



The COVID-19 Desert Real Estate Report

June 30th, 2020

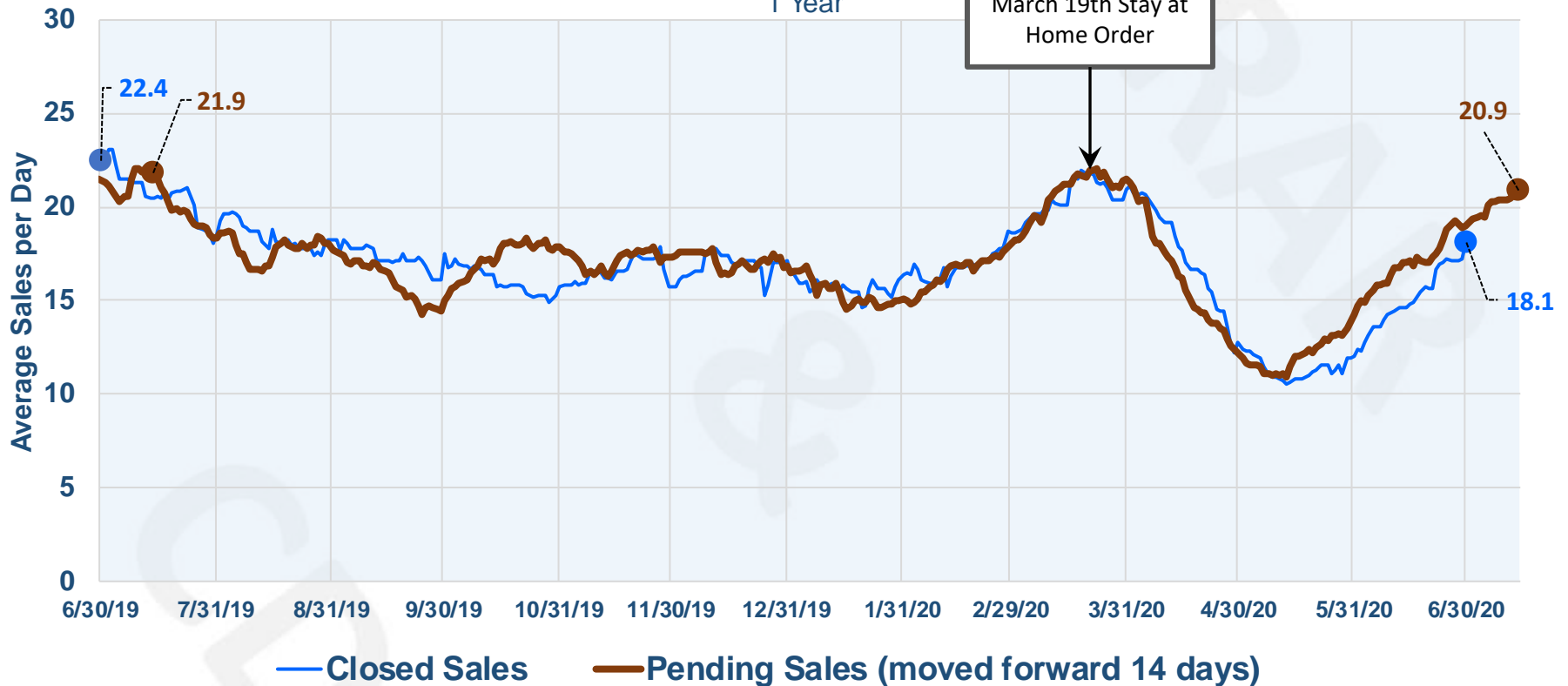


The COVID-19 Desert Real Estate Report is supplemental to the monthly Desert Housing report. It was recognized that a standard housing report would be insufficient to describe the rapidly changing market conditions due to the Coronavirus and general quarantine, so shorter-term housing metrics were developed that we believe indicate changing market conditions on a daily basis. They're based on a 28-day average. A full explanation behind these shorter metrics is found on the last page.

All calculations are made from MLS data available at the time of the calculation as there is no way to allow for a slow response time of some agents to update the status of a listed home. Because of this, summary sales calculations made today may differ from the same summary calculation made later.

