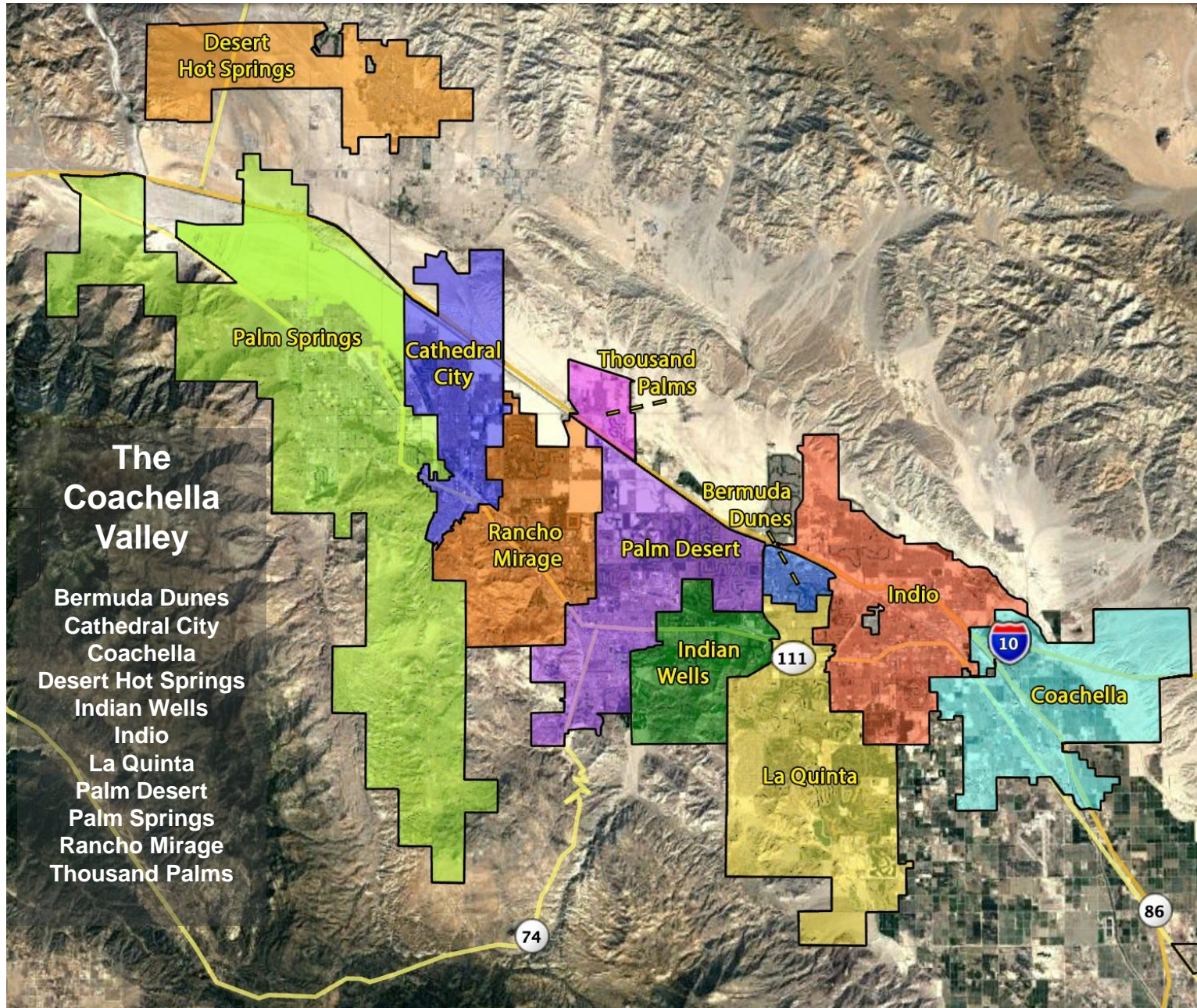






# The Desert Housing Report

November 2021



Produced for Valley agents through the sponsorship and cooperation of GPSR and CDAR by Market Watch LLC

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## Summary

**PRICES:** In November, the median price of a detached home in the Coachella Valley was \$615,000, which represents a 12-month gain of 17.1%. The median price for attached homes was \$389,450. Last November the price was \$315,000, which represents a gain of 23.6%. The year-over-year price gains for detached homes in the nine cities range from 44.4% in Bermuda Dunes to 26.2% in Cathedral City. Of the larger regional cities, La Quinta and Palm Desert show the largest price increases for attached homes at 43.8% and 36.9% respectively.

**SALES:** Total sales in November averaged 812 units a month, which is considerably less than the 1,120 units last year but above the pre-pandemic November average of 693 units. Sales of detached homes averaged 563 units compared to 765, which is down 26%. Sales of attached homes was 249 compared to 346, which is down 28%. Because inventories are so low, unless new listings surge, it's hard to imagine sales rising much above current levels.

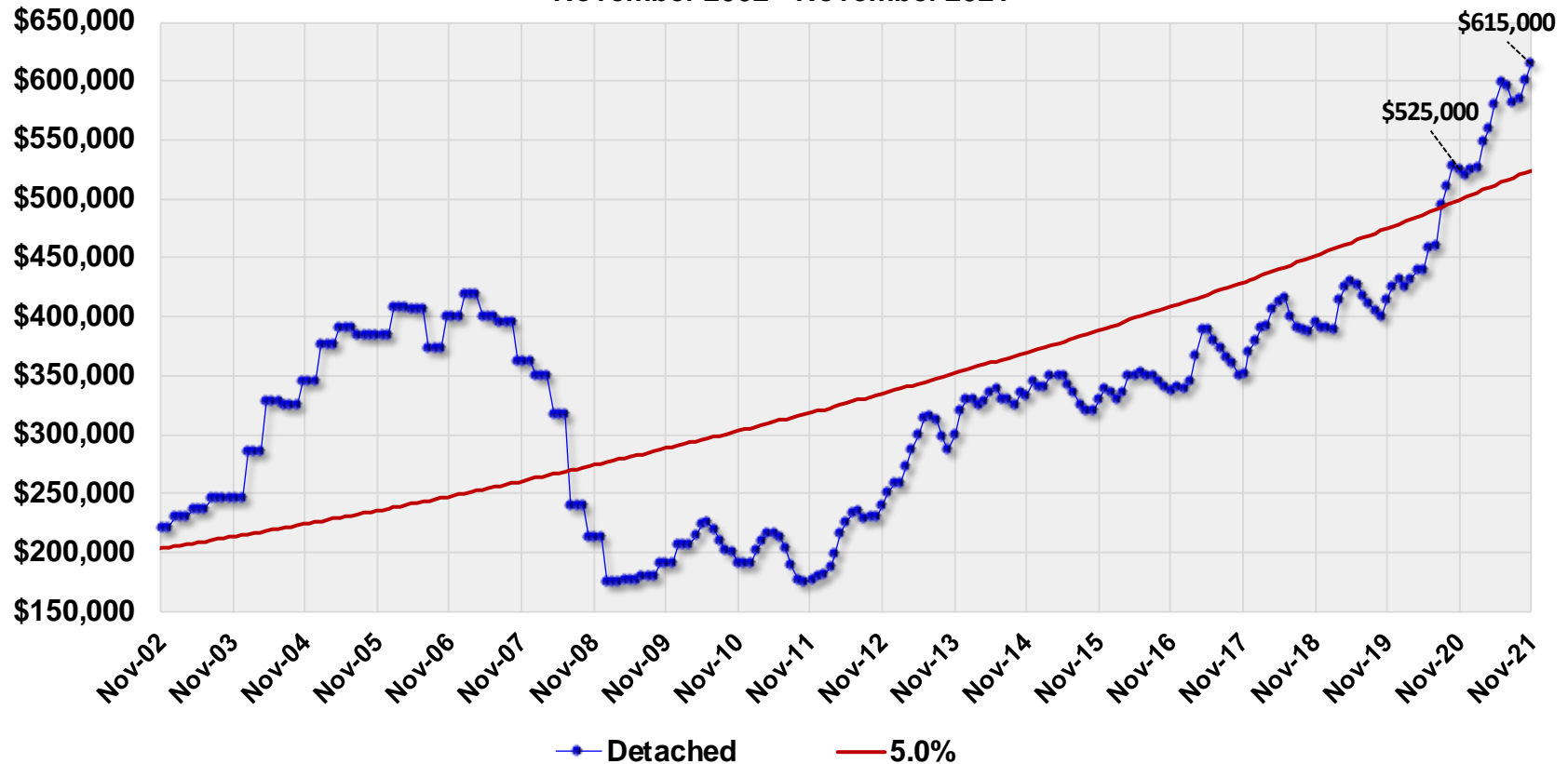
**INVENTORY & "MONTHS OF SALES" RATIOS:** On December 1st total inventory in the Valley declined to 742 units, which is 173 units less than the last month, and 59% below last year. This is a little disconcerting since historically November and December see rather large inventory increases. On December 1st the "months of sales" for the entire Valley was .7 months, which is near the lows registered in mid-summer. The MOS pattern is very similar to what we see with inventory. A year ago, the ratio was 2.1 months.

