

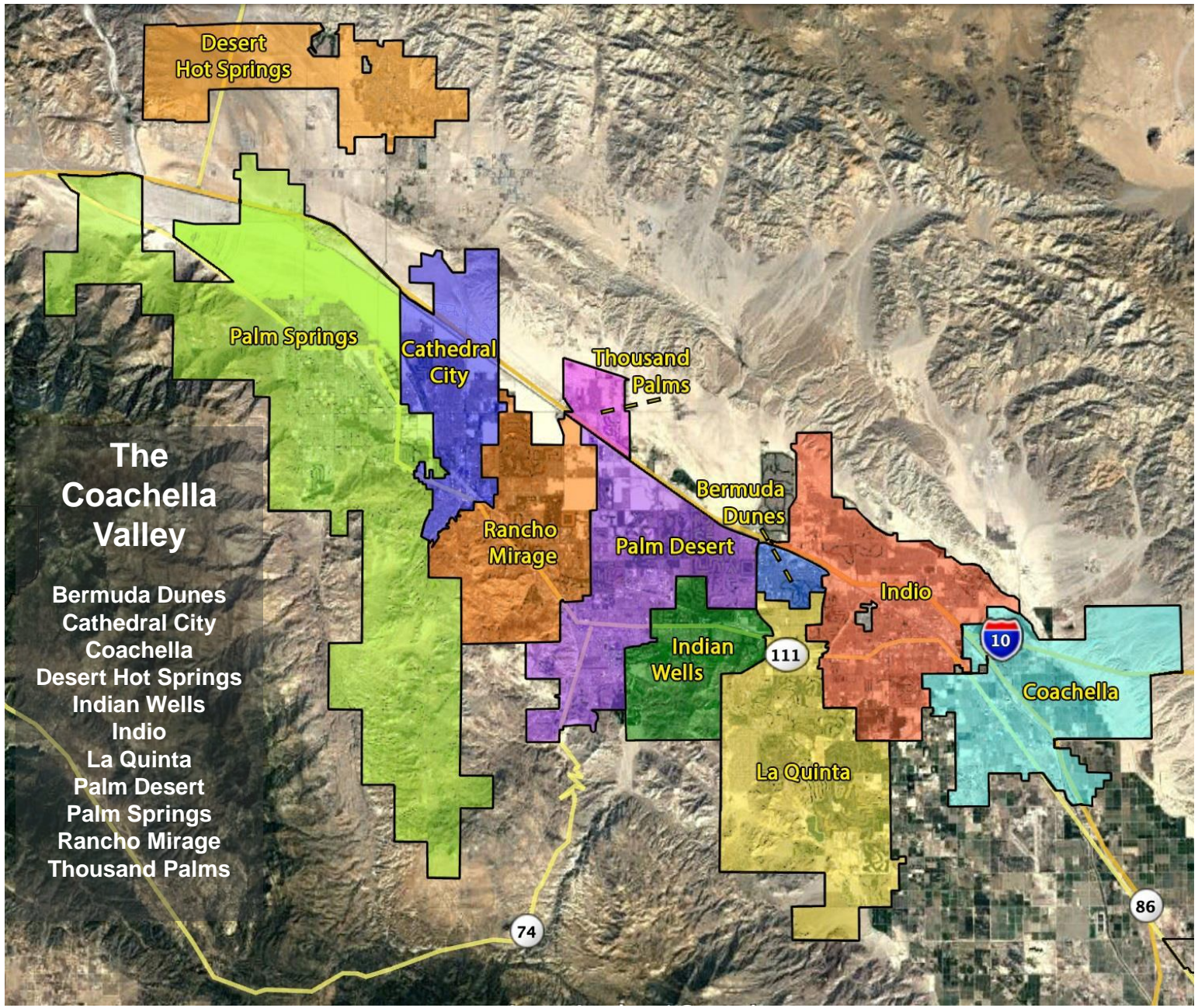
The Desert Housing Report

March 2024



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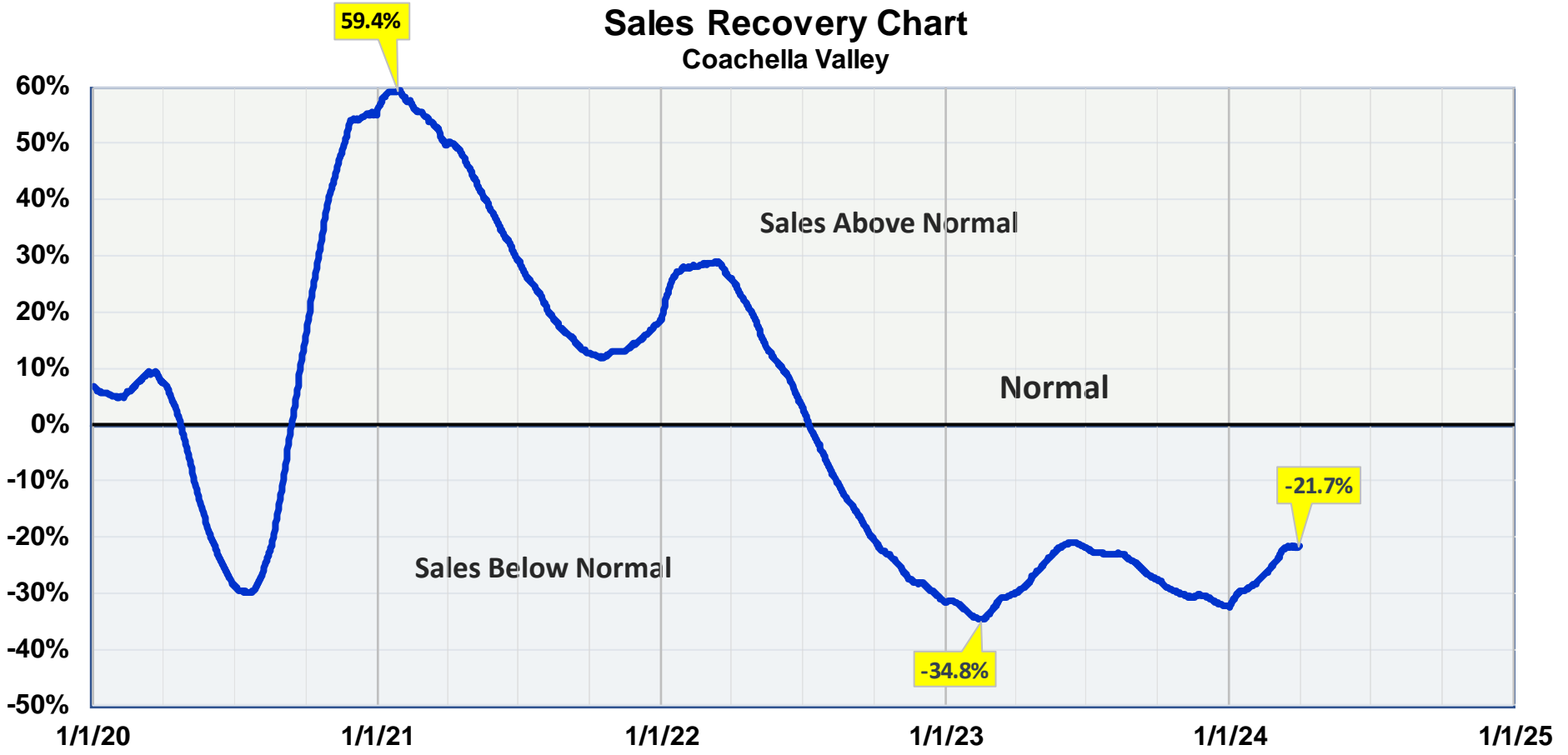
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Sales Recovery Chart Coachella Valley



The Sales Recovery Chart

This seasonally adjusted curve shows where current sales are as a percent of historic norms. The light blue area is when sales are below average, the light green area when they're above average. What is normal is calculated from sales over the years - 2016, 2017, 2018 and 2019. For example, at the height of the pandemic in March of 2021, sales were 59.5% above normal. Sales fell to 34.7% below normal by March of 2023, but then began to improve. Sales this month are 21.7% below normal, which is a slight improvement from the previous month. If mortgage rates decline, we hope to see sales return to normal levels by the end of the year.

