

Summary

PRICES: Prices continue to surge due to high demand and lack of supply. At the end of March, the median price of a detached home in the Coachella Valley was \$660,000, which represents a year-over-year gain of 20.2%. The median price for attached homes was \$450,000, which is a gain of 30.4%. The cities Coachella and Indian Wells have year-over-year gains for detached homes over 40%, while five cities have gains over 30%. In the attached market three cities – Desert Hot Springs, Bermuda Dunes and Indio – have gains above 50%, while Cathedral City, La Quinta and Palm Desert have average gains over 40%.

SALES: Three-month sales in March averaged 910 units a month, which is 19% less than last March. While below the peak levels of last year, March sales are above pre-pandemic March averages. We find that the largest decline in sales continues to be in the four major resort cities – La Quinta, Palm Desert, Palm Springs and Rancho Mirage. The cities classified primarily as “work force” cities – Cathedral City, Desert Hot Springs and Indio – continue to show sales levels comparable to last year.

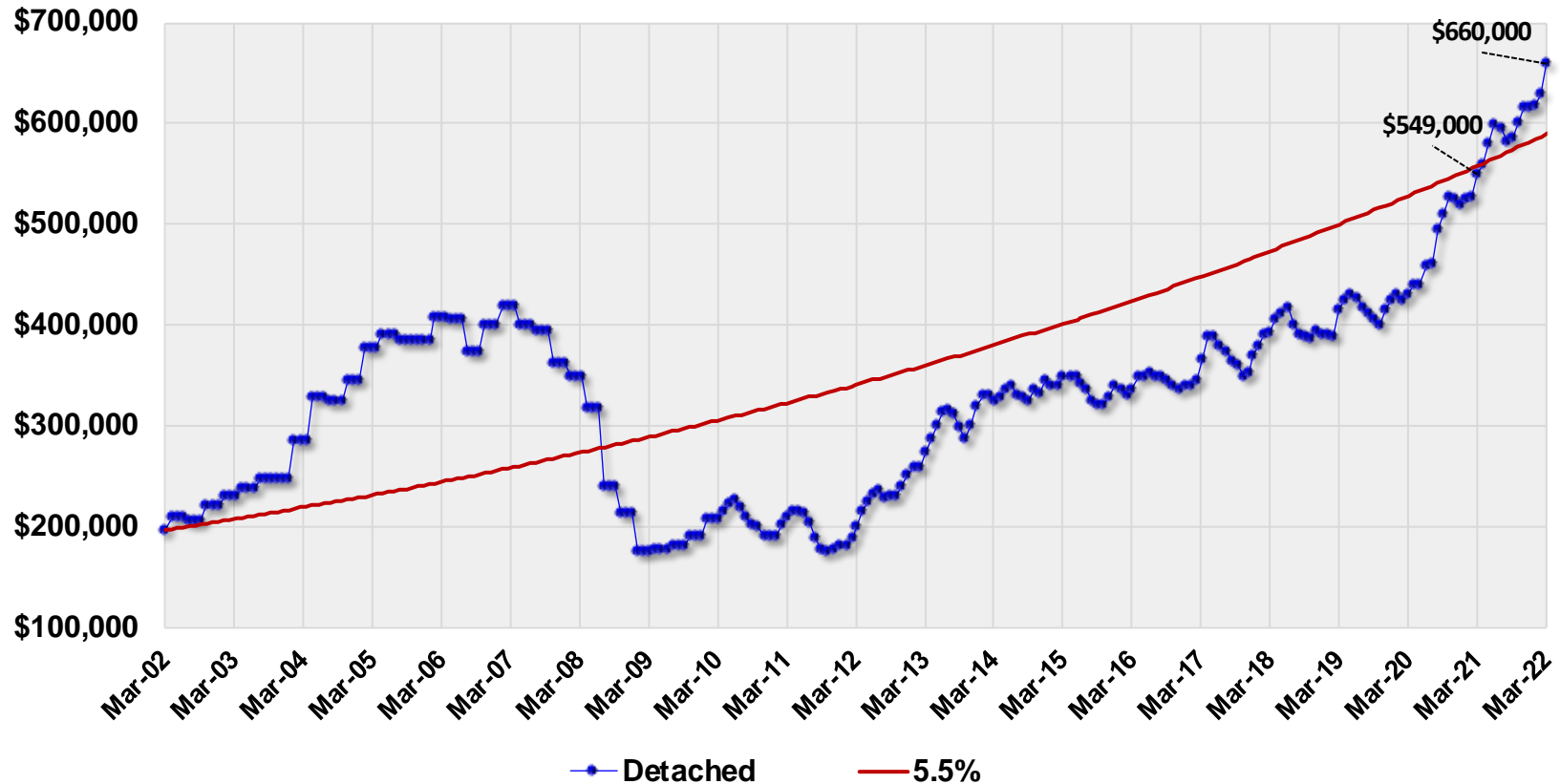
INVENTORY & “MONTHS OF SALES” RATIOS: On April 1st Valley inventory stood at 678 units. This compares to 742 a year ago. There was no seasonal increase in inventory this year, something that usually happens between October and April. This is worrisome since the same seasonal pattern now points to inventory contracting from May to September. On April 1st the “months of sales” ratio for the Valley was .7 months, which is .1 less than last year. These historically low ratios continue to indicate extremely low supply and strong buyer demand, which are the two ingredients for higher prices.

DIM: At the end of March, the median number of “days in the market” throughout the Valley was 28 days, which is one day less than last month and 12 days less than last year. The city of Coachella has the lowest selling time for detached homes at just 18 days, followed by Palm Springs with 19 days. In the attached market, Cathedral City has a median selling time of 13 days, followed by Palm Springs at 14 days.

PRICE DISCOUNTS: Palm Springs continues to have the highest selling premium for detached homes at 4%, followed by the city of Coachella at 3.1%. In the attached market, Palm Desert has the highest premium at 2.9%.

