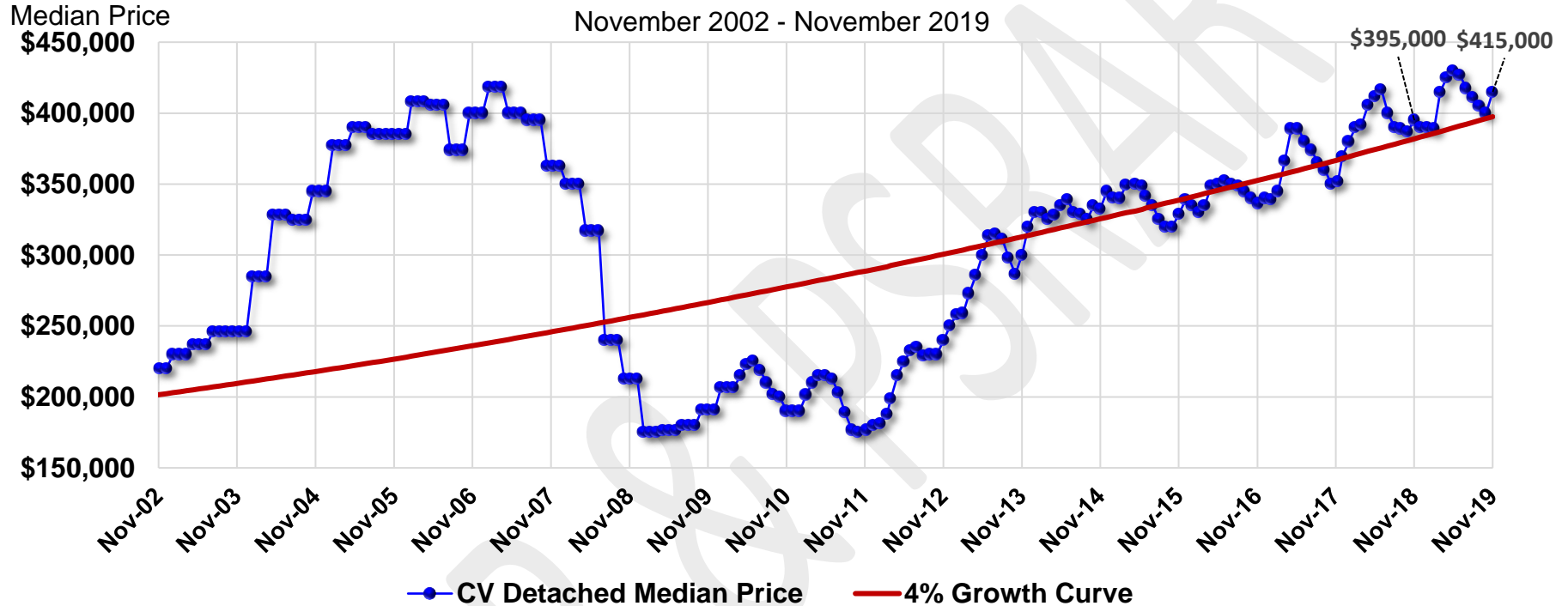


Coachella Valley Median Detached Home Price

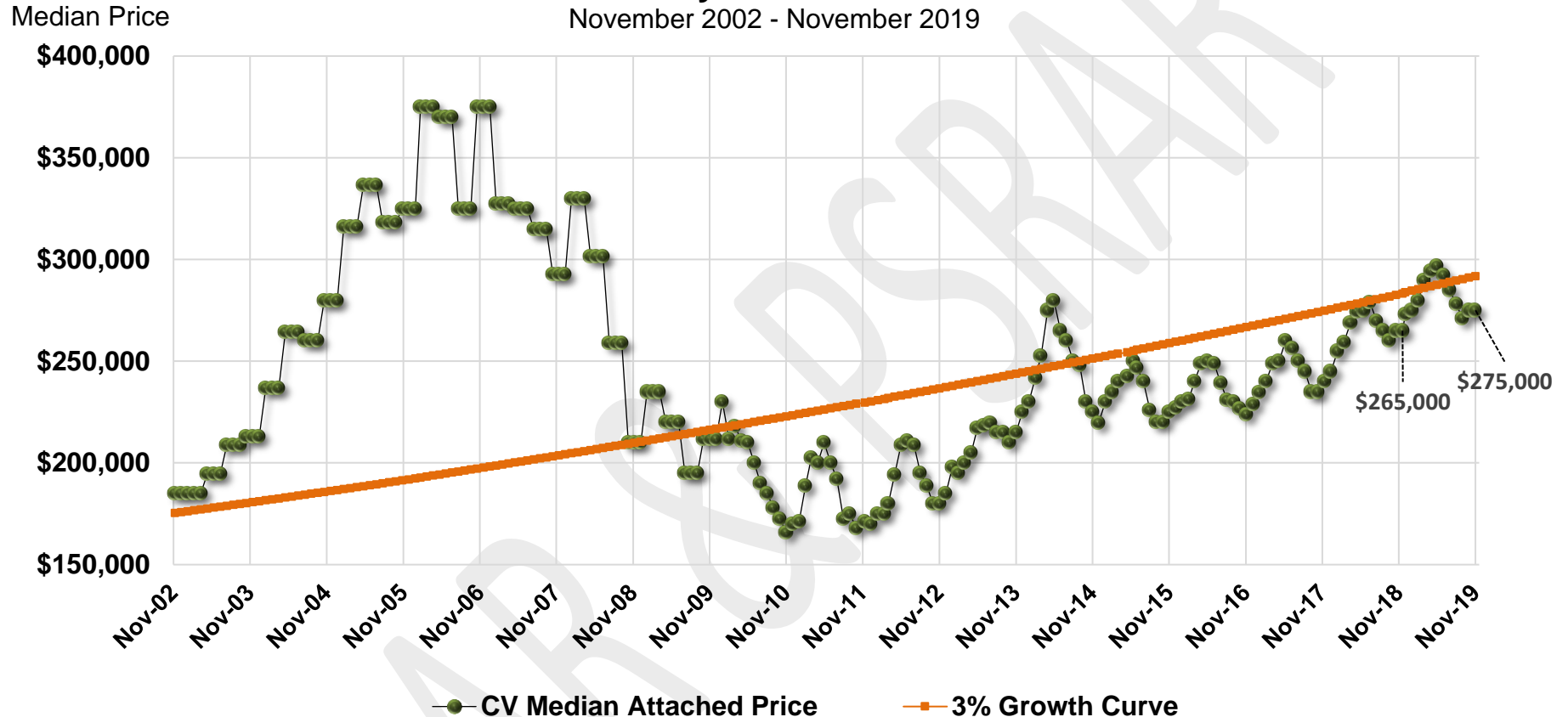


Summary

The Valley's median detached home price in November was \$415,000, which is 5.0% above year ago and is the region's highest November median price ever. The median attached price was \$275,000, which is 3.7% above last year. On a city by city basis, median prices continue to rise. Six of the nine cities in the region had gains in their median detached home price ranging from 8.6% to 1.5%, while three cities – the City of Coachella, La Quinta and Indian Wells – had declines. The city of Palm Springs remains the leader with a median price of \$650,000, which is now 8.3% above the all-time high made during the bubble year of 2006. Total sales over the last three months were effectively unchanged from a year ago; they averaged 697 units a month compared to 696 units a year ago. This stabilization of sales is a positive change from the slight sales decline that occurred last year. On December 1st inventory in the Valley for both detached and attached homes stood at 3,187 units. While inventory is less than a year ago the sales rate is also slightly less, so the ratio called "months of sales" (inventory divided by sales) is almost the same as a year ago - 4.0 months this December 1st compared to 4.2 months last December. Both these ratios are historically very low and positive.

