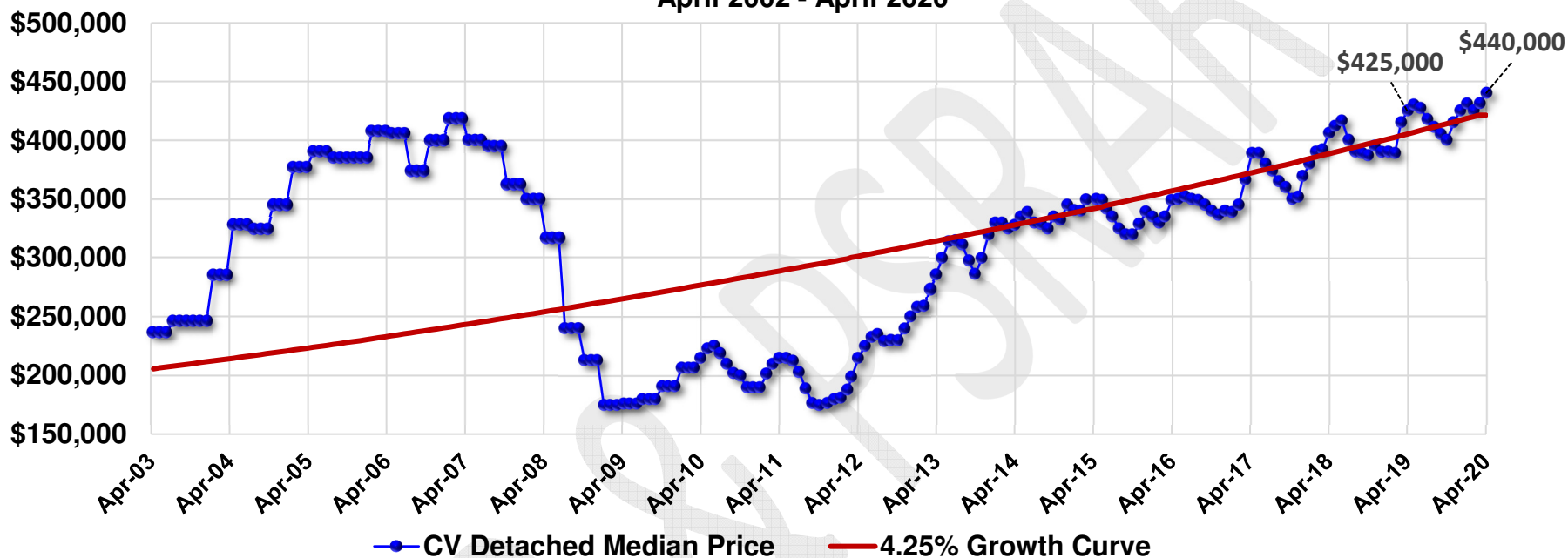


The Desert Housing Report

April 2020

Coachella Valley Median Detached Home Price

April 2002 - April 2020



Summary

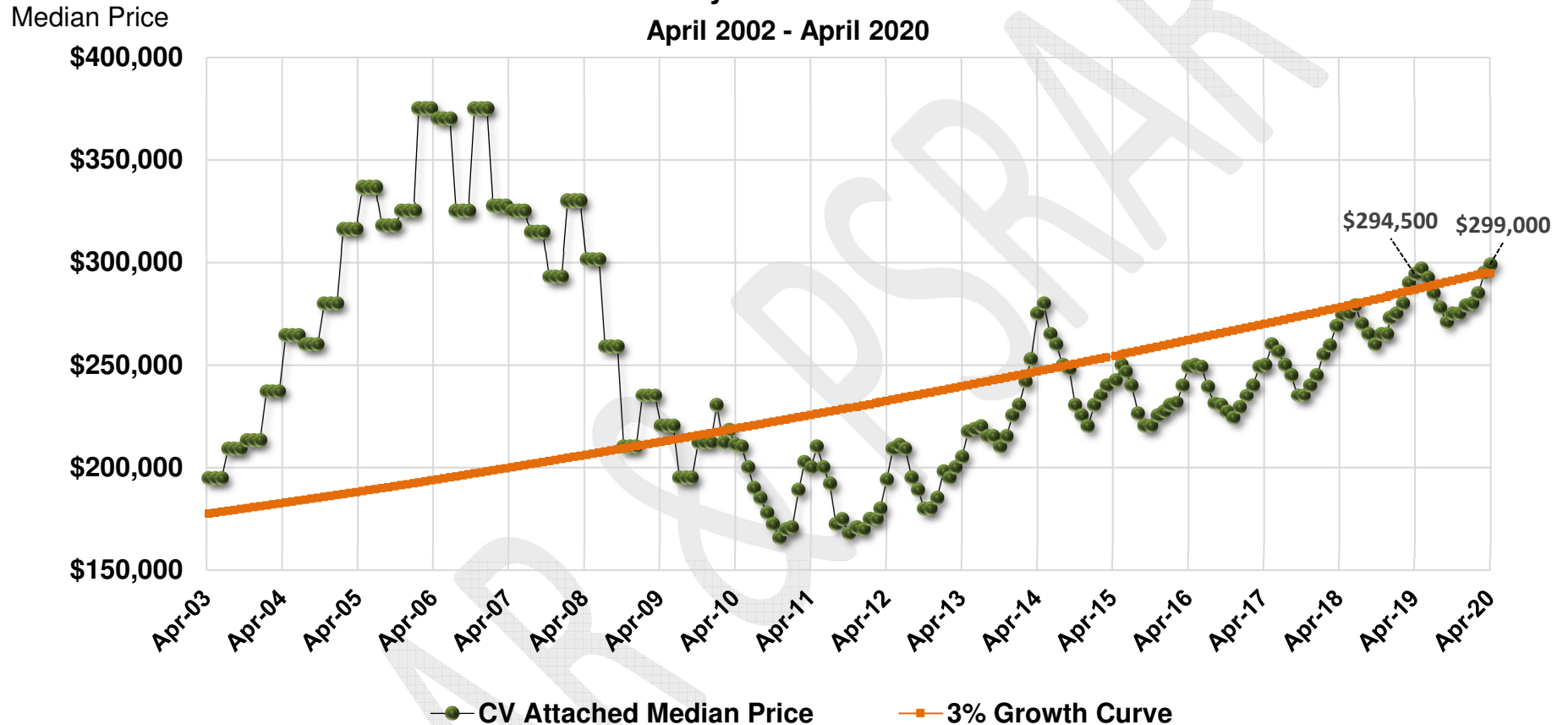
(Most of the metrics in this report use either three-month averages or 12-month averages. Since the quarantine has only been in effect one month, this report will not show its full effects on the market. They will show up in the next few months or can be seen in our companion report on the coronavirus). The Coachella Valley median detached home price in April was \$440,000, up 3.9% above a year ago. The Valley's median attached price in April was \$299,000, up 1.5% above a year ago. Short-term sales metrics, which are sales averaged over the last three months, are beginning to show signs of the coronavirus. This is especially true of attached sales, which are down 40% from a year ago. Inventory on May 1st was 2,982 units and has stayed right around the 3,000-unit level now for seven months. On May 1st, the "Months of Sales" ratio was 3.7 months, almost a month less than a year ago. This ratio is calculated by taking inventory and dividing it by the average sales rate over the last 12 months. Because of the long-term sales average, it primarily reflects changes in inventory and not changes in the sales rate. We continue to see strong improvement in the month of sales ratio compared to last year in all the price brackets from \$200,000 to over a million dollars. The ratio is considerably lower compared to a year ago in every price bracket, especially the million-dollar and over range.

