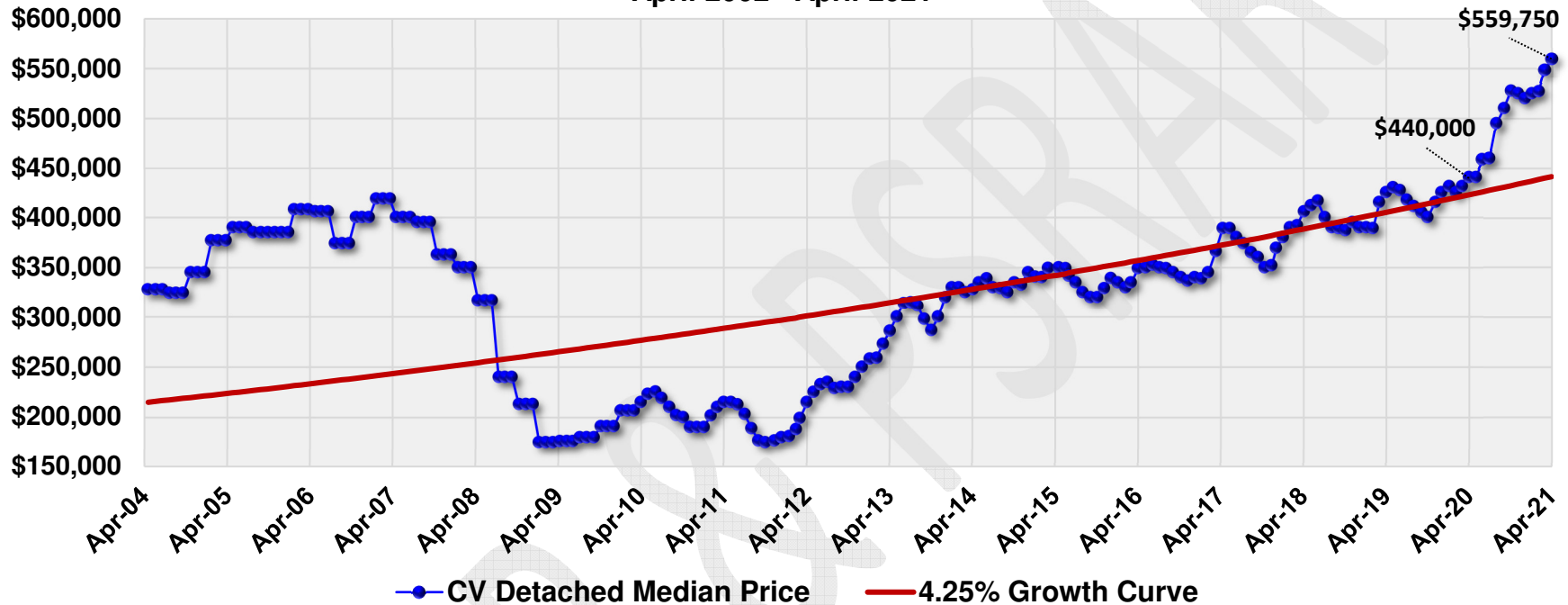


Coachella Valley Median Detached Home Price

April 2002 - April 2021



Summary

Record low inventory and record high sales are the two conditions driving home prices higher in every city. The median price of a detached home in the Coachella Valley in April was \$559,750, up 27% over last year's value. For the 10th straight month, the median price for attached homes in the Valley rose. It ended the month of April at \$349,900, which is 17% higher than last April. Every Valley city is participating in the strong price movement for detached homes. Four cities now show year-over-year price gains over 30% - Indian Wells, Rancho Mirage, Palm Springs and Desert Hot Springs. The three-month average of total sales in April was 1,276 units a month, which compares to just 782 units a year ago. The largest percentage increase is in sales of attached homes, which rose from 233 to 500 units, an increase of 114%. Attached homes are filling the price void below detached home prices. Inventory continues to remain low and on May 1st stood at just 710 units. That compares to 2,982 units one year ago. It is this complete collapse of selling inventory that's causing the huge, upward movement in home prices. As sales rise and inventory continues to fall, the "months of sales" ratio consistently moves lower and lower. On May 1 it stood at .7% of a month, which is about three weeks.

