

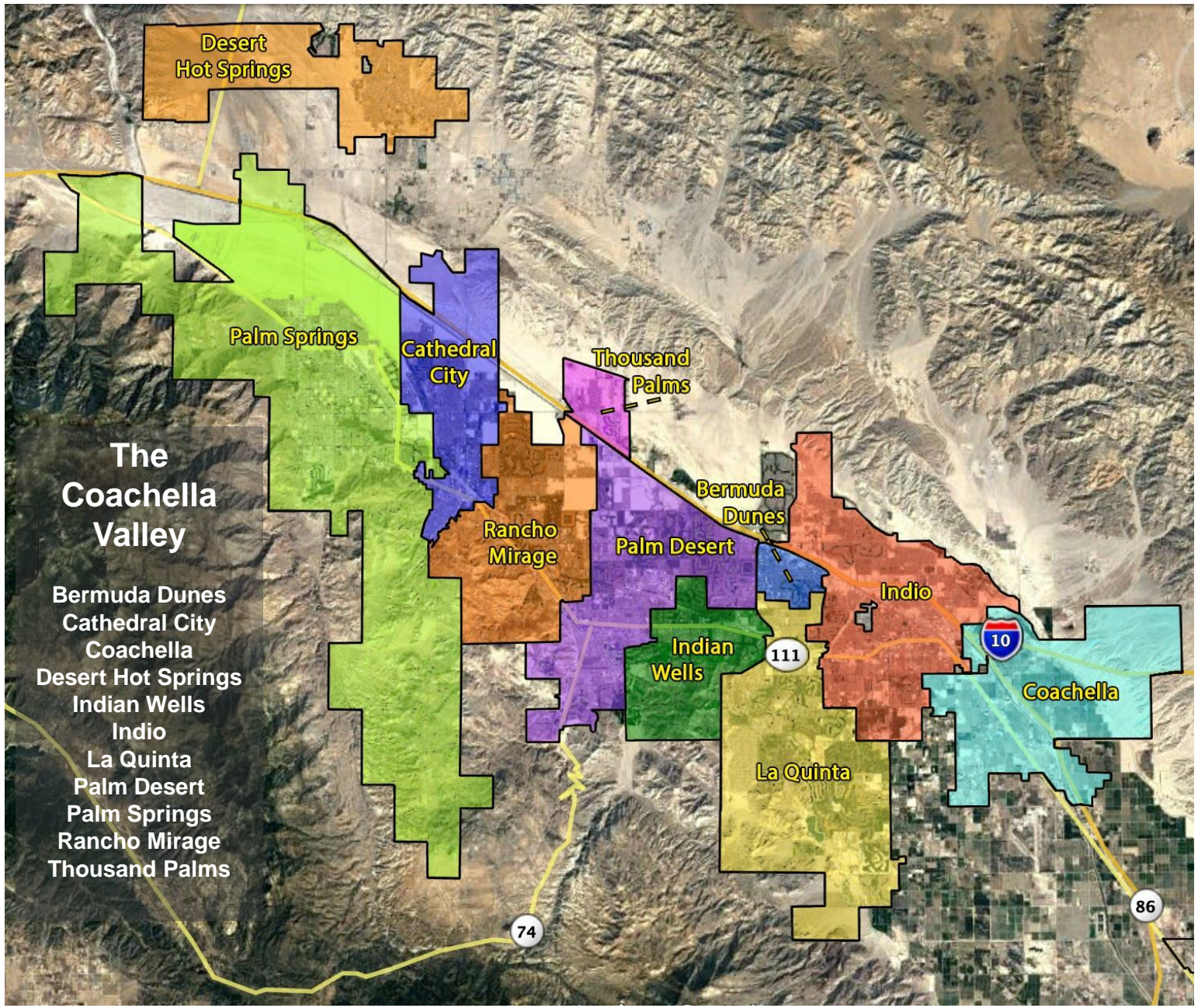
The Desert Housing Report

April 2024



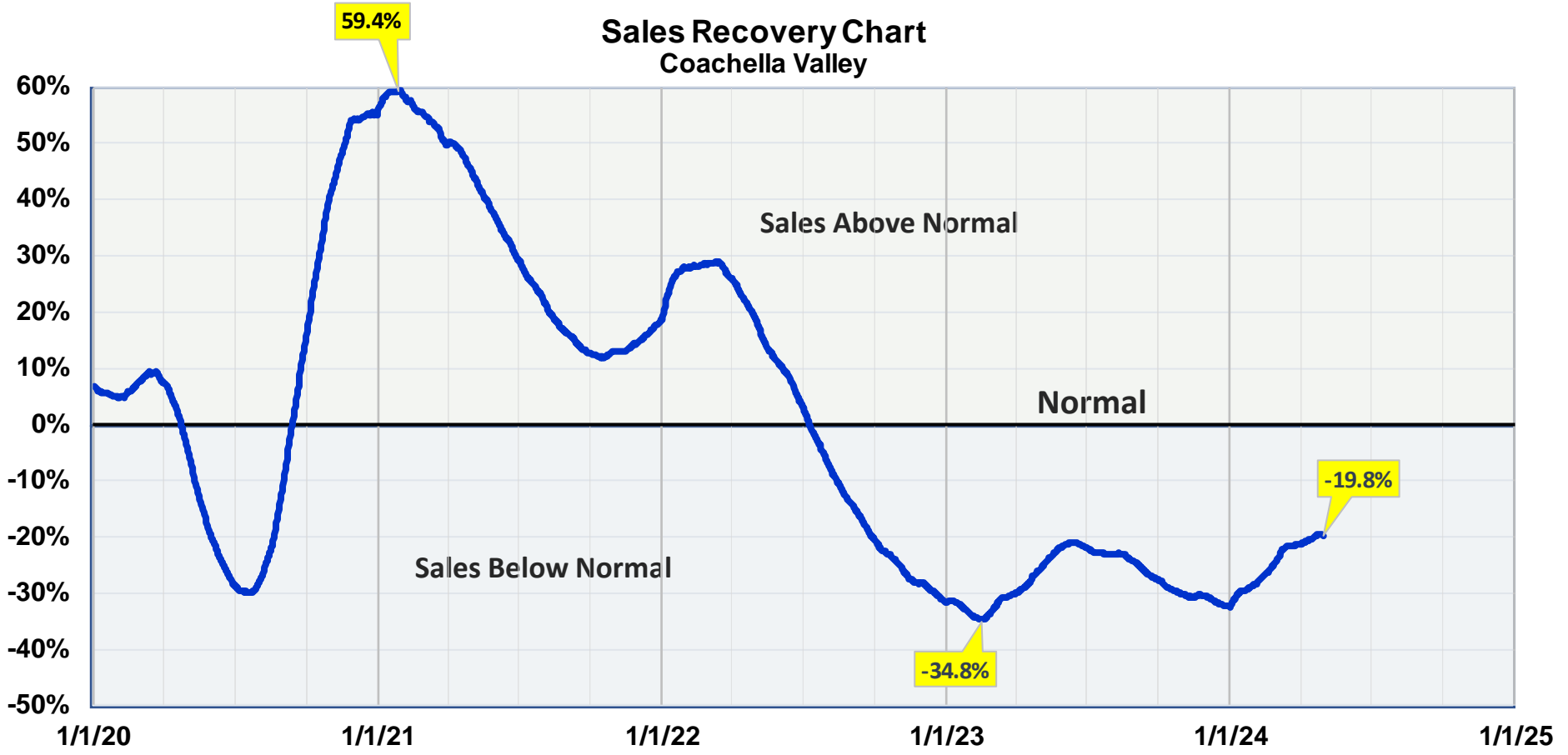
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The Sales Recovery Chart

This seasonally adjusted curve shows where current sales are as a percent of historic norms. The light blue area is when sales are below average, the light green area when they're above average. What is normal is calculated from sales over the years - 2016, 2017, 2018 and 2019. For example, at the height of the pandemic in April of 2021, sales were 59.5% above the norm. Sales fell to 34.7% below normal by April of 2023, but then began to improve. Sales this month are 19.8% below normal which, as you can see, is another improvement from the previous month. We hope to see sales return to normal levels by the end of the year.

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Summary

PRICES: The median price of a detached home in the Coachella Valley in April reached an all-time record of \$724,523, up 6.6% year over year. The median attached price in the Valley ended April at \$500,000, up 4.2% year over year. Year over year price changes of detached homes in April range from a 18.2% gain in Indian Wells to a decline of 4.2% in Desert Hot Springs. Price changes of average size attached homes range from 7.6% in Indio to -11.4% in Indian Wells.

SALES: Three-month sales are ahead of last year but only by twelve units. The number this April was 716 units per month, compared to 704 units a year ago. Sales this month are 19.8% below normal, which is another improvement from the previous month. Dollar sales in April were \$669 million, which is 11% higher than last year. The largest dollar sales increase are in homes priced over \$1,000,000. Most of the brackets show comparable sales to a year ago except in homes under \$400,000. This is positive since it shows the housing market is well balanced in most price ranges.

INVENTORY & “MONTHS OF SALES” RATIOS: On May 1st, Valley inventory was 2,597 units, which is the highest number in almost four years. While inventory has improved, this number continues to be about 1,000 units under what was normal before the pandemic. The Valley’s “months of sales” ratio was 4.2 months, which is 1.2 months more than last year. We are pleased to see that most of the cities have ratios between three and four months. This consistency is a good sign.

DIM: At the end of April, the median number of “days in the market” in the Coachella Valley was 44 days, which is one day more than last year. This includes both detached and attached homes. The city of Coachella continues to have the lowest average selling time at 27 days. This is followed by Palm Springs at 40 days and Indian Wells at 41. Bermuda Dunes has the highest average selling time at 54 days.

PRICE DISCOUNTS/PREMIUMS: Currently, both detached and attached homes in the region have average selling discounts of 2.3% and 2.6%, respectively. Desert Hot Springs has the lowest selling discount for detached homes at .4%, while the highest average discount is 3.8% in both Rancho Mirage and Bermuda Dunes. One out of seven homes is now selling for a premium in the Valley.

Prices

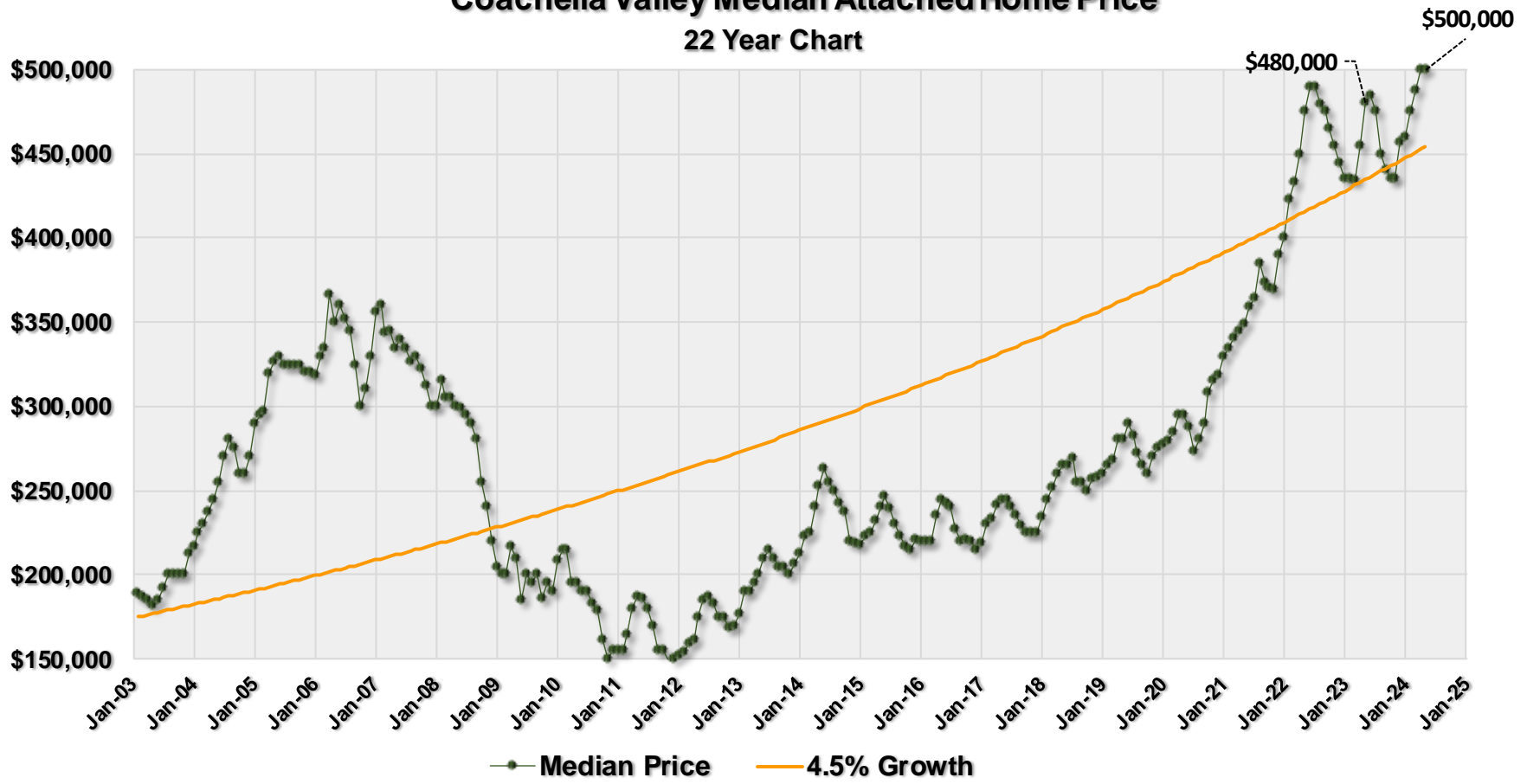
Coachella Valley Median Detached Home Price 22 Year Chart



Coachella Valley Median Detached Price

The median price of a detached home in the Coachella Valley in April reached an all-time record of \$724,523, up 6.6% year over year. Prices usually peak in May or June due to seasonal patterns and we believe that pattern will occur this year, too. However, as we mentioned in previous months, with inventory rising and sales growing at a slower rate, we think supply and demand will soon begin to favor buyers.

