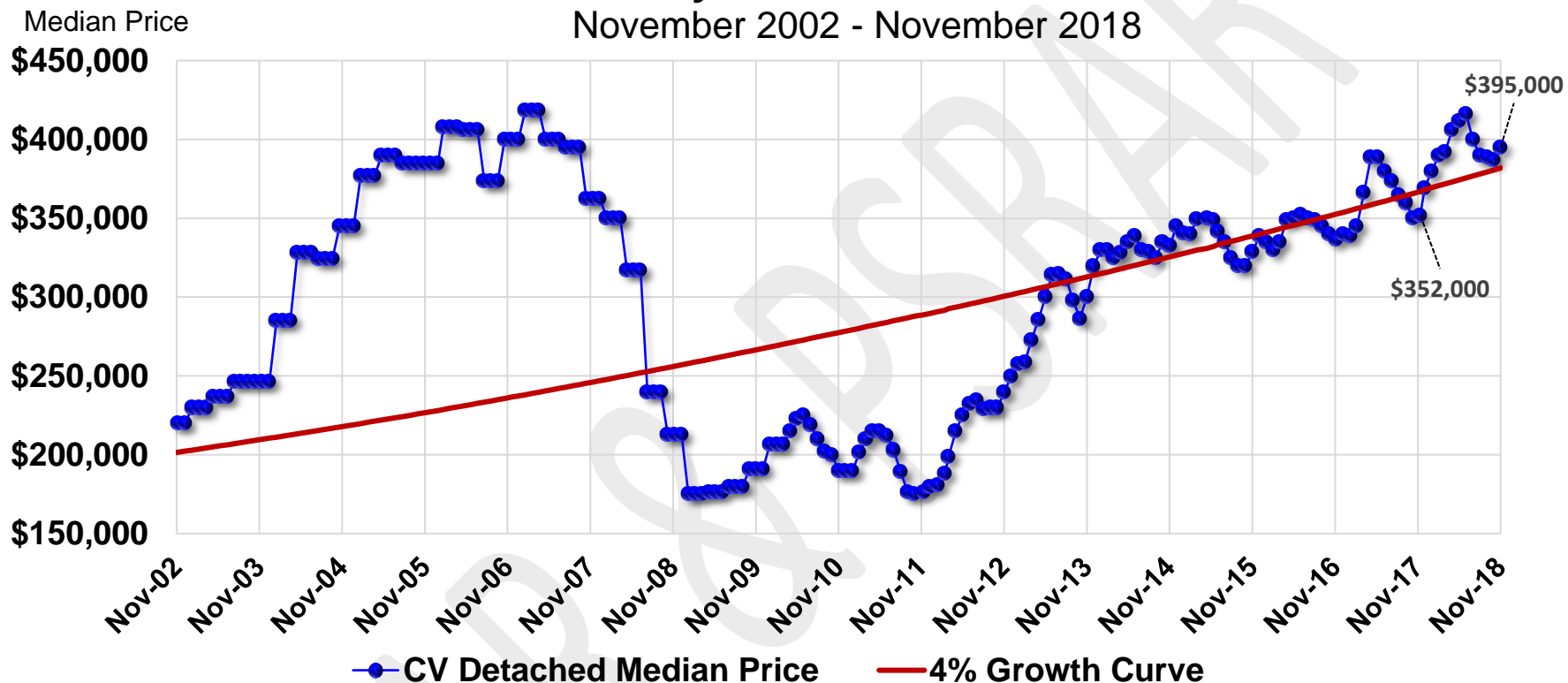


Coachella Valley Median Detached Home Price

November 2002 - November 2018



Summary

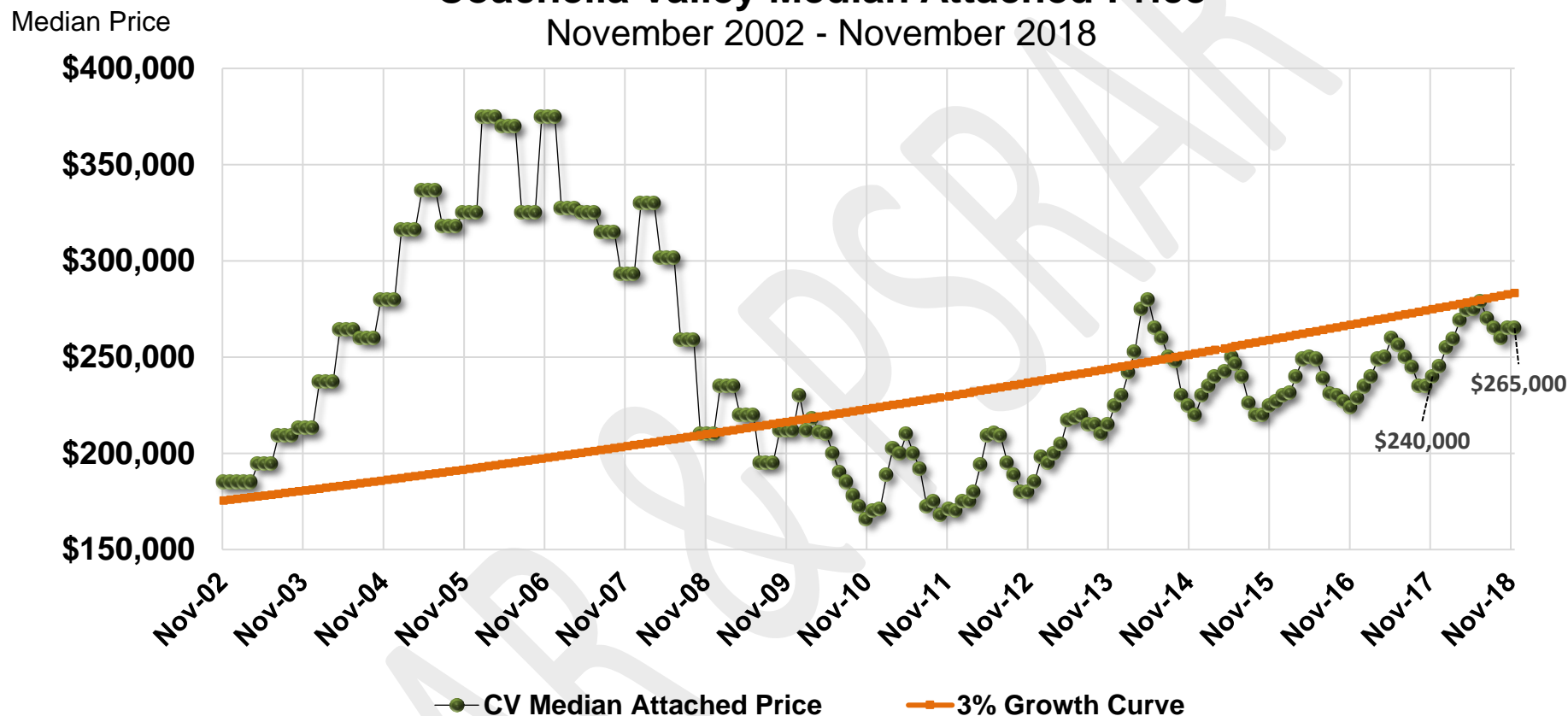
The median price for detached homes in November was \$387,000, which is up \$43,000 or 12.2% from a year ago. The Valley's median attached price was \$265,000, up \$25,000 or 10.4%. Both detached and attached homes are entering a positive seasonal period for the next six months. The strength we see in the two regional price indexes is carrying over to city median prices for both detached and attached homes. Seven cities show positive year over year changes in both detached and attached home prices. Sales continue to show a very slight, almost unnoticeable retrenchment. In November, the three-month average of total sales was 696 units a month, down from 709 units from last November. Valley inventory on December 1st was 3,555 units, 382 units higher than last month but 286 less than the same time last year. The region's "Months of Sales" ratio on December 1st was 4.2 months. This is a seasonal increase from last month of half a month, but when it's compared with last November 1st ratio, it's half a month less. The median number of "Days on the Market" in November was sixty days, seven days less than a year ago.

