



# The COVID-19 Desert Real Estate Report

May 15th, 2020

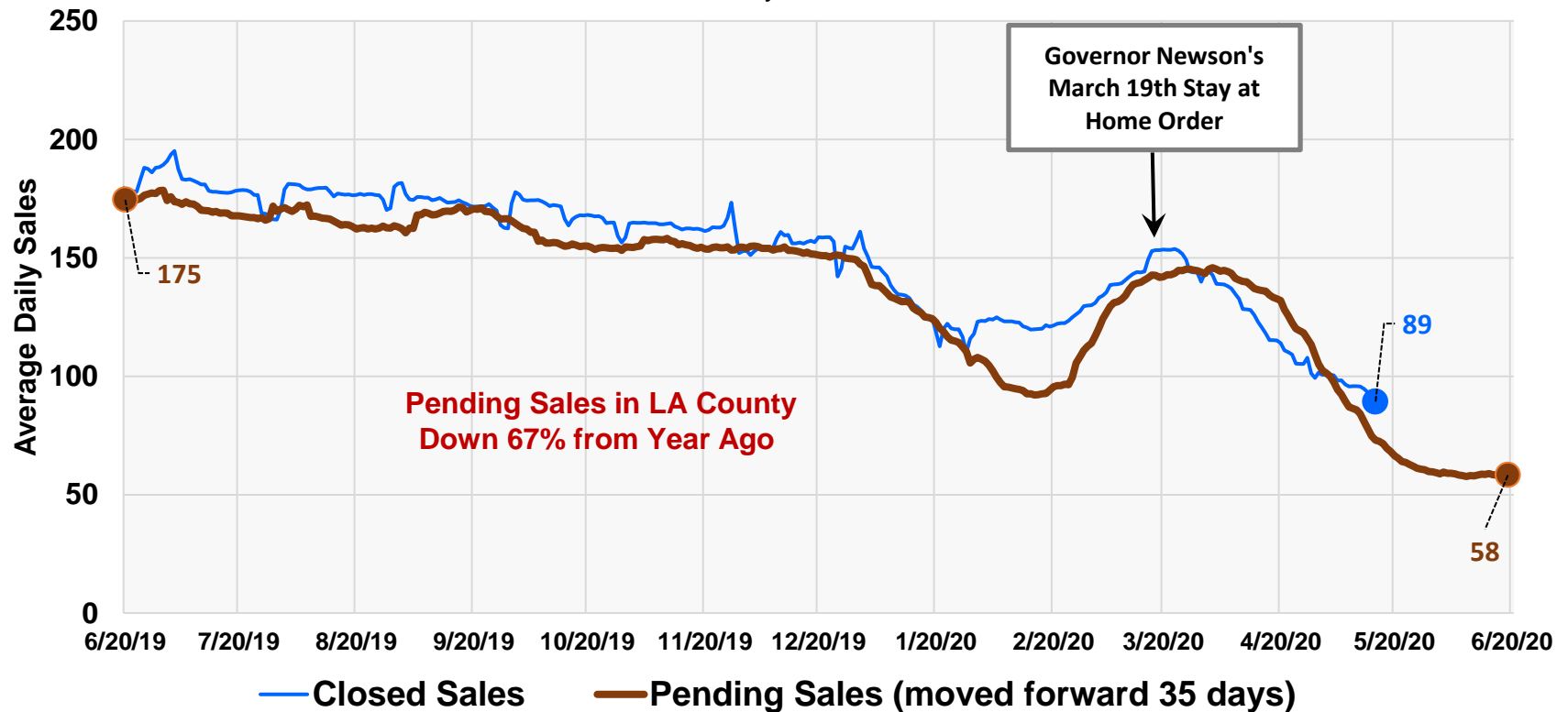


The COVID-19 Desert Real Estate Report is supplemental to the monthly Desert Housing report. It was recognized that a standard housing report would be insufficient to describe the rapidly changing market conditions due to the Coronavirus and general quarantine, so shorter-term housing metrics were developed that we believe indicate changing market conditions on a daily basis. They're based on a 28-day average. A full explanation behind these shorter metrics is found on the last page.

All calculations are made from MLS data available at the time of the calculation as there is no way to allow for a slow response time of some agents to update the status of a listed home. Because of this, summary sales calculations made today may differ from the same summary calculation made later.

