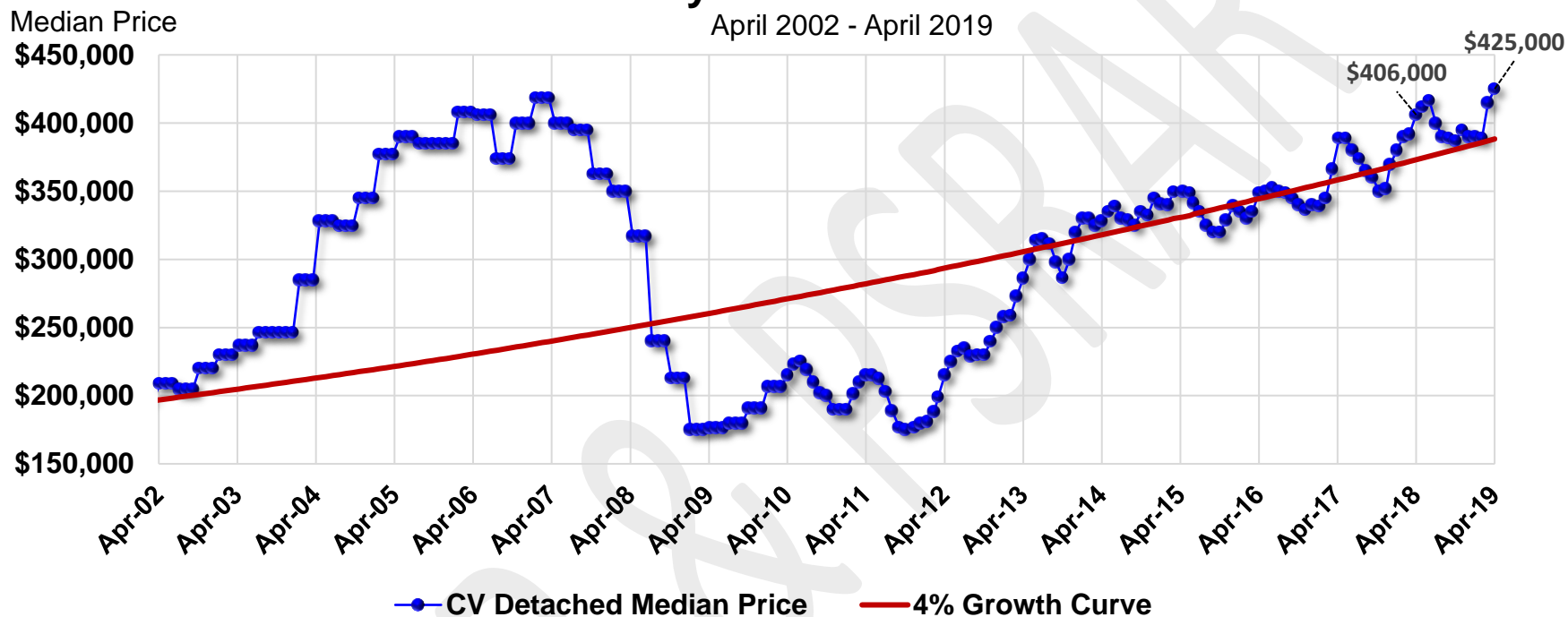


## Coachella Valley Median Detached Home Price

April 2002 - April 2019



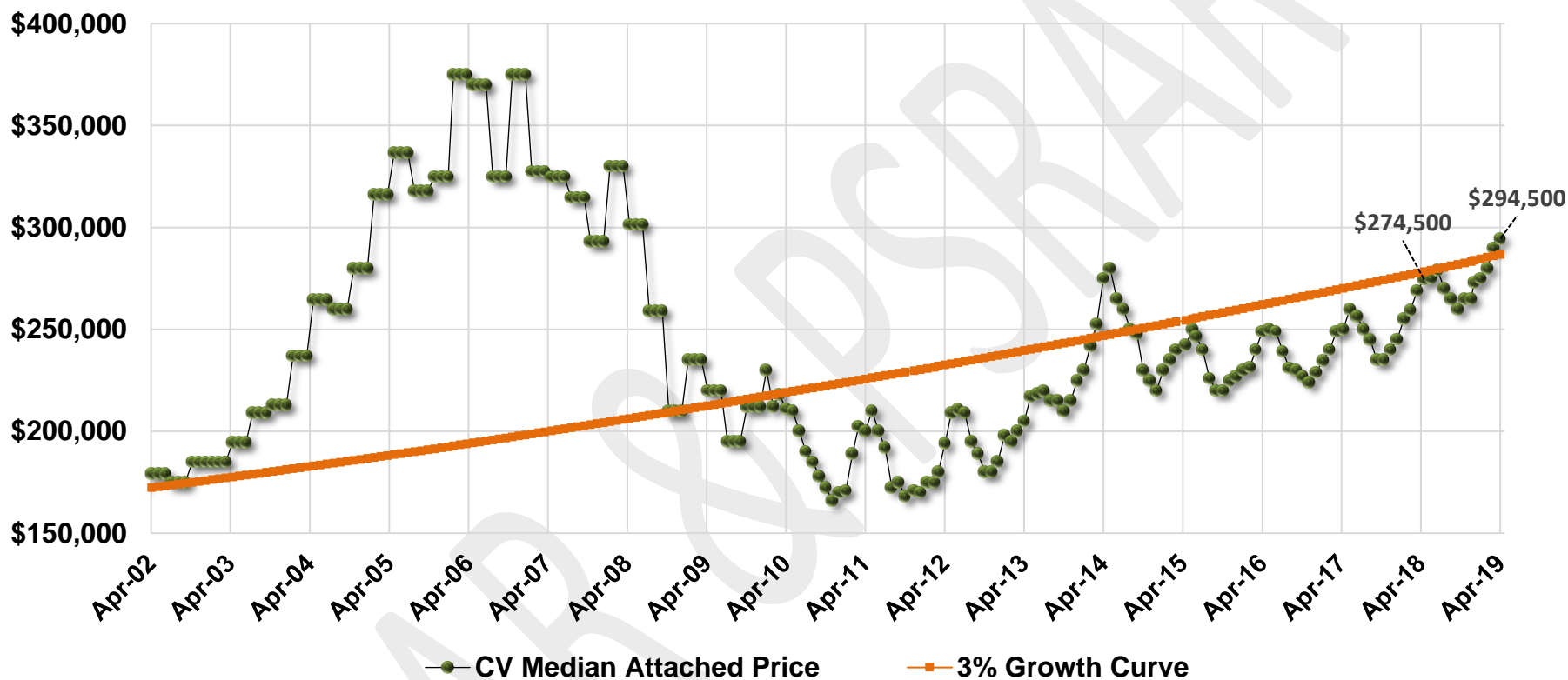
### Summary

The Valley's median detached home price in March was up again for the second month to \$425,000, which is 4.6% higher than a year ago and is the highest price since the recovery began eight years ago. The Valley's median attached price in March was \$294,500, which is 7.3% above a year ago. This also is the highest median attached home price since the recovery began in 2011. When we measure the median value of detached homes in the nine major cities, we see positive year over year gains in eight of the nine cities. The Palm Springs median detached home price is now 10% above the highs made during the 2006-2007 bubble years. The median detached price for Indian Wells is up 19.5% and is now only 8.3% short of its all-time high. Total sales for the last three months have averaged 871 units per month compared to 952 units a year ago. This is a decline of 8.5% but an improvement over the last couple of months where sales were down over 10% from the previous year's numbers. Detached home sales are down only 4.8% while attached home sales are down 15%. Inventory on May 1 was 3,643 units, 21 units more than April 1 of last year. On April 1st the months of sales ratio, which is inventory divided by the average 12-month sales, was 4.5 months. This is 2/10 of a month higher than a year ago primarily because the lower sales. Four and a half months is an historically low ratio and indicates that the balance of supply and demand is still slightly in favor of the sellers.

