



The Desert Housing Report

May 2021



Coachella Valley Median Detached Home Price

May 2002 - May 2021



Home prices continue to surge in the Valley with the median price of a detached home rising to \$580,000, which is 32% higher than last year. For the 11th straight month, the Valley’s median attached home price advanced. At the end of May it stood at \$359,000 compared to \$289,500 a year ago. This is an increase of 24%, which is slightly less than the increase for detached homes. At the city level median home prices continue to increase year-over-year in the nine major cities of the Valley. Gains range from 41.8% for Rancho Mirage to 8.1% in the city of Coachella.

The three-month average of total sales, which shows both the seasonality and shorter-term sales trends, continues to hit all-time highs. In May total sales hit an all-time high and were averaging almost 1,300 sales a month over the last three months. Two thirds of all sales were single-family residences and one third were attached homes.

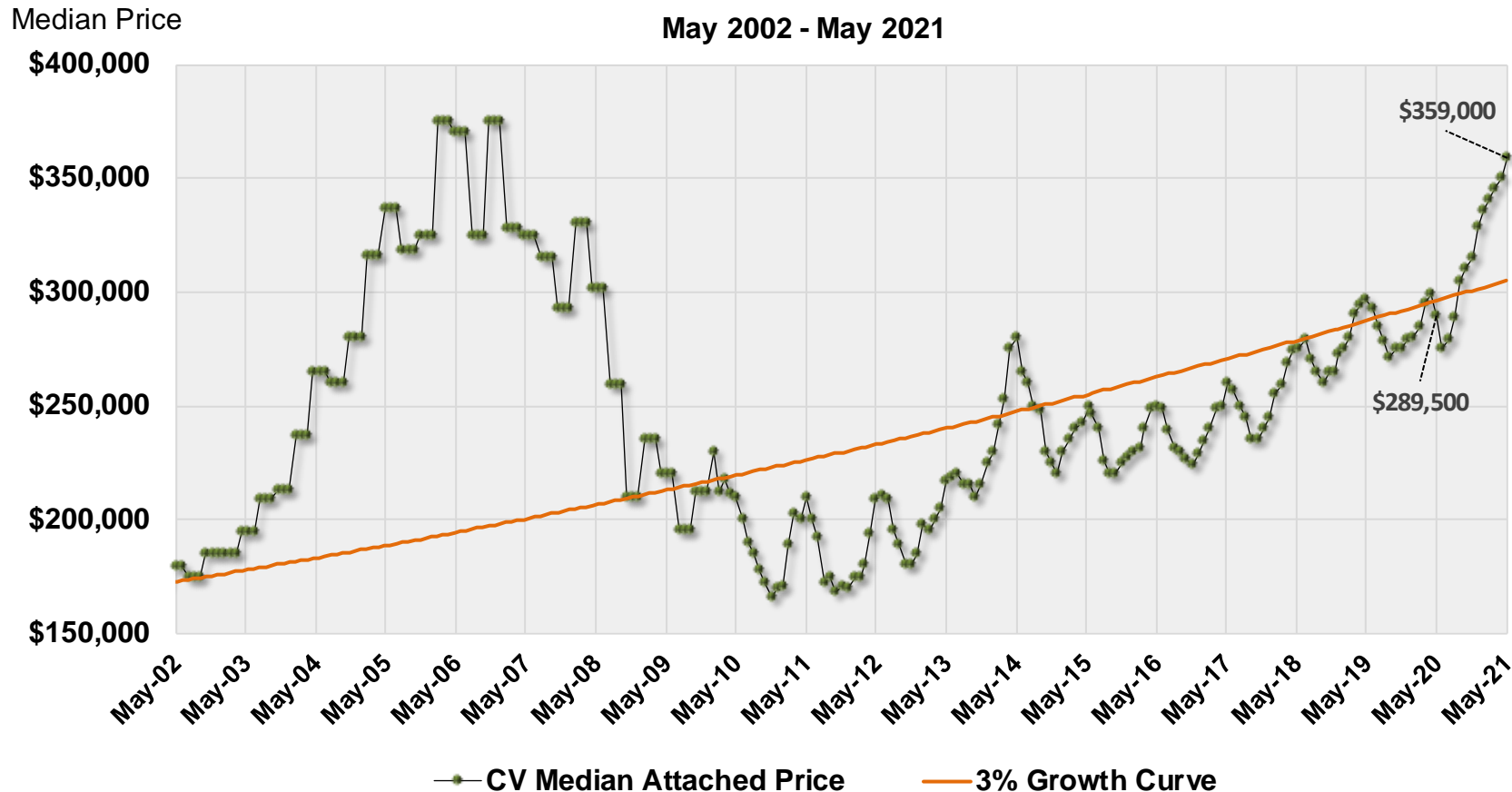
On June 1st there were 682 units for sale compared to 2,793 units on June 1st of last year. This lack of supply continues to draw home prices higher. Since sales remain high and inventory remains low at just under 700 units, the month of sales ratio is now at 6/10 of a month.

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Coachella Valley Median Attached Price

May 2002 - May 2021



Coachella Valley Attached Median Price

For the 11th straight month, the Valley's median attached home price advanced. At the end of May it stood at \$359,000 compared to \$289,500 a year ago. This is an increase of 24%, which is slightly less than the increase for detached homes. It is clear from the chart that we have reached an important moment time wise. Historically the three-month average of median prices peaked in May and declined about 10% over the following four or five months. It remains to be seen whether this unusually strong housing market continues to follow the seasonal pattern.



