

# Marketing Services Introduction And List Price Recommendation



# **Prepared Expressly For**

Mr. and Mrs. Rick A. Harrington

Regarding

Cochise/Geronimo Village 12 & 13 41200 N 102<sup>nd</sup> Place

> Desert Mountain Scottsdale, AZ 85262

Presented by The Davis Driver Group RE/MAX Fine Properties



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Mr. and Mrs. Rick A. Harrington 41200 N 102<sup>nd</sup> Place Scottsdale, AZ 85262

Dear Rick and Connie,

"Welcome to Cochise-Geronimo 12 & 13, an unusually well-conceived and executed 8,800 square foot estate residence. It is located on a 3.217 acre homesite with wonderful views in one of the most desirable "Villages" in Desert Mountain, a 34-year-old, highly acclaimed 8,200 acre golf and recreation-oriented master planned development on the northern edge of Scottsdale, AZ, part of the greater Phoenix area. Desert Mountain has a private club in it, the Desert Mountain Club, which offers its members exclusive access to seven Jack Nicklaus Signature golf courses, one eighteen hole par-3 course, seven clubhouses (including a new swim, tennis, fitness, spa, croquet, bocce, and pickleball complex), ten dining venues, personalized service, and access to a crowd of like-minded fun people from around the US and Europe. A nearly twenty-mile long private biking, hiking, and equestrian trail system in the mountains at the rear of Desert Mountain, a few minutes' drive away from this lovely compound, completes the outdoor recreation bona fides of this remarkable development. Membership in the Club is not included in the purchase price but can be acquired separately from the Club upon successful application.

Desert Mountain is a "stand out" lifestyle-based place in which to live. And, this particular property is easily one of the most elegant and gracious residences out of the nearly 1,900 homes that have been built so far in the development. No lots remain for sale at a sensible price that offer this property's combination of size, privacy, views, convenience to Club facilities, and ease of development ingress and egress.

In a word, it is "superb".

The property consists of a spacious and gracious pair of closely adjacent custom-designed residences, sharing an enormous, 2,500 square foot, southwest-facing outdoor back patio with a fireplace and a firepit (more "Plaza" than "Patio"); one "Main Residence" of 6,580 square feet, and one "Guest Residence" (not merely a "guest house", or "guest casita", but a true "residence"!), of 2,223 square feet. Both are light and bright in most rooms and are of timeless architectural design. Construction materials used are timeless, too: wood (garage doors, architectural accents, corbels and squared off ceiling beams as well as round vegas and latilla ceiling treatments, cabinets, flooring (hickory and oak), plantation shutters); granite countertops; marble shower tile; ceramic floor tile; clay ceiling tile; brick stair tread and ceiling

accents; iron or oil-rubbed bronze cabinet and door hardware; a custom, curving iron handrail, and custom iron chandeliers; vinyl-clad wood windows; venetian plaster walls; brick driveway paver stones (set in a circular design); and stucco, all in earth tones with natural curves and soft edges. Only the bedrooms have carpet. The lighting is wonderful, too with extensive directable art lighting, recessed cove lighting, recessed path lighting, and soffit lighting in the ceilings above bed headboards. As a result, it is a great residence in which to showcase hanging art, sculpture, or other collectibles.



Designed by perhaps Desert Mountain's most celebrated architect, Lee Hutchison of Urban Design Group (with at least forty-seven homes to his credit within Desert Mountain), and built by two of Desert Mountain's most respected builders, RS Homes and Manship Construction, the residences have as good a design and construction "pedigree" as you will find. And, having them set on 3.17acres (previously two separate lots, which were legally combined into one lot in 2014), in the middle of close to five acres of quiet (no roads or golf courses nearby to generate noise) lush, High Sonoran Desert that can't be further built upon, at an elevation of approximately 3,100' above sea level, lets them deliver a remarkably enjoyable living experience. The property offers wonderful "setting" characteristics as well as "perfect", framed views to the west/southwest of fall, winter and spring sunsets, some city lights on the distant valley floor, a couple of close-by mountains, and numerous mountain ranges as far as eighty miles away.

The front door of the Main Residence is about 480 yards away as "the crow flies" to the front door of the Desert Mountain Club's "main clubhouse", the 52,000 square foot, iconic, Cochise-Geronimo Clubhouse, where two golf courses start and stop and where one of the Club's four terrific, double-ended golf practice ranges is. "Convenient" does not quite describe this property's location with respect to one of the main reasons most families would consider wanting to own it – easy club access.

The Main Residence, built in 2005, offers: a "Kitchen/Family Room" layout (which the owners describe as a Kitchen/Morning Room" layout, since they have <u>another</u> room they call the "Family Room"; a relatively large gathering room with a fireplace, a large flat-screen

television, many feet of recessed, lighted, lateral shelving for books or collectibles, and a morethan-generous built-in workstation/desk with upper cabinets and lower drawer storage; the whole effort could be called a "Second Office" or perhaps a "Media Room/Home Theater", a genuine version of which it could easily become. The Morning Room is great, but the Family Room adds a terrific additional place to gather and relax. Master Suite with fireplace and hearth, separate baths (heated towel racks, ceiling heat lamps, and a heated toilet on "Her" side) and separate dressing rooms (with appropriate first-class, crown molding-topped closet fittings); two other guest bedrooms on the opposite side of the home that share a small "living room" equipped with an alcove wet bar/kitchenette (creating essentially, a three-room "casita" inside the home); indoor and outdoor exercise studios; one office upstairs, complete with shower bath; a cedar-lined out-of-season clothes storage closet; one three-car garage with an airconditioned storage room; a well-equipped (gas range-top) working Kitchen with a large center island complemented by the previously mentioned Morning Room; an artificial-grass-covered dog run (washable), completely enclosed by wire mesh (sides and top) to protect pets from any predators who would do them harm, accessed by a proper "doggie door" (and the property is within easy walking distance of Desert Mountain's popular Dog Park); a Wine Storage room large enough for several hundred bottles; a well-covered outdoor barbeque patio/outdoor living room, equipped with a television and one of the six fireplaces or firepits the property has; two spare refrigerators (to support large gatherings). There is a large negative edge pool on the back patio, with a separate spa, both covered with Pebble-Tec.

