

Summary

PRICES: Home prices continue to surge. At the end of April, the median price of a detached home in the Coachella Valley was \$670,500, up 19.8% year over year. Over two years it's up an astonishing 52%. The median price for attached homes in April was \$479,450, which is up 37% year over year and up 60.3% over two years. Three cities have year-over-year gains for their detached homes above 40% – Rancho Mirage, Indian Wells and Palm Springs. In the attached market, seven cities have gains over 40% - Rancho Mirage, Bermuda Dunes, Desert Hot Springs, Palm Desert, Cathedral City, Indio and Palm Springs.

SALES: Total sales in April averaged 981 units a month over the last three-month, which is 23% less than the 1,276 units last April. While well below peak sales levels of last year, April sales continued to average slightly above pre-pandemic April averages. The 12-month average of sales, which takes out all seasonality, shows total sales in April averaged 931 units a month, which is 31 units less than last month and 11% below last year. Again, we find that the largest decline in sales to be in the four major resort cities – La Quinta, Palm Desert, Palm Springs and Rancho Mirage. Sales in La Quinta are off the most at 37%. Lack of supply to meet demand continues to be the problem.

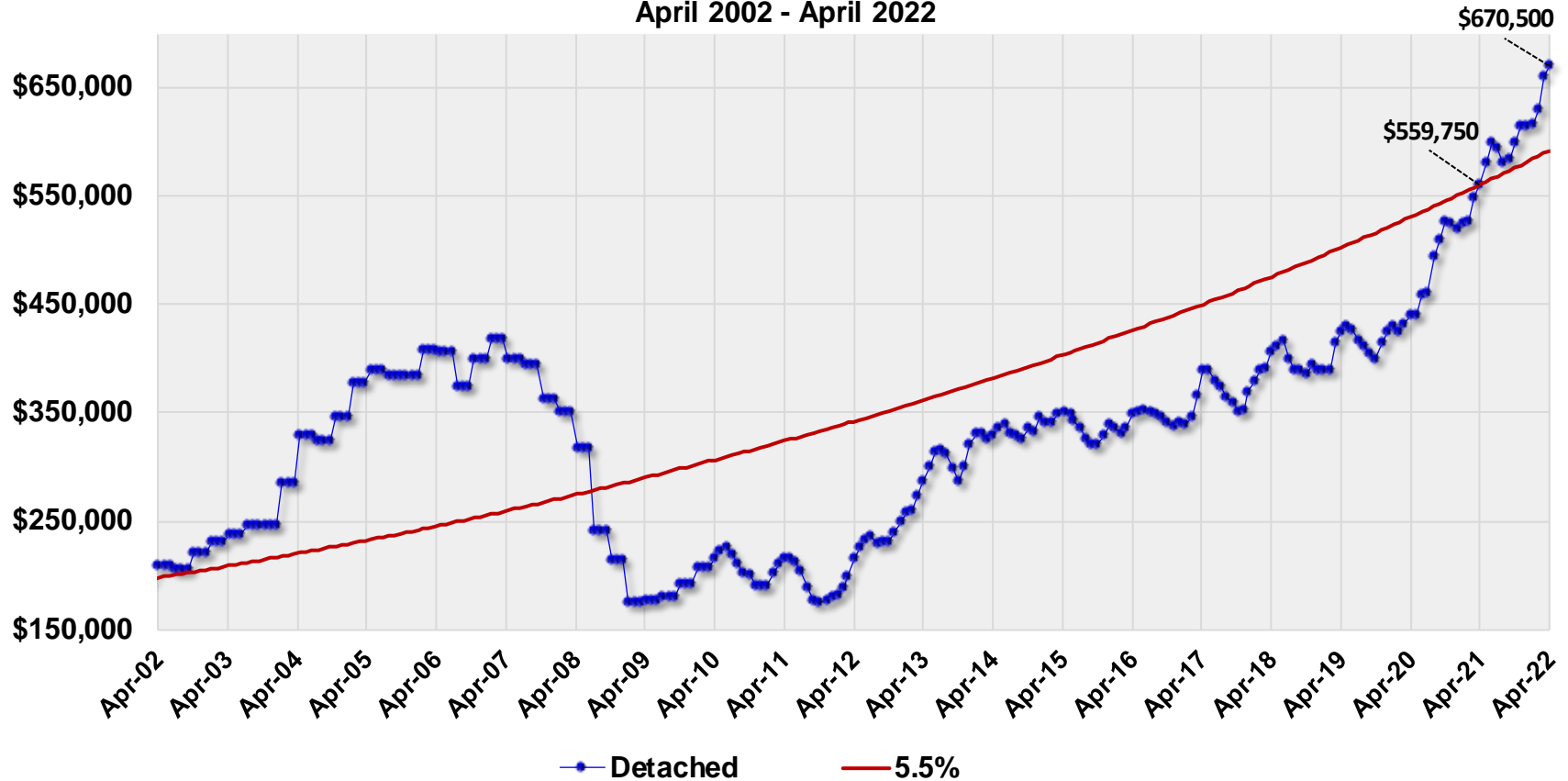
INVENTORY & “MONTHS OF SALES” RATIOS: On May 1st Valley inventory was 859 units, which is 149 units more than last year. We are somewhat encouraged by the fact that inventory has been rising the last two months when historically it has fallen due to seasonal factors. On April 1st, the “months of sales” ratio for the Valley was .9 months, up .2 months from a year ago. This slight increase is due to lower sales and higher inventory compared to year ago levels. We are still far below normal ratios of three and four months and these low ratios point to continuing upward pressure on home prices.

DIM: At the end of April, the median number of “days in the market” throughout the Valley was 21 days, which is 13 days less than last year. With inventory remaining low, supply and demand forces continue to keep selling times at low levels. The city of Palm Springs has the lowest selling time for detached homes at just 14 days, followed by Desert Hot Springs with 16 days. In the attached market, Palm Springs also has the shortest number of days at 12 days, followed by Cathedral City at 13 days.

PRICE DISCOUNTS: At the end of April, 55.5% of homes sold above list. This compares to 32.4% a year ago. The current number is the highest percent in history. In more normal times the percent is around 10%. Palm Springs continues to have the highest selling premium for detached homes at 5.2%, followed by the city of Coachella at 4.1%. In the attached market, Palm Springs also has the highest average selling premium at 4.2%.

