

September 2020

As you can see from The Davis Driver Group’s “Market Velocity Report” below, as of the morning of August 3rd, demand for real estate here has continued to explode.

June and July both had total home escrows equal to 300% of their respective trailing three-year averages. 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, again a month later, I still would not bet against things continuing to be “white hot”.

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>141</u>	95%	84%/126%
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>18</u>	72%	51%
May	<u>12</u>	<u>13</u>	<u>25</u>	<u>28</u>	168%	<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>19</u>	300%	380%
August	<u>5</u>	<u>10</u>	<u>12</u>	<u>7</u>	78%	<u>1</u>	10%	14%
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%

Thirty-seven homes were Pending as of the morning of August 3rd. Over the last three years, August has generally been more active than June or July. So, there is some reason to think that we might continue to see this kind of demand. We need 29 home escrows in August to keep up the 300% pace. That would seem like a lot, but we are in unusual times.

The key is going to be on the supply side. As of the morning of August 3rd, there were only 71 finished homes for sale, down from 77 last month. Of these, only five were listed for under \$1,000,000, down from eight last month. Of the 71, only seven were semi-custom homes, down from eleven. Of the 37 that were Pending, 11 were semi-custom, indicating particular, near-term

upward price pressure on semi-custom homes. Consulting The Davis Driver Groups “**RCD9 System**”, I calculated that our supply was only at 3.8% of existing inventory, down from 4.2% last month.

The homesite market has also been going crazy, with nineteen homesites having been put under contract since June 1. The average for June and July the last three years is just 7.67, so demand is way out in front of supply. There are 60 homesites on the market now, down from 71 last month. Good ones are getting even harder to find, at any price.

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>37</u>	58%	82%/161%
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%	<u>5</u>	79%	125%
June	<u>5</u>	<u>8</u>	<u>2</u>	<u>2</u>	40%	<u>10</u>	250%	500%
July	<u>6</u>	<u>2</u>	<u>5</u>	<u>4</u>	92%	<u>9</u>	245%	225%
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%

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!).

Since January 1, 2020, according to our records, 118 homes have closed escrow. Here are some statistics about those sales:

- Price
 - 36, or 30.41%, were listed for under \$1,000,000
 - 54, or 45.76%, were listed for \$1,000,000 to \$1,999,999
 - 15, or 12.71%, were listed for \$2,000,000 to \$2,999,999
 - 12, or 10.16%, were listed for \$3,000,000 to \$4,999,999
 - None were sold that were listed for \$5,000,000 or more

- Size
 - 76, or 64.41%, were 2,500 to 4,999 square feet
 - 26, or 22.03%, were 5,000 to 7,499 square feet
 - 13, or 11.02%, were under 2,500 square feet

- Guest House – 36, or 30.51%, had at least a one-room casita
- Exercise Room - 10, or 8.47%, had an exercise room
- Game/Billiards Room – 7, or 5.93%, had a game/billiards room
- Home Theater/Media Room – 11, or 9.32%, had a home theater/media room
- No Interior Steps – 38, or 32.20%, had no interior steps (at least on the main floor)
- On a Golf Course – 3, or 2.54%, were located on a golf course

- Style
 - 43, or 36.44%, were Southwest Contemporary
 - 34, or 28.81% were Contemporary
 - 14, or 11.86%, were Territorial
 - 8, or 6.78%, were Tuscan
 - 8, or 6.78%, were Mexican Territorial

- Floor Plan Type (data for 114 of the 118 sales):

Great Room	53.39% (63)
Kitchen/Family Room	30.51% (36)
Kitchen By Itself	12.71% (15)

- Direction back of home faced (117 out of 118):

E	7.63% (9)
N	5.08% (6)
NE	5.93% (7)
NW	15.25% (18)
S	26.27% (31)
SE	6.78% (8)
SW	23.73% (28)
W	8.47% (10)

- Discount from List Price:

Min Discount from List Price	Max Discount from List Price	Avg Discount from List Price
0.39%	16.67%	5.66%

House Size				
Any Size	1	1519	182	113
10,000 & up	--	--	--	--
7,500 - 9,999	567	1519	1043	1043
5,000 - 7,499	12	568	207	152
2,500 - 4,999	1	776	155	104
Under 2,500	2	869	154	83

- Days on Market by Gross Sales Price:

	Sold For			
	Min DOM	Max DOM	Avg DOM	Median DOM
\$8,000,000 & up	--	--	--	--
\$7,000,000 - \$7,999,999	--	--	--	--
\$6,000,000 - \$6,999,999	--	--	--	--
\$5,000,000 - \$5,999,999	--	--	--	--
\$4,000,000 - \$4,999,999	107	464	286	286
\$3,000,000 - \$3,999,999	6	1519	320	123
\$2,000,000 - \$2,999,999	12	322	135	100
\$1,000,000 - \$1,999,999	1	729	163	116
\$500,000 - \$999,999	2	869	187	113
Under \$500,000	--	--	--	--
Any Price	1	1519	182	113

- Preferred Views:
 - 78, or 66.10 %, had at least a small Sunset view
 - 61, or 51.69%, had at least a small City Light view
 - 49, or 41.53%, had at least a small McDowell Mountain view
 - 41, or 34.75%, had at least a small Golf Course view
- Home Bedroom and Den Profile:
 - 19, or 16.10%, had three bedrooms and no den
 - 18, or 15.25%, had three bedrooms and a den
 - 17, or 14.41%, had four bedrooms and a den
 - 16, or 13.56%, had three bedrooms, a den, and a guest house

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 nearly twenty-nine 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 "David Lewis". The signature is written in a cursive style with a large initial 'D' and 'L'.

David Lewis