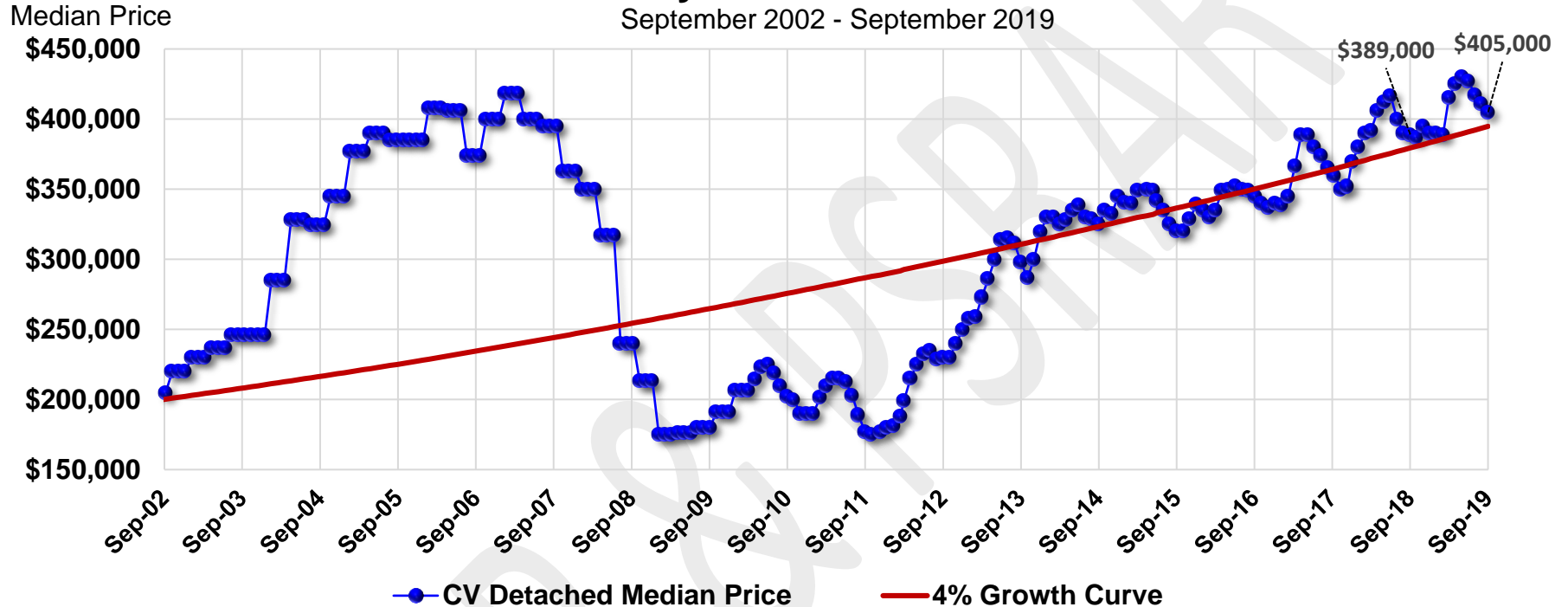


Coachella Valley Median Detached Home Price

September 2002 - September 2019



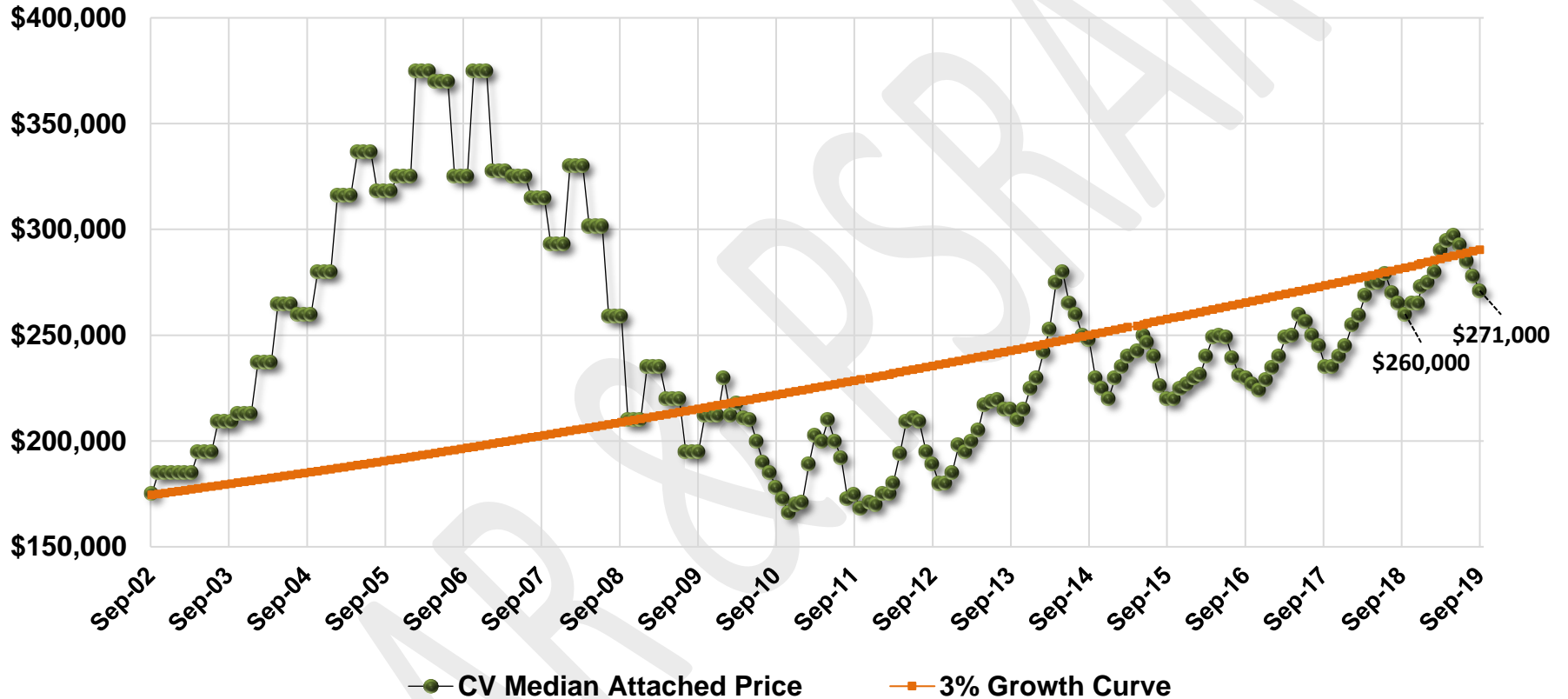
Summary

Because of normal, seasonal factors, the Valley's median detached home price in September declined to \$405,000. It is still 4.1% above a year ago. Attached home prices continue to follow the same seasonal pattern. In September the median price was \$271,000, which is still 4.2% above year ago. On a city by city basis we continue to see strong price gains especially in detached homes. Seven of the 11 cities show positive 12-month gains in median prices while two cities are slightly lower. Sales are beginning to grow. Total sales over the last three months in September average 815 units a month compared to 780 units a month a year ago. This is an increase of 4.5%. Inventory continues to remain historically very low. On October 1st there were 2,736 units for sale, which is the lowest inventory number in the last 10 years. On October 1st, the "months of sales" ratio, which is inventory divided by the sales rate, was 3.4 months. The median number of days on the market for the region is 65 days, which is effectively equal to last year's number of 66 days. At the current sales rate the months of sales ratio of homes priced under \$200,000 is 1.9 months, while that of million-dollar homes is 7.8 months. Between those extremes we see a very normal increase in "months of sales" ratio with price. Overall this metric shows the housing market to be in very good condition throughout all price ranges.

