

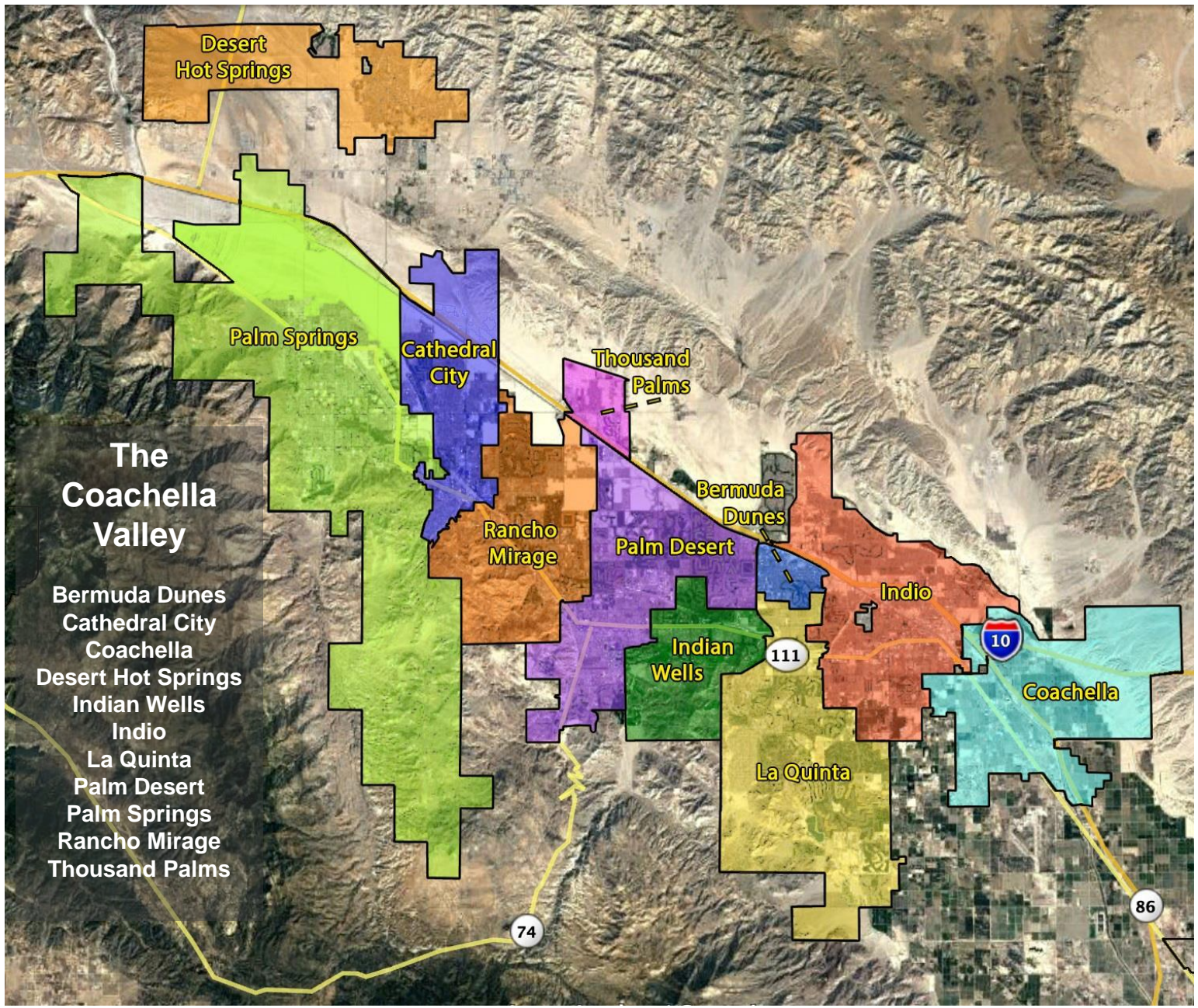
The Desert Housing Report

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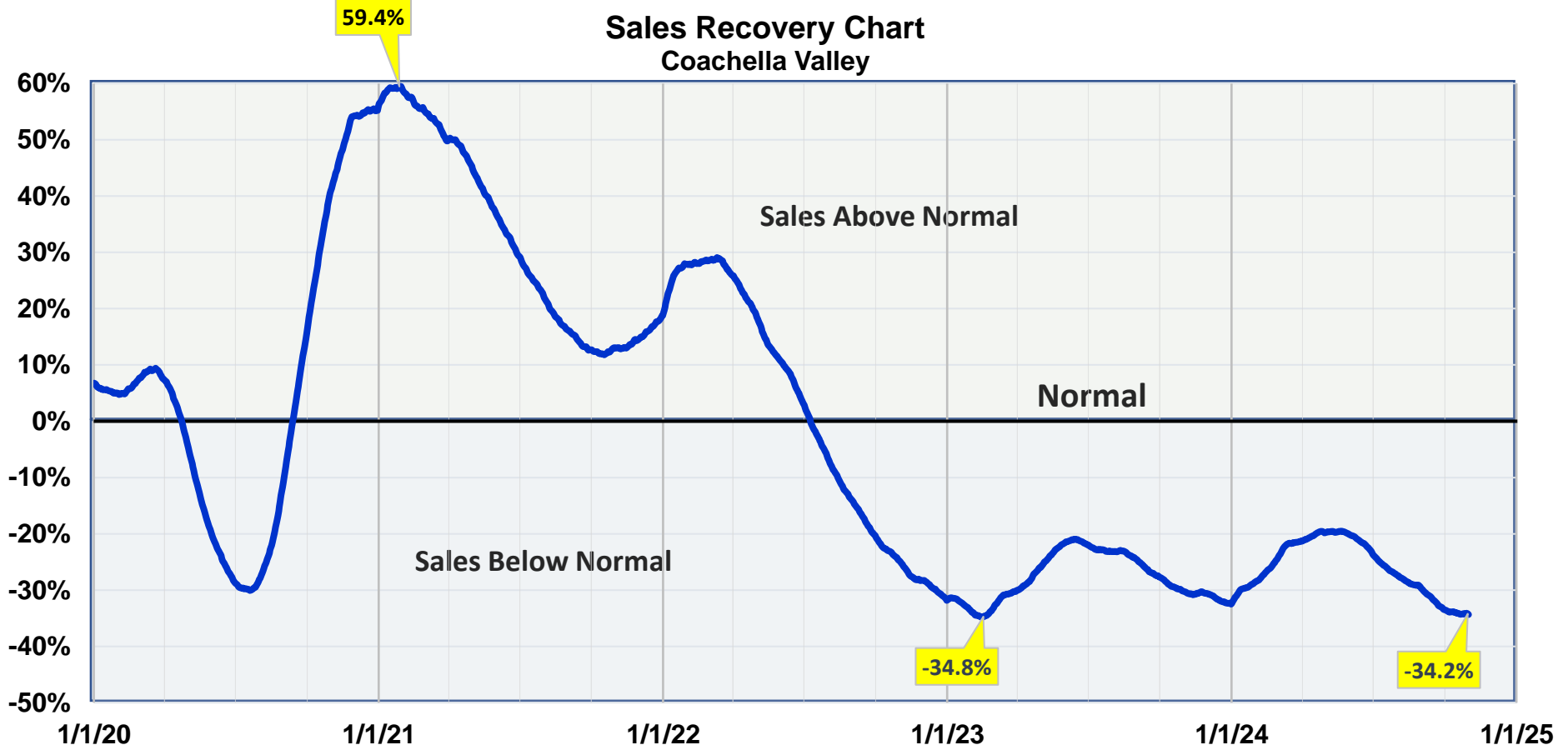
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The Sales Recovery Chart

This seasonally adjusted curve shows where current sales are as a percent of historic norms. The light blue area is when sales are below normal, while the light green area when they're above normal. What is "normal" is calculated from sales over the years - 2016, 2017, 2018 and 2019. For example, at the height of the pandemic in October 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 expected lower mortgage rates. In October sales over the last four months averaged 34.2% below normal.

Summary

PRICES: The median price of a detached home in the Coachella Valley declined for the sixth straight month to \$634,990, which is \$5,460 less than last year. The median attached price ended October at \$430,000, which is \$2,500 under last year. Year over year price changes in detached homes range from a gain of 60.2% in Indian Wells to a decline of 8.7% in Palm Springs. Gains of the average size attached home in each city range from 14.6% in Desert Hot Springs to minus 7.6% in Rancho Mirage.

SALES: Total three-month sales were lower than last year by 23 units. The three-month average in October was 477 units compared to an average of 500 units a year ago. When you take out seasonality it shows that sales are below normal by 34.2%. Palm Desert still has the highest unit sales at 97, followed by Palm Springs with 91. Four cities – Indio, La Quinta, Cathedral City and Bermuda Dunes - have sales slightly above last year. Dollar sales in October were \$357 million, which is 7.5% below last year.

INVENTORY & “MONTHS OF SALES” RATIOS: On November 1st, Valley inventory was 2,824 units, which is 670 units higher than last year. The seasonal pattern now suggests that inventory will continue to increase through February. The Valley’s “months of sales” ratio was 4.7 months, which is 1.1 months more than last year. Supply and demand are still relatively balanced, but the ratio is moving in the direction of supply exceeding demand, which could put downward pressure on prices at some point.

DIM: At the end of October, the median number of “days in the market” in the Coachella Valley was 46 days, which is nine days more than last year. The median selling time dropped for the first time in nine months and is now back to pre pandemic levels. The city of Coachella continues to have the lowest average selling time at just 35 days. This is followed by Desert Hot Springs at 36 days and Indian Wells at 39 days. Bermuda Dunes and La Quinta have the highest median selling time at 55 days.

PRICE DISCOUNTS/PREMIUMS: Currently, detached homes are selling at an average discount of 2.0% compared to 1.9% a year ago. Attached homes are selling at a 2.9% discount. Coachella has the smallest discount at .8% while Rancho Mirage is selling homes with the highest average discount of 3.2%. In October, the percent of homes selling over list price was 14.2%. This is 2.2% 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.

Prices

Coachella Valley Median Detached Home Price 22 Year Chart



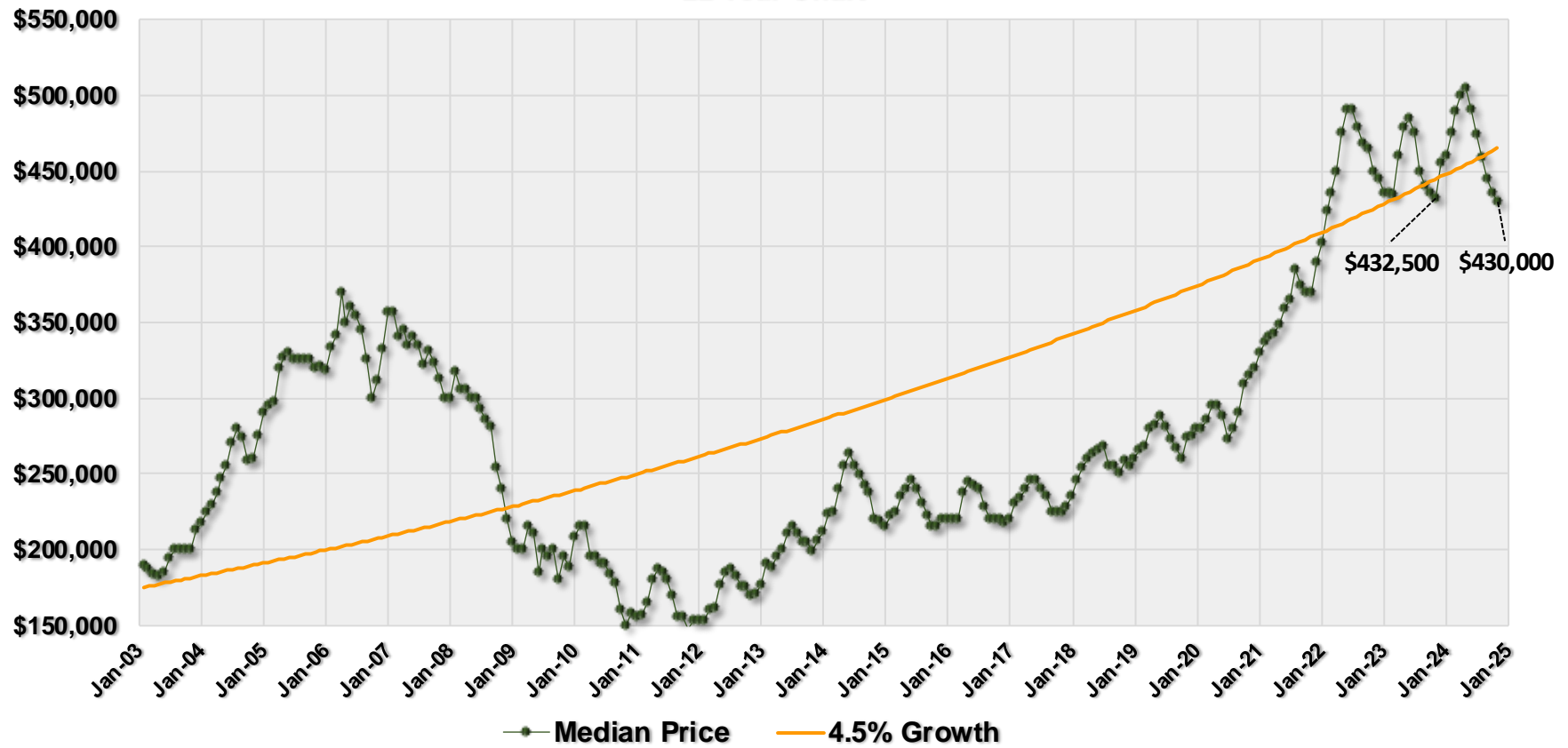
Coachella Valley Median Detached Price

The median price of a detached home in the Coachella Valley declined for the sixth month to \$634,990, which is \$5,460 less than last year. The median price usually hits its seasonal low between October and December, so we are now into that period and believe we'll begin to see some price support as we go into next year.