Summary

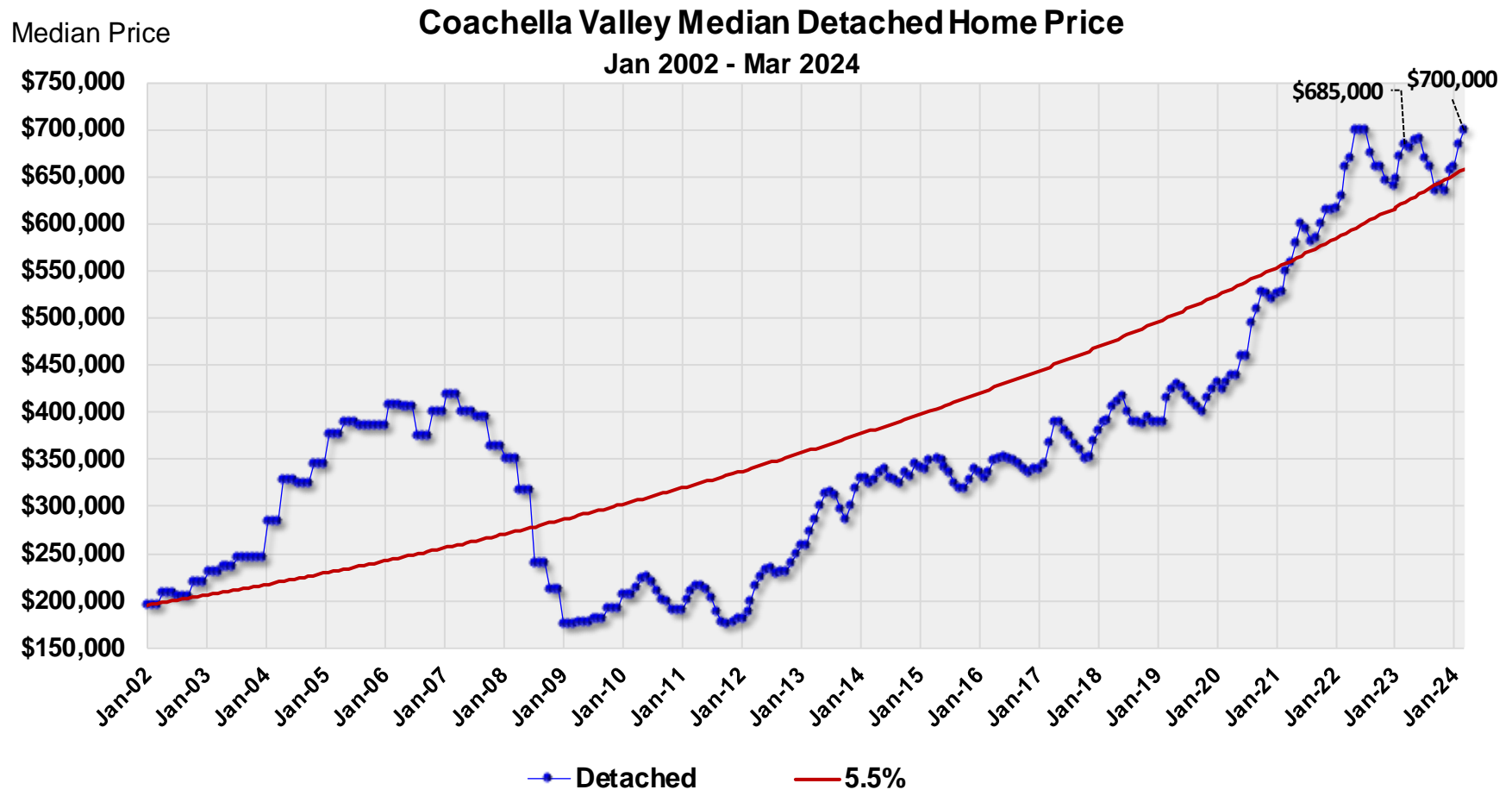
PRICES: The median price of a detached home in the Coachella Valley in March was exactly \$700,000, up 2.2% year over year. The median attached price was \$500,000, up 8.7%. Changes in city prices of the average size home ranged from a 21.7% gain in Indian Wells to a decline of 5.9% in Desert Hot Springs. Six cities have year over year gains for their average size attached home.

SALES: For another month, three-month sales were more than last year. This month sales averaged 633 units compared to 577 units a year ago. Every city except Desert Hot Springs and Indio had higher three-month sales compared to last year. The cities with the largest percentage-wise increase in sales are Indian Wells and Palm Springs, with sales increases of 49% and 23%, respectively.

INVENTORY & “MONTHS OF SALES” RATIOS: On April 1st, Valley inventory was 2,450 units, which is the highest number of units for sale since June of 2020. While improved, this number is still 500 to 1,000 units less than historic norms. The Valley’s “months of sales” ratio was 3.9 months, which is .8 higher than last year. Every city but Coachella has a ratio over three months, with four cities now having ratios over four months. A ratio of three to four months is considered normal. The current even distribution of ratios by price range indicates that supply and demand remain balanced throughout the region.

DIM: At the end of March, the median number of “days in the market” in the Coachella Valley was 42 days, which is two days less than last year. The City of Coachella has the smallest median selling time for detached homes at 31 days, followed by Indian Wells at 38 days. In the attached market, Bermuda Dunes has the shortest average selling time at 16 days, followed by Indio and Rancho Mirage at 35 days. We continue to believe these median selling times will remain around current levels as we progress further into the year.

PRICE DISCOUNTS/PREMIUMS: In March, the percent of homes selling over list price was 14.1%. This is marginally higher than last year. There are currently no average selling premiums. All cities are selling detached homes at an average discount, which range from .7% in Desert Hot Springs to 4.1% in Bermuda Dunes. Average discounts for attached homes range from 1.5% in Indio to 3.9% in Bermuda Dunes.



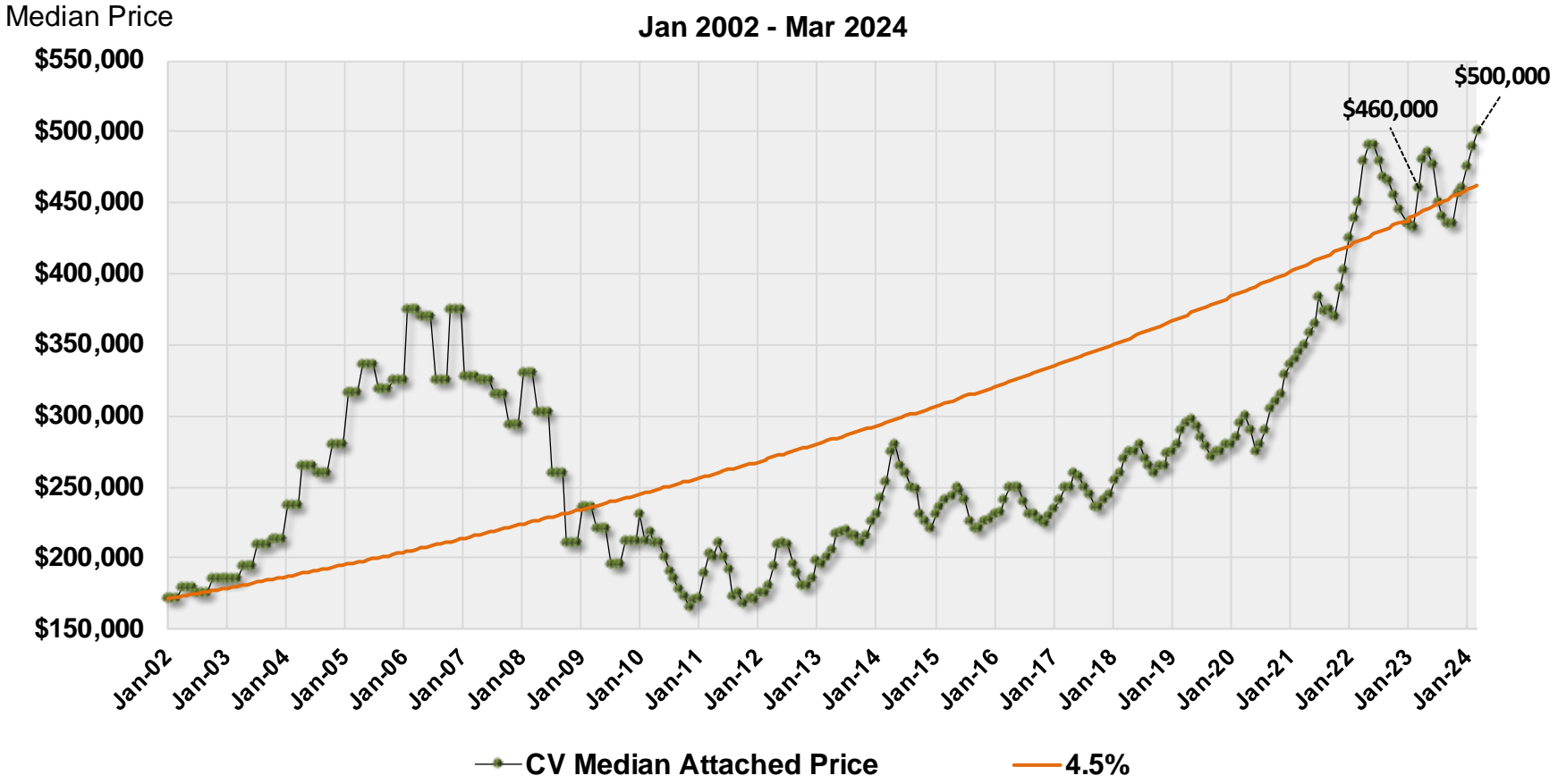
Coachella Valley Median Detached Price

The median price of a detached home in the Coachella Valley in March was exactly \$700,000, up 2.2% year over year. We continue to expect the seasonal pattern of rising Spring prices to continue for a few more months. However, with inventory increasing and sales remaining low, supply and demand continues to slowly favor buyers, which should somewhat limit the gains.

