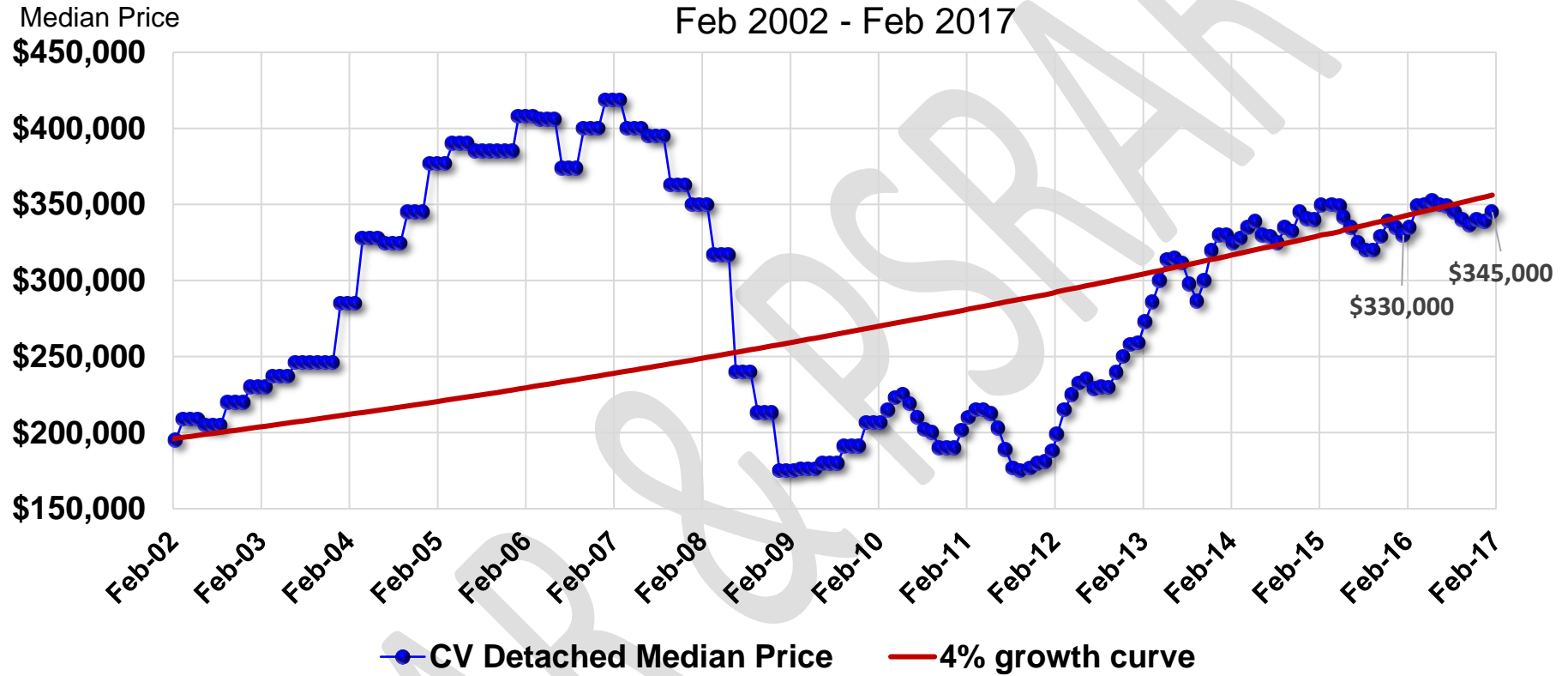


## Coachella Valley Median Detached Home Price

Feb 2002 - Feb 2017



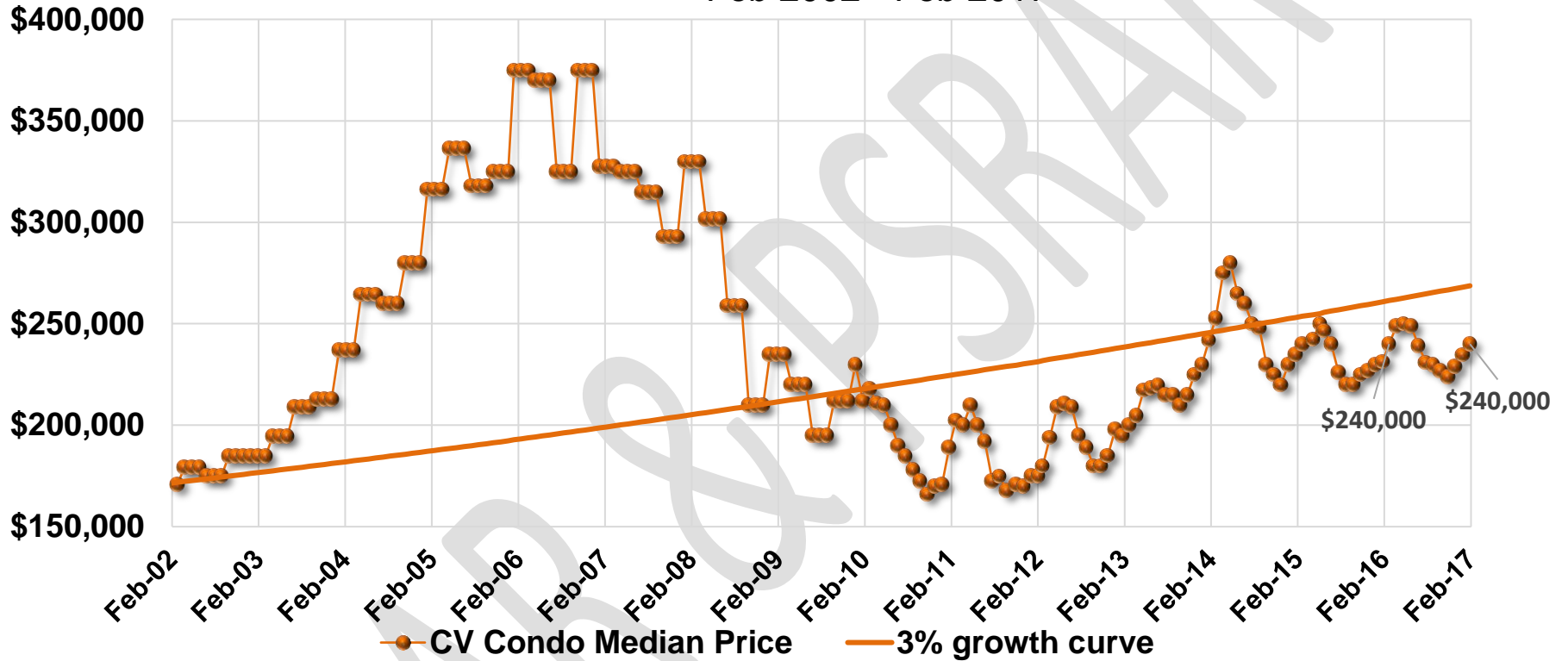
### Summary

The major housing metrics continue to display positive trends as the season unfolds. The median price for the Valley's detached homes in February was \$345,000, which was 4.5% higher than a year ago. The median price of the Valley's attached homes in February was \$240,000, which is unchanged from last year. The yearly change in the median price of detached homes in the major nine cities also shows distinct positive trends. The three month average of total sales in February shows 695 units per month, which is 17% higher than last year. Detached sales, at 459 units, are 16% higher than a year ago, while attached sales, at 235 units, are 20% higher. On March 1st there were 4,969 units listed, which is almost 1,000 less than March 1st of last year. This positive trend seems to be primarily the result of the increased level of sales we've experienced over the last six months, which has prevented the inventory from building up to high levels during the off season like it did last year. On March 1st higher sales and lower inventory combined to produce a lower "months of supply" ratio. It was 6.6 months compared to 8.7 months last year.

## Coachella Valley Median Attached Home Price

Feb 2002 - Feb 2017

Median Price



