



## The COVID-19 Desert Real Estate Report May 31st, 2020

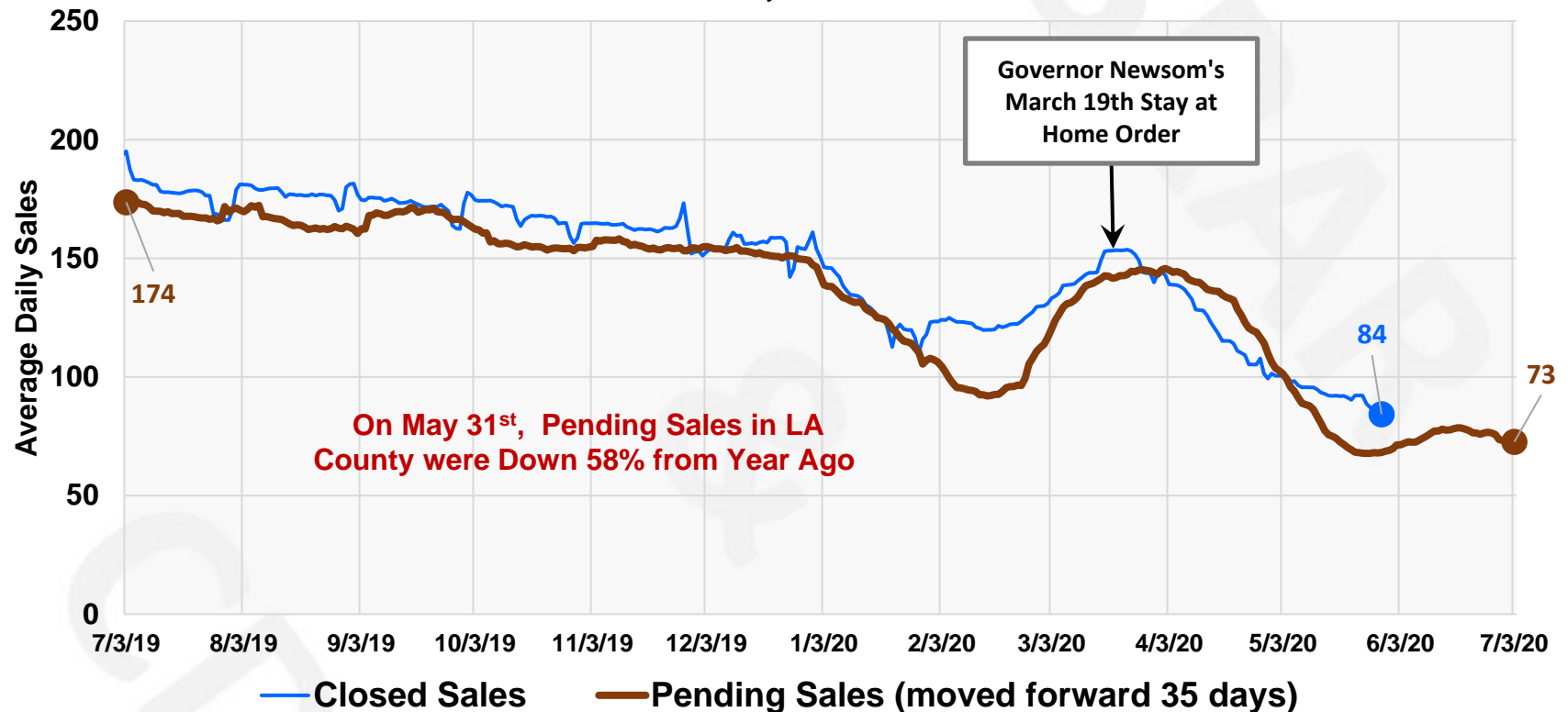


The COVID-19 Desert Real Estate Report is supplemental to the monthly Desert Housing report. It was recognized that a standard housing report would be insufficient to describe the rapidly changing market conditions due to the Coronavirus and general quarantine, so shorter-term housing metrics were developed 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.