Coachella Valley Median Detached Home Price

April 2002 - April 2022



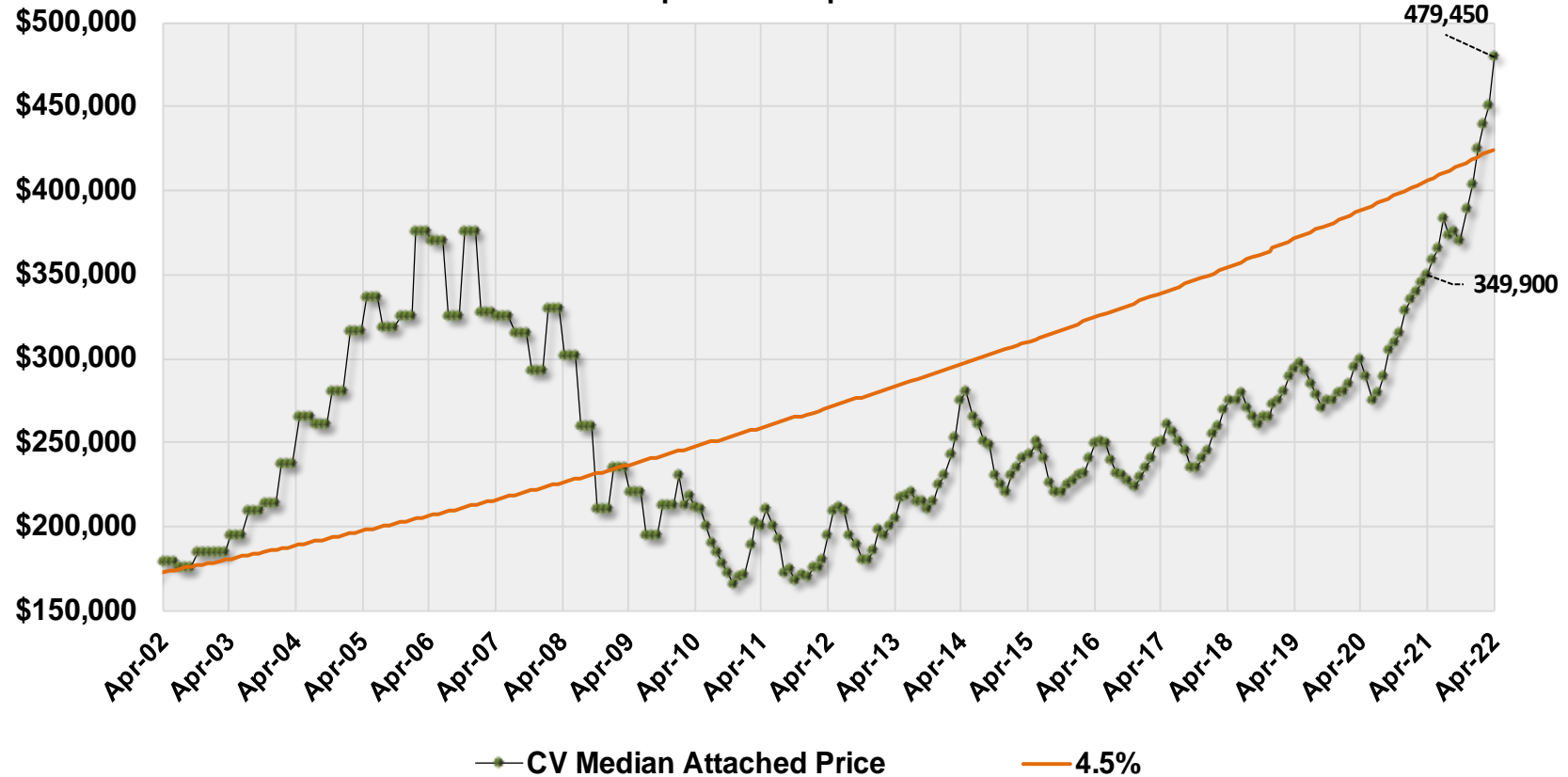
Coachella Valley Detached Median Price

Home prices continue to surge. At the end of April, the median price of a detached home in the Coachella Valley was \$670,500, up 19.8% year over year. Over the last two years it's up an astonishing 52%. Starting in June, seasonal factors should begin to slow things down but the forces that have been driving prices higher – low inventory and high demand – will continue to dominate the market.

Coachella Valley Median Attached Price

Median Price

April 2002 - April 2022



Coachella Valley Median Attached Price

The median price for attached homes in April was \$479,450, which is up 37% year over year. Prices over the last two years are up 60.3%. If we continue to follow the normal seasonal pattern for attached homes, prices should peak sometime in the next two months and then settle back. But these are not normal times, so we'll have to see if this seasonal pattern materializes this year.

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
Rancho Mirage	3,175	\$445.78	\$1,415,364	\$984,536	43.8%	\$506,317	179.5%
Indian Wells	3,450	\$497.12	\$1,715,061	\$1,204,257	42.4%	\$666,885	157.2%
Palm Springs	2,175	\$647.39	\$1,408,084	\$1,003,197	40.4%	\$323,879	334.8%
Coachella	1,700	\$262.98	\$447,059	\$322,754	38.5%	\$111,367	301.4%
Indio	2,000	\$290.87	\$581,731	\$427,800	36.0%	\$156,340	272.1%
Bermuda Dunes	2,500	\$334.16	\$835,412	\$614,625	35.9%	\$239,325	249.1%
La Quinta	2,550	\$393.73	\$1,004,001	\$749,777	33.9%	\$318,164	215.6%
Palm Desert	2,200	\$358.00	\$787,600	\$593,791	32.6%	\$302,302	160.5%
Desert Hot Springs	1,600	\$248.00	\$396,799	\$300,112	32.2%	\$86,656	357.9%
Cathedral City	1,800	\$315.63	\$568,134	\$439,020	29.4%	\$153,216	270.8%

Price of The Average Size Attached Home

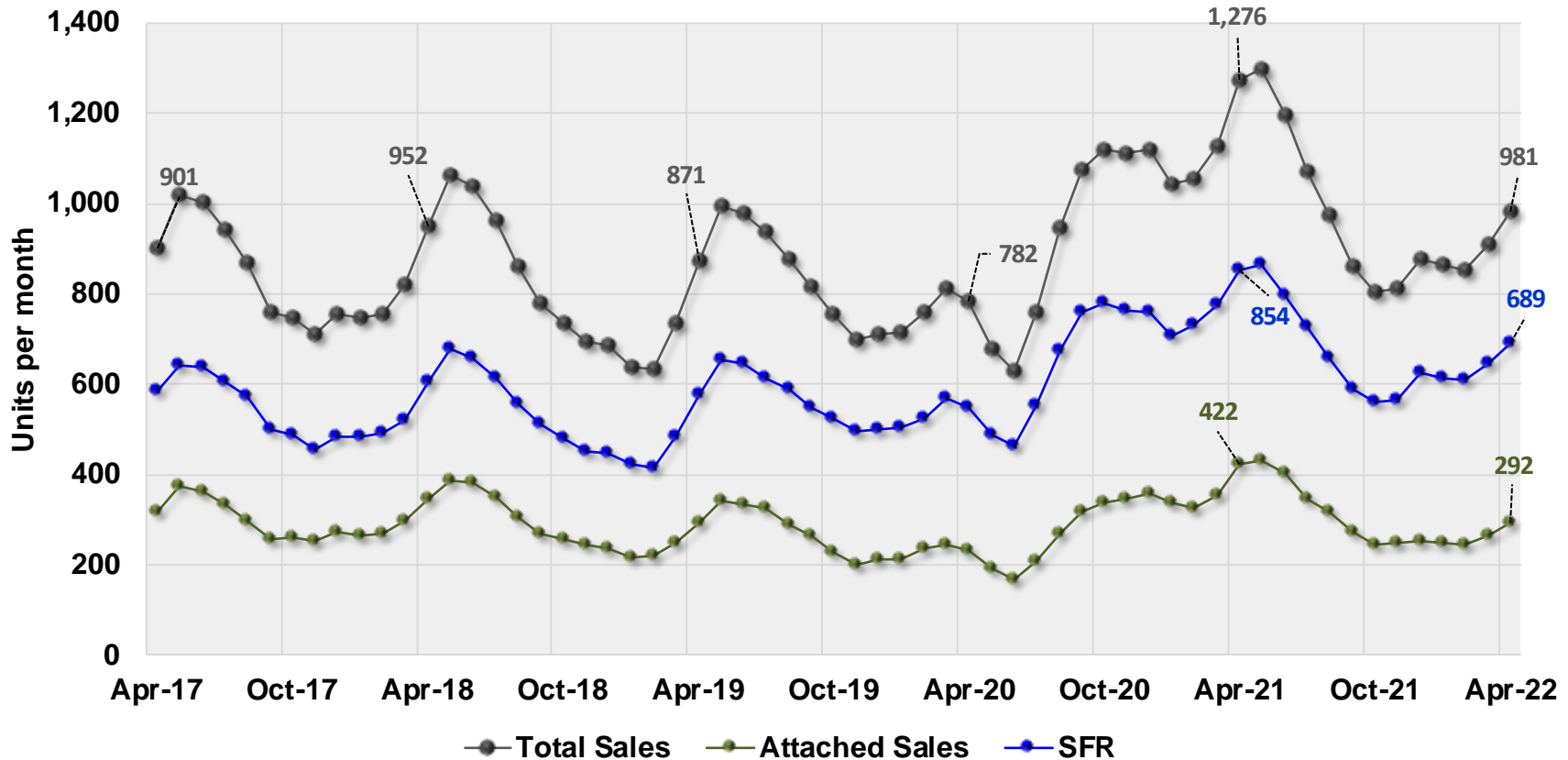
City	Avg. Size Home	Pr. per sq/ft	Price of Avg. Size Home	Price One Year Ago	12 Month Change	2011-12 Price Low	% From Low
Rancho Mirage	1,775	\$326.56	\$579,648	\$386,568	49.9%	\$211,030	175%
Bermuda Dunes	1,450	\$276.04	\$400,260	\$271,121	47.6%	\$89,117	349%
Desert Hot Springs	750	\$157.53	\$118,147	\$80,265	47.2%	\$16,013	638%
Palm Desert	1,600	\$339.49	\$543,182	\$373,824	45.3%	\$197,896	174%
Cathedral City	1,250	\$254.13	\$317,658	\$220,156	44.3%	\$80,544	294%
Indio	1,050	\$287.01	\$301,360	\$208,908	44.3%	\$56,396	434%
Palm Springs	1,250	\$364.33	\$455,418	\$324,994	40.1%	\$129,788	251%
La Quinta	1,750	\$393.73	\$689,020	\$502,163	37.2%	\$247,713	178%
Indian Wells	1,950	\$330.76	\$644,974	\$476,639	35.3%	\$259,126	149%

