

March 2024

As of the morning of February 1, only two homesites had gone under contract in January, a slow start to the year compared to the last four years.

Here is a snapshot of homesite selling activity (number going under contract each month) as of the morning of February 1, 2024:

Homesites	2020	2021	2022	2023	2023 vs. Avg. for Last Three Years	2024 (YTD)	2024 vs. Avg. for Last Three Years	2024 vs. Last Year vs. Last Year YTD
Total No. of Homesites:	<u>95</u>	<u>89</u>	<u>27</u>	<u>32</u>	45%	<u>2</u>	4%	6%/50%
January	<u>5</u>	<u>9</u>	<u>7</u>	<u>4</u>	57%	<u>2</u>	30%	50%/50%
February	<u>4</u>	<u>13</u>	<u>6</u>	--	0%	--	0%	0%/50%
March	<u>1</u>	<u>11</u>	<u>2</u>	<u>5</u>	107%	--	0%	0%/0%
April	<u>4</u>	<u>9</u>	<u>1</u>	<u>4</u>	86%	--	0%	0%/0%
May	<u>6</u>	<u>6</u>	<u>5</u>	<u>4</u>	71%	--	0%	0%/0%
June	<u>11</u>	<u>5</u>	<u>2</u>	<u>4</u>	67%	--	0%	0%/0%
July	<u>8</u>	<u>2</u>	<u>1</u>	<u>4</u>	109%	--	0%	0%/0%
August	<u>6</u>	<u>7</u>	--	<u>1</u>	23%	--	0%	0%/0%
September	<u>17</u>	<u>4</u>	<u>1</u>	<u>3</u>	41%	--	0%	0%/0%
October	<u>10</u>	<u>8</u>	--	<u>2</u>	33%	--	0%	0%/0%
November	<u>10</u>	<u>6</u>	--	<u>1</u>	19%	--	0%	0%/0%
December	<u>13</u>	<u>9</u>	<u>2</u>	--	0%	--	0%	0%/0%

Regarding Demand for Memberships: Neither of the two spoken for in January included access to any kind of Club membership.

Regarding Pricing: One was listed for \$650,000 and the other for \$850,000.

Regarding Availability: As for homesite availability, as of February 1, 2024, there were thirty-five homesites for sale in Desert Mountain (up two from last month). The least expensive site offering FGA from the Seller through the Club, out of six (down one from last month), was listed for \$1,600,000, (up from \$650,000 last month). The top price was still \$5,500,000 (Cochise-Geronimo Village # 1, (no change in list price), now 168 Days on Market. One was listed with a Lifestyle Membership, (same as last month), at \$739,000 (no change). Twenty-eight were listed without any membership (up from twenty-five last month), starting as low as \$450,000 (no change). Our Housing Stock Analysis Report shows approximately 220 custom homesites have no construction on them and are not owned by a neighbor to protect views or privacy, and that one hundred and two sites are owned by neighbors for view or privacy protection. Likewise, we show 2,004 homes are completed, including 550 semi-custom homes. Approximately sixty-two new homes are under construction.

Here is a snapshot of home selling activity:

Homes	2020	2021	2022	2023	2023 vs. Avg. for Last Three Years	2024 (YTD)	2024 vs. Avg. for Last Three Years	2024 vs. Last Year/ vs. Last Year YTD
Total No. of Homes:	256	230	113	147	74%	8	5%	5%/73%
January	16	28	5	11	67%	8	55%	73%/73%
February	23	26	20	13	57%	--	0%	0%/73%
March	18	40	18	15	59%	--	0%	0%/0%
April	18	23	12	20	113%	--	0%	0%/0%
May	21	28	15	20	94%	--	0%	0%/0%
June	26	18	8	15	87%	--	0%	0%/0%
July	18	10	8	8	67%	--	0%	0%/0%
August	14	5	2	12	171%	--	0%	0%/0%
September	28	11	5	8	55%	--	0%	0%/0%
October	29	11	4	9	61%	--	0%	0%/0%
November	23	20	6	8	49%	--	0%	0%/0%
December	22	10	10	8	57%	--	0%	0%/0%

Regarding Demand for Homes: Eight went under contract in January, compared to eleven last January, and 55% of the average of the last three years. Five had access to a Full Golf Membership (“FGA”), and three had no access (“NON”). January was the second month in a row where the number of home escrows was less than the same month last year, going back to last March (last July tied with July 2022). That is not encouraging, but it is a small dataset, after all, and may not be the harbinger of things to come. **However, this lack of demand has come at a time of sharply increasing supply, with the expected drop in prices asked and paid.**

Regarding Demand for Memberships: Of the one hundred and thirty-five homes that went under contract and closed in the last 365 days, eighty-five were FGA, or 63.0%; ten were offered with the Lifestyle membership (“L”), or 7.4%; thirty-nine were offered NON, or 28.9%; and one was offered with a Seven membership. During this same period last year, one hundred and eighteen homes were put under contract and sold. Of these, 56, or 47.5, were FGA; six, or 5.1%, were L; and fifty-five, or 46.6%, were NON.

Regarding Pricing: The sixteen resale FGA homes that were put under contract and closed escrow during the six-month period of August 1, 2022 and January 31, 2023 averaged \$3,176,094 in total sale price; \$610.43 per square foot sale price; were on the market an average of 68 days; and sold at an average discount from then-current list price of 6.30%. During this same six-month period just ending yesterday, there were twenty-eight such sales, an increase of 75.0%, but the average total sales price went down 8.51% to \$2,927,025; the average per square foot sale price went up to \$687.52, an increase of 12.63%; were on the market 99 days, a 45.59% increase; and the average discount from list declined to 4.56%, a drop of 38.16%. So, more homes sold, for fewer total dollars on average, but higher on a per square foot basis, more slowly, but at less discount.

Regarding Availability: As for home availability, eighty-eight homes were listed as of the morning of February 1, 2024 without regard to current physical status or membership (up from seventy-two last month). Of these, eight were not-yet-started spec homes, three of which were offered FGA. Eight were under-construction speculative homes, two offered FGA. Seventy-two were completed homes (**up fifteen from last month**). Forty-three (vs. thirty-one last month) offered FGA, ranging in price from \$1,795,000 (no change from last month) to \$12,750,000, with an average of \$4,494,291 (down from \$4,718,545 last month). The average list price per square foot of these FGA homes was \$818.02, down from \$839.77, with an average Days of Market of 112. Twenty-three were offered NON (up one from last month), ranging from \$1,795,000 to \$12,995,000, with an average list price of \$4,022,022 (**so, a list price “premium” of \$472,269 for homes offered FGA vs. NON; over the last six months, the true premium was \$460,491**). Five were offered L, (up one from last month) ranging from \$2,195,000 to \$4,975,000, with an average of \$2,984,000 (compared to \$3,530,000 last month), and average Days on Market of 101, compared to 170 last month. So, **a big jump in supply, a drop in demand, and prices are coming down.**

As stated above, as of January 31, we showed 2,004 finished homes in Desert Mountain. Traditionally, ten percent of a community like Desert Mountain would be for sale in a “balanced” market, or about 204 homes. The seventy-two existing homes for sale represent 3.59% of the market. 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. * If you would like to know more, give me a call on 602 399 0116, or Jeff Barchi on 602 558 5200.



Sincerely,

Davis Driver

The Davis Driver Group

Davis Driver, Ashley Hills-Arias, Ann Driver, Jeff Barchi



*Please use the QR Code to see the details going back nearly six years