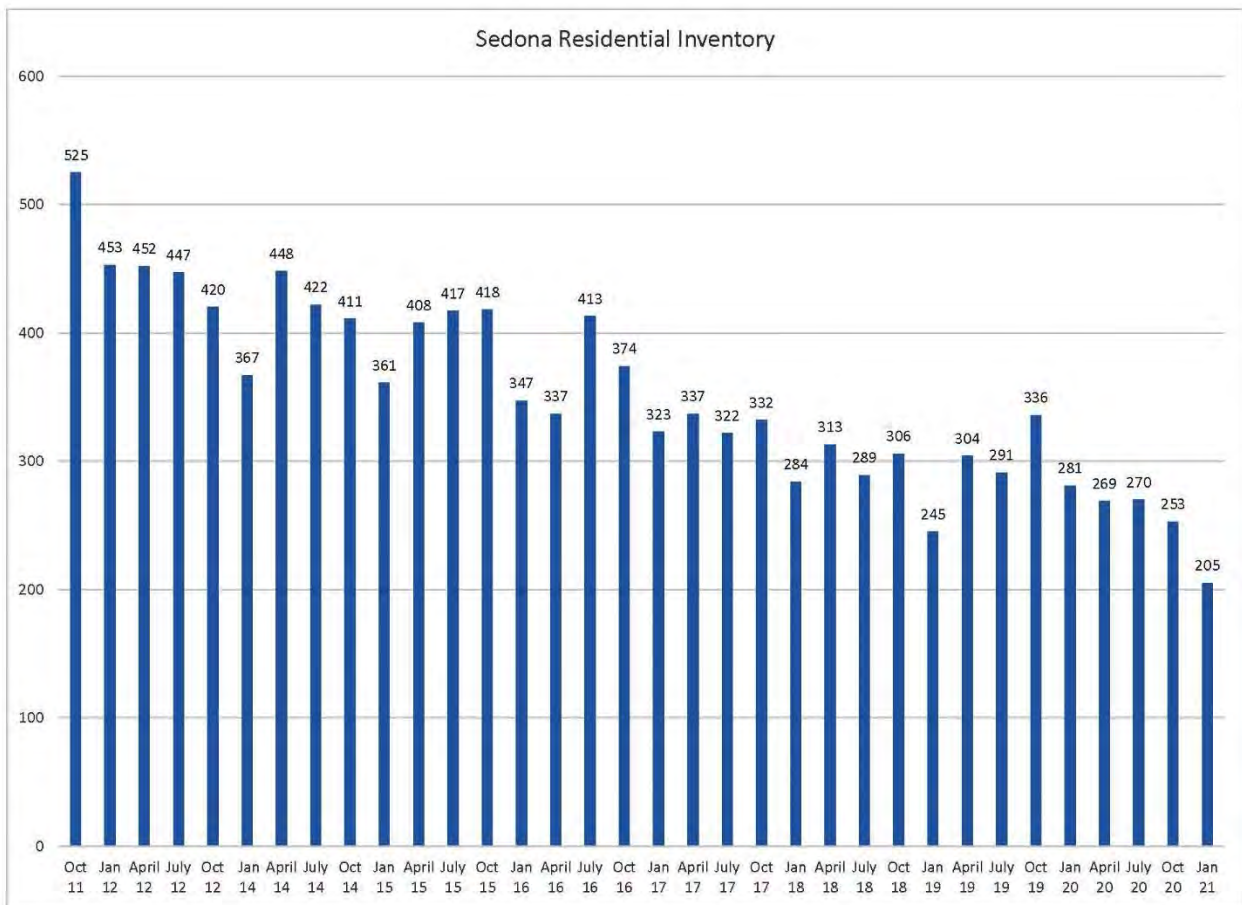


Verde Valley Real Estate 2020 in Review

2020 sales started out on a steady pace and then boom in February and March with the COVID-19 Pandemic the market came screeching to a halt, while everyone figured out how to deal with the Pandemic and buy an N95 mask finding that there were none available. Then as we all came to grips with how to work in the Pandemic, all hell broke loose with the market. With inventory already low, buyers started showing up from California and big cities all over the country looking to escape from forest fires and the pandemic resulting in a 15% year over year increase in the median sales price in Sedona to \$650,000. Leaving us as of this writing with 50 active, not under contract, homes on the market with a median asking price of \$1,297,500.

Residential inventory in Sedona and the Verde Valley has been on a decline for the last 10 years. Since the bottom of the market in 2011 all of the vacant homes have been occupied. Home builders have not been building enough homes to keep up with the million households that are created each year in this country resulting in a nationwide housing shortage.



The luxury market in the Sedona area heated up to a never-before-seen frenzy. A year ago, there were 87 homes in the Sedona area for sale, today there are 14. For 2020 there were 119 sales over \$1,000,000 a 212% increase over 2019.

That is enough about 2020, what about 2021.

Mortgage rates will stay low—or may go a little higher.

Interest rates in 2020 were at historic lows for part of the year and have crept up a little at the end of 2020. The average rate for 2020 was at 3% and is expected to stay low and may rise slightly if the economy heats up a little as more people get the vaccine and feel more confident.

Prices will keep on rising.

Prices for residential real estate are expected to be strong throughout the country and I can see nothing on the horizon that will slow the increase for Sedona and the Verde Valley. With folks able to sell their homes for increased prices in other areas of the country they will be able to afford our homes too. As my uncle used to say “they will be trading \$10,000 cats around”.

A real downside for the ever-increasing residential values in Sedona and the Verde Valley is that folks who are still working and wanting to afford a home cannot. Even with low interest rates the median income family cannot afford the median sale priced home anywhere in the Verde Valley. Where are folks who work in the Verde Valley going to live? This will turn critical for Verde Valley employers.

Inventory will be tight.

As I have stated before, many homeowners have locked in low interest rates, Baby Boomers are staying healthy longer and staying put in their existing homes. You cannot buy what is not for sale. The Baby Boomer generation is part of the challenge for Millennials, as many are choosing to age in place keeping more homes off the market than ever before. Although the COVID-19 Pandemic may have slowed some folks from making a move, I do not see that as having much of an effect in Sedona and the Verde Valley. I expect there to be demand coming from California and the upper Midwest like we have seen before but maybe even stronger this year. At this point homes are selling within a few days of when they come on the market and I do not see that changing any time soon with inventory as tight as it is and demand as strong.

Just the Facts:

Sedona area: The median price of a single-family home rose to \$650,000 the highest median sales price ever. This was a 15% increase over 2019, an \$85,000 increase in one year. This \$85,000 increase was fueled by a 27% increase in the number of single-family sales to 631 sales in 2020 the highest number of annual sales in the Sedona market ever. The high number of sales resulted in a critical shortage of homes for sale. The inventory of all residential properties for sale decreased since January of 2020 a staggering 27%

Vacant land transactions for 2020 came in at 198, a 30% increase over 2019. This was the highest number of vacant land sales since 2005. Driven by the increased number of sales, the median sales price for vacant land rose 24% to just under to \$199,125, its highest number since 2008. The increase in the number of sales has also resulted in a 21% decrease in the number of lots for sale to 205, its lowest number in many years.

It is safe to say that the luxury market, home sales over \$1,000,000 was the driving force in the 2020 market. Single family sales over \$1,000,000 accounted for 19% of the sales in 2020 coming in at 119 sales, a mind-altering increase of 212% up from 56 sales in 2019. A year ago, there were 87 homes for sale over \$1,000,000 as of this writing there are 14.

Cumulative days on the market came in at 84 days, two days longer than in 2019. With the sales activity that we are seeing in the market today I am expecting a significant drop in the time on the market for 2021

Not unexpectedly with the dramatic increase in the price for single family home we saw a dramatic increase in the median sales price for condos and townhomes to \$389,174 up 25% over 2019's \$310,000. The number of transactions for the last 12-month period is 118, down 12% from 2019

The median price for mobile homes came in at \$326,000 up a sizeable 16.5% over 2019. Sales were off slightly to 32 sales from 36 in 2019.

Camp Verde:

The median sales price for single family homes in the Camp Verde area for 2020 was \$297,500 up 10%% from 2019. Its highest yearly total ever. The number of sales was up 7% to 104 sales.

Lake Montezuma and Rimrock:

The median sales price for single family homes in the Rimrock and Lake Montezuma area for 2020 was \$235,000 up 2% from 2019. This is an all-time high for this area. The number of sales came in at 76 sales down 5% from 80 sales in 2019. Inventory of homes in this area is very tight.

Cottonwood and Cornville:

The median sales price for single family homes in the Cottonwood and Cornville area for 2020 was \$325,000 up 12% over 2019. This is the highest median sales price in this area ever. The number of sales in 2020 was up 7% over 2020 to 601 sales contributing to the all-time high price.

The Bottom Line: Inventory is acutely tight. Demand is strong. Interest rates are low. The market will continue to be very tight with homes going under contract very quickly. You cannot just go "Abracadabra" and have a home show up, so sellers will be in the driver's seat for 2021.

2020 Verde Valley Residential Sold vs Active

Price Range	Sedona		Cottonwood		Camp Verde		Rimrock Lake Montezuma		Verde Valley	
	Sold	Active	Sold	Active	Sold	Active	Sold	Active	Sold	Active
0 - 199K	23	6	143	22	46	9	32	5	244	42
200K - 299K	41	0	260	27	77	13	59	9	437	49
300K - 399K	85	11	221	55	25	11	15	3	346	80
400K - 499K	131	7	70	30	18	6	3	2	222	45
500K - 749K	273	43	66	23	6	3	1	2	346	71
750K - 999K	112	25	13	8	2	2	0	0	127	35
1 Mil - 1.49 Mil	77	31	3	1	2	1	0	1	82	34
1.5 Mil - 1.99 Mil	34	14	1	1	1	1	0	0	36	16
2 Mil - 2.49 Mil	11	11	0	1	0	1	0	0	11	13
2.5 Mil & Over	8	12	0	1	0	1	0	0	8	14
Sold vs Active 0 - 499,999	280	24	694	134	166	39	109	19	1249	216
Sold vs. Active 500K - 999,999	385	68	79	31	8	5	1	2	473	106
Sold vs Active 1 Mil & Over	130	68	4	4	3	4	0	1	137	77
Totals	795	160	777	169	177	48	110	22	1859	399

Provided Courtesy of Randy Crewse Arizona Prime Real Estate

Data Source: SVVAR MLS as of January 13, 2021

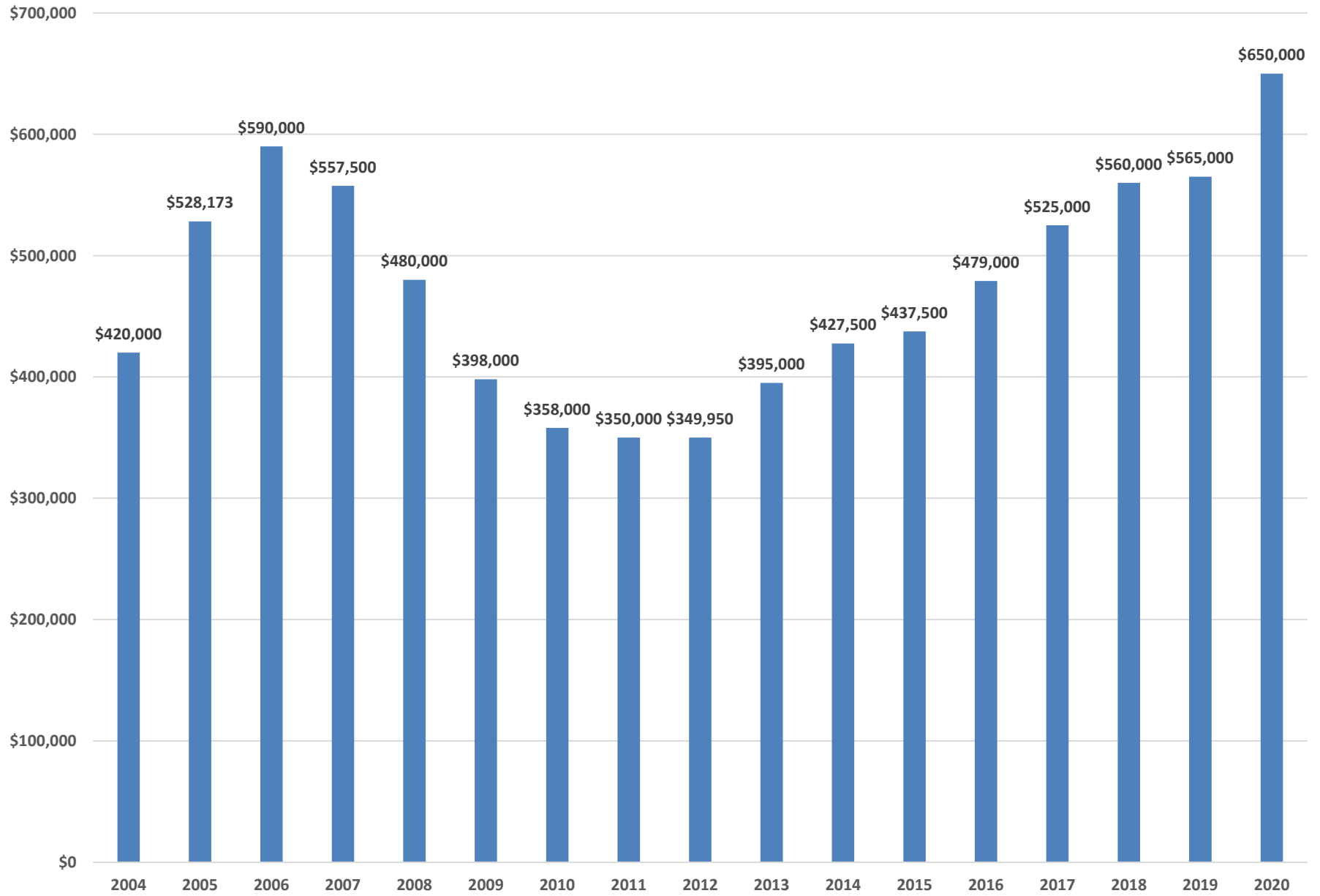
2020 Verde Valley Vacant Land Sold vs Active

Price Range	Sedona		Cottonwood		Camp Verde		Rimrock	Lake	Verde Valley	
	Sold	Active	Sold	Active	Sold	Active	Montezuma	Verde Valley	Sold	Active
0 - 99K	19	7	93	141	45	22	81	86	238	256
100K - 199K	81	53	29	129	8	8	0	5	118	195
200K - 299K	47	50	4	25	0	5	0	3	51	83
300K - 399K	25	32	4	6	1	5	0	2	30	45
400K - 499K	10	18	0	4	0	2	0	0	10	24
500K - 749K	9	19	0	3	0	5	0	0	9	27
750K - 999K	4	12	0	2	0	6	0	0	4	20
1 Mil - 1.49 Mil	1	4	0	4	0	1	0	1	1	10
1.5 Mil - 1.99 Mil	1	3	1	2	0	2	0	0	2	7
2 Mil - 2.49 Mil	0	2	0	1	0	1	0	0	0	4
2.5 Mil & Over	1	5	0	6	0	0	0	0	1	11
Sold vs Active 0 - 499,999	182	160	130	305	54	42	81	96	447	603
Sold vs. Active 500K - 999,999	13	31	0	5	0	11	0	0	13	47
Sold vs Active 1 Mil & Over	3	14	1	13	0	4	0	1	4	32
Totals	198	205	131	323	54	57	81	97	464	682

