

# The Desert Housing Report

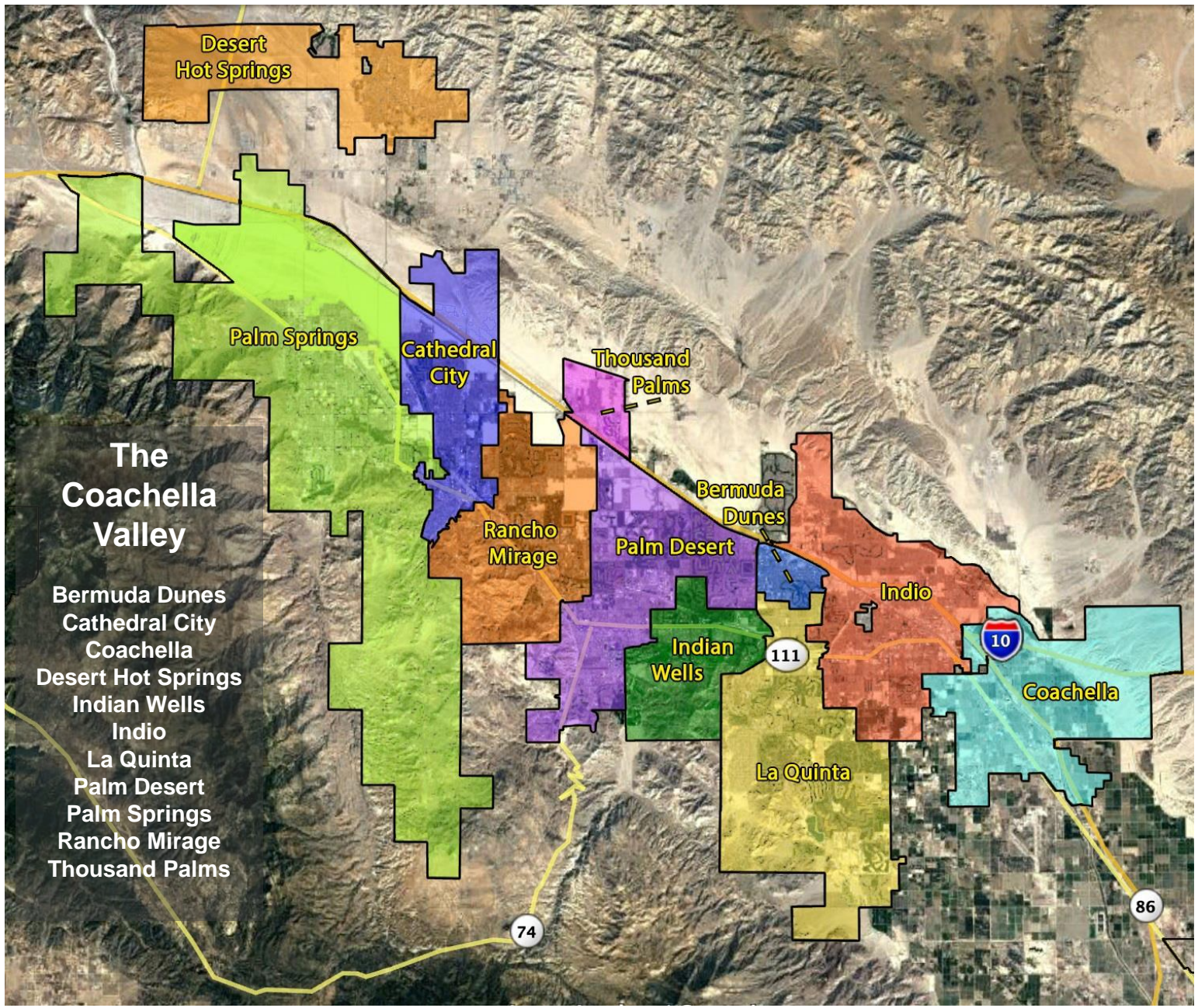
December 2024





# The Desert Housing Report

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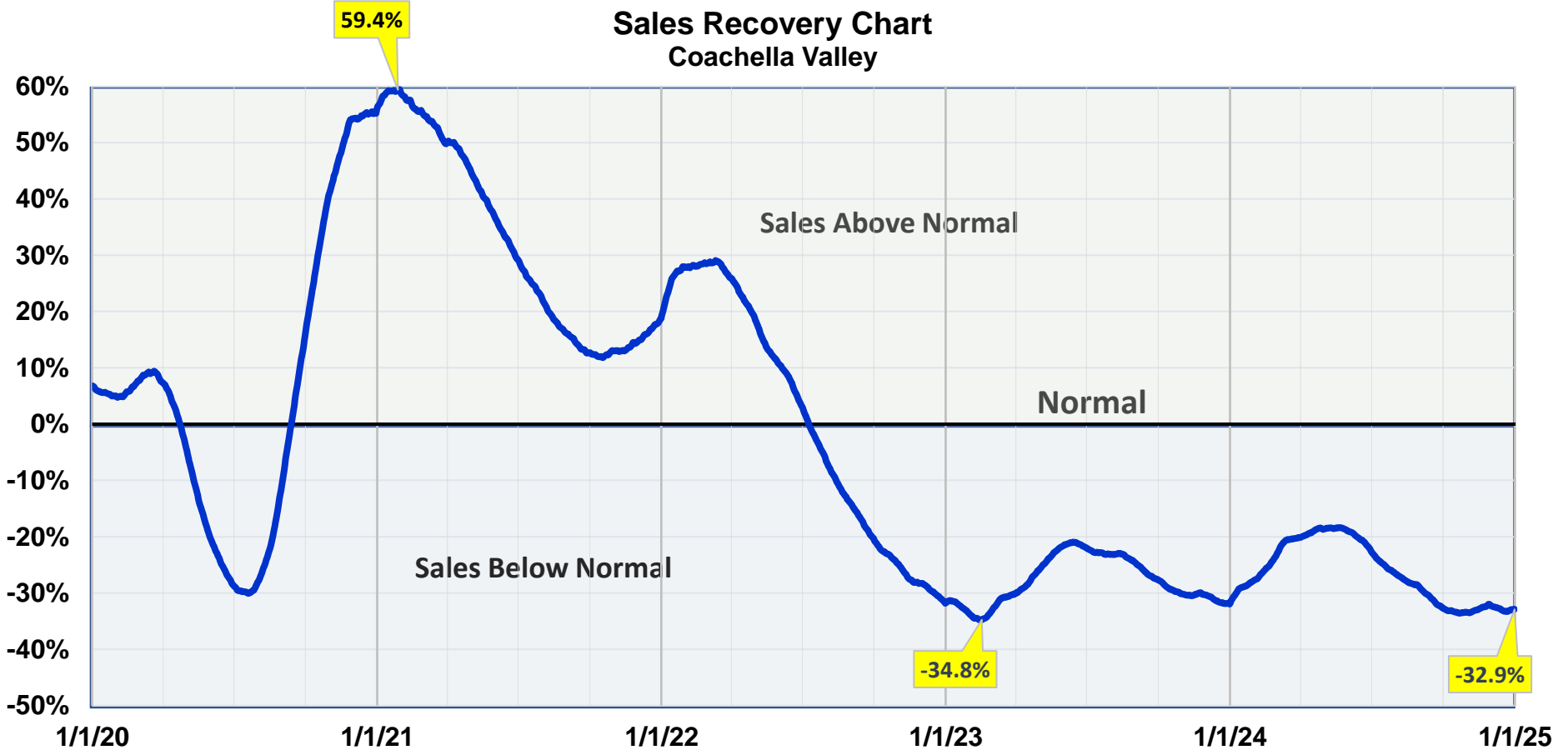


## **Late Entry Sales**

To produce a timely, month-end report, the sales data is downloaded the morning after the last day of the month. This makes the data and calculations accurate to that moment. Since from 3% to 5% of sales in any month are entered and “closed” after the end of the month, this report does not include these late entry sales. These late sales are included in price and sales updates in next month’s report.

# The Desert Housing Report

## December 2024



### 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 normal, while the light green area when they're above normal. What is "normal" is calculated from sales over the years - 2016, 2017, 2018 and 2019. For example, at the height of the pandemic in December of 2021, sales were 59.5% above normal. Then sales fell to 34.8% below normal by January of 2023. We are again approaching the lowest point on the recovery chart as sales haven't picked up with expected lower mortgage rates. In December sales over the last four months averaged 32.9% below normal.



## Summary

**PRICES:** The median price of a detached home in the Coachella Valley increased last month for the second time in eight months. It ended December at \$665,000, which is \$8,750 above last year. The median attached home in the Valley ended December at \$474,500, which is \$13,500 more than last year. Year over year price changes in detached homes range from a gain of 20.9% in Coachella to a decline of 10.7% in Indian Wells. Gains of the average size attached home in each city range from 14.9% in La Quinta to minus 10.4% in Indio.

**SALES:** When you take out seasonality, Valley sales are running 32.9% below normal. The three-month average in December was 493 units compared to 487 units a year ago. The 12-month average of sales in December was 607 units a month compared to 606 last year. Dollar sales were \$421 million, which is 10% higher than last year.

**INVENTORY & “MONTHS OF SALES” RATIOS:** Inventory is back to pre-pandemic levels. On January 1st, Valley inventory was 2,898 units, which is 759 units higher than last year. The seasonal pattern now suggests that inventory will continue to increase through April. The Valley’s “months of sales” ratio was 4.8 months, which is 1.3 months more than last year but is not at a worrisome level yet.

**DIM:** Selling times are coming down as the median number of days in the market dropped for the third time in nine months. It was 41 days, which is five days more than last year. This includes both detached and attached homes. The city of Bermuda Dunes has the lowest selling time at just 33 days. This is followed by Palm Springs at 37 days and Indian Wells at 39 days. Cathedral City has the highest median selling time at 49 days.

**PRICE DISCOUNTS/PREMIUMS:** Price discounts have returned to normal. Currently, detached homes are selling at an average discount of 2.3% compared to 2.2% a year ago. Attached homes are selling at a 2.7% discount. Indio, Coachella and Cathedral City have the smallest selling discount at 1.5% while Palm Springs and Rancho Mirage are selling homes with the highest average discount of 3.2%. The percent of homes selling over list price was 13.1%. This is 2.1% less than last year.

# Prices

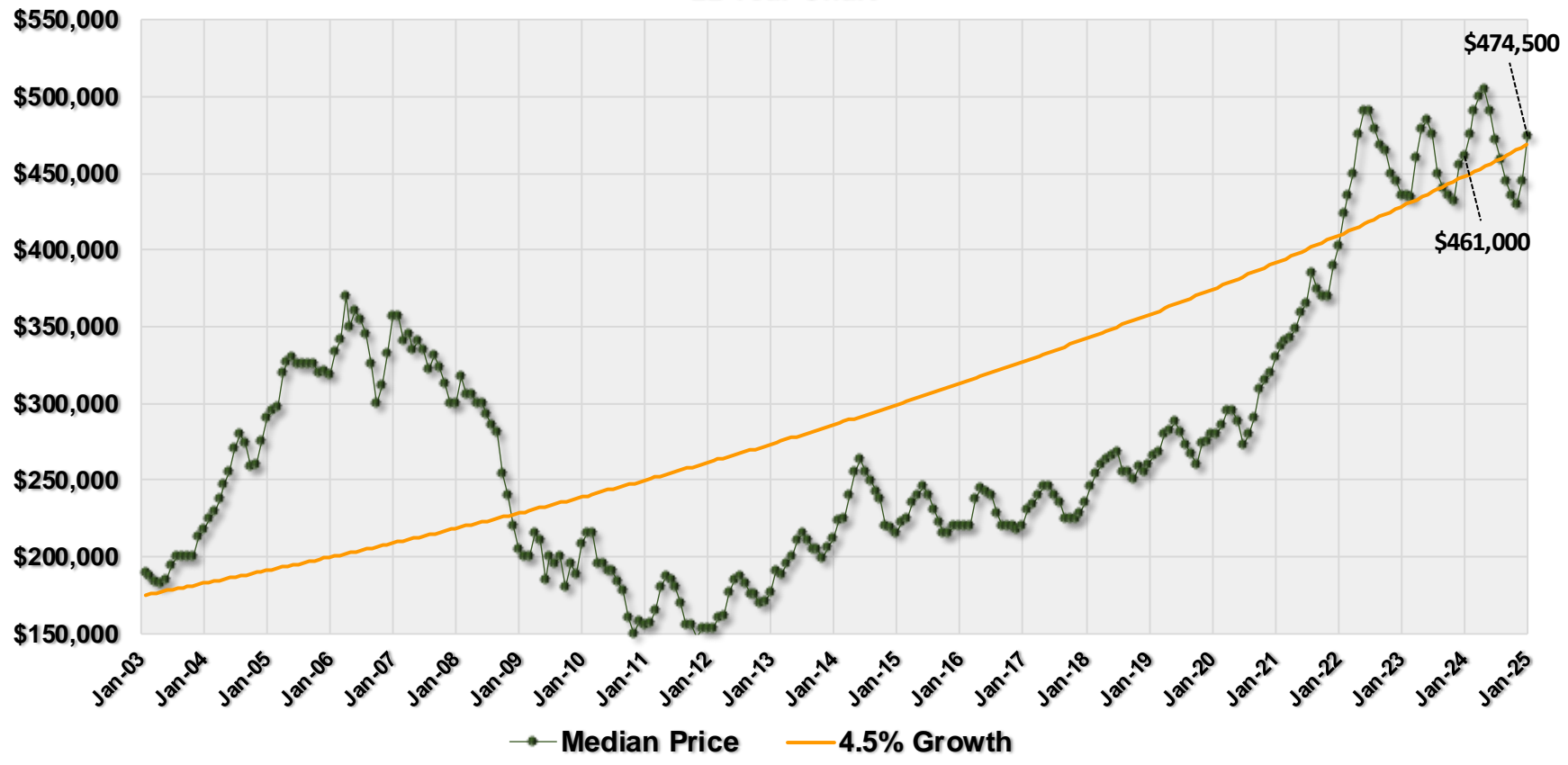
## Coachella Valley Median Detached Home Price 22 Year Chart



### Coachella Valley Median Detached Price

The median price of a detached home in the Coachella Valley increased last month for the second time in eight months. It ended December at \$665,000, which is \$8,750 above last year. The median price usually hits its seasonal low between November and December, so we are starting to see normal seasonal price support as we enter 2025.

