

# Phoenix, AZ Housing Market Update

December 2025 Data | What It Means for Buyers & Sellers

Presented by Danny Lopez



# Market at a Glance

## Prices Stabilizing

No crashes or surges—just steady, predictable movement in valuations

## Inventory Up

More homes available across all price points, giving buyers real options

## Longer Selling Times

Homes are staying on the market longer than previous years

## Balanced Market

The market is shifting away from extremes toward equilibrium

The Phoenix housing market has entered a new phase characterized by stability and balance. After years of rapid appreciation and competitive bidding wars, both buyers and sellers are experiencing a more measured, rational market environment where strategy and preparation matter more than speed and urgency.

# Median Home Prices



The Phoenix housing market continues to show resilience with median home prices holding steady in the **mid-\$400,000s**. This represents a significant shift from the rapid appreciation seen in recent years, signaling a market that has matured and stabilized.

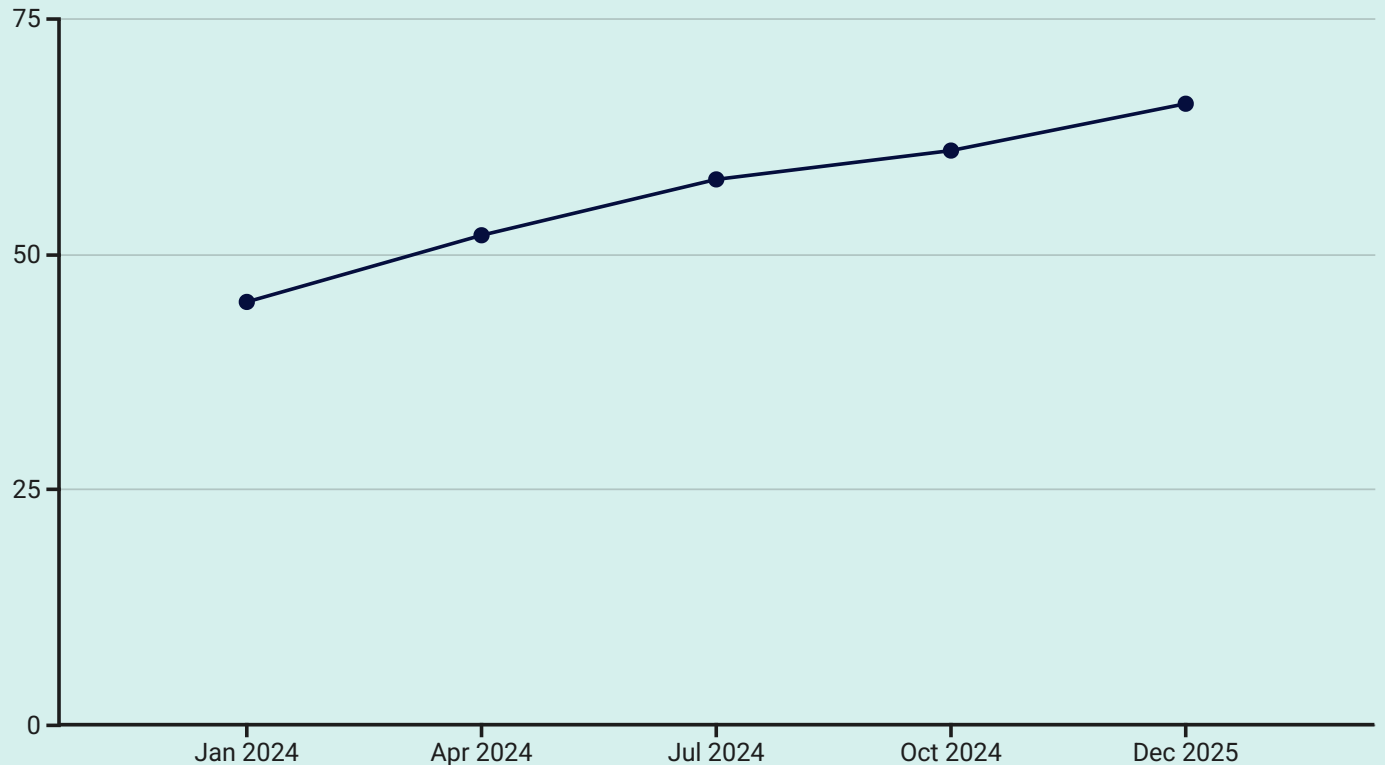
While different data sources show slight variations in year-over-year comparisons—ranging from modest increases to minor decreases—the overall trend is clear: the era of double-digit annual appreciation has paused, replaced by a more sustainable pricing environment.

**What this means:** Prices are holding firm without collapsing. Homeowners retain substantial equity, while buyers can plan with confidence knowing valuations aren't experiencing wild volatility. Expect steadiness rather than dramatic swings in either direction.

# Days on Market (DOM)

The average home in Phoenix now takes approximately **64–67 days** to sell, a notable increase compared to the frenetic pace of previous years when properties often went under contract within days or even hours of listing.

This extended timeline reflects a fundamental shift in market dynamics. The pressure-cooker environment that characterized recent years has cooled, replaced by a more deliberate pace that benefits both parties in different ways.



## For Buyers

More time to conduct thorough inspections, research neighborhoods, and make informed decisions without feeling rushed into hasty offers

## For Sellers

Pricing accuracy and home presentation become critical factors—homes must be competitively priced and show-ready to attract serious buyers

# Inventory Levels

One of the most significant changes in the Phoenix market is the substantial increase in active listings compared to the same period last year. After years of historically low inventory that fueled intense competition, the market now offers a healthier selection of available homes.