**DIM:** At the end of November, the median value throughout the Valley of "days in the market" was 25 days, one day greater than last month and 18 days less than last year. As inventory remains low and demand high, forces are in place to possibly push selling times even lower. The city of Coachella continues to have the lowest number of days for detached homes at 14 days, followed by Desert Hot Springs at 20 days and both Palm Springs and Indian Wells at 24 days.

**PRICE DISCOUNTS:** The median value for "Sale Discount from List" for detached homes in November was again 0.0%, which is the same discount it's had for the last nine months. Since so many homes are selling right at list price, the median value of all sales is exactly 0.0%. A year ago, it was -.5%. Bermuda Dunes is selling detached homes at a premium of 1.9%. This is followed by Indio at 1.7% and the city of Coachella at 1.6%. Only Indian Wells is selling at a discount of 1%. In the attached home market both Indio and Palm Springs are selling with premiums of 1.8%.

## Coachella Valley Median Detached Home Price

November 2002 - November 2021



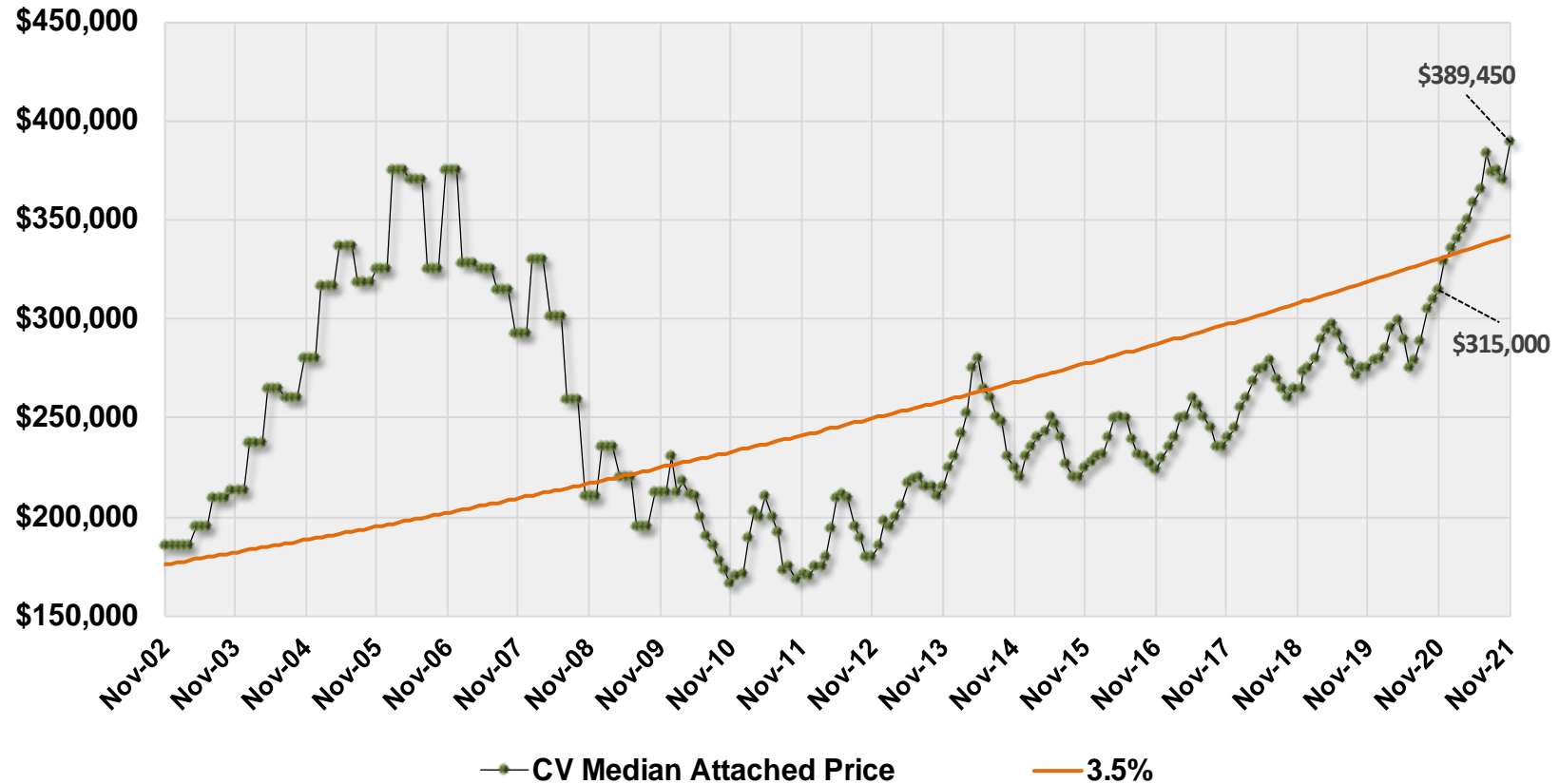
## Coachella Valley Detached Median Price

In November, the median price of a detached home in the Coachella Valley was \$615,000, which, compared to \$525,000, represents a 12-month gain of 17.1%. The month of November begins a seasonal period of price strength that goes back at least 15 years or more. We expect that seasonal pattern to continue to be enhanced by the continuing large over balance of demand versus supply.

## Coachella Valley Median Attached Price

Median Price

November 2002 - November 2021



## Coachella Valley Median Attached Price

The median price for attached homes in November was \$389,450; a year ago, the November price was \$315,000. This represents a gain of 23.6%. Attached homes also have a seasonal price pattern which begins in November and carries forward five or six months. We likewise expect this strong seasonal pattern to continue for attached homes.

# The Desert Housing Report

November 2021

## Price of The Average Size Detached 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
Bermuda Dunes	2,500	\$309.84	\$774,599	\$536,575	44.4%	\$239,325	223.7%
Palm Springs	2,175	\$543.50	\$1,182,120	\$876,405	34.9%	\$323,879	265.0%
Indian Wells	3,450	\$406.84	\$1,403,599	\$1,046,696	34.1%	\$666,885	110.5%
Rancho Mirage	3,175	\$354.30	\$1,124,914	\$850,265	32.3%	\$506,317	122.2%
Desert Hot Springs	1,600	\$224.72	\$359,545	\$274,768	30.9%	\$86,656	314.9%
Palm Desert	2,200	\$320.84	\$705,855	\$541,948	30.2%	\$302,302	133.5%
Indio	2,000	\$251.80	\$503,600	\$387,260	30.0%	\$156,340	222.1%
La Quinta	2,550	\$342.40	\$873,118	\$676,923	29.0%	\$318,164	174.4%
Coachella	1,700	\$221.14	\$375,933	\$293,913	27.9%	\$111,367	237.6%
Cathedral City	1,800	\$286.45	\$515,614	\$408,483	26.2%	\$153,216	236.5%