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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 October at \$430,000, which is \$2,500 under 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 also 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	\$609.75	\$2,103,638	\$1,313,415	60.2%	\$666,885	215.4%
Coachella	1,700	\$284.59	\$483,795	\$433,891	11.5%	\$111,367	334.4%
Rancho Mirage	3,175	\$431.26	\$1,369,251	\$1,292,352	6.0%	\$506,317	170.4%
Desert Hot Springs	1,600	\$267.63	\$428,208	\$407,088	5.2%	\$86,656	394.1%
Indio	2,200	\$283.66	\$624,052	\$610,984	2.1%	\$156,340	299.2%
Cathedral City	1,800	\$308.15	\$554,661	\$548,568	1.1%	\$153,216	262.0%
Palm Desert	2,200	\$319.53	\$702,966	\$713,438	-1.5%	\$302,302	132.5%
La Quinta	2,200	\$376.02	\$827,233	\$875,699	-5.5%	\$318,164	160.0%
Bermuda Dunes	2,200	\$325.92	\$717,024	\$759,330	-5.6%	\$239,325	199.6%
Palm Springs	2,175	\$519.08	\$1,128,999	\$1,236,314	-8.7%	\$323,879	248.6%

Price of Each City's Average Size Attached Home

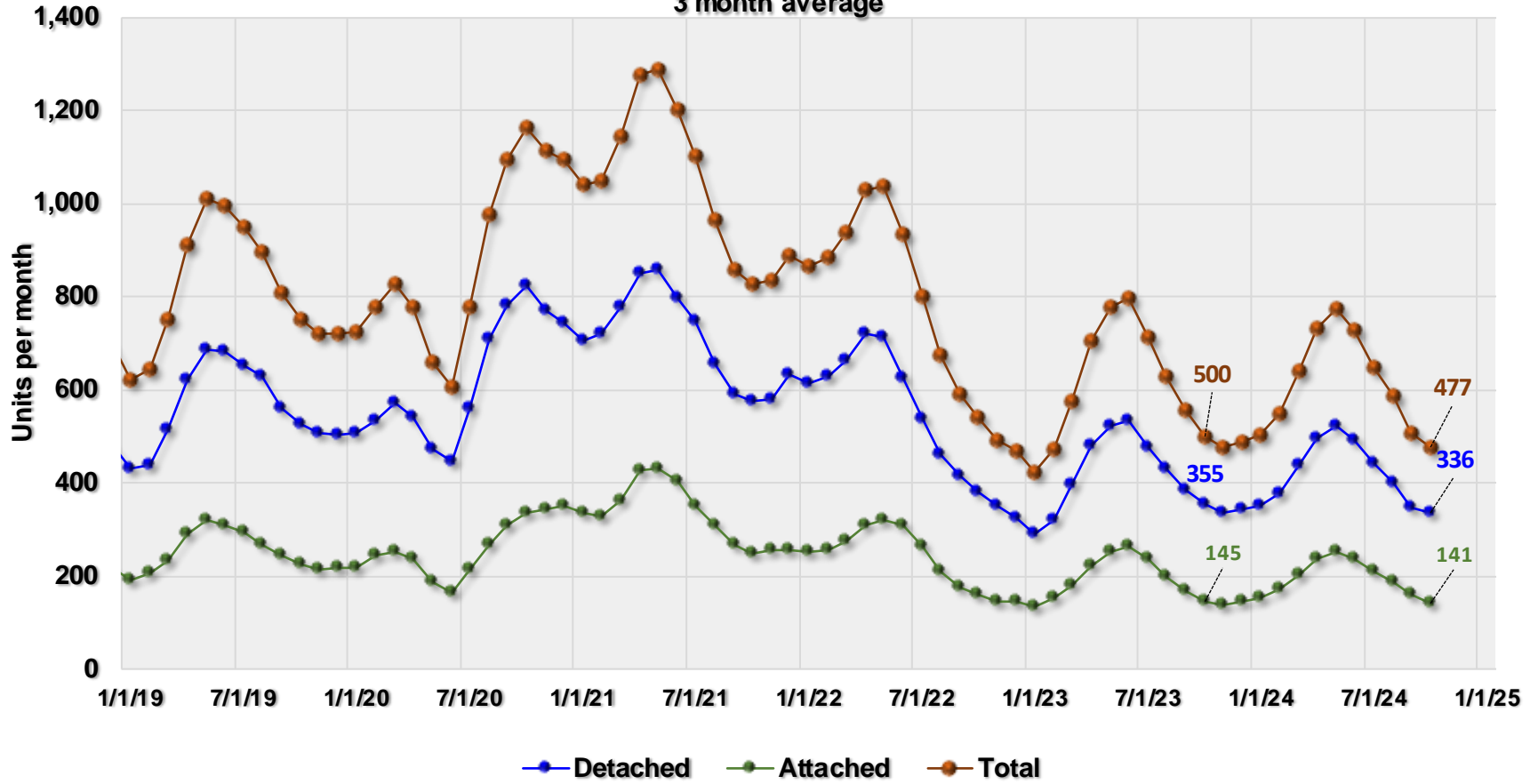
City	Avg. Size Home	Pr. per sq/ft	Price of Avg. Size Home	Price One Year Ago	12 Month Change	2011-12 Price Low	% From Low
Desert Hot Springs	750	\$207.08	\$155,310	\$135,465	14.6%	\$16,013	869.9%
La Quinta	1,750	\$413.17	\$723,048	\$642,828	12.5%	\$247,713	191.9%
Cathedral City	1,250	\$284.98	\$356,225	\$337,713	5.5%	\$80,544	342.3%
Indian Wells	1,950	\$415.26	\$809,757	\$797,316	1.6%	\$259,126	212.5%
Palm Desert	1,600	\$330.39	\$528,616	\$530,160	-0.3%	\$197,896	167.1%
Palm Springs	1,250	\$348.20	\$435,244	\$446,388	-2.5%	\$129,788	235.3%
Indio	1,050	\$275.62	\$289,401	\$305,655	-5.3%	\$56,396	413.2%
Bermuda Dunes	1,450	\$275.75	\$399,838	\$429,635	-6.9%	\$89,117	348.7%
Rancho Mirage	1,775	\$300.77	\$533,867	\$577,638	-7.6%	\$211,030	153.0%

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 gain of 60.2% in Indian Wells to a decline of 8.7% in Palm Springs. Gains of the average size attached home in each city range from 14.6% in Desert Hot Springs to minus 7.6% in Rancho Mirage.

Unit and Dollar Sales

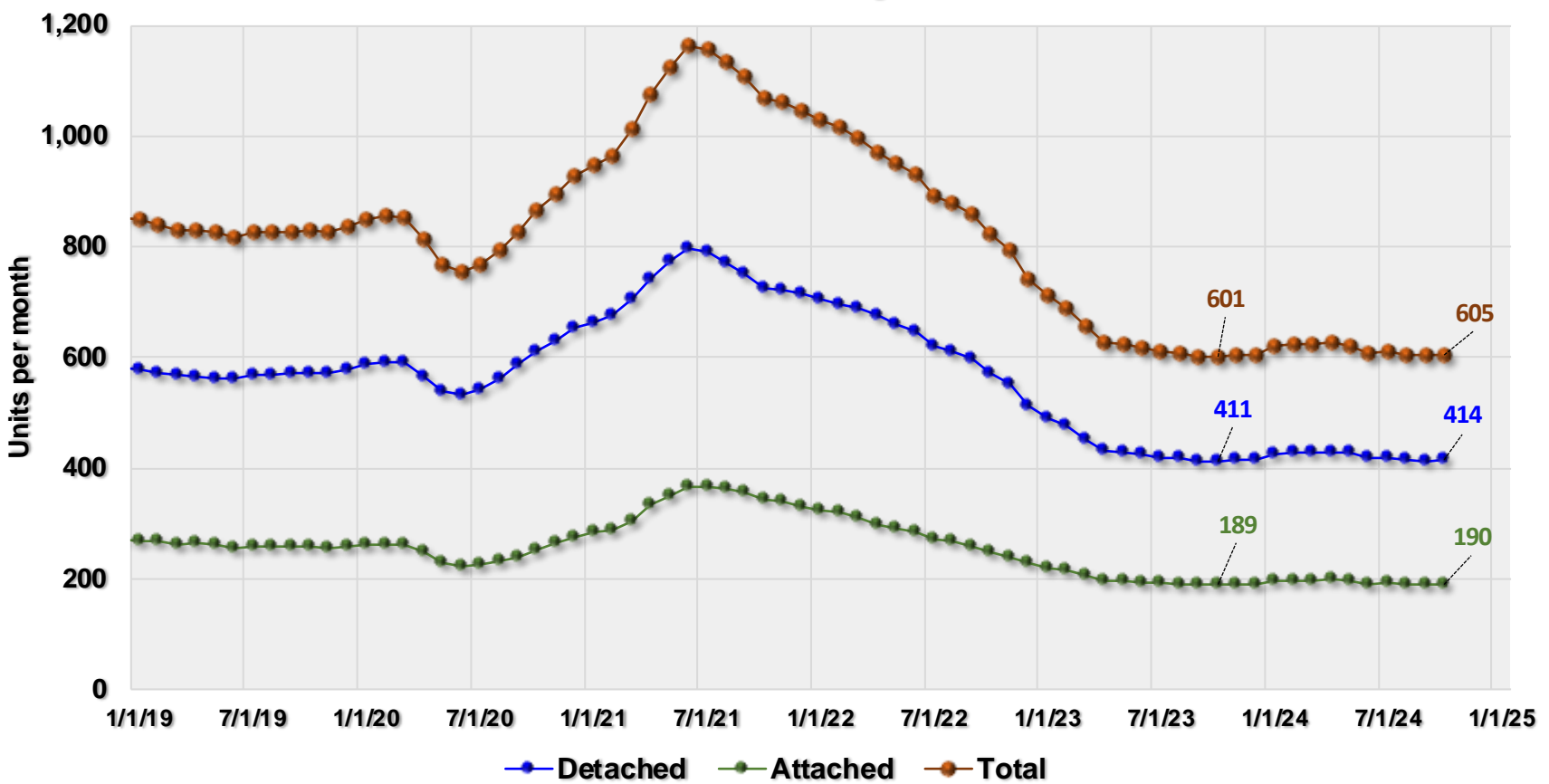
Detached, Attached and Total Sales 3 month average



Monthly Sales – Three Month Average

Total three-month sales were lower than last year by 23 units. The three-month average in October was 477 units compared to an average of 500 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 34.2%.

