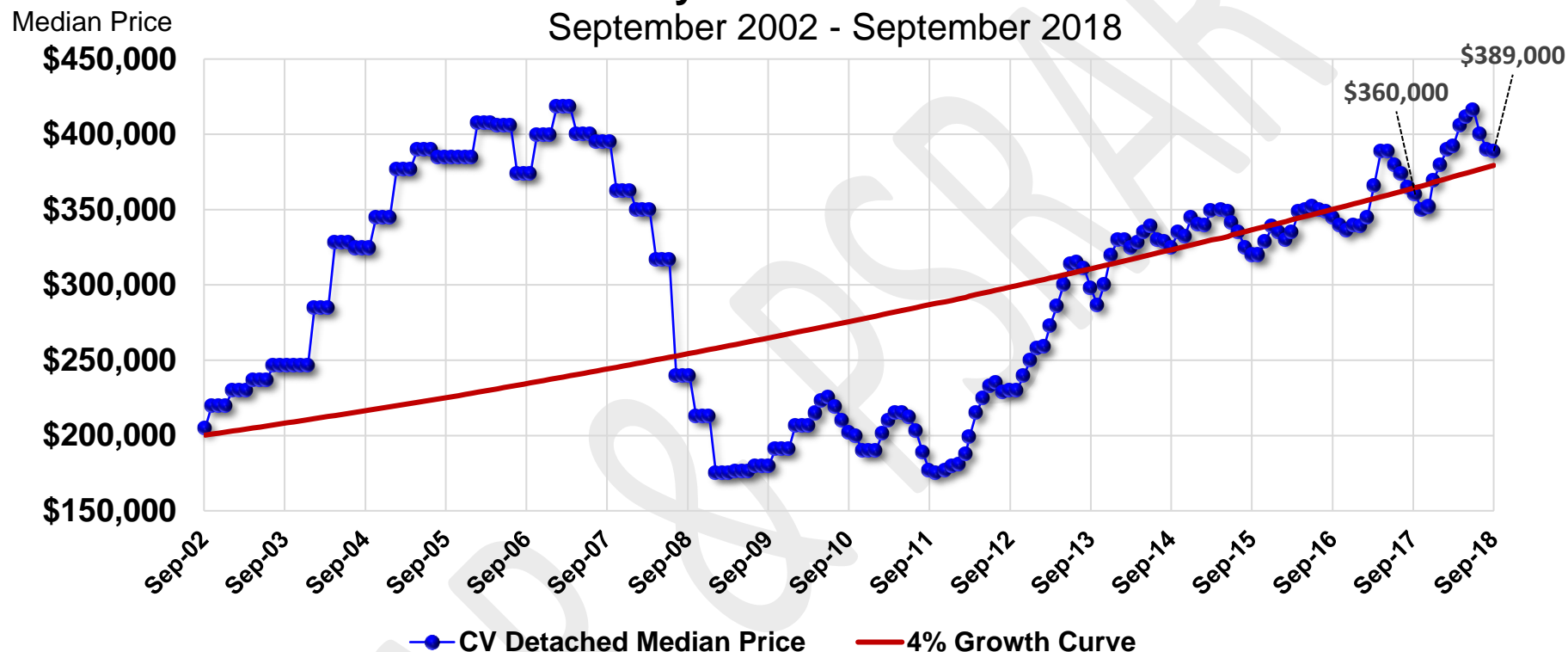


Coachella Valley Median Detached Home Price

September 2002 - September 2018

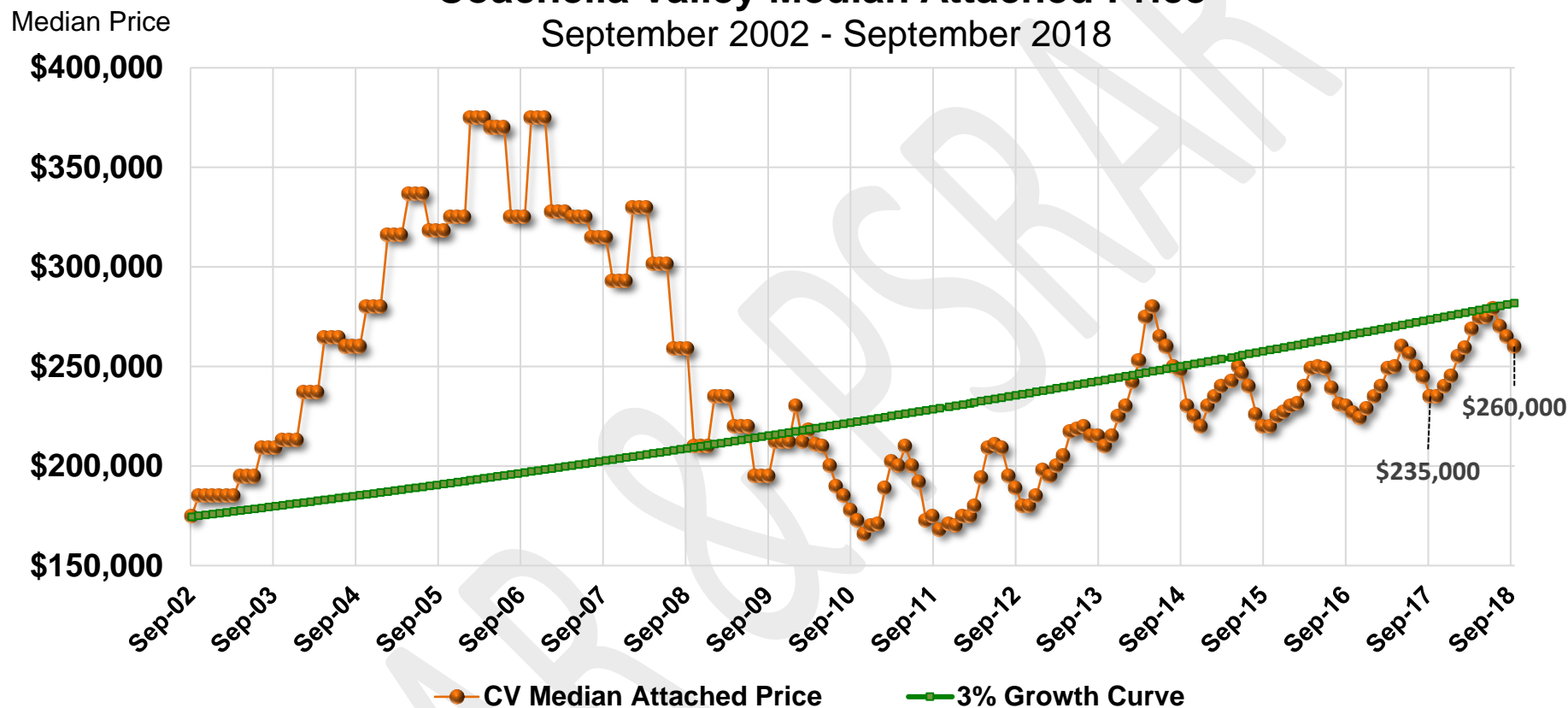


Summary

The median price for detached homes in September was \$389,000, which is down \$1,000 from last month but up \$29,000 from a year ago, for a percent gain of 8.1%. September's median attached price was \$260,000, up \$25,000 or 10.6% over last year. Every city shows positive 12-month price changes in their median price for detached homes, while only Cathedral City shows a negative change for attached homes. These positive price changes are the strongest we've seen in a number of years. Over the last twelve months, attached home sales have averaged 304 units a month and detached homes have averaged 544 units a month, bringing total sales to an average of 848 units. This is 4% more than a year ago. The "Months of Supply" ratio on October 1st was 3.3 months. This is the lowest October 1st ratio in the last five years and the result of low inventory and high sales. This combination is the force that's been driving Valley home prices higher. Days on the market remains low at 66 days compared to 71 days last September. The latest "Sale Price Discount from List" is 2.0%, which is .4% smaller than a year ago. This ratio means an average home listed for \$400,000 sold for \$392,000, or an \$8,000 discount.

Coachella Valley Median Attached Price

September 2002 - September 2018



Coachella Valley Attached Median Price

September's median attached price was \$260,000, up \$25,000 or 10.6% over last year. We've been in the weak seasonal period for attached homes for four months now, as the chart clearly shows. If this pattern continues the median price should make lows in October or November