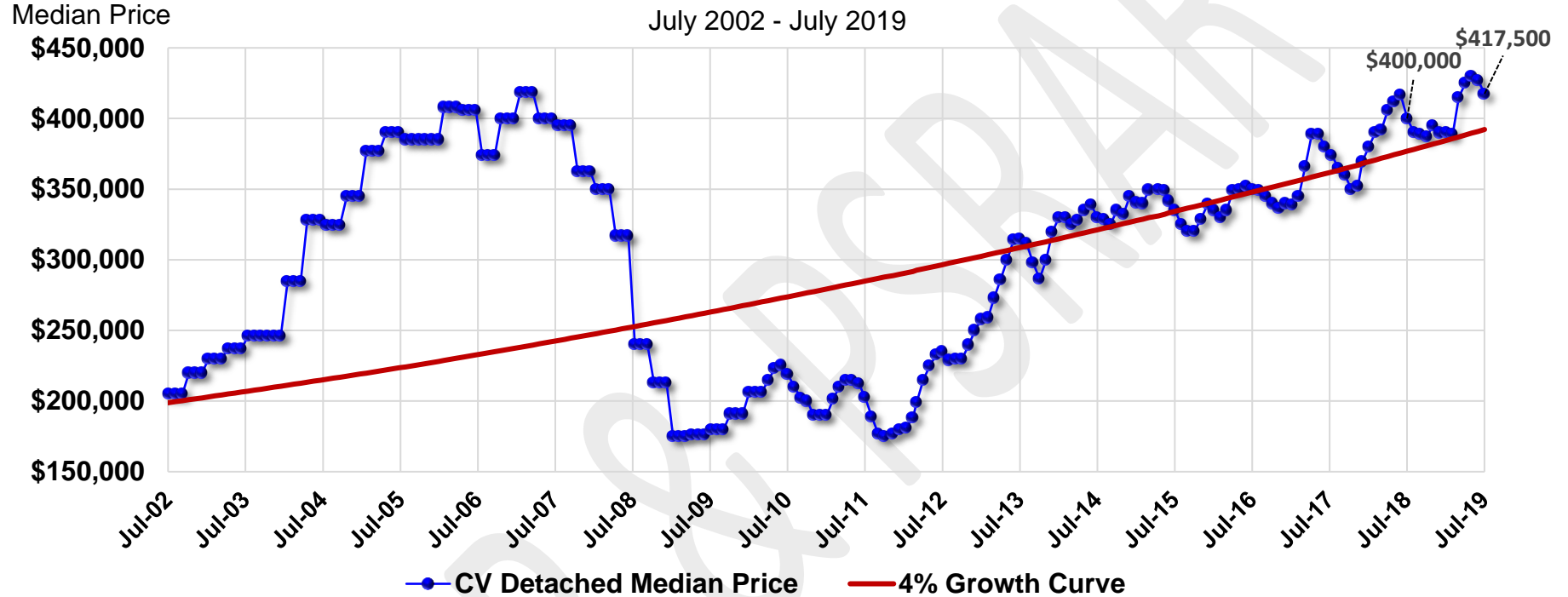


Coachella Valley Median Detached Home Price



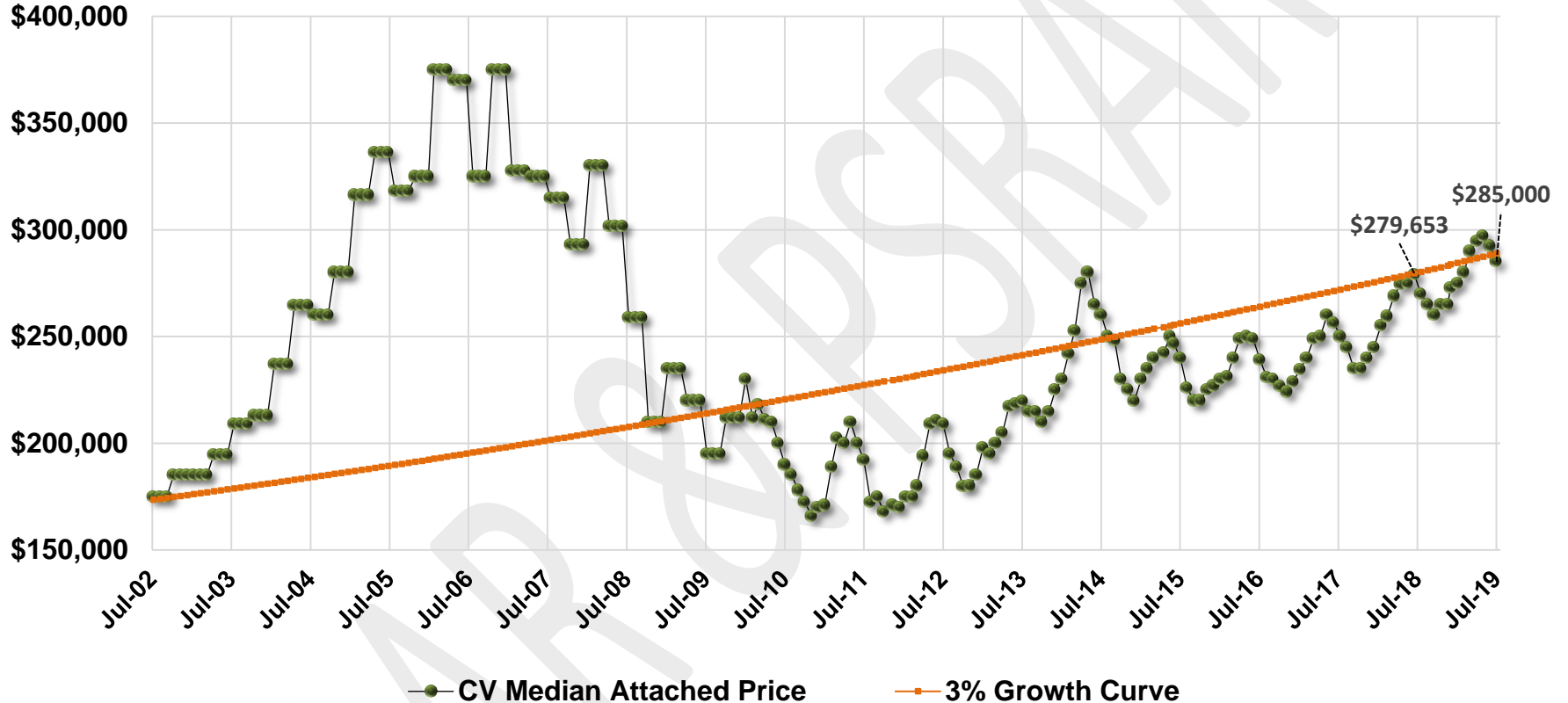
Summary

The Valley's median detached home price in July reached \$417,500, which is 4.4% above a year ago. It's clear from the chart that July is usually a down month due to seasonal factors. The attached home price index for the Valley ended July at \$285,000, which is a gain of 1.9%. 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 the city of Coachella show the largest increases with double-digit gains of 13.2% and 11.2% respectively. The median price in Palm Springs, at \$650,000, is now 8.3% above its all-time high made during the bubble years of 2006-07. Over the last three months total Valley sales have been averaging 939 units a month compared to 963 units a year ago, which means sales are now lower by only 2.5%. This is a distinct improvement as eight months ago they were off over 10%. Inventory on August 1 was 2,722 units, which is the lowest August number in the last five years. The "months of sales" ratio, which is inventory divided by the average sales rate over the last 12 months, is 3.4 months. This is comparable to 3.2 months of August 1st of last year. At 69 days, the median value of "days on the market" is just two days more than it was a year ago. Both these metrics are positive for a continuation of the upward price trend of home prices.

Coachella Valley Median Attached Price

July 2002 - July 2019

Median Price



