

Summary

PRICES: The median price of a detached home in the Coachella Valley in June was \$700,000, up 16.9% from last year but the same price as last month. The median price for attached homes was \$490,000, up 34.2% year over year but slightly lower than last month. Year-over-year gains in detached homes range from 49.3% in Indian Wells to 17.8% in the city of Coachella. In the attached home market, four cities have gains over 40% - Bermuda Dunes, Desert Hot Springs, Indio and Rancho Mirage. We have entered the seasonal period when home prices slow, or even decline somewhat, and we expect that pattern to continue this year, perhaps even more so.

SALES: Total sales averaged 923 units a month in June, which is 23% less than last year. It is also about 7% less than average sales in past Junes before the pandemic. The decline is about the same for detached and attached homes. The 12-month average of sales, which takes out all seasonality, shows total sales averaged 893 units a month, which is 21% below last year. The largest decline was in La Quinta where sales were down 43%. This was followed by Palm Desert with sales off 24%. The cities of Indian Wells, Indio and Cathedral City show light to moderate declines. Sales in Desert Hot Springs were up 14%, probably due to homes in the city selling at much lower prices. Lack of supply in all price ranges continues to impact the level of potential sales.

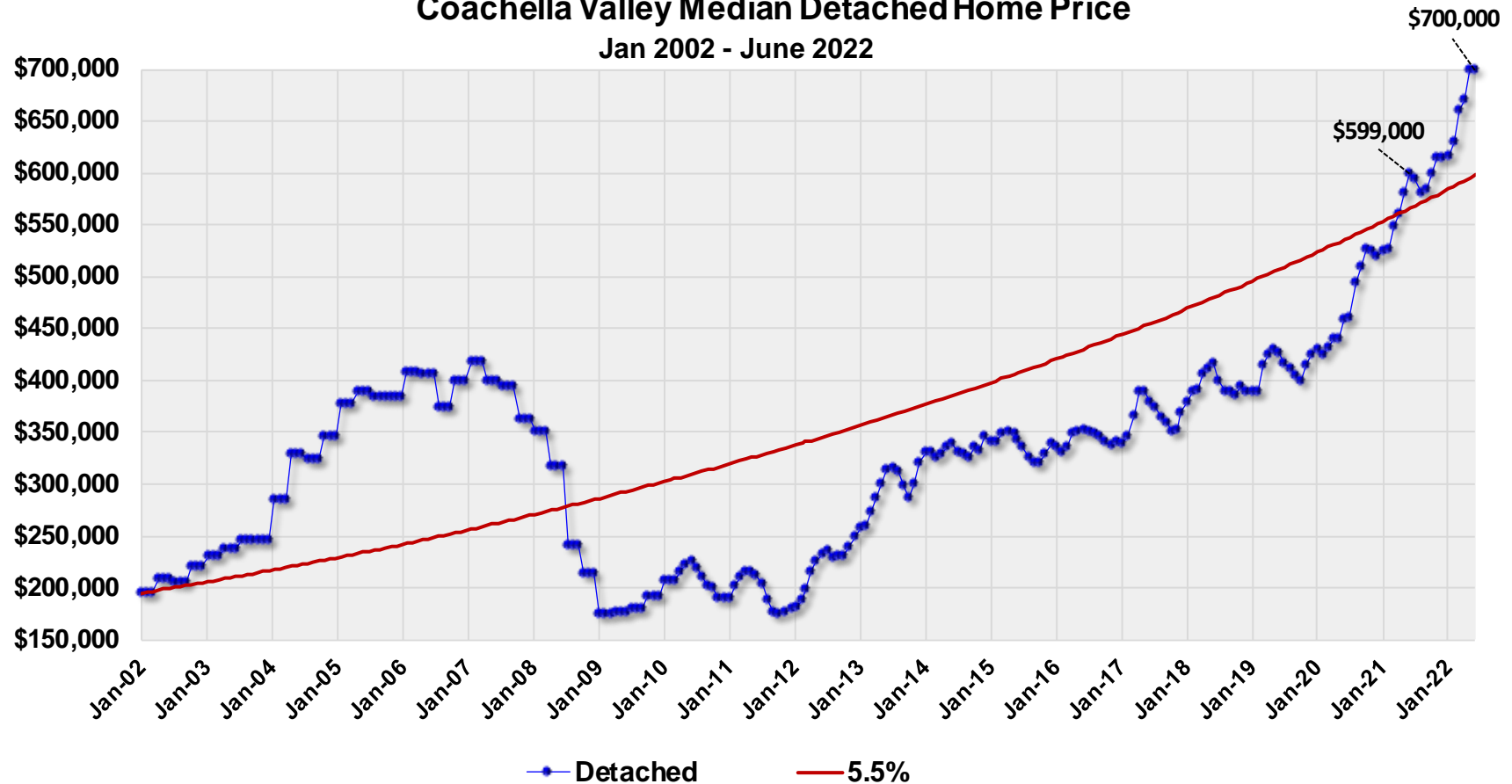
INVENTORY & “MONTHS OF SALES” RATIOS: On July 1st, Valley inventory was 1,531 units which is 877 units more than last year. This is a 134% increase. What’s significant about this is that it is occurring during the season when inventory normally contracts. The “months of sales” ratio for the Valley was 1.7 months, up 1.1 months from a year ago. Like inventory, this is the highest ratio in over 19 months. The ratio is still below 3 to 3.5 months, which is normal for summer. The ratio in all the cities forms a tight band, which goes from 1.4 months in the city of Palm Desert to 2.8 months for the city of Coachella. The market still seems to favor home sellers but that appears to be rapidly shifting.

DIM: At the end of June, the median number of “days in the market” throughout the Valley was 21 days, which is one day more than last month but six days less than last year. Low inventory have kept selling times near current low numbers, but it appears that forces are in place that will cause selling times to increase. The city of Palm Springs continues to have the lowest median selling time for detached homes at 15 days, followed by Desert Hot Springs with 16 days. In the attached market, Palm Springs has the shortest selling time at 11 days, followed by Rancho Mirage at 16 days.

PRICE DISCOUNTS/PREMIUMS: At the end of June, 54.2% of homes sold above list. This compares to 45.6% a year ago. In more normal times the number is around 10%. The city of Coachella has the highest average selling premium for detached homes at 4.5%, followed by Palm Springs at 4.1%. In the attached market, Palm Springs continues to have the highest average premium at 5.2%.