Coachella Valley Median Attached Price

April 2002 - April 2021

Median Price

\$400,000

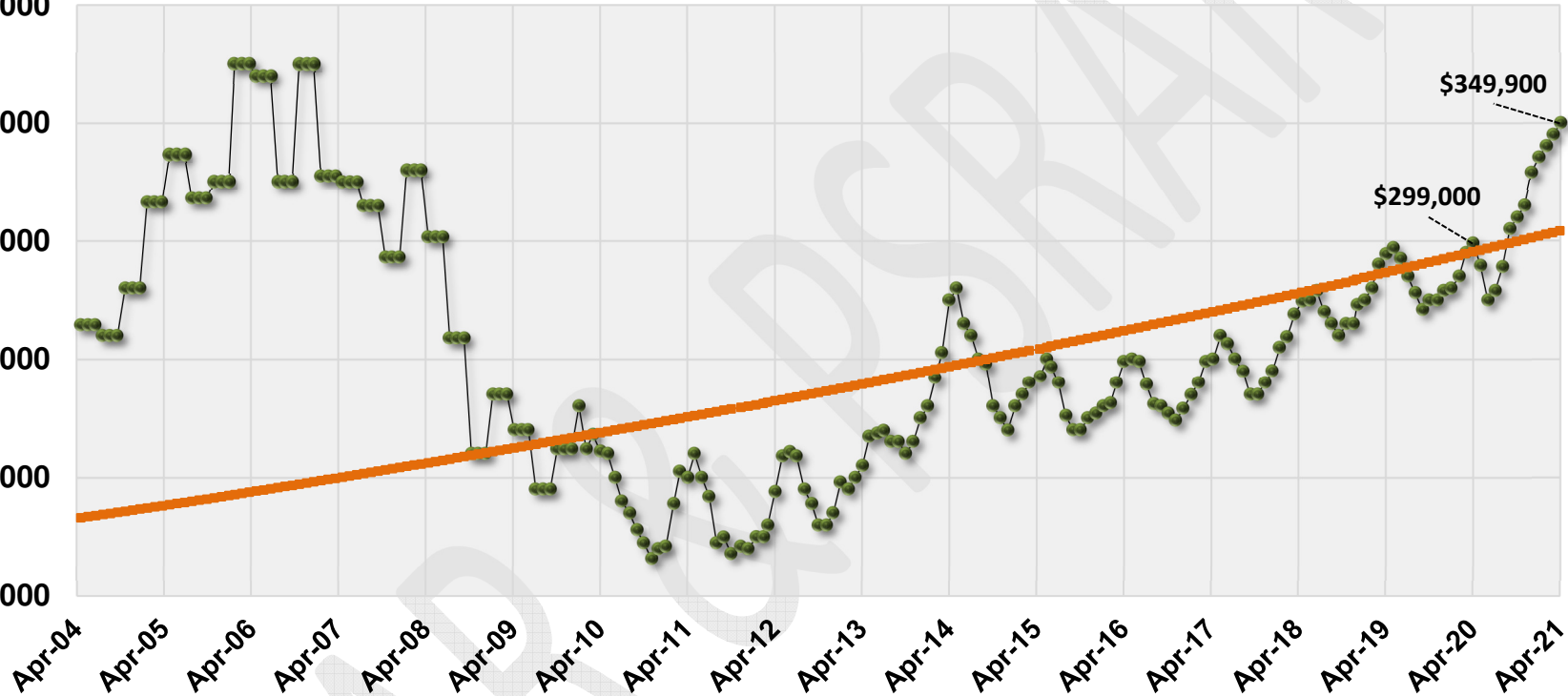
\$350,000

\$300,000

\$250,000

\$200,000

\$150,000



● CV Attached Median Price

— 3% Growth Curve

Coachella Valley Attached Median Price

For the 10th straight month, the median price for attached homes in the Valley rose. It ended the month of April at \$349,900, which is 17% higher than last April. It is clear from the chart that prices are now approaching the all-time highs made during the bubble years of 2004 and 2005. The chart also shows the strong seasonal pattern for attached home prices of making lows in October and highs in May and it will be interesting to see if this pattern continues under the current extreme conditions of low inventory and high sales.



The Desert Housing Report

April 2021



Detached Homes

City	Apr-21	Year Ago	12 mo change	2011 Low	Gain off 2011 Low	2006 High	% from High
Indian Wells	\$1,225,000	\$887,500	38.0%	\$540,000	126.9%	\$1,205,000	1.7%
Rancho Mirage	\$899,000	\$655,000	37.3%	\$423,000	112.5%	\$950,000	-5.4%
Palm Springs	\$920,000	\$680,000	35.3%	\$335,000	174.6%	\$600,000	53.3%
Desert Hot Springs	\$342,000	\$253,000	35.2%	\$85,000	302.4%	\$295,000	15.9%
La Quinta	\$718,500	\$557,500	28.9%	\$245,000	193.3%	\$682,020	5.3%
Palm Desert	\$553,000	\$430,000	28.6%	\$287,000	92.7%	\$543,000	1.8%
Indio	\$422,250	\$340,000	24.2%	\$158,500	166.4%	\$380,500	11.0%
Cathedral City	\$435,000	\$375,000	16.0%	\$139,000	212.9%	\$395,000	10.1%
City of Coachella	\$306,500	\$279,950	9.5%	\$121,950	151.3%	\$335,000	-8.5%

