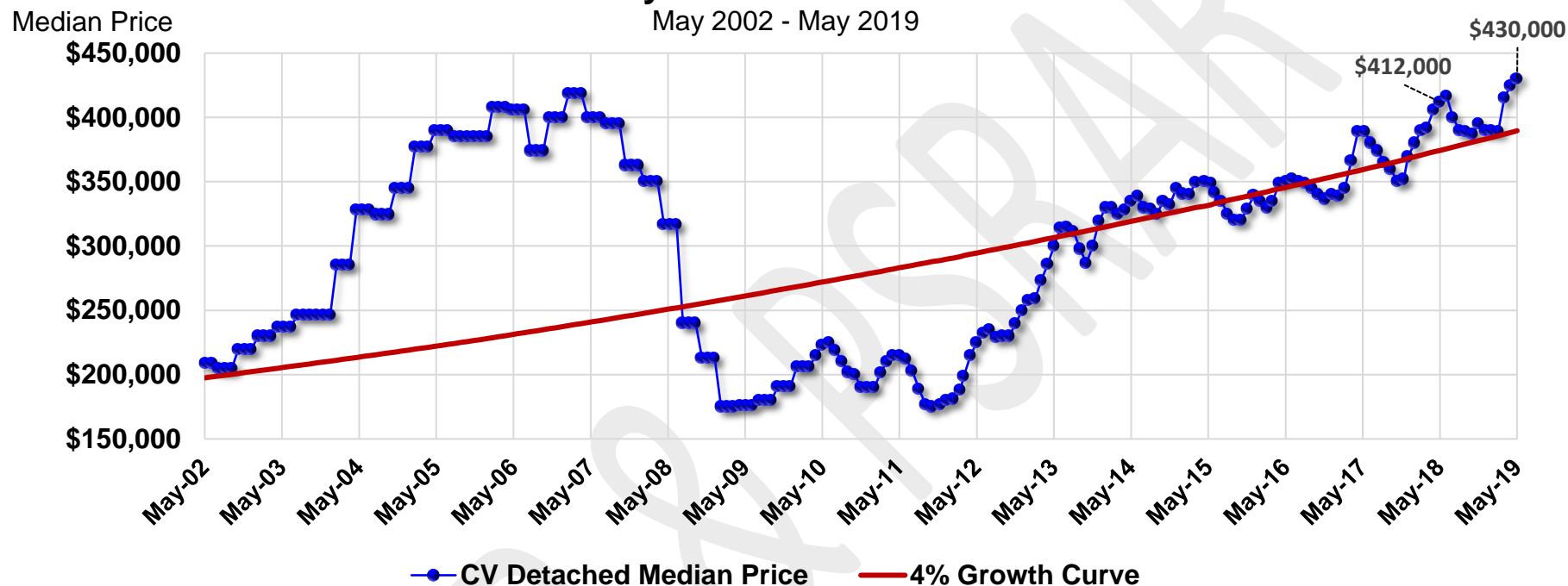


Coachella Valley Median Detached Home Price

May 2002 - May 2019



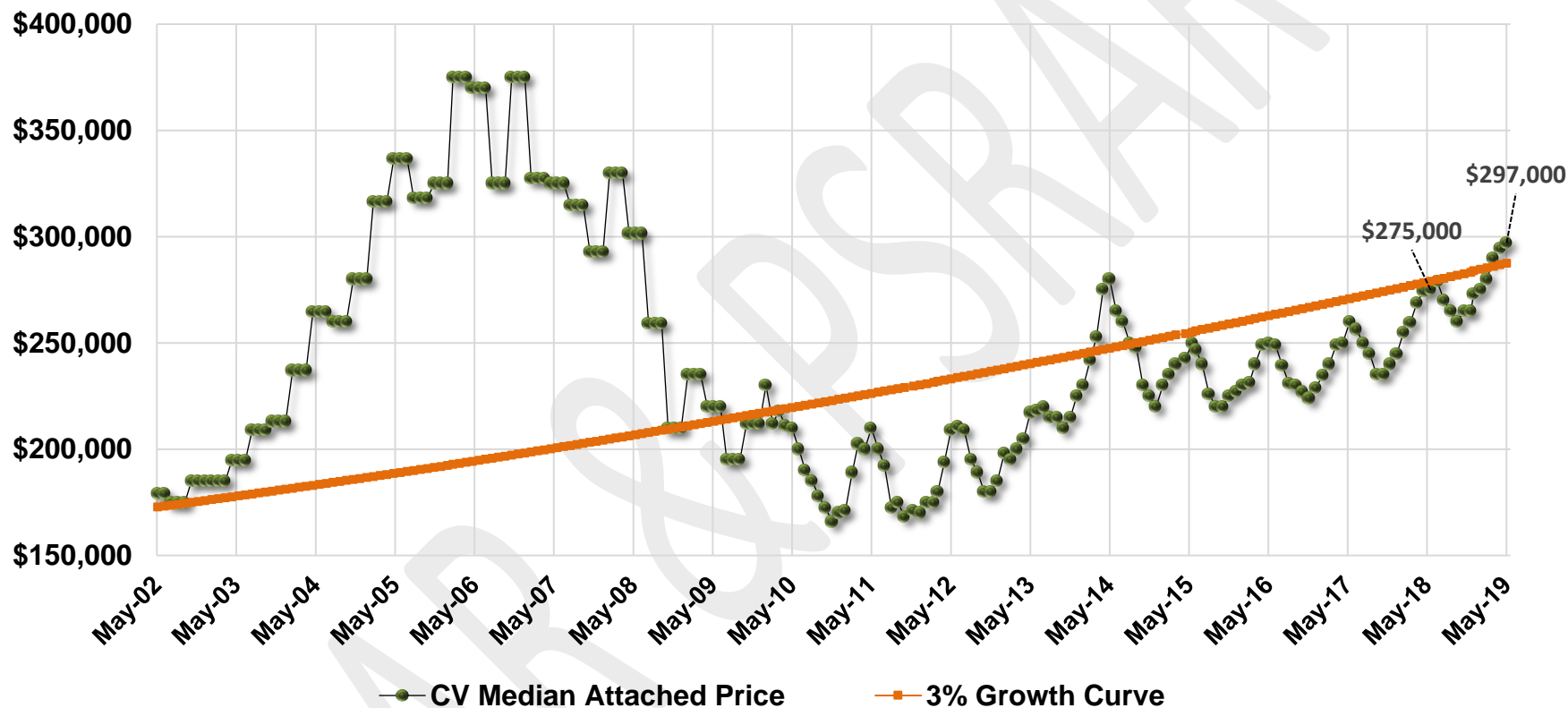
Summary

The Valley's median detached home price in May reached \$430,000, which is 4.3% higher than a year ago and is the highest price since the recovery began eight years ago. The Valley's May median attached price was \$297,000, which is 6% above a year ago and the highest price since its recovery began seven years ago. When we measure the median value of detached homes in the nine major cities, we see positive year over year gains in seven cities and negative changes of 3.4% and 4.4% for Palm Desert and Rancho Mirage respectively. Sales had the strongest three month surge in the last five years. Sales are currently averaging 995 units a month, which is only 6.5% below a year ago. This surge in sales is seen in both the detached and attached markets. Inventory on June 1st was 3,433 units, approximately 100 more than last year at this time. On June 1st the "months of sales" ratio, which is inventory divided by the average 12-month sales, was 4.3 months. This is 7/10 of a month higher than a year ago, primarily because of lower sales. However, historically, 4.3 months is still a very low, positive ratio supporting the idea that overall the Coachella Valley market is still somewhat a seller's market. Another important metric, the median value of "days on the market", is 65 days. This is the level it's been at for the last three years, which also supports the idea that the market is a seller's market.

Coachella Valley Median Attached Price

May 2002 - May 2019

Median Price



Coachella Valley Attached Median Price

The Valley's May median attached price was \$297,000, which is 6% above a year ago and the highest price since the recovery began seven years ago. It is clear from the chart that historically May has been the month for highs in the price for attached homes. This pattern has been consistent for the last 8 to 9 years, so we are going to assume the pattern of weaker prices from now until September will continue this year.