before beginning its seasonal rise. What we find encouraging is that this pattern is starting at a higher price level than the last few years. We think this means that attached prices might finally start to play "catch up" to the detached market in the coming year.



The Desert Housing Report

September 2018



Detached Homes

	Sep-18	Year Ago	12 mo change	2011 Low	Gain off Low	2006 High	% from High
Indian Wells	\$1,050,000	\$770,000	36.4%	\$540,000	94.4%	\$1,205,000	-12.9%
Rancho Mirage	\$668,000	\$608,500	9.8%	\$423,000	57.9%	\$950,000	-29.7%
Palm Desert	\$405,250	\$370,000	9.5%	\$287,000	41.2%	\$543,000	-25.4%
La Quinta	\$468,500	\$430,000	9.0%	\$245,000	91.2%	\$682,020	-31.3%
Cathedral City	\$330,000	\$303,750	8.6%	\$139,000	137.4%	\$395,000	-16.5%
Indio	\$330,000	\$305,000	8.2%	\$158,500	108.2%	\$380,500	-13.3%
City of Coachella	\$252,500	\$235,000	7.4%	\$121,950	107.1%	\$335,000	-24.6%
Desert Hot Springs	\$220,000	\$205,000	7.3%	\$85,000	158.8%	\$295,000	-25.4%
Palm Springs	\$582,500	\$560,000	4.0%	\$335,000	73.9%	\$600,000	-2.9%

Attached Homes

	Sep-18	Year Ago	12 Month Change	2011 Low	Gain off 2011 Low	2006 High	% from High
La Quinta	\$360,000	\$280,000	28.6%	\$265,000	35.8%	\$532,500	-32.4%
Indio	\$215,000	\$167,500	28.4%	\$75,000	186.7%	\$279,000	-22.9%
Desert Hot Springs	\$175,500	\$141,500	24.0%	\$86,000	104.1%	\$303,000	-42.1%
Palm Springs	\$250,000	\$215,950	15.8%	\$150,000	66.7%	\$350,000	-28.6%
Rancho Mirage	\$349,950	\$310,000	12.9%	\$260,000	34.6%	\$510,000	-31.4%
Palm Desert	\$270,000	\$244,925	10.2%	\$175,000	54.3%	\$410,000	-34.1%
Indian Wells	\$395,000	\$380,000	3.9%	\$321,500	22.9%	\$557,500	-29.1%
Cathedral City	\$157,250	\$178,275	-11.8%	\$107,500	46.3%	\$270,500	-41.9%
City of Coachella	N/A	N/A	N/A	N/A	N/A	N/A	N/A

