

August 2022

As of the morning of June 28, there were twenty-three homesites for sale in Desert Mountain, in the following price bands, down one from a month ago, and net of just two sites spoken for so far during June. The two included Eagle Feather 364, listed at \$440,000 with a Lifestyle membership available, and Saguaro Forest 112, listed at \$1,950,000 with no membership.

	<u>Today</u>	<u>Last Month</u>
Lowest Priced Lot	- \$430,000	\$439,000
Number priced in the \$300,000s	- 0	0
Number priced in the \$400,000s	- 3	4
Number priced in the \$500,000s	- 5	5
Number priced in the \$600,000s	- 2	4
Number priced in the \$700,000s	- 3	4
Number priced in the \$800,000s	- 0	0
Number priced in the \$900,000s	- 1	1
Number priced at \$1,000,000 or more	- 9	8

Only two of the twenty-three were offered with a Full Golf Membership (Saguaro Forest 100 at \$3,395,000 and Mountain Skyline 52 at \$995,000). None were offered with a Lifestyle.

Here is a snapshot of homesite selling activity:

Homesites	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 Homesites:	<u>76</u>	<u>45</u>	<u>93</u>	<u>80</u>	112%	<u>22</u>	30%	28%/46%
January	<u>10</u>	<u>2</u>	<u>5</u>	<u>9</u>	159%	<u>7</u>	131%	78%
February	<u>7</u>	<u>3</u>	<u>4</u>	<u>10</u>	214%	<u>6</u>	106%	60%
March	<u>4</u>	<u>5</u>	<u>1</u>	<u>10</u>	300%	<u>2</u>	38%	20%
April	<u>14</u>	<u>3</u>	<u>4</u>	<u>9</u>	129%	<u>1</u>	19%	11%
May	<u>8</u>	<u>4</u>	<u>5</u>	<u>6</u>	106%	<u>4</u>	80%	67%
June	<u>3</u>	<u>2</u>	<u>11</u>	<u>4</u>	75%	<u>2</u>	35%	50%
July	<u>5</u>	<u>4</u>	<u>8</u>	<u>2</u>	35%	--	0%	0%
August	<u>5</u>	<u>2</u>	<u>5</u>	<u>7</u>	175%	--	0%	0%
September	<u>5</u>	<u>1</u>	<u>17</u>	<u>3</u>	39%	--	0%	0%
October	<u>4</u>	<u>5</u>	<u>10</u>	<u>7</u>	111%	--	0%	0%
November	<u>9</u>	<u>10</u>	<u>10</u>	<u>5</u>	52%	--	0%	0%
December	<u>2</u>	<u>4</u>	<u>13</u>	<u>8</u>	126%	--	0%	0%

Pretty slow market for homesites, not surprising given: 1) the lack of membership-equipped opportunities; 2) the fact that we are getting somewhat low in potential inventory, not only in number (our records show only 228 unbuilt-upon homesites left in addition to the 101 sites

owned by a neighbor to protect views or privacy) but also in quality; 3) looming recession concerns; and 4) people who have been trying to sell their homesites have been asking very high prices (and, for the most part, getting them at least up until recently). One way to sum things up: the inventory, for both homes and homesites, is very “picked over” and is relatively expensive. The number of buyers who will happily pay historic premiums is shrinking quickly.

As for homes, there were fifty-eight listed for sale as of the morning of June 28. Of these, ten were not-yet-started spec homes (ranging from \$3,595,000 to \$16,500,000 in total price, and from \$768.98 to \$1,673.43 per square foot). One of their sellers had a Full Golf Membership to make available to their buyer through the Club. Seven were under-construction speculative homes. They ranged in price from \$2,995,000 (Eagle Feather 389) to \$5,450,000 (Sunrise 224). On a per square foot basis, they ranged from \$633.73 to \$942.91. Forty-one were completed homes (not a single spec home among them), ranging in price from \$1,225,000 to \$16,000,000. On a per square foot basis, the range was from \$436.58 to \$1,937.52. Sixteen of the forty-one were offered with a Full Golf Membership, at prices ranging from \$2,549,000 to \$7,600,000. On a per square basis, these “FGA” homes ranged from \$482.55 to \$1,194.59. Interestingly enough, given how much in demand Full Golf Memberships are supposed to be, the Days on Market for these homes, ranged from 5 to 482. Seven had been on the market for 26 days or less. The rest ranged from 70 days up to 482. Since June 1, five homes with FGAs have gone under contract. They ranged in List Price per Square Foot from \$574.63 to \$849.51, with an average of \$701.75. Their Days on Market ranged from 11 to 44 with an average of 23.6.

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:	146	168	255	228	120%	81	37%	36%/50%
January	14	9	16	28	215%	5	28%	18%
February	16	9	23	26	163%	20	103%	77%
March	17	16	18	41	241%	18	72%	44%
April	19	35	18	23	96%	12	47%	52%
May	25	28	21	28	114%	15	58%	54%
June	8	9	26	16	112%	11	65%	69%
July	8	5	18	10	97%	--	0%	0%
August	12	7	14	5	45%	--	0%	0%
September	3	5	27	11	94%	--	0%	0%
October	6	17	29	9	52%	--	0%	0%
November	10	19	23	21	121%	--	0%	0%
December	8	9	22	10	77%	--	0%	0%

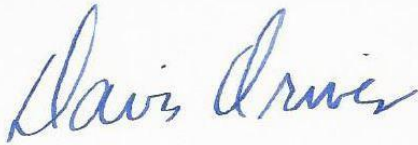
Last month, I expressed some concern about how well homes offered with no membership available would fare. Since May 1, twenty-six homes have gone under contract, with eleven of

them “naked”. That’s forty-two percent. A few of these sales might be going hand-in-hand with the purchase of a membership lot, but it would appear that at least a third, and probably more, were bought by people who did not want or need a membership. This is an encouraging number for those owners in Desert Mountain who want to sell and either keep their membership (unless the Club forbids that practice) or they do not have any membership to contribute. This tidbit of information might be comforting to the spec home builders who have “naked” lots on which they would like to build but who have been rightly concerned that, without a membership, they will not have much of a market.

You can find an up to date “live” version of these reports (along with a substantial amount of other detailed research unavailable elsewhere) at PropertiesofDesertMountain.com.

Paying attention to detail like we do helps save our clients time and money, even in a strong market. If you would like to know more, give me a call at 602 399 0116, or Kathleen Spidell at 480 553 4177. We would be glad to answer your questions!

Sincerely,

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

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



Need a Broker Opinion of Value, an asset valuation for insurance or estate planning purposes, a real estate tax appeal, or are curious about what we think your Desert Mountain home is worth, let us prepare a free, ultra-detailed List Price Analysis for you! It will clearly demonstrate why our claim to “Know More. Do More. Aim Higher.” is true and why we typically sell our listings more quickly than our competitors and how rarely we need to resort to steep discounting (defined as ten percent or more) in order to get them under contract.