

August 2020

In this space last month, I expressed my confidence that, as lockdowns eased and people could get out and about to pursue their personal real estate goals, demand for real estate in Desert Mountain ought to get back to where it was headed in early March, before the new Coronavirus blew up. My confidence was well-placed!

As you can see from The Davis Driver Group's "Market Velocity Report" nearby, demand for real estate here has simply exploded. **Twenty-six homes went under contract in June, compared to 9, 8, 9, and 6 the previous four Junes, a 300% increase over an average of the last three Junes.** This followed percentages of 68% in April (not bad when you consider what was going on in the world), and 90% in May. July is off to a fast start with four home contracts in the first three days. Looking back at the last four Julys, in order, with 5, 8, 6, and 6 contracts respectively, these four represent 63.2% of a trailing three-year average! We only need 19 to hit the same 300% mark. Summer is usually a time of slowing activity, but this summer, so far, is radically different. Of course, the country is in radically different shape, too, so I would not bet against things continuing to be "white hot".

Forty-four homes were Pending as of the morning of July 4th. With no end in sight to the demonstrations and violent protests in the cities where we have historically drawn many of our buyers, I am predicting that July will outstrip June. The only limiting factor is supply.

As of the morning of July 4th, there were only 77 finished homes for sale. Of these, only eight were listed for under \$1,000,000. Of these, only eleven were semi-custom homes. Of the 44 that were Pending, 14 were semi-custom, indicating particular, near-term upward price pressure on semi-custom homes. Consulting The Davis Driver Groups "**RCD9 System**", I found there were 1,852 finished, non-Pending, homes in Desert Mountain. Seventy-seven Available homes out of 1,852 is only 4.2%! Nine spec homes are under construction, but that will not put a big dent in our supply/demand ratio.

Not to be outdone, the homesite market has also been going crazy, with eleven homesites being put under contract in June, compared to 2, 2, 8, and 5 the last four Junes. There are 71 homesites on the market now, but good ones are getting *very* few and far between. Could the "Age of the Tear-Down" be far off for Desert Mountain? Stay tuned!

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!).

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>30</u>	47%	67%/143%
January	<u>3</u>	<u>7</u>	<u>10</u>	<u>2</u>	30%	<u>5</u>	79%	250%
February	<u>2</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%	<u>5</u>	79%	125%
June	<u>5</u>	<u>8</u>	<u>2</u>	<u>2</u>	40%	<u>11</u>	275%	550%
July	<u>6</u>	<u>2</u>	<u>5</u>	<u>4</u>	92%	<u>1</u>	27%	25%
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%

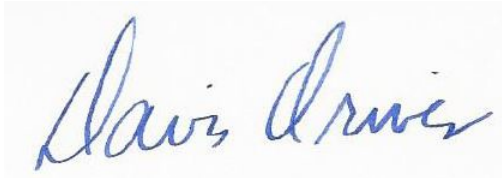
Homes	2016	2017	2018	2019	2019 vs. Avg. for Last Three Years	2020 (YTD)	2020 vs. Avg. for Last Three Years	2020 vs. Last Year vs. Last Year YTD
Total No. of Homes:	<u>119</u>	<u>133</u>	<u>147</u>	<u>168</u>	126%	<u>123</u>	82%	73%/115%
January	<u>10</u>	<u>12</u>	<u>14</u>	<u>9</u>	75%	<u>16</u>	137%	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>17</u>	106%	106%
April	<u>19</u>	<u>21</u>	<u>19</u>	<u>35</u>	178%	<u>17</u>	68%	49%
May	<u>12</u>	<u>13</u>	<u>26</u>	<u>28</u>	165%	<u>20</u>	90%	71%
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>4</u>	63%	80%
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%

This information is presented to you from Davis Driver and is coming from a proprietary residential community software system created by Driver Software Systems LLC called the RCD9 System. For further information on this System, call Davis Driver at 602 399 0116.

Home prices, type of membership available, and other information provided above is based on the best information available as of publication (including the latest Multiple Listing Service information), but cannot be guaranteed accurate.

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 \$1,200,000 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

Have a great summer!

A handwritten signature in blue ink that reads "Davis Driver". The signature is written in a cursive style with a light blue background behind the text.