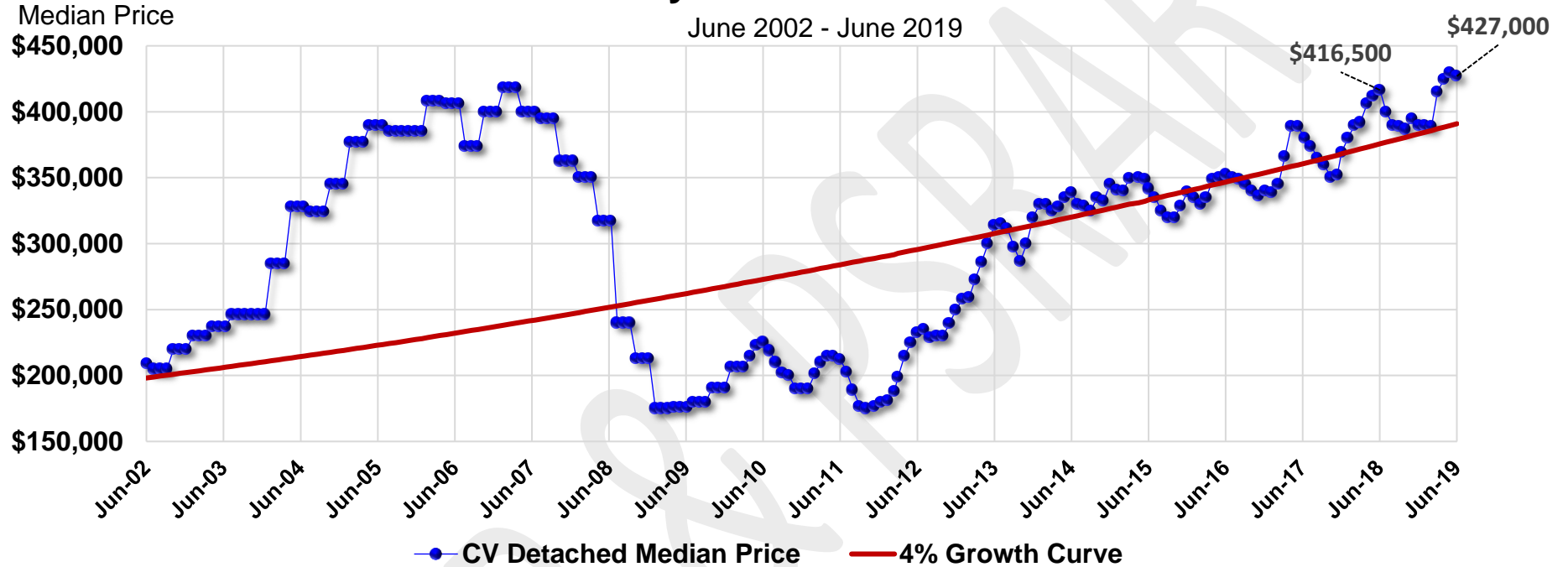


Coachella Valley Median Detached Home Price



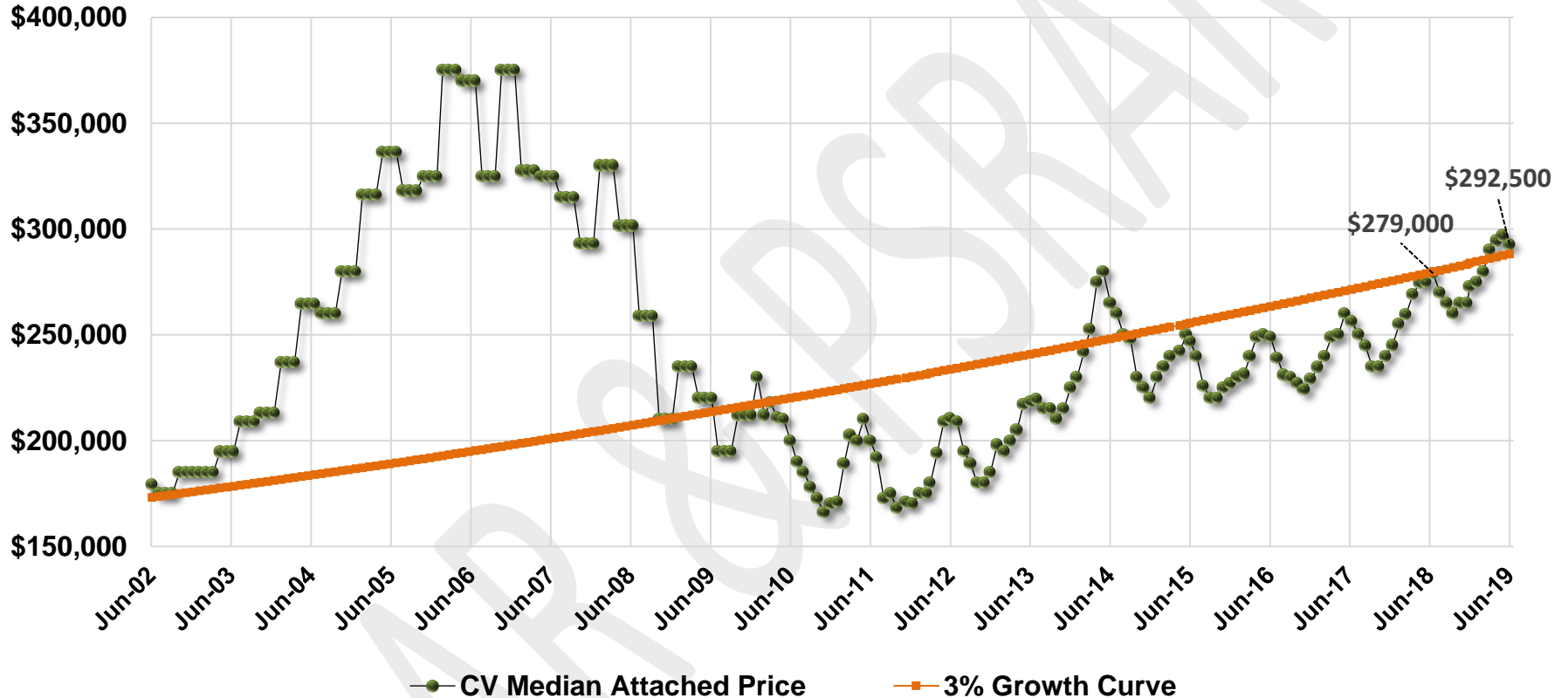
Summary

The Valley's median detached home price in June was \$427,000, which is 2.5% above a year ago. It's clear from the chart that June usually begins a few months of price give back as we enter the hot summer months. The attached home price index for the Valley ended June at \$292,500, which is a year-over-year gain of 4.8%. On a city by city basis we continue to see strong 12 month price increases for detached homes in eight of the nine regional cities. Indian Wells and La Quinta both show double-digit gains. Palm Springs ended June with the median detached home price of \$669,500, which is now 11.6% above the all-time high made during the bubble years of 2007. Short-term, three month measurements of sales are finally showing signs of leveling off after a year of 10% declines. Total sales in the Valley are averaging 980 units a month compared to 1039 a year ago, which is off only 5%. Inventory on July 1st was 3,010 units, 28 units less than July 1st of last year. On July 1st the "months of sales" ratio, which is inventory divided by the average sales rate over 12 months, was 3.8 months. This is mere .20 of a month more than the ratio a year ago, caused primarily by the decline in sales over the last year. In the Valley any ratio under four months is near low numbers historically. Days on the market at 66 days is almost identical to what it was a year ago.

Coachella Valley Median Attached Price

June 2002 - June 2019

Median Price



Coachella Valley Attached Median Price

