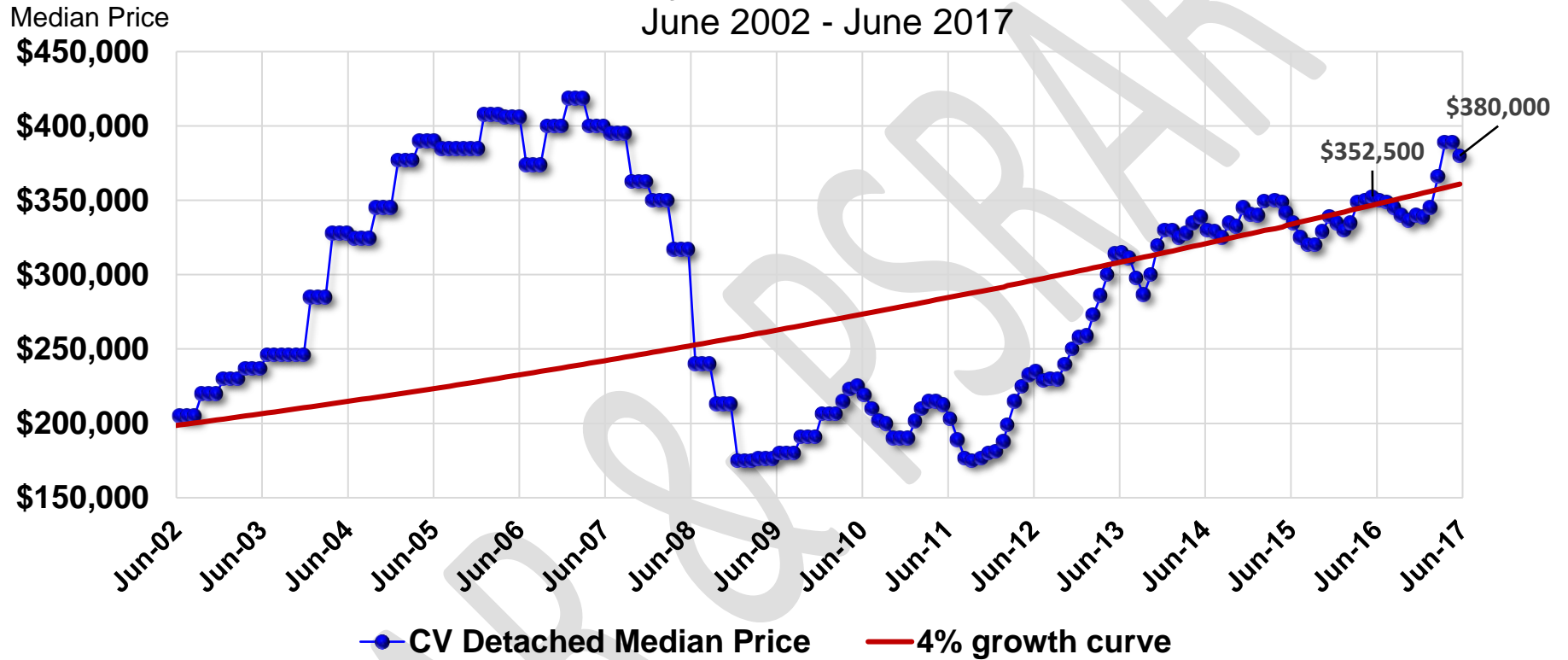


Coachella Valley Median Detached Home Price

June 2002 - June 2017



Summary

The Valleys' median price for detached homes was \$380,000 at the end of June, an increase of 7.8% over June of last year. The median price for attached units was \$256,500, up 3% over a year ago. At the city level, six cities show price gains for detached homes, while three are lower. Indio has the largest gain of 8.3% followed by La Quinta with 6.6% and Cathedral City at 6.1%. In the attached market five are higher and three lower. By size, Cathedral City is up 9.7%, Rancho Mirage is up 8.3% and La Quinta higher by 7.5%. Valley homes sales continue to expand. Over the last three months sales of attached homes are up 12.7% while sales of detached homes are up 16.2%. This brings the monthly average of three month total sales to 1003 units, 14.9% above last year and the highest since June of 2013. With the consistent increase in sales and the decline in inventory, an important inventory metric called "months of sales"- the ratio of inventory to the sales rate - fell to 4.6 months on July 1st. One year ago it was 6.1 months. This strong improvement is confirmed by "days on the market", which is the indicator that monitors how long homes are staying on the market. It is currently 74 days, which is 15 days less than 89 days last June.