Coachella Valley Median Detached Home Price

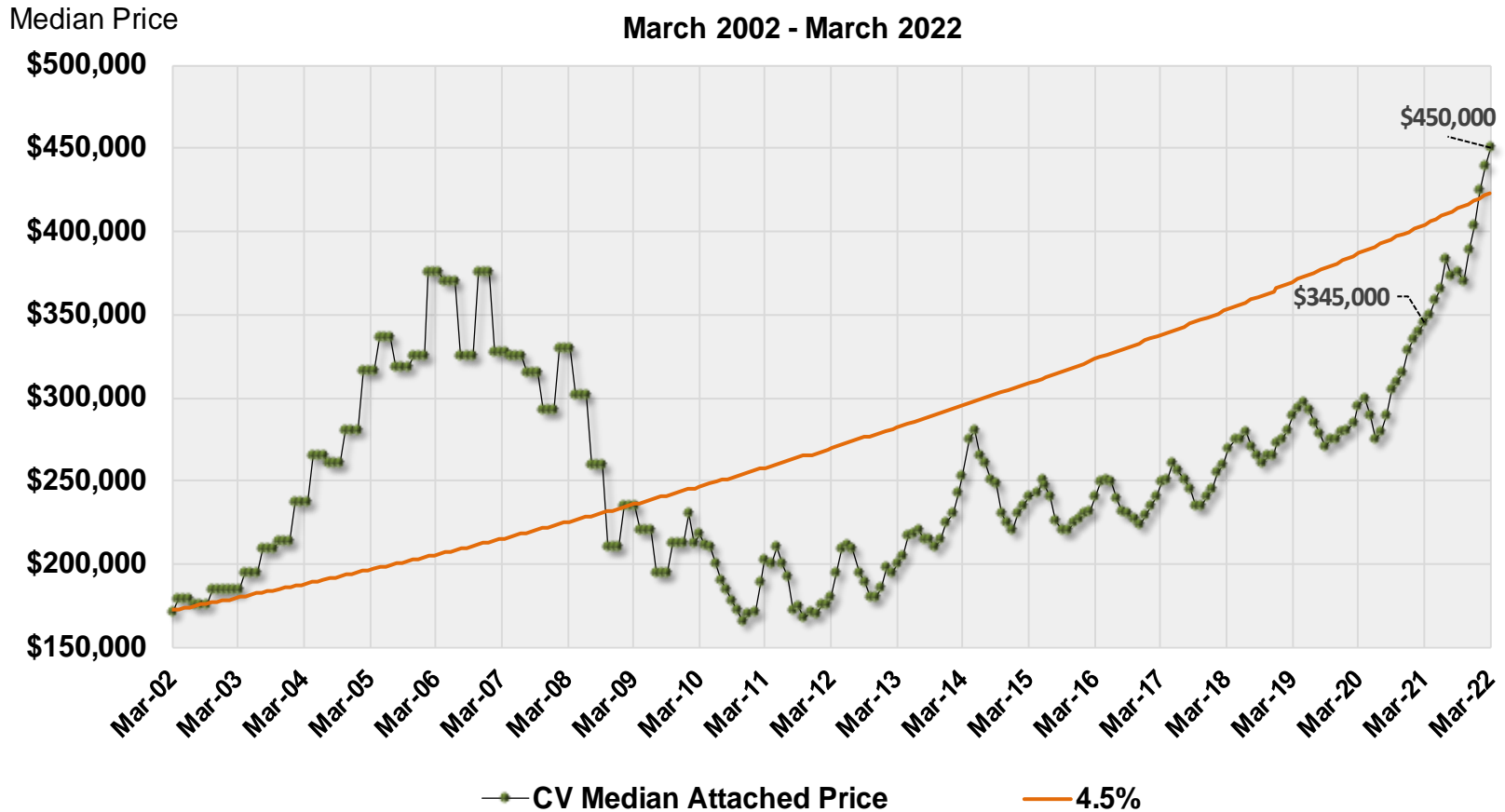
March 2002 - March 2022



Coachella Valley Detached Median Price

Prices continue to surge. At the end of March, the median price of a detached home in the Coachella Valley was \$660,000, which represents a year-over-year gain of 20.2%. We expect prices to continue to move higher over the next two months, and then seasonal factors should take over. The forces that have been driving prices higher – low inventory and high demand – continue to dominate the market.

Coachella Valley Median Attached Price



Coachella Valley Median Attached Price

The median price for attached homes in March was \$450,000, which is a 12 month gain of 30.4%. As the chart clearly shows, prices have surged more than 50% over the last two years. If we continue to follow the seasonal pattern, attached prices should peak sometime in the next two months and then settle back.

Price of The Average Size Detached Home in Each City

| City | Avg. Size Home | Pr. per sq/ft | Price of Avg. Size Home | Price One Year Ago | 12 Month Change | 2011-12 Price Low | % From Low |
|--------------------|----------------|---------------|-------------------------|--------------------|-----------------|-------------------|------------|
| Coachella | 1,700 | \$267.79 | \$455,246 | \$303,850 | 49.8% | \$111,367 | 308.8% |
| Indian Wells | 3,450 | \$483.19 | \$1,666,989 | \$1,166,359 | 42.9% | \$666,885 | 150.0% |
| Rancho Mirage | 3,175 | \$416.55 | \$1,322,549 | \$954,500 | 38.6% | \$506,317 | 161.2% |
| Bermuda Dunes | 2,500 | \$323.88 | \$809,707 | \$593,150 | 36.5% | \$239,325 | 238.3% |
| Indio | 2,000 | \$281.70 | \$563,395 | \$417,000 | 35.1% | \$156,340 | 260.4% |
| La Quinta | 2,550 | \$384.34 | \$980,057 | \$729,734 | 34.3% | \$318,164 | 208.0% |
| Palm Desert | 2,200 | \$344.44 | \$757,767 | \$575,212 | 31.7% | \$302,302 | 150.7% |
| Desert Hot Springs | 1,600 | \$239.22 | \$382,760 | \$294,624 | 29.9% | \$86,656 | 341.7% |
| Palm Springs | 2,175 | \$599.75 | \$1,304,451 | \$1,008,330 | 29.4% | \$323,879 | 302.8% |
| Cathedral City | 1,800 | \$307.45 | \$553,410 | \$433,233 | 27.7% | \$153,216 | 261.2% |

Price of The Average Size Attached Home in Each City

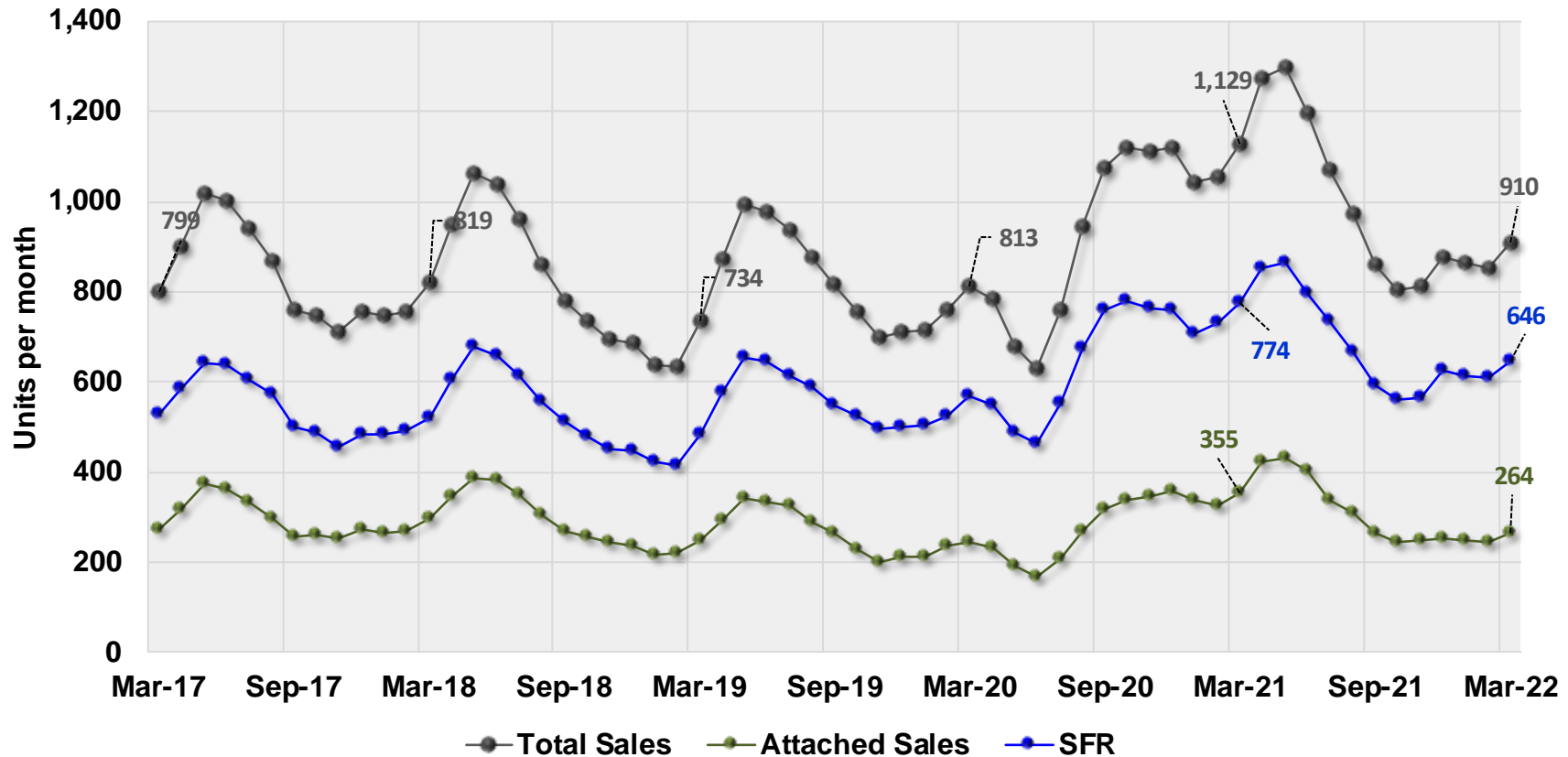
| City | Avg. Size Home | Pr. per sq/ft | Price of Avg. Size Home | Price One Year Ago | 12 Month Change | 2011-12 Price Low | % From Low |
|--------------------|----------------|---------------|-------------------------|--------------------|-----------------|-------------------|------------|
| Desert Hot Springs | 750 | \$157.53 | \$118,147 | \$75,000 | 57.5% | \$16,013 | 638% |
| Bermuda Dunes | 1,450 | \$253.95 | \$368,224 | \$235,698 | 56.2% | \$89,117 | 313% |
| Indio | 1,050 | \$286.16 | \$300,466 | \$194,324 | 54.6% | \$56,396 | 433% |
| Cathedral City | 1,250 | \$246.40 | \$307,997 | \$211,338 | 45.7% | \$80,544 | 282% |
| La Quinta | 1,750 | \$393.18 | \$688,073 | \$474,434 | 45.0% | \$247,713 | 178% |
| Palm Desert | 1,600 | \$328.30 | \$525,283 | \$364,432 | 44.1% | \$197,896 | 165% |
| Rancho Mirage | 1,775 | \$297.69 | \$528,396 | \$387,270 | 36.4% | \$211,030 | 150% |
| Palm Springs | 1,250 | \$353.44 | \$441,798 | \$328,950 | 34.3% | \$129,788 | 240% |
| Indian Wells | 1,950 | \$320.09 | \$624,172 | \$467,084 | 33.6% | \$259,126 | 141% |