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Detached Homes

City	May-21	Year Ago	12 mo change	2011 Low	Gain off 2011 Low	2006 High	% from High
Rancho Mirage	\$899,000	\$634,000	41.8%	\$423,000	112.5%	\$950,000	-5.4%
Palm Springs	\$935,000	\$705,063	32.6%	\$335,000	179.1%	\$600,000	55.8%
Indian Wells	\$1,250,000	\$948,000	31.9%	\$540,000	131.5%	\$1,205,000	3.7%
Indio	\$439,950	\$340,000	29.4%	\$158,500	177.6%	\$380,500	15.6%
Palm Desert	\$575,000	\$449,000	28.1%	\$287,000	100.3%	\$543,000	5.9%
Desert Hot Springs	\$317,000	\$250,000	26.8%	\$85,000	272.9%	\$295,000	7.5%
La Quinta	\$718,500	\$573,000	25.4%	\$245,000	193.3%	\$682,020	5.3%
Cathedral City	\$443,700	\$375,000	18.3%	\$139,000	219.2%	\$395,000	12.3%
City of Coachella	\$308,000	\$285,000	8.1%	\$121,950	152.6%	\$335,000	-8.1%

Attached Homes

City	May-21	Year Ago	12 Month Change	2011 Low	Gain off 2011 Low	2006 High	% from High
La Quinta	\$472,000	\$361,750	30.5%	\$265,000	78.1%	\$532,500	-11.4%
Rancho Mirage	\$402,000	\$308,657	30.2%	\$260,000	54.6%	\$510,000	-21.2%
Indian Wells	\$510,000	\$415,000	22.9%	\$321,500	58.6%	\$557,500	-8.5%
Palm Desert	\$374,900	\$319,945	17.2%	\$175,000	114.2%	\$410,000	-8.6%
Cathedral City	\$207,000	\$180,000	15.0%	\$107,500	92.6%	\$270,500	-23.5%
Palm Springs	\$320,500	\$281,500	13.9%	\$150,000	113.7%	\$350,000	-8.4%
Indio	\$227,900	\$205,500	10.9%	\$75,000	203.9%	\$279,000	-18.3%
Desert Hot Springs	N/A	N/A	N/A	N/A	N/A	N/A	N/A
City of Coachella	N/A	N/A	N/A	N/A	N/A	N/A	N/A

12 Month Change in City Median Prices

At the city level median home prices continue to increase year-over-year in the nine major cities of the Valley. Gains range from 41.8% for Rancho Mirage to 8.1% in the city of Coachella. Seven cities have gains for detached homes over 25%. Prices for detached homes in every city except Rancho Mirage and Coachella now exceed the historic highs made during the housing boom of 2004 to 2006. Gains in attached home prices range from 30.5% for La Quinta down to 10.9% for Indio.



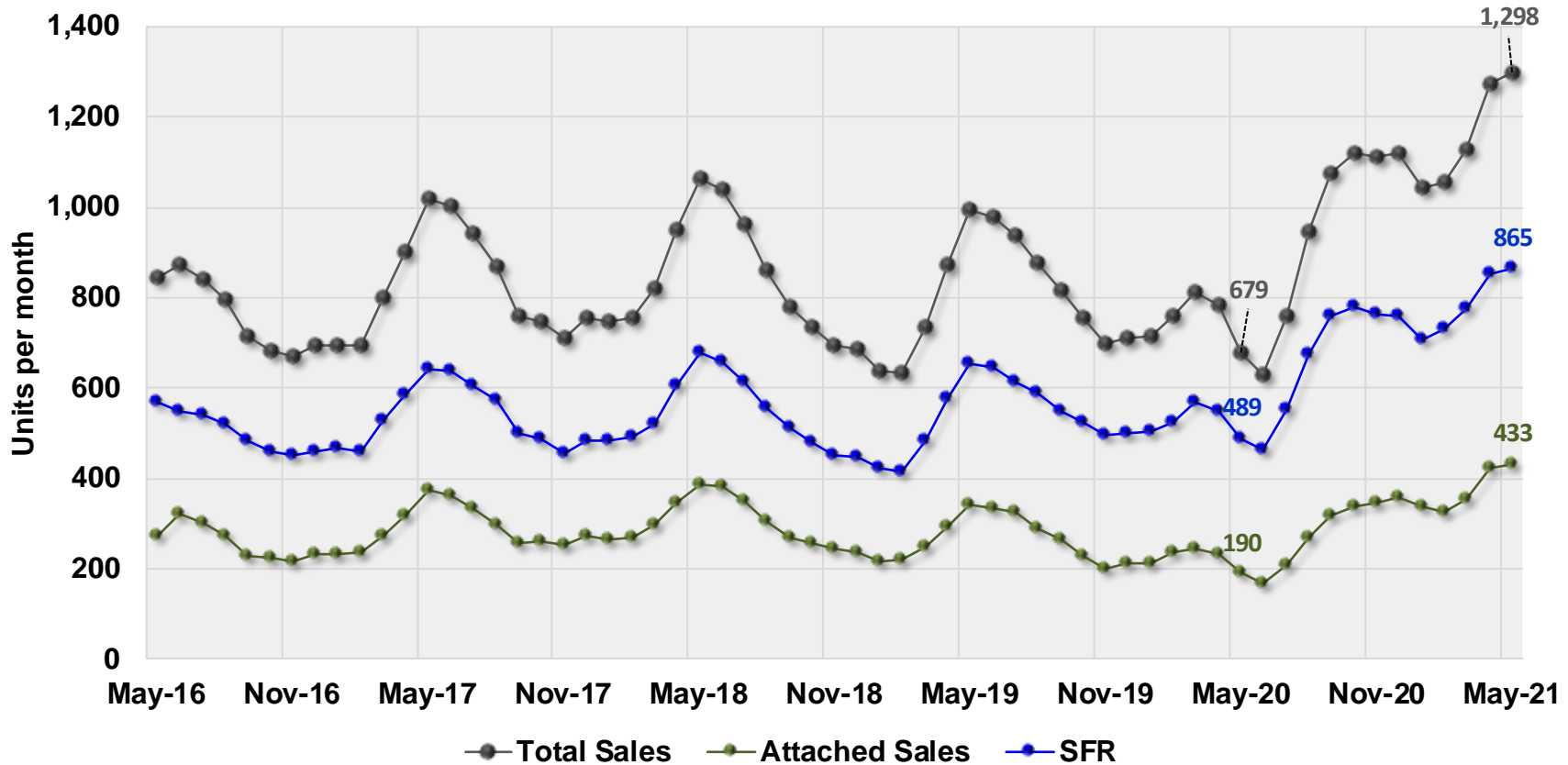
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Detached, Attached and Total Sales