Coachella Valley Median Attached Price

June 2002 - June 2017

Median Price

\$400,000

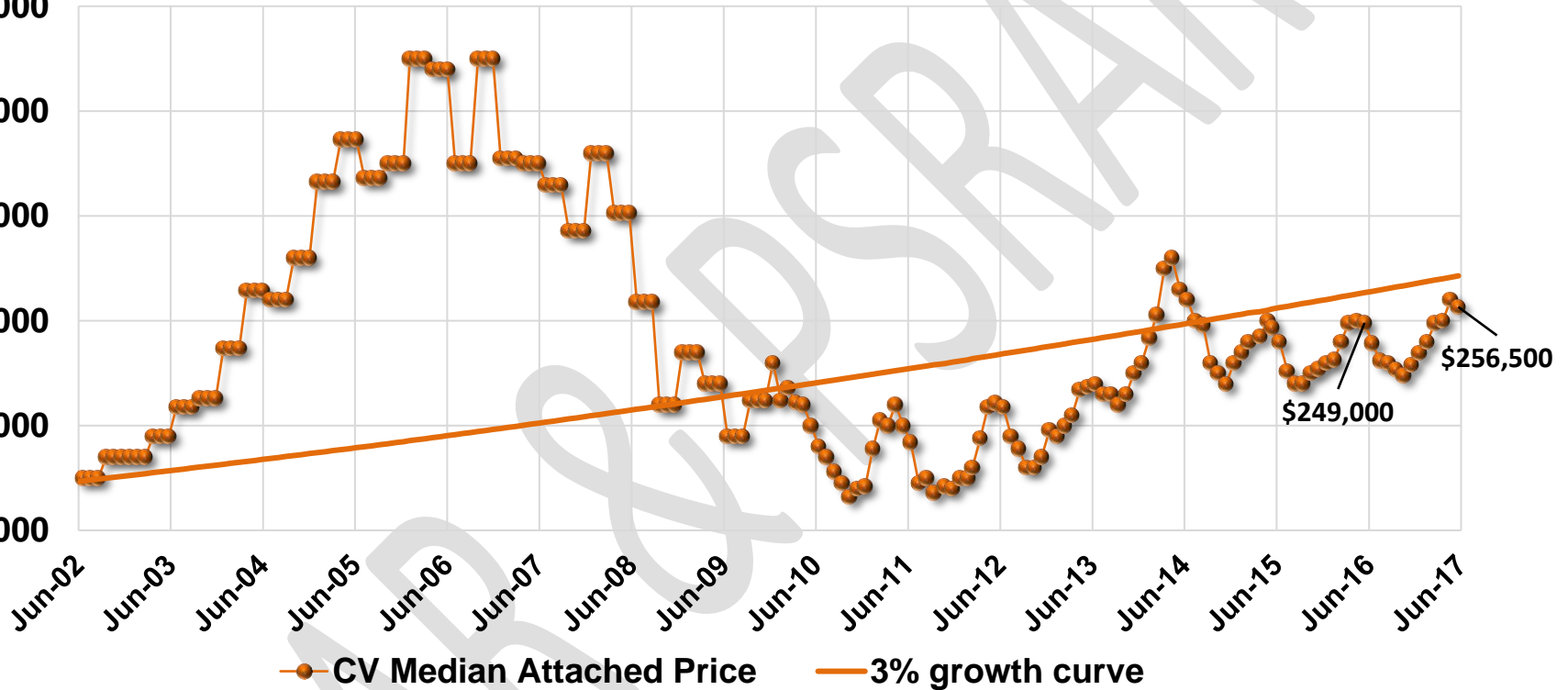
\$350,000

\$300,000

\$250,000

\$200,000

\$150,000



Coachella Valley Attached Median Price

The median value in June for attached homes was \$256,500, up 3% above last year. As the graph clearly shows, we have entered the period of the year when prices for attached homes can be expected to soften somewhat. This has been the pattern now for over seven years. It is our belief that the magnitude of this softening might be a good indicator for next year. If the price give-back is similar in size to the last few years, next year's gains will also probably be similar. However, if the price give back is muted, it could be a sign of the start of the long awaited price recovery in the attached home market.



The Desert Housing Report

June 2017



Detached Homes

	Jun-17	Year Ago	12 Month Change	2011 Low	Gain off 2011 Low	2006 High	% from High
Indio	\$305,000	\$281,750	8.3%	\$158,500	92.4%	\$380,500	-19.8%
La Quinta	\$479,500	\$450,000	6.6%	\$245,000	95.7%	\$682,020	-29.7%
Cathedral City	\$290,750	\$274,000	6.1%	\$139,000	109.2%	\$395,000	-26.4%
Desert Hot Springs	\$195,000	\$185,750	5.0%	\$85,000	129.4%	\$295,000	-33.9%
Palm Springs	\$585,000	\$560,625	4.3%	\$335,000	74.6%	\$600,000	-2.5%
City of Coachella	\$225,000	\$225,000	0.0%	\$121,950	84.5%	\$335,000	-32.8%
Rancho Mirage	\$602,500	\$610,500	-1.3%	\$423,000	42.4%	\$950,000	-36.6%
Indian Wells	\$799,000	\$819,500	-2.5%	\$540,000	48.0%	\$1,205,000	-33.7%
Palm Desert	\$380,500	\$391,750	-2.9%	\$287,000	32.6%	\$543,000	-29.9%

Attached Homes

	Jun-17	Year Ago	12 Month Change	2011 Low	Gain off 2011 Low	2006 High	% from High
Cathedral City	\$159,000	\$145,000	9.7%	\$107,500	47.9%	\$270,500	-41.2%
Rancho Mirage	\$352,000	\$325,000	8.3%	\$260,000	35.4%	\$510,000	-31.0%
La Quinta	\$349,500	\$325,000	7.5%	\$265,000	31.9%	\$532,500	-34.4%
Palm Desert	\$265,750	\$257,000	3.4%	\$175,000	51.9%	\$410,000	-35.2%
Indio	\$160,000	\$155,000	3.2%	\$75,000	113.3%	\$279,000	-42.7%
Palm Springs	\$225,000	\$227,200	-1.0%	\$150,000	50.0%	\$350,000	-35.7%
Indian Wells	\$380,000	\$407,000	-6.6%	\$321,500	18.2%	\$557,500	-31.8%
Desert Hot Springs	\$150,000	\$162,450	-7.7%	\$86,000	74.4%	\$303,000	-50.5%
City of Coachella	N/A	N/A	N/A	N/A	N/A	N/A	N/A

