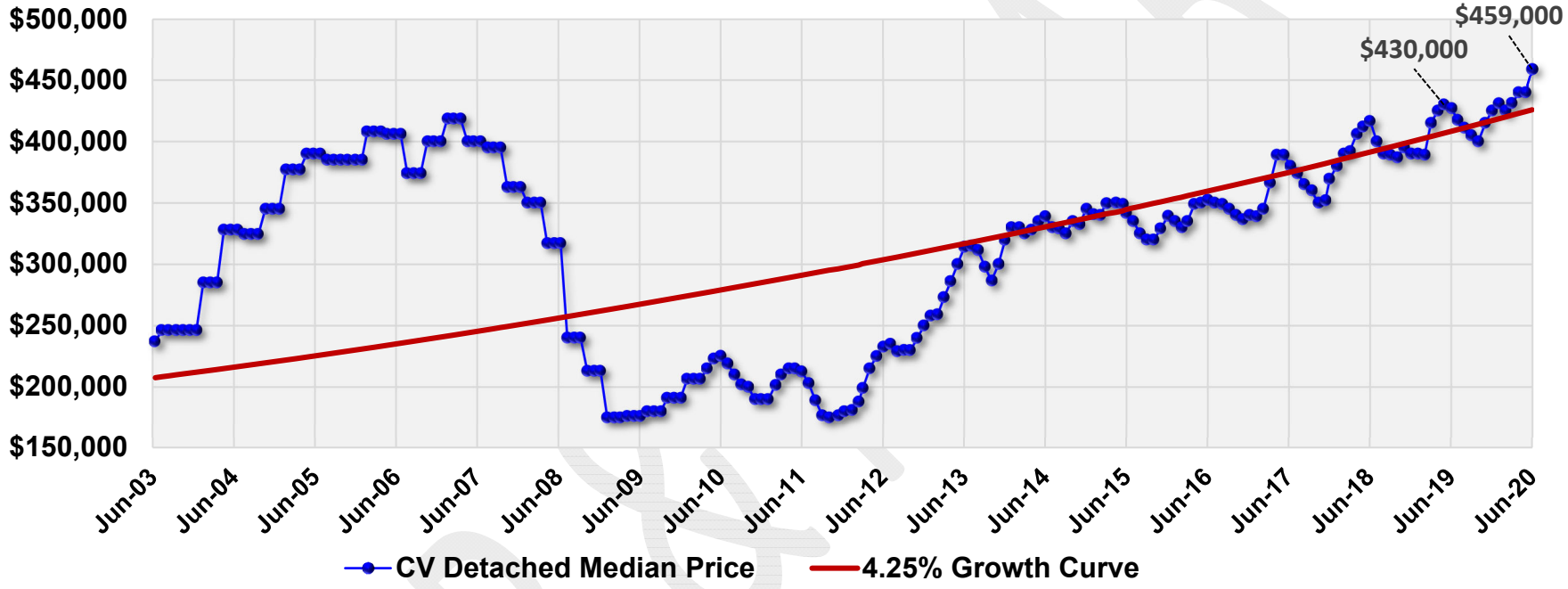
The Desert Housing Report

June 2020

Coachella Valley Median Detached Home Price

June 2002 - June 2020



Summary

(Most of the metrics in this report use either three-month averages or 12-month averages. Since the quarantine has been in effect three months, this report now shows its full effects on the market. The companion report on the coronavirus shows its shorter-term effects). The Coachella Valley median detached home price in June was $459,000, up 6.7% above a year ago. The Valley's median attached price in June was $275,500, down 6% from last year. The moving average of sales over trailing three months is the clearest indication of the effect of the pandemic on the housing market in the desert. Attached home sales are averaging 167 units a month, which is down 50% from a year ago. Detached homes are averaging 463 units a month, which is down only 28% from year ago. Inventory continues to be extremely low. On July 1st it was 2,340 units, which is 670 units, or 22% less, than a year ago. Even though sales are declining, inventory is declining even more, keeping the "months of sales" ratio exceptionally low. On June 1st, the "Months of Sales" ratio was 3.2 months, compared to 3.8 months a year ago. The May median value for "Sale Price Discount from List" was -2.2%, which is .2% higher than a year ago. Most of the increase is from the higher discounts being recorded in the condominium market.

