

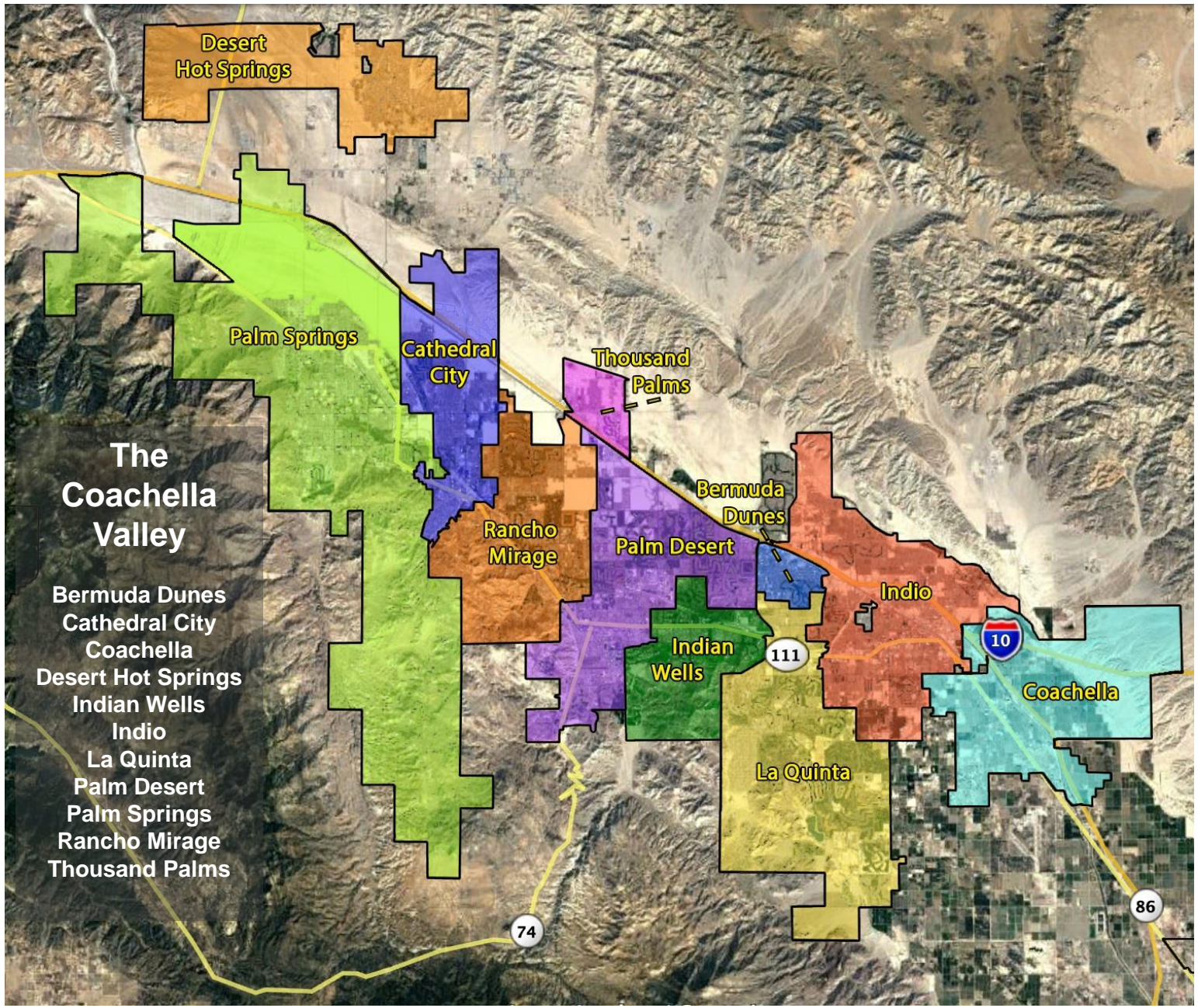
The Desert Housing Report

July 2024



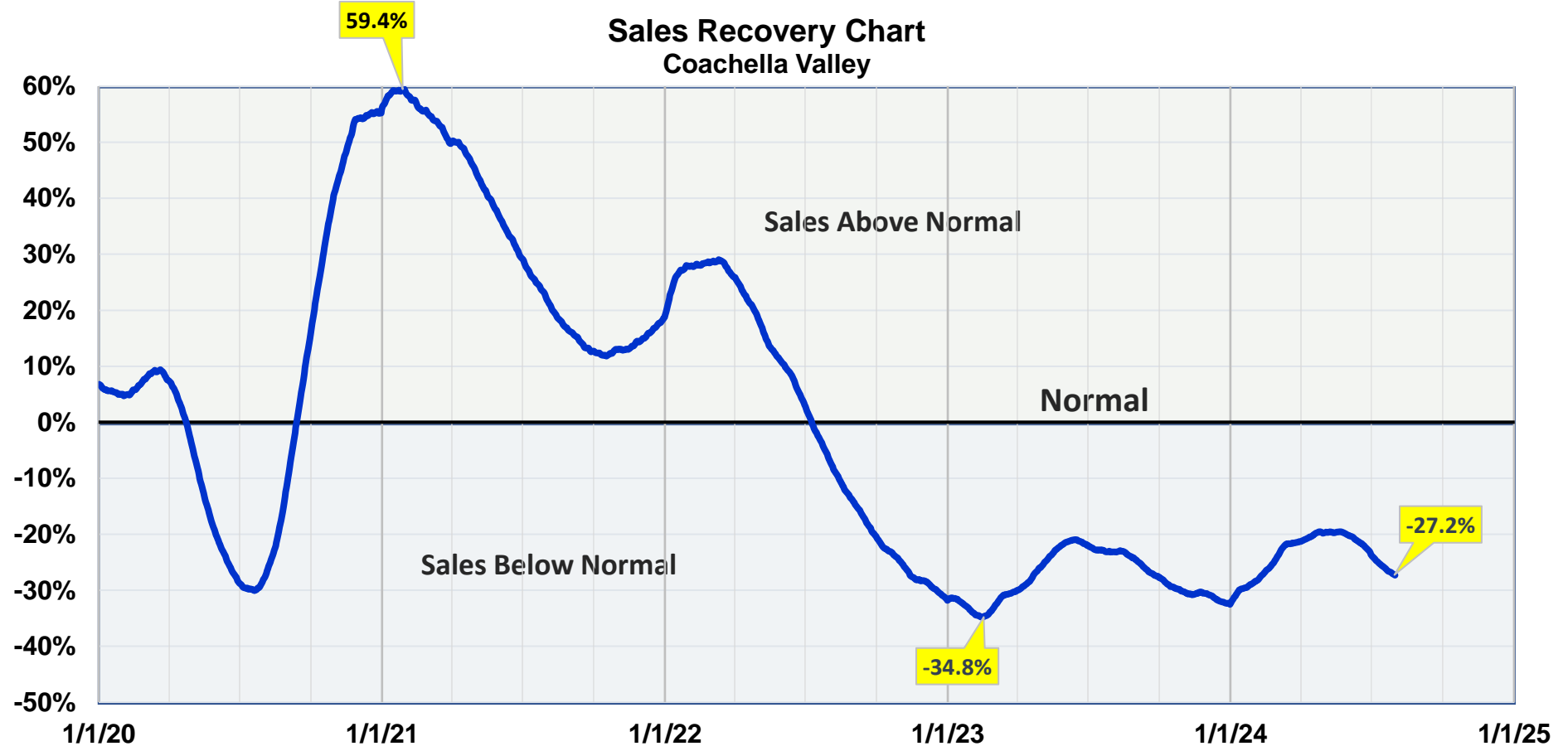
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The Sales Recovery Chart

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 July of 2021, sales were 59.5% above the norm. Sales fell to 34.7% below normal by July of 2023, but then began to improve. Sales this month are 27.2% below normal and have been declining over the last four months. Hopefully, the Federal Reserve will drop interest rates soon, which would stimulate buyers.

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Summary

PRICES: After reaching an all-time high three months ago, the median price of a detached home in the Coachella Valley declined to \$669,000 in July. It's now only \$4,000 higher than last year. The median attached price ended July at \$460,000, which is \$10,000 higher than last year. Year over year price changes in detached homes range from a 27.8% gain in Coachella to a decline of 10% in Palm Springs. Changes in the average size attached home in each city range from 18% in Bermuda Dunes to -5.4% in Palm Springs.

SALES: Three-month average sales this July was 642 units per month, compared to 712 units a year ago, which is lower by 70 units. Palm Desert still has the highest unit sales at 141, followed by Palm Springs with 120. Only one city - Bermuda Dunes – has sales higher than a year ago, while Desert Hot Springs is the same. All the others are lower. Dollar sales in July were \$519 million, which is 9.6% below last year.

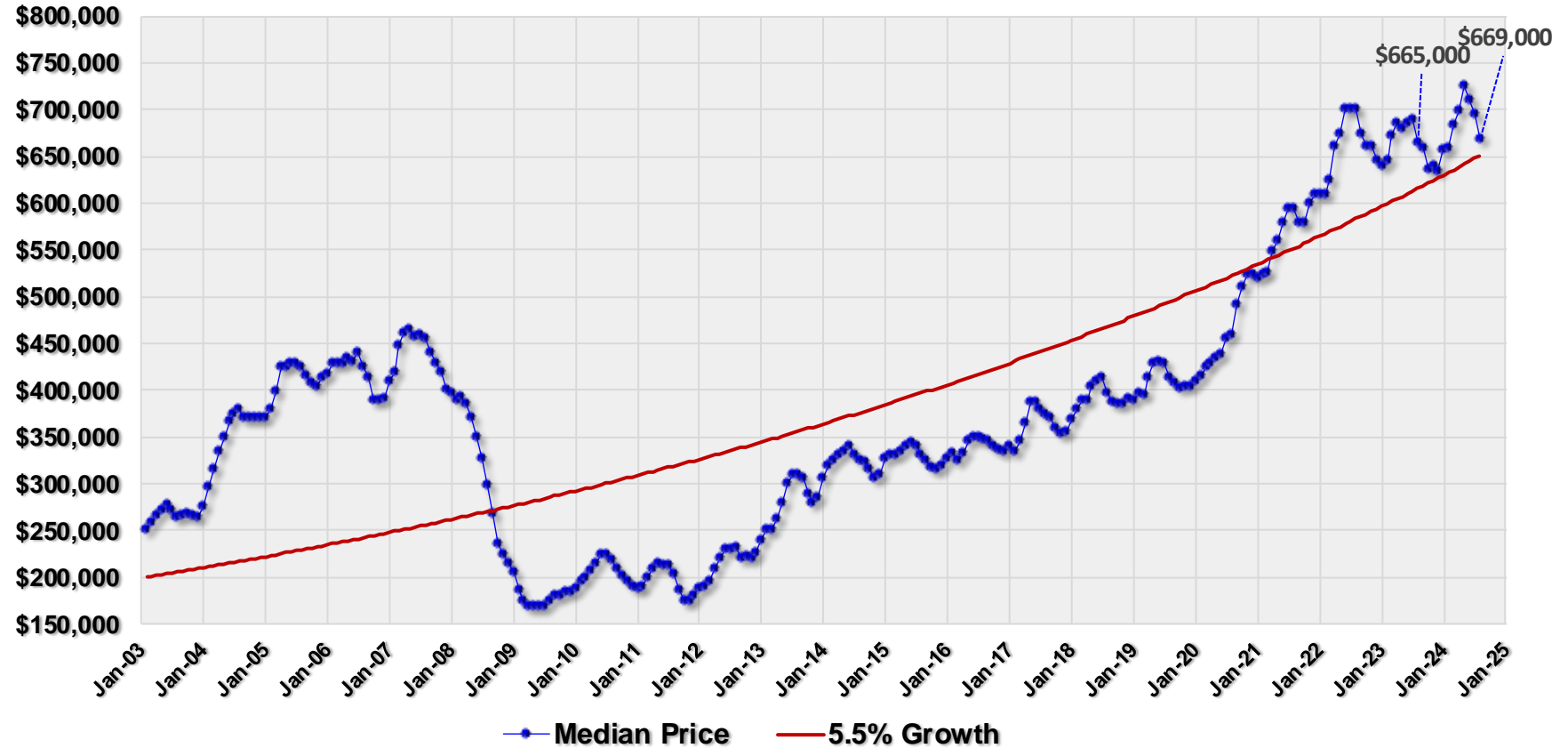
INVENTORY & “MONTHS OF SALES” RATIOS: On August 1st, Valley inventory was 2,266 units, which is 199 units down from last month but 496 units higher than last year. The Valley's “months of sales” ratio was 3.7 months, which is one month more than last year. We see consistent ratios between 3.0 and 4.0 months in the nine cities. The ratio in Palm Springs is now 4.6 months. Since “months of sales” is really the supply-demand equation for housing, it shows the market remains balanced.

DIM: At the end of July, the median number of “days in the market” in the Coachella Valley was 47 days, which is eight days more than last year. The city of Coachella continues to have the lowest average selling time at 18 days. This is followed by Cathedral City at 37 days and Desert Hot Springs at 39 days. Indian Wells has the highest average selling time at 57 days.

