

## Coachella Valley Median Detached Home Price

October 2002 - October 2020



### Summary

The median price in October for a detached home in the Valley was \$510,000, which is up 27% over a year ago. The median attached home price in October was \$315,000, up 12.7% over last year. Seven cities now have year-over-year double digit price increases for detached homes. The four cities with the largest increase – La Quinta, Desert Hot Springs, Cathedral City and Palm Springs – range from 17.3% to 38.9%. Detached home sales are averaging 755 a month compared to 525 a year ago while total sales, which includes detached and attached homes, is 1,120 units a month. Valley inventory continues to hover at historically low levels. On November 1st there were only 2,014 units for sale. Because of growing sales and record low inventory, the “months of sales” ratio is again at a record low of 2.4 months. The previous November 1st the ratio was 3.8 months. The October median value for “Sale Price Discount from List” was -1.0%. This number implies that an average house offered at \$500,000 sold for \$495,000. In many instances we are seeing homes sell for more than their asking price.

## Coachella Valley Median Attached Price

October 2002 - October 2020

Median Price

\$400,000

\$350,000

\$300,000

\$250,000

\$200,000

\$150,000

Oct-03

Oct-04

Oct-05

Oct-06

Oct-07

Oct-08

Oct-09

Oct-10

Oct-11

Oct-12

Oct-13

Oct-14

Oct-15

Oct-16

Oct-17

Oct-18

Oct-19

Oct-20

● CV Attached Median Price

— 3% Growth Curve

\$310,000

\$275,000

## Coachella Valley Attached Median Price

The median attached home price in October was \$315,000, up 12.7% over last year. It is clear from the price chart that attached home prices are beginning to accelerate and catch up to the movement of detached homes. Just like with detached homes, the normal seasonal price pattern of price weakness between June and September did not occur this year. In our opinion this is a positive sign for prices going forward.



# The Desert Housing Report

October 2020



## Detached Homes

City	Oct-20	Year Ago	12 mo change	2011 Low	Gain off 2011 Low	2006 High	% from High
La Quinta	\$625,000	\$450,000	38.9%	\$245,000	155.1%	\$682,020	-8.4%
Desert Hot Springs	\$275,000	\$231,000	19.0%	\$85,000	223.5%	\$295,000	-6.8%
Cathedral City	\$400,000	\$338,500	18.2%	\$139,000	187.8%	\$395,000	1.3%
Palm Springs	\$785,000	\$669,000	17.3%	\$335,000	134.3%	\$600,000	30.8%
Palm Desert	\$480,000	\$415,000	15.7%	\$287,000	67.2%	\$543,000	-11.6%
Indio	\$378,379	\$340,000	11.3%	\$158,500	138.7%	\$380,500	-0.6%
City of Coachella	\$295,000	\$267,000	10.5%	\$121,950	141.9%	\$335,000	-11.9%
Rancho Mirage	\$736,500	\$678,000	8.6%	\$423,000	74.1%	\$950,000	-22.5%
Indian Wells	\$907,500	\$1,000,000	-9.3%	\$540,000	68.1%	\$1,205,000	-24.7%

