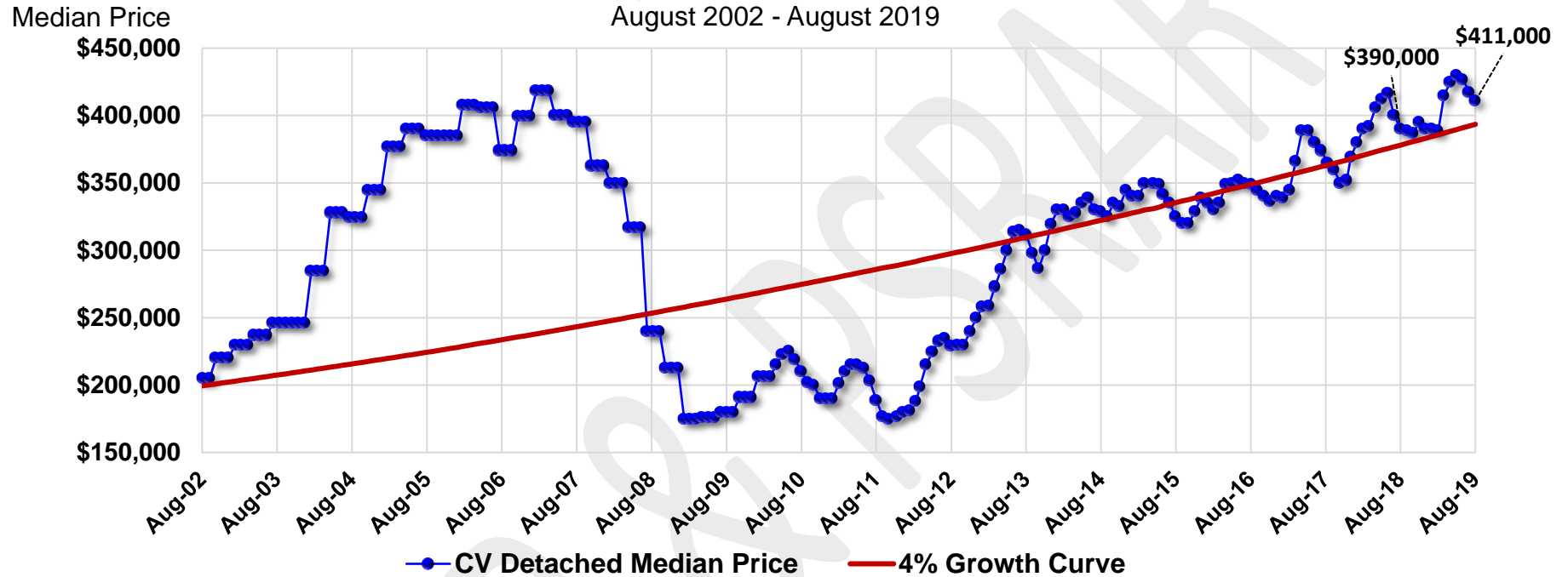


### Coachella Valley Median Detached Home Price

August 2002 - August 2019



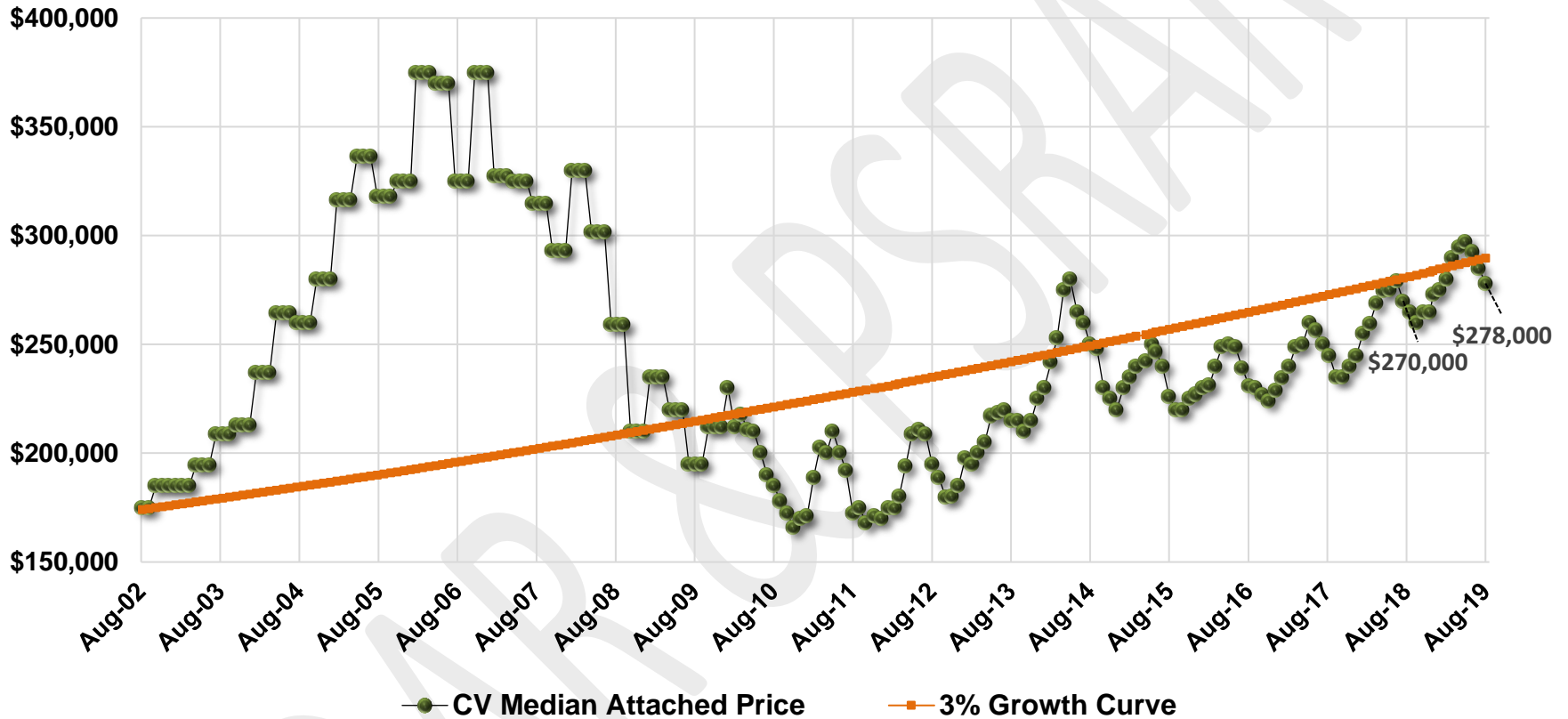
### Summary

All housing metrics in the Valley are showing very positive readings from sales to inventory to prices. There is not one negative or cautious indication for the coming season that we are aware of. The Valley's median detached home price in August declined slightly to \$411,000 due to normal, seasonal factors. It is still 5.4% above a year ago. Attached homes had a median value of \$278,000, which is 3% above a year ago. On a city by city basis we continue to see strong, 12-month price increases for detached homes. Palm Springs continues to lead and amaze. The median price for detached homes in Palm Springs is now \$659,000, almost 10% above the all-time high made during the bubble years of the first part of this century. This current price is 14.2% above year ago. Total three-month sales in August averaged 876 units a month, fourteen units higher than year ago. Detached home sales averaged 587 units, thirty units more than last year. This is the first time in over a year that sales are higher levels than twelve months ago. On September 1st there were 2,641 units for sale, which is the lowest September inventory number in over five years. On September 1st the "months of sales" ratio, which is inventory divided by the average sales rate over 12 months, was 3.3 months, which is equal to the ratio on September 1st of last year.

### Coachella Valley Median Attached Price

August 2002 - August 2019

Median Price