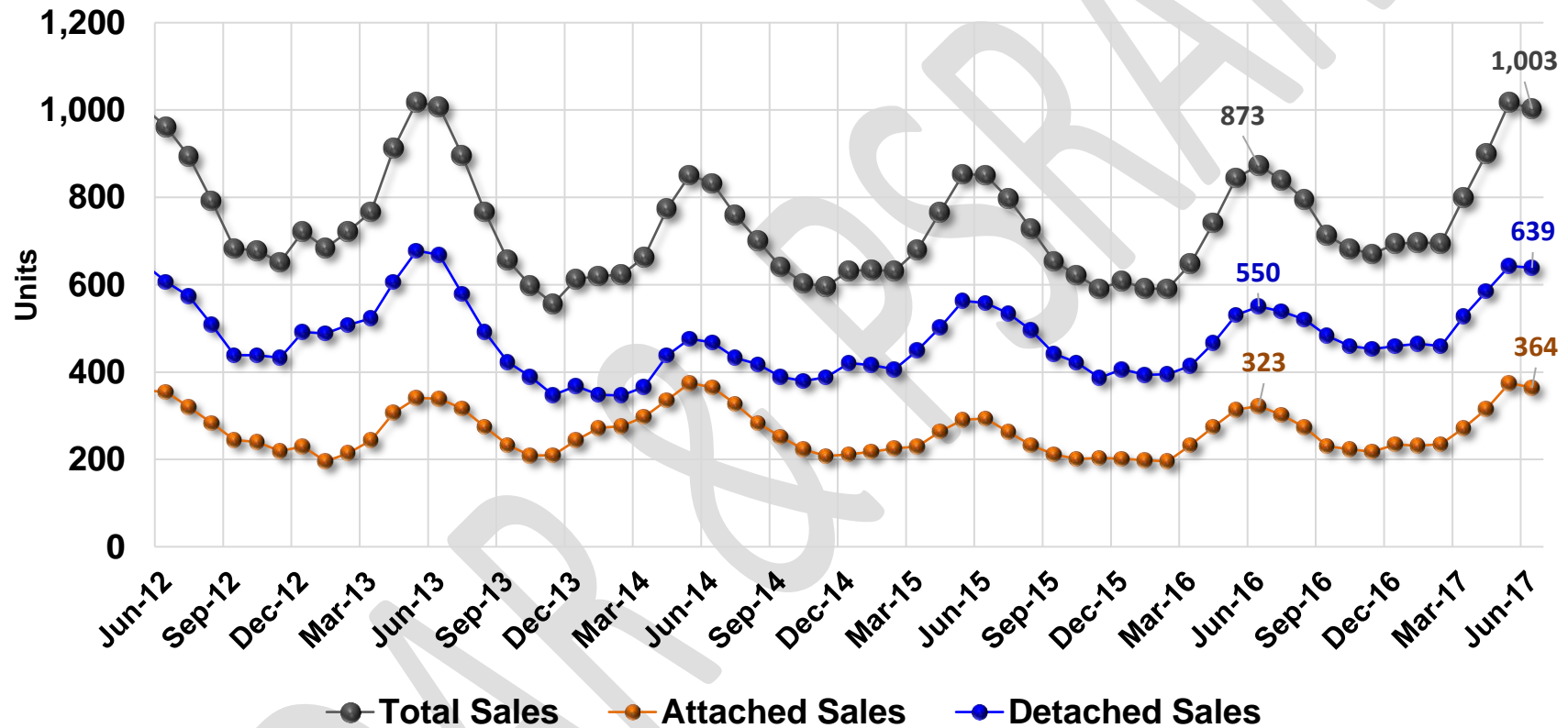
12 Month Change in City Median Prices

At the city level, six cities show 12 month price increases for detached homes, while three are lower. Indio has the largest gain of 8.3% followed by La Quinta with 6.6% and Cathedral City at 6.1%. Rancho Mirage is 1.3% lower, Indian Wells 2.5% lower and Palm Desert 2.9% lower. In the attached market five are higher and three lower. By size, Cathedral City is up 9.7%, Rancho Mirage is up 8.3% and La Quinta higher by 7.5%. Palm Springs is down 1%, Indian Wells 6.6% and Desert Hot Springs 7%.

Produced for Valley agents through the sponsorship and cooperation of PSRAR and CDAR by Market Watch LLC

©2017 CDAR & PSRAR. All rights reserved. Use and distribution by members only.

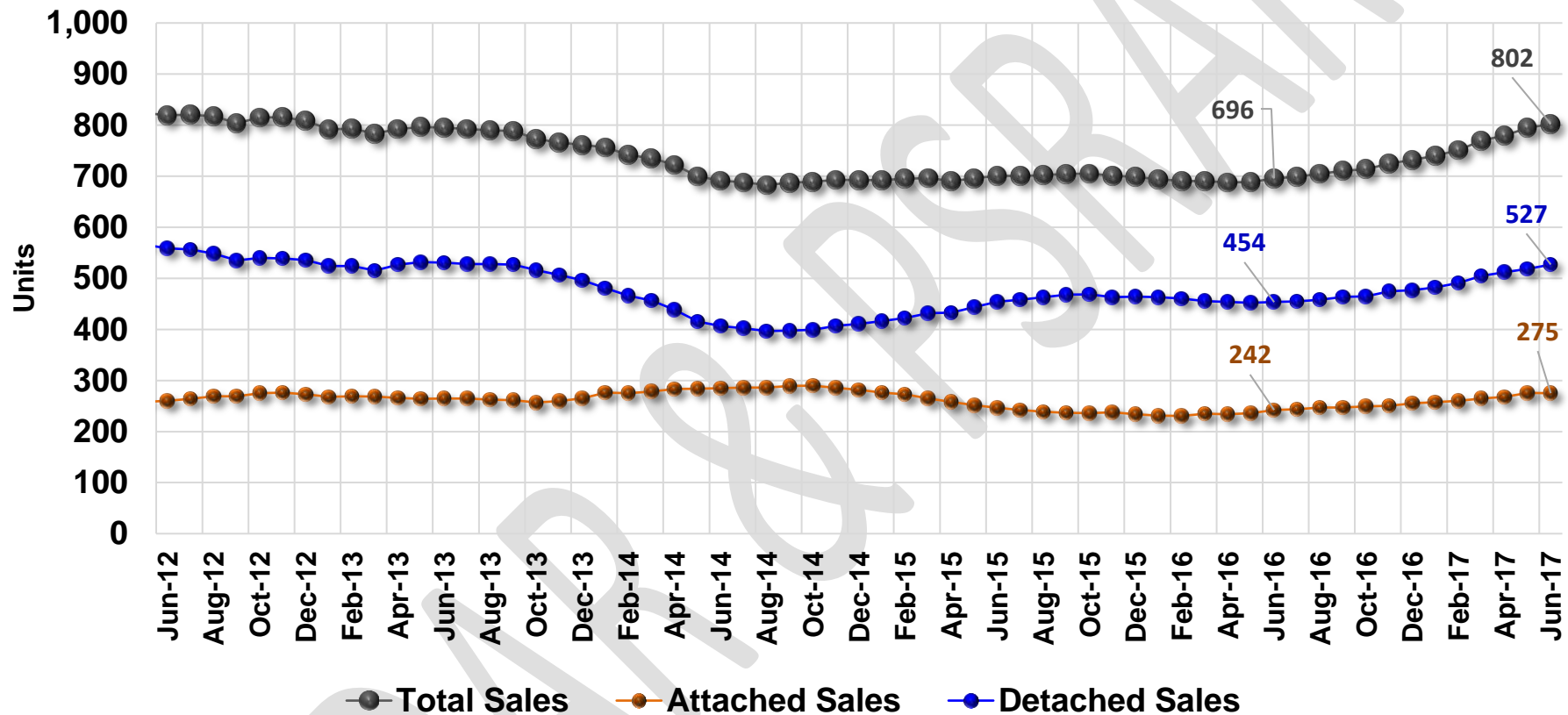
Detached, Attached and Total Sales 3 month moving average