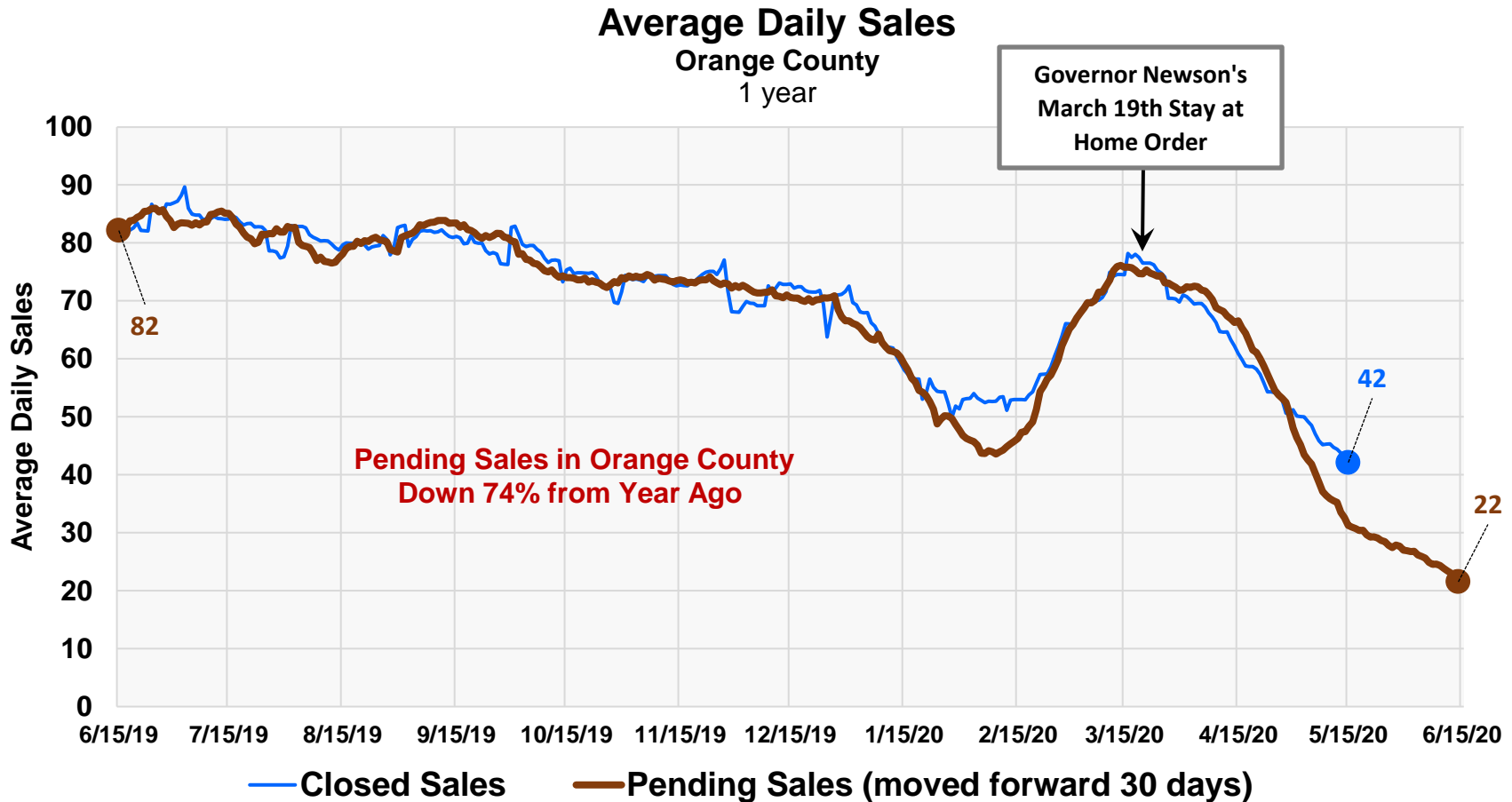
Market Watch LLC

## Average Daily Sales Los Angeles County 1 year



### L.A. County Sales

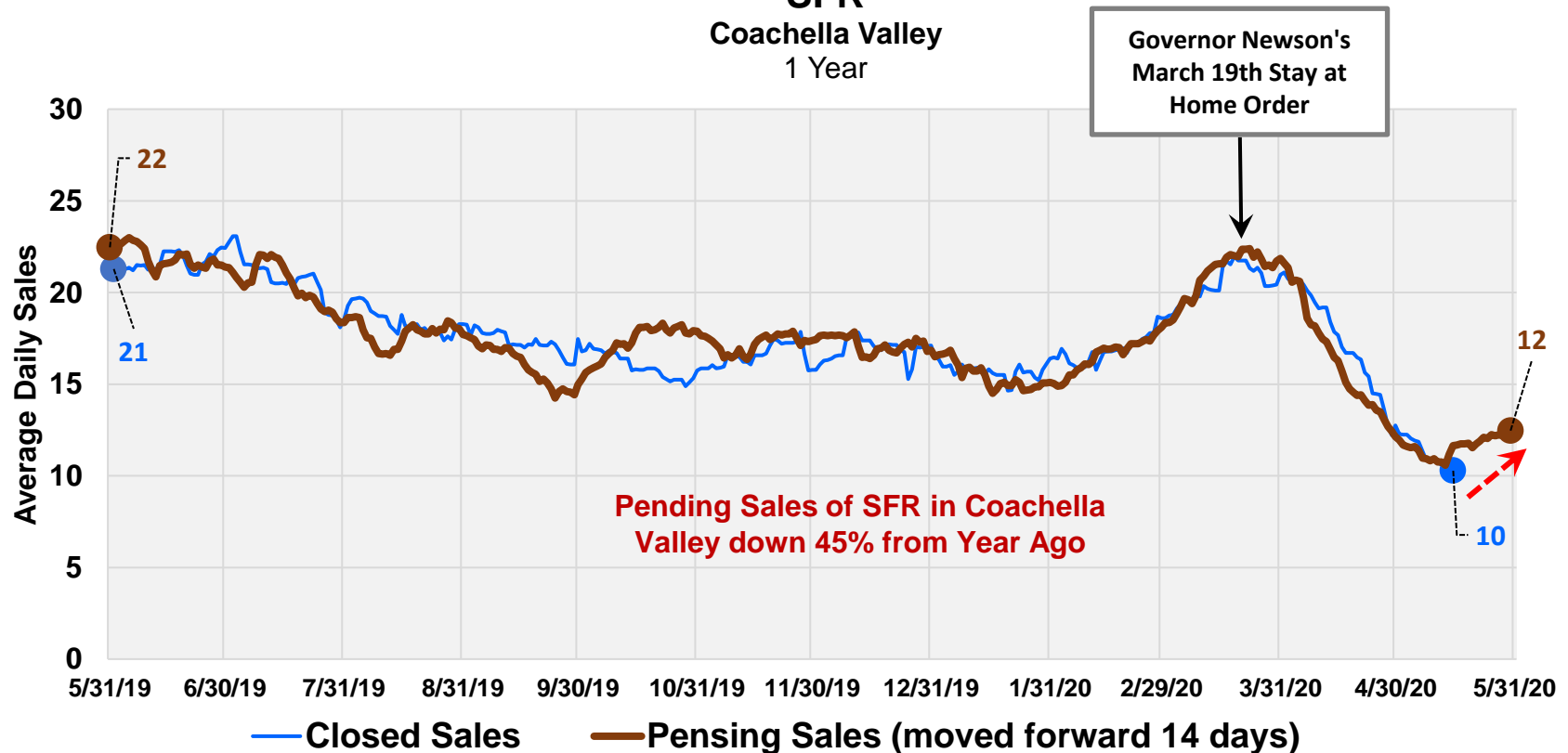
*This chart shows total average closed and pending sales per day in Los Angeles County. This and the next page are included to show you how other real estate markets in Southern California are doing. Pending sales (homes in escrow) is a precursor to final or close sales. The average escrow time in Los Angeles County is 35 days so by moving pending sales forward on the chart 35 days, we have an estimate of where closed sales will be in 35 days. Currently closed sales are averaging 89 units per day, while pending sales are averaging 58 units. This means average daily closed sales will probably fall another 31 units a day by June 20<sup>th</sup>. Sales of 58 units a days is 67% less than a year ago. The pending sales curve is obviously flattening out, which is encouraging.*