Market Watch LLC

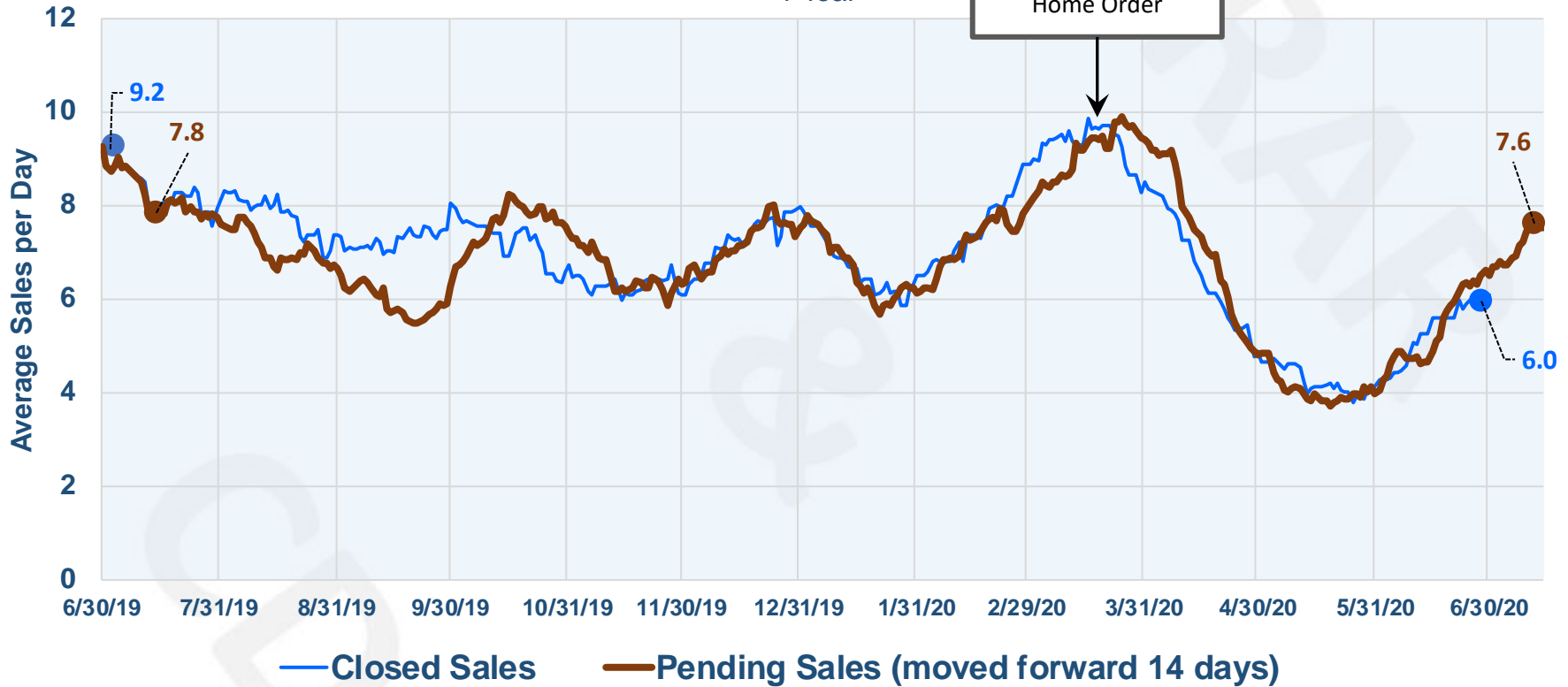
Average Daily Sales SFR Coachella Valley 1 Year



Average Daily SFR Sales

In the Coachella Valley escrow times average 14 days so we move pending sales curve forward 14 days. As the chart clearly shows pending sales of SFR's have been leading closed sales and are now only 5% below year ago and pre-quarantine levels. Sales in the Valley strong compared to many than other regions and may be due to the desire of some to get out of highly populated areas.

Average Daily Sales CONDOS Coachella Valley 1 Year



Average Daily Condo Sales

This chart shows average closed and pending sales in the Coachella Valley for condominiums. It shows that pending sales in June were eight units a day, which is exactly equal to year ago levels. As the chart clearly shows condominium sales were lagging until a month ago but have rapidly caught up over the last 30 days. This is encouraging for the country club market, which is primarily condominiums.