Monthly Sales – 3 month trailing avg.

Valley homes sales continue to expand. Over the last three months, sales of attached homes are up 12.7% above last year while sales of detached homes are up 16.2%. This brings the monthly average of total sales to 1003 units, 14.9% above last year and the highest number since June of 2013.

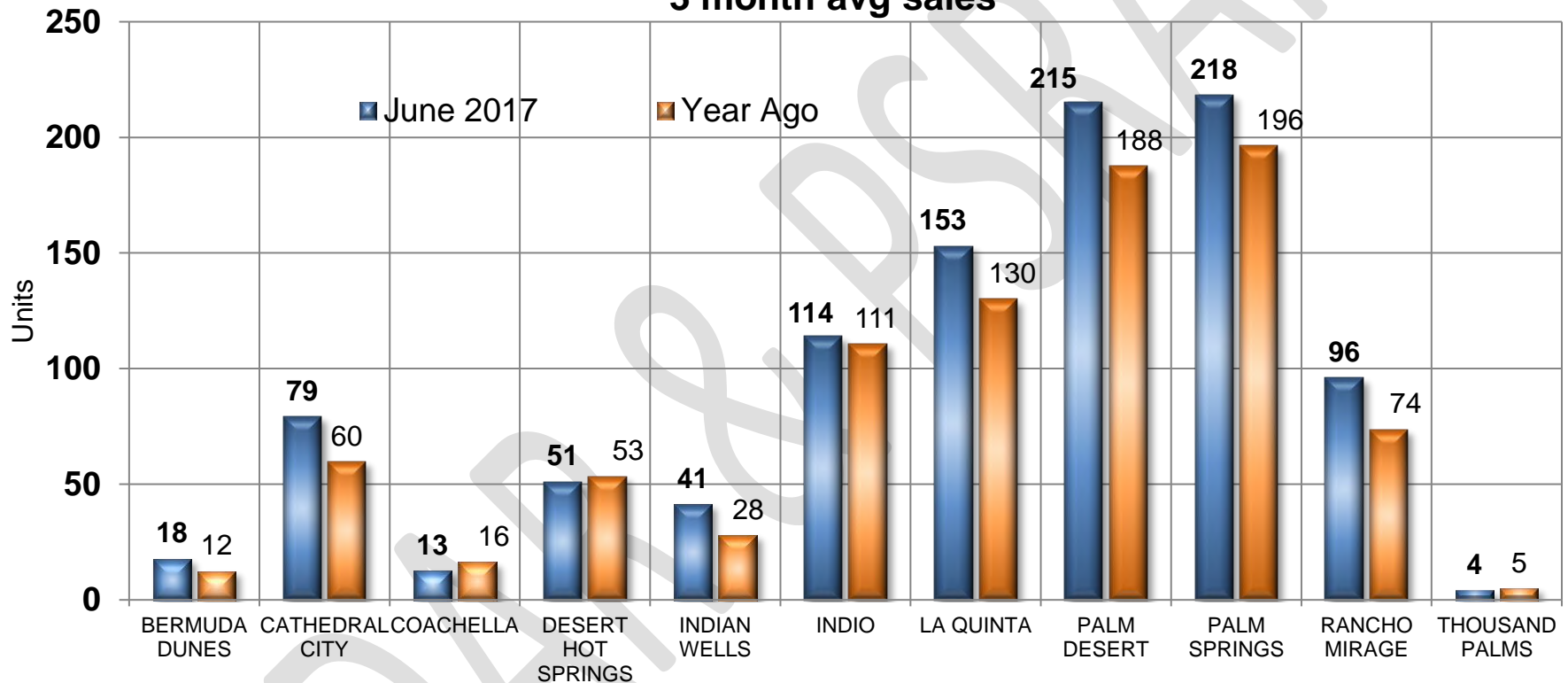
Detached, Attached and Total Sales 12 month moving average



Monthly Sales – 12 month trailing avg.

Longer term measurements of Valley sales, which take out seasonality, are also growing at an accelerated rate. Over the last twelve months sales of attached homes have averaged 275 a month, up 13.6% over the June average of a year ago. Detached homes, at 527 units, are up 16.1% bringing the average of total sales to 802 units. We expect these trends to continue possibly bringing the monthly average of total sales to 850 units.

