

ARIZONA

2018 Housing At-a-glance



Arizona
Department
of Housing



Arizona Department of Housing

The Arizona Department of Housing is pleased to provide its 2018 Housing At-a-Glance Report, with information concerning Arizona's current housing market and its overall affordability. This short document provides a summary view of the market, with additional housing data available to download from the Department's website at azhousing.gov.

Housing is a market-driven industry, as it should be. Yet, despite a growing economy, some members of our community have found it increasingly difficult to stretch their limited incomes to cover the rising cost of housing and other necessary living expenses. For a significant number of Arizona's households, housing is their greatest single expense each month.

Few things are more important to the quality of our lives than the place we lay our heads each night, which emphasizes why the availability, quality and sustainability of our housing stock is so very important to the growth of the State and the wellbeing of its citizens. We are all better off as a society when people are adequately housed.

If you are reading this report, we know you share our concern about Arizona's ever evolving housing landscape and hope you find this information helpful in understanding Arizona's current housing market and its challenges.

2018 Housing Market . . . The Economic Considerations

The U.S. economy completed 2017 on firm footing, and relatively strong economic growth is expected in 2018 and 2019. This growth will be accompanied by further tightening in the labor markets and unemployment rates reaching historic lows.

However, the price of housing has also escalated and interest rates are rising. Income growth across the nation has been modest during this economic expansion, thus further impacting housing affordability. In fact, housing affordability has become an important public policy issue across the nation as a whole, but each state has a different story.

Housing Economics in Arizona

Prior to the Great Recession, the mix of housing production in the state was 85% single family, and 15% multi-family (for 2006). The dynamics have since changed. In 2017, 71% of production was single family and 29% was multi-family. A lag in the number of new single family homes being built over prior boom periods, and a concerted effort by investors to purchase existing

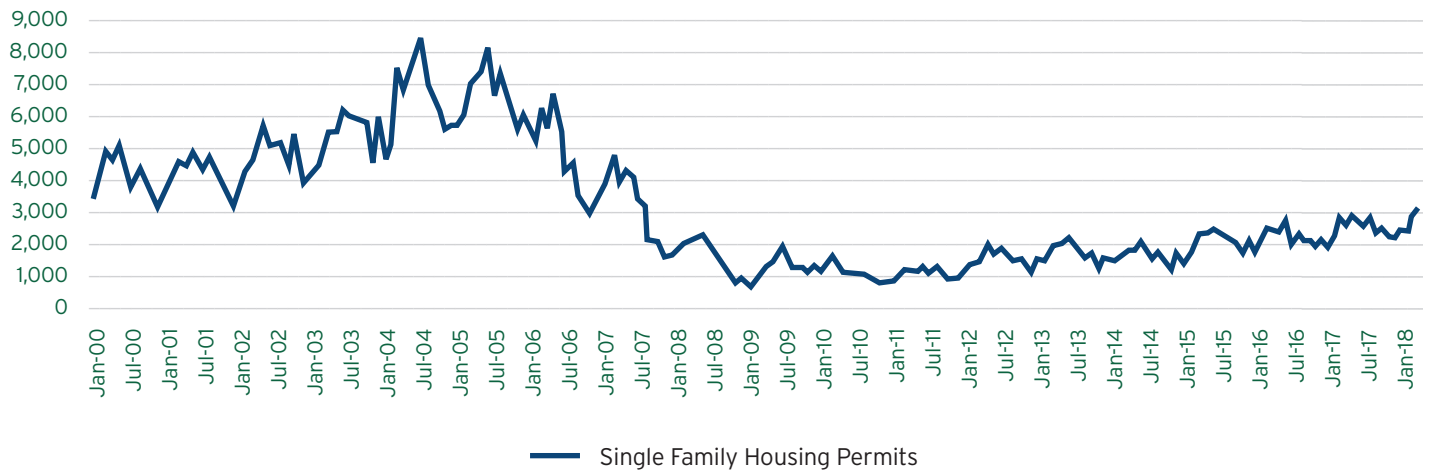
single family homes for rental purposes, has adversely impacted the entry level housing market, especially in the urban areas of the state as well as a few hot markets in rural Arizona. Rental housing being built in Arizona's urban areas has also skewed to the luxury market, as some formerly affordable properties have been lost to redevelopment or are no longer attainable for lower-to-moderate income earners due to substantial rent increases.

The economic downturn, along with changing demographic issues, especially the Millennial generations preferences in housing, resulted in a fundamental change in how housing has been demanded and delivered in the past decade. As the economy continues to improve there will be additional demands for single-family products, but the demand for multi-family units will continue to be much higher than previous trends. The affordability of apartment units is now just as important as with single-family homes, and both are now a concern. A growing senior population, as the baby boomer generation retires, many with limited retirement savings, will also strongly impact Arizona's need for affordable, non-luxury rental products, as well as smaller single-family homes.

New Home Construction and Homeownership

New home construction permits, while on the upswing, still fall significantly behind the demand for new units. New single-family stock being offered in the urban areas is also increasingly unattainable for households in the median income range. Rapid housing price appreciation, which has outpaced wage growth and new construction, has left potential buyers in an increasingly difficult position when trying to find a home they can afford, and the buying power of investor groups purchasing existing affordable single-family homes, has made it increasingly difficult for potential buyers to obtain a sales contract on a home without a protracted effort.