12 Month Change in The Price of The Average Size Home

These columns show the size of the average home in each city, followed by its *price* and *price per square foot*. These prices are then compared to both year ago levels and the all-time price lows that occurred in 2011 and 2012. The cities of Coachella and Indian Wells have year-over-year gains over 40% for detached homes, while five major cities have gains over 30%. In the attached market, three cities – Desert Hot Springs, Bermuda Dunes and Indio – have year-over-year gains over 50%, while Cathedral City, La Quinta and Palm Desert have average gains over 40%.

Detached, Attached and Total Sales

3 month moving average

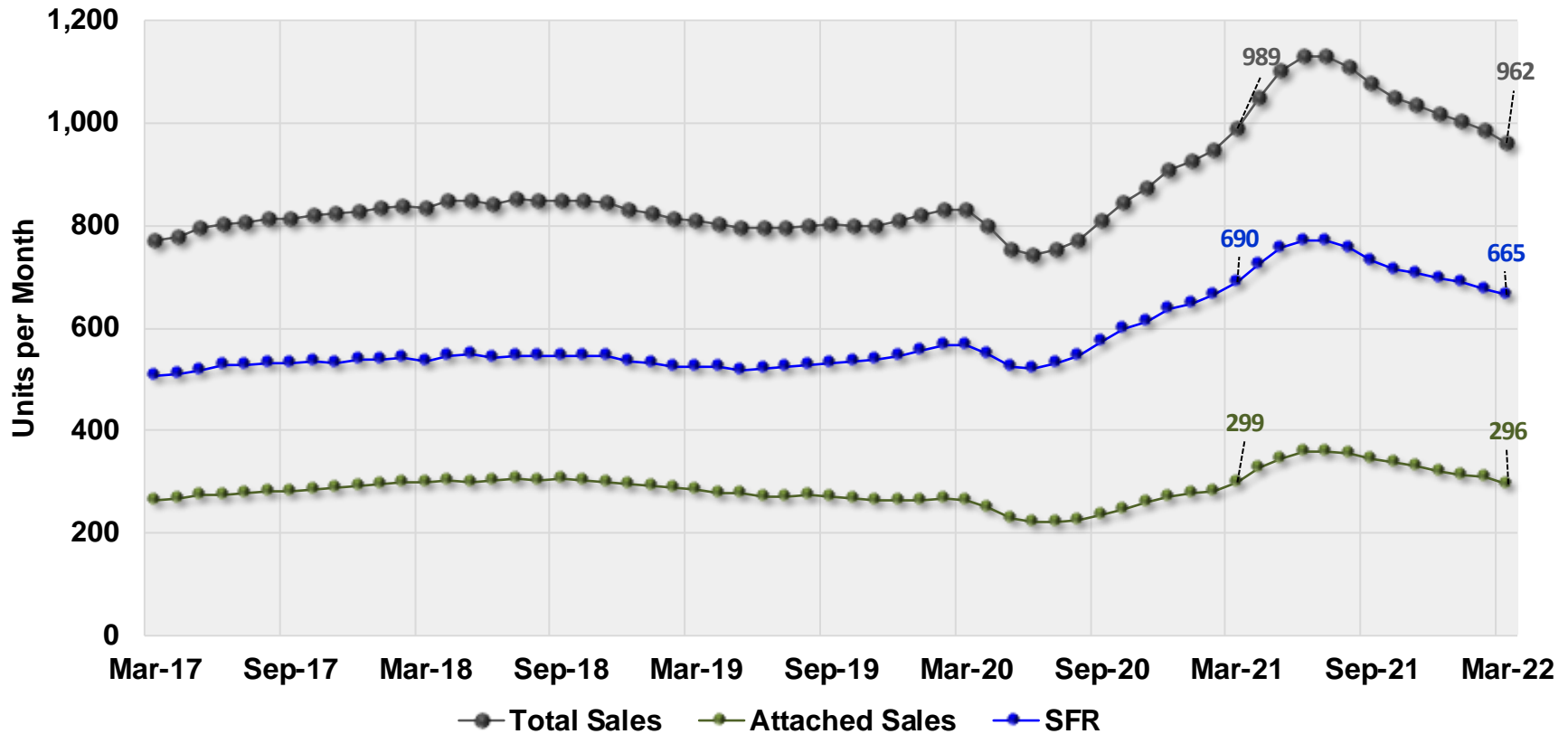


Monthly Sales – 3-month trailing avg.

Three-month total sales in March averaged 910 units a month, which is 19% less than the 1,129 units last March. While below the peak sales levels of last year, March sales continued to average significantly above pre-pandemic March averages. This shows that, while inventory remains tight, buyer demand for housing in the Coachella Valley remains strong.