Coachella Valley Attached Median Price

The attached home price index for the Valley ended July at \$285,000, which is a gain of 1.9%. It's again clear from the chart that historically the median attached home price has a very seasonal pattern. Prices usually bottom in September then rise for the next seven months. We expect this pattern to continue again this year.



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Detached Homes

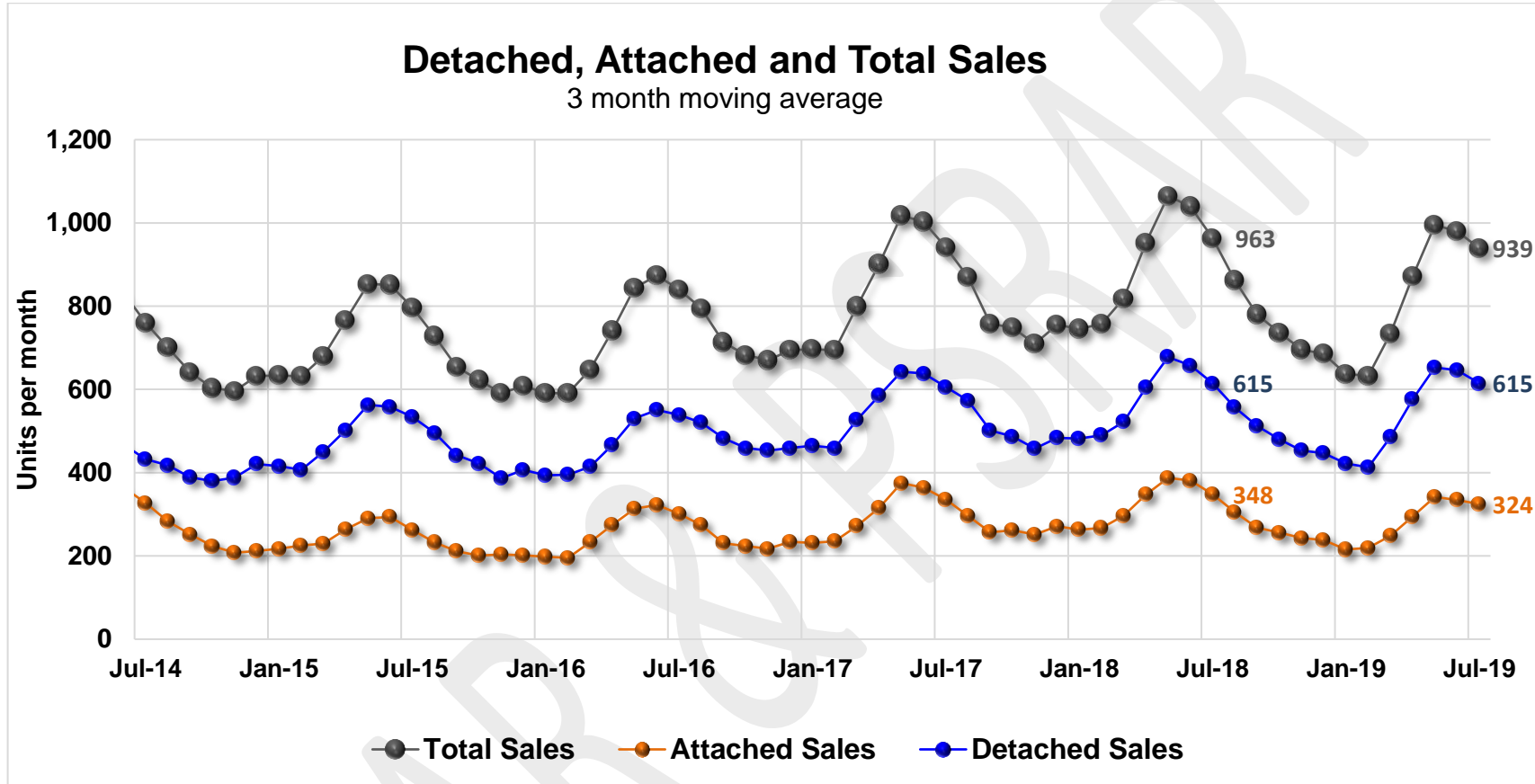
| City | Jul-19 | Year Ago | 12 mo change | 2011 Low | Gain off 2011 Low | 2006 High | % from High |
|--------------------|-------------|-------------|--------------|-----------|-------------------|-------------|-------------|
| Indian Wells | \$1,188,312 | \$1,050,000 | 13.2% | \$540,000 | 120.1% | \$1,205,000 | -1.4% |
| City of Coachella | \$278,000 | \$250,000 | 11.2% | \$121,950 | 128.0% | \$335,000 | -17.0% |
| Desert Hot Springs | \$236,000 | \$219,900 | 7.3% | \$85,000 | 177.6% | \$295,000 | -20.0% |
| Palm Springs | \$650,000 | \$608,000 | 6.9% | \$335,000 | 94.0% | \$600,000 | 8.3% |
| La Quinta | \$527,500 | \$500,000 | 5.5% | \$245,000 | 115.3% | \$682,020 | -22.7% |
| Cathedral City | \$345,000 | \$329,950 | 4.6% | \$139,000 | 148.2% | \$395,000 | -12.7% |
| Rancho Mirage | \$700,000 | \$675,000 | 3.7% | \$423,000 | 65.5% | \$950,000 | -26.3% |
| Indio | \$339,000 | \$327,990 | 3.4% | \$158,500 | 113.9% | \$380,500 | -10.9% |
| Palm Desert | \$426,000 | \$426,250 | -0.1% | \$287,000 | 48.4% | \$543,000 | -21.5% |

