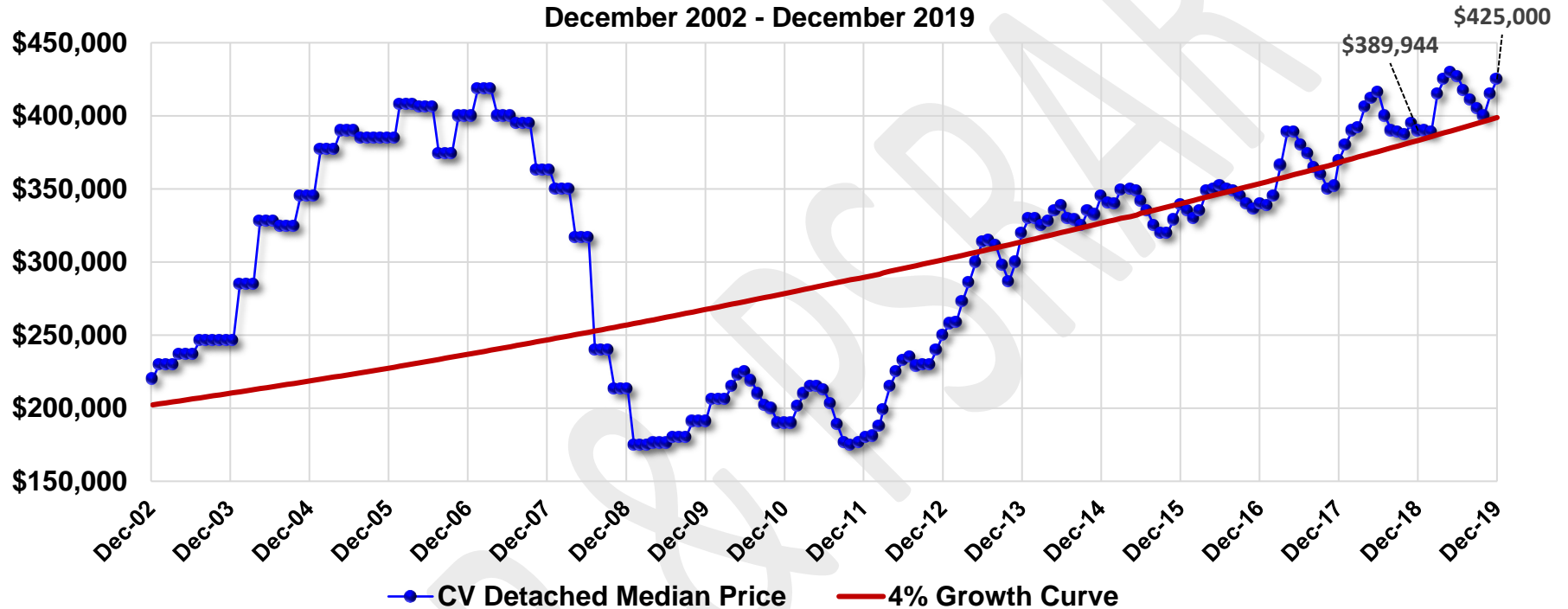


Coachella Valley Median Detached Home Price December 2002 - December 2019



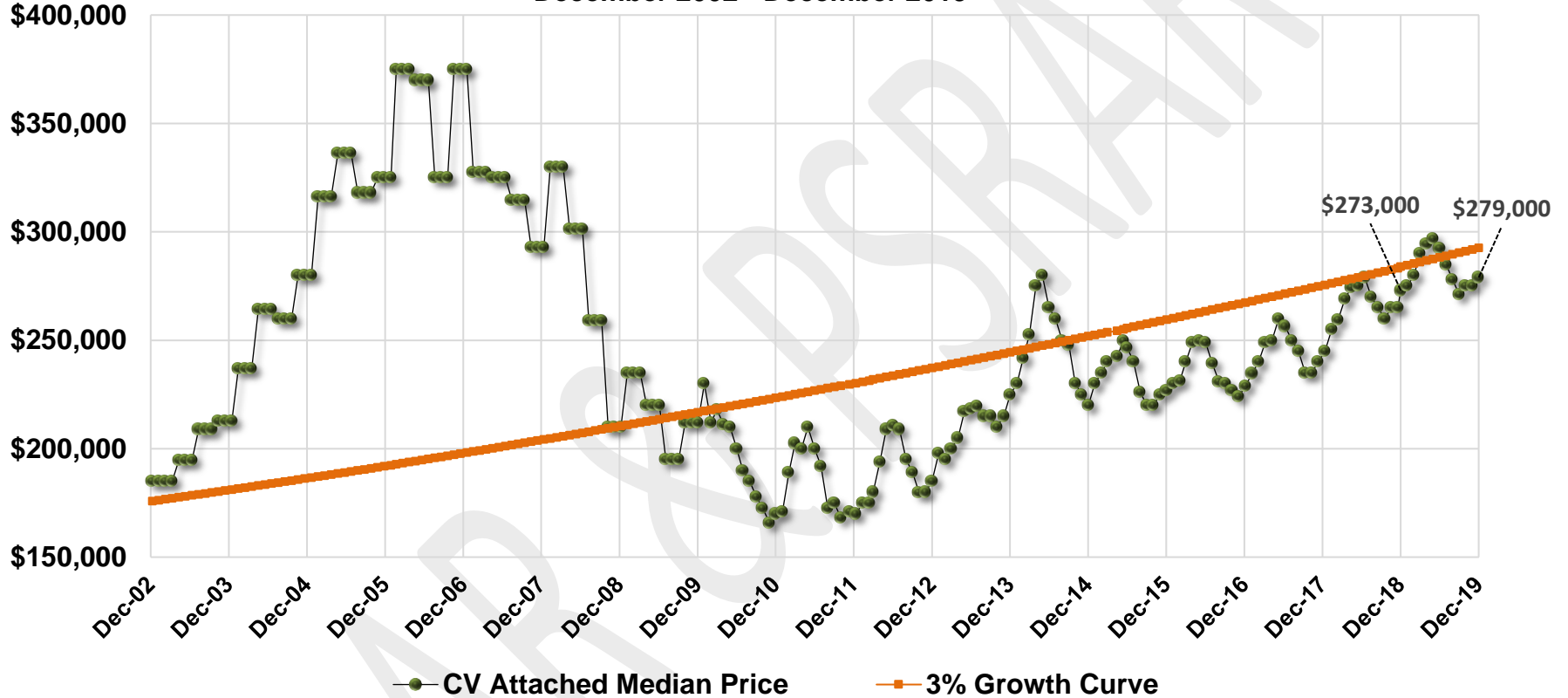
Summary

The Valley's median detached home price at the end of the year was \$425,000, which is 9.0% above last year and the highest on record. The Valley's median attached price at the end of 2019 was \$279,000, which is 2.0% above last year. On a city by city basis, median prices continue to rise for detached homes. Eight of the nine cities in the region had positive gains in 2019, while one city – Indian Wells – was down. Rancho Mirage had the highest year-over-year gain of 11.9% followed by Cathedral City at 9.9%, Indio at 8.1% and Palm Desert at 6.0%. Total sales over the last three months are finally higher than a year ago. At the end of 2019 total sales averaged 712 units a month compared to 685 units a year ago. On the city by city basis, six cities have higher three-month sales while two have lower sales. On a percentage basis, of the larger cities, sales in Palm Desert were higher by 10.4%, while Rancho Mirage was higher by 20%. On January 1st, inventory in the Valley for both detached and attached homes stood at 2,998 units. With inventory lower and sales higher, the current ratio of 3.7 months is lower than last year. The long-term trend of declining inventory continues to make the housing market in the Coachella Valley an overall "seller's market."

Coachella Valley Median Attached Price

December 2002 - December 2019

Median Price
\$400,000



Coachella Valley Attached Median Price

