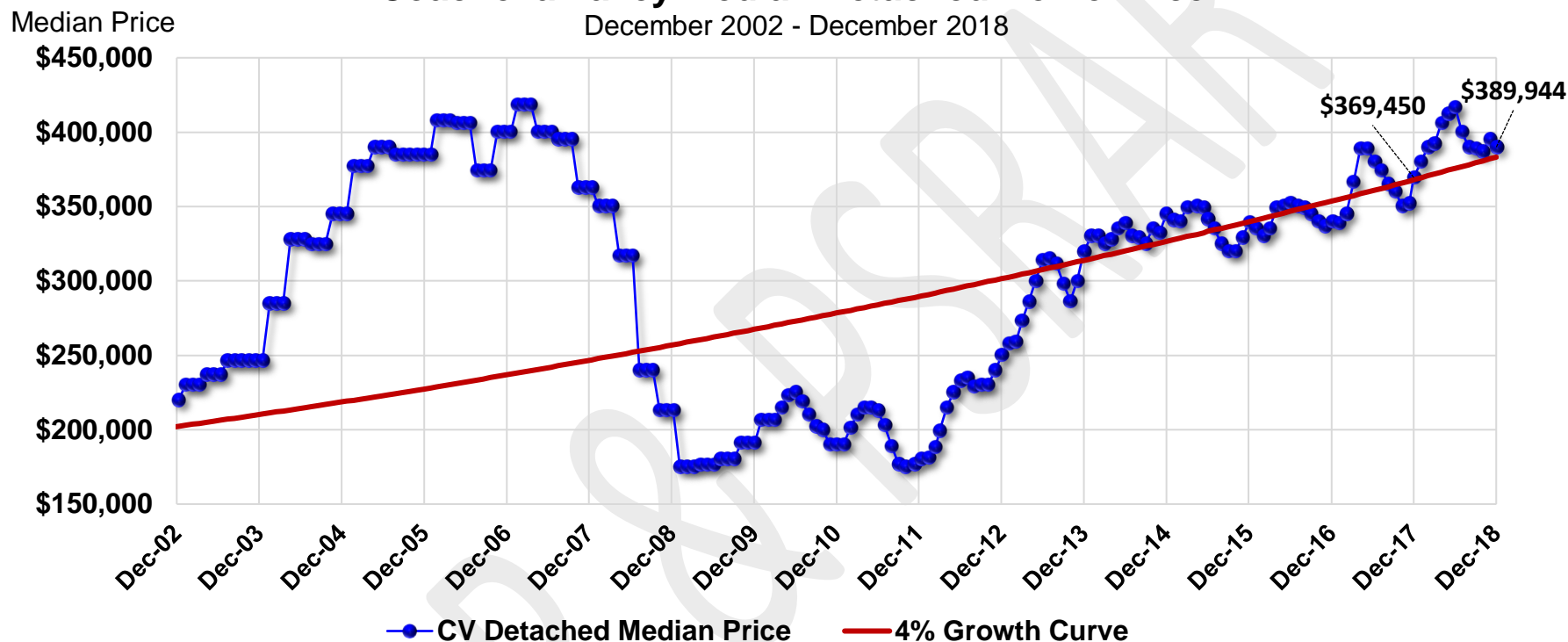


Coachella Valley Median Detached Home Price

December 2002 - December 2018

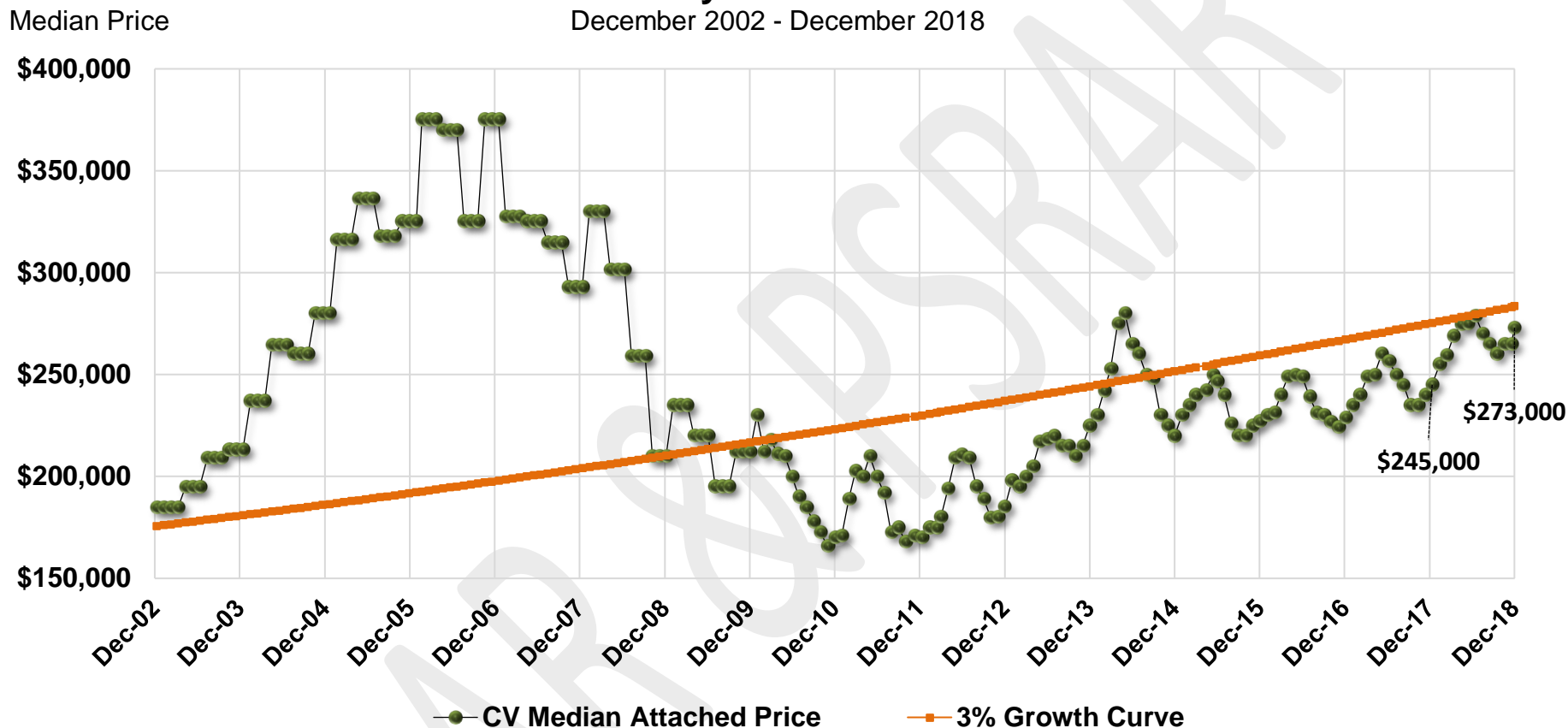


Summary

The Valley's December median price for detached homes was \$389,944, an increase of \$20,494, or 5.5% over last year. The Valley's median attached price was \$273,000, up \$28,000 or 11.4% above last year. The relative strength we see in the two regional price indexes - attached homes outperforming detached homes - is also found in individual city prices. Average sales for both detached and attached homes over the last three months are less than they were a year ago. This is the first time this has occurred in the last three years. The longer term twelve-month average shows that sales in 2018 were practically the same as 2017. Sales at the city level confirm what we know about regional sales - that sales are contracting. Nine cities have lower sales compared to a year ago, one city has higher sales and one has the same sales. Valley inventory on December 1st was 3,398 units, 355 less than the same time last year. The balance between supply and demand in housing is best measured by the ratio known as "months of sales." The ratio on January 1st was 4.1 months, which is the lowest January 1st ratio in the last six years and confirms our belief that supply and demand are currently well balanced.

Coachella Valley Median Attached Price

December 2002 - December 2018



Coachella Valley Attached Median Price

The Valley's median attached price in December was \$273,000, up \$28,000 or 11.4% higher than last year. We have entered a period of the year that historically is very positive for attached home prices. As the graph shows we are also beginning this period from a relatively high price level. Because of this we expect the median price to move up through the 3% growth curve, possibly reaching \$300,000 during the year.

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Detached Homes