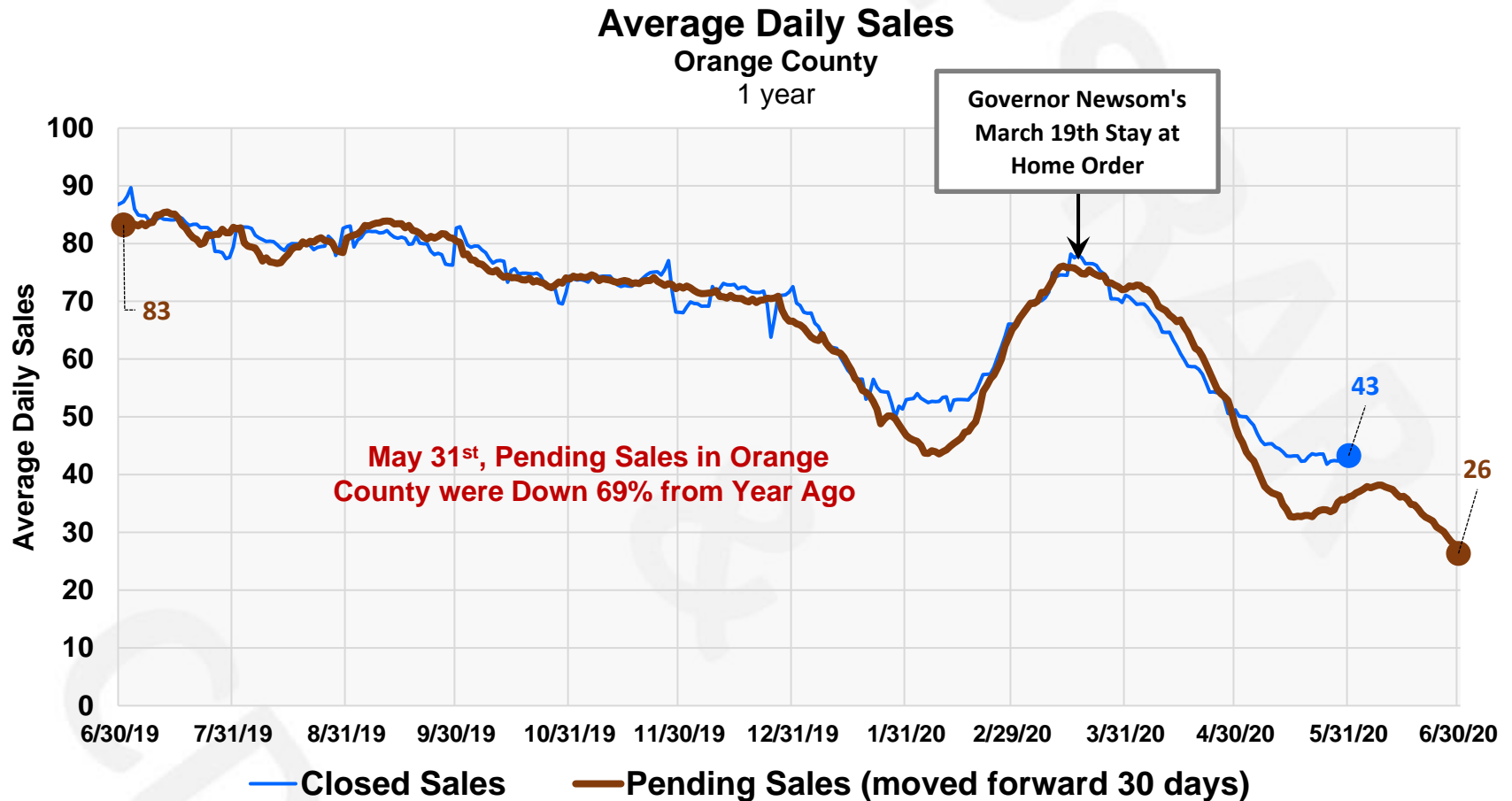
Market Watch LLC

## Average Daily Sales Los Angeles County 1 year



### L.A. County Sales

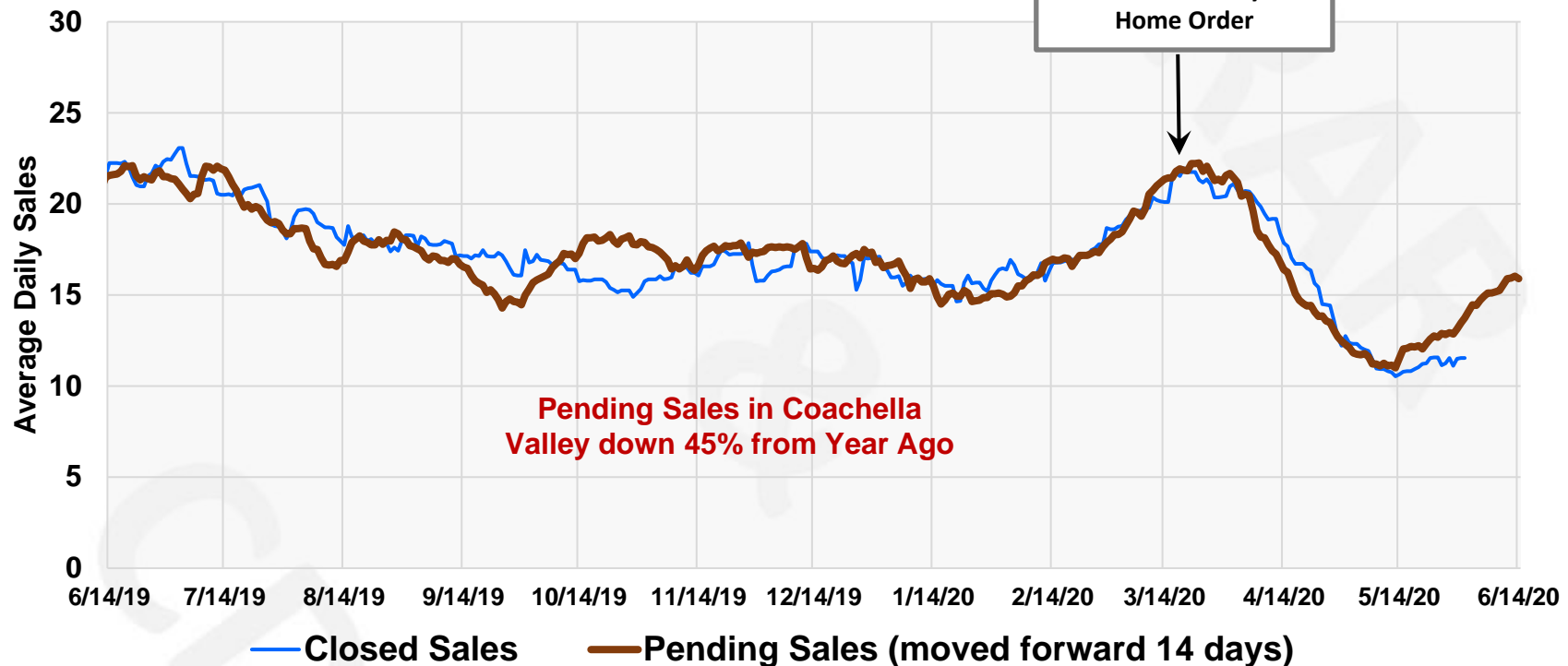
*This chart shows total average closed and pending sales per day in Los Angeles County. This and the next page are included to show you how other real estate markets in Southern California are doing. Pending sales (homes in escrow) is a precursor to final or close sales. The average escrow time in Los 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 84 units per day, while pending sales are averaging 73 units a day. Seventy-three units a day is 58% less than a year ago. Pending sales have been flat now for six weeks.*



### 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 43 units a day while pending sales are averaging 26. This tells us where closed sales will be in about thirty days. A year ago pending sales were averaging 83 units a day. Twenty-six units represents a 68% decline from a year ago.*