PRICE DISCOUNTS/PREMIUMS: Currently, detached homes are selling at the same average discount as last month of 2.0%. Attached homes are selling at an average 2.7% discount. Coachella is the only city selling homes at an average premium, which is .4%. Bermuda Dunes is selling homes with the largest average discount of 4.2%. In July, the percent of homes selling over list price was 14.8%. This is 3% less than last year.

Prices

Coachella Valley Median Detached Home Price 22 Year Chart



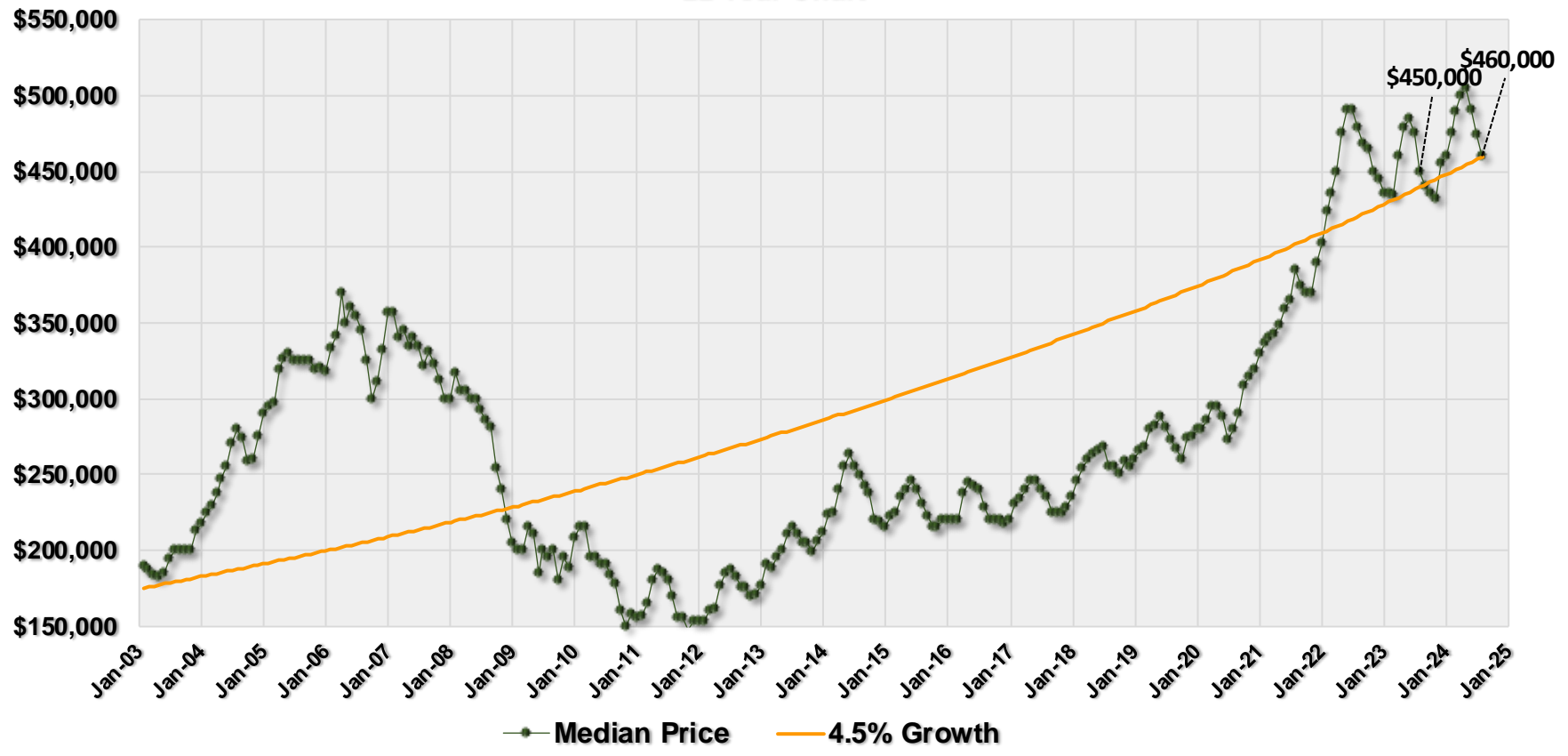
Coachella Valley Median Detached Price

After reaching an all-time high three months ago, the median price of a detached home in the Coachella Valley declined to \$669,000 in July. It's now only \$4,000 higher than last year. Prices usually peak in May or June due to seasonal patterns and it appears this pattern continued this year. With inventory declining along with sales, we think supply and demand will remain relatively in balance.

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Coachella Valley Median Attached Home Price 22 Year Chart



Coachella Valley Median Attached Price

The median attached price in the Valley ended July at \$460,000, which is \$10,000 above last year. As the chart clearly shows, the seasonal price range for attached homes is much larger than that of detached homes, and prices seem to be following the normal seasonal pattern here, too. If they do, attached prices should remain stable for the rest of the year.

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Price of Each City's Average Size Detached 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
Coachella	1,700	\$316.12	\$537,404	\$420,648	27.8%	\$111,367	382.6%
Indian Wells	3,450	\$633.64	\$2,186,058	\$1,848,872	18.2%	\$666,885	227.8%
Rancho Mirage	3,175	\$445.52	\$1,414,526	\$1,264,539	11.9%	\$506,317	179.4%
La Quinta	2,200	\$402.42	\$885,313	\$844,844	4.8%	\$318,164	178.3%
Palm Desert	2,200	\$336.33	\$739,915	\$729,410	1.4%	\$302,302	144.8%
Desert Hot Springs	1,600	\$263.52	\$421,624	\$416,128	1.3%	\$86,656	386.5%
Indio	2,200	\$279.59	\$615,087	\$619,784	-0.8%	\$156,340	293.4%
Cathedral City	1,800	\$311.15	\$560,070	\$569,106	-1.6%	\$153,216	265.5%
Bermuda Dunes	2,200	\$291.67	\$641,674	\$703,230	-8.8%	\$239,325	168.1%
Palm Springs	2,175	\$532.29	\$1,157,731	\$1,286,948	-10.0%	\$323,879	257.5%

Price of Each City's 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	\$271.59	\$393,806	\$333,667	18.0%	\$89,117	341.9%
Desert Hot Springs	750	\$237.85	\$178,388	\$151,328	17.9%	\$16,013	1014.0%
La Quinta	1,750	\$397.48	\$695,590	\$670,110	3.8%	\$247,713	180.8%
Indio	1,050	\$289.74	\$304,227	\$293,480	3.7%	\$56,396	439.4%
Palm Desert	1,600	\$340.16	\$544,256	\$534,224	1.9%	\$197,896	175.0%
Indian Wells	1,950	\$387.06	\$754,767	\$741,137	1.8%	\$259,126	191.3%
Rancho Mirage	1,775	\$347.37	\$616,582	\$616,582	0.0%	\$211,030	192.2%
Cathedral City	1,250	\$264.29	\$330,363	\$330,781	-0.1%	\$80,544	310.2%
Palm Springs	1,250	\$344.37	\$430,456	\$455,031	-5.4%	\$129,788	231.7%

Price of The Average Size City 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 latest price is then compared to the price a year ago. It's also compared to the all-time lows made in 2011. Year over year price changes in detached homes range from a 27.8% gain in Coachella to a decline of 10% in Palm Springs. Gains of the average size attached home range from 18% in Bermuda Dunes to -5.4% in Palm Springs.

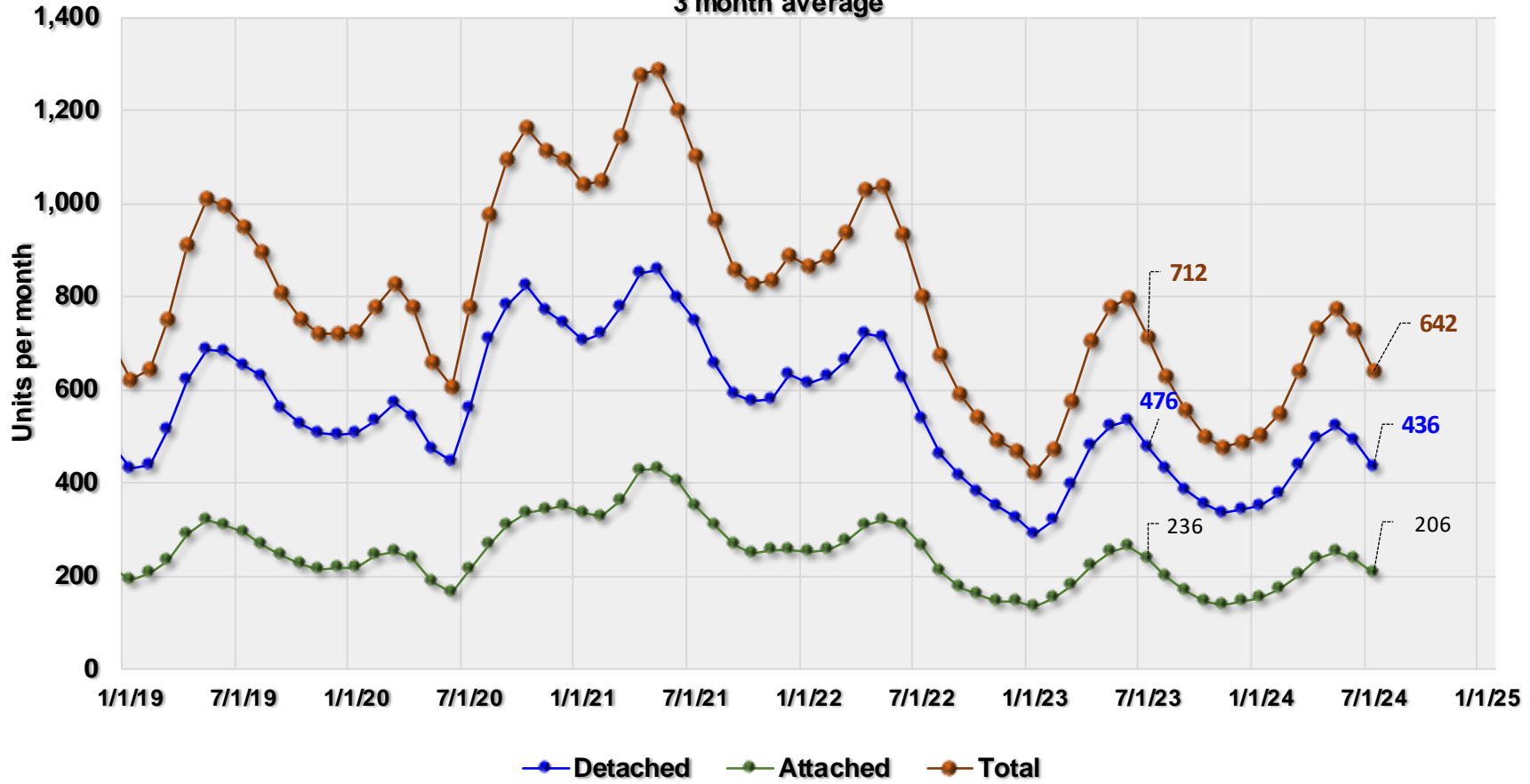
Unit and Dollar Sales

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Detached, Attached and Total Sales

