

November 2023

As of the afternoon of October 2, three homesites had gone under contract in September, an improvement by two over last September. YTD we were at thirty contracts, compared to twenty-six all last year. We were at 44% of an average for the last three years. In the home market, seven went under contract compared to five last September. YTD, we were at 120, compared to 113 all last year. We were at 60% of an average for the last three years. So, better than last year in both sales categories, but a far cry from 2021 and 2020.

Here is a snapshot of homesite selling activity (number going under contract each month) as of the afternoon of October 2, 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>30</u>	44%	115%/125%
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>5</u>	115%	250%/60%
April	<u>3</u>	<u>4</u>	<u>9</u>	<u>1</u>	19%	<u>4</u>	86%	400%/81%
May	<u>4</u>	<u>6</u>	<u>6</u>	<u>4</u>	75%	<u>4</u>	75%	100%/85%
June	<u>2</u>	<u>11</u>	<u>4</u>	<u>2</u>	35%	<u>4</u>	71%	200%/95%
July	<u>4</u>	<u>8</u>	<u>2</u>	<u>1</u>	21%	<u>5</u>	136%	500%/113%
August	<u>2</u>	<u>5</u>	<u>7</u>	--	0%	<u>1</u>	25%	0%/117%
September	<u>1</u>	<u>17</u>	<u>4</u>	<u>1</u>	14%	<u>3</u>	41%	300%/125%
October	<u>5</u>	<u>10</u>	<u>8</u>	--	0%	--	0%	0%/125%
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 thirty homesites that have gone under contract so far this year, seven of them, or 23.3%, were offered with a Full Golf Membership available (“FGA”); the balance, twenty-three, or 76.7%, were offered with no membership available (“NON”). During the first nine 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 listed and sold for \$650,000. The seven FGA homesites sold in the first eight months of 2023 averaged \$1,152,000. Twenty of the twenty-one NON membership lots sold averaged \$747,500.

Regarding Availability: As for homesite availability, as of October 2, 2023, there were twenty-eight 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 eight (down four from last month), was listed for \$649,900 (same as last six months, EF -387; the top price climbed to \$5,900,000 (Cochise-Geronimo Village # 1). One was listed with a Lifestyle

Membership, (up one from last month). Nineteen were listed without any membership, starting as low as \$495,000 (up from a low of \$375,000 last month). 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 100 sites are owned by neighbors for view or privacy protection. Likewise, we show 1,999 homes are completed, including 550 semi-custom homes. Approximately sixty 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	256	227	113	52%	120	60%	106%/129%
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	28	11	5	34%	7	48%	140%/129%
October	17	29	9	4	22%	--	0%	0%/129%
November	19	23	20	6	29%	--	0%	0%/0%
December	9	22	10	10	73%	--	0%	0%/0%

Regarding Demand for Homes: Since April, only one month’s number is less than last year (July). April through September last year showed 50 contracts being written. This year, that number is 80, a 60% increase.

Regarding Demand for Memberships: Of the one hundred and twenty-one homes that have closed escrow the first nine months of this year, seventy-one were FGA, or 58.7%; nine were offered with the Lifestyle membership (“L”), or 7.4%; forty were offered NON, or 33.1%; and one was offered with a Seven membership. During this same period last year, one hundred and three homes went under contract. Of these, 38, or 36.9%, were FGA; three, or 2.9%, were L; and sixty-two, or 60.2%, were NON.

Regarding Pricing: The thirty-four FGA homes *sold* during April, May, June, July, August, and September in 2022 averaged \$2,990,500 in price. The fifty-five FGA homes that closed escrow this year during the same time period averaged \$3,283,076, **an increase of 9.8%** (at an average discount from list of 5.35%).

As for home availability, sixty-four homes were listed as of October 2, 2023 without regard to current physical status or membership (sharply up from fifty-one last month). Of these, nine were

not-yet-started spec homes, four of which were offered FGA. Six were under-construction speculative homes, three with FGA. Forty-nine were completed homes (up from thirty-six last month). Twenty-eight were offered FGA, ranging in price from \$1,700,000 to \$13,750,000, with an average of \$4,138,393. Sixteen were offered NON, ranging from \$1,150,000 to \$9,995,000, with an average of \$4,042,906. Five were offered L, ranging from \$1,895,000 to \$5,125,000, with an average of \$3,393,000. Prices are going up!

As stated above, as of October 2, we showed 1,999 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-nine existing homes for sale represent 2.5% of the market, up from 1.8% of the housing stock last month. Even with this nice increase, 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