The attached home price index for the Valley ended June at \$292,500, which is a year-over-year gain of 4.8%. It's clear from the chart that historically the median attached home price has a very seasonal pattern. For the last nine years it has invariably reached its seasonal peak in June, followed by four months of price giveback. We expect this pattern to continue again this year. What is important is how much of a giveback occurs. We are expecting mild numbers similar to last year.



The Desert Housing Report

June 2019



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Detached Homes

City	Jun-19	Year Ago	12 mo change	2011 Low	Gain off 2011 Low	2006 High	% from High
Indian Wells	\$1,200,000	\$1,072,500	11.9%	\$540,000	122.2%	\$1,205,000	-0.4%
La Quinta	\$575,000	\$514,000	11.9%	\$245,000	134.7%	\$682,020	-15.7%
Cathedral City	\$340,000	\$323,500	5.1%	\$139,000	144.6%	\$395,000	-13.9%
City of Coachella	\$262,000	\$250,000	4.8%	\$121,950	114.8%	\$335,000	-21.8%
Palm Springs	\$669,500	\$649,125	3.1%	\$335,000	99.9%	\$600,000	11.6%
Desert Hot Springs	\$225,750	\$219,900	2.7%	\$85,000	165.6%	\$295,000	-23.5%
Rancho Mirage	\$723,000	\$710,000	1.8%	\$423,000	70.9%	\$950,000	-23.9%
Indio	\$330,600	\$328,250	0.7%	\$158,500	108.6%	\$380,500	-13.1%
Palm Desert	\$413,500	\$449,250	-8.0%	\$287,000	44.1%	\$543,000	-23.8%

Attached Homes

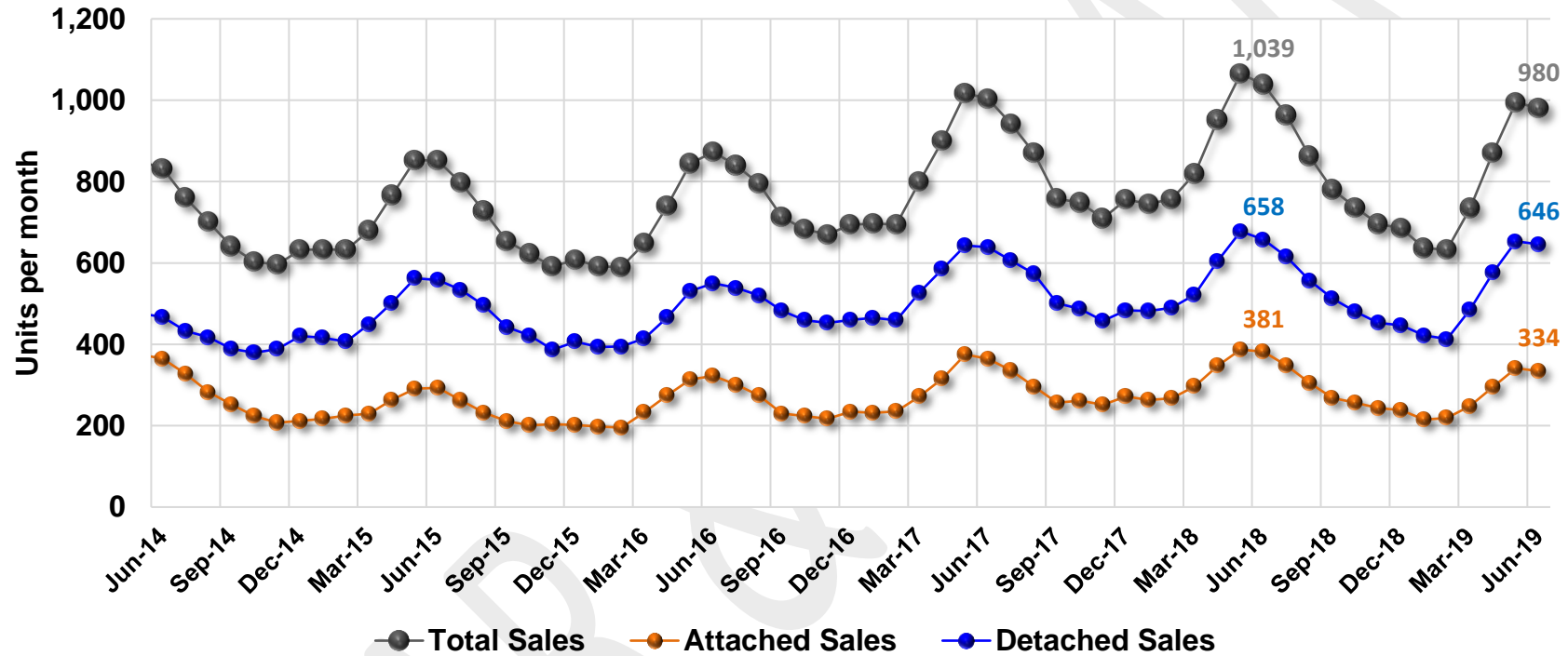
City	Jun-19	Year Ago	12 Month Change	2011 Low	Gain off 2011 Low	2006 High	% from High
La Quinta	\$388,500	\$351,000	10.7%	\$265,000	46.6%	\$532,500	-27.0%
Indian Wells	\$430,000	\$399,500	7.6%	\$321,500	33.7%	\$557,500	-22.9%
Palm Desert	\$308,250	\$290,000	6.3%	\$175,000	76.1%	\$410,000	-24.8%
Cathedral City	\$206,000	\$199,000	3.5%	\$107,500	91.6%	\$270,500	-23.8%
Palm Springs	\$264,000	\$250,000	5.6%	\$150,000	76.0%	\$350,000	-24.6%
Rancho Mirage	\$370,000	\$379,500	-2.5%	\$260,000	42.3%	\$510,000	-27.5%
Indio	\$199,000	\$217,000	-8.3%	\$75,000	165.3%	\$279,000	-28.7%
Desert Hot Springs	\$150,000	\$205,000	-26.8%	\$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

