

*March 2023*

# The Coachella Valley Luxury Home Report

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

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March 2023

## SUMMARY

**Prices:** The FLC Luxury Price Index, which represents the average price of a 4,500 square foot home in fifteen of the top luxury country clubs, ended March at \$3,672,562, down \$23,239 for the month but up 19% year over year. In the individual country clubs, average gains ranged from 40.7% for Andalusia down to -20.6% for Old Las Palmas.

**Sales:** In March, luxury sales averaged 15.7 units per month, down 44% from last year. Dollar sales of Luxury homes averaged \$63 million a month versus \$135 million last year, down 53%.

**Inventory:** Total inventory in the fifteen luxury country clubs at the end of March rose 14 units to 98. This is a 108% increase compared to the 47 units last year. The “months of sales” ratio was 5.8 months compared to 1.7 months a year ago.

**Days in the Market:** In March, the average “Days in the Market” for luxury homes was 57 days compared to 62 days a year ago. We are still far under the pre pandemic average of 120 days. By Country Club the numbers range from 24 days in Andalusia to 137 days for the Tamarisk Country Club.

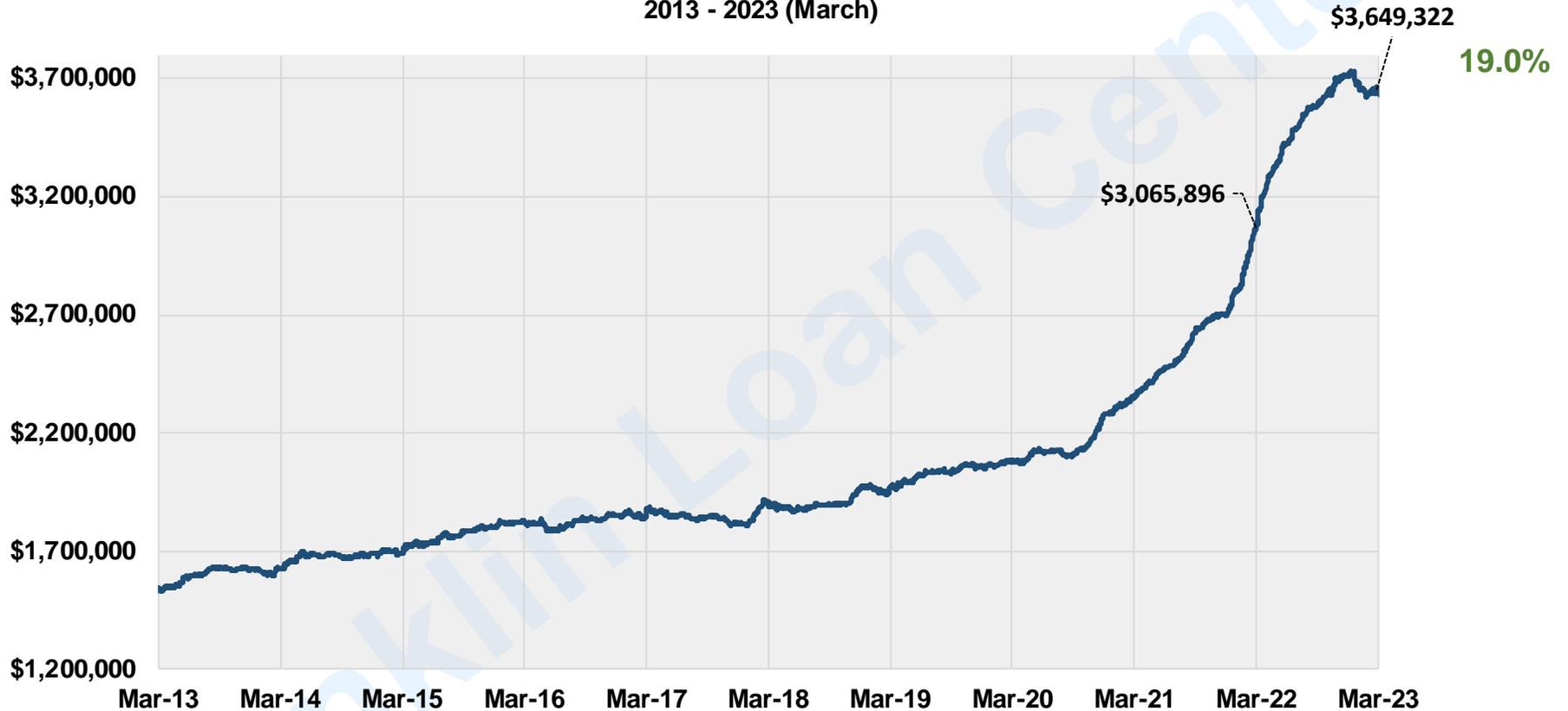
**Price Discount/Premium:** In March, luxury homes sold at an average discount of 2.6% compared to a discount of 1.4% a year ago. This is still far above average. Three Oh of the fifteen country clubs continue to sell homes at an average, statistical premium.

# The Coachella Valley Luxury Home Report

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### The FLC Luxury Home Price Index\*

Coachella Valley  
2013 - 2023 (March)