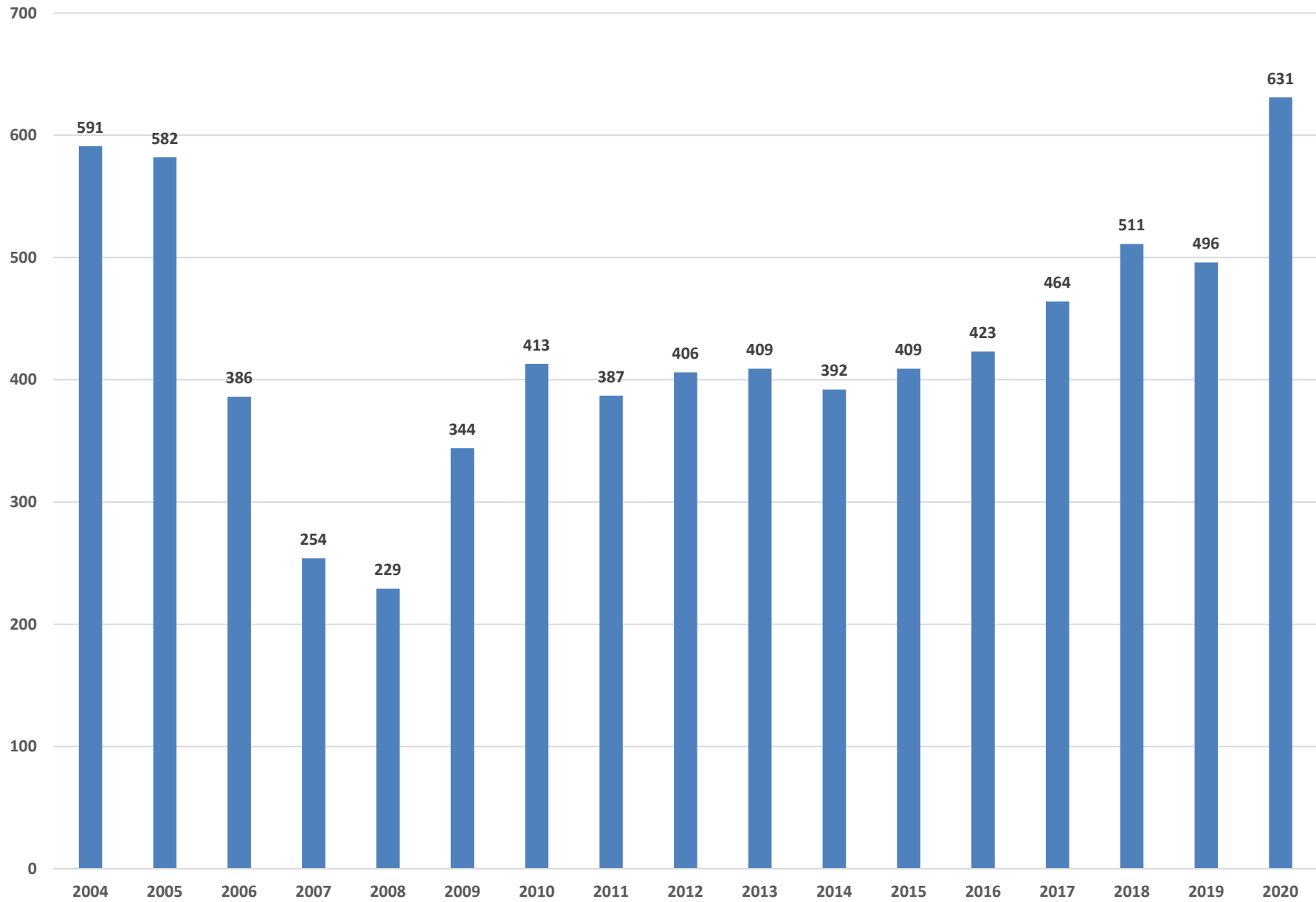
Provided Courtesy of Randy Crewse Arizona Prime Real Estate

Data Source: SVVAR MLS as of January 13, 2021

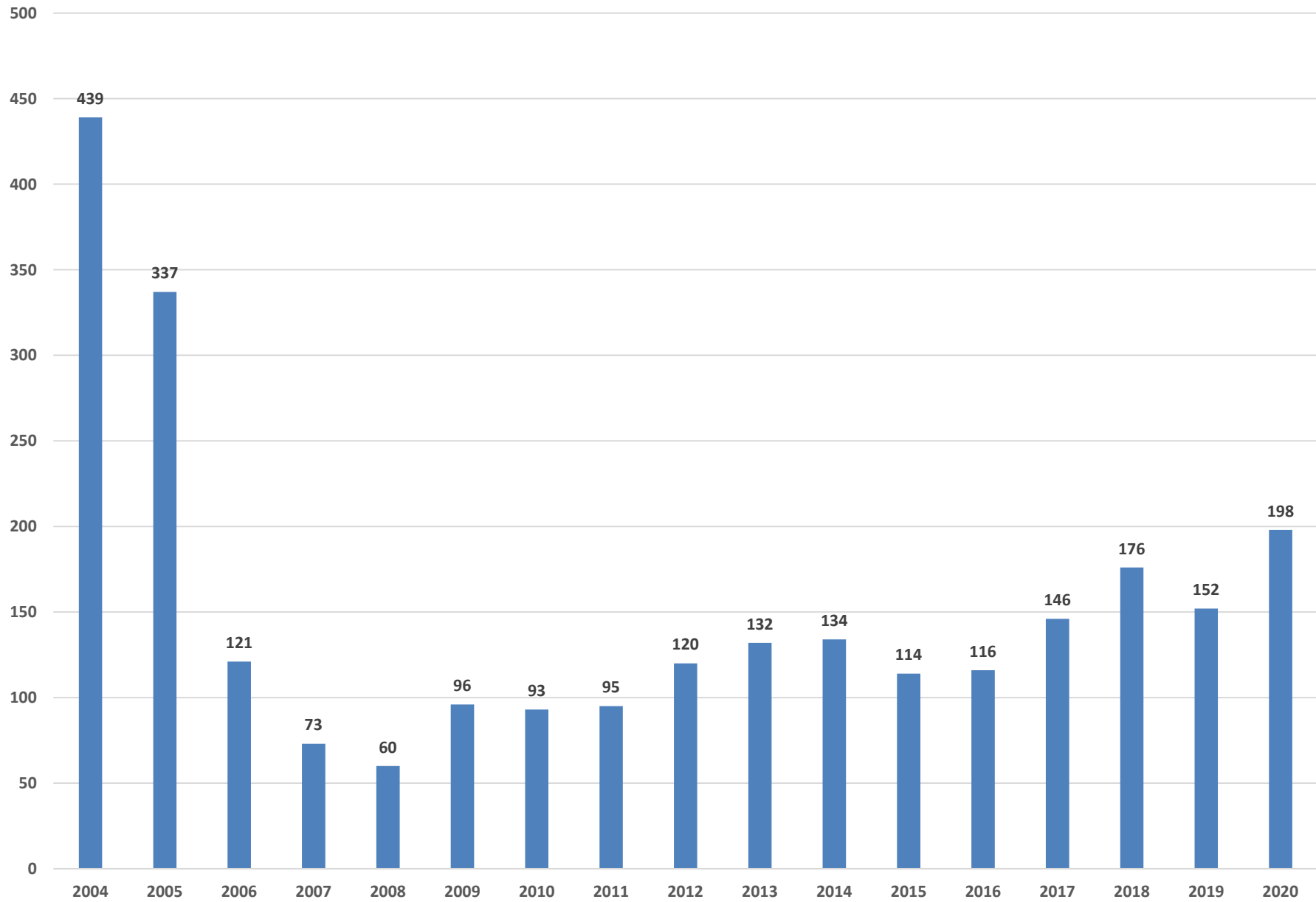
Median Price Single Family Sedona Area 2004-2020



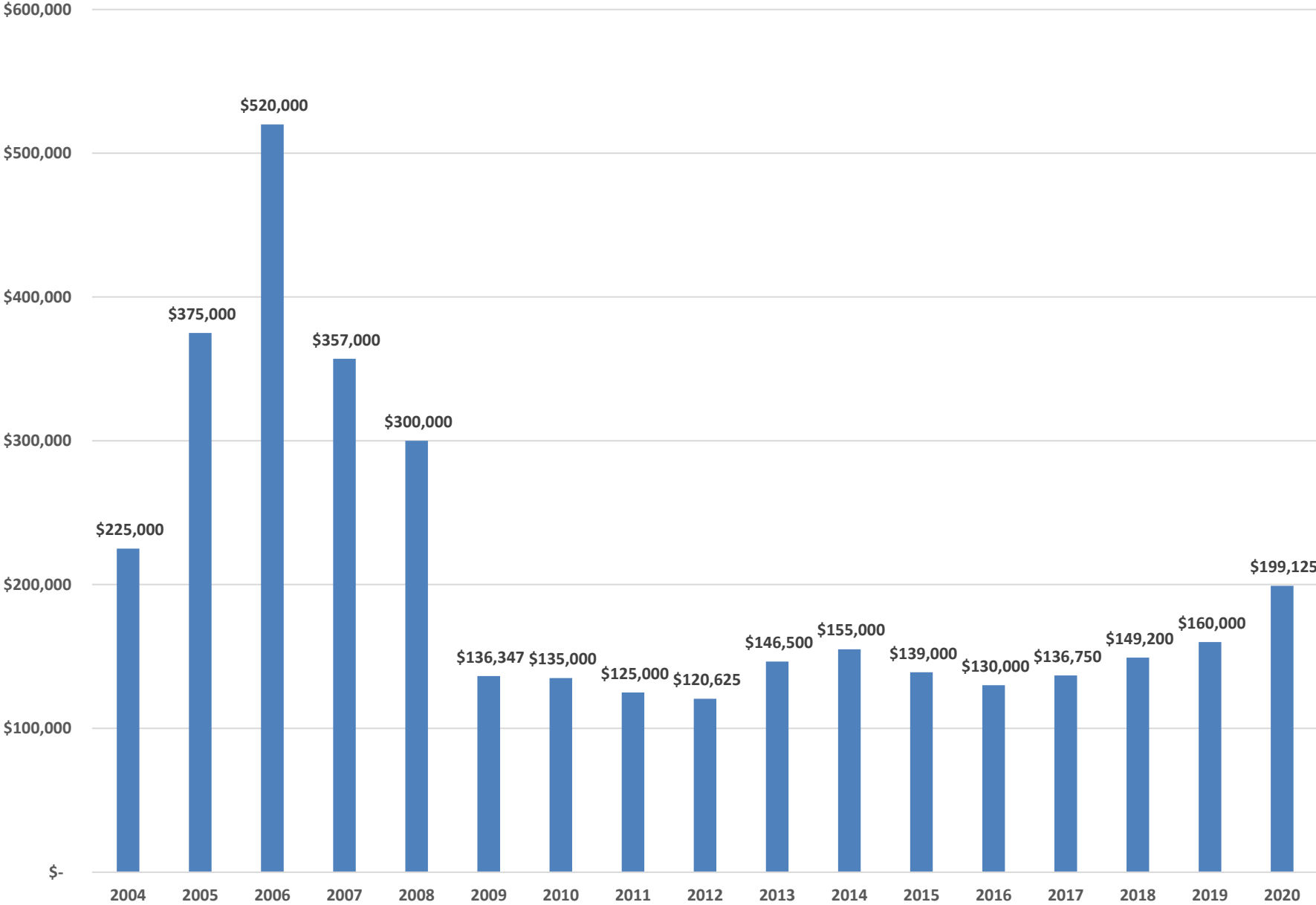
Single Family Transactions Sedona Area 2004 - 2020



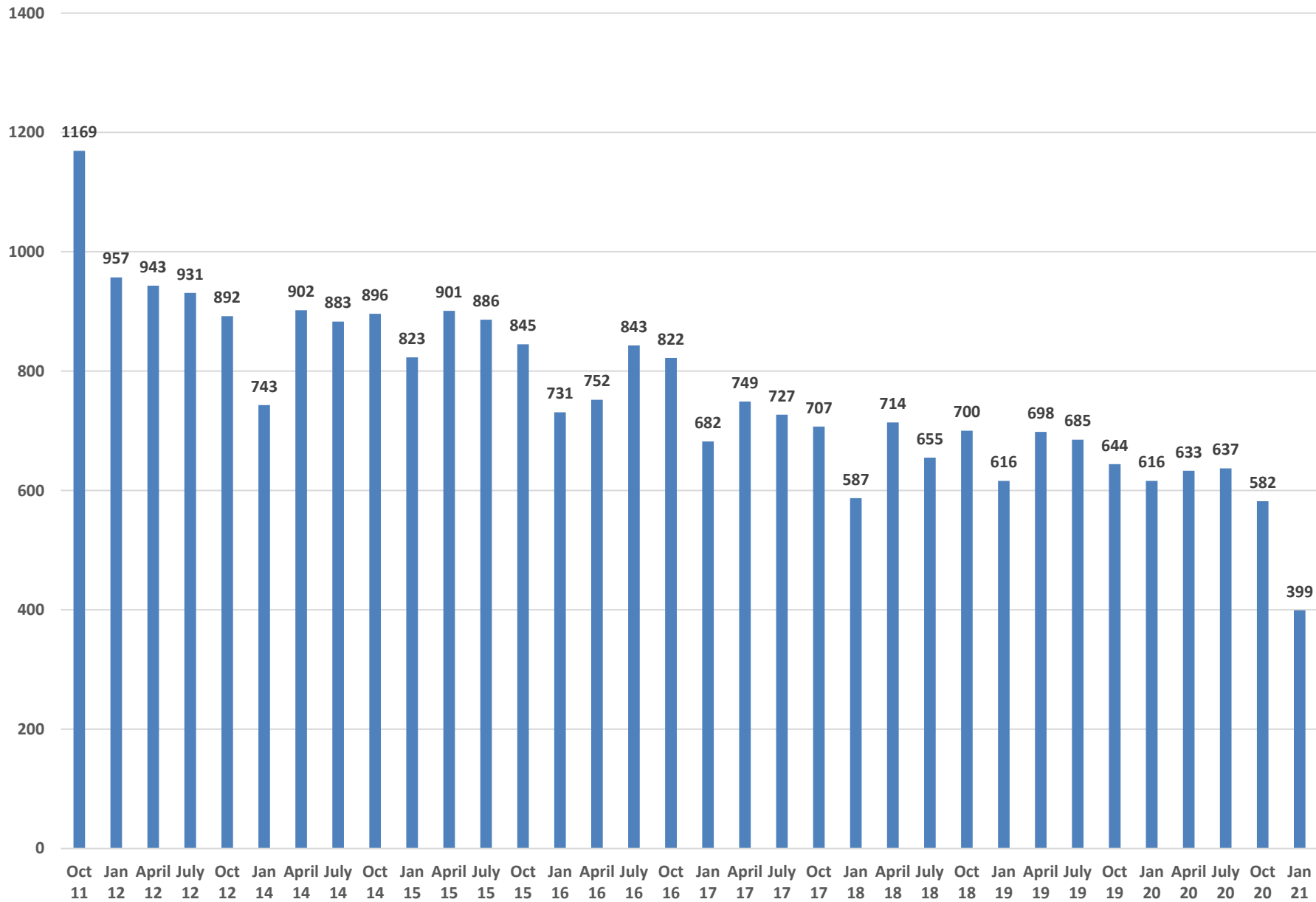
Vacant Land Transactions Sedona Area 2004-2020



