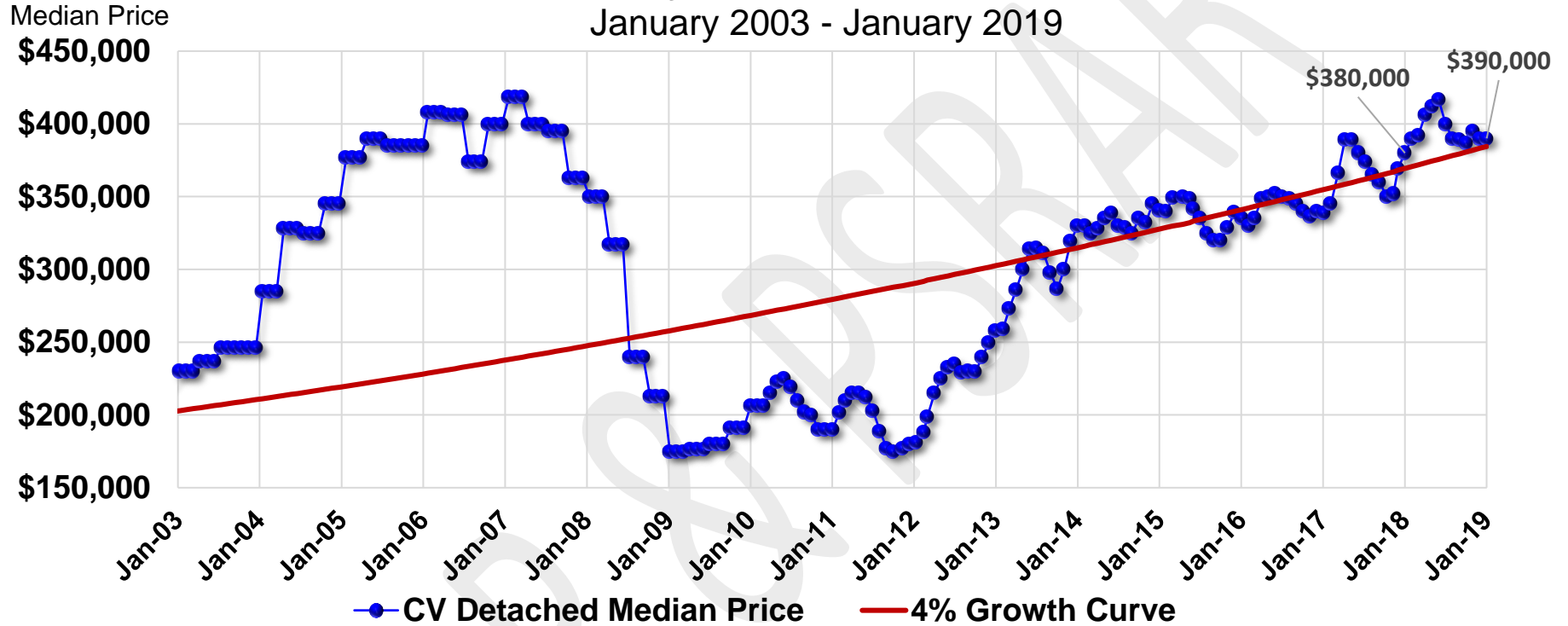


Coachella Valley Median Detached Home Price

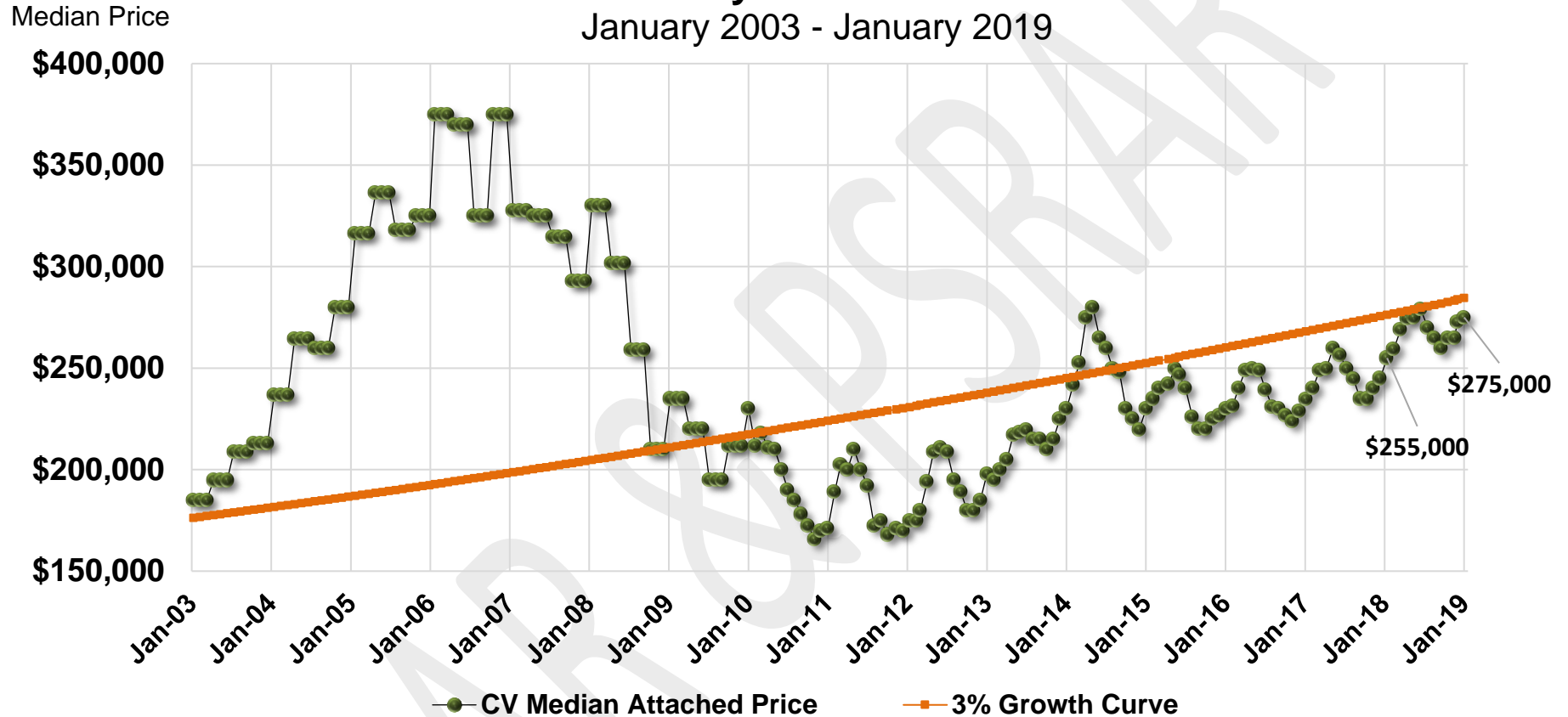
January 2003 - January 2019



Summary

There is no doubt that price momentum is waning a little in the Valley as the medium detached home price ended January at \$390,000, up only 2.6% over last year. The median price for attached homes in the Coachella Valley in January was \$275,000, up 7.8% over last year. For detached homes, Indio shows a gain of 6.5%, Cathedral City a gain of 3.5%, Palm Desert is up 1.5% and Rancho Mirage up .4%. Palm Springs shows a negative return of 1%. Total sales over the last three months averaged 637 units a month, compared to 745 units last year. That's a decline of 14.5%. Detached home sales are off 12.4% while attached sales are off 18.2%. Every city in the Valley shows a decline in three months sales except Coachella, which had a sales increase of one unit a month - 13 units versus 12 last year - and Thousand Palms, which had the same sales at a very small four units a month. Valley inventory remains relatively well contained. On February 1st there were 3,811 units for sale. Even though sales were lower, the "months of sales" ratio on February 1st was 4.6 months. This compares to 4.9 months a year ago and is the lowest ratio we've had on February 1st since 2014. The median number of days on the market in January was 60 days. This is six days less than last year.

Coachella Valley Median Attached Price January 2003 - January 2019



Coachella Valley Attached Median Price

The median price for attached homes in the Coachella Valley in January was \$275,000, up 7.8% over last year. We were a little disappointed in this percentage price gain for attached homes, since January is right in the middle of the strongest seasonal period for this category of desert homes. Currently, the median attached price is hovering just below the long-term, 3% growth curve.



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Detached Homes