Attached Homes

| City | Jul-19 | Year Ago | 12 Month Change | 2011 Low | Gain off 2011 Low | 2006 High | % from High |
|--------------------|-----------|-----------|-----------------|-----------|-------------------|-----------|-------------|
| Cathedral City | \$210,000 | \$185,000 | 13.5% | \$107,500 | 95.3% | \$270,500 | -22.4% |
| Indian Wells | \$434,500 | \$387,500 | 12.1% | \$321,500 | 35.1% | \$557,500 | -22.1% |
| Palm Springs | \$261,500 | \$242,500 | 7.8% | \$150,000 | 74.3% | \$350,000 | -25.3% |
| Palm Desert | \$296,750 | \$285,000 | 4.1% | \$175,000 | 69.6% | \$410,000 | -27.6% |
| La Quinta | \$353,000 | \$340,000 | 3.8% | \$265,000 | 33.2% | \$532,500 | -33.7% |
| Rancho Mirage | \$362,500 | \$379,500 | -4.5% | \$260,000 | 39.4% | \$510,000 | -28.9% |
| Desert Hot Springs | \$167,500 | \$186,500 | -10.2% | \$86,000 | 94.8% | \$303,000 | -44.7% |
| Indio | \$199,500 | \$225,000 | -11.3% | \$75,000 | 166.0% | \$279,000 | -28.5% |
| 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 the city of Coachella show the largest increases with double-digit gains. The median price in Palm Springs, at \$650,000, is now 8.3% above its all-time high made during the bubble years of 2006-07. Except for the cities of Rancho Mirage, Desert Hot Springs and Indio, the prices for attached homes continue to be strong.

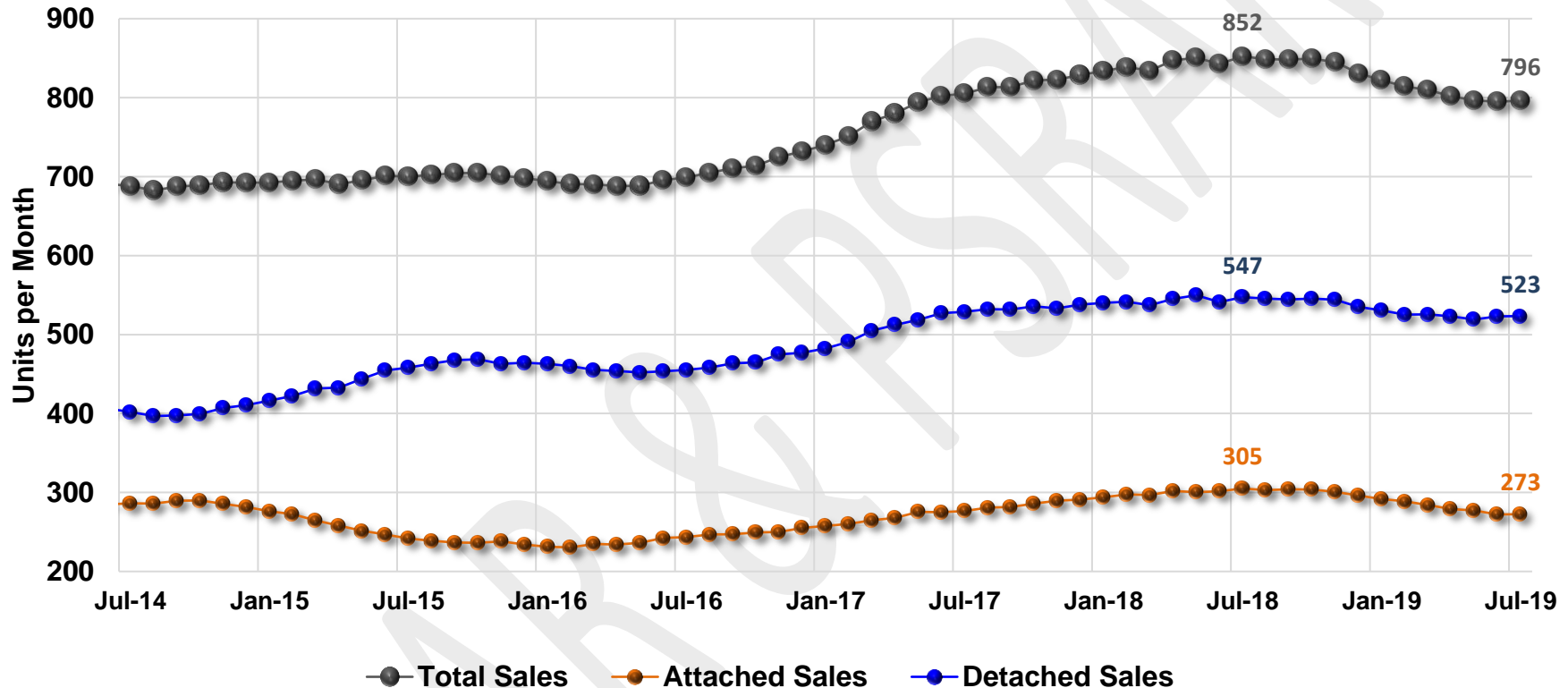


Monthly Sales – 3-month trailing avg.

