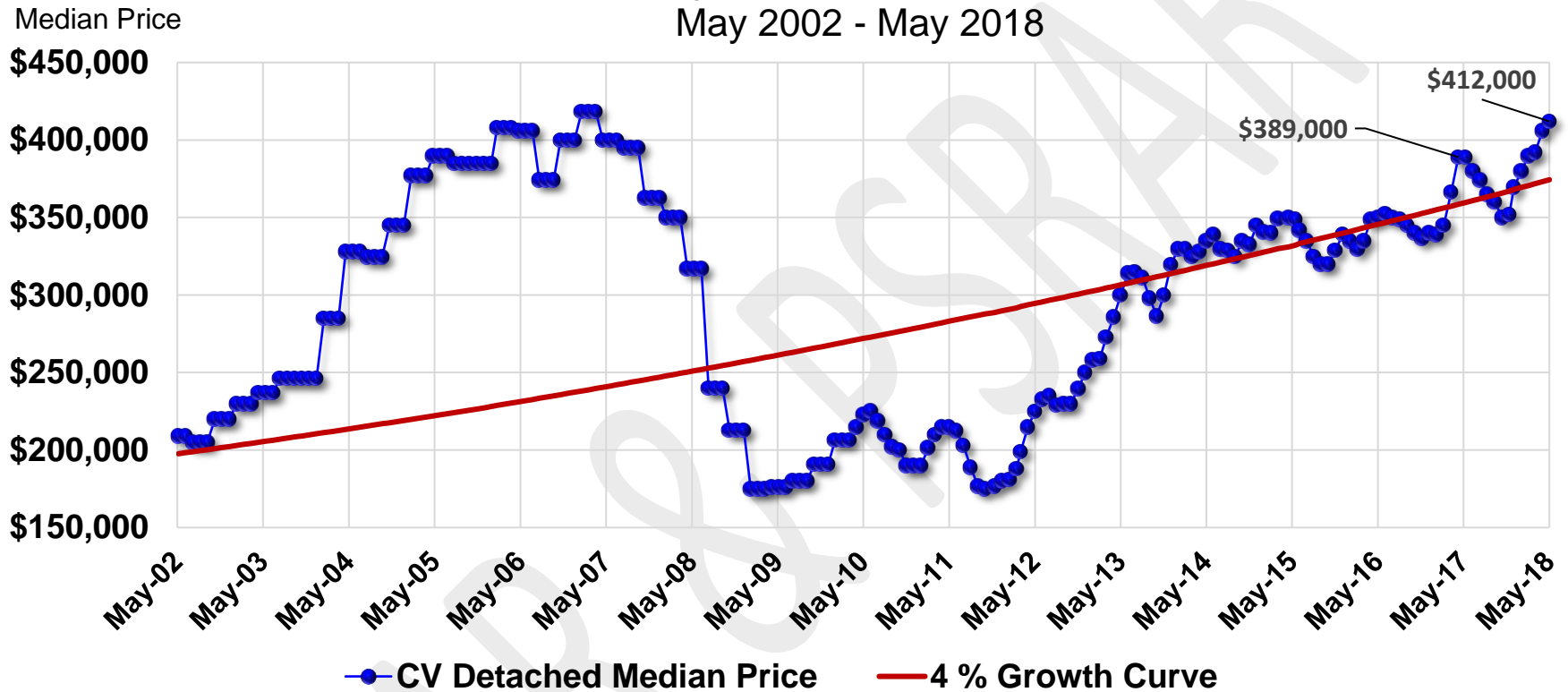


## Coachella Valley Median Detached Home Price

May 2002 - May 2018

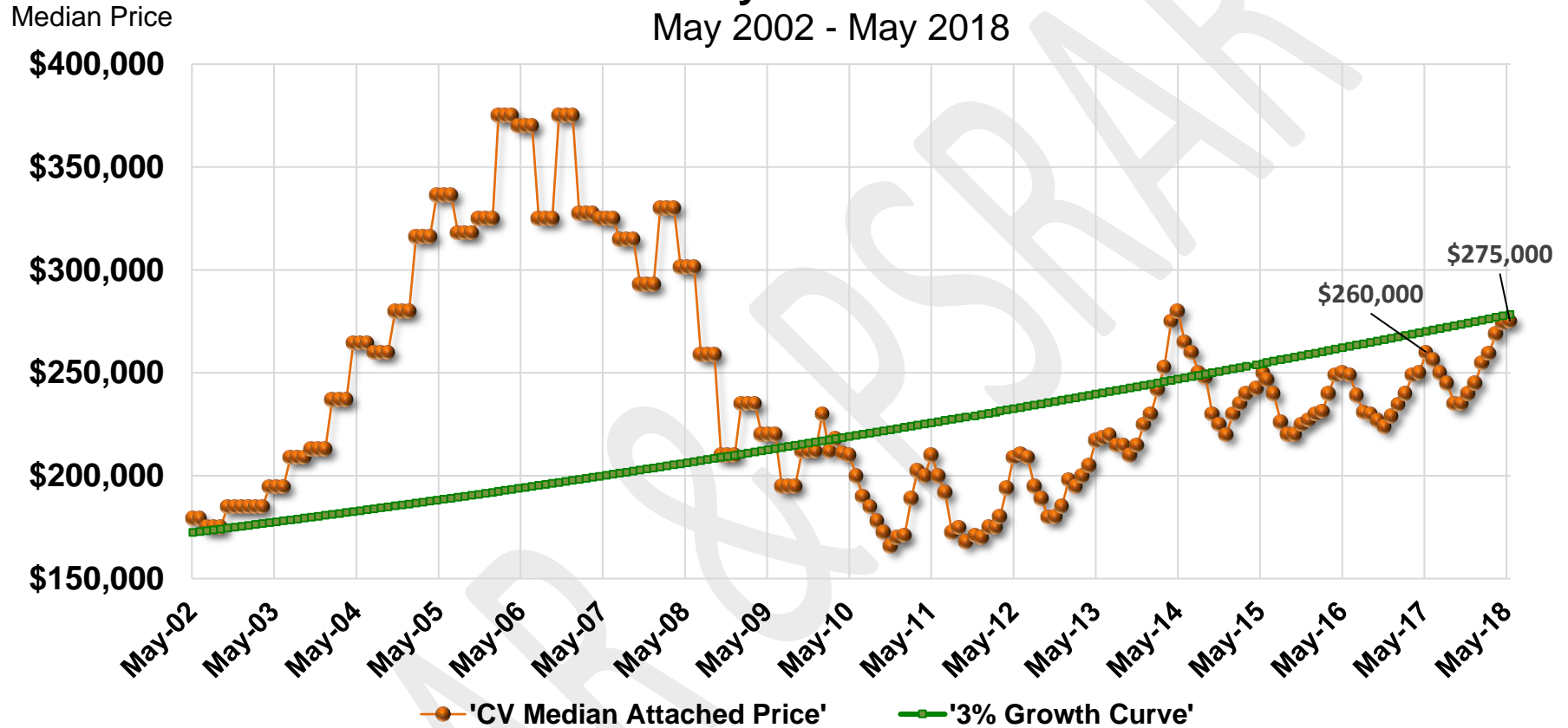


### Summary

The median price for the entire Coachella Valley continues to rise. In May it was \$412,000 which is 6% higher than last year. The median price of attached homes in May was \$275,000, which is 5.8% higher than last year. For detached homes, all nine cities show positive year over year price changes. This is the first time this has happened in two years and reinforces the conclusion that the housing market in the Valley continues to strengthen. Two cities, which have been lagging price wise for the last two years – Indian Wells and Palm Desert – now show the highest year over year gains of 28.8% and 14.5% respectively. Three month sales in May, for both detached and attached homes, experienced another large increase over the previous month. This helped total three month sales rise to 1,065 units a month, which is the highest level in five years and a 4.6% increase over last year. Inventory continues to shrink. On June 1st it stood at 3,327 units; a year ago it was at 4,113, which is a decline of 786 units. As you would expect “Months of Supply” shows the same declining pattern as inventory, except it’s even more pronounced because of the mathematical effect of dividing lower inventory by higher sales. The ratio for the region is now just under four months at 3.9.

## Coachella Valley Median Attached Price

May 2002 - May 2018



### Coachella Valley Attached Median Price

The median price of attached homes in May was \$275,000, which is 5.8% higher than last year. As the chart clearly shows, for the last six or seven years attached prices have reached a seasonal peak in either May or June so it will be interesting to see if