| City | Jan-19 | Year Ago | 12 mo change | 2011 Low | Gain off 2011 Low | 2006 High | % from High |
|--------------------|-----------|-----------|--------------|-----------|-------------------|-------------|-------------|
| La Quinta | \$538,750 | \$405,000 | 33.0% | \$245,000 | 119.9% | \$682,020 | -21.0% |
| Indian Wells | \$960,000 | \$832,500 | 15.3% | \$540,000 | 77.8% | \$1,205,000 | -20.3% |
| Indio | \$330,000 | \$310,000 | 6.5% | \$158,500 | 108.2% | \$380,500 | -13.3% |
| Cathedral City | \$325,000 | \$314,000 | 3.5% | \$139,000 | 133.8% | \$395,000 | -17.7% |
| City of Coachella | \$259,900 | \$253,000 | 2.7% | \$121,950 | 113.1% | \$335,000 | -22.4% |
| Palm Desert | \$415,000 | \$409,000 | 1.5% | \$287,000 | 44.6% | \$543,000 | -23.6% |
| Rancho Mirage | \$645,000 | \$642,500 | 0.4% | \$423,000 | 52.5% | \$950,000 | -32.1% |
| Desert Hot Springs | \$223,000 | \$225,000 | -0.9% | \$85,000 | 162.4% | \$295,000 | -24.4% |
| Palm Springs | \$629,000 | \$635,000 | -0.9% | \$335,000 | 87.8% | \$600,000 | 4.8% |

Attached Homes

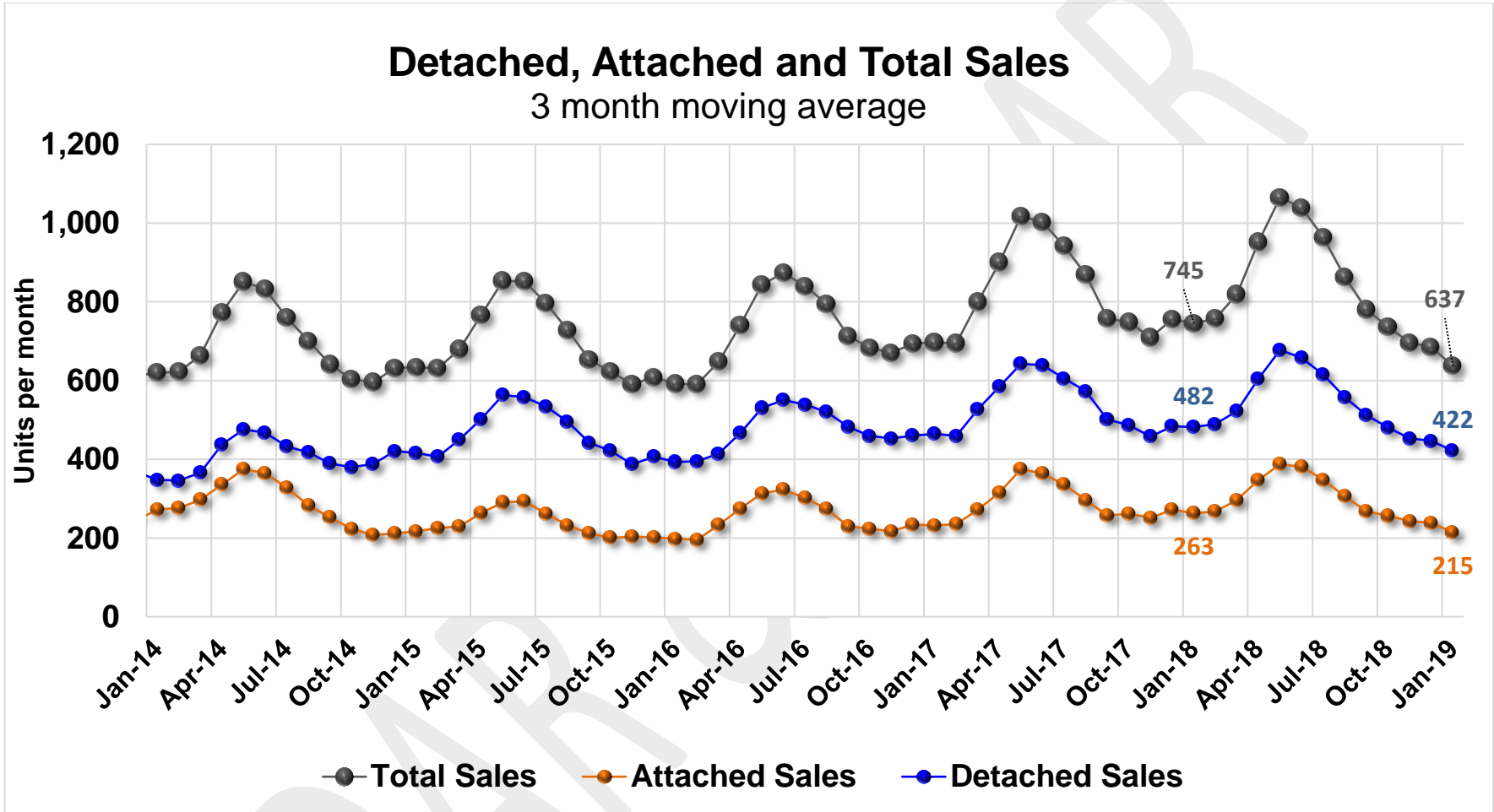
| City | Jan-19 | Year Ago | 12 Month Change | 2011 Low | Gain off 2011 Low | 2006 High | % from High |
|--------------------|-----------|-----------|-----------------|-----------|-------------------|-----------|-------------|
| Indio | \$222,000 | \$169,000 | 31.4% | \$75,000 | 196.0% | \$279,000 | -20.4% |
| Desert Hot Springs | \$168,000 | \$130,450 | 28.8% | \$86,000 | 95.3% | \$303,000 | -44.6% |
| Rancho Mirage | \$379,000 | \$321,500 | 17.9% | \$260,000 | 45.8% | \$510,000 | -25.7% |
| Cathedral City | \$177,500 | \$153,000 | 16.0% | \$107,500 | 65.1% | \$270,500 | -34.4% |
| Palm Springs | \$259,500 | \$225,000 | 15.3% | \$150,000 | 73.0% | \$350,000 | -25.9% |
| Palm Desert | \$284,300 | \$267,500 | 6.3% | \$175,000 | 62.5% | \$410,000 | -30.7% |
| La Quinta | \$335,000 | \$327,489 | 2.3% | \$265,000 | 26.4% | \$532,500 | -37.1% |
| Indian Wells | \$381,500 | \$380,000 | 0.4% | \$321,500 | 18.7% | \$557,500 | -31.6% |
| City of Coachella | N/A | N/A | N/A | N/A | N/A | N/A | N/A |