12 Month Change in City Median Prices

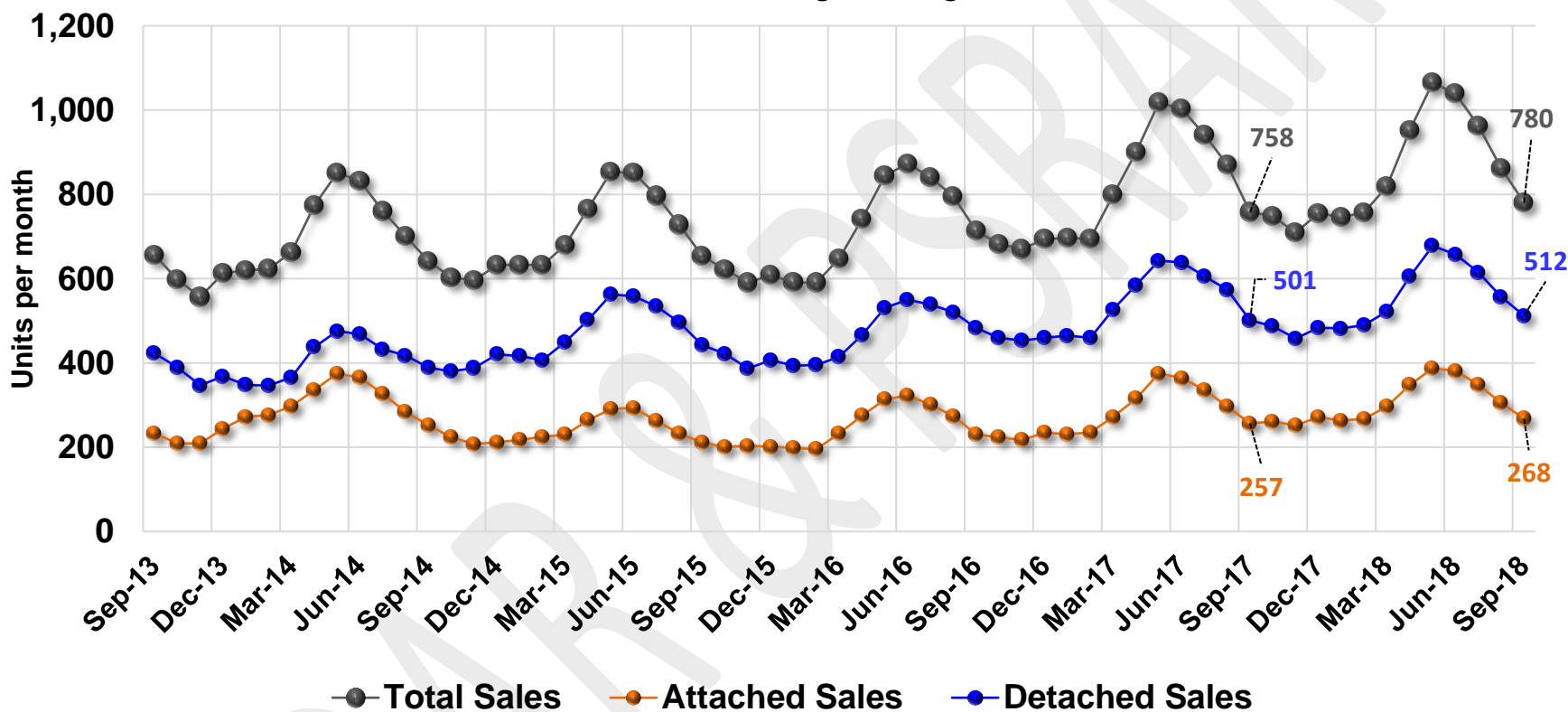
Every city shows positive 12-month price changes in their median price for detached homes, while only Cathedral City shows a negative change for attached homes. These positive price changes are the strongest we've seen in a number of years. Since prices are being compared to the same time last year, any seasonal weakness or effects are taken out, meaning these are real changes. We believe this a strong indicator for another good year ahead.

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

©2018 CDAR & PSRAR. All rights reserved. Use and distribution by members only.

Detached, Attached and Total Sales

3 month moving average

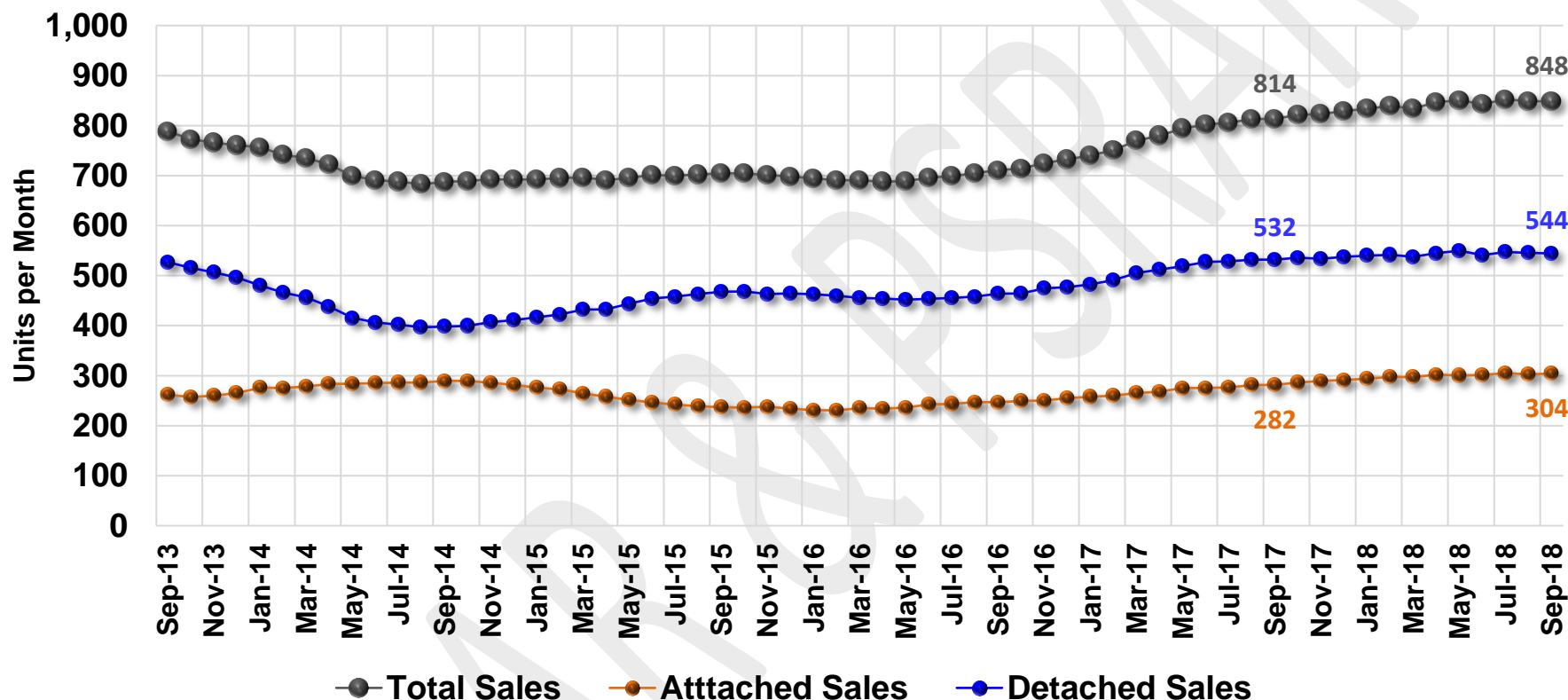


Monthly Sales – 3 month trailing avg.