### Coachella Valley Attached Median Price

Attached home prices continue to follow a seasonal pattern as is obvious from the chart. August showed a value of \$278,000, which is 3% above year ago. If prices continue this seasonal pattern, which we expect, we think there will be another two months of slack prices before they begin to surge again as we move into next year's market. We expect attached prices to continue strong into next year.



# The Desert Housing Report

August 2019



## Detached Homes

City	Aug-19	Year Ago	12 mo change	2011 Low	Gain off 2011 Low	2006 High	% from High
Palm Springs	\$659,000	\$577,000	14.2%	\$335,000	96.7%	\$600,000	9.8%
City of Coachella	\$285,450	\$250,000	14.2%	\$121,950	134.1%	\$335,000	-14.8%
Desert Hot Springs	\$240,000	\$220,000	9.1%	\$85,000	182.4%	\$295,000	-18.6%
Rancho Mirage	\$723,000	\$665,000	8.7%	\$423,000	70.9%	\$950,000	-23.9%
Cathedral City	\$357,318	\$329,950	8.3%	\$139,000	157.1%	\$395,000	-9.5%
Indian Wells	\$1,100,000	\$1,040,000	5.8%	\$540,000	103.7%	\$1,205,000	-8.7%
Indio	\$340,000	\$330,000	3.0%	\$158,500	114.5%	\$380,500	-10.6%
Palm Desert	\$428,500	\$425,750	0.6%	\$287,000	49.3%	\$543,000	-21.1%
La Quinta	\$469,000	\$475,000	-1.3%	\$245,000	91.4%	\$682,020	-31.2%

## Attached Homes

City	Aug-19	Year Ago	12 Month Change	2011 Low	Gain off 2011 Low	2006 High	% from High
Cathedral City	\$206,500	\$172,500	19.7%	\$107,500	92.1%	\$270,500	-23.7%
Indian Wells	\$427,500	\$400,000	6.9%	\$321,500	33.0%	\$557,500	-23.3%
Palm Desert	\$297,000	\$278,000	6.8%	\$175,000	69.7%	\$410,000	-27.6%
Palm Springs	\$245,000	\$235,000	4.3%	\$150,000	63.3%	\$350,000	-30.0%
Rancho Mirage	\$362,500	\$370,000	-2.0%	\$260,000	39.4%	\$510,000	-28.9%
La Quinta	\$339,100	\$360,000	-5.8%	\$265,000	28.0%	\$532,500	-36.3%
Indio	\$200,000	\$215,000	-7.0%	\$75,000	166.7%	\$279,000	-28.3%
Desert Hot Springs	\$172,000	\$185,000	-7.0%	\$86,000	100.0%	\$303,000	-43.2%
City of Coachella	N/A	N/A	N/A	N/A	N/A	N/A	N/A

