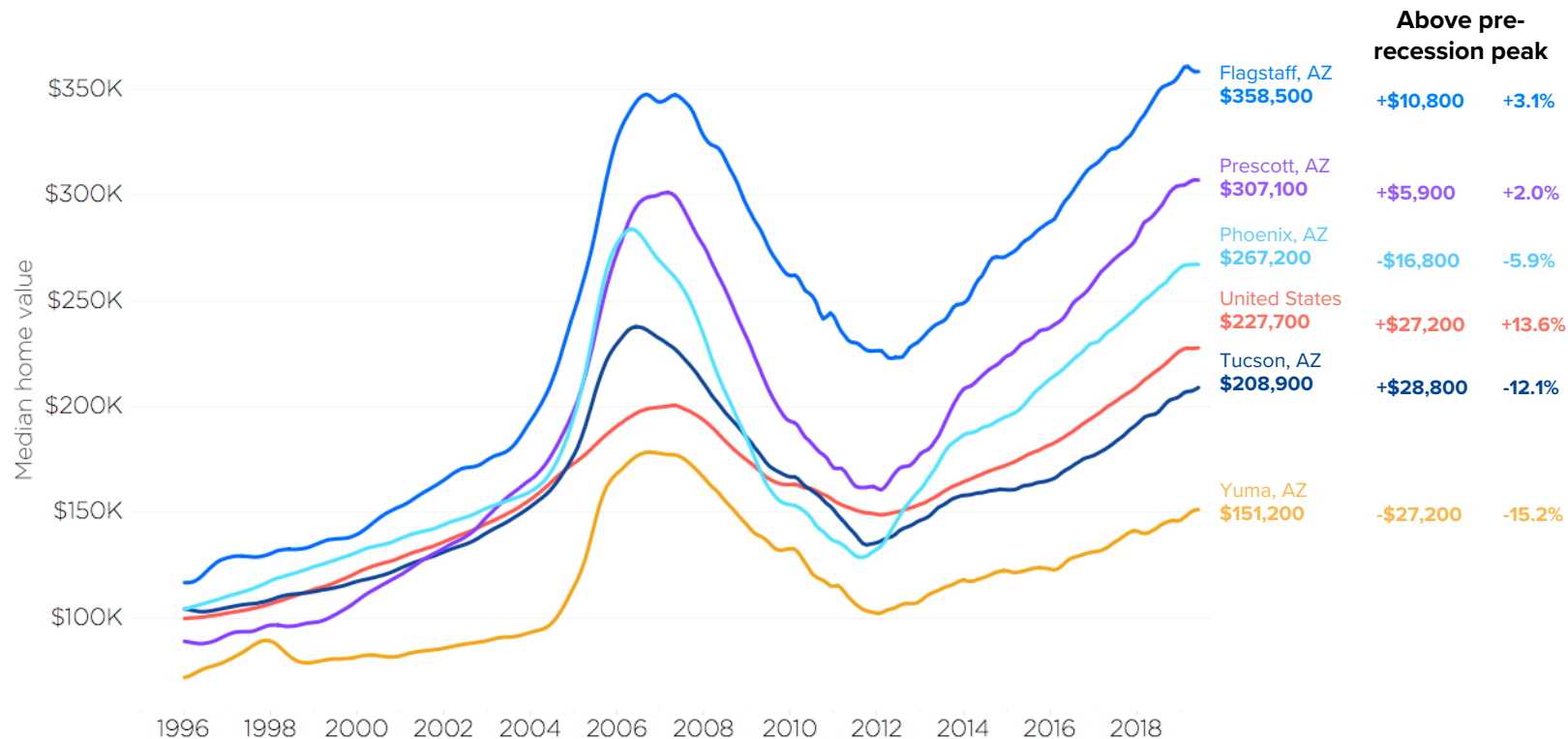




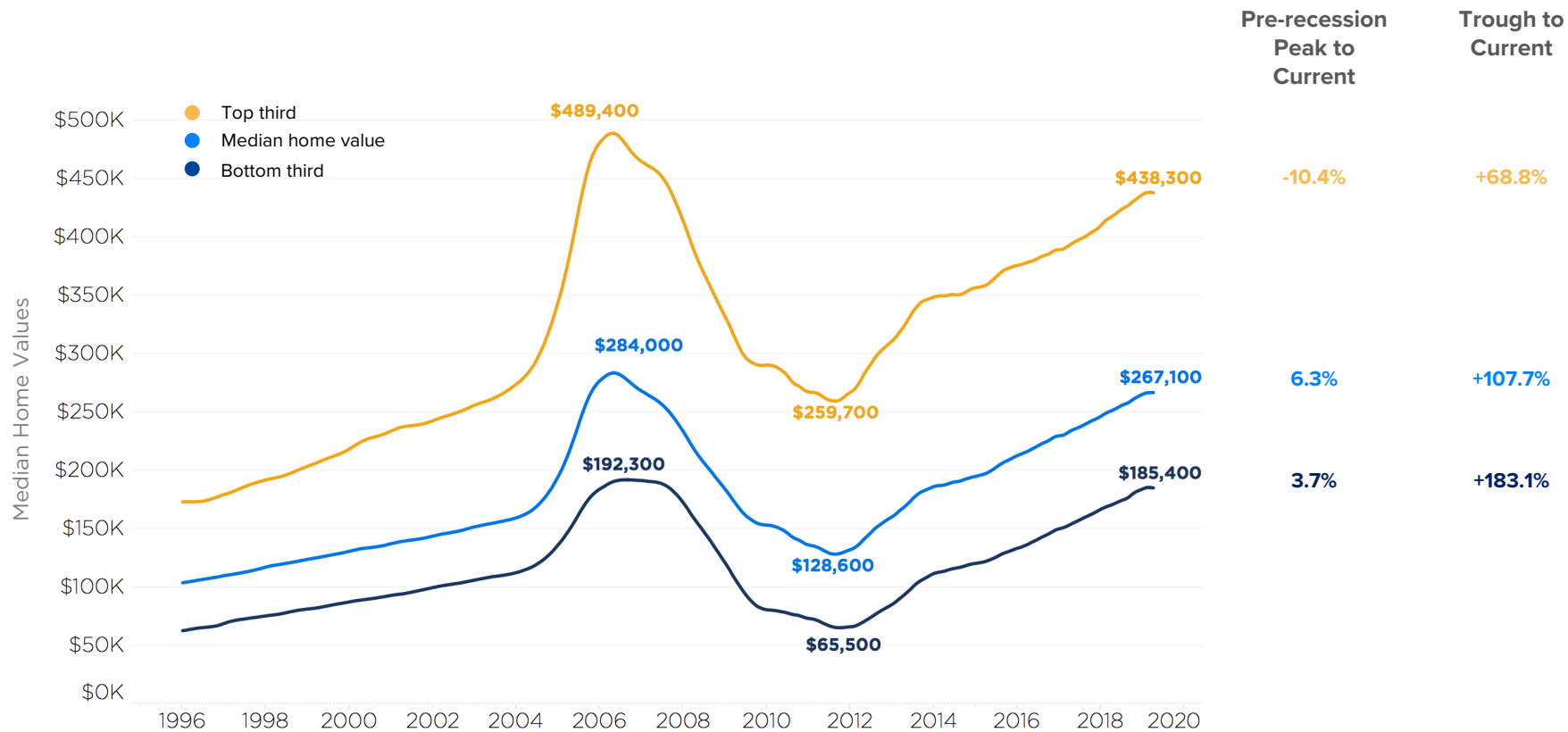
Arizona Housing Market Overview

Alexander Casey
Senior Policy Advisor, Economic Research

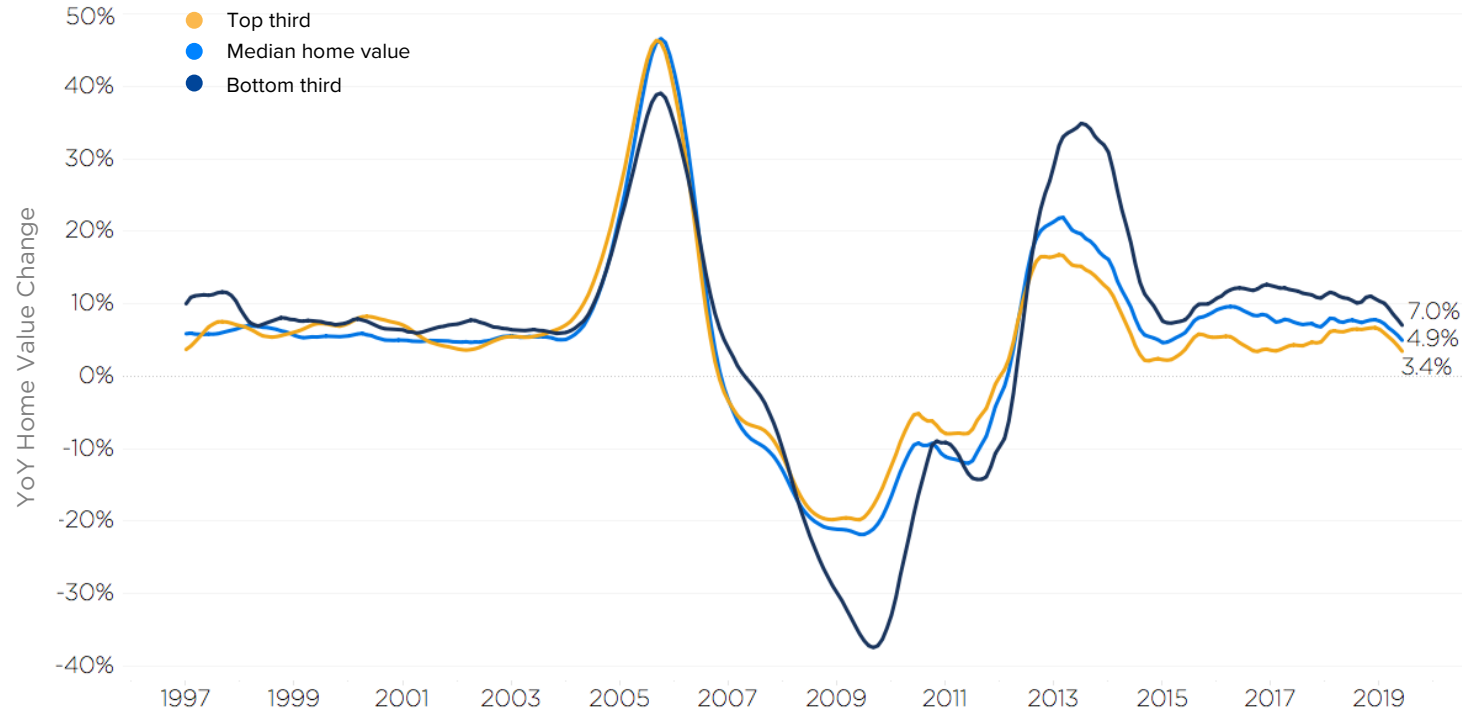
Arizona metros slower to recover value than rest of U.S.



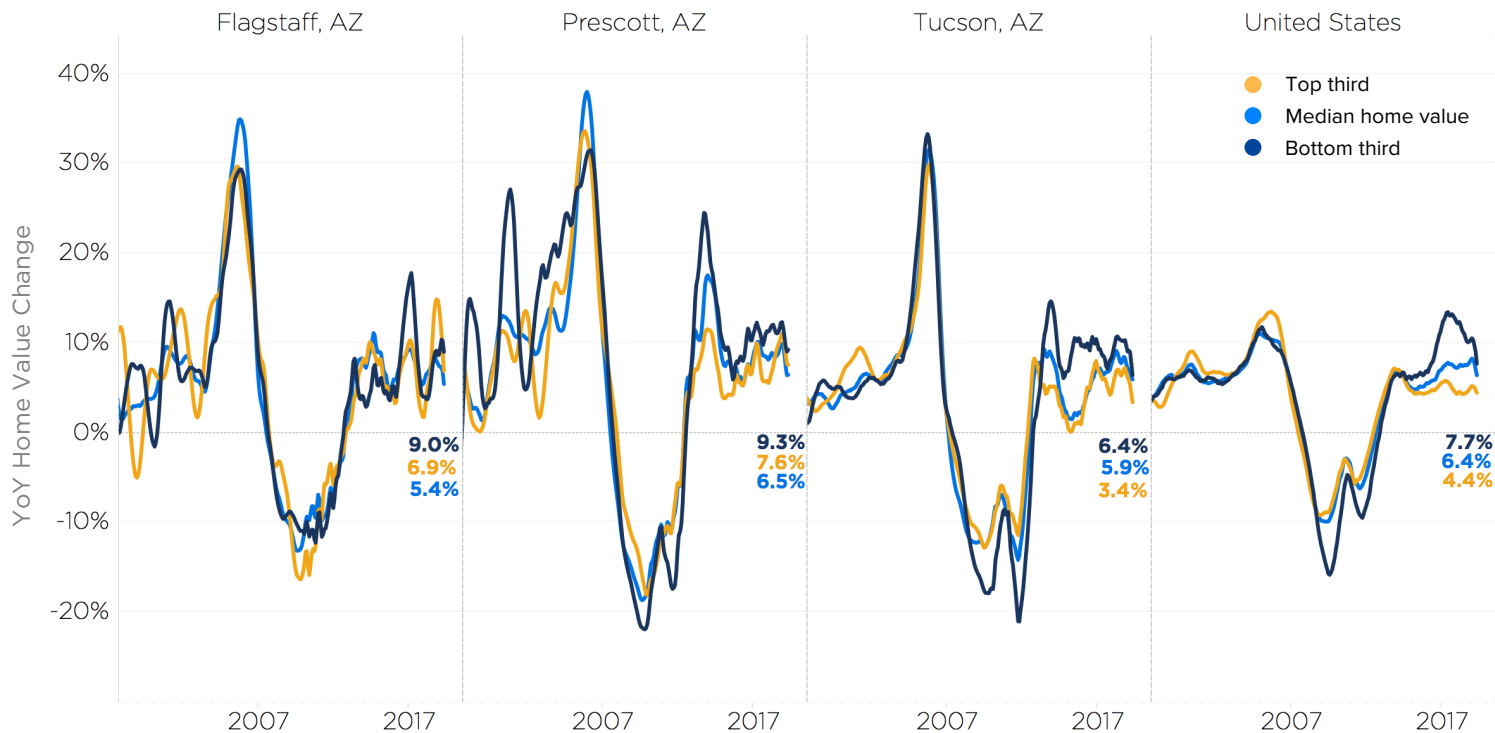
Phoenix lower-value homes leading the comeback



