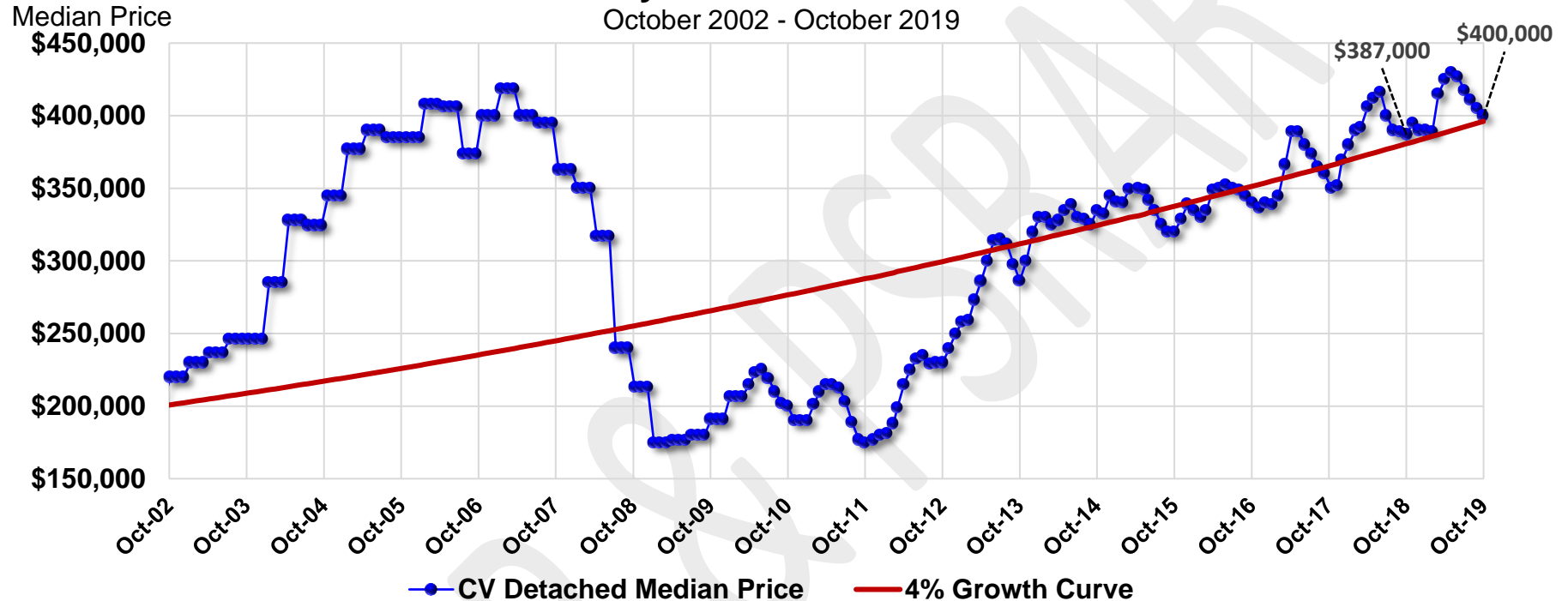


Coachella Valley Median Detached Home Price

October 2002 - October 2019



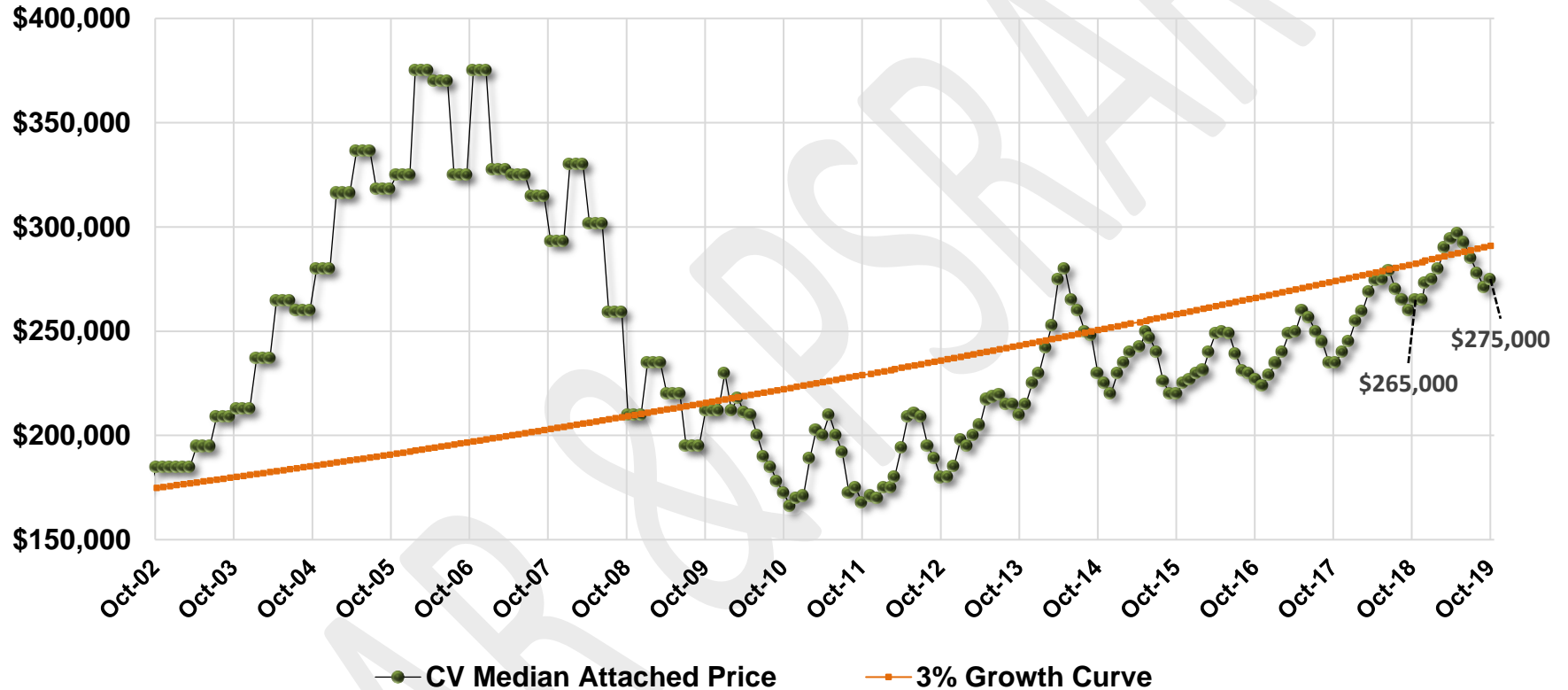
Summary

The Valley's median detached home price in October was \$400,000, which is 3.4% above year ago. In October the median attached price was \$275,000, which is 3.8% above last year. On a city by city basis, prices continue to rise. For detached homes the median value for Cathedral City is 7.5% above a year ago while Palm Springs is 7.1% higher. Seven cities show higher year-over-year values while only two, La Quinta and Indian Wells, are lower. Total sales over the last three months averaged 755 units a month compared to 737 units a year ago. This is an increase in sales of 2.4%. The gain has been primarily in detached home sales, which averaged 524 units a month versus just 480 a year ago. On November 1st, inventory in the Valley for both detached and attached homes was 3,010 units. This is the lowest November 1st reading in recent history. The cities of Indio and Coachella show the lowest "months of sales" ratios at three months. We are continually surprised to see the Palm Springs ratio also stay around three months. What's surprising is that it does this after having risen so much in price. This just indicates demand in Palm Springs continues to be strong. The October "Sale Price Discount from List" was -1.9%, which compares to the average -2% discount a year ago.

Coachella Valley Median Attached Price

October 2002 - October 2019

Median Price



Coachella Valley Attached Median Price

