



The COVID-19 Desert Real Estate Report

September 30th, 2020

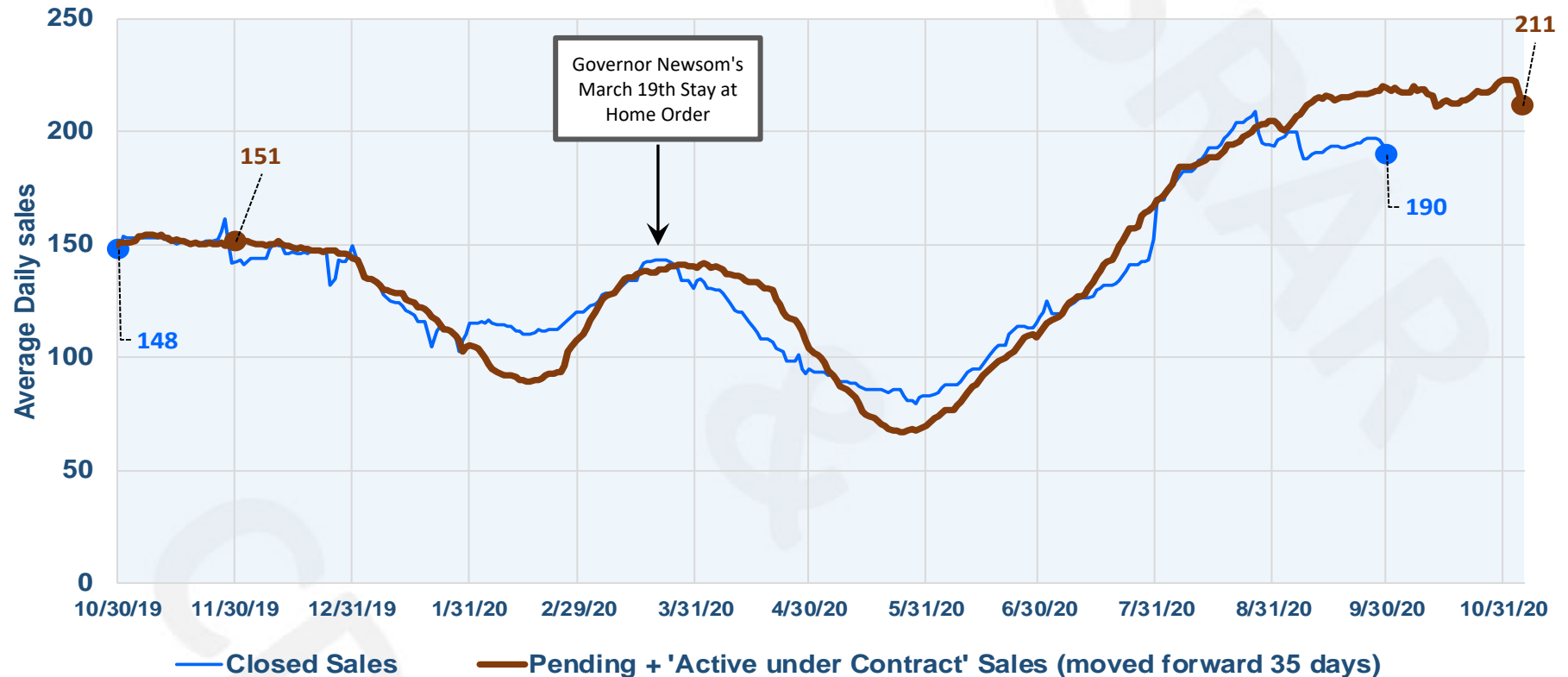


The COVID-19 Desert Real Estate Report is supplemental to the monthly Desert Housing report. It was recognized that a standard housing report would be insufficient to describe the rapidly changing market conditions due to the Coronavirus and general quarantine, so shorter-term housing metrics were developed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