### Coachella Valley Median Attached Home Price 22 Year Chart



### Coachella Valley Median Attached Price

The median attached price in the Valley ended December at \$474,500, which is \$13,500 more than 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. We believe attached homes have also started their strong seasonal recovery.



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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	\$308.00	\$523,592	\$433,024	20.9%	\$111,367	370.1%
Indio	2,200	\$292.34	\$643,148	\$610,269	5.4%	\$156,340	311.4%
Rancho Mirage	3,175	\$440.11	\$1,397,349	\$1,365,806	2.3%	\$506,317	176.0%
Cathedral City	1,800	\$318.31	\$572,949	\$565,632	1.3%	\$153,216	273.9%
Palm Springs	2,175	\$546.73	\$1,189,127	\$1,193,966	-0.4%	\$323,879	267.2%
Palm Desert	2,200	\$335.03	\$737,055	\$740,806	-0.5%	\$302,302	143.8%
La Quinta	2,200	\$385.60	\$848,320	\$861,542	-1.5%	\$318,164	166.6%
Desert Hot Springs	1,600	\$253.33	\$405,328	\$426,168	-4.9%	\$86,656	367.7%
Bermuda Dunes	2,200	\$312.95	\$688,490	\$735,900	-6.4%	\$239,325	187.7%
Indian Wells	3,450	\$496.23	\$1,711,994	\$1,916,717	-10.7%	\$666,885	156.7%

## Price of Each City's Average Size Attached Home

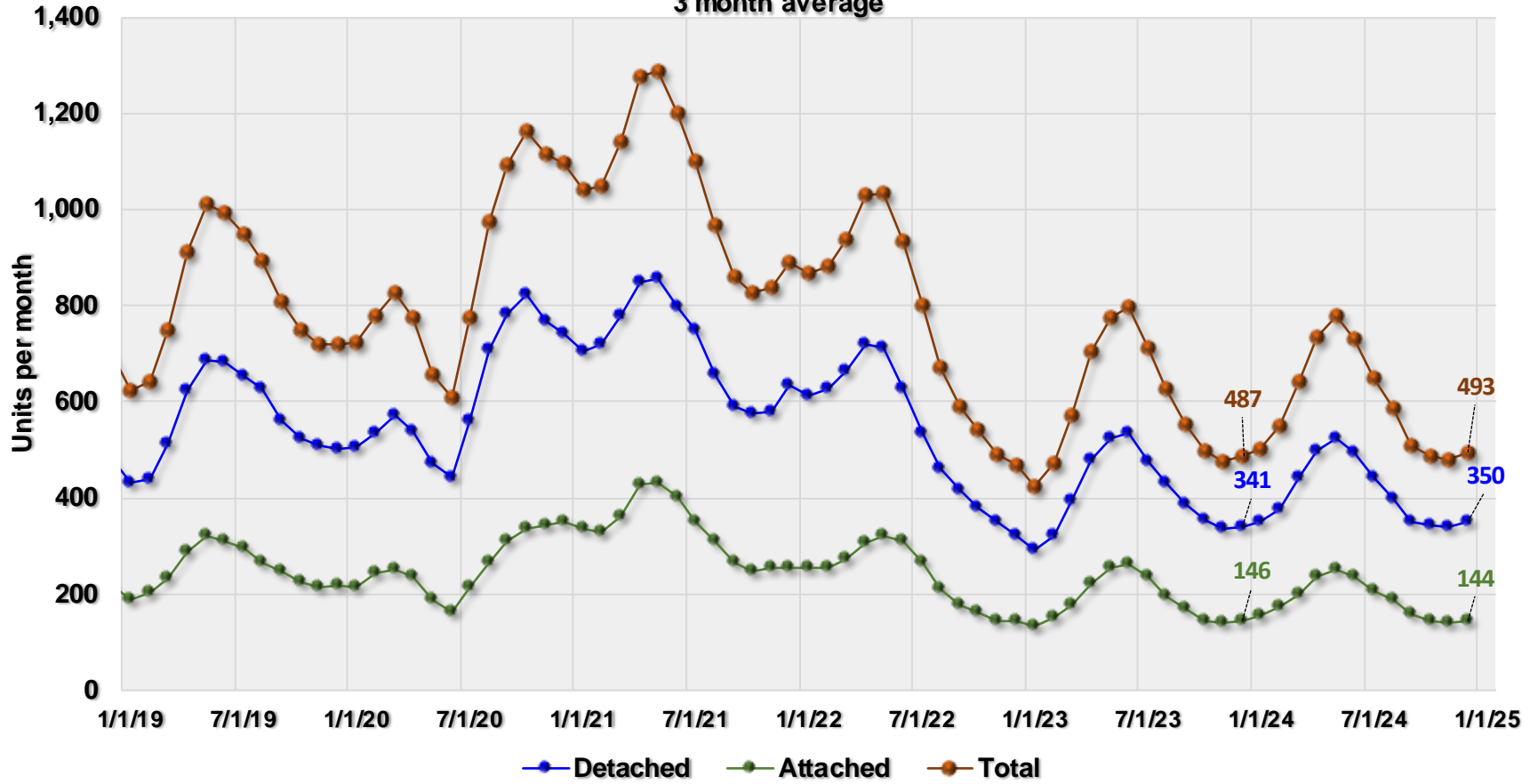
City	Avg. Size Home	Pr. per sq/ft	Price of Avg. Size Home	Price One Year Ago	12 Month Change	2011-12 Price Low	% From Low
La Quinta	1,750	\$406.29	\$711,008	\$618,975	14.9%	\$247,713	187.0%
Indian Wells	1,950	\$413.85	\$807,008	\$730,753	10.4%	\$259,126	211.4%
Desert Hot Springs	750	\$188.83	\$141,623	\$134,618	5.2%	\$16,013	784.4%
Bermuda Dunes	1,450	\$272.05	\$394,473	\$379,668	3.9%	\$89,117	342.6%
Palm Desert	1,600	\$335.30	\$536,480	\$530,160	1.2%	\$197,896	171.1%
Palm Springs	1,250	\$359.02	\$448,775	\$452,819	-0.9%	\$129,788	245.8%
Rancho Mirage	1,775	\$308.43	\$547,463	\$557,545	-1.8%	\$211,030	159.4%
Cathedral City	1,250	\$256.44	\$320,550	\$328,225	-2.3%	\$80,544	298.0%
Indio	1,050	\$258.11	\$271,016	\$302,610	-10.4%	\$56,396	380.6%

## 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 latest price is then compared to the price a year ago. It's also compared to the all-time lows made in 2011. The sq. ft. of the average size home in each city is found in the second column. A full explanation of the calculations behind these numbers is located in the glossary. Year over year price changes in detached homes range from a gain of 20.9% in Coachella to a decline of 10.7% in Indian Wells. Gains of the average size attached home in each city range from 14.9% in La Quinta to minus 10.4% in Indio.

# Unit and Dollar Sales

### Detached, Attached and Total Sales 3 month average

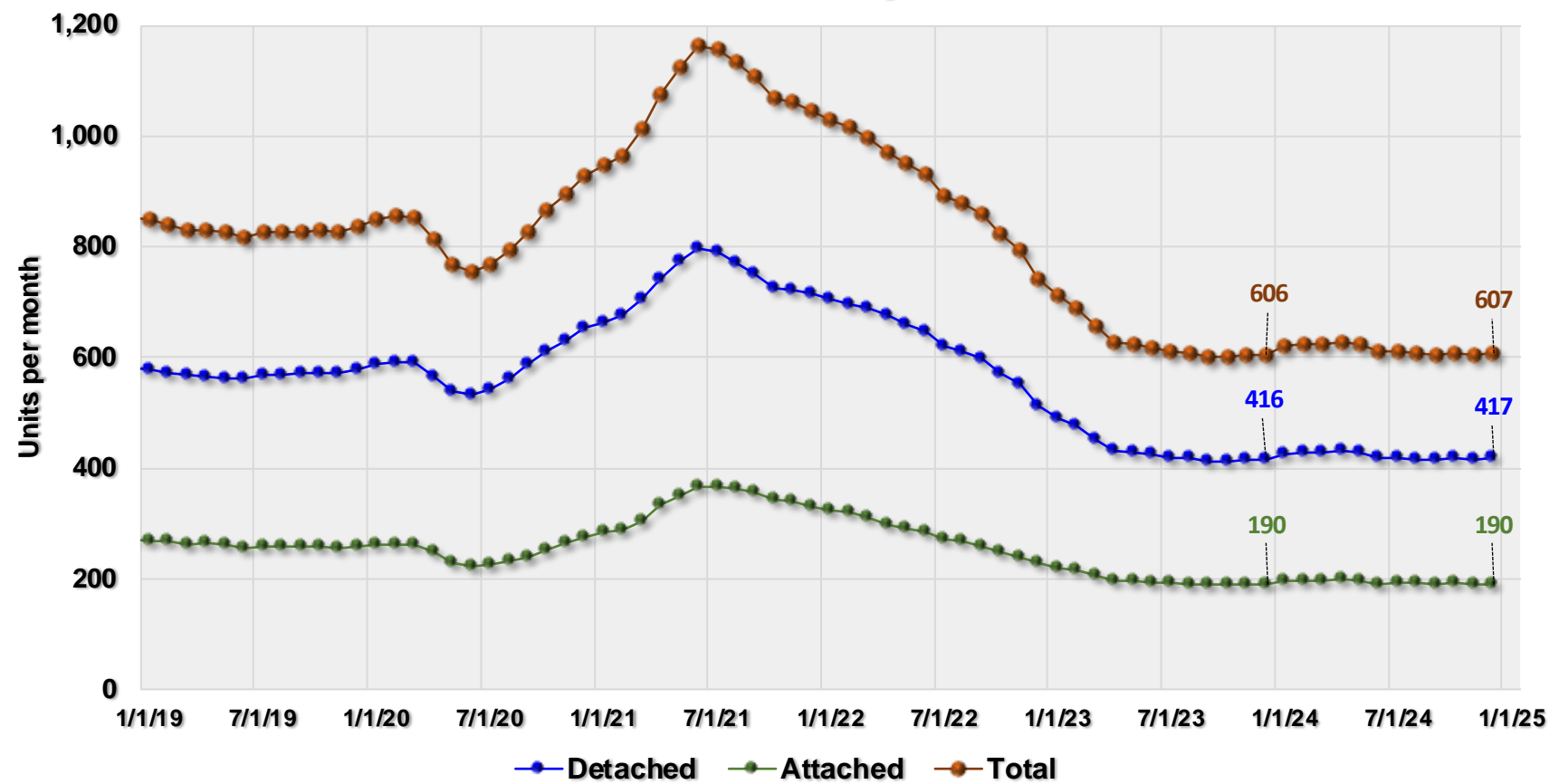


### Monthly Sales – Three Month Average

Total three-month sales were higher than last year by six units. The three-month average in December was 493 units compared to 487 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, called the sales recovery chart, was designed to help distinguish seasonal changes from real ones. It shows that sales in December are below normal by 32.9%.