## Coachella Valley Median Attached Price

April 2002 - April 2019

Median Price



## Coachella Valley Attached Median Price

The Valley's median attached price in March was \$294,500, which is 7.3% above a year ago. This also is the highest median attached home price since the recovery began in 2011. Prices have finally risen above the 3% growth curve and we expected this upward price trend for attached homes to continue a few more months before retreating a little as it normally does after May or June, completing the seasonal pattern clearly seen in the graph.



# The Desert Housing Report

April 2019



## Detached Homes

City	Apr-19	Year Ago	12 mo change	2011 Low	Gain off 2011 Low	2006 High	% from High
Indian Wells	\$1,105,000	\$925,000	19.5%	\$540,000	104.6%	\$1,205,000	-8.3%
La Quinta	\$560,000	\$504,200	11.1%	\$245,000	128.6%	\$682,020	-17.9%
Rancho Mirage	\$762,500	\$710,000	7.4%	\$423,000	80.3%	\$950,000	-19.7%
Cathedral City	\$337,500	\$323,750	4.2%	\$139,000	142.8%	\$395,000	-14.6%
City of Coachella	\$257,500	\$249,000	3.4%	\$121,950	111.2%	\$335,000	-23.1%
Desert Hot Springs	\$220,000	\$214,900	2.4%	\$85,000	158.8%	\$295,000	-25.4%
Palm Springs	\$660,000	\$656,100	0.6%	\$335,000	97.0%	\$600,000	10.0%
Indio	\$326,000	\$325,000	0.3%	\$158,500	105.7%	\$380,500	-14.3%
Palm Desert	\$409,500	\$435,000	-5.9%	\$287,000	42.7%	\$543,000	-24.6%