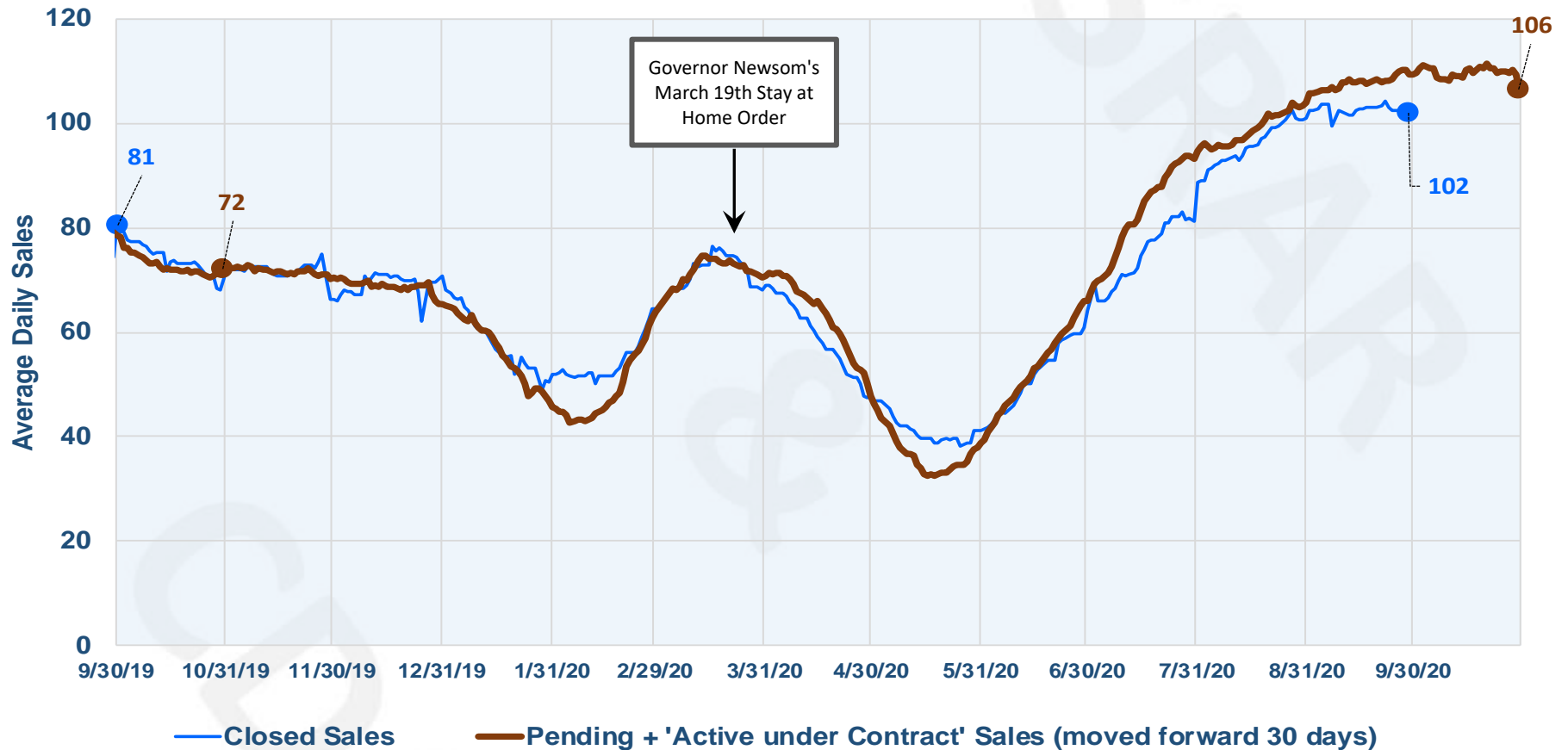
Los Angeles County Average Daily Sales 1 year



Average Daily Sales

(To show how well the Coachella Valley housing market is doing compared to other regions, the first two charts graph closed and pending sales in Los Angeles County and Orange County. Because average escrow times in these two counties are between 30 to 35 days, by moving pending and "active under contract" sales forward by 35 days, pending sales becomes a tremendous forecasting tool for closed sales). The three-month surge in sales in Los Angeles County, which began in June, continues to top out at a high level. Pending sales are now averaging 211 units a day versus 151 a year ago, which is 40% higher. It has been this way for two months now and we expect sales to remain around current levels.