3 month moving average



Monthly Sales – 3-month trailing avg.

The three-month average of total sales, which shows both the seasonality and shorter-term sales trends, continues to hit all-time highs. In May total sales averaged almost 1,300 sales a month. Two thirds of these sales were single-family residences and one third were attached homes. Sales historically reach their peak in May, so we expect these numbers to reduce somewhat as we go into the summer months.



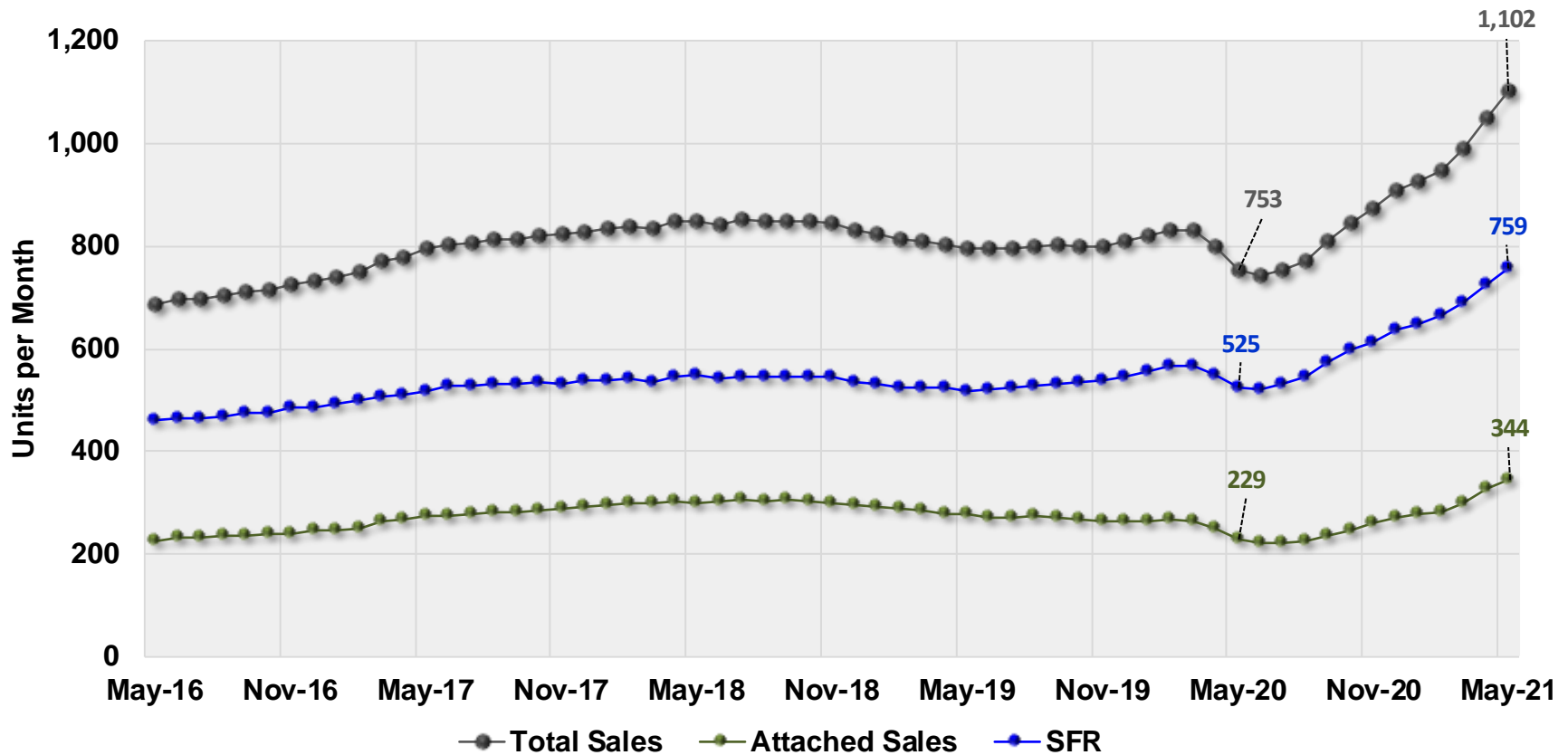
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Detached, Attached and Total Sales

12 month moving average



Monthly Sales – 12-month trailing avg.