## Price of The Average Size Attached Home

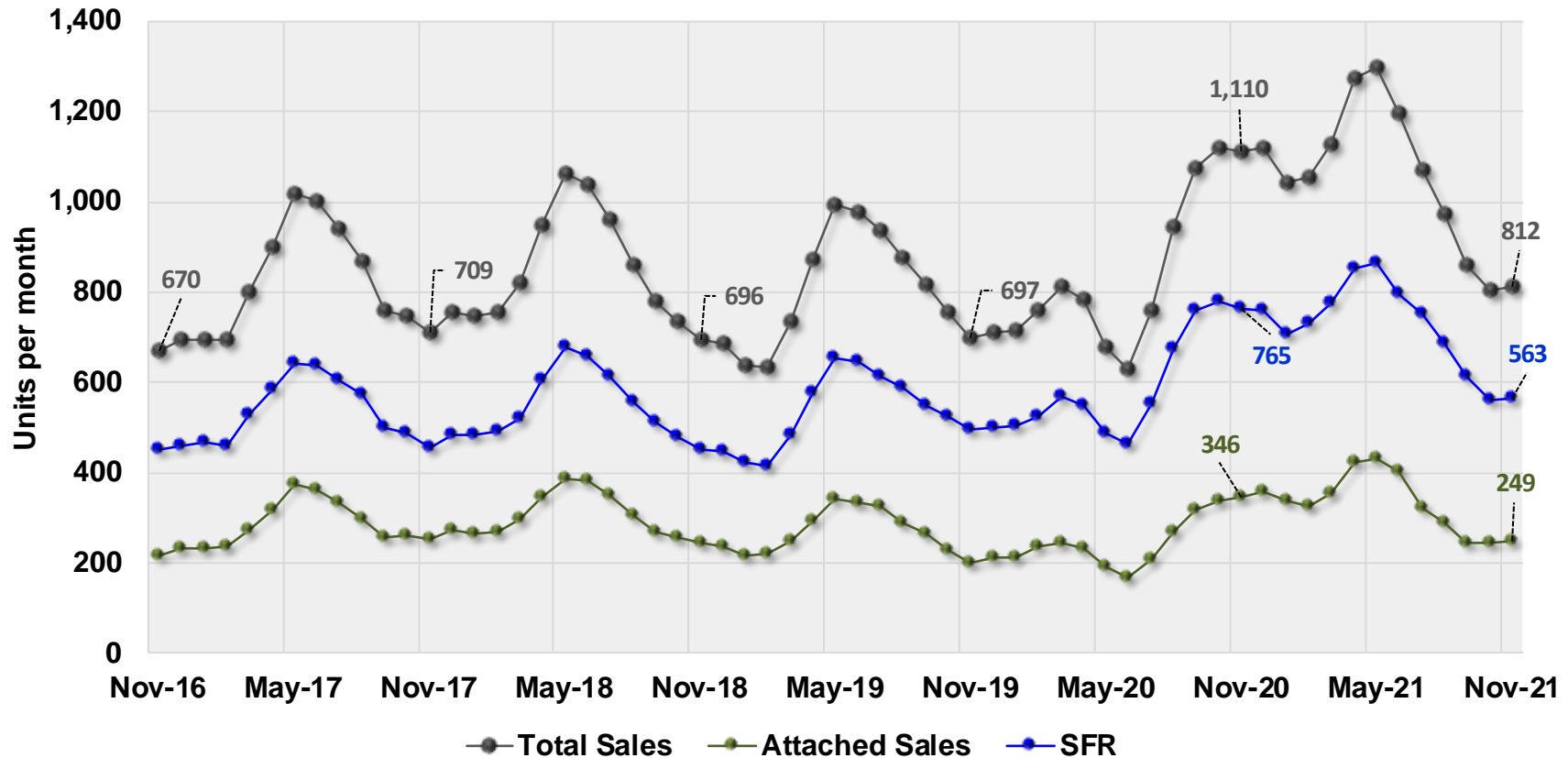
City	Avg. Size Home	Pr. per sq/ft	Price of Avg. Size Home	Price One Year Ago	12 Month Change	2011-12 Price Low	% From Low
Desert Hot Springs	750	\$146.76	\$110,071	\$64,298	71.2%	\$16,013	587%
La Quinta	1,750	\$331.55	\$580,208	\$403,358	43.8%	\$247,713	134%
Palm Desert	1,600	\$291.16	\$465,863	\$340,376	36.9%	\$197,896	135%
Cathedral City	1,250	\$223.13	\$278,910	\$206,388	35.1%	\$80,544	246%
Rancho Mirage	1,775	\$281.09	\$498,940	\$374,720	33.1%	\$211,030	136%
Bermuda Dunes	1,450	\$230.26	\$333,882	\$251,836	32.6%	\$89,117	275%
Indio	1,050	\$236.83	\$248,674	\$193,657	28.4%	\$56,396	341%
Palm Springs	1,250	\$311.52	\$389,401	\$303,813	28.2%	\$129,788	200%
Indian Wells	1,950	\$303.70	\$592,220	\$468,985	26.3%	\$259,126	129%

## 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 the price per square foot of that home and also its price. The current prices are then compared to year ago levels and the all-time price lows that occurred in 2011 and 2012. In November, the twelve-month price gains for detached homes range from 44.4% in Bermuda Dunes to 26.2% in Cathedral City. Of the larger cities, La Quinta and Palm Desert show the largest price increases for attached homes at 43.8% and 36.9% respectively.

