

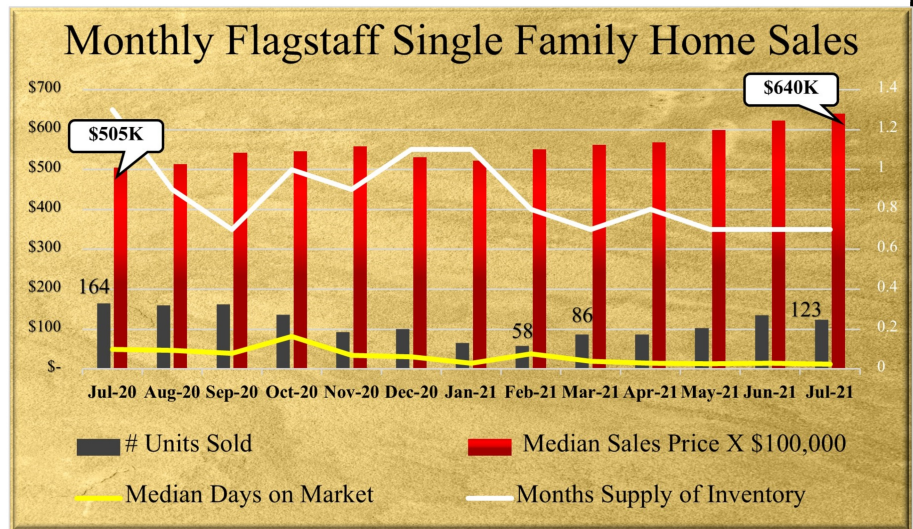
# 2021 Summer's Hot Housing Market Review

## Making Sense of the Market

It may not *'make sense'* that housing would experience such a rapid surge during a pandemic, yet since April of 2020 it has become the accepted norm. What's *not* as accepted is the soaring & seemingly unstoppable sales prices. June of 2020 was the first that Flagstaff Single Family Homes (SFM) sales experienced a median sales price (ME SP) of **\$500K**. At a **\$140K** or **27%** year-over-year increase for July 2021 at **\$640K**, it makes 2020 feel like a

bargain for last years' Buyers. Being just halfway into Summer when sales prices begin to approach their highest annually, finding a bargain as a Buyer will be increasingly hard. With a **45%** decrease in Flagstaff SFM available inventory in July compared to July 2020, there was a **25%** decrease in total SFM sales. Many Buyers have also been priced-out of buying as the median list price is almost **\$690K**, pushing Buyers to seek a jumbo loan maxing their loan over \$548,200 while decreasing cash to close funds.

We saw a slight depreciation in the ME SP in DEC '20 & Jan '21, but prices have been increasing by **1%** to **5.6%** monthly since. Compared to the first 7 months of 2020 there's been 9 less SFM's to sell at 923, but that's almost 200 more units than in July '19. So what's for sale is selling & quicker with a ME SP of **\$117K** higher with 20 less days on the market. However, the median list price reduction remains at **\$15,000**. Indeed, still a Seller's market, yet it is becoming more common to see inflated/optimistic list prices that eventually reduce to attract the right buyer. This is where it will be imperative for Buyers to be very well-educated on a specific area's market with understanding current comparative market data to ensure not only getting the best deal they can, but to improve negotiating leverage. Sellers, too should be aware of how their home is positioned not only to obtain best opportunity for terms & price, but so that languishing market time doesn't detract from home's overall "sellability". Properties that expired their initial list term was up **42%** in July 2021 vs July 2020 proving not every home is guaranteed to sell timely. Although the mortgage forbearance is extended through SEP 2021 & with interest rates often acquired below **3%**, it's the inability of building more homes quick enough & concerns of the pandemic's economic impact that continue to be predictors of where the market will go, if even just based on the perception alone. *Stay tuned to see if Flagstaff's 9-year upward drive continues.*



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