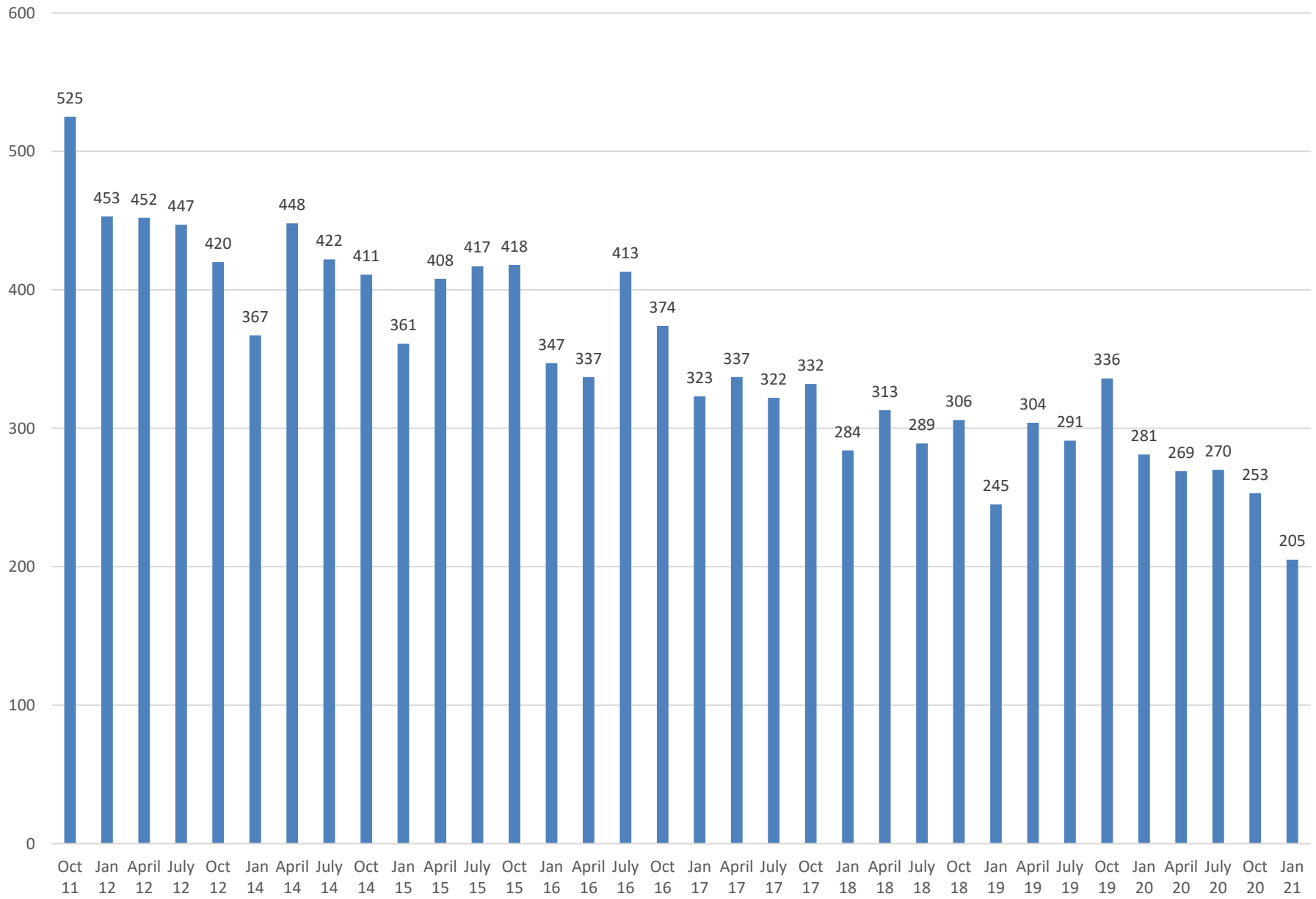
Median Sales Price Vacant Land Sedona Area 2004-2020