Attached Homes

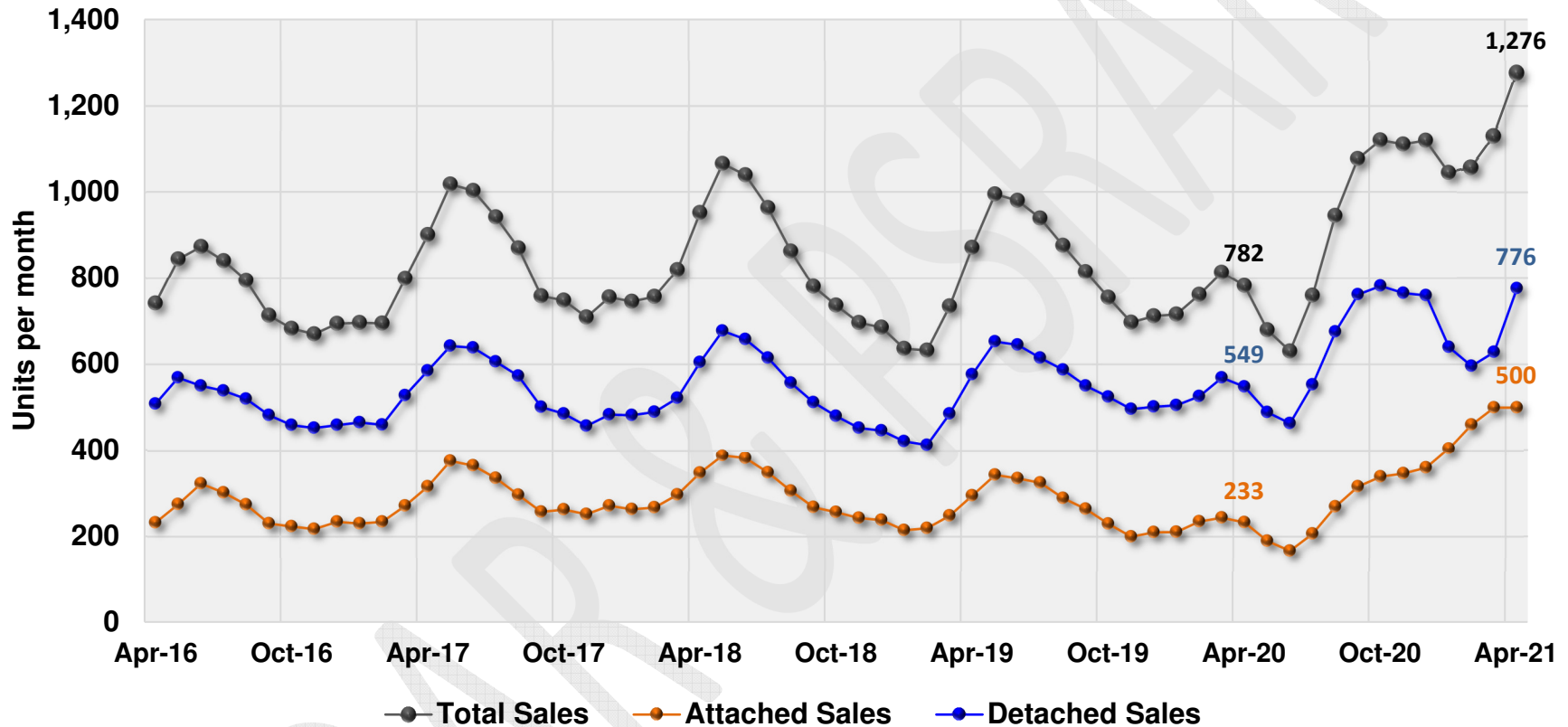
City	Apr-21	Year Ago	12 Month Change	2011 Low	Gain off 2011 Low	2006 High	% from High
Indio	\$225,500	\$182,000	23.9%	\$75,000	200.7%	\$279,000	-19.2%
La Quinta	\$472,500	\$385,000	22.7%	\$265,000	78.3%	\$532,500	-11.3%
Indian Wells	\$489,000	\$399,000	22.6%	\$321,500	52.1%	\$557,500	-12.3%
Rancho Mirage	\$382,000	\$322,500	18.4%	\$260,000	46.9%	\$510,000	-25.1%
Cathedral City	\$210,000	\$179,250	17.2%	\$107,500	95.3%	\$270,500	-22.4%
Palm Desert	\$359,000	\$317,450	13.1%	\$175,000	105.1%	\$410,000	-12.4%
Palm Springs	\$313,500	\$295,000	6.3%	\$150,000	109.0%	\$350,000	-10.4%
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

Every Valley city is participating in the strong price movement for detached homes. Four cities now show year-over-year price gains over 30% - Indian Wells, Rancho Mirage, Palm Springs and Desert Hot Springs. Every city shows positive price gains for attached homes but the percentages are slightly less than those for detached homes. Three cities – Indio, La Quinta and Indian Wells – have year-over-year price increases over 20%.

