

January 2024

The Coachella Valley Detached Country Club Report

Avondale Country Club
Desert Horizons County Club
Desert Princess
Escena
Indian Palms
Indian Ridge
Indian Wells Country Club
Ironwood Country Club
Morningside Country
Mountain View Country Club
Palm Desert C.C.
Rancho La Quinta C.C.
Terra Lago
The Citrus
The Springs Country Club

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The Coachella Valley Detached Country Club Report

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SUMMARY

Prices: The FLC Detached Country Club Price Index, which represents the average price of a 2,600 square foot home in fifteen of the top detached country clubs, ended January at a price of \$1,143,562, which is down 2.6% year over year. In the individual country clubs, gains for average size homes ranged from 25.1% in Palm Desert Country Club to -21.9% in Ironwood Country Club.

Sales: Sales in the fifteen clubs in January averaged 41 units per month, down 18% from last year. Dollar sales in all fifteen clubs averaged \$39 million a month over the last three months, which is up 34% from last year.

Inventory: At the end of January, total listings in the fifteen detached country clubs was 211 units. This compares to 160 units last year. The “months of sales” ratio was 5.1 months compared to 3.3 months last year.

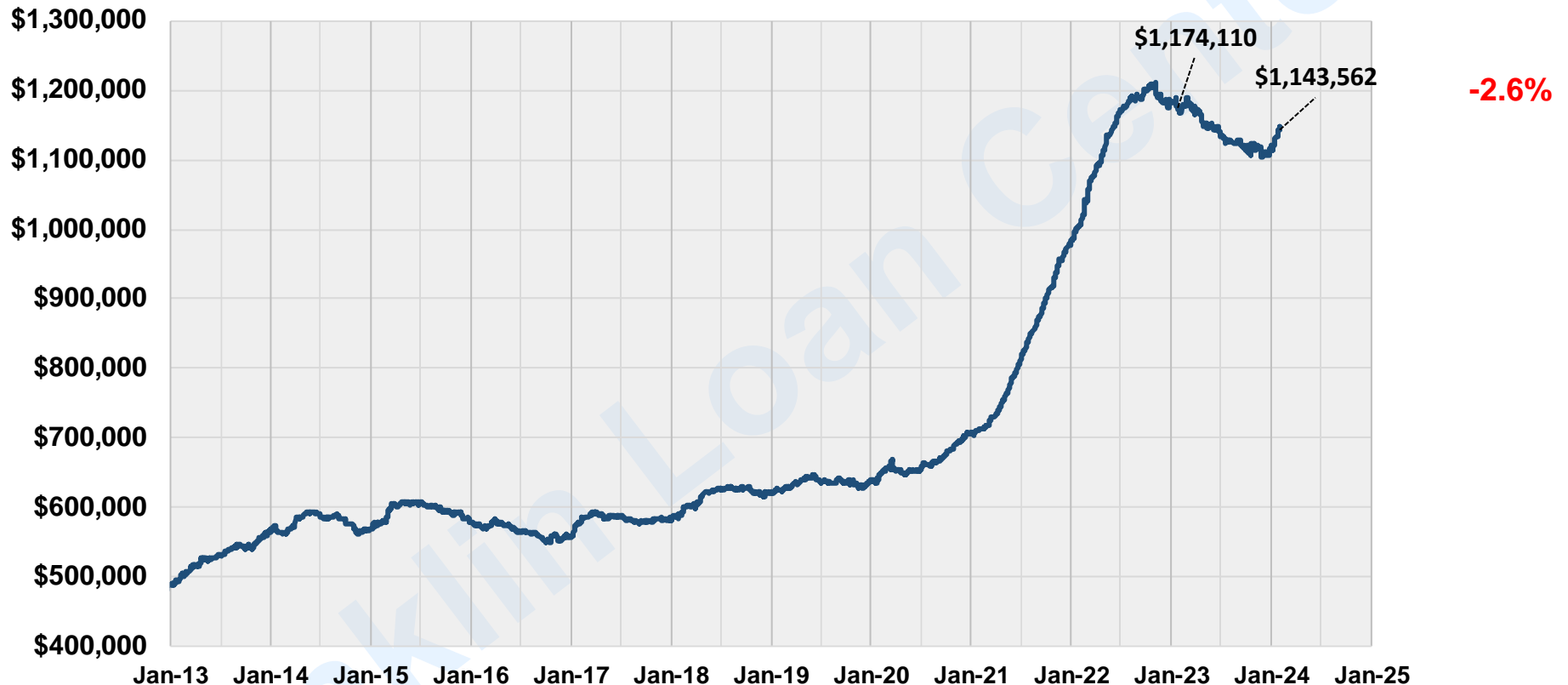
Days in the Market: The average of “Days in the Market” for detached country clubs in January was 53 days compared to 46 days a year ago. Average selling times by country club ranged from a low of 16 days in Morningside Country Club to 82 days in the Rancho La Quinta Country Club.

Price Discount/Premium: In January, detached homes in the fifteen country clubs sold at an average discount of 2.8% compared to an average discount of just 3.2% a year ago. Discounts range from an average of .6% in Palm Desert to 7.1% in the Avondale Country Club.

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The FLC Detached Country Club Price Index
Price of the average 2,600 sf. ft. home