The Valley's median attached price at the end of 2019 was \$279,000, which is 2.0% above last year. Prices for condominiums in attached homes which began to accelerate about two years ago are slowing down. This is clear in the 2% year-over-year gain. As the chart shows, long-term we appear to be growing along that 3% growth line. However, we are entering the strong seasonal period for attached homes and we should study carefully what happens to prices over the next 4 to 5 months.



The Desert Housing Report

December 2019



Detached Homes

City	Dec-19	Year Ago	12 mo change	2011 Low	Gain off 2011 Low	2006 High	% from High
Rancho Mirage	\$700,000	\$625,758	11.9%	\$423,000	65.5%	\$950,000	-26.3%
Cathedral City	\$349,900	\$318,500	9.9%	\$139,000	151.7%	\$395,000	-11.4%
Indio	\$350,400	\$324,000	8.1%	\$158,500	121.1%	\$380,500	-7.9%
Palm Desert	\$434,500	\$410,000	6.0%	\$287,000	51.4%	\$543,000	-20.0%
Palm Springs	\$669,500	\$639,251	4.7%	\$335,000	99.9%	\$600,000	11.6%
Desert Hot Springs	\$230,000	\$221,500	3.8%	\$85,000	170.6%	\$295,000	-22.0%
City of Coachella	\$258,000	\$250,000	3.2%	\$121,950	111.6%	\$335,000	-23.0%
La Quinta	\$510,000	\$504,750	1.0%	\$245,000	108.2%	\$682,020	-25.2%
Indian Wells	\$830,000	\$965,000	-14.0%	\$540,000	53.7%	\$1,205,000	-31.1%

Attached Homes

City	Dec-19	Year Ago	12 Month Change	2011 Low	Gain off 2011 Low	2006 High	% from High
Palm Springs	\$266,000	\$245,500	8.4%	\$150,000	77.3%	\$350,000	-24.0%
Indian Wells	\$391,250	\$364,500	7.3%	\$321,500	21.7%	\$557,500	-29.8%
Cathedral City	\$197,000	\$185,000	6.5%	\$107,500	83.3%	\$270,500	-27.2%
La Quinta	\$339,050	\$337,000	0.6%	\$265,000	27.9%	\$532,500	-36.3%
Palm Desert	\$295,000	\$299,000	-1.3%	\$175,000	68.6%	\$410,000	-28.0%
Rancho Mirage	\$332,500	\$350,000	-5.0%	\$260,000	27.9%	\$510,000	-34.8%
Indio	\$199,000	\$222,000	-10.4%	\$75,000	165.3%	\$279,000	-28.7%
Desert Hot Springs	\$97,500	\$163,000	-40.2%	\$86,000	13.4%	\$303,000	-67.8%
City of Coachella	N/A	N/A	NA	N/A	N/A	N/A	N/A