Total sales in the Valley have been averaging 939 units a month over the last three months compared to 963 units a year ago, which means sales are down only 2.5%. This is a distinct improvement as eight months ago they were off over 10%. Most of the improvement has been in detached sales, which are now equal to last year. Attached sales are off 6.9%. This improvement in short term sales metrics means that longer-term sales metrics will also begin to improve.

Detached, Attached and Total Sales

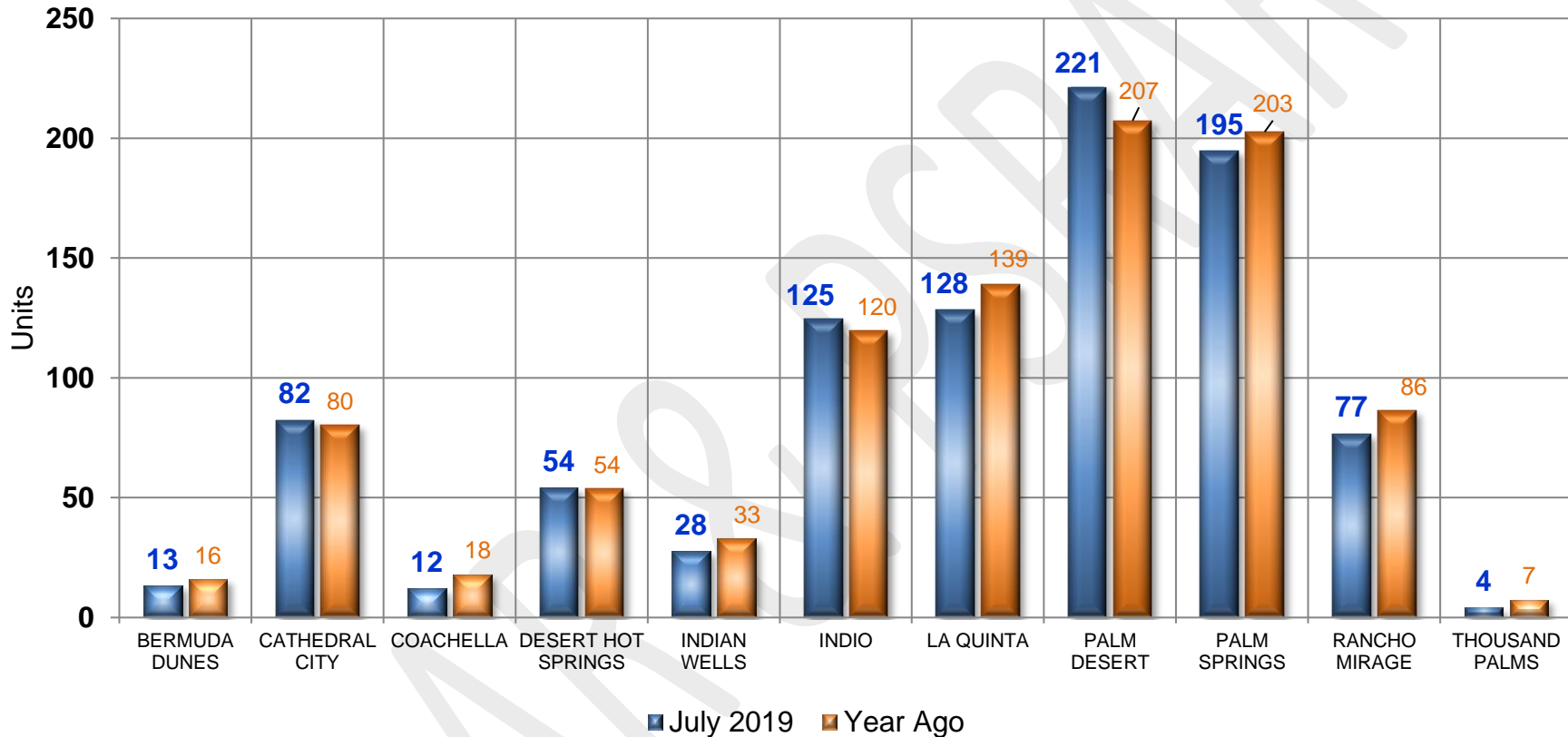
12 month moving average



Monthly Sales – 12-month trailing avg.

Total sales over the long term (12 months) have been averaging 796 units a month, which is down 56 units or 6.6% below last year. This, however, is an improvement as the chart clearly shows, with the number leveling off around 800 units for the last four months. We expect long term sales to stay around this average for a while. Of this, detached sales are off 4.4% while attached sales are off 10.5%.

