

Market Insights – June 2020

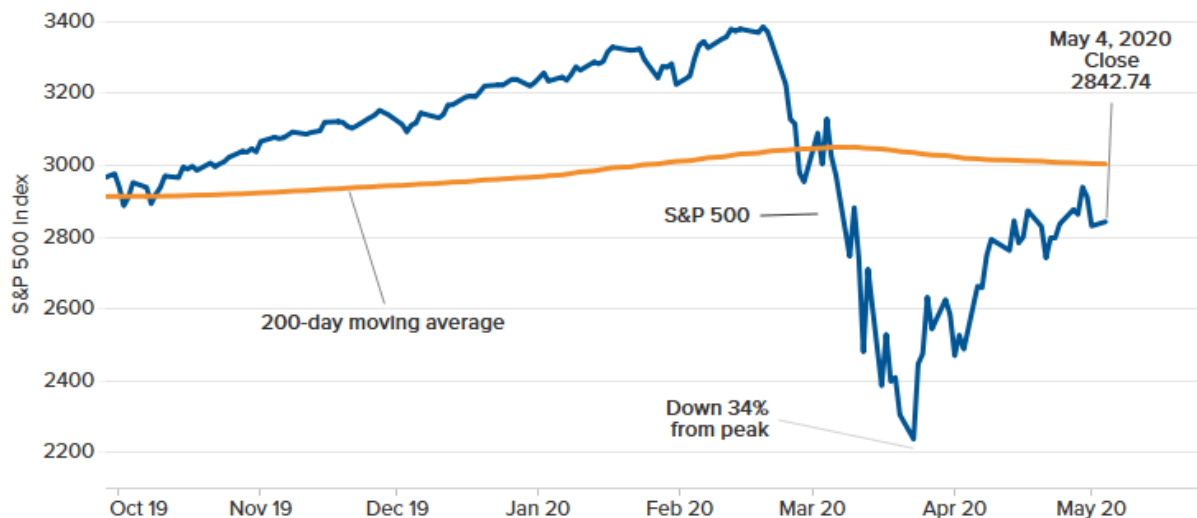
To use the immortal words of Gene Wilder in the movie *Young Frankenstein*, “It’s alive!!!”

Of course, I am talking about Desert Mountain’s real estate market as it appears on May 4, not some monster that has been brought to life by a mad scientist and his pretty assistant.

In this space last month, I concluded the article with a list of “favorable factors” supporting the thesis, shared by many, that as soon as people can more freely move about the country, demand for real estate in Desert Mountain ought to get back to where it was in early March, if not be even stronger, even with hot weather arriving. Here’s a nutshell list of those factors:

- A huge California population, many of which want to get out of the state
- Low interest rates
- A stock market that is clawing its way back from its initial declines when the coronavirus impact was first felt:

Coronavirus comeback



SOURCE: FactSet



- A big chunk of our potential buyers looking for primary residences
- Demand for memberships in Desert Mountain is very strong
- Inventory levels in Desert Mountain are still historically low

A quick glance at our “Market Velocity Report” seems to bear this prediction out. Here’s what it looked like on May 4th:

Buying Decisions - Market Velocity - by Off Market Date
 (Have entered escrow, but may not have yet closed)

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:	<u>58</u>	<u>73</u>	<u>73</u>	<u>45</u>	66%	<u>13</u>	20%	29%/ <u>100%</u>
January	<u>3</u>	<u>7</u>	<u>10</u>	<u>2</u>	30%	<u>5</u>	79%	250%
February	<u>9</u>	<u>3</u>	<u>7</u>	<u>3</u>	47%	<u>4</u>	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%	<u>4</u>	48%	133%
May	<u>6</u>	<u>9</u>	<u>6</u>	<u>4</u>	57%	--	0%	0%
June	<u>5</u>	<u>8</u>	<u>2</u>	<u>2</u>	40%	--	0%	0%
July	<u>6</u>	<u>2</u>	<u>5</u>	<u>4</u>	92%	--	0%	0%
August	<u>3</u>	<u>7</u>	<u>5</u>	<u>2</u>	40%	--	0%	0%
September	<u>4</u>	<u>4</u>	<u>5</u>	<u>1</u>	23%	--	0%	0%
October	<u>5</u>	<u>3</u>	<u>4</u>	<u>5</u>	125%	--	0%	0%
November	<u>6</u>	<u>10</u>	<u>9</u>	<u>10</u>	120%	--	0%	0%
December	<u>7</u>	<u>4</u>	<u>2</u>	<u>4</u>	92%	--	0%	0%

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>147</u>	<u>168</u>	126%	<u>72</u>	48%	43%/99%
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>24</u>	206%	267%
March	<u>7</u>	<u>15</u>	<u>17</u>	<u>16</u>	123%	<u>17</u>	106%	106%
April	<u>19</u>	<u>21</u>	<u>19</u>	<u>35</u>	178%	<u>15</u>	60%	43%
May	<u>12</u>	<u>13</u>	<u>26</u>	<u>28</u>	165%	--	0%	0%
June	<u>7</u>	<u>9</u>	<u>8</u>	<u>9</u>	113%	--	0%	0%
July	<u>7</u>	<u>6</u>	<u>8</u>	<u>5</u>	71%	--	0%	0%
August	<u>5</u>	<u>10</u>	<u>12</u>	<u>7</u>	78%	--	0%	0%
September	<u>7</u>	<u>3</u>	<u>3</u>	<u>5</u>	115%	--	0%	0%
October	<u>13</u>	<u>2</u>	<u>6</u>	<u>17</u>	243%	--	0%	0%
November	<u>4</u>	<u>15</u>	<u>10</u>	<u>19</u>	197%	--	0%	0%
December	<u>13</u>	<u>17</u>	<u>8</u>	<u>9</u>	71%	--	0%	0%

Demand has fallen since March 10th, when six homes went under contract. However, the key point I am focusing on is that the demand for homes in April was 60% of an average for the last three Aprils, even in the face of lockdowns all over the country. If the community can attract that much support for its real estate under the most trying of times, we should do extremely well as things loosen up. And, what isn't on this chart is information about how many showings our Group (and other agents) has been having – they have been very steady, on the order of five to eight a week over the last couple of weeks. And, yes, most of them are from California.

If you are interested, you can find the Market Velocity report anytime on the Home Page of our main website, www.properitiesofdesertmountain.com . It is updated every day, if not more frequently.

We'll bring you up to date on these trends in another month. Until then, stay well!

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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 well over \$1,000,000 over the twenty-eight years plus that 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 Driver at 602 399 0116, or at Davis@DavisDriver.com.