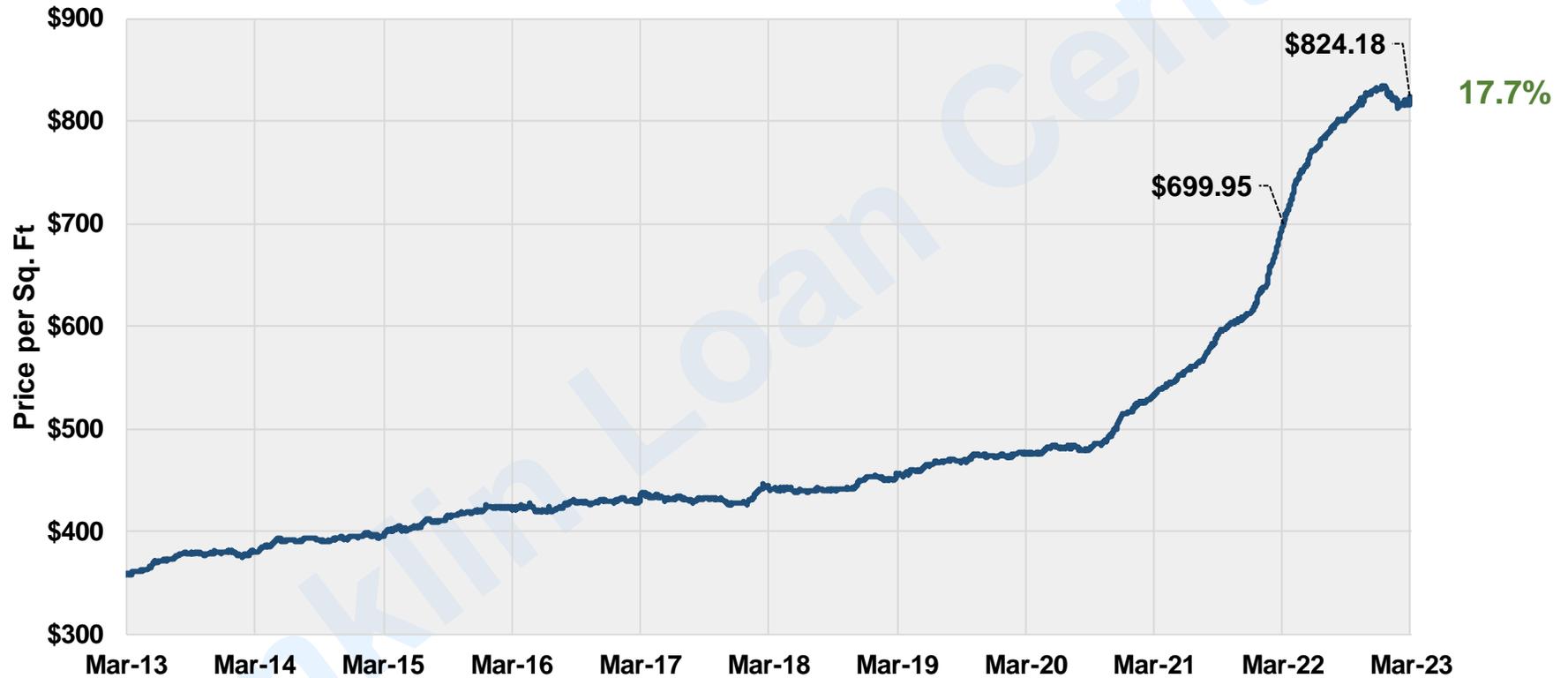
### The FLC Luxury Home Price Index

The FLC Luxury Price Index\* is calculated from prices in the 15 most expensive Country Clubs and Golf Clubs in the Coachella Valley. It represents the average price of a 4,500 square foot home in this luxury market. Over three hundred 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 the region's luxury market. The callout numbers on the chart display its latest value and the value 12 months ago.

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## FLC Luxury Home Price per sq. ft. Coachella Valley 2013 - 2023 (March)



### The FLC Luxury Home Price per Sq. Ft.

The FLC Luxury Price per sq. ft. is also calculated from the price per square foot of sales in the same 15 Country Clubs and Golf Clubs in the Coachella Valley. It represents the average price per sq. ft. of a 4,500 square foot home in this luxury market. Like the luxury price index, over three 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 Coachella Valley Luxury Home Report

## March 2023

### Top 15 Luxury Country Clubs

Development	Avg Size (sq. ft.)	Price per sq. ft.	Current Price	Previous Year	% Change
Andalusia	3,750	\$769	\$2,884,621	\$2,050,809	40.7%
Andreas Hills	4,250	\$763	\$3,243,243	\$2,317,610	39.9%
The Madison	7,250	\$1,584	\$11,481,406	\$8,583,746	33.8%
Tamarisk C.C.	4,000	\$580	\$2,320,950	\$1,840,392	26.1%
Toscana C.C.	4,000	\$861	\$3,442,338	\$2,752,061	25.1%
El Dorado C.C.	4,250	\$816	\$3,469,425	\$2,775,349	25.0%
Bighorn G.C.	5,250	\$966	\$5,070,733	\$4,210,716	20.4%
The Hideaway	4,500	\$953	\$4,287,183	\$3,591,163	19.4%
Tradition G.C.	5,000	\$811	\$4,054,878	\$3,410,667	18.9%
Movie Colony	3,000	\$827	\$2,480,232	\$2,091,685	18.6%
The Reserve	4,250	\$759	\$3,225,414	\$2,804,843	15.0%
Indian Canyons	3,000	\$663	\$1,989,800	\$1,802,497	10.4%
Thunderbird Heights	4,500	\$697	\$3,137,747	\$2,971,904	5.6%
Vintage C.C.	5,750	\$506	\$2,908,436	\$3,488,080	-16.6%
Old Las Palmas	4,000	\$776	\$3,104,328	\$3,909,821	-20.6%