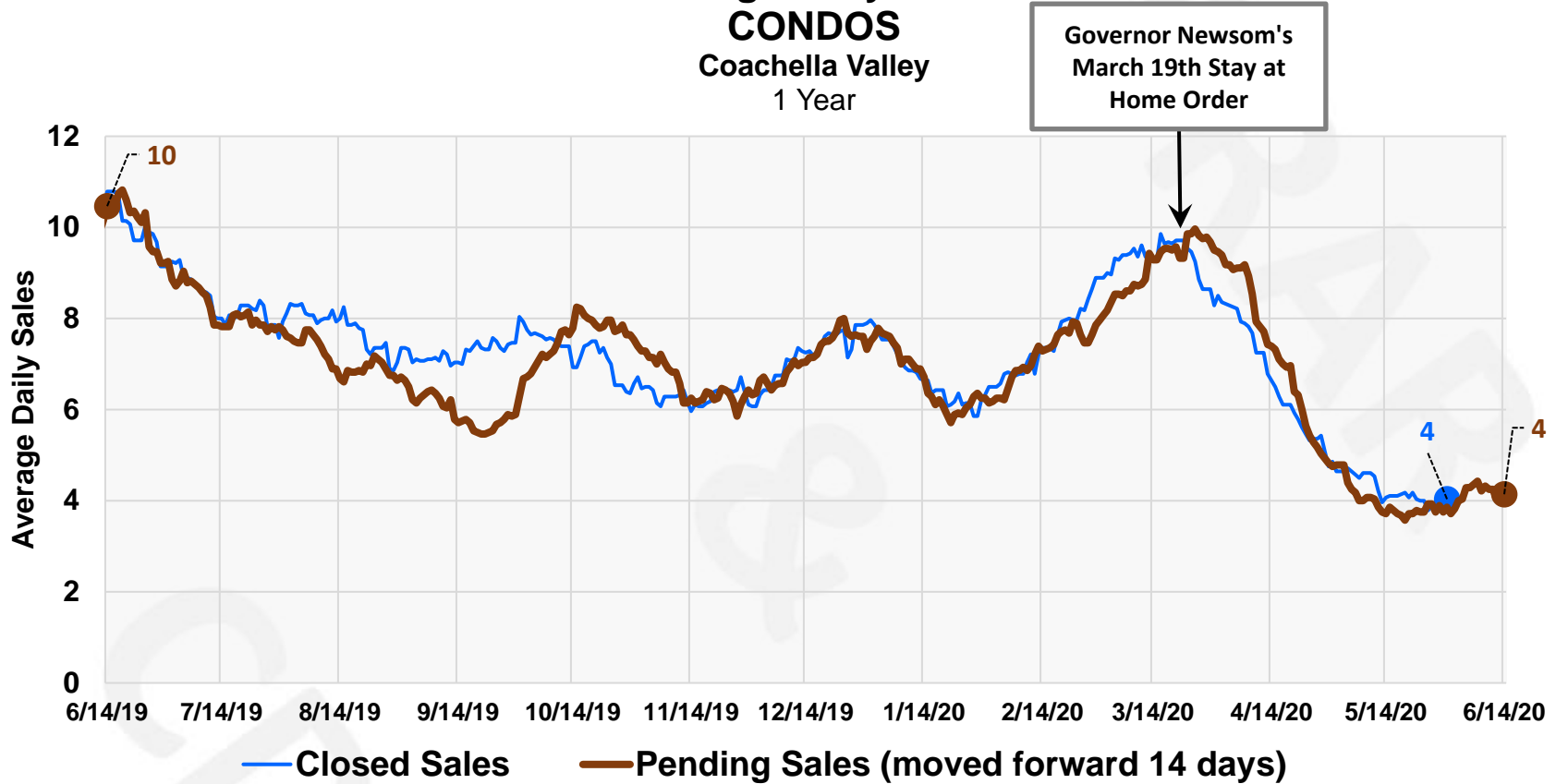
## Average Daily Sales SFR Coachella Valley 1 Year



## 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 16 units a day compared to 22 units a year ago. That's a sales decline of 27%, which is less than the other two regions. The chart clearly shows that pending sales of SFRs have been rising now for one month and we can expect closed sales to follow.*

## Average Daily Sales CONDOS Coachella Valley 1 Year



### Average Daily Condo Sales

*This chart shows average closed and pending sales in the Coachella Valley for condominiums. It continues to show that the coronavirus quarantine has affected the condo market more than single-family residences. Average pending sales of condos, at four units a day, are down 60% from a year ago. While sales SFRs are rising, condo sales have been forming a sales base around four units a day for one month.*