The Desert Housing Report

May 2019



Detached Homes

City	May-19	Year Ago	12 mo change	2011 Low	Gain off 2011 Low	2006 High	% from High
La Quinta	\$589,000	\$520,000	13.3%	\$245,000	140.4%	\$682,020	-13.6%
Indian Wells	\$1,110,000	\$1,050,000	5.7%	\$540,000	105.6%	\$1,205,000	-7.9%
Desert Hot Springs	\$225,000	\$215,000	4.7%	\$85,000	164.7%	\$295,000	-23.7%
Cathedral City	\$332,500	\$322,750	3.0%	\$139,000	139.2%	\$395,000	-15.8%
City of Coachella	\$256,750	\$249,450	2.9%	\$121,950	110.5%	\$335,000	-23.4%
Indio	\$333,831	\$325,000	2.7%	\$158,500	110.6%	\$380,500	-12.3%
Palm Springs	\$672,000	\$662,500	1.4%	\$335,000	100.6%	\$600,000	12.0%
Palm Desert	\$420,000	\$435,000	-3.4%	\$287,000	46.3%	\$543,000	-22.7%
Rancho Mirage	\$689,500	\$721,500	-4.4%	\$423,000	63.0%	\$950,000	-27.4%

Attached Homes

City	May-19	Year Ago	12 Month Change	2011 Low	Gain off 2011 Low	2006 High	% from High
La Quinta	\$385,000	\$340,000	13.2%	\$265,000	45.3%	\$532,500	-27.7%
Indian Wells	\$435,000	\$393,500	10.5%	\$321,500	35.3%	\$557,500	-22.0%
Palm Desert	\$320,000	\$290,000	10.3%	\$175,000	82.9%	\$410,000	-22.0%
Cathedral City	\$197,475	\$182,750	8.1%	\$107,500	83.7%	\$270,500	-27.0%
Palm Springs	\$268,000	\$250,000	7.2%	\$150,000	78.7%	\$350,000	-23.4%
Rancho Mirage	\$375,000	\$359,500	4.3%	\$260,000	44.2%	\$510,000	-26.5%
Indio	\$199,000	\$199,000	0.0%	\$75,000	165.3%	\$279,000	-28.7%
Desert Hot Springs	\$150,000	\$188,000	-20.2%	\$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

When we measure the median value of detached homes in the nine major cities, we see positive year over year gains in seven cities and negative changes of 3.4% and 4.4% for Palm Desert and Rancho Mirage respectively. There is no doubt that price gains of detached homes are slowing somewhat as the overall regional price index indicated. That said, the magical city of Palm Springs continues to be positive with a median price of \$672,000, which is 12% above all-time highs. In the attached market we see stronger year-over-year city changes with three cities – La Quinta, Indian Wells, and Palm Desert – with each showing double-digit returns.

