

## September 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, June and July than those four 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 August 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>94</u>	<u>86</u>	<u>26</u>	35%	<u>25</u>	36%	96%/109%
January	<u>2</u>	<u>5</u>	<u>9</u>	<u>7</u>	131%	<u>4</u>	57%	57%/57%
February	<u>3</u>	<u>4</u>	<u>13</u>	<u>6</u>	90%	--	0%	0%/31%
March	<u>5</u>	<u>1</u>	<u>10</u>	<u>2</u>	38%	<u>4</u>	92%	200%/53%
April	<u>3</u>	<u>4</u>	<u>9</u>	<u>1</u>	19%	<u>4</u>	86%	400%/75%
May	<u>4</u>	<u>6</u>	<u>6</u>	<u>4</u>	75%	<u>4</u>	75%	100%/80%
June	<u>2</u>	<u>11</u>	<u>4</u>	<u>2</u>	35%	<u>4</u>	71%	200%/91%
July	<u>4</u>	<u>8</u>	<u>2</u>	<u>1</u>	21%	<u>5</u>	136%	500%/109%
August	<u>2</u>	<u>5</u>	<u>7</u>	--	0%	--	0%	0%/109%
September	<u>1</u>	<u>17</u>	<u>4</u>	<u>1</u>	14%	--	0%	0%/0%
October	<u>5</u>	<u>10</u>	<u>8</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>9</u>	<u>2</u>	23%	--	0%	0%/0%

**Regarding Demand for Homesites:** YTD compared to 2022, demand is up 9.1%, from 22 to 24. Even though the inventory of existing homes has increased very slightly, their costs have continued to skyrocket providing opportunity to homesite sellers.

**Regarding Demand for Memberships:** Of the twenty-four homesites that have gone under contract so far this year, seven of them, or 29.2%, were offered with a Full Golf Membership available (“FGA”); the balance, seventeen, or 70.8%, were offered with no membership available (“NON”). During the first seven 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 homesites sold in the first seven months of 2023 averaged \$1,186,000 (two are still under contract, listed for \$910,000 and \$795,000). The 82.46% increase in average price for an FGA homesite is impressive.

**Regarding Availability:** As for homesite availability, as of August 1, 2023, there were thirty-one homesites for sale in Desert Mountain (down two from last month). The least expensive site offering a Full Golf Membership (“FGA”) from the Seller through the Club, out of five (down four from last month), was listed for \$700,000 (same as last four months, EF -387); the top price was \$2,950,000, for Saguaro Forest 117 (Cochise-Geronimo Village # 1, listed for \$5,900,000, expired in late July). None were listed with a Lifestyle Membership, (no change). Twenty-six were listed without any membership, starting as low as \$375,000. Our records show approximately 231 custom homesites have no construction on them and are not owned by a neighbor to protect views or privacy, and that ninety-nine sites are owned by neighbors for view or privacy protection. Likewise, we show 1,998 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="#">169</a>	<a href="#">255</a>	<a href="#">227</a>	<a href="#">113</a>	52%	<a href="#">101</a>	51%	89%/117%
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="#">10</a>	<a href="#">26</a>	<a href="#">17</a>	<a href="#">8</a>	45%	<a href="#">15</a>	88%	188%/119%
July	<a href="#">5</a>	<a href="#">18</a>	<a href="#">10</a>	<a href="#">8</a>	73%	<a href="#">8</a>	67%	100%/117%
August	<a href="#">7</a>	<a href="#">14</a>	<a href="#">5</a>	<a href="#">2</a>	23%	--	0%	0%/117%
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 four months, while nowhere near the numbers in 2021, have been well above those for 2022 (63 this year vs. forty-three last year).

**Regarding Demand for Memberships:** Of the one hundred and one homes that have gone under contract the first seven months of this year, sixty-two were FGA, or 61.4%; five were offered with the Lifestyle membership (“L”), or 5.0%; 33 were offered NON, or 32.7%; and one was offered with a Seven membership. During this same period last year, eighty-six homes went under contract. Of these, 39, or 45.3%, were FGA; three, or 3.5%, were L; and forty-four, or 51.2%, were NON.

**Regarding Pricing:** The twenty-nine FGA homes sold during April, May, June, and July in 2022 averaged \$2,876,103 in price. During the same time period this year, thirty-two FGA homes have closed escrow at an average price of \$3,569,734, **an increase of 24.12%** (at an average discount from list of 4.87%).

As for home availability, fifty-five homes were listed as of August 1 without regard to current physical status or membership. Of these, eight were not-yet-started spec homes, three of which were offered FGA. Seven were under-construction speculative homes, three with FGA. Forty were completed homes (up from thirty-six last month), ranging in price from \$1,350,000 to \$13,750,000 (no change from last month). Twenty-seven were offered FGA (up two from last month), from \$1,525,000 in total price up to \$13,750,000; and from \$569.08 per square foot (up from \$480.90 per square foot last month), to \$1,866.29 per square foot.

As stated above, as of the morning of August 1 we showed 1,998 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. The forty existing homes for sale represents a shocking 2.0% of the housing stock, up from 1.8% last month. Our market remains very “tight” and getting more expensive.

Of the ninety-five homes sold since January 1, 2023, 61.05% were Great Room Plans, 23.16 were Kitchen/Family Room Plans, and 15.79% were Kitchen by Itself Plans. The Average Discount from list was 7.09%. Homes that had a southerly exposure to their back patio accounted for over 62% of the sales.

**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. We sell our listings more quickly and for a greater percentage of the Original List Price. 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