

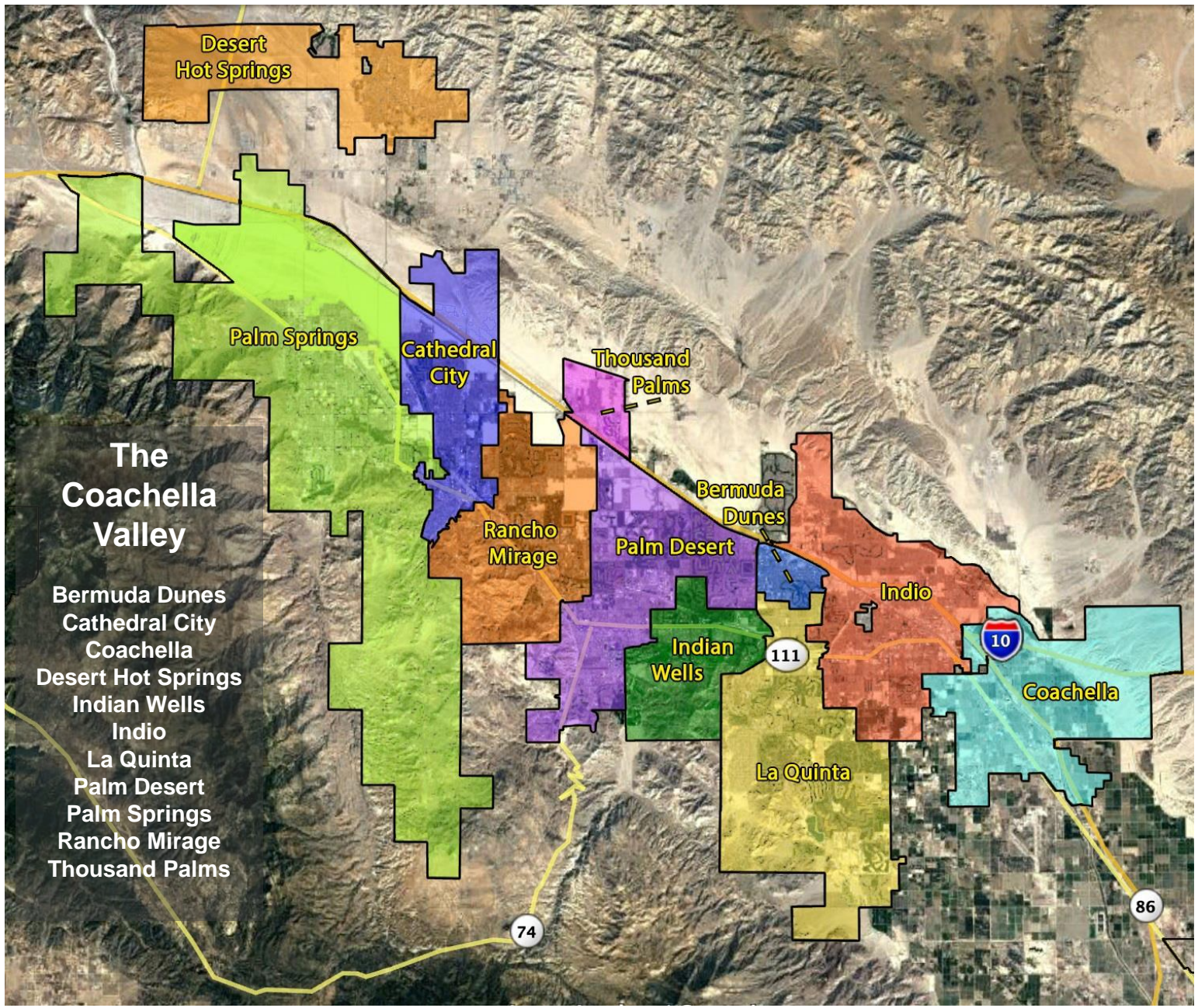
The Desert Housing Report

August 2024



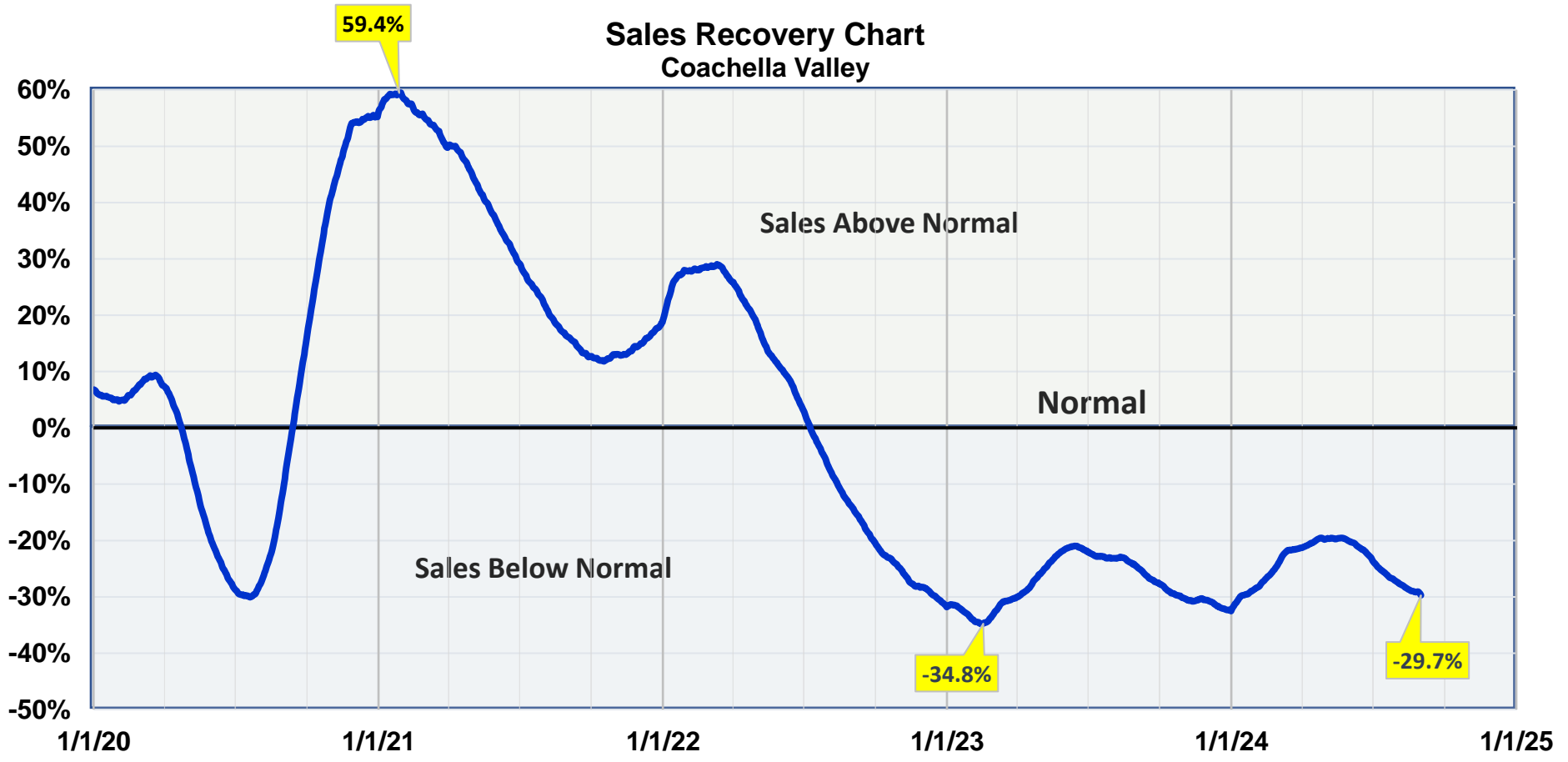
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The Sales Recovery Chart

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 August of 2021, sales were 59.5% above the norm. Sales fell to a low of 34.7% below normal by August of 2023. Sales this month are 29.7% below normal and have been declining over the last four months. Hopefully, the planned drop in interest rates in September will stimulate buyers.

Summary

PRICES: After reaching an all-time high five months ago, the median price of a detached home in the Coachella Valley declined again this month to \$653,726. It's now \$5,274 below last year. The median attached price in the Valley ended August at \$445,000, which is \$5,000 below last year. Year over year price changes in detached homes range from a 22.2% gain in Coachella to a decline of 6.1% in Palm Springs. Gains of the average size attached home range from 10.9% in Bermuda Dunes to -11.8% in Desert Hot Springs.

SALES: Total three-month sales are lower than last year by 51 units. The number this August was 578 units per month, compared to 629 units a year ago. Sales this month are 29.7% below normal and have been declining over the last four months. The long-term average is effectively the same as last year and has been hovering just over 600 units a month now for over a year. Palm Desert still has the highest unit sales at 129, followed by Palm Springs with 103. Only one city - Bermuda Dunes – has sales above a year ago.

INVENTORY & “MONTHS OF SALES” RATIOS: On September 1st, Valley inventory was 2,237 units, which is 576 units higher than last year. The seasonal pattern now suggests that inventory will begin an increase that usually carries through February. The Valley's “months of sales” ratio was 3.7 months, which is one month more than last year. We see consistent ratios between 3.0 and 4.0 months in the nine cities. The ratio in Palm Springs is now the highest at 5.0 months.

DIM: At the end of August, the median number of “days in the market” in the Coachella Valley was 48 days, which is ten days more than last year. The city of Coachella continues to have the lowest average selling time at just 14 days. This is followed by Desert Hot Springs at 39 days and Cathedral City at 41 days. Indian Wells has the highest average selling time at 63 days.

PRICE DISCOUNTS/PREMIUMS: Currently, detached homes are selling at an average discount of 2.3%, which is up from last month. Attached homes are selling at a 3.0% discount. Coachella is the only city selling homes at an average premium of .4%. Bermuda Dunes continues to sell homes with the highest average discount of 4.1%. The percent of homes selling over list price was 13.2%. This is 4.4% under last year.

Prices

Coachella Valley Median Detached Home Price 22 Year Chart



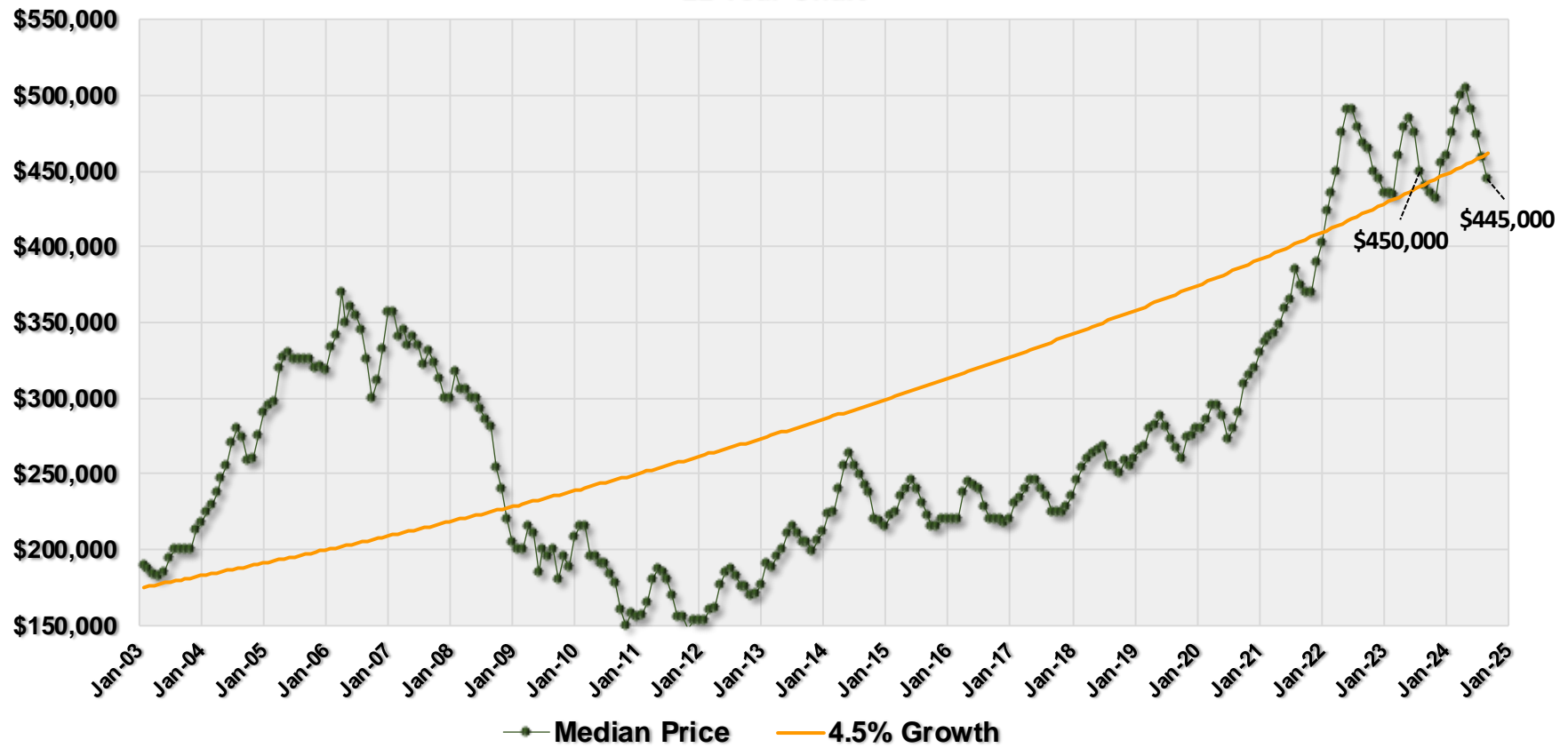
Coachella Valley Median Detached Price

After reaching an all-time high five months ago, the median price of a detached home in the Coachella Valley declined again this month to \$653,726. It's now \$5,274 below the same time last year. The median price usually hits its seasonal low between September and December, so we are now into that period. With both lower inventory and sales, we think supply and demand will remain relatively in balance.

