

CATHERINE REAGOR

Million-dollar home sales are soaring in metro Phoenix. Here's who is buying them.

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Metro Phoenix is drawing more millionaires — or at least buyers who can pay \$1 million or more for a home.

Million-dollar home sales in the Valley hit a new record in April, up 32% from December 2020's record.

Valley mansions and spacious condominiums with seven- and eight-figure price tags are selling more briskly, and many buyers are paying cash.

A growing number of the deep-pocketed buyers are from out of state, but many are local.

And the prices buyers are willing to pay for a luxury home in the Phoenix area are soaring.

A couple of mansions priced above \$10 million typically sold each week in April, and the trend continued through May.

Buyers of the priciest homes typically use LLCs to mask their names for privacy. But the addresses for those LLCs are from across the U.S.

“The luxury market has taken off in Phoenix,” said Tina Tamboer, senior housing analyst with the Cromford Report.

She said million-dollar home sales typically track with rises in the stock market, which was up in April.

A look at metro Phoenix's luxury market

In April, 655 million-dollar home sales closed, according to the Arizona Regional Multiple Listing Service. For monthly sales prices, April is the most recent data available.

That compares to 497 million-dollar sales in December, and fewer than 200 in April 2020.

The number of sales with prices above \$3 million shot up to 73 in April, compared to 44 in December.

Paradise Valley is metro Phoenix's priciest enclave for home sales with a median of \$2.15 million, up 35% from a year ago.

North Scottsdale's ZIP code 85262, home to the golf community Desert Mountain and Pinnacle Peak area, is second with a median price of \$1.175 million. That's up 34% from a year ago.

No. 3 for highest-priced homes in the Valley is Scottsdale's 85255 ZIP code with a median price of \$918,500, up 31%. The area is home to the DC Ranch and Silverleaf communities.

For comparison, metro Phoenix's overall median is expected to have hit \$386,500 in April, a 28% jump from April 2020.

Who's buying million-dollar homes

"It's just been unbelievably busy," said real estate agent Joan Levinson, who brokered more than \$200 million in luxury home sales, mainly in Paradise Valley, during the first five months of 2021.

"Buyers have come from all over the country, many seeking the warm climes and wonderful quality of life, others for the space and the relative tax benefits in comparison to their home states," she said.

About 35% of million-dollar homebuyers in the Valley listed out-of-state addresses on property records, according to ARMLS.

Many of metro Phoenix's million-dollar buyers are purchasing second or third homes and others plan to turn them into rentals, according to public real estate records.

The high-priced home sales trend may slow a bit this summer but will still outpace last year's monthly records.

Currently about 550 pending sales of metro Phoenix houses are priced at more than \$1 million.

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