As the chart clearly shows, three-month sales have fallen over the last four months as they do every year at this time. However, numbers are still ahead of last year. Attached sales averaged 268 units a month in September, which is 11 more than a year ago. Detached sales averaged 512 units, compared to 501 units last year, bringing total sales to 780 units a month, which is 22 units or 2.9% higher than last year.

Detached, Attached and Total Sales

12 month moving average

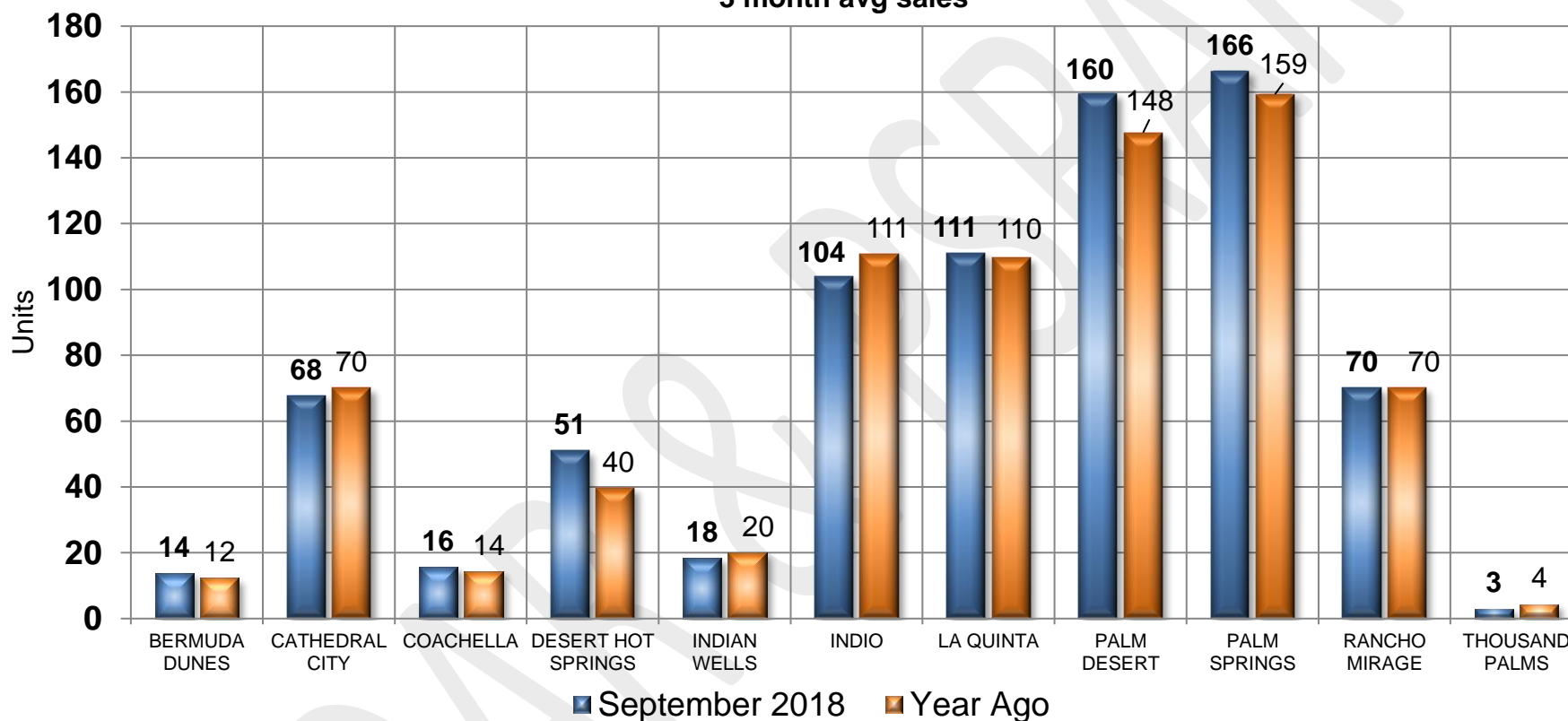


Monthly Sales – 12 month trailing avg.

The twelve-month average of sales, which takes out the seasonal pattern and shows the long-term trend, continues to show higher numbers compared to a year ago. Over the last twelve months attached home sales have averaged 304 units a month and detached homes have averaged 544 units a month, bringing total sales to an average of 848 units. This is 4% more than a year ago.