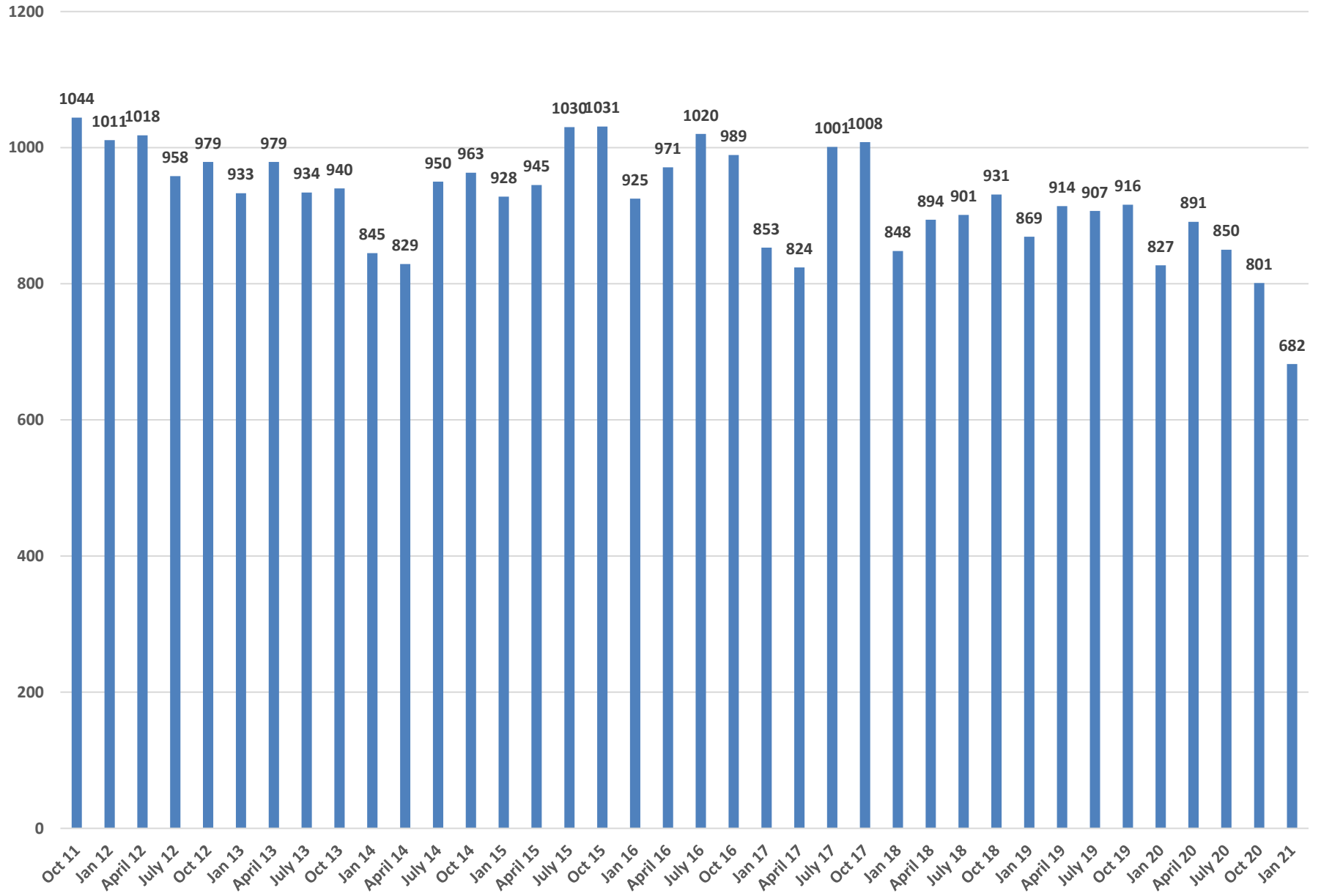
Verde Valley Residential Inventory



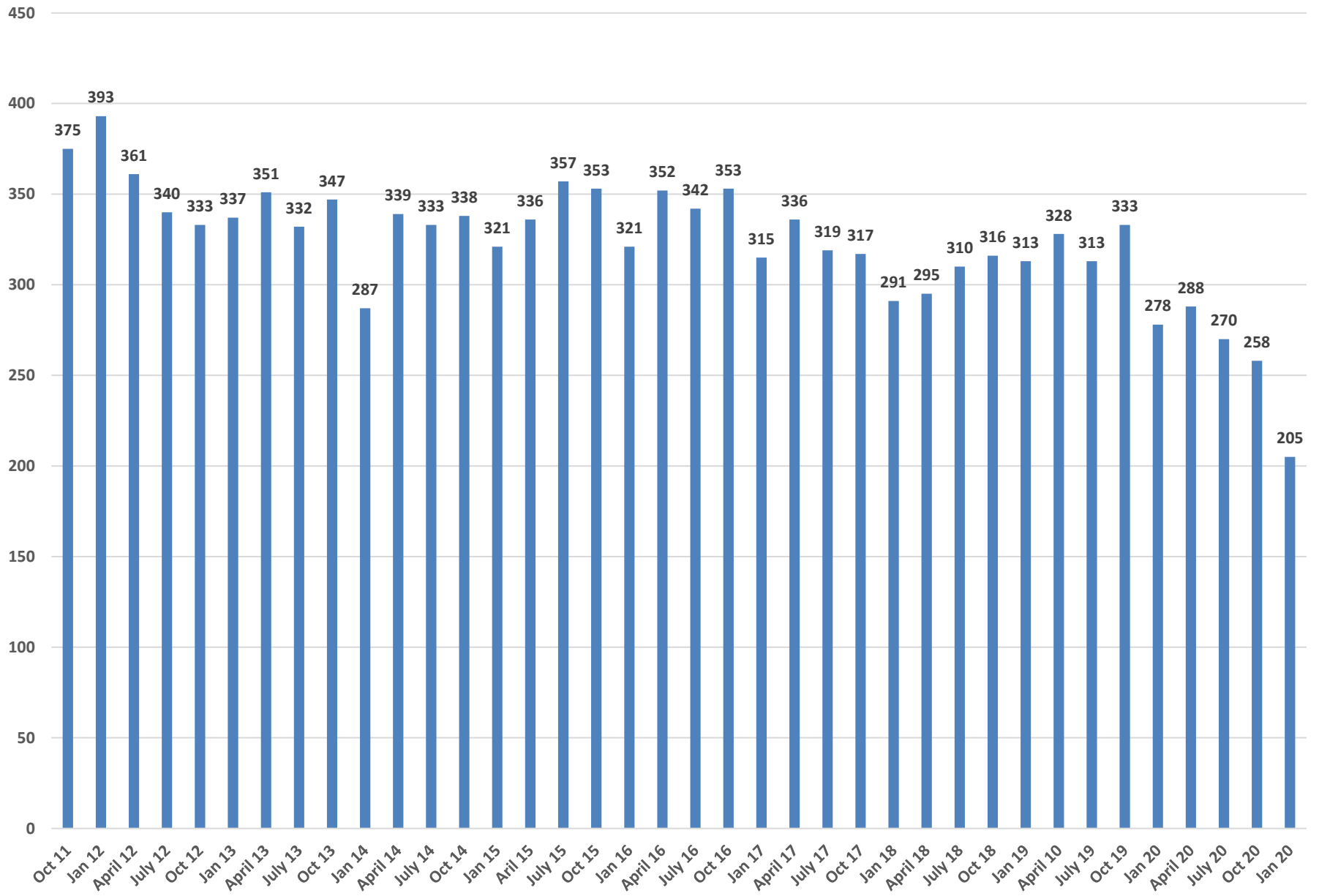
Sedona Residential Inventory



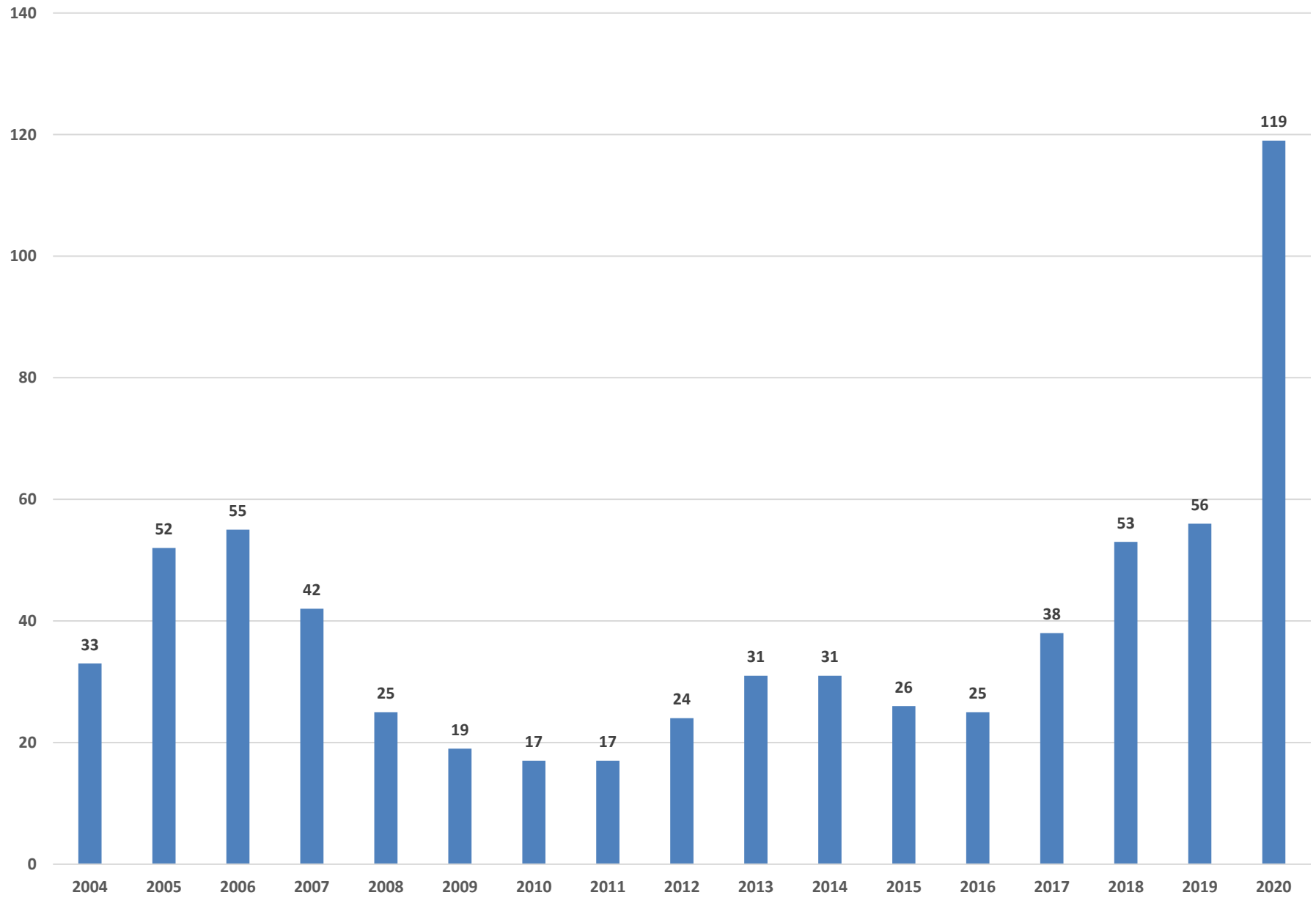
Verde Valley Vacant Land Inventory



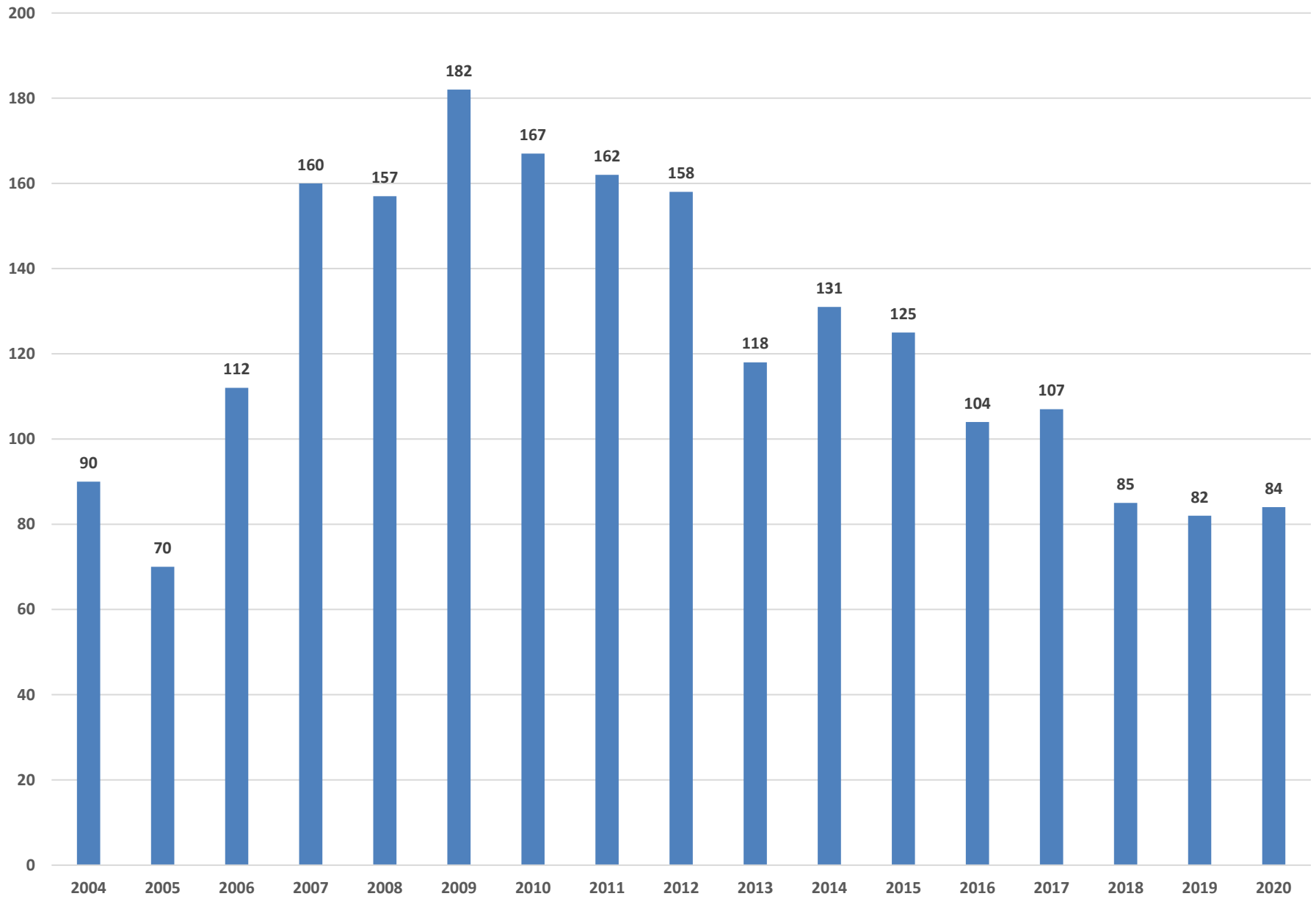
Sedona Vacant Land Inventory



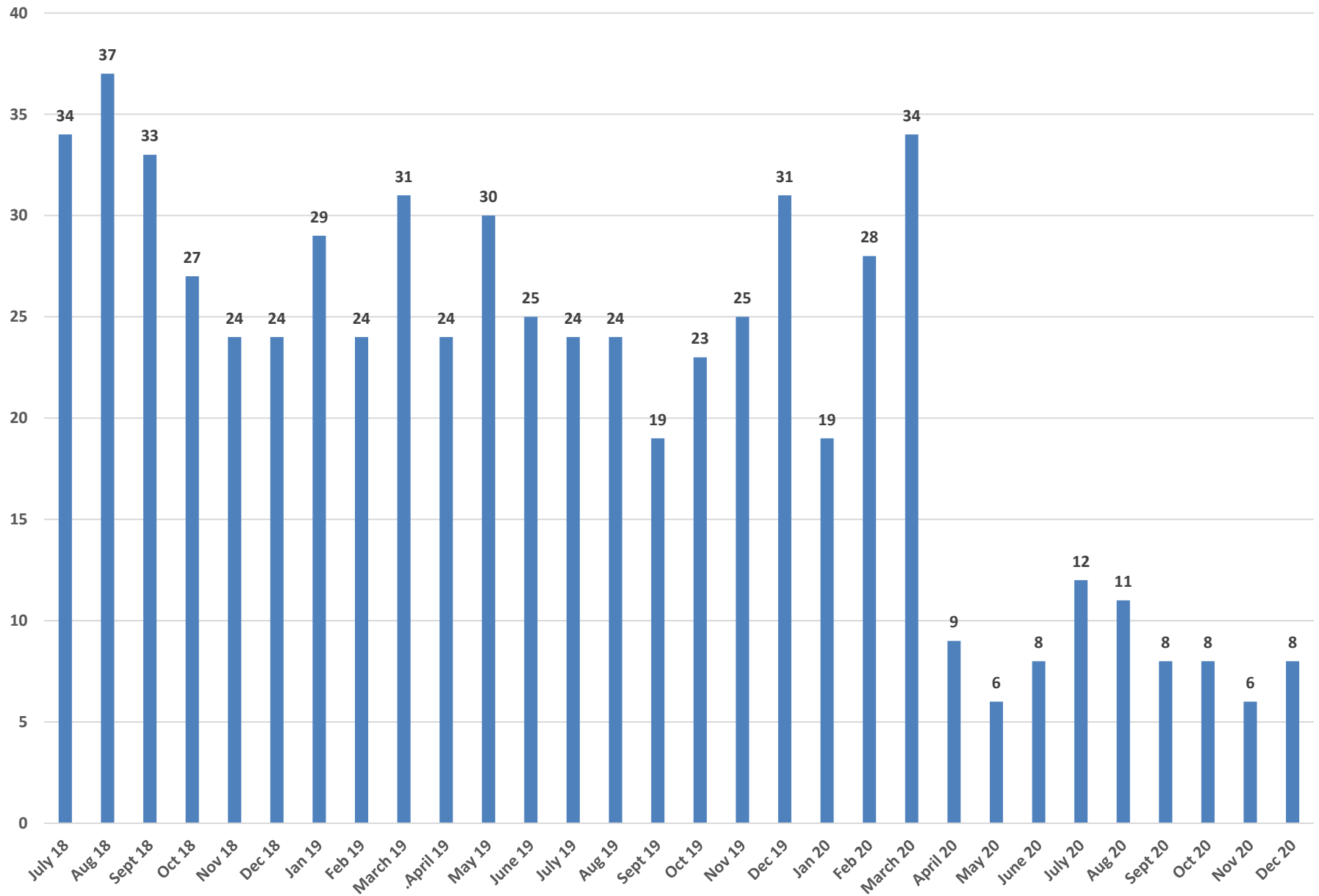
Single Family Transactions Above \$1,000,000 Sedona Area 2004-2020



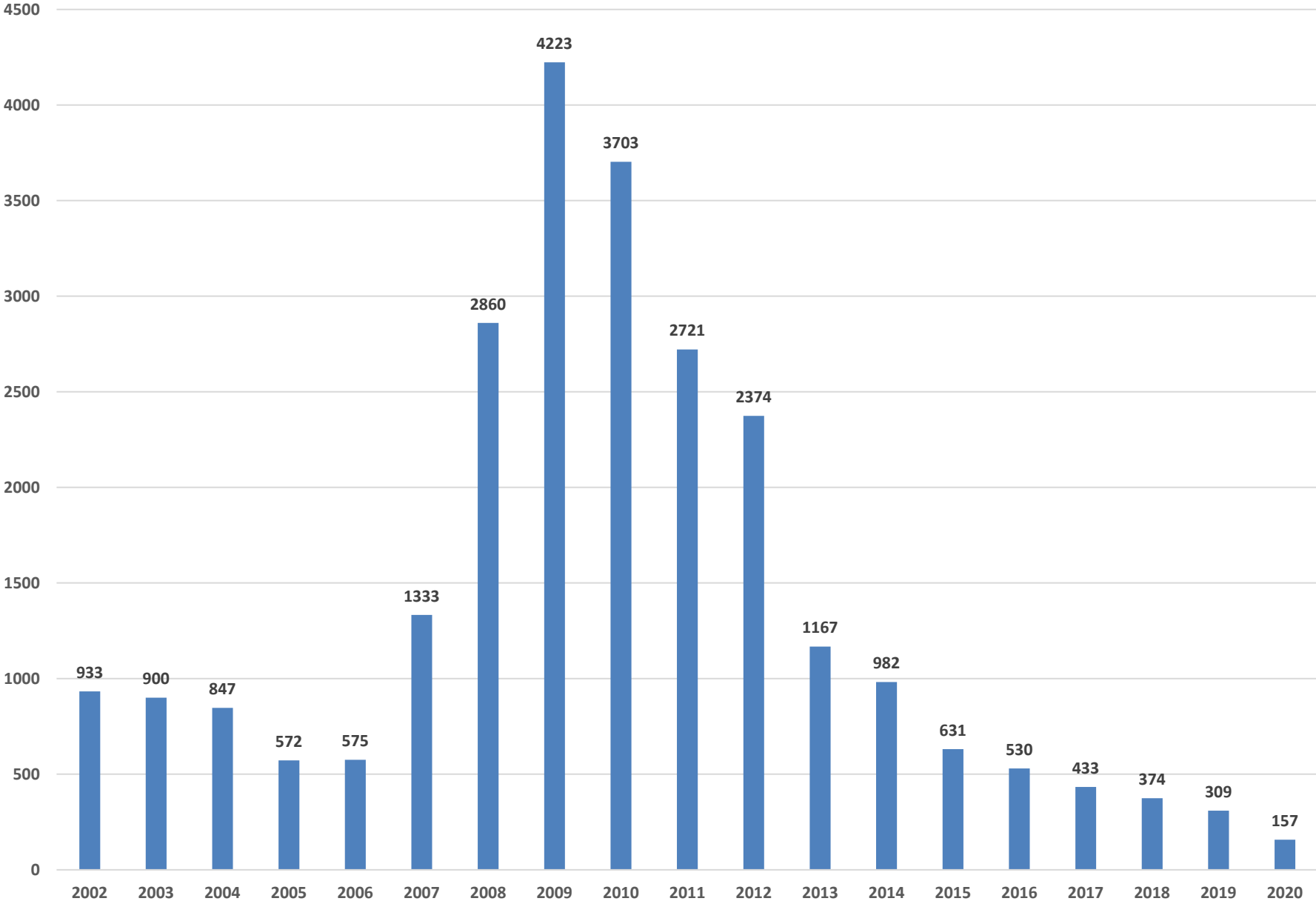
Cumulative Median Days on Market for Single Family Sedona Area 2004-2020



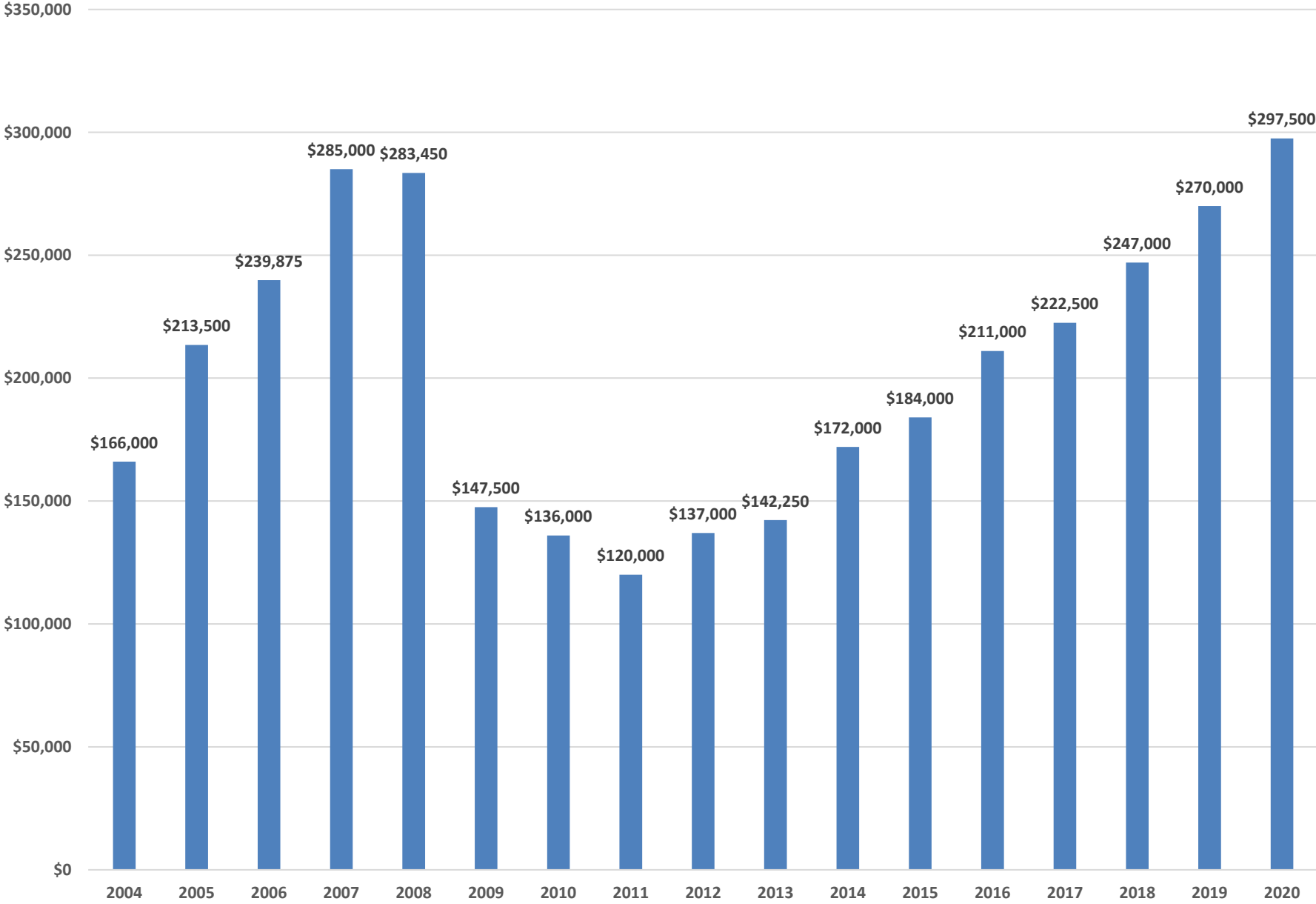
Yavapai County Notice of Trustees Sales (Foreclosures Initiated)



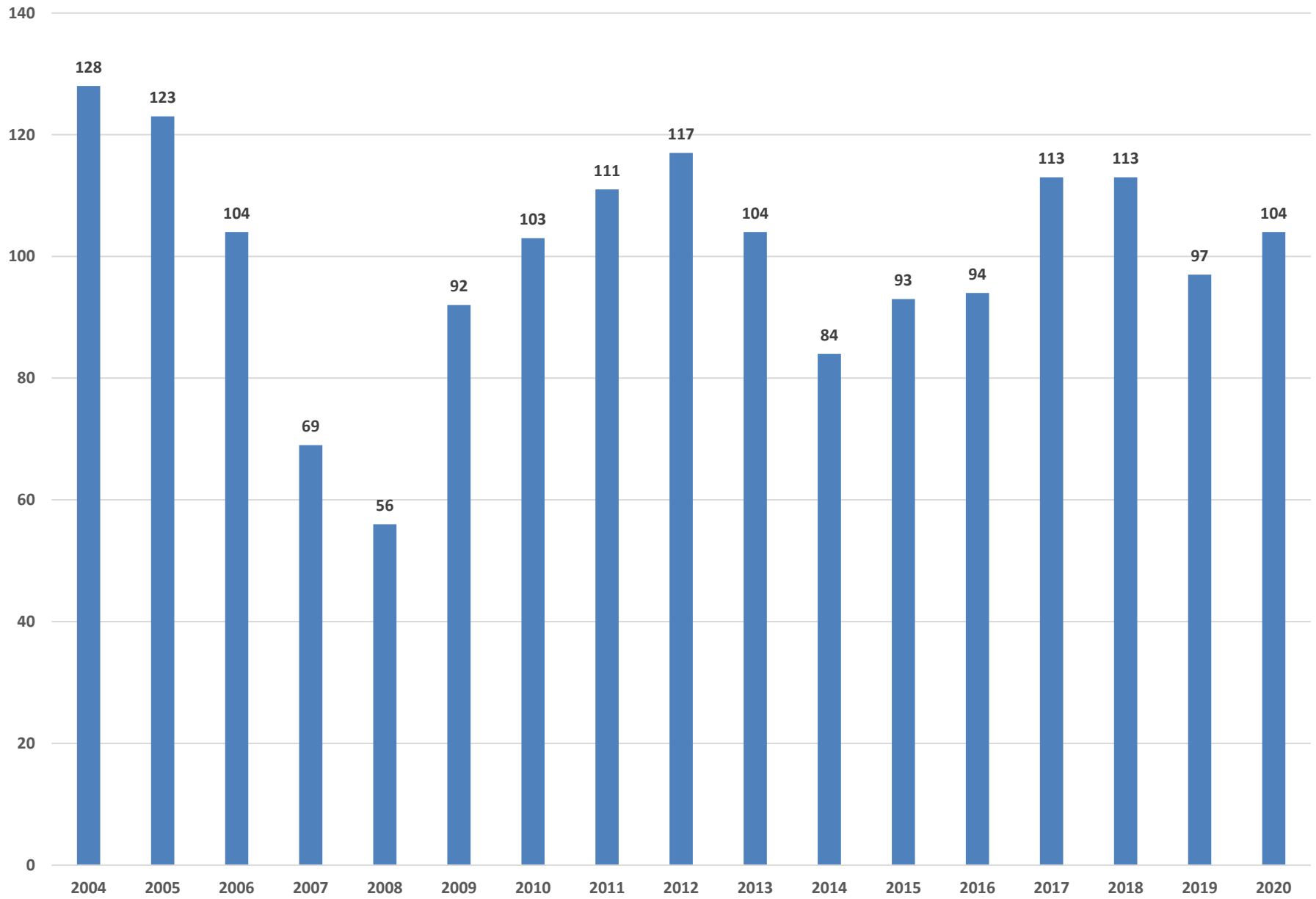
Annual Notice of Trustees Sales in Yavapai County (Foreclosures)



