

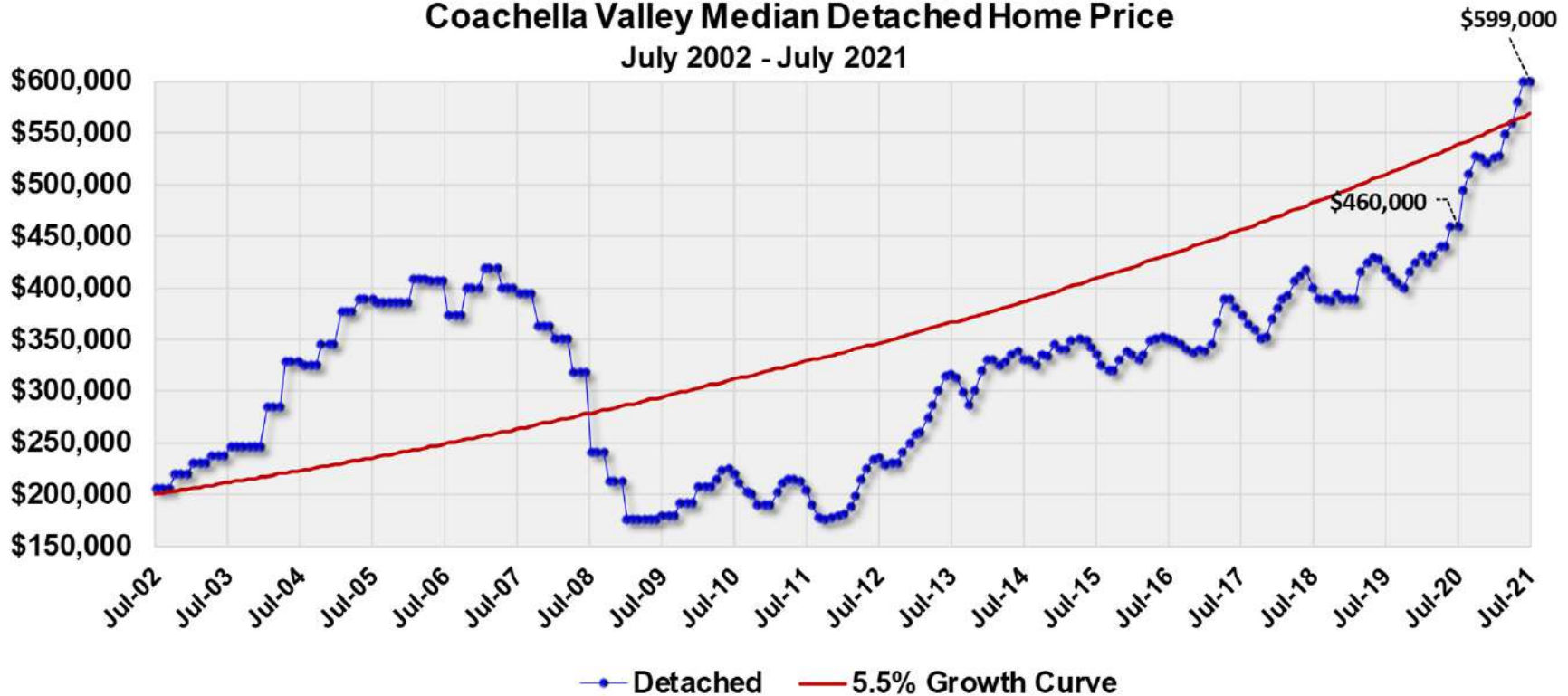


# The Desert Housing Report

July 2021



## Coachella Valley Median Detached Home Price July 2002 - July 2021



### Summary

In July, the median price of a detached home in the Valley rose to \$599,000, which is 30.2% higher than last June. The median price for attached homes in the Valley was \$383,250, up 37.3% year over year. Year over year gains in city median prices for detached homes range from 42.5% for Indian Wells to 10.2% in the city of Coachella. Four cities have price gains for detached homes over 30% – Indian Wells, Rancho Mirage, Desert Hot Springs and Indio. Four cities also have gains over 30% for attached homes – Indian Wells, La Quinta, Rancho Mirage and Palm Springs.

Total sales in July averaged 1,061 units a month, down from 1,200 units last month but still 40% above year ago levels. The largest sales increases continue to be in the cities of Palm Desert and La Quinta. The city of Rancho Mirage shows a large year over year percentage sales increase of 46%.

The median value for “days in the market” in the Coachella Valley has dropped to just 25 days. This compares to 56 days one year ago. The “months of sales” ratio at the end of July was .7 months, up slightly from last month, which was an all time low.



