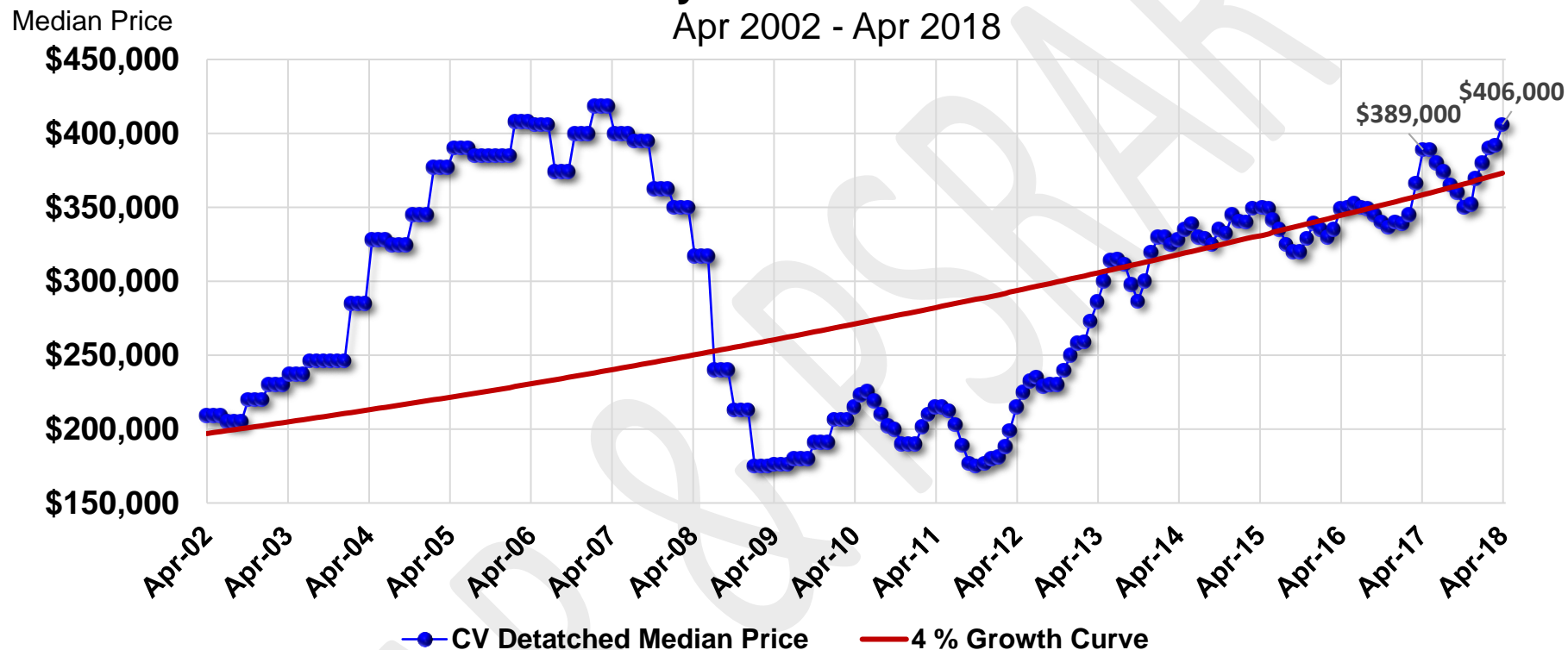


Coachella Valley Median Detached Home Price

Apr 2002 - Apr 2018

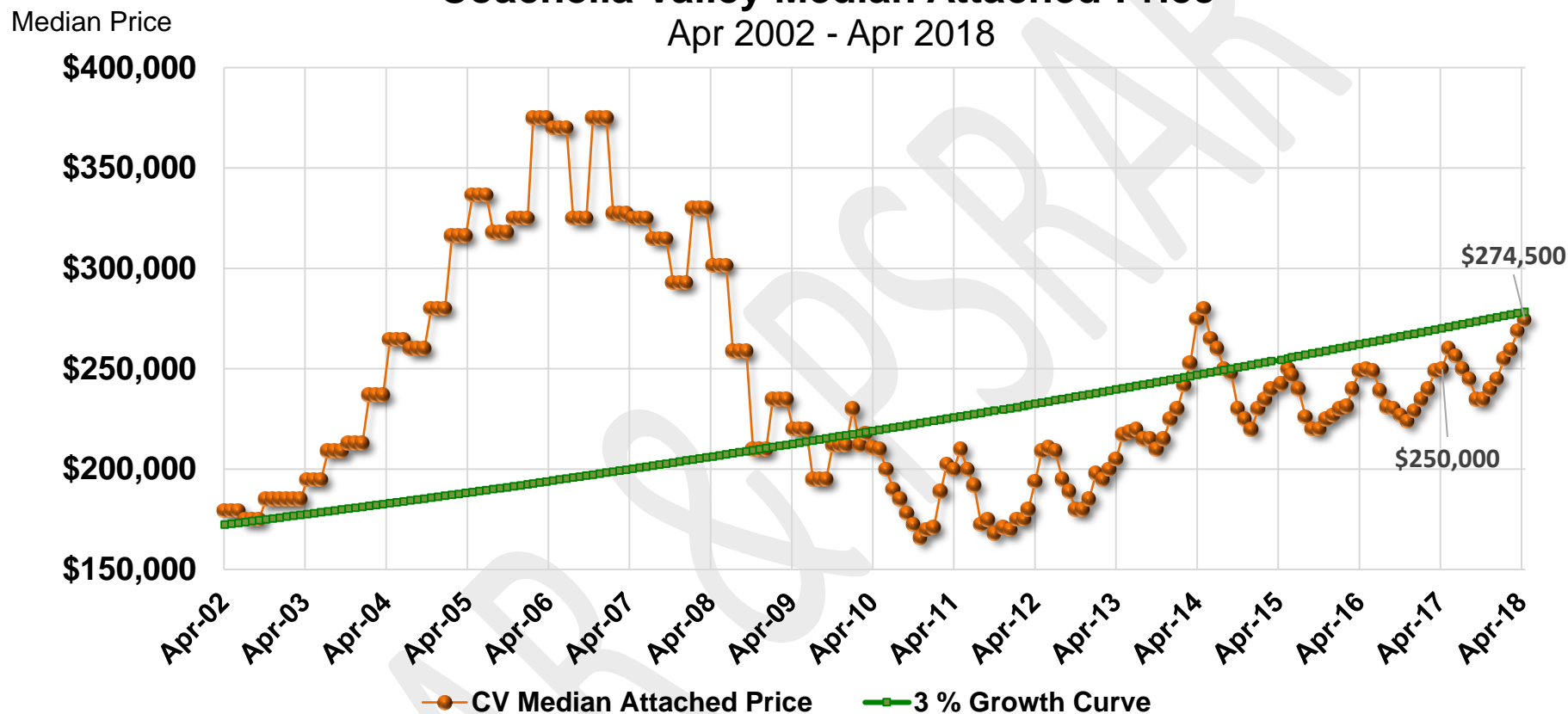


Summary

The Valley's median detached home price in April was \$406,000. This compares to last April's price of \$389,000 and represents a 4.4%, twelve month increase. The median price of attached homes in April was \$274,500, which is an increase of \$5,500 over March. The change over the last twelve months is a positive 9.8%. Cathedral City, Palm Springs and Palm Desert are the three cities in the Valley with the greatest price momentum of detached homes. They have twelve month gains of 15.6%, 12.7% and 11.8% respectively. Total Valley sales have gone from 780 units a month a year ago to 847 units a month in April. That's an increase of 8.6%. Detached sales are higher by 6.4% and attached sales by 12.7%. Inventory continues to shrink but at a marginally slower rate. On May 1st inventory stood at 3,622 units, which is 870 units less than last year and 1,876 less than two years ago. This shrinking inventory is one half of the equation that's been driving home prices higher. The May 1st "months of supply" ratio is 4.3 months, which is the lowest May 1st ratio since 2013. Days on the Market (DOM) for April was 64 days, which is the lowest number of days for April in the last five years.