Coachella Valley Median Detached Home Price

Jan 2002 - June 2022



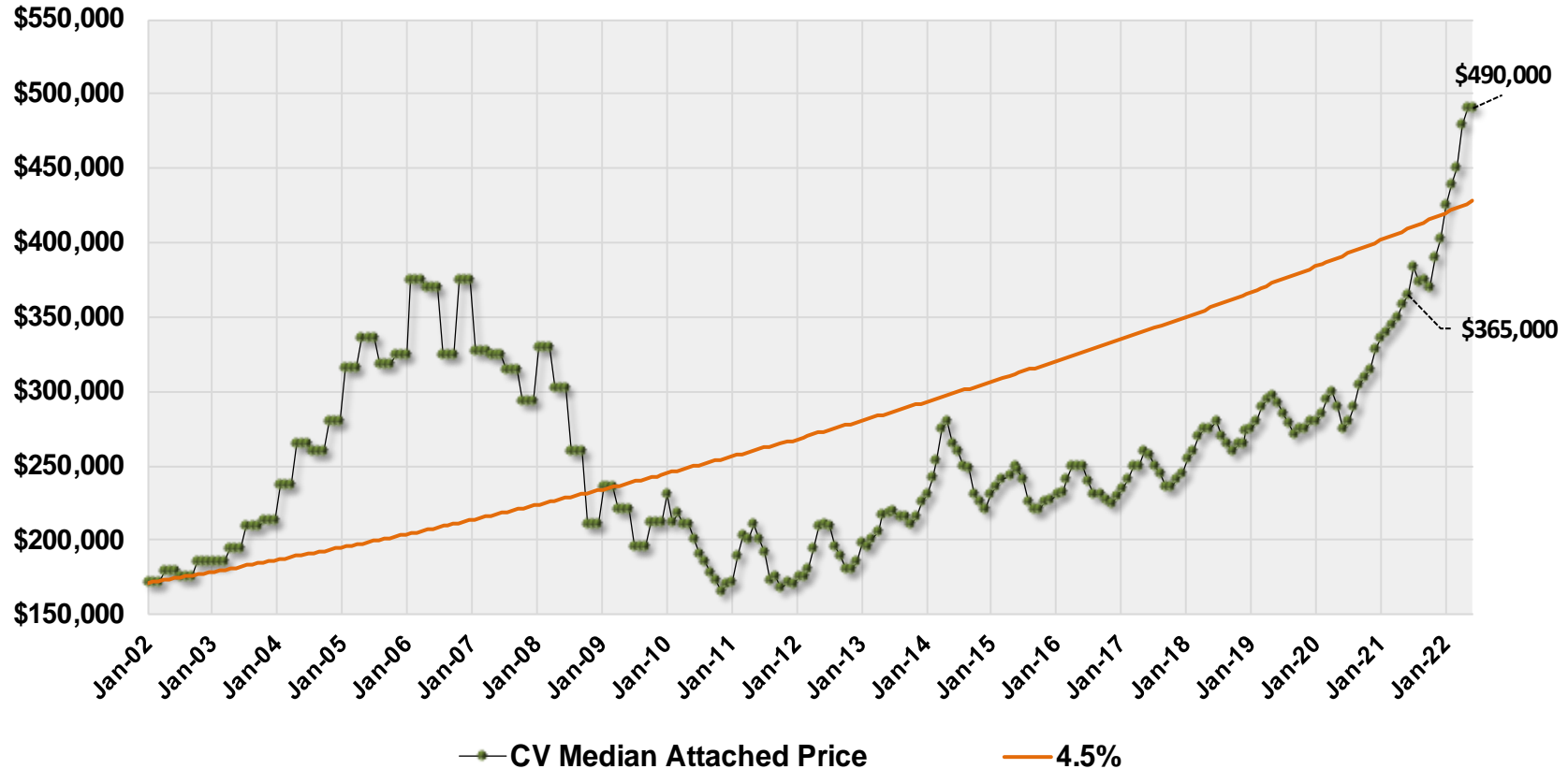
Coachella Valley Median Detached Price

The median price of a detached home in the Coachella Valley in June was \$700,000, up 16.9% year over year but the same as last month. We have entered the seasonal period when home prices slow, or even decline somewhat, and we expect that pattern to continue this year, perhaps even more so. Besides the seasonal slow down, the forces that have been driving prices higher – high sales and low inventory - are starting to abate due to rising mortgage rates and high prices themselves.

Coachella Valley Median Attached Price

Median Price

Jan 2002 - June 2022



Coachella Valley Median Attached Price

The median price for attached homes in June was \$490,000, up 34.2% year over year but down \$1,056 from last month. Seasonal factors also point to downward price pressures as we enter the summer. As the chart clearly shows it is not uncommon to see the median attached price decline 10% between now and October. However, these are not normal times, so we'll have to see if this seasonal pattern materializes this year.

Price of The Average Size Detached Home in Each City

City	Avg. Size Home	Pr. per sq/ft	Price of Avg. Size Home	Price One Year Ago	12 Month Change	2011-12 Price Low	% From Low
Indian Wells	3,450	\$533.33	\$1,840,000	\$1,232,143	49.3%	\$666,885	175.9%
Bermuda Dunes	2,500	\$356.15	\$890,386	\$634,975	40.2%	\$239,325	272.0%
Rancho Mirage	3,175	\$456.76	\$1,450,227	\$1,052,100	37.8%	\$506,317	186.4%
Palm Springs	2,175	\$649.64	\$1,412,962	\$1,045,196	35.2%	\$323,879	336.3%
Indio	2,000	\$301.21	\$602,412	\$457,797	31.6%	\$156,340	285.3%
La Quinta	2,550	\$411.69	\$1,049,815	\$816,536	28.6%	\$318,164	230.0%
Desert Hot Springs	1,600	\$253.49	\$405,589	\$317,552	27.7%	\$86,656	368.0%
Palm Desert	2,200	\$363.48	\$799,645	\$634,722	26.0%	\$302,302	164.5%
Cathedral City	1,800	\$337.32	\$607,179	\$489,798	24.0%	\$153,216	296.3%
Coachella	1,700	\$252.00	\$428,407	\$363,817	17.8%	\$111,367	284.7%