Home Sales by City 3 month avg sales

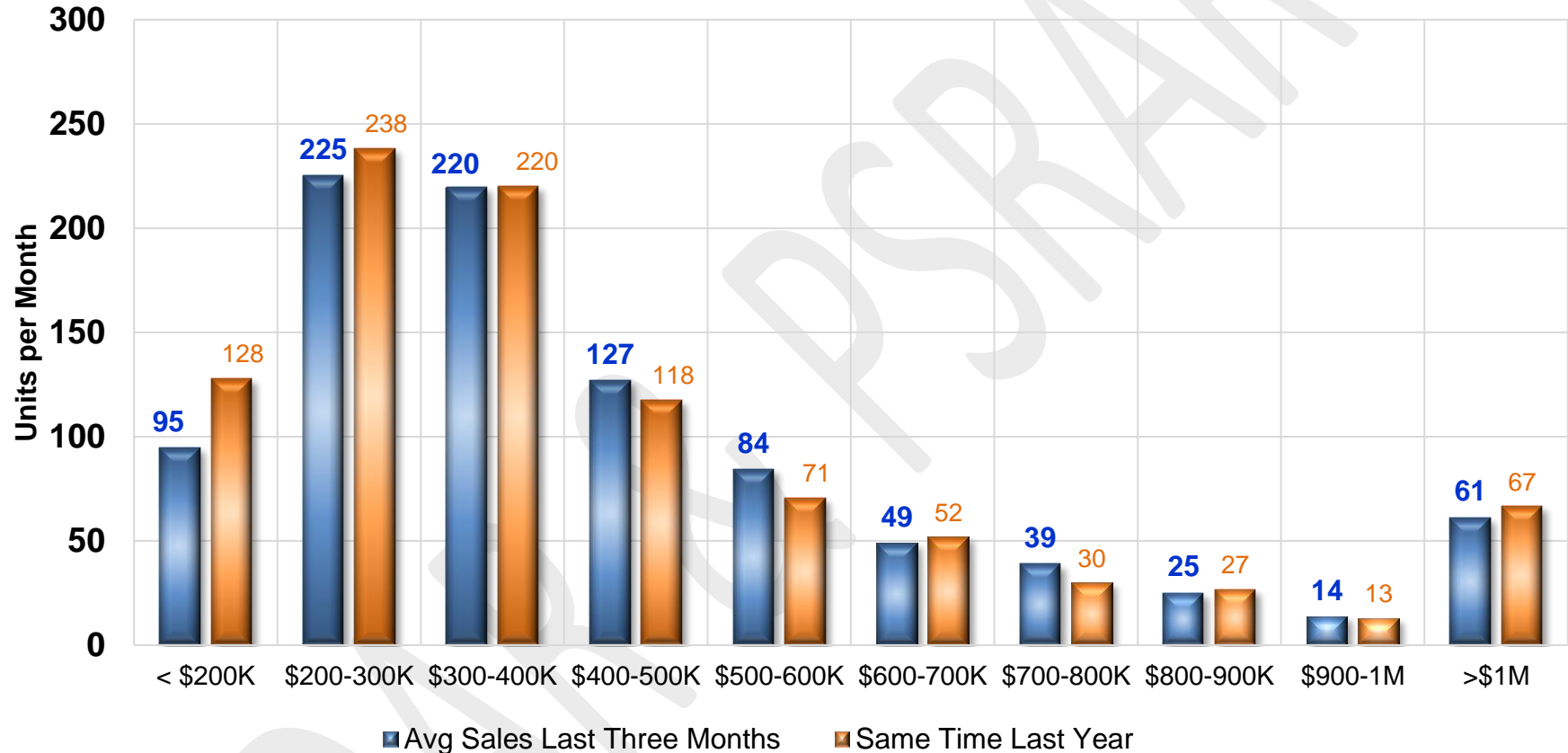


Home Sales per month by City

Of 11 cities in the Valley, three show higher sales – Indio, Palm Desert and Cathedral City – and seven cities show lower sales. Sales in Desert Hot Springs are the same. Most of the year over year changes are small except for Rancho Mirage, Coachella and Palm Desert, where sales differences range from 6% to 33%. Sales of two cities, Palm Springs and Palm Desert, account for 44% of total sales.