Coachella Valley Median Attached Price

November 2002 - November 2019



Coachella Valley Attached Median Price

The median attached price was \$275,000, which is 3.7% above last year. As the chart clearly shows, attached home prices follow a distinct seasonal pattern. Lows are usually made in September, after which prices rise for six or seven months, hitting highs around May. We expect this pattern to continue and for the region's attached price to reach and surpass the \$300,000 level sometime this spring.



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Detached Homes

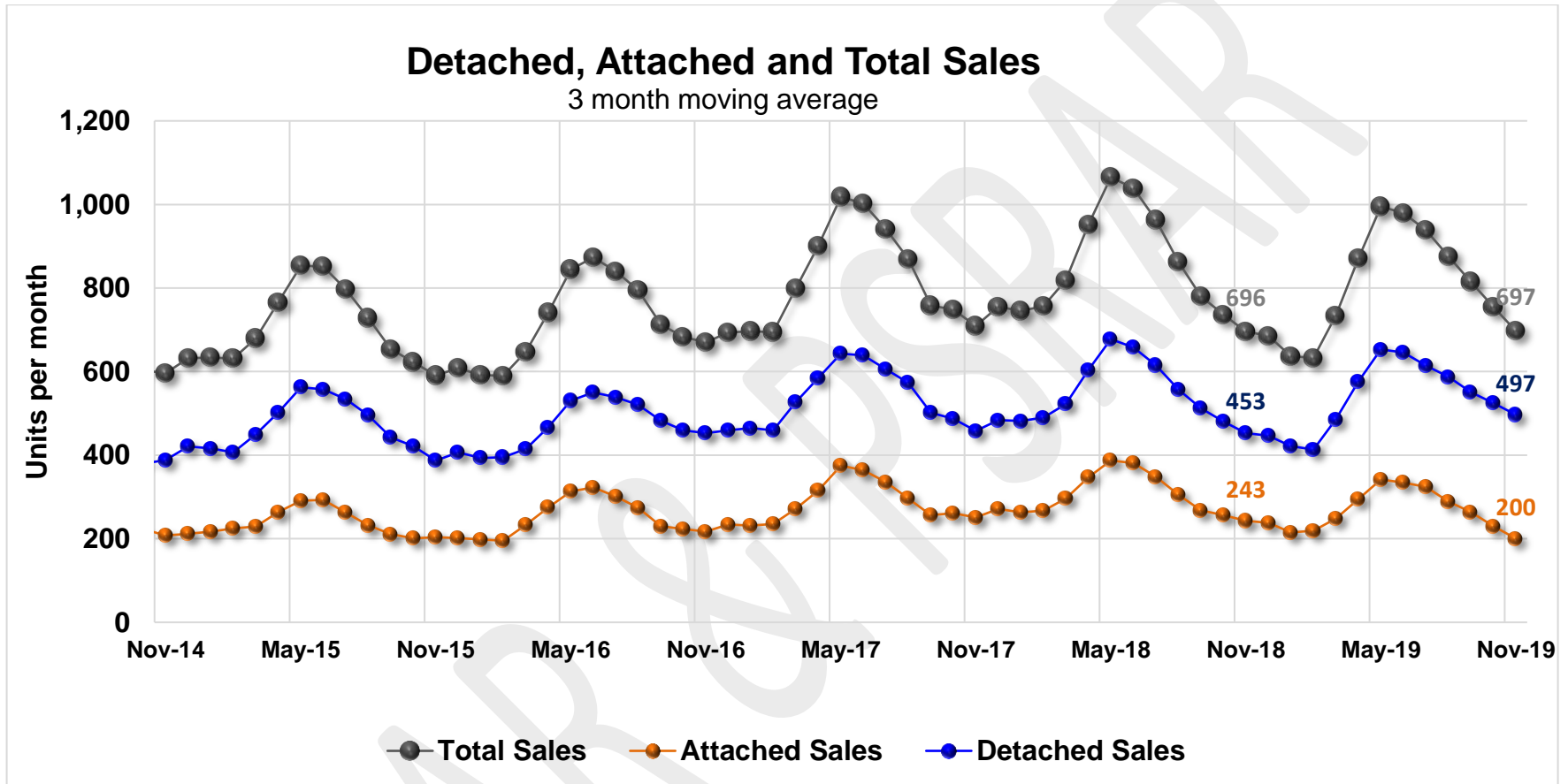
City	Oct-19	Year Ago	12 mo change	2011 Low	Gain off 2011 Low	2006 High	% from High
Cathedral City	\$342,000	\$315,000	8.6%	\$139,000	146.0%	\$395,000	-13.4%
Indio	\$343,737	\$327,235	5.0%	\$158,500	116.9%	\$380,500	-9.7%
Desert Hot Springs	\$230,750	\$220,750	4.5%	\$85,000	171.5%	\$295,000	-21.8%
Palm Springs	\$650,000	\$635,250	2.3%	\$335,000	94.0%	\$600,000	8.3%
Rancho Mirage	\$675,000	\$665,000	1.5%	\$423,000	59.6%	\$950,000	-28.9%
Palm Desert	\$416,000	\$410,000	1.5%	\$287,000	44.9%	\$543,000	-23.4%
City of Coachella	\$260,000	\$276,900	-6.1%	\$121,950	113.2%	\$335,000	-22.4%
La Quinta	\$455,000	\$497,500	-8.5%	\$245,000	85.7%	\$682,020	-33.3%
Indian Wells	\$887,250	\$1,025,000	-13.4%	\$540,000	64.3%	\$1,205,000	-26.4%