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Coachella Valley Median Attached Price

November 2002 - November 2018



Coachella Valley Attached Median Price

The Valley's median attached price was \$265,000, up \$25,000 or 10.4%. A careful study of the chart shows that we are now entering a period of the year that has historically been very positive for attached home prices. What we find particularly encouraging is that we are beginning this positive period from a relatively high price point compared to recent years. Our expectation is for the median price to rise above the 3% growth curve for the first time since 2014.



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Detached Homes

City	Nov-18	Year Ago	12 mo change	2011 Low	Gain off 2011 Low	2006 High	% from High
Indian Wells	\$1,025,000	\$775,000	32.3%	\$540,000	89.8%	\$1,205,000	-14.9%
La Quinta	\$497,500	\$389,950	27.6%	\$245,000	103.1%	\$682,020	-27.1%
Palm Desert	\$410,000	\$373,750	9.7%	\$287,000	42.9%	\$543,000	-24.5%
City of Coachella	\$276,900	\$254,000	9.0%	\$121,950	127.1%	\$335,000	-17.3%
Palm Springs	\$635,250	\$599,444	6.0%	\$335,000	89.6%	\$600,000	5.9%
Indio	\$327,235	\$310,000	5.6%	\$158,500	106.5%	\$380,500	-14.0%
Cathedral City	\$315,000	\$307,500	2.4%	\$139,000	126.6%	\$395,000	-20.3%
Desert Hot Springs	\$220,750	\$225,000	-1.9%	\$85,000	159.7%	\$295,000	-25.2%
Rancho Mirage	\$665,000	\$680,000	-2.2%	\$423,000	57.2%	\$950,000	-30.0%

Attached Homes

City	Nov-18	Year Ago	12 Month Change	2011 Low	Gain off 2011 Low	2006 High	% from High
Desert Hot Springs	\$163,250	\$135,750	20.3%	\$86,000	89.8%	\$303,000	-46.1%
Palm Springs	\$245,000	\$205,000	19.5%	\$150,000	63.3%	\$350,000	-30.0%
Indio	\$226,000	\$193,000	17.1%	\$75,000	201.3%	\$279,000	-19.0%
Cathedral City	\$170,000	\$150,000	13.3%	\$107,500	58.1%	\$270,500	-37.2%
Palm Desert	\$292,500	\$266,000	10.0%	\$175,000	67.1%	\$410,000	-28.7%
Rancho Mirage	\$345,000	\$325,000	6.2%	\$260,000	32.7%	\$510,000	-32.4%
Indian Wells	\$379,000	\$365,000	3.8%	\$321,500	17.9%	\$557,500	-32.0%
La Quinta	\$342,475	\$351,000	-2.4%	\$265,000	29.2%	\$532,500	-35.7%
City of Coachella	N/A	N/A	N/A	N/A	N/A	N/A	N/A

