

July 2022

As of the afternoon of June 1, there were twenty-four homesites for sale in Desert Mountain, in the following price bands, up one from a month ago, and net of four sites spoken for during May. The four ranged in list price from \$550,000 to \$1,049,000. One, Painted Sky 60, included a Full Golf Membership purchase opportunity.

	<u>Today</u>	<u>Last Month</u>
Lowest Priced Lot	- \$439,000	\$440,000
Number priced in the \$300,000s	- 0	0
Number priced in the \$400,000s	- 4	4
Number priced in the \$500,000s	- 5	6
Number priced in the \$600,000s	- 4	3
Number priced in the \$700,000s	- 4	2
Number priced in the \$800,000s	- 0	0
Number priced in the \$900,000s	- 1	1
Number priced at \$1,000,000 or more	- 8	8

Only two of the twenty-four were offered with a Full Golf Membership (Saguaro Forest 100 at \$3,395,000, and Mountain Skyline 52 at \$995,999) and one was offered with a Lifestyle (Eagle Feather 364 at \$440,000).

Here is a snapshot of home selling activity:

Homes	2018	2019	2020	2021	2021 vs. Avg. for Last Three Years	2022 (YTD)	2022 vs. Avg. for Last Three Years	2022 vs. Last Year/vs. Last Year YTD
Total No. of Homes:	<a href="#">146</a>	<a href="#">168</a>	<a href="#">255</a>	<a href="#">228</a>	120%	<a href="#">70</a>	32%	31%/48%
January	<a href="#">14</a>	<a href="#">9</a>	<a href="#">16</a>	<a href="#">28</a>	215%	<a href="#">5</a>	28%	18%
February	<a href="#">16</a>	<a href="#">9</a>	<a href="#">23</a>	<a href="#">26</a>	163%	<a href="#">20</a>	103%	77%
March	<a href="#">17</a>	<a href="#">16</a>	<a href="#">18</a>	<a href="#">41</a>	241%	<a href="#">18</a>	72%	44%
April	<a href="#">19</a>	<a href="#">35</a>	<a href="#">18</a>	<a href="#">23</a>	96%	<a href="#">12</a>	47%	52%
May	<a href="#">25</a>	<a href="#">28</a>	<a href="#">21</a>	<a href="#">28</a>	114%	<a href="#">15</a>	58%	54%
June	<a href="#">8</a>	<a href="#">9</a>	<a href="#">26</a>	<a href="#">16</a>	112%	--	0%	0%
July	<a href="#">8</a>	<a href="#">5</a>	<a href="#">18</a>	<a href="#">10</a>	97%	--	0%	0%
August	<a href="#">12</a>	<a href="#">7</a>	<a href="#">14</a>	<a href="#">5</a>	45%	--	0%	0%
September	<a href="#">3</a>	<a href="#">5</a>	<a href="#">27</a>	<a href="#">11</a>	94%	--	0%	0%
October	<a href="#">6</a>	<a href="#">17</a>	<a href="#">29</a>	<a href="#">9</a>	52%	--	0%	0%
November	<a href="#">10</a>	<a href="#">19</a>	<a href="#">23</a>	<a href="#">21</a>	121%	--	0%	0%
December	<a href="#">8</a>	<a href="#">9</a>	<a href="#">22</a>	<a href="#">10</a>	77%	--	0%	0%

May showed a small but reassuring uptick compared to April. Eleven of the fifteen homes spoken for in May were offered with Full Golf Memberships. The other four had no membership involved.

As for available homes, thirty-four finished homes were on the market on the afternoon of June 1, compared to thirty-two on May 1, net of fifteen that went under contract in May (compared to 28 last May, and 23 last April). **119 have gone under contract since September 1; for comparison, 240 went under contract during this same time frame the previous season, a 49.6% drop.**

Of these available thirty-four, nine were offered with a Full Golf Membership from the seller, through the Club. They ranged in list price from \$1,325,000 to \$16,000,000. Encouragingly enough, fifteen were listed for under \$3,000,000, and two were listed for that price.

The fact that we had fifteen homes go under contract in May, especially the number of relatively expensive homes (\$7,000,000; \$6,075,000; \$5,600,000; \$5,495,000; \$4,250,000, \$3,850,000; \$3,850,000, and \$3,595,000), is encouraging considering the headwinds (war, inflation, stock market decline, sharply rising prices in Desert Mountain) that conventional wisdom would say should be hurting our market.



However, the story within the story, one that could become *the* story in the months and years to come, is the Desert Mountain Club's running out of memberships, and the resulting difficulty sellers will likely have in getting their homes sold, almost regardless of price, if they don't have a membership to pass on to their buyers through the Club. This will be especially true if the property is further disadvantaged in one or more other ways (old age; lack of view; undesirable floor plan; a noisy location; major remodeling needed; etc.). This issue is likely to be especially problematic for prospective home builders who are sitting on buildable, but effectively unsaleable lot inventory.

You can find an up to date "live" version of this report (along with a substantial amount of other detailed research not findable anywhere else) at [PropertiesofDesertMountain.com](http://PropertiesofDesertMountain.com). Paying attention to detail like we do helps save our clients time and money, even in a strong market. We believe quality is more important to our clients than quantity. If you would like to know more, give me a call at 602 399 0116. I would be glad to answer your questions!

Sincerely,

*Davis Driver*



Kathleen and Jack Spidell, Ann and Davis Driver, Donna Legate and Bob Terry