Coachella Valley Median Attached Price

September 2002 - September 2019

Median Price



Coachella Valley Attached Median Price

Attached home prices continue to follow their seasonal pattern. In September the median price was \$271,000, which is 4.2% above a year ago. It is clear from the chart that price lows almost always occur in September or October and we fully expect this pattern to continue.



The Desert Housing Report

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Detached Homes

City	Sep-19	Year Ago	12 mo change	2011 Low	Gain off 2011 Low	2006 High	% from High
Palm Springs	\$642,500	\$582,500	10.3%	\$335,000	91.8%	\$600,000	7.1%
City of Coachella	\$275,500	\$252,500	9.1%	\$121,950	125.9%	\$335,000	-17.8%
Desert Hot Springs	\$239,950	\$220,000	9.1%	\$85,000	182.3%	\$295,000	-18.7%
Indian Wells	\$1,100,000	\$1,050,000	4.8%	\$540,000	103.7%	\$1,205,000	-8.7%
Cathedral City	\$345,000	\$330,000	4.5%	\$139,000	148.2%	\$395,000	-12.7%
Palm Desert	\$422,500	\$405,250	4.3%	\$287,000	47.2%	\$543,000	-22.2%
Indio	\$339,000	\$330,000	2.7%	\$158,500	113.9%	\$380,500	-10.9%
La Quinta	\$467,000	\$468,500	-0.3%	\$245,000	90.6%	\$682,020	-31.5%
Rancho Mirage	\$665,000	\$668,000	-0.4%	\$423,000	57.2%	\$950,000	-30.0%