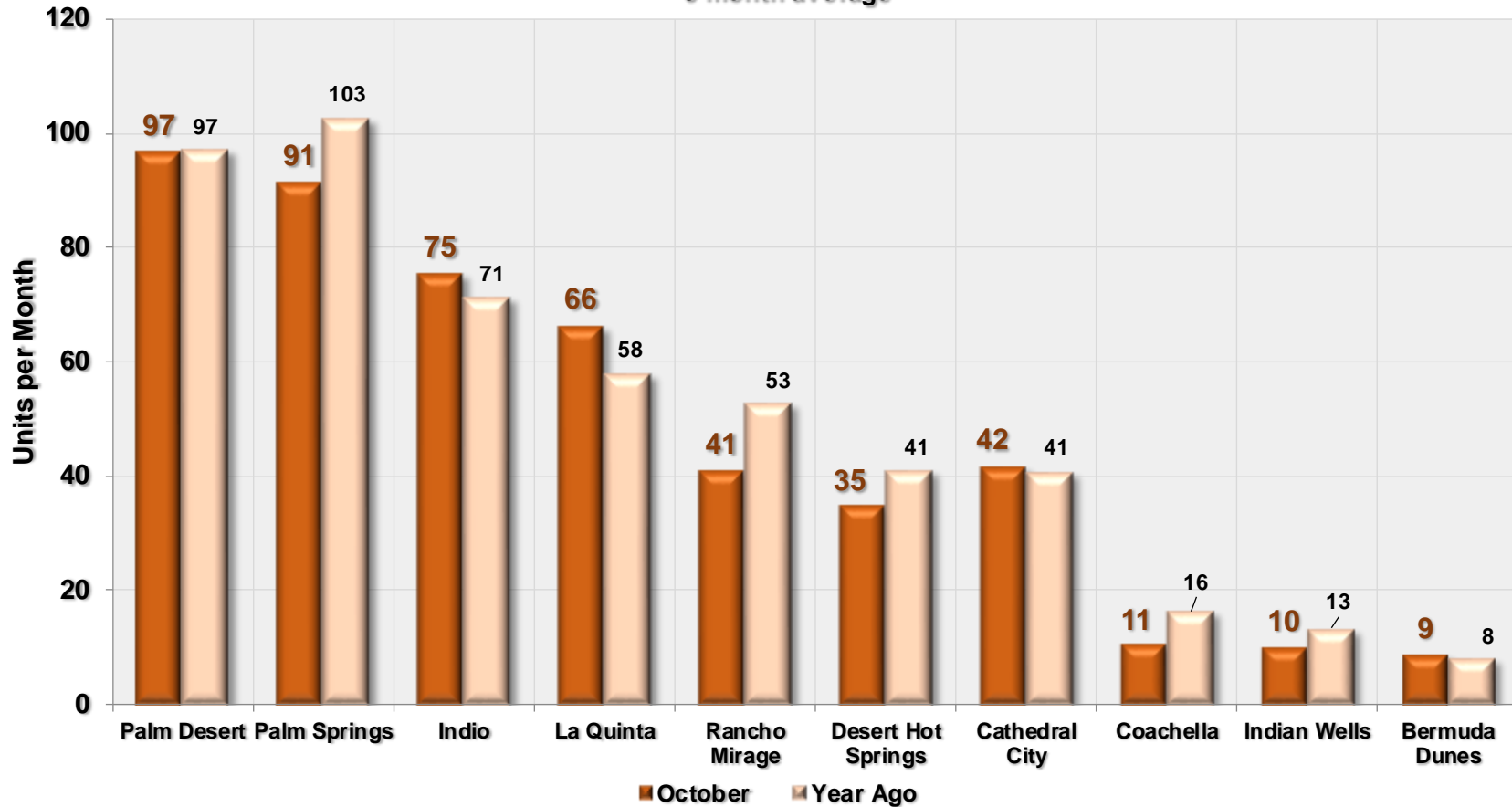
Detached, Attached and Total Sales 12 month average



Monthly Sales – Twelve Month Average

The 12-month average of sales was 605 units a month. This long-term average, which takes out seasonality, is about the same as last year and has been hovering about 600 units a month now for almost two years. 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.

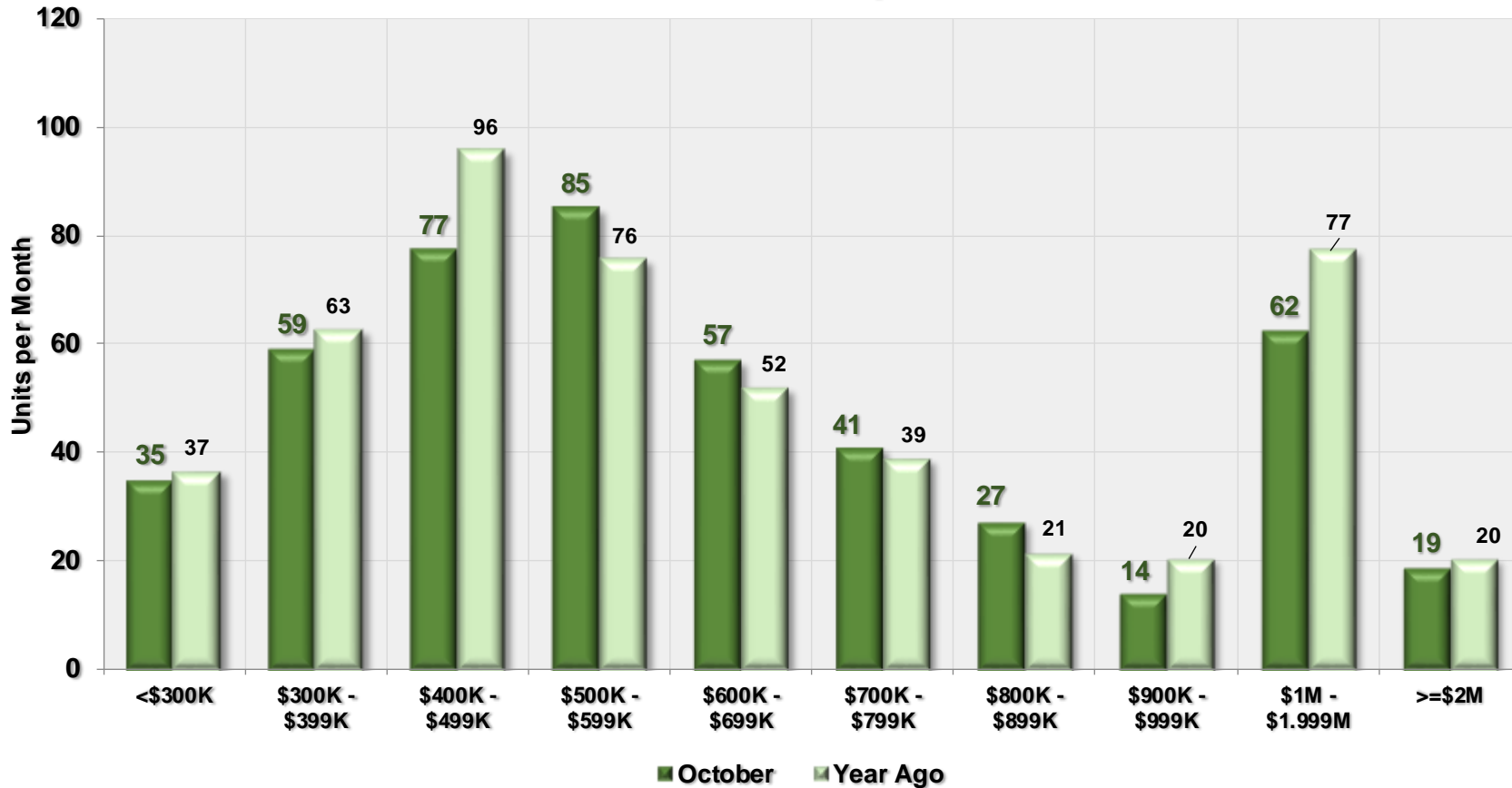
Home Sales by City 3 month average



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 97, followed by Palm Springs with 91. Four cities – Indio, La Quinta, Cathedral City and Bermuda Dunes - have sales slightly above last year.

Sales by Price Bracket 3 month average



Home Sales by Price Range

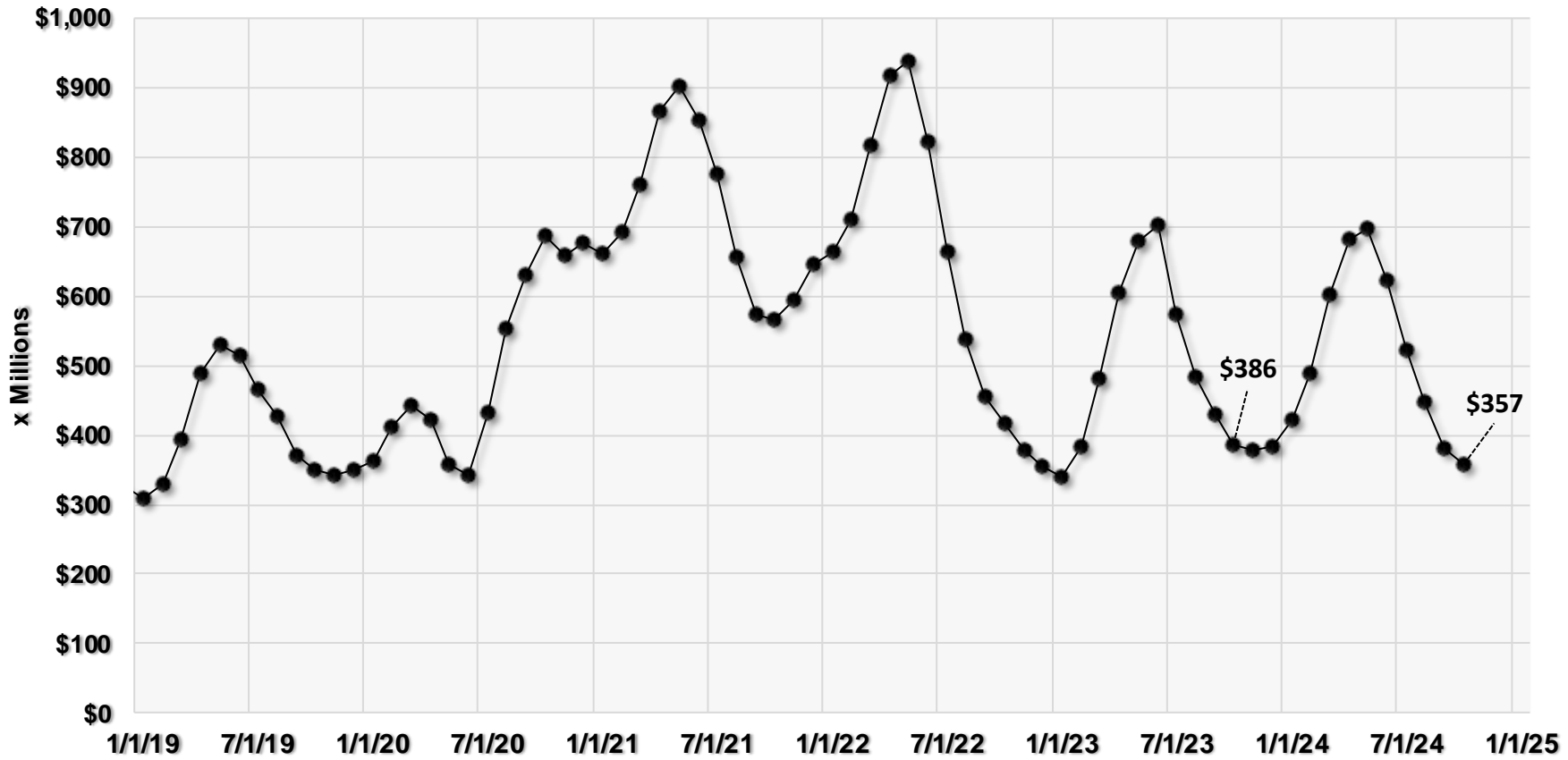
We've changed the price brackets to reflect the price increases of the last few years. The lowest bracket is now \$300,000 or lower, and there are now two brackets over \$1,000,000. The largest part of the overall sales decline continues to be sales of homes in two price brackets – from \$400K to \$499K,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