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

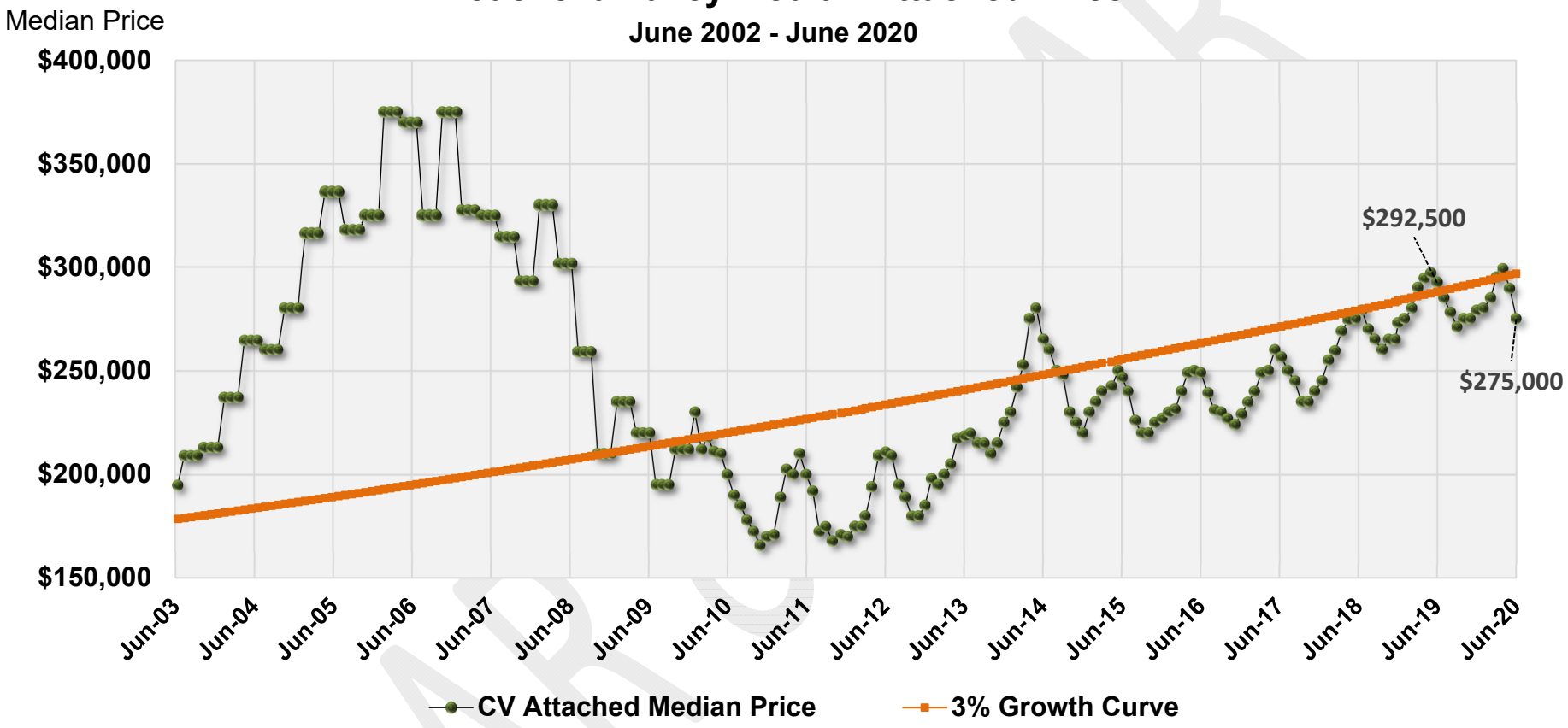
©2020 CDAR & PSRAR. All rights reserved. Use and distribution by members only.

The Desert Housing Report

June 2020

Coachella Valley Median Attached Price

June 2002 - June 2020



Coachella Valley Attached Median Price

The Valley's median attached price in June was $275,500, down 6% from last year. It is clear from the chart that we've entered the seasonal period when attached home prices generally weaken. But May and June have been much weaker than in past years and, if history is a guide, the median price of attached homes in the Valley could fall another 10% by September. We believe some of this might be due to the fact that 70% of attached homebuyers come from outside the region and the coronavirus makes long distance travel very difficult.

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

©2020 CDAR & PSRAR. All rights reserved. Use and distribution by members only.

The Desert Housing Report

June 2020

Detached Homes

City	Jun-20	Year Ago	12 mo change	2011 Low	Gain off 2011 Low	2006 High	% from High
Palm Desert	$470,000	$413,500	13.7%	$287,000	63.8%	$543,000	-13.4%
City of Coachella	$292,500	$262,000	11.6%	$121,950	139.9%	$335,000	-12.7%
Cathedral City	$378,570	$340,000	11.3%	$139,000	172.4%	$395,000	-4.2%
Desert Hot Springs	$250,000	$225,750	10.7%	$85,000	194.1%	$295,000	-15.3%
Palm Springs	$706,000	$669,500	5.5%	$335,000	110.7%	$600,000	17.7%
La Quinta	$603,000	$575,000	4.9%	$245,000	146.1%	$682,020	-11.6%
Indio	$335,000	$330,600	1.3%	$158,500	111.4%	$380,500	-12.0%
Rancho Mirage	$620,000	$723,000	-14.2%	$423,000	46.6%	$950,000	-34.7%
Indian Wells	$942,500	$1,200,000	-21.5%	$540,000	74.5%	$1,205,000	-21.8%

Attached Homes

City	Jun-20	Year Ago	12 Month Change	2011 Low	Gain off 2011 Low	2006 High	% from High
Indio	$197,000	$199,000	-1.0%	$75,000	162.7%	$279,000	-29.4%
Palm Desert	$305,000	$308,250	-1.1%	$175,000	74.3%	$410,000	-25.6%
Palm Springs	$248,500	$264,000	-5.9%	$150,000	65.7%	$350,000	-29.0%
Indian Wells	$399,000	$430,000	-7.2%	$321,500	24.1%	$557,500	-28.4%
Cathedral City	$176,250	$206,000	-14.4%	$107,500	64.0%	$270,500	-34.8%
La Quinta	$327,625	$388,500	-15.7%	$265,000	23.6%	$532,500	-38.5%
Rancho Mirage	$289,000	$370,000	-21.9%	$260,000	11.2%	$510,000	-43.3%
Desert Hot Springs	N/A	N/A	N/A	N/A	N/A	N/A	N/A
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 the median price for detached homes continues strong. Seven cities show positive year-over-year gains while two are lower. Palm Desert is up 13.7%, Coachella up 11.6%, Cathedral City up 11.3% and Desert Hot Springs up 10.7%. These gains confirm the strong regional price increase we saw in the very first chart. Year-over-year changes in city attached prices are all negative. Changes in the median value for attached homes in Indio and Palm Desert show the smallest declines, with year-over-year changes of -1% and -1.1% respectively.