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 year ago levels and the all-time price lows that occurred in 2011 and 2012. Three cities currently have year-over-year gains above 40% for the detached homes – Rancho Mirage, Indian Wells and Palm Springs. In the attached home market, seven cities have gains over 40% - Rancho Mirage, Bermuda Dunes, Desert Hot Springs, Palm Desert, Cathedral City, Indio and Palm Springs.

Detached, Attached and Total Sales

3 month moving average

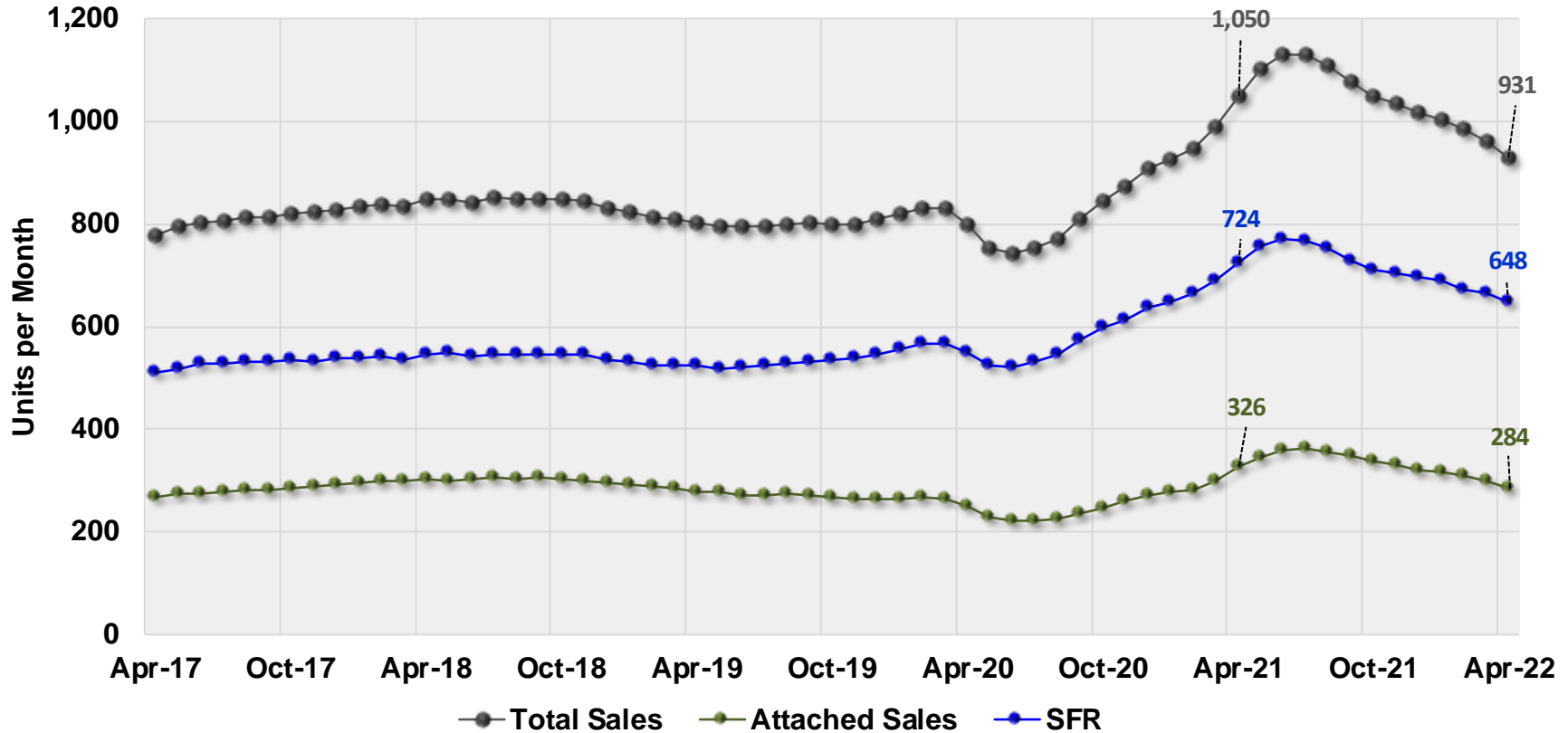


Monthly Sales – 3-month trailing avg.

Total sales in April averaged 981 units a month over the last three-month, which is 23% less than the 1,276 units last April. While well below peak sales levels of last year, April sales continued to average slightly above pre-pandemic April averages. However, as the chart clearly shows, the expansion in sales that usually occurs this time of year is much less than past years. This indicates to us that sales are continuing to slow.