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Coachella Valley Median Attached Home Price 22 Year Chart



Coachella Valley Median Attached Price

The median attached price in the Valley ended August at \$445,000, which is \$5,000 below last year. As the chart clearly shows, the seasonal price range for attached homes is much larger than that of detached homes, and prices seem to be following the normal seasonal pattern here, too. If they do, attached prices should reach their seasonal lows sometime in the next two 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
Coachella	1,700	\$301.16	\$511,972	\$418,829	22.2%	\$111,367	359.7%
Rancho Mirage	3,175	\$446.35	\$1,417,161	\$1,271,222	11.5%	\$506,317	179.9%
Indian Wells	3,450	\$498.28	\$1,719,066	\$1,675,286	2.6%	\$666,885	157.8%
Palm Desert	2,200	\$337.07	\$741,554	\$724,042	2.4%	\$302,302	145.3%
Desert Hot Springs	1,600	\$264.15	\$422,640	\$414,880	1.9%	\$86,656	387.7%
Indio	2,200	\$287.24	\$631,917	\$625,449	1.0%	\$156,340	304.2%
Cathedral City	1,800	\$311.85	\$561,321	\$556,200	0.9%	\$153,216	266.4%
Bermuda Dunes	2,200	\$314.89	\$692,747	\$703,230	-1.5%	\$239,325	189.5%
La Quinta	2,200	\$366.48	\$806,256	\$819,544	-1.6%	\$318,164	153.4%
Palm Springs	2,175	\$550.96	\$1,198,338	\$1,275,888	-6.1%	\$323,879	270.0%

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
Bermuda Dunes	1,450	\$282.07	\$409,002	\$368,909	10.9%	\$89,117	358.9%
Indian Wells	1,950	\$429.69	\$837,896	\$771,176	8.7%	\$259,126	223.4%
Palm Springs	1,250	\$363.12	\$453,900	\$442,725	2.5%	\$129,788	249.7%
Palm Desert	1,600	\$326.50	\$522,400	\$525,008	-0.5%	\$197,896	164.0%
Cathedral City	1,250	\$265.90	\$332,375	\$336,675	-1.3%	\$80,544	312.7%
La Quinta	1,750	\$386.15	\$675,763	\$687,313	-1.7%	\$247,713	172.8%
Indio	1,050	\$274.21	\$287,921	\$298,620	-3.6%	\$56,396	410.5%
Rancho Mirage	1,775	\$326.01	\$578,659	\$616,413	-6.1%	\$211,030	174.2%
Desert Hot Springs	750	\$185.84	\$139,380	\$157,965	-11.8%	\$16,013	770.4%

Price of The Average Size City Home

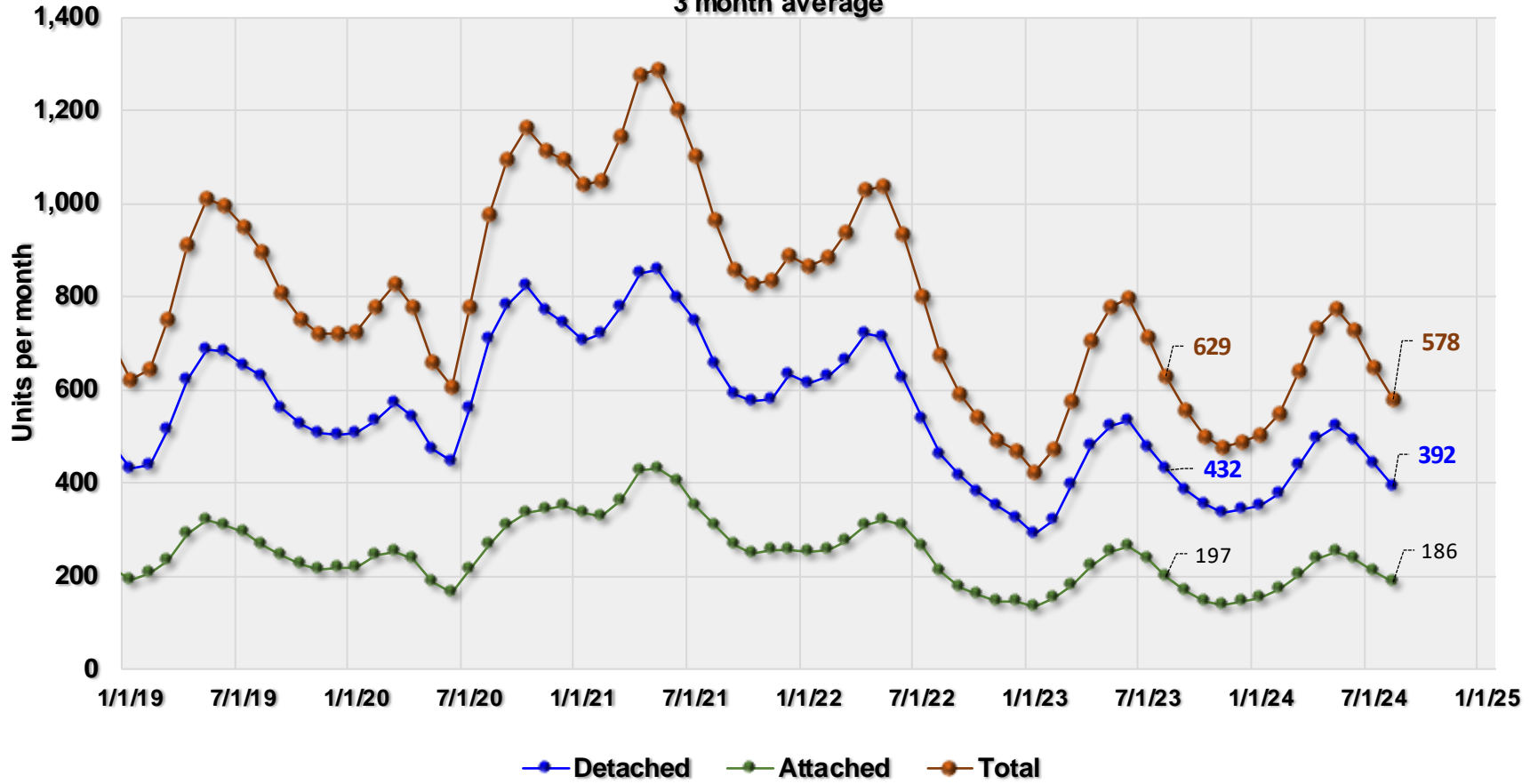
These two tables display the *price* and *price per square foot* of the average size home in each city. The average home size is listed in the second column. The latest price is then compared to the price a year ago. It's also compared to the all-time lows made in 2011. Year over year price changes in detached homes range from a 22.2% gain in Coachella to a decline of 6.1% in Palm Springs. Gains of the average size attached home range from 10.9% in Bermuda Dunes to -11.8% in Desert Hot Springs.

Unit and Dollar Sales

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Detached, Attached and Total Sales 3 month average



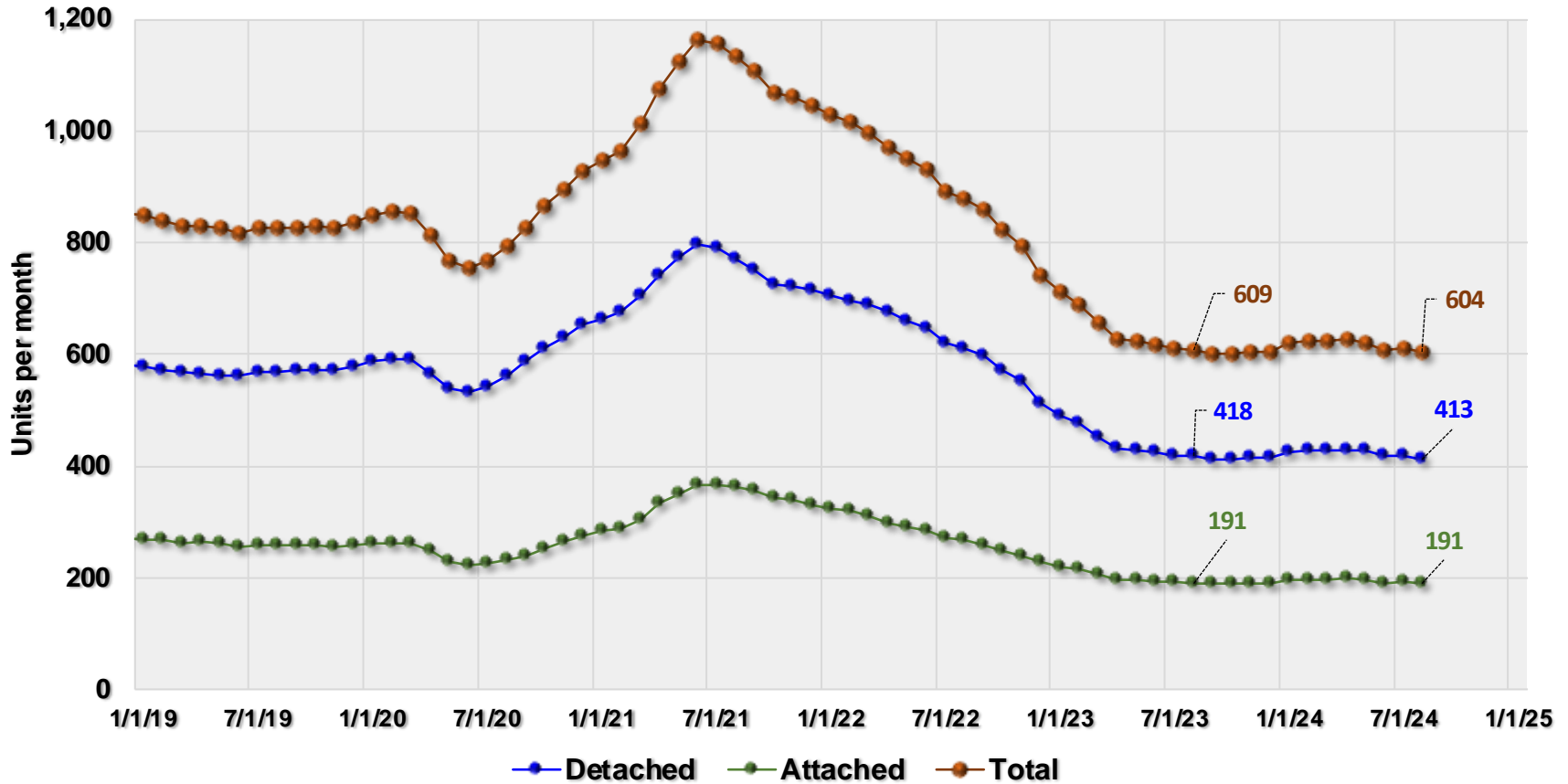
Monthly Sales – Three Month Average

Total three-month sales are lower than last year by 51 units. The number this August was 578 units per month, compared to 629 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 are lower against past norms by 29.7%.

