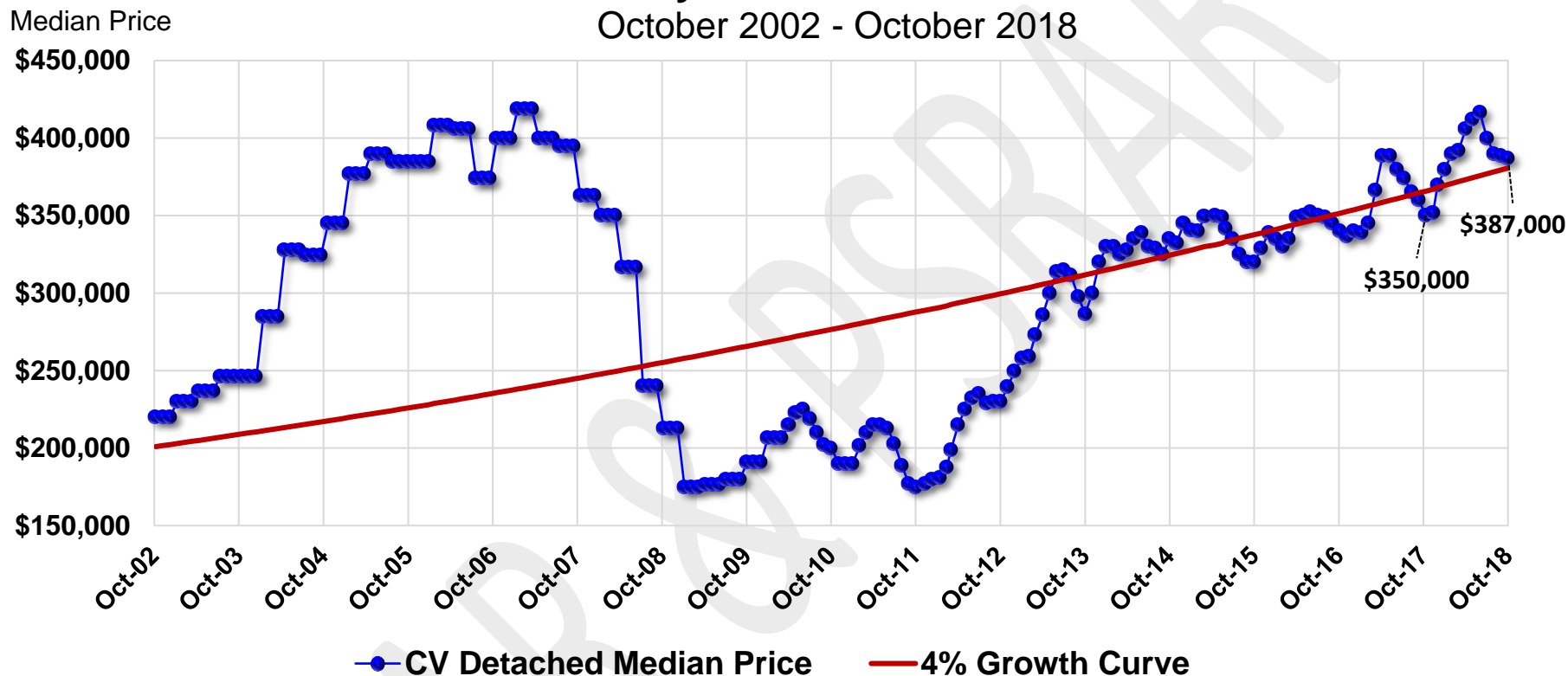


## Coachella Valley Median Detached Home Price

October 2002 - October 2018

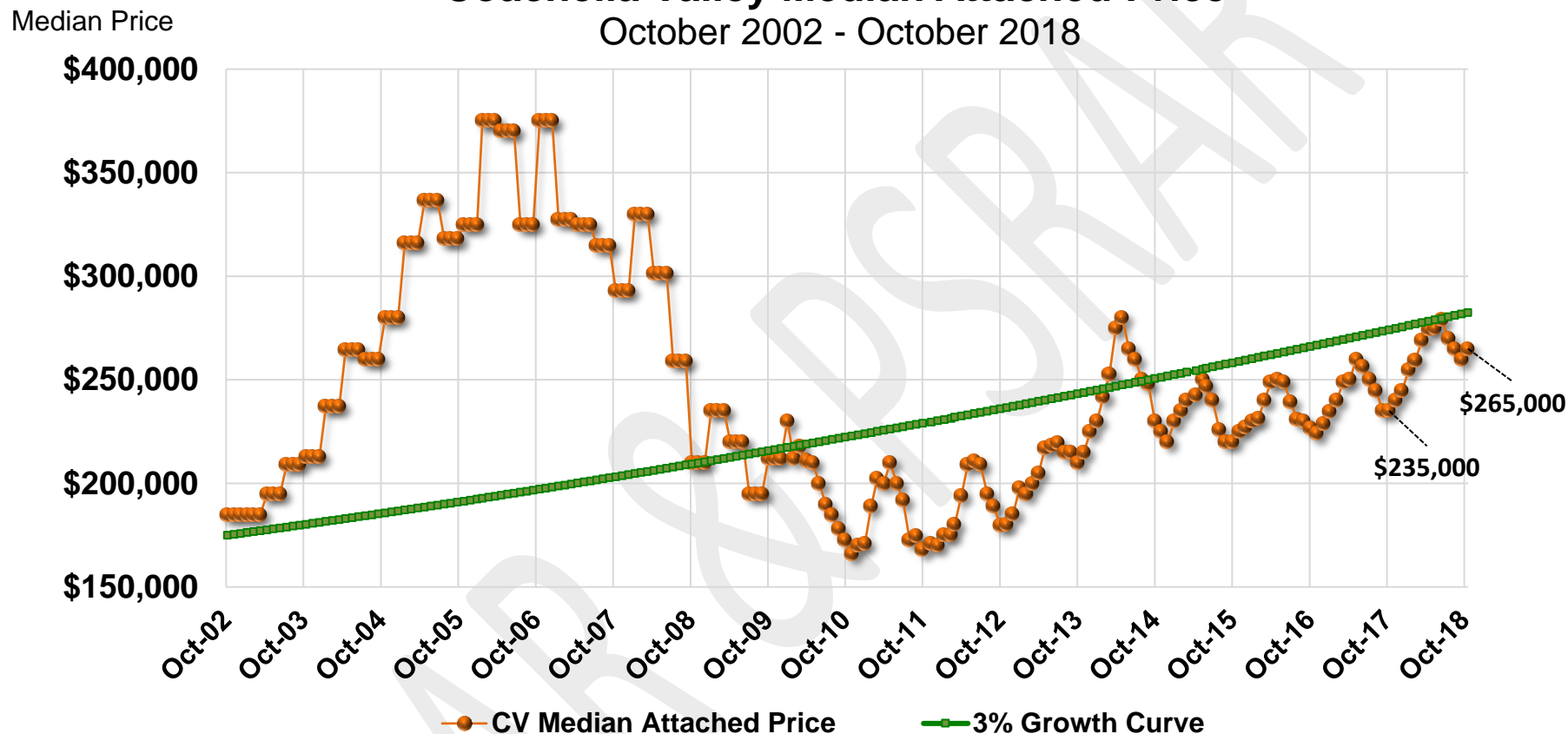


### Summary

The median price for detached homes in September was \$387,000, which is down \$2,000 from last month but up \$37,000 from a year ago, for a percent gain of 10.5%. The median attached price in October was \$265,000, up \$5,000 from the previous month and \$30,000 over the last twelve. This is a twelve month gain of 12.8%. The increasing strength we see in the two regional price indexes is also showing in the city median prices for both detached and attached homes. Changes in the median prices for detached homes show positive numbers that range from a high of 31.3% for Indian Wells down to 4.1% for Cathedral City. When we compare three-month sales in October to last year, we get marginally smaller sales numbers – down about 1.5%. We think this means that long term sales are beginning to stabilize at current high levels. The “Months of Supply” ratio on October 1st was 3.7 months, up 7/10 from last month for seasonal reasons just like inventory. When we compare this number with the previous November 1st for the last six years, this is by far the lowest reading and is a sign the market in the desert continues to be a seller’s market. “Days on the market” in October was sixty-four days, three days less than last year.

## Coachella Valley Median Attached Price

October 2002 - October 2018



## Coachella Valley Attached Median Price

The median attached price in October was \$265,000, up \$5,000 from the previous month and \$30,000 over the last twelve. This is a twelve month gain of 12.8%. We see a very positive indicator in the chart pattern above. It's the fact that the seasonal decline this year from June to October was much smaller than in previous years. This means we are starting the annual price surge from a higher level and we think the median price might reach and surpass \$300,000 by May.