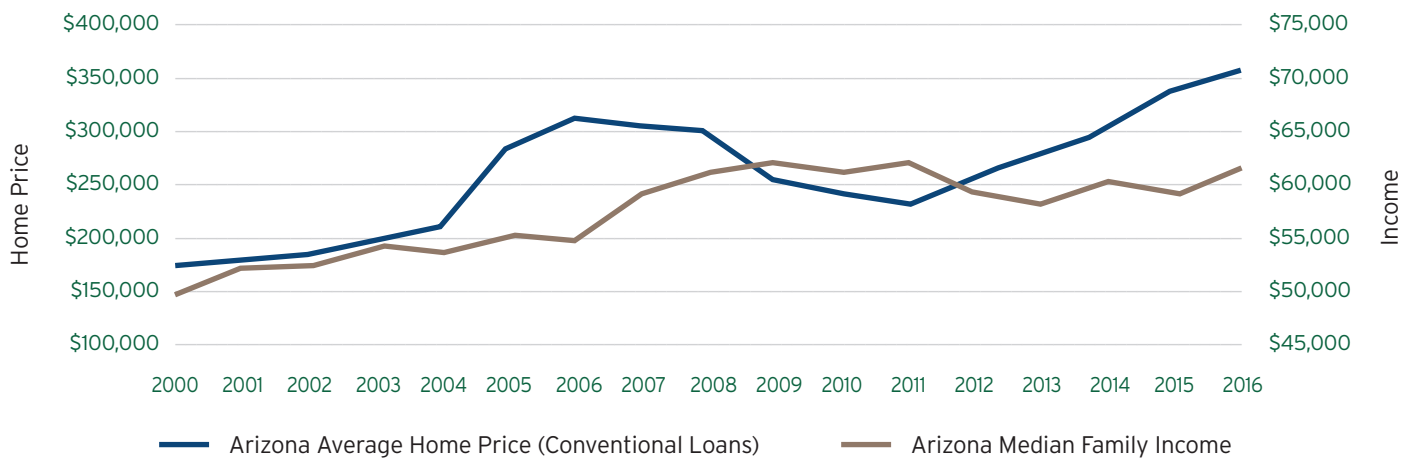
Arizona Home Permits



Source: U.S. Census Bureau

Higher prices mean higher down payments and closing costs, and rising mortgage rates, which are all impacting affordability. The chart below shows that the average home price in Arizona has increased above the reach of a typical family.

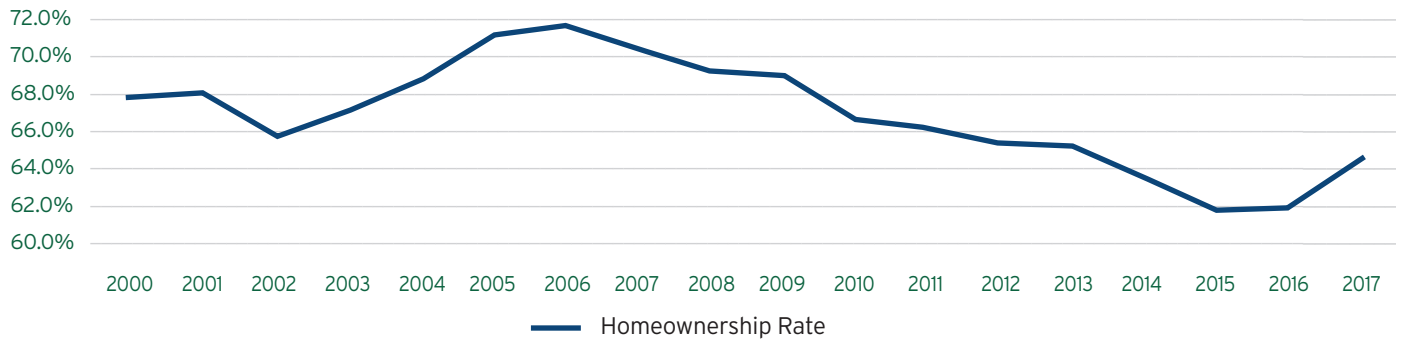
Arizona Average Home Price vs. Arizona Family Median Income



Source: U.S. Federal Housing Finance Agency; U.S. Department of Housing and Urban Development

There are a variety of factors influencing whether a household chooses to own or rent (such as financial situations, expected length of stay, and perceived benefits), so there is no ideal homeownership rate. While the homeownership rate in Arizona seems to have bottomed out at 61.7% in 2016, it is still well below the pre-recession high. From the peak at 71.6% in 2006, the homeownership rate stood at 64.4% as of 2017. It is too early to tell if the recent increase in homeownership rates is a start to a trend to return to previous levels of homeownership in Arizona. However, the aforementioned impediments to ownership are likely to impact this trend.

Arizona Homeownership Rate

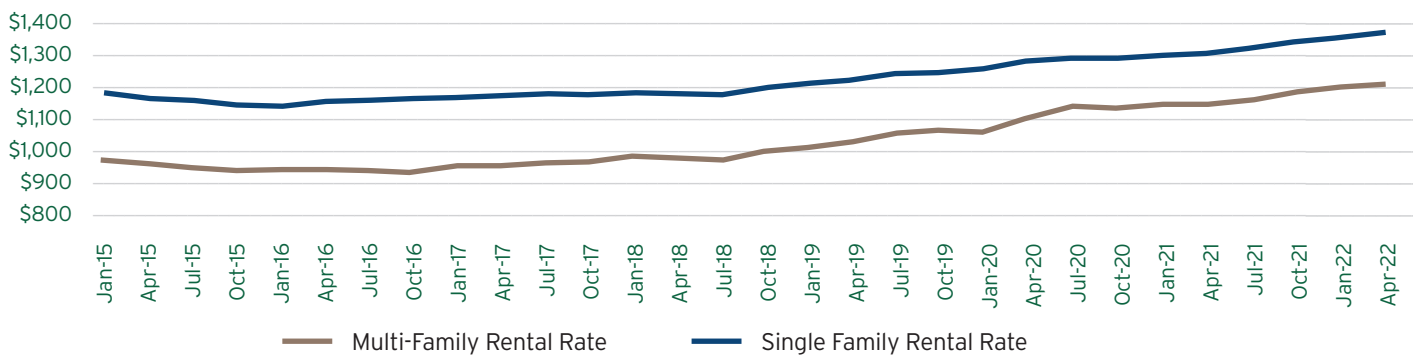


Source: U.S. Census Bureau

Rental Housing

With homeownership becoming less attainable and state in-migration rates increasing, the demand for rental units has expanded beyond the demand created by the aforementioned demographic and economic conditions. Over the past year, the median rent for multi-family housing rose 4.8% to \$1,192 in Arizona. Similarly, the rental price of single-family homes in Arizona increased 4.2% over the same time period to \$1,356. If a household does not aim to spend more than 30% of its income on housing, a household income of \$47,680 is required to pay the median multi-family unit rent and a household income of \$54,240 would be required to cover the median single-family rent. These higher prices are out of reach for many lower and moderate-income households leaving them with fewer options in a very tight market.