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Detached, Attached and Total Sales 12 month average



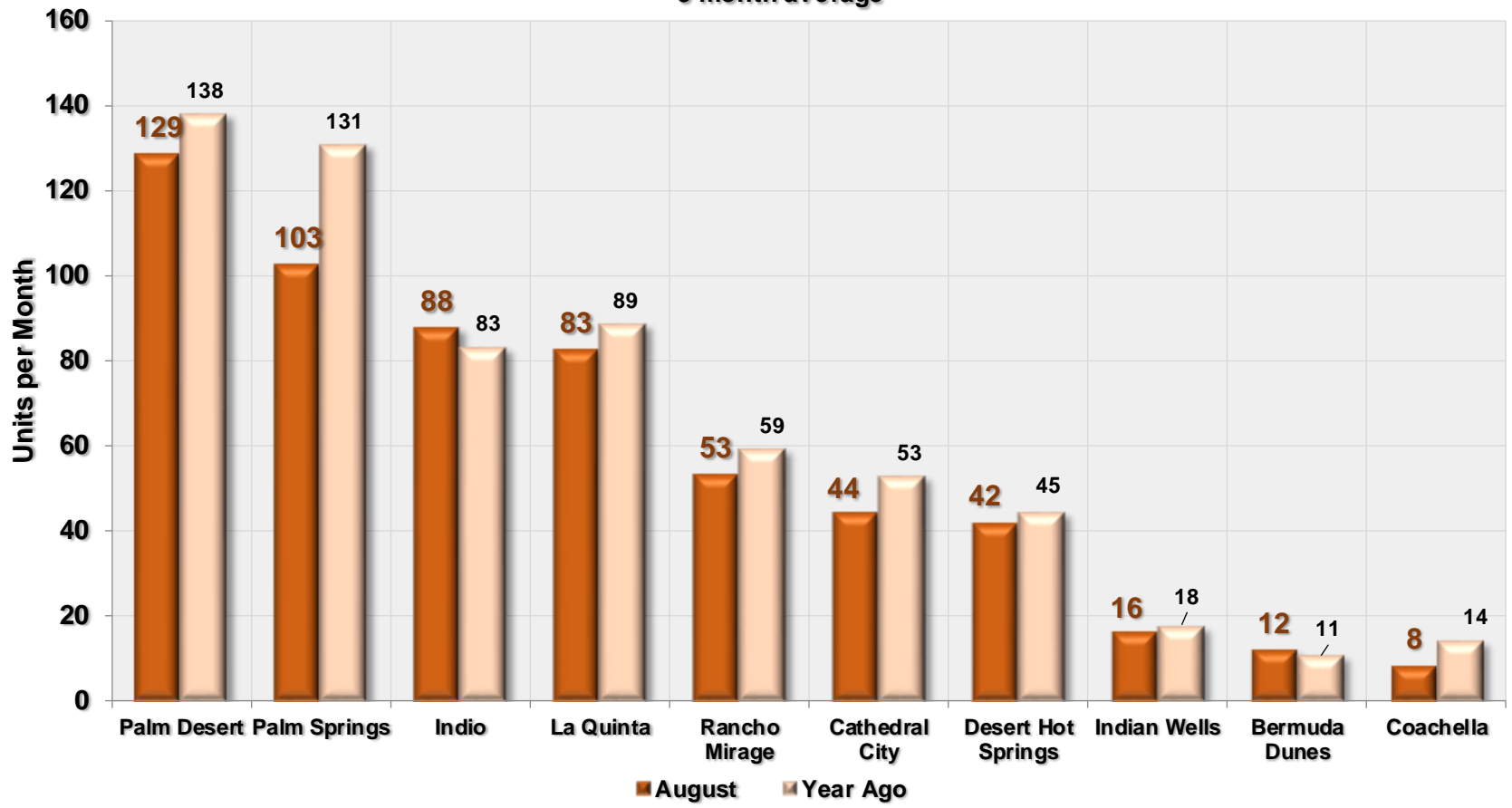
Monthly Sales – Twelve Month Average

The 12-month average of sales, which takes out seasonality, was 604 units a month. This long-term average is effectively the same as last year and has been hovering just over 600 units a month now for over a year. Although the inflation rate has declined, the Federal Reserve Board has been reluctant to lower rates, but this appears to be changing. The FED has finally stated they plan to lower rates in September.

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Home Sales by City 3 month average



Home Sales by City

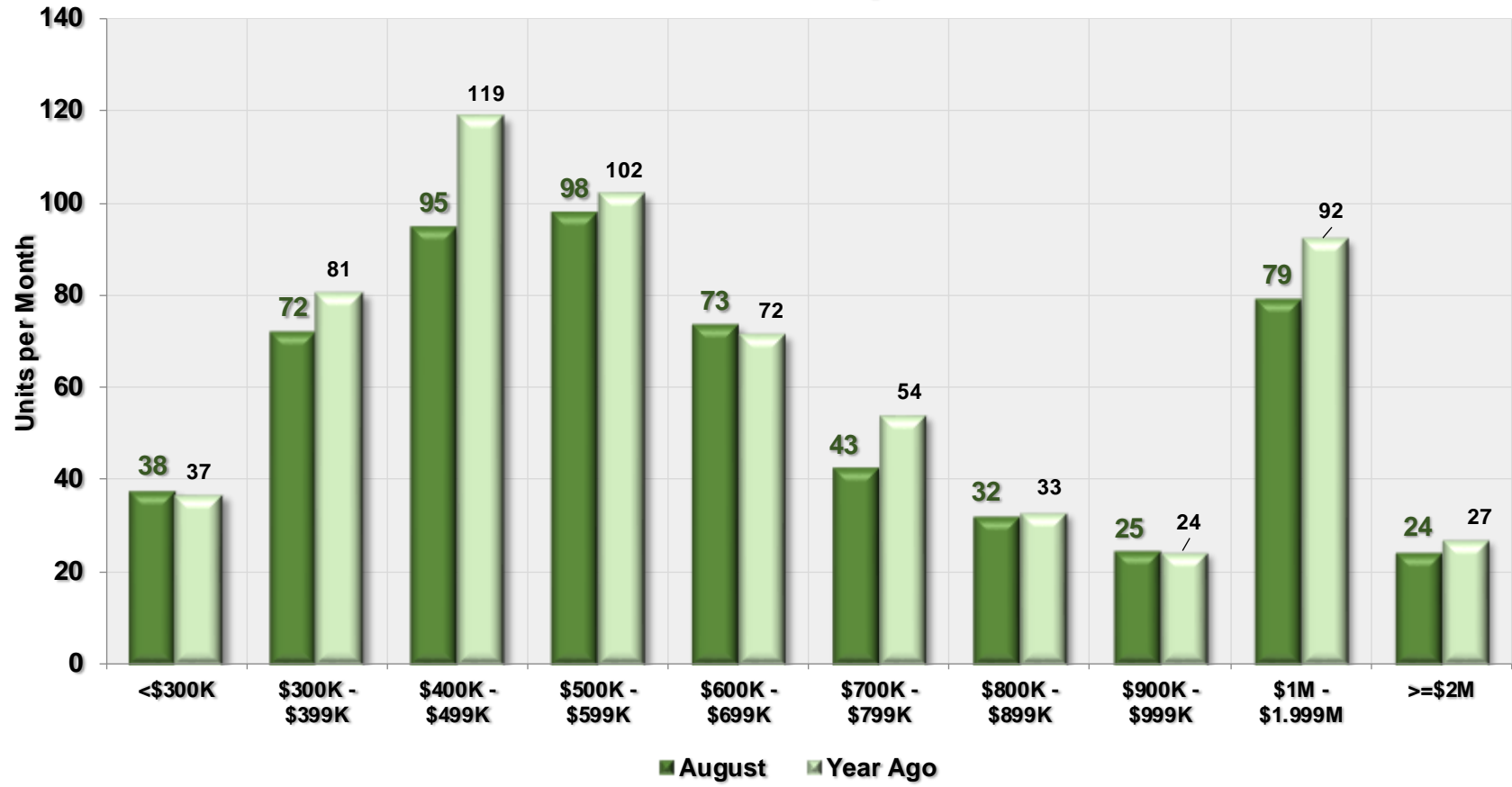
Sales by city are now ranked left to right by highest average unit sales. Sales are lower in most cities. Palm Desert still has the highest unit sales at 129, followed by Palm Springs with 103. Only one city - Bermuda Dunes - has sales above a year ago.

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Sales by Price Bracket

3 month average



Home Sales by Price Range

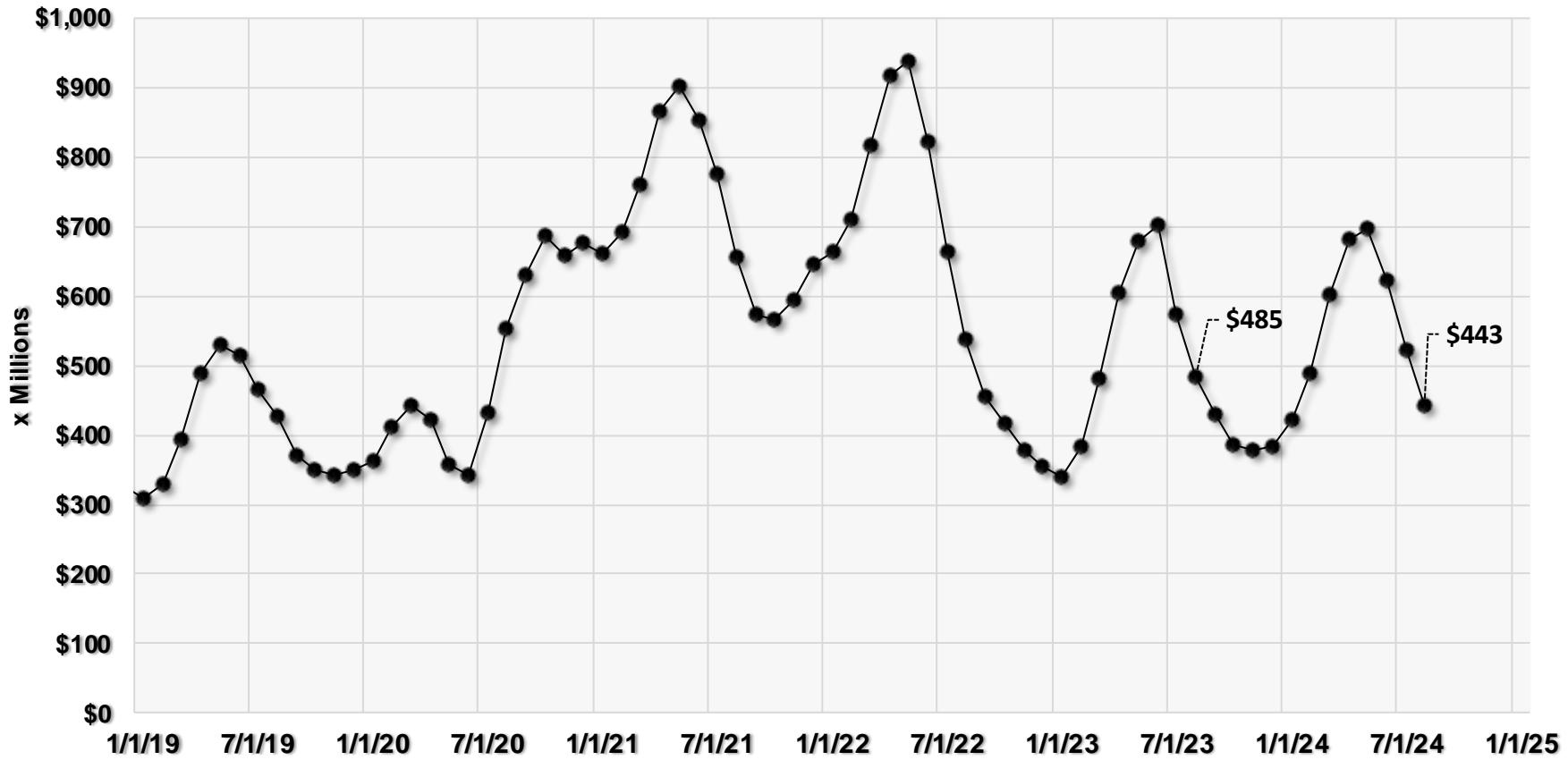
We've changed the price brackets to reflect the price increases of the last few years. The lowest bracket is now \$300,000 or lower, and there are now two brackets over \$1,000,000. The largest part of the overall sales decline appears to be sales of homes in two price brackets – from \$300K to \$500K, and sales of homes over a million dollars.

