

February 2021

As you can see from The Davis Driver Group’s “Market Velocity Report” below, as of the evening of January 13, 2021, demand for both homesites and homes continued to be exceptional in December, with homes getting off to a solid start in January.

Here is what happened in Homesites:

Homesites	2017	2018	2019	2020	2020 vs. Avg. for Last Three Years	2021 (YTD)	2021 vs. Avg. for Last Three Years	2021 vs. Last Year vs. Last Year YTD
Total No. of Homesites:	<u>74</u>	<u>73</u>	<u>45</u>	<u>89</u>	139%	<u>1</u>	1%	1%/100%
January	<u>7</u>	<u>10</u>	<u>2</u>	<u>5</u>	79%	<u>1</u>	18%	20%
February	<u>3</u>	<u>7</u>	<u>3</u>	<u>4</u>	92%	--	0%	0%
March	<u>8</u>	<u>4</u>	<u>5</u>	--	0%	--	0%	0%
April	<u>8</u>	<u>14</u>	<u>3</u>	<u>4</u>	48%	--	0%	0%
May	<u>10</u>	<u>6</u>	<u>4</u>	<u>6</u>	90%	--	0%	0%
June	<u>8</u>	<u>2</u>	<u>2</u>	<u>11</u>	275%	--	0%	0%
July	<u>2</u>	<u>5</u>	<u>4</u>	<u>8</u>	218%	--	0%	0%
August	<u>7</u>	<u>5</u>	<u>2</u>	<u>5</u>	107%	--	0%	0%
September	<u>4</u>	<u>5</u>	<u>1</u>	<u>17</u>	510%	--	0%	0%
October	<u>3</u>	<u>4</u>	<u>5</u>	<u>9</u>	225%	--	0%	0%
November	<u>10</u>	<u>9</u>	<u>10</u>	<u>9</u>	93%	--	0%	0%
December	<u>4</u>	<u>2</u>	<u>4</u>	<u>11</u>	330%	--	0%	0%

The tables also give the reader a way to compare 2020 to the last three years. In the case of homesites, 2020 had essentially twice as many go under contract as 2019. This is not sustainable, as of January 13, 2021, there were only 26 homesites listed for sale. Another 265 remain unbuilt upon, and not owned by a neighbor to protect privacy or views (we show 109 sites owned for these purposes), but it seems unlikely that sixty or seventy of these are going to suddenly come on the market. As a result, we expect lot prices to sharply increase, across the board.

As it is now, out of the twenty-six, only a few have a marketable combination of solar orientation, relative ease of development, a decent view of something (we grade ten different views on a 0 to 5 scale, to make finding lots with the “right” views easy), not requiring a lower-level garage, and not overlooking even an interior street, much less Desert Mountain Parkway or Cave Creek Road. If you would like more details, give us a call.

Here is what happened in Homes:

Homes	2017	2018	2019	2020	2020 vs. Avg. for Last Three Years	2021 (YTD)	2021 vs. Avg. for Last Three Years	2021 vs. Last Year/vs. Last Year YTD
Total No. of Homes:	<u>133</u>	<u>146</u>	<u>168</u>	<u>259</u>	174%	<u>11</u>	6%	4%/275%
January	<u>12</u>	<u>14</u>	<u>9</u>	<u>16</u>	137%	<u>11</u>	85%	69%
February	<u>10</u>	<u>16</u>	<u>9</u>	<u>23</u>	197%	--	0%	0%
March	<u>15</u>	<u>17</u>	<u>16</u>	<u>18</u>	113%	--	0%	0%
April	<u>21</u>	<u>19</u>	<u>35</u>	<u>18</u>	72%	--	0%	0%
May	<u>13</u>	<u>25</u>	<u>28</u>	<u>21</u>	95%	--	0%	0%
June	<u>9</u>	<u>8</u>	<u>9</u>	<u>26</u>	100%	--	0%	0%
July	<u>6</u>	<u>8</u>	<u>5</u>	<u>18</u>	284%	--	0%	0%
August	<u>10</u>	<u>12</u>	<u>7</u>	<u>14</u>	145%	--	0%	0%
September	<u>3</u>	<u>3</u>	<u>5</u>	<u>27</u>	734%	--	0%	0%
October	<u>2</u>	<u>6</u>	<u>17</u>	<u>30</u>	180%	--	0%	0%
November	<u>15</u>	<u>10</u>	<u>19</u>	<u>23</u>	157%	--	0%	0%
December	<u>17</u>	<u>8</u>	<u>9</u>	<u>25</u>	221%	--	0%	0%

259 contracts on homes during 2020, compared to only 168 in 2019, with all the challenges that 2020 uniquely presented everyone, is a truly amazing outcome. It speaks to an *extraordinary* migration from major cities (anecdotally, principally from coastal cities) to cities all over the United States. Low interest rates have helped, but the motivations driving these tens of thousands of people seem to be based on other factors, factors that are not likely to go away anytime soon. So, we see demand for real estate in Desert Mountain staying strong for some time.