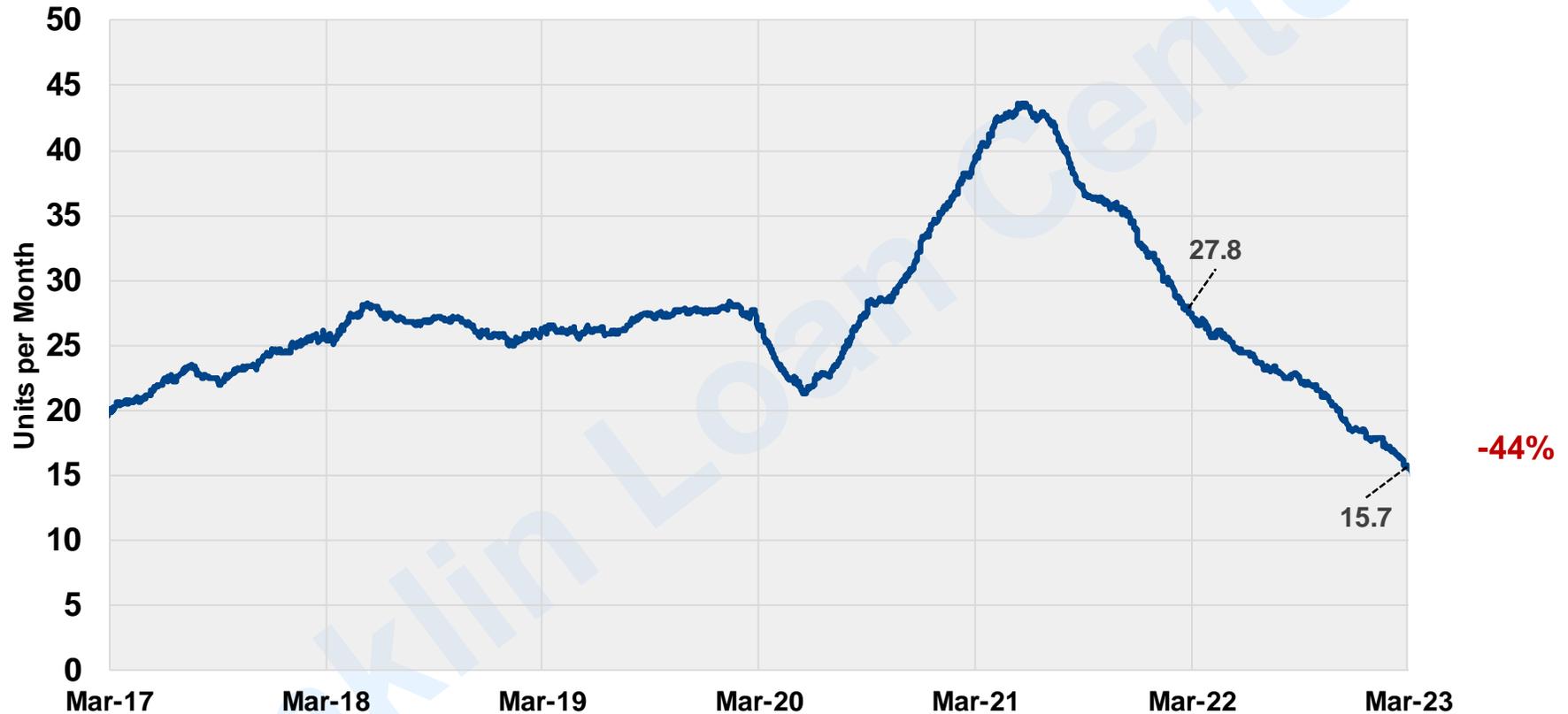
#### Average Price and Price per Sq. Ft.

This table shows the 15 country clubs and golf clubs we use to analyze the luxury home market. The table displays the average size home in each development in square feet. The next column shows the average price per square foot of that home, followed by its current price. The next column shows the price of the whole year ago, 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.

# The Coachella Valley Luxury Home Report

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## Luxury Home Sales



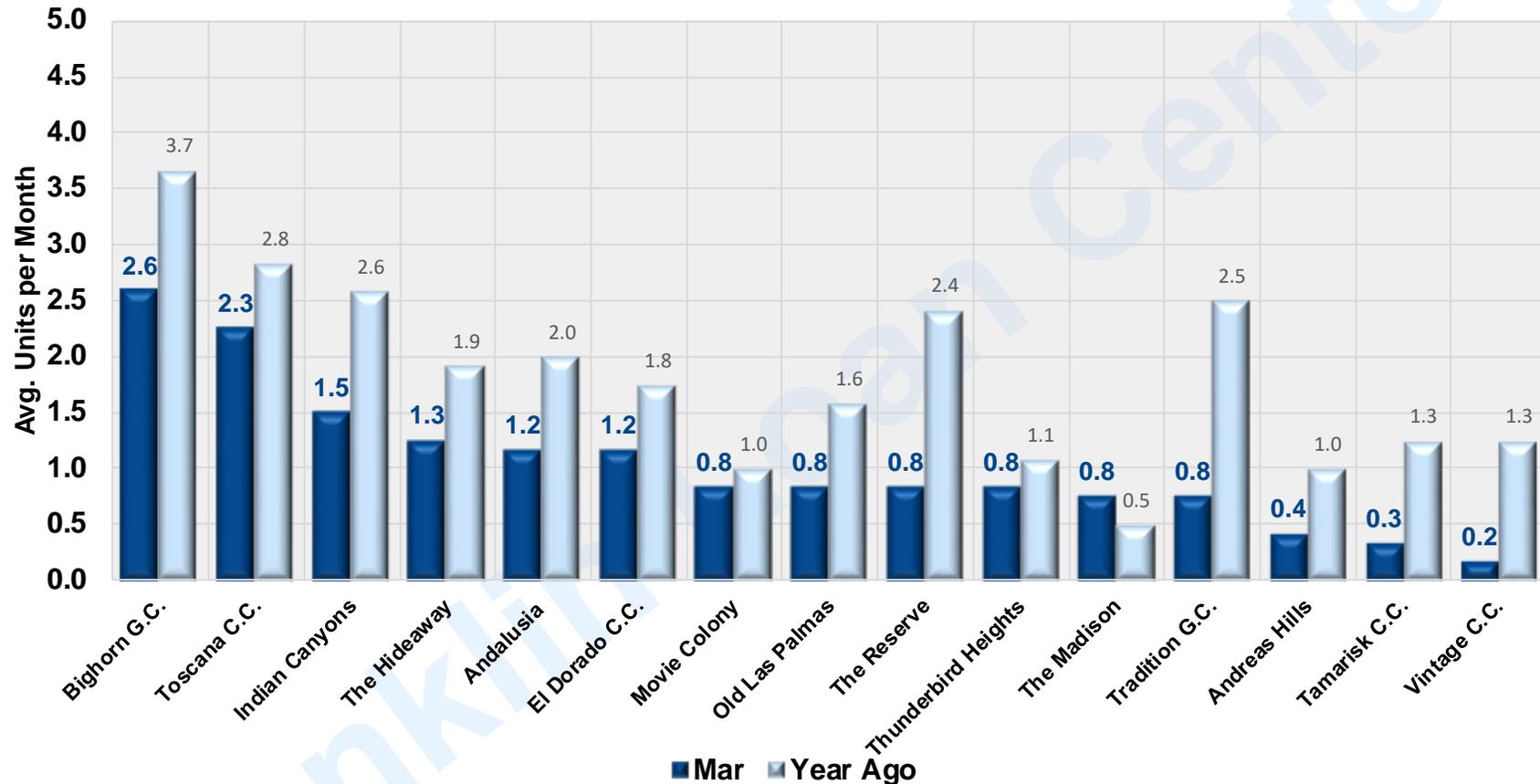
## Luxury Home Sales

Luxury Home Sales is the average number of sales per month over the last twelve months in all 15 luxury country clubs. This length of time take out the seasonal ups and downs, which can vary as much as 50% depending upon the season, showing long-term sales levels and trend. The callout numbers represent the current average sales per month compared to the average a year ago.