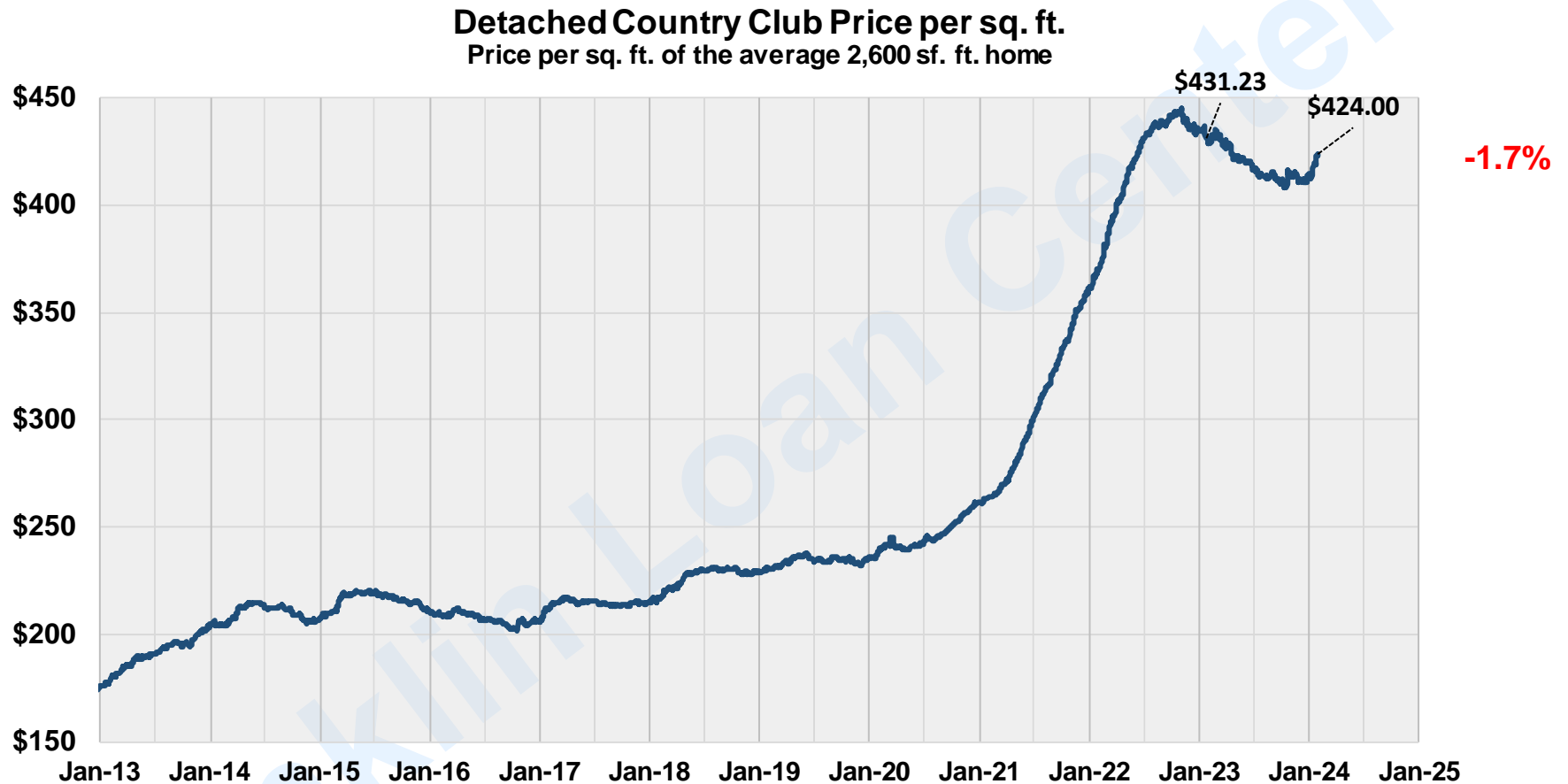


The FLC Detached Country Club Price Index

The FLC Detached Country Club Price Index* is calculated from prices in the top 15 detached home country clubs in the Coachella Valley. It represents the average price of a 2,600 square foot home in these 15 developments. Over five hundred home sales go into its calculation making it a highly reliable price index. It is most useful at showing both price trends and percentage changes in this unique sub-market. The callout numbers on the chart display its latest value and the value 12 months ago. The large number to the right is the percentage change.

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The FLC Detached Country Club Price per sq. ft.

The FLC Detached Country Club Price per sq. ft. is also calculated from the price per square foot of sales in the same 15 country clubs. It represents the average price per sq. ft. of a 2,500 square foot home in the 15 subdivisions. Like the price index, over five hundred sales go into its calculation. The callout numbers on the chart show the latest price per sq. ft. and its value 12 months ago. The large, colored number to the right is the percentage change.

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Top 15 Detached Country Clubs

Subdivision	Avg Size (sq. ft.)	Price per sq. ft.	Current Price	Year Ago	% Change
Palm Desert C.C.	1,500	\$424	\$636,105	\$508,474	25.1%
Morningside Country	3,850	\$538	\$2,073,125	\$1,813,758	14.3%
Desert Horizons C.C.	2,900	\$383	\$1,111,291	\$981,114	13.3%
Rancho La Quinta C.C.	3,000	\$559	\$1,675,882	\$1,560,535	7.4%
The Citrus	3,300	\$505	\$1,665,279	\$1,625,485	2.4%
The Springs C.C.	2,950	\$397	\$1,170,272	\$1,188,097	-1.5%
Avondale C.C.	2,600	\$294	\$764,868	\$787,883	-2.9%
Indian Palms	1,900	\$302	\$574,749	\$596,924	-3.7%
Escena	2,500	\$550	\$1,374,902	\$1,434,919	-4.2%
Mountain View C.C.	3,300	\$515	\$1,698,474	\$1,807,986	-6.1%
Desert Princess	1,700	\$356	\$604,446	\$648,153	-6.7%
Indian Wells C.C.	3,300	\$482	\$1,591,766	\$1,749,113	-9.0%
Terra Lago	2,300	\$293	\$674,031	\$773,033	-12.8%
Indian Ridge	3,000	\$465	\$1,395,645	\$1,782,983	-21.7%
Ironwood C.C.	3,400	\$418	\$1,419,925	\$1,817,402	-21.9%

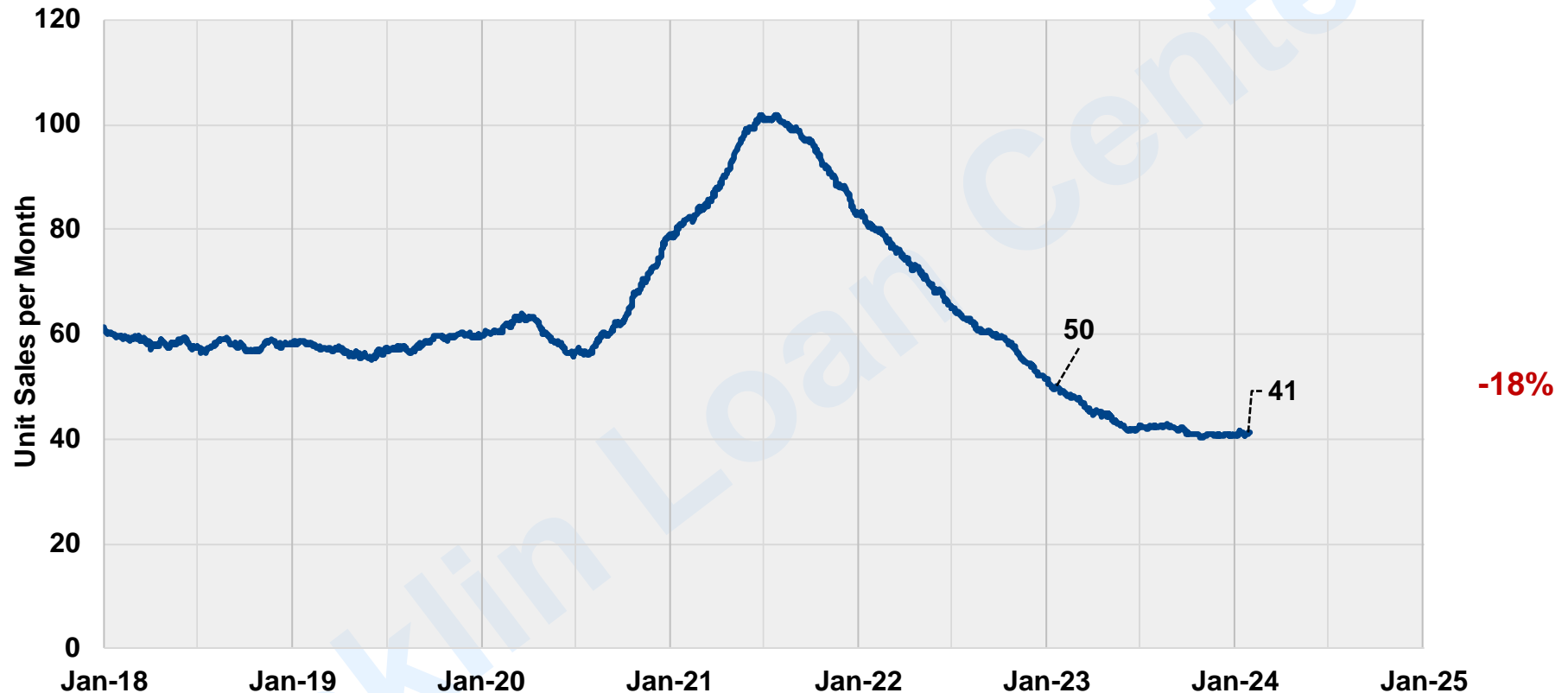
Average Price and Price per Sq. Ft.

This table shows the 15 country clubs we use to analyze the detached country club market. The table displays the average size home in each development. The next column shows the price per square foot of that home, followed by its current price. The next column shows the year ago price, with the last column showing the 12-month percentage change in the price. The country clubs are ranked top to bottom by the size of the 12-month change.