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Coachella Valley Median Attached Price



Coachella Valley Median Attached Price

The median attached price in the Valley ended March at \$500,000, up 8.7% year over year. As the chart clearly shows, the seasonal range of prices for attached homes is much larger than that of detached homes. As we noted last month, attached prices are following the normal seasonal pattern, so we expect them to continue to advance for the next two or three months.

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Price of The Average Size Detached Home in Each City

City	Avg. Size Home	Pr. per sq/ft	Price of Avg. Size Home	Price One Year Ago	12 Month Change	2011-12 Price Low	% From Low
Indian Wells	3,450	\$555.57	\$1,916,720	\$1,574,898	21.7%	\$666,885	187.4%
Bermuda Dunes	2,500	\$328.42	\$821,046	\$754,623	8.8%	\$239,325	243.1%
Indio	2,000	\$290.20	\$580,401	\$548,680	5.8%	\$156,340	271.2%
Palm Desert	2,200	\$344.26	\$757,371	\$728,284	4.0%	\$302,302	150.5%
Coachella	1,700	\$256.08	\$435,342	\$419,122	3.9%	\$111,367	290.9%
Rancho Mirage	3,175	\$440.76	\$1,399,409	\$1,350,098	3.7%	\$506,317	176.4%
La Quinta	2,550	\$388.72	\$991,235	\$976,785	1.5%	\$318,164	211.5%
Palm Springs	2,175	\$605.29	\$1,316,506	\$1,299,197	1.3%	\$323,879	306.5%
Cathedral City	1,800	\$312.50	\$562,500	\$589,286	-4.5%	\$153,216	267.1%
Desert Hot Springs	1,600	\$238.77	\$382,025	\$406,085	-5.9%	\$86,656	340.9%

Price of The Average Size Attached Home

City	Avg. Size Home	Pr. per sq/ft	Price of Avg. Size Home	Price One Year Ago	12 Month Change	2011-12 Price Low	% From Low
Bermuda Dunes	1,450	\$287.50	\$416,875	\$379,385	9.9%	\$89,117	368%
Indio	1,050	\$280.28	\$294,289	\$277,033	6.2%	\$56,396	422%
La Quinta	1,750	\$391.03	\$684,307	\$653,962	4.6%	\$247,713	176%
Palm Desert	1,600	\$338.61	\$541,780	\$529,240	2.4%	\$197,896	174%
Rancho Mirage	1,775	\$334.79	\$594,260	\$581,065	2.3%	\$211,030	182%
Palm Springs	1,250	\$370.62	\$463,272	\$455,163	1.8%	\$129,788	257%
Indian Wells	1,950	\$361.84	\$705,592	\$736,358	-4.2%	\$259,126	172%
Cathedral City	1,250	\$259.33	\$324,157	\$346,643	-6.5%	\$80,544	302%
Desert Hot Springs	750	\$179.49	\$134,617	\$146,018	-7.8%	\$16,013	741%

12 Month Change in The Price of The Average Size Home

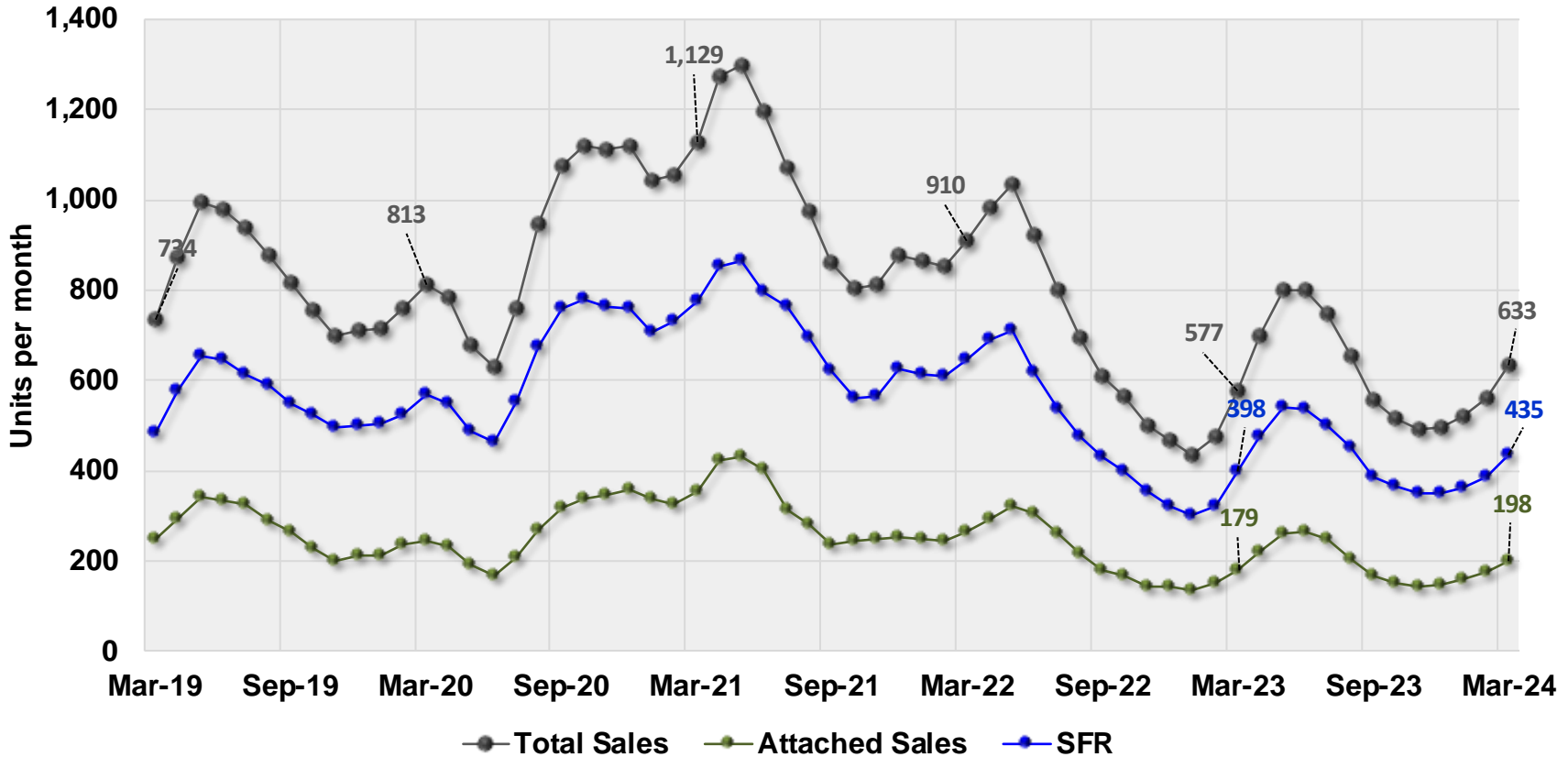
These two tables display the *price* and *price per square foot* of the average size home in each city. The average home size is listed in the second column. The current price is then compared to the price a year ago. It's also compared to the all-time lows made in 2011. Changes of detached home prices range from a 21.7% gain in Indian Wells to a decline of 5.9% in Desert Hot Springs. Six cities have year over year gains for their average size attached home; three have declines.

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Detached, Attached and Total Sales

3 month moving average



Monthly Sales – 3-month trailing avg.