Coachella Valley Median Attached Home Price 22 Year Chart



Coachella Valley Median Attached Price

The median attached price in the Valley ended April at \$500,000, up 4.2% year over year. As the chart clearly shows, the seasonal range of prices for attached homes is much larger than that of detached homes, and prices seem to be following the normal seasonal pattern. We expect three-month median prices to continue to advance for one or two more months.

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Price of Each City's 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
Indian Wells	3,450	\$537.63	\$1,854,824	\$1,569,405	18.2%	\$666,885	178.1%
Coachella	1,700	\$278.73	\$473,841	\$408,944	15.9%	\$111,367	325.5%
Bermuda Dunes	2,500	\$331.24	\$828,088	\$759,350	9.1%	\$239,325	246.0%
Palm Springs	2,175	\$629.36	\$1,368,858	\$1,268,612	7.9%	\$323,879	322.6%
Rancho Mirage	3,175	\$441.68	\$1,402,334	\$1,324,356	5.9%	\$506,317	177.0%
La Quinta	2,550	\$396.80	\$1,011,827	\$969,854	4.3%	\$318,164	218.0%
Indio	2,000	\$287.54	\$575,070	\$553,500	3.9%	\$156,340	267.8%
Cathedral City	1,800	\$325.05	\$585,090	\$564,084	3.7%	\$153,216	281.9%
Palm Desert	2,200	\$344.36	\$757,592	\$746,603	1.5%	\$302,302	150.6%
Desert Hot Springs	1,600	\$244.48	\$391,168	\$408,464	-4.2%	\$86,656	351.4%

Price of Each City's 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
Indio	1,050	\$284.35	\$298,568	\$277,520	7.6%	\$56,396	429.4%
Bermuda Dunes	1,450	\$287.11	\$416,310	\$392,704	6.0%	\$89,117	367.1%
La Quinta	1,750	\$402.99	\$705,233	\$672,315	4.9%	\$247,713	184.7%
Desert Hot Springs	750	\$187.61	\$140,708	\$134,738	4.4%	\$16,013	778.7%
Palm Desert	1,600	\$342.11	\$547,376	\$527,056	3.9%	\$197,896	176.6%
Rancho Mirage	1,775	\$330.04	\$585,821	\$580,762	0.9%	\$211,030	177.6%
Palm Springs	1,250	\$359.17	\$448,963	\$463,794	-3.2%	\$129,788	245.9%
Cathedral City	1,250	\$269.10	\$336,375	\$359,181	-6.3%	\$80,544	317.6%
Indian Wells	1,950	\$354.92	\$692,094	\$781,492	-11.4%	\$259,126	167.1%

City Prices of The Average Size Home

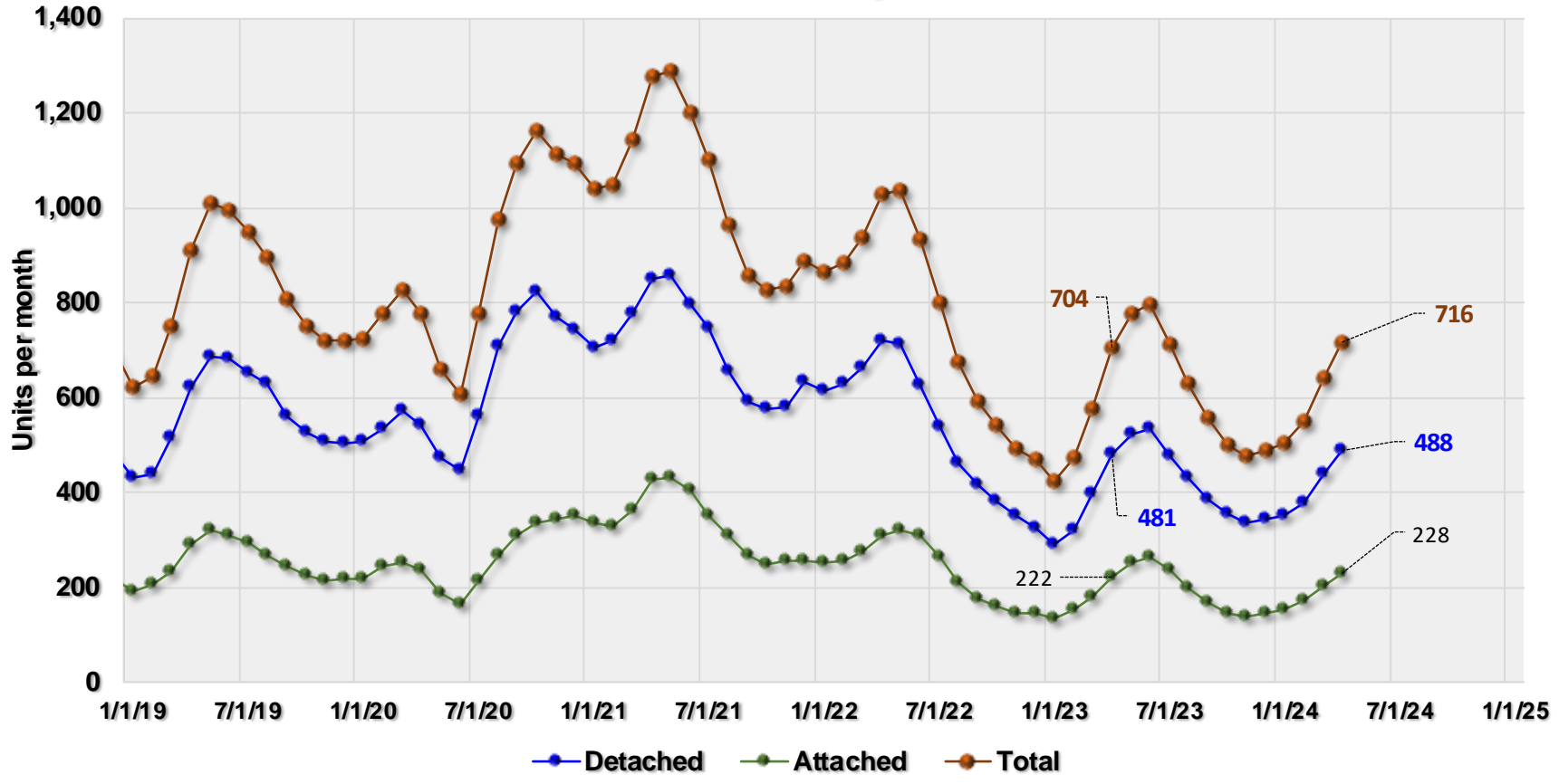
These two tables display the *price* and *price per square foot* of the average size home in each city. The average home size is listed in the second column. The latest price is then compared to the price a year ago. It's also compared to the all-time lows made in 2011. Changes in April range from an 18.2% gain in Indian Wells to a decline of 4.2% in Desert Hot Springs. Gains of average size attached homes range from 7.6% in Indio to -11.4% in Indian Wells.

Unit and Dollar Sales

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Detached, Attached and Total Sales 3 month average



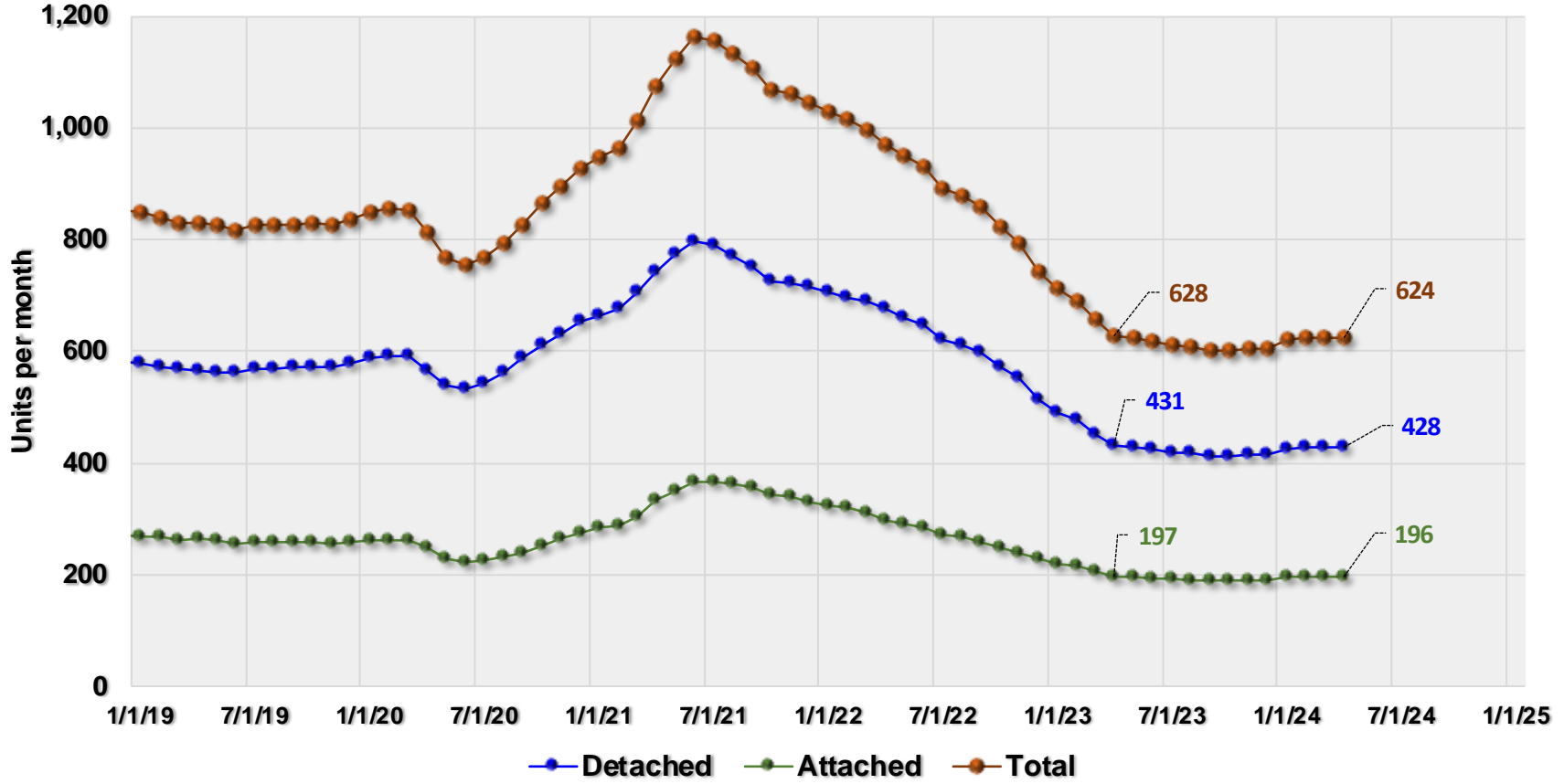
Monthly Sales – Three Month Average

Three-month sales are ahead of last year but only by twelve units. The number this April was 716 units per month, compared to 704 units a year ago. Because of seasonality, it's difficult to determine where sales stand on a historical basis. The first chart in this report was designed to help distinguish seasonal changes from real ones. It shows that sales continue to improve and are now 19.8% below historic norms.