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Coachella Valley Dollar Sales

New



Coachella Valley Dollar Sales (all homes)

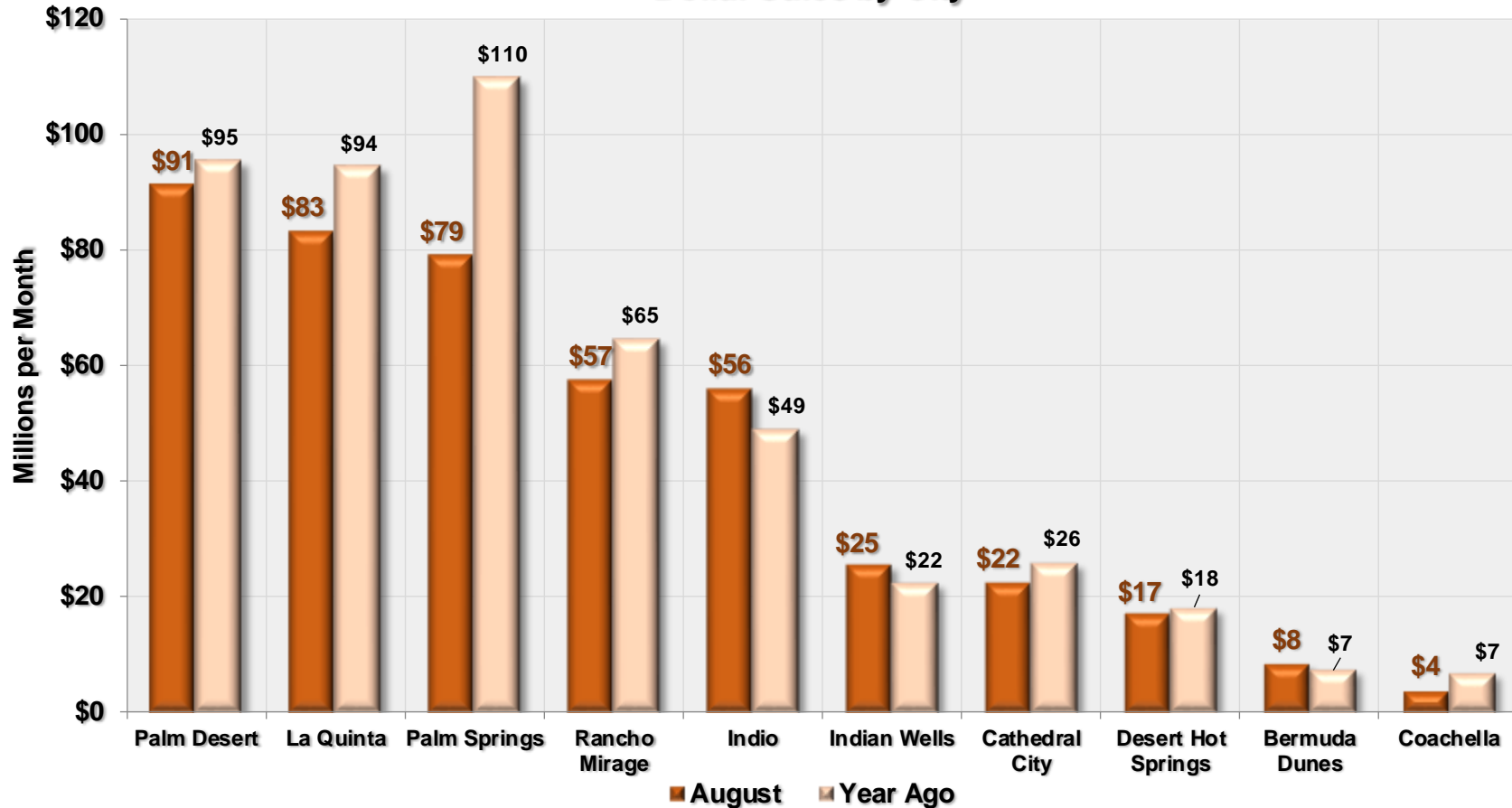
This chart graphs dollar sales, averaged over three months, of all Coachella Valley home sales. The scale on the left is in millions of dollars. It shows the same seasonal pattern as the chart of three-month unit sales, except the relative highs and lows are different due to price changes over time. Dollar sales in August were \$443 million, which is 8.7% below last year.

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Dollar Sales by City

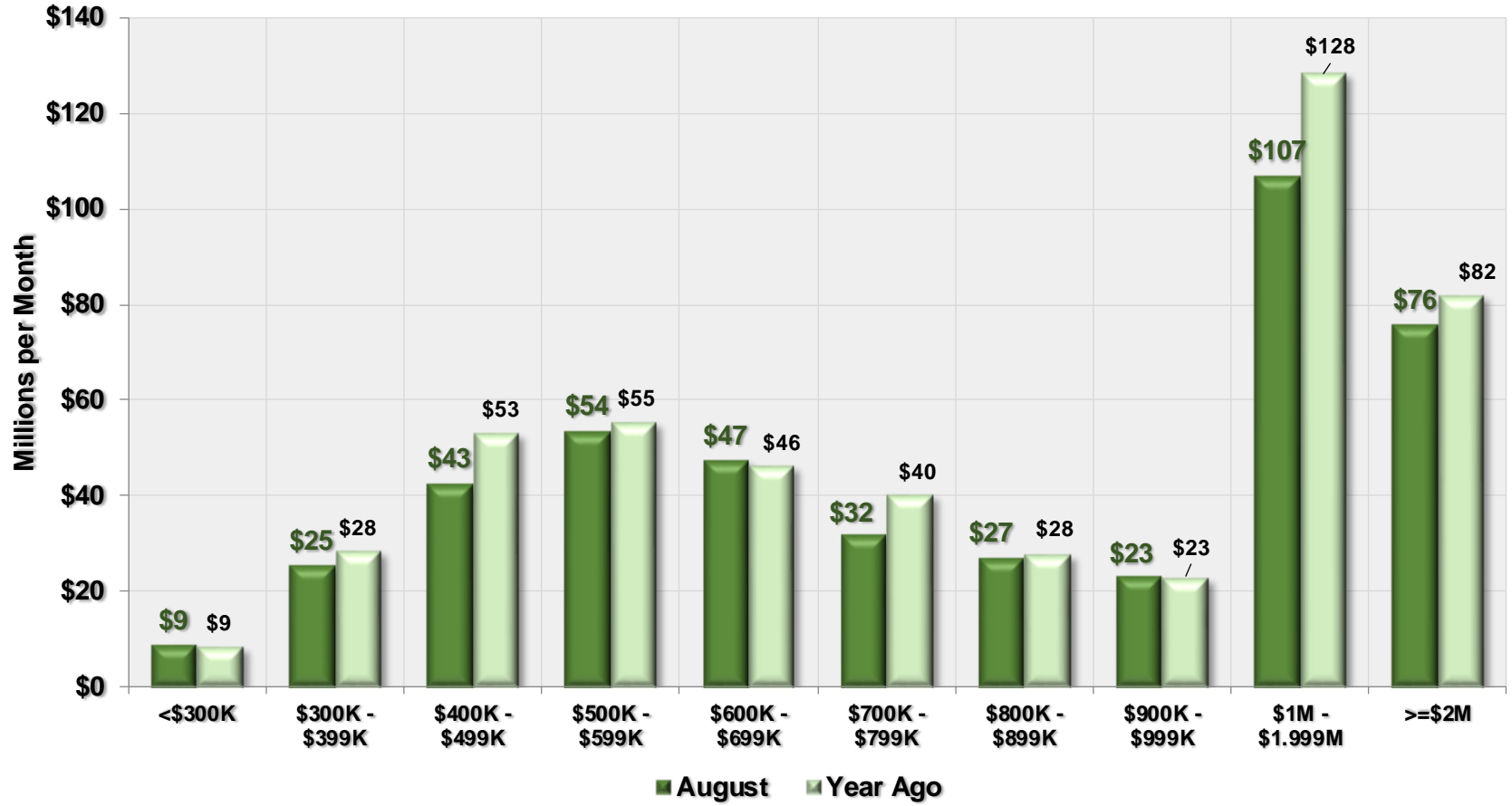
New



Home Sales by City

On this graph, cities are ranked left to right by greatest dollar sales. Since revenue depends on dollar sales more than unit sales, the numbers in this chart are better proxies for “revenue” than unit sales. Dollar sales appear to be comparable to last year in every city except La Quinta and Palm Springs. Dollar sales in Palm Springs are lower by 28%.

Dollar Sales by Price Bracket New



Home Sales by Price Range

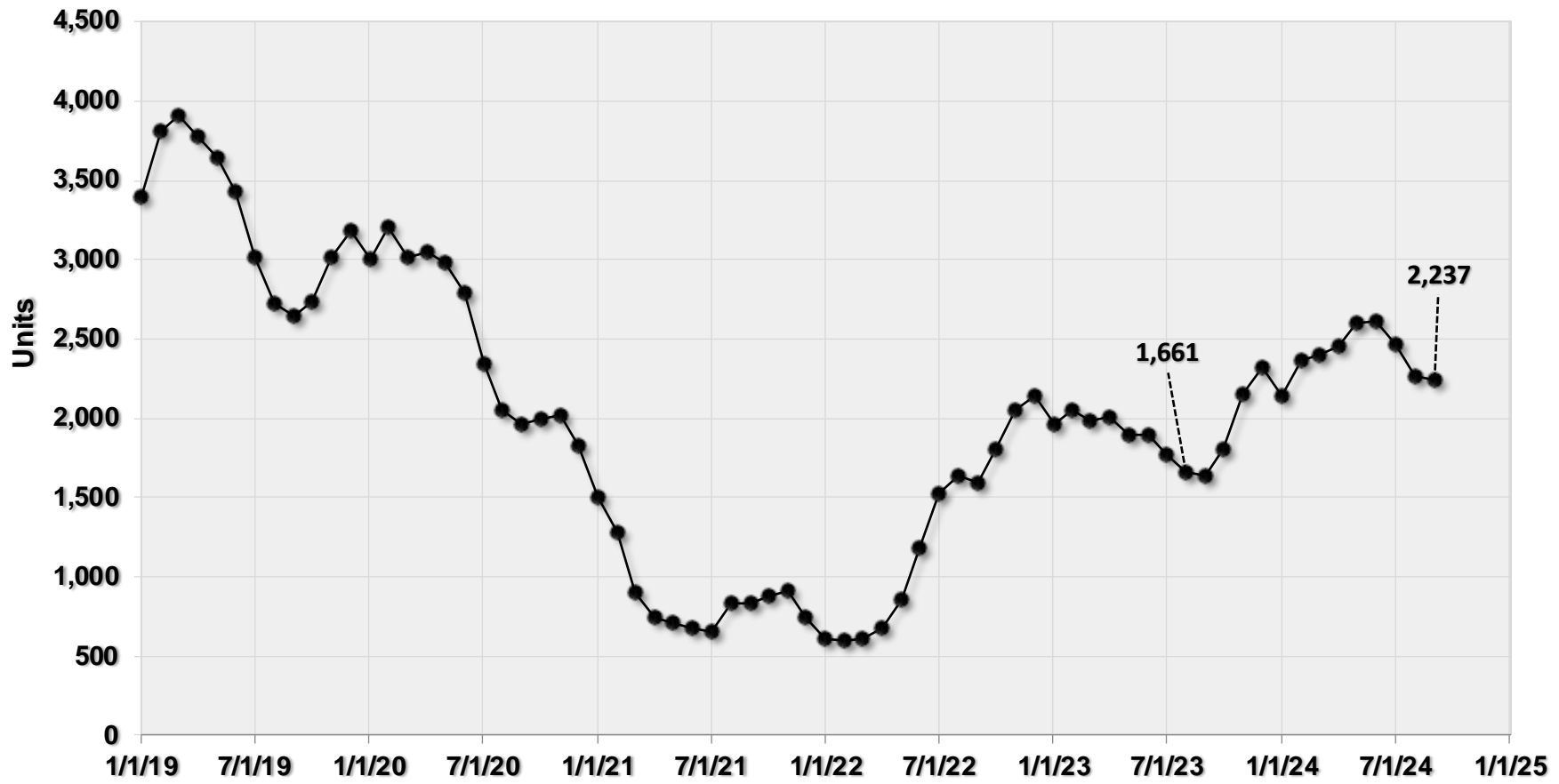
This chart of dollar sales by price bracket shows a different pattern than unit sales by price bracket in the earlier chart. The large amounts in the two million-dollar price brackets are accentuated more than the unit sales chart. In fact, dollar sales in these two brackets continue to account for 50%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