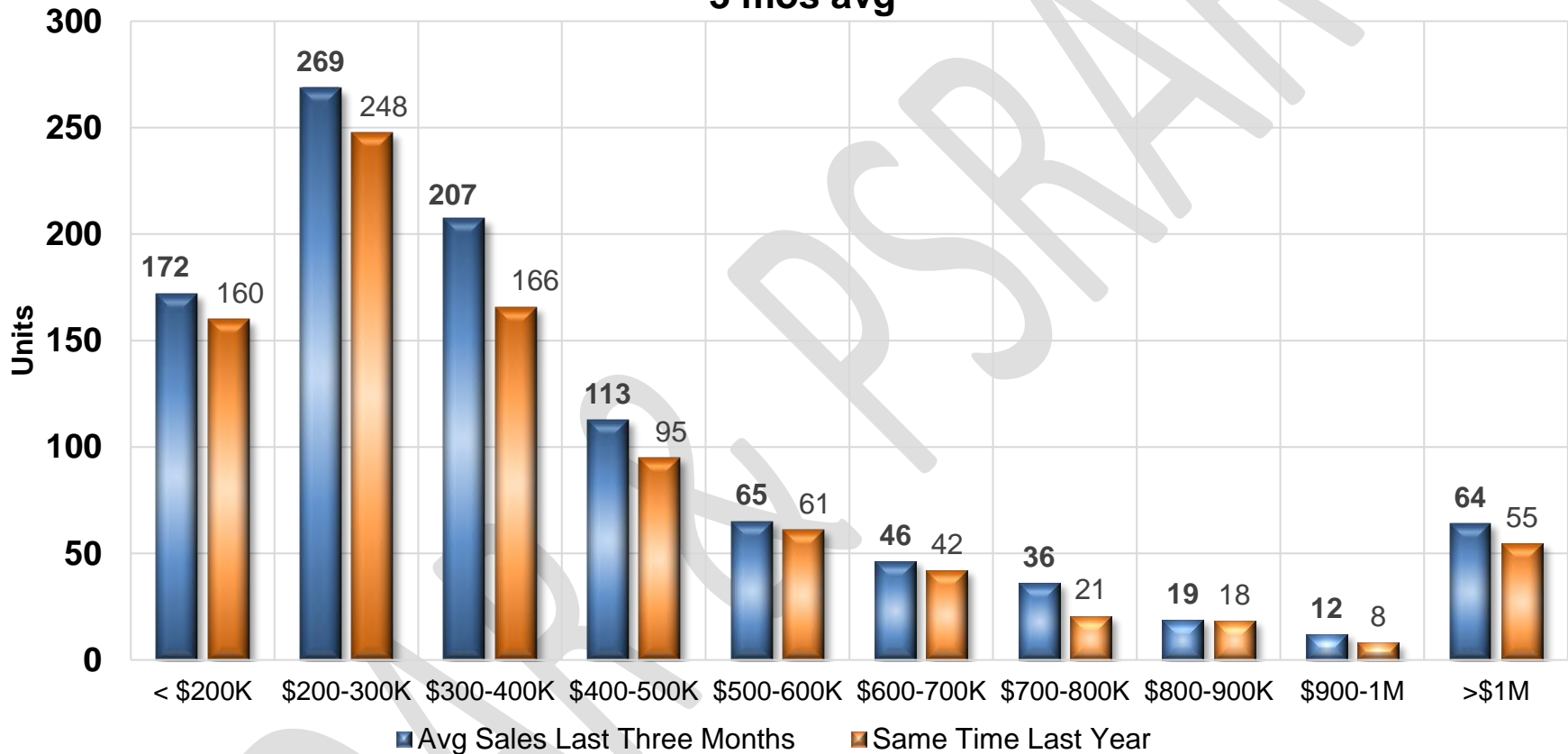
Home Sales by City 3 month avg sales



Home Sales per month by City

Over the past three months, out of eleven Valley cities eight have higher sales while three are lower. The largest increases are 50% in Bermuda Dunes, 46% in Indian Wells, 31% in Cathedral City and 29.7% in Rancho Mirage. Sales in Palm Springs are up 11% and in Palm Desert they're up 14%.