3 month average



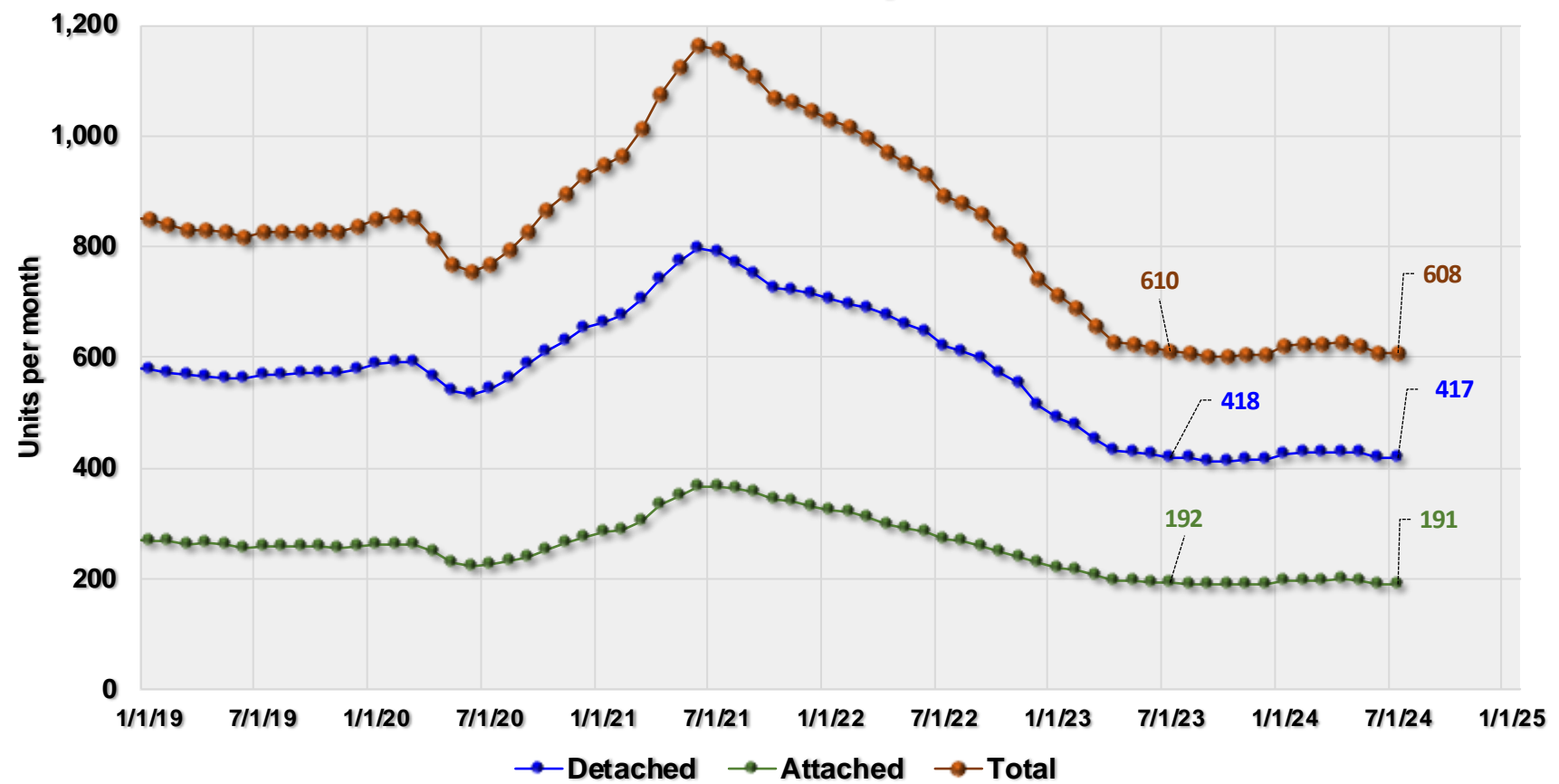
Monthly Sales – Three Month Average

Three-month sales are lower than last year by 70 units. The number this July was 642 units per month, compared to 712 units a year ago. Because of seasonality, it's difficult to determine where sales stand on a historical basis. The first chart in this report was designed to help distinguish seasonal changes from real ones. It shows that sales are lower against past norms by 27.2%.

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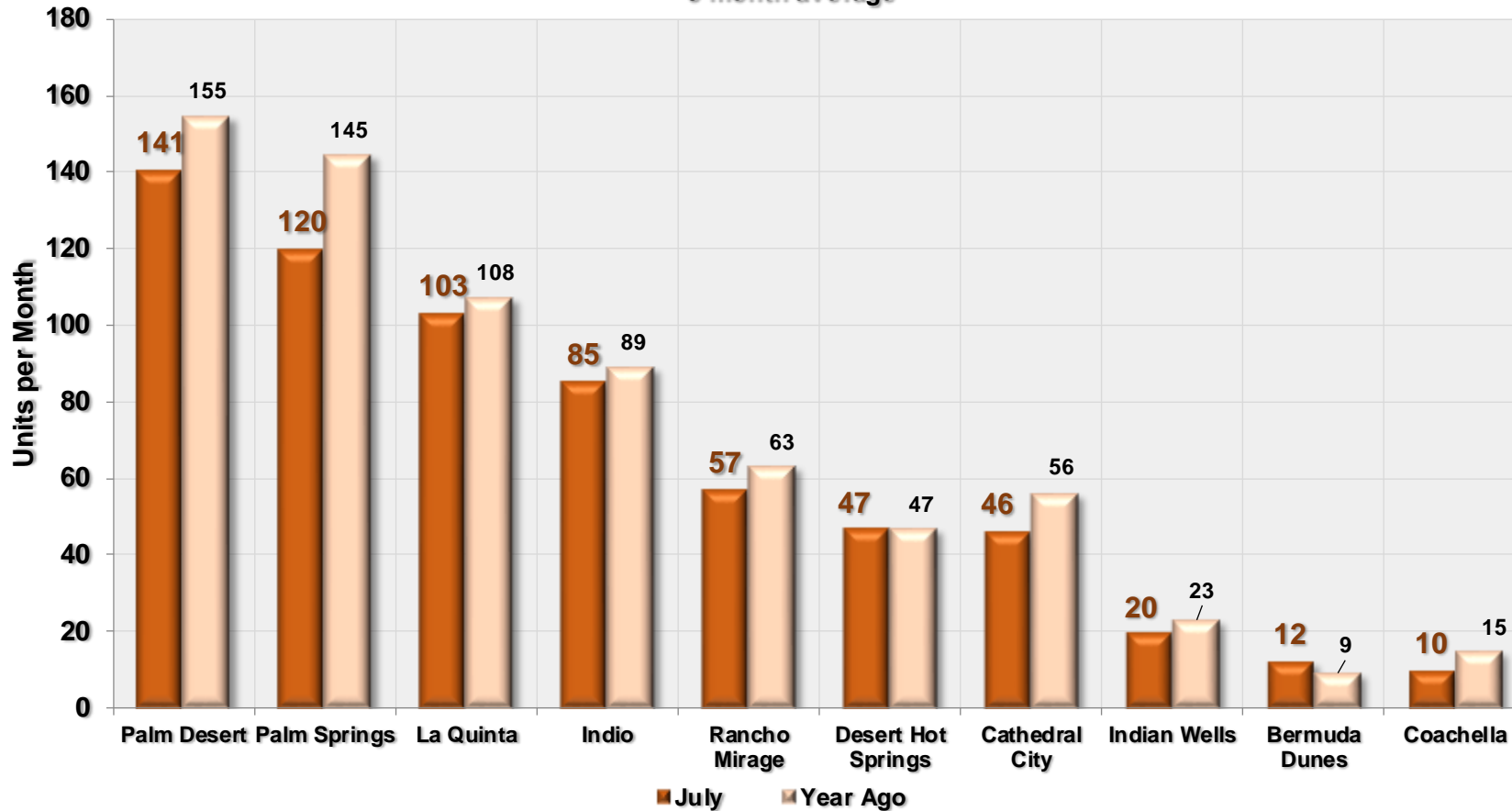
Detached, Attached and Total Sales 12 month average



Monthly Sales – Twelve Month Average

The 12-month average of sales, which takes out seasonality, was 608 units a month. This long-term average is effectively the same as last year. For 15 months, long-term sales have been hovering between 600 and 620 units a month. Although the inflation rate has declined, the Federal Reserve Board has been reluctant to lower rates. The rise in unemployment last week just might change this. Hopefully, they will lower rates soon which would stimulate sales.

Home Sales by City 3 month average

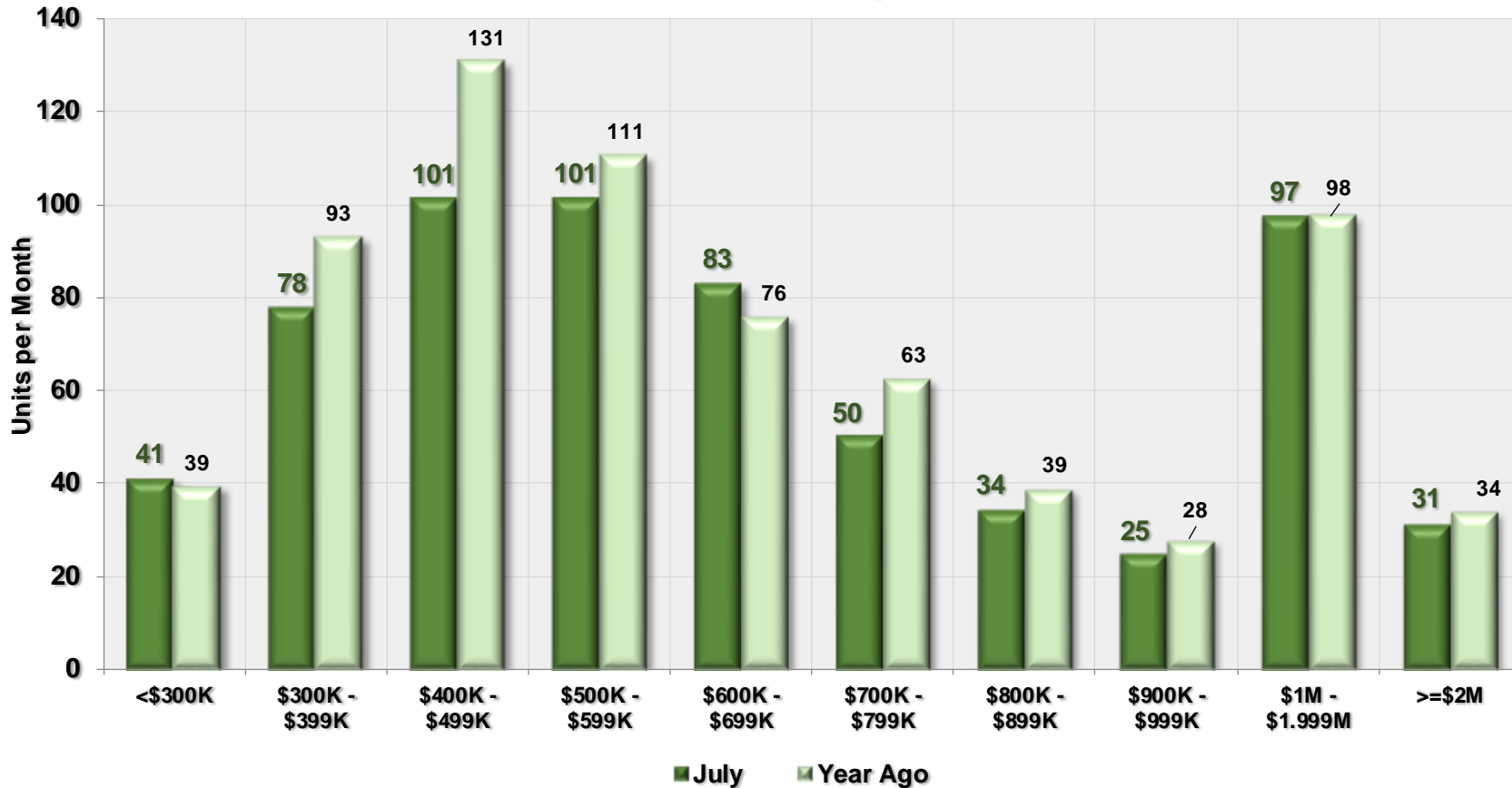


Home Sales by City

Sales by city are now ranked left to right by highest average unit sales. Sales are lower in most cities. Palm Desert still has the highest unit sales at 141, followed by Palm Springs with 120. Only one city - Bermuda Dunes – has sales higher than a year ago, while Desert Hot Springs is the same.

Sales by Price Bracket

3 month average



Home Sales by Price Range

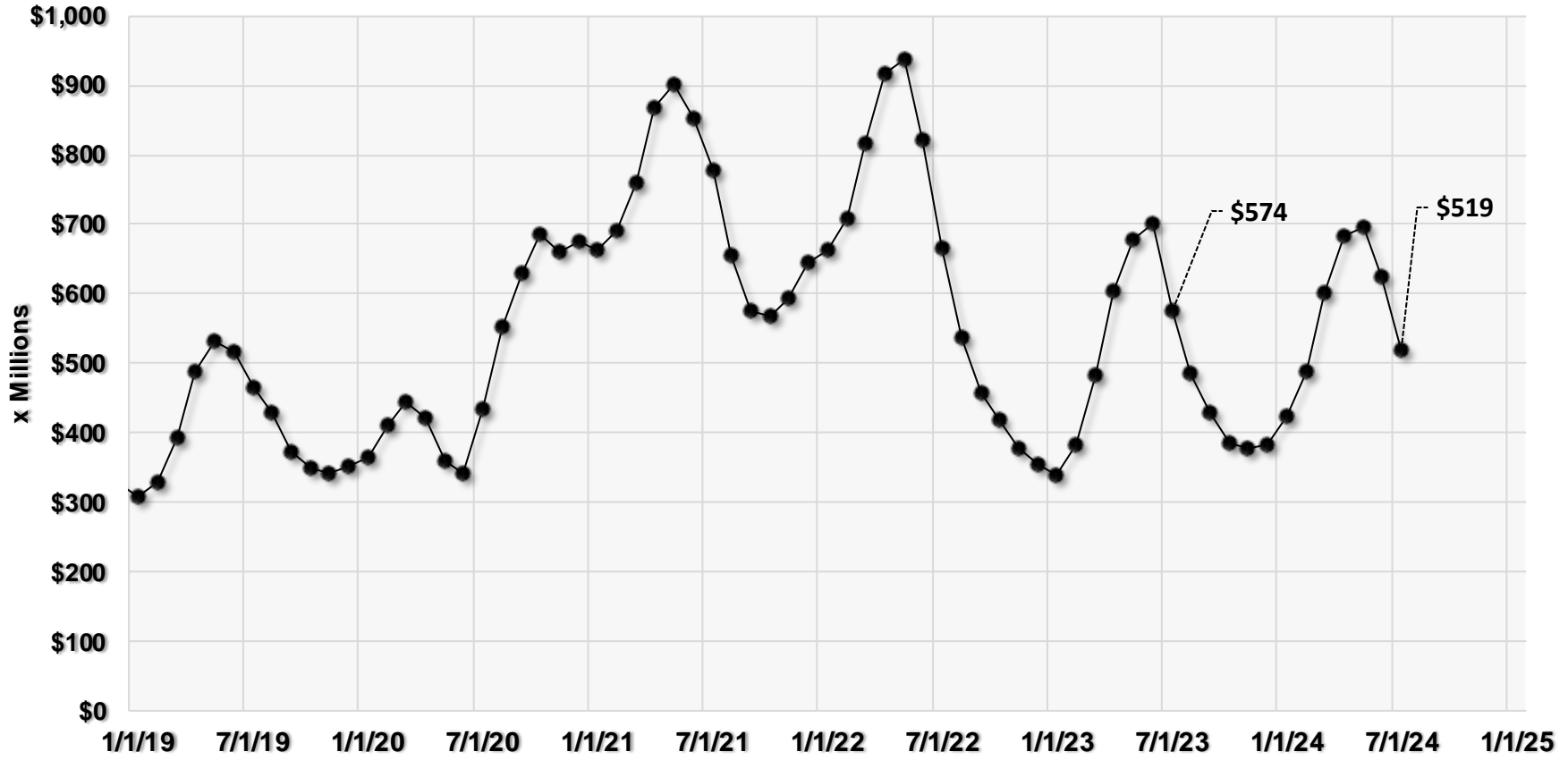
We've changed the price brackets to reflect the price increases of the last few years. The lowest bracket is now \$300,000 or lower, and there are now two brackets over \$1,000,000. The largest part of the overall sales decline appears to be sales of homes priced between \$300K to \$599K. Most other brackets show comparable sales to last year.