Detached, Attached and Total Sales

3 month moving average

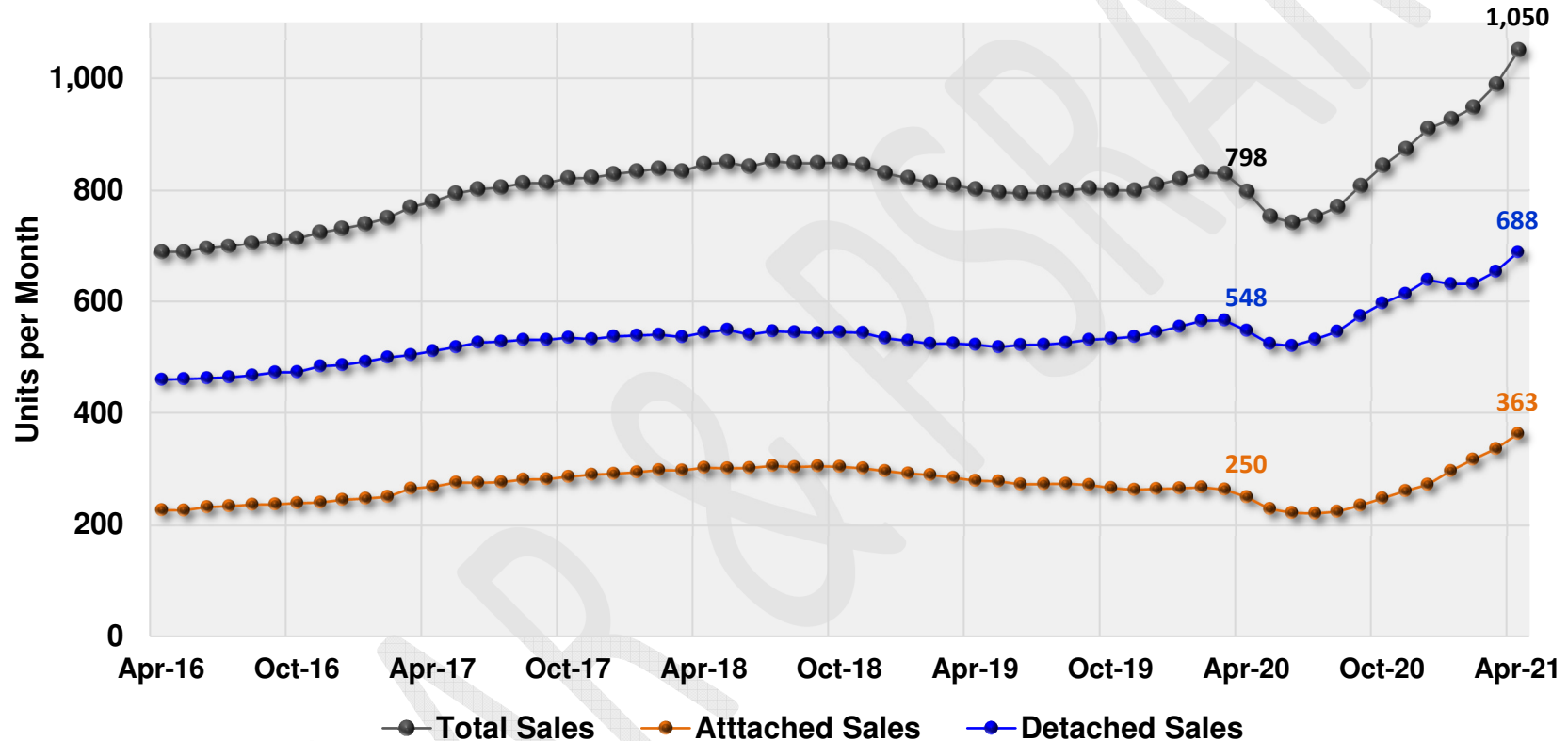


Monthly Sales – 3-month trailing avg.

The three-month average of total sales, which shows both the seasonality and shorter-term sales trends, is hitting record levels. The three-month average of total sales in April was 1,276 units a month, which compares to just 782 units a year ago. The largest percentage increase is in sales of attached homes, which rose from 233 to 500 units, an increase of 114%.

Detached, Attached and Total Sales

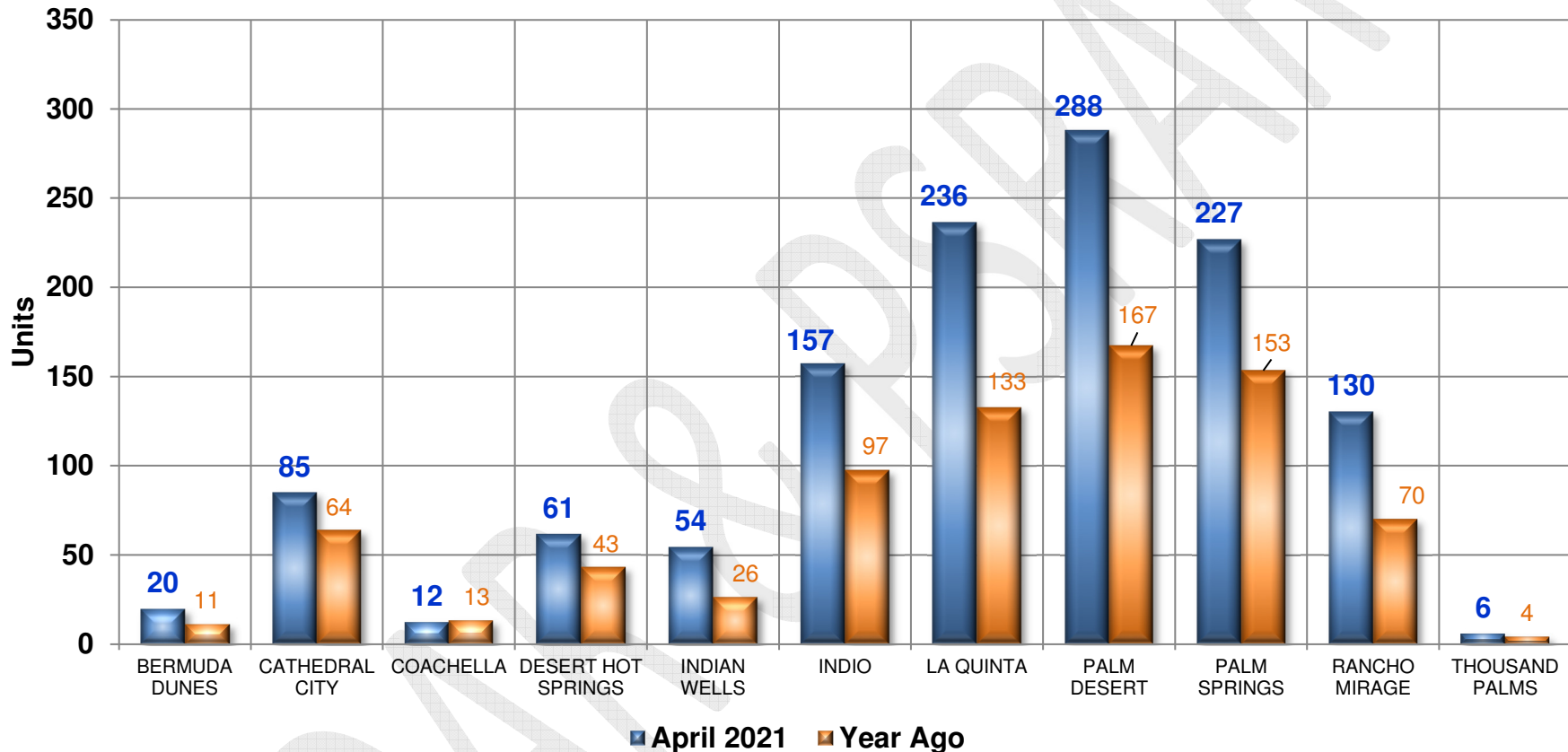
12 month moving average



Monthly Sales – 12-month trailing avg.

This chart is the monthly, 12-month moving average of sales in the Valley. The sales average over 12 months takes out all seasonality and shows the true, long-term trend of sales. What is abundantly clear from the chart is the initial falloff in sales last April, followed by ever-increasing sales as the pandemic grew. Last year, right as the pandemic began, sales were averaging 798 units a month. This April, sales had risen to 1,050 units a month, which is an increase of 32%.