Detached, Attached and Total Sales

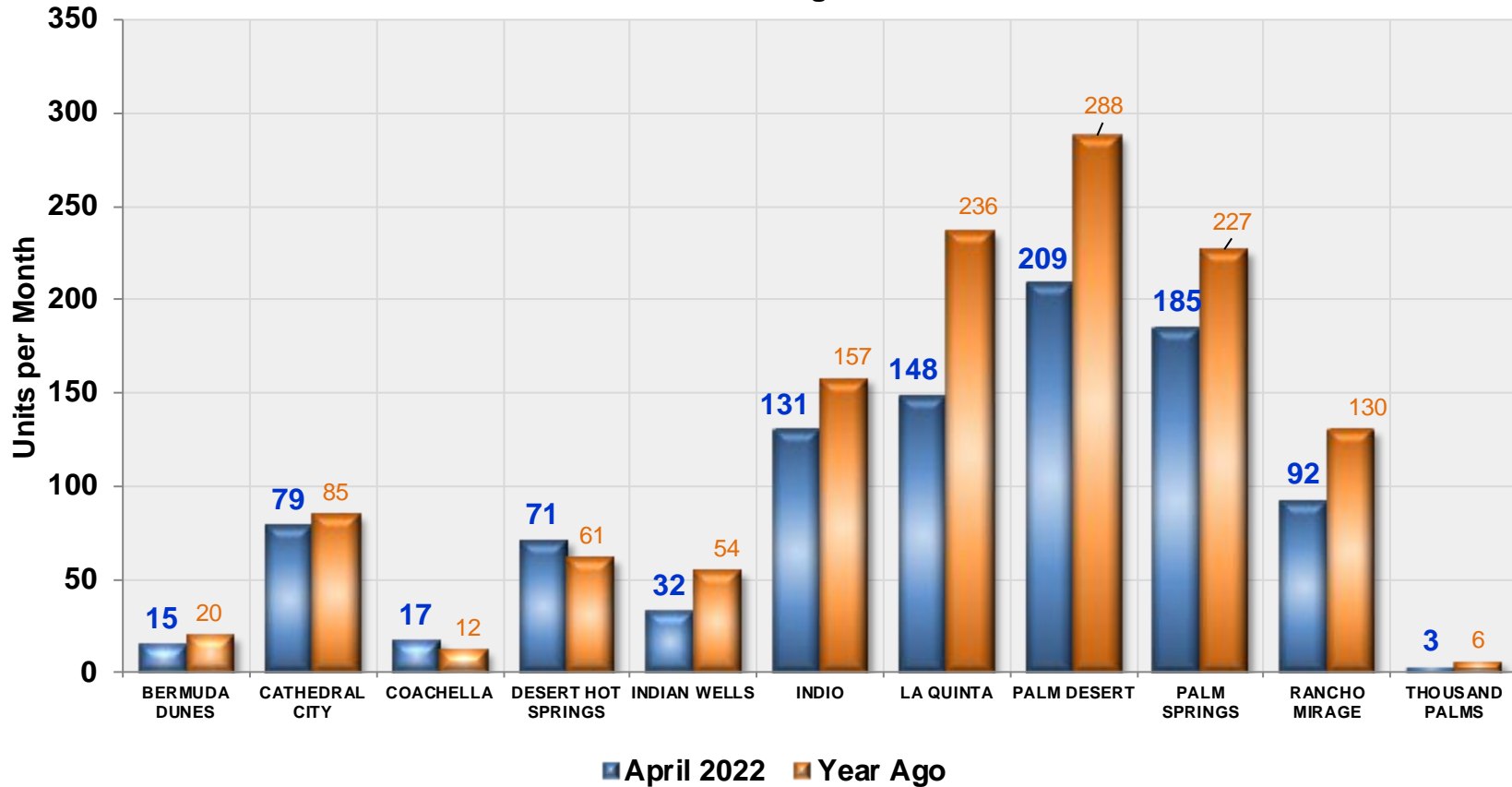
12 month moving average



Monthly Sales – 12-month trailing avg.

The 12-month average of sales, which takes out all seasonality, shows total sales in April averaged 931 units a month, which is 31 units less than last month and 11% below last year. Sales of detached homes are down 10.5%, while those of attached homes are off 13%. We expect the trend of long-term sales to continue to move down due to supply restrictions from low inventory.

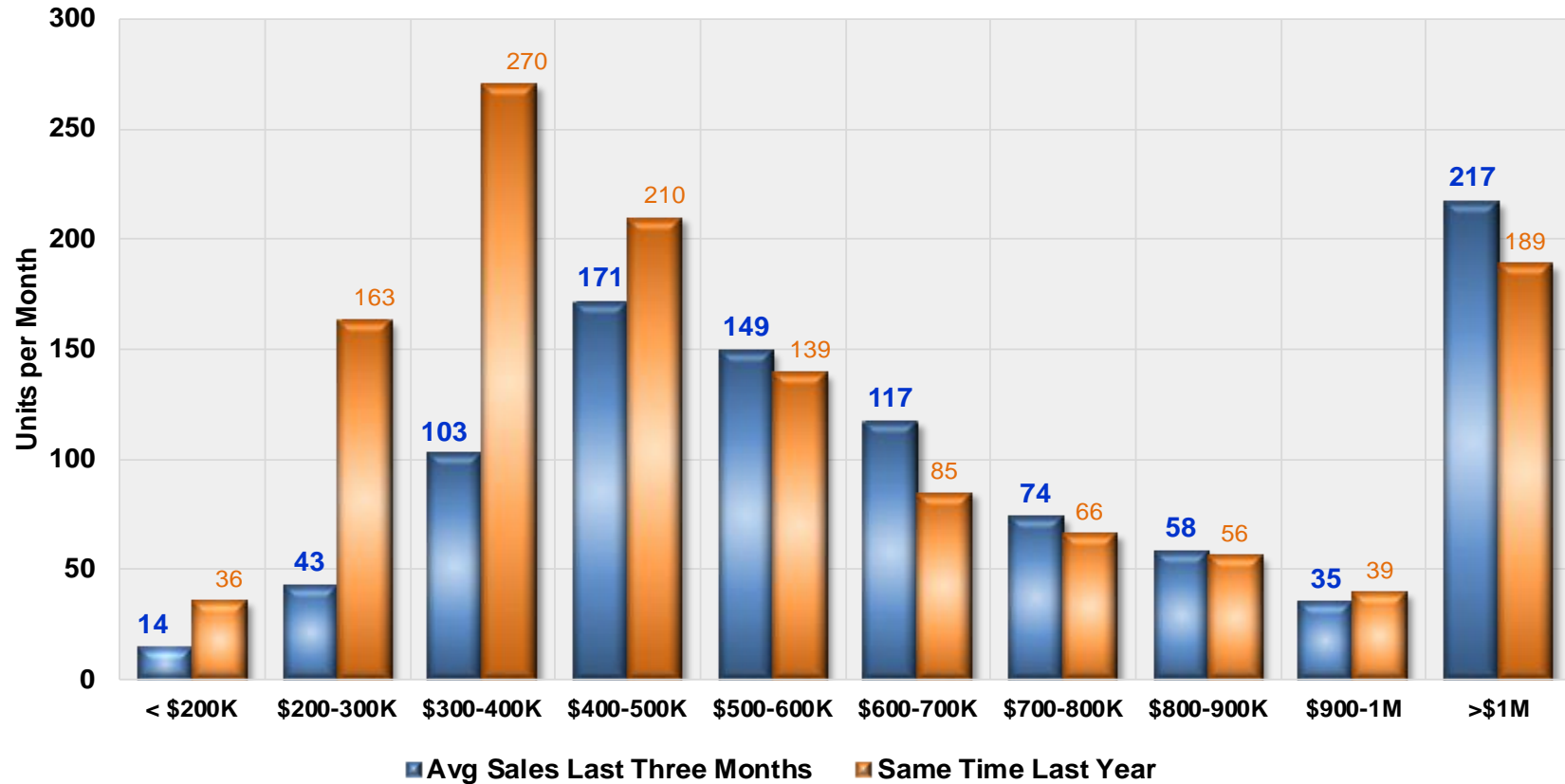
Home Sales by City 3 month avg sales



Home Sales by City

Again, we find that the largest decline in sales to be in the four major resort cities – La Quinta, Palm Desert, Palm Springs and Rancho Mirage. Sales in La Quinta are off the largest amount at 37%. The cities that are classified primarily as “work force” cities – Coachella, Cathedral City, Desert Hot Springs and Indio – continue to show comparable sales numbers to last year.