Coachella Valley Median Attached Price

Apr 2002 - Apr 2018



Coachella Valley Attached Median Price

The median price of attached homes in April was \$274,500, which is an increase of \$5,500 over March. The change over the last twelve months is a positive 9.8%. Prices have risen now for six straight months as they often do from autumn through spring. If the seasonal pattern continues we should now see the median price peak sometime in May or June, then drop back a little through late summer.



The Desert Housing Report

April 2018



Detached Homes

	Apr-18	Year Ago	12 Month Change	2011 Low	Gain off 2011 Low	2006 High	% from High
Cathedral City	\$323,750	\$280,000	15.6%	\$139,000	132.9%	\$395,000	-18.0%
Palm Springs	\$656,100	\$582,000	12.7%	\$335,000	95.9%	\$600,000	9.3%
Palm Desert	\$435,000	\$389,000	11.8%	\$287,000	51.6%	\$543,000	-19.9%
City of Coachella	\$249,000	\$230,000	8.3%	\$121,950	104.2%	\$335,000	-25.7%
Desert Hot Springs	\$214,900	\$199,000	8.0%	\$85,000	152.8%	\$295,000	-27.2%
Indio	\$325,000	\$308,495	5.4%	\$158,500	105.0%	\$380,500	-14.6%
Rancho Mirage	\$710,000	\$674,950	5.2%	\$423,000	67.8%	\$950,000	-25.3%
Indian Wells	\$925,000	\$925,000	0.0%	\$540,000	71.3%	\$1,205,000	-23.2%
La Quinta	\$504,200	\$509,000	-0.9%	\$245,000	105.8%	\$682,020	-26.1%