Price of The Average Size Attached Home

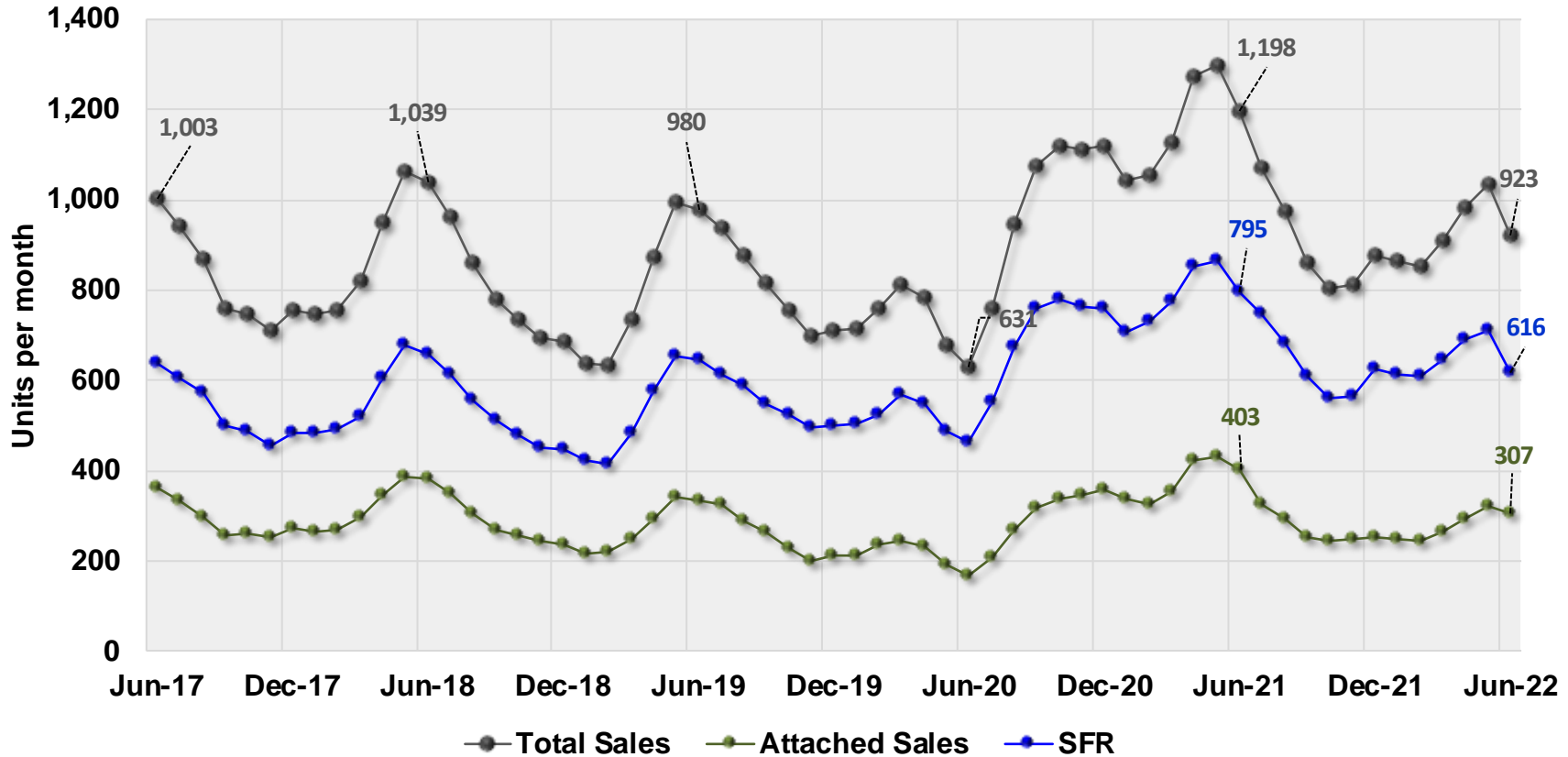
City	Avg. Size Home	Pr. per sq/ft	Price of Avg. Size Home	Price One Year Ago	12 Month Change	2011-12 Price Low	% From Low
Bermuda Dunes	1,450	\$281.04	\$407,506	\$264,415	54.1%	\$89,117	357%
Desert Hot Springs	750	\$167.67	\$125,755	\$84,758	48.4%	\$16,013	685%
Indio	1,050	\$292.73	\$307,367	\$216,269	42.1%	\$56,396	445%
Rancho Mirage	1,775	\$332.54	\$590,256	\$415,403	42.1%	\$211,030	180%
Palm Desert	1,600	\$359.72	\$575,547	\$412,752	39.4%	\$197,896	191%
Cathedral City	1,250	\$270.95	\$338,692	\$244,700	38.4%	\$80,544	321%
Palm Springs	1,250	\$382.00	\$477,504	\$345,925	38.0%	\$129,788	268%
La Quinta	1,750	\$385.00	\$673,741	\$509,005	32.4%	\$247,713	172%
Indian Wells	1,950	\$341.66	\$666,246	\$513,158	29.8%	\$259,126	157%

12 Month Change in The Price of The Average Size Home

These columns display the average home size in each city, followed by its *price* and *price per square foot*. These prices are then compared to year ago levels and also the all-time low prices that occurred in 2011 and 2012. Year-over-year gains in detached homes range from 49.3% in Indian Wells to 17.8% in the city of Coachella. In the attached home market, four cities have gains over 40% - Bermuda Dunes, Desert Hot Springs, Indio and Rancho Mirage.

Detached, Attached and Total Sales

3 month moving average

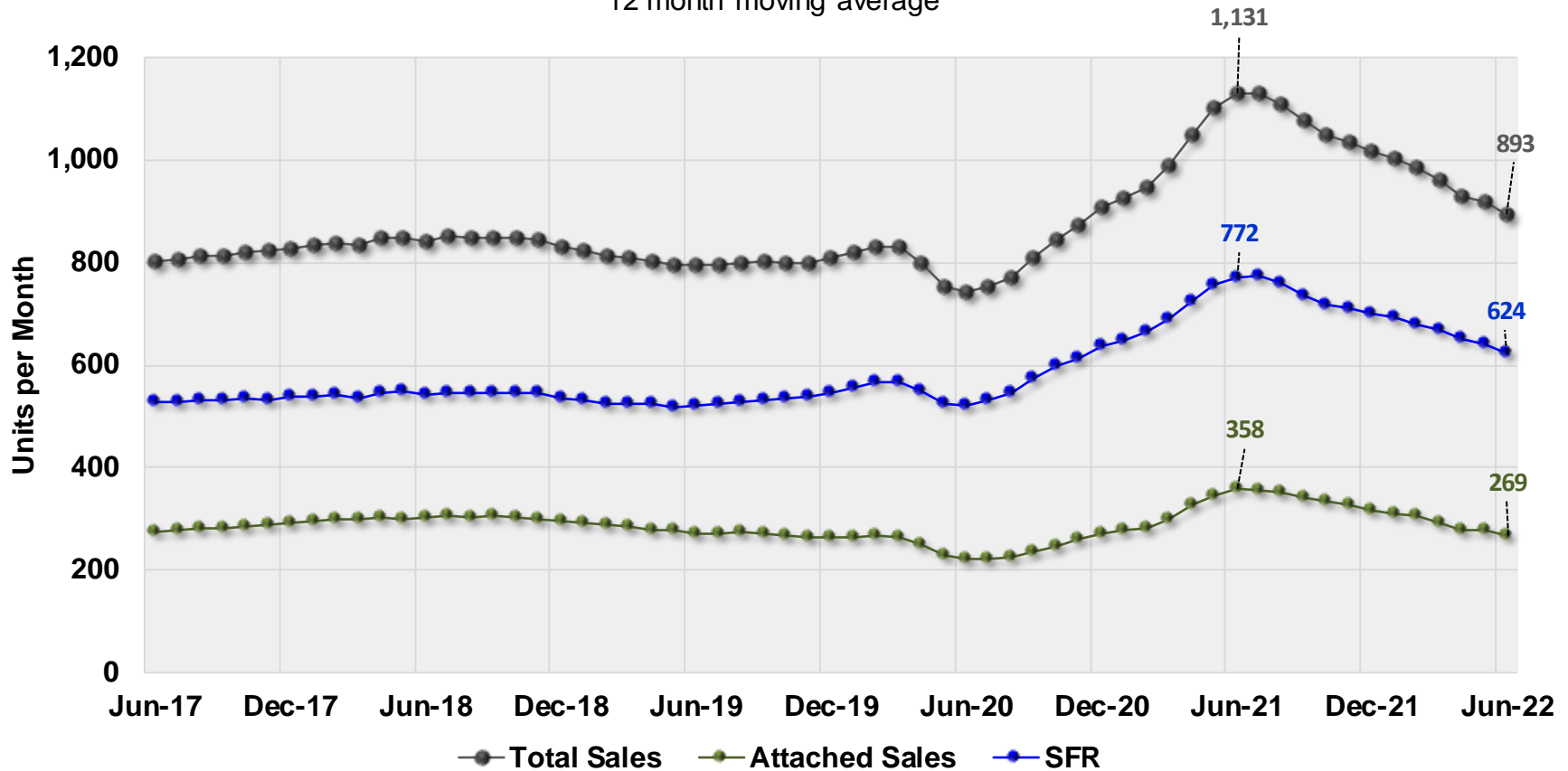


Monthly Sales – 3-month trailing avg.

Total sales averaged 923 units a month in June, which is 23% less than last year. It is also about 7% less than average sales in June in the period before the pandemic. The decline is in both detached and attached homes. We are now entering the weak, summer seasonal period and, if history is a guide, we will see sales drop to average levels of 650 to 700 units a month by late fall.