# The Coachella Valley Luxury Home Report

## March 2023

### Unit Sales by Country Club



### Unit Sales by Country Club

This bar chart shows average monthly sales over the last twelve months 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. Sales are naturally lower in the luxury market leading to lower unit sales distinguished by fractional values. The country clubs are ranked by largest number of unit sales.

# The Coachella Valley Luxury Home Report

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## Luxury Dollar Sales



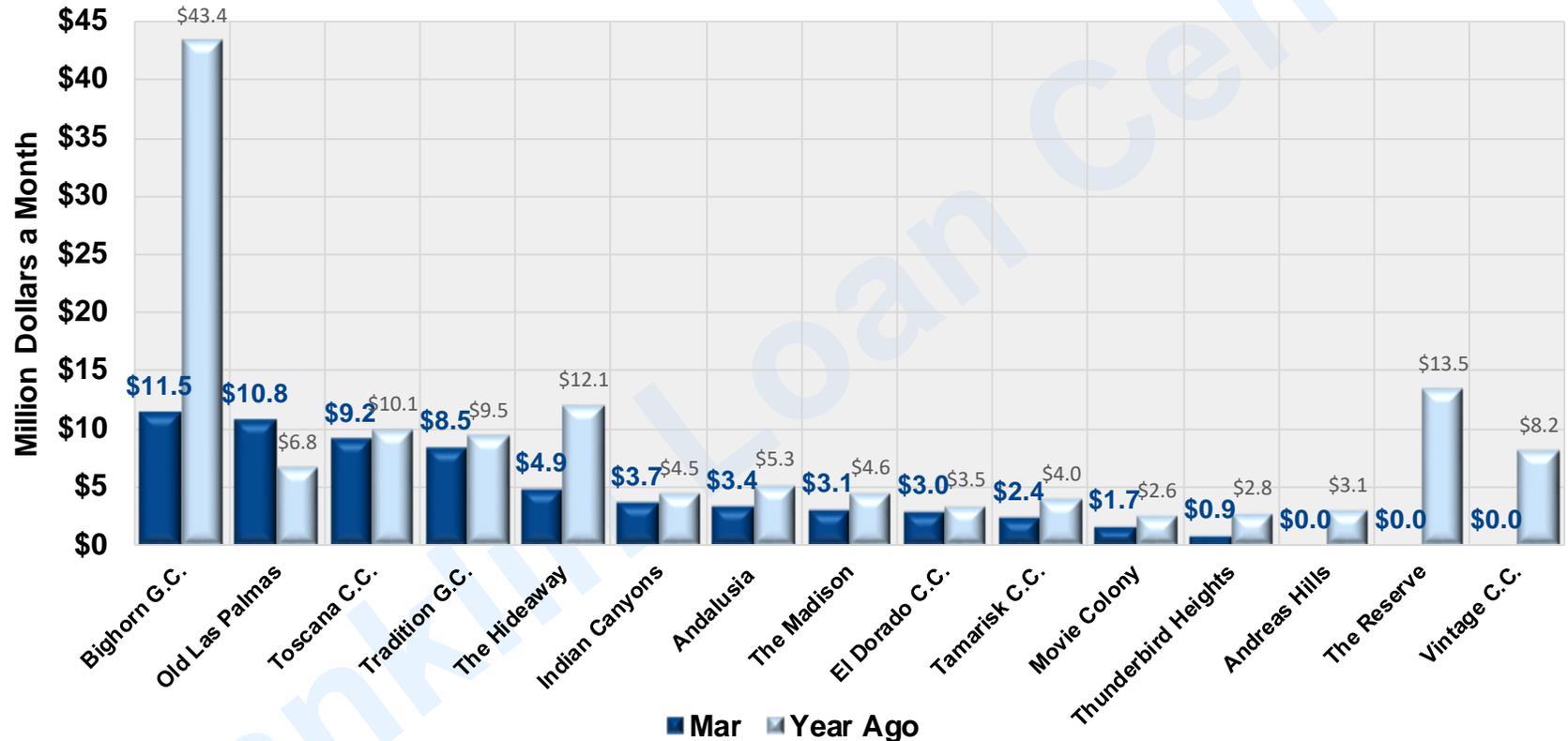
## Luxury Dollar Sales

Luxury Dollar Sales is the average monthly dollar sales over the last three months in the 15 country clubs. The amounts shown are in millions of dollars. 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 of year in past years.

# The Coachella Valley Luxury Home Report

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**Dollar Sales**  
Monthly Average Over Last Three Months  
(in million dollars)