The Guest Residence, built in 2014, offers: a separate driveway approach, an open "Great Room" layout, with the living area large enough to support a sizeable seating area in front of a large television and fireplace PLUS an area capable of easily handling a ping-pong table or

billiards table, next to an adjacent kitchen area with desk. Want an air hockey table? There's room for that, too! There is also an outdoor shower, another big barbeque, an attached one-car garage, and heaters in the ceiling over the outdoor dining area.

The property's landscaping is impeccable, in keeping with the tone and "presence" the home's architecture, siting, size, capabilities, and location project upon first arrival.

A total of five air-conditioning units make things comfortable (two of which have been replaced in the last wo years), along with the two "lift pumps" to get waste up to the street level sewer. The roof was recoated in



2018 and carries a ten-year, transferable warranty. To make life easier on a new owner, much of the existing furniture is available under separate agreement. To give a buyer comfort about the maintenance of the home, it has been continually managed and kept up to high standards by a professional firm. A membership to the Desert Mountain Club is not included, but available from the Club.

Above is a draft of that part of our "narrative" that will introduce your home to a reader. Other sections will cover more details of the Club and area. I welcome your suggestions!

To digress, many thanks again for giving such a generous amount of time to The Davis Driver Group Friday morning, allowing us to see your lovely home and learn what your goals are with respect to selling it. We will work hard (and smart) to make sure you are totally satisfied with what we do, starting with this Marketing Services Introduction and List Price Recommendation. Otherwise, between our visit, and the answers you provided to our pre-visit questions, the key takeaways for us were:

- 1. You want to sell somewhat expeditiously due to the upcoming financial commitments you anticipate with respect to your new home in Seven.
- 2. You, and Lee Hutchison, succeeded in creating not one, but two homes that do, indeed, look like they were part of the natural landscape.
- 3. Your affection for the view, and the soft, rounded, look and feel for the interior spaces is understandable; there are wonderful sights, and sightlines, throughout the house thanks in part to the varying elevations of the interior ceiling heights and the use of different materials. You are correct when you observe that "despite its size, it feels warm and inviting".
- 4. You'll have a chance via the "Seller's Property Disclosure Statement" form, to consolidate into one place all the things you have done to the home since you built it, highlighting changing the flooring in the great room, master bedroom and family room; replacing two air-conditioners and air handlers and two septic pumps; re-coating the roof, and any other repairs a buyer would like to know about
- 5. You confirmed that there is no room to further expand the house.
- 6. You are flexible as to how and how often we use the Thursday and Saturday open houses to promote the home.
- 7. You are not interested in taking any property in trade or offering any seller financing.
- 8. You will be in residence part of the time we may be in "marketing mode".
- 9. You would be willing to sell some items of furniture, but not likely any art. (It would be good to list items you would not be willing to sell, and to come up with a satisfactory, but realistic amount you'd accept for the furnishings you are willing to sell.)
- 10. We will provide some guidance on further "staging" of the home for marketing purposes (likely to be focused mainly on reducing the amount of family photographs and other "treasures" that would naturally divert a prospect's attention away from the home; you have a handsome family and many reminders of wonderful trips and experiences over the years. We want you to keep all those reminders and memories, but inadvertently sharing them with strangers can be detrimental to their "keeping their eye on the ball"!). As we discussed, the windows should be washed, but that task can wait until we get a little closer to getting the home on the market. Also, the light

- fixtures in the garage need cleaning. Relocating the boxes that are currently in the garage and in the upstairs office would be a help.
- 11. We have your phone numbers which you have provided to help us keep you informed about showings, etc., via text messages. Other than that, you are not worried about being kept abreast of day-to-day happenings in our marketplace unless they directly affect your goals.
- 12. Desert Lifestyle Management is your property manager (480 907 4662). (If things go as expected, it would be good to notify them of our involvement with the home so they will not be put off if we call them with some minor need or want). You'll need to either provide us with keys, or access to a garage door opener; sometimes, doors into homes from the garage are accidentally locked; we'd like to get a plan in place to help us get in the home for a showing if our normal access is through the garage and we find that man-door locked.
- 13. We did not discuss the idea of a pre-listing home inspection. With your living in the home essentially full-time, and having professional management whom we trust you direct to keep the home in tip-top shape, perhaps we do not need to take this step. You can advise us what your thoughts are.
- 14. We are in "high gear" already on getting your home ready to be sold; as soon as you select a list price, and can get the house ready for photography and videography, we'll be anxious to get it in front of the public as soon as possible.
- 15. It is nice to know you own the home free and clear.
- 16. We would always strive to give you as much notice of a showing as we can. We also strive, especially with listings in the price range we expect your home to be in, to be somewhat inquisitive about the circumstances surrounding any given showing. Even if you aren't in town and won't be inconvenienced, we don't like taking the time to get a larger home like yours ready for a showing, only to have the prospect walk in the door and essentially say, immediately, "Well, this home isn't going to work!" for some reason that could have and should have been covered prior to their walking in the door. Issues that could conceivably cause such a reaction would be the "discovery" that there are steps; that the home is of a certain architectural style; that is it too big for their needs or tastes, etc., etc. We try to help the buyer, or their agent, uncover these issues before they get there.
- 17. You have no Desert Mountain Club membership that you would like to sell in conjunction with the home.

If we have misunderstood any of these issues, please let us know.

After being in your home, and having some time to reflect on it, what it has to offer, and what the market has been indicating to us about current buyer's demands, we'd offer the following observations:

- 1. As articulated above, the home has numerous marketing advantages that would seem to be universally attractive characteristics to any prospective purchaser:
  - a. Quality of design
  - b. Quality of construction
  - c. Quality of location
  - d. Luxury

- e. Spaciousness
- f. Graciousness
- g. Traditional taste
- h. Good maintenance
- i. Capacity for large gatherings
- j. Solitude
- k. Peacefulness
- 1. Completeness
- m. Prestige
- n. Uniqueness
- o. Superb views
- p. Privacy
- 2. Based on a given prospective purchaser, however, there are a few *potential* marketing disadvantages of which we will be aware, and be able to defend against:
  - a. **It is fifteen years old and needs updating -** Answer: "Yes, we recognize this; however, it was exceptionally well-built to begin with, has had some updating done to it, and has been continually occupied and scrupulously maintained by its single owner. As a result, it is in better shape than many fifteen year-old homes in Desert Mountain and hasn't been priced like a new home."
  - b. **I want a home that is of more contemporary architecture** Answer: "Yes, we realize that this home is a more traditional architectural style, but the home's interior can be taken in different directions from an interior design standpoint".
  - c. **I would prefer a home with no interior steps** Answer: "Taking a few steps from time to time can help people stay in shape; is that a goal of yours?"
  - d. **The home is too big for me** Answer: "25.3 % of the home is in the Guest Residence, which can be locked off and turned off when not in use; the resultant 6,580 square feet is not a "large" home."
  - e. **You don't have a Wet Bar** Answer: When the owners have entertained on a small scale, they have found setting up a bar on the kitchen counter or the built-in buffet in the Great Room, next to the Wine Storage room to be very satisfactory. When they have entertained on a large scale, they have had a bartender set up a temporary bar on the back patio".