Home Sales by City 3 month avg sales



Home Sales by City

Measuring sales in the individual cities, we see a distinct pattern. Sales in the cities considered as more working class or employment oriented are much lower compared to sales in the resort cities of La Quinta, Palm Desert, Palm Springs, and Rancho Mirage. This means that the sales increase is primarily due to buyers from outside the region then from local households moving from rentals to homeownership.

Home Sales by Price Range 3 mos avg

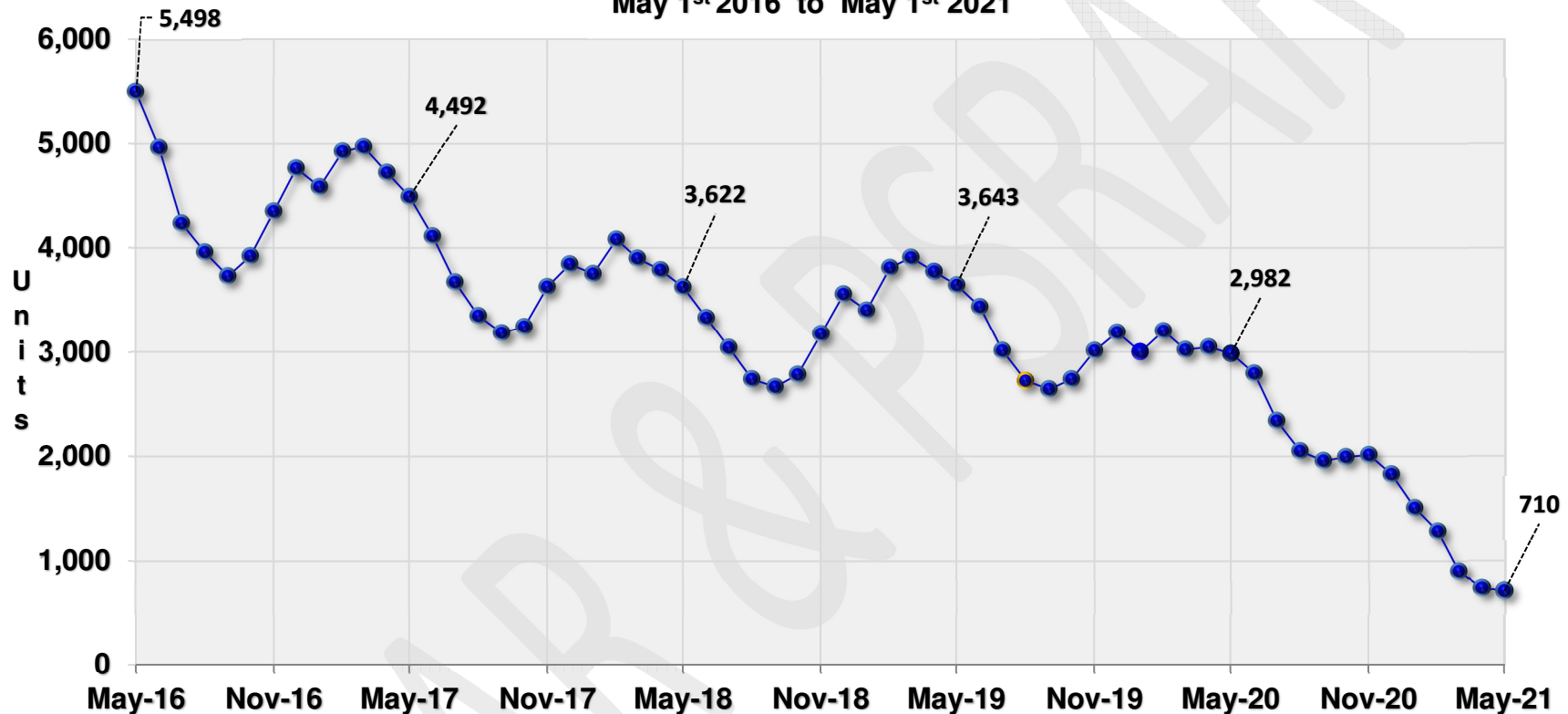


Home Sales by Price Range

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, which are primarily condominiums, shows little increase in sales. A large percentage of sales increases are for homes priced over \$400,000. Sales of million-dollar plus homes are up 190% over last year.