Attached Homes

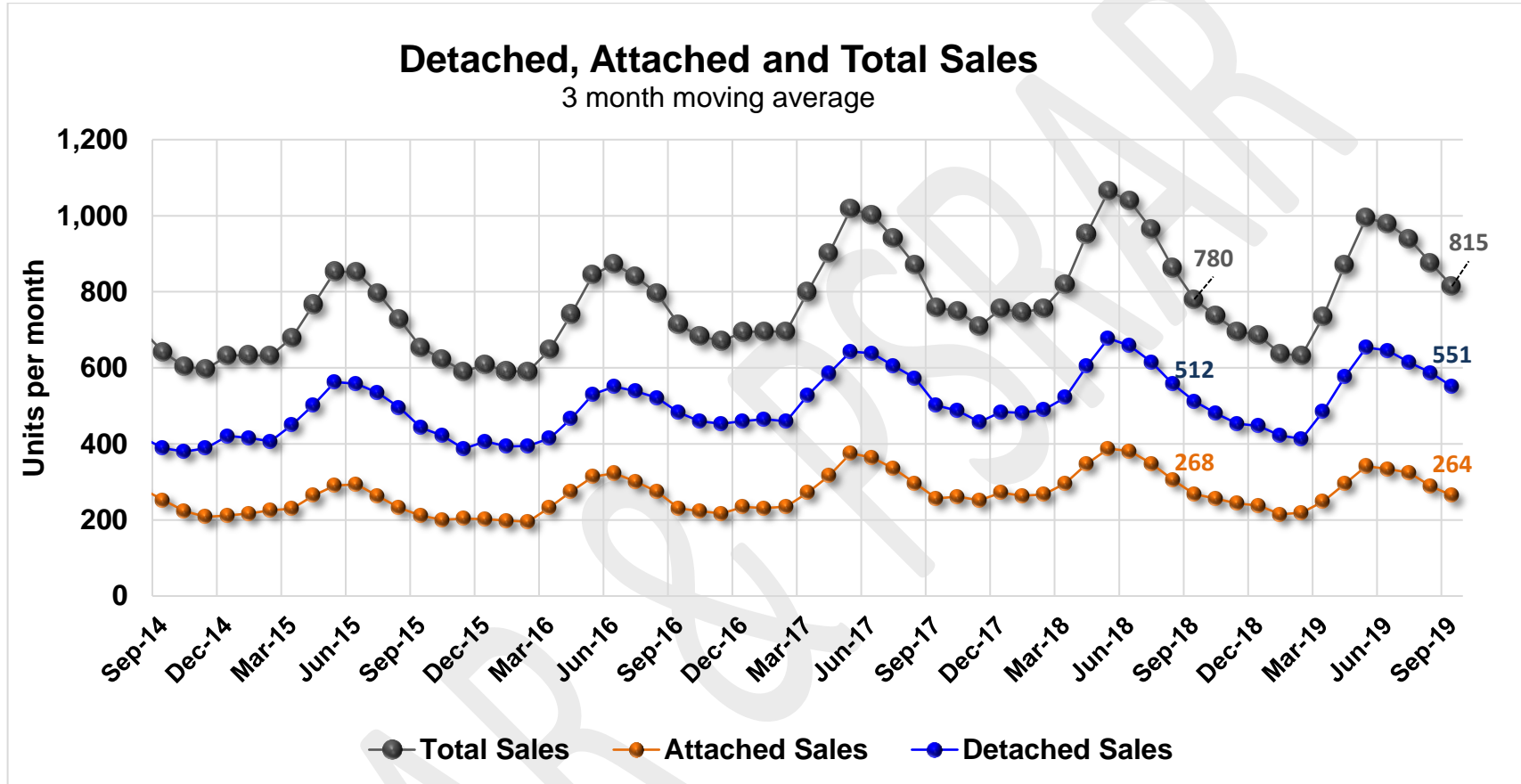
City	Aug-19	Year Ago	12 Month Change	2011 Low	Gain off 2011 Low	2006 High	% from High
Cathedral City	\$190,000	\$157,250	20.8%	\$107,500	76.7%	\$270,500	-29.8%
Indian Wells	\$430,000	\$395,000	8.9%	\$321,500	33.7%	\$557,500	-22.9%
Palm Desert	\$285,000	\$270,000	5.6%	\$175,000	62.9%	\$410,000	-30.5%
Rancho Mirage	\$360,000	\$349,950	2.9%	\$260,000	38.5%	\$510,000	-29.4%
Palm Springs	\$249,000	\$250,000	-0.4%	\$150,000	66.0%	\$350,000	-28.9%
La Quinta	\$337,050	\$360,000	-6.4%	\$265,000	27.2%	\$532,500	-36.7%
Indio	\$200,000	\$215,000	-7.0%	\$75,000	166.7%	\$279,000	-28.3%
Desert Hot Springs	\$137,000	\$175,500	-21.9%	\$86,000	59.3%	\$303,000	-54.8%
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 price gains, especially in detached homes. Seven of the 11 cities show positive 12-month gains in their median prices while two cities are slightly lower. Palm Springs, with the median price of \$642,500, is up 10.3% for the year and 7.1% above its all-time high made in 2006 and 2007. Only La Quinta and Rancho Mirage show marginally lower prices. In attached homes, five cities have positive year-over-year gains, while three cities – La Quinta, Indio and Desert Hot Springs – show lower prices.

