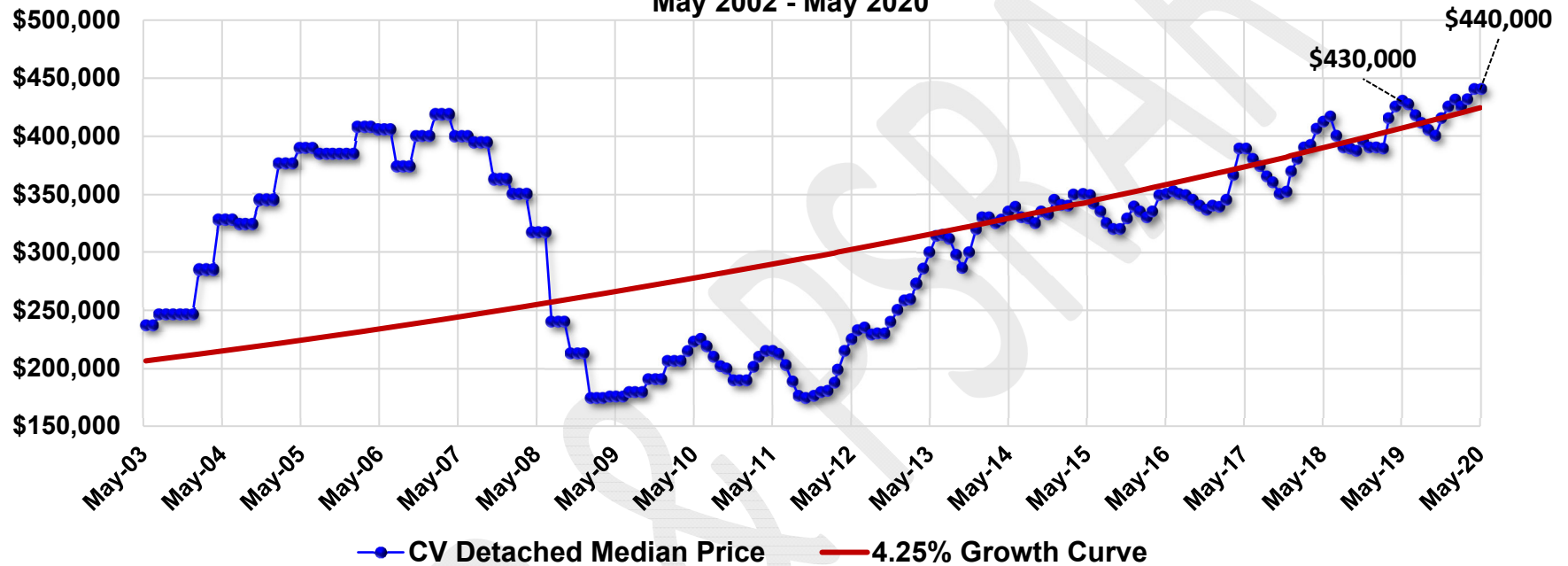


## Coachella Valley Median Detached Home Price

May 2002 - May 2020



### Summary

(Most of the metrics in this report use either three-month averages or 12-month averages. Since the quarantine has only been in effect two months, this report will just begin to show its effects on the market. The full effects are measured and shown in our companion report on the coronavirus). The Coachella Valley median detached home price in May was \$440,000, up 2.3% above a year ago. The Valley's median attached price in May was \$289,500, down 2.5% from last year. Total sales are now averaging 679 units a month versus 995 units a year ago, for a 32% decline. The decline is greatest for attached homes, where sales are down 44% compared to a sales decline for detached homes of 25%. Inventory continues to be extremely low even in the face of the quarantine. On June 1st inventory was 2,790 units, which is 640 units less than last year. On June 1st, the "Months of Sales" ratio was 3.7 months, .6 months less than last June. This ratio is calculated by taking inventory and dividing it by the average sales rate over the last 12 months. While sales have declined because of the quarantine, inventory has declined even more, thereby producing this lower ratio. The median value of "days in the market" is 54 days, which is one of the lowest readings in the last five years.

## Coachella Valley Median Attached Price

May 2002 - May 2020

Median Price

\$400,000

\$350,000

\$300,000

\$250,000

\$200,000

\$150,000

May-03

May-04

May-05

May-06

May-07

May-08

May-09

May-10

May-11

May-12

May-13

May-14

May-15

May-16

May-17

May-18

May-19

May-20

● CV Attached Median Price

— 3% Growth Curve

\$297,000

\$289,500

### Coachella Valley Attached Median Price

The Valley's median attached price in May was \$289,500, down 2.5% from last year. It is clear from the chart that we've entered the seasonal period when attached home prices generally weaken. If you look carefully, the month of May has always been the start of a four or five month price decline going back over 10 years. We can probably expect a continuation of this pattern this year. In our opinion it is a little worrisome that prices this May did not exceed those of last May, as had been the pattern over the last three years. This lag in price doesn't appear to be caused by the pandemic.