# The COVID-19 Desert Real Estate Report

## May 31st, 2020

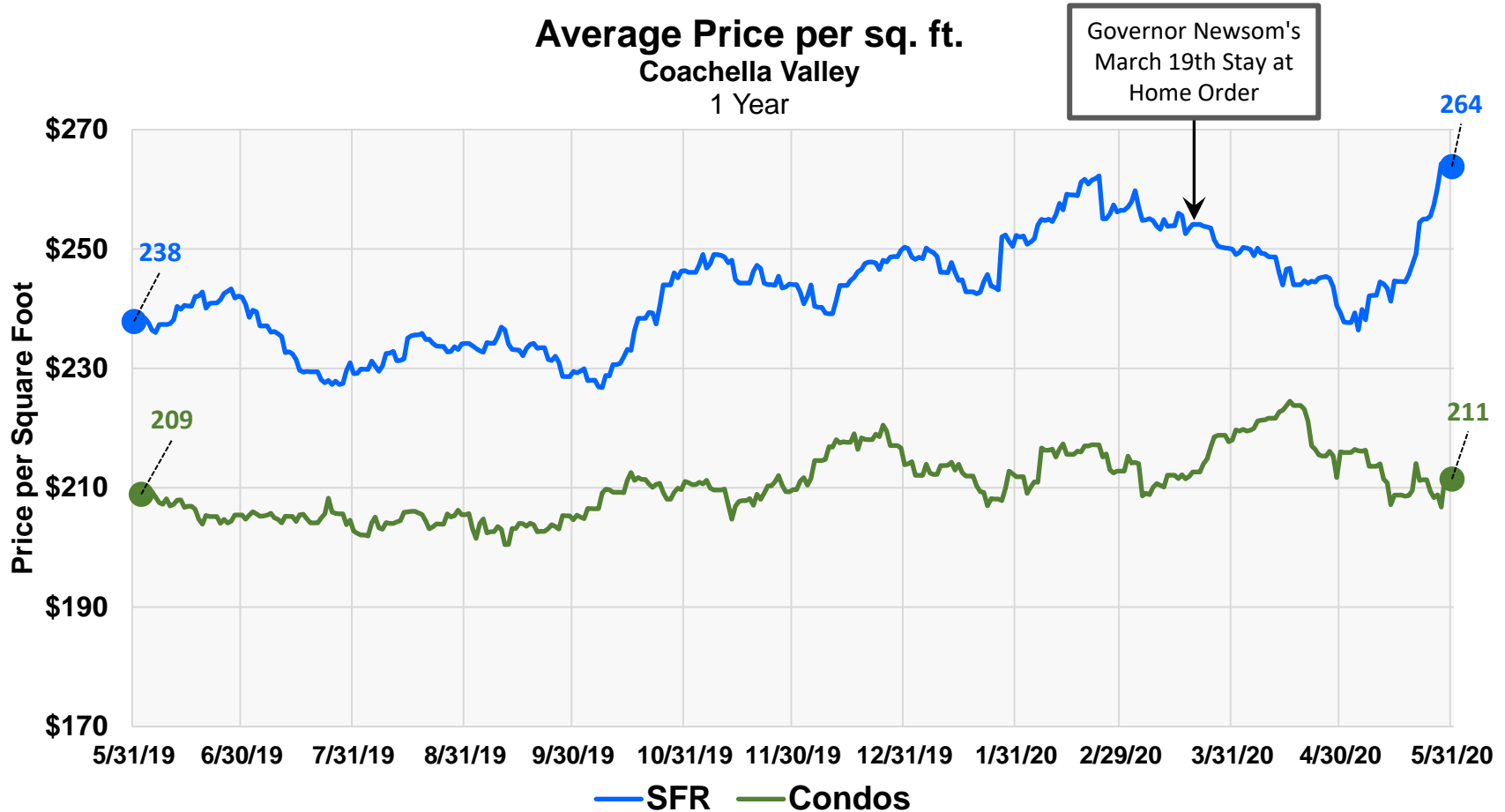


### Average Weekly Pending Sales by City

	SFR			CONDO			ALL HOMES		
	May 31th Year Ago	Year Ago	%Change	May 31th Year Ago	Year Ago	%Change	May 31th Year Ago	Year Ago	%Change
Cathedral City	12	17	-30.3%	2	5	-60.0%	14	19	-29.9%
City of Coachella	4	4	0.0%	0	0	N/A	4	4	0.0%
Desert Hot Springs	8	11	-29.5%	1	1	N/A	9	15	-37.9%
Indian Wells	5	6	-21.7%	0	3	N/A	5	6	-28.0%
Indio	24	24	-3.1%	0	1	N/A	24	34	-30.7%
La Quinta	19	27	-30.3%	3	6	-43.5%	22	32	-29.4%
Palm Desert	19	29	-34.2%	8	26	-70.2%	27	51	-47.3%
Palm Springs	14	20	-30.0%	11	25	-56.6%	25	49	-49.0%
Rancho Mirage	8	14	-38.9%	4	8	-50.0%	12	21	-41.5%
<b>CV TOTAL</b>	<b>111</b>	<b>151</b>	<b>-26.3%</b>	<b>29</b>	<b>73</b>	<b>-60.3%</b>	<b>143</b>	<b>226</b>	<b>-36.9%</b>

### Weekly 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 to show the biggest effect on pending sales due to the virus. This is again especially true of condominiums.*



### 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 shows there has been a large increase in SFR home prices over the last month, primarily due to a price surge in Palm Springs. For the year, the price per square foot of single-family residences is up 11%, while the price per square foot of condominiums is up only 1%.*