## Detached, Attached and Total Sales

3 month moving average

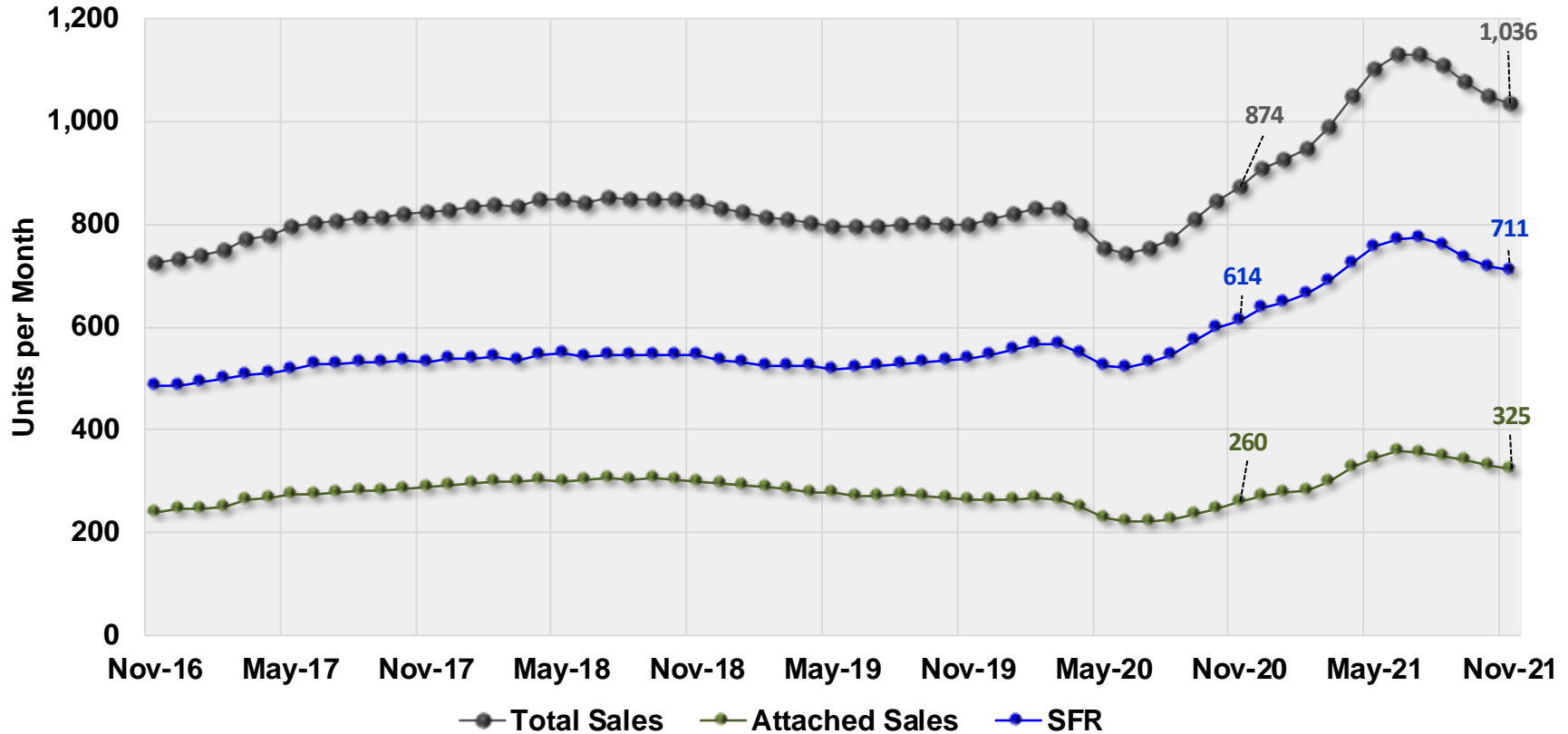


### Monthly Sales – 3-month trailing avg.

Total sales in November averaged 812 units a month, which is considerably less than the 1,120 units last year but above the pre-pandemic November average of 693 units. Sales of detached homes averaged 563 units compared to 765, which is down 26%. Sales of attached homes were 249 compared to 346 a year ago, which is down 28%. Because inventories are so low, unless new listings surge, it's hard to imagine sales rising much above current levels.

## Detached, Attached and Total Sales

12 month moving average

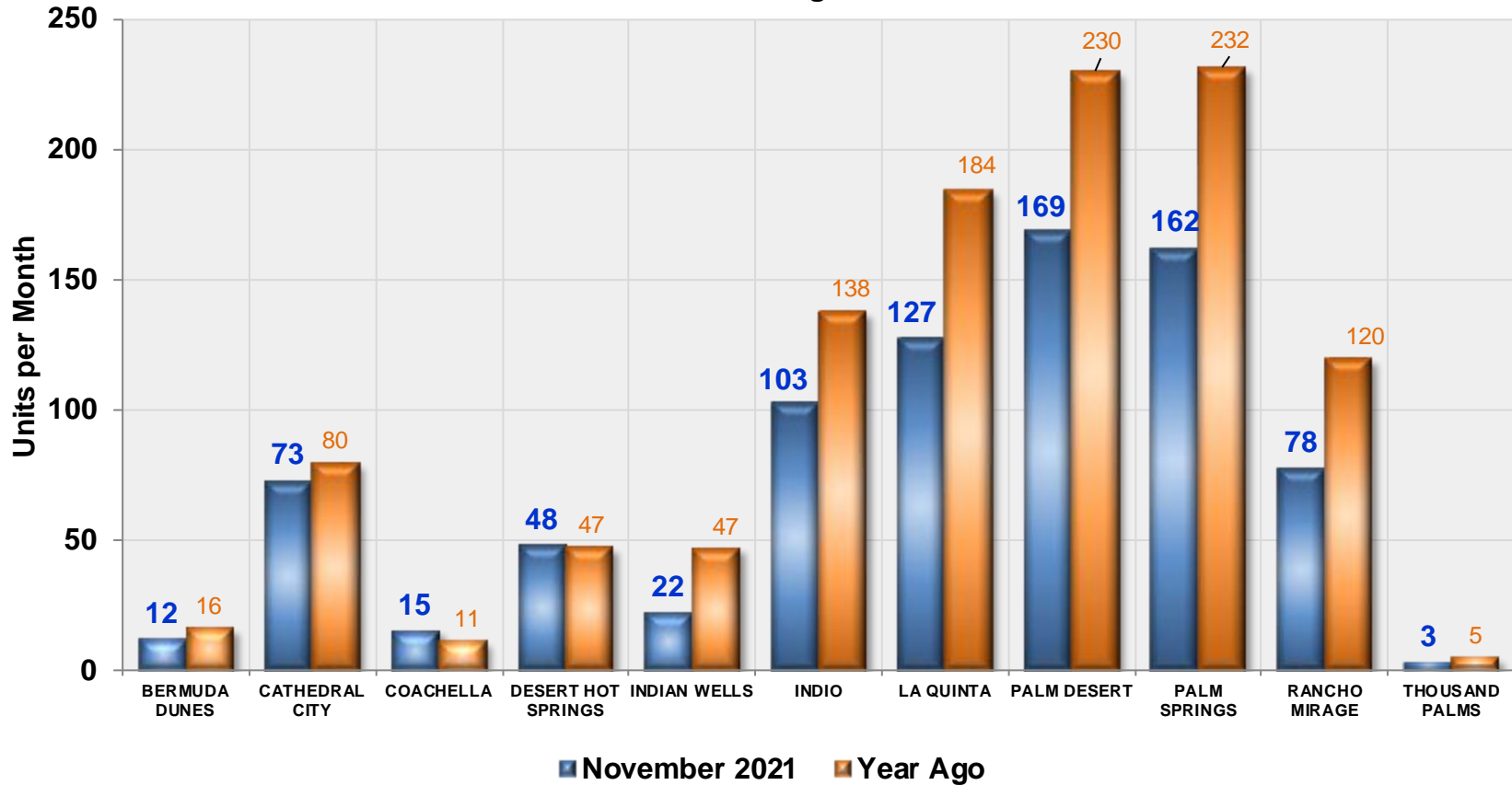


### Monthly Sales – 12-month trailing avg.

The 12-month average of sales, which takes out all seasonality, shows total sales in November averaging 1,036 units, which is 18% above last year. Last month sales were 24% higher. However, this long-term measurement again clearly shows that sales are beginning to retreat from last year’s high. We continue to expect long term sales to continue to retreat but stay above pre-pandemic norms.