# The Desert Housing Report

May 2020



## Detached Homes

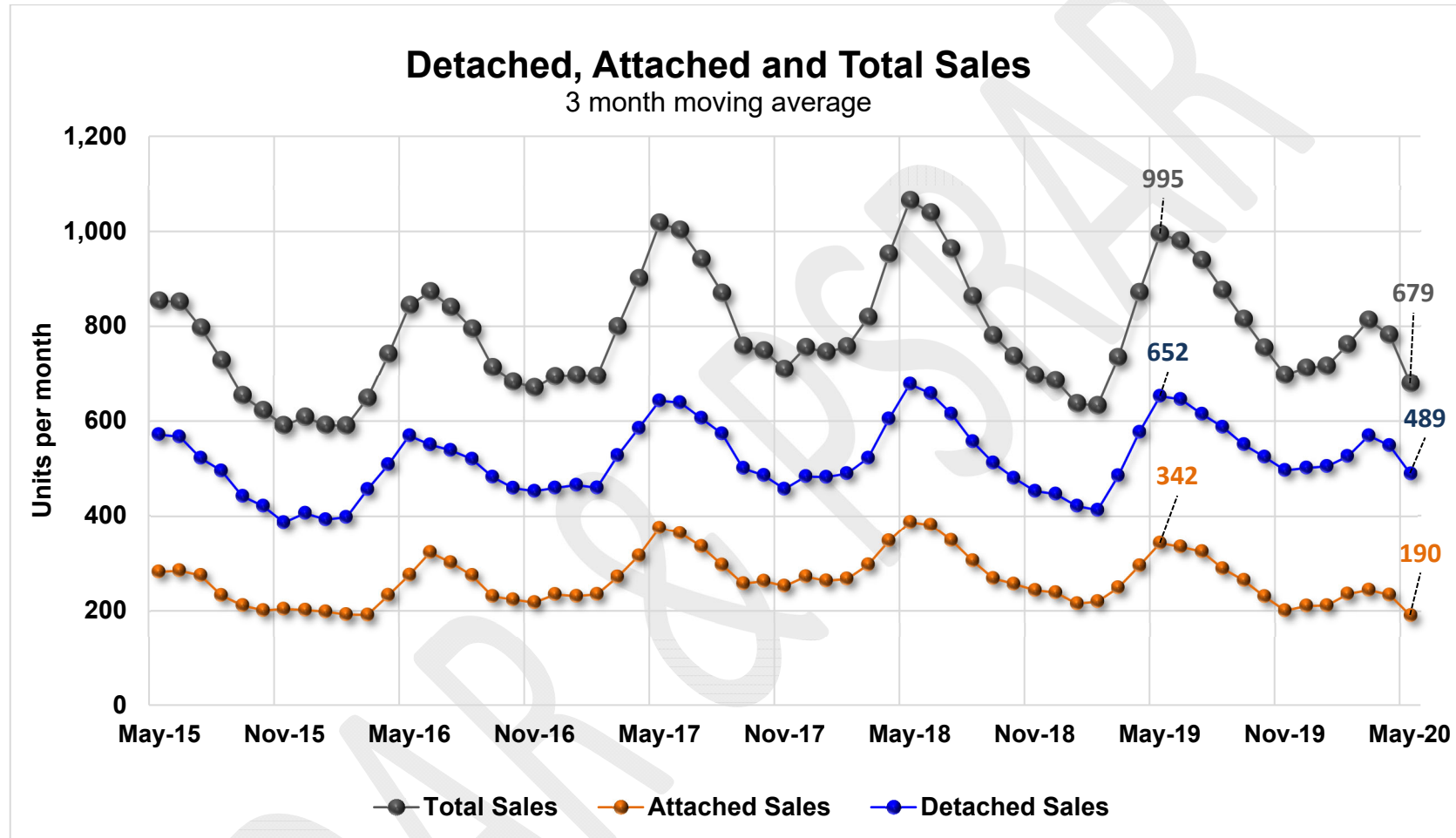
City	May-20	Year Ago	12 mo change	2011 Low	Gain off 2011 Low	2006 High	% from High
Cathedral City	\$375,000	\$332,500	12.8%	\$139,000	169.8%	\$395,000	-5.1%
Desert Hot Springs	\$250,000	\$225,000	11.1%	\$85,000	194.1%	\$295,000	-15.3%
City of Coachella	\$285,000	\$256,750	11.0%	\$121,950	133.7%	\$335,000	-14.9%
Palm Desert	\$449,000	\$420,000	6.9%	\$287,000	56.4%	\$543,000	-17.3%
Palm Springs	\$705,063	\$672,000	4.9%	\$335,000	110.5%	\$600,000	17.5%
Indio	\$340,000	\$333,831	1.8%	\$158,500	114.5%	\$380,500	-10.6%
La Quinta	\$573,000	\$589,000	-2.7%	\$245,000	133.9%	\$682,020	-16.0%
Rancho Mirage	\$634,000	\$689,500	-8.0%	\$423,000	49.9%	\$950,000	-33.3%
Indian Wells	\$948,000	\$1,110,000	-14.6%	\$540,000	75.6%	\$1,205,000	-21.3%

## Attached Homes

City	May-20	Year Ago	12 Month Change	2011 Low	Gain off 2011 Low	2006 High	% from High
Palm Springs	\$281,500	\$268,000	5.0%	\$150,000	87.7%	\$350,000	-19.6%
Indio	\$205,500	\$199,000	3.3%	\$75,000	174.0%	\$279,000	-26.3%
Palm Desert	\$319,945	\$320,000	0.0%	\$175,000	82.8%	\$410,000	-22.0%
Indian Wells	\$415,000	\$435,000	-4.6%	\$321,500	29.1%	\$557,500	-25.6%
La Quinta	\$361,750	\$385,000	-6.0%	\$265,000	36.5%	\$532,500	-32.1%
Cathedral City	\$180,000	\$197,475	-8.8%	\$107,500	67.4%	\$270,500	-33.5%
Rancho Mirage	\$308,657	\$375,000	-17.7%	\$260,000	18.7%	\$510,000	-39.5%
Desert Hot Springs	N/A	N/A	N/A	N/A	N/A	N/A	N/A
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 the median price for detached homes continues strong. Six cities show positive year-over-year gains while three cities – La Quinta, Rancho Mirage, and Indian Wells – are down. The three cities of Cathedral City, Desert Hot Springs and Coachella have year-over-year gains exceeding 10%. Palm Springs, with the median price of \$705,000, is now 17% higher than the all-time price high made in 2006 and 2007. City changes in median prices for attached homes are mixed. Palm Springs is the leader here, as well, with a year over year gain of 5%. The cities of Indian Wells, La Quinta, Cathedral City and Rancho Mirage show year-over-year declines in their median attached home prices.