## Orange County Sales

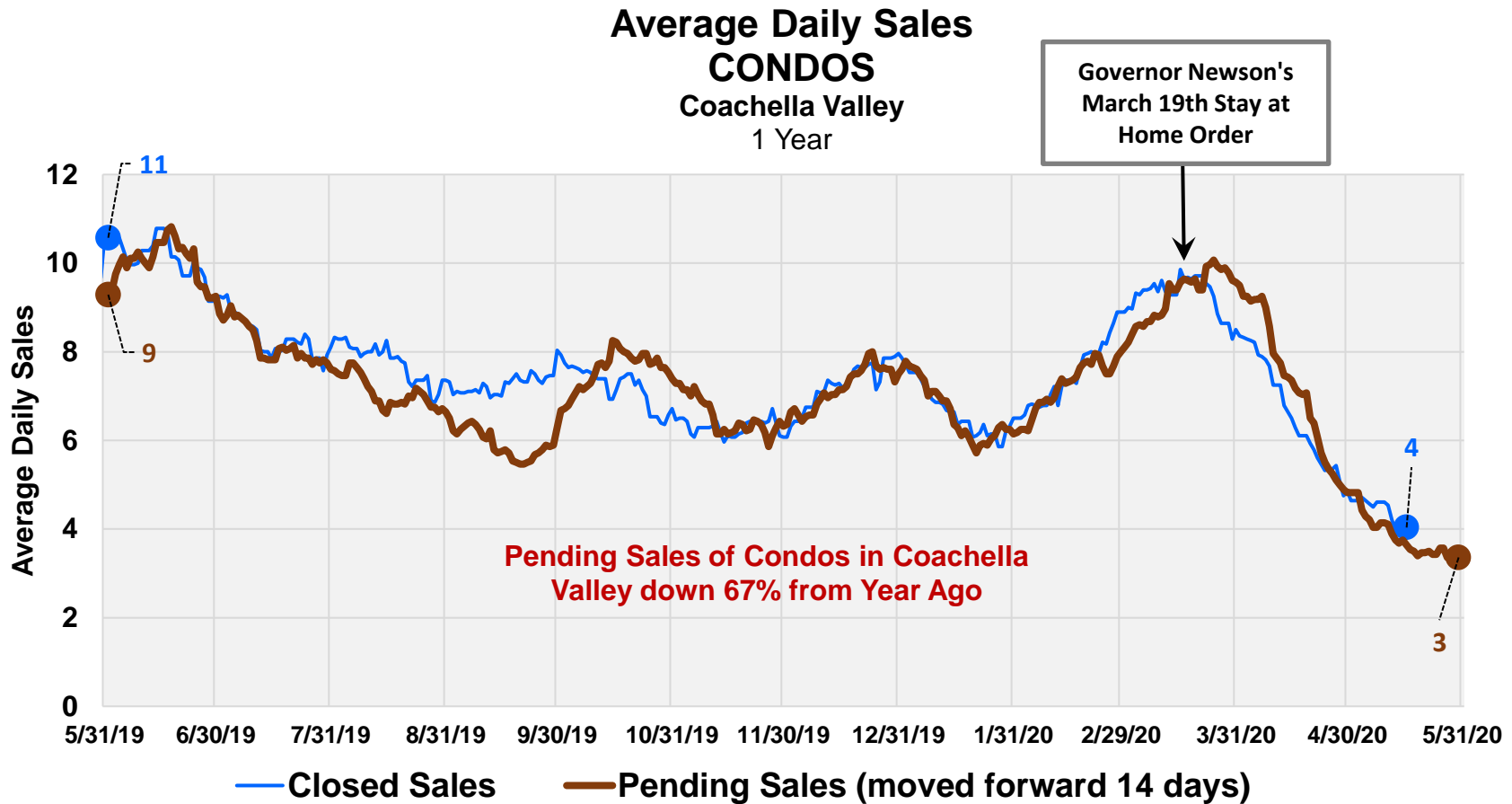
*This is the same sales chart as the previous page but for Orange County. Orange County averages 30 days in escrow so pending sales are moved forward 30 days. Closed sales are currently averaging 42 units a day while pending sales are averaging 22. This tells us where closed sales will be in about thirty days. A year ago pending sales were averaging 82 units a day. Twenty-two units represents a 74% decline from a year ago.*