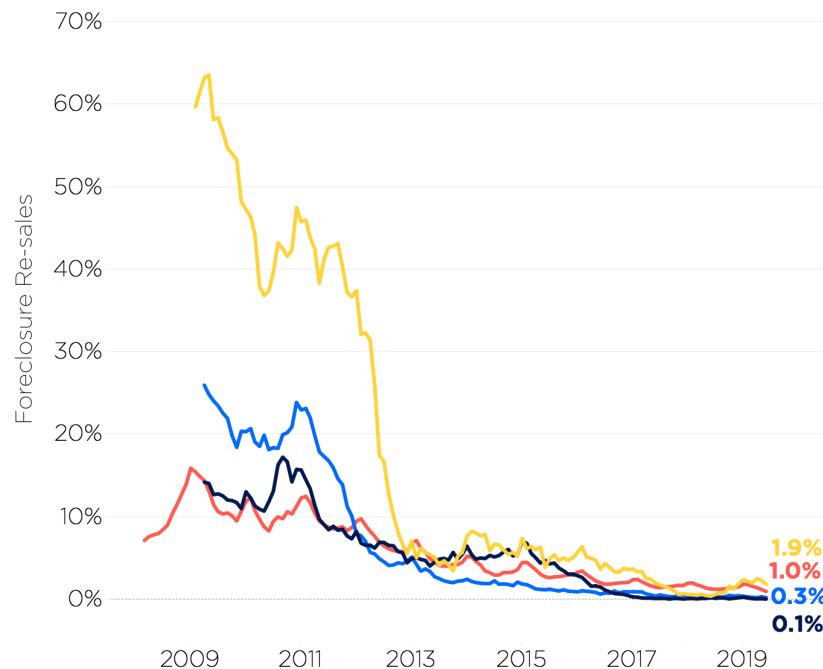
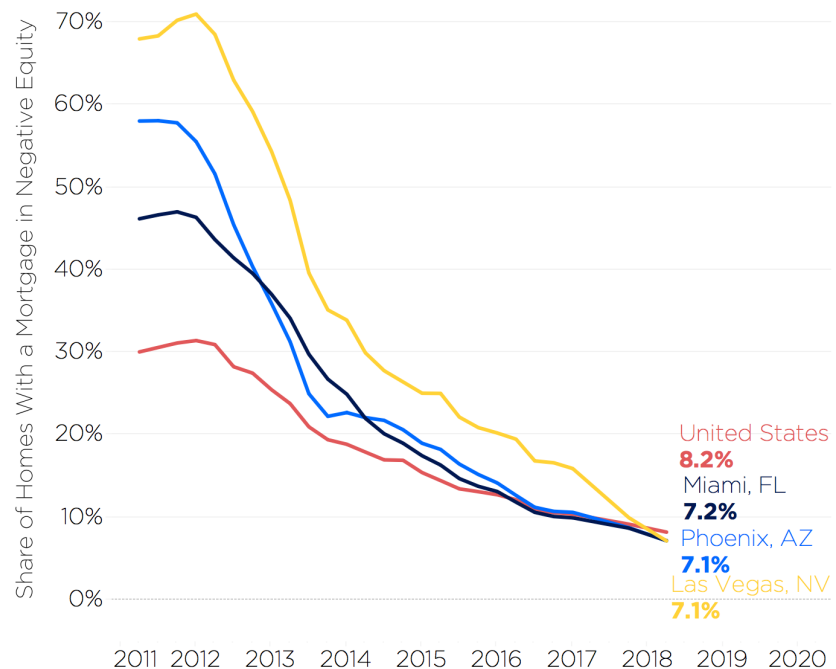
But the PHX bottom tier homes have been the most volatile



Annual home value change similar across AZ metros

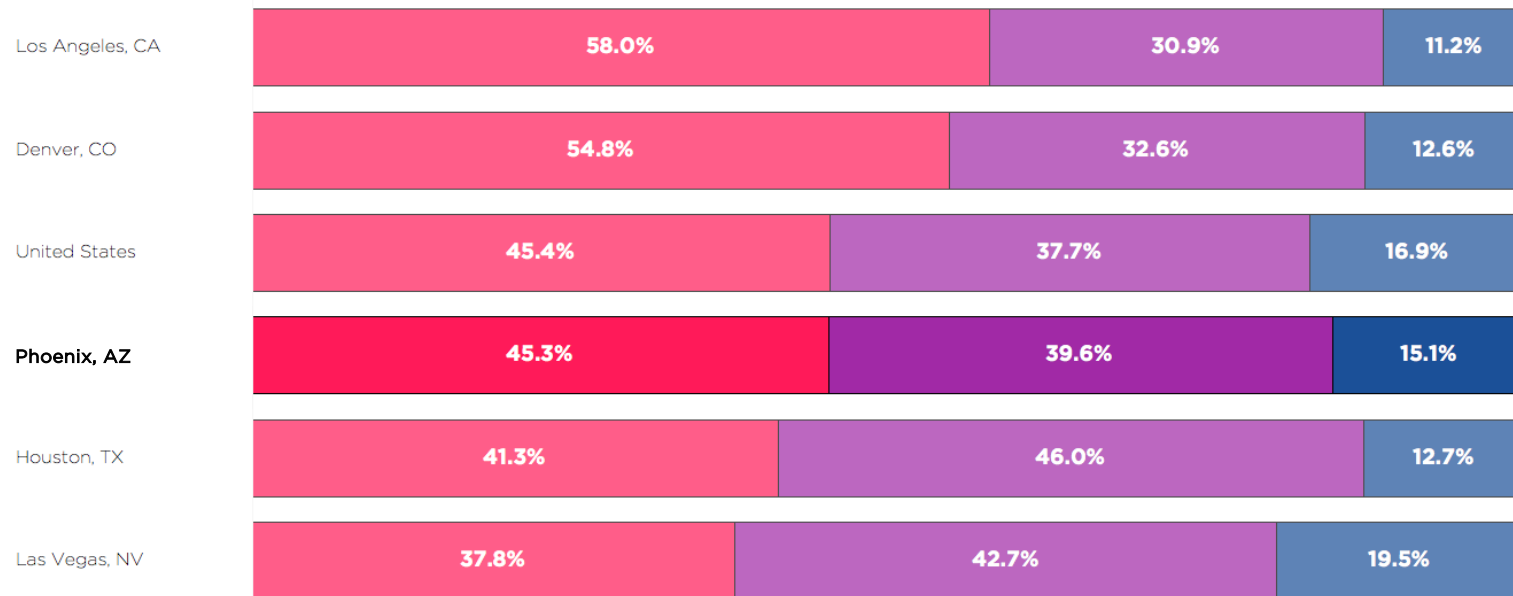


Phoenix hit especially hard by negative equity and foreclosures



Entry-level homes were hit the hardest by the foreclosure crisis

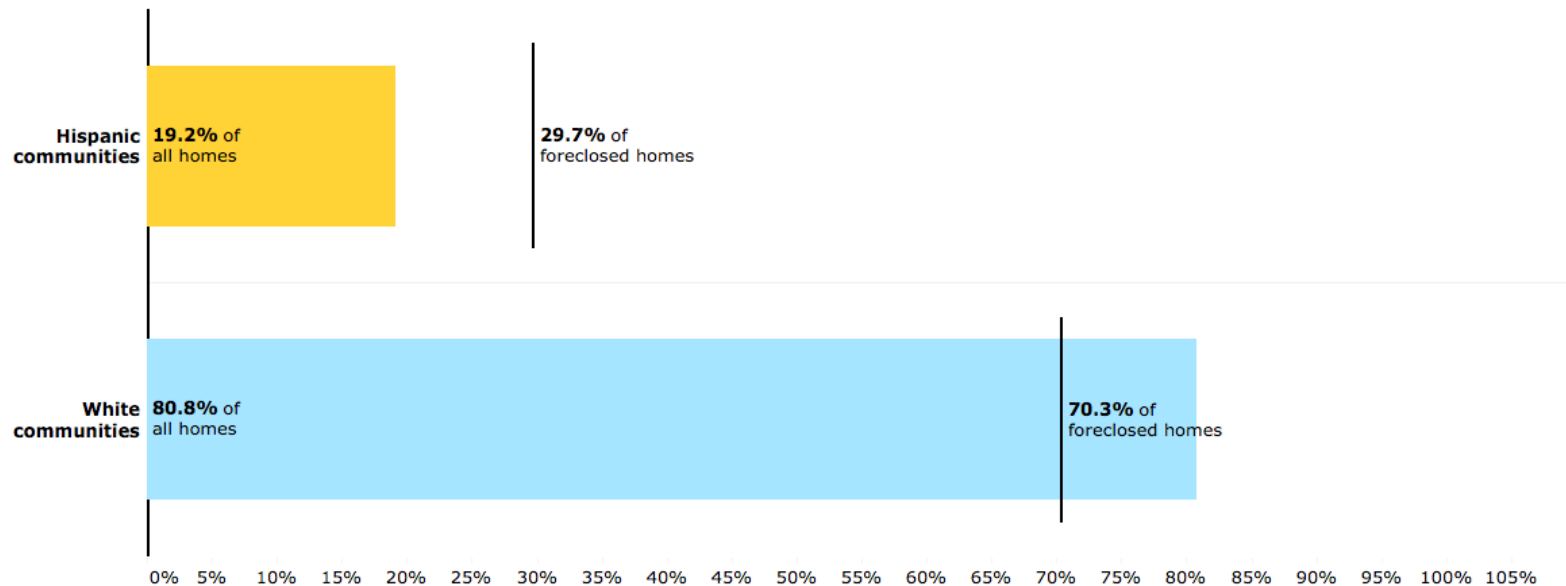
Share of foreclosed homes that were **entry-level**, **middle-tier**, and **high-end**



Phoenix-area Hispanic communities hit hardest by foreclosures

Homes in communities of color were hit the hardest by foreclosures

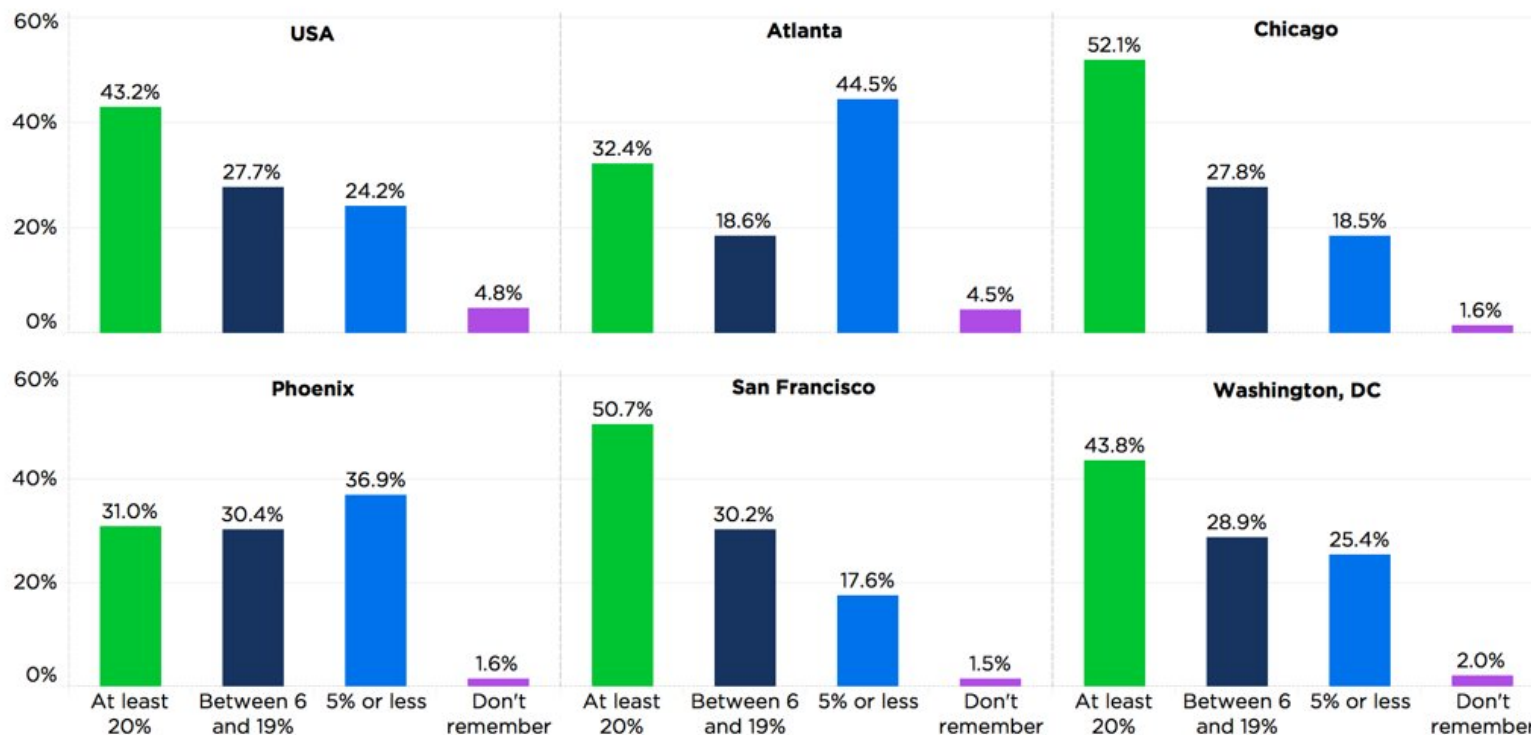
Share of homes in Hispanic, black and white communities that were foreclosed