On a city by city basis we continue to see strong 12 month price increases for detached homes in eight of the nine regional cities. Indian Wells and La Quinta both show double-digit gains. Palm Springs ended June with a median detached home price of \$669,500, which is now 11.6% above the all-time high made during the bubble years of 2007. Palm Desert, down 8%, is the only city with a year-over-year negative change. In the attached market five cities have positive year-over-year gains while three – Rancho Mirage, Indio and Desert Hot Springs – have negative returns.

Detached, Attached and Total Sales

3 month moving average

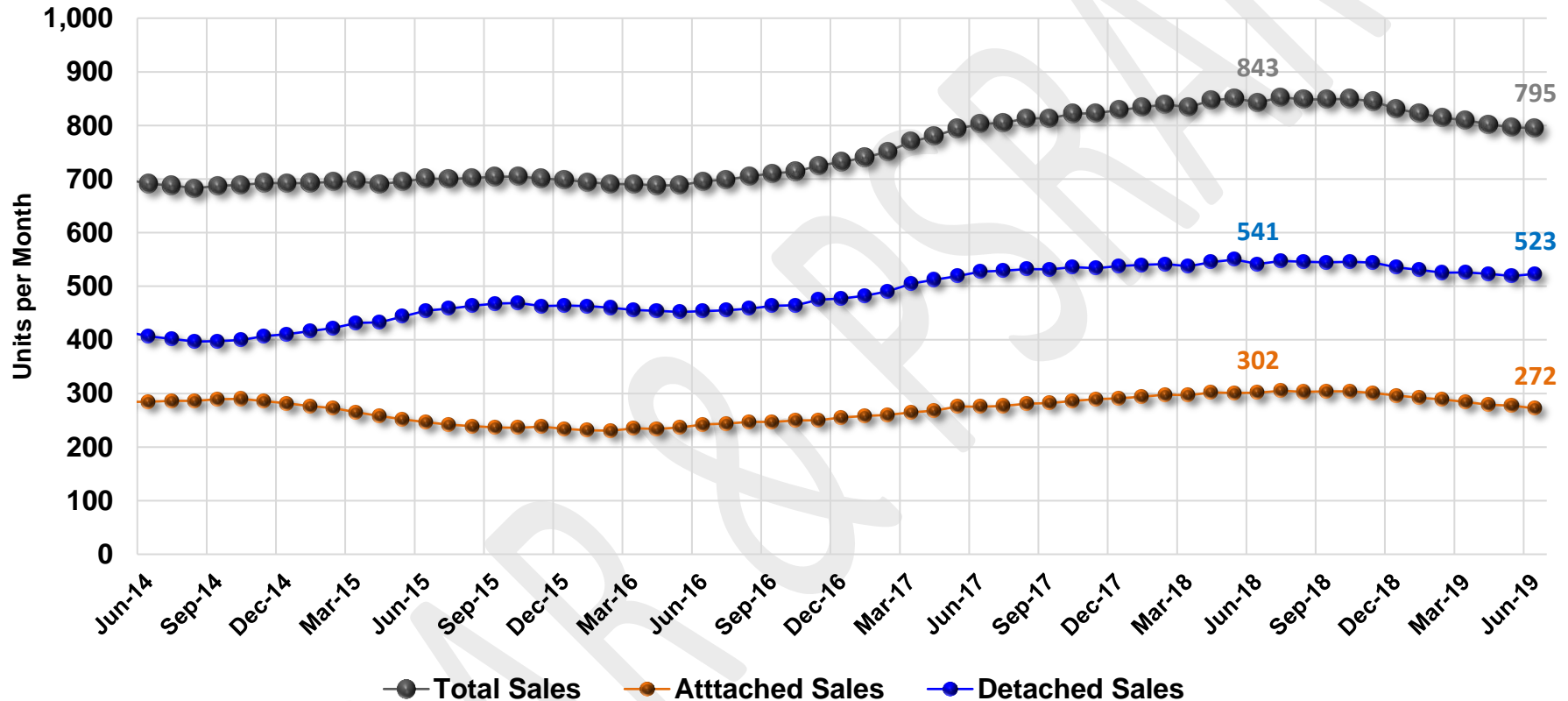


Monthly Sales – 3-month trailing avg.