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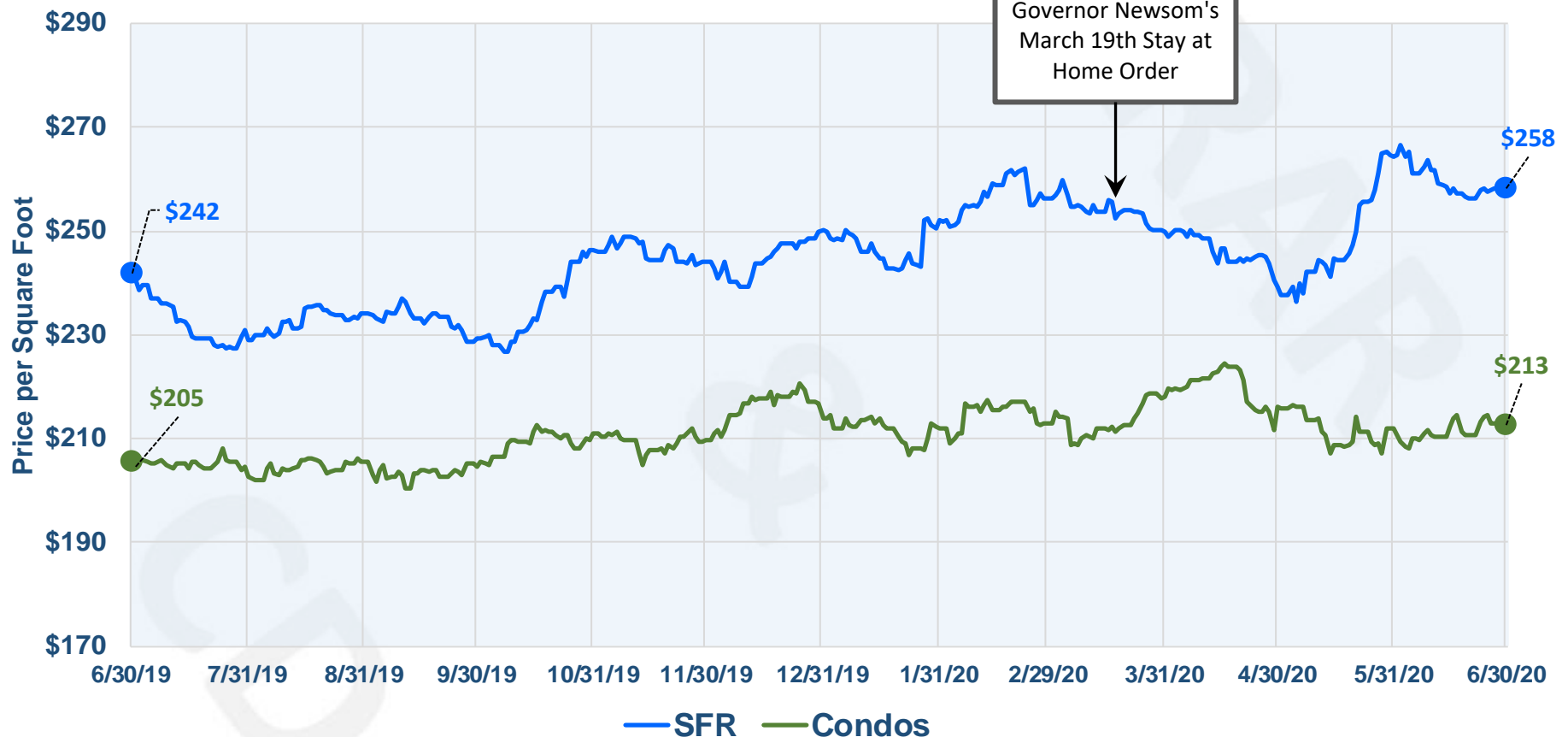
Average Weekly Pending Sales by City

	SFR			CONDO			ALL HOMES		
	June 30th	Year Ago	%Change	June 30th	Year Ago	%Change	June 30th	Year Ago	%Change
Cathedral City	11.5	15.0	-23.3%	3.8	2.5	50.0%	15.3	17.5	-12.9%
City of Coachella	3.5	3.8	-6.7%	0.0	0.0	N/A	3.5	3.8	-6.7%
Desert Hot Springs	12.0	12.5	-4.0%	1.8	0.3	N/A	13.8	12.8	7.8%
Indian Wells	5.8	4.0	43.8%	1.3	1.3	0.0%	7.0	5.3	33.3%
Indio	19.5	32.5	-40.0%	0.8	2.3	-66.7%	20.5	35.0	-41.4%
La Quinta	33.8	28.0	20.5%	6.3	4.0	56.3%	40.0	32.3	24.0%
Palm Desert	24.3	28.3	-14.2%	13.5	18.3	-26.0%	38.3	47.0	-18.6%
Palm Springs	21.5	18.3	17.8%	19.5	20.5	-4.9%	42.0	39.5	6.3%
Rancho Mirage	14.3	10.8	32.6%	5.8	5.8	0.0%	20.3	16.5	22.7%
CV TOTAL	146.0	153.0	-4.6%	52.5	54.8	-4.2%	200.5	209.5	-4.3%