This chart, which displays average monthly sales over the last 12 months, takes out all seasonality and shows the long-term trend of sales. It clearly shows that following the three month decline in sales at the start of the pandemic, sales numbers have been surging for the entire year. Over the last 12 months sales have been averaging slightly more than 1,100 units a month.

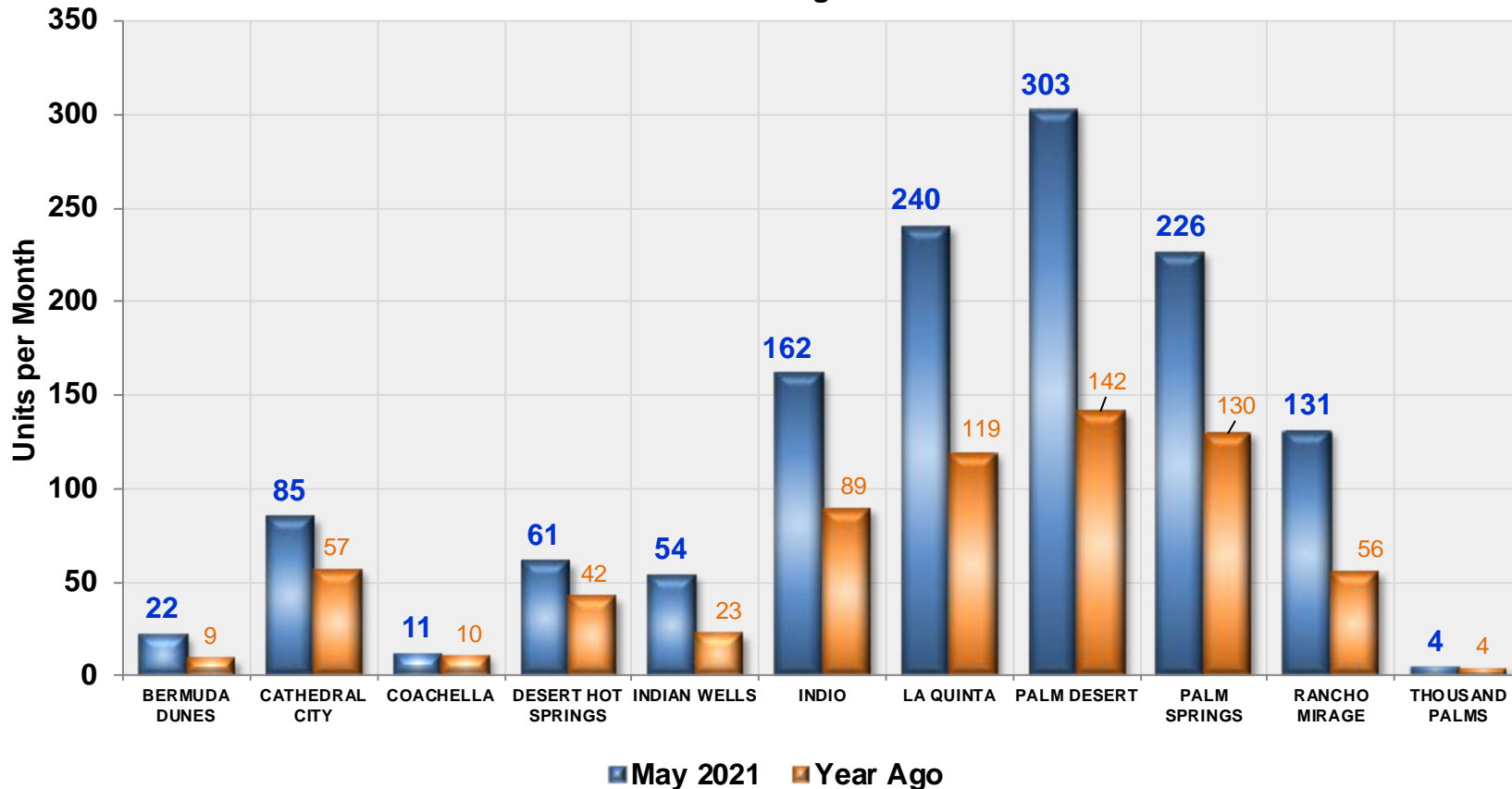


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Home Sales by City 3 month avg sales



Home Sales by City

Every city shows an increase in average sales compared to last year. The largest increases continue to be in the resort cities with milder increases in the residential areas. The chart clearly shows that the largest sales increases are in the cities of Palm Desert and La Quinta. Rancho Mirage has the largest percentage sales increase of 133%.