Inventory & “Months of Sales” Ratios

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Coachella Valley Housing Inventory (all homes)



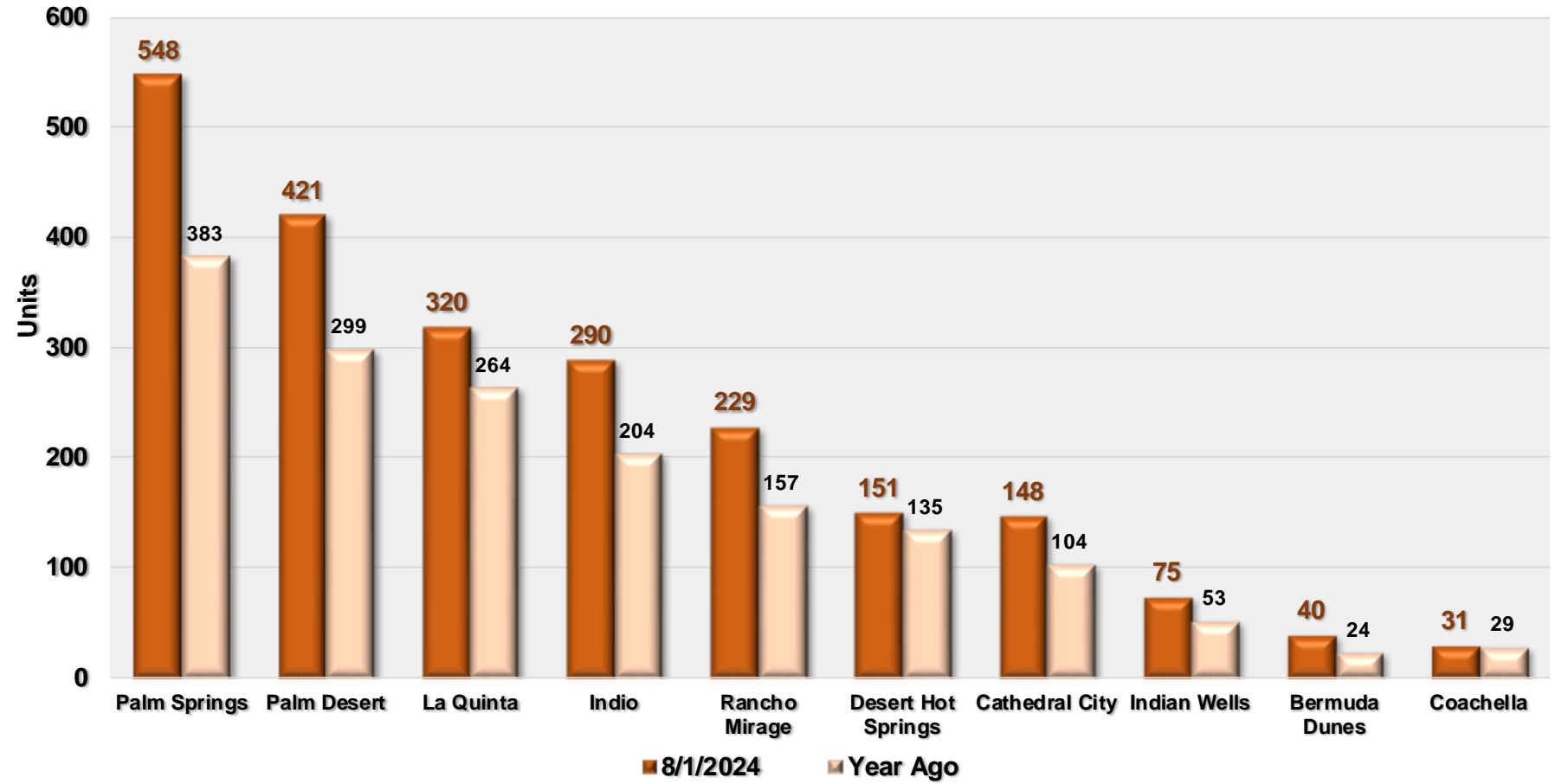
Coachella Valley Total Inventory

On September 1st, Valley inventory was 2,237 units, which is 576 units higher than last year. The seasonal pattern now suggests that inventory will begin an increase that usually carries through February. While inventory has gradually improved, current numbers continue to be about 1,000 units under what was normal before the pandemic.

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Inventory by City New

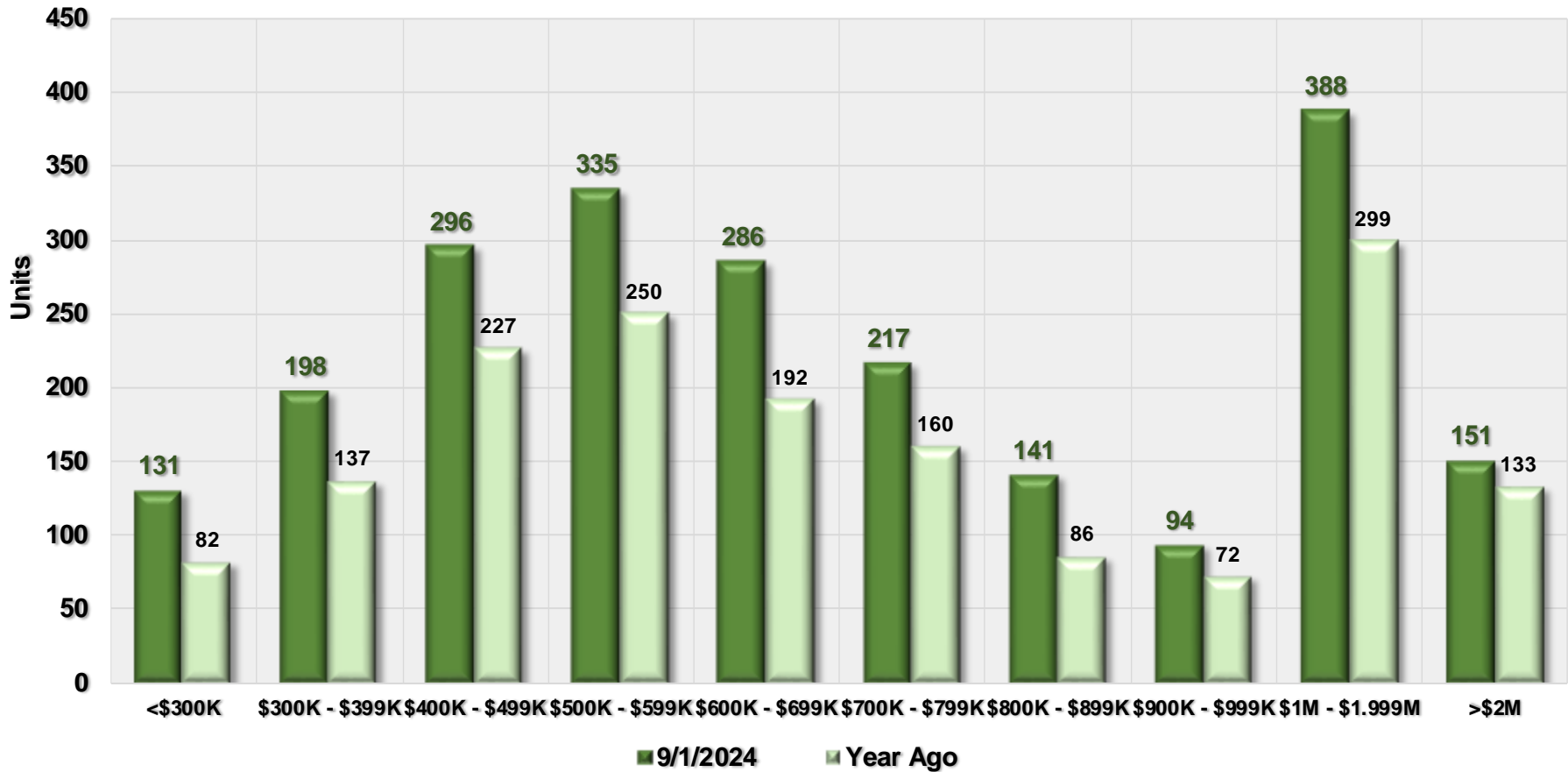


Inventory by City

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.

Inventory by Price Bracket

New



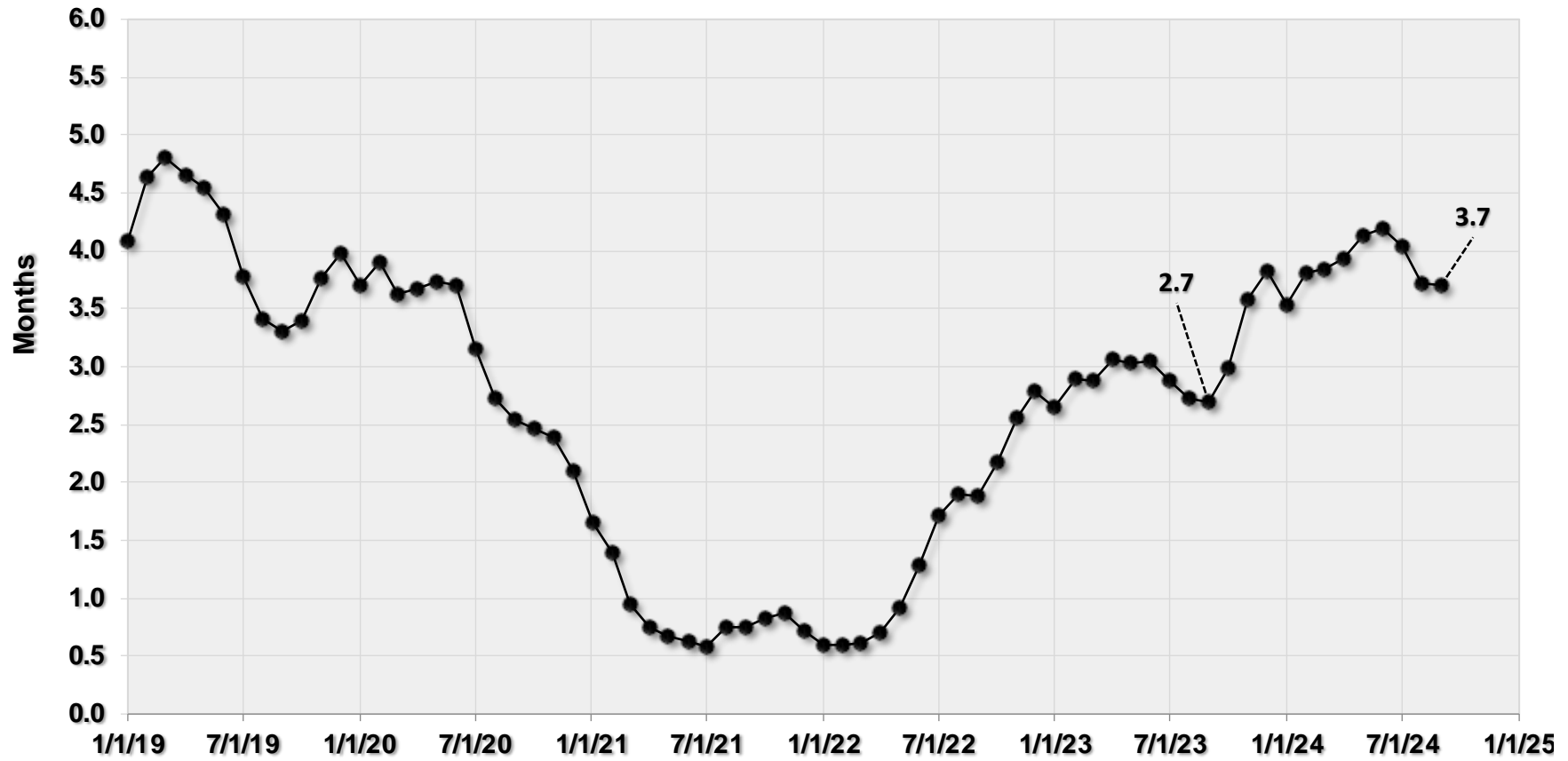
Inventory by Price Bracket

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 lighter 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)