12 Month Change in City Median Prices

The price tables above confirm the regional price slowdown. These show the current value for the median price for detached and attached homes in the nine cities of the Valley. For detached homes, Indio shows a gain of 6.5%, Cathedral City a gain of 3.5%, Palm Desert is up 1.5% and Rancho Mirage up .4%. Palm Springs shows a negative return of 1%. The large, 33% gain for La Quinta is more because the median home in January was a 2,400 square-foot home versus a 2,100 square-foot home last year. So, about two-thirds of the gain is real and the other third is due to the fact we are simply measuring a larger home.

Produced for Valley agents through the sponsorship and cooperation of PSRAR and CDAR by Market Watch LLC

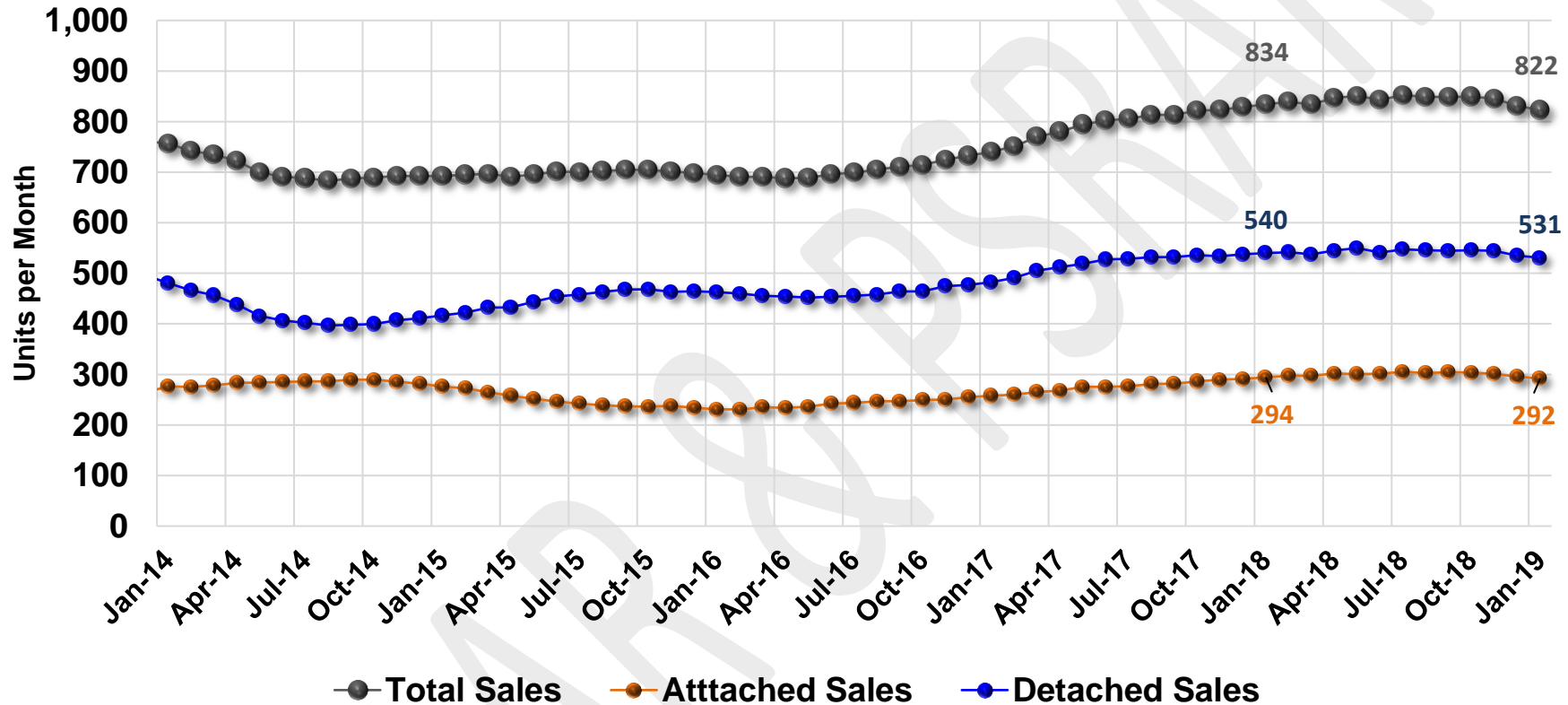
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Monthly Sales – 3-month trailing avg.