Home Sales by Price Range 3 mos avg

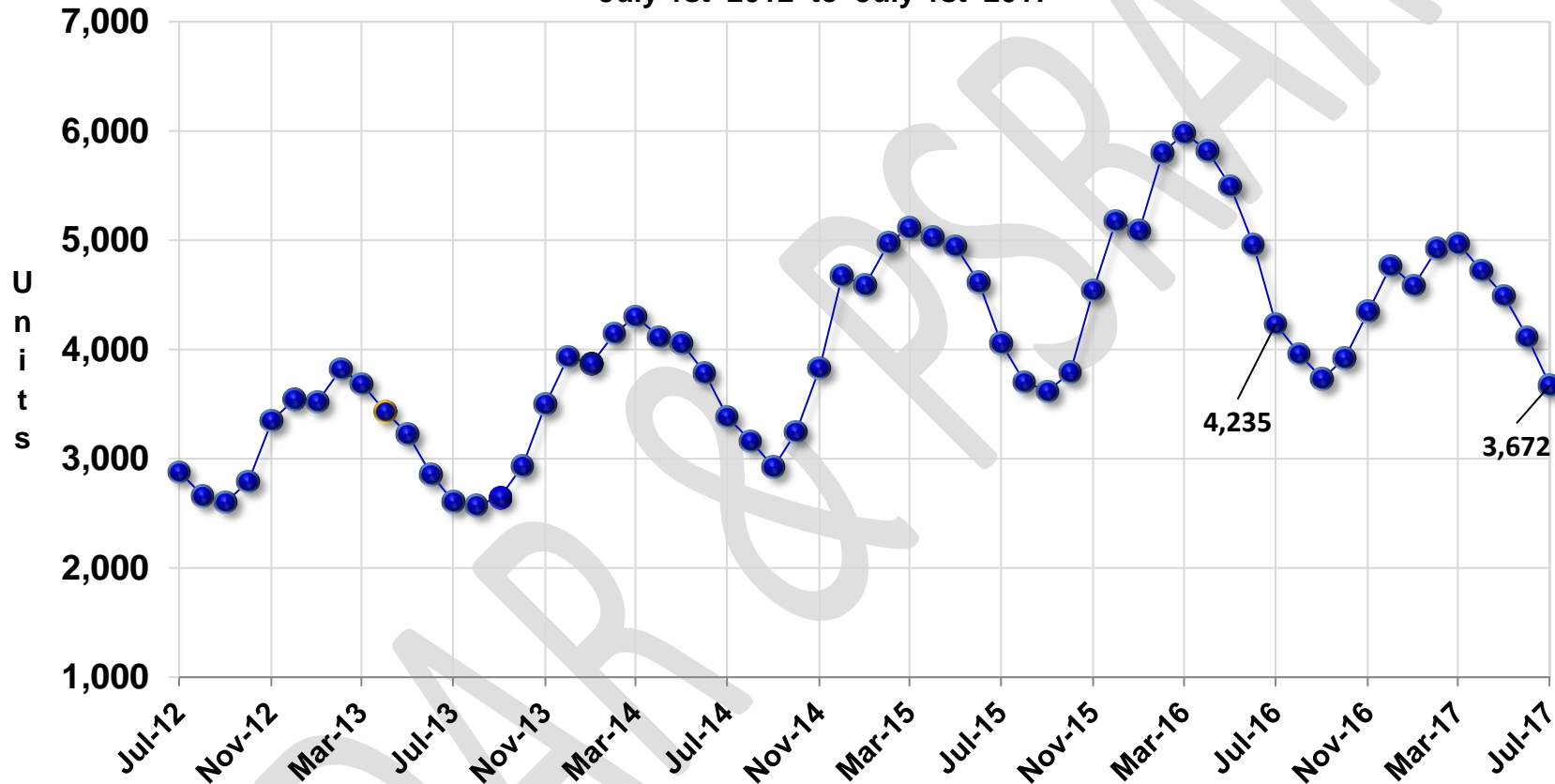


Home Sales by Price Range

Total sales in June increased in every price bracket. The largest increase were in sales from \$300k to \$400k, which were up 24.7% over last year. Another large increase was in sales over \$900k, which increased 20%. As the graph clearly shows increases were very even and consistent over all brackets.

Valley Housing Inventory

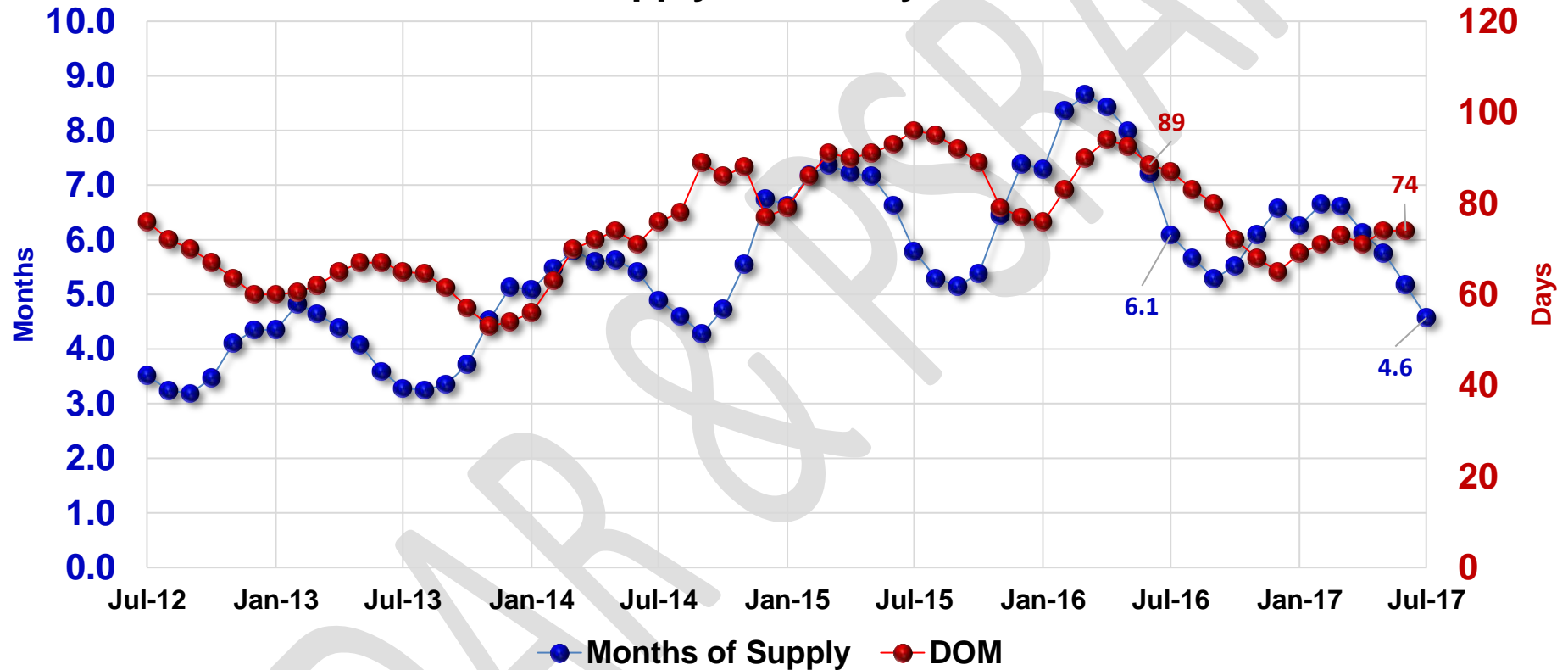
July 1st 2012 to July 1st 2017



Coachella Valley Inventory

On July 1st Valley inventory stood at 3,672 units. This is 563 units less than a year ago. If history is a guide we should now expect to see the inventory continue to decline for another two, possibly three, more months. This is the usual seasonal pattern. If it occurs it might take inventory down close to 3,000 units before it begins to rise again as we approach next year's buying season.