Detached, Attached and Total Sales

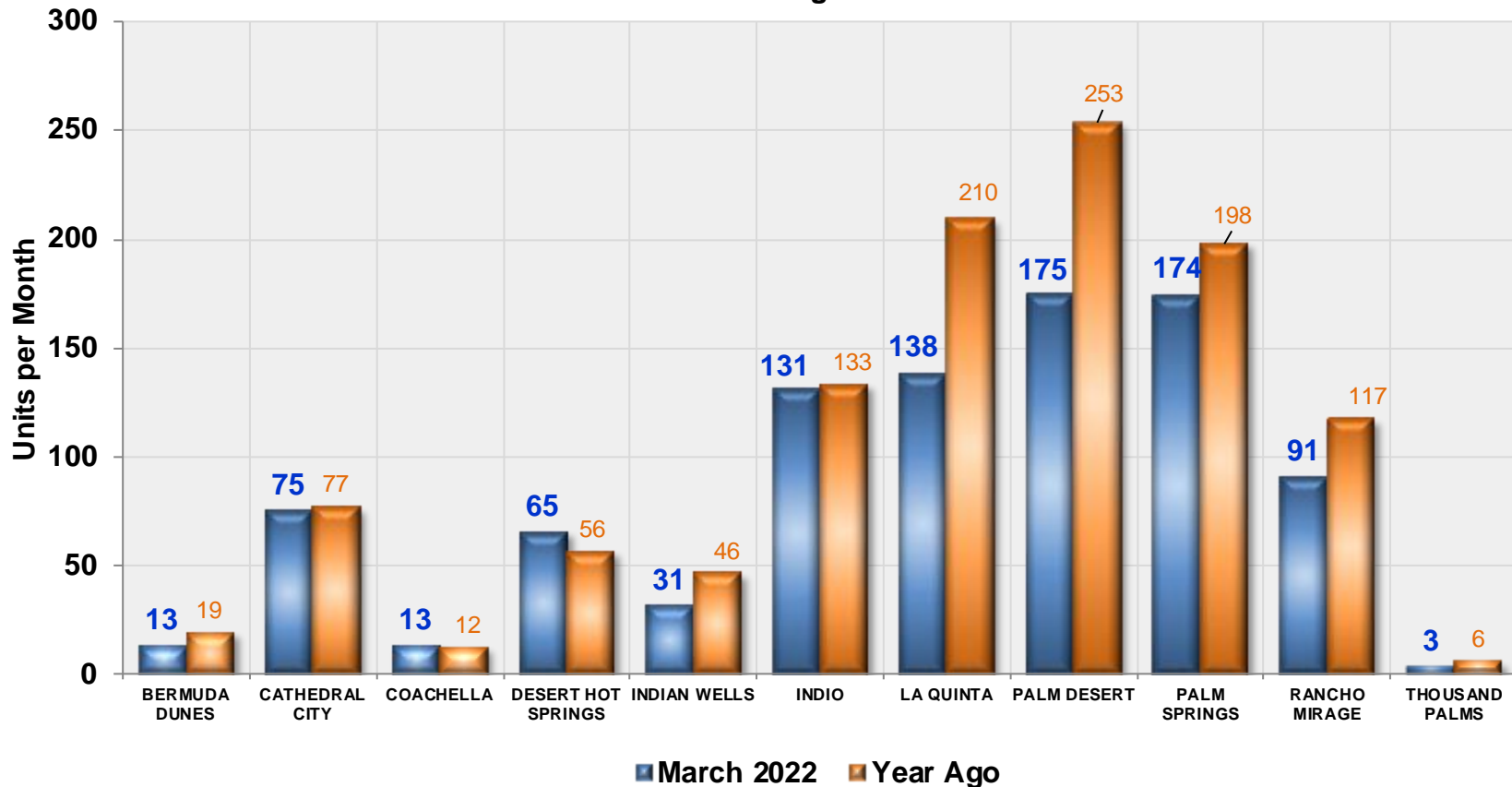
12 month moving average



Monthly Sales – 12-month trailing avg.

The 12-month average of sales, which takes out all seasonality, shows total sales in March averaged 962 units a month, which is 2.7% below last year. Sales of detached homes are down 3.6%, while those of attached homes are almost unchanged. We expect long term sales to continue to retreat from the June highs of last year because of supply restrictions due to low inventory.

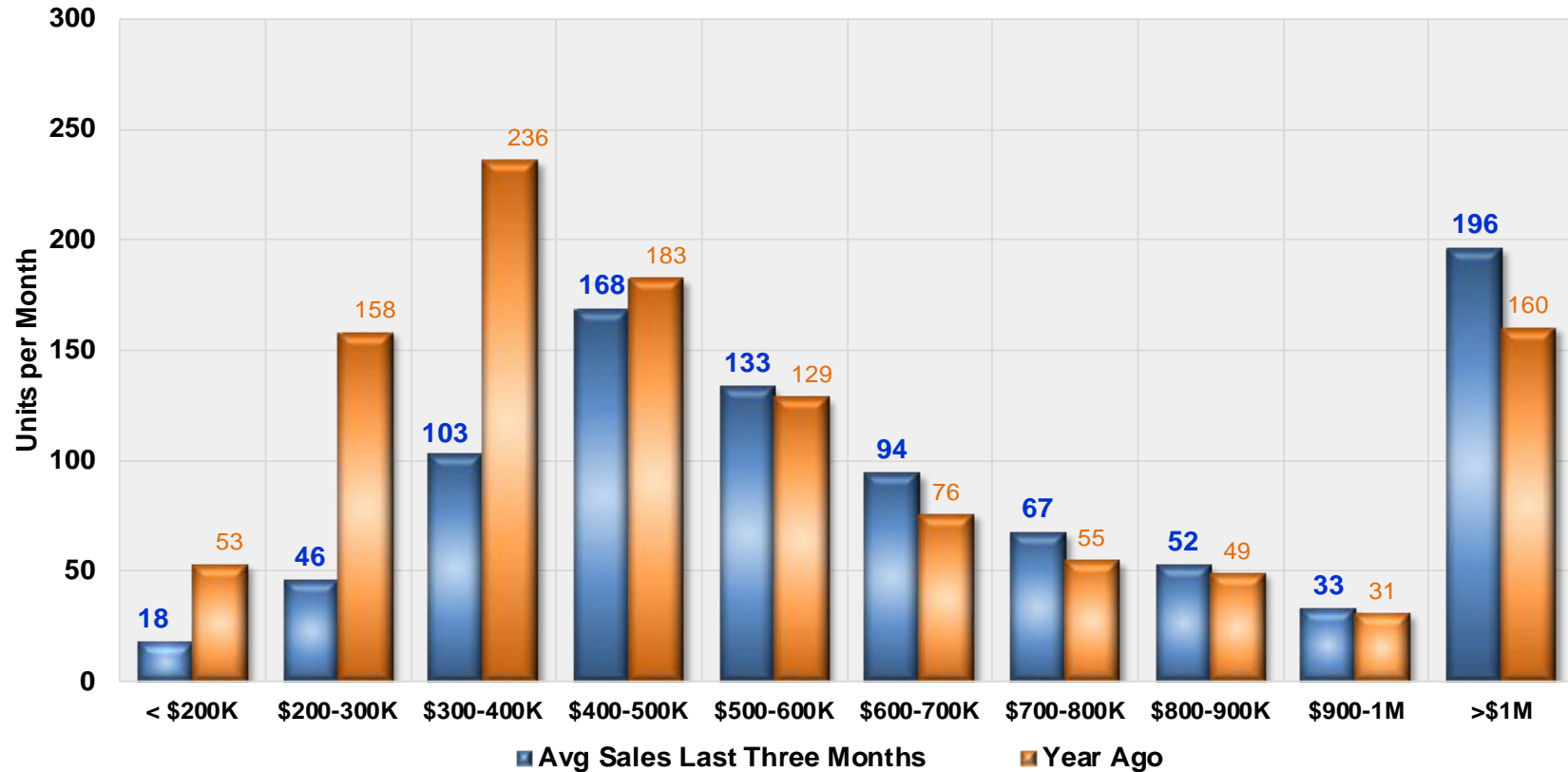
Home Sales by City 3 month avg sales



Home Sales by City

We find that the largest decline in sales continues to be in the four major resort cities – La Quinta, Palm Desert, Palm Springs and Rancho Mirage. The cities that are classified primarily as “work force” cities – Cathedral City, Desert Hot Springs and Indio – continue to show sales comparable to last year.