12 Month Change in City Median Prices

On a city by city basis, median prices continue to rise for detached homes. Eight of the nine cities in the region had positive gains in 2019, while one city – Indian Wells – was down. Rancho Mirage had the highest year-over-year gain of 11.9% followed by Cathedral city at 9.9% Indio at 8.1% and Palm Desert at 6.0%. Palm Springs is now 11.6% above the all-time high made in 2006. The next closest city to its all-time high is Indio, which is currently -7.9% below its high. As the regional attached home index indicates, attached home prices by city are mixed. Four cities have positive gains while four have negative returns for the year.

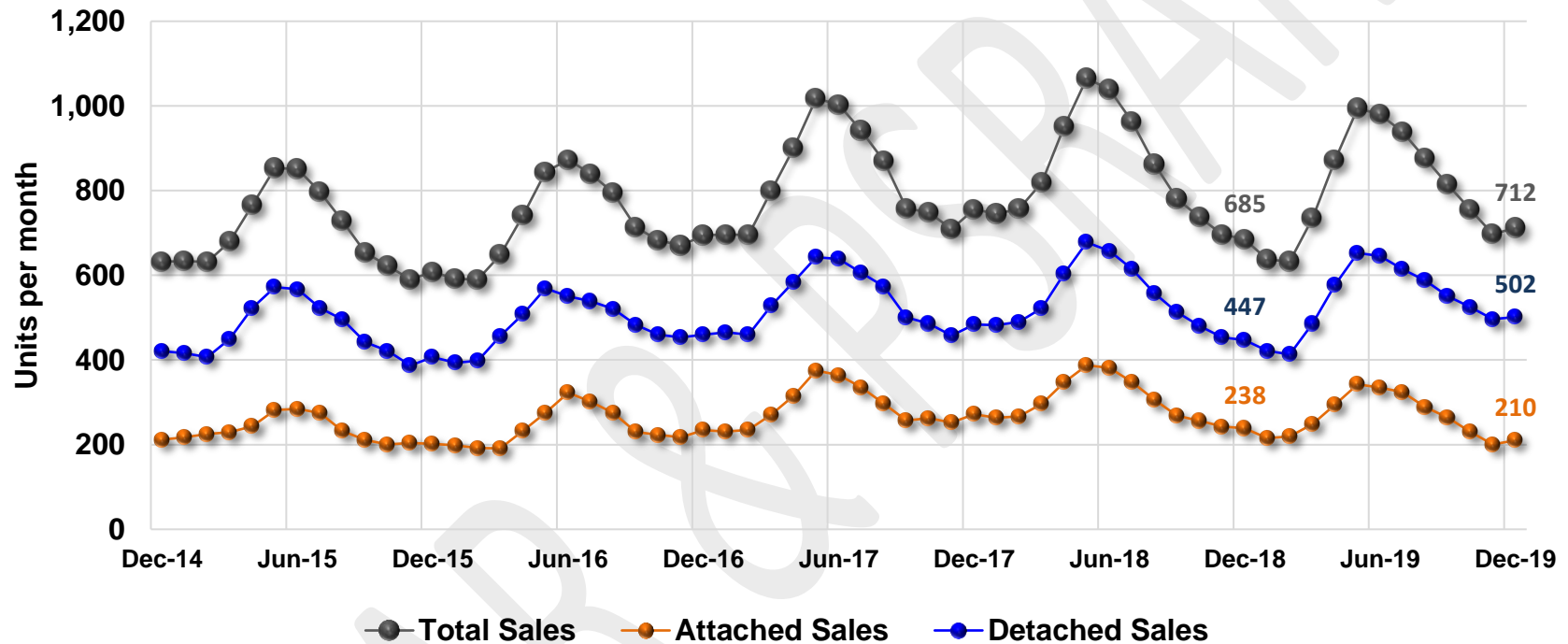
Produced for Valley agents through the sponsorship and cooperation of PSRAR and CDAR by Market Watch LLC

©2020 CDAR & PSRAR. All rights reserved. Use and distribution by members only.