Attached Homes

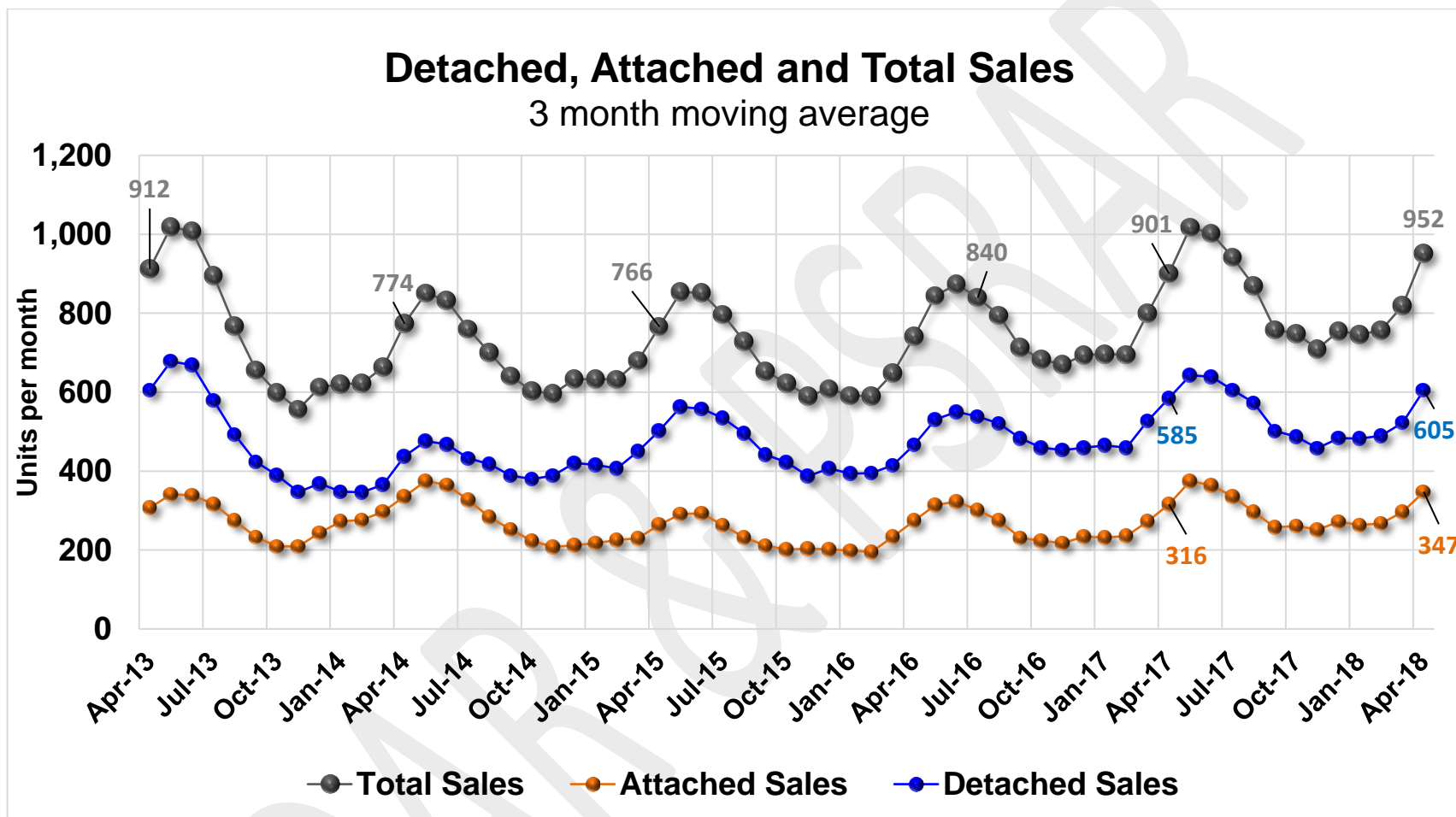
	Apr-18	Year Ago	12 Month Change	2011 Low	Gain off 2011 Low	2006 High	% from High
Cathedral City	\$185,000	\$135,000	37.0%	\$107,500	72.1%	\$270,500	-31.6%
Desert Hot Springs	\$204,000	\$150,000	36.0%	\$86,000	137.2%	\$303,000	-32.7%
Indio	\$199,000	\$154,500	28.8%	\$75,000	165.3%	\$279,000	-28.7%
Palm Desert	\$285,000	\$249,900	14.0%	\$175,000	62.9%	\$410,000	-30.5%
Palm Springs	\$252,000	\$239,000	5.4%	\$150,000	68.0%	\$350,000	-28.0%
La Quinta	\$334,500	\$333,000	0.5%	\$265,000	26.2%	\$532,500	-37.2%
Indian Wells	\$380,000	\$400,000	-5.0%	\$321,500	18.2%	\$557,500	-31.8%
Rancho Mirage	\$320,000	\$375,000	-14.7%	\$260,000	23.1%	\$510,000	-37.3%
City of Coachella	N/A	N/A	N/A	N/A	N/A	N/A	N/A

12 Month Change in City Median Prices

Cathedral City, Palm Springs and Palm Desert are the three cities in the Valley with the greatest price momentum of detached homes. They have twelve month gains of 15.6%, 12.7% and 11.8% respectively. Palm Springs has been the region's price leader for some time and its median price of \$656,100 is now 9.3% above the all-time high made in 2006. It is the only Valley city that has surpassed its 2006 high. However, Indio, Cathedral City and Palm Desert are rapidly approaching theirs. The median prices of attached homes in Cathedral City, Desert Hot Springs and Indio show rather extraordinarily large twelve month gains.

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

©2018 CDAR & PSRAR. All rights reserved. Use and distribution by members only.