In October the median attached price was \$275,000, which is 3.8% above last year. As the chart clearly shows, attached home prices continue to follow their seasonal pattern, which means prices should have an upward trend for the next seven or eight months. In fact, this trend already seems to have started, with October's price slightly above last month's value.



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Detached Homes

City	Oct-19	Year Ago	12 mo change	2011 Low	Gain off 2011 Low	2006 High	% from High
Cathedral City	\$338,500	\$315,000	7.5%	\$139,000	143.5%	\$395,000	-14.3%
Palm Springs	\$669,000	\$624,450	7.1%	\$335,000	99.7%	\$600,000	11.5%
Indio	\$340,000	\$325,000	4.6%	\$158,500	114.5%	\$380,500	-10.6%
City of Coachella	\$267,000	\$258,000	3.5%	\$121,950	118.9%	\$335,000	-20.3%
Desert Hot Springs	\$231,000	\$225,000	2.7%	\$85,000	171.8%	\$295,000	-21.7%
Palm Desert	\$415,000	\$411,500	0.9%	\$287,000	44.6%	\$543,000	-23.6%
Rancho Mirage	\$678,000	\$674,500	0.5%	\$423,000	60.3%	\$950,000	-28.6%
La Quinta	\$450,000	\$452,066	-0.5%	\$245,000	83.7%	\$682,020	-34.0%
Indian Wells	\$1,000,000	\$1,050,000	-4.8%	\$540,000	85.2%	\$1,205,000	-17.0%

Attached Homes

City	Oct-19	Year Ago	12 Month Change	2011 Low	Gain off 2011 Low	2006 High	% from High
Cathedral City	\$189,950	\$167,700	13.3%	\$107,500	76.7%	\$270,500	-29.8%
Indian Wells	\$420,000	\$397,500	5.7%	\$321,500	30.6%	\$557,500	-24.7%
Palm Springs	\$260,000	\$250,000	4.0%	\$150,000	73.3%	\$350,000	-25.7%
Palm Desert	\$292,500	\$281,500	3.9%	\$175,000	67.1%	\$410,000	-28.7%
Rancho Mirage	\$340,000	\$335,000	1.5%	\$260,000	30.8%	\$510,000	-33.3%
Indio	\$203,500	\$220,000	-7.5%	\$75,000	171.3%	\$279,000	-27.1%
La Quinta	\$332,000	\$360,000	-7.8%	\$265,000	25.3%	\$532,500	-37.7%
Desert Hot Springs	\$100,000	\$151,750	-34.1%	\$86,000	16.3%	\$303,000	-67.0%
City of Coachella	N/A	N/A	N/A	N/A	N/A	N/A	N/A