## 12 Month Change in City Median Prices

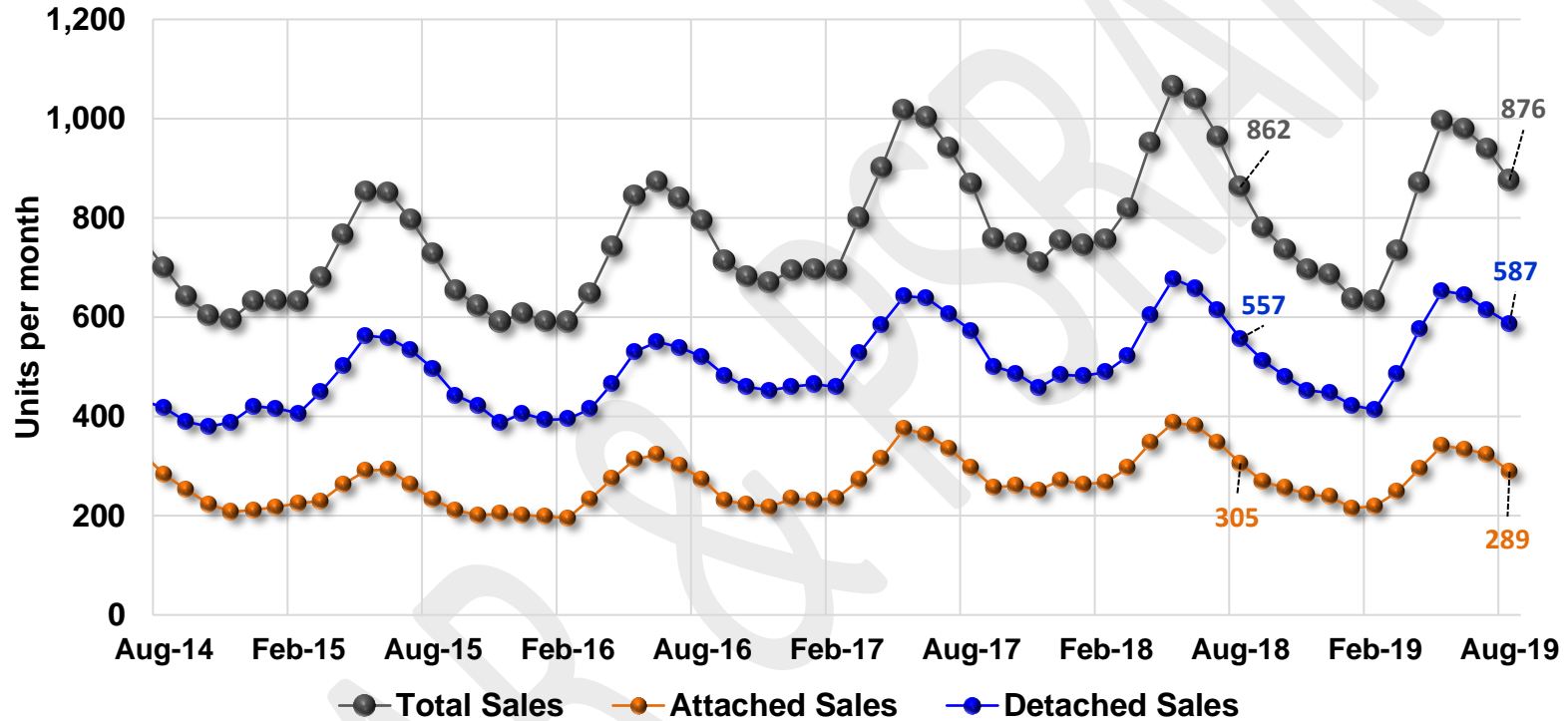
On a city by city basis we continue to see strong, 12-month price increases for detached homes. Palm Springs continues to lead and amaze. The median price for detached homes in Palm Springs is now \$659,000, almost 10% above the all-time high made during the bubble years of the first part of the century. This price is up 14.2% above year ago, with the city of Coachella up 14.2%, Desert hot Springs up 9.1%, Rancho Mirage up 8.7% and Cathedral City up 8.3%. As the lower table shows attached homes have a mixed price performance.

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

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### Detached, Attached and Total Sales