Short-term, three month sales are finally showing signs of leveling off after one year of consistent 10% declines. Total sales in the Valley are averaging 980 units a month compared to 1,039 a year ago, which is down 5%. Detached sales are off 2% while attached sales are off 12%. This slowdown in the decline of sales means that longer-term sales metrics will also begin to level off. The surge in total sales since February, which brought all this about, is the strongest we've seen in the last five years.

Detached, Attached and Total Sales

12 month moving average

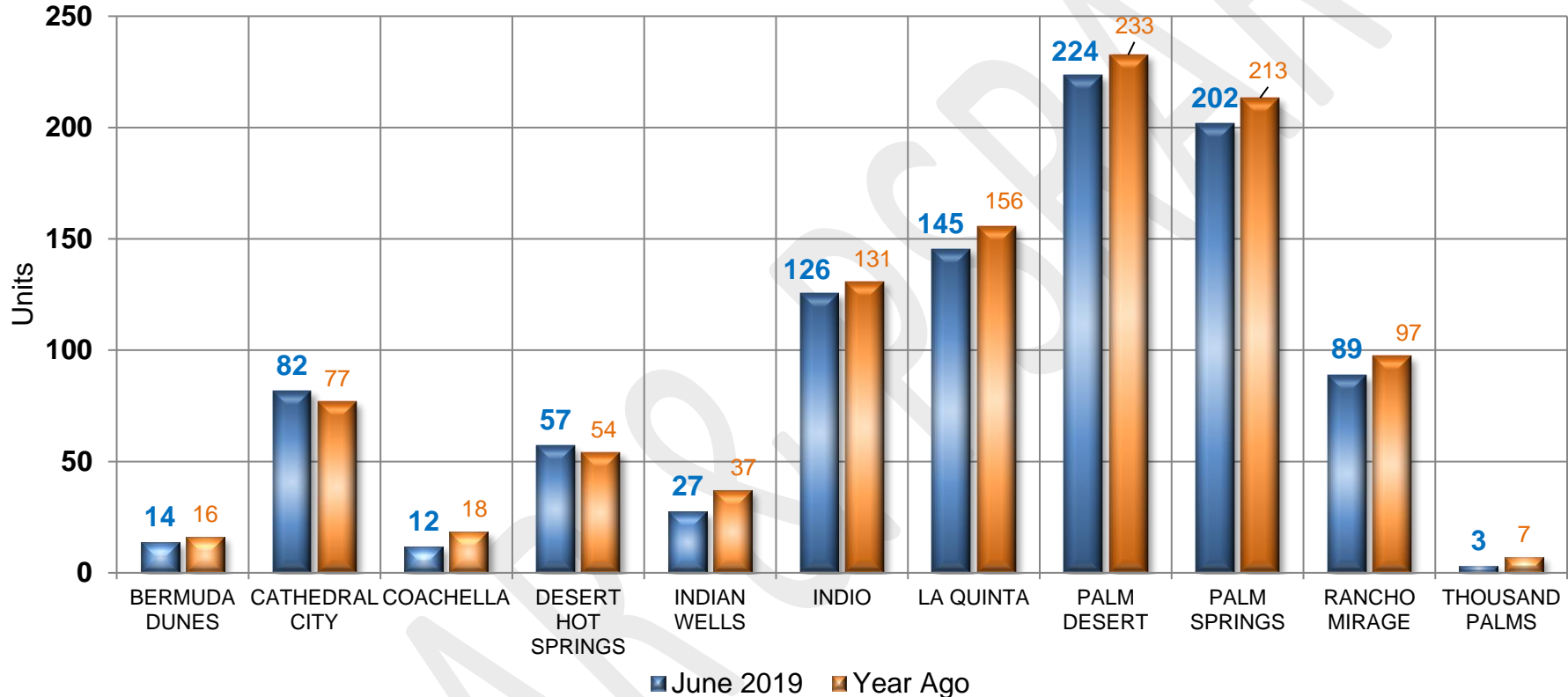


Monthly Sales – 12-month trailing avg.

Total sales over the last 12 months have average 795 units a month, which is off 5.7% from June of last year. Of this total, detached sales are off 3.3% while attached sales are off 10%. We expect long-term total sales to stay around 800 units a month for the remainder of this year. Although down from peak levels a year ago, this number of sales is still near historic highs of the last 10 years.