| City | Dec-18 | Year Ago | 12 mo change | 2011 Low | Gain off 2011 Low | 2006 High | % from High |
|--------------------|-----------|-----------|--------------|-----------|-------------------|-------------|-------------|
| La Quinta | \$504,750 | \$395,000 | 27.8% | \$245,000 | 106.0% | \$682,020 | -26.0% |
| Indian Wells | \$965,000 | \$832,500 | 15.9% | \$540,000 | 78.7% | \$1,205,000 | -19.9% |
| Indio | \$324,000 | \$310,000 | 4.5% | \$158,500 | 104.4% | \$380,500 | -14.8% |
| Palm Desert | \$410,000 | \$399,000 | 2.8% | \$287,000 | 42.9% | \$543,000 | -24.5% |
| Cathedral City | \$318,500 | \$314,000 | 1.4% | \$139,000 | 129.1% | \$395,000 | -19.4% |
| Palm Springs | \$639,251 | \$635,000 | 0.7% | \$335,000 | 90.8% | \$600,000 | 6.5% |
| Desert Hot Springs | \$221,500 | \$225,000 | -1.6% | \$85,000 | 160.6% | \$295,000 | -24.9% |
| City of Coachella | \$250,000 | \$259,500 | -3.7% | \$121,950 | 105.0% | \$335,000 | -25.4% |
| Rancho Mirage | \$625,758 | \$654,000 | -4.3% | \$423,000 | 47.9% | \$950,000 | -34.1% |

Attached Homes

| City | Dec-18 | Year Ago | 12 Month Change | 2011 Low | Gain off 2011 Low | 2006 High | % from High |
|--------------------|-----------|-----------|-----------------|-----------|-------------------|-----------|-------------|
| Indio | \$222,000 | \$177,500 | 25.1% | \$75,000 | 196.0% | \$279,000 | -20.4% |
| Cathedral City | \$185,000 | \$153,000 | 20.9% | \$107,500 | 72.1% | \$270,500 | -31.6% |
| Desert Hot Springs | \$163,000 | \$135,750 | 20.9% | \$86,000 | 89.5% | \$303,000 | -46.2% |
| Palm Springs | \$245,500 | \$210,000 | 16.9% | \$150,000 | 63.7% | \$350,000 | -29.9% |
| Palm Desert | \$299,000 | \$259,950 | 15.0% | \$175,000 | 70.9% | \$410,000 | -27.1% |
| Rancho Mirage | \$350,000 | \$325,000 | 7.7% | \$260,000 | 34.6% | \$510,000 | -31.4% |
| Indian Wells | \$364,500 | \$365,000 | -0.1% | \$321,500 | 13.4% | \$557,500 | -34.6% |
| La Quinta | \$337,000 | \$375,500 | -10.3% | \$265,000 | 27.2% | \$532,500 | -36.7% |
| City of Coachella | N/A | N/A | N/A | N/A | N/A | N/A | N/A |