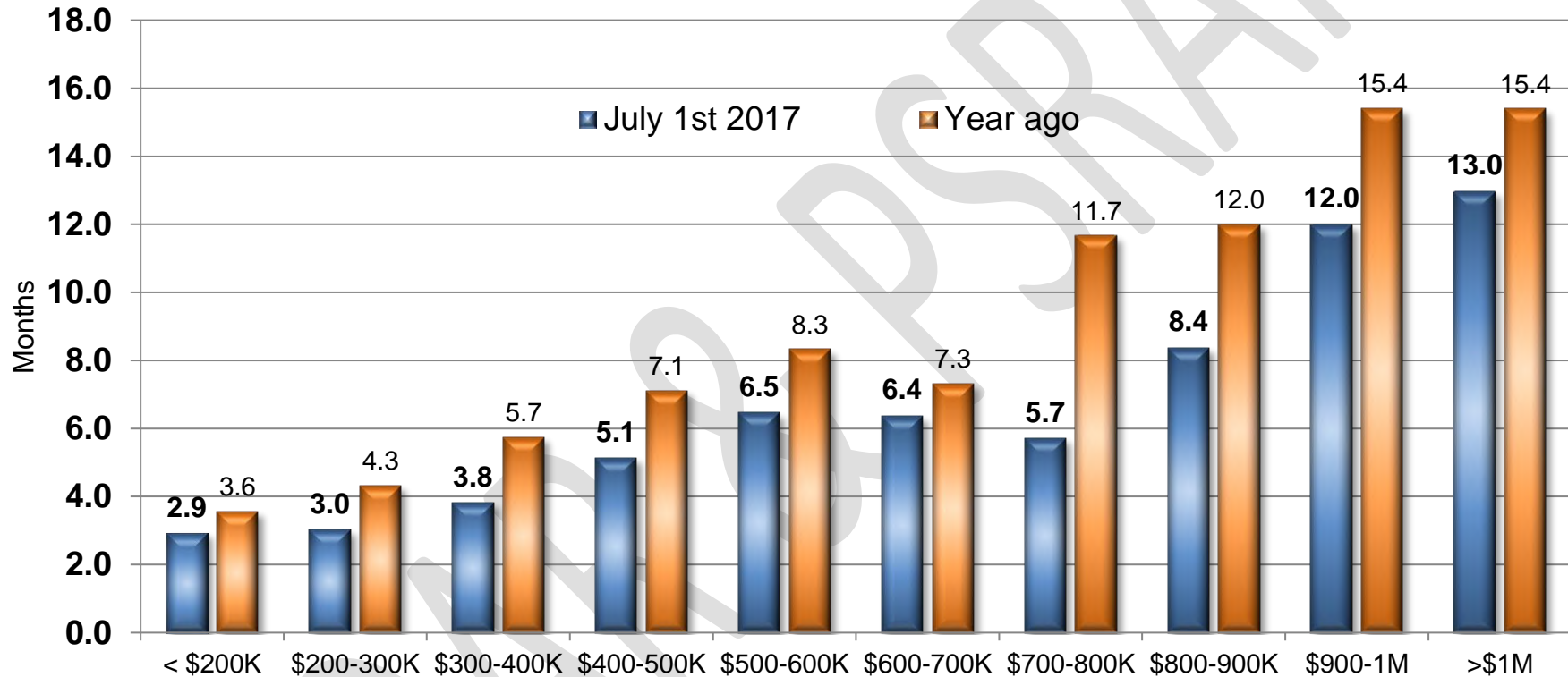
"Months of Supply" and "Days on the Market"



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

With the consistent increase in sales and the decline in inventory, an important inventory metric called "months of sales"- the ratio of inventory to the sales rate – fell to 4.6 months on July 1st. One year ago it was 6.1 months. This strong improvement is confirmed by "days on the market", which is the indicator that monitors how long homes are staying on the market. It is currently 74 days, which is 15 days less than 89 days last June.

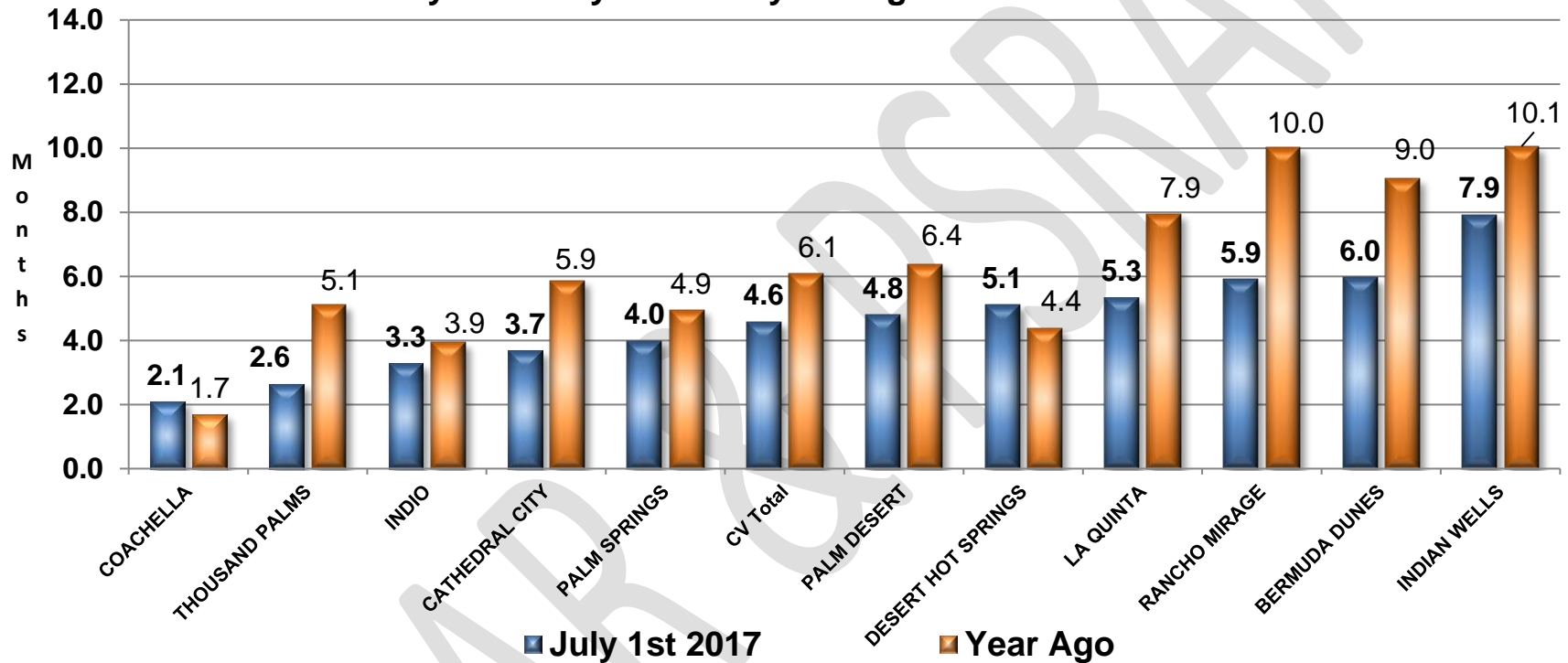
"Months of Supply" by Price Range uses avg. twelve month sales