Attached Homes

City	Nov-19	Year Ago	12 Month Change	2011 Low	Gain off 2011 Low	2006 High	% from High
Cathedral City	\$188,000	\$170,000	10.6%	\$107,500	74.9%	\$270,500	-30.5%
Palm Springs	\$267,000	\$245,000	9.0%	\$150,000	78.0%	\$350,000	-23.7%
Indian Wells	\$392,500	\$379,000	3.6%	\$321,500	22.1%	\$557,500	-29.6%
La Quinta	\$342,500	\$342,475	0.0%	\$265,000	29.2%	\$532,500	-35.7%
Palm Desert	\$290,000	\$292,500	-0.9%	\$175,000	65.7%	\$410,000	-29.3%
Rancho Mirage	\$335,000	\$345,000	-2.9%	\$260,000	28.8%	\$510,000	-34.3%
Indio	\$199,500	\$226,000	-11.7%	\$75,000	166.0%	\$279,000	-28.5%
Desert Hot Springs	\$100,000	\$163,250	-38.7%	\$86,000	16.3%	\$303,000	-67.0%
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. Six of the nine cities in the region had gains in their median detached home price ranging from 8.6% to 1.5%, while three cities – the City of Coachella, La Quinta and Indian Wells – had declines. The city of Palm Springs remains the leader with a median price of \$650,000, which is now 8.3% above the all-time high made during the bubble year of 2006. Attached median prices show four cities with positive gains and four cities with negative changes. No city's median price for attached homes is close to its all-time bubble high.