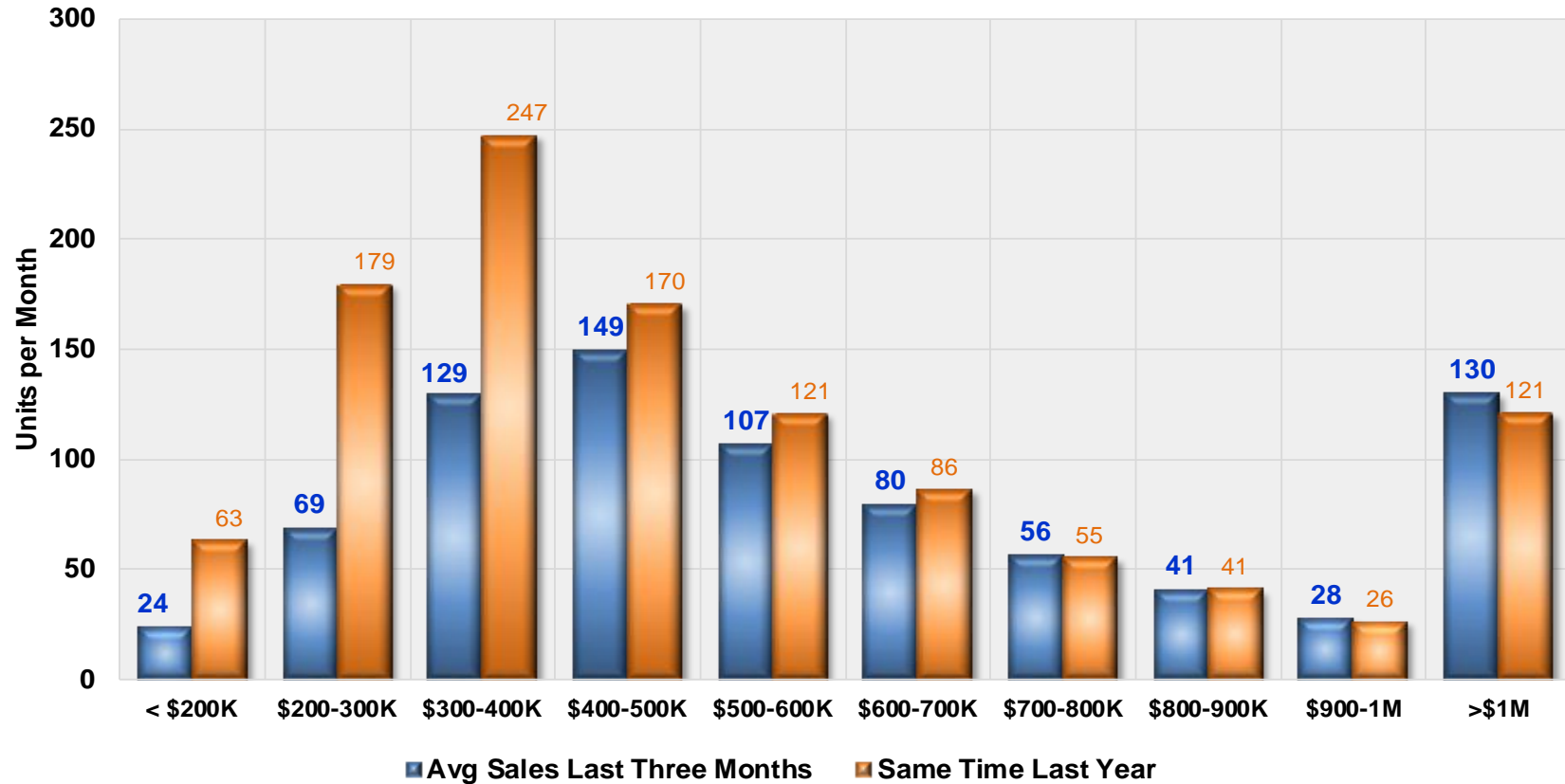
## Home Sales by City 3 month avg sales



## Home Sales by City

This graph of three month sales by city shows that the decline in sales from year ago levels is pretty much equally distributed throughout the five largest cities of the valley – Indio, La Quinta, Palm Desert, Palm Springs and Rancho Mirage. A few cities continue to show sales comparable to year ago levels, specifically Cathedral City, Coachella and Desert Hot Springs.

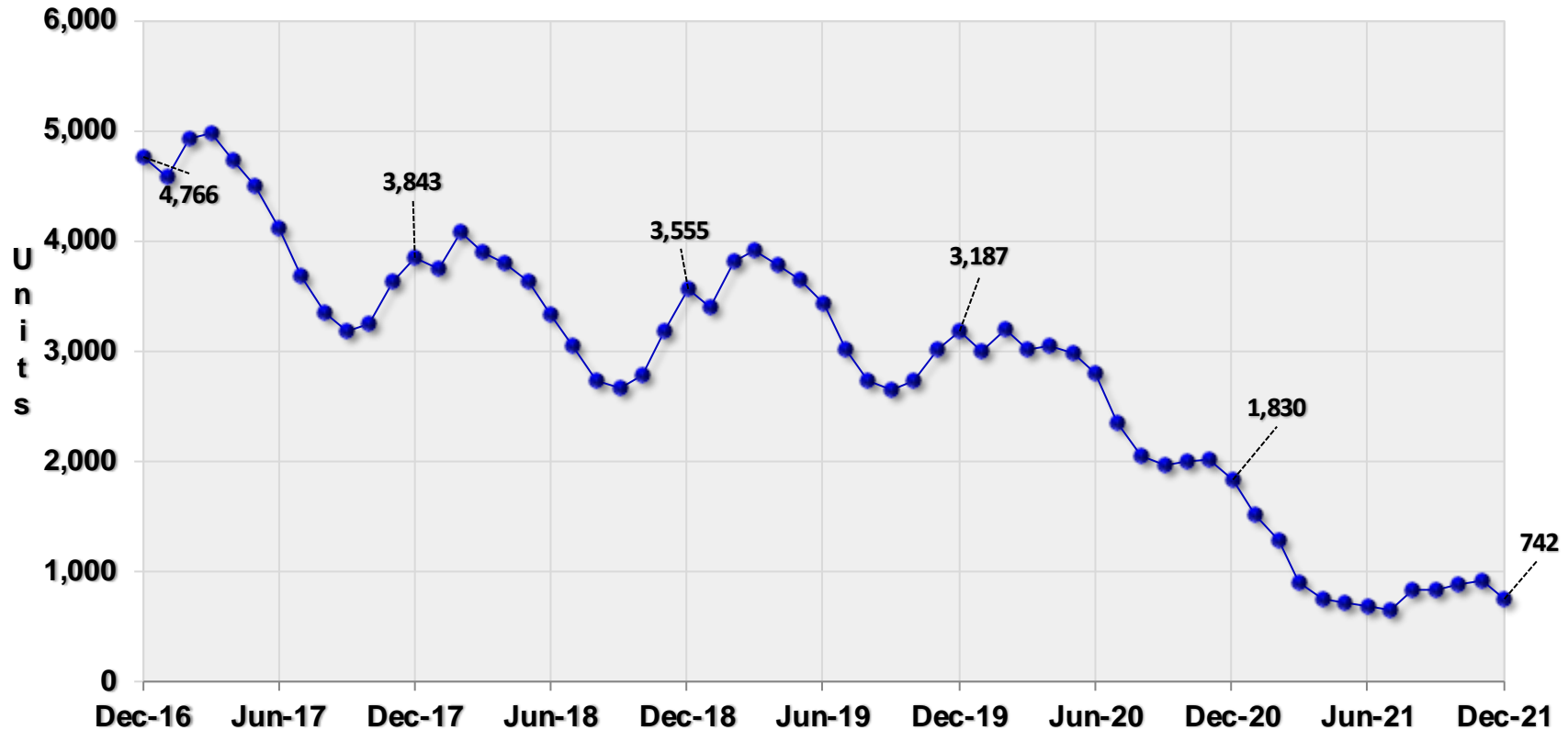
## Home Sales by Price Range 3 mos avg



## Home Sales by Price Range

When we look at sales by price bracket, we see a very clear pattern. The drop in sales compared to year ago levels is almost all in homes priced under \$400,000. Sales of homes priced over \$400,000 show comparable levels to last year. Some of this is due to the general price increase where we find fewer homes listed in the under \$400,000 price range.