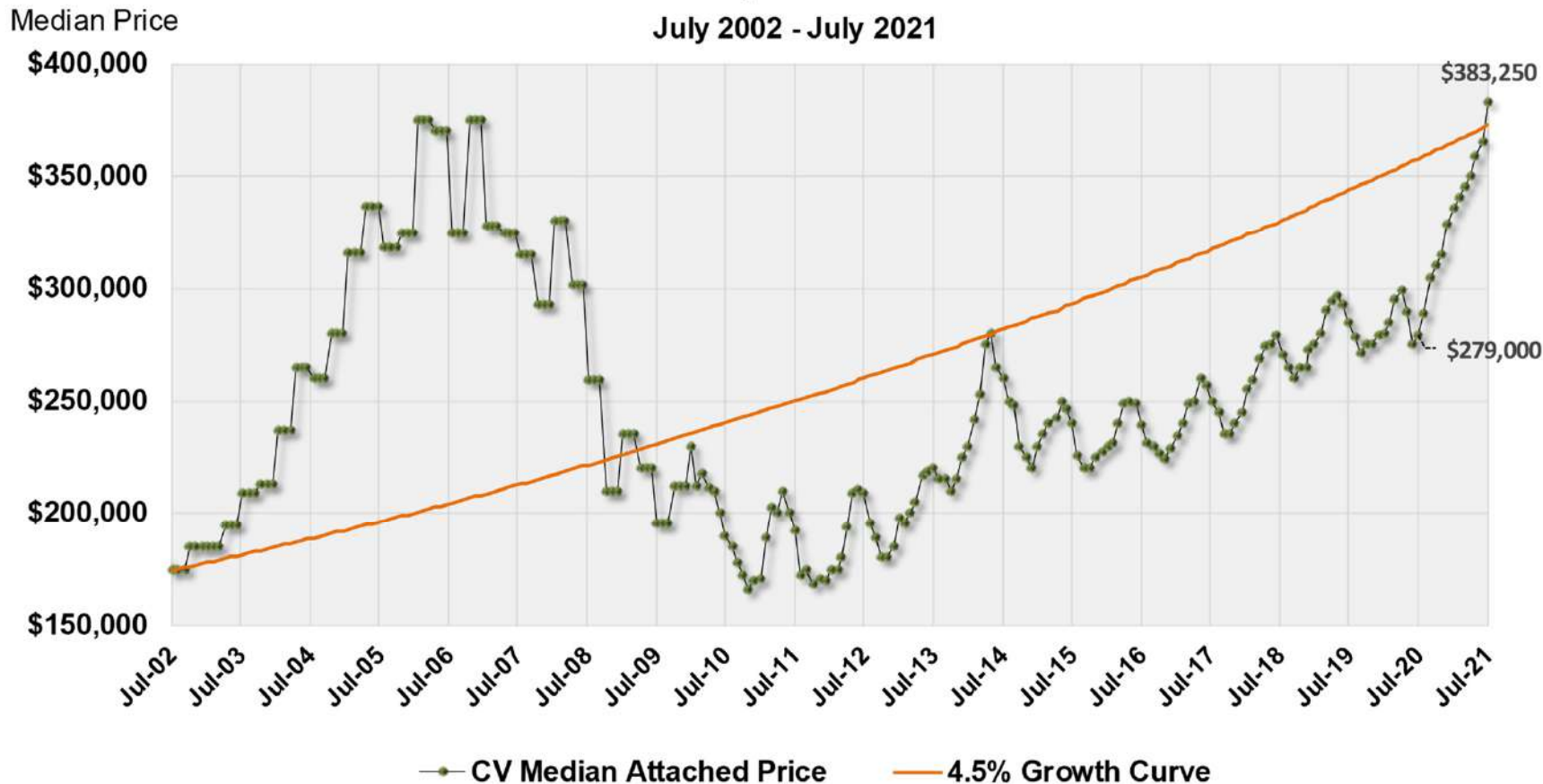
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## Coachella Valley Median Attached Price

July 2002 - July 2021



## Coachella Valley Attached Median Price

The median price for attached homes in July was \$383,250, up almost 37.3% year over year. The chart clearly shows this price surge of the last twelve months. It also shows the distinct seasonal price pattern for Valley attached homes, which invariably reach peak price in July before giving back some of the gains over the next four or five months. Again, we expect a similar pattern this year, but because of the unique situation of extreme low supply and such heavy demand, the effect this year could be very muted.



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## Detached Homes

City	Aug-21	Year Ago	12 mo change	2011 Low	Gain off 2011 Low	2006 High	% from High
Indian Wells	\$1,260,000	\$884,000	42.5%	\$540,000	133.3%	\$1,205,000	4.6%
Rancho Mirage	\$900,000	\$660,000	36.4%	\$423,000	112.8%	\$950,000	-5.3%
Desert Hot Springs	\$335,000	\$250,000	34.0%	\$85,000	294.1%	\$295,000	13.6%
Indio	\$450,000	\$340,000	32.4%	\$158,500	183.9%	\$380,500	18.3%
Palm Springs	\$924,125	\$722,500	27.9%	\$335,000	175.9%	\$600,000	54.0%
Cathedral City	\$470,000	\$375,000	25.3%	\$139,000	238.1%	\$395,000	19.0%
Palm Desert	\$590,000	\$475,000	24.2%	\$287,000	105.6%	\$543,000	8.7%
La Quinta	\$699,000	\$565,000	23.7%	\$245,000	185.3%	\$682,020	2.5%
City of Coachella	\$325,000	\$295,000	10.2%	\$121,950	166.5%	\$335,000	-3.0%

## Attached Homes

City	Aug-21	Year Ago	12 Month Change	2011 Low	Gain off 2011 Low	2006 High	% from High
Indian Wells	\$550,000	\$372,000	47.8%	\$321,500	71.1%	\$557,500	-1.3%
La Quinta	\$489,500	\$345,000	41.9%	\$265,000	84.7%	\$532,500	-8.1%
Rancho Mirage	\$444,000	\$322,500	37.7%	\$260,000	70.8%	\$510,000	-12.9%
Palm Springs	\$360,000	\$261,500	37.7%	\$150,000	140.0%	\$350,000	2.9%
Palm Desert	\$400,000	\$295,800	35.2%	\$175,000	128.6%	\$410,000	-2.4%
Indio	\$224,450	\$180,000	24.7%	\$75,000	199.3%	\$279,000	-19.6%
Cathedral City	\$229,900	\$189,500	21.3%	\$107,500	113.9%	\$270,500	-15.0%
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

Year over year gains in city median prices for detached homes range from 42.5% for Indian Wells to 10.2% in the city of Coachella. Four cities have gains over 30% for detached homes – Indian Wells, Rancho Mirage, Desert Hot Springs and Indio. This is one city less than last month. Four cities now have gains over 30% for attached homes – Indian Wells, La Quinta, Rancho Mirage and Palm Springs.



