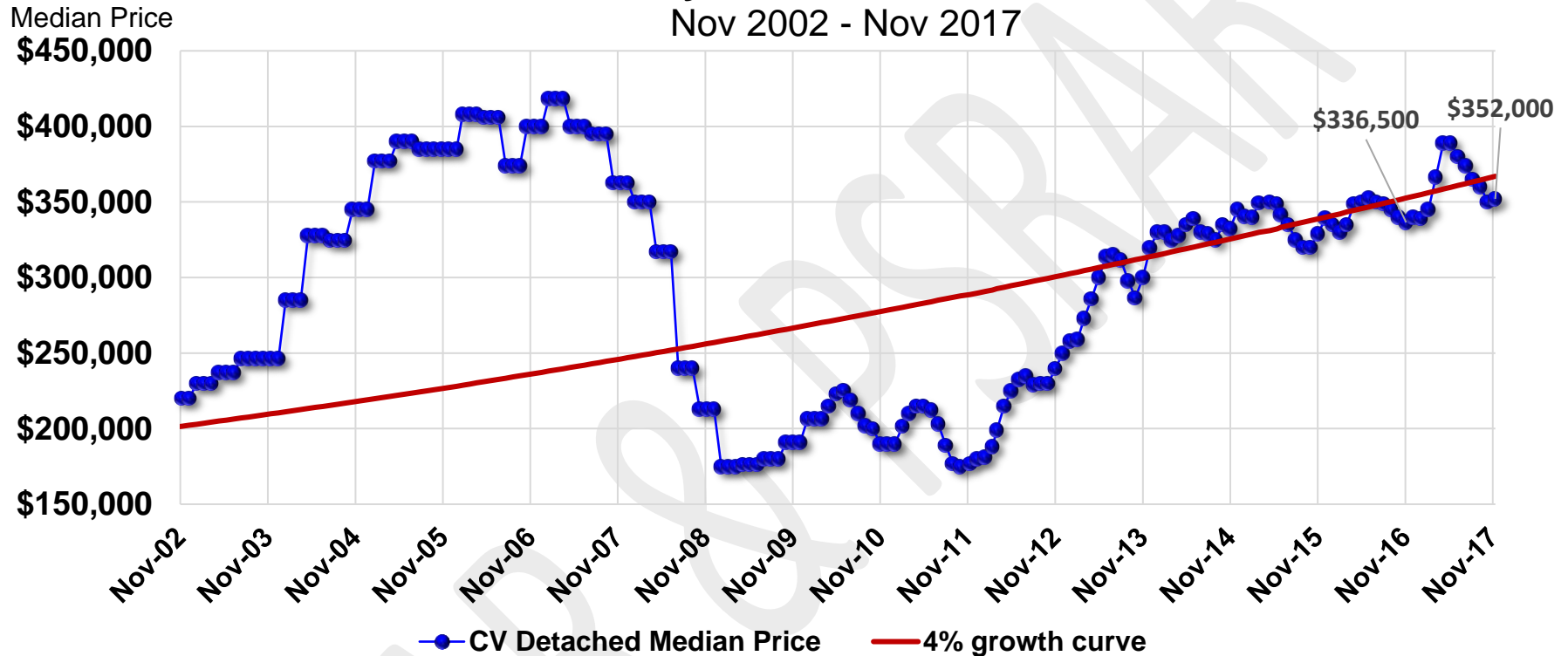


## Coachella Valley Median Detached Home Price

Nov 2002 - Nov 2017



### Summary

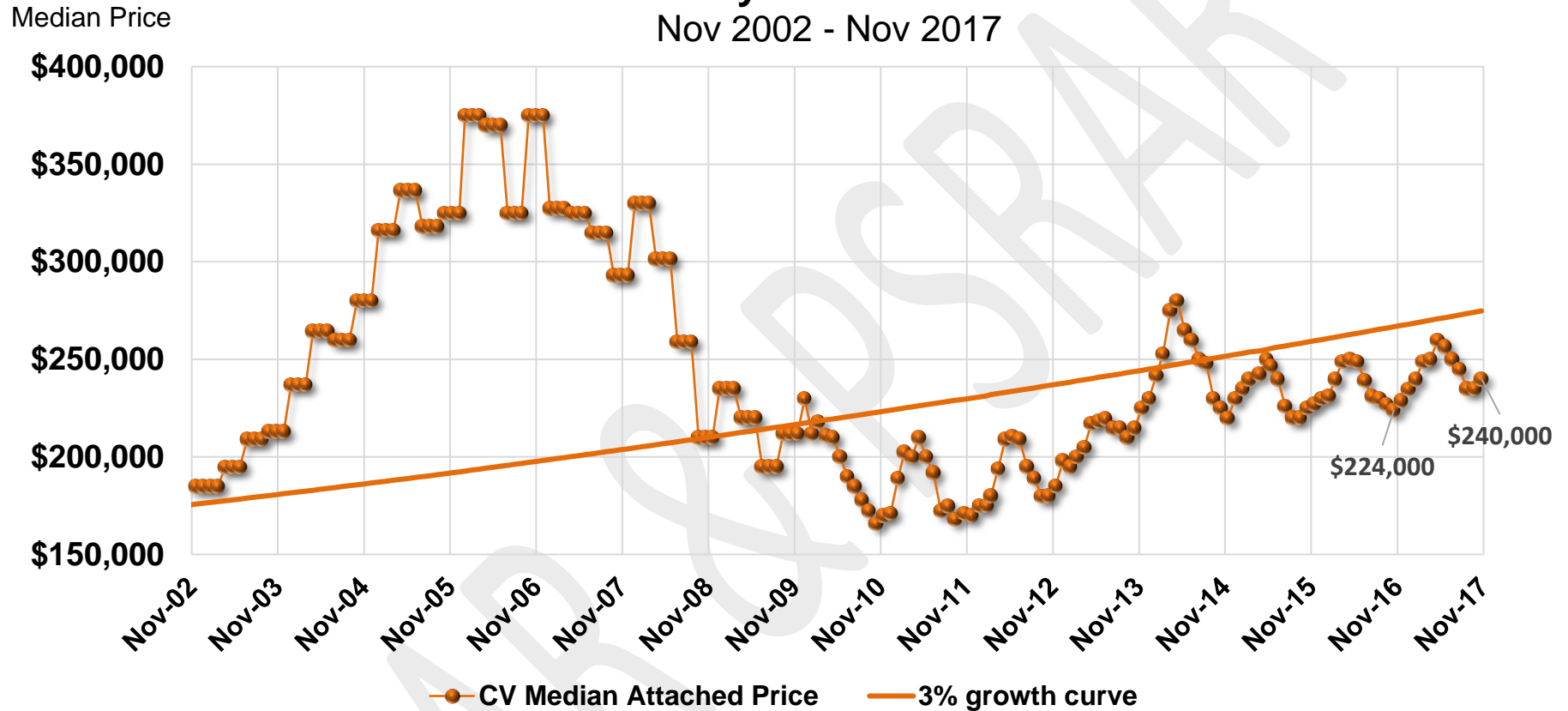
The November median price for detached homes in Coachella Valley was \$352,000, which was \$15,500 or 4.6% above a year ago. The median price for attached homes was \$240,000, which was \$16,000 or 7.1% above a year ago. Year over year changes in median city prices for detached homes show seven cities with positive changes and only two – La Quinta and Indian Wells – with negative ones. The real story is Palm Springs, where the city median price has been creeping closer and closer to its all-time price high set in 2006. As of last month, with a median price of \$599,440, it was only .1% below its record price of \$600,000. Regarding home sales, detached sales are at 458 sales per month, compared to 453 a year ago. These numbers suggest sales numbers for detached homes this year will be comparable to 2017. However, attached sales project at a possible 15% increase compared to last year. The net effect should be an overall increase of 6% in total sales in 2018 compared to 2017. The combination of higher sales and a lower inventory over the last 12 months has dropped the Valley's "months of supply" ratio down to 4.7 months. This again is the lowest December 1st reading since 2012. This is confirmed by a correspondingly low DOM reading of 67 days, which is almost identical to last year's readings. Both these favorable indicators of market supply indicate another good year for Valley housing comparable to 2017.

