



The COVID-19 Desert Real Estate Report

June 15th, 2020

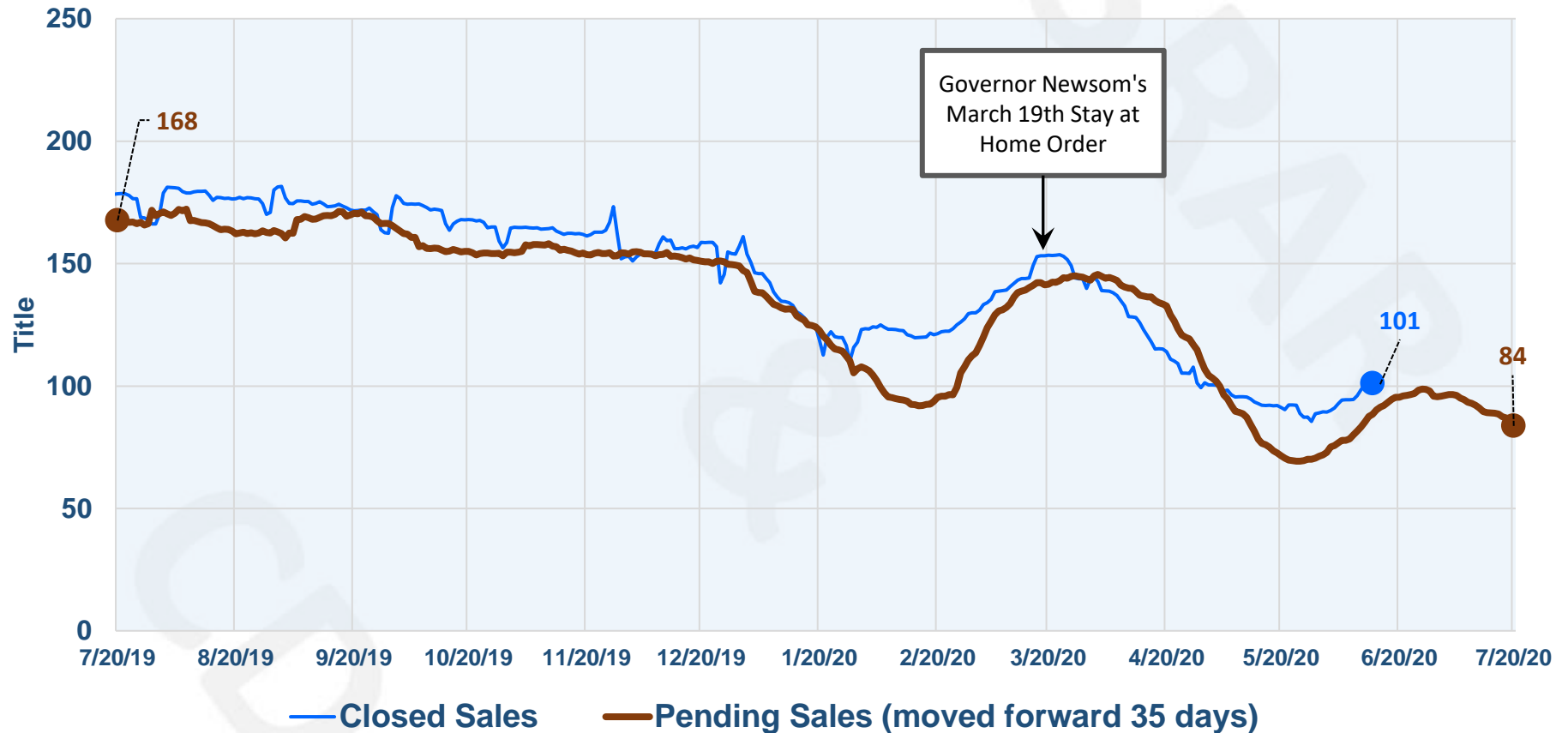


The COVID-19 Desert Real Estate Report is supplemental to the monthly Desert Housing report. It was recognized that a standard housing report would be insufficient to describe the rapidly changing market conditions due to the Coronavirus and general quarantine, so shorter-term housing metrics were developed 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