## Attached Homes

City	Apr-19	Year Ago	12 Month Change	2011 Low	Gain off 2011 Low	2006 High	% from High
Rancho Mirage	\$379,000	\$320,000	18.4%	\$260,000	45.8%	\$510,000	-25.7%
Palm Desert	\$315,000	\$285,000	10.5%	\$175,000	80.0%	\$410,000	-23.2%
Indian Wells	\$407,500	\$380,000	7.2%	\$321,500	26.7%	\$557,500	-26.9%
La Quinta	\$353,000	\$334,500	5.5%	\$265,000	33.2%	\$532,500	-33.7%
Palm Springs	\$256,000	\$252,000	1.6%	\$150,000	70.7%	\$350,000	-26.9%
Cathedral City	\$185,000	\$185,000	0.0%	\$107,500	72.1%	\$270,500	-31.6%
Desert Hot Springs	\$202,500	\$204,000	-0.7%	\$86,000	135.5%	\$303,000	-33.2%
Indio	\$194,000	\$199,000	-2.5%	\$75,000	158.7%	\$279,000	-30.5%
City of Coachella	N/A	N/A	N/A	N/A	N/A	N/A	N/A

## 12 Month Change in City Median Prices

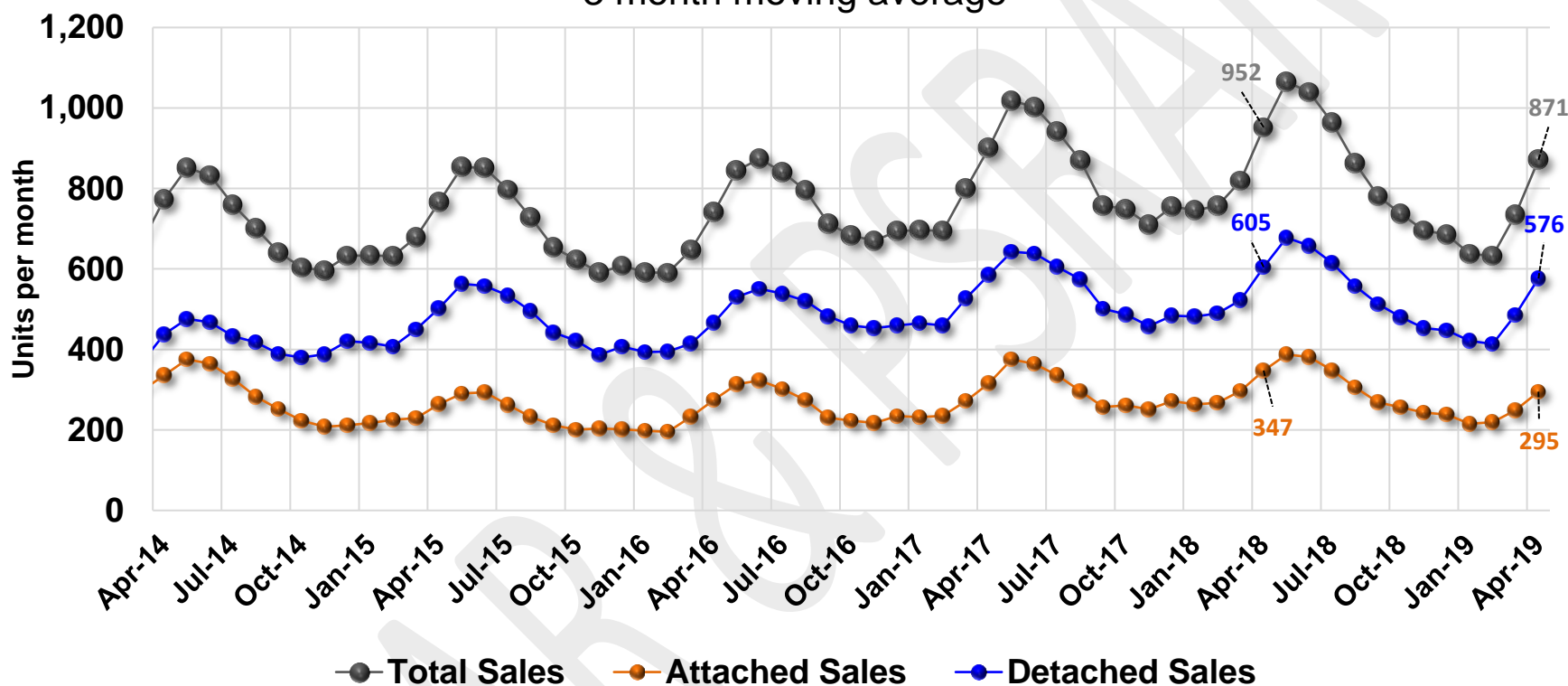
When we measure the median value of detached homes in the nine major cities, we see positive year over year gains in eight of the nine cities. The Palm Springs median detached home price is now 10% above the highs made during the 2006-2007 bubble years. The median detached price for Indian Wells is up 19.5% and is now only 8.3% short of its all-time high. The attached market also shows strength with six cities showing positive year-over-year gains and two – Desert Hot Springs and Indio – with negative year-over-year changes. Both Rancho Mirage and Palm Desert have double-digit gains in their median attached prices.