Weekly Pending Sales by City

This table shows average pending sales per week for single-family residences, condominiums, and all homes in the nine regional cities. It shows that three cities – La Quinta, Palm Springs and Rancho Mirage – have been the main contributors to the rapid sales increase of the last month and a half. Sales of single-family residences in La Quinta are up 20% above a year ago, while sales of Palm Springs are up 17%. Sales in Rancho Mirage show the strongest increase of 32%.

Average Price per sq. ft. Coachella Valley 1 Year



Average Price per sq. ft. by Home Type

This chart plots the daily average price per square foot for both single-family residences and condos in the Coachella Valley. Single-family residences are the blue line, and condos are the green line. The chart clearly shows that prices of the two housing types remain strong in the face of this national medical crisis and all the difficulties it is bringing to the nation. Prices of single-family residences are 6.6% higher than a year ago and average prices for condominiums are up 4% from last year.



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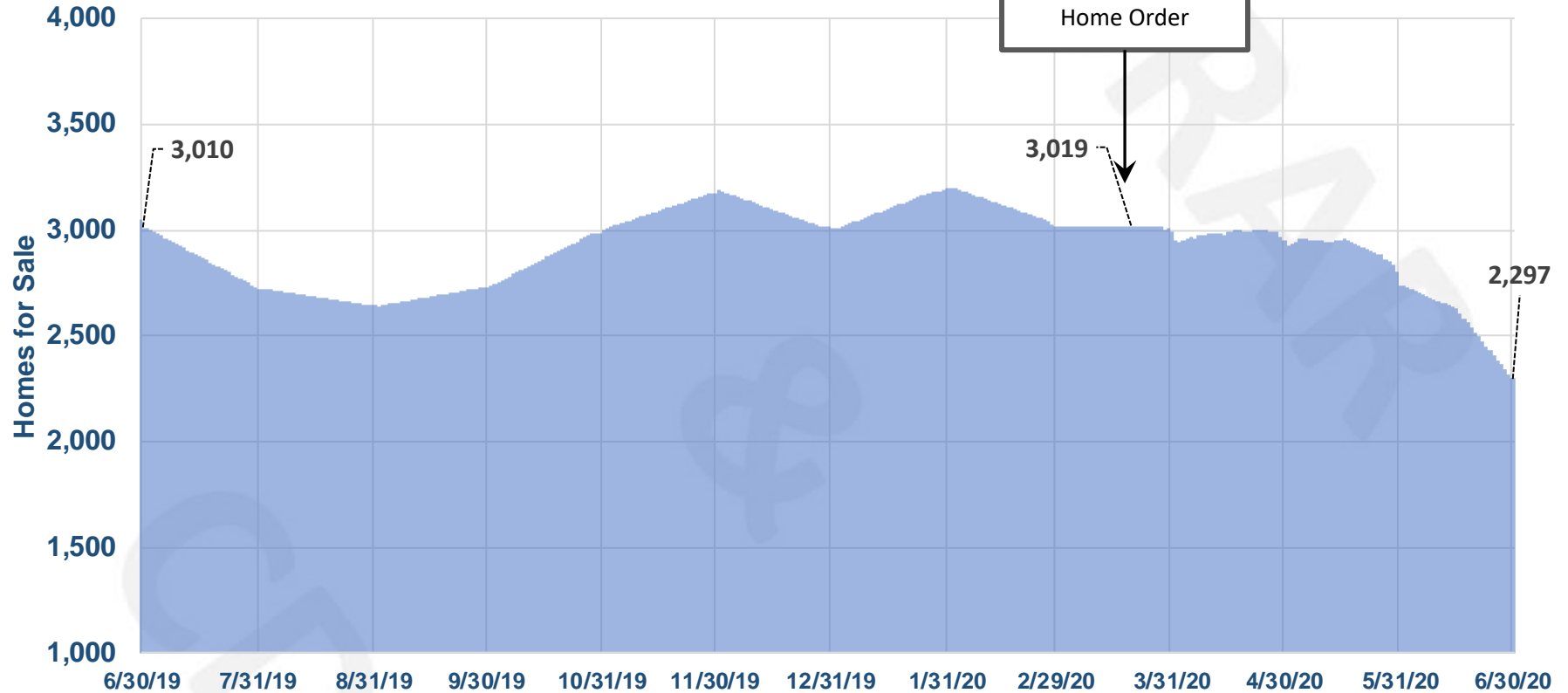
Average Price per sq. ft. by City