It is clear from this chart that sales are starting to slow. Total sales over the last three months averaged 637 units a month compared to 745 units last year. That's a decline of 14.5%. Detached home sales are off 12.4% while attached sales are off 18.2%. This decline in short-term sales, which has been occurring every month now for six months, means we should begin to see declines in longer-term sales' metrics.

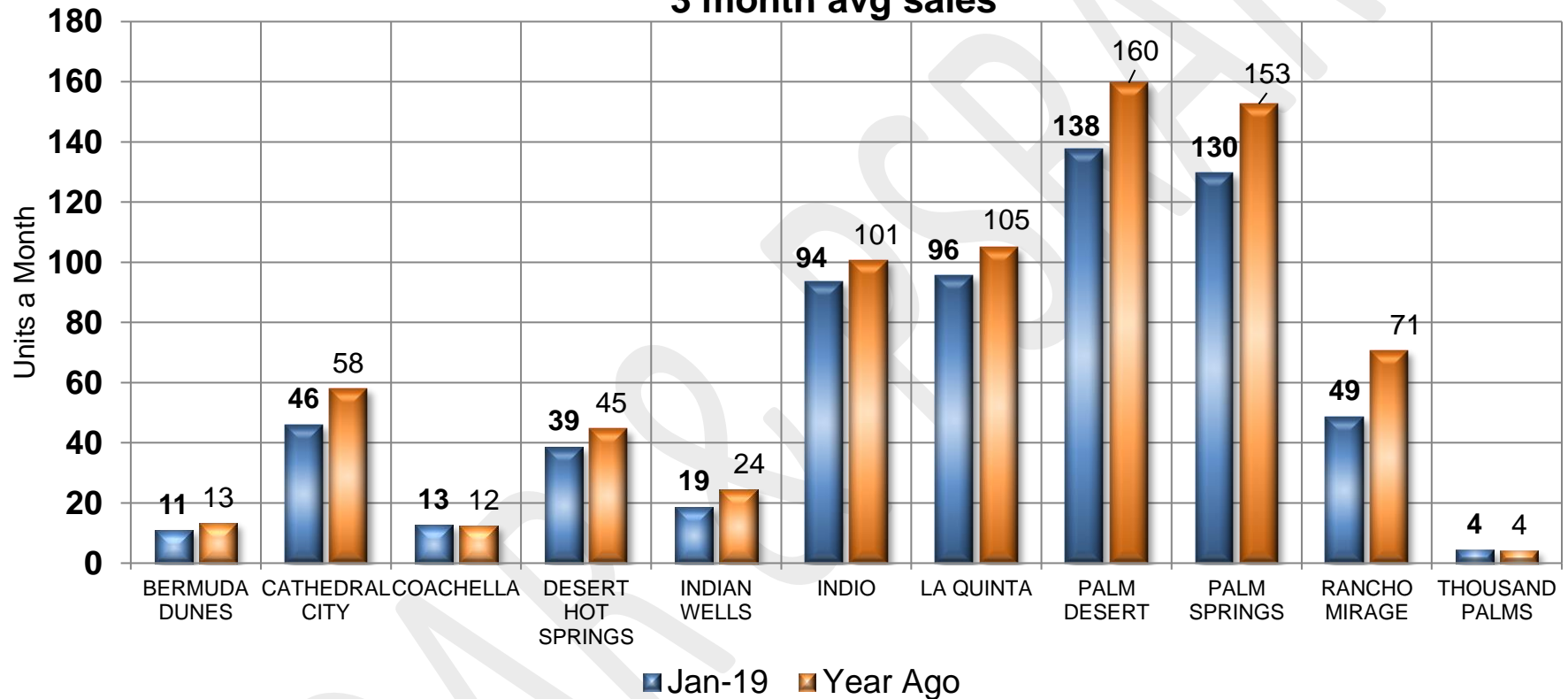
Detached, Attached and Total Sales 12 month moving average



Monthly Sales – 12 month trailing avg.

This chart graphs long-term sales, which is monthly sales averaged over the last 12 months. It is clear from the graph that longer-term sales are finally starting to roll over, especially in the last three months. In January, the twelve-month average of sales was 822 units a month. This compares to 834 units last year. While this is a decline of only 1.5%, because of the consistent decline in short-term sales we can expect these longer-term metrics to decline for a while. This is true for both attached and detached home sales.

