

PALM SPRINGS LIFE  
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**WATCH**  
*SPRING WEBINAR*



*Market Watch LLC in association  
with Housing Demographics, Inc.*

*PRESENT*

WILL THERE  
BE A SURGE  
IN LISTINGS?

2021  
MARKET  
WATCH  
FORECAST  
*For the Nine Cities  
that form the  
Coachella Valley*

*Sponsored by*



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WILL THERE BE A SURGE IN LISTINGS?

SPRING WEBINAR



# TODAY'S WEBINAR

## **The Coming Surge In New Listings**

— Michael J. McDonald, Market Watch LLC

## **How To Attract Clients in an Extreme Seller's Market?**

— Brady Sandahl, Brady Sandahl Group at Keller Williams Luxury Homes

## THE COLLAPSE OF VALLEY INVENTORY

VALLEY HOUSING INVENTORY — April 1st 2016 to April 1st 2021



- Higher Than Normal Sales
- Fewer New Listings Because of COVID (Reluctance To List)

# WILL THERE BE A SURGE IN LISTINGS?

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### Introducing A Region’s NLR?

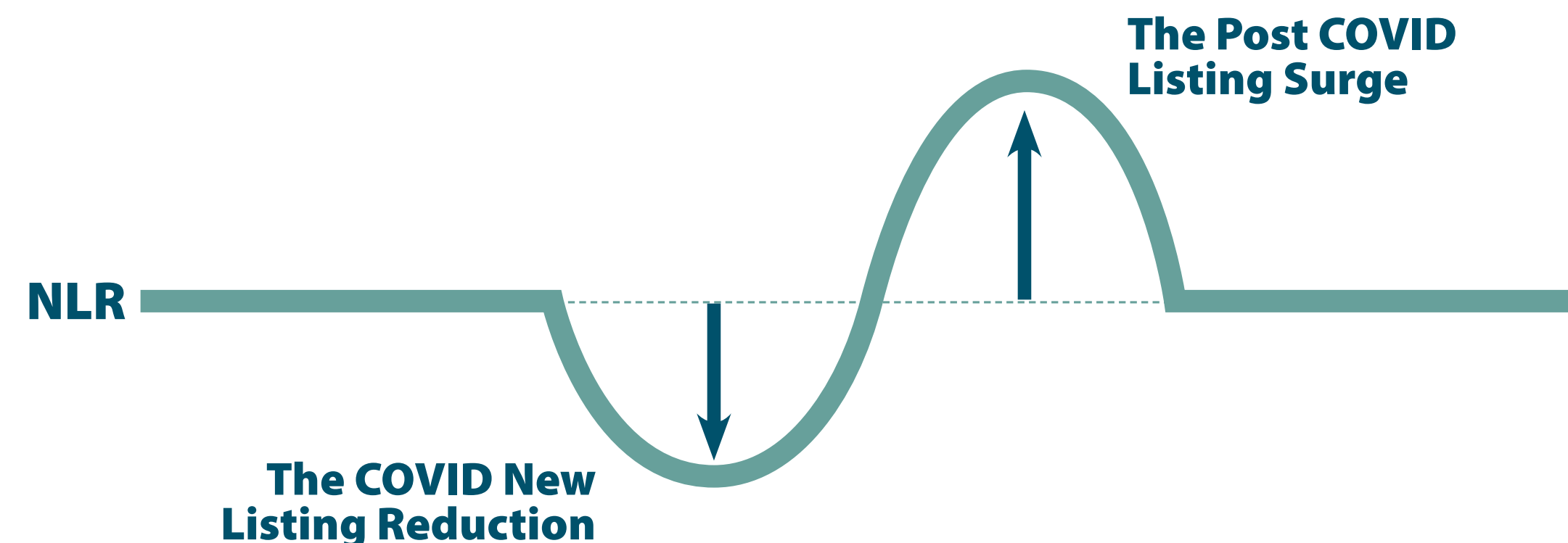
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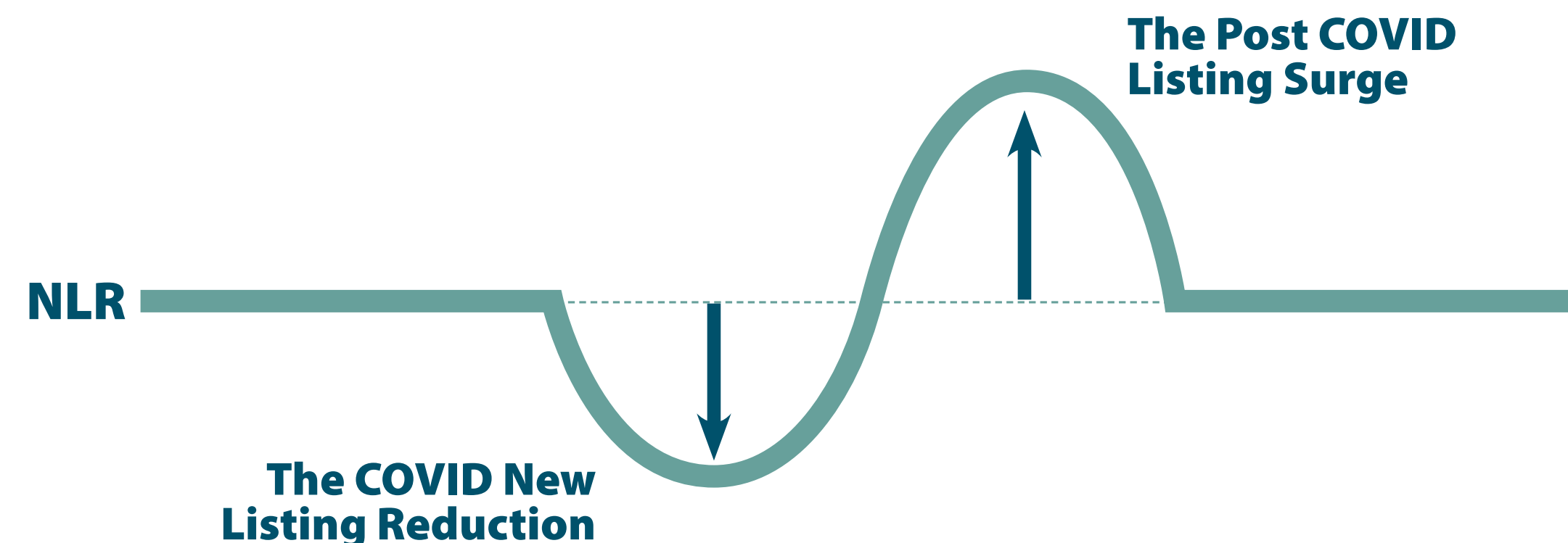
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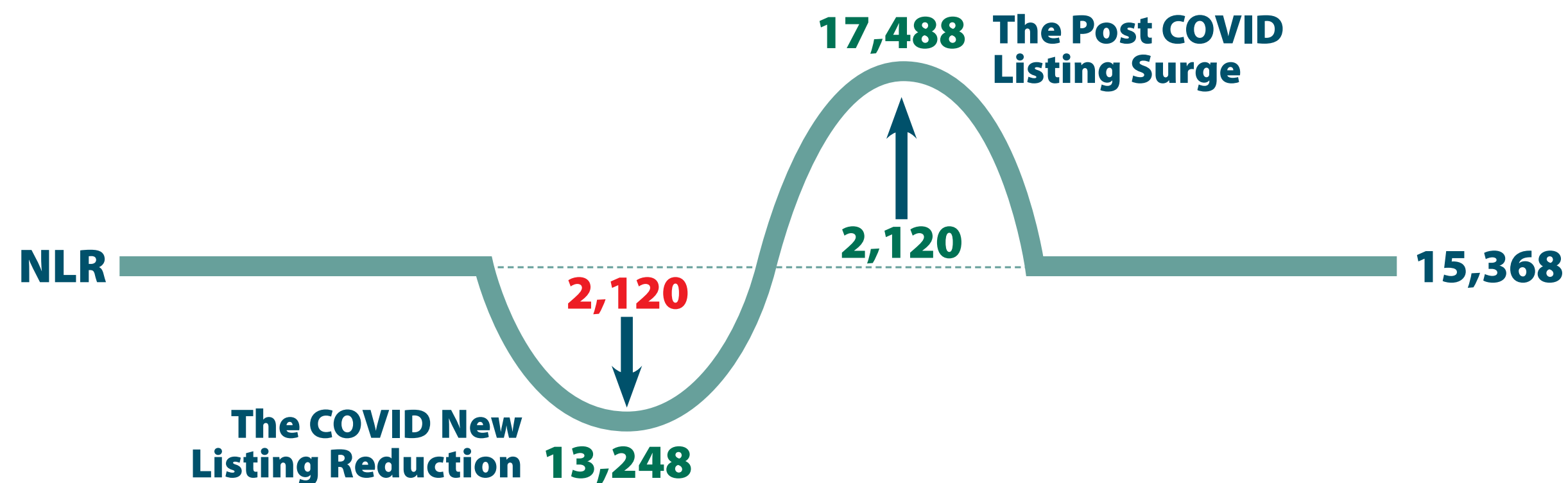
### How Do You Measure the Size of the COVID Listing Reduction and The Potential Surge?