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## Coachella Valley Median Attached Price

Nov 2002 - Nov 2017



### Coachella Valley Attached Median Price

The median price for attached homes and condominiums in November was \$240,000, which was \$16,000 or 7.1% above a year ago. As the chart clearly shows, changes in attached prices have been running below 3% a year for some time now. However, in our opinion this month's 7.1% year over year increase might just signal the beginning of higher annual price gains in the this segment of the market. At the least, historical seasonal price patterns suggest higher prices from December until April or May.



# The Desert Housing Report

November 2017



## Detached Homes

|                    | Nov-17    | Year Ago  | 12 Month Change | 2011 Low  | Gain off 2011 Low | 2006 High   | % from High |
|--------------------|-----------|-----------|-----------------|-----------|-------------------|-------------|-------------|
| Rancho Mirage      | \$680,000 | \$540,000 | 25.9%           | \$423,000 | 60.8%             | \$950,000   | -28.4%      |
| Desert Hot Springs | \$225,000 | \$185,000 | 21.6%           | \$85,000  | 164.7%            | \$295,000   | -23.7%      |
| Cathedral City     | \$307,500 | \$281,000 | 9.4%            | \$139,000 | 121.2%            | \$395,000   | -22.2%      |
| Palm Springs       | \$599,444 | \$549,500 | 9.1%            | \$335,000 | 78.9%             | \$600,000   | -0.1%       |
| Palm Desert        | \$373,750 | \$347,500 | 7.6%            | \$287,000 | 30.2%             | \$543,000   | -31.2%      |
| Indio              | \$310,000 | \$295,000 | 5.1%            | \$158,500 | 95.6%             | \$380,500   | -18.5%      |
| City of Coachella  | \$254,000 | \$250,000 | 1.6%            | \$121,950 | 108.3%            | \$335,000   | -24.2%      |
| Indian Wells       | \$775,000 | \$780,000 | -0.6%           | \$540,000 | 43.5%             | \$1,205,000 | -35.7%      |
| La Quinta          | \$389,950 | \$425,000 | -8.2%           | \$245,000 | 59.2%             | \$682,020   | -42.8%      |

## Attached Homes

|                    | Nov-17    | Year Ago  | 12 Month Change | 2011 Low  | Gain off 2011 Low | 2006 High | % from High |
|--------------------|-----------|-----------|-----------------|-----------|-------------------|-----------|-------------|
| Indio              | \$193,000 | \$160,000 | 20.6%           | \$75,000  | 157.3%            | \$279,000 | -30.8%      |
| Rancho Mirage      | \$325,000 | \$280,000 | 16.1%           | \$260,000 | 25.0%             | \$510,000 | -36.3%      |
| La Quinta          | \$351,000 | \$304,500 | 15.3%           | \$265,000 | 32.5%             | \$532,500 | -34.1%      |
| Palm Desert        | \$266,000 | \$237,450 | 12.0%           | \$175,000 | 52.0%             | \$410,000 | -35.1%      |
| Palm Springs       | \$205,000 | \$200,000 | 2.5%            | \$150,000 | 36.7%             | \$350,000 | -41.4%      |
| Desert Hot Springs | \$135,750 | \$145,000 | -6.4%           | \$86,000  | 57.8%             | \$303,000 | -55.2%      |
| Indian Wells       | \$365,000 | \$390,000 | -6.4%           | \$321,500 | 13.5%             | \$557,500 | -34.5%      |
| Cathedral City     | \$150,000 | \$170,000 | -11.8%          | \$107,500 | 39.5%             | \$270,500 | -44.5%      |
| City of Coachella  | N/A       | N/A       | N/A             | N/A       | N/A               | N/A       | N/A         |