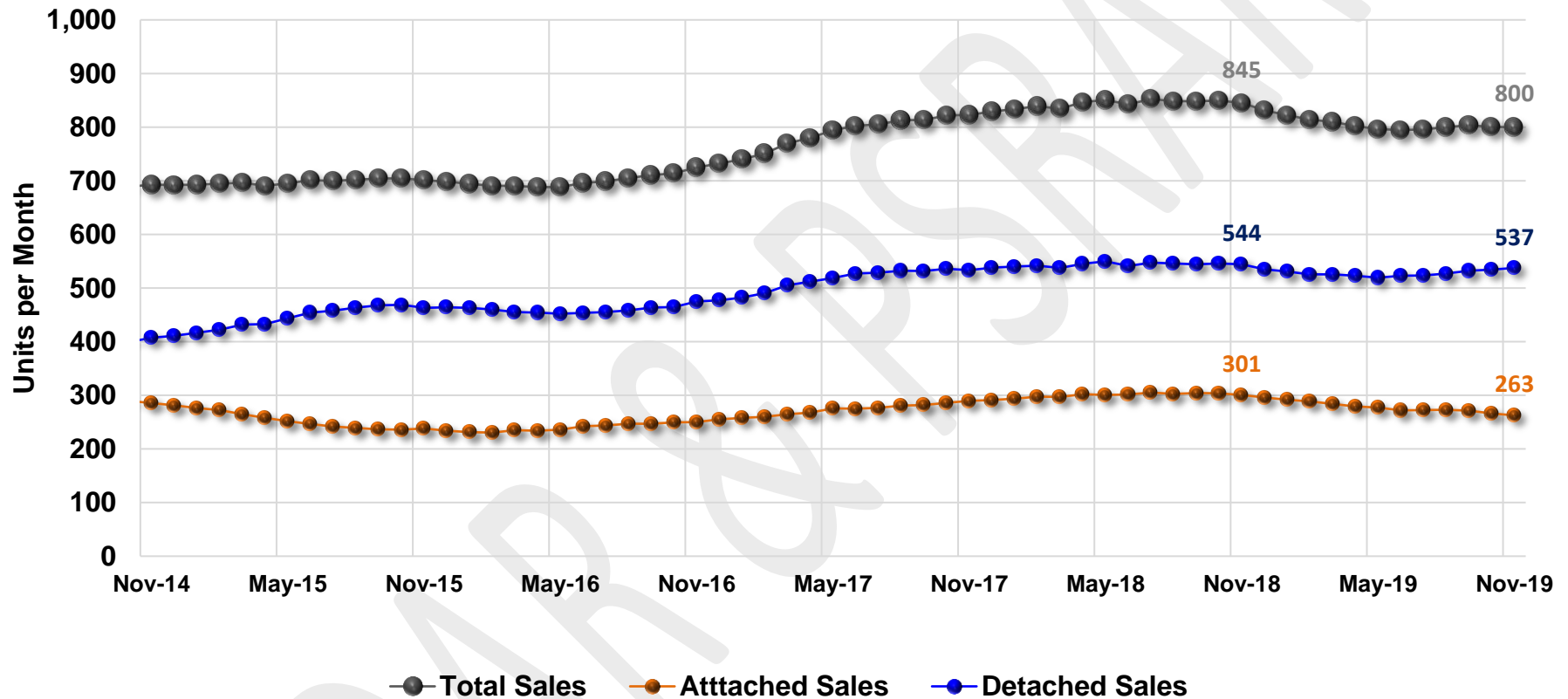


Monthly Sales – 3-month trailing avg.

Total sales over the last three months were unchanged compared to year ago. In November they averaged 697 units a month compared to 696 units a year ago. This stabilization of sales is a positive change from the sales decline that occurred last year. The decline in sales is primarily for attached homes, which are down about 18%. Detached sales show an increase of 10% from last year. Much of this increase is due to local buying; the purchasing of homes by local working families who were renting and now are buying their own home.

Detached, Attached and Total Sales

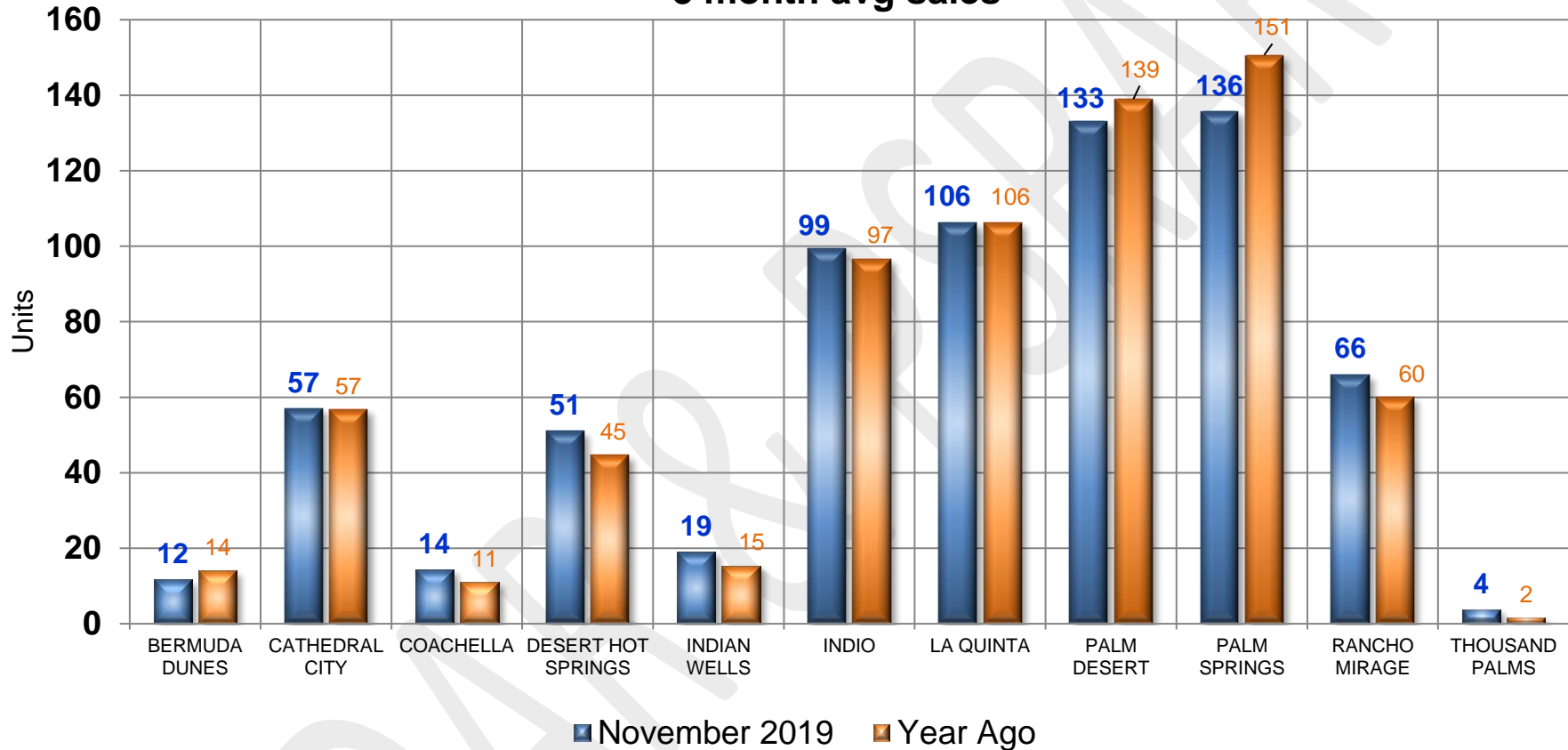
12 month moving average



Monthly Sales – 12-month trailing avg.

The 12-month average of sales, which takes out seasonality, shows the long-term trend. It is clear from this chart that the sales decline of last year has been stable now for about five or six months. Sales are down about 5% on this long-term basis. Detached sales, however, are almost equal to a year ago while attached sales are lower. We expect total sales to continue to average about 800 units a month as we go into 2020.