## Detached, Attached and Total Sales 12 month average



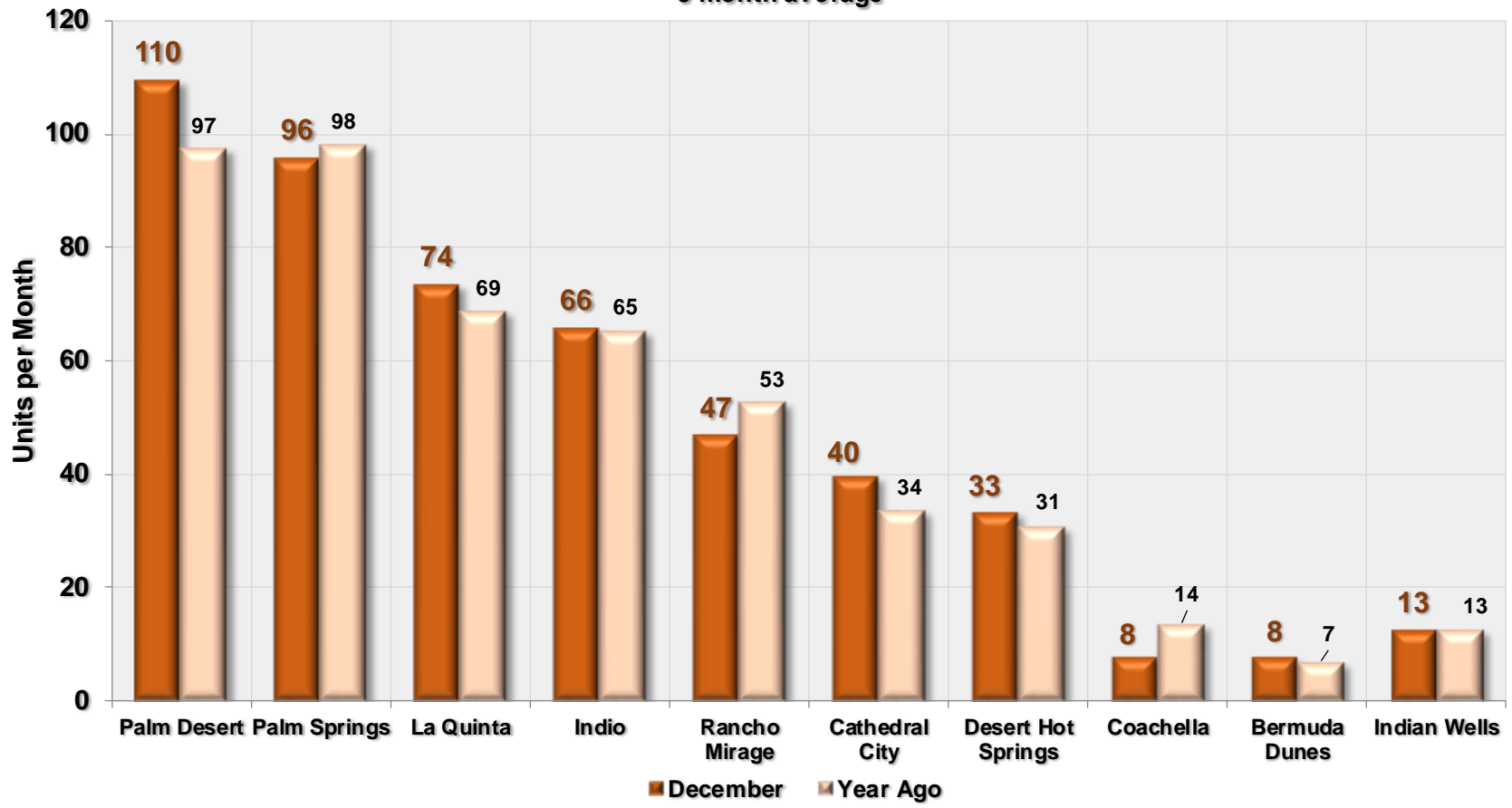
## Monthly Sales – Twelve Month Average

The 12-month average of sales in December was 607 units a month compared to 606 last year. This long-term average, which takes out seasonality, is one unit more than last year and has been hovering about 600 units a month now for almost two years. The Federal Reserve Board has finally begun to lower short term rates, but this hasn't done much to lower fixed mortgage rates, which are longer term. It will remain hard for sales to recover until long-term interest rates decline.

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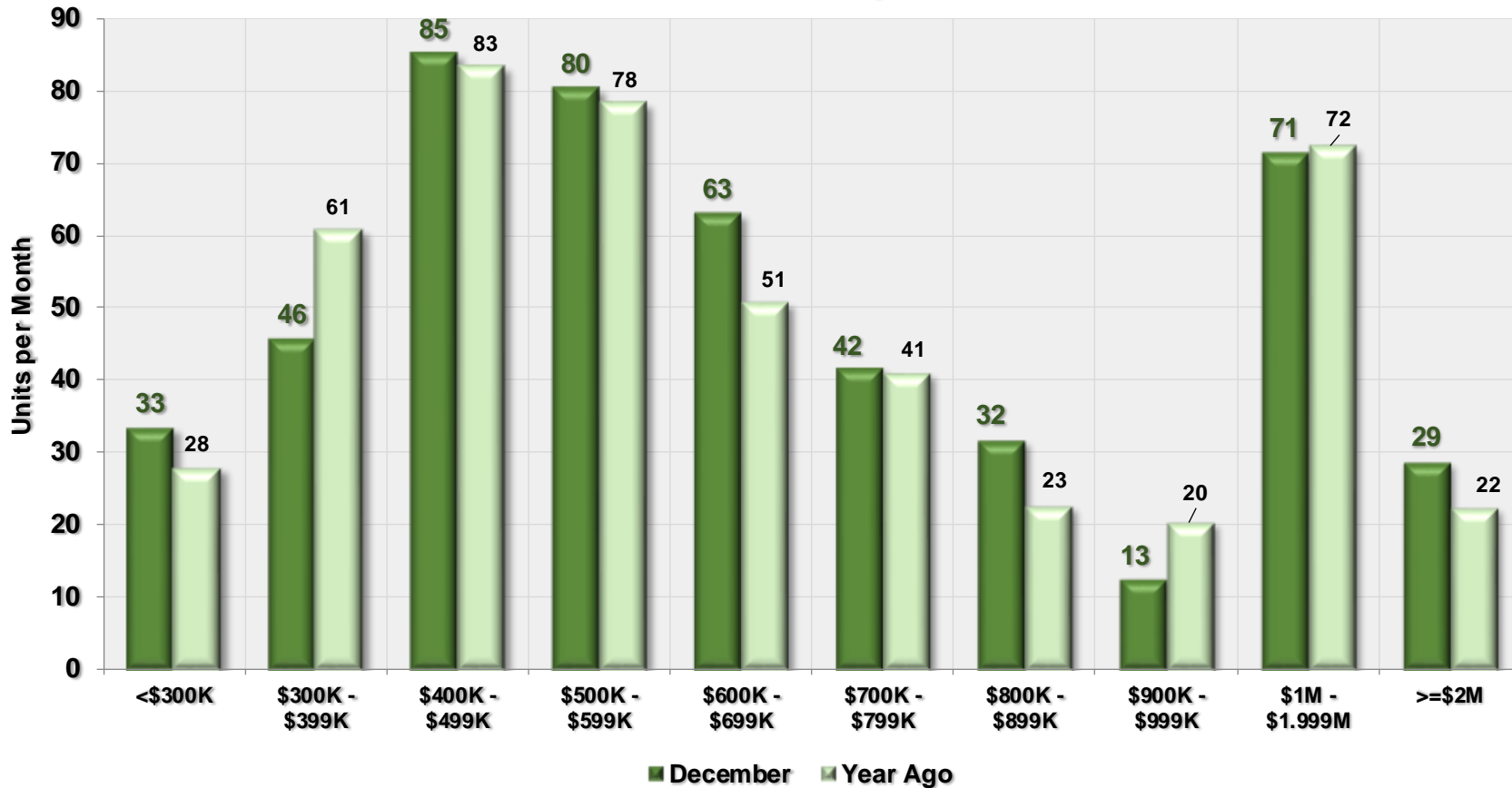
### Home Sales by City 3 month average



### Home Sales by City

Sales by city are now ranked left to right by highest average unit sales. In most cities December sales are comparable to year ago levels. Only Palm Desert has sales measurably above last year.

## Sales by Price Bracket 3 month average



## Home Sales by Price Range

We've changed the price brackets to reflect the effect of price increases of the last few years. The lowest bracket is now \$300,000 and under, and there are now two brackets over \$1,000,000. The largest part of the overall sales decline continues to be sales of homes in the price brackets of \$300K to \$399K and \$900K to \$999K.

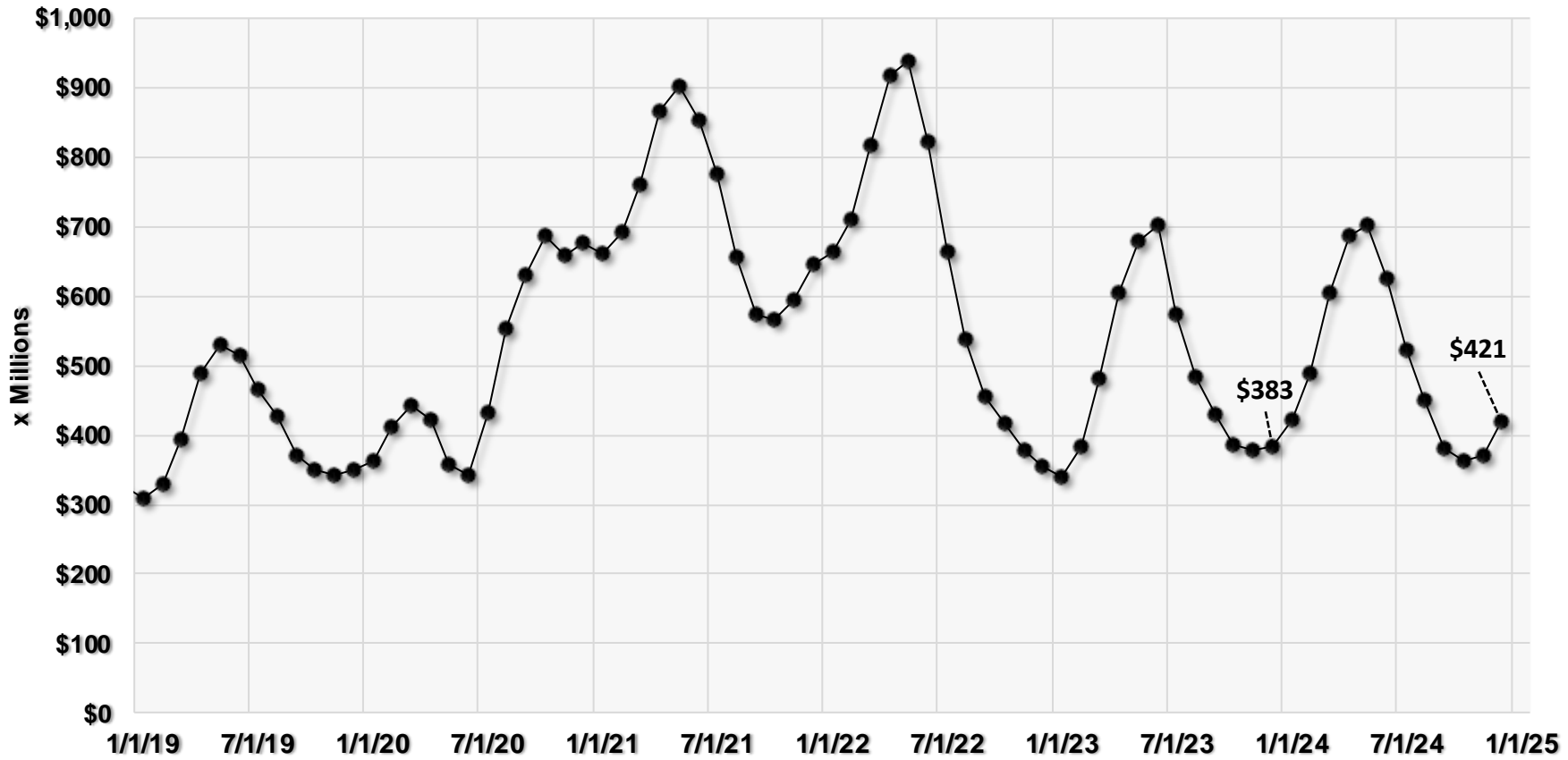


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### Coachella Valley Dollar Sales