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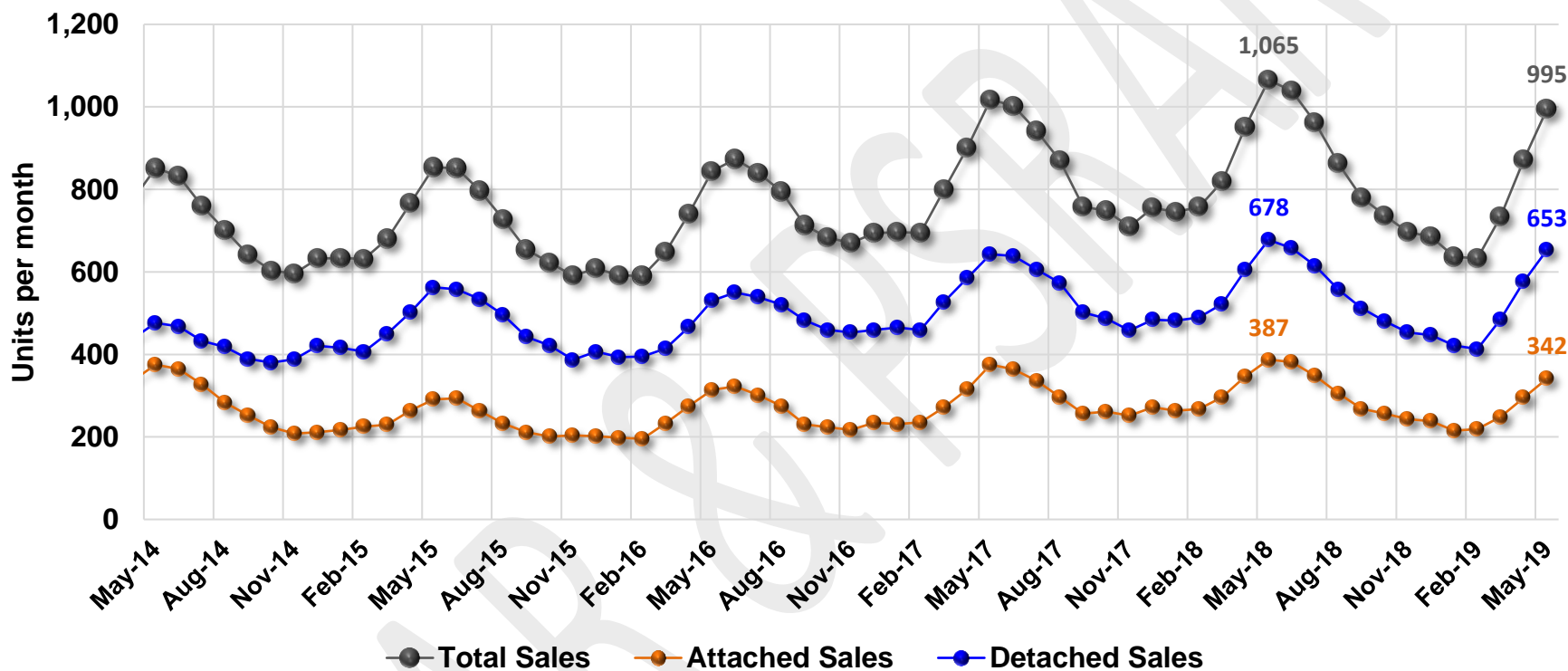
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The Desert Housing Report

May 2019

Detached, Attached and Total Sales

3 month moving average



Monthly Sales – 3-month trailing avg.