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Coachella Valley Dollar Sales

New



Coachella Valley Dollar Sales (all homes)

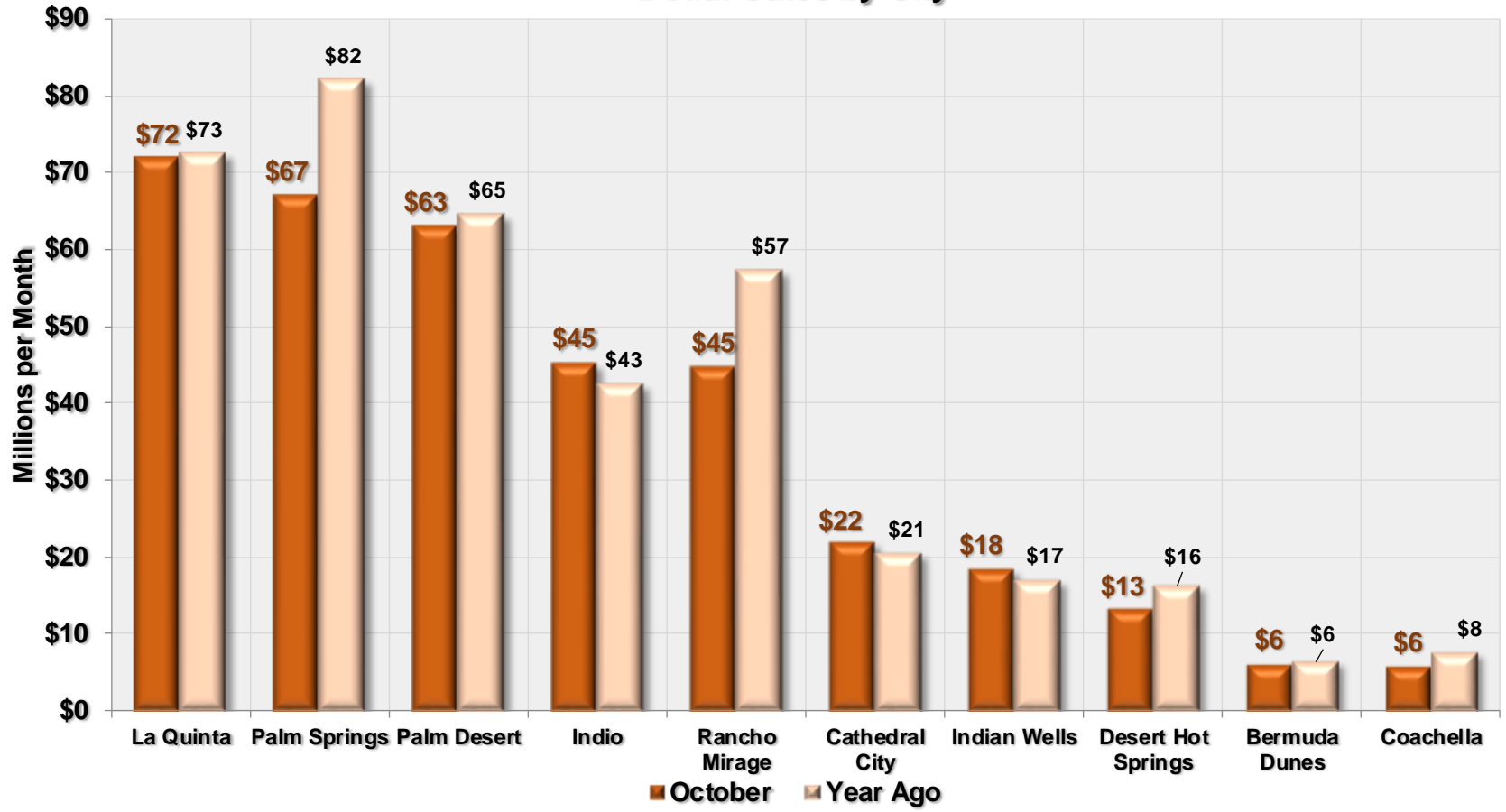
This chart graphs dollar sales, averaged over three months, of all Coachella Valley home sales. The scale on the left is in millions of dollars. It shows the same seasonal pattern as the chart of three-month unit sales, except the relative highs and lows are different due to price changes over time. Dollar sales in October were \$357 million, which is 7.5% below last year.

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Dollar Sales by City

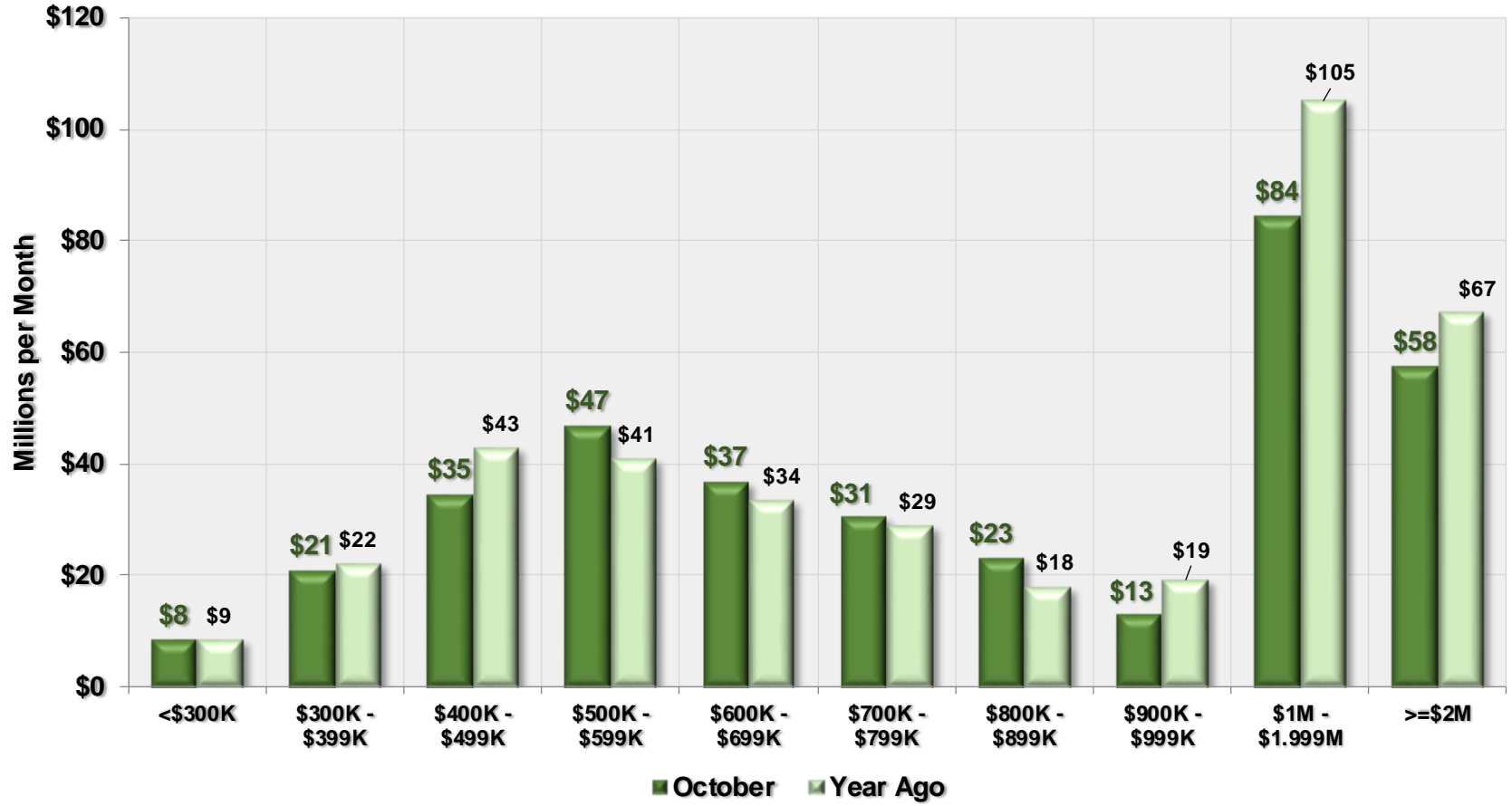
New



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 Palm Springs and Rancho Mirage. Dollar sales in Palm Springs are lower by 18%.

Dollar Sales by Price Bracket New



Home Sales by Price Range

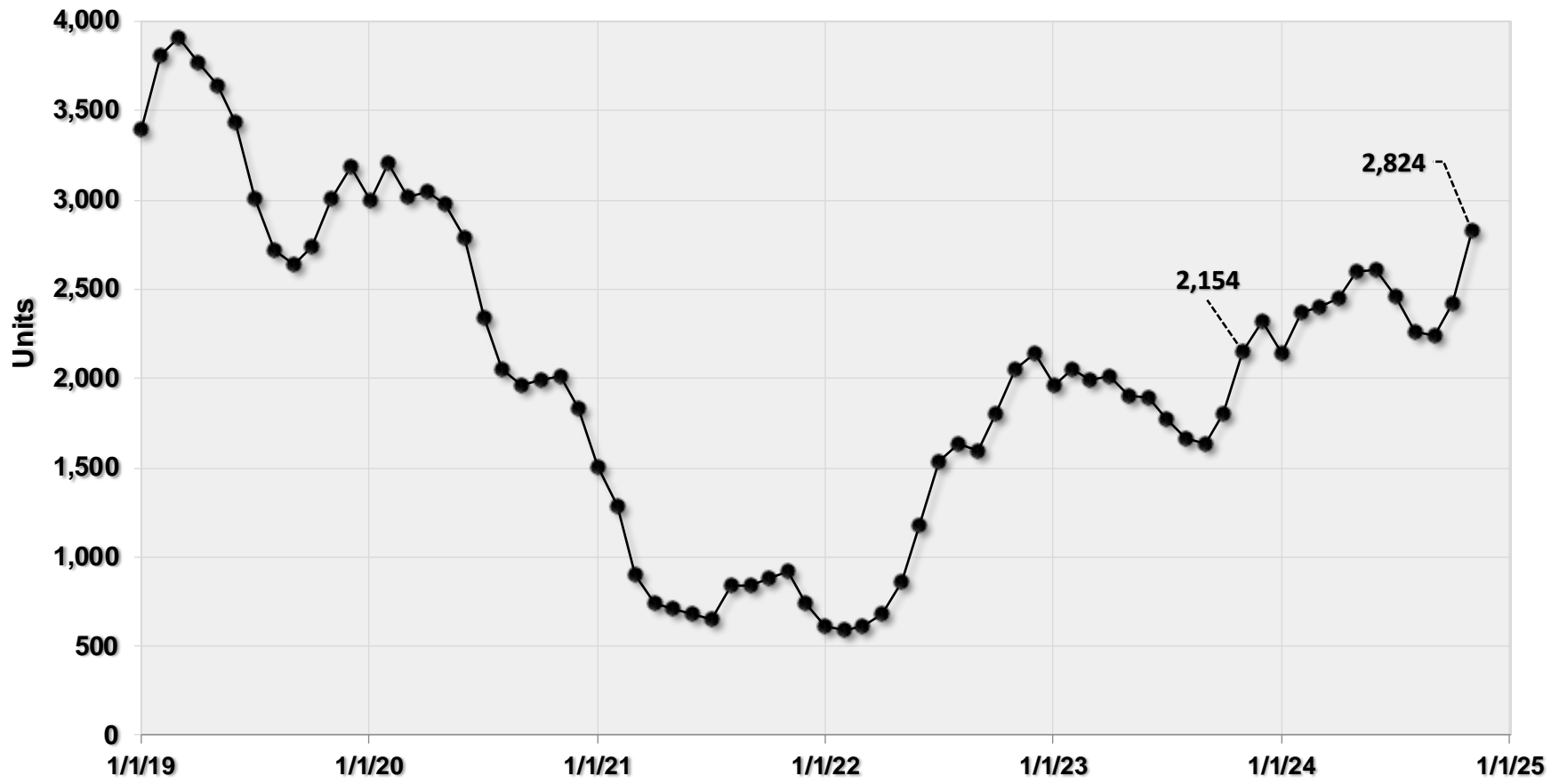
This chart of dollar sales by price bracket shows a different pattern than unit sales by price bracket in the earlier chart. The large amounts in the two price brackets over a million dollars are accentuated more than the unit sales chart. In fact, dollar sales in these two brackets continue to account for 40% of dollar sales in the Coachella Valley.