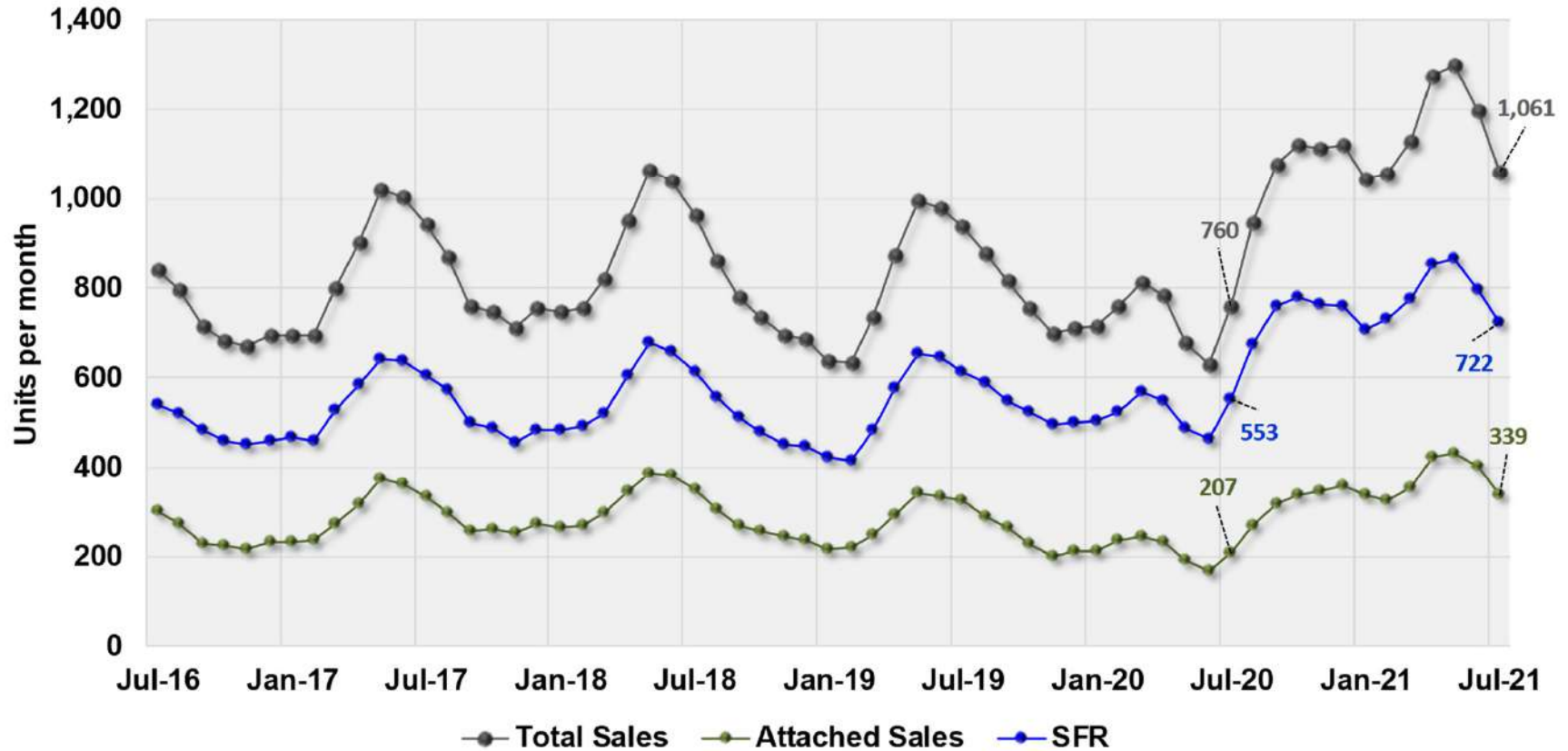
# The Desert Housing Report

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## Detached, Attached and Total Sales

3 month moving average



### Monthly Sales – 3-month trailing avg.

The fall in sales over the last two months is notable. This decline, however, appears to be the start of the normal seasonal sales decline, which as the chart shows begins around June and carries through to November. That said, total sales in July averaged 1,061 units a month, down from 1,200 units last month but 40% above year ago levels. This should change, however, when we begin comparing current sales to the sales numbers that occurred during the surge period last summer.