Home Sales by City 3 month avg sales

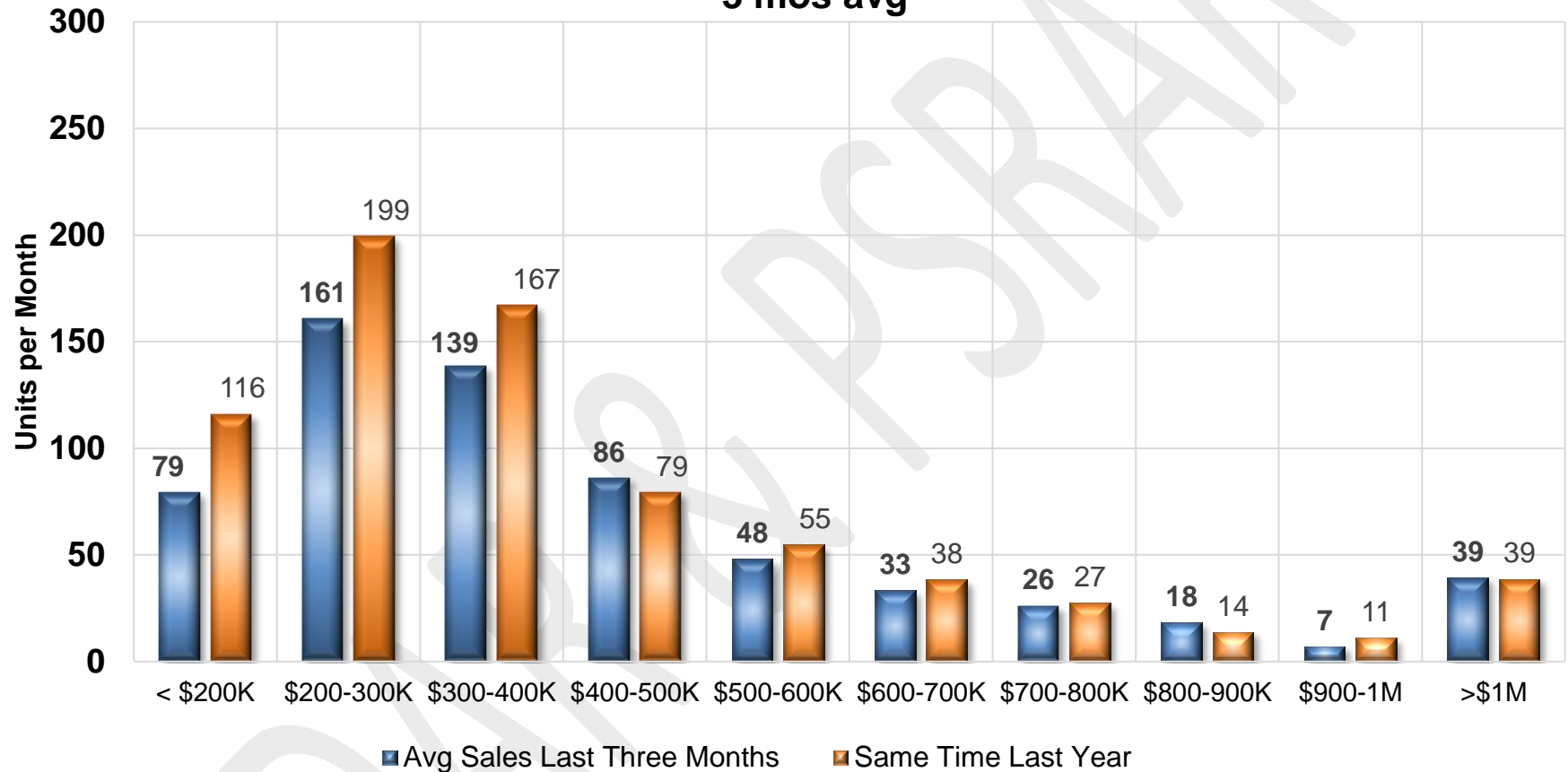


Home Sales per month by City

Every city in the Valley shows a decline in three months sales except Coachella, which had a sales increase of one unit a month - 13 units versus 12 last year - and Thousand Palms, which had the same sales at a very small four units a month. All the other cities show approximately the same percentage decline as regional sales.

Home Sales by Price Range

3 mos avg

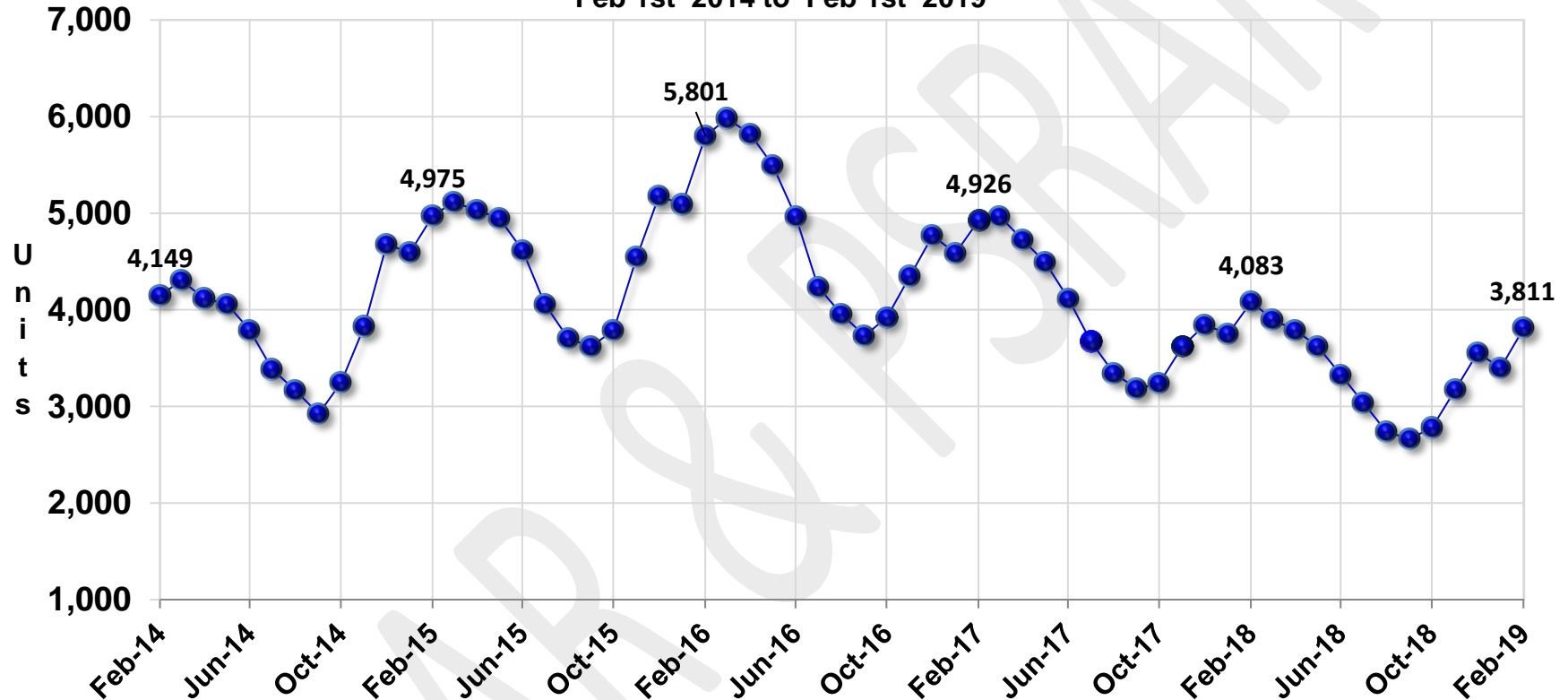


Home Sales by Price Range

When we compare three months sales in various price brackets, we see a strong decline in sales for homes priced under \$300,000. For example, in January sales of homes priced under \$200,000 were down 32%, sales of homes price from \$200,000 and \$300,000 were off 20% and those priced from \$300,000 and \$400,000 were off 16%. Sales of million-dollar plus homes were the same as last year at 39 units a month.