Detached, Attached and Total Sales

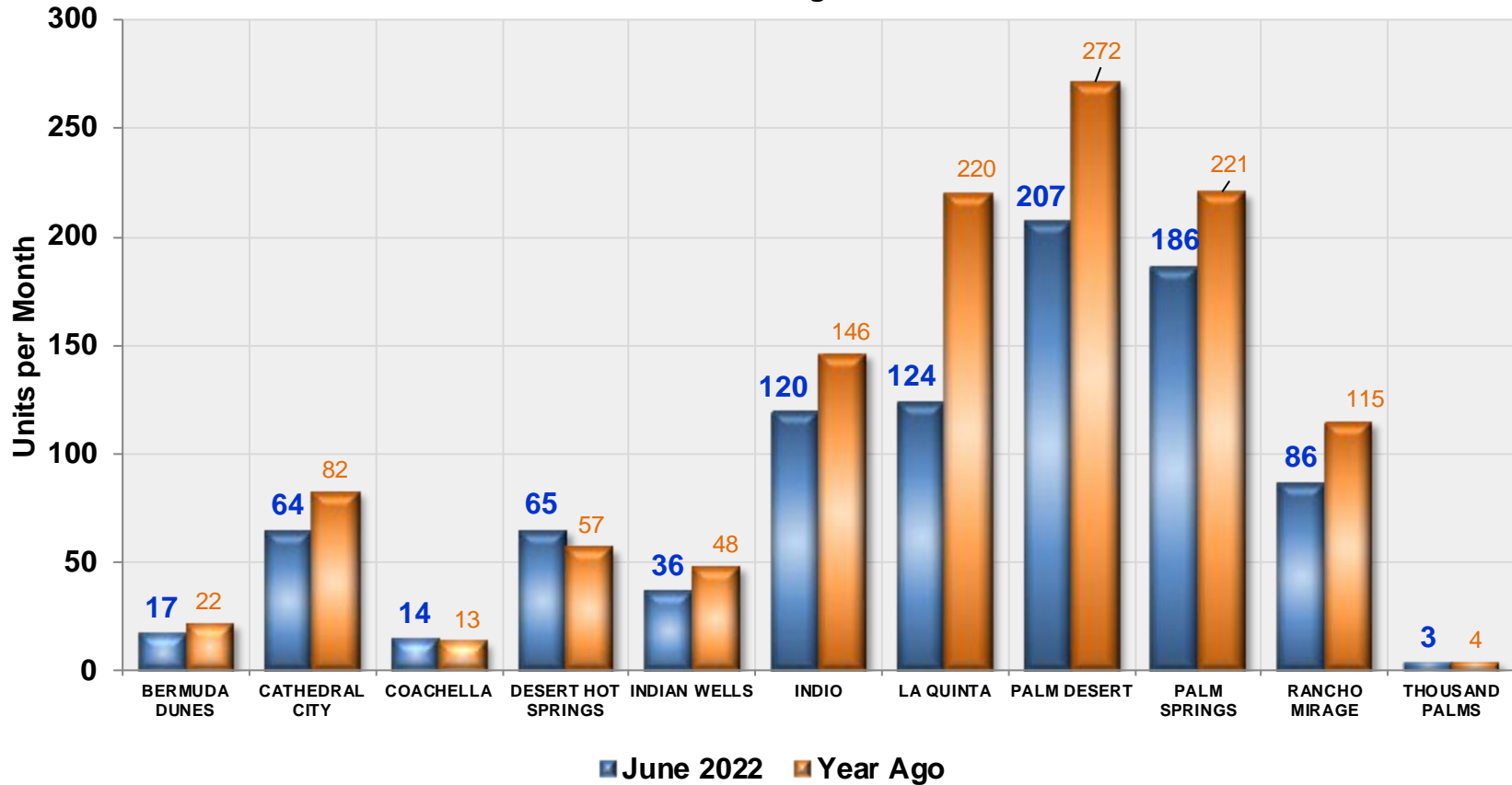
12 month moving average



Monthly Sales – 12-month trailing avg.

The 12-month average of sales, which takes out all seasonality, shows total sales in June averaged 893 units a month, which is 21% below last year. Long-term sales, as the chart clearly shows, are still running about 12% above a pre-pandemic average of about 800 units a month. We expect long-term sales to continue down over the next six months as shorter-term measurements point to this.

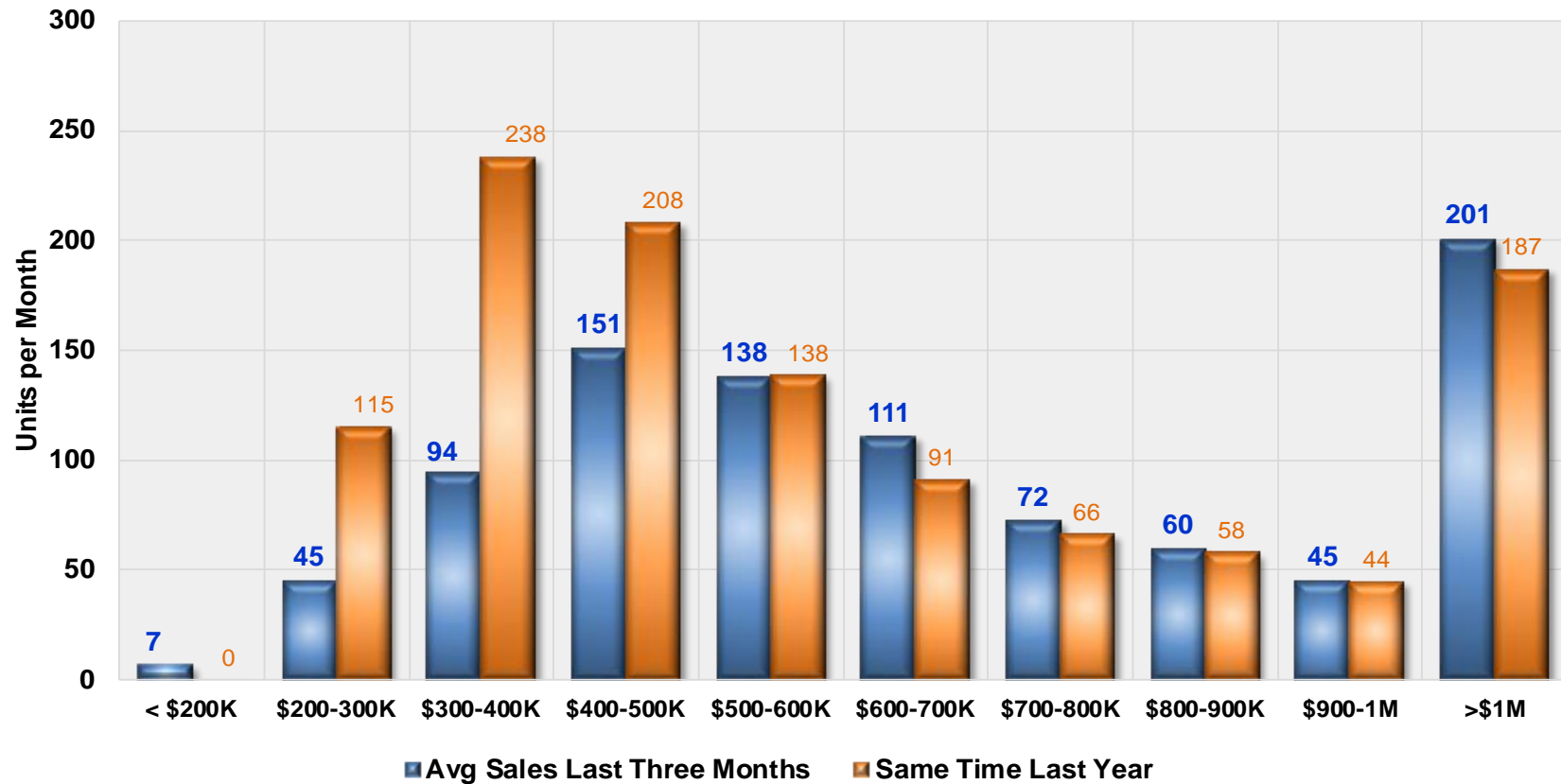
Home Sales by City 3 month avg sales



Home Sales by City

Every city except Coachella and Desert Hot Springs had lower sales in June compared to last year. The largest decline in sales was in La Quinta where sales were down 43%. This was followed by Palm Desert with sales off 24%. The cities of Indian Wells, Indio and Cathedral City show light to moderate declines. Sales in Desert Hot Springs were up 14%, probably due to homes in the city selling at much lower prices.