this pattern continues into 2018. We should remind the reader that in order to reduce random price fluctuations, we calculate the median price over trailing three months. And since it takes about a month for a sale to be finalized and reported, changes in price trends are usually delayed about two months.



# The Desert Housing Report

May 2018



## Detached Homes

	May-18	Then	12 mo change	2011 Low	% Gain off Low	2006 High	% From High
Indian Wells	\$1,050,000	\$815,000	28.8%	\$540,000	94.4%	\$1,205,000	-12.9%
Palm Desert	\$435,000	\$380,000	14.5%	\$287,000	51.6%	\$543,000	-19.9%
Palm Springs	\$662,500	\$585,000	13.2%	\$335,000	97.8%	\$600,000	10.4%
Cathedral City	\$322,750	\$286,750	12.6%	\$139,000	132.2%	\$395,000	-18.3%
Rancho Mirage	\$721,500	\$649,000	11.2%	\$423,000	70.6%	\$950,000	-24.1%
City of Coachella	\$249,450	\$225,000	10.9%	\$121,950	104.6%	\$335,000	-25.5%
Indio	\$325,000	\$300,000	8.3%	\$158,500	105.0%	\$380,500	-14.6%
Desert Hot Springs	\$215,000	\$199,450	7.8%	\$85,000	152.9%	\$295,000	-27.1%
La Quinta	\$520,000	\$518,000	0.4%	\$245,000	112.2%	\$682,020	-23.8%

## Attached Homes

	May-18	Year Ago	12 Month Change	2011 Low	Gain off 2011 Low	2006 High	% from High
Desert Hot Springs	\$188,000	\$146,000	28.8%	\$86,000	118.6%	\$303,000	-38.0%
Indio	\$199,000	\$160,000	24.4%	\$75,000	165.3%	\$279,000	-28.7%
Cathedral City	\$182,750	\$155,000	17.9%	\$107,500	70.0%	\$270,500	-32.4%
Palm Desert	\$290,000	\$268,000	8.2%	\$175,000	65.7%	\$410,000	-29.3%
Palm Springs	\$250,000	\$234,000	6.8%	\$150,000	66.7%	\$350,000	-28.6%
Rancho Mirage	\$359,500	\$347,500	3.5%	\$260,000	38.3%	\$510,000	-29.5%
Indian Wells	\$393,500	\$394,500	-0.3%	\$321,500	22.4%	\$557,500	-29.4%
La Quinta	\$340,000	\$349,500	-2.7%	\$265,000	28.3%	\$532,500	-36.2%
City of Coachella	N/A	N/A	N/A	N/A	N/A	N/A	N/A

