

## ARIZONA REPUBLIC

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## Number of metro Phoenix houses for sale inching higher



Agent Christa Lawcock, left, discusses some previous inspections with Mike and Lynne Sherman as they wait for an inspector to conclude his work in a home in the historic Encanto neighborhood in Phoenix. **PATRICY BOON/THE REPUBLIC**

## Volatile housing market may improve for buyers

Catherine Reager  
Arizona Republic  
USA TODAY NETWORK

Buying a home in metro Phoenix may start to get a little less frustrating this summer.

Buyers beat down by bidding wars, rapidly rising prices, low appraisals, fewer and shorter open houses and reluctant sellers finally have a few more Valley homes to choose from.

The supply of Valley homes for sale is inching up for the first time since December.

The slight shift comes after several months of Phoenix-area homes selling for tens of thousands of dollars above asking prices, and buyers hustling to find homes making offers without stepping foot in them.

The pandemic didn't slow the housing market. Instead, more people work-

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Trent Wright, seen here May 27, is selling his Gilbert home so he can buy a condo in central Phoenix. **BOB KENNAUGH/THE REPUBLIC**

## Hacked Tolleson plant reopens

Even food supply not immune to cyberattacks

Ross Wilson  
Arizona Republic  
USA TODAY NETWORK

Hospitals, schools, gasoline supplies and now hamburgers and steak shipments.

The cyberattack that shut down a Tolleson beef slaughterhouse this week — one of the more highly publicized recent digital assaults against an Arizona business — shows that even food supplies are threatened by criminal hackers.

JBS USA, the American subsidiary of a Brazilian company, operates the Tolleson cattle processing facility where most of the company's 1,800 Arizona employees work. The U.S. still said its operations are returning to normal after hackers suspected to be Russian broke into its information technology systems.

The company hasn't detailed the extent of the disruptions but at least

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Rising cyber-risk: FBI attributes cyberattack to IGU, a Russian-speaking gang. **8A**

## Biden pushes for voting rights laws

President Joe Biden, marking the 50th anniversary of Tulsa's own massacre on Tuesday, called out lawmakers in Congress — including two senators in his own party — for holding up action on voting bills. Republican lawmakers in state capitols across the U.S. are pushing what experts say is an unprecedented wave of bills aimed at restricting access to voting. Kyrsten Sinema of Arizona is thought to be one of the senators Biden called out.

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## Audit a money windfall for Ariz. Republicans, Democrats

Ronald J. Hanson  
and Yvonne Waggett Sanchez  
Arizona Republic/USA TODAY NETWORK

The Arizona Republican Party, along with other Trump-leaning groups, has used the state Senate's ongoing budget review as a way to raise funds for their causes and candidates.

The fundraising has helped revitalize the Arizona GOP financially, trying to breathe extremely closely to Donald

Trump. Other groups supporting Trump are benefiting in the same way, which could translate into support for candidates who follow the former president's playbook in the 2022 election.

The state party has taken in and kept far more cash than in recent political cycles in the first four months of the off-year. It is on track to spend more than it has in recent cycles, but is also debt-free.

The budget review has also coincided

with a windfall to Arizona Democrats battling the state's Republican agenda, and as Democrats seek to hold a U.S. Senate seat and maintain battleground status, which brings attention and money on its own.

Through April, the state Republican Party took in \$897,000 for its federal activities, according to its latest report with the Federal Election Commission. The party took in another \$325,000 for state activities through March, accord-

ing to its most recent report with the Arizona Secretary of State.

By comparison, at the same point in 2020, when the chair, Kelli Ward, was in her first months in office, the state GOP had collected \$237,000 in federal funds, and \$175,000 in state funds.

The federal boost is a mix of extra money from national Republican organizations that have sent the state

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## PHOENIX OFFICER'S PROCESSION 3A

Officer Glenn's new's body is taken to a mortuary. **5A/10**  
WILLIAMS/THE REPUBLIC



## Suns look to win series

Tonight's game against the LA Lakers could be the hardest as the Phoenix Suns aim to clinch the play-off series against the defending NBA champs. **2B**

## Up to the minute

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## Weather

High 106° | Low 87°  
Sunny, Fair 40, 2A

## Triple-digit temps return

Phoenix hit 105 degrees Wednesday, making it the first day at or over 105 degrees this year. Temperatures up to 107 are expected into the weekend. **4A**

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# Housing

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ing recently who want houses of their own or bigger ones with offices gave it a boost. Adding to demand for Valley homes is a steady flow of new residents from the West and East coasts and other pricier areas who can afford to pay more.

"I've been watching the Phoenix market very closely for almost two years now," said Lynne Sherman, a fourth-generation Arizonan who has been working on her husband to move to the Valley for almost three decades. The couple sold a home in southern California earlier this year.

"Now, I can no longer afford the homes we theoretically could have purchased a year ago," she said.

The crunch between a very low supply of homes for sale and rising demand from buyers has pushed prices up to new records nearly every month for the past year.

Metrol Phoenix's median price is expected to hit a record \$386,500 in May, up \$56,000 from a year ago. That's a home price increase of more than \$7,150 a month.

The median U.S. home price is about \$348,000, up about \$9,000 from a year ago.

## Frustrated homebuyers

A funny text with a photo of a young couple asking their agent to show them a higher priced home is circulating among Realtors, buyers and sellers in the Phoenix area. "Okay, I can show you this house again tomorrow," replies their agent.

A TikTok video comparing bidding up the price of an apple from \$5 to \$120 to buying a home has millions of views and comments from other TikTokers frustrated by the housing market and often worried they paid too much.