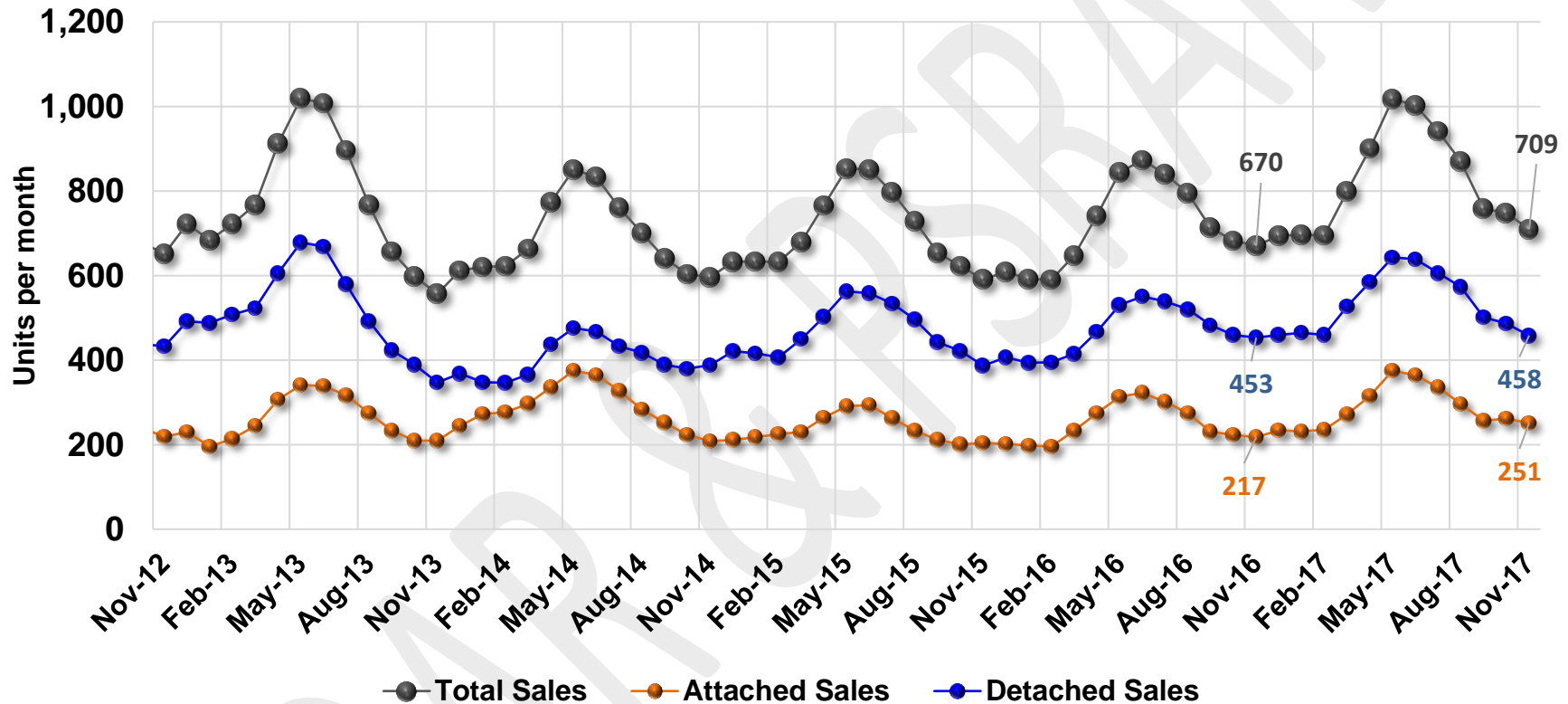
## 12 Month Change in City Median Prices

Year over year changes in median prices for detached homes show seven cities with positive changes and only two – La Quinta and Indian Wells – with negative ones. The real story is Palm Springs, where the city median price has been creeping closer and closer to its all-time price high set in 2006. As of last month, with a median price of \$599,440, it was only .1% below its record price of \$600,000. Median prices for attached homes show five cities with positive changes and three with negative changes. There is a wide dispersal in the results, with a 20.6% gain in Indio and -11.8% in Cathedral City.

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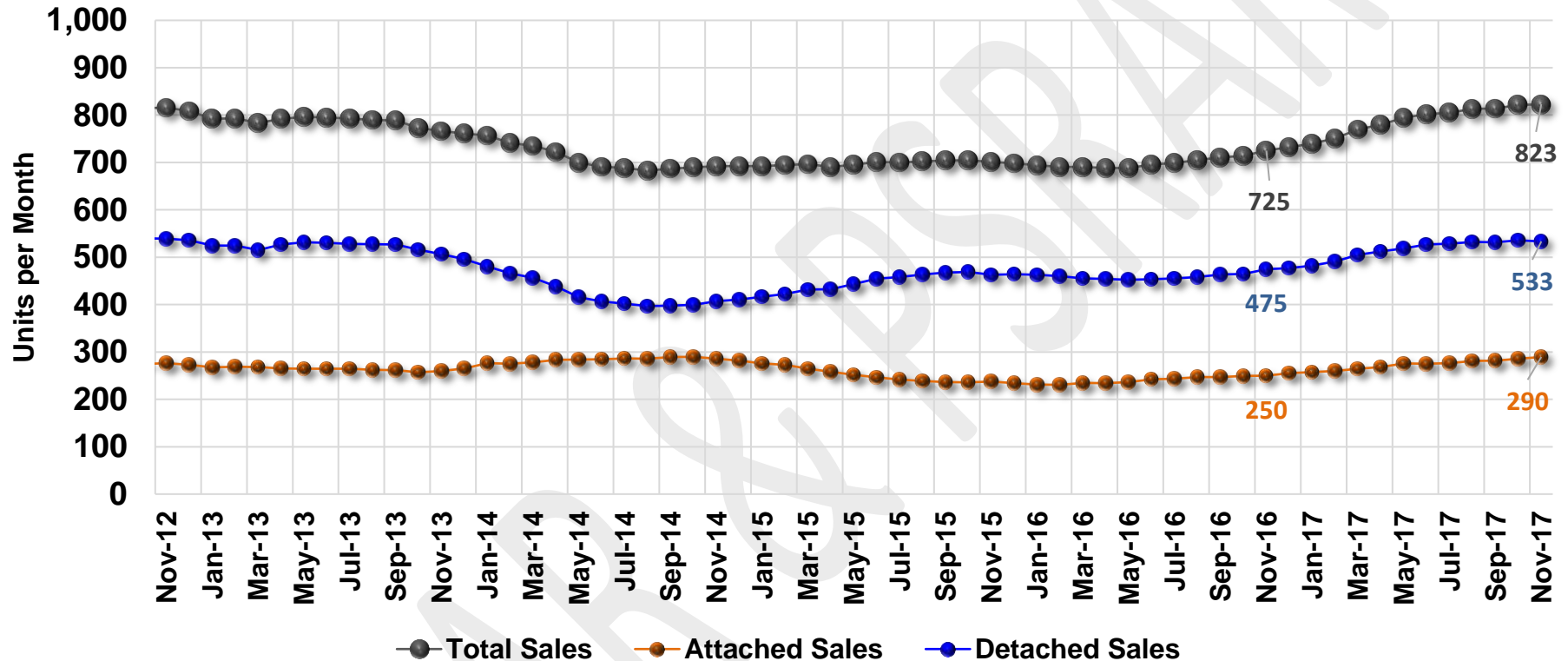
## Detached, Attached and Total Sales 3 month moving average



### Monthly Sales – 3 month trailing avg.

The seasonal three month moving average of sales continues to show some growth. Detached sales are at 458 sales per month compared to 453 a year ago. These numbers suggest sales numbers for detached homes this year comparable to 2017. However, attached sales project a possible 15% increase compared to last year. The net effect should be an overall increase of 6% in total sales in 2018 compared to 2017. This assumes that off season sales ratios translate to similar ratios during the spring buying season, which is often the case.