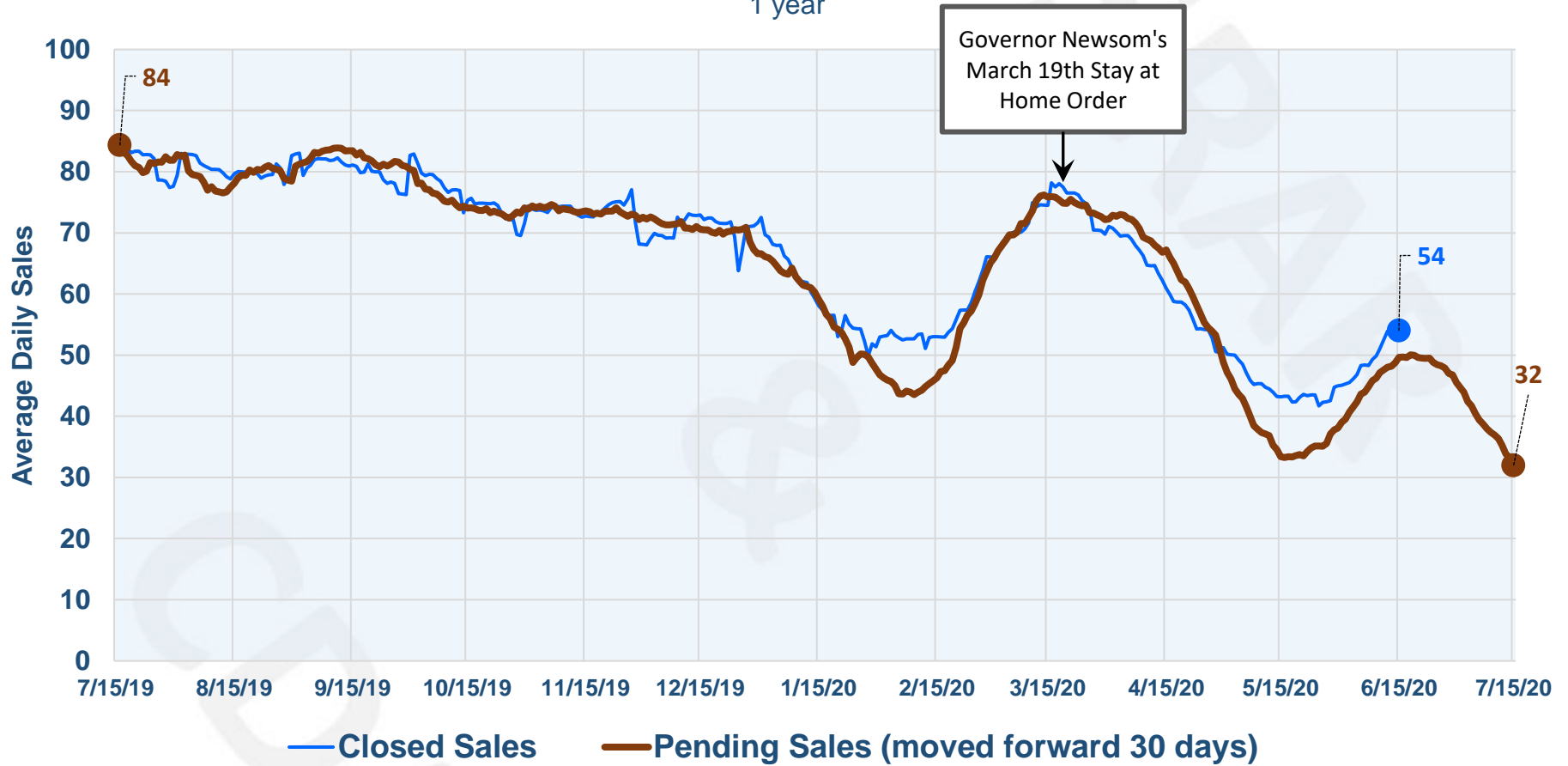
Average Daily Sales Los Angeles County 1 year