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

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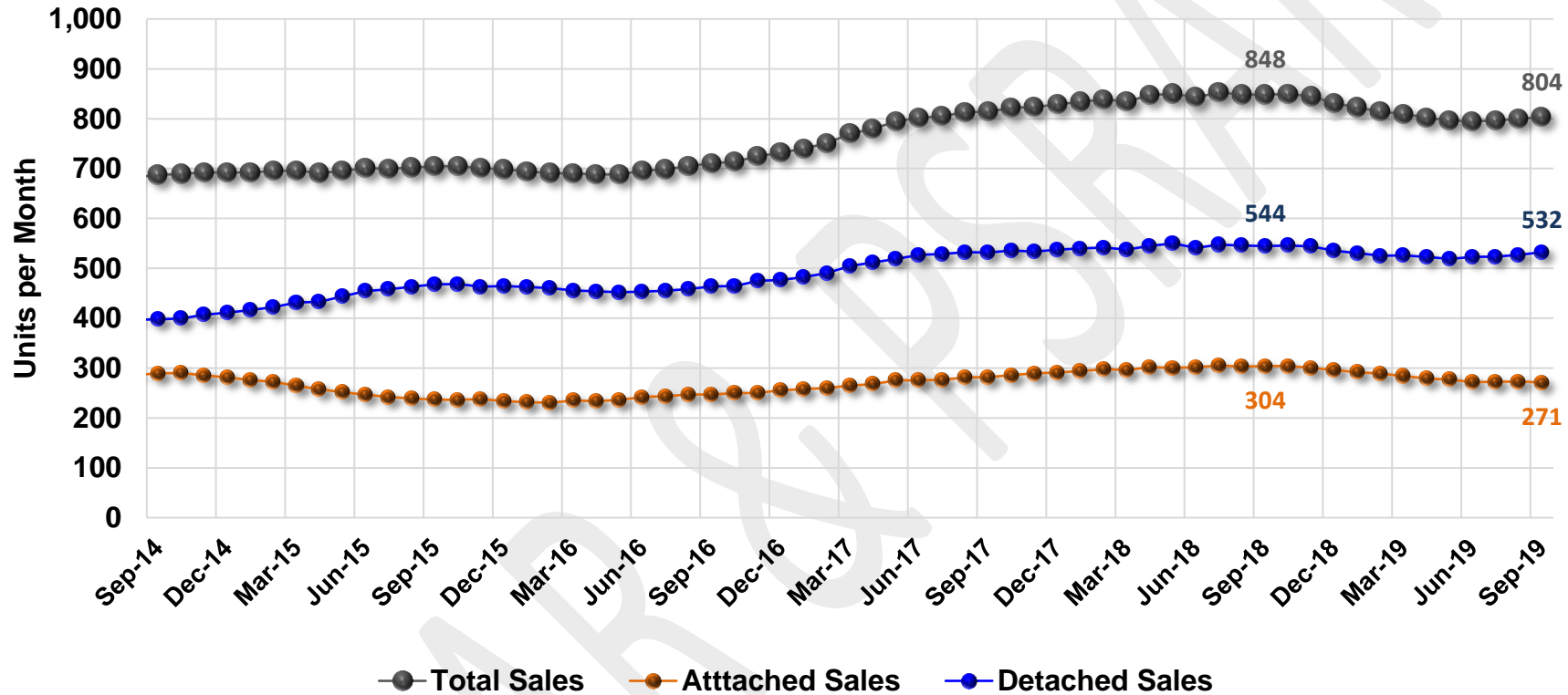


Monthly Sales – 3-month trailing avg.

Sales are beginning to grow. Total sales over the last three months averaged 815 units a month compared to 780 units a year ago. This is an increase of 4.5%. Most of this gain is occurring in detached homes where sales are up 7.6% to 551 units a month. Total attached sales are slightly lower at 264 units compared to 268 a year ago. This is a decline in sales of attached homes of 1.5%.

Detached, Attached and Total Sales

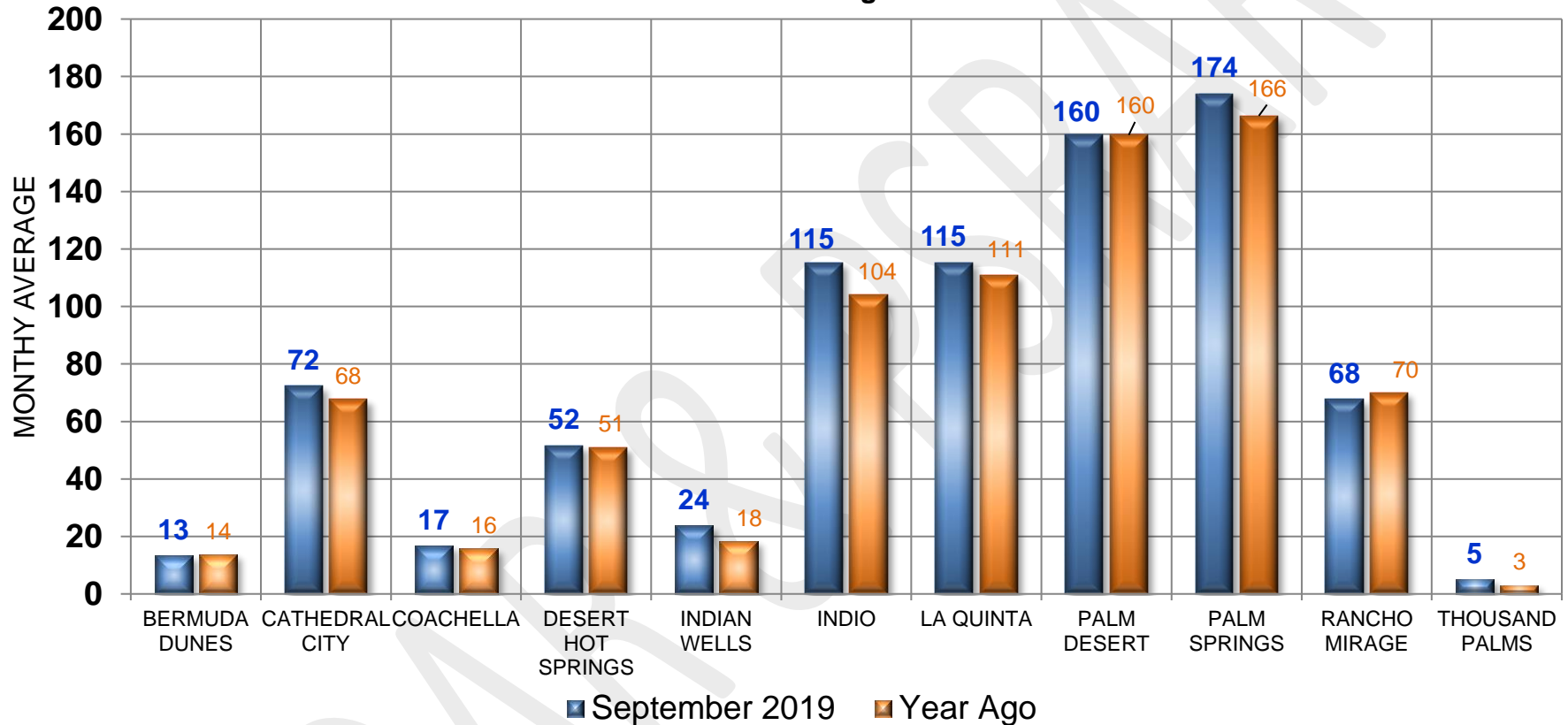
12 month moving average



Monthly Sales – 12-month trailing avg.