Inventory & “Months of Sales” Ratios

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Coachella Valley Housing Inventory (all homes)



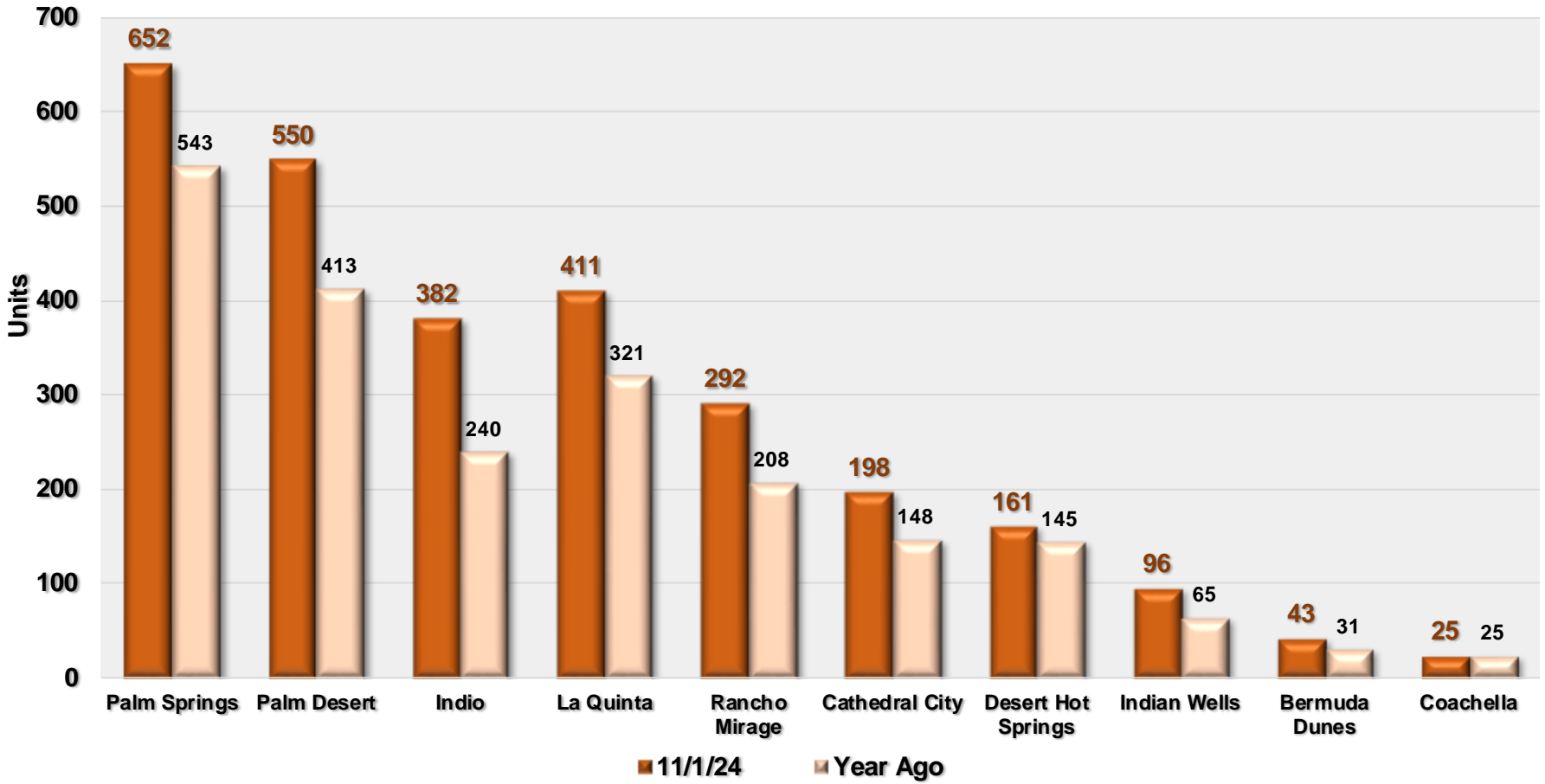
Coachella Valley Total Inventory

On November 1st, Valley inventory was 2,824 units, which is 670 units higher than last year. The seasonal pattern now suggests that inventory will continue to increase through February. While inventory is gradually improving, current numbers are about 700 units under what was normal before the pandemic.

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Inventory by City New



Inventory by City

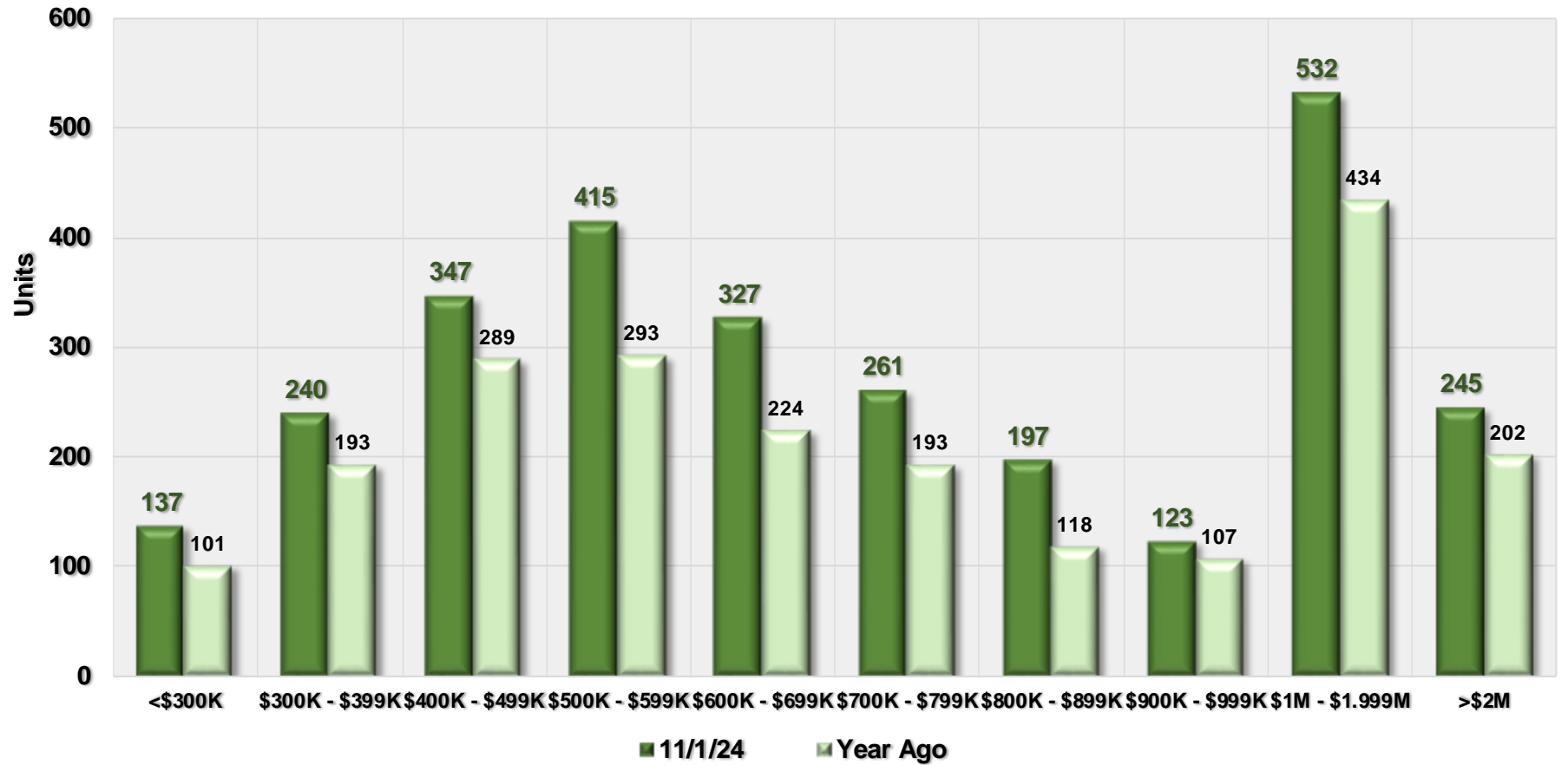
This chart ranks Coachella Valley cities left to right by highest number of homes for sale. The dark colored bars are current listings, while the lighter colored bars are last year's number. This chart helps agents know what cities have homeowners with the greatest selling interest and how it compares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

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Inventory by Price Bracket

New



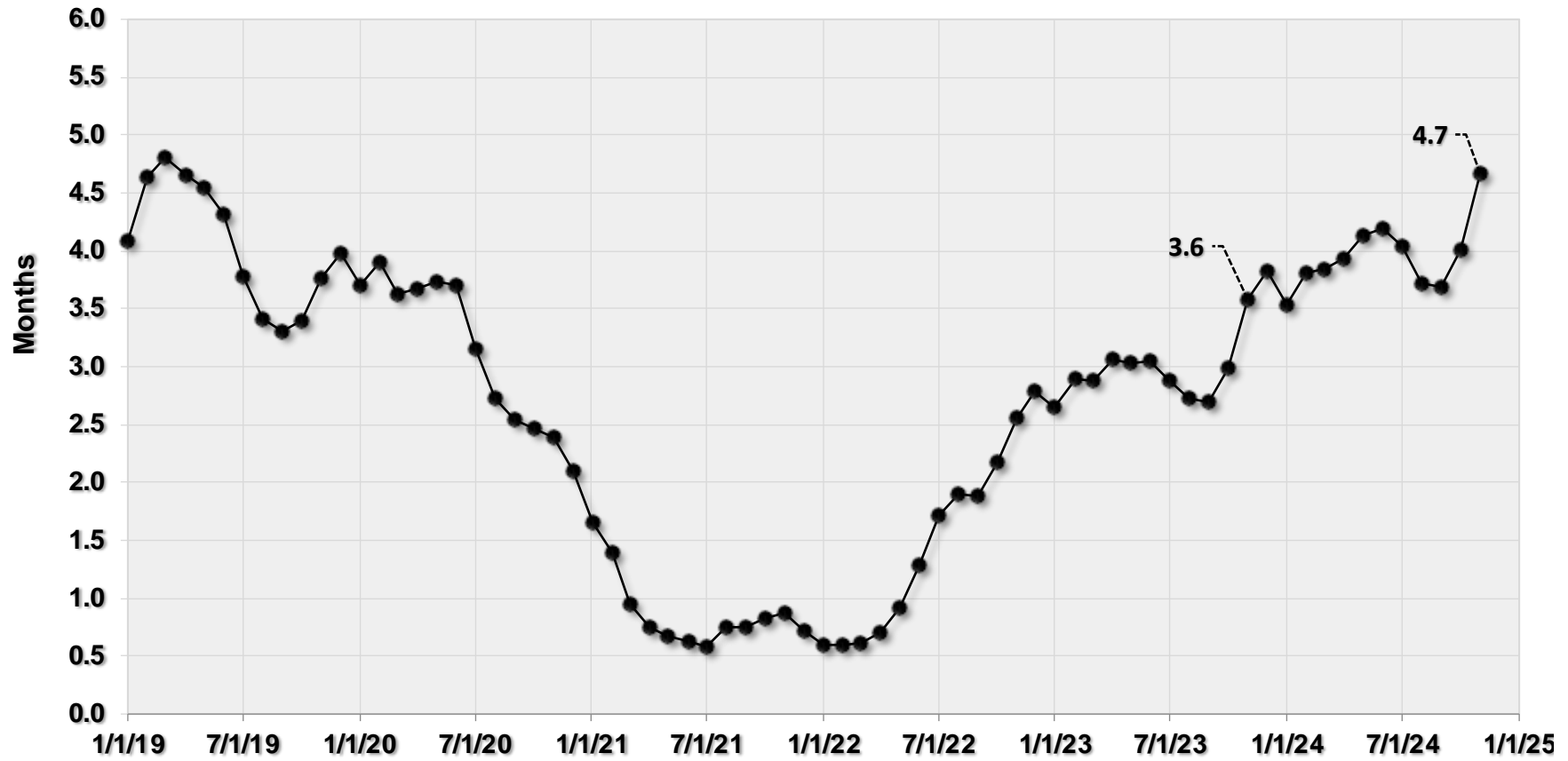
Inventory by Price Bracket

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)