12 Month Change in City Median Prices

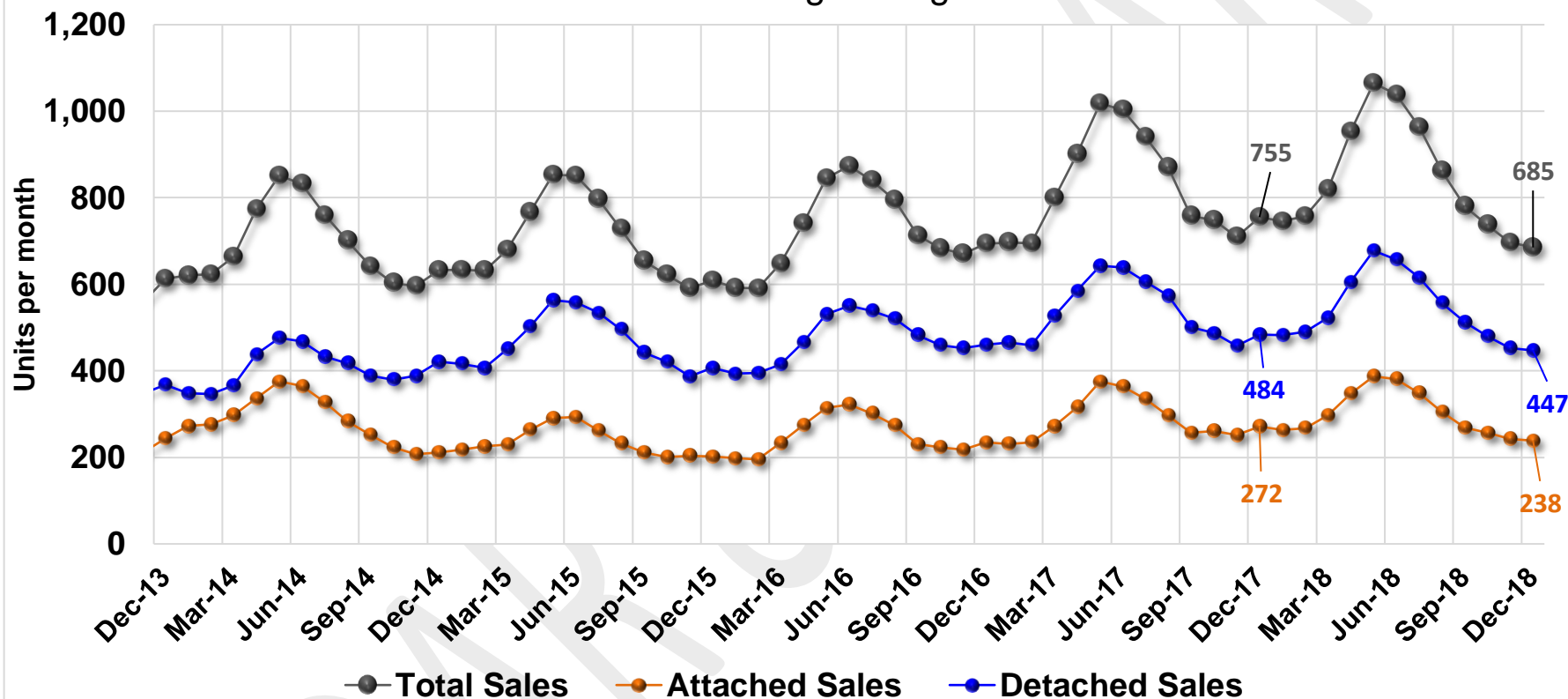
The comparative strength we saw in the two regional price indexes, with attached homes outperforming detached homes, is also visible at the city level. The blue table shows the year over year changes in city median prices for detached homes, while the green table are the changes for attached homes. Except for two outliers – La Quinta and Indian Wells – the changes in the median price for detached homes ranged from 4.5% to -4.3%. As the bottom table shows, median values for attached homes fared somewhat better.

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Detached, Attached and Total Sales

3 month moving average

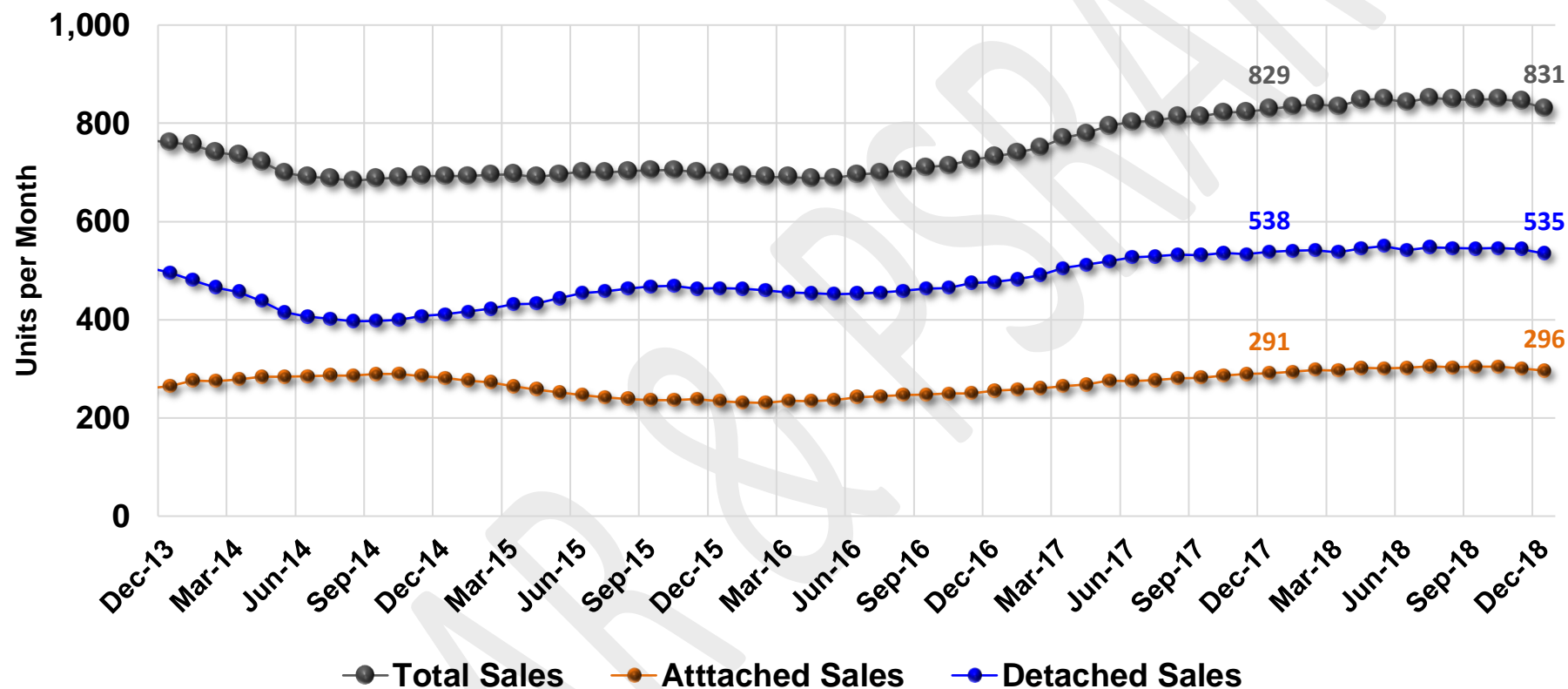


Monthly Sales – 3 month trailing avg.

