless. Even if a large share of home buyers exit the market, there is still insufficient housing stock to absorb the buyer demand. In short, some buyer drop-offs might benefit the market.



UNEMPLOYMENT RATES

Mortgage rates predict affordability, and consumer confidence dictates the readiness of an individual buyer. The unemployment rate across our country defines the size of the buyer pool. When unemployment is low, people feel confident in their jobs and are more likely to invest in their families and housing.

The year-end unemployment rate of 3.9% indicates a very strong labor market. Many workers can make easy transitions from one job to another, and available positions outpace people to fill them. Most consumers should not fear being unemployed in the near future, but there is a question of how labor rates and inflation may impact our overall economy. But, an increased focus on inflation benefits homeowners more than anyone as their equity grows while mortgage payments remain fixed.

THERE'S NO PLACE LIKE...

- ASHEVILLE, NC
- CHARLOTTESVILLE, VA
- FREDERICKSBURG, VA
- GREENSBORO, NC
- GREENVILLE, SC
- JACKSON, TN
- LAKE NORMAN, NC
- GREATER LOUISVILLE, KY
- MORGANTON, NC
- NEW RIVER VALLEY, VA
- PHOENIX, AZ
- RALEIGH-DURHAM-CHAPEL HILL, NC
- RICHMOND, VA
- ROANOKE, VA
- SHENANDOAH VALLEY, VA
- WILMINGTON, NC



Our flock continues to grow. We now have 472 Nest agents, or *Nesters* as we like to call them, throughout 22 offices in 16 locations, spanning six states across the U.S. With each new office that opens, we are able to expand our reach, better serving you, our incredible clients.



472
AGENTS

In 2021, our team of agents grew from 374 to 472. We are proud to call each one a Nester.



6,600
CLOSINGS

In the midst of an inventory lull, our agents expertly facilitated 6,600 transactions.



\$2,704,500,000
IN SALES

We helped our clients buy and sell \$2,704,500,000 worth of real estate in 2021.



4108 E INDIAN SCHOOL RD PHOENIX, AZ

NEST PHOENIX BY THE NUMBERS



31

DAYS ON MARKET

Our listings were on market for an average of 31 days before going under contract.



99%

LIST TO SOLD PRICE

Our listings sold for 99% of the list price.



\$963,000

AVERAGE SOLD PRICE

Our listings sold for an average price of \$963,000.

MARKET OVERVIEW • phoenix, az

As we reflect on the 2021 real estate market, there's no precedent that yields proper perspective. It simply was A YEAR LIKE NO OTHER. When it began, we were still deep in the throes of the COVID-19 pandemic with little semblance of normalcy in our lives. The metro Phoenix real estate market was jittery, and no one could predict what lay ahead...least of all the white-hot market lurking just below the surface.

In retrospect, a seller's market had been percolating for some time. By January 2021, available inventory in the metro Phoenix market had declined to 64% below normal. Home builders had repeatedly under-built to market demand, which left them flat-footed when the housing demand needle redlined in 2021.

Then came work from home, Zoom, and the "hybrid" office...new concepts that changed how and where we work. Employees were no longer geographically tethered to employers, and the great migration from locked-down urban centers was on. Living in suburban cities that offered an easy, affordable way of life became reality for many and places like Phoenix exploded.

Wanting in on the action, locals began to sell, reaping the benefits of double-digit appreciation, and often improving their physical space at the same time—since houses now had to function as schools, offices, and playgrounds. Add in a steady caravan of out-of-state buyers and the home rush was on.

It doesn't seem like things are cooling down. We're seeing fewer full price, cash offers on day one, but the overall demand, inventory shortage, and market dynamics don't appear to be changing much. We're often asked if we're in a "bubble," but the faulty financial underpinnings that caused the 2008 collapse just aren't there. If there is a market shift, it will be like turning a battleship: imperceptible to those on board, but noticeable from a distance. Only time will tell...