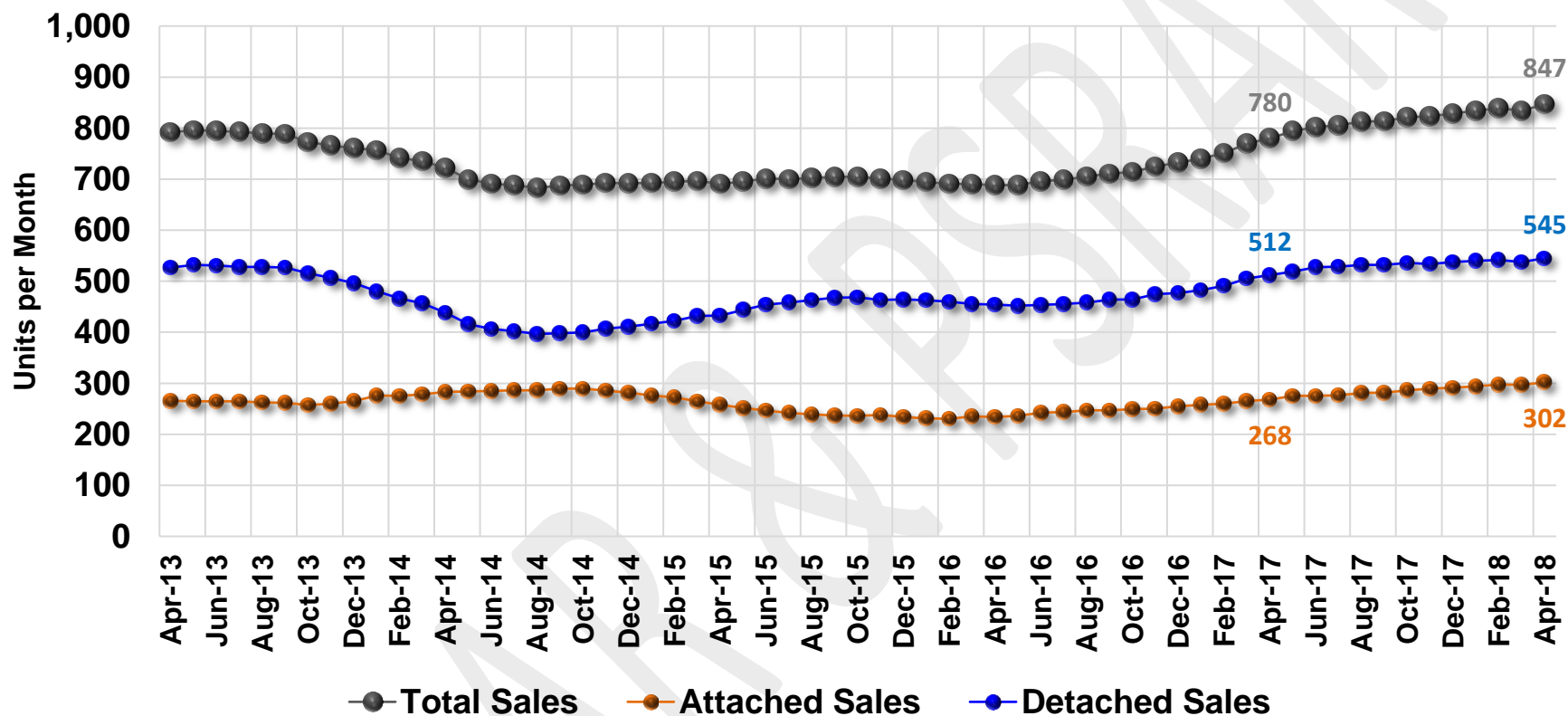


Monthly Sales – 3 month trailing avg.

Three month sales in April, for both detached and attached homes, experienced the largest month over month increase in the last five years. At 952 units, total April sales are 5.6% higher than last April and 28.4% higher than April of 2016. As the chart shows, April total sales are the highest April numbers in five years. The twelve month increase in detached sales is 3.4% while the increase for attached homes is 9.8%.

Detached, Attached and Total Sales

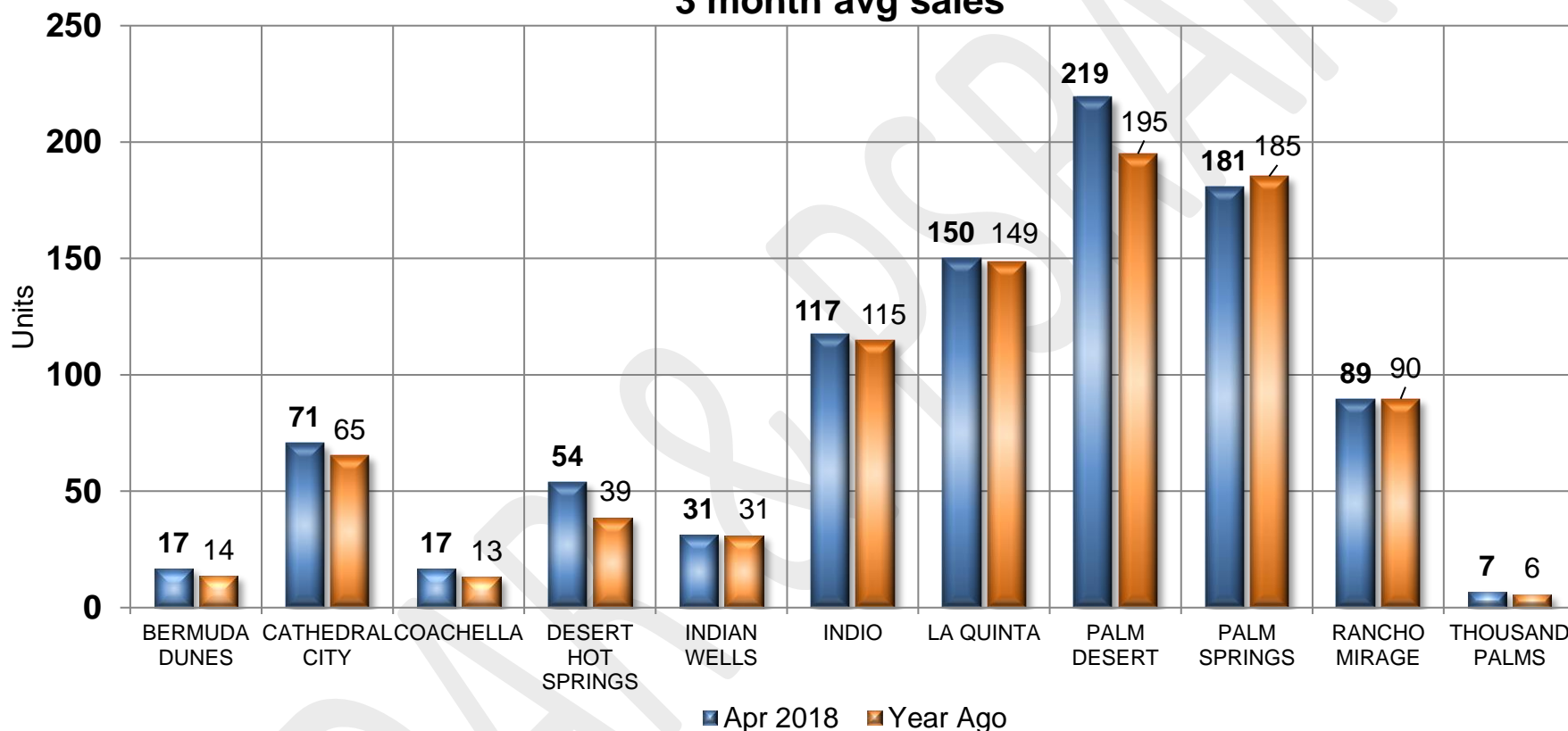
12 month moving average



Monthly Sales – 12 month trailing avg.