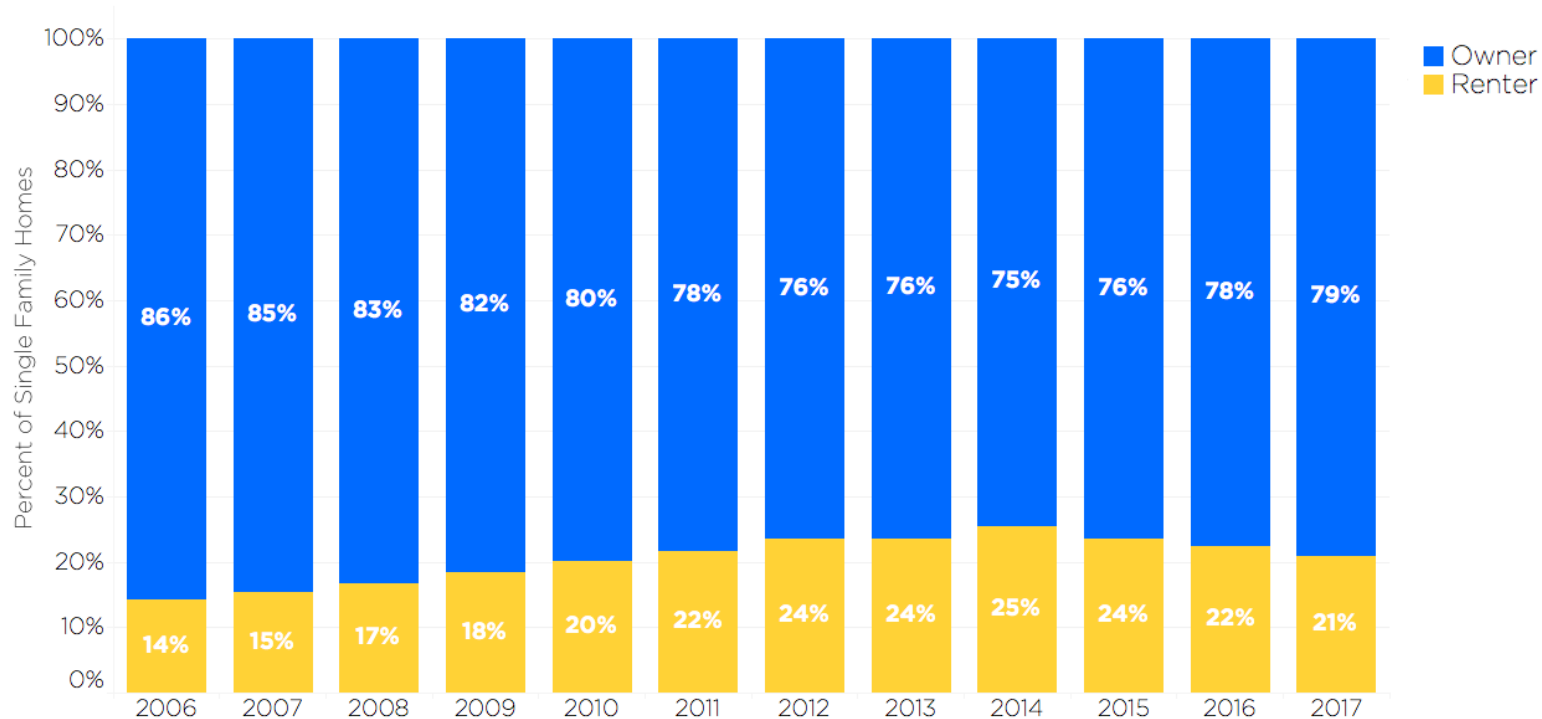
Zillow Economic Research | Source: Zillow analysis of foreclosed homes between January 2007 and December 2015 in racial pluralities identified using data from the U.S. Census Bureau, Decennial Census and American Community Survey.

A greater share of home buyers in Atlanta, Phoenix put down 5% or less

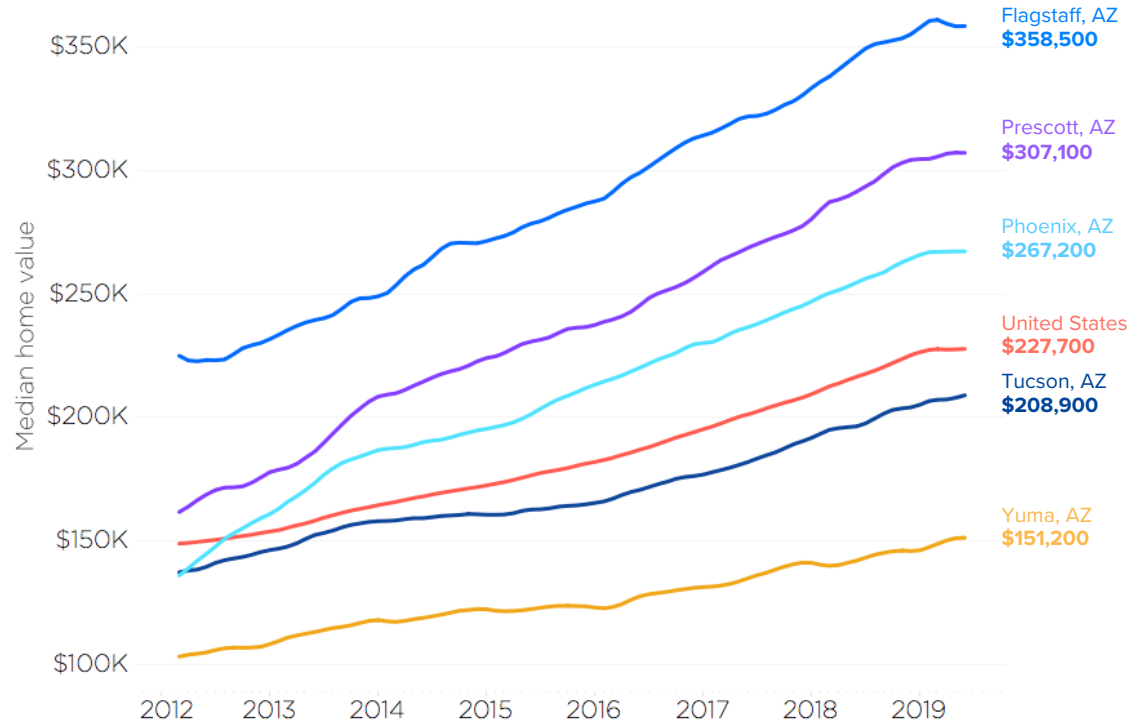
Share of home buyers who put down at least 20%, 6-19% and 5% or less



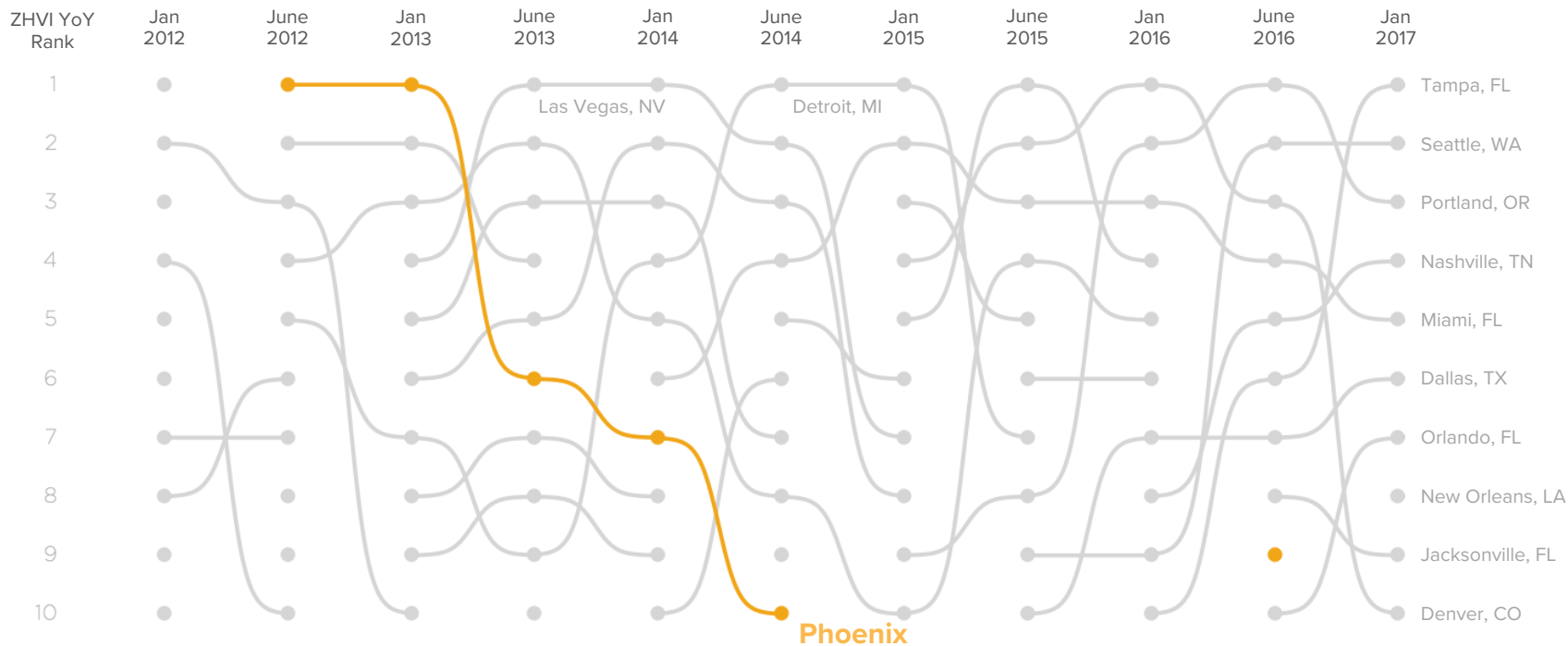
The share of single-family home rentals were rising steadily until recent years



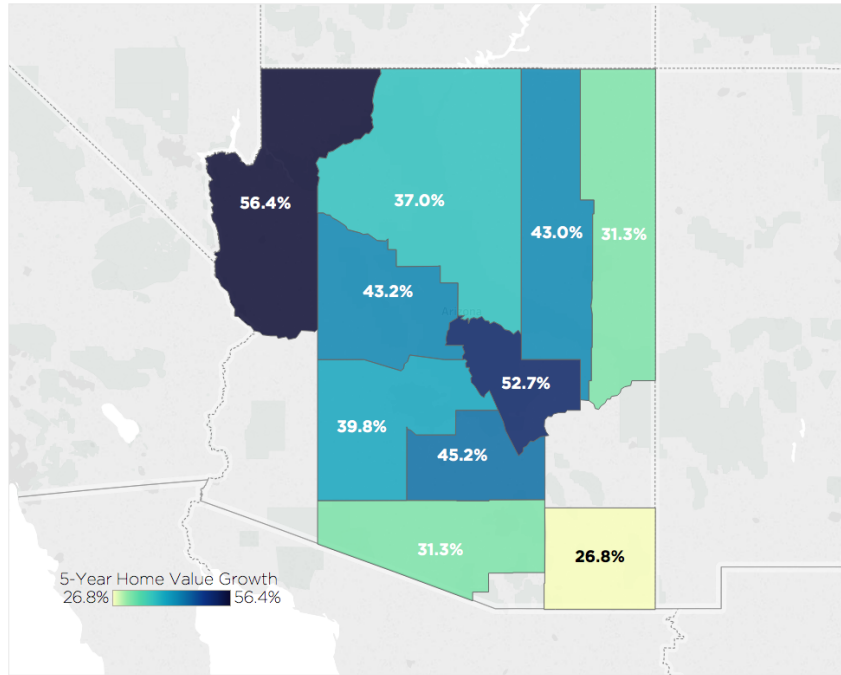
Home value growth across AZ slowing in recent months



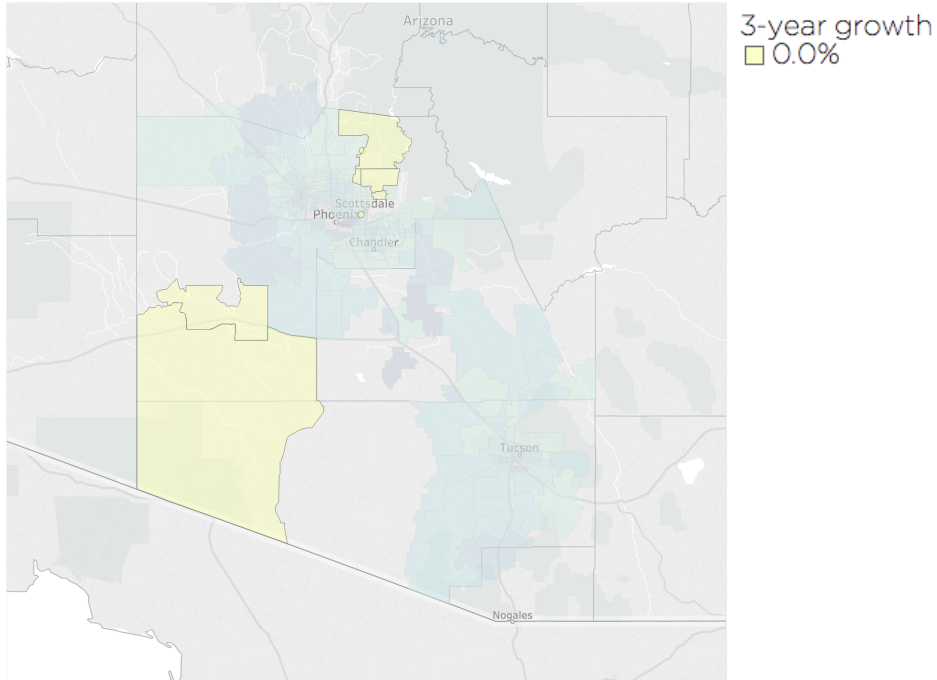
Phoenix once led the nation as “hottest market”