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

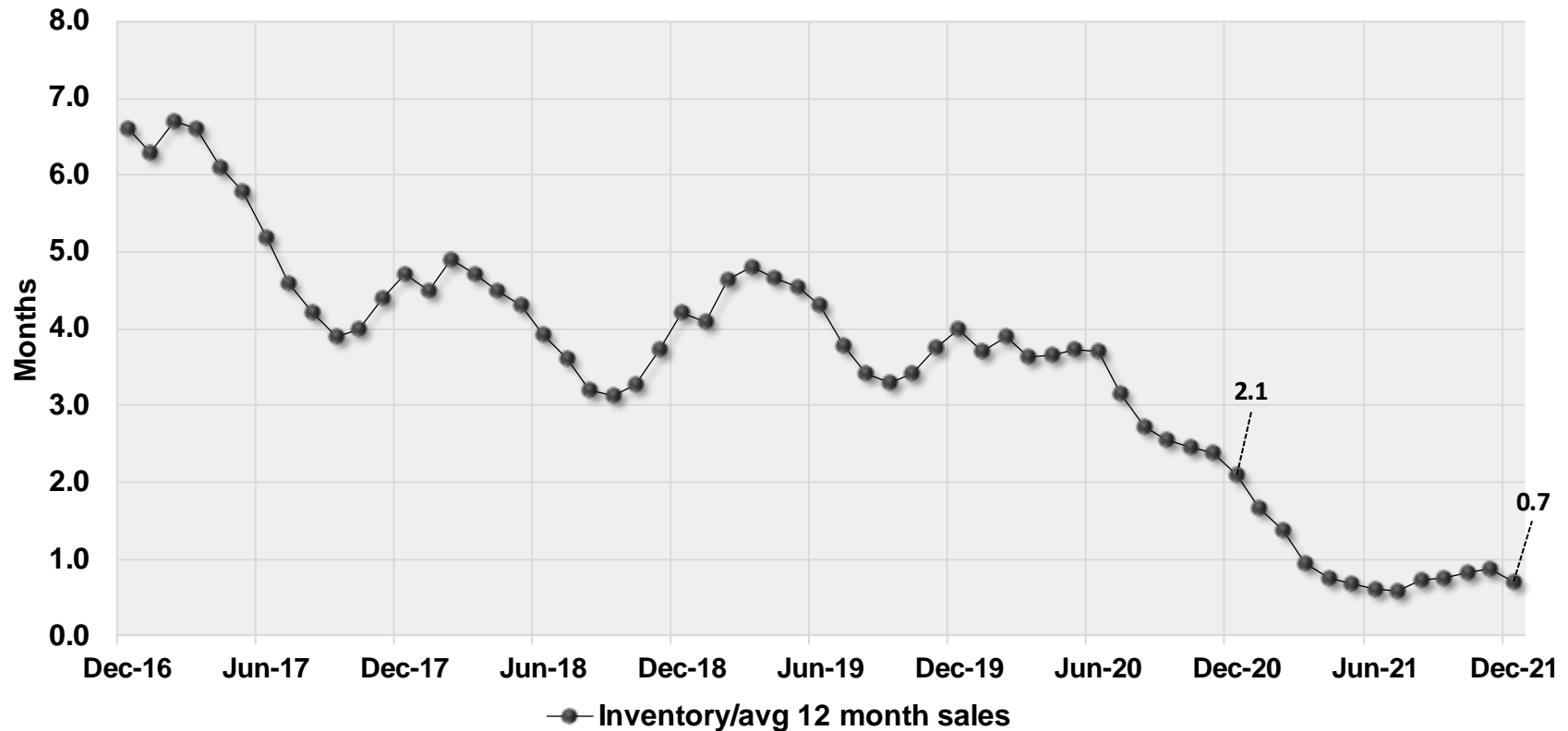


### Coachella Valley Total Inventory

On December 1<sup>st</sup> total inventory in the Valley fell to 742 units, which is 173 units less the last month and 59% less then a year ago. This is somewhat disconcerting since historically November and December usually sees rather large inventory increases. This highlights the fact that the restrictive effects of this pandemic still exist even after widespread distribution of vaccines. Studies of other Southern California regions shows the same pattern; that inventory is again declining as we approach year's end.



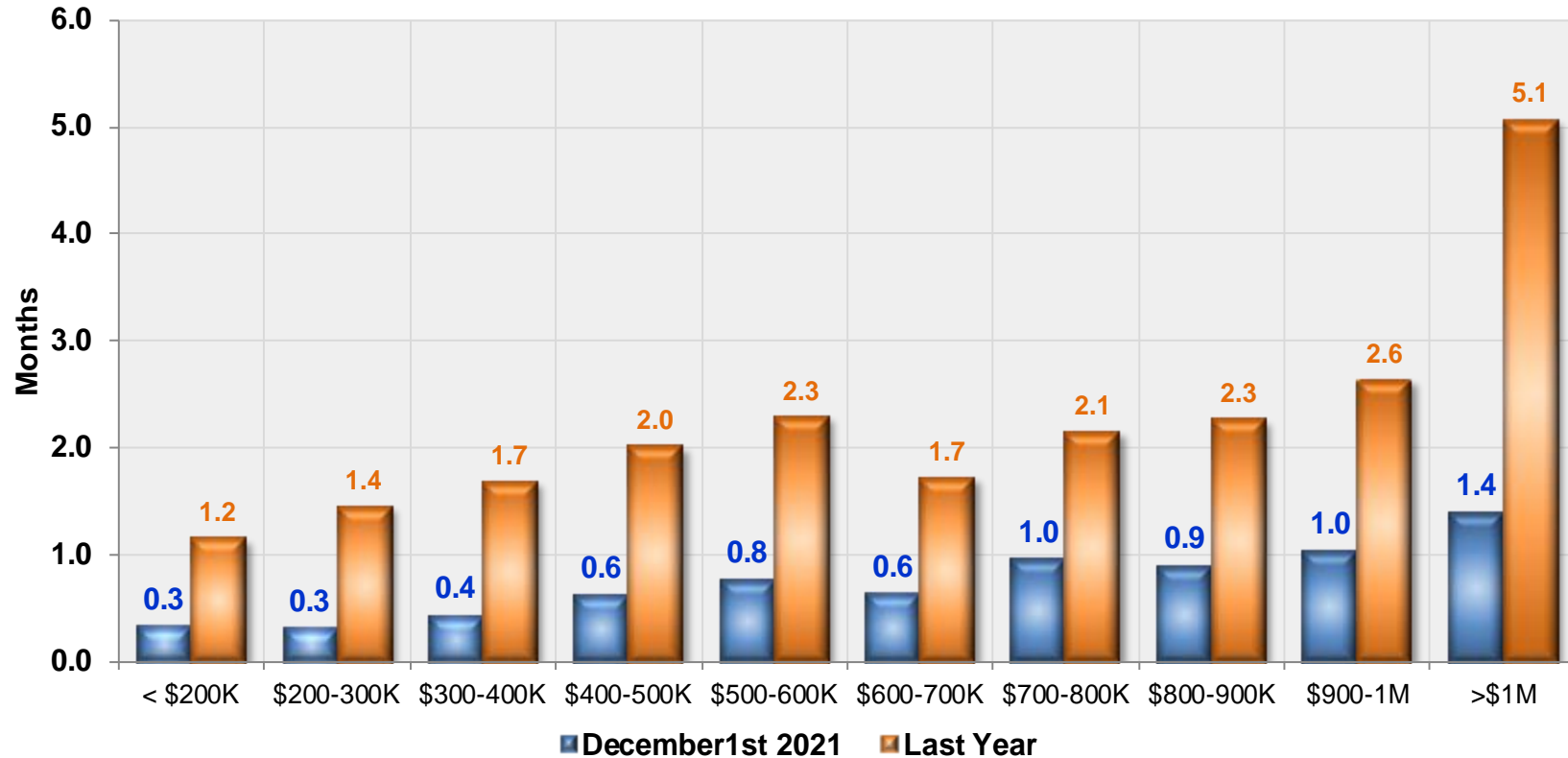
**"Months of Sales" Ratio**  
Coachella Valley  
December 1st 2016 - December 1st 2021



**Regional "Months of Sales" Ratio**

On December 1<sup>st</sup> the "months of sales" for the entire Valley was .7 months, which is down and approaching the lows registered in mid-summer. The pattern is very similar to what we see with inventory. A year ago, the ratio was 2.1 months. While these low ratios continue to bode well for home sellers, it makes it very difficult for homebuyers to find a wide range of homes that meet their wants and needs.