Obviously, having a variety of options for sale in Desert Mountain is a good thing. Our job will be to find buyers who want what you have to sell, a very desirable and unique property in spite of these slight marketing challenges, and to get the best price possible for the property within a relatively short period of time.

We start down the path towards this goal by working hard up front to develop a very detailed physical profile of our listings. We use this information in several ways. Obviously, we use it in our marketing (both in creating a narrative about the home that will resonate with different readership audiences, with varying degrees of familiarity with the various major aspects of what

your home and Desert Mountain has to offer, as well as in our personal, face-to-face selling). Before we get to those situations, we use it to research just what other homes that are for sale that truly are competition for our listings, what our listing's strengths and weaknesses are compared to them, and to dial in our list price recommendations and marketing strategies to take full advantage of the situation. Accordingly, the elements in all the following sections will be worked into the MLS narrative and kept in mind as necessary and appropriate during our selling presentations. The elements in the last section below are the ones we have selected for detailed comparative analysis.

#### Location related:

- o In the United States
- o In the southwestern part of the United States
- In Arizona
- o In the greater Phoenix area (fifth largest city in the United States)
- o In Scottsdale, part of the greater Phoenix area
- o In north Scottsdale, arguably the most desirable part of Scottsdale
- O In the distinctive, beautiful, and dry, relatively humidity-wise, "High Sonoran Desert" on mountainous terrain at elevations about 2,000 above the Valley floor (affording great views, and a completely different climate, easily enjoyable twelve months out of the year; daytime highs are about ten degrees cooler, and summertime nighttime highs are fifteen to twenty degrees cooler, than what the Valley floor experiences)
- o In a thirty-four-year-old, 8,200 acre, highly acclaimed gated, golf and outdoor recreation-oriented master planned development known as Desert Mountain
- Desert Mountain's Front Gate is an easy forty-minute drive to Phoenix Sky Harbor Airport; about a twenty-five-minute drive to Scottsdale Airport; and a one-minute drive to Carefree SkyRanch Airport
- o Is about eight hours by car to Telluride, CO; seven hours to the beaches in San Diego and Newport Beach; five hours to Las Vegas; four hours to Lake Powell; four hours to the Grand Canyon; and two hours to Flagstaff (offering excellent snow skiing on the slopes of 12,637' high Mt. Humphreys).

# • Development related:

- Out of 2,432 currently possible homes, 550 are completed semi-custom homes. About 1,350 are completed custom homes; approximately 66 are under construction, and about the same number are in design; of the remaining unbuilt homesites, approximately 271 are available for future development and 110 have been bought by neighbors to protect privacy or views.
- The approximately 1,885 completed homes range in size from 1,850 to over 20,000 square feet
- o The 350 home sales in the last two years have ranged up to \$15,500,000 in total dollars and \$1,232.11 on a per square foot basis
- Has a very strong and well-established HOA, with protective covenants and Design Review Guidelines to maintain property values

- Has a membership optional, membership controlled, private, highly-amenitized members-only club in the development known as The Desert Mountain Club, a central reason for real estate purchases in the development over the years
- o Has relatively low real estate taxes compared to areas of the country from where buyers are coming (your 2020 real estate taxes were \$13,502.52).
- An approximately twenty-mile long private Trail System in the mountains at the rear of the development can be used by all property owners for hiking, biking, and running.
- Desert Mountain is organized into discrete "Villages", some for custom and some for semi-custom homes, with home elevations ranging in altitude from about 2,600' to over 3,600' ASL.
- The Village in which the Property is located is the second smallest such Village, with only twenty-nine sites in it now, after four homeowners acquired adjacent lots to preserve views or protect privacy

#### Club Related

- The Club offers it members the use of six championship, eighteen-hole golf courses, all designed by Jack Nicklaus; one eighteen-hole par-three course long enough for scores on it to be valid for handicap purposes; seven clubhouses; nine dining venues; four golf practice ranges; and a high-tech golf performance center
- One of the clubhouses, the "Sonoran Clubhouse", is the Club's swim, tennis, fitness, pickleball, and croquet facility. It also has one of the seven restaurants, and, like the clubhouse at the par-three course, known as "Seven", also has two bocce courts
- o There are over fifty social clubs for members to enjoy
- o Club Members can rent horses for trail rides on the Trail System
- Residence related Not directly used for statistical research in our proprietary inventory management, market research, outbound marketing, and client communication system, but which will be used in our narrative:
  - o Located in the Village known as Cochise-Geronimo
  - Cochise-Geronimo is in one of the most centrally located Villages in Desert Mountain
  - Occhise-Geronimo Village is about 480 yards away, as the crow flies, to the front door of the Desert Mountain Club's "main clubhouse". It is known as The Cochise-Geronimo" clubhouse after the two golf courses by those names that are associated with the clubhouse. The building is the iconic symbol of Desert Mountain and the location for all main Club golf and social events.
  - The "CG Clubhouse" also offers one of the development's four, double-ended golf practice ranges and a popular "half-way house" dining facility, the "Range House".
  - o Property actually consists of *two* residences, a 6,580 square foot "Main Residence", (with a Master Suite, an "inside the home, three-room casita" consisting of two ensuite bedrooms plus a small living room; an exercise room, an office with a shower bath; a family gathering room in addition to what most people would call the "Family Room", a gathering space in conjunction with the

kitchen; a protected dog run; wine room; separate master suite bathrooms and dressing rooms), plus a separate 2,223 square foot, free-standing "Guest Residence" (with two ensuite bedrooms, a spacious Great Room with kitchen (the open area is large enough to accommodate a big seating area in front of a television, a ping-pong table, an air hockey game table, and a one-car garage); the total air conditioned space is 8,803 square feet.

