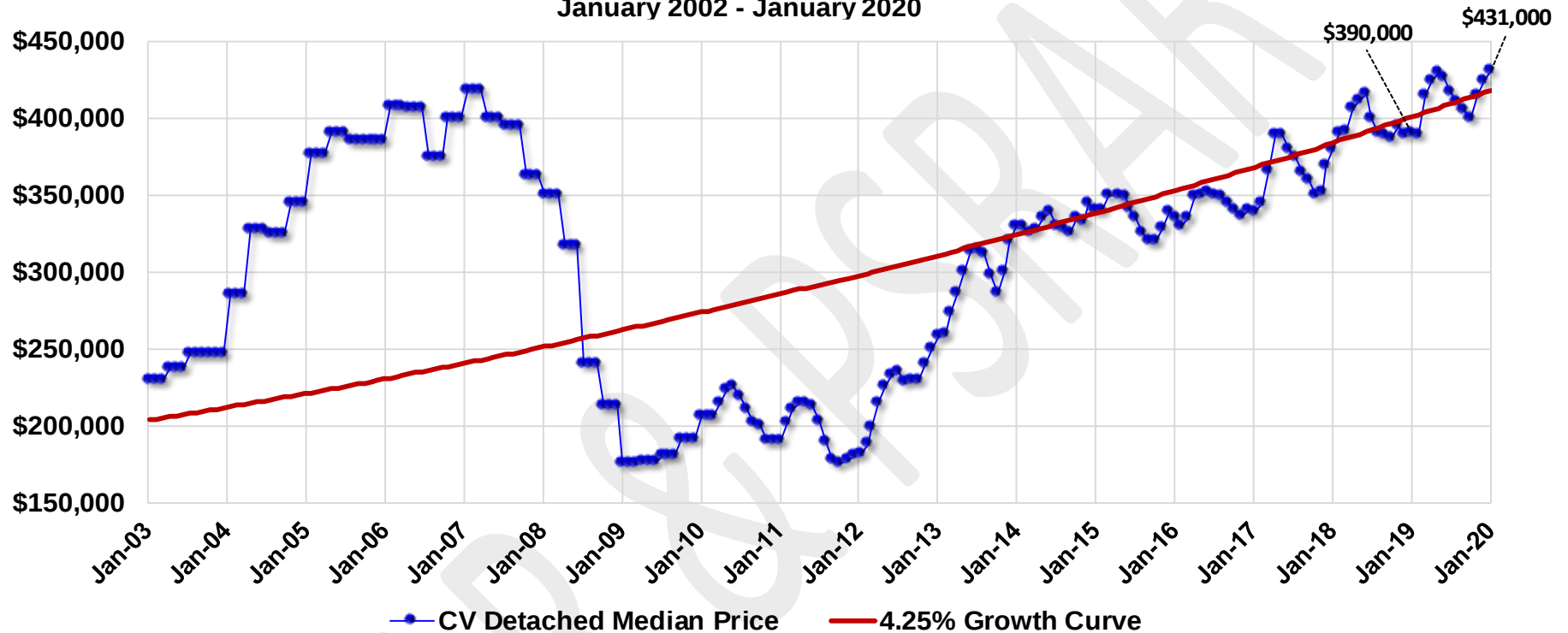


The Desert Housing Report

January 2020

Coachella Valley Median Detached Home Price

January 2002 - January 2020



Summary

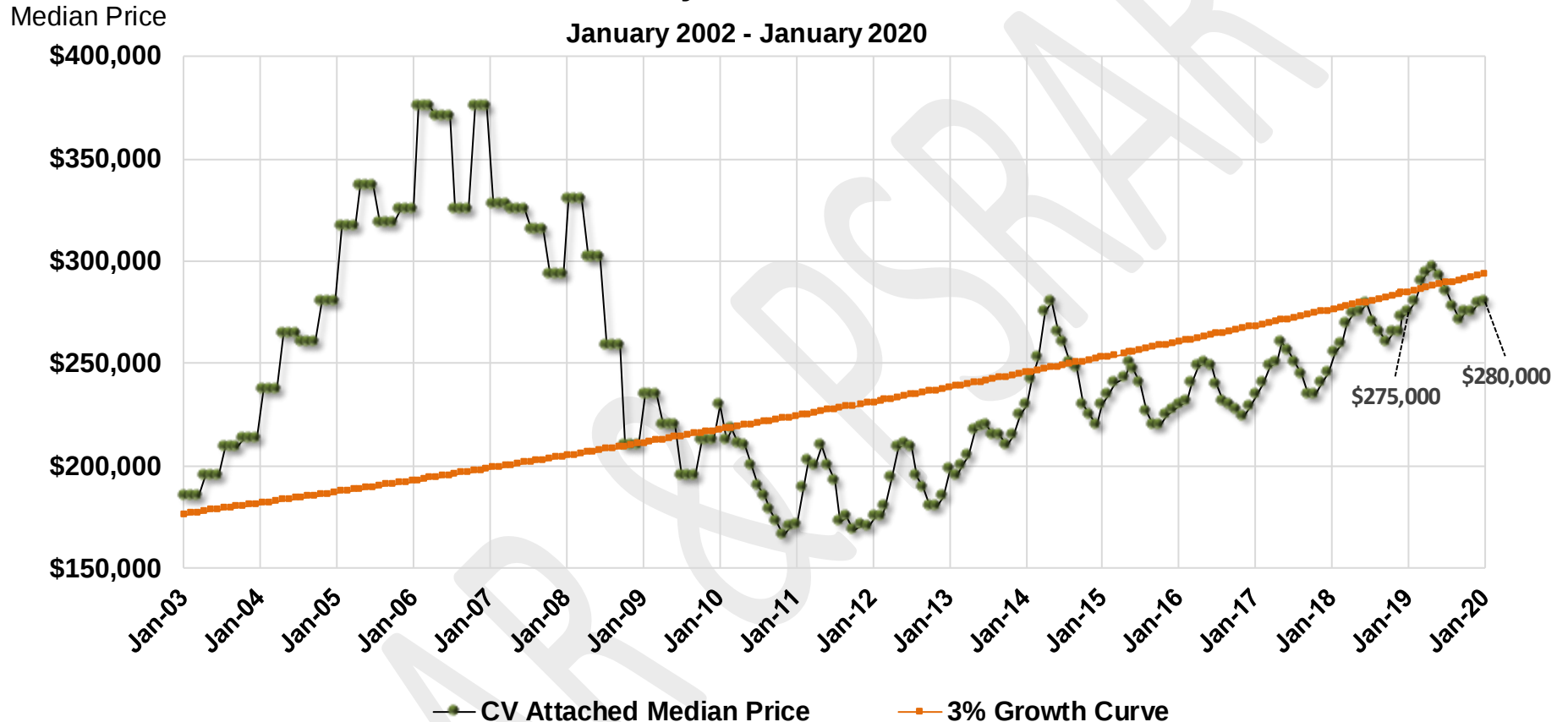
The Valley's median detached home price at the end of January was \$431,000, which is 10.5% above last January. It's clear from the chart that the median price for detached homes started to advance early in the year and is beginning to accelerate. In January the median price for attached homes was \$280,000. This is an increase of only 1.8% over last year. On a city by city basis, median prices continue to rise for detached homes. Seven of the nine cities show strong, positive gains for their median price. Coachella, Palm Desert, and Cathedral City show gains of 8.9%, 8.3% and 8.2% respectively. Over the last 12 months total sales averaged 820 units a month, which is effectively equal to the 822 unit averaged last year. While total sales are effectively equal, sales of detached homes are up 4.5% from year ago, while attached sales are down 9.2%. Inventory has now been declining consistently for four years and the current February 1st number of 3,202 units is the lowest February 1st number in our database. The February 1st "months of sales" ratio was 3.9 months, which compares to 4.8 months last February 1st. This, too, is the lowest February 1st ratio in our database.