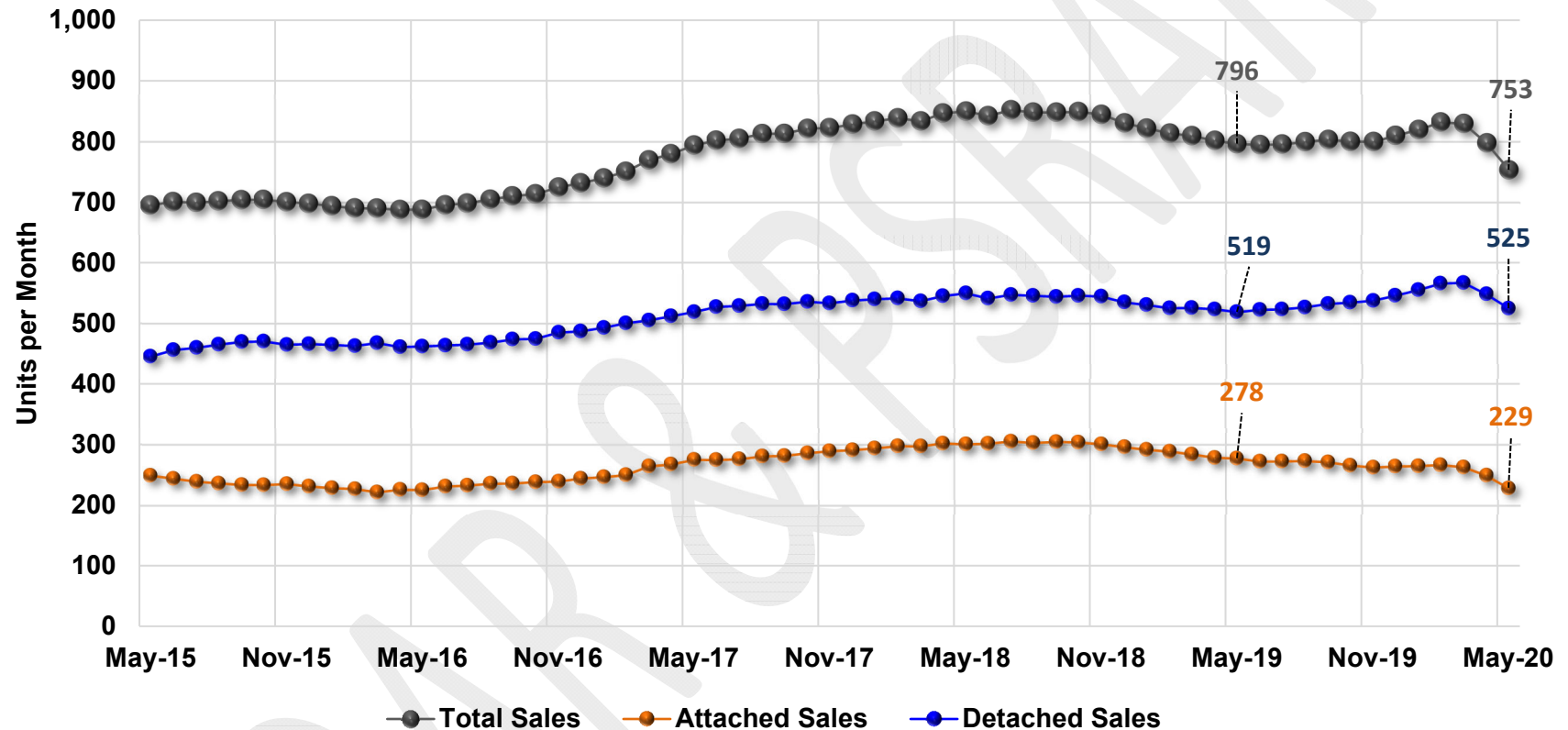


### Monthly Sales – 3-month trailing avg.

The sales decline due to the COVID-19 quarantine, which the accompanying COVID-19 report shows in detail, is finally beginning to show up in the monthly report. This is especially true in this chart, which shows average sales over the last three months. Total sales are now averaging 679 units a month versus 995 units a year ago, for 32% decline. The decline is greatest for attached homes where sales are down 44% compared to a sales decline for detached homes of 25%.

