

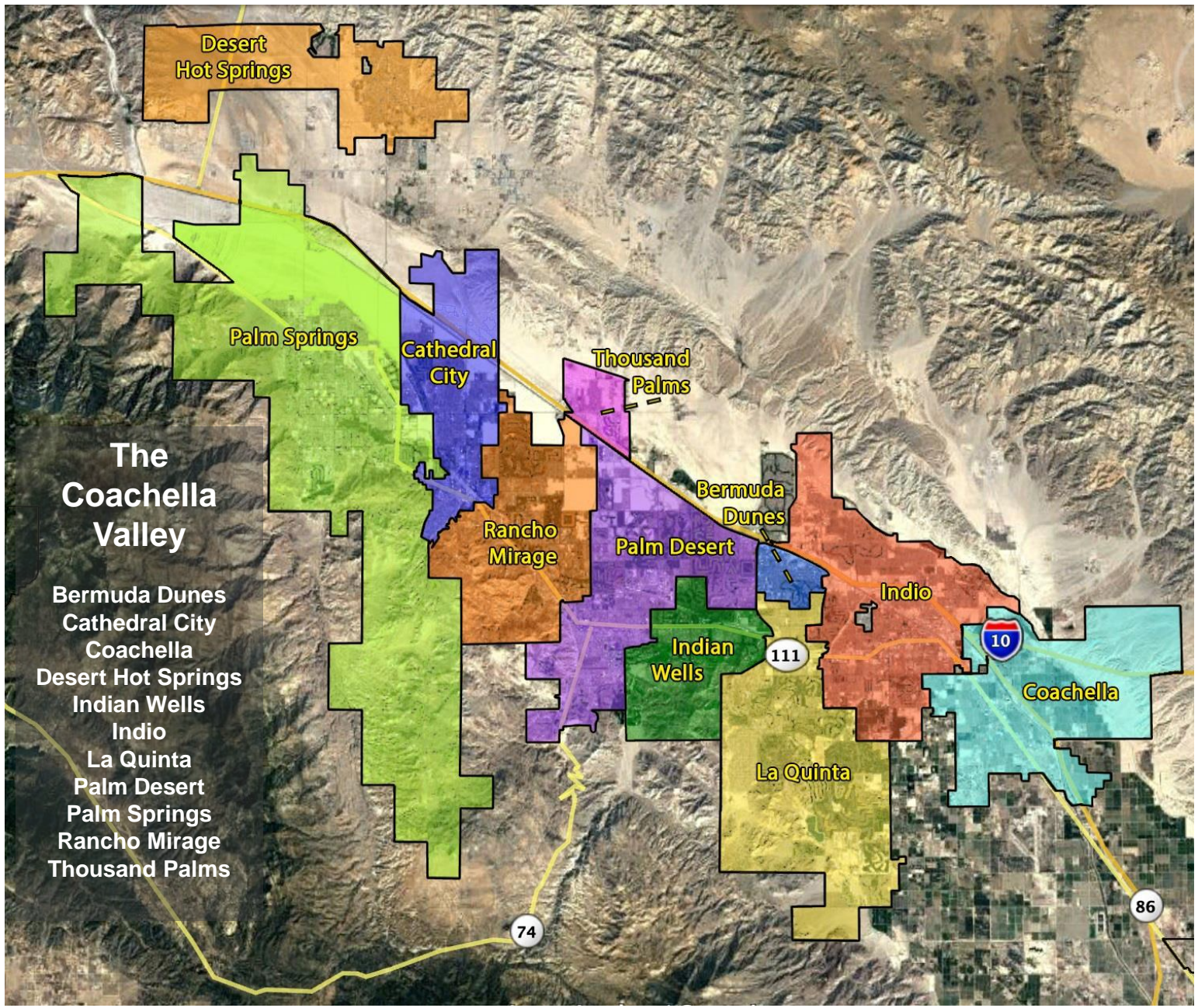
# The Desert Housing Report

## September 2024



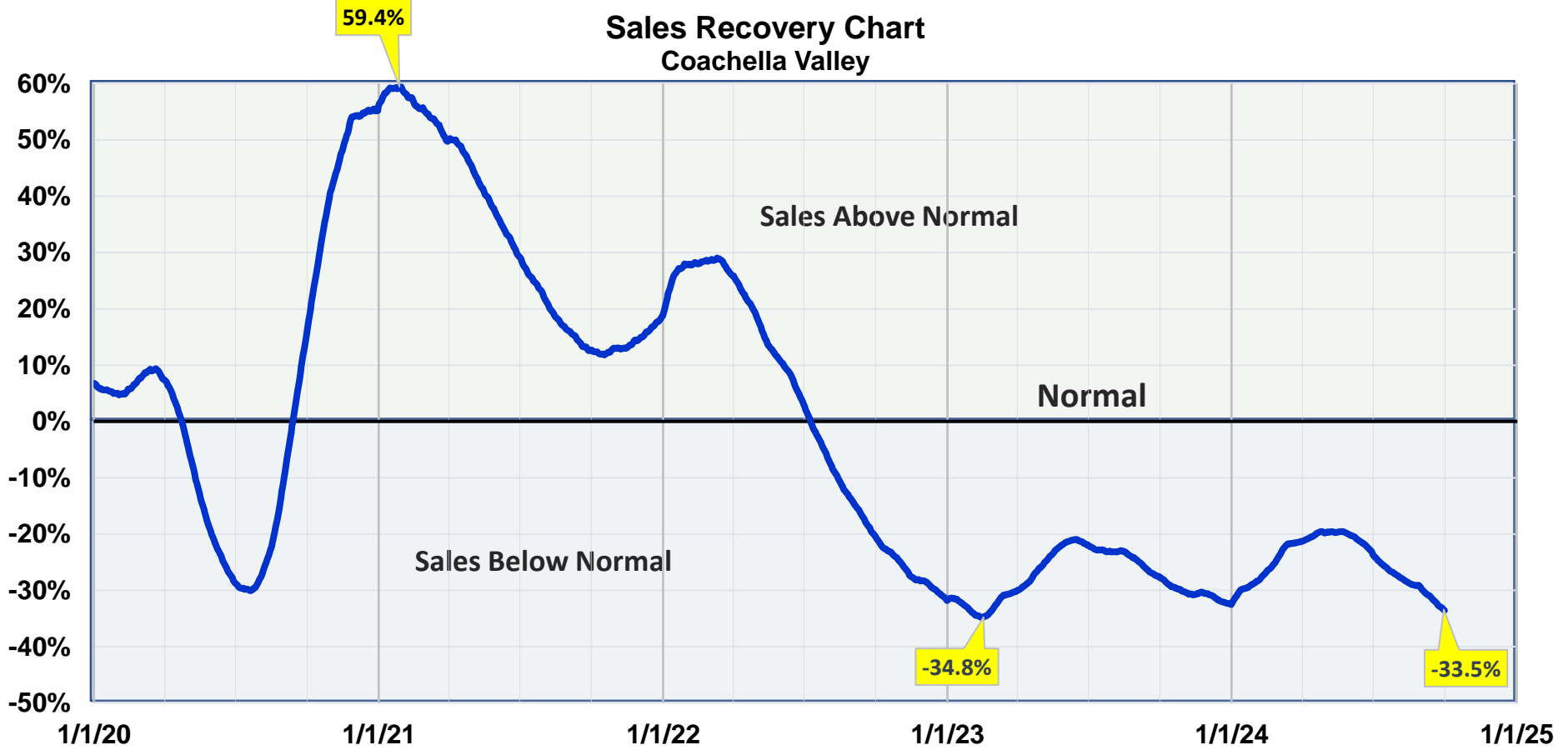
# The Desert Housing Report

## September 2024



# The Desert Housing Report

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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 September of 2021, sales were 59.5% above normal. Then sales fell to 34.7% below normal by January of 2023. We are again approaching the lowest point on the recovery chart as sales haven't picked up with lower mortgage rates. This September sales were averaging 33.5% below normal.

# The Desert Housing Report

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### Summary

**PRICES:** Even though the median price of a detached home in the Coachella Valley declined again for the fifth month to \$640,000, it's still \$3,750 higher than last year. The median attached price in the Valley ended September at \$436,500, which is \$1,500 above last year. Year over year price changes in detached homes range from a 25.6% gain in Indian Wells to a decline of 9.1% in Palm Springs. Gains of the average size attached home range from a gain of 13.8% in Bermuda Dunes to minus 10.9% in Desert Hot Springs.

**SALES:** Three-month average sales in September were 496 units per month, compared to 555 units a year ago. Palm Desert still has the highest unit sales at 104 units, followed by Palm Springs with 92. Only one city, La Quinta, with sales of 70 units a month, is higher than last year. Dollar sales were \$373 million, which is 13% below last year.

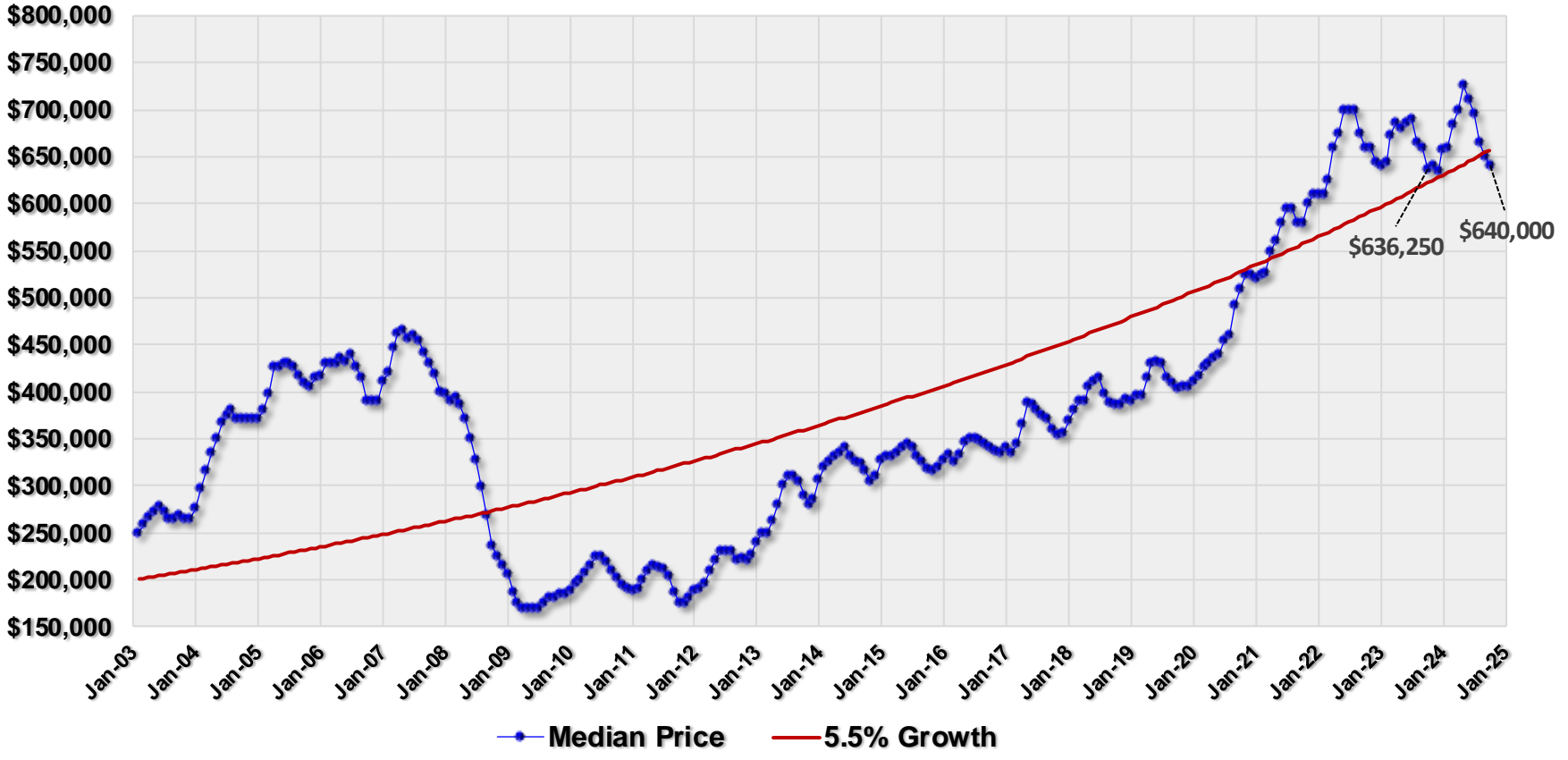
**INVENTORY & "MONTHS OF SALES" RATIOS:** On October 1st, Valley inventory was 2,421 units, which is 619 units higher than last year. The Valley's seasonal sales pattern suggests that inventory will begin an increase that usually carries through February. The "months of sales" ratio was 4.0 months, which is one month more than last year. We see ratios between 4.0 and 5.0 months in most of the nine cities. The ratio in Indian Wells is the highest at 6.4 months. None of the ratios are at worrisome levels.