# The COVID-19 Desert Real Estate Report

## May 31st, 2020



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

	SFR					CONDO				
	May 31st	Year Ago	% Change	March 19th	% Change	May 31st	Year Ago	% Change	March 19th	% Change
<b>Cathedral City</b>	<b>\$208</b>	\$204	2.1%	\$212	-1.9%	<b>\$170</b>	\$150	12.9%	\$153	11.2%
<b>City of Coachella</b>	<b>\$175</b>	\$153	14.3%	\$177	-1.3%	<b>0.0%</b>	0.0%	N/A	N/A	N/A
<b>Desert Hot Springs</b>	<b>\$154</b>	\$145	6.4%	\$161	-4.4%	<b>N/A</b>	N/A	N/A	N/A	N/A
<b>Indian Wells</b>	<b>\$385</b>	\$391	-1.5%	\$302	27.2%	<b>\$221</b>	\$216	2.2%	\$216	2.4%
<b>Indio</b>	<b>\$197</b>	\$180	9.3%	\$193	2.0%	<b>\$146</b>	\$160	-9.1%	\$166	-11.9%
<b>La Quinta</b>	<b>\$294</b>	\$279	5.7%	\$275	7.2%	<b>\$170</b>	\$214	-20.6%	\$228	-25.3%
<b>Palm Desert</b>	<b>\$233</b>	\$234	-0.5%	\$256	-9.0%	<b>\$206</b>	\$214	-3.4%	\$207	0.0%
<b>Palm Springs</b>	<b>\$445</b>	\$348	27.9%	\$376	18.4%	<b>\$249</b>	\$216	15.2%	\$236	5.6%
<b>Rancho Mirage</b>	<b>\$259</b>	\$281	-7.8%	\$276	-6.2%	<b>\$191</b>	\$187	2.5%	\$209	-8.2%
<b>Coachella Valley</b>	<b>\$264</b>	<b>\$242</b>	<b>8.9%</b>	<b>\$253</b>	<b>4.1%</b>	<b>\$211</b>	<b>\$209</b>	<b>1.1%</b>	<b>\$212</b>	<b>-0.2%</b>

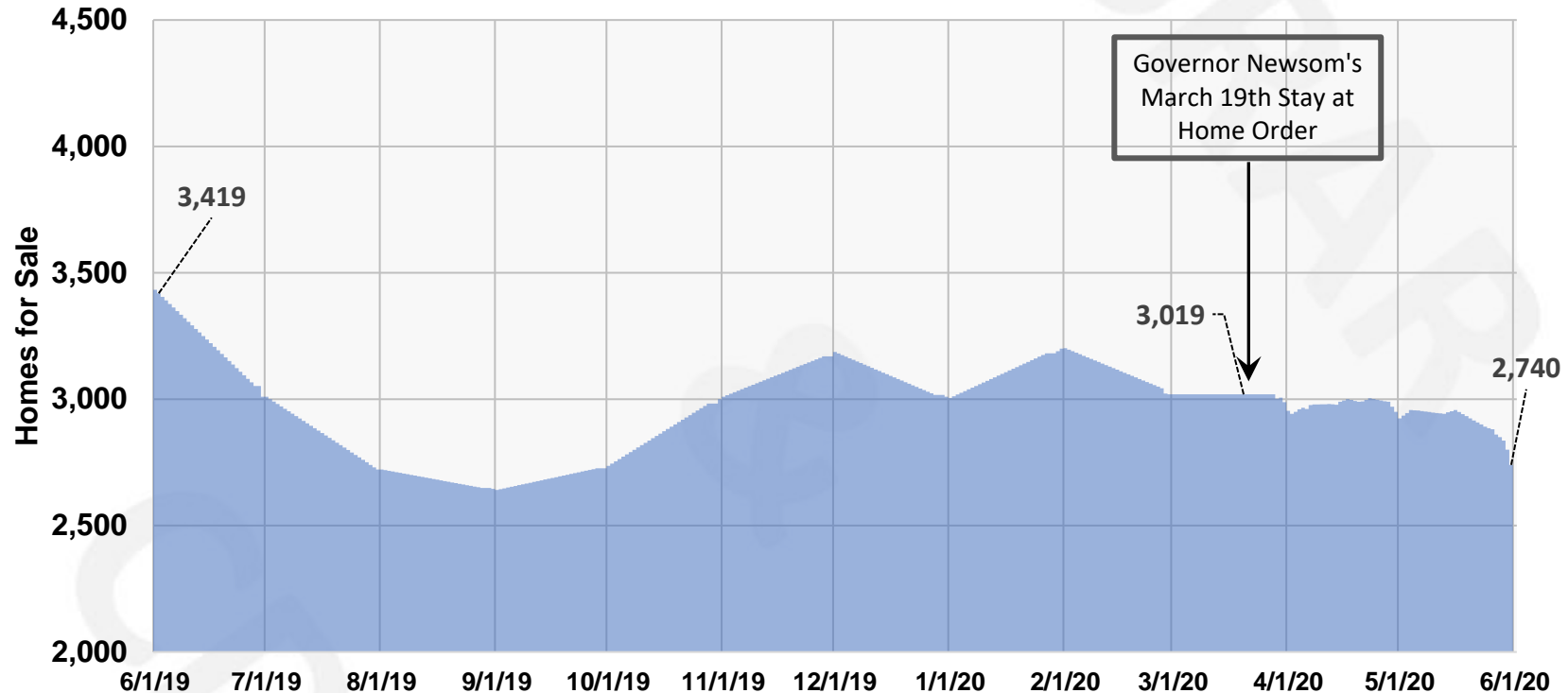
### Average Price per sq. ft. by City

*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 shows positive price changes in single family residences in four of the nine cities and also for the region, primarily due to the large gains in Palm Springs. Condominium prices are mixed city by city, but again are up in the region primarily due to Palm Springs.*