12 Month Change in City Median Prices

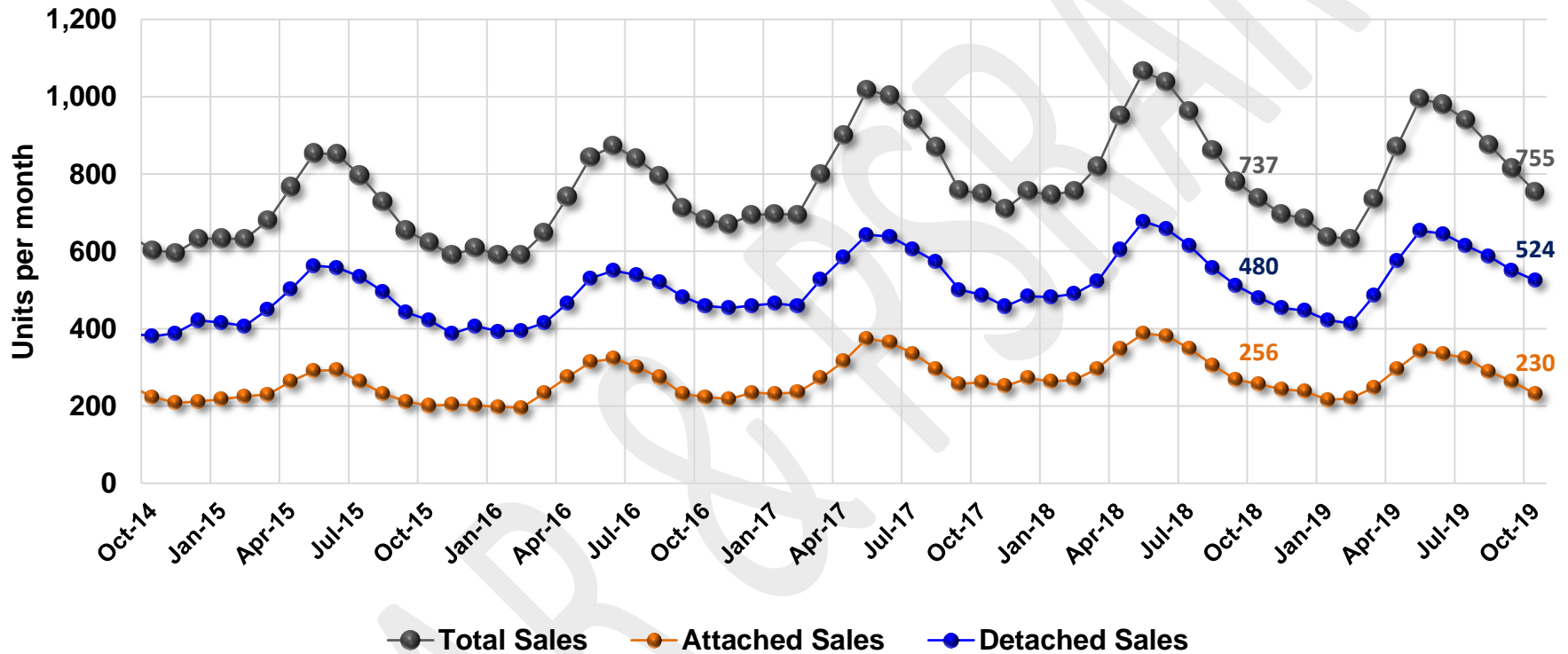
On a city by city basis, prices continue to rise. For detached homes the median value for Cathedral City is 7.5% above a year ago while Palm Springs is 7.1% higher. Seven cities show higher year-over-year values while only two, La Quinta and Indian Wells, are lower. Palm Springs continues to amaze! With a median value of \$669,000, prices are now 11.5% higher than the all-time high made back in 2006. It is the first city in the region to surpass the overall “bubble highs” made at the turn of the century. This does not mean current prices are in risky territory, as current prices are founded on sound wages and stable mortgages. The previous highs were not.

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Detached, Attached and Total Sales

3 month moving average

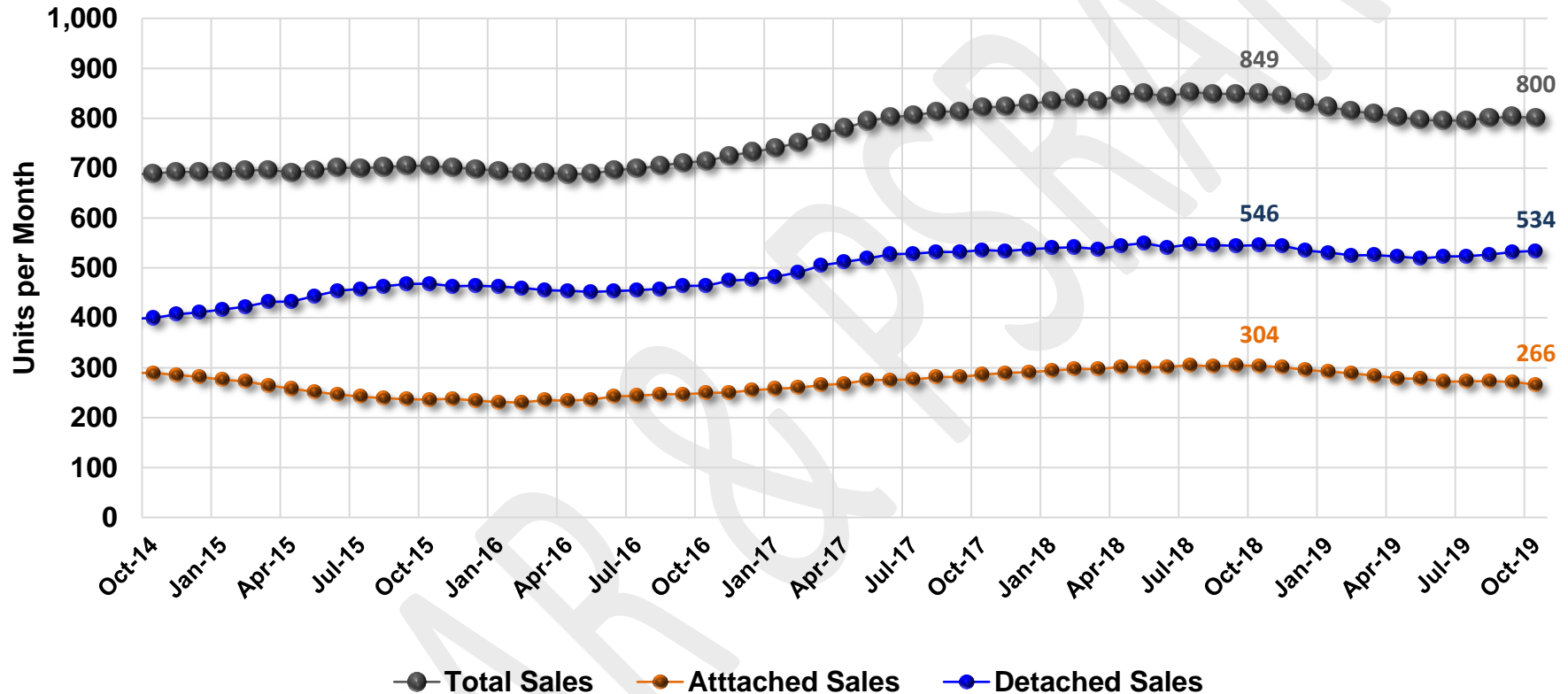


Monthly Sales – 3-month trailing avg.