	SFR					CONDO				
	June 15th	Year Ago	% Change	March 19th	% Change	June 15th	Year Ago	% Change	March 19th	% Change
Cathedral City	\$228	\$209	8.9%	\$212	7.5%	\$153	\$156	-1.9%	\$153	0.6%
City of Coachella	\$160	\$162	-1.5%	\$177	-9.6%	N/A	N/A	N/A	N/A	N/A
Desert Hot Springs	\$170	\$158	8.2%	\$161	5.6%	N/A	N/A	N/A	N/A	N/A
Indian Wells	\$326	\$338	-3.6%	\$302	7.9%	\$293	\$234	25.3%	\$216	35.9%
Indio	\$185	\$184	0.5%	\$193	-4.6%	\$151	\$169	-10.5%	\$166	-8.8%
La Quinta	\$272	\$252	7.9%	\$275	-1.1%	\$203	\$215	-5.5%	\$228	-10.8%
Palm Desert	\$258	\$250	3.5%	\$256	1.1%	\$209	\$206	1.5%	\$207	1.3%
Palm Springs	\$394	\$359	9.7%	\$376	4.7%	\$242	\$218	11.0%	\$236	2.9%
Rancho Mirage	\$279	\$249	12.1%	\$276	1.1%	\$188	\$201	-6.6%	\$209	-9.8%
Coachella Valley	\$258	\$242	6.7%	\$253	1.9%	\$213	\$205	3.6%	\$212	0.4%

Average Price per sq. ft. by City

This table shows current price per square foot, the price per square foot a year ago, and the price per square foot on March 19 by city for both single-family residences and condominiums. This price table confirms what the sales table a few pages back showed: that three cities - La Quinta, Palm Springs and Rancho Mirage – have been leading the region through this COVID-19 crisis and recovery. The average price per square foot of SFRs in the three cities are up 7.9%, 9.7% and 12.1% respectively.