Home Sales by Price Range 3 mos avg

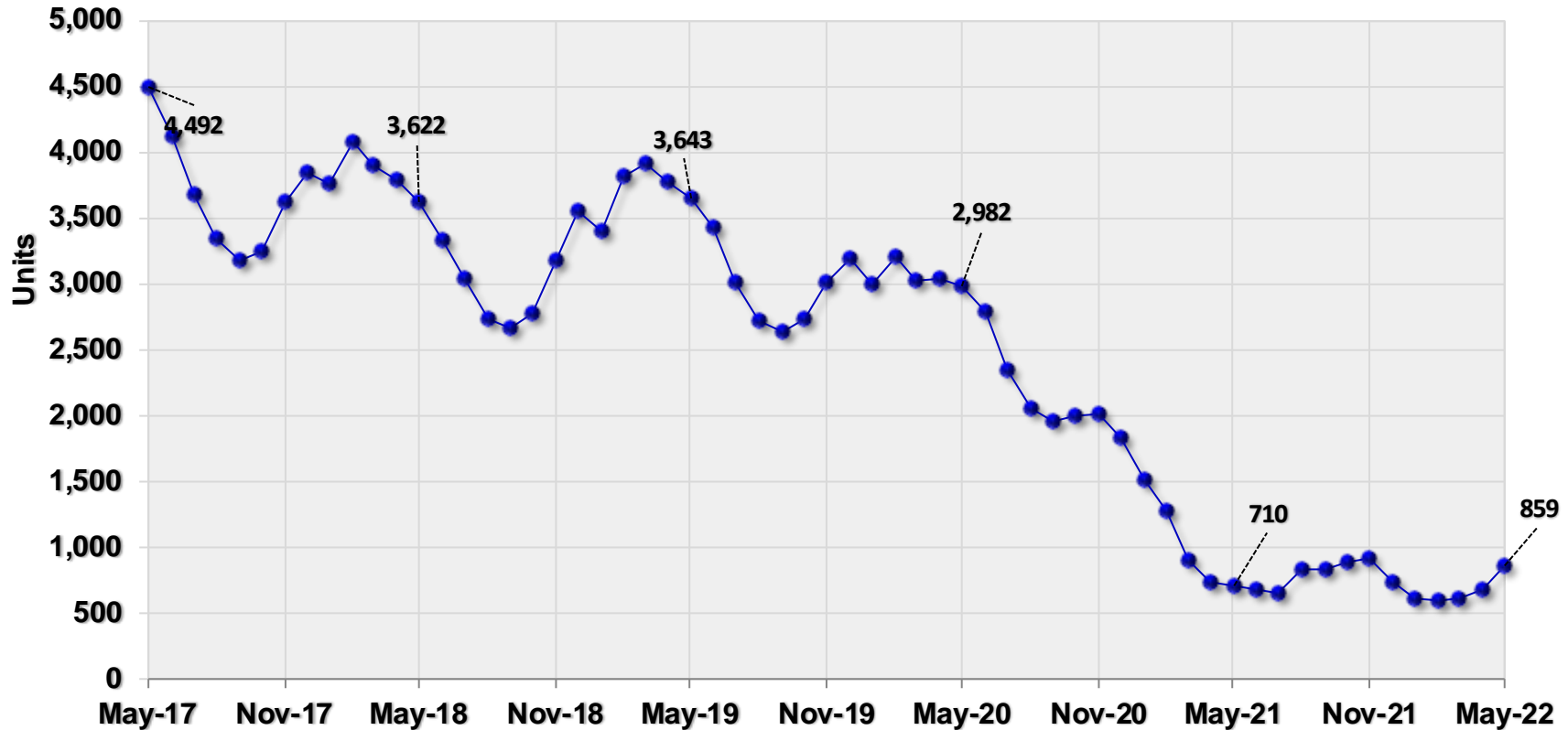


Home Sales by Price Range

This graph shows the huge decline in sales for homes priced under \$400,000 and a very slight increase in sales of homes priced over \$500,000. We currently see 217 sales of homes priced over a million dollars; last year there were 189 that sold over a million dollars. Most of this increase is simply due to more homes being in the higher price brackets.

Valley Housing Inventory

May 1st 2017 to May 1st 2022



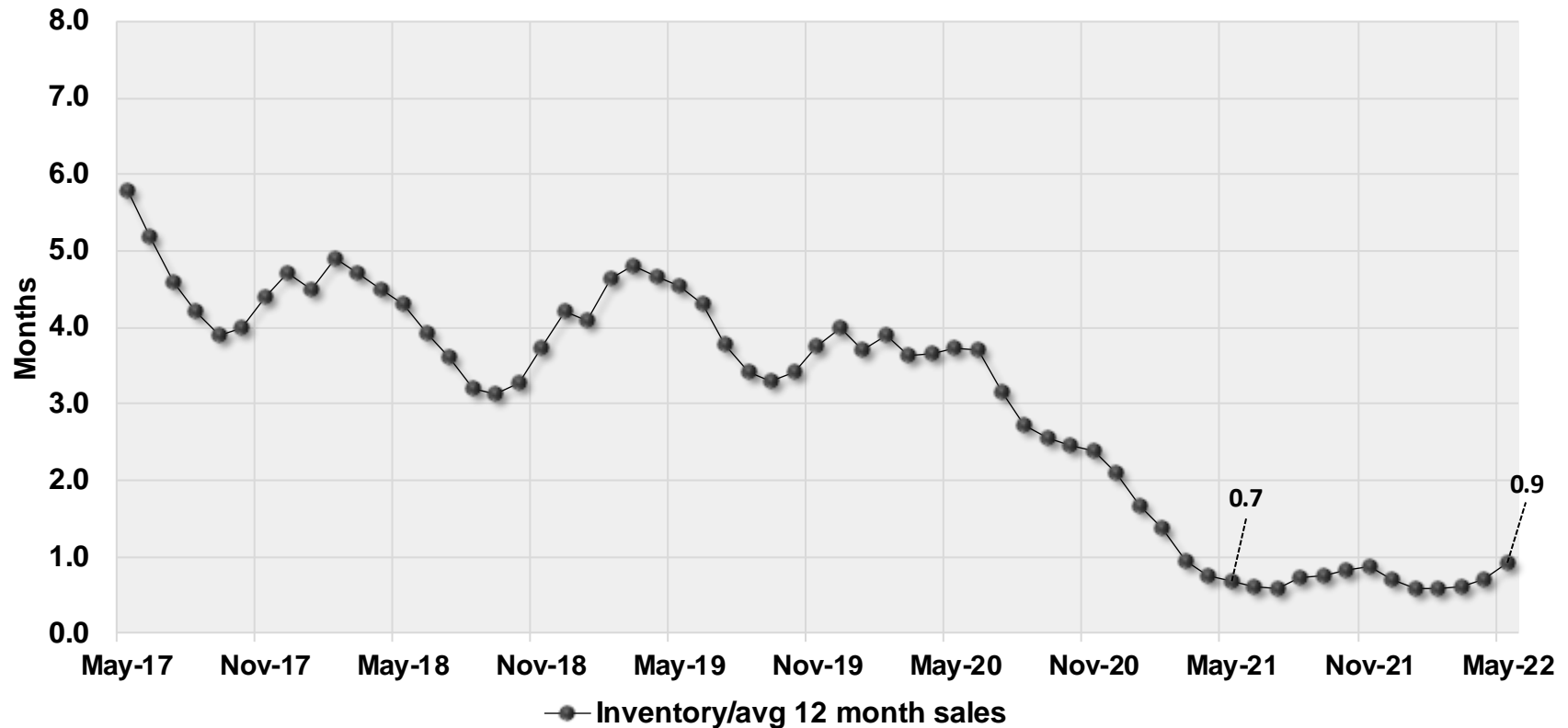
Coachella Valley Total Inventory

On May 1st, total Valley inventory was 859 units, which is 149 units more than last year. We are somewhat encouraged by the fact that inventory has been rising the last two months when historically it has fallen due to seasonal factors. But we need the growth in inventory to increase. The only hope for higher inventory is a surge of new listings. But with only 1,240 new listings in April, which is just a normal April number, we don't see it happening yet.

