



Sedona & Verde Valley Real Estate Information

December 2006



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RUSS LYON REALTY COMPANY
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REAL ESTATE TRENDS

Is it true that we are experiencing a “Buyer’s Market”? The number of days properties are available on the market (DOM) is a good indicator of the type of market that we are experiencing. Some use a rule of thumb defining a “Strong Market” when the DOM falls below 90 days, a “Seller’s Market” when DOM falls below 60 days and a “Buyer’s Market” when DOM is 120 days or more.

Another indicator is the selection of red rock properties to choose from. Buyers have almost twice as many homes and two & one half times as many home-sites to choose from as they had last year in the Greater Sedona Area. This includes the City of Sedona (West Sedona, Uptown Sedona & Little Horse Park) & the unincorporated areas of Village of Oak Creek (includes Big Park), Red Rock Loop Road and Oak Creek Canyon.

So let’s look at the numbers. It is helpful to consider Sedona’s market in two segments – The Luxury Market, valued at \$1,000,000 or more for homes & \$500,000 or more for land and the Mainstream Market, valued at less than \$1,000,000 for homes & less than \$500,000 for land - as it gives a more realistic picture of our market. The median (the point at which half the prices are higher and half are lower) is used as it is generally thought to be a more reliable statistic than the mean or average price.

WHAT IS FOR SALE (December 1, 2006)?

No. of Homes: 523 homes on the market (up 3% from last quarter) – 307 Mainstream, 97 Luxury, 82 Condos/Town & 37 Manufactured. Single Family - 9 Oak Creek Canyon, 18 Red Rock Loop, 38 Uptown, 55 Little Horse Park, 67 Big Park, 89 Village of Oak Creek and 128 West Sedona.

Median Listing Price for Homes: Single Family - \$499,900 Village of Oak Creek, \$659,450 West Sedona, \$671,950 Red Rock Loop, \$758,000 Big Park, \$775,000 Little Horse Park, \$920,000 Uptown, on \$1,699,000 Oak Creek Canyon and Condo/Town - \$419,450 & Manufactured - \$299,000.

Median No. of Days on Market for Homes – Single Family: 85 Village of Oak Creek, 90 Big Park, 101 West Sedona, 108 Little Horse Park, 114 Uptown, 128 Red Rock Loop, 189 Oak Creek Canyon and for Condo/Town: 84 & Manufactured: 128.

No. of Home Sites: 366 home sites on the market (up 4% from last quarter) - 216 Mainstream & 150 Luxury – 5 Oak Creek Canyon, 25 Village of Oak Creek, 38 Uptown, 44 Little Horse Park, 64 Red Rock Loop, 81 Big Park & 109 West Sedona.

Median Listing Price for Home Sites: \$275,000 Village of Oak Creek, \$387, 450 Uptown, \$474,450 Little Horse Park, \$449,000 West Sedona, \$499,900 Big Park, \$612,450 Red Rock Loop & \$1,200,000 Oak Creek Canyon.

Median No. of Days on Market for Home Sites: 78 Oak Creek Canyon, 113 Big Park, 119 Little Horse Park, 133 West Sedona, 146 Uptown, 161 Red Rock Loop Road & 180 Village of Oak Creek.

WHAT IS SELLING?

Note: 4th Quarter nos. are for Oct & Nov and Year to Date comparisons are for period Jan–Nov 30/5

No. of Homes Sold: 4th Quarter: 58 total – 40 Mainstream, 6 Luxury, 11 Condo/Town & 1 Manufactured. **Year to Date:** 458 Total (down 35%) – 306 Mainstream (down 39%), 51 Luxury (same as 2005), 71 Condo/Town (down 32%) & 30 Manufactured (down 36%).

Median Selling Price for Homes: 4th Quarter: \$582,500 Mainstream, \$1,420,000 Luxury, \$360,000 Condo/Town & \$475,000 Manufactured. **Year to Date:** \$551,000 Mainstream (up 9%), \$1,275,000 Luxury (up 2%), \$393,000 Condo/Town (up 27%) & \$276,000 Manufactured (up 8%).

Median No. of Days to Sell Homes: 4th Quarter: 79 Mainstream, 74 Luxury, 66 Condo/Town & 81 Manufactured. **Year to Date:** 75 Mainstream (up 15 days), 140 Luxury (up 9 days), 61 Condo/Town (up 33 days) & 78 Manufactured (up 36 days).

Listing/Selling Price Ratio for Homes 4th Quarter: 97% Mainstream, 95% Luxury, 96% Condo/Town & 100% Manufactured.

No. of Home-Sites Sold: 4th Quarter: 3 Mainstream & 4 Luxury. **Year to Date:** 50 Mainstream (down 79%) & 60 Luxury (down 25%).

Median Selling Price for Home-Sites: 4th Quarter: \$306,250 Mainstream & \$723,500 Luxury. **Year to Date:** \$328,950 Mainstream (up 1%) & \$674,125 Luxury (up 12%).