### Coachella Valley Attached Median Price

The median price of the Valley's attached homes in February was \$240,000, which is unchanged from last year. The observed seasonal price pattern of attached units – lows around October and highs in April or May - continues to display itself. If this pattern continues we should see a relative price high again in another two or three months. However, because of the approximate one month delay in the reporting of sales and the additional fact we use a three month moving average to calculate price, the actual peak should be in March or early April. This is of course based on the idea this observed pattern continues to repeat itself.



# The Desert Housing Report

February 2017



## Detached Homes

	Feb-17	Year Ago	12 Month Change	2011 Low	Gain off 2011 Low	2006 High	% from High
Desert Hot Springs	\$187,200	\$159,000	17.7%	\$85,000	120.2%	\$295,000	-36.5%
Cathedral City	\$289,500	\$260,000	11.3%	\$139,000	108.3%	\$395,000	-26.7%
Palm Springs	\$570,000	\$525,000	8.6%	\$335,000	70.1%	\$600,000	-5.0%
Indian Wells	\$830,000	\$765,000	8.5%	\$540,000	53.7%	\$1,205,000	-31.1%
City of Coachella	\$245,000	\$227,500	7.7%	\$121,950	100.9%	\$335,000	-26.9%
La Quinta	\$459,950	\$439,950	4.5%	\$245,000	87.7%	\$682,020	-32.6%
Indio	\$285,000	\$273,000	4.4%	\$158,500	79.8%	\$380,500	-25.1%
Palm Desert	\$372,000	\$359,500	3.5%	\$287,000	29.6%	\$543,000	-31.5%
Rancho Mirage	\$640,000	\$700,000	-8.6%	\$423,000	51.3%	\$950,000	-32.6%