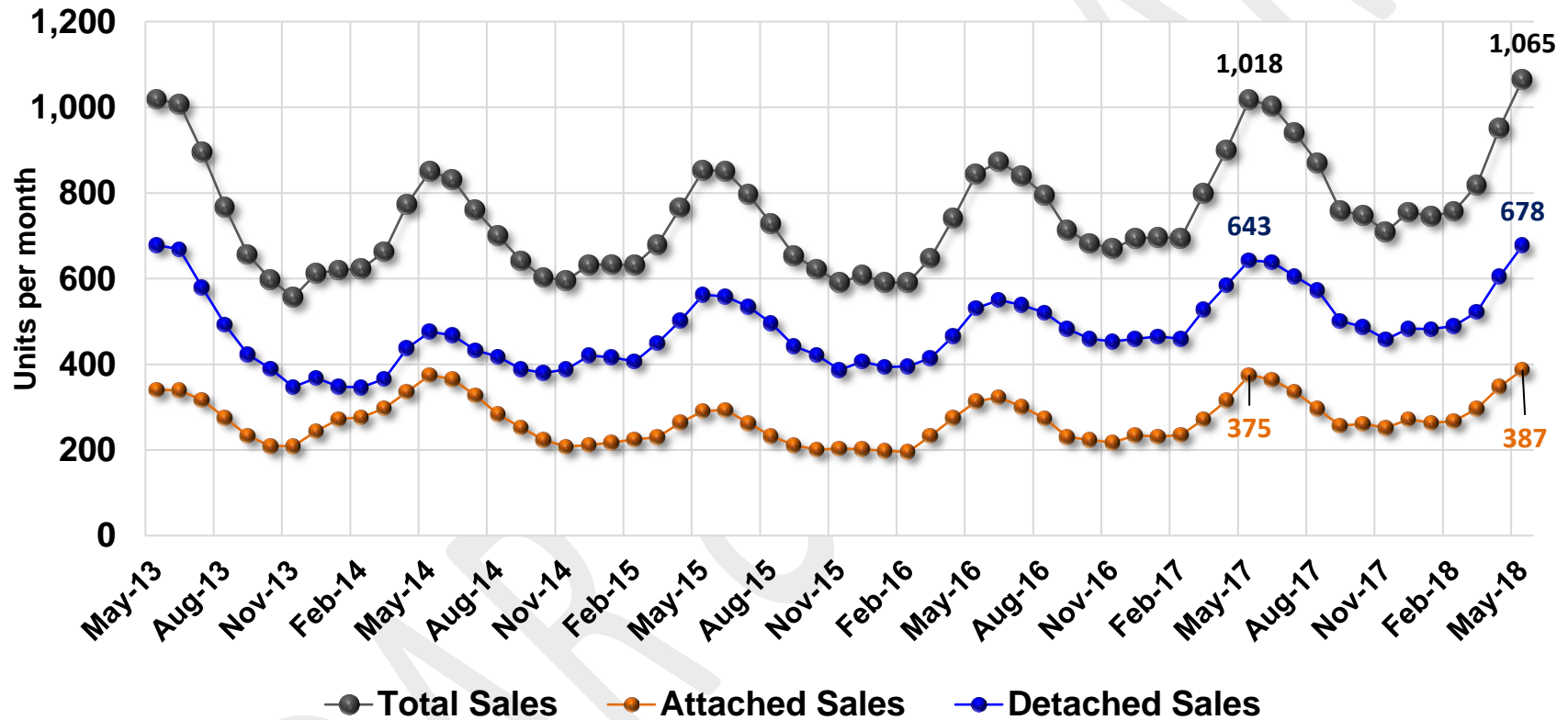
## 12 Month Change in City Median Prices

For detached homes, all nine cities show positive year over year price changes. This is the first time this has happened in two years and reinforces the conclusion that the housing market in the Valley continues to strengthen. Two cities, which have been lagging price wise for the last two years – Indian Wells and Palm Desert – now show the highest year over year gains of 28.8% and 14.5% respectively. Although there is solid improvement, changes in attached home prices continue to lag detached homes. The three cities with the largest attached sales – Palm Desert, Palm Springs and Rancho Mirage – have 12 month gains of 8.2%, 6.8% and 3.5% respectively.

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

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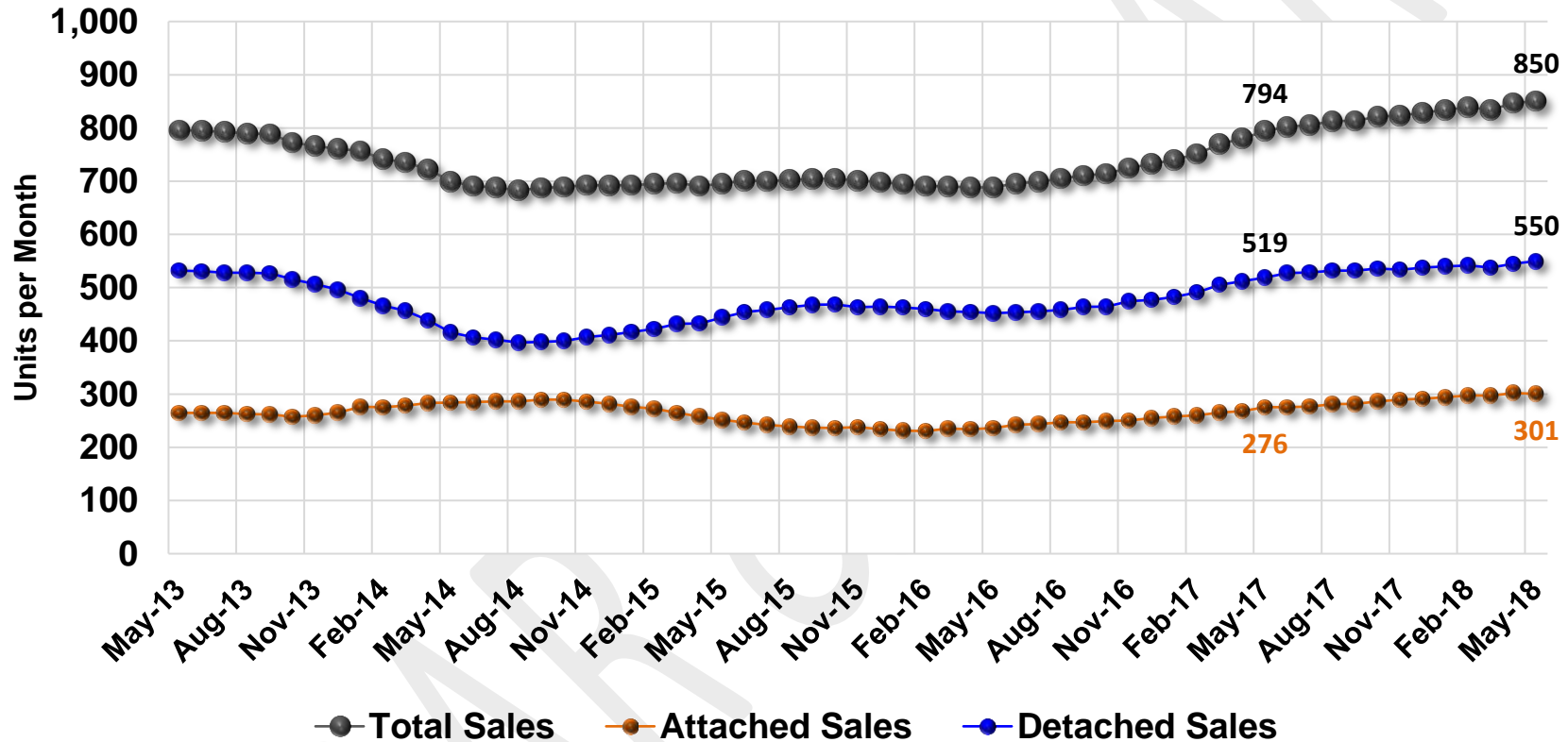
## Detached, Attached and Total Sales 3 month moving average