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Coachella Valley Dollar Sales

New



Coachella Valley Dollar Sales (all homes)

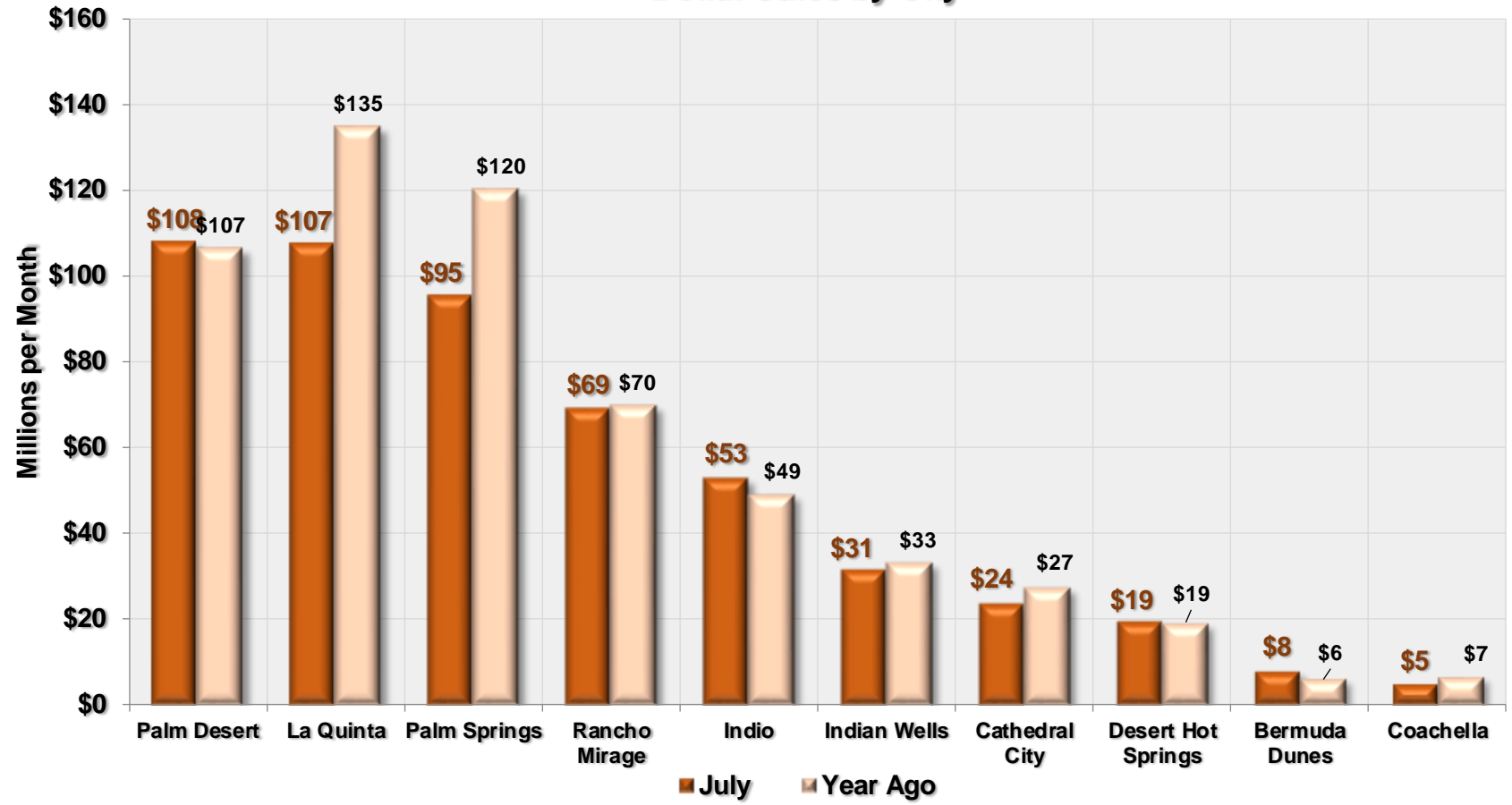
This chart graphs dollar sales, averaged over three months, of all Coachella Valley home sales. The scale on the left is in millions of dollars. It shows the same seasonal pattern as the chart of three-month unit sales, except the relative highs and lows are different due to price changes over time. Dollar sales in July were \$519 million, which is 9.6% below last year.

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Dollar Sales by City

New



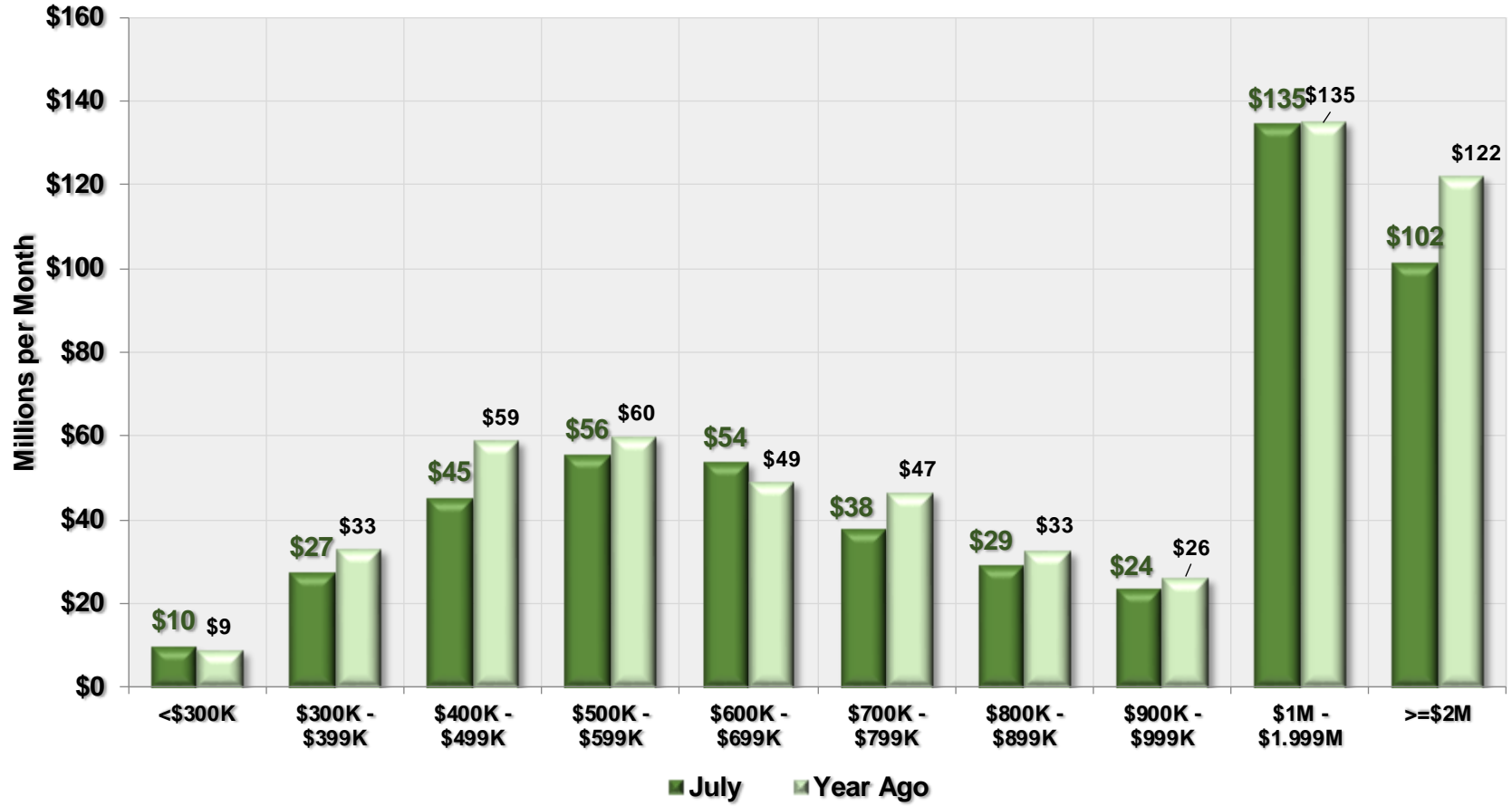
Home Sales by City

On this graph, cities are ranked left to right by greatest dollar sales. Since revenue depends on dollar sales more than unit sales, the numbers in this chart are better proxies for “revenue” than unit sales. Dollar sales appear to be comparable to last year in every city except La Quinta and Palm Springs. In those two cities, dollar sales are lower by about 20%.

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Dollar Sales by Price Bracket New



Home Sales by Price Range

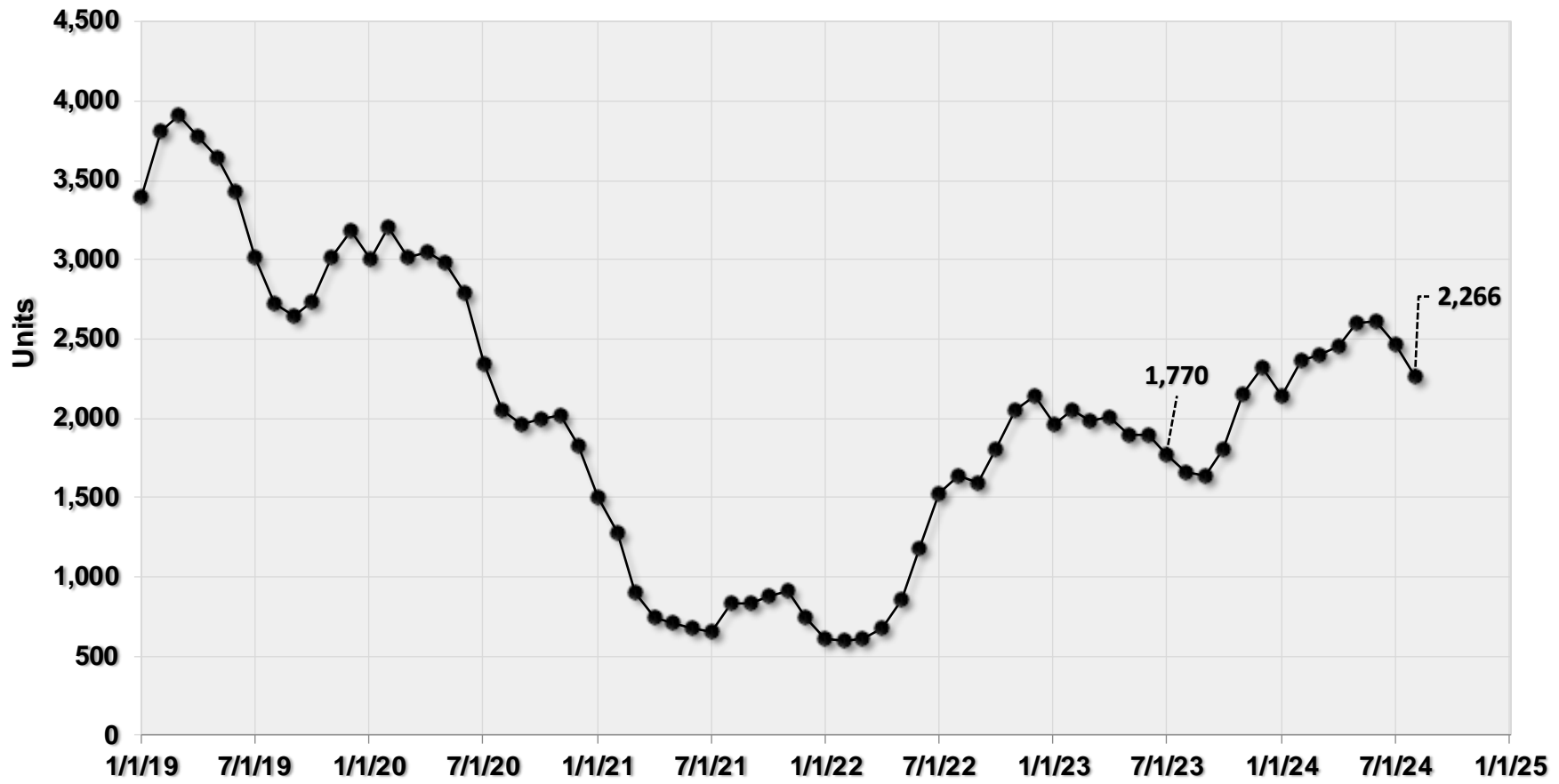
This chart of dollar sales by price bracket shows a different pattern than unit sales by price bracket in the earlier chart. The large amounts in the two million-dollar price brackets are accentuated more than the unit sales chart. In fact, dollar sales in these two brackets now account for 50% of all dollar sales in the Coachella Valley.