12 Month Change in City Median Prices

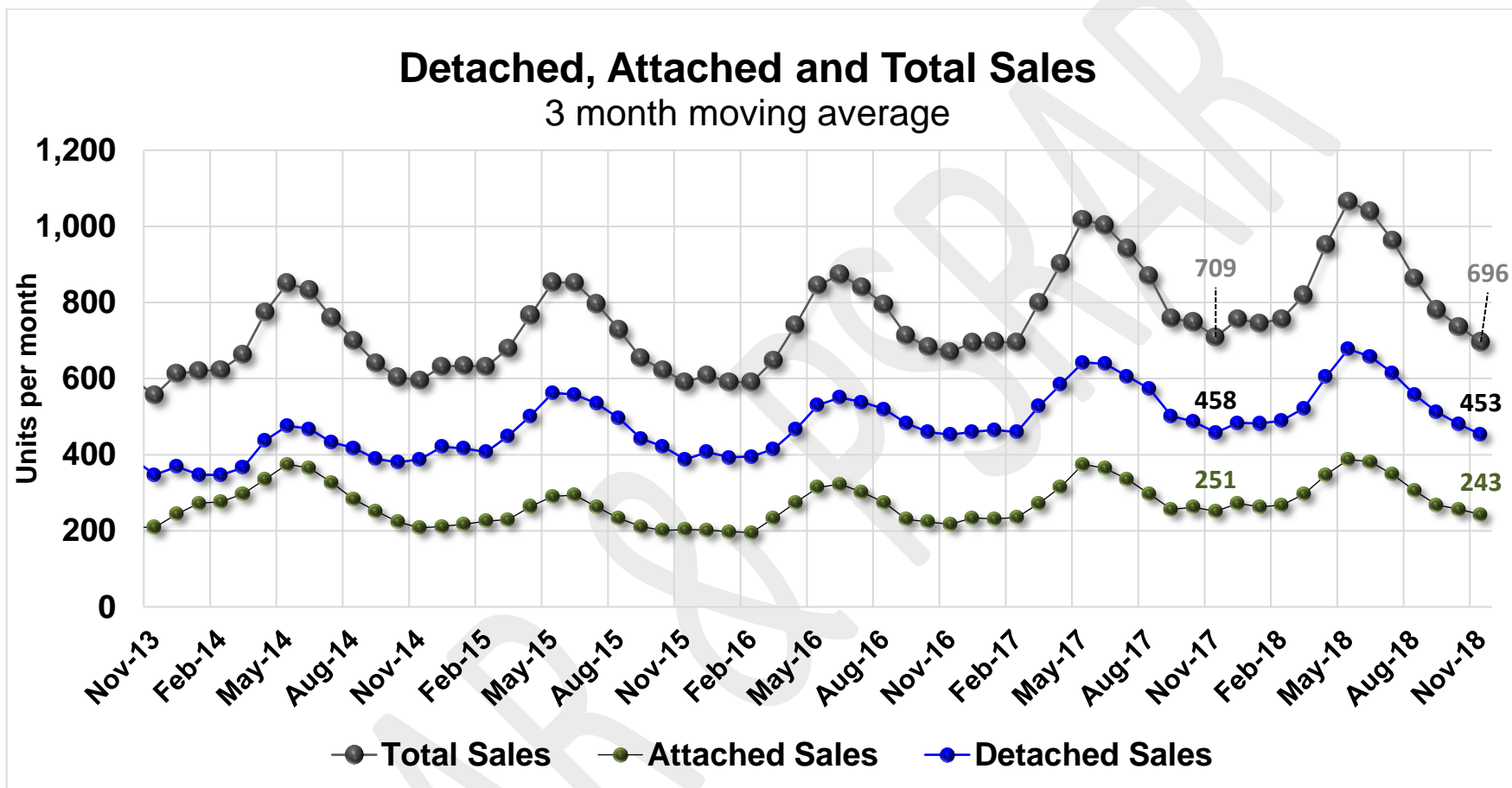
The strength we see in the two regional price indexes is carrying over to city median prices for both detached and attached homes. Seven cities have positive year over year changes in both detached and attached home prices. Of particular note are the large gains in the median price for both La Quinta and Indian Wells. It's noteworthy that Palm Springs is again at all time highs, and both Indio and Indian Wells are only 14% away from their historic highs made during the 2006-2007 period.

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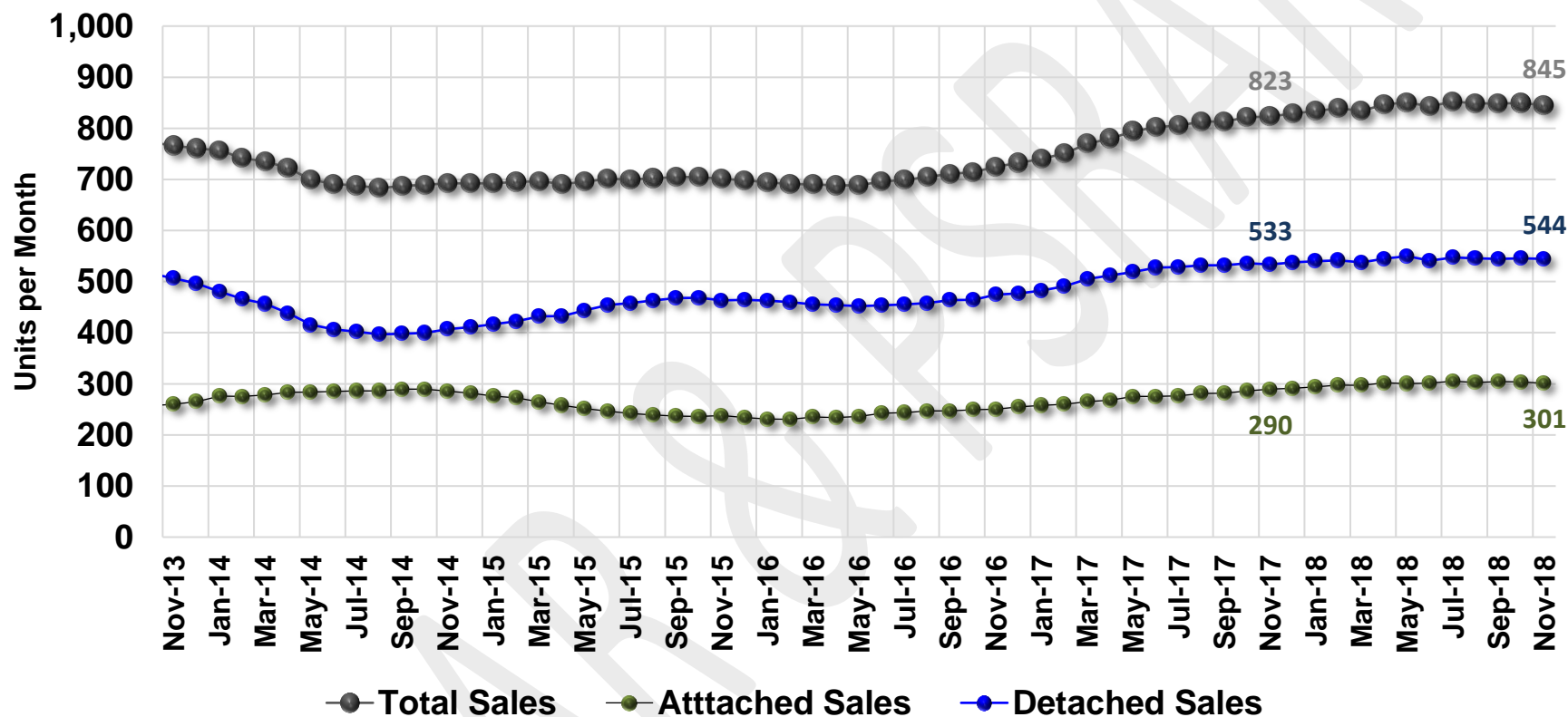