L.A. County Sales

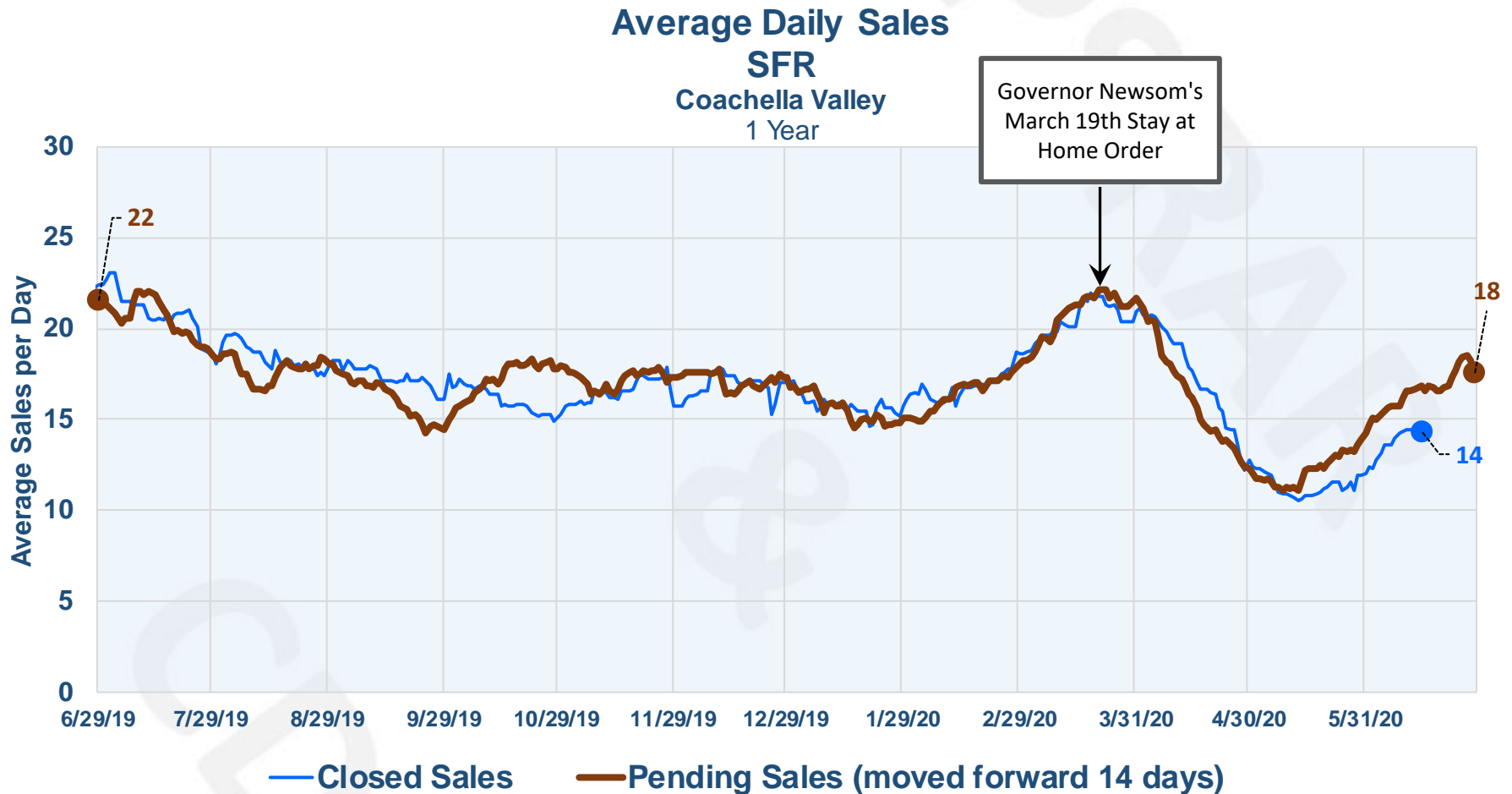
This chart shows total average closed and pending sales per day in Los Angeles County. This and the next page are included to show you how other real estate markets in Southern California are doing. Pending sales (homes in escrow) is a precursor to final or closed sales. The average escrow time in Los Angeles County is 35 days so by moving pending sales forward on the chart 35 days, we have an estimate of where closed sales will be in 35 days. Currently closed sales are averaging 101 units per day, while pending sales are averaging 84 units a day. This is 50% below a year ago.

Average Daily Sales Orange County 1 year



Orange County Sales

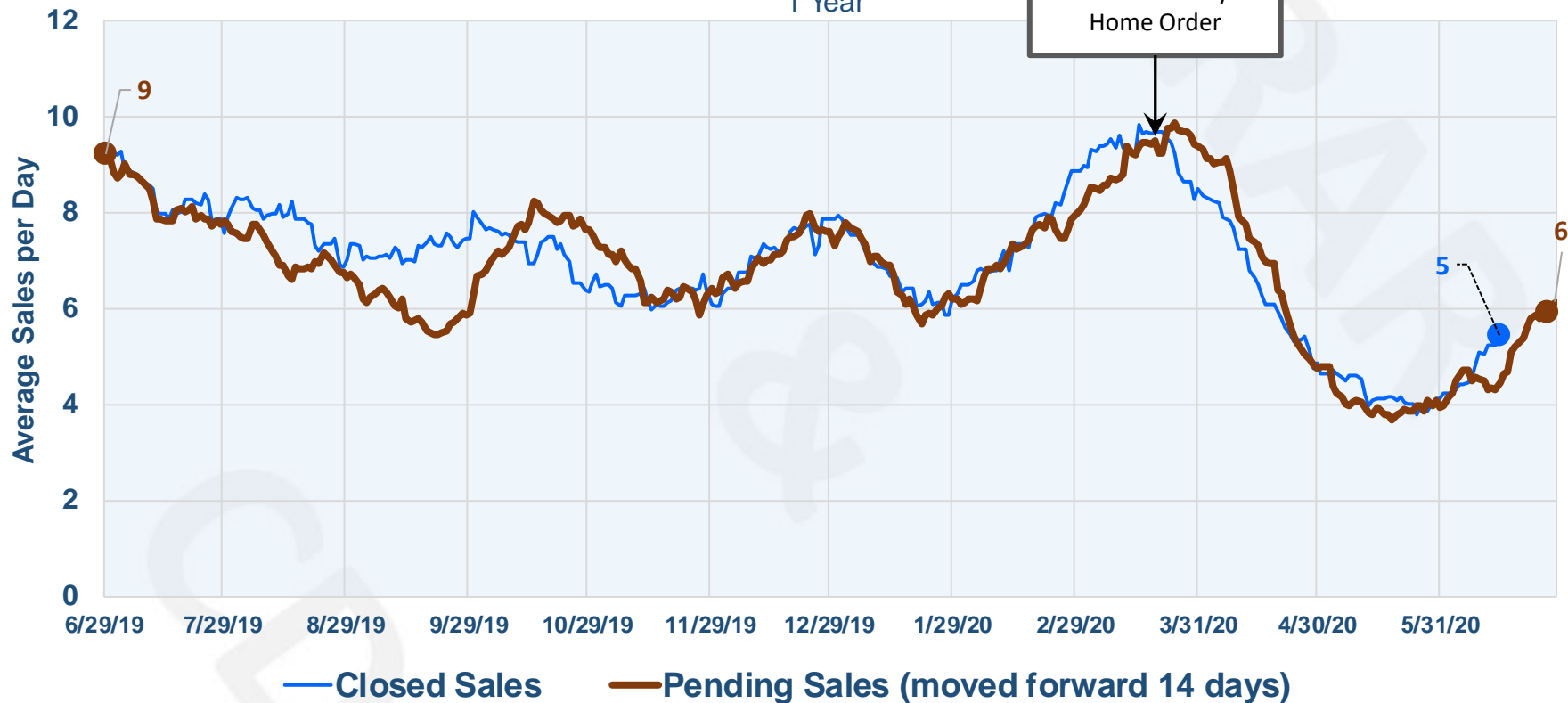
This is the same sales chart as the previous page but for Orange County. Orange County averages 30 days in escrow so pending sales are moved forward 30 days. Closed sales are currently averaging 54 units a day while pending sales are averaging just 32. A year ago pending sales were averaging 84 units a day. This is 62% below a year ago.