# The Desert Housing Report

October 2018

## Detached Homes

	Oct-18	Year Ago	12 mo change	2011 Low	Gain off Low	2006 High	% from High
Indian Wells	\$1,000,000	\$761,000	31.4%	\$540,000	85.2%	\$1,205,000	-17.0%
La Quinta	\$452,066	\$405,000	11.6%	\$245,000	84.5%	\$682,020	-33.7%
Rancho Mirage	\$674,500	\$608,500	10.8%	\$423,000	59.5%	\$950,000	-29.0%
Palm Desert	\$411,500	\$377,700	8.9%	\$287,000	43.4%	\$543,000	-24.2%
Palm Springs	\$624,450	\$589,000	6.0%	\$335,000	86.4%	\$600,000	4.1%
City of Coachella	\$258,000	\$245,000	5.3%	\$121,950	111.6%	\$335,000	-23.0%
Indio	\$325,000	\$309,495	5.0%	\$158,500	105.0%	\$380,500	-14.6%
Desert Hot Springs	\$225,000	\$215,000	4.7%	\$85,000	164.7%	\$295,000	-23.7%
Cathedral City	\$315,000	\$302,500	4.1%	\$139,000	126.6%	\$395,000	-20.3%

## Attached Homes

	Oct-18	Year Ago	12 Month Change	2011 Low	Gain off 2011 Low	2006 High	% from High
Indio	\$220,000	\$167,500	31.3%	\$75,000	193.3%	\$279,000	-21.1%
La Quinta	\$360,000	\$280,000	28.6%	\$265,000	35.8%	\$532,500	-32.4%
Palm Springs	\$250,000	\$215,950	15.8%	\$150,000	66.7%	\$350,000	-28.6%
Palm Desert	\$281,500	\$244,925	14.9%	\$175,000	60.9%	\$410,000	-31.3%
Rancho Mirage	\$335,000	\$310,000	8.1%	\$260,000	28.8%	\$510,000	-34.3%
Desert Hot Springs	\$151,750	\$141,500	7.2%	\$86,000	76.5%	\$303,000	-49.9%
Indian Wells	\$397,500	\$380,000	4.6%	\$321,500	23.6%	\$557,500	-28.7%
Cathedral City	\$167,700	\$178,275	-5.9%	\$107,500	56.0%	\$270,500	-38.0%
City of Coachella	N/A	N/A	N/A	N/A	N/A	N/A	N/A