Home Sales by Price Range

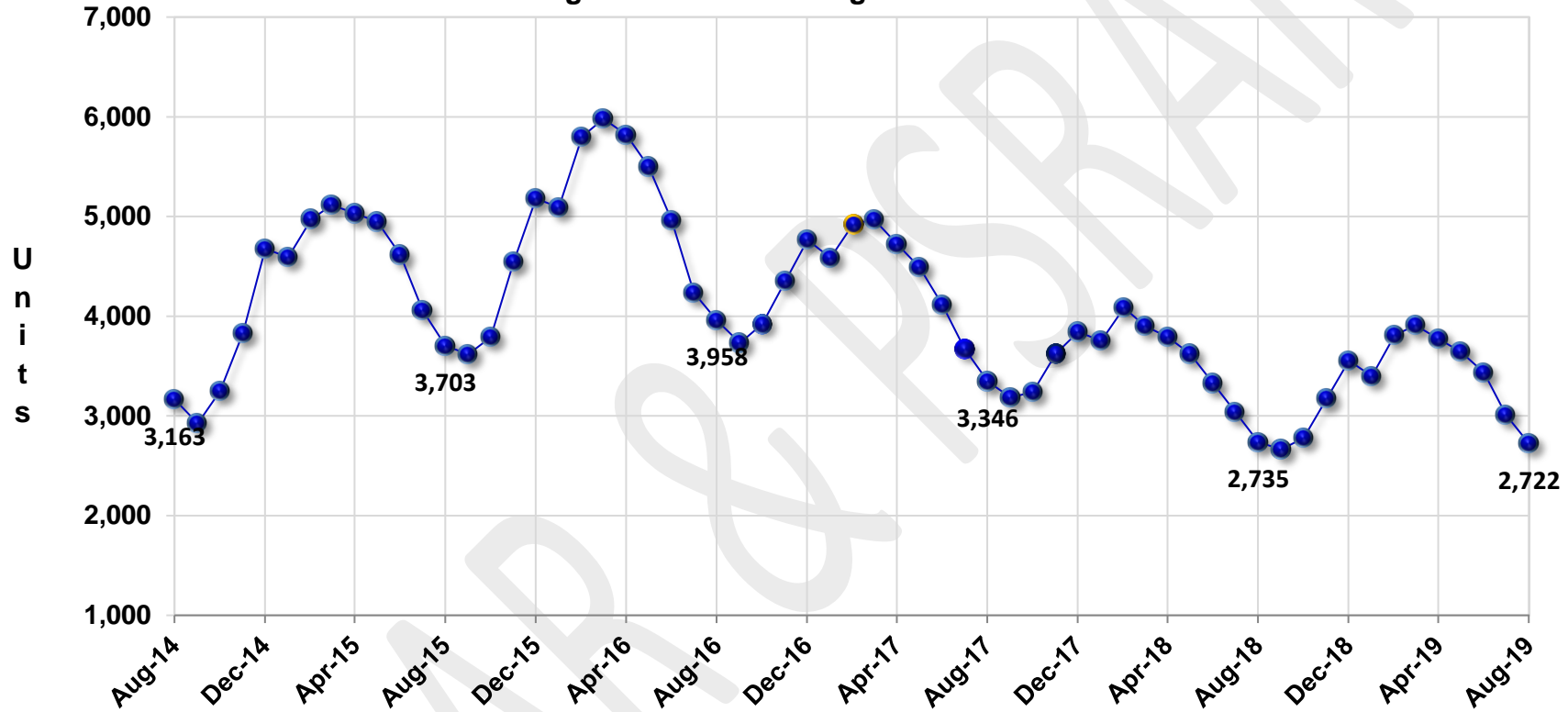
3 mos avg



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 \$200,000. In this price range sales are down 25% from a year ago. Most of this decline is due to the overall price rise; there are simply fewer and fewer homes and condos selling for under \$200,000. It is also notable that sales of homes over a million dollars is down slightly from 67 units a month to 61 units. This statistic deserves watching over the coming months to see if it's an anomaly or an emerging trend.

Valley Housing Inventory August 1st 2014 to August 1st 2019

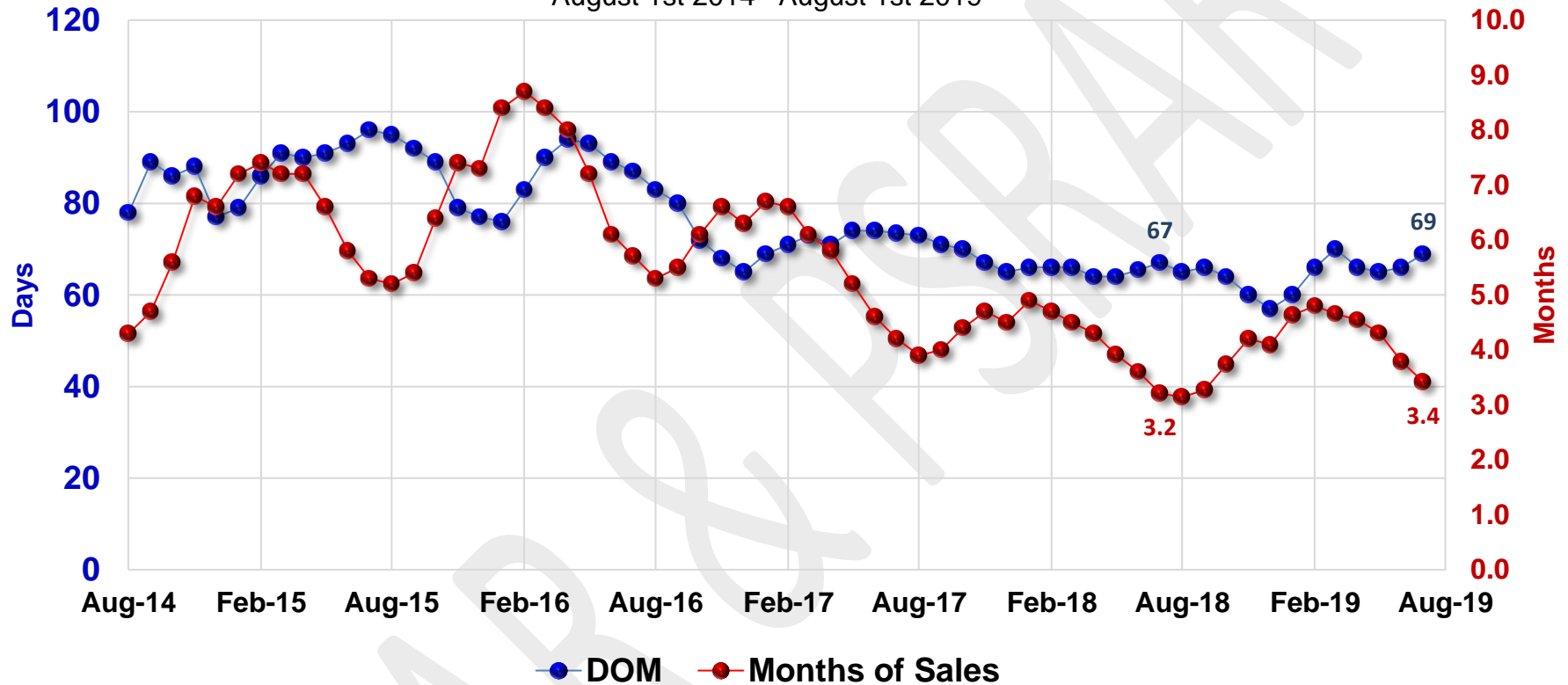


Coachella Valley Inventory

Inventory on August 1 was 2,722 units, which is the lowest August number in the last five years. The inventory pattern is for seasonal lows to be made in September, followed by a steady rise until high numbers are made usually in the month of March. We expect this seasonal pattern to continue this year. While low inventory makes it more difficult to find acceptable homes for homebuyers, it is an important factor for maintaining and continuing price gains.