Monthly Sales – 3 month trailing avg.

Sales continue to show a very slight, almost unnoticeable retrenchment. In November, the three-month average of total sales was 696 units a month, down from 709 units last November. This is a decline of only two percent. This is relatively positive considering that other areas of Riverside county have been experiencing measurable sales declines for one to two years now.

Detached, Attached and Total Sales

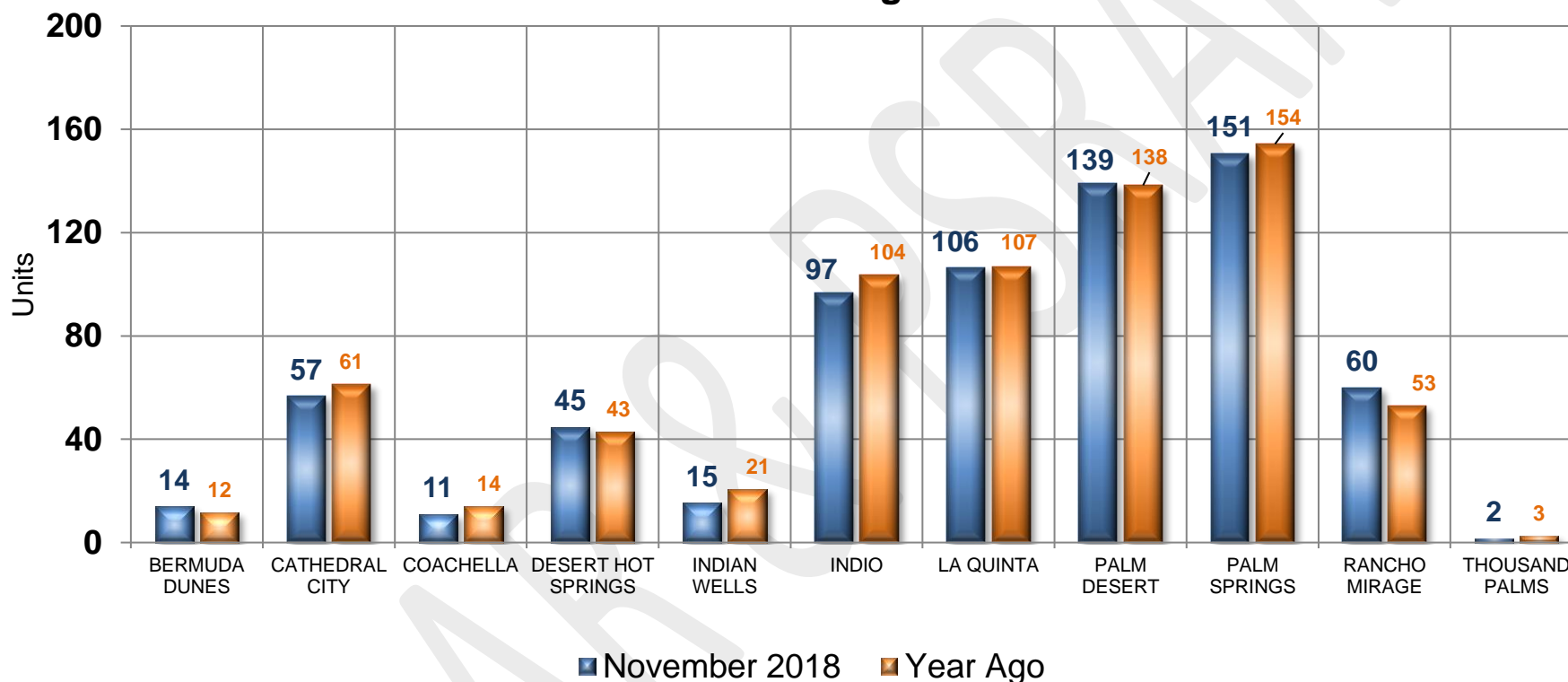
12 month moving average



Monthly Sales – 12 month trailing avg.

The twelve-month average of Valley sales, which takes out the seasonal ups and downs and displays the long-term trend, shows a flattening of sales for the last six months, which confirms what we saw on the previous page. Total sales have been averaging 845 units a month over the last twelve months. We expect total unit sales in the new year to be equal to or slightly less than in 2018. However, total dollar sales will be higher because prices are higher.