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

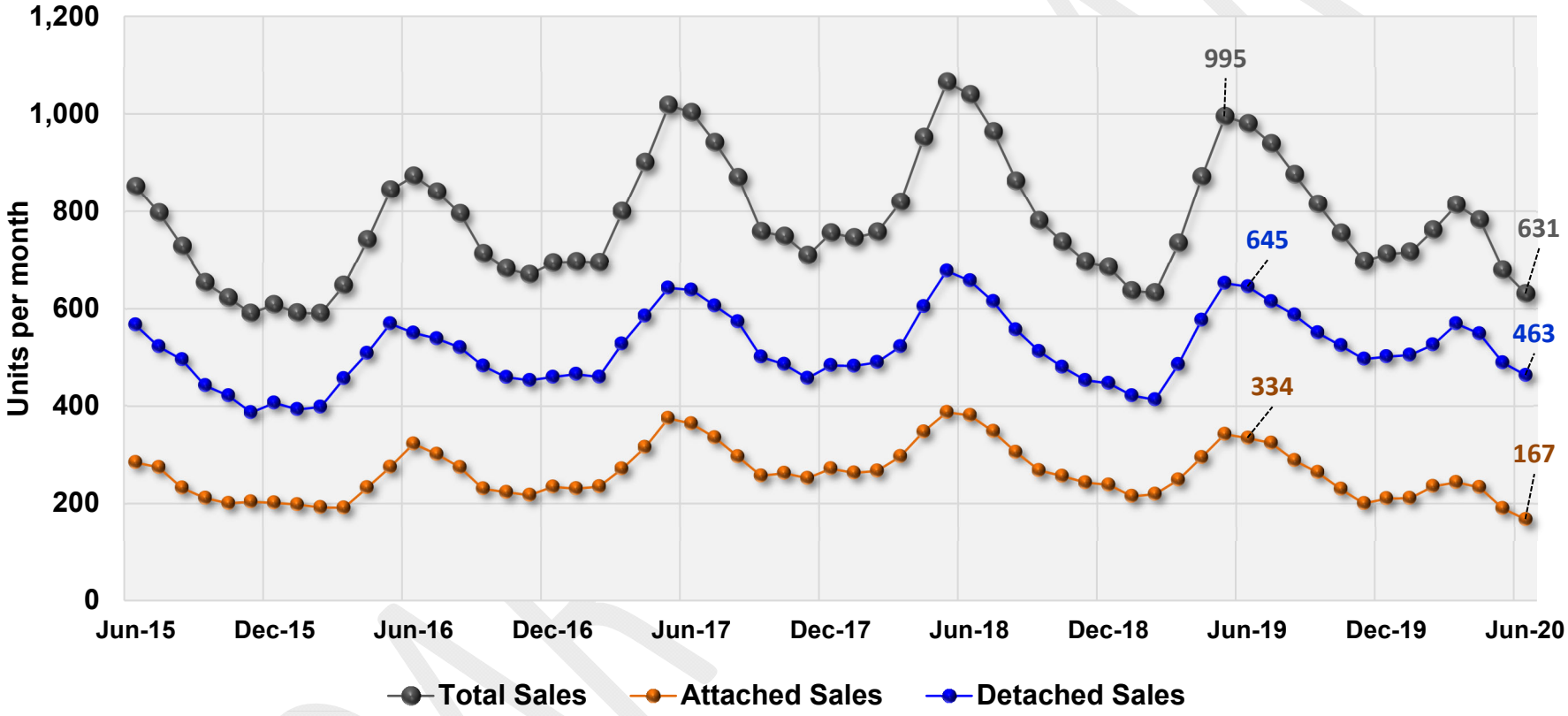
©2020 CDAR & PSRAR. All rights reserved. Use and distribution by members only.

The Desert Housing Report

June 2020

Detached, Attached and Total Sales

3 month moving average



Monthly Sales – 3-month trailing avg.

The moving average of sales over trailing three months is the clearest indication of the effect of the pandemic on the housing market in the desert. In June attached home sales were averaging 167 units a month, which is down 50% from a year ago. Detached homes are averaging 463 units a month, which is down only 28%. Again, we believe this is primarily due to the fact that 70% of attached homebuyers come from outside the region and the pandemic makes it very difficult for them to visit the Coachella Valley.