After falling last year, long term average sales have been growing for the last four months, as one can see by carefully inspecting the chart. Compared to a year ago total long-term sales are lower, with a twelve-month average of 804 sales a month compared to an average of 848 units a year ago. However, detached sales are close to being equal to the average a year ago, at 532 units a month compared to 544 units last year. Long-term measurements of attached sales are lower by 10% from a year ago.

Home Sales by City 3 month avg sales

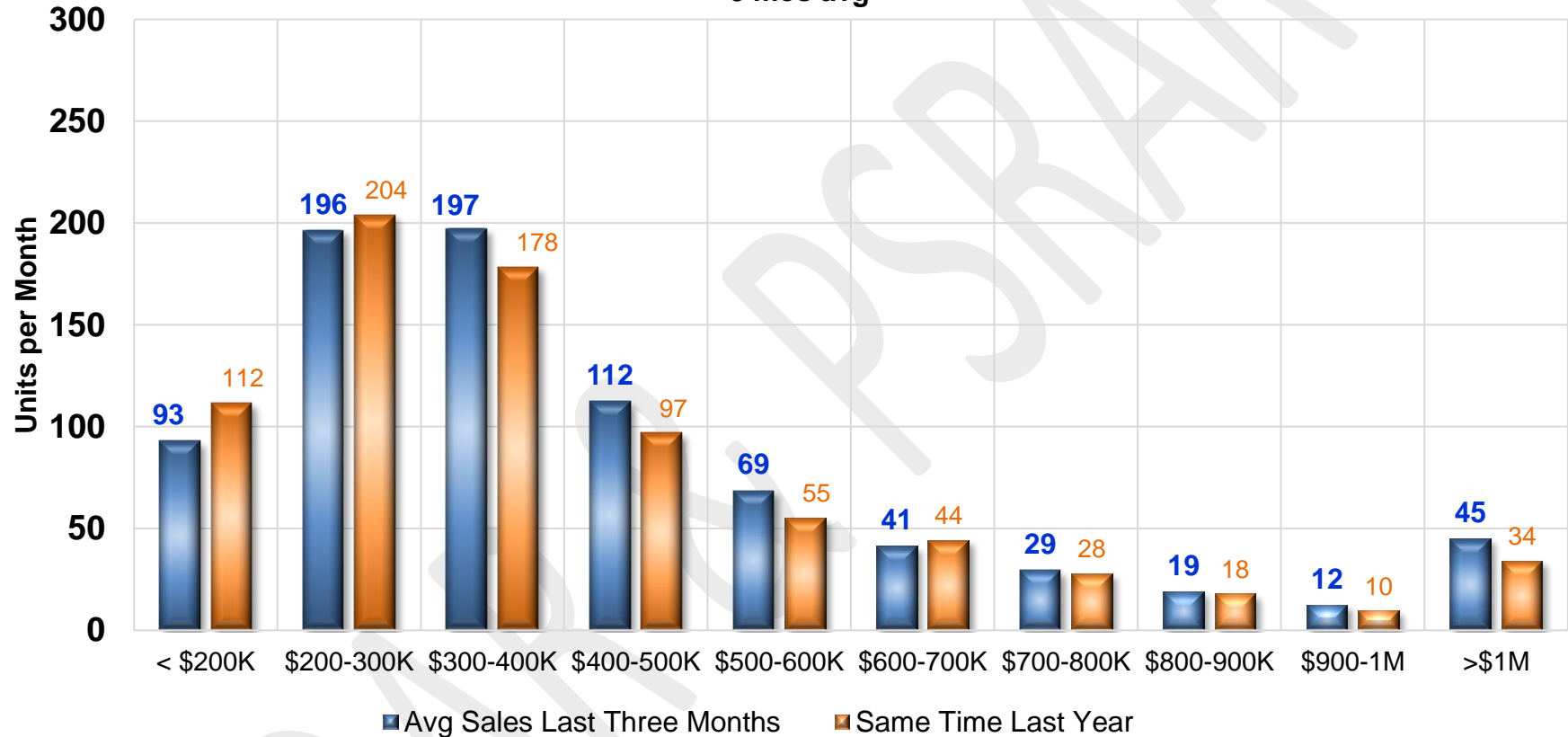


Home Sales per month by City

When you look at sales on a city by city basis, eight major cities show higher sales, while only two cities – Thousand Palms and Rancho Mirage – are lower. Palm Desert shows identical sales to a year ago of 160 units a month. On a percentage basis, sales in Indian Wells are up 33%, while sales in Indio are up 10.5%.

Home Sales by Price Range

3 mos avg



Home Sales by Price Range

When we break sales down by price bracket, the area of increase is at the higher price end – in homes priced over \$700,000. Sales in all the other price brackets are in complete alignment with numbers from a year ago numbers, with an almost equal push of sales from homes of lower prices into the next higher price bracket due to the increase in overall home prices. This means that the growth in sales concentrated primarily in homes priced over \$700,000.