Detached, Attached and Total Sales

2014-2019

3 month moving average

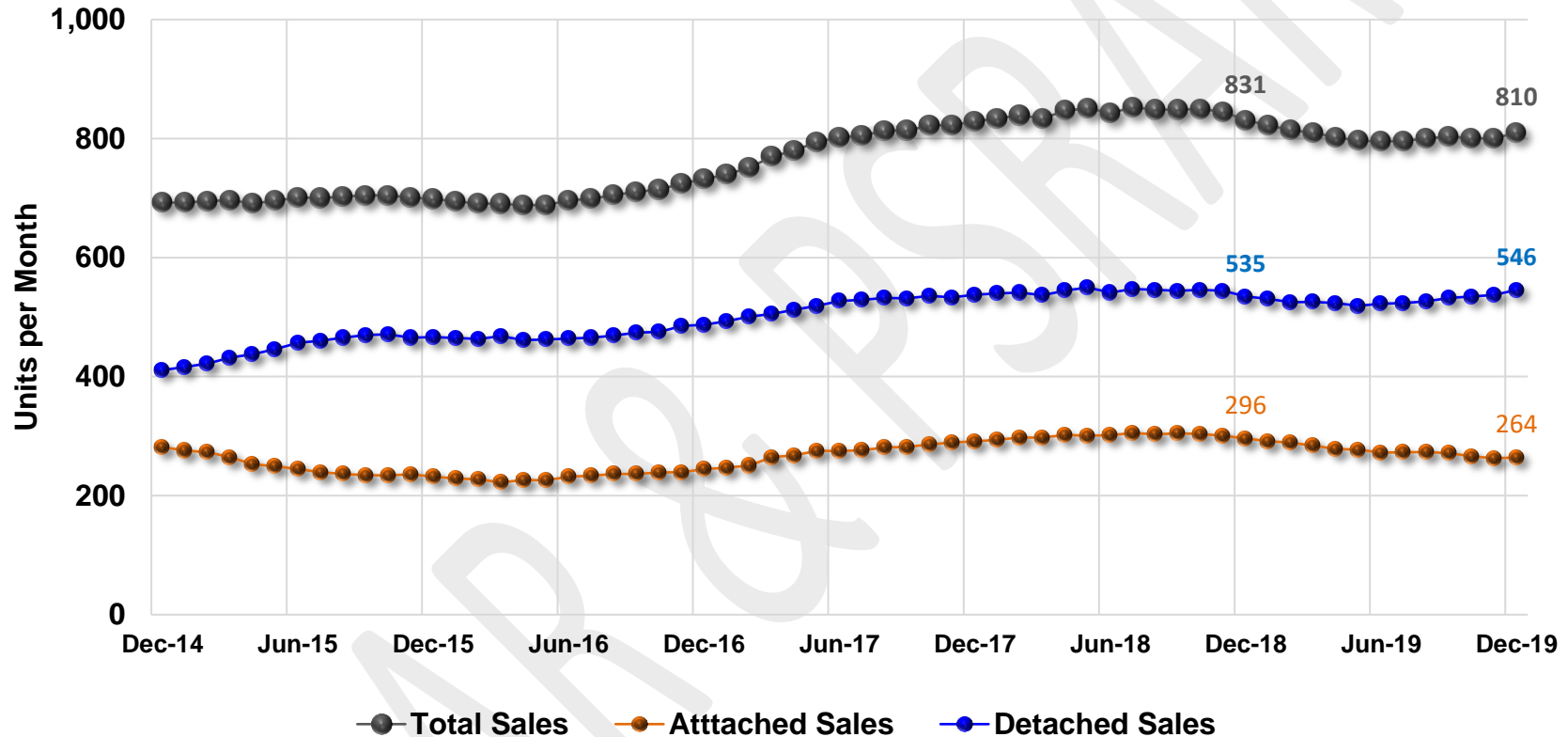


Monthly Sales – 3-month trailing avg.

Total sales over the last three months are finally higher year-over-year. At the end of the year total sales averaged 712 units a month compared to 685 units a year ago. This is true also for detached homes. Detached home sales are averaging 502 units a month compared to 447 units last year, an increase of 12.3%. Attached home sales continue to slowly shrink, averaging 210 units a month in the region. This compares to 238 units last December.