New



### Coachella Valley Dollar Sales (all homes)

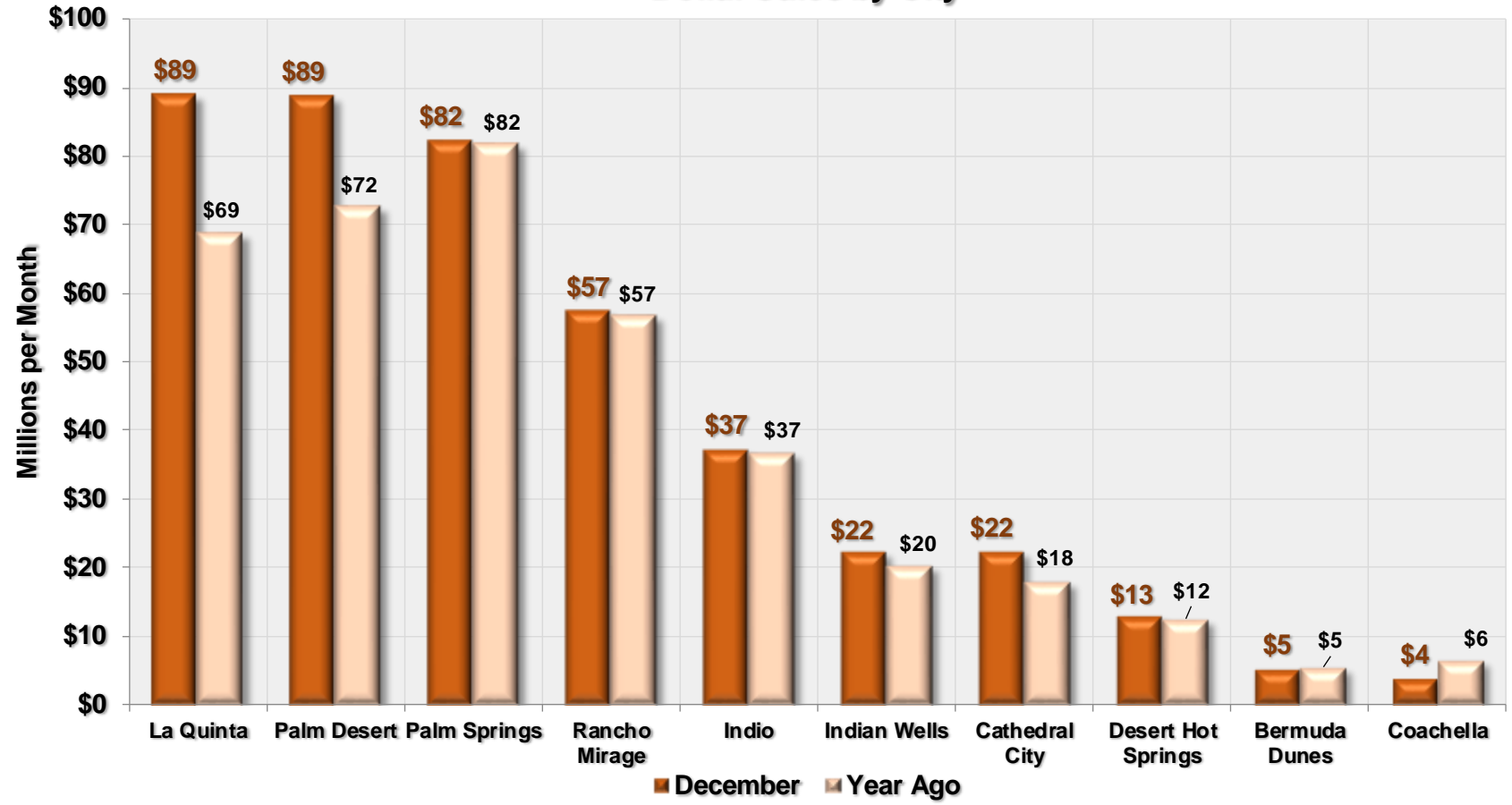
This chart graphs dollar sales, averaged over three months, of all Coachella Valley home sales. The scale on the left is in millions of dollars. It shows the same seasonal pattern as the chart of three-month unit sales, except the relative highs and lows are different due to price changes over time. Dollar sales in December were \$421 million, which is 10% higher than last year.

# The Desert Housing Report

## December 2024

### Dollar Sales by City

**New**



### Home Sales by City

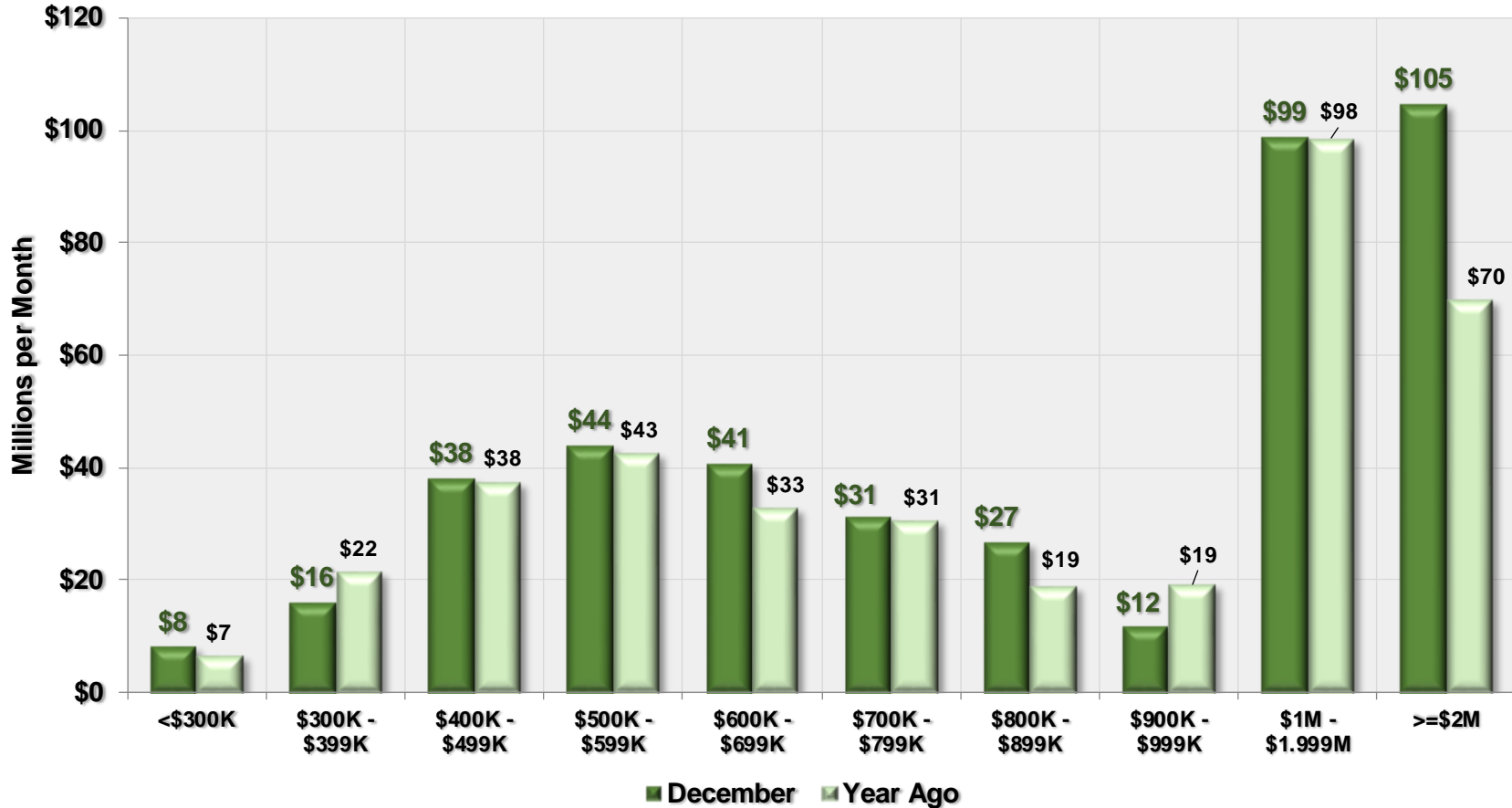
On this graph, cities are ranked left to right by greatest dollar sales. Since revenue depends on dollar sales more than unit sales, the numbers in this chart are better proxies for “revenue” than unit sales. Dollar sales appear to be comparable to last year in every city except Rancho Mirage, Indian Wells and Coachella.

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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 in the earlier chart. The large amounts in the two price brackets over a million dollars are accentuated more than the unit sales chart. In fact, dollar sales in these two brackets continue to account for 40% of dollar sales in the Coachella Valley.