Valley Housing Inventory

October 1st 2014 to October 1st 2019

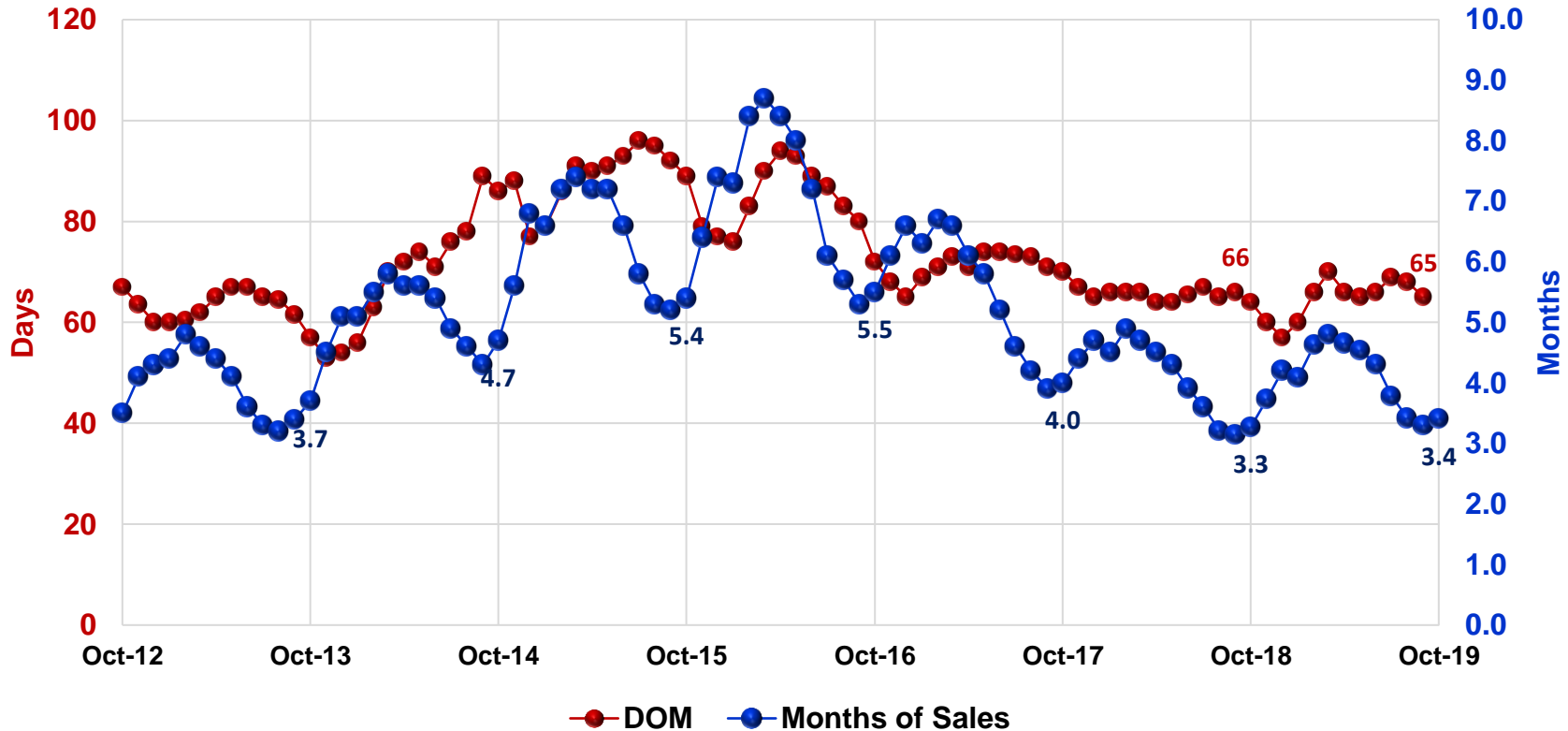


Coachella Valley Inventory

Inventory continues to remain historically very low. On October 1st there were 2,736 units for sale, which is the lowest inventory number in the last 10 years. Since inventory is very seasonal as a chart clearly shows, one should only compare inventory numbers in any given month to numbers in that same month in past years. While low inventory makes it difficult for buyers to find homes, the low supply is a very positive indicator for higher home prices.

"Days on the Market" and "Months of Sales"