Total sales over the last three months averaged 755 units a month compared to 737 units a year ago. This is an increase in sales of 2.4%. The gain has been primarily in detached home sales, which averaged 524 units a month versus just 480 a year ago. This is an increase in detached sales of 9%. Attached home sales fell 26 units to 230 units a month, which is a decline of 10%. The increase in total sales has been happening now for four months and we should begin to see longer-term sales metrics also begin to grow, reversing last year's trend of lower sales.

Detached, Attached and Total Sales

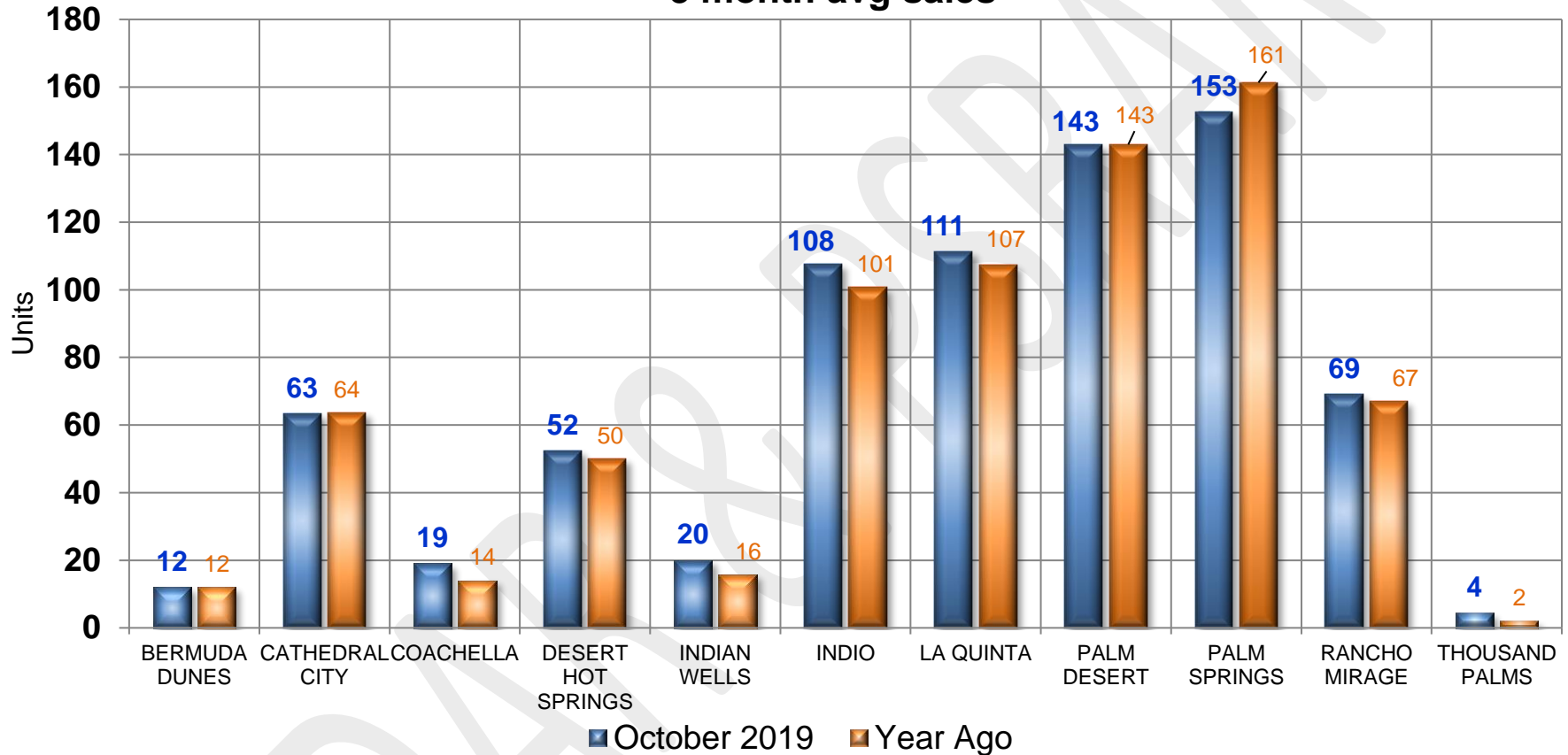
12 month moving average



Monthly Sales – 12-month trailing avg.

The 12-month average of sales, which takes out seasonality and shows the long-term trend, still shows the slow contraction of sales that occurred last year. Total sales averaged 800 units a month for the last 12 months, which is 5.7% less than last October. The major reason for lower sales has been attached sales, which are down 12.8% long-term. Detached are down only 2.2%. We should begin to see total sales start to rise, reflecting the increase we see in the short-term sales metrics.