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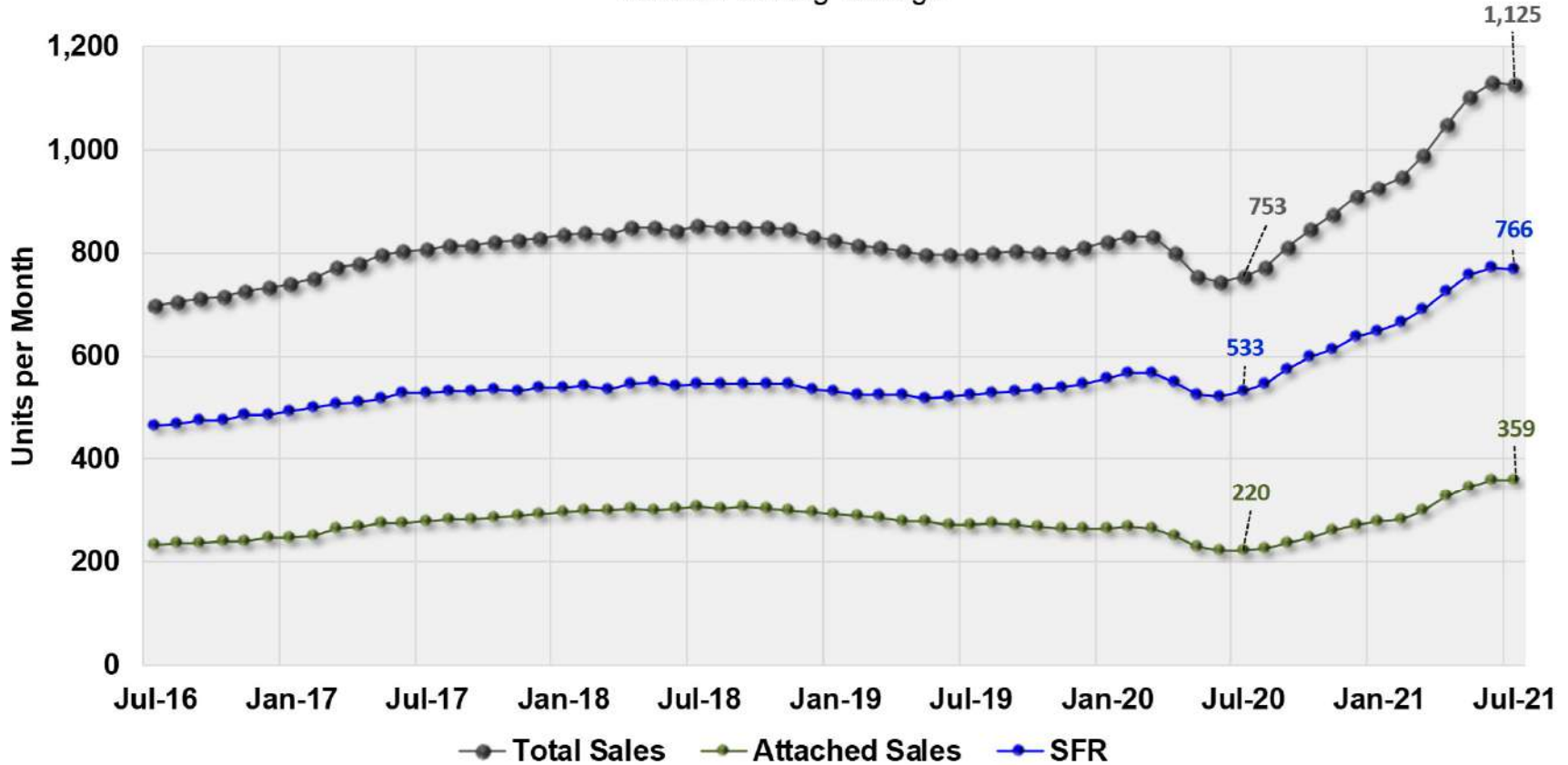
# The Desert Housing Report

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## Detached, Attached and Total Sales

12 month moving average



### Monthly Sales – 12-month trailing avg.

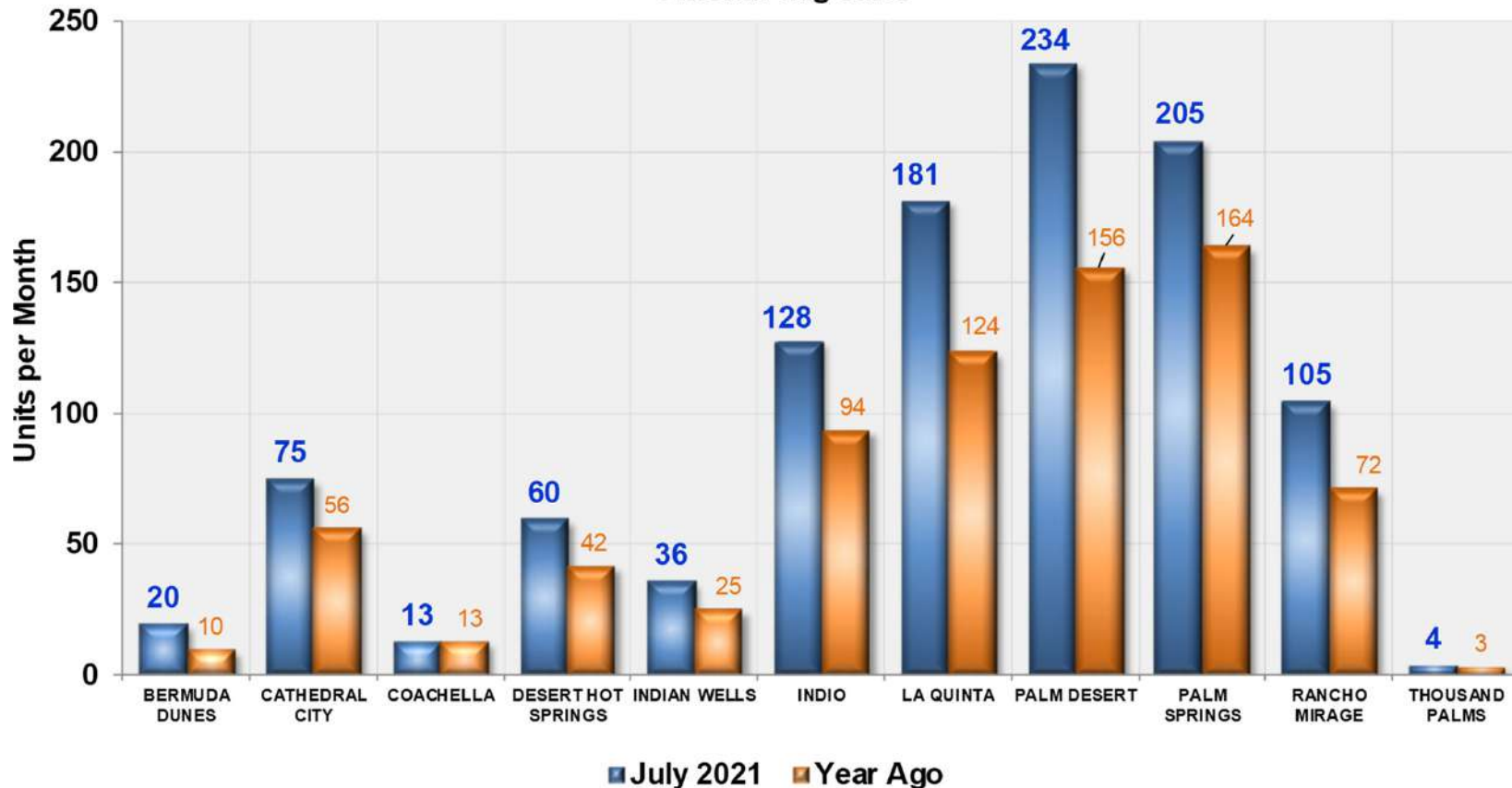
This five-year chart displays average monthly sales over the last 12 months. It takes out all seasonality and shows the long-term sales trend. It clearly shows the unexpected surge in home sales that began last July and continued up until now. Total sales are currently averaging 1,125 units a month, which is considerably higher than the 800 units it averaged for a number of years. We'll have to see if sales stay at these high levels or gradually slip back to the old norms of a few years ago.