Twelve month sales, which takes out seasonality and shows the long term trend, confirms what we stated on the previous page: that total sales are at the highest levels in five years – and are continuing to rise. Total sales have gone from 780 units a month a year ago to 847 units a month now. That's an increase of 8.6%. Detached sales are higher by 6.4% and attached sales by 12.7%.

Home Sales by City 3 month avg sales



Home Sales per month by City

Bermuda Dunes, Cathedral City, Coachella, Desert Hot Springs and Palm Desert are the five Valley cities showing the greatest increase in three month sales. Indian Wells, Rancho Mirage, Indio and La Quinta have about the same sales as last year and Palm Springs shows a slight decrease. Considering the large increase in the median price of Palm Springs over the last five years, it would be natural to see sales slow down a little as prices continued to rise.

Home Sales by Price Range

3 month avg.

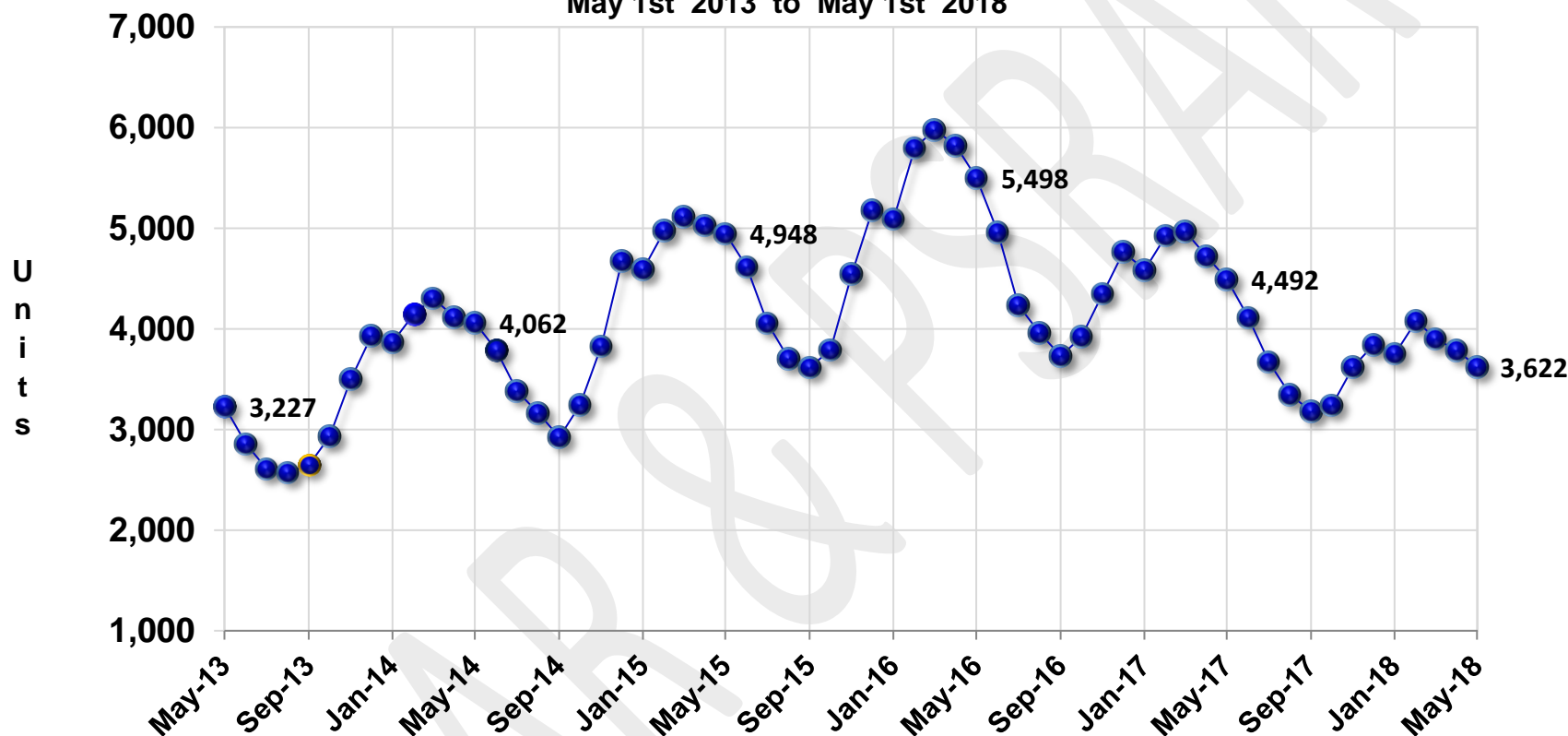


Home Sales by Price Range

Except for homes priced from \$500k to \$600k (which we think results from a statistical anomaly), we see higher sales in all price brackets over \$300k. For homes priced under \$300k we see lower sales. Most of this is the result of the price increases over the last few years. While a few years ago many homes sold between \$200k and \$300k, the price increases have moved the entire housing stock into higher price brackets. That includes million dollar homes, too. We checked the April 2015 Market Watch report and there were only 48 million dollar sales. That compares to 77 sales today.

