



The Trails at Scottsdale

PERIMETER WALL CONCERNS

Of the 172 homes in The Trails subdivision, 67 are a part of and back up to one of our perimeter walls (north, south, east and west.) It is important to remember that our homes as well as these walls were built in the 1978 and '79 era (42 years ago.) Furthermore, these walls were constructed in a rather economical manner with horizontal mortar only. There is no vertical mortar and no "rebar" used internally.

These walls today are in a rather tenuous condition and are showing serious signs of deterioration. Several of our Board members have examined these walls (on the exterior) and have serious concerns regarding their longevity.

We bring this to your attention now because **YOU** may be faced with an extensive repair bill in the future. You may not realize it but the perimeter wall is part of your property. In 2006/07 the Board hired a survey company to determine who is responsible for the perimeter wall. As it turned out the survey company determined that the wall is a part of the homeowner's property. That means the homeowner is responsible for maintenance and repair of these walls, both inside and out.

Please remember, the responsibility does remain on your shoulders to stay up to date on the condition of the perimeter wall.

Our CCR's are posted on our website with perimeter wall information for your review. Particular actions must be adhered to if any repairs or painting should be required. If you feel for any reason your wall may need repair, please contact the Board first. Board members will meet with you to determine actions required if any. They will also help you understand the limits and restrictions outlined in the CCR's regarding perimeter walls. **Please do not attempt repairs on your own.**

Thank you for your attention.

REMINDERS AND ALERTS

- **WEEDS!!** Please try to keep them under control and out of yours's and your neighbor's yards. Also remember, the area between the sidewalk and your wall is your responsibility.
- **PAINTING**—If you are considering painting your home please make sure that you contact the Architectural Chairman, Bob Thayer and consult with him as to any color changes you may be making. All paint colors must be Board approved.
- **FRONT YARD**—If you are making any changes to your front yard, (landscaping, walls, etc.) you must also contact Mr. Thayer before making these changes. Board approval is required BEFORE making any changes to the yard.
- **SHORT TERM RENTALS**—Per our CCR's no rentals are allowed that are less than 60 days. This policy has been in effect since 2019 and no rentals are grandfathered in.
- **WEBSITE**—Our **Website** address is: <https://thetrailsatscottsdale.org>. Please check it out as we will be posting information soon for online dues payments as some have requested.

Board members:

Brenda Breit 480-970-0079
President

Elizabeth Welch 480-990-2868
Vice-President

Dennis DeGutes 480-970-4701
Treasurer

Sandy DeGutes 480-970-4701
Secretary

Bill Hooper 480-267-5478
Projects/Improvement Chair

Jim Nowatzki 602-499-8088
Landscape Chair

Bill Long 480-254-9549
Public Relations Chair

Deborah Blacklock 480-998-9612
Historian

Bob Thayer 480-781-7940
Architectural Chair

If you have any questions, please call the appropriate Board member listed above.

Short Term Rentals up 23% NE Valley; MLS Rental Supply up 60% in 5

For Buyers:

Don't be fooled by the small increase in supply and decrease in demand compared to last year. The Greater Phoenix housing market is far from weak and will continue to see prices appreciate in the foreseeable future. Housing market indicators move slowly, unlike other types of investments such as stocks or currencies. When events such as interest rate hikes or stock market fluctuations occur, there isn't an immediate measurable response in housing prices. Consumers may "panic sell" stocks, crypto, or even their belongings; however, selling the roof over their head or a performing rental is typically the last resort. For this reason, jolts to the economy (like a sudden pandemic or economic sanctions) need to be in effect for many months without improvement for housing to see prices finally respond.

A unique player in the housing market is the short-term vacation rental. This product is specifically prolific in Northeast Valley cities such as Scottsdale, Paradise Valley and Cave Creek. According to AirDNA, Scottsdale alone was estimated to have 5,400 active short-term rentals as of December 2021, up 23% from the 4,400 estimated just last September and equating to over 4% of existing housing supply for that city. This changes the game in evaluating the value of property in high tourist areas like Kierland and Old Town Scottsdale. Instead of the traditional route utilizing past sales and adjusting for amenities for residential occupancy, certain homes are valued as individual businesses that come complete with a revenue stream, furnishings, established clients, websites, advertising contracts and hired support services. Under these circumstances, appraisers have their hands full distinguishing between a business sale and residential resale when evaluating appreciation.

To compound the issue in the Northeast Valley, new construction permits are not as abundant as they are in the West Valley and Southeast Valley; meaning there is little relief in the form of future new housing supply to accommodate both full and part time demand in the area.

For Sellers:

Greater Phoenix is not close to peaking in price for residential resale, not with supply of homes for sale 76% below normal for March and demand 13% above normal. However, be aware that the estimated payment for a 1,500-2,000 square foot home is now \$77 higher than the median rent for a similar rental leased through the Arizona Regional MLS. The rental market responds to a shift in demand faster than the resale market does because landlords are faster to respond with a lease price reduction if their investment is vacant for too long.

In 2021, median asking rents jumped from \$1,855 in January to a peak of \$2,395 by September, an increase of \$540, and have remained between \$2,300-\$2,400 per month since. Tenants accommodated the increases until about June, then the median for closed leases stalled at \$2,100 per month. Despite the stall, landlords continued to increase their asking rent and saw the supply of available rentals rise by 60%. This is a significant development because the only reason a landlord would decide to compensate a real estate agent by listing their rental in the MLS is if they're not renting it fast enough through other means.

You may be wondering why this matters to you as a home seller. The health of the rental market is often looked at as an indicator for the health of the resale market. If lease rates continue to go up and are successfully closed at those rates, then that's a good indicator for resale prices as well. When rental rates reach a ceiling and stay there for months, then it's possible the resale market may follow, but as stated earlier, resale is slow to respond. It could take many more months before the shift is realized, so for today it's business as usual.

The Meeting Schedule for the Board of The Trails at Scottsdale Homeowners Association is as follows:

April 12, 2022 7:00 p.m. and May 10, 2022 at 7:00 p.m.

The meetings will be held on Zoom. If you wish to attend the Zoom meetings, please contact Bill Hooper and he can put you on his Zoom list. The meetings for June, July and August will be suspended as in past years. They will resume on September 13th. If you have a concern please call any one of the Board members listed on the first page. We are always looking for ideas or suggestions on what you, the residents of The Trails would like to see in the way of improvements to the subdivision. Please give any board member a call with your ideas. We would also appreciate participation in our meetings. It would be great to meet and greet our neighbors.