

October 2023

As of the morning of August 31st, not a single homesite has gone under contract in August. Not a huge surprise, given the state of the homesite inventory, but look at what happened in the home market!! Twelve went under contract, compared to two last August. Unbelievable demand for homes, as hot as the weather has been all summer!

Here is a snapshot of homesite selling activity (number going under contract each month) as of the morning of August 31, 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 Memberships: Of the twenty-five homesites that have gone under contract so far this year, seven of them, or 28.0%, were offered with a Full Golf Membership available (“FGA”); the balance, eighteen, or 72.0%, were offered with no membership available (“NON”). During the first eight months of 2022, only one of the twenty-two 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 seven FGA homesites sold in the first eight months of 2023 averaged \$1,152,000 (two are still under contract, listed for \$669,500 and \$599,000, both NON).

Regarding Availability: As for homesite availability, as of August 31, 2023, there were thirty homesites for sale in Desert Mountain (down one from last month). The least expensive site offering a Full Golf Membership (“FGA”) from the Seller through the Club, out of four (down one from last month), was listed for \$649,900 (same as last five months, EF -387, but down from \$700,000); the top price was still \$2,950,000, for Saguaro Forest 117. None were listed with a Lifestyle Membership, (no change). Twenty-six were listed without any membership, starting as low as \$375,000 (no change). Our records show approximately 230 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:	169	255	227	113	52%	113	57%	100%/128%
January	9	16	28	5	28%	11	67%	220%/220%
February	9	23	26	20	103%	13	57%	65%/96%
March	16	18	40	18	73%	15	59%	83%/91%
April	35	18	23	12	47%	20	113%	167%/107%
May	28	21	28	15	58%	20	94%	133%/113%
June	10	26	17	8	45%	15	88%	188%/121%
July	5	18	10	8	73%	7	58%	88%/117%
August	7	14	5	2	23%	12	171%	600%/128%
September	5	27	11	5	35%	--	0%	0%/0%
October	17	29	9	4	22%	--	0%	0%/0%
November	19	23	20	6	29%	--	0%	0%/0%
December	9	22	10	10	73%	--	0%	0%/0%

Regarding Demand for Homes: Since April, demand has been doing well with seventy-four homes going under contract, a 64.4% increase over last year’s number of just forty-five.

Regarding Demand for Memberships: Of the one hundred and eleven homes that have gone under contract the first seven months of this year, sixty-eight were FGA, or 61.3%; seven were offered with the Lifestyle membership (“L”), or 6.3%; thirty-five were offered NON, or 31.5%; and one was offered with a Seven membership. During this same period last year, eighty-seven homes went under contract. Of these, 40, or 46.0%, were FGA; three, or 3.4%, were L; and forty-four, or 50.6%, were NON.

Regarding Pricing: The thirty-two FGA homes *sold* during April, May, June, July and August in 2022 averaged \$3,001,000 in price. The forty-seven FGA homes that closed escrow this year during the same time period averaged \$3,406,064, **an increase of 13.5%** (at an average discount from list of 5.67%).

As for home availability, fifty-one homes were listed as of August 31 without regard to current physical status or membership (down from fifty-five last month). Of these, eight were not-yet-started spec homes, three of which were offered FGA. Seven were under-construction speculative homes, three with FGA. Thirty-six were completed homes (down from forty last month). Twenty-two were offered FGA, ranging in price from \$1,600,000 to \$13,750,000, with an average of \$4,512,500. Ten were offered NON, ranging from \$950,000 to \$7,349,000, with

an average of \$3,872,150. Four were offered L, ranging from \$1,549,000 to \$5,125,000, with an average of \$2,879,750.

As stated above, as of the morning of August 31 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 thirty-six existing homes for sale represent a shocking 1.8% of the housing stock. Our market remains very “tight” and getting more expensive.

Our “Quality vs. Quantity” approach, plus our proprietary data systems, provide our clients with very real, documented 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