Average Daily SFR Sales

This is the same sales chart as the previous two, but for the Coachella Valley, specifically sales of single-family residences. In the Coachella Valley escrow averages 14 days, which is far shorter than Orange County and LA County, so we move pending sales forward 14 days. Pending sales are currently averaging 18 units a day compared to 22 units a year ago. That's a sales decline of 18%, which is much less than the other two regions. The chart clearly shows pending sales of SFRs have been rising now for six weeks and are approaching pre-quarantine levels.

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 continues to show that the coronavirus quarantine has affected the condo market more than single-family residences. Average pending sales of condos are four units a day, down 33% from a year ago. This is a vast improvement over one month ago.



The COVID-19 Desert Real Estate Report

June 15th, 2020



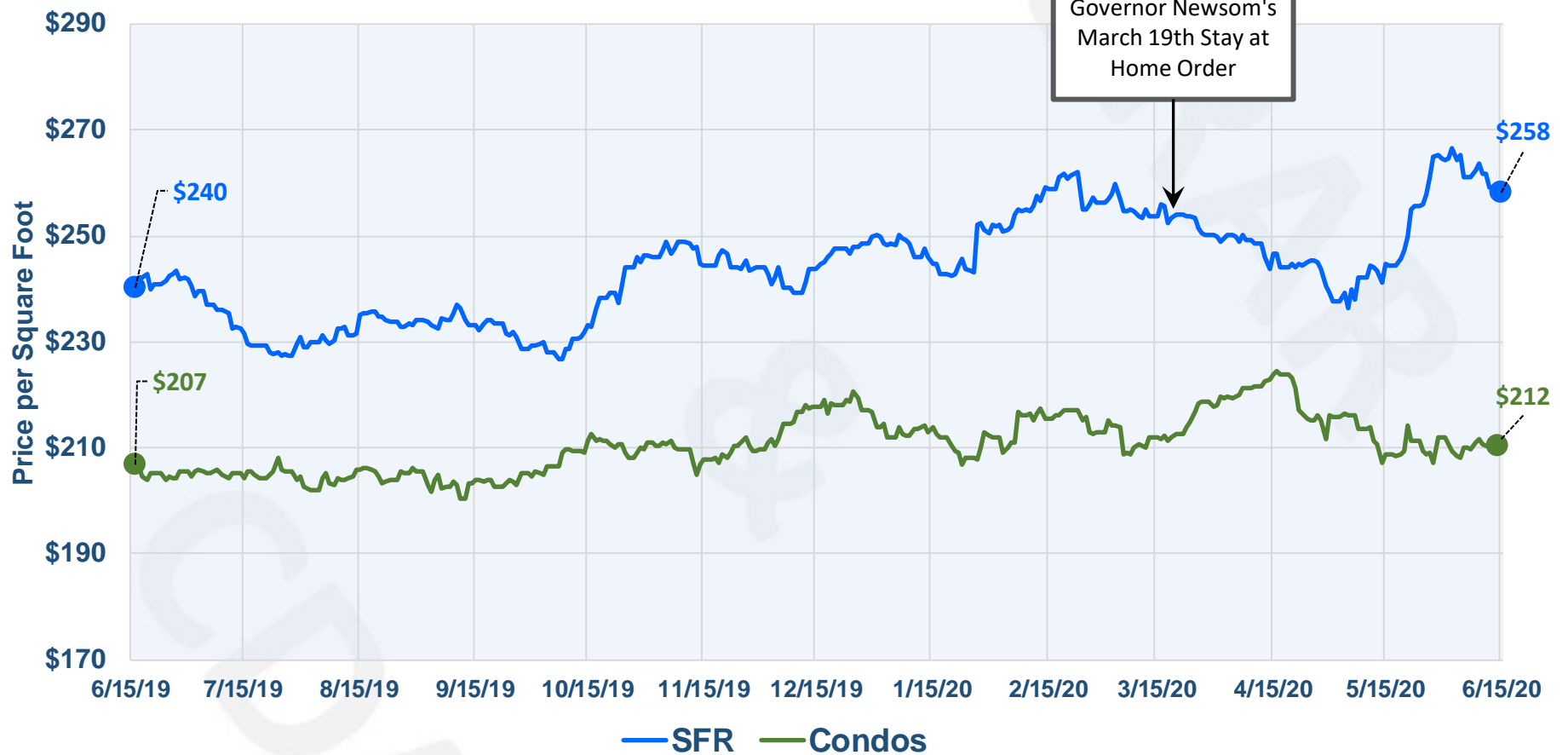
Average Weekly Pending Sales by City

	SFR			CONDO			ALL HOMES		
	June 15th	Year Ago	%Change	June 15th	Year Ago	%Change	June 15th	Year Ago	%Change
Cathedral City	9.3	16.0	-42.2%	3.3	3.5	-7.1%	12.8	19.5	-34.6%
City of Coachella	3.3	3.5	-7.1%	0.0	0.0	N/A	3.3	3.5	-7.1%
Desert Hot Springs	9.3	13.5	-31.5%	1.0	0.5	N/A	10.3	14.5	-29.3%
Indian Wells	6.0	4.5	33.3%	1.0	2.8	-63.6%	7.0	7.5	-6.7%
Indio	22.3	27.3	-18.3%	0.5	1.5	-66.7%	22.8	29.0	-21.6%
La Quinta	24.8	26.5	-6.6%	4.8	5.3	-9.5%	29.5	31.8	-7.1%
Palm Desert	23.5	29.0	-19.0%	11.5	22.5	-48.9%	35.0	51.8	-32.4%
Palm Springs	14.8	20.3	-27.2%	17.0	22.0	-22.7%	32.5	42.8	-24.0%
Rancho Mirage	10.0	10.0	0.0%	4.0	6.5	-38.5%	14.3	16.5	-13.6%
CV TOTAL	123.0	150.5	-18.3%	43.0	64.5	-33.3%	167.3	216.8	-22.8%

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. Sales numbers for single family residences in all cities are improving, especially for La Quinta and Rancho Mirage in SFR's. There is also strong improvement in condo sales in all the major cities.

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 shows there was a large price increase in SFR homes last month, which has been maintained. The current price per square foot of single-family residences is up 7.5% from a year ago, while the price per square foot of condominiums is up 2.5%.



The COVID-19 Desert Real Estate Report

June 15th, 2020



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	\$208	\$206	0.9%	\$212	-1.9%	\$169	\$155	9.4%	\$153	10.8%
City of Coachella	\$175	\$157	11.2%	\$177	-1.3%	N/A	N/A	N/A	N/A	N/A
Desert Hot Springs	\$154	\$155	-0.2%	\$161	-4.4%	N/A	N/A	N/A	N/A	N/A
Indian Wells	\$385	\$339	13.4%	\$302	27.2%	\$250	\$240	4.3%	\$216	16.0%
Indio	\$197	\$184	7.0%	\$193	2.0%	\$167	\$171	-2.6%	\$166	0.7%
La Quinta	\$294	\$264	11.4%	\$275	7.2%	\$206	\$199	3.4%	\$228	-9.6%
Palm Desert	\$233	\$244	-4.8%	\$256	-9.0%	\$204	\$207	-1.2%	\$207	-1.2%
Palm Springs	\$445	\$338	31.6%	\$376	18.4%	\$239	\$227	5.6%	\$236	1.6%
Rancho Mirage	\$259	\$257	0.8%	\$276	-6.2%	\$191	\$198	-3.6%	\$209	-8.6%
Coachella Valley	\$258	\$240	7.5%	\$253	1.8%	\$212	\$207	2.4%	\$212	0.0%