## Attached Homes

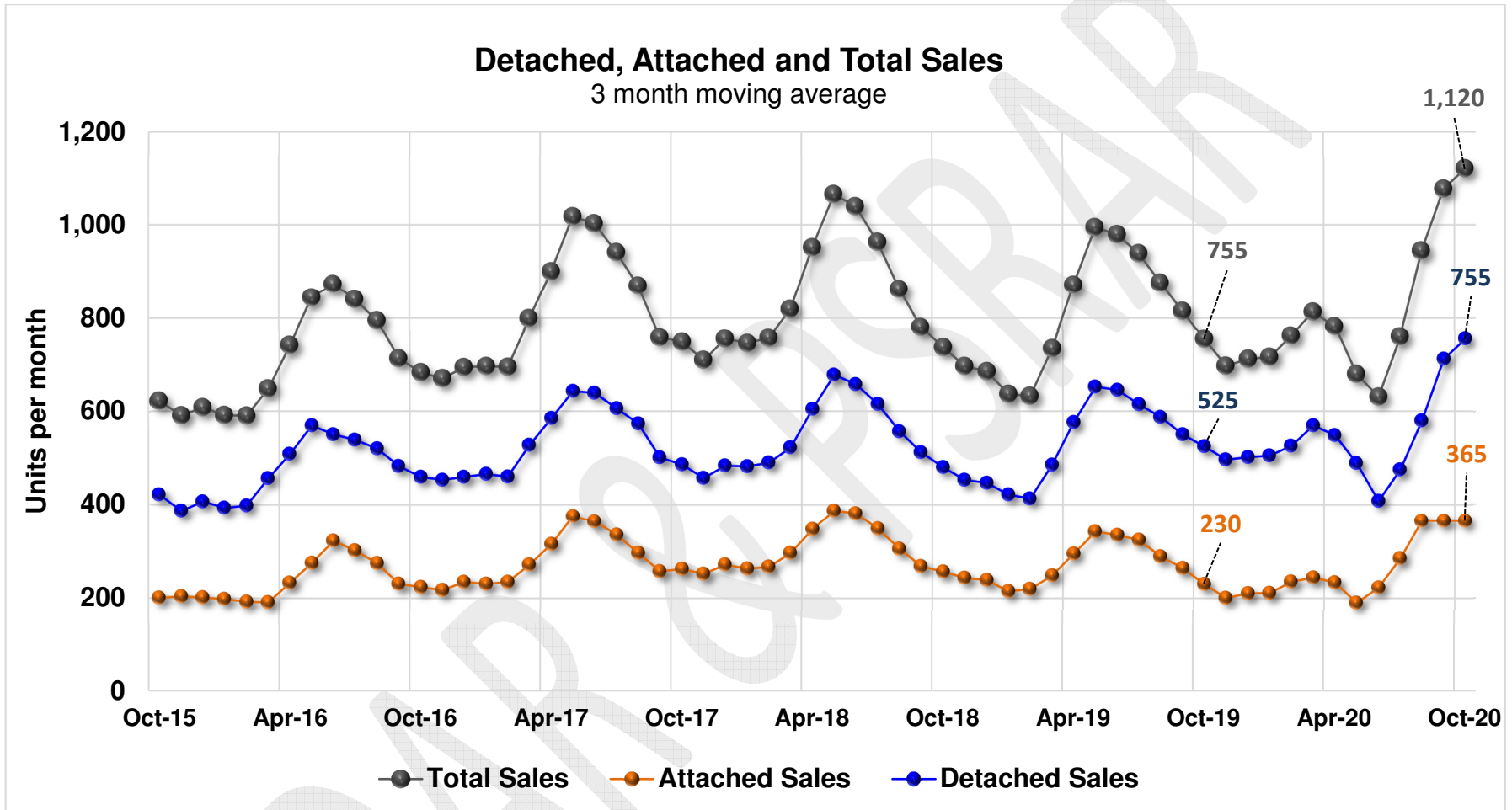
City	Oct-20	Year Ago	12 Month Change	2011 Low	Gain off 2011 Low	2006 High	% from High
La Quinta	\$385,000	\$332,000	16.0%	\$265,000	45.3%	\$532,500	-27.7%
Palm Springs	\$300,000	\$260,000	15.4%	\$150,000	100.0%	\$350,000	-14.3%
Rancho Mirage	\$380,000	\$340,000	11.8%	\$260,000	46.2%	\$510,000	-25.5%
Indian Wells	\$455,000	\$420,000	8.3%	\$321,500	41.5%	\$557,500	-18.4%
Palm Desert	\$312,500	\$292,500	6.8%	\$175,000	78.6%	\$410,000	-23.8%
Cathedral City	\$197,000	\$189,950	3.7%	\$107,500	83.3%	\$270,500	-27.2%
Indio	\$175,000	\$203,500	-14.0%	\$75,000	133.3%	\$279,000	-37.3%
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