**DIM:** At the end of September, the median number of "days in the market" in the Coachella Valley was 49 days, which is eleven days more than last year. The city of Coachella continues to have the lowest average selling time at 34 days. This is followed by Desert Hot Springs at 36 days and Cathedral City at 43 days. Homes in Bermuda Dunes have the highest average selling time at 66 days.

**PRICE DISCOUNTS/PREMIUMS:** Currently, detached homes are selling at an average discount of 2.1% compared to a discount of 1.8% a year ago. Attached homes are selling at a 3.0% discount. Every city in the region is now selling homes at an average discount. Coachella has the smallest discount at .8%, while Indian Wells is selling homes with the highest discount of 3.6%. In September, the percent of homes selling over list price was 13.8%. This is 3.1% below last year and slightly above the historic average of 10%.

# Prices

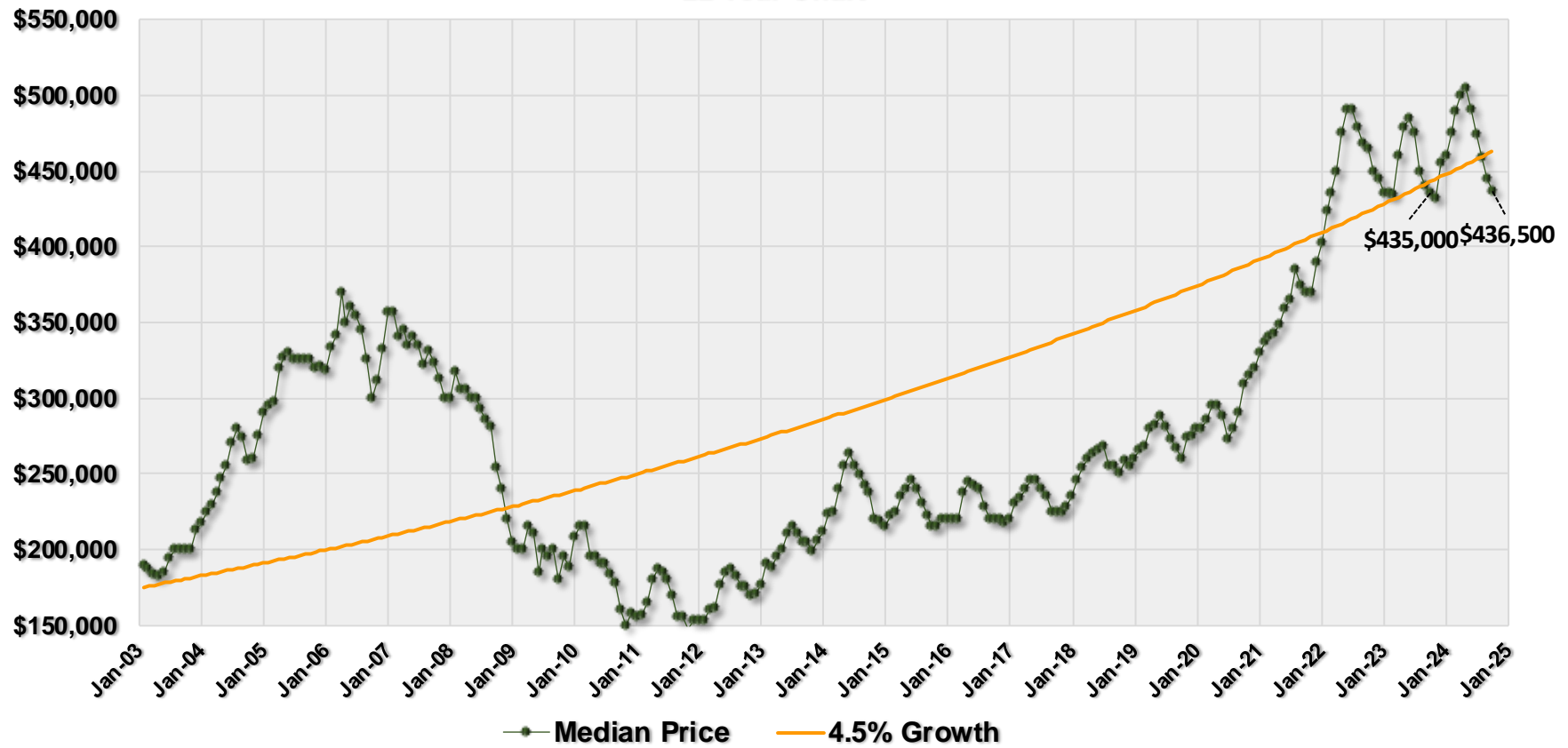
### Coachella Valley Median Detached Home Price 22 Year Chart



### Coachella Valley Median Detached Price

The median price of a detached home in the Coachella Valley declined again for the fifth month to \$640,000. It's still \$3,750 higher than last year, however. The median price usually hits its seasonal low between September and December, so we are now into that period. With both low inventory and very low sales, we think supply and demand will remain relatively balanced.

### Coachella Valley Median Attached Home Price 22 Year Chart



### Coachella Valley Median Attached Price

The median attached price in the Valley ended September at \$436,500, which is \$1,500 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 probably reach their seasonal lows between now and the end 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
Indian Wells	3,450	\$583.67	\$2,013,644	\$1,603,388	25.6%	\$666,885	201.9%
Coachella	1,700	\$300.21	\$510,357	\$433,891	17.6%	\$111,367	358.3%
Rancho Mirage	3,175	\$438.23	\$1,391,380	\$1,260,031	10.4%	\$506,317	174.8%
Bermuda Dunes	2,200	\$330.75	\$727,650	\$703,615	3.4%	\$239,325	204.0%
Palm Desert	2,200	\$331.90	\$730,169	\$706,695	3.3%	\$302,302	141.5%
Indio	2,200	\$286.45	\$630,179	\$613,690	2.7%	\$156,340	303.1%
Desert Hot Springs	1,600	\$263.14	\$421,024	\$410,336	2.6%	\$86,656	385.9%
La Quinta	2,200	\$370.18	\$814,396	\$828,938	-1.8%	\$318,164	156.0%
Cathedral City	1,800	\$303.29	\$545,922	\$562,554	-3.0%	\$153,216	256.3%
Palm Springs	2,175	\$533.39	\$1,160,123	\$1,275,888	-9.1%	\$323,879	258.2%

### 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	\$289.47	\$419,732	\$368,909	13.8%	\$89,117	371.0%
La Quinta	1,750	\$400.57	\$700,998	\$684,583	2.4%	\$247,713	183.0%
Palm Springs	1,250	\$358.93	\$448,663	\$445,619	0.7%	\$129,788	245.7%
Cathedral City	1,250	\$267.85	\$334,806	\$338,300	-1.0%	\$80,544	315.7%
Palm Desert	1,600	\$320.63	\$513,008	\$520,736	-1.5%	\$197,896	159.2%
Indio	1,050	\$277.46	\$291,328	\$298,620	-2.4%	\$56,396	416.6%
Indian Wells	1,950	\$416.67	\$812,507	\$870,578	-6.7%	\$259,126	213.6%
Rancho Mirage	1,775	\$311.95	\$553,711	\$613,715	-9.8%	\$211,030	162.4%
Desert Hot Springs	750	\$187.61	\$140,708	\$157,965	-10.9%	\$16,013	778.7%

### 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 have a wide spread, which range from a gain of 25.6% in Indian Wells to a decline of 9.1% in Palm Springs. Gains of the average size attached home range from 13.8% in Bermuda Dunes to minus 10.9% in Desert Hot Springs.