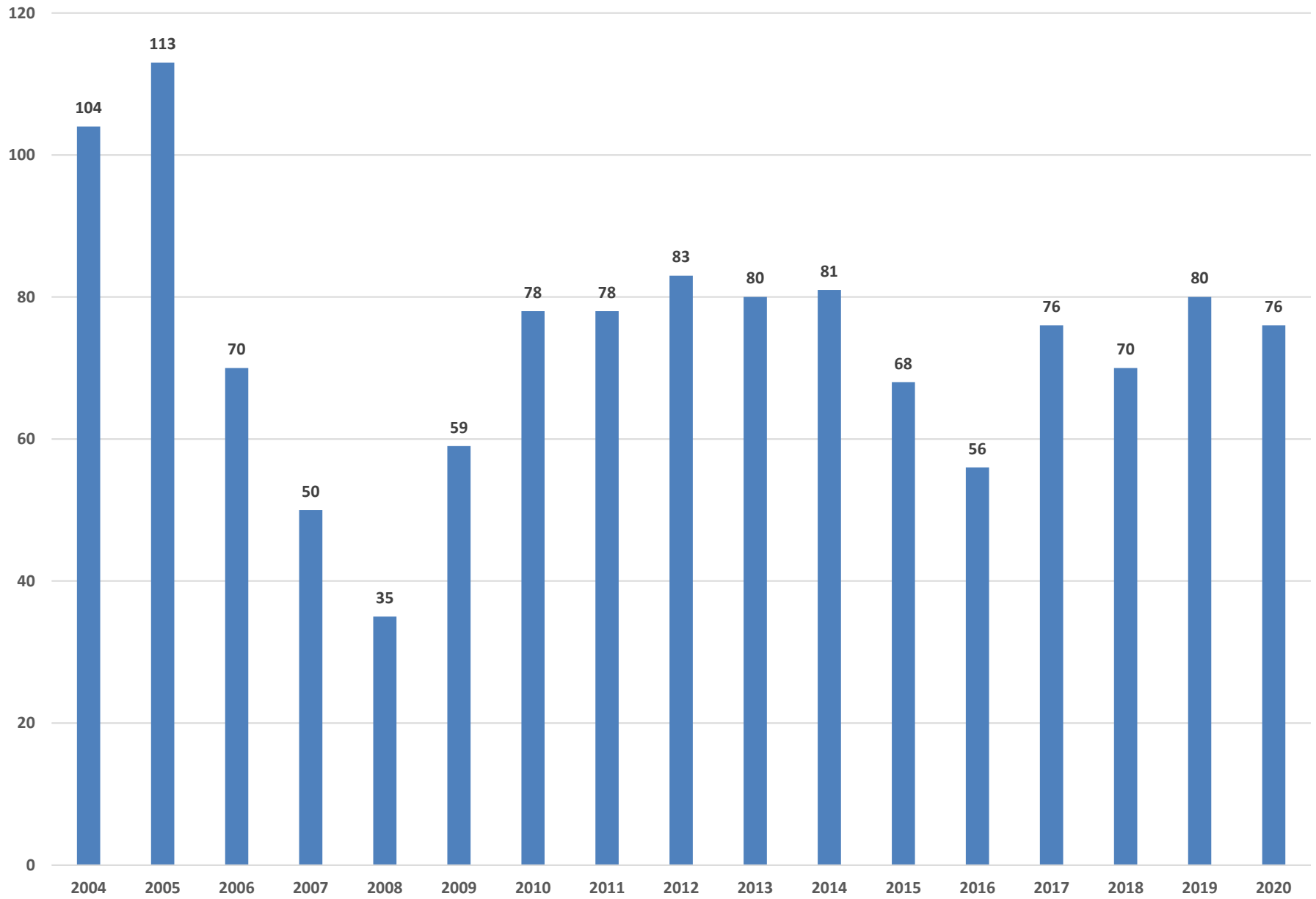
Median Price Single Family Camp Verde Area 2004-2020



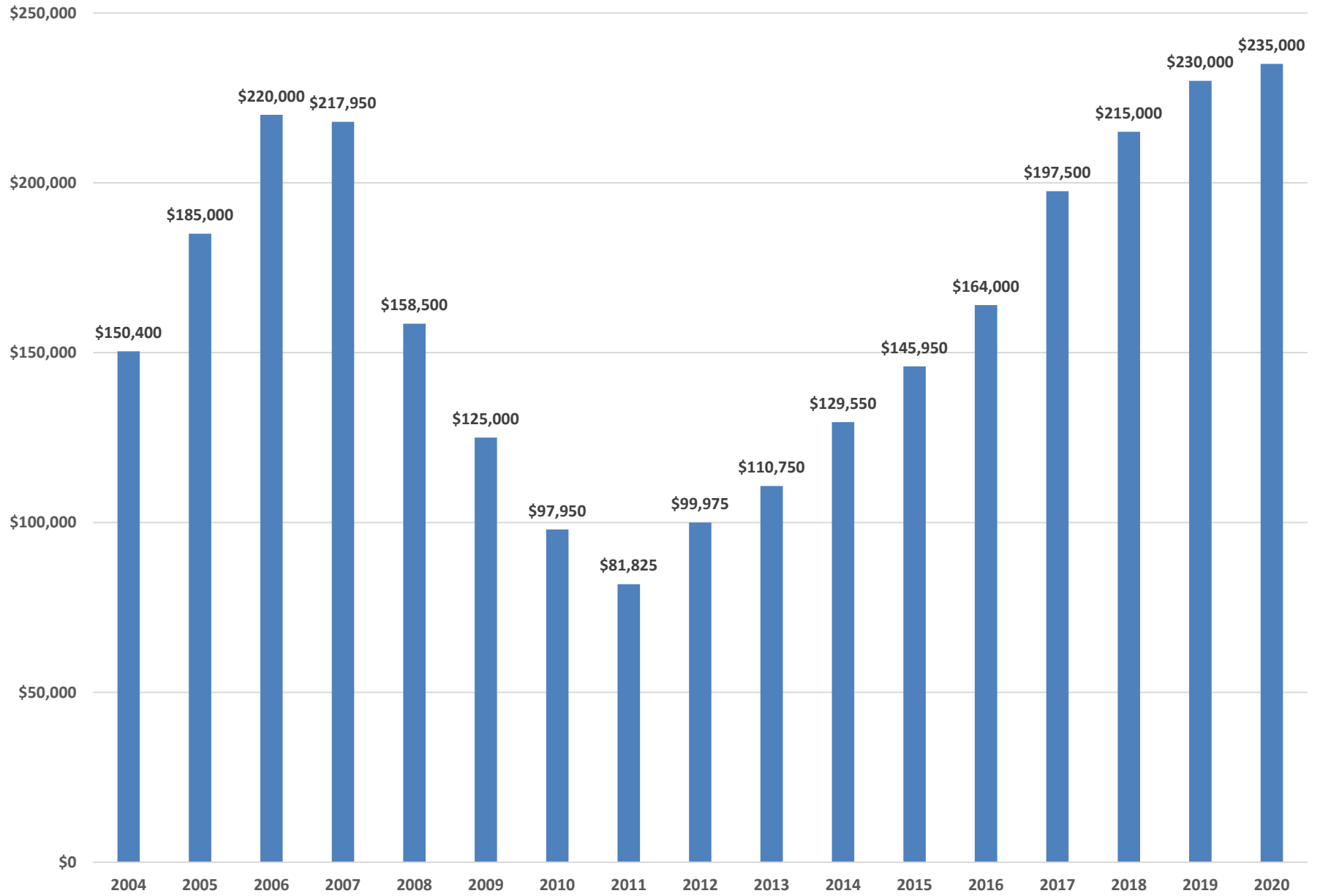
Single Family Transactions Camp Verde Area 2004-2020



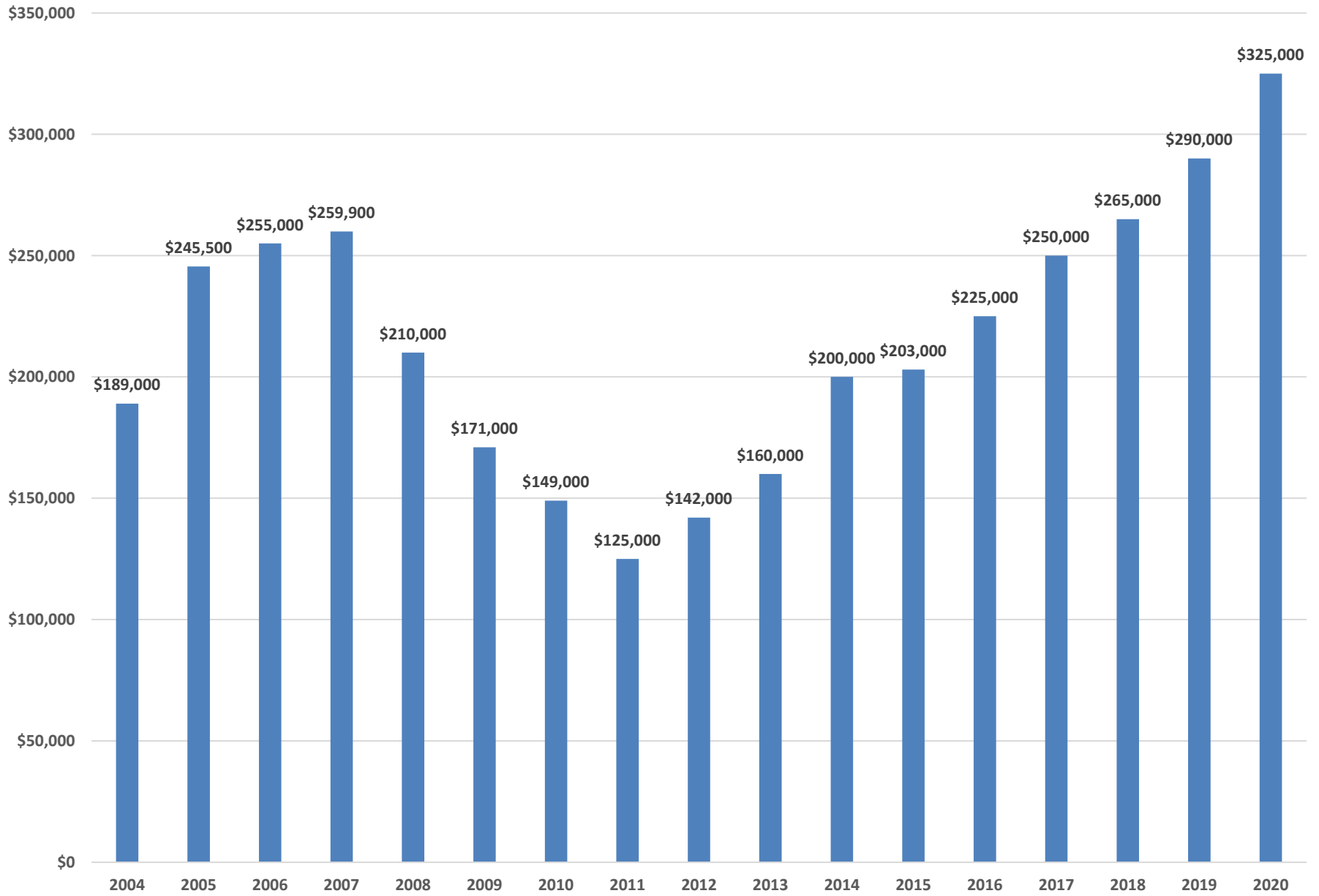
Single Family Transactions Lake Montezuma and Rimrock 2004-2020



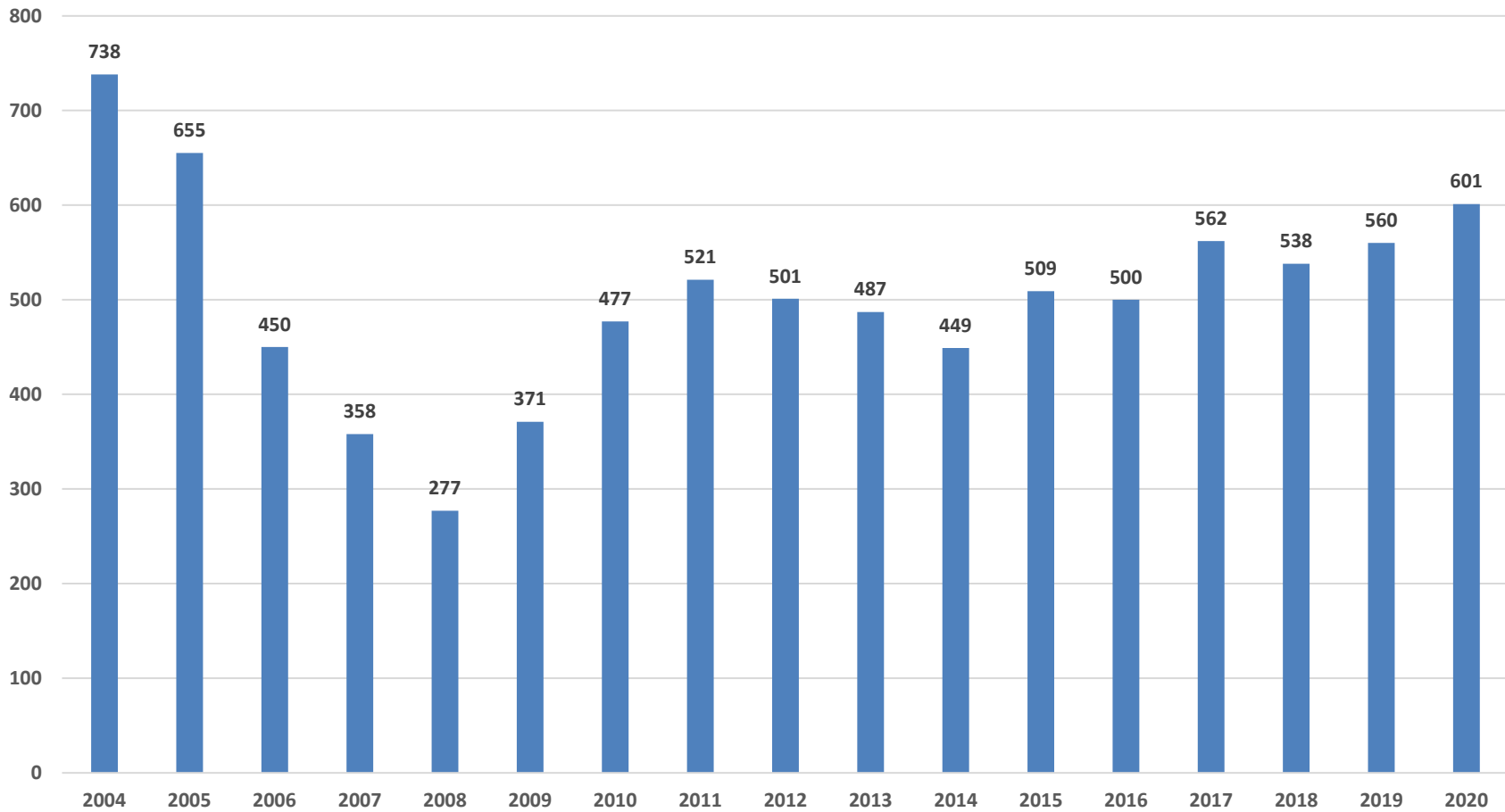
Median Sales Price Single Family Lake Montezuma and Rimrock 2004-2020



