

January 2021

As you can see from The Davis Driver Group's "Market Velocity Report" below, as of the morning of November 30th, demand for real estate here continued to be very strong in November, but not quite as strong as during September and October.

Here is what happened in Homesites:

Homesites	2016	2017	2018	2019	2019 vs. Avg. for Last Three Years	2020 (YTD)	2020 vs. Avg. for Last Three Years	2020 vs. Last Year/vs. Last Year YTD
Total No. of Homesites:	58	74	73	45	66%	76	119%	169%/155%
January	<u>3</u>	<u>7</u>	<u>10</u>	<u>2</u>	30%	5	79%	250%
February	<u>9</u>	<u>3</u>	<u>7</u>	<u>3</u>	47%	4	92%	133%
March	<u>2</u>	<u>8</u>	<u>4</u>	<u>5</u>	107%	--	0%	0%
April	<u>2</u>	<u>8</u>	<u>14</u>	<u>3</u>	38%	4	48%	130%
May	<u>6</u>	<u>10</u>	<u>6</u>	<u>4</u>	55%	5	75%	125%
June	<u>5</u>	<u>8</u>	<u>2</u>	<u>2</u>	40%	11	275%	550%
July	<u>6</u>	<u>2</u>	<u>5</u>	<u>4</u>	92%	8	218%	200%
August	<u>3</u>	<u>7</u>	<u>5</u>	<u>2</u>	40%	5	107%	250%
September	<u>4</u>	<u>4</u>	<u>5</u>	<u>1</u>	23%	17	340%	1,700%
October	<u>5</u>	<u>3</u>	<u>4</u>	<u>5</u>	125%	9	225%	180%
November	<u>6</u>	<u>10</u>	<u>9</u>	<u>10</u>	120%	8	83%	80%
December	<u>7</u>	<u>4</u>	<u>2</u>	<u>4</u>	92%	--	0%	0%

Even though there was only one contract difference between October and November, demand in November was quite a bit softer than October since demand is typically greater in November than October. Notably, one \$1,000,000 list price lot, Apache Peak 85, was put under contract.

The evidence suggests this decline is primarily due to a weakening of inventory rather than overall demand. As of the morning of November 30, there were only 33 homesites listed for sale, down from 34 a month ago, a change, obviously, of just one, but with eight under contract, that means seven were added to the supply. The average list price of the 33 that were for sale on November 30 without any kind of membership in the Desert Mountain Club was \$655,770, up from \$627,936 last month, a 4.43% increase from last month and 12.05% over the last two months. Eleven were priced at \$299,000 or less, down from thirteen last month. Of these, nine had main views that included a road in the foreground. So, the quality of the less expensive homesite inventory continues to thin, drastically.

Here is what happened in Homes:

Homes	2016	2017	2018	2019	2019 vs. Avg. for Last Three Years	2020 (YTD)	2020 vs. Avg. for Last Three Years	2020 vs. Last Year/vs. Last Year YTD
Total No. of Homes:	<u>119</u>	<u>133</u>	<u>146</u>	<u>168</u>	127%	<u>231</u>	155%	155% / 145%
January	<u>10</u>	<u>12</u>	<u>14</u>	<u>9</u>	75%	<u>16</u>	137%	178%
February	<u>15</u>	<u>10</u>	<u>16</u>	<u>9</u>	66%	<u>23</u>	197%	256%
March	<u>7</u>	<u>15</u>	<u>17</u>	<u>16</u>	123%	<u>18</u>	113%	113%
April	<u>19</u>	<u>21</u>	<u>19</u>	<u>35</u>	173%	<u>18</u>	72%	51%
May	<u>12</u>	<u>13</u>	<u>25</u>	<u>28</u>	163%	<u>21</u>	95%	75%
June	<u>7</u>	<u>9</u>	<u>8</u>	<u>9</u>	113%	<u>26</u>	300%	289%
July	<u>7</u>	<u>6</u>	<u>8</u>	<u>5</u>	71%	<u>18</u>	284%	360%
August	<u>5</u>	<u>10</u>	<u>12</u>	<u>7</u>	78%	<u>14</u>	145%	200%
September	<u>7</u>	<u>3</u>	<u>3</u>	<u>5</u>	115%	<u>27</u>	736%	540%
October	<u>13</u>	<u>2</u>	<u>6</u>	<u>17</u>	243%	<u>31</u>	372%	181%
November	<u>4</u>	<u>15</u>	<u>10</u>	<u>19</u>	197%	<u>19</u>	130%	100%
December	<u>13</u>	<u>17</u>	<u>8</u>	<u>9</u>	71%	--	0%	0%