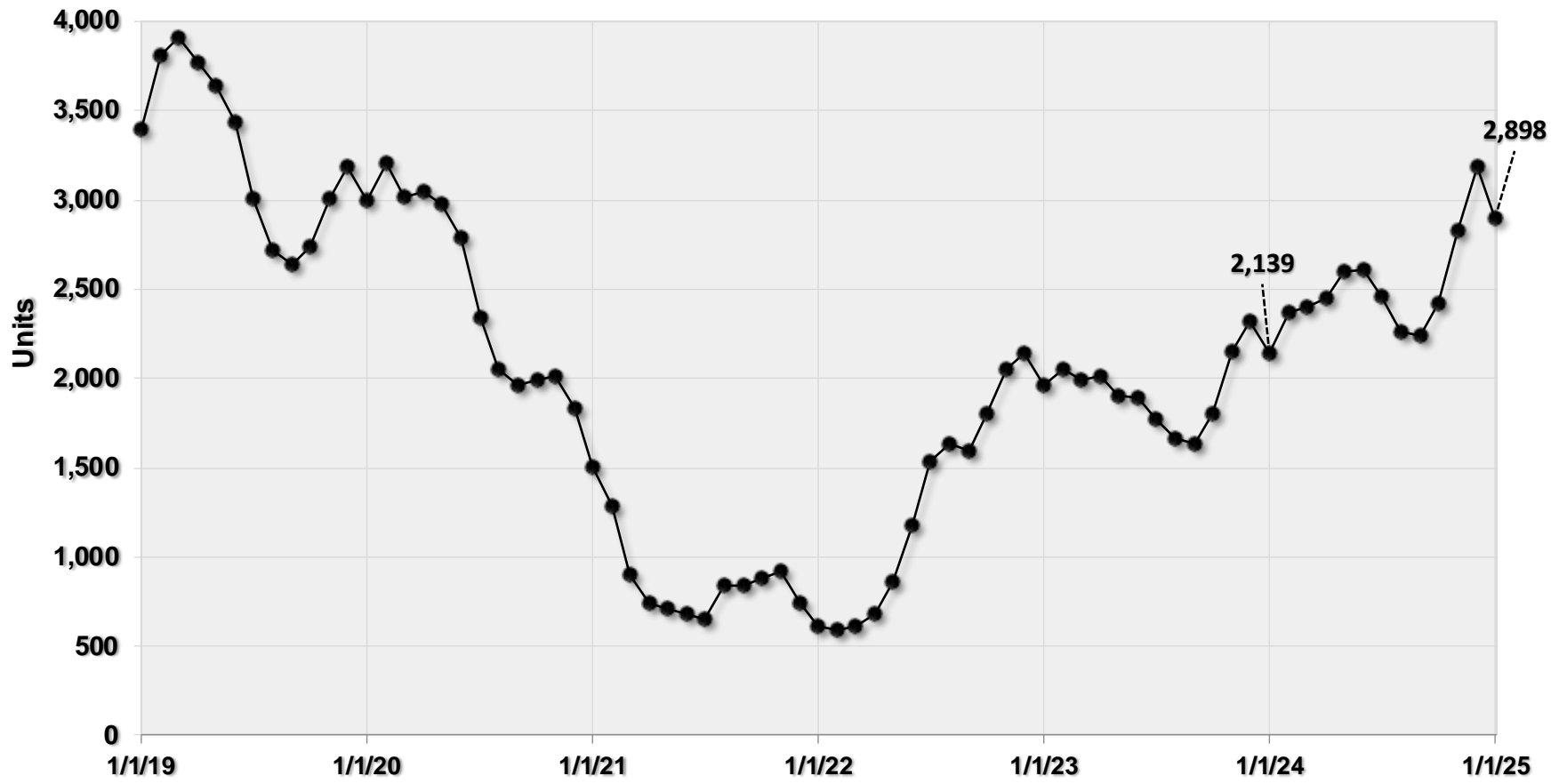


# Inventory & “Months of Sales” Ratios

# The Desert Housing Report

## December 2024

### Coachella Valley Housing Inventory (all homes)



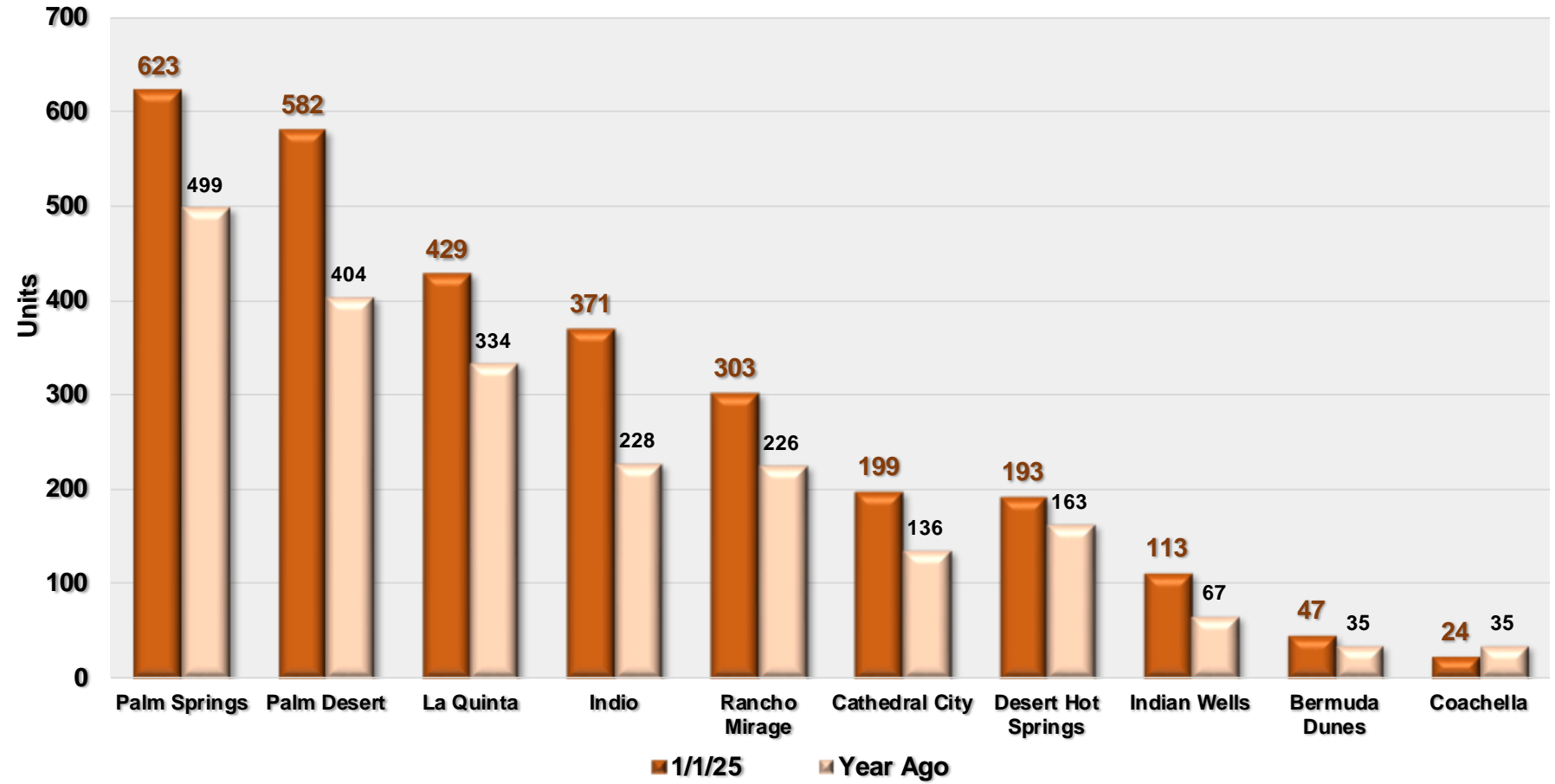
### Coachella Valley Total Inventory

On January 1<sup>st</sup>, Valley inventory was 2,898 units, which is 759 units higher than last year. The seasonal pattern now suggests that inventory will continue to increase through April. Current numbers remain close to what was normal before the pandemic.

# The Desert Housing Report

## December 2024

### Inventory by City **New**



### Inventory by City

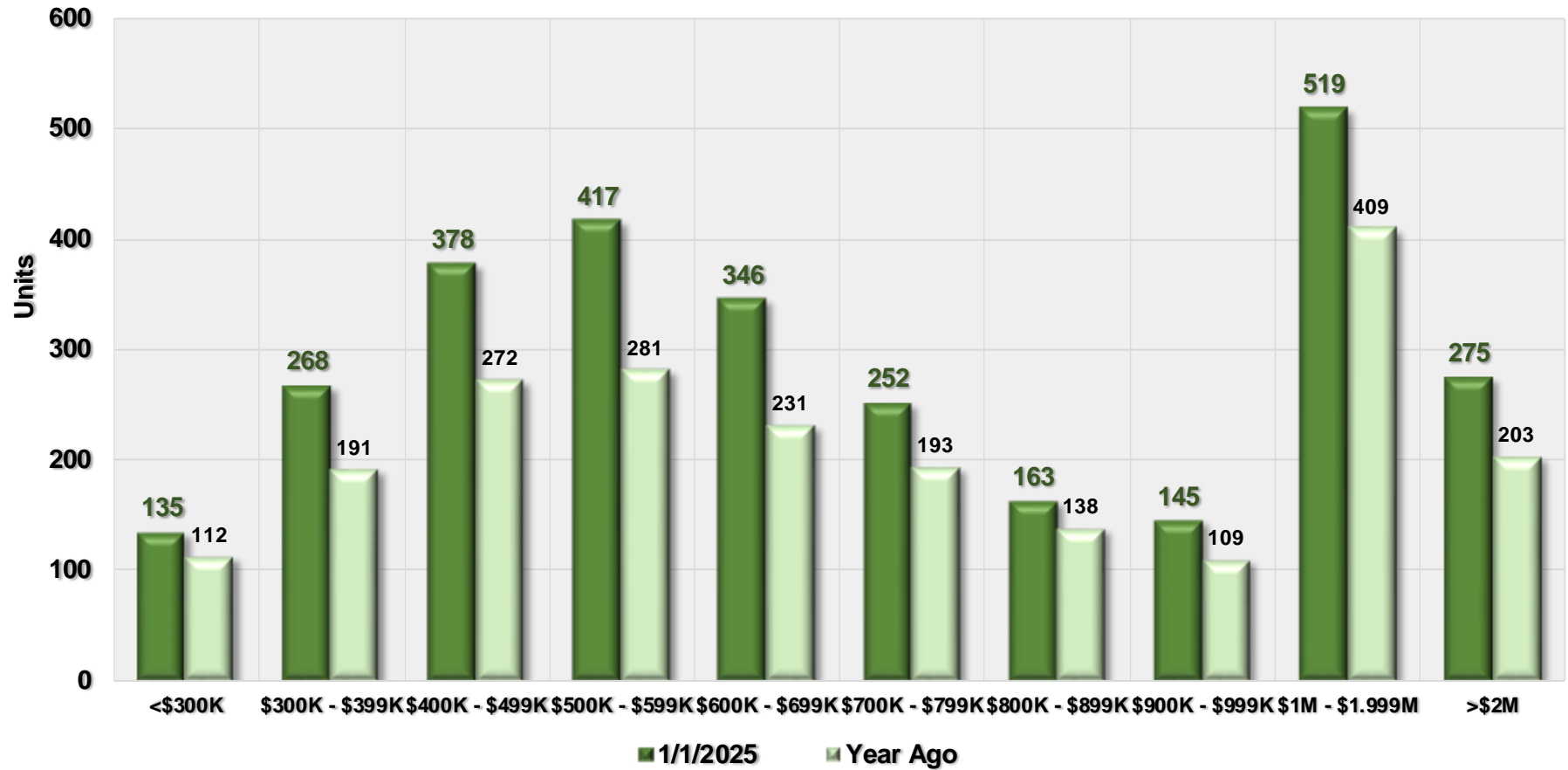
This chart ranks Coachella Valley cities left to right by highest number of homes for sale. The dark colored bars are current listings, while the lighter colored bars are last year's number. This chart helps agents know what cities have homeowners with the greatest selling interest and how it compares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

# The Desert Housing Report

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### Inventory by Price Bracket

New



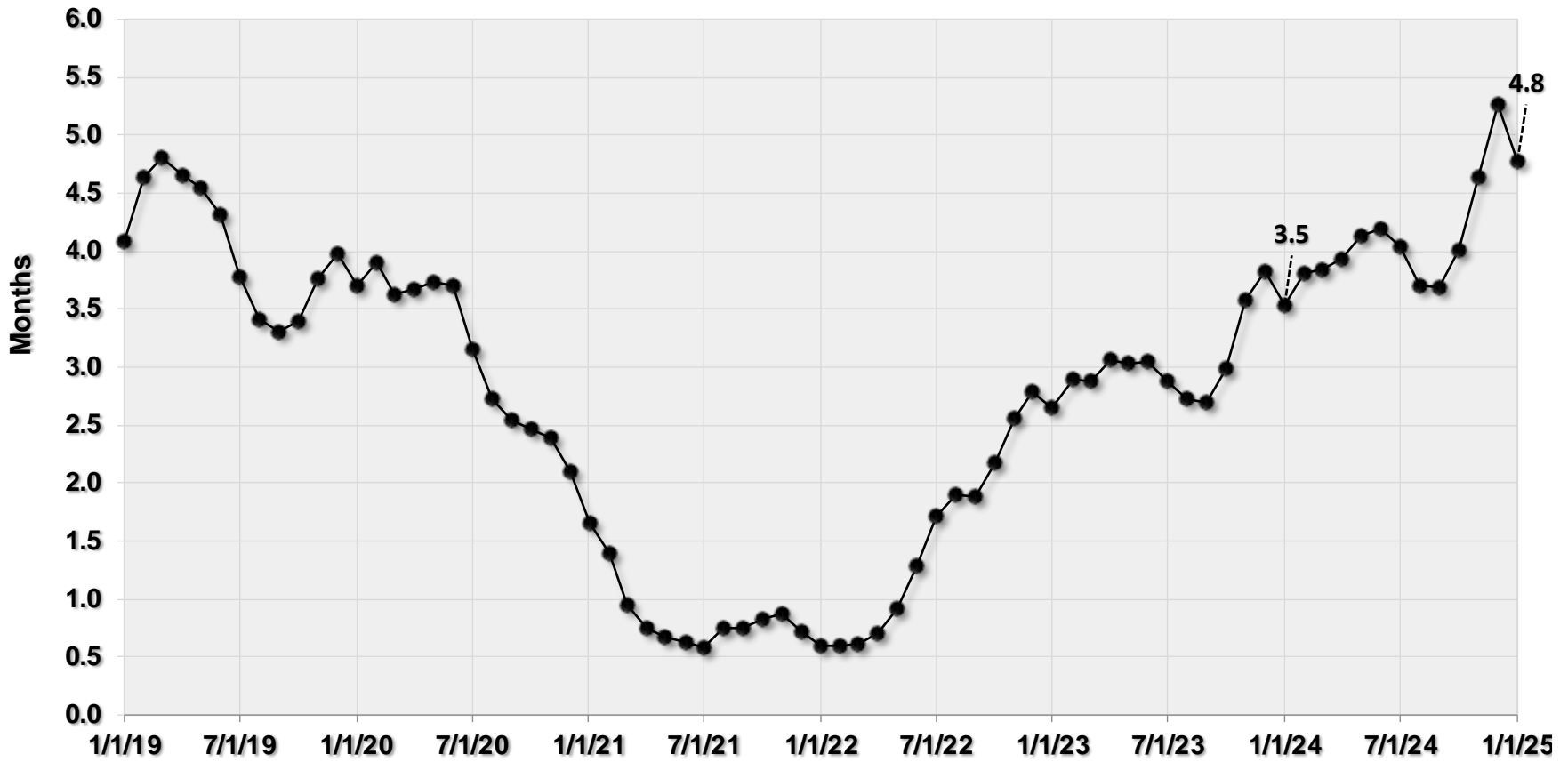
### Inventory by Price Bracket

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 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)