**Dollar Sales by Country Club**

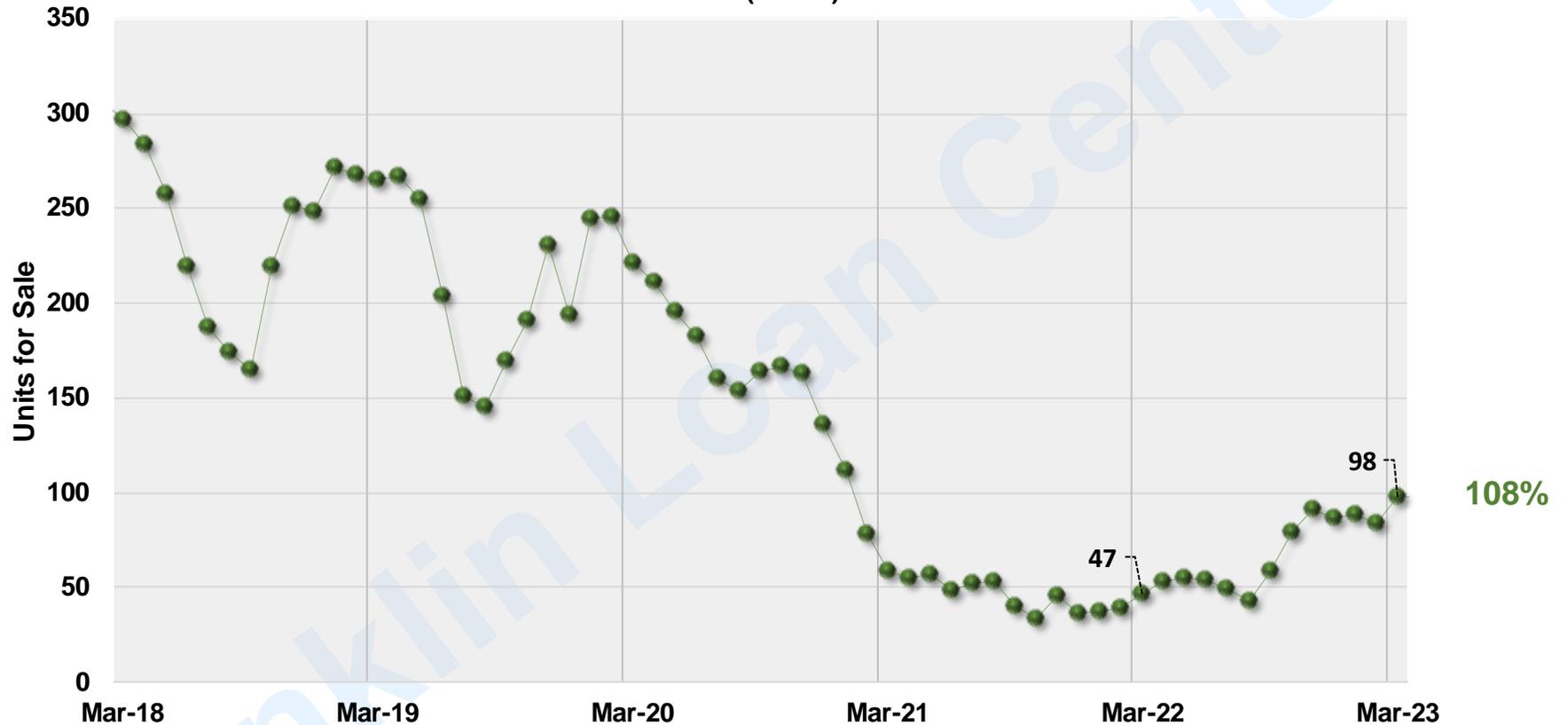
This bar chart shows average monthly dollar sales over the last three months in each of the 15 country clubs compared to year ago levels. Like the previous chart, the average is the monthly average over the past three months. Dark blue bars represent current dollar sales, while light blue bars are year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

# The Coachella Valley Luxury Home Report

## March 2023

### Luxury Housing Inventory

2018 - 2023 (March)



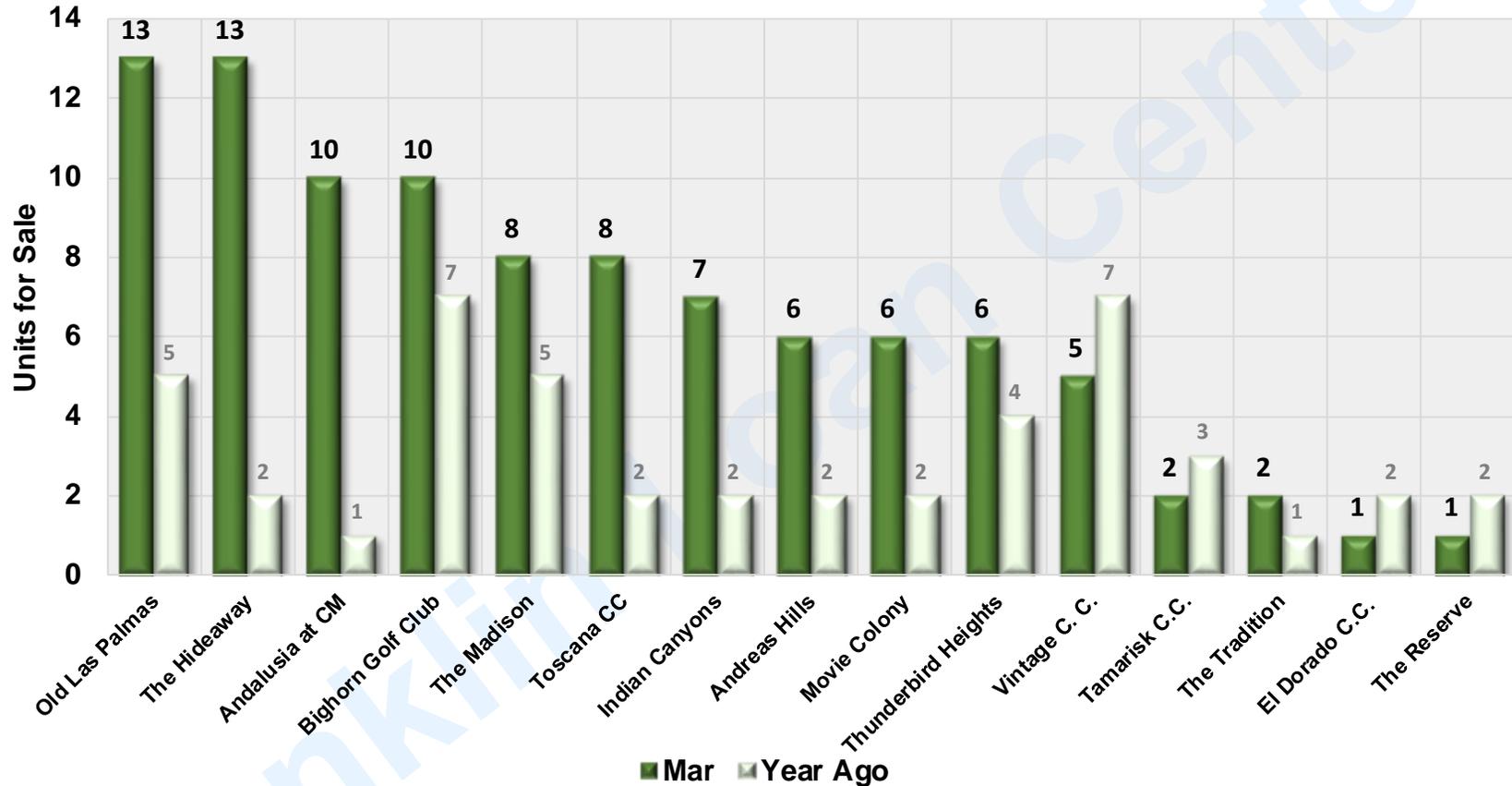
### Luxury Housing Inventory

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 March and a low sometime in March or March. 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 levels.