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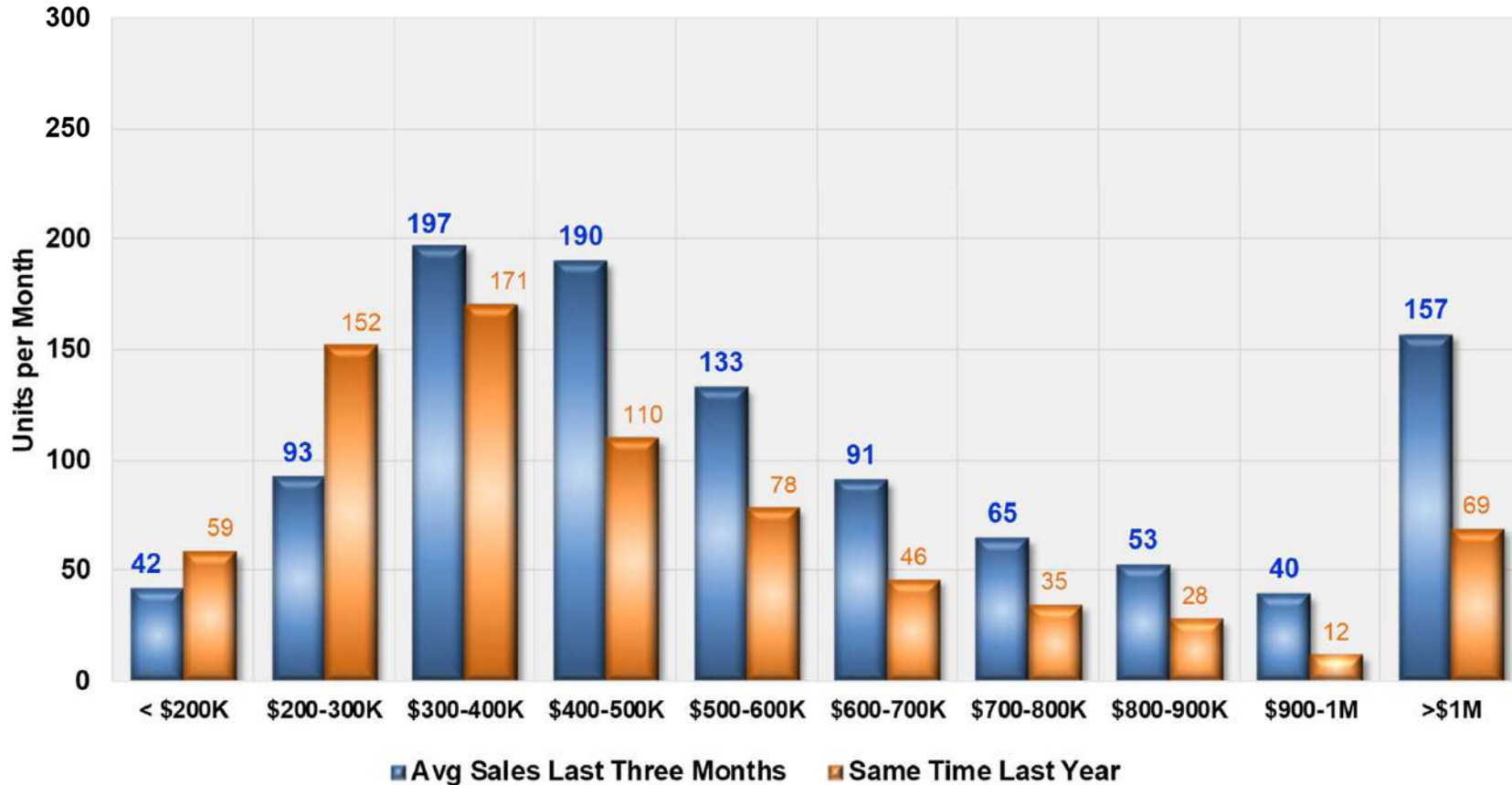
## Home Sales by City 3 month avg sales



## Home Sales by City

The graph of sales by city clearly shows that the largest sales increases continue to be in the cities of Palm Desert and La Quinta. The city of Rancho Mirage also shows a large year over year percentage increase. As we move forward and the year ago numbers become the surge numbers of 2020, it will be important to see which cities can maintain the high sales numbers of last year.