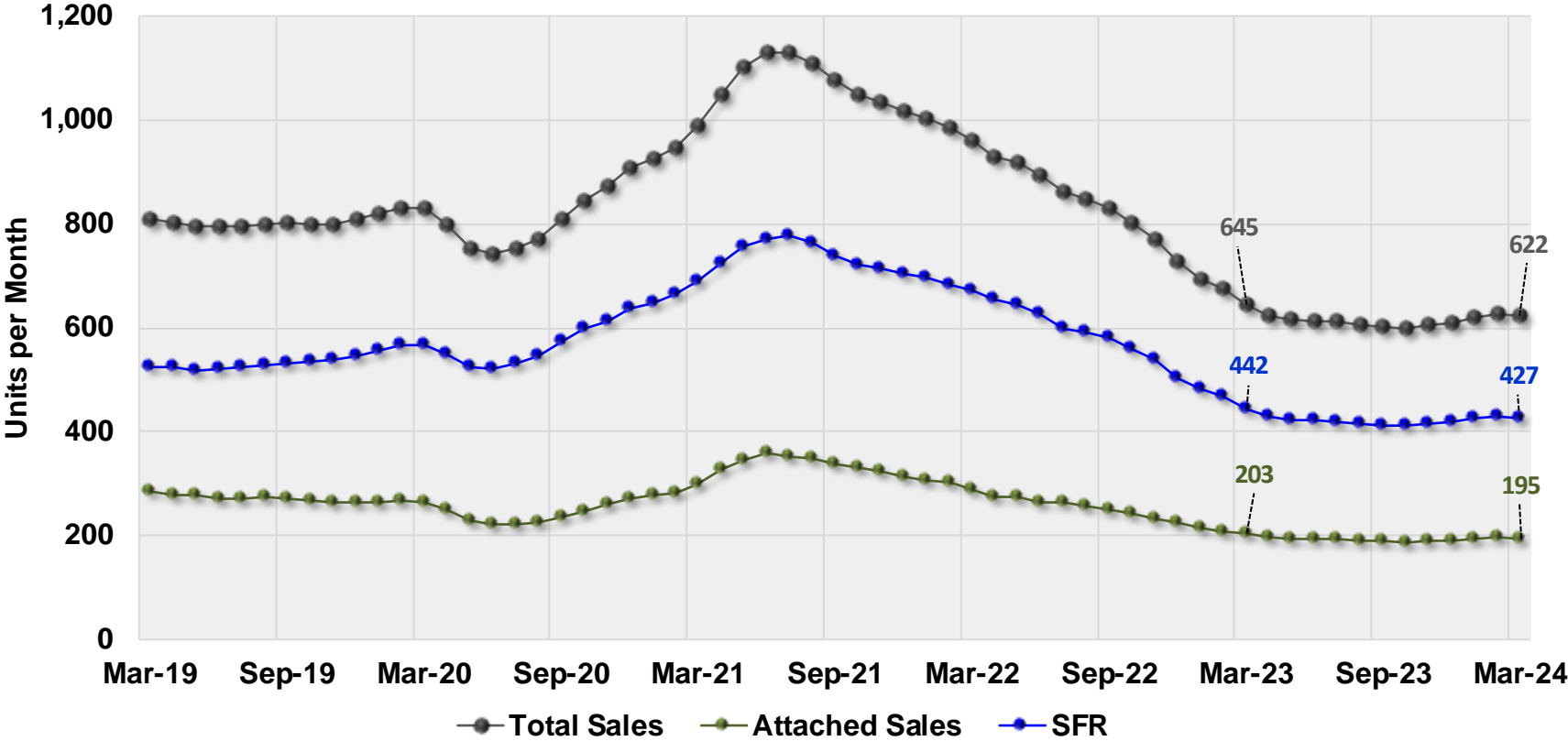
For another month, three-month sales were more than last year. This month, sales averaged 633 units compared to 577 units a year ago. Because of seasonality, it's difficult to determine where sales stand on a historical basis. The first chart of this report was designed to help distinguish seasonal changes from real ones. It shows that, while sales are improving, they are running 21.7% below historic norms.

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Detached, Attached and Total Sales

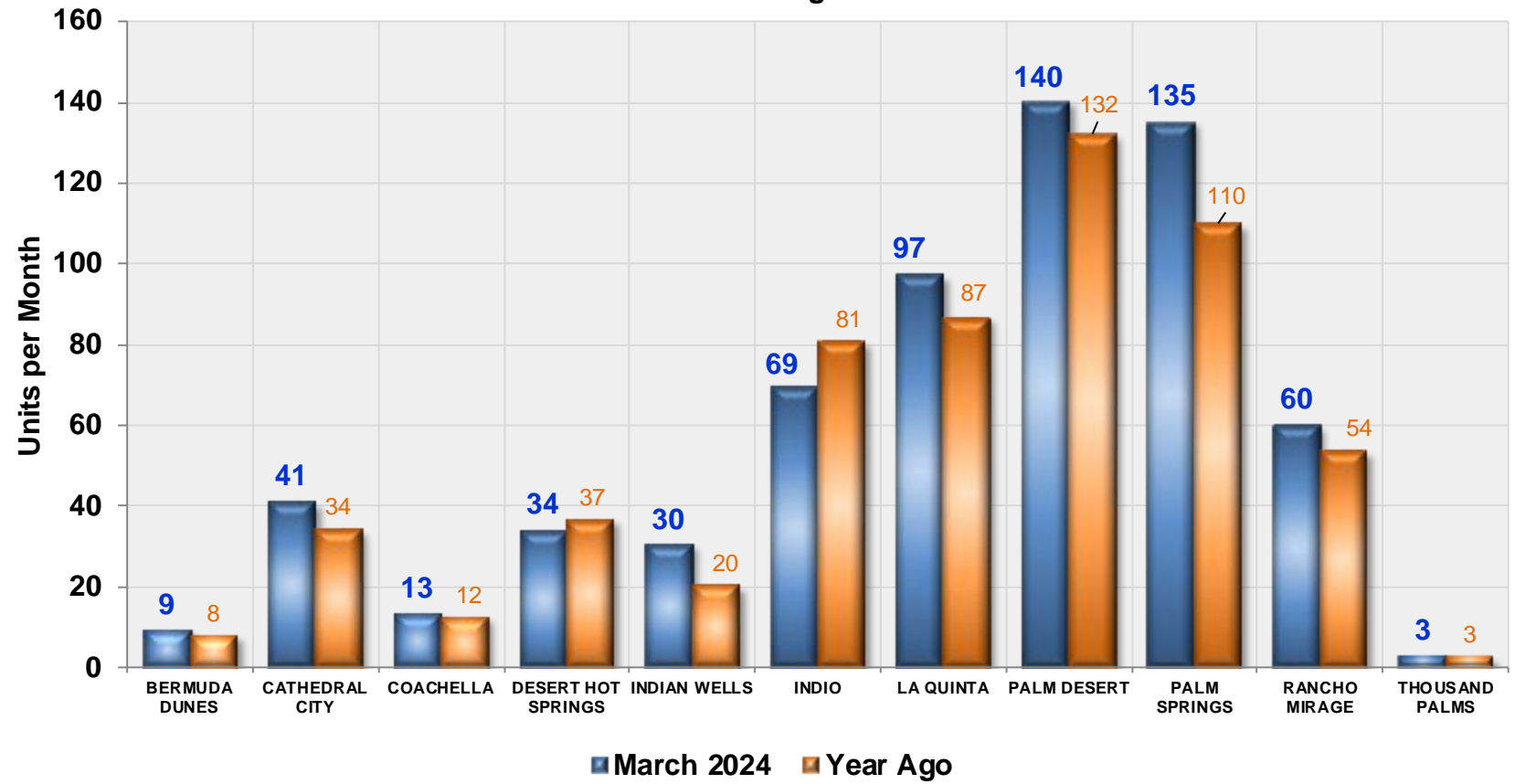
12 month moving average



Monthly Sales – 12-month trailing avg.

The 12-month average of sales, which takes out seasonality, shows total sales are averaging 622 units a month. The long-term average of sales, which rose gradually for about six months, appears to be holding at current levels. However, we continue to believe it will recover when mortgage rates come down to 5.5% to 6%. Recent declines in inflation give us hope this might have already started.