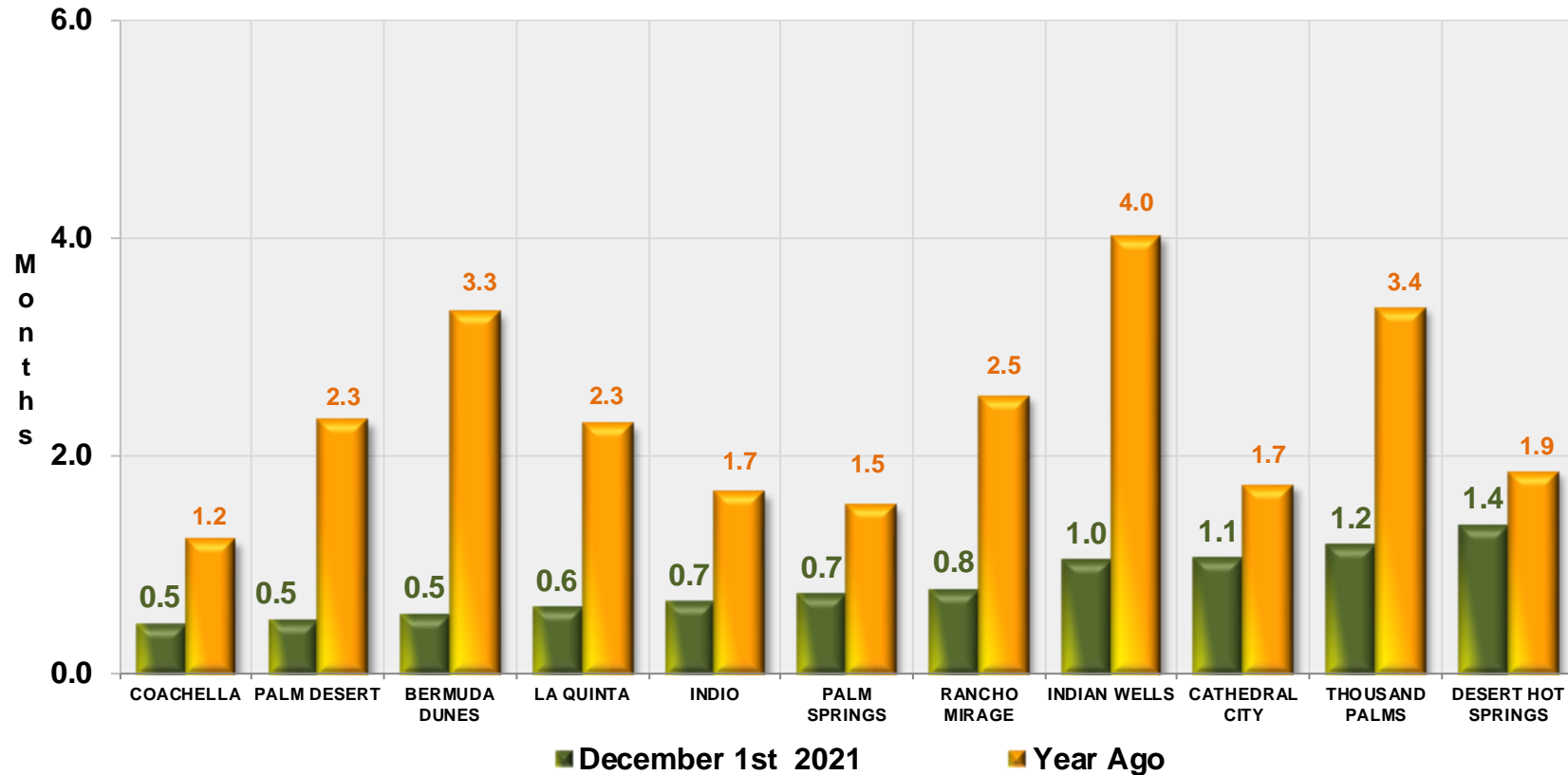
## "Months of Sales" by Price Range uses avg. twelve month sales



## "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. Blue bars are current ratios and orange bars are last year. The distinctive feature of this chart is the gradual rise in ratios as homes get more expensive. This is natural and expected so this chart indicates that there are no abnormalities or dislocations in this market by price.

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



## "Months of Sales" by City

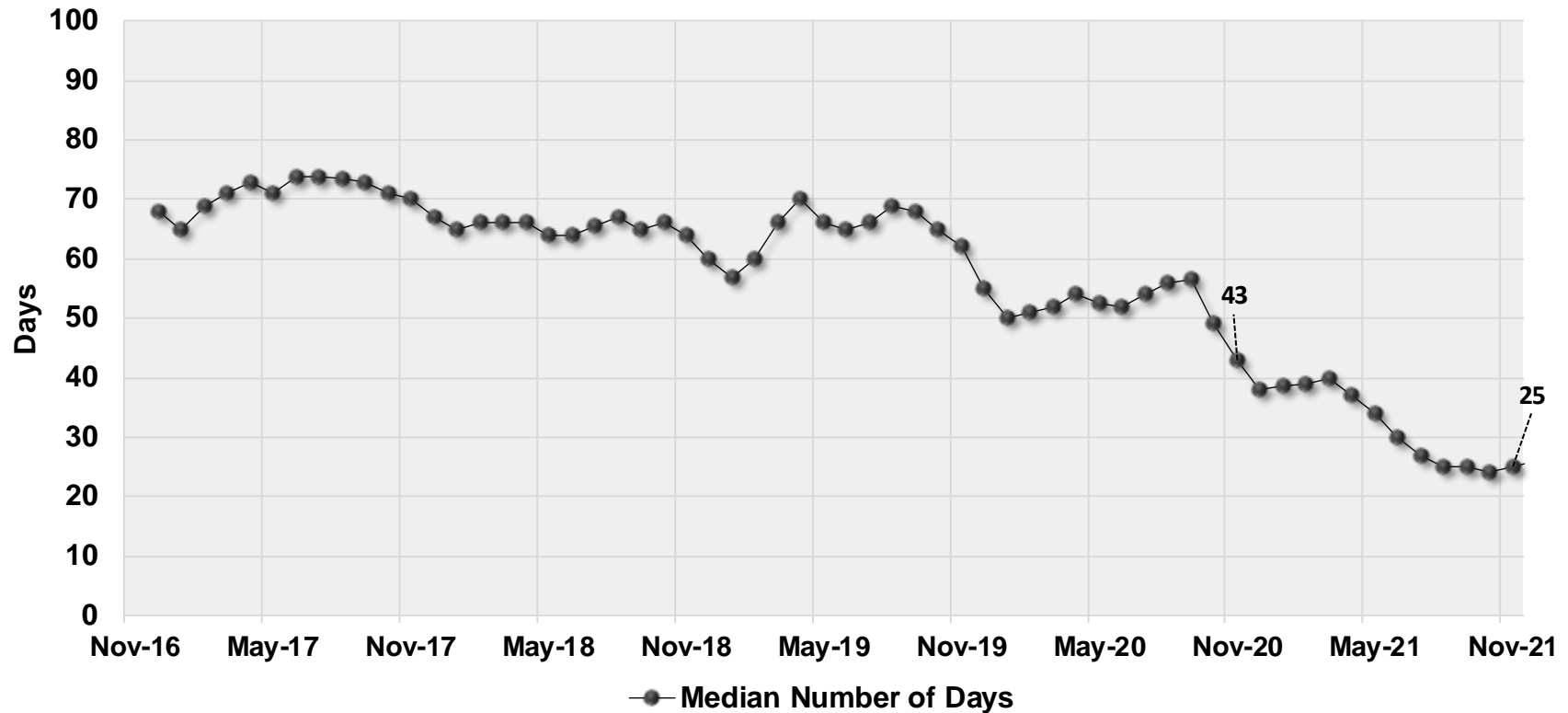
This graph compares "months of sales" ratios in each one of the cities compared to last year. We have sorted the cities left to right by lowest ratio. We have a slightly different pattern this month than normal. The higher priced cities of Rancho Mirage and Indian Wells usually have the highest ratios, which is both expected and normal. However, the lower-priced cities of Cathedral City, Thousand Palms and Desert Hot Springs have the highest ratios this month



## "Days in the Market"

Coachella Valley

November 2016 - November 2021



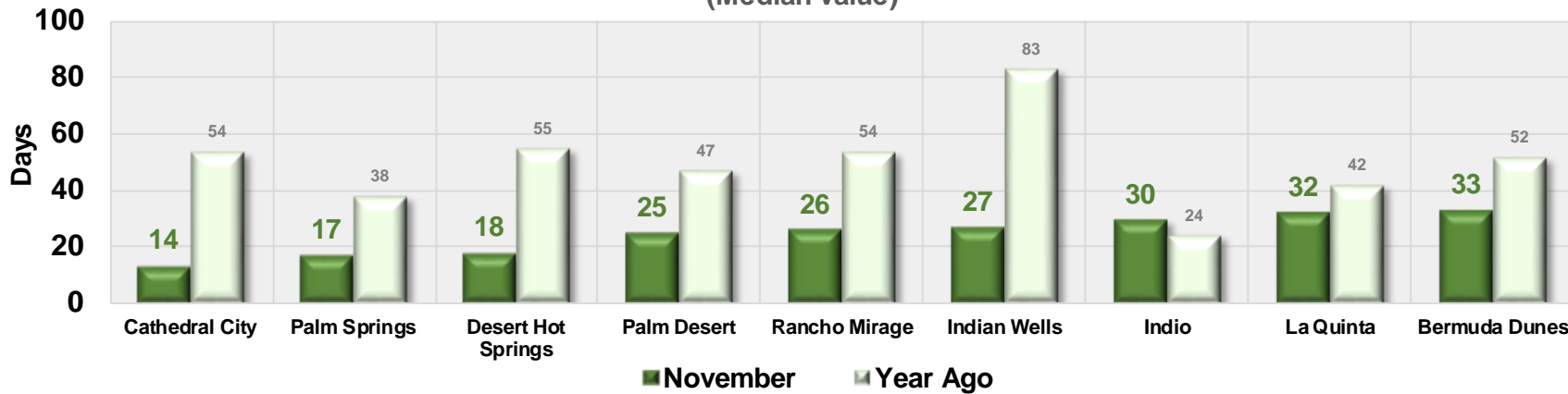
## Regional "Days in the Market"

At the end of November, the median value of "days in the market" throughout the Valley was 25 days, one day more than last month and 18 days less than last year. As inventory remains low and demand stays high, forces are in place to possibly push this number lower. However, we believe most of the decline has been realized and that the median number will stay near current levels for awhile.