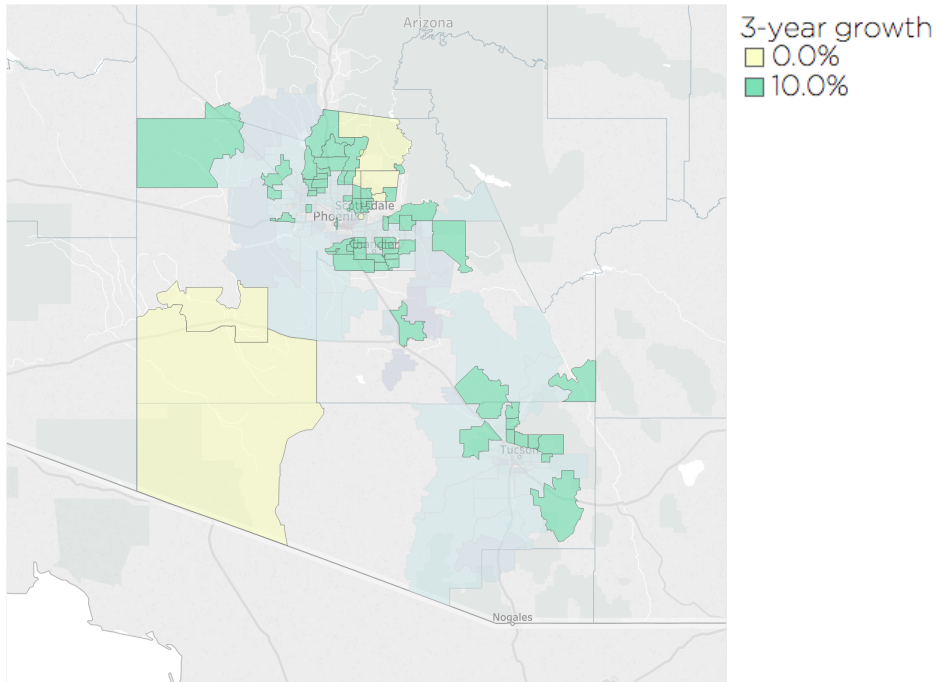
Home value change over past five years



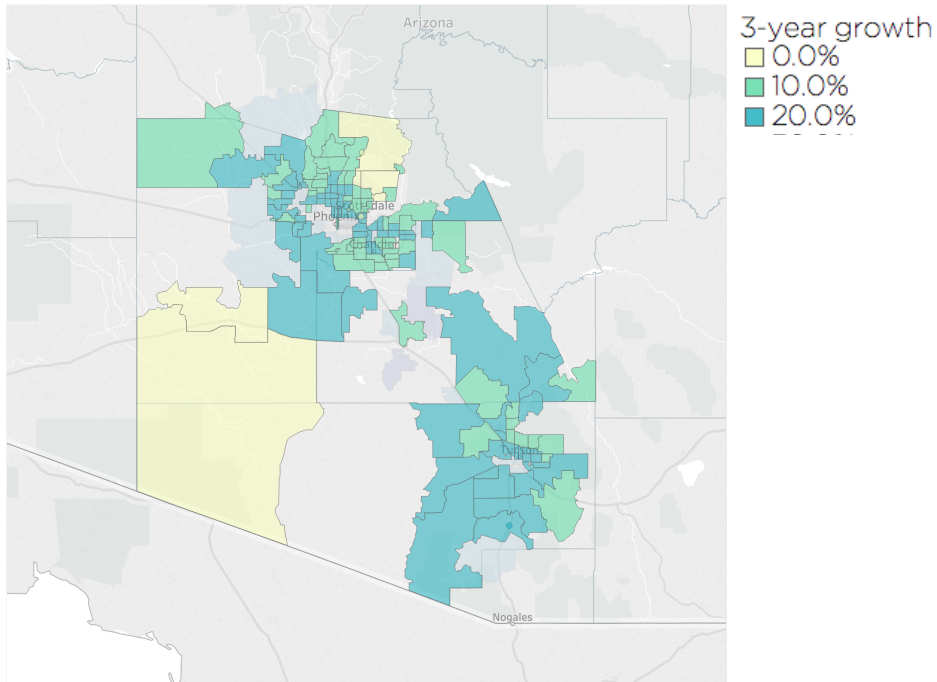
Three-year home value growth by ZIP code



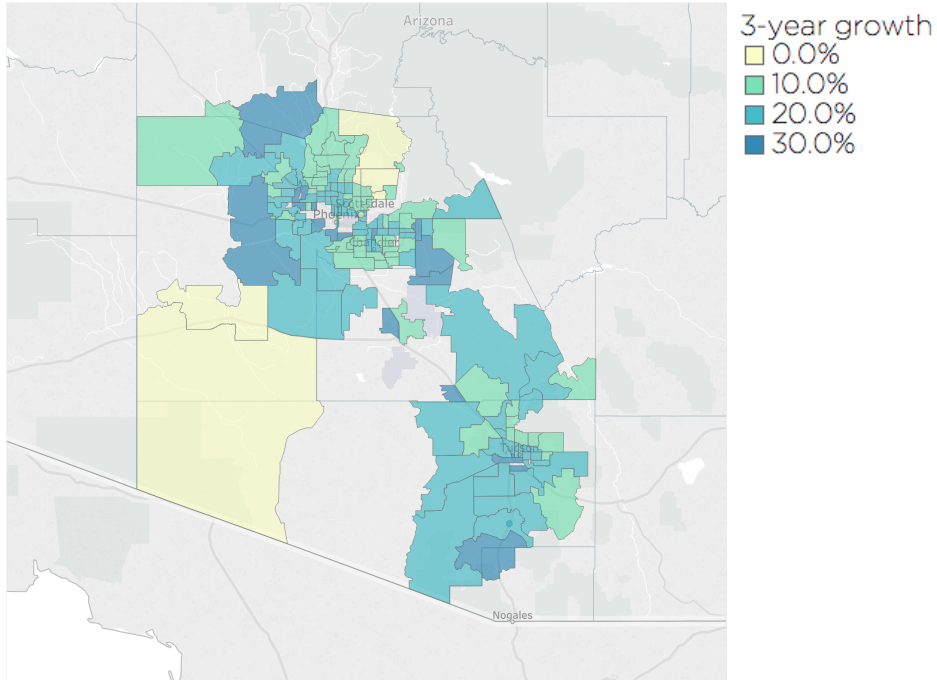
Three-year home value growth by ZIP code



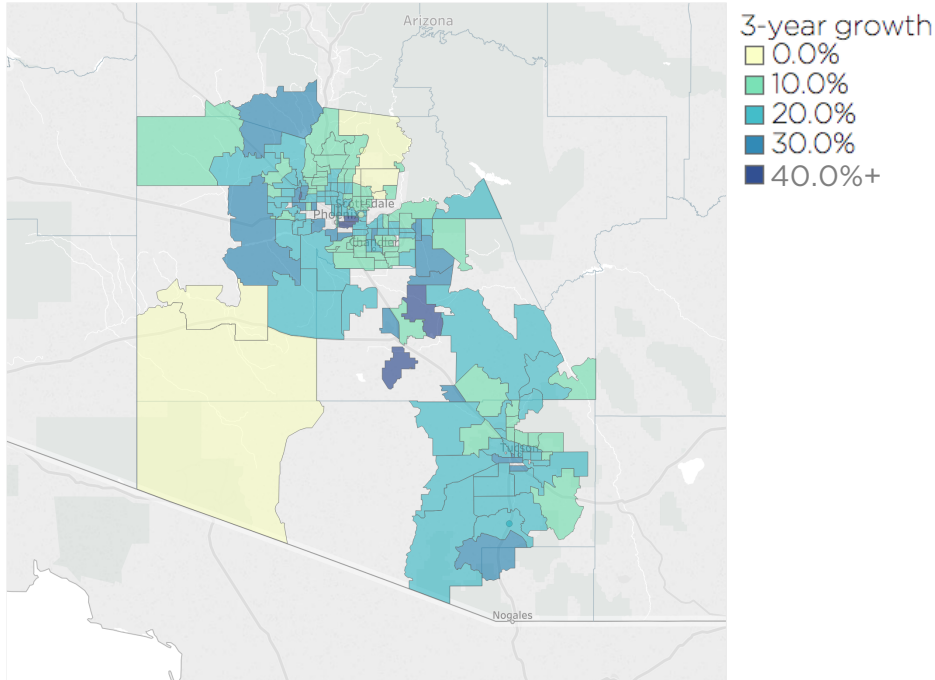
Three-year home value growth by ZIP code



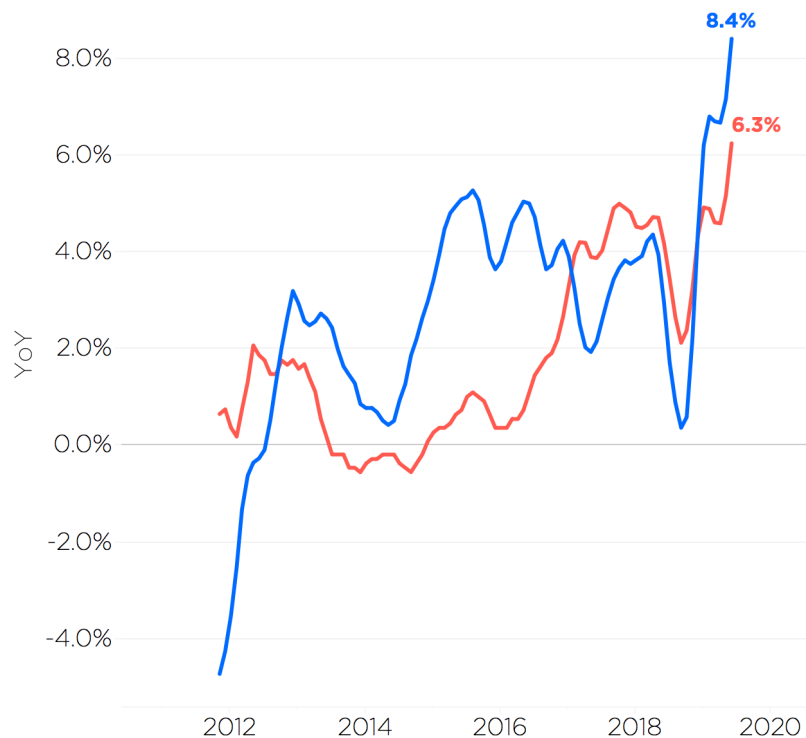
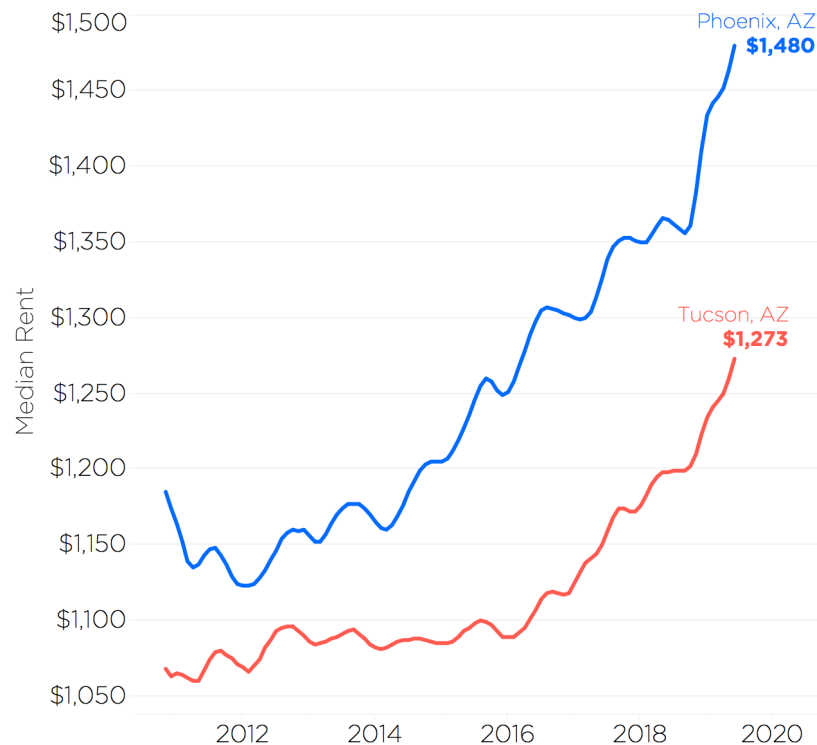
Three-year home value growth by ZIP code