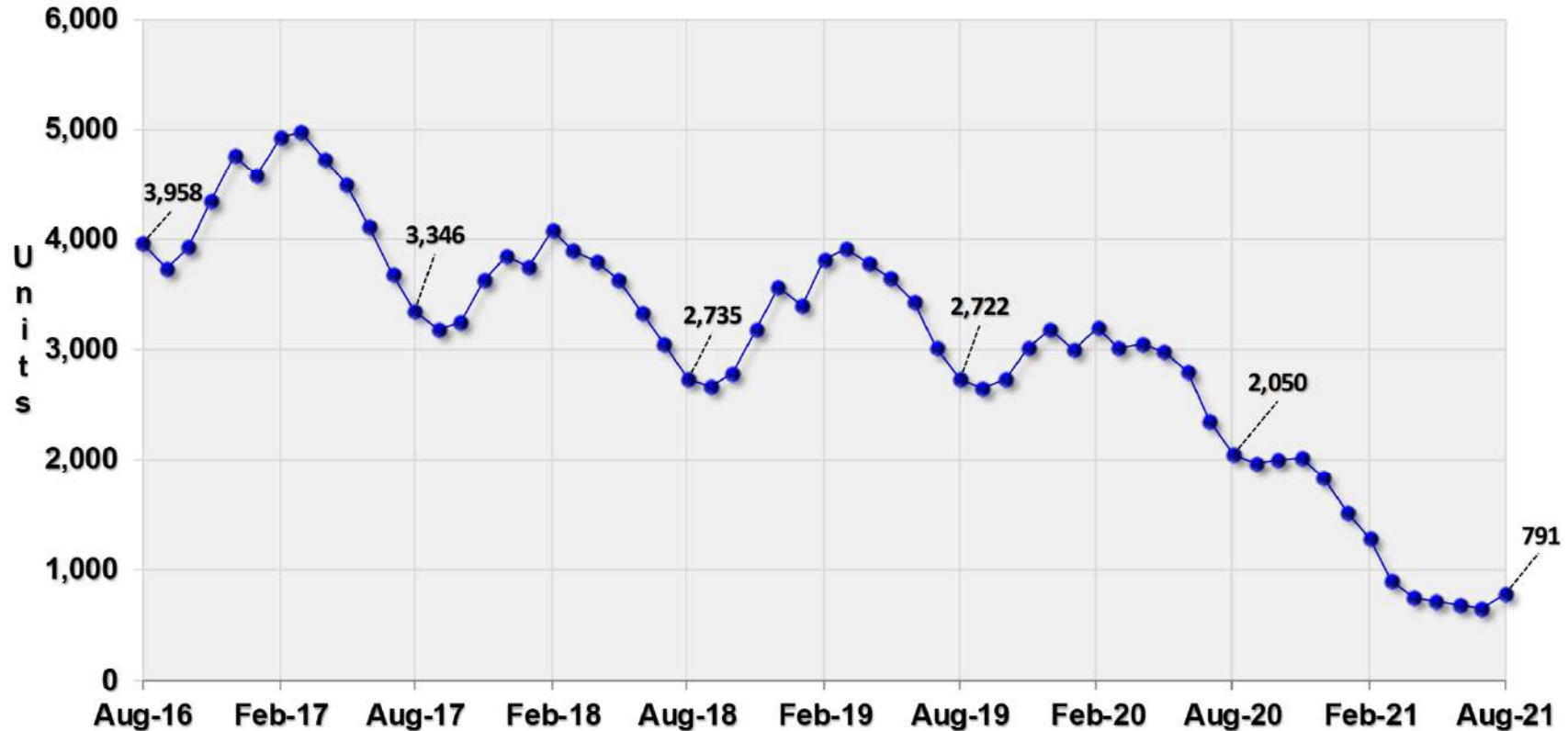
## Home Sales by Price Range 3 mos avg



## Home Sales by Price Range

Sales of homes under \$300,000 are low compared to last year, primarily because there are fewer and fewer homes in these brackets due to the large price increases. Sales of million-dollar plus homes continue to remain high, with sales at 157 units a month compared to 67 units last year. However, it appears the large increase in million-dollar sales compared to last year's levels is starting to wain.

## Valley Housing Inventory August 1st 2016 to August 1st 2021



## Coachella Valley Inventory

On August 1<sup>st</sup> there were 791 Valley units for sale compared to 2,050 units last year. This lack of supply, plus surging sales, are the two forces that continue to push home prices higher. As the chart shows we're starting the six-month seasonal period when inventory normally increases. Unless rising Covid infections again impedes the willingness of homeowners to list their homes, we expect this seasonal pattern of inventory rising to continue this year.