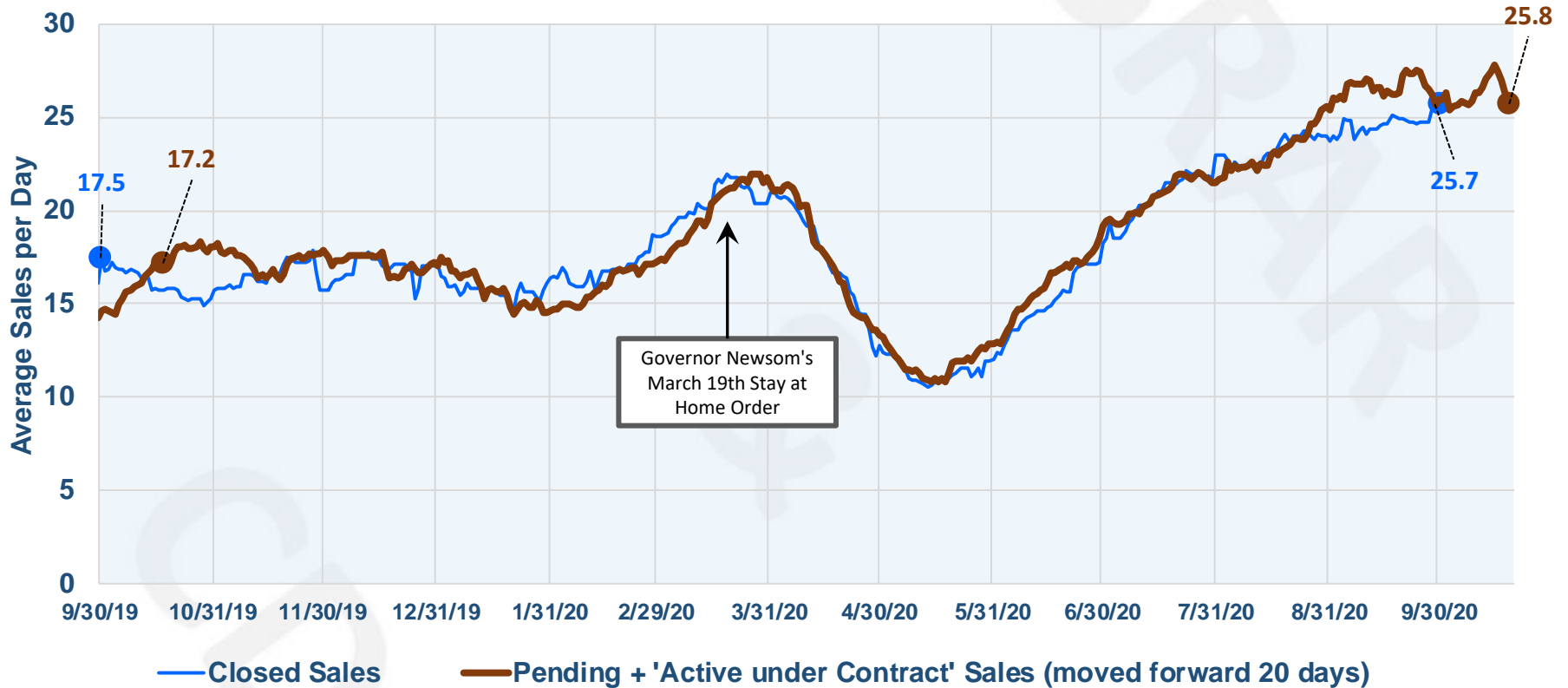
Orange County Average Daily Sales 1 year



Average Daily Sales

Orange County shows almost an identical recovery pattern to Los Angeles County. In Orange County pending sales are 47% above a year ago, while closed sales are 26% higher. Like LA County, sales in OC also appear to be topping out at a high level

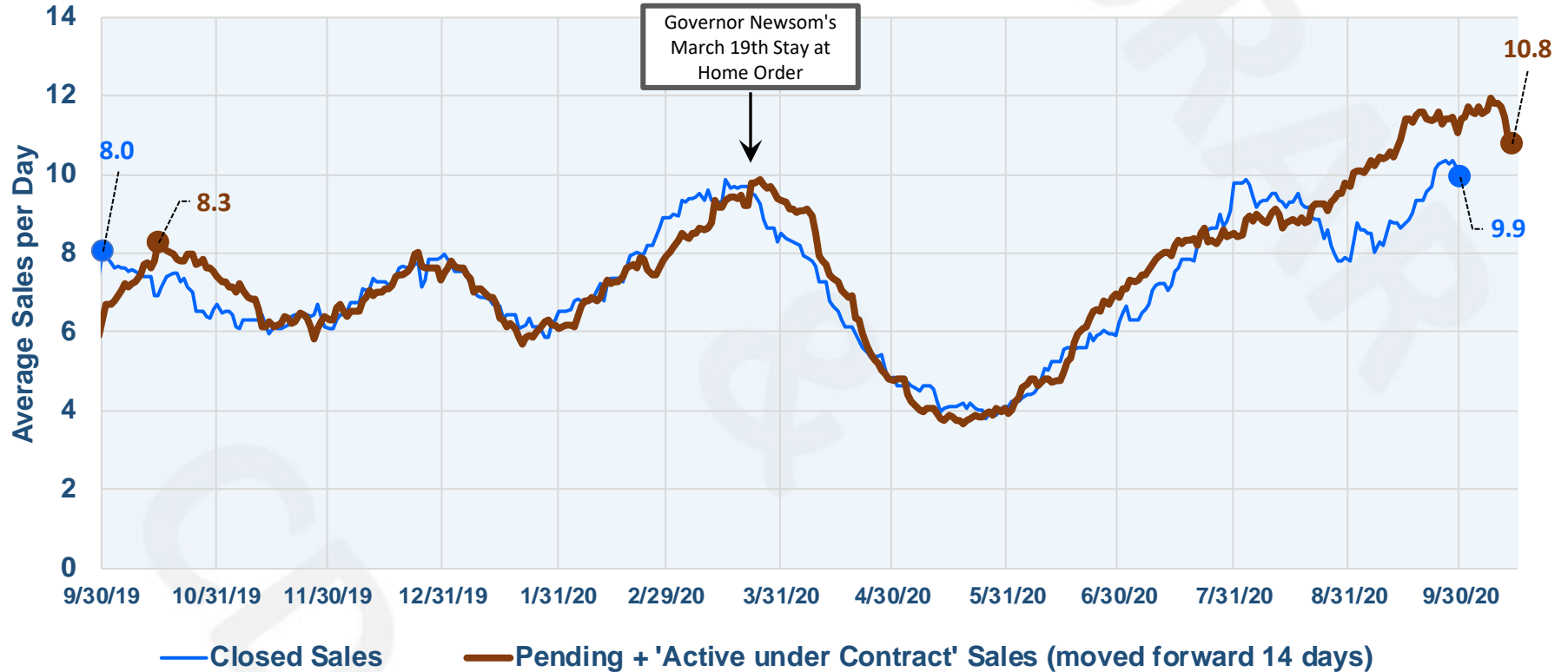
Average Daily Sales SFR Coachella Valley 1 Year