## 12 Month Change in City Median Prices

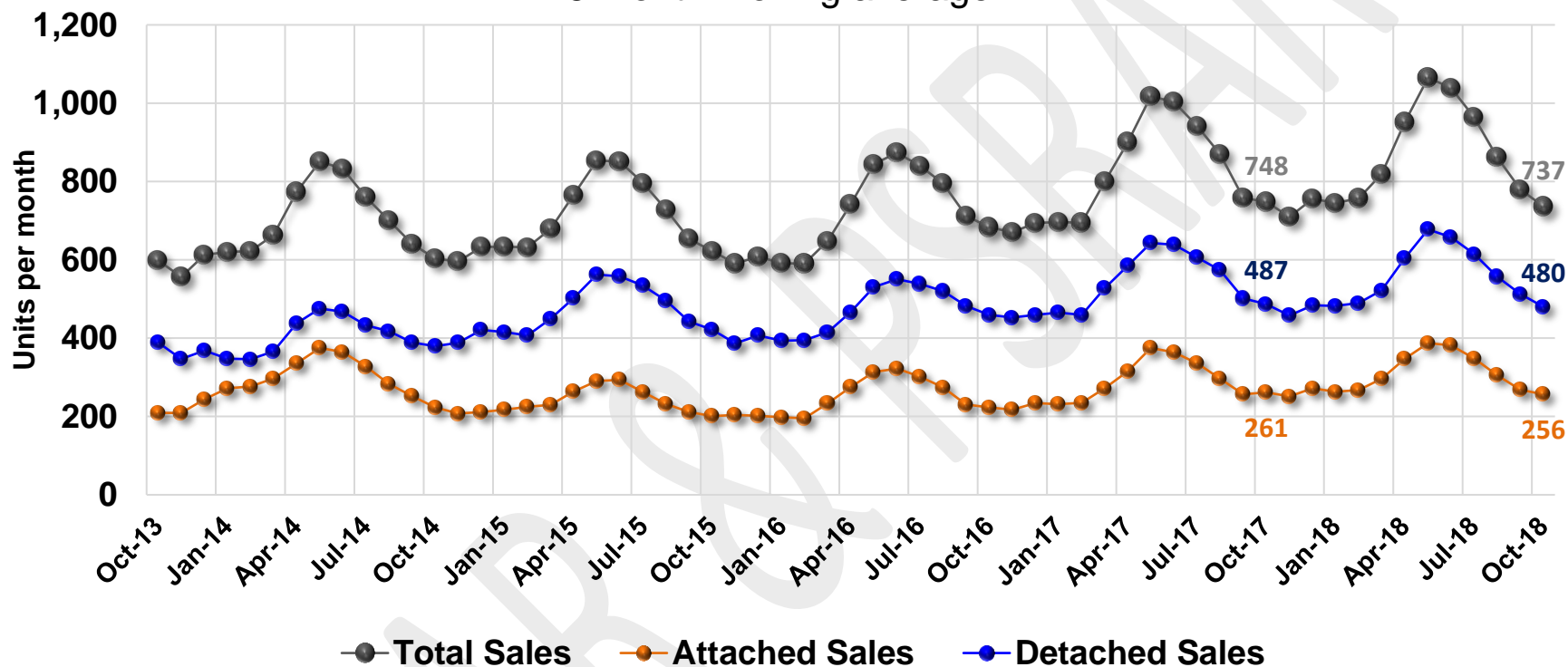
The increasing strength we see in the two regional price indexes is also showing in the city median prices for both detached and attached homes. Changes in the median prices for detached homes show positive numbers that range from a high of 31.3% for Indian Wells down to 4.1% for Cathedral City. In the attached market, four cities – Indio, La Quinta, Palm Springs and Palm Desert – show double digits increases while only one city - Cathedral City – have negative changes.

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

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## Detached, Attached and Total Sales