Valley Housing Inventory

Feb 1st 2014 to Feb 1st 2019

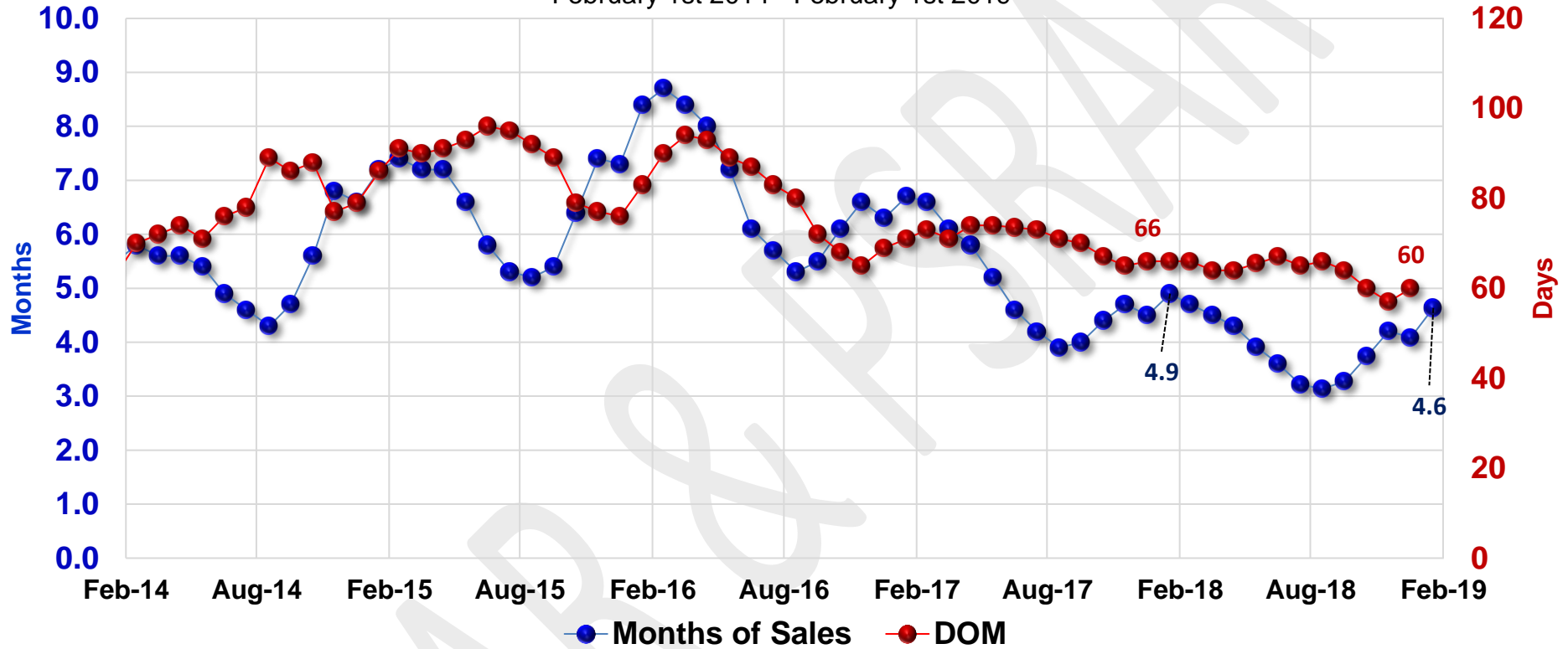


Coachella Valley Inventory

Valley inventory remains relatively well contained. On February 1st there were 3,811 units for sale. Since inventory is very seasonal as the chart clearly shows, we should only compare inventory against the same month in previous years. When we do, we see that current inventory is still the lowest it's been since February 2014. Last year at this time there were 4,083 units for sale, a year before there were 4,926 units, and the year before that we had 5,801 units. So even though sales are low, inventory numbers are staying relatively well contained.