## HOW TO MEASURE THE “NLR” AND “LISTING REDUCTION”

### Yearly New Listings and NLR

REGION	2015	2016	2017	2018	2019	NLR (5 YR AVG)	2020C*	COVID Reduction	% Reduction
LA	90,150	89,040	85,537	88,277	84,220	<b>87,445</b>	80,181	<b>7,264</b>	8.3%
OC	39,363	39,466	37,331	38,689	37,103	<b>38,390</b>	35,537	<b>2,853</b>	7.4%
SD	47,935	48,124	45,548	48,875	46,144	<b>47,325</b>	41,187	<b>6,138</b>	13.0%
CV	15,893	16,030	15,028	14,814	15,075	<b>15,368</b>	13,248	<b>2,120</b>	13.8%



**\*2020C = 3/10/2020 to 3/9/2021**



## ESTIMATING A LISTING SURGE BY CITY

### NLR and COVID Reduction by CITY

\*2020C = 3/10/2020 to 3/9/2021

CITY	2015	2016	2017	2018	2019	NLR (5 YR AVG)	2020C*	COVID Reduction	% Reduction
<b>Palm Springs</b>	3,086	3,241	3,073	3,010	3,000	<b>3,082</b>	2,595	<b>487</b>	23.0%
<b>Palm Desert</b>	3,362	3,359	3,085	2,993	3,136	<b>3,187</b>	2,819	<b>368</b>	17.4%
<b>Indio</b>	2,003	1,977	1,853	1,940	1,969	<b>1,948</b>	1,691	<b>257</b>	12.1%
<b>Desert Hot Springs</b>	940	909	941	916	1,020	<b>945</b>	707	<b>238</b>	11.2%
<b>La Quinta</b>	2,829	2,686	2,525	2,469	2,396	<b>2,581</b>	2,369	<b>212</b>	10.0%
<b>Cathedral City</b>	1,124	1,211	1,189	1,115	1,183	<b>1,164</b>	981	<b>183</b>	8.7%
<b>Rancho Mirage</b>	1,555	1,672	1,517	1,526	1,512	<b>1,556</b>	1,374	<b>182</b>	8.6%
<b>Coachella</b>	329	299	272	278	279	<b>291</b>	193	<b>98</b>	4.6%
<b>Indian Wells</b>	665	676	573	567	580	<b>612</b>	519	<b>93</b>	4.4 %

**2,120**

\*2020C = 3/10/2020 to 3/9/2021

# WILL THERE BE A SURGE IN LISTINGS?

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## THE LARGEST LISTING SURGE WILL BE IN SFR

TYPE	2015	2016	2017	2018	2019	NLR (5 YR AVG)	2020C*	COVID Reduction	% Reduction
SFR	11,190	11,144	10,520	10,507	10,645	10,801	9,068	1,733	78%
CONDOS	4,612	4,737	4,321	4,077	4,225	4,394	3,923	471	22%