## Attached Homes

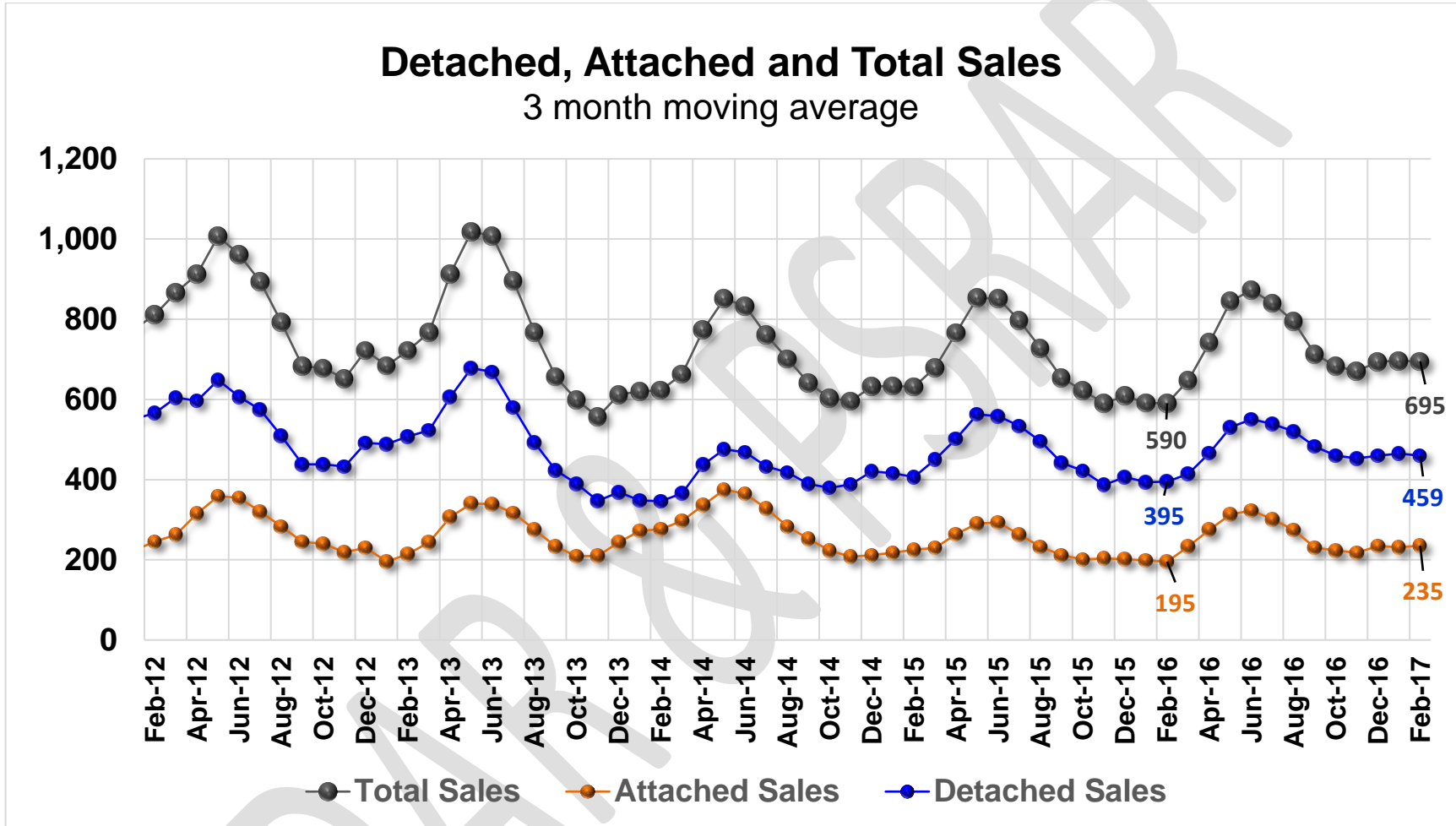
	Feb-17	Year Ago	12 Month Change	2011 Low	Gain off 2011 Low	2006 High	% from High
Indian Wells	\$409,000	\$380,000	7.6%	\$321,500	27.2%	\$557,500	-26.6%
Palm Springs	\$222,250	\$210,000	5.8%	\$150,000	48.2%	\$350,000	-36.5%
Cathedral City	\$145,000	\$144,375	0.4%	\$107,500	34.9%	\$270,500	-46.4%
Rancho Mirage	\$285,000	\$300,000	-5.0%	\$260,000	9.6%	\$510,000	-44.1%
Palm Desert	\$245,000	\$263,000	-6.8%	\$175,000	40.0%	\$410,000	-40.2%
La Quinta	\$300,000	\$327,000	-8.3%	\$265,000	13.2%	\$532,500	-43.7%
Indio	\$152,250	\$166,750	-8.7%	\$75,000	103.0%	\$279,000	-45.4%
Desert Hot Springs	\$106,875	\$119,900	-10.9%	\$86,000	24.3%	\$303,000	-64.7%
City of Coachella	N/A	N/A	N/A	N/A	N/A	N/A	N/A

## 12 Month Change in City Median Prices

The yearly change in the median price of detached homes in the major nine cities shows a distinct positive trend. The two residential cities - Cathedral City and Desert Hot Springs - continue to show the greatest price improvement, followed by Palm Springs, which has a year over year gain of 8.6%. Rancho Mirage and Palm Desert continue to lag the major cities price wise. With the exception of Palm Springs, the attached home market, consisting mostly of condominiums, continues to struggle price wise. This seems due, at least some of it, to the fact that 75% of the attached homes are owned by remote owners and not residents.

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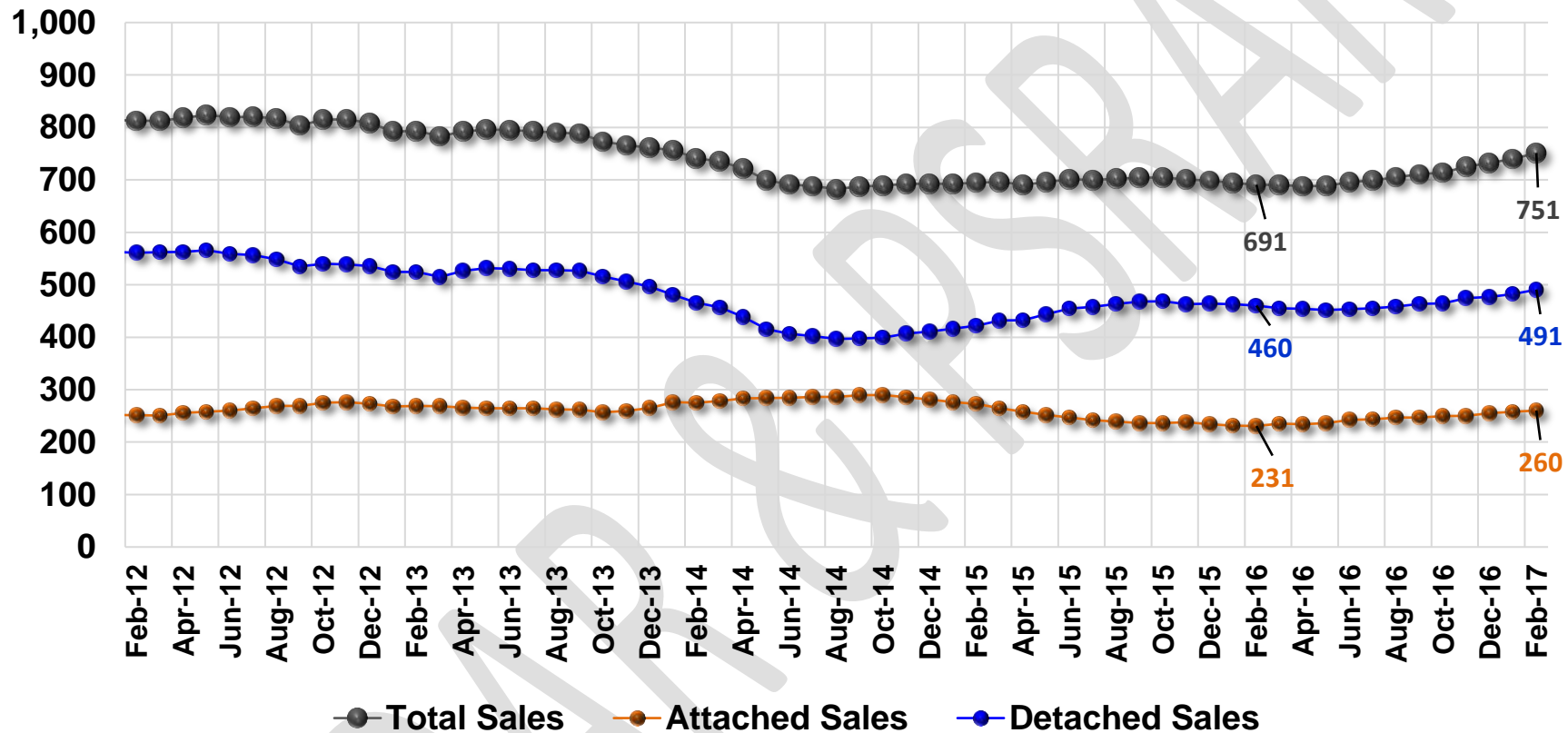
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### Monthly Sales – 3 month trailing avg.