"Days on the Market" & "Months of Sales"

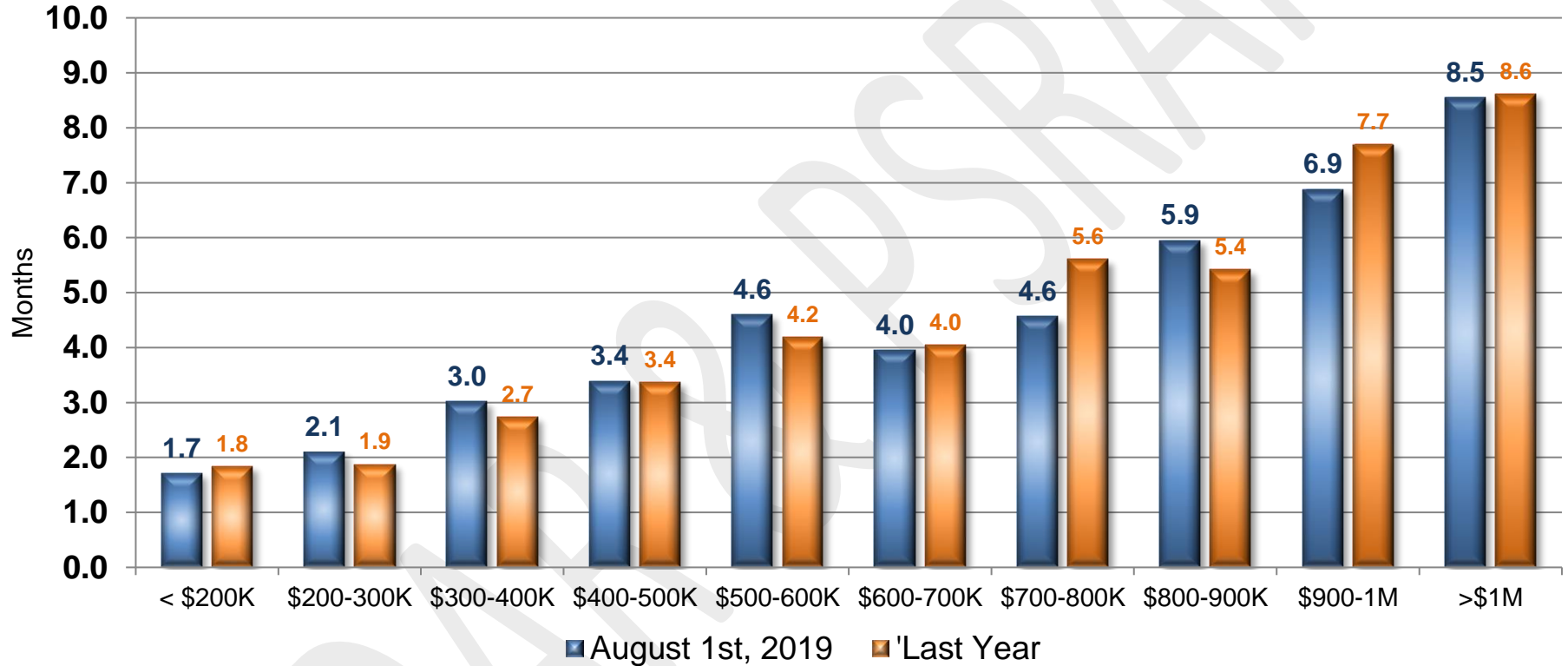
August 1st 2014 - August 1st 2019



"Days on the Market" and "Months of Sales"

On August 1st the "months of sales" ratio, which is inventory divided by the average sales rate over 12 months, was 3.4 months. This is a comparable number to the 3.2 ratio on August 1st last year. In the Valley any number under four months is near historically low numbers. As can be seen in the graph this ratio is also very seasonal. At 69 days, the median value of "days on the market" is just two days more than it was a year ago. Readings of these two metrics – "Months of Sales" and "Days on the Market" - are positive indicators for a continuation of the higher price trend.