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Coachella Valley Median Attached Price

January 2002 - January 2020



Coachella Valley Attached Median Price

In January the median price for attached homes was \$280,000. This is an increase of only 1.8% over last year. Prices this year do not show the same seasonal strength they've shown at this time in the preceding three years and this is a little worrisome. We think it's important that the median attached price begins to strengthen in the next three months before the seasonal price peak, which usually occurs around the month of May.



The Desert Housing Report

January 2020



Detached Homes

City	Jan-20	Year Ago	12 mo change	2011 Low	Gain off 2011 Low	2006 High	% from High
City of Coachella	\$283,000	\$259,900	8.9%	\$121,950	132.1%	\$335,000	-15.5%
Palm Desert	\$449,500	\$415,000	8.3%	\$287,000	56.6%	\$543,000	-17.2%
Cathedral City	\$351,750	\$325,000	8.2%	\$139,000	153.1%	\$395,000	-10.9%
Indio	\$353,000	\$330,000	7.0%	\$158,500	122.7%	\$380,500	-7.2%
Desert Hot Springs	\$235,000	\$223,000	5.4%	\$85,000	176.5%	\$295,000	-20.3%
Palm Springs	\$657,500	\$629,000	4.5%	\$335,000	96.3%	\$600,000	9.6%
Rancho Mirage	\$668,000	\$645,000	3.6%	\$423,000	57.9%	\$950,000	-29.7%
La Quinta	\$530,709	\$538,750	-1.5%	\$245,000	116.6%	\$682,020	-22.2%
Indian Wells	\$826,000	\$960,000	-14.0%	\$540,000	53.0%	\$1,205,000	-31.5%

Attached Homes

City	Jan-20	Year Ago	12 Month Change	2011 Low	Gain off 2011 Low	2006 High	% from High
Cathedral City	\$195,000	\$177,500	9.9%	\$107,500	81.4%	\$270,500	-27.9%
Palm Desert	\$300,000	\$284,300	5.5%	\$175,000	71.4%	\$410,000	-26.8%
La Quinta	\$345,000	\$335,000	3.0%	\$265,000	30.2%	\$532,500	-35.2%
Indian Wells	\$387,000	\$381,500	1.4%	\$321,500	20.4%	\$557,500	-30.6%
Palm Springs	\$254,500	\$259,500	-1.9%	\$150,000	69.7%	\$350,000	-27.3%
Rancho Mirage	\$349,000	\$379,000	-7.9%	\$260,000	34.2%	\$510,000	-31.6%
Indio	\$193,750	\$222,000	-12.7%	\$75,000	158.3%	\$279,000	-30.6%
Desert Hot Springs	\$65,000	\$168,000	-61.3%	\$86,000	-24.4%	\$303,000	-78.5%
City of Coachella	N/A	N/A	N/A	N/A	N/A	N/A	N/A