TRENDS
AT A
GLANCE

\$531,810

AVERAGE SALES PRICE-
ALL PROPERTIES

Up from \$421,604 in 2020

\$307,246

AVERAGE SALES PRICE-
ATTACHED HOMES

Up from \$259,180 in 2020

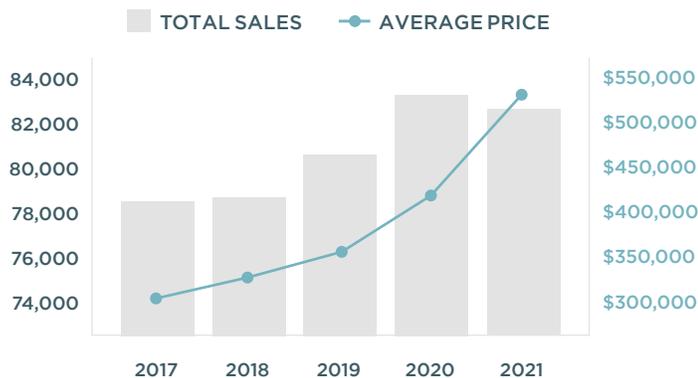
\$568,073

AVERAGE SALES PRICE-
DETACHED HOMES

Up from \$444,382 in 2020



MSA OVERVIEW • phoenix, az



-1.6%

There were 82,420 total home sales in the Phoenix MSA in 2021 compared to 83,788 in 2020. This translates into a 1.6% decrease.

26.1%

From 2020 to 2021 the average sales price increased by 26.1%. In 2021 the average sales price was \$531,810 compared to \$421,604 in 2020.

AVERAGE TRENDS

In 2021 on average a listing has stayed on the market for 53 days before going under contract. The average price per square foot has been \$257.40.

	2020	%	2021
Avg. Days on Market	67	-20.6	53
Avg. Price per Sq. Ft.	\$230.23	11.8	\$257.40

ATTACHED HOMES

11.1%

There were 10,590 total attached home sales in the Phoenix MSA in 2021 compared to 9,536 in 2020. This translates into a 11.1% increase.

18.6%

From 2020 to 2021 the average sales price increased by 18.6%. In 2021 the average sales price was \$307,246 compared to \$259,180 in 2020.

	2020	%	2021
Avg. Days on Market	66	-16.7	55
Avg. Price per Sq. Ft.	\$212.53	32.3	\$281.19

DETACHED HOMES

-3.4%

There were 71,044 total detached home sales in the Phoenix MSA in 2021 compared to 73,573 in 2020. This translates into a 3.4% decrease.

27.8%

From 2020 to 2021 the average sales price increased by 27.8%. In 2021 the average sales price was \$568,073 compared to \$444,382 in 2020.

	2020	%	2021
Avg. Days on Market	66	-21.1	52
Avg. Price per Sq. Ft.	\$233.09	9.2	\$254.51

NORTHEAST VALLEY • carefree, cave creek, rio verde, scottsdale



1991
AVERAGE
YEAR HOUSES
BUILT

6
% OF HOMES
LESS THAN 5
YEARS OLD

2,908
AVERAGE
DETACHED
SQ. FT.

1,663
AVERAGE
ATTACHED
SQ. FT.



	2020	%	2021	TREND
Total Sales	9,030	4.3	9,415	▲
Price per Sq. Ft.	\$277.83	25.3	\$348.13	▲
Days on Market	81	-25.1	61	▼
Avg. Sales Price	\$787,128	27.1	\$1,000,431	▲
Total Volume	\$7,107,765,840	32.5	\$9,419,057,865	▲

SOUTHEAST VALLEY • chandler, gilbert, mesa, queen creek (maricopa county side), tempe



1995
AVERAGE
YEAR HOUSES
BUILT

8
% OF HOMES
LESS THAN 5
YEARS OLD

2,192
AVERAGE
DETACHED
SQ. FT.

1,279
AVERAGE
ATTACHED
SQ. FT.