Inventory & “Months of Sales” Ratios

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Coachella Valley Housing Inventory (all homes)



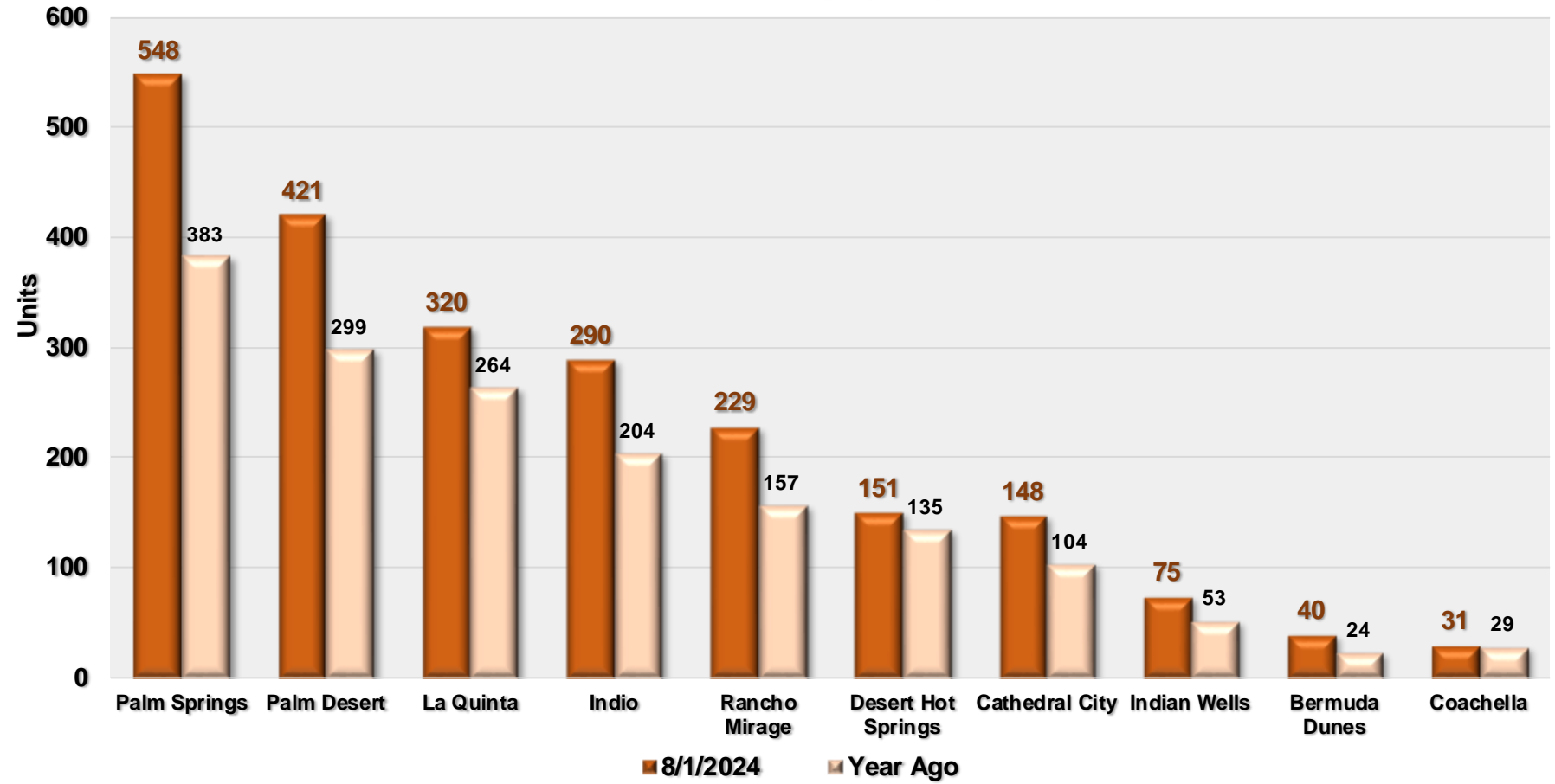
Coachella Valley Total Inventory

On August 1st, Valley inventory was 2,266 units, which is 199 units down from last month but 496 units higher than last year. The seasonal pattern now suggests that inventory will continue to decline for another month, then begin the strong seasonal increase that usually starts in September. While inventory has gradually improved, current numbers continue to be about 1,000 units under what was normal before the pandemic.

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Inventory by City New



Inventory by City

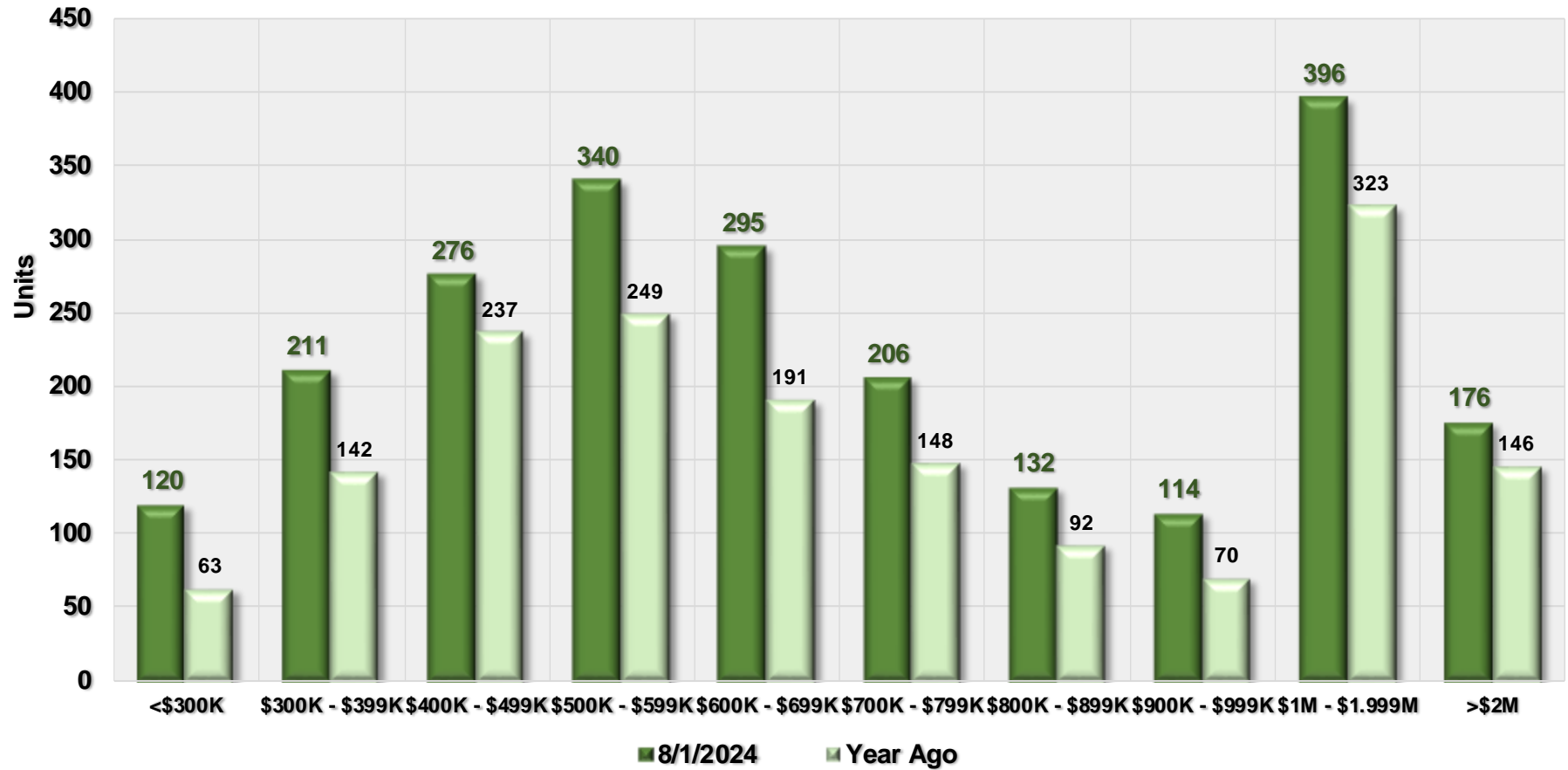
This chart ranks Coachella Valley cities left to right by highest number of homes for sale. The dark colored bars are current listings, while the lighter colored bars are last year's number. This chart helps agents know what cities have homeowners with the greatest selling interest and how it compares to last year.

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Inventory by Price Bracket

New



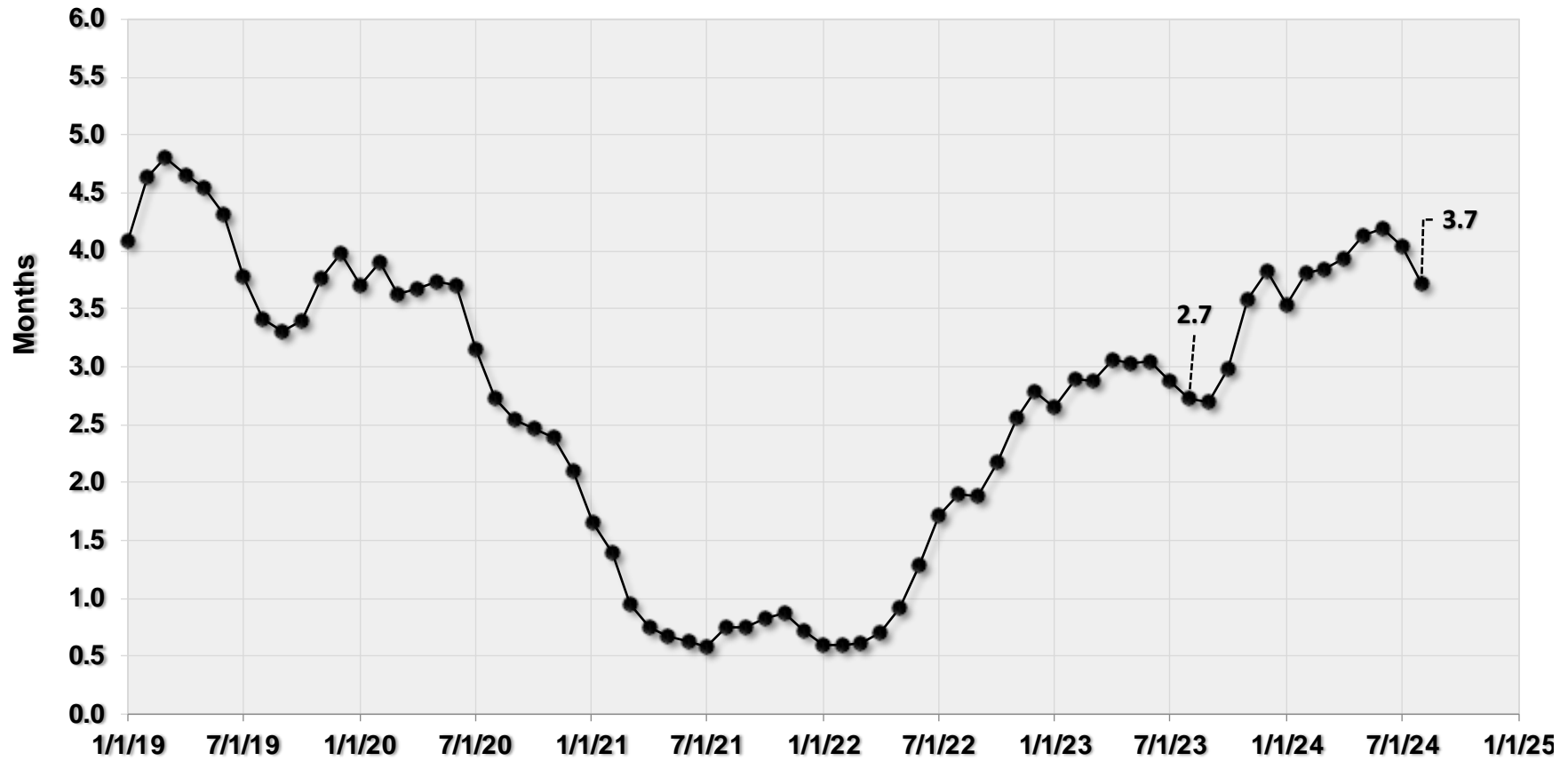
Inventory by Price Bracket

This chart shows the number of homes selling in the different price brackets. Current numbers, shown by the dark colored bars, are compared to last year's numbers, shown by the lighter colored bars. The price brackets now include the two new brackets of homes priced over \$1,000,000. This chart helps locate what price brackets might be responsible for the growth or contraction of inventory.