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Coachella Valley Median Attached Price

April 2002 - April 2020



Coachella Valley Attached Median Price

The Valley's median attached price in April was \$299,000, up 1.5% above a year ago. This is the average over the last three months, so it only includes one month of the statewide quarantine. On a short-term basis we are starting to see a little price weakness in the attached market, so we would expect this index to rollover a little bit, not only because of the quarantine but from seasonal factors as is evident from the chart.



The Desert Housing Report

April 2020



Detached Homes

City	Apr-20	Year Ago	12 mo change	2011 Low	Gain off 2011 Low	2006 High	% from High
Desert Hot Springs	\$253,000	\$220,000	15.0%	\$85,000	197.6%	\$295,000	-14.2%
Cathedral City	\$375,000	\$337,500	11.1%	\$139,000	169.8%	\$395,000	-5.1%
City of Coachella	\$279,950	\$257,500	8.7%	\$121,950	129.6%	\$335,000	-16.4%
Palm Desert	\$430,000	\$409,500	5.0%	\$287,000	49.8%	\$543,000	-20.8%
Indio	\$340,000	\$326,000	4.3%	\$158,500	114.5%	\$380,500	-10.6%
Palm Springs	\$680,000	\$660,000	3.0%	\$335,000	103.0%	\$600,000	13.3%
La Quinta	\$557,500	\$560,000	-0.4%	\$245,000	127.6%	\$682,020	-18.3%
Rancho Mirage	\$655,000	\$762,500	-14.1%	\$423,000	54.8%	\$950,000	-31.1%
Indian Wells	\$887,500	\$1,105,000	-19.7%	\$540,000	64.4%	\$1,205,000	-26.3%

Attached Homes

City	Apr-20	Year Ago	12 Month Change	2011 Low	Gain off 2011 Low	2006 High	% from High
Palm Springs	\$295,000	\$256,000	15.2%	\$150,000	96.7%	\$350,000	-15.7%
La Quinta	\$385,000	\$353,000	9.1%	\$265,000	45.3%	\$532,500	-27.7%
Palm Desert	\$317,450	\$315,000	0.8%	\$175,000	81.4%	\$410,000	-22.6%
Indian Wells	\$399,000	\$407,500	-2.1%	\$321,500	24.1%	\$557,500	-28.4%
Cathedral City	\$179,250	\$185,000	-3.1%	\$107,500	66.7%	\$270,500	-33.7%
Indio	\$182,000	\$194,000	-6.2%	\$75,000	142.7%	\$279,000	-34.8%
Rancho Mirage	\$322,500	\$379,000	-14.9%	\$260,000	24.0%	\$510,000	-36.8%
Desert Hot Springs	N/A	N/A	N/A	N/A	N/A	N/A	N/A
City of Coachella	N/A	N/A	N/A	N/A	N/A	N/A	N/A