Home Sales by City 3 month avg sales



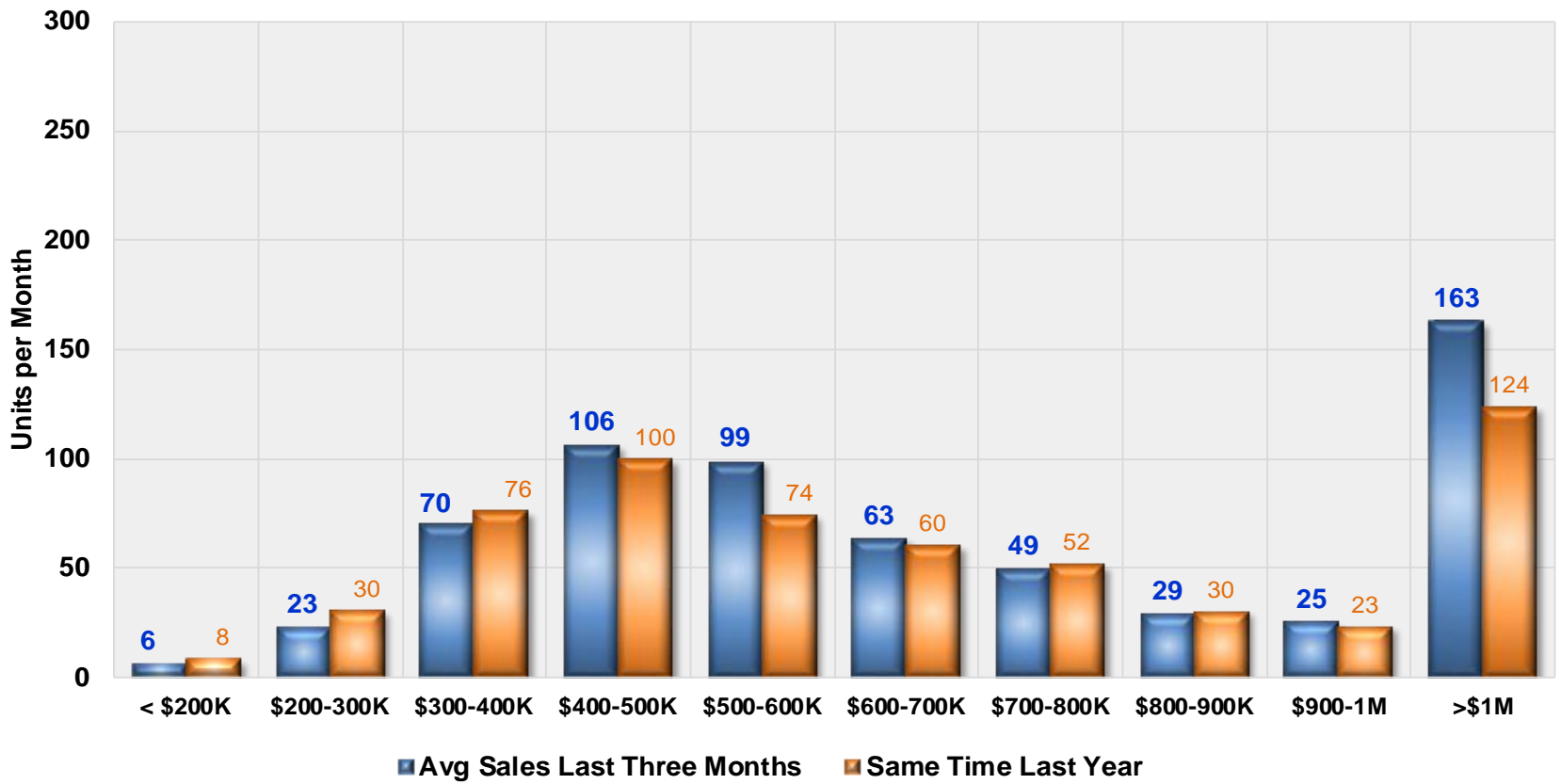
Home Sales by City

For another month, every city except Desert Hot Springs and Indio had higher three-month sales compared to last year. The cities with the largest percentage-wise increase in sales are Indian Wells and Palm Springs, with sales up 49% and 23% respectively.

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Home Sales by Price Range
3 mos avg



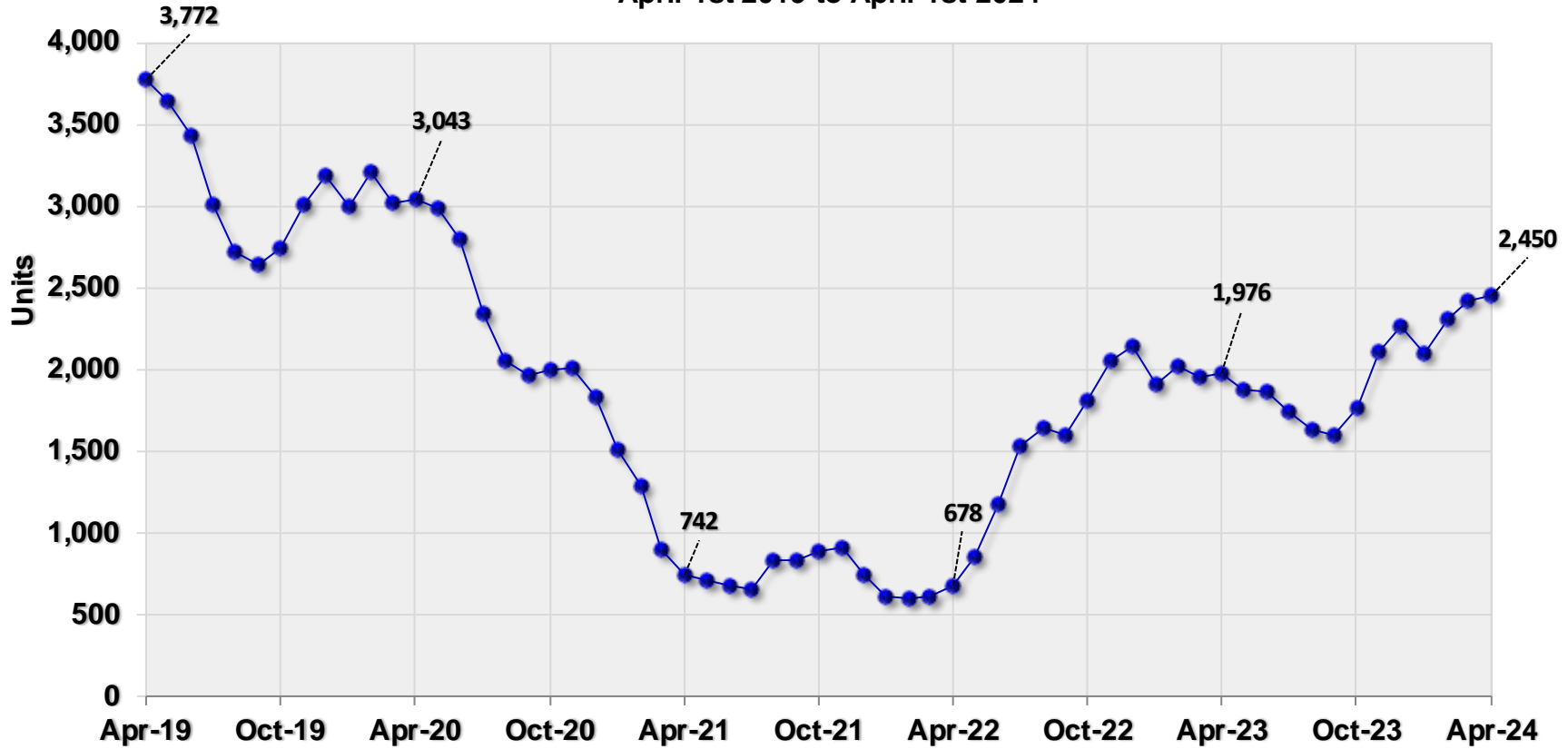
Home Sales by Price Range

This chart of sales by price bracket continues to show that sales are generally about the same as a year ago in most price ranges. The largest sales increases are in homes priced from \$500k to \$600k. Sales of homes priced over a million dollars are higher by 31%, much of it due to more homes now in that price bracket. This evenness of sales by price bracket is positive since it shows the housing market is well balanced in all price ranges.