Average Daily SFR Sales

In the Coachella Valley escrow times for detached homes average 20 days, so pending sales are moved forward 20 days. In September pending sales of detached homes averaged 25.8 units a day, compared to 17.2 a year ago. This is an increase of 50%. Like Orange and LA Counties sales of detached homes in the Valley appear to be flattening out at current high levels.

Average Daily Sales CONDOS Coachella Valley 1 Year



Average Daily Condo Sales

This chart shows that Valley pending sales for condominiums are also flattening out at a high level. Pending sales of condos in September averaged 10.8 units a day, which is 30% above a year ago. We think this indicates that closed sales, which are averaged 9.9 units a day in September, will continue to increase over the next three weeks.



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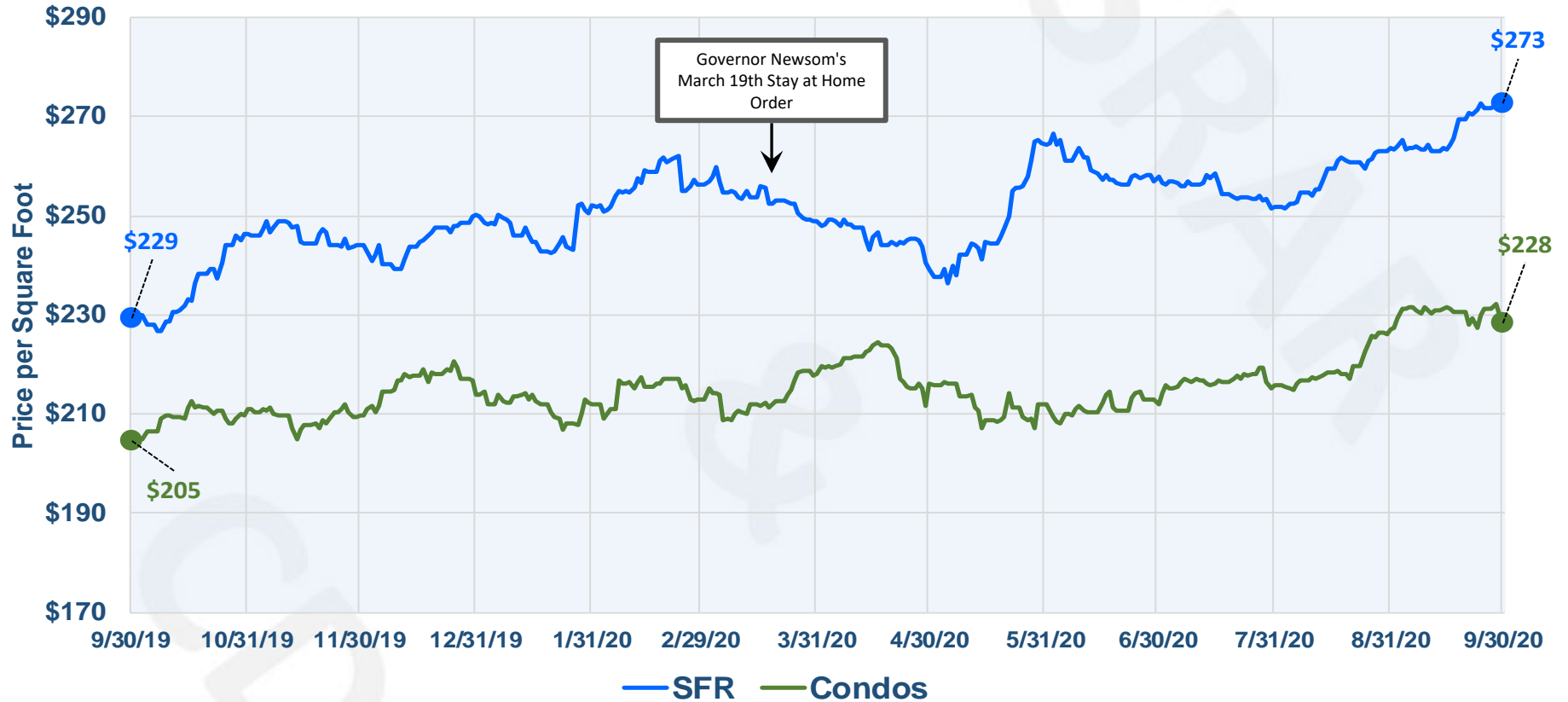
Average Weekly Pending Sales Plus 'Active under Contract' - by City