Arizona Median Rental Rates



Source: Zillow Research

The housing affordability challenges, particularly for lower and moderate-income households, is something that cannot be overlooked. Cost burdened households may struggle to afford other necessities such as food, clothing, transportation, and medical expenses, as too much of their income is being used to pay for housing. Many rent-burdened households are one paycheck away from eviction. According to the National Low Income Housing Coalition, Arizona has a shortage of 159,599 affordable and available rentals for extremely low income renter households.

Foreclosures

Foreclosures in Arizona have fallen to pre-recession levels (less than .1% at the end of 2017.) While foreclosures are considered significant stressors for any household experiencing foreclosure, today's foreclosure levels are not considered to be a crisis level. Because housing prices have increased over the past few years, homeowners with equity who cannot meet their current mortgages have more options available to them than a few short years ago when the mortgage foreclosure crisis resulted in serious negative equity issues for many homeowners. For the largest part, Arizona's housing market has gone from being one of the hardest hit by foreclosures, to having one of the best recoveries with a low foreclosure rate. However, there are some pockets within the state that have not recovered on par with the state as a whole.

When analyzing a community to determine whether or not it is still experiencing a distressed housing market, several different economic factors may be considered, including changes in sales prices compared to the previous year, REO and short sale rates, the percentage of properties with negative equity, and the number of foreclosures within a geographical area compared to the rest of the state. As of the end of 2017, data shows that there are 26 zip codes located in twelve specific housing markets that have not recovered at the same rate as the rest of the state. Those still-distressed zip codes are located in Bullhead City (1), Casa Grande (1), Glendale (1), Green Valley (1), Kingman (1), Phoenix (5), Rio Rico (1), Sahuarita (1), Sierra Vista (2), Tucson (8), Vail (1), Yuma (3).

Evictions

Evictions appear to be on the rise in Arizona. In 2017, at least 34,823 Writs of Restitution were issued by Arizona's court system for landlords seeking to evict tenants, with 25,009 issued in Maricopa County alone. The next highest counties were Pima with 3,937 and Pinal with 2,239. In Maricopa County, Writs granted by the Court system increased 12.5 percent between 2016 and 2017. While we can tell there is a rising eviction rate by tracking the actions of the court – this does not tell the whole story. The eviction process starts when a landlord serves a tenant with an Eviction Notice, which means there are likely untold numbers who may vacate their units prior

to the landlord ever filing with the courts. Evictions are devastating to households in that they generally result in increased difficulties in renting their next home and sometimes result in at least short term homelessness. One reason for the rise in evictions is the tight rental market. When the supply of available, affordable units is low, and landlords know they will have no problem finding another tenant if they evict a non-paying renter, they are much more likely to do so, and do so more quickly. Increased evictions are one of the primary factors in an increase in incidences of homelessness in Arizona. Many households are not able to re-house themselves after an eviction without financial assistance from family, friends, charity or public assistance.

Homelessness

Determining how many Arizonans experience homelessness is a complex issue. Many individuals and households who have lost their permanent housing are never reported as homeless, because they temporarily live with family or friends or otherwise find short-term accommodations. Based on information from the State's Homeless Management Information System (HMIS), we know that 37,404 unduplicated individuals sought assistance with homeless services during the 12 month period ending June 30, 2017. However, that high figure only demonstrates how many people sought assistance over the period of one year.

To assess how many people are experiencing homelessness at any given day of the year, advocates rely on an annual Point in Time (PIT) Count conducted by the State's three Continuum of Care regions. Between 2017 and 2018, Arizona's PIT homeless population increased by approximately 918 individuals (10%), from 8,947 in January 2017 to 9,865 in January 2018. Increases were attributable to increases in Maricopa County and the 13 rural counties. Especially troubling are increases in unsheltered individuals which have increased by about a quarter each year in Maricopa County for the past several years. Increases in homelessness pose a risk to the basic health and safety of many residents, and ultimately comes at a cost to society in forms of increased public health and safety expenses and taxpayer assistance.

APPENDICES

Housing Price Index	7
Average Home Prices & Incomes	8
Home Price by Area	9
Housing Affordability- Police	10
Wage Needed for Rent	11
2017 Affordability Stoplight Chart	12
Affordability by Industry	13
Population and Employment Figures	14
Mortgage Interest Rates	15
Freddie Mac 30-Year Fixed Rates	16

Arizona Housing Price Increase or Decrease Ranking

Based on the Housing Price Index (HPI) issued by the Federal Housing Finance Agency (FHFA), housing price appreciation in Arizona was ranked number seven nationally for the first quarter 2018, where it has remained steadily over the past few years. During the Great Recession, Arizona's housing appreciation rate was ranked amongst the worst in the nation, so this sustained improvement is a clear indication of the strength of Arizona's recovery since the financial crises.

State	Rank	Year-Over-Year %
Nevada	1	13.71
Washington	2	13.06
Idaho	3	11.12
Colorado	4	10.63
Utah	5	9.91
Oregon	6	9.61
Arizona	7	9.46
Hawai'i	8	9.22
California	9	8.87
North Carolina	10	8.42
Florida	11	8.37
Nebraska	12	8.30
Michigan	13	7.78
Delaware	14	7.72
Tennessee	15	7.67
Georgia	16	7.65
Indiana	17	7.45
Texas	18	7.43
South Carolina	19	7.41
Ohio	20	7.30
U.S. Average		6.89

Source: U.S. Federal Housing Finance Agency, Housing Price Index
 Seasonally Adjusted, Purchase-Only HPI, 2018Q1

Median and Average Home Prices & Median Family Income

Both the median and average home price are on the rise in Arizona, and both now surpass peak levels prior to the Great Recession. The median household income has increased but is not increasing at a rate that would make the median priced home affordable at that income level, and the average home price is well beyond affordable to this population. It is always important to understand that such a comparison does not take into consideration other assets available to homeowners, such as the home equity of current homeowners who may wish to purchase another home. Other factors such as interest rate increases and decreases also effect affordability. However, this comparison is generally a fairly accurate measure for a household who wishes to purchase a first home and has little in the way of savings.

