

## August 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, May, and June than those three months in 2022. The numbers are still down compared to an average for the last three years but given the burst of activity in those years 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 July 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>18</u>	27%	69%/82%
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>4</u>	80%	100%/75%
June	<u>2</u>	<u>11</u>	<u>4</u>	<u>2</u>	35%	<u>3</u>	53%	150%/82%
July	<u>4</u>	<u>8</u>	<u>2</u>	<u>1</u>	21%	--	0%	0%/82%
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 Homesites:** YTD compared to 2022, demand is down 14.3%, from 21 to 18. This is not surprising as the supply of homes has increased (barely, and is still shockingly low), the average quality of the remaining homesite inventory has declined, and the average homesite price has skyrocketed.

**Regarding Demand for Memberships:** Of the eighteen homesites that have gone under contract so far this year, thirteen of them, or 72.2%, were offered with no membership available (“NON”). The other five were offered with a Full Golf membership available (“FGA”). During the first six months of 2022, only one of the twenty-one that went under contract had FGA.

**Regarding Pricing:** The one FGA homesite sold the first five months of 2022 was sold for \$650,000. The five FGA sold in the first five months of 2023 averaged \$1,186,000. The 82.46% increase in average price for an FGA homesite is impressive.

**Regarding Availability:** As for homesite availability, as of July 1, 2023, there were thirty-three homesites for sale in Desert Mountain (up one from last month). The least expensive site offering a Full Golf Membership (“FGA”) from the Seller through the Club, out of nine (up two from last

month), was listed for \$700,000 (same as last three months, EF -387); the top price was \$5,900,000 (no change). None were listed with a Lifestyle Membership, (no change). Our records show approximately 230 homesites have no construction on them and are not owned by a neighbor to protect views or privacy, and that one hundred sites are owned by neighbors for protection. Likewise, we show 1,996 homes are completed, including 550 semi-custom homes. Approximately sixty-one 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="#">92</a>	46%	81%/118%
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="#">20</a>	113%	167%/105%
May	<a href="#">28</a>	<a href="#">21</a>	<a href="#">28</a>	<a href="#">15</a>	58%	<a href="#">20</a>	94%	133%/111%
June	<a href="#">9</a>	<a href="#">26</a>	<a href="#">16</a>	<a href="#">8</a>	47%	<a href="#">14</a>	84%	175%/118%
July	<a href="#">5</a>	<a href="#">18</a>	<a href="#">10</a>	<a href="#">8</a>	73%	--	0%	0%/118%
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 Homes:** The last three months, while nowhere near the numbers in 2021, have been well above those for 2022.

**Regarding Demand for Memberships:** Of the ninety-two homes that have gone under contract the first six months of this year, 56 were FGA, or 60.9%; 5 were offered with the Lifestyle membership (“L’), or 5.4%; 30 were offered NON, or 32.6%; and one was offered with a Seven membership. During this same period last year, 78 homes went under contract. Of these, 35, or 44.9%, were FGA; three, or 3.85%, were L; and 40, or 51.28%, were NON.

**Regarding Pricing:** The nineteen FGA homes spoken for during April, May, and June in 2022 (all have been sold) averaged \$3,051,947 in price. During the same time period this year, thirty-two FGA homes were spoken for, at an average price of \$3,569,734 (at an average discount from list of 4.87%).

As for home availability, 52 sixty-three homes were listed as of July 4 without regard to current physical status or membership. Of these, nine were not-yet-started spec homes, four of which were offered FGA. Seven were under-construction speculative homes, two with FGA. Thirty-six were completed homes (down from forty-seven last month), ranging in price from \$1,350,000 to \$13,750,000. Twenty-five were offered FGA, from \$1,525,000 in total price up to \$13,750,000;

and from \$480.90 per square foot (up from \$456.60 per square foot last month), to \$1,866.29 per square foot.

As stated above, as of the morning of July 4 we showed 1,996 finished homes in Desert Mountain. Traditionally, ten percent of a community like Desert Mountain would be for sale in a “balanced” market, or about 199 homes. Our information shows only 36 finished homes for sale, which represents a shocking 1.8% of the housing stock. Our market continues to get even tighter, and expensive, too! The least expensive custom home out of the twenty-five offered FGA was priced at \$1,525,000. 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 \$2,549,000/\$878.97 per square foot (Cochise Ridge 26; 2,900 square feet on the market for 77 days).

Here are 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%. Through June 30, we had 92, better than last year, but far worse than the previous three 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