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

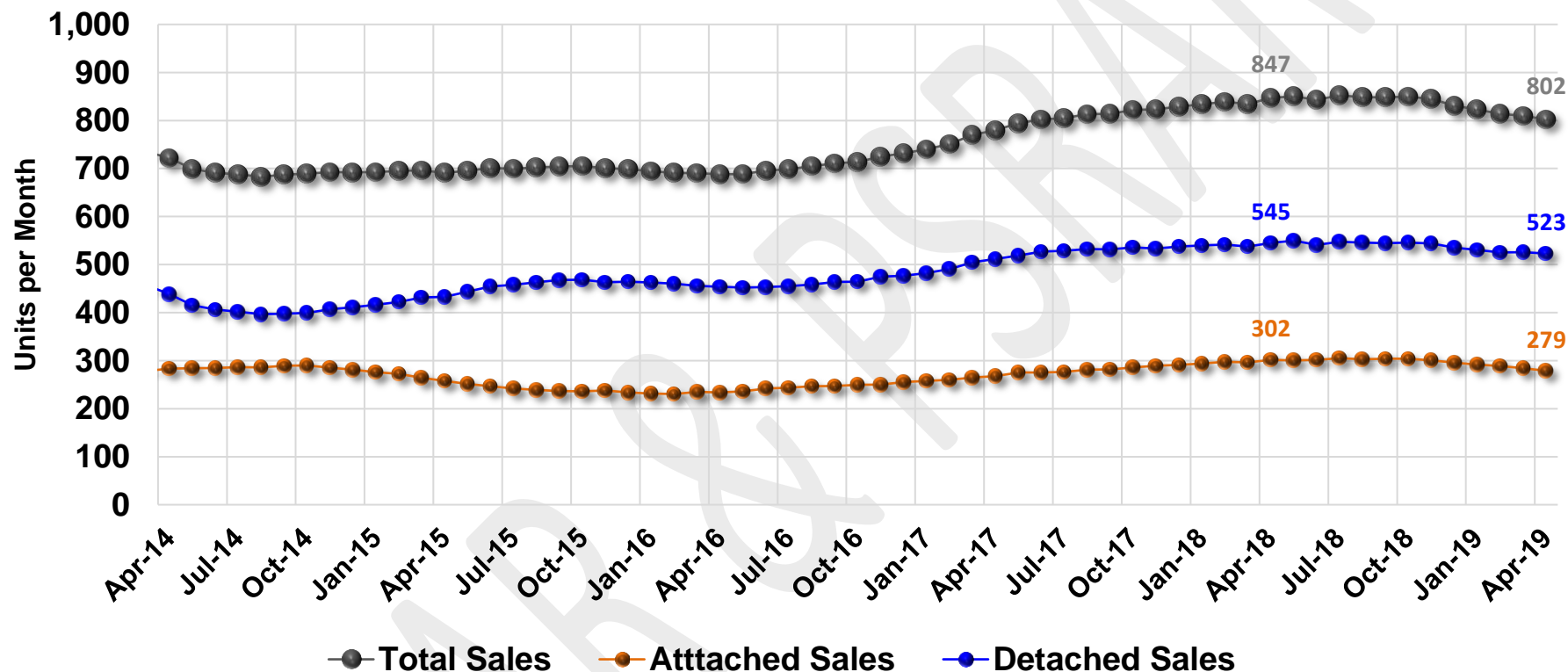


### Monthly Sales – 3-month trailing avg.

The last two months have seen strong increases in three-month average sales. While some of this is seasonal, most of it is due to stronger than normal numbers. Total sales for the last three months have averaged 871 units per month compared to 952 units a year ago. This is a decline of 8.5% but an improvement over the last couple of months where sales were down over 10% from year ago numbers. Detached home sales are down only 4.8% while attached home sales are down 15%.