3 month moving average

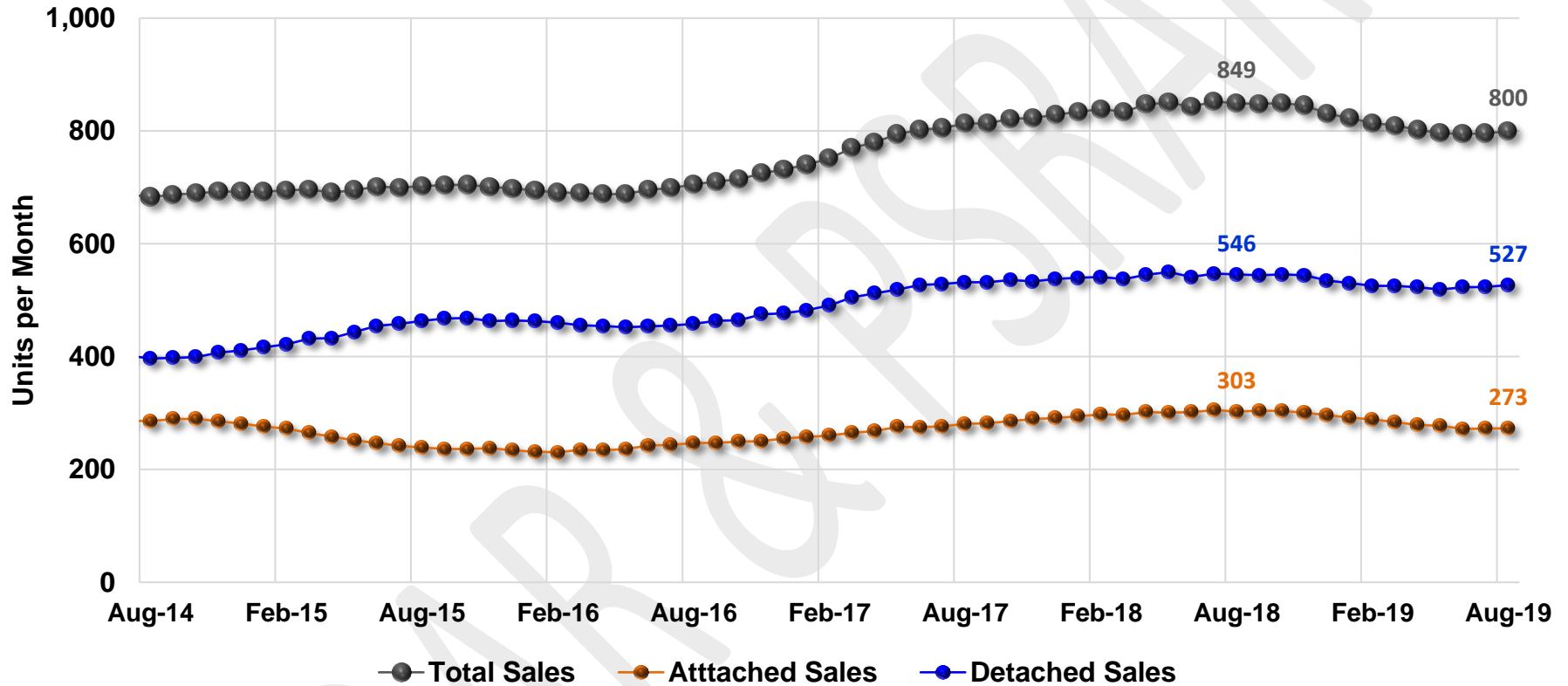


### Monthly Sales – 3-month trailing avg.

Total three-month sales in August averaged 876 units a month, fourteen units higher than year ago. Detached home sales averaged 587 units, thirty units more than last year. This is the first time in over a year that shorter-term, sales metrics are showing higher levels than twelve months ago. We find this particularly encouraging, especially as it is happening during a period of long term, rising prices.