## Average Daily Sales SFR Coachella Valley 1 Year



## Average Daily SFR Sales

*This is the same sales chart as the previous two, but for the Coachella Valley, specifically sales of single-family residences. In the Coachella Valley escrow averages 14 days, which is far shorter than Orange County and LA County, so we move pending sales forward 14 days. Pending sales are currently averaging 12 units a day compared to 22 units a year ago. That's a sales decline of 45%, which is less than the other two regions. The chart clearly shows (red arrow) that pending sales have been slowly rising now for about three weeks.*



### Average Daily Condo Sales

*This chart shows average closed and pending sales in the Coachella Valley for condominiums. It very graphically shows that the coronavirus quarantine has affected the condo market more than single-family residences. Average pending sales of condos, at three units a day, are down 67% from a year ago. However, the chart appears to show sales forming a base at current levels.*



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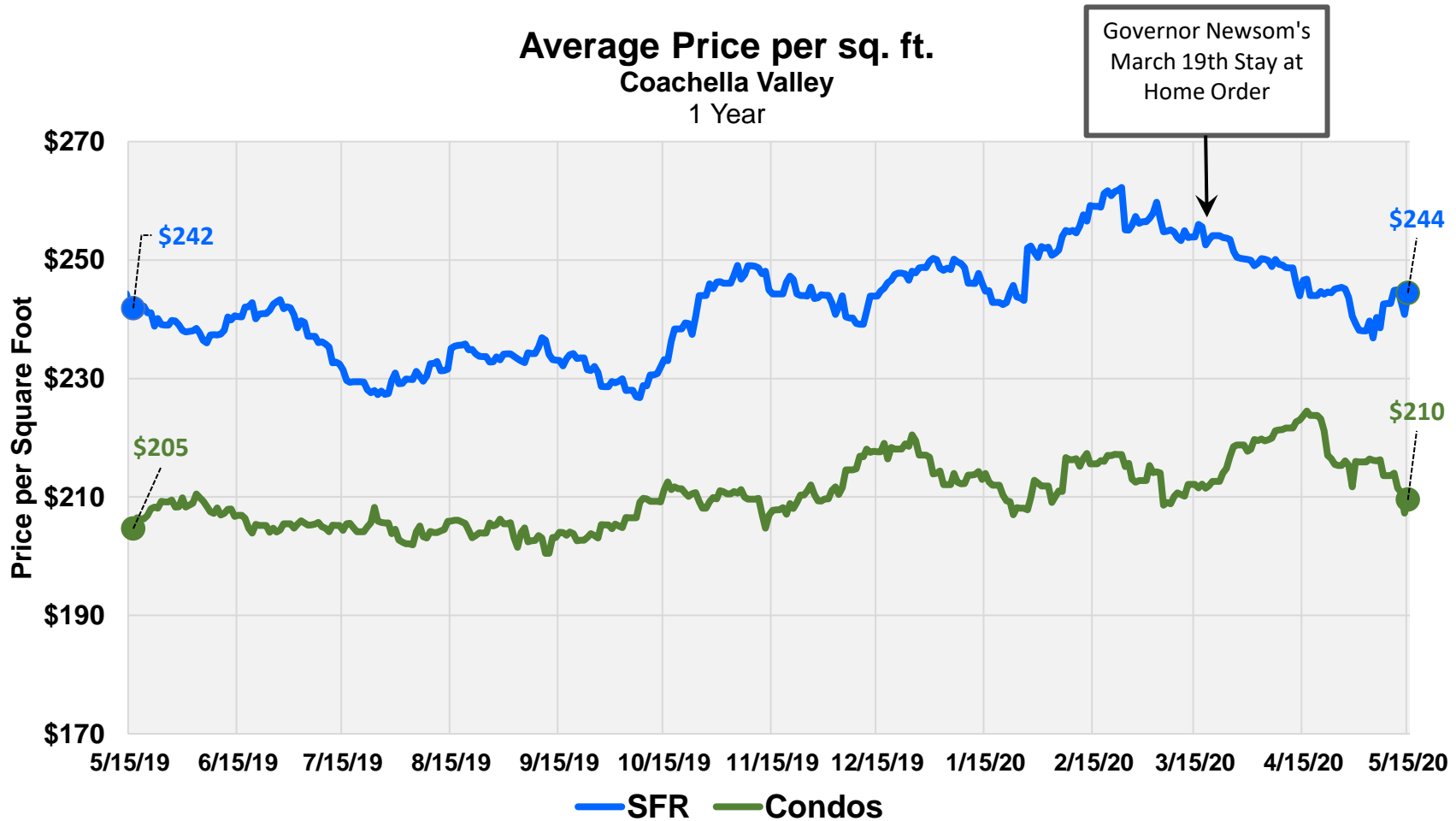


## Average Weekly Pending Sales by City

	SFR			CONDO			ALL HOMES		
	May 15th	Year Ago	%Change	May 15th	Year Ago	%Change	May 15th	Year Ago	%Change
Cathedral City	10	16	-35.5%	1	5	-72.2%	11	19	-41.6%
City of Coachella	3	3	8.3%	0	0	N/A	3	3	8.3%
Desert Hot Springs	7	15	-54.1%	1	1	N/A	8	15	-48.3%
Indian Wells	3	7	-59.3%	1	1	N/A	4	6	-40.0%
Indio	19	31	-40.0%	1	1	-40.0%	20	34	-43.1%
La Quinta	15	24	-38.3%	4	4	-12.5%	18	32	-42.9%
Palm Desert	14	29	-53.4%	5	24	-79.2%	19	51	-63.9%
Palm Springs	11	21	-48.8%	8	21	-62.4%	19	49	-61.3%
Rancho Mirage	7	13	-47.1%	4	9	-58.8%	10	21	-50.0%
<b>CV TOTAL</b>	<b>87</b>	<b>158</b>	<b>-44.8%</b>	<b>24</b>	<b>65</b>	<b>-63.8%</b>	<b>113</b>	<b>226</b>	<b>-50.1%</b>

