

2023 Flagstaff & Northern AZ Housing Market Review

A Roller Coaster of a Year

2023 carved its way out in a legendary, sometimes volatile fashion. Along with a near record snowfall Winter in Flagstaff and the ever-rising interest rates, Flagstaff single family home (SFM) sales froze to a record low of just 24 in January, followed by several more months of lagging sales. Impacting not only monthly sales, but the declining median sales price (MESP) through May left many thinking Flagstaff had finally cooled off after a \$100,000+ annual appreciation year over year (YOY) from 2020 to 2022. Although mid year sales competed well with 2022's, 2023's annual sales were almost half compared to 2020, down 77% compared to 2021, and 29% less than 2022. Despite September 2023 having almost 40% less sales YOY, it jumped to a historic mark at over \$820,000 in the MESP, with November topping \$810,000. March and October saw the lowest MESP which also coincided with significant rate spikes where October jumped to almost 8%. December ended at 6.61% for a 30-year conventional loan.

Of 2023's 1,077 total residential sales, Flagstaff's had just 675 SFMs to sell (lowest number since 2008). The annual MESP for a SFM was \$735K, \$20K higher than 2022's, with the average sales price over \$950K, up 11.5%. A Seller's market still, but 43% of Sellers provided concessions to Buyers that was often used in helping Buyers buy down their rate, decrease loan fees, and in lieu of repairs. Cash Buyers continue to increase providing 33% of the sales, with 58% conventional financing, 4% VA loans, and 3% FHA loans. Sellers did flex on price with 98% making an average of 6% price decrease or \$58K from their original list price to their final sales price. The Luxury Home Market with a benchmark sales price of \$975K, was down 7% in SFM sales, but an elevated MESP of \$1,470,000, up 13% from 2022.

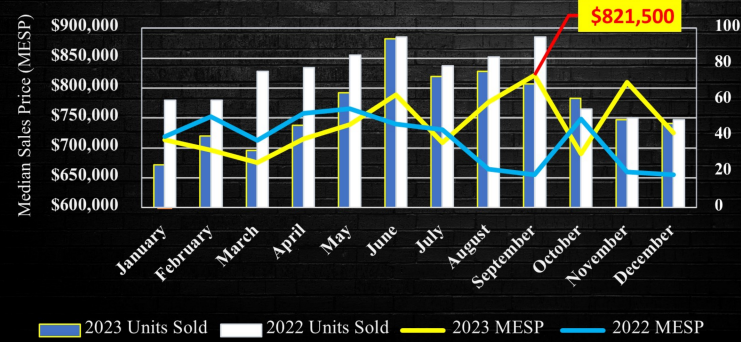
The more affordable options were the 37% of the total residential sales such as Condominiums with a MESP of \$400K, up 13%; Townhomes at \$55K, up 7%, and Manufactured Homes at \$406K, up 3%.

Many have had to sprawl into neighboring towns that offer a lesser SFM price point, with all but Bellemont seeing a decrease in their MESP.

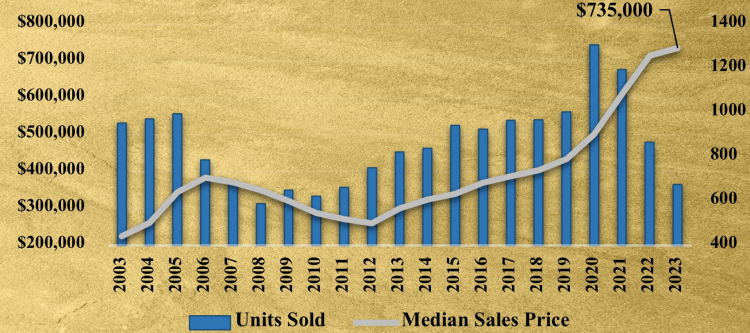
Nationwide, 2024 is predicted to see continued appreciation in the MESP, to soften some, but still maintain equity gains (Lawrence Yun, National Association of Realtors® Chief Economist). *Stay tuned and for more Stats and Graphs go to MelindaMorfin.com.*

Flagstaff Single Family Housing Market

Month Over Month Review



Flagstaff Single Family Annual Home Sales



Luxury Home Areas (SFM Only)	2023 MESP	2022 MESP	% MESP Change	2023 Units Sold	2022 Units Sold	% Units Change
Forest Highlands	\$ 1,700,000	\$ 1,595,000	6%	32	19	41%
Pine Canyon	\$ 2,750,000	\$ 2,600,000	5%	25	24	4%
Flagstaff Ranch	\$ 1,477,500	\$ 1,325,000	10%	26	18	31%
Southeast City cluster	\$ 1,243,250	\$ 1,725,000	-39%	14	24	-71%

Neighboring Areas (SFM Only)	2023 MESP	2022 MESP	% MESP Change	2023 Units Sold	2022 Units Sold	% Units Change
Munds Park	\$ 585,000	\$ 644,000	-10%	77	88	-14%
Bellemont	\$ 578,000	\$ 570,000	1%	38	67	-76%
Parks	\$ 565,000	\$ 730,000	-29%	17	18	-6%
Williams	\$ 475,000	\$ 485,000	-2%	85	107	-26%
Winslow	\$ 176,000	\$ 216,000	-23%	44	66	-50%

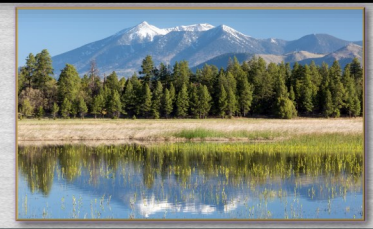


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