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

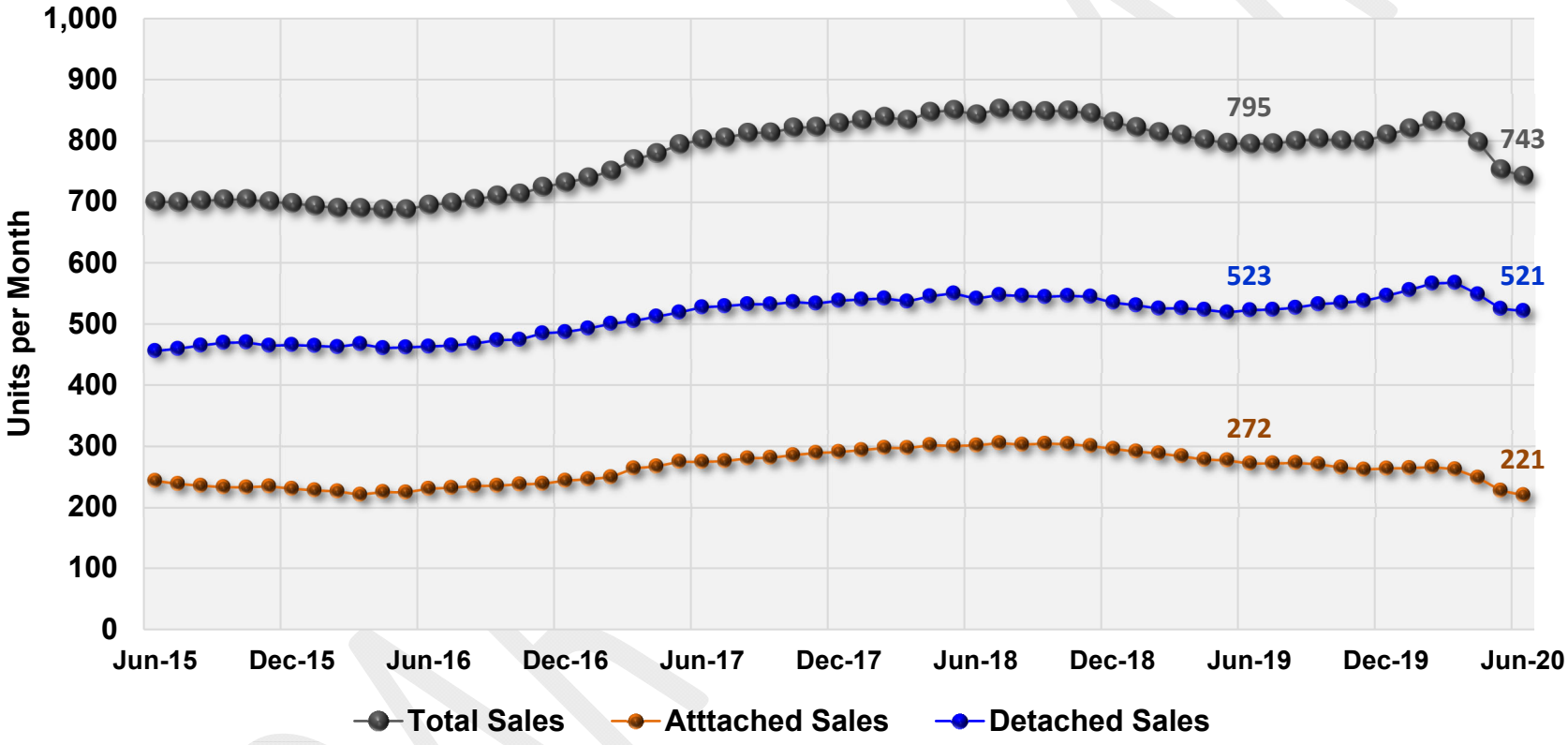
©2020 CDAR & PSRAR. All rights reserved. Use and distribution by members only.

The Desert Housing Report

June 2020

Detached, Attached and Total Sales

12 month moving average



Monthly Sales – 12-month trailing avg.

Sales averaged over the last 12 months are also beginning to show the effects of the quarantine, but it's much less so and only in the attached home market. Long-term attached sales are off 19%. Detached sales are almost equal to year ago levels. This decline in attached sales is not all due to the coronavirus. We were already seeing a falloff in sales prior to the virus but at the time the cause was, and is still not, clear.