## Detached, Attached and Total Sales

12 month moving average

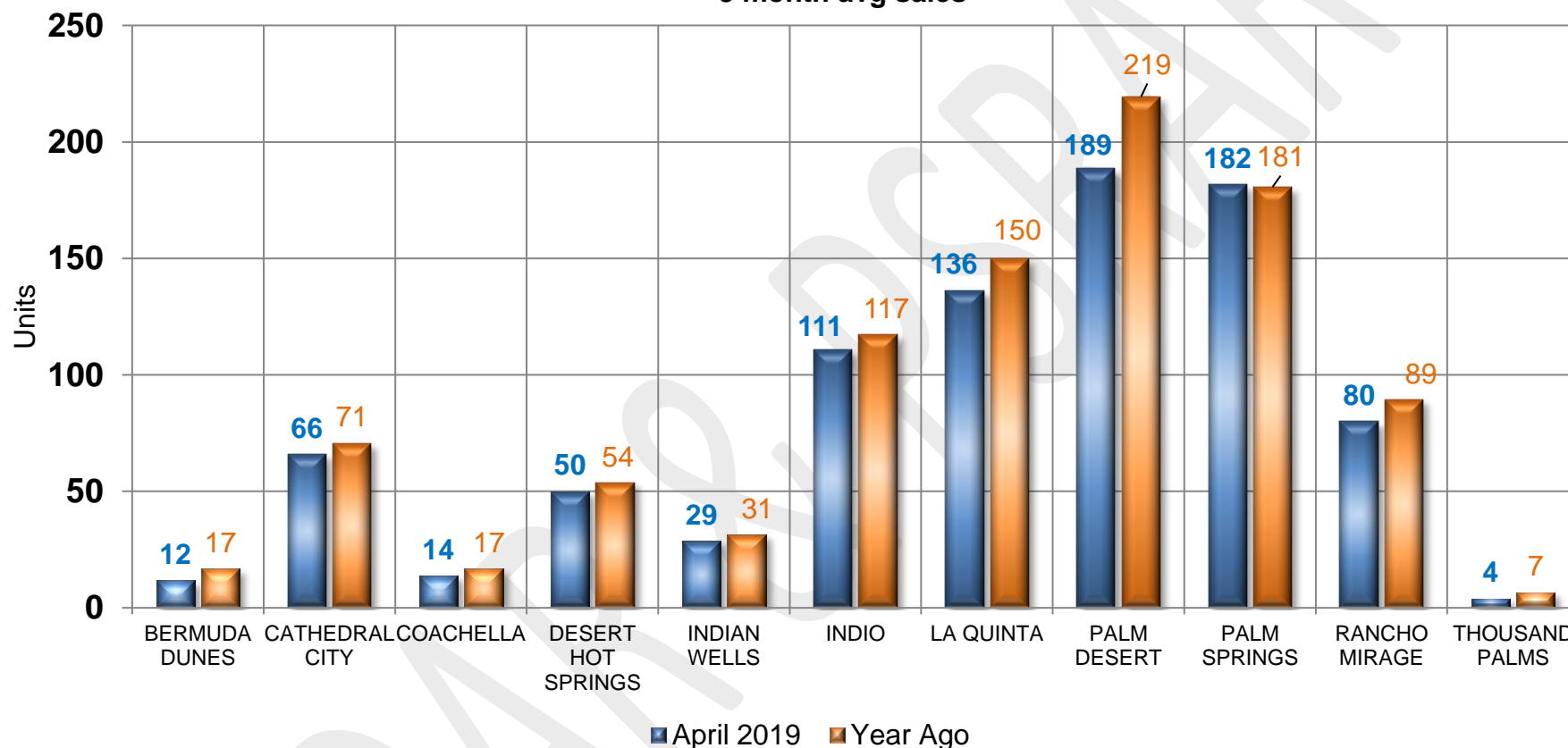


### Monthly Sales – 12-month trailing avg.

The 12-month average of total sales in April was 802 units a month, down 5.3% from a year ago. Detached home sales averaged 523 units a month versus 545 units a year ago, which is 4% lower. The twelve-month average of attached home sales was 279 units a month, down from 302 units a year ago. There is no doubt that attached home sales are declining more than detached homes compared to the previous year's numbers. This is a little surprising considering that attached homes have recently experienced stronger price trends than detached homes.