### Monthly Sales – 3 month trailing avg.

Three month sales in May, for both detached and attached homes, experienced another large increase over the previous month. This helped total three month sales rise to 1,065 units a month, which is the highest level in five years and a 4.6% increase over last year. The increase was evenly distributed between detached and attached homes, with detached sales 5.4% higher than last year and attached sales 3.2% higher.

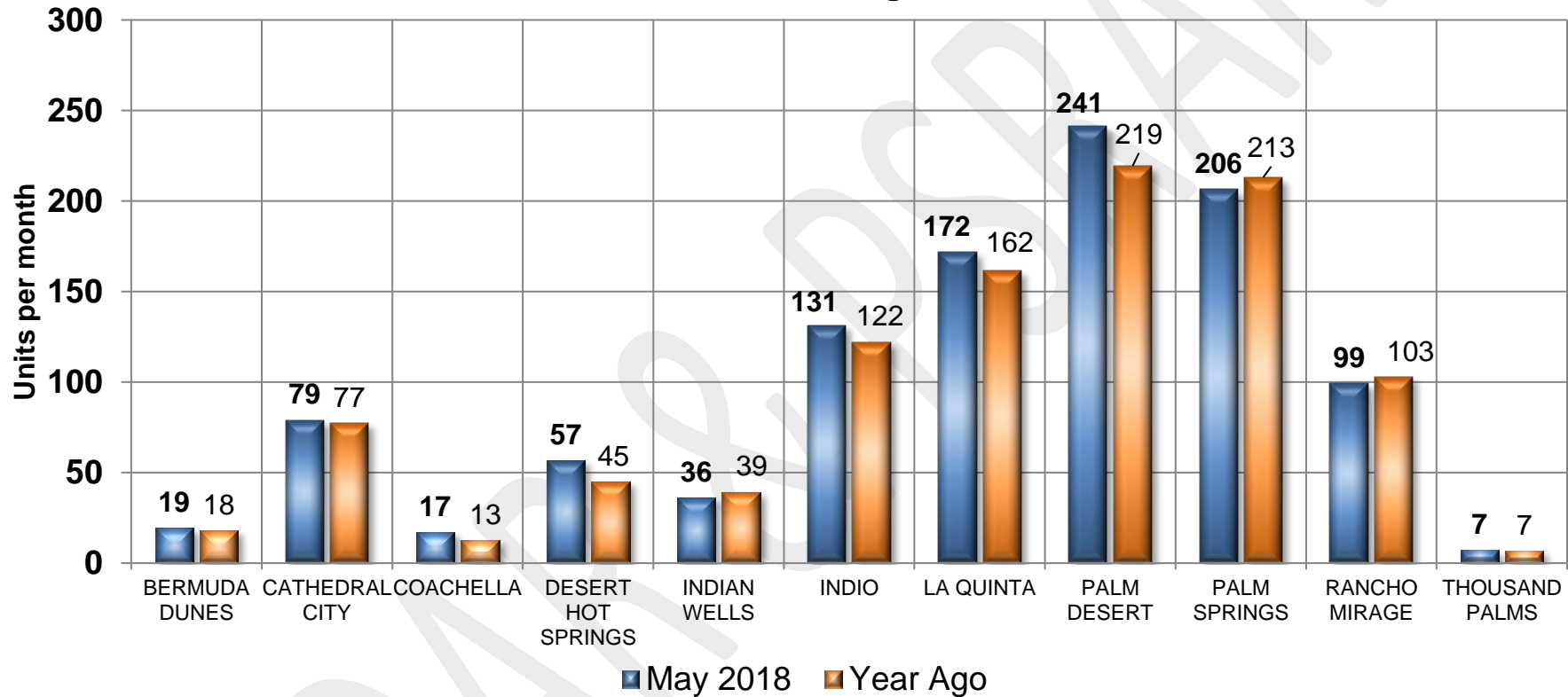
## Detached, Attached and Total Sales 12 month moving average



### Monthly Sales – 12 month trailing avg.

Twelve month sales shows the same pattern of strength. Average monthly sales over the last twelve months is now 850 units a month. This is 10,000 units a year and the highest number in over five years. Detached sales are averaging 550 units a month while attached sales are 301 units. These numbers mean that 64.7% of all Valley sales are detached homes while 35.3% are attached.