12 Month Change in City Median Prices

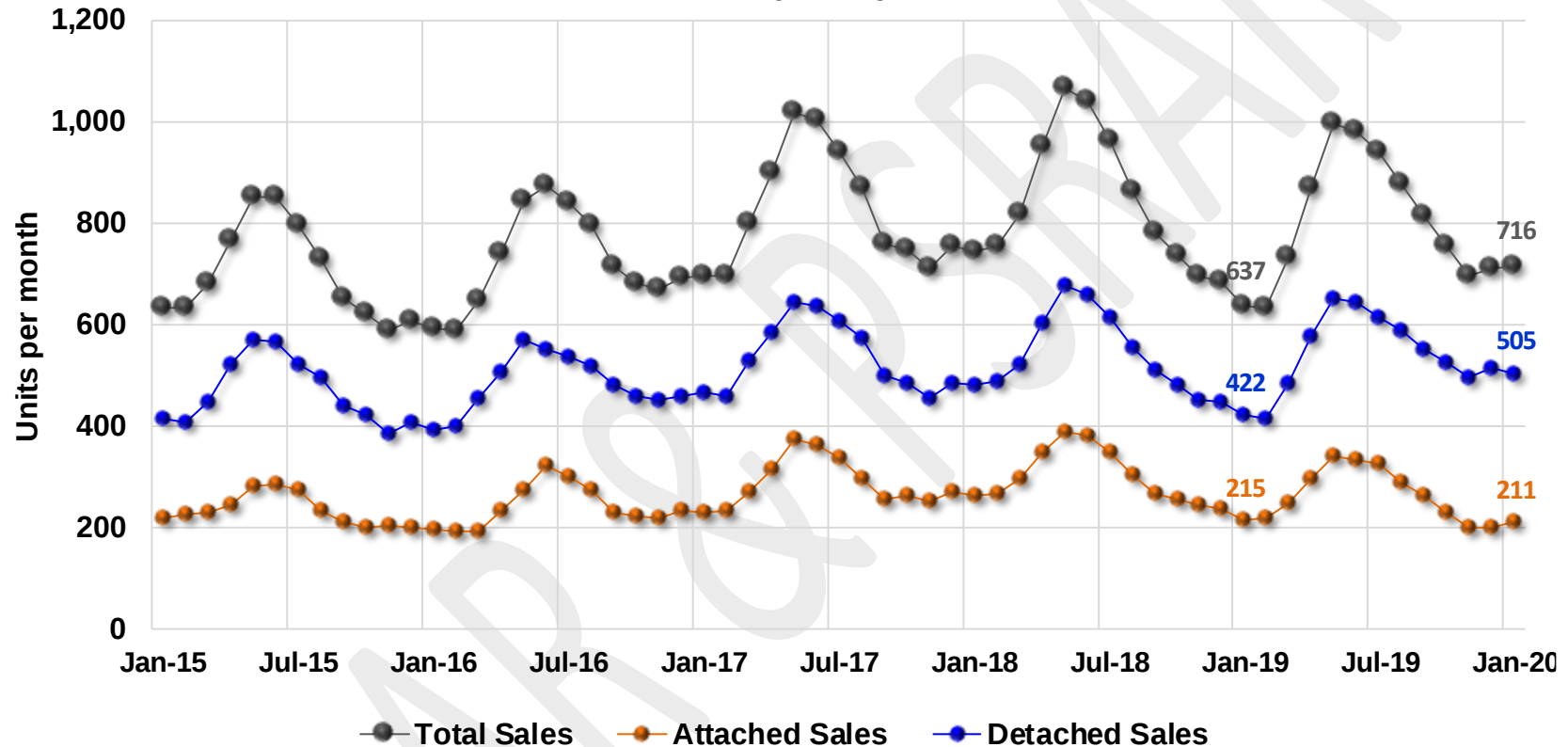
On a city by city basis, median prices continue to rise for detached homes. Seven of the nine cities show strong, positive gains for their median price. Coachella, Palm Desert, and Cathedral City show gains of 8.9%, 8.3% and 8.2% respectively. The median price of Palm Springs is now 9.6% above the all-time high made in 2006. The change in the median price for attached homes in the nine cities is mixed, with four cities – Cathedral City, Palm Desert, La Quinta and Indian Wells - showing positive year-over-year gains and four cities with negative changes. These mixed results somewhat confirm what we saw in the median attached index.

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Detached, Attached and Total Sales

3 month moving average

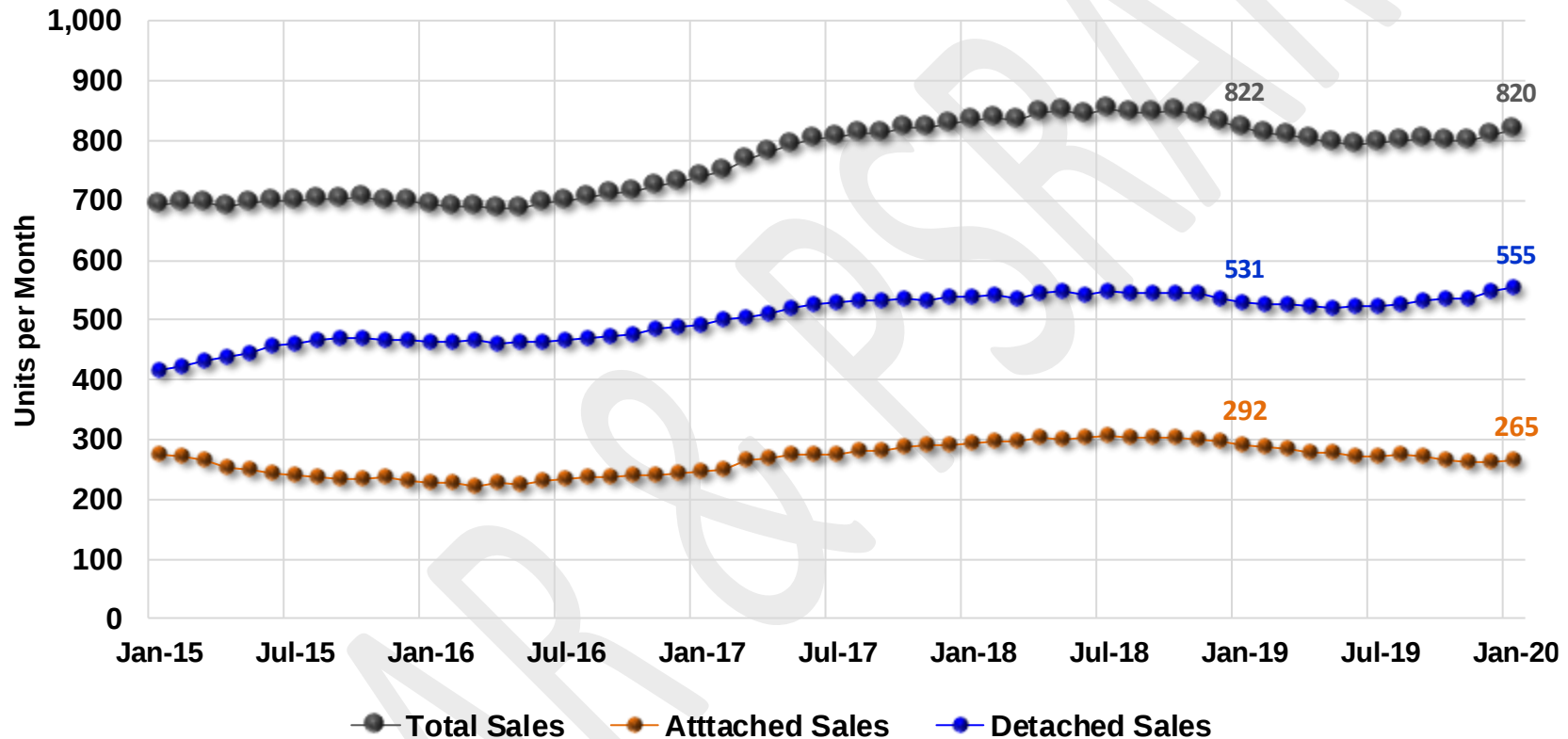


Monthly Sales – 3-month trailing avg.