## Home Sales by City

3 month avg sales



## Home Sales per month by City

Ten of eleven Valley cities have lower three-month sales compared to a year ago, while one – Palm Springs – is higher by one unit. Palm Desert has the greatest drop in sales from 219 units a month a year ago to 189 units now, a decline of 31 units or 14%. This is followed by La Quinta where sales are lower by 14 units, and then Rancho Mirage, with sales down nine units. The largest percentage decline in sales was the city of Coachella, down 18%.



## Home Sales by Price Range

3 mos avg



## Home Sales by Price Range

When we break down the sales by price bracket, we discover the primary drop in sales are for homes priced under \$400,000 due to the dwindling supply of homes in this price range as home prices increase. The largest decline occurred in the \$200,000 to \$300,000 price bracket where sales fell from 236 units a month to 193. In the \$300,000 to \$400,000 price bracket sales fell from 218 units down to 196. Sales of homes priced over \$900,000, including those over \$1 million, are slightly higher.

## Valley Housing Inventory

May 1st 2014 to May 1st 2019



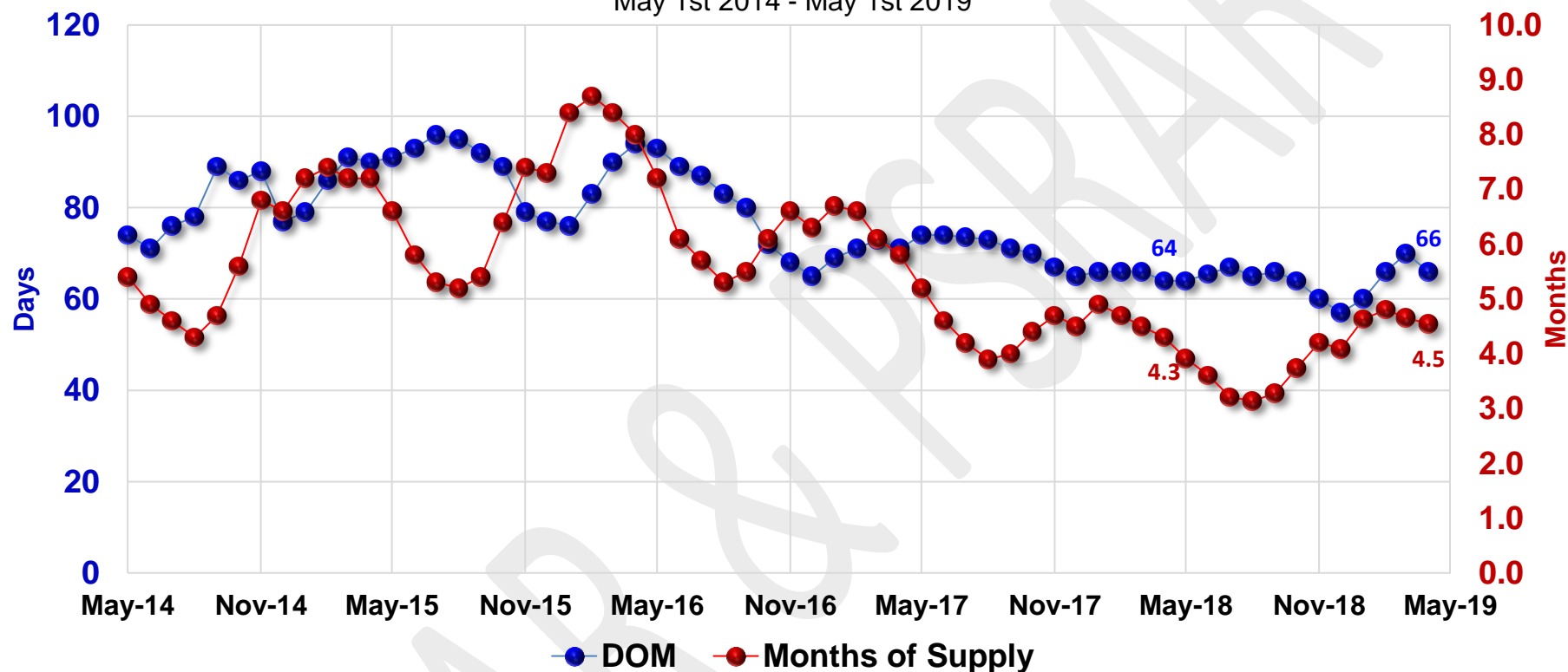
## Coachella Valley Inventory

Inventory on May 1 was 3,643 units, 21 units more than April 1 of last year. As the chart clearly shows there is a definite seasonal pattern to inventory. Inventory usually makes low on September 1<sup>st</sup>, then rises for five or six months reaching a peak in February or March. Because of the seasonal variation, inventory on any month can only be compared to that same month in other years. We've indicated on the chart the April 1st inventory numbers for the last six years. The current number is near all-time lows.