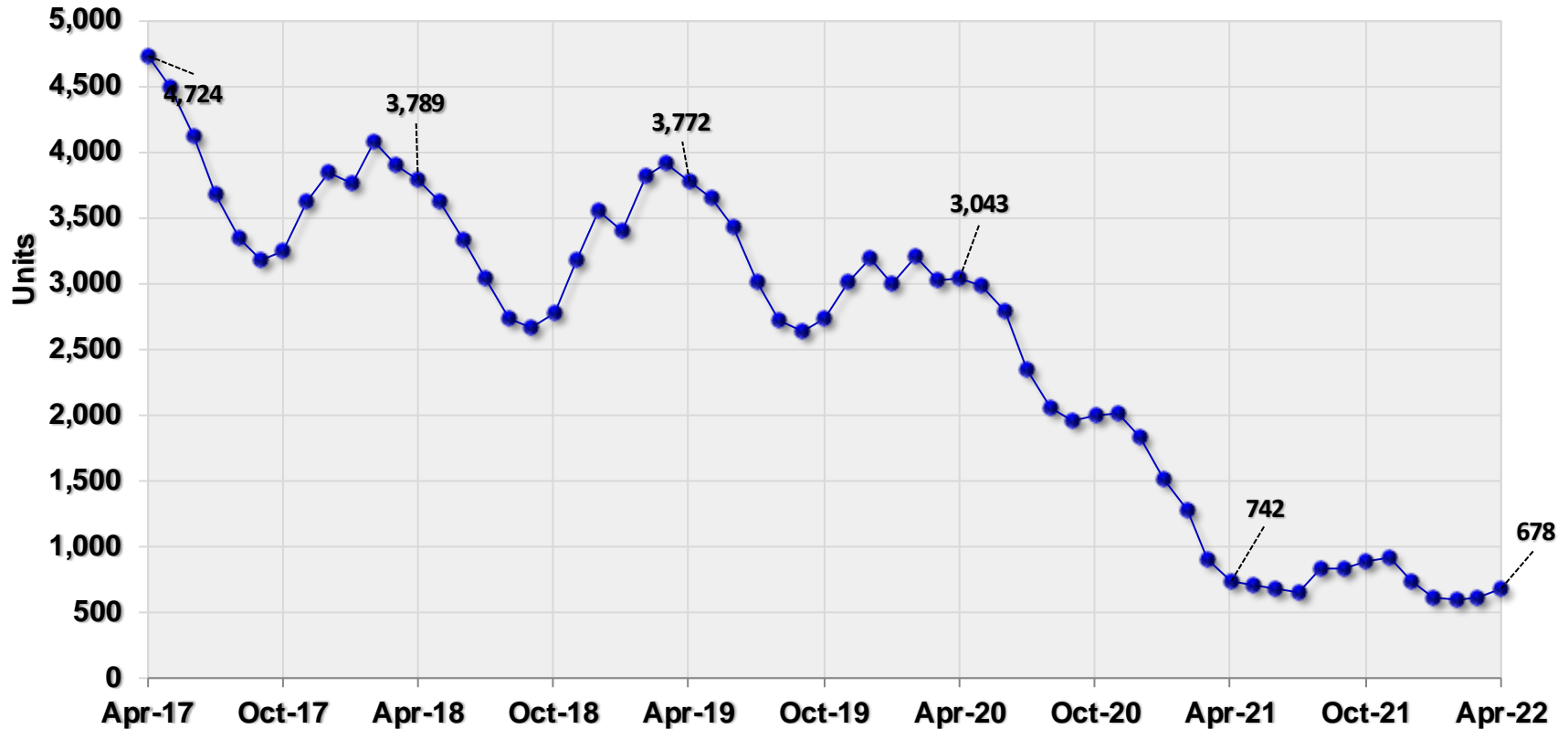
Home Sales by Price Range 3 mos avg



Home Sales by Price Range

The graph shows a significant decline in sales of homes priced under \$400,000 and a slight increase in sales of homes priced over \$500,000. Most of this increase is simply due to more homes being in those higher price brackets. We currently see 196 sales of homes priced over a million dollars; two years ago, there were only 72 sales of homes priced over a million dollars. This almost three-fold increase is simply because the Valley now has three times more homes over a million dollars.

Valley Housing Inventory April 1st 2017 to April 1st 2022



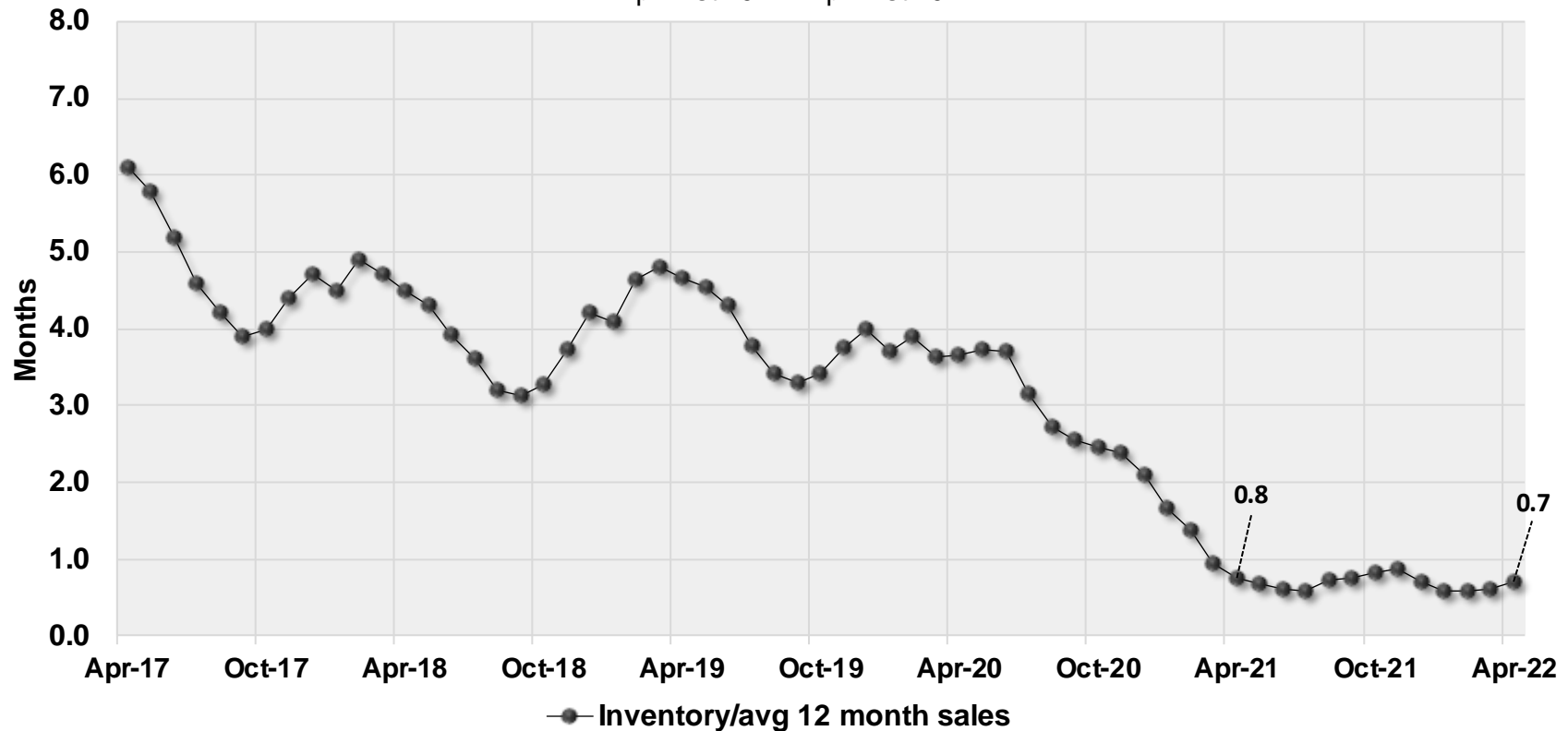
Coachella Valley Total Inventory

On April 1st Valley inventory was at 678 units. We continue to find it worrisome that there was no seasonal rise in inventory, which almost always occurs between October and April. It's worrisome because the seasonal pattern now points to even lower inventory as we move toward September. The only hope for higher inventory is a surge of new listings but with only 1,244 new listings in March, which is just an average amount, we don't see it happening yet.