Three-year home value growth by ZIP code



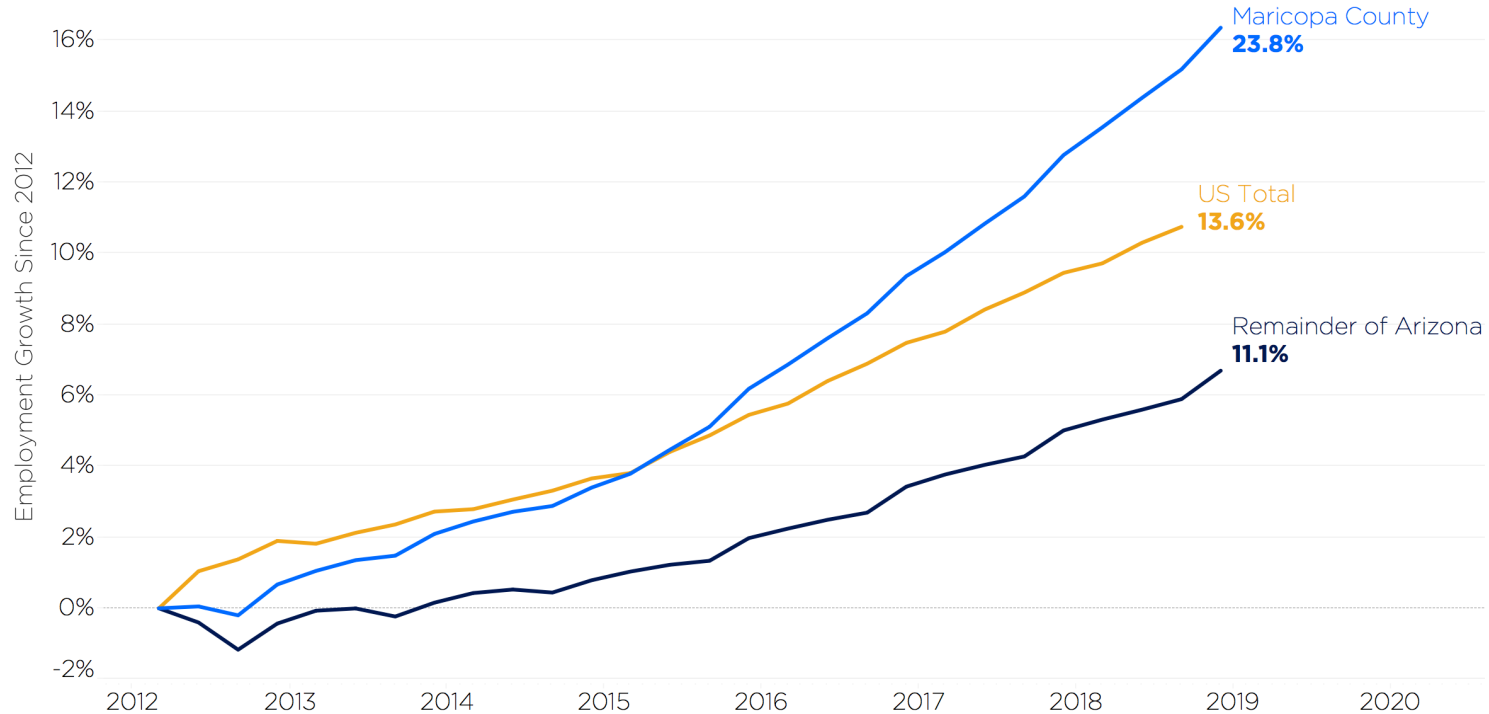
Median rental values surging in recent years



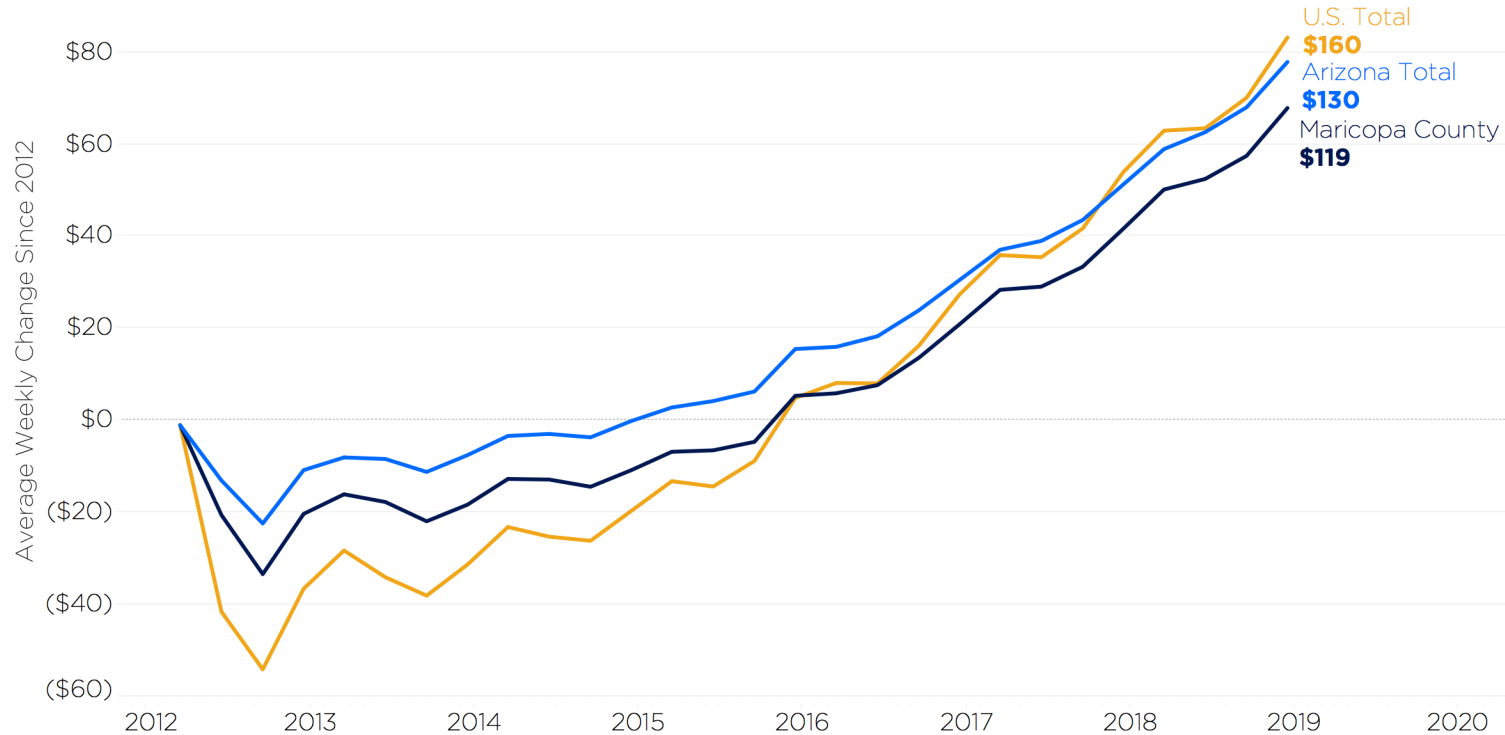
A photograph of a blue house with a stone path leading to the entrance, surrounded by lush greenery and ferns. The scene is dimly lit, suggesting dusk or dawn. The house has a blue exterior with white trim around the windows and doors. A stone path leads from the foreground towards the house. The garden is filled with various plants, including large ferns and smaller shrubs. The overall atmosphere is serene and modern.