### Detached, Attached and Total Sales

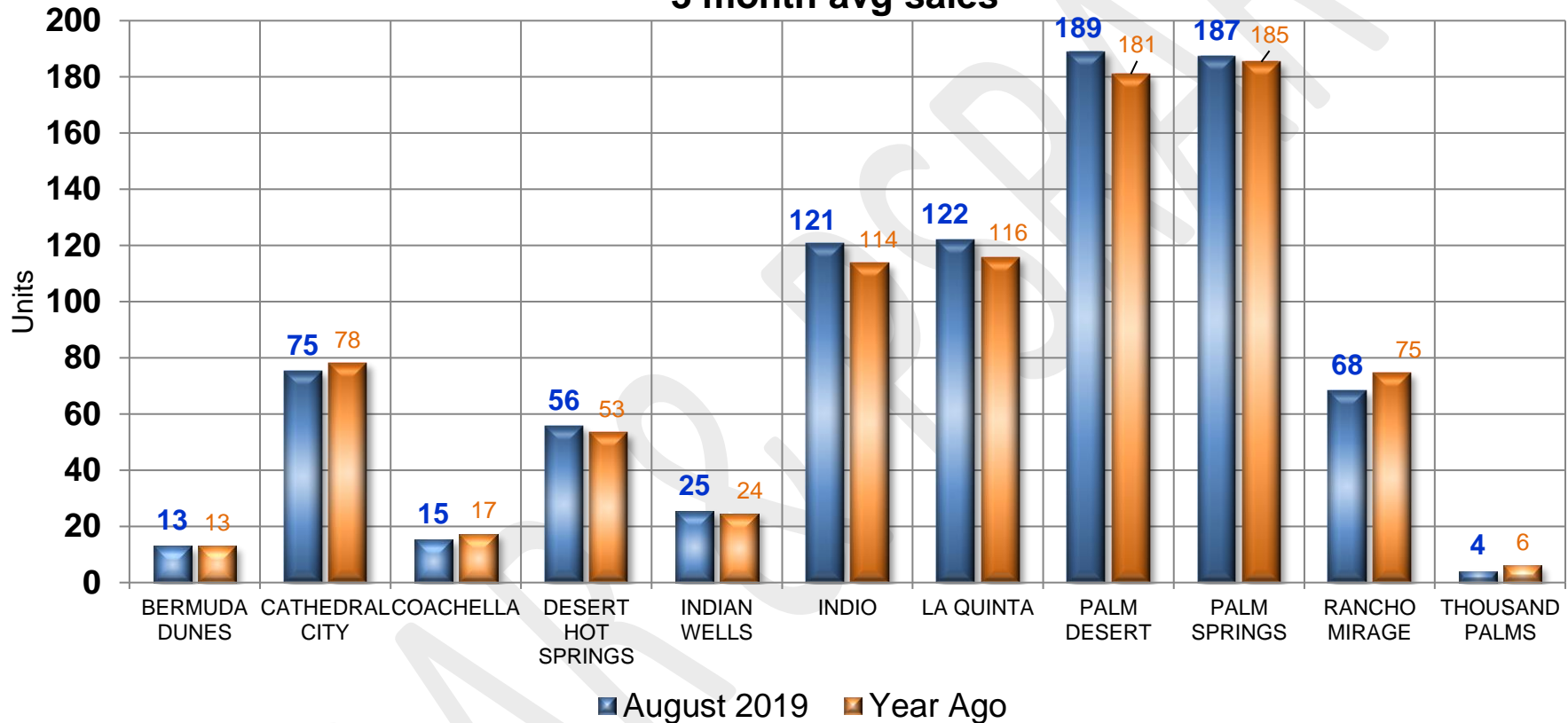
12 month moving average



### Monthly Sales – 12-month trailing avg.

Total sales over the long term (12 months) have been averaging 800 units a month, which is an increase of four units over last month. While small this is the first time in over a year that longer-term sales metrics are trending higher. This is happening in both the detached and attached markets. Since these long-term metrics lag the shorter-term sales metrics, we expect longer-term measurements to continue to trend higher.

### Home Sales by City 3 month avg sales

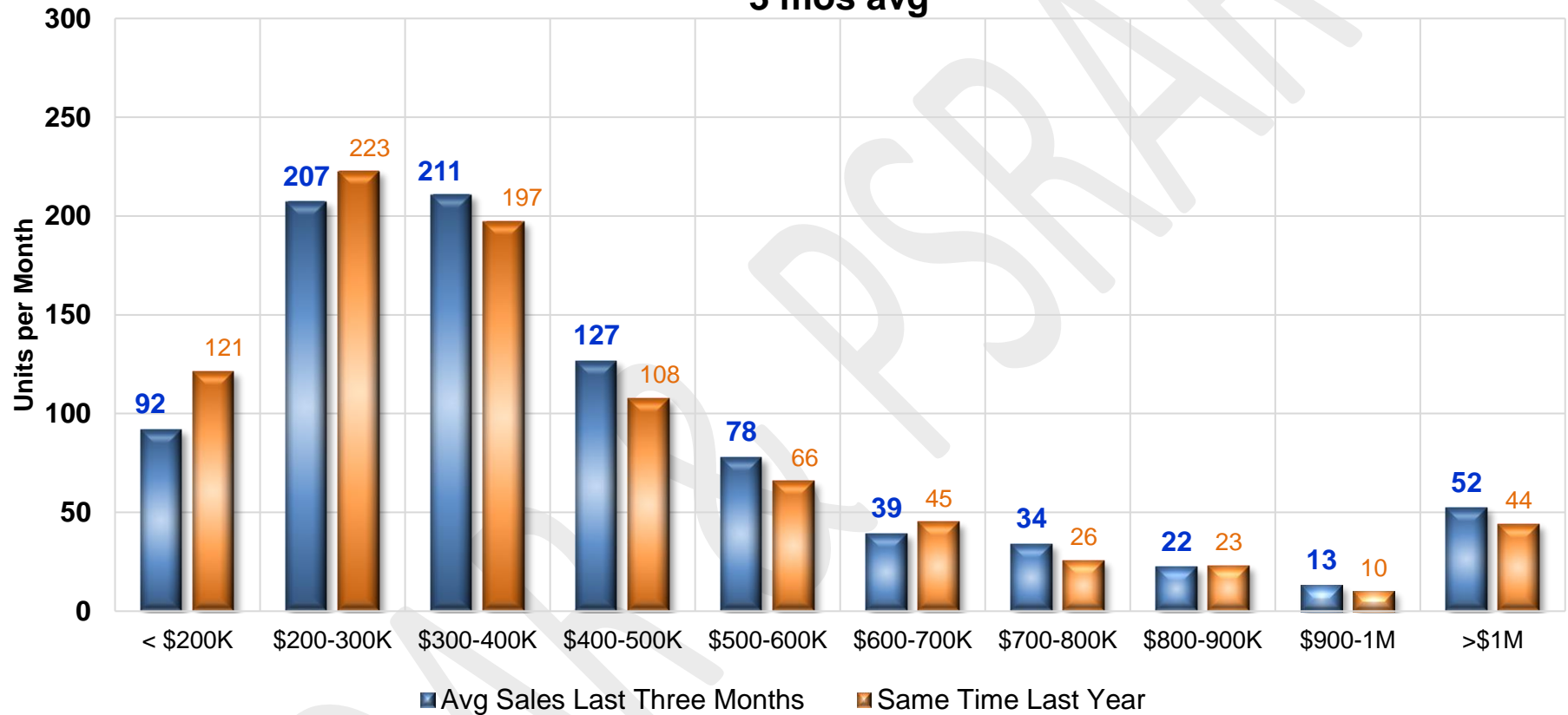


### Home Sales per month by City

We are seeing expanding sales in the four largest markets in the Valley – Indio, La Quinta, Palm Desert and Palm Springs. We also see slightly higher sales in Desert Hot Springs and Indian Wells. Rancho Mirage and Cathedral City are the only large cities that show a slight decline in sales.



## Home Sales by Price Range 3 mos avg



### Home Sales by Price Range

When we break sales down by price bracket the obvious area of increase is at the high-end – in homes priced over \$900,000. Sales in homes between 900,000 and a million are up 30%, while sales over a million dollars have gone from 44 units a month to 52 units a month, which is an increase of 18%. Most of the other change in sales at the lower end is due to the fact that fewer homes are now found in the lower price brackets.