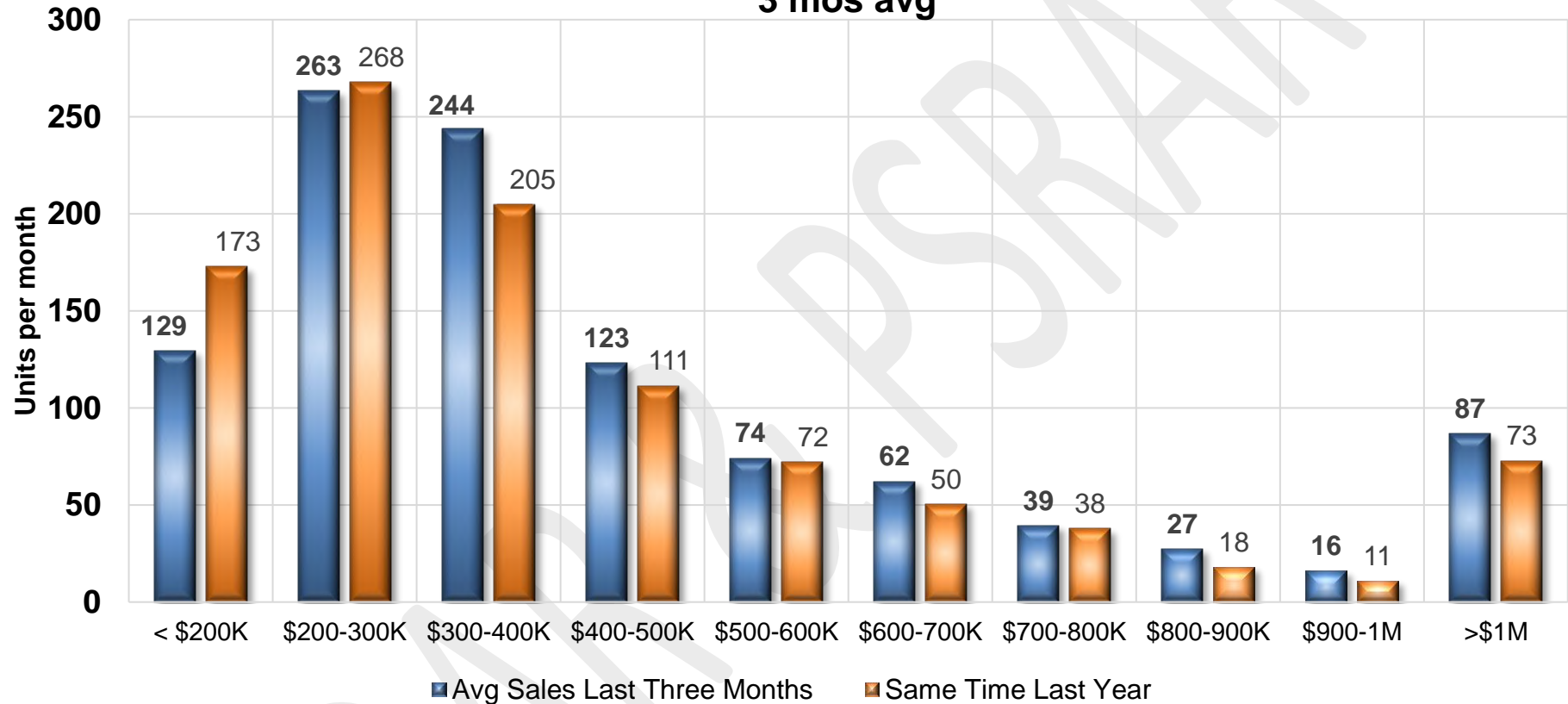
## Home Sales by City 3 month average sales



### Home Sales per month by City

Every city shows higher sales over last year except Indian Wells, Rancho Mirage and Palm Springs. Palm Desert not only continues to show sales growth but it's the city with the highest unit sales in the region – 241 units per month. Palm Springs had been the city with the highest unit sales until recently. La Quinta, with 172 unit sales, has recently passed Indio as the third highest selling city.