Detached, Attached and Total Sales

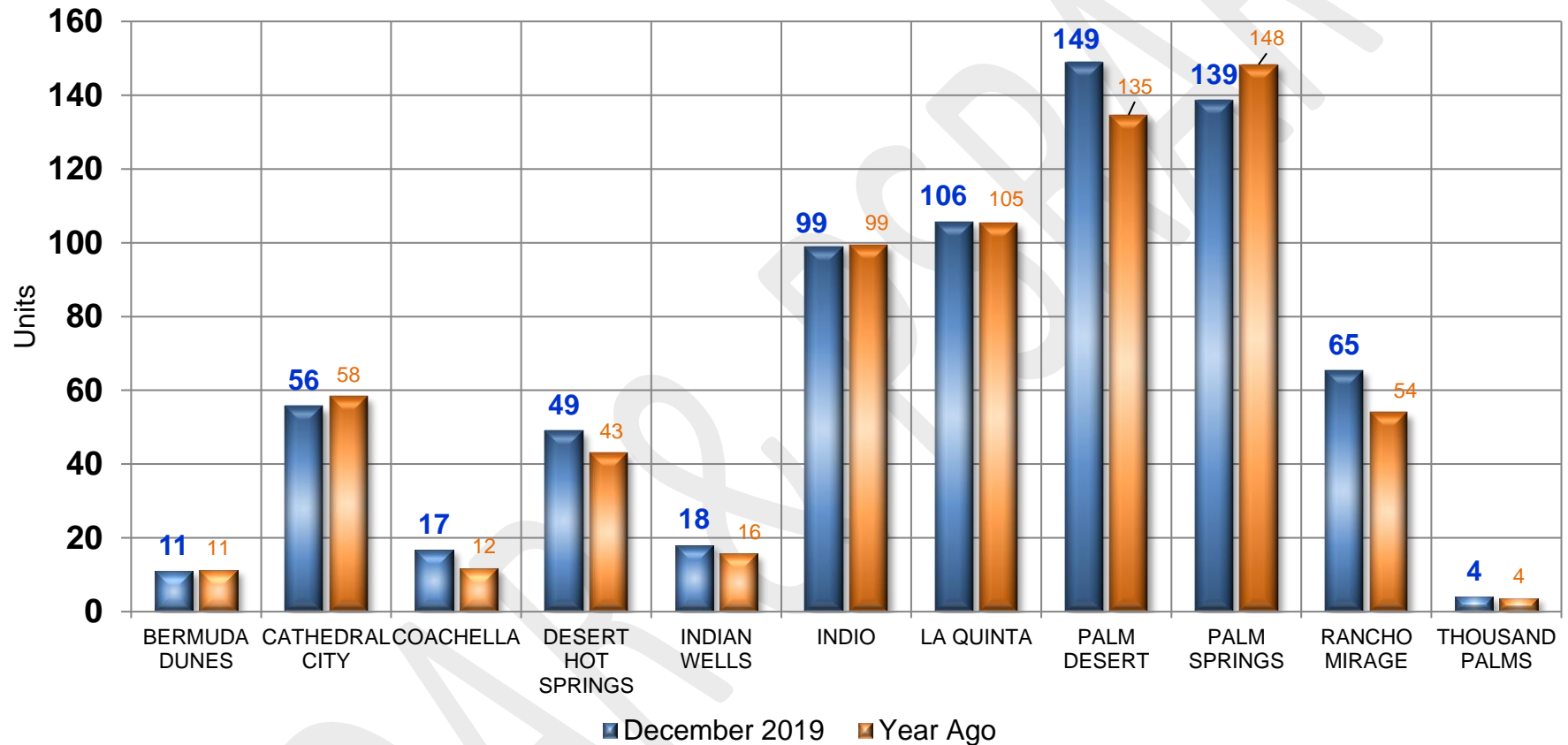
12 month moving average



Monthly Sales – 12-month trailing avg.

The 12-month average of sales, which takes out seasonality, shows the long-term trend. It's clear that long-term sales declined in the first half of 2019, then move sideways at around 800 units a month. However, sales are now beginning to rise again. Since short-term sales are rising, we expect this trend of rising long-term sales to continue. By mid-2020 we expect average sales to be back near all-time highs of 830 to 840 units a month.

Home Sales by City 3 month avg sales



Home Sales per month by City

On the city by city basis, six cities have higher three-month sales while two have lower sales. On a percentage basis of the larger cities, sales in Palm Desert were higher in 2019 by 10.4% while Rancho Mirage was higher by 20%. Desert Hot Springs also had higher sales by 14%. The largest sales increase with the city of Coachella, where sales went to 17 units a month compared to 12 units last year. This is an increase of 42%.