These tables compare the median price of detached and attached homes in the nine major cities of the Coachella Valley. Seven cities now have year-over-year double digit price increases for detached homes. The four cities with the largest increase – La Quinta, Desert Hot Springs, Cathedral City and Palm Springs – range from 17.3% to 38.9%. The median detached home price in Palm Springs is now 30% above the all-time high made in 2006. Three cities show double-digit price increases for attached homes – La Quinta, Palm Springs and Rancho Mirage.

Produced for Valley agents through the sponsorship and cooperation of PSRAR and CDAR by Market Watch LLC

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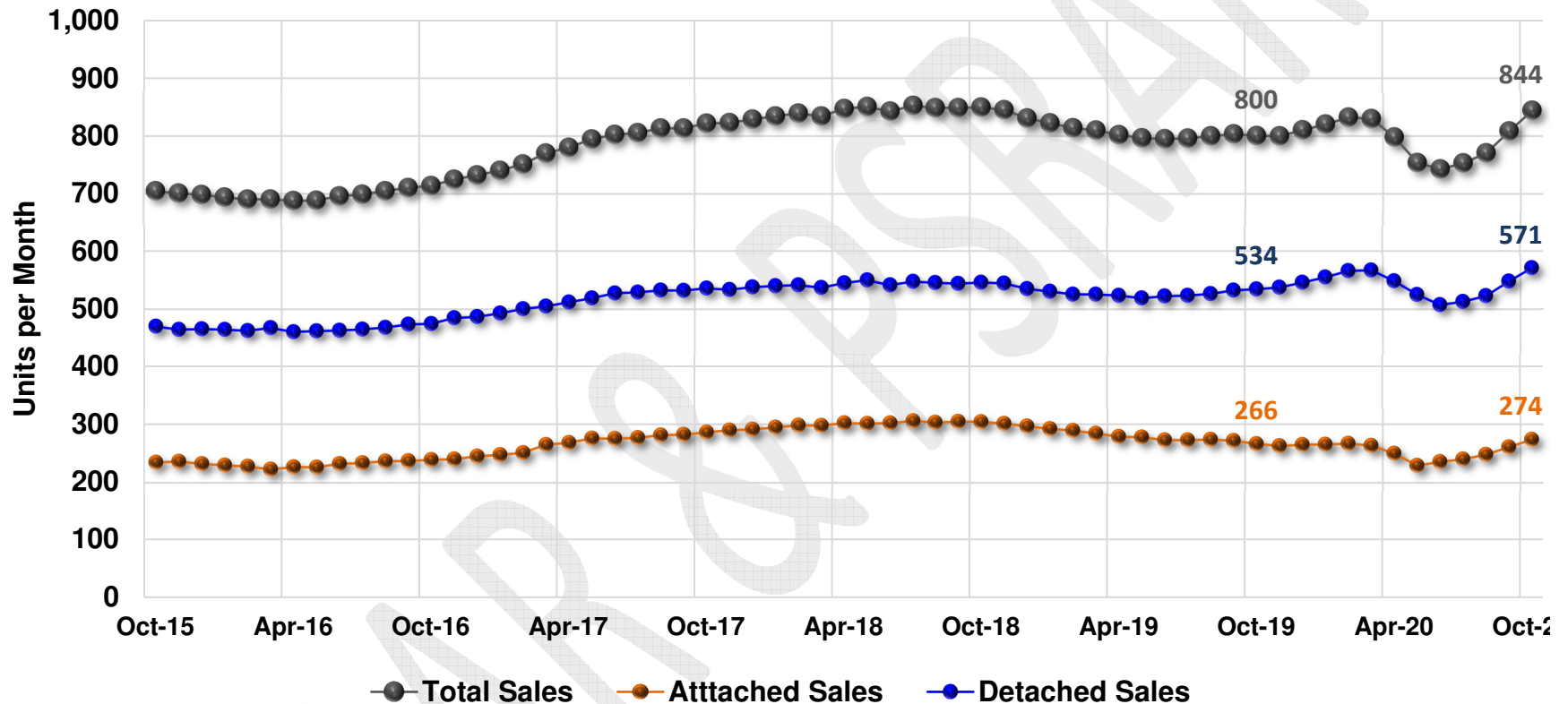