## Home Sales by Price Range 3 mos avg

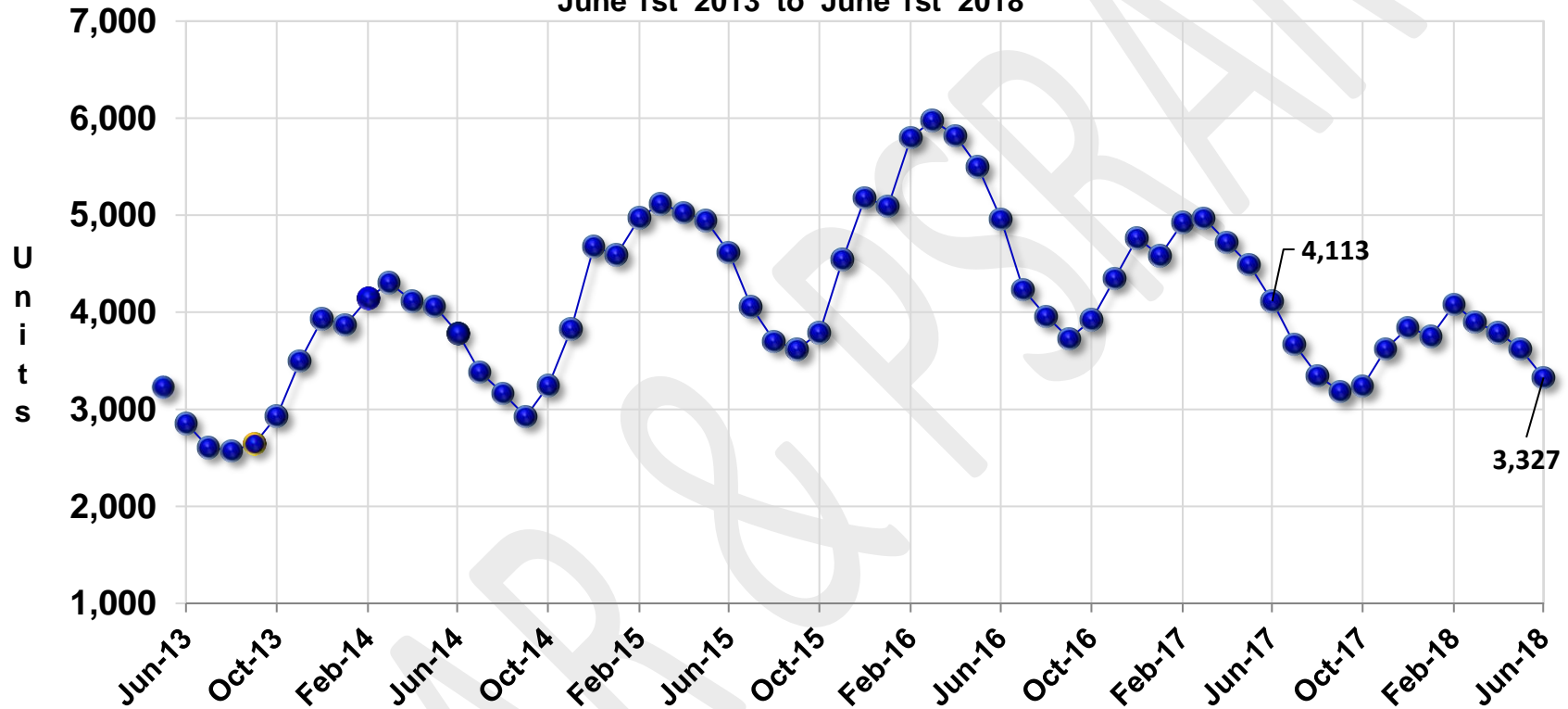


### Home Sales by Price Range

Sales are higher in all price brackets except the two under \$300k. Sales of homes priced under \$200k, which are primarily attached homes, were down 25% primarily because there are so few homes priced there. The largest percent increases were in the higher price brackets. Sales of homes in the \$800k to \$900k and \$900k to \$1M brackets were up close to 50% while sales of homes priced over one million were 87 units, up 19%. In May of 2015 sales of million dollar homes was only 56 units.

## Valley Housing Inventory

June 1st 2013 to June 1st 2018

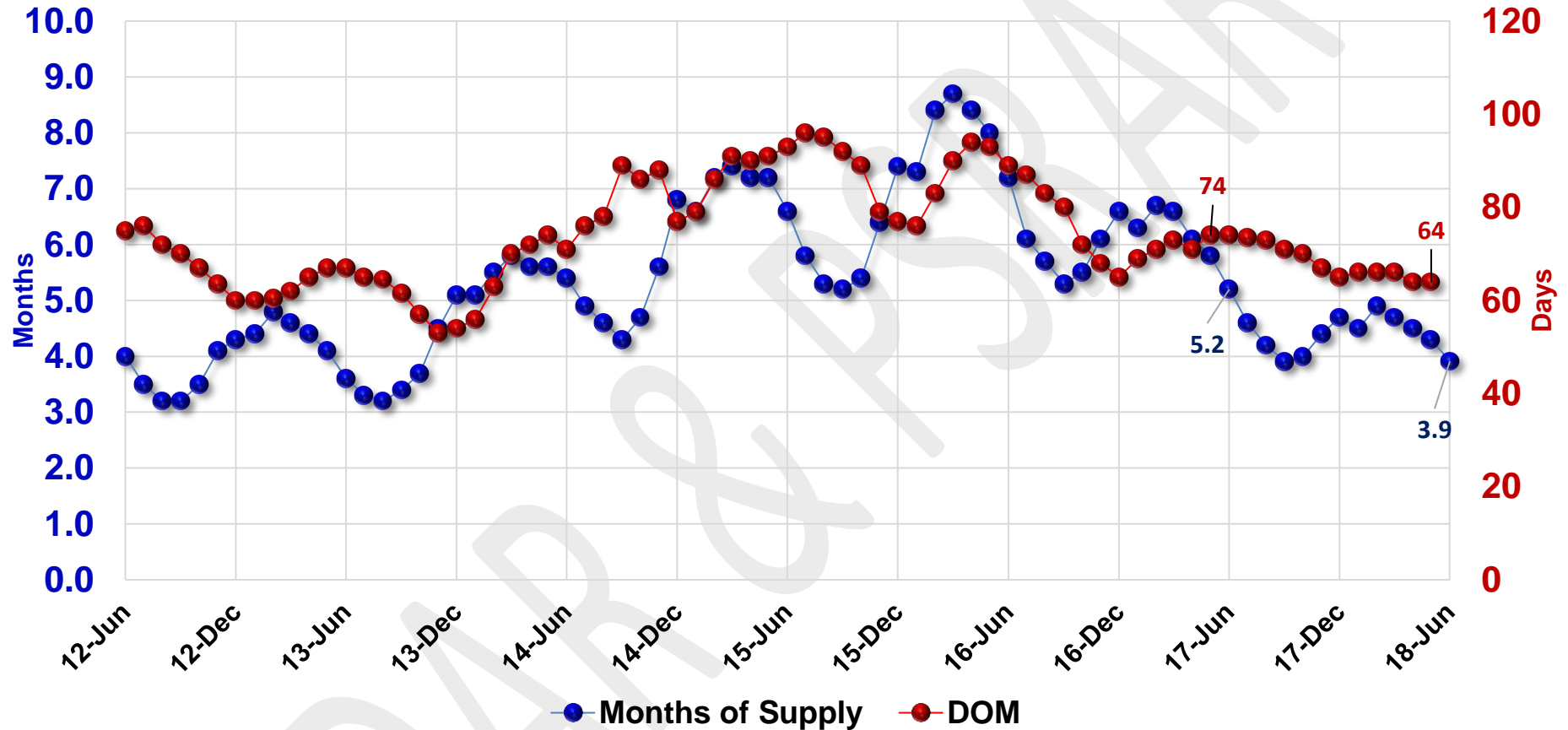


### Coachella Valley Inventory

Inventory continues to shrink. On June 1<sup>st</sup> it stood at 3,327 units; a year ago it was at 4,113, which is a decline of 786 units. As the graph clearly shows, we appear to be in the middle of the seasonal decline that historically goes from a peak sometime around February to a final low usually in September. If this pattern continues we fully expect that inventory this autumn will probably reach the lowest level in over five years, somewhere around 2,700 units.