### Valley Housing Inventory

September 1st 2014 to September 1st 2019



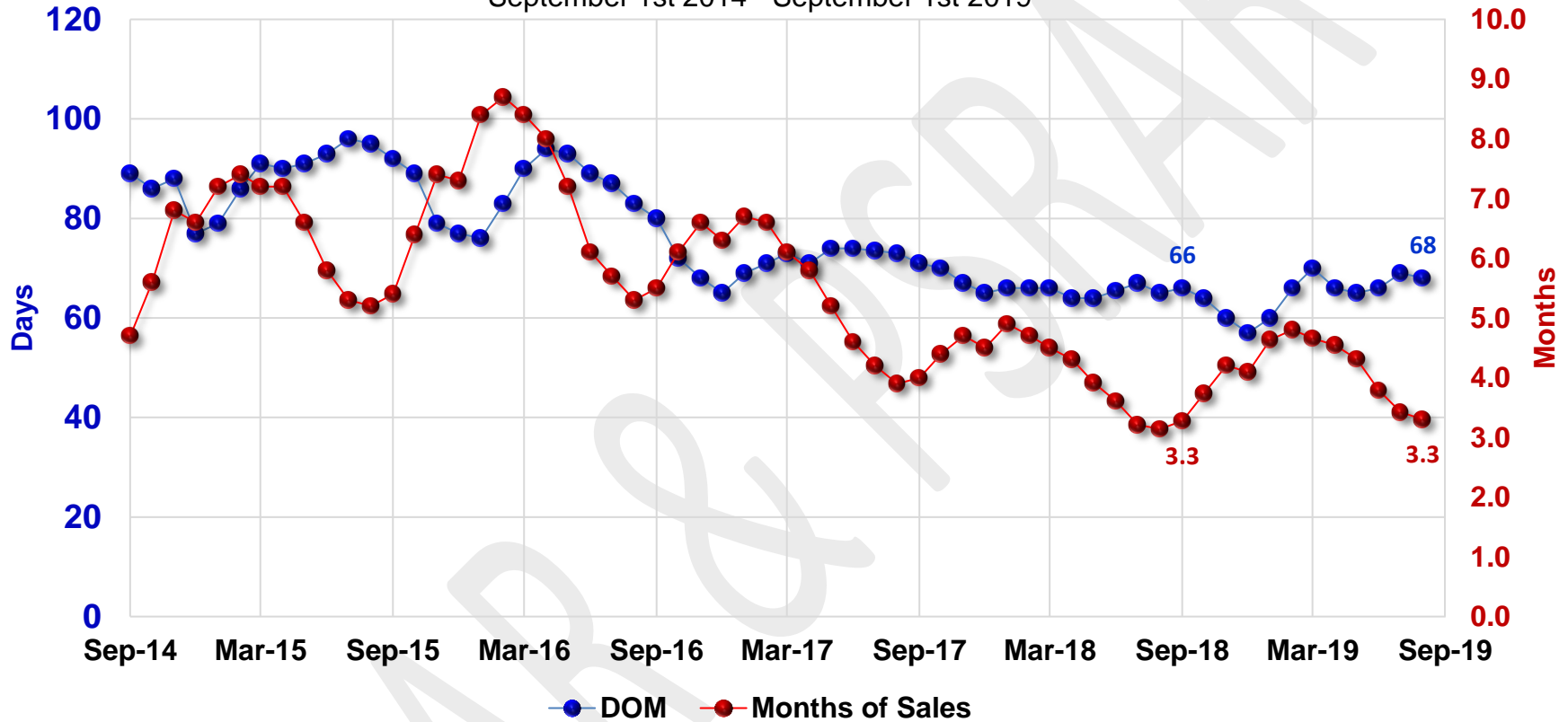
### Coachella Valley Inventory

Inventory continues to be a double edge sword. The low numbers are good for prices, but they also make it very difficult for homebuyers to find something to purchase. On September 1st there were 2,641 units for sale. As a chart clearly shows this is the lowest September inventory number in over five years. There is no sign of any inventory problem creating undue or negative selling pressure anywhere in the Valley.