3 month moving average

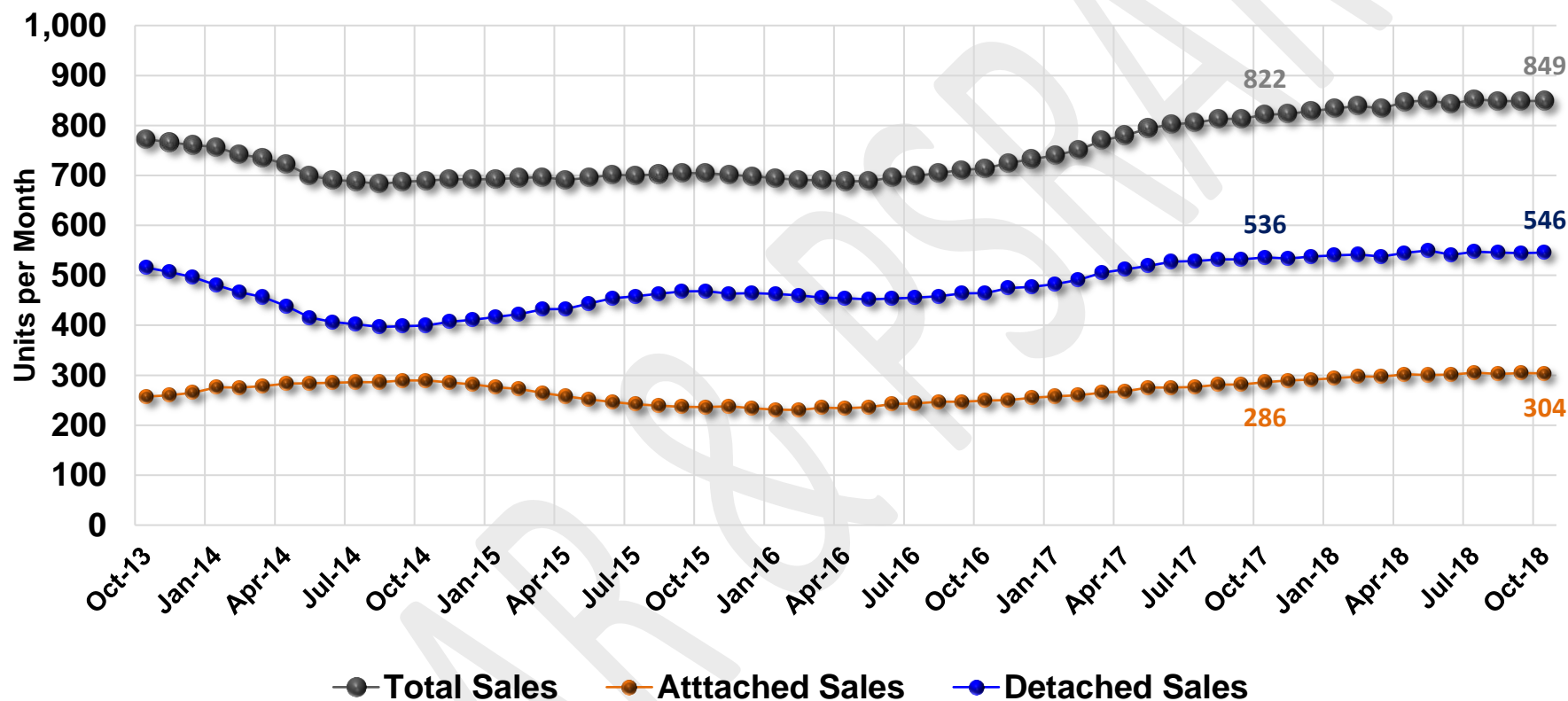


### Monthly Sales – 3 month trailing avg.

Because of both seasonal changes and random variation, comparing one-month sales is useless so we always display sales over two time periods – three months and twelve months. Three months removes randomness and shows seasonality, while twelve-month removes both and shows the long-term trend. When we compare three-month sales in October to last year, we get marginally smaller sales numbers – down about 1.5%. We think this means that long term sales are beginning to stabilize at current high levels.

## Detached, Attached and Total Sales

12 month moving average

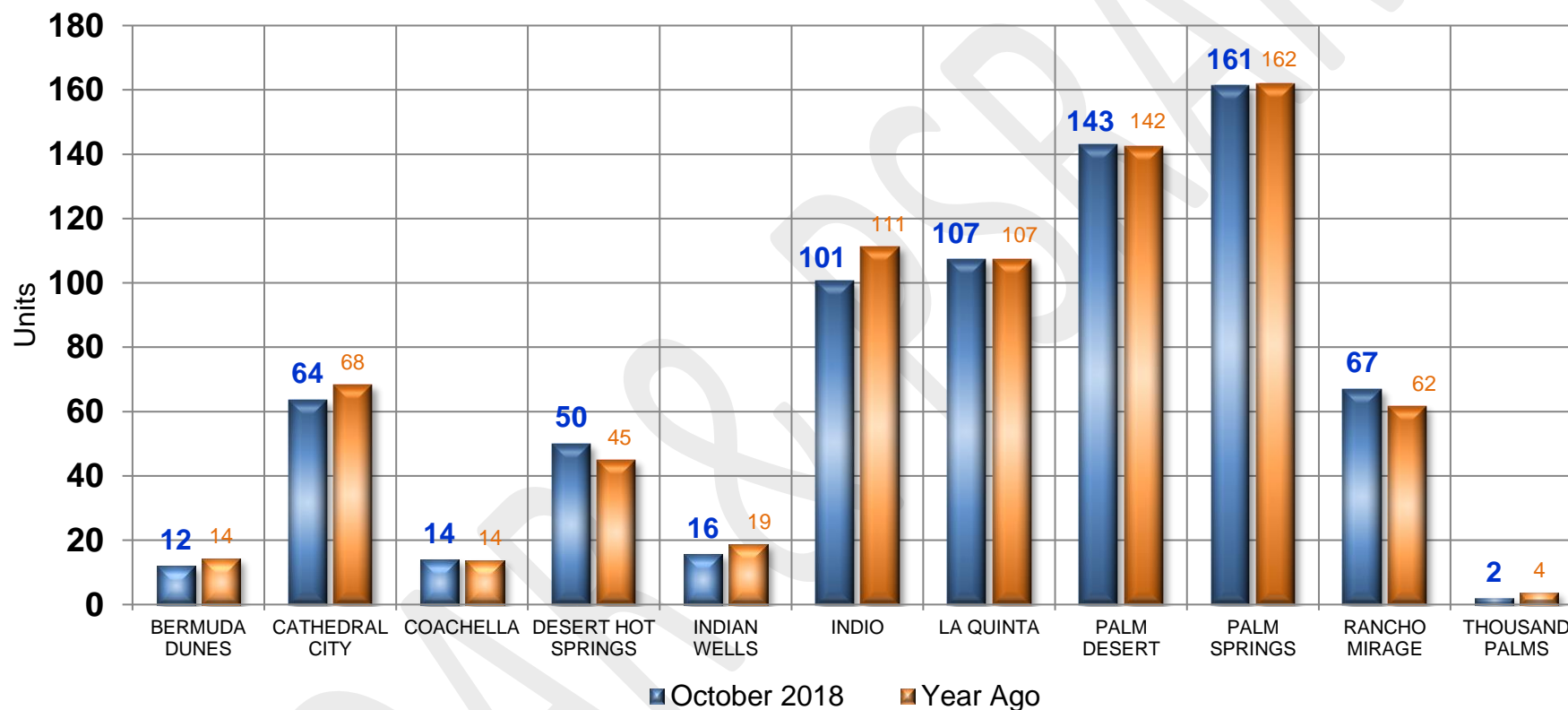


### Monthly Sales – 12 month trailing avg.

Twelve months sales of attached homes in October averaged 304 units a month, up 6% over last October. Detached sales averaged 546 units, up 2%. These numbers brought total twelve-month sales in October to 849 units a month, three percent above last year. Because of the pattern we saw on the three-month sales average, we think long term sales will continue to average around 850 units a month through most of 2019.