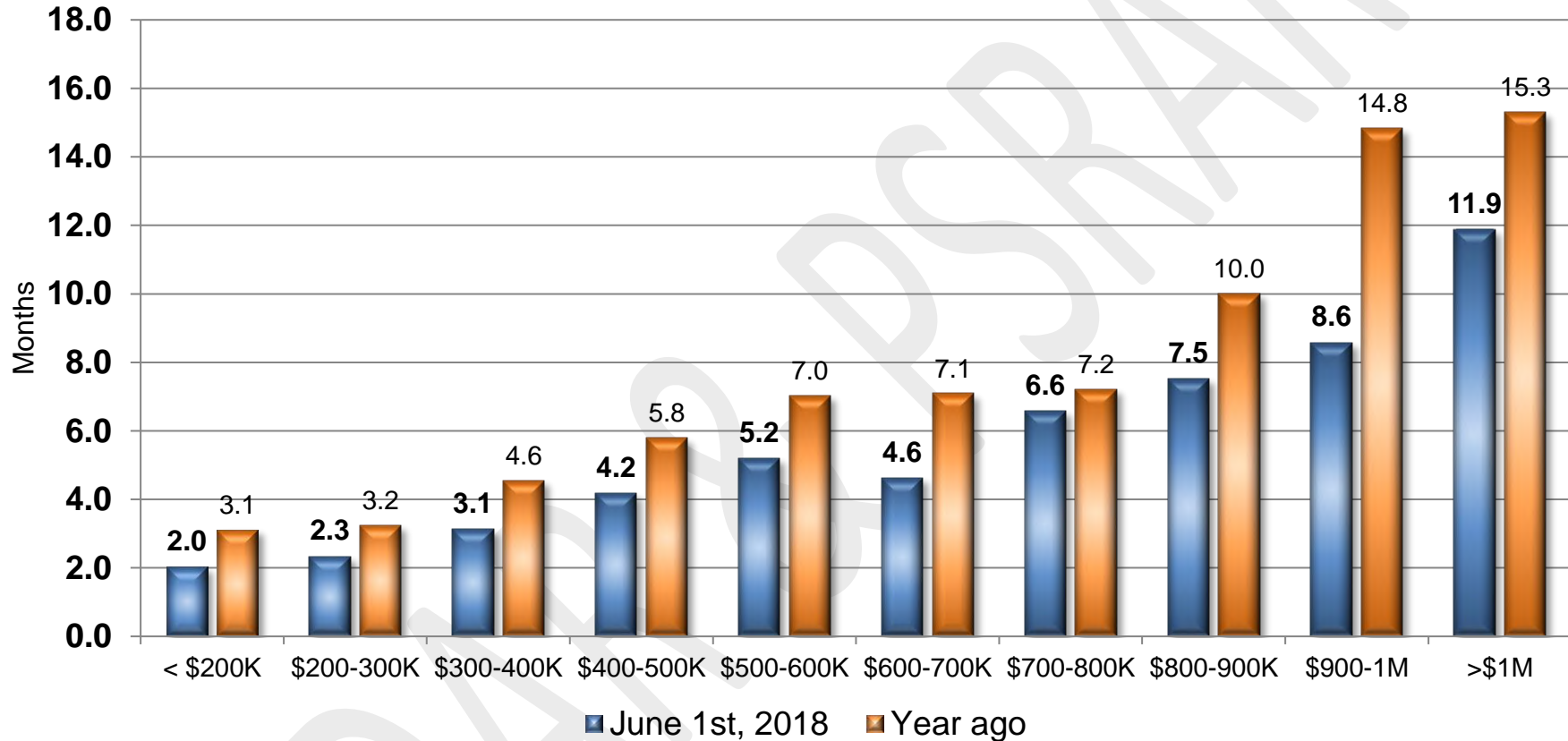
## Months of Supply and Days on the Market



### “Months of Supply” and “Days on the Market”

As you would expect, “Months of Supply” shows the same pattern as inventory, except it’s even more pronounced because of the mathematical effect of dividing lower inventory by higher sales numbers. The ratio for the region is now just under four months at 3.9. The median value of “Days on the Market” in May for the region was 64 days, which is ten less than last year.

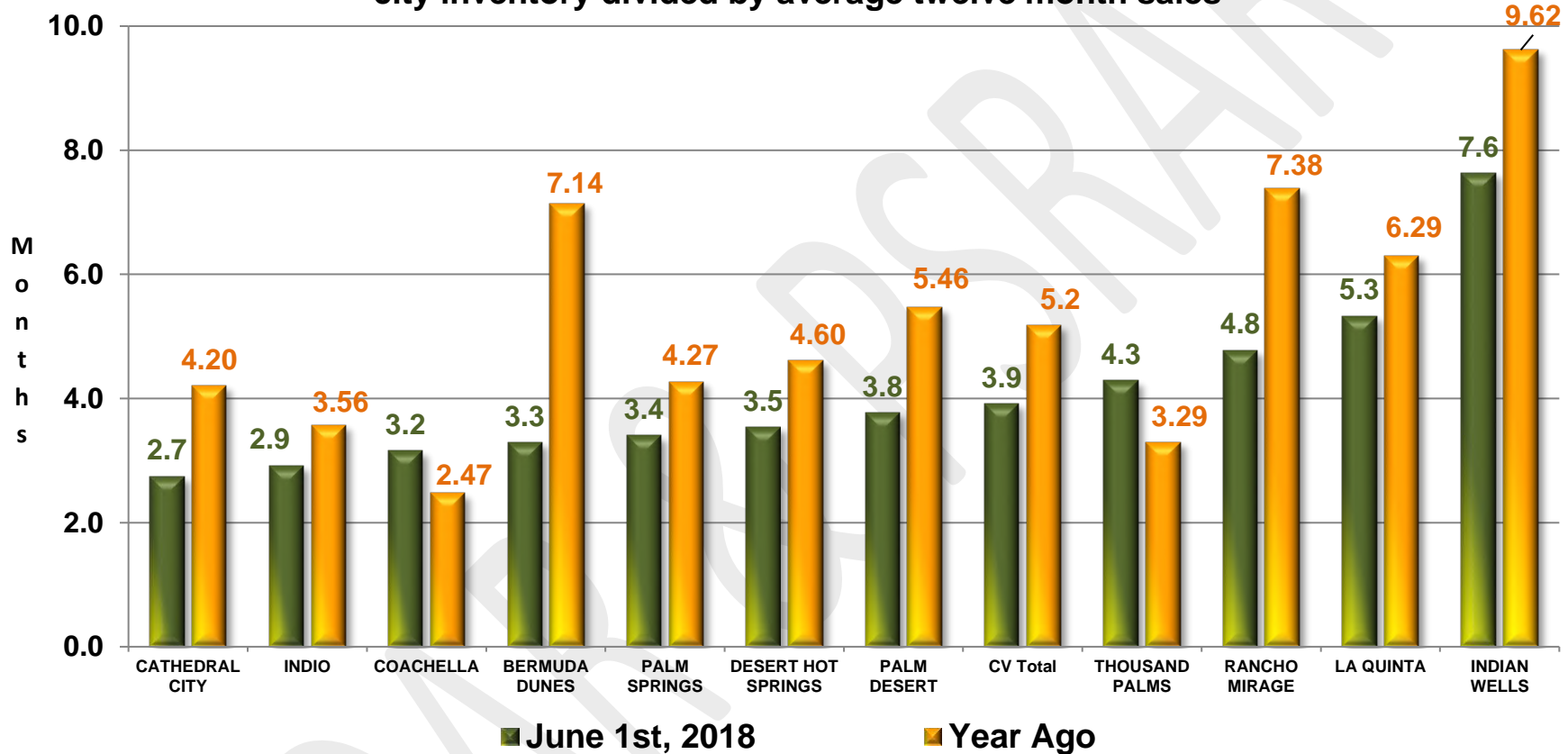
## "Months of Supply" by Price Range uses avg. twelve month sales