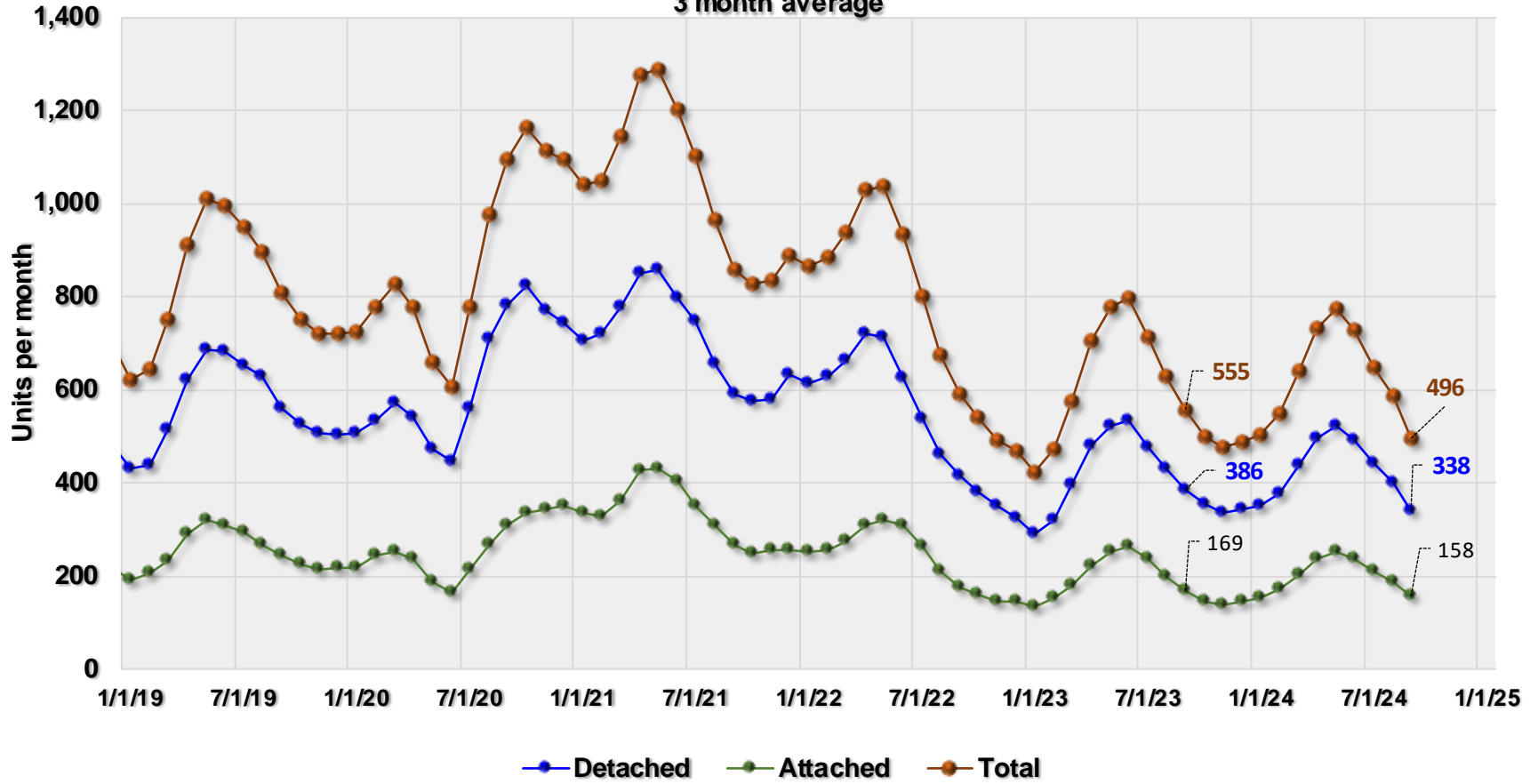


# Unit and Dollar Sales

# The Desert Housing Report

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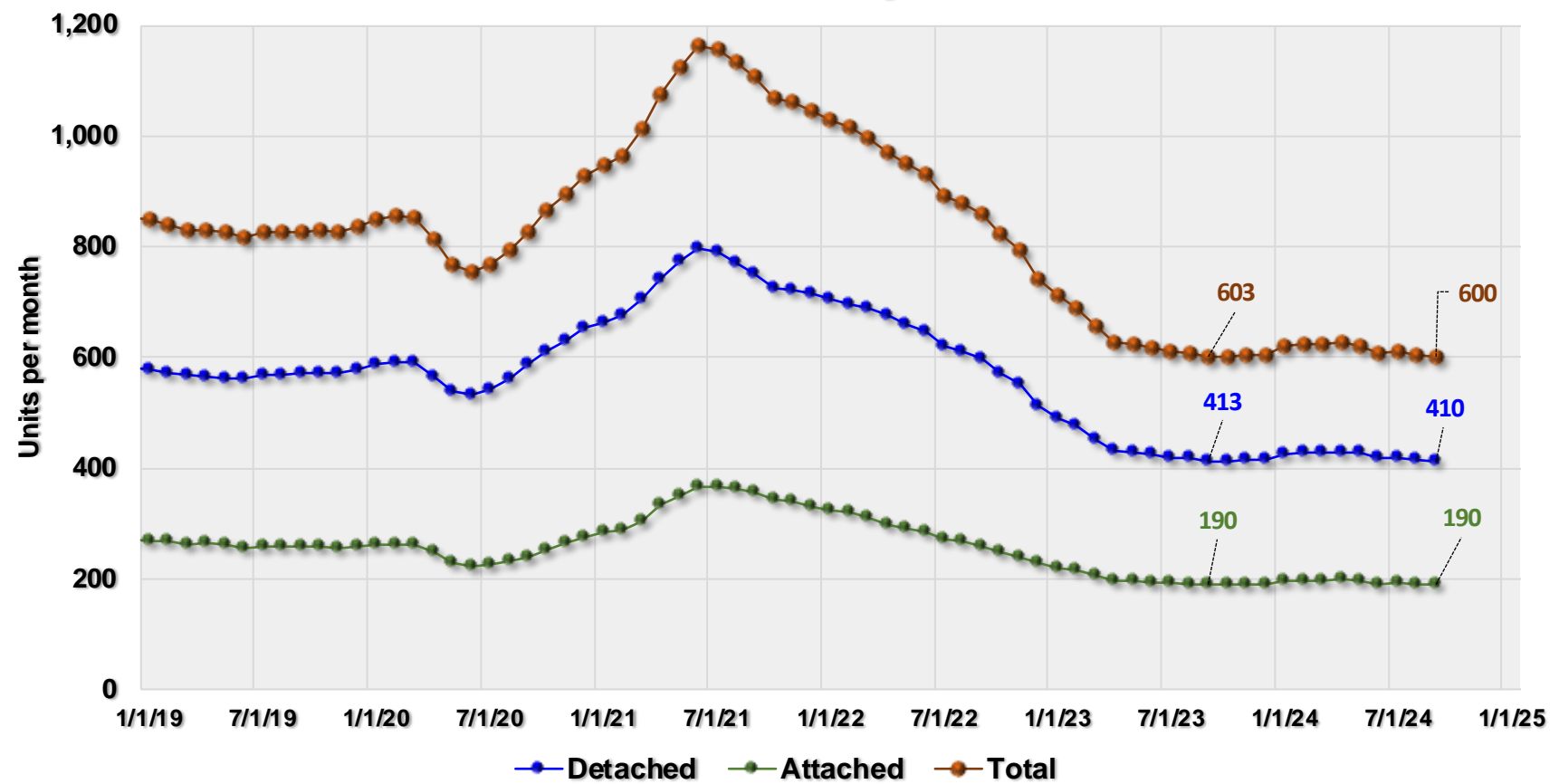
### Detached, Attached and Total Sales 3 month average



### Monthly Sales – Three Month Average

Total three-month sales are lower than last year by 59 units. The three month average this September was 496 units per month, compared to 555 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 below normal by 33.5%.

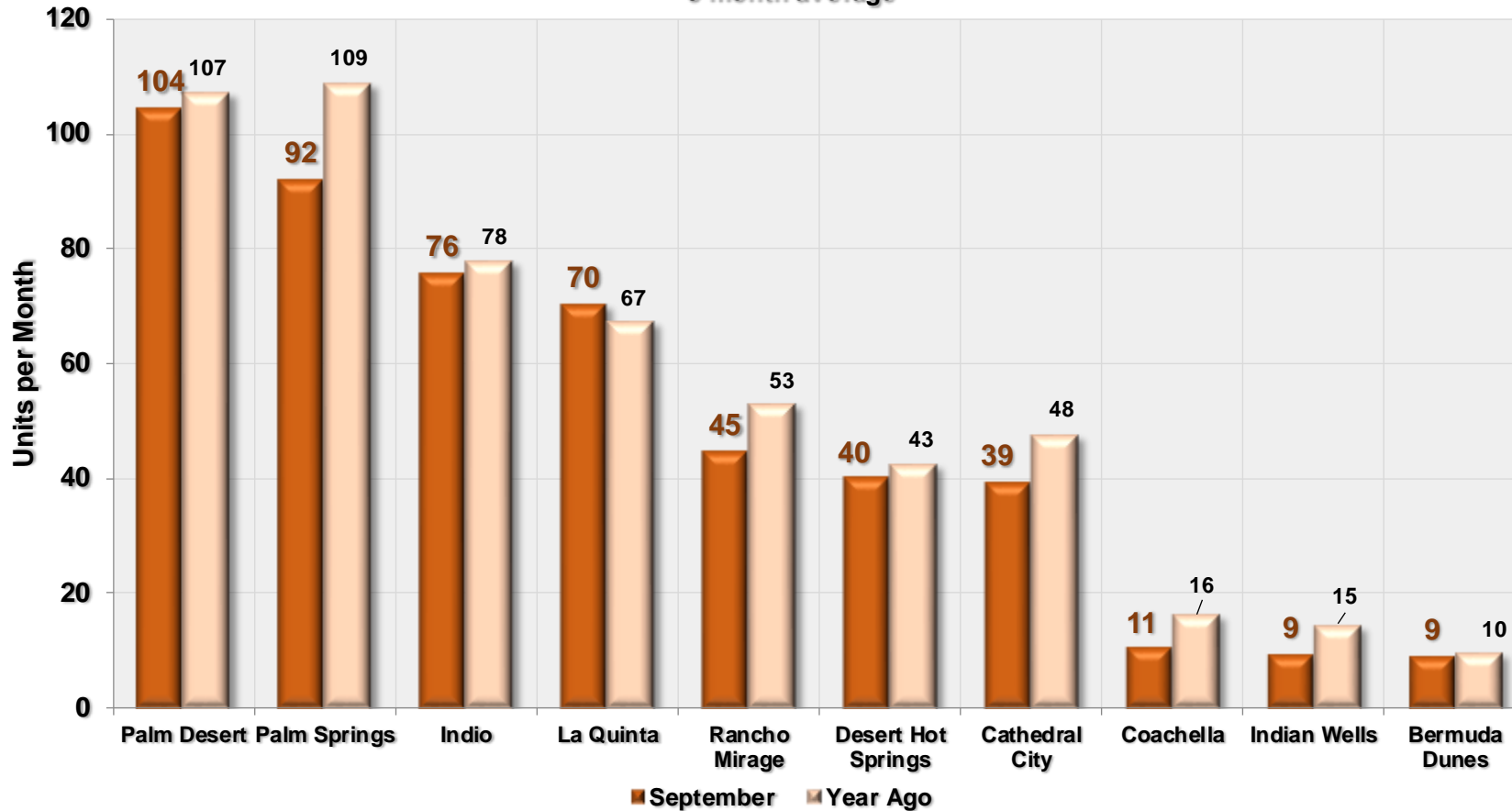
### Detached, Attached and Total Sales 12 month average



### Monthly Sales – Twelve Month Average

The 12-month average of sales, which takes out seasonality, was 600 units a month. This long-term average is about the same as last year and has been hovering about 600 units a month now for over a year. The Federal Reserve Board has finally begun to lower short term rates, but this hasn't done much to lower fixed mortgage rates, which are longer term.

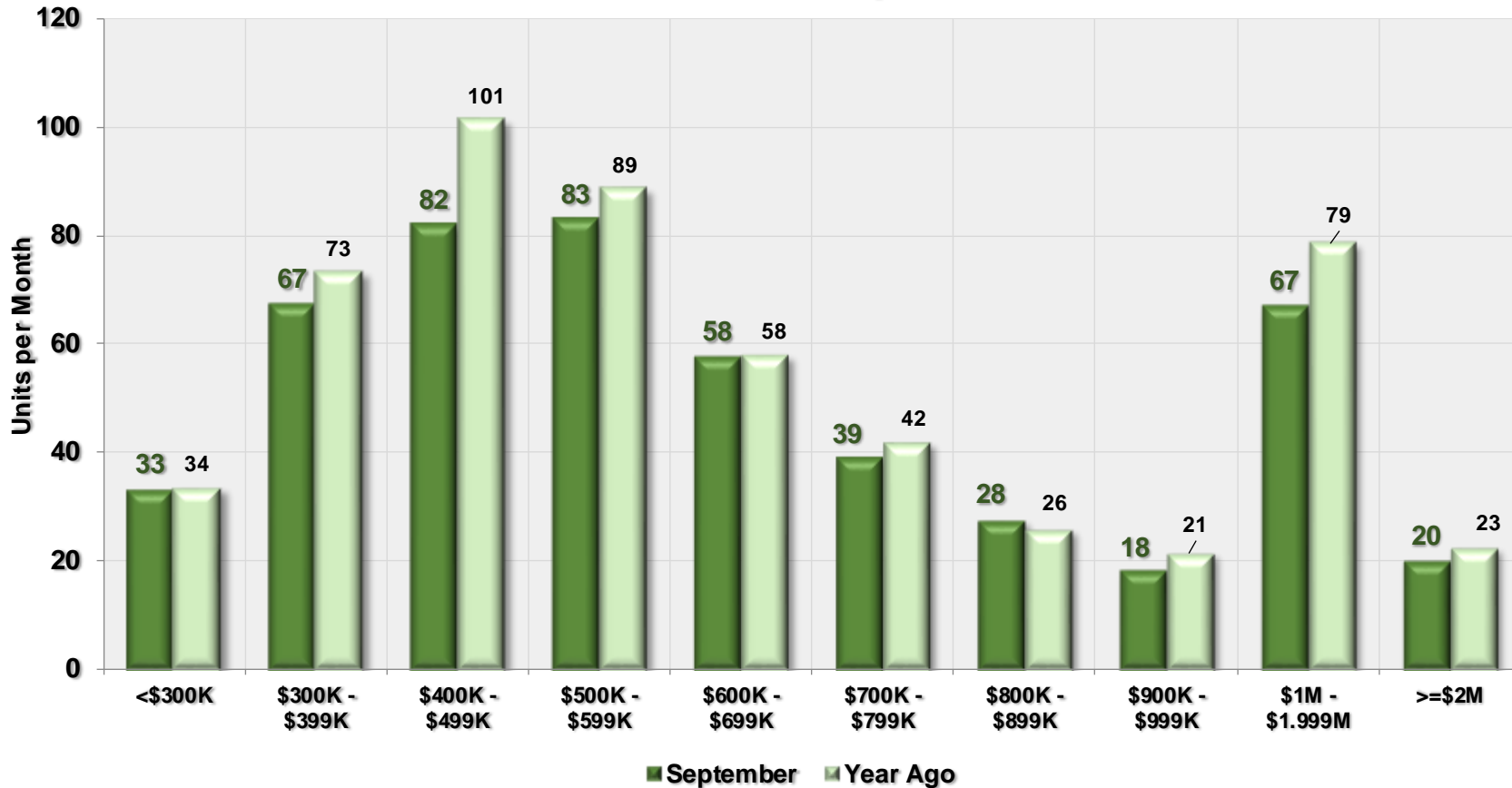
### Home Sales by City 3 month average



### 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 104, followed by Palm Springs with 92. Only one city – La Quinta – with sales of 70 units a month, is higher than last year.