Home Sales by Price Range

3 mos avg

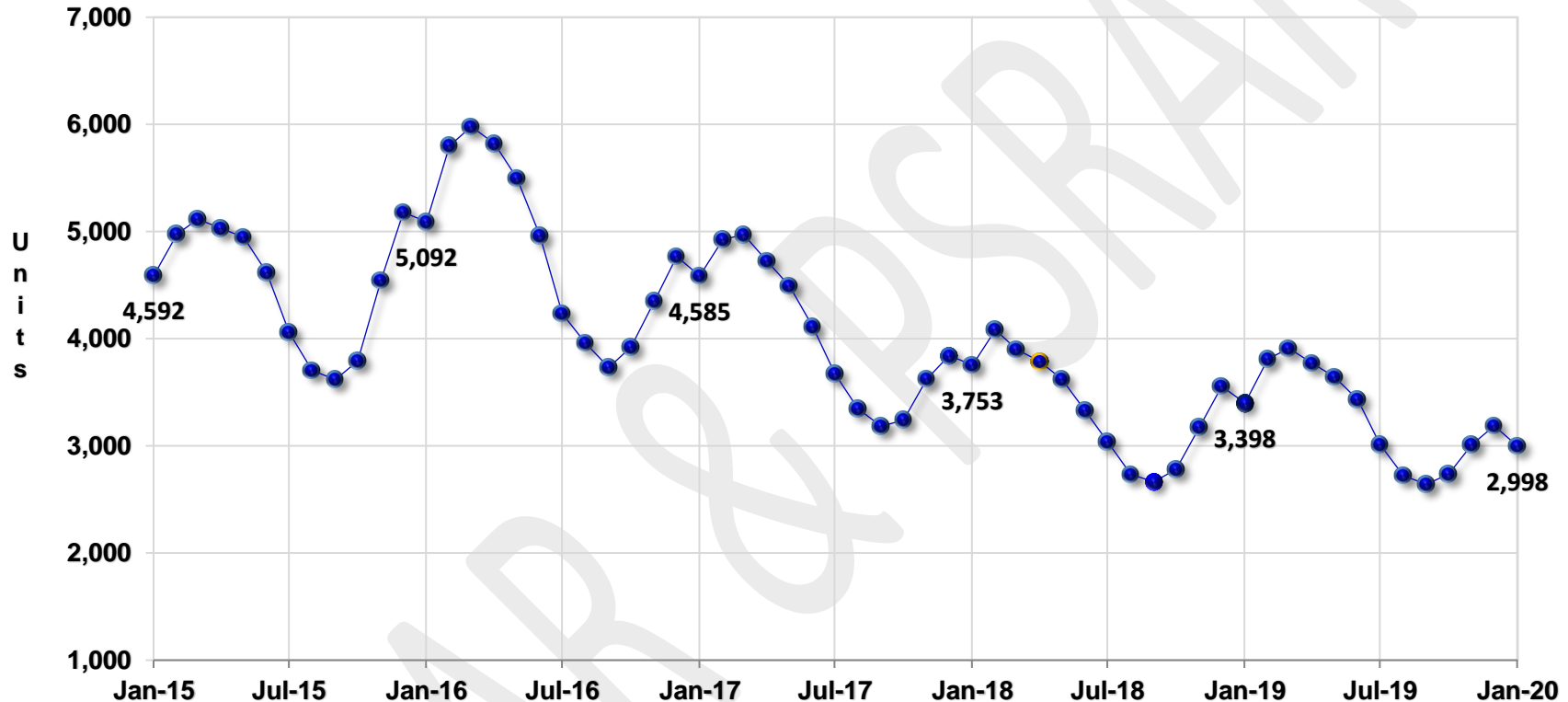


Home Sales by Price Range

When we break sales down by price bracket, we continue to see a decline in sales in the price brackets under \$300,000 – but at a slower rate. Sales were markedly higher in three price brackets. The price bracket from \$300,000 to \$400,000 sales were higher by 8%. In the price bracket from \$500,000-\$600,000 sales were higher by 37%. And finally, in the million dollar and over price bracket, sales average 45 units a month compared to last December's 37 units a month, which is an increase of almost 22%.

Valley Housing Inventory

January 1st 2015 - January 1st 2020



Coachella Valley Inventory

On January 1st, inventory in the Valley for both detached and attached homes stood at 2,998. We indicated this number on the chart. Because of seasonal factors, which are clearly evident on the chart, one should only compare inventory in any month with inventory that same month in other years. We've therefore indicated January 1st inventory numbers back to 2015. The long-term trend of Valley inventory is declining, which continues to make the overall housing market a "seller's market."