Home Sales by City

3 month avg sales

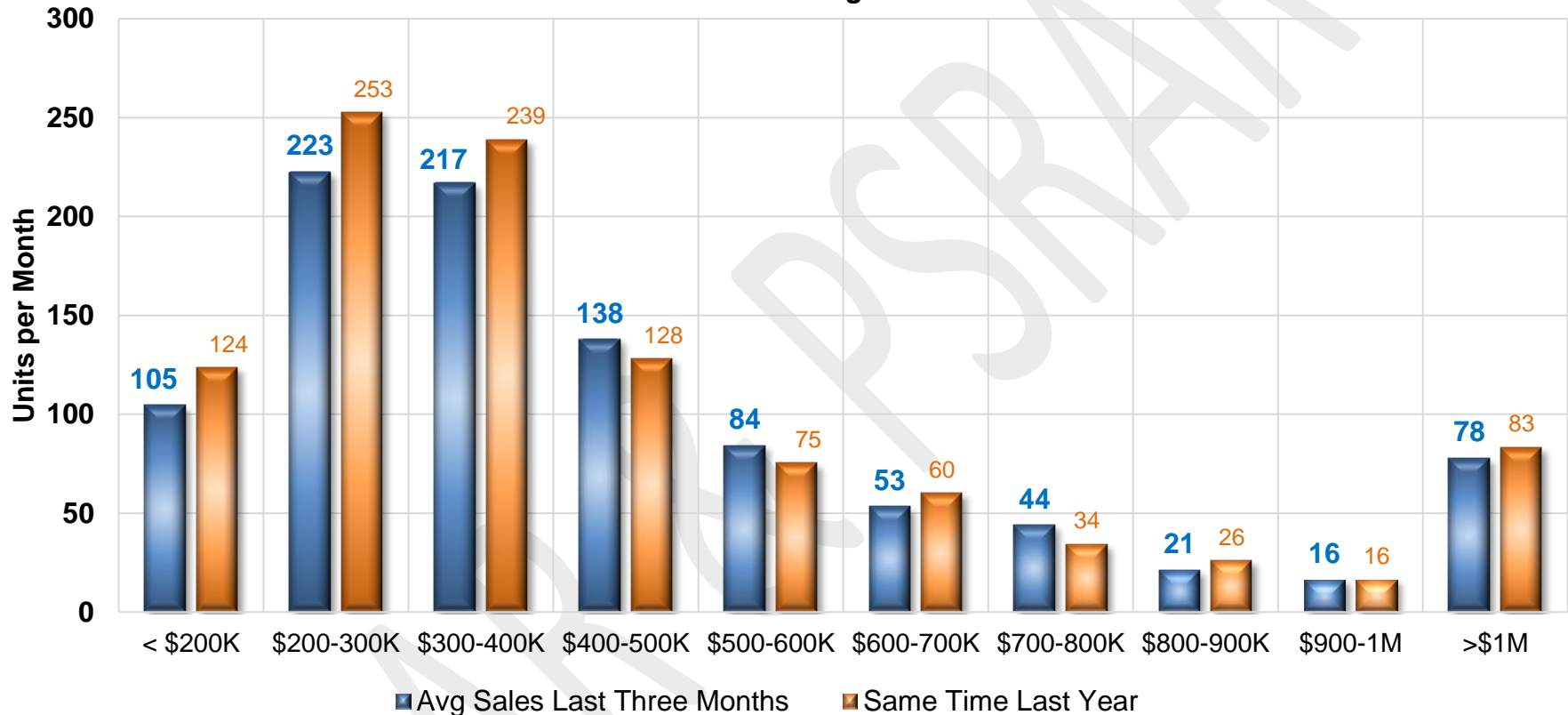


Home Sales per month by City

Of 11 cities in the Valley, all but two show lower three months sales when compared to last year. The two cities with higher three month sales are Cathedral City with 82 units versus 77 a year ago, and Desert Hot Springs, with 57 units compared to 54 a year ago. Only one city stands out with significantly lower sales versus a year ago – Indian Wells. All the others are off from 3% to 8%.