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Detached, Attached and Total Sales 12 month average



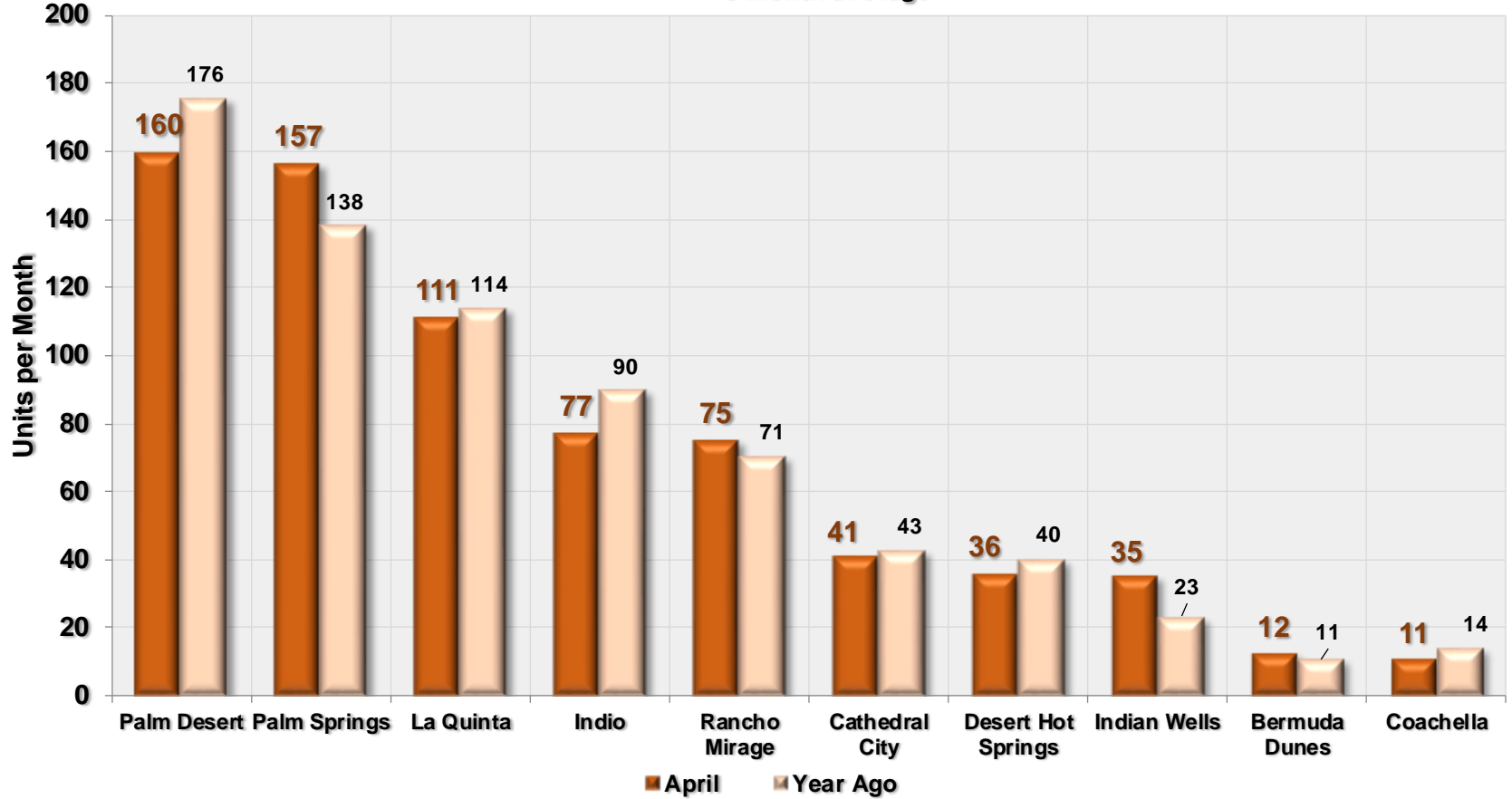
Monthly Sales – Twelve Month Average

The 12-month average of sales, which takes out seasonality, shows that total sales in April averaged 624 units a month. This long-term average is effectively the same as last year. However, we continue to believe it will recover when mortgage rates come back down to 5.5% to 6%. Recent declines in inflation give us hope this is not far away.

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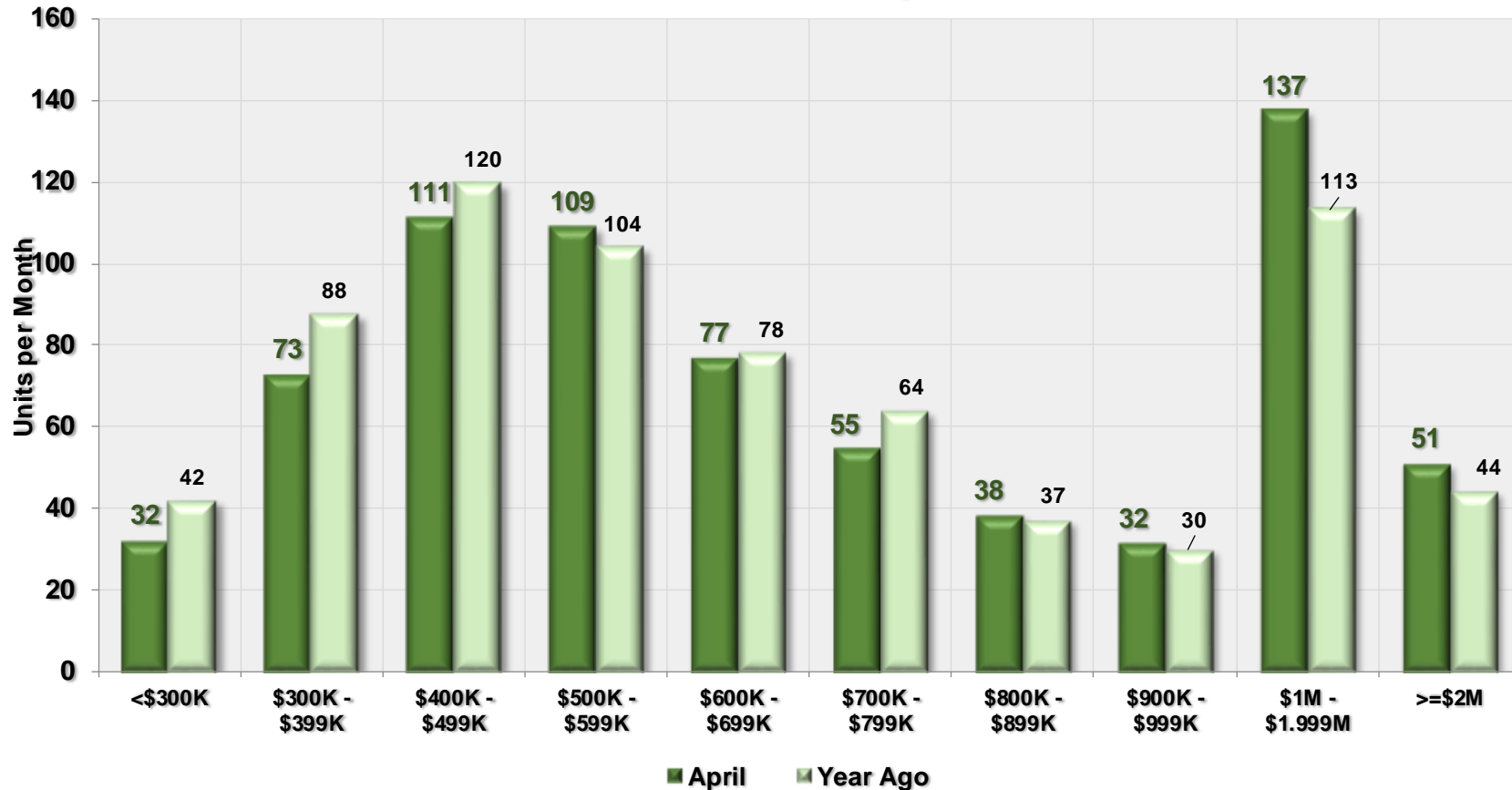
Home Sales by City 3 month average



Home Sales by City

Sales by city are now ranked left to right by highest average unit sales. Palm Desert has the highest unit sales at 160, followed by Palm Springs with 157. Two cities have higher sales compared to a year ago - Palm Springs and Indian Wells. Most of the other cities have sales comparable to year ago levels.

Sales by Price Bracket 3 month average



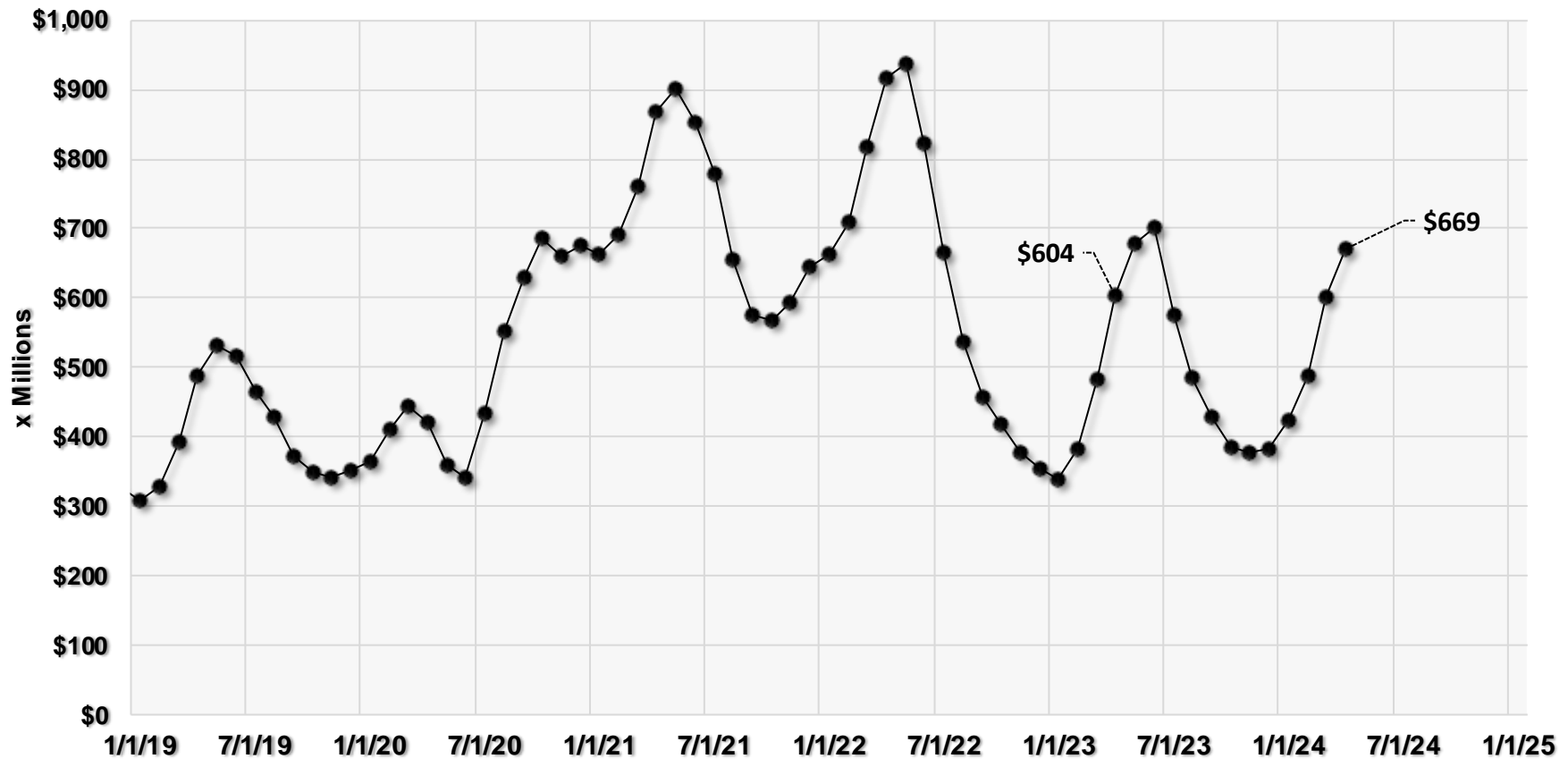
Home Sales by Price Range

We've changed the price brackets to reflect the price increases of the last few years. The lowest bracket is now \$300,000 and there are now two brackets over \$1,000,000. The largest sales increases are in homes priced over \$1,000,000. Most of the brackets show comparable sales to a year ago except in homes under \$400,000. This is positive since it shows the housing market is well balanced in most price ranges.