## Weekly Sales and Daily Pending Sales by City

*This table shows average pending sales per week for single-family residences, condominiums, and all homes in the nine regional cities. The cities of Palm Desert, Palm Springs, and Rancho Mirage continue show the biggest effect on sales due to the virus. This is again especially true of condominiums. Both Palm Springs and Palm Desert show over 60% declines in total weekly pending sales compared to a year ago.*



### Average Price per sq. ft. by Home Type

*This chart plots the daily average price per square foot for both single-family residences and condos in the Coachella Valley. Single-family residences are the blue line, and condos are the green line. The chart continues to show little, if any, effect on prices since the quarantine went into effect in either market. For the year, the price per square foot of single-family residences is now up .8% while the price per square foot of condominiums is up to 2.4%.*



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### Average Price per sq. ft. by City

	SFR					CONDO				
	May 15th	Year Ago	% Change	March 19th	% Change	May 15th	Year Ago	% Change	March 19th	% Change
<b>Cathedral City</b>	<b>\$208</b>	\$199	4.2%	\$212	-2.1%	<b>\$163</b>	\$162	1.0%	\$153	7.0%
<b>City of Coachella</b>	<b>\$143</b>	\$154	-7.0%	\$177	-19.1%	<b>N/A</b>	N/A	N/A	N/A	N/A
<b>Desert Hot Springs</b>	<b>\$149</b>	\$147	0.8%	\$161	-7.9%	<b>N/A</b>	N/A	N/A	N/A	N/A
<b>Indian Wells</b>	<b>\$276</b>	\$398	-30.7%	\$302	-8.9%	<b>\$198</b>	\$186	6.6%	\$216	-8.2%
<b>Indio</b>	<b>\$188</b>	\$180	4.7%	\$193	-2.6%	<b>\$133</b>	\$158	-16.0%	\$166	-19.8%
<b>La Quinta</b>	<b>\$280</b>	\$272	3.0%	\$275	1.8%	<b>\$219</b>	\$208	5.2%	\$228	-3.9%
<b>Palm Desert</b>	<b>\$243</b>	\$236	2.9%	\$256	-5.1%	<b>\$213</b>	\$209	1.6%	\$207	2.9%
<b>Palm Springs</b>	<b>\$382</b>	\$346	10.3%	\$376	1.6%	<b>\$234</b>	\$219	6.6%	\$236	-0.7%
<b>Rancho Mirage</b>	<b>\$222</b>	\$271	-18.1%	\$276	-19.5%	<b>\$180</b>	\$197	-8.4%	\$209	-13.6%
<b>Coachella Valley</b>	<b>\$244</b>	<b>\$242</b>	<b>0.8%</b>	<b>\$253</b>	<b>-3.6%</b>	<b>\$210</b>	<b>\$205</b>	<b>2.5%</b>	<b>\$212</b>	<b>-1.1%</b>