	SFR			CONDO			ALL HOMES		
	Sept 30th Year Ago	Year Ago	%Change	Sept 30th Year Ago	Year Ago	%Change	Sept 30th Year Ago	Year Ago	%Change
Cathedral City	17.5	8.3	112.1%	3.8	3.3	15.4%	21.3	11.8	80.9%
City of Coachella	3.3	4.0	-18.8%	N/A	N/A	N/A	3.3	4.0	-18.8%
Desert Hot Springs	11.5	13.8	-16.4%	N/A	N/A	N/A	11.8	15.3	-23.0%
Indian Wells	9.5	4.0	137.5%	2.0	1.5	33.3%	11.5	5.5	109.1%
Indio	31.5	25.8	22.3%	1.8	3.3	-46.2%	33.3	29.0	14.7%
La Quinta	30.3	23.0	31.5%	7.8	6.3	24.0%	38.0	29.3	29.9%
Palm Desert	28.8	19.8	45.6%	22.3	15.3	45.9%	51.3	35.3	45.4%
Palm Springs	26.5	13.0	103.8%	28.0	18.0	55.6%	55.3	31.8	74.0%
Rancho Mirage	19.5	9.3	110.8%	8.5	6.0	41.7%	28.5	15.5	83.9%
CV TOTAL	178.3	120.8	47.6%	74.0	55.0	34.5%	254.0	177.0	43.5%

Weekly Pending Sales by City

This table shows average pending sales per week over the last four weeks for single-family residences, condominiums, and all homes in the nine regional cities. Three cities stand out in these tables – Indian Wells, Palm Springs and Rancho Mirage. In Indian Wells total pending sales are 109% above last year. In Palm Springs sales are higher by 74%, while in Rancho Mirage they're higher by 83.9%.

Average Price per sq. ft. Coachella Valley 1 Year



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. We plot "average price per square foot" and not "average price" because the statistical calculations are more accurate. Year-over-year detached homes are up 18.8%, while attached prices are up 11.6%. A large part of these gains occurred over the last two months and we again expect this trend to continue.



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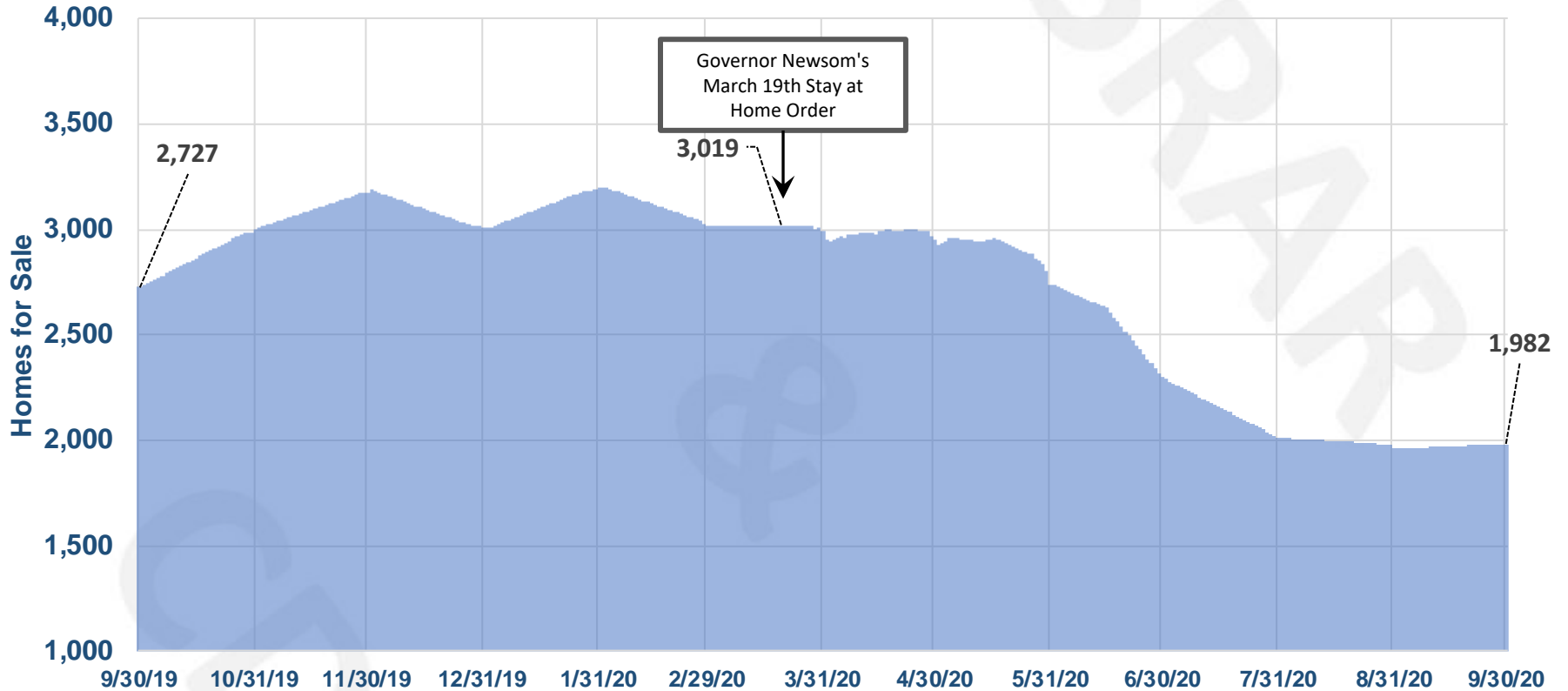
Average Price per sq. ft. by City