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Valley Housing Inventory April 1st 2019 to April 1st 2024



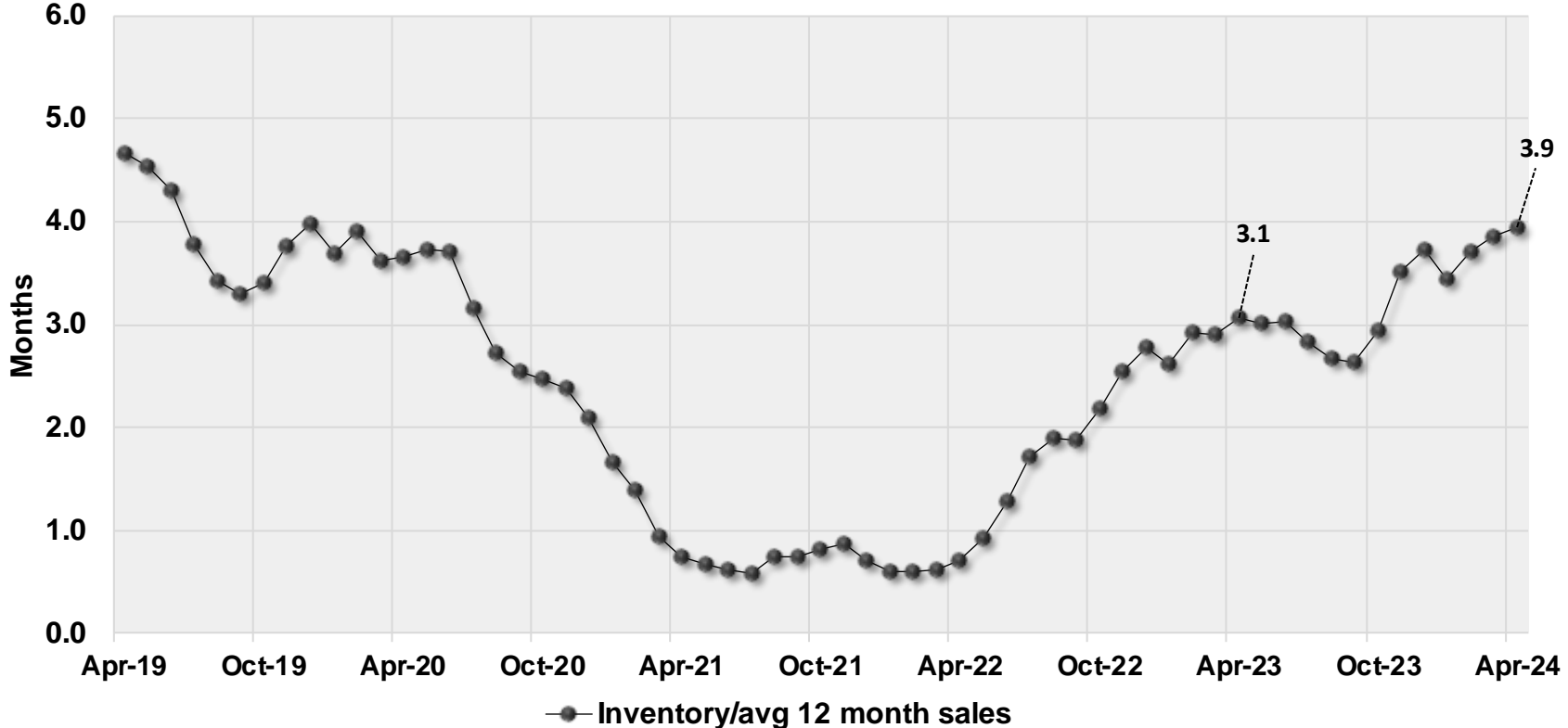
Coachella Valley Total Inventory

On April 1st, Valley inventory was 2,450 units, which is the highest number since June of 2020. While inventory has improved, this number is still 500 to 1,000 units less than historic norms. The seasonal pattern now suggests this may be the high for awhile, since inventory usually declines between April and September. It will be important to see if this pattern continues this year.

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"Months of Sales" Ratio
Coachella Valley
April 1st 2019 - April 1st 2024



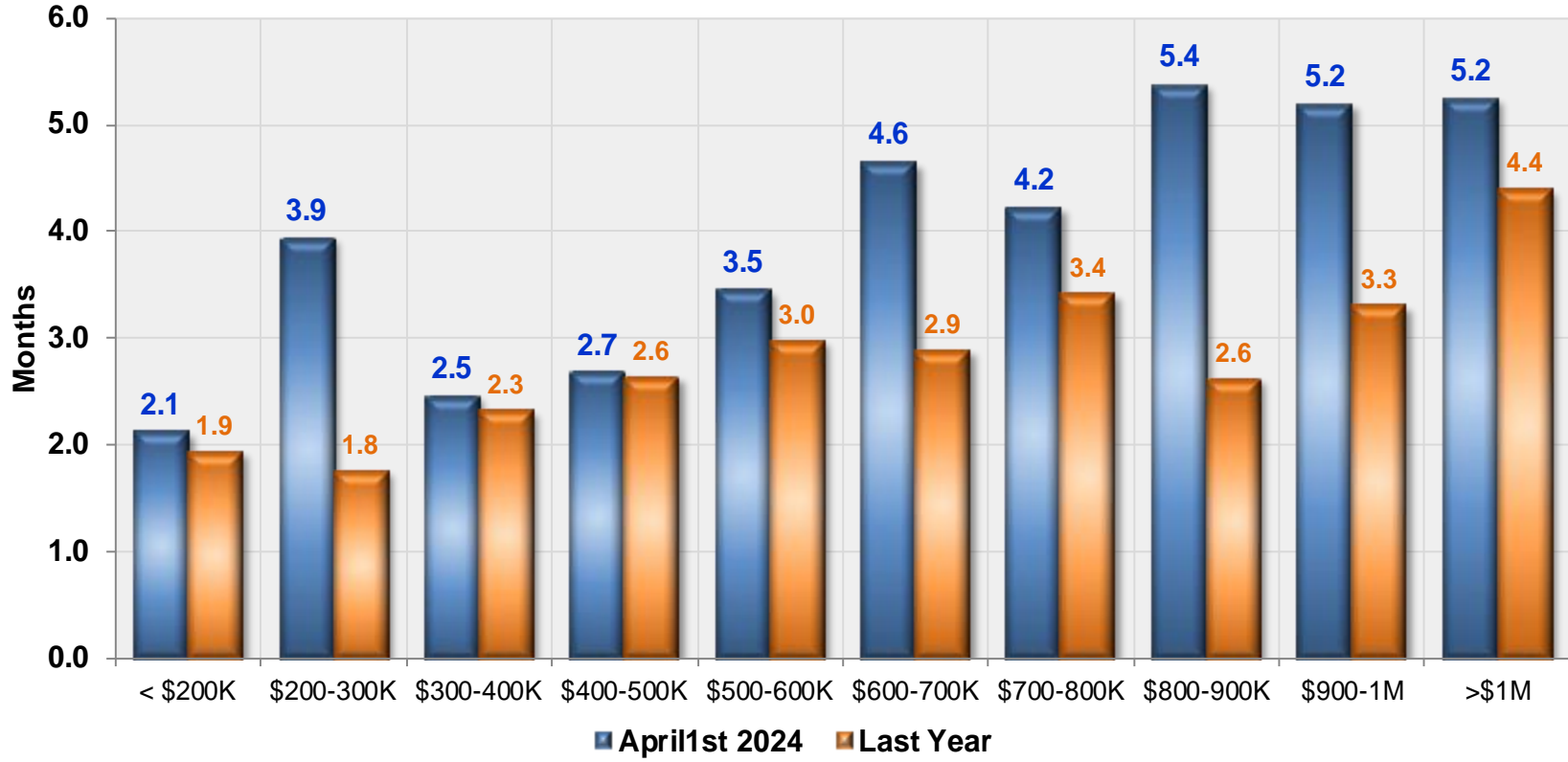
Regional "Months of Sales" Ratio

On April 1st, the Valley's "months of sales" ratio was 3.9 months, which is .8 higher than last year. As you can see from the chart, this fundamental ratio, continues to crawl back to pre-pandemic levels. Even with a ratio close to four months, there is no overbalancing force yet pushing prices either higher or lower. We continue to expect home prices to stay electively stable and at current levels.