Year	Median Price (FHFA)	Avg. Purchase Price (FHFA)
2000	\$140,600	\$169,000
2001	\$143,900	\$175,800
2002	\$146,000	\$180,800
2003	\$156,500	\$193,600
2004	\$169,000	\$207,200
2005	\$240,000	\$280,480
2006	\$260,000	\$313,360
2007	\$246,000	\$302,830
2008	\$240,000	\$299,440
2009	\$192,450	\$252,150
2010	\$190,000	\$237,080
2011	\$170,000	\$232,400
2012	\$196,500	\$255,870
2013	\$220,000	\$277,120
2014	\$240,500	\$300,880
2015	\$265,000	\$334,350
2016	-	\$350,940
2017	-	-

Fiscal Year	Median Income
FY 2000	\$47,800
FY 2001	\$49,700
FY 2002	\$51,900
FY 2003	\$52,700
FY 2004	\$53,300
FY 2005	\$53,300
FY 2006	\$54,900
FY 2007	\$54,400
FY 2008	\$58,500
FY 2009	\$60,400
FY 2010	\$61,500
FY 2011	\$60,800
FY 2012	\$61,600
FY 2013	\$58,800
FY 2014	\$57,500
FY 2015	\$59,800
FY 2016	\$58,700
FY 2017	\$61,600

Home Price Source: U.S. Federal Housing Finance Agency

Income Source: U.S. Department of Housing and Urban Development

Median Home Price by Area - 2017

2017 median home sales prices in Arizona ranged from a low of \$46K in Gila bend, to over \$1.1 million in Paradise Valley. Small rural communities were the most affordable, and as expected, the largest communities in the metro areas had some of the highest priced homes.

Major Cities in Arizona	
City	Median Sales Price (Trulia)
Scottsdale	\$419,500
Flagstaff	\$330,300
Prescott	\$318,300
Gilbert	\$302,900
Chandler	\$298,300
Peoria	\$282,100
Tempe	\$259,100
Mesa	\$229,400
Lake Havasu City	\$223,800
Phoenix	\$219,900
Buckeye	\$219,700
Glendale	\$218,200
Tucson	\$177,900
Sierra Vista	\$156,000
Yuma	\$130,600

High-Price Housing Areas	
City	Median Sales Price (Trulia)
Paradise Valley	\$1,178,900
Carefree	\$554,900
Rio Verde	\$471,200
Sedona	\$449,900
Cave Creek	\$446,700
Scottsdale	\$419,500
Fountain Hills	\$360,400
Flagstaff	\$330,300
Queen Creek	\$324,500
Prescott	\$318,300
Gilbert	\$302,900
Chandler	\$298,300
Anthem	\$282,800
Peoria	\$282,100
Tempe	\$259,100

Low-Price Housing Areas	
City	Median Sales Price (Trulia)
Winslow	\$108,100
Bullhead City	\$107,600
Wellton	\$102,200
Benson	\$98,800
Douglas	\$97,700
Winkelman	\$86,000
St. Johns	\$84,800
Superior	\$82,100
Tombstone	\$81,100
Willcox	\$81,100
Miami	\$78,300
Clifton	\$74,400
Quartzsite	\$63,000
Mammoth	\$50,000
Gila Bend	\$46,800

Source: Trulia

Housing Affordability Based on a Police Officer's Salary

The tables below show the ability of a police officer to purchase a median priced home in certain communities.

Mortgage Assumptions

Down Payment	5.00%	Annual Home Insurance Premium	0.35%
Interest Rate	4.25%	Annual PMI Premium	0.50%
Loan Term in Years	30	% of Income Devoted to Mortgage Payment	30.00%
Annual Property Tax	0.72%		