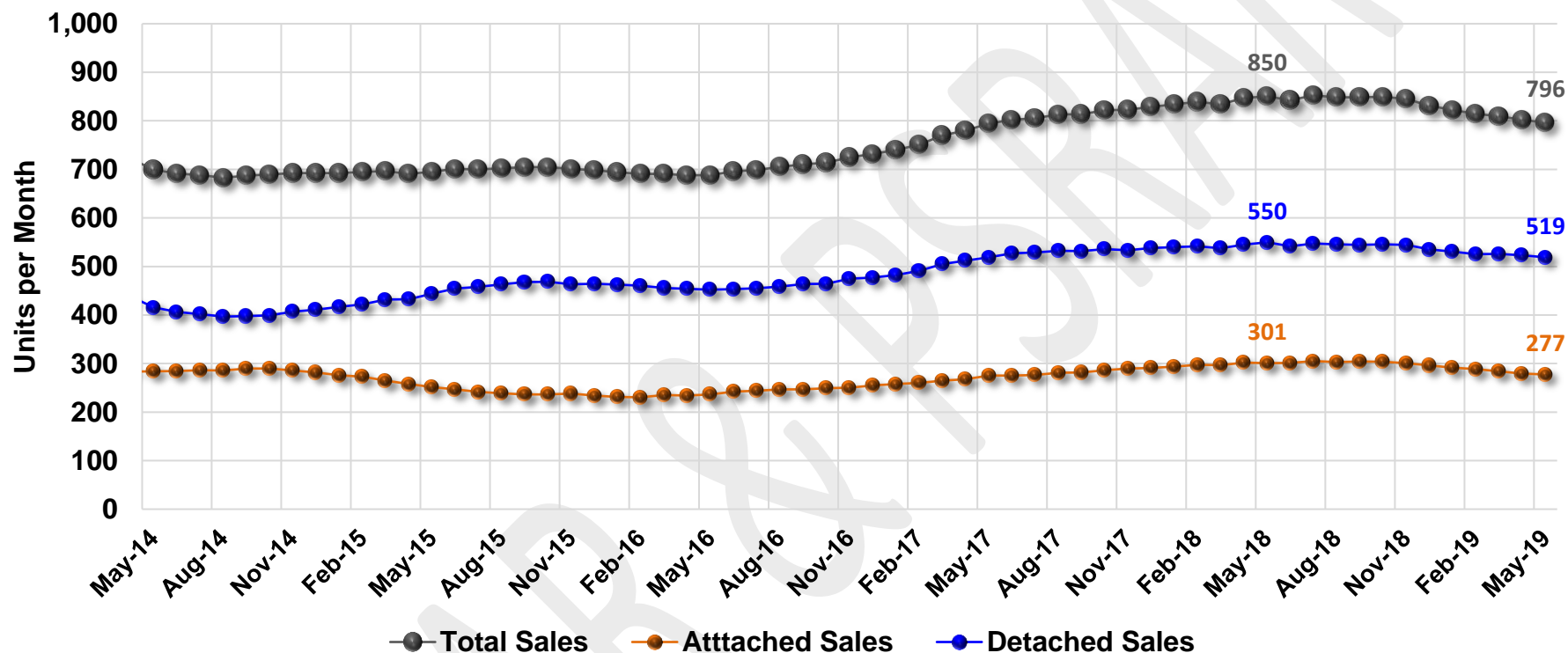
As the chart shows, the three month sales average has had the strongest three month surge in the last five years. Sales are currently averaging 995 units a month, which is only 6.5% below a year ago. This surge in sales is seen in both the detached and attached markets. It is also clear from the chart that sales almost always peak in the month of May, so we should expect sales to now begin to slow down somewhat as we go into the summer months. This surge in short-term sales should begin to show up in the longer-term sales measurements found on the next page. There we should begin to see sales around current levels.

The Desert Housing Report

May 2019

Detached, Attached and Total Sales

12 month moving average



Monthly Sales – 12-month trailing avg.

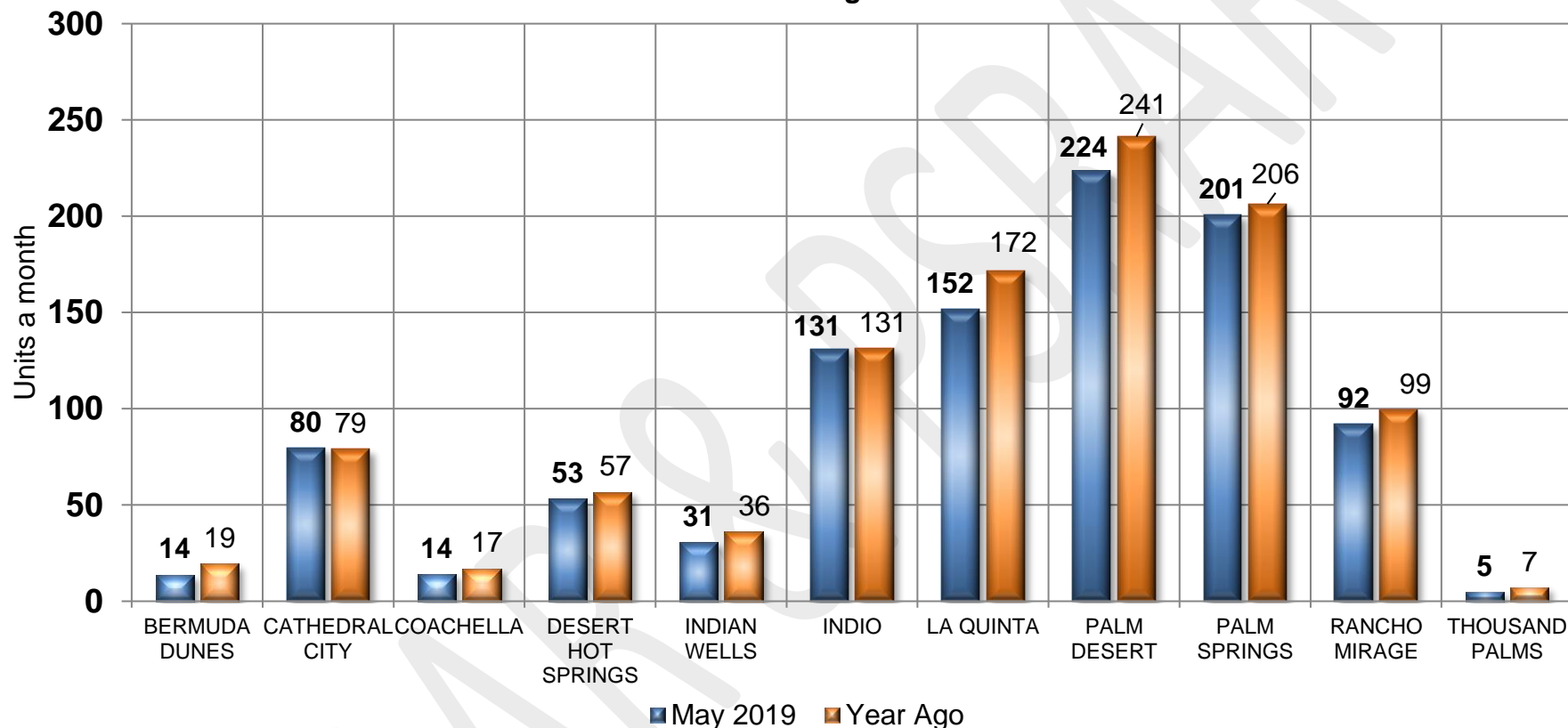
The 12-month average of total sales in May was 796 units a month. This compares to 850 units a year ago, which is a decline in sales of 6.3%. With the downward slope of the total sales curve, the long-term chart clearly indicates the small but consistent decline in sales over the last nine months. Because of the strong surge in three months sales seen on the previous page, however, we should begin to see longer-term sales metrics stabilize around current numbers.