Sales continue to grow. This fact is seen in both the seasonal three month average and also the longer term twelve month average. The three month average shows total sales in February of 695 units, which is 17% higher than last year. Detached sales, at 459 units, are 16% higher than a year ago, while attached sales, at 235 units, are 20% higher. This pattern of growing sales has been in effect now for over six months.

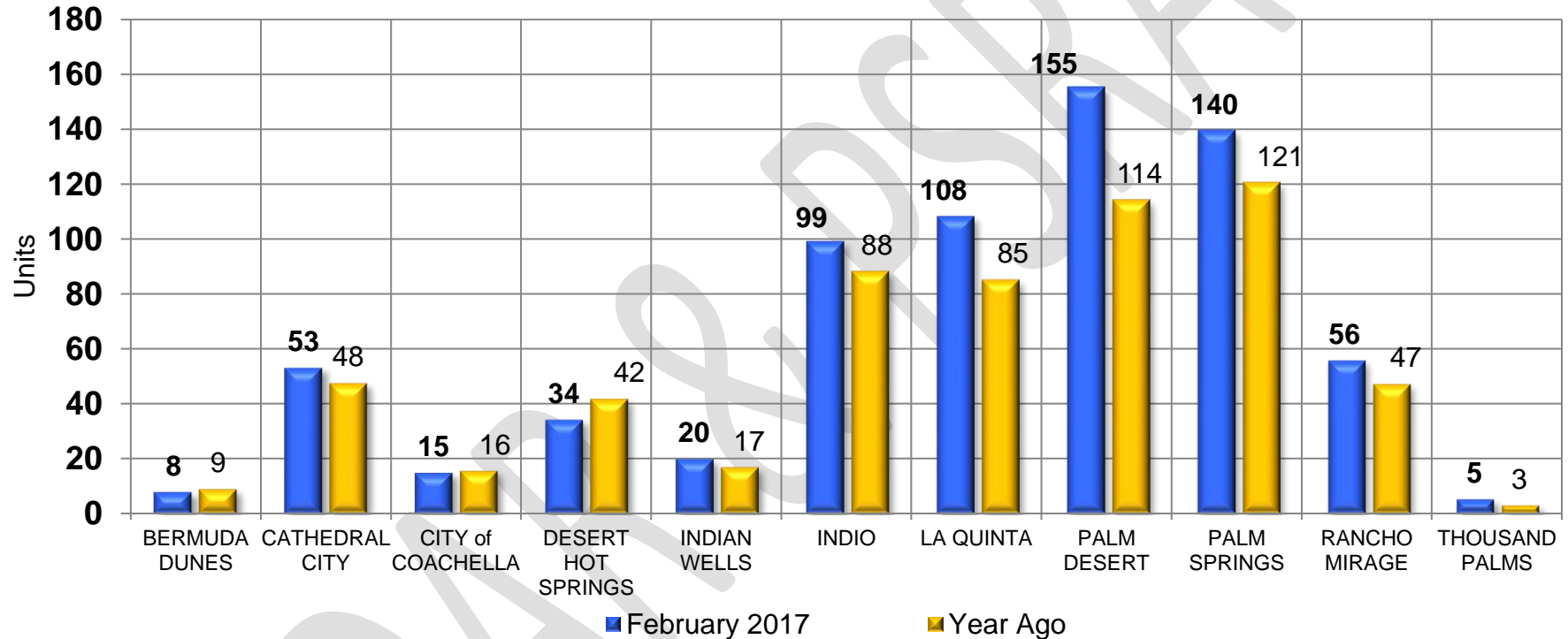
## Detached, Attached and Total Sales 12 month moving average



### Monthly Sales – 12 month trailing avg.

The fact of consistently higher three month sales over many months is finally starting to show up in the longer term sales metrics. The twelve month average of total sales in February was 751 units, which is 8.6% above a year ago and climbing. We expect this number to reach a twelve month average of 800 units by late spring. Detached sales are 6.7% above a year ago while attached sales are 12% higher.