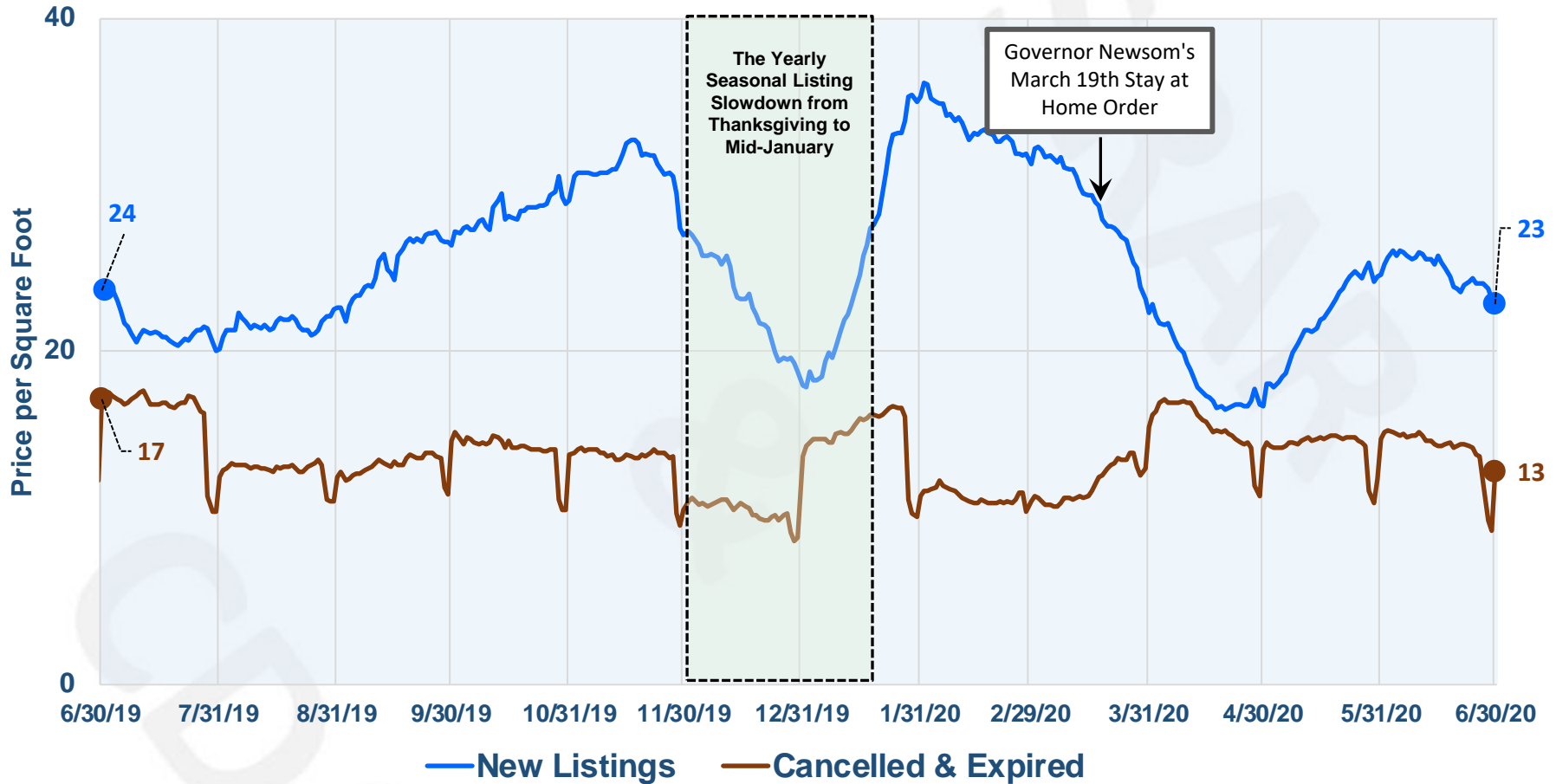
Daily Inventory Coachella Valley 1 Year



Daily Inventory

This chart plots one year of daily inventory, and as of July 1st it was at 2,297 units. As the chart clearly shows this is a very low level. Inventory levels historically decline during the summer months but usually not this severely. To have inventory levels almost 700 units below a year ago is unusual. This is encouraging news for current homeowners because the low inventory usually indicates higher prices. The combination of low inventory, low interest rates and rising sales is very conducive to higher home prices.