Home Sales by City 3 month avg sales

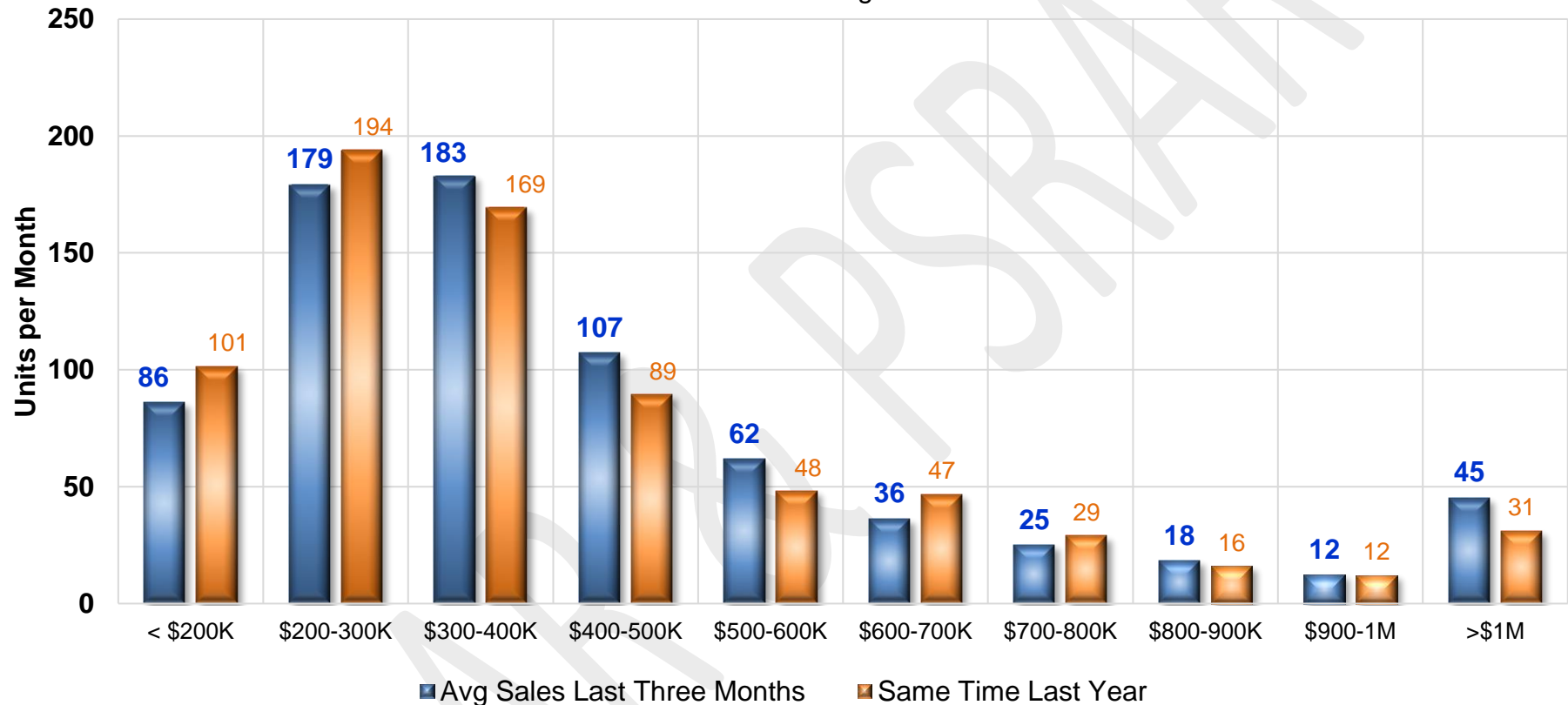


Home Sales per month by City

While three months sales in the region are equal to last year, on the city by city basis, six cities have higher three-month sales, while three have lower sales. Sales in Palm Springs are down 10% from a year ago while sales in Palm Desert are off 4%. Indian Wells shows an increase of 26% from last year, while Rancho Mirage has an increase of 10% in its sales. Sales in Desert Hot Springs are up 13%.