City	County	Median Sales Price (2017)	Annual Salary Required	Hourly Wage Required (Buy)	One Income Earner per Household		Two Income Earner per Household	
					Hourly Median Wage of a Police Officer	Affordability Status	Hourly Wage of a Police Officer and Another Income Earner*	Affordability Status
Bullhead City	Mohave	\$107,600	\$25,746	\$12.38	\$25.32	Affordable	\$43.04	Affordable
Casa Grande	Pinal	\$166,700	\$39,886	\$19.18	\$24.87	Affordable	\$42.28	Affordable
Chandler	Maricopa	\$298,300	\$71,374	\$34.31	\$34.96	Affordable	\$59.43	Affordable
Chino Valley	Yavapai	\$203,600	\$48,715	\$23.42	\$28.58	Affordable	\$48.59	Affordable
Coolidge	Pinal	\$122,700	\$29,358	\$14.11	\$24.87	Affordable	\$42.28	Affordable
Douglas	Cochise	\$97,700	\$23,377	\$11.24	\$25.57	Affordable	\$43.47	Affordable
Flagstaff	Coconino	\$330,300	\$79,031	\$38.00	\$24.80	Not Affordable	\$42.16	Affordable
Florence	Pinal	\$157,400	\$37,661	\$18.11	\$24.87	Affordable	\$42.28	Affordable
Glendale	Maricopa	\$218,200	\$52,209	\$25.10	\$34.96	Affordable	\$59.43	Affordable
Globe	Gila	\$112,100	\$26,822	\$12.90	\$24.45	Affordable	\$41.57	Affordable
Kingman	Mohave	\$125,200	\$29,957	\$14.40	\$25.32	Affordable	\$43.04	Affordable
Lake Havasu City	Mohave	\$223,800	\$53,549	\$25.74	\$25.32	Not Affordable	\$43.04	Affordable
Lakeside	Navajo	\$166,100	\$39,743	\$19.11	\$24.11	Affordable	\$40.99	Affordable
Marana	Pima	\$215,300	\$51,515	\$24.77	\$28.53	Affordable	\$48.50	Affordable
Maricopa	Pinal	\$183,400	\$43,882	\$21.10	\$24.87	Affordable	\$42.28	Affordable
Mesa	Maricopa	\$229,400	\$54,889	\$26.39	\$34.96	Affordable	\$59.43	Affordable
Peoria	Maricopa	\$282,100	\$67,498	\$32.45	\$34.96	Affordable	\$59.43	Affordable
Phoenix	Maricopa	\$219,900	\$52,616	\$25.30	\$34.96	Affordable	\$59.43	Affordable
Pine	Gila	\$213,200	\$51,012	\$24.53	\$24.45	Not Affordable	\$41.57	Affordable
Pinetop	Navajo	\$241,400	\$57,760	\$27.77	\$24.11	Not Affordable	\$40.99	Affordable
Prescott	Yavapai	\$318,300	\$76,160	\$36.62	\$28.58	Not Affordable	\$48.59	Affordable
Rio Rico	Santa Cruz	\$122,200	\$29,239	\$14.06	\$21.75	Affordable	\$36.98	Affordable
Safford	Graham	\$132,700	\$31,751	\$15.26	\$23.57	Affordable	\$40.07	Affordable
Sahuarita	Pima	\$142,200	\$34,024	\$16.36	\$28.53	Affordable	\$48.50	Affordable
Scottsdale	Maricopa	\$419,500	\$100,374	\$48.26	\$34.96	Not Affordable	\$59.43	Affordable
Sedona	Yavapai/Coconino	\$449,900	\$107,648	\$51.75	\$26.69	Not Affordable	\$45.37	Not Affordable
Show Low	Navajo	\$117,900	\$28,210	\$13.56	\$24.11	Affordable	\$40.99	Affordable
Sierra Vista	Cochise	\$156,000	\$37,326	\$17.95	\$25.57	Affordable	\$43.47	Affordable
Snowflake	Navajo	\$127,400	\$30,483	\$14.66	\$24.11	Affordable	\$40.99	Affordable
Somerton	Yuma	\$142,900	\$34,192	\$16.44	\$23.09	Affordable	\$39.25	Affordable
Surprise	Maricopa	\$228,700	\$54,721	\$26.31	\$34.96	Affordable	\$59.43	Affordable
Tempe	Maricopa	\$259,500	\$62,091	\$29.85	\$34.96	Affordable	\$59.43	Affordable
Tucson	Pima	\$176,200	\$42,159	\$20.27	\$28.53	Affordable	\$48.50	Affordable
Yuma	Yuma	\$130,600	\$31,249	\$15.02	\$23.09	Affordable	\$39.25	Affordable
Arizona		\$230,300	\$55,104	\$26.49	32.69	Affordable	\$55.57	Affordable

Renting a 2 Bedroom Apartment in Arizona Counties

According to the U.S. Census Bureau, households who rent comprise around 35% of Arizona's households. The charts below shows the amount of income a household must earn to afford a two bedroom rental unit at the area's Fair Market Rent, based on generally accepted affordability standards of paying no more than 30 percent of a household's income for housing costs.

Rental Assumptions

% of Income Devoted to Rent Payments 30%

County	2-BD Monthly Rents 2018	Annual Salary Required	Hourly Wage Required	Median Hourly Wage Paid (All)	Median Hourly Wage Paid (Retail Worker)	Population - 2017
Apache	\$697	\$27,880	\$13.40	\$16.96	\$10.78	72,713
Cochise	\$779	\$31,160	\$14.98	\$17.57	\$10.95	128,383
Coconino	\$1,129	\$45,160	\$21.71	\$15.62	\$11.06	144,057
Gila	\$861	\$34,440	\$16.56	\$16.54	\$11.36	54,947
Graham	\$785	\$31,400	\$15.10	\$17.16	\$11.10	38,275
Greenlee	\$700	\$28,000	\$13.46	\$24.47	\$10.01	10,961
La Paz	\$760	\$30,400	\$14.62	\$13.92	\$10.01	21,598
Maricopa	\$1,013	\$40,520	\$19.48	\$17.96	\$11.18	4,221,684
Mohave	\$797	\$31,880	\$15.33	\$14.40	\$11.30	209,792
Navajo	\$722	\$28,880	\$13.88	\$16.52	\$10.91	111,266
Pima	\$854	\$34,160	\$16.42	\$16.67	\$10.95	1,026,099
Pinal	\$1,013	\$40,520	\$19.48	\$17.06	\$11.12	427,603
Santa Cruz	\$711	\$28,440	\$13.67	\$15.79	\$10.89	51,507
Yavapai	\$891	\$35,640	\$17.13	\$15.64	\$11.37	225,364
Yuma	\$800	\$32,000	\$15.38	\$13.80	\$11.07	221,648
Arizona	\$957	\$38,261	\$18.39	\$17.45	\$11.14	6,965,897

Source: U.S. Census Bureau, Arizona Office of Economic Opportunity; HUD Fair Market Rent, FY 2017

Housing Affordability: The Stoplight Chart depicts how affordable housing was for home buyers and renters in common occupations around the state in 2017.

Mortgage Assumptions

Down Payment	5.00%
Interest Rate	4.25%
Loan Term in Years	30
Annual Property Tax	0.72%

■	Can afford to buy
■	Can afford to buy or rent
■	Cannot afford to buy or rent
■	Can afford to rent