# The Coachella Valley Luxury Home Report

## March 2023

### Inventory by Country Club



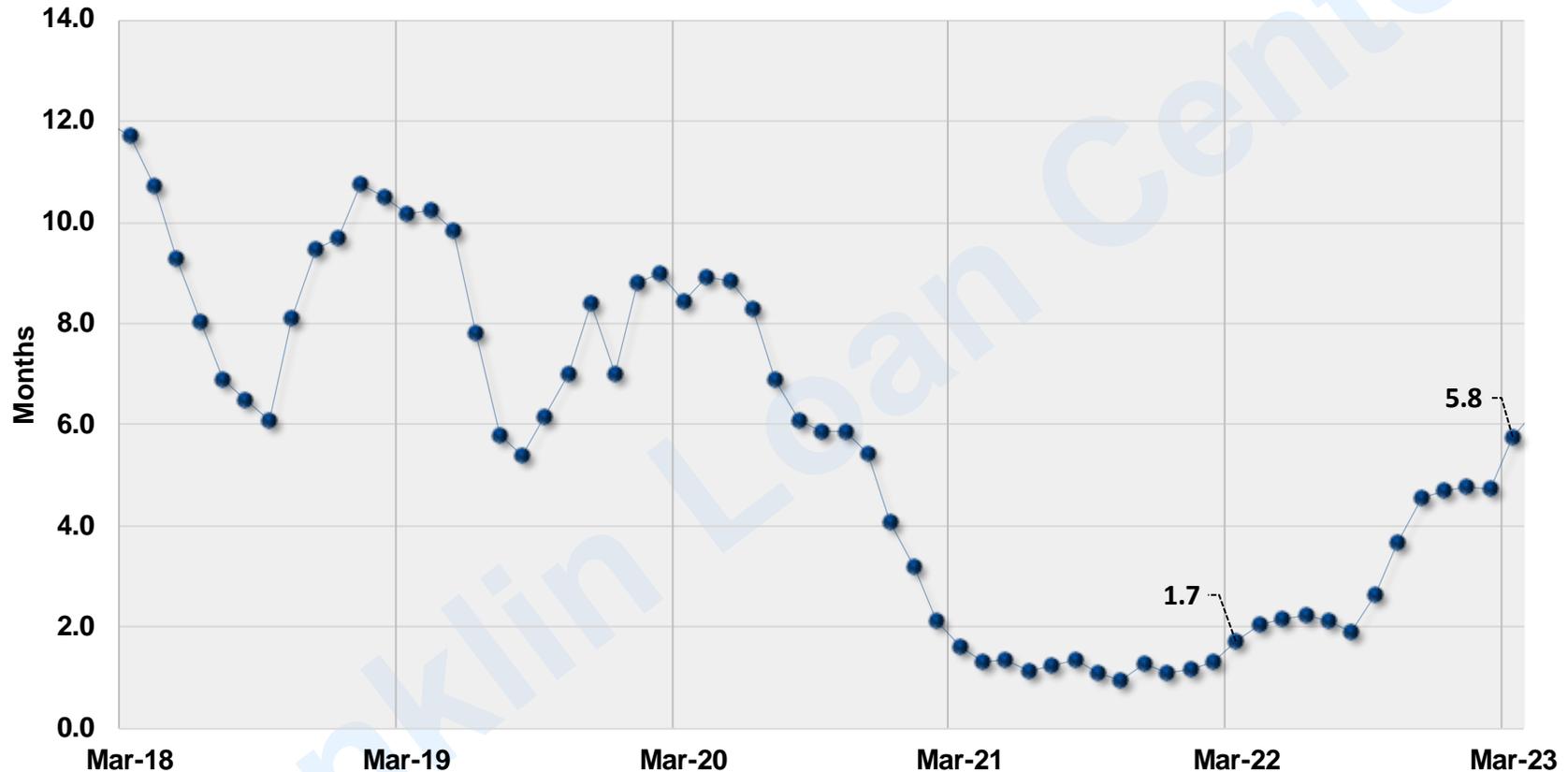
### Inventory by Country Club

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.