Average sales for both detached and attached homes over the last three months are less than they were a year ago. This is the first time this has occurred in the last three years. The three-month average of attached sales in December was 238 units a month, which is 12.5% less than last December. Sales of detached homes were 447 units a month, compared to 484 units a year ago, and total sales averaged 685 units, 70 units less than a year ago. This decline is not a seasonal one since we are comparing sales over the same three-month period in both years.

Detached, Attached and Total Sales

12 month moving average



Monthly Sales – 12 month trailing avg.

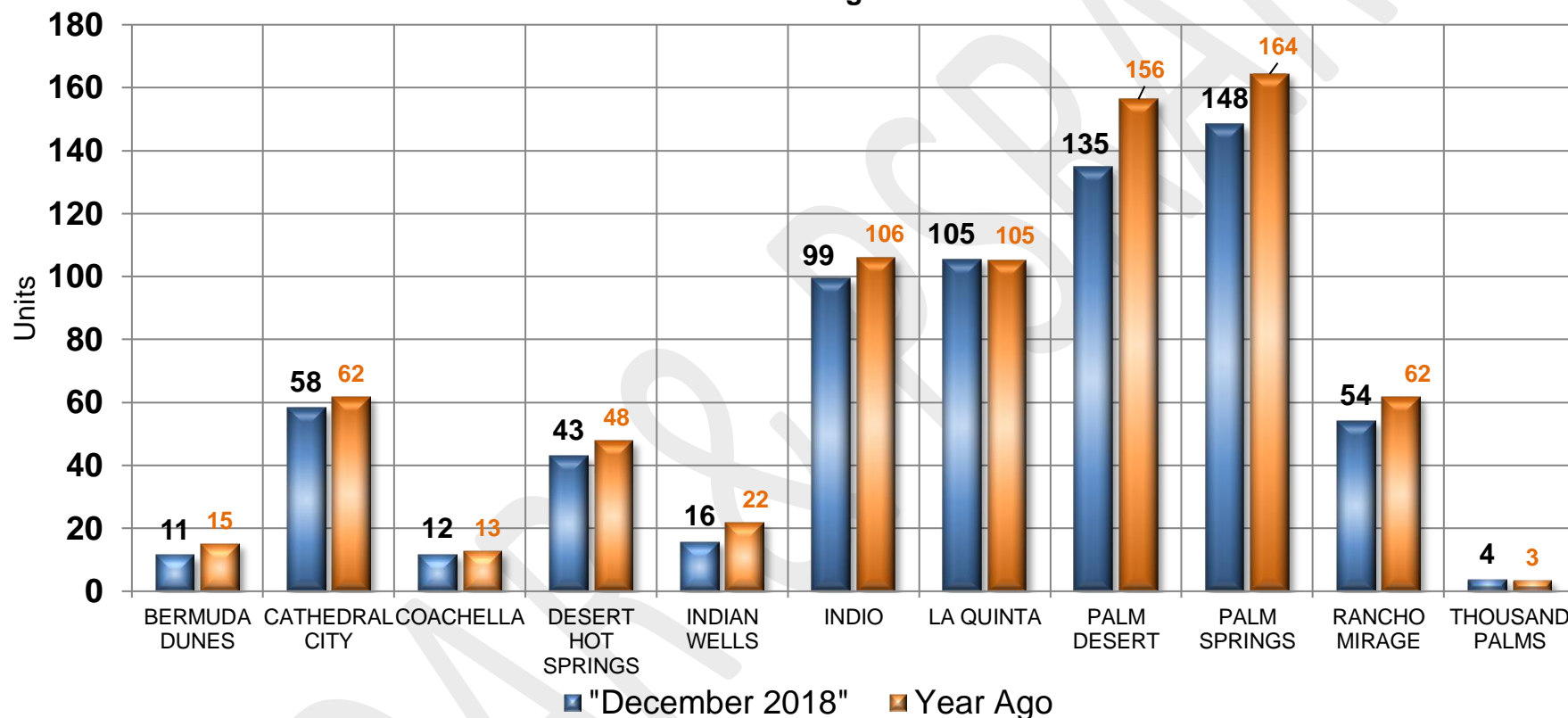
The longer term twelve-month average shows that sales in 2018 were practically the same as 2017. In December, average sales for attached homes in 2018 was 296 unit a month, five units more than 2017. The average for detached homes was 535 units a month, just three units more than in 2017. Total sales averaged 831 units a month compared to 829 units last year. The drop in three-month sales numbers shown on the previous page indicates that these long-term averages should gradually begin to show lower sales numbers in 2019 compared to 2018.