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

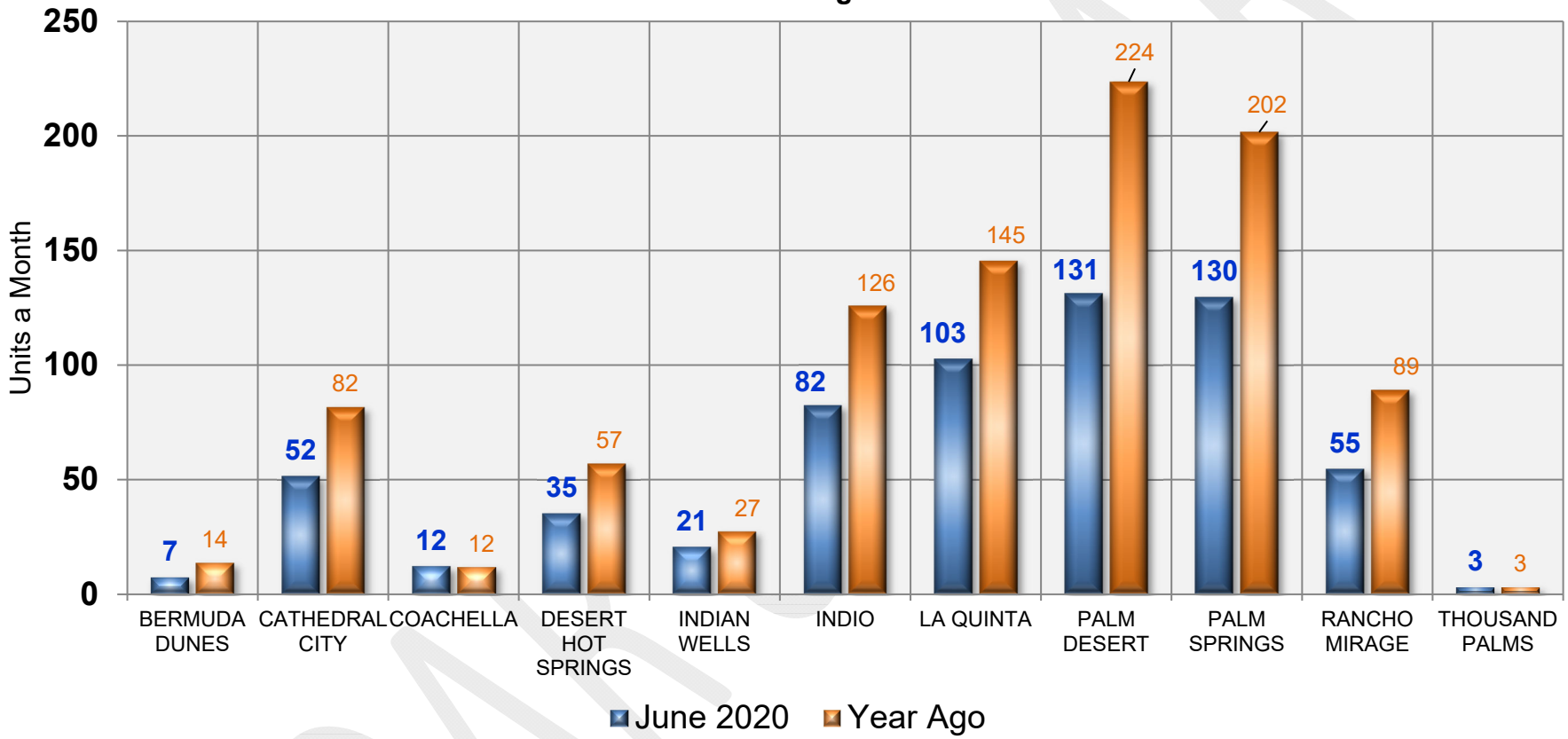
©2020 CDAR & PSRAR. All rights reserved. Use and distribution by members only.

The Desert Housing Report

June 2020

Home Sales by City

3 month avg sales



Home Sales per month by City

This graph compares average three-month sales to year ago levels in 11 cities. The numbers are the sum of both detached and attached sales. As one would expect the largest sales declines are in the three cities with the largest number of condominiums - Palm Desert, Palm Springs and Rancho Mirage. The only city with no change in year-over-year sales is Coachella.

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

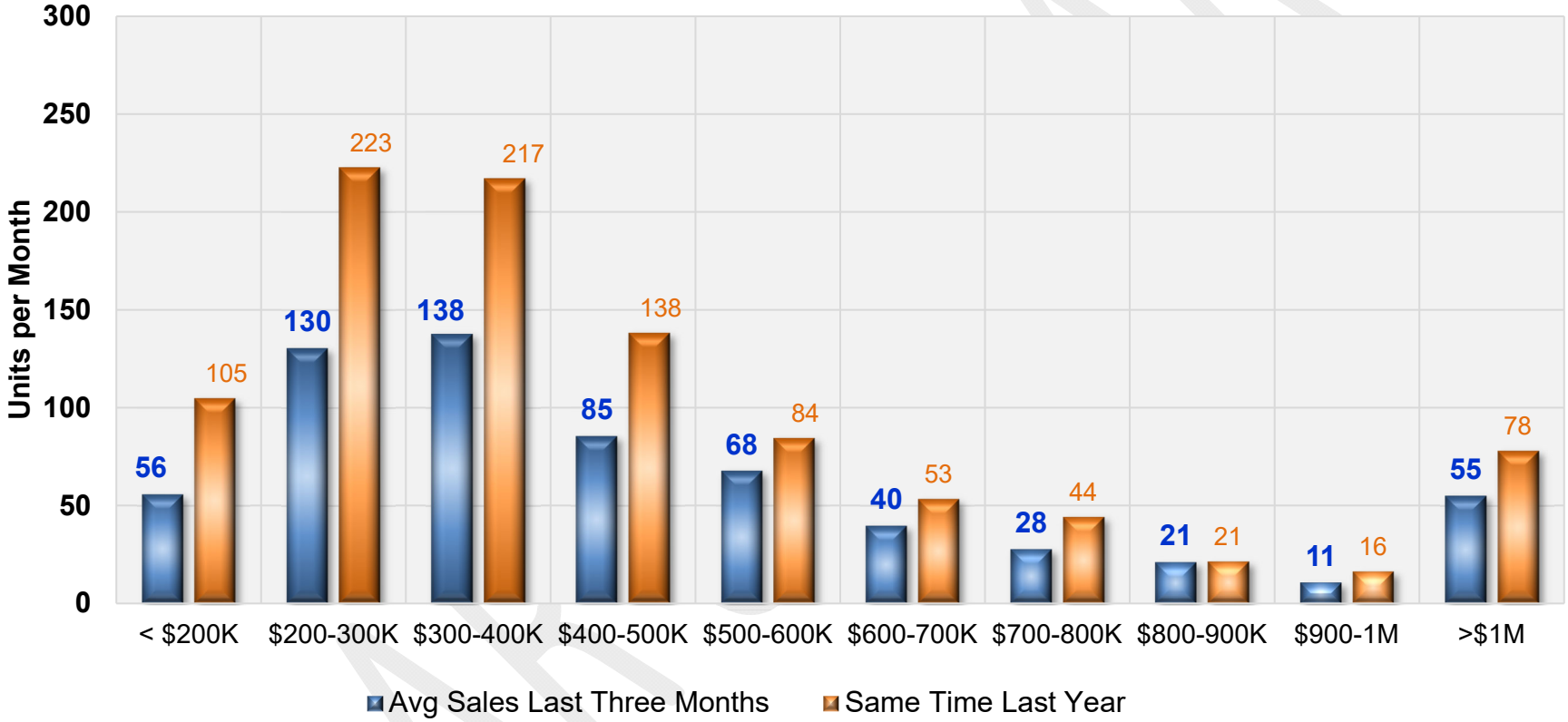
©2020 CDAR & PSRAR. All rights reserved. Use and distribution by members only.