### Monthly Sales – 3-month trailing avg.

As the three-month sales chart clearly shows, sales continue to surge in the Valley. Detached home sales are averaging 755 a month compared to 525 a year ago while total sales, which includes detached and attached homes, is 1,120 units a month. We are not seeing seasonal sales weakness that normally occurs between April and November. We believe this is a positive indicator for home prices as we move into the heavy part of the selling season.

## Detached, Attached and Total Sales

12 month moving average

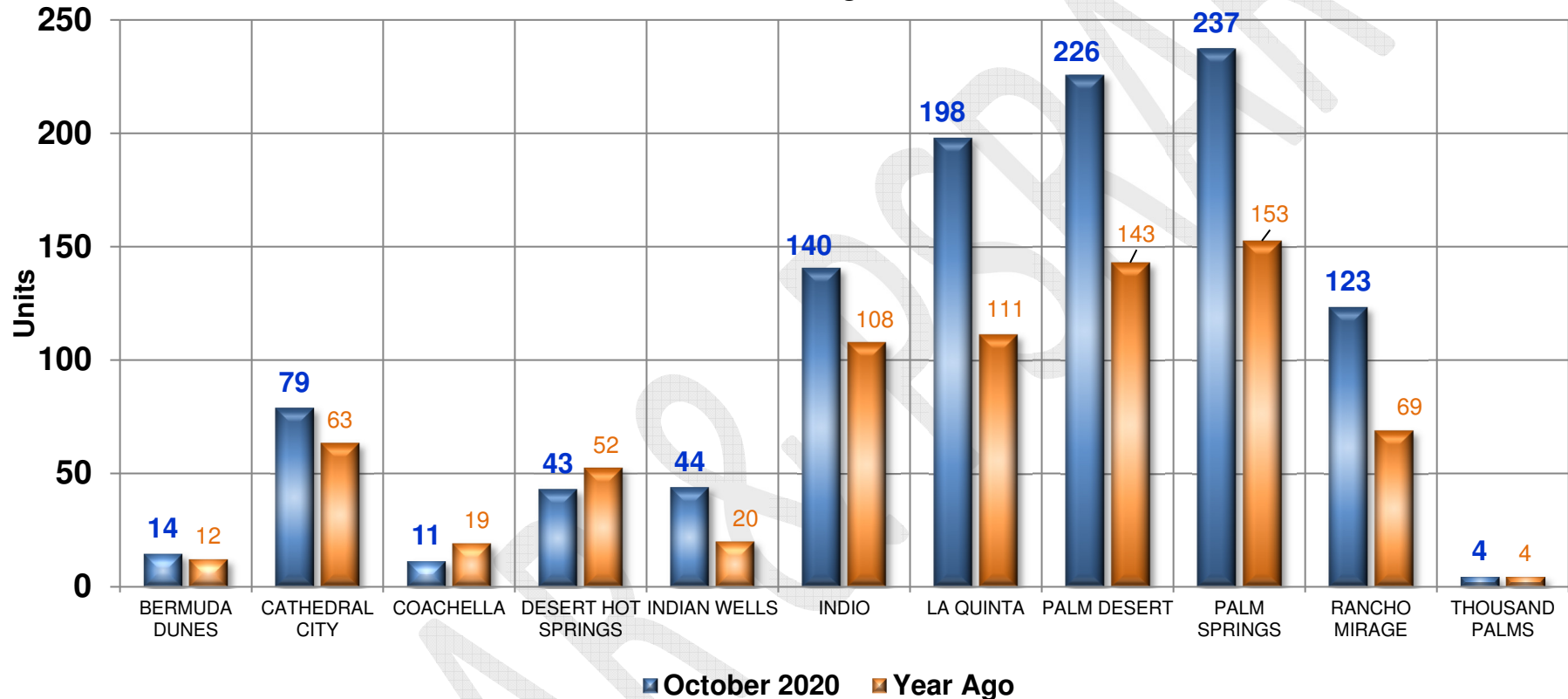


### Monthly Sales – 12-month trailing avg.

Total sales over the last 12 months, a period that removes any seasonal pattern, is averaging 844 units a month. This is 5% above year ago levels. You can clearly see in the chart the falloff in sales during the March to June quarantine and also the recovery to higher levels, which started around June. Since this is a 12 month average it responds much slower to sales changes than shorter-term measurements, such as with the three-month average. This means the high level of sales currently shown in the shorter-term metric will translate to higher numbers for this average over the next six months.



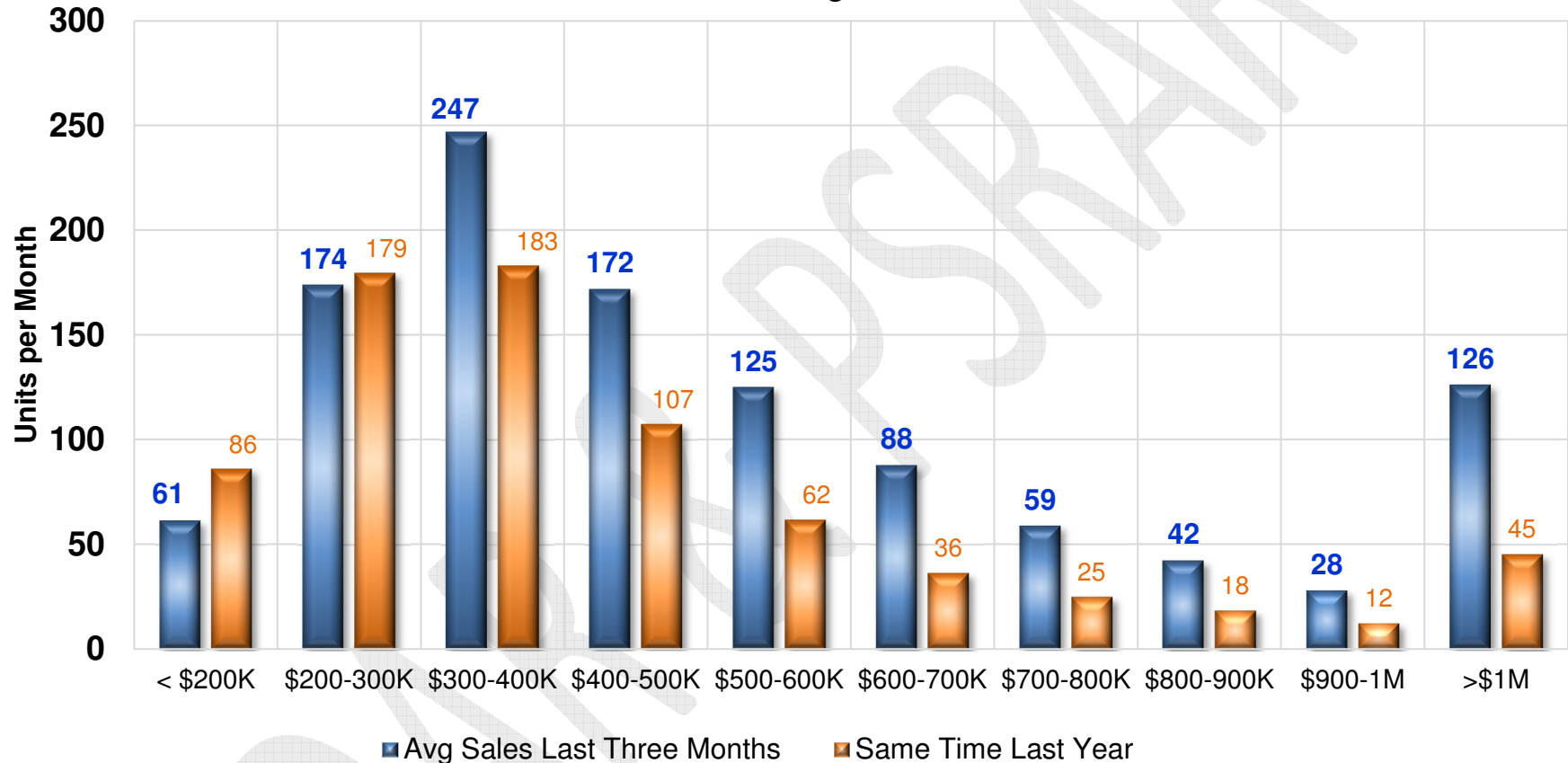
## Home Sales by City 3 month avg sales



## Home Sales per month by City

This graph compares average three-month sales in eleven cities to sales a year ago. The four cities that stand out are La Quinta, Palm Desert, Palm Springs and Rancho Mirage. In these, sales increases range from 55% to 78%, which are truly amazing numbers considering we are in the midst of a national pandemic. The cities of Cathedral City, Desert Hot Springs and Indio show smaller increases, but this is because sales in these cities rely on the local workforce and currently jobs in the service area are under stress.