12 Month Change in City Median Prices

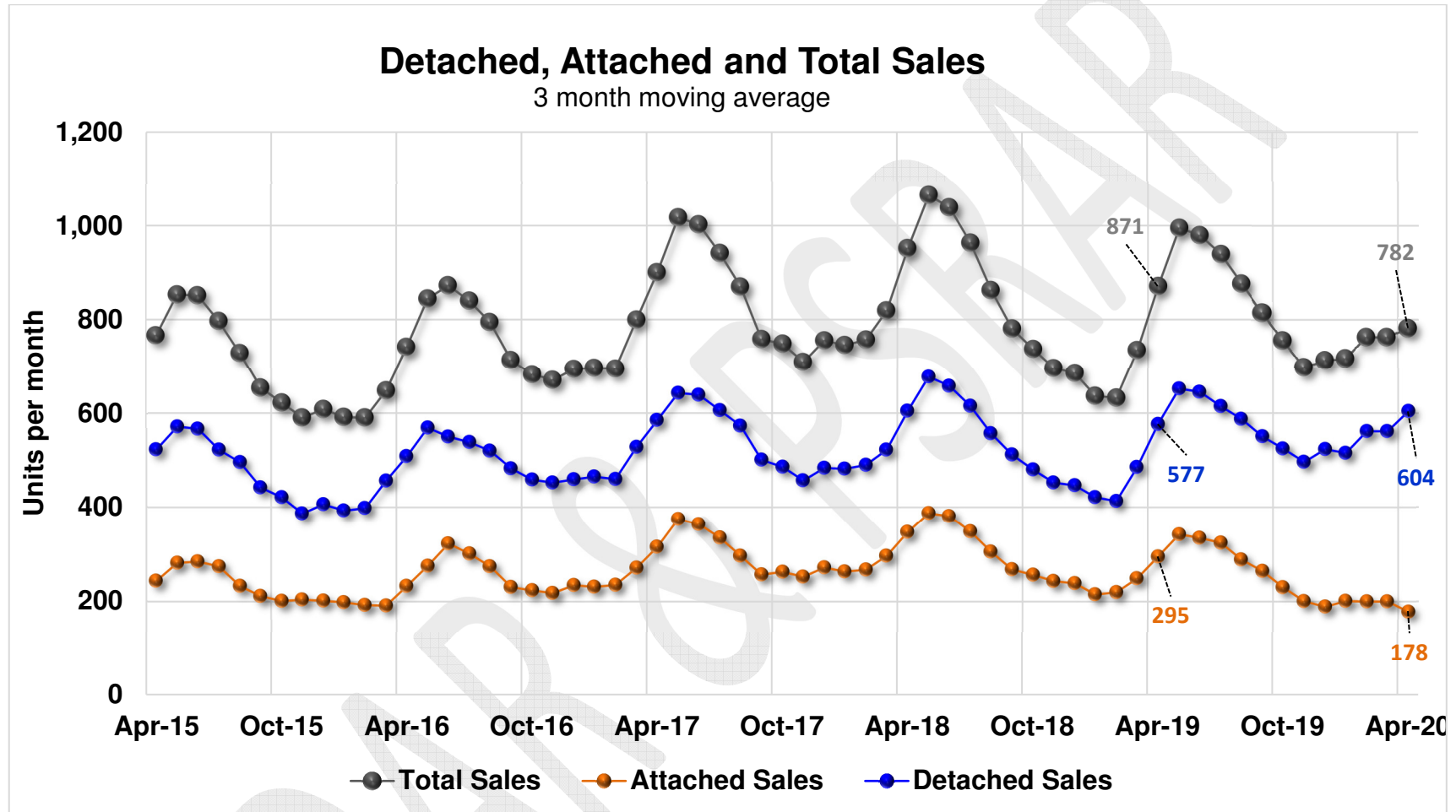
The changes in the median price of detached homes by city in April shows a range from +15% for Desert Hot Springs to -19% for Indian Wells. Six cities show positive year-over-year gains while three – La Quinta, Rancho Mirage and Indian Wells - are negative. Palm Springs continues to be the strongest city in the region with the median detached price now 13.3% above the highs of 2006 and 2007. Three cities have attached home prices above year ago, while four cities have negative year over year changes.