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Detached Country Club Sales



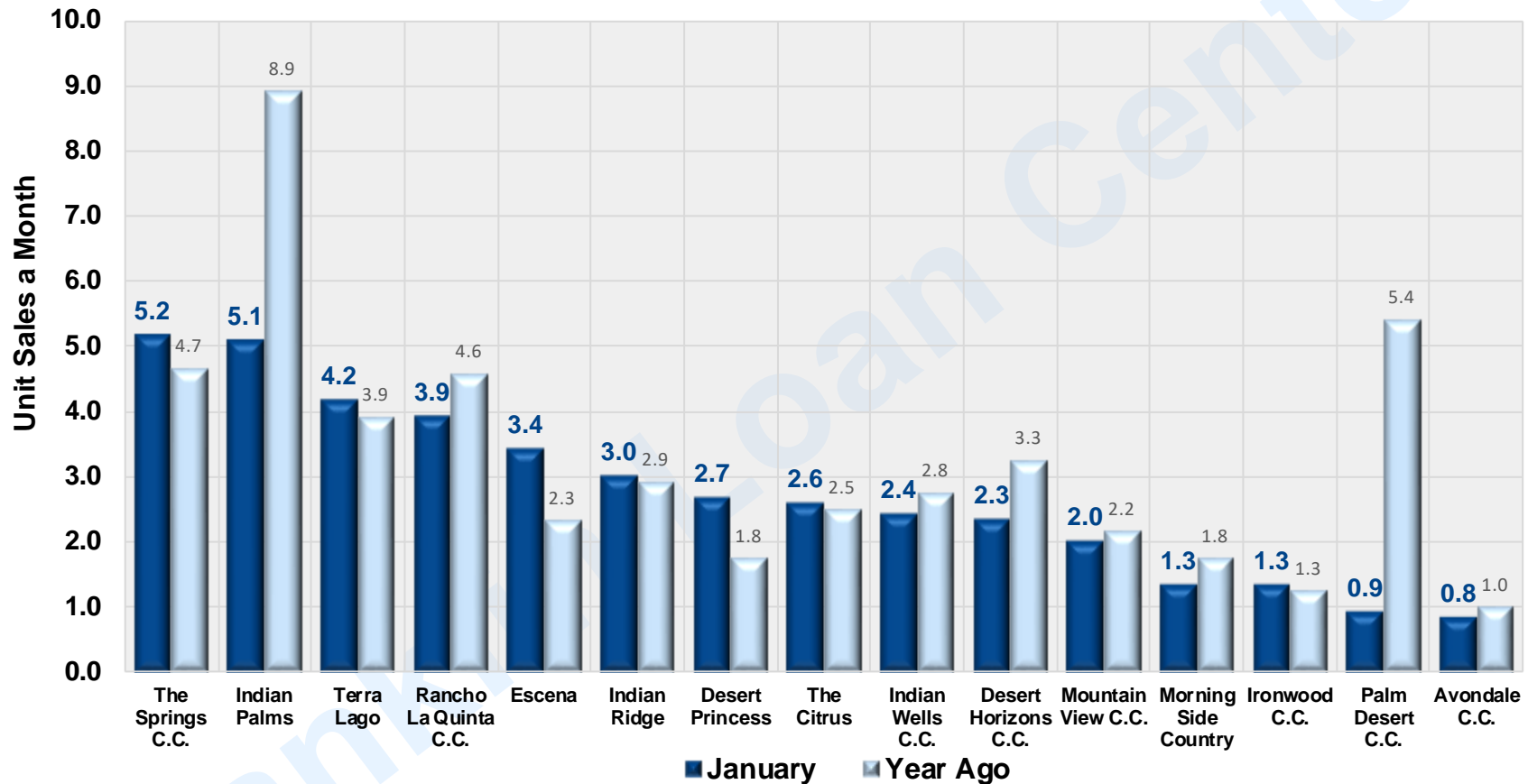
Detached Country Club Sales

Detached Country Club sales is the average number of sales per month in the 15 country clubs we monitor. Sales are averaged over the preceding 12 month to produce this monthly average. This length of time take out the seasonal ups and downs, which can vary as much as 50% depending upon the season and shows long-term levels and sales trends. The callout numbers represent the current average sales per month compared to average monthly sales a year ago.

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Unit Sales by Detached Country Club



Unit Sales by Country Club

This bar chart shows average monthly sales in each of the 15 country clubs compared to year ago levels. Dark blue bars represent current sales, while light blue bars are year ago values. Like the previous chart, the average is the monthly average over the past 12 months. The detached country clubs are ranked by largest number of unit sales.

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Detached Country Club Dollar Sales



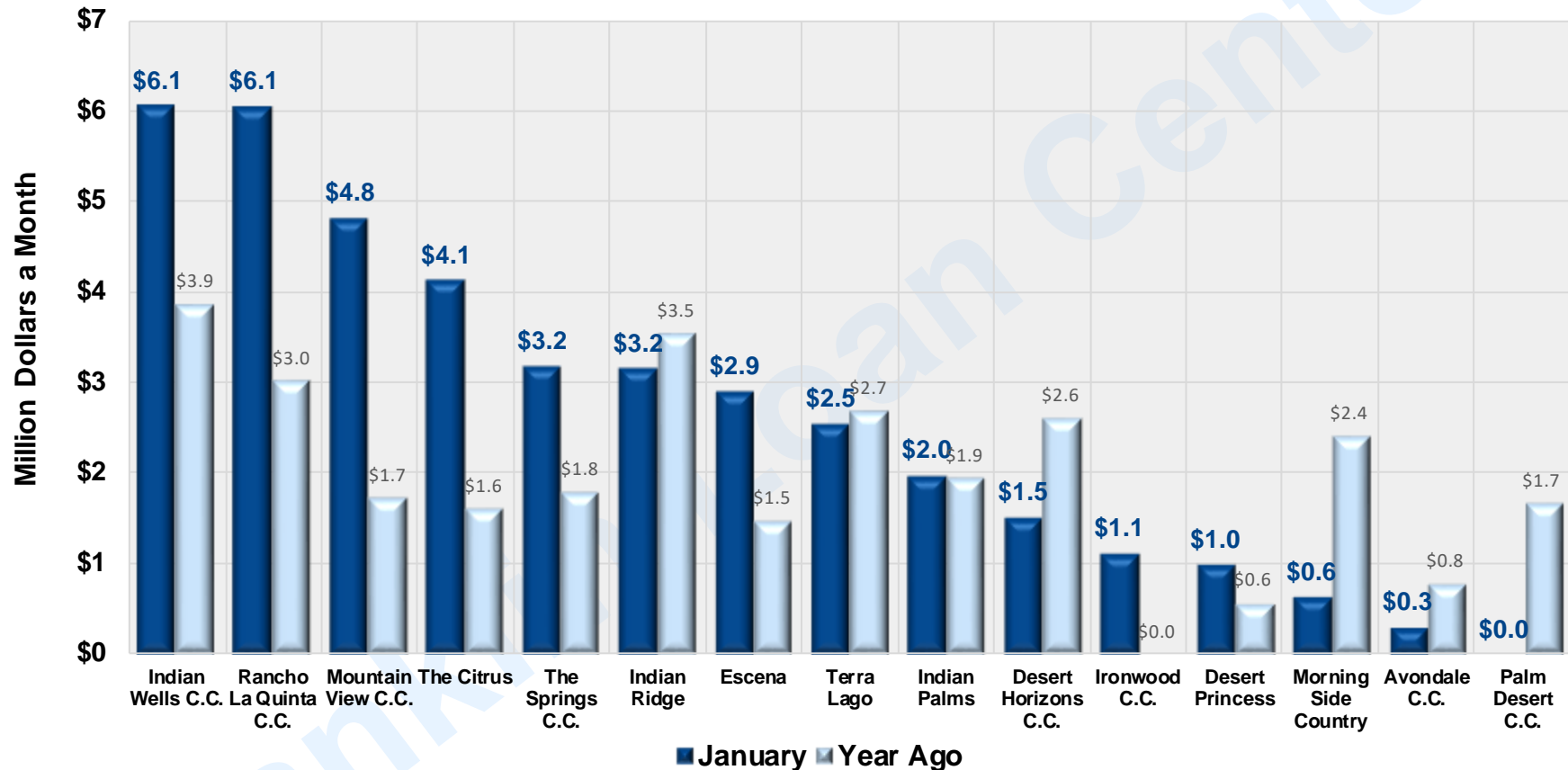
Detached Country Club Dollar Sales

Detached Country Club dollar sales is the average amount of sales in dollars per month in the 15 country clubs and the numbers shown are in millions of dollars. Dollar sales are averaged over the last three months. This length of time shows the seasonal ups and downs in dollar sales, which can vary as much as 60% or more, depending upon the season. The callout numbers represent current dollar sales compared to dollar sales a year ago. Because of seasonal variation dollar sales should only be compared against dollar sales at the same time in past years.