Home Sales by Price Range

3 mos avg

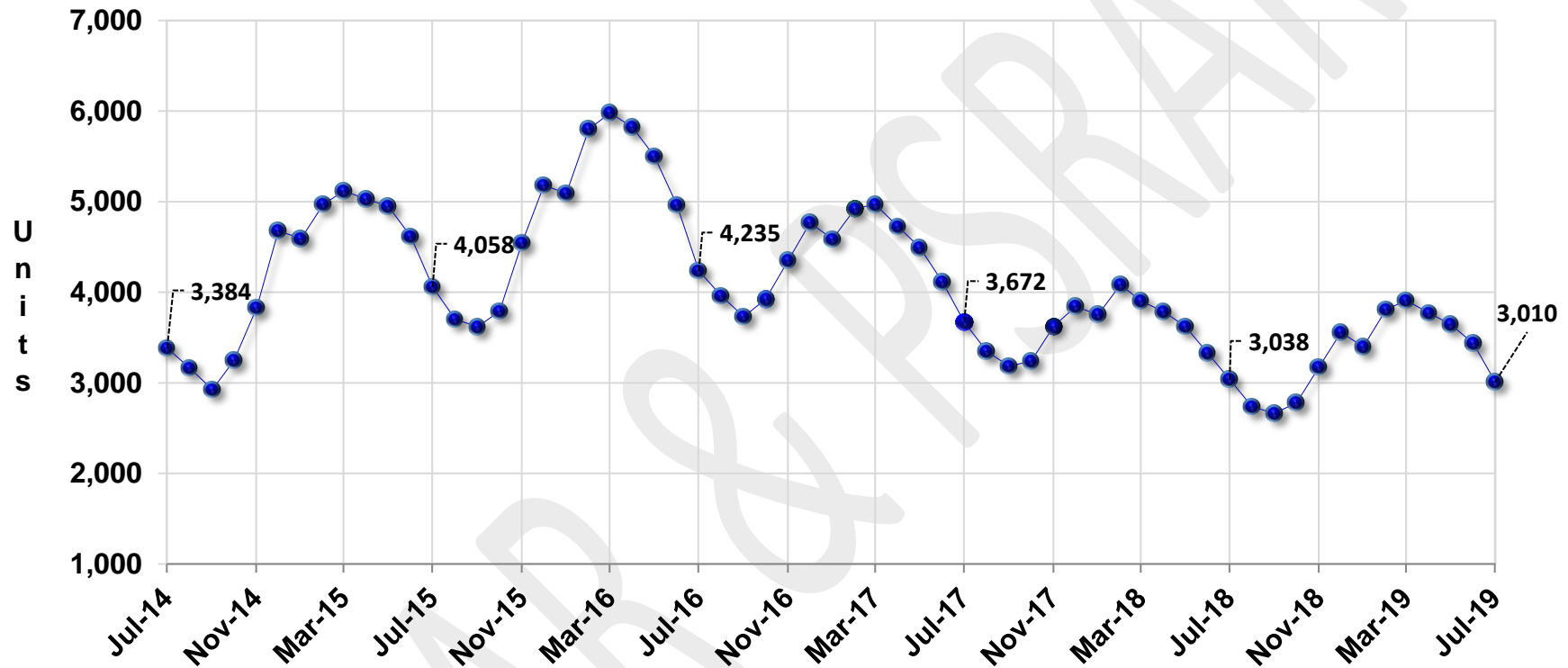


Home Sales by Price Range

When we break down the sales by price bracket, we discover the primary drop in sales are for homes priced under \$400,000. This is due to the dwindling supply of homes in this price range as home prices increased. In the \$200,000 to \$300,000 price bracket, sales are off 11.8%. In the \$300,000 to \$400,000 price bracket, sales fell from 239 units down to 217. Sales of homes priced over \$1 million are off 6% from last year.

Valley Housing Inventory

July 1st 2014 to July 1st 2019

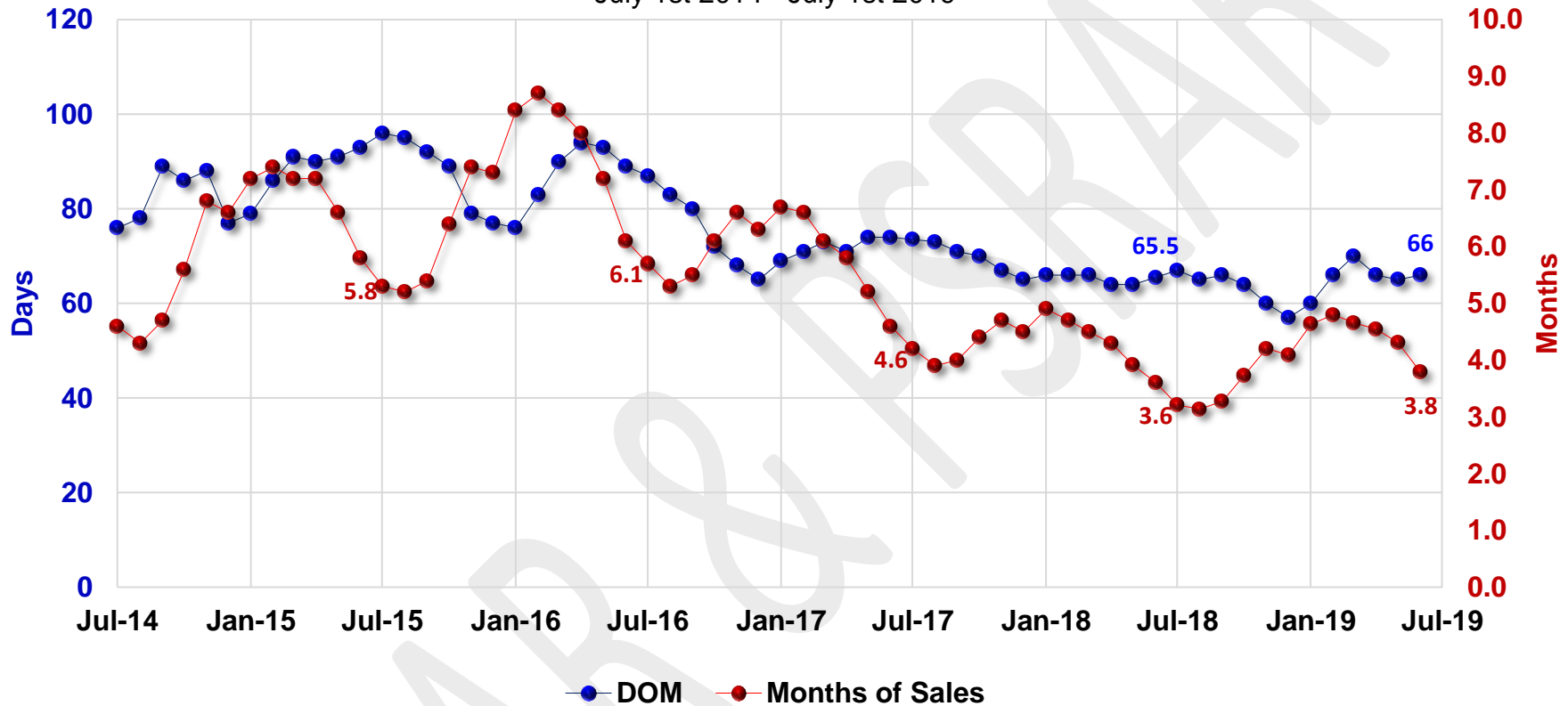


Coachella Valley Inventory

Inventory on July 1 was 3,010 units, 28 units less than July 1st of last year. It is clear from the chart that inventory has a very seasonal pattern, reaching peaks usually in the month of March and hitting lows sometime in September or October. We've indicated on the chart the July 1st readings all the way back to 2014 and it's clear that current inventory levels are the lowest in the last five years.