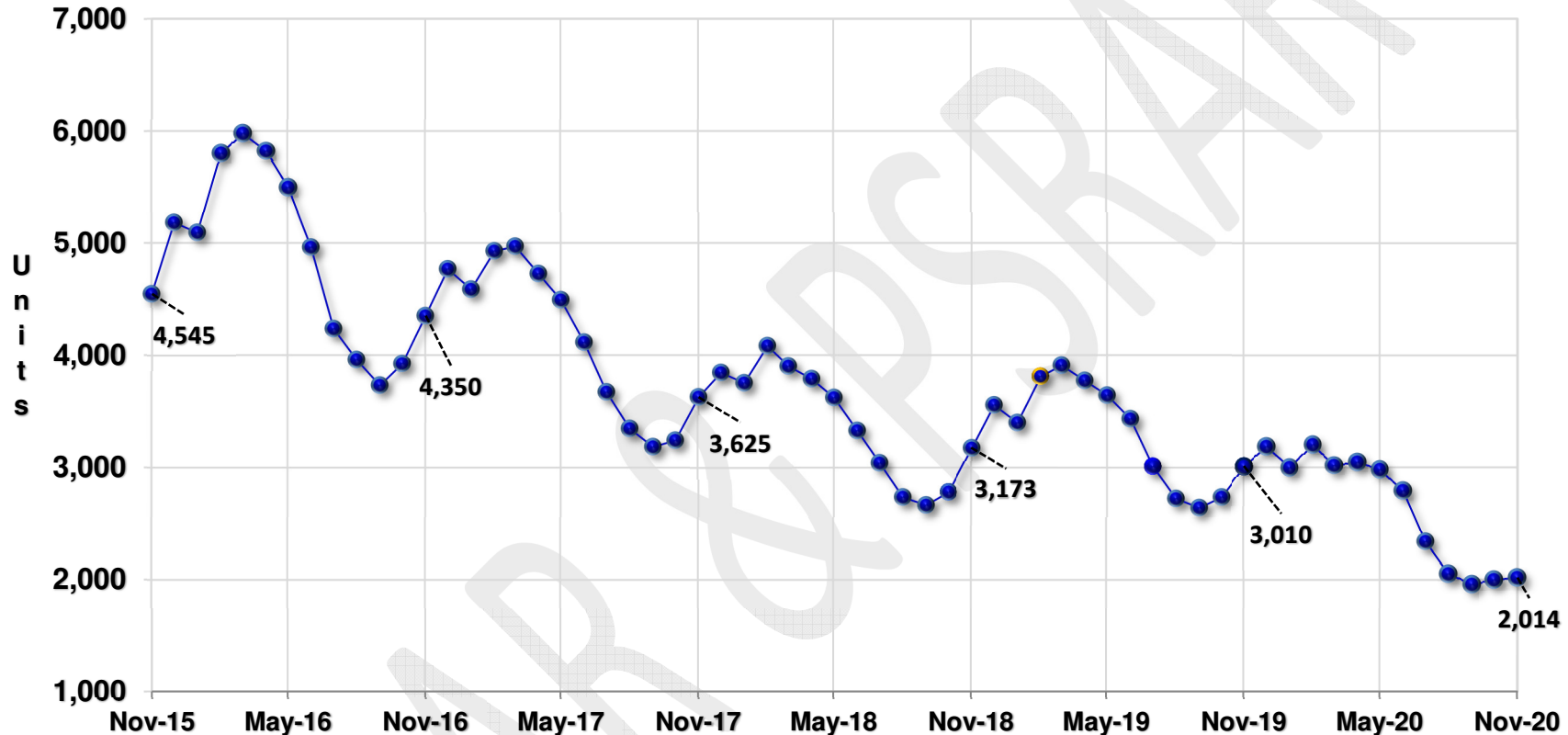
## Home Sales by Price Range 3 mos avg



## Home Sales by Price Range

When we measure sales in different price brackets, we find the largest increases begin in homes priced over \$500,000. In fact, by far the largest percentage sales increases are in homes priced over \$900,000. In the price bracket from \$700k to \$800k, sales increased 136%. In the million-dollar and over price bracket, sales went from an average of 45 units a month to 126 units a month, which is an increase of 180%. There is no doubt buyer focus is currently in the higher priced markets.