"Months of Sales" Ratio

Coachella Valley

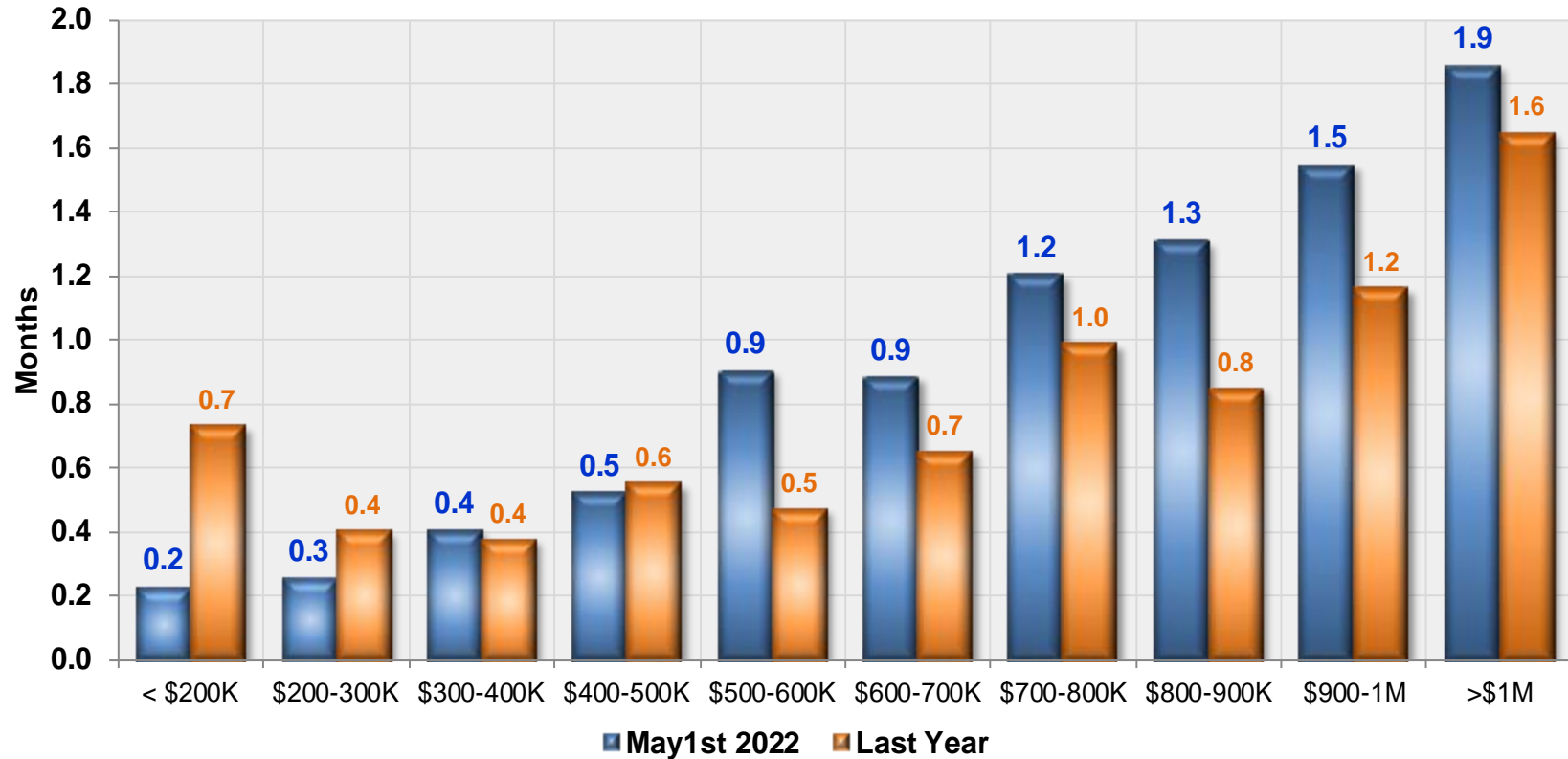
May 1st 2017 - May 1st 2022



Regional "Months of Sales" Ratio

On April 1st the "months of sales" ratio for the Valley was .9 months, up .2 months from a year ago. This slight increase is due to lower sales and higher inventory compared to year ago levels. We are still far below normal ratios of three and four months and these low numbers indicate continued upward pressure on home prices. As we've stated before, we need to see more new listings to bring about the increase in inventory that this housing market needs.

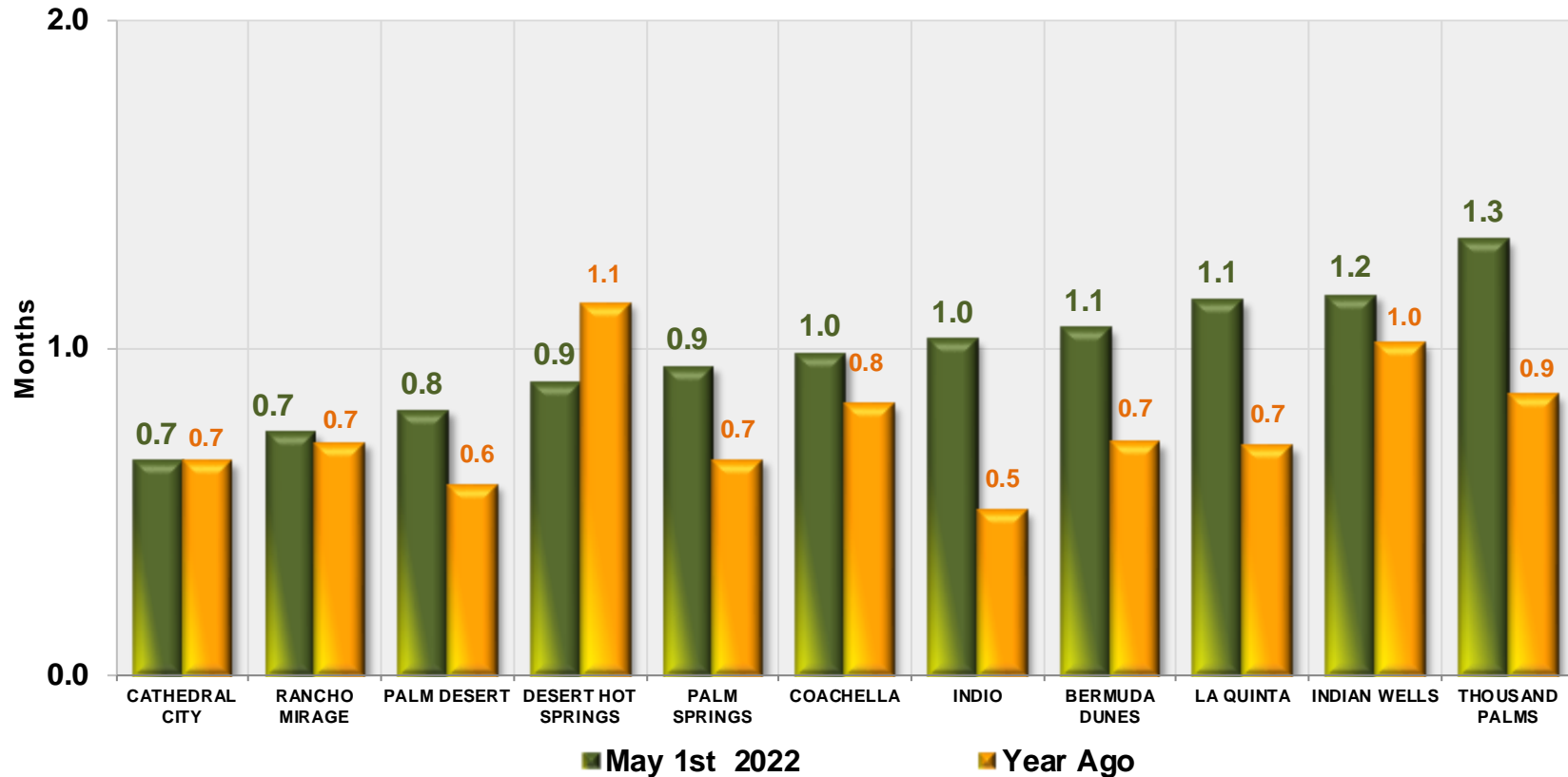
"Months of Sales" by Price Range uses avg. twelve month sales



"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 is higher in every price bracket over \$500,000 compared to year ago levels. In the price brackets below \$500,000, the ratios are comparable. The ratio for million-dollar homes is 1.9 months; in more normal markets it is usually 8 to 10 months. This shows that the upward pressure on prices exists in every price bracket.