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

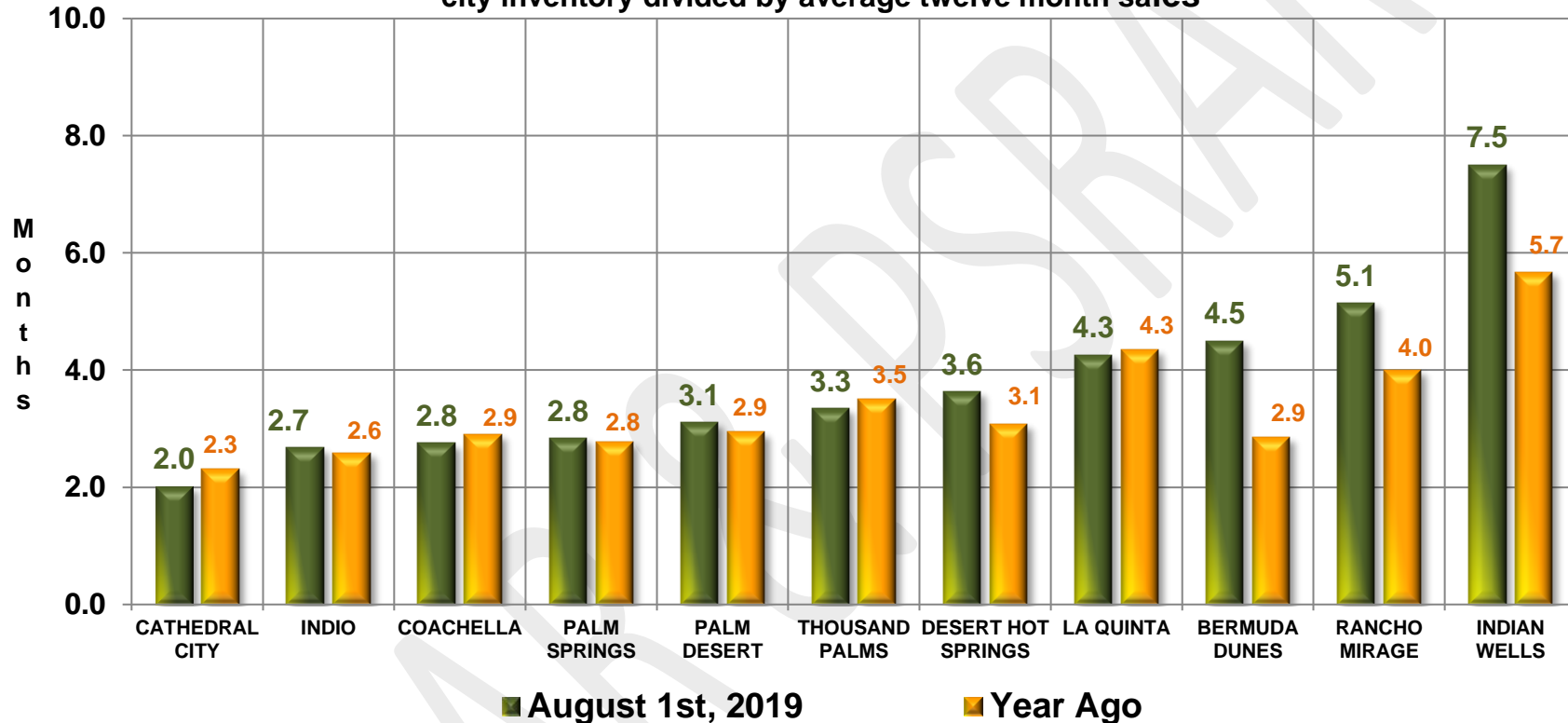


"Months of Sales" by Price Range

When we look at the "months of sales" ratio in the different price brackets, we see the consistent pattern of comparable ratios in all brackets to those of last year. This means that the positive indication for a continuation of higher prices seen on the previous chart is across all price ranges, from the low end to homes priced over a million dollars.

"Months of Sales" by City

city inventory divided by average twelve month sales

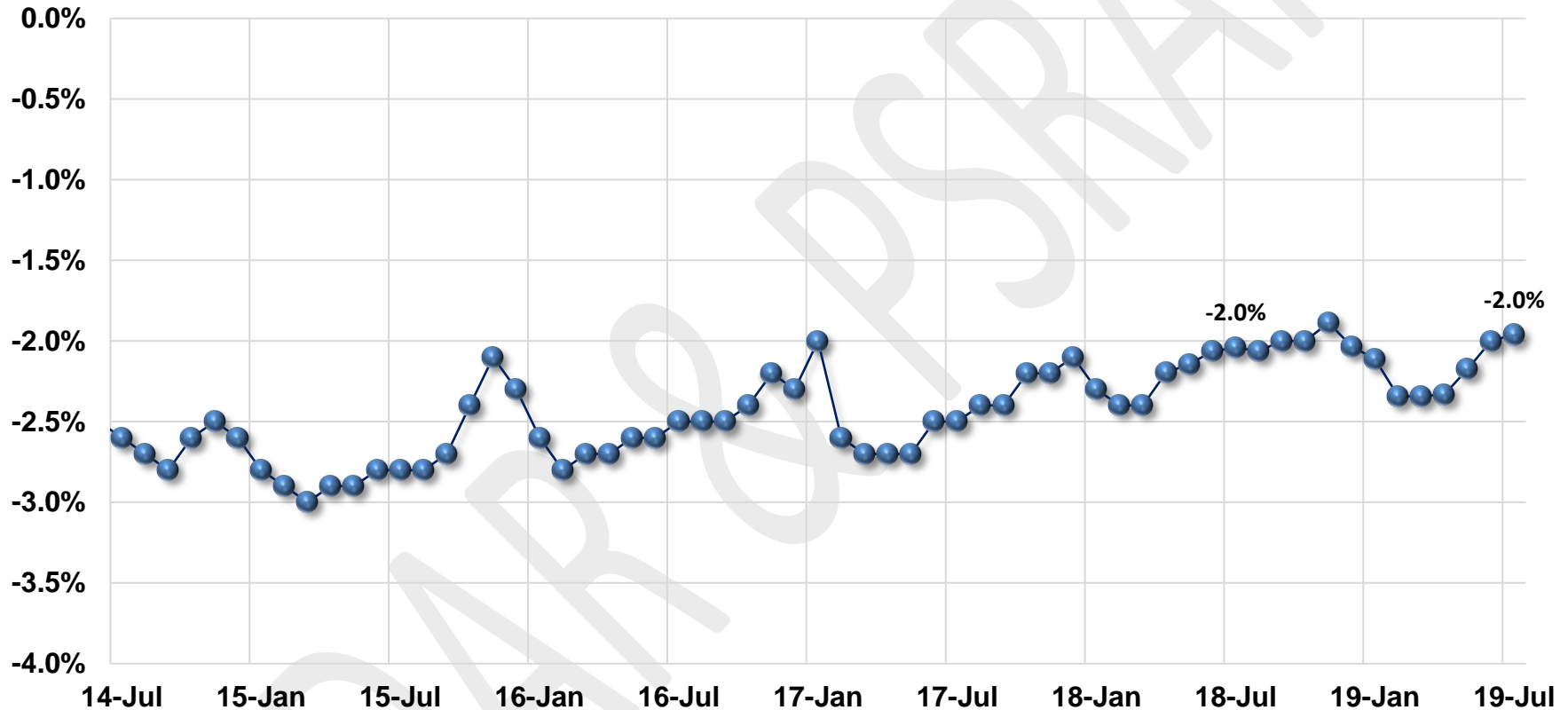


"Months of Sales" by City

The above graph shows the "month of sales" ratio for eleven Valley cities against the ratio a year ago, ranked lowest to highest. All cities have comparable ratios to last year except Bermuda Dunes, Rancho Mirage and Indian Wells. However the higher ratios for these three cities are still at acceptable levels. These city ratios and the previous chart showing positive ratios at all price brackets indicate to us a solid housing market for the Valley without any signs of price or market excesses.

Sales Price Discount from List

July 2014 to July 2019



Sale Price Discount from List

The latest “Sale Price Discount from List” is -2.0%, which is exactly equal to last month and last year. This ratio means the average home listed for \$400,000 sold for \$392,000 for an \$8,000 price 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