Seventy-seven homes spoken for in ninety days, looking back to September 1, works out to .856 homes per day, an unprecedented pace. Last year during this same period (September 1 through November 29) there were only 41 (only .456 per day), so demand is up 187.8%. The overall contract count is down, but again, we attribute that to shrinking inventory, especially at prices at or under \$2,000,000, not a lack of demand for homes in Desert Mountain.

To illustrate, as of November 30th, there were 80 homes on the market here; of these, 17 were speculative designs, homes not yet started; 9 were under construction specs (with the lowest price being \$1,995,000); and 54 were completed. Of these 54, only 23 were priced at or below \$2,000,000, or 28.75% of the total number of all homes for sale, regardless of current physical status. Of the 228 homes that have gone under contract in 2020, 151, or 66.2%, were listed for \$2,000,000 or less. As of November 30, only 25 of the 80 homes on the market, or 31.3%, were listed for \$2,000,000 or less. So, a major shift in the availability of relatively affordable homes in Desert Mountain.

Here is a table summarizing the homes already sold in 2020 by price and size ranges:

Sold Homes Analysis Report
 Custom & Semi-Custom, New & Used, Resale & Developer
 1/1/2020 to 11/29/2020

211 Homes Sold

Sold For	Any Size	10,000 SF or more	7,500 - 9,999 SF	5,000 - 7,499 SF	2,500 - 4,999 SF	Under 2,500 SF
\$8,000,000 & up	0.95% (2)	0.47% (1)	--	0.47% (1)	--	--
\$7,000,000 - \$7,999,999	--	--	--	--	--	--
\$6,000,000 - \$6,999,999	--	--	--	--	--	--
\$5,000,000 - \$5,999,999	0.47% (1)	--	--	0.47% (1)	--	--
\$4,000,000 - \$4,999,999	1.90% (4)	--	0.47% (1)	1.42% (3)	--	--
\$3,000,000 - \$3,999,999	9.95% (21)	--	1.42% (3)	6.16% (13)	2.37% (5)	--
\$2,000,000 - \$2,999,999	17.06% (36)	--	0.47% (1)	8.53% (18)	8.06% (17)	--
\$1,000,000 - \$1,999,999	42.65% (90)	--	0.47% (1)	9.00% (19)	32.23% (68)	0.95% (2)
\$500,000 - \$999,999	27.01% (57)	--	--	--	18.96% (40)	8.06% (17)
Under \$500,000	--	--	--	--	--	--
Any Price	100.00% (211)	0.47% (1)	2.84% (6)	26.07% (55)	61.61% (130)	9.00% (19)

The bulk of demand has been under \$3,000,000, and below 7,500 square feet.

If you are interested, you can find the Market Velocity Report anytime on the Home Page of our main website, www.propertiesofdesertmountain.com (which, by the way, is in the process of being significantly updated. We will let you know when it is finished!).

The Davis Driver Group prides itself on having the best possible market information for the benefit of both our listing and buying clients. Our RCD9 System, in which we have invested over \$1,200,000 over the twenty-nine Davis Driver has been working in the real estate market in Desert Mountain, provides substantially more, and more useful, information than the Multiple Listing Service can provide, which means we save time and money for our clients. We invite your further inquiry! You can reach Davis at (602) 399 0116, or at Davis@DavisDriver.com.

Sincerely,