**\*2020C = 3/10/2020 to 3/9/2021**

## LISTING SURGE BY HOME SIZE

HOME SIZE	NLR (5 YR AVG)	2020C*	COVID Reduction	% Value of Expected Surge	% of Total \$ Surge
<1,000	975	845	130	\$48,982,633	2.9%
1,000 - 1,500	3,384	2,885	499	\$198,953,535	11.6%
1,000 - 2,000	4,097	3,560	537	\$217,740,653	12.7%
2,000 - 2,500	2,665	2,455	210	\$131,880,962	7.7%
2,500 - 3,000	1,771	1,442	329	\$263,674,188	15.4%
3,000 - 3,500	913	760	153	\$183,303,339	10.7%
>3,500	1,473	1,210	263	\$672,362,728	39.2%
<b>TOTALS</b>	<b>15,277</b>	<b>13,157,</b>	<b>2,120,</b>	<b>\$1,716,898,039</b>	<b>100.0%</b>

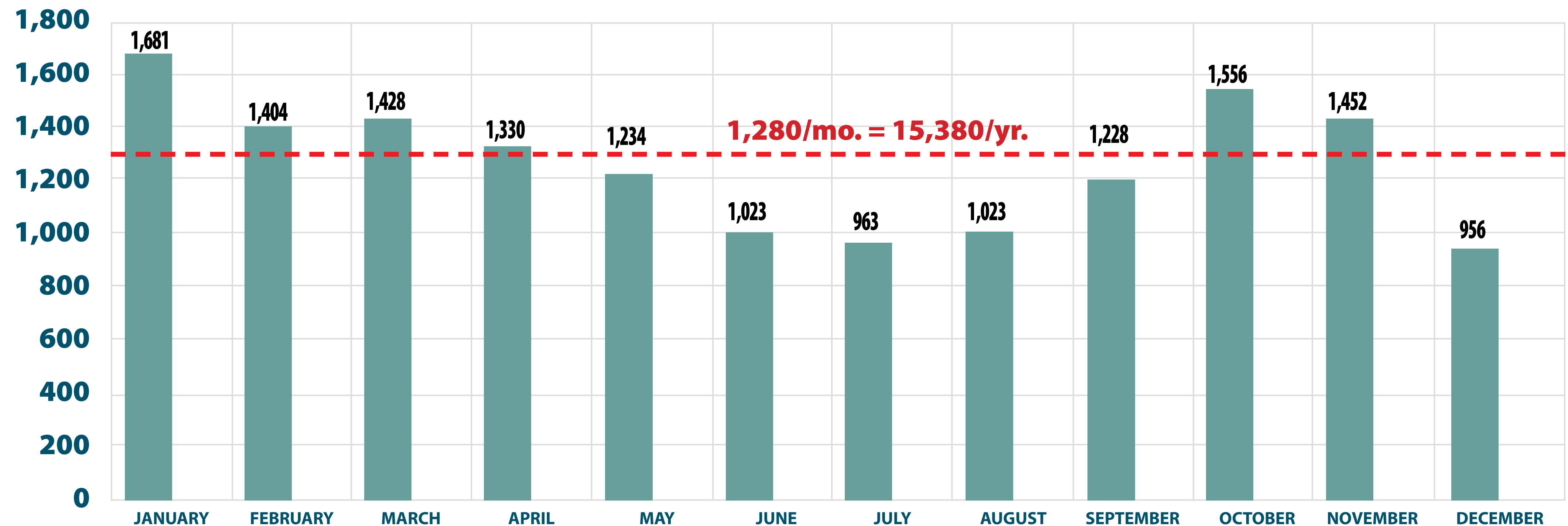
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Average Monthly NLR  
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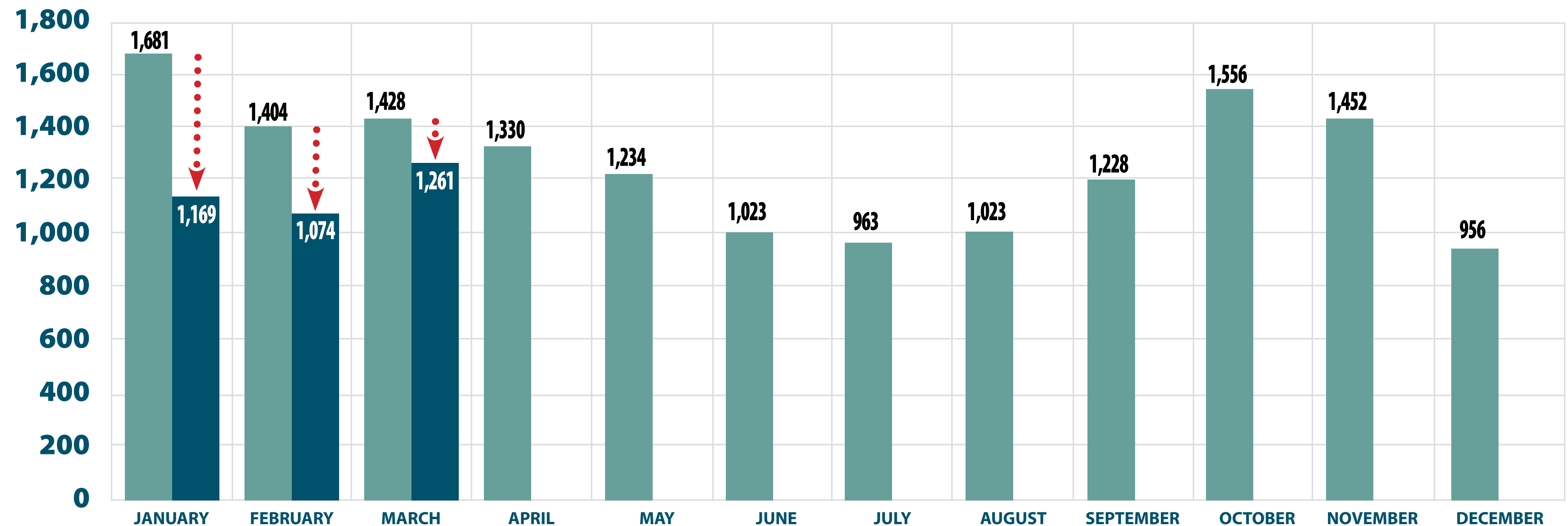
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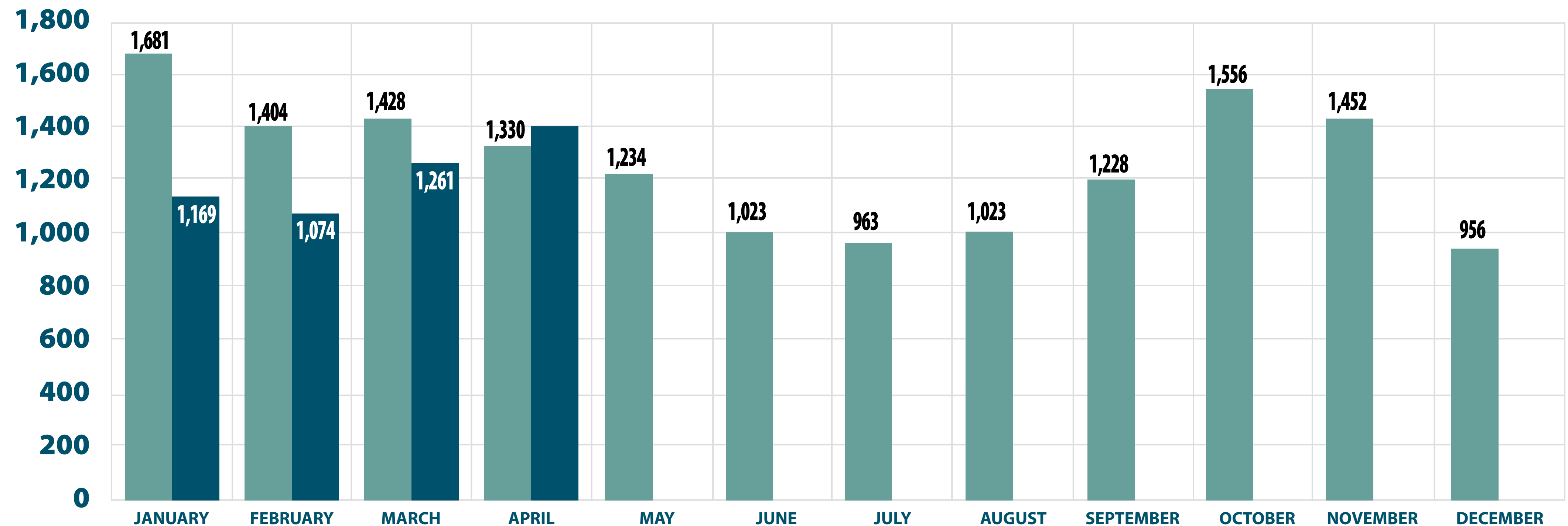
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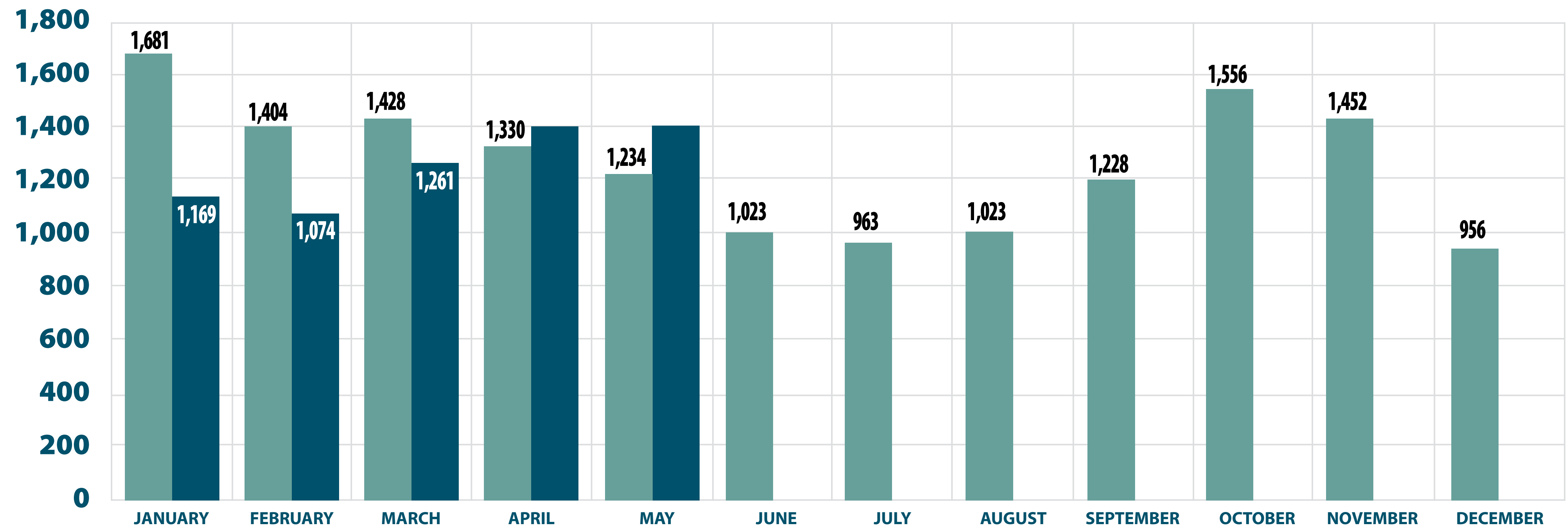