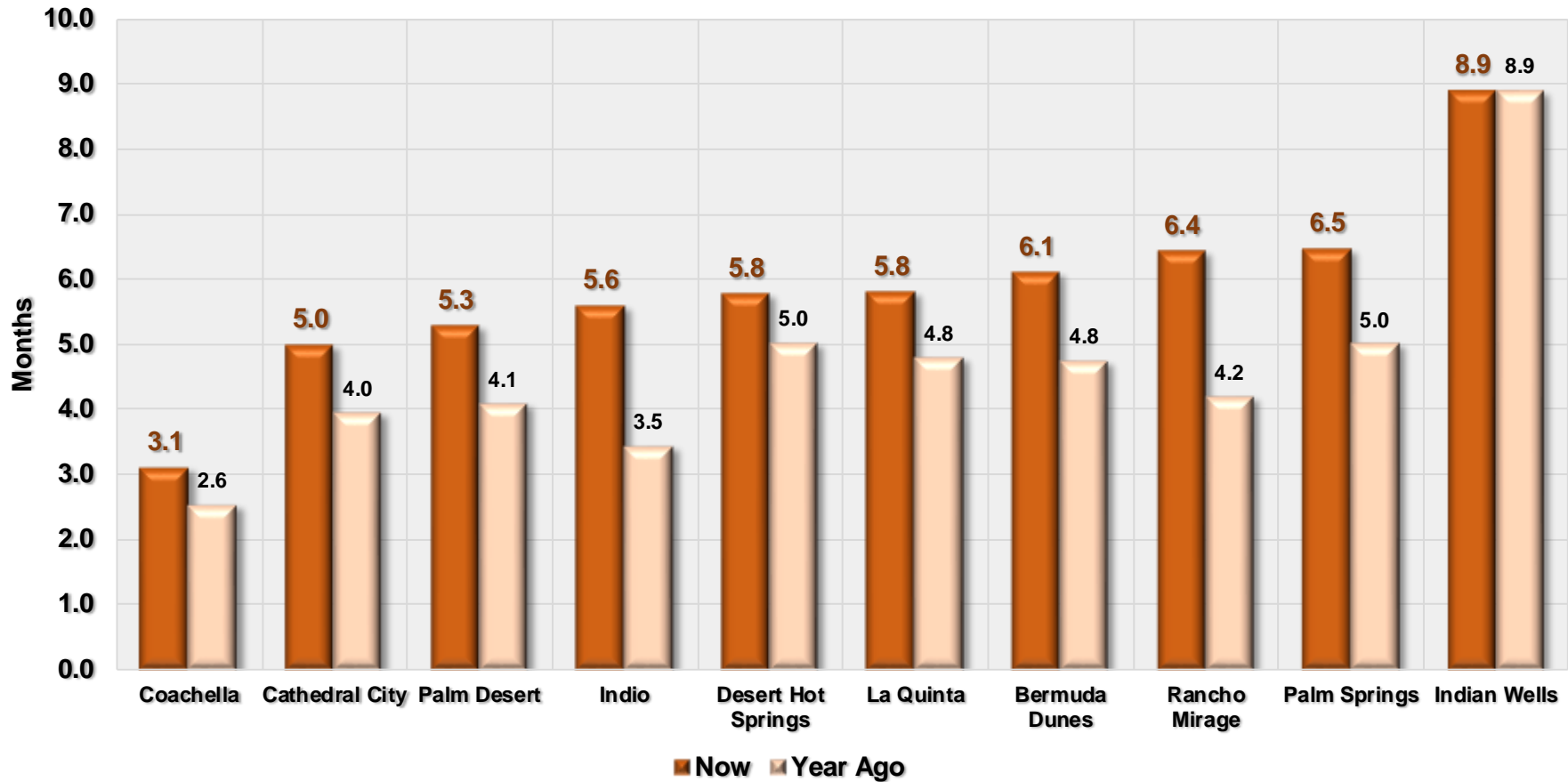


### Regional "Months of Sales" Ratio

On January 1<sup>st</sup>, the Valley's "months of sales" ratio was 4.8 months, which is 1.3 months more than last year. Regional sales in this calculation is the average over twelve months. As you can see, this fundamental ratio, which measures supply and demand, is now back to pre-pandemic levels. While inventory is back to normal, sales are lower than average which raises this ratio. The ratio is gradually moving in the direction of supply exceeding demand.



## "Months of Sales" by City



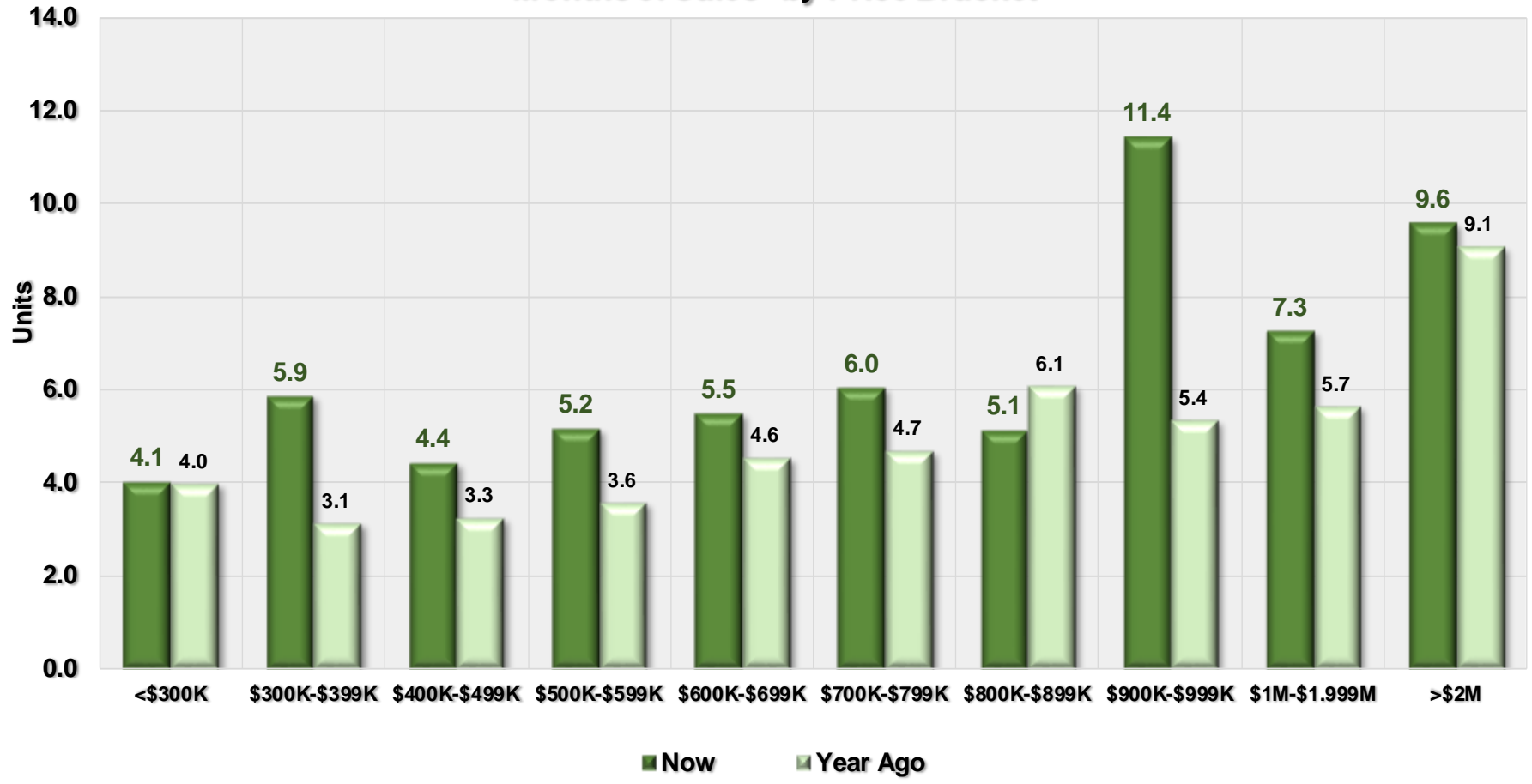
## The "Months of Sales" Ratio by City

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. Sales are averaged over three months. We see consistent ratios between 5.0 and 6.5 months in most of the nine cities. The ratio in Indian Wells is now the highest at 8.9 months. Since "months of sales" is really the supply-demand equation for housing, it shows the housing market may begin to experience longer selling times, especially in the higher priced cities. So far, however, we don't see that.

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### "Months of Sales" by Price Bracket



### The "Months of Sales" Ratio by Price Bracket

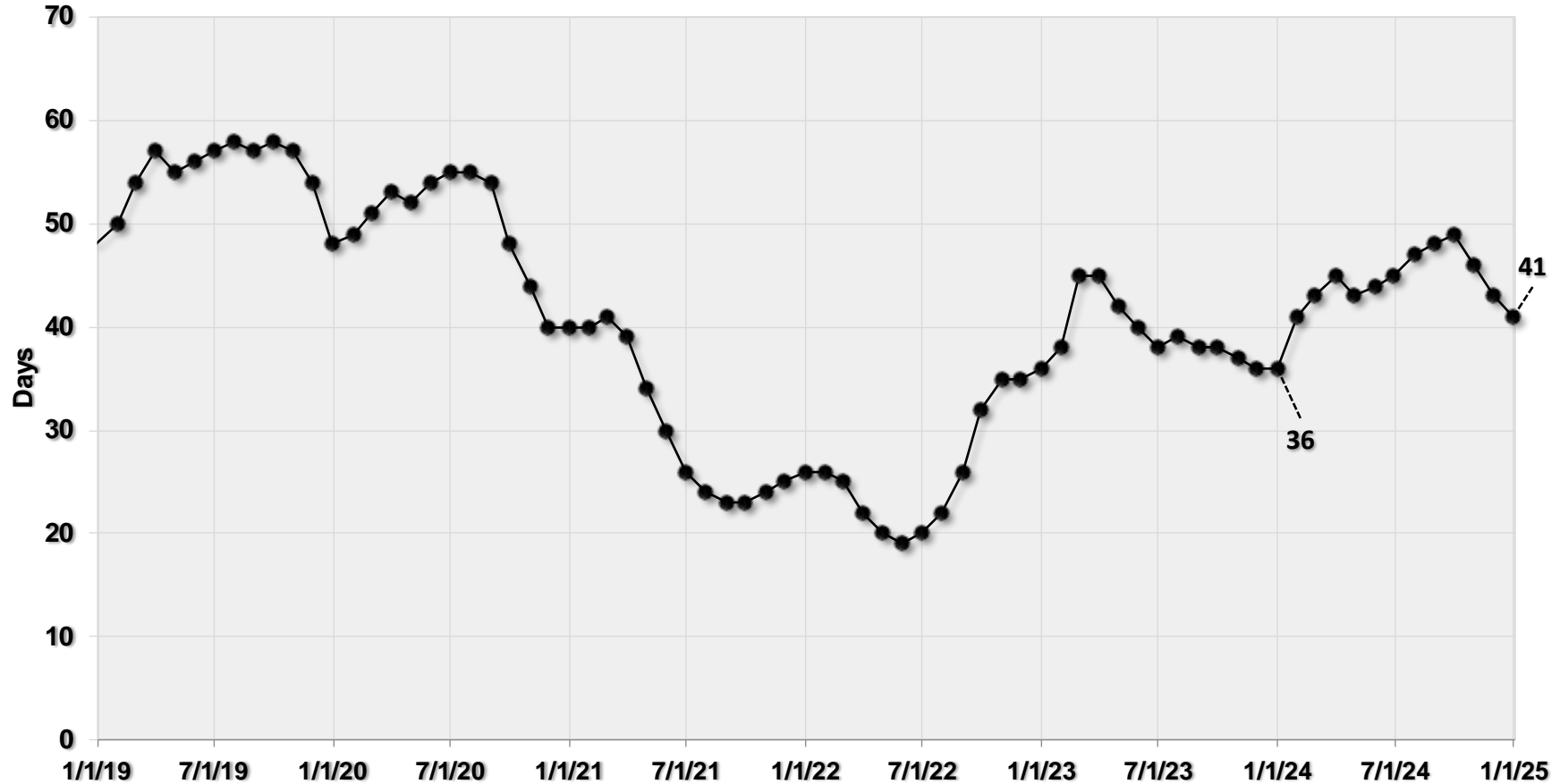
This chart shows "months of sales" by price bracket. The sales and inventory in the ratios include both attached and detached homes. Since "months of sales" is really the supply-demand equation for housing, the large increases over last year shows the supply side of the market is increasing in all price brackets.

