

REAL ESTATE

Phoenix-area home prices and interest rates dropped in July. Will sales climb?

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Metro Phoenix home prices dipped as interest rates fell in July — a good combination for buyers.

But the Valley's median price didn't slip as much as expected, most likely due to demand from homebuyers ticking up as rates inched down.

The Phoenix-area median home price dipped \$10,000 from June to \$440,000 in July, according to the Arizona Regional Multiple Listing Service. It had been on track to fall to \$435,000 based on pending sales.

As anticipated, home sales dipped last month to 6,057, compared to June's total of 6,167. But real estate agents are now seeing a slight uptick in homebuyers shopping for deals.

New rules for paying commissions went into effect Aug. 17, and some buyers and sellers had been on the sidelines waiting to see how they play out.

The average 30-year mortgage rate is about 6.5% compared to almost 8% last October, according to Freddie Mac.

Sarah Perkins, director of industry research for Navi Title, said there's been pent-up demand for lower mortgage rates. But she said prices were expected "to soften through the rest of the year."

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