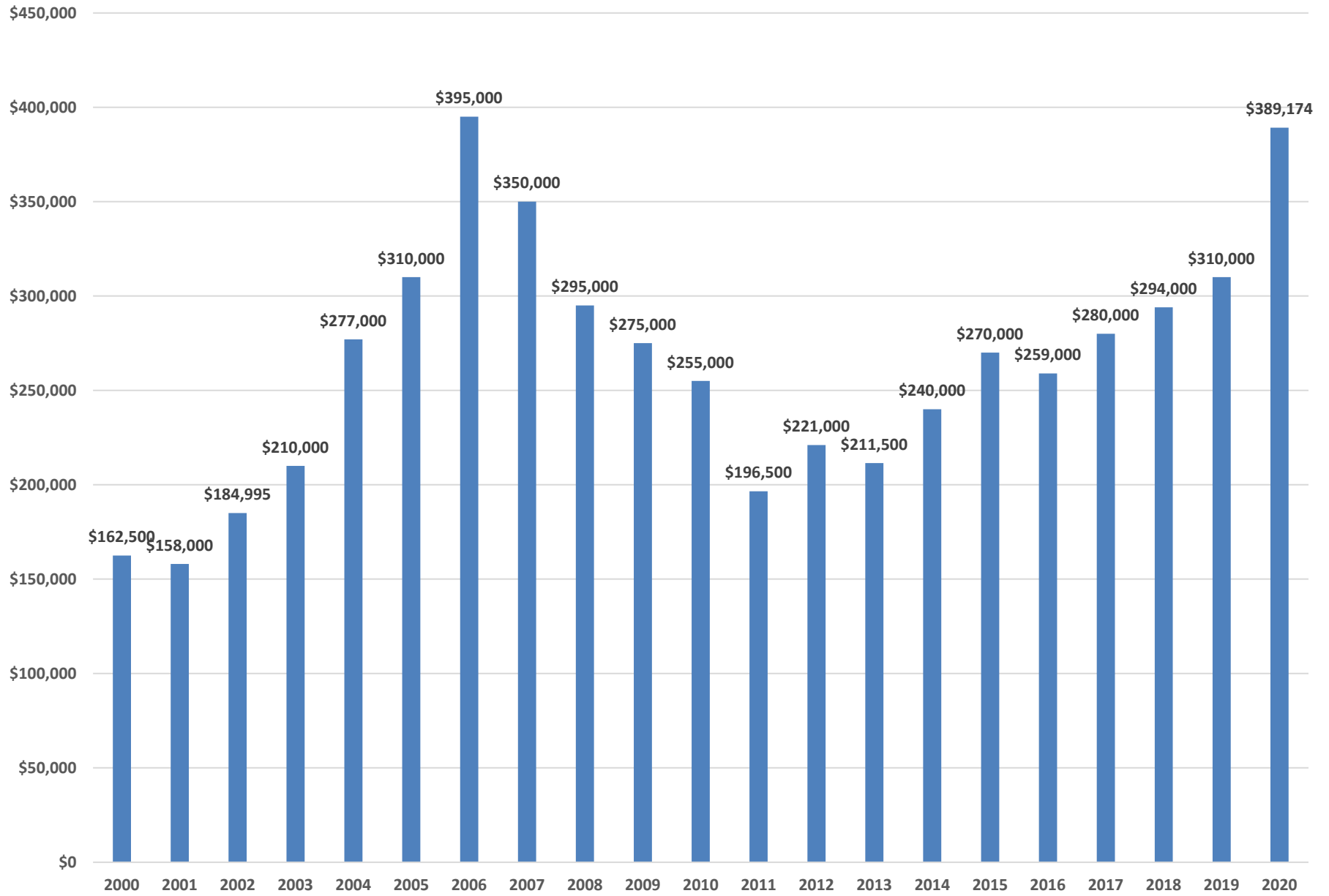
Median Price Single Family Cottonwood - Cornville Areas 2004-2020



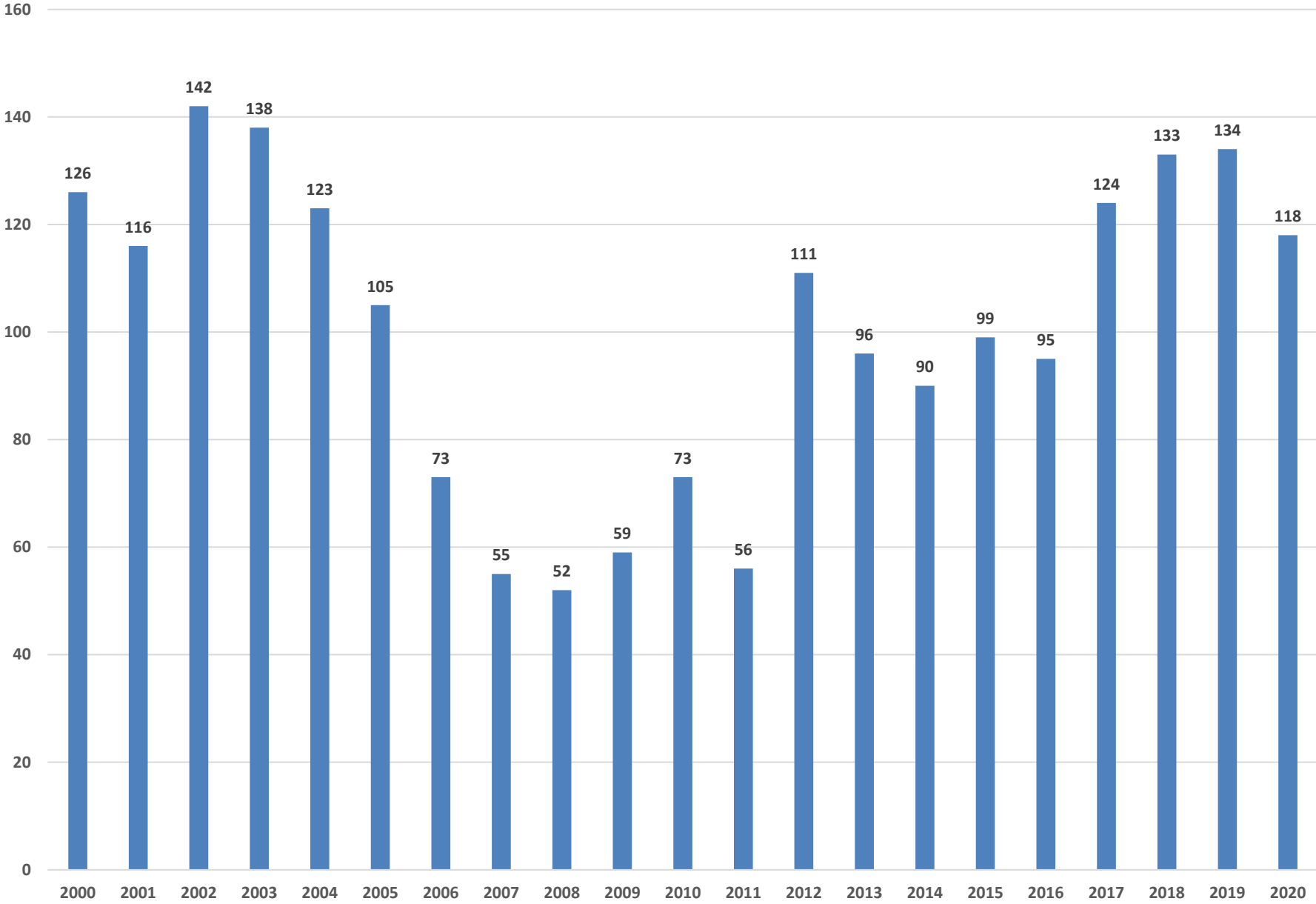
Single Family Transactions Cottonwood - Cornville Areas 2004-2020



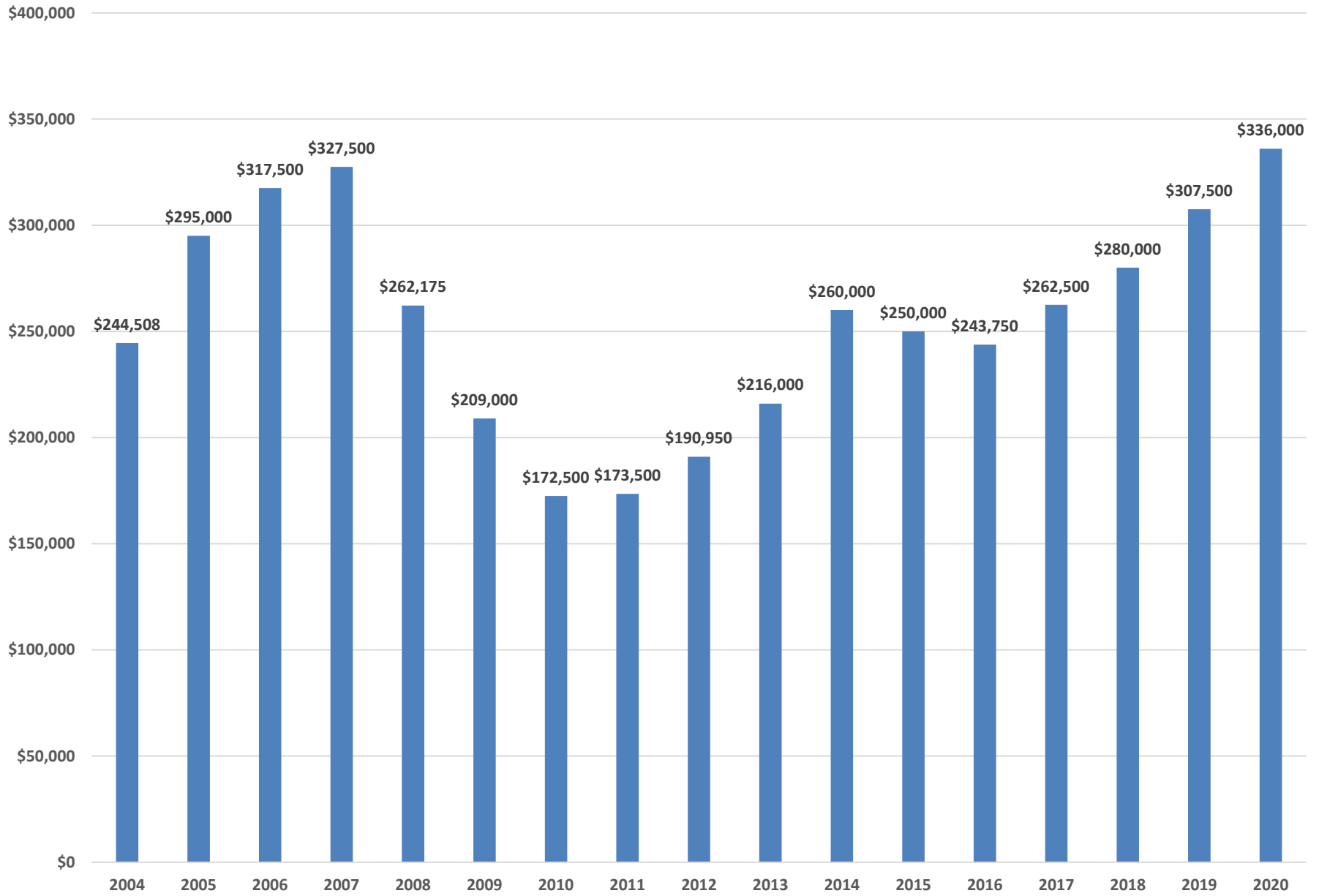
Median Sales Price Condominiums and Townhomes Sedona Area



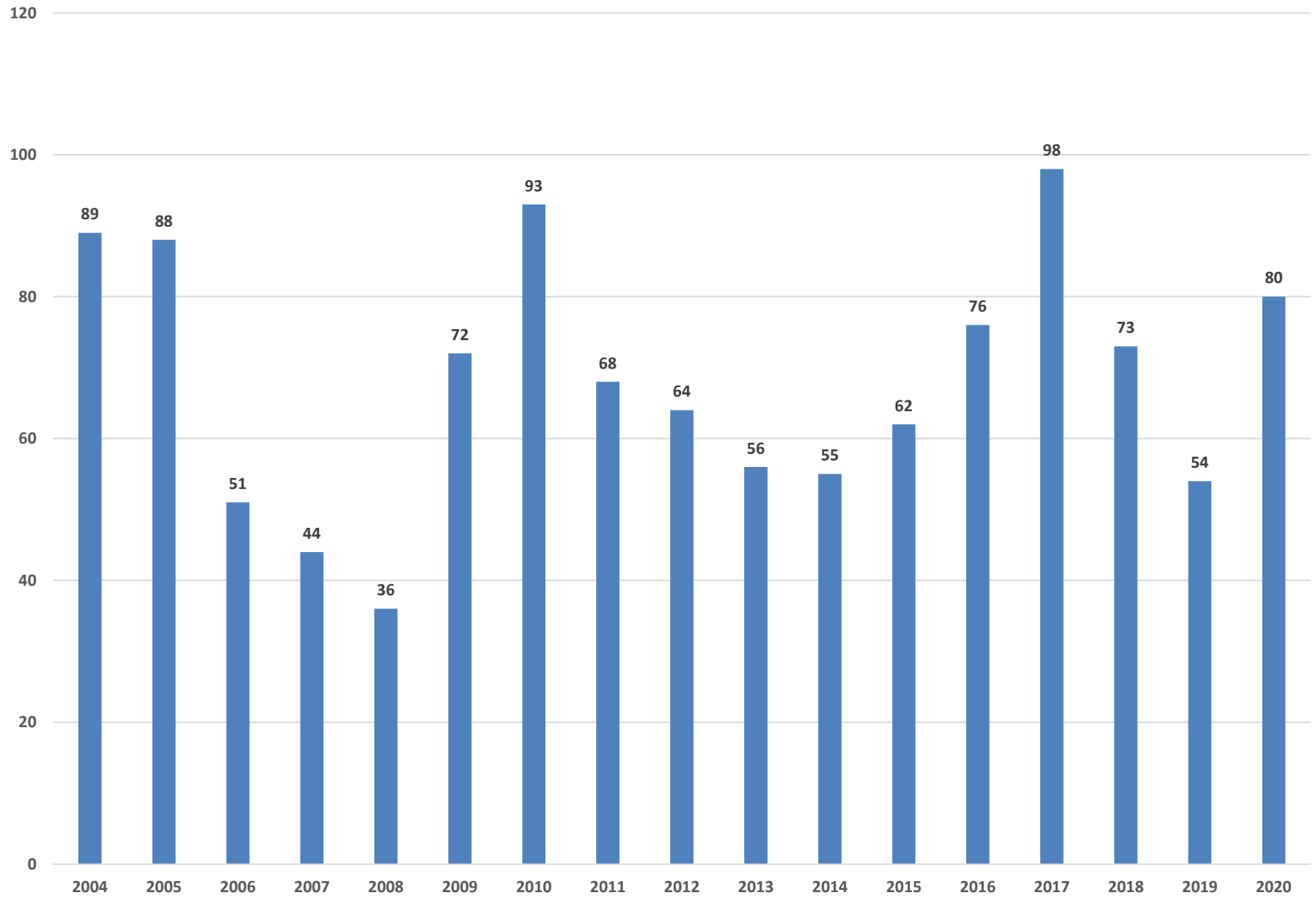
Number of Condominuims and Townhomes Sold Sedona Area



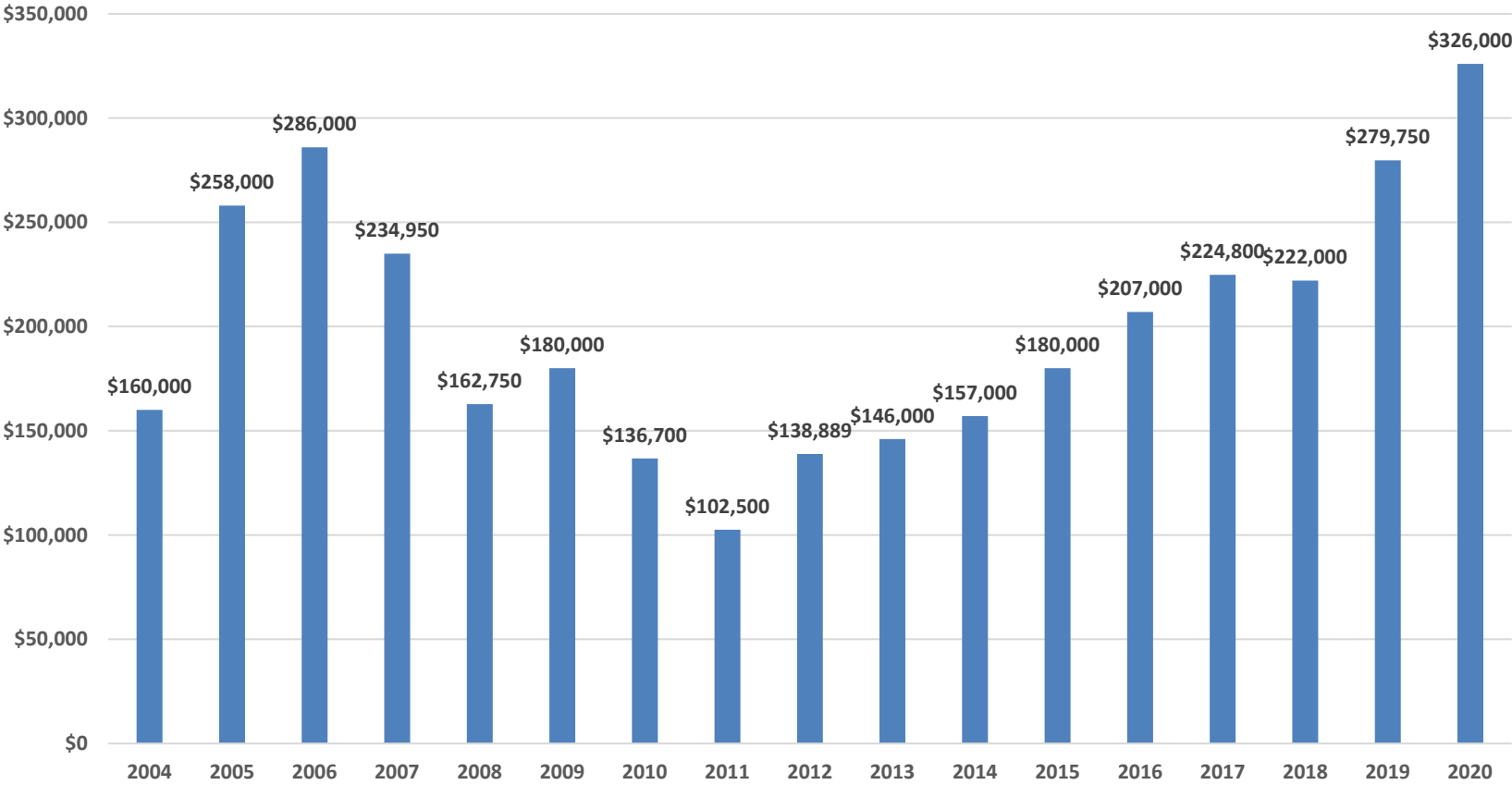
Verde Santa Fe Median Sales Price 2001 - 2020