Valley Housing Inventory

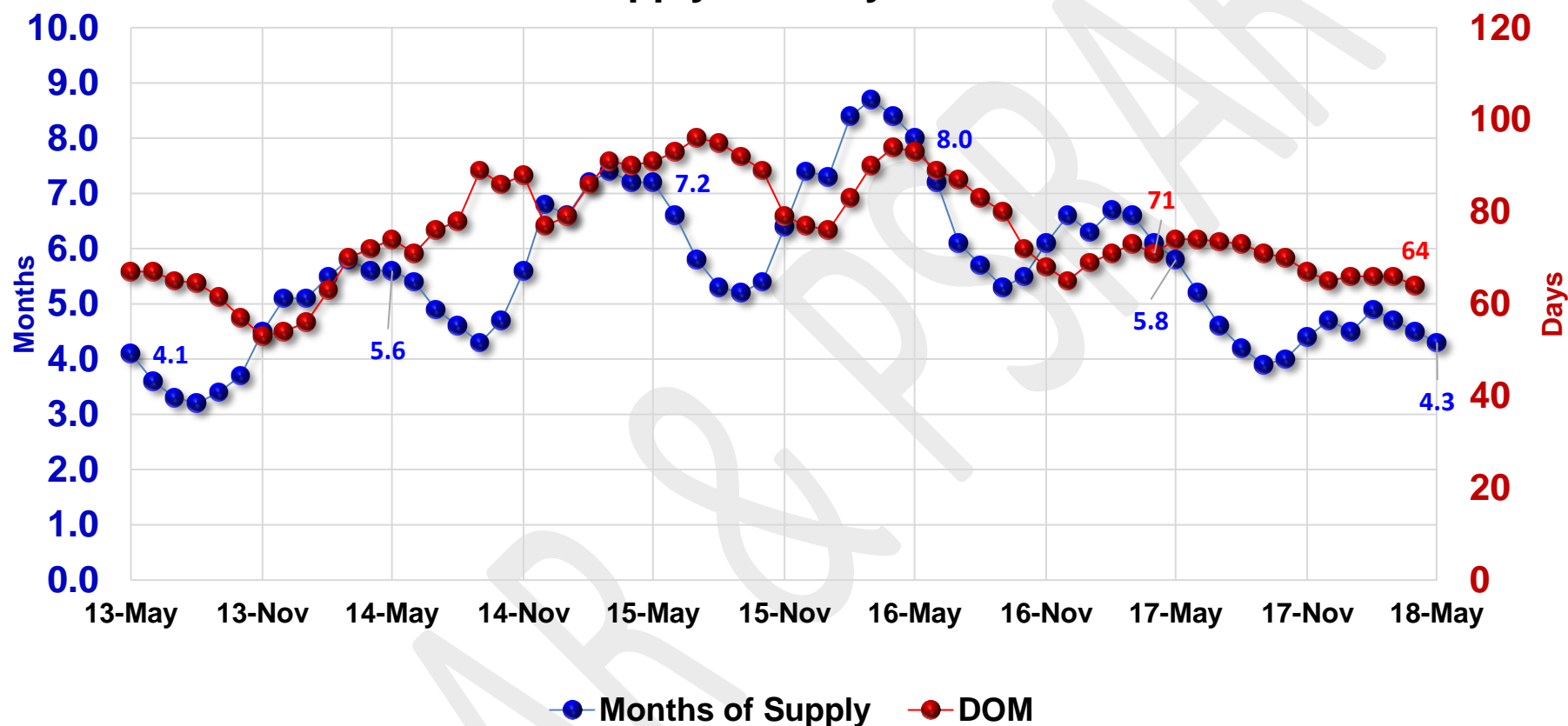
May 1st 2013 to May 1st 2018



Coachella Valley Inventory

Inventory continues to shrink but at a marginally slower rate. On May 1st inventory stood at 3,622 units, which is 870 units less than last year and 1,876 less than two years ago. This shrinking inventory is one half of the equation that's been driving home prices higher. As the graph clearly shows, there is a seasonal pattern to inventory as there is to sales. If the seasonal pattern continues, inventory should continue its contraction until September.