## Detached, Attached and Total Sales

12 month moving average

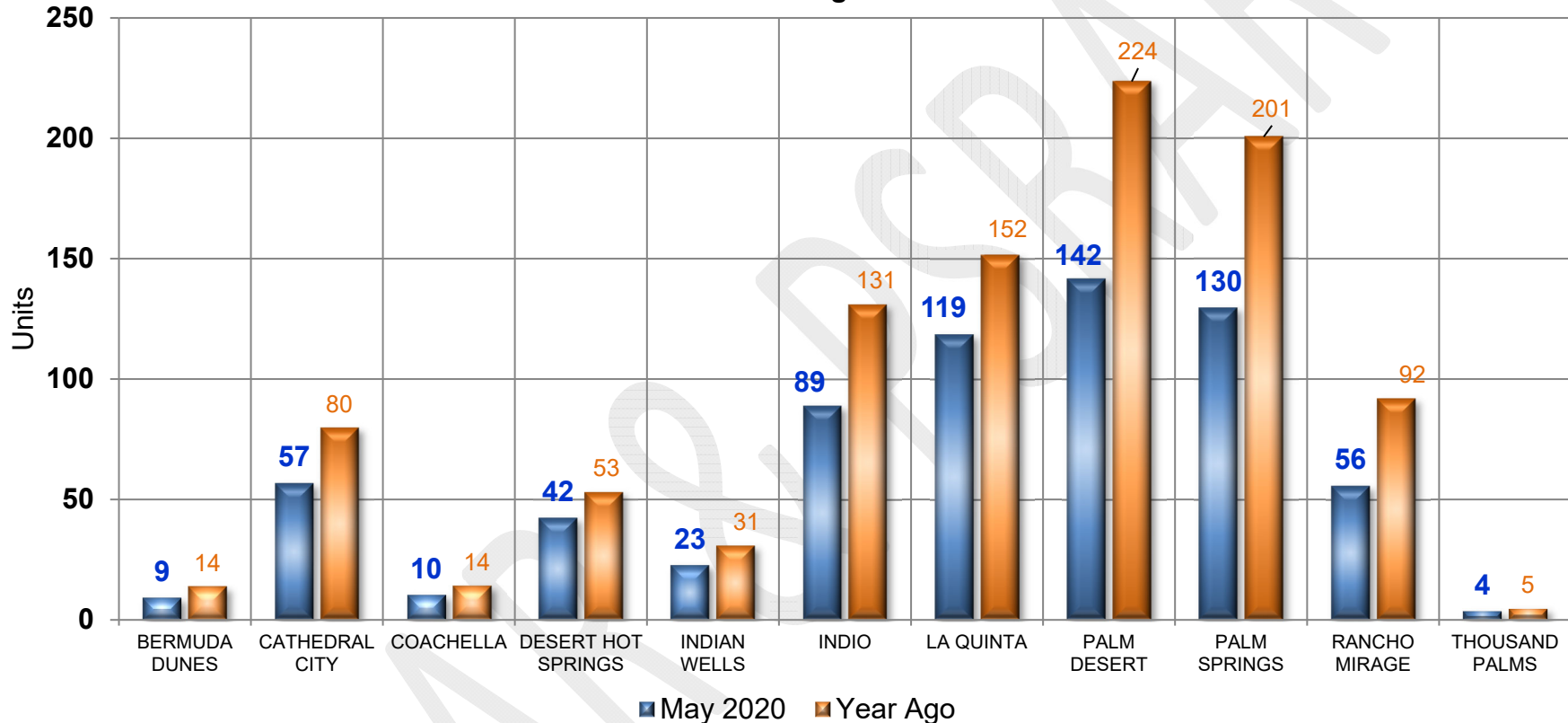


### Monthly Sales – 12-month trailing avg.

Sales averaged over the last 12 months are also beginning to show the effects of the quarantine due to the severe contraction of the recent numbers. The yearly average has gone from 796 units a month to 753, for decline of 5.4%. We can expect this declining trend in this metric to continue for at least another three months even as sales begin to pick up now that the quarantine is over. It must be remembered that the 12-month average shows the long-term trend and responds slower to changes on a shorter-term basis.