Home Sales by City 3 month avg sales

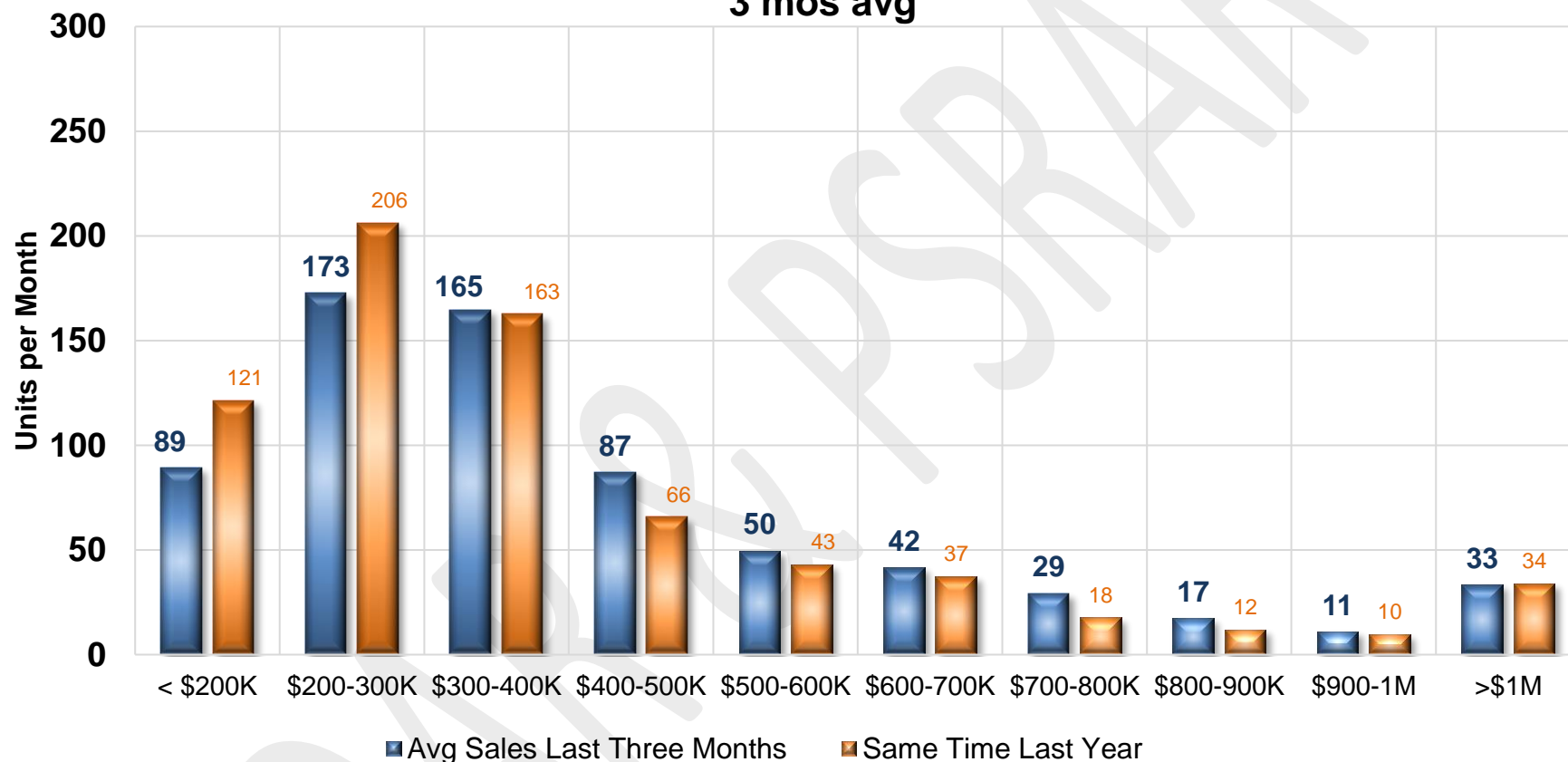


Home Sales per month by City

While total regional three-month sales are down 2%, three-month sales at the city level show four cities with higher sales. The four cities are Bermuda Dunes, Desert Hot Springs, Palm Desert and Rancho Mirage. Coachella sales are down 21% while Indian Wells sales are lower by 29%.