"Months of Supply" by Price Range

The above bar chart clearly shows the improvement in "months of sales" is found across the entire price spectrum. When we calculate the "months of sales" ratio for the various price brackets, we find consistently lower readings compared to a year ago. For homes selling below \$400k the ratio is under four months. From \$400k up to \$800k the ratio continues to rise but only to a high of 6.5 months, which is generally considered acceptable.

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



"Months of Supply" by City

The bar chart above ranks from lowest to highest eleven Valley cities, including the entire region, by "months of sales," and compares them to last year. For example, the city of Coachella has the lowest ratio of 2.1 months while Indian Wells has the highest at 7.9 months. Every city except Indian Wells is currently below six months. All cities except the City of Coachella and Desert Hot Springs have lower ratios when compared to last year. The higher ratio for Indian Wells is somewhat normal because higher ratios are generally expected for higher priced regions.

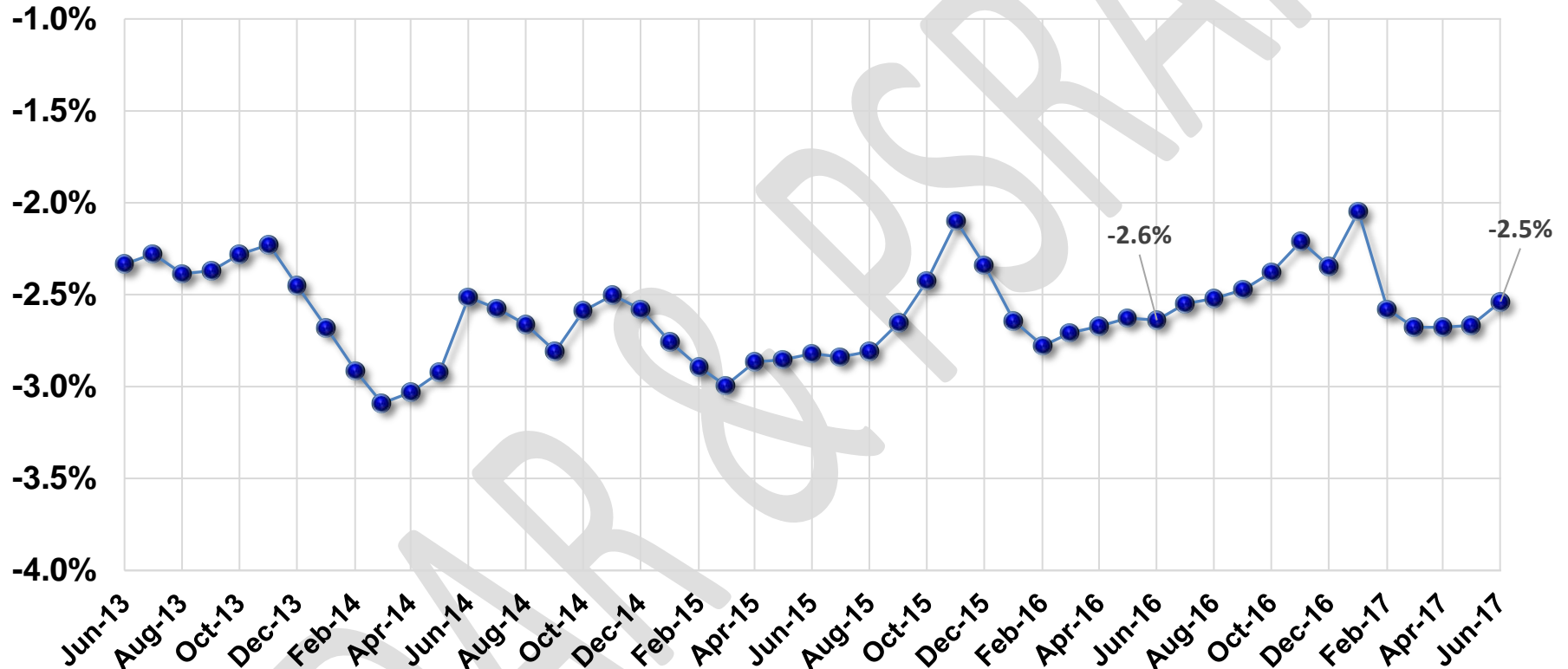
Distressed Sales by City percent of total sales



Distressed Sales by City

Distressed sales for the region (REO and short sales) are now only 3.8% of total sales. This is the lowest ratio since we've been measuring this index. Also, no city ratio is above 10%, which again is another first since following these numbers. This old issue seems to be slowly disappearing with numbers fading back to pre-bubble levels of one to two percent.

Sale Price Discount from List June 2017



Sale Price Discount from List

The latest “Sale Price Discount from List” is at -2.5%, which is almost the same as the discount one year ago. As the chart clearly shows, this metric has been consistently oscillating between 2% and 3% for the last four years. The current percent implies that the selling discount to a home listed for \$300,000 is approximately \$7,500.



The Desert Housing Report

June 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 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 1st 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 1st, 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

Produced for Valley agents through the sponsorship and cooperation of PSRAR and CDAR by Market Watch LLC

©2017 CDAR & PSRAR. All rights reserved. Use and distribution by members only.