Home Sales by Price Range

3 mos avg

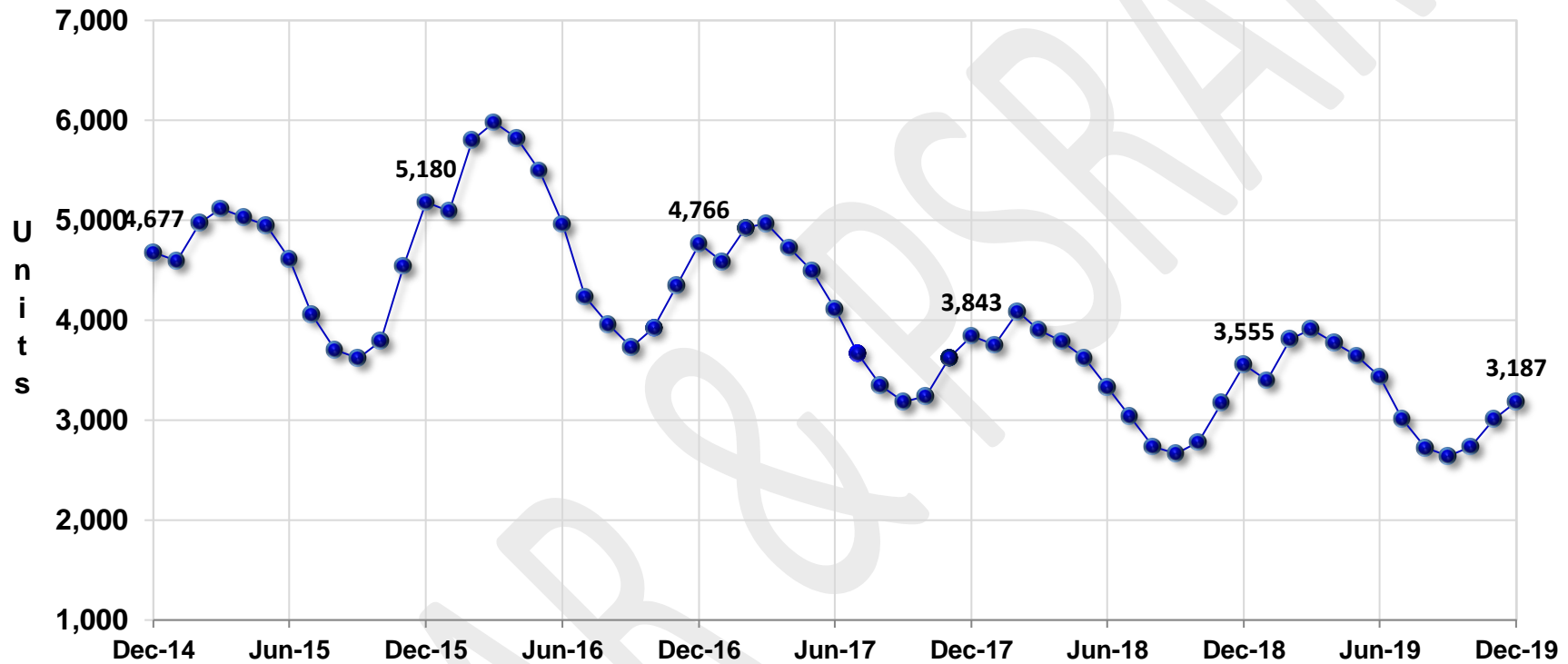


Home Sales by Price Range

When we break sales down by price bracket, we continue to see a decline in sales in the price brackets under \$300,000 - and an increase in sales in the two price brackets between \$400,000 and \$600,000. The largest percentage increase in sales are in the two price brackets between \$400,000 and \$600,000. It should also be noted that there is a 45% increase in sales of homes over \$1 million.

Valley Housing Inventory

December 1st 2014 to December 1st 2019

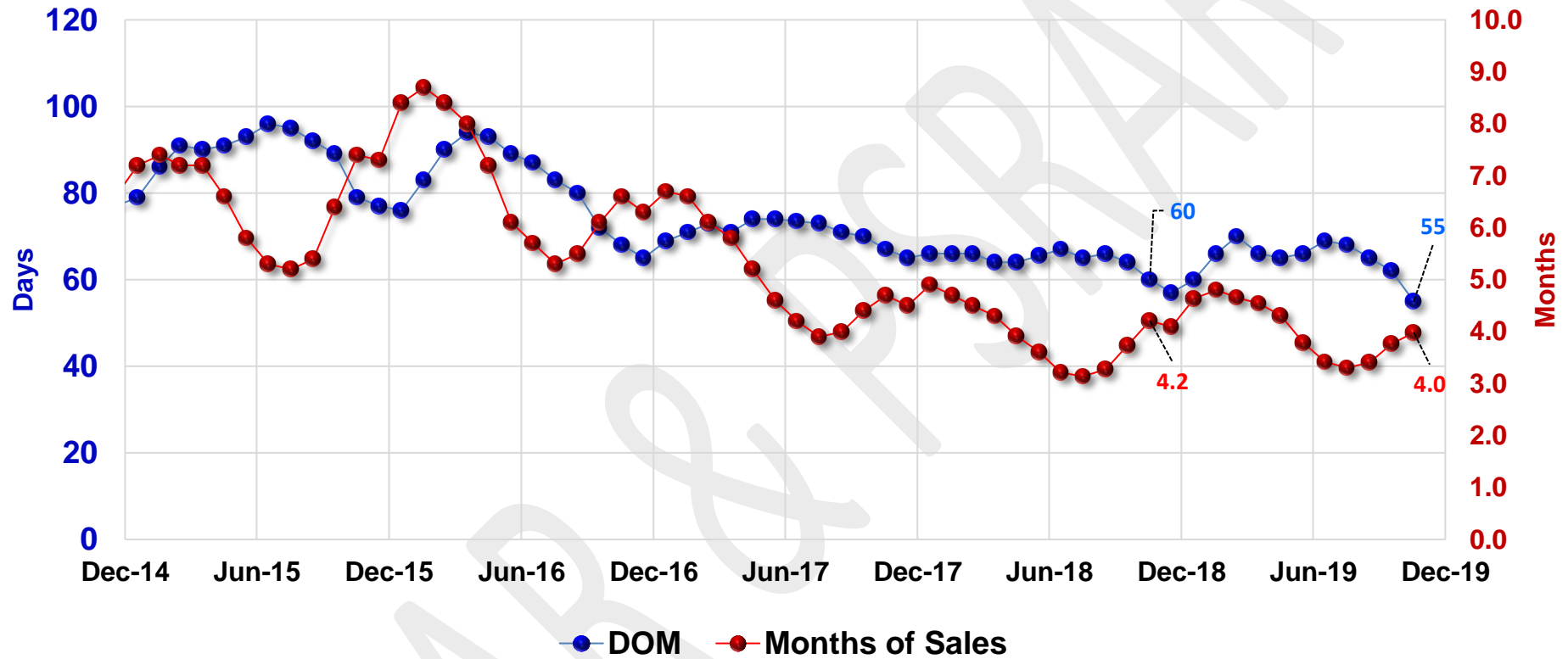


Coachella Valley Inventory

On December 1st, inventory in the Valley for both detached and attached homes stood at 3,187 units. As the chart clearly shows inventory is very seasonal so numbers should only be compared to the numbers of the same month in previous years. We've indicated previous December 1 numbers all the way back to 2014. It's clear that the current reading is far below previous years. This means selling (supply) remains very muted, which is a strong indicator for higher prices.