## Home Sales by City

3 month avg sales

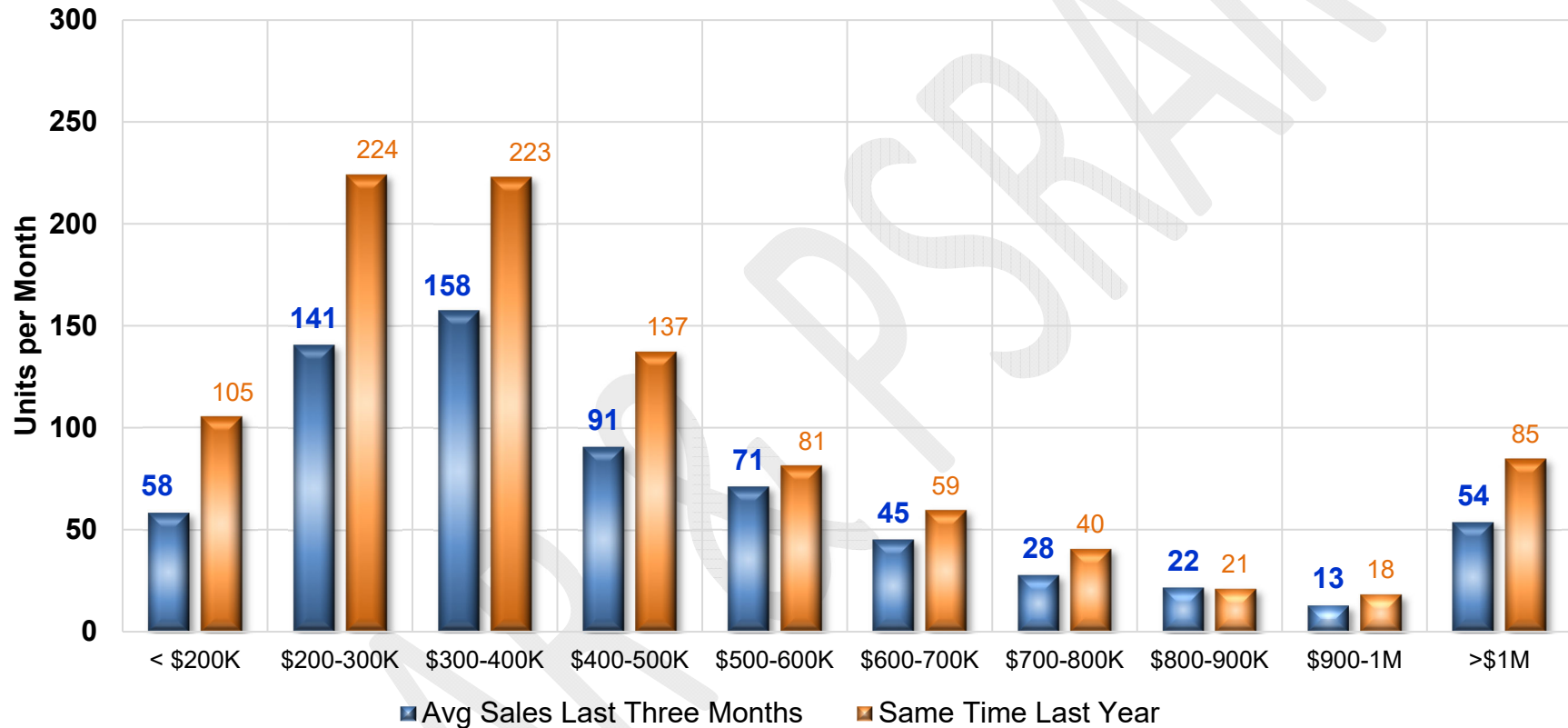


## Home Sales per month by City

This graph, which compares average three months sales in 11 cities to a year earlier, shows that the quarantine has had a greater effect in certain cities than others. The cities with the highest sales numbers - Palm Desert and Palm Springs - show sales declines of 36% and 35%, respectively. The city of Rancho Mirage has the highest sales decline of 39%. These statistics are due to the fact that these three cities have the largest condominium markets, which have been heavily affected by the quarantine.

## Home Sales by Price Range

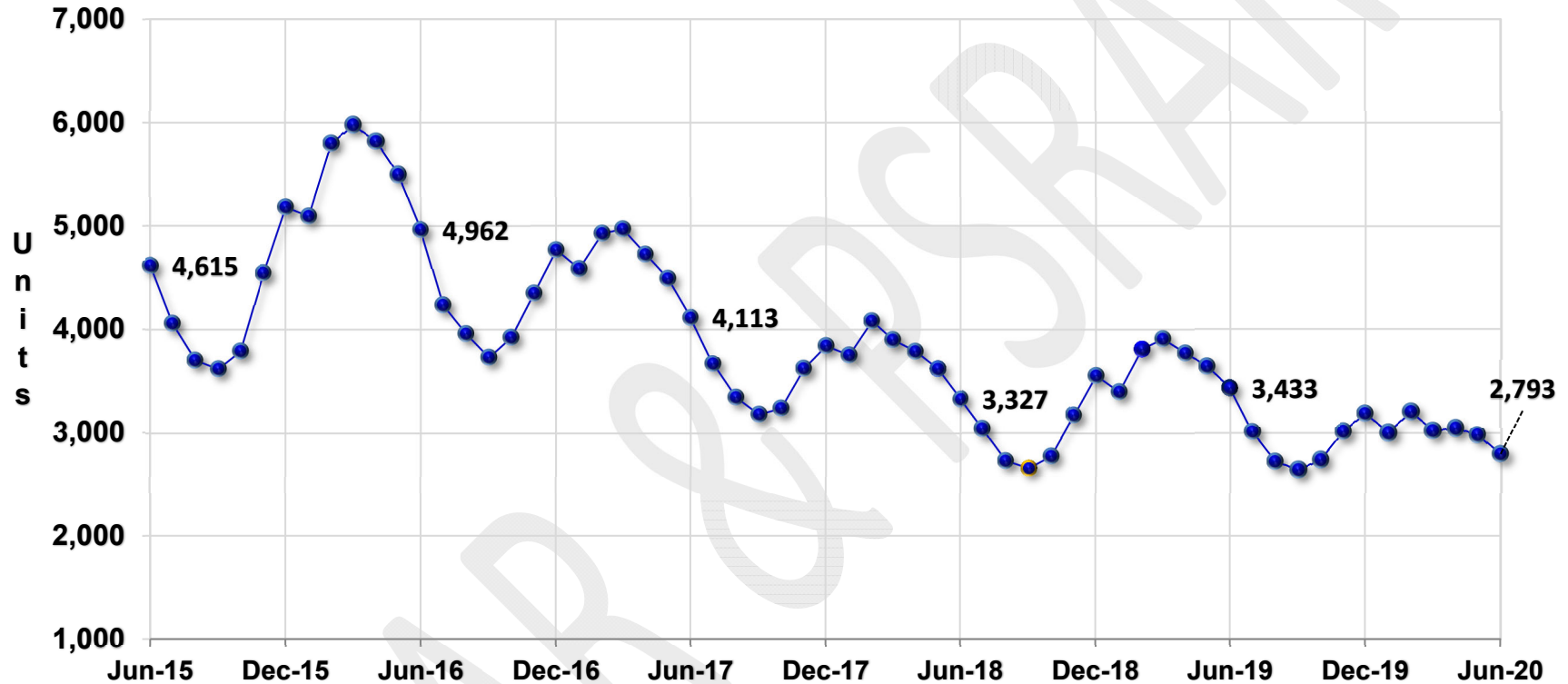
3 mos avg



## Home Sales by Price Range

When we measure sales growth in different price brackets, we find the largest declines in sales in lower priced homes, specifically homes priced under \$500,000. The reason for this is the same as the reason for the large decline in home sales of Palm Springs and Palm Desert – the decline in attached home sales. Attached homes and condominiums are generally in the lower-price brackets.

