

October 2021

According to The Davis Driver Group's records, in our proprietary RCD9 System, as of the afternoon of September 1, 2021, only eighteen homesites were for sale in Desert Mountain:

Available Homesites as of September 1, 2021
Prepared for Readers of Desert Living magazine
Sorted by List Price

<u>Lot</u>	<u>Lot Size</u>	<u>Env Size</u>	<u>List Price</u>	<u>DOM</u>	<u>Lot Faces</u>	<u>Golf Course</u>	<u>Lights</u>	<u>McDowell Mtn.</u>	<u>Sunset</u>
SAG-279	310,331	132,647	\$4,000,000	76	SW				2
SAG-246	412,869	17,124	\$2,495,000	946	S		3	5	2
CGV- 18	88,700	19,800	\$2,495,000	217	SW				
CTR- 14	113,692	27,055	\$2,000,000	296	SW		2		
SAG-185	114,909	22,171	\$1,870,000	98	SW		3	1	2
SEV- 12	91,247	25,154	\$1,450,000	186	S	2	3	5	
LM - 25	320,108	36,710	\$1,299,000	191	S		4	5	
SAG-346	120,604	30,886	\$995,000	307	S			1	1
SAG-295	52,563	20,152	\$933,000	104	S			4	
SAG-327	82,582	23,025	\$925,000	167	S		1		
AP - 71	29,715	15,541	\$875,000	66	SW		4	4	3
SAG- 25	32,014	19,762	\$745,000	128	SW	1	1	2	2
SUN- 71	29,828	14,400	\$645,000	146	SE		1	1	1
MS - 9	29,163	16,510	\$599,000	144	NW		1		
AH - 3	39,524	27,000	\$499,000	1,366	S		1	1	2
EF -420	51,616	20,670	\$495,000	14	W	2	2		3
SR -209	35,711	20,162	\$449,000	7	NW	1			3
GF -107	18,586	13,020	\$299,900	4	SW		2		2

(The single digit numbers in the four left-most columns are "View Grades", numbers from 0 to 5 that I assign to ten different views a given property might have)

Remarkably enough, that was three more than the number of existing homes that were for sale on that day, only fifteen (which included zero semi-custom homes and zero finished spec homes):

Available Homes as of September 1, 2021
Prepared for Readers of Desert Living magazine
Sorted by List Price
 Physical Status: Finished

<u>Lot</u>	<u>List Price</u>	<u>List Price/SF</u>	<u>Size</u>	<u>Arch Style</u>	<u>DOM</u>	<u>Lot Faces</u>	<u>Finish Date</u>
SAG-341	\$9,995,000	\$1,295.02	7,718	TUSC	227	S	11/10/2019
LS - 21	\$7,500,000	\$960.80	7,806	SWCN	112	S	04/07/2003
CGV- 4	\$6,195,000	\$948.41	6,532	SWCN	15	SW	06/15/2008
SEV- 13	\$5,900,000	\$711.19	8,296	SWCN	104	S	11/06/2006
AP - 87	\$5,890,000	\$912.75	6,453	SWCN	237	SW	07/01/1998
CGV- 26	\$4,950,000	\$564.68	8,766	TUSC	245	W	06/08/2007
SAG-297	\$4,500,000	\$720.92	6,242	CNTP	136	S	01/15/2009
SUN- 26	\$4,395,000	\$764.61	5,748	SWCN	16	SW	01/23/2001
LS - 33	\$3,895,000	\$642.63	6,061	SWCN	15	SW	04/10/2006
SEV- 23	\$3,350,000	\$585.26	5,724	TERR	130	S	08/15/2005
SAG- 89	\$3,350,000	\$545.87	6,137	TUSC	97	SE	12/07/2006
GQ - 15	\$3,350,000	\$551.89	6,070	TUSC	71	N	02/22/2007
SAG-150	\$3,295,000	\$605.14	5,445	TUSC	114	SW	03/01/2008
RQ - 67	\$1,859,000	\$418.88	4,438	TERR	160	S	07/14/2000
MS - 22	\$1,499,000	\$362.87	4,131	SWCN	1	NW	01/01/1995

Records 1 to 15 of 15

Summary				
NON (15)				
	<u>SF</u>	<u>LP</u>	<u>LP/SF</u>	<u>DOM</u>
Largest	8,766	\$9,995,000	\$1,295.02	245
Smallest	4,131	\$1,499,000	\$362.87	1
Average	6,371	\$4,661,533	\$706.06	112

Both totals, for available homesites and available homes, are in completely uncharted waters for everyone in the community, owners as well as Realtors, much less prospective purchasers.

Consider these facts:

- In a “balanced” market, one would expect to see about ten percent of a given community’s real estate up for sale, roughly 190 homes in our case at this time
- This would seem to imply that about ten percent of a community would sell in a given year, or about 190 sales

- In the 365-day period between September 1, 2020, and August 31, 2021, 271 homes went under contract, about 43% more than in a normal market
- 271 minus 190 is 81
- These 81 homes appear to me to be “borrowed” from what would have been sold over the next year (or maybe longer)

So, as I contemplate *why there are only fifteen homes for sale*, even as our market continues to display great activity, even during the summer (see below), it appears that this hot market we have been in has motivated approximately 81 owners here to sell months or years earlier than they probably would have sold had things remained normal. If this is true, then it could be a long time before we get back to 190 homes for sale around here.

Along with this, from our interviews with buyers as to why they are moving here from wherever they have been living, it looks like the things that are making them unhappy with their current situation are going to take years, or decades, to fix. Maybe the number of people who can afford to leave these places will dwindle in numbers, but it would appear that the number of people who want to make a move will likely remain high.

As a result, it looks like we will a severe market imbalance for quite some time.

Here’s a snapshot of our RCD9 System’s “Market Velocity Report” for Homesites as of September 1, 2021 (which shows the number of homesites or homes that have gone under contract in a given month, not how many sold in that given month):

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>56</u>	80%	62%/124%
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>4</u>	75%	36%
July	<u>2</u>	<u>5</u>	<u>4</u>	<u>8</u>	218%	<u>2</u>	35%	25%
August	<u>7</u>	<u>5</u>	<u>2</u>	<u>5</u>	107%	<u>7</u>	175%	140%
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%

And, here’s the snapshot of home selling activity:

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%	179	94%	70%/116%
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%	10	97%	56%
August	10	12	7	14	145%	5	45%	36%
September	3	3	5	27	736%	1	9%	4%
October	2	6	17	29	348%	--	0%	0%
November	15	10	19	23	157%	--	0%	0%
December	17	8	9	23	203%	--	0%	0%

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