The moving average of three-month sales, which shows the seasonality of sales in the Valley and should only be compared to sales at the same time in past years, is growing. Total sales are averaging 716 units a month compared to 637 units last year. This is an increase of over 12%. Sales of detached homes are up 19.7% while sales of attached homes are down -1.9%.

Detached, Attached and Total Sales

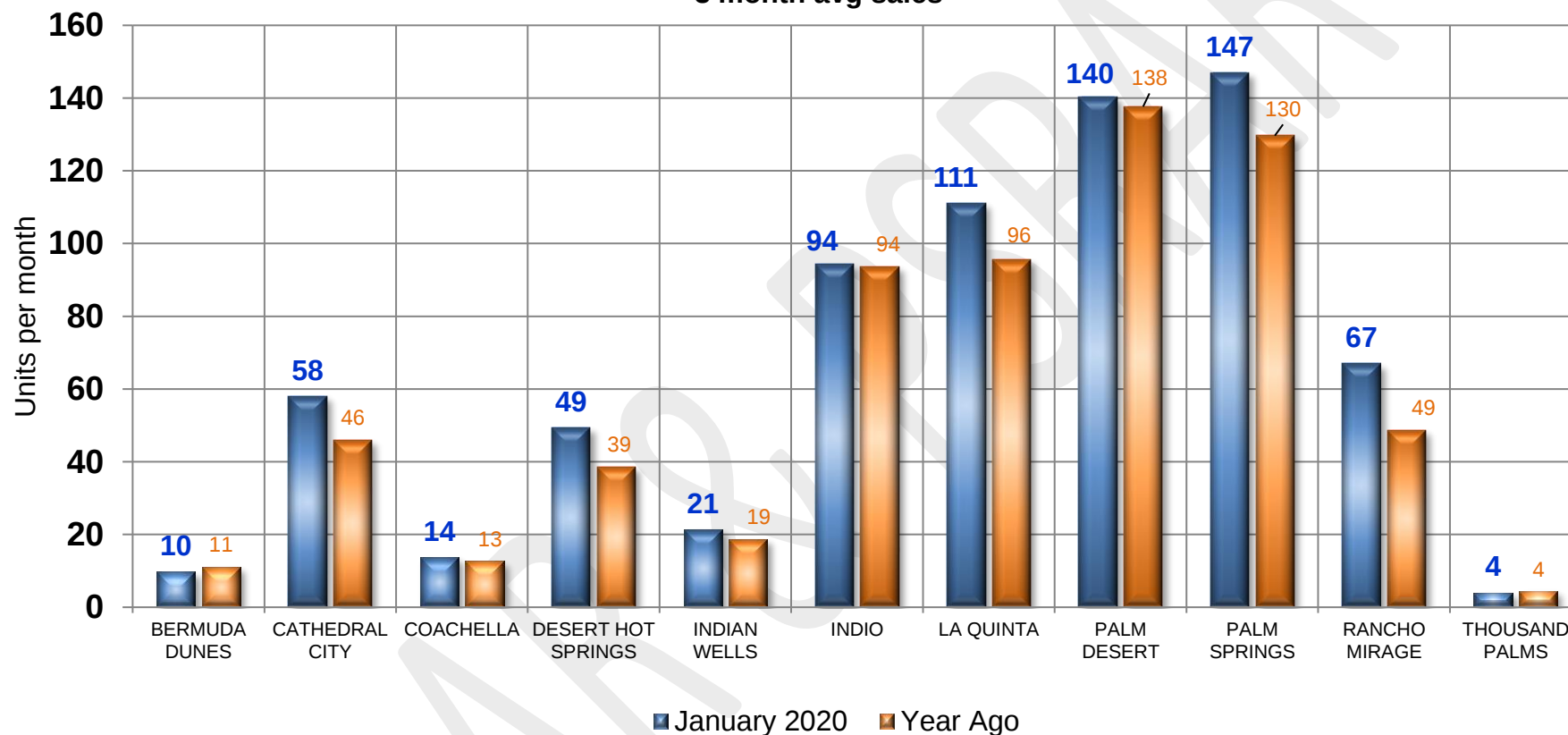
12 month moving average



Monthly Sales – 12-month trailing avg.

The 12-month sales average takes out seasonality and shows the long-term trend, which has been rising. Over the last 12 months total sales averaged 820 units a month, which is effectively equal to the 822 unit averaged last year. While total sales are effectively equal, sales of detached homes are up 4.5% from year ago, while attached sales are down 9.2%. These long-term trends in sales of detached and attached homes mirrors what we are seeing in the price changes of these two markets.