Days on the Market & Months of Sales

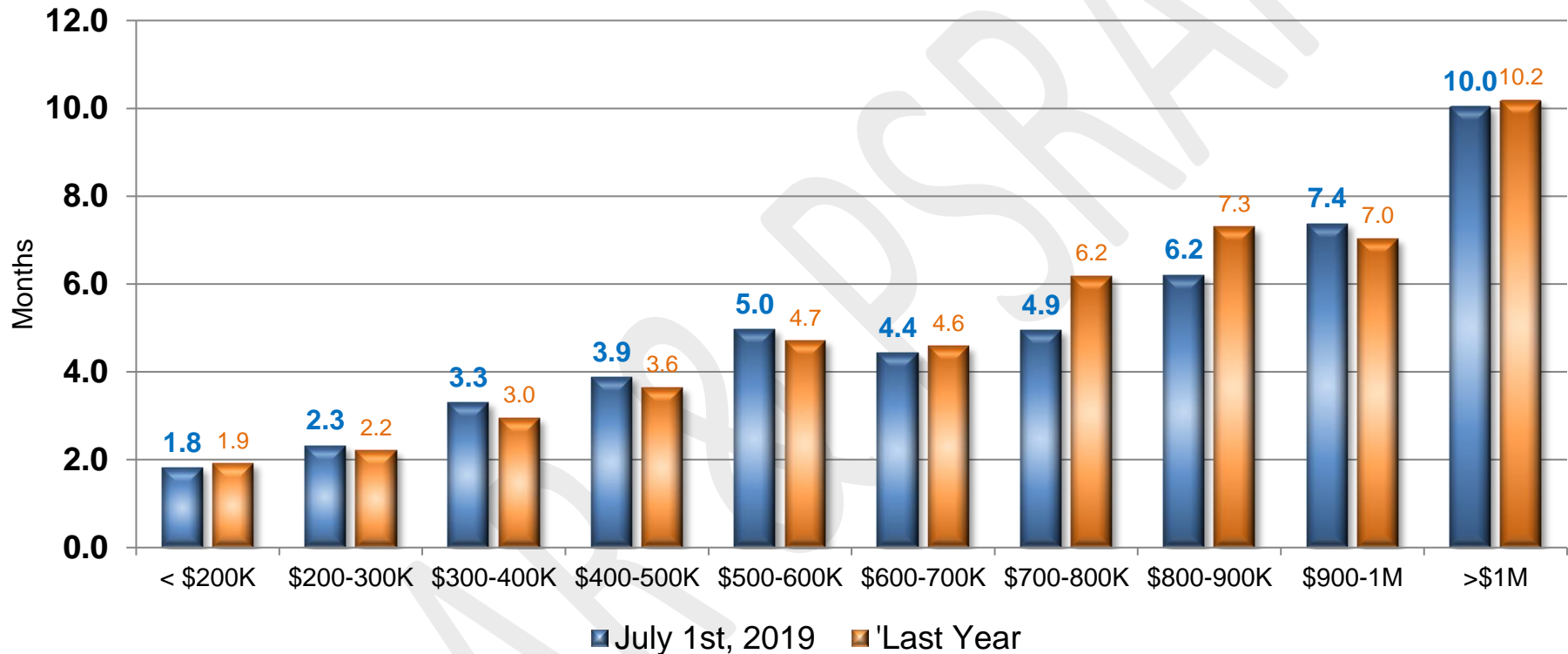
July 1st 2014 - July 1st 2019



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

On July 1st the “months of sales” ratio, which is inventory divided by the average sales rate over 12 months, was 3.8 months. This is mere 2/10 of a month more than the ratio a year ago, caused primarily by the decline in sales. In the Valley any ratio under four months is near historically low numbers. As can be seen in the graph this ratio is also very seasonal but it is clear to see that the current ratio is a very positive indicator. Days on the market at 66 days is almost identical to what it was a year ago.