## Detached, Attached and Total Sales 12 month moving average

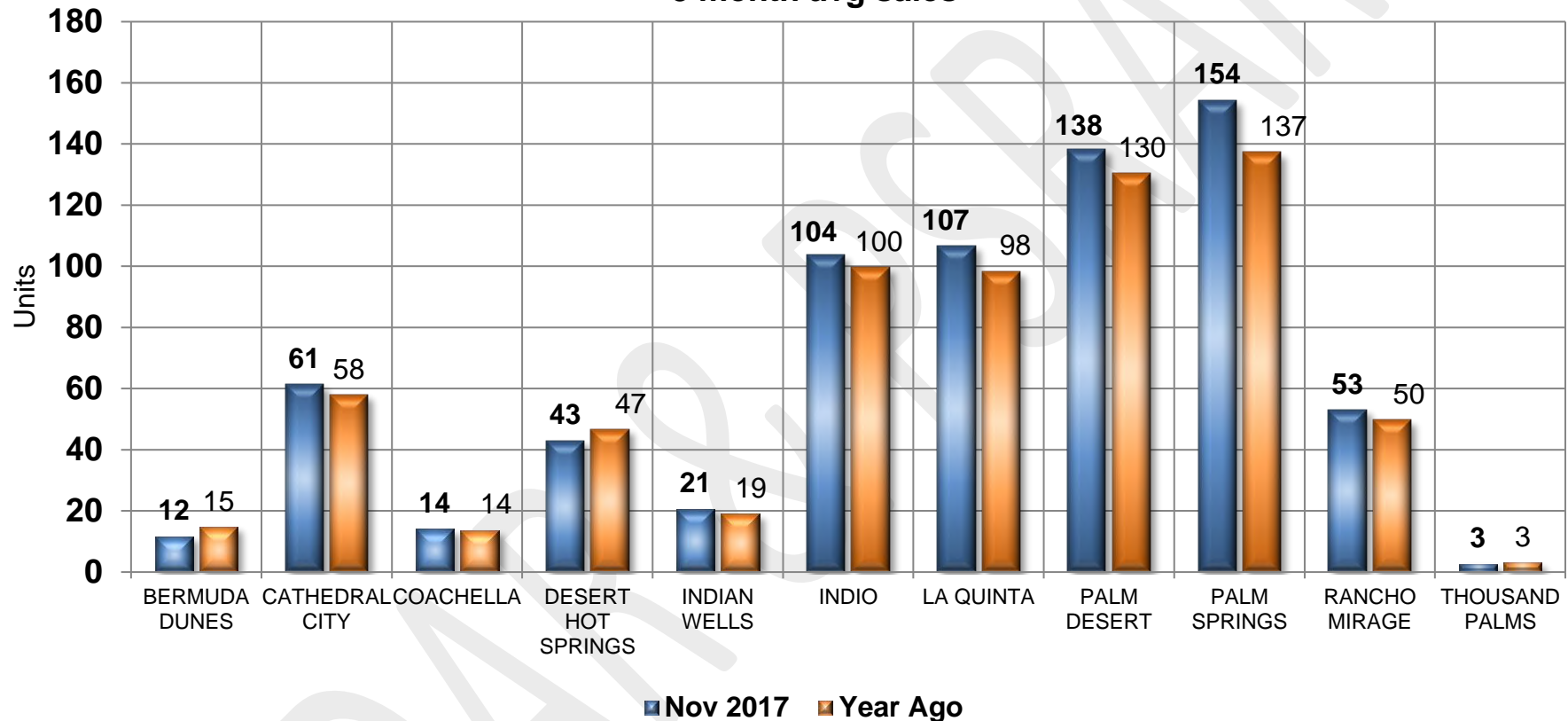


### Monthly Sales – 12 month trailing avg.

Twelve month trailing sales takes out all seasonality and allows comparing year over year sales at any month. November numbers show an increase of 16% in attached sales compared to 2016, a 12% increase in detached sales and a 13.5% increase in total sales. These numbers just reflect what we already know; that 2017 had 12% to 15% higher sales than in 2016. The chart also indicates what we wrote about in the previous section; that detached sales should probably average about 535 per month in 2018 and attached sales might possibly rise to just over 300 units a month.