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Dollar Sales by Detached Country Club



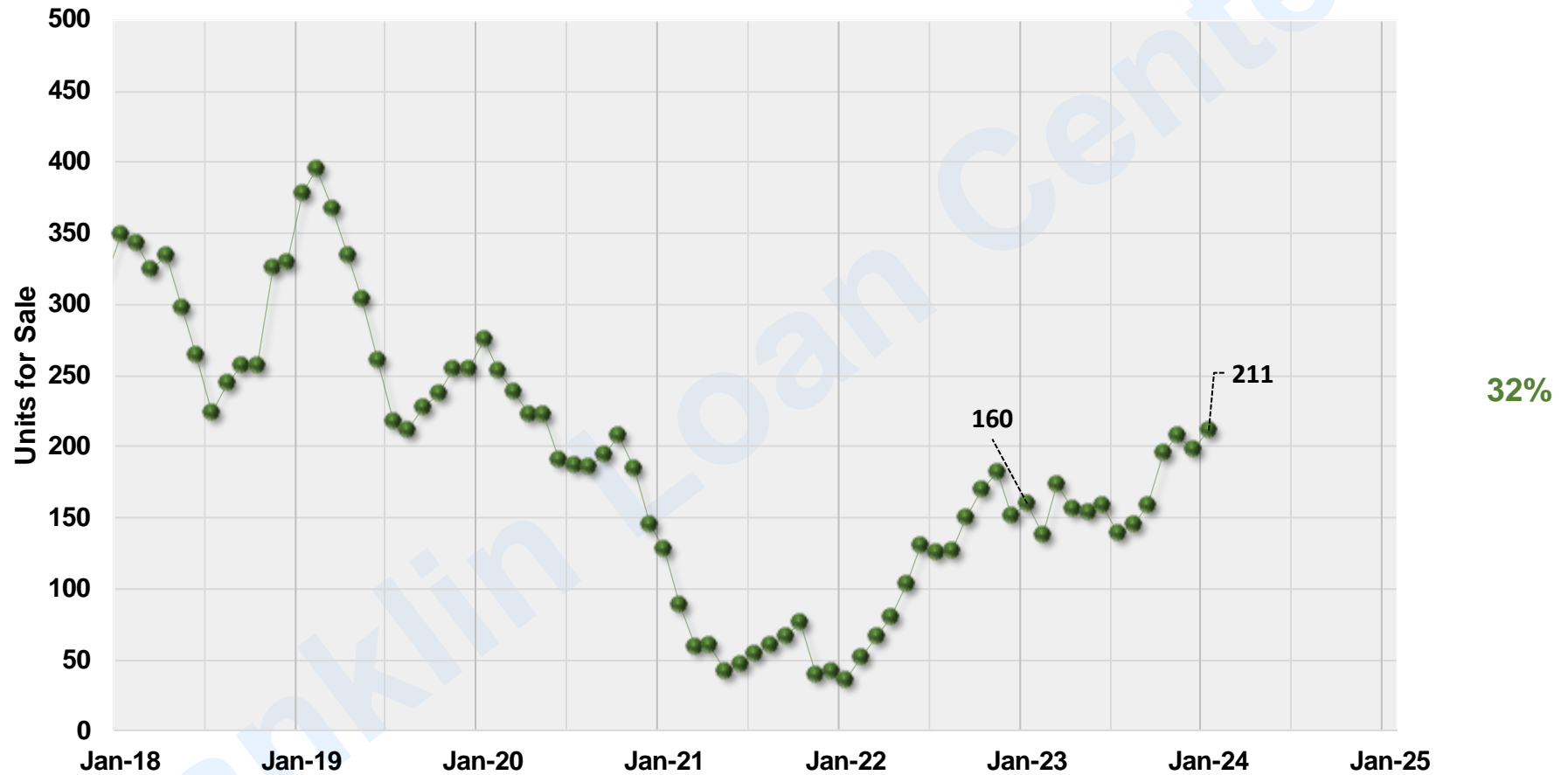
Dollar Sales by Country Club

This bar chart shows average monthly dollar sales in each of the 15 country clubs compared to year ago levels. Like the previous chart, the average is the monthly average over the past three months. Dark blue bars represent current dollar sales, while light blue bars are year ago values. The numbers shown are in millions of dollars. The country clubs are displayed left to right by largest dollar sales.

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Detached Country Club Inventory



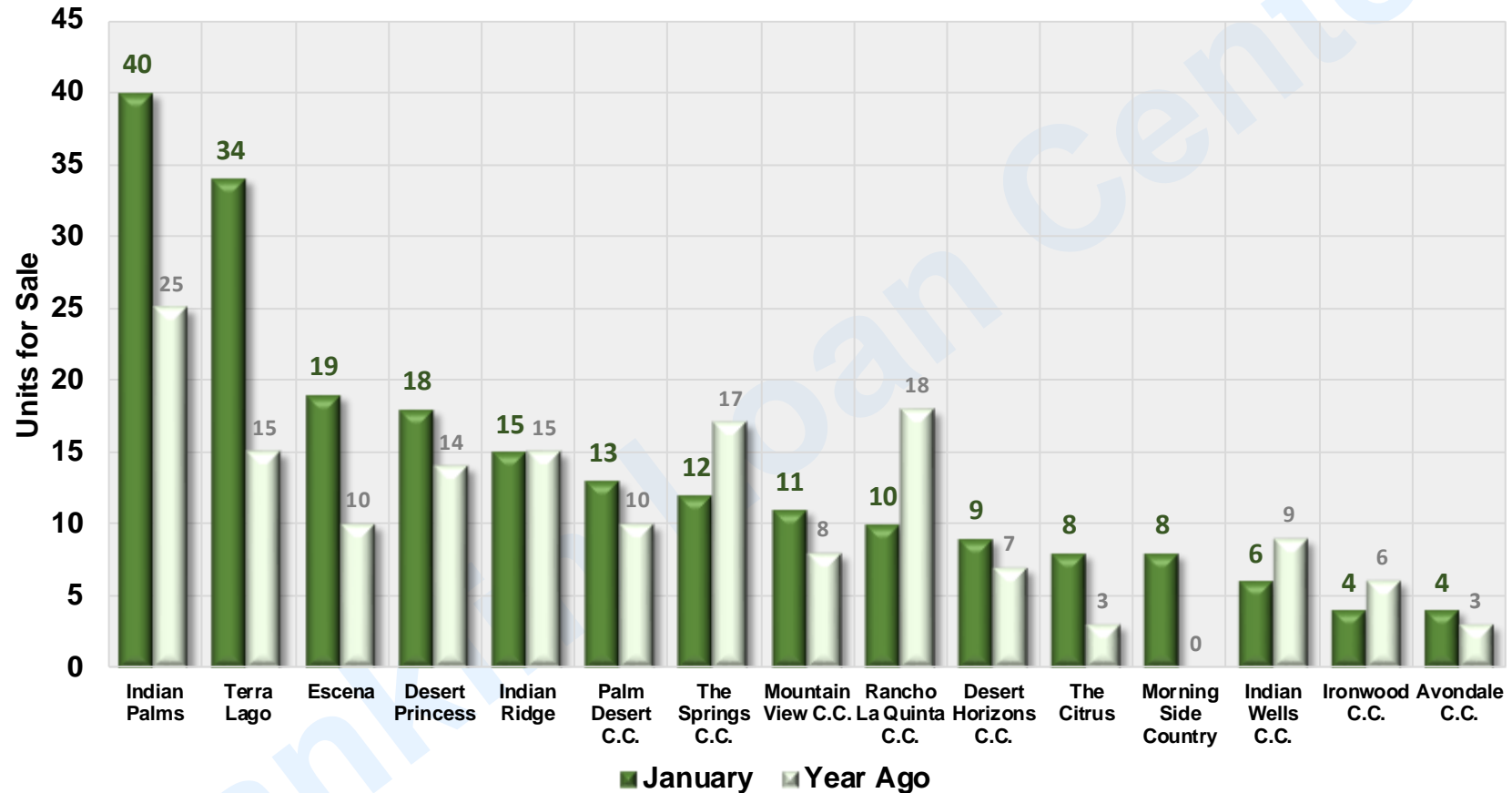
Luxury Housing Inventory

This graph is a five-year plot of the number of listings in the 15 country clubs at the end of each month. As the graph shows there was a seasonal pattern to listings, which often reached a peak in Jan or Feb and a low sometime in January or January. This seasonal pattern went away with the start of the pandemic. In the dynamic equation of supply and demand, this curve represents supply. The call numbers are current inventory compared to year ago numbers. The large number to the right is the percentage change in total inventory.