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Coachella Valley "Months of Sales" Ratio (based on average 12 month sales)



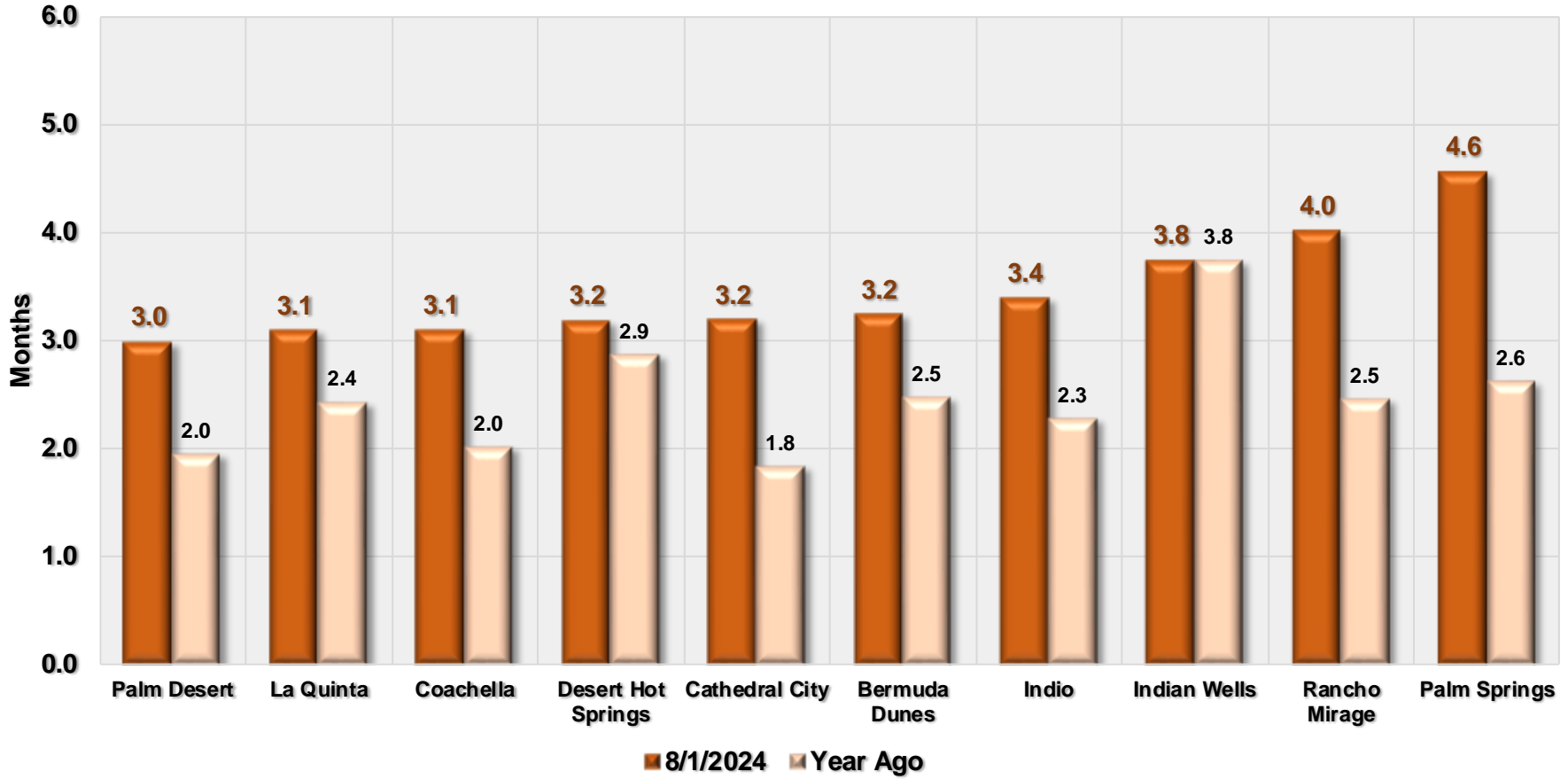
Regional "Months of Sales" Ratio

On August 1st, the Valley's "months of sales" ratio was 3.7 months, which is one month more than last year. As you can see, this fundamental ratio, which measures supply and demand, is now back to pre-pandemic levels. Even though inventory is still relatively low, the low sales numbers keep supply and demand in balance. This is one major reason why home prices have remained stable over the last twelve months. Seasonal factors should lower this ratio even more over the next month or two.

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"Months of Sales" by City



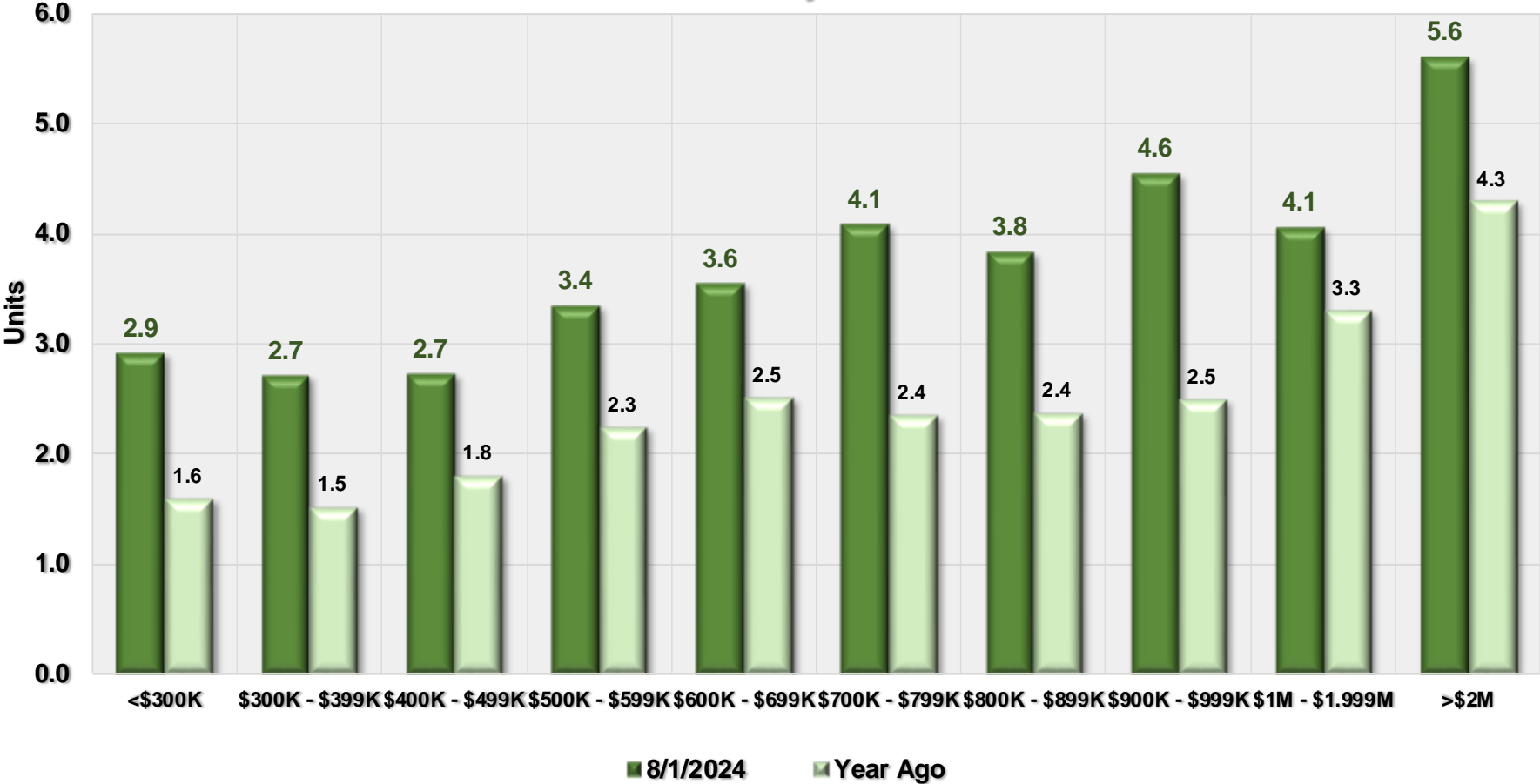
The "Months of Sales" Ratio by City

This chart ranks cities left to right by smallest number of "months of sales." The sales and inventory in these ratios include both attached and detached homes. We see consistent ratios between 3.0 and 4.0 months in the nine cities. The ratio in Palm Springs is now 4.6 months. Since "months of sales" is really the supply-demand equation for housing, it shows the housing market remains balanced.

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"Months of Sales" by Price Bracket



The "Months of Sales" Ratio by Price Bracket

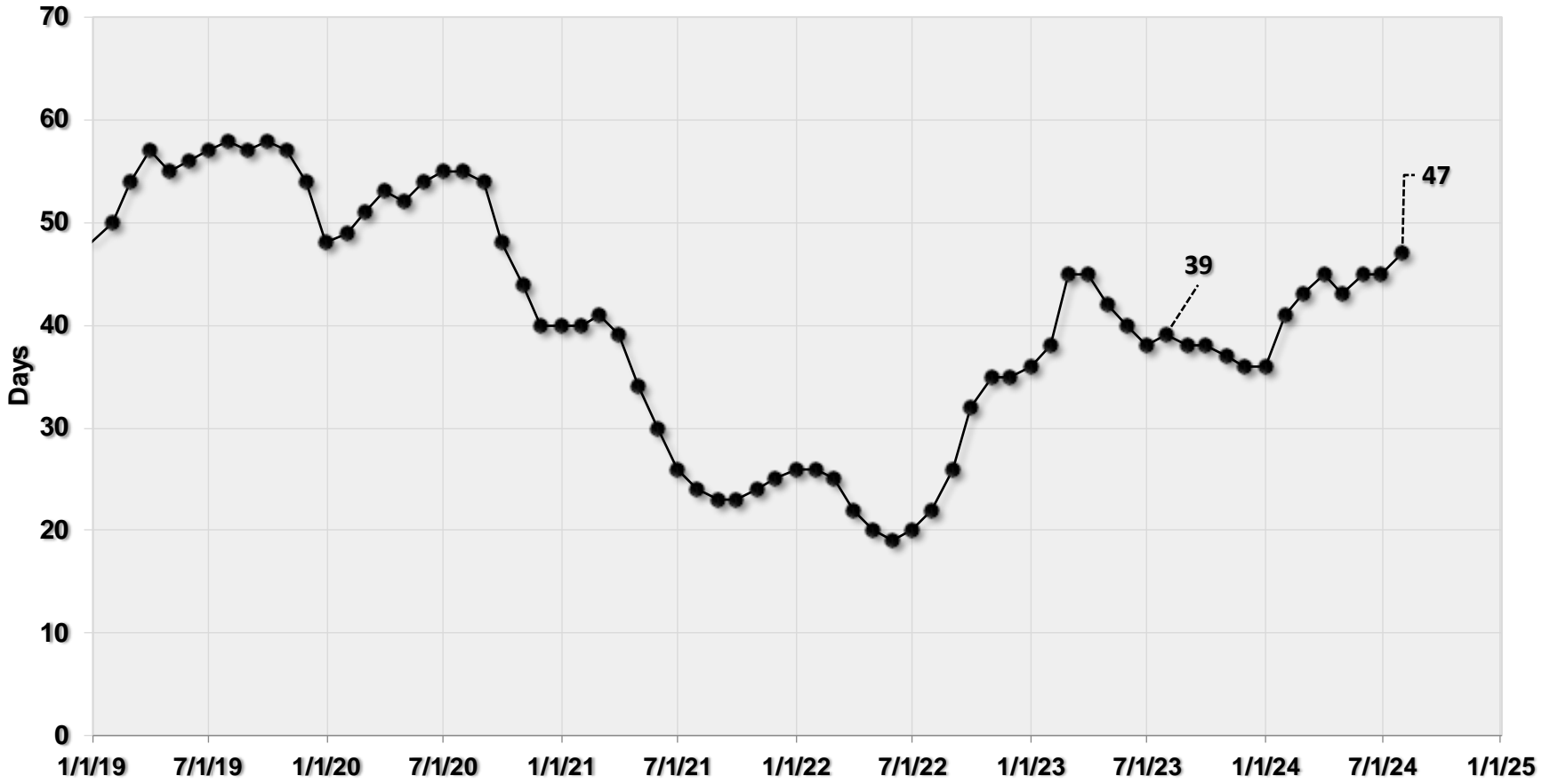
This chart shows "months of sales" by price bracket. The sales and inventory in the ratios includes both attached and detached homes. We continue to see similar increases in year over year ratios in all price brackets. Since "months of sales" is really the supply-demand equation for housing, this increase shows the supply side of the market is increasing in equal amounts in all price brackets.