Median No. of Days to Sell Home-Sites: 4th Quarter: 191 Mainstream & 85 Luxury. **Year to Date:** 114 Mainstream (up 37 days) & 70 Luxury (down 27 days).

Listing/Selling Price Ratio for Home Sites 4th Quarter: 94% Mainstream & 97% Luxury.

The Luxury Home market remains strong. We are experiencing an increase in Buyers in Sedona in the last two to three weeks and looking at the numbers, it is in some areas an official “Buyer’s Market” and you know what that means ...
“IT IS A GOOD TIME TO BUY”!

PREDICTIONS

Dr. David Lereah is a best selling author and the Chief Economist for the National Association of Realtors® (NAR). In a recent interview he said that demographics are the biggest factor that affects real estate today and has made it immune to some cyclical changes in the economy. He qualified this by saying that the following were the reason why:

The “Baby Boom” Generation – Now that the Baby Boomers have reached their peak earning years, they are purchasing larger primary residences as well as vacation homes and investment properties. The statistics for 2004 reflect this trend, with 36% of all home sales going toward second homes.

Children of “Baby Boomers” – Born after 1980, this is the second largest generation to date. This age group has entered the workforce and is becoming established. In areas with large numbers of this demographic, look for sales of starter homes and condos to rise.

Immigration – There has been a large influx of immigrants over the past three decades. According to Lereah, it typically takes at least a generation for immigrants to become fully active in the home buying market.

Retirees – While the demand for housing is expanding, the supply is decreasing. With advancements in medicine and treatments of diseases, retirees are living longer. This means that they are occupying their homes for more years, which decreases the supply of homes available for purchase.

Dr. Lereah says, “That we are in the Golden Age of Real Estate. Even if the economy should slow and interest rates increase slightly in the coming years, the demand for houses is still strong. The biggest impact that such a change is likely to have is to decrease the rate of appreciation. The media likes to refer to the real estate boom in terms of bubbles and balloons. In keeping with that analogy, Lereah indicates that local markets may react to higher interest rates by letting some air out of the balloon. The double digit price appreciation we’ve been experienced may decrease over the next year or two to a more typical rate. This is still a higher rate of return than found in the stock market, all things considered.” (Source: Mortgage Essentials)

OPPORTUNITIES

You can view all Sedona & Verde Valley listings on our website and/or also sign up to be notified when new listings that you are interested in come on the market. Simply go to www.david-levine.com and click on "Property Search".

E-mail joanne@david-levine.com or phone Joanne Holiday at (928) 862-0882 if you would like to receive more information about any properties or the following opportunities. We have an electronic brochure that we can send by e-mail or if you would prefer, we will send you a brochure by regular mail.

As well contact us if you would like Sedona/Verde Valley real estate magazines or relocation information sent to you.

New Listings

Go to www.david-levine.com and click on "Listings" for more information on our listings.

20 Firebird Court - A gorgeous 2250 sq. ft. model with a premium elevation. It is by far the best deal in Firecliff in the Village of Oak Creek. 3 Bdrms/2 Baths & built in 2004. Priced to sell at \$549,999 MLS#111508

205 Calle Francesca - Located in the desirable gated community of Casa Contenta in West Sedona. This brand new architecturally designed view home has 3 Bdrms/3.25 Baths & 2800 sq. ft. Offered at \$1,345,000 MLS#111535

130 Pyramid View - Enjoy views, beauty & comfort in this new 5 Bdrm/4 Bath, 4000 sq. ft. home that features an insulated (for sound) media room & an in-law/office with a separate entrance. Offered at \$1,349,000 MLS#111198

15 Rosemary Court - A John Badiaco, Bar-J-Builder's, built home in Back O' Beyond Ranch. This 4 Bdrm/4.5 Bath, 4150 sq. ft. classically appointed home has a Great Room, Den, Family Room, Guest Casita, negative edge pool & spa. Offered at \$2,699,000 MLS#111710

215 Shadow Rock Drive - This 4 Bdrm/5.5 Bath, 6439 sq. ft. home features a guest house, water feature, pool, spa, cabana, outdoor-shower, - kitchen & - living room. It is under construction & it will need an additional 1+ million to complete. Offered at \$2,200,000 MLS#111355

30 Tourmaline - Minutes from the center of town & close to 7 Canyons Golf Resort, this private 3.12 acre estate is located in a gated community. It features 5 Bdrms/6 Baths, Media Room, Family Room, Guest House and 3 car garage. It has magnificent red rock & forest views. Offered at \$2,995,000 MLS#111615

125 Cinnabar - This 2.23 acre lot adjoins 30 Tourmaline and it can be purchased separately. Offered at \$795,000 MLS#111617

Residents International

We are pleased to be the exclusive representative for Sedona/Flagstaff/Prescott for Residents International Magazine. This opportunity allows us to market our fine properties nationally & internationally.