Home Sales by Price Range 3 mos avg

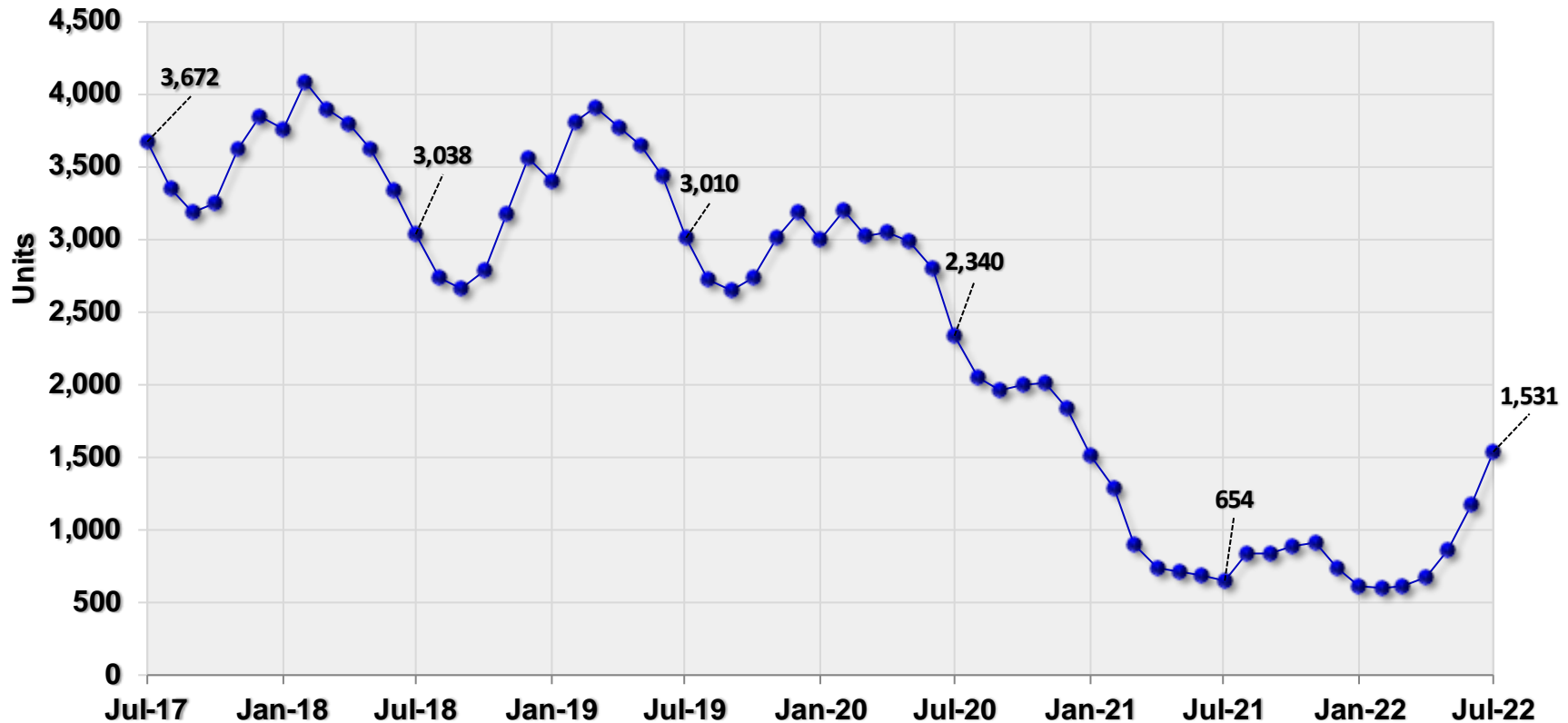


Home Sales by Price Range

This graph shows the decline in three-month sales by price bracket. Overall, sales are down by 23% but the decline is not evenly distributed by price range. Almost all the decline is in homes priced under \$500,000. This is because more homes are moving into the higher price brackets. There are almost no sales - both condominiums and single-family residences - of homes priced under \$200,000. Sales of homes in the \$600,000-\$900,000 price brackets are slightly higher than last year. This is also true of million-dollar homes.