## Valley Housing Inventory

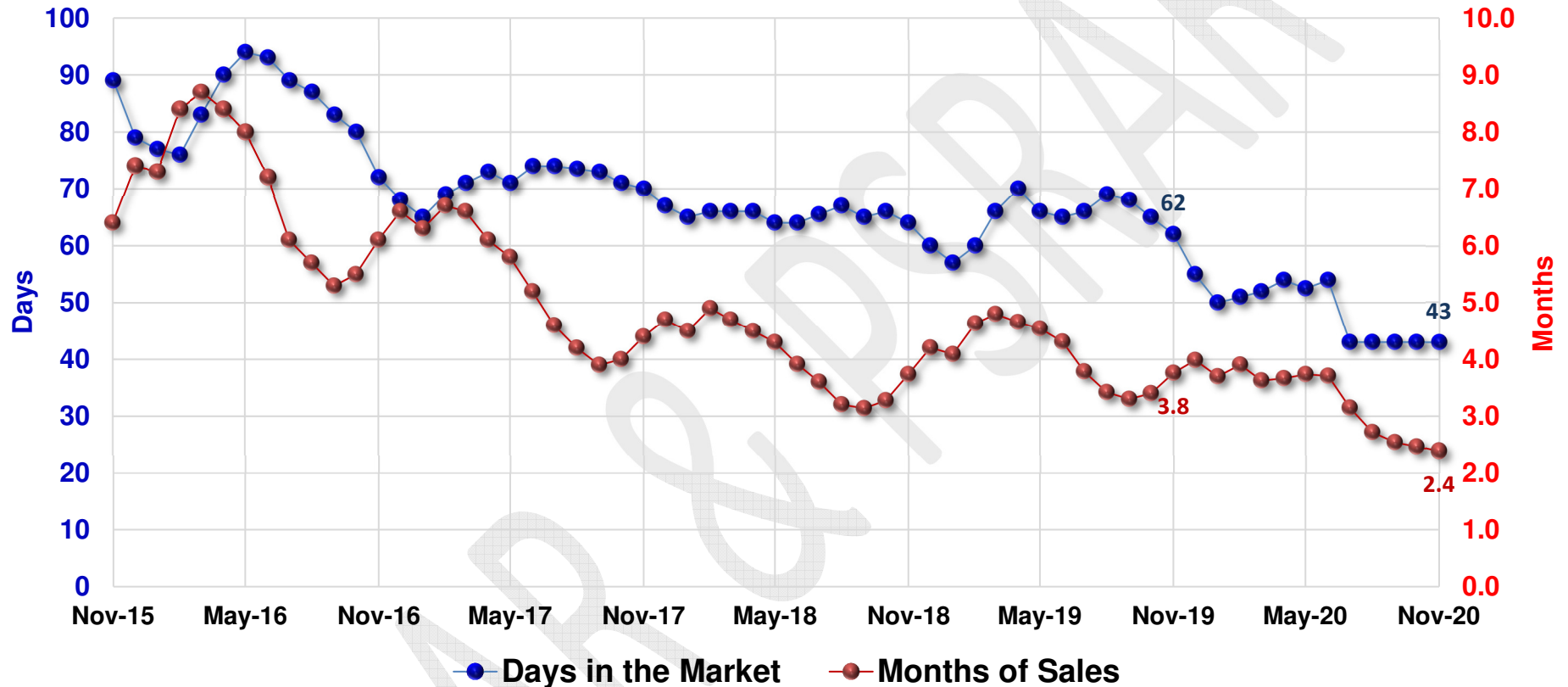


### Coachella Valley Inventory

Valley inventory continues to hover at historically low levels. On November 1st there were only 2,014 units for sale. As you can see from the chart this is far below previous years. Last year there were 3,010 units for sale, and the year before that 3,173 units. Although many attribute the low inventory to the current pandemic we want to point out that inventory has been continually declining now for over five years, so the cause of current low inventory might be more complicated than many believe.



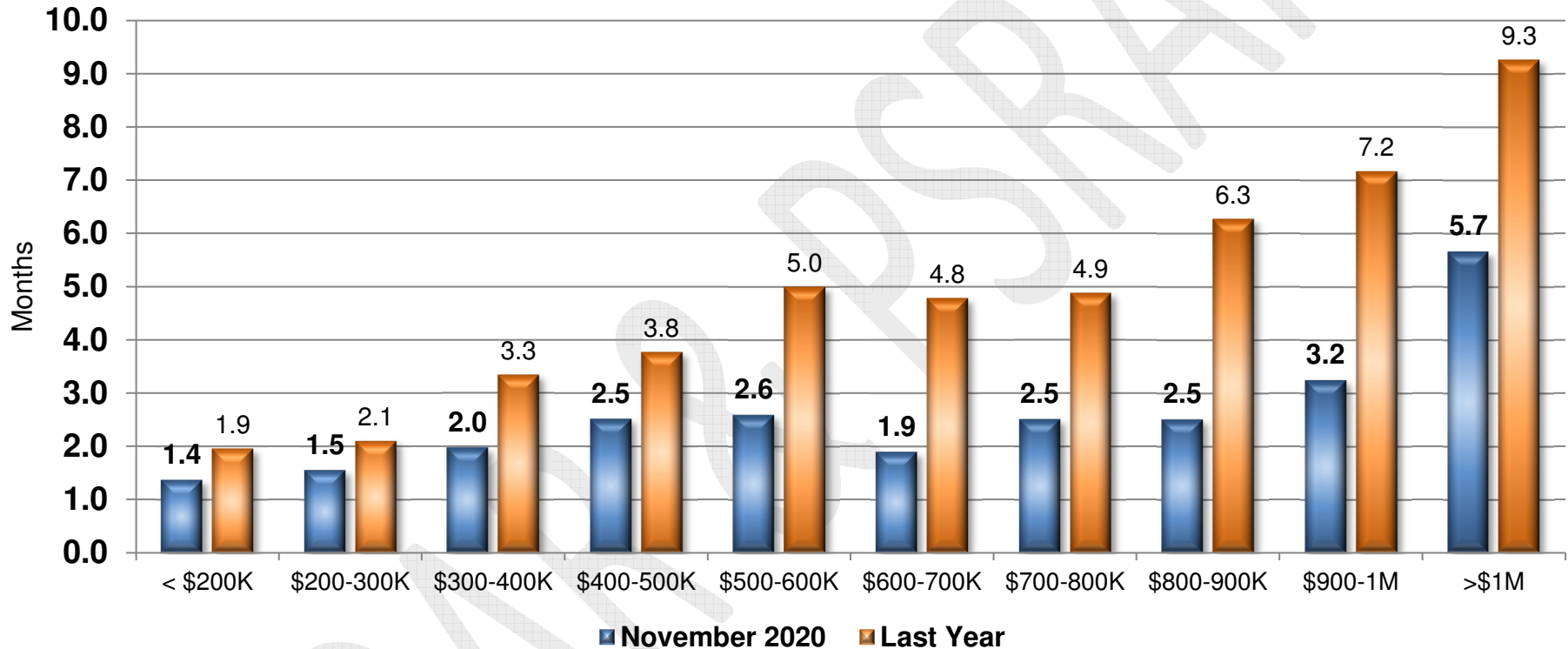
## Days on the Market & Months of Sales November 1st 2015 - November 1st 2020