Days in the Market & Months of Sales

December 1st 2014 - December 1st 2019

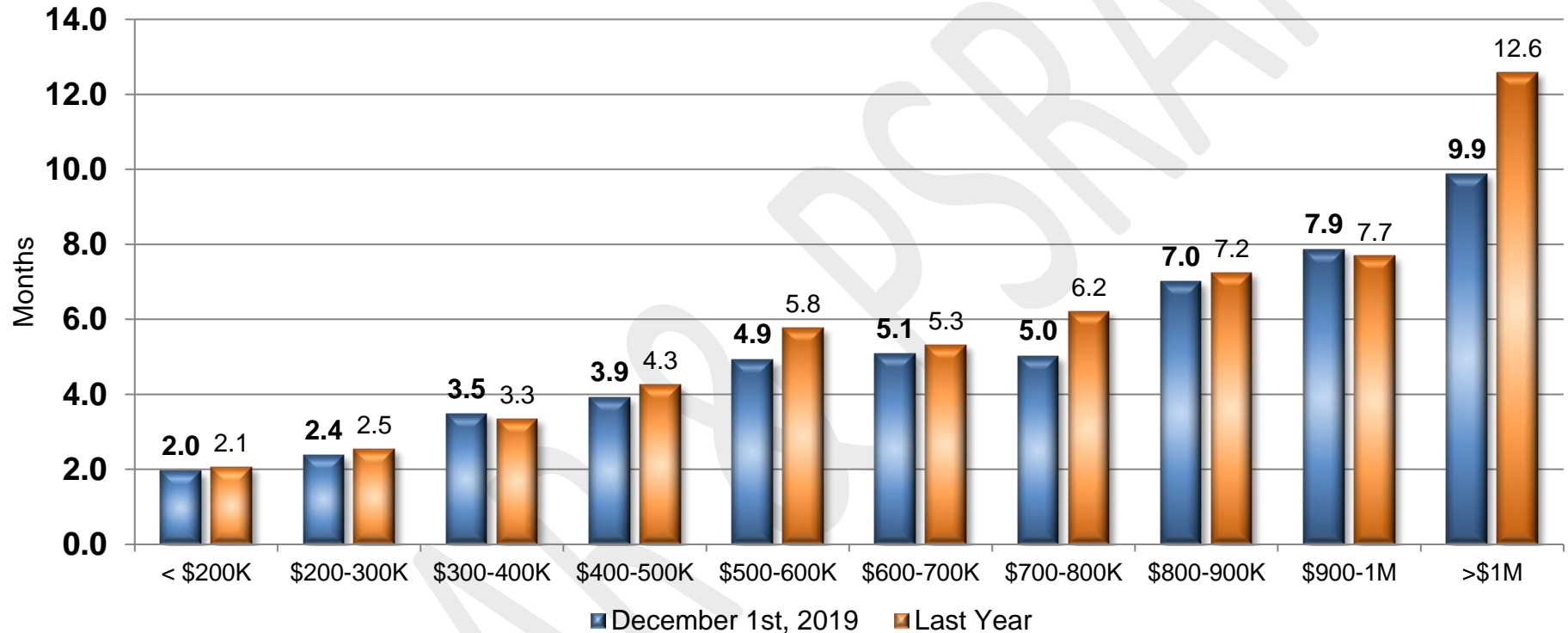


“Days in the Market” and “Months of Sales”

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’s been taking to sell the entire inventory at the current sales rate. While inventory is lower than a year ago the sales rate is also slightly less, so the ratios are almost the same – 4.0 months this December 1st compared to 4.2 months a year ago. Both ratios are historically very low. The other metric, median number of days in the market, is 55 days; this is the lowest number of days in the last five years. Both these metrics, along with inventory, point to a very healthy housing market.