## Home Sales by City

3 month avg sales



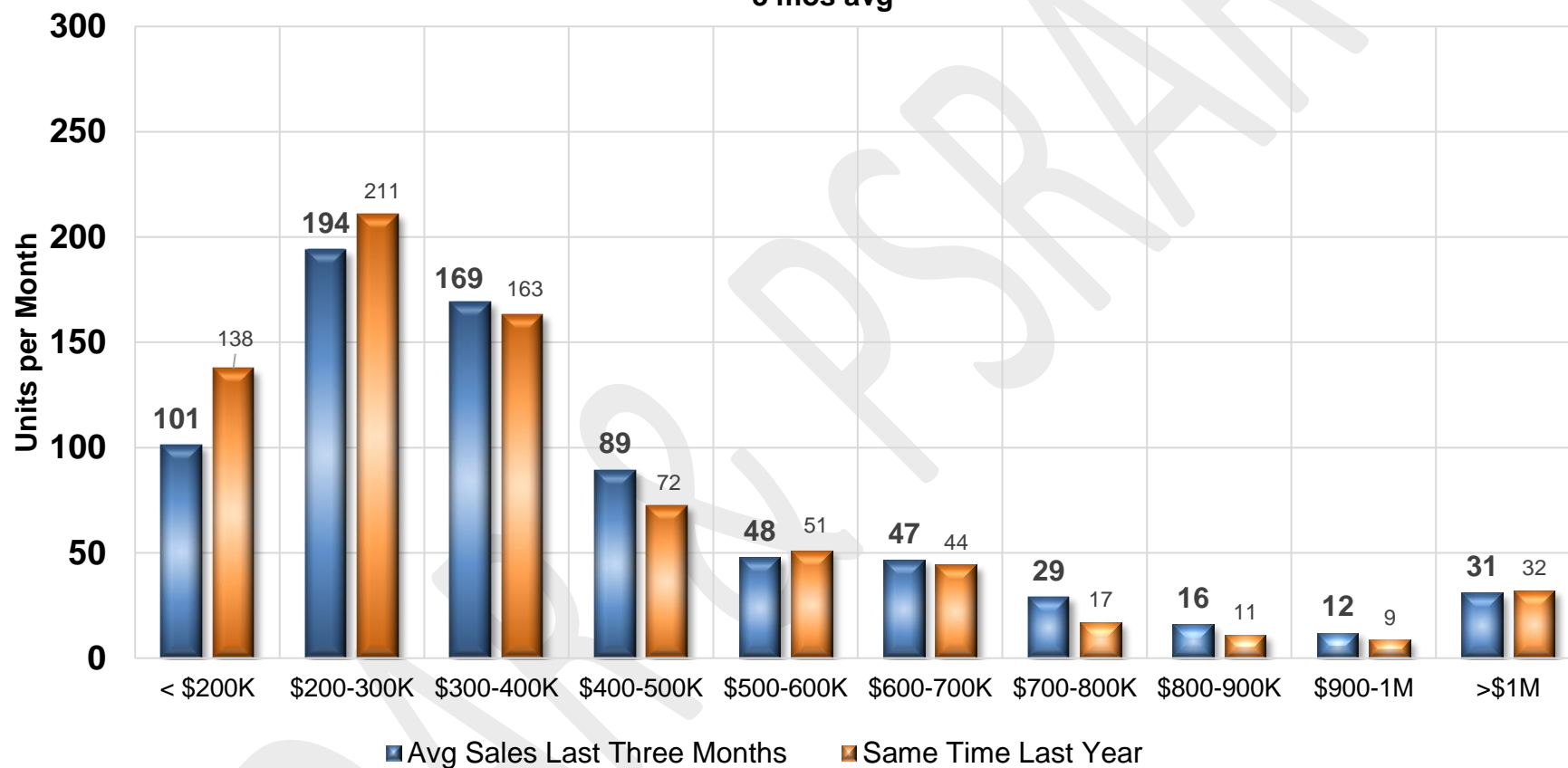
## Home Sales per month by City

While total regional three-month sales are down 1.5%, three-month sales at the city level show three cities with higher sales, two with the same sales and six cities with lower sales. The three cities with higher sales are Palm Desert, Rancho Mirage and Desert Hot Springs, with the latter 11% higher. The city with the largest decrease in sales is Indio. October sales were 101 units, down ten units from last year.