Days in the Market & Months of Sales

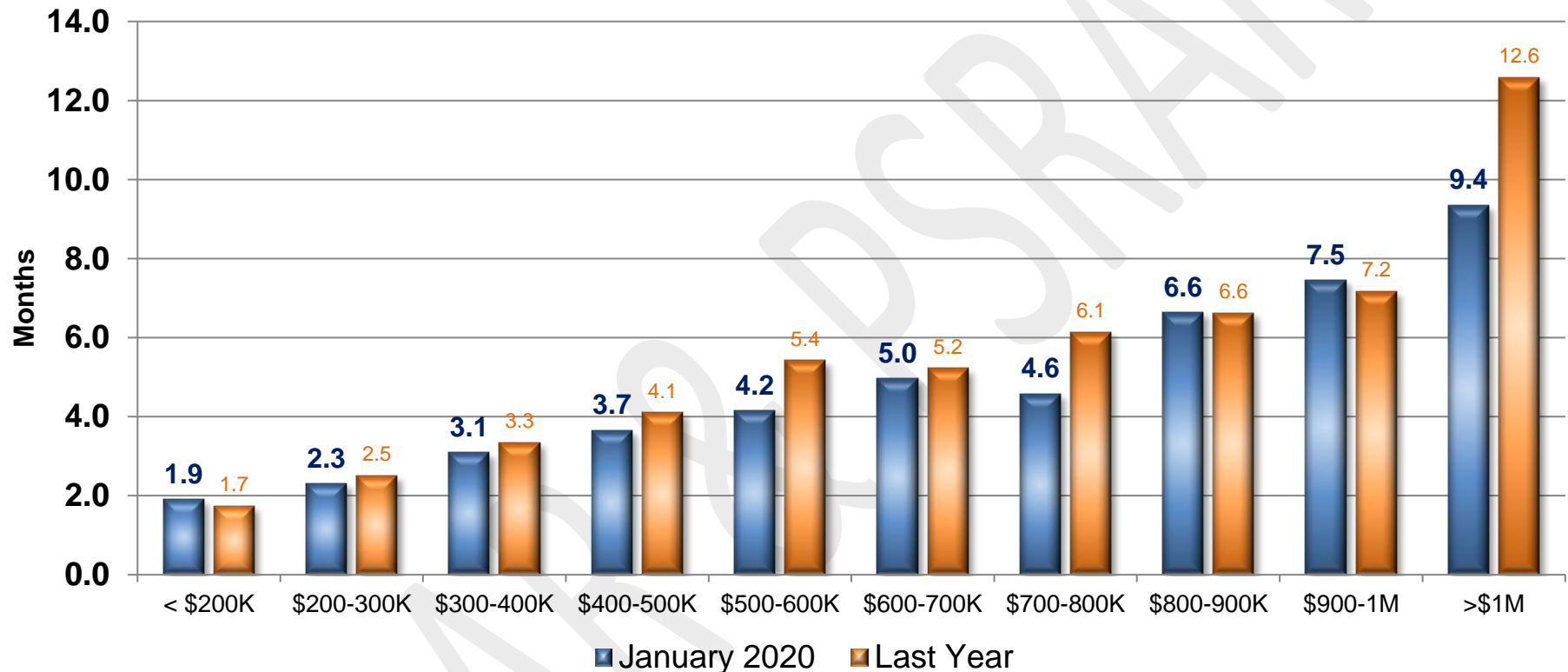
January 1st 2015 - January 1st 2020



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

The blue line, called “months of sales (right scale), is the ratio of inventory divided by the sales rate and technically measures how long it’s been taking to sell the entire inventory at the current sales rate. With inventory lower than a year ago and with higher sales, the current ratio of 3.7 months is lower than the 4.1 months on January 1st of last year. This low of ratio usually points to higher prices. To show you how low this is, in January of 2016 the ratio was 7.3 months. This view is reinforced by another time metric, which is the median number of days it’s been taking to sell a home. As the chart shows, this number is now 50 days, which is the lowest number in the last five years.

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

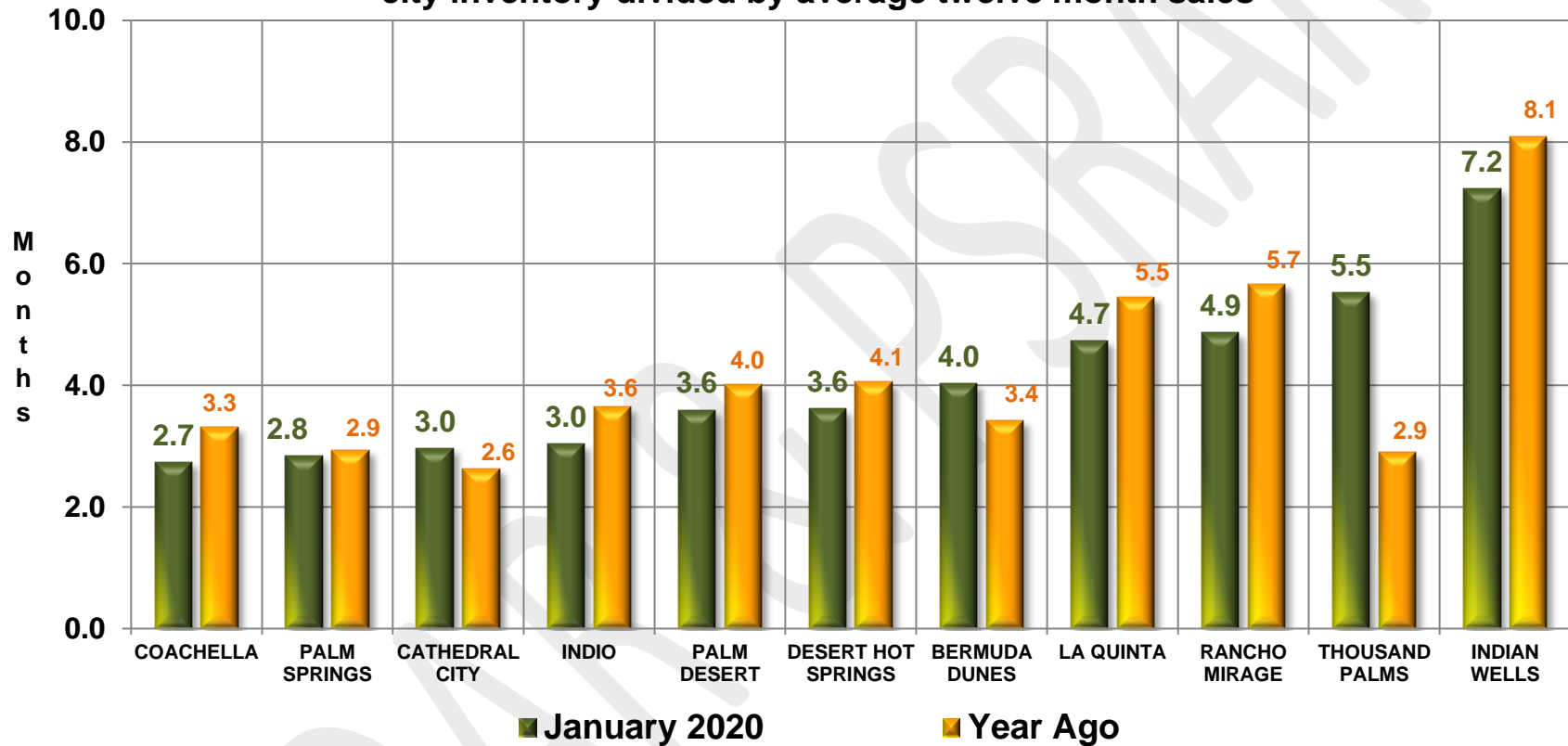


"Months of Sales" by Price Range

We calculate the months of sales ratio in the different price brackets. We take the inventory of homes in each price bracket and divide by the sales rate in that price bracket. The above bar chart plots these results with the blue bars being the current number of months in that price bracket compared to a year ago (orange bars). Except for homes selling in the \$900,000 to \$1 million price bracket, the monthly sales ratio is lower in all price brackets compared to a year ago. This is especially true in the over a million-dollar price bracket.