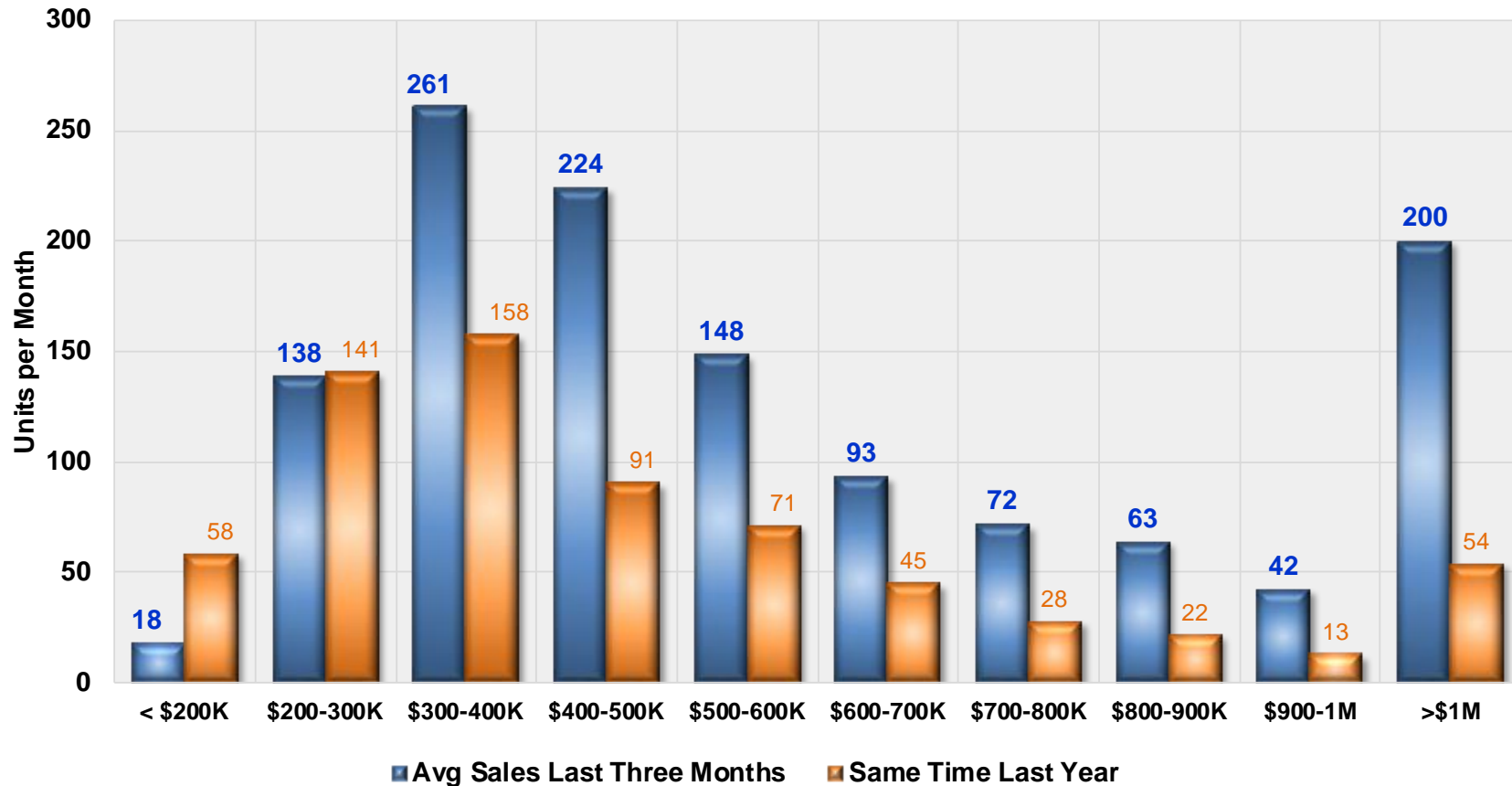


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Home Sales by Price Range 3 mos avg



Home Sales by Price Range

When we measure sales in the different price brackets, we continue to find the largest sales increases in the middle to higher price brackets. Sales of homes under \$300,000 continue to remain low there are fewer homes in these brackets due to the large price increases. Sales of million-dollar plus homes continue to amaze with sales averaging 200 units a month compared to just 54 units a year ago.