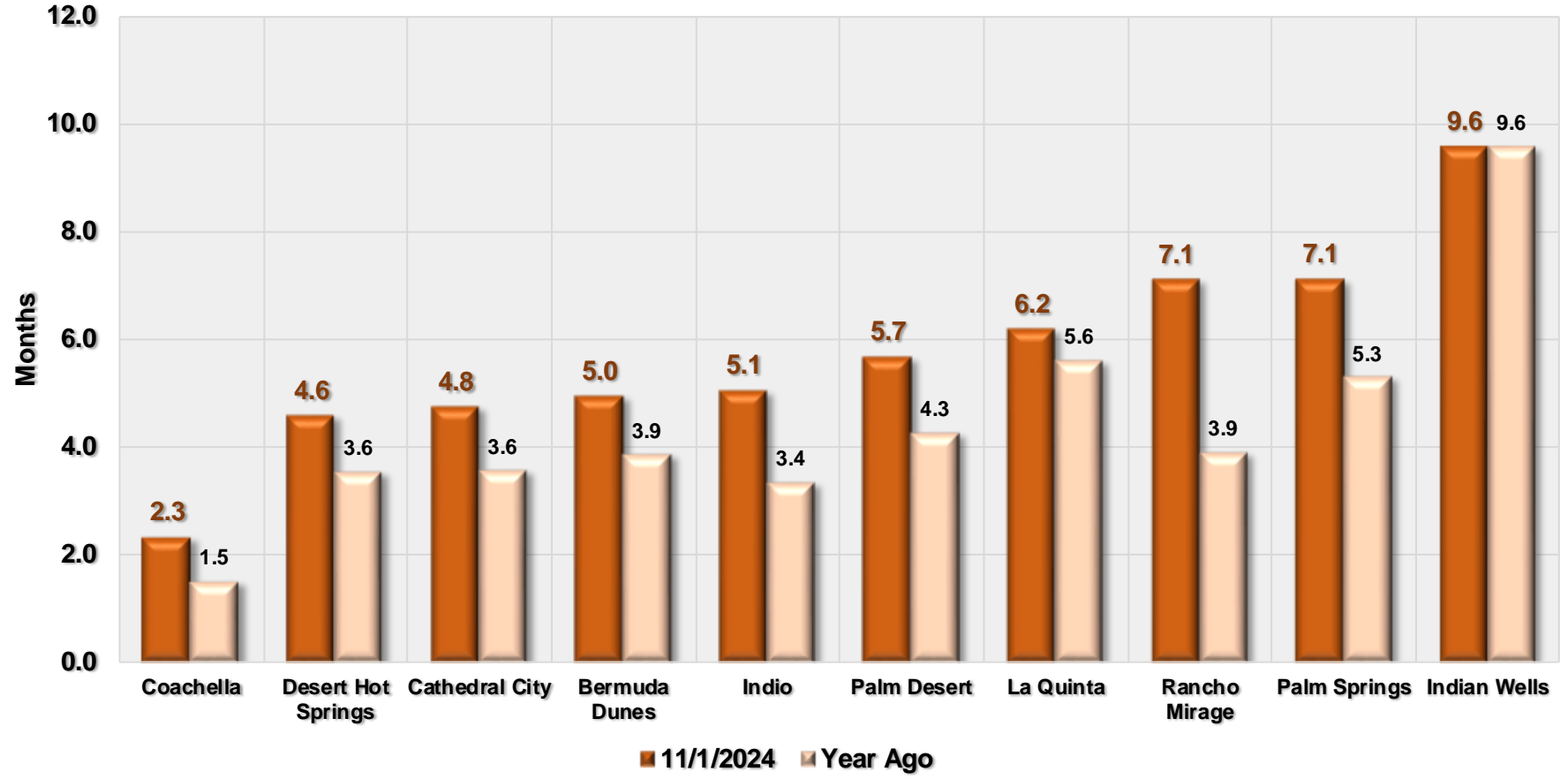
Regional "Months of Sales" Ratio

On November 1st, the Valley's "months of sales" ratio was 4.7 months, which is 1.1 months 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, sales are even lower raising this ratio. Supply and demand are still relatively balanced, but the ratio is moving in the direction of supply gradually exceeding demand.

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"Months of Sales" by City



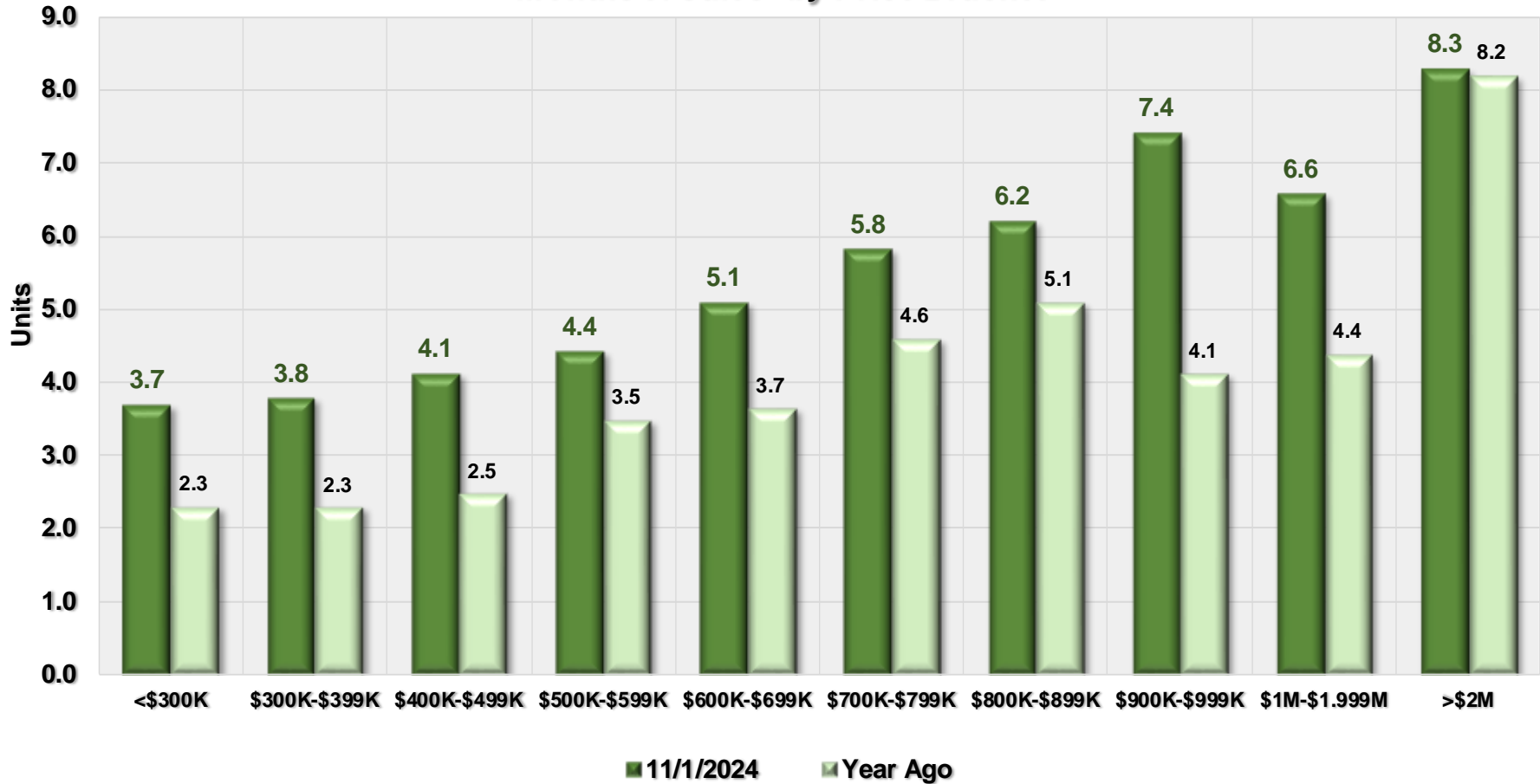
The "Months of Sales" Ratio by City

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 4.5 and 5.5 months in the nine cities. The ratio in Indian Wells is now the highest at 9.6 months. Since "months of sales" is really the supply-demand equation for housing, it shows the housing market may experience some downward pricing pressures in the higher priced cities.

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"Months of Sales" by Price Bracket



The "Months of Sales" Ratio by Price Bracket

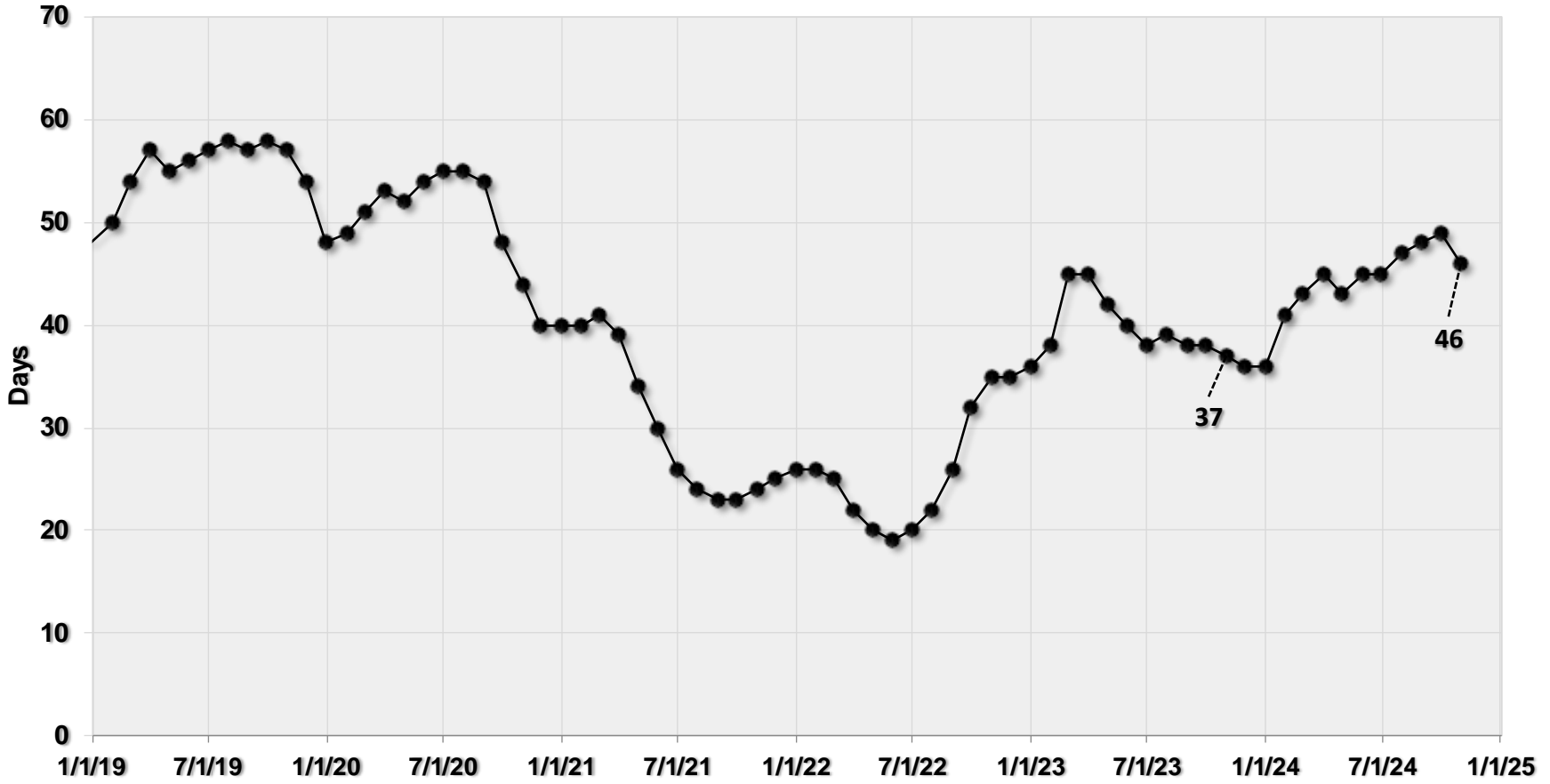
This chart shows "months of sales" by price bracket. The sales and inventory in the ratios includes both attached and detached homes. Since "months of sales" is really the supply-demand equation for housing, the large increases over last year shows the supply side of the market is increasing in all price brackets, except homes priced over two million.