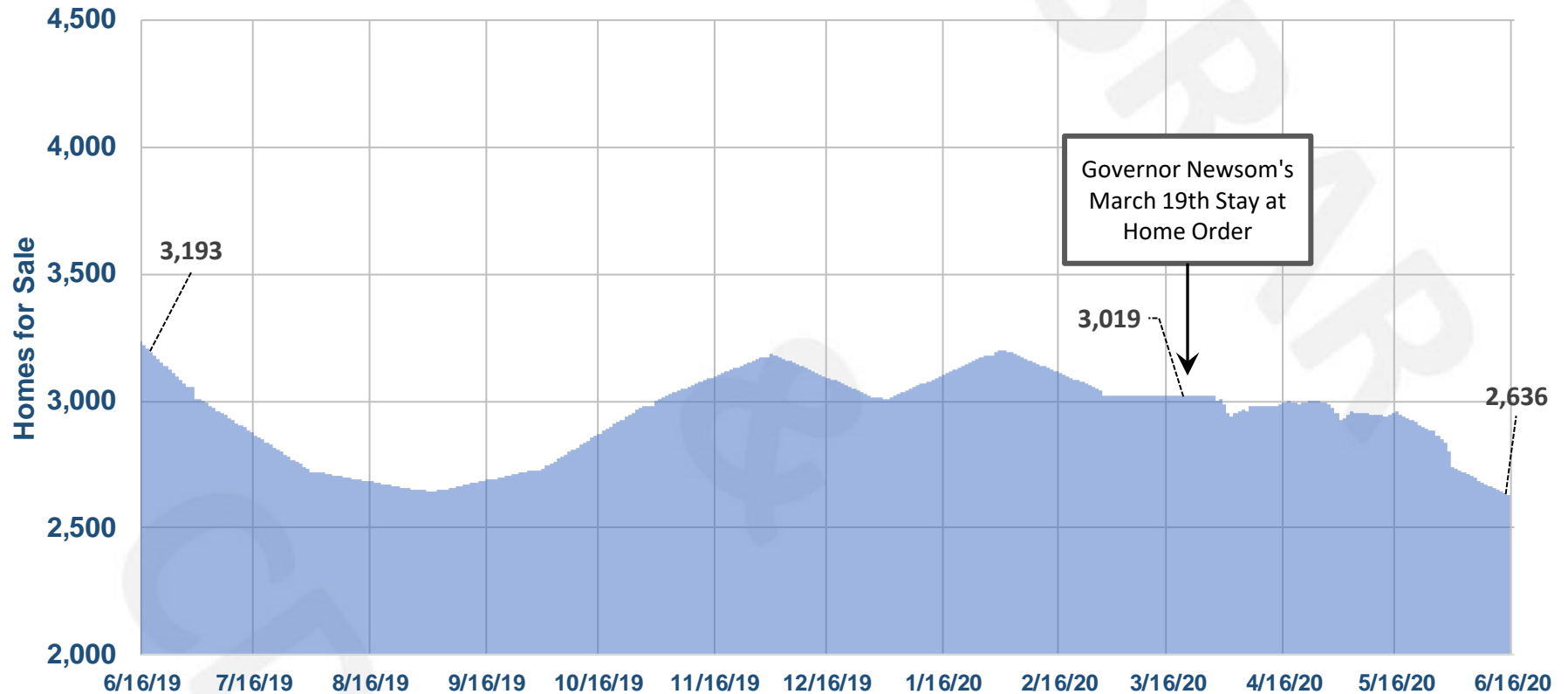
Average Price per sq. ft. by City

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. Seven of nine cities show positive year over year gains in average prices for SFR's, led by Palm Springs (31.6%), Indian Wells (13.4%) and La Quinta (11.4%). Condominium prices are mixed city by city, but are up in the region primarily due to Palm Springs.