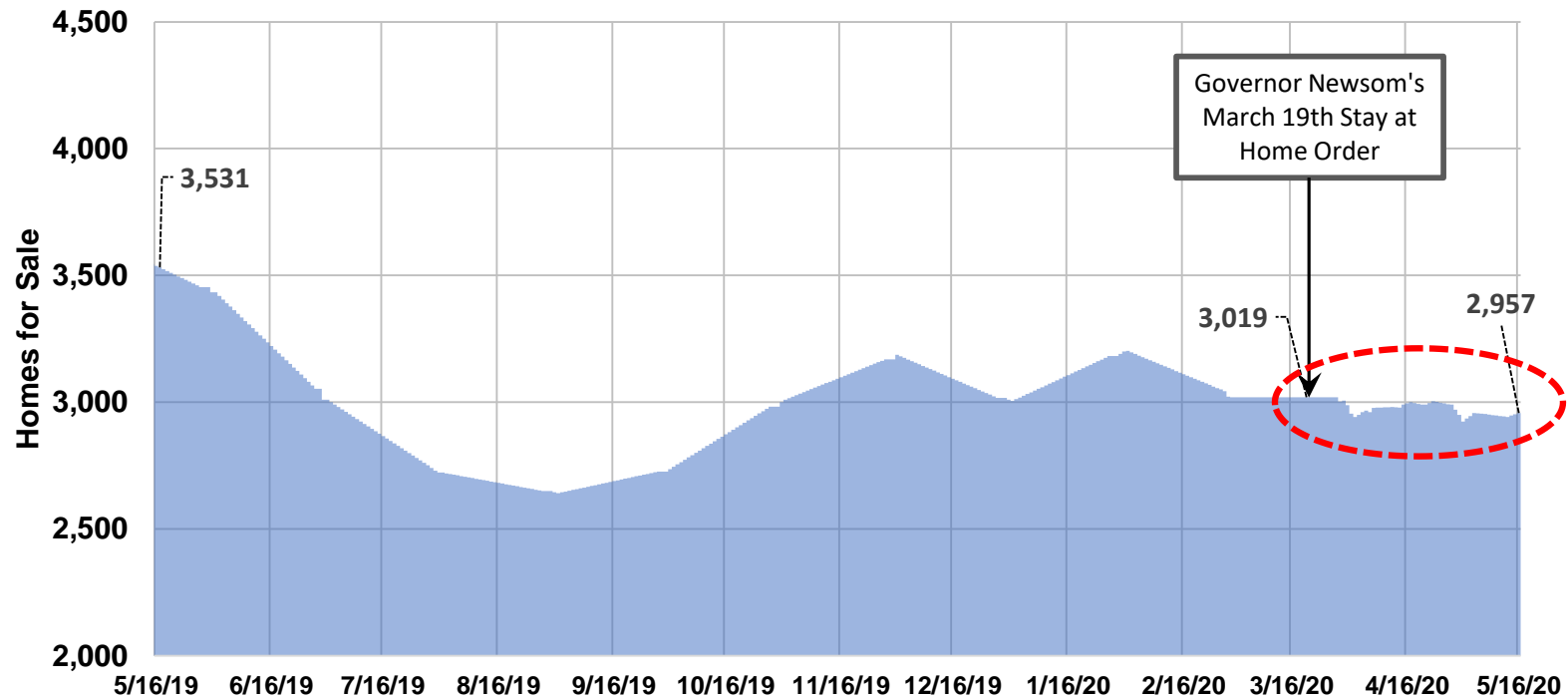
### Average Price per sq. ft. by City

*This table shows current price per square foot, the price per square foot a year ago, and the price per square foot on March 19 by city for both single-family residences and condominiums. It does seem to show a small effect on prices from the quarantine on single-family residences. However, some of this is probably due to the downward seasonal price pattern that usually begins around May. Since March 19 seven cities are lower, while two cities are higher. The regional average for SFR's is down 3.6%.*