The Desert Housing Report

May 2019

Home Sales by City

3 month avg sales



Home Sales per month by City

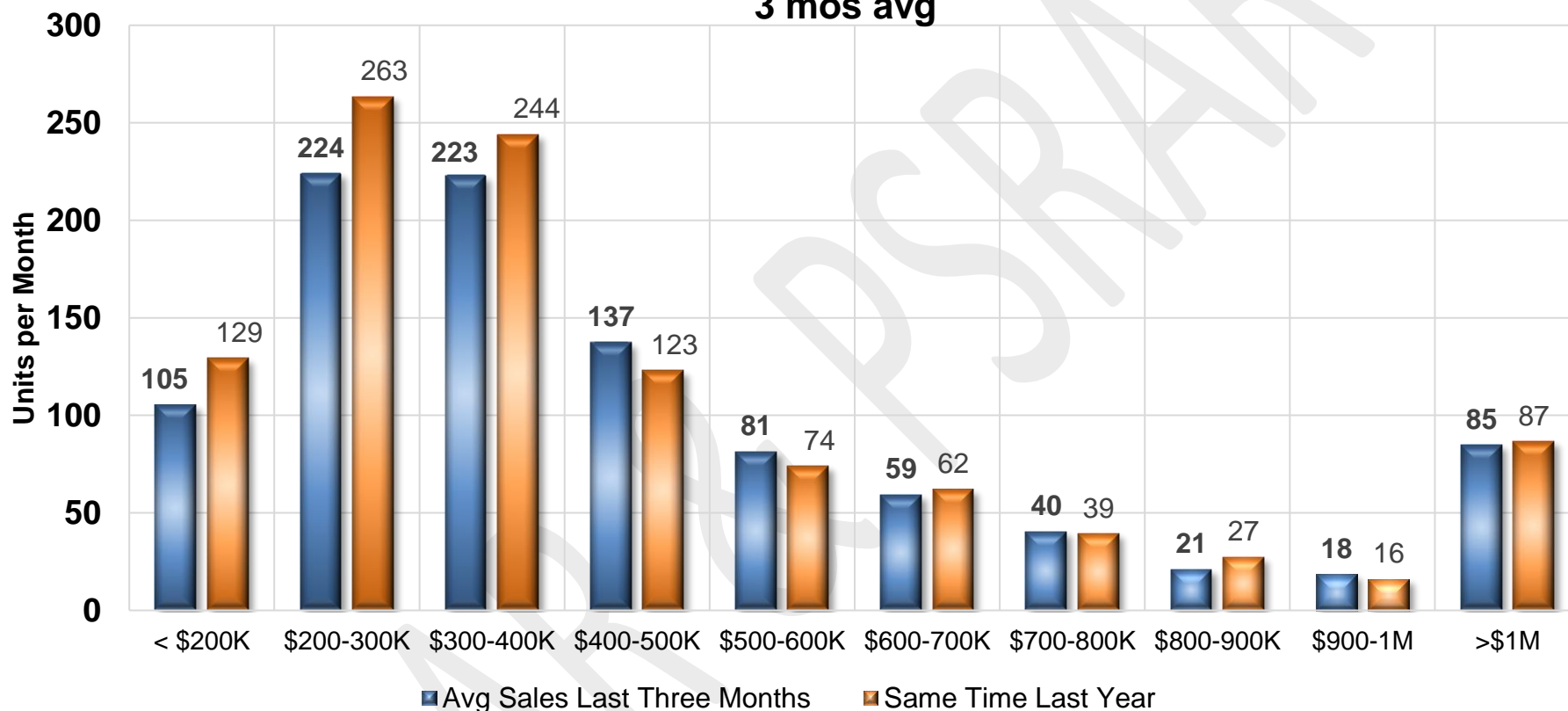
Ten of eleven Valley cities have lower three-month sales compared to a year ago, while one – Cathedral City – is higher by one unit. One city, Indio, has the same number of unit sales as it did a year ago. Of the five major cities, La Quinta has the largest percentage decline in sales of 11.6% followed by Palm Desert and Rancho Mirage, with sales both down 7%. Of the smaller cities Bermuda Dunes has the largest percentage decline of 26%. Even with the huge price increases in Palm Springs, sales continue to remain strong at 201 units a month.

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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 263 units a month to 224. In the \$300,000 to \$400,000 price bracket sales fell from 244 units down to 223. Sales of homes priced over \$900,000, including those over \$1 million, are approximately the same.