Daily Inventory

Coachella Valley

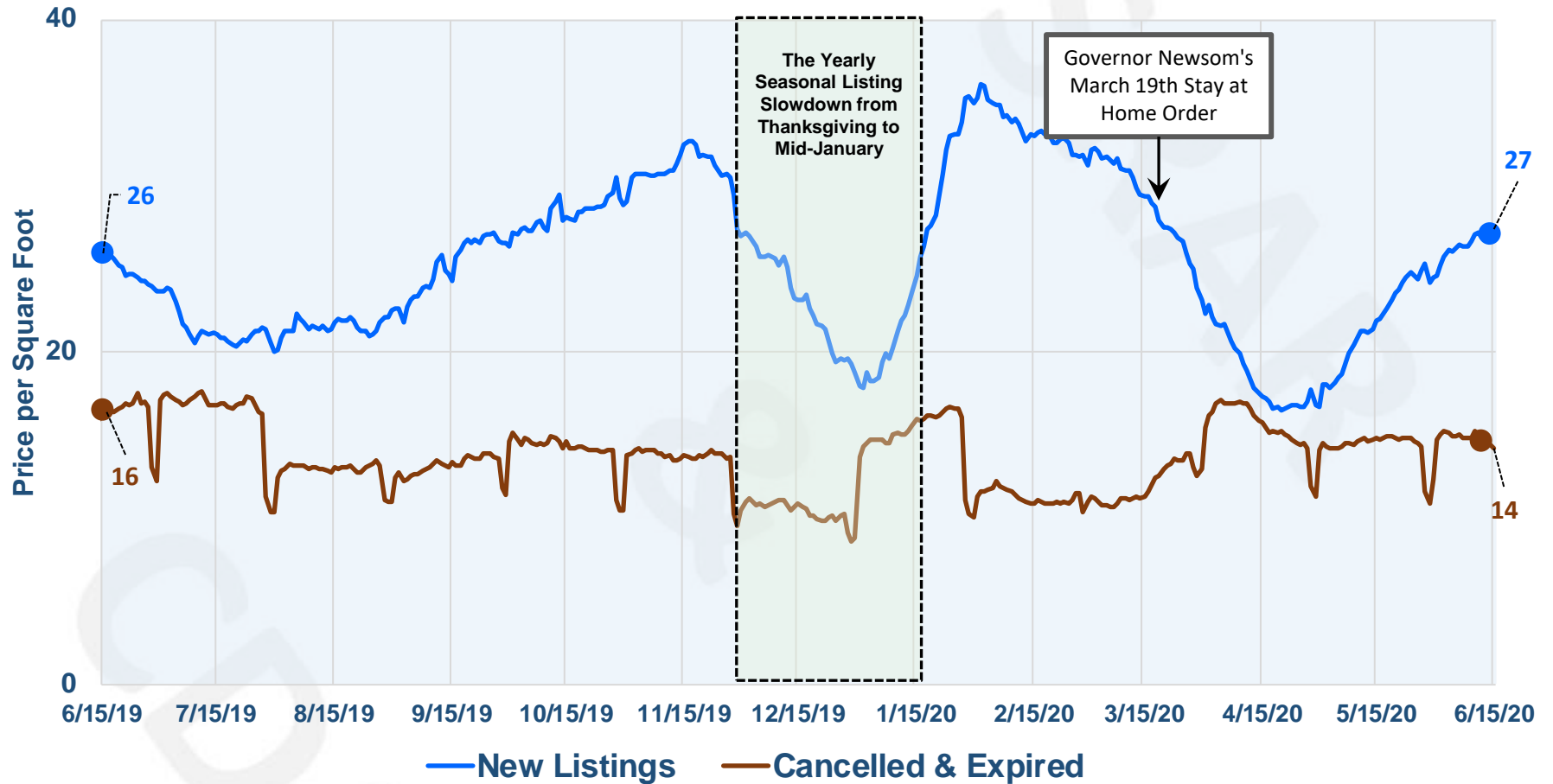
1 Year



Daily Inventory

We began keeping daily inventory numbers over a month ago, thinking that at some point that would be valuable during the crisis. This chart plots one year of daily inventory, and as of June 16th it was 2,636 units. A year ago it was 3,193. At the beginning of the March 19 quarantine it was 3,019 units. This continues to show a steady decline since the quarantine. A