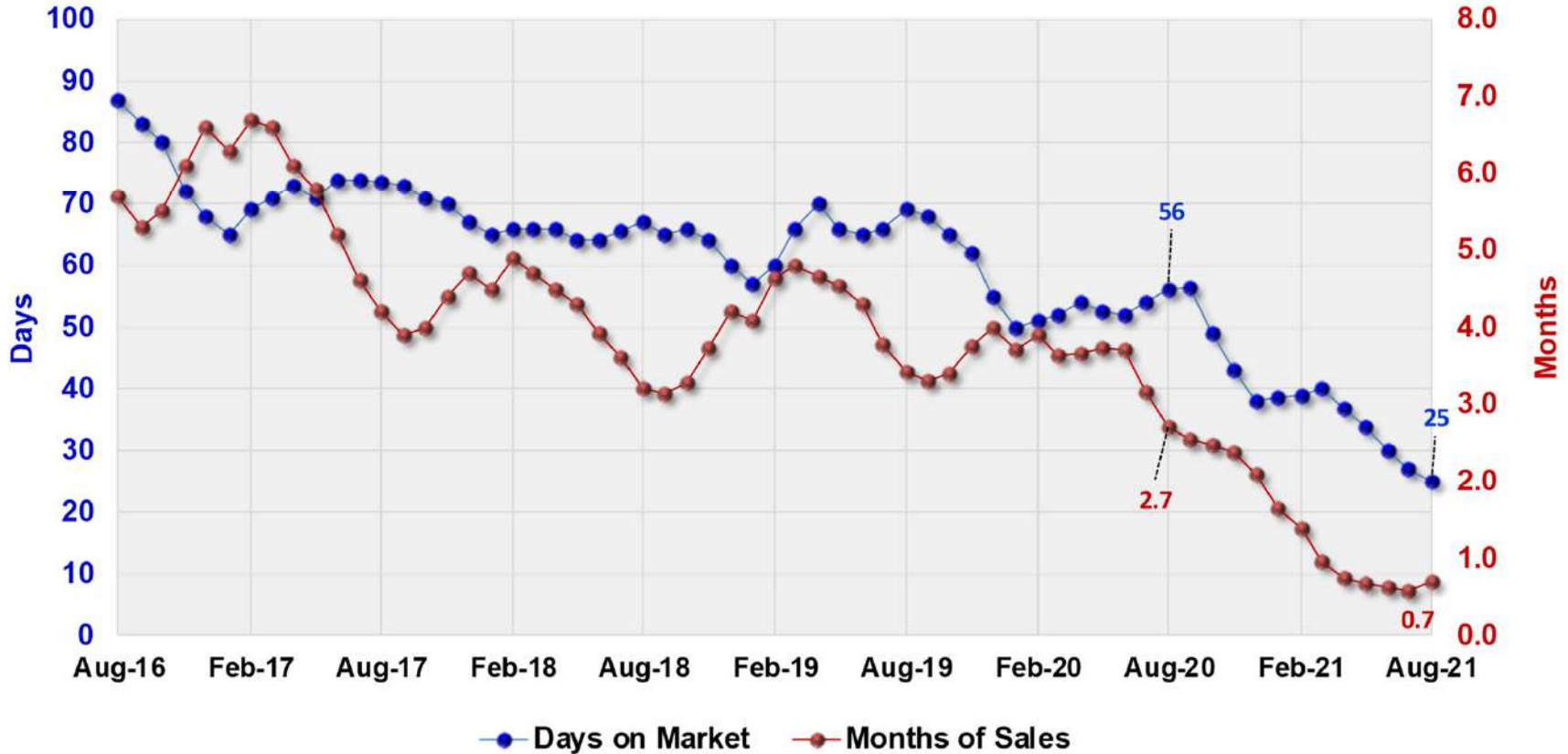


# The Desert Housing Report

## July 2021



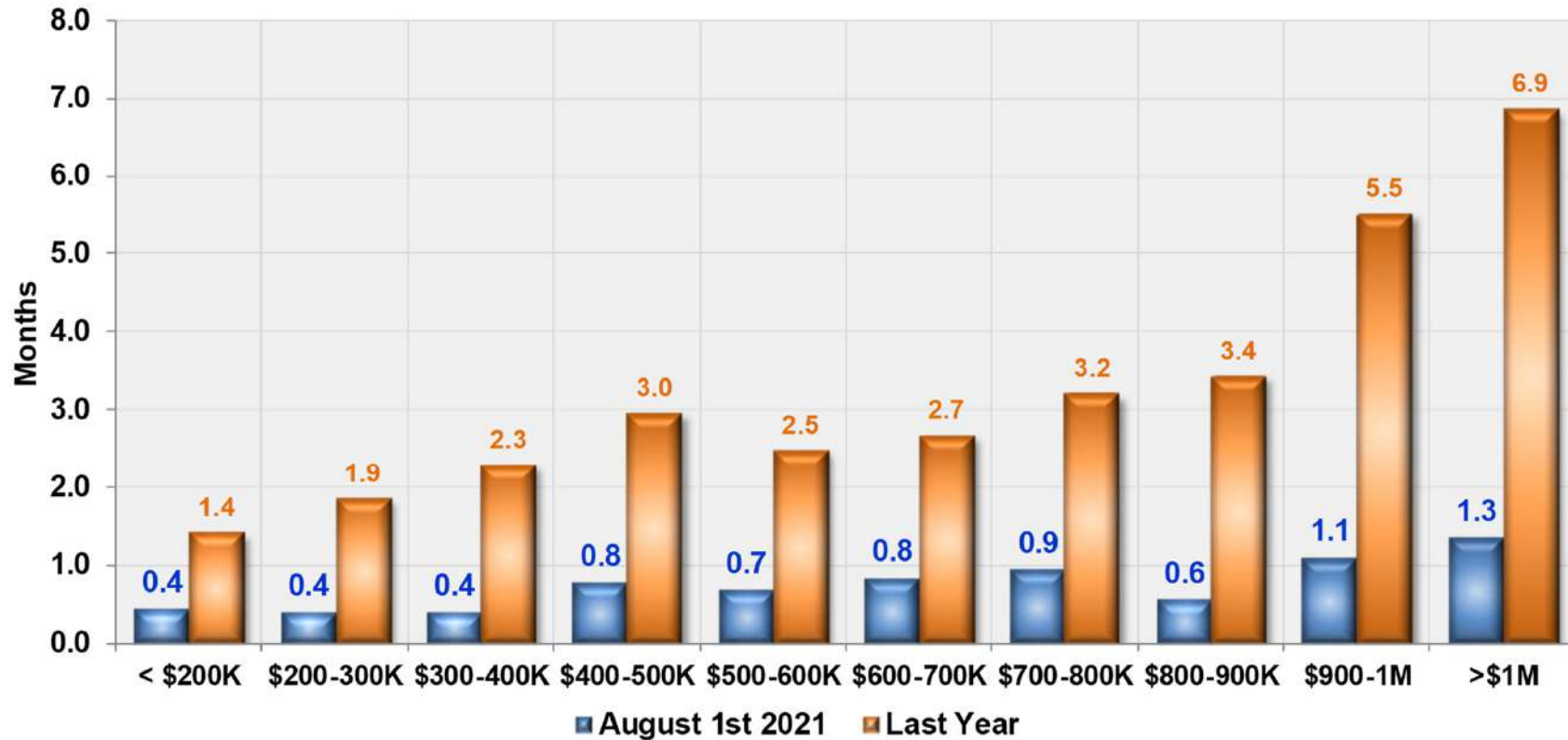
### "Days in the Market" & "Months of Sales" August 1st 2016 - August 1st 2021



### “Days in the Market” and “Months of Sales”

The median value for “days in the market” in the Coachella Valley has dropped to just 25 days. This compares to 56 days one year ago. We expect this metric to continue lower but at a more moderate rate. The “months of sales” ratio at the end of July was .7 months, up slightly from last month, which was an all time low. It is difficult to imagine any downward movement in home prices at the current time, with demand so heavily weighted over supply, in favor of home sellers.