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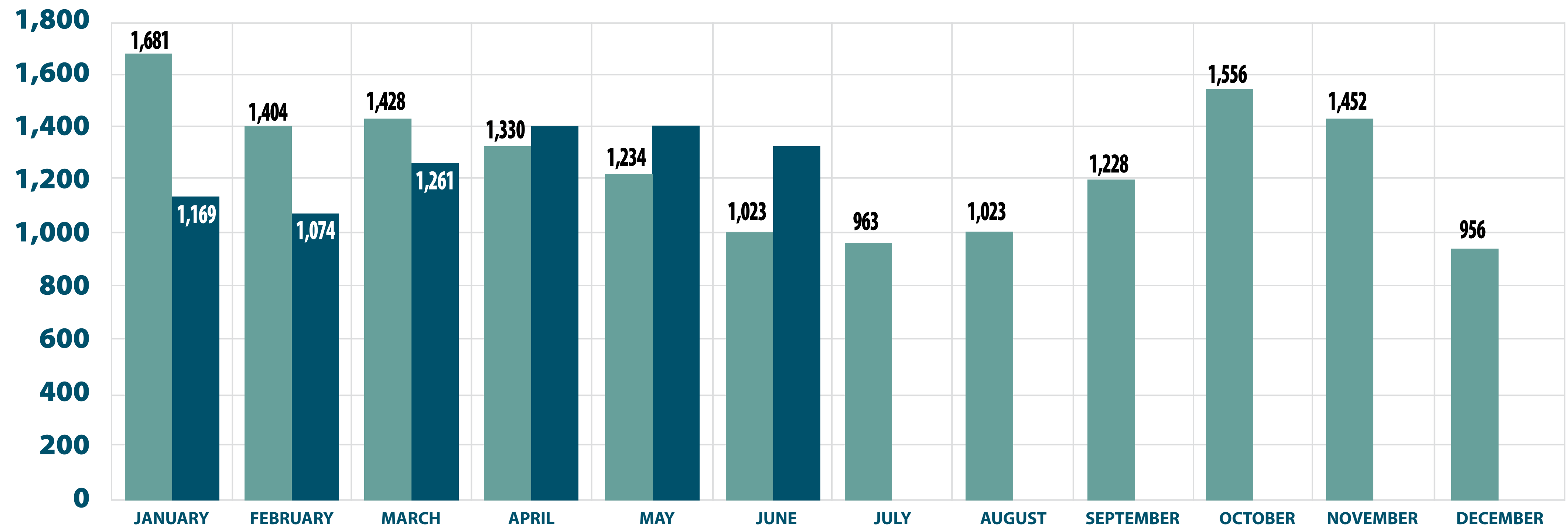
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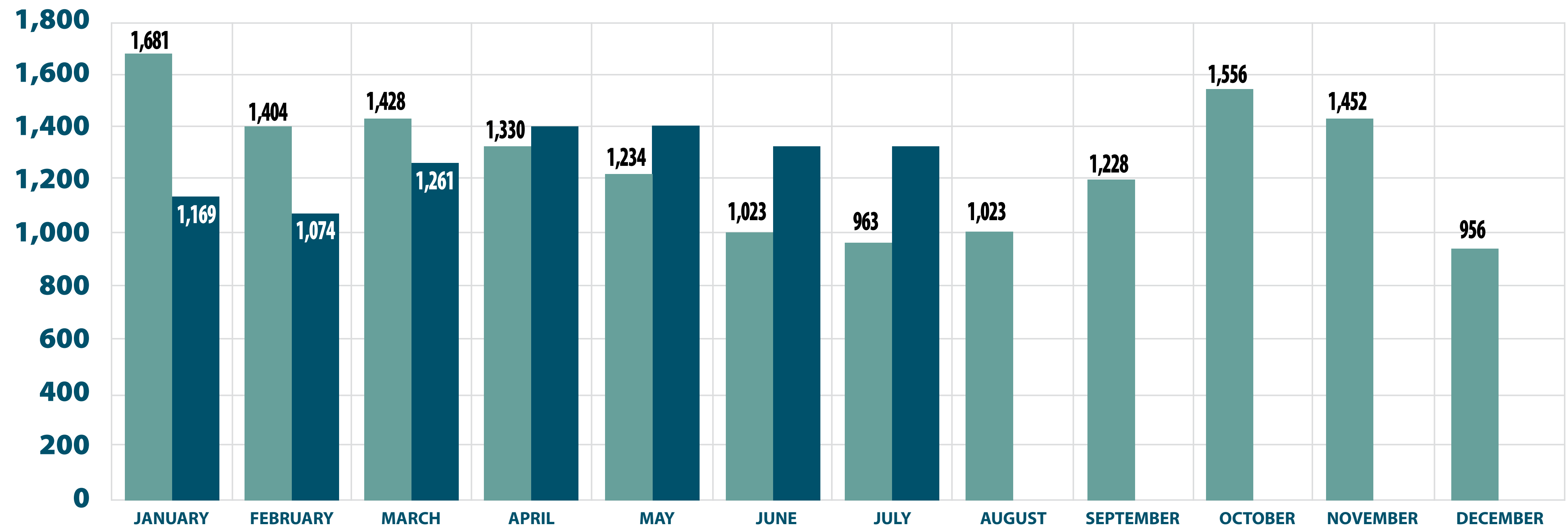
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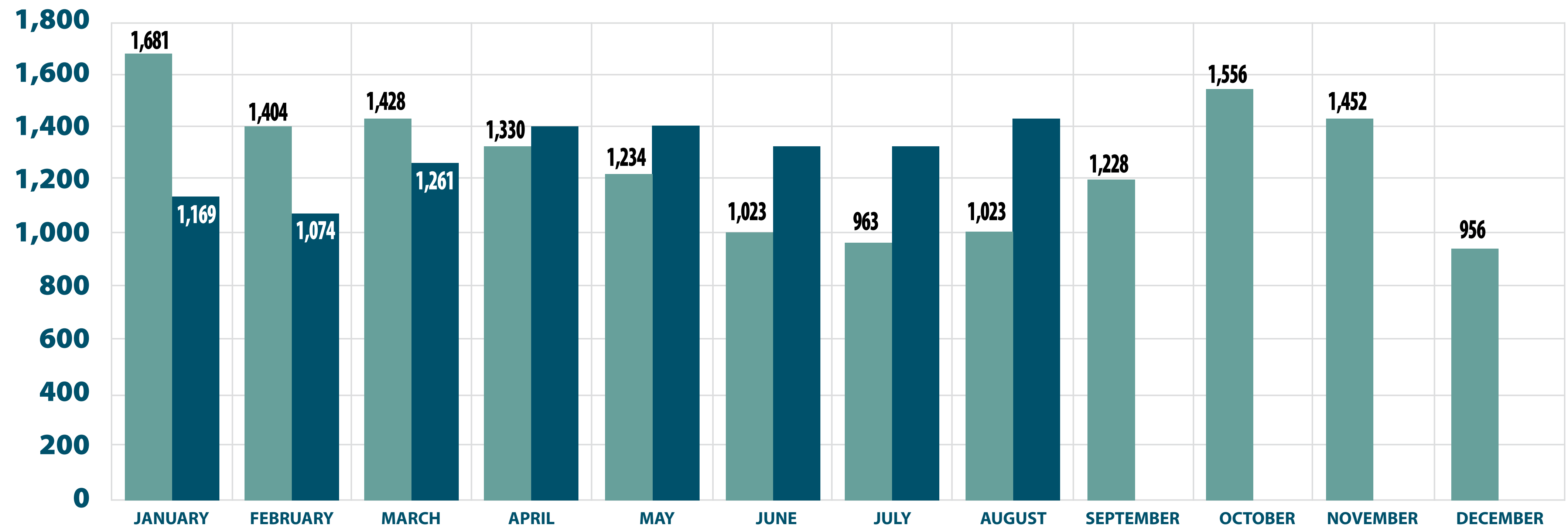