DIM & Price Premium/Discount

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Median DIM - Coachella Valley (all homes)



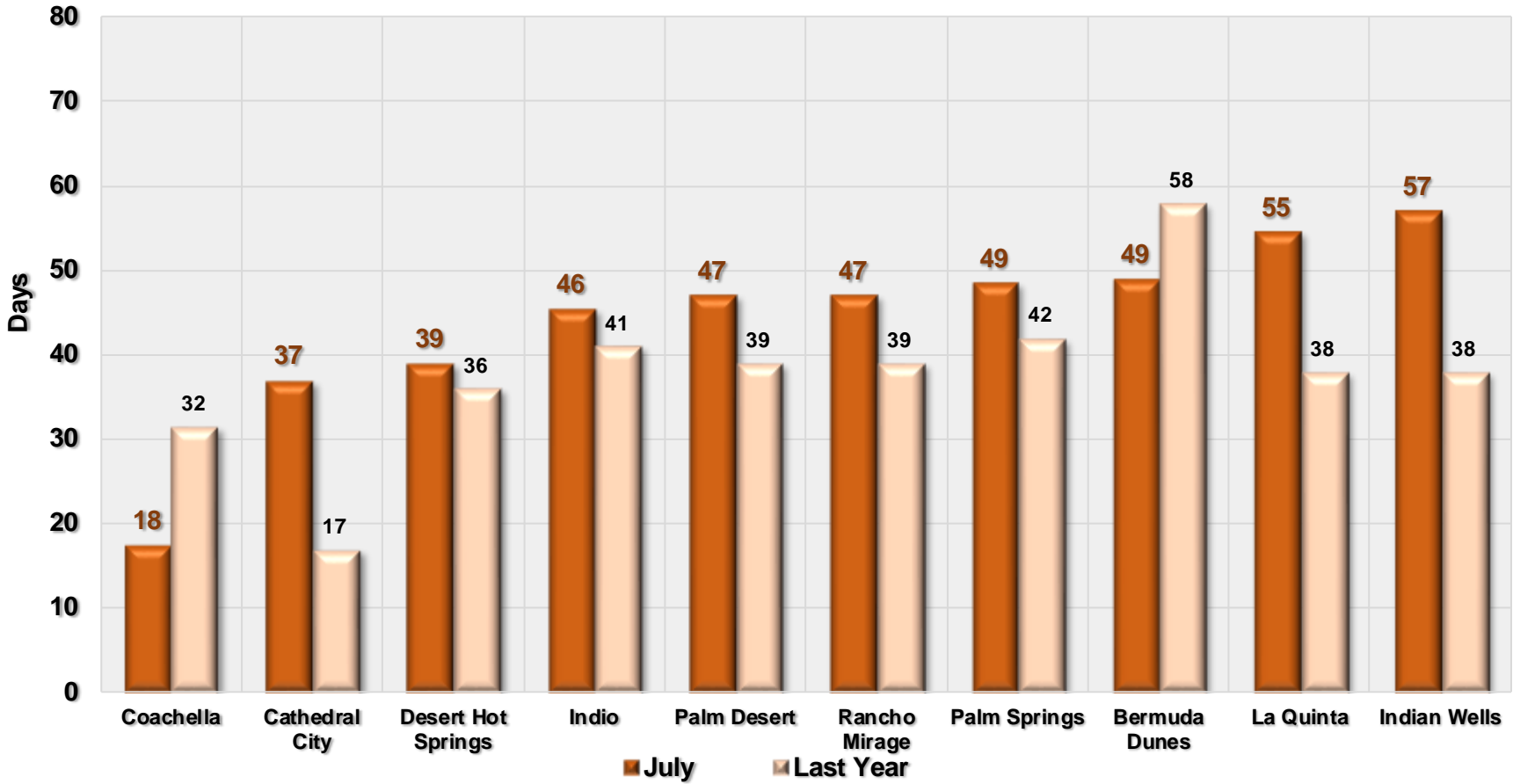
Regional “Days in the Market”

The median selling time in the region has been stable for the last three months. This includes both detached and attached homes. At the end of July, the median number of “days in the market” in the Coachella Valley was 47 days, which is eight days more than last year. We continue to believe the median selling time will remain around current levels as we continue into the year.

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Median DIM by City (all homes)



“Days in the Market” by City

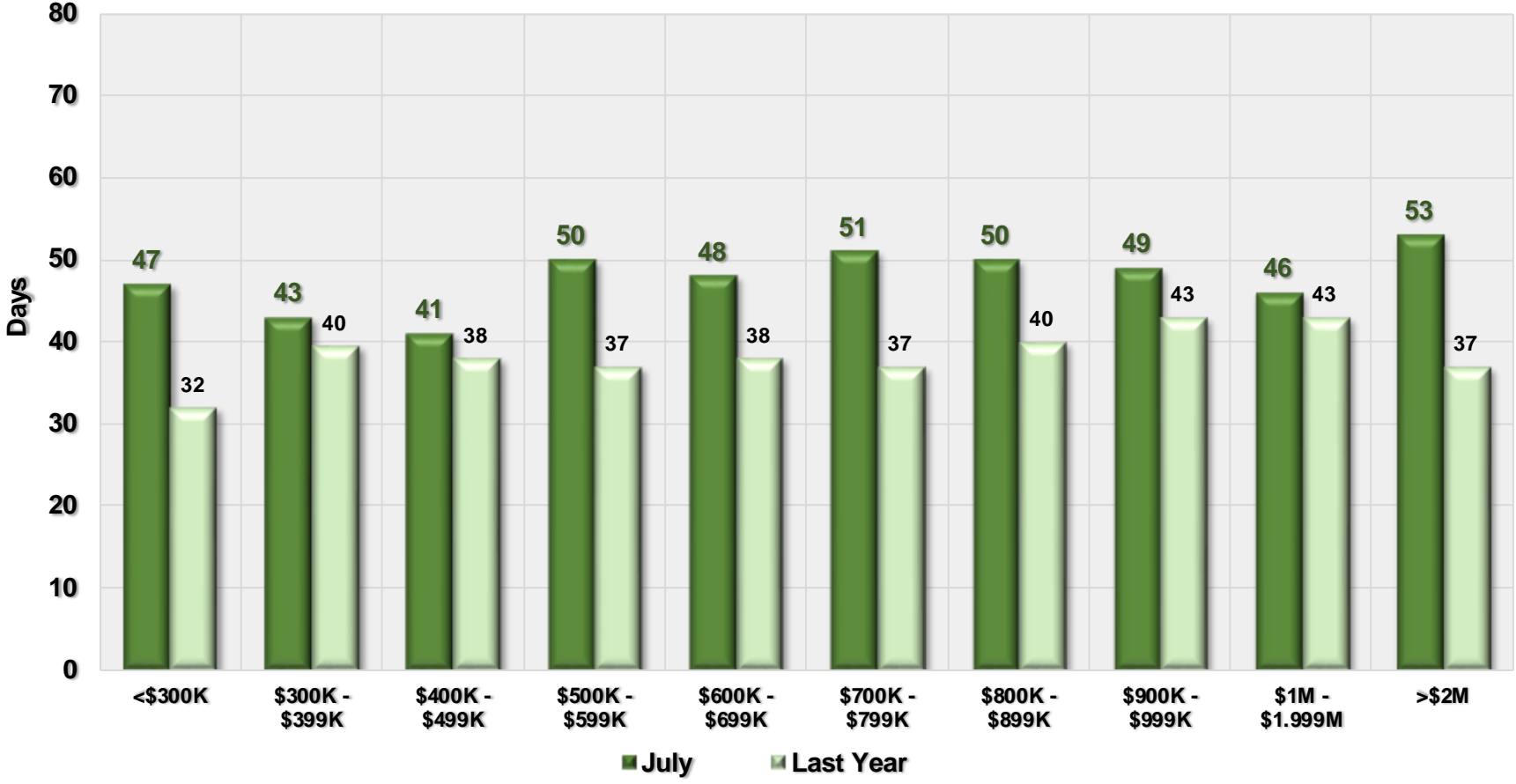
This graph compares the median number of “days in the market” in each city to their ratios a year ago. The number includes both detached and attached homes. We have sorted the cities left to right by lowest number of days. The city of Coachella continues to have the lowest average selling time at 18 days. This is followed by Cathedral City at 37 days and Desert Hot Springs at 39 days. Indian Wells has the highest average selling time at 57 days.

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Median DIM by Price Bracket (all homes)

New



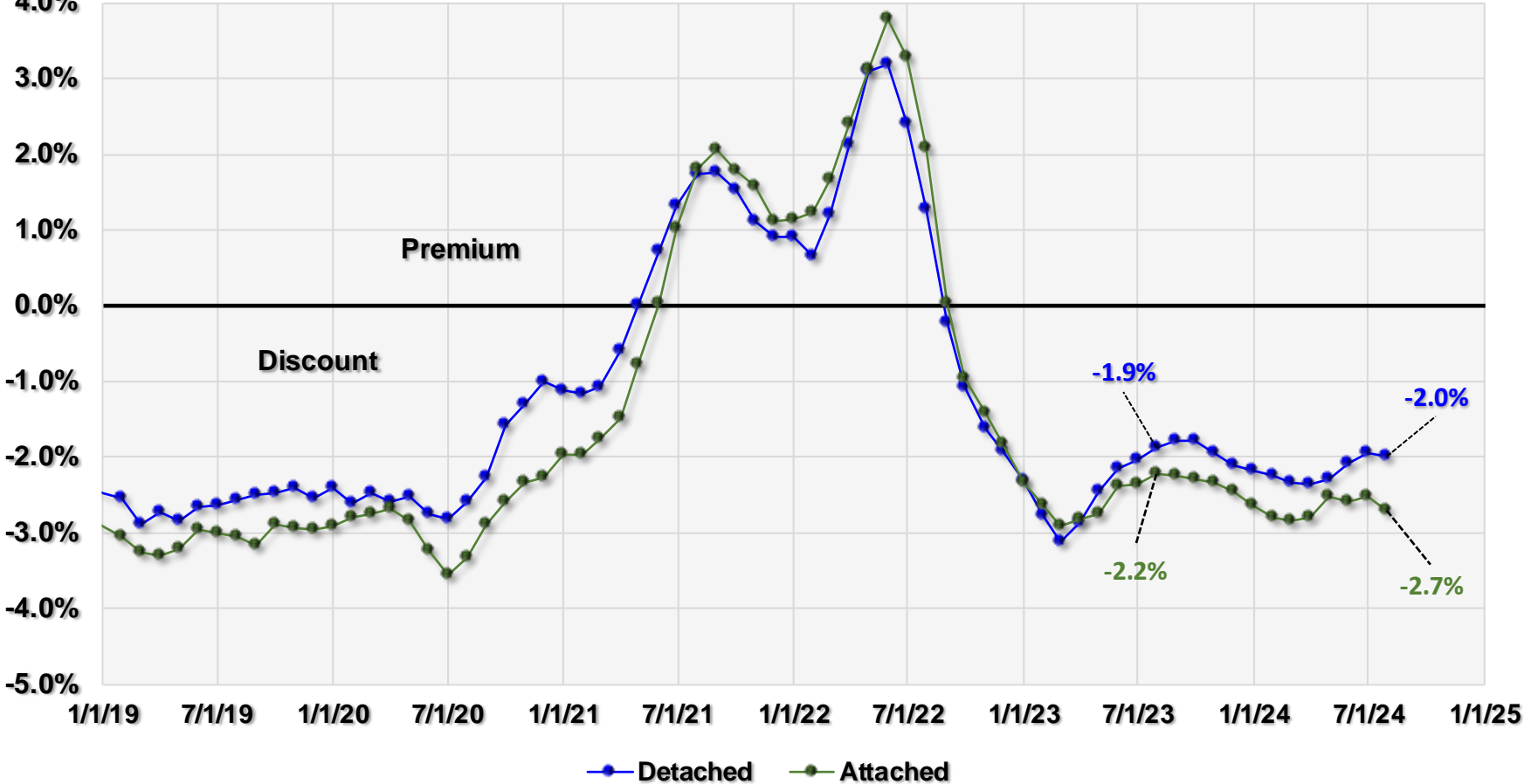
“Days in the Market” by Price Bracket

This graph compares the median number of “days in the market” by price bracket to the ratio a year ago. The number includes both detached and attached homes. It's important, when looking at these numbers, to notice if any price bracket has an abnormal number of days. A high number might show a slight market disruption in that price bracket.