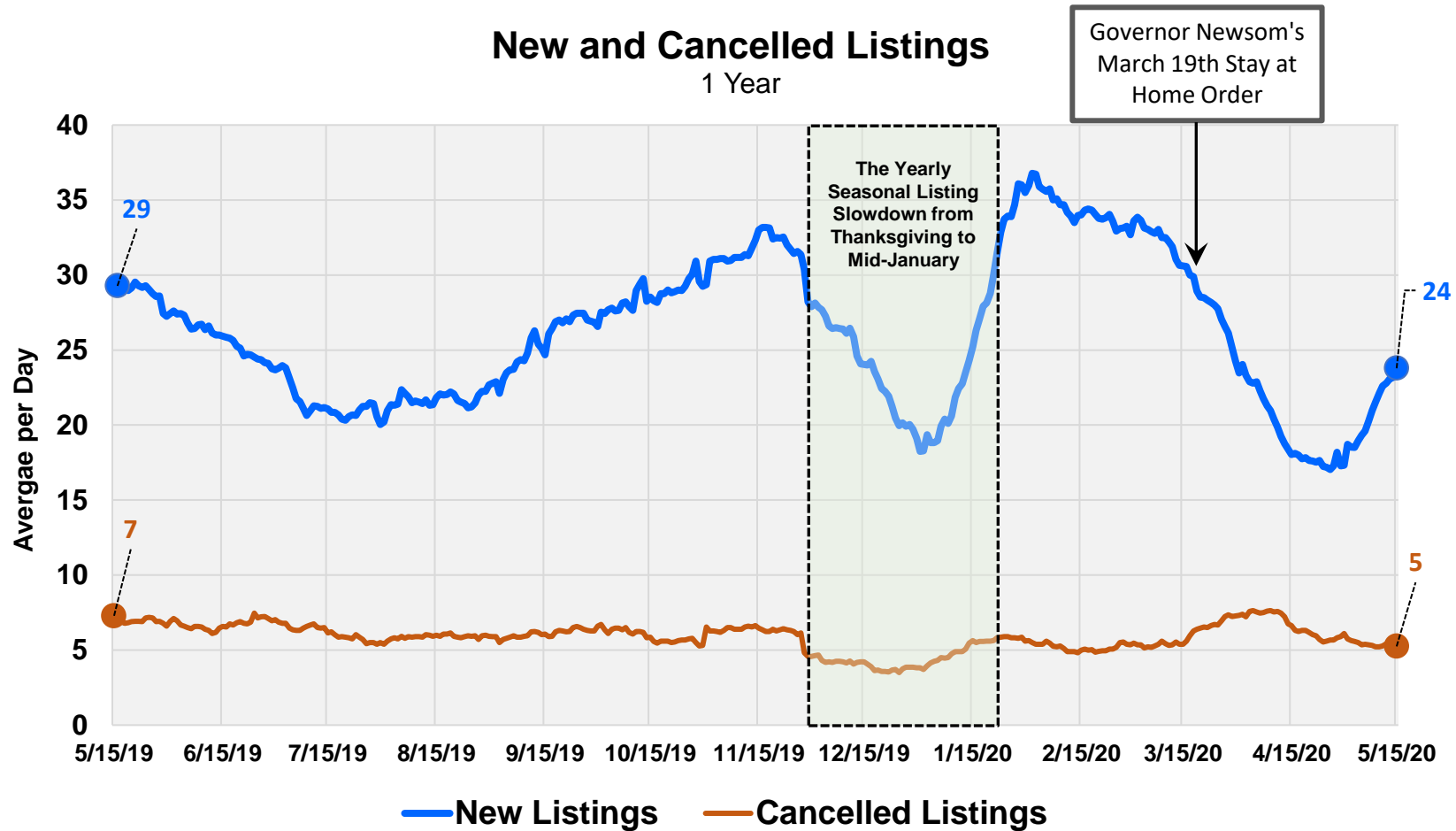
## Daily Inventory

Coachella Valley  
1 Year



### Daily Inventory

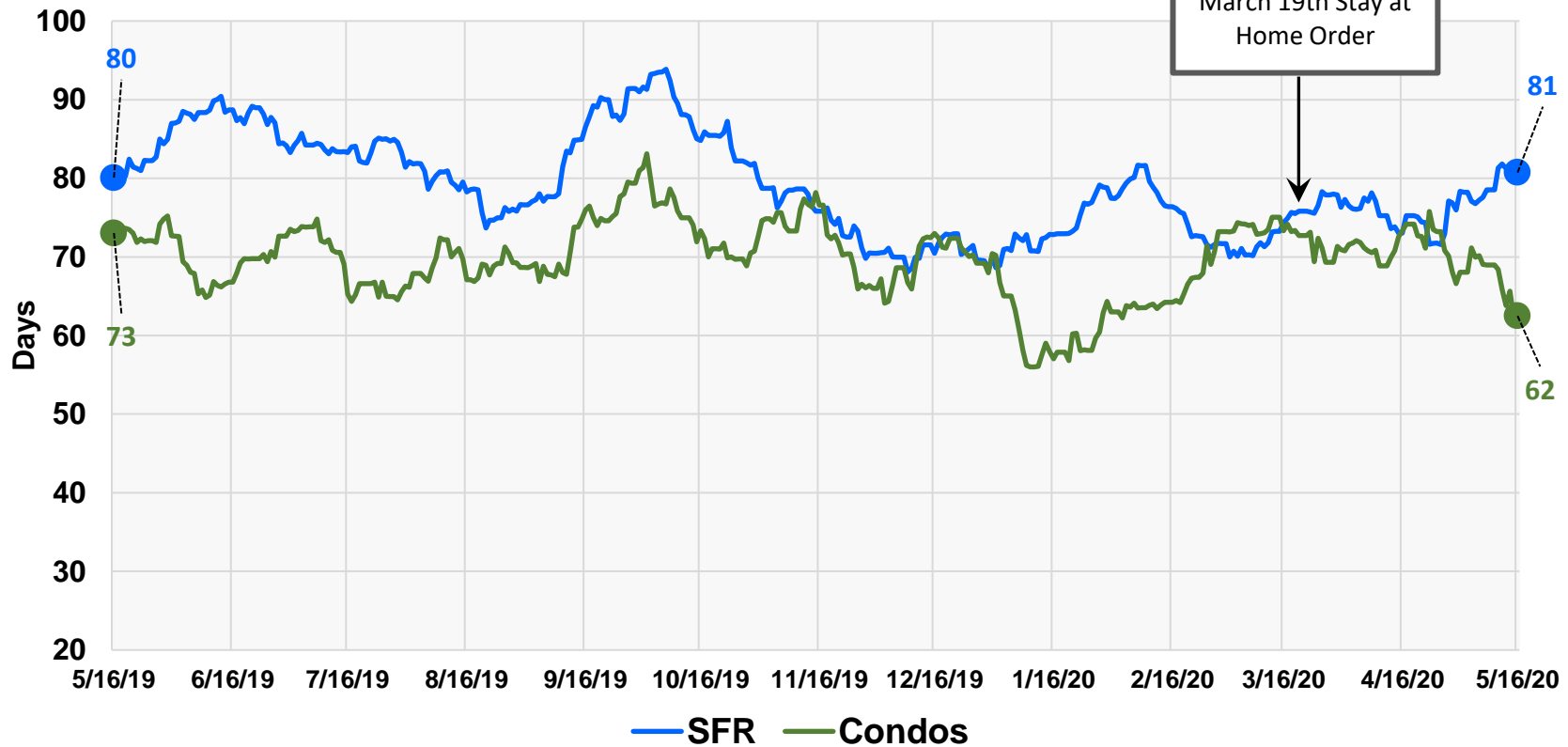
*We began keeping daily inventory numbers over a month ago, thinking that at some point that would be valuable during the crisis. This chart plots one year of daily inventory, and as of May 15th it was 2,957 units. A year ago it was 3,531. At the beginning of the March 19<sup>th</sup> quarantine it was 3,019 units. This shows a slight decline since the quarantine. Inventory has been hovering around 3,000 units for the last three months (red oval).*