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Home Sales by City

3 month avg sales



Home Sales per month by City

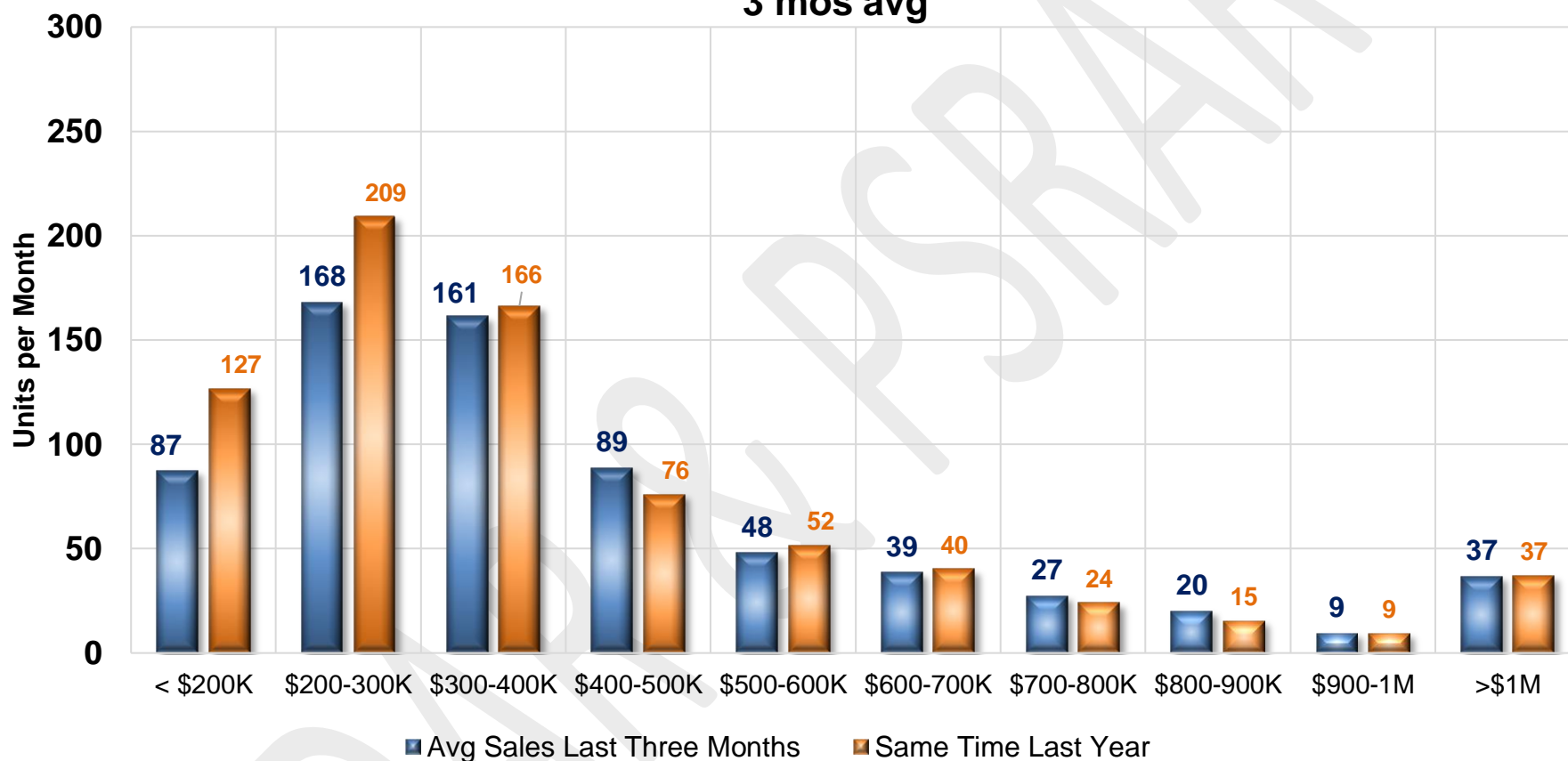
Sales at the city level confirm what we see with total regional sales – that sales are contracting. Nine cities have lower sales compared to a year ago, one city has higher sales and one has the same sales. The two cities with the highest sales numbers – Palm Springs and Palm Desert – register the biggest declines. In December, Palm Desert averaged 135 units sold versus 156 units last year. Palm Springs averaged 148 units versus 164 a year ago.