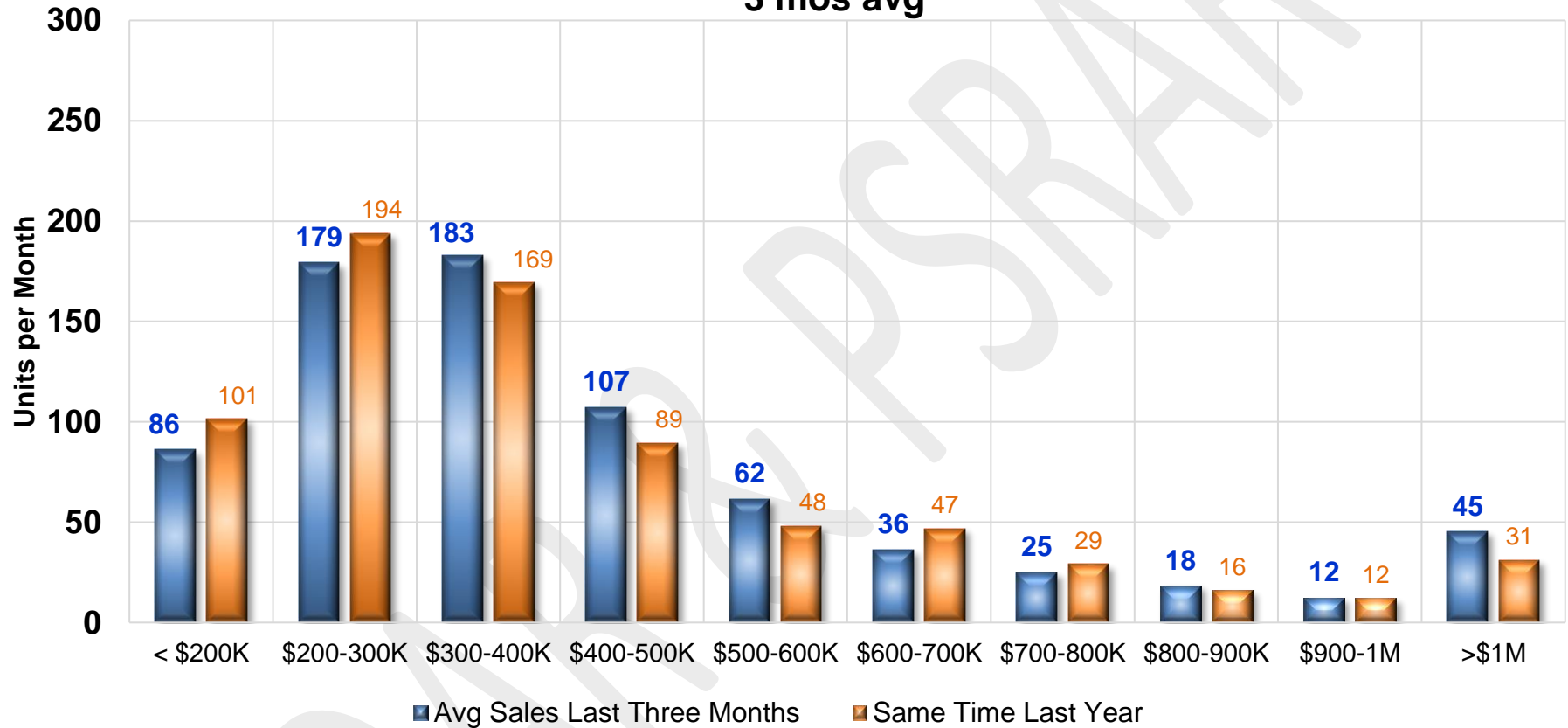
Home Sales by City 3 month avg sales



Home Sales per month by City

On the city by city basis, seven cities have higher three-month sales while two are lower. Palm Desert and Bermuda Dunes have exactly the same number of sales as last year. The largest increase in sales are found in the cities of Indio and La Quinta. The largest percentage increases are in the city of Coachella, where sales are up 35%. Indian Wells has sales up 25%.