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Inventory by Country Club



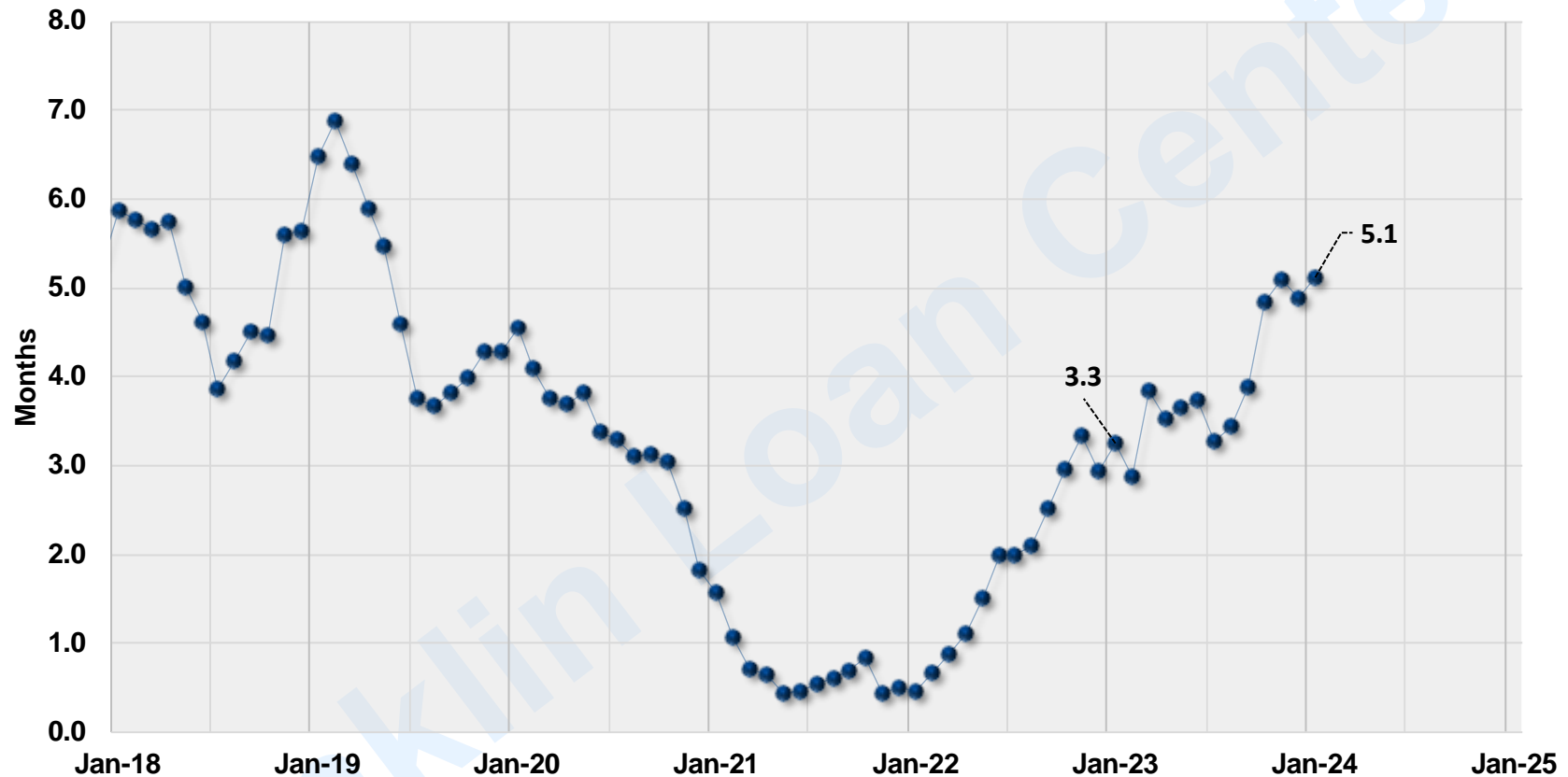
Inventory by Country Club

This bar chart shows end of the month inventory in each of the 15 country clubs compared to year ago levels. The dark green bars represent current inventory, while light green bars are year ago numbers. The country clubs are displayed left to right by largest inventory.

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Detached Country Club "Months of Sales"