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Coachella Valley Dollar Sales New



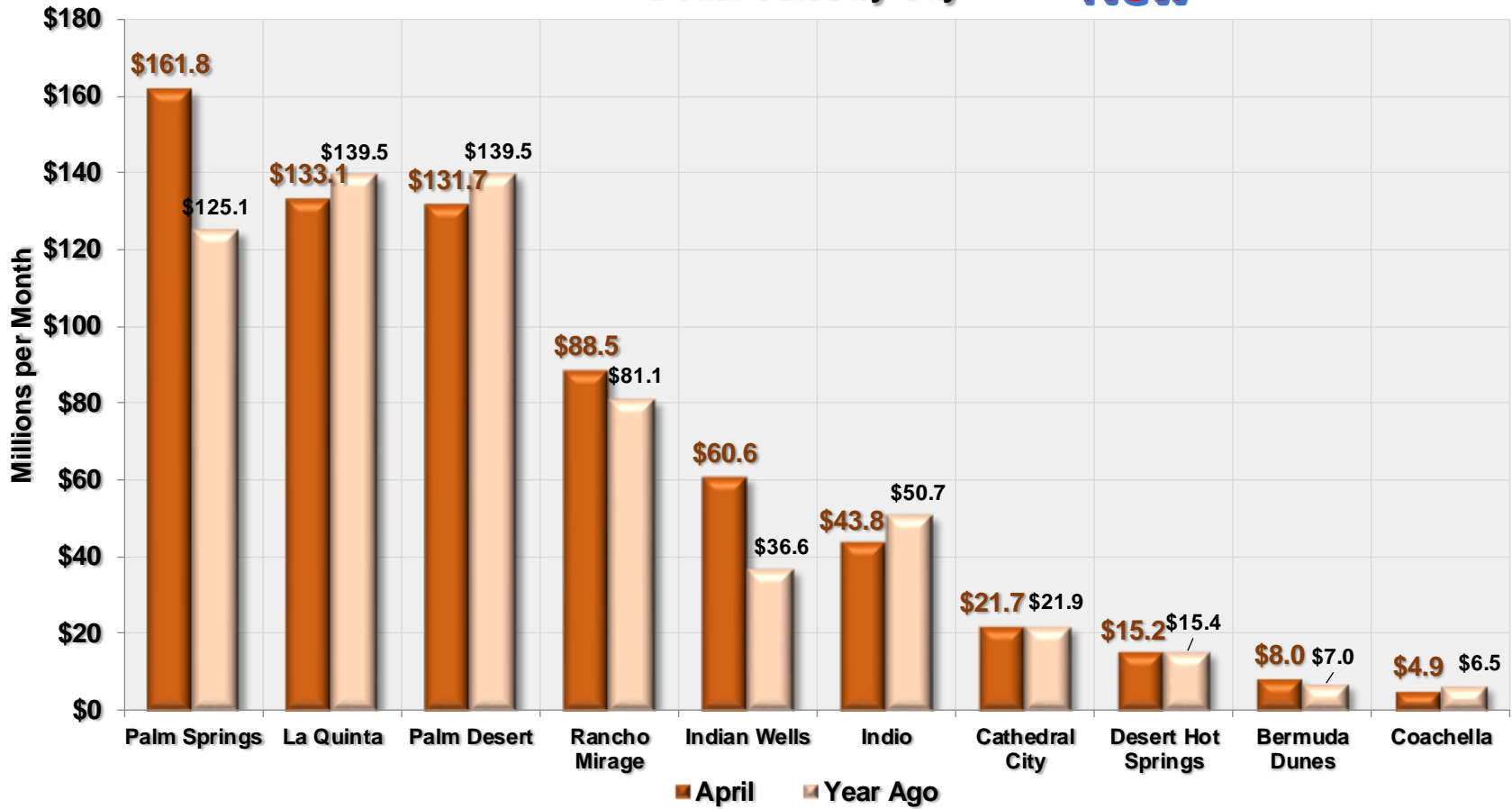
Coachella Valley Dollar Sales (all homes)

This chart graphs dollar sales, averaged over three months, of all Coachella Valley home sales. The scale on the left is in millions of dollars. It shows the same seasonal pattern as the chart of three-month unit sales, except the relative highs and lows are different due to price changes over time. Dollar sales in April were \$669 million, which is 11% higher than last year.

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Dollar Sales by City New



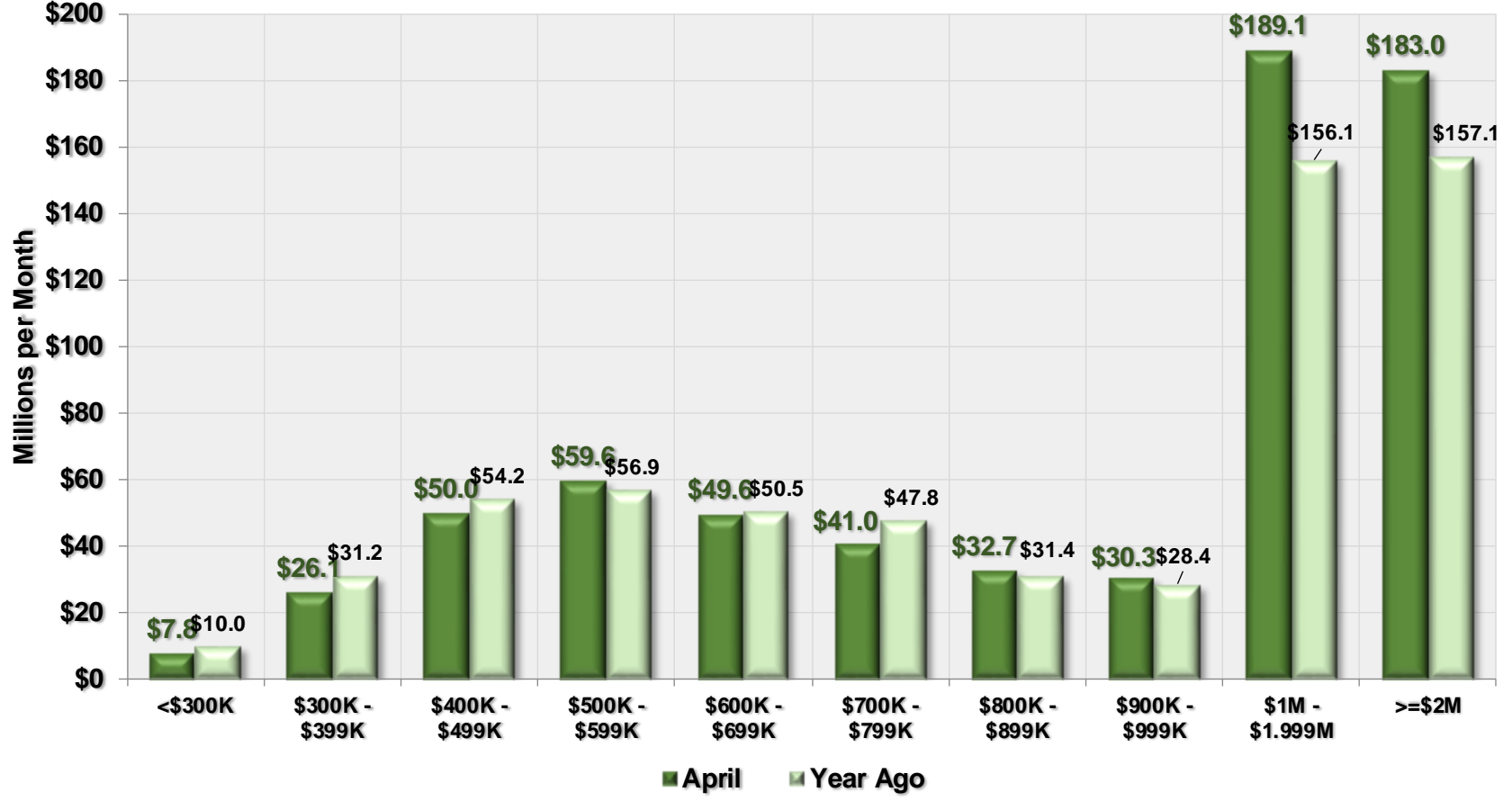
Home Sales by City

On this graph, cities are ranked left to right by largest dollar sales. Some of the cities, like Rancho Mirage and Indian Wells, rank higher than their unit sales because of the effect of their higher priced homes. Since revenue depends more on dollar sales than unit sales, the numbers in this chart are a better proxy for “revenue” than unit sales.

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Dollar Sales by Price Bracket New



Home Sales by Price Range

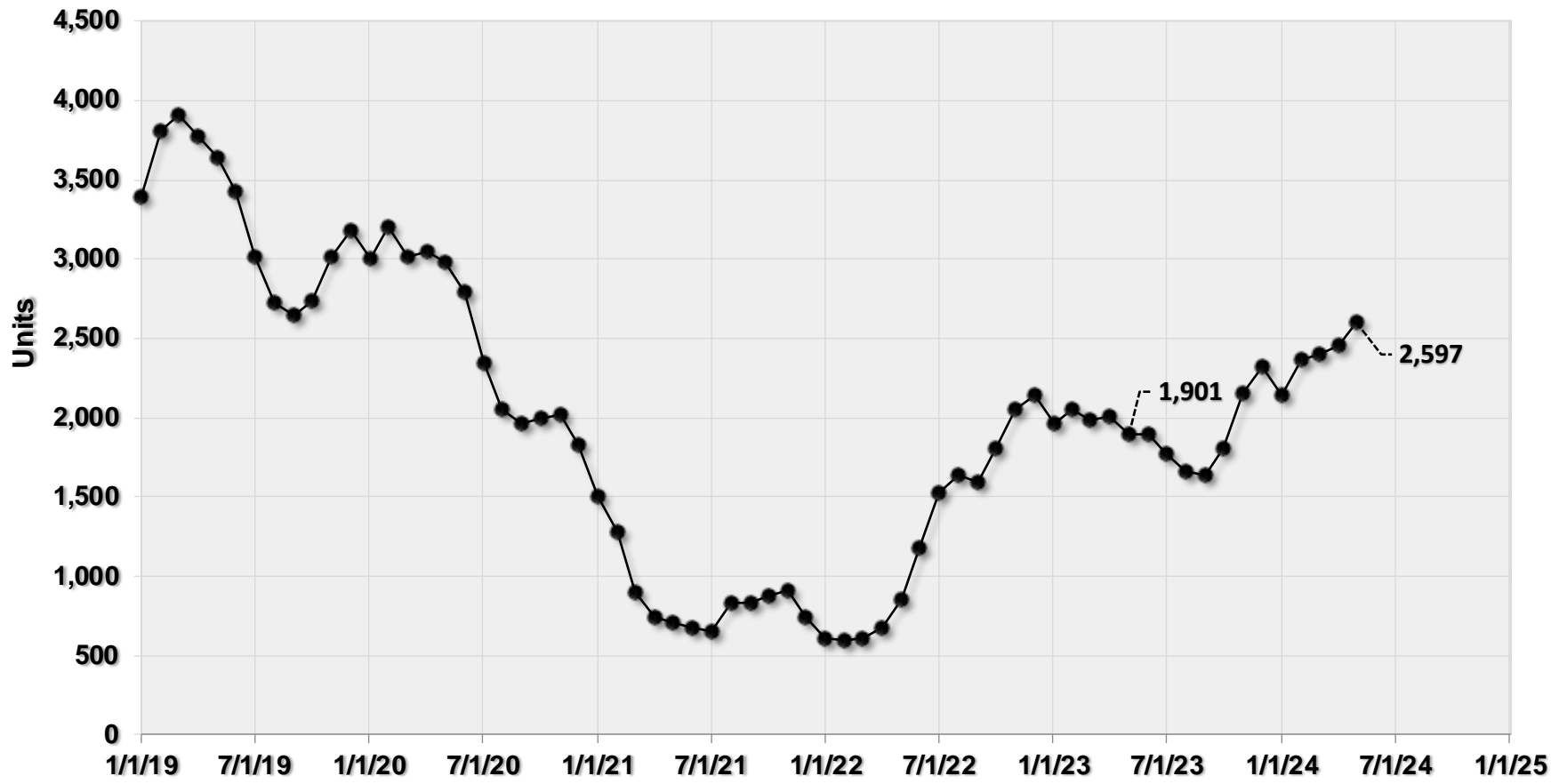
This chart of dollar sales by price bracket shows a different pattern than unit sales by price bracket in the earlier chart. The large numbers in the two highest price brackets over a million dollars are more accentuated than the unit sales chart. In fact, dollar sales in these two brackets account for approximately 50% of all dollar sales in the Coachella Valley.