"Months of Sales" by Price Range

uses avg. twelve month sales

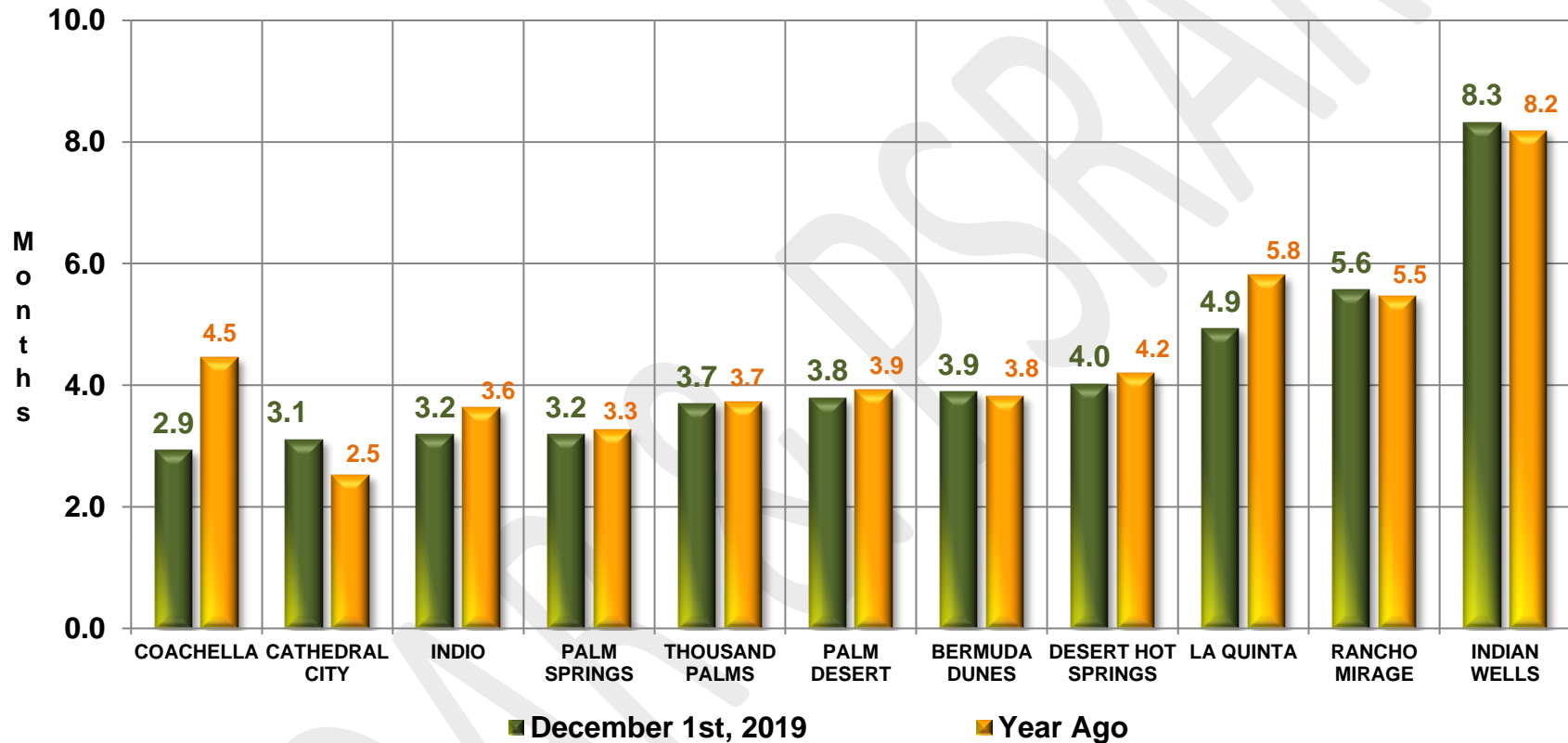


"Months of Sales" by Price Range

We calculate the months of sales ratio in the different price brackets. We take the inventory of homes in each price bracket and divide by the sales rate in that price bracket. The above bar chart plots these results with the blue bars being the current number of months in that price bracket compared to a year ago (orange bars). The comparative values show that the housing market is healthy throughout all price ranges. Of particular improvement is the ratio for homes over \$1 million.

"Months of Sales" by City

city inventory divided by average twelve month sales

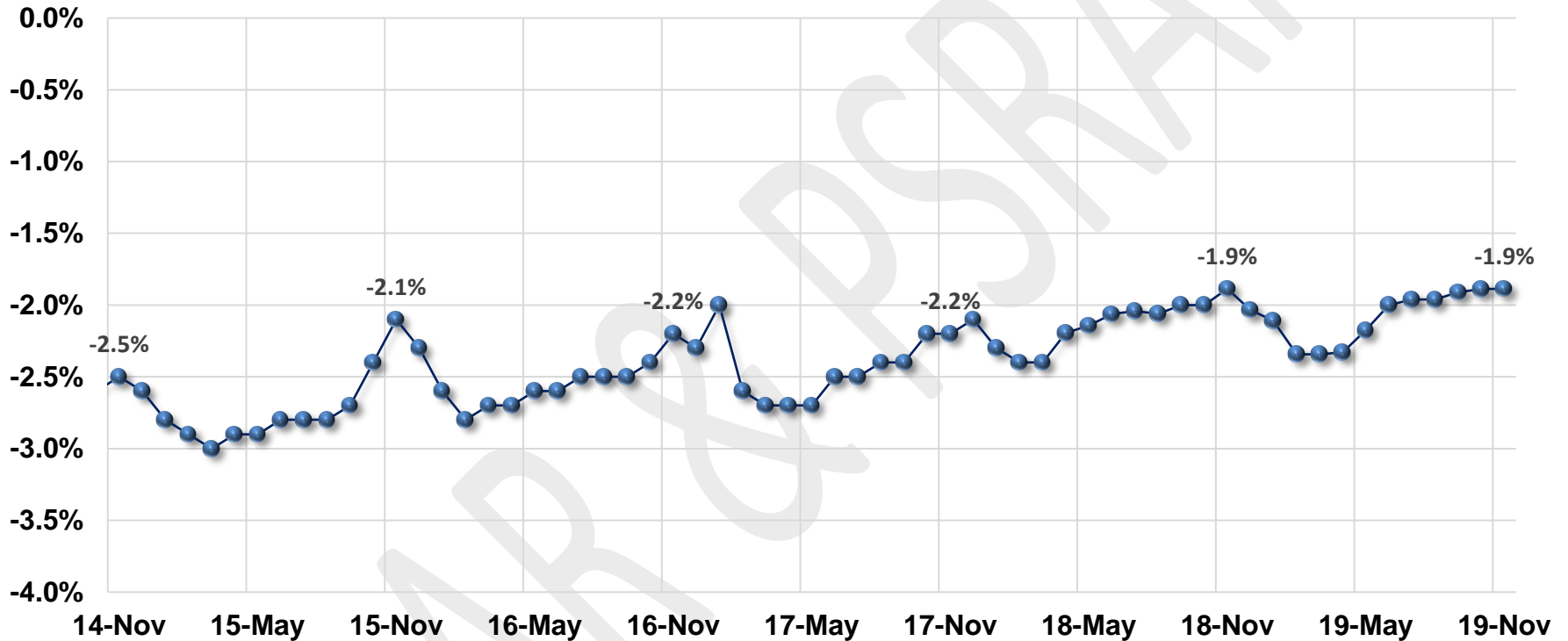


"Months of Sales" by City

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. This graph confirms what we saw in the previous chart, that the housing market appears healthy not only in all price ranges but also in each city.

Sales Price Discount from List

November 2014 to November 2019



Sale Price Discount from List

The November “Sale Price Discount from List” was -1.9%, which is the same as a year ago. We've indicated on the chart the November readings going back to 2014. It shows the consistent yearly improvement in this metric for the last five years. The current reading, which equals last year, is the lowest reading in five years and implies the average home offered at \$400,000 sold for \$392,400.



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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