Home Sales by City 3 month avg sales

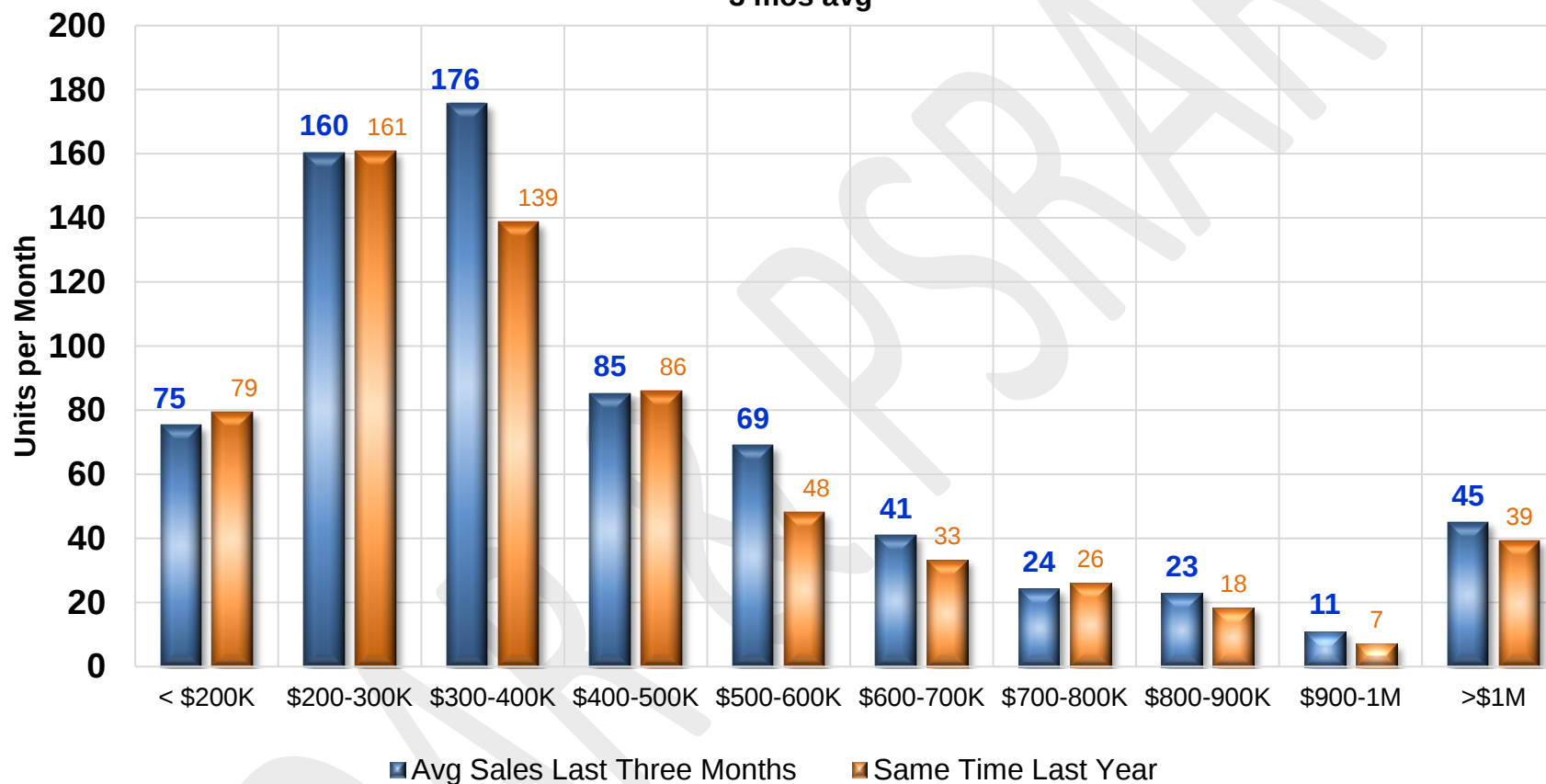


Home Sales per month by City

On the city by city basis we find the increase in three months sales is found primarily in five cities – Cathedral City, Desert Hot Springs, La Quinta, Palm Springs and Rancho Mirage. Palm Springs' sales were up 13% followed by La Quinta with an increase of 16%. Next, we have a 25% sales increase in Desert Hot Springs and a 26% increase in Cathedral City. The city with the largest percentage sales gain was Rancho Mirage, with a 37% increase.