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

Because of growing sales and record low inventory, the “months of sales” ratio is again at a record low of 2.4 months. The previous November 1<sup>st</sup> the ratio was 3.8 months. The region’s current ratio of 2.4 months is the lowest in history. This indicator is confirmed by another important time metric called the median number of “days in the market”, which is currently at 43 days compared to 62 days a year ago.

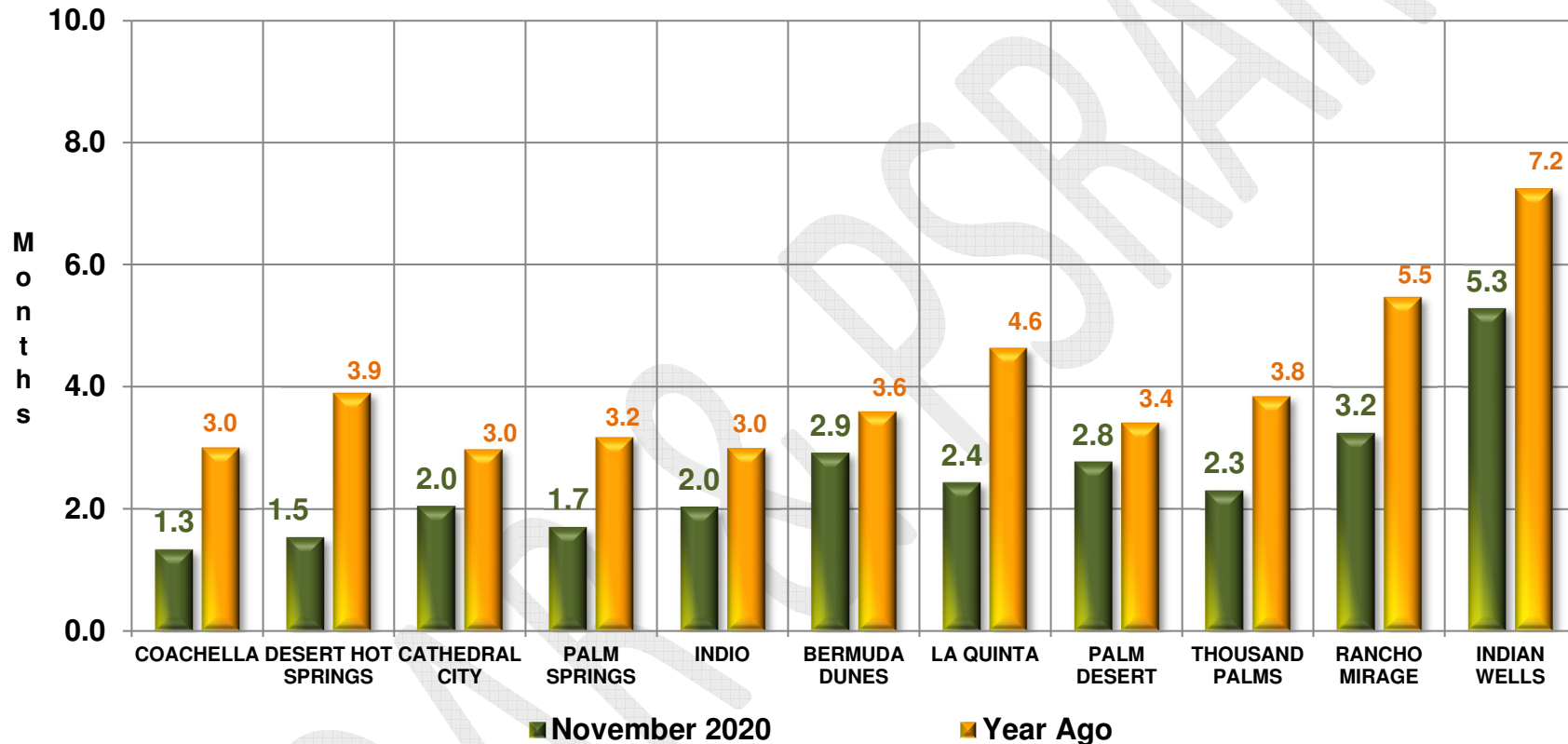
## "Months of Sales" by Price Range uses avg. twelve month sales November 1st 2020