lot of the decline is seasonal, as inventory usually shrinks by 30% from May to September.

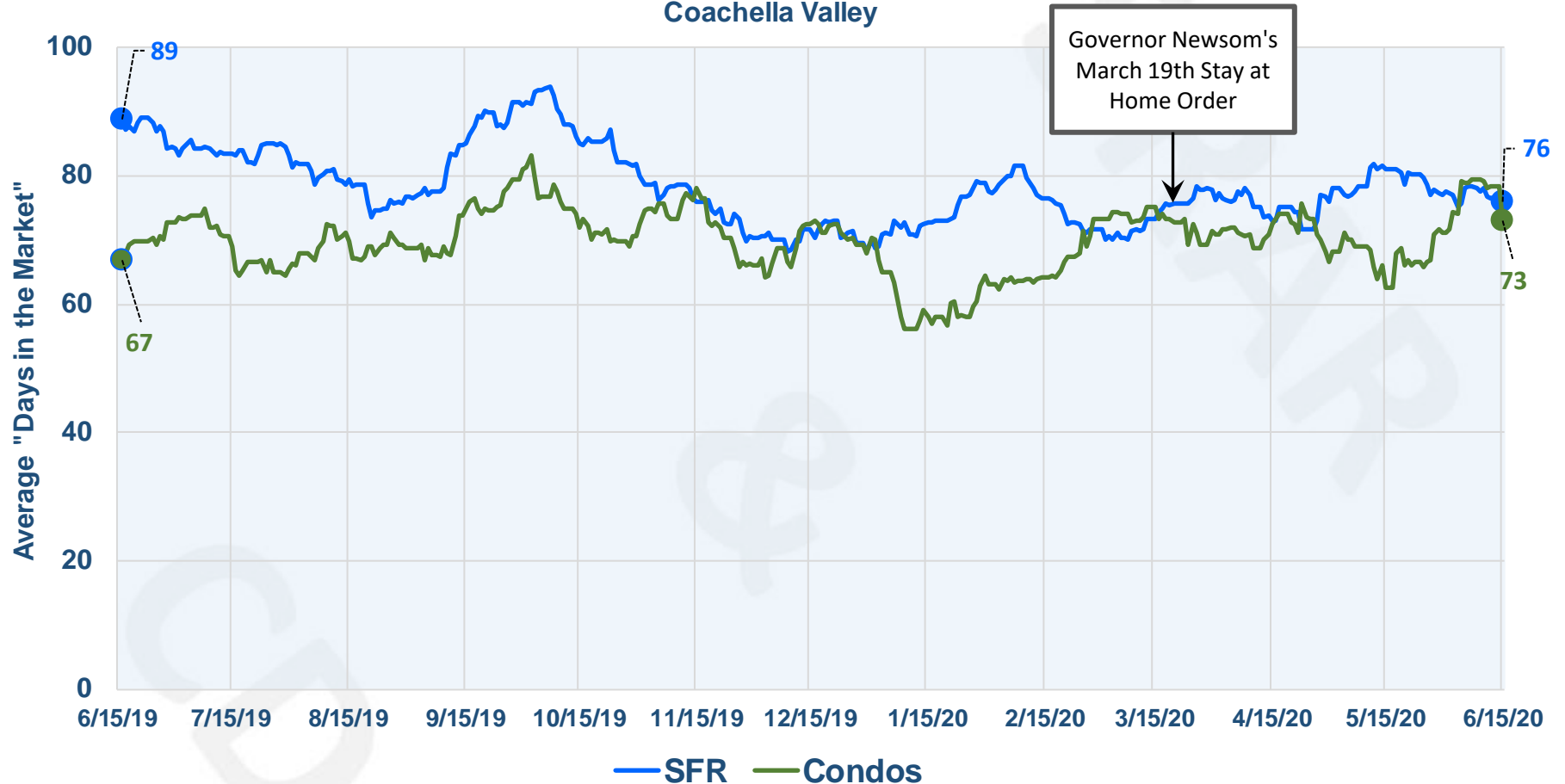
New, Cancelled & Expired Listings



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. Average daily new listings continue to rise and are now at 27 units a day. This is 3.8% above last year. This graph also shows a seasonal event; the falloff in new listings between Thanksgiving and the first few weeks of New Year's.