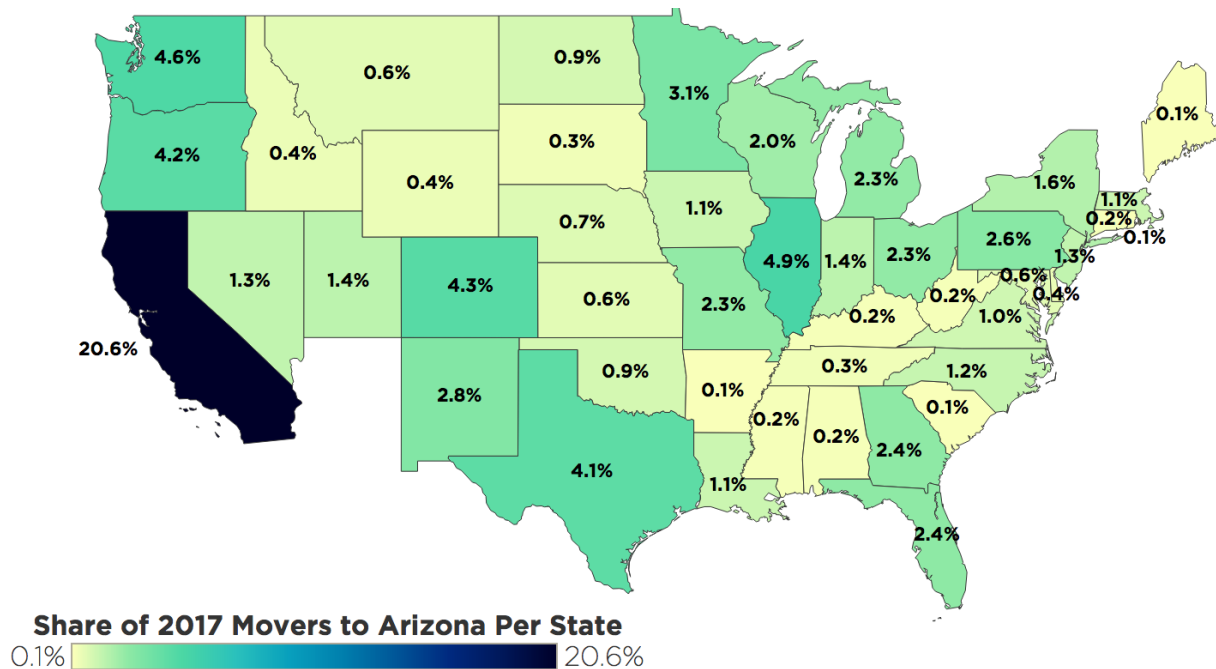
So what's driving this

A lot of jobs have come to Maricopa County

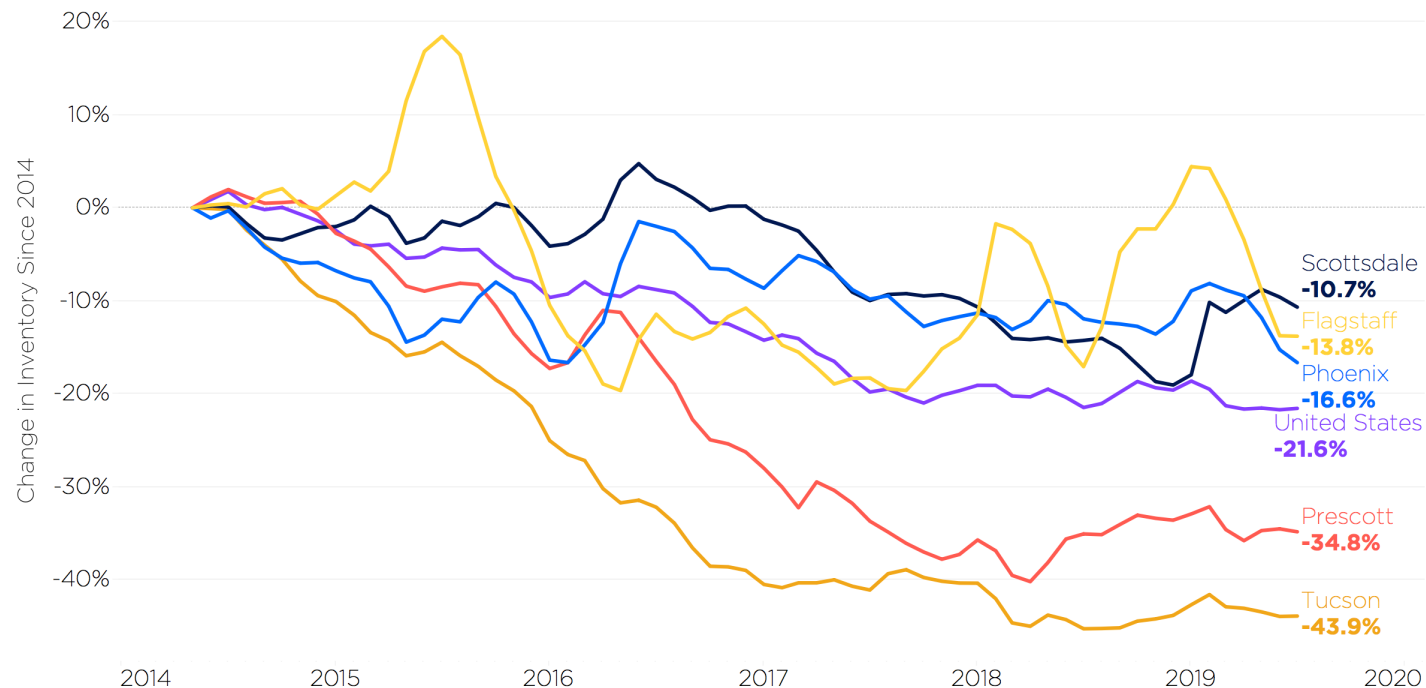


Average wage growth in AZ tracks with national average



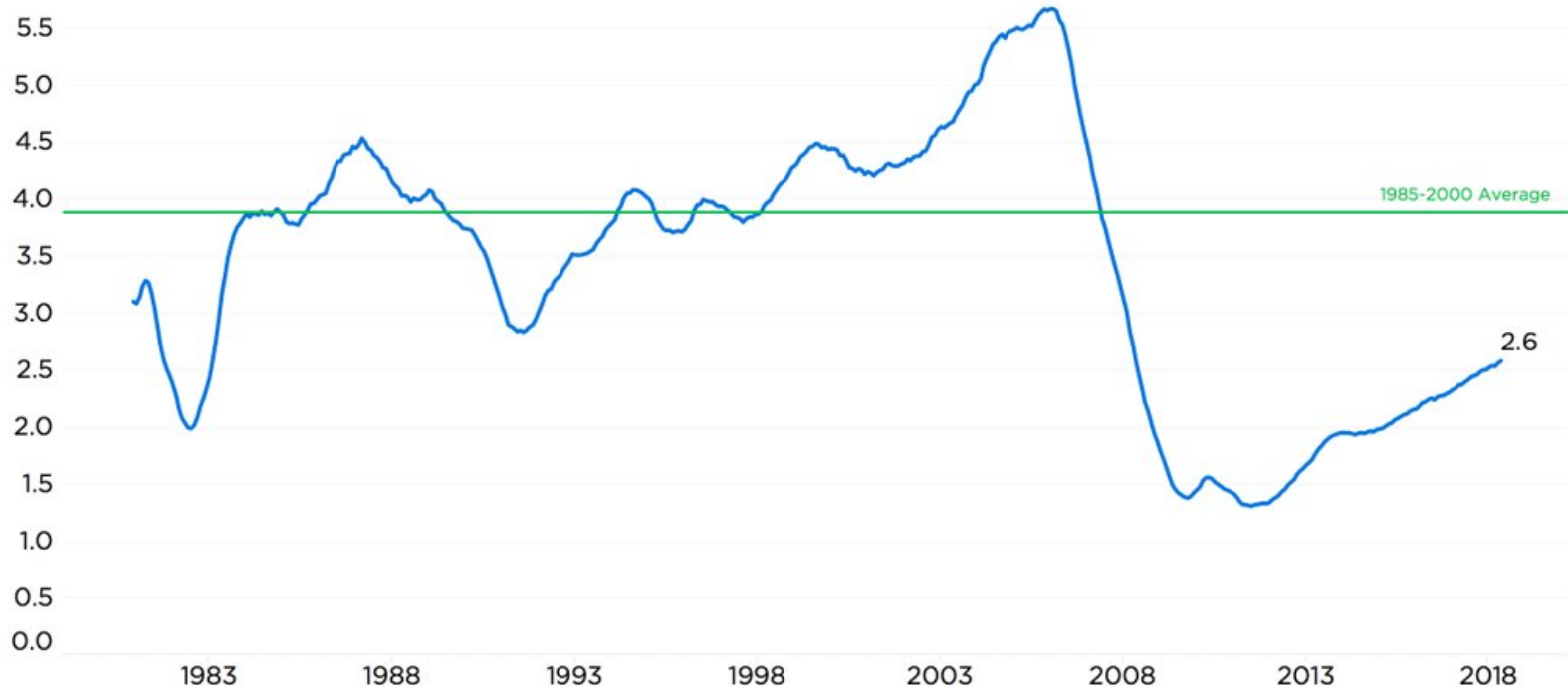


For-sale inventory still tighter than recent past

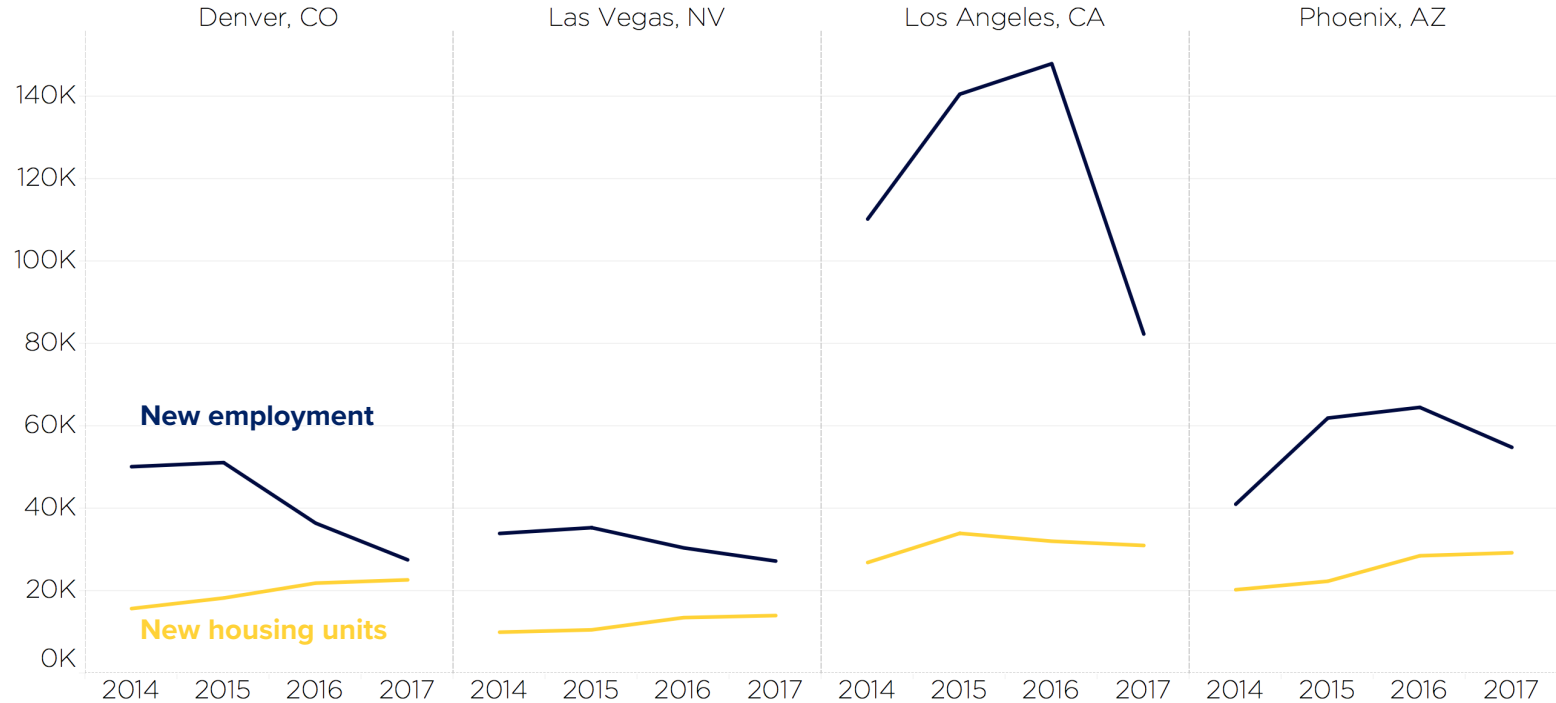


Home building behind historic average

Permits per 1,000 residents in previous 12 months

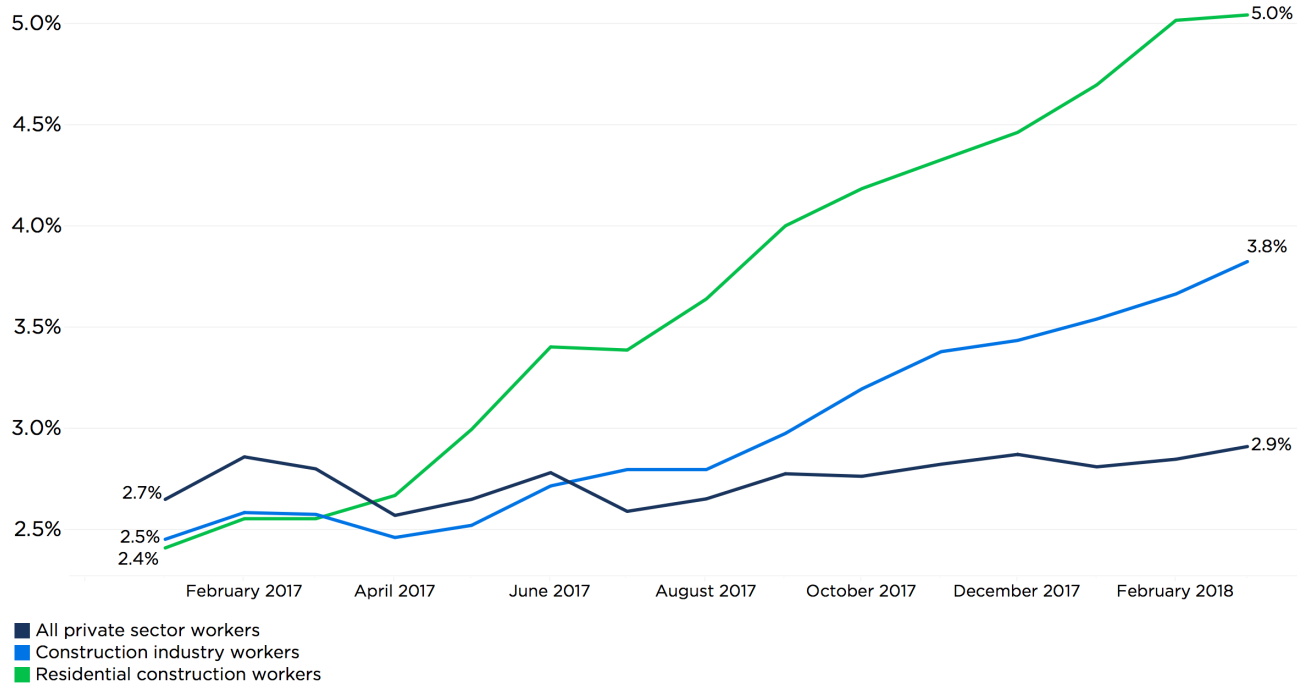


Homebuilding lagged new employment

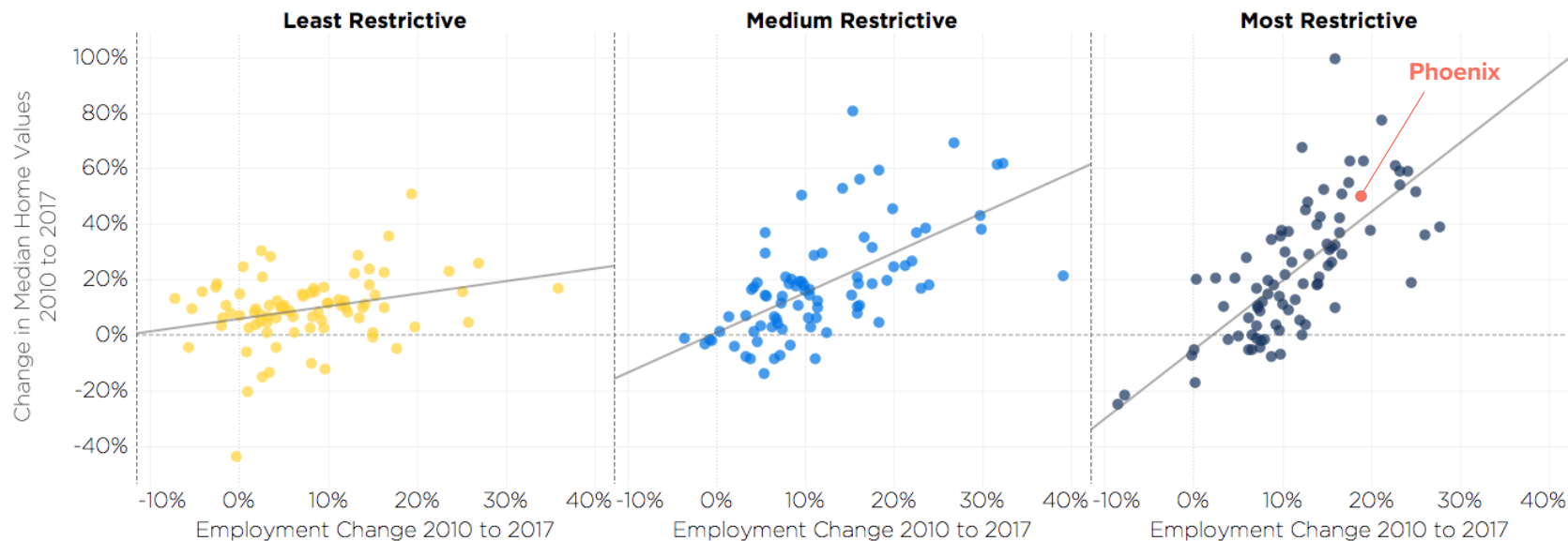


Construction wages climbing steadily

Year-Over-Year % Wage Growth (12-month moving average)



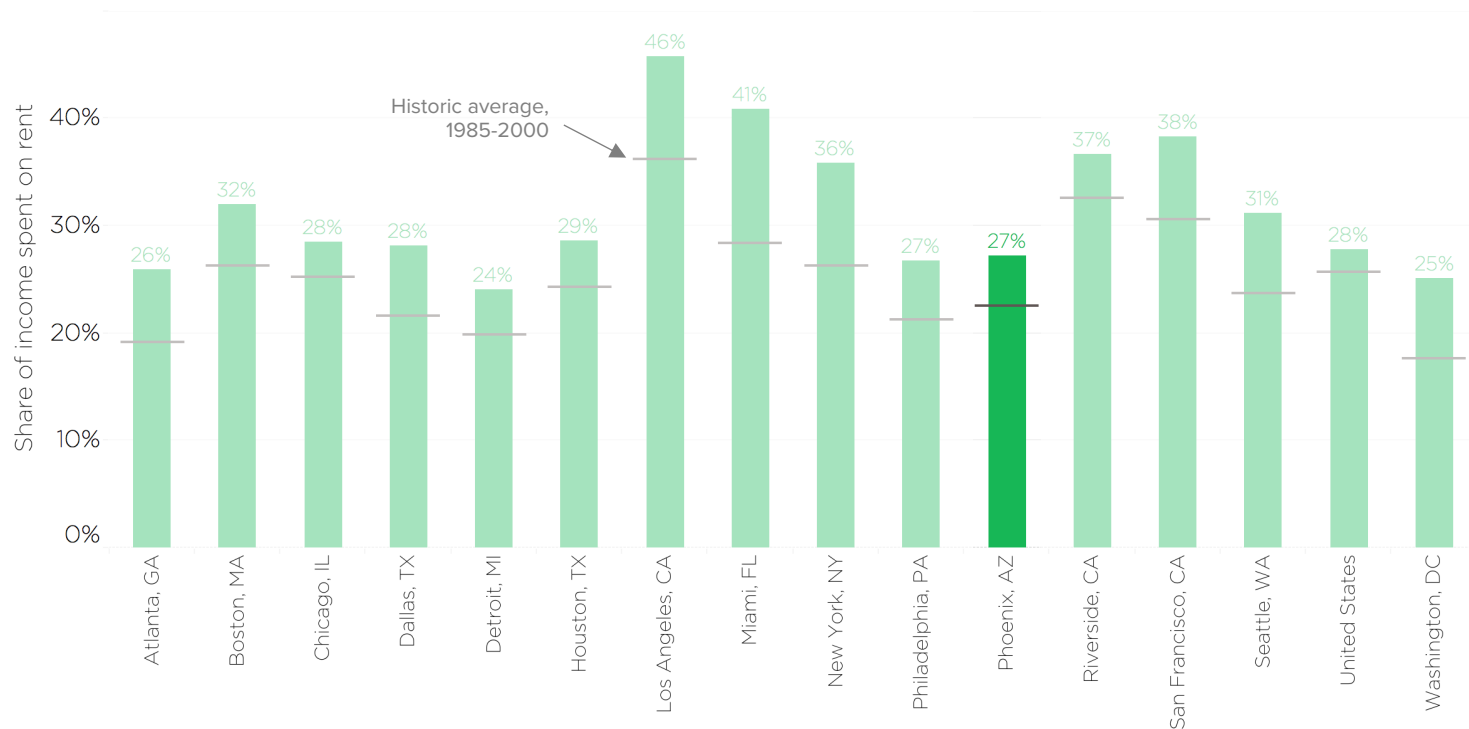
Cities with the most land use restrictions see their home values grow faster when new jobs come to town