Inventory & “Months of Sales” Ratios

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Coachella Valley Housing Inventory (all homes)



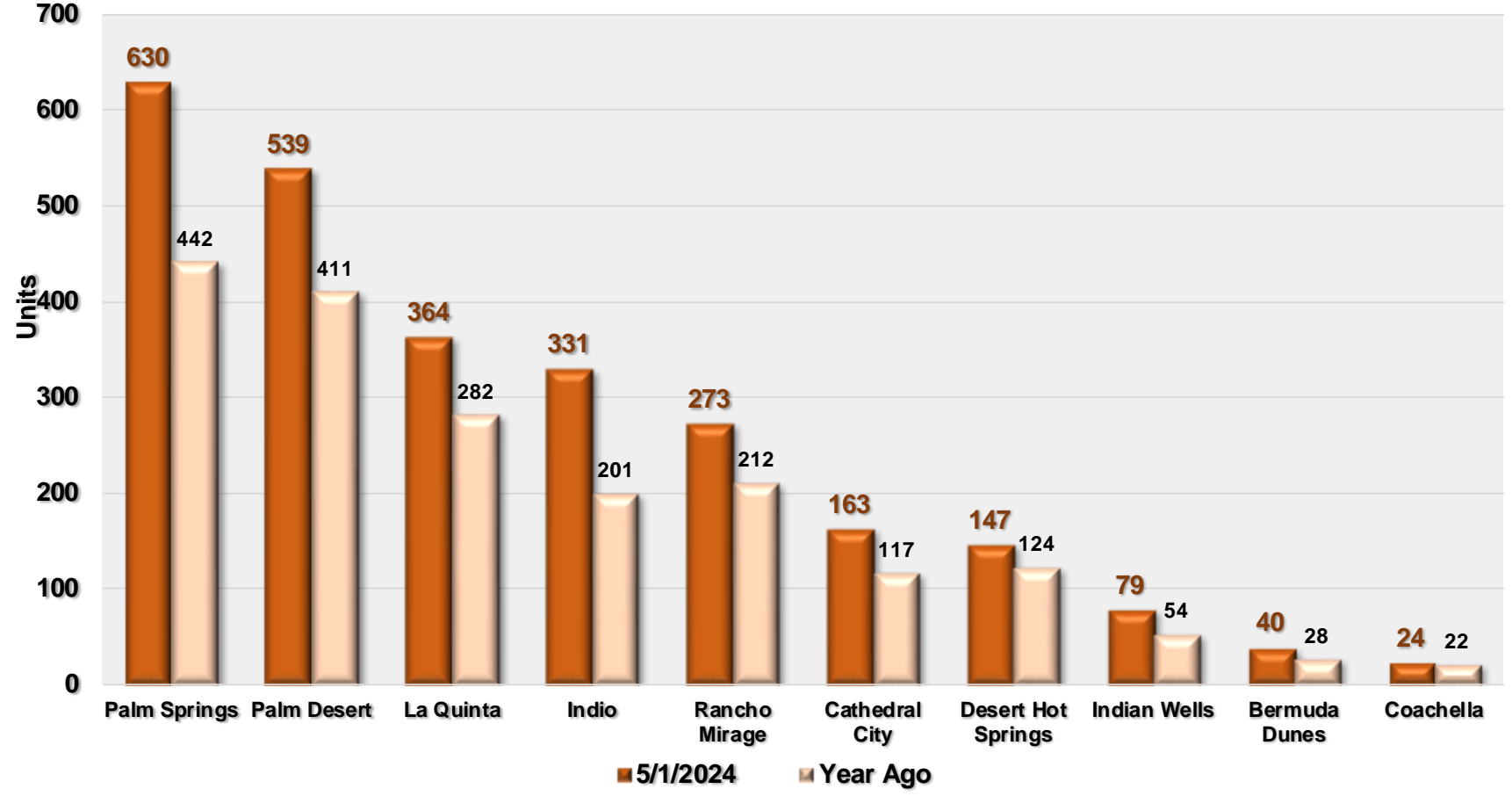
Coachella Valley Total Inventory

On May 1st, Valley inventory was 2,597 units, which is the highest number in almost four years. While inventory has improved, this number continues to be about 1,000 units under what was normal before the pandemic. Some of this increase is seasonal, but the same seasonal pattern now suggests the current number may be near the highs for 2024 since inventory usually declines between March and September.

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Inventory by City New



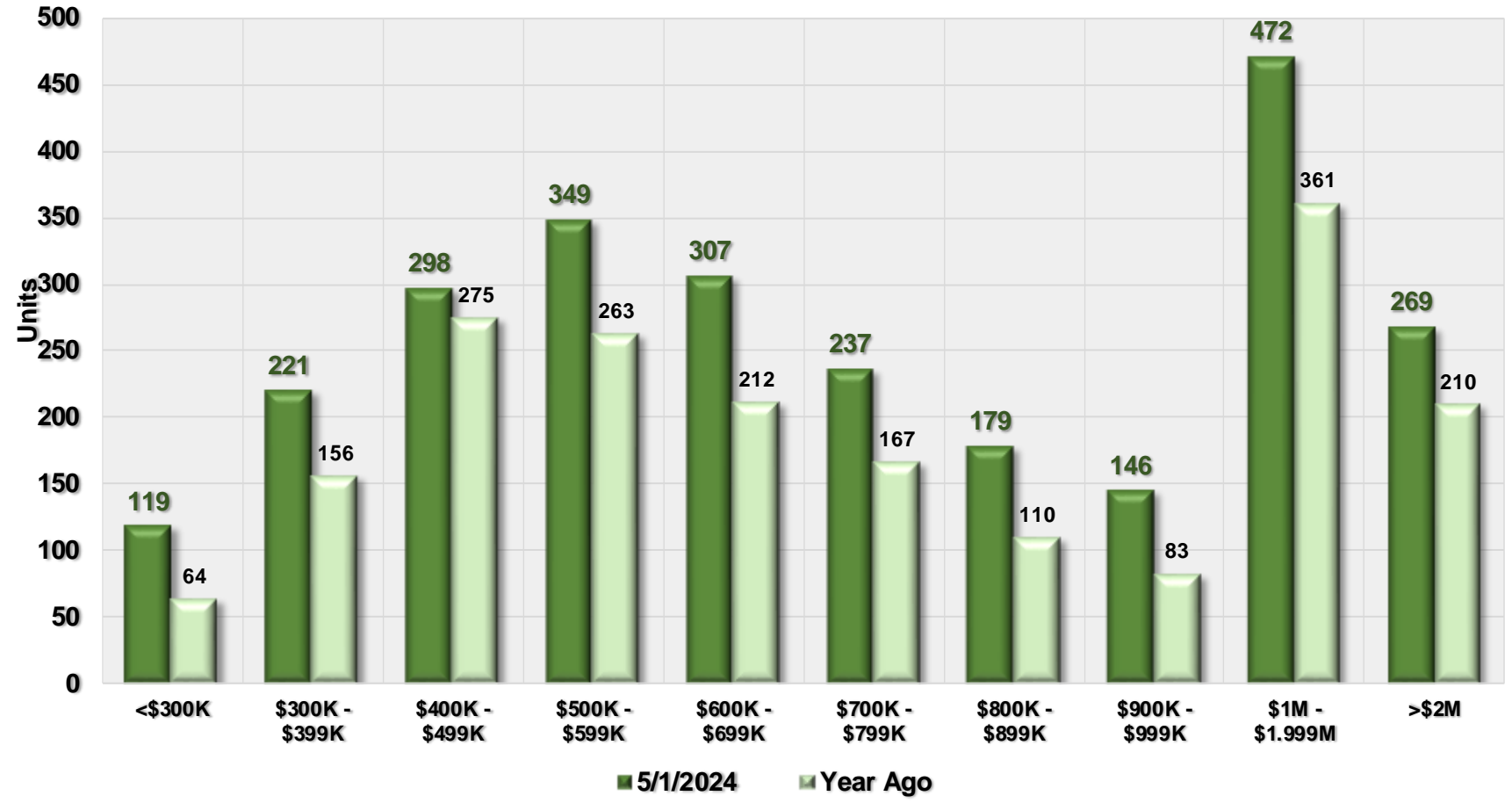
Inventory by City

This chart ranks Coachella Valley cities left to right by highest number of homes for sale. The dark colored bars are current listings, while the lighter colored bars are last year's number. This chart helps agents know what cities have homeowners with the greatest selling interest and how it compares to last year.

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Inventory by Price Bracket New



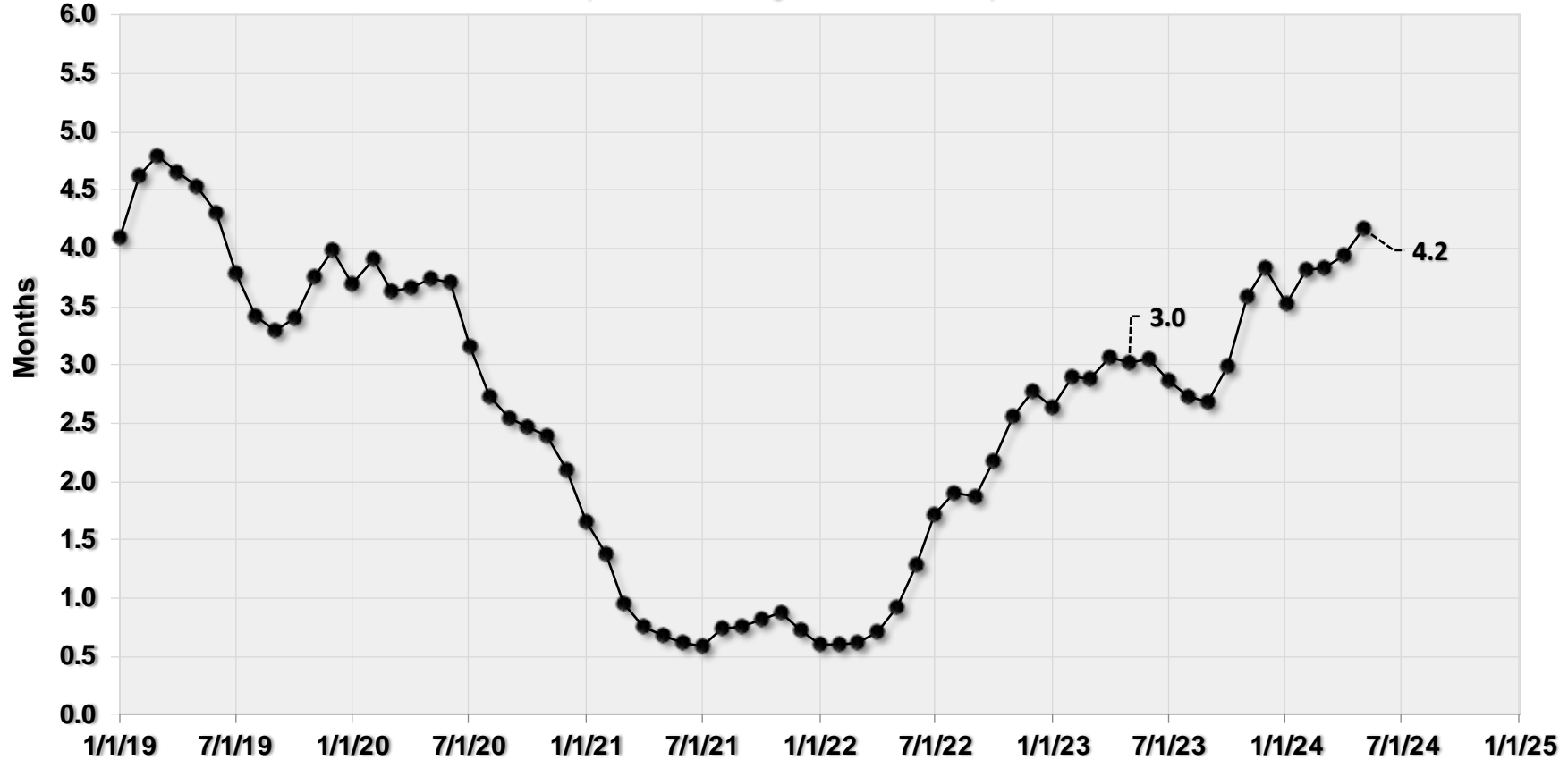
Inventory by Price Bracket

This chart shows the number of homes selling in the different price brackets. Current numbers, shown by the dark colored bars, are compared to last year's numbers, shown by the light colored bars. The price brackets now include the two, new brackets of homes priced over \$1,000,000. This chart helps locate what price brackets might be responsible for the growth or contraction of inventory.