"Months of Sales" Ratio

Coachella Valley

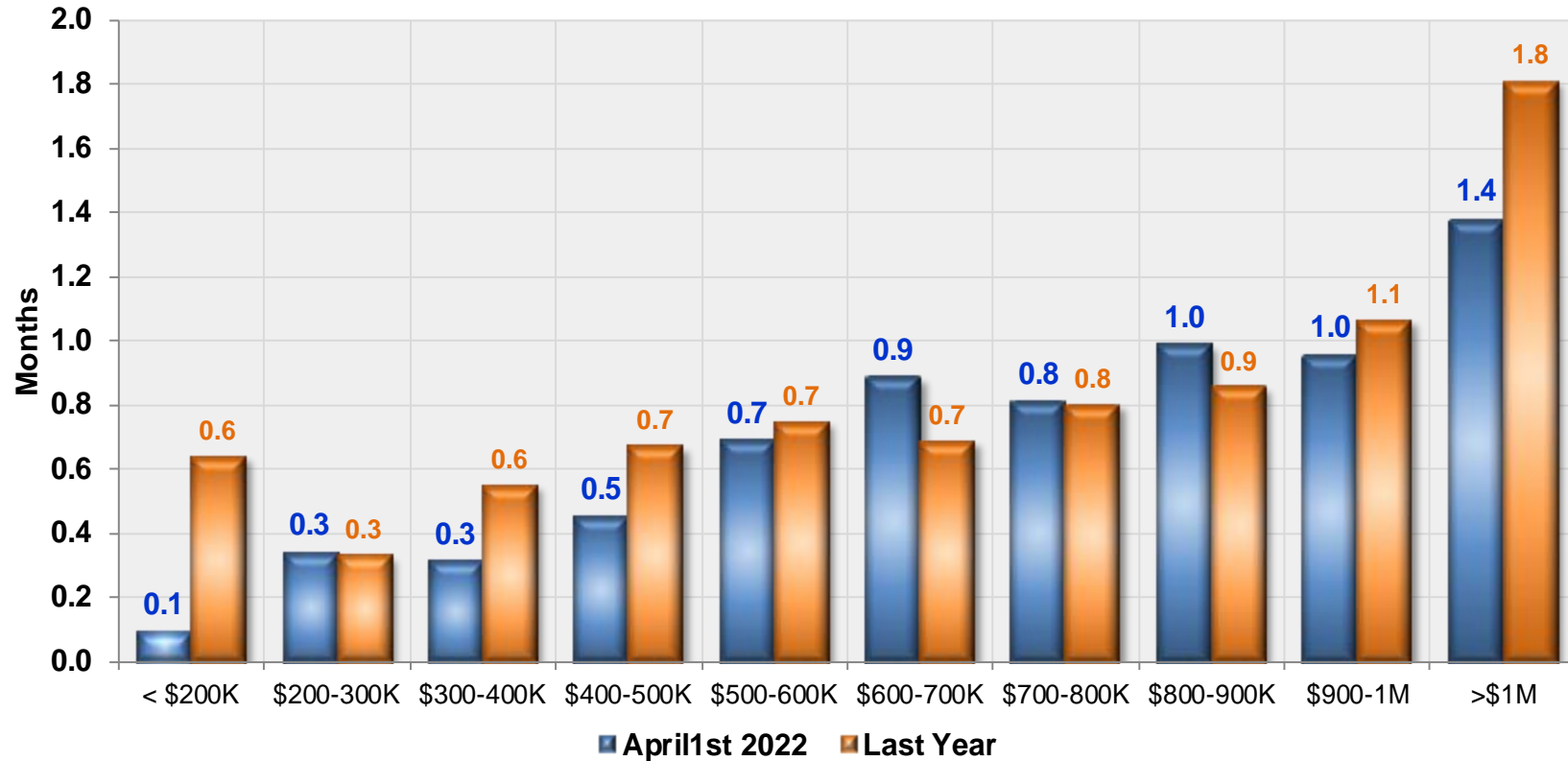
April 1st 2017 - April 1st 2022



Regional "Months of Sales" Ratio

On April 1st the "months of sales" ratio for the Valley was .7 months, just .1 month less than a year ago. These historically low ratios continue to indicate extremely low supply and moderate to strong buyer demand, which are the two ingredients for higher prices. As we've stated before, even though home prices have surged, this fundamental ratio is a strong indication that home prices will continue to trend higher.

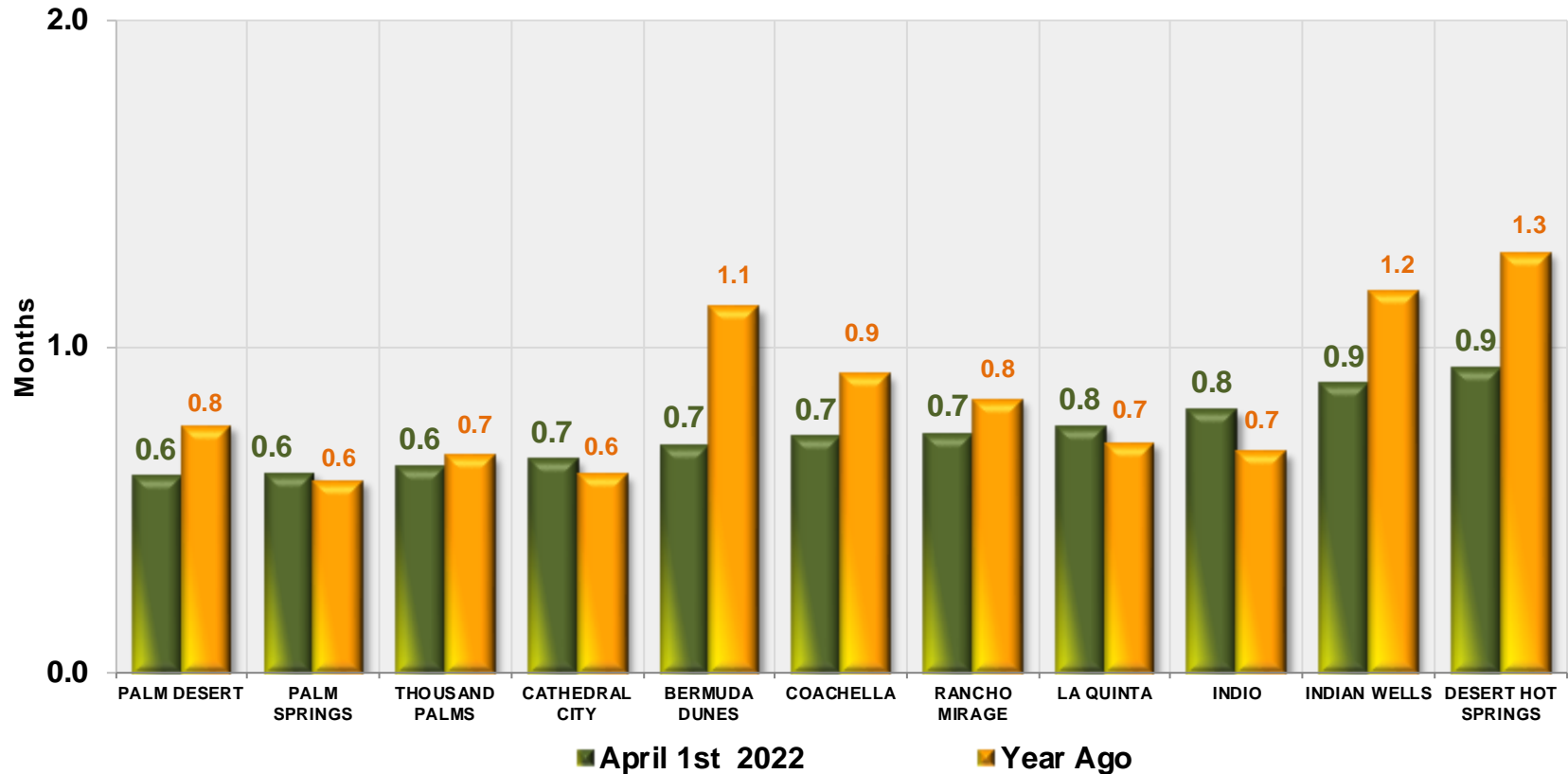
"Months of Sales" by Price Range uses avg. twelve month sales



"Months of Sales" by Price Range

This chart displays the current "months of sales" ratio by price bracket compared to last year. Blue bars are current ratios and orange bars are the ratios for last year. The ratio in every price bracket under \$600,000 is less than, or equal to, year ago levels. The ratio for homes priced from \$600,000 to \$900,000 is slightly higher than last year. For homes over \$900,000, the ratio is less.