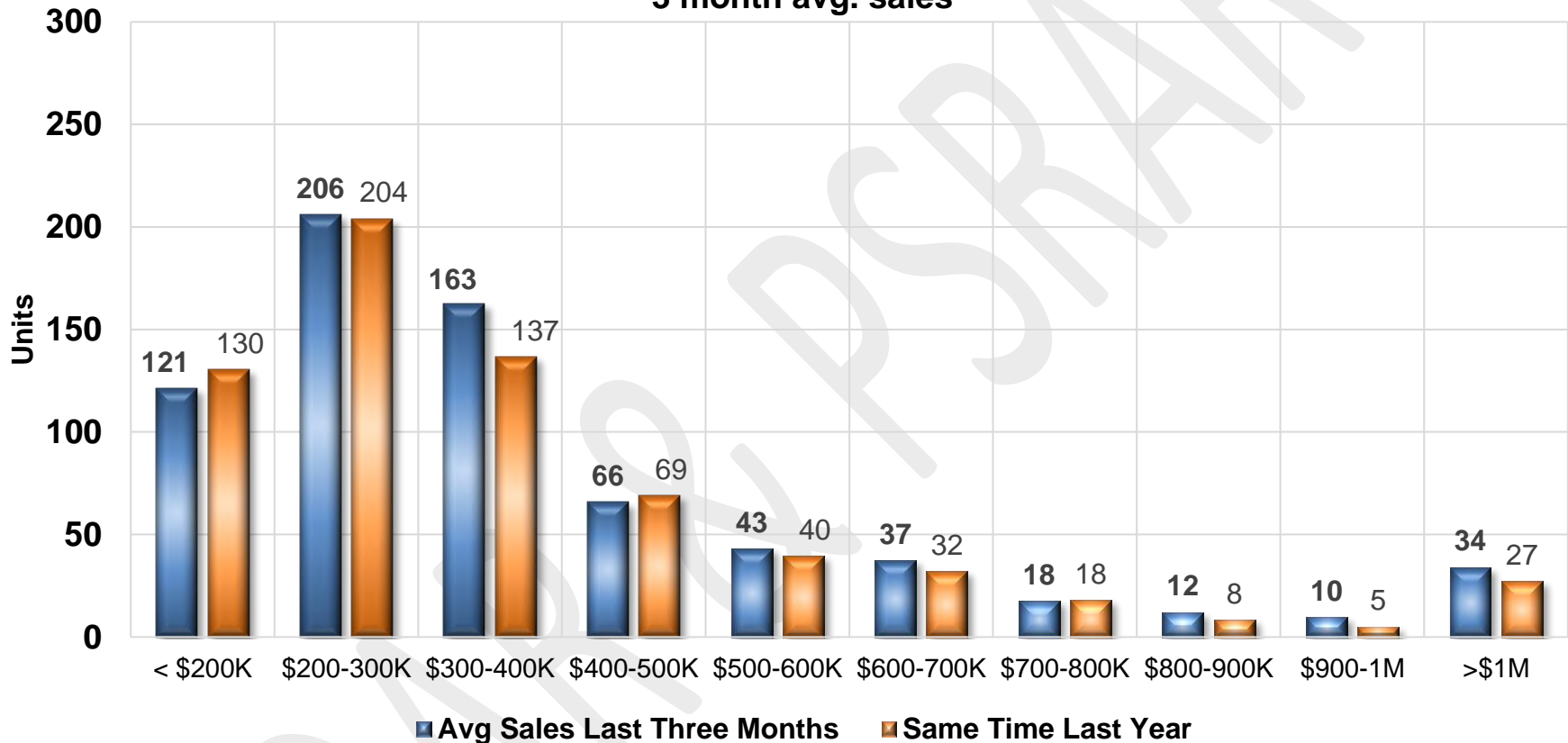
## Home Sales by City 3 month avg sales



## Home Sales per month by City

Seven cities show higher three month total sales compared to a year ago, two cities have the same sales and two cities have lower sales. The three cities with the largest increases are Palm Springs, Palm Desert and La Quinta. The two with slightly lower sales are Bermuda Dunes and Desert Hot Springs.

## Home Sales by Price Range 3 month avg. sales

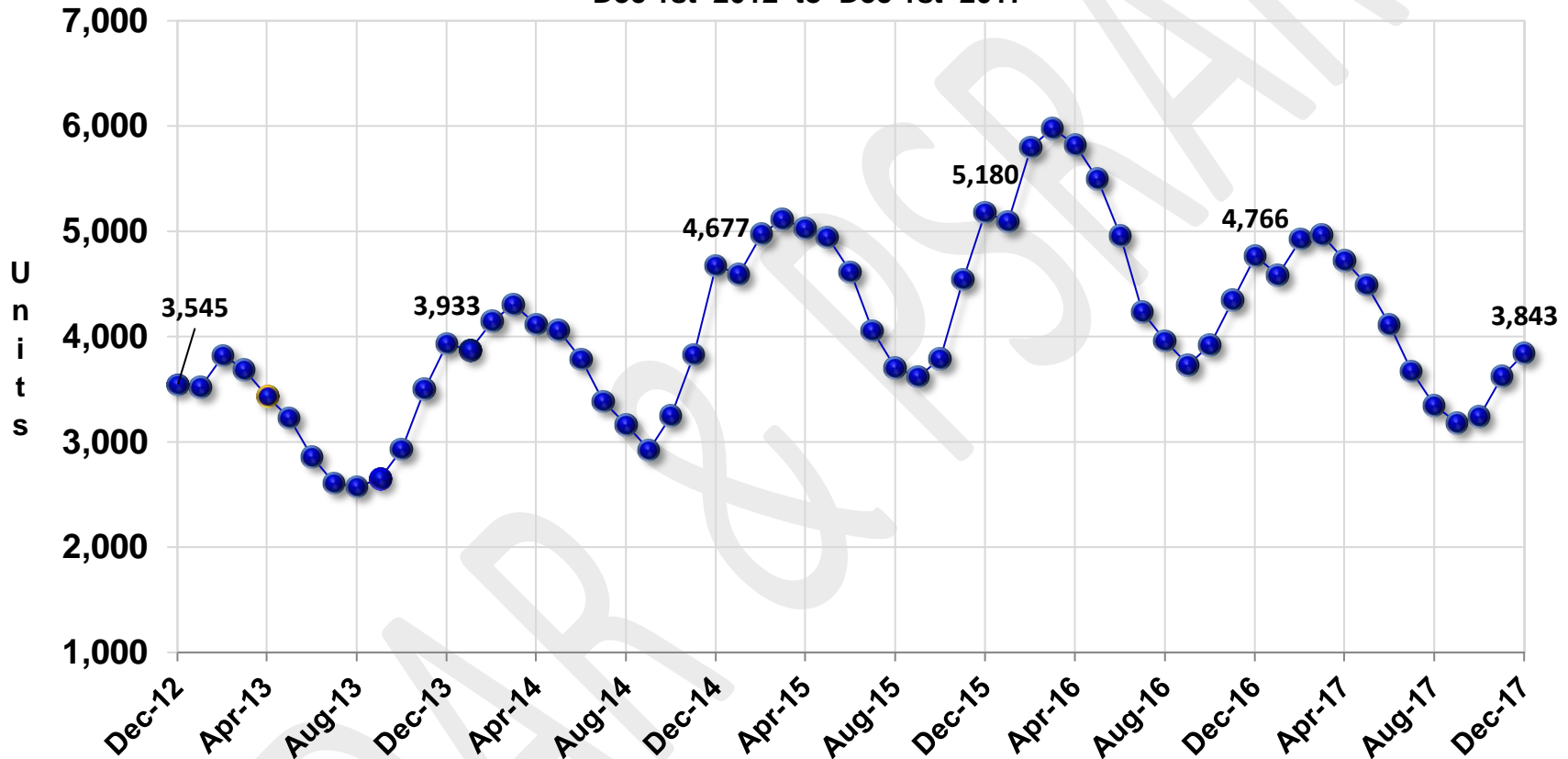


### Home Sales by Price Range

As prices rise, sales under \$200k are falling as a year over year comparison shows due to the lack of supply in this price range. The November three month sales were 121 compared to 130 units per month last year. Sales of homes between \$200k and \$300k were almost identical year over year. However, homes priced from \$300k to \$400k rose from 137 per month to 163 per month, an increase of 19%. We also see consistently higher sales in homes priced from \$500k up to \$1M.