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



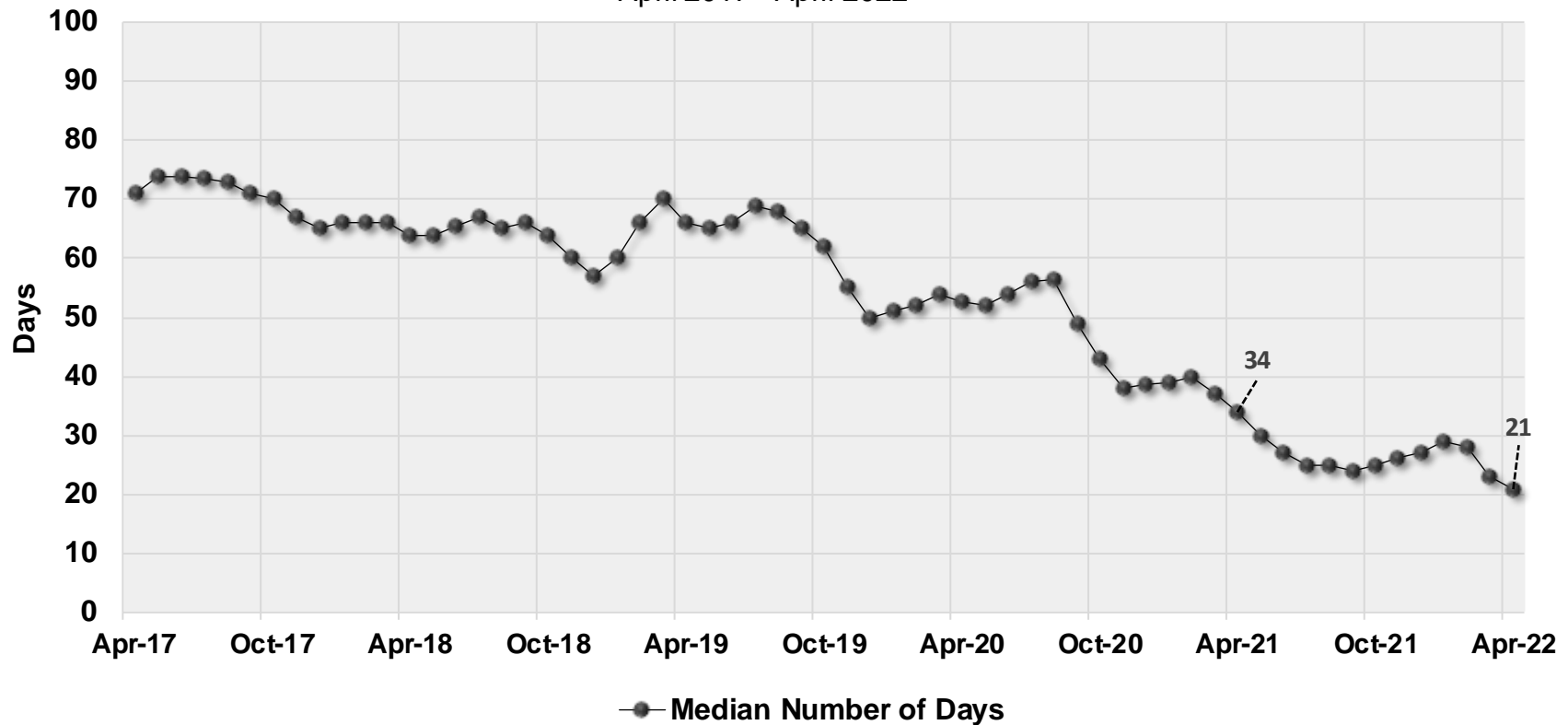
"Months of Sales" by City

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 ratios under one month are Cathedral City, Rancho Mirage, Palm Desert, Desert Hot Springs and Palm Springs. What is particularly noteworthy is how close the ratios are in all the cities.

"Days in the Market"

Coachella Valley

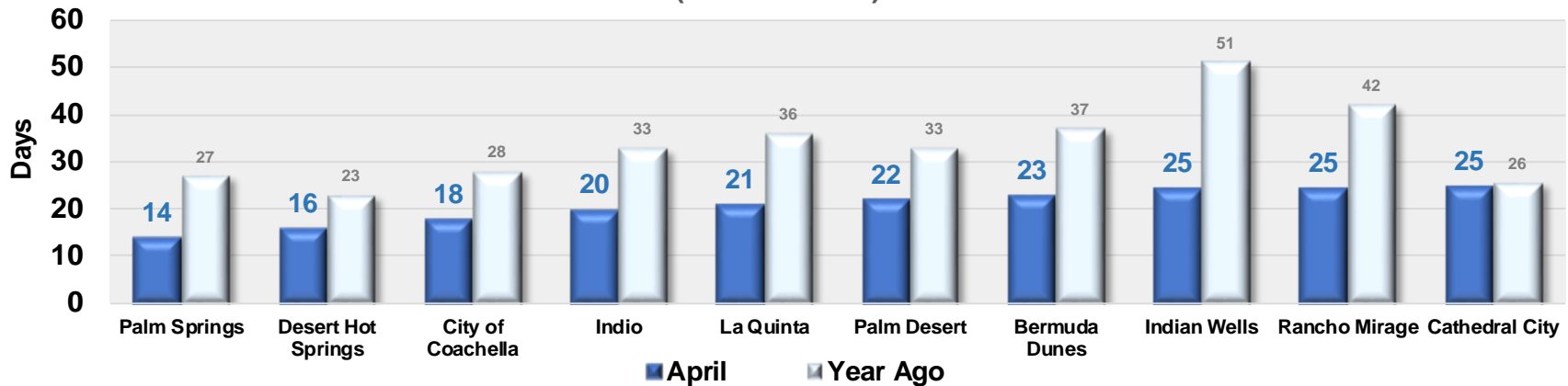
April 2017 - April 2022



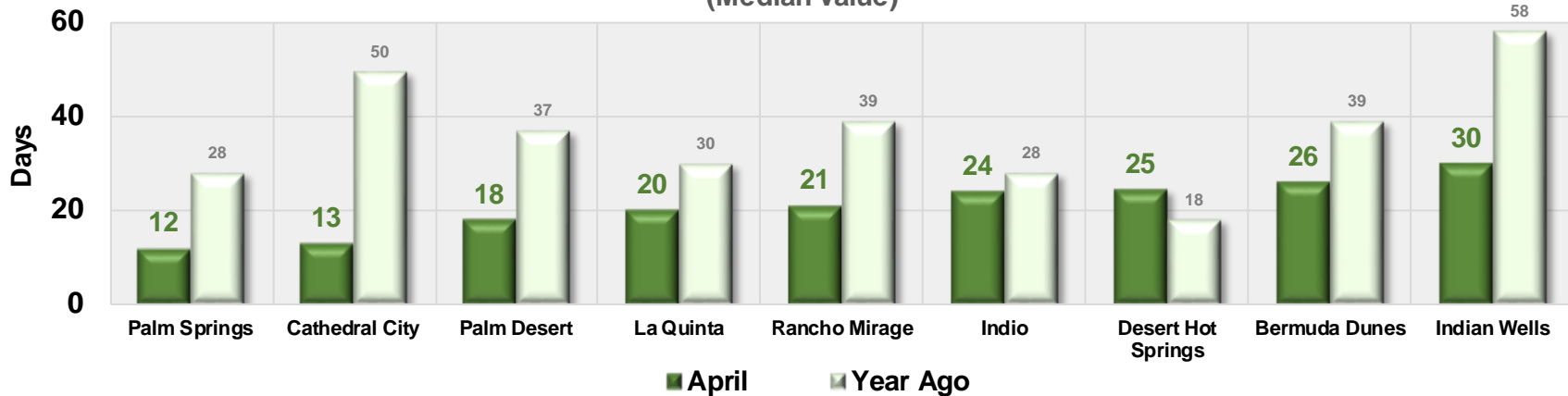
Regional "Days in the Market"

At the end of April, the median number of "days in the market" throughout the Valley was 21 days, which is 13 days less than last year. With such low inventory, forces continue to keep selling times near current, low levels. To see how truly low these selling times are, before the pandemic average selling times were 60 to 70 days.