Valley Housing Inventory

May 1st 2016 to May 1st 2021

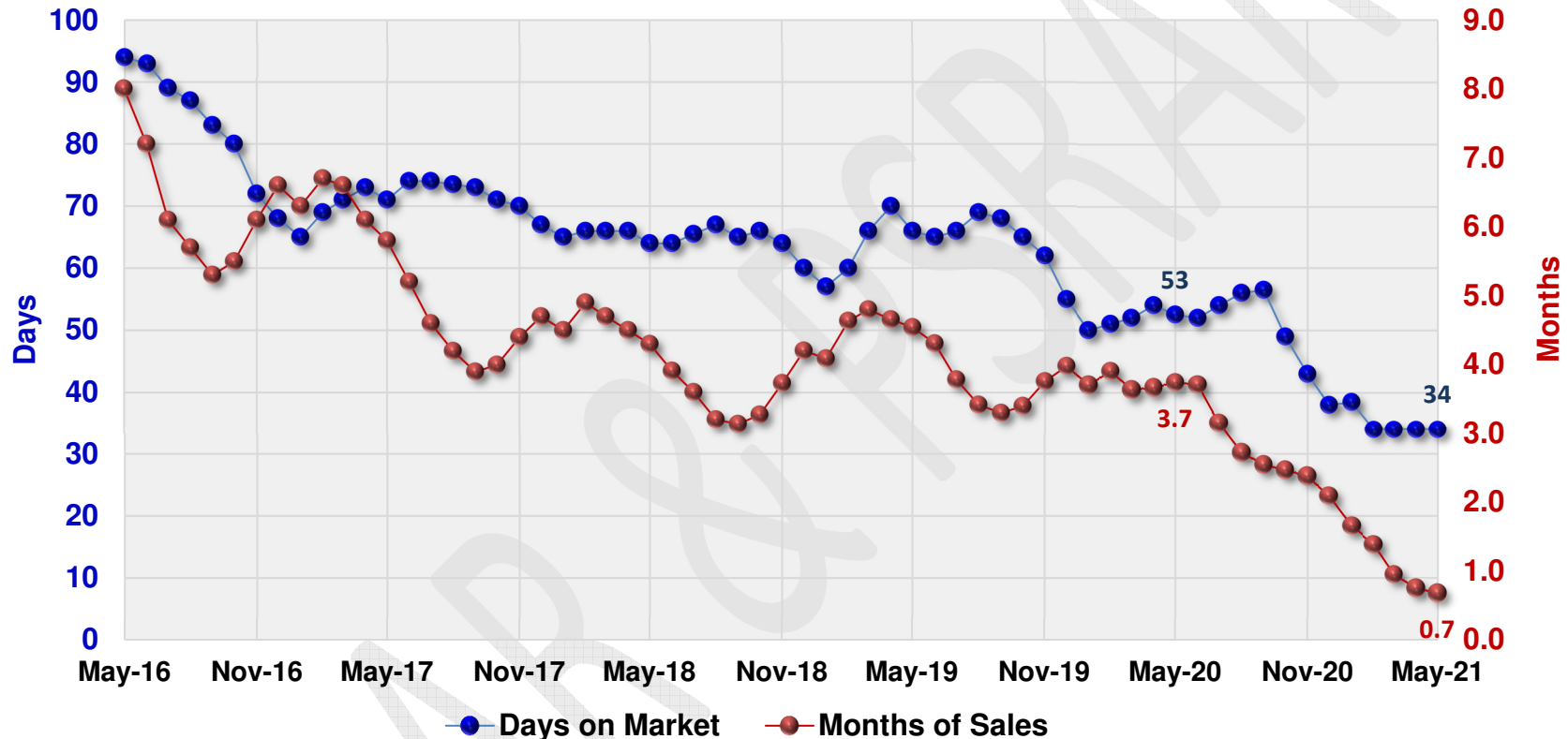


Coachella Valley Inventory

Inventory continues to remain low and on May 1st stood at just 710 units. That compares to 2,982 units one year ago. It is this complete collapse of selling inventory that's causing the huge, upward movement in home prices. There are simply far more homebuyers than home sellers. We believe much of this is due to a reluctance of many homeowners to list their house during the pandemic and that once the vaccine is widely distributed this reluctance will fall away and more homeowners will begin to list their homes. When that happens, inventory should begin to rise.