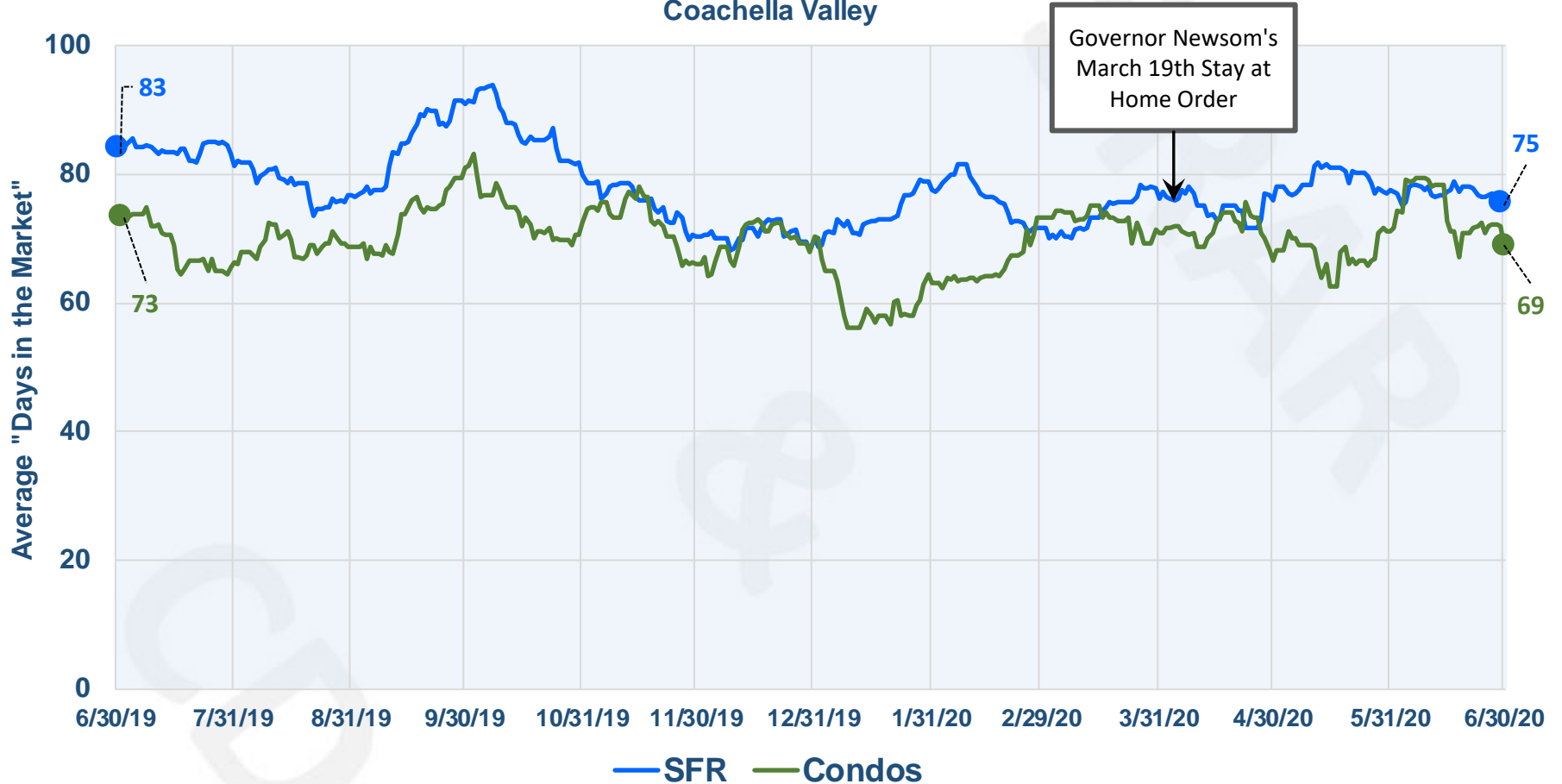
New, Cancelled & Expired Listings



New and Cancelled Listings

This graph plots average daily new listings and the average sum of cancelled and expired listings for the Coachella Valley. It is comprised of both single-family residences and condominiums. New listings are very seasonal as this chart indicates. There's a natural fall off between Thanksgiving and the third week of January, then there's the seasonal decline, which we are just entering now. We have been averaging 23 new listings a day compared to 24 a year ago. The number of new and expired listings is down slightly from year ago – from 17 units a day down to 13.

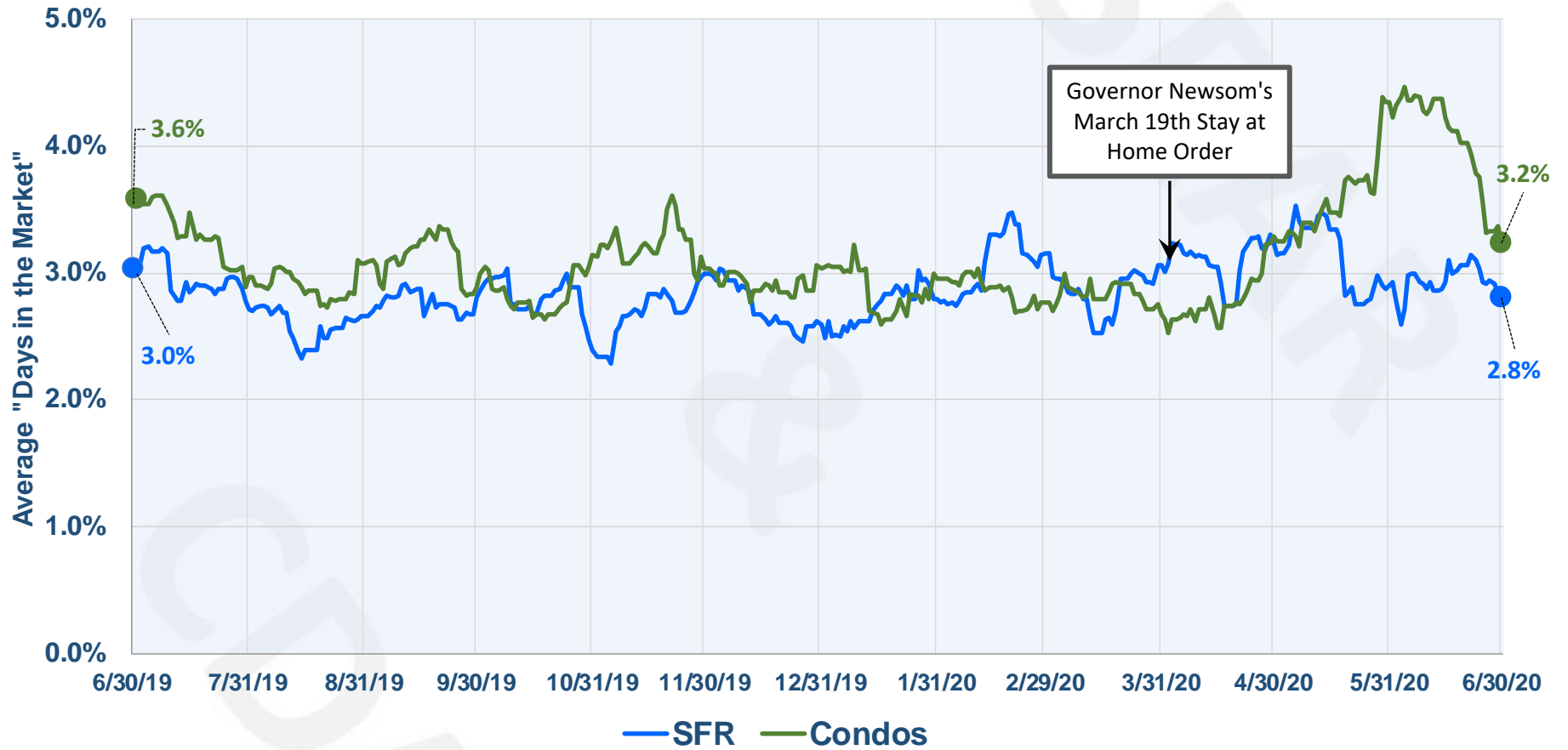
Average "Days in the Market" Coachella Valley