### Sales by Price Bracket 3 month average



### Home Sales by Price Range

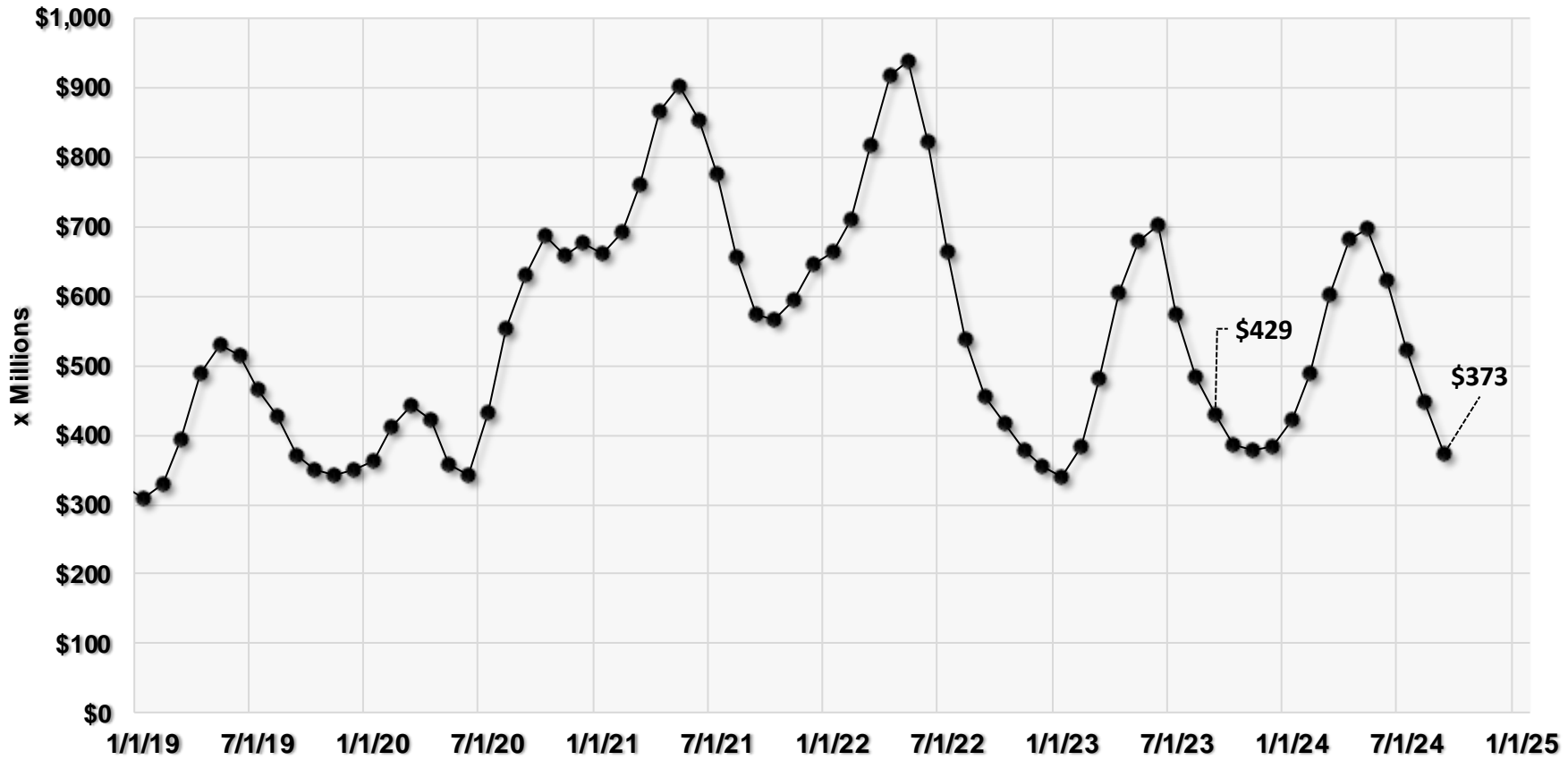
We've changed the price brackets to reflect the price increases of the last few years. The lowest bracket is now \$300,000 or lower, and there are now two brackets over \$1,000,000. The largest part of the overall sales decline appears to be sales of homes in two price brackets – from \$400K to \$499K, and sales of homes over a million dollars.

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### Coachella Valley Dollar Sales

New



### Coachella Valley Dollar Sales (all homes)

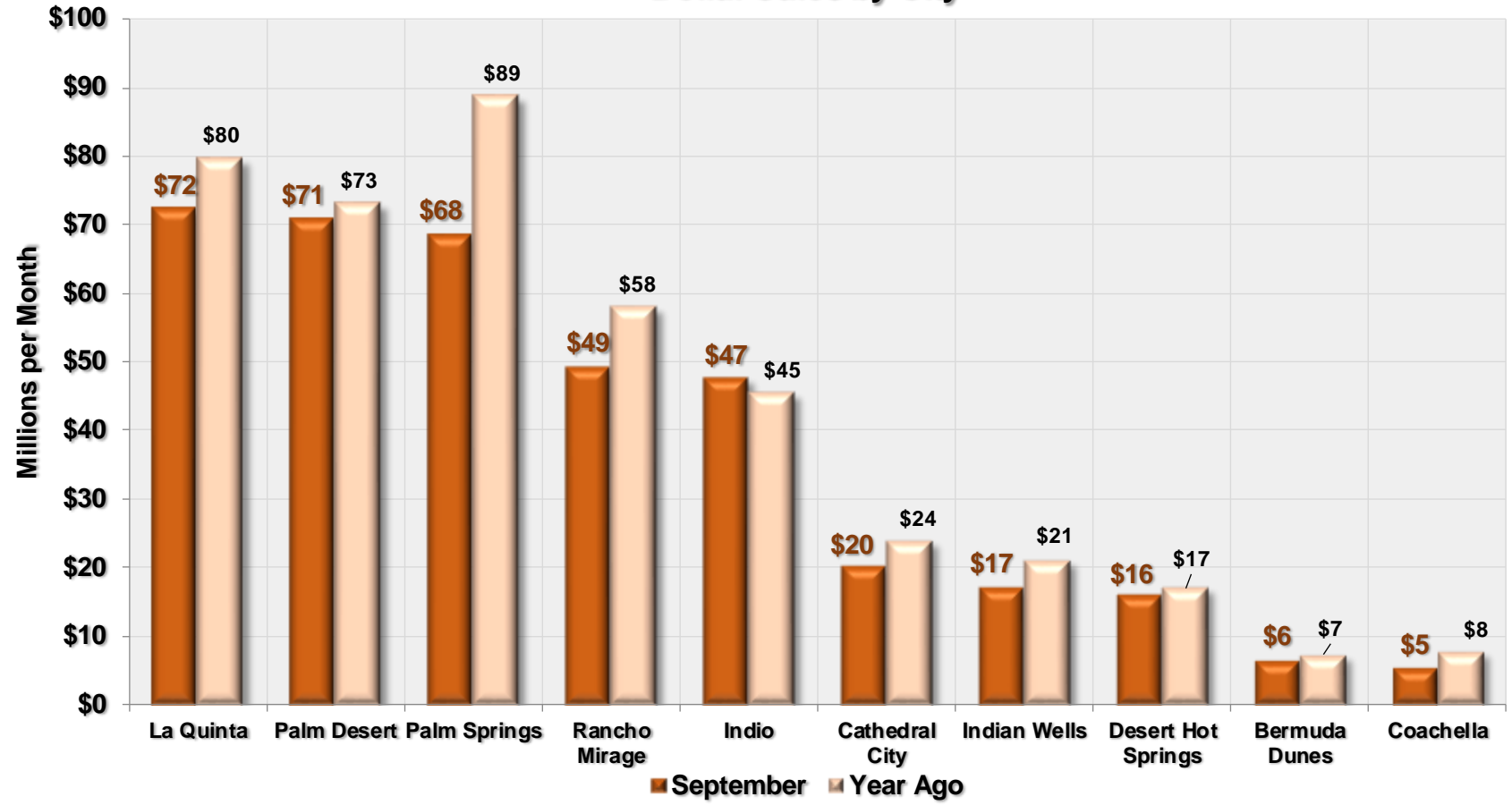
This chart graphs dollar sales, averaged over three months, of all Coachella Valley home sales. The scale on the left is in millions of dollars. It shows the same seasonal pattern as the chart of three-month unit sales, except the relative highs and lows are different due to price changes over time. Dollar sales in September were \$373 million, which is 13% below last year.

# The Desert Housing Report

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### Dollar Sales by City

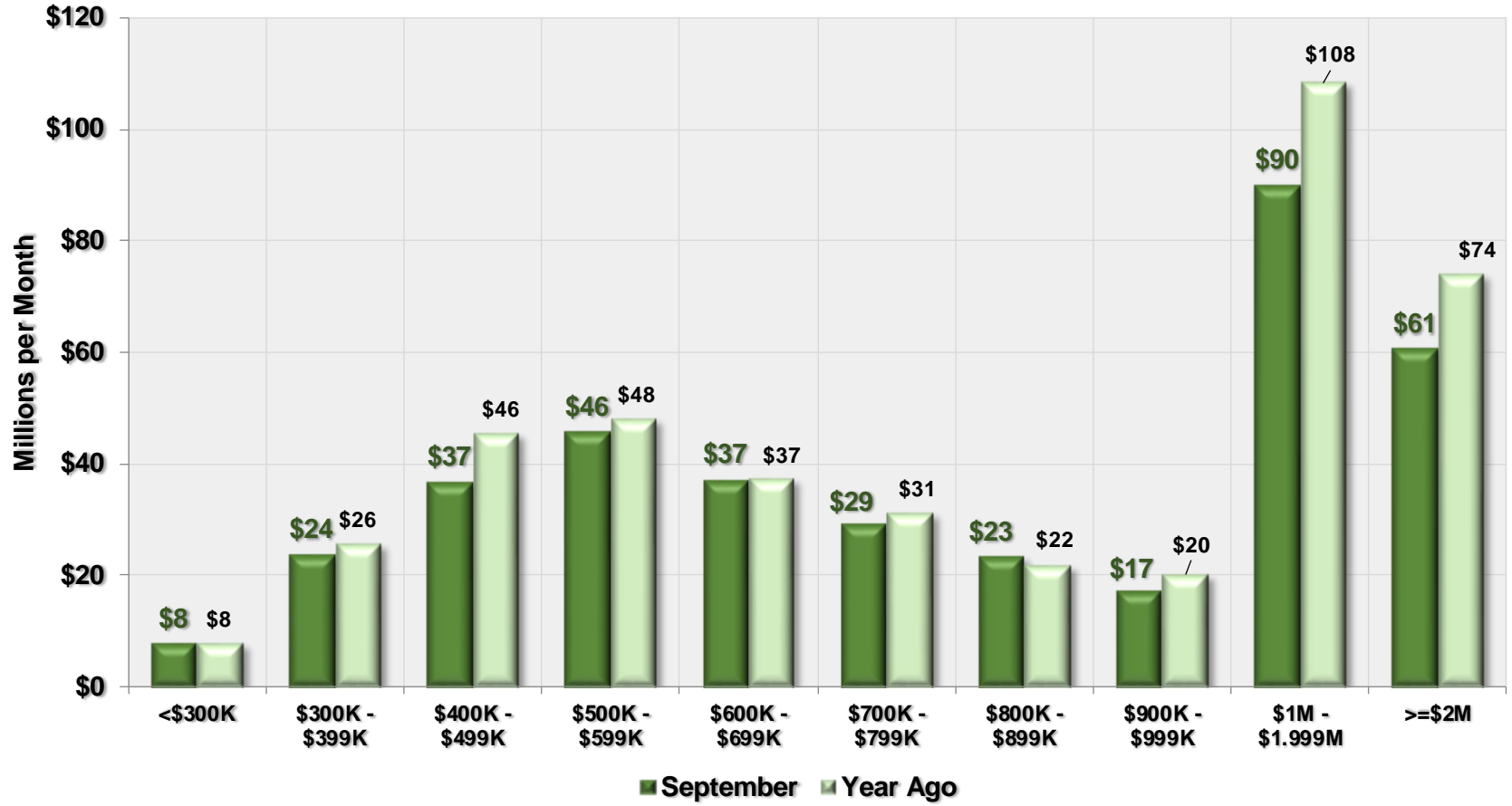
**New**



### 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. Dollar sales in Palm Springs are lower by 23%.

### 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 price brackets over a million dollars are accentuated more than the unit sales chart. In fact, dollar sales in these two brackets continue to account for 50% of all dollar sales in the Coachella Valley.