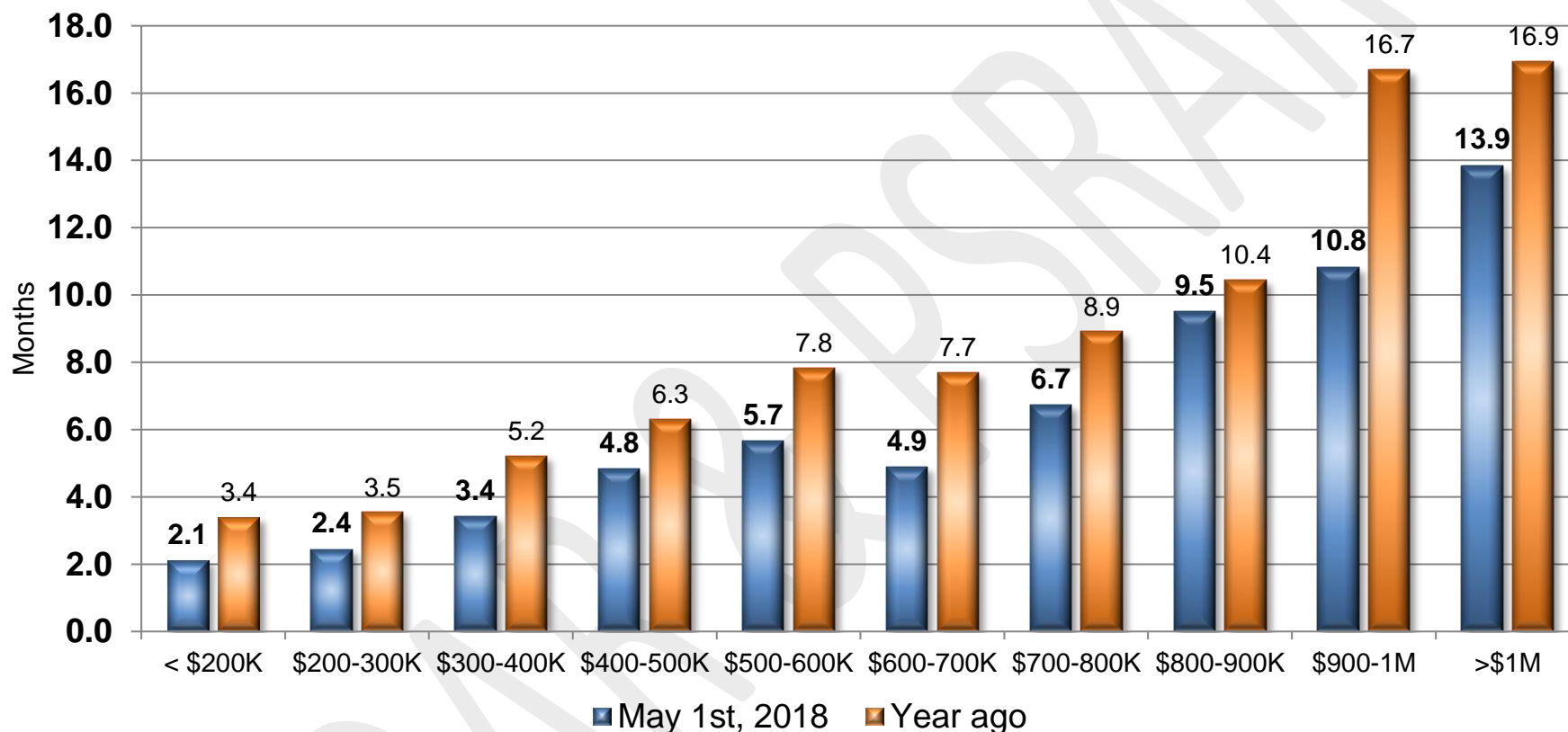
Months of Supply and Days on the Market



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

The ratio called “months of supply” is a number that really measures the balance of supply and demand. Sales represents demand and inventory supply so the ratio is a combination; low ratios like we have today represent low supply and high demand. The current ratio of 4.3 months is the lowest May 1st number since 2013. Days on the Market (DOM) for April was 64 days, which is the lowest number of days for April in the last five years.

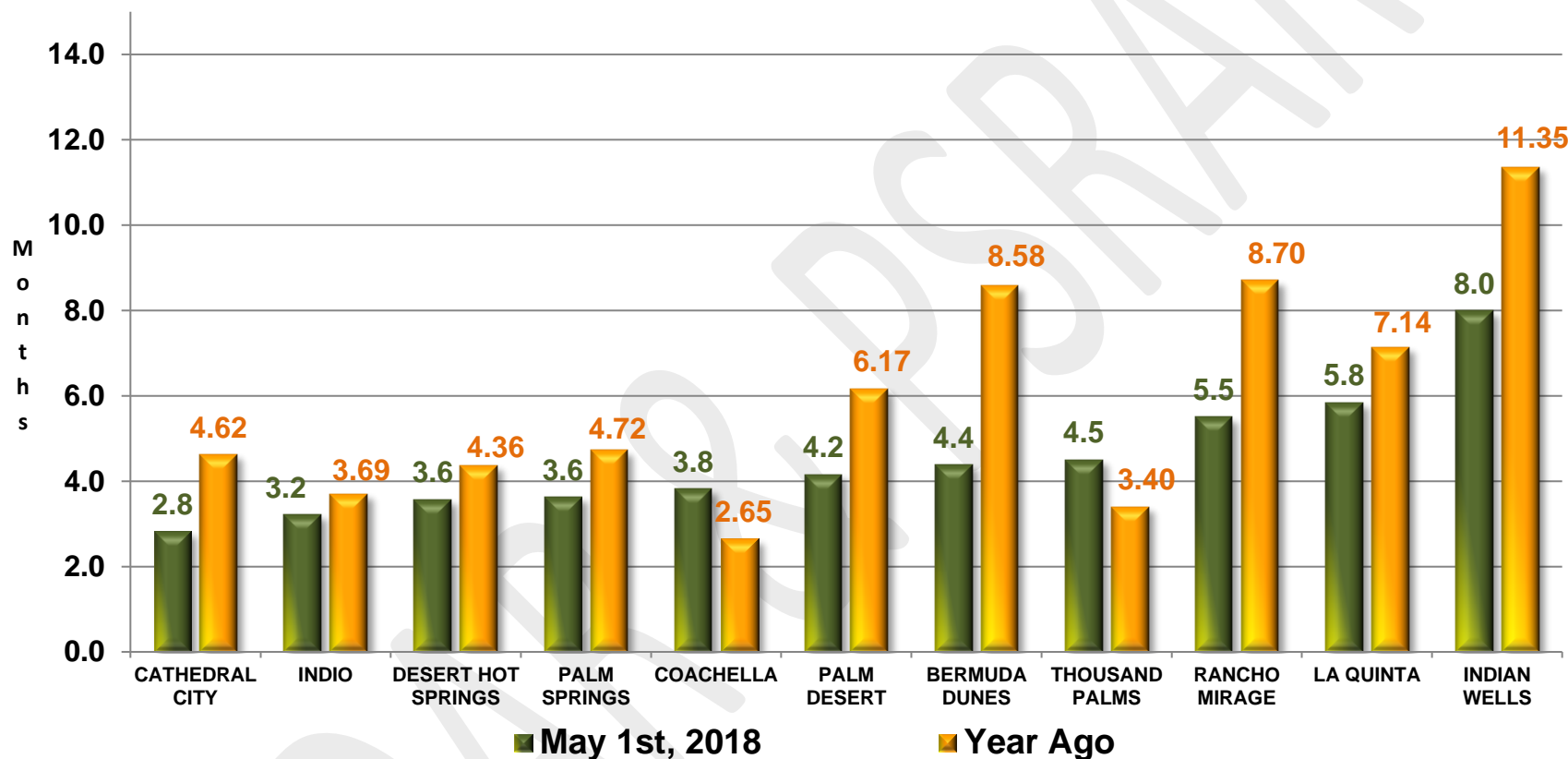
"Months of Supply" by Price Range uses avg. twelve month sales