## Home Sales by City 3 month avg sales



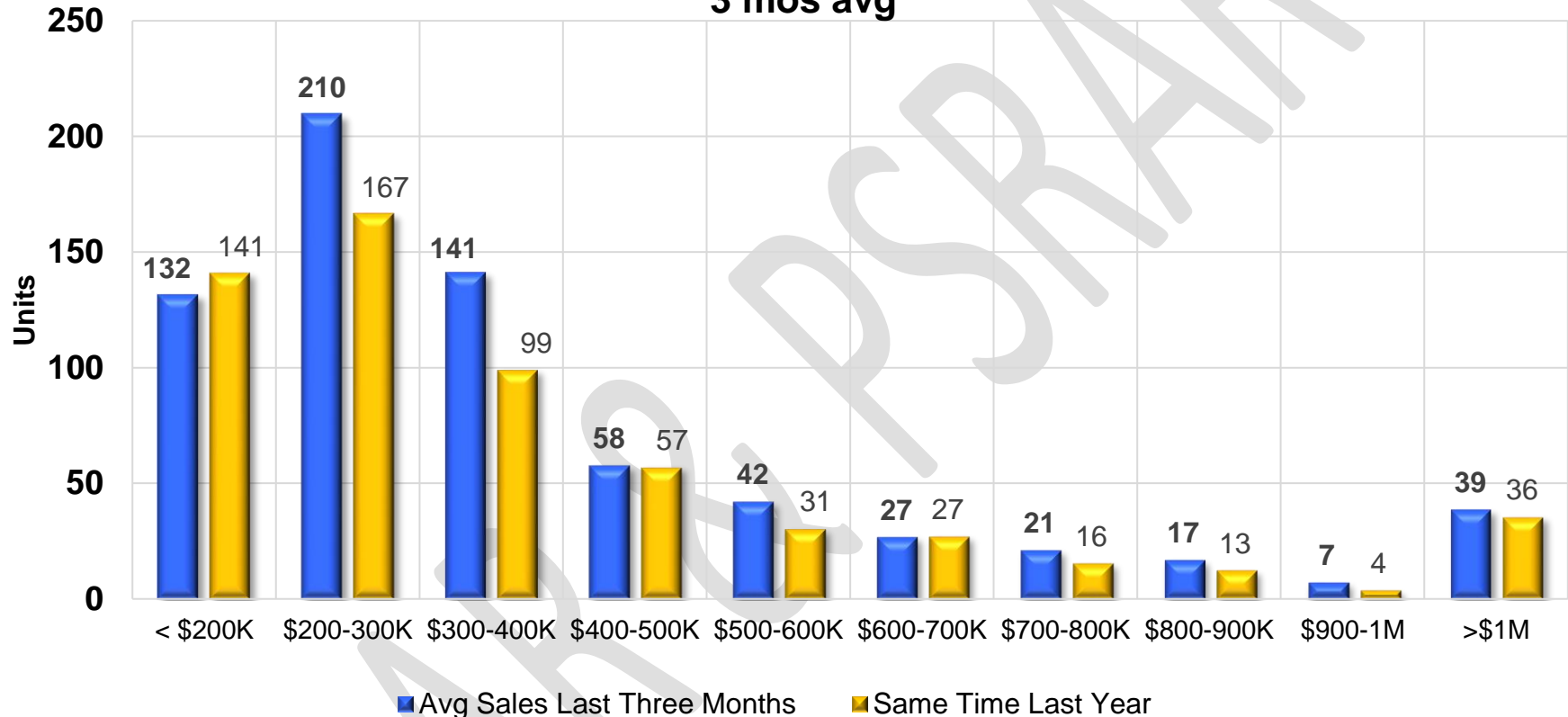
### Home Sales per month by City

The growth in three month sales for the region shows up in every city except Bermuda Dunes, Coachella and Desert Hot Springs. The largest increases by far are in the three cities of La Quinta, Palm Desert and Palm Springs. Palm Desert's three month sales are 36% higher than last year while La Quinta is 27% higher. Palm Springs, with an average of 140 units a month, is 19 units or 16% higher than a year ago.