## Valley Housing Inventory



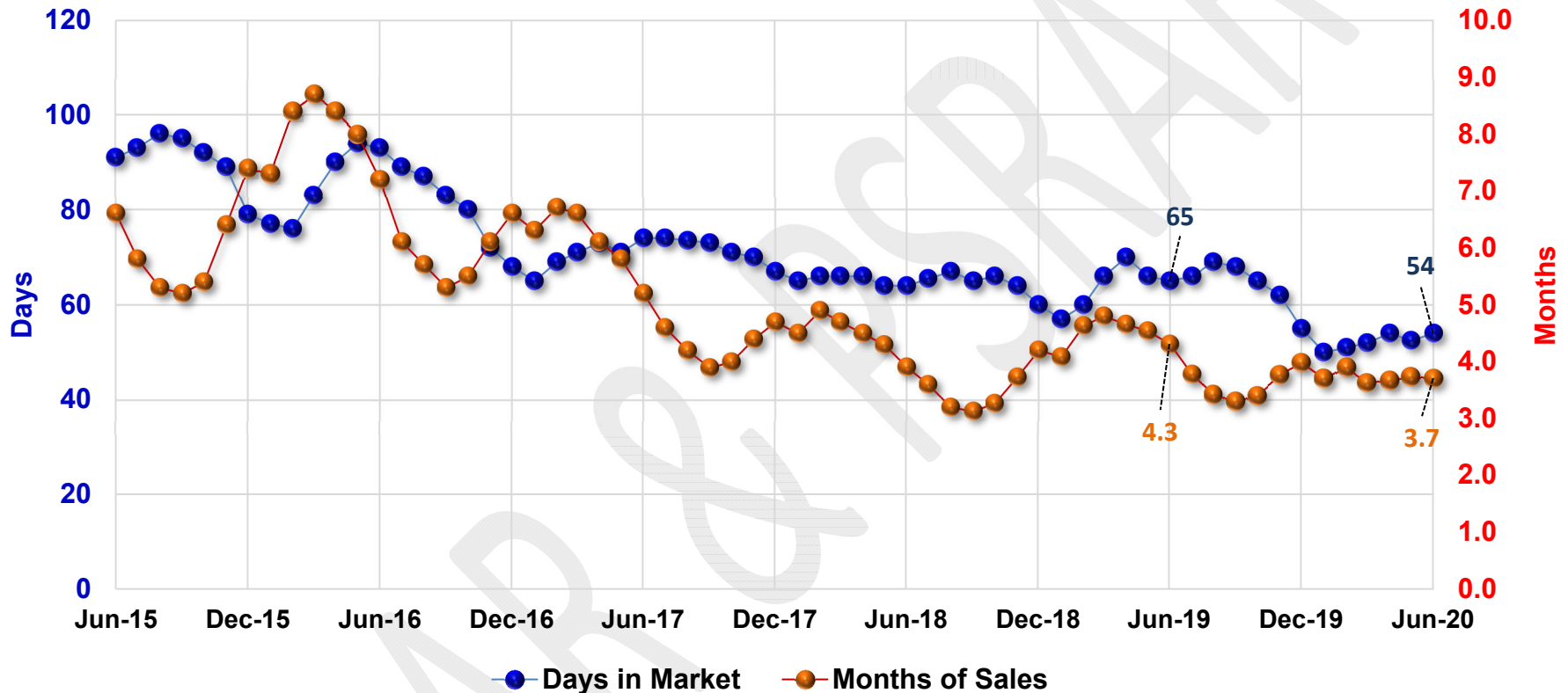
### Coachella Valley Inventory

Inventory continues to be extremely low even in the face of the quarantine. On June 1st inventory was 2,790 units, which is 640 units less than last year. Because of seasonal factors you must always compare inventory against numbers at the same time in previous years, so we've indicated on the graph the June 1st inventory numbers going back to 2015. Current inventory is the lowest number in this period. We find it difficult to imagine inventory going below levels reached over the last year.