- Cedar closet
- o Air-conditioned storage in the garage
- Close to the Dog Park
- Six fireplaces plus a firepit
- Two barbeques
- o Substantial protected adjacent areas
- Outdoor shower
- o Heaters above the dining area outside the Guest Residence
- Two spare refrigerators
- o Protected artificial grass-covered dog run, accessed by a "doggie door"
- o Enormous outdoor patio spaces for entertaining
- Gated front courtyard
- o Remarkable, protected Dog Run
- Large pantry
- o Five air conditioner units (two of which were replaced in 2018)
- o Roof re-foamed in 2018 with ten-year warranty
- Utility sink in garage
- Spacious laundry room with natural light and a large, spare refrigerator with a pull-out lower freezer compartment

Now, let us look at recent demand. The table on the next page reflects demand for homes this year and for the previous three years as measured by the number of contracts signed, as of the morning of October 26, 2020. In my twenty-nine years of working in Desert Mountain real estate, there has never been this level of overall demand.

Homes	2016	2017	2018	2019	2019 vs. Avg. for Last Three Years	2020 (YTD)	2020 vs. Avg. for Last Three Years	2020 vs. Last Year/vs. Last Year YTD
Total No. of Homes:	<u>119</u>	<u>133</u>	<u>146</u>	<u>168</u>	127%	209	140%	124%/153%
January	<u>10</u>	<u>12</u>	<u>14</u>	9	75%	<u>16</u>	137%	178%
February	<u>15</u>	<u>10</u>	<u>16</u>	9	66%	<u>23</u>	197%	256%
March	<u>7</u>	<u>15</u>	<u>17</u>	<u>16</u>	123%	<u>18</u>	113%	113%
April	<u>19</u>	<u>21</u>	<u>19</u>	<u>35</u>	178%	<u>18</u>	72%	51%
May	<u>12</u>	<u>13</u>	<u>25</u>	<u>28</u>	168%	<u>21</u>	95%	75%
June	<u>7</u>	9	<u>8</u>	9	113%	<u>26</u>	300%	289%
July	<u>7</u>	<u>6</u>	<u>8</u>	<u>5</u>	71%	<u>18</u>	284%	360%
August	<u>5</u>	<u>10</u>	<u>12</u>	<u>7</u>	78%	<u>14</u>	145%	200%
September	<u>7</u>	<u>3</u>	<u>3</u>	<u>5</u>	115%	<u>27</u>		
October	<u>13</u>	2	<u>6</u>	<u>17</u>	243%	<u>28</u>	336%	165%
November	4	<u>15</u>	<u>10</u>	<u>19</u>	197%		0%	0%
December	<u>13</u>	<u>17</u>	<u>8</u>	9	71%		0%	0%

(You can view this report "live", and investigate the drill-down numbers, by going to the home page of our website, <a href="www.propertiesofdesertmountain.com">www.propertiesofdesertmountain.com</a>). It is clear that overall demand for homes in Desert Mountain has gone through the roof this year. It is our opinion that this demand is likely to continue since the conditions that are fostering such demand, at least in Desert Mountain (various problems in California, Oregon, Washington, Minnesota, and Illinois, to name a few places from which we are seeing a lot of buyers) are likely to continue for some number of years. Let us investigate further by looking at demand since October 26, 2019 broken out by size and price range, and showing the percentages of homes that: had at least a one-room guest casita; had a dog run; were not on a golf course; had some amount of dedicated wine storage; had some steps; had an exercise room; and had game-billiards room (See Exhibit One). Exhibit One also shows information on the preferred Architectural Style of the homes sold in the last year; preferred Floor Plan Types, preferred back patio solar exposures, and detailed Days on Market information.

As anticipated, the demand for larger homes, 7,500 to 9,999 square feet, has been weak, with only five homes in that size range out of 205, or less than two percent.

Only three homes out of 205 were priced at or above \$5,000,000.

Encouragingly enough, 98.54% of the 205 homes were not on a golf course; 69.76% did have some interior steps; 33.17% had a guest casita of some size; 20.00 % had some kind of wine storage; 10.24% had an exercise room; and 6.34% had a game/billiards room.

Homes of some kind of "Old World" architecture made up 33.8% of the sales (69 out of 204).

24.39% were Kitchen/Family Room plans.

58.9% had back patios that had a southerly exposure.

The average Days on Market for homes in the 7,500 to 9,999 square foot range was 651 days.

So, the market is wonderfully hot, looks like it is likely to stay that way, but there have not been very many buyers for homes in your size and anticipated price range. All the more pressure on us to describe the home in a very detailed, engaging manner to help get people excited about coming to see it. It may take a while, however, despite our very best efforts.

Exhibit Two gets into more details, looking at the specific homes that sold in the last year that had various combinations of the following:

- o Custom home (vs. semi-custom)
- Upper Village within Desert Mountain
- Old World architectural style
- o Not on a golf course
- Lot size of at least two acres
- o Great sunset views, and modest city light views
- o More than ten years old with no meaningful updating
- Southwest solar exposure to the back patio
- A Main Residence with a Guest Residence
- Three bedrooms in the Main Residence and two in the Guest Residence for a total of five bedrooms, all ensuite
- Wine Storage
- Call "your" Family Room a "Bonus Room", or "Game Room", or "Second Office/Den", or "Home Theater/Media Room"
- Exercise Room
- o Garage parking for four cars (a little bit of a "cheat" with the fourth bay being in the Guest Residence)
- O Size range of 6,602 to 11,004 square feet (within 25% of home's total square footage)
- o "Kitchen/Family Room" plan
- o Not a "no interior steps" home
- o Modest city light views (a "grade" of 1 on a scale of 0 to 5)
- Does not overlook a road

Homes sold in the last year in Desert Mountain:	205
Used, custom homes:	105
Size between 6,602 and 11,004 square feet:	11
At least ten years old:	7

Here is a list of the seven, indexed on Sales Price per Square Foot:

Lot	List Price	Sale Price	List Price/SF	Sale Price/SF	LP-SP Disc.%	Size	Brms	Guest House Rms
SEV- 17	\$5,299,999	\$5,100,000	\$775.76	\$746.49	3.77%	6,832	5	0
SAG-286	\$4,250,000	\$3,840,000	\$530.26	\$479.10	9.65%	8,015	4	2
SUN- 64	\$3,275,000	\$3,075,000	\$477.96	\$448.77	6.11%	6,852	5	0
SAG-184	\$3,295,000	\$3,272,500	\$438.16	\$435.17	0.68%	7,520	3	2
SAG- 94	\$3,250,000	\$2,950,000	\$476.82	\$432.81	9.23%	6,816	3	2
LM - 64	\$3,495,000	\$3,250,000	\$461.69	\$429.33	7.01%	7,570	4	0
<u>AH - 68</u>	\$1,295,000	\$1,162,500	\$187.41	\$168.23	10.23%	6,910	7	0

Seven Arrows 17 and Sunset Canyon 64 both had enormous, wall-to-wall views of city lights, the McDowell Mountains, and sunsets (mainly winter sunsets). As you can see from the sales price per square foot, SEV- 17 was a bit of an outlier, selling for \$267.39 more per square foot than the second place home, Saguaro Forest 286, which sold at \$479.10 per square foot. The entire report is in Exhibit Two. None were sold with a membership of any kind, and all had pools and spas, so those columns were eliminated. Based on the sales prices per square foot of the homes other than Seven Arrows 17, based on the best available *sold* comps, a sale price per square foot around \$480 would be a nice achievement. That works out to \$4,225,440 for your 8,803 square feet. Your home does have several very special and unique characteristics which ought to be rewarded in an ideal world.

However, we are in a bit of an extra-hot market, and, depending on how many other available homes there are with which your home would be in competition, there may be a little leeway to price the home a little higher than what the sold comps would suggest. Let us look at those now.

Currently Available Finished or Under Construction Homes:	75
Size between 6,602 and 11,004 square feet:	15
Number that do not overlook a road:	14
Number that at least ten years old:	11
Number that are not a "hard" contemporary:	8

Here is a list of the eight, indexed on List Price per Square Foot:

Lot	List Price	<u>List Price/SF</u>	Size	Brms	Guest House Rms	<u>Baths</u>	Pwder Rooms	Dens	Gar	Arch Style	Floor Plan
<u>RQ - 48</u>	\$6,995,000	\$804.02	8,700	3	5	4	1	2	4	PBSF	Kitchen By Itself
SAG-146	\$5,495,000	\$711.14	7,727	3	1	3	3	2	4	TUSC	Great Room
<u>RQ - 77</u>	\$3,595,000	\$506.34	7,100	5	2	4	2	2	3	SWCN	Kitchen/Family Room
SAG- 7	\$3,295,000	\$497.66	6,621	3	3	3	2	1	3	MDTN	Great Room
DR - 6	\$4,495,000	\$438.11	10,260	4	1	4	0	1	3	SPCO	Kitchen By Itself
SAG-158	\$2,895,000	\$428.38	6,758	3	1	3	1	1	3	SWCN	Kitchen/Family Room
SEV- 31	\$2,950,000	\$422.21	6,987	3	1	4	1	1	3	SPCO	Kitchen By Itself
SR -326	\$1,899,000	\$263.60	7,204	4	2	4	1	1	4	SWCN	Kitchen By Itself

As you will see from the greater amount of detail in Exhibit Three, the top-priced home on this list, Rose Quartz 48, has been very extensively updated in the last year. You will also recognize

its location as one of the premier sites in all of Desert Mountain, overlooking the fifteenth hole on Cochise and blessed with remarkable views in virtually every direction:



So, we are not likely to be able to take this home on, pricewise.

However, as you will see in the details of Exhibit Three, none of the next six homes on list have undergone any remodeling or updating. Knowing what I know about these home's views (and assuming views will be important to a buyer in our price range), I don't think we'll have much competition on a straight-up basis with Saguaro Forest 7, Deer Run 6, Saguaro Forest 158, Seven Arrows 31, or Sunrise 326. There are other various reasons why these homes would not be competition for your home besides views. We can review those together if you like. So, of the least expensive seven homes, I think our likely competition is going to be Saguaro Forest 146 (which looks down on the 16th fairway of Chiricahua), and, to a MUCH lesser extent, Rose Quartz 77. It was built in 1994 and looks it.

So, SAG-146 is our main competitor. It is a little newer, having been built in 2009. Old World architecture. Built by Platinum Homes, a very decent builder, but perhaps not quite in the same league as RS Homes and Jim Manship. Big wine storage room complemented by a spacious "Wine Grotto" tasting room. Much smaller lot, at just 43,560 square feet. With its lofty perch on the ridgeline, however, this smaller lot size compared to yours is probably not going to be all that apparent to a buyer due to the wide angle views and the homes in that view being distant and lower. Separate master closets and water closets. A single four-car garage. Lighter and brighter than your home. Some steps and built on three levels. A more popular "Great Room" plan with a "TV nook" with a fireplace (much smaller than your "Morning Room") off the kitchen (which means your home has three gathering places, to this home's one). Separate Dining Room. Upstairs Game Room and covered, open air observation deck. Separate Media Room/Home

Theater. Bigger city light views than your home has. Fancy "Study". The MLS says it has five bedrooms overall, and refers to Guest Quarters with a separate entrance, but is not clear about whether there is more than just a simple bedroom in the "guest quarters". I am endeavoring to find that out.

In any event, here is the complete listing and sale history for SAG-146:

## Property Profile SAG-146

Property	Property ID # Last Updated: 09/02/20														
Village Name: Saguaro Forest 4 (SA4) Unit: 34 Homesite #: 146 Assessor Number: 219-47-742															
Property Transaction History															
HOUSE STATUS	TRANSACTION STATUS	LIST PRICE	LIST DATE	SELLING SITUATION	SELLER FINANCING	OFF MKT	DOW(2)	COE	SOLD FOR	MLS #	RESALE	SPEC	Edit Hist.		
Finished	0	\$5,495,000	09/01/20	Normal	No		55		\$0	6125765	Yes	No	Z		
Finished	Х	\$5,495,000	11/01/19	Normal	No	07/15/20	257		\$0	5999617	Yes	No	Z		
Finished	Х	\$5,950,000	10/18/18	Normal	No	05/15/19	209		\$0	5835034	Yes	No	Z		
Finished	Х	\$5,950,000	01/08/18	Normal	No	06/21/18	164		\$0	5706168	Yes	No	Z		
Finished	Х	\$5,395,000	03/24/10	Normal	No	06/23/10	91		\$0	4360987	Yes	No	Z		
	S	\$1,350,000	11/26/05	Normal	No	01/20/06	55	03/22/06	\$1,300,000	2427122	Yes	No	<b></b>		
	Х	\$1,650,000	07/21/05	Normal	No	10/17/05	88		\$0	2347997	Yes	No	<b></b>		
	Х	\$1,350,000	04/10/05	Normal	No	06/10/05	61		\$0	2292918	Yes	No	<b></b>		
	Х	\$1,350,000	03/22/04	Normal	No	03/21/05	364		\$0	2128163	Yes	No	Z		
	S	\$1,675,000		Normal	No	03/25/00	0	05/11/00	\$1,591,250		No	No	Z		