The Desert Housing Report

June 2020

Home Sales by Price Range

3 mos avg



Home Sales by Price Range

When we measure sales in different price brackets, we again find the largest sales declines are in lower priced homes, specifically homes priced under $500,000. The primary reason is because condominiums are almost always priced under $500,000. The higher brackets are primarily detached homes and we know the sales decline in detached homes is much less there.

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

©2020 CDAR & PSRAR. All rights reserved. Use and distribution by members only.

The Desert Housing Report

June 2020

Valley Housing Inventory

Coachella Valley Inventory

Inventory continues to be extremely low. The number in every month has been less than year ago levels every year since 2016. On July 1st inventory was 2,340 units, which is 670 units, or 22% less, than a year ago. It makes one wonder how low inventory can get. It is this lack of supply that is been the primary factor pushing home prices higher, not only in the Valley, but in most other regions throughout California.

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

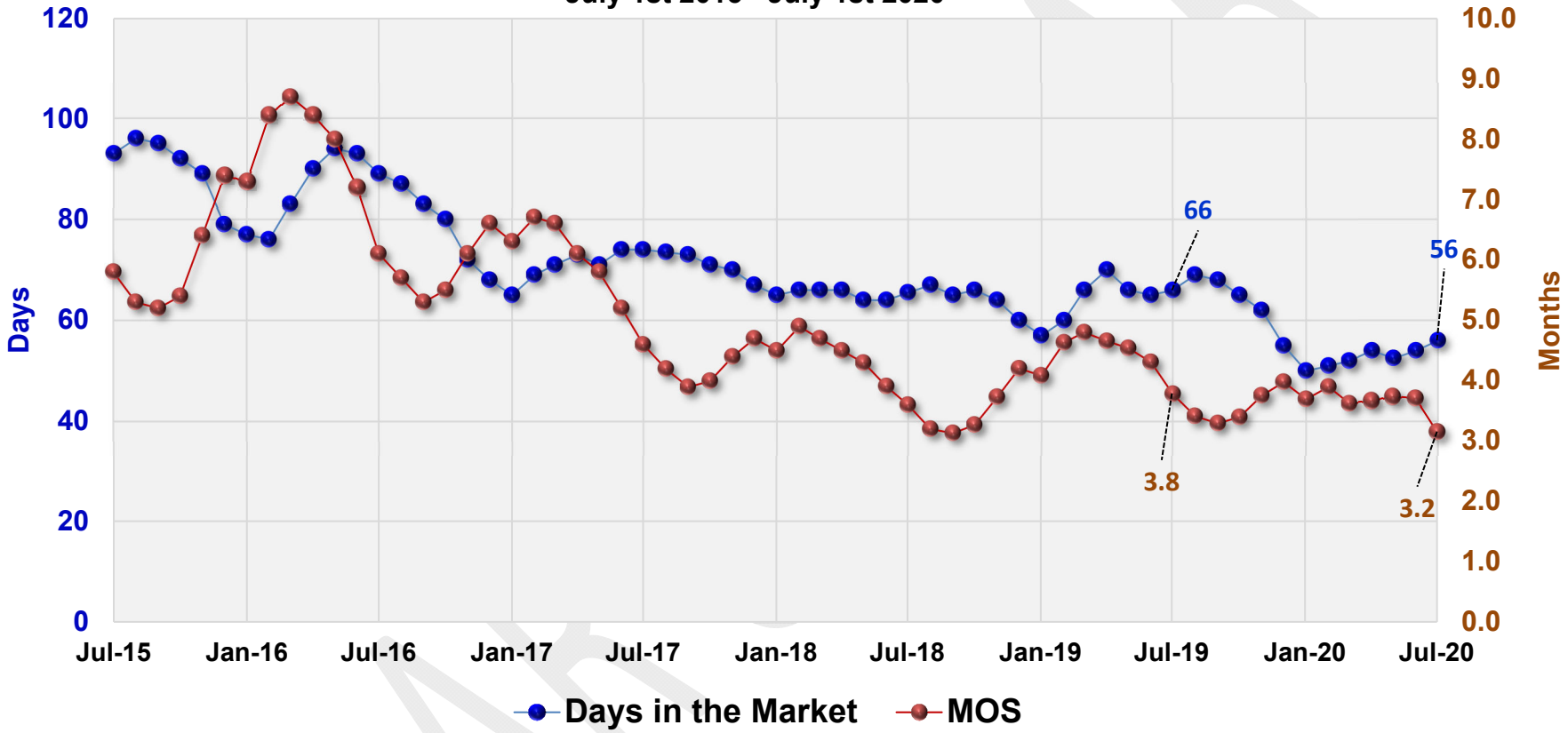
©2020 CDAR & PSRAR. All rights reserved. Use and distribution by members only.