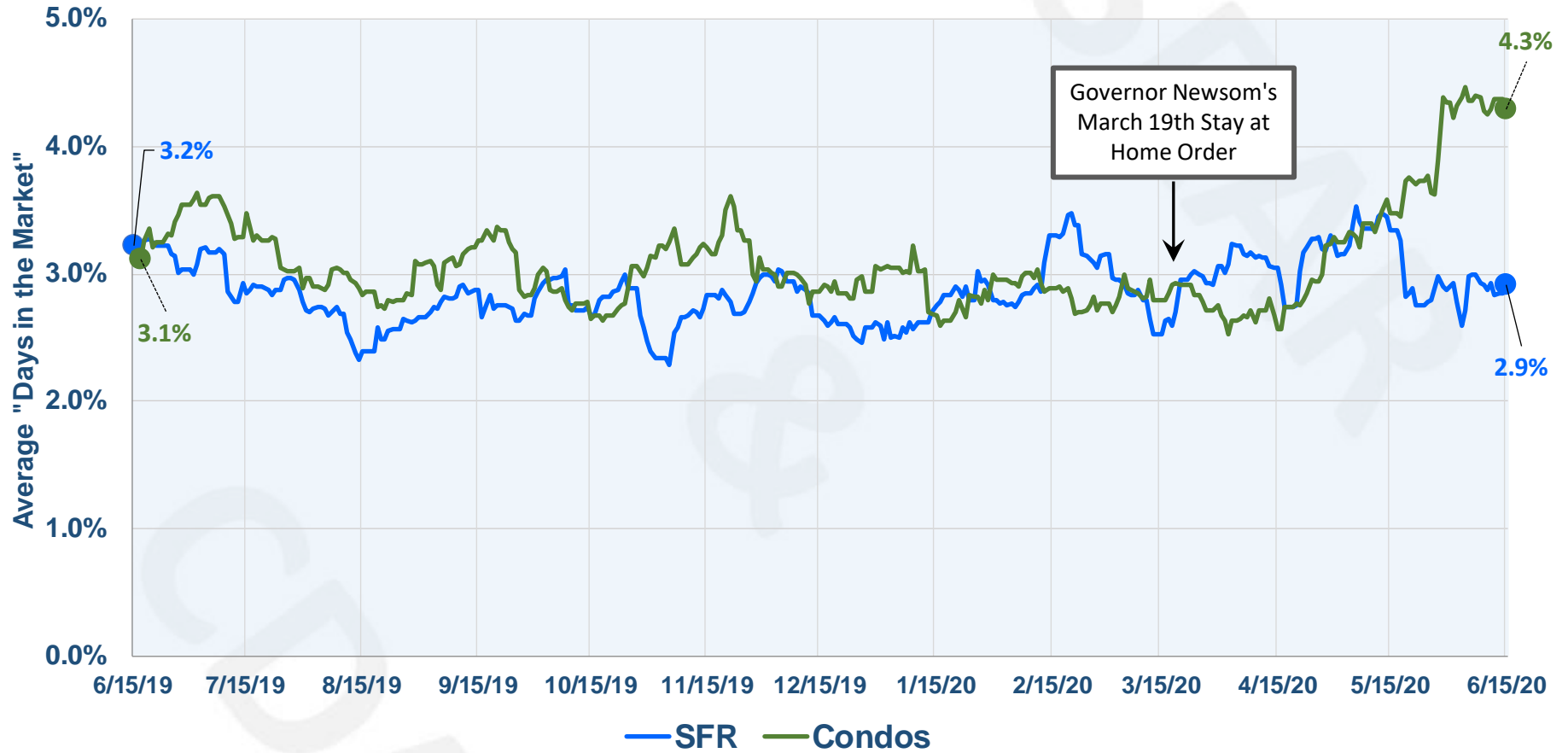
Average "Days in the Market" Coachella Valley



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. Both metrics remain well contained. The average number of "days in the market" for single family residences is 76, which is 13 days less than twelve months ago. Days in the market for condominiums are down to 72 days, versus 67 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. Price discounts for SFRs are averaging 2.9%, which is .3% below last year. Average price discounts for condominiums rose above 4% three weeks ago and continue to stay in that region, hovering between 4.2% and 4.4%.



The COVID-19 Desert Real Estate Report

June 15th, 2020



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%

To contact Market Watch LLC
contact Vic Cooper at 949-493-1665