### Days on the Market & Months of Sales

September 1st 2014 - September 1st 2019

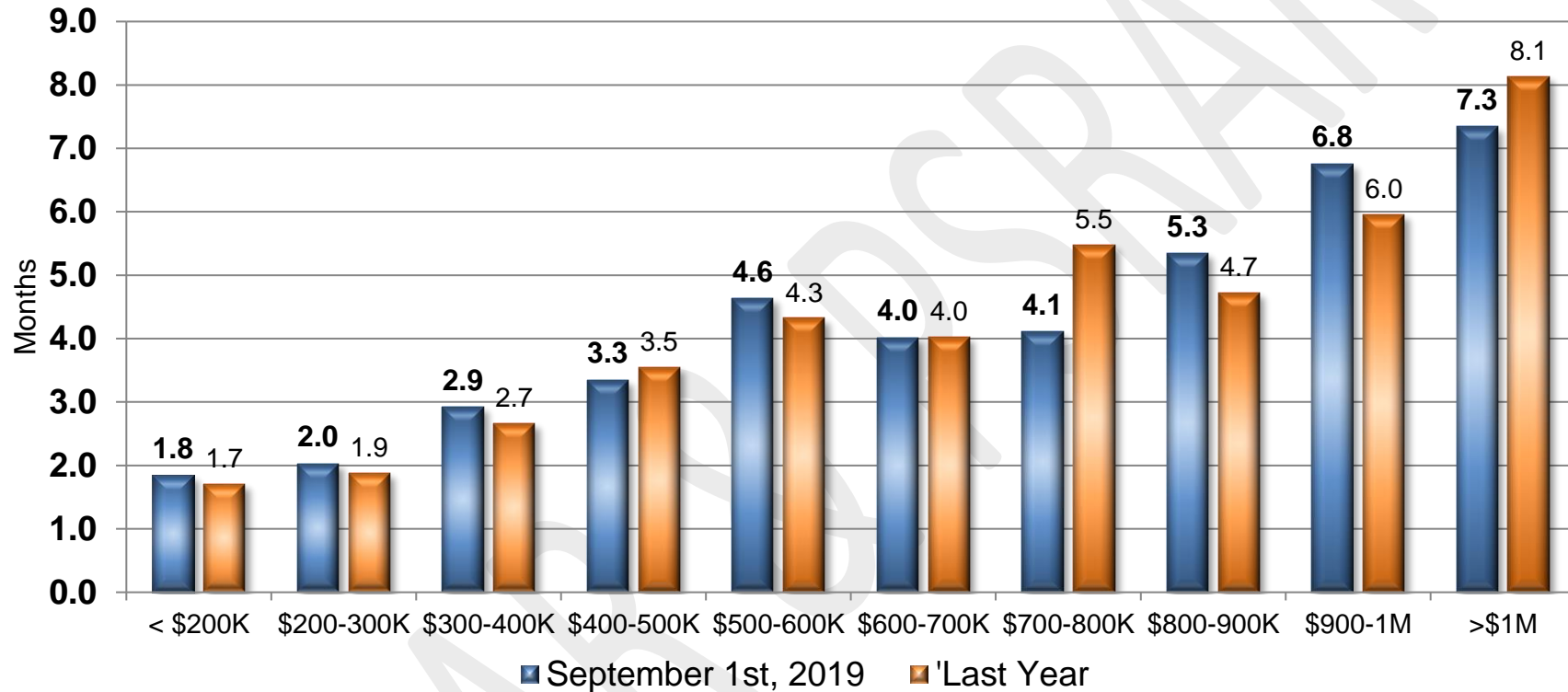


### “Days on the Market” and “Months of Sales”

On September 1<sup>st</sup> the “months of sales” ratio, which is inventory divided by the average sales rate over 12 months, was 3.3 months, which is exactly equal to the ratio on September 1st of last year. As the chart clearly shows this ratio, like inventory, is at the lowest level in five years. The median value of “days on the market” at 68 days, is just two days more than it was last year. Both of these indicators are currently positive and are pointing to the continuation of the trend to higher prices.