## Days in the Market & Months of Sales

June 1st 2015 - June 1st 2020

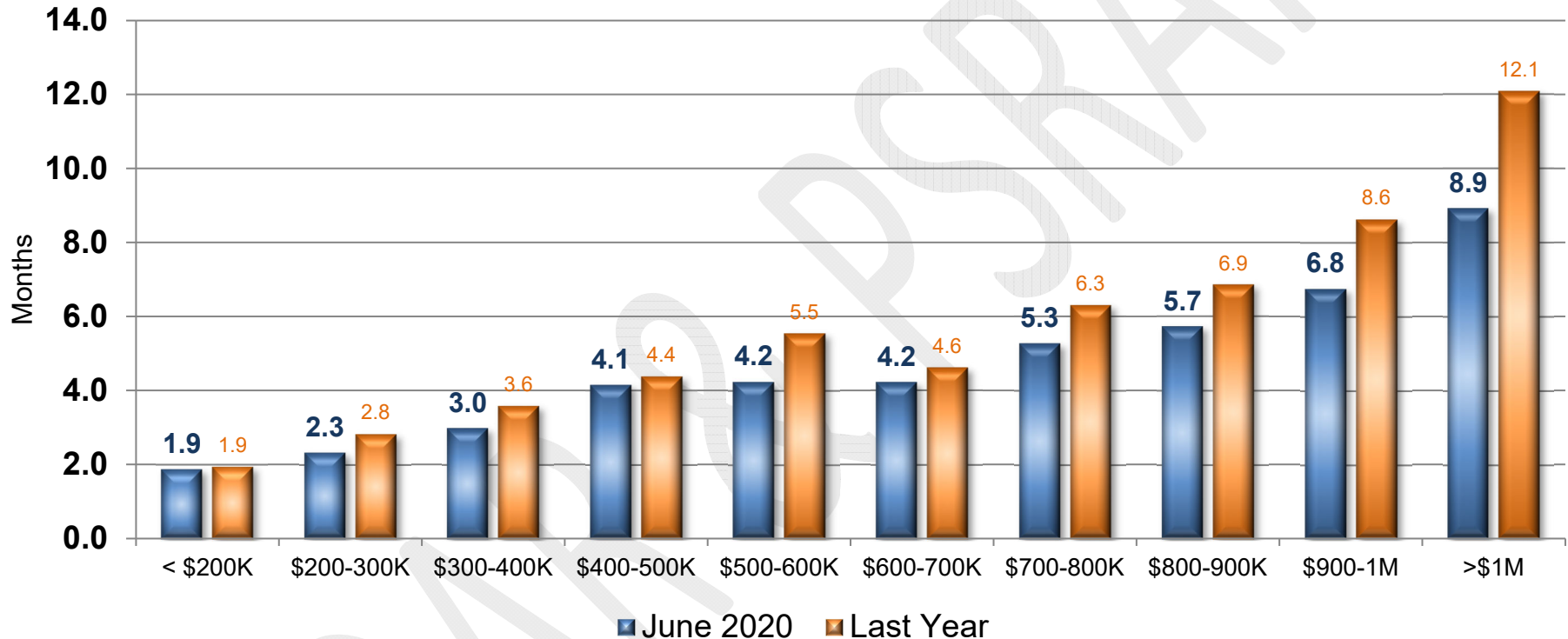


### “Days in the Market” and “Months of Sales”

On June 1<sup>st</sup>, the “Months of Sales” ratio was 3.7 months, .6 months less than last June. This ratio is calculated by taking inventory and dividing it by the average sales rate over the last 12 months. While sales have declined because of the quarantine, inventory has declined even more, thereby producing this lower ratio. According to this important metric the housing market in the Valley continues to show internal strength. The median value of “days in the market” is 54 days, which is one of the lowest readings in the last five years.

## "Months of Sales" by Price Range

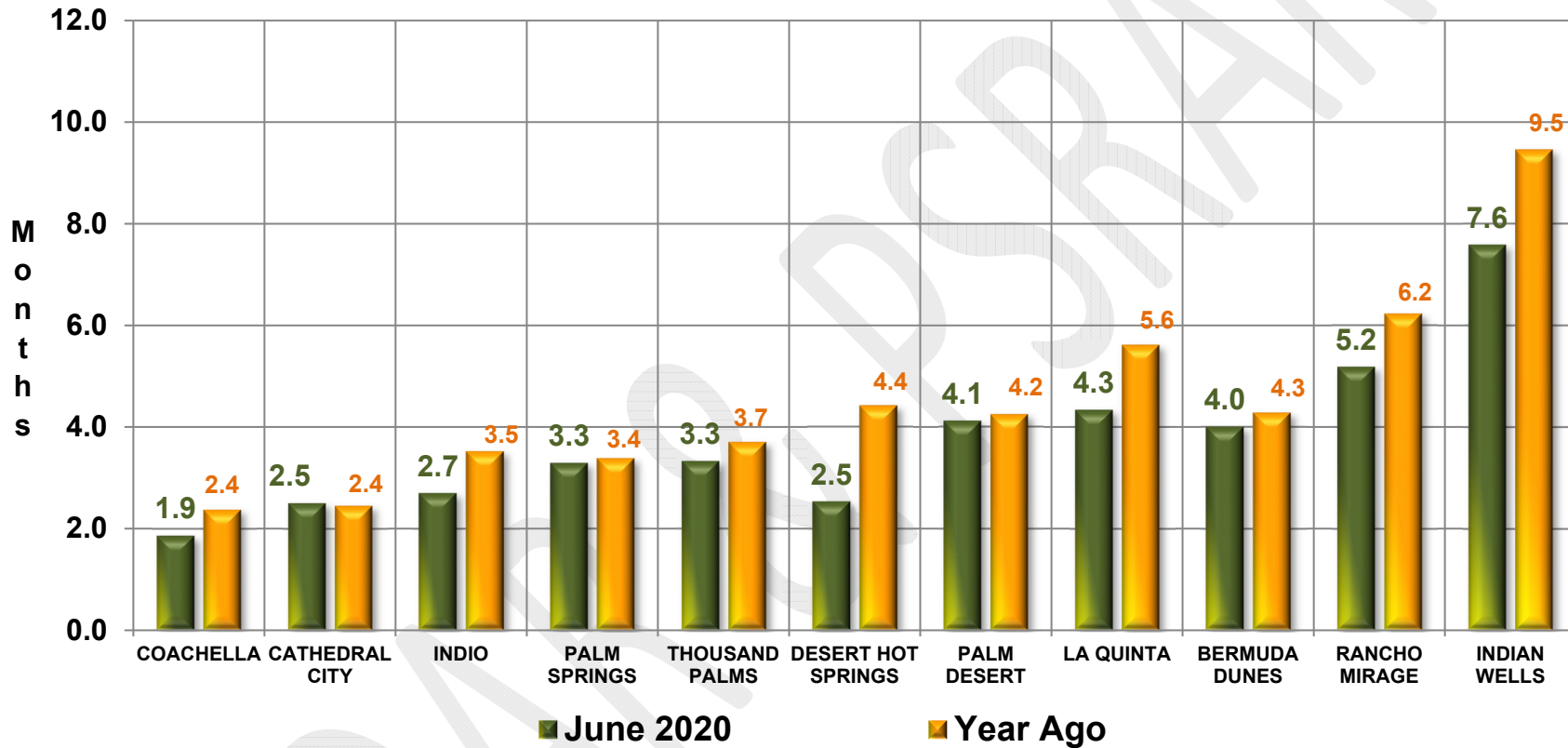
uses avg. twelve month sales  
May 1st 2020