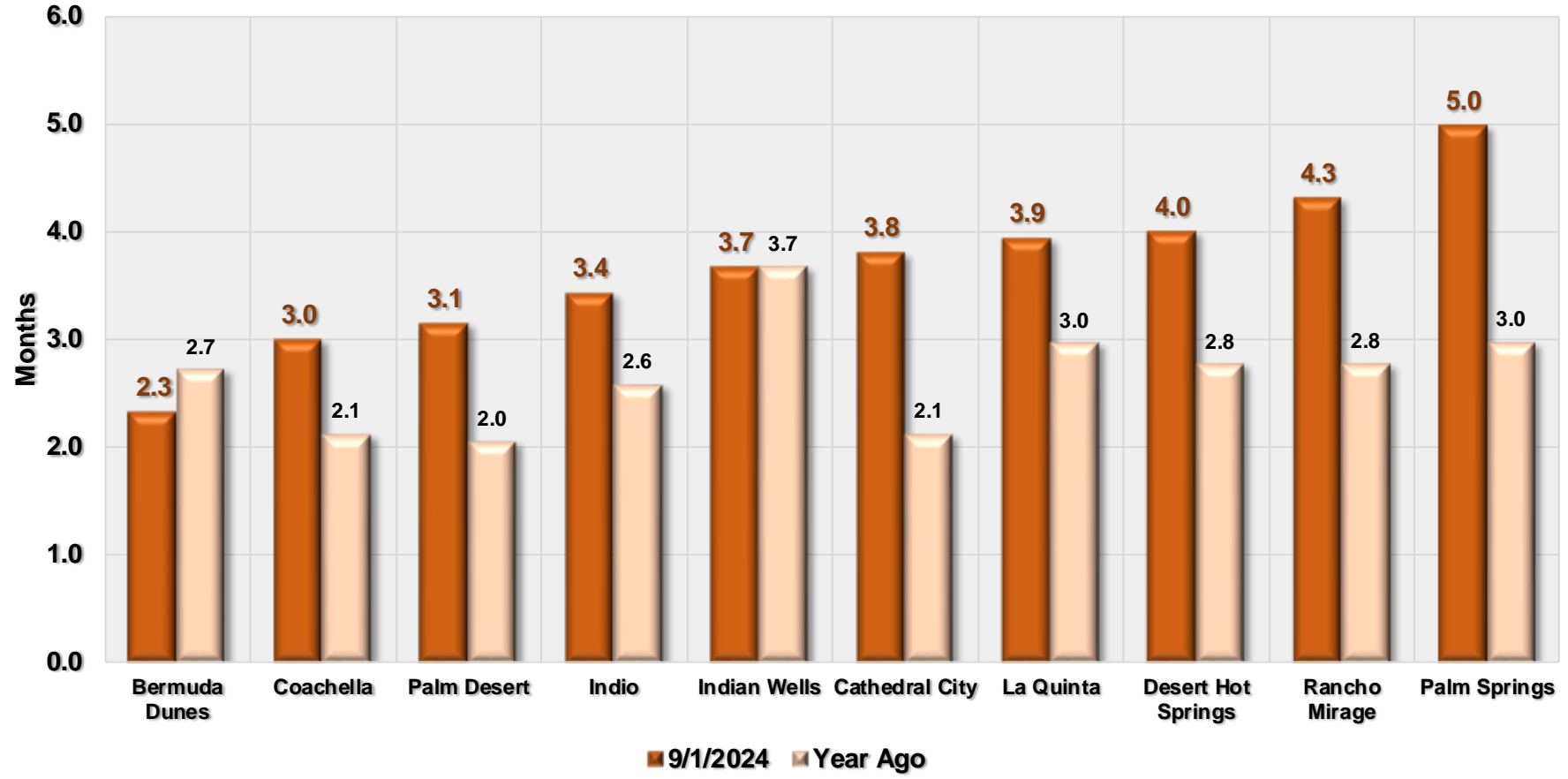
Regional "Months of Sales" Ratio

On September 1st, the Valley's "months of sales" ratio was 3.7 months, which is one month more than last year. As you can see, 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 relatively balanced. This is one major reason why home prices have remained stable over the last twelve months. This ratio could be the seasonal low for this year.

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"Months of Sales" by City



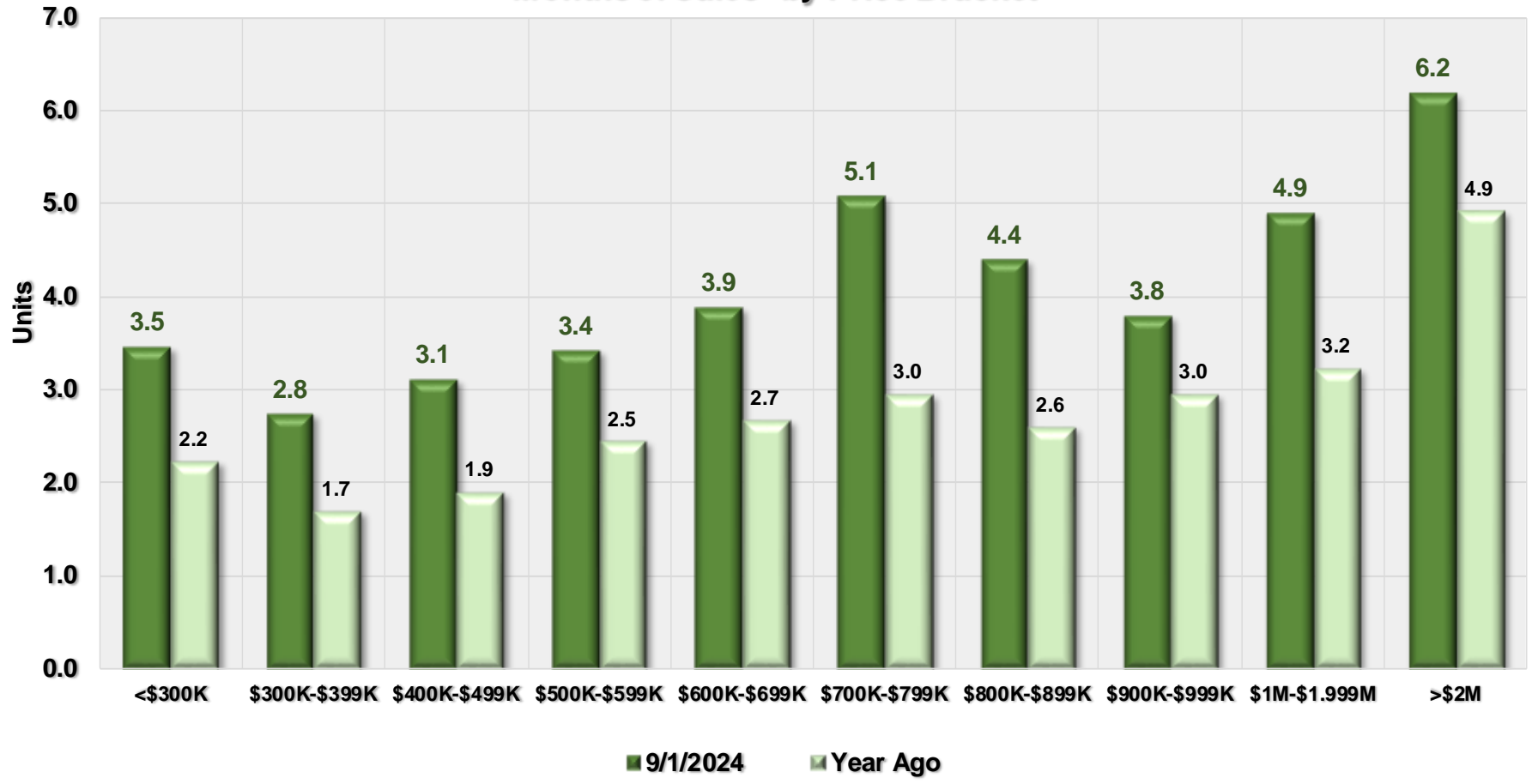
The "Months of Sales" Ratio by City

This chart ranks cities left to right by smallest number of "months of sales." The sales and inventory in these ratios include both attached and detached homes. We see consistent ratios between 3.0 and 4.0 months in the nine cities. The ratio in Palm Springs is now the highest at 5.0 months. Since "months of sales" is really the supply-demand equation for housing, it shows the housing market remains balanced. If ratios move higher, however, the market will begin to favor buyers over sellers.

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"Months of Sales" by Price Bracket



The "Months of Sales" Ratio by Price Bracket

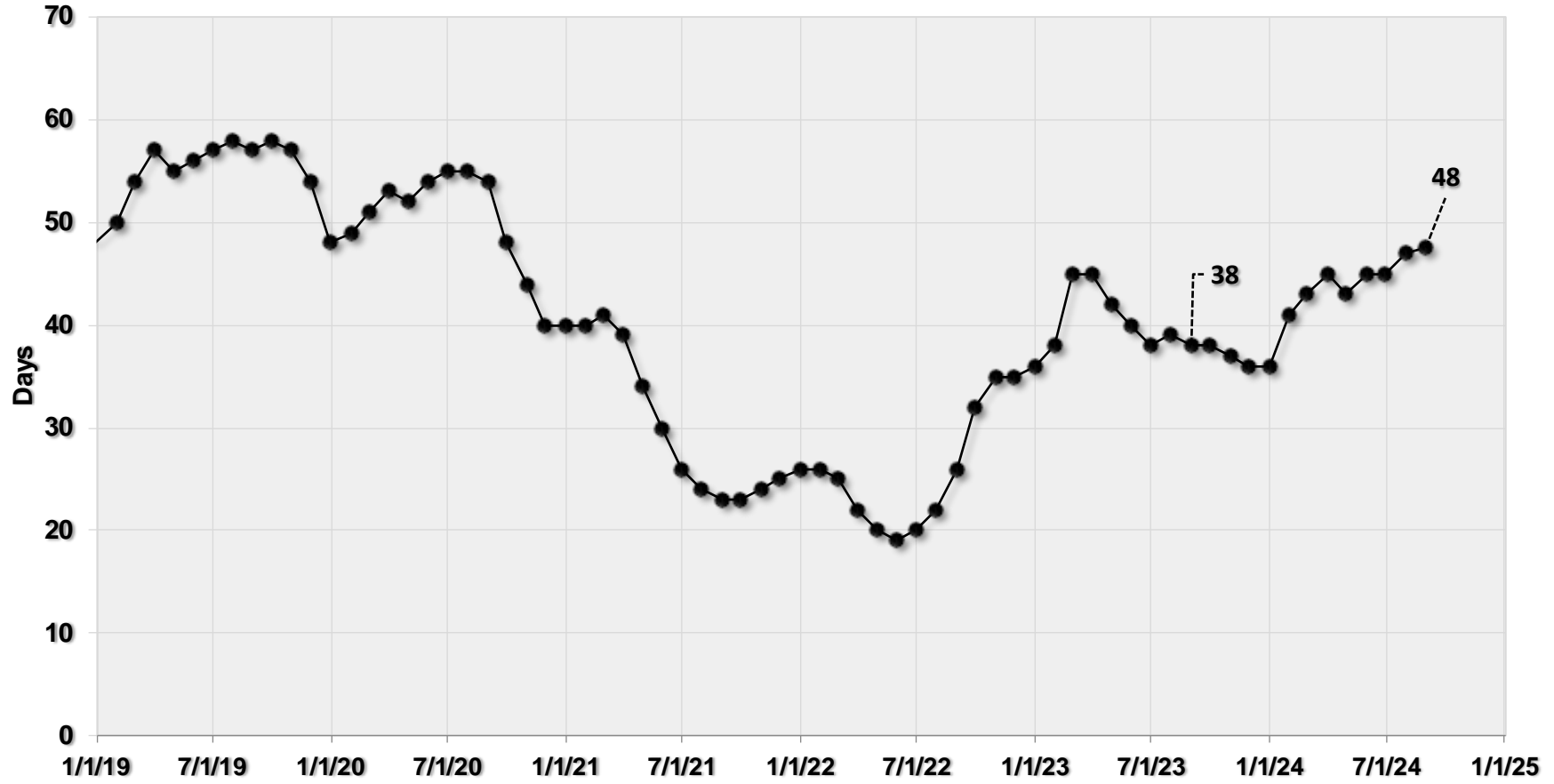
This chart shows "months of sales" by price bracket. The sales and inventory in the ratios includes both attached and detached homes. Since "months of sales" is really the supply-demand equation for housing, the increases over last year shows the supply side of the market is slowly increasing in all price brackets. The increase in the ratio of homes priced between \$700,000 and \$900,000 is a little above normal.