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The Desert Housing Report

April 2020

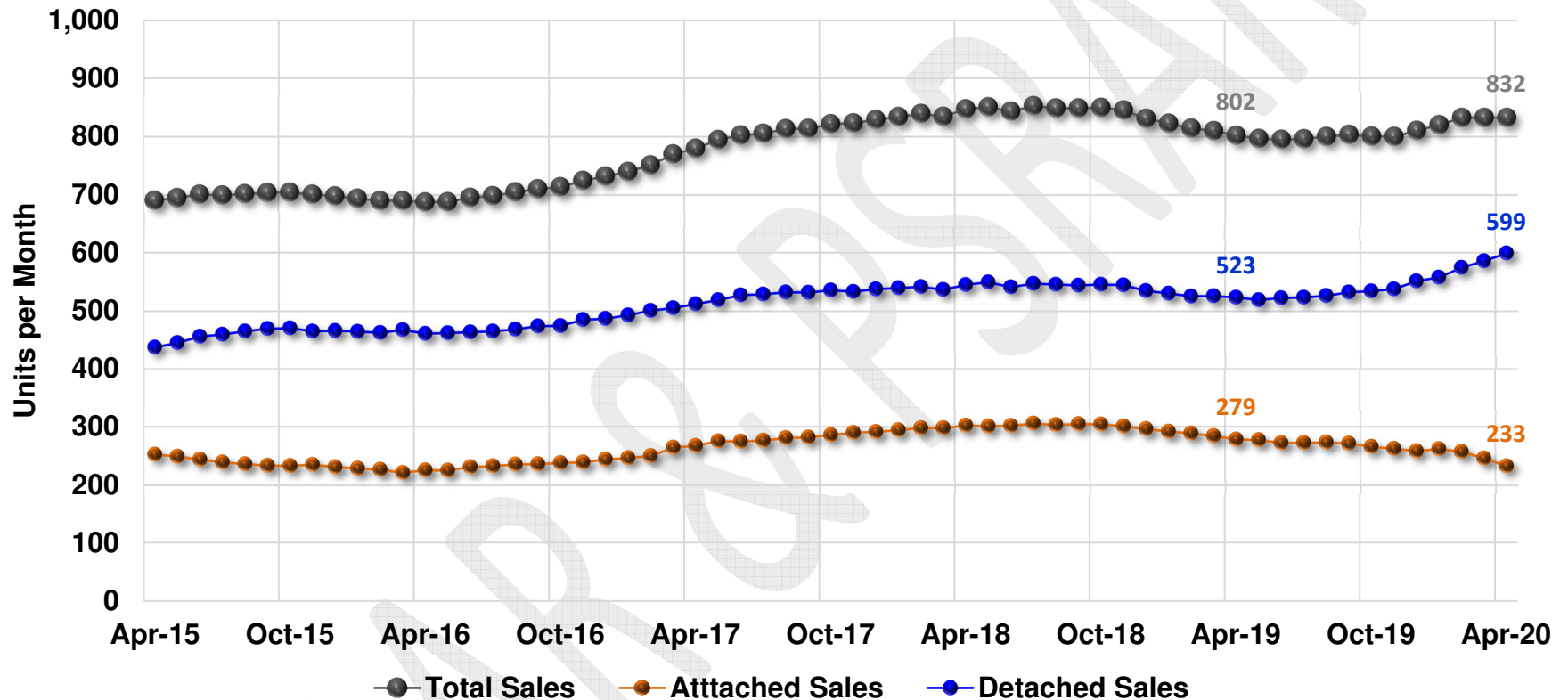


Monthly Sales – 3-month trailing avg.

Short-term sales metrics, which are sales averaged over the last three months, are beginning to show signs of the coronavirus. As the chart clearly shows, sales from February to May usually surge in the region but are very flat this year. This is especially true of attached home sales, which are down 40% from a year ago. Detached home sales are up 4.6%. The total of three-month sales for the region is down 10%.

Detached, Attached and Total Sales

12 month moving average

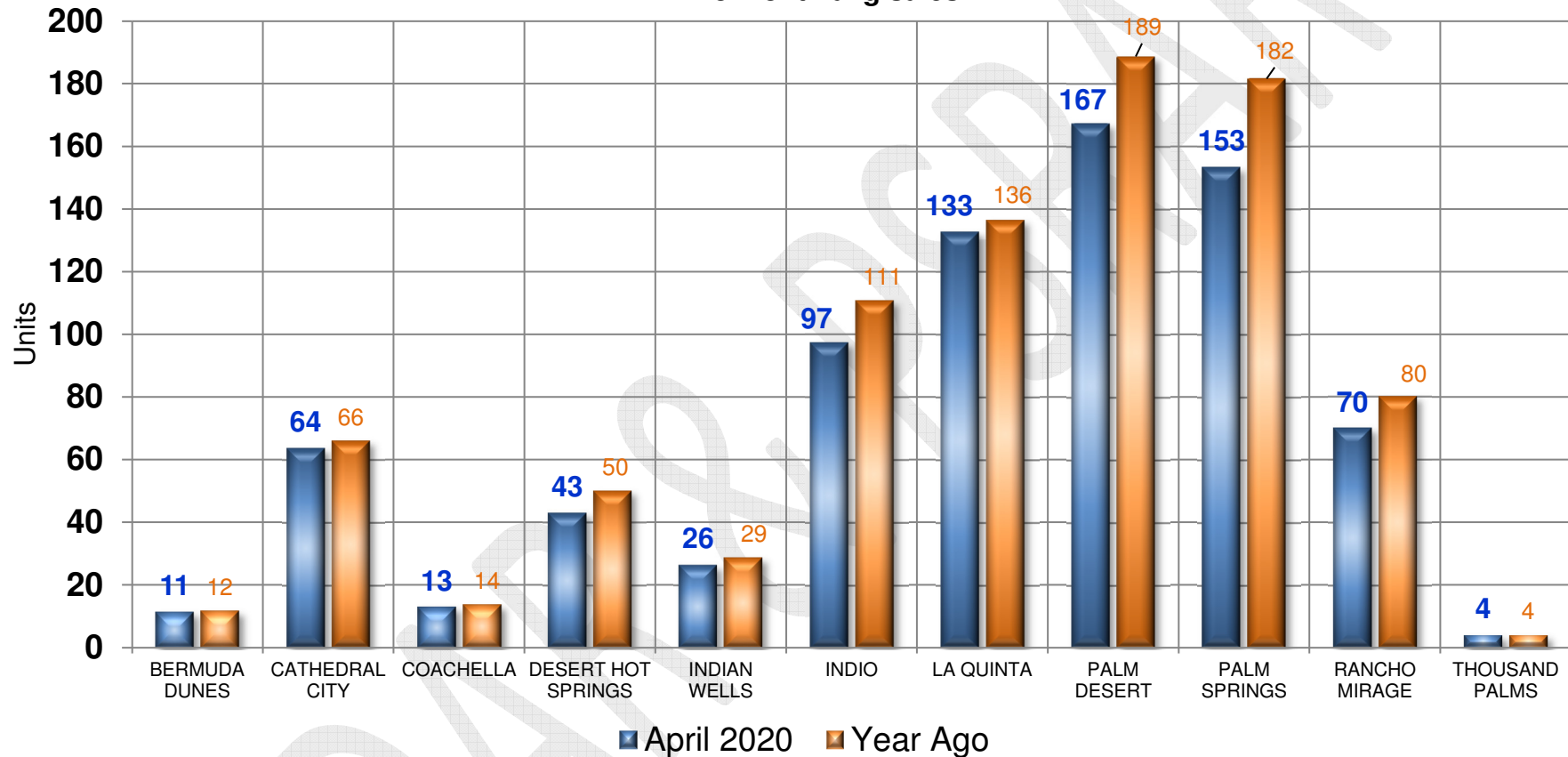


Monthly Sales – 12-month trailing avg.