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Home Sales by Price Range

3 mos avg

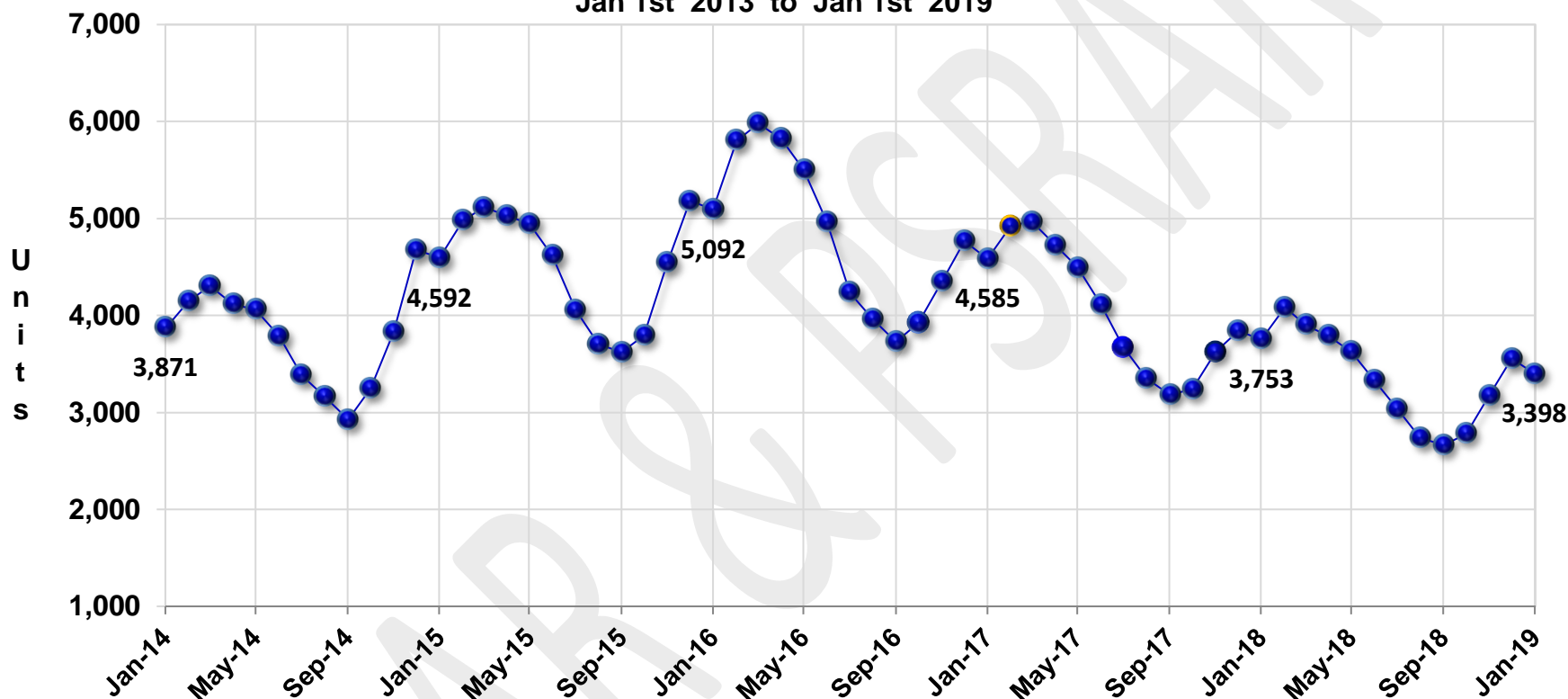


Home Sales by Price Range

Sales continue to increase in the higher price brackets and decline in lower brackets. Sales under \$300k, which account for 37% of all Valley sales, are now down 25%. Sales of homes priced from \$300k to \$400k are slightly less than last year. Sales above \$700k are now just slightly higher than a year ago.

Valley Housing Inventory

Jan 1st 2013 to Jan 1st 2019

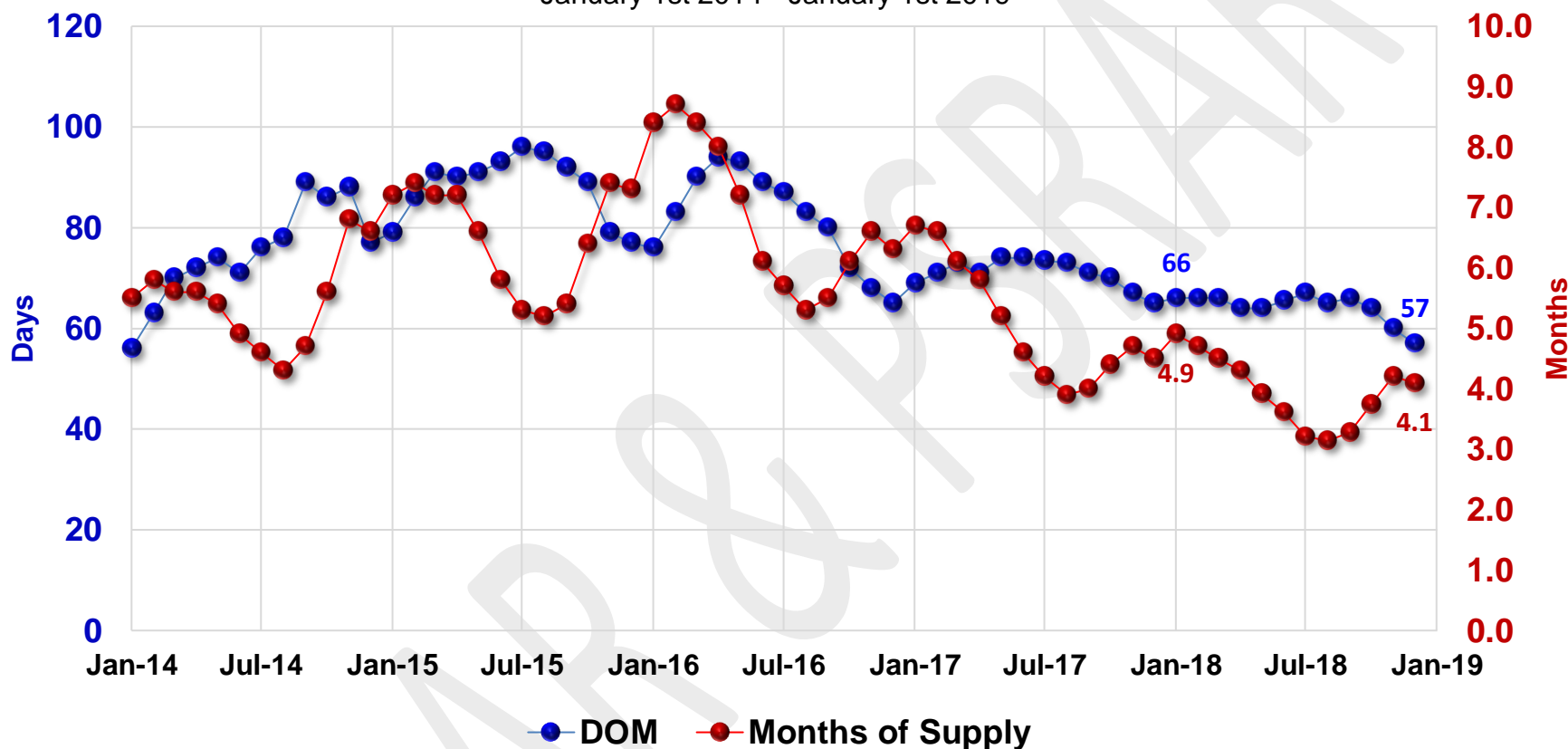


Coachella Valley Inventory

Valley inventory on December 1st was 3,398 units, 355 less than the same time last year. This is the lowest January 1st inventory of the last six years and shows that, while demand is slowing as represented by contracting sales, the supply of homes for sale remains under control. As long as these two forces remain somewhat in balance - and they currently are - prices should remain firm.