Average "Days in the Market" – Closed Sales

This chart shows the average number of "days in the market" for closed sales since the quarantine and over the entire year for both single-family residences and condominiums. Both metrics remain well contained. The average number of "days in the market" for single family residences is 75, which is 8 days less than a year ago. Days in the market for condominiums is 69 days compared to 73 days a year ago.

Average Price Discounts Coachella Valley



Average Price Discounts

This chart graphs average selling discounts for both single family residences and condominiums. After surging for two months, price discounts for condominiums are rapidly falling back towards normal ranges. In June the average discount was 3.2%, which compares to 3.6% a year ago. There is little change in the average price discount for single-family residences. This indicates both markets continue to be healthy in the face of this pandemic.



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Definitions and Glossary

The 28 Day Moving Average: To measure the effects of the coronavirus and quarantine on the housing market, normal housing metrics wouldn't work; they're too long term. We needed metrics that would show short-term sales and price changes, but be long enough to produce reliable numbers. We decided to use a 28-day moving average. We average sales and prices over the last 28 days and do it every day. When a new day arrives, prices and sales from that day are included and the last day is dropped out of the average. That's why it's called a moving average; the average is always moving forward in time. All our charts and tables show either daily or weekly averages, averaged over the last 28 days.

Pending and Closed Sales: Until now we have not found much value in looking at pending sales; we've always calculated and displayed closed sales. Pending sales are sales currently in escrow waiting to be closed. In the Coachella Valley the median number of days in escrow is 14. This is very short compared to other regions. The median number of days in Los Angeles County is 35; in Orange County it's 30 days. The primary reason for the shorter period is because the Coachella Valley has a high percentage of cash sales and cash sales have very short escrow periods.

However, during an extended quarantine the value of looking at pending sales emerges. That's because a potential sale goes to pending about 14 days before it closes and since we're interested in what's happening short-term, pending sales becomes the perfect forecasting tool. Pending sales indicate where closed sales will be in about two weeks, so all sales metrics that we show in this crisis report will be pending sales.

The Coachella Valley Average Price per sq. ft., Average "Days in the Market" and Average Price Discounts: We've developed a unique way to calculate an average price, average "days in the market" and average price discount for the Coachella Valley region, which we believe is very accurate. Average values for these three metrics is calculated for each city, and then a sales weighted total is calculated for the entire region. It is similar to the way the 500 stocks that make up the S&P 500 come together to make one price index. The city weightings in these regional composites are as follows:

	SFR	CONDOS
Cathedral City	8.9%	7.1%
Coachella	2.8%	0.0%
Desert Hot Springs	8.9%	0.0%
Indian Wells	3.1%	2.7%
Indio	18.6%	3.0%
La Quinta	18.2%	8.5%
Palm Desert	16.9%	31.4%
Palm Springs	14.3%	35.8%
Rancho Mirage	8.3%	10.5%

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