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



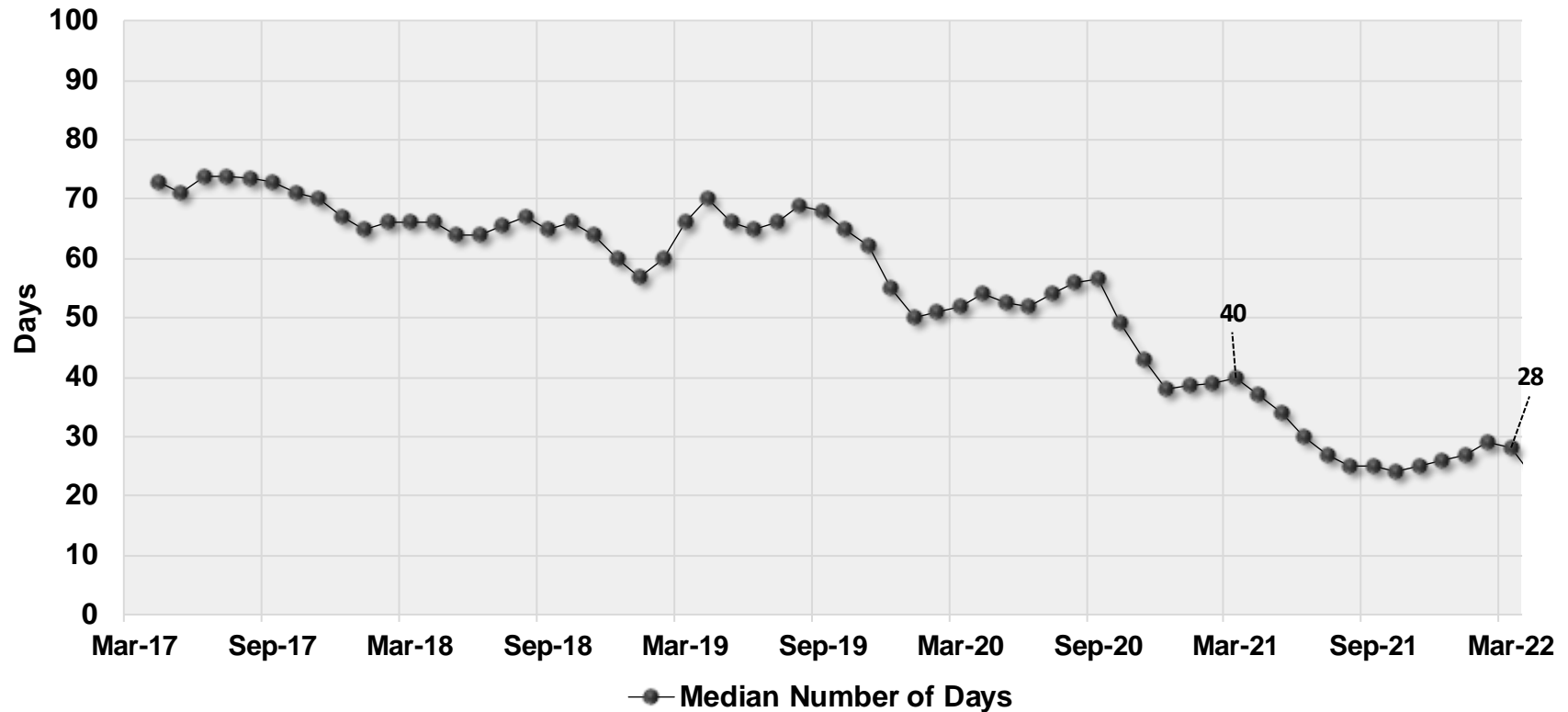
"Months of Sales" by City

This graph compares current "months of sales" ratios in each city to last year. We have sorted the cities left to right by lowest ratio. The cities with the smallest ratios are Palm Desert, Palm Springs and Thousand Palms at .6 of a month. What is particularly noteworthy is how close the ratios are in all the cities.

"Days in the Market"

Coachella Valley

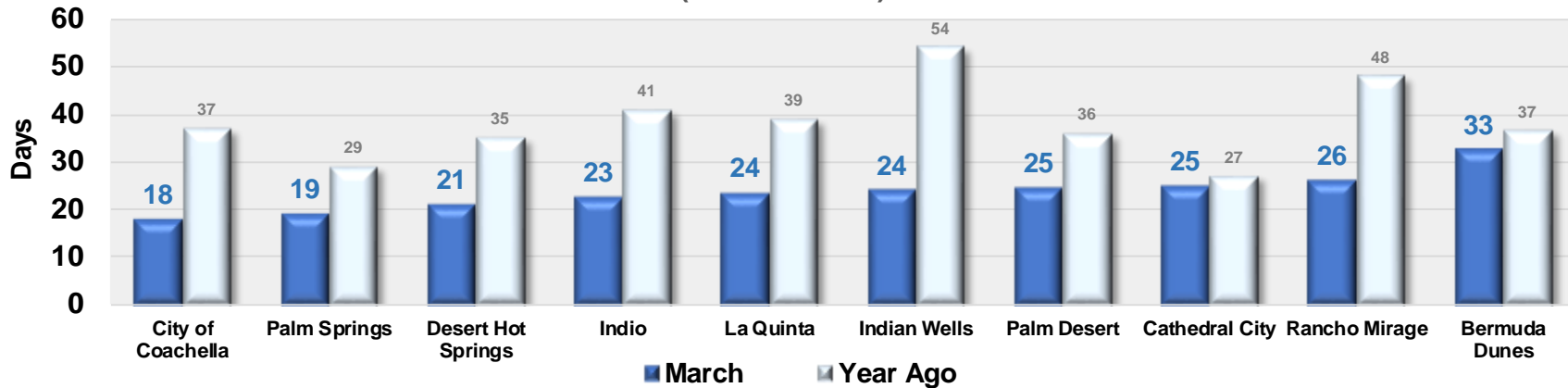
March 2017 - March 2022



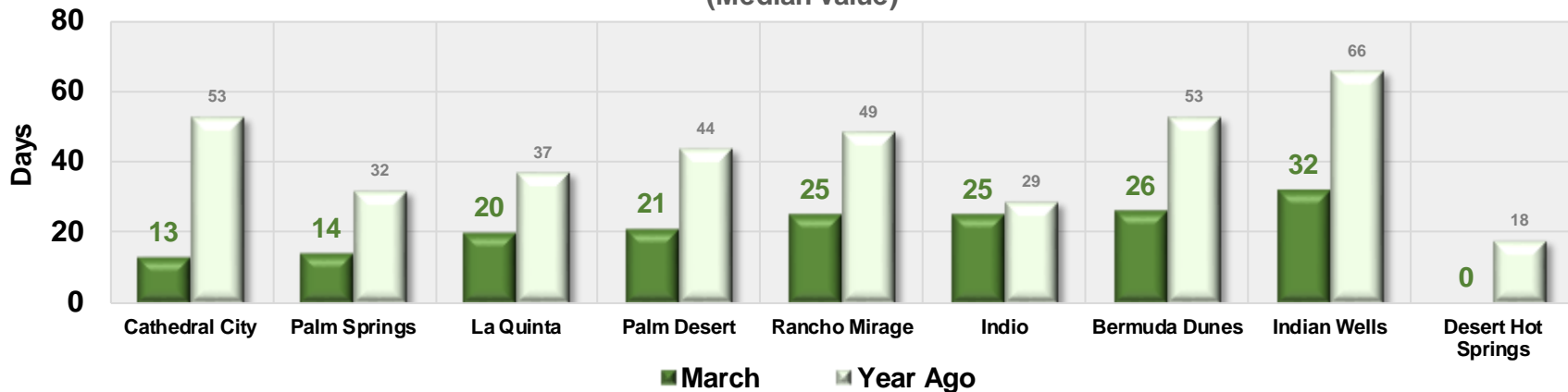
Regional "Days in the Market"

At the end of March, the median number of "days in the market" throughout the Valley was 28 days, which is one day less than last month and 12 days less than last year. As the graph clearly shows, selling times in the Valley have been hovering between 25 and 30 days for the last 10 months. With inventory remaining low and sales staying high, forces continue in place to keep selling times near current, low levels.