	SFR					CONDO				
	Sept 30th	Year Ago	% Change	March 19th	% Change	Sept 30th	Year Ago	% Change	March 19th	% Change
Cathedral City	\$231	\$211	9.3%	\$212	8.8%	\$163	\$164	-0.4%	\$153	6.8%
City of Coachella	\$167	\$160	4.2%	\$177	-5.6%	N/A	0.0%	N/A	N/A	N/A
Desert Hot Springs	\$173	\$143	21.1%	\$161	7.5%	N/A	N/A	N/A	N/A	N/A
Indian Wells	\$359	\$325	10.7%	\$302	18.8%	\$217	\$178	22.2%	\$216	0.5%
Indio	\$204	\$179	14.3%	\$193	5.5%	\$193	\$159	21.3%	\$166	16.7%
La Quinta	\$293	\$240	22.2%	\$275	6.8%	\$215	\$220	-2.1%	\$228	-5.3%
Palm Desert	\$249	\$221	12.6%	\$256	-2.5%	\$220	\$205	7.5%	\$207	6.8%
Palm Springs	\$449	\$335	34.3%	\$376	19.5%	\$265	\$222	19.6%	\$236	12.5%
Rancho Mirage	\$280	\$256	9.2%	\$276	1.4%	\$210	\$193	8.9%	\$209	0.7%
Coachella Valley	\$273	\$230	18.8%	\$253	7.6%	\$228	\$205	11.6%	\$212	7.8%

Average Price per sq. ft. by City

This table shows the current “price per square foot” in the nine regional cities, prices a year ago, and prices on March 19 for both single-family residences and condominiums. As the table clearly shows year over year price changes for detached homes in six cities are double digit – Desert Hot Springs, Indian Wells, Indio, La Quinta, Palm Desert and Palm Springs. Three cities shows double digit price gains for condominiums.