## Valley Housing Inventory

Dec 1st 2012 to Dec 1st 2017

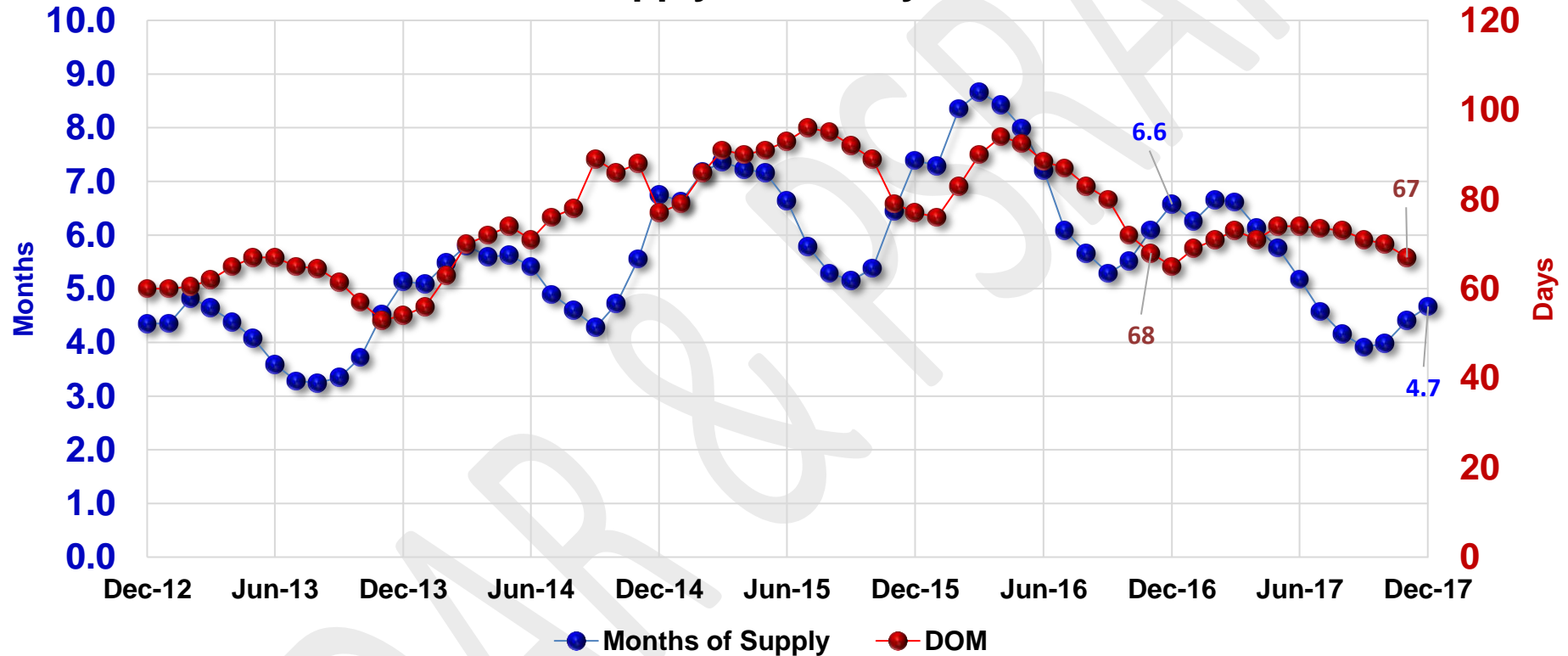


### Coachella Valley Inventory.

On December 1<sup>st</sup> Valley inventory was 3,843. This is the sum of both detached and attached units. The 12% to 15% higher sales numbers over the last twelve months have helped keep inventory at relatively low levels. This is seen by comparing the December 1<sup>st</sup> inventory numbers for the last six years. The current number is 923 units below last year and is the lowest inventory number since December 1<sup>st</sup> 2012!



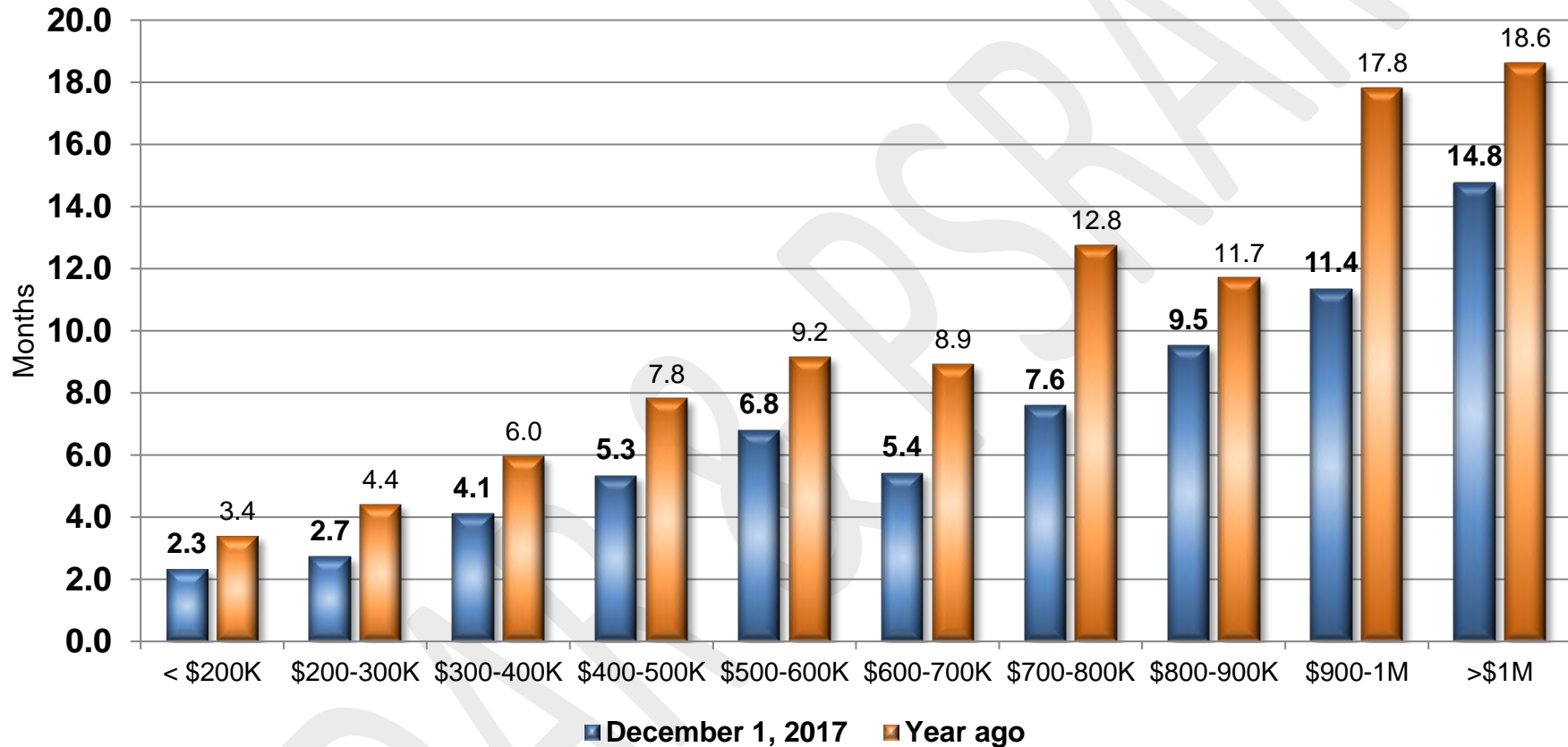
## "Months of Supply" and "Days on the Market"



### "Months of Supply" and "Days on the Market"

The combination of higher sales and a lower inventory over the last 12 months have dropped the Valley's "months of supply" ratio down to 4.7 months. This again is the lowest December 1<sup>st</sup> reading since 2012. This is confirmed by a correspondingly low DOM reading of 67 days, which is almost identical to last year's readings. Both these favorable indicators of market supply indicate another good year for Valley housing comparable to 2017.