October 1st 2012 to October 1st 2019

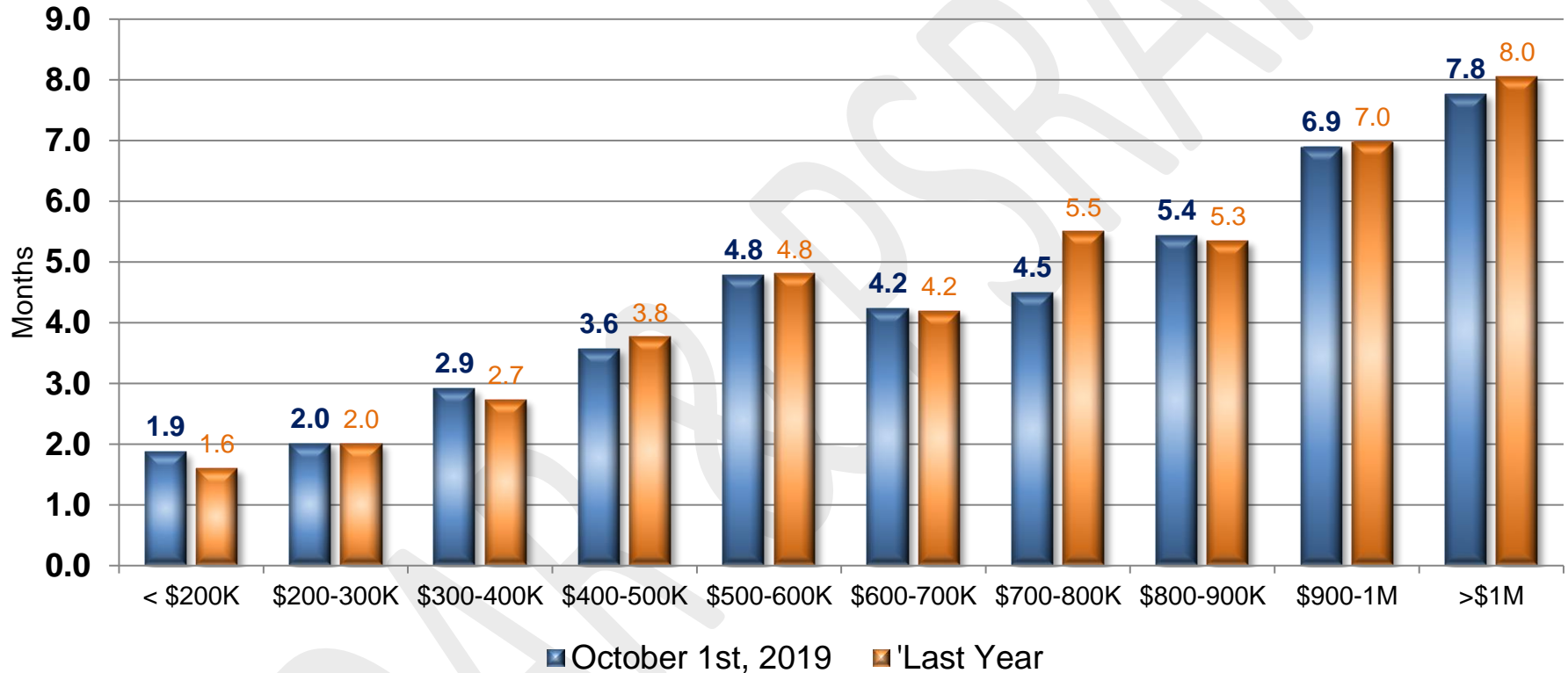


"Days on the Market" and "Months of Sales"

On October 1st, the "months of sales" ratio, which is inventory divided by the sales rate, was 3.4 months. Like inventory the "months of sales" ratio is very seasonal, and ratios should only be compared to ratios in the same month of previous years. This latest ratio is almost exactly equal to last October 1st and both ratios are historically the lowest ratios of the last ten years. The median number of "days on the market" for the region is 65 days, which is effectively equal to last year's 66 days. The chart clearly shows that the DOM line (red) has been moving sideways, at around 70 days, for the last three years.