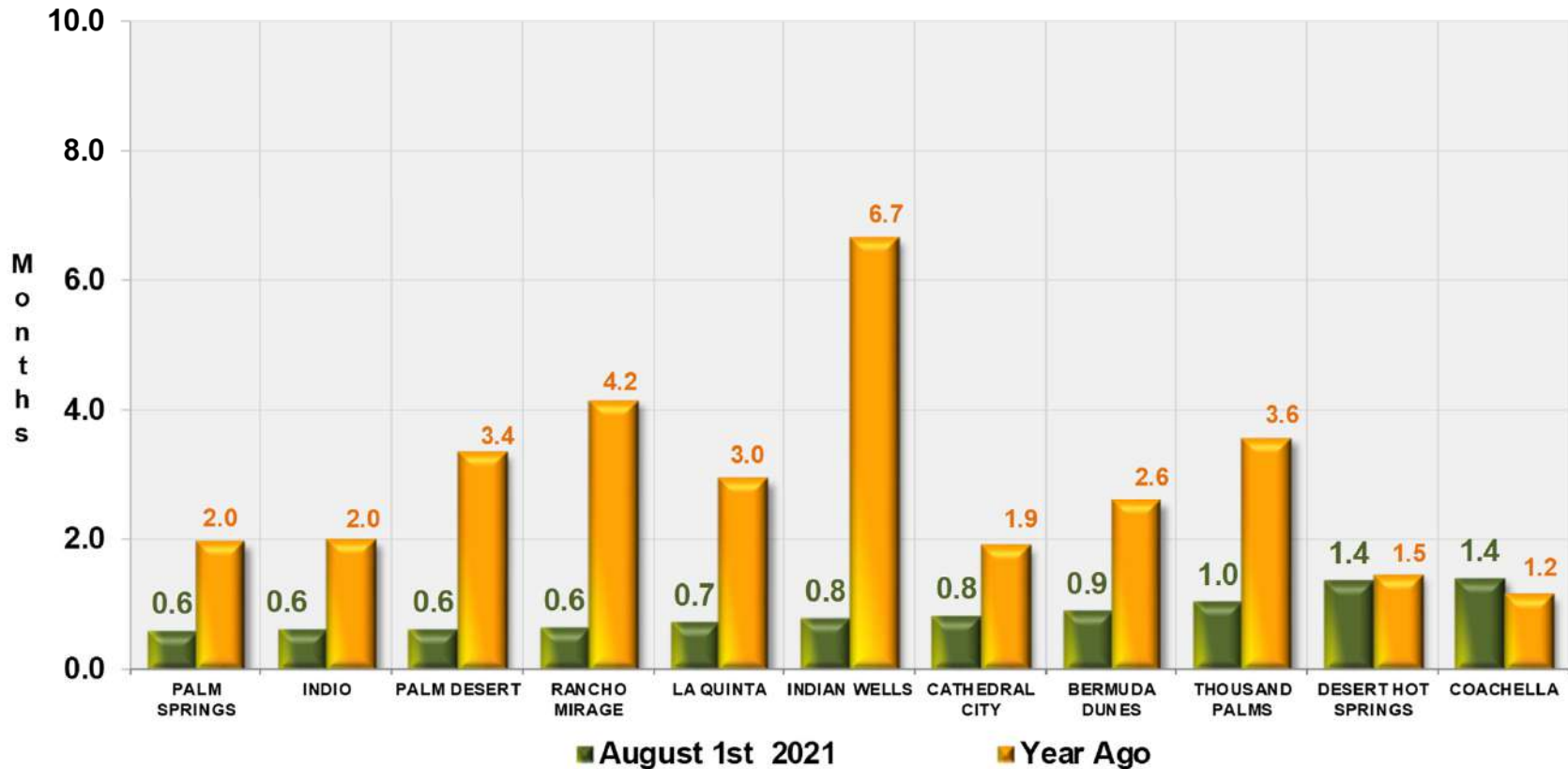
## "Months of Sales" by Price Range uses avg. twelve month sales



## "Months of Sales" by Price Range

This chart displays the "months of sales" ratios in different price brackets and then compares these ratios against year ago levels. Every price bracket except \$900,000 and over has a "months of sales" ratio under one month. As the chart clearly shows, ratios in every price bracket continue to be far below year ago levels.

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



## "Months of Sales" by City

The condition of record low "month of sales" ratios is found in almost every city. Only Desert Hot Springs and the city of Coachella have ratios near year ago levels. But even then, their ratios are still near their historic lows. We find it particularly interesting that the higher end cities of Rancho Mirage and Indian Wells, which normally have higher than normal ratios due to their higher priced homes, have current ratios near the other nine cities in the region.



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## Sales Price Discount from List

July 2016 to July 2021



## Sale Price Discount from List

The median value for “Sale Price Discount from List” in July was again 0.0%, which is the same discount it’s had for the last five months. As we’ve explained, since so many homes are selling right at list price, the reason the median discount remains exactly 0.0% is because the median - or “middle value” - of this metric in the sample is exactly zero. When we calculate the average discount, which averages the price discounts of all the sales, the average discount is at a premium of 1.7%, which means the average home is selling for 1.7% above list price.

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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. 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 1<sup>st</sup>. Even though inventory may be labeled May 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.