Home Sales by Price Range 3 mos avg

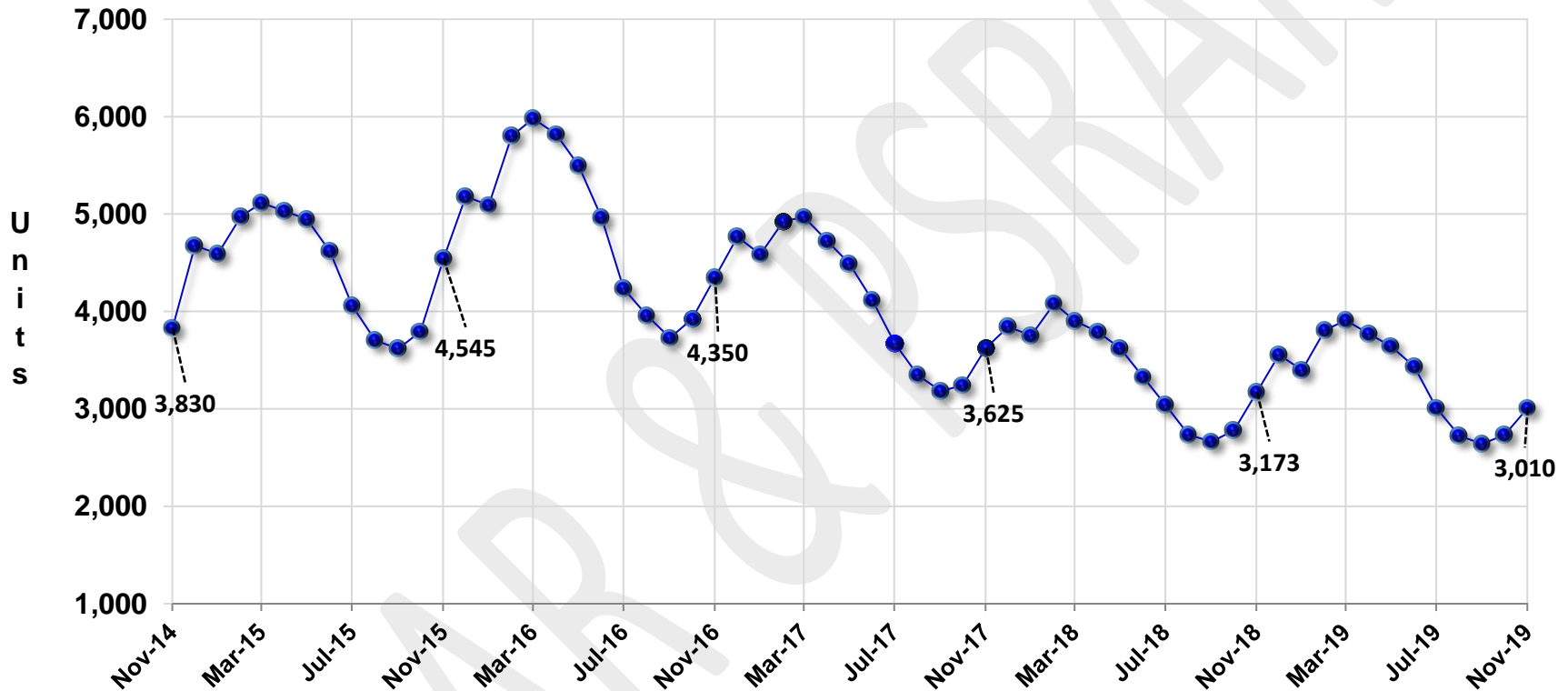


Home Sales by Price Range

When we break sales down by price bracket, we see a decline in sales in the price brackets under \$300,000 - and an increase in sales in the two price brackets between \$400,000 and \$600,000. Some of this is due to the overall price increase pushing more homes into the higher price brackets. Of particular note is the increase in sales of homes over \$1 million. This last month saw average sales of 45 units a month, while a year ago it was only 31.

Valley Housing Inventory

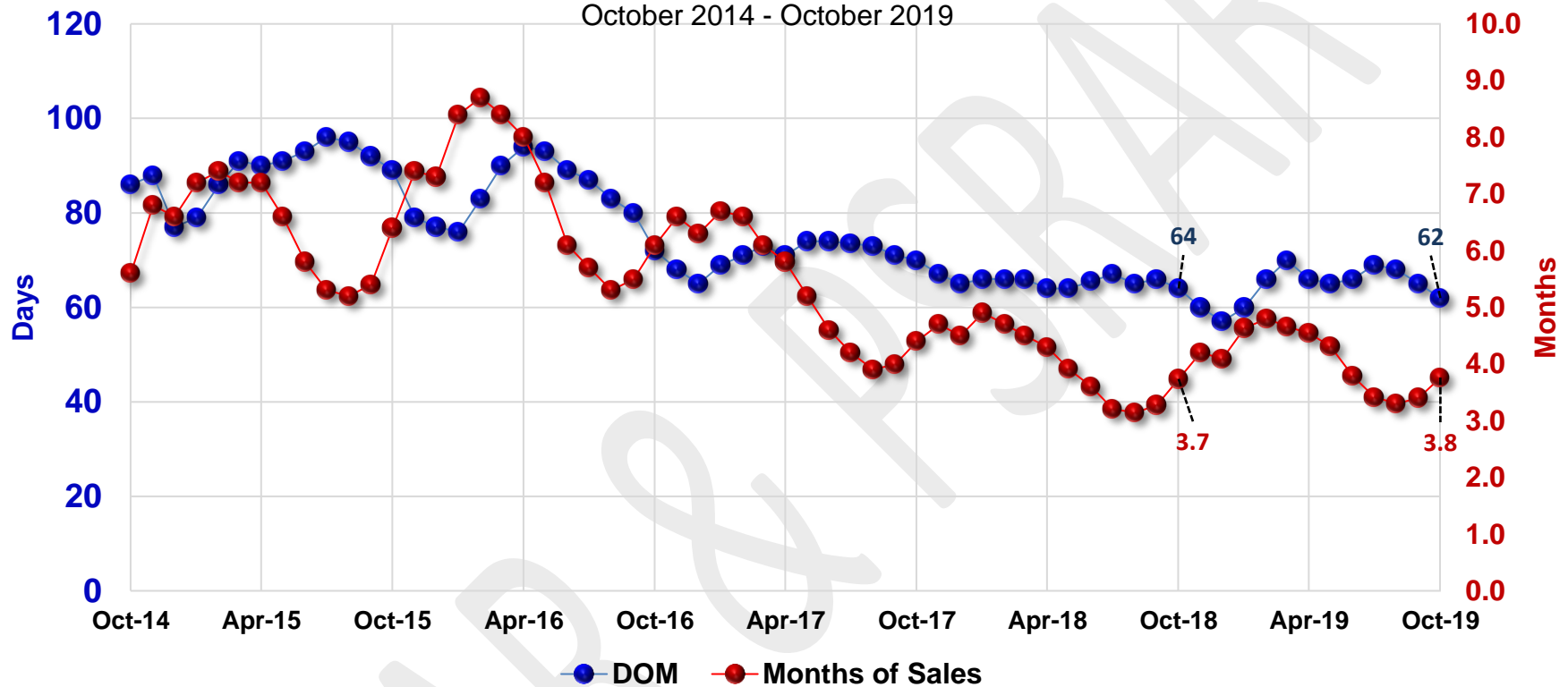
November 1st 2014 to November 1st 2019



Coachella Valley Inventory

On November 1st, inventory in the Valley for both detached and attached homes was 3,010 units. This is the lowest November 1st reading in recent history. Because of the seasonal ups and downs in inventory, as the chart clearly shows, inventory in any month should only be compared to its value in the same month in previous years. We've indicated past November 1st numbers in the above chart. This low supply has been the primary factor pushing home prices higher.