## "Months of Sales" by Price Range

We continue to see strong improvement in the month of sales ratio compared to last year in all the price brackets from \$200,000 over a million dollars. The ratio continues to be considerably lower in every price bracket, especially the million-dollar and over range, when compared to a year ago.

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

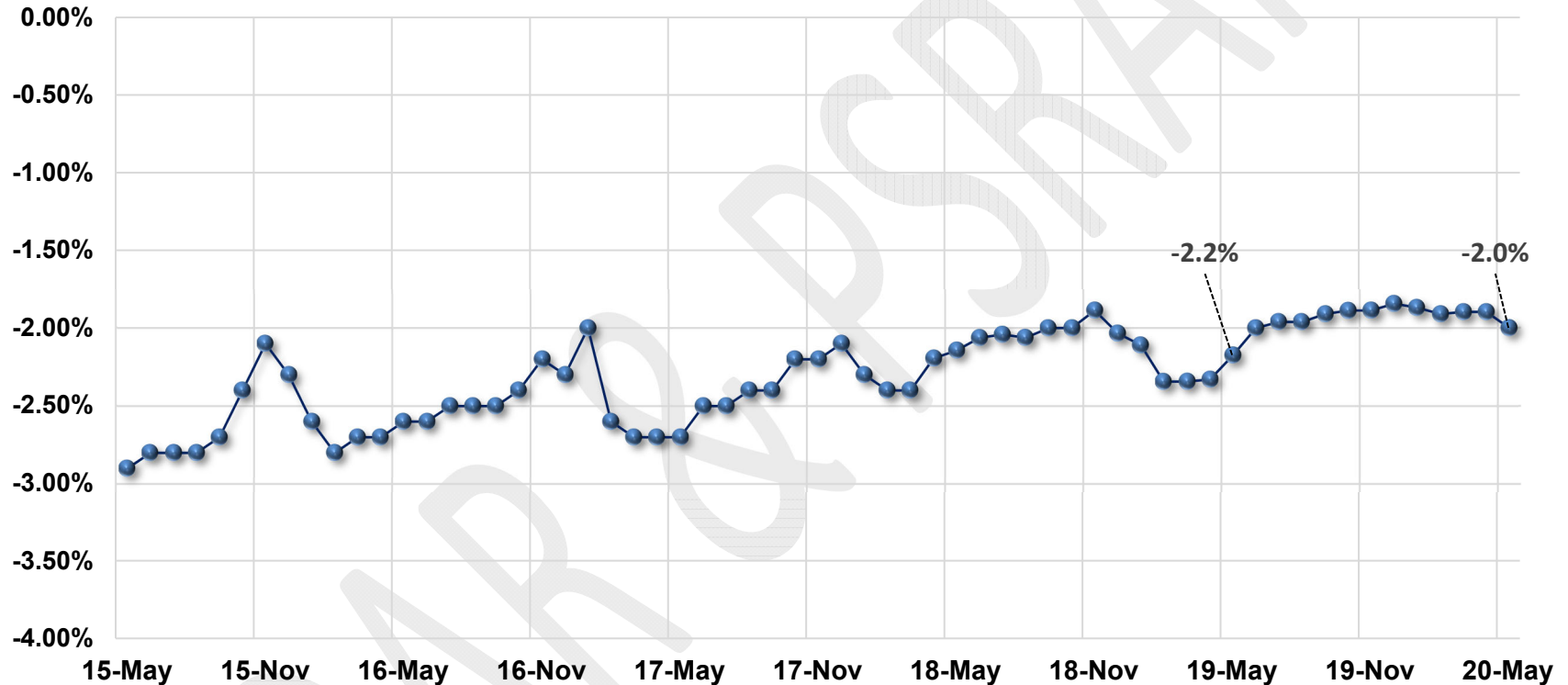


## "Months of Sales" by City

On June 1<sup>st</sup>, the "months of sales" ratio in ten of the Valley's eleven cities showed improvement compared to a year ago. Only Cathedral City showed a slightly higher ratio of 2.5 months compared to 2.4 a year ago.

## Sales Price Discount from List

May 2015 to May 2020



### Sale Price Discount from List

The May median value for “Sale Price Discount from List” was -2.0%, which is .2% less than a year ago. The current reading implies that an average home in the region offered at \$400,000 sold for \$392,000.



# The Desert Housing Report

May 2020



## 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