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



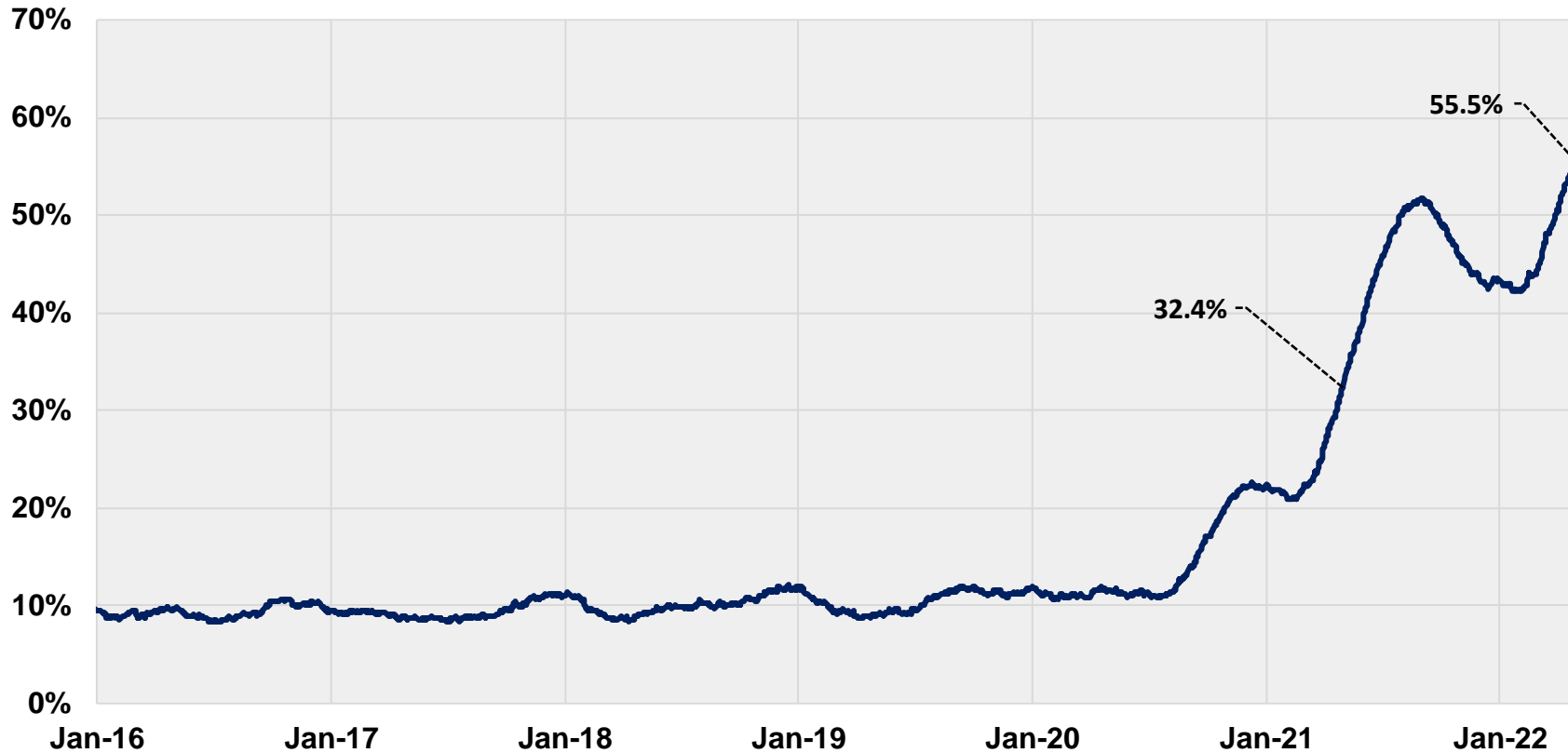
"Days in the Market" - Attached Homes (Median Value)



"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 Palm Springs has the lowest median selling time for detached homes at just 14 days, followed by Desert Hot Springs with 16 days. In the attached market, Palm Springs also has the shortest number of days at 12 days, followed by Cathedral City at 13 days.

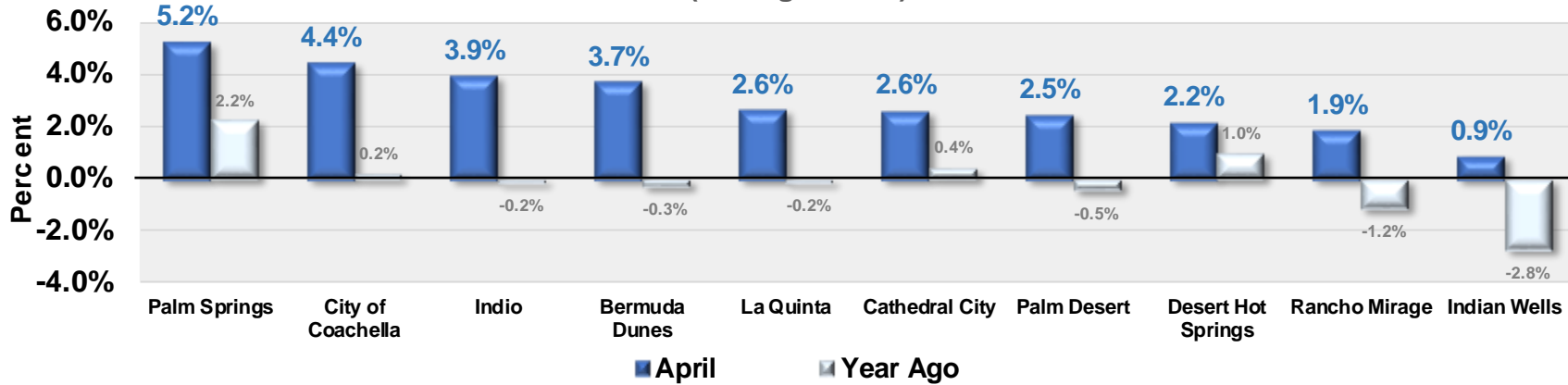
% Homes Selling Over List Price Coachella Valley 2016 - 2022 (Apr)



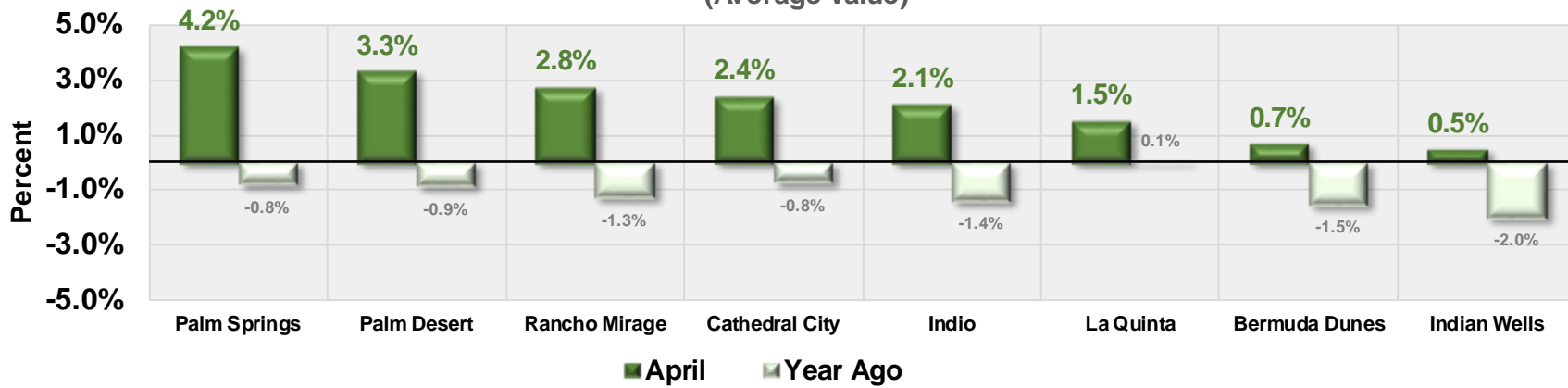
Percent Homes Selling Above List

This new chart shows the percentage of Valley homes that sold above list price during the last three months. At the end of April, 55.5% of homes sold above list. This compares to 32.4% a year ago. The current number is the highest percent in history. This results when there are multiple bidders per home, with each fearful of the other out bidding them, so they offer bids above list. In more normal times the percent is around 10%.

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 average selling premium for detached homes at 5.2%, followed by the city of Coachella at 4.1%. In the attached market, Palm Springs also has the highest premium at 4.2%.

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.