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Coachella Valley "Months of Sales" Ratio
(based on average 12 month sales)



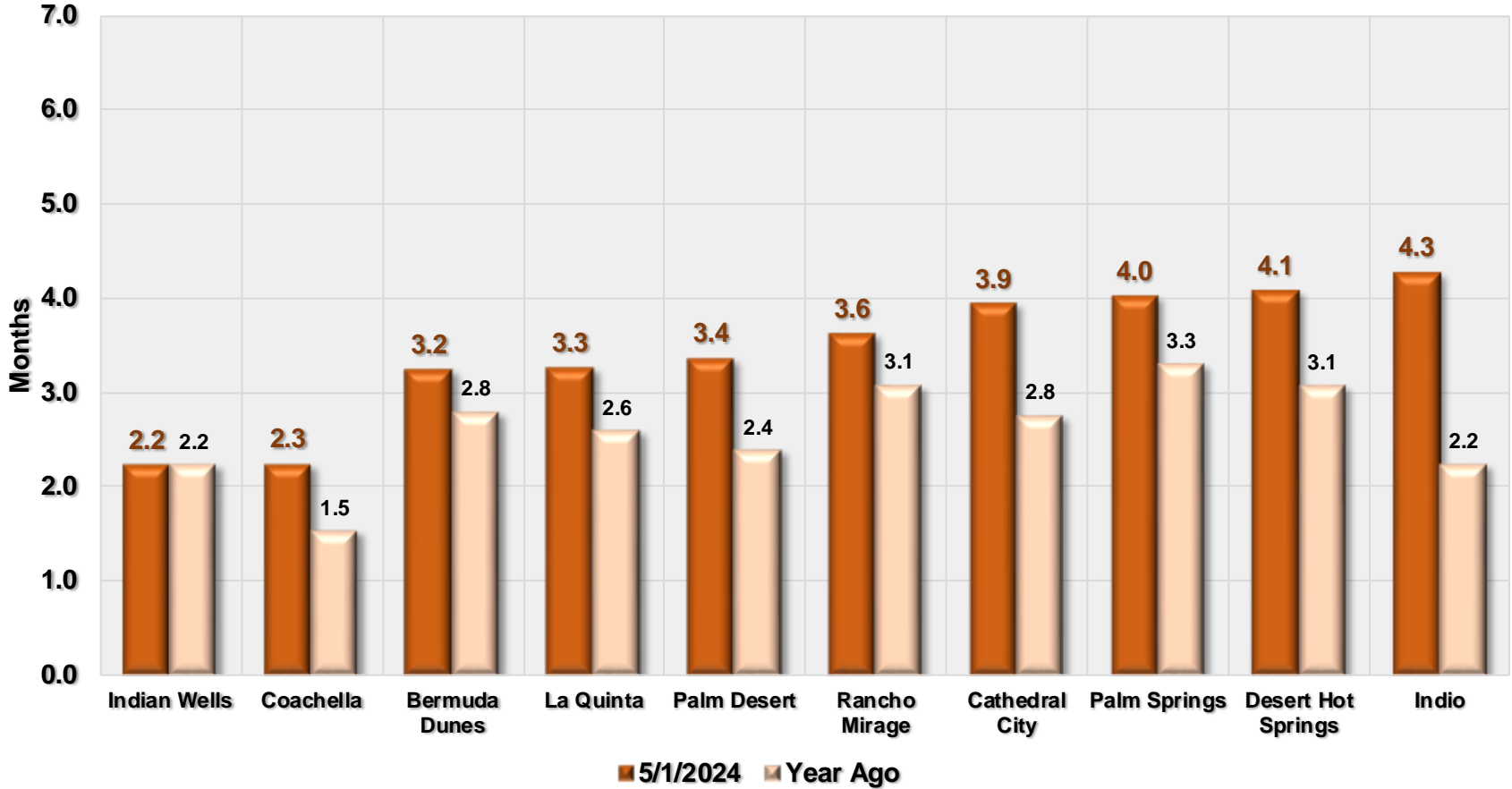
Regional "Months of Sales" Ratio

On May 1st, the Valley's "months of sales" ratio was 4.2 months, which is 1.2 months more than last year. As you can see from the chart, this fundamental ratio, which measures supply and demand, is now back to pre-pandemic levels. Even though inventory is still relatively low, the low sales numbers keep supply and demand in balance. This is one major reason why home prices have remained firm over the last twelve months.

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"Months of Sales" by City



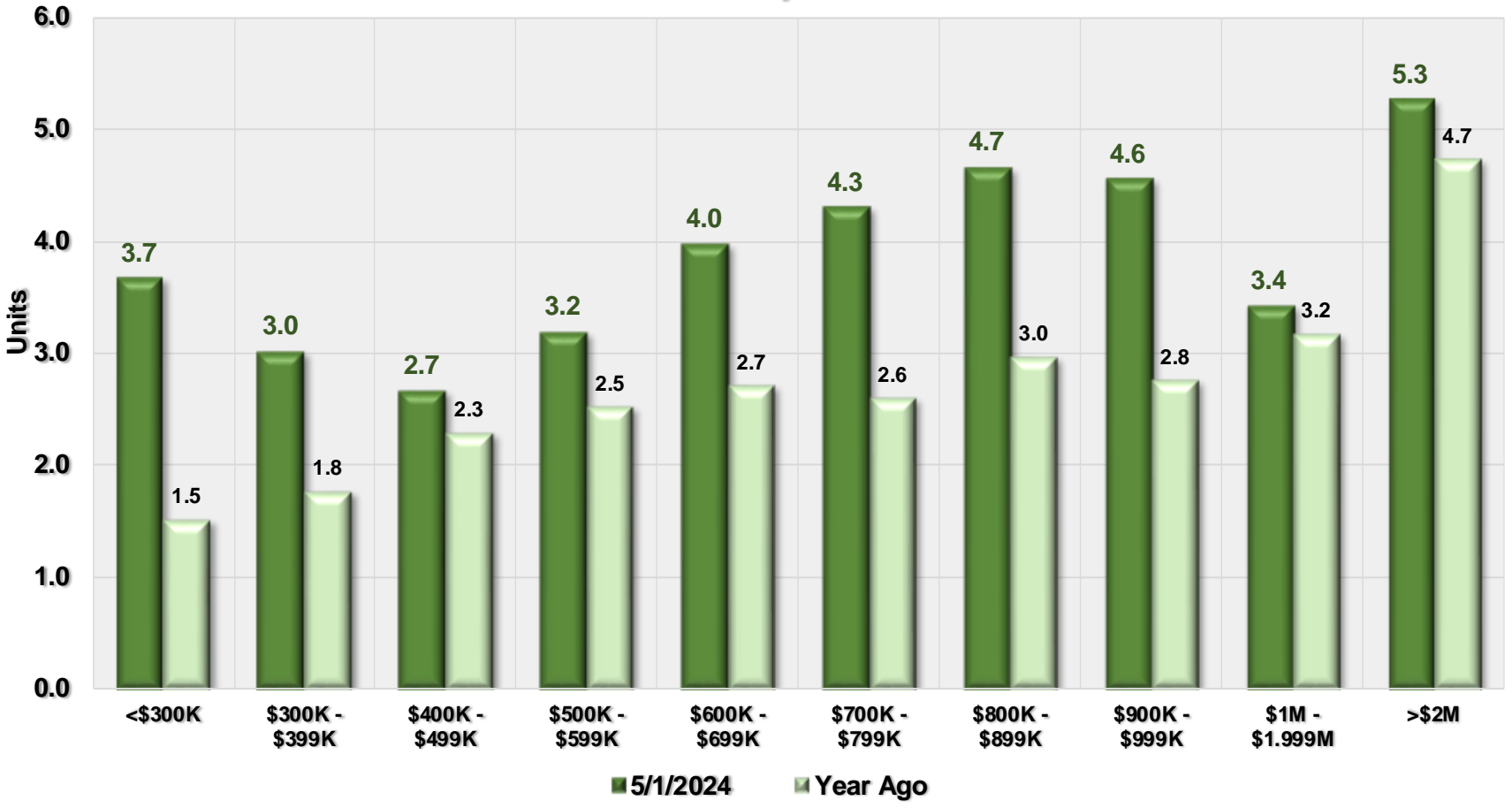
The "Month of Sales" Ratio by City

This chart ranks cities left to right by smallest number of "months of sales." The sales and inventory in the ratios includes both attached and detached homes. Since "months of sales" is really the supply-demand equation for housing, it shows if the housing market is balanced. We are pleased to see that most of the cities have ratios between three and four months. This consistency is a good sign.

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"Months of Sales" by Price Bracket



The "Month of Sales" Ratio by City

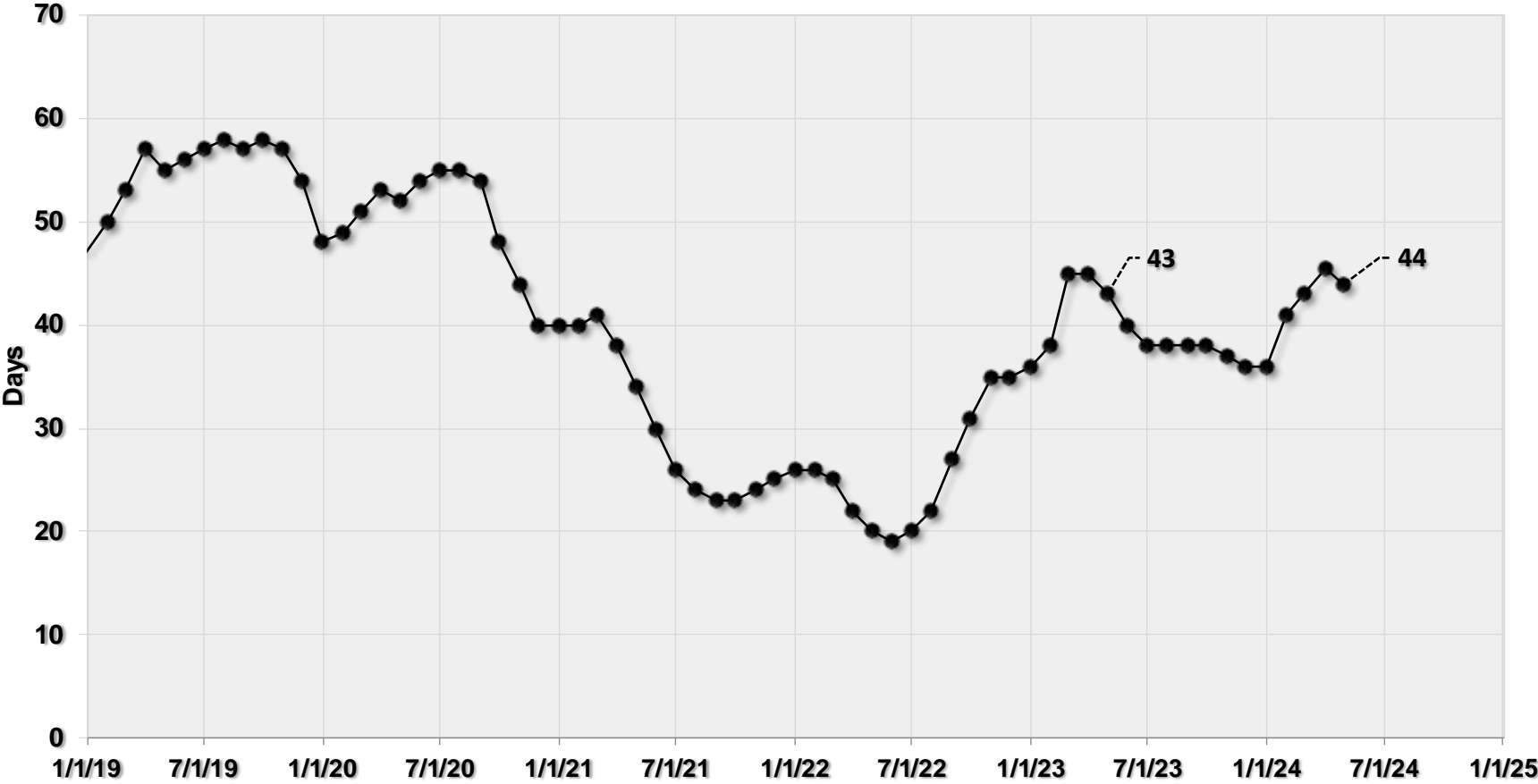
This chart shows "months of sales" by price bracket. The sales and inventory in the ratios includes both attached and detached homes. Since "months of sales" is really the supply-demand equation for housing, the consistency shows the housing market is relatively balanced in all price ranges. We do see a slight increase in year over year ratios of homes priced between \$600,000 and a million.