"Months of Sales" by City

city inventory divided by average twelve month sales

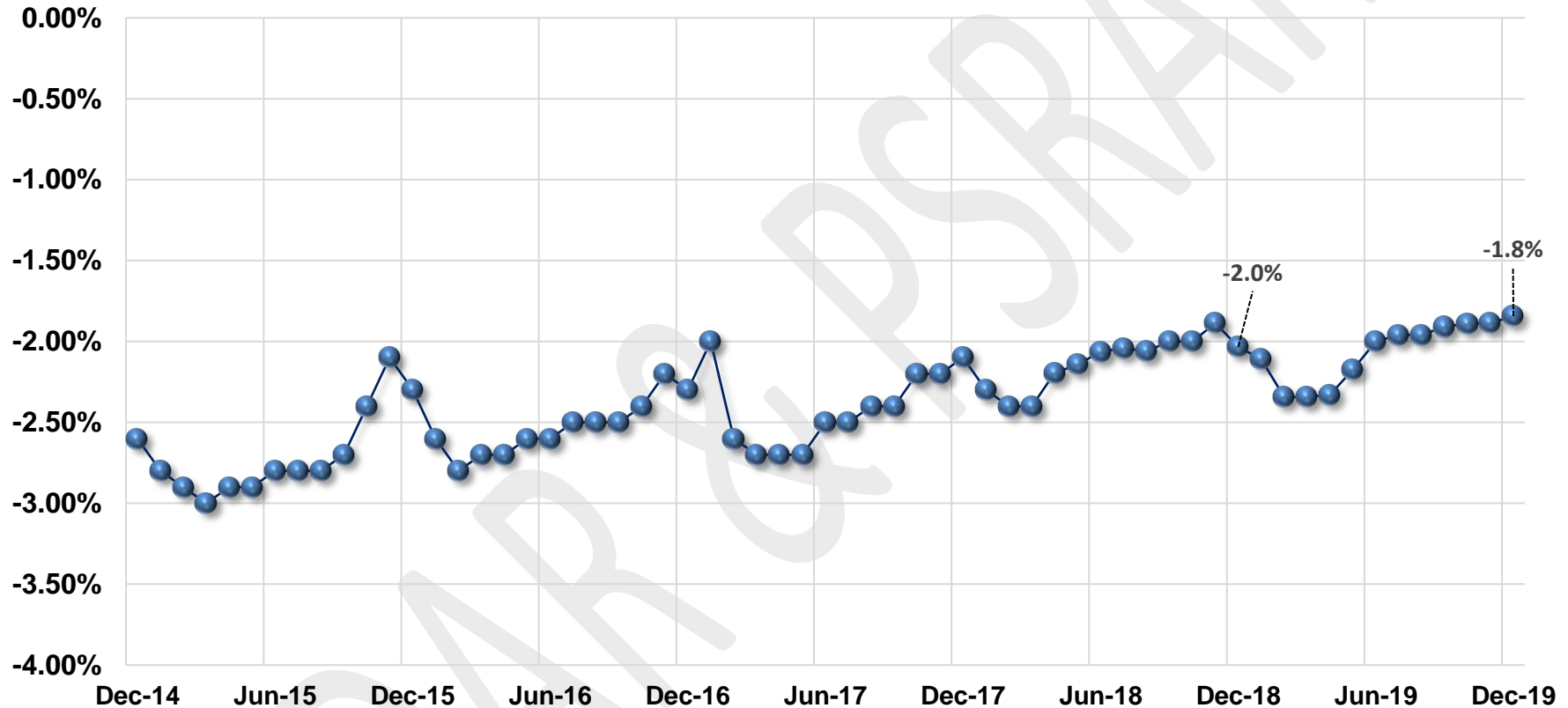


"Months of Sales" by City

The above graph shows the "months of sales" ratio for the major cities in the Valley against their ratio a year ago, ranked lowest to highest. The current readings are the green bars while the year ago readings are the orange bars. This graph confirms what we saw in the previous chart, that, except for the city of Thousand Palms, the housing market appears healthy, not only in all price ranges, but in each city as well.

Sales Price Discount from List

December 2014 to December 2019



Sale Price Discount from List

The December “Sale Price Discount from List” was -1.8%, which 2/10 of a percent less than a year ago. The current reading is the lowest in five years and implies the average home in the region offered at \$400,000 sold for \$392,800.



The Desert Housing Report

December 2019



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