Home Sales by City

3 month avg sales

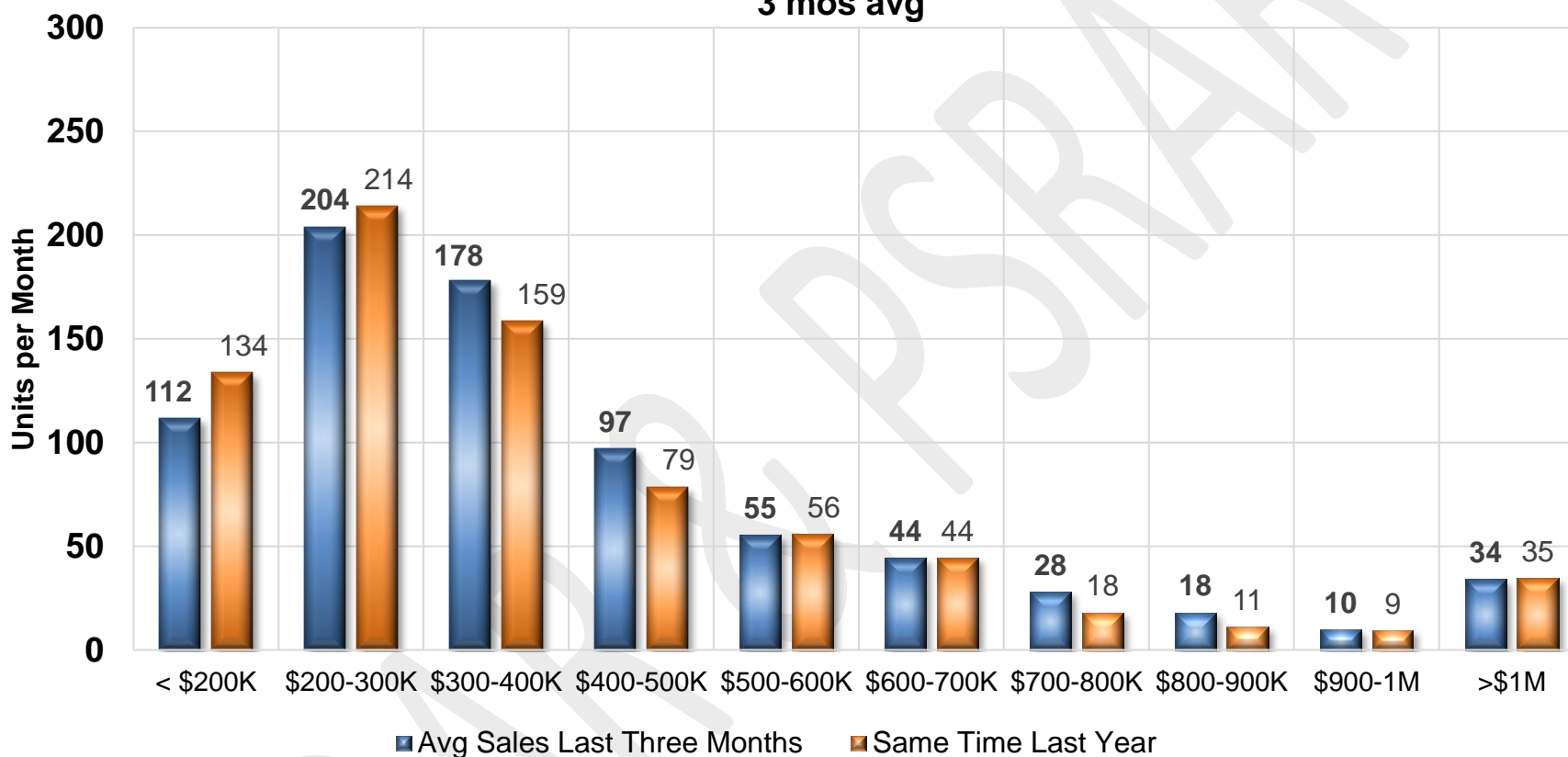


Home Sales per month by City

While total three-month sales are up 2.9%, on a city by city basis six cities show higher sales, four have lower sales and one, Rancho Mirage, shows the same sales numbers as last year. The three cities with the largest sales increase are Palm Desert, Desert Hot Springs and Palm Springs. The three cities with the largest sales declines are Indio, Indian Wells and Cathedral City.