The Desert Housing Report

June 2020

Days on the Market & Months of Sales

July 1st 2015 - July 1st 2020



"Days in the Market" and "Months of Sales"

Even though sales are declining, inventory is declining even more, keeping the "months of sales" ratio exceptionally low. On July 1st, the "months of sales" ratio was 3.2 months compared to 3.8 months a year ago. It should be remembered that this ratio represents the balance of supply and demand and even though demand is relatively low, supply (inventory) remains even lower. This is a positive sign for higher home prices. The median value of "days in the market" is 56 days, compared to 66 days a year ago.

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

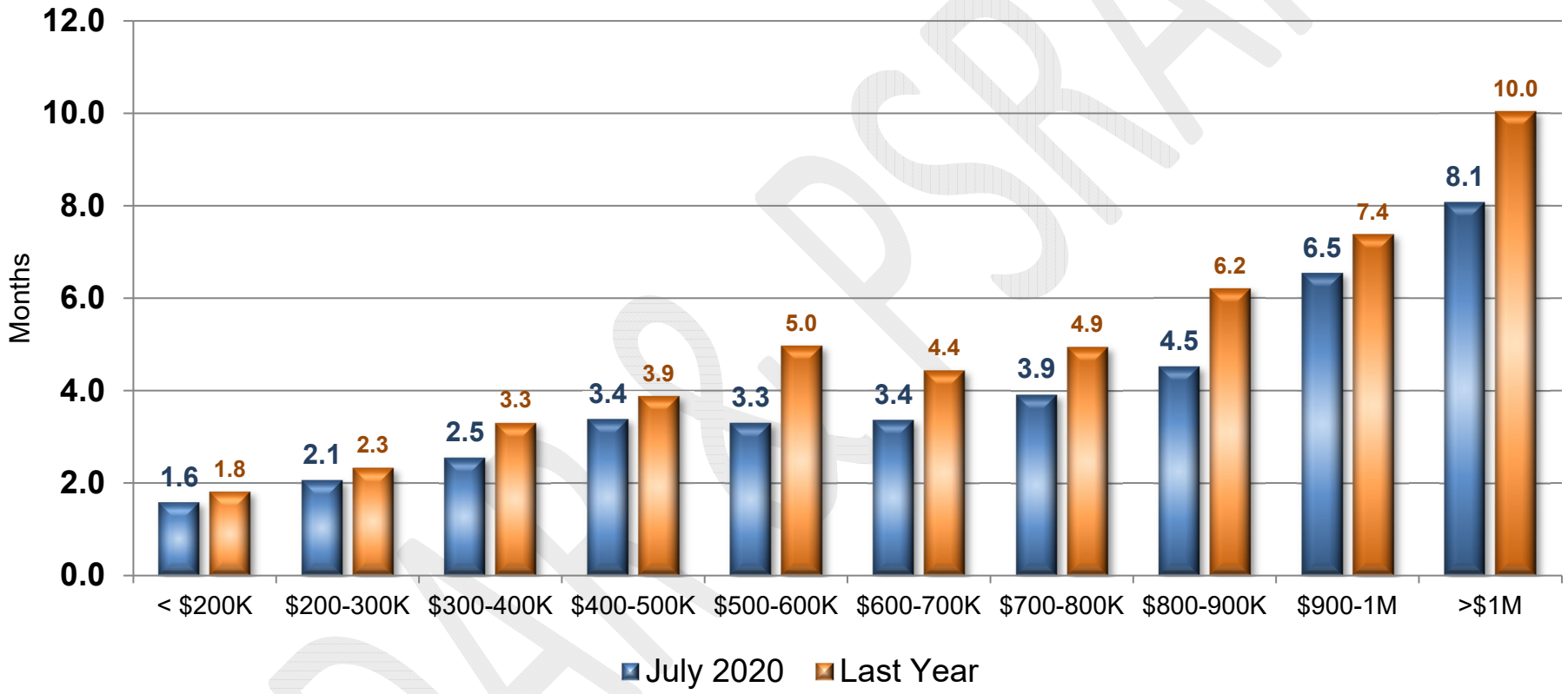
©2020 CDAR & PSRAR. All rights reserved. Use and distribution by members only.