Days on the Market & Months of Sales

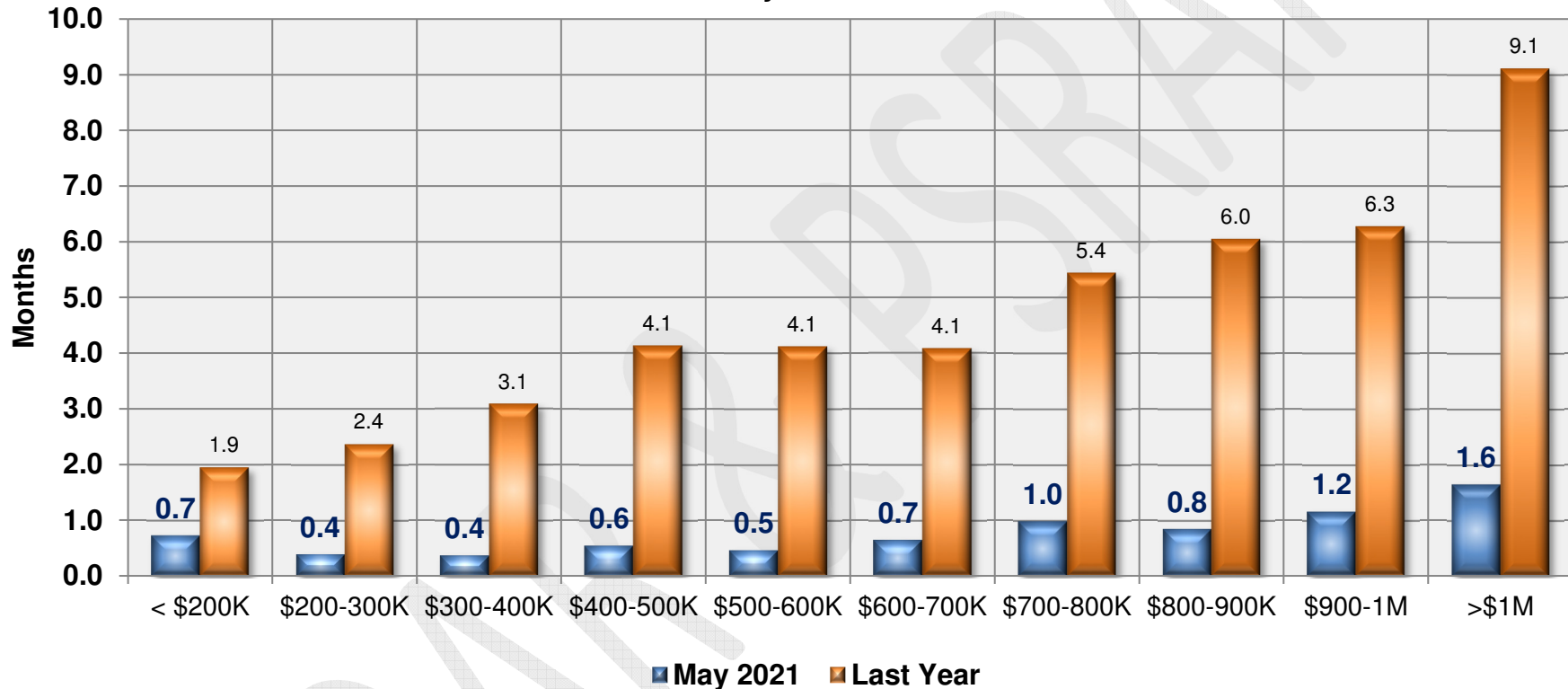
May 1st 2016 - May 1st 2021



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

As sales rise and inventory continues to fall, the “months of sales” ratio consistently moves lower and lower. On May 1st it stood at .7% of a month, which is about three weeks. This means that inventory is so low and sales are so high that it would take only three weeks to sell the entire inventory. The median number of days in the market in April was 34 days. This compares to a median number of 53 days a year ago.

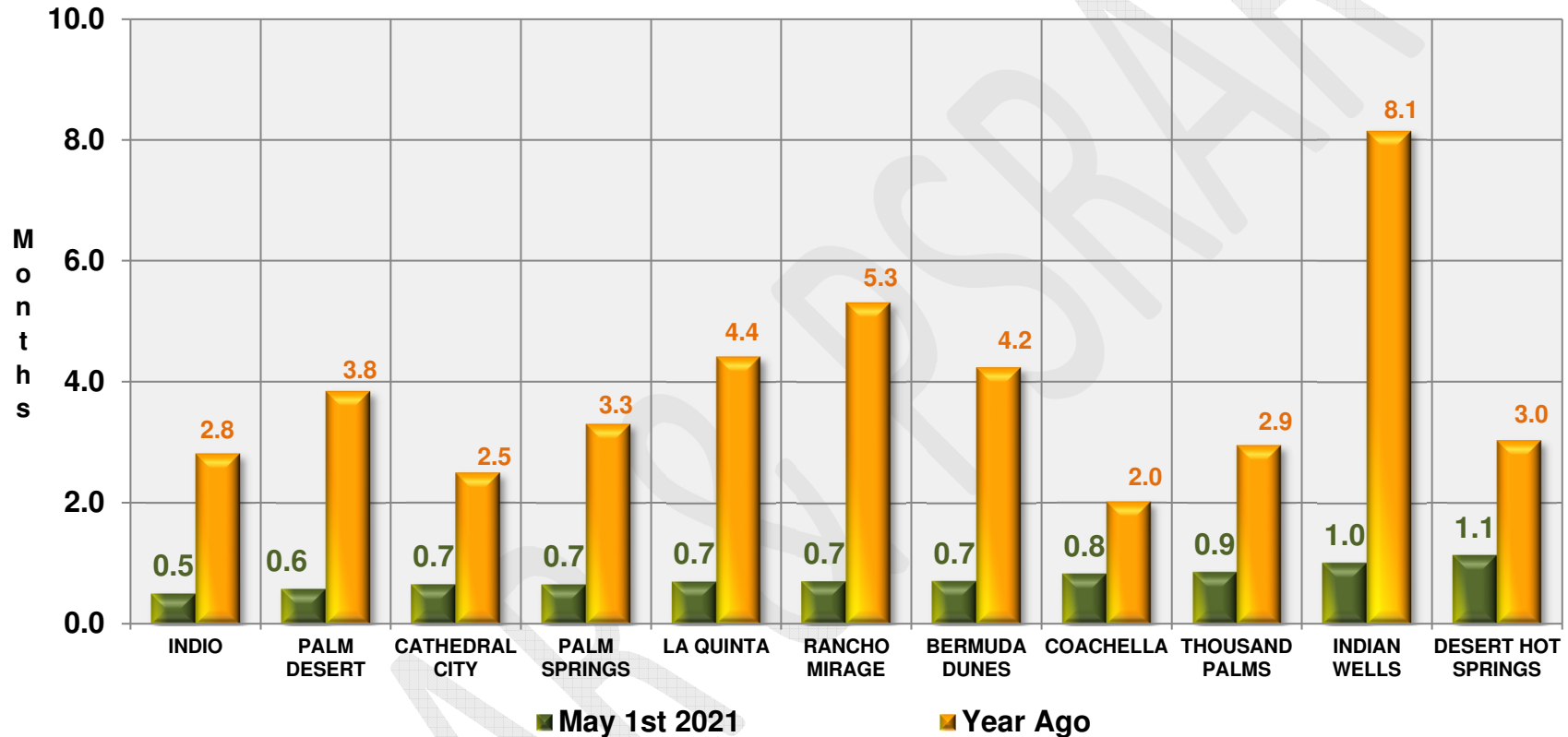
"Months of Sales" by Price Range uses avg. twelve month sales May 1st 2021



"Months of Sales" by Price Range

The relative size between the blue and orange bars in the graph continues to tell the real story – that demand continues to far exceed supply. The “months of sales” ratio in every price bracket under \$900,000 is again less than one month. The lowest ratio of .4% is in homes priced between \$200,000 and \$400,000. For homes priced over \$1 million the ratio is 1.6 months.