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



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



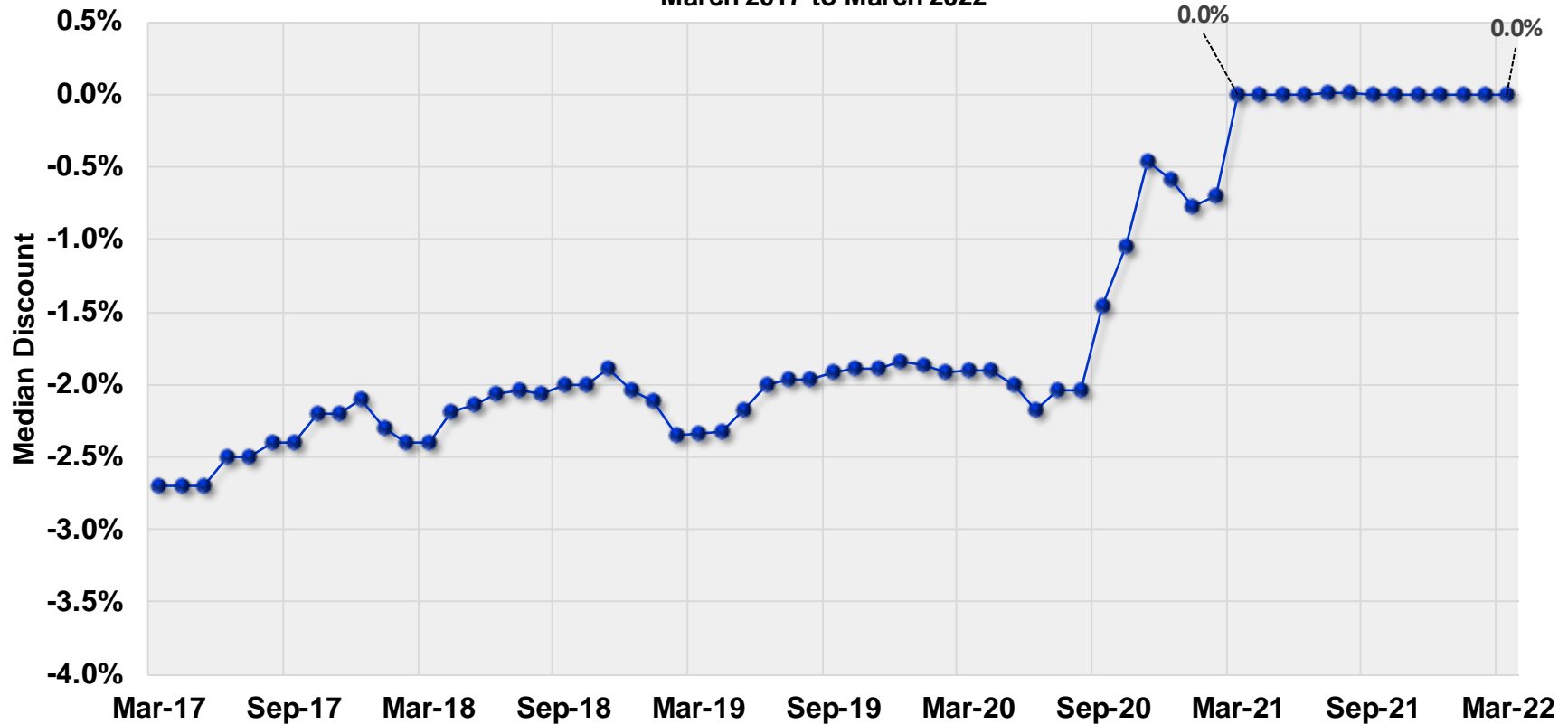
"Days in the Market"

These bar charts rank the cities left to right by the smallest number of "days in the market" for both detached and attached homes. The city of Coachella now has the lowest selling time for detached homes at just 18 days, followed by Palm Springs with 19 days. In the attached market, Cathedral City has a median selling time of 13 days, followed by Palm Springs at 14 days.

Price Discount from List

(Median Value)

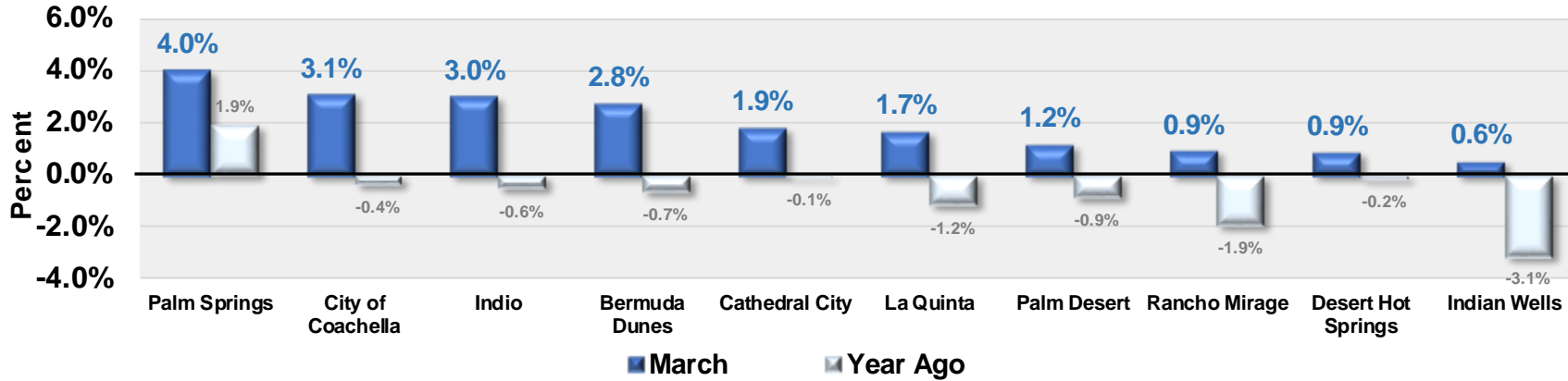
March 2017 to March 2022



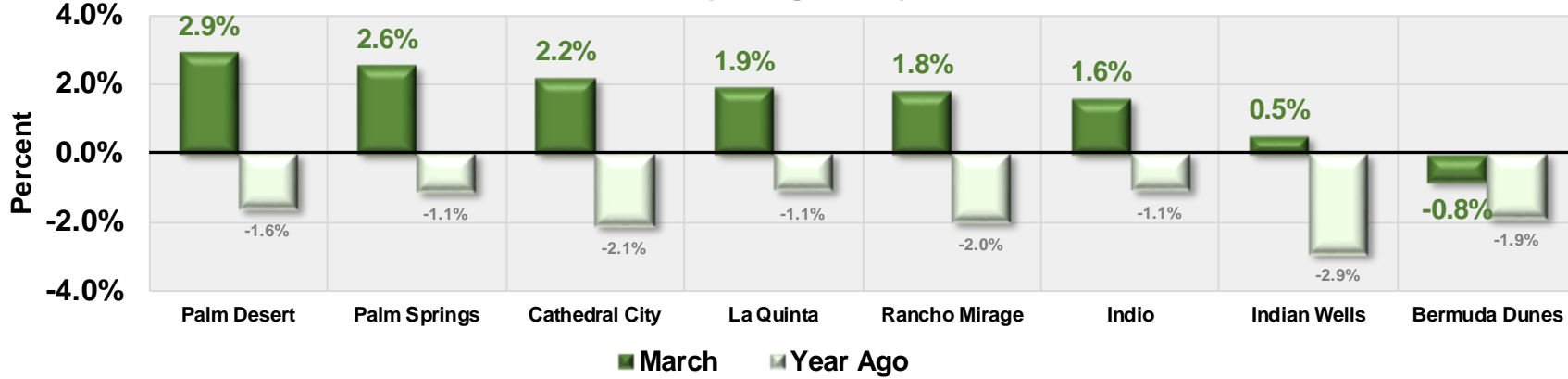
Regional Price Discount

The median value for “Sale Price Discount from List” for detached homes in March was again 0.0%, which is the same median discount it’s had for 12 months. Since so many homes are selling right at list price, the median value of all sales continues to be exactly 0.0%. A better look at the premium/discount situation throughout the Valley can be seen in the next bar chart, which uses average values in each city.

Price Discount - Detached Homes (Average Value)



Price Discount - Attached Homes (Average Value)



“Average Price Discounts”

These bar charts show the average price discount/premium for both detached and attached homes in the major cities of the Valley. We use the “average” value instead of “median” value because it’s a better metric during periods when so many homes are selling at or above list. Palm Springs continues to have the highest selling premium for detached homes at 4%, followed by the city of Coachella at 3.1%. In the attached market, Palm Desert has the highest premium at 2.9%.

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