DIM & Price Premium/Discount

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Median DIM - Coachella Valley (all homes)



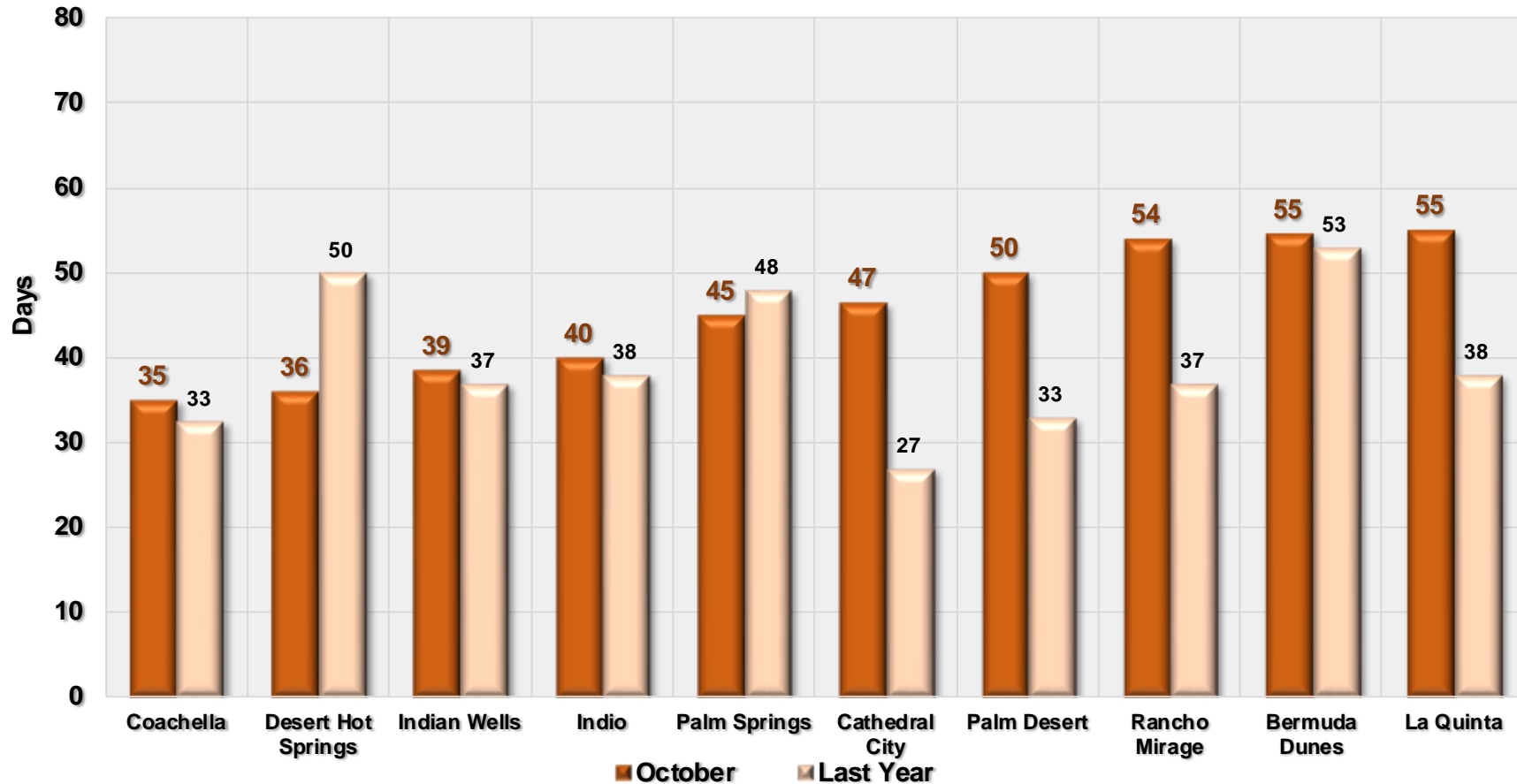
Regional “Days in the Market”

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 October, the median number of “days in the market” in the Coachella Valley was 46 days, which is nine days more than last year. The median selling time dropped for the first time in nine months and is now back to pre pandemic levels.

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Median DIM by City (all homes)

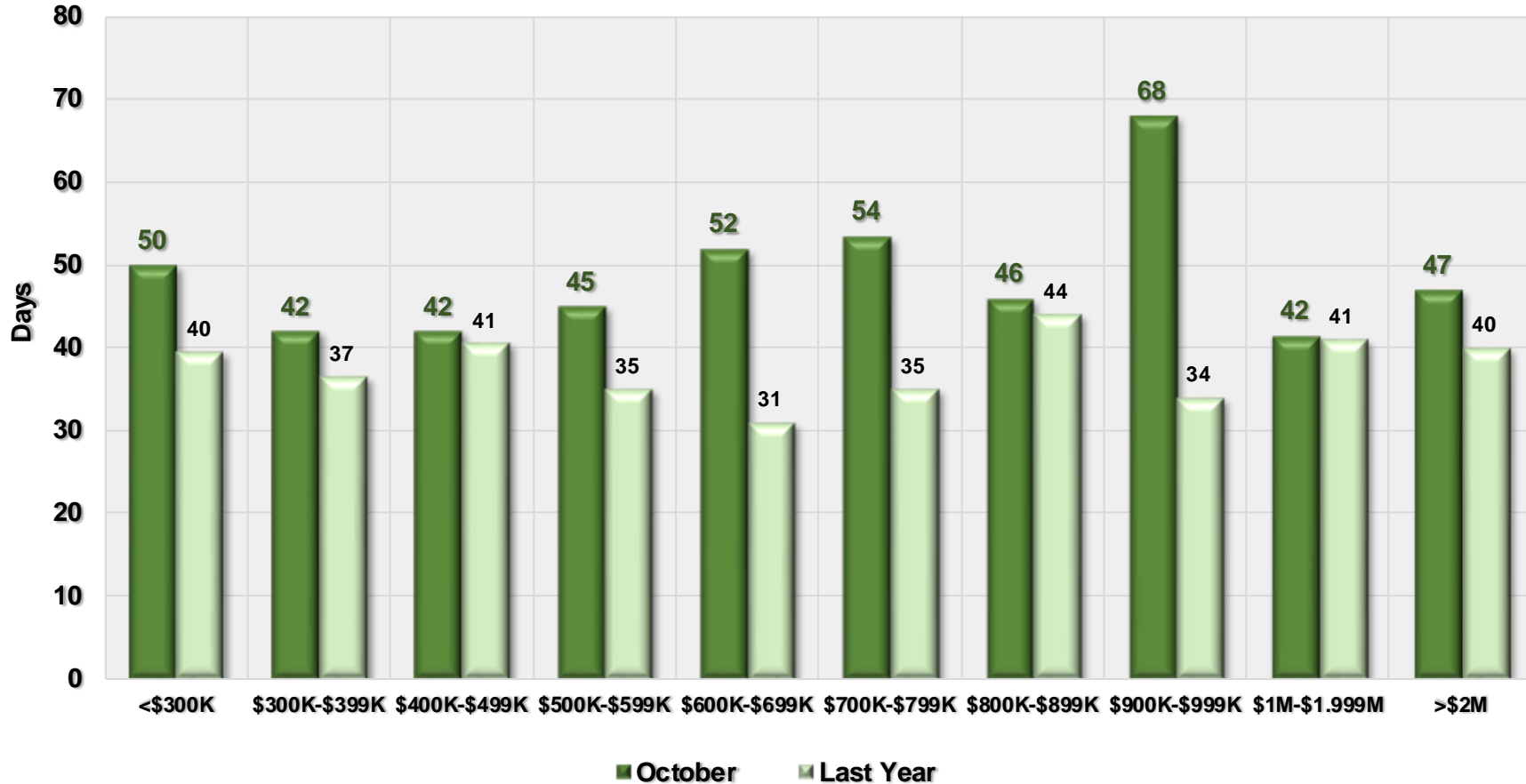


“Days in the Market” by City

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 35 days. This is followed by Desert Hot Springs at 36 days and Indian Wells at 39 days. Bermuda Dunes and La Quinta have the highest median selling time at 55 days.

Median DIM by Price Bracket (all homes)

New



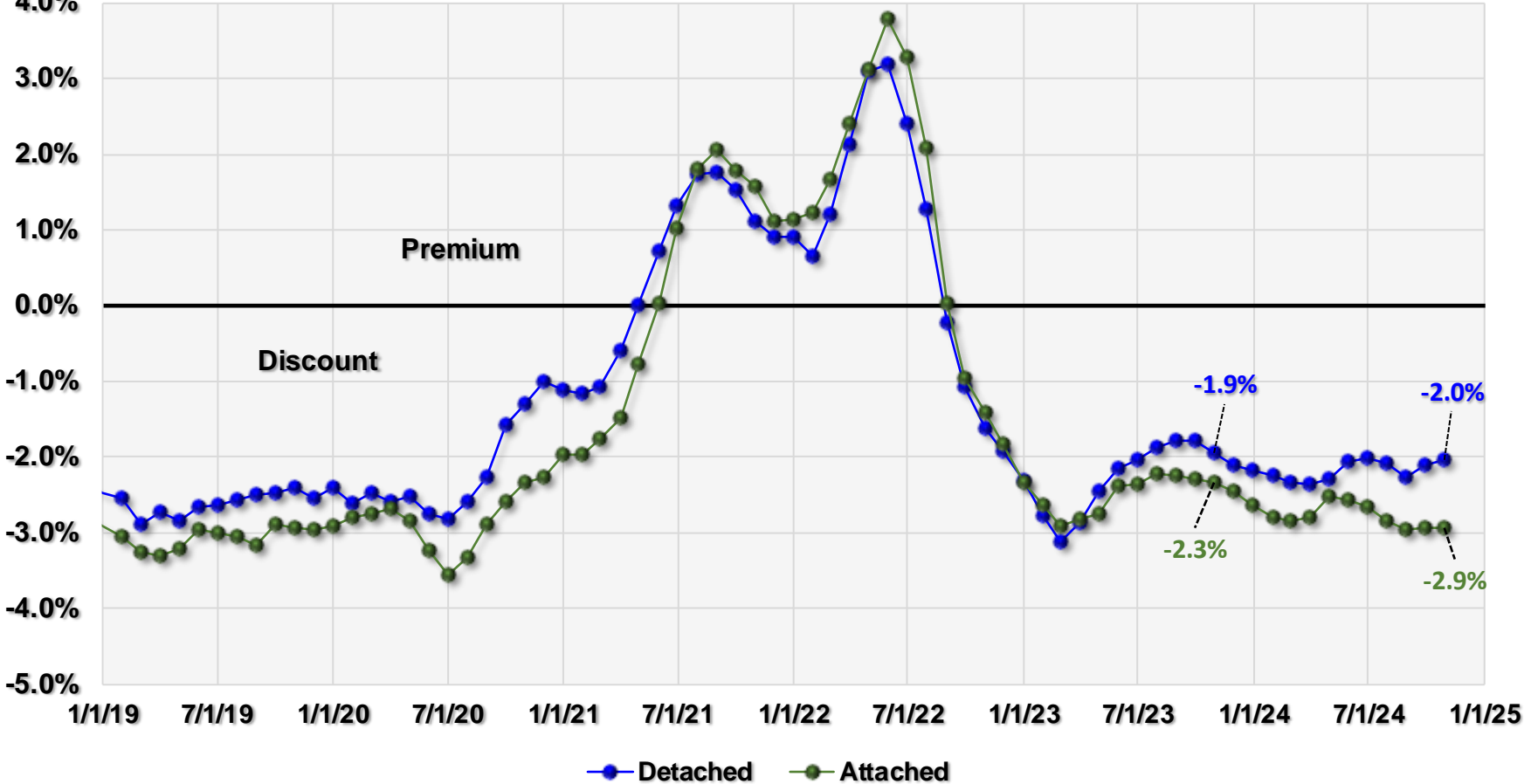
“Days in the Market” by Price Bracket

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.