## Daily Inventory

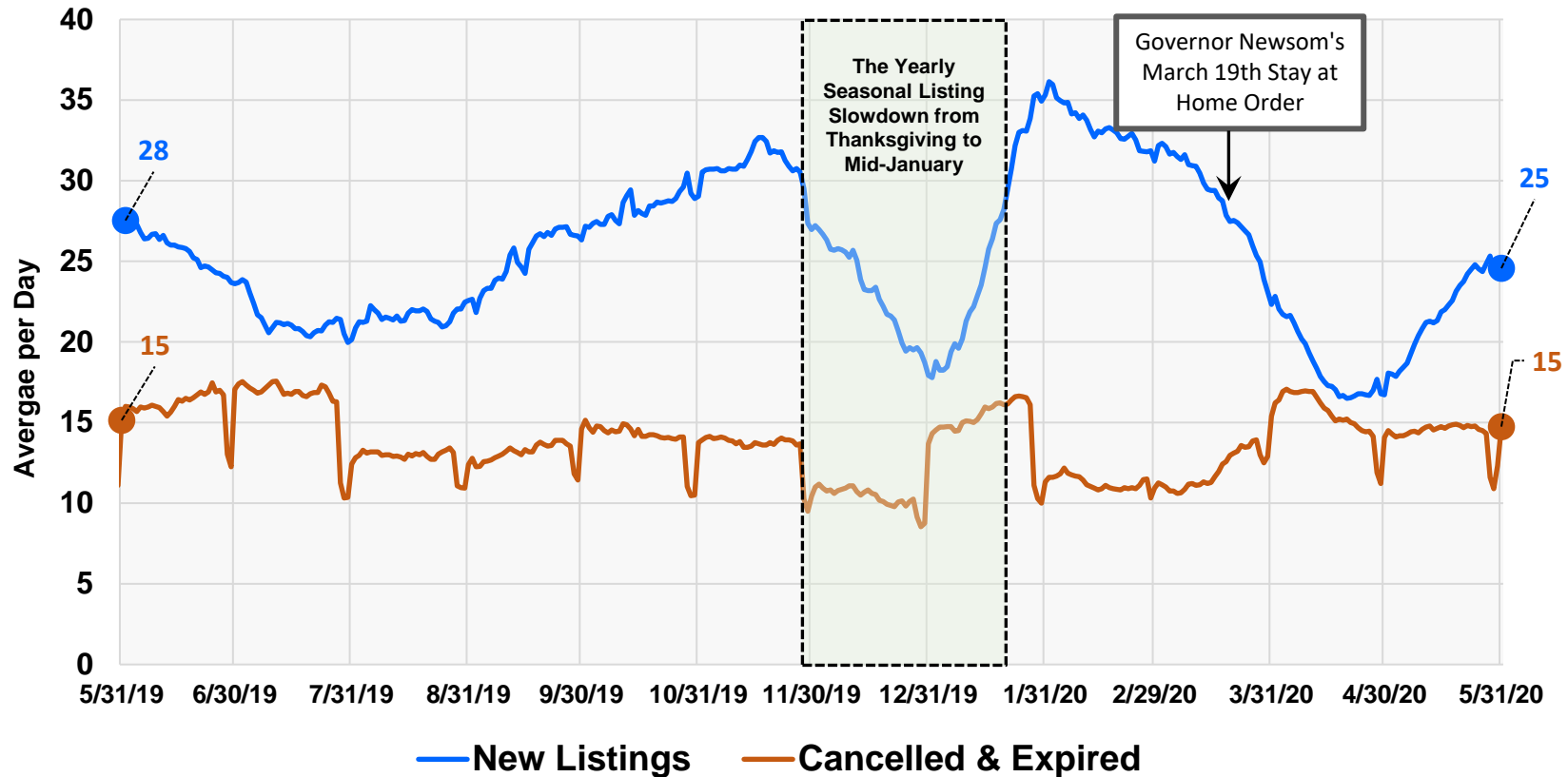
Coachella Valley  
1 Year



### 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 June 1st it was 2,740 units. A year ago it was 3,419. At the beginning of the March 19 quarantine it was 3,019 units. This continues to show a steady decline since the quarantine.*

## New, Cancelled & Expired Listings



### New and Cancelled Listings

*This graph plots average daily new listings and the average sum of cancelled and expired listings for the Coachella Valley. It is comprised of both single-family residences and condominiums. Average daily new listings have been rising five weeks and are now up to 25 units a day. This is only 11% 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.*