Home Sales by Price Range

3 mos avg

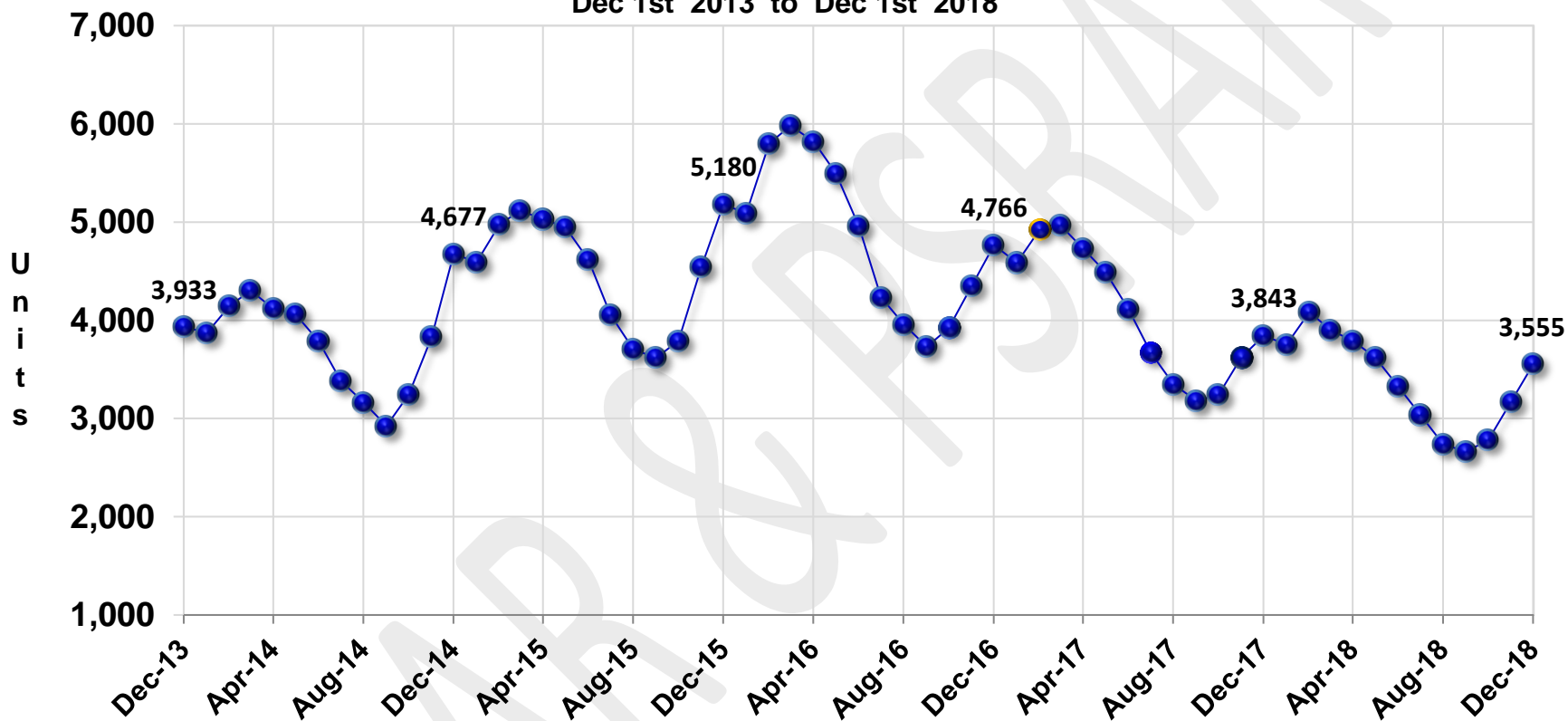


Home Sales by Price Range

Sales continue to increase in the higher price brackets and decline in lower brackets. Sales in the two price brackets under \$300k, which account for 38% of all Valley sales, are down 20%. Sales of homes priced from \$300k to \$400k have the same year over year. To compensate for smaller sales in these lower brackets, we are seeing an increase in unit sales in all price brackets over \$400k, including homes priced over one million dollars.

Valley Housing Inventory

Dec 1st 2013 to Dec 1st 2018

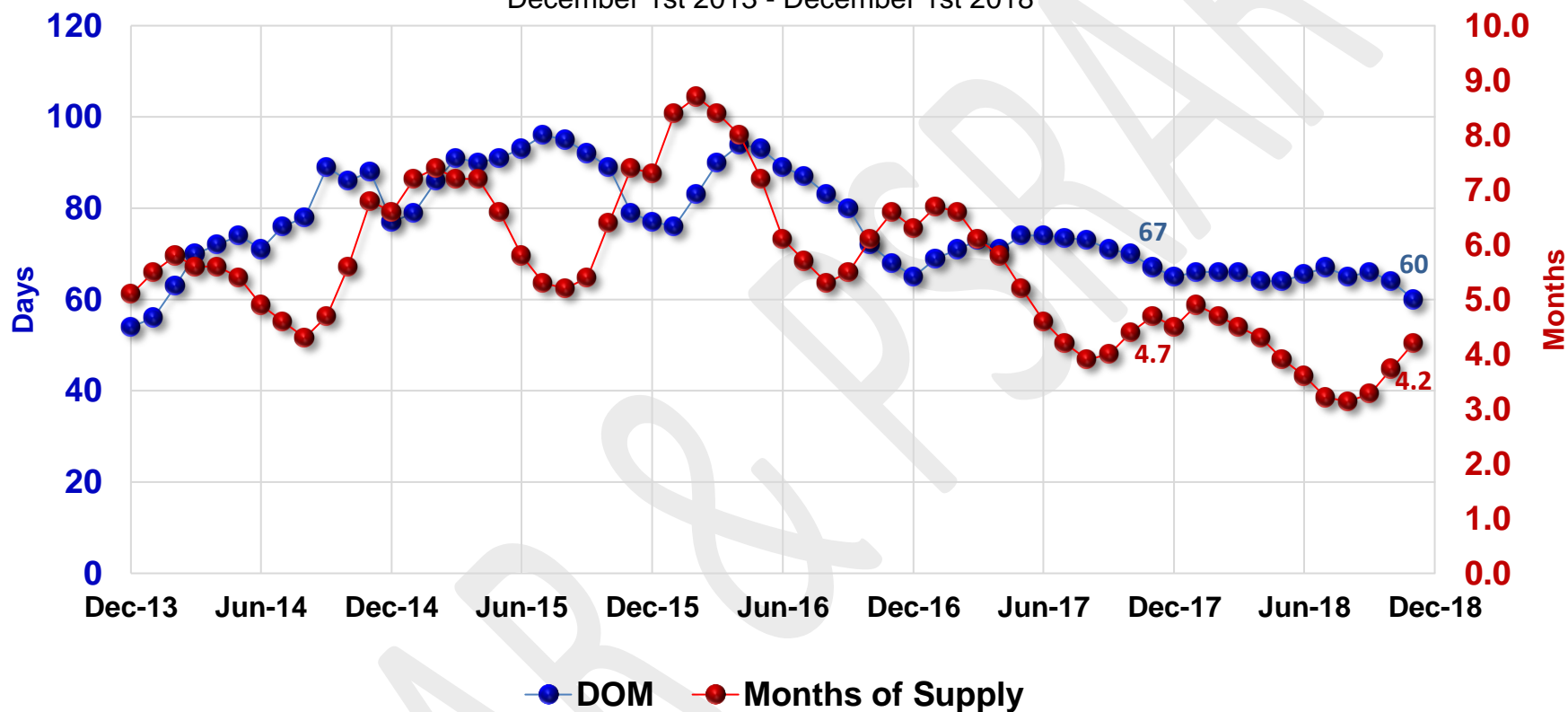


Coachella Valley Inventory

Valley inventory on December 1st was 3,555 units, 382 units higher than last month but 286 less than the same time last year. This is primarily a seasonal increase and, if history is a guide, it should increase just a little more, possibly reaching 4,000 units in early spring. Because of seasonality you can only accurately compare inventory against the same month in previous years and, as the chart shows, this is the third year of declining inventory.

