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(RESIDENTIAL RESALE STATISTICS July 2009)

County continues steady sales, consistent median sales price since May

For the third straight month, Sacramento County records a Single-Family home median sales price of $180,000. After a jump from April to May (7.7%) the figure has remained unchanged. Unlike past years, the current summer season has not shown much of a surge in sales.

There were 1,848 single family home sales in July, a 6% increase from the 1,744 sales of June. Year-to-year, the current figure is 6.6% below the 1,979 sales recorded last July. REO sales decreased 3.5% month-to-month, from 940 in June to 908 this month. REO Sales made up 49% of the total sales while short sales (16.8%) and equity sales (34%) rounded out the remainder of the total sales. Compared with last month, the amount of REO sales has declined (3.5%), while short sales and equity sales have increased (6.9% and 22.8%, respectively).

The median sales price is unchanged month-to-month, keeping the $180,000 figure from both May and June. Compared year-to-year, the current figure is 16.9% below the $216,500 of July 2008. The Total Listing Inventory declined from 5,339 to 5,327, a .6% change. Compared with last year, the Total Listing Inventory has also decreased (32.4%) from 7,880 to the current 5,327 listings. The Housing Market Supply figure dipped 6.5% from 3.1 months in June to the current 2.9 months. Compared with last year, this figure is down 27% from the 3.9 months of inventory in July 2008. This figure represents the amount of time – in months – it would take to deplete the total listing inventory given the current rate of sales. According to MetroList® MLS Data, the average home spent 49.5 days on market (from the time it was listed to the time escrow was opened) and was 1,674 square feet. Of the 1,848 sales this month, 184 (9.9%) had 2 bedrooms or less, 990 (53.5%) contained 3 bedrooms, 529 (28.6%) were 4 bedroom properties and 145 (7.8%) boasted 5+ bedrooms.

Despite flat sales volumes and low prices, “the northern end of the central California valley (Elk Grove & Sacramento) is an area suggesting signs of an earlier recovery than other parts of the country,” states SAR Immediate Past President Alan Wagner. “This area started to show signs of decreasing sales before other areas.” SAR Secretary/Treasurer Doug Covill comments: “every area has its unique trends, but sales should be higher. The low inventory,” continues Covill, “gives buyers fewer options and although many offers are being written, few are being accepted.” This alludes to the so-called “shadow inventory” of vacant homes not yet listed. “Short sales and REOs, often at the lower end of the price spectrum, still dominate the market, bringing the county median price down artificially.” A price breakdown of the single family home sales in July show over half of all sales (56.3%) are below $200,000. “Lenders still view the area as a declining market, resulting in aggressive pricing on short sale and REO properties and increasing the amount of lower-priced inventory,” states Covill. The Sacramento area has seen a recent surge in new home sales, up nearly 40% from the previous quarter, according to the *Sacramento Business Journal*. This accounts for the largest increase of new home sales in two years. A $10,000 tax credit for new homebuyers has likely contributed to this encouraging growth, but applications stopped being accepted after July 2nd. Unless the credit is renewed, this fund will likely be expended in the next few months.

Condominium Resale Market

Sacramento condominium sales remained even with 116 units last month and 117 in July. Compared with last year, sales are down 13.3% from the 135 units sold then. REO properties made up 60.7% (71) of all sales and short sales accounted for 27.4% (32) of the sales. Equity sales represented 12% (14) of the monthly sales. The condominium median sales price decreased 5.3% month to month from $110,750 to $104,900. This current price is down 16.1% from the $125,000 median sales price of July 2008. New condominium escrows stood at 106 for July, down 24.3% from June’s 140 new escrows. The total listing inventory increased for the month, up 5.5% to 519 from the 492 listings in June. Compared with the total closed escrows, the total listing inventory represents 4.4 months of inventory in the local condominium market.

The Sacramento Association of REALTORS® is a professional association representing nearly 5,000 real estate professionals and commercial affiliates doing business in the greater Sacramento metropolitan area. Statistics are derived from the MetroList® MLS database for Sacramento County and the City of West Sacramento.