Because of the coronavirus, this chart of long-term sales is of little value and just indicates, as we've mentioned before, that we were on track for a fabulous year in 2020. But it also indicates something else - that sales in the attached market were showing signs of market weakness before the coronavirus. It is still not clear exactly what was causing it.

Home Sales by City

3 month avg sales

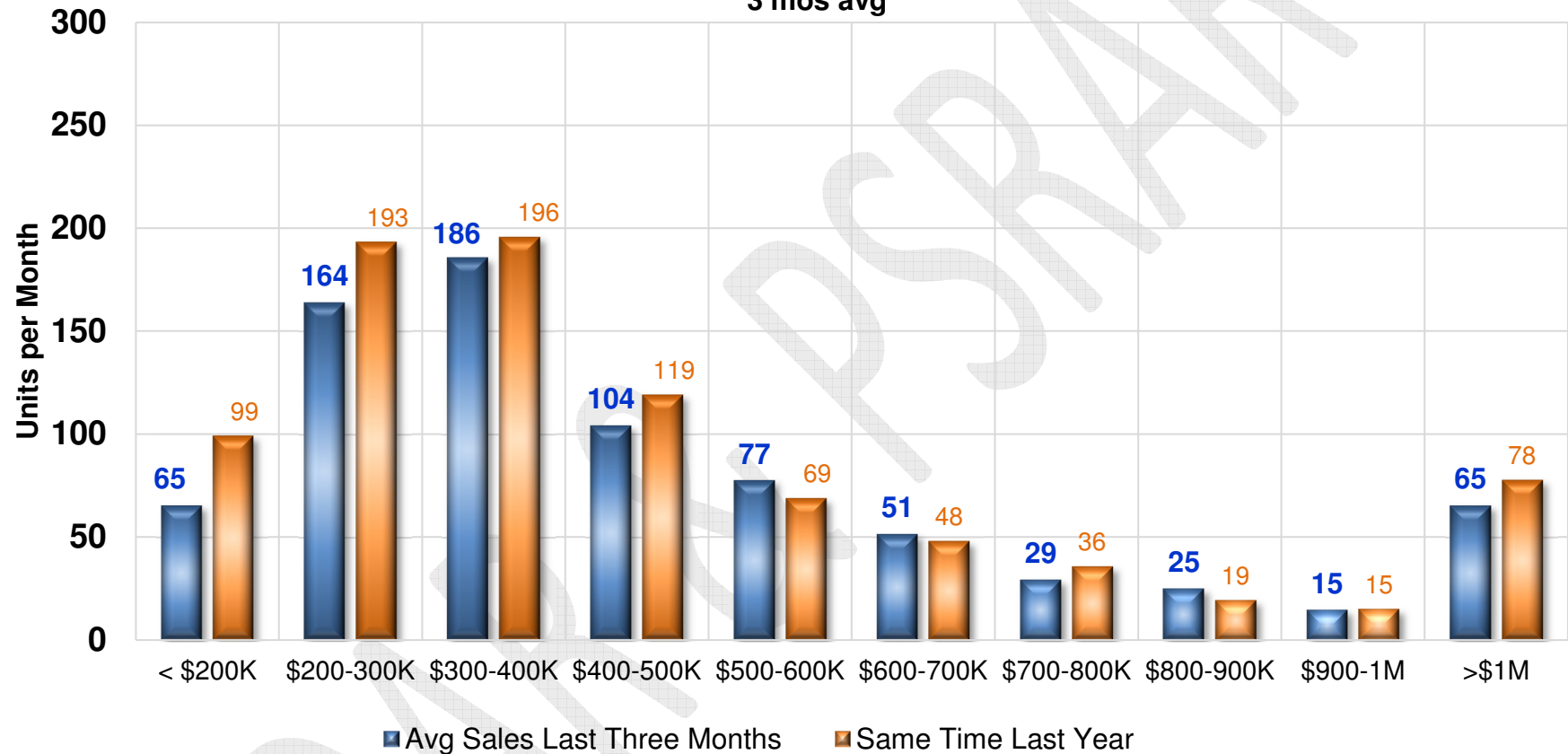


Home Sales per month by City

Average three months sales in 11 cities show lower numbers in ten cities and one city, Thousand Palms, with the same number. Palm Springs had the largest sales decline of 15.9% followed by Desert Hot Springs with sales down 14%. This was followed by Rancho Mirage with 12.5% lower sales, and Palm Desert with 11.6% lower.

Home Sales by Price Range

3 mos avg



Home Sales by Price Range

When we measure sales growth in different price brackets, we find some brackets with positive changes and some negative changes. In general, we see sales declines in all price brackets under \$500,000. The primary reason for this is the 40% decline in attached home sales, since these type homes are generally priced under \$500,000. For homes priced between \$500,000 and a million dollars, sales are slightly higher than last year. However, for the first time in a while, we see a decline in sales for homes over a million dollars.