Days on the Market & Months of Sales

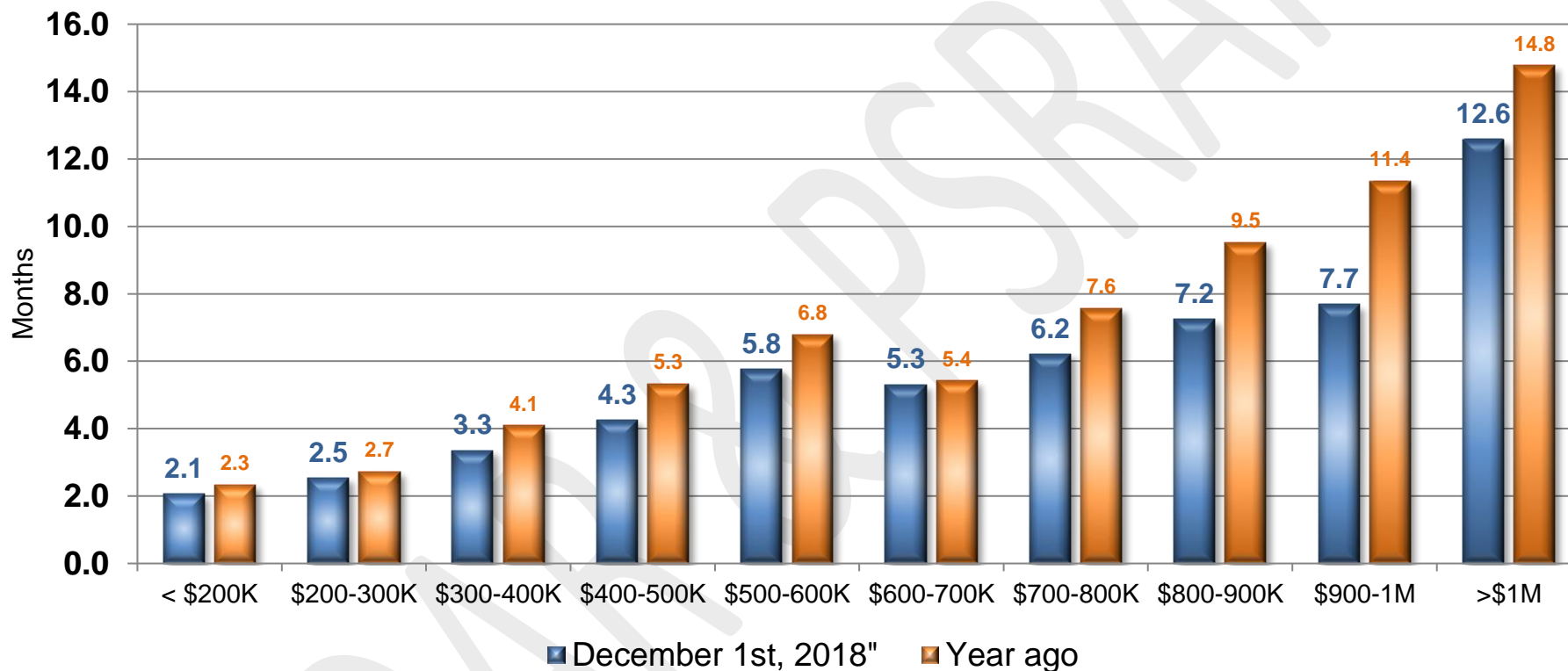
December 1st 2013 - December 1st 2018



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

The “Months of Sales” ratio on December 1st was 4.2 months. This is a seasonal increase over last month of “half a month,” but when it’s compared with last year, it’s half a month less. The median number of “Days on the Market” in November was sixty days, seven days less than a year ago. Both these measurements of market conditions – “Months of Sales” and “DOM” - indicate a healthy, positive real estate market as we approach next year’s top selling period.

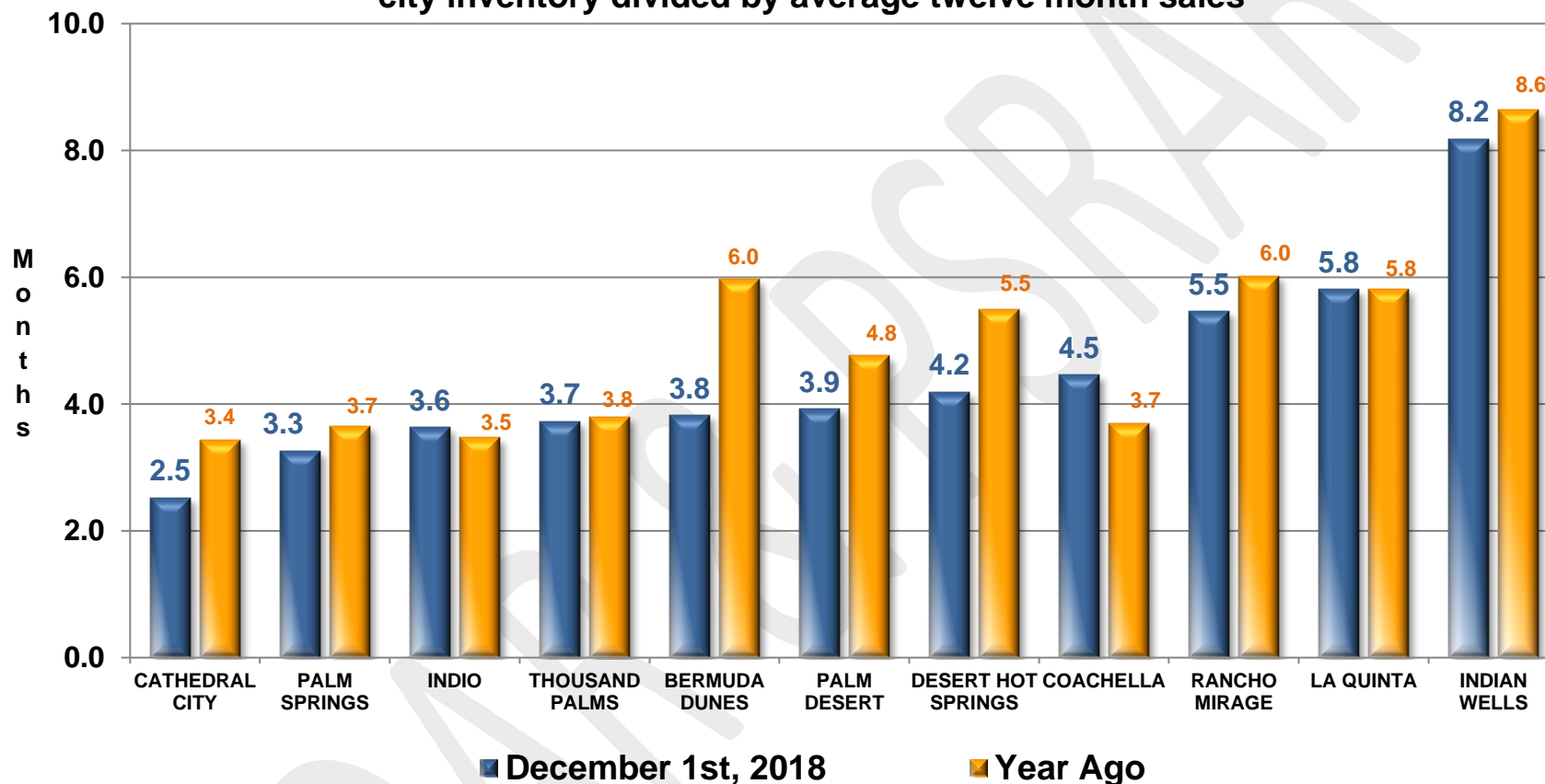
"Months of Sales" by Price Range uses avg. twelve month sales



