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(RESIDENTIAL RESALE STATISTICS FOR October 2007)

Closed escrows remain low, but level...

The Sacramento residential resale market showed a slight increase for the month of October, according to data from the Sacramento Association of REALTORS® and MetroList® multiple listing service covering Sacramento County and the City of West Sacramento.

Closed escrows edged up 8.9% to 770 homes compared to 707 homes sold in September. When compared to the same month last year, however, October showed an expected decrease of sales, staying 28.4% below the 1,075 homes sold in October 2006. New escrows increased significantly to 1,221 in October, 34.0% higher than last month's 911.

The median price for a single family home dropped just 4.4%, to \$305,893 this month compared with \$320,000 in September. Sacramento's median home sale price stands 15.0% below the \$360,000 median price of a year ago. New listings in September totaled 3,239, an increase of 19.9% over last month's 2,702. The total listing inventory increased 0.4% from 10,043 in September to 10,088 in October.

"Buyers who purchase a house for the long term nearly always come out ahead. Given the leverage in purchasing a home, the average return on a 5% down payment over 10 years is usually three to five times greater than the stock market return," says 2007 Association President and REALTOR® Tracey Saizan. "When people compare investment returns, they often overlook the power of leverage in the housing market. Selling homes in a slow market requires skill, persistence and patience. Current market challenges mean it is even more important for sellers to use the skills of an experienced, professional REALTOR®."

Leslie Appleton-Young, C.A.R. Chief Economist, presenting the 2008 C.A.R. Economic Forecast, showed decreased median sales prices and home sales across the state. She offered this advice: "Key lessons that REALTORS® have learned from past cycles: First time homebuyers *will* be interested in purchasing a home, and, in the end, the market *will* recover."

The month-end housing market supply figure – the active listing inventory divided by the rate of completed sales – decreased for the month of October, down 7.7% to 13.1 months, compared to 14.2 months in September.

Condominium Resale Market

The condominium market inventory of 847 in October showed a slight decrease of 1.0% when compared with September's 839. New listings published were down 2.7% to 254 in October compared with 261 in September. Closed condominium escrows showed decreased activity in October. The 43 closed escrows in October show an 18.9% decrease compared with 53 closed escrows in September. The median sale price of a Sacramento condominium in October was \$207,000, a figure up 5.1% from the median price of \$237,000 in September. This \$207,000 median price is 9% lower than the \$227,600 median price of October 2006. ■