## Home Sales by Price Range

3 mos avg

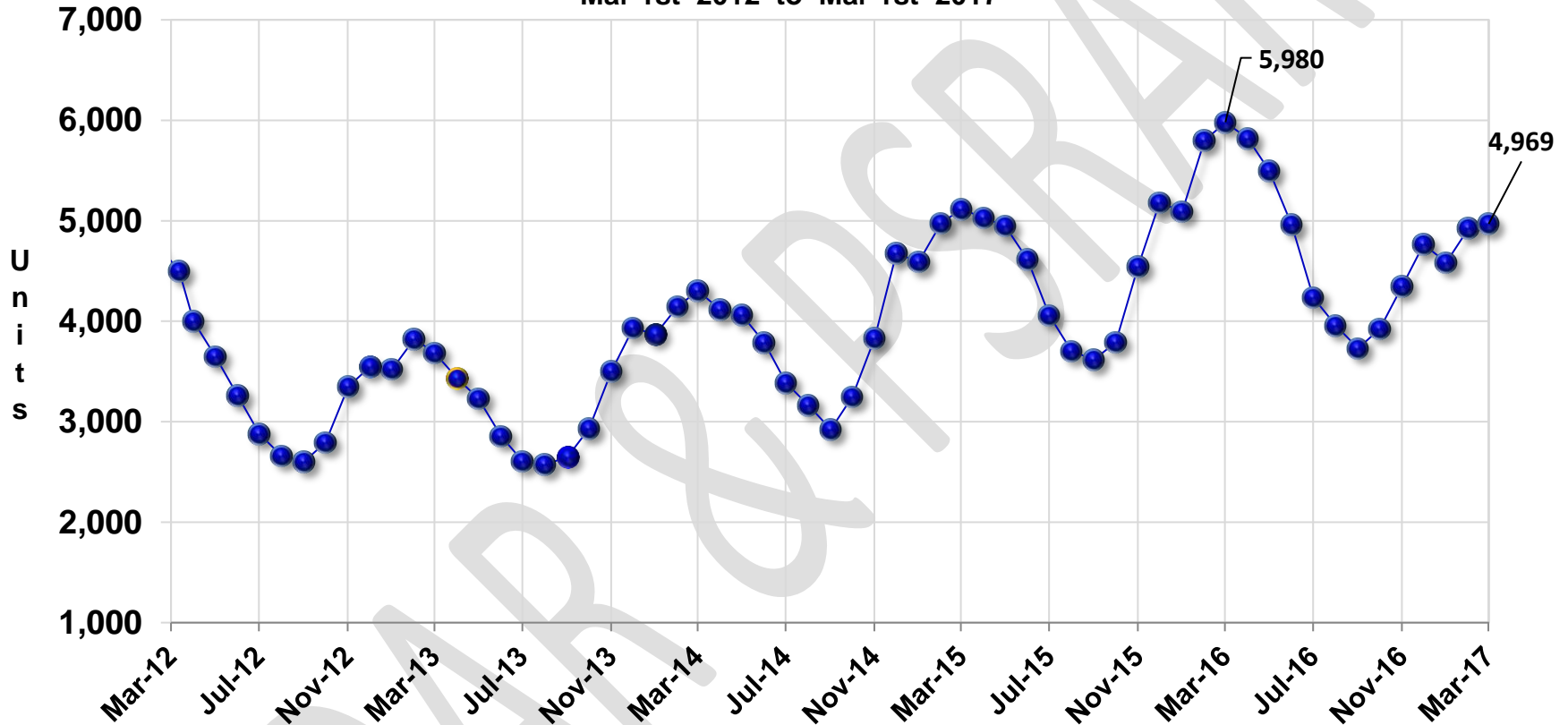


### Home Sales by Price Range

We see similar results when we measure and compare sales in the different price brackets. By far the largest increase in sales is occurring in the two price brackets from \$200k to \$400k. The price bracket from \$200k to \$300k shows an increase of 43 units, which is 26% above last year. The biggest percentage gain, however, is from \$300k to \$400k, which shows a 42% increase in sales over last year. The higher price brackets from \$800k to over a million dollars also show large increases.

### Valley Housing Inventory

Mar 1st 2012 to Mar 1st 2017

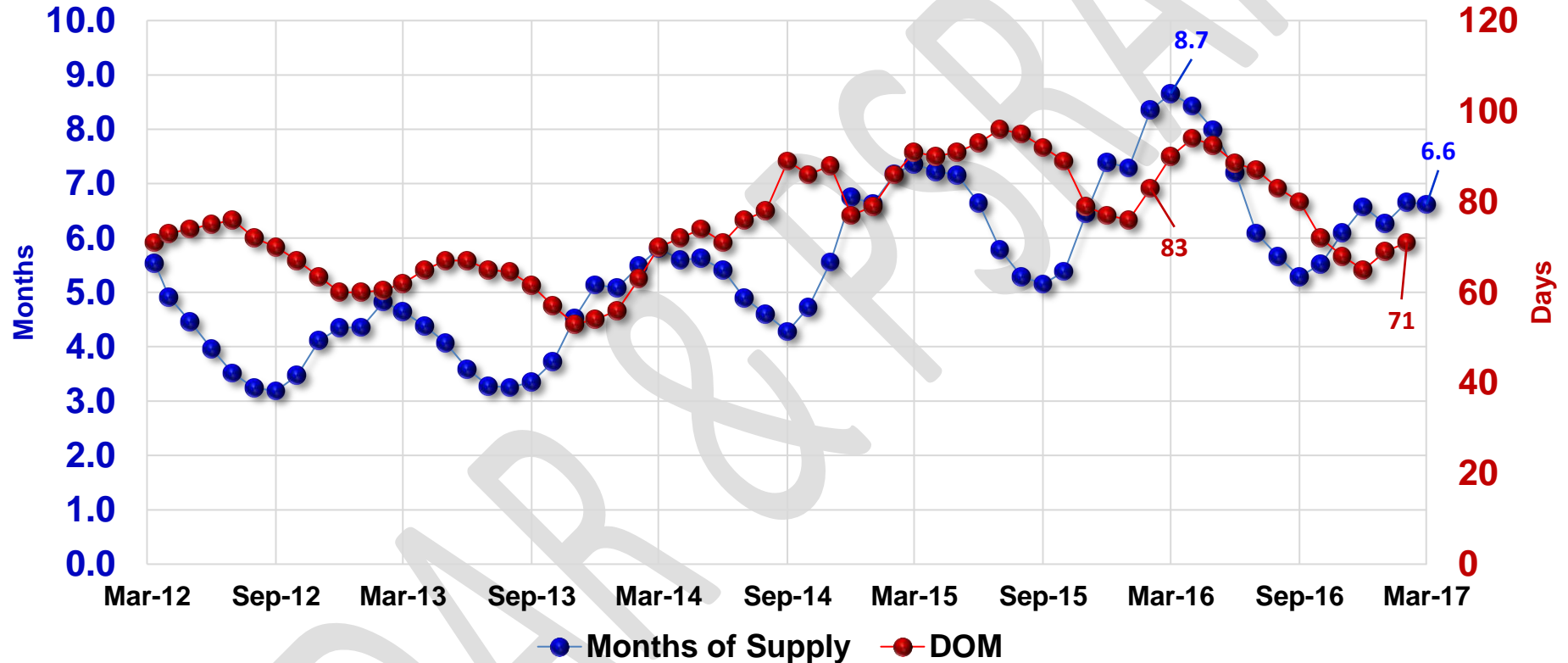


### Coachella Valley Inventory.

Inventory continues its positive trend of fewer listings compared to the same time a year earlier. On March 1<sup>st</sup> there were 4,969 units listed, which is almost 1,000 less than March 1<sup>st</sup> of last year. It's also about 150 less than March 1<sup>st</sup> of two years ago. This positive trend seems to be primarily the result of the increased level of sales we've experienced over the last six months, which has prevented the inventory from building up to high levels during the off season like it did last year.