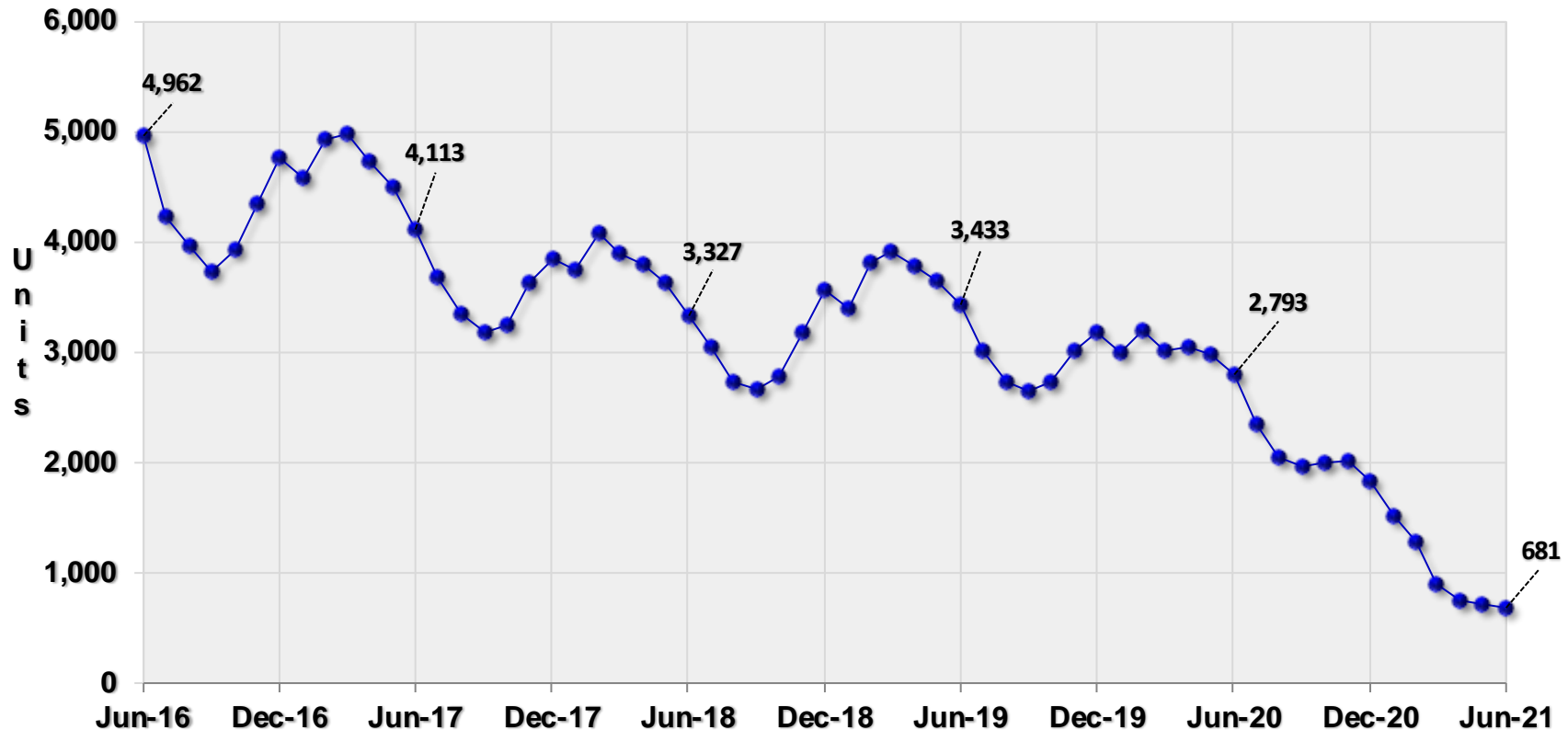


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Valley Housing Inventory June 1st 2016 to June 1st 2021



Coachella Valley Inventory

Despite the growing number of new listings, inventory continues to remain low because high sales are rapidly absorbing these listings. On June 1st there were 682 units for sale compared to 2,793 units June 1st of last year. This lack of supply continues to draw home prices higher. As the chart clearly shows we are at the seasonal point where inventory normally declines but this seems almost impossible given the already low number. We continue to believe that new listings will move above normal levels, gradually increasing inventory over the next six months to a year.



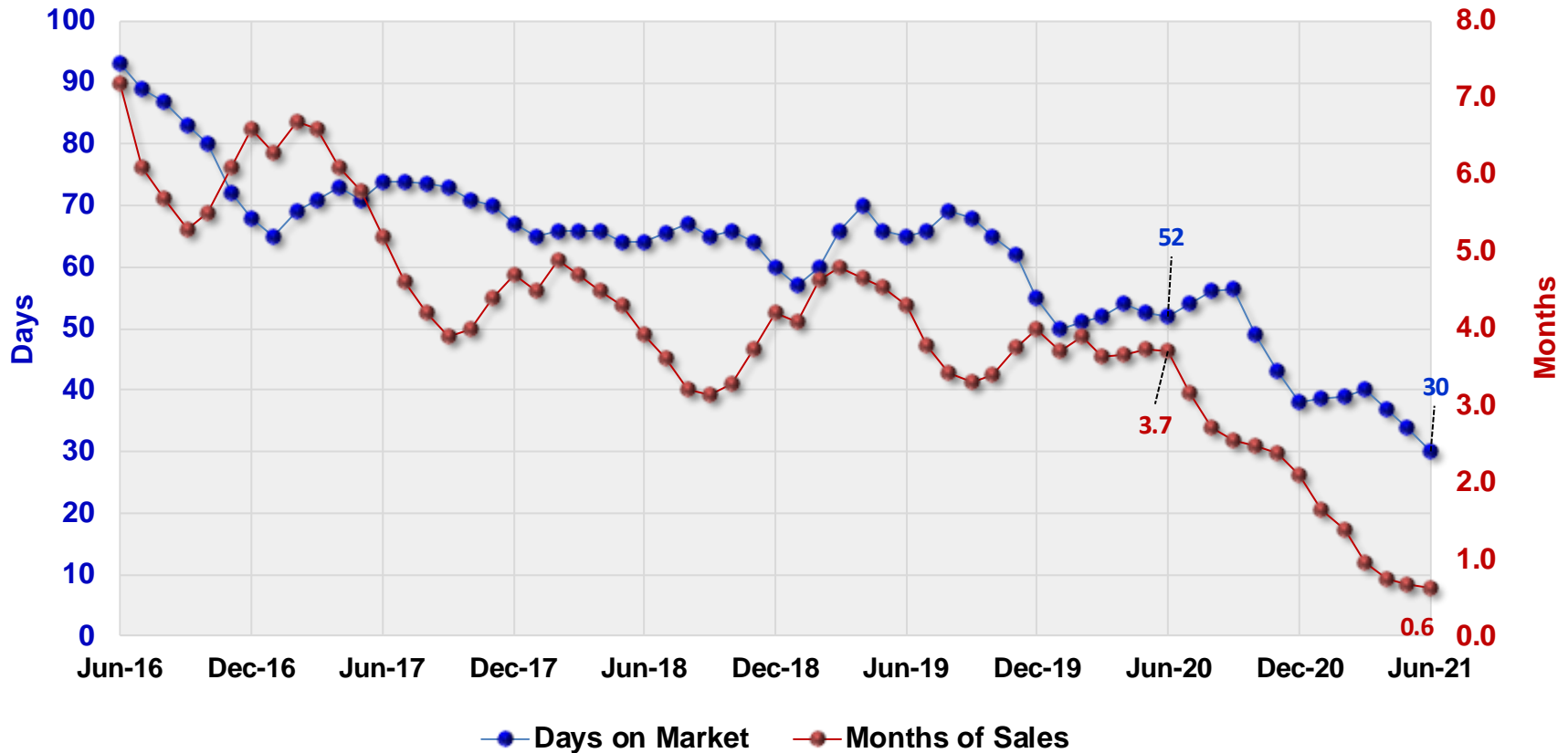
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"Days in the Market" & "Months of Sales"