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Coachella Valley Average Price Premium/Discount



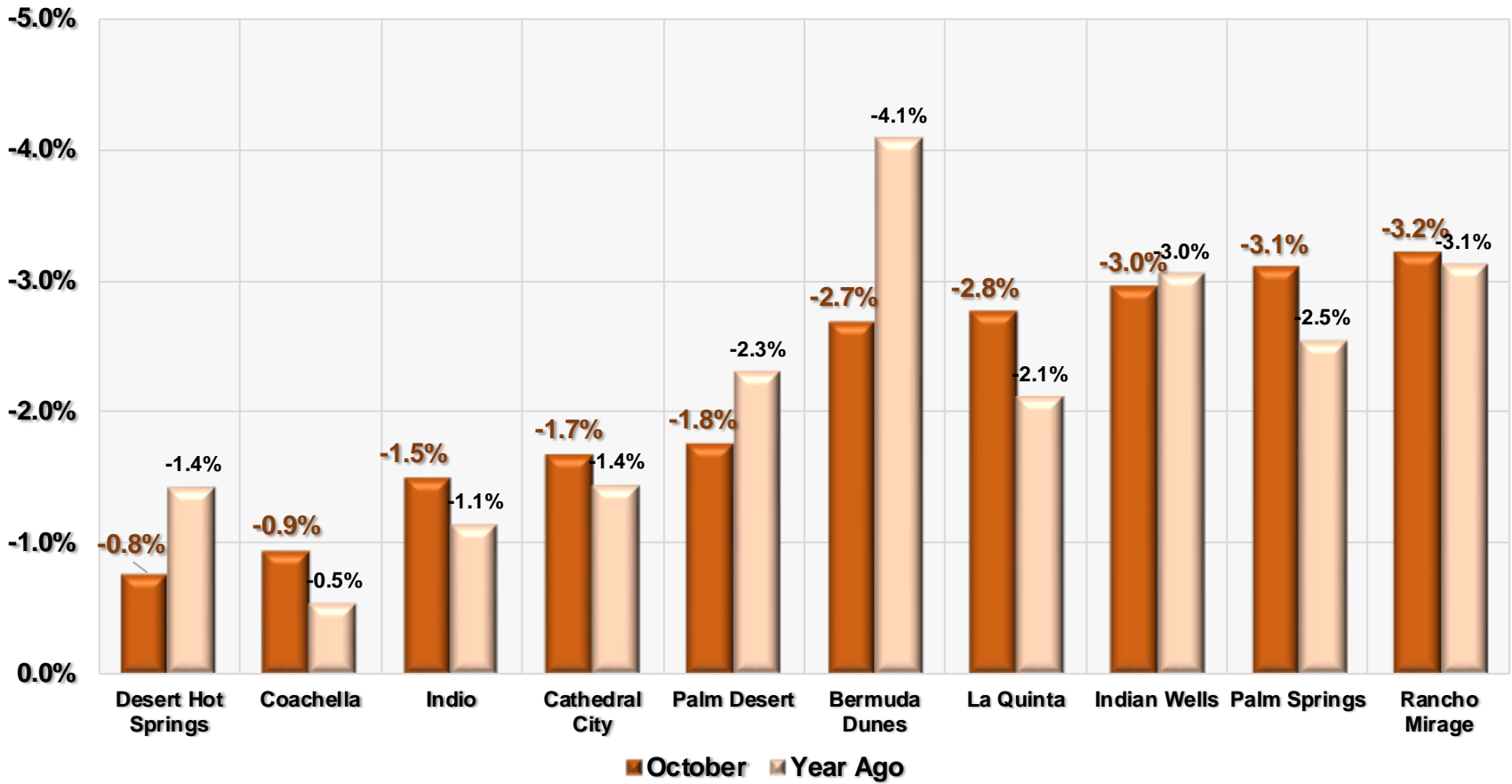
Regional Price Premium/Discount

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% compared to 1.9% a year ago. Attached homes are selling at a 2.9% discount. Notice how the numbers for both detached and attached homes, which are normally close, are starting to separate. We are now back close to pre-covid levels.

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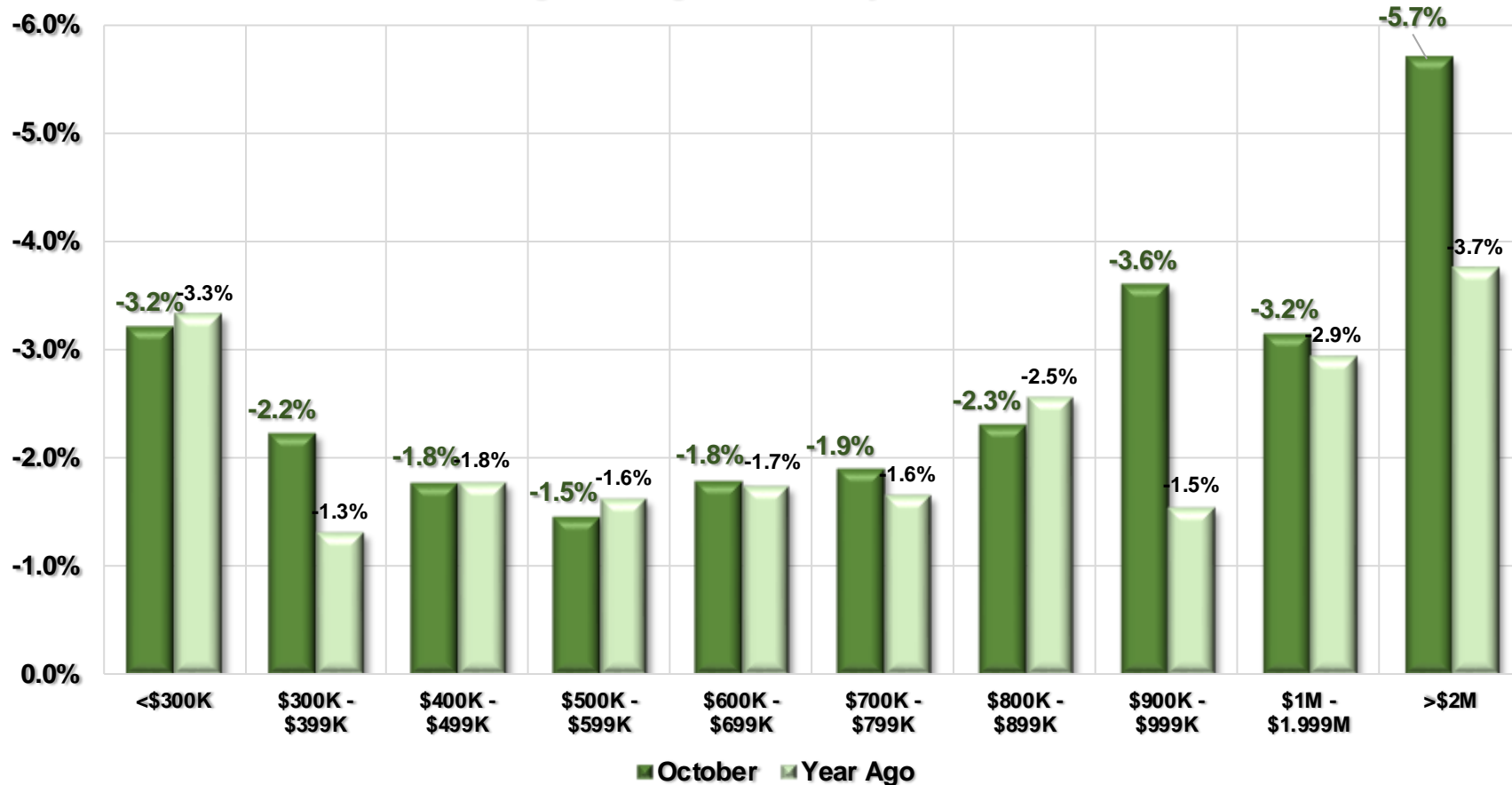
Average Selling Discount by City



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. Every city in the region is selling homes at an average discount. Coachella has the smallest discount at .8% while Rancho Mirage is selling homes with the highest average discount of 3.2%.

Average Selling Discount by Price Bracket



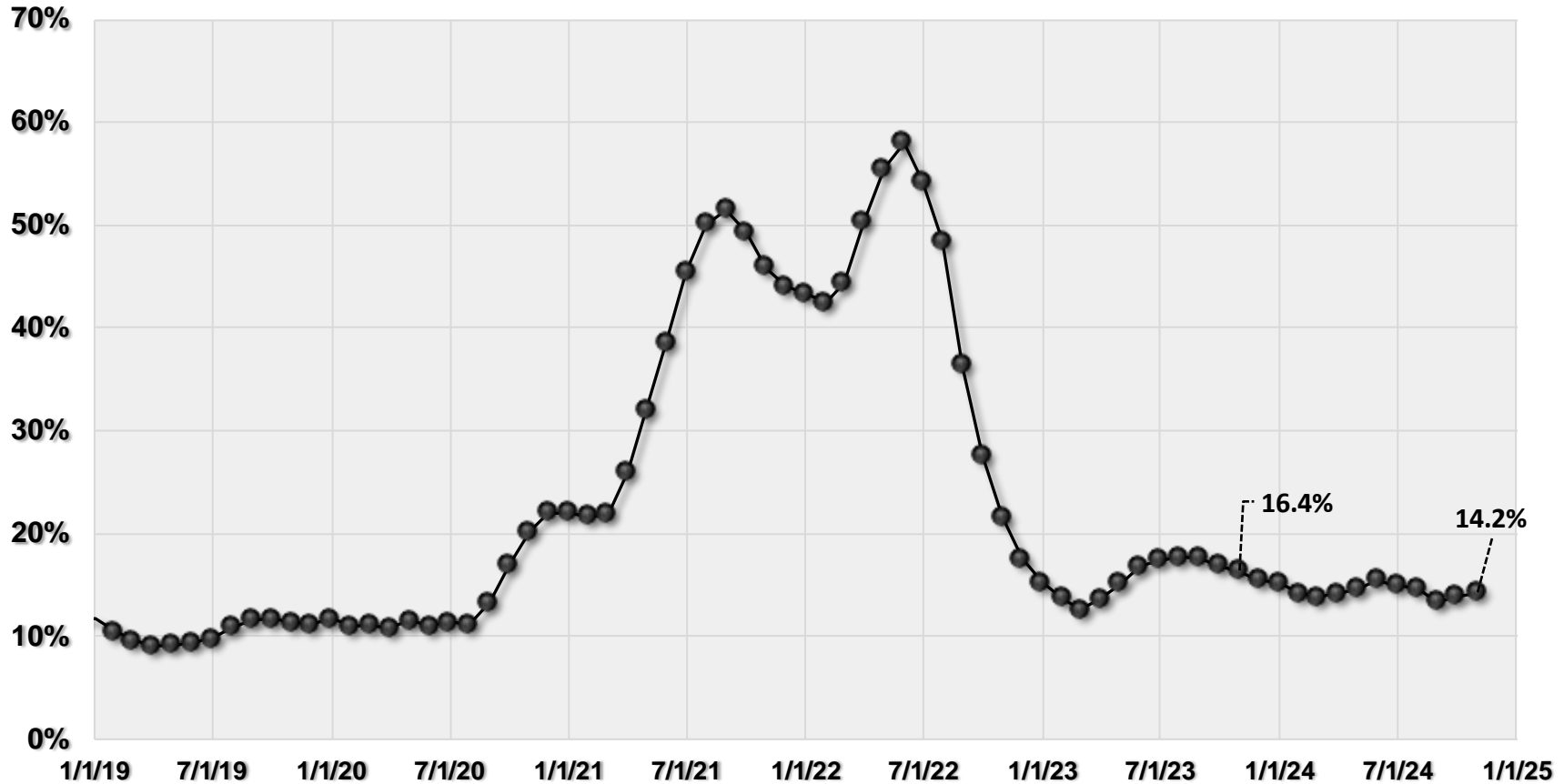
Price Discount by Price Bracket

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, except here we have the lowest discounts in the mid range price brackets. Homes over two million dollars now sell with an average discount of 5.7%.

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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 October, the percent of homes selling over list price was 14.2%. This is 2.2% 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 October, all sales and pricing are done using transactions through that and the previous two months. However, when we measure inventory at the end of October, it's the inventory as of October 1st. Even though inventory October be labeled October 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.