

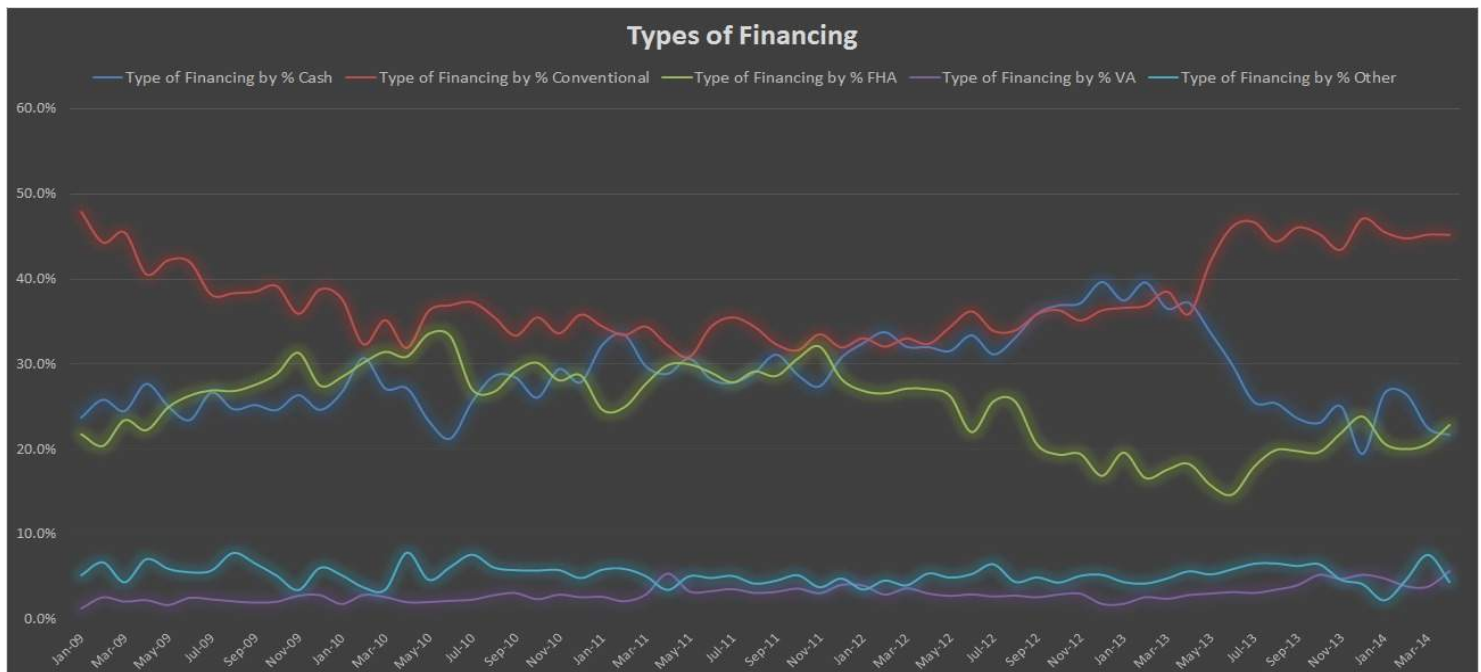
Cash is Not King in Sacramento County- Conventional Financing Dominating the Market

Sacramento, California (May 9, 2014) – Tight inventory and high demand continues to shift financing toward conventional mortgages. Cash sales started declining in May 2013 as conventional financing rebounded. According to data compiled by the Sacramento Association of REALTORS® from MetroList, sales by cash financing led the market in December 2012, accounting for 39.6% of all sales. This same month, conventional financing stood at 36.3% of all sales. Even at the peak of cash financing, it was nearly equal with conventional financing.

Since then, cash sales decreased 45%, making up only 21.7% of all sales in April 2014. Conventional financing sales have increased since May 2013, accounting for at least 42.1% of sales each month. In April 2014, conventional financing sales made up 45.3% of the market. Other types of financing for the month included FHA (22.8%), VA (5.7%), and other (4.4% - includes owner financing, 1031 exchange, etc.).

According to SAR President Paula Swayne “While current housing inventory is tight, buyers need not be overly concerned about recent headlines proclaiming cash is king. Conventional financing is historically the dominant method of purchasing a home, and continues to be the driving force in today’s market.”

The graph below show types of financing since January 2009.



Contact: Caylyn Brown
916-437-1227
cbrown@sacrealtor.org



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