"Months of Sales" by Price Range

The "Months of Sales" ratios continues to be lower across all price brackets compared to a year ago. This shows that the market improvements over the last two years are across all price ranges. The only worrisome ratio is the 12.6 months of sales for homes priced over a million dollars. While the ratio is lower than it was last year, it is still somewhat high on an absolute basis.

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

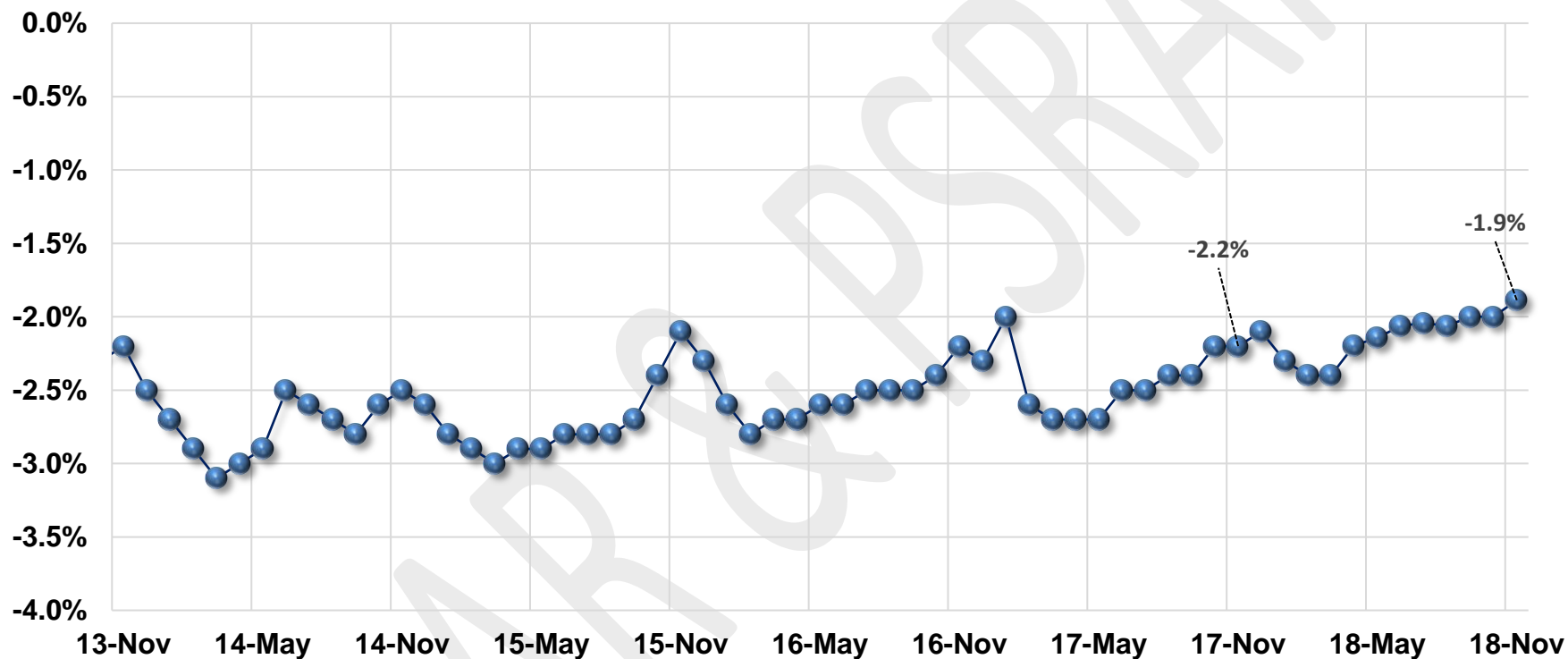


"Months of Supply" by City

The "months of sales" ratios for each city are historically at acceptable levels. Only two cities – Indio and Coachella – have higher ratios than last year. The cities of Palm Desert, Bermuda Dunes, Thousand Palms, Indio, Palm Springs and Cathedral City all still have ratios under four months. Only Rancho Mirage and La Quinta, with ratios of 5.5 and 5.8 months, are approaching the six-month number.

Sales Price Discount from List

November 2013 to November 2018



Sale Price Discount from List

The latest “Sale Price Discount from List” is -1.9%, which is .3% less than a year ago. This ratio means the average home listed for \$400,000 sold for \$392,400, or a \$7,600 discount.



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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