## "Months of Sales" by Price Range

The "months of sales" ratio in each price bracket continues to be below year ago levels. The ratio is less than three months in every price bracket under \$900,000. This is again confirmation that the strong housing market is across all price ranges. Of particular note are the extremely low ratios from \$600k to \$900k, which is unusual for such high priced markets.

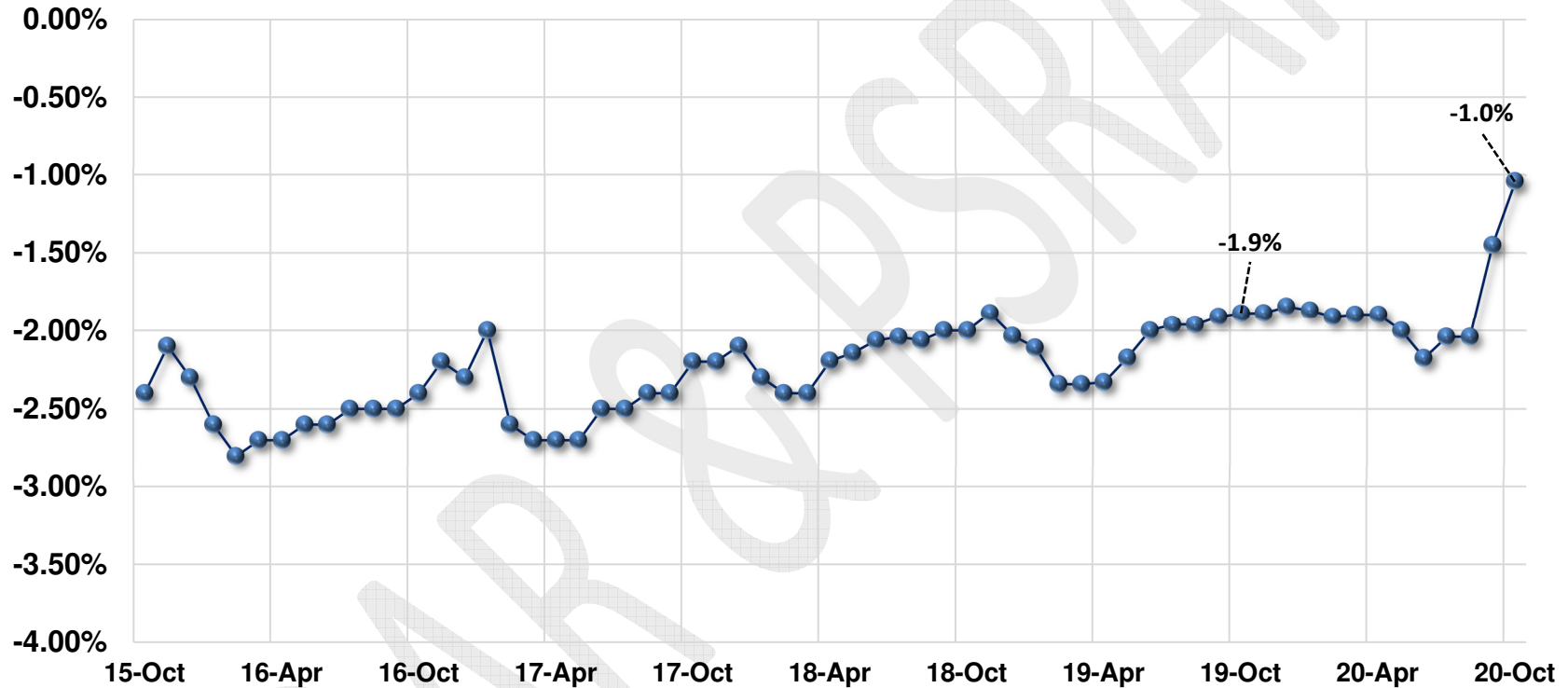
## "Months of Sales" by City city inventory divided by average twelve month sales



## "Months of Sales" by City

On November 1<sup>st</sup>, the "months of sales" ratio in nine of the region's eleven cities was less than three months. Of note are the large declines in the ratios for the cities of La Quinta and Palm Springs. These two cities continue to stand out as the cities that are leading this pandemic housing surge that we are seeing in the region.

## Sales Price Discount from List October 2015 to October 2020



### Sale Price Discount from List

The October median value for “Sale Price Discount from List” was -1.0% which, as the chart clearly shows, continues the significant improvement of the last two months. This number implies that an average house offered at \$500,000 sold for \$495,000. In many instances we are seeing homes sell for more than their asking price.



# The Desert Housing Report

October 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 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.

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