Valley Housing Inventory

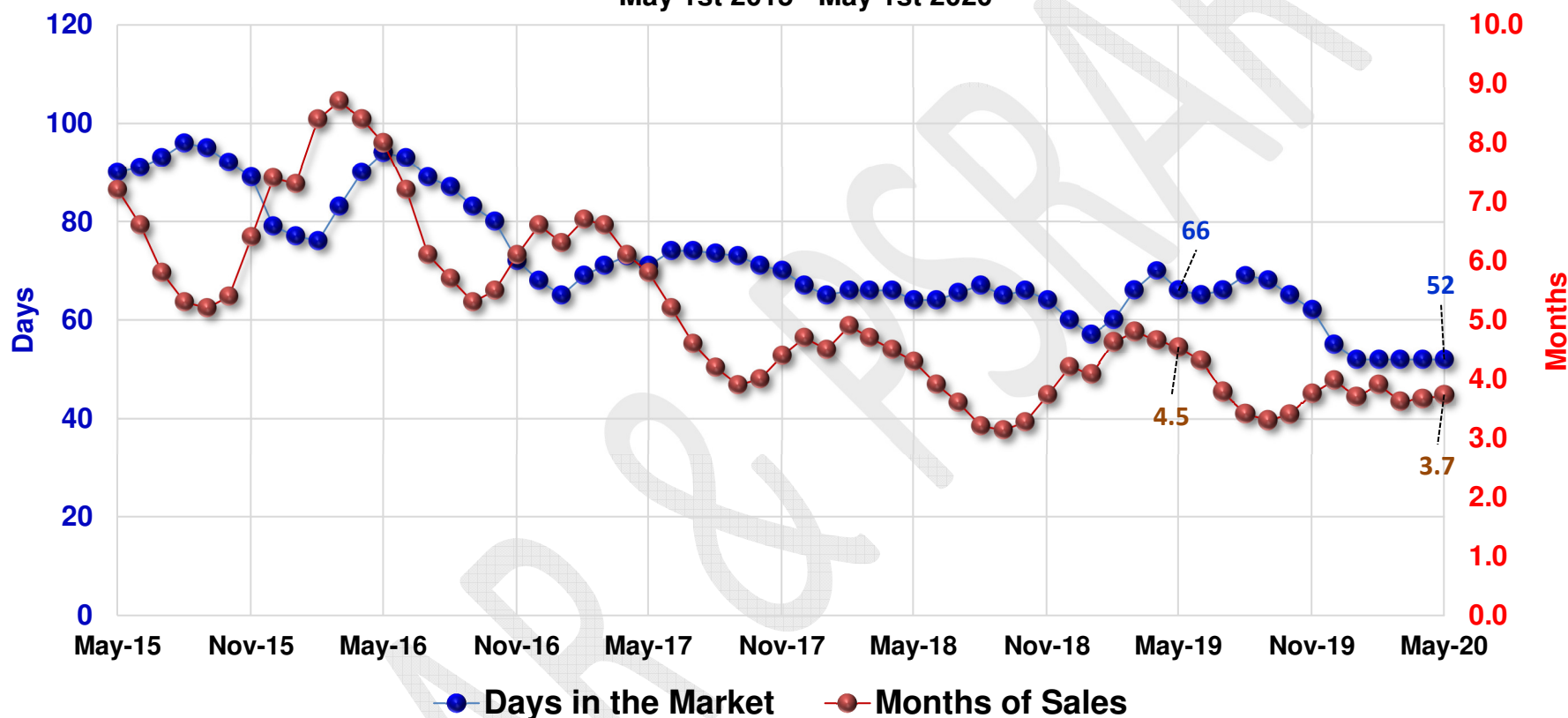


Coachella Valley Inventory

Inventory continues to be extremely low. In fact, as the chart clearly shows, inventory has stayed right around the 3,000-unit level for seven months. If inventory continues to follow the normal seasonal pattern, it should decline over the next two to three months, hitting a low sometime in September. However, it's not clear what effect the coronavirus will have on this pattern.