Home Sales by Price Range

3 mos avg

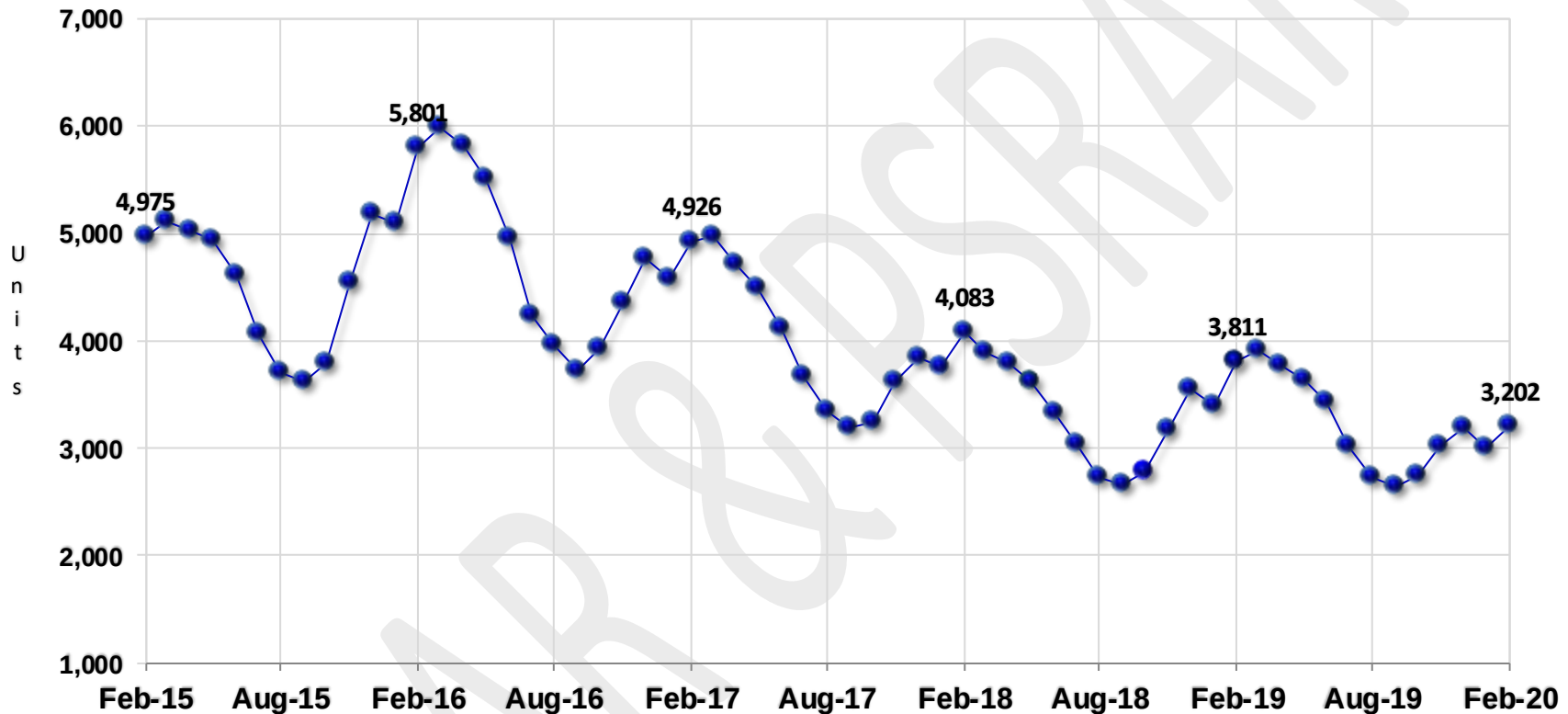


Home Sales by Price Range

When we break three-month sales down by price brackets, we see little change in sales of homes priced under \$300,000. The largest increase in sales was for homes priced between \$300,000 and \$400,000. There sales went from 139 units a month to 176 units a month, which is a 27% increase. We see sales increases in almost all price brackets over \$500,000. Sales in the \$500,000-\$600,000 price bracket went from 48 units a month to 69 units a month, for an increase of 44%.

Valley Housing Inventory

February 1st 2015 to February 1st 2020

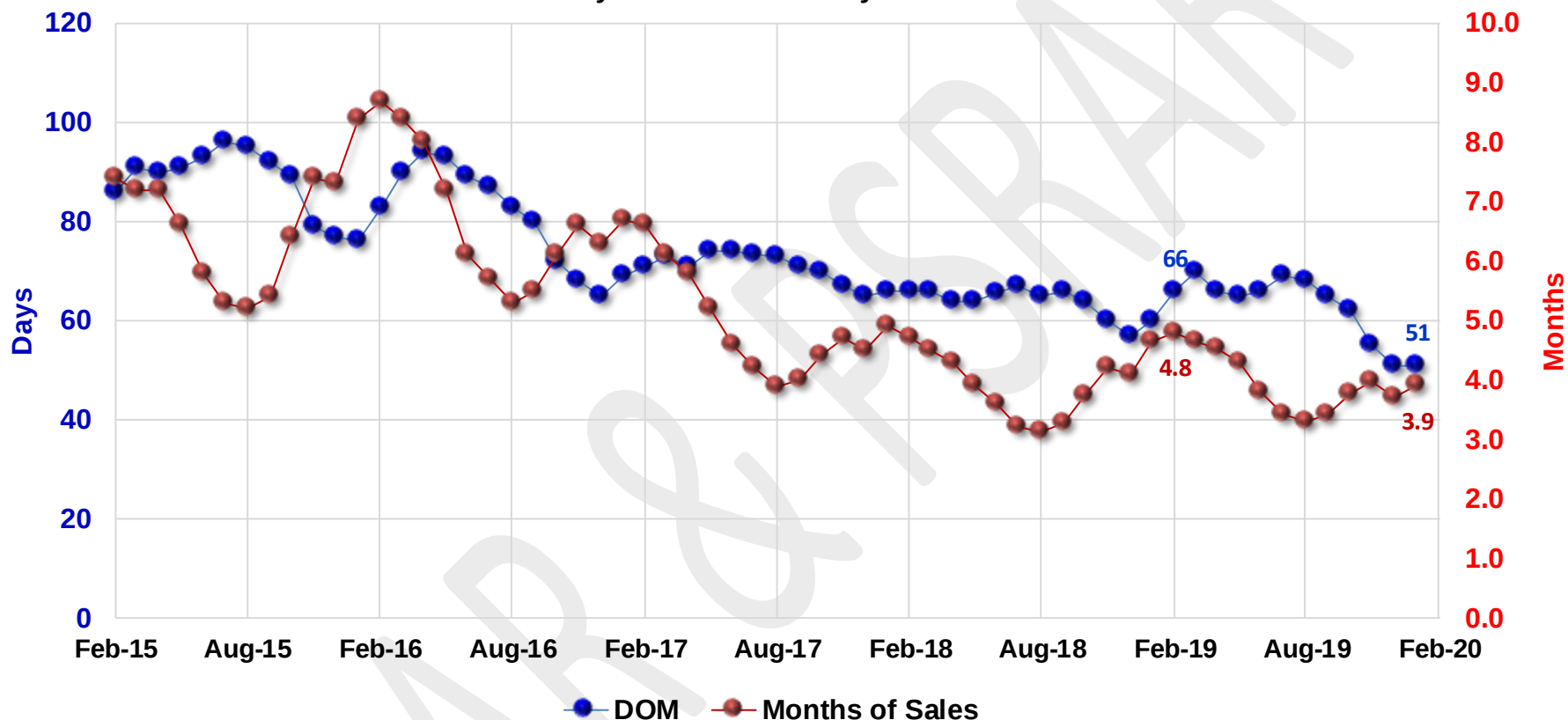


Coachella Valley Inventory

Inventory in the region continues to decline. Because of the seasonal pattern, which the chart clearly shows, inventory at any moment should only be compared to that same moment in past years. This we've indicated in the chart, which are the February 1st inventory numbers back to 2015. Inventory has now been declining consistently for four years and the current February 1st number of 3,202 units is the lowest February 1st number in our database.