June 1st 2016 - June 1st 2021



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

Since sales remain high and inventory remains low at just under 700 units, the month of sales ratio is now at 6/10 of a month. This is the lowest ratio in history and means that, at the current sales rate, inventory would be completely absorbed in two weeks. A year ago, the ratio was 3.7 months. The median value for "days in the market" in the Coachella Valley is just 30 days compared to 52 days a year ago.

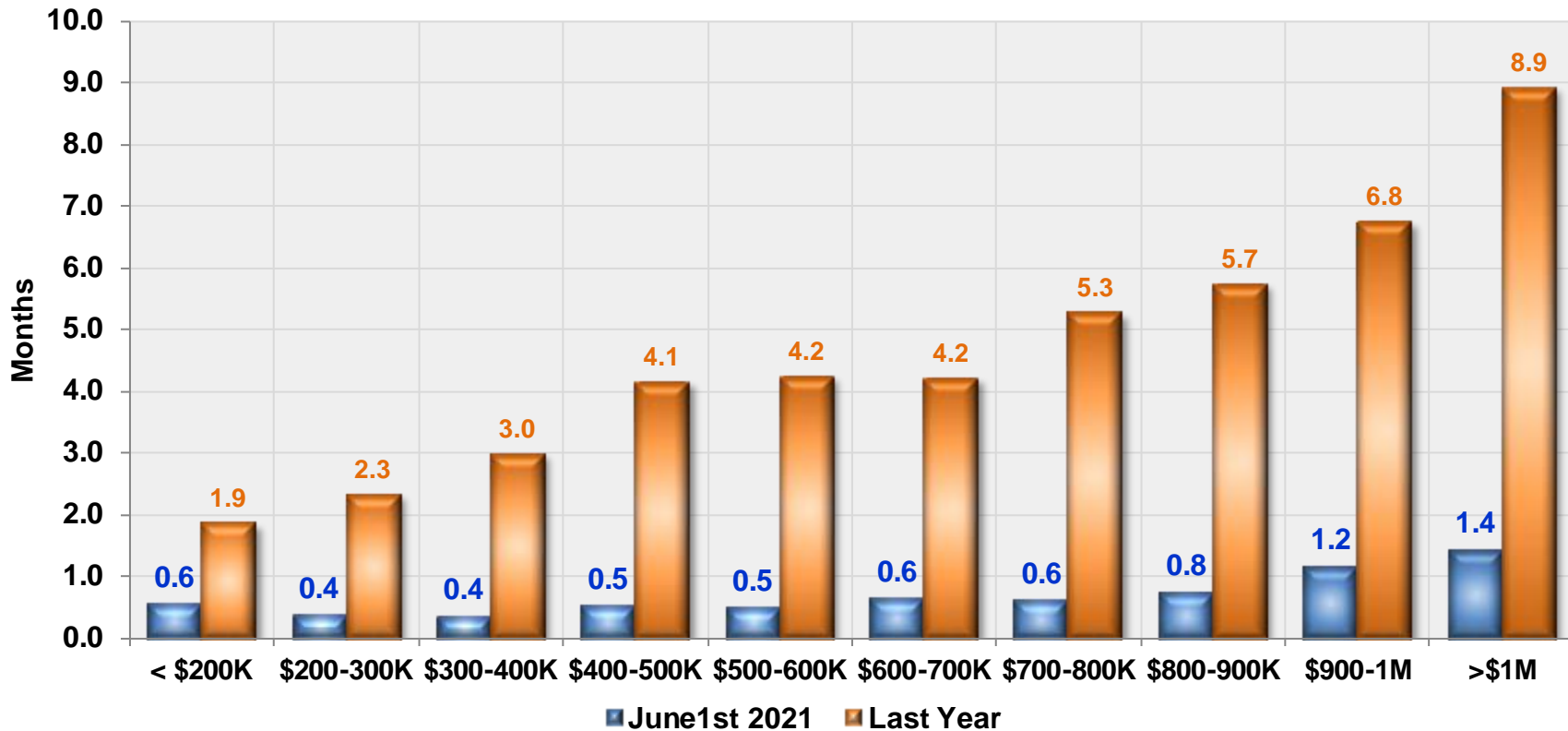


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"Months of Sales" by Price Range uses avg. twelve month sales