## Home Sales by Price Range

3 mos avg

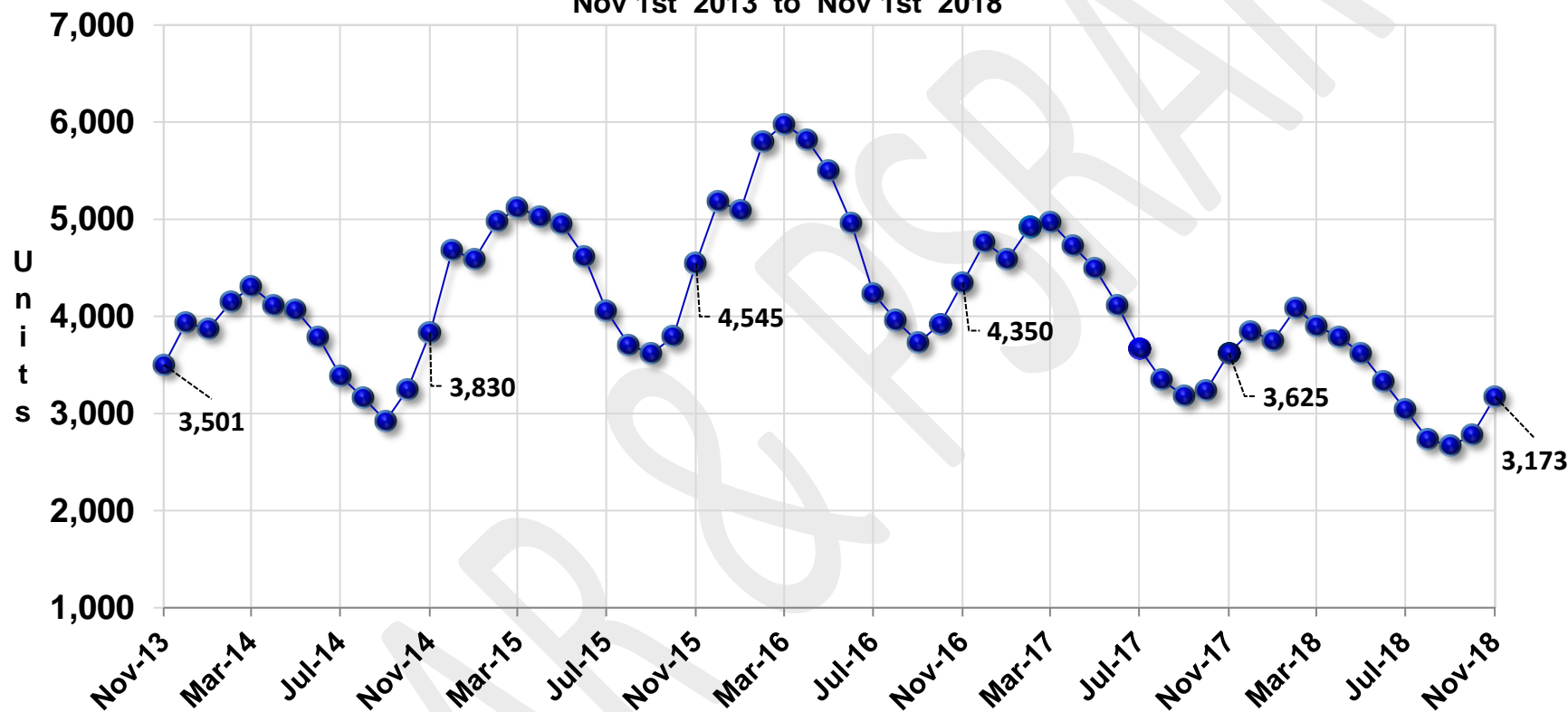


## Home Sales by Price Range

Sales continue to increase in higher price brackets and decline in lower brackets simply because more homes are moving into the higher brackets. For example, three years ago 53% of sales were for homes priced under \$300k; now only 40% are. The largest numerical increase in sales is for homes priced from \$600k to one million.

## Valley Housing Inventory

Nov 1st 2013 to Nov 1st 2018



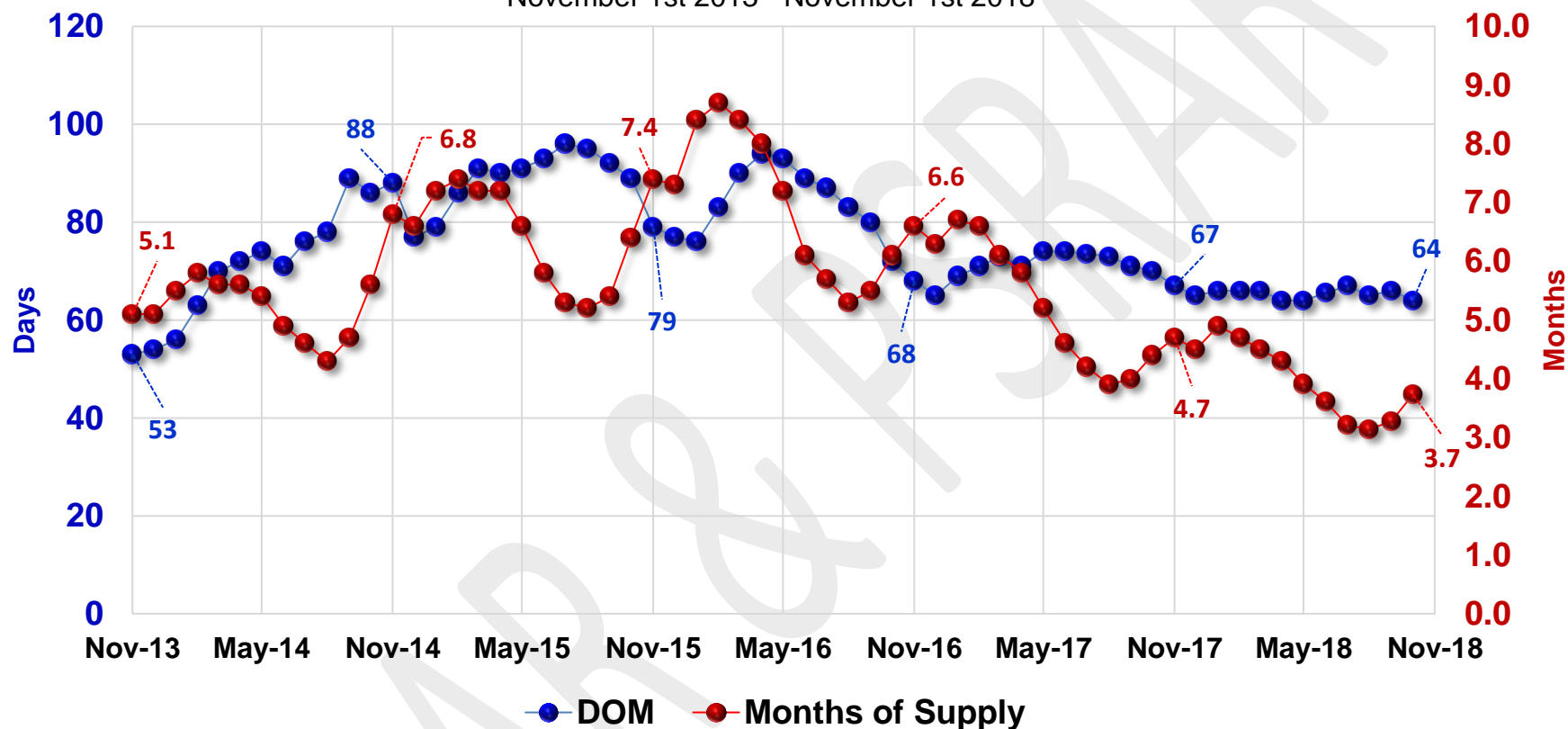
## Coachella Valley Inventory

Valley inventory on November 1<sup>st</sup> was 3,173 units, up 505 units over last month. However, this is a seasonal increase as the graph clearly shows large jumps between October 1<sup>st</sup> and November 1<sup>st</sup> every year. When we compare it against previous November 1<sup>st</sup> numbers, we see that this is the lowest inventory of the last six years. This pattern of each month being the lowest inventory compared to previous years has been occurring now for over six months.