DIM & Price Premium/Discount

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Median DIM - Coachella Valley (all homes)



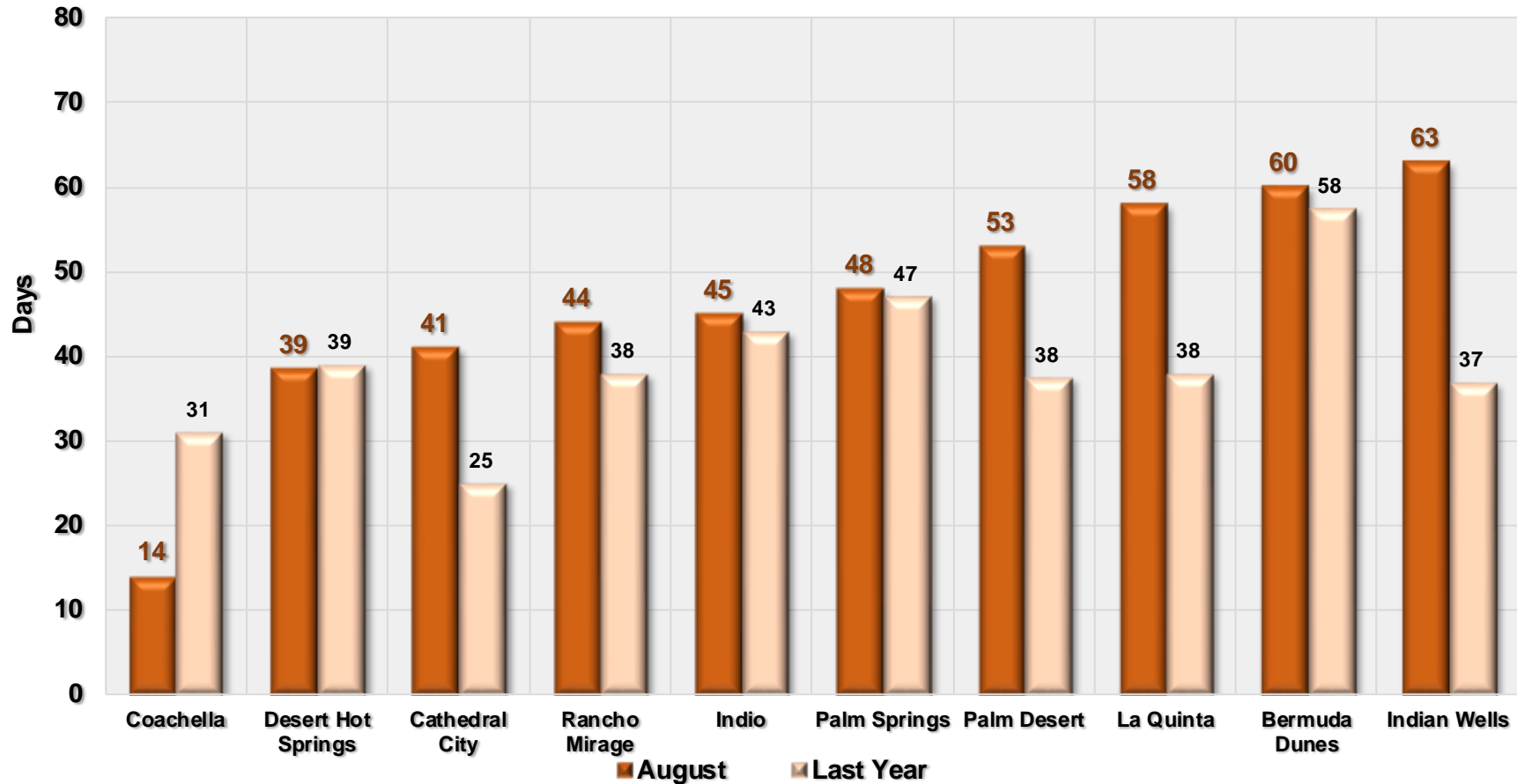
Regional “Days in the Market”

The median selling time in the region has been stable for the last three months. This includes both detached and attached homes. At the end of August, the median number of “days in the market” in the Coachella Valley was 48 days, which is ten days more than last year. We continue to believe the median selling time will remain around current levels as we move toward next year.

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Median DIM by City (all homes)

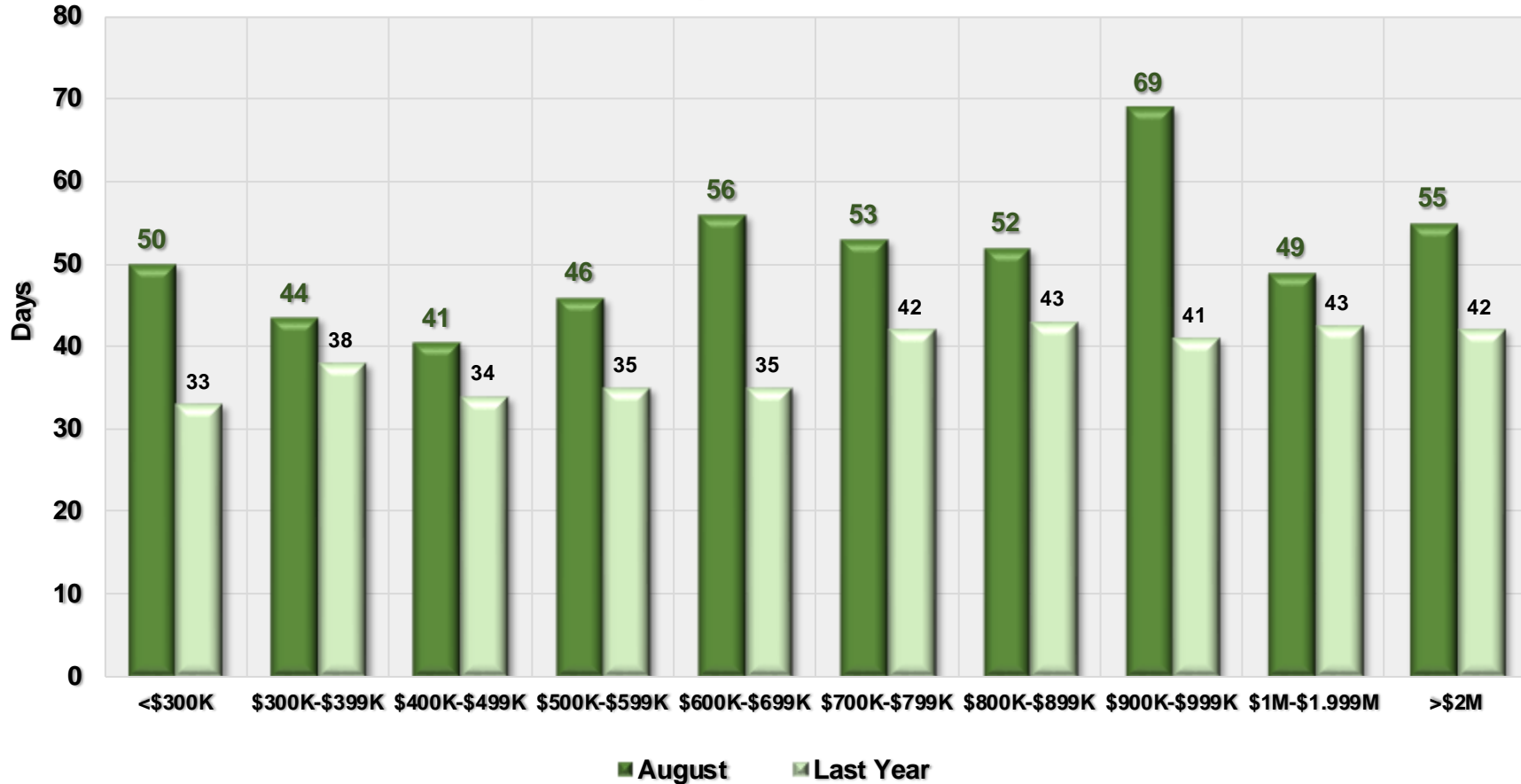


“Days in the Market” by City

This graph compares the median 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 just 14 days. This is followed by Desert Hot Springs at 39 days and Cathedral City at 41 days. Indian Wells has the highest average selling time at 63 days.

Median DIM by Price Bracket (all homes)

New



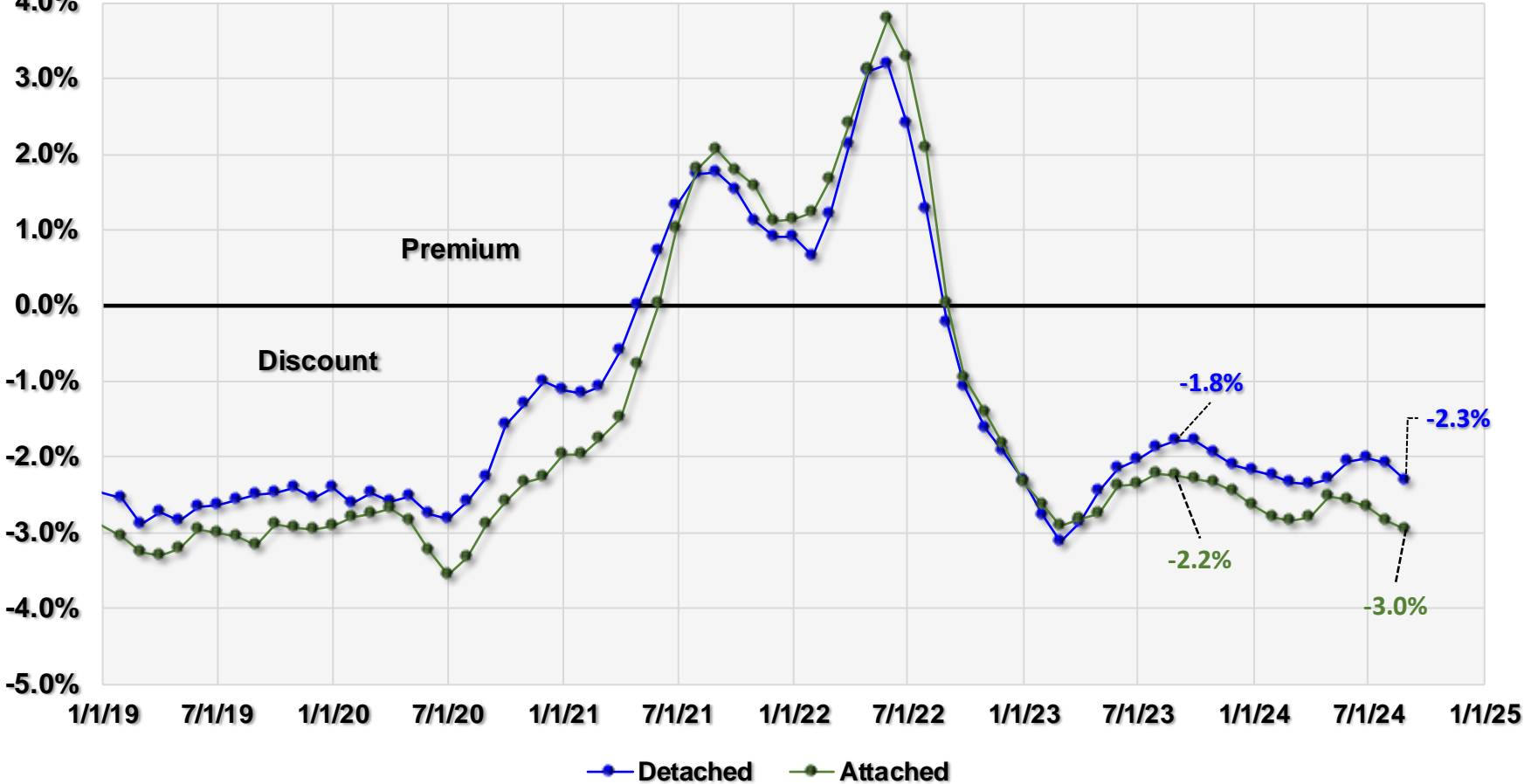
“Days in the Market” by Price Bracket

This graph compares the median number of “days in the market” by price bracket to the ratio a year ago. The number includes both detached and attached homes. When looking at these numbers, it’s important to notice if any price bracket has an abnormal number of days. Usually, selling times increase with higher priced homes. However, in the current market we don’t see that. This is a positive feature for higher priced homes.