# The Coachella Valley Luxury Home Report

## March 2023

**Luxury Market "Months of Sales" Ratio**  
2018 - 2023 (March)



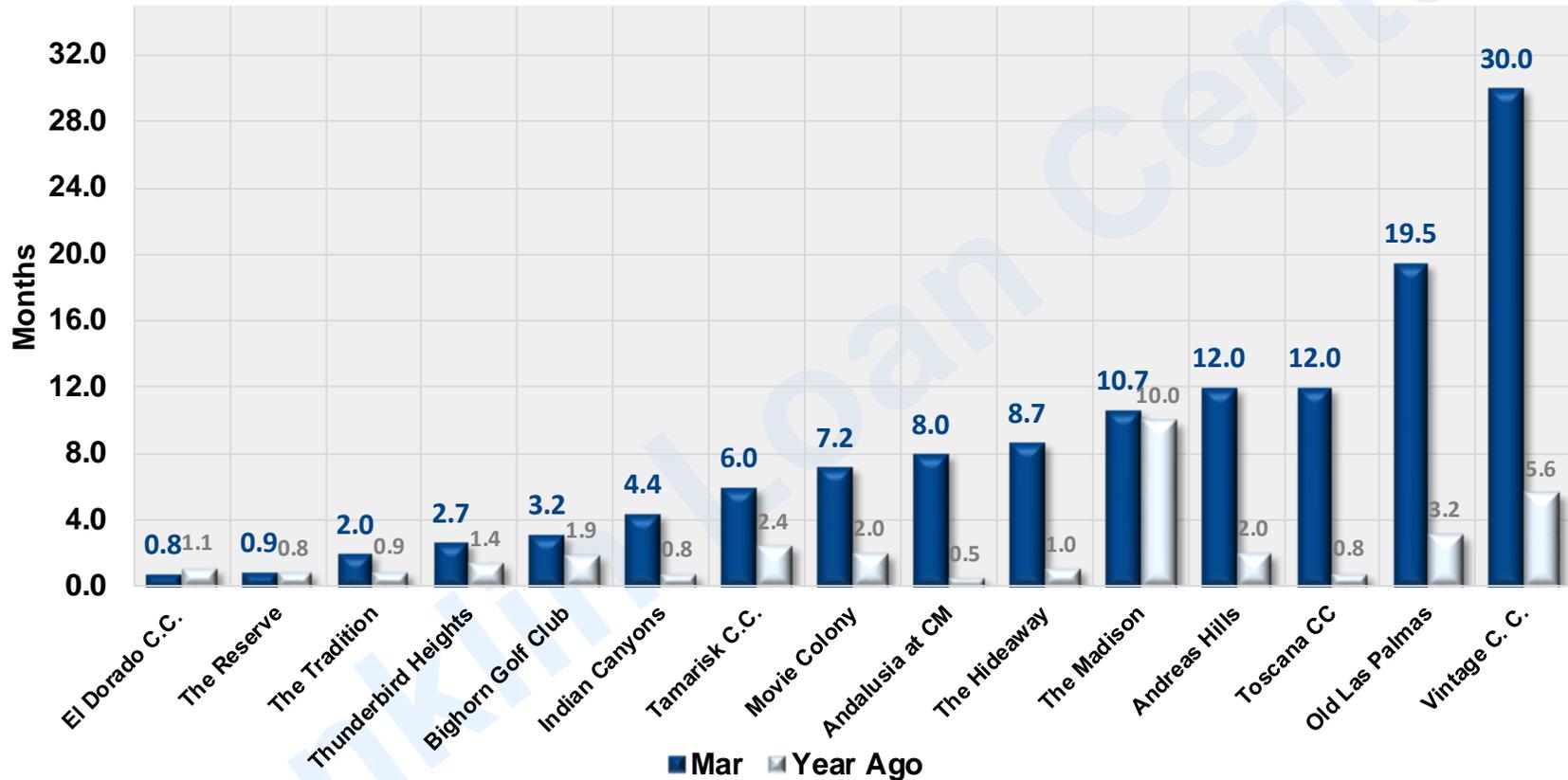
**Luxury Market "Months of Sales" Ratio**

This graph is a five-year plot of the "months of sales" ratio for the luxury market. 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. The ratio for the luxury market is usually much higher than ratios for less expensive homes.

# The Coachella Valley Luxury Home Report

## March 2023

"Months of Sales" Ratio 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.

# The Coachella Valley Luxury Home Report

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### Average "Days in the Market" Luxury Homes 2013 - 2023 (March)



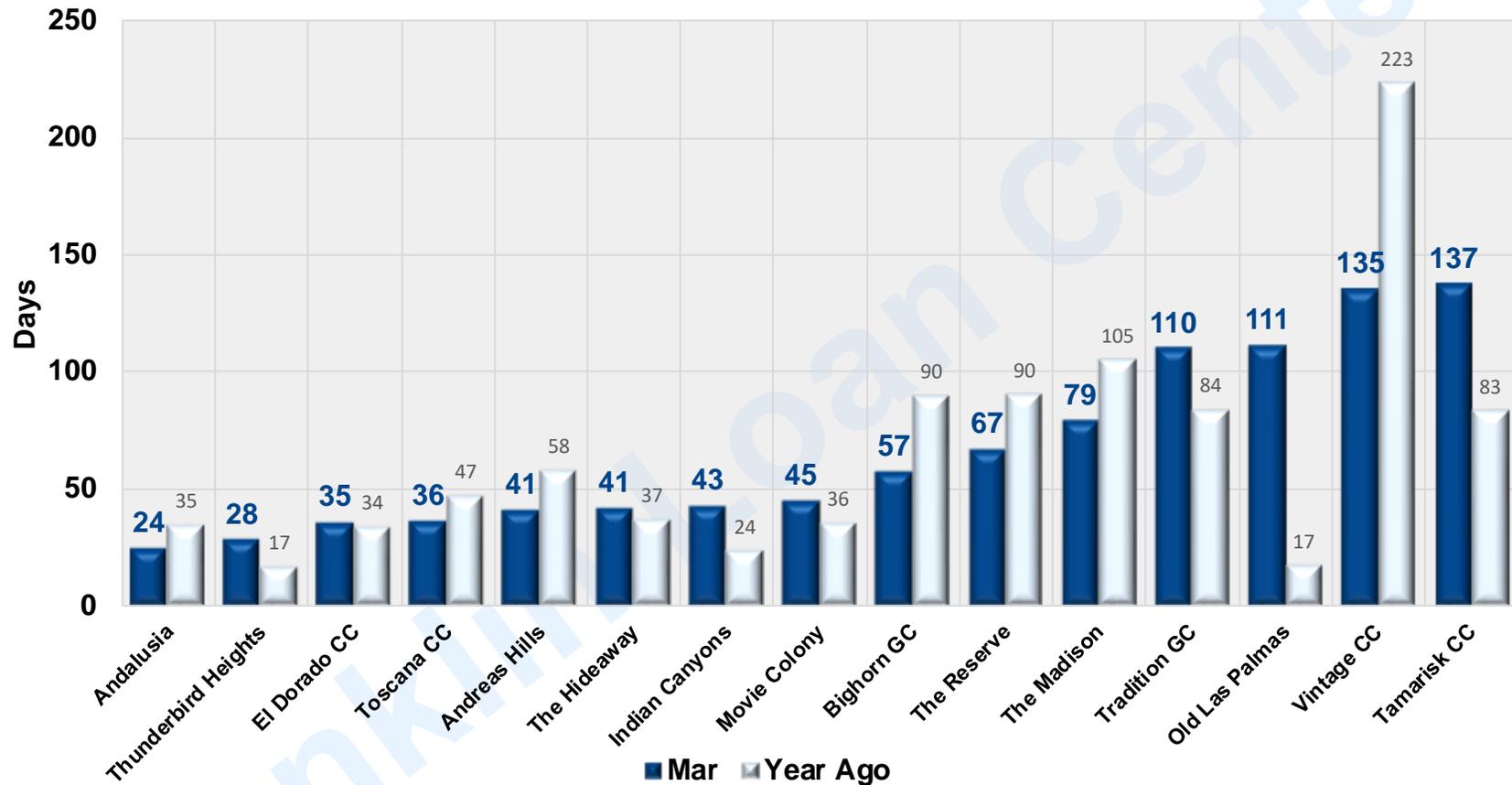
### Average "DIM"

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

# The Coachella Valley Luxury Home Report

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### Average "Days In The Market" by Country Club



### Average "Days in the Market"

This bar chart shows current, average "days in the market" in the 15 luxury 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.