## Days on the Market & Months of Supply

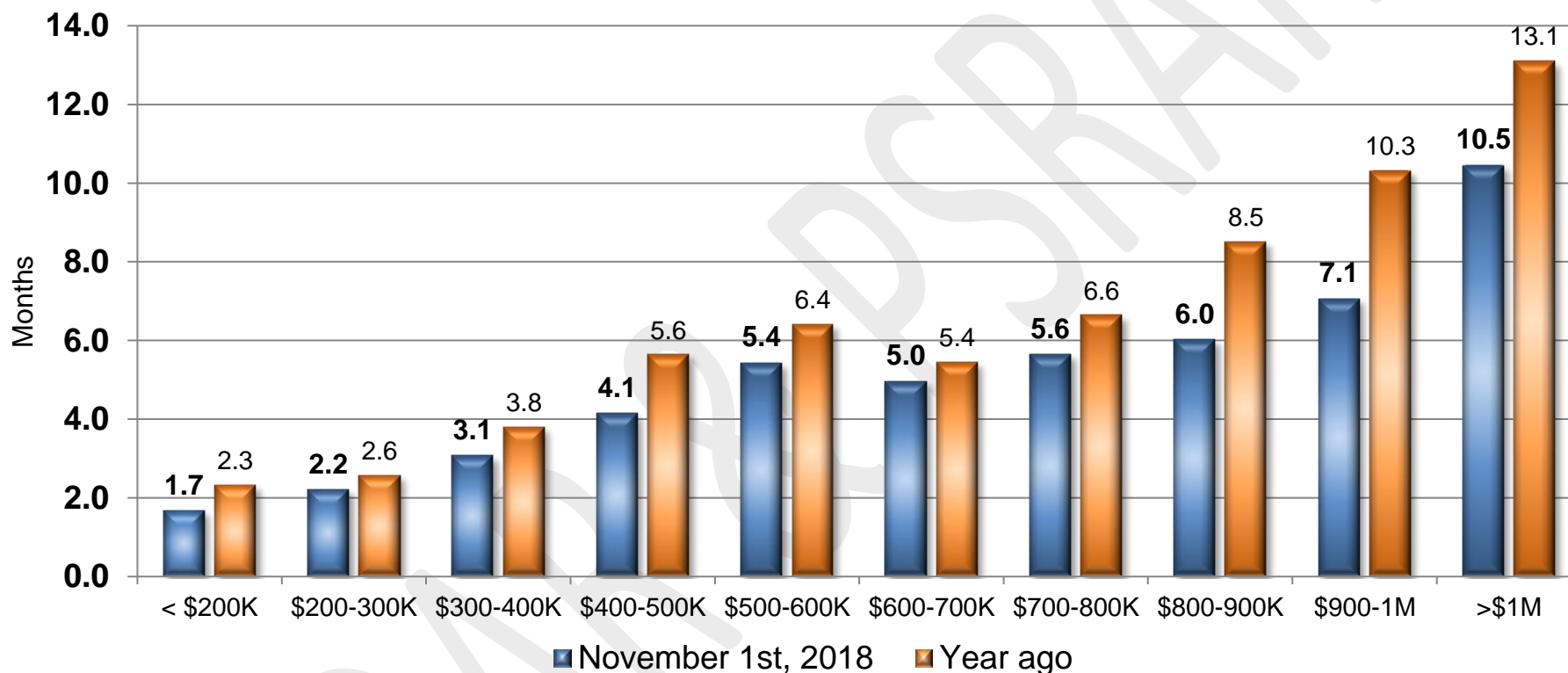
November 1st 2013 - November 1st 2018



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

The “Months of Supply” ratio on October 1<sup>st</sup> was 3.7 months, up 7/10 from last month for seasonal reasons just like inventory. When we compare this number with the previous November 1<sup>st</sup> numbers for the last six years, this is by far the lowest reading and is a sign the market in the desert continues to be a seller’s market. “Days on the market” in October was sixty-four days, three days less than last year.