"Months of Sales" by Price Range

uses avg. twelve month sales

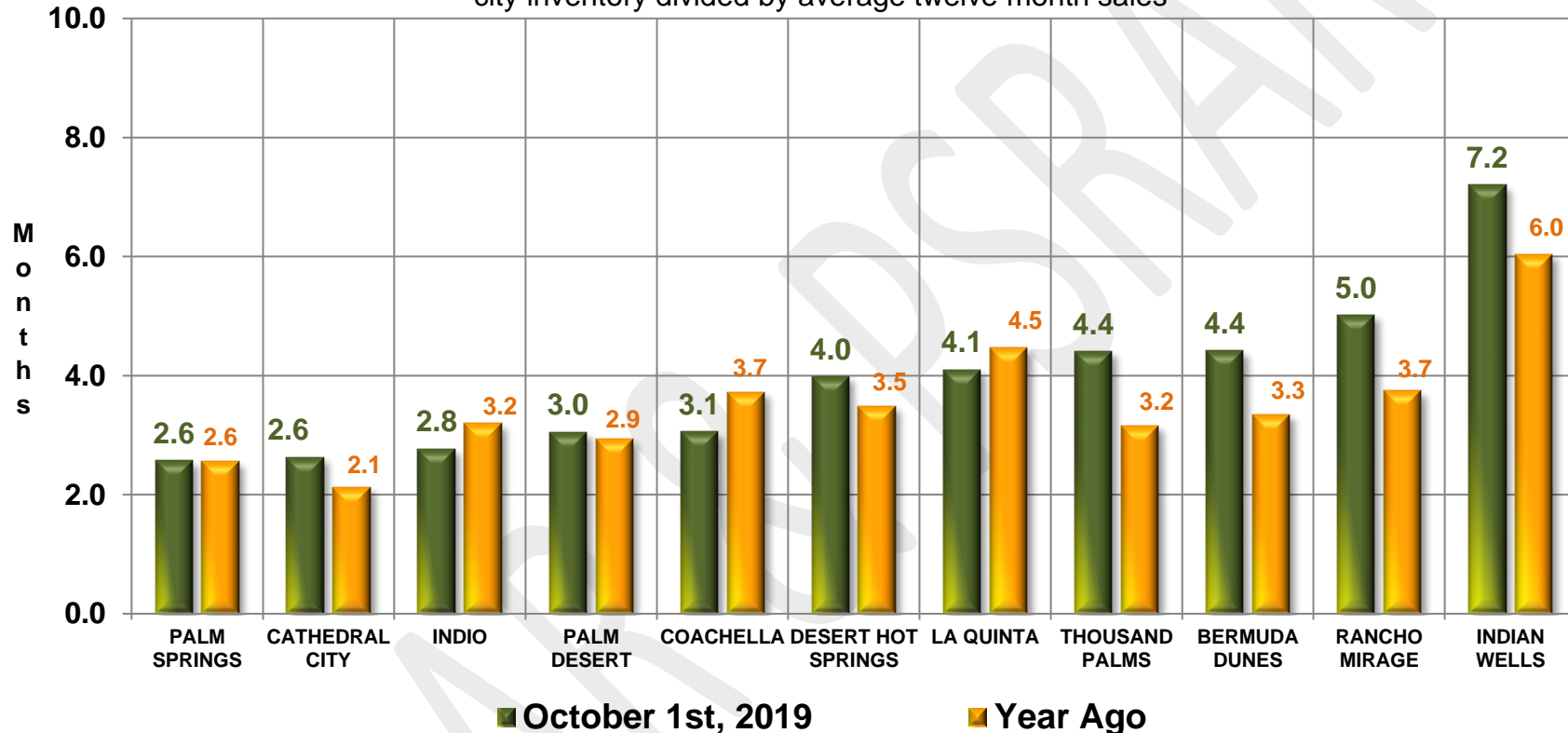


"Months of Sales" by Price Range

At the current sales rate, the "months of sales" ratio of homes priced under \$200,000 is 1.9 months, while the ratio for million-dollar homes is 7.8 months. Between those extremes we see a very normal increase in "months of sales" ratio with price. Overall this metric shows the housing market to be in good condition throughout all price ranges.

"Months of Sales" by City

city inventory divided by average twelve month sales

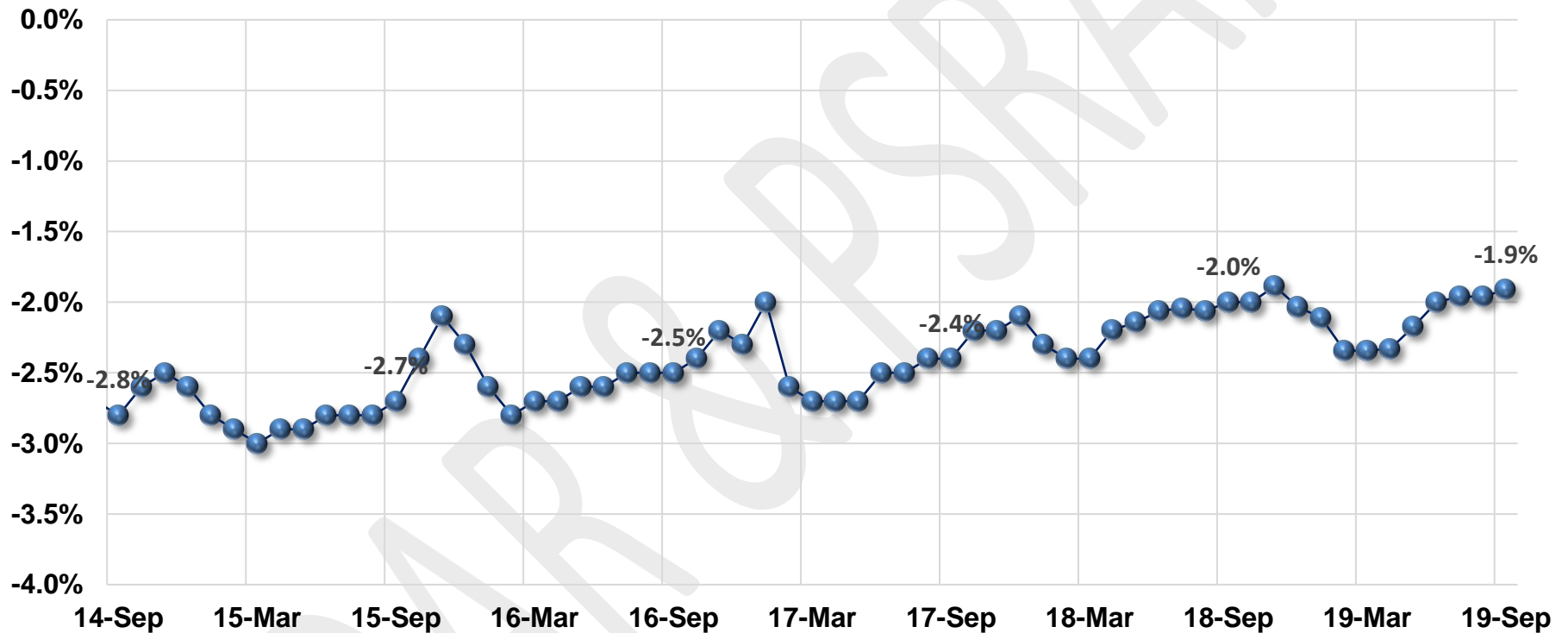


"Months of Sales" by City

The above graph shows the "month of sales" ratio for the major cities in the Valley against their ratio a year ago, ranked lowest to highest. Every city except four cities show comparable ratios to a year ago. Rancho Mirage has a ratio of 5.0 months compared to 3.7 months last year. Indian Wells has a ratio is 7.2 months compared to six months a year ago. It's our opinion that these small increases have little significance.

Sales Price Discount from List

September 2014 to September 2019



Sale Price Discount from List

The September “Sale Price Discount from List” is -1.9%, which compares to -2% last year. We’ve indicated on the chart the September readings going back to 2014, which shows the consistent yearly improvement in this metric from -2.8% to -1.9%. The current -1.9% is the lowest reading in the last five years and means the average home offered at \$400,000 finally sold for \$392,400.



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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