Days on the Market & Months of Sales

May 1st 2015 - May 1st 2020

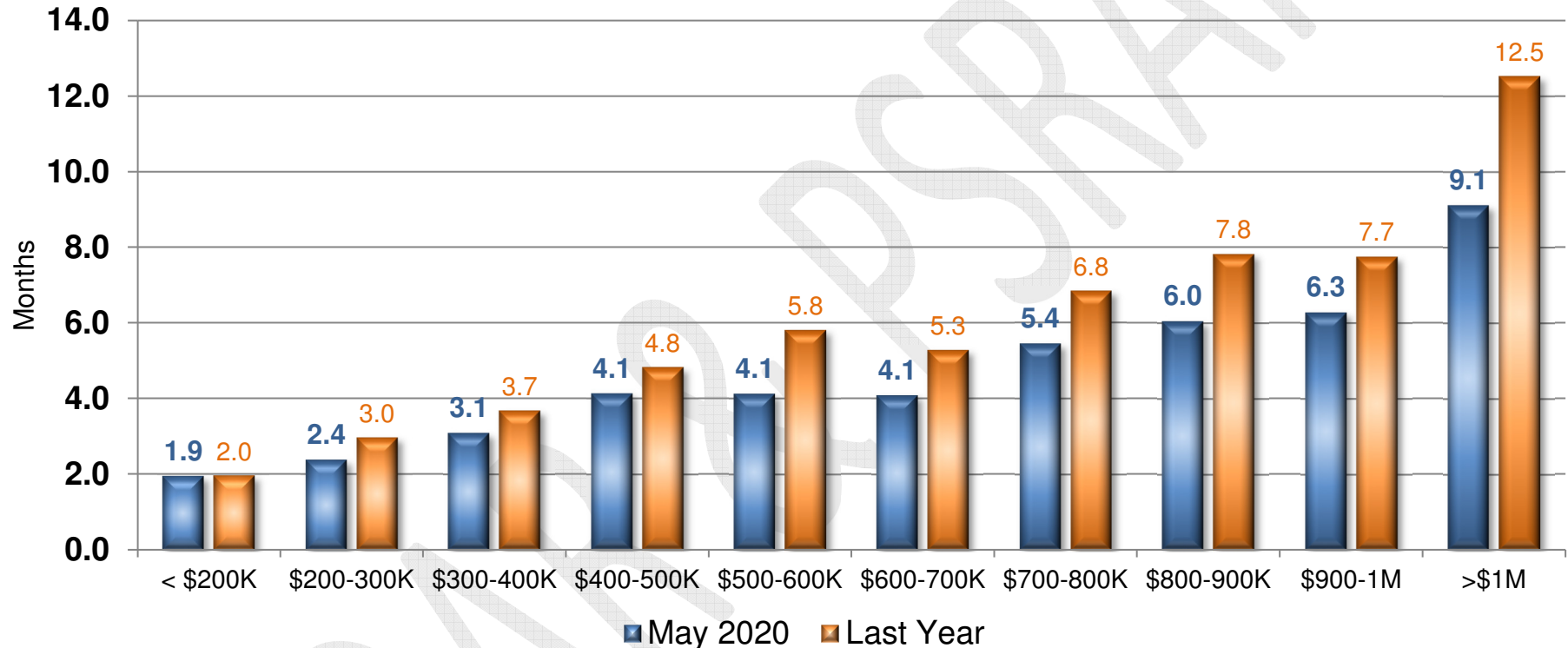


“Days in the Market” and “Months of Sales”

On May 1st, the “Months of Sales” ratio was 3.7 months, almost a month less than a year ago. This ratio is calculated by taking inventory and dividing it by the average sales rate over the last 12 months. Because of the long-term sales average, it primarily reflects changes in inventory and not changes in the sales rate. However, 3.7 months is an extremely low historical rate and allows for large effects on our market due to coronavirus without reaching high, worrisome numbers. The median number of days in the market stands at 52 days, the lowest number in the last five years.

"Months of Sales" by Price Range

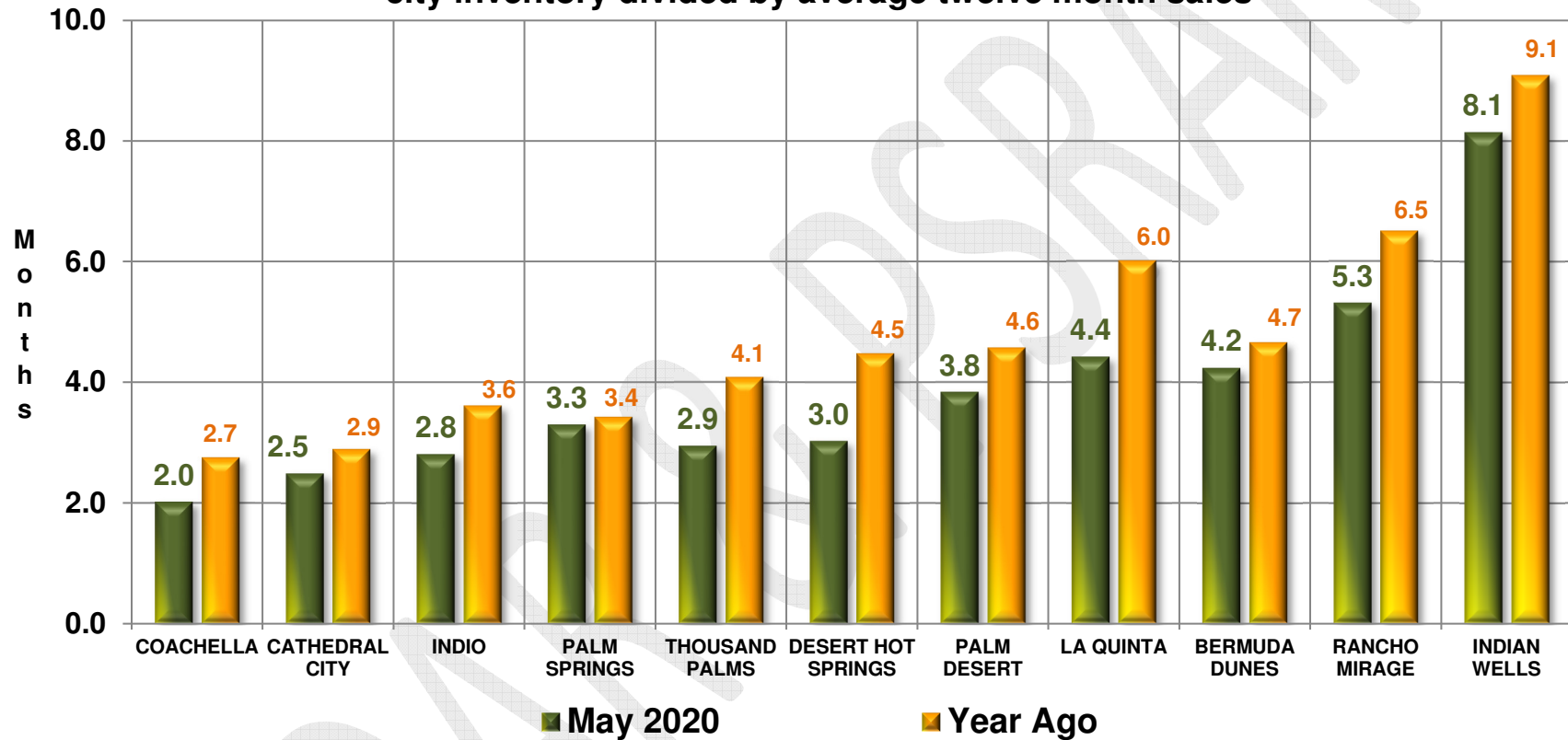
uses avg. twelve month sales
May 1st 2020