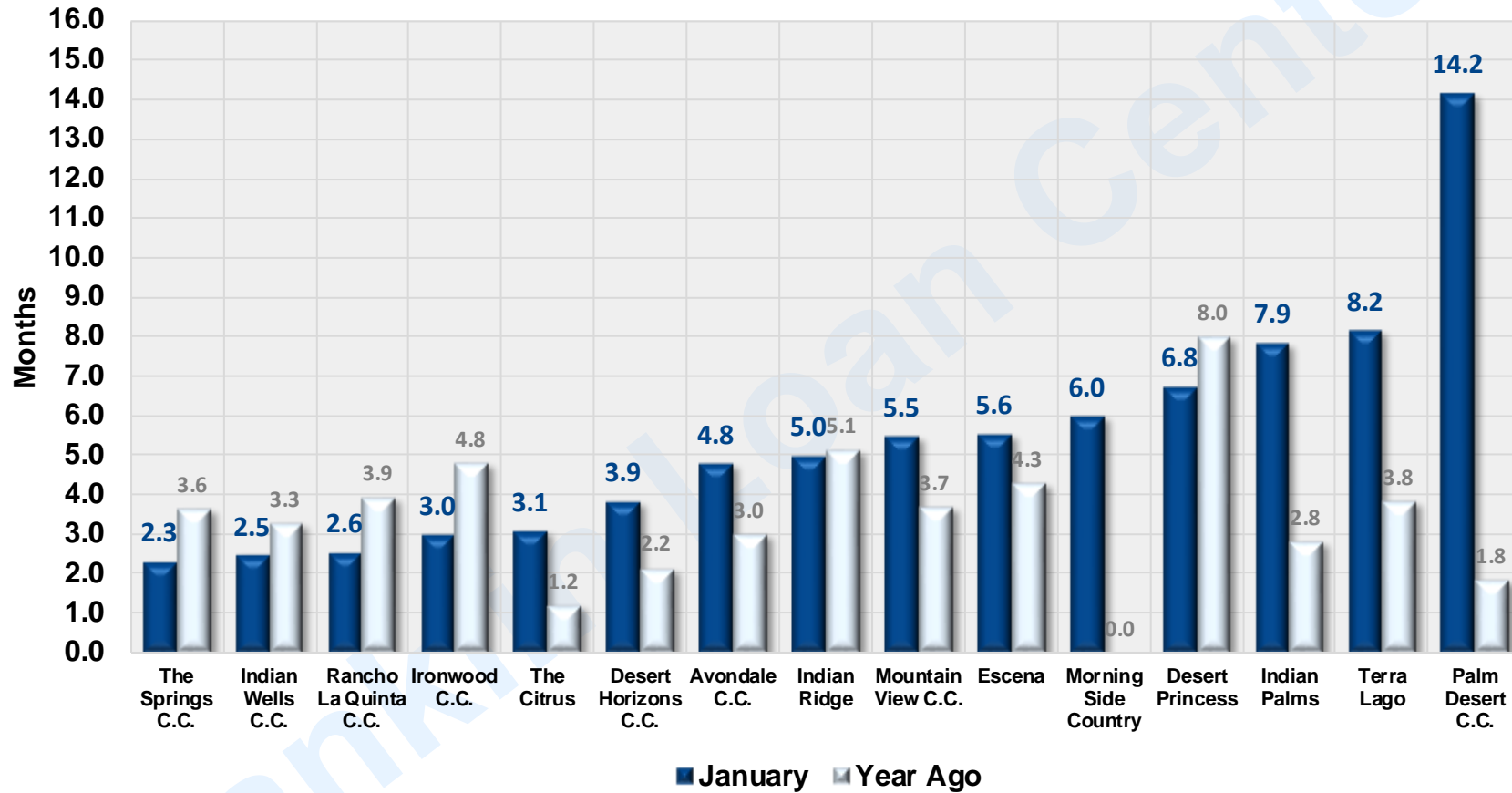
Luxury Market "Months of Sales" Ratio

This graph is a five-year plot of the "months of sales" ratio for detached country clubs. The "months of sales" ratio, which is inventory divided by the sales rate, and is the housing market equation of supply and demand. Sales represent demand and inventory is supply and the ratio is the number of months it would take to sell off the inventory at the current sales rate. The call numbers are the current ratio and the year ago number. High ratios are supply greater than demand, while low ratios represent high demand and little supply.

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"Months of Sales" by Country Club



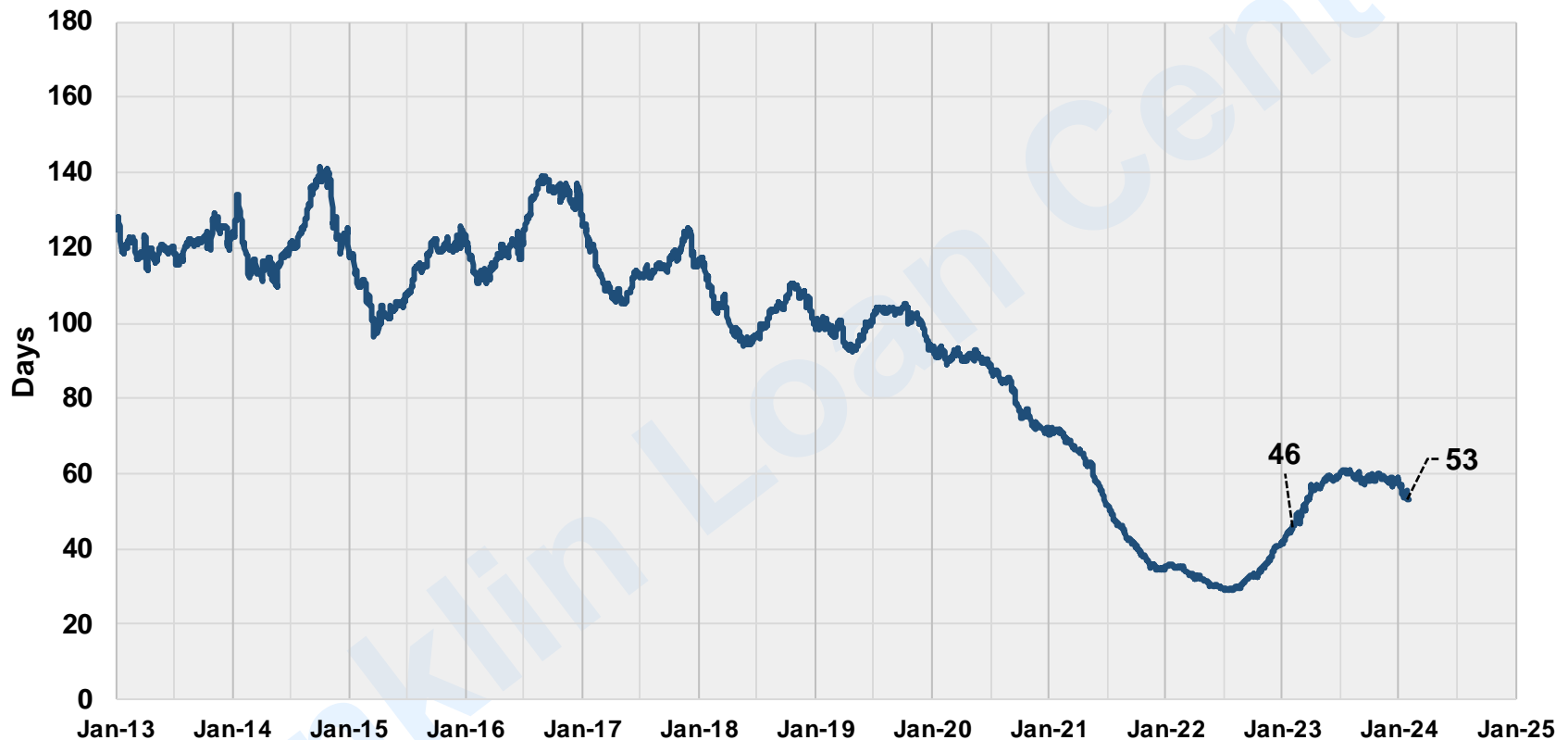
"Months of Sales" Ratio by Country Club

This bar chart shows "months of sales" ratio in each of the 15 country clubs compared to year ago levels. The dark blue bars represent the current ratio, while light blue bars are year ago numbers. The country clubs are displayed left to right by lowest ratios.

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Average "Days in the Market" Detached Country Clubs



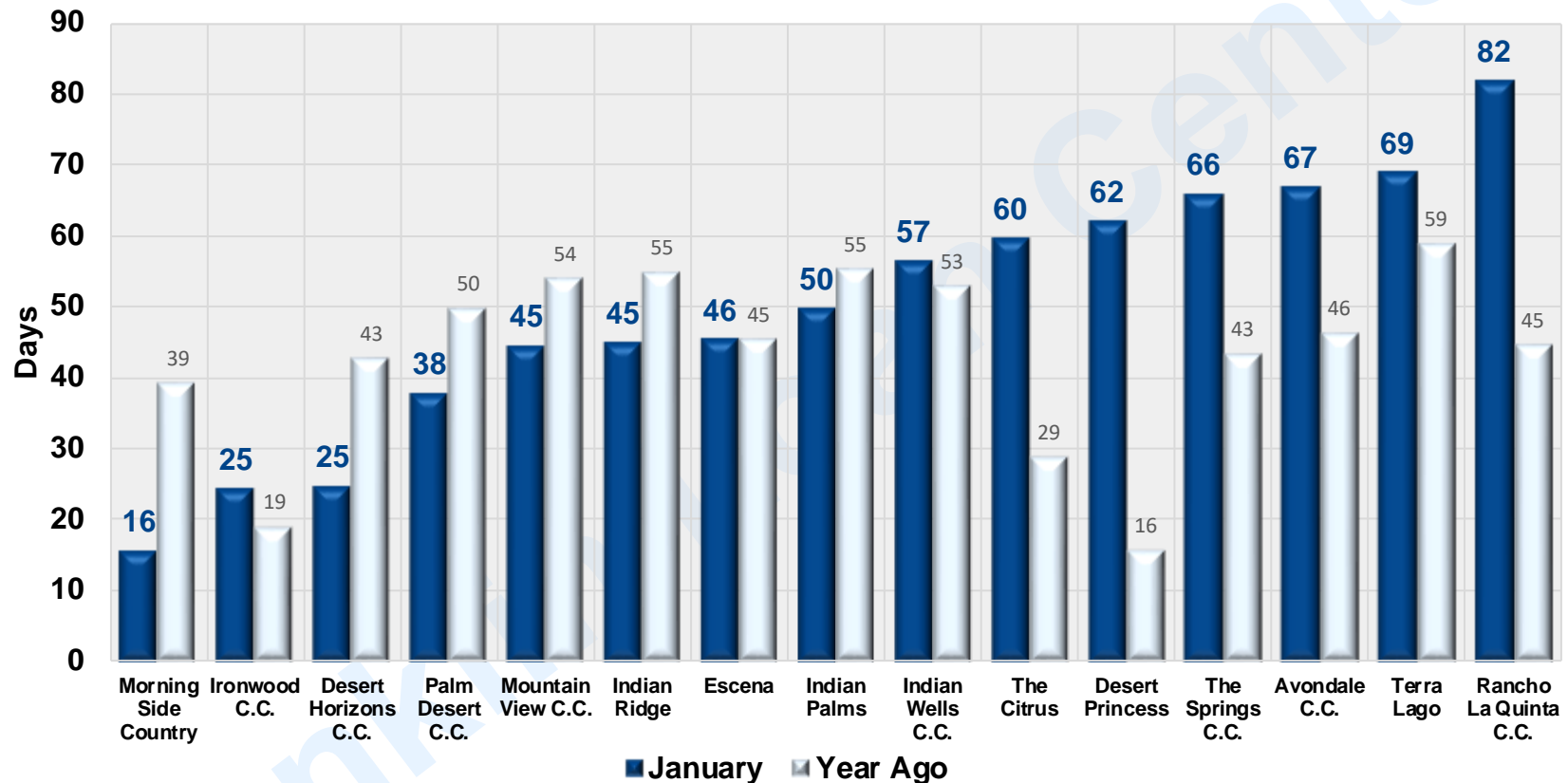
Average "DIM"

