

August 2024

As of August 1, 2024, two homesites went under contract in July. The overall YTD homesite demand is 76% of last year's YTD Demand, but only 59% of last year's Total Demand.

Here is our August 1, 2024 Market Velocity Report for homesite contract activity:

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>19</u>	38%	59%/76%
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%	<u>2</u>	86%	50%/76%
August	<u>6</u>	<u>7</u>	--	<u>1</u>	23%	--	0%	0%/76%
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: Eighteen of the nineteen spoken for so far in 2024 had no access to any membership; one had access to a Lifestyle. **Not a single Full Golf Membership homesite has been put under contract this year.**

List Price Range of Homesites Spoken For Last Month: \$525,000 to \$1,475,300, both “naked” (no membership access included).

Regarding Homesite Supply: As of August 1, 2024, there were twenty-six homesites for sale in Desert Mountain (-1 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 two (- 1 from last month), was \$2,495,000 (both were listed at this price; no change). The previous top price was \$5,500,000, for Cochise-Geronimo Village # 1, but it was taken off the market on July 16 after 334 days on the market. The Average Days on Market for the two at \$2,495,000 was 392 (one was at 370; the other at 414). None were listed with a Lifestyle Membership (no change). Twenty-four were listed without any membership (“NON”) (no change), starting at \$450,000 (no change).

Regarding Housing Stock: 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 2,013 homes are completed, including

550 semi-custom homes. Our records show 68 homes under construction (with the two leaders being the Saguaro Forest with eleven, and Gambel Quail with nine).

Here is our August 1, 2024, Market Velocity Report for home contract 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:	257	231	114	145	72%	92	56%	63%/90%
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%	12	65%	60%/105%
May	21	28	15	20	94%	13	62%	65%/95%
June	26	18	8	15	87%	12	88%	80%/92%
July	18	10	8	8	67%	6	69%	75%/91%
August	14	5	2	11	157%	--	0%	0%/90%
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:

One Month (July): Six homes went under contract in July, compared to eight last July and twelve this June. The 92 contracts so far this year are 63% of last year’s total, and 90% of last year’s YTD demand, indicating a continuing slowdown in Desert Mountain home demand. Two were offered “FGA” (with access to a Full Golf Membership), priced at \$7,995,000 and \$11,750,000. Three were offered with access to Lifestyle Memberships, ranging from \$1,500,000 to \$2,200,000. One was offered “NON,” at \$2,500,000.

Four Months (April through July): Last year, sixty-three resale homes went under contract in this period (including one spec home); this year, **only forty-three** (including two specs) . Last year, the Average Total Price Paid for the forty FGA resale (used) homes that went under contract **and closed escrow** during this period was \$3,200,625; the Average Days on Market was 83; and the Average Sales Price per Square Foot was \$676.49. This year, the Average Total Price Paid for the twelve (!) FGA homes that went under contract and closed during this period was \$3,113,750; the Average Days on Market was 64; and the Average Sales Price per Square Foot was \$774.31. So, significantly fewer contracts this year, but they sold more quickly, and for an average of 14.5% higher.

Last year during this same four-month period, the Average Total Price Paid for the twenty NON homes was \$2,031,175; the Average Days on Market was 73; and the Average Sales Price per Square Foot was \$552.56. This year, the Average Total Price paid for the eleven NON homes was \$2,625,773; the Average Days on Market was 87; and the Average Sales Price per Square

Foot was \$636.43. So, again, significantly fewer contracts this year, and they sold for more money, just slightly less quickly.

Regarding Membership “Mix” on Homes over the Last Year: Of the one hundred and eleven resale (used) that went under contract and closed in the last 365 days, sixty-seven were FGA, or 60.4%; twelve were offered with the Lifestyle membership (“L”), or 10.8%; twenty-nine were offered NON, or 26.1%; and three went with a Seven membership, or 2.7%. **The 67 FGA resale (used) homes that went under contract and closed in the last 365 days averaged 93 Days on Market; the twenty-nine NON homes averaged a much faster 72 Days on Market.**

Regarding Home Supply: Fifty-seven homes were listed as of the morning of August 1, 2024, without regard to current physical status or membership (- 18). Of these, seven were not-yet-started spec homes (no change), three of which were offered FGA. Seven were under-construction speculative homes (- 1), with four offered FGA. Forty-three were completed homes (-17). Twenty-two of these were offered FGA, ranging in price from \$1,950,000 (Apache Cottage 12) to \$12,995,000 (Apache Peak 126, now on the market for 143 days), with an Average Total List Price of \$4,752,792 (down from \$5,393,214 last month). The Average List Price per Square Foot of these twenty-two FGA homes was \$886.42 (down from \$941.31 last month), with an average Days of Market of 137 (up from 129 last month). Eighteen were offered NON (- 7), ranging from \$1,300,000 to \$7,395,000 in Total List Price, with an average list price of \$3,462,500 and an average List Price per Square Foot of \$756.54. **(So, an average list price “premium” on a per square foot basis of \$129.88, or 17.3%, for homes offered FGA vs. NON.**

The percentage of used homes for sale compared to the total inventory of finished homes was 2.83%. Ten percent is generally considered to be a “balanced” market.

Based on the last four years, there is a 22.50-month supply of homes priced at or above \$1,000.00 per square foot.

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