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

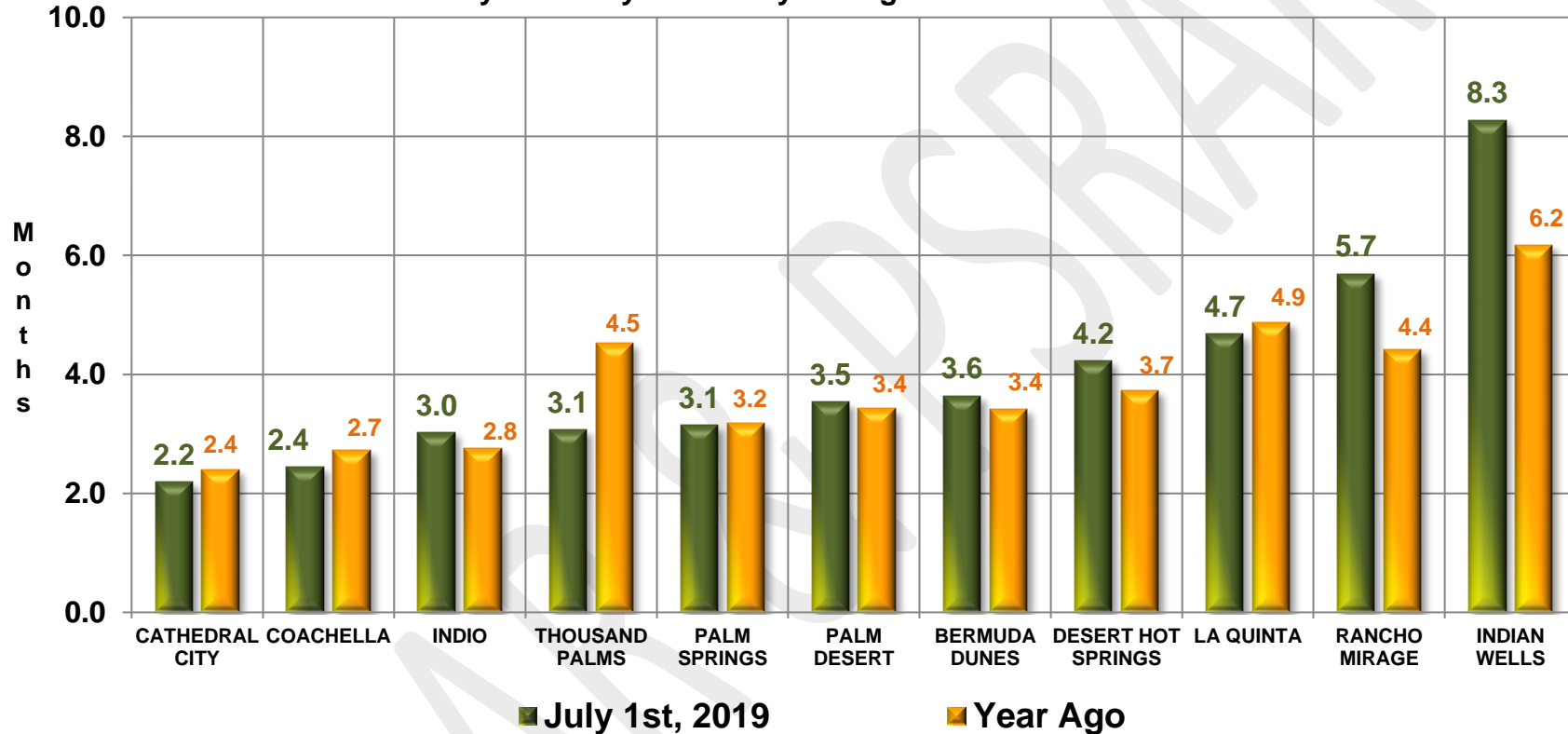


"Months of Sales" by Price Range

When we look at the "months of sales" ratio in the different price brackets, we see that the ratios for homes priced under \$600,000 are slightly higher than they were a year ago. It's only when we get to homes priced over \$700,000 that we begin to see lower numbers. The month of sales ratio for homes over \$1 million at 10 months is effectively equal to what it was a year ago.

"Months of Sales" by City

city inventory divided by average twelve month sales

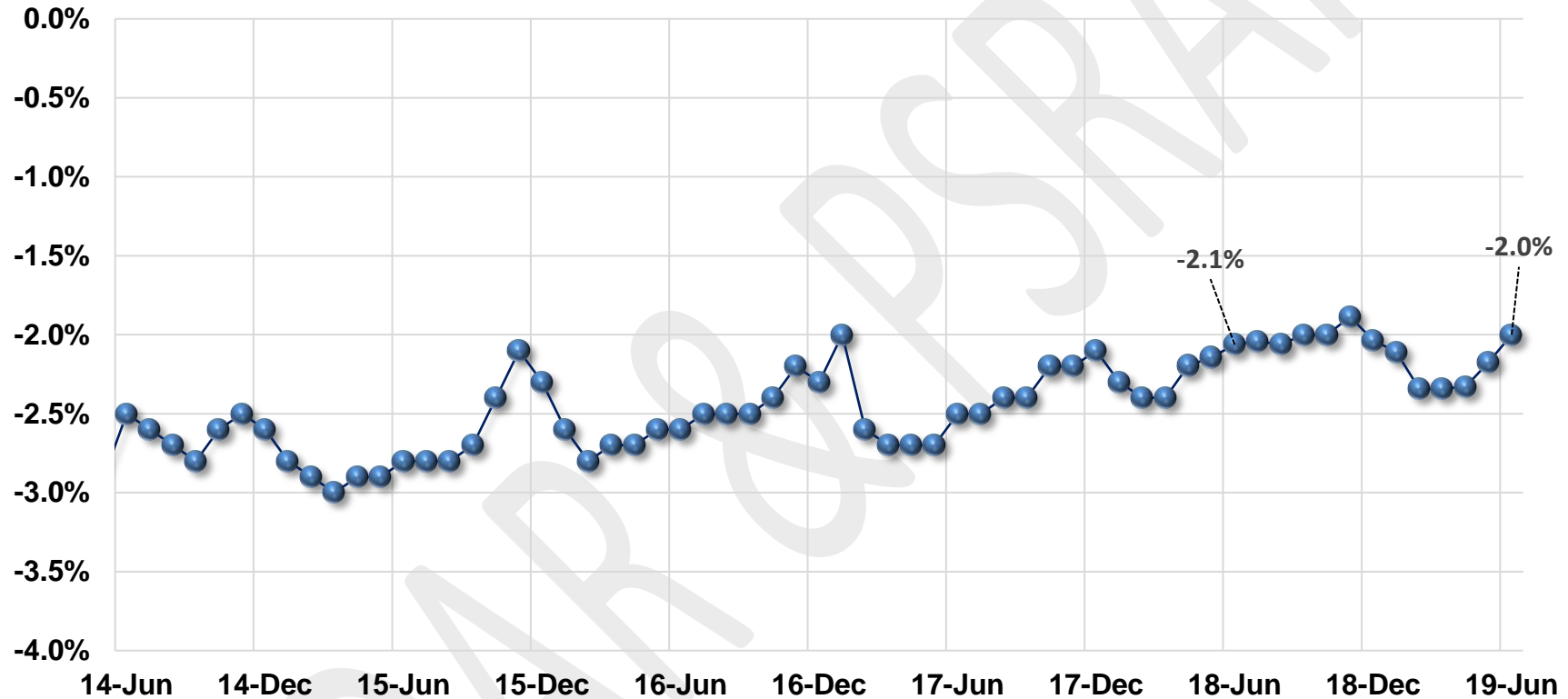


"Months of Sales" by City

The above graph shows the "month of sales" ratio for eleven Valley cities against the ratio a year ago, ranked lowest to highest. Five cities – Cathedral City, Coachella, Thousand Palms, Palm Springs and La Quinta – have lower ratios when compared to a year ago. The two high-priced cities of Rancho Mirage and Indian Wells show measurably higher ratios when compared to last year. However, no ratio is at worrisome levels.

Sales Price Discount from List

June 2014 to June 2019





The Desert Housing Report

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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