City	County	Median Sales Price (2017)	Annual Salary Required	Hourly Wage Required (Buy)	2 Bedroom Apartment Monthly Rent	Hourly Wage Required (Rent)	Hourly Median Wage						Total of All Occupations
							Police Officer	Teacher	Retail Worker	Nurse	Firefighter	Waitperson	
Bullhead City	Mohave	\$107,600	\$25,746	\$12.38	\$797.00	\$15.33	\$25.32	\$16.39	\$11.30	\$32.97	\$19.11	\$10.01	\$14.40
Casa Grande	Pinal	\$166,700	\$39,886	\$19.18	\$1,013.00	\$19.48	\$24.87	\$18.89	\$11.12	\$35.71	\$21.32	\$10.01	\$17.06
Chandler	Maricopa	\$298,300	\$71,374	\$34.31	\$1,013.00	\$19.48	\$34.96	\$20.16	\$11.18	\$36.30	\$25.35	\$10.01	\$17.96
Chino Valley	Yavapai	\$203,600	\$48,715	\$23.42	\$891.00	\$17.13	\$28.58	\$19.11	\$11.37	\$35.26	\$21.91	\$10.01	\$15.64
Coolidge	Pinal	\$122,700	\$29,358	\$14.11	\$1,013.00	\$19.48	\$24.87	\$18.89	\$11.12	\$35.71	\$21.32	\$10.01	\$17.06
Douglas	Cochise	\$97,700	\$23,377	\$11.24	\$779.00	\$14.98	\$25.57	\$17.67	\$10.95	\$30.22	\$23.52	\$10.19	\$17.57
Flagstaff	Coconino	\$330,300	\$79,031	\$38.00	\$1,129.00	\$21.71	\$24.80	\$22.02	\$11.06	\$34.55	\$16.91	\$10.01	\$15.62
Florence	Pinal	\$157,400	\$37,661	\$18.11	\$1,013.00	\$19.48	\$24.87	\$18.89	\$11.12	\$35.71	\$21.32	\$10.01	\$17.06
Glendale	Maricopa	\$218,200	\$52,209	\$25.10	\$1,013.00	\$19.48	\$34.96	\$20.16	\$11.18	\$36.30	\$25.35	\$10.01	\$17.96
Globe	Gila	\$112,100	\$26,822	\$12.90	\$861.00	\$16.56	\$24.45	\$17.74	\$11.36	\$32.88	\$17.57	\$10.01	\$16.54
Kingman	Mohave	\$125,200	\$29,957	\$14.40	\$797.00	\$15.33	\$25.32	\$16.39	\$11.30	\$32.97	\$19.11	\$10.01	\$14.40
Lake Havasu City	Mohave	\$223,800	\$53,549	\$25.74	\$797.00	\$15.33	\$25.32	\$16.39	\$11.30	\$32.97	\$19.11	\$10.01	\$14.40
Lakeside	Navajo	\$166,100	\$39,743	\$19.11	\$722.00	\$13.88	\$24.11	\$18.20	\$10.91	\$36.05	\$18.58	\$10.01	\$16.52
Marana	Pima	\$215,300	\$51,515	\$24.77	\$854.00	\$16.42	\$28.53	\$19.05	\$10.95	\$34.30	\$19.45	\$10.01	\$16.67
Maricopa	Pinal	\$183,400	\$43,882	\$21.10	\$1,013.00	\$19.48	\$24.87	\$18.89	\$11.12	\$35.71	\$21.32	\$10.01	\$17.06
Mesa	Maricopa	\$229,400	\$54,889	\$26.39	\$1,013.00	\$19.48	\$34.96	\$20.16	\$11.18	\$36.30	\$25.35	\$10.01	\$17.96
Peoria	Maricopa	\$282,100	\$67,498	\$32.45	\$1,013.00	\$19.48	\$34.96	\$20.16	\$11.18	\$36.30	\$25.35	\$10.01	\$17.96
Phoenix	Maricopa	\$219,900	\$52,616	\$25.30	\$1,013.00	\$19.48	\$34.96	\$20.16	\$11.18	\$36.30	\$25.35	\$10.01	\$17.96
Pine	Gila	\$213,200	\$51,012	\$24.53	\$861.00	\$16.56	\$24.45	\$17.74	\$11.36	\$32.88	\$17.57	\$10.01	\$16.54
Pinetop	Navajo	\$241,400	\$57,760	\$27.77	\$722.00	\$13.88	\$24.11	\$18.20	\$10.91	\$36.05	\$18.58	\$10.01	\$16.52
Prescott	Yavapai	\$318,300	\$76,160	\$36.62	\$891.00	\$17.13	\$28.58	\$19.11	\$11.37	\$35.26	\$21.91	\$10.01	\$15.64
Rio Rico	Santa Cruz	\$122,200	\$29,239	\$14.06	\$711.00	\$13.67	\$21.75	\$18.16	\$10.89	\$32.84	\$19.94	\$10.01	\$15.79
Safford	Graham	\$132,700	\$31,751	\$15.26	\$785.00	\$15.10	\$23.57	\$20.19	\$11.10	\$29.74	\$21.67	\$10.01	\$17.16
Sahuarita	Pima	\$142,200	\$34,024	\$16.36	\$854.00	\$16.42	\$28.53	\$19.05	\$10.95	\$34.30	\$19.45	\$10.01	\$16.67
Scottsdale	Maricopa	\$419,500	\$100,374	\$48.26	\$1,013.00	\$19.48	\$34.96	\$20.16	\$11.18	\$36.30	\$25.35	\$10.01	\$17.96
Sedona	Yavapai/Coconino	\$449,900	\$107,648	\$51.75	\$1,010.00	\$19.42	\$26.69	\$20.57	\$11.21	\$35.26	\$19.41	\$10.01	\$15.63
Show Low	Navajo	\$117,900	\$28,210	\$13.56	\$722.00	\$13.88	\$24.11	\$18.20	\$10.91	\$36.05	\$18.58	\$10.01	\$16.52
Sierra Vista	Cochise	\$156,000	\$37,326	\$17.95	\$828.00	\$15.92	\$25.57	\$17.67	\$10.95	\$30.22	\$23.52	\$10.19	\$17.57
Snowflake	Navajo	\$127,400	\$30,483	\$14.66	\$722.00	\$13.88	\$24.11	\$18.20	\$10.91	\$36.05	\$18.58	\$10.01	\$16.52
Somerton	Yuma	\$142,900	\$34,192	\$16.44	\$800.00	\$15.38	\$23.09	\$17.21	\$11.07	\$33.61	\$21.84	\$10.01	\$13.80
Surprise	Maricopa	\$228,700	\$54,721	\$26.31	\$1,013.00	\$19.48	\$34.96	\$20.16	\$11.18	\$36.30	\$25.35	\$10.01	\$17.96
Tempe	Maricopa	\$259,500	\$62,091	\$29.85	\$1,013.00	\$19.48	\$34.96	\$20.16	\$11.18	\$36.30	\$25.35	\$10.01	\$17.96
Tucson	Pima	\$176,200	\$42,159	\$20.27	\$854.00	\$16.42	\$28.53	\$19.05	\$10.95	\$34.30	\$19.45	\$10.01	\$16.67
Yuma	Yuma	\$130,600	\$31,249	\$15.02	\$800.00	\$15.38	\$23.09	\$17.21	\$11.07	\$33.61	\$21.84	\$10.01	\$13.80
Arizona		\$230,300	\$55,104	\$26.49	\$957.00	\$18.40	\$32.69	\$19.63	\$11.14	\$35.70	\$22.04	\$10.01	\$17.45