Valley Housing Inventory

June 1st 2014 to June 1st 2019

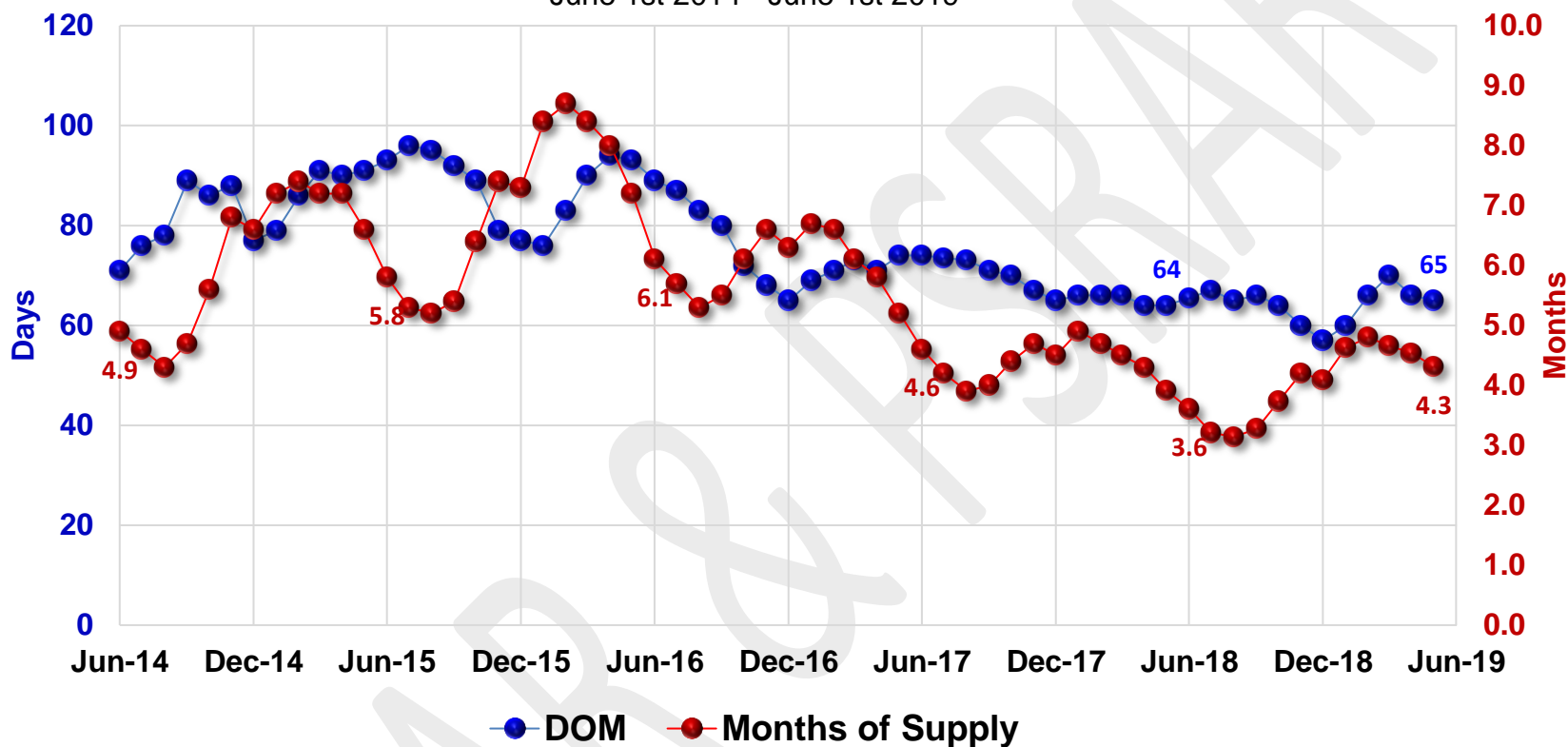


Coachella Valley Inventory

Inventory on June 1st was 3,433 units, approximately 100 more than last year at this time. As a chart clearly shows, because of seasonality one should only compare inventory in any month against that same month in previous years, otherwise changes will be seasonal and not really “real.” What is encouraging is that even with slightly lower sales inventory levels have not risen much over last year. This is positive. It is our opinion that the rapid rise in sales over the last three months will begin to bring down inventory more.

