

August 2021

As you can see from The Davis Driver Group’s proprietary RCD9 System’s “Market Velocity Report” below (which shows property escrows in the indicated time period, excluding activity in Seven), as of the morning of July 2, 2021, only twenty-two homesites were for sale in all of Desert Mountain. The least expensive one was listed for \$249,000. Only two others were at below \$295,000.

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>76</u>	<u>45</u>	<u>90</u>	138%	<u>47</u>	67%	52%/152%
January	<u>7</u>	<u>10</u>	<u>2</u>	<u>5</u>	79%	<u>9</u>	159%	180%
February	<u>3</u>	<u>7</u>	<u>3</u>	<u>4</u>	92%	<u>9</u>	193%	225%
March	<u>8</u>	<u>4</u>	<u>5</u>	<u>1</u>	18%	<u>10</u>	300%	1,000%
April	<u>8</u>	<u>14</u>	<u>3</u>	<u>4</u>	48%	<u>9</u>	129%	225%
May	<u>10</u>	<u>8</u>	<u>4</u>	<u>5</u>	68%	<u>6</u>	106%	120%
June	<u>8</u>	<u>3</u>	<u>2</u>	<u>11</u>	254%	<u>3</u>	56%	27%
July	<u>2</u>	<u>5</u>	<u>4</u>	<u>8</u>	218%	<u>1</u>	18%	13%
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>10</u>	250%	--	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 drop off in demand is likely due to a couple of factors: 1) the onset of summer, 2) the diminishing average quality of lot for the amount of money being asked (aka “rising prices”). It will be interesting to see if July demand for lots bounces back a little.

As for homes, 42 were listed for sale.

Of these, 18 were not-yet-started spec homes. Four were under-construction spec homes (with the low being \$2,775,000/\$616.67 per square foot, then \$2,995,000/\$651.09, then \$4,298,000/\$710.41, then \$6,450,000/\$1,139.98. The remaining twenty were existing, non-spec homes, with the lowest four priced at \$1,295,000, \$1,859,000, \$2,400,000, and \$3,250,000. On a per square foot basis, the four lowest were \$418.80, \$455.83, \$506.15, and \$545.87. The average list price per square foot is \$699.82.

Thirty-six homes were Pending. Their average size was 5,017 square feet. Their average list price was \$3,094,190. Of these, six were semi-custom, ranging in list price from \$1,150,000 to \$3,999,000. There were fourteen used custom homes Pending, ranging in list price from \$1,199,000 to \$4,495,000. On a list price per square foot basis, the low was \$332.51, the high was \$730.69, and the average was \$503.54.

To give you an idea of how fast the market has been changing, the average sales price per square foot of the 54 used custom homes that have closed in the last ninety days was \$481.66. That is a meteoric rise in prices.

Here is the Market Velocity Report for homes as of July 2:

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:	133	146	168	256	172%	163	86%	64%/133%
January	12	14	9	16	137%	27	208%	169%
February	10	16	9	23	197%	26	163%	113%
March	15	17	16	18	113%	42	247%	233%
April	21	19	35	18	72%	24	100%	133%
May	13	25	28	21	95%	28	114%	133%
June	9	8	9	26	300%	16	112%	62%
July	6	8	5	18	284%	--	0%	0%
August	10	12	7	14	145%	--	0%	0%
September	3	3	5	27	736%	--	0%	0%
October	2	6	17	29	348%	--	0%	0%
November	15	10	19	23	157%	--	0%	0%
December	17	8	9	23	203%	--	0%	0%

Given the arrival of summer, the rise in asking prices, and the shrinking amount of inventory, it was not surprising to see demand soften in June. We will have to wait and see what July holds.

Here is another way to look at demand on a per square foot basis:

Buying Decisions - Market Velocity - by Sales Price per Square Foot

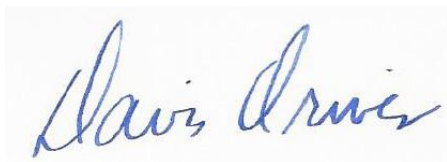
	Homes Sold Over the Last Four Years by Sales Price/SF				Totals for Four Years	Pending	Number of Homes Currently Listed in this Price Range	Indicated Months Supply based on last twenty-four months of demand
	July 4, 2017 to July 3, 2018	July 4, 2018 to July 3, 2019	July 4, 2019 to July 3, 2020	July 4, 2020 to July 3, 2021				
\$100 to \$149.99	--	--	--	--	--	--	--	Infinite - No Current Supply
\$150 to \$199.99	<u>2</u>	<u>6</u>	<u>3</u>	--	<u>11</u>	--	--	Infinite - No Current Supply
\$200 to \$249.99	<u>32</u>	<u>19</u>	<u>19</u>	<u>8</u>	<u>78</u>	--	--	Infinite - No Current Supply
\$250 to \$299.99	<u>29</u>	<u>30</u>	<u>41</u>	<u>29</u>	<u>129</u>	--	--	Infinite - No Current Supply
\$300 to \$349.99	<u>29</u>	<u>33</u>	<u>30</u>	<u>43</u>	<u>135</u>	<u>2</u>	--	Infinite - No Current Supply
\$350 to \$399.99	<u>28</u>	<u>24</u>	<u>25</u>	<u>51</u>	<u>128</u>	<u>4</u>	--	Infinite - No Current Supply
\$400 to \$449.99	<u>14</u>	<u>17</u>	<u>19</u>	<u>39</u>	<u>89</u>	<u>5</u>	<u>1</u>	0.38
\$450 to \$499.99	<u>8</u>	<u>3</u>	<u>6</u>	<u>31</u>	<u>48</u>	<u>2</u>	<u>1</u>	0.62
\$500 to \$549.99	<u>3</u>	<u>5</u>	<u>4</u>	<u>25</u>	<u>37</u>	<u>3</u>	<u>3</u>	2.25
\$550 to \$599.99	<u>4</u>	<u>6</u>	<u>2</u>	<u>18</u>	<u>30</u>	<u>5</u>	<u>10</u>	9.60
\$600 to \$649.99	<u>2</u>	<u>3</u>	<u>5</u>	<u>15</u>	<u>25</u>	<u>3</u>	<u>5</u>	5.22
\$650 to \$699.99	--	<u>4</u>	<u>1</u>	<u>8</u>	<u>13</u>	<u>7</u>	<u>5</u>	7.50
\$700 to \$749.99	--	--	<u>3</u>	<u>12</u>	<u>15</u>	<u>2</u>	<u>5</u>	7.06
\$750 to \$799.99	--	--	--	<u>5</u>	<u>5</u>	<u>1</u>	<u>2</u>	8.00
\$800 to \$899.99	--	--	<u>2</u>	<u>2</u>	<u>4</u>	<u>4</u>	--	Infinite - No Current Supply
\$900 to \$999.99	--	--	<u>3</u>	<u>4</u>	<u>7</u>	<u>1</u>	<u>2</u>	6.00
\$1,000 and up	<u>1</u>	<u>1</u>	--	<u>6</u>	<u>8</u>	<u>1</u>	<u>8</u>	27.43
Total	152	151	163	296		40	42	

As you can see, the price bands at or above \$300 per square foot have seen exceptional growth over the last year.

The Davis Driver Group has the best market data on Desert Mountain thanks to our proprietary RCD9 System, in which we have invested approximately \$1,200,000 over the last thirty years. It gives us and our listing and buying clients material advantages over all other agents and brokerages since they all only have the generic Multiple Listing Service on which to rely.

If you would like to know more, give me a call. We would be glad to answer your questions!

Sincerely,




Jack and Kathleen Spidell Ann and Davis Driver