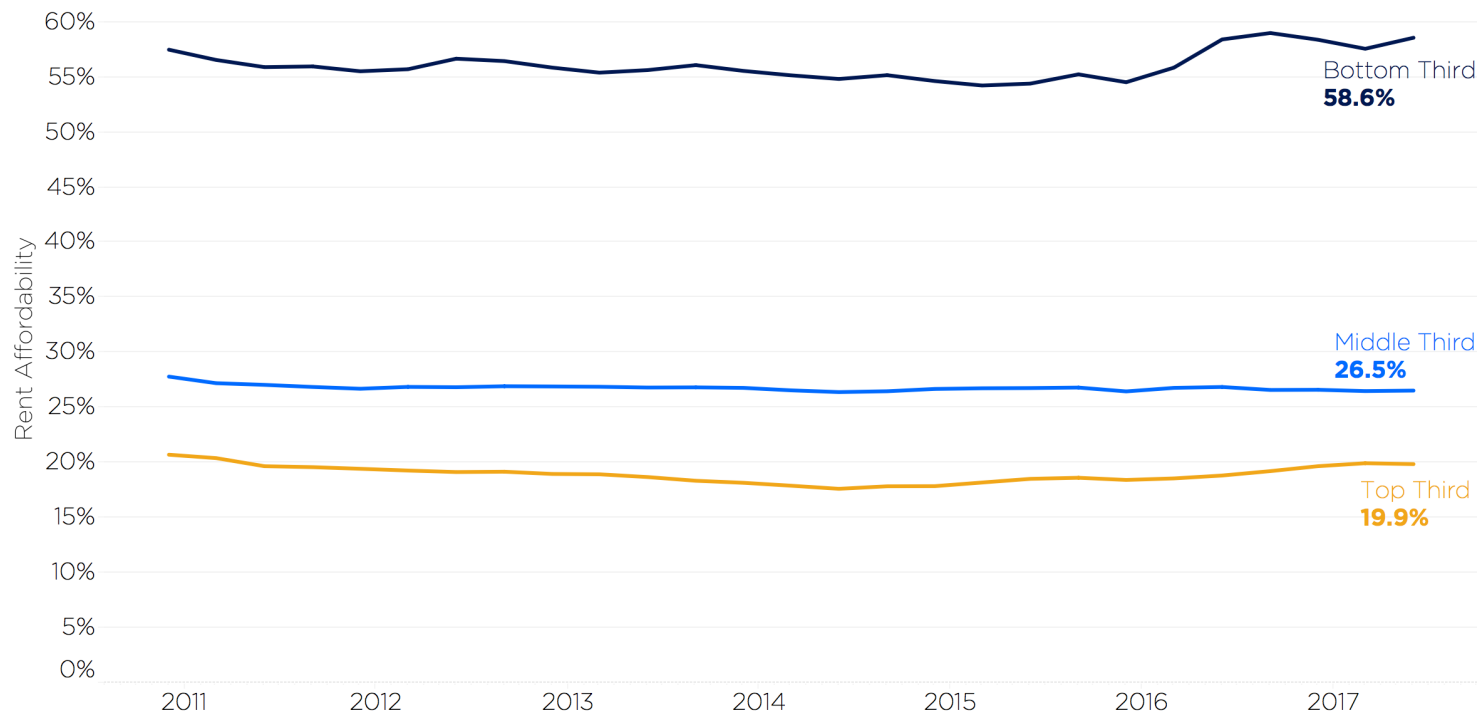
A photograph of a blue house with a garden at night. The house has a blue exterior and a wooden door. The garden is filled with various plants, including ferns and a large tree on the right. The scene is dimly lit, with some lights visible inside the house and in the garden.

Where does this leave us?

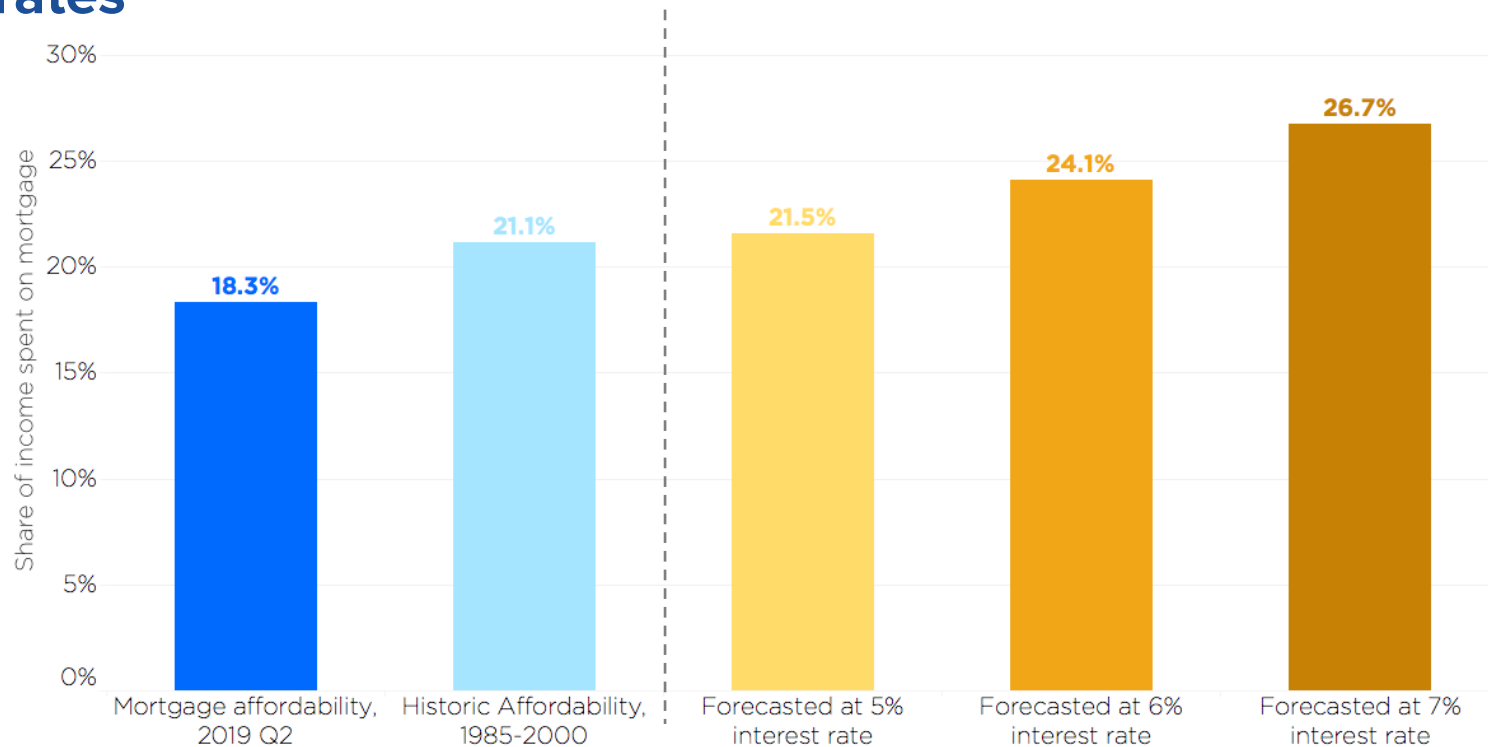
Share of income necessary for typical rental at historic high



Affordability pinch most severe on the lower-end of the market

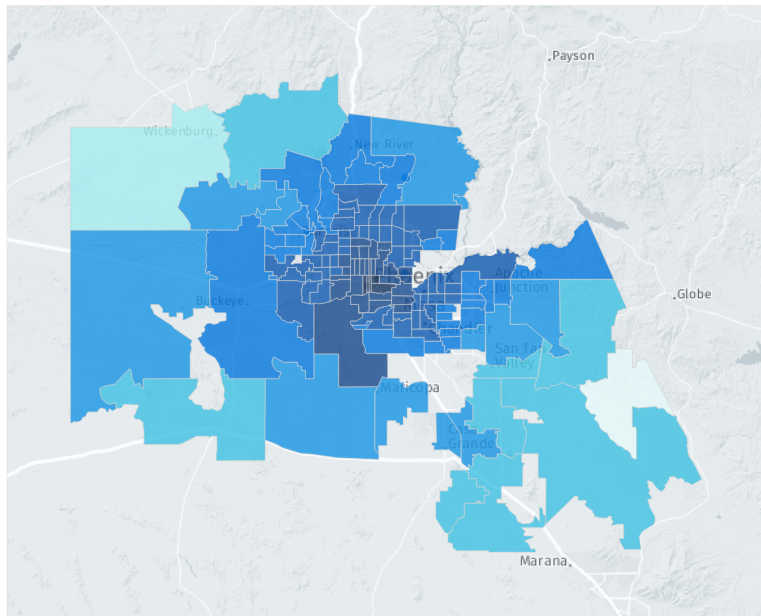


Phoenix metro mortgage affordability sensitive to interest rates

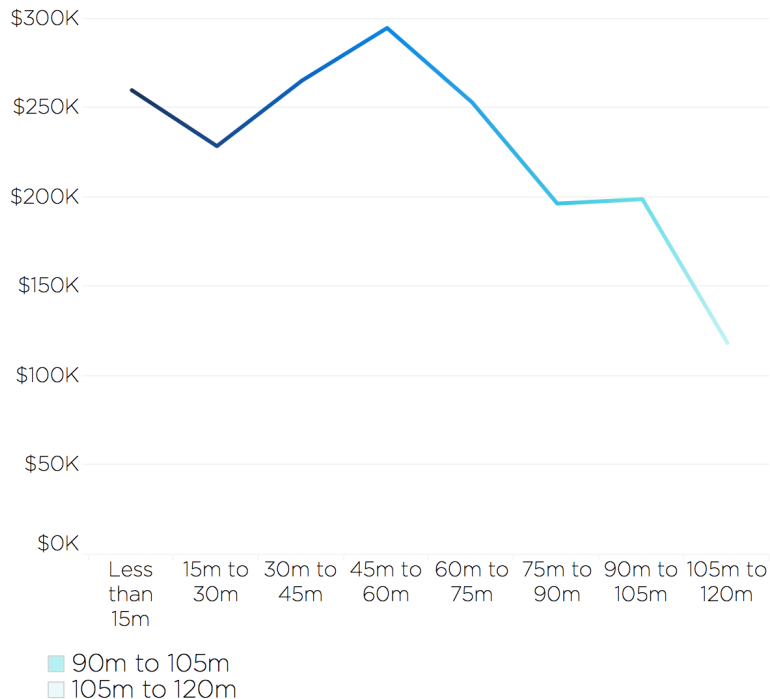


Drive 'til you qualify

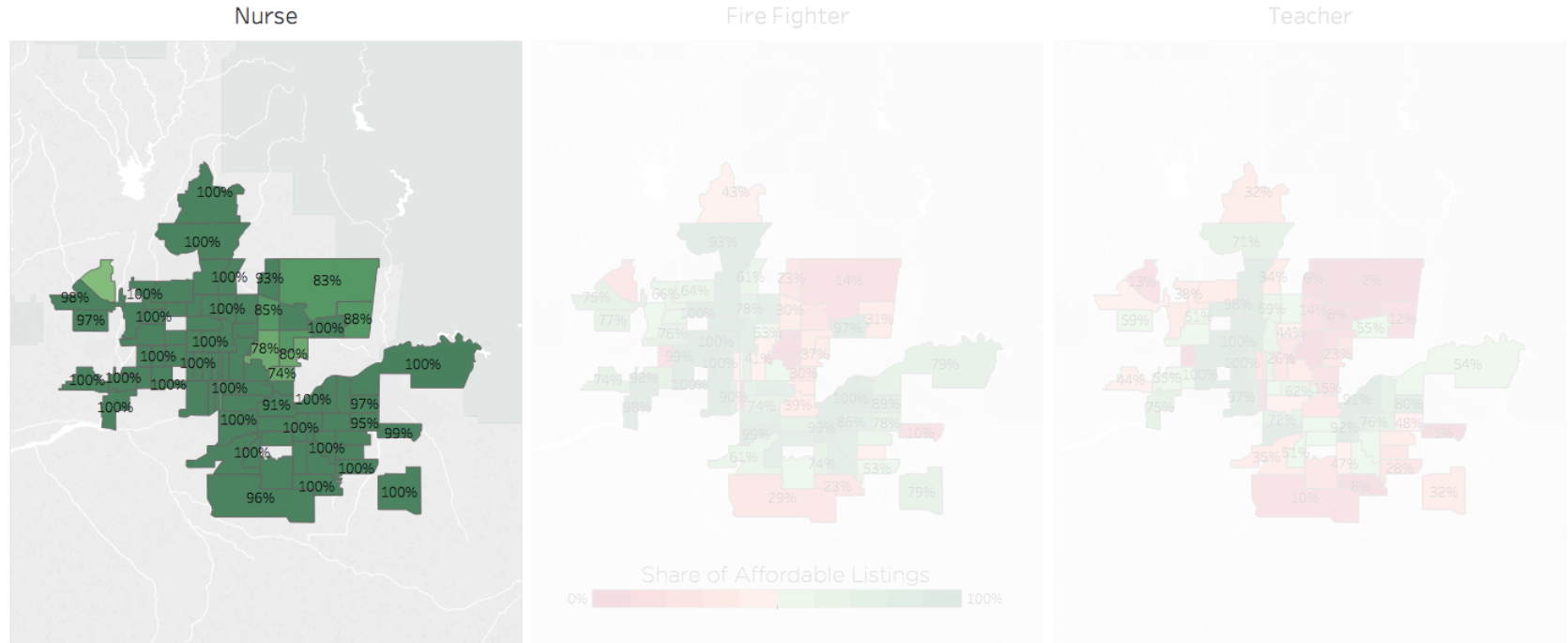
**Commute Times (to Downtown Core)
and Home Values and Rents for Phoenix**