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

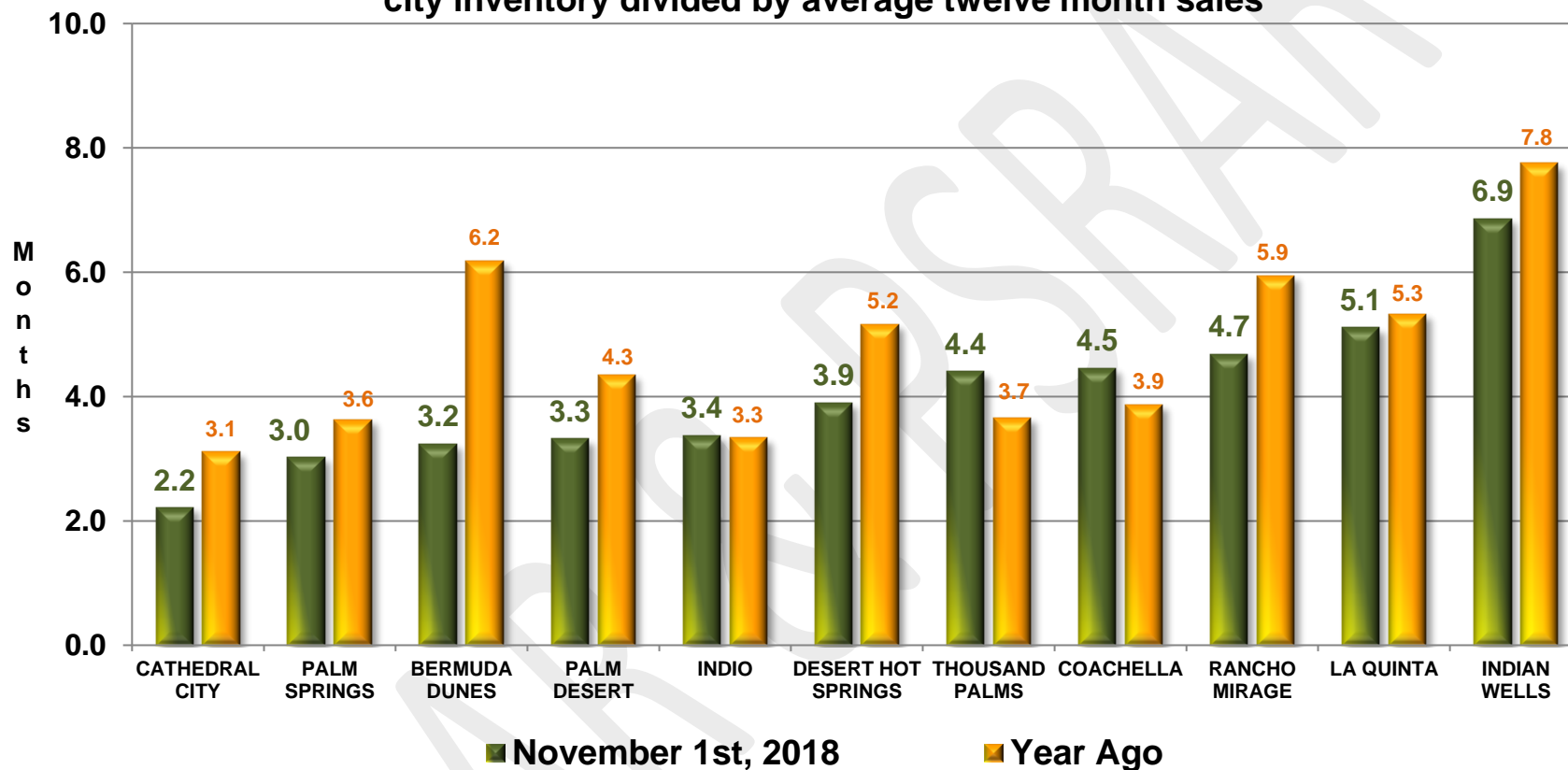


### "Months of Supply" by Price Range

The "Months of Supply" ratio continues to be lower across all price brackets compared to a year ago. This shows that the market improvements over the last two years are across all price ranges. That said it would be nice to see the ratio for homes over one million dollars drop down from the current 10.5 months to between eight and nine months.

## "Months of Supply" by City

city inventory divided by average twelve month sales

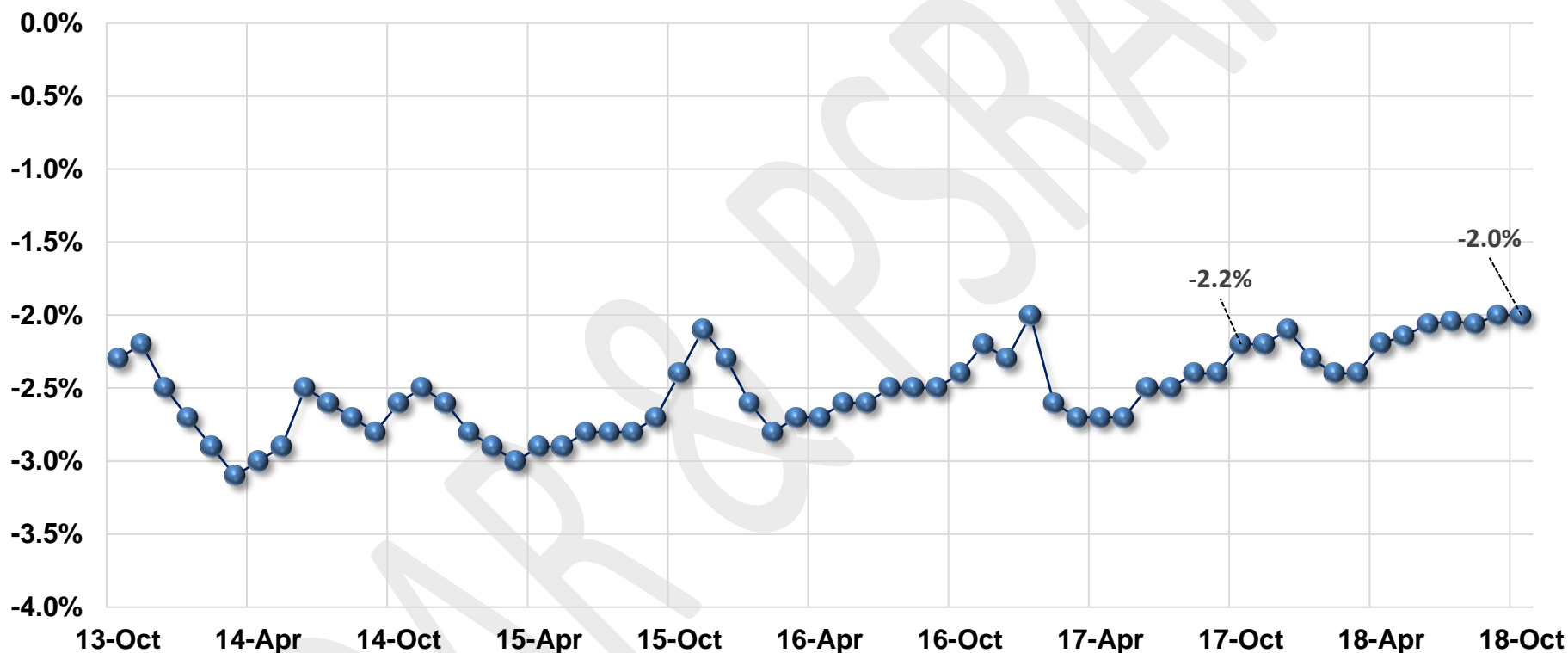


## "Months of Supply" by City

Except for Thousand Palms and Coachella, the "months of supply" ratio was lower for every city in the valley on November 1<sup>st</sup> compared to last year. Every city except Indian Wells has a ratio under six months. We want to particularly note that Cathedral City, Palm Springs and Palm Desert all have ratios under 3.5 months.

## Sales Price Discount from List

October 2013 to October 2018



### Sale Price Discount from List

The latest “Sale Price Discount from List” is -2.0%, which is .2% less than a year ago. This ratio means the average home listed for \$400,000 sold for \$392,000, or an \$8,000 discount.



# The Desert Housing Report

October 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 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.

To contact Market Watch call Vic Cooper at 949-493-1665