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



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



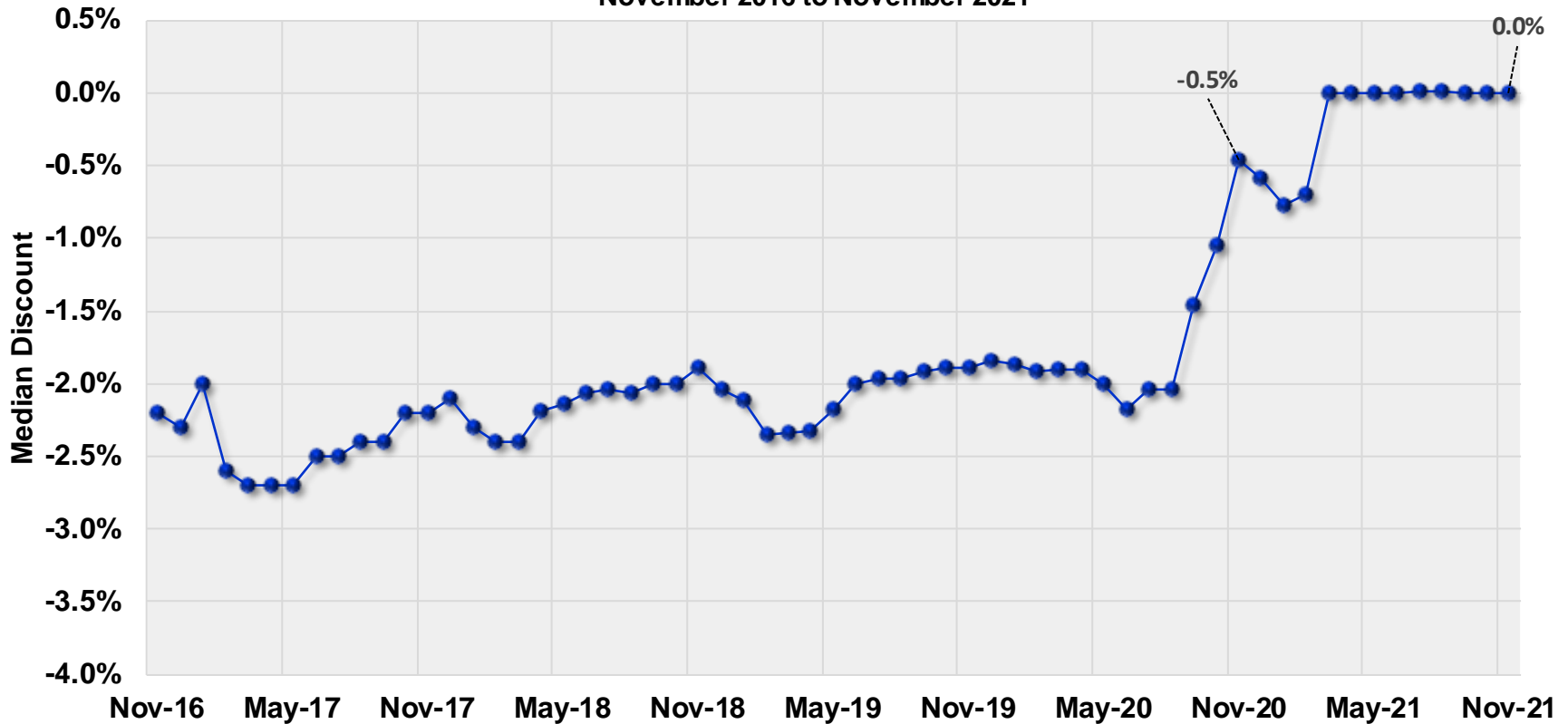
## "Days in the Market"

These bar charts rank the cities left to right by the least number of "days in the market" for both detached and attached homes. The city of Coachella continues to have the lowest number of days for detached homes at 14 days, followed by Desert Hot Springs at 20 days and both Palm Springs and Indian Wells at 24 days. In the attached home market Cathedral City is averaging two weeks to sell a home while Palm Springs is averaging 17 days.

## Price Discount from List

(Median Value)

November 2016 to November 2021

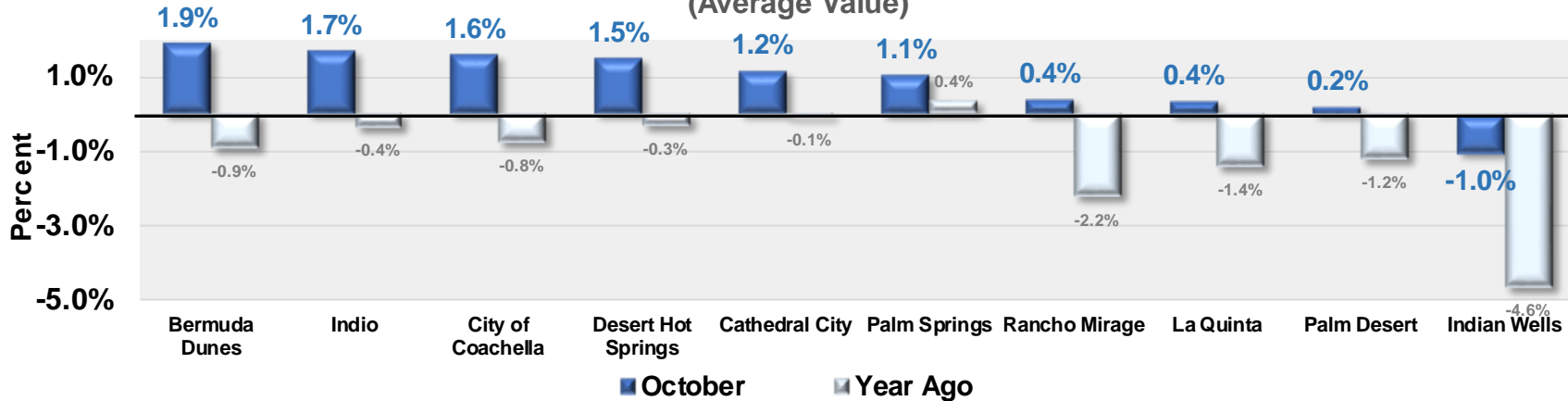


## Reginal Price Discount

The median value for “Sale Discount from List” for detached homes in November was again 0.0%, which is the same discount it’s had for the last nine months. Since so many homes are selling right at list price, the median value of all sales is exactly 0.0%. A year ago, it was -0.5%. A better look at the premium/discount situation throughout the Valley can be seen in the next chart, which uses average values for 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 for both detached and attached homes in the major cities of the Valley. We use average value instead of median value because it's a better metric during periods when many sales are occurring right at list price. Bermuda Dunes is selling detached homes at a premium of 1.9%. This is followed by Indio at 1.7% and the city of Coachella at 1.6%. Only Indian Wells is selling at a discount of 1%. In the attached home market both Indio and Palm Springs are selling with premiums of 1.8%.

## 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 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.