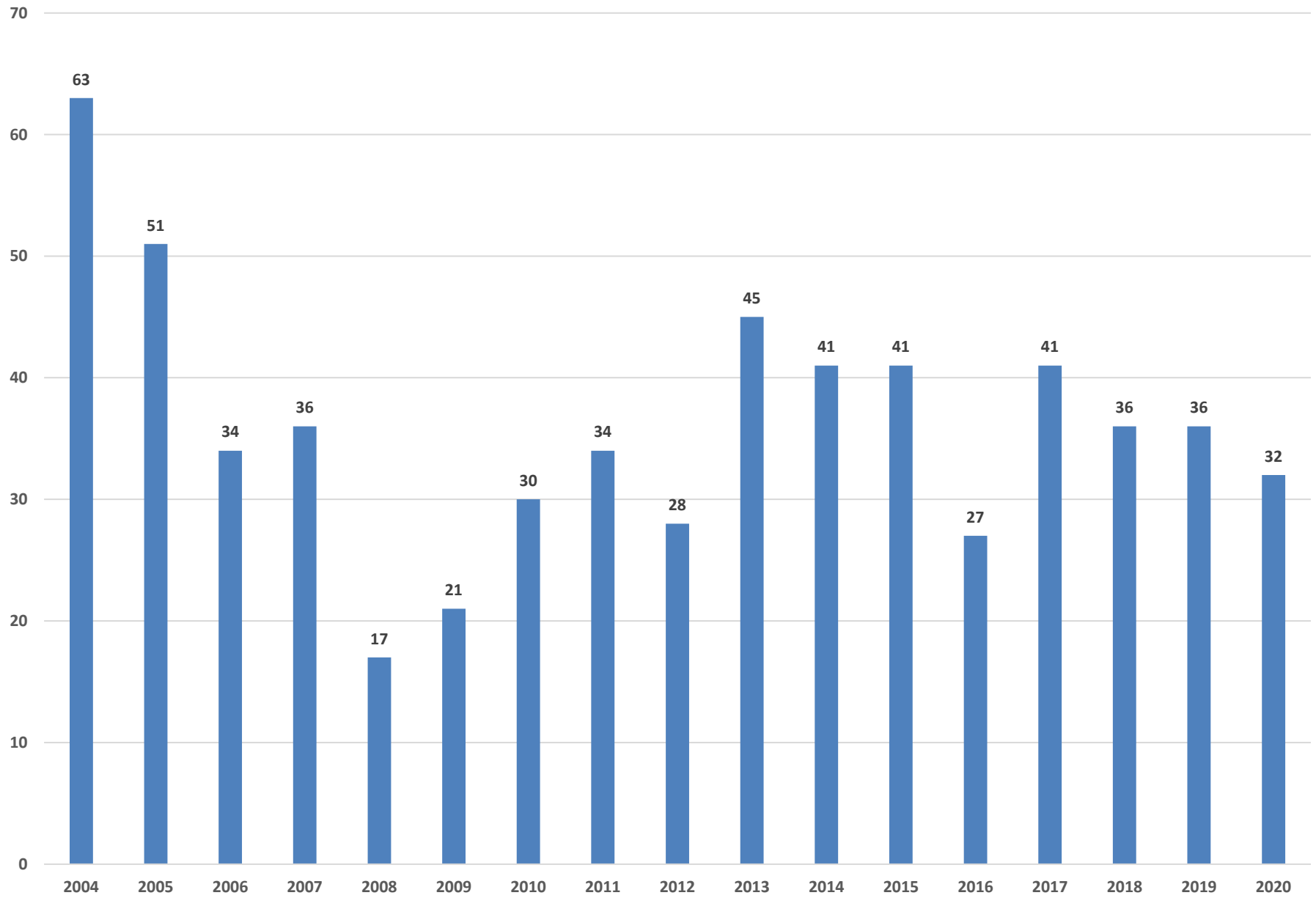
Verde Santa Fe Number of Sales 2001 - 2020



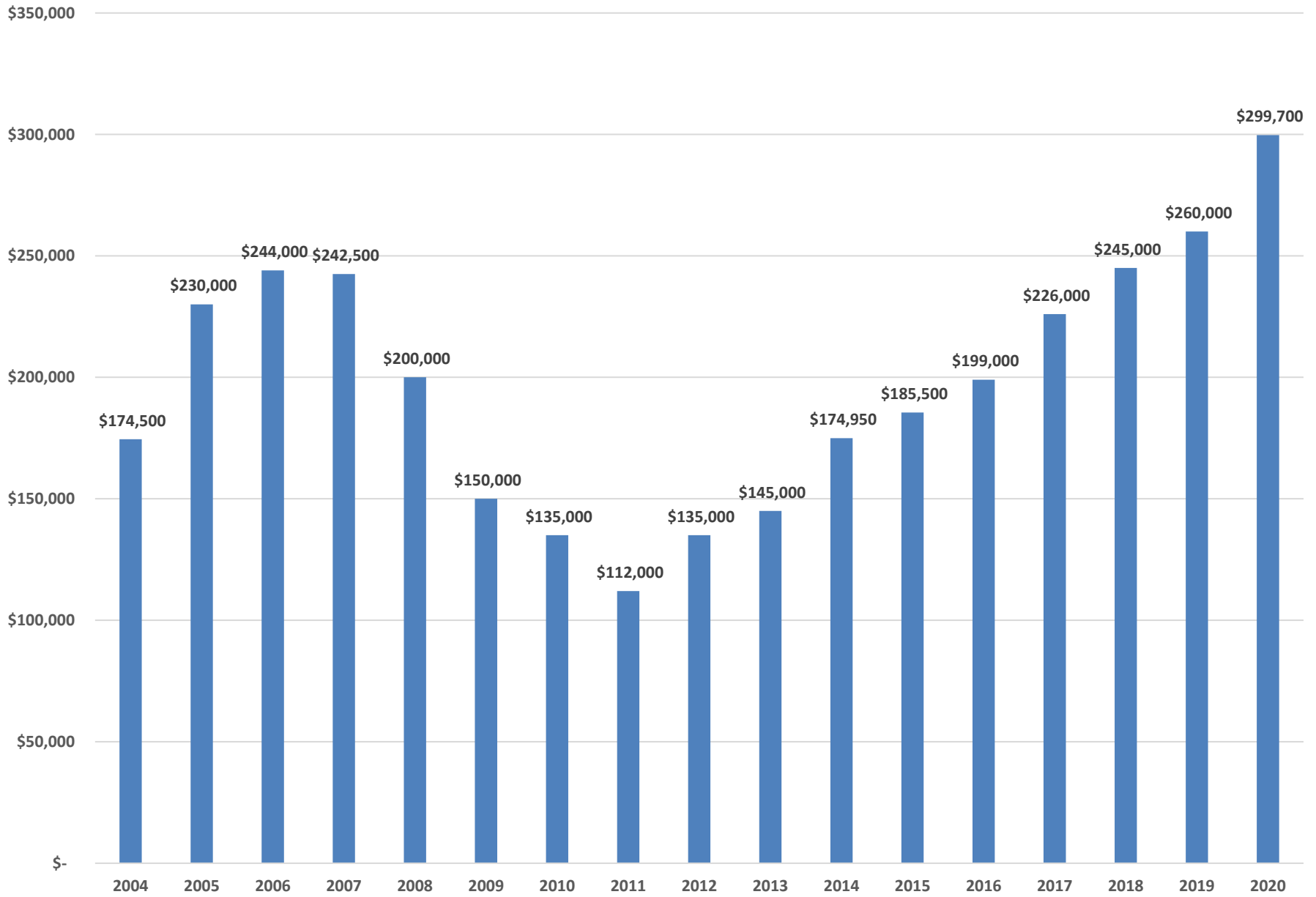
Median Sales Price Manufactured and Mobile Homes Sedona Area 2004-2019



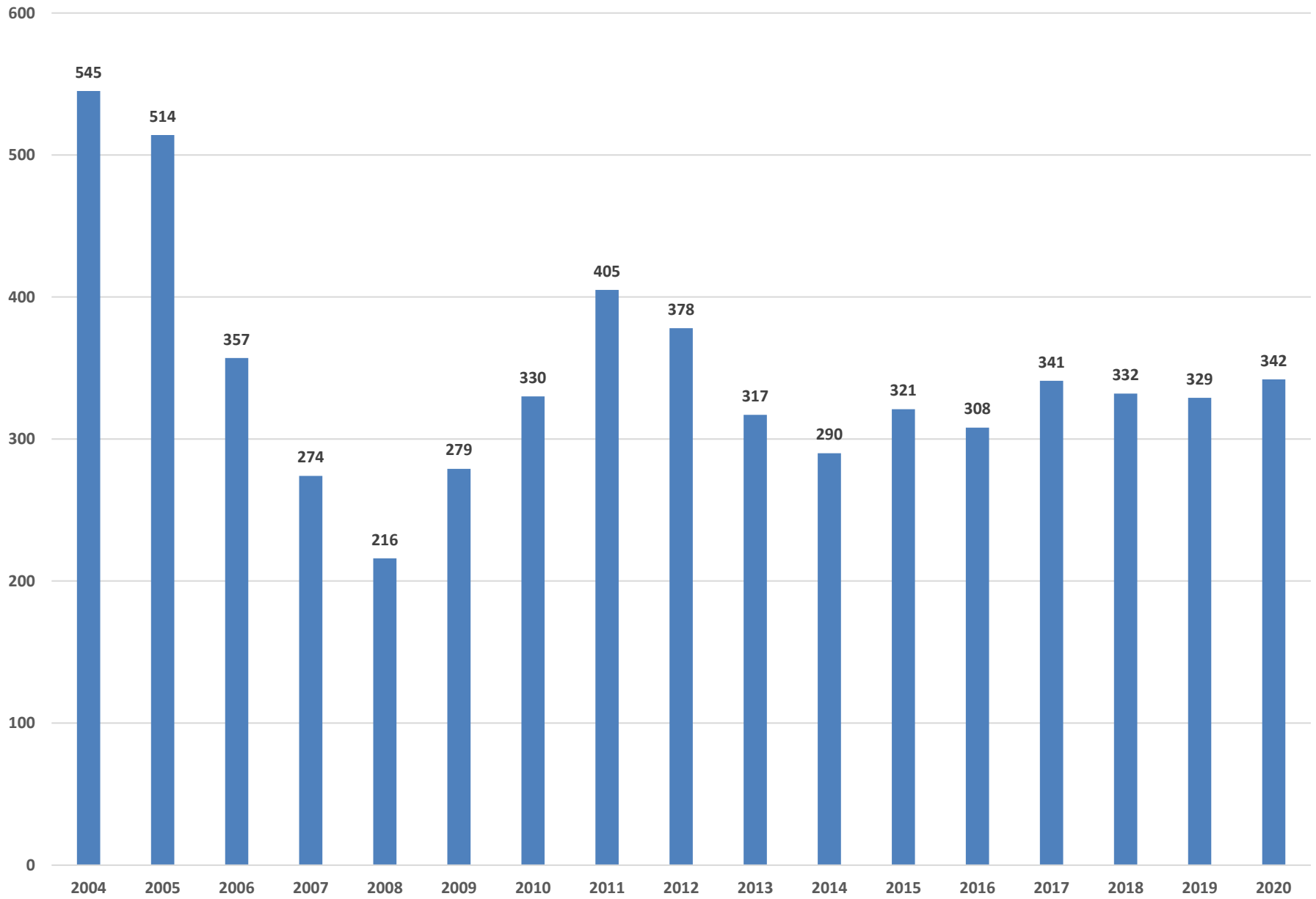
Manufactured and Mobile Homes Transactions Sedona Area 2004 - 2020



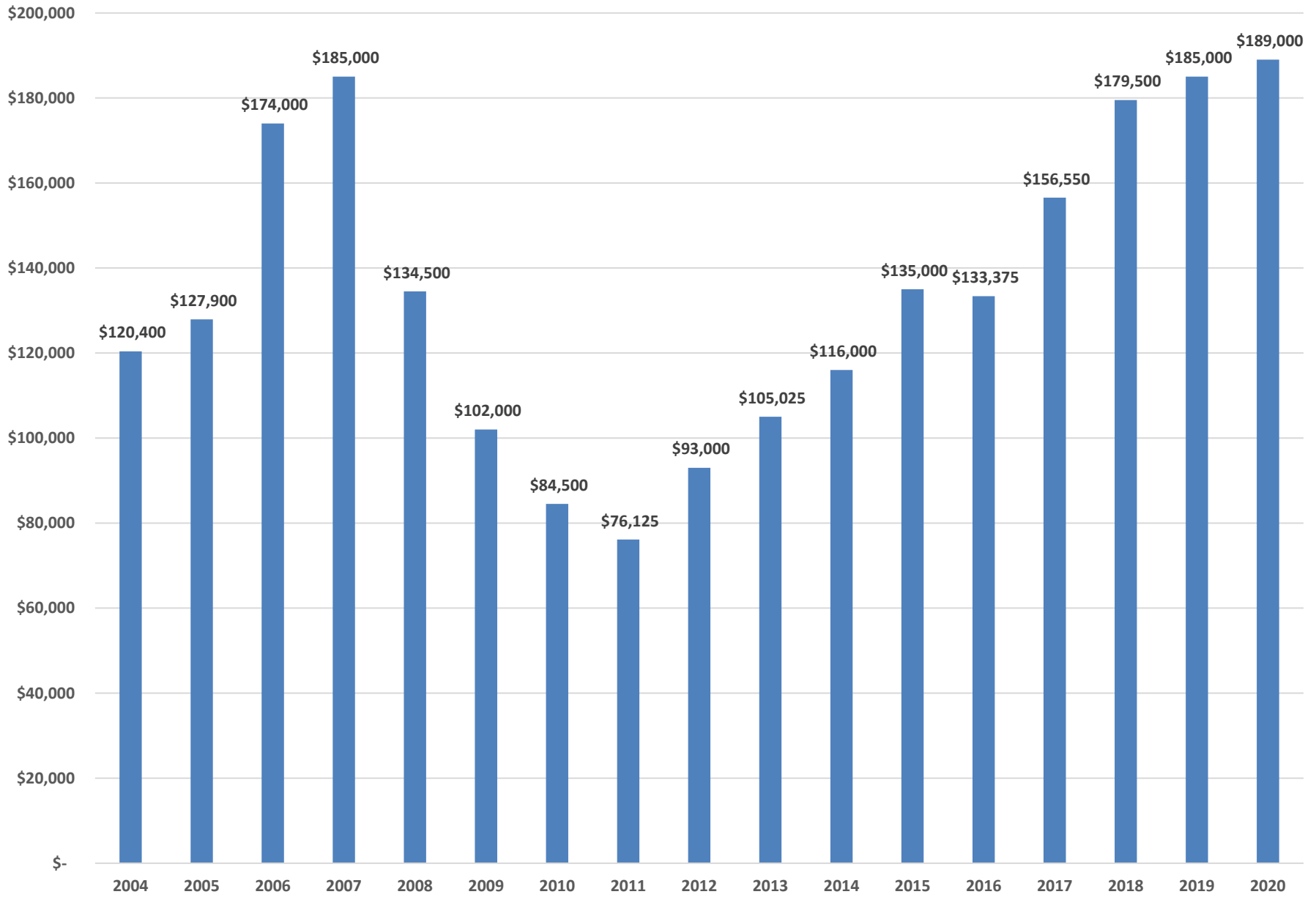
Median Sales Price Cottonwood Single Family Homes 2004-2020