## Days on the Market & Months of Supply

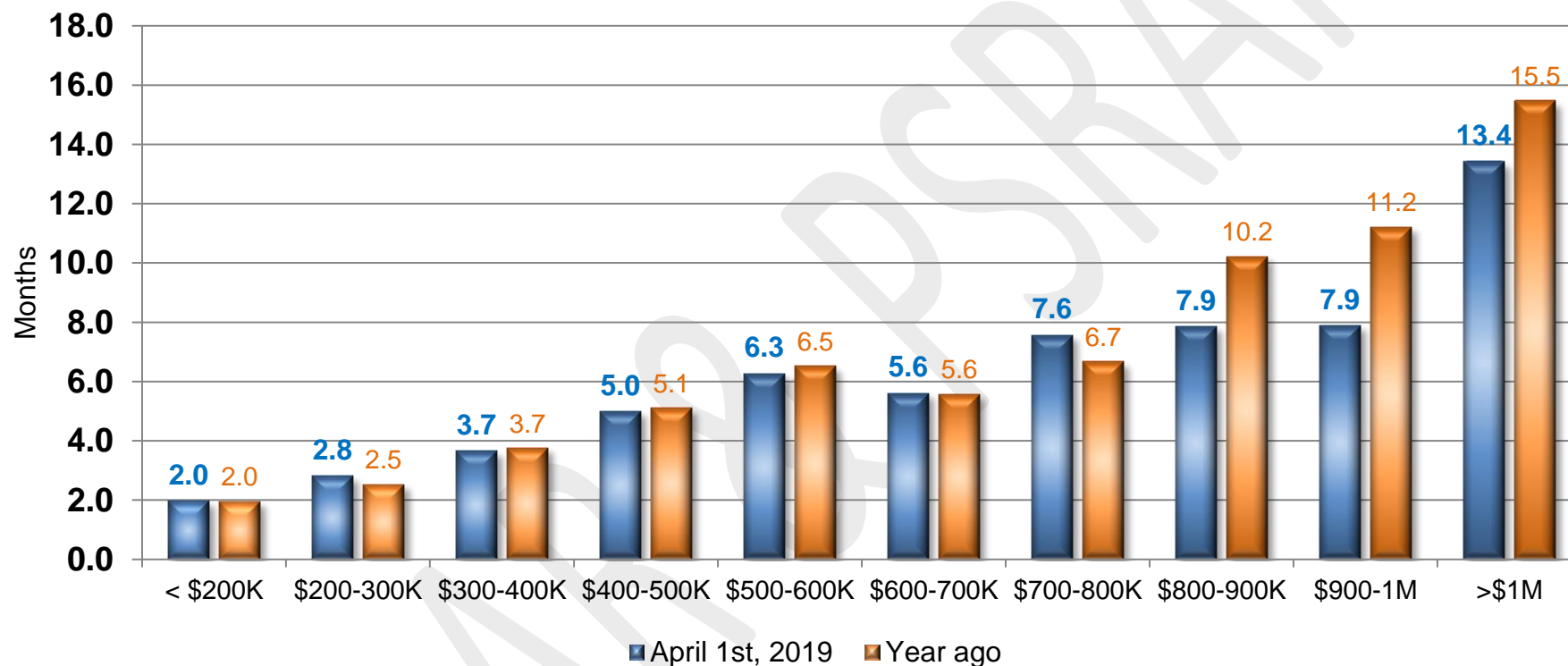
May 1st 2014 - May 1st 2019



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

On April 1<sup>st</sup> the months of sales ratio, which is inventory divided by the average 12-month sales, was 4.5 months. This is 2/10 of a month higher than a year ago primarily because of lower sales. Four and a half months is an historically low ratio and indicates that the balance of supply and demand is still slightly in favor of the sellers. Days on the market in April was 66 days, two more days than last year. At the chart clearly shows this metric has stayed between 60 days and 70 days for the last three years.