Days on the Market & Months of Sales

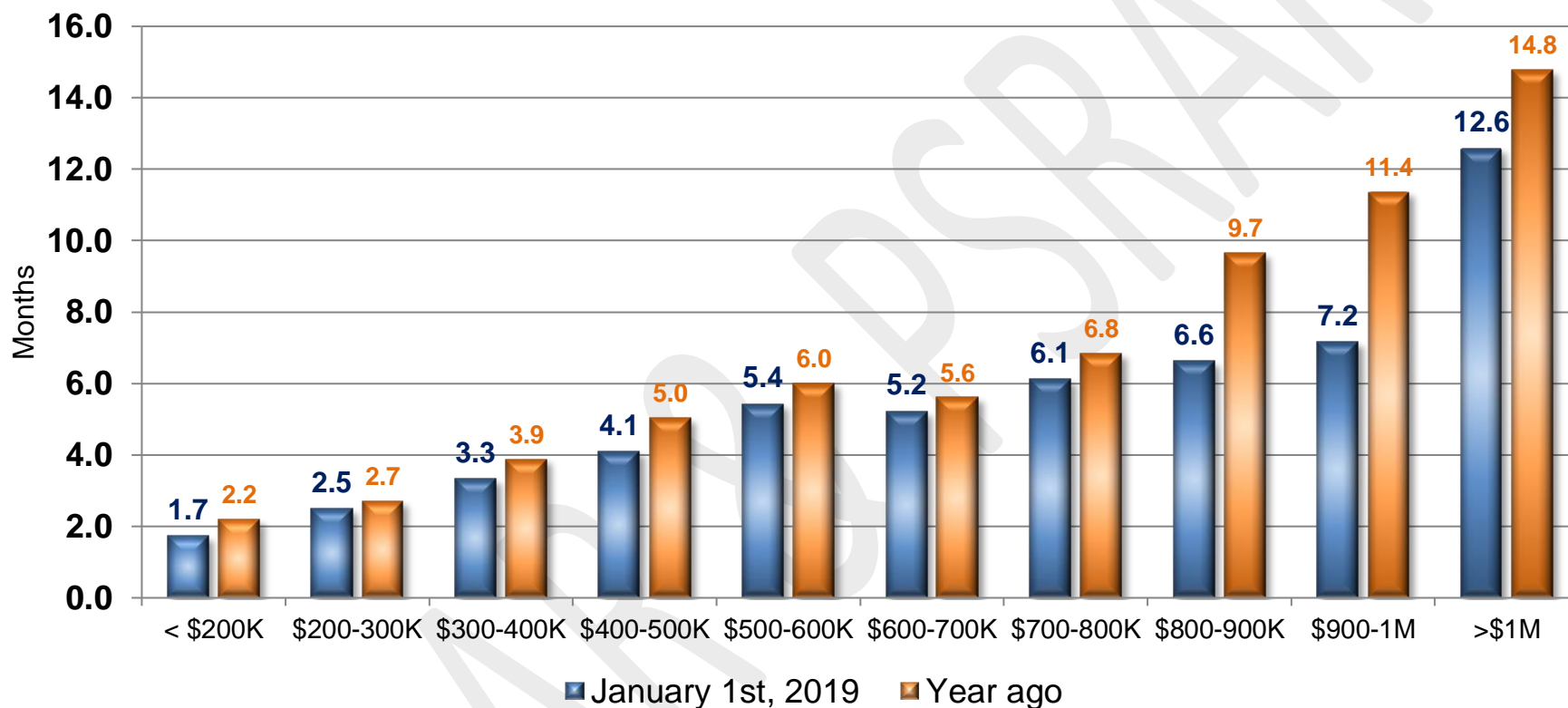
January 1st 2014 - January 1st 2019



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

The balance between supply and demand in housing is best measured by the ratio known as “months of sales.” The ratio on January 1st was 4.1 months, which is the lowest January 1st ratio in the last six years and confirms our statement on the previous page that supply and demand are currently well balanced. What we mean by this is that there is little pressure pushing prices either up or down. This is confirmed by the fact that the median number of days on the market - 57 days - is at the lowest number of days in the last six years and still trending downward.