Days on the Market & Months of Supply

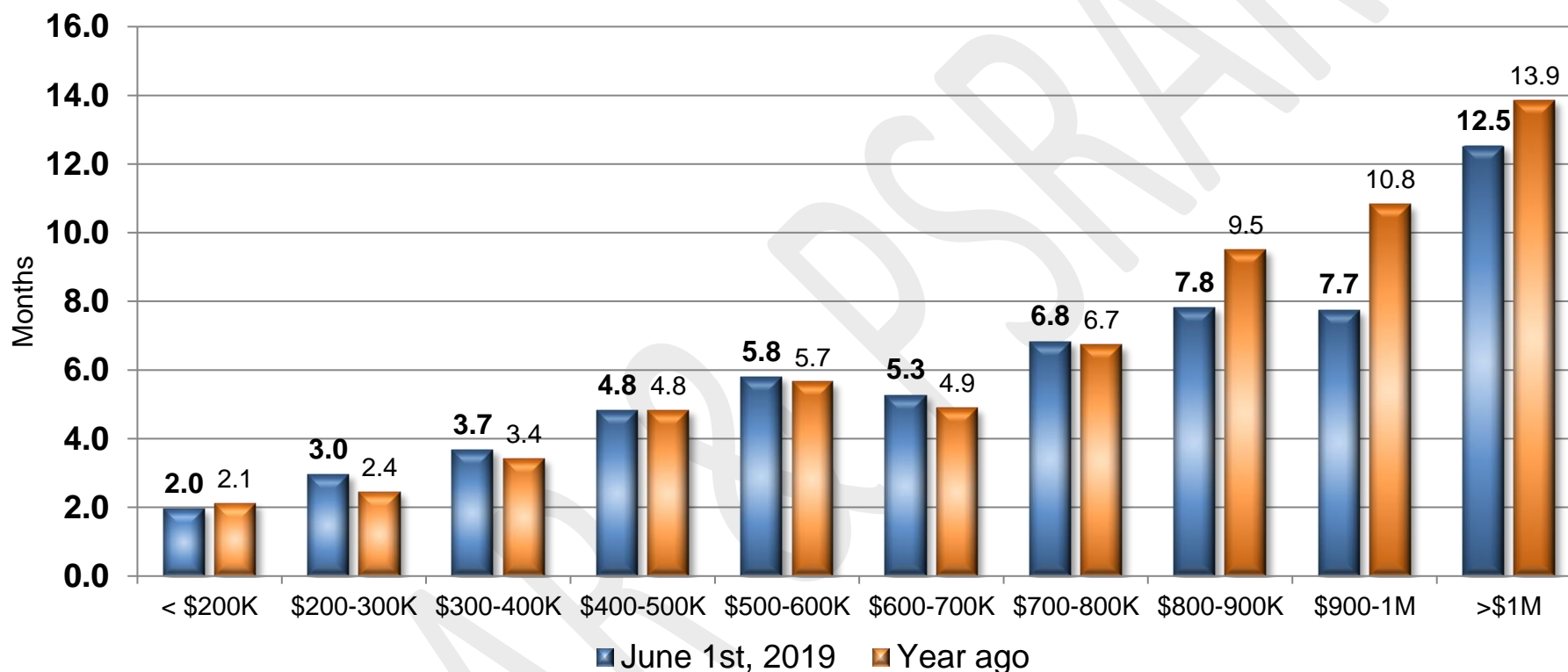
June 1st 2014 - June 1st 2019



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

On June 1st the months of sales ratio, which is inventory divided by the average 12-month sales, was 4.3 months. This is 7/10 of a month higher than a year ago, primarily because of lower sales. However, historically, 4.3 months is still a very low, positive ratio supporting the idea that overall the Coachella Valley market is still somewhat a seller’s market. Another important metric, the median value of “days on the market”, is 65 days. This is the level it has been at for the last three years, which also supports the idea that the market is somewhat still a seller’s market

