

July 2024

As of July 1, 2024, not a single homesite went under contract in June. The overall YTD homesite demand is 81% of last year's YTD Demand, but only 53% of last year's Total Demand.

Here is our July 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>98</u>	<u>90</u>	<u>27</u>	<u>32</u>	45%	<u>17</u>	34%	53%/81%
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%	<u>6</u>	113%	150%/100%
June	<u>11</u>	<u>5</u>	<u>2</u>	<u>4</u>	67%	--	0%	0%/81%
July	<u>8</u>	<u>2</u>	<u>1</u>	<u>4</u>	109%	--	0%	0%/81%
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>11</u>	<u>6</u>	--	<u>1</u>	18%	--	0%	0%/0%
December	<u>15</u>	<u>9</u>	<u>2</u>	--	0%	--	0%	0%/0%

Regarding Membership “Mix” on Homesite Contracts This Year: Sixteen of the seventeen spoken for so far in 2024 had no access to any membership; one had access to a Lifestyle.

List Price Range of Homesites Spoken For Last Month: Not applicable, since none were spoken for.

Regarding Homesite Supply: As of July 1, 2024, there were twenty-seven homesites for sale in Desert Mountain (up five from last month). The least expensive price for a site offering access to a Full Golf Membership (“FGA”) from the Seller through the Club, out of three (no change), was \$2,495,000 (two were listed at this price; no change). The top price was still \$5,500,000 (Cochise-Geronimo Village # 1, (no change), now 319 Days on Market. (The Average Days on Market for the three was 347; the smallest was 319). None were listed with a Lifestyle Membership (no change). Twenty-four were listed without any membership (“NON”) (up five), starting at \$450,000 (no change). Our Housing Stock Analysis Report shows 203 custom homesites have no construction on them and are not owned by a neighbor to protect views or privacy, and that 103 are so owned by neighbor. Likewise, we show 2,010 homes are completed, including 550 semi-custom homes. Approximately seventy-one new homes are under construction (with the two leaders being the Saguaro Forest with eleven, and Gambel Quail with nine).

Here is our July 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	231	114	145	72%	85	52%	59%/91%
January	16	28	5	10	61%	9	63%	90%/90%
February	23	27	20	13	56%	17	85%	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%	13	62%	65%/94%
June	26	18	8	15	87%	12	88%	80%/91%
July	18	10	8	8	67%	--	0%	0%/91%
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 Recent Comparative Home/Membership Demand: x

One Month (June): Twelve homes went under contract this June, compared to fifteen last June and thirteen this May, indicating a slight, continuing slowdown in Desert Mountain home demand. The 85 contracts so far this year are 59% of last year's total, and 91% of last year's YTD demand. Of the twelve, eight, or 66.7%, were offered FGA at list prices ranging from \$2,195,000 (Sunrise 271) up to \$7,250,000 (Lost Star 38). Two, or 16.7%, were offered NON and ranged from \$2,499,000 up to \$3,495,000 in list price. Two homes were offered with access to a Lifestyle membership (Deer Run 12, at a list of \$4,900,000; sold for \$4,400,000, a discount of 14.15% off the original list price of \$5,125,000, and Mountain Skyline 45, at a list \$5,250,000). None outside of Seven were offered with access to a Seven membership.

Four Months (March through June): Last year, seventy resale homes went under contract in this period; this year, **only fifty-nine**. Last year, the Average Total Price Paid for the forty-four FGA resale (used) homes that went under contract ***and closed escrow*** during this period was \$3,439,914; the Average Days on Market was 98; and the Average Sales Price per Square Foot was \$695.64. This year, the Average Total Price Paid for the twenty-three FGA homes that went under contract and closed during this period was \$3,51,522; the Average Days on Market was 92; and the Average Sales Price per Square Foot was \$745.91. So, significantly fewer contracts this year, but about the same pace of sales, and a higher average Sales Price per Square Foot.

Last year during this same four-month period, the Average Total Price Paid for the twenty NON homes out of the sixty-eight total homes was \$1,819,925; the Average Days on Market was 85; and the Average Sales Price per Square Foot was \$518.35. This year, the Average Total Price paid for the fourteen NON homes out of a total of forty-one was \$2,707,036; the Average Days on Market was 57 ; and the Average Sales Price per Square Foot was \$668.51.

Regarding Membership “Mix” on Homes over the Last Year: Of the one hundred and nineteen resale (used) that went under contract and closed in the last 365 days, seventy-one were FGA, or 59.7%; ten were offered with the Lifestyle membership (“L’), or 8.4%; thirty-five were offered NON, or 29.4%; and three went with a Seven membership, or 2.6%. **Of the 118 resale (used) homes that went under contract and closed in the last 365 days, the seventy-one FGA homes averaged 89 Days on Market; the thirty-two NON homes averaged a much faster 53 Days on Market.**

Regarding Home Supply: Seventy-five homes were listed as of the morning of July 1, 2024, without regard to current physical status or membership (down eleven). Of these, seven were not-yet-started spec homes (up one), three of which were offered FGA. Eight were under-construction speculative homes (no change) with three offered FGA. Sixty were completed homes (-12). Thirty of these were offered FGA, ranging in price from \$2,150,000 (Hacienda 4) to \$12,995,000 (Apache Peak 126, now on the market for 112 days), with an Average Total List Price of \$5,398,214 (up from \$5,147,308 last month). The Average List Price per Square Foot of these thirty FGA homes was \$941.31 (up from \$889.77 last month), with an average Days of Market of 129 (down from 134 last month). Twenty-five were offered NON (- 4), ranging from \$1,395,000 to \$7,400,000 in Total List Price, with an average list price of \$3,837,065 and an average List Price per Square Foot of \$724.41 **(So, an average list price “premium” on a per square foot basis of \$216.90, or 29.9%, for homes offered FGA vs. NON.**

The percentage of used homes for sale compared to the total inventory of finished homes was 2.86%. Ten percent is generally considered to be a “balanced” market.

Based on the last four years, there is a 27.00-month supply of homes priced at or above \$1,000.00 per square foot.

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