# DIM & Price Premium/Discount

# The Desert Housing Report

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### Median DIM - Coachella Valley (all homes)



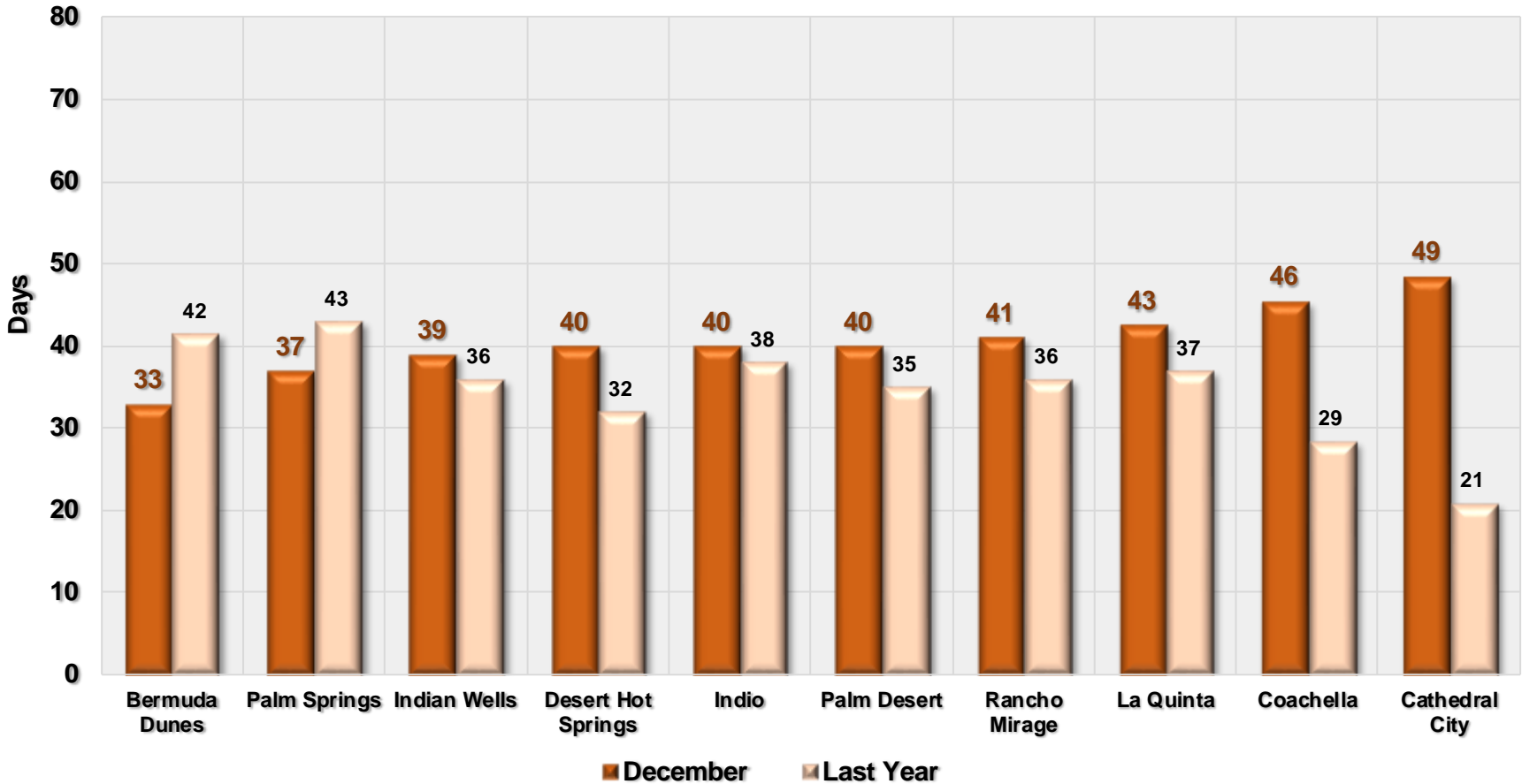
### Regional “Days in the Market”

At the end of December, the median number of “days in the market” in the Coachella Valley declined for the third month. It was 41 days, which is five days more than last year. This includes both detached and attached homes. This is good for stable home prices as homeowners will maintain listing prices if homes are selling rapidly. The environment for declining home prices just isn’t there is selling times are shrinking.

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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 the number a year ago. The number includes selling times of both detached and attached homes. We have sorted the cities left to right by lowest number of days. Notice how similar median selling times are in the all cities. The city of Bermuda Dunes has the lowest selling time at just 33 days. This is followed by Palm Springs at 37 days and Indian Wells at 39 days. Cathedral City has the highest median selling time at 49 days.

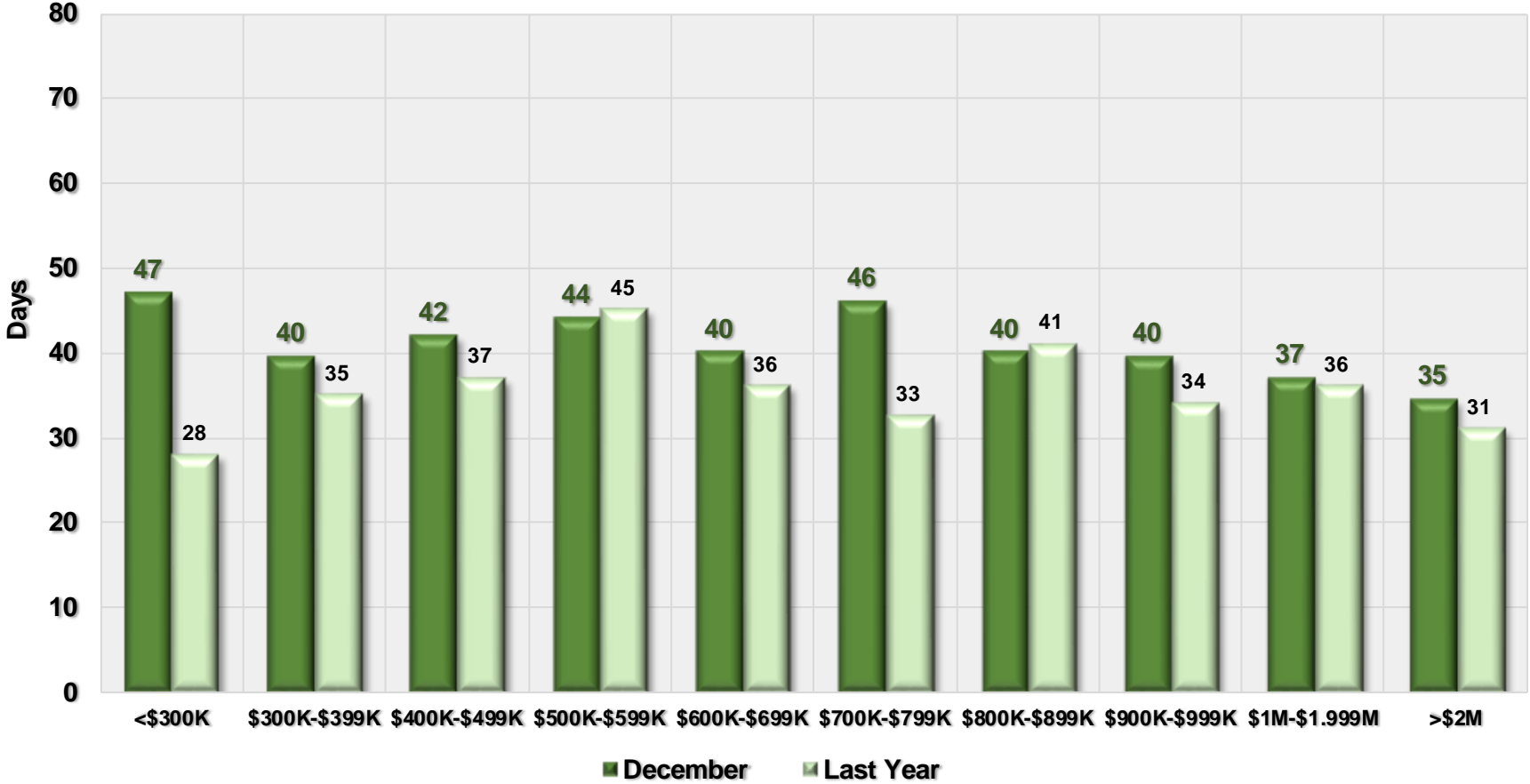


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### Median DIM by Price Bracket (all homes)

New



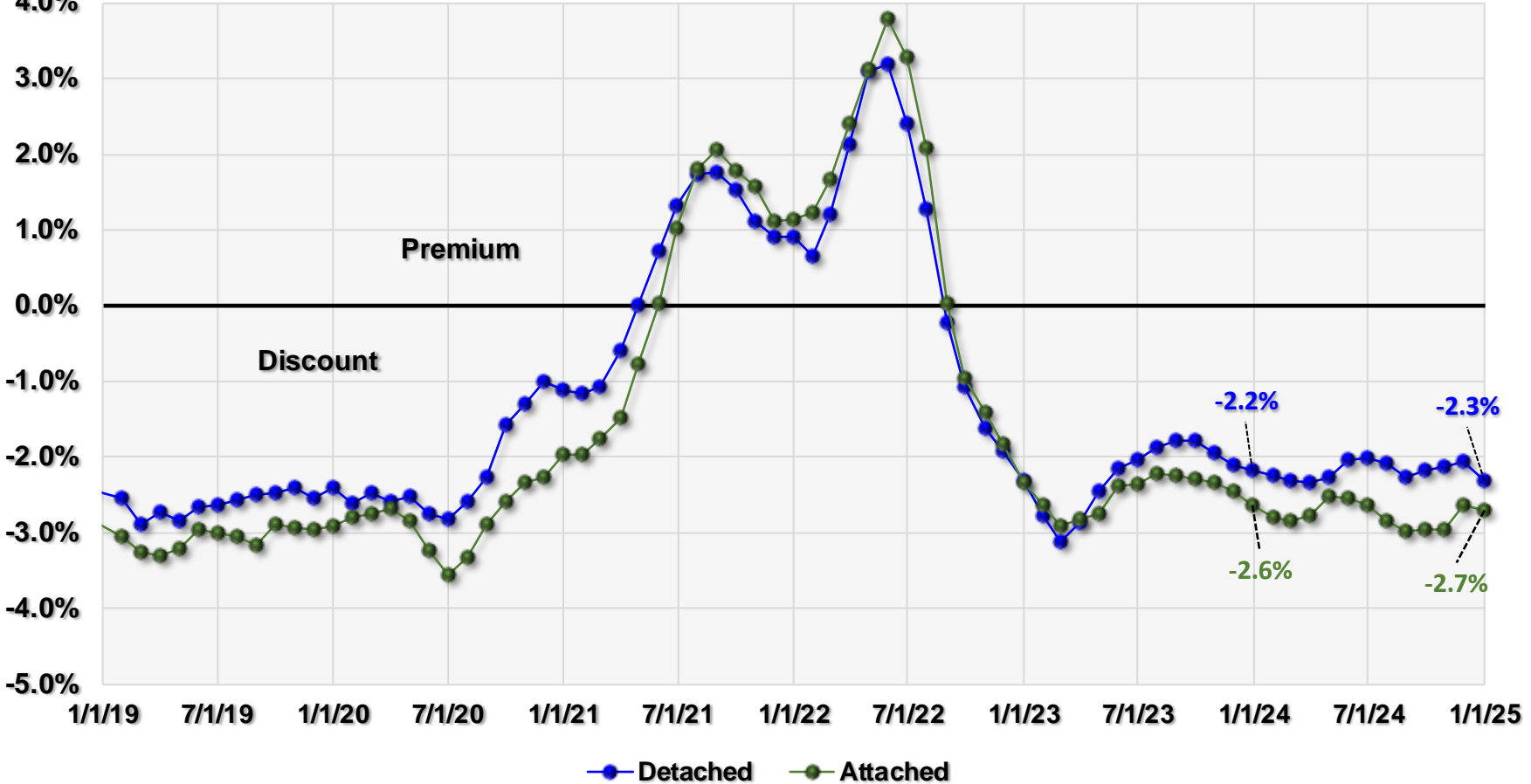
### “Days in the Market” by Price Bracket