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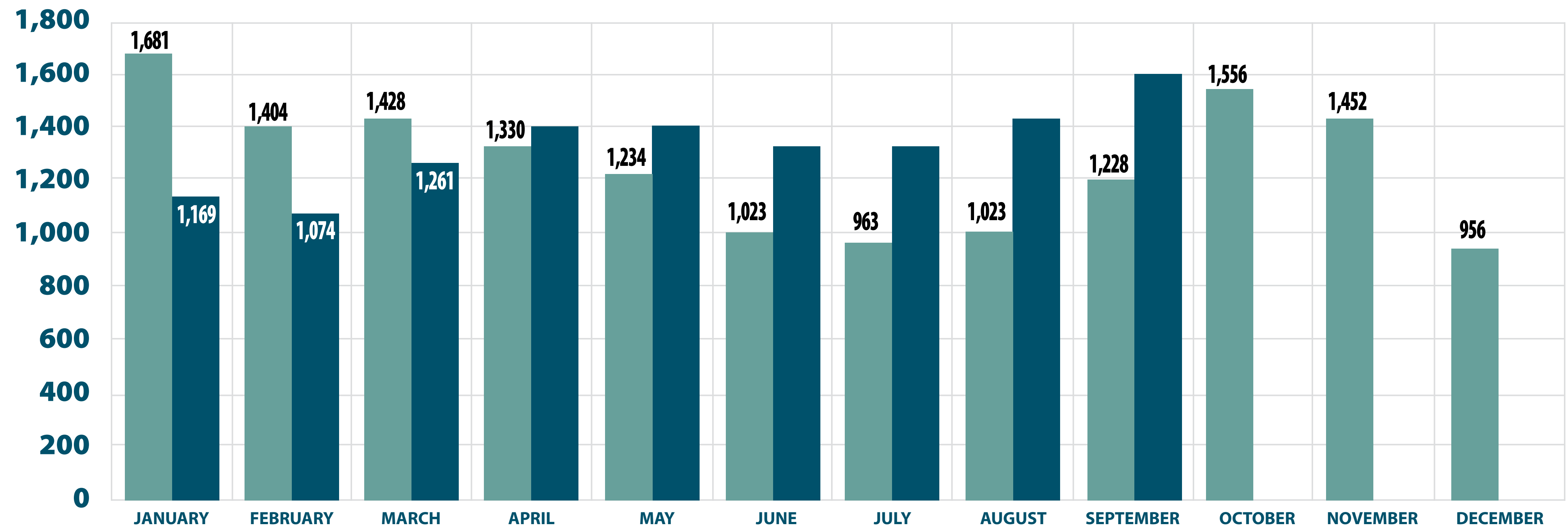
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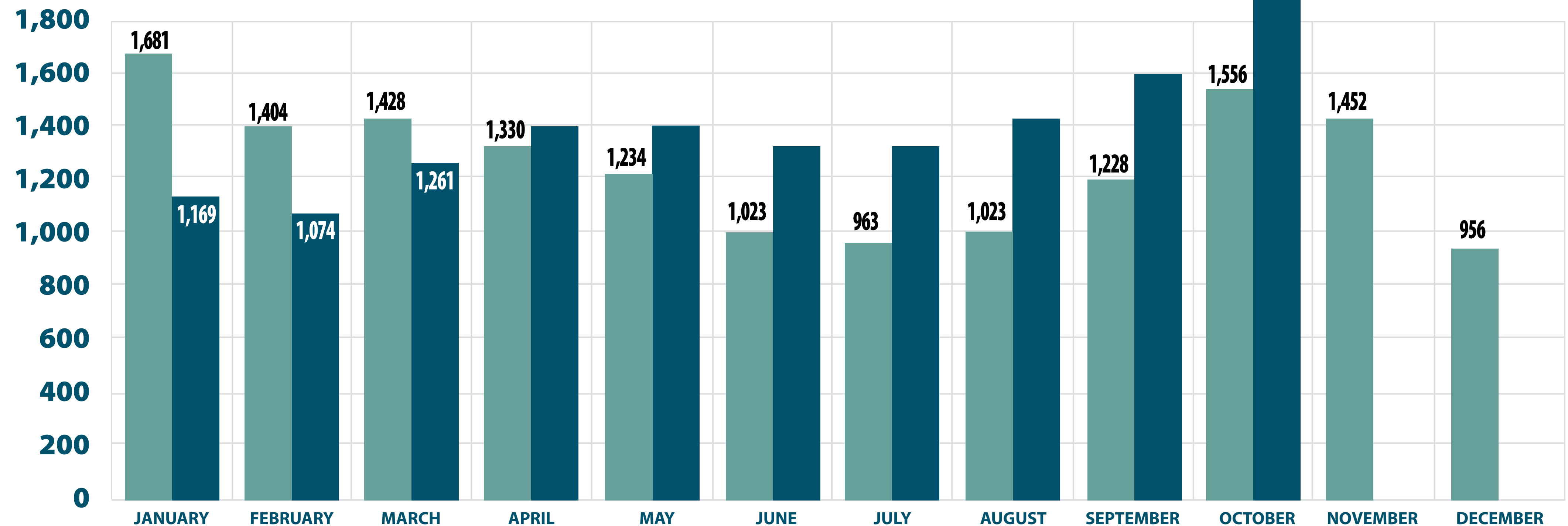
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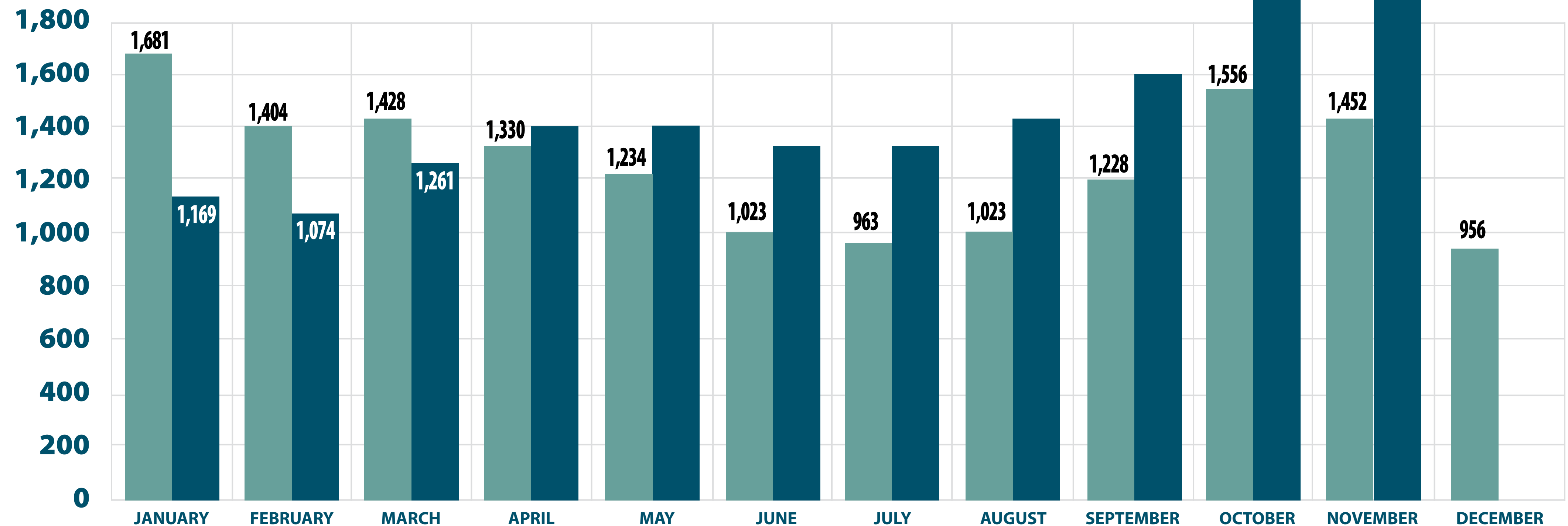