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Coachella Valley Average Price Premium/Discount



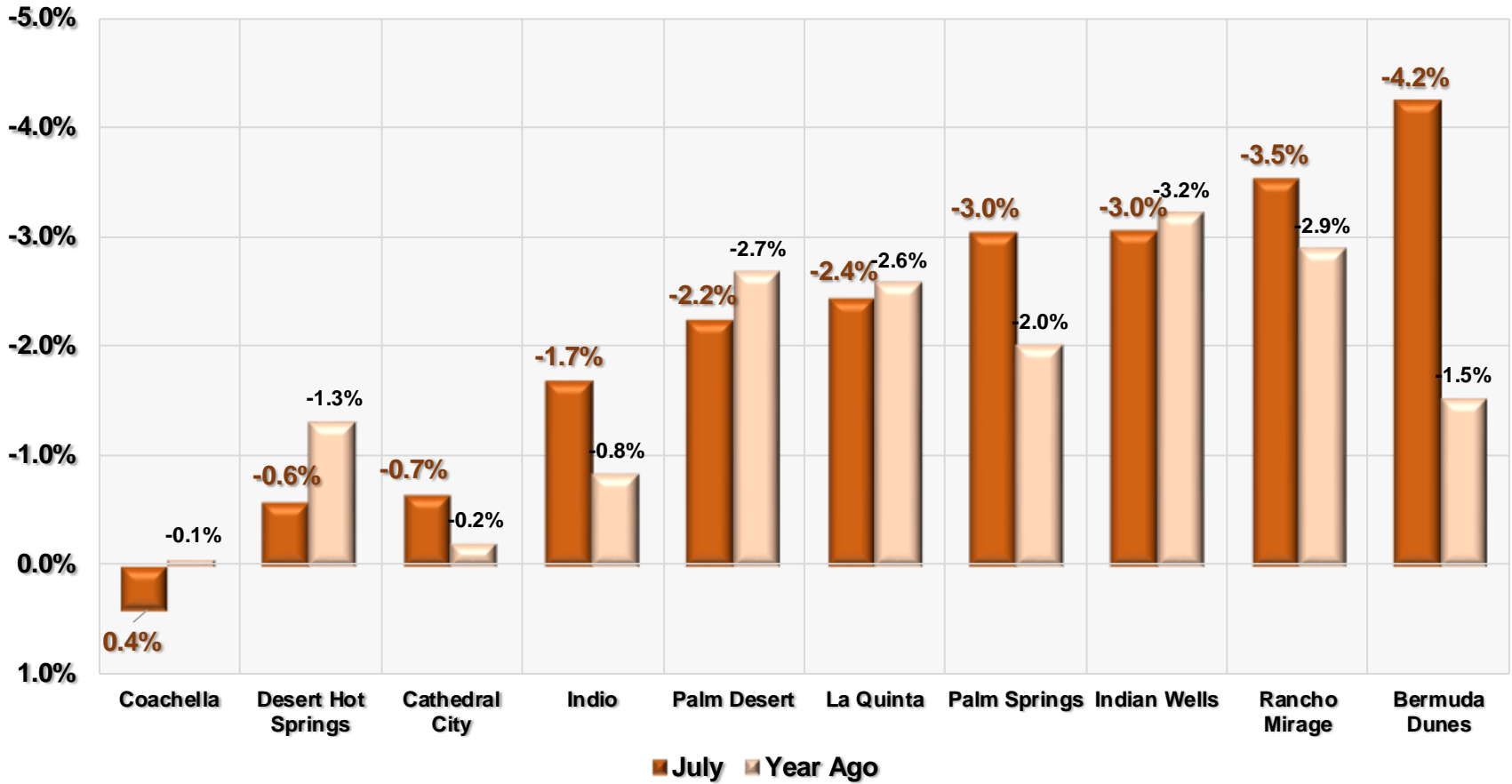
Regional Price Premium/Discount

This graph charts the average price premium or discount of detached and attached homes selling in the region. Currently detached homes are selling at an average discount of 2.0%, which is the same as last month. Attached homes are selling at a 2.7% discount. Notice how the numbers for both detached and attached homes seem to move up and down together. We are now back to normal as current discounts are in line with pre-covid levels.

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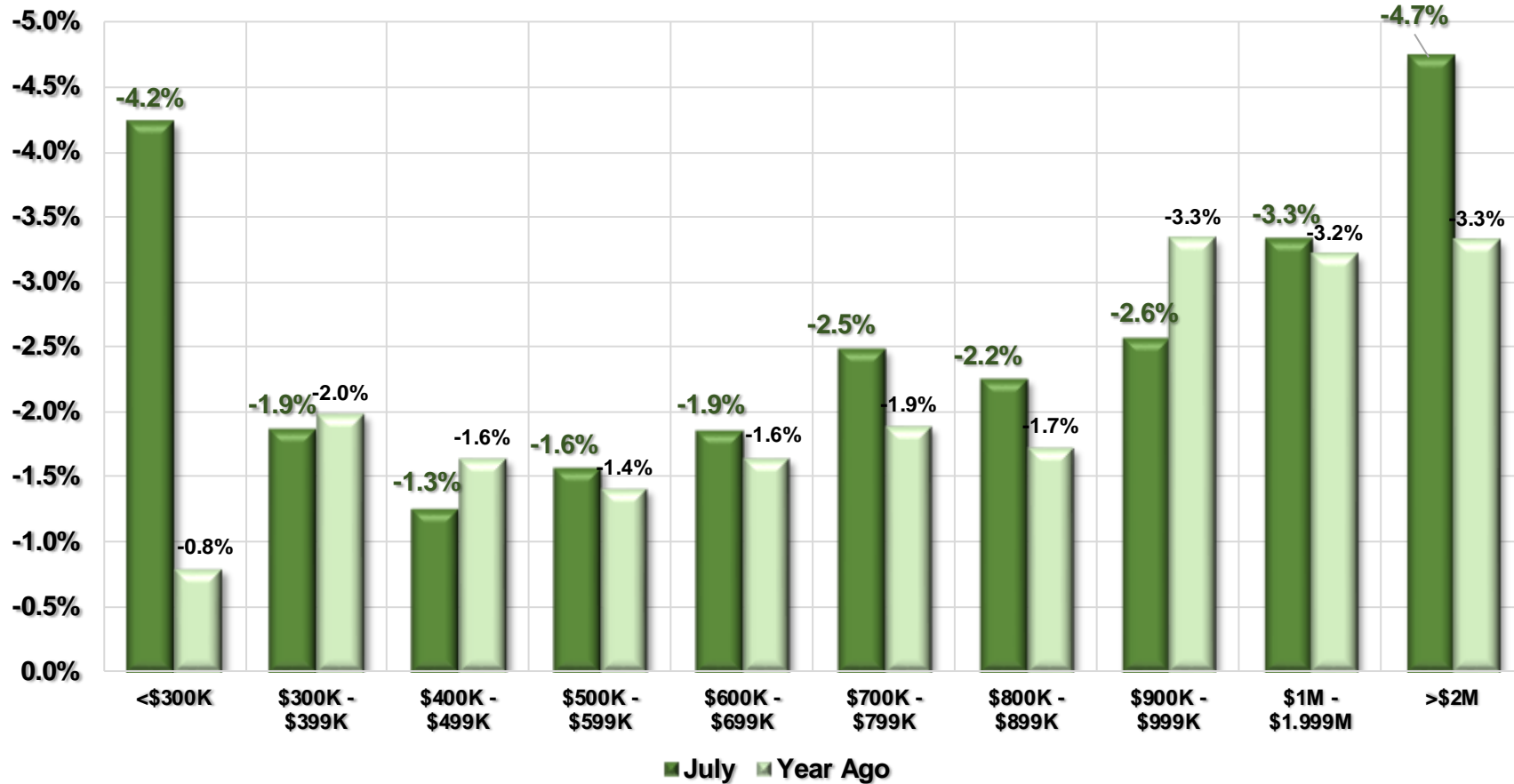
Average Selling Discount by City



Price Discount by City

This shows the average price discount for detached homes in each city to their ratios a year ago. We have sorted the cities left to right by lowest discount. Coachella is the only city selling homes at an average premium of .4%. Bermuda Dunes is selling homes with the largest average discount of 4.2%.

Average Selling Discount by Price Bracket



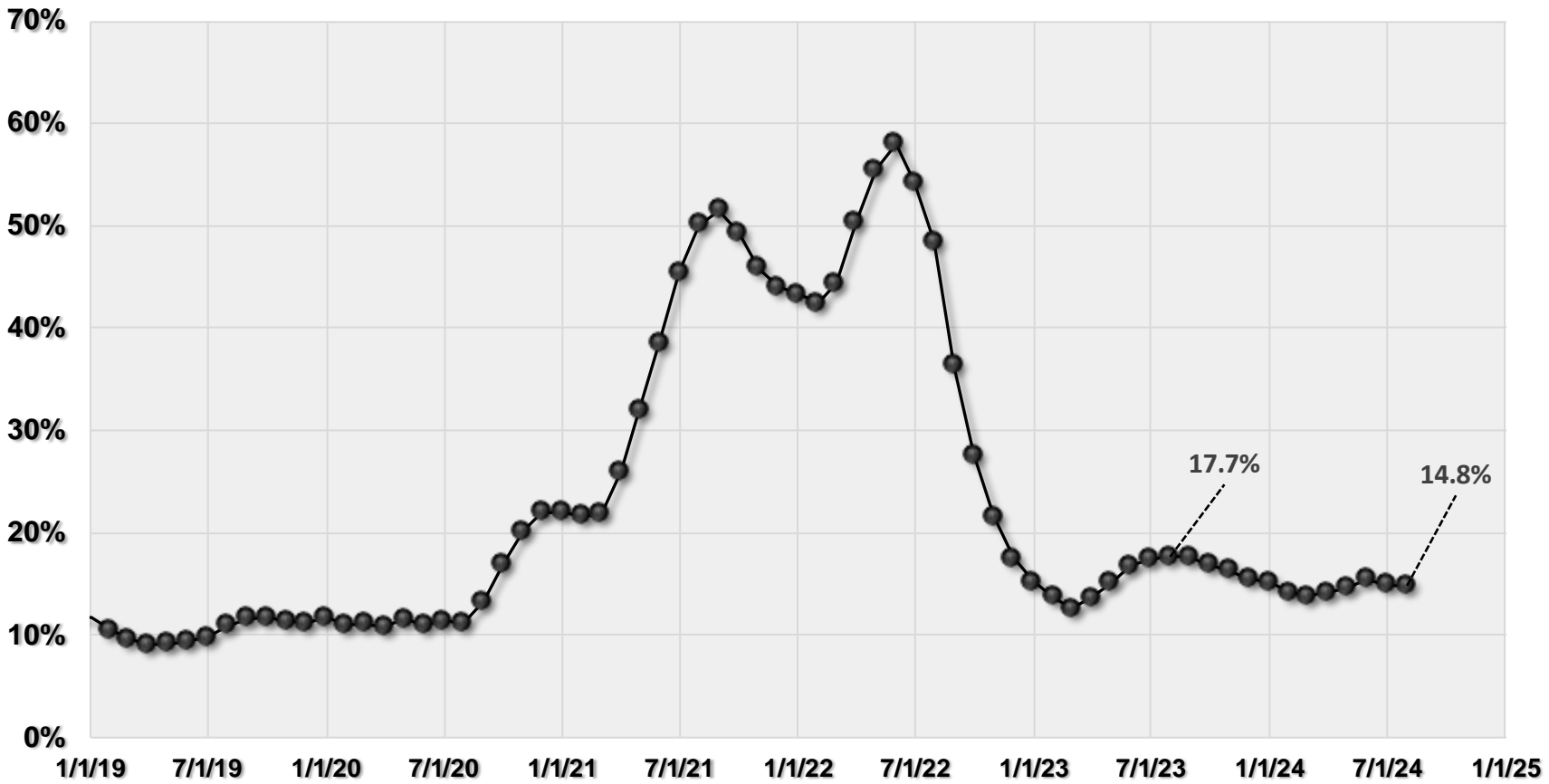
Price Discount by Price Bracket

This chart shows the average price discount by price bracket throughout the region compared to the discount a year ago. The average includes both detached and attached homes. As a rule, price discounts increase with higher priced homes.

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Percent Homes Selling Over List Price (all homes)



Percent Homes Selling Above List

This chart graphs the percentage of Valley homes that sold above list price over the last three months. In July, the percent of homes selling over list price was 14.8%. This is about 3% less than last year. As we said, we continue to expect the number of homes selling above list price to remain about one out of seven.

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 July, all sales and pricing are done using transactions through that and the previous two months. However, when we measure inventory at the end of July, it's the inventory as of July 1st. Even though inventory July be labeled July 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.