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



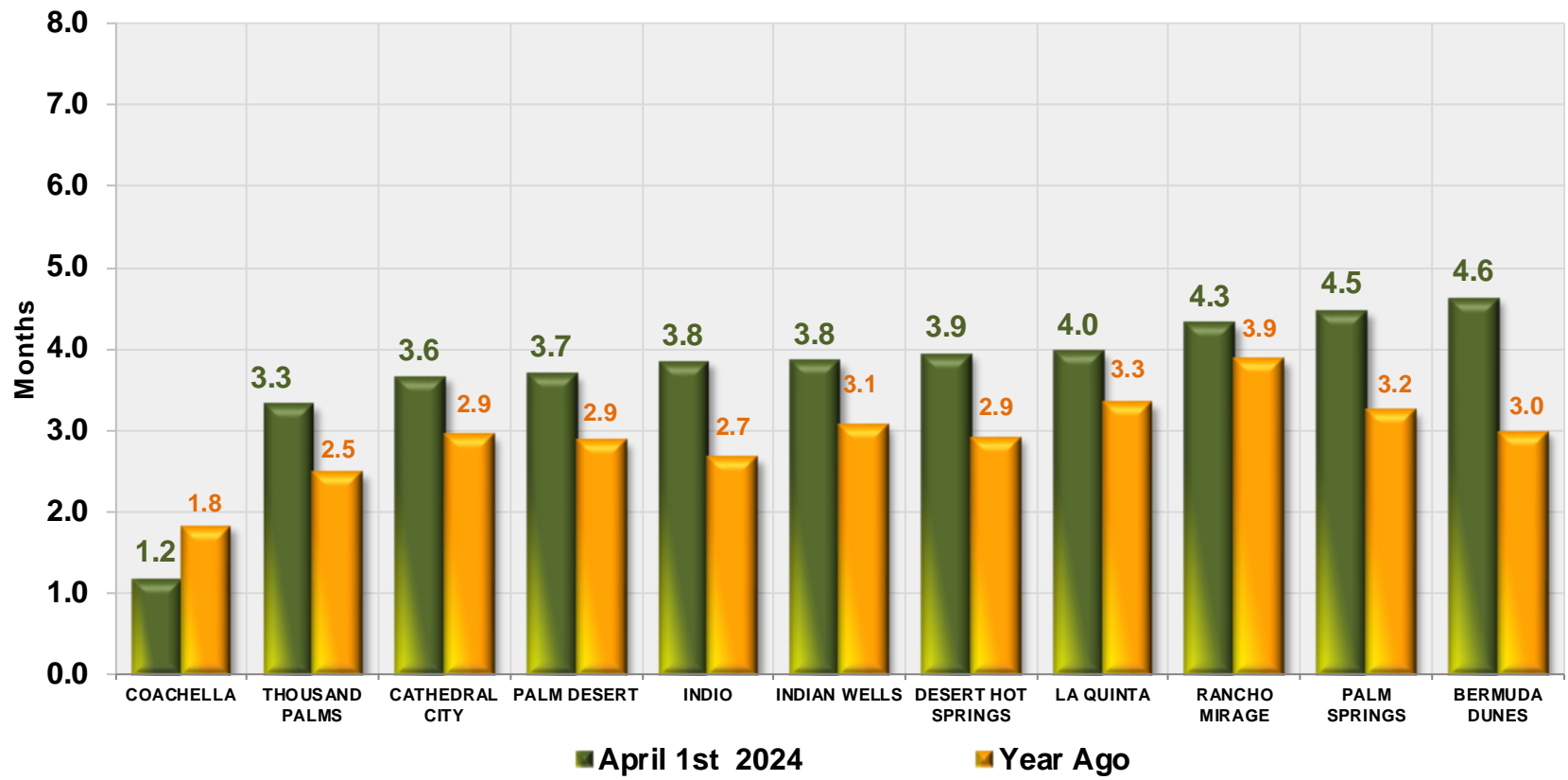
"Months of Sales" by Price Range

This chart displays the current "months of sales" ratio by price bracket compared to last year. Blue bars are current ratios and orange bars are the ratios for last year. As with the entire region, most price brackets have a ratio slightly above year ago levels, except in higher priced homes where ratios are starting to move higher. These ratios are not high enough, however, to cause any disruption to supply and demand.

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



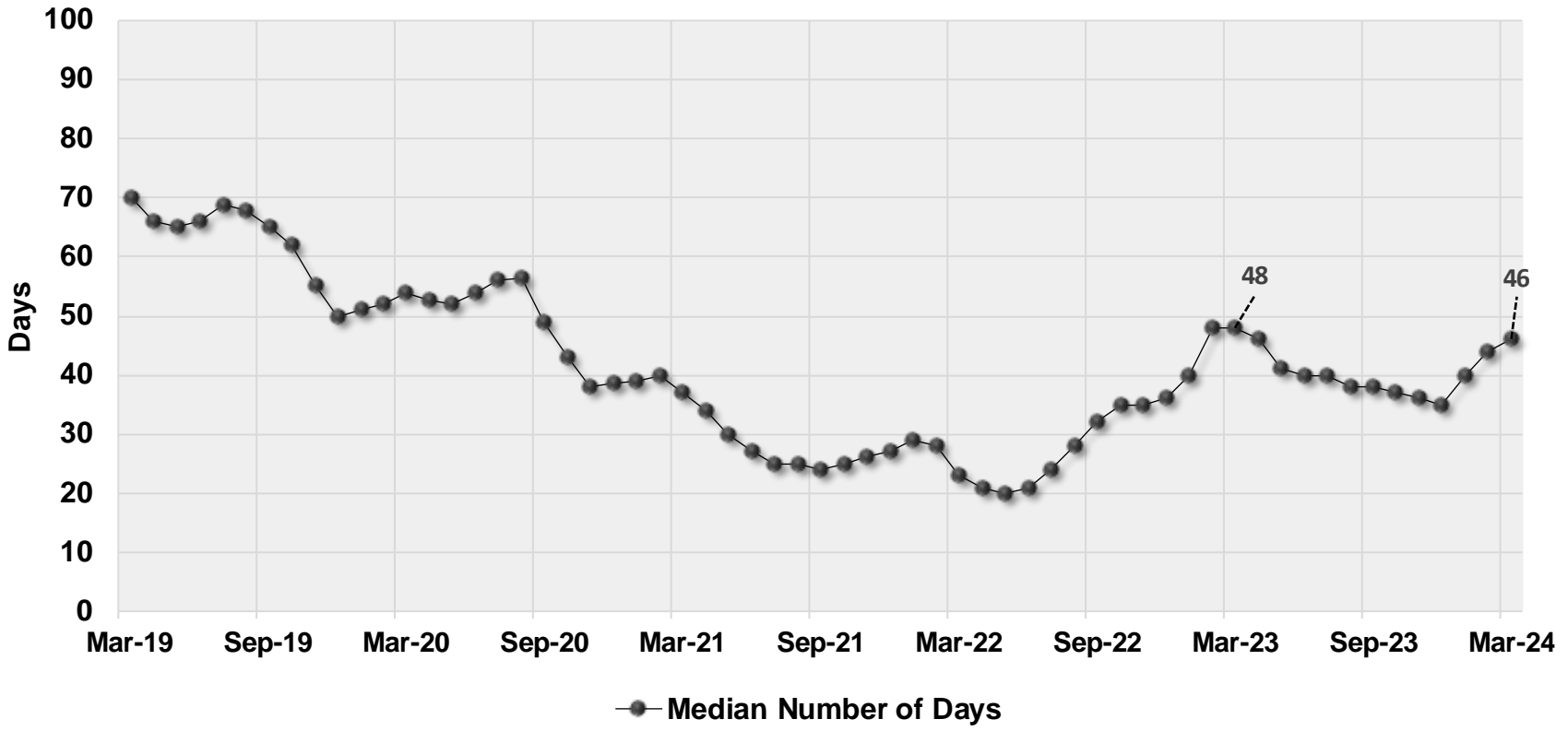
"Months of Sales" by City

This graph compares current "months of sales" ratios in each city to their ratios a year ago. We have sorted the cities left to right by lowest ratio. Like with price brackets, every city has a ratio measurably higher than a year ago. Every city but Coachella has a ratio over three months, with four cities having ratios over four months. A ratio of three to four months is considered normal. The current distribution of ratios indicates that supply and demand remain pretty much balanced throughout the region.

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"Days in the Market" Coachella Valley March 2019 - March 2024



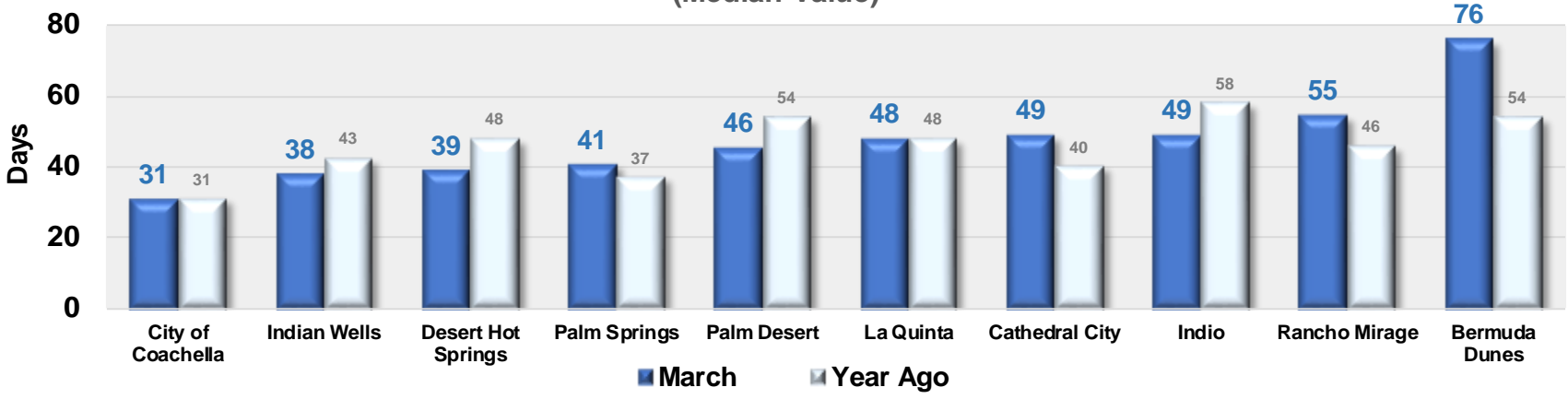
Regional "Days in the Market"

The median selling time in the region has been slowly climbing for the last three months. At the end of March, the median number of "days in the market" in the Coachella Valley was 42 days, which is two days less than last year. We continue to believe the median selling time will remain around current levels as we move further into the year.