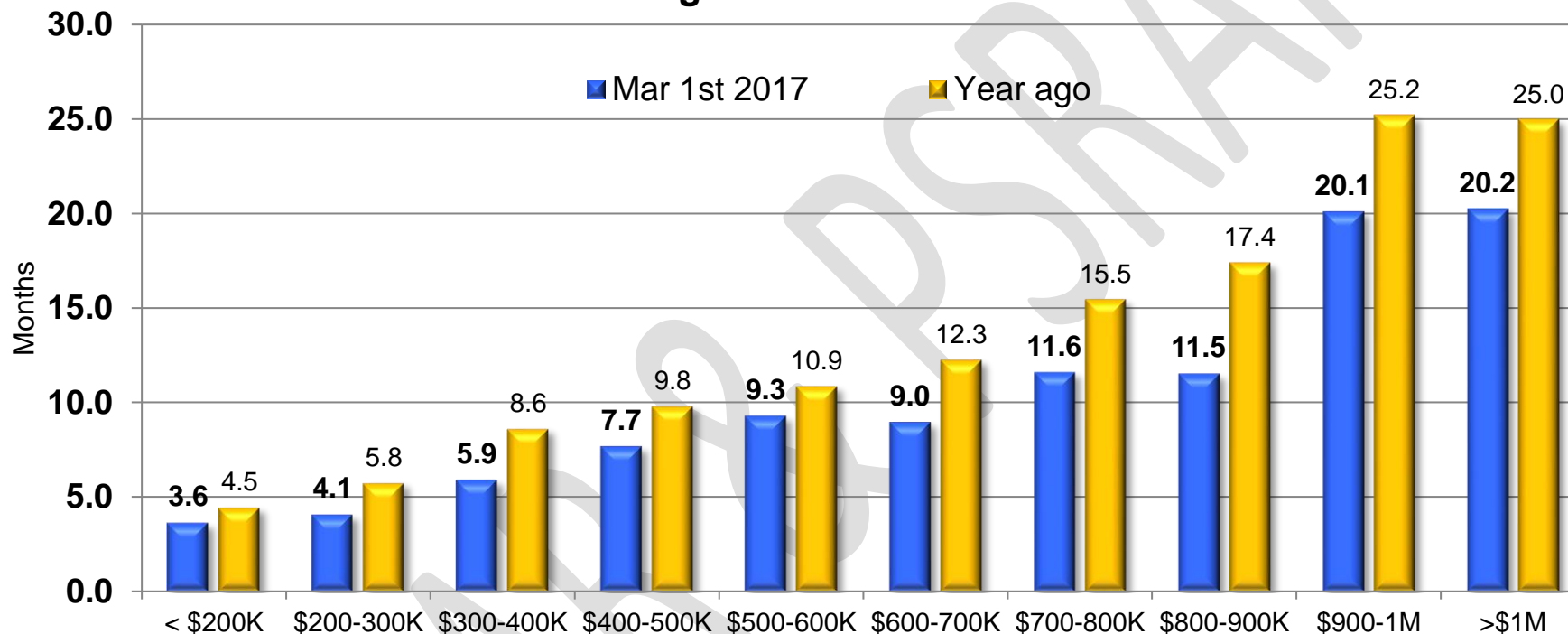
### "Months of Supply" and "Days on the Market"



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

On March 1st higher sales and lower inventory combined to produce a lower "months of supply" ratio. It was 6.6 months compared to 8.7 months last year, which is almost two months less. It is also 8/10 of a month less than March 1<sup>st</sup> of two year ago. This improvement is confirmed by a February average DOM of 71 days, which is 12 days less than February of 2016.

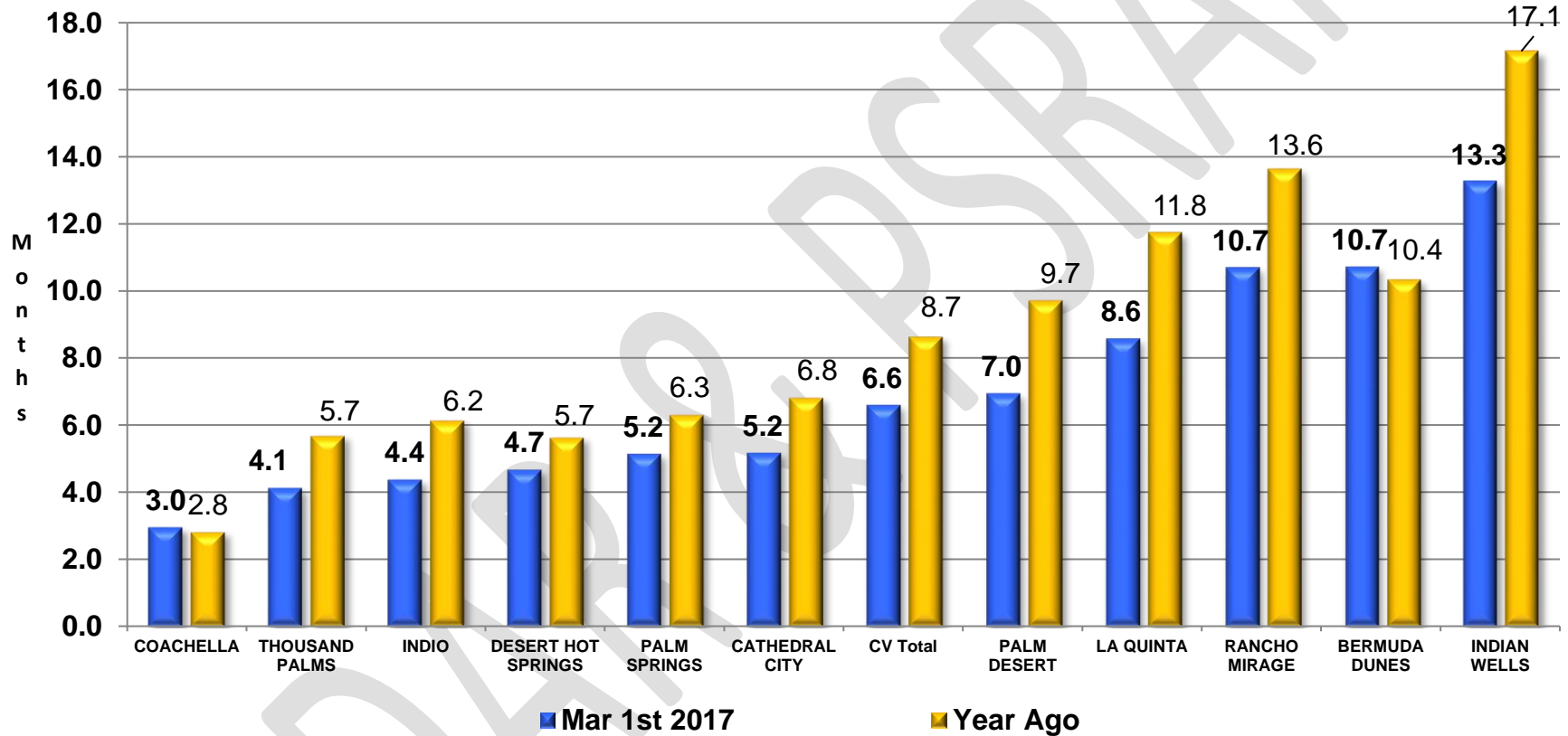
## "Months of Supply" by Price Range uses avg. twelve month sales



