

November 2020

As you can see from The Davis Driver Group's "Market Velocity Report" below, as of the morning of October 1<sup>st</sup>, demand for real estate here exploded during September, for both homesites and homes. Our report tallies the number of accepted contracts, not closings. Most do go on to close. Here is what happened in Homesites:

<b>Homesites</b>	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
<b>Total No. of Homesites:</b>	<b>58</b>	<b>73</b>	<b>73</b>	<b>45</b>	66%	<b>58</b>	91%	129%/215%
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>8</u>	218%	200%
August	<u>3</u>	<u>7</u>	<u>5</u>	<u>2</u>	40%	<u>5</u>	107%	250%
September	<u>4</u>	<u>4</u>	<u>5</u>	<u>1</u>	23%	<u>17</u>	510%	1,700%
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%

As you can see, having 17 homesites go under contract in one month is unprecedented. Most (13) were for list prices at or below \$300,000. However, others went under contract listed for \$499,000, \$595,000, \$685,000, and \$1,000,000. This activity has precipitated a few price increases, three of them coming into play as of October 1: Grey Fox 22 went from \$149,000 to \$179,000; Arrowhead 3 from \$199,000 to \$245,000, and Arrowhead 42 from \$1,300,000 to \$1,895,000. I expect other increases will be coming soon.

As of the morning of October 1, there were only 43 homesites listed for sale. The average list price of the 43 that were offered without any kind of membership in the Desert Mountain Club was \$585,255. Seventeen were priced at \$299,000 or less. Of these, ten had main views that including a road in the foreground. Six of these were Desert Mountain Parkway or Cave Creek Road. So, to say the homesite inventory is getting "thin" is a colossal understatement. Only five of the 43 sites have meaningful views of both city lights and the McDowell Mountains, and the least expensive one of those was Saguario Forest 336, priced at \$695,000. Apache Peak 65 was

next, at \$699,000. Two more (Lost Star 11 and Saguaro Forest 339) followed at \$799,000, with a top price of \$2,495,000 on Saguaro Forest 246.

Here is what happened in Homes:

<b>Homes</b>	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
<b>Total No. of Homes:</b>	<u>119</u>	<u>133</u>	<u>146</u>	<u>168</u>	127%	<u>181</u>	121%	108%/146%
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>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>28</u>	764%	560%
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%

Twenty-eight homes going under contract in one month! \$59,587,500 in list price value! Four *unstarted* spec homes were in the group, priced at \$4,400,000 (\$973.45 per square foot); \$4,100,000 (\$655.79 per square foot); \$3,800,000 (\$666.67); and \$2,798,500 (\$642.30). Of the thirty-eight homes that were under contract as of October 1, nine of them, or 23.7%, were listed for at least \$621.88 per square foot (see the table below). In the last year, out of 199 closed sales, only thirteen were listed for that much, for a percentage of 6.5%.

<u>Lot</u>	<u>List Price</u>	<u>List Price/SF</u>	<u>Physical Status</u>	<u>Size</u>
SEV- 16	\$8,500,000	\$1,399.87	U	6,072
GQ - 13	\$4,400,000	\$973.45	I	4,520
SAG-110	\$4,995,000	\$819.39	U	6,096
SAG-187	\$3,100,000	\$732.69	U	4,231
CTR- 11	\$3,295,000	\$710.13	F	4,640
SAG-127	\$3,800,000	\$666.67	I	5,700
EF -396	\$4,100,000	\$655.79	I	6,252
SUN- 7	\$2,798,500	\$642.30	I	4,357
PS - 49	\$2,985,000	\$621.88	U	4,800

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 10/01/2020

157 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	0.64% (1)	0.64% (1)	--	--	--	--
\$7,000,000 - \$7,999,999	--	--	--	--	--	--
\$6,000,000 - \$6,999,999	--	--	--	--	--	--
\$5,000,000 - \$5,999,999	0.64% (1)	--	--	0.64% (1)	--	--
\$4,000,000 - \$4,999,999	1.27% (2)	--	--	1.27% (2)	--	--
\$3,000,000 - \$3,999,999	8.92% (14)	--	1.91% (3)	5.10% (8)	1.91% (3)	--
\$2,000,000 - \$2,999,999	13.38% (21)	--	0.64% (1)	5.10% (8)	7.64% (12)	--
\$1,000,000 - \$1,999,999	43.31% (68)	--	--	10.19% (16)	31.85% (50)	1.27% (2)
\$500,000 - \$999,999	31.85% (50)	--	--	--	21.02% (33)	10.83% (17)
Under \$500,000	--	--	--	--	--	--
Any Price	100.00% (157)	0.64% (1)	2.55% (4)	22.29% (35)	62.42% (98)	12.10% (19)

If you are interested, you can find the Market Velocity Report anytime on the Home Page of our main website, [www.propertiesofdesertmountain.com](http://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 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](mailto:Davis@DavisDriver.com).

Sincerely,