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

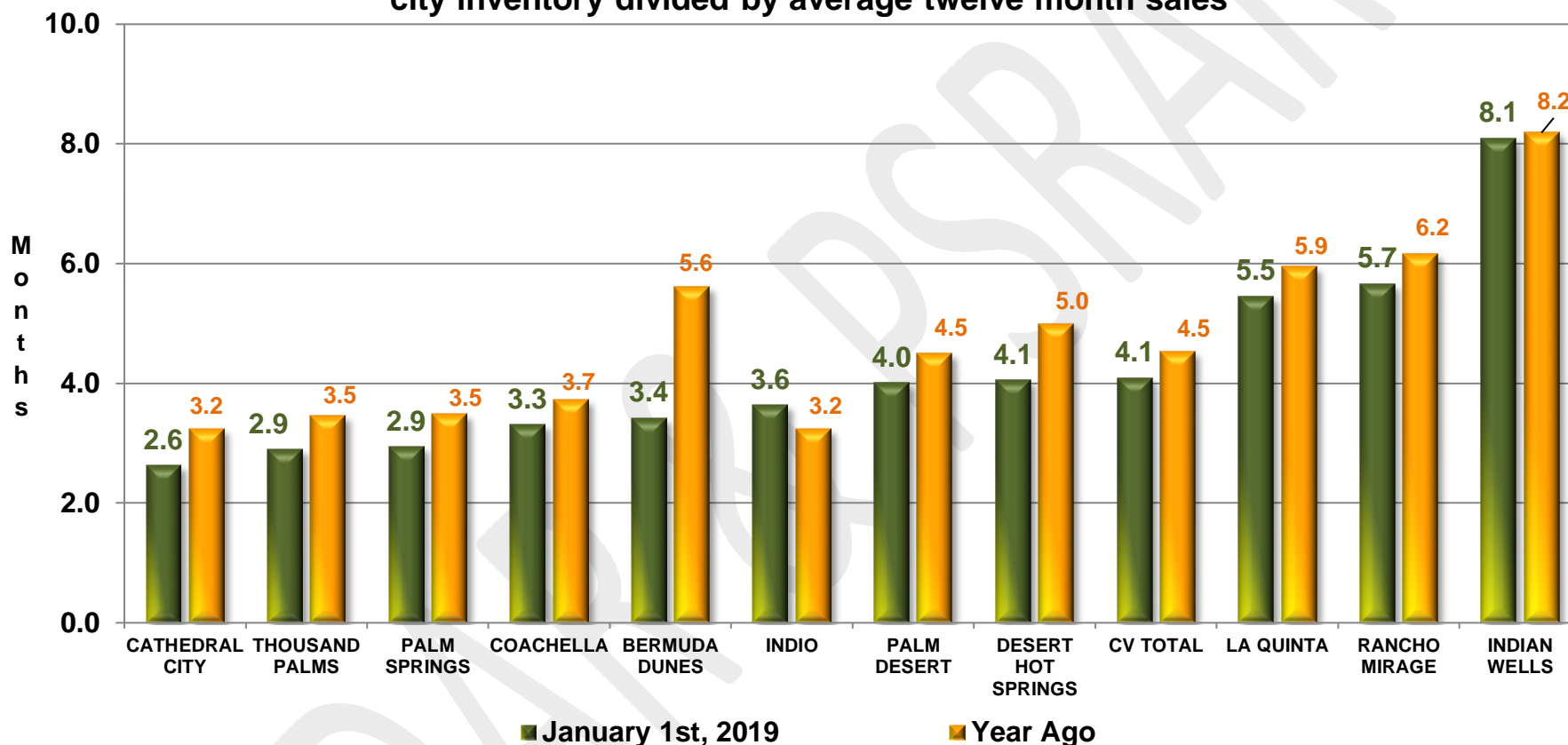


"Months of Sales" by Price Range

The "Months of Sales" ratios continues to be lower across all price brackets compared to a year ago. This is very positive. It shows that the current balance of supply and demand is across all price brackets of the market, even at the high end, million-dollar range. These ratios are calculated by taking the sales rate in each price bracket and dividing it into the number of homes for sale in that bracket.

"Months of Sales" by City

city inventory divided by average twelve month sales

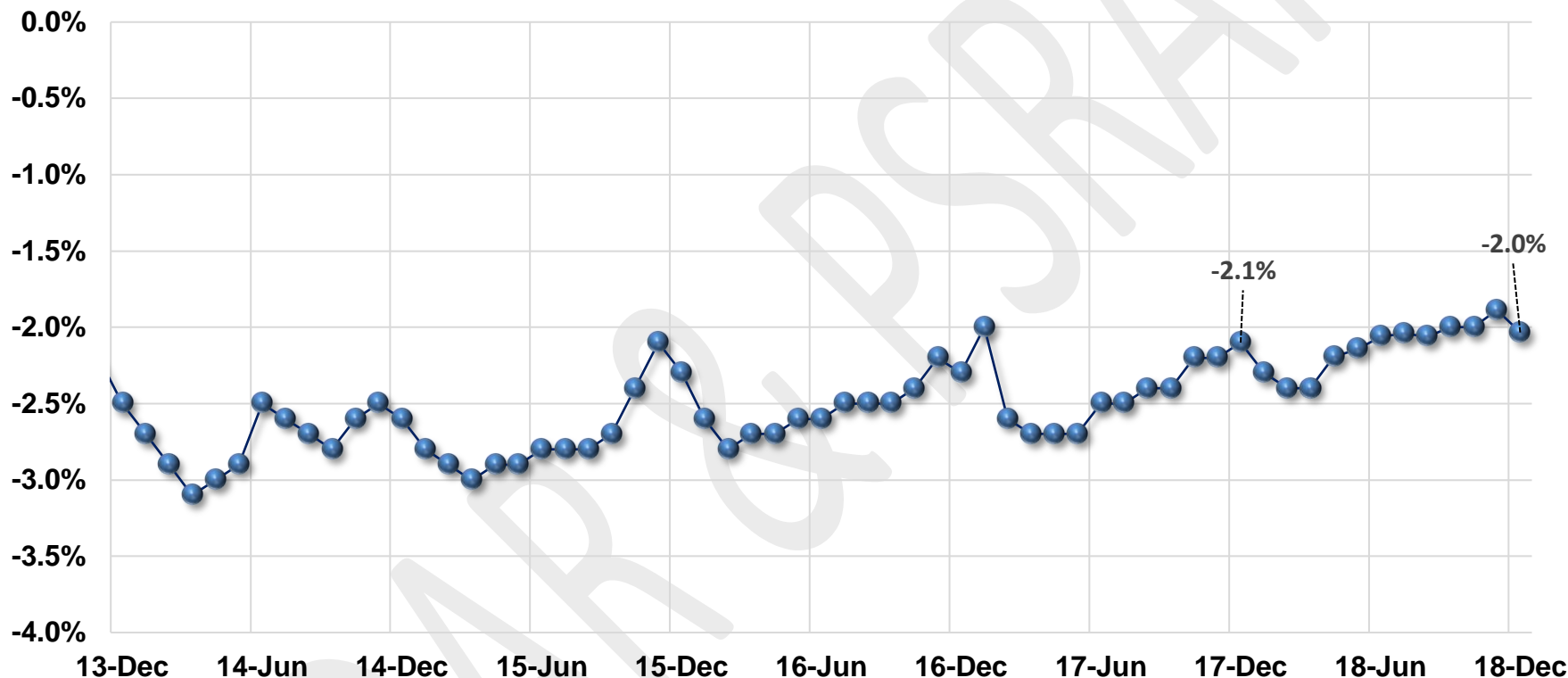


"Months of Supply" by City

Just like we found with different price brackets on the previous page, the "months of sales" ratios of ten of the region's eleven cities is less than it was a year ago. Only Indio, at 3.6 months, has a higher ratio, which was 3.2 months last year. All the cities are in acceptable ranges for their ratios against their historic norms.

Sales Price Discount from List

December 2013 to December 2018



Sale Price Discount from List

The latest “Sale Price Discount from List” is -2.0%, which is .1% less than a year ago. This ratio means the average home listed for \$400,000 sold for \$392,000, or a \$8,000 discount.



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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