Home Sales by Price Range

3 mos avg

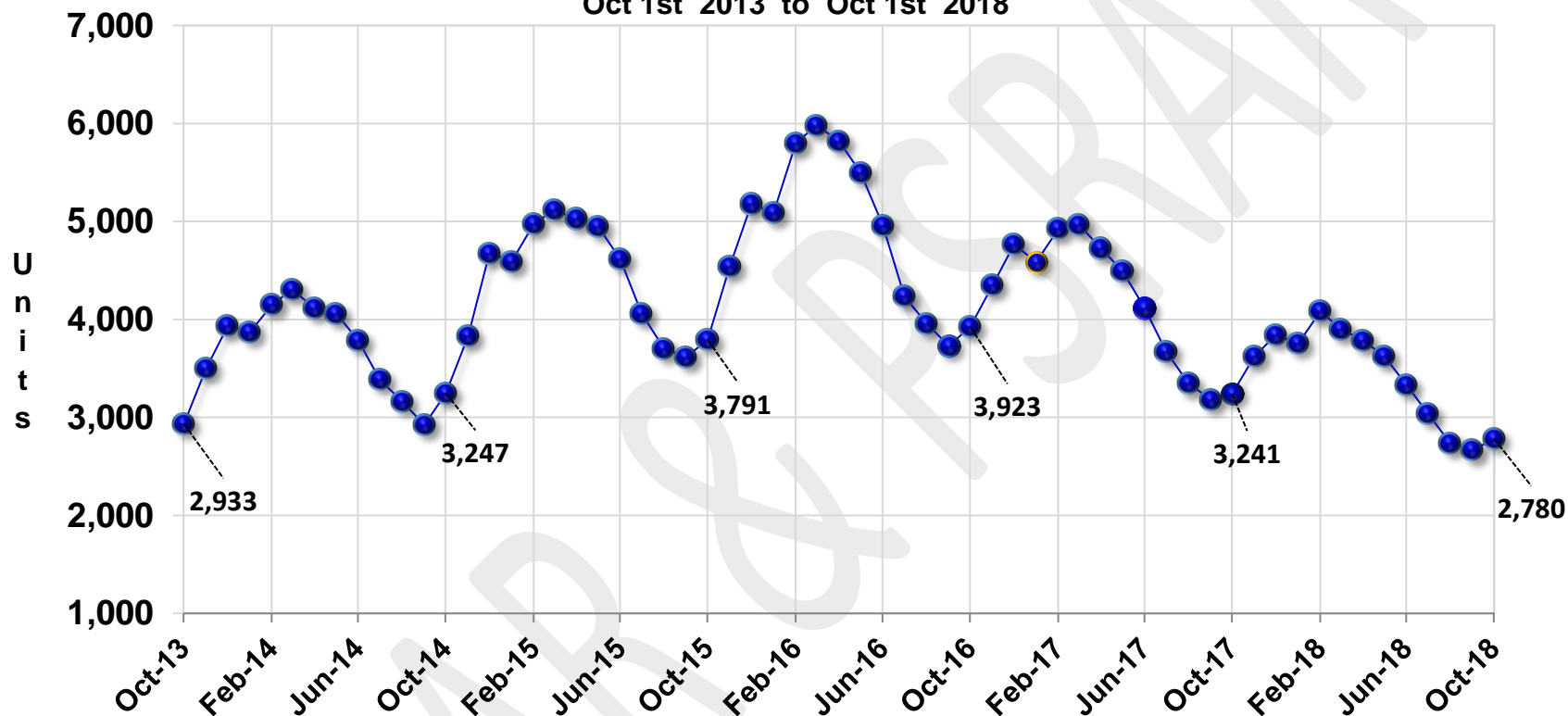


Home Sales by Price Range

We continue to see the largest sales increases compared to a year ago in two distinct price brackets – from \$300k to \$500k and from \$700k to 900k. The increase in the first bracket is the carry over effect of simply fewer homes selling for under \$300k. Simply put, more homes are being listed between \$300k and \$500k in the past, lifting sales in that bracket, and lessening sales in the under \$300k bracket.

Valley Housing Inventory

Oct 1st 2013 to Oct 1st 2018

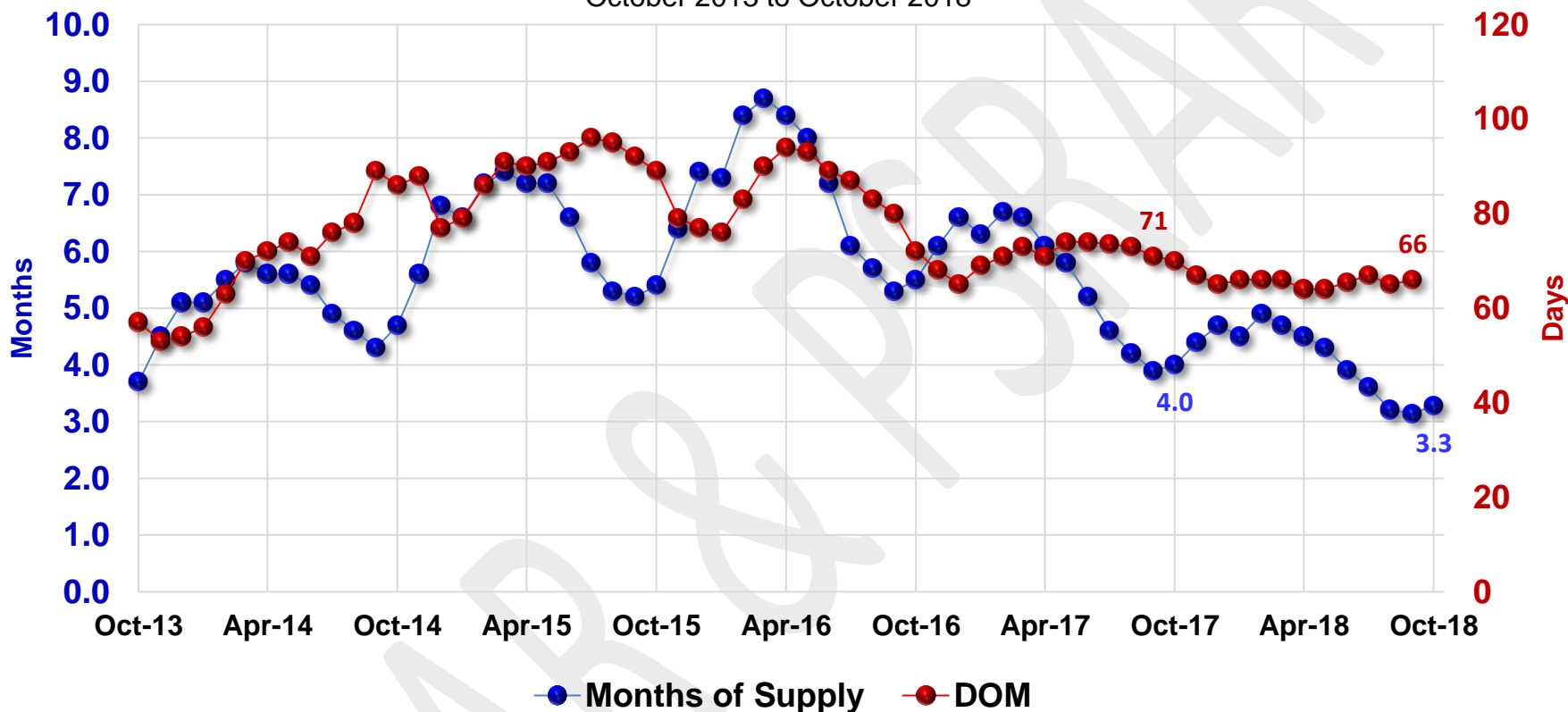


Coachella Valley Inventory

Inventory on October 1st was 2,780 units. This is the lowest October 1st inventory number in the last five years and 461 units less than last year. Low inventory acts as both a positive and a negative. It's a positive for sellers and future sellers since it tends to move home prices higher. But it's a negative in that it tends to put a limit on total sales numbers and sales are the life blood of real estate. Normally new home construction enters the picture increasing the available supply, but this has not been happening in the Valley yet.