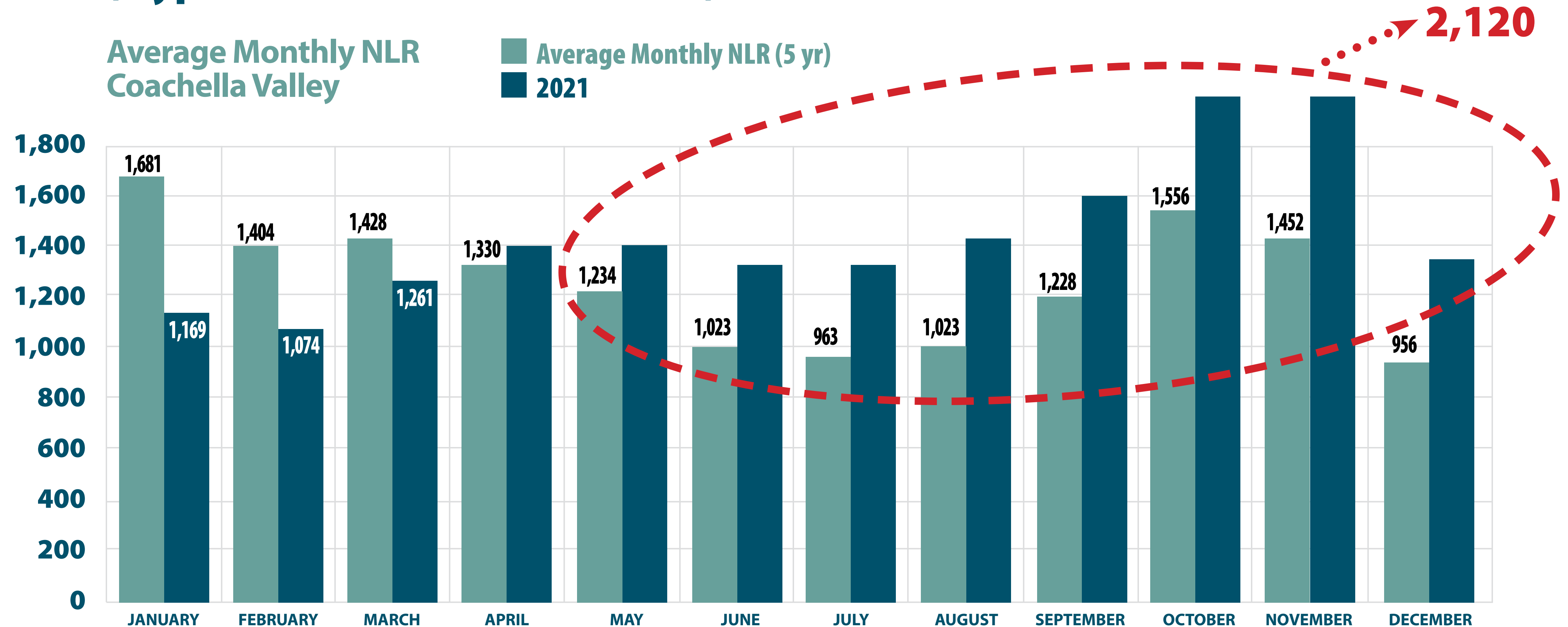
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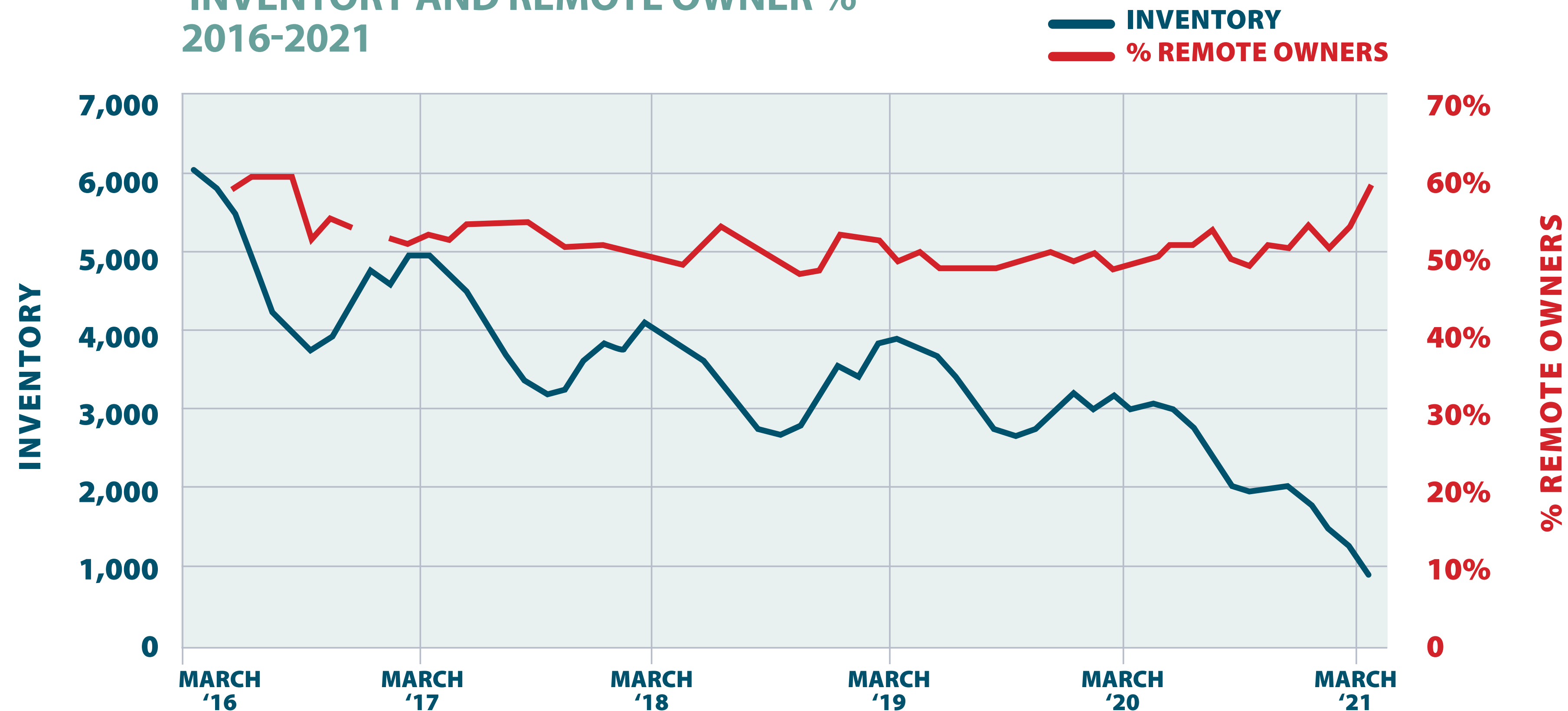