## New and Cancelled Listings

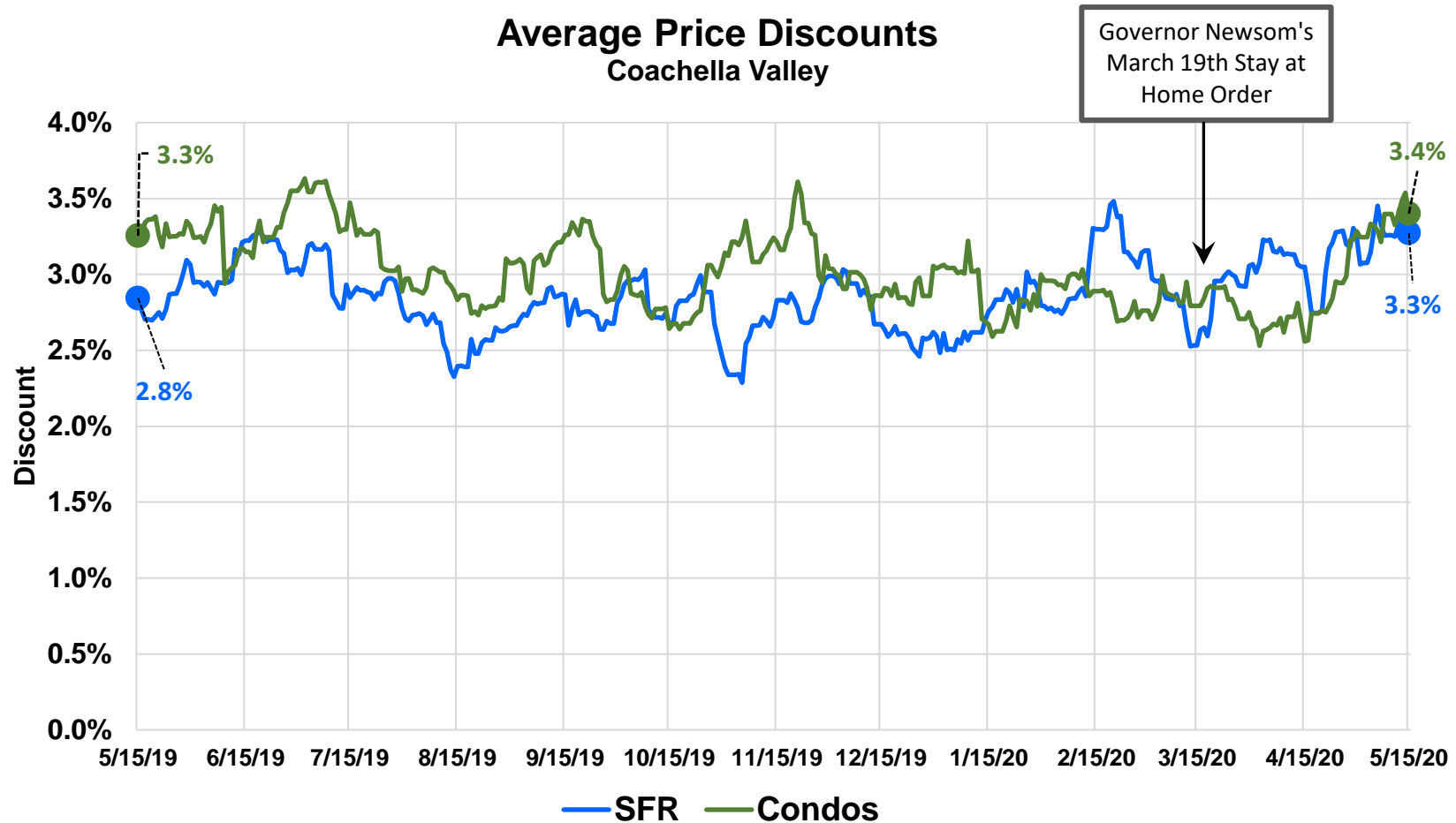
*This graph plots average daily new listings and average cancelled listings for the Coachella Valley. It is comprised of both single-family residences and condominiums. Average daily new listings have been rising for three weeks and are now up to 24 units a day. This is 17% below last year. This graph also shows a seasonal event; the falloff in new listings between Thanksgiving and the first few weeks of New Year's.*

## Average "Days in the Market" Coachella Valley



### Average "Days in the Market" – Closed Sales

*This chart shows the average number of "days in the market" for closed sales since the quarantine and over the entire year. Both metrics are well contained. Average days for single family residences is 81, which is one day more than twelve months ago. Days for condominiums are down eleven days from last year.*



### Average Price Discounts

*This chart graphs average selling discounts for both single family residences and condominiums. Although the two curves show normal oscillations, both are well contained. Single family residences are averaging price discounts of 3.4% compared to 3.3% a year ago. Condominiums are averaging 3.3% versus 2.8% last year.*



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## Definitions and Glossary

**The 28 Day Moving Average:** To measure the effects of the coronavirus and quarantine on the housing market, normal housing metrics wouldn't work; they're too long term. We needed metrics that would show short-term sales and price changes, but be long enough to produce reliable numbers. We decided to use a 28-day moving average. We average sales and prices over the last 28 days and do it every day. When a new day arrives, prices and sales from that day are included and the last day is dropped out of the average. That's why it's called a moving average; the average is always moving forward in time. All our charts and tables show either daily or weekly averages, averaged over the last 28 days.

**Pending and Closed Sales:** Until now we have not found much value in looking at pending sales; we've always calculated and displayed closed sales. Pending sales are sales currently in escrow waiting to be closed. In the Coachella Valley the median number of days in escrow is 14. This is very short compared to other regions. The median number of days in Los Angeles County is 35; in Orange County it's 30 days. The primary reason for the shorter period is because the Coachella Valley has a high percentage of cash sales and cash sales have very short escrow periods.

However, during an extended quarantine the value of looking at pending sales emerges. That's because a potential sale goes to pending about 14 days before it closes and since we're interested in what's happening short-term, pending sales becomes the perfect forecasting tool. Pending sales indicate where closed sales will be in about two weeks, so all sales metrics that we show in this crisis report will be pending sales.

**The Coachella Valley Average Price per sq. ft., Average "Days in the Market" and Average Price Discounts:** We've developed a unique way to calculate an average price, average "days in the market" and average price discount for the Coachella Valley region, which we believe is very accurate. Average values for these three metrics is calculated for each city, and then a sales weighted total is calculated for the entire region. It is similar to the way the 500 stocks that make up the S&P 500 come together to make one price index. The city weightings in these regional composites are as follows:

	SFR	CONDOS
Cathedral City	8.9%	7.1%
Coachella	2.8%	0.0%
Desert Hot Springs	8.9%	0.0%
Indian Wells	3.1%	2.7%
Indio	18.6%	3.0%
La Quinta	18.2%	8.5%
Palm Desert	16.9%	31.4%
Palm Springs	14.3%	35.8%
Rancho Mirage	8.3%	10.5%

To contact Market Watch LLC  
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