Valley Housing Inventory

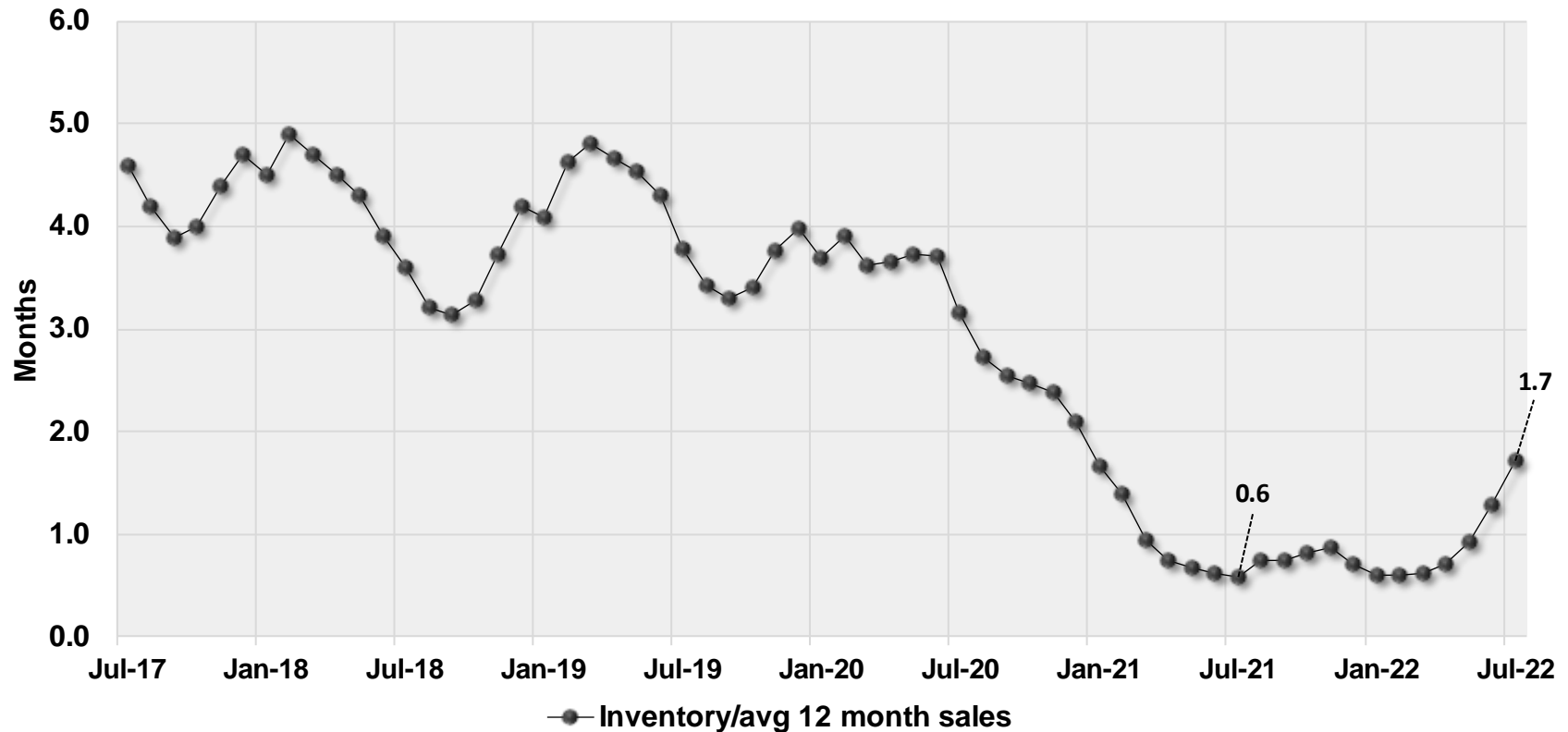
July 1st 2017 to July 1st 2022



Coachella Valley Total Inventory

On July 1st, Valley inventory was 1,531 units which is 877 units more than last year. This is a 134% increase. As the graph clearly shows inventory has surged over the last three months. What's significant about this is it's occurring during the season when inventory normally contracts. It will be important to watch these levels as we approach September, which is the month when inventory normally begins to grow. If this pattern continues, we could possibly re-normalize inventory and reach 3,000 units by late fall.

"Months of Sales" Ratio Coachella Valley July 1st 2017 - July 1st 2022



Regional "Months of Sales" Ratio

On July 1st the "months of sales" ratio for the Valley was 1.7 months, up 1.1 months from a year ago. Like inventory, this is the highest ratio in over 19 months. The ratio is still below 3 to 3.5 months, which is normal for late-summer. Like inventory, seasonal factors should keep this ratio from rising any higher until next winter, but these are abnormal times, and we might not see it this year. Since this ratio represents the overall balance of supply and demand, it will be very important to follow it.

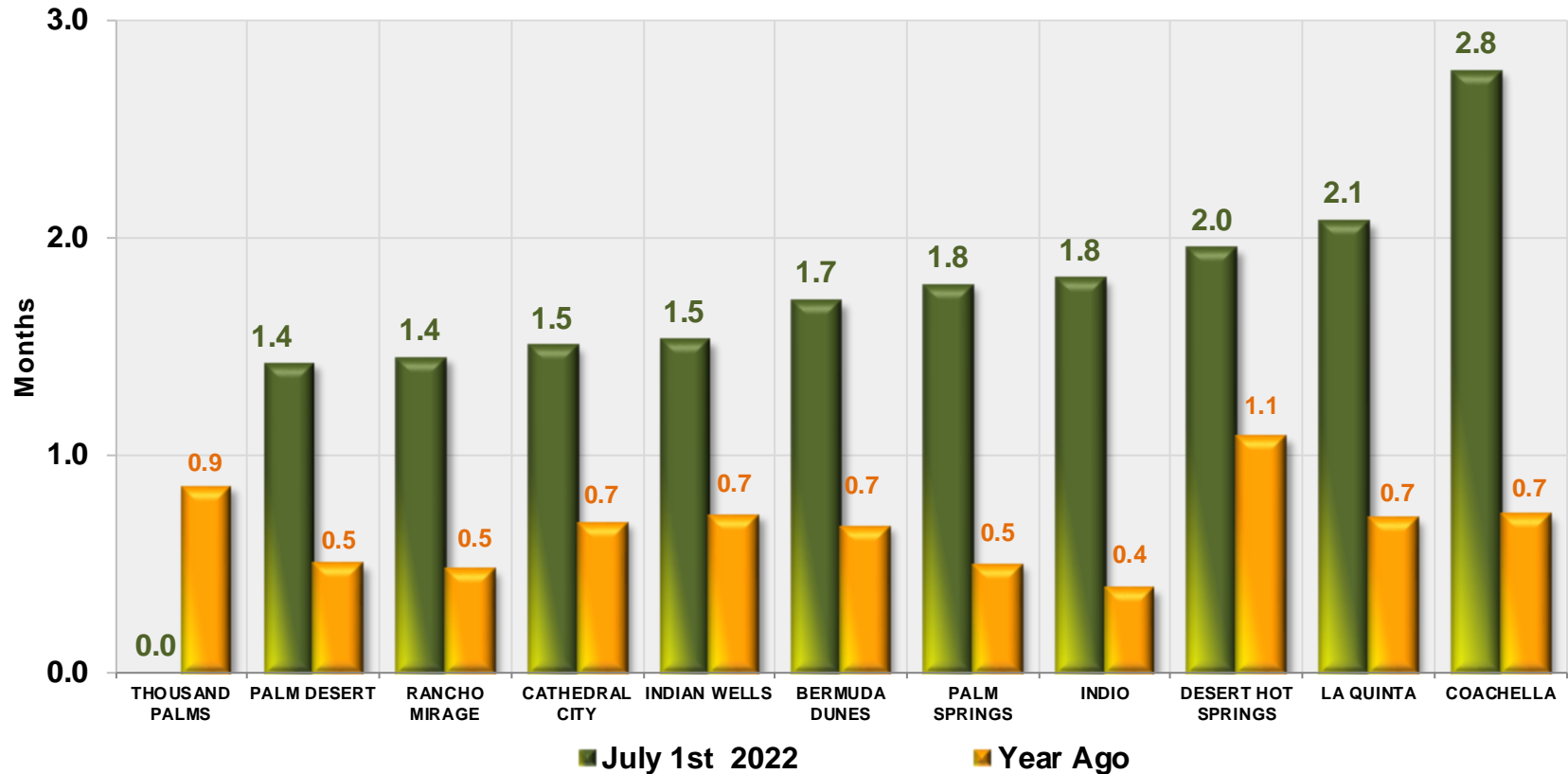
"Months of Sales" by Price Range uses avg. twelve month sales



"Months of Sales" by Price Range

This chart displays the current "months of sales" ratio by price bracket compared to last year. Blue bars are current ratios and orange bars are the ratios for last year. The ratio is significantly higher now in every price bracket. While the ratios are higher, none are close to past norms for that bracket.