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

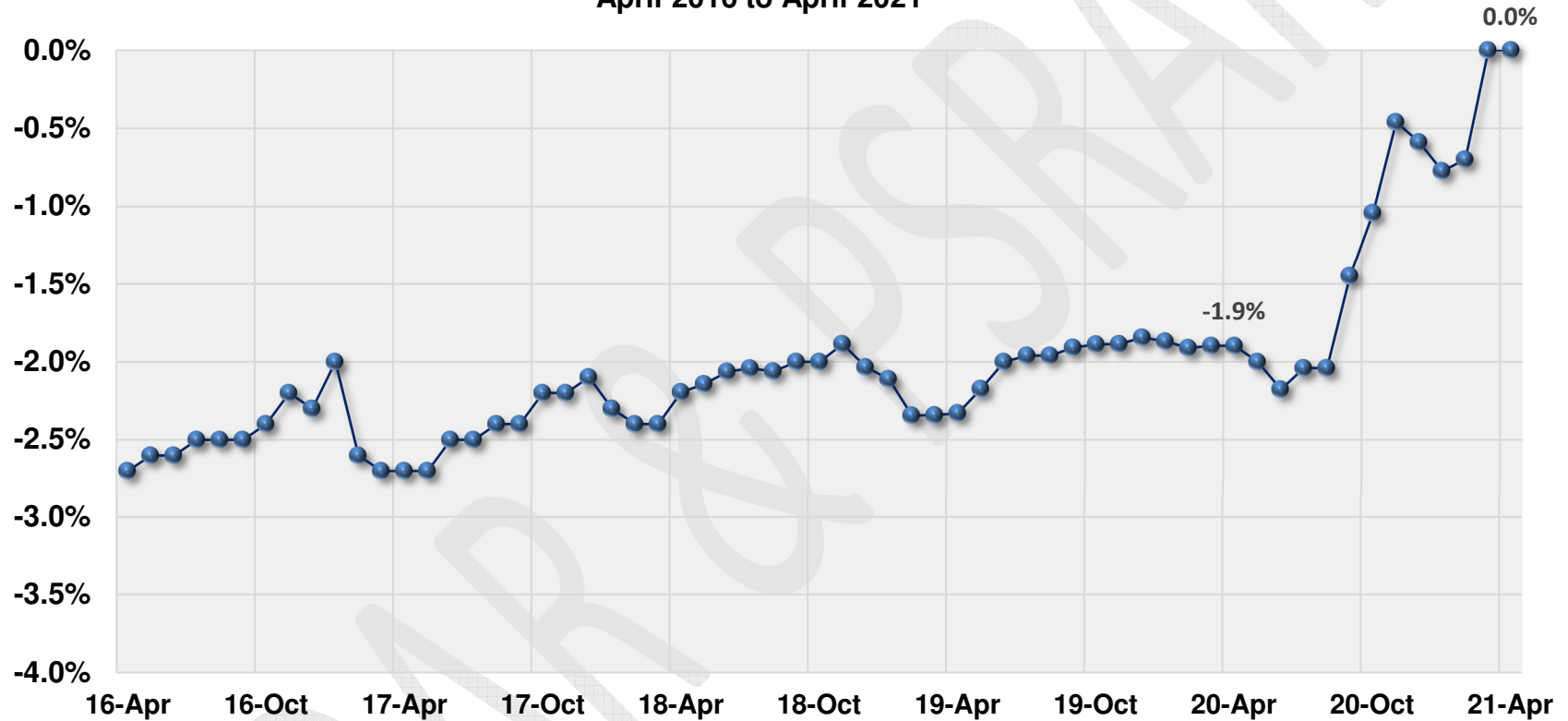


"Months of Sales" by City

On May 1st nine cities had "months of sales" ratios less than one month. The city with the lowest ratio is Indio at .5 months, then Palm Desert at .6 months. This is followed by Cathedral City, Palm Springs, La Quinta, Rancho Mirage and Bermuda Dunes all at .7 months. Desert Hot Springs has the highest ratio at 1.1 months.

Sales Price Discount from List

April 2016 to April 2021



Sale Price Discount from List

The median value for “Sale Price Discount from List” in April was 0.0%, which is the same discount as last month. This number implies that an average Valley home offered at \$500,000 sold for exactly \$500,000.



The Desert Housing Report

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Explanation and Description of Market Watch's Graphs and Calculations

Prices: Except for our attached price index, all city and regional median prices are for single family detached homes only. All prices are the median value for all transactions 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 the month of May will be the median value of all sales in March, April and May of detached homes. 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. While we do show the median selling price in our city reports, we try to emphasize the median price per sq. ft. in both these and our regional reports. For technical reasons this metric is more reliable than median price and presents us and the reader with fewer statistical anomalies and variations.

Sales: Sales numbers are the sum of both attached and detached home sales. 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 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: When we provide a monthly report for, say, the month of May, all sales and pricing are done using transactions throughout that month and the previous two months. However, when we measure inventory at the end of May, it's the inventory as of June 1st the next month. It is the sum of inventory of both attached and detached homes. Remember sales and prices are accumulative while inventory is a momentary snapshot of inventory on a specific date. To avoid confusion, the inventory reported in the May report is for June 1st, and our graphs and charts for inventory and months of sales will give this date and not the date of the month of the report.

When calculating "months of sales" we almost always use average sales over the last twelve months and not three months. If we do use three months, we will indicate that we are dividing inventory by three-month sales and not the normal twelve-month average.

Days on 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.

Scatter Diagram Value Curve: In the individual city reports we provide a Scatter Diagram Value Curve which plots the price per sq. ft. of every sale for the last three months versus the square feet of that home. In the graph each small blue circle represents a sale. Then a best fit linear line is calculated through those points using the least square method to arrive at the value curve. The value curve represents the price per sq. ft. that the market is generally giving different size homes. We provide the actual linear equation for people who might want to use it to calculate prices for different sized homes.

To contact Market Watch call Vic Cooper at 714-390-1418