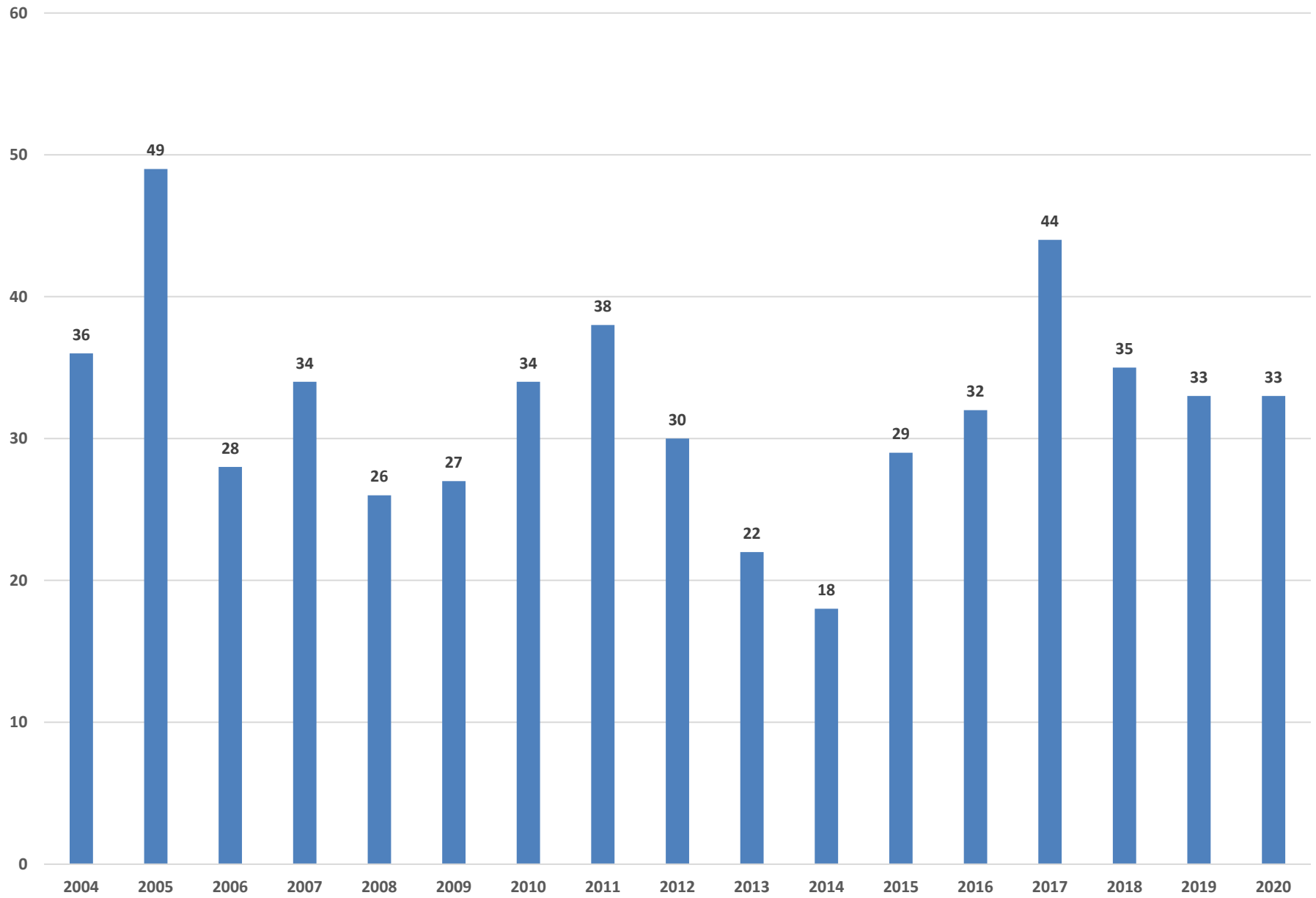
Cottonwood Single Family Homes number of Transactions 2004-2020



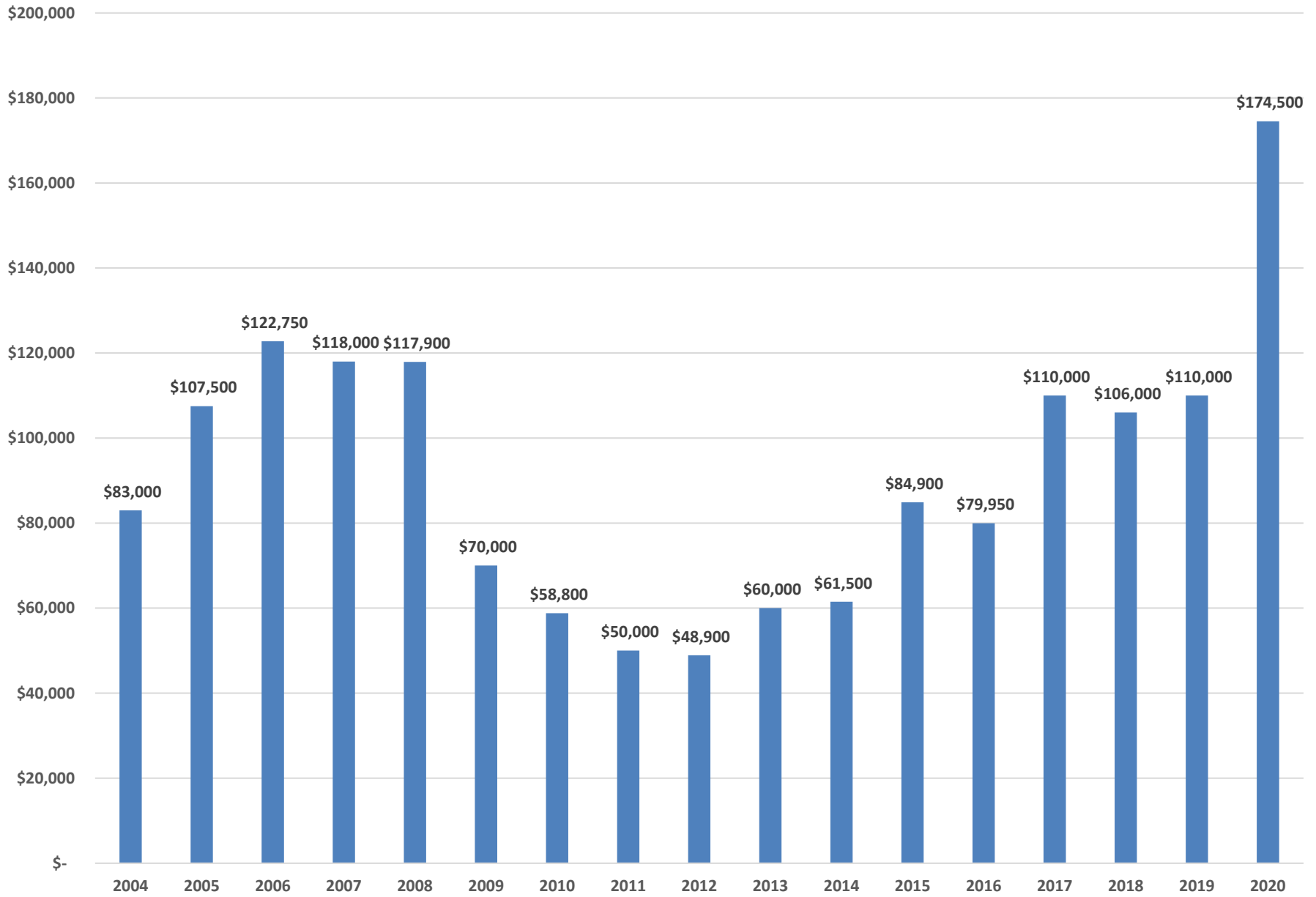
Median Sales Price Cottonwood Condos and Townhomes 2004-2020



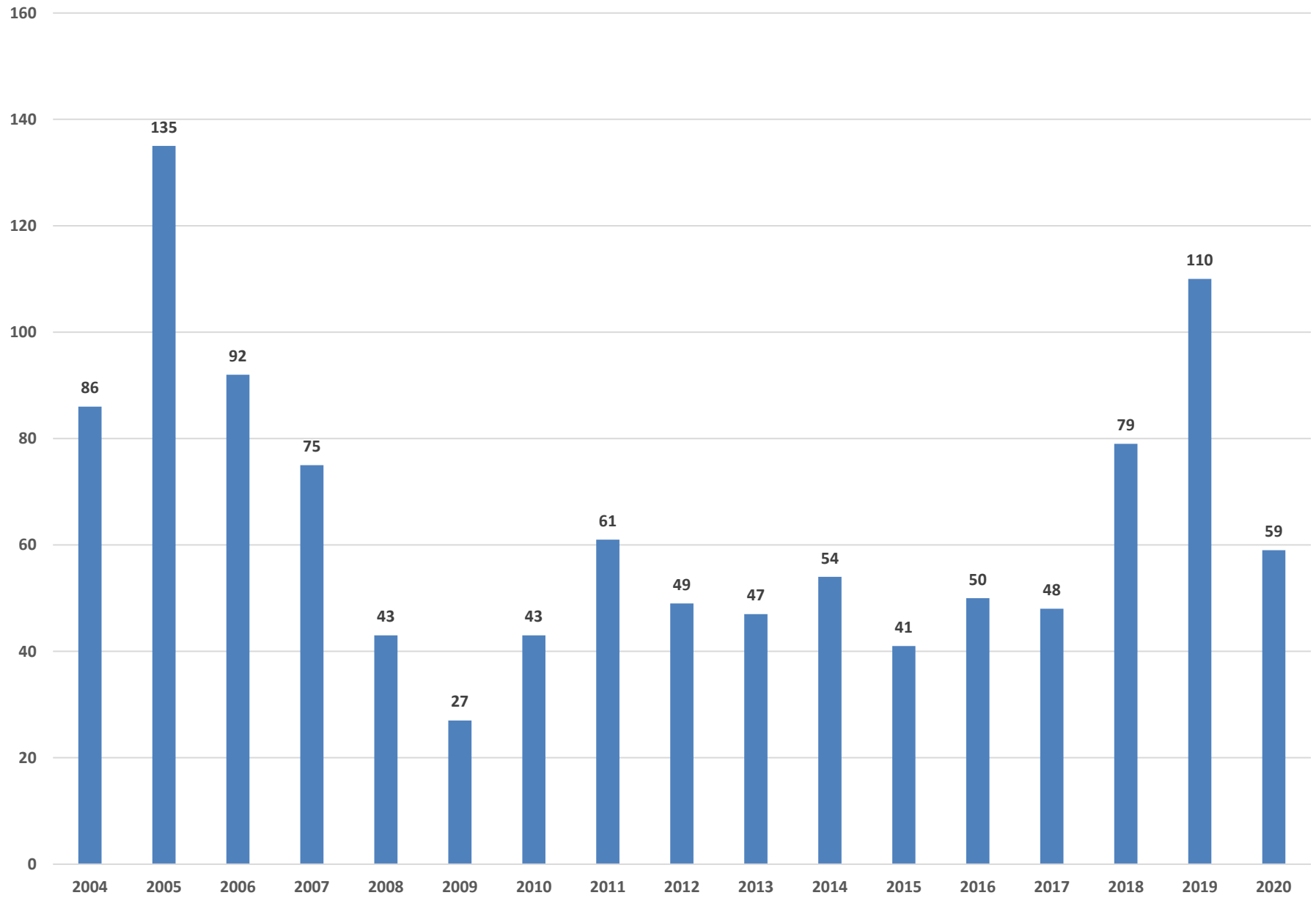
Cottonwood Condos and Townhomes numbers of Transactions 2004-2020



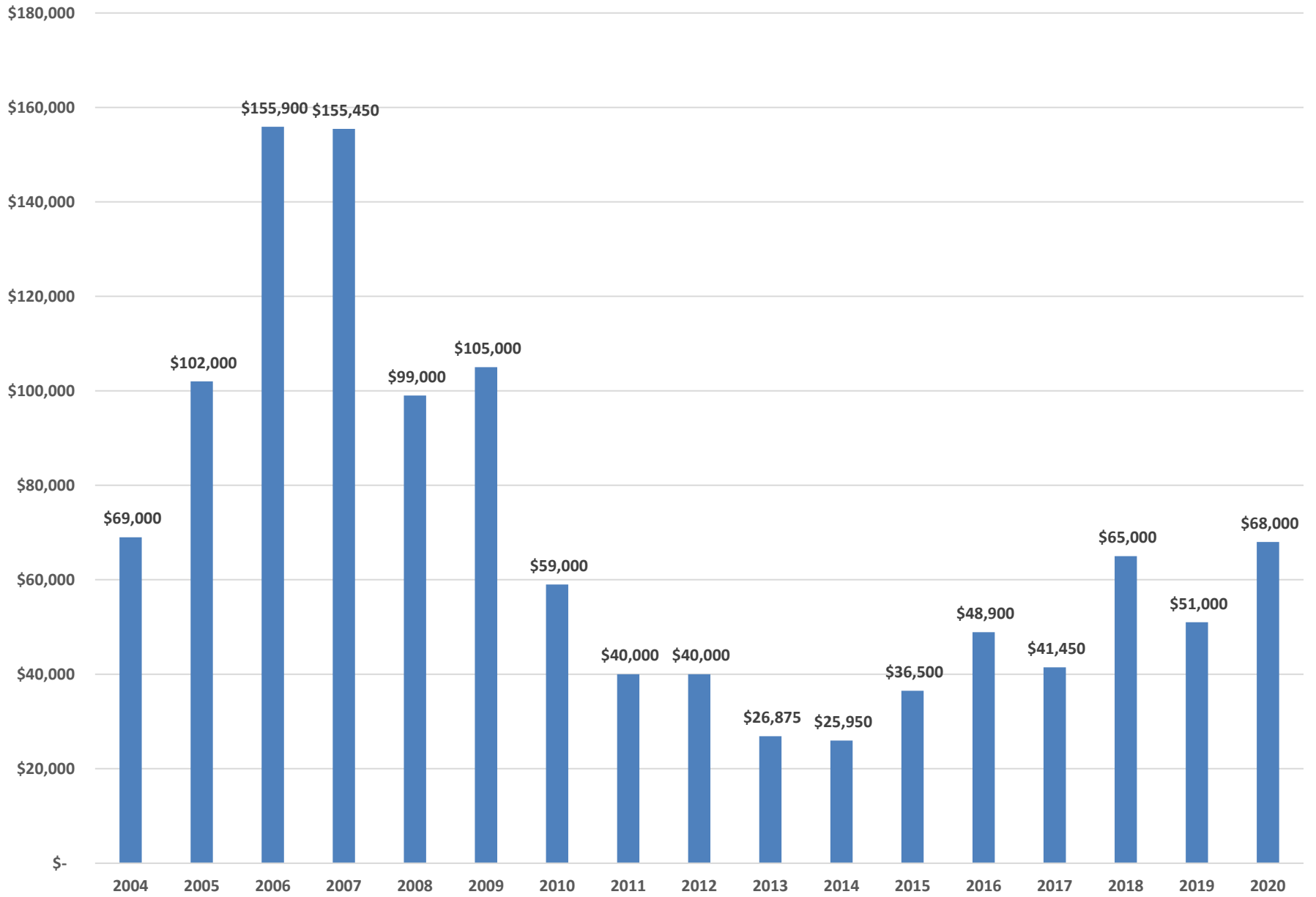
Median Sales Price Cottonwood Mobile and Manufactured Homes 2004-2020



Cottonwood Mobile and Manufactured Homes numbers of Transactions 2004-2020



Median Sales Price Cottonwood Vacant Land 2004-2020



Cottonwood Vacant Land Numbers of Transaction 2004-2020