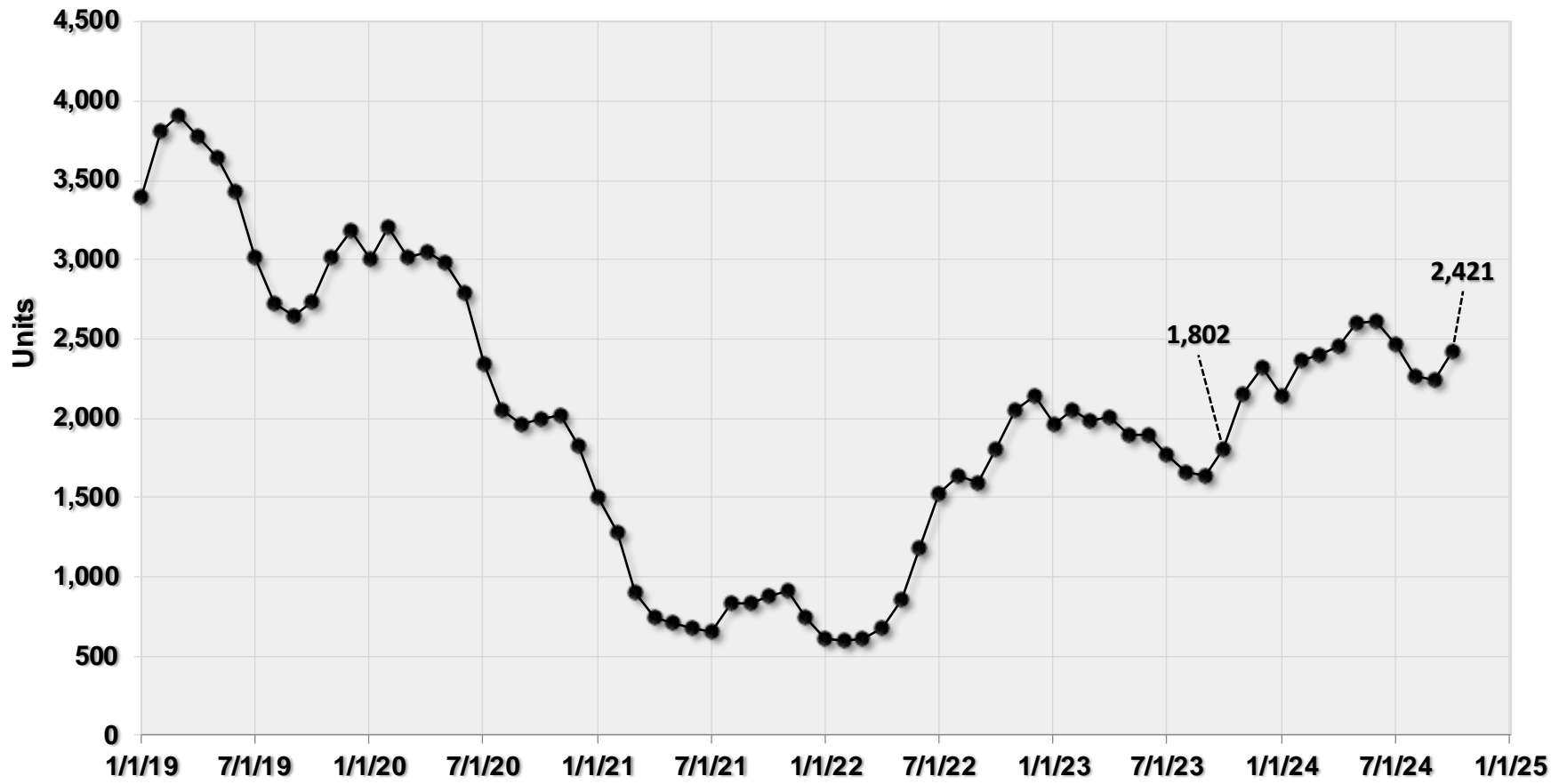


# Inventory & “Months of Sales” Ratios

# The Desert Housing Report

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### Coachella Valley Housing Inventory (all homes)



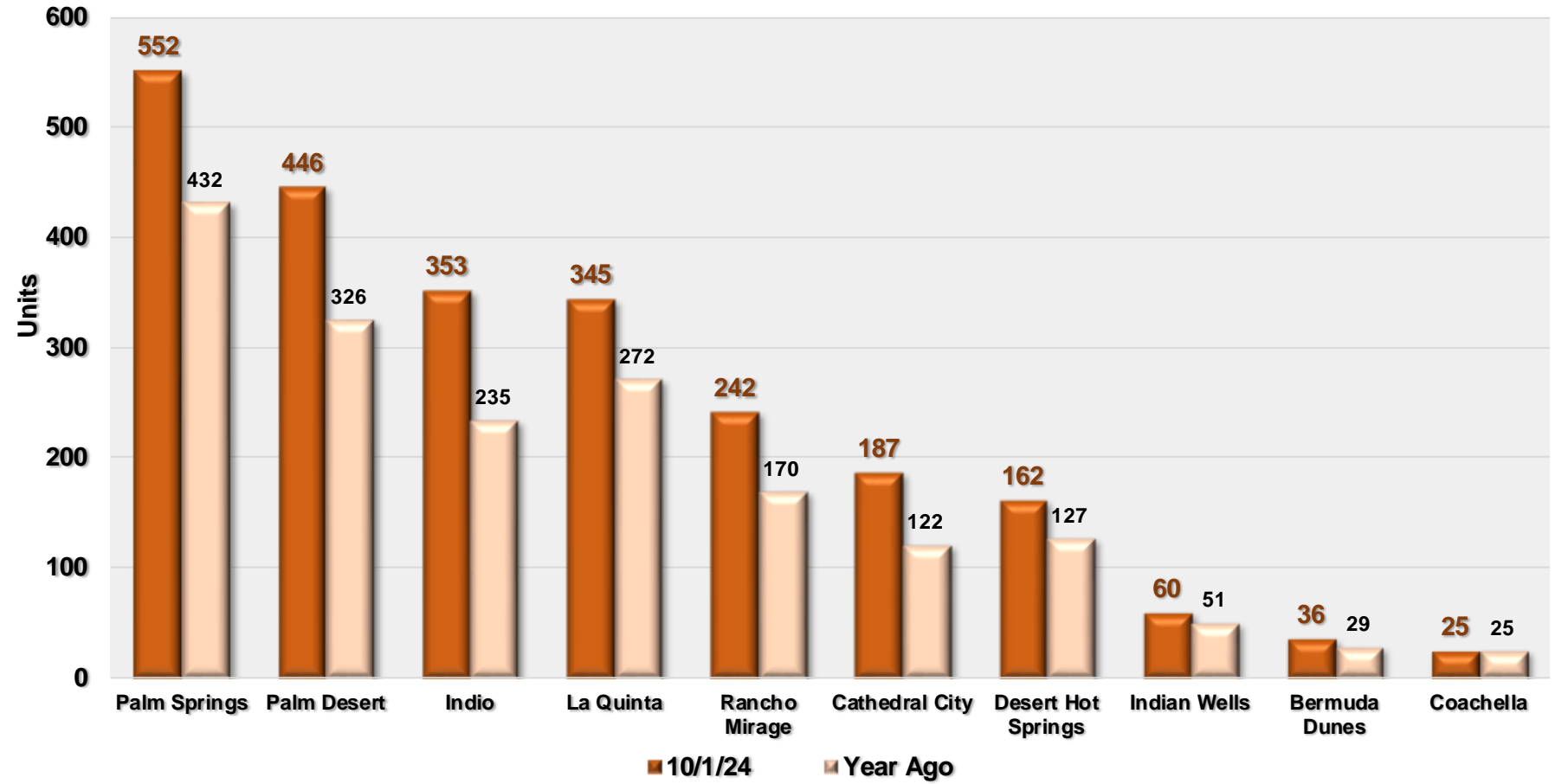
### Coachella Valley Total Inventory

On October 1<sup>st</sup>, Valley inventory was 2,421 units, which is 619 units higher than last year. The seasonal pattern now suggests that inventory will begin an increase that usually carries through February. 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

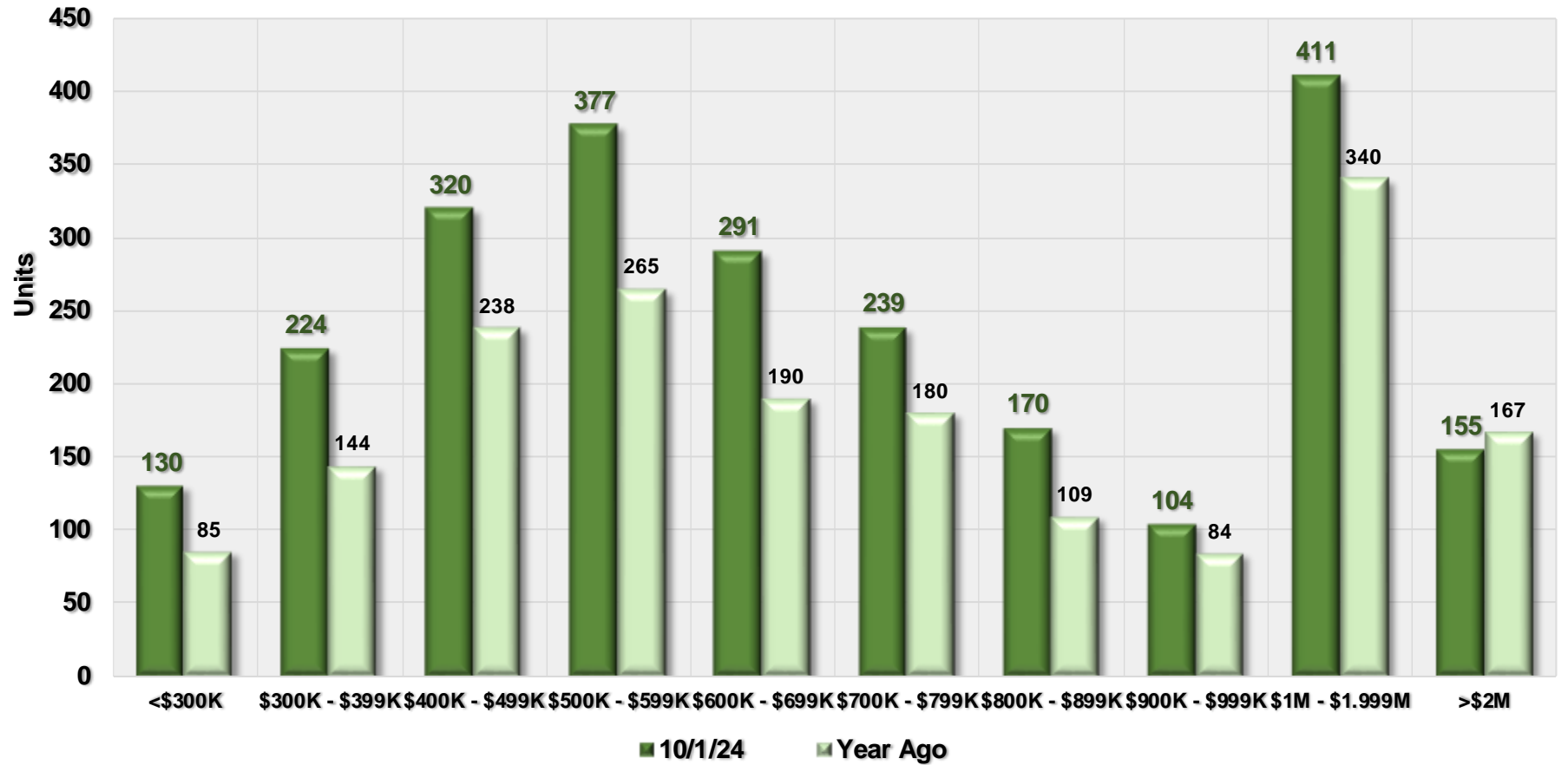
This chart ranks Coachella Valley cities left to right by highest number of homes for sale. The dark colored bars are current listings, while the lighter colored bars are last year's number. This chart helps agents know what cities have homeowners with the greatest selling interest and how it compares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

# The Desert Housing Report

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**Inventory by Price Bracket**

New



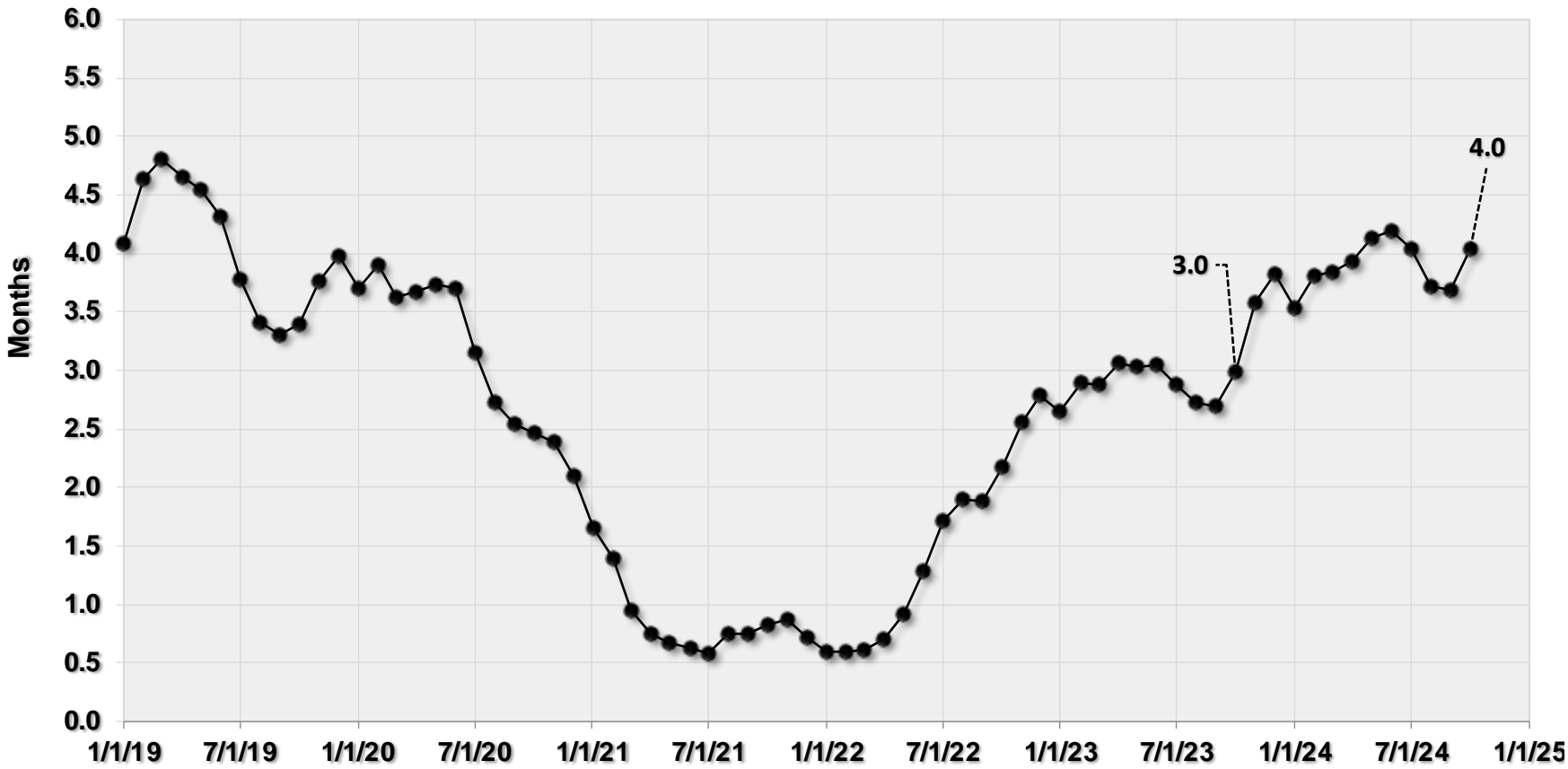
Inventory by Price Bracket

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)