Days on the Market & Months of Sales

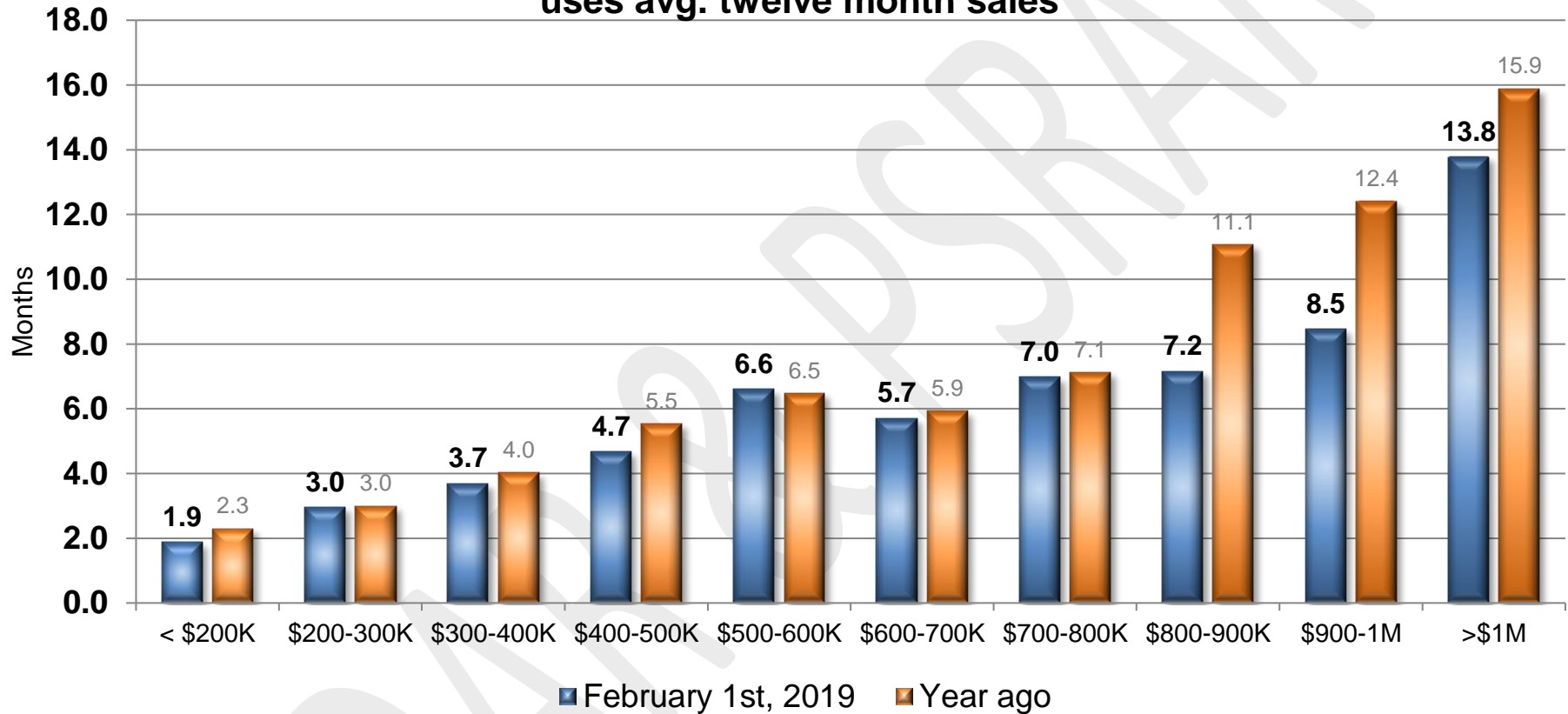
February 1st 2014 - February 1st 2019



“Months of Sales” and “Days on the Market”

When we look at the two, very important real estate metrics - the “months of sales” ratio and the “median number of days on the market” - we see a well contained and strong market. Even though sales were lower, the “months of sales” ratio on February 1st was 4.6 months. This compares to 4.9 months a year ago and is the lowest ratio we’ve had on February 1st since prior to 2014. The median number of days on the market in January was 60 days. This is six days lower than January 2018. Because of expected lower sales we can probably expect these two metrics to rise somewhat as we get into 2019. However, both are a long ways from indicating a troubled housing market.

"Months of Sales" by Price Range uses avg. twelve month sales

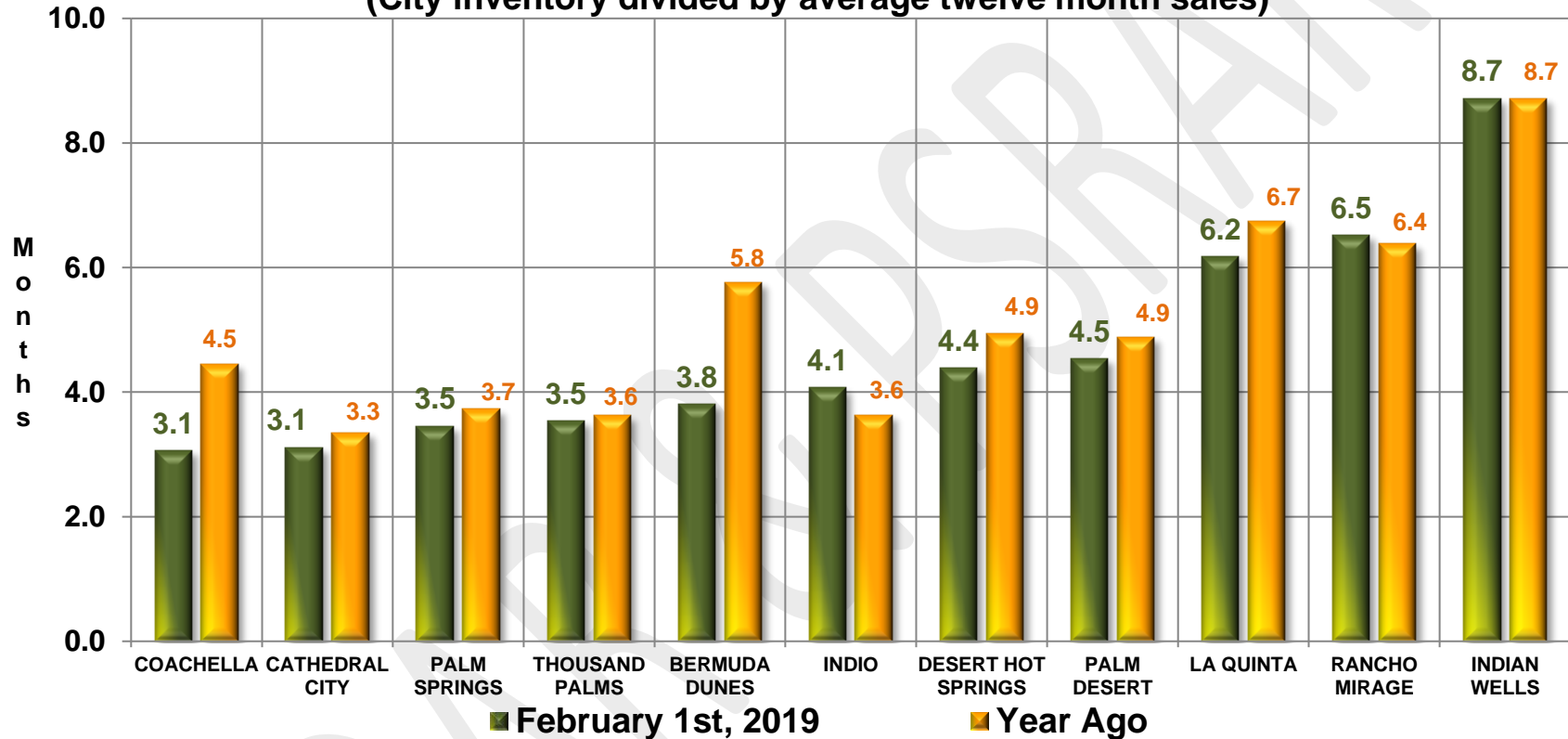


"Months of Sales" by Price Range

When we look at the "months of sales" ratio of the different price brackets, we see in homes priced under \$800,000 the same or slightly lower ratios. For homes priced over \$800,000 we have a different picture. For example, for homes between \$800,000 and \$900,000, and \$900,000 and million dollars, we see "months of sales" ratios lower than last year.