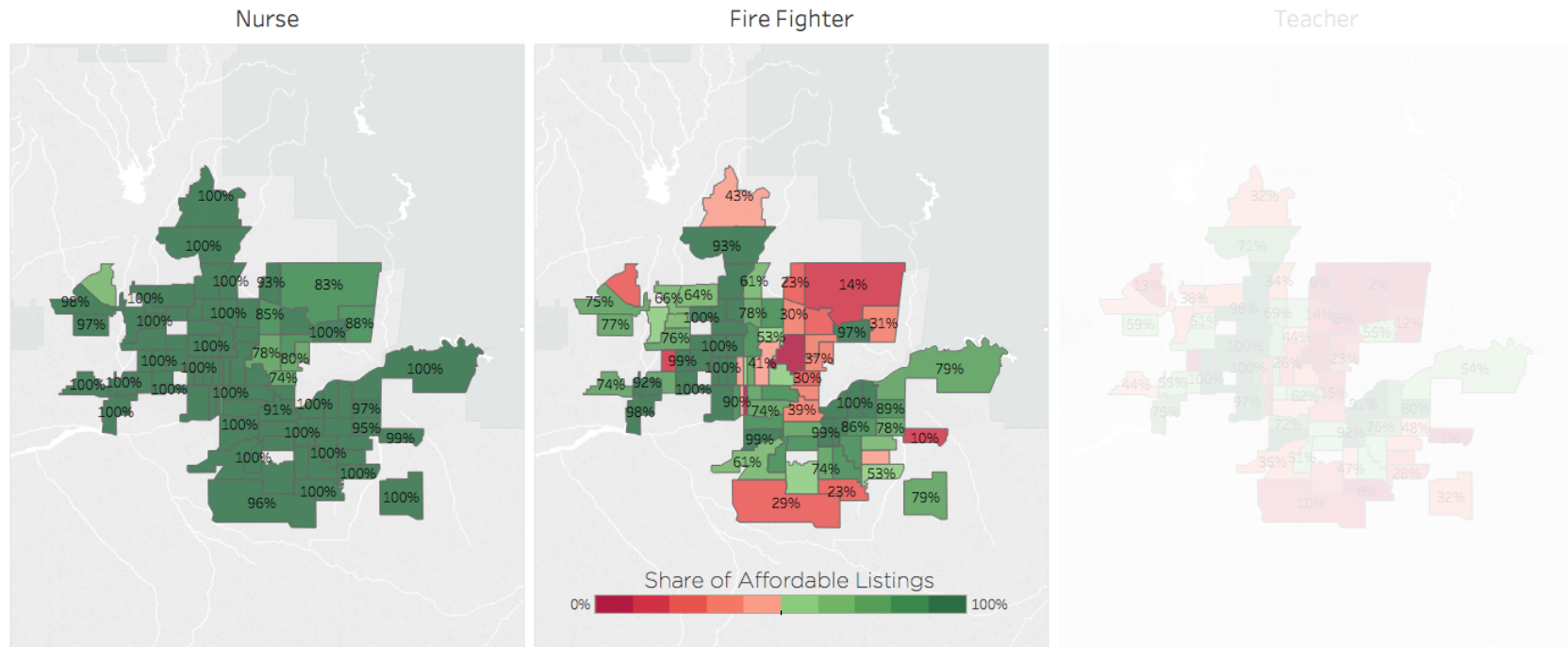
Median Home Value by Commute Time



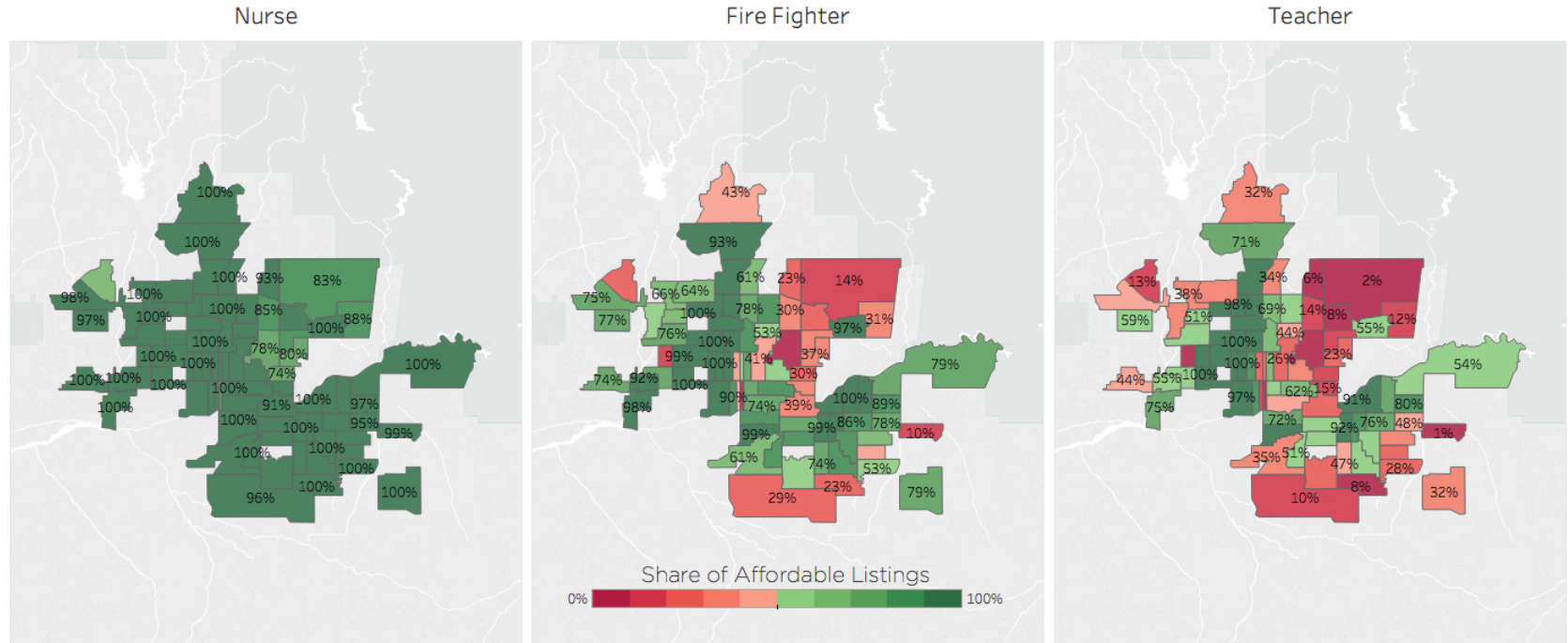
Share of rental listings affordable by profession



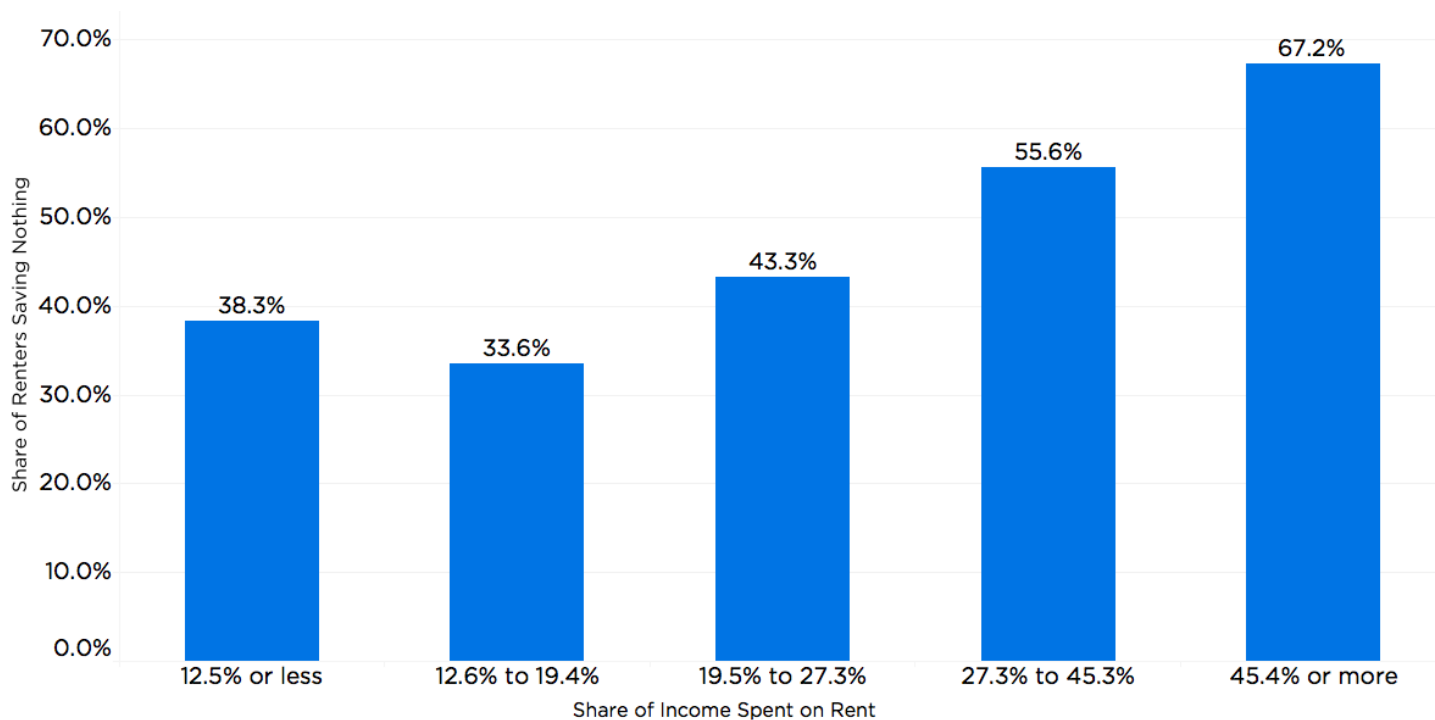
Share of rental listings affordable by profession



Share of rental listings affordable by profession



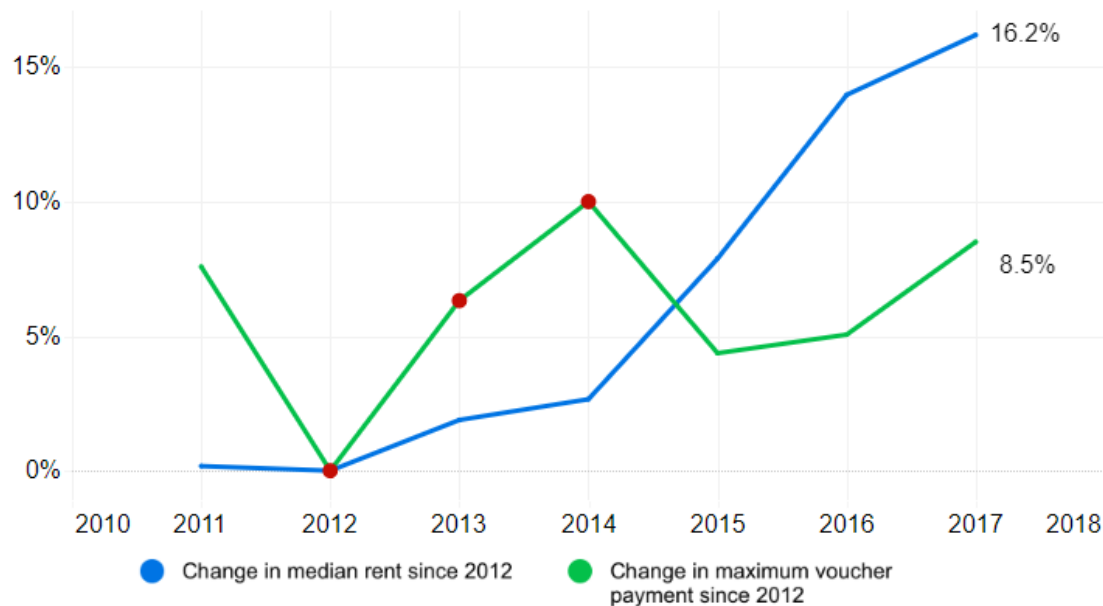
Higher rent burdens increase likelihood of nothing left over for savings



Housing assistance lagged Maricopa County rents

Change in Median Rents and Maximum Voucher Payment

Percent change since 2012



Red dots indicate FMR formula based on 50th percentile rents



Source: Zillow Analysis of Zillow Listings, Zillow Rent Index and HUD Fair Market Rents

Affordable rental options unevenly available