Employment Growth & Housing Affordability by Industry (2017)

Industry	2007	2009	2011	2013	2015	2017	Net Change (2007 to 2017)	Percent Change	Average Annual Pay - AZ (2017)	Average Hourly Wage (2017)	Hourly Wage Required (Buy) (2017)	Hourly Wage Required (Rent) (2017)	Afford to Buy (Y/N)	Afford to Rent (Y/N)
Total Private	2,258,400	2,009,600	2,004,100	2,110,900	2,226,800	2,359,300	100,900	4.5%	\$52,541	\$25.26	\$25.68	\$18.40	No	Yes
Goods Producing	418,100	293,500	272,800	292,100	298,700	321,400	-96,700	-23.1%	\$52,021	\$25.01	\$25.68	\$18.40	No	Yes
Private Service Producing	1,840,300	1,716,100	1,731,300	1,818,800	1,928,100	2,037,900	197,600	10.7%	\$52,624	\$25.30	\$25.68	\$18.40	No	Yes
Construction	224,900	128,700	110,900	123,700	127,900	145,400	-79,500	-35.3%	\$53,539	\$25.74	\$25.68	\$18.40	Yes	Yes
Manufacturing	181,600	153,600	150,300	155,200	158,300	164,300	-17,300	-9.5%	\$50,190	\$24.13	\$25.68	\$18.40	No	Yes
Trade, Transportation, and Utilities	527,700	478,400	473,000	481,200	506,500	524,200	-3,500	-0.7%	\$50,586	\$24.32	\$25.68	\$18.40	No	Yes
Financial Activities	186,600	170,100	171,400	184,900	194,800	213,900	27,300	14.6%	\$60,382	\$29.03	\$25.68	\$18.40	Yes	Yes
Professional and Business Services	404,300	346,400	347,100	375,000	398,300	420,300	16,000	4.0%	\$57,346	\$27.57	\$25.68	\$18.40	Yes	Yes
Education and Health Services	308,000	333,700	355,400	372,900	397,300	426,600	118,600	38.5%	\$54,954	\$26.42	\$25.68	\$18.40	Yes	Yes
Leisure and Hospitality	273,000	256,000	259,300	275,900	299,200	319,200	46,200	16.9%	\$31,283	\$15.04	\$25.68	\$18.40	No	No
Other Services	99,200	93,400	87,900	87,100	87,500	88,500	-10,700	-10.8%	\$49,254	\$23.68	\$25.68	\$18.40	No	Yes

Source: Arizona Office of Economic Opportunity

Arizona Population and Employment 2000 - 2017

Population				Employment			
Year	Arizona	Urban*	Rural**	Year	Arizona	Urban*	Rural**
2000	5,175,581	3,941,302	1,234,279	2000			
2001	5,287,510	4,038,920	1,248,590	2001	2,265,900	1,904,000	361,900
2002	5,411,164	4,142,733	1,268,431	2002	2,267,500	1,901,300	366,200
2003	5,554,235	4,251,713	1,302,521	2003	2,299,200	1,926,500	372,700
2004	5,725,610	4,380,603	1,345,008	2004	2,384,600	2,000,600	384,000
2005	5,924,476	4,517,078	1,407,398	2005	2,512,700	2,057,900	454,800
2006	6,116,409	4,623,389	1,493,020	2006	2,639,300	2,218,200	421,100
2007	6,274,981	4,730,671	1,544,311	2007	2,679,400	2,251,400	428,000
2008	6,368,649	4,792,861	1,575,787	2008	2,622,500	2,197,700	424,800
2009	6,389,081	4,805,410	1,583,672	2009	2,432,600	2,033,600	399,000
2010	6,401,569	4,805,226	1,596,343	2010	2,386,200	1,993,400	392,800
2011	6,438,178	4,829,451	1,608,727	2011	2,412,133	2,018,900	393,233
2012	6,498,569	4,875,085	1,623,484	2012	2,463,467	2,064,000	399,467
2013	6,581,054	4,940,905	1,640,149	2013	2,520,633	2,118,600	402,033
2014	6,667,241	5,015,813	1,651,428	2014	2,570,408	2,161,800	408,608
2015	6,758,251	5,085,809	1,672,442	2015	2,636,433	2,226,300	410,133
2016	6,835,518	5,150,179	1,685,339	2016	2,708,600	2,282,600	426,000
2017	6,965,897	5,247,783	1,718,114	2017	2,772,500	2,343,200	429,300

*Urban population and employment figures include Maricopa and Pima Counties only.