This is a ten-year chart of the average number of "days in the market" for the detached country club market. It is a composite average made from the 15 country clubs. It is useful at measuring overall selling times in this market as well as the trend in this metric. The call numbers are the current average selling time, in days, compared to the year ago number.

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Average "Days In The Market" by Detached Country Club



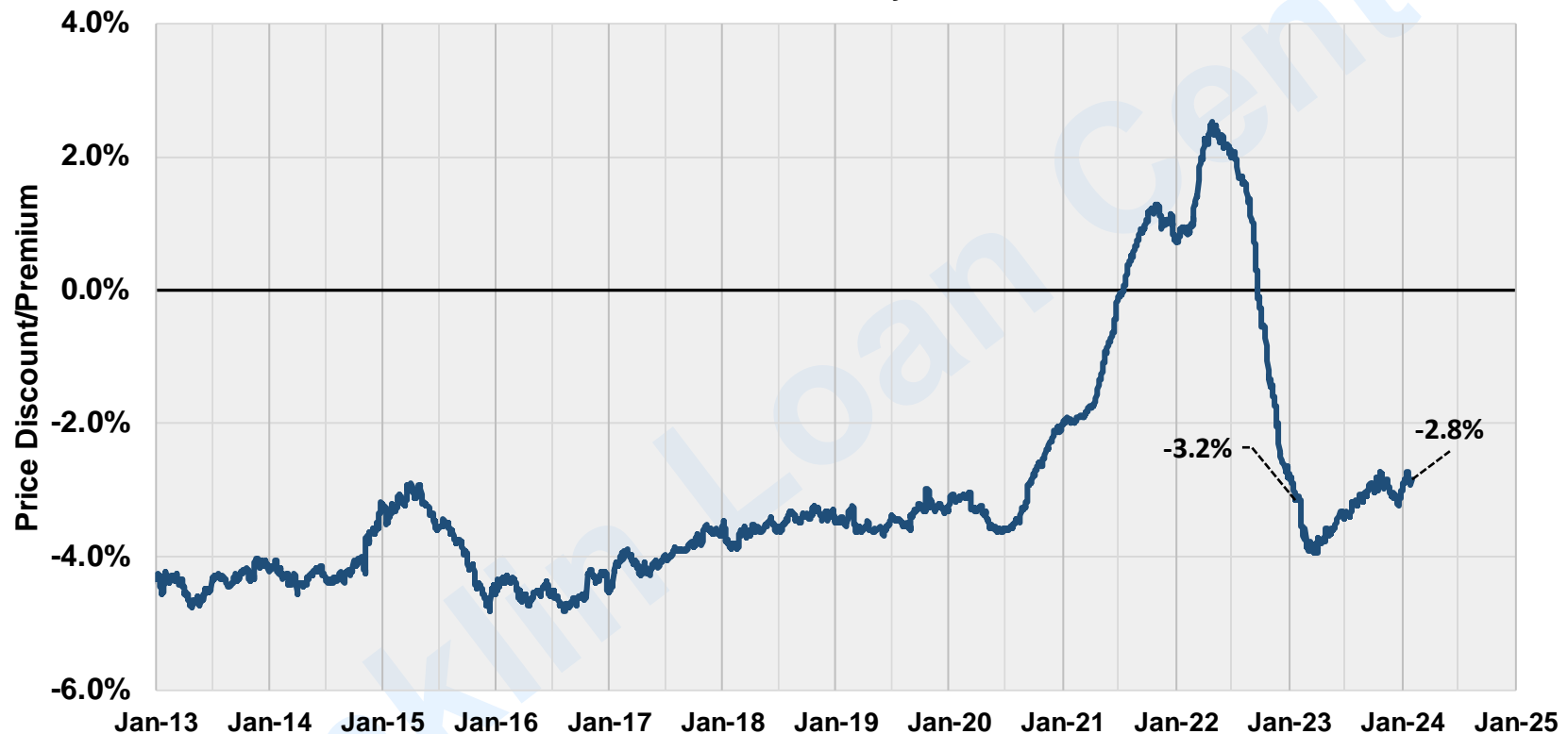
Average "Days in the Market"

This bar chart shows current, average "days in the market" in the 15 subdivisions compared to year ago numbers. The dark blue bars represent the current average, while light blue bars are year ago averages. The country clubs are displayed left to right by the smallest number of average days.

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Average Price Premium/Discount Detached Country Clubs