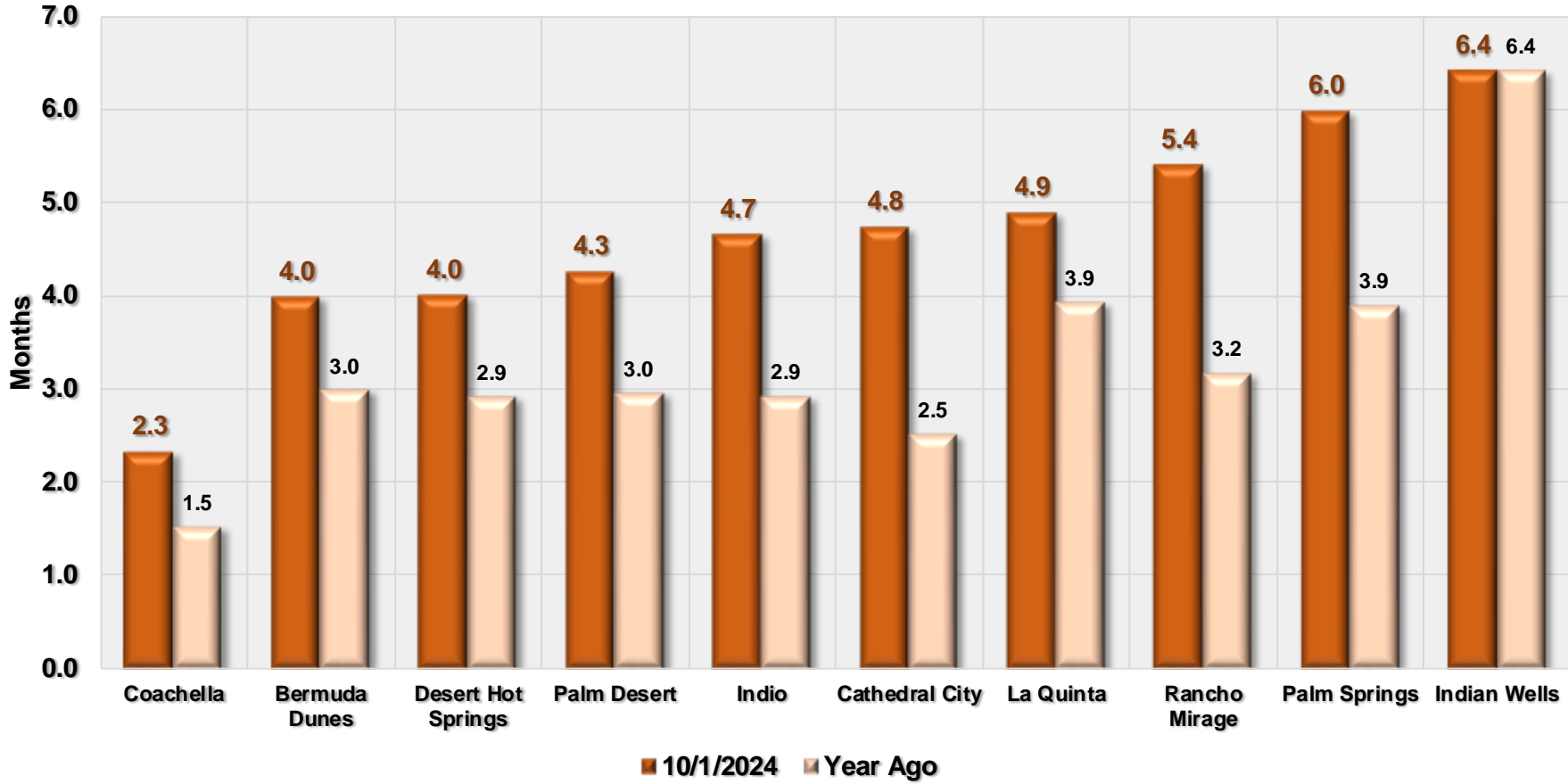
### Regional "Months of Sales" Ratio

On October 1<sup>st</sup>, the Valley's "months of sales" ratio was 4.0 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 relatively balanced. This is one major reason why home prices have remained stable over the last twelve months.

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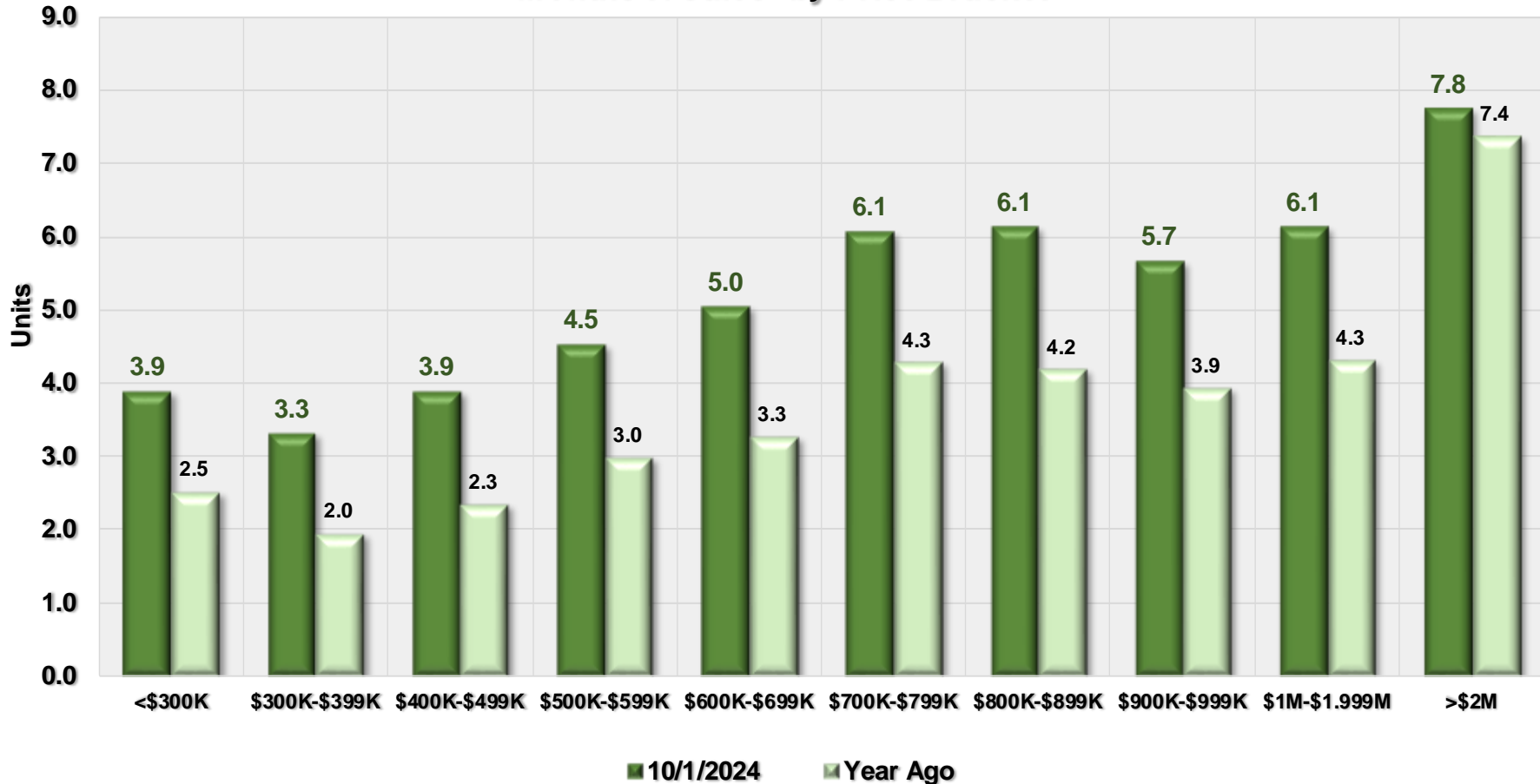
### "Months of Sales" by City



### 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 4.0 and 5.0 months in the nine cities. The ratio in Indian Wells is now the highest at 6.4 months. Since "months of sales" is really the supply-demand equation for housing, it shows the housing market remains balanced. If the ratios move one or two months higher, however, the market will begin to favor buyers over sellers.

### "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. Since "months of sales" is really the supply-demand equation for housing, the large increases over last year shows the supply side of the market is slowly increasing in all price brackets, except homes priced over two million.

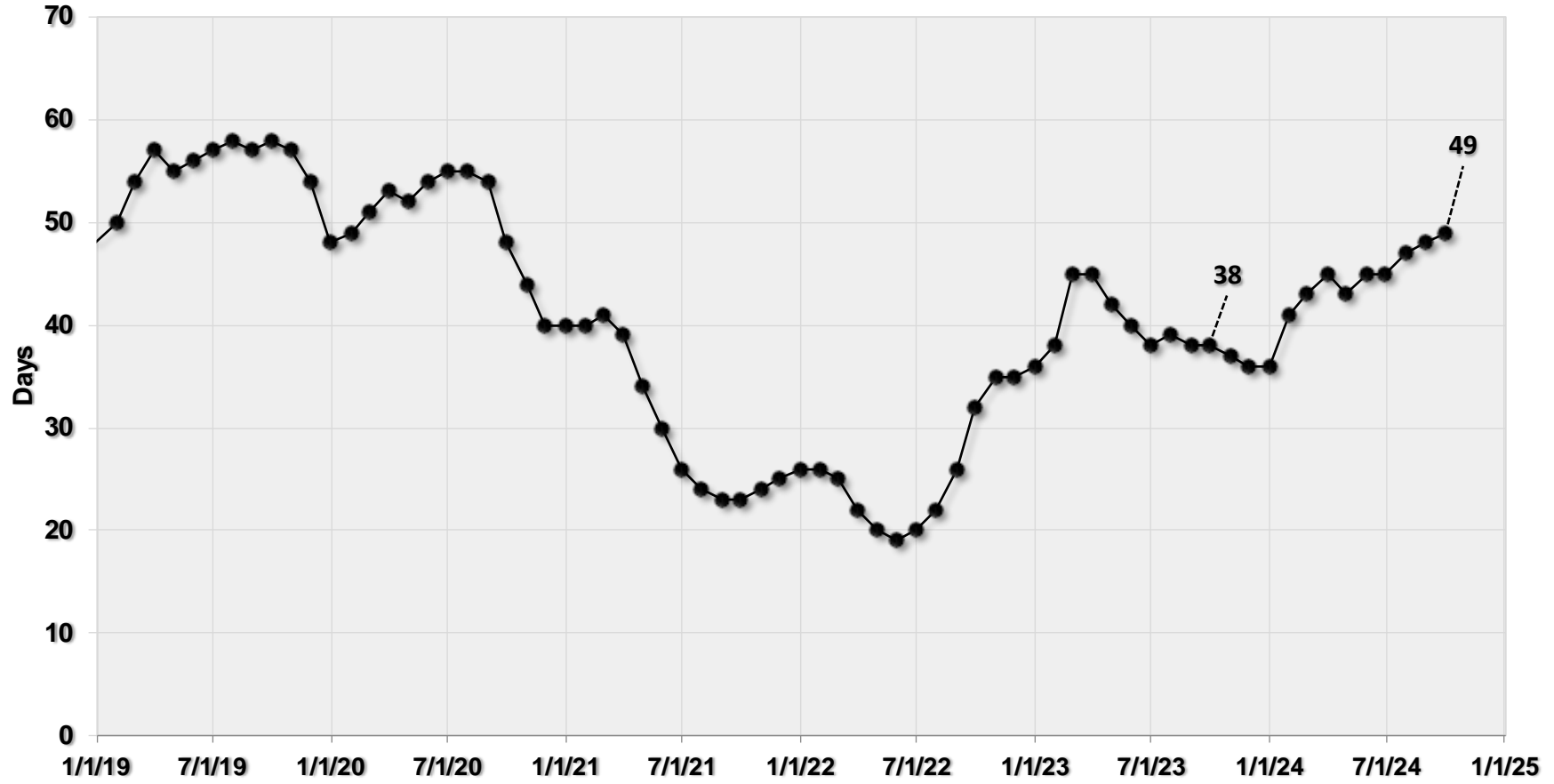
# DIM & Price Premium/Discount



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### Median DIM - Coachella Valley (all homes)