DIM & Price Premium/Discount

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Median DIM - Coachella Valley (all homes)



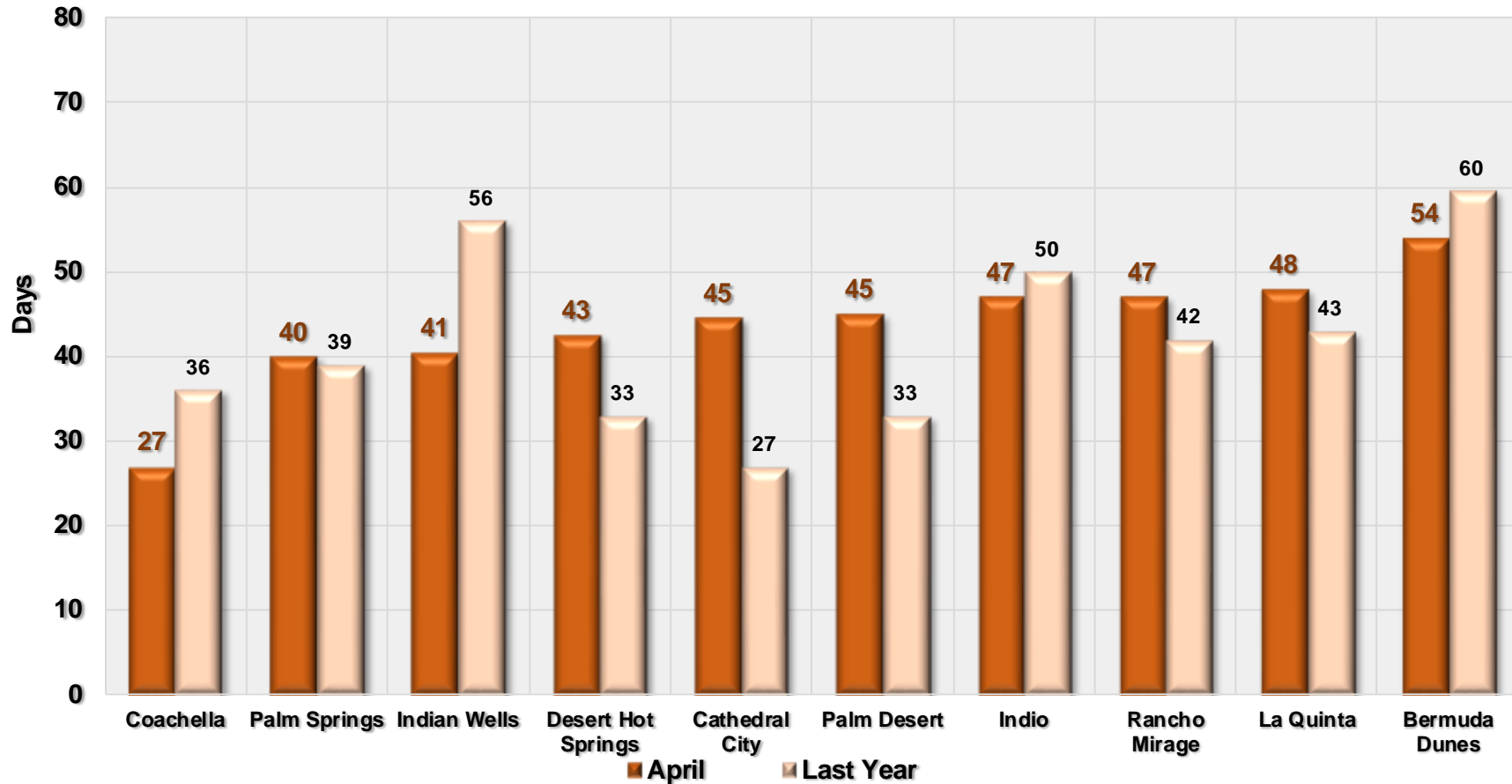
Regional “Days in the Market”

The median selling time in the region has been stable for the last three months. At the end of April, the median number of “days in the market” in the Coachella Valley was 44 days, which is one day more than last year. This includes both detached and attached homes. We continue to believe the median selling time will remain around current levels as we continue into the year.

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Median DIM by City (all homes)



“Days in the Market” by City

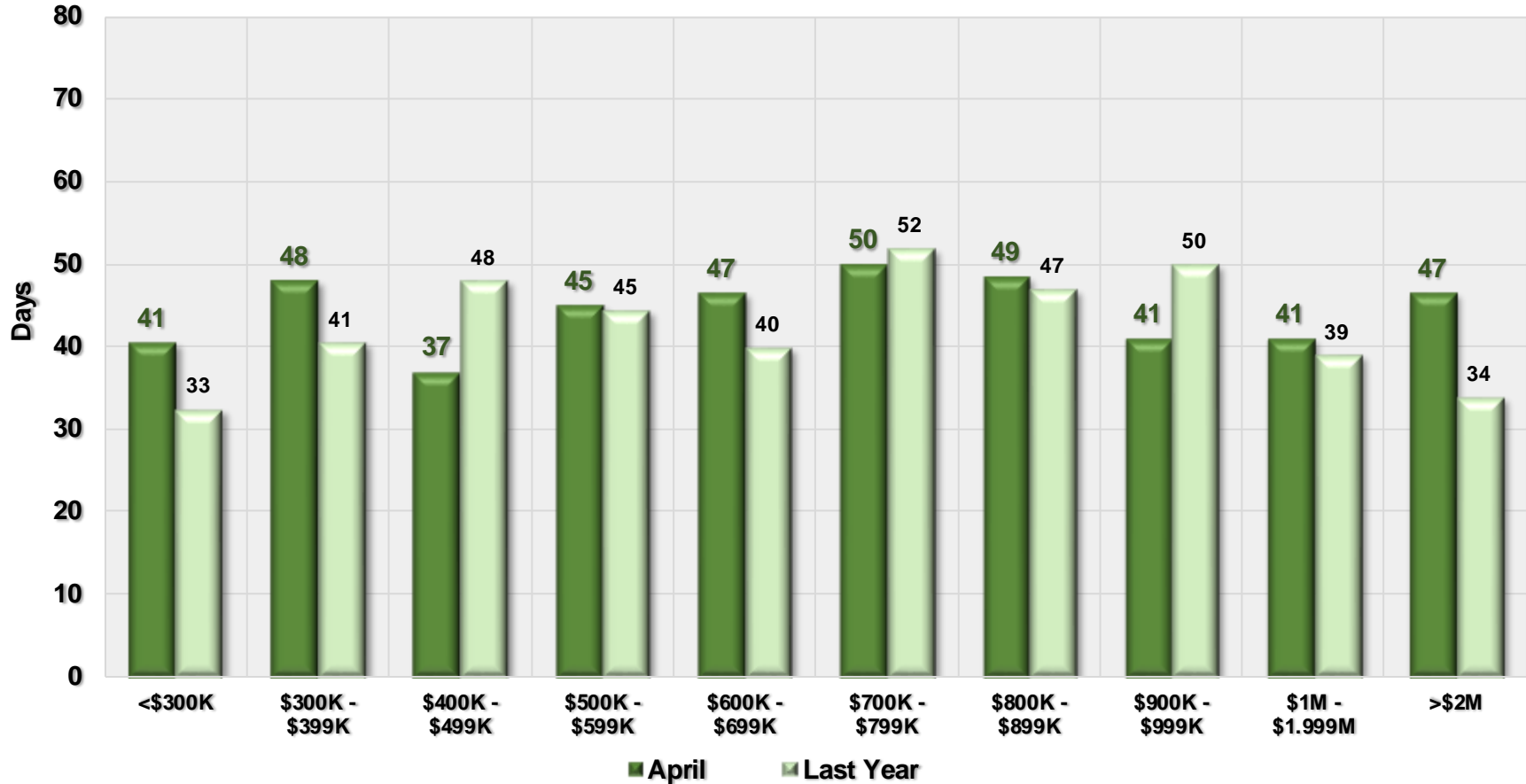
This graph compares the medium number of “days in the market” in each city to their ratios a year ago. The number includes both detached and attached homes. We have sorted the cities left to right by lowest number of days. The city of Coachella continues to have the lowest average selling time at 27 days. This is followed by Palm Springs at 40 days and Indian Wells at 41. Bermuda Dunes has the highest average selling time at 54 days.

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Median DIM by Price Bracket (all homes)

New

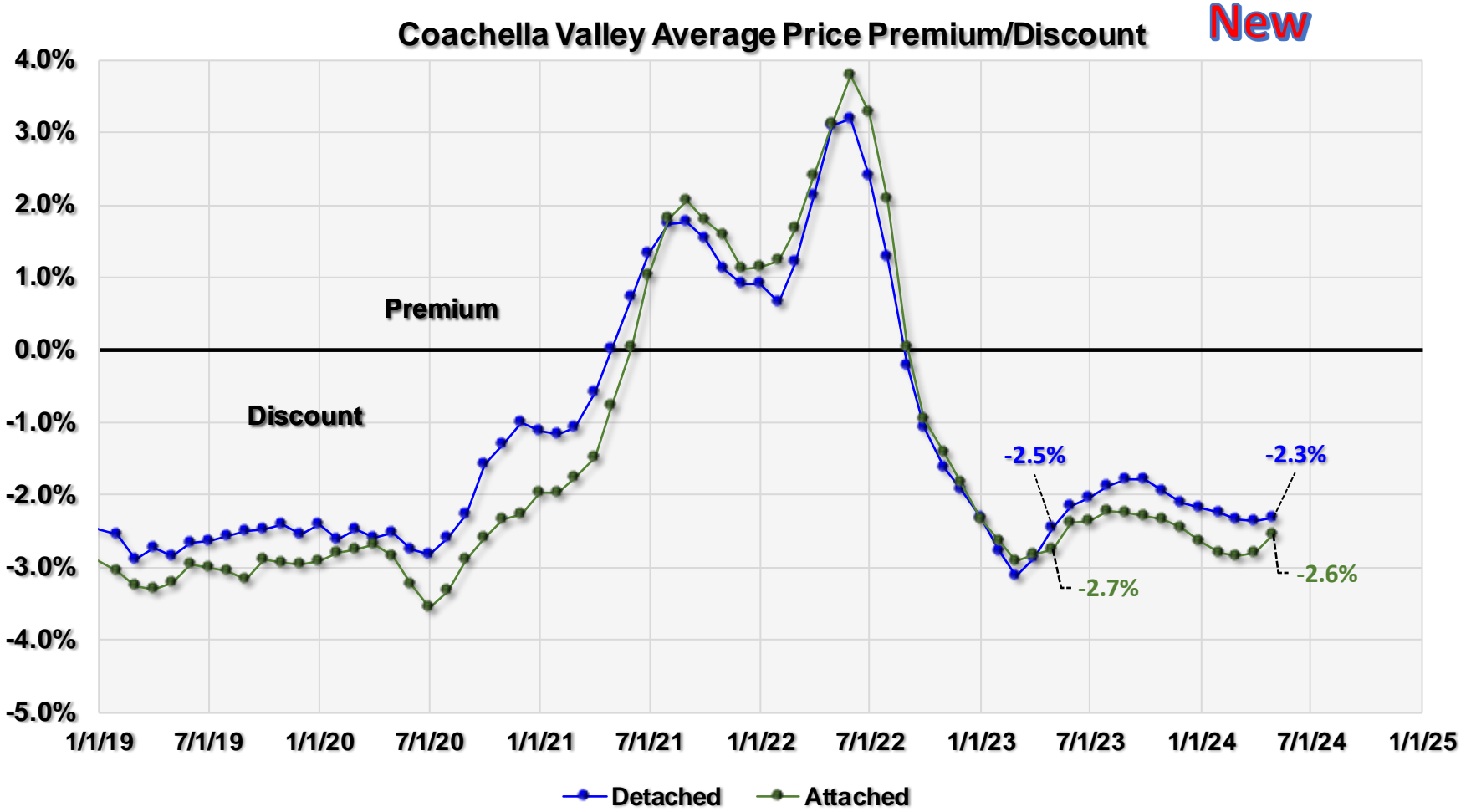


“Days in the Market” by Price Bracket

This graph compares the medium number of “days in the market” by price bracket to the ratio a year ago. The number includes both detached and attached homes. It's important, when looking at these numbers, to notice if any price bracket has an abnormal number of days. A high number might show a slight market disruption in that price bracket.