"Months of Sales" by Price Range

We continue to see strong improvement in the month of sales ratio compared to last year in all the price brackets from \$200,000 over a million dollars. The ratio is considerably lower compared to a year ago in every price bracket, especially the million-dollar and over range.

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

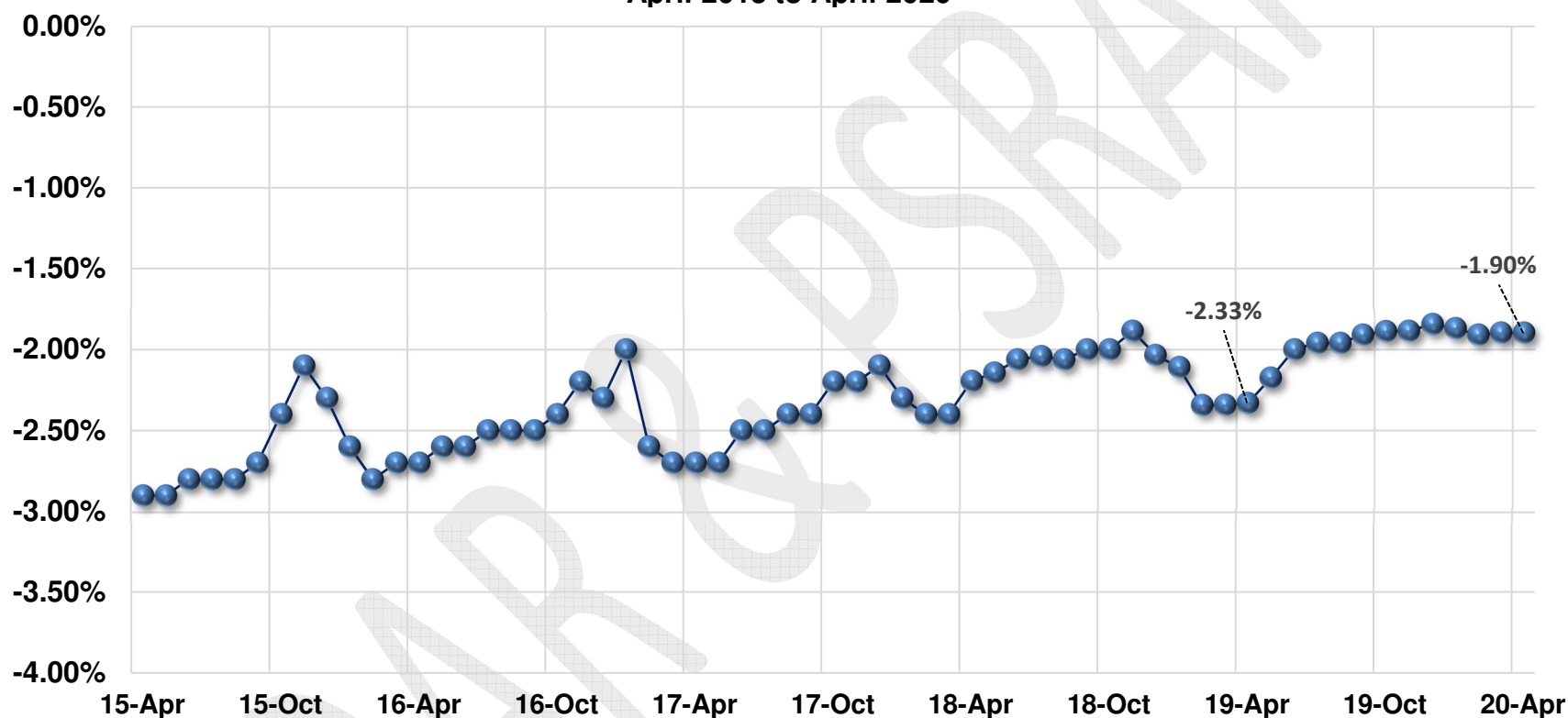


"Months of Sales" by City

On May 1st, the "months of sales" ratio in every one of the Valley's nine cities showed improvement compared to a year ago. Like last month the largest improvements were in Indio, where the ratio went from 3.6 months down to 2.8, and La Quinta, where it went from 6.0 months all the way down to just 4.4 months.

Sales Price Discount from List

April 2015 to April 2020



Sale Price Discount from List

The April “Sale Price Discount from List” was -1.9%, which is .4% less than a year ago. The current reading implies that an average home in the region offered at \$400,000 sold for \$392,400.



The Desert Housing Report

April 2020



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