"Months of Supply" by Price Range

We see improved "months of supply" in all price brackets, especially for homes priced under \$700k. All ratios in price brackets under \$700k are below six months. In the April report two years ago, most ratios were over 10 months. We see considerable improvement in the higher price brackets, too. On May 1st two years ago, the "months of supply" ratios in the two, highest price brackets were almost two years (24 months).

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

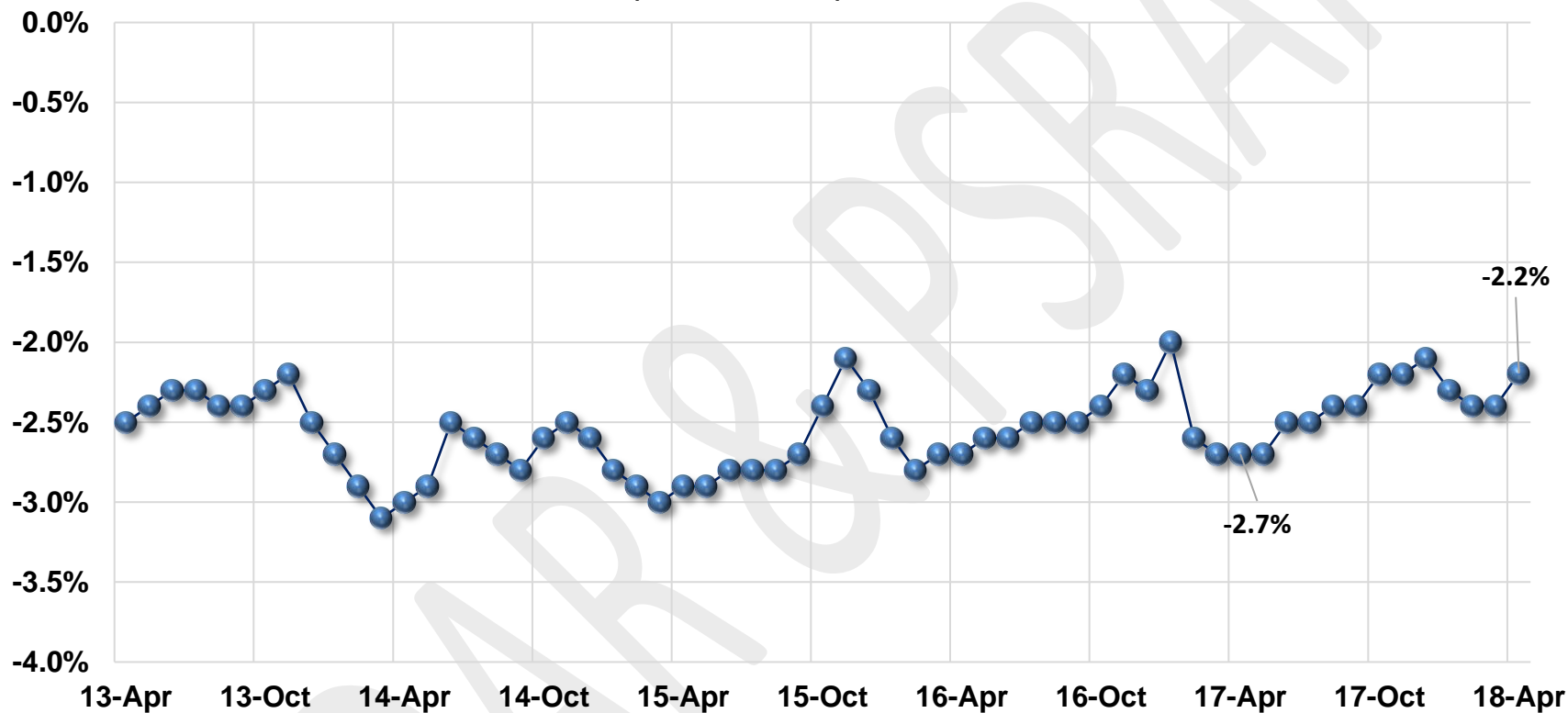


"Months of Supply" by City

Every city except Indian Wells has a "months of supply" ratio under six months. Five of the cities are now under four months. This shows the housing market is visually strengthening throughout the entire Valley and not just in certain sectors or cities. The eight months for Indian Wells is natural for a city with so many high priced homes. It's a simple fact that higher priced homes on average always take longer to sell.

Sales Price Discount from List

April 2013 to April 2018



Sale Price Discount from List

The latest “Sale Price Discount from List” is -2.2%, which is .5% less than a year ago. This ratio means an average home listed for \$300,000 in the three months of February, March and April sold at a \$6,600 discount from its list price.



The Desert Housing Report

April 2018



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