The price of \$5,495,000 has not changed on the current listing. The previous listing started out at \$5,750,000 on November 1, 2019, but they dropped the price to \$5,495,000 on February 11, 2020. I suppose I am not surprised that it didn't sell during any of the three previous listings, dating back to January 1, 2018, but I am noticing that it has not gone under contract this year, even with all the activity we have had. It is listed now for \$711.14 per square foot, quite a bit higher, obviously, than the above-mentioned sale comp of \$480 per square foot. It could be that prospective purchasers are looking at that number and saying, "No way!". \$711.14 times your 8,803 comes out to \$6,260,165.

Going back to the \$480 sold comp benchmark, grossing that number up by an arbitrary, but not insignificant, 20%, to ask a premium for: having two separate residences; having either two family gathering rooms or two offices, depending on how "your" Family Room is interpreted by a prospective purchaser; RS Homes and Jim Manship quality; being within walking distance to CG; your back patio/"plaza"; having all the "elbow room" your lot and the adjoining lots afford; etc., gets us to \$600.00 per square foot, which would translate to \$5,282,800 for your home. The current hot market might give us "cover" for such an upward adjustment, and we'd still be well below SAG-146's \$711.46. Going much above that number would seem to be hard to justify.

So, based on the data we have on hand, if you want to be somewhat optimistic, the market indicates you could go as high as \$5,280,000 and see what happens, but with the average days on market being 651, that strategy may not be in your best interest. If you want to be more realistic, something closer to \$500 per foot, \$4,400,000 might be the number. In between the two, call it \$550 per foot, \$4,840,00, would seem to be the number. The price you choose is an extremely

important aspect of the total marketing, as we have only one opportunity to grab the largest audience. Furniture would, of course, be an additional consideration covered by a Bill of Sale.

Our marketing campaign will consist of numerous different parts, all highlighted in the materials we provided, but did not review, in the grey presentation box. We will be glad to go over the pertinent details with you.

Thanks again for the opportunity to serve you. We appreciate it and look forward to going over this with you soon!

Sincerely,

**Davis Driver** 

# Exhibit One

Sold Homes Analysis Report
Custom & Semi-Custom, New & Used, Resale & Developer
Included Features: Guest House, Dog run, Exercise Room, Game/Billiards Room, Wine Cellar (Any Size)
Excluded Features: No interior steps, On a Golf Course
10/26/2019 to 10/25/2020

#### 205 Homes Sold

		10,000 SF					4	-	4	✓	✓	X	X
Sold For	Any Size	or more	7,500 - 9,999 SF	5,000 - 7,499 SF	2,500 - 4,999 SF	Under 2,500 SF	Guest House	Dog run	Exercise Room	Game/Billiards Room	Wine Cellar (Any Size)	No interior steps	On a Golf Course
\$8,000,000 & up	0.49% (1)	0.49% (1)										0.49% (1)	0.49% (1)
\$7,000,000 - \$7,999,999													
\$6,000,000 - \$6,999,999													
\$5,000,000 - \$5,999,999	0.98% (2)			0.98% (2)					0.49% (1)		0.98% (2)	0.98% (2)	0.98% (2)
\$4,000,000 - \$4,999,999	1.46% (3)	0.49% (1)		0.98% (2)			0.98% (2)	0.49% (1)	0.98% (2)	0.49% (1)	0.49% (1)	0.49% (1)	1.46% (3)
\$3,000,000 - \$3,999,999	8.78% (18)		1.95% (4)	5.37% (11)	1.46% (3)		4.39% (9)		2.93% (6)	1.95% (4)	3.41% (7)	4.88% (10)	8.78% (18)
\$2,000,000 - \$2,999,999	16.10% (33)		0.49% (1)	8.78% (18)	6.83% (14)		5.85% (12)		1.95% (4)	0.98% (2)	5.37% (11)	9.76% (20)	16.10% (33)
\$1,000,000 - \$1,999,999	40.00% (82)			8.78% (18)	30.24% (62)	0.98% (2)	15.61% (32)	0.49% (1)	3.90% (8)	2.93% (6)	9.27% (19)	29.76% (61)	38.54% (79)
\$500,000 - \$999,999	32.20% (66)				21.46% (44)	10.73% (22)	6.34% (13)				0.49% (1)	23.41% (48)	32.20% (66)
Under \$500,000													
Any Price	100.00% (205)	0.98% (2)	2.44% (5)	24.88% (51)	60.00% (123)	11.71% (24)	33.17% (68)	0.98% (2)	10.24% (21)	6.34% (13)	20.00% (41)	69.76% (143)	98.54% (202)
2 Bedrooms	4.39% (9)				0.49% (1)	3.90% (8)							
2 Bdrms and a Den	5.85% (12)				2.44% (5)	3.41% (7)					0.49% (1)		
2 Bdrms and a Gst Hse	2.44% (5)				2.44% (5)		2.44% (5)					11.22% (23)	16.10% (33)
2 Bdrms, a Den and a Gst Hse	3.41% (7)			1.46% (3)	1.95% (4)		3.41% (7)		0.49% (1)		0.98% (2)	36.10% (74)	52.20% (107)
3 Bedrooms	15.12% (31)				10.73% (22)	4.39% (9)					0.49% (1)	18.54% (38)	25.37% (52)
3 Bdrms and a Den	15.12% (31)			2.44% (5)	12.68% (26)				0.49% (1)	0.49% (1)	2.44% (5)	2.44% (5)	3.41% (7)
3 Bdrms and a Gst Hse	7.32% (15)			0.98% (2)	6.34% (13)		7.32% (15)			0.49% (1)	0.98% (2)	0.49% (1)	0.49% (1)
3 Bdrms, a Den and a Gst Hse	15.61% (32)		0.98% (2)	8.29% (17)	6.34% (13)		15.61% (32)	0.49% (1)	3.90% (8)	1.95% (4)	5.85% (12)		
4 Bedrooms	7.32% (15)			0.98% (2)	6.34% (13)					0.49% (1)	0.49% (1)		
4 Bdrms and a Den	15.12% (31)		0.98% (2)	6.34% (13)	7.80% (16)			0.49% (1)	3.41% (7)	1.46% (3)	5.37% (11)		
4 Bdrms and a Gst Hse	0.49% (1)				0.49% (1)		0.49% (1)						
4 Bdrms, a Den and a Gst Hse	2.93% (6)		0.49% (1)	1.46% (3)	0.98% (2)		2.93% (6)		0.49% (1)	0.49% (1)	0.98% (2)		
5 Bedrooms	1.95% (4)			0.98% (2)	0.98% (2)				0.49% (1)				
5 Bdrms and a Den	0.98% (2)			0.98% (2)					0.49% (1)		0.98% (2)		
5 Bdrms and a Gst Hse													
5 Bdrms, a Den and a Gst Hse	0.49% (1)			0.49% (1)			0.49% (1)						
6 Bedrooms													
6 Bdrms and a Den													
6 Bdrms and a Gst Hse													
6 Bdrms, a Den and a Gst Hse	0.49% (1)	0.49% (1)					0.49% (1)		0.49% (1)	0.49% (1)	0.49% (1)		