**Rural population and employment figures include AZ population less Maricopa and Pima Counties.

Source: Arizona Office of Economic Opportunity

Arizona Mortgage Rates 1978 - 2016

Year	Contract Interest Rate (%)	Initial Fees and Charges (%)	Effective Interest Rate (%)	Term to Maturity	Purchase Price (\$000)	Loan-to-Price Ration (%)	Adjustable-Rate Loans (%)
1978	9.40	2.03	9.74	29.30	57.30	77.80	NA
1979	10.71	1.99	11.06	29.40	66.90	76.40	NA
1980	12.26	2.13	12.65	29.60	83.40	75.10	NA
1981	13.64	3.00	14.28	28.00	82.10	78.40	NA
1982	14.34	3.59	15.08	28.90	83.80	80.20	NA
1983	12.08	2.90	12.62	29.60	95.90	79.60	NA
1984	12.04	2.59	12.53	29.60	98.00	80.20	NA
1985	10.98	2.70	11.47	28.50	109.30	77.10	NA
1986	9.69	2.33	10.08	28.70	121.70	73.90	32
1987	8.85	2.25	9.22	28.90	126.10	75.80	46
1988	8.92	2.10	9.27	28.90	117.20	76.40	52
1989	9.82	2.32	10.21	28.50	123.50	73.90	25
1990	9.95	2.11	10.31	28.10	111.80	74.90	9
1991	9.18	1.56	9.44	27.90	118.40	75.80	15
1992	7.83	1.91	8.15	27.30	121.20	77.40	18
1993	6.98	1.63	7.23	27.30	119.40	74.40	11
1994	7.04	1.71	7.31	28.10	126.70	77.60	39
1995	7.29	0.87	7.42	28.60	128.60	79.00	46
1996	7.54	0.89	7.68	28.10	145.40	77.50	27
1997	7.56	1.09	7.74	27.10	158.70	78.50	16
1998	7.05	0.97	7.19	28.40	163.10	78.80	9
1999	7.24	0.94	7.38	28.70	167.80	79.30	17
2000	7.99	0.83	8.12	28.90	169.00	78.90	19
2001	7.00	0.68	7.10	28.20	175.80	80.10	12
2002	6.51	0.68	6.62	27.80	180.80	77.70	18
2003	5.72	0.52	5.80	27.10	193.60	74.80	19
2004	5.73	0.58	5.81	27.80	207.20	75.30	35
2005	5.86	0.39	5.92	28.57	280.48	72.91	39
2006	6.57	0.46	6.63	29.43	313.36	74.32	32
2007	6.46	0.65	6.56	29.91	302.83	77.56	15
2008	6.12	0.78	6.23	28.75	299.44	75.05	NA*
2009	5.15	0.92	5.28	28.59	252.15	73.66	3
2010	4.81	1.19	4.98	27.35	237.08	74.06	5
2011	4.63	1.49	4.85	28.30	232.40	75.96	NA*
2012	3.73	1.41	3.92	27.79	255.87	76.49	9
2013	3.85	1.41	4.04	27.81	277.12	77.83	NA
2014	4.18	1.52	4.40	28.13	300.88	76.83	NA
2015	3.91	1.53	4.12	28.25	334.35	76.74	NA
2016	3.76	1.45	3.96	28.50	350.94	78.09	NA

Arizona Mortgage Rates

30-Year Fixed Rate Mortgages			15-Year Fixed Rate Mortgages			5/1 Hybrid Adjustable Rate Mortgages			
Year	Rate	Points	Year	Rate	Points	Year	Rate	Points	Margin
May-18	4.59	0.4	May-18	4.07	0.4	May-18	3.79	0.3	2.77
Apr-18	4.47	0.5	Apr-18	3.93	0.4	Apr-18	3.66	0.3	2.76
Mar-18	4.44	0.5	Mar-18	3.91	0.5	Mar-18	3.65	0.4	2.75
Feb-18	4.33	0.6	Feb-18	3.79	0.5	Feb-18	3.60	0.4	2.75
Jan-18	4.03	0.5	Jan-18	3.48	0.5	Jan-18	3.47	0.4	2.75
2017	3.99	0.5	2017	3.28	0.5	2017	3.20	0.4	2.74
2016	3.65	0.5	2016	2.93	0.5	2016	2.87	0.5	2.74
2015	3.85	0.6	2015	3.09	0.6	2015	2.94	0.5	2.74
2014	4.17	0.6	2014	3.29	0.6	2014	3.02	0.5	2.74
2013	3.98	0.7	2013	3.11	0.7	2013	2.88	0.5	2.75
2012	3.66	0.7	2012	2.93	0.7	2012	2.78	0.6	2.74
2011	4.45	0.7	2011	3.70	0.7	2011	3.31	0.6	2.74
2010	4.69	0.7	2010	4.10	0.7	2010	3.82	0.6	2.74
2009	5.04	0.7	2009	4.57	0.7	2009	4.75	0.6	2.74
2008	6.03	0.6	2008	5.62	0.6	2008	5.74	0.6	2.75
2007	6.34	0.4	2007	6.03	0.4	2007	6.07	0.5	2.76
2006	6.41	0.5	2006	6.07	0.5	2006	6.08	0.6	2.77
2005	5.87	0.6	2005	5.42	0.6	2005	5.32	0.6	2.78
2004	5.84	0.7	2004	5.21	0.6	2004	N/A	N/A	N/A
2003	5.83	0.6	2003	5.17	0.6	2003	N/A	N/A	N/A
2002	6.54	0.6	2002	5.98	0.6	2002	N/A	N/A	N/A
2001	6.97	0.9	2001	6.50	0.9	2001	N/A	N/A	N/A
2000	8.05	1.0	2000	7.72	1.0	2000	N/A	N/A	N/A

*Conventional, Conforming 15-Year Fixed-Rate Mortgages

*Conventional, Conforming, Treasury-Indexed 5/1 Hybrid Adjustable Rate Mortgages

Source: Freddie Mac

ARIZONA

2018 Housing At-a-glance

Housing is a market-driven industry, as it should be. Yet even in the best economies, market situations occur that give rise to distress in certain housing markets. The goal of the Arizona Department of Housing is to help identify the market conditions that cause distress to its citizens, so that the State and its partners working to address housing issues can make the best investments with limited resources, and so that we are providing the best information in influencing policy directions in order to promote more housing choices for all Arizonans.

SOURCES

Arizona Department of Housing
Homeless Management Information System
Maricopa Association of Governments Point in Time Count
National Low Income Housing Coalition
Rounds Consulting Group
Tucson Pima Collaboration to End Homelessness Point in Time Count
U.S. Census Bureau
U.S. Department of Housing and Urban Development
U.S. Federal Housing Finance Agency
Zillow Research

Appendix sources notated within those online documents

Title II of the Americans with Disabilities Act prohibits discrimination on the basis of disability in the programs of a public agency. Individuals with disabilities who need the information contained in this publication in an alternative format may contact the Arizona Department of Housing at (602) 771-1000 to make their needs known. Requests should be made as soon as possible to allow sufficient time to arrange for the accommodation.



Arizona
Department
of Housing

Appendices providing additional charts and graphs depicting more detail on the housing market may be downloaded from the Arizona Department of Housing website:

<https://housing.az.gov/documents-links/publications>