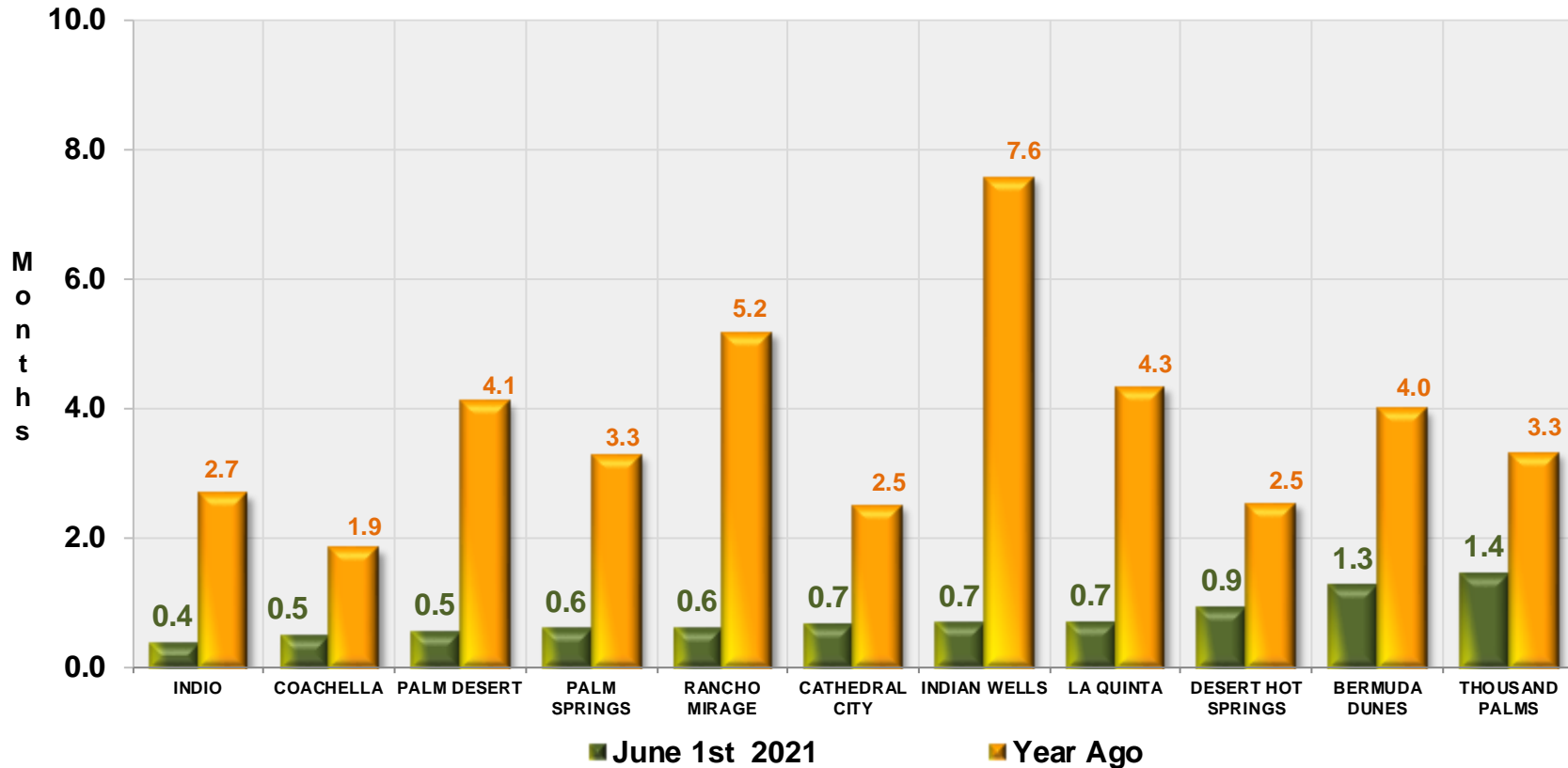
"Months of Sales" by Price Range

This chart tells the entire inventory story. It displays the month of sales ratios in different price brackets and then compares these numbers against year ago levels. It clearly shows that the ratio remains under 6/10 of a month in all price brackets under \$800,000. After \$800,000 the ratio gradually rises until it reaches 1.4 months in the million-dollar and over price bracket. This compares to 8.9 months a year ago.

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



"Months of Sales" by City

On June 1st the month of sales ratio in every major city of the Coachella Valley were under 9/10 of a month. Even Rancho Mirage and Indian Wells, which normally have high ratios, were just 6/10 of a month and 7/10 of a month respectively. These compare to 5.2 months and 7.6 months a year ago.



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Sales Price Discount from List

May 2016 to May 2021



Sale Price Discount from List

The median value for “Sale Price Discount from List” in May was 0.0%, which is the same discount it had the last three months. The reason the median price discount remains at exactly 0.0% is interesting. The median value is the middle number of all sales in the sample and in this current market more homes are selling at exactly list price than above or below it. This causes the median number to be exactly zero.



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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: All prices are the median value of sales over the last three months (except for Indian Wells, which is twelve months due to the small number of monthly sales). For example, the median price for SFR in the month of May will be the median value of all sales in March, April and May of SFRs. This longer time period reduces the amount of wide and meaningless variation that one gets taking only the last month's transactions and provides more reliable information.

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.

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.