Besides the number of listings increasing, home sale cancellations are climbing as more buyers, particularly those who bid on a home without seeing it in person, pull out of deals.

Sellers are also canceling deals if they can't find another home to buy.

"Our market has cooled over the past 30 days," said metro Phoenix housing expert Tom Ruff with the Arizona Regional Multiple Listing Service's Information Market. "In frozen terms, we moved from a D-plus firm to a D-minus firm."

"The market has been crazy for a year now. Buyers are mad. They are tired of only getting 10 minutes in a house and some sellers' attitudes."

## Christa Lawcock

Agent with Realty Executives

## Moving from California

Lynne Sherman and her husband, Mike, want to move to Phoenix from the Los Angeles area to be near family, but the run-up in home prices is frustrating them.

The couple was selling their California house early this year to move to Phoenix when Mike Sherman's parents, who lived in a Phoenix retirement community, died of COVID-19.

"I want to be five minutes from my mom and kids and be able to walk my dogs without having to drive," Lynne Sherman said. "I'd love to find a place with a casita so I can send my husband off to work there in the morning."

The couple recently canceled a deal to buy a home listed for \$900,000 in central Phoenix's historic Encanto neighborhood after the inspection found repairs were needed. They are currently staying with family in Phoenix.

"You don't want to print the descriptive epithets that come to mind (for metro Phoenix's housing market now)," Sherman said.

Christa Lawcock, a Phoenix agent with Realty Executives, estimates 25-30% of Valley home sales are getting canceled now due to problems found through inspections and other issues with prices.

"The market has been crazy for a year now. Buyers are mad," she said. "They are tired of only getting 10 minutes in a house and some sellers' attitudes."

Lawcock said she's seeing more buyers opting to put their home search on hold now or pushing back in negotiations with sellers.

## New residents and homebuyers

About 40% of people trying to buy homes in the Phoenix area during the first few months of 2021 were from out of state, according to real estate firm Redfin.

Los Angeles is the top spot they are leaving for the Valley. The median home price there is \$905,000, which makes metro Phoenix homes look like a bargain.

Early census population estimates show Texas, Florida and Arizona drew

the most new residents in 2020. New York, Illinois and California lost the most people.

Also, Arizona was also the fifth most popular state for one-way inbound moving trucks last year, according to U-Haul. It was only behind Tennessee, Texas, Florida and Ohio.

"We are definitely seeing more buyers from out of state," said Aaron Carter of the Carter/Moore Group at HomeSmart, who is currently working with people from Chicago, Seattle and Ohio to relocate and buy a home in metro Phoenix.

He said a Millennial couple from Chicago already in Phoenix and renting an Airbnb have tried to buy five times so far and keep getting priced out.

Illow is predicting more price gains in metro Phoenix this year. The Valley will have the second hottest housing market in 2021, behind only Austin, Texas, according to the real estate firm.

Metropolitan, New York, San Francisco and Los Angeles are expected to face the worst for home prices and sales gains.

"The new work-from-anywhere component of the economy is changing housing demand," said Mark Stepp, real estate expert and director of the Master of Real Estate Development program at ASU's W.P. Carey School of Business. "But there are winners and losers with the current housing market. It's a problem for Phoenix-area residents, who have only seen their wages grow around 1% during the past few years while home prices have gone up 65%."

Housing analysts and economists say if metro Phoenix home prices rise too far beyond buyers' grasp, that will slow the market.

## Sales dip; supply inches up

"The supply of homes for sale is finally climbing, not a lot, but it's up," said Tina Yarbrow, senior housing analyst with CoreLogic. "But supply will have to increase a lot more to see a shift from a seller's market."

The number of homes listed for sale in the Phoenix area has been steadily ticking up after hitting a low in December. But the supply of houses for sale is still down 49% from last year.

Valley home sales slipped 2.4% in April and likely fell again in May, according to ARMLS.

But houses are still selling fast in the Phoenix area — an average of 32 days. That's the fastest rate in a year and 29 days quicker than a year ago.

Low interest rates are helping many buyers afford the Valley's higher prices. Average 30-year mortgage rates fell to a record low below 2% last summer, and the current average is 2.9%.

## Waiting to sell

Tim Wright is about to list his three-bedroom, two-bath Gilbert home for almost \$520,000. He expects to close on a midtown Phoenix condominium about the same time.

"I am doing it a bit backwards because I know my home would sell fast and was concerned I wouldn't have another place to buy," he said. "It feels like Phoenix became a luxury-priced market in a year."

Wright, who moved to Phoenix from California 18 years ago for the area's more affordable housing prices, competed with several buyers for his condo. He bought his Gilbert home in 2007.

Carter said metro Phoenix's hot housing market can be tough for both buyers and sellers.

"Sellers are starting to require buyers to see properties before submitting an offer, and buyers paying higher prices are getting more picky," he said. "That's why cancellations are climbing."

## Buyer/seller expectations

Searches for the phrase "when is the housing market going to crash" jumped 2,430% in March and April, according to Google.

But buyers hoping for a bust after the Valley's housing boom of the past few years will be disappointed.

Sellers counting on prices to keep rising as fast as they have during the past year also could be let down.

"Markets do not get hotter indefinitely," said CoreLogic Report founder and housing expert Mike Orr. "All changes tend to start small and then grow. The current (metro Phoenix) market cooling is like that."

"We now have supply increasing and demand falling. This will gradually release some of the steam from the overheating engine, and the market can trend back towards normalcy," he said.

Orr said the market will see a cool down in prices, particularly as more buyers can't afford the higher-priced homes.

But it won't be a crash, he said. Reach the reporter at Catherine.Rogers@arizonarepublic.com or 602-444-8040. Follow her on Twitter @CatherineRogers.