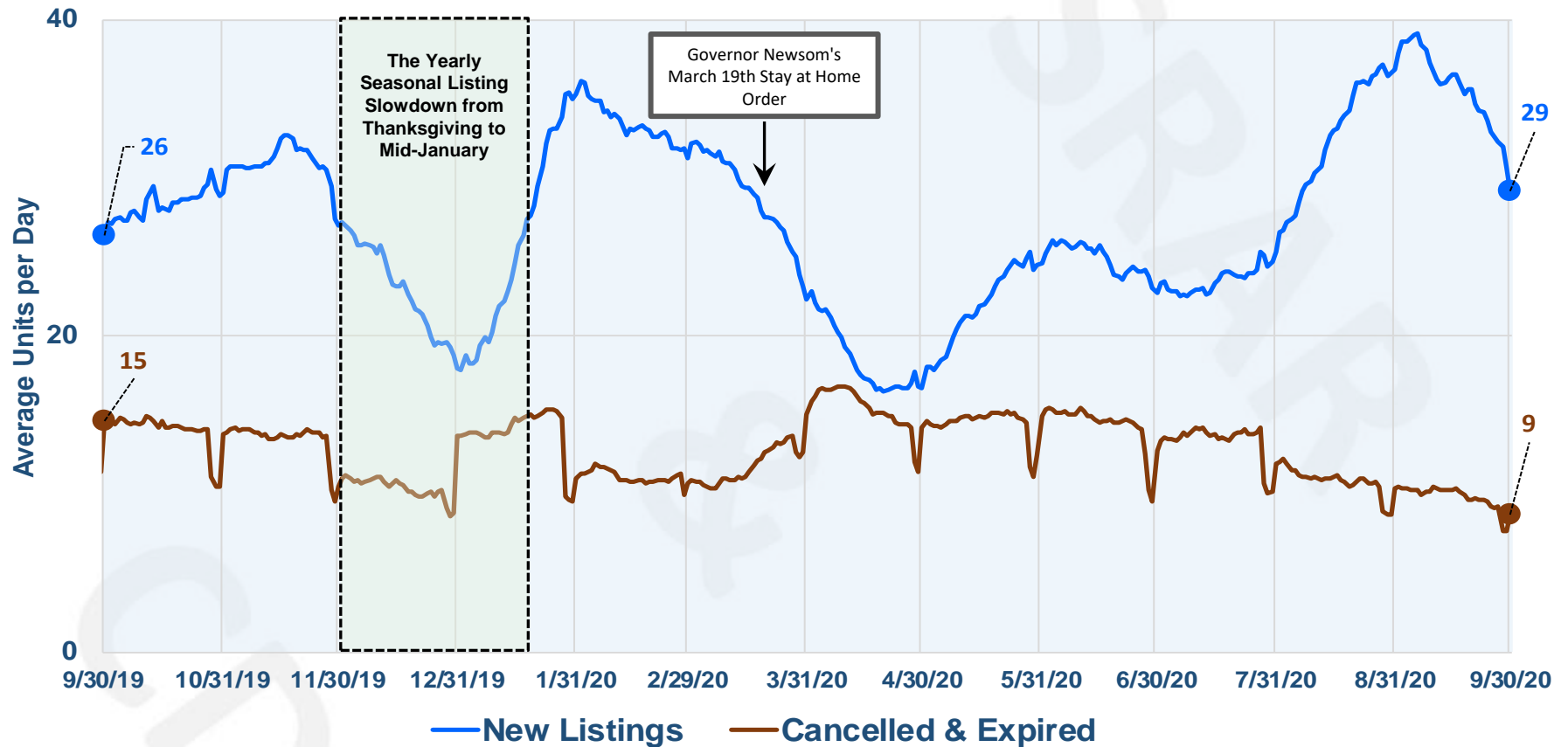
Daily Inventory Coachella Valley 1 Year



Daily Inventory

Total Valley inventory on October 1st was 1,982 units. This compares to 2,727 units on October 1st a year ago. Inventory has fallen over a thousand units since the beginning of the quarantine on March 19th. Seasonal pressures should begin to raise inventory numbers as we move into October and November. It has been low inventory which has been putting strong upward pressure on home prices throughout the region.

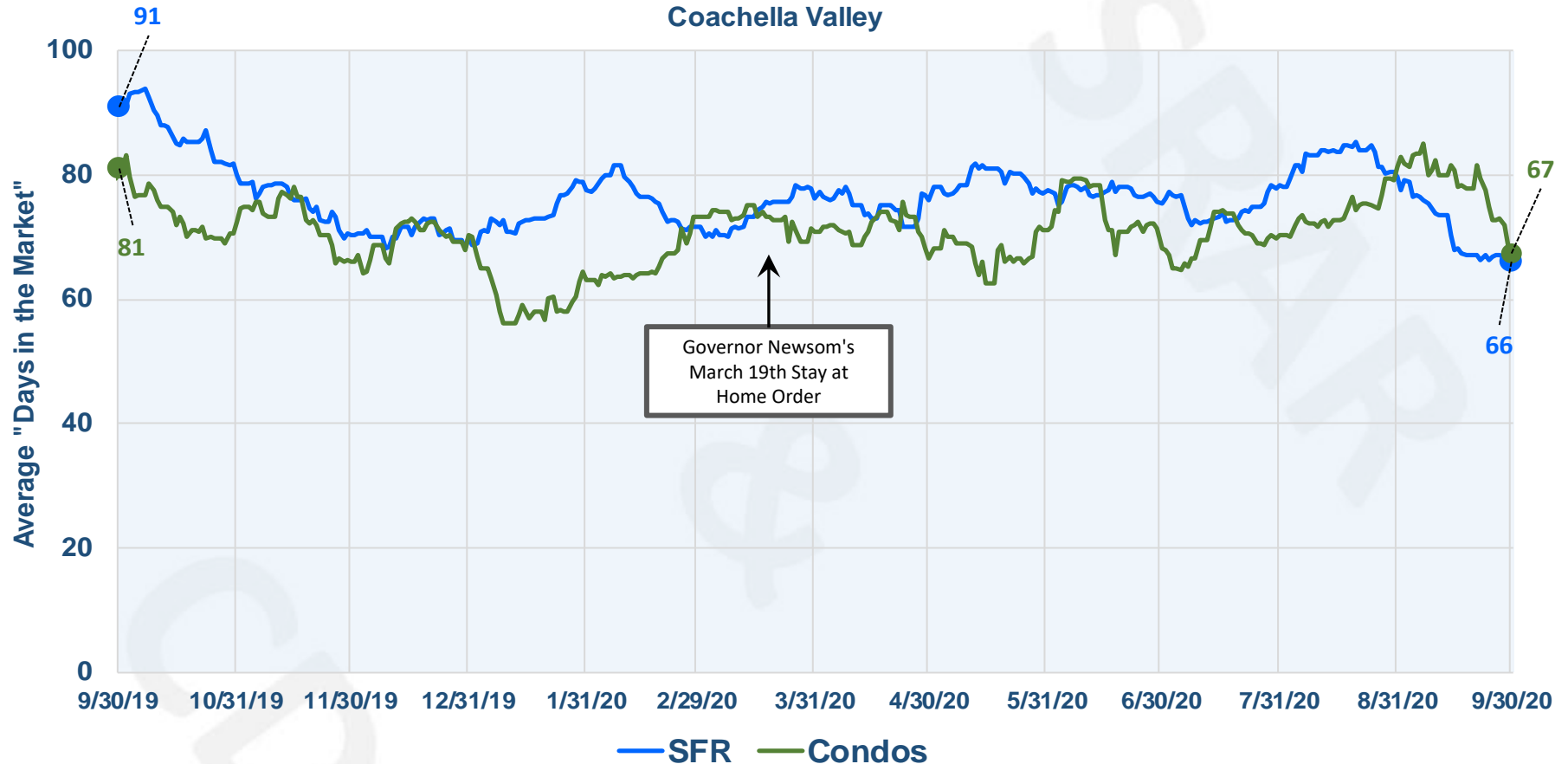
New, Cancelled & Expired Listings



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. There's a natural fall off between Thanksgiving and the third week of January. It is clear from the chart that the average number of daily new listings fell in September. It went from 39 new listings a day to 29. This is one reason why inventory did not rise much last month.