↑ 28%

Year-Over-Year Growth

Active listings have increased significantly across the Phoenix metro area

3.2

Months of Supply

Moving closer to a balanced market threshold

## What This Means for the Market

- **Buyers gain real choice:** More options across various price points, neighborhoods, and property types mean buyers can be selective and find homes that truly meet their needs
- **Reduced competition:** The days of 20+ offers on every listing are largely behind us, allowing for more rational decision-making
- **Fewer bidding wars:** Multiple-offer situations still occur on well-priced, well-presented homes, but they're no longer the default experience

This inventory expansion represents a return to healthier market fundamentals where supply better matches demand.

# Negotiation Power

Perhaps the clearest indicator of the market's shift toward balance is the return of meaningful negotiation opportunities. Homes are now selling for approximately **97% of their list price** on average, with fewer properties commanding above-asking offers.



## Price Negotiations

Buyers can negotiate on price with reasonable expectations of seller flexibility, particularly on homes that have been listed longer



## Inspection Requests

Sellers are more willing to address inspection items or provide credits, unlike the "as-is" environment of recent years



## Closing Flexibility

More room to negotiate closing dates, contingencies, and other terms that matter to both parties

**Bottom Line:** Negotiation is back in Phoenix real estate. Success now depends more on thoughtful strategy and proper preparation than simply moving faster than the competition. Both buyers and sellers benefit from understanding leverage points and timing their moves carefully.

# Buyer Activity & Mortgage Rates

Despite higher interest rates compared to the pandemic era, buyer activity in Phoenix remains robust, particularly as we closed out 2025. Recent dips in mortgage rates sparked renewed interest, demonstrating that motivated buyers are still active in the market—they're just more strategic and intentional about their purchases.

The Phoenix market benefits from strong fundamentals that continue to attract buyers:

- **Population growth:** Arizona remains one of the fastest-growing states, with Phoenix leading in-migration from California, the Pacific Northwest, and other high-cost regions
- **Job market strength:** Diverse employment opportunities in technology, healthcare, manufacturing, and professional services
- **Lifestyle appeal:** Year-round sunshine, outdoor recreation, and relative affordability compared to coastal markets

Buyers today are doing their homework, taking time to evaluate options, and making offers based on genuine value rather than fear of missing out.

## Rate Reality Check

While rates remain higher than the historic lows of 2020-2021, they've shown volatility and recent decreases that create windows of opportunity.

Smart buyers focus on:

- Finding the right home
- Building equity
- Refinancing potential when rates drop further

# Who This Market Favors



## Buyers Have Advantages

More inventory means genuine choice and the ability to be selective. Time to conduct thorough due diligence without pressure. Negotiating power on price, terms, and contingencies. Less competition and fewer bidding wars on most properties.



## Sellers Retain Strength

Substantial equity built during appreciation years. Strong demand from motivated buyers if priced correctly. Quality homes in desirable locations still sell relatively quickly. Ability to leverage equity for next moves.

This is a **balanced-leaning market** where both sides can achieve their goals with the right approach. Neither buyers nor sellers hold overwhelming leverage—success depends on strategy, preparation, and realistic expectations.

# Why Strategy Matters Now

In a balanced market, the difference between success and frustration often comes down to strategy and execution. The one-size-fits-all approaches that worked in extreme market conditions no longer apply—customization and professionalism are essential.

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## Pricing Must Be Data-Driven

Overpricing guarantees extended days on market and eventual price reductions that signal desperation. Proper comparative market analysis, understanding micro-market trends, and realistic pricing attract serious buyers quickly.

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## Marketing Reaches the Right Buyers

Targeted digital marketing, strategic open houses, and agent networking ensure your listing reaches motivated buyers actively searching in your price range and location.

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## Presentation Drives Perceived Value

Professional photography, staging, and repairs matter immensely when buyers have options. First impressions online determine whether buyers schedule showings, and in-person presentation influences offers.

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## Negotiation Skills Create Win-Wins

Understanding leverage, timing responses strategically, and finding creative solutions help both buyers and sellers achieve their core objectives while building goodwill.

# Final Takeaway

The Phoenix housing market has evolved into a calmer, more predictable environment that rewards preparation and penalizes rushing into decisions without proper planning. This represents a healthy correction from the extremes of recent years.

## Market Stability

Prices are holding steady, inventory is normalizing, and transaction timelines have become more reasonable. This predictability benefits everyone.

## Opportunities Exist

Whether you're buying your first home, selling to upgrade, or making a lifestyle change, current conditions create genuine opportunities for well-prepared participants.

## Planning Beats Panic

Taking time to understand your options, consult with professionals, and make informed decisions leads to better outcomes than reacting impulsively to market noise.

The Phoenix real estate market remains fundamentally strong, supported by population growth, economic diversity, and quality of life that continues attracting new residents. Success in this market comes from working with knowledgeable professionals who understand local dynamics and can guide you through the process with expertise and integrity.

# Let's Talk (No Pressure)



If you'd like to understand how this market affects your specific plans, I'm happy to have a conversation with no obligations or pressure. Whether you're considering:

I can walk through your options, answer your questions, and help you understand what makes sense for your unique situation. No rush, no pressure—just clear information and honest guidance.

**Danny Lopez**

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## **Buying**

Finding the right home in the right neighborhood at the right price

## **Selling**

Maximizing your home's value and moving on your timeline

## **Relocating**

Downsizing, rightsizing, or moving to a new area within Phoenix