

## Phoenix Housing Market Faces 'Mass Sell-off' as Home Values Plunge

Story by Giulia Carbonaro • 3h • 4 min read 5-1-2025

After the dust settled on the pandemic buying frenzy, which massively inflated home prices in the city, property values in Phoenix are collapsing.

Real estate analyst Nick Gerli, the CEO of Reventure App, warned of a potential incoming crash, as home prices are down 6.9 percent from their peak in June 2022.

"This market is trending down, and trending down fast," Gerli said in a recent YouTube video.

### Why It Matters

The Phoenix housing market exploded briefly during the pandemic, when demand skyrocketed amid a housing supply shortage. Remote workers relocating to the relatively cheaper city brought up home prices and values. Between February 2020 and February 2025, home prices were up 53 percent in Phoenix and 56 percent statewide in Arizona, according to Zillow. During the same five years, prices grew by 45 percent nationally.

But the city has been experiencing a price correction in recent years, as demand slowed significantly with return-to-office orders and buying properties in the city became unaffordable for many—especially locals. "There's a mass sell-off occurring, as pandemic investors and snowbirds sell out," Gerli wrote on X on Tuesday.

A fall in prices could help aspiring buyers, especially young ones, break into the market.

### What To Know

According to Reventure data, home values in the Phoenix metropolitan area were down 1.3 percent in March compared to a year earlier and 0.46 percent from February. They were also down 7.4 percent from their June 2022 peak (\$452,466 versus \$491,960).

"Phoenix is already starting to experience a housing market correction," Gerli said in the YouTube video. "However, this correction is going to accelerate over the next 12 months due to a massive pileup of inventory and supply on the market that is now causing sellers to freak out."

There are 18,701 homes for sale in the Phoenix-Mesa-Chandler metro area, Reventure data shows—the highest inventory since 2017. This massive growth in supply means there is a sell-off of homes in the city, Gerli said.

"The data is clear. The market in Phoenix is declining, and it's actually going to get a lot more affordable for you as a buyer, which is the good news here. A declining housing market is going to be bad for some people," Gerli said, adding, "But it's going to be good for other people, particularly homebuyers who have been saving up over the last five years."



"You are finally going to start to get opportunities to buy a house where values are getting cheaper, and you're going to have a lot of selection," he continued.

Sellers may have a hard time recognizing that their homes are not as valuable as they were a few years ago, especially if they bought them during the pandemic frenzy and are trying to recoup that cost. Many are still trying to sell their homes for a much higher price tag than buyers are willing to pay.

"The reason the Phoenix market is nose-diving is because we're seeing a sell-off like we haven't seen since the 2008 crash. That was the last time in Phoenix that we saw this many sellers starting to come to market," Gerli said.

"New listings are up 20 percent year over year, and buyer demand is basically still nonexistent," he continued, adding, "It's almost as if the buyers have developed such a fatigue on the housing market in Phoenix that they're just not that excited to get back into the market."

Home sales across the Phoenix metro area in March totaled 6,400, down 20 percent from the long-term norm though slightly up from a year earlier. They were also down "by a mammoth 35 percent from the pandemic peak," Gerli wrote on X.

A home in Laveen, eight miles from the center of Phoenix, that sold for \$431,000 in September 2022 (above the listed price of \$415,000) is now in foreclosure and is being auctioned off with an estimated value of \$289,500.

### What People Are Saying

**Greg Hague, the CEO of 72Sold in Scottsdale, Arizona, recently told ABC15:** "The market is feeling softer and softer, with many properly priced homes sitting unsold and with very few showings."

**Amy St. Peter, the community initiatives director with the Maricopa Association of Governments in Phoenix, told KTAR that the city remained unaffordable for many:** "We're seeing older adults experiencing homelessness at a far greater rate here in Maricopa County than we see elsewhere in the country. And that's a trend that's been going on for a long time."

### What Happens Next

The Phoenix housing market is set to be much more in favor of buyers in the coming months, even as mortgage rates linger around the 7 percent mark. But Gerli advised prospective buyers to be patient. "You have no pressure to buy right now," he said on YouTube, adding, "Over the next 12 months, things will continue to get better for you as a buyer in Phoenix." According to Gerli, home prices are 18 percent overvalued in Phoenix today compared to the long-term road. "So that's a good barometer of how much prices could correct," he wrote on X.

He also wrote, "A 20 percent correction in the Phoenix housing market is definitely within the realm of possibility if the inventory levels keep growing, and sales stay muted."