"Months of Sales" by City

(City inventory divided by average twelve month sales)

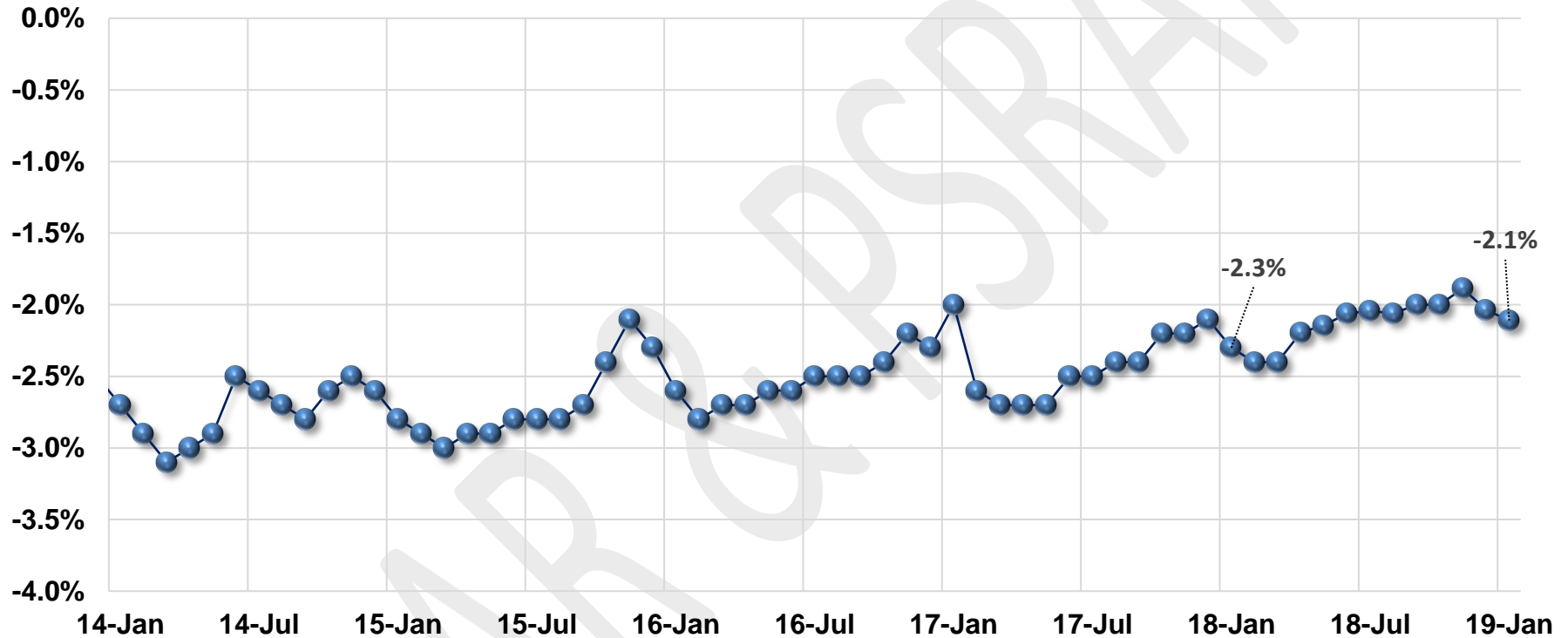


"Months of Supply" by City

The above graph plots the "month of sales" ratio for eleven cities against the ratio at the same time last year. It is clear from the chart that almost all the cities have ratios almost equal to a year ago, except in Bermuda Dunes and the city of Coachella. Cathedral City has low ratio of 3.1 months, as does Palm Springs at 3.5 months. We find this very encouraging after the strong, five-year price run that lifted Palm Springs to the top city of the Valley's housing market.

Sales Price Discount from List

January 2014 to January 2019



Sale Price Discount from List

The latest “Sale Price Discount from List” is -2.1%, which is .2% less than a year ago. This ratio means the average home listed for \$400,000 sold for \$391,600, or a \$8,400 discount.



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Explanation and Description of Market Watch's Graphs and Calculations

Prices: Except for our attached price index, all city and regional median prices are for single family detached homes only. All prices are the median value for all transactions over the last three months (except for Indian Wells, which is twelve months due to the small number of monthly sales). For example, the median price for the month of May will be the median value of all sales in March, April and May of detached homes. This longer time period reduces the amount of wide and meaningless variation that one gets taking only the last month's transactions and provides more reliable information. While we do show the median selling price in our city reports, we try to emphasize the median price per sq. ft. in both these and our regional reports. For technical reasons this metric is more reliable than median price and presents us and the reader with fewer statistical anomalies and variations.

Sales: Sales numbers are the sum of both attached and detached home sales. We present two sales numbers – three month average of sales and twelve month averages. The three month average measures and shows the seasonal variations of the region. These three month averages should only be compared against the same three months of previous years. For example, one should never compare three month sales in spring to that of the fall. The twelve month average takes out all seasonality and is very useful when trying to assess the long term growth or contraction of sales in the region and at the city level.

Inventory and Months of Sales: When we provide a monthly report for, say, the month of May, all sales and pricing are done using transactions throughout that month and the previous two months. However, when we measure inventory at the end of May, it's the inventory as of June 1st the next month. It is the sum of inventory of both attached and detached homes. Remember sales and prices are accumulative while inventory is a momentary snapshot of inventory on a specific date. To avoid confusion, the inventory reported in the May report is for June 1st, and our graphs and charts for inventory and months of sales will give this date and not the date of the month of the report.

When calculating "months of sales" we almost always use average sales over the last twelve months and not three months. If we do use three months we will indicate that we are dividing inventory by three month sales and not the normal twelve month average.

Days on the Market and Sale Price Discount from List Price: These calculations are also the median value of the metrics reported from the MLS listing and are calculated over the last three months of transactions like price and sales. This is done to help reduce random variation and movements.

Call Out Numbers: The two numbers inserted in the charts are the most recent value(s) and the value(s) one year ago. Each number is connected to the point on the chart it refers to by a small thin line.

Scatter Diagram Value Curve: In the individual city reports we provide a Scatter Diagram Value Curve which plots the price per sq. ft. of every sale for the last three months versus the square feet of that home. In the graph each small blue circle represents a sale. Then a best fit linear line is calculated through those points using the least square method to arrive at the value curve. The value curve represents the price per sq. ft. that the market is generally giving different size homes. We provide the actual linear equation for people who might want to use it to calculate prices for different sized homes.

To contact Market Watch call Vic Cooper at 949-493-1665