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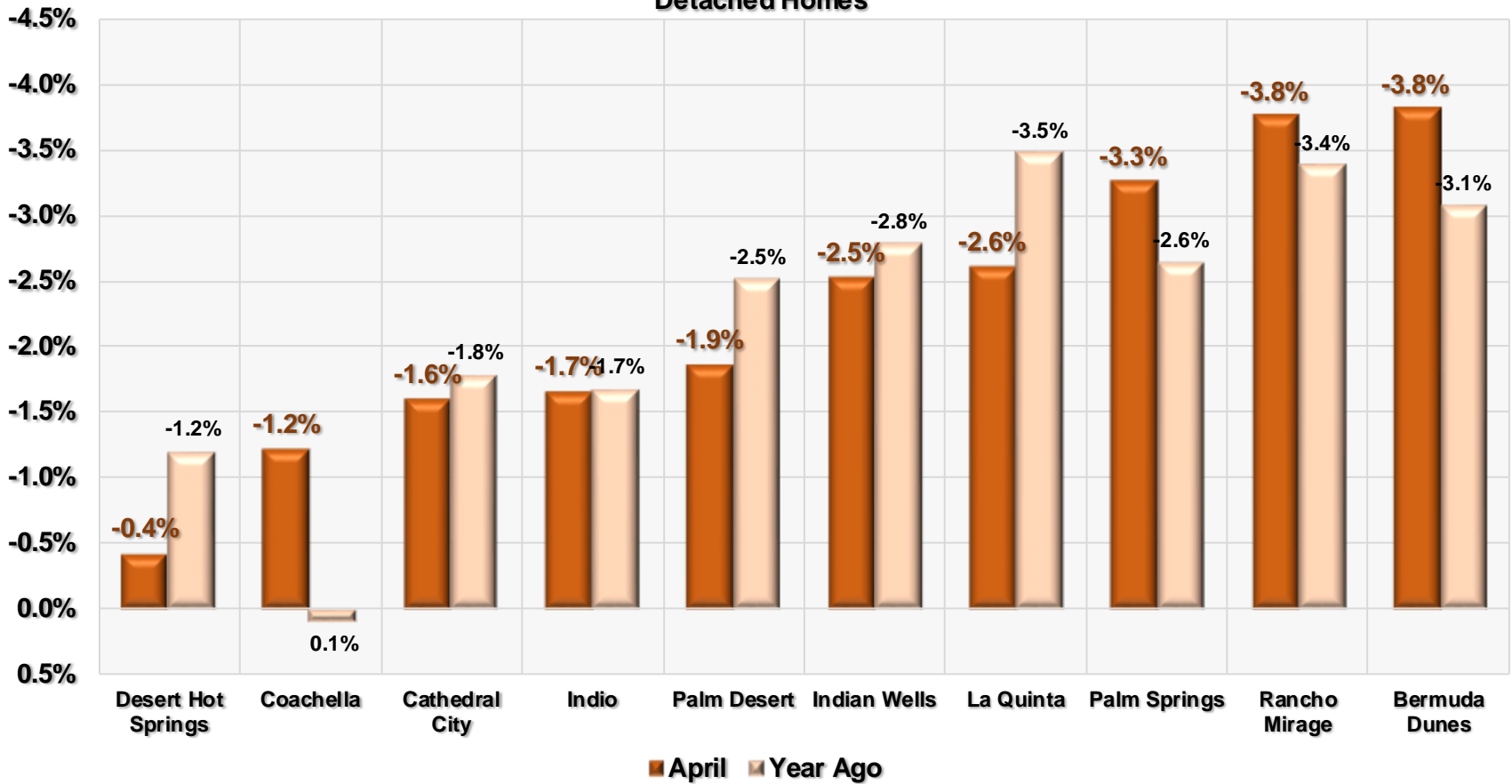
Regional Price Premium/Discount

This graph charts the average price premium or discount of detached and attached homes selling in the region. Currently both type homes are selling at discounts over 2%. We are always amazed to see how close the average price discounts are for both detached homes and condominiums. We also notice how the trends seem to move up and down together. Current numbers seem in line with the pre-covid averages.

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Average Selling Discount by City Detached Homes



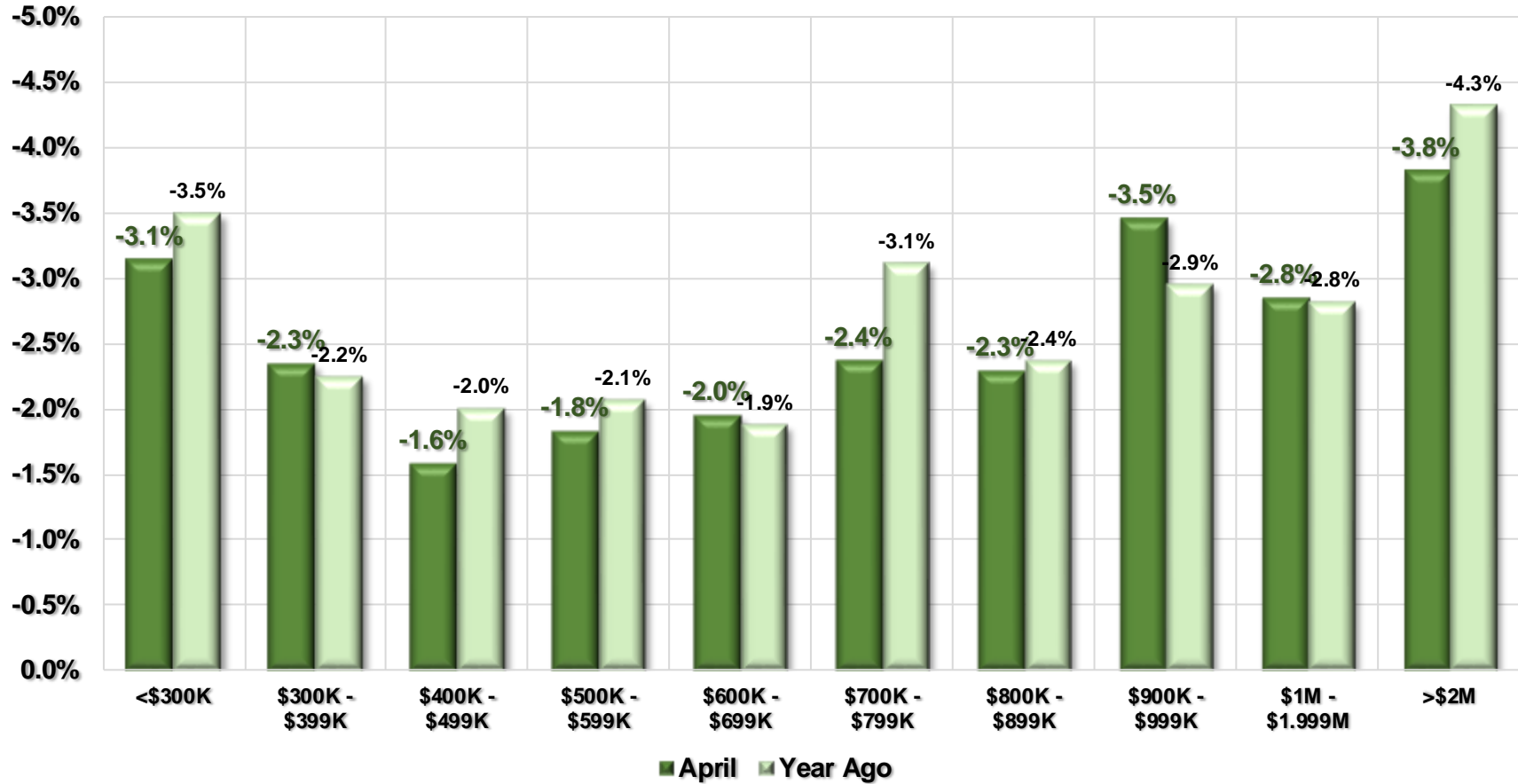
Price Discount by City

This shows the average price discount for detached homes in each city to their ratios a year ago. We have sorted the cities left to right by lowest discount. Desert Hot Springs has the lowest selling discount at .4%, while the highest average discount is 3.8% in both Rancho Mirage and Bermuda Dunes.

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Average Selling Discount by Price Bracket



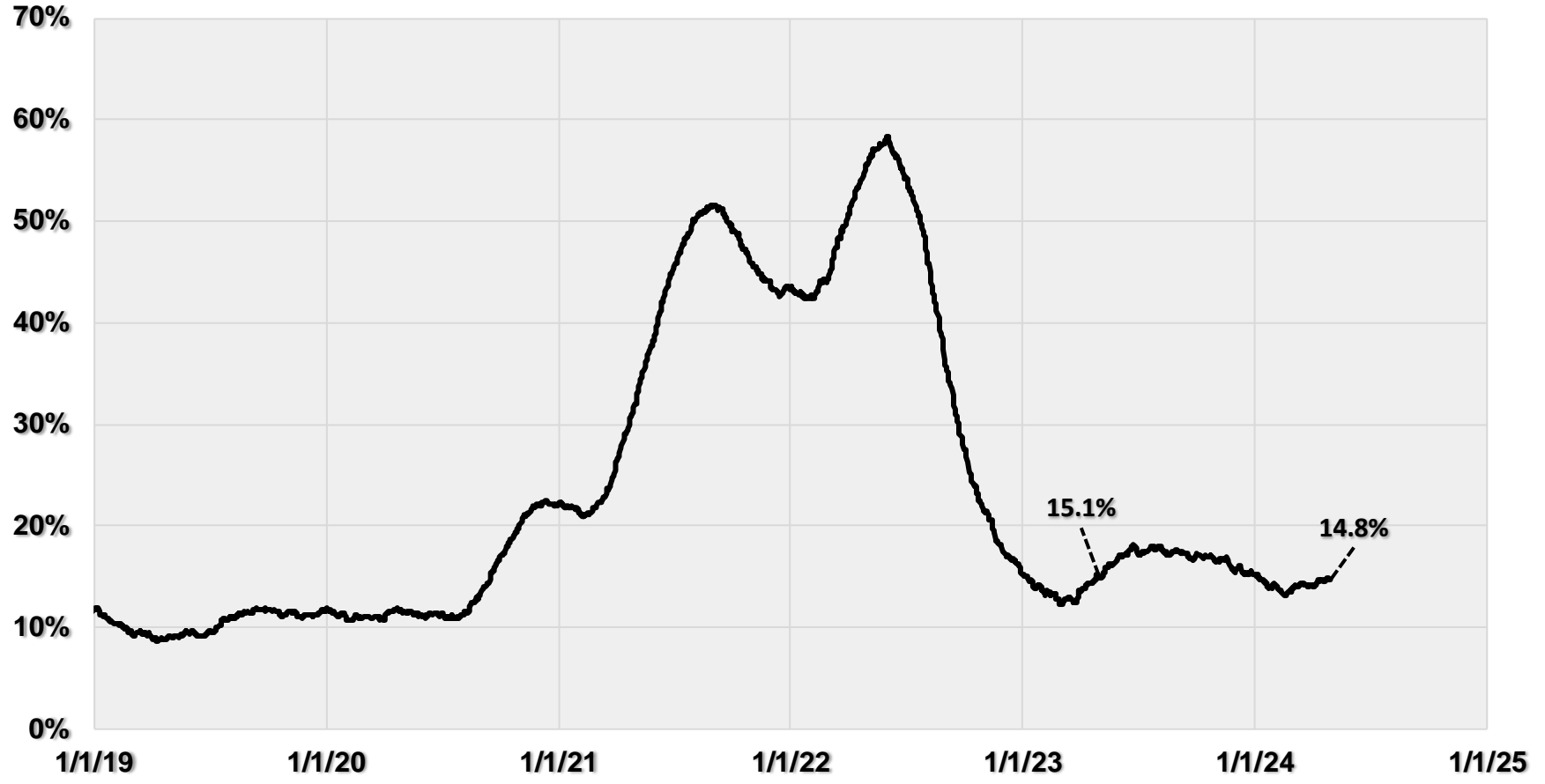
Price Discount by Price Bracket

This chart shows the average price discount by price bracket throughout the region compared to the discount a year ago. The average includes both detached and attached homes. As a rule, the average price discount increases with higher priced homes.

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Percent Homes Selling Over List Price (all homes)



Percent Homes Selling Above List

This chart graphs the percentage of Valley homes that sold above list price over the last three months. In April, the percent of homes selling over list price was 14.8%. This is marginally lower than last year. As we said last month, we continue to expect the number of homes selling above list to remain approximately one out of seven.

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 April, all sales and pricing are done using transactions through that and the previous two months. However, when we measure inventory at the end of April, it's the inventory as of April 1st. Even though inventory April be labeled April 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.