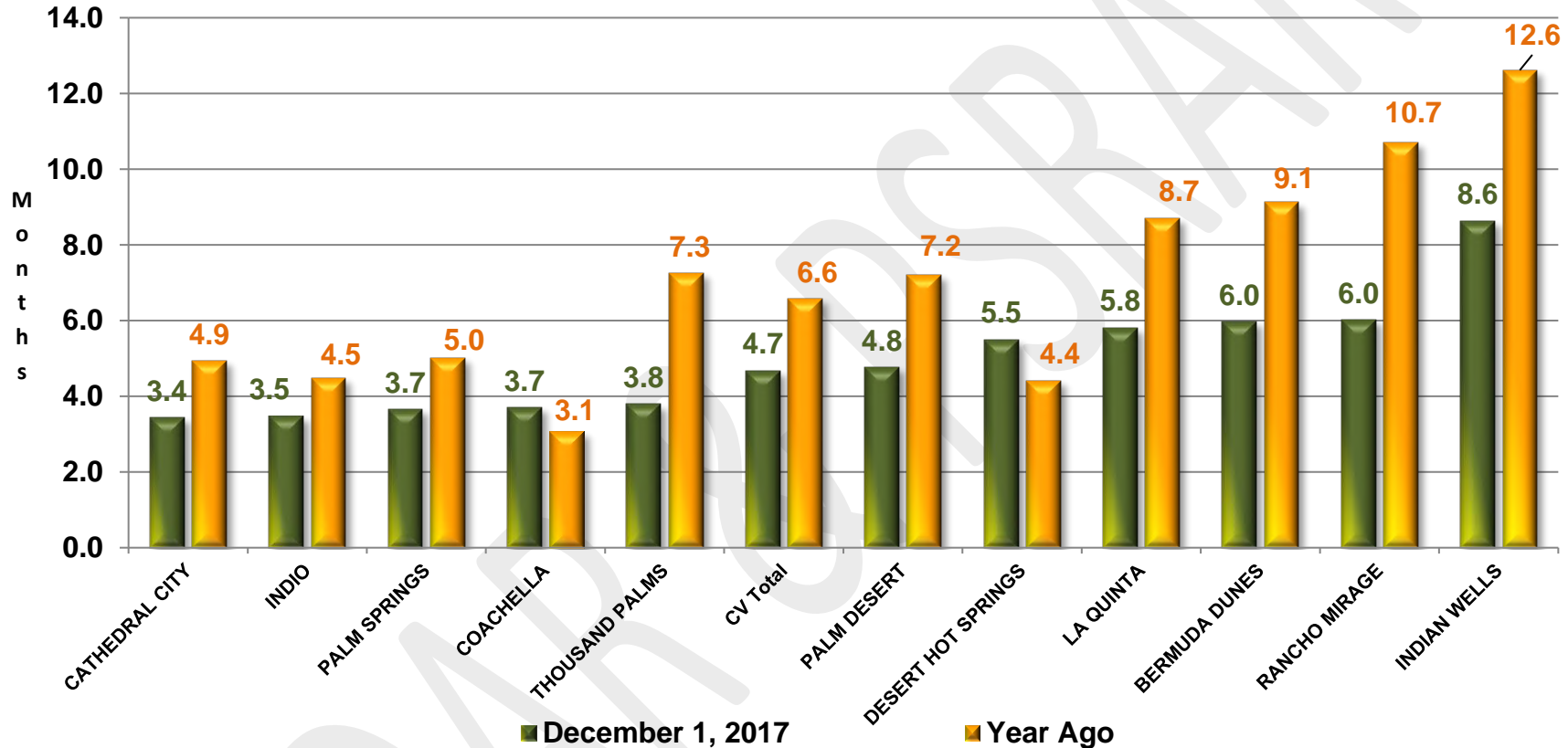
## "Months of Supply" by Price Range uses avg. twelve month sales



### "Months of Supply" by Price Range

We see lower "months of supply" ratios in all price brackets, which indicates the Valley's housing market is improving in all price ranges. We would still like to see, however, "months of supply" for homes priced over \$1M improve a little more. A ratio of fifteen months is still a little too high.