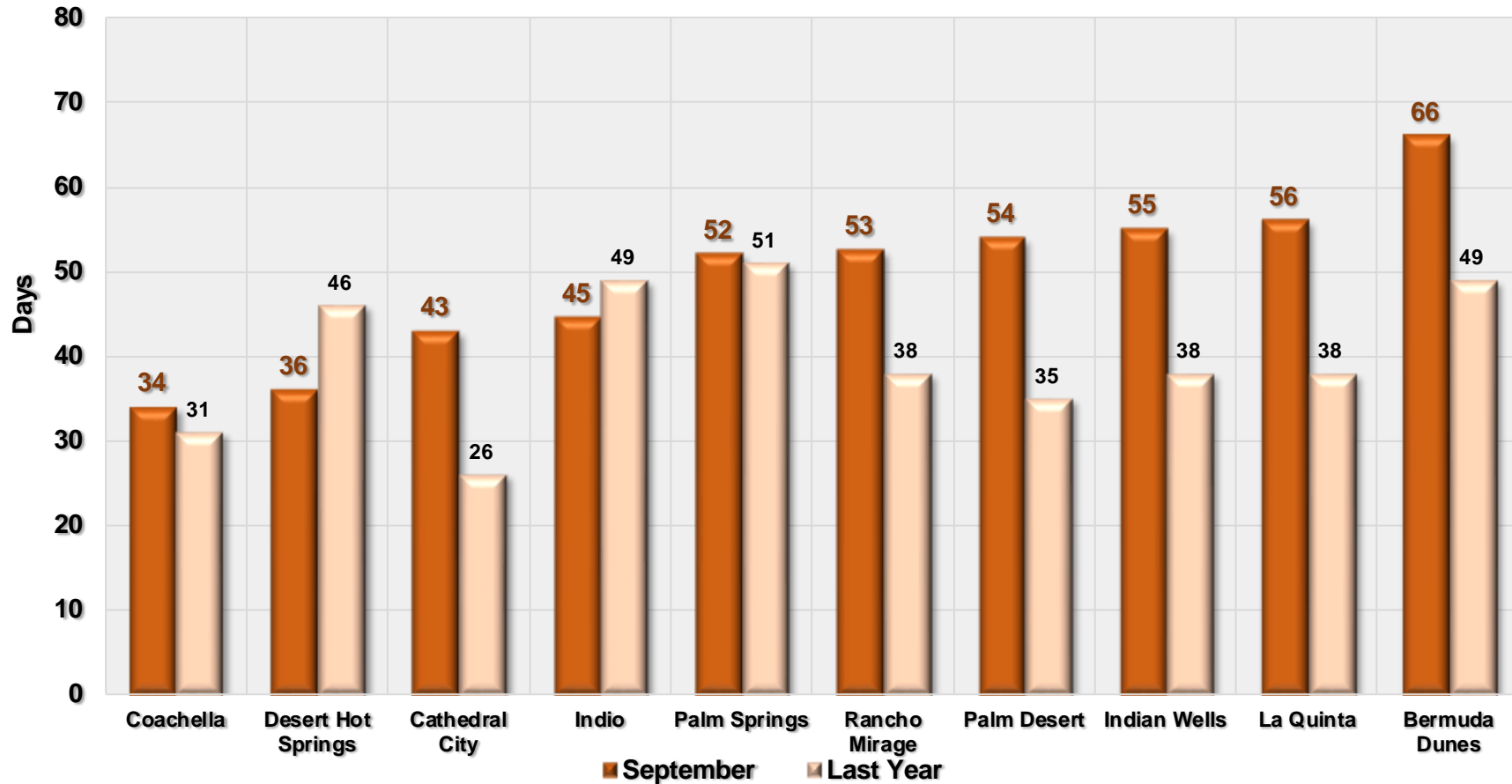
### Regional “Days in the Market”

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 September, the median number of “days in the market” in the Coachella Valley was 49 days, which is eleven days more than last year. The median selling time has been gradually increasing for the last nine months and selling times are now back to pre pandemic levels.

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### Median DIM by City (all homes)

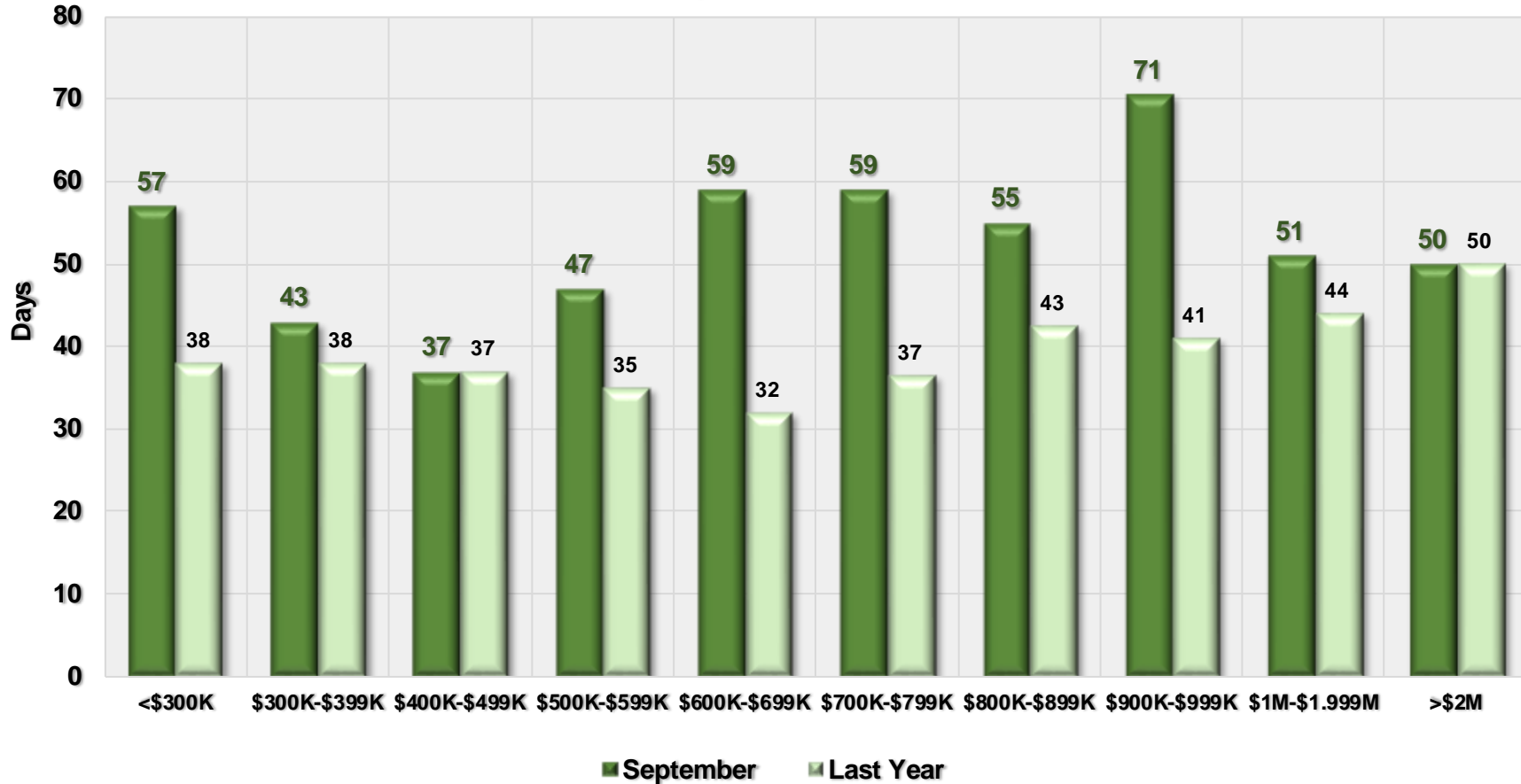


### “Days in the Market” by City

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 just 34 days. This is followed by Desert Hot Springs at 36 days and Cathedral City at 43 days. Bermuda Dunes has the highest average selling time at 66 days.

### Median DIM by Price Bracket (all homes)

**New**



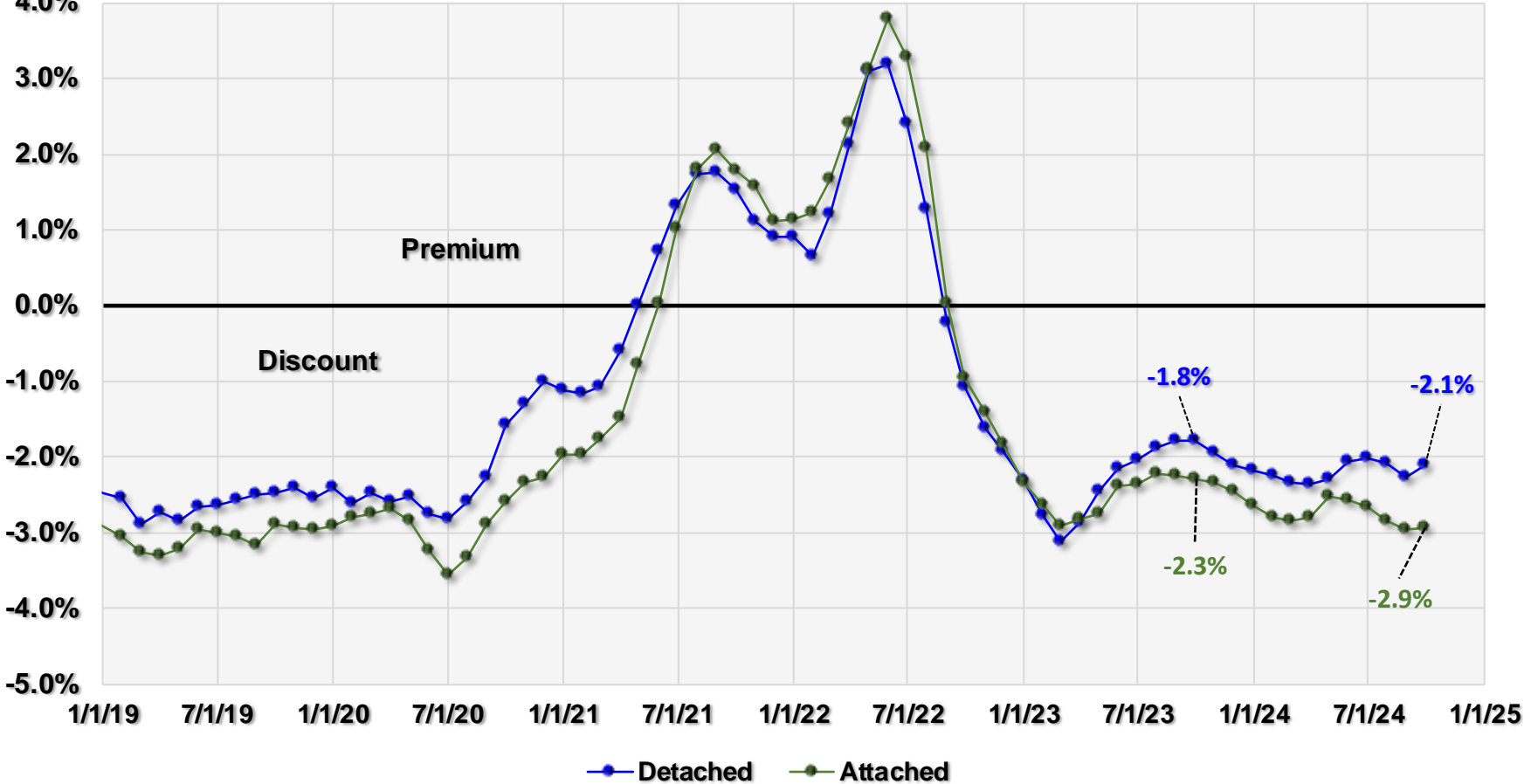
### “Days in the Market” by Price Bracket

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. When looking at these numbers, it’s important to notice if any price bracket has an abnormal number of days. Usually, selling times increase with higher priced homes. However, in the current market we don’t see that. This is a positive feature for higher priced homes.