"Months of Sales" by City city inventory divided by average twelve month sales

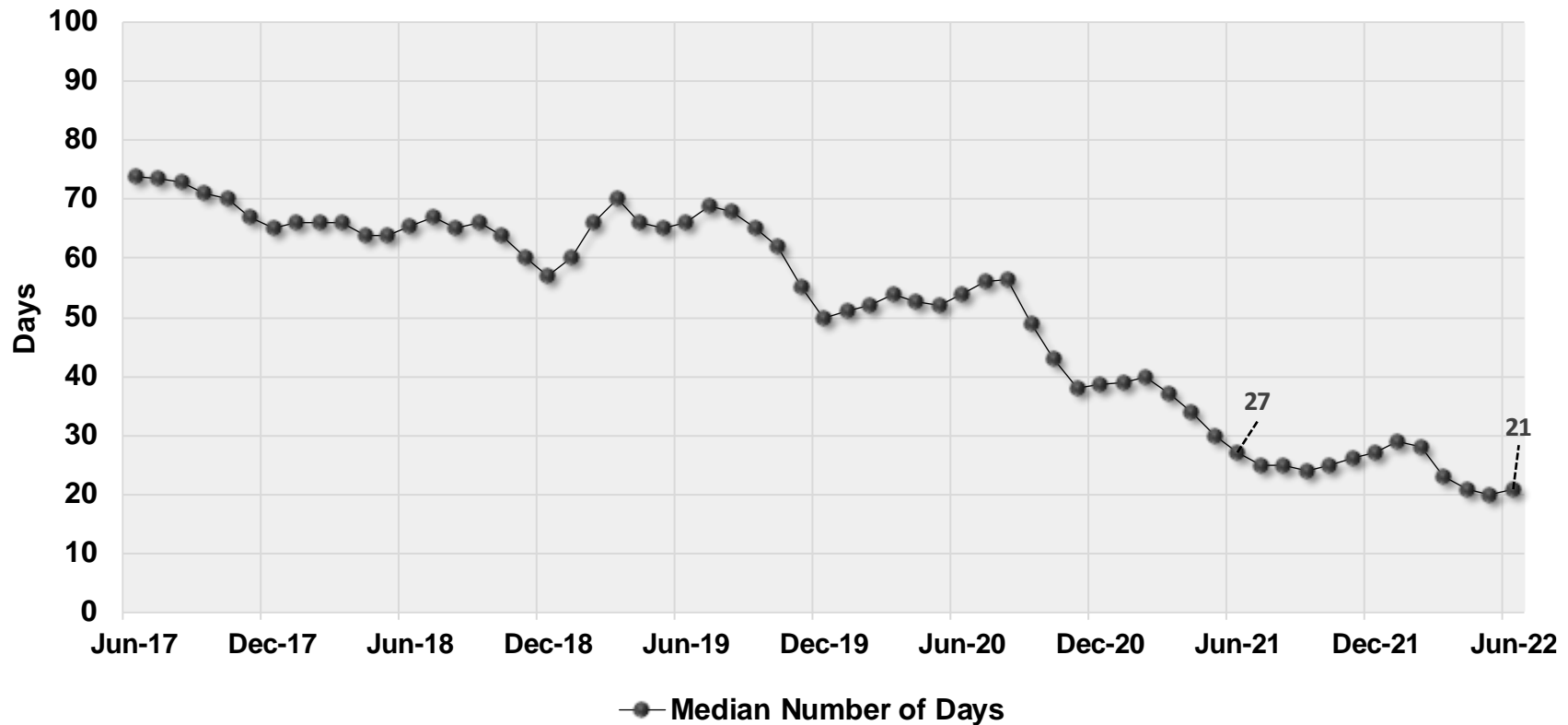


"Months of Sales" by City

This graph compares current "months of sales" ratios in each city to ratios last year. We have sorted the cities left to right by lowest ratio. Thousand Palms is zero since it has no current inventory. The ratio in all the cities forms a tight band, which goes from 1.4 months in the city of Palm Desert to 2.8 months for the city of Coachella. The market still seems to favor home sellers but that appears to be rapidly shifting.

"Days in the Market"

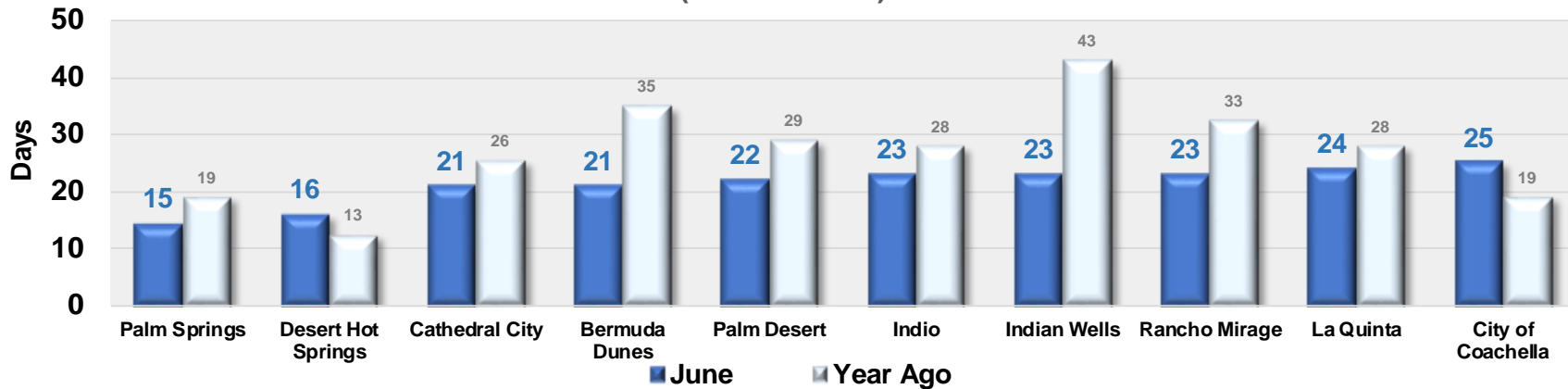
Coachella Valley
June 2017 - June 2022



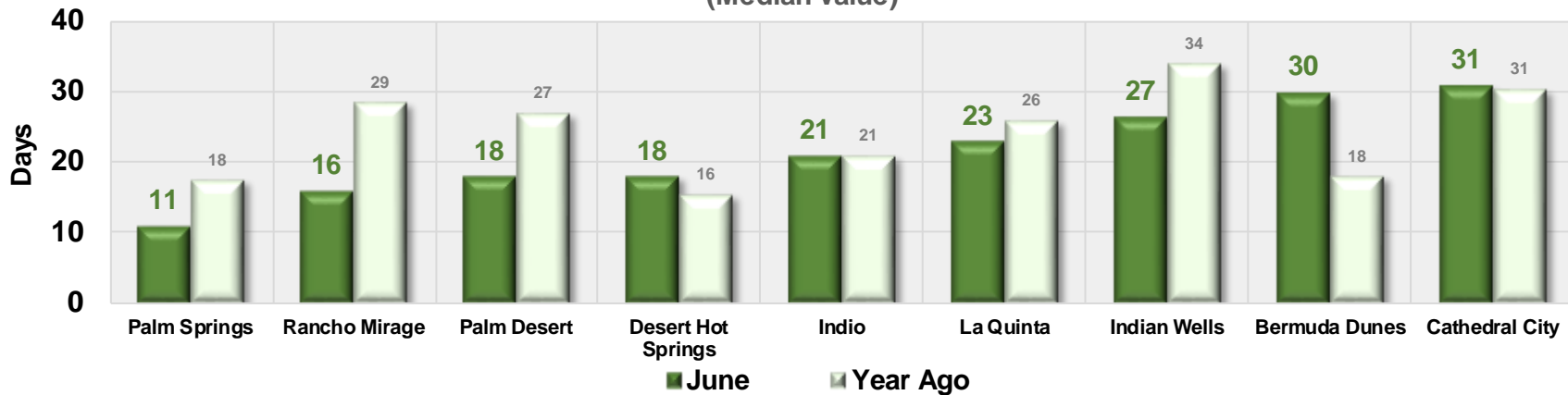
Regional "Days in the Market"

At the end of June, the median number of "days in the market" throughout the Valley was 21 days, which is one day more than last month but six days less than last year. Low inventory have kept selling times near current low numbers but it appears that forces are in place that will cause selling times to increase.