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

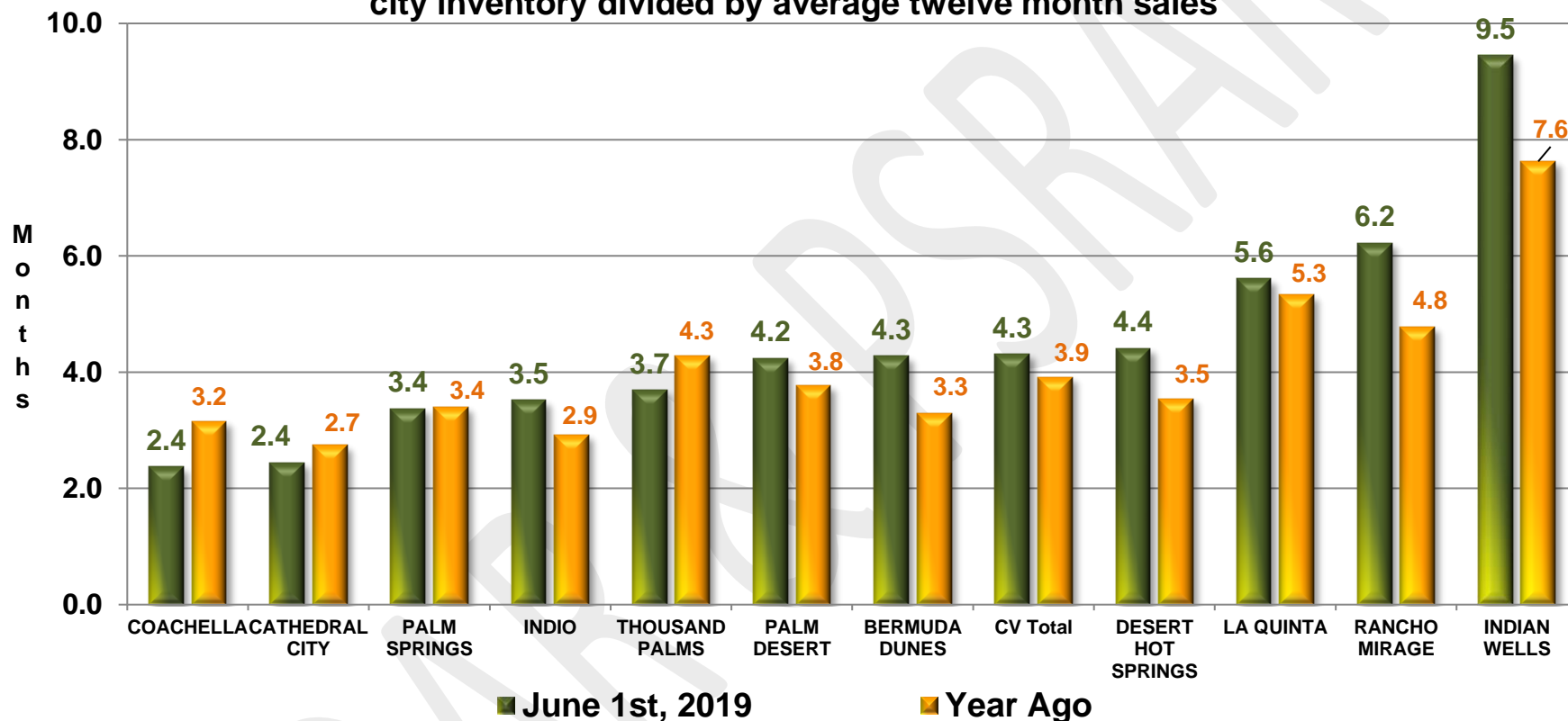


"Months of Supply" by Price Range

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 slightly higher than they were a 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 homes priced between \$900,000 and \$1 million, the ratio declined from 10.8 months to 7.7. For homes priced over \$1 million, the ratio is down slightly from 13.9 months to 12.5 months.

"Months of Supply" by City

city inventory divided by average twelve month sales

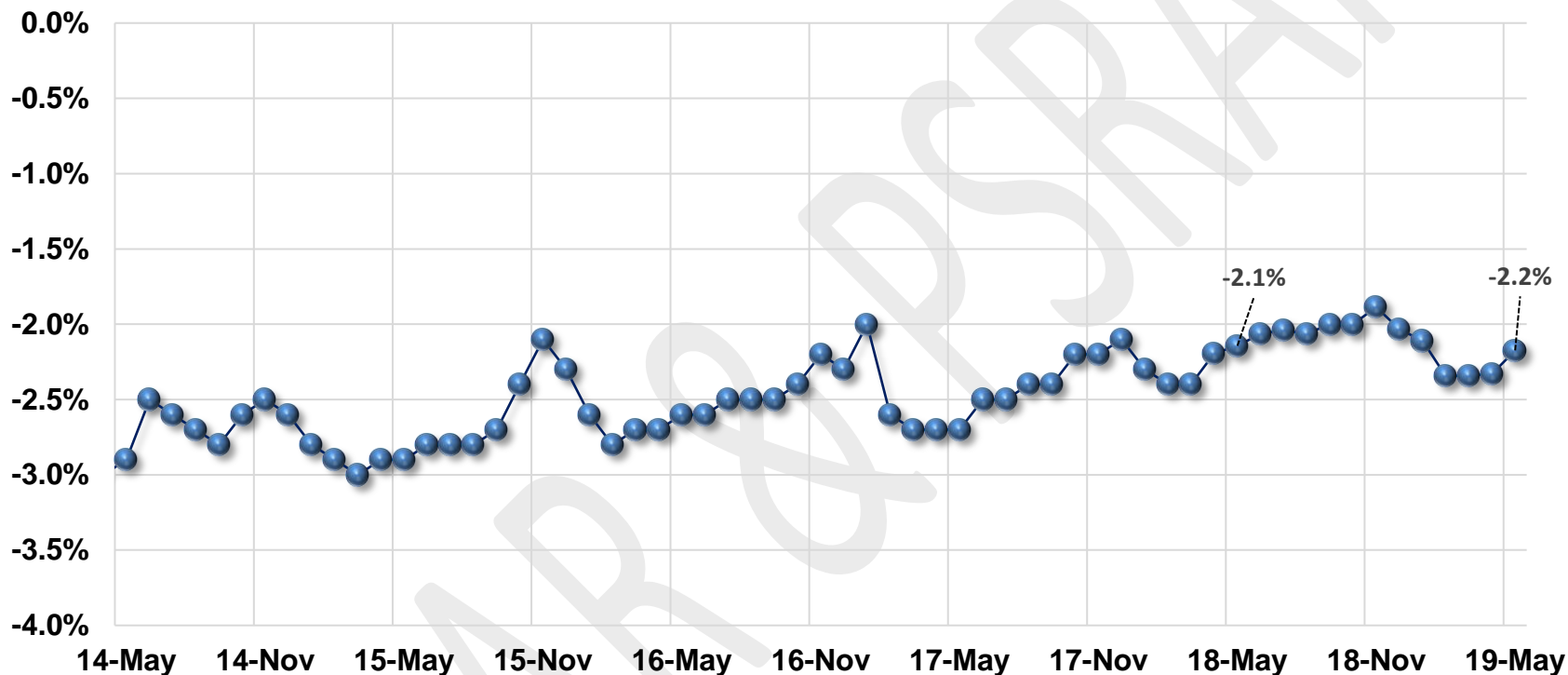


"Months of Sales" by City

The above graph shows the "month of sales" ratio for eleven Valley cities against the ratio a year ago, ranked lowest to highest. Seven cities – Indio, Palm Desert, Bermuda Dunes, Desert Hot Springs, La Quinta, Rancho Mirage and Indian Wells - have slightly higher ratios when compared to a year ago. The cities of Coachella, Cathedral City, and Thousand Palms all have ratios measurably lower than a year ago.

Sales Price Discount from List

May 2014 to May 2019



Sale Price Discount from List

The latest “Sale Price Discount from List” is -2.2%, which is .1% higher than a year ago. This ratio means the average home listed for \$400,000 sold for \$391,200, or a \$8,800 price discount.



The Desert Housing Report

May 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 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