	2020	%	2021	TREND
Total Sales	25,760	-2.0	25,247	▼
Price per Sq. Ft.	\$201.43	24.4	\$250.60	▲
Days on Market	59	-16.5	50	▼
Avg. Sales Price	\$387,448	23.9	\$479,897	▲
Total Volume	\$9,267,756,160	15.6	\$10,719,459,289	▲

CENTRAL • arcadia, biltmore, paradise valley, phoenix

1983
AVERAGE YEAR HOUSES BUILT

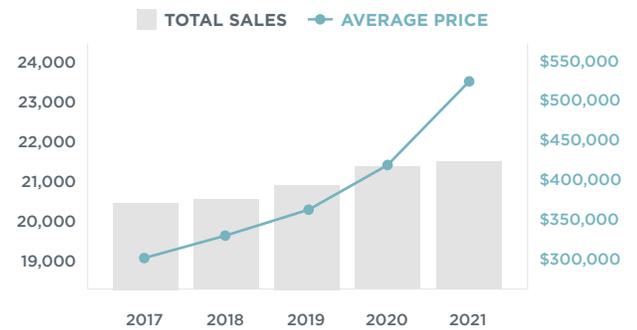
6
% OF HOMES LESS THAN 5 YEARS OLD

2,034
AVERAGE DETACHED SQ. FT.

1,335
AVERAGE ATTACHED SQ. FT.



	2020	%	2021	TREND
Total Sales	21,261	0.7	21,403	FLAT
Price per Sq. Ft.	\$204.7	27.7	\$261.3	▲
Days on Market	66	-19.7	53	▼
Avg. Sales Price	\$427,452	25.2	\$535,023	▲
Total Volume	\$9,088,056,972	26.0	\$11,451,097,269	▲



NORTHWEST VALLEY • anthem, el mirage, glendale, new river, peoria, sun city, sun city west, surprise

1995
AVERAGE YEAR HOUSES BUILT

7
% OF HOMES LESS THAN 5 YEARS OLD

2,023
AVERAGE DETACHED SQ. FT.

1,269
AVERAGE ATTACHED SQ. FT.



	2020	%	2021	TREND
Total Sales	17,491	-0.4	17,424	FLAT
Price per Sq. Ft.	\$172.78	22.2	\$211.20	▲
Days on Market	64	-21.5	51	▼
Avg. Sales Price	\$324,568	24.1	\$402,640	▲
Total Volume	\$5,677,018,888	23.5	\$7,015,599,360	▲



SOUTHWEST VALLEY • avondale, buckeye, goodyear, laveen, litchfield park, tolleson

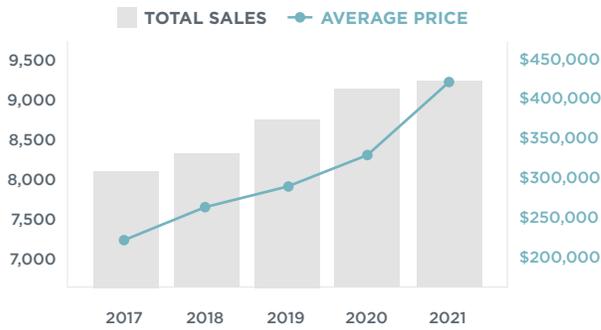


2007
AVERAGE
YEAR HOUSES
BUILT

20
% OF HOMES
LESS THAN 5
YEARS OLD

2,154
AVERAGE
DETACHED
SQ. FT.

1,605
AVERAGE
ATTACHED
SQ. FT.



	2020	%	2021	TREND
Total Sales	9,303	0.2	9,319	FLAT
Price per Sq. Ft.	\$154.20	30.6	\$201.32	▲
Days on Market	70	-25.1	53	▼
Avg. Sales Price	\$322,437	30.1	\$419,570	▲
Total Volume	\$2,992,860,234	24.5	\$3,728,299,020	▲

PINAL COUNTY • apache junction, gold canyon, queen creek, san tan valley, florence, coolidge, maricopa



2005
AVERAGE
YEAR HOUSES
BUILT

22
% OF HOMES
LESS THAN 5
YEARS OLD

1,983
AVERAGE
DETACHED
SQ. FT.

1,364
AVERAGE
ATTACHED
SQ. FT.



	2020	%	2021	TREND
Total Sales	11,233	4.9	11,786	▲
Price per Sq. Ft.	\$217.13	47.8	\$320.97	▲
Days on Market	75	-16.3	63	▼
Avg. Sales Price	\$270,541	28.6	\$348,015	▲
Total Volume	\$3,038,987,053	34.9	\$4,101,704,790	▲

THERE'S NO PLACE LIKE **NEST**

Here at Nest, we are dedicated to being more than your agent...
we're your friend, your neighbor, and your support network.
Because at the end of day, we all share the same Nest.



NEST REALTY





NEST
REALTY

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