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



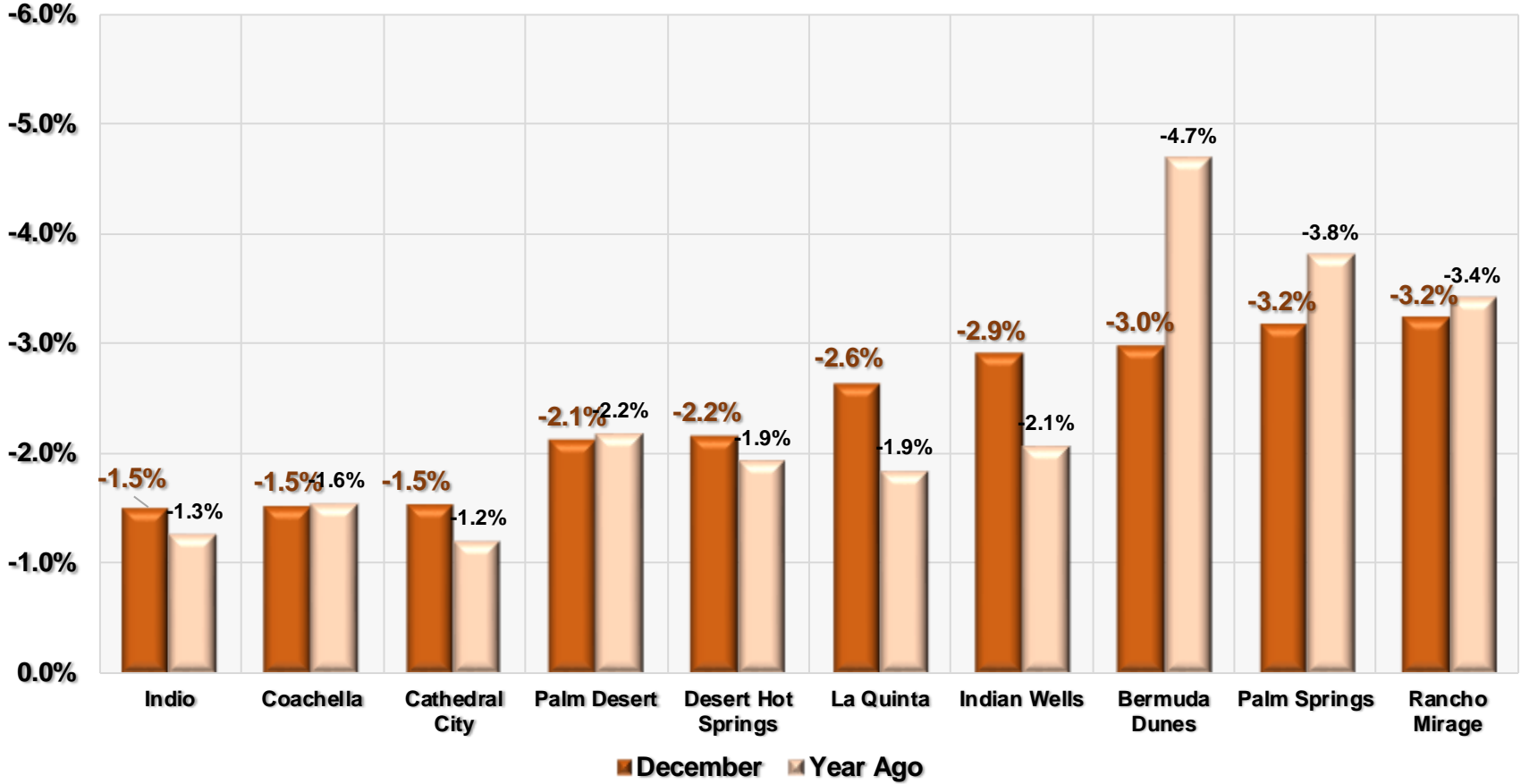
### Regional Price Premium/Discount

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% compared to 2.2% a year ago. Attached homes are selling at a 2.7% discount. We are back to pre-covid levels. Notice how the numbers for both detached and attached homes, which are normally close, are starting to separate slightly.

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### Average Selling Discount by City



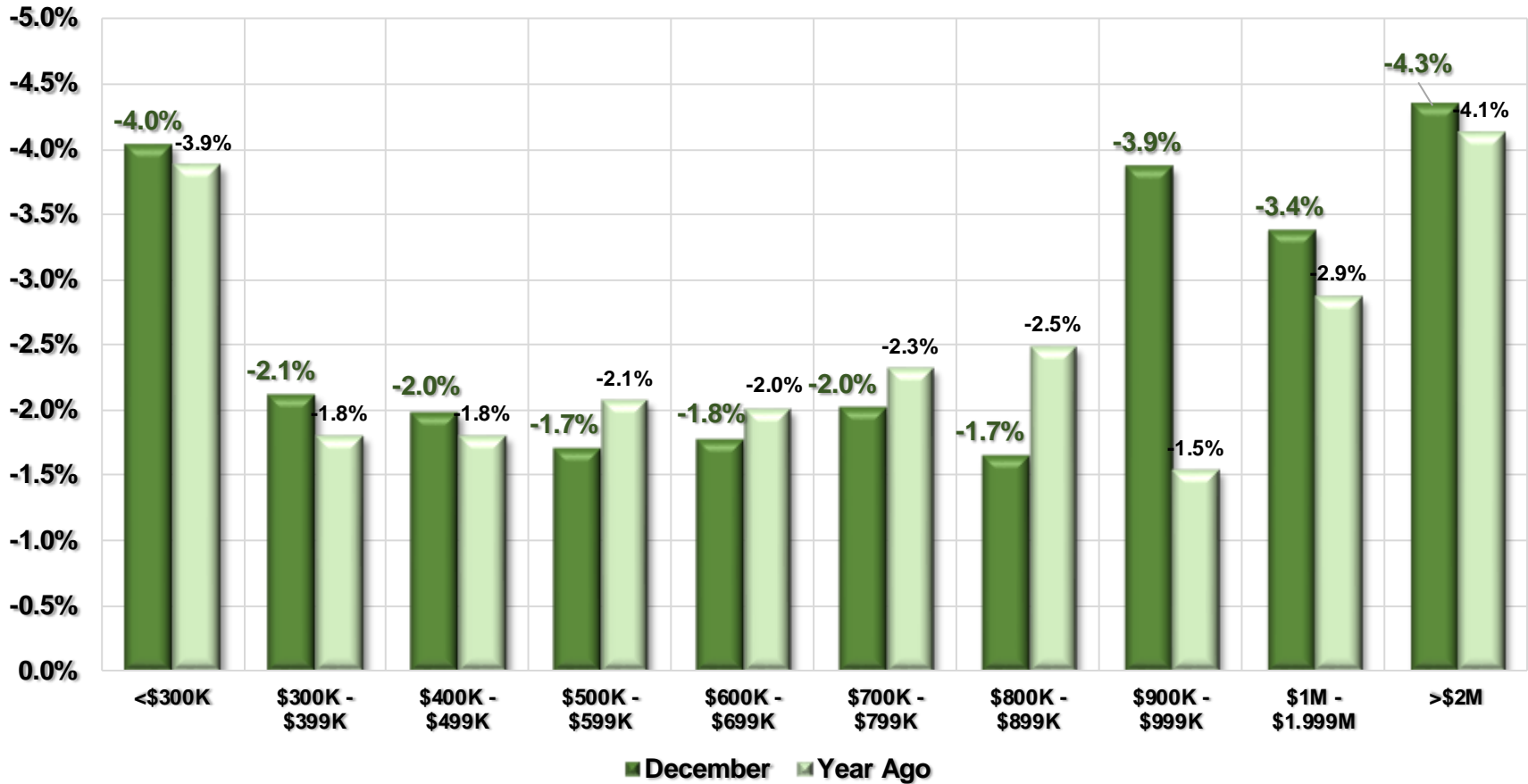
### Price Discount by City

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. Every city in the region is selling homes at an average discount. Indio, Coachella and Cathedral City have the smallest selling discount at 1.5% while Palm springs and Rancho Mirage are selling homes with the highest average discount of 3.2%.

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### Average Selling Discount by Price Bracket



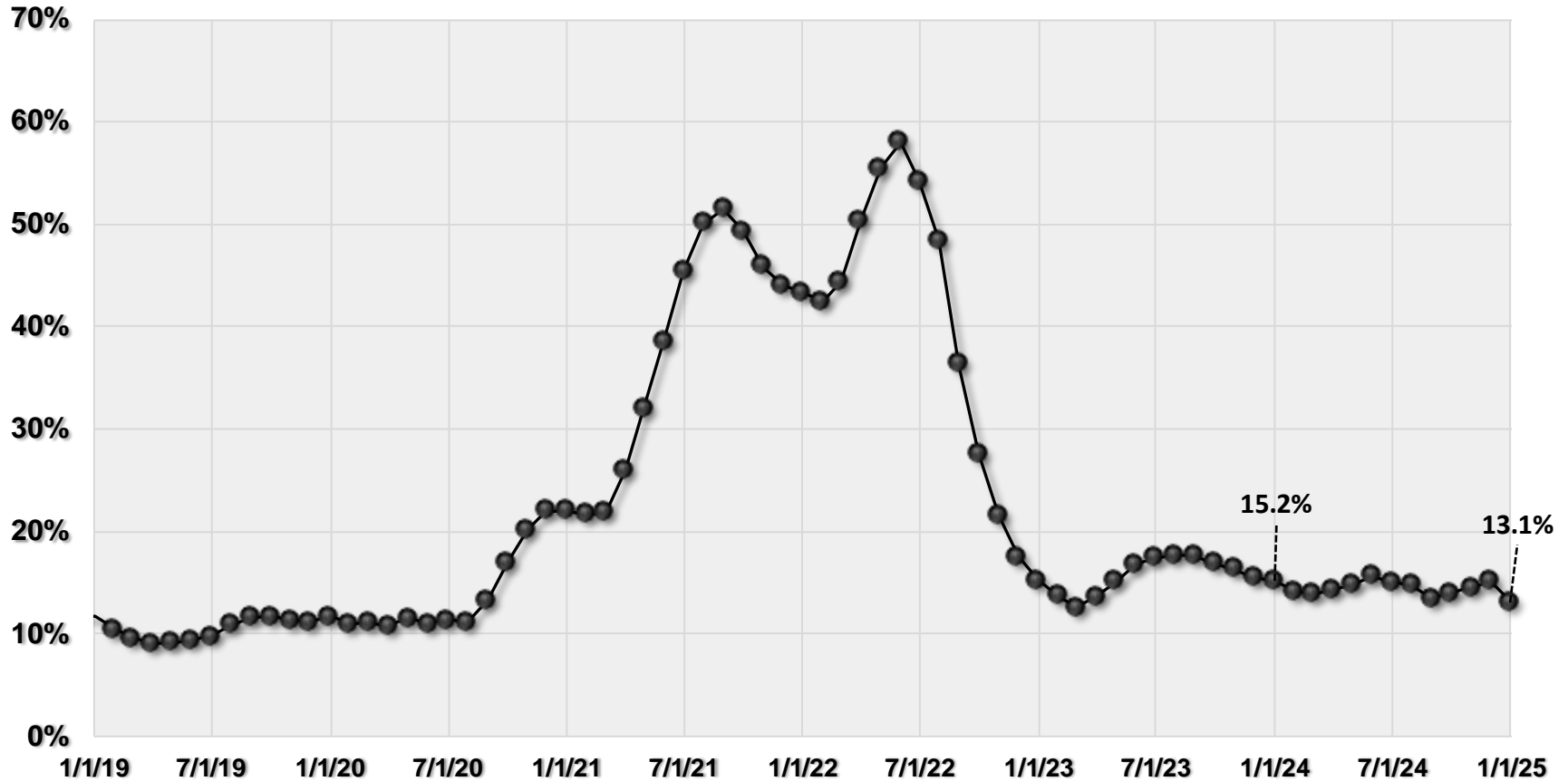
### Price Discount by Price Bracket

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, price discounts increase with higher priced homes, except here we have the lowest discounts in the mid range price brackets. Homes over two million dollars now sell with an average discount of 4.3%.

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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 December, the percent of homes selling over list price was 13.1%. This is 2.1% 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 90 days. The Coachella Valley median detached home price is the median price of sales of single-family residences over the prior 90 days in all 11 cities. The Coachella Valley Median Attached Price is the median price of sales of condos and townhomes over the past 90 days 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 ninety days. 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 – 30-day average of sales over the last 90 days and the 30-day average over the last 365 days. The 90 days average measures and shows the seasonal variations of the region. These averages should only be compared against the same period in previous years. For example, one should never compare the 90-day average 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.

**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 December, all sales and pricing are done using transactions through that and the previous two months. However, when we measure inventory at the end of December, it's the inventory as of December 1<sup>st</sup>. Even though inventory December be labeled December 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 for the region, we use average sales over the last twelve months. When calculating the city “month of sales” ratios we use average 30-day sales over 90 days.

**Days in the Market and Sale Price Discount from List Price:** These calculations are also the median or average value of the metric over the last 90 days.

**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.

**End of Month Values:** Up to 3% of sales for a month are reported the next month. To produce a timely monthly report our numbers don't include these late sales. So later recalculations of these metrics will yield different values to the month end report values making them appear wrong. They aren't. The calculations in the report were accurate at the time the report was produced. The situation is corrected when the delayed sales are added in the next month's calculation.