### "Months of Supply" by Price Range

We see large improvements in the "months of supply" ratio in all price brackets, especially the higher ones. This shows that the continuing improvement in the Valley's basic housing metrics is both real and broad based. The improvements in inventory and sales across all price levels shows they are not some temporary statistical anomaly but are rooted in underlying changes in consumer confidence and demographic trends that will continue.

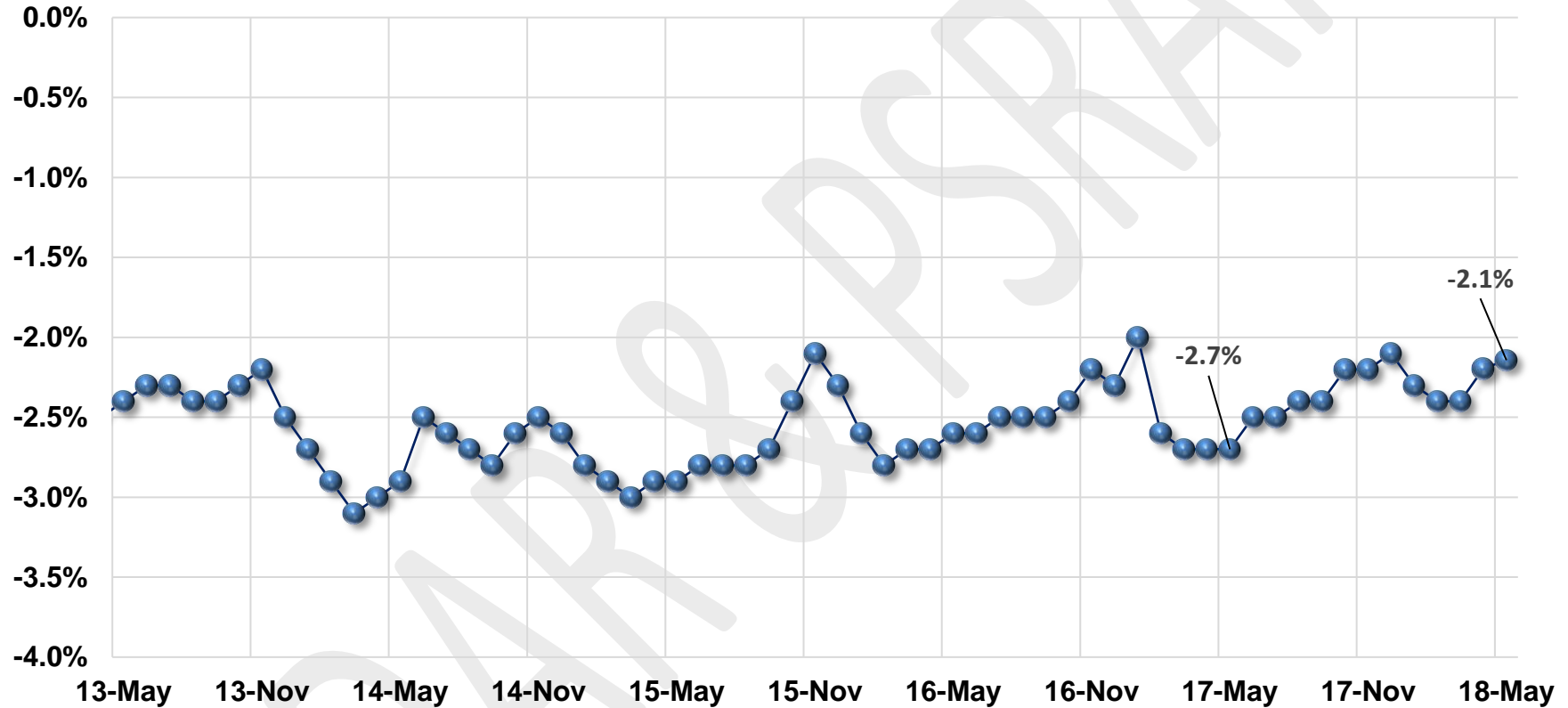
## "Months of Supply" by City city inventory divided by average twelve month sales



### "Months of Supply" by City

When we rank the "months of supply" ratio of each city from highest to lowest, we see improvement in everyone except Coachella and Thousand Palms. The Cities with the greatest improvement over a year ago are Rancho Mirage, Palm Desert, Cathedral City and Bermuda Dunes. Only four cities now have ratios over four months with one, Indian Wells, over six months.

## Sales Price Discount from List May 2013 to May 2018



### Sale Price Discount from List

The latest “Sale Price Discount from List” is -2.1%, which is .6% less than a year ago. This ratio means an average home listed for \$400,000 sold at an \$8,400 discount from its list price.



# The Desert Housing Report

May 2018



## 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