### "Months of Supply" by Price Range

We see significant improvement in "months of supply" in every price bracket. Large ratio reductions are in the price brackets below \$400k. In fact the ratio for the bracket \$300k to \$400k reduced from 8.6 months to 5.9 months. However, the greatest improvements were in the higher price brackets. The "months of supply" ratio for homes priced from \$700k to \$800k went from 15.5 months down to 11.6, while for homes priced from \$800k to \$900k, it went from 17.4 months down to 11.5.

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



### "Months of Supply" by City

Every major Valley city shows improvement in "months of supply." The six cities of Coachella, Thousand Palms, Indio, Desert Hot Springs, Palm Springs and Cathedral City all now have ratios under six months. While its ratio is still over six months, Palm Desert, at seven months, is 2.7 months less than last year. La Quinta is also much improved, falling from 11.8 months to 8.6 months. Ratios for Rancho Mirage and Indian Wells have also declined significantly.

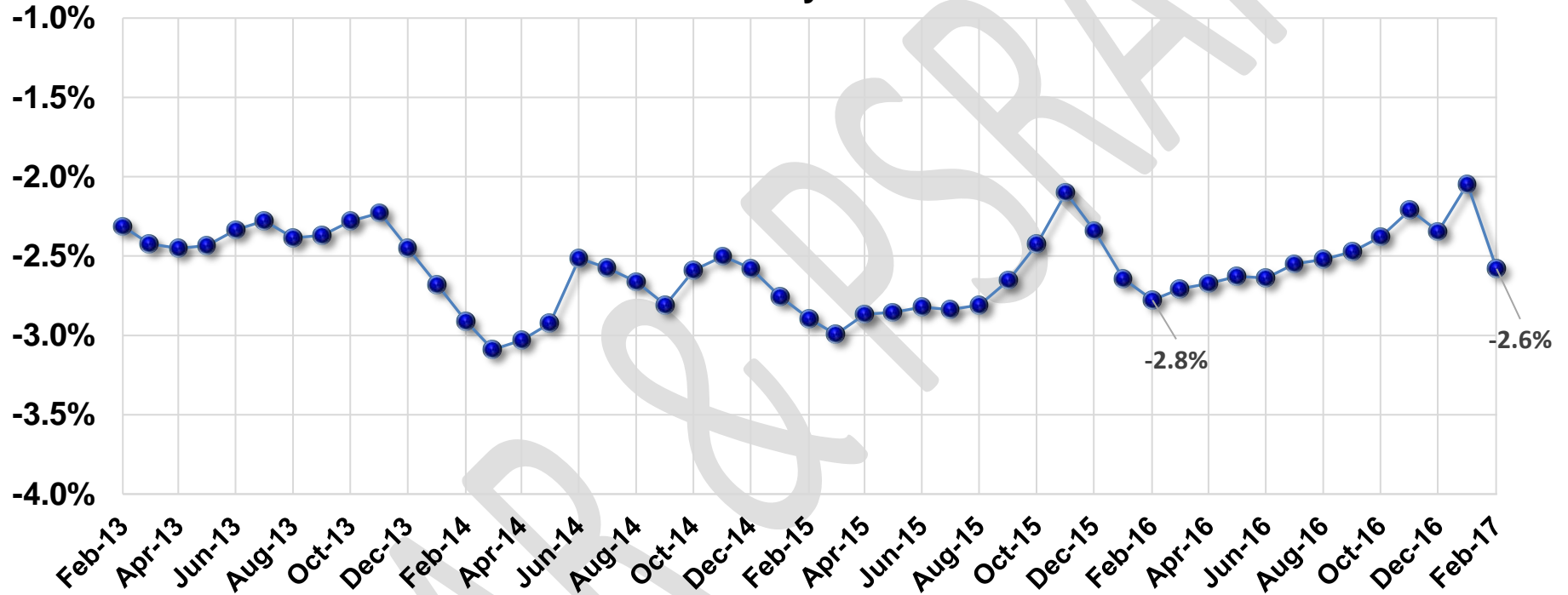
## Distressed Sales by City percent of total sales



### Distressed Sales by City

Distressed sales (REO and short sales) are 4.9% of all sales in the Valley. While this is near levels for the last two years it does show continued improvement. Cathedral City and Desert Hot Springs still show relatively high percentages of 6.3% and 6.7% respectively. Coachella is 9.6% of sales while Bermuda Dunes is 12.5%. Current numbers are low enough not to affect home appraisals or values but we would like to see the Valley ratio get down to 2%.

### Sale Price Discount from List February 2016



### Sale Price Discount from List

The latest "Sale Price Discount from List" is at -2.6%, which is 2/10 of a percent less than a year ago. This percent implies that the selling discount to a home listed for \$300,000 home was approximately \$7,800.



# The Desert Housing Report

February 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 transaction over the last three months (except for Indian Wells, which is six 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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