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

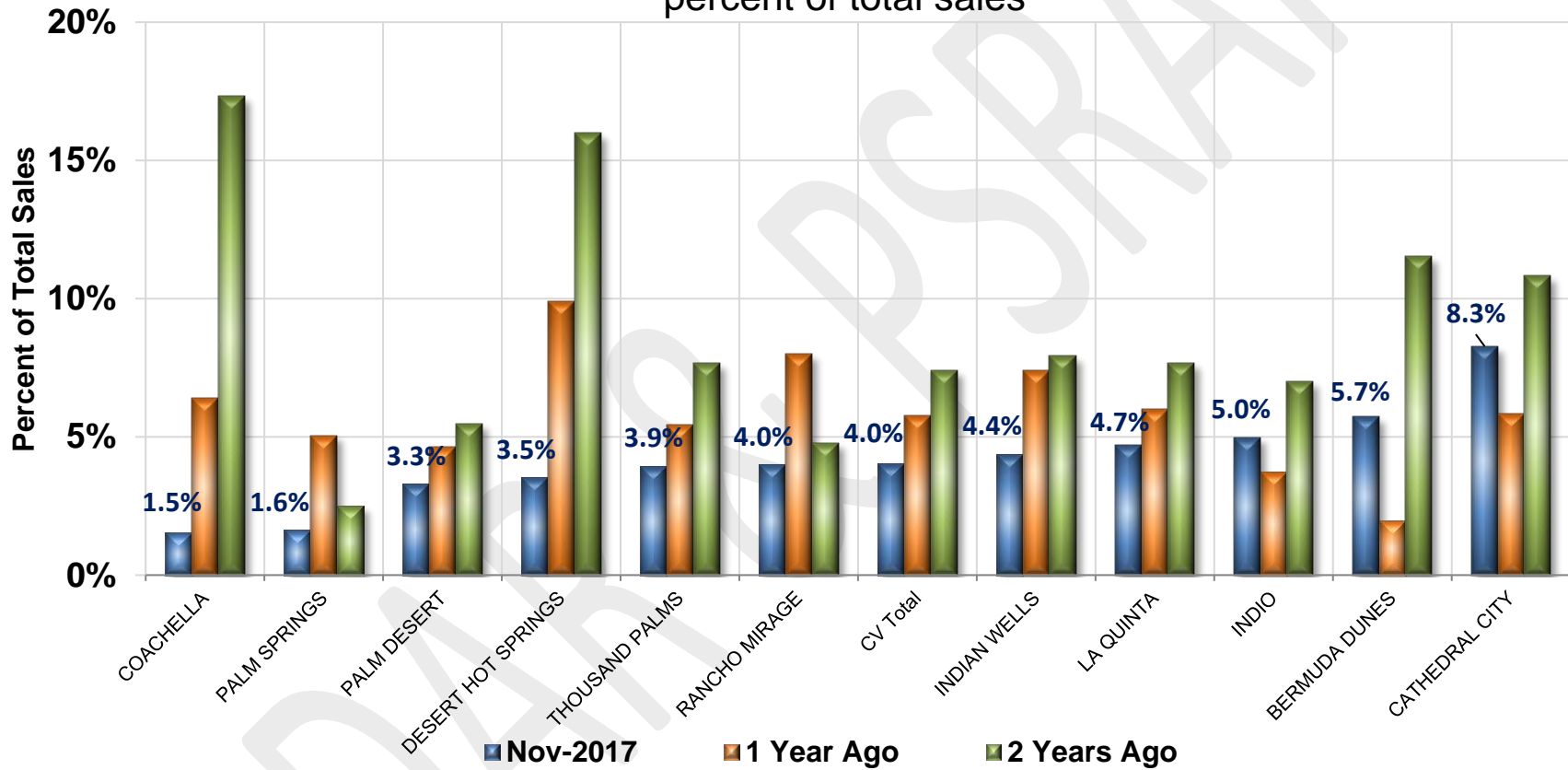


### "Months of Supply" by City

As the chart shows, we have lower "months of supply" compared to last year in every city except Coachella and Desert Hot Springs. Ten cities now have ratios equal or below six months, which is very positive. The Valley average of 4.7 months is also very strong. Even Indian Wells with a ratio at 8.6 months is historically rather low for that city.

## Distressed Sales by City

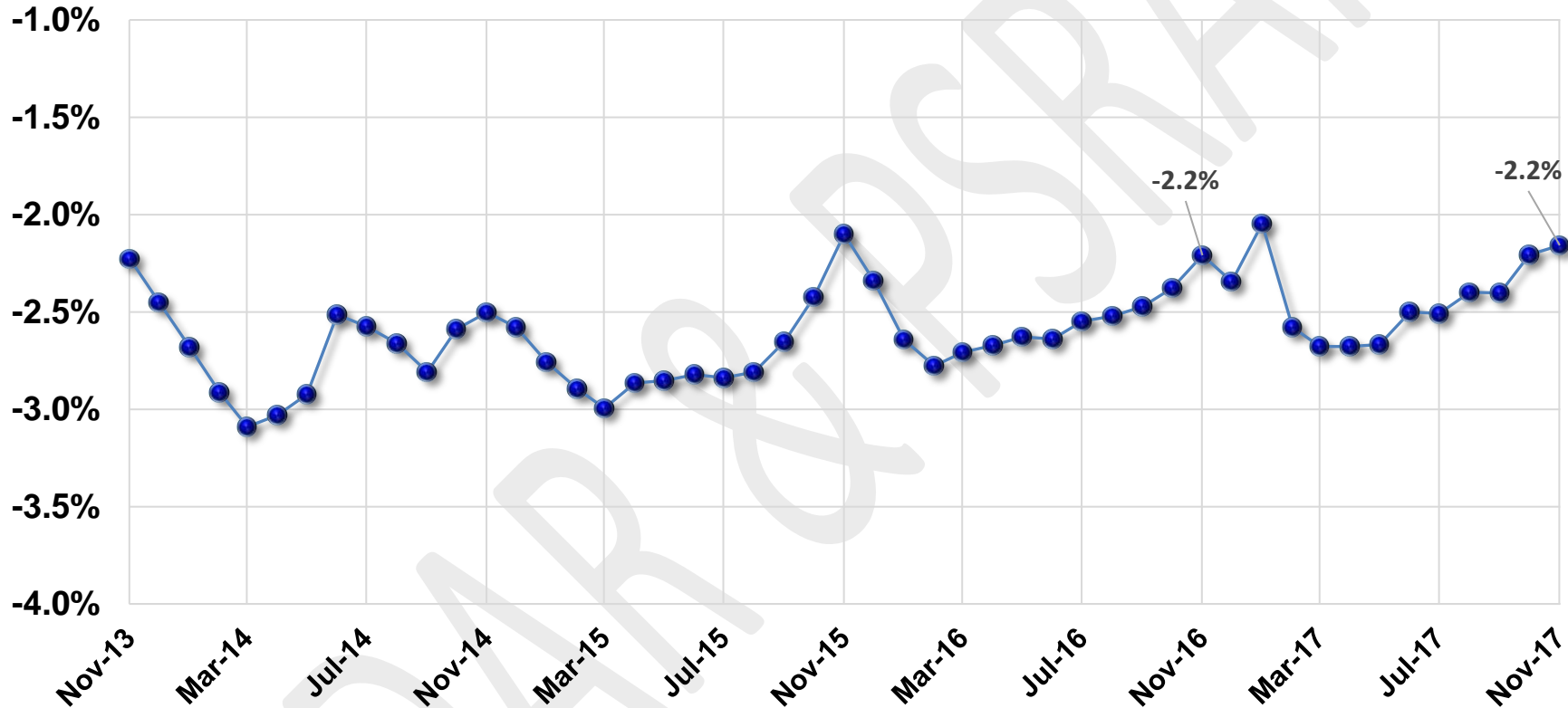
percent of total sales



## Distressed Sales by City

The Valley's distressed sales ratio in November was 4.0%. All the major cities now have distress ratios under 5.0%, which is a statistically negligible amount. The chart clearly shows the slow but continuing yearly improvement in this old concern.

## Sale Price Discount from List Nov 2017



### Sale Price Discount from List

The latest “Sale Price Discount from List” is -2.2%, which is exactly equal to a year ago. This means an average home listed for \$300,000 sold in November for a \$6,600 discount.



# The Desert Housing Report

November 2017



## 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

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