As a result of all this frenetic selling, only 68 homes were on the market as of the evening of January 13, just 3.57% of the 1,830 finished homes in Desert Mountain that were not listed for sale or already under contract. 43 were under contract. Of these 43, sixteen were the private party speculative homes shown to the right.

Note that one-quarter of these sixteen were put under contract prior to construction even starting. Approximately 64 homes are under construction (which might sound like a big number, but I remember year after year when the number of homes under construction was always over 100). Of these 64, three appear to be future spec homes that are not yet listed. Six other spec homes that are under construction are listed, none for less than \$2,845,000, or for less than \$632.27 per square foot. Four of the six that are under construction are in the \$600 per square foot range, and the other two are in the \$800 per square foot range. There were zero completed, available spec homes. Twenty-two spec homes were listed for sale:

<u>Lot</u>	<u>List Price</u>	<u>List Price/SF</u>	<u>Physical Status</u>	<u>Size</u>
CTR- 8	\$10,000,000	\$1,129.31	U	8,855
SAG-110	\$4,995,000	\$819.39	U	6,096
LS - 28	\$3,288,000	\$719.47	U	4,570
SEV- 8	\$3,500,000	\$700.42	I	4,997
SAG-127	\$3,800,000	\$666.67	I	5,700
EF -396	\$4,100,000	\$655.79	I	6,252
LS - 49	\$2,985,000	\$609.06	U	4,901
PS - 86	\$2,895,000	\$596.54	U	4,853
EF -451	\$2,595,000	\$572.09	U	4,536
GF -169	\$2,250,000	\$515.46	U	4,365
GQ - 58	\$2,184,000	\$507.91	I	4,300
GQ -102	\$2,295,000	\$505.95	U	4,536
SR -309	\$1,995,000	\$476.25	U	4,189
GF -159	\$1,950,000	\$437.61	U	4,456
GQ - 10	\$1,699,000	\$427.74	U	3,972
EF -379	\$1,750,000	\$406.98	U	4,300

<u>Lot</u>	<u>List Price</u>	<u>List Price/SF</u>	<u>Physical Status</u>	<u>Size</u>
SAG-107	\$16,500,000	\$1,673.43	I	9,860
SAG-100	\$10,850,000	\$1,237.74	I	8,766
SAG-182	\$5,995,000	\$1,059.56	I	5,658
CTR- 7	\$9,995,000	\$1,014.72	I	9,850
SAG- 50	\$5,495,000	\$933.57	I	5,886
SAG-109	\$5,000,000	\$871.84	U	5,735
CTR- 12	\$4,995,000	\$825.76	U	6,049
EF -401	\$3,500,000	\$777.78	I	4,500
SR -251	\$3,385,000	\$685.08	I	4,941
CTR- 2	\$2,995,000	\$678.37	I	4,415
GQ -111	\$2,950,000	\$665.16	I	4,435
AH - 37	\$3,995,000	\$660.33	U	6,050
GQ -186	\$2,845,000	\$658.56	U	4,320
SR -222	\$3,767,000	\$655.36	U	5,748
GQ -150	\$2,999,000	\$641.50	I	4,675
MS - 8	\$3,088,000	\$632.27	U	4,884
AH - 46	\$2,995,000	\$611.35	I	4,899
GQ - 7	\$1,989,000	\$552.50	I	3,600
MS - 9	\$2,225,000	\$550.74	I	4,040
SR -280	\$2,795,000	\$537.50	I	5,200
SR -292	\$2,895,000	\$537.11	I	5,390
SR -224	\$2,475,000	\$504.59	I	4,905



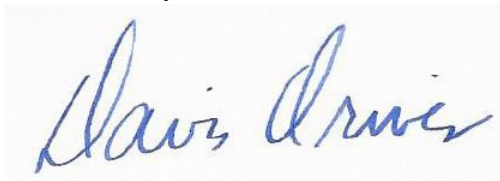
It is interesting to note the least expensive one is \$2,475,000. We know of two qualified parties who have shown interest in the very top end of our market, Saguaro Forest 107 and 100. Perhaps by the time I write this column the next time, we will be able to report one or both having gone under contract.

In summary, it appears that the laws of supply and demand are favoring sellers in “Mainland Desert Mountain” (activity in Seven is not treated here, but it has not enjoyed the level of activity that property behind the Main Gate has enjoyed).

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).

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 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 at (602) 399 0116, or at [Davis@DavisDriver.com](mailto:Davis@DavisDriver.com).

Sincerely,

A handwritten signature in blue ink that reads "Davis Driver". The signature is written in a cursive, flowing style.