# 204 Homes of the 205 Homes Sold That Have an Architectural Style

Architectural Style	Any Size	10,000 SF or more	7,500 - 9,999 SF	5,000 - 7,499 SF	2,500 - 4,999 SF	Under 2,500 SF
Contemporary	28.29% (58)		0.49% (1)	9.27% (19)	18.54% (38)	
Contemporary Ranch	1.95% (4)			0.98% (2)	0.98% (2)	
Mediterranean	0.49% (1)				0.49% (1)	
Mexican Territorial	5.85% (12)			0.49% (1)	5.37% (11)	
Pueblo/Santa Fe	6.34% (13)			1.46% (3)	3.90% (8)	0.98% (2)
Spanish Colonial	0.98% (2)				0.98% (2)	
SW Contemporary	35.61% (73)	0.49% (1)	0.98% (2)	6.34% (13)	17.56% (36)	10.24% (21)
Territorial	9.76% (20)			1.95% (4)	7.32% (15)	0.49% (1)
Tuscan	10.24% (21)		0.98% (2)	4.39% (9)	4.88% (10)	

# 197 Homes of the 205 Homes Sold That Have a Value for Floor Plan

Grea	at Room	55.12% (113)
Kitchen/	Family Room	24.39% (50)
Kitche	n By Itself	16.59% (34)

# 202 Homes of the 205 Homes Sold That Have a Value for Direction Home Faces

4.88% (10)
7.32% (15)
3.90% (8)
14.63% (30)
24.88% (51)
11.22% (23)
21.95% (45)
9.76% (20)

# 193 Homes of the 205 Homes Sold That Have a Value for Days on Market

Sold For														
	Min DOM Max DOM Avg DOM Median DOM													
\$8,000,000 & up														
\$7,000,000 - \$7,999,999														
\$6,000,000 - \$6,999,999														
\$5,000,000 - \$5,999,999	127	411	269	269										
\$4,000,000 - \$4,999,999	107	464	327	410										
\$3,000,000 - \$3,999,999	2	1519	269	123										
\$2,000,000 - \$2,999,999	10	633	190	100										
\$1,000,000 - \$1,999,999	1	784	166	107										
\$500,000 - \$999,999	2	869	149	101										
Under \$500,000														
Any Price	1	1519	178	107										
	House	e Size												
Any Size	1	1519	178	107										
10,000 & up	410	410	410	410										
7,500 - 9,999	2	1519	651	577										
5,000 - 7,499	10	633	211	147										
2,500 - 4,999	1	784	152	95										
Under 2,500	2	869	114	79										

# Exhibit Two

# **Sold Homes**

Sold in the last year (by COE)

# Prepared for Mr. and Mrs. Rick Harrington as Exhibit Two Sorted by Sale Price per Sq. Ft. Used Resale Homes Custom Homes only Home square footage between 6,602 and 11,004 At least 10 years old Physical Status: Finished

Lot	List Price	Sale Price	List Price/SF	Sale Price/SF	LP-SP Disc.%	Size	Brms	Guest House Rms	<u>Baths</u>	Pwder Rooms	Dens	Gar /	Arch St <u>yle</u>	Floor Plan	Furn	COE	DOM	Lot Faces	Golf Course	<u>Lights</u>	McDowell Mtn.	Sunset	Finish Date (	Overlooks Road
SEV- 17	\$5,299,999	\$5,100,000	\$775.76	\$746.49	3.77%	6,832	5	0	5	1	1	3	SWCN	Great Room	No	2019-11-19	411	SW	5	5	5	5	09/20/2010	No
SAG-286	\$4,250,000	\$3,840,000	\$530.26	\$479.10	9.65%	8,015	4	2	5	2	1	4	SWCN	Kitchen/Family Room	Yes	2020-07-31	1,519	S	2	2		3	11/01/2007	No
SUN- 64	\$3,275,000	\$3,075,000	\$477.96	\$448.77	6.11%	6,852	5	0	5	1	1	5	TUSC	Kitchen/Family Room	No	2020-06-30	246	S	1	5	5	5	12/16/2004	No
SAG-184	\$3,295,000	\$3,272,500	\$438.16	\$435.17	0.68%	7,520	3	2	3	1	1	5	TUSC	Great Room	No	2020-08-13	577	SW		3		4	01/23/2009	No
SAG- 94	\$3,250,000	\$2,950,000	\$476.82	\$432.81	9.23%	6,816	3	2	3	3	1	3	PBSF	Kitchen By Itself	No	2019-12-27	40	SE		2	3	1	03/15/2009	No
LM - 64	\$3,495,000	\$3,250,000	\$461.69	\$429.33	7.01%	7,570	4	0	6	0	1	3	SWCN	Kitchen/Family Room	No	2020-07-31	567	NW	3			3	03/04/2004	No
AH - 68	\$1,295,000	\$1,162,500	\$187.41	\$168.23	10.23%	6,910	7	0	7	1	0	3	SWCN	Kitchen/Family Room	No	2020-04-06	487	SW		3		4	07/01/1996	No

### Exhibit 3

#### Available Homes as of October 26, 2020

## Prepared for Mr. and Mrs. Rick Harrington - Exhibit Three

Sorted by List Price per Sq. Ft.