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

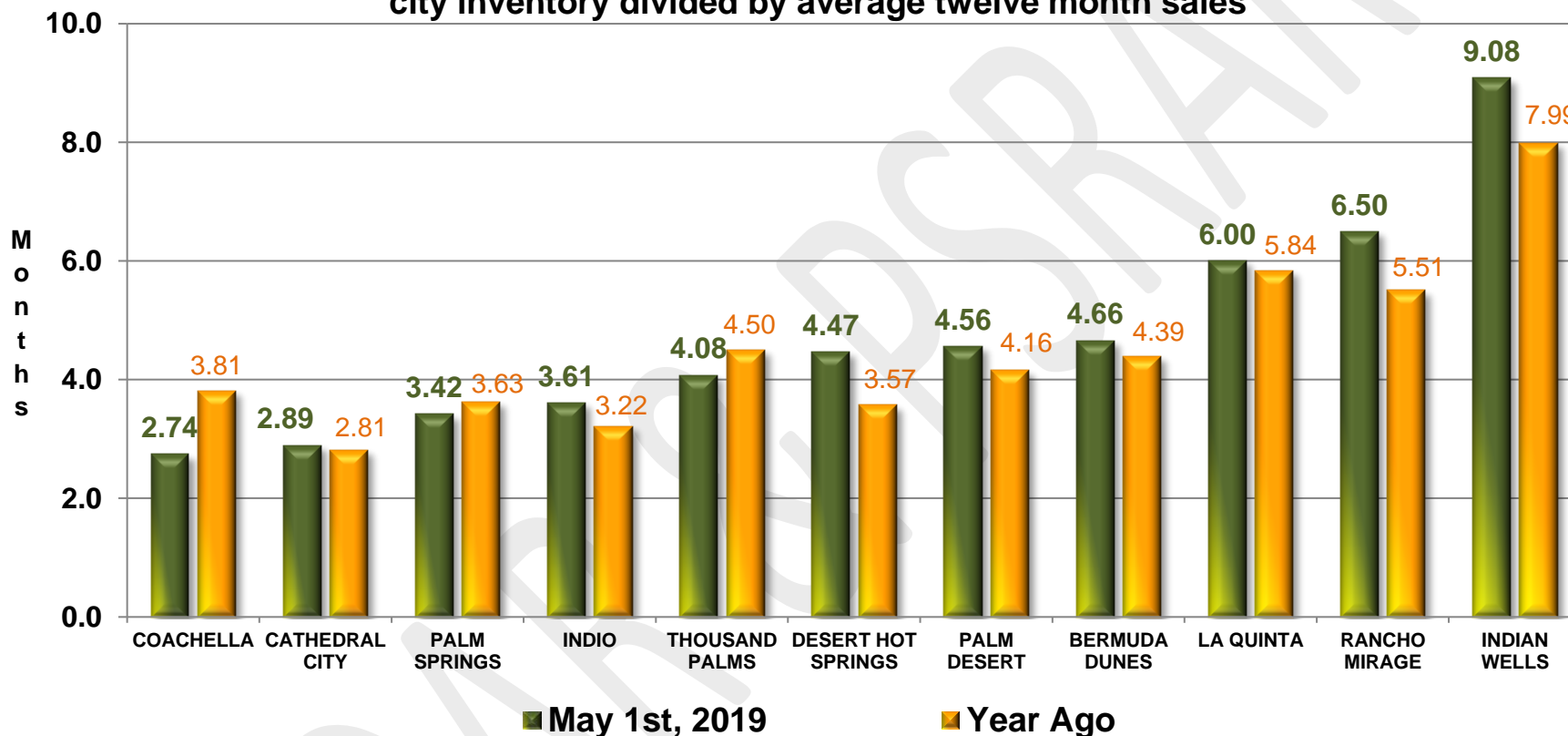


### "Months of Supply" by Price Range

When we look at the "months of sales" ratio in the different price brackets, we see that the ratios for homes priced under \$800,000 are comparable to the ratios one year ago. It's only when we get in the higher level price brackets – homes priced over \$800,000 – that we begin to see improvements in the ratio. For example, in the \$800,000 to \$900,000 bracket the ratio dropped from 10 months to 7.9 months. In the million dollar and over price bracket, the ratio declined from 15.5 months to 13.4 months.

## "Months of Sales" by City

city inventory divided by average twelve month sales



## "Months of Sales" by City

The above graph shows the "month of sales" ratio for eleven Valley cities against the ratio last year. Eight cities show slightly higher ratios while three cities – Coachella, Palm Springs and Thousand Palms - have lower ratios. Palm Springs shows amazing resilience in its ratio. Even though home prices throughout the city have had tremendous price increases over the last five years, inventory levels and "months of sale" ratios remained very well contained. This shows that the market even at this high level appears very stable.





# The Desert Housing Report

April 2019



## 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