Days on the Market & Months of Sales

February 1st 2015 - February 1st 2020



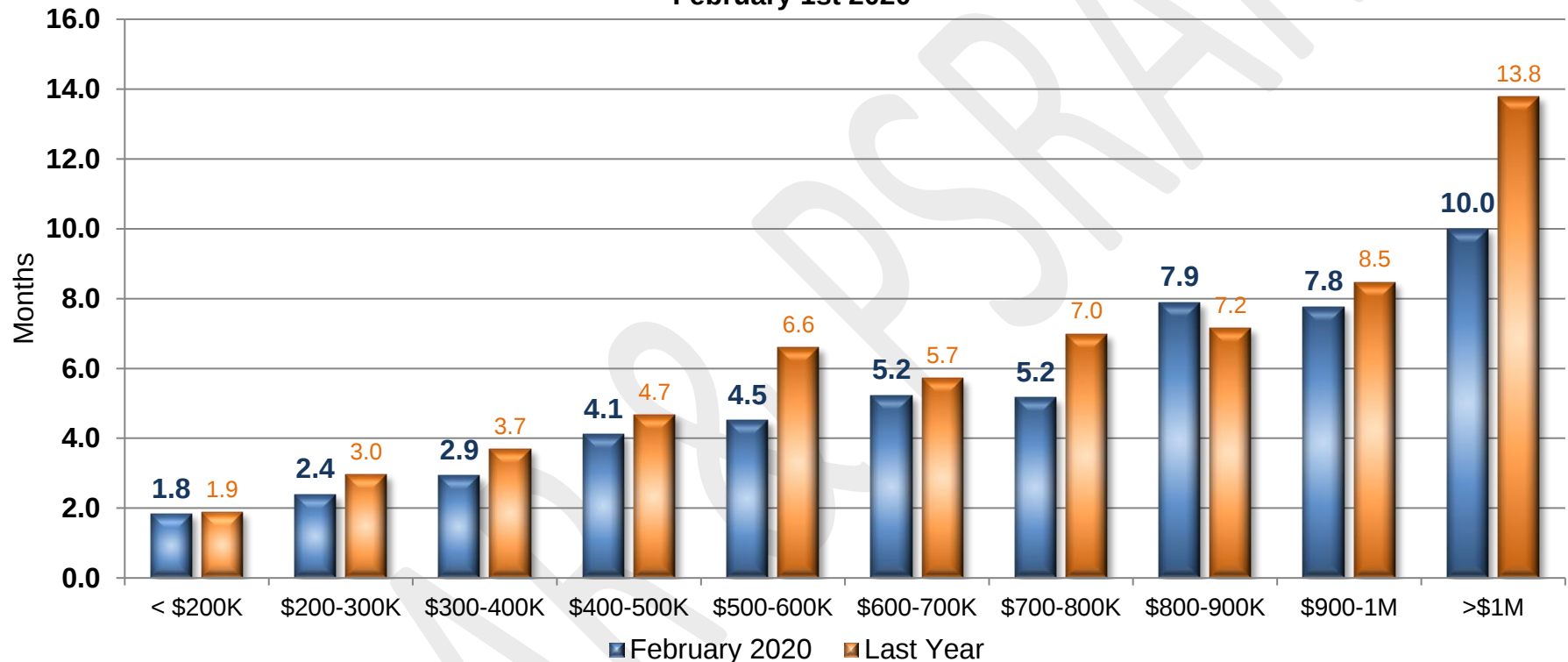
“Days in the Market” and “Months of Sales”

The red line, called “months of sales (right scale), is the ratio of inventory divided by the sales rate and technically measures how long it would take to sell the entire inventory at the current sales rate. The ratio is expressed in months, which is shown in red on the right axis. Like inventory, the “months of sales” ratio is also seasonal. The current ratio is 3.9 months, which compares to 4.8 months last February 1st. This, too, is the lowest February 1st ratio in our database. The blue line is the median value of “days in the market”, which is 51 days. This compares to 66 days a year ago.