# The Desert Housing Report

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### Coachella Valley Average Price Premium/Discount



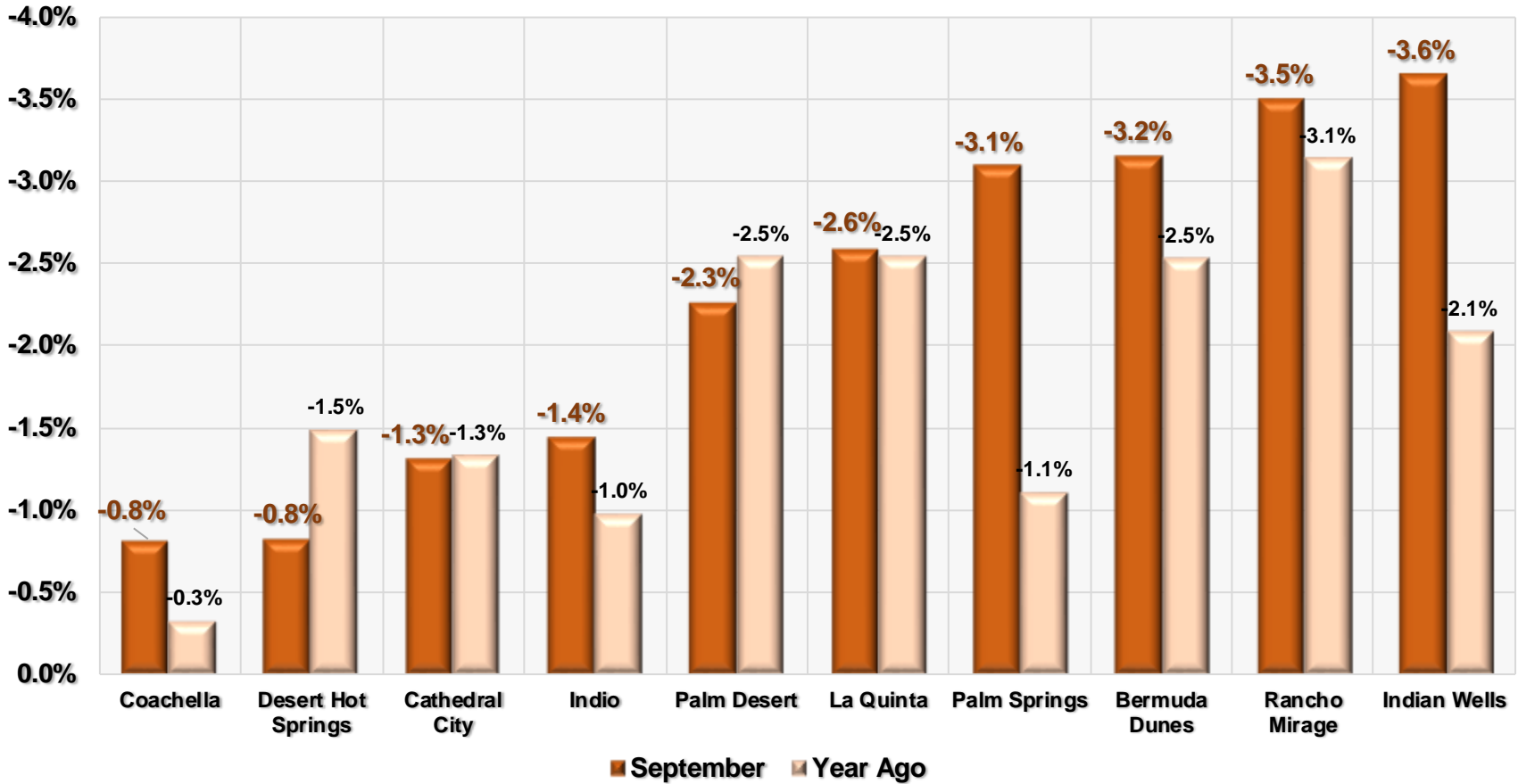
### Regional Price Premium/Discount

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 2.1% compared to 1.8% a year ago. Attached homes are selling at a 3.0% 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.

# The Desert Housing Report

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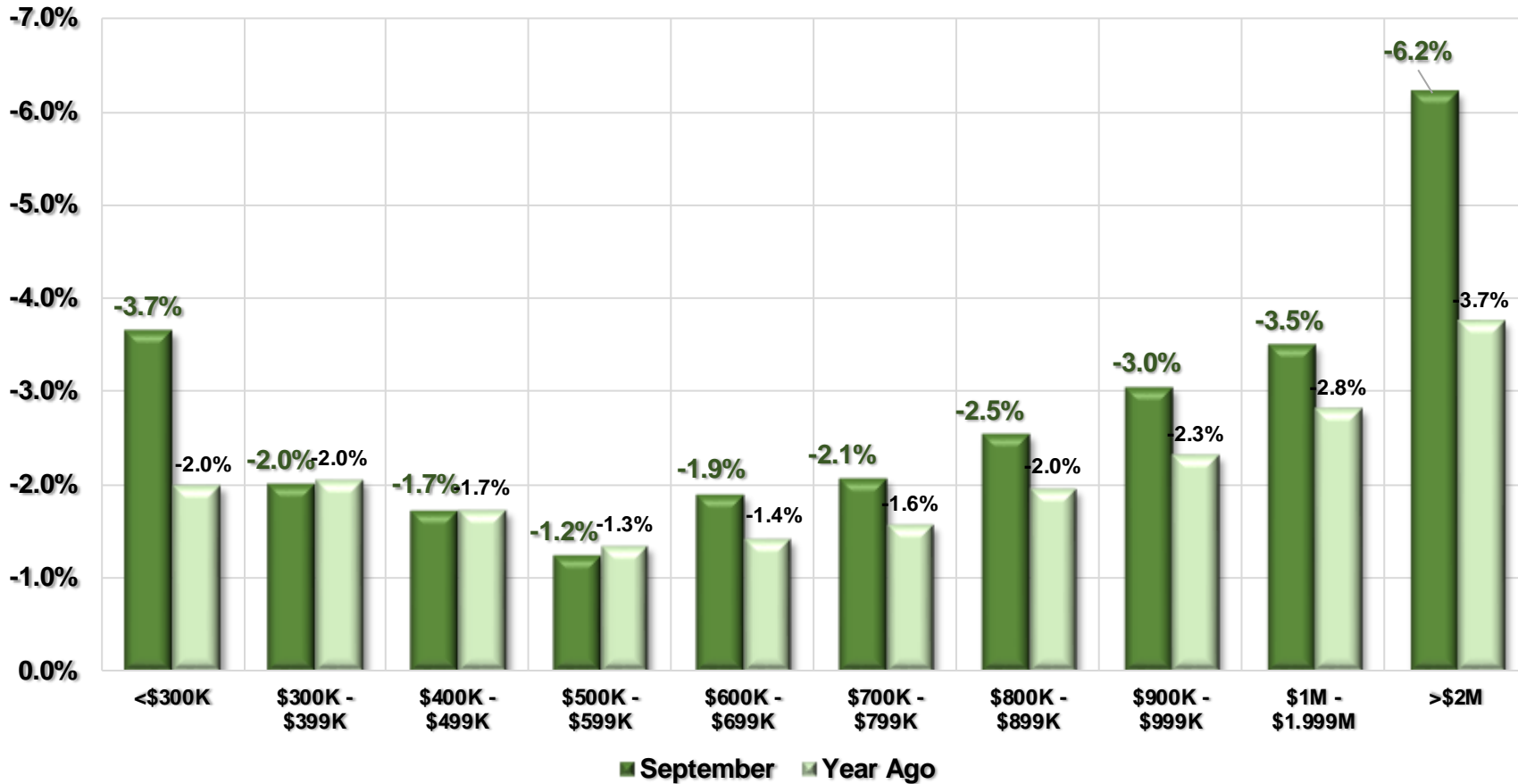
### Average Selling Discount by City



### 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. Every city in the region is selling homes at an average discount. Coachella has the smallest discount at .8% while Indian Wells is selling homes with the highest average discount of 3.6%.

### Average Selling Discount by Price Bracket



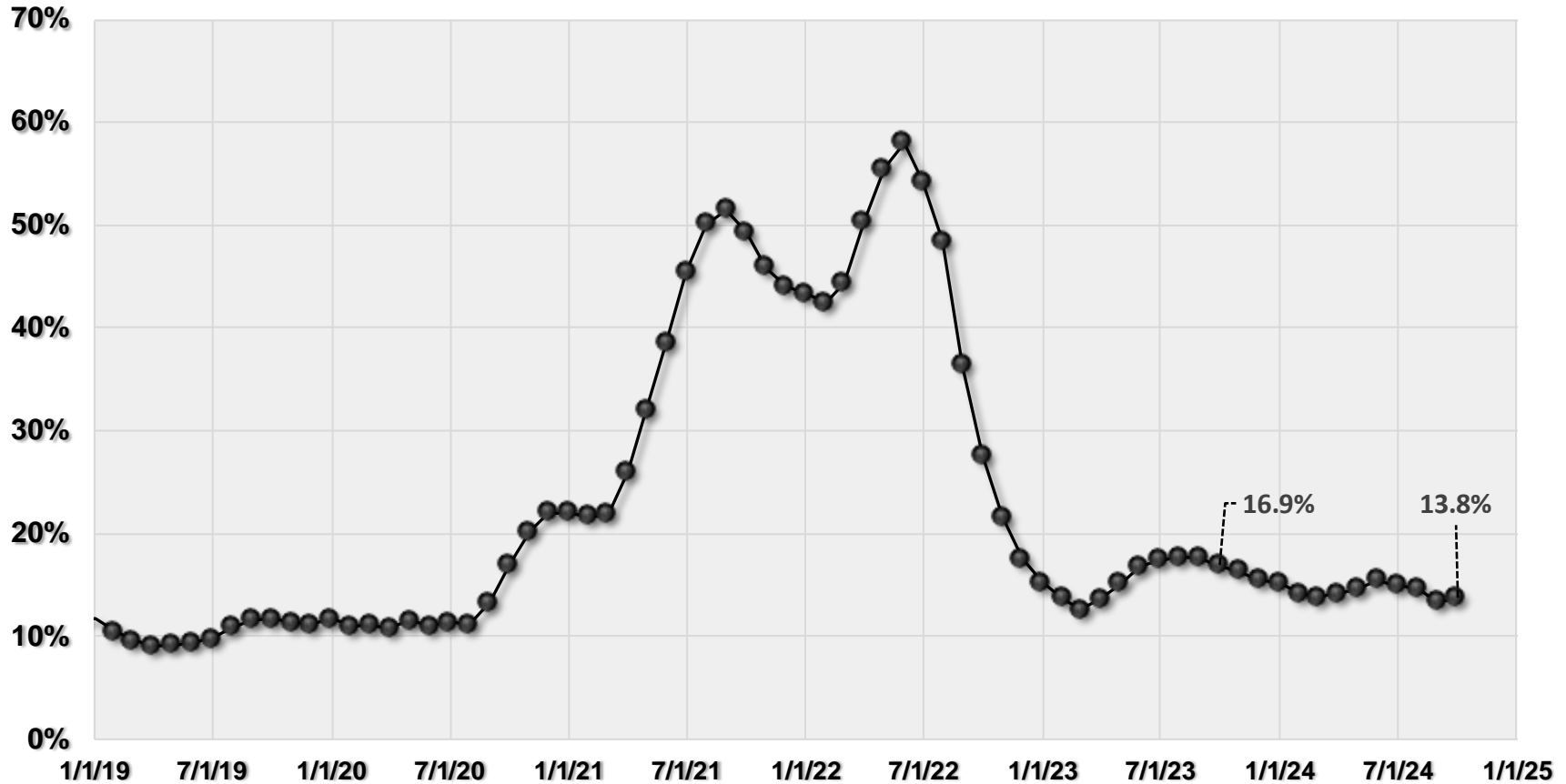
### Price Discount by Price Bracket

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, except here we have the lowest discounts in the mid range price brackets. Homes over two million dollars now sell with an average discount over 6%.

# The Desert Housing Report

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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 September, the percent of homes selling over list price was 13.8%. This is 3.1% 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 September, all sales and pricing are done using transactions through that and the previous two months. However, when we measure inventory at the end of September, it's the inventory as of September 1<sup>st</sup>. Even though inventory September be labeled September inventory, it is the inventory on the 1<sup>st</sup> 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.