## WHAT A POST COVID LISTING SURGE MIGHT LOOK LIKE (Hypothetical – Not A Forecast)



## SURPRISINGLY, ONLY A SLIGHT INCREASE IN REMOTE OWNER SELLING

INVENTORY AND REMOTE OWNER %  
2016-2021

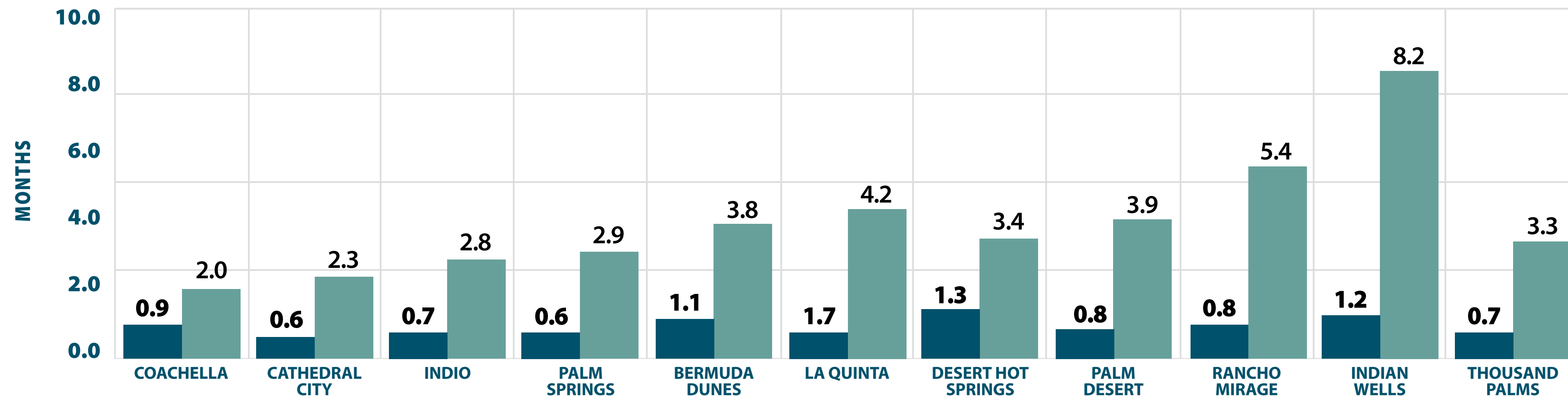


## WHAT WILL A “LISTING SURGE” DO TO THE MARKET?

### “MONTHS OF SALES” BY CITY

City inventory divided by average twelve month sales

April 1st  
Year Ago



- It Will Help Correct The Large Inventory Imbalance
- It Should Not Change the Direction of Home Prices - But Might Slow Them Down
- Market Should Remain A “Sellers Market” – With Just More Choices
- The Chicken or The Egg? With Low Inventory Everywhere, How Does The Surge Start?
- What About The Current High Sales Rate?



# WILL THERE BE A SURGE IN LISTINGS?

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- **We Now Have the Calculation Tools to Monitor A Surge on a Monthly Basis**

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## BRADY SANDAHL

**Brady Sandahl Group  
at Keller Williams Luxury Homes**

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