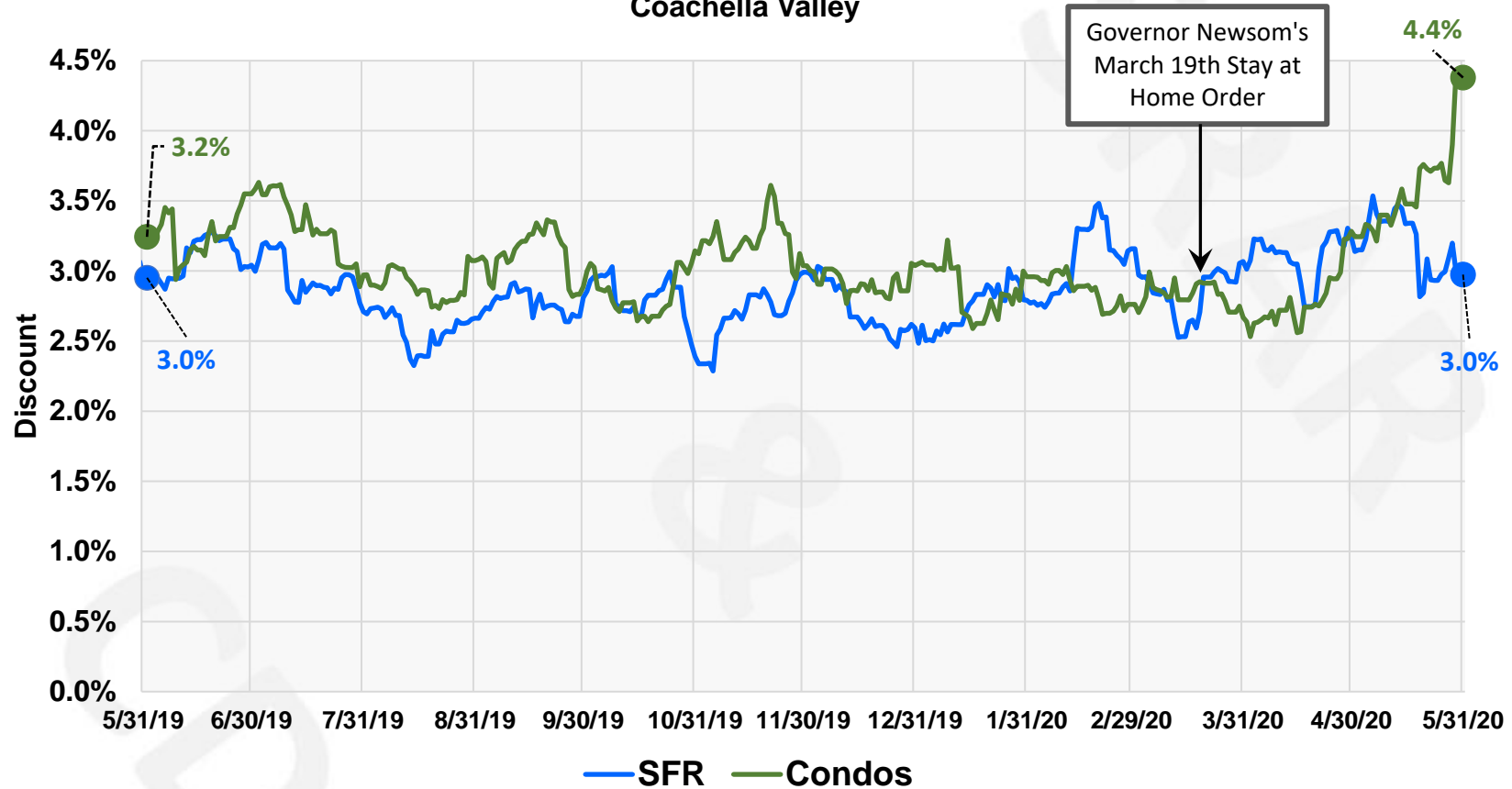
## Average "Days in the Market" Coachella Valley



### 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 remain well contained. Average days for single family residences is 77, which is 10 days less than twelve months ago. Days in the market for condominiums are down to 72 days versus 73 days a year ago.*

## Average Price Discounts Coachella Valley



### Average Price Discounts

*This chart graphs average selling discounts for both single family residences and condominiums. Price discounts for SFRs are well contained, and at 3% exactly equal to last year. Average price discounts for condominiums have been rising for two months, and then suddenly jumps to 4.4%. Most of this increase is due to five or six sales in Palm Springs that sold for discounts over 10% of list. We'll have to follow this metric closely.*



# The COVID-19 Desert Real Estate Report

May 31st, 2020



## 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  
contact Vic Cooper at 949-493-1665