

April 15, 2009

Entry-level sales take off

Sales of property priced under \$500,000 double in Coachella Valley

Debra Gruszecki • The Desert Sun as of March 15

Sales of entry-level homes dominated the Coachella Valley real estate scene during the fourth quarter of 2008, while big-ticket properties turned in a disappointing performance, new data shows. "It's almost like the original tale of two markets," said Patrick Veling, president and founder of Brea-based Real Data Strategies, which provides and analyzes real estate data for The Desert Sun.

"Except, it's flipped: Entry-level home sales are robust" with a 58 percent gain over 2007. "High-priced real estate sales took it on the chin."

The company has tracked real estate trends across the nation for more than 16 years and provides data to The Desert Sun for a comprehensive look at the Multiple Listing Service market. It made its observations from the 1,867 sales tracked in the last three months of 2008:

Sales of property priced under \$500,000 doubled compared to the fourth quarter of 2007.

Real estate activity mushroomed in west Desert Hot Springs, where sales prices averaged \$108,247.

Sales of mid-range homes dropped nearly 50 percent.

Sales in the market between \$750,000 and \$1million fell by one-third.

Homes priced above \$1 million declined nearly 56 percent.

"I have never seen prices tumble so dramatically in such a short time," Veling said. "There has never been such a clear indicator that price is driving this sales phenomenon."

Greg Berkemer, executive director of the California Desert Association of Realtors in Palm Desert, has described the market as one that can be unfairly harsh and hugely rewarding at the same time.

"It depends on what line you happen to be standing in," he said.

"The line for buyers is better now than the line for sellers. Even so, the non-serious buyer or seller should get out of line to allow those that need and want to sell or buy to meet."

New year brings \$180,000 median

The median price from the sale of single-family detached homes and condos and new construction stood at \$180,000 in January, down nearly 50 percent from a year ago. Three \$1 million-plus homes sold, the highest being \$9 million.

COMMUNITY	ZIP CODE	SALES COUNT	CHANGE FROM 2007	MEDIAN PRICE	CHANGE FROM 2007	HIGHEST PRICE	MEDIAN PRICE/SQ. FT.	CHANGE FROM 2007
All Combined		611	9.5%	\$180,000	-44.3%	\$9,000,000	\$301	-49.1%
Resale Single-Family		494	-58.3%	\$169,000	-48.8%	\$5,000,000	\$94	-48.7%
Resale Condos		78	-48.3%	\$225,000	-28.6%	\$612,500	\$157	-25.7%
New Construction Homes		39	-58.9%	\$299,000	-6.2%	\$9,000,000	n/a	n/a
Bermuda Dunes	92203	44	144.4%	\$222,500	-36.7%	\$550,000	\$92	-51.3%
Cathedral City	92234	66	65.0%	\$170,000	-40.1%	\$515,000	\$103	-36.0%
Coachella	92236	56	330.8%	\$140,000	-37.8%	\$253,000	\$81	-39.1%
Desert Hot Springs	92240	95	216.7%	\$82,500	-53.2%	\$340,000	\$56	-45.7%
Desert Hot Springs	92241	4	300.0%	\$170,000	-35.8%	\$175,000	\$90	-83.8%
Indian Wells	92220	8	-33.3%	\$425,000	-51.4%	\$860,000	\$388	-43.1%
Indio	92205	81	107.7%	\$140,000	-50.4%	\$973,500	\$95	-39.5%
La Quinta	92253	75	10.3%	\$290,000	-42.0%	\$2,650,000	\$152	-26.8%
Palm Desert	92211	34	-39.3%	\$305,000	-19.2%	\$870,000	\$174	-23.1%
Palm Desert	92260	23	-62.9%	\$392,500	22.7%	\$9,000,000	\$201	0.1%
Palm Springs	92262	38	2.7%	\$241,500	-20.0%	\$695,000	\$139	-36.5%
Palm Springs	92264	23	-43.9%	\$230,000	-17.9%	\$525,000	\$153	-24.4%
Rancho Mirage	92270	20	-50.0%	\$475,000	-15.9%	\$1,650,000	\$215	-6.1%
Thermal	92274	2	n/a	\$235,000	n/a	\$245,000	\$89	n/a
Thousand Palms	92276	3	-50.0%	\$75,000	-65.1%	\$151,000	\$63	-57.8%

SOURCE: REAL DATA STRATEGIES

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Price drives the market

The fourth-quarter 2008 analysis of Coachella Valley real estate showing price indicators for the market. Total sales and volume on higher-priced homes fell 31 percent to 58 percent over the same period in 2006 and 2007. Homes priced under \$500,000 posted sizeable sales gains.

Price	2008-4Q	2007-4Q	Percentage change over 2007	2006-4Q	Percentage change over 2006
Under \$500,000	1,674	816	105.15%	1,041	60.81%
\$500,000-\$750,000	97	190	-48.95%	259	-62.55%
\$750,000-\$999,000	46	66	-30.30%	107	-57.01%
\$1,000,000 plus	50	113	-55.75%	117	-57.26%
Total sales	1,867	1,185	57.55%	1,524	22.51%
Total Volume					
Under \$500,000	\$337,660,716	\$240,375,856	40.47%	\$336,791,398	0.26%
\$500,000-\$750,000	\$57,684,698	\$114,097,708	-49.44%	\$155,337,717	-62.86%
\$750,000-\$999,000	\$38,383,800	\$55,985,119	-31.44%	\$92,986,710	-58.72%
\$1,000,000 plus	\$87,271,500	\$206,030,500	-57.64%	\$187,449,862	-53.44%
Grand Total	\$521,000,714	\$616,487,183	-15.49%	\$772,565,687	-32.56%

SOURCE: REAL DATA STRATEGIES

THE DESERT SUN

2009 Sales over \$1,000,000 prepared by www.luxurydeserthomes.com

January - 13

February - 11

March - 24

Call for specific details as to where these occurred. Barry 760-574-7676