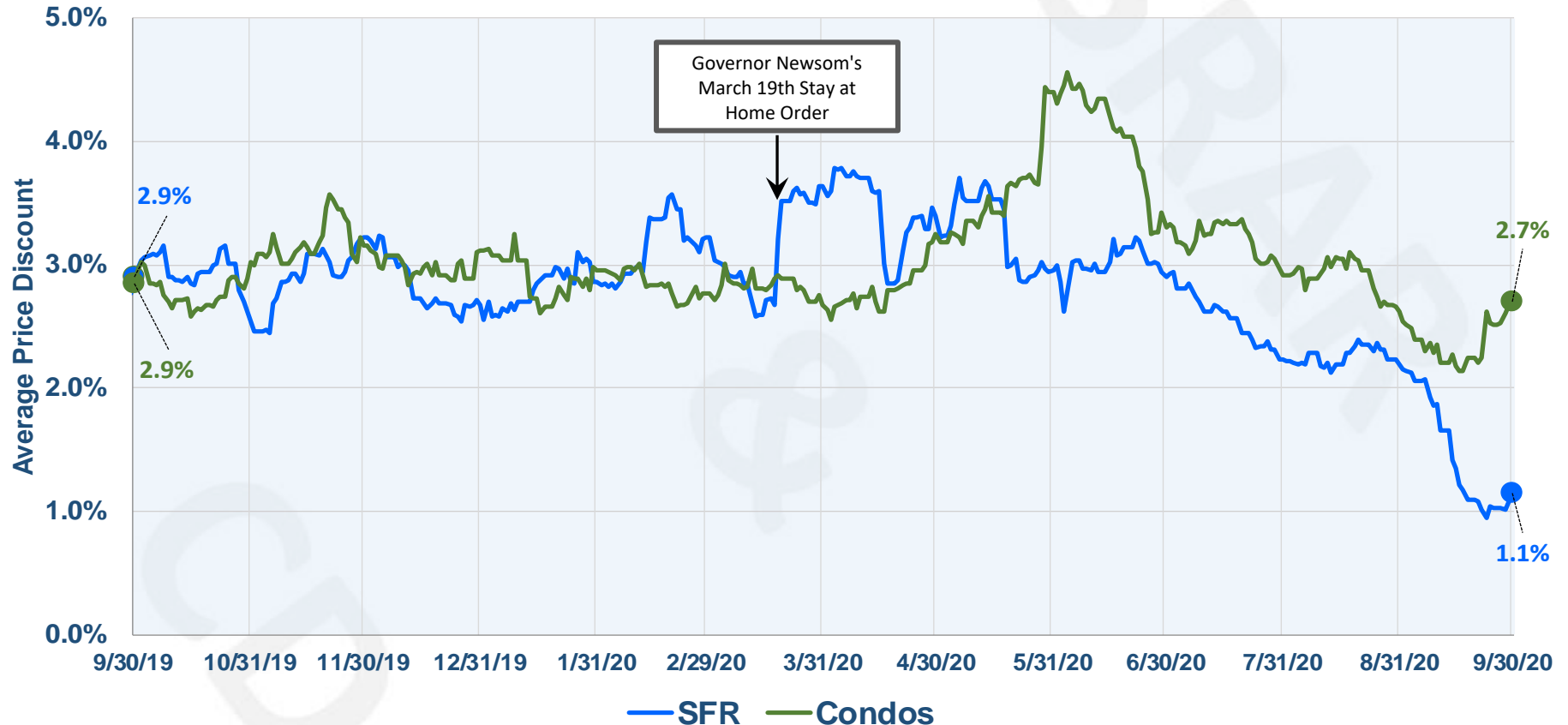
Average "Days in the Market" Coachella Valley



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 for both single-family residences and condominiums. The average number of "days in the market" for detached homes in September was 66 days, which compares to 91 days last year. This is a very large decline. "Days in the market" for condominiums went from 81 days to 67, also a significant change.

Average Price Discounts Coachella Valley



Average Price Discounts

This chart graphs average selling discounts for both single family residences and condominiums. Price discounts are increasing if the curves are moving upward and decreasing if the curves are moving downward. As the chart clearly shows, price discounts in both home types have been decreasing over the last three months. An average discount of 1.1% for detached homes is the smallest discount in the last ten years. This is another powerful sign the Valley housing market is highly favorable for home sellers.



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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 reach Market Watch LLC contact
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