## "Months of Sales" by Price Range

uses avg. twelve month sales

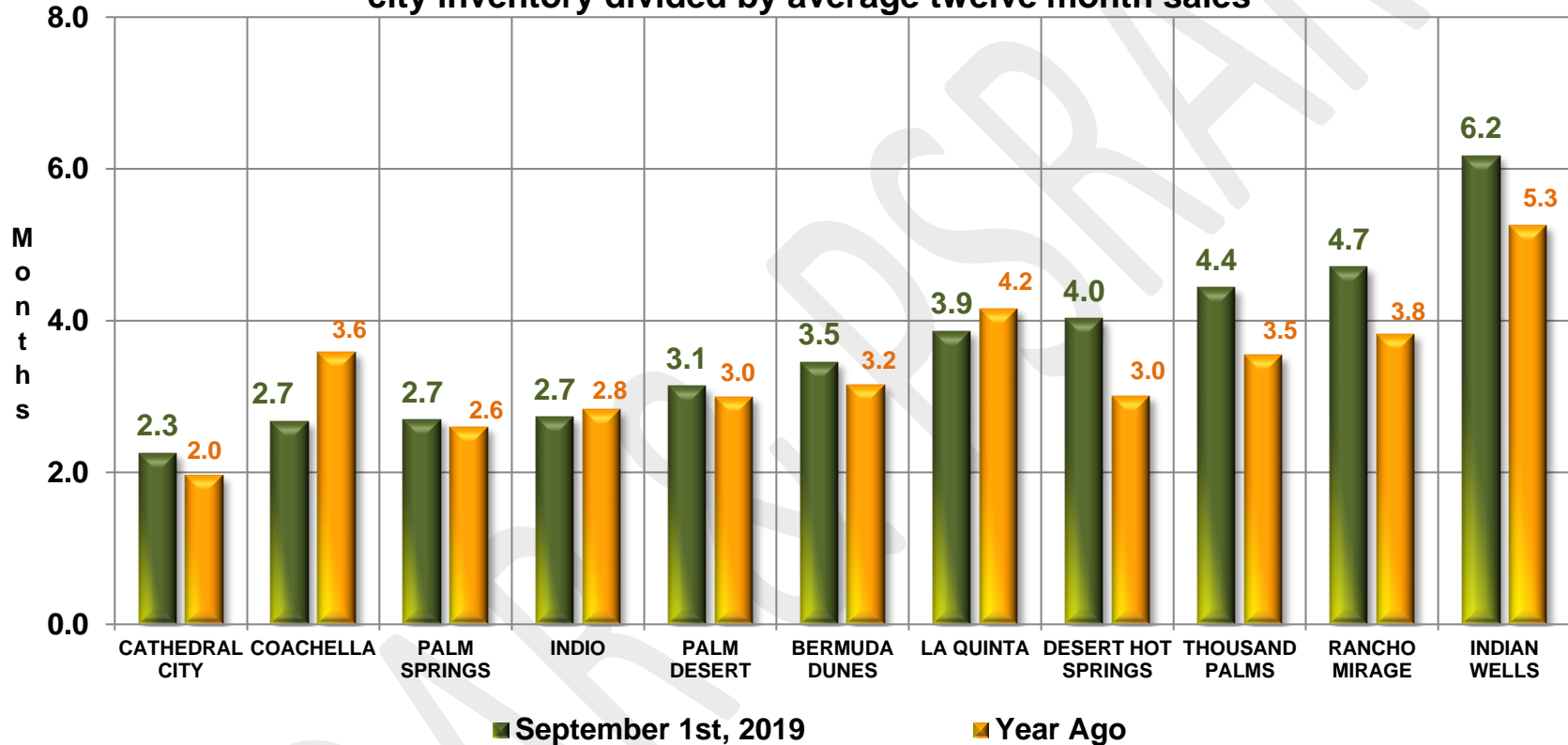


## "Months of Sales" by Price Range

When we look at the chart showing the "months of sales" ratio in the different price brackets, the first thing we see is that it takes longer to sell a more expensive home than a lower-priced one. At the current sales rate the inventory of homes priced under \$200,000 is gone in 1.8 months, while the inventory of million-dollar homes takes seven months. The second thing we see is that the "months of sales" ratio is healthy, not just the total ratio, but the ratio in all price ranges.

### "Months of Sales" by City

city inventory divided by average twelve month sales

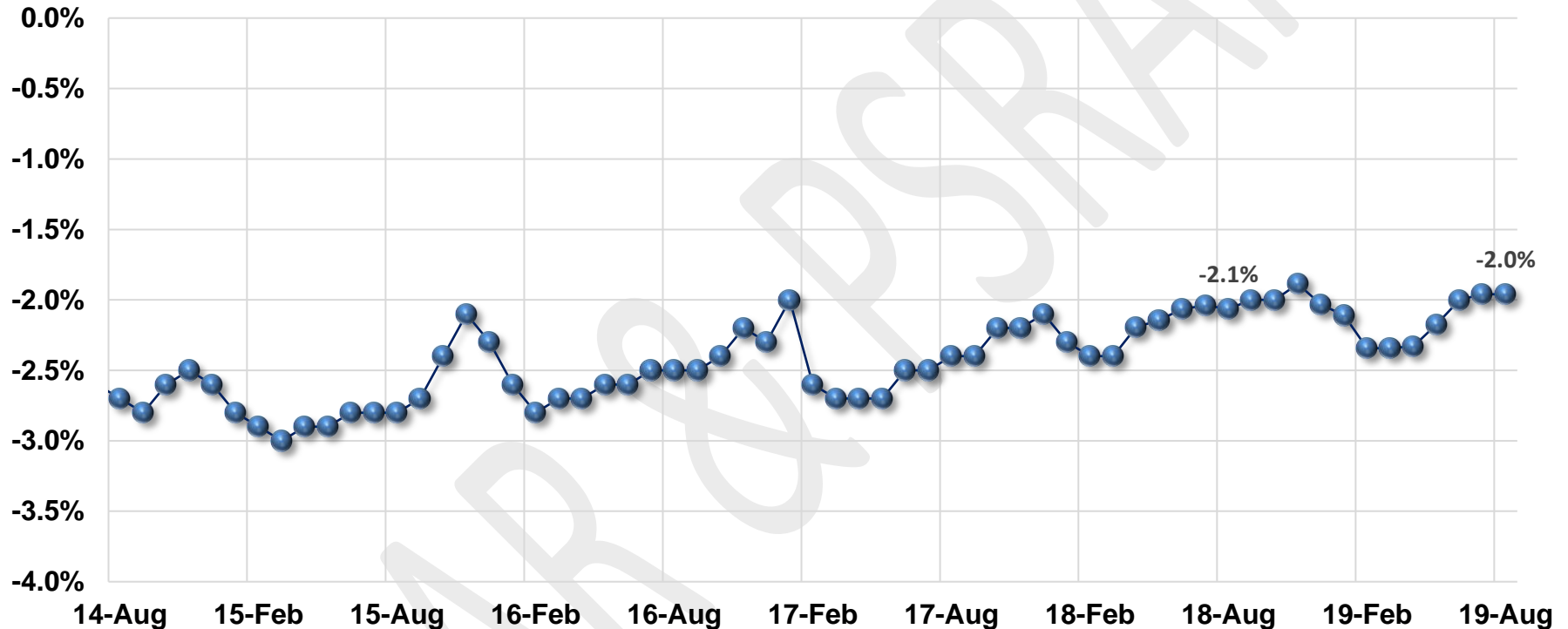


### "Months of Sales" by City

The above graph shows the "month of sales" ratio for the major cities in the Valley against the ratio a year ago, ranked lowest to highest. Just like with the ratio for the entire Valley, all cities have comparable ratios to last year except Rancho Mirage and Indian Wells. However, the higher ratios in these cities are still at acceptable levels.

### Sales Price Discount from List

August 2014 to August 2019



### Sale Price Discount from List

The latest “Sale Price Discount from List” is -2.0%, which is exactly equal to last month and last year. This ratio means the average home listed for \$400,000 sold for \$392,000 for an \$8,000 price discount.



# The Desert Housing Report

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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 1<sup>st</sup> 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 1<sup>st</sup>, 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