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Coachella Valley Average Price Premium/Discount



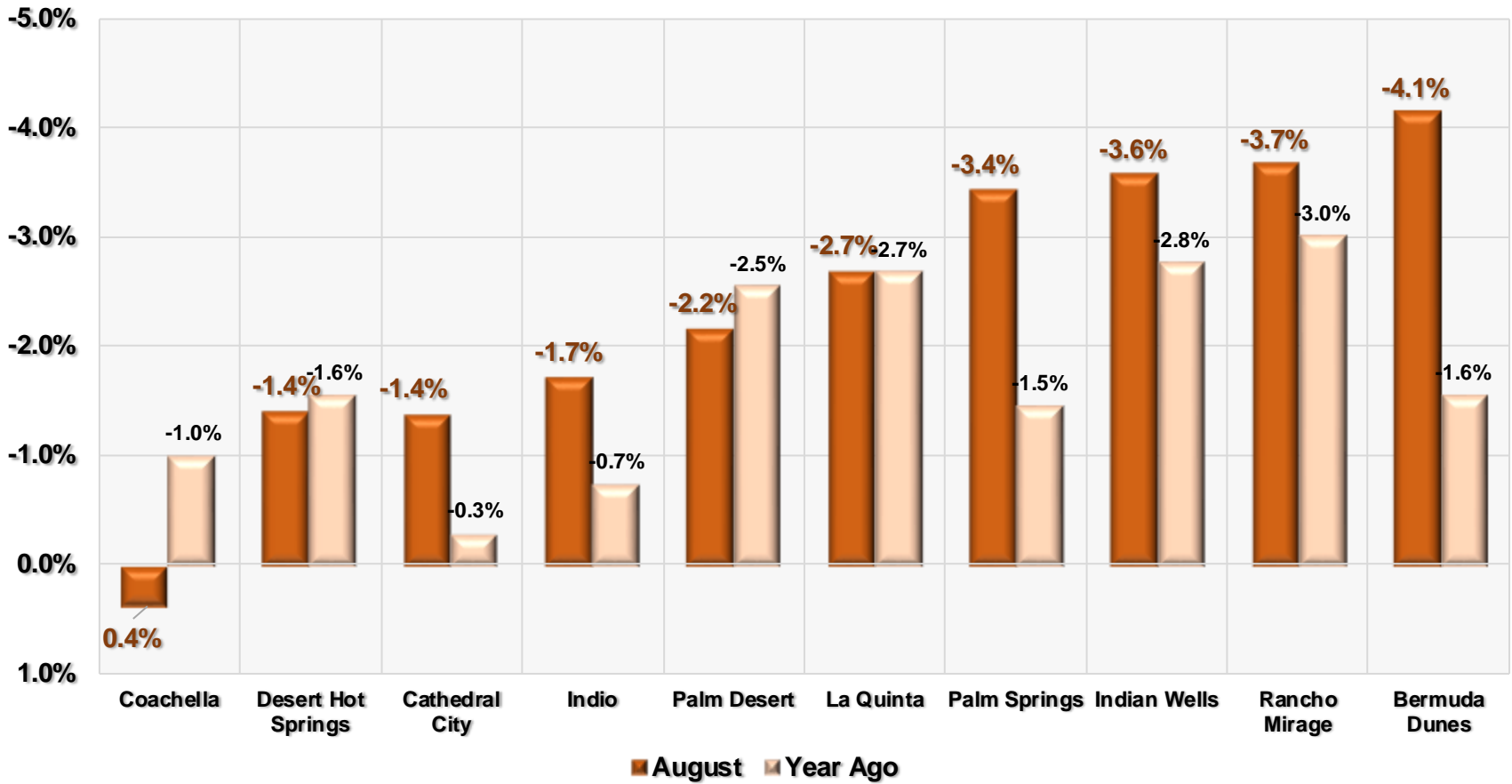
Regional Price Premium/Discount

This graph charts the average price premium or discount of detached and attached homes selling in the region. Currently, detached homes are selling at an average discount of 2.3%, which is up from last month. Attached homes are selling at a 3.0% discount. Notice how the numbers for both detached and attached homes seem to move up and down together. We are now back to normal as current discounts are in line with pre-covid levels.

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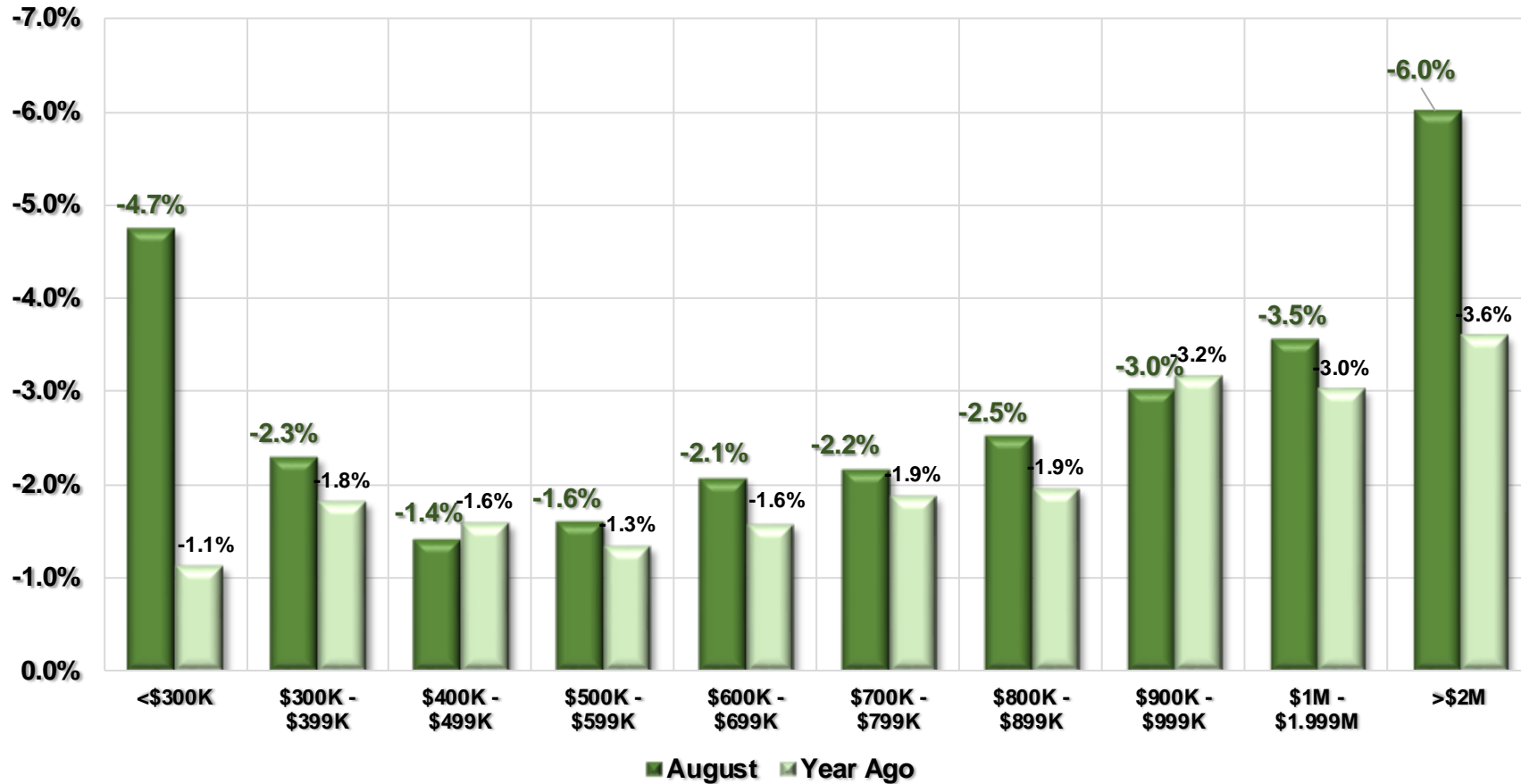
Average Selling Discount by City



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. Coachella is the only city selling homes at an average premium of .4%. Bermuda Dunes continues to sell homes with the highest average discount of 4.1%.

Average Selling Discount by Price Bracket



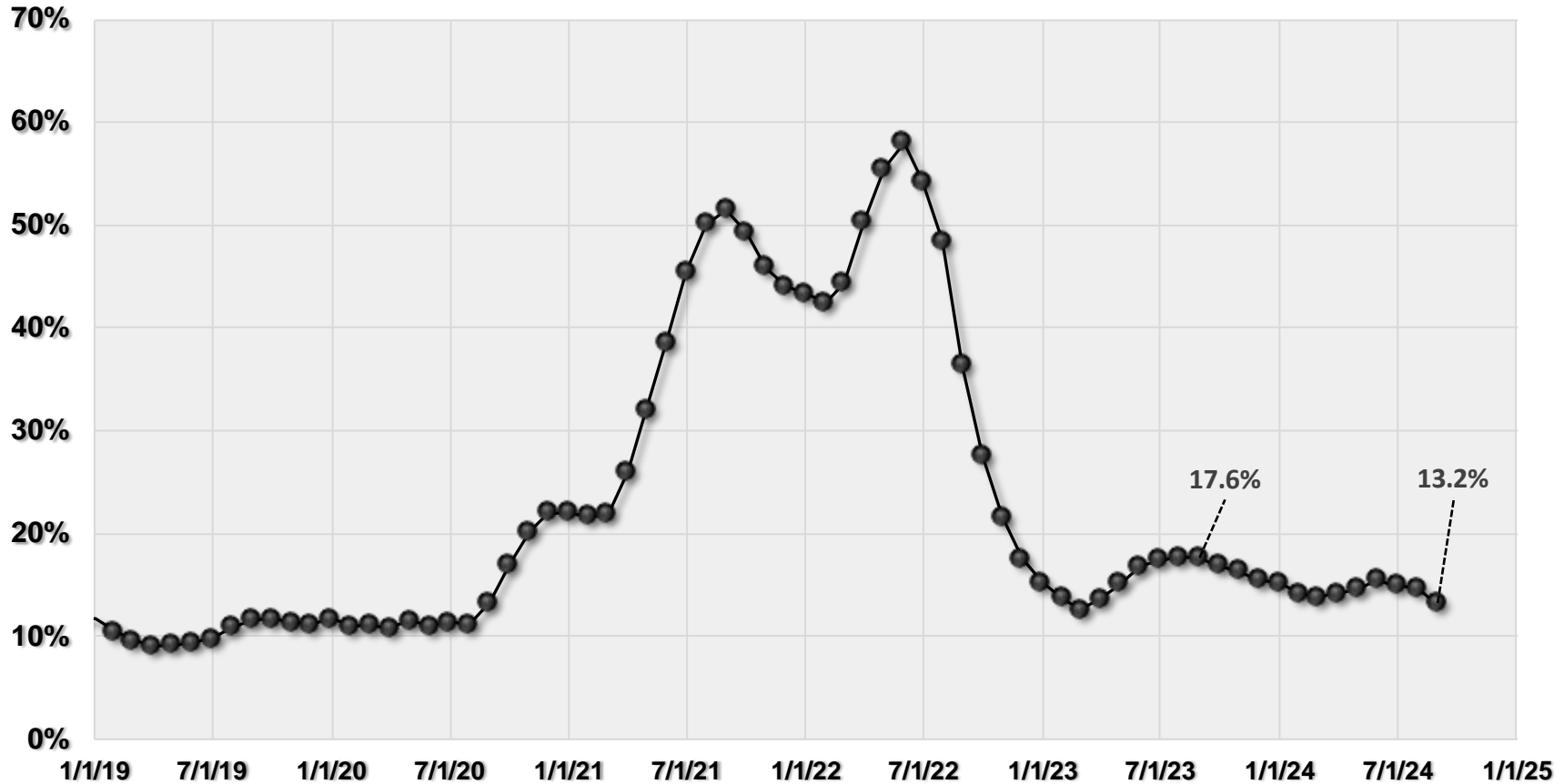
Price Discount by Price Bracket

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, price discounts increase with higher priced homes. Homes over two million dollars now sell with an average discount of 6%.

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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 August, the percent of homes selling over list price was 13.2%. This is 4.4% less than last year. As we said, we continue to expect the number of homes selling above list price to remain about 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 August, all sales and pricing are done using transactions through that and the previous two months. However, when we measure inventory at the end of August, it's the inventory as of August 1st. Even though inventory August be labeled August 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.