# The Coachella Valley Luxury Home Report

March 2023

## Average Price Premium/Discount Luxury Market 2013 - 2023 (March)



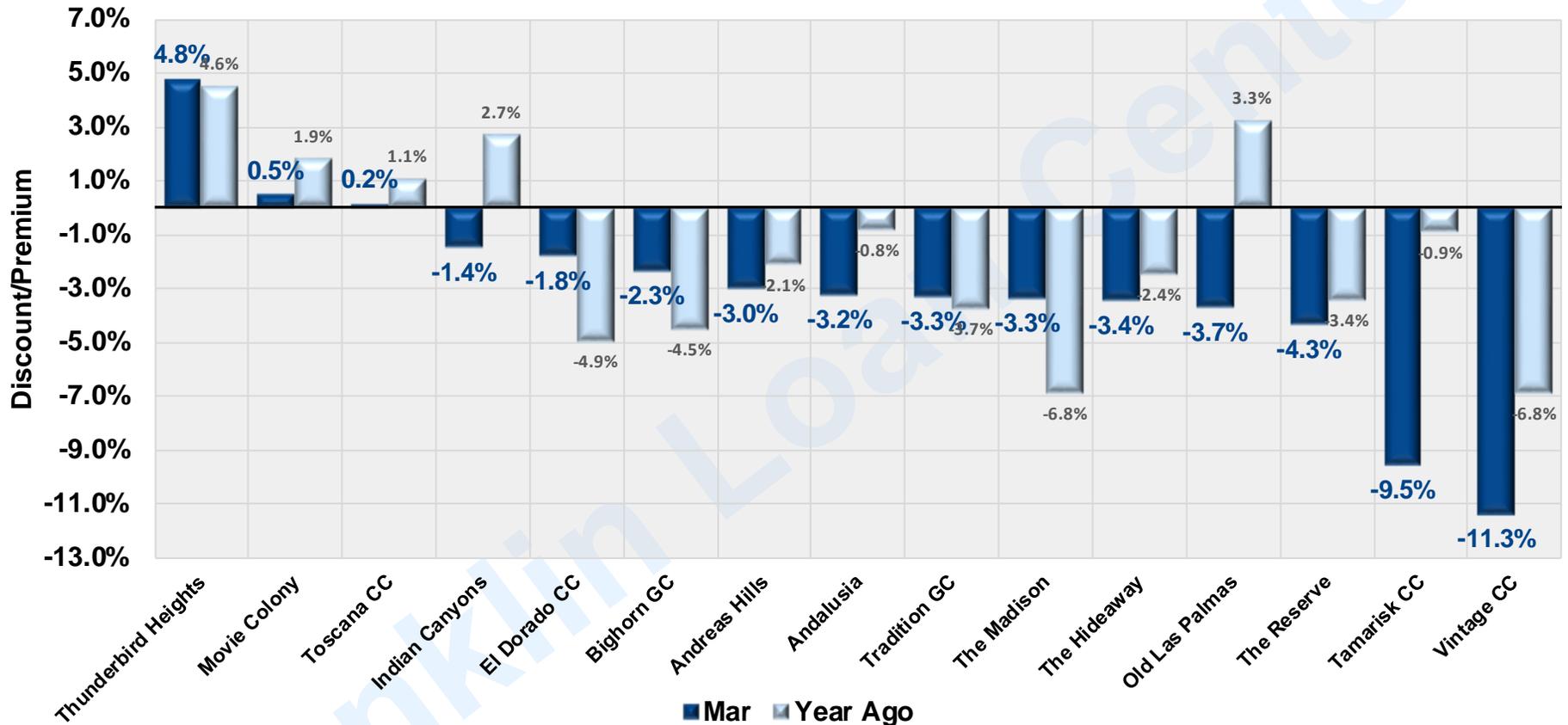
## Average Price Premium/Discount

This 10-year graph plots the average price discount (or premium) of luxury homes in the Coachella Valley. It's calculated from the average discounts (or premiums) of the 15 country clubs. Over three 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 year ago value.

# The Coachella Valley Luxury Home Report

## March 2023

### Average Price Discount/Premium



### Average Price Discount/Premium

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

# The Coachella Valley Luxury Home Report

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### Glossary for the Coachella Valley Luxury Market 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 luxury market 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 usually use three or six months. 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 luxury 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 attached homes we used in the city and regional average home price calculation:

Country Club	sq. ft.	Weighting
Andalusia at CM	3,750	8.6%
Andreas Hills	4,250	4.5%
Bighorn Golf Club	5,250	10.5%
El Dorado Country Club	4,250	5.2%
Indian Canyons	3,000	10.2%
Movie Colony	3,000	4.2%
Old Las Palmas	4,000	5.7%
Tamarisk Country Club	4,000	4.3%
The Hideaway	4,500	12.4%
The Madison	7,250	2.5%
The Reserve	4,250	5.8%
Thunderbird Heights	4,500	3.3%
Toscana Country Club	4,000	11.1%
Tradition Golf Club	5,000	6.7%
Vintage Country Club	5,750	5.1%

## 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).

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

<b>PGA West</b>
Greg Norman (Detached)
Legends (Detached)
Nicklaus Private (Attached)
Nicklaus Private (Detached)
Nicklaus Tournament (Attached)
Nicklaus Tournament (Detached)
Palmer Private (Attached)
Stadium (Attached)

<b>Luxury Golf Clubs &amp; Areas</b>
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

<b>Attached Country Clubs</b>
Chaparral Country Club
Desert Falls Country Club
Indian Ridge
Indian Wells Country Club
Ironwood Country Club
Mesquite Country Club
Mission Hills Country Club
Monterey Country Club
Oasis Country Club
Palm Desert Resort C.C.
Palm Royale
Palm Valley Country Club
Rancho Las Palmas C.C.
Sunrise Country Club
The Lakes Country Club

<b>Detached Country Clubs</b>
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.
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Terra Lago
The Citrus
The Springs Country Club

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