Months of Supply and Days on the Market

October 2013 to October 2018

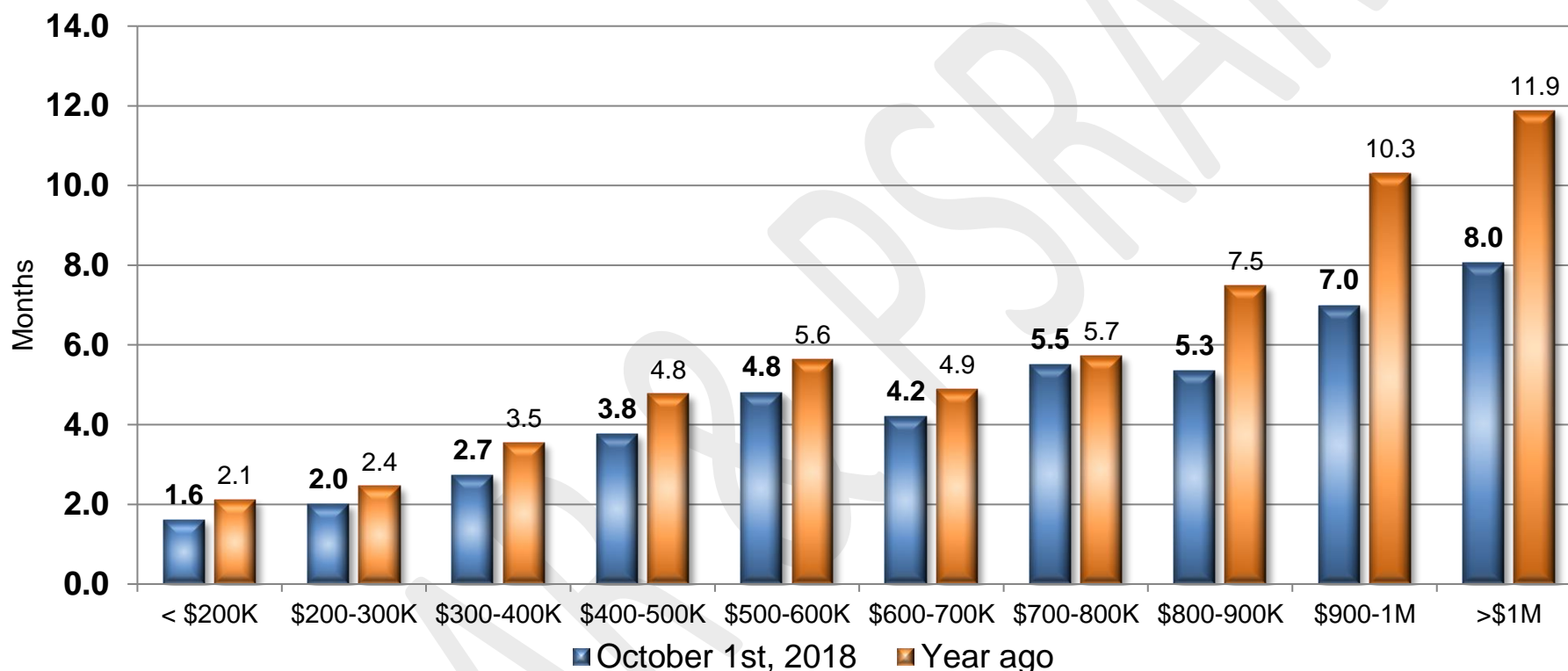


“Months of Supply” and “Days on the Market”

The “Months of Supply” ratio on October 1st was 3.3 months. This is the lowest October 1st ratio in the last five years and the result of low inventory and high sales. This combination is the force that’s been driving Valley home prices higher. As the graph clearly shows, seasonal forces should now move the ratio higher. How high is the question? We expect that it will likely rise to about 4.5 months by spring, which is still historically very low. Days on the market remains low at 66 days, compared to 71 days last September.