Architectural Styles: Mediterranean, Mexican Territorial, Organic Southwest, Pueblo/Santa Fe, Spanish Colonial, SW Contemporary, Territorial, Tuscan

Does Not Overlook a Road

Home square footage between 6,602 and 11,004

At least 10 years old Physical Status: Finished

<u>Lot</u> RQ - 48	<u>List Price</u> \$6,995,000	<u>List</u> <u>Price/SF</u> \$804.02	Physical Status F	<u>Size</u> 8,700	Brms 3	Guest House Rms 5	Baths 4	Pwder Rooms 1	Dens 2	<u>Gar</u> 4	Arch Style PBSF	<u>Floor Plan</u> Kitchen By Itself	<u>Furn</u> Yes	<u>DOM</u> 47	<u>Lot</u> <u>Size</u> 28593	<u>Lot</u> <u>Faces</u> SW	Golf Course 4	<u>Lights</u> 3	McDowell Mtn. 3	Sunset 5	Remodel/Update <u>Year(s)</u> 2000 2016 2019
SAG-146	\$5,495,000	\$711.14	F	7,727	4	1	4	3	1	4	TUSC	Great Room	No	55	43560	SW	5	1	5	3	
RQ - 77	\$3,595,000	\$506.34	F	7,100	5	2	4	2	2	3	SWCN	Kitchen/Family Room	No	441	24937	SW	4	4	4	5	
SAG- 7	\$3,295,000	\$497.66	F	6,621	3	3	3	2	1	3	MDTN	Great Room	No	358	40426	SW		1	3	1	
DR - 6	\$4,495,000	\$438.11	F	10,260	4	1	4	0	1	3	SPCO	Kitchen By Itself	No	8	193086	NW	1				
SAG-158	\$2,895,000	\$428.38	F	6,758	3	1	3	1	1	3	SWCN	Kitchen/Family Room	No	249	30665	W	2	2	2	4	
SEV- 31	\$2,950,000	\$422.21	F	6,987	3	1	4	1	1	3	SPCO	Kitchen By Itself	No	412	26420	W	4	1	2	3	
SR -326	\$1,899,000	\$263.60	F	7,204	4	2	4	1	1	4	SWCN	Kitchen By Itself	No	297	39160	N		2	1	3	2012 2012

#### Remodel/Update Details

Floor Yr Updated: 2005; Floor Partial/Full: Partial; Wiring Yr Updated: 2005; Wiring Partial/Full: Full; Plmbg Yr Updated: 2005; Plmbg Partial/Full: Full; Ht/Cool Yr Updated: 2005; Ht/Cool Partial/Full: Full; Roof Yr Updated: 2005; Roof Partial/Full: Full; Kitchen Yr Updated: 2016; Kitchen Partial/Full: Full; Bath(s) Yr Updated: 2015; Bath(s) Partial/Full: Full; Roof Yr Updated: 2005; Plmbg Partial/Full: Full; Pool Yr Updated: 2005; Plmbg Partial/Full: Full; Plmbg Yr Updated: 2005; Plmbg Partial/Full: Full; Plmbg Yr Updated: 2005; Plmbg Partial/Full: Full; Ht/Cool Yr Updated: 2005; Plmbg Partial/Full: Full; Ht/Cool Yr Updated: 2005; Plmbg Partial/Full: Full; Plmbg Yr Updated: 2005; Plmbg Partial/Full: Full; Plmbg Yr Updated: 2005; Plmbg Partial/Full: Full; Plmbg Yr Updated: 2005; Plmbg Partial/Full: Full; Pool Yr Updated: 2005; Plmbg Partial/Full: Full; Pool Yr Updated: 2005; Plmbg Partial/Full: Full; Plmbg Yr Updated: 2019; Plmbg Partial/Full: Full; Wiring Yr Updated: 2019; Wiring Partial/Full: Full; Plmbg Yr Updated: 2019; Plmbg Partial/Full: Full; Ht/Cool Yr Updated: 2019; Holor Partial/Full: Full; Wiring Yr Updated: 2019; Plmbg Partial/Full: Full; Wiring Yr Updated: 2019; Plmbg Partial/Full: Full; Wiring Partial/Full: Full; Plmbg Yr Updated: 2019; Plmbg Partial/Full: Full; Wiring Partial/Full: Full; Plmbg Yr Updated: 2019; Plmbg Partial/Full: Full; Wiring Partial/Full: Full; Ploof Yr Updated: 2019; Ploof Partial/Full: Full

Floor Yr Updated: 2012; Floor Partial/Full: Partial; Wiring Yr Updated: 2012; Wiring Partial/Full: Partial; Plmbg Yr Updated: 2013; Plmbg Partial/Full: Partial; Ht/Cool Yr Updated: 2015; Ht/Cool Partial/Full: Full; Roof Yr Updated: 2012; Roof Partial/Full: Full; Kitchen Yr Updated: 2012; Kitchen Partial/Full: Full; Bath(s) Yr Updated: 2012; Bath(s) Partial/Full: Full; Roof Yr Updated: 2012; Roof Partial/Full: Partial; Floor Yr Updated: 2012; Roof Partial/Full: Partial; Wiring Yr Updated: 2012; Wiring Partial/Full: Partial; Plmbg Yr Updated: 2012; Plmbg Partial/Full: Partial; Ht/Cool Yr Updated: 2012; Wiring Partial/Full: Partial; Plmbg Yr Updated: 2012; Plmbg Partial/Full: Partial; Wiring Yr Updated: 2012; Bath(s) Partial/Full: Partial; Wiring Partial/Full: Pull; Roof Yr Updated: 2012; Bath(s) Partial/Full: Full; Roof Vr Updated: 2012; Roof Partial/Full: Partial

Records 1 to 8 of 8