The Desert Housing Report

June 2020

"Months of Sales" by Price Range

uses avg. twelve month sales
July 1st 2020



"Months of Sales" by Price Range

We continue to see strong improvement in the month of sales ratio compared to last year in all the price brackets from $200,000 to over a million dollars. The largest improvement is with homes priced from $500,000 to $900,000. All homes priced under $800,000 now have ratios under four months.

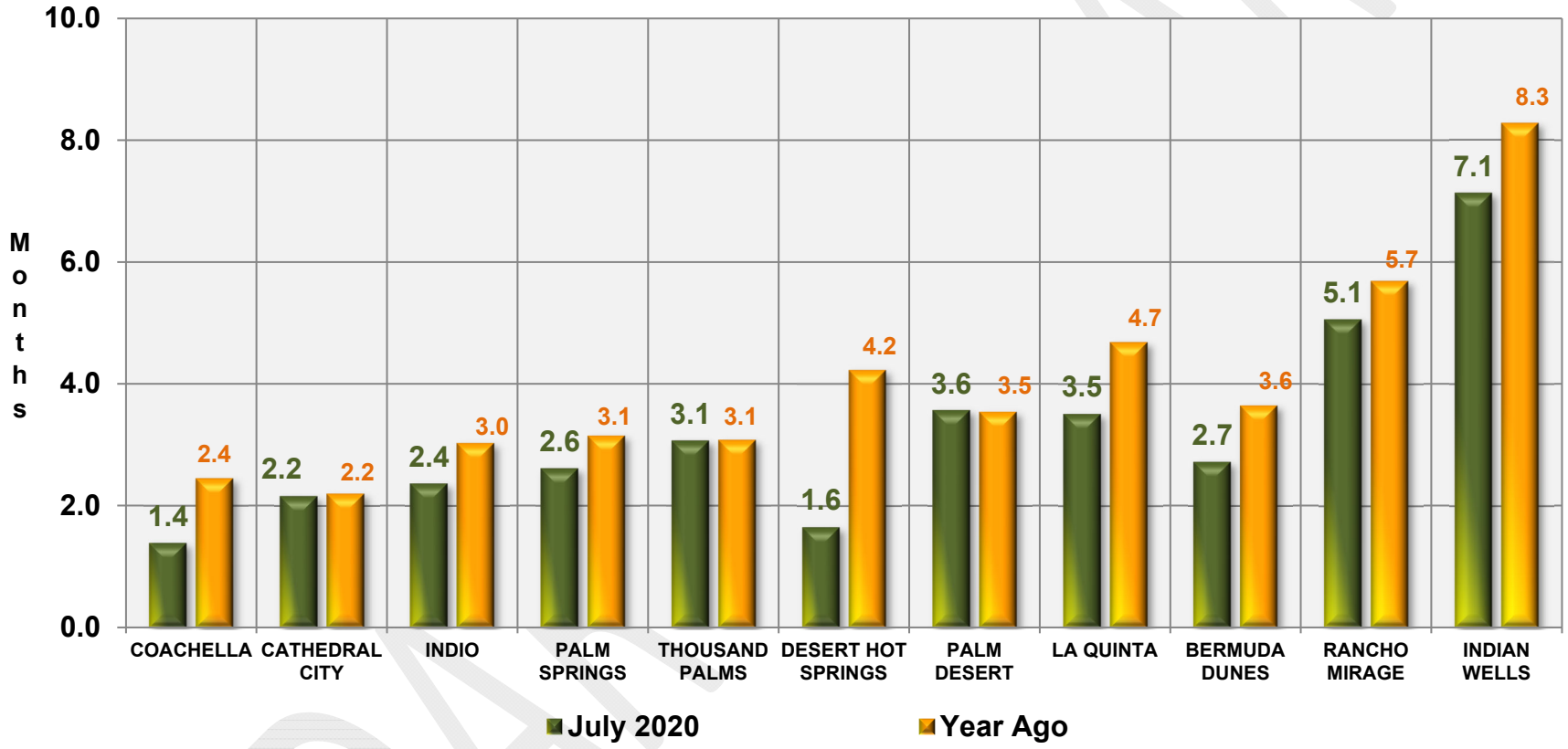
Produced for Valley agents through the sponsorship and cooperation of PSRAR and CDAR by Market Watch LLC
©2020 CDAR & PSRAR. All rights reserved. Use and distribution by members only.

The Desert Housing Report

June 2020

"Months of Sales" by City

city inventory divided by average twelve month sales



"Months of Sales" by City

On July 1st, the "months of sales" ratio in ten of the Valley's eleven cities showed either the same or an improved ratio compared to a year ago. Only the city of Palm Desert had a slightly higher ratio of 3.6 months compared to 3.5 months a year ago.

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

©2020 CDAR & PSRAR. All rights reserved. Use and distribution by members only.

The Desert Housing Report

June 2020

Sales Price Discount from List

June 2015 to June 2020

Sale Price Discount from List

The June median value for "Sale Price Discount from List" was -2.2%, which is .2% higher than a year ago. Most of the increase in the average price discount is from the higher discounts being recorded in the condominium market. The current reading implies that an average home in the region offered at $400,000 sold for $391,200.

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

©2020 CDAR & PSRAR. All rights reserved. Use and distribution by members only.

The Desert Housing Report

June 2020

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

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

©2020 CDAR & PSRAR. All rights reserved. Use and distribution by members only.