"Months of Supply" by Price Range

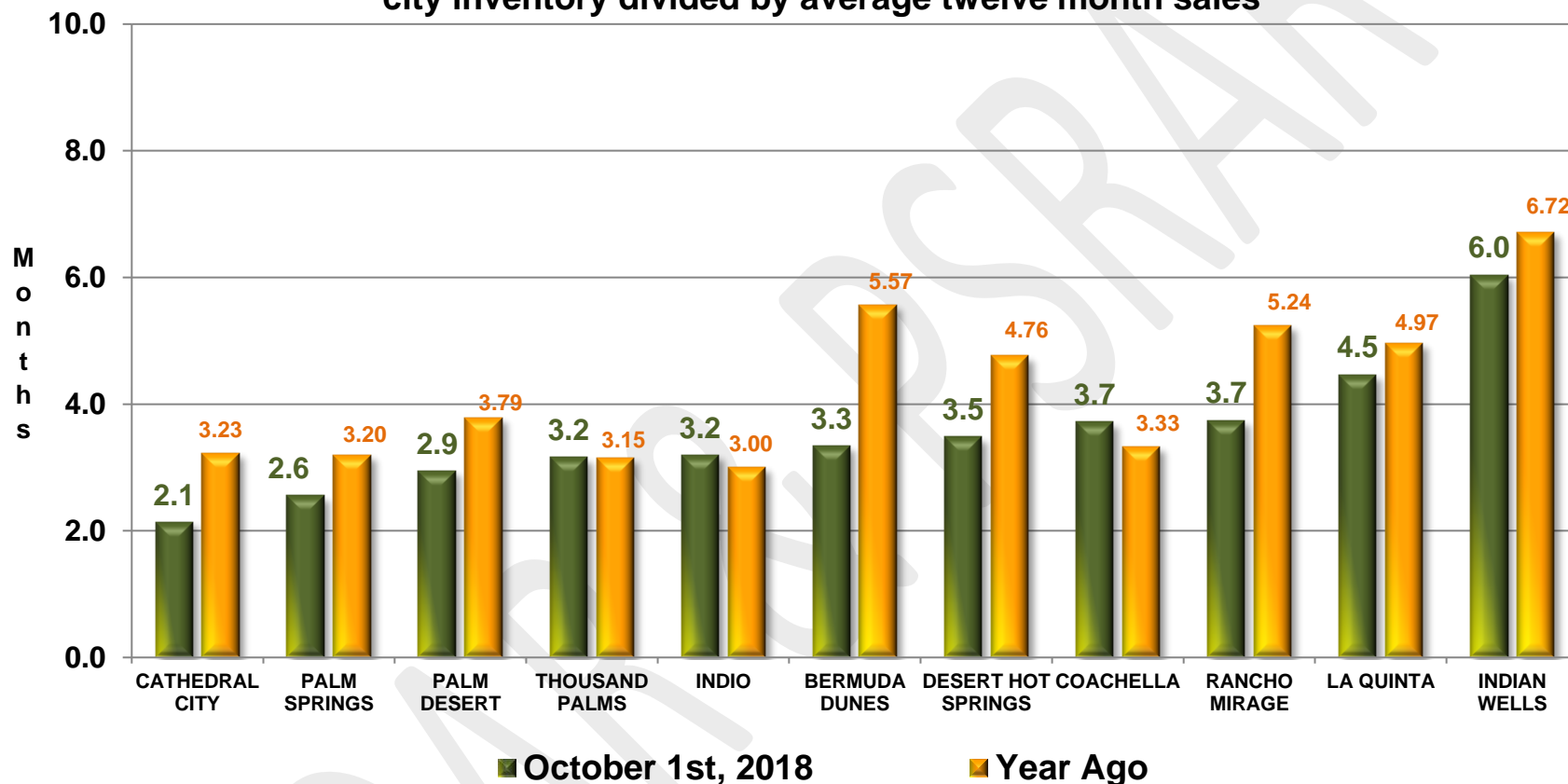
uses avg. twelve month sales



"Months of Supply" by Price Range

The "Months of Supply" ratio is lower across all price brackets compared to a year ago. This is especially true for homes priced over \$800k. The ratio of 5.5 months and 5.3 months for homes priced between \$700k and \$900 shows that the sellers' market, which is primarily found in the lower priced areas, is gradually working into the higher priced regions, too.

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

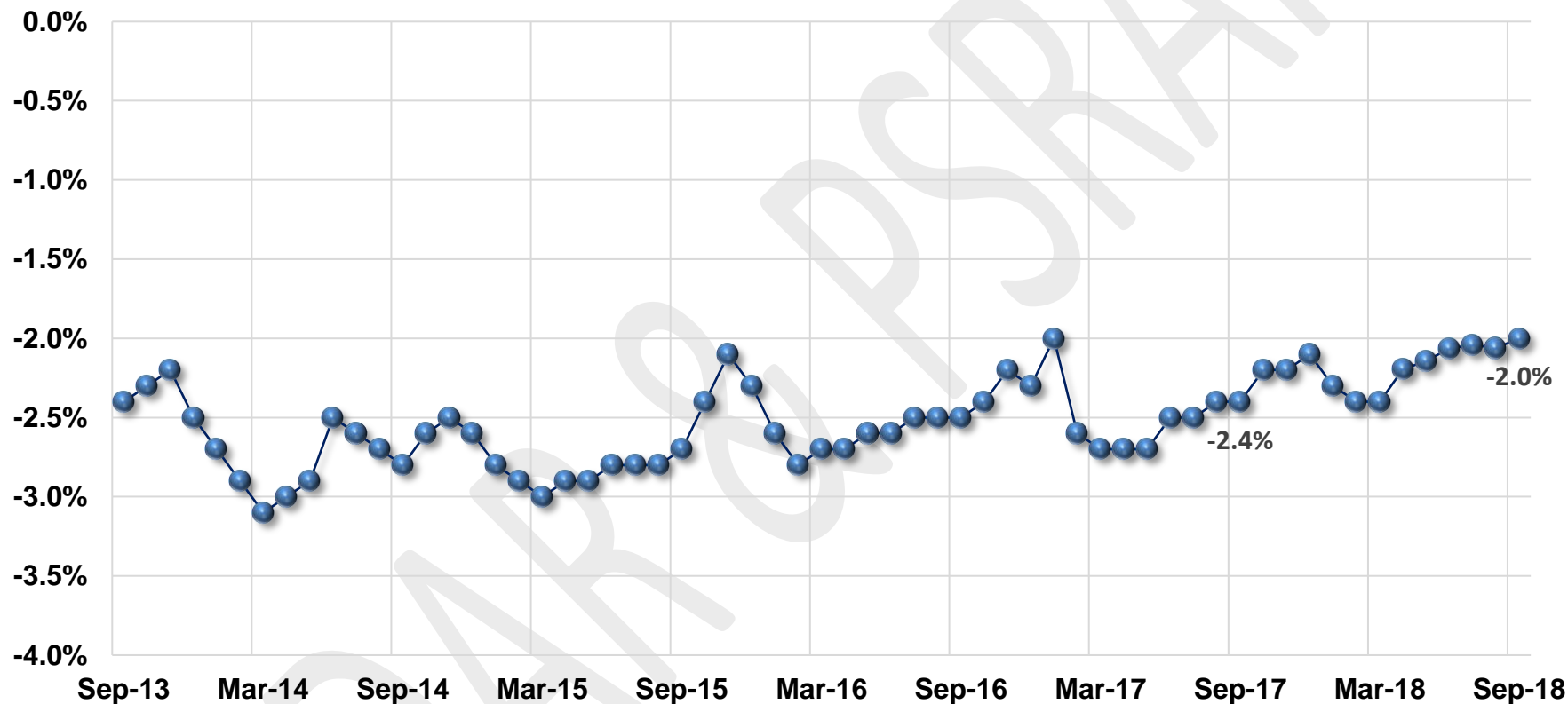


"Months of Supply" by City

The "months of supply" ratio for eleven Valley cities shows that eight have lower ratios compared to last year, while three have higher ratios. The three cities with higher ratios are Thousand Palms, Indio and Coachella but the ratios are all still under four months. The largest ratio declines were the cities of Desert Hot Springs, Bermuda Dunes, Rancho Mirage and Palm Desert.

Sales Price Discount from List

September 2013 to September 2018



Sale Price Discount from List

The latest “Sale Price Discount from List” is -2.0%, which is .4% less than a year ago. This ratio means an average home listed for \$400,000 sold for \$392,000, or an \$8,000 discount.



The Desert Housing Report

September 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 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