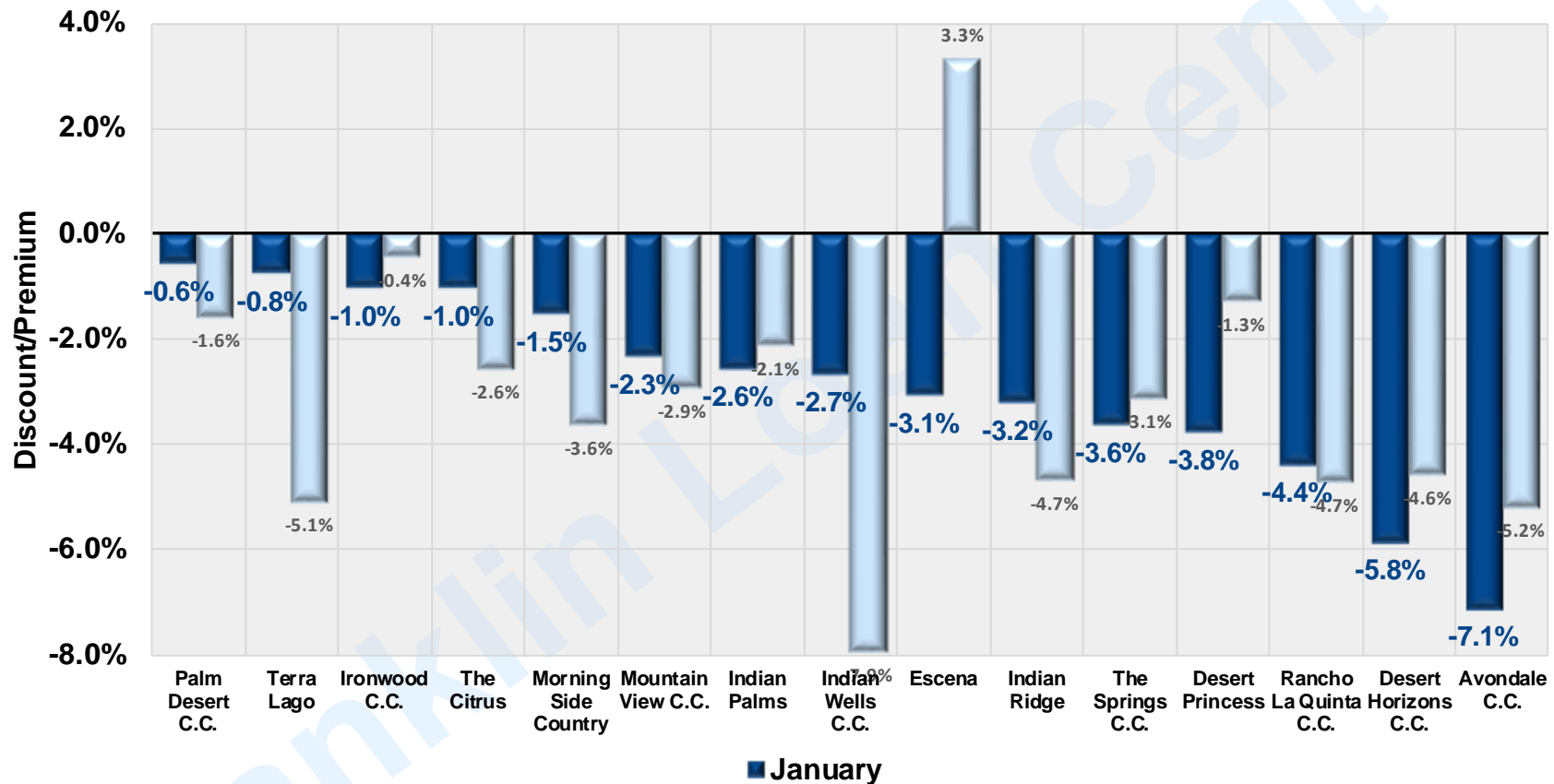
Average Price Premium/Discount

This 10-year graph plots the average price discount (or premium) of the fifteen detached country clubs in the Coachella Valley. Over five hundred sales go into its calculation. A negative number represents a price discount while a positive one represents a premium. The call out numbers are the current value and the value a year ago.

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Average Price Premium/Discount by Country Club



Average Price Discount/Premium

This bar chart shows average price discounts (or premiums) in the 15 country club subdivisions compared to year ago levels. The dark blue bars represent the current average, while light blue bars are year ago averages. A negative number represents a price discount, while a positive number represents a premium. The subdivisions are displayed left to right by the smallest discount (or largest premium).

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Glossary for the Coachella Valley Detached Country Club Report

We made a major upgrade in our MLS reports. This sheet will explain these changes and why we believe our report is at the leading edge of what can be done today with MLS statistics.

- The new report uses “cleaned” MLS data that deletes or modifies bad entry data. This step is required to produce accurate, *average* calculations.
- The report now uses *average* values instead of *median* values on all metrics.
- The report introduces a better way to calculate and measure changes in a city’s average home price. We believe the standard methodology of simply calculating an average or median price of sales over a specific time period does not accurately measure the price of a city or region’s average or median home.
- The detached country club calculations are based on sales in the 15 listed country clubs. The regional average price, the regional average “days on the market” and the regional average price discount – are all done use a mathematical procedure that lessens random variations and produces better results.

Changing from “median” values to “average” values.

Calculating an average price is a better representation than calculating a median price. Why? Because the median price is simply one home price in the middle of a group of sales, while the average price mathematically includes the price of all homes in that group. If prices are moving up and down at either end of the price spectrum, the *median* price will not show these price changes, but the *average* price will.

The reason the median price became the statistical standard in the industry isn’t because it is best, it’s primarily because it bypasses the mathematical problem of agents entering incorrect numbers. If an agent enters a price of \$30 million instead of \$300,000 (yes, we see that), this error will hugely affect the average price but it has little effect on the median price, so the median price is the safe calculation – but it’s not the best.

But to use an “average” calculation requires that the underlying data be relatively devoid of errors so that’s why we first try to find and “clean” the data before doing any calculations.

An improved method to calculate a city or region’s average or median home price.

It is important that statistical analysis accurately reflects what one is trying to show. For example, calculating the median or average price of all sales over a month or three month period, while called an “average” or “median” price, isn’t really the average home price in that city or region. It’s simply the average or median price of the homes sold over that time period.

A better method to measure the average home price is the following:

First, using historical sales calculate the average home size in the region or city over the last five years (or longer). This number will be a relatively accurate representation of the average home size in that city or region.

Second, calculate the average or median *price per square foot* of homes sold over the period of interest. We use six months when doing this report. We calculate “price per sq. ft.” instead of “price” because it varies less as the average home size varies in the selling sample (mathematically speaking, price per sq. ft. is one order less than the price, which means it’s more stable).

This free report is intended to assist fellow East Valley board members in assessing market conditions and making informed evaluations and/or appraisals in the selling or financing of their client properties. CalBRE #001069837

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Three, multiply the average *price per square foot* by the average home size determined in step one. The resultant price is the best representation of the average price of a home in that city or region. Month-to-month changes in this average price are much more meaningful since a change in this number better represents real price changes and is not the result of simply measuring the price of larger or smaller homes.

Composite Calculations

We calculate values for the average detached country club price, price per sq. ft., “days in the market” and price discount by taking average values of these metrics in each of the 15 country clubs, then combining them in a weighted composite for the total. The weighting of each COUNTRY CLUB is based on the long-term percent of sales that that COUNTRY CLUB contributes to the total. For the same reasons explained above, this method is statistically more stable and accurate than simply taking all sales in the region and then calculating these metrics as one whole.

Average sized home in each subdivision and weightings in the total calculation

The table below is the average size of detached and detached homes we used in the city and regional average home price calculation:

Country Club	sq. ft.	Weighting
Avondale Country Club	2,600	2.4%
Desert Horizons County Club	2,900	5.8%
Desert Princess	1,700	5.7%
Escena	2,500	5.2%
Indian Palms	1,900	16.5%
Indian Ridge	3,000	6.6%
Indian Wells Country Club	3,300	5.7%
Ironwood Country Club	3,400	3.0%
Morningside Country	3,850	3.5%
Mountain View Country Club	3,300	4.1%
Palm Desert C.C.	1,500	8.5%
Rancho La Quinta CC	3,000	10.8%
Terra Lago	2,300	6.3%
The Citrus	3,300	5.9%
The Springs Country Club	2,950	10.0%

Franklin Loan Center Submarket Reports for the Coachella Valley

These Franklin Loan Center real estate reports are intended to help fellow board members better understand the different submarkets that make up the Coachella Valley real estate market. The Coachella Valley is truly an international homebuyer market with each submarket attracting buyers from around the world with different wants and needs. The 58 subdivisions in these five submarkets account for 40% of regional dollar sales. Please contact your Franklin Loan Center representative to obtain a current copy of the submarket report you and your client may be interested in (760-779-8100).

Adult Communities
Del Webb RM
Four Seasons at Terra Lago
Heritage Palms Country Club
Indian Springs
Sun City
Sun City Shadow Hills
Trilogy
Trilogy Polo Club

PGA West
Greg Norman (Detached)
Legends (Detached)
Nicklaus Private (Attached)
Nicklaus Private (Detached)
Nicklaus Tournament (Attached)
Nicklaus Tournament (Detached)
Palmer Private (Attached)
Stadium (Attached)

Luxury Golf Clubs & Areas
Andalusia at CM
Andreas Hills
Bighorn Golf Club
El Dorado Country Club
Indian Canyons
Movie Colony
Old Las Palmas
Tamarisk Country Club
The Hideaway
The Madison
The Reserve
Thunderbird Heights
Toscana Country Club
Tradition Golf Club
Vintage Country Club

Attached Country Clubs
Chaparral Country Club
Desert Falls Country Club
Indian Ridge
Indian Wells Country Club
Ironwood Country Club
Mesquite Country Club
Mission Hills Country Club
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