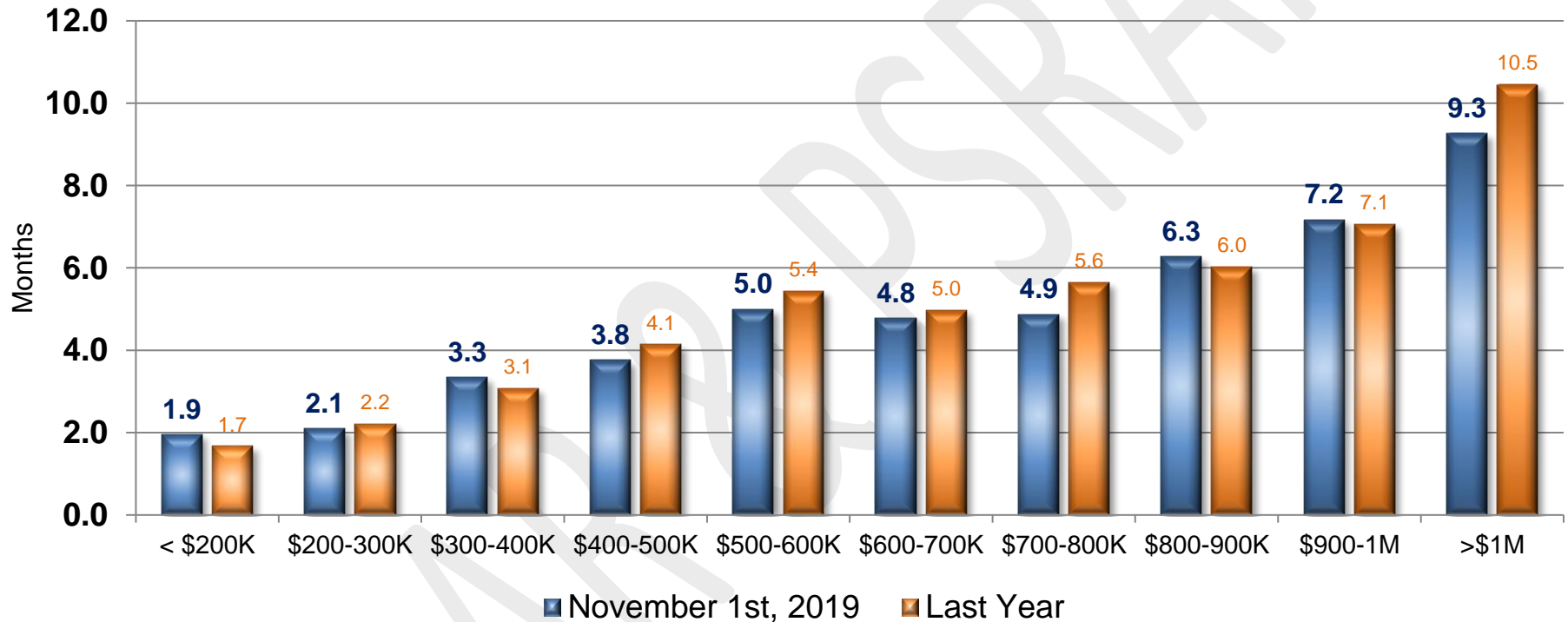
Days on the Market & Months of Sales



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

The lines in this chart show two very important time metrics. The red line, called “months of sales,” 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. It is a direct measure of supply versus demand. A low number is generally good for sellers while a high number is generally good for buyers. As the chart shows the current ratio of 3.8 months is historically very low. The blue line is the median number of “days in the market” and measures how long it’s been taking to sell the average home. It’s currently at 62 days and has been stable between 60 and 70 days for three years now.