Other Opportunities

Park Place in Sedona - Park Place is a luxury condominium community located across from the Red Rock High School in West Sedona. It is a master-planned community designed by Don Woods - the same architect who designed the popular "Cottages at Coffee Pot". The community will have a total of 88 condominiums with underground parking & elevator service in each of the fourteen buildings, a gated electronic entry, single level floor plans and wonderful north panoramic views. There are 5 different floor plans ranging in size from 1718 to 2275 Square Feet. Phase 1 is available ranging in price from \$752,000 to \$1,060,000. The first buildings are expected to be completed by Spring 2007.

The Aerie in Greater Sedona - The Aerie I consists of 41 unimproved Home-Sites on 100 acres and Aerie II, 33 unimproved Home Sites on 76 acres. The Aerie is an exclusive subdivision with "encouraged architectural controls & standards". The goal is to have a great collection of architecture at The Aerie. It is located off Boynton Canyon Road (just past the road to Enchantment Resort) and offers 2 to 3 Acre Home Sites. The Aerie is surrounded by the Coconino National Forest & will have an exquisite water feature. The Aerie I has views of Capitol Butte & Chimney Rock & distant views of Cathedral Rock. Prices start at \$900,000 & only 8 lots are left in the 1st release.

Mountain Gate in Clarkdale - Mountain Gate is an Empire Companies Master Planned Community located in Clarkdale. It is located at the corner of 11th and Hwy 89A (Jerome/Clarkdale intersection) and 23 miles from Sedona. It offers panoramic views of mountains surrounding the valley. Mountain Gate has a wide variety of floor plan choices and 3 series of homes. The Town Homes start at \$199,400 for an 1133 sq. ft. home, the Cottages start at \$253,400 for a 1615 sq. ft. home and the Manors start at \$322,400 for a 2093 sq. ft. home.

MORTGAGE NEWS

After drifting downward for more than five months – since they hit the year’s high on June 28, when the 30-year fixed stood at 6.93% - mortgage rates have hit the lowest point all year, and that has ignited a refinancing boom. The benchmark 30-year, fixed rate mortgage fell for the sixth week in a row this time by 9 basis points (one-hundredth of 1 percentage point), to 6.08%, according to Bankrate.com national survey of large lenders. That put the 30-year rate at its lowest level since Oct 5, 2005, when it was 6.07%. (Source Bankrate.com)

Resources: www.smartmoney.com, <http://money.cnn.com/realestate>, www.freddiemac.com, & www.federalreserve.gov

AT A GLANCE

Seven Canyons Golf Resort - was just named the 26th Greatest Golf Retreat in America by *Golf Digest Index*, a new magazine designed for upscale golf enthusiasts. Cold Spring Capital Inc. has entered into an agreement to acquire Sedona Development Partners, LLC, the real estate developer that owns and operates The Club at Seven Canyons. The closing of the transaction is subject to Cold Spring’s stockholder approval and other customary closing conditions.

Highway 179 Reconstruction - has begun and should be completed in approx. 18 months. If you are visiting Sedona consider coming in to Sedona off I17 by Hwy 260 (Exit 287 to Cottonwood) or Yavapai County Rd 30 (Exit 293 at McGuireville to Cornville) and take Hwy 89A North to Sedona.

Sedona Cultural Park - Fitch Industries is in

Escrow with Sathcupa, owners of the Sedona Cultural Park, who have just been granted approval of its Community Plan amendment by Sedona City Council. The next step is rezoning. Fitch Industries will submit another plan amendment proposal in 2007.

Lowe’s Home Improvement Center - plans have been completed for the construction of a new Lowe’s Home Improvement Center directly across from the Walmart Superstore on Highway 260 in Cottonwood.

WHAT’S HAPPENING

The Red Rock Fantasy - a festival of more than a million lights with 45 displays created by families from the Southwest at Los Abrigados Resort & Spa will run until January 1st. This Sedona Tradition, now in its 16th year, is raising funds for the Institute of Eco Tourism.

Art Gallery Tour - On the first Friday of each month you can be part of a special event at 15 Sedona art galleries. Get on the free trolley at any of the 15 galleries. For more information call 282-3809.

El Prado Gallery - in the Tlaquepaque Arts & Crafts Village celebrates its 30th anniversary this year.

The Sedona Marathon - returns February 10, 2007. For more information call 800-775-7671 or go to www.SedonaMarathon.com

The Sedona International Film Festival & Workshop - returns February 28 - March 4/07. Passes are now on sale with Early bird Discounts through Dec 31st. Call 928-282-1177 or go to www.SedonaFilmFestival.com

Things to do - Click on the following links for things to do in & around Sedona:

www.sedona.net and www.sedonaaz.gov

Go to www.sedonaweather.com for the latest weather information.

HAVE A WONDERFUL HOLIDAY SEASON

We wish you a joyful & loving holiday season and a very happy & prosperous New Year! It has been a pleasure sharing the beauty of Sedona with you and we look forward to a continued relationship with you in 2007 and years to come!