"Days in Market" - Detached Homes (Median Value)



"Days in the Market" - Attached Homes (Median Value)



"Days in the Market"

These bar charts rank the cities left to right by the smallest median number of "days in the market" for both detached and attached homes. The city of Palm Springs continues to have the lowest median selling time for detached homes at 15 days, followed by Desert Hot Springs with 16 days. In the attached market, Palm Springs has the shortest selling time at 11 days, followed by Rancho Mirage at 16 days.

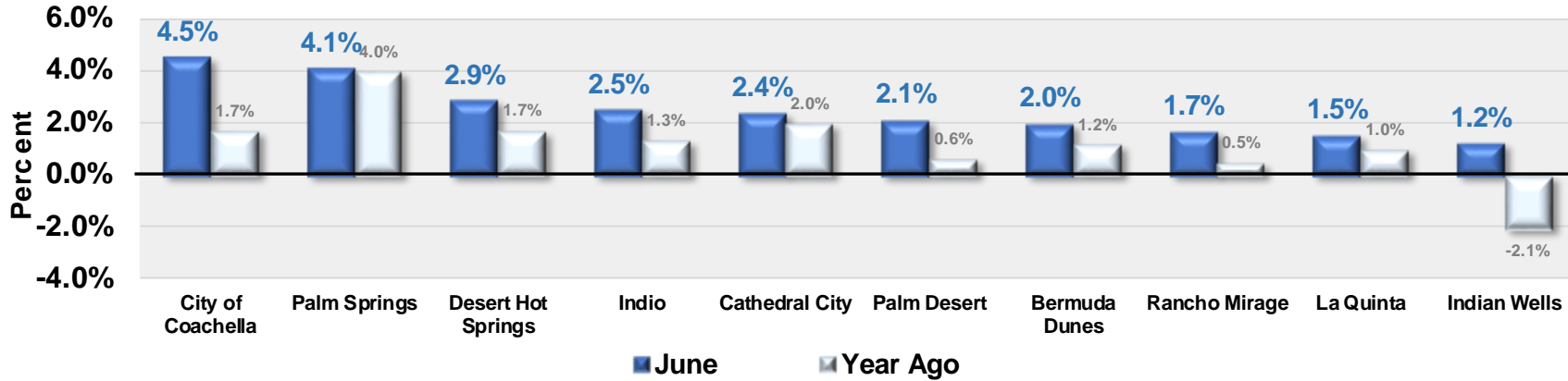
% Homes Selling Over List Price Coachella Valley 2016 - 2022 (June)



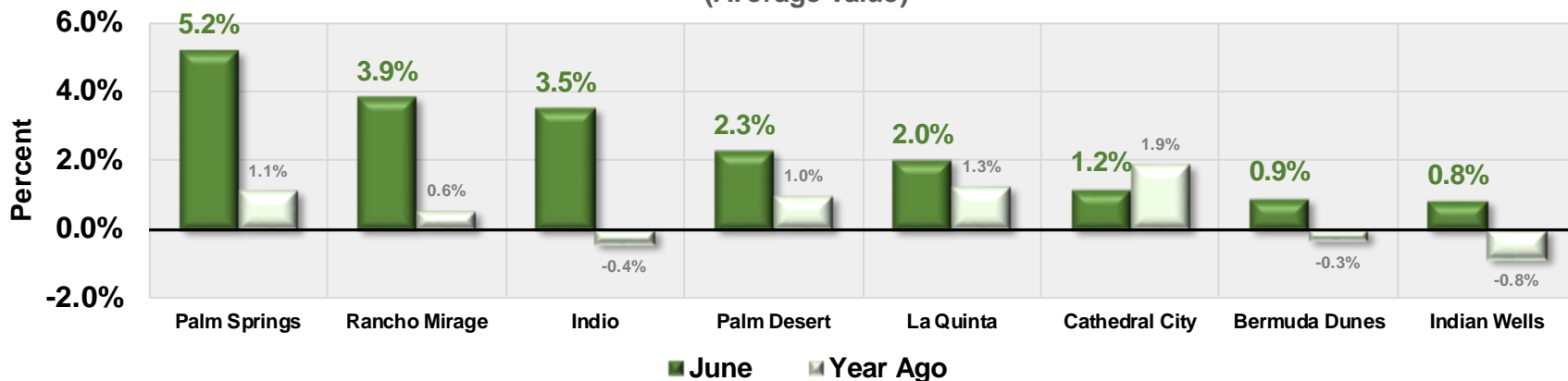
Percent Homes Selling Above List

This chart shows the percentage of Valley homes that sold above list price during the last three months. At the end of June, 54.2% of homes sold above list. This compares to 45.6% a year ago. In more normal times the percent is around 10%. As the graph shows the number has begun to fall and we expect it to continue to fall as inventory increases and homeowners have more choices.

Price Discount - Detached Homes (Average Value)



Price Discount - Attached Homes (Average Value)



“Average Price Discounts”

These bar charts show the average price discount/premium for both detached and attached homes in the major cities of the Valley. We use the “average” value instead of “median” value because it’s a better metric during periods when so many homes are selling at or above list. The city of Coachella has the highest average selling premium for detached homes at 4.5%, followed by Palm Springs at 4.1%. In the attached market, Palm Springs continues to have the highest average premium at 5.2%.

Explanation and Description of Market Watch's Graphs and Calculations

Regional Numbers: For the purposes of this report, the Coachella Valley region consists of these eleven cities or CDPs – Bermuda Dunes, Cathedral City, the city of Coachella, Desert Hot Springs, Indian Wells, Indio, La Quinta, Palm Desert, Palm Springs, Rancho Mirage and Thousand Palms. Regional sales and regional inventory numbers are the sum of sales or inventory of these 11 cities averaged over some time interval – usually three or twelve months. The Coachella Valley median detached home price is the median price of sales of single-family residences over the prior three months in all 11 cities. The Coachella Valley Median Attached Price is the median price of sales of condos and townhomes over the past three months in all 11 cities.

City Prices: Our city price tables display the median price per square foot as well as the price of the average size home of all detached or attached sales over the last three months (6 months for Indian Wells). The price of the average size home is determined as follows: the median price per sq. ft. is multiplied by the size of the average home in that city. The size of the average home is determined from the square feet of all sales in that city over the last twenty years, which is then rounded to the nearest 25 sq. ft.. The size of the average home is therefore constant month by month.

Sales: For cities, sales numbers are the sum of sales of SFR, Condos and townhomes. 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 of sales 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. In our calculations every month is represented by sales over the preceding 31 days. This gives equal weight to each month.

Inventory and “Months of Sales”: Our inventory numbers are homes classified as “active” listings; we exclude listings called “active under contract.” We believe this is a more accurate measure of real supply since most “active under contract” listings will soon be closed sales. Remember sales and prices are accumulative while inventory is a momentary snapshot of inventory on a specific date. When we provide a monthly report for, say, the month of May, all sales and pricing are done using transactions through that and the previous two months. However, when we measure inventory at the end of May, it's the inventory as of June 1st. Even though inventory may be labeled May inventory, it is the inventory on the 1st of the next month. Our inventory is the sum of both attached and detached homes.

When calculating the “months of sales” ratio, we almost always use average sales over the last twelve months and not three months. If we do use three month sales, we indicate it. We use the classic “months of sales ratio”, which is inventory divided by sales, and not its inverse called the “absorption rate” since most people feel the ratio is much clearer and more easily understood.

Days in 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.

To contact Market Watch call Vic Cooper at 714-390-1418.