

## July 2023

Overall, the market in Desert Mountain has been showing good strength, at least compared to last year. More homesites and more homes went under contract during April and May than those two months in 2022. The numbers are still down compared to an average for the last three years, but given the burst of activity due to Covid, that is not a surprise.

Here is a snapshot of homesite selling activity (number going under contract each month) as of the morning of June 1, 2023:

Homesites	2019	2020	2021	2022	2022 vs. Avg. for Last Three Years	2023 (YTD)	2023 vs. Avg. for Last Three Years	2023 vs. Last Year/vs. Last Year YTD
Total No. of Homesites:	<u>45</u>	<u>93</u>	<u>80</u>	<u>26</u>	36%	<u>16</u>	24%	62%/80%
January	<u>2</u>	<u>5</u>	<u>9</u>	<u>7</u>	131%	<u>3</u>	43%	43%/43%
February	<u>3</u>	<u>4</u>	<u>10</u>	<u>6</u>	106%	--	0%	0%/23%
March	<u>5</u>	<u>1</u>	<u>10</u>	<u>2</u>	38%	<u>4</u>	92%	200%/47%
April	<u>3</u>	<u>4</u>	<u>9</u>	<u>1</u>	19%	<u>4</u>	86%	400%/69%
May	<u>4</u>	<u>5</u>	<u>6</u>	<u>4</u>	80%	<u>5</u>	100%	125%/80%
June	<u>2</u>	<u>11</u>	<u>4</u>	<u>2</u>	35%	--	0%	0%/80%
July	<u>4</u>	<u>8</u>	<u>2</u>	<u>1</u>	21%	--	0%	0%/0%
August	<u>2</u>	<u>5</u>	<u>7</u>	--	0%	--	0%	0%/0%
September	<u>1</u>	<u>17</u>	<u>3</u>	<u>1</u>	14%	--	0%	0%/0%
October	<u>5</u>	<u>10</u>	<u>7</u>	--	0%	--	0%	0%/0%
November	<u>10</u>	<u>10</u>	<u>5</u>	--	0%	--	0%	0%/0%
December	<u>4</u>	<u>13</u>	<u>8</u>	<u>2</u>	24%	--	0%	0%/0%

**Regarding Demand for Memberships:** Of the sixteen homesites that have gone under contract so far this year, eleven of them, or 68.8%, were offered with no membership available (“NON”). The other five were offered with a Full Golf membership available (“FGA”). During the first five months of 2022, nineteen went under contract, with only one offered FGA.

**Regarding Pricing:** The one FGA homesite sold the first five months of 2022 was sold for \$650,000. The four FGA sold in the first five months of 2023 averaged \$1,260,000. We are dealing with a small dataset, but the 193.85% increase in average price for a FGA homesite is impressive. The average price increase for NON homesites was 150.47%, also impressive.

As for homesite availability, as of June 1, 2023, there were thirty-two homesites for sale in Desert Mountain (down three from last month). The least expensive site offering a Full Golf Membership (“FGA”) from the Seller through the Club, out of seven, was listed for \$700,000 (same as last two months); the top price was \$5,900,000 (no change). None were listed with a Lifestyle Membership, (no change). Our records show approximately 236 homesites have no construction on them and are not owned by a neighbor to protect views or privacy, and that 100

sites are owned by neighbors for protection. Likewise, we show 1,983 homes are completed, including 550 semi-custom homes. Approximately 70 new homes are under construction.

Here is a snapshot of home selling activity:

Homes	2019	2020	2021	2022	2022 vs. Avg. for Last Three Years	2023 (YTD)	2023 vs. Avg. for Last Three Years	2023 vs. Last Year/vs. Last Year YTD
Total No. of Homes:	<a href="#">168</a>	<a href="#">255</a>	<a href="#">226</a>	<a href="#">113</a>	52%	<a href="#">81</a>	41%	72%/116%
January	<a href="#">9</a>	<a href="#">16</a>	<a href="#">28</a>	<a href="#">5</a>	28%	<a href="#">10</a>	61%	200%/200%
February	<a href="#">9</a>	<a href="#">23</a>	<a href="#">26</a>	<a href="#">20</a>	103%	<a href="#">13</a>	57%	65%/92%
March	<a href="#">16</a>	<a href="#">18</a>	<a href="#">40</a>	<a href="#">18</a>	73%	<a href="#">15</a>	59%	83%/88%
April	<a href="#">35</a>	<a href="#">18</a>	<a href="#">23</a>	<a href="#">12</a>	47%	<a href="#">21</a>	119%	175%/107%
May	<a href="#">28</a>	<a href="#">21</a>	<a href="#">28</a>	<a href="#">15</a>	58%	<a href="#">21</a>	98%	140%/114%
June	<a href="#">9</a>	<a href="#">26</a>	<a href="#">16</a>	<a href="#">8</a>	47%	<a href="#">1</a>	6%	13%/116%
July	<a href="#">5</a>	<a href="#">18</a>	<a href="#">10</a>	<a href="#">8</a>	73%	--	0%	0%/0%
August	<a href="#">7</a>	<a href="#">14</a>	<a href="#">5</a>	<a href="#">2</a>	23%	--	0%	0%/0%
September	<a href="#">5</a>	<a href="#">27</a>	<a href="#">11</a>	<a href="#">5</a>	35%	--	0%	0%/0%
October	<a href="#">17</a>	<a href="#">29</a>	<a href="#">9</a>	<a href="#">4</a>	22%	--	0%	0%/0%
November	<a href="#">19</a>	<a href="#">23</a>	<a href="#">20</a>	<a href="#">6</a>	29%	--	0%	0%/0%
December	<a href="#">9</a>	<a href="#">22</a>	<a href="#">10</a>	<a href="#">10</a>	73%	--	0%	0%/0%

**Regarding Demand for Memberships:** Of the eighty homes that have gone under contract the first five months of this year, 48 were FGA, or 60.0%; 5 were offered with the Lifestyle membership (“L’), or 6.25%; 26 were offered NON, or 32.5%; and one was offered with a Seven membership. During this same period last year, 70 homes went under contract. Of these, 32, or 45.7%, were FGA; three, or 4.3%, were L; and 35, or 50.0%, were NON.

**Regarding Pricing:** During the first five months of 2022, 32 finished homes were put under contract, FGA, and closed; the average price of these was \$2,809,125; average sales price per square foot was \$664.88, and the average discount from list was 2.17%. So far in 2023, 33 finished homes have been put under contract, FGA, and closed; the average price of these was \$3,719,991 (up 32.4%). The numbers for NON homes are: 2022 – 32, \$3,317,668 average price; \$643.23 average price per square foot; and 2.67% average discount from list. 2023 – 14, \$2,196,321 average price; \$503.44 average price per square foot; and 7.44% average discount from list.

As for home availability, sixty-three homes were listed as of June 1 without regard to current physical status or membership). Of these, nine were not-yet-started spec homes (down from fourteen a month ago), three of which were offered with an FGA. Seven were under-construction speculative homes, one offered with an FGA. Forty-seven were completed homes (down from fifty-seven last month), ranging in price from \$1,650,000 to \$13,750,000. Thirty-three were offered FGA, from \$1,650,000 in total price (up \$1,488,000 last month) up to \$13,750,000; and from \$456.60 per square foot (down from \$648.08 per square foot last month), \$1,583.19 per square foot.

As stated above, as of the morning of June 1 we showed 1,983 finished homes in Desert Mountain. Traditionally, ten percent of a community like Desert Mountain would be for sale in a “balanced” market, or about 198 homes. With our information showing only 47 finished homes for sale, which represents a shocking 2.4% of the housing stock, down from 2.9% last month. Our market continues to get even tighter. It is expensive, too! The least expensive custom home out of the twenty-three offered FGA was priced at \$2,099,000. The least expensive of these that had a decent city light view (a “grade” of 3 or better on our proprietary view grading system utilizing a 0 to 5 scale) and a southern exposure was priced at \$3,500,000/\$747.22 per square foot (Sunset Canyon 17; 4,684 square feet on the market for 74 days).

Here are some interesting tidbits about when during the year most home sales take place. By June 30, 2019, 106 homes had been spoken for, which wound up being 63.1% of the total of 168 for the year. In 2020, 122 out of 255 had been spoken for by the end of June, or 47.9% of the total. In 2021, it was 159 out of 226, or 70.4%. In 2022 it was 78 out of 113, or 69.0%. It will be interesting to see how this May and June play out compared to these recent past years.

**Our proprietary data systems provide our clients with very real advantages in list price analysis, marketing, and sales compared to other agents active in our 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! Also, if you or a friend have real estate needs outside of Desert Mountain, we are in an excellent position to be of assistance.**



Kathleen and Jack Spidell, Ann and Davis Driver

Sincerely,

Davis Driver