"Months of Sales" by Price Range

uses avg. twelve month sales

February 1st 2020

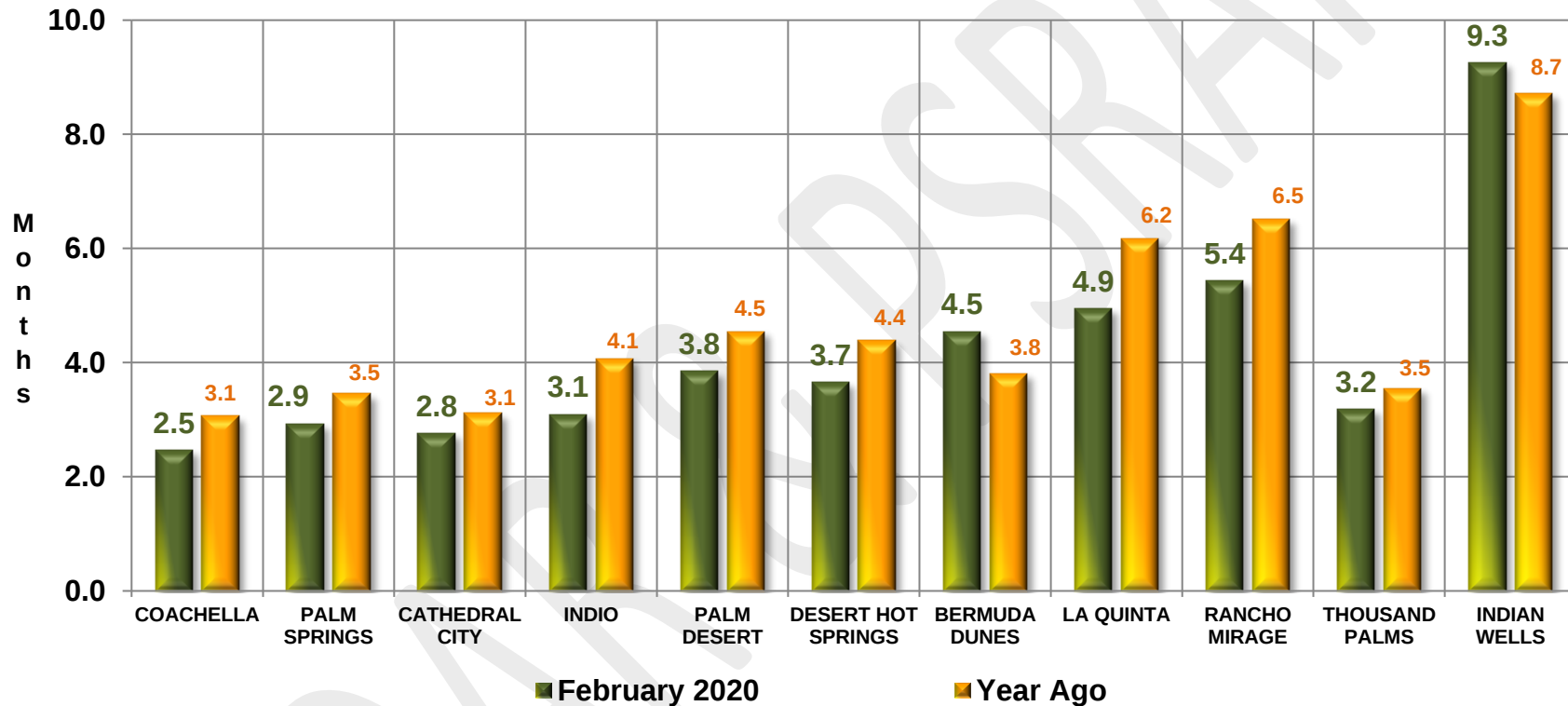


"Months of Sales" by Price Range

We calculate the months of sales ratio in different price brackets by taking the inventory in that price bracket and dividing it by the sales rate in that bracket. We see lower months of sales compared to a year ago in almost every price bracket. This means that the strengthening market conditions indicated by lower "months of sales" throughout the region is found across the entire price spectrum.

"Months of Sales" by City

city inventory divided by average twelve month sales
February 1st 2020

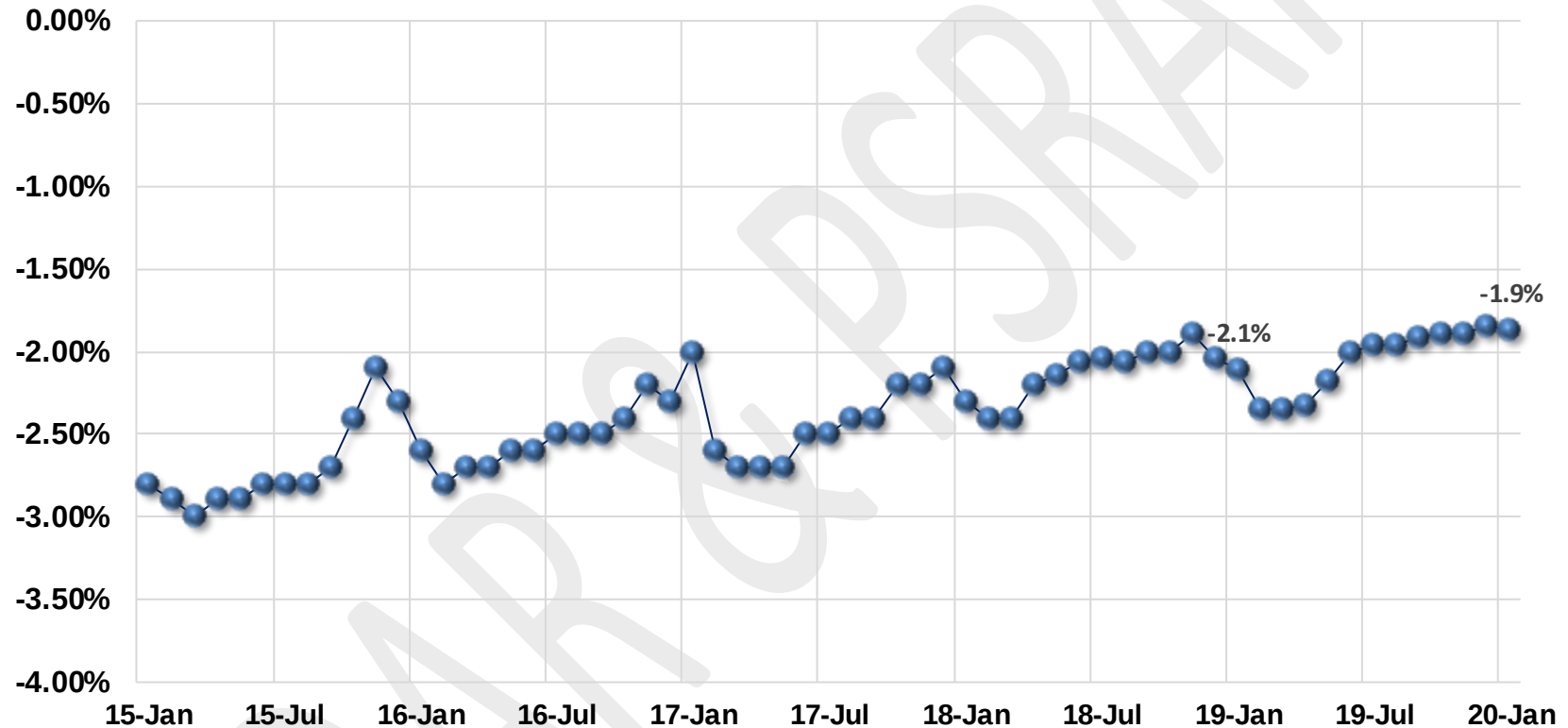


"Months of Sales" by City

The above graph shows the "months of sales" ratio for the major cities in the Valley against their ratio a year ago, ranked lowest to highest. The current readings are the green bars, while the year ago readings are the orange bars. Just like we saw on the previous page with price ranges, we see reductions in the ratio in every city except Bermuda Dunes and Indian Wells. These two cities show a slight increase in months.

Sales Price Discount from List

January 2015 to January 2020



Sale Price Discount from List

The January "Sale Price Discount from List" was -1.9%, which is .2 of a percent less than a year ago. The current reading is the lowest in five years and implies the average home in the region offered at \$400,000 sold for \$392,400.



The Desert Housing Report

January 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