

Market Insights
 May 1, 2024
 The Davis Driver Group

As of the morning of May 1, 2024, two homesites had gone under contract in April, two less than March. The overall YTD demand was two shy of last year’s demand through April.

Here is our May 1, 2024, Market Velocity Report for contract activity on homesites:

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>97</u>	<u>90</u>	<u>27</u>	<u>32</u>	45%	<u>11</u>	22%	34%/85%
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%	<u>3</u>	47%	0%/125%
March	<u>1</u>	<u>11</u>	<u>2</u>	<u>5</u>	107%	<u>4</u>	67%	80%/100%
April	<u>4</u>	<u>9</u>	<u>1</u>	<u>4</u>	86%	<u>2</u>	43%	50%/85%
May	<u>6</u>	<u>7</u>	<u>5</u>	<u>4</u>	67%	--	0%	0%/85%
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>15</u>	<u>9</u>	<u>2</u>	--	0%	--	0%	0%/0%

Regarding Membership “Mix” on Homesites this year: Ten of the eleven homesites spoken for so far in 2024 had no access to any membership opportunity. One had access to a Lifestyle.

Regarding Pricing: The list price range of the two spoken for in April (both without access to any membership) was \$675,000 to \$775,000, compared to \$625,000 and \$1,600,000 last month. The one spoken for last month with access to a Lifestyle Membership was listed for \$739,000.

Regarding Homesite Supply: As of May 1, 2024, there were twenty-four homesites for sale in Desert Mountain (down five from last month). The least expensive price for a site offering a Full Golf Membership (“FGA”) from the Seller through the Club, out of four (down one from last month), was \$2,495,000 (two were listed at this price), (up from \$1,775,000). The top price was still \$5,500,000 (Cochise-Geronimo Village # 1, (no change), now 258 Days on Market. (the Average Days on Market for the four was 372; the smallest was 258). None were listed with a Lifestyle Membership (no change). Twenty were listed without any membership (down four from last month), starting at \$450,000 (no change). Our Housing Stock Analysis Report shows 209 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 2,006 homes are completed, including 550 semi-custom homes.

Approximately seventy-four new homes are under construction (with the two leaders being the Saguaro Forest with eleven, and Gambel Quail with nine).

Here is our May 1, 2024, Market Velocity Report for contract activity on homes:

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:	257	230	114	145	72%	60	37%	41%/103%
January	16	28	5	10	61%	9	63%	90%/90%
February	23	26	20	13	57%	17	86%	131%/113%
March	18	40	19	15	58%	23	93%	153%/129%
April	19	23	12	20	111%	11	60%	55%/103%
May	21	28	15	20	94%	--	0%	0%/103%
June	26	18	8	15	87%	--	0%	0%/0%
July	18	10	8	8	67%	--	0%	0%/0%
August	14	5	2	11	157%	--	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 Home/Membership Demand, looking back One and Four Months, compared to this year and last year:

One Month (April): Eleven homes went under contract this April, compared to twenty last April, and twenty-three this March, indicating what could be a sharp slowdown in demand, overall, for homes in Desert Mountain. It will be interesting to see if this downward trend continues during May. Of the eleven, four, or 36.4%, had access to a Full Golf Membership (“FGA”) at list prices ranging from \$1,595,000 (Sonoran Ridge 8) up to \$2,875,000 (Apache Cottage 35). Six, or 54.5%, had no membership access (“NON”) and ranged from \$1,300,000 up to \$5,550,000 in list price. One home was spoken for with access to a Lifestyle membership (Painted Sky 24, listed for \$3,000,000).

Four Months (January through April): Last year, fifty-eight resale homes went under contract in this period; this year, sixty. Last year, the Average Total Price Paid for the thirty-five FGA homes that went under contract and closed escrow during this period was \$3,673,420 the Average Days on Market was 84; and the Average Sales Price per Square Foot was \$731.98. This year, the Average Total Price Paid for the twenty-two FGA homes that went under contract and closed escrow during this period was \$2,960,909, a decrease of 19.4%! The Average Days on Market dropped to 68 (from 84). The Average Sales Price per Square Foot dropped to \$675.90 (from \$731.98).

Last year, the Average Total Price Paid for the eighteen NON homes out of the fifty-seven total homes was \$2,001,583; the Average Days on Market was 110; and the Average Sales Price per Square Foot was \$498.23. This year, the Average Total Price paid for the thirteen NON homes

out of a total of forty-one was \$3,038,820, an average increase of \$50,249. The Average Days on Market was slightly lower at 70. The Average Sales Price per Square Foot was \$688.17.

Regarding Membership “Mix” on Homes over the Last Year: Of the one hundred and fifty homes that went under contract and closed in the last 365 days, eighty-nine were FGA, or 59.3%; eleven were offered with the Lifestyle membership (“L”), or 7.3%; forty-seven were offered NON, or 31.3%; and three were offered with a Seven membership, or 2.0%.

Regarding Home Supply: Eighty-eight homes were listed as of the morning of May 1, 2024, without regard to current physical status or membership (up five). Of these, five were not-yet-started spec homes (no change), two of which were offered FGA (no change). Twelve were under-construction speculative homes (up two) with three offered FGA. Sixty-eight were completed homes (down four). Seventy-one were finished homes (up three). Forty-three of these (vs. thirty-six last month) offered FGA, ranging in price from \$2,295,000 (up from \$1,595,000 last month) to \$12,995,000, with an Average Total List Price of \$5,481,977 (down from \$5,833,365 last month). The Average List Price per Square Foot of these forty-three FGA homes was \$894.17 (down from \$915.77 last month), with an average Days of Market of 123 (up from 122 last month). Twenty-six were offered NON (down three), ranging from \$1,300,000 to \$7,400,000 in Total List Price, with an average list price of \$3,613,178 **(so, an average list price “premium” of \$1,868,799 for homes offered FGA vs. NON; interestingly enough, the average price paid for FGA homes that went under contract and sold over the last six months was \$35,018 LESS than the average price paid for NON homes!).**

As stated above, as of May 1, we showed 2,006 finished homes in Desert Mountain. Traditionally, ten percent of a community like Desert Mountain would be for sale in a “balanced” market, or about 206 homes. The sixty-eight existing homes for sale represent a mere 3.4% of the market (down from 3.6% last month).

We provide our listing clients with documented* advantages in list price analysis, marketing, and sales compared to our logical competition. 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 six years and four months of details.

Constantly updated Market Velocity Reports can be found on our website.