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"Days in Market" - Detached Homes
(Median Value)



"Days in the Market" - Attached Homes
(Median Value)



"Days in the Market"

These bar charts rank the cities left to right by the smallest median number of "days in the market" for both detached and attached homes. The City of Coachella continues to have the lowest median selling time for detached homes at 31 days, followed by Indian Wells at 38 days. In the attached market, Bermuda Dunes has the shortest average selling time at 16 days, followed by Indio and Rancho Mirage at 35.

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% Homes Selling Over List Price Coachella Valley 2016 - 2024 (March)



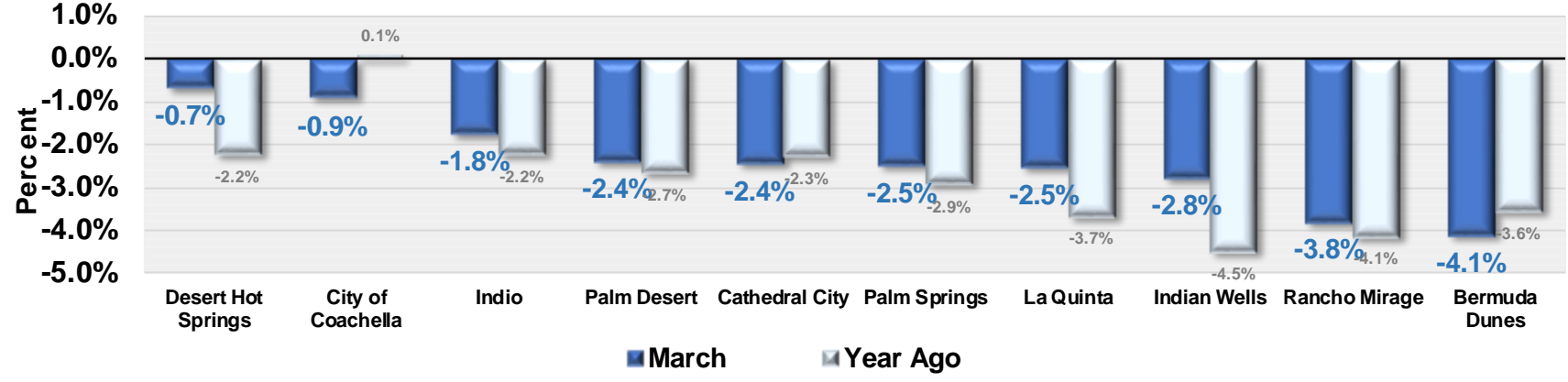
Percent Homes Selling Above List

This chart graphs the percentage of Valley homes over the last three months that sold above list price. In March, the percent of homes selling over list price was 14.1%. This is marginally higher than last year just like it was last month. We continue to expect the number of homes selling above list to remain around this percent, which is slightly above historic norms.

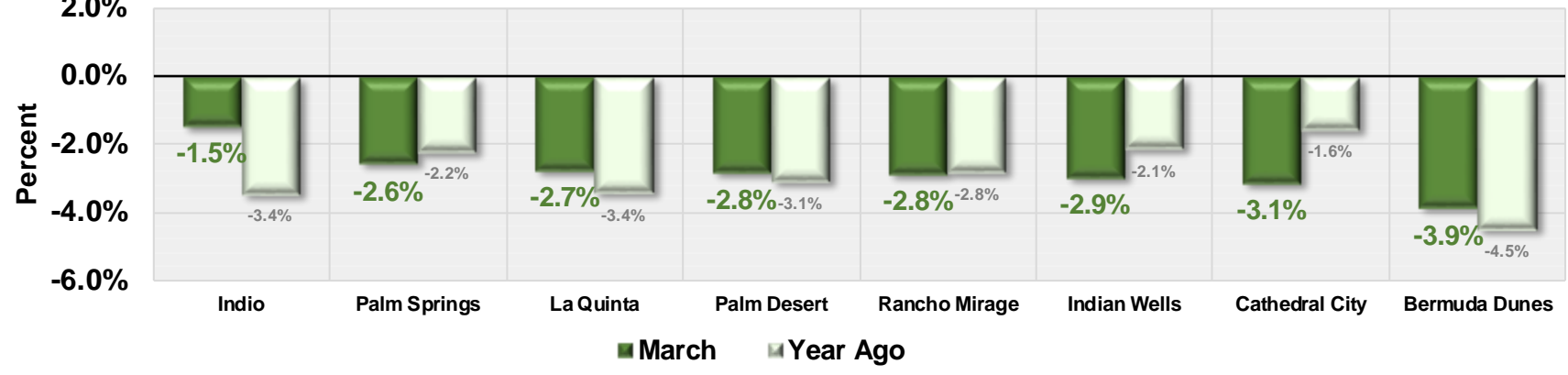
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Price Discount - Detached Homes (Average Value)



Price Discount - Attached Homes (Average Value)



“Average Price Discounts”

These bar charts show the average price discount/premium for both detached and attached homes. We use the “average” value instead of the “median” because it’s a better metric during periods when so many homes are selling near list. All cities are selling detached homes at an average discount, which range from .7% in Desert Hot Springs to 4.1% in Bermuda Dunes. Average discounts for attached homes range from 1.5% in Indio to 3.9% in Bermuda Dunes.

Explanation and Description of Market Watch's Graphs and Calculations

Regional Numbers: For the purposes of this report, the Coachella Valley region consists of these eleven cities or CDPs – Bermuda Dunes, Cathedral City, the city of Coachella, Desert Hot Springs, Indian Wells, Indio, La Quinta, Palm Desert, Palm Springs, Rancho Mirage and Thousand Palms. Regional sales and regional inventory numbers are the sum of sales or inventory of these 11 cities averaged over some time interval – usually three or twelve months. The Coachella Valley median detached home price is the median price of sales of single-family residences over the prior three months in all 11 cities. The Coachella Valley Median Attached Price is the median price of sales of condos and townhomes over the past three months in all 11 cities.

City Prices: Our city price tables display the median price per square foot as well as the price of the average size home of all detached or attached sales over the last three months (6 months for Indian Wells). The price of the average size home is determined as follows: the median price per sq. ft. is multiplied by the size of the average home in that city. The size of the average home is determined from the square feet of all sales in that city over the last twenty years, which is then rounded to the nearest 25 sq. ft.. The size of the average home is therefore constant month by month.

Sales: For cities, sales numbers are the sum of sales of SFR, Condos and townhomes. 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 of sales 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. In our calculations every month is represented by sales over the preceding 31 days. This gives equal weight to each month.

Inventory and “Months of Sales”: Our inventory numbers are homes classified as “active” listings; we exclude listings called “active under contract.” We believe this is a more accurate measure of real supply since most “active under contract” listings will soon be closed sales. Remember sales and prices are accumulative while inventory is a momentary snapshot of inventory on a specific date. When we provide a monthly report for, say, the month of March, all sales and pricing are done using transactions through that and the previous two months. However, when we measure inventory at the end of March, it's the inventory as of March 1st. Even though inventory March be labeled March inventory, it is the inventory on the 1st of the next month. Our inventory is the sum of both attached and detached homes.

When calculating the “months of sales” ratio, we almost always use average sales over the last twelve months and not three months. If we do use three month sales, we indicate it. We use the classic “months of sales ratio”, which is inventory divided by sales, and not its inverse called the “absorption rate” since most people feel the ratio is much clearer and more easily understood.

Days in 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.

To contact Market Watch call Vic Cooper at 714-390-1418.