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

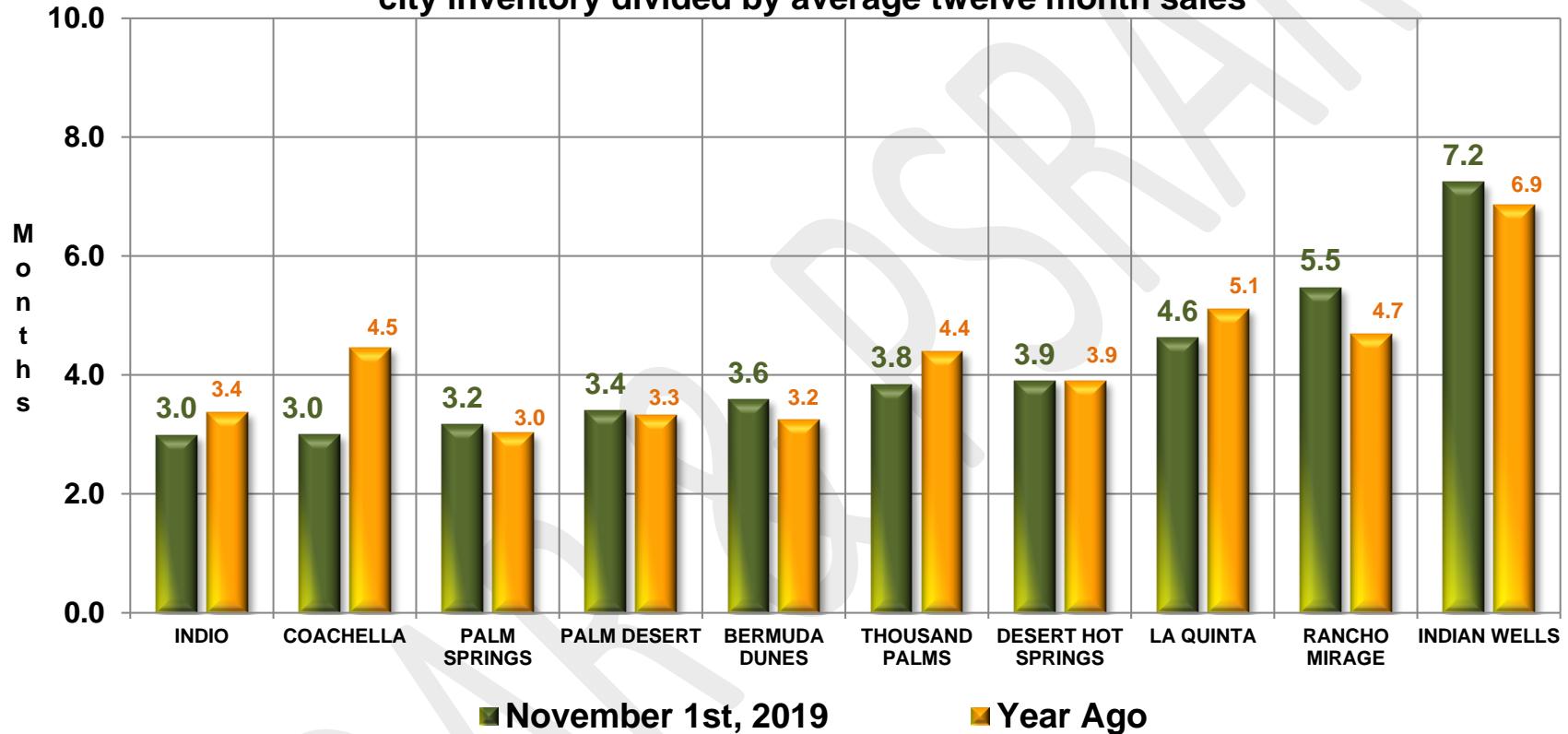


"Months of Sales" by Price Range

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. Then we plot these numbers and compare them to values from a year ago. It is normal to have low ratios with low priced homes and higher ratios with higher priced homes – it simply takes longer to sell higher priced homes than low priced. The ratios in all the price brackets are comparable to last year and in normal ranges.

"Months of Sales" by City

city inventory divided by average twelve month sales

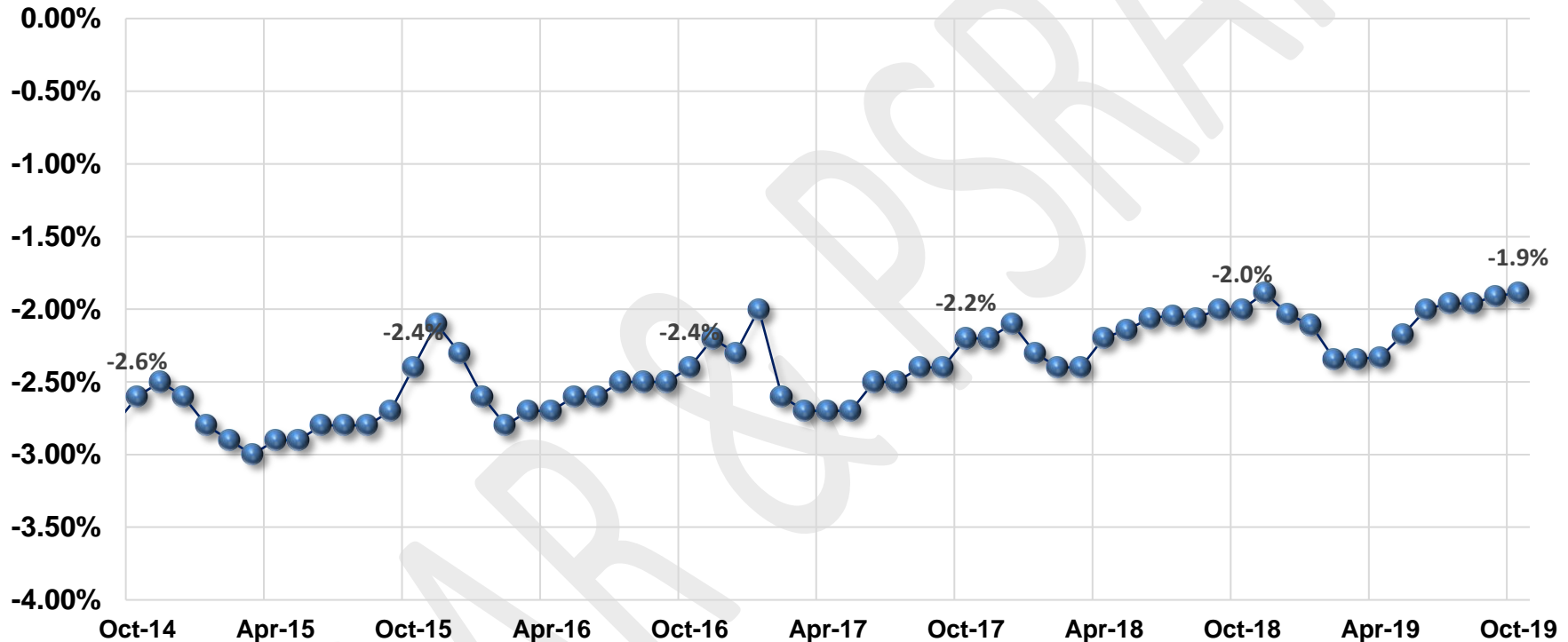


"Months of Sales" by City

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. The cities of Indio and Coachella show the lowest ratios at three months. We are continually surprised to see the Palm Springs ratio also stay around three months. What's surprising is that it does this after having risen so much in price. This just indicates demand in Palm Springs continues to be strong.

Sales Price Discount from List

October 2